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SENATE

TUESDAY, MARCH 15, 1955

(Legislative day of Thursday, March 10, 1955)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

Eternal God, out of our partial and fragmentary conceptions, knowing that we see as but through a glass darkly, we turn to Thee who dwellest in the effulgence of perfect light. We come with the consciousness that to abide in Thee is to find our own completeness and to stand fast forever. We Thy children on this wandering island in the sky, a speck amid the vastness of space, would look up to Thee in faith and hope for this dedicated moment. We come asking that Thou mightest make real to use the universe within, where Thou hast taught us that the kingdom of heaven is to be found. There lie our fortune and destiny; for there truth may walk in shining garments and goodness grow glorious, and all that is excellent and beautiful, august, unselfish, and of high repute may make our inner lives even as the garden of the Lord. So help us this and every day to live more nearly as we pray. We ask it in the dear Redeemer's name. Amen.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the reading of the Journal of the proceedings of Monday, March 14, 1955, was dispensed with.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Miller, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session,

The PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

COMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. JOHNSON of Texas, and by unanimous consent, the Subcommittee on Constitutional Amendments of the Senate Committee on the Judiciary was authorized to meet until 12 o'clock noon today during the session of the Senate.

Mr. NEELY. Mr. President, I ask unanimous consent that the subcommittee of the Committee on Labor and Public Welfare which is investigating the causes of unemployment in certain industries may hold hearings as frequently as is necessary during the next 3 weeks, while the Senate is in session.

The PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER FOR TRANSACTION OF ROUTINE BUSINESS

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that immediately following the quorum call there may be the customary morning hour for the transaction of routine business, under the usual 2-minute limitation on speeches.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The Secretary will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDENT pro tempore. Without objection, it is so ordered.

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

REPORT ON EXCHANGE STABILIZATION FUND

A letter from the Acting Secretary of the Treasury, transmitting, pursuant to law, a report on the Exchange Stabilization Fund, for the fiscal year ended June 30, 1954 (with an accompanying report); to the Committee on Banking and Currency.

FEES PAYABLE TO THE PATENT OFFICE

A letter from the Secretary of Commerce, transmitting a draft of proposed legislation to fix the fees payable to the Patent Office, and for other purposes (with accompanying papers); to the Committee on the Judiciary.

OPERATION AND MAINTENANCE OF CERTAIN FLOOD-CONTROL PROJECTS BY LOCAL INTERESTS

A letter from the Secretary of the Army, transmitting a draft of proposed legislation to provide for the operation and maintenance of certain flood-control projects by local interests (with an accompanying paper); to the Committee on Public Works.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the PRESIDENT pro tempore:

Two joint resolutions of the legislature of the State of Nevada; to the Committee on Appropriations:

"Assembly Joint Resolution 9

"Joint resolution memorializing Congress to adopt a program and appropriate funds for a loan fund for the benefit of university students who are engaged in carrying out the universal military training program

"Whereas in pursuance of the universal military training program, it will be necessary to provide financial assistance to needy students who are endeavoring to complete the training necessary to prepare them to become efficient members of a protective military and naval force; and

"Whereas many of our youth who would aspire to complete the requisites of university training which are an integral part of the universal military training program would be unable to realize their aspirations because of financial need: Now, therefore, be it

"*Resolved by the Assembly and Senate of the State of Nevada (jointly)*, That the Congress of the United States be, and it hereby is, memorialized to enact legislation immediately which would provide funds and an adequate administration for a university Federal loan fund which would make available loans in the sum of $2,000 each for those engaged in the universal military training program who have entered a university and who are in need of financial aid. The loan should be made at the interest rate of 2 percent, payable in 20 equal annual installments, payment being made in the borrower's regular, annual Federal income tax return; and be it further

"*Resolved*, That duly certified copies of this resolution be transmitted by the secretary of state of the State of Nevada to the President of the Senate of the United States of America; the Speaker of the House of Representatives of the United States of America; each of the United States Senators from the State of Nevada; and the Member of Congress from the State of Nevada."

"Assembly Joint Resolution 19

"Joint resolution memorializing Congress to appropriate funds for the completion of advance planning of and for the construction of the Pine and the Mathews flood control dams in Lincoln County, Nev.

"Whereas the grave necessity having been recognized, there has been in the planning stage since 1940 the construction by the Federal Government of two flood control dams in Lincoln County, Nev; and

"Whereas the construction of these two dams, one to be constructed in Pine Canyon in Lincoln County, Nev., and the other to be constructed in Mathews Canyon in Lincoln County, Nev., can no longer be delayed without seriously endangering life and property in the areas surrounding the proposed dam sites; and

"Whereas the construction of these two dams was authorized by the Flood Control Act of 1950 and advanced planning commenced, but the planning and construction was delayed and postponed by the Korean war; and

"Whereas your resolutionists affirm that at the time of this joint resolution there is imminent danger of flood damage from waters gathered in the Pine and Mathews watersheds; and

"Whereas the legislature of the State of Nevada has been urged by many citizens and civic groups in the area concerned to memorialize the Congress of the United States to take affirmative action toward the completion of these two flood control projects: Now, therefore, be it

"*Resolved by the Assembly and Senate of the State of Nevada (jointly)*, That the Congress of the United States be, and it hereby is, memorialized by the legislature of the State of Nevada to appropriate funds and take other proper action necessary for completion of advance planning and for the construction of flood control dams in Pine Canyon and Mathews Canyon, Lincoln County, Nev.; and be it further

"*Resolved*, That a duly certified copy of this resolution be transmitted by the secretary of state of the State of Nevada to the Speaker of the House of Representatives, the President pro tempore of the Senate, and to the United States Senators and Congressman from the State of Nevada."

A joint resolution of the Legislature of the State of Nevada; to the Committee on Finance:

"Assembly Joint Resolution 31

"Joint resolution memorializing the Congress of the United States to allow the 1934 Trade Agreements Act to expire on June 12, 1955, so that the regulation of foreign trade and the laying of tariffs and import fees will immediately vest in Congress as the Constitution requires and thereby stop the lowering of the American standard of living by the importation of foreign-made goods

"Whereas the Legislature of the State of Nevada is aware of the fact that the selective so-called free-trade policy, adopted by the State Department of the United States under the provisions of the Trade Agreements Act of 1934, is lowering the American living standard through the lowering of wages and is causing unemployment and a subsequent decline of the demand for minerals, agricultural products and other commodities produced in the State of Nevada; and

"Whereas the indiscriminate lowering of import fees and tariffs, without regard to the differential between the costs of production due largely to the difference in living standards of this Nation and foreign competitive nations, has a demoralizing effect on the mining and agricultural markets of this country and thereby causes unemployment and loss of labor; and

"Whereas the State of Nevada is in a particularly vulnerable position in attempting to compete with foreign sweatshop labor because the products produced in Nevada, such as livestock, wool, tungsten, lead, zinc, copper, magnesite, chemicals, manganese, mercury, silicon and many others, are readily importable at a lower cost from sources outside of this country under the so-called reciprocal trade act, all to the great detriment and economic hardship of this State; and

"Whereas many mining companies in the State of Nevada are practically shut down and almost all of the zinc miners are out of work and the cattle industry is being endangered because our ranchers cannot compete with the importation of hides, beef, or live cattle from Argentina or Mexico; and

"Whereas the haphazard lowering of the floor under wages and investments represented by the tariffs and import fees destroys American workingmen and shifts their jobs to foreign soil; and, as a result, many of our mines, mills, and factories have been closed and our farm production saved only by subsidies; and

"Whereas those industries which depend upon the power of Hoover Dam and Davis Dam are in danger because similar products are being imported at a price less than production costs in this State; and

"Whereas the Nevada wool industry has found it impossible to compete with the importation of wool from Australia, New Zealand and elsewhere; and, for the first time, the wool industry of Nevada is only being saved from destruction by the use of subsidies; and

"Whereas it is essential to the protection of the American standard of living that world trade should only be on the basis of fair and reasonable competition and based on the principle that foreign products produced by underpaid labor should not be admitted to this country on terms which endanger the living standard of our workers, farmers, and miners; and

"Whereas article I, section 8 of the Constitution of the United States requires that Congress should lay duties, imposts, and excises and regulate foreign commerce, but the Congress of the United States has abrogated its constitutional duties by virtue of the Trade Agreements Act of 1934 by transferring the duty of fixing tariffs to the executive department of the Government which has, in turn, carried out policies inconsistent with the welfare of American agriculture, industry, and commerce; and

"Whereas the free-trade policies fostered by the State Department under the 1934 Trade Agreements Act have resulted in our dependence upon foreign nations across one or both major oceans for many of the materials and minerals which we would need to fight a war and to prepare our own defense and thus stifled the initiative to explore, develop and produce such needed materials in our own country; and after having become dependent on foreign sources for critical materials the foreign countries have been able to cause us great embarrassment by manipulation of export permits and fees so that we must bow to their demands and submit to international blackmail; and

"Whereas the United States has in the last several decades only been able to prosper because of war or the threat of war and under this cover of war the industrially inexperienced State Department has been wrecking the national economy by the simple expedient of tampering with tariff or import fees so as to open the door to foreign commodities, which in turn prevents the flow of venture capital into the business stream of the Nation even in time of emergency since investors know that when the emergency is over their investment will be destroyed through foreign sweatshop labor competition; and

"Whereas it is mandatory to the future economical growth and development of this country, and Nevada in particular, that the 1934 Trade Agreements Act be allowed to expire on June 12, 1955, so that Congress can immediately recover its constitutional responsibility to regulate foreign trade through the adjustment of tariffs and import fees, and with such an expiration of the act the so-called trade agreements already made and in effect will in no way be affected but will continue in effect for their full terms: Now, therefore, be it

"*Resolved by the Assembly and Senate of the State of Nevada (jointly)*, That the Legislature of the State of Nevada most respectfully memorializes the Congress of the United States to stop the dreadful deterrent to American economic well-being and the lowering of our standard of living and that it return to its traditional and constitutional method of fixing tariffs based on the principle of protecting American industry, agriculture and commerce by allowing the 1934 Trade Agreements Act to expire by its own force and limitation on June 12, 1955; and be it further

"*Resolved*, That until the expiration of the agreement, the Department of State should exercise its powers in fixing tariffs only in accordance with the traditional principles of American policy as set forth in this resolution until such time as the responsibility for regulating foreign commerce be vested where it belongs, in the Congress of the United States; and be it further

"*Resolved*, That the Congress of the United States after June 12, 1955, should set up a flexible import fee which would be based upon fair and reasonable competition administered by a reorganized and experienced tariff commission functioning much in the same manner as the long-established Interstate Commerce Commission so that the market for foreign goods in this country would be based on a fair and reasonable competition with our own agricultural, industrial and mining production; and be it further

"*Resolved*, That copies of this resolution, duly certified by the secretary of state of the State of Nevada, be promptly transmitted by him to the President and Vice President of the United States, the Speaker of the House of Representatives, the President pro tempore of the Senate, and the Secretary of State and the Secretary of Commerce, and to the United States Senators and Congressman from Nevada."

Two joint resolutions of the Legislature of the State of Nevada; to the Committee on Interior and Insular Affairs:

"Senate Joint Resolution 6

"Joint resolution memorializing the Congress of the United States to enact legislation to encourage local and State development of small irrigation and reclamation projects

"Whereas during the sessions of the 83d Congress of the United States, proposed legislation was introduced to authorize the Secretary of the Interior to participate with water users' organizations or other public bodies organized under State law, in the construction of water resource development projects for irrigation and reclamation; and

"Whereas such proposed legislation contained provisions that project plans should be submitted to the Secretary of the Interior by such organizations, showing allocated costs of various units of the project, and if approved by the Secretary of the Interior and the governor of the State, or his agent, the Secretary of the Interior, subject to certain provisions specified in the bills, could contribute funds equal to the allocation for nonreimbursable functions under reclamation law; and

"Whereas by such proposed legislation, the Secretary of the Interior was to be authorized to make loans with a maximum repayment term of 40 years to such local groups for work on reclamation projects; and

"Whereas the 83d Congress of the United States failed to enact into law any bill of this type giving relief and assistance to small irrigation and reclamation projects to accomplish the reclamation of arid and semiarid lands: Now, therefore, be it

"*Resolved by the Senate and Assembly of the State of Nevada, jointly*, That the Congress of the United States, now assembled in Washington, D. C., enact into law pro-

visions to supplement the Federal reclamation laws, as recommended by the National Reclamation Association, and incorporated in the small-projects bills, which apply in the 17 Western States, and particularly in the State of Nevada, to accomplish the reclamation of arid and semiarid lands, permitting States and their agencies, including interstate bodies, to undertake the construction, operation, and maintenance of projects to supply water for irrigation and municipal purposes, to drain lands in connection with irrigation, and to generate or furnish pumping power, all in cooperation with the Secretary of Interior in connection with the financing of such project works when national benefits from functions considered nonreimbursable under reclamation law will result therefrom; and be it further

"*Resolved*, That duly certified copies of this resolution be transmitted by the secretary of state of the State of Nevada to the Speaker of the House of Representatives, the President pro tempore of the Senate, the Secretary of the Interior, and to our United States Senators and the Congressman from the State of Nevada."

"Assembly Joint Resolution 18

"Joint resolution memorializing Congress and the Department of the Interior to give attention to the development of Lehman Caves National Monument and to take such action as is deemed necessary to bring this national monument to the standard of other national monuments

"Whereas Lehman Caves, in the eastern part of the State of Nevada, are widely recognized in speleological and other scientific circles as one of the most interesting and exceptional limestone caverns in the entire world, having unequaled flowstone decorations of exceeding profusion and variety, and limestone formations of unique and exquisite design; and

"Whereas this magnificent natural wonder was purchased with public funds of the county of White Pine, State of Nevada, and presented to the Federal Government in the trust and understanding that under its patronage the caves would be protected, developed, and administered as a national monument, accessible to the people of our Nation for their education and enjoyment; and

"Whereas Lehman Caves National Monument is the only national monument in the State of Nevada; and

"Whereas the number of visitors to Lehman Caves National Monument, coming from every State and from throughout the world, has increased beyond the ability of present personnel and facilities to accommodate them in a manner conducive to a maximum enjoyment of the monument's attractions: Now, therefore, be it

"*Resolved by the Assembly and Senate of the State of Nevada, jointly*, That the Congress of the United States and the Department of the Interior be, and are, memorialized by this legislature to expedite, in such a manner as they may deem proper, the development of the Lehman Caves National Monument by the appropriation of funds, the assignment of additional personnel, and a general expansion of the facilities of the monument, so that the rapidly increasing numbers of visitors may be accommodated in an adequate way and in accordance with the standards expected in a unit of the national park system of the United States; and be it further

"*Resolved*, That a duly certified copy of this resolution be transmitted by the secretary of state of the State of Nevada to the Speaker of the House of Representatives, the President pro tempore of the Senate, the Secretary of the Interior, and to the United States Senators and Congressman from the State of Nevada."

A resolution of the Legislature of the State of Nebraska; to the Committee on Appropriations:

"Legislative Resolution 13

"Whereas the economy of the State of Nebraska is dependent primarily on the production of food and fiber products from its lands; and

"Whereas Nebraska is blessed with the priceless asset of an abundant underground water supply in much of its area; and

"Whereas the productivity of much of Nebraska has already been materially increased by means of pump irrigation and rural electrification; and

"Whereas the United States Bureau of Reclamation has recently initiated a special rate for electric power used for irrigation pumping, by which large quantities of surplus power available during the summer months from the Missouri River Basin project can be put to beneficial use for irrigation and reclamation purposes; and

"Whereas there is 30,000 kilowatts of firm power allocated to Nebraska for 1956, and additional blocks of firm power will also become available in subsequent years, as the other power developments on the Missouri River are completed; and

"Whereas there is and will be a need of such additional amounts of firm electric power in Nebraska in 1956 and subsequent years for defense purposes and for rapidly increasing electrical requirements for farms and ranches, agricultural processing, and homes; and

"Whereas to effect delivery of such low-cost power from the hydroelectric plants on the Missouri River to areas of Nebraska where it can be most effectively used requires the construction of a 230,000-volt transmission line capable of carrying some 150,000 kilowatts of power from the Fort Randall hydroelectric power plant to the vicinity of Grand Island, Nebr.; and

"Whereas the United States Bureau of Reclamation has built many similar transmission lines in other States in the Missouri Basin; and

"Whereas the members of the Nebraska Legislature being interested in all programs which further expand the economy of the State, are vitally interested in the development of additional pump irrigation as well as its agricultural production and processing throughout the State: Now, therefore, be it

"*Resolved by the members of the Nebraska Legislature in 67th session assembled:*

"1. That the 84th Congress of the United States be memorialized to provide appropriations for the construction of the 230,000-volt transmission line from Fort Randall to Grand Island in such amounts as may be necessary to complete construction of such line in 1956.

"2. That copies of this resolution suitably engrossed, be transmitted by the clerk of the legislature to the Vice President of the United States as presiding officer of the Senate of the United States, to the Speaker of the House of Representatives of the United States, and to each Member from Nebraska in the Congress of the United States."

A joint resolution of the Legislature of the State of South Dakota; to the Committee on the Judiciary.

"Senate Joint Resolution 5

"An application to the Congress of the United States pursuant to article V of the Constitution of the United States for a convention for proposing an amendment to the Constitution of the United States

"*Resolved by the Senate of the State of South Dakota (the House of Representatives concurring)*, That the Legislature of the State of South Dakota, pursuant to article V of the Constitution of the United States, hereby makes application to the Congress of the United States to call a convention for proposing the following article as an amendment to the Constitution of the United States in lieu of article V:

"'ARTICLE —

"'SECTION 1. The Congress, whenever two-thirds of both Houses shall deem it necessary, shall propose amendments to this Constitution, or on the application of the legislatures of two-thirds of the several States shall call a convention for proposing amendments; or the legislature of any State, whenever two-thirds of each house shall deem it necessary, may propose amendments to this Constitution by transmitting to the Secretary of State of the United States and to the secretary of state of each of the several States a certified copy of the resolution proposing the amendment, which shall be deemed submitted to the several States for ratification when certified copies of resolutions of the legislatures of any 12 of the several States by two-thirds of each house shall have been so transmitted concurring in the proposal of such amendment; which, in any case, shall be valid to all intents and purposes as part of this Constitution when ratified by the legislatures of three-fourths of the several States: *Provided*, That no State, without its consent, shall be deprived of its equal suffrage in the Senate.

"'SEC. 2. The act of proposal, concurrence in a proposal, or ratification of an amendment, shall not be revocable.

"'SEC. 3. A proposal of an amendment by a State shall be inoperative unless it shall have been so concurred in within 7 years from the date of the proposal. A proposed amendment shall be inoperative unless it shall have been so ratified within 15 years from the date of its submission, or shorter period as may be prescribed in the resolution proposing the amendment.

"'SEC. 4. Controversies respecting the validity of an amendment shall be justiciable and shall be determined by the exercise of the judicial power of the United States';

"*Resolved further*, That such amendment shall be valid to all intents and purposes as part of the Constitution of the United States when ratified by the legislatures of three-fourths of the several States;

"*Resolved further*, That as the power of the sovereign States to propose amendments to the Constitution of the United States by convention under article V has never been exercised and no precedent exists for the calling or holding of such convention, the State of South Dakota hereby declares the following basic principles with respect thereto: That the power of the sovereign States to amend the Constitution of the United States under article V is absolute; that the power of the sovereign States to propose amendments to the Constitution by convention under article V is absolute; that the power of the sovereign States extends over such convention and the scope and control thereof and that it is within their sovereign power to prescribe whether such convention shall be general or shall be limited to the proposal of a specified amendment or of amendments in a specified field; that the exercise by the sovereign States of their power to require the calling of such convention contemplates that the applications of the several States for such convention shall prescribe the scope thereof and the essential provisions for holding the same; that the scope of such convention and the provisions for holding the same are established in and by the applications therefor by the legislatures of the two-thirds majority of the several States required by article V to call the same, and that it is the duty of the Congress to call such convention in conformity therewith; that such convention is without power to transcend, and the delegates to such convention are without power to act except within, the limitations and provisions so prescribed;

"*Resolved further*, That such convention shall be called and held in conformity with the following limitations and provisions, and that the Congress, in the call for such convention, hereby is requested to and shall prescribe:

"(1) That such convention shall be held in the city of Philadelphia, in the State of Pennsylvania, on the first Monday of the first December following transmission to the Senate and the House of Representatives of the Congress of the United States of applications for such convention by the legislatures of two-thirds of the several States and, in honor of the Nation's founders and for invocation, shall convene at Constitution Hall, at Independence Square, at the hour of 10 o'clock in the morning of such day, and thereupon adjourn to more commodious quarters within said city for session as the convention shall determine;

"(2) That the several States shall have equal suffrage at such convention; that each of the several States shall be entitled to 3 delegates thereat and that each of such delegates shall be entitled to 1 vote; that the delegates to such convention from the several States shall be the highest officer of the senate and the highest officer of the house of representatives of their respective legislatures at the time of such convention, except that in States where the lieutenant governor is president of the senate, the president of the senate pro tem or other highest officer from the membership of the senate shall be such delegate from the senate and in States having a unicameral legislature the 2 highest officers of its legislature shall be such delegates, which 2 delegates in each of the several States shall jointly designate a citizen of such State at large who shall be the third delegate from such State to such convention; that in case of a vacancy in the office of any delegate during such convention, not otherwise filled pursuant to law or by legislative act or as herein provided, such vacancy shall be filled by the governor of such State from the senate or house of its legislature or the State at large, respectively, as the case may be; that during such vacancy and during the absence of a delegate from the floor of the convention the delegates present from such State shall be empowered to exercise the vote of the absent delegate or delegates from such State; that the legislature of any State may choose its delegates to such convention, other than hereinabove designated, in which case the delegates so chosen shall be certified to the convention by the secretary of state of such State and shall constitute the delegates of such State at such convention in lieu of the delegates otherwise hereinabove designated.

"(3) That such convention shall be limited and restricted specifically to the consideration and proposal of such amendment to article V, the choosing of officers and adoption of rules of procedure for the conduct of such convention and the maintenance of order thereat, the determination of any issue respecting the seating of delegates, adjournment from day to day and to a day certain and from place to place within said city as may be convenient, and adjournment sine die; and such convention shall not be held for any other purpose nor have any other power, and the delegates thereto shall have no power other than within the limitations herein prescribed;

"(4) That a permanent record shall be made of the proceedings of such convention, which shall be certified by the secretary of the convention, the original of which shall be placed in the Library of Congress and printed copies of which shall be transmitted to the Senate and the House of Representatives of the Congress to the Secretary of State of the United States, and to each house of the legislature and to the secretary of state of each of the several States;

"(5) That the powers of such convention shall be exercisable by the States, represented at such convention by duly constituted delegates threat, by majority vote of the States present and voting on such proposal, and not otherwise;

"*Resolved further*, That this application shall constitute a continuing application for such convention under article V of the Constitution of the United States until the legislatures of two-thirds of the several States shall have made like applications and such convention shall have been called and held in conformity therewith, unless the Congress itself propose such amendment within the time and the manner herein provided;

"*Resolved further*, That proposal of such amendment by the Congress and its submission for ratification to the legislatures of the several States in the form of the article hereinabove specifically set forth, at any time prior to 60 days after the legislatures of two-thirds of the several States shall have made application for such convention, shall render such convention unnecessary and the same shall not be held; otherwise such convention shall be called and held in conformity with such applications;

"*Resolved further*, That as this application under article V of the Constitution of the United States is the exercise of a fundamental power of the sovereign States under the Constitution of the United States, it is requested that receipt of this application by the Senate and the House of Representatives of the Congress of the United States be officially noted and duly entered upon their respective records, and that the full context of this resolution be published in the official publication of both the Senate and the House of Representatives of the Congress; and

"*Resolved further*, That certified copies of this resolution be transmitted forthwith to the Senate and the House of Representatives of the Congress of the United States, to each Senator and Representative in the Congress from this State, and to the Secretary of State of the United States, and to each house of the legislature and to the secretary of state of each of the several States, attesting the adoption of this resolution by the legislature of this State.

"Adopted by the Legislature of the State of South Dakota on February 15, 1955.

"L. R. HOUCK,
"President of the Senate.

"Attest:

"NIELS P. JENSEN,
"Secretary of the Senate.
"NILS A. BOE,
"Speaker of the House.

"Attest:

"W. J. MATSON,
"Chief Clerk."

A joint resolution of the Legislature of the State of Utah; to the Committee on Interstate and Foreign Commerce:

"Senate Joint Resolution 15

"Joint resolution memorializing Congress to establish and enact a uniform time system for the entire United States of America

"Be it resolved by the Thirty-first Legislature of the State of Utah:

"Whereas various cities and States of these United States of America have adopted various time systems such as 'Daylight Saving Time,' beginning and ending at various dates during the year or continuing throughout the year; and

"Whereas the various systems have become so numerous and different that serious hardships and inequities have resulted to the citizens, various businesses, and industries, both local and interstate; and

"Whereas the confusion is increasing as smaller and smaller units adopt individual time systems; and

"Whereas the resulting confusion is now destroying many businesses, curtailing the development of other business, causing unnecessary expense to all interstate businesses, and affecting the health of certain citizens: Now, therefore, be it

"*Resolved*, That the Legislature of the State of Utah urge the Congress of the United States of America to enact and establish a uniform time system for these United Sates of America; and be it further

"*Resolved*, That certified copies hereof be transmitted by the secretary of state to the President and Vice President of the United States of America, the Speaker of the House of Representatives of said Congress, and the four Members of the congressional delegation from Utah."

A resolution of the House of Representatives of the Legislature of the State of Utah; ordered to lie on the table:

"Whereas there is a bill pending in the United States Senate granting a $20 income tax exemption per person, which bill was passed by the House of Representatives; and

"Whereas tax benefits of $7 billion in 1954 were granted to large corporations which did not benefit the wage earner and people in low incomes; and

"Whereas we feel that the present bill is meritorious and should be passed: Now, therefore, be it

"*Resolved*, That the following members of the Utah House of Representatives go on record as favoring the bill, and urge that the Senate pass said bill now pending and that a copy of this resolution be sent to the President of the Senate and the Speaker of the House, the President of the United States, and to the congressional delegation of the State of Utah in Washington, D. C.

"Charles W. Rommey, Wendell Grover, M. Blaine Peterson, Leland Ivers, Albert Barnes, Carl H. Taylor, Lloyd C. Murdock, Chas. W. Spence, Walker L. Russell, Maurice Jensen, Elizabeth Vance, Ed J. McPolin, W. G. Larson, Albert J. Cope, Allen L. Hodgson, Robert J. Henderson, Arlo Messinger, Edna J. Cagin, Edmond Barson, John W. Kemburg, Clarence Palmer, George H. Seaver, T. C. Hebertson, H. Cochran, R. C. Howe."

A joint resolution of the Legislature of the Territory of Alaska; to the Committee on Appropriations:

"House Joint Memorial 14

"To the Honorable Douglas McKay, Secretary of the Interior; the Honorable E. L. Bartlett, Delegate to Congress from Alaska; and to the Congress of the United States:

"Your memorialist, the Legislature of the Territory of Alaska in 22d regular session assembled, respectfully submits that:

"Whereas there is a need to rehabilitate the reindeer industry of Alaska on a sound long-term basis; and

"Whereas it is desirable to provide a basic economy and employment for the native people of remote areas of Alaska; and

"Whereas it is essential to implement the food resources of the native people during reoccurring yearly periods of seasonal nonactivities; and

"Whereas there is now evidence of herd increases as the result of the program of the Alaska Native Service, Bureau of Indian Affairs.

"Now, therefore, your memorialist the Legislature of the Territory of Alaska respectfully requests that additional funds be made available by the Department of the Interior to assist the present native owners of reindeer herds and to aid additional interested

Eskimos in acquiring and establishing herds for the expansion of this particular industry.

"And your memorialist will ever pray.

"Passed by the house February 21, 1955.

"WENDELL P. KAY,
"Speaker of the House.

"Attest:

"JOHN T. MCLAUGHLIN,
"Chief Clerk of the House.

"Passed by the senate March 3, 1955.

"JAMES NOLAN,
"President of the Senate.

"Attest:

"KATHERINE T. ALEXANDER,
"Secretary of the Senate."

A joint resolution of the Legislature of the Territory of Alaska; to the Committee on Interior and Insular Affairs:

"Senate Joint Memorial 7

"To the President of the United States; the President of the Senate and the Speaker of the House of Representatives of the Congress of the United States; the Secretary of the Interior; the Secretary of Defense; the Secretary of Commerce; the Secretary of the Army; the Secretary of the Navy; all Members of the Senate and the House Armed Services Committees and E. L. Bartlett, the Territorial Delegate in Congress:

"Your memorialist, the senate and house of representatives of the Legislature of the Territory of Alaska, in 22d session assembled, respectfully submits that;

"Whereas the strategic location of the Territory of Alaska dictates the wisdom of its continued and accelerated defense and development as the rampart of national security; and

"Whereas such defense and development can, with adequate concern and appropriations by the Federal and Territorial Governments, be accomplished most effectively by existing forces of all categories of competive private enterprise and skilled labor now available in the Territory of Alaska; and

"Whereas many agencies and instrumentalities of Federal Government have been, and continue to be, in active competition with private enterprise and labor in the Territory of Alaska to the constant detriment of the free economic system without which this territory cannot hope to survive and progress.

"Now, therefore, your memorialist respectfully urges that the President of the United States, and the Congress of the United States, appropriately declare through proper departments and instrumentalities of the Federal Government in the Territory of Alaska that it is the dedicated purpose and policy of the Federal Government to nurture, sustain, and encourage private enterprise and labor in joint efforts in the defense and development of the Territory of Alaska and furthermore it shall immediately be incumbent upon all Federal agencies concerned to profess, advocate, and promulgate the philosophy of a free, competitive economy through private enterprise and labor.

"And your memorialist will ever pray.

"Passed by the senate February 15, 1955.

"JAMES NOLAN,
"President of the Senate.

"Attest:

"KATHARINE T. ALEXANDER,
"Secretary of the Senate.

"Passed by the house March 1, 1955.

"WENDELL P. KAY,
"Speaker of the House.

"Attest:

"JOHN T. MCLAUGHLIN,
"Chief Clerk of the House."

A resolution adopted by the Riverside (Calif.) Real Estate Board, favoring the enactment of legislation to provide sufficient funds for the San Bernardino Federal Housing Administration service office; to the Committee on Appropriations.

A resolution adopted by the American Lithuanian Council, Los Angeles, Calif., chapter, relating to the liberation of Lithuania; to the Committee on Foreign Relations.

A resolution adopted by the North Hollywood (Calif.) Chamber of Commerce, Inc., relating to the Government regulation of the price of natural gas; to the Committee on Interstate and Foreign Commerce.

The petition of W. F. Powers, and sundry other citizens of the State of New York, favoring the enactment of Senate Joint Resolution 1, relating to the treatymaking power; to the Committee on the Judiciary.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. KILGORE, from the Committee on the Judiciary, without amendment:

S. 39. A bill for the relief of Santislavas Racinskas (Stacys Racinskas) (Rept. No. 63);

S. 128. A bill for the relief of Francis Bertram Brennan (Rept. No. 64);

S. 129. A bill for the relief of Miroslav Slovak (Rept. No. 65);

S. 131. A bill for the relief of Bohumil Suran (Rept. No. 66);

S. 143. A bill for the relief of Kurt Glaser (Rept. No. 67);

S. 167. A bill for the relief of Ernesto DeLeon (Rept. No. 68);

S. 195. A bill for the relief of Giuseppe Minardi (Rept. No. 69);

S. 243. A bill for the relief of Szjena Peison and David Peison (Rept. No. 70);

S. 271. A bill for the relief of June Rose McHenry (Rept. No. 71);

S. 323. A bill for the relief of Luigi Orlando (Rept. No. 72);

S. 348. A bill for the relief of Charalampos Socrates Iossifoglu, Nora Iossifoglu, Helen Iossifoglu, and Efrossini Iossifoglu (Rept. No. 73);

S. 349. A bill for the relief of Aron Klein and Zita Klein (nee Spielman) (Rept. No. 74);

S. 350. A bill for the relief of Siegfried Rosenzweig (Rept. No. 75);

S. 351. A bill for the relief of Ellen Henriette Buch (Rept. No. 76);

S. 352. A bill for the relief of Isaac Glickman, Reghina Glickman, Alfred Cismaru, and Anna Cismaru (Rept. No. 77);

S. 375. A bill for the relief of Alexy W. Katyll and Ioanna Katyll (Rept. No. 78);

S. 378. A bill for the relief of Giuseppina Latina Mozzicato and Giovanni Mozzicato (John Mozzicato) (Rept. No. 79);

S. 386. A bill for the relief of Sandra Lea MacMullin (Rept. No. 80);

S. 394. A bill for the relief of Ali Hassan Waffa (Rept. No. 81);

S. 409. A bill for the relief of Inge Krarup (Rept. No. 32);

S. 412. A bill for the relief of Jan Hajdukiewicz (Rept. No. 83);

S. 416. A bill for the relief of Anastasia Alexiadou (Rept. No. 84);

S. 429. A bill for the relief of Franciszek Janicki and his wife, Stefania Janicki (Rept. No. 85);

S. 432. A bill for the relief of Aniceto Sparagna (Rept. No. 86);

S. 465. A bill for the relief of Ernest Ludwig Bamford and Mrs. Nadine Bamford (Rept. No. 87);

S. 466. A bill for the relief of Capt. George Gafos, Eugenia Gafos, and Adamantios George Gafos (Rept. No. 88);

S. 471. A bill for the relief of Aina Brizga (Rept. No. 89);

S. 474. A bill for the relief of Maria Elena Venegas and Sarah Lucia Venegas (Rept. No. 90);

S. 481. A bill for the relief of Gerard Lucien Dandurand (Rept. No. 91);

S. 585. A bill for the relief of Dr. Chang Ho Cho (Rept. No. 92);

S. 632. A bill for the relief of Jan R. Cwiklinski (Rept. No. 93);

S. 640. A bill for the relief of Roger Ouellette (Rept. No. 94);

S. 734. A bill to amend title 18, United States Code, section 871, to provide penalties for threats against the President-elect and the Vice President (Rept. No. 95);

S. 735. A bill for the relief of Sarah Kabacznik (Rept. No. 96);

S. 891. A bill for the relief of Chokichi Iraha (Rept. No. 97); and

S. 1021. A bill for the relief of Leo A. Ribitzki, Mrs. Charlotte Ribitzki, and Marion A. Ribitzki (Rept. No. 98).

By Mr. KILGORE, from the Committee on the Judiciary, with an amendment:

S. 163. A bill for the relief of Philopimin Michalacopoulos (Mihalakopoulos) (Rept. No. 99);

S. 244. A bill for the relief of Anna C. Giese (Rept. No. 100);

S. 245. A bill for the relief of Ahmet Haldun Koca Taskin (Rept. No. 101);

S. 246. A bill for the relief of Marina Bernardis Zivolich and Mirko Zivolich (Rept. No. 102); and

S. 503. A bill for the relief of Cirino Lanzafame (Rept. No. 103).

By Mr. KILGORE, from the Committee on the Judiciary, with amendments:

S. 309. A bill for the relief of Rosette Sorge Savorgnan (Rept. No. 104).

By Mr. HAYDEN, from the Committee on Appropriations, without amendment:

H. J. Res. 252. Joint resolution making an additional appropriation for the Department of Justice for the fiscal year 1955, and for other purposes (Rept. No. 106).

SUSPENSION OF DEPORTATION OF CERTAIN ALIENS—REPORT OF A COMMITTEE

Mr. KILGORE. Mr. President, from the Committee on the Judiciary, I report an original concurrent resolution, favoring the suspension of deportation of certain aliens, and I submit a report (No. 105) thereon.

The PRESIDENT pro tempore. The report will be received, and the concurrent resolution will be placed on the calendar.

The concurrent resolution (S. Con. Res. 17) was placed on the calendar, as follows:

Resolved by the Senate (the House of Representatives concurring), That the Congress favors the suspension of deportation in the case of each alien hereinafter named, in which case the Attorney General has suspended deportation for more than 6 months:

T-2672008, Alcala-Jimenez, David.
A-8258497, Bernhus, Christopher Olsen.
A-8258490, Bernhus, Ellen Olea.
A-8258491, Bernhus, Anne Mathilde.
A-8258492, Bernhus, Nils Christian.
A-8031685, Brown, Frank Naaman.
0300-201464, Cernilogar, Mario or Mario Merkle.
A-3442862, Dapello, Giuseppe or Joseph.
A-9746898, De Roche, Lawrence Henry.
0300-405108, Eronen, Tynne Katariina or Tynne Katerina Koski (nee Talvite).
A-7712697, Forbes, Reginald.
A-8078862, Juarez-Chavez, Evaristo Jose.
A-6435718, Koslevsky, David or David Coster.
0300-351695, Lemos, Christos Panelis.
A-5801906, Molnar, Louis.
A-6153079, Mukoyama, Chiyoka K.
A-6153075, Mukoyama, Luis Reiichiro.
A-6153076, Mukoyama, Jorge Shojiro.
A-6153077, Mukoyama, Teresa Misuzu.

A-6153078, Mukoyama, Federico Takumi.
T-2760652, Naka, Hajime.
A-6154907, Noguni, Kamata.
A-6154905, Noguni, Nobuko.
A-6154904, Noguni, Hiroshi.
A-6154903, Noguni, Sadao.
A-6154906, Noguni, Yoshiko (Victoria).
A-7115197, Perides, Emanuel E.
A-3817461, Persoelis, Costas.
A-5401551, Popetz, Traian or Thomas Popetz.
0300-55372, Quilici, Cesare Ermanno.
T-1496855, Rodriguez-Unciano, Alicia.
A-5333372, Rulffs, Albert Richardt Cornelus.
A-5284140, Shimotsu, Teru.
A-2658033, Tomaszek, Hugo Nicolas.
A-6777797, Tsu, Wan-P'ei Chang or Wan-Pei Pauline Chang or Un Pui Cheung.
A-7130708, Urias, Josefa Carrasco Vda De.
A-5609541, Valadez, Pedro.
A-3781283, Yamauchi, Kiyoko or Kiyoko Takemori.
0402/13555, Benedikty, John.
A-3485407, Chang, Pearl Chin-Ju.
A-6045012, Chauvet, Norma or Marie Raymonde Norma Chauvet.
A-4057901, Choy, Ming Chow or Wing Chow or George Choy.
A-5950851, Connelly, Richard or Connolly or Connely.
A-6849528, Douglas, Frederick Charles or Frederick Douglas.
A-4037689, Fernades, Caetano or Cyril Fernandez.
A-9550591, Fraga-Rey, Juan.
A-5656987, Grisiuk, John or Jan Grisiuk or Ignat Sliva or Jenat Silva.
A-7439189, Laca, Fernando Ignacio.
E-093560, Metti, Philip Jacob.
A-5919881, Piiparinen, Mauri.
A-5570728, Rai, Lal Singh.
A-3247861, Retter, Friederich.
E-078907, Rodriguez, Leopoldo Cantu.
E-086948, Salgado, Mario.
A-6922766, Stagner, Rose Louise Pearson.
A-9727441, Tin, Chin or Lee San or Lee San.
0900-64111, Velasquez-Estrada, Celestino.
E-061647, Wilman, Rosa Salazar de.
1409-10532, Aguirre-Gomez, Pedro.
1409-10531, Aguirre, Catarina Ramirez De.
V-172461, Andreoli, Carlo.
A-1613805, Bieh, William or Wilhelm Herman.
A-1010587, Brown, John or Charles Brown.
A-6165969, Carter, Martha Antonia (nee Tablas Landa).
T-2760659, Cervantes-Diaz, Jose Luis.
A-8031923, Chiara, Gian Paolo.
A-7601311, Das, Abinash Chandra.
A-9511929, Fredriksen, Erik Emanuel.
A-6531519, Carcia-Orozco, Daniel.
A-6944242, Grossman, Chaskiel.
V-556765, Grosman, Fanni.
A-8196295, Gutierrez-Carlos, Federico.
A-8088726, Hansen, William Leonard.
T-303640, Isomoto, Masanao or Masanao Nojima.
0300-302349, Kui, Fung Ming or Harris Fung.
A-7961879, Kynard, Edna Sonia or Edna Sonia Artemenko.
A-2191134, Martin, Juan Rodrigues or Juan Rodrigues or John Martin.
A-4632828, Meron, Joseph.
A-2244858, Nitta, Sadakazu or Kazushige Yoshida.
0900/64623, Orozco-Torres, Jose.
A-7203339, Partridge, Josephine (nee Godinez) formerly Laborra.
A-3580428, Rafal, Pedro Corpos.
A-1171058, Sullman, Vait.
T-2671954, Villalobos-Ruiz, Eustaquio.
TX1496942, Villalobos, Ramona.
TX1496943, Villalobos, Sacarias.
T-1496944, Villalobos, Maria Felis or Felix.
T-1496945, Villalobos, Marina.
A-6357958, Voikos, Sophia Arthur.
A-5903267, Wong, Jimmie Justo, formerly Justo De Jesus.
A-5541529, Chung, Raymond or Kuang Wu or Raymond K. Wu or Chung Kwong Wu or Kuang Chung Wu.
E-084932, Colmelo, Antonio Dominguez or Antonio Emilio Rivero.
A-3112391, Drayer, Hyman.
T-2671873, Froberg, Wilhelmina formerly Kollmann.
T-2671874, Froberg, Maria formerly Kollmann.
A-1740169, Gutierrez, Demetrio or Demetrio Machado Gutierrez.
0900-39076, Juarez, Pedro Alonzo or Manuel Alonzo or Manuel Moreno or Tomas Pizano.
0900-39376, Alonzo, Antonia Almaguer de.
A-5581921, Shimotsu, Itaro.
A-4496139, Trotta, Michele or Mike.
E-057313, Cameron, Elsie.
A-6026662, Contreras - Chavarria, Jose Angel.
A-6027750, Contreras, Esperanza De La Rosa De.
A-6162219, Eto, Some.
A-6162248, Eto, Yoshimitsu.
A-6162246, Eto, Nobuko.
A-9635249, Foo, Kut Chong.
1500/45912, Garcia, Margarita.
1500/47936, Garcia, Luis.
A-4335164, Glatter, George.
E-6167, Gum, Ho.
0300-376815, Ho, Zee Kwei or How or Zee Swei Young.
A-6421265, Lewis, Norberta Oquias.
0300-305151, Liu, Hsing Hui.
A-35596.9, Magallanes, Josefina Aquiniga (nee Vasquez).
A-6153080, Mukoyama, Koshiro.
A-5328243, Pina, Jose.
A-6075197, Rose, Sr., George Edward.
A-6075199, Rose (nee Switzer), Ada Phyllis.
A-3793462, Schroeder, Alfons.
A-5265090, Schroeder, Clara Cecilia (nee Hoedt).
A-6345970, Simotas, Rose.
0300-9214, Spinozzi, Umberto.
A-6585178, Squeglia, Carmela or Carmela Volpe formerly Saggesse.
E-8309, Squires, Lionel Allen or Kenneth Inness.
0300-400307, Ten, Yuen or Yung Ten Yueh or Youen Loung.
A-2722769, Tsang, Fan F. or Tom Qui Tsang or Sam S. Tsang or Am-Tun.
A-6839003, Williams, Carolyn Elizabeth Waldron.
A-4477561, Wilson, Mary formerly Solomon (nee Grossman).
A-5031118, Zentack, Michael (Mike).
A-5311563, Zentack, Sophie.
A-2900415, Vartanian, Mary.
A-4878124, Ball, Marjorie Isabel, also known as Marjorie Hurley, Marjorie Flores, and Marjorie Barclay.
E-095789, Bobek, Giuseppe or Joseph.
A-6799934, Caffrey, Lena Serafina or L. Serafini Perchiazzi, also known as Serafina Perchiazzi Johnson.
C901/20233, Escobedo-Herera, Salvador.
A-7138225, Fischer-Stern, Andrea.
E-061661, Gonzalez-Castillo, Guillermo.
A-1384235, Hui, William Lien-Chia.
A-6855176, Jack, Yee Monor Yee Jack, also known as Charley Leung Yee.
E-082880, Trematore, Anthony Frank.
A-7197918, Vieyra-Mondragon, Jose.
A-7138224, Fischer-Stern, Janos.

EXECUTIVE REPORTS OF COMMITTEES

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. JOHNSTON of South Carolina, from the Committee on Post Office and Civil Service:

One hundred and twenty postmasters.

By Mr. KILGORE, from the Committee on the Judiciary:

Lama A. DeMunbrun, of Kentucky, to be United States marshal for the western district of Kentucky, vice Loomis E. Cranor, retired.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. RUSSELL (for himself and Mr. SALTONSTALL) (by request):

S. 1441. A bill to provide running mates for certain staff corps officers in the naval service, and for other purposes;

S. 1442. A bill to amend section 640 of title 14, United States Code, concerning the interchange of supplies between the Armed Forces;

S. 1443. A bill to provide for the examination preliminary to promotion of officers of the naval service;

S. 1444. A bill to facilitate the procurement of doctors of medicine and doctors of dentistry for the Armed Forces by providing grants and scholarships for education in the medical and dental professions, and for other purposes; and

S. 1445. A bill to increase the annuities of certain retired civilian members of the teaching staffs of the United States Naval Academy and the United States Naval Postgraduate School; to the Committee on Armed Services.

(See the remarks of Mr. RUSSELL when he introduced the above bills, which appear under a separate heading.)

By Mr. LEHMAN:

S. 1446. A bill to provide that a special gold star shall be added to the flag of the United States, in honor of the members of the Armed Forces who have died in the service of their country; to the Committee on the Judiciary.

(See the remarks of Mr. LEHMAN when he introduced the above bill, which appear under a separate heading.)

By Mr. CURTIS:

S. 1447. A bill to amend the Fair Labor Standards Act so as to clarify the meaning of the term "outside buyer of poultry, eggs, cream, or milk, in their raw or natural state"; to the Committee on Labor and Public Welfare.

By Mr. BEALL:

S. 1448. A bill for the relief of Matrona G. Karpuk; to the Committee on the Judiciary.

By Mr. GOLDWATER:

S. 1449. A bill for the relief of Mrs. Bedia Ducilla Lamb; to the Committee on Finance.

By Mr. LANGER:

S. 1450. A bill for the relief of Mary C. Frederick; to the Committee on the Judiciary.

By Mr. MAGNUSON (for himself and Mr. JACKSON):

S. 1451. A bill authorizing the project for the improvement of the Sammamish River in the State of Washington; to the Committee on Public Works.

By Mr. BUTLER:

S. 1452. A bill to amend title III of Public Law 815, 81st Congress, in order to prevent a reduction in payments on any application filed under such title on account of school construction contracts entered into by the applicant after the final date for filing such application; to the Committee on Labor and Public Welfare.

S. 1453. A bill to authorize the issuance of a special series of stamps commemorative of the 300th anniversary of the arrival of the first Jewish people in America; to the Committee on Post Office and Civil Service.

By Mr. FULBRIGHT (by request):

S. 1454. A bill to provide that all United States currency shall bear the inscription "In God We Trust"; to the Committee on Banking and Currency.

By Mr. MAGNUSON (by request):

S. 1455. A bill to amend the Flammable Fabrics Act to exempt from its application scarves which do not present an unusual hazard; and

S. 1456. A bill to amend sections 212, 219 (a), 221 (a), and 410 (a) of the Communications Act of 1934, as amended; to the Committee on Interstate and Foreign Commerce.

(See the remarks of Mr. MAGNUSON when he introduced the above bills, which appear under separate headings.)

By Mr. CLEMENTS (for himself, Mr. SCOTT, and Mr. SCHOEPPEL):

S. 1457. A bill to redetermine the national marketing quota for burley tobacco for the 1955–56 marketing year, and for other purposes; to the Committee on Agriculture and Forestry.

PROPOSED LEGISLATION FOR THE ARMED SERVICES

Mr. RUSSELL. Mr. President, on behalf of myself, and the Senator from Massachusetts [Mr. SALTONSTALL], by request, I introduce, for appropriate reference, five bills relating to the armed services. Each of these bills is requested by the Department of Defense and is accompanied by a letter of transmittal from the appropriate military department explaining the purpose of the bill. I ask unanimous consent that the letters of transmittal be printed in the RECORD immediately following the listing of the bills.

The PRESIDENT pro tempore. The bills will be received and appropriately referred; and, without objection, the letters of transmittal will be printed in the RECORD.

The bills, introduced by Mr. RUSSELL (for himself and Mr. SALTONSTALL), by request, were received, read twice by their titles, and referred to the Committee on Armed Services, as follows:

S. 1441. A bill to provide running mates for certain staff corps officers in the naval service, and for other purposes.

(The letter accompanying Senate bill 1441 is as follows:)

DEPARTMENT OF THE NAVY,
Washington, D. C., February 14, 1955.

Hon. RICHARD M. NIXON,
President of the Senate,
United States Senate,
Washington, D. C.

MY DEAR MR. PRESIDENT: There is forwarded herewith a draft of legislation "To provide running mates for certain staff corps officers in the naval service, and for other purposes."

This proposal is a part of the Department of Defense legislative program for 1955, and the Bureau of the Budget has advised that there would be no objection to the presentation of this proposal for the consideration of the Congress. The Department of the Navy has been designated as the representative of the Department of Defense for this legislation. It is recommended that this proposal be enacted by the Congress.

PURPOSE OF THE LEGISLATION

The purpose of this proposed legislation is to remedy certain inequities which have developed in the assignment of line running mates to lieutenants (junior grade) in the staff corps of the Navy.

The inequities which this proposal seeks to correct arise from the provisions of paragraph (3) of section 311 (d) of the Officer Personnel Act of 1947, as amended, which control the assignment of running mates to lieutenants (junior grade) of a staff corps, other than officers appointed under the act of April 18, 1946 (60 Stat. 92), which act authorized the appointment of Reserve officers in the Regular Navy, and those transferred to a staff corps as lieutenants (junior grade). Lieutenants (junior grade) coming within those provisions of paragraph (3) of section 311 (d), who have dates of rank within a single calendar year, are assigned running mates from among line lieutenants (junior grade), with dates of rank in the same year, in the order of their lineal precedence in the staff corps. The individual line running mates are determined by a fanning process prescribed by paragraph (3) of section 311 (d) which provides, in effect, that the line officers designated as running mates must be at approximately regular intervals throughout the entire line list of lieutenants (junior grade), with dates of rank in the same calendar year. This process was intended to assure an even distribution of running mates so that appropriate numbers of staff corps officers would be found in the zone for promotion wherever the zone is terminated for the line.

While this process may have achieved its designed effect, the inequities which have arisen under its application are considered to outweigh its beneficial effects. Officers who are originally appointed in a staff corps as ensigns or who transfer from the line to a staff corps in the grade of ensign are those adversely affected by the process. These officers when promoted to lieutenant (junior grade) are assigned line running mates by the fanning process. Officers, however, originally appointed as ensigns in the line, from the same graduating class, who delay their transfer to a staff corps until after promotion to lieutenant (junior grade), are assigned as their line running mates the line officer who was next senior to them at the time of their transfer to a staff corps.

The application of these different procedures for assigning line running mates has resulted in a situation where a Naval Academy graduate, or a graduate of the officer candidate training program established by the act of August 13, 1946 (ch. 962, 60 Stat. 1057), known as a Holloway plan graduate, has, in some instances, been assigned as a running mate a line lieutenant (junior grade) who, by order of merit among all such graduates in the same calendar year was far below him on the lineal list, while another staff corps officer who was below him on the lineal list as an ensign but who transferred to a staff corps as a lieutenant (junior grade) has been assigned as a running mate a line lieutenant (junior grade) who was senior to the line officer assigned to the more senior staff corps ensign.

The proposed legislation would amend paragraph (3) of section 311 (d) of the Officer Personnel Act of 1947, as amended, so as to take care of the assignment in the future of line running mates when graduates of the Naval Academy and from the Holloway plan, who transfer to a staff corps, are promoted to the grade of lieutenant (junior grade). The amendment provides that each officer appointed in the grade of ensign in the Navy under the act of August 13, 1946, or upon graduation from the Naval Academy, who is serving as an officer in a staff corps at the time of his promotion to lieutenant (junior grade), shall, when promoted to that grade, be assigned as his running mate the line lieutenant (junior grade), with date of rank in the same calendar year, who would be next senior to the staff corps officer had that officer been originally appointed in the grade of ensign in the line and continued in the line to the date of his promotion. With regard to staff corps officers appointed from those same sources who were assigned line running mates on promotion to lieutenant (junior grade) under paragraph (3) of section 311 (d) of the Officer Personnel Act of 1947, provision is made for the assignment to them of new line running mates in the same manner as provided in the proposed amendment to paragraph (3) of section 311 (d) of the Officer Personnel Act of 1947. No back pay or allowances would accrue to any officer by reason of the reassignment of his line running mate.

The proposed assignment of new line running mates to those staff corps officers previously assigned line running mates under the present provisions of paragraph (3) of section 311 (d) of the Officer Personnel Act of 1947 will involve a rearrangement of their precedence in their staff corps. The rearrangement will adversely affect those officers who have, by reason of having transferred to a staff corps in the grade of lieutenant (junior grade), gained precedence over officers who were more senior to them as ensigns but who were appointed originally in or transferred to a staff corps in the grade of ensign. It is considered, however, that they have no right to retain that advantage. Another small group who may be adversely affected by the rearrangement are the officers who as a result of the fanning process were assigned running mates who are senior to the running mates who would now be assigned them. This adjustment would be slight and would not affect the relative precedence of these staff corps officers with relation to other officers of the staff corps.

COST OF BUDGET DATA

Enactment of this proposed legislation would involve no additional cost of the Government.

Sincerely yours,

C. S. THOMAS.

S. 1442. A bill to amend section 640 of title 14, United States Code, concerning the interchange of supplies between the Armed Forces.

(The letter accompanying Senate bill 1442 is as follows:)

DEPARTMENT OF THE AIR FORCE,
Washington, February 17, 1955.

Hon. RICHARD M. NIXON,
President of the Senate.

DEAR MR. PRESIDENT: There is forwarded herewith a draft of legislation to amend section 640 of title 14, United States Code, concerning the interchange of supplies between the Armed Forces.

This proposal is a part of the Department of Defense legislative program for 1955 and the Bureau of the Budget has advised that there would be no objection to its transmittal to the Congress for consideration. The Department of the Air Force has been designated as the representative of the Department of Defense for this legislation. It is recommended that this proposal be enacted by the Congress.

PURPOSE OF THE LEGISLATION

This proposed legislation would clarify the authority of the Air Force to interchange military stores, supplies, and equipment of every character, including real estate owned by the Government between the Army, Navy, and Coast Guard by amending section 640 of the Coast Guard Act (14 U. S. C. 640) to include the Air Force.

The act of July 11, 1919 (ch. 9, 41 Stat. 132), as amended (10 U. S. C. 1274), formerly authorized the Army, Navy, and Coast Guard to "interchange, without compensation therefor, * * * military stores, supplies, and equipment of every character, including real estate owned by the Government * * *". Pursuant to the authority contained in the National Security Act of 1947 and transfer orders issued thereunder, the act of July 11, 1919, was made applicable to the Department of the Air Force, thereby permitting the interchange between the three military departments and the Coast Guard.

In codifying the act of July 11, 1919, as amended, into the Coast Guard Act, the Air Force was inadvertently omitted from section 640 of title 14. In addition the act of

July 11, 1919, was repealed by the act of October 31, 1951 (Public Law 247, 82d Cong.). This latter act did not repeal section 640 of the Coast Guard Act providing for the interchange of properties between Army, Navy, and Coast Guard.

Since it appears that the omission of the term "Air Force" in the Coast Guard Act was through inadvertence, and because of the repeal of the act of July 11, 1919, there is no specific legislation authorizing the Air Force to interchange properties with the other military departments and the Coast Guard. However, it is noted that under section 202 (c) of the Federal Property and Administrative Services Act of 1949 (ch. 288, 63 Stat. 384), as amended (40 U. S. C. 483), provision is made for the reassignment of property within an executive agency when it is "no longer required for the purposes of the appropriations from which it was purchased." It is considered appropriate and advisable, however, to permit the Air Force to effect the interchange of properties under section 640 of title 14, United States Code, thereby establishing uniformity in the interchange of properties of all kinds between all military departments and the Coast Guard.

COST AND BUDGET DATA

This proposal would cause no increase in costs to the Government.

Sincerely yours,

JAMES H. DOUGLAS,
Acting Secretary.

S. 1443. A bill to provide for the examination preliminary to promotion of officers of the naval service.

(The letter accompanying Senate bill 1443 is as follows:)

DEPARTMENT OF THE NAVY,
Washington, D. C., February 19, 1955.

Hon. RICHARD M. NIXON,
President of the Senate,
United States Senate,
Washington, D. C.

MY DEAR MR. PRESIDENT: There is forwarded herewith a draft of legislation, to provide for the examination preliminary to promotion of officers of the naval service.

This proposal is part of the Department of Defense legislative program for 1955 and the Bureau of the Budget has advised that there would be no objection to the presentation of this proposal for the consideration of the Congress. The Department of the Navy has been designated as the representative of the Department of Defense for this legislation. It is recommended that this proposal be enacted by the Congress.

PURPOSE OF THE LEGISLATION

The purpose of this proposed legislation is to revise provisions of law governing the examination for promotion of officers of the naval service, to meet changed conditions.

Section 1496 of the Revised Statutes provides that no officer shall be promoted to a higher grade on the active list of the Navy until his mental, moral, and professional fitness to perform all of his duties at sea has been established to the satisfaction of a board of examining officers appointed by the President. This section of the Revised Statutes is made applicable to officers of the Marine Corps by sections 114 (a) and 314 (a) of the Officer Personnel Act of 1947, as amended.

When section 1496 of the Revised Statutes was enacted, officers of the Navy and Marine Corps were promoted to the next higher grades by seniority and the examination conducted by a naval examining board was the only means of determining the officer's qualification for promotion. Under the selection process established by the Officer Personnel Act of 1947, officers in grades above that of ensign in the Navy and second lieutenant in the Marine Corps are selected for promotion to the next higher grades after a review by a selection board of the officer's entire record from the time of his initial entry into the service and after a comparison of his record with that of all other officers of his grade under consideration by the selection board. Because of the requirements of section 1496 of the Revised Statutes an officer who has been selected for promotion must, before he can be promoted to the grade for which selected, be examined by a naval examining board to determine his mental, moral, and professional qualifications to perform all the duties at sea of that grade. This examination results in some duplication of the functions of a selection board. Further, many officers are assigned duties exclusively in some particular specialty and have no opportunity to become qualified to perform all duties at sea because of the increasing specialization of duties in the Navy. The requirement of section 1496 of the Revised Statutes, that an officer must be found qualified to perform all duties at sea of the grade to which he is to be promoted, therefore has become difficult to comply with.

The proposed legislation would retain the statutory nature of the examining boards but the present statutory responsibility of the examining boards for establishing the criteria for qualification of an officer for promotion would be placed in the Secretary of the Navy, thus affording more flexibility of administration.

For officers in grades above that of ensign and below that of captain, the proposed revision of section 1496 of the Revised Statutes provides that no officer in those grades shall be promoted to the next higher grade on the active list until he shall have demonstrated to the satisfaction of an examining board such professional qualifications as the Secretary of the Navy may prescribe. As officers in these grades are considered for promotion by a selection board, an examination other than professional is considered unnecessary. For officers of the grade of ensign, who are promoted without selection on completion of 3 years' service, the proposed revision provides that no officer of that grade shall be promoted permanently to the next higher grade on the active list until he shall have demonstrated to the satisfaction of a board of examining officers such mental, moral, and professional qualifications as the Secretary of the Navy may prescribe.

The proposed legislation also provides that the Secretary of the Navy shall issue regulations governing the procedures to be followed by the examining boards and which will assure a full and fair hearing to officers whose cases are before an examining board. The miscellaneous provisions of law which prescribe the procedures to be followed by examining boards, their reports, and the approval of the reports, would be repealed.

COST AND BUDGET DATA

Enactment of this proposal would result in no increase in the budgetary requirements of the Department of Defense.

Sincerely yours,

C. S. THOMAS.

S. 1444. A bill to facilitate the procurement of doctors of medicine and doctors of dentistry for the Armed Forces by providing grants and scholarships for education in the medical and dental professions, and for other purposes.

(The letter accompanying Senate bill 1444 is as follows:)

DEPARTMENT OF THE ARMY,
Washington, D. C., February 23, 1955.

Hon. RICHARD M. NIXON,
President of the Senate.

DEAR MR. PRESIDENT: There is forwarded herewith a draft of legislation, "To facilitate the procurement of doctors of medicine and doctors of dentistry for the Armed Forces by providing scholarships for education in medical and dental professions, and for other purposes," and a sectional analysis thereof.

This proposal is a part of the Department of Defense legislative program for 1955 and the Bureau of the Budget has advised that it has no objection to the submission of this proposal for the consideration of the Congress. The Department of the Army has been designated as the representative of the Department of Defense for this legislation. It is recommended that this proposal be enacted.

PURPOSE OF THE LEGISLATION

The purpose of the proposed legislation is to facilitate the long-range procurement of physicians and dentists as career officers in the military services by providing scholarships for education in the medical and dental professions to be administered under regulations prescribed by the Secretary of Defense.

Current methods of procurement of career officers in the fields of medicine and dentistry are not sufficiently productive to replace career officers lost by attrition and to reach authorized strengths. For example, current yearly losses in regular medical officers are exceeding gains despite the operation of military intern and residency programs and other active direct procurement programs. At this time there is an overall shortage of approximately 2,300 regular medical officers in the three military departments. A comparable situation exists in respect to regular dental officers. As a result of these deficiencies the number of these professional personnel in the regular components of the military departments is insufficient to insure the basic necessities of the military medical and dental functions for the authorized Regular Military Establishment. Another result of this shortage has been the necessity to bring larger numbers of physicians and dentists to duty involuntarily through operation of the "doctor draft" law, not only to compensate for troop strength increases due to the existing national emergency but in addition to balance the deficit that should be filled by regular officers. The impact of these levies in withdrawing professional personnel from civilian pursuits has decreased medical and dental services available to civilians throughout the Nation.

The proposed legislation provides a voluntary scholarship plan for selected students in medical and dental schools. Participants would be paid a monthly retainer fee to cover a part of their personal expenses incident to school attendance. Schools would be paid an amount to cover the usual tuition, fees, and laboratory expenses.

Students who participate for 1 school year or fraction thereof must agree to serve on active duty for 3 years. Students who participate for more than 1 school year must agree to serve on active duty for 4 years. However, 2 years of active duty, not including time spent in internship or residency training, will satisfy active duty requirements of the Universal Military Training and Service Act, as amended. The proposed legislation provides that a scholarship participant, upon reimbursement to the Government of all funds expended in his behalf, may be released from the scholarship program prior to graduation. Subsequent to graduation and after serving 3 years of active duty, he may be relieved of any additional obligation for active duty agreed to under this program upon reimbursement to the Government of all funds expended in his behalf.

Based on allocated strengths and existing shortages of career medical and dental officers in the military departments, it is tentatively proposed to offer sufficient scholarships through this means to provide a maximum of 300 graduates from schools of medicine and 126 graduates from schools of dentistry at the end of the second year of operation of the plan, and the same number of graduates each year thereafter to provide gradual increments until allocated strengths are reached. It is estimated that under the best of circumstances the program will be operative for 10 years at these numbers.

COST AND BUDGET DATA

To maintain the number of scholarship participants mentioned above and based upon present tuition rates, it is estimated that the maximum cost that would result from the enactment of this proposal would be approximately $2,542,000 for fiscal year 1956.

Sincerely yours,

ROBERT T. STEVENS,
Secretary of the Army.

S. 1445. A bill to increase the annuities of certain retired civilian members of the teaching staffs of the United States Naval Academy and the United States Naval Postgraduate School.

(The letter accompanying Senate bill 1445 is as follows:)

DEPARTMENT OF THE NAVY,
Washington, D. C., February 22, 1955.

Hon. RICHARD M. NIXON,
President of the Senate,
United States Senate,
Washington, D. C.

MY DEAR MR. PRESIDENT: There is forwarded herewith a draft of legislation "To increase the annuities of certain retired members of the teaching staffs of the United States Naval Academy and the United States Naval Postgraduate School."

This proposal is part of the Department of Defense legislative program for 1955, and the Bureau of the Budget has advised that it has no objection to the submission of this proposal for the consideration of the Congress. The Department of the Navy has been designated as the representative of the Department of Defense for this legislation. It is recommended that this proposal be enacted by the Congress.

PURPOSE OF THE LEGISLATION

The purpose of this proposed legislation is to authorize cost-of-living increases in the annuities of those civilian members of the teaching staffs of the Naval Academy and the Naval Postgraduate School, now on the retired list, comparable with the cost-of-living increases given persons retired under the civil-service retirement system in 1948 and 1952.

The retirement annuities for the civilian members of the teaching staffs of the Naval Academy and the Naval Postgraduate School are provided by the act of January 16, 1936 (49 Stat. 1092), as amended (34 U. S. C. 1073 et seq.), which is administered by the Department of the Navy.

Under the act of January 16, 1936, the civilian members of the teaching staffs of the Naval Academy and the Naval Postgraduate School are required to carry, as part of their contract of employment, an annuity policy having no cash surrender or loan provisions. These contracts are carried with the Teachers Insurance and Annuity Association of America. Each civilian faculty member is required to register with the Navy Allotment Office a monthly allotment equivalent in amount to 10 percent of his monthly salary and for each monthly allotment so registered the Department of the Navy is required to credit the employee's pay account with an additional sum equivalent to 5 percent of his monthly salary. The annuities provided by the act, as it was amended by the act of November 28, 1943 (57 Stat. 594), are at the rate of 1 3/7 percent of the employee's average salary during any 5 consecutive years multiplied by the number of years of service, not exceeding 35 years, and where the annuity purchased from the Teachers Insurance and Annuity Association does not equal that amount, the Department of the Navy is required to pay such additional sum as will bring the annuity to that total.

When the act of January 16, 1936, was originally enacted the only retired annuities it provided for persons thereafter employed as civilian members of the teaching staffs of the Naval Academy and the Naval Postgraduate School were those purchased from the Teachers Insurance and Annuity Association. For the civilians who were members of the teaching staffs of those schools on January 16, 1936, however, provision was made that where, upon reaching retirement age, the purchased annuity was not sufficient to provide an annuity of $1,200 a year, the difference would be made up by the Department of the Navy. Because of the inadequacy of the purchased annuities, the act of January 16, 1936, was amended by the act of November 28, 1943 (57 Stat. 594), to adopt the minimum annuity retirement provisions then governing civil-service retirement annuities, that is, an annuity equal to the average annual basic salary received by the employee during any 5 consecutive years of allowable service, at the option of the employee, multiplied by the number of years of service, not exceeding 35 years, and divided by 70. At that time provision was also made that the Department of the Navy should pay to the retired civilian faculty members such amounts as when added to the purchased annuities would make up a total annuity determined by this minimum formula. These amendments, however, were applicable only to persons retired after November 28, 1943, and did not affect the annuities of the civilian faculty members retired before that date. This latter group continued to receive annuities of $1,200 a year.

Although cost-of-living increases were given in 1948 and in 1952 to persons then in a retired status under the civil-service retirement system, no similar increases were given to the civilian faculty members of the Naval Academy and Naval Postgraduate School then in a retired status. The act of February 28, 1948 (62 Stat. 52) gave to persons in a retired status under the civil-service retirement system on the effective date of that act, April 1, 1948, an increase in their annuities not to exceed $300 a year. The act of July 16, 1952 (66 Stat. 722) provided a further increase, not to exceed $324 a year for persons then in a retired status under the civil-service retirement system, with the limitation that no annuity should be increased beyond $2,160.

The subject proposed legislation would provide cost-of-living increases in the annuities of retired members of the civilian faculties of the Naval Academy and the Naval Postgraduate School comparable with those granted under the act of February 28, 1948, and the act of July 16, 1952, to retirees under the civil-service retirement system. It would provide an increase of $300 a year to those civilian faculty members retired before April 1, 1948. There are now 10 members who were so retired. It would also give, in addition to that increase, an increase of $300 a year to all civilian faculty members now on the retired list, with the limitation that this further increase shall not operate to increase any annuity to an amount in excess of $2,160. With that limitation six members would receive this latter increase.

COST AND BUDGET DATA

Enactment of this proposed legislation would result in an annual additional cost of $4,800, which represents a $600-a-year increase in 6 annuities and a $300-a-year increase in 4 annuities.

Sincerely yours,

C. S. THOMAS.

INCLUSION OF GOLD STAR IN AMERICAN FLAG TO HONOR MEMBERS OF ARMED FORCES WHO DIED IN SERVICE

Mr. LEHMAN. Mr. President, I introduce, for appropriate reference, a bill providing for the inclusion in the American flag of a special gold star honoring the members of our Armed Forces who have died in the service of their country.

This bill is being introduced upon the suggestion and at the request of the Western New York Council and Auxiliaries of the American War Dads.

The PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 1446) to provide that a special gold star shall be added to the flag of the United States, in honor of the members of the Armed Forces who have died in the service of their country, introduced by Mr. LEHMAN, was received, read twice by its title, and referred to the Committee on the Judiciary.

AMENDMENT OF FLAMMABLE FABRICS ACT, RELATING TO EXCLUSION OF CERTAIN SCARVES

Mr. MAGNUSON. Mr. President, by request of the Secretary of Commerce, I introduce, for appropriate reference, a bill to amend the Flammable Fabrics Act to exempt from its application scarves which do not present an unusual hazard. I ask that there be printed in the RECORD a letter from the Secretary of Commerce, explaining the purpose of the bill.

The PRESIDENT pro tempore. The bill will be received, and appropriately referred; and, without objection, the letter will be printed in the RECORD.

The bill (S. 1455) to amend the Flammable Fabrics Act to exempt from its application scarves which do not present an unusual hazard, introduced by Mr. MAGNUSON, by request, was received, read twice by its title, and referred to the Committee on Interstate and Foreign Commerce.

The letter presented by Mr. MAGNUSON is as follows:

THE SECRETARY OF COMMERCE,
Washington, March 8, 1955.

The Honorable RICHARD M. NIXON,
President of the Senate,
United States Senate,
Washington, D. C.

DEAR MR. PRESIDENT: There are attached two copies of a draft of proposed legislation to amend the Flammable Fabrics Act to exempt from its application scarves which do not present an unusual hazard, which the Department of Commerce recommends be enacted.

The Department of Commerce during the 83d Congress urged that the Congress amend the Flammable Fabrics Act in two respects, (1) modify the burning rate time for plain surface fabrics, so as to permit continued production and sale of lightweight cotton fabrics such as organdies and lawns, and (2) amend the definition of wearing apparel so as to exclude scarves made of plain surface fabrics. Congress modified the burning rate time as recommended but did not adopt the proposed exemption for plain surface scarves.

PURPOSE OF PROPOSED BILL

The attached draft of proposed legislation would exclude from the definition of wearing apparel in the Flammable Fabrics Act scarves made of plain surface fabrics.

In 1949 and 1950 there appeared on the market a number of items of wearing apparel, such as sweaters, cowboy suits, and masquerade costumes made of fabrics which exhibited a rapid and intense burning when accidentally ignited. A number of serious accidents resulted to persons wearing so-called "torch sweaters," and in other cases children were fatally burned when their cowboy suits and masquerade costumes were

accidentally ignited. In order to correct this situation and to safeguard the public against future hazards resulting from flammable clothing, the representatives of the textile and clothing industries asked the Bureau of Standards of the Department of Commerce to develop a commercial standard of flammability for wearing apparel. This standard when developed was adopted and adhered to by virtually all responsible firms in these industries. The Flammable Fabrics Act passed in 1952 incorporated the commercial standards developed by the Bureau of Standards as the basic test of flammability under the act. Following passage of the act it came to the attention of the executive agencies of the Government concerned with the enforcement of the act that some traditional fabrics, such as silks and lightweight cottons, which had been in use for many years without any record of injury to wearers, would be excluded from the market under the standards established in the act, and as a result a number of textile establishments in the United States and silk producers in Japan would be seriously affected. Some mills in New England which had produced organdies and lawns were forced to close.

Because of the fact that these fabrics had had no history of dangerous flammability it seemed clear that these were not the types of fabrics that the Flammable Fabrics Act was aimed at. We therefore requested the Bureau of Standards and interested persons in industry to consider this problem and recommend appropriate modification of the statute and the commercial standard so as to permit continued production and sale of these types of fabrics. As a result of these discussions the Department of Commerce recommended a slight modification in the burning rate time for plain surface fabrics and exclusion of plain surface scarves. As pointed out above, the modification of the burning rate time was adopted by the Congress but no action was taken on the proposed exclusion of scarves.

The definition of wearing apparel contained in section 2 (d) of the Flammable Fabrics Act defines article of wearing apparel as "any costume or article of clothing worn or intended to be worn by individuals except hats, gloves, and footwear." A further definition of hats, gloves, and footwear is also provided. It is our opinion that it would be appropriate to exclude from this definition of articles of wearing apparel scarves made of plain surface fabrics. To the best of our knowledge plain surface scarves have never presented any serious hazard to wearers, and consequently no danger to the public would result from excluding such scarves from the definition of wearing apparel. On the other hand, scarves made of raised surface fabrics which burn with an intense flame should be considered hazardous and should be required to meet the flammability test provided in the act.

This Department therefore recommends the enactment of the attached draft bill which would amend the definition of articles of wearing apparel in section 2 (d) of the Flammable Fabrics Act to exclude plain surface scarves.

COST

Enactment of this legislation should reduce the cost of administering the act by the amount which is presently spent in investigations and testing of these particular articles.

Sincerely yours,

SINCLAIR WEEKS,
Secretary of Commerce.

AMENDMENT OF COMMUNICATIONS ACT OF 1934

Mr. MAGNUSON. Mr. President, by request of the Federal Communications Commission, I introduce, for appropriate reference, a bill to amend sections 212, 219 (a), 221 (a), and 410 (a) of the Communications Act of 1934, as amended. I ask unanimous consent that a letter from the Commission, explaining the objectives of the bill, be printed in the RECORD.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the letter will be printed in the RECORD.

The bill (S. 1456) to amend sections 212, 219 (a), 221 (a), and 410 (a) of the Communications Act of 1934, as amended, introduced by Mr. MAGNUSON, by request, was received, read twice by its title, and referred to the Committee on Interstate and Foreign Commerce.

The letter, presented by Mr. MAGNUSON, is as follows:

FEDERAL COMMUNICATIONS COMMISSION,
Washington, D. C., February 28, 1955.

The VICE PRESIDENT,
United States Senate,
Washington, D. C.

DEAR MR. VICE PRESIDENT: The Federal Communications Commission wishes to recommend for the consideration of the Senate four amendments to the Communications Act of 1934, as amended, relating to its regulatory authority over communications common carriers, enactment of which, it is believed, will substantially relieve the administrative burdens of such regulation on both the Commission and the carriers subject to its jurisdiction without in any way detracting from the essential regulatory authority of the Commission. These amendments are to sections 212, 219 (a), 221 (a), and 410 (a) of the act, respectively. A draft bill incorporating each of the amendments is attached.

Section 212 of the Communications Act presently makes it unlawful for any person to hold the position of officer or director of more than one carrier subject to the act, unless the dual holding is first authorized by Commission order upon a showing, in a manner to be prescribed by the Commission, that neither public nor private interests will be adversely affected thereby. An objective of Congress in enacting this requirement—the prevention of the exercise of indirect control over ostensibly competing carriers through such interlocking directorates—is, we believe, clearly salutary. But the all-embracing language of the section makes it applicable to dual holdings within an integrated communications system under common ownership and control as well as to interlocking relations between the competitive systems to which the section must have been primarily intended to apply. The result has been that in recent years the Commission has been called upon to consider a substantial number of requests by officers or directors of one company of a commonly owned and controlled system, such as the Bell System of the American Telephone & Telegraph Co., to serve as well in a similar capacity with respect to another company within the system. The Commission has felt that in such situations, where the dual holding cannot have any effect upon the ultimate control or management policy of either of the companies, the determination as to whether a particular individual can best serve the interests of the system by concentrating his efforts in one of the constituent companies or by making his talents available to more than one is a detail of carrier management which can and should be left to the discretion of the carrier itself. It has, accordingly, regularly issued orders approving such requests. It is believed, however, that in the interests of efficiency and avoidance of unnecessary effort by both the Commission and the carrier personnel involved, it would be advisable to amend section 212 to make possible elimination of unnecessary applications and Commission orders in such situations. This would be accomplished by amending section 212 to add the following proviso at the end of the first sentence:

"Provided, That the Commission may authorize persons to hold the position of officer or director in more than one such carrier, without regard to the requirements of this section, where it has found that 1 of the 2 or more carriers directly or indirectly owns more than 50 percent of the stock of the other or others, or that 50 percent or more of the stock of all such carriers is directly or indirectly owned by the same person."

In addition, certain language changes will be required in the second sentence of the section, as revised, in view of the insertion of the new proviso. These are set out in full in the draft bill attached hereto.

The need for an amendment to section 219 (a) of the act arises partly out of an apparent ambiguity of the existing language and partly out of the development and growth of certain new types of limited or specialized common carriers in the communications field concerning the operation of which a somewhat lesser degree of annual information may be necessary in order to insure effective Commission regulation. The first sentence of this section presently authorizes the Commission to require the filing of annual reports by all carriers subject to the act, a provision taken over from the Interstate Commerce Act, as amended. However, the second sentence of the section, which was added at the time the Communications Act of 1934 was adopted, speaks in mandatory terms and provides that such annual reports "shall show in detail" a long list of specific types of information. The absolute nature of these requirements is, apparently, stressed by the language of the third and last sentence of the subsection which authorizes the Commission, by regulation, to require that additional information be contained in such annual reports. And while the legislative history relating to the section is by no means extensive, what there is tends to reinforce the interpretation of the section which would make mandatory the inclusion in any annual report required to be filed by the Commission of all of the detailed information specified in the second sentence of the section.

Experience in recent years, especially with respect to certain types of specialized common carriers which have been established in the mobile and maritime services, has indicated that some of the information required by the second sentence of the section is unnecessary and serves little or no regulatory function. Accordingly, this section should be amended to make clear that the Commission has authority to tailor the annual reports required from particular types of carriers to the peculiar needs of the Commission with respect to each service and type of carrier. This would be accomplished by amending the second sentence of the section by inserting the words "Except as otherwise required by the Commission" at the beginning of the sentence so that it will read: "Except as otherwise required by the Commission, such annual reports shall show in detail."

It is presently provided in section 221 (a) of the act that the Commission must hold public hearings upon all applications for authority to consolidate telephone properties or for authority for one telephone company to acquire the property of another or the control of another. It is believed that this mandatory hearing requirement should be eased, as many of the applications being received are of such minor significance that hearings are not justified. This is particularly true since in a large number of these cases all conceivable parties in interest are actively in favor of the merger. The Com-

gress on August 2, 1949, made an amendment, similar to what the Commission is recommending, to section 5 (2) (b) of the Interstate Commerce Act by adding to a clause making public hearings mandatory in cases involving consolidations, mergers, and acquisitions of control of railroads a proviso that such hearings need not be held where the Commission "determines that a public hearing is not necessary in the public interest." In its 66th annual report for the fiscal year ended October 31, 1952, the Interstate Commerce Commission, commenting upon the results of the amendment of August 2, 1949, stated that during the year under report it "found that public hearings were not necessary in 32 out of 35 proceedings under section 5 (2)." It is believed that similar savings in time-consuming procedures would be realized in the Federal Communications Commission if section 221 (a) were similarly amended, as set forth in detail in the appendix. This amendment would permit the Commission to dispense with the hearing in any case where, after notifying all parties in interest and considering their views, the Commission determines that such a hearing is not necessary in the public interest. The new language proposed is patterned after language now in sections 220 (i) and 309 (a) of the act and the amendment of August 2, 1949, to section 5 (2) (b) of the Interstate Commerce Act.

In the Communications Act Amendments, 1952, Congress rewrote section 409 (a) of the act so as to provide that adjudicatory hearings should be conducted only by the Commission or by one or more examiners. This had the effect of forbidding the hearing of adjudicatory matters by a single member of the Commission. With section 409 (a) so rewritten it was necessary to make certain amendments to section 410 (a) to bring it into conformity with the new language of section 409 (a). In amending section 410 (a) Congress provided that certain questions might continue to be referred to a joint board composed of a member, or members selected from each of the States affected. In stating the jurisdiction and powers conferred upon such a joint board it was stated in the amendment adopted that any such board should have all the jurisdiction and powers conferred by law upon the Commission, whereas the language replaced gave these joint boards only the same powers as possessed by a single member of the Commission when designated by the Commission to hold a hearing. It would seem that the new delegation of jurisdiction and powers is undesirably broad.

In any event, with the wording of section 410 (a) inserted by the Communications Act Amendments, 1952, it does not seem likely that the Commission would ever find it desirable to refer any matter to a joint board. It is believed that if the second sentence of section 410 (a) were changed to give joint boards the same jurisdiction that is now conferred on an examiner, it would be more nearly what Congress must have intended and would make the section more usable to the Commission in the administration of the act.

The consideration of these amendments by the Senate will be greatly appreciated. The Commission will be most happy to furnish any additional information that may be desired by the Senate or by any committee to which this material is referred. The Bureau of the Budget has advised the Commission that it has no objection to the submission of this letter.

GEORGE C. MCCONNAUGHEY,
Chairman
(By direction of the Commission).

DISAPPROVAL OF SALE OF CERTAIN RUBBER-PRODUCING FACILITIES IN CALIFORNIA

Mr. THYE. Mr. President, I submit, for appropriate reference, a resolution disapproving the sale of certain rubber-producing facilities in California. I ask unanimous consent that a statement, prepared by me, relating to the resolution, be printed in the RECORD.

The PRESIDENT pro tempore. The resolution will be received and appropriately referred; and, without objection, the statement will be printed in the RECORD.

The resolution (S. Res. 78), submitted by Mr. THYE, was referred to the Committee on Banking and Currency, as follows:

Resolved, That the Senate does not favor the sale of the butadiene manufacturing facility at Torrance, Calif., Plancor 963; the styrene manufacturing facility at Los Angeles, Calif., Plancor 929; and the synthetic rubber (GR–S) facility at Los Angeles, Calif., Plancor 611, as recommended in the report of the Rubber Producing Facilities Disposal Commission.

The statement, presented by Mr. THYE, is as follows:

STATEMENT BY SENATOR THYE

I am today submitting a resolution, under the provisions of Public Law 205, 83d Congress, relating to the report of the Rubber Producing Facilities Disposal Commission.

The resolution states that the Senate does not favor the sale of the butadiene manufacturing facility at Torrance, Calif., Plancor 963; the styrene manufacturing facility at Los Angeles, Calif., Plancor 929; and the synthetic rubber (GR–S) facility at Los Angeles, Calif., Plancor 611, as recommended in the report of the Rubber Producing Facilities Disposal Commission.

It is my understanding that the law requires a separate bid for each facility to be sold.

The three plants referred to in my resolution were bid under a lump sum proposal which did not conform to the law.

This failure to comply with the full intent of the law with respect to the sale of these three plants restricted the opportunity for taking full advantage of provisions for negotiation on the sale price of individual plants.

It also tended to discriminate against bidders who were interested only in individual plants and whose proposals could not be properly explored because of the lump-sum proposal for the three plants with no breakdown as to the price bid for each plant as required in the law.

Under the terms of Public Law 205, either House of Congress has authority to indicate its disapproval of procedures undertaken by the Rubber Producing Facilities Disposal Commission in the sale of the Government-owned rubber plants to private industry.

The adoption of the resolution, after consideration by a Subcommittee of the Senate Committee on Banking and Currency, which has already conducted extensive hearings on this subject, will permit consideration of new legislation relating to the disposal of the three plants identified in the resolution. It will not affect the pending sale of 21 other plants recommended for sale by the Commission and the bids for which were in full compliance with the law.

Mr. HUMPHREY. Mr. President, I submit a resolution, disapproving the sale of certain rubber-producing facilities in California, and ask for its appropriate reference.

I also send to the desk a letter which pertains to the body of this resolution. It is a copy of a letter addressed to the Senator from Arkansas [Mr. FULBRIGHT] chairman of the Senate Committee on Banking and Currency, by the Minnesota Mining & Manufacturing Co., signed by the President, Mr. H. P. Buetow. The letter protests the sale of one of our synthetic-rubber plants to the Shell Chemical Corp. The resolution which I have submitted would ask that that particular transaction be set aside to allow for competitive bidding on those facilities.

The PRESIDENT pro tempore. The resolution will be received and appropriately referred; and, without objection, the letter will be printed in the RECORD.

The resolution (S. Res. 79), submitted by Mr. HUMPHREY, was referred to the Committee on Banking and Currency, as follows:

Whereas the Rubber Producing Facilities Disposal Act of 1953, Public Law 205, 83d Congress, provided for the disposal of the Government-owned rubber-producing facilities, pursuant to the provisions of said act; and

Whereas in the recommended sale of the butadiene manufacturing facility at Torrance, Calif., Plancor 963; the styrene manufacturing facility at Los Angeles, Calif., Plancor 929; and the synthetic rubber (GR–S) facility at Los Angeles, Calif., Plancor 611, the Rubber Producing Facilities Disposal Commission has not conformed to the provisions and procedures established by the said act; and

Whereas the said purported sale by the Rubber Producing Facilities Disposal Commission was in violation of the provisions and procedures established and required by Public Law 205, 83d Congress; and

Whereas section 23 (a) of the Rubber Producing Facilities Disposal Act of 1953 provides for the introduction of this form or resolution: Now, therefore, be it

Resolved, That the Senate does not favor the sale of the butadiene manufacturing facility at Torrance, Calif., Plancor 963; the styrene manufacturing facility at Los Angeles, Calif., Plancor 929; and the synthetic rubber (GR–S) facility at Los Angeles, Calif., Plancor 611, as recommended in the report of the Rubber Producing Facilities Disposal Commission.

The letter presented by Mr. HUMPHREY is as follows:

MINNESOTA MINING &
MANUFACTURING CO.,
February 22, 1955.

Hon. J. W. FULBRIGHT,
Chairman, Senate Committee on
Banking and Currency,
Senate Office Building,
Washington, D. C.

DEAR SENATOR FULBRIGHT: We are writing this letter to you as one of several unsuccessful bidders for the purchase of Government-owned rubber producing facilities on the west coast.

Our company, together with our wholly owned subsidiary Midland Rubber Corp., submitted a proposal to purchase Plancor 611, a copolymer plant located at Torrance, Calif.

In our opinion, the proposal to purchase Plancors 611, 929, and 963 submitted by the Shell Chemical Corp., and recommended for acceptance by the Rubber Producing Facilities Disposal Commission did not comply with Public Law 205, 83d Congress (known as the Rubber Producing Facilities Disposal Act of 1953) in that the proposal by Shell did not state the amount proposed to be

paid for each of the facilities, and was therefore, improperly considered by the Commission.

If our interpretation of the act is correct, the recommended sale of these plants to the Shell Chemical Corp. should be disapproved.

Public Law 205, 83d Congress, authorizes the disposal of the Government-owned rubber producing facilities. Section 7 (b) of this act provides as follows:[1]

"(b) Proposals shall be in writing, and shall contain, among other things * * *—

"(4) The amount proposed to be paid for each of the facilities, and, if such amount is not to be paid in cash, then the principal terms of the financing arrangement proposed."

Pursuant to the above statute, the Rubber Producing Facilities Commission (hereinafter referred to as the "Commission") issued certain instructions and information, entitled "Release No. 1."[2] Paragraph 4 of these instructions provides as follows:

"4. Proposals shall state the amount proposed to be paid for each of the facilities. Where a proposal contemplates acquisition of several facilities for integrated operation, it shall state separately the aggregate amount proposed to be paid for such facilities on such an integrated basis, and the amount otherwise proposed to be paid for each of the facilities in question on an individual basis. * * *"

Pursuant to an official advertisement published on November 18, 1953, by the Commission, entitled "Invitation for Proposals,"[3] the Shell Chemical Corp. submitted a proposal for the purchase of 3 of these plants, namely, Plancors 611, 929, and 963,[4] in which Shell stated in paragraph 10, entitled "Purchase Price":

"The aggregate amount we propose to pay for Plancors 611, 929, and 963, together, is $27 million.

"We do not state the amounts we propose to pay for any of the facilities on an individual basis as we do not propose to purchase individual facilities."

The Commission itself, in its report to Congress, recognized that Shell had refused to submit a bid on each facility as required by Public Law 205, and stated as follows in discussing the sale of the styrene plant:[5]

"At the same time there were 3 proposals for the west coast copolymer plant, including the package bid of Shell Chemical Corp., amounting to $30 million, the styrene plant, the butadiene plant at Torrance, Calif., and the copolymer plant. Shell stated at the outset that its interest was only in the acquisition of all three plants for integrated operation. It wanted no single plant and no combination of two. It represented that its proposal was calculated solely on this basis and consequently declined to assign figures to each of the three facilities. Shell's packaged price represented the highest aggregate amount offered to the Commission for the three plants."

In our opinion, the Shell Chemical Corp. proposal was not in compliance with section 7 (b) (4) of Public Law 205, 83d Congress, or paragraph 4 of release No. 1 by the Rubber Producing Facilities Disposal Commission, in that the Shell proposal did not state the amount proposed to be paid for each of the facilities on an individual basis but only the amount proposed to be paid for three facilities on an integrated basis.

Because the Shell proposal did not conform to the standards prescribed by Congress, it was invalid and improperly considered by the Commission. It is immaterial whether or not the Shell proposal constituted the highest bid for these three plants because the proposal itself was invalid. Its acceptance by the Commission gave Shell an undue advantage not permitted by the law.

Accordingly the Senate or the House should pass a resolution in accordance with section 2 (b) of Public Law 205 declaring that the Senate or the House does not favor the sale of Plancors 611, 929, and 963, as recommended in the report of the Commission.

Legislation should be passed which would enable the Rubber Producing Facilities Disposal Commission to receive proposals and negotiate new contracts for sale of Plancors 611, 929, and 963, under the same terms and condition prescribed in Public Law 205.

Respectfully.

H. P. BUETOW, *President.*

[1] See p. 8 (a) of the report to Congress by the Rubber Producing Facilities Disposal Commission.

[2] See p. 5 (a) of the report to Congress.

[3] See exhibit A of the appendix to report to Congress.

[4] See pp. 156–157 of the supplement to the report to Congress.

[5] See p. 28 of the report to Congress.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. MONRONEY:

Address delivered by Robert B. Anderson, Deputy Secretary of Defense, at Oklahoma City, Okla., on March 9, 1955.

By Mr. WILEY:

Editorial from Wall Street Journal concerning the impact of the St. Lawrence Seaway on State and municipal projects.

NOTICE OF HEARINGS ON SUNDRY NOMINATIONS BY FOREIGN RELATIONS COMMITTEE

The PRESIDENT pro tempore. As a Senator and chairman of the Committee on Foreign Relations, the Chair desires to say that the Senate received today a list of 66 persons for appointment as Foreign Service officers of various classes. The list is printed elsewhere in the proceedings of today. Notice is hereby given that these nominations will be considered by the Committee on Foreign Relations, at the expiration of 6 days.

EXCERPTS FROM ADDRESS BY THE VICE PRESIDENT BEFORE THE WORLD AFFAIRS COUNCIL

Mr. KNOWLAND. Mr. President, I ask unanimous consent to have printed in the body of the RECORD excerpts from the address delivered by the Vice President of the United States before the World Affairs Council, in Los Angeles, Calif., on March 14. The address dealt with the Vice President's trip through Latin America.

There being no objection, the excerpts from the address were ordered to be printed in the RECORD, as follows:

EXCERPTS FROM THE ADDRESS OF THE VICE PRESIDENT OF THE UNITED STATES BEFORE THE WORLD AFFAIRS COUNCIL, LOS ANGELES, CALIF., MARCH 14, 1955

IMPORTANCE OF THE AREA

We usually hear of Latin America only when there is an earthquake, flood, hurricane, or revolution in that area. We get prompt and efficient coverage of such legitimate news items, as we should. But another story, much bigger, more exciting, and more important is not being adequately told in the United States. This is the story of an old and honored civilization awakening, of a potential economic giant being unshackled, of the way being paved for inevitable development which may bring to Latin America more progress in the last half of this century than the United States itself experienced during the first half of the century.

In these days when we are justifiably concerned by what is happening in Asia and in Europe, we sometimes have a tendency to underestimate the vital importance of Latin America.

Strategically, the republics in the American hemisphere are our closest neighbors. Therefore, they can be, as they are now, essential friends, or they could be potentially dangerous enemies.

Economically, Latin America buys more from the United States than all of Europe put together, and more than Asia, Africa, and Oceania combined.

Politically, the countries of the Western Hemisphere form together a bulwark of the free world, supporting free-world principles and opposing Communist encroachment. If we did not know it before, we learned this at the 10th Inter-American Conference last year at Caracas. And we find the clear principles guiding the American republics constantly demonstrated at the United Nations. Our countries seldom fail to act virtually as a unit on issues of free-world importance.

From the population standpoint, there are 10 million more people in Latin America today than there are in the United States, and at the present rate of growth in that area, which is twice the world rate, there will be 600 million people in Latin America by the end of this century.

For these and other reasons, it can truly be said that what helps one of the countries in the Americas helps all, and what hurts one, in the end, will hurt all.

WEAKNESS OF PAST POLICY

Our policy toward Latin America in the past has been characterized by stops and starts, by big talk and little action. On too many occasions, a report is made advocating a program for progress in Latin America; everybody gets excited for a few days or weeks; and then the report is quietly pigeonholed and for the most part forgotten. United States policy toward Latin America must have consistency, continuity, and follow-through. This administration recognizes the necessity for that type of policy and we are determined to carry it forward. Dr. Milton Eisenhower's trip to South America and our visit to Central America is clear-cut evidence of the vital importance the administration attaches to developing a more effective policy for Latin America.

THE INTER-AMERICAN HIGHWAY

The program which the United States has followed in the past with regard to construction of the Inter-American Highway is characterized by the weaknesses I have just described. For 15 years, our Government has been publicly committed to aid in the construction of the highway. We have already invested 54 millions of dollars in it. At the present rate appropriations are being made it will take from 15 years to a quarter of a century to complete it. Until it is completed, the taxpayers of the United States and of the other participating countries will not receive the full benefit of what is in concept, and will be on completion, a magnificent program.

The highway is of importance economically because it will open up huge sections of the countries through which it passes which have hitherto been inaccessible. This will inevitably bring a great demand for United States machinery, equipment, and other products, with an obvious benefit to United States industry. It will also make it possible for thousands of American tourists to visit our neighbors to the south. An indi-

cation of what a shot in the arm this would be to the economy of those countries is the fact that tourism today provides Mexico a larger dollar income than any other industry.

The highway would have great value in promoting political stability. Many of the tensions and misunderstandings which existed in the past have been due to completely inadequate communications which have prevented the free movement of persons and goods and the full exchange of points of view across national borders.

The highway could be of great benefit militarily and strategically. The last war showed the urgent need for other means of transporting material quantities of foodstuffs and supplies to the areas now dependent on sea transport. If, despite all our efforts, another war should come, the absence of overland communications from the United States to the Canal Zone could be disastrous.

Under an accelerated program of construction, it would be possible to finish the highway within 3 to 5 years. The sooner it is completed, the sooner it can begin to pay for itself. Since returning to Washington, I have been strongly urging an accelerated program of appropriations for this purpose, and though the final decision has not yet been made, I can say that I have been greatly encouraged by the reactions I have received from those in the administration with whom I have discussed the problem.

PROSPECTS FOR PEACE AND POLITICAL STABILITY

There is substantial evidence that the Inter-American area is entering an era of greater internal stability and peaceful relations. I was able to witness first hand the culmination of the efforts of the Organization of American States to settle the dispute that had arisen between Nicaragua and Costa Rica, two countries whose people are friends, and whose leaders expressed to me personally their determination to attempt to find peaceful solutions of the differences between them. The OAS and the leaders of both countries are to be congratulated for the example they have set for the whole world to see of finding peaceful solutions to difficult problems.

Panama is still grieving over the senseless assassination of President Remon, a man who will go down in history as one of the greatest leaders of that country. But I am convinced that President Arias and the members of his Government will successfully steer Panama through this crisis and continue the regime of stability and progress which President Remon had so auspiciously inaugurated.

Honduras, which has been plagued by over 100 revolutions in its history, seemed headed for another governmental crisis when no candidate for the presidency received a majority of the vote in the last election. But Vice President Lozano, as Chief of State, has stepped into the breach and is doing one of the most outstanding jobs in the hemisphere in dealing effectively with the problems of the people, and in creating an economic climate which will attract the new investment which is so essential for progress.

President Ruiz Cortines of Mexico is, in my judgment, one of the greatest leaders our friends and neighbors south of the border have ever had. He is honest and able, and he has a burning desire to raise the standards of living of his fellow countrymen. Mexico has, without question, reached the stage of political maturity, and, under President Ruiz Cortines' wise policies, economic progress is bound to follow.

THE COMMUNIST DANGER

Communism has reached and passed its high-water mark in the inter-American area. The danger is still present underground because, though the Communists are few in number, they are well organized, and in many of these countries a well-organized minority always has a chance to overthrow the government and impose its rule upon the majority of the people.

Guatemala is a monument to Communist failure, both in Latin America and throughout the world. The Communists were in power for 10 years there, and never has a government promised so much and done so little.

The Communists promised the laboring man free organization of unions and fair labor laws. But under the law adopted in 1947 they set up Government-dominated labor organizations dedicated to serving the interests of the Communist international labor organization in Moscow rather than those of the workingman. Non-Communist labor leaders were jailed and exiled. Leaders of workers who attempted to organize the thousands of unemployed were beaten up and jailed. High wages and benefits were promised, but prices went up so fast that what wage increases were granted were completely eaten up by high prices.

In education, the Communists promised to build more schools, but, using only political planning, they squandered large investments in overambitious and poorly located structures, many of which could never be used because of lack of teachers. Textbooks and courses were revised to express the Communist doctrine. Non-Communist teachers were forced out of the profession. It is no accident that some of the strongest opposition to Communists in Guatemala City was in the organization of university students who observed the perversion of true education to Communist purposes.

The Communists promised health and hospital care. Instead of filling the needs, they actually defeated them. The appropriations for public health were substantially below those of neighboring countries such an Panama, Costa Rica, and Cuba. Substantial programs for malaria control, sanitation, and other projects were dropped because United States agencies were cooperating with the Guatemalan Government. Hospital space was not increased. The President Roosevelt Hospital, a 1,000-bed structure commenced in 1942, was still unfinished in 1954 when Castillo Armas came into power. This hospital which the Communists failed to finish in 12 years will be completed and fully in operation within 1 year under the Castillo Armas government.

The Communists promised to construct thousands of houses. Yet, in 9 years, virtually the only housing projects which were completed were several fine mansions for the use of top government officials.

The Communists promised new roads. But, after 9 years, despite huge expenditures of funds supposedly for highway construction, the national highway network in Guatemala was in the worst condition in history when the Castillo Armas government came into power.

They promised agrarian reform, but they made the farmers, in effect, tenants of the state without ever gaining title to the plots parceled out to them. The interests of the peasants were subordinated to those of the Communist Party. The result was in essence a collectivist farm system under which farm workers exchanged a new and tougher master, the tyrannical Communist state for their former landlords.

They squandered the national inheritance consisting of state-owned coffee plantations by putting them in the hands of their party favorites, thereby causing drastic decline in productivity and the loss of millions in income to the nation.

As a result of their systematic hostility to business enterprise, they discouraged normal economic expansion and drove into exile abroad an estimated $50 million of domestic private capital.

To cap it all off, when Arbenz abdicated, he took with him a million dollars in cash from the already sacked national treasury. Proportionately, incidentally, this would be like the President of the United States skipping off with a billion dollars of the taxpayers' money.

It is impossible for one who has not visited Guatemala even to imagine the hatred of the people in all walks of life for the Communist regime. This record explains in part the reason for that hatred, and the strong support for Castillo Armas among the people, despite the difficulties he has encountered since coming to power.

Guatemala is not yet out of the woods, but it has a fine people, rich undeveloped natural resources, and an honest, dedicated courageous leader in President Castillo Armas. I am convinced that the Castillo Armas government can do more good for the people in 2 years than the Communist government did in 10 years. Castillo Armas' objective was summed up when he told me, "We have proved that we can beat the Communists with guns; now we must prove that we can do better than they did in providing social justice for the people of Guatemala."

In no place in the world are the stakes for free peoples higher than they are in Guatemala. Here the whole world will have a chance to make a direct comparison between what a Communist government could do for an underdeveloped country as compared with what a free government can do. The free world cannot afford a failure, and I am confident that success will crown our cooperative efforts to succeed.

PROSPECTS FOR ECONOMIC DEVELOPMENT

Trade with the United States is the most important single factor in the economic development of Latin America. Interest in trade in Latin America far exceeds any interest in grants, loans, or technical assistance.

From our standpoint we must bear in mind that virtually every dollar we pay for products of Latin America is in turn spent in the United States for the products we sell to them. Reducing our imports from Latin America would mean less dollars for our exports to that area.

President Eisenhower has placed greater emphasis than ever this year on the importance of a gradual selective reduction in artificial barriers to free trade. In visiting middle America I saw the physical proof of the importance of this policy to the members of the American family. The American people must face squarely the question of whether we will continue to import from our sister American republics even though this means at times competition with American producers in some industries. The importance of vigorous inter-American trade to our own well-being is such that I believe we will not falter in making the correct decision.

Latin America needs capital.

The major source for capital is not from government grants or loans, but from private investors, both from within the country concerned, and from without. To attract private investors, the interested governments must create conditions which will give confidence to them. A test as to whether a government is successful in doing this may be found in the extent to which its own people are investing their savings in the economic development of their own country. If confidence among domestic investors exists, the only added factor needed to attract foreign investors is assurance of nondiscriminatory treatment.

Capital is available today in the hands of private investors in Latin America, in the United States, and elsewhere in the world, in quantities sufficient to expand the rate of new investment far beyond anything we have seen to date. To attract these private investors is a job that must be done by the local governments, and I have been encouraged that the governments of most of the countries I visited are aware of this and

are moving constructively to meet this objective.

In addition to private capital, there are some projects such as roads, irrigation systems, and port facilities for which government capital must be provided. It is to the interests of the people of the United States for our Government to make available large sources of credit for this type of investment which often are beyond the economic capacity of the governments of this hemisphere.

At the Rio Conference, we assured the Republics of the hemisphere that through the Export-Import Bank our Government would do its utmost to satisfy applications for development loans which satisfy certain sound and logical conditions. The project must be sound and in the interest of the two countries, and it must be one for which capital would not normally be available from private sources, or through the International Bank. I returned to Washington convinced that this intensified lending policy is wise and essential, and that it will substantially accelerate sound economic development in Latin America without our Government invading those fields of business and finance where private enterprise is normally active.

I also returned convinced that our Government's aid to Latin America should be primarily in the form of loans, rather than grants, and I found this to be the prevailing opinion among the heads of state in the countries which I visited.

The United States technical aid point 4 program is working well in the countries which I visited. The people in these countries have an amazing ability to learn quickly, and they are willing to work hard in order to learn. The small amount that we are contributing for technical advice and assistance will pay in the end enormous dividends in increased productivity for the countries involved.

There may be some in the United States who ask the understandable question, Why should we interest ourselves in the progress of Latin America? There are a number of reasons.

From their standpoint, the end we seek in economic development is to provide more jobs at better salaries, and a greater volume of goods at reasonable prices. This means that people lead better and fuller lives, and are able to give their children the kind of education that will make them better citizens.

From our standpoint, political stability in the Americas, we know, is as essential to us as to them, and political stability depends to a great extent on economic stability. And, as the economic well-being of these countries improves, we benefit directly, because they are able to sell more to us, and that means that they can buy more from us. The best proof of this is that Canada, with its high standard of living, is our best customer in the world today.

EXCHANGE AND LIBRARY PROGRAMS

I believe that our exchange and library programs in this area are among the most effective of any I have seen in the world, and I think that they could, with profit to both the United States and the other interested countries, be substantially expanded.

PUERTO RICO

Unfortunately, many Americans think of Puerto Rico primarily in connection with the attempt of a group of fanatics to kill Members of Congress last year.

Visiting Puerto Rico was one of the most rewarding experiences of the entire trip. Puerto Ricans are proud of their United States citizenship, proud of their autonomy, written by themselves under their constitution and ratified by the United States Congress, and justifiably proud of the way in which they are dealing effectively with problems of education, housing, public health, agriculture, and development of natural resources.

Puerto Rico is the absolute refutation of all the Communist propaganda about the United States as an oppressive, imperialist power with a policy of colonial enslavement. I was privileged to meet several of the thousands of Puerto Ricans who fought so gallantly in Korea in our forces. In one factory which I visited, the majority of the workers were Korean veterans.

Under the leadership of their dynamic, forward-looking Governor Muñoz-Marin, Puerto Ricans are proving what can be done to conquer poverty by people who have vision and determination, and who make the maximum use of very limited natural resources.

FREE TRADE UNION LEADERSHIP

I was encouraged by the development of free trade union leadership in many of the countries which I visited. It is generally becoming recognized that the answer to Communist union leadership is not the negative alternative of no unions at all, but the constructive alternative of encouraging the developing free trade union leadership. Governments and employers alike are begining to realize that it is not a question of whether or not workers are going to organize, but how. The development of strong free trade union leaders is one of the most effective ways to defeat Communist objectives in this area.

AMERICAN GOVERNMENT PERSONNEL IN THE AREA

As was the case in my trip to Asia, I came back with a fine impression of American Government personnel serving in the area. Among career State Department personnel, for example, I found in instance after instance men and women working under very trying physical conditions cheerfully and industriously, dedicating their lives to mutual understanding in the hemisphere. This work is worthy of the finest talents of our people, and I hope that the career service will attract the most representative young men and women in America. There is an important and a stimulating job for them to do, and one from which, if well done, they can obtain the utmost in satisfaction and in a feeling of worthwhile accomplishment.

ONE HUNDRED THIRTY-FIFTH ANNIVERSARY OF ADMISSION OF MAINE TO THE UNION

Mr. PAYNE. Mr. President, today marks the 135th anniversary of the admission of the State of Maine into the Union. The movement for separation of the District of Maine from Massachusetts, and its establishment as a separate State, reached a successful climax when President James Monroe signed the Maine statehood bill on March 3, 1820. An act of the Massachusetts legislature set March 15 as the effective date of the separation.

Last week it was my privilege to participate here in our Nation's Capitol in placing a wreath on the statue of Maine's first governor, William King. Governor King was one of the principal leaders in the separation movement, and was a younger brother of Rufus King who was a member of the Constitutional Convention, the Federalist Presidential candidate in 1816, Ambassador to Great Britain twice, and represented the State of New York in the United States Senate from 1789 to 1796, and again from 1813 to 1825.

Every Member of this great body is naturally proud of his home State, and I am especially proud of Maine.

There is nothing that is able to surpass the perfect beauty of Nature, and the State of Maine is a land which Nature has favored abundantly. Surging seas, crystal lakes, towering trees, fertile soils, and snow-capped peaks—all these natural attributes gloriously adorn the State which so appropriately has been christened "Vacationland."

Every year the mysterious majesty of the State lures millions of visitors. They marvel at the diversities that lie between the surging seas and the pine-crested hills, and they return again and again to capture its beauty.

As if imbued with the thoughts expressed by one of Maine's outstanding poets, Henry Wadsworth Longfellow, they seem to be repeating:

> Ah! What pleasant visions haunt me
> As I gaze upon the sea!
> All the old romantic legends,
> All my dreams, come back to me.

But Maine is far more than vacationland. Its industries, agriculture, and fisheries have made an enormous contribution to the growth of our Nation. Its institutions of higher learning are world renowned.

And the land is also reflected in the spirit and character of its people, giving them those qualities that are deeply rooted in the fundamental traditions. From earliest days, Maine men have remained close to Nature by conquering lashing seas, tilling rugged lands, and clearing towering forests. From this heritage have emerged men who have gone forth to establish enviable records in every endeavor of life in every corner of the earth.

Wherever they may be, State of Mainers have retained the indomitable individualism which causes people to refer to them simply as Down East Yankees.

On the 135th anniversary of its admission into the Union I salute the State of Maine and its more than 900,000 citizens, of whom I am indeed proud to be one.

PROPOSED DEDICATION OF A MONUMENT TO CLOSER RELIGIOUS THOUGHT AND EFFORT

Mr. DIRKSEN. Mr. President, a group of public spirited citizens have organized the Bald Knob Christian Foundation, Inc., in southern Illinois for the purpose of erecting a monument in the form of a cross more than 500 feet in height to be dedicated to closer religious thought and effort for all of the people of the Nation.

The site of this monument is to be the summit of a mountain presently called Bald Knob, and it is contemplated that the name will be changed and henceforth referred to as Mount Calvary. The design now under consideration will make this the largest standing cross in the world and its construction is to be carried on on a wholly private nonprofit basis by interested American citizens. It is expected that the project will cost about $3 million and a drive for funds

has just been launched by the General Federation of Women's Clubs of America. The site of the cross is in close proximity to the present center of population in the Shawnee National Forest in southern Illinois. It is planned also to equip the structure with shrines for all denominations. It is believed that at night when the cross is illuminated it will be visible over an area of 7,500 square miles. In connection with this project I ask unanimous consent to have included as a part of my remarks a release issued by the General Federation of Women's Clubs and also some fiscal data on the proposed cost.

There being no objection, the release was ordered to be printed in the RECORD, as follows:

WOMEN'S CLUBS COOPERATE IN DRIVE TO ERECT WORLD'S LARGEST CROSS

A fund drive aimed at raising $3 million and supported by the 5 million members of the General Federation of Women's Clubs, of which Mrs. Theodore S. Chapman, Jerseyville, Ill., is president, was initiated in Washington today (note release date above) to provide for the construction of a mammoth, 500-foot cross, the world's largest, dedicated to greater unity of Christian thought and effort, atop Bald Knob Mountain in southern Illinois near the population heart of America. The members of the 15,000 clubs of the General Federation of Women's Clubs are urged to become the channels through which all people in their communities have an opportunity to contribute.

The story of the cross, as it will be known, is the story of a devout rural mail carrier whose interest in humanity and in God are a legend in the 7,500-square-mile area in which the cross will be visible.

The mail carrier, Wayman Presley, a native farmer from the hills of Union County, near Cobden, Ill., has long been known for his interest in nature, and for his enthusiastic participation in youth activities. His 2-day hikes were popular among the poor youngsters in the area, and his resourcefulness in providing for them on these hikes won him the admiration of the adult population.

But it was while he was postmaster at Makanda, Ill., a post he acquired in 1934, that he began thinking more deeply about the religious aspects of life. The postmaster job was confining, and he longed to be out under the blue sky where he could enjoy nature and the beauty of the Illinois Ozarks. So he relinquished the postmaster job to become a rural mail carrier.

One Sunday in the spring of 1937 he was walking down a country road with a friend following services in the little Methodist church at Oak Grove. He had walked many times with this friend, and the two had spent pleasant hours strolling alongside the streams and the wandering Mississippi which flows nearby.

Often on these walks they had discussed the need for closer unity in thinking and effort among the many Christian denominations. Gradually the idea evolved that there should be some place where people of all denominations could meet occasionally for united worship.

As the two pondered this idea, their attention centered on the more prominent and impressive of the nearby mountains, Bald Knob. This, one of the highest and most scenic mountains in the Midwest, they agreed, would be an ideal site for such a meeting. Thus it was that a previously obscure mountain, 70 miles from the population center of the Nation, became truly the heart of an inspired religious activity.

Invitations went out, and a small but enthusiastic gathering of 250 people attended the first Easter sunrise service on Bald Knob in 1937. For this service three crude crosses, fashioned from railroad ties by members of the CCC from a nearby camp, were the only adornment the mountain boasted. Those crosses still stand.

For the second meeting a small electric cross was provided, power for which was supplied by a noisy tractor-driven generator. By the fifth year crowds of 10,000 were attending the sunrise services, and the local facilities were so overtaxed that publicity had to be curtailed until such time as land could be purchased and accommodations expanded.

The story of the initial fund-raising effort (for the original land purchase) among the not-too-rich members of the Bald Knob Foundation is heartwarming in itself. One farm woman sold a litter of pigs, and another made patchwork quilts to raise money. Presley, in order to meet a deadline on his option to buy the property, secured a "faith" loan of $10,000 from a Cairo bank, a loan that has been fully repaid.

The idea of the united mountaintop worship center had by this time inspired men and women in the area to the task of developing it even beyond the hopes of the two men who had originated the idea. One hundred and sixteen persons from 34 towns and 5 States, representing nearly every denomination and walk of life in the Midwest, contributed $100 each to a purchase fund, and now comprise the Bald Knob Christian Foundation, Inc., a nondenominational, nonprofit, State-chartered corporation whose purpose is to erect a cross and worship center on top of Bald Knob. Presley, the untiring mail carrier, was a natural for the appointment as executive secretary of the foundation.

The little group has since managed to assemble funds to build a foundation for the cross, and only recently 200 tons of concrete were poured to provide a foundation for a 2,000-ton structure.

Though a number of offers have been made to finance the building of the cross, or to raise funds ranging from a quarter of a million to $2,500,000 the foundation found most of them tainted with personal interest or other undesirable aspects. In order to avoid losing control of the cross, and to protect it from any type of commercialization, all offers were rejected.

Finally Presley went to Mrs. Chapman, president of the General Federation of Women's Clubs, the world's largest women's organization, to solicit her aid in obtaining responsible backing for the cross. After investigating his story, and learning of the wonderful work the Bald Knob group has been doing for almost two decades, she was able to pledge the interest and cooperation of the General Federation of Women's Clubs.

Through it's 15,000 clubs, donors in every part of the free world will be reached. But Mrs. Chapman urges anyone who wishes to contribute direct to mail his contribution to: The Cross, Cairo, Ill.

Present plans call for construction of a 500-foot cross, the tallest religious symbol in the world, in which shrines will be provided for all denominations. At the top of the cross, but so planned as to preserve the continuity of design, will be a forest ranger lookout post and an observation tower for visitors. The east and west faces of the cross are to be brilliantly illuminated so that it will stand out as a landmark for miles around. An elevator and stairway will provide access to the various levels where shrines and religious exhibits will be installed.

Paths leading up to the cross from parking areas and roads will be paved with stones from the paths where Jesus walked in the Holy Land, and cedars from the Forests of Lebanon will dot the lanscape. Long range plans call for a huge amphitheater on the slope of the mountain where the terrain conforms ideally to such usage. A seating capacity of 50,000 is anticipated, along with a stage large enough to accommodate an elaborate pageant.

Facilities providing for year-round use for church conventions and other religious gatherings are also being contemplated.

At present the site is marked by a 50-foot neon cross mounted on a United States Forestry Service lookout tower. Each night the cross blazons its message across 7,500 square miles to those who have already found that men can worship side by side in a common shrine, regardless of what their differences in belief may be.

The site for the cross, 187 acres in the Shawnee National Forest on the summit of Bald Knob, is owned by the foundation. The surrounding acreage is owned by the Forestry Service which has been completely cooperative in maintaining the road to the summit. Further security is afforded by written agreement with the Forestry Service assuring protection from commercialism, and a bill being initiated in Congress will dedicate a sufficient area around the site to make this protection permanent.

PHYSICAL DATA ON THE CROSS

DESIRED FEATURES PROPOSED BY CONSULTING ARCHITECT IN TENTATIVE PLAN

Size: Cross to measure 500 feet in height. Base width not yet determined, but will be so designed as to allow sufficient room for an entrance chapel, meditation rooms, etc.

Skeletal structure: To be of steel.

Foundation: Concrete.

Base: Stone exterior with reinforced concrete and interior stone finish has been recommended.

Cross: Several materials have been suggested, such as concrete, stainless steel, aluminum, porcelain enamel.

Space required in structure for lookout room for United States Forestry Service; observation floor for visitors; sufficient elevator wells to accommodate ultimate needs; stairway to summit; provisions for lighting at night (either through translucent or transparent materials, or by lighting from recessed outlets on the exterior); the various levels from the base to the observation floors to be so constructed and arranged as to provide display areas for religious articles and historical religious literature, art pieces, etc.; adequate heating, water, sanitary facilities, sewage, etc.

Miscellaneous requirements: Emergency lighting plant to meet CAA and safety requirements. Facilities for telephone and possibly radio and television broadcasting installations.

Additional accommodations: A caretaker's home and workshop will be constructed on the grounds, as will rest rooms and other necessary auxiliary, buildings, in addition to the amphitheatre on the east slope of the mountain. Plans for the amphitheatre have not yet jelled.

EXCHANGE OF CORRESPONDENCE BETWEEN SENATOR WILEY AND UNITED STATES COMMISSIONER OF PATENTS

Mr. WILEY. Mr. President, as virtually everyone realizes, the Nation's patent system is the indispensable pillar of United States free enterprise.

Unless the private patent system is maintained strong and sound, then all the great industrial arts of the American scene would be in jeopardy. The vast amount of United States research, the vast amount of capital expansion, the vast number of new products and services might be gravely imperiled.

For many years, it has been my pleasure to serve as chairman of the Senate

Judiciary Subcommittee on Patents, Trade-marks, and Copyright Law, and to work out patent codification and patent strengthening measures.

While I am no longer chairman of that subcommittee, I have been pleased to follow closely the important work which has been performed under the Eisenhower administration for strengthening the patent system. I have particularly followed closely patent developments with regard to peaceful application of atomic energy.

Recently I had an interesting exchange of correspondence with Commissioner Robert C. Watson, of the United States Patent Office. Commissioner Watson responded most promptly and graciously to suggestions which I had made to him on streamlining Patent Office work.

I believe that the American patent applicant and patent owner can look forward to ever-increased sympathetic attention and support on the part of the Patent Office and the administration as a whole.

Out of this support will, I trust, come a new flourishing of the inventive process in our country. I point out that we cannot afford to rest on our laurels either in peaceful or military inventions. We must tap the genius not only of our own citizens, but the genius of inventors throughout the world. The atom, electronics, automation—these are but a few of the vistas opening before us.

I ask unanimous consent that these letters be printed in the body of the CONGRESSIONAL RECORD.

There being no objection, the correspondence was ordered to be printed in the RECORD, as follows:

MARCH 5, 1955.

Hon. ROBERT C. WATSON,
Commissioner, United States Patent Officer, Department of Commerce, Washington, D. C.

DEAR COMMISSIONER WATSON: I have noted the recent indications of the deep interest of your own office and of your associates elsewhere in the administration in helping to speed up patent searches and achieve other important modernization objectives in connection with the Patent Office.

As you know, I have long been very interested in helping to strengthen the vital patent system.

While I am no longer chairman of the Senate Judiciary Subcommittee on Patents, Trademarks, and Copyright Law, I continue to regard the work of your unit as one of the very important jobs being performed on behalf of our free enterprise system.

I assume that you and your staff have been exploring the possibilities of greater mechanizing of Patent Office operations. It seems to me that recording the vast amount of data in the Patent Office files on electronic machine cards would offer tremendous opportunities for savings and greater speed. (Thus, the present reported 3½-year lag in searches would be reduced.)

That would still, however, leave such major problems as better assuring the integrity of patents—to be successfully met. I have long been concerned about the tremendously high proportion of patent mortality in our Nation's courts. It seems to me that comprehensive steps should be taken to try to assure more protection to patent owners.

I would appreciate hearing from you on these matters.

Insofar as immediate tasks are concerned, I am particularly anxious to do everything possible to help generate American investment in new capital so as to assure sufficient job opportunities for the three-quarter of a million Americans entering the job market each year. All steps that can be taken to increase the number of valid patents in new machinery, processes, and plants will therefore be to the good.

With all good wishes, I am,
Sincerely yours,

ALEXANDER WILEY.

DEPARTMENT OF COMMERCE,
UNITED STATES PATENT OFFICE,
Washington, March 9, 1955.

The Honorable ALEXANDER WILEY,
United States Senate,
Washington, D. C.

DEAR SENATOR WILEY: I was indeed much interested and pleased to receive your letter of March 5th. Your long continued interest in the welfare of the patent system is well known to all of us and it will be a great pleasure for me to be in communication with you and to advise you what we are doing from time to time in the Patent Office by way of improvement and to tell you what we need in order to be able to operate with a fair degree of efficiency.

We have been and are now exploring the possibilities of utilization of the machine to Patent Office searching, following the recommendations of the Vannavar Bush committee. This is a long-term project as you probably know and I am by no means sure that the efforts which we are making will be fruitful for a number of years. However, we are doing everything that we can and I am sending you herewith a copy of the Bush report so that you may be advised, if you do not already have a copy, of the precise recommendations of that committee. I am also sending you herewith a copy of the Patent Office Report for the last fiscal year. This I believe you will find to be also of interest inasmuch as it points out some of our problems and many of our needs.

The better the patent of course the less likelihood of its invalidation in the courts. We would like to issue perfect patents, but of course the Patent Office has no facilities for investigating actual commercial trade practices and can only rely upon printed publications in establishing novelty. What we need more than anything else is a couple of decisions from the Supreme Court in which patents are sustained. By the time a patent gets to the Supreme Court of course a whole battery of lawyers have focused their attention on it and a whole corps of searchers have attempted to find anticipations.

I shall be happy to stop by your office at any time convenient to you to discuss these and other problems and of course I would be much pleased indeed if you could visit the Patent Office and see what we have over here. Incidentally now would be a very good time for you to spend a little while in the Patent Office as we have a very good exhibit in the lobby which features inventions of chemical and plastic nature. Some of these exhibits are of very great interest and I hope that you will be able to see them before they are removed, in about 2 weeks from now.

With kindest regards.
Sincerely yours,

ROBERT C. WATSON,
Commissioner.

VISIT BY MUNICIPAL DELEGATION WITH PRESIDENT ON NATURAL GAS PROBLEM

Mr. WILEY. Mr. President, I was pleased to hear yesterday from Mr. Bernard M. Shanley, Appointment Secretary to the President, that our Chief Executive will gladly meet with a delegation of municipal law officers for the purpose of hearing their and my viewpoint in opposition to the decontrol of natural gas production and distribution.

Earlier, I had heard from Mr. Gerald Morgan, special counsel to the President, who wrote me under date of March 10:

> The President is giving careful consideration to this whole question, with a view to achieving the maximum consumer protection.

Later, Mr. Morgan concluded:

> The President will certainly give the most earnest consideration to the views you have expressed.

It has been my consistent personal position ever since this issue first burst upon the congressional scene some years ago that the consumers of this Nation are definitey entitled to strong protection from skyrocketing increases in natural gas prices.

It has been my position that the booming natural-gas industry is entitled to a reasonable return on its investment; it is entitled to further optimum encouragement. But this does not mean giving it a blank check and thereby denying consumers their elemental rights as defined by the Supreme Court of the United States.

And so, I look forward now to our opportunity to sit down with the President and to go over this problem with him.

I wish to say that I have every confidence that the President will indeed explore this question from every standpoint of the national interest and will try to reach a decision which he believes will best serve the overall interests of our country.

With all his countless heavy responsibilities at home and abroad, we know that the burden of this decision, like countless other burdens, will be ably borne by him in a manner truly worthy of the occupant of the highest office of our land. And it will be similarly borne by his able personal staff in their important capacity of advising him.

I send to the desk now the text of the release which I issued yesterday afternoon when Mr. Shanley advised me of the scheduled appointment, and in which I listed the names of the various officials who will join with me in visiting the White House.

I append to it the text of two vital editorials. The first appeared in the March 4 issue of the Milwaukee Journal, and it presents the case against decontrol of production and distribution of natural gas.

The second appeared earlier in the February 28 issue of the New York Times; and it commented upon some of the other serious implications of the report of the Presidential Advisory Committee on Energy Supplies and Resources Policy.

I ask unanimous consent that these two editorials be printed in the CONGRESSIONAL RECORD, along with the preceding material.

May I say that the State of Wisconsin has always been in the forefront at Federal, State, and local levels in seeking to protect nationwide consumer interests. It is my privilege to continue this fight in the interest of all our citizens.

There being no objection, the release and editorials were ordered to be printed in the RECORD, as follows:

SENATOR WILEY ANNOUNCES VISIT BY MUNICIPAL DELEGATION WITH PRESIDENT ON NATURAL GAS ISSUE

Senator ALEXANDER WILEY, Republican, of Wisconsin, announced today that a delegation composed largely of municipal officers will meet with the President at the White House Friday, March 18, at 2 p. m.

The Wisconsin legislator stated that Bernard M. Shanley, appointment Secretary to the President, has just confirmed the scheduled appointment for the delegation.

The group will include, in addition to Senator WILEY, Charles S. Rhyne, general counsel, National Institute, Municipal Law Officers; Frank P. Zeidler, mayor of the city of Milwaukee; Anthony Celebrezze, mayor of the city of Cleveland; Harry Slater, first assistant city attorney, Milwaukee, Wis.; David M. Proctor, city counselor, Kansas City, Mo.; John C. Banks, city attorney, Denver, Colo.; John J. Mortimer, corporation counsel, Chicago, Ill.; William G. Callow, city attorney, Waukesha, Wis.; Peter Campbell Brown, city corporation counsel, New York, N. Y.; Ralph S. Jocher, director of law, Cleveland, Ohio; Abraham L. Freedman, city solicitor, Philadelphia, Pa.; Gov. Walter Kohler, of Wisconsin; James H. Lee, assistant corporation counsel, Detroit, Mich.

The senior Wisconsin Senator stated that he had requested the appointment in order that municipal officials could present at firsthand to the Chief Executive their objection to the recommendations by the National Committee on Fuel Policy pertaining to proposed exemption of gas production and distribution from Federal control.

[From the New York Times of February 28, 1955]

A NATIONAL FUEL POLICY

The report of the Presidential Advisory Committee on Energy Supplies and Resources Policy deserves wide attention and careful scrutiny. A sound national policy with regard to the fuel supplies is of great importance, yet the formulation of such a policy raises intricate and controversial problems affecting not only our domestic economy but also our foreign policy. Moreover, we may be standing at the threshold of a technological revolution as the possibilities of atomic energy's employment for peace begin to be exploited here and abroad.

Against this background, there is room for regret that the Committee apparently interpreted its mandate narrowly, confining its recommendations to immediate economic issues agitating the fuel industries. There is no mention, for example, of atomic energy in the report, despite the major impact this source of energy is likely to have on our fuel consumption pattern over the decades ahead.

It is difficult to avoid the conclusion that in making its recommendations the Committee was influenced primarily by the interests of domestic producers of different fuels. How else, for example, are we to explain the patent contradiction between the recommendations for coal and oil? For coal, the Committee denounces foreign discrimination against imports of United States coal. Discrimination, the Committee says, "would be judged to exist when United States coal imports are disallowed despite its availability at costs no higher than foreign coal." Yet, with respect to American imports of foreign oil, the Committee recommends discrimination against foreign oil whenever our petroleum imports exceed significantly the proportion they bore in 1954 to American oil production. This inconsistency can hardly make a good impression abroad.

It is disappointing, too, that in dealing with the coal industry's difficulties there is no reference to cost reduction by means of mechanization or of improved competitive position for coal through research aimed at more efficient utilization. Instead the Committee recommends that the Government try to force the railroad industry to lower coal transport rates.

There are, of course, many recommendations of the Committee which are sound. The steps suggested to assure an adequate coke supply in the event of an emergency, for example seem eminently sensible. Yet, overall, the Committee report suggests that a much wider point of view, and a much more adequate representation of consumer as well as producer interests in the report's formulation, might have produced a more generally acceptable set of recommendations.

[From the Milwaukee Journal of March 4, 1955]

CONTROL NATURAL GAS PRODUCER

More bad news for natural gas consumers—which includes thousands of Milwaukee and Wisconsin residents—comes in the recommendation of the President's fuel committee that the production and gathering of natural gas be relieved of Federal control.

This is what the gas and oil interests attempted to achieve when they succeeded in getting Congress to pass the Kerr bill several years ago—only to lose their fight when former President Truman vetoed the measure. It's what they tried to achieve when they carried their fight to the Supreme Court, only to have that tribunal rule that natural gas production was a proper area for control by the Federal Power Commission.

It's what they're trying to achieve right now in a nationwide propaganda campaign costing an estimated $1,500,000.

Milwaukee and Wisconsin officials are right when they say that the President's Commission has taken a stand that parallels that of the gas industry. Presumably, the Commission based its recommendations on the needs of national defense. This overlooks two important things:

First, the fact that consumers deserve protection in a monopoly area.

Second, that there is no reason why national defense needs cannot do properly and adequately protected under FPC control.

It makes no sense to say that consumers are adequately protected if the FPC controls prices of gas in pipelines and if States control prices to the consumer. There is another leg on the three-legged stool. What good does it do to control prices to the consumer and from the pipelines to the local distributor if both are to be at the mercy of unregulated producers?

When a distributor runs a pipeline to a gas field he becomes dependent upon the field's producer for his supplies. He can't pick up his pipe as though it were a garden hose and carry it off to another producer. The producer thus has what amounts to a monopolistic hold on the pipeline company.

It is the same hold that a utility has on a consumer whose stove, heating system or refrigerator it serves. It is logical to control the utility. It is equally logical to control the natural gas producer.

The Supreme Court saw that clearly when it ruled that producers were properly subject to FPC control. If the recommendation of the President's commission is followed, there can be only one result: Gas consumers will be at the mercy of producers who have thus far shown little but arrogance and selfishness and who can't be expected to miss the chance to tighten the screws with still higher prices.

The PRESIDENT pro tempore. Is there further morning business? If not, morning business is closed.

TAX RATE EXTENSION ACT OF 1955

The Senate resumed the consideration of the bill (H. R. 4259) to provide a 1-year extension of the existing corporate normal tax and of certain existing excise-tax rates, and to provide a $20 credit against the individual income tax for each personal exemption.

The PRESIDENT pro tempore. The question is on agreeing to the amendment, as modified, proposed by the Senator from Texas [Mr. JOHNSON], for himself and certain other named Senators, as a substitute for sections 2, 3, 4, and 5 of the bill.

Under the unanimous-consent agreement entered into on March 11, debate is limited to 4 hours, to be equally divided and controlled by the Senator from Texas [Mr. JOHNSON] and the Senator from Virginia [Mr. BYRD], respectively.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that I may now suggest the absence of a quorum, without having the time thus required charged to either side.

The PRESIDENT pro tempore. Is there objection? Without objection, it is so ordered.

Mr. JOHNSON of Texas. Then, Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. JOHNSON of Texas. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. JOHNSON of Texas. On the pending amendment in the nature of a substitute, as modified, it is my understanding that, under the unanimous-consent agreement, 2 hours are allotted to each side, the time to be under the control of the author of the substitute and the distinguished chairman of the committee, the Senator from Virginia [Mr. BYRD]. Is that correct?

The PRESIDENT pro tempore. The Senator is correct.

Mr. JOHNSON of Texas. I yield 15 minutes of my time to the distinguished Senator from Oregon [Mr. MORSE].

Mr. MORSE. Mr. President, I have prepared a rather lengthy speech on the tax issue, covering a great many questions. During the course of the remaining debate I shall necessarily have to give it on the installment plan basis, but I ask unanimous consent that my entire manuscript be inserted in the RECORD at this point in my remarks.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The speech prepared by Mr. MORSE is as follows:

Nothing could state more succinctly the difference of opinion between me and the administration than the minority views of the Senate Finance Committee on H. R. 4259, when it says:

"The issue can be drawn clearly and briefly.

"The present administration believes that tax policy should be shaped in such a manner as to encourage vast accumulations of capital on the theory that if the top is prosperous, some share of the prosperity will trickle down to others.

"In contrast, it is our belief that the national interest is best served by tax policies which insure individual Americans maximum possible purchasing power—the most potent force in shaping an America in which all our people will be prosperous.

"The conflict between these two philosophies is the only point truly at issue in our effort to secure a tax reduction for individual taxpayers—wealth in the hands of a few; purchasing power in the hands of many. We take our stand on the side of increased purchasing power and an expanding economy."

In making the tax cuts last year the Republican-controlled Congress justified the cuts and the deficit, both much larger than the cut now proposed and the expected deficit, on the ground that there would be increased capital expenditures, a greater gross national product and, in the long run, more revenue for the Government as well as giving the economy a needed boost. Let it be clear, then, that the administration, since it sponsored the 1954 Internal Revenue Code, and a majority of the Members of the 83d Congress, since they approved it, endorsed deficit spending as a useful tool, if used properly. The anguished cry concerning an unbalanced budget could not really, therefore, be the distinction between this year's tax proposals and the code passed last year. The point of difference must lie in difference of opinion over what is a proper tax policy. Let me say that tax policy in its simplest terms means: Who shall pay taxes and how much shall they pay. That is the real fight here. Which groups will pay taxes and how much will each of them pay.

Charges that the proposed tax cut is financially irresponsible and politically motivated have been made. I am sorry that anyone should be so unaware of the character of service that Mr. RAYBURN has rendered this Nation as to attach such a stigma to legislation he favors. It would appear to me that those using the term "irresponsible" should examine its meaning before giving vent to their feelings. If there is a sound purpose behind the proposed legislation, I would not call it irresponsible. Though I felt that the tax cut last year was not giving relief to the right segment of our national community, I did not characterize it as irresponsible.

The purpose of the administration-fostered tax cut was to bolster our economy, and that is the purpose behind the proposed legislation I am discussing today. Why should either be labeled "irresponsible"? Though either or both prove unsatisfactory methods for gaining the end sought, that failure does not warrant that either be the target of such an opprobrious comment. Shortly, I shall point out why I think the course chosen last year was in error and why I think that the present proposal is taking us in the right direction.

Like all phrases, the phrase "politically motivated" has two or more connotations. If it is political motivation to attempt to get the great majority of our people a square deal taxwise, then I am politically motivated and proud of it. If it is political motivation to enact legislation that will put more purchasing power into the hands of the majority of consumers so that our whole economy can benefit, then I am politically motivated and proud of it. I think Mr. RAYBURN would join me in these views.

Another charge leveled against this proposed income-tax cut for the benefit of lower bracket taxpayers has been that inflation will certainly be the result. I have taken the liberty to have placed on each of your desks a very recent article from U. S. News & World Report. I think that my friends across the aisle will recognize this magazine as a good, solid publication. I shall return to the article later, for other purposes, but it seems to me that there could not be a more complete refutation of the inflation argument made against the proposed cut than is found here. I ask you to glance briefly at the area blocked out in red, which pretty well summarizes the content of the whole article:

"What lies ahead for the United States dollar?

"Is it going to lose more purchasing power because of rising wages, rising prices?

"That's what happens when inflation takes hold—and talk about inflation is reviving.

"Inflation, in fact, already is threatening in Britain and most other European countries.

"But the situation is different in the United States.

"This country has lots of unused capacity to produce more goods, if people want them.

"Supply and capacity are bigger than demand for almost all things people use.

"There's not much chance of inflation when buyers are able to call the tune."

I would like to add a little comment here for the benefit of those who would claim that the tax cut would be inflationary and at the same time argue that the cut is so small that it wouldn't provide much purchasing power anyway. The simple fact is, the two stands are inconsistent. They may choose one tack or the other, but not both.

At the time that the Senate was considering the bill that eventually became the Internal Revenue Code of 1954, I voiced my opposition to it on three main grounds. My first ground was that the tax relief was going into the wrong channels if we really wanted to help get our economy out of the admitted slump it was in. I wanted greater tax reductions for our low income groups. The argument of the proponents of the bill was that by giving tax relief to corporations and coupon clippers, we would provide more funds for investment, increase our gross national product, and ultimately bring the Government in more revenue as well as the temporary ills the economy was suffering.

It was and still is my opinion that two things were wrong with this view. In the first place, I pointed out that inventories were piling up, that our real problem was one of making it possible for our people to consume what we produced in our existing plants and not building new ones. As you are able to see from the U. S. News & World Report article I referred to a bit ago, we are still not able to consume what we are potentially able to produce. My thought was that we needed to give our people more purchasing power so that they could consume what was produced. I still think that. Notice for a moment pages 26 and 27 of that article—production capacity in the automotive industry is 9 million cars—expected output is only 6.6 million cars. Capacity in steel is 125.8 million tons, but our mills will produce only 107.4 million tons. The great cotton growing areas of this country are able to supply us with 13.5 million bales of cotton but our economy will use only 9 million bales. Television sets could be produced at the rate of 12.4 million sets per year and yet we will produce only 9.2 million per year. Without going into the other items displayed here, for I intend to make this report part of the record, it is obvious that we simply must make it possible for our people to buy more. We all know that a company unable to sell what it has the capacity to produce will not expand capacity.

We know that farmers are also affected by inability to produce to their fullest possible extent. As a general rule we can state that prices will be lower if more units are grown or produced. We can also generalize and say that greater production will entail the hiring of a greater work force. Without question we can say that it would not be necessary for the Department of Agriculture to so severely curtail cotton and other acreage if our people had the purchasing power to buy more agricultural products. In short, more people would be at work and the farmers income would not be down if consumers had the wherewithall to purchase what could be produced.

In the second place, it was my view that the tax cuts of last year would not increase capital expenditures. Let me quote for you a paragraph from the February 1955 issue of the Conference Board Business Record:

"Two out of 3 companies indicate that their depreciation policy will have no influence on capital expenditures, even though one of the stated reasons for writing accelerated depreciation into the new code was to stimulate the expansion and modernization of plant and equipment. Factors other than depreciation, such as demand for products, advantages of technical improvements, and the availability of cash are expected to remain the dominant considerations. Among those companies that foresee stimulus to capital expenditures, the majority expect to increase outlays for modernizing their plants and equipment rather than expending plant facilities."

This is a publication of the National Industrial Conference Board, gentlemen, a publication by and for business men. The remarks are based on a survey made of some 167 manufacturing companies. Demand for products, they tell us, will be one of the primary considerations taken into account before capital expenditures will be made. Notice, demand for products is the first thing that is listed. Notice, further, that the article specifically refutes the administration's argument that accelerated depreciation allowances would influence capital expenditures. Nor should we overlook the closing lines, which state that those companies which will make capital expenditures will modernize and not expand plant facilities.

Let us examine, for a moment, the capital expenditures of corporations and some other related figures.

Mr. President, in making their case for more liberal depreciation allowances the President stated in his 1954 Economic Report this would "Provide strong inducements to investment." (p. 80). I shall demonstrate, Mr. President, that the liberalization of depreciation allowances has not provided the strong inducements to invest as was asserted by the President.

The President also stated in rationalizing the huge prospective revenue loss under this provision that, "The step proposed here should not entail any ultimate loss of revenue to the Treasury partly, because deductions for an asset would merely be shifted from later to earlier years and, more significantly, because of induced gains in the volume of investment, and in industrial productivity. (Ibid.)

Mr. President, the loss in revenue from this provision will be gigantic and the burden of meeting the revenue needs of the country will be shifted on to other groups. The prospective gains from increased productivity resulting from this provision thus far have proved illusory.

Mr. President, here are the facts about the relations between investment and depreciation allowances.

The recently transmitted Economic Report of the President for January 1955 contains a table titled "Sources and Uses of Corporate Funds, 1946–54." It appears at p. 193 of the report. According to this table corporate spending for plant and equipment in 1953 amounted to $24.1 billion. In 1954 this amount was reduced by $1.6 billion and totaled $22.5 billion. This reduction in corporate investment for plant and equipment

occurred in what the administration has called "one of our most prosperous years." (President's Economic Report, p. 11.)

Why did corporations cut back investments by $1.6 billion? We passed the liberalized depreciation allowances which were supposed to offer "strong inducements to investment." Perhaps it will be argued that there was not sufficient time for this stimulant to affect business finances. Unfortunately, this does not appear to have been true. Referring again to the table on p. 193 of the President's Economic Report we see that corporate depreciation and amortization allowances increased from $11.2 billion in 1953 to $12.5 billion in 1954. In brief, this source of internal funds provided corporations with an additional $1.3 billion in cash to finance investment in 1954. Yet as we have seen earlier investment actually declined by $1.6 billion.

What happens to the cash that is generated by repaid depreciation? According to the President's Economic Report, corporations in 1953 had increased their bank and mortgage indebtedness by $400 million. In 1954, they reduced their indebtedness to banks and mortgagors by $1 billion. As corporation internal sources of funds in the form of depreciation and amortization allowances have risen they have decreased their dependence upon external sources of financing including bank and mortgage borrowings.

Increased depreciation charges permit corporations to increase their ratio of dividend payments to stock holders out of after-tax profits. Thus in 1954 corporate dividend payments rose by $500 million (from $9.4 billion in 1953 to $9.9 billion in 1954), although corporate profits after taxes fell $500 million (from $18.3 billion in 1953 to $17.8 billion in 1954.)

Additional funds generated by the more liberal allowances for depreciation have also permitted corporations to rely less upon the organized capital markets thereby contributing to a shortage of new issues for investors to put their savings in. According to the President's Economic Report, net new security issues as a source of corporate funds declined by $800 million or more than 10 percent between 1953 and 1954 ($7.3 billion in 1953 compared with $6.5 billion in 1954).

Additional depreciation allowances have on balance merely provided corporations with additional internal sources of funds and decreased their reliance upon outside borrowing. To that extent the position of the individual equity investors has been strengthened. These added funds have also enabled corporations to maintain a higher rate of dividends than would otherwise be possible. And in future years as this source of funds grows they will provide an added assurance to stockholders that dividend payments will be maintained in good years as well as bad years. As far as investment is concerned the chief stimulus to investment is the expectation of additional sales. Despite the prospect of an additional $1.5 billion in depreciation in 1955 corporations are not planning to increase their investments from the reduced rate of 1954 according to the most recent survey made by McGraw-Hill. (Statement of Dexter Keezer, vice president, McGraw-Hill, p. 127, hearings on January 1955 Economic Report of the President.)

These figures conclusively demonstrate that the administration's theory that tax reductions for corporations and those being paid dividends on stock would make for greater capital expenditures was wrong. The condition of our economy has not materially improved. In fact, it has grown worse in some areas.

Later in this discussion, I will examine what the majority report of the House Committee on Ways and Means had to say on the depreciation clause and its effect on the economy and returns to the Treasury.

My second ground of opposition to the tax plan advanced by the Republican Congress last year was that it was an unneeded subsidy for big business in its provisions allowing accelerated depreciation. I have not changed my mind one bit on that subject. It was my opinion that small business and most of our farmers would get very little if any advantage from the new depreciation law.

I think that the best way to discover who is benefiting from the new law on depreciation is to determine who is using the accelerated depreciation provisions. The Conference Board Business Record, which I spoke of earlier, tells us, on page 71, that those companies in which the value of new equipment is small, in which normal capital investment is small, and those companies which buy secondhand equipment will not use the accelerated depreciation methods. I suggest to you that these examples I have cited do not describe large corporations.

As one small-business man put it:

"As builders of specialized packaging machinery, our point of competition is primarily at the engineering level—the skill and ingenuity required in solving problems of material packaging and handling—rather than at the production level. For this reason our having the ultimate in machine-tool capacity has little impact on our costs and the need for continued replacement of equipment does not exist."

It is the big outfit making large expenditures for new buildings or machinery, etc., that will make the real gain. I would quote to you from the January 1955 Harvard Business Review, page 72, on this same point:

"Of course the new depreciation provisions will have an uneven impact on different industries. Those industries and companies in which capital expenditures are relatively heavy compared to income will gain more from the new depreciation provisions than those industries and companies making relatively light capital expenditures. Thus, as noted earlier, retail establishments should have relatively little to gain in the way of tax benefits as compared to certain public utilities, railroads, and manufacturing industries. Similarly, companies expanding stand to gain more than those which are not expanding."

I would recommend that those of you who are interested read this article. Its author, Mr. Robert Eisner, gives the figures to back up his analysis. I inserted a copy of his article into the RECORD last Friday. Rather than get into the specific examples of how new accelerated depreciation rates will benefit those who use them, let me give you my third reason for opposing the tax cuts that were made last year.

First, though, I want to repeat what I said in the debate last year on the general subject of depreciation. I am not opposed to depreciation. I voted in favor of the depreciation provisions brought before the Senate other than the proposal made last year. I support reasonable depreciation allowances. Business needs them. I have also supported the emergency accelerated amortization provision, and will continue to do so for so-called emergency facilities. I am opposed to granting emergency acceleration to nonemergency facilities and that is one reason why I voted against the acceleration provisions introduced last year.

My third reason for opposing the bill that became our new Internal Revenue Code was that the accelerated depreciation provisions would result in an appalling loss of revenue to the Government. The majority report of the Committee on Ways and Means contended that:

"The changes made by your committee's bill merely affect the timing and not the ultimate amount of depreciation deductions with respect to a property. No accurate estimate can be made of the cost of this provision even in the early years of its application because of uncertainty concerning the extent to which the new declining-balance formula will be adopted and because of the difficulty in allowing for the effects of the increased investment resulting from the provision upon tax revenues. If there were no stimulus to investment and all eligible taxpayers adopted the new formula, the loss in the fiscal year 1955 would be about $375 million. In the second and immediately subsequent years there would be greater losses if the effect on investment were ignored but it is highly likely that by that time the stimulus which the new formula brings will have produced a volume of additional investment and taxable income which will result in there being no net revenue loss under this provision."

I would like to point out, before going any further, that it might interest those signing this majority report if they know that total outlays for new plants in the third quarter of 1953 reached almost $29 billion annually. A year later the total was down to $27 billion and in the first quarter of this present year, it is estimated to have sunk $23.03 billion. I would remind them, too, of the remarks concerning the effect of the new depreciation allowance on capital expenditure that I quoted from the Conference Board Business Record. Businessmen said that depreciation would have little if any effect on their outlay for capital expenditures. The stimulus which the new formula was supposed to bring is strangely lacking and does not promise to be forthcoming.

The minority report of this same Ways and Means Committee estimated that the depreciation provisions would cause a permanent loss of some $19 billion in revenue by about 1970 and that the loss would reach $2.2 billion in 1956. The views of the majority were accepted, though, and the provision was enacted.

I warned in the debate on the new tax code, that we were dealing with such a complex piece of legislation that we should not be rushed into passing it. It was my thought that only by giving the bill our mature consideration could we do the type of job that ought to be done on it. But the legislation was bulled right through.

Once again I would like to present some of the comments Mr. Eisner makes in the Harvard Business Review. Of his article, he says,

"This article will demonstrate, however, that the effect on corporate tax payments of application of these provisions will be tremendous, so tremendous indeed that one may begin to wonder whether those in Congress who voted the new tax law * * * quite knew what was transpiring."

At this point, Mr. President, I would like to extend an invitation to Mr. Eisner to join me in forming an "I-told-you-so society." Indeed, Mr. President, I think that we ought to invite Secretary of the Treasury Humphrey to join. I notice that in one of his recent discussions with a House committee neither he nor the committee members were exactly rushing to claim the credit for having enacted the reserve-fund provision of the 1954 Internal Revenue Code now that some unexpected serious losses of revenues are resulting from that provision, which is section 462.

Indeed, I understand that Mr. Humphrey's last position was, "Why blame me? You passed it; I didn't." I fully expect that there will be similar disclaimers of responsibility for section 167, the depreciation clause, when the American people discover, in fact, the American Congress discovers, what was involved. Without malice, Mr. President, I am inclined to ask whether or not there was any financial irresponsibility involved in the passage of the poor little orphan reserve-fund clause.

But let me share some more of Mr. Eisner's thoughts with you. Having analyzed the

three basic methods of depreciation, Mr. Eisner says:

"Unfortunately, many analysts of the new tax law cease at this point, concluding that the only difference between the old and new methods relates to whether depreciation charges come early or late, or whether tax payments come late or early. 'It all washes out in the end' is the cheerful and misleading conclusion which an amazing number of accountants apparently reach." (I would like to ask Mr. Eisner not to be harsh on his colleagues; after all, an amazing number of Congressmen and Senators reached the same conclusion.) "Such a conclusion is not only misleading; it is for all practical purposes flatly erroneous. Controllers, company presidents, or economists operating on the basis of such a conclusion would be making costly mistakes. They would have failed to turn from the elementary problem of a single property to the relevant problem of depreciation charges on all the properties of a going concern."

It is my opinion that this is one of the mistakes that the Congress of the United States made, Mr. President, in considering the provisions on depreciation.

Since I have already put this article into the RECORD, I will not quote the calculations that Mr. Eisner makes to prove his point. I want to state a few more of his conclusions that are pertinent to the quotation that I made earlier from the House report. He says:

"A notion of the magnitude of the figures involved may be had by applying them to a situation, certainly not uncommon among giant American companies, where additions run at an annual rate of $100 million * * * by the year 16 (1970 under the new tax law * * *) years-digits depreciation charges would be exceeding straightline charges by $24,230,000 for that year alone. Assuming that marginal tax rates are in the neighborhood of 50 percent, these increased charges would represent a tax saving of some $12 million. * * * contrary to a widespread notion, this saving would in no practical sense be a 'deferral' for it would be followed by additional savings in subsequent years. In no future years would lesser depreciation charges and high taxes cancel out the initial gains, so long as the depreciation provisions of the new tax law remain in effect.

"For the corporation whose additions run at $100 million annually, the sum of the excesses of years-digits depreciation charges over straight-line charges in the entire 34-year period of transition would amount to $538 million. Declining-balance charges would exceed straight line by as much as $294 million in the first 27 years but would thereafter be less than straight-line charges. However, after 44 years declining-balance charges would still be some $156 million ahead and would remain forever at least $50 million ahead."

* * * * *

"Not only to declining-balance and years-digits charges both rise above the straight-line figures during the first 34 years, but they both remain permanently higher. To the initial tax saving, then, should be added further tax savings, year after year indefinitely, so long as the depreciation provisions of the new tax law remain in effect, and so long as the assumption of long-run growth remains valid."

I notice, too, that Mr. Eisner differs with the majority report of the Committee on Ways and Means on the issue of how much revenue will be lost through the application of the new depreciation provisions. He estimates that by 1960 the loss will be about $3 billion per year, if tax rates on business remain the same. By 1965, he feels, the loss would be $5 billion a year and would continue to rise thereafter.

It is clear, then, Mr. President, that Mr. Eisner and the majority of the members of the Committee on Ways and Means do not share a common view of the depreciation clause.

What do businessmen and those who advise them on tax, accounting, and economic matters have to say about the advantages of the new depreciation provisions? The Conference Board Business Record found that those companies adopting the new depreciation rates did so for three reasons. They felt that the new provision:

Provides for more rapid recovery of capital funds.

Reduces current taxes.

Results in more realistic valuation of assets.

"RAPID RECOVERY OF CASH

"The more rapid recovery of cash under accelerated depreciation was the reason most frequently cited for changing from the straight-line method. Pointing to the extent of this acceleration, a foundry executive writes:

" 'This change in depreciation policy (he had changed to sum-of-the-years-digits method) will enable us to charge off against income 72.7 percent of the cost of the new asset during the first half of its life, which compares to 50 percent under our old method. The advantage of this is that the cost of the new asset will be returned to us in tax dollars at a faster rate than formerly.'

"The ability to 'preserve' and 'bolster' working capital is regarded as particularly important by those companies that are anticipating large capital expenditure programs. And a machine-tool producer writes:

" 'With our present plans to move our entire plant to a new location as soon as buildings are completed, we feel that by using the allowances in the new law, we will be able to pay off the loan on the new building over a shorter period of time.'

"Several companies noted that the present worth of the additional cash which accelerated depreciation would make available is a significant factor in making them choose this new method. One executive, for example, observed that even though the money was not needed in his business, the increased flow of cash could be invested profitably, thereby reducing the cost of the original investment in plant and equipment.

"REDUCED TAXES

"Some companies were motivated to change their policy because of a desire to gain an immediate reduction in taxes. These companies usually underscored the word 'immediate' by indicating that they were well aware of the fact that they were gambling on possible future increases in tax rates which might more than cancel out the immediate savings.

"And several cooperators agreed with one heating and plumbing manufacturer, who wrote that 'profits are fairly good at the present time, so we can bear the additional depreciation charges.'

"MORE REALISTIC VALUES

"It is the contention of some executives that accelerated depreciation 'recognizes true values,' 'gives a more realistic result in the calculation of the overall cost of machinery usage,' and 'is more realistic and commensurate with actual depreciation and obsolescence.' On this point a manufacturer of building materials and supplies writes: 'The greater deduction permissible in the earlier years seems to us to coincide with the economic facts, in that the greatest loss takes place in the early years. Too, the equipment is at its maximum efficiency at that time, and the higher maintenance costs in later years, combined with the lower depreciation charge, tend to equalize at a more realistic cost throughout the life of the equipment.' "

I would call to your attention, Mr. President, to something that ought not to be overlooked in the ultimate savings involved in this law. It is the factor of high-maintenance costs in the later years, mentioned in the last section just quoted. Those higher maintenance costs will help reduce the taxes, too, because they are deductible business expense.

I am almost inclined not to bring up this next matter. My reference is to the fact that some of the businesses interviewed were afraid that they were gambling in taking the big slice of depreciation now, in that they would run into higher taxes in later years. Mr. Eisner's article demonstrates that the gamble is not a large one. But not wanting it to be said that I denied anyone his slice out of the middle of the road—I assume that the 1954 Internal Revenue Code is the middle of the road legislation—I would direct these cautious companies to a very interesting little book.

I would like to call their attention to a book by Willard F. Stanley, of Prentice-Hall, the title of which is "New Rapid Tax Depreciation," subtitle, "How To Use It Profitably."

My reason for bringing this material forward now is just to demonstrate that my contentions concerning the depreciation clause are shared by Prentice-Hall and that the depreciation clause is a bonanza for big business. Notice, if you will, that I am quoting from the publication of a leading tax firm. One would hardly consider them irresponsible.

Let me read to you what Mr. Stanley has to say in his foreword:

"Federal income tax services and explanatory bulletins will explain your tax rights on this subject, but this book goes far beyond that by presenting all important factors to be considered in deciding whether to adopt one of the new alternative methods for rapid depreciation. * * *

"Chief among the important factors to be considered are:

"1. Financial assistance: Rapid depreciation will provide you with cash, by deferring taxpayments.

"2. Economic gain: Rapid depreciation will permit free use of the deferred tax money until you pay the taxes in later years.

"3. Tax savings: Rapid depreciation permits you to save taxes if you should dispose of new properties after the period of higher depreciation deductions has expired.

"Any one of these factors can result in substantial dollar benefits to you.

"For instance, if you are a medium-sized manufacturer spending $200,000 to modernize your plant with machinery having a life span of 5 years, you will have $20,000 more cash (over 10 percent of your cost) to use in paying for the new property by the end of the first year of its life, because of reduced taxes due to rapid depreciation.

"If you are a farmer buying $5,000 worth of new farm machinery with a 10-year life, you will have $250 more cash (5 percent) of your cost at the end of the first year after your new machinery is installed, and another $150 (3 percent) the second year, to apply toward paying for the machinery if you adopt rapid depreciation.

"Then if you are a somewhat larger corporation spending $1 million on expansion, with a 20-year average life expectancy for the new property, you will benefit by a net economic gain of about $80,000, assuming the cost of the money you save is taken at 5 percent.

"If you happen to be a utility company expanding at the rate of $20 million a year, with a life span of 33 years, your present net economic gain would be more than $1,600,000 for each year's expansion.

"If you buy new machinery for $500,000 with a 6-year life, by selling it to a wholly owned subsidiary you can establish a net tax saving of over $22,000 (4.4 percent of cost), assuming you are not filing consolidated returns.

"The accounting impact upon the value of your stock (if it is quoted in the market)

is another important phase which no one making a sound decision can afford to overlook. With a $12 million asset corporation the accounting treatment, under fairly average conditions, could raise or lower the average market value of your company's stock by from $500,000 to $1 million over the next 5 years.

"The chapter on economics discusses the objections likely to be raised to the adoption of rapid depreciation. We particularly emphasize the fear of higher tax rates in subsequent years when your deductions for tax depreciation will be lower because of the use of rapid depreciation. The chapter demonstrates how groundless this fear should be in the great majority of cases. These few examples illustrate the large dollar benefits accruing from the intelligent use of rapid depreciation."

I have read the chapter on economics carefully and I suggest that those companies which fear the rapid depreciation clause forget their fears and dig in before the Democrats catch up with section 167. Not wanting to be incomplete in my counsel, I would also have them pay particular heed to the possibility, discussed by Mr. Stanley under the heading "Tax Savings," of disposing of properties after the period of higher deductions has expired.

Mr. Stanley is an honest man, Mr. President. I judge that to be the fact because he opens the first chapter of the book with these stirring words:

"Uncle Sam has given a break to American business."

I will also agree with Mr. Stanley when he says that his book goes far beyond the ordinary explanatory bulletins, as he puts it, and well it might. His company is going to have a lot of satisfied customers. I would most strongly endorse this book to any Member of the Senate who would care to put in the little bit of effort that it would take to read it. I am sure that any reader would begin to understand some of the implications of the law that was passed by this body last year.

Mr. President, how woefully inadequate was the analysis offered in the paragraph that I quoted from the report of the Committee on Ways and Means. It is my sincere opinion that they, and we in accepting their counsel, made a serious mistake.

There were many errors in the tax bill that was passed last year. There were errors in policy and errors in computing the effect the law would have on revenue. The underlying policy error was that the act was based on the wrong theory of taxation. Relief should not have been given on dividend income, nor should it have given to the great corporations in the form of accelerated depreciation and the reserve fund clause. We should have put purchasing power in the hands of the lower income groups. The errors in computation lay in the calculations that were made concerning the amount of revenue that would be lost to the Treasury due to the effect of the depreciation and reserve fund provisions. That there were errors made in calculating the revenue effect of the reserve fund clause is no longer questioned. The only issue at present seems to be whether the executive branch or the Congress should be blamed.

I think that the errors made in figuring the effect on revenue of the depreciation clause were much more serious. The Journal of Accountancy, December 1954, page 741, carried a study by the American Institute of Accountants on accounting for depreciation under the new law. One of the things that they pointed out was that the declining-balance method could give three times the amount of depreciation that one would gain under the old straight-line approach.

Assume an asset worth $150, with a 5-year useful life assigned it and with a salvage value of $50. Under the straight-line method you could only charge depreciation against $100 worth of the property since you cannot depreciate against the amount set aside for salvage under that method. One-fifth of the $100, or $20, could be charged off the first year. Under the declining-balance method, though, depreciation is charged against the full $150 and not just the amount left after subtracting salvage. Furthermore, doubling the straight-line percentage would mean that in the first year you could depreciate 40 percent of $150, or $60.

Let me remind you, Mr. President, that these are not my figures. At no time in this discussion have I advanced my own calculations. I have attempted to bring to the attention of this body computations made by responsible and conservative bodies or individuals.

It is my opinion that we should correct the errors that I have discussed. We can do that by enacting certain new provisions in our tax laws and by repealing some of these enacted last year.

Mr. President, I support the $20 tax cut reported out by the minority of the Senate Finance Committee. In my mind it is a step in the right direction. It is a return to a sound theory of taxation; it will put purchasing in the hands of the lower income people.

We should repeal the depreciation law that was enacted last year and return to the old straight-line method of depreciation. We should repeal the tax cuts enacted last year on dividend income. We should repeal the reserve fund provision.

The corporate and excise taxes should be extended to July 1, 1957, if other relief can be given consumers of the country.

The most conservative estimates are that the repeal of the above mentioned provisions and the extension of the corporate and excise taxes would bring the Treasury $6.155 billion in revenue (to July 1, 1957). The tax cut proposed by the minority of the Finance Committee would only cost us $1.261 billion. Obviously, then, we can afford to enact the tax cut.

In closing, I want to report that the real problem in our economy today is not one of ability to produce but one of power to consume that which is and can be produced.

Our great need is not to increase our production facilities; the need is to put purchasing power into the hands of our lower income groups. We cannot escape the fact that consumers must have adequate purchasing power if our economy is to grow. Most of us would agree that without growth our economy cannot stay healthy. The concept that there must be a leveling off in our economy and attendant unemployment is fallacious. We can have a constantly expanding free-enterprise economy.

I am continuously amazed that some people hold the view that there must be a leveling off. I have more faith in our system than that. It seems to me that we must end the period of the rolling adjustment and put the economy back in gear. I do not believe that many of us would deny that our economy today still needs a boost in some areas. A construction boom and an upswing in the auto industry are primarily responsible for keeping the current slump from becoming much worse. We cannot rely on these two factors to carry us through.

I would quote once more from the article in U. S. News and World Report: "Workers, too, are in surplus. Latest reports show 3.3 million individuals classed officially as seeking work and unable to find work. Still others could be drawn into the labor force. There are also thousands of workers who are not working full time.

"What all this means is that there are few, if any, shortages, or threats of shortages, that might cause people to start a rush for goods that could send prices higher. Actually surpluses in many fields are putting a downward pressure on prices.

"Food is superabundant. Farmers are getting the lowest price for hogs in almost 5 years. Cattle prices are down from their peak. Milk and other dairy products are in surplus. Fruits and vegetables and other foods offer no problem of supply at all. Actually, hard times prevail in some farming areas."

I am sure that unemployed workers, farmers suffering from a loss of income and small-business men going bankrupt are all very happy to hear that there is no chance of inflation. If this is the type of economy that the administration favors, certainly it is correct to call it a big-business administration.

I do not for one moment think that such a situation is healthy for this Nation and its people. We have the ability to produce, let's use it.

Mr. MORSE. Mr. President, I am going to speak to the tax subject under the general topic, "Ability To Pay Is Still the Only Sound Basis for Levying Taxes on the American People."

Nothing could state more succinctly the difference of opinion between me and the administration than the minority views of the Senate Finance Committee on H. R. 4259 when it says:

> The issue can be drawn clearly and briefly.
>
> The present administration believes that tax policy should be shaped in such a manner as to encourage vast accumulations of capital on the theory that if the top is prosperous, some share of the prosperity will trickle down to others.
>
> In contrast, it is our belief that the national interest is best served by tax policies which insure individual Americans maximum possible purchasing power—the most potent force in shaping an America in which all our people will be prosperous.
>
> The conflict between these two philosophies is the only point truly at issue in our effort to secure a tax reduction for individual taxpayers—wealth in the hands of a few; purchasing power in the hands of many. We take our stand on the side of increased purchasing power and an expanding economy.

Let me make clear my reasons for accepting the position of the minority. The tax cut proposed this year will cost the Government $1.261 billion in revenue and, if not compensated for in some other manner, will help create a budget deficit of approximately $3.5 billion. The tax cuts enacted last year totaled some $2.5 billion and the deficit was about $4.5 billion.

In making the tax cuts last year the Republican-controlled Congress justified the cuts and the deficit, both much larger than the cut now proposed and the expected deficit, on the ground that there would be increased capital expenditures, a greater gross national product and, in the long run, more revenue for the Government as well as giving the economy a needed boost. Let it be clear, then, that the administration, since it sponsored the 1954 Internal Revenue Code, and a majority of the Members of the 83d Congress, since they approved it, endorsed deficit spending as a useful tool, if used properly. The anguished cry concerning an unbalanced budget could not really, therefore, be the distinction between this year's tax proposals and the Code passed last year. The

point of difference must lie in difference of opinion over what is a proper tax policy. Let me say that tax policy in its simplest terms means: Who shall pay taxes and how much shall they pay. That is the real fight here. Which groups will pay taxes, and how much will each of them pay?

Charges that the proposed tax cut is financially irresponsible and politically motivated have been made. I am sorry that anyone should be so unaware of the character of service that Mr. RAYBURN has rendered this Nation as to attach such a stigma to legislation he favors. It would appear to me that those using the term "irresponsible" should examine its meaning before giving vent to their feelings. If there is a sound purpose behind the proposed legislation, I would not call it irresponsible. Though I felt that the tax cut last year was not giving relief to the right segment of our national community, I did not characterize it as irresponsible, and do not now.

The purpose of the administration-fostered tax cut was to bolster our economy, and that is the purpose behind the proposed legislation I am discussing today. Why should either be labeled irresponsible? Though either or both prove unsatisfactory methods for gaining the end sought, that failure does not warrant that either be the target of such an opprobrious comment. Shortly, I shall point out why I think the course chosen last year was in error and why I think the present proposal is taking us in the right direction.

Like all phrases, the phrase "politically motivated" has two or more connotations. If it is political motivation to attempt to get the great majority of our people a square deal taxwise, then I am politically motivated and proud of it. If is is political motivation to enact legislation that will put more purchasing power into the hands of the majority of consumers so that our whole economy can benefit, then I am politically motivated and proud of it. I think Mr. RAYBURN would join me in these views.

Another charge leveled against this proposed income tax cut for the benefit of lower bracket taxpayers has been that inflation will certainly be the result. I have taken the liberty to have placed on the desk of each Senator a copy of a very recent article from U. S. News & World Report. I think my friends across the aisle will recognize this magazine as a good, solid publication. I shall return to the article later, for other purposes, but it seems to me that there could not be a more complete refutation of the inflation argument made against the proposed cut than is found here. I ask Senators to glance briefly at the area blocked out in red, which pretty well summarizes the content of the whole article.

What lies ahead for the United States dollar?

Is it going to lose more purchasing power because of rising wages, rising prices?

That's what happens when inflation takes hold—and talk about inflation is reviving.

Inflation, in fact, already is threatening in Britain and most other European countries.

But the situation is different in the United States.

This country has lots of unused capacity to produce more goods, if people want them.

Supply and capacity are bigger than demand for almost all things people use.

There's not much chance of inflation when buyers are able to call the tune.

I should like to add a little comment here for the benefit of those who would claim that the tax cut would be inflationary and at the same time argue that the cut is so small that it would not provide much purchasing power anyway. The simple fact is, the two stands are inconsistent. They may choose one tack or the other, but not both.

At the time the Senate was considering the bill which eventually became the Internal Revenue Code of 1954, I voiced my opposition to it on three main grounds. My first ground was that the tax relief was going into the wrong channels if we really wanted to help get our economy out of the admitted slump it was in. I wanted greater tax reductions for our low-income groups. The argument of the proponents of the bill was that by giving tax relief to corporations and coupon clippers, we would provide more funds for investment, increase our gross national product, and ultimately bring the Government in more revenue as well as help the temporary ills the economy was suffering.

It was and still is my opinion that two things were wrong with this view. In the first place, I pointed out that inventories were piling up, that our real problem was one of making it possible for our people to consume what we produced in our existing plants and not building new ones. As can be seen from the U. S. News & World Report article to which I referred a while ago we are still not able to consume what we are potentially able to produce. My thought was that we needed to give our people more purchasing power so that they could consume what was produced. I am still of that opinion. Notice for a moment pages 26 and 27 of the article, where it is stated that the production capacity in the automotive industry is 9 million cars and the expected output is only 6.6 million cars. Capacity in steel is 125.8 million tons, but our mills will produce only 107.4 million tons. The great cotton-growing areas of this country are able to supply us with 13.5 million bales of cotton, but our economy will use only 9 million bales. Television sets could be produced at the rate of 12.4 million a year, and yet we will produce only 9.2 million a year. Without going into the other items displayed here, for I intend to make this report a part of the record, it is obvious that we simply must make it possible for our people to buy more. We all know that a company unable to sell what it has the capacity to produce will not expand capacity.

The argument which was made last year, that the enactment of the tax bill then pending would lead to plant expansion has been proved to be fallacious, and the same argument in the course of this debate will likewise prove to be fallacious. The pending tax bill will not bring about an expansion of plants; nor will plants produce more merchandise than the buyers of America have the money with which to buy.

We know that farmers are also affected by inability to produce to their fullest possible extent. As a general rule it can be stated that prices will be lower if more units are grown or produced. We can also generalize and say that greater production will entail the hiring of a greater work force. Without question we can say that it would not be necessary for the Department of Agriculture to curtail cotton and other acreage so severely if our people had the purchasing power to buy more agricultural products. In short, more people would be at work and the farmers income would not be down if consumers had the wherewithall to purchase what could be produced.

Mr. President, I want to emphasize that the real problem in our economy today is not one of ability to produce, but one of power to consume that which is and can be produced.

Our great need is not to increase our production facilities; the need is to put purchasing power into the hands of our lower-income groups. We cannot escape the fact that consumers must have adequate purchasing power if our economy is to grow. Most of us would agree that without growth our economy cannot stay healthy. The concept that there must be a leveling off in our economy and attendant unemployment is fallacious. We can have a constantly expanding free enterprise economy.

I am continuously amazed that some people hold the view that there must be a leveling off. I have more faith in our system than that. It seems to me that we must end the period of the rolling adjustment and put the economy back in gear. I do not believe that many of us would deny that our economy today still needs a boost in some areas.

In many sections of the country serious unemployment exists. Between three and a half and four million men are out of work in America.

A construction boom and an upswing in the auto industry are primarily responsible for keeping the current slump from becoming much worse. We cannot rely on these two factors to carry us through.

I quote once more from the article in U. S News & World Report:

Workers, too, are in surplus. Latest reports show 3.3 million individuals classed officially as seeking work and unable to find work. Still others could be drawn into the labor force. There are also thousands of workers who are not working full time.

What all this means is that there are few, if any, shortages, or threats of shortages, that might cause people to start a rush for goods that could send prices higher. Actually, surpluses in many fields are putting a downward pressure on prices.

Food is superabundant. Farmers are getting the lowest price for hogs in almost 5 years. Cattle prices are down from their peak. Milk and other dairy products are in surplus. Fruits and vegetables and other foods offer no problem of supply at all. Actually, hard times prevail in some farming areas.

Mr. President, let the Secretary of the Treasury read that article in U. S. News & World Report and then try to continue

to fool the American people into thinking that the economic picture is sound and rose colored. The sad fact is that today, as a year ago today, there are serious economic disjointments in the Nation's economy and that it is necessary to increase the purchasing power of the mass consumers. Our presentation of the facts in this debate seeks to accomplish that end.

It is just as sound today as it was a year ago when the Senator from Georgia [Mr. GEORGE] stood on the floor of the Senate and urged, for example, an increase in the exemption of most of the consumers of the United States.

The theory was sound then and the theory we are fighting for in the minority views happens to be the theory which the Senator from Georgia held a year ago. If it was sound then, the Senator from Georgia cannot present any economic facts that will show there has been any great change in the economic problems of American consumers.

The PRESIDENT pro tempore. The time of the Senator from Oregon has expired.

Mr. MORSE. Mr. President, I ask for 1 additional minute.

Mr. JOHNSON of Texas. I yield an additional minute to the Senator from Oregon.

Mr. MORSE. Let me say to the Senator from Georgia that if the facts were sound last year, the same needs still exist this year. It is still necessary to come to the aid of the people in the low income brackets. That is exactly what the minority proposal would accomplish.

I am sure that unemployed workers, farmers suffering from a loss of income and small-business men going bankrupt are all very happy to hear that there is no chance of inflation. If this is the type of economy the administration favors, certainly it is correct to call it a big business administration.

I do not for one moment think that such a situation is healthy for this Nation and its people. We have the ability to produce. Let us use it.

Let us proceed to levy taxes on the basis of ability to pay, and let it not be said that the people with low incomes cannot have their voice heard in the Congress of the United States. I urge the adoption of our amendment.

Mr. President, I ask unanimous consent that the article published in the U. S. News & World Report, from which I have quoted, be printed in the RECORD at this point in my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

IS INFLATION ON ITS WAY BACK?—FEW SIGNS OF IT—LOTS OF GOODS, MORE PRICES DOWN THAN UP

What lies ahead for the United States dollar?

Is it going to lose more purchasing power because of rising wages, rising prices?

That's what happens when inflation takes hold—and talk about inflation is reviving.

Inflation, in fact, already is threatening in Britain and most other European countries.

But the situation is different in the United States.

This country has lots of unused capacity to produce more goods, if people want them.

Supply and capacity are bigger than demand for almost all things people use.

There's not much chance of inflation when buyers are able to call the tune.

Talk of inflation again is in the air. Inflation of wage rates is about to take a new turn. Stock-market values are more inflated than they were only a few months ago. Tax cuts are being urged that might inflate the Government's deficit.

All through Western Europe, too, signs of inflation are developing. Demand for goods in Britain, in Germany, in France, and other countries is tending to run ahead of supply. Great Britain is moving to impose controls on inflation.

The inflation threat in the United States, however, is found on closer examination to have little foundation at the present time.

People think of inflation as a period of rising prices. It is viewed as a time when the dollar is losing purchasing power. Inflation of this type comes when demand for goods runs ahead of the supply of goods, when people are rushing to turn money into goods. This kind of situation in the United States is associated with war periods.

Dollar stays stable. Right now the dollar is stable in value. If anything, the dollar buys a trifle more today than it did a year ago, almost as much as 2 years ago. Actually, when measured by prices to consumers, the dollar has been fairly stable in value since 1951.

The reason for this can be understood in part by a glance at the following table:

A brake on inflation—ability to produce goods far exceeds present demands

Autos:	
Expected output	6.6 million cars
Production capacity	9 million cars
Steel:	
Expected output	107.4 million tons
Capacity	125.8 million tons
Cotton:	
Expected use	9 million bales
Capacity	13.5 million bales
TV sets:	
Current output	9.2 million per year
Capacity	12.4 million per year
Electric ranges:	
Current output	92% of 1947–49
Capacity	166% of 1947–49
Refrigerators:	
Current output	78% of 1947–49
Capacity	177% of 1947–49
Vacuum cleaners:	
Current output	73% of 1947–49
Capacity	136% of 1947–49
Furniture:	
Current output	115% of 1947–49
Capacity	132% of 1947–49

There you can see how much more could be produced to meet public demands than actually is being produced. Large unused capacities are indicated in almost all lines of industry and agriculture.

Workers, too, are in surplus. Latest reports show 3.3 million individuals classed officially as seeking work and unable to find work. Still others could be drawn into the labor force. There also are thousands of workers who are not working full time.

What all this means is that there are few, if any, shortages, or threats of shortages, that might cause people to start a rush for goods that could send prices higher. Actually, surpluses in many fields are putting a downward pressure on prices.

SUPPLIES OUTSTRIP DEMAND

Food is superabundant. Farmers are getting the lowest prices for hogs in almost 5 years. Cattle prices are down from their peaks. Milk and other dairy products are in surplus. Fruits and vegetables and other foods offer no problem of supply at all. Actually, hard times prevail in some farming areas.

The Government had on hand, at the beginning of the year, $7.2 billion worth of farm products that is being held off the market in order to support prices. Most of this is in wheat, corn, and cotton, but holdings also include butter, dried milk and various other foods. An inflation of food prices seems to be out of the question at this time.

Supplies also are depressing prices in a good many other fields.

Automobile production and sales are running close to record levels just now, but dealers have to attract customers with price concessions. The practice of offering high prices on turned-in cars, or sharp cuts for cash sales, is widespread. Dealers with factory franchises are complaining of competition from so-called "bootlegging," which means new cars sold at cut rates by used-car dealers.

The rise of the discount house in selling home appliances of all kinds is another sign that price inflation is no threat. Retailers themselves are moving to meet this competition by offering substantial discounts on radio and television sets, refrigerators, vacuum cleaners and practically all kinds of household equipment.

The volume of business is high and rising, but no signs have developed yet that this demand is leading to inflation.

American industry, in fact, is able to turn out a much greater volume of goods than now is being produced. This capacity to produce is acting as a powerful brake on any tendency toward inflation.

The automobile industry, for instance, is able to produce about 9 million cars a year and is actually producing cars at close to this rate now. But not even the most optimistic auto producer expects many more than 6.6 million cars to be made this year. In other words, the industry will count itself lucky if it operates at close to three-fourths of capacity for the year as a whole.

STEEL: UNDER CAPACITY

The demand for steel has jumped sharply in recent months, but, even so, the steel industry so far this year has never operated much above 90 percent of capacity. Estimates are that some 107.4 million tons of steel ingots will be made this year, against a capacity of 125.8 million tons. That leaves quite a margin of unused capacity.

When it comes to producing household equipment, no industry is shown by official figures to be operating anywhere near capacity. Manufacturers of furniture and equipment for home laundries are coming closest, but even these industries have plenty of leeway to expand output. Most producers of television and radio sets, refrigerators, cooking stoves, and other appliances could increase output by 25 to more than 50 percent if demand for that volume developed.

The same situation prevails in most of the soft-goods industries. The textile industry has staged a recovery in production, but even now is not approaching capacity. Cotton mills are expected to use about 9 million bales this year, when they could consume 13.5 million bales in manufacturing cloth. Woolen and worsted mills have the capacity to boost output by about 70 percent.

American industry, in other words, has a lot of slack that can be taken up before inflation again becomes a threat. That contrasts with the immediate postwar years, when demand for most things exceeded supply, and with the Korean-war period, when controls had to be clamped on important raw materials.

SOME INFLATION SIGNS

Inflation, however, is evident in some areas of activity.

Wages have been creeping higher year after year since 1946, and are to continue to go higher this year. The average factory worker got about $1.09 an hour in 1946. Now he

receives $1.84. The average weekly wage slipped a bit from December to January, because of a shortened workweek, but it is believed to have recovered now. The average is around $74 a week, compared with $43.82 a week back in 1946.

An upward trend in wages has a tendency to increase costs and eventually to show up in increased prices for goods—the usual result of inflation. An offsetting tendency, however, is for managements to improve efficiency so as to reduce the overall cost of production. That apparently is being done now, since factory output is running ahead of a year ago with fewer factory employees at work than a year ago. Also, when supplies are large, higher costs cannot easily be passed on to customers because of competition. In that case, profit margins are squeezed.

In any event, rising wage costs over the past few years seem to have been absorbed either in lower profit margins, or by increased efficiency, since retail prices in general have not moved higher.

The stock market also may be showing signs of inflation. Average prices of common stocks have increased sharply and now are at an all-time high. This was the kind of inflation that led to the boom and bust of the late 1920's. It has gone far enough already to draw an official inquiry from the United States Senate.

However, nearly all responsible appraisers of stock-market trends are telling Senators that the present situation is not out of hand. Opinion is nearly unanimous that differences between the stock market today and the market in 1929 are far greater than similarities. One of the major points is that speculation in the present market is a long way from the fever stage, and it is speculative fever, rather than rising prices, that usually marks inflation in stocks.

Another sign of inflation is found in real estate. Real-estate prices are far higher now than before World War II. The building boom, furthermore, is continuing, and money spent for new construction this year is expected to reach another record high.

REAL ESTATE DEFLATION?

Other developments in the real-estate market suggest that the inflation in this field is largely passed. The price of new houses is reported to be stable, or even down a bit. Prices of old houses are slipping in a great many communities. The inflation of rents appears to have ended. In some places, concessions that amount to rent reduction are offered by landlords.

In real estate, the main concern at the moment is the threat of deflation rather than inflation. New housing units are being erected faster than new households are being formed, and many appraisers are wondering how long the housing boom can go on.

The return of inflation, thus, is being discounted by most business analysts. The business situation today reflects, on the whole, a recovery from a mild recession but few signs of any inflationary splurge in the period just ahead.

The PRESIDENT pro tempore. The time of the Senator from Oregon has expired.

Mr. JOHNSON of Texas. Mr. President, I understand the distinguished senior Senator from Virginia [Mr. BYRD], the chairman of the Finance Committee, plans to yield to some Senator at this time. I wonder if he is available.

Mr. ROBERTSON. Mr. President——

Mr. JOHNSON of Texas. The distinguished senior Senator from Virginia told me that he planned to have the distinguished Senator from Colorado [Mr. MILLIKIN] speak for 30 minutes.

Mr. ROBERTSON. The senior Senator from Virginia said that, in view of the fact that I intended to make an extemporaneous speech which would take just 10 minutes, I might proceed at this time.

Mr. JOHNSON of Texas. Mr. President, I suggest that the minority leader yield the time, if that is agreeable.

Mr. KNOWLAND. Mr. President, I yield 10 minutes, on behalf of the senior Senator from Virginia, to the junior Senator from Virginia.

The PRESIDENT pro tempore. The Senator from Virginia may proceed.

Mr. ROBERTSON. Mr. President, on the day the hearings started on the bill I made a brief statement on the floor expressing my opposition to the tax-reduction provision of the House bill. I have not changed the position then expressed. I am opposed to any cut in the revenue at this time. However, no Member of the Congress, in which I have served for 22 years, can see able and esteemed colleagues differ with him on an important measure without frankly admitting that there is an honest difference of opinion. That is the way I regard the fact that a majority of my colleagues on the Democratic side of the aisle do not share the views expressed by two of the ablest Members of the Senate and most experienced in tax legislation, the distinguished Senator from Georgia [Mr. GEORGE] and the distinguished senior Senator from Virginia [Mr. BYRD].

I listened with interest to the able remarks of the Senator from Oregon [Mr. MORSE] in which he referred to the clipsheet from the U. S. News & World Report saying that inflation is not on the way back. But I noticed from a hasty reading of the statement that it is said that for more than a year the dollar has been stable and that prices also have been stable. Consequently, I should not think it would be treason to the Democratic Party for me to say that for the past year, at least, we have been traveling on the highway of a stable economy, but I feel that today we stand at a crossroads on that highway. It can be cogently argued that if we take one of the crossroads, it will lead to inflation. It can be argued that if we take another of those crossroads, it will lead to deflation; perhaps, in the end, to a long depression, although I do not think that will be possible so long as we continue to spend, especially for defense, at the current rate.

Therefore, Mr. President, I believe we are faced with a very serious decision. I cannot categorically say that the deficit which would be caused by this tax bill as proposed to be amended would be inflationary, but I am sure such a deficit would be a trend in that direction. There were numerous witnesses before the Banking and Currency Committee who, in explanation of a rather unprecedented advance in stock prices, said it was a reflection of confidence in an expanding economy. I know that new starts in housing is at an all-time high.

The distinguished Senator from Oregon [Mr. MORSE] referred to the lack of purchasing power. There are numerous ways in which people get purchasing power. One way to obtain purchasing power is to borrow money. Not only has residential mortgage borrowing reached an all-time high, but installment buying likewise has reached an all-time high. There is no curtailment of purchases. As a matter of fact, purchases this year will probably amount to some $234 billion, an unprecedented sum. We know that the output of automobiles is at an all-time high.

On the other hand, I recognize the fact that there are valleys in the Nation's economy. Only yesterday one of the large farmers in Virginia told me that his wonderful blue grass farm in southwest Virginia, on which he operates a large dairy, and raises fine Hereford steers, and from which he had normally in recent years been netting $25,000 a year, last year showed a loss in excess of $9,000.

This morning I read in the weekly sheet of the National Industrial Conference Board the statement that in February of this year, while unemployment—and of course those who are unemployed receive compensation benefits—was 14 percent less than in February of 1954, it was 78.3 percent greater than in February of 1953.

So, Mr. President, we can take either side and say we are headed for inflation or that we are headed for depression. We can say, "Do not let us contribute to the inflationary trend by increased deficit financing," or we can say, "Let us cut taxes, and give more purchasing power to the people, because, if we do not, the economy will go into a real slump." I think it would be fairer to say that we are standing at the crossroads where what we do here will have a vital influence on determining whether we are to leave the present highway of a stable economy and move toward either inflation or deflation, neither of which I want to see happen.

I wish to repeat, very briefly, the statement made by the chairman of the committee who has devoted the past 22 years to the study of taxes, that he cannot see that the bill as proposed to be amended does not cut revenue.

It takes credit for a saving of $1 billion because of an error made in the last bill. That error is going to be corrected anyway, and a bill to bring about the correction is already before the House. The chairman of the Finance Committee says that prompt action will be taken on it. So, out goes the claimed saving of $1 billion. We cannot say that there will be a gain in revenue by extending the 52 percent tax and excise taxes for 2 years, because we can provide such an extension next year. So nothing is gained in that way. If we extend them for 1 year, as proposed by the Senate Finance Committee, we shall have made all the gain we can make for that period; and we cannot claim an extra billion dollars' gain simply by saying if we do not do it now, we will never do it. That is not sound nor logical.

Mr. LONG. Mr. President, will the Senator from Virginia yield?

Mr. ROBERTSON. I cannot yield. I have but 10 minutes. If I am granted

any additional time, I shall be glad to yield to the Senator.

Mr. President, I had the privilege of helping to frame 12 tax bills in my service of 10 years on the Ways and Means Committee of the House. Every time we brought out a tax bill, we insisted on what is sometimes called a gag rule, which means that we did not think a tax bill could be written on the floor. Under the rule no amendment could be adopted on the floor and there was allowed just one motion, namely, a motion to recommit.

I still think it is unsound, even in what is sometimes referred to as the "upper body," for a smaller group, possibly a more experienced group, to attempt to write a tax bill on the floor covering five proposals, none of which was made in a committee, and on none of which was testimony taken.

A proposal to extend, in a very modified form income taxes on corporations was made and was rejected by the committee. None of the other proposals found in the pending substitute was made in committee.

In a matter so important as taxes it is not sound legislative procedure to spring vital proposals and then to ask the Senate, without the benefit of hearings, without the type of discussion which can be had by the exchange of views in executive sessions of a committee, to try to write a tax bill on the floor.

The PRESIDENT pro tempore. The time of the junior Senator from Virginia has expired.

Mr. ROBERTSON. Mr. President, I ask that I may have 3 additional minutes.

Mr. BYRD. I yield 3 additional minutes to my colleague.

Mr. ROBERTSON. Mr. President, I am convinced that the proposed substitute would reduce revenue. I think that under the proposed substitute the revenue would be reduced by substantially more than a billion dollars, probably closer to $2 billion, because I cannot accept the estimate of loss under the accelerated depreciation provision. I do not have time to give my reasons for that statement but they are sustained by the tax experts of the Treasury Department. I simply do not feel that the estimated loss to the Government under the accelerated depreciation provision will materialize.

So I come to this point: We would be setting a trend for inflation. We would be acting when no one knows whether or not we shall be engaged in a war before the passage of another year. The consensus now is that China will not attack the United States, but the fact remains that we cannot do a thing in the world about that situation. If China should attack the United States or the two offshore islands, we would have to fight. At least, we said we would fight, so I reckon we will have to fight. We think China will not attack us. We think that if she should do so we could crush her. If China is foolhardy enough to start a war, and if by any chance she gets substantial aid by means of MIG's and submarines from her ally, Russia, we still would win. But certainly we would be involved in a greatly stepped up and very costly defense program.

So I think it is the part of wisdom, Mr. President, for us to wait and see what the developments will be. I recognize that taxes are high, and I should like to see them lowered. But under the proposed substitute tax reduction is not planned in a scientific manner.

The $20 deduction is a small sum to the individual, when, as I have said, his purchasing power has not been reduced and price inflation could offset it.

So I believe it is the part of wisdom for us to enact the committee bill and to wait until next year before making a decision as to whether the economy needs a "shot in the arm" by means of a tax reduction or whether the fiscal affairs of the Government are in so much better shape that the Government can prudently stand a cut in revenue.

Mr. President, therefore, with due deference to my beloved colleagues on my side of the aisle, I hope that the proposed substitute which they have sponsored will not be approved.

Mr. BYRD. Mr. President, I yield 15 minutes to the distinguished senior Senator from Colorado [Mr. MILLIKIN].

Mr. MILLIKIN. Mr. President, the proposed substitute for the pending bill as proposed by the Senate Finance Committee would modify the tax credit as follows:

First, a $20 credit is allowed to the taxpayer but not to his spouse, and credit for each dependent is $10; and the amount of the credit claimed is reduced by the benefits which a married couple derive from income splitting.

Second, the increased emergency corporate rate and the increased emergency excise tax rates which, if not extended, would expire on April 1 of this year, would be extended for 2¼ years instead of 1 as proposed by the Finance Committee.

Third. The opportunity for accelerated depreciation adopted last year would be repealed effective March 9, 1955.

Fourth. The dividend-received exclusion and credit adopted last year, which gave partial relief from double taxation, would be repealed as of July 1955.

Fifth. Two accounting provisions relating to prepaid income and reserves for estimated expenses which were adopted in last year's Revenue Revision Act would be repealed retroactively to January 1, 1954.

The proposed substitute would take the place of the bill as reported by the Committee on Finance which provides for the extension of 1 year the 52 percent corporate rate and the present excise-tax rates on liquor, tobacco, autos, and so forth.

The $20 cut, as proposed by the House bill, would have provided beginning in January 1956, first, that every taxpayer should get a reduction in his taxes for the following year equal to $20 for himself, his wife, and each dependent; second, that approximately 5 million taxpayers would go completely off the Federal tax rolls; and third, that the Government would lose $2.3 billion a year in revenue.

This proposal was rejected by the Senate Committee on Finance by a 9 to 6 vote.

The proposed substitute poses its own defects, which are equally serious, and it should be rejected.

The distinguished senior Senator from Georgia [Mr. GEORGE], the former chairman of the Senate Committee on Finance, and the distinguished senior Senator from Virginia [Mr. BYRD], the present chairman of the Committee on Finance, have not accepted either the House bill or the substitute as proposed.

I would not be so impertinent as to attempt a comparative evaluation of the individual members of the Senate Finance Committee. But certainly no member of that committee or of the legislative arm of the United States Government has more expertness in fiscal matters than those two Senators.

And their refusal to accept the bill as it came from the House, and also the proposed substitute, certainly hangs out red warning lanterns.

In times like the present, we should avoid actions which can be seized upon to destroy confidence in the fiscal management of our Government.

There has been considerable discussion of a loophole in the 1954 Revenue Code, which has received the attention of the substitute measure which is now before the Senate. The potentialities of this loophole have been detected, and the House Ways and Means Committee is now considering separate legislation to correct it. I have no doubt that separate action initiated by the House will be taken during the present session of the Congress. Merely in passing, I suggest that there has been no demonstrable proof that the losses resulting from the loophole would be of the imaginary and massive magnitude which some of the critics have estimated.

My first objection to the proposed substitute is that it is untimely and has a tendency to destroy the faith of the people in our tax laws.

The new Revenue Code became effective last August. The act was passed after several years of study of the problems involved. It was the most sizable revision ever made. The vote on the bill in the Senate was 63 yeas to 9 nays. The Senate vote on the conference report was 61 yeas and 26 nays.

It is respectfully submitted that there must be as much stability as possible in our tax laws. We should not make major revisions in August and seriously alter them the following March. The unsettling effects on the citizens and on our economy of actions of that kind are obvious.

The taxpayer should be able to know that he can make his financial plans with reasonable certainty that they will not be disrupted by frequent capricious legislative itches to impose radical changes.

I shall not review the difficulties in completing with success the transition of our economy from a wartime to a peacetime basis. One of the most important factors in successfully completing that perilous transition is confidence—the assured confidence of people that they will not be caught unaware

and their plans be destroyed by jumpy, nervous taxmakers.

Wise tax laws and steady adherence to them will aid this Nation in surmounting many of the difficulties of that transition period. The results achieved in combatting those difficulties have surpassed high expectations and have confounded the peddlers of gloom and doom.

I wish to repeat some important facts presented by the senior Senator from Virginia [Mr. BYRD] a few days ago. I read from page 2593 of the CONGRESSIONAL RECORD of March 10, 1955. The Senator from Virginia said, as appears in the RECORD:

> In spite of any contention to the contrary, these are prosperous times. Our gross national product in 1954 was the second highest in our history. The worst that anyone has been able to say is that it was not as high in 1954 as in 1953. Yet even this understates our true prosperity because the trend is upward.
>
> As I have already suggested, our gross national product was up from $355.5 billion in the third quarter to $362 billion in the fourth quarter of 1954—an increase of $6½ billion.
>
> Personal consumption expenditures reached a new high of $234 billion for 1954, as contrasted to only $230 billion in 1953, the year which was supposed to represent the peak of our prosperity.

I repeat:

> Personal consumption expenditures reached a new high of $234 billion for 1954, as contrasted to only $230 billion in 1953, the year which was supposed to represent the peak of our prosperity.

I continue to read from the remarks of the senior Senator from Virginia:

> The consumption figure of $234 billion should be of interest to those who have been suggesting that we especially need an increase in consumption expenditures. Moreover, the trend of these expenditures is upward. They have increased steadily from an annual level of about $230 billion in the fourth quarter of 1954.
>
> Gross private investment, next to personal consumption expenditures, is one of the more important segments of our gross national product. As would be expected, these expenditures reached a peak in 1951 as a result of the Korean war. Since that time they have been tapering off. However, it is important to note that late in 1954 this trend appeared to be reversed. These expenditures in the fourth quarter, on an annual basis and seasonally adjusted, increased by over $4 billion.
>
> Production also has been increasing, and here, where we have some evidence of conditions in January of 1955, the trend is still upward. The Federal Reserve Board Index of industrial production has shown constant improvement since this last August. At that time it stood at 123. By January of this year it had risen to 131.

I have just completed the quotation from the speech of the senior Senator from Virginia [Mr. BYRD].

Admitting, Mr. President, that there are some rough spots in the economy today, just as there are in the best days of greater normality, why rock the boat?

My next point is that so far as the budgetary situation is concerned, any improvement proposed by the substitute over the bill as it came from the House, would be attained by adoption of unsound policy and at terrible expense to the economy.

First, it is proposed to repeal, just about 6 months after the last revenue law became effective, several of the provisions of that law which were hard fought out, were adopted deliberately, and which were approved by the Congress and by the President. In my judgment, those provisions, I respectfully submit, were important factors in buttressing our economy.

The proposed substitute would repeal two of the most important provisions of the 1954 Revenue Code. It would eliminate the partial relief from double taxation of dividends which, as I have said, were adopted by the Congress after the fullest discussion. That which was done was a long overdue reform which partially corrected a generally recognized injustice in our tax laws, and encouraged sounder methods of business financing. It was motivated by a desire to stimulate investment, which in turn would stimulate the creation of jobs.

On the face of it, the proposal to tax money for dividends when it is in the hands of the corporation and to tax it again when it reaches the hands of the stockholders and owners of the corporation offends the spirit of fair play.

The proposed substitute would abrogate the accelerated depreciation allowances adopted by the Congress after full discussion.

Personally, I believe the accelerated depreciation opportunities given by the existing Revenue Code are among the most potent features of our tax law in effecting a rehabilitation of industry, which must constantly improve itself, or be unable to buy the machines and furnish the capital necessary to provide the tools to enable the American workers to do a good job, and, indeed, to provide jobs for them.

There can be no doubt that enabling those who provide jobs to get their capital back on an expedited basis puts them in better position to buy new machinery, make fresh investments to modernize their plants, and make the best utilization of the skills of their workers.

The substitute would continue the 52 percent corporate rate and the present excise-tax rates on liquor, tobacco, autos, and so forth, for 2¼ years. There is much opinion in support of the view that both taxes should be reduced at the earliest feasible time.

The 52-percent corporate rate can be justified only by the continued existence of emergencies which require extraordinary expenditures. There is some opinion which has been expressed by competent witnesses before the Senate Finance Committee that there is a limit on the time within which such corporate rates can continue to be charged without crippling productive capacity and the incentives therefor.

It is to be hoped that we can come back to preemergency rates prior to the 2¼ years contemplated by the substitute.

The excise taxes are also at emergency rates, and we have promised to reduce them as soon as the fiscal situation warrants.

I suggest that it would be much better to extend these taxes for not more than a period of 1 year, so that we can take a fresh look as that time approaches and then decide what will be the best thing to do.

That brings me to my next point. No valid reason has been advanced for haste in devising tax measures on which no public hearings have been held. We would do well to wait at least until next year, when we will have the new budget estimates before us and will have a better idea of the receipts that will come to the Government, and of the expenditures which will be made by it.

The assertion that one can tell today what should be done about specific taxes—the ones to which I have been referring—more than a year from now, and that one can be wiser today than he will be a year hence as to what will be required in the way of expenditures, and what can be counted on with reasonable confidence in the way of receipts, is nothing more than an arrogation of nonexistent personal infallability.

Why not wait at least until we know what we are going to be called on to do in the way of making expenditures, as may be required by the near-future world developments?

There are many expensive proposals now before Congress, and others will come before Congress. No one can guess their magnitude until all of the appropriation bills are considered and are acted on. Why proceed in ignorance instead of waiting until the results, at least of this session of Congress, are known; until rapidly culminating foreign affairs which have the potentiality of added heavy expenditures have matured; or until we know they will not mature?

The PRESIDENT pro tempore. The time of the Senator from Colorado has expired.

Mr. BYRD. Mr. President, I yield 5 additional minutes to the Senator from Colorado.

Mr. MILLIKIN. I thank the Senator from Virginia.

The proponents of the proposed substitute say that the proposed relief must be given to those in the lower income-tax brackets. I am not insensitive to the fact that tax relief must not rest on an exclusive monopoly of benefit to less than all the people.

Having had a heavy load of responsibility in connection with making our tax laws—and I am thinking especially of the tax law enacted by the 80th Republican Congress—I believe that I am in position to speak on the subject.

I remember that the 80th Congress, which was a Republican Congress, increased the exemptions from $500 to $600, and gave additional exemptions to those over 65 years of age and to the blind. I had the management of that bill on the floor of the Senate; and I remember very well that the bill was vetoed, and that in order to get the bill passed, we had to override the veto, which we finally succeeded in doing with the aid of some Senators on the other side of the aisle.

So far as I am concerned, I shall not hesitate to advocate further increases in the exemptions whenever they are warranted by the fiscal situation.

Mr. President, I have recited this history of the personal exemptions we are

now enjoying—the present exemptions, as passed by the 80th Congress—to overcome, if possible, the impression which has been attempted to be given that those who are opposed to the substitute proposal have no concern for the taxpayers who are in the lower income-tax brackets. To make the situation even clearer, let me bring to the attention of my colleagues some facts to show the distribution of the weight of our income-tax system.

For example, under present rates, those in last year's revenue law, the tax payable by a single man with no dependents with $5,000 of net income is 12 times that of a man with $1,000 net income, $10,000 of net income is 31 times that of a man with $1,000 net income, $20,000 of net income is 86 times that of a man with $1,000 net income, $50,000 of net income is 330 times that of a man with $1,000 net income, $100,000 of net income is 835 times that of a man with $1,000 net income.

Under present law rates, the tax payable by a single man with no dependents with $10,000 of net income is 3 times that of a man with $5,000 net income, $20,000 of net income is 7 times that of a man with $5,000 net income, $50,000 of net income is 28 times that of a man with $5,000 net income, $100,000 of net income is 71 times that of a man with $5,000 net income.

Mind you, please, Mr. President, this illustration of the progression of the income tax system results from existing law, the law passed by the last session of Congress.

These facts throw considerable light on those who would go to a political heaven in a chariot propelled by the proposition that the present tax law treats with brutality those in the lower income-tax brackets.

The PRESIDENT pro tempore. The time of the Senator from Colorado has expired.

Mr. BYRD. Mr. President, I yield 5 minutes more, or as much thereof as he may desire, to the Senator from Colorado.

The PRESIDENT pro tempore. The Senator from Colorado is recognized for an additional 5 minutes.

Mr. MILLIKIN. I thank the Senator from Virginia.

Mr. President, the arguments which are made for political salvation resting on that kind of a basis are further dispelled by attention to other features of distinct benefit to those in the lower income-tax brackets, as made by the 1954 revenue revision bill:

The four steps taken by Congress with respect to tax legislation during 1954 consisted of permitting an individual income-tax reduction of approximately 10 percent to go into effect as of December 31, 1953; allowing the excess profits tax to terminate as of the same time; passing the excise tax reduction bill; and putting through the Internal Revenue Code of 1954.

The relief granted by the above legislation amounts to $7.4 billion. Of this total, the individual income-tax reduction of approximately 10 percent accounted for $3 billion; the termination of the excess-profits tax, $2 billion; the excise tax reductions, $1 billion; and the tax-revision bill, $1.4 billion. This $7.4 billion is the largest tax reduction granted in any single year.

Approximately $5 billion, of the $7.4 billion tax relief, went to individuals:

First. Three billion dollars on account of the 10 percent tax rate reduction.

Second. One billion dollars on account of the reduction in excise taxes.

Third. Eight hundred and twenty-seven million dollars because of the provisions affecting individuals in the 1954 revenue revision bill.

The Excise Reduction Act of 1954 reduced to 10 percent many excise-tax rates which had been imposed at higher rates. The retailers' taxes on furs, luggage, jewelry, and toilet preparations were reduced from 20 percent to 10 percent. The rate on long-distance telephone calls was reduced from 25 percent to 10 percent; and the rate on local service, from 15 percent to 10 percent. The tax on transportation of persons was reduced from 15 percent to 10 percent. All the manufacturers' taxes which had been above 10 percent were reduced to 10 percent; and, in addition, the rate on electric, gas, and oil appliances and on refrigerators and freezers was reduced from 10 percent to 5 percent. The tax on general admissions, including admissions to movies, was reduced from 20 percent to 10 percent; and no tax was imposed on admissions of 50 cents or less.

The 1954 Revenue Revision Act contains many provisions which benefit small taxpayers. More than half of the relief provided by that act—or $327 million—went to individuals.

I shall now state a summary of the more important provisions of the 1954 Code which affect individuals:

SUMMARY OF PROVISIONS OF THE INTERNAL REVENUE CODE OF 1954 BENEFITING INDIVIDUAL TAXPAYERS

First. Retirement—policemen, firemen, teachers, and others: Individuals 65 years of age or over; or under 65, if retired under some Federal, State, or local government pension plan, other than military, receive a credit against taxable income equivalent to 20 percent on the first $1,200 of annual investment income or private pension.

Mr. President, I am reciting these items in detail in order to overcome, if possible, the assertions, which are repeatedly made, that the measure Congress enacted last year was a rich man's tax bill, and contained nothing for the benefit of the average citizen or for those in the lower income tax brackets. So far I have recited perhaps a dozen or two dozen instances.

Second. Head of household: If taxpayer supports a father or mother in a home of his or her own, he is permitted head-of-household status and the partial income splitting benefit.

Third. Children earning in excess of $600: Parents are permitted to claim a child as a dependent, regardless of the child's earnings or investment income, if such child is under 19 years of age or is away from home at school, as long as the parents actually supply more than one-half of the child's support.

Fourth. Medical expenses: A tax allowance is given for medical expenses in excess of 3 percent of adjusted gross income, instead of only the expenses in excess of 5 percent of this income. Outlays for drugs and medicines may be included in medical expenses to the extent they exceed 1 percent of adjusted gross income. Transportation costs of a trip prescribed by a doctor may be deducted. In addition, the ceiling of $1,250 for a single person, with a maximum of $5,000 for a family, is doubled, which allows a ceiling of $2,500 for a single person with no dependents, and a maximum of $10,000 for a family.

The PRESIDENT pro tempore. The time of the Senator from Colorado has again expired.

Mr. BYRD. Mr. President, I yield an additional 5 minutes to the Senator from Colorado.

The PRESIDENT pro tempore. The Senator from Colorado is recognized for an additional 5 minutes.

Mr. MILLIKIN. I thank the Senator from Virginia.

Mr. President, I shall proceed further with the summary:

Fifth. Working mothers: Working mothers may deduct child-care costs up to $600 where the adjusted gross income of the taxpayer and her spouse does not exceed $4,700.

Sixth. Working widows: A widow with one or more children under 12 years of age or handicapped children can deduct up to $600 for costs of child care while working.

Seventh. Death of spouse: Taxpayers suffering the loss of a spouse can continue for a period of 2 years the benefits of income splitting if there are dependent children to support.

Eighth. The allowance of an exemption where several individuals support a dependent: Where a dependent is supported by two or more taxpayers, they may agree among themselves on who will received the exemption. Previously such an arrangement was not permitted.

Ninth. Annuity income: Annunities are to be taxed under the life-expectancy method. Annual exclusions will be determined by dividing the total consideration paid for the annuity by the expected life of the annuitant. As a result, in the average case where the annuitant lives out his life expectancy he will completely recover his capital free of tax.

Tenth. Personal injury and sickness: Payments for personal injury or sickness made under a plan financed by the employer where such payments are in lieu of wages can be excluded from income up to $100 per week. This exclusion will not apply to the first 7 days an employee is absent from work unless such absence is on account of personal injury or if the employee is hospitalized on account of sickness for 1 day during the period of absence.

Eleventh. Alimony: Payments of alimony or separate maintenance constitute a tax deduction to the husband and makes the wife taxable on any payments made under a written separation agreement even without a court decree, where the husband and wife file separate returns. Payments to a wife under a court

decree entered into after March 1, 1954, will be treated in the same way as alimony payments.

Twelfth. Ministers of the gospel: Cash paid by a church to a minister for the rental of a parsonage will be tax free.

Thirteenth. Policemen: Subsistence allowance up to $5 per day paid to Federal, State, or local policemen will be tax-free.

Fourteenth. Contributions: The amount deductible for contributions is increased from 20 percent to 30 percent, providing the additional 10 percent goes to churches, schools, and hospitals.

Fifteenth. Installment purchases: A taxpayer can deduct the carrying charges on installment purchases up to 6 percent of the average unpaid balance even when such charges do not show the portion which is interest.

I repeat, I am mentioning these items in order to double-rivet the proposition that the tax law passed by the last Congress was for the benefit of all the people. A heavy benefit was given to those in the lower income tax brackets.

I continue the items:

Sixteenth. Employees and outside salesmen: Business transportation expenses such as bus, taxi, and other fares may be deducted by employees and outside salesmen in computing adjusted gross income even where out-of-town travel is not involved.

Seventeenth. Shareholders: An exclusion is provided for the first $50 of dividend income received by an individual in any taxable year ending after July 31, 1954. Taxpayers with dividend income remaining after this exclusion will be permitted to deduct from their final tax a credit of 4 percent of such dividends received after August 1, 1954.

Eighteenth. Depreciation: Taxpayers are permitted, at their option, to use the diminishing-balance method of depreciation at double the rate available under the straight-line method, or to use any other systematic method, which will not give greater aggregate charges than those available under the declining-balance method.

Nineteenth. Percentage depletion: Percentage depletion allowances are liberalized and a number of new nonmetallic minerals have been added to the 15-percent group. Strategic and critical minerals, if produced in the United States, are increased to 23 percent. Other changes have been made in the groups now allowed 5 and 10 percent.

Twentieth. Partners and partnerships: Payments by the firm of a guaranteed salary to a partner are taxable to him and deductible to the firm. The transfer of property to a partner from the firm usually will be tax free. Also certain partnerships may elect to be taxed as a corporation.

Twenty-first. Sole proprietors: An individual who owns his own business as a sole proprietor may elect under certain conditions to be taxed as a corporation.

The PRESIDENT pro tempore. The time of the Senator has again expired.

Mr. MILLIKIN. Mr. President, may I have a few more minutes?

Mr. BYRD. I yield 5 additional minutes to the Senator from Colorado.

Mr. MILLIKIN. Continuing with the enumeration of the items—

Twenty-second. Soil- and water-conservation expenditures: This provision is extremely important and will be of direct benefit to about 500,000 farmers and of indirect benefit to all by fostering sound conservation practices. This provision will allow farmers to deduct expenditures for soil and water conservation, including those for leveling, grading, terracing, drainage, contour furrowing, eradication of brush, planting of windbreaks, and other expenses for treatment or moving of earth. The provision applies to earthen dams not subject to depreciation and to the construction as well as the control and protection of watercourses, outlets, and ponds.

The provision is also applicable for expenditures by farmers to satisfy special assessments of soil- or water-conservation districts. The annual deduction is limited to 25 percent of farm income, but amounts in excess of this limit may be carried forward to be deducted in subsequent years.

I recommend that the substitute be defeated and that the bill as reported by the Senate Finance Committee be passed. This bill would extend the corporate and excise taxes for another year, the revenues from which would buttress the budget, and final decision on which can be made under the light of further developments.

Mr. SALTONSTALL. Mr. President, will the Senator yield for one question?

Mr. MILLIKIN. I am glad to yield if I have the time.

Mr. SALTONSTALL. I have only one question.

Last year the Senator from Colorado was in charge of the tax bill which was passed. He gave it great thought and consideration, and was perhaps the best informed Member of the Senate on the subject.

My question, which is really 3 questions in 1, is this: In the opinion of the Senator from Colorado, was the bill passed last year, generally a fair one? Was the revision a helpful revision? Is it the opinion of the Senator that any corrections which are to be made should be made in an individual bill carefully thought over and discussed rather than in connection with a bill providing for an extension of certain taxes, which must be passed promptly?

Mr. MILLIKIN. I am in hearty agreement with what is implied in the Senator's question.

Mr. JOHNSON of Texas. Mr. President, I yield 2 minutes to the distinguished Senator from Minnesota [Mr. HUMPHREY].

Mr. HUMPHREY. Mr. President, I wish to bring to the attention of my colleagues in the Senate a telegram which I have just received from James G. Patton, president of the National Farm Union. This is a copy of a telegram which was sent to several Members of the Senate who had joined in sponsoring the pending substitute. It reads as follows:

More than 99 percent of the United States farm families have taxable incomes of less than $5,000. Only a few industrial agricultural production units have more. Urge the Senate to adopt proposed substitute that will favor family farm agriculture not factories in the field. Increased personal exemptions far outweigh in benefit to great bulk of farmers the relatively minor significance of the accelerated depreciation allowance that provides huge windfalls to big business and the banking crowds. The expected one-fourth decline in income-tax payments by farmers results primarily from drastically lower incomes, the conservation allowance, and decreased tax rates, not the machinery and buildings depreciation. Depreciation allowances do not help a farmer anyway if he hasn't the income to be able to buy new machinery. Urge you to pass proposed substitute tax bill to increase purchasing power of low- and middle-income consumers so they can buy more farm products. Pass a bill that will favor 5 million family farms rather than a few thousand factories in the field and other big industries.

JAMES G. PATTON,
President, National Farm Union.

This boils down to a simple issue. The question is whether we are for dividends and depreciation, or whether we are for the people. The sum total of this telegram is the fact that even a $10 allowance to the members of farm families in the coming year would represent a benefit far greater than any kind of special "gimmick" or "fix it" device which could be put into a tax law for the purpose of helping the farm family. The way to help the farm family is twofold: Give the farmer an opportunity to earn more income at fair prices, and give him a fair tax law, so that he will pay only his just share of the tax revenues.

Mr. LANGER. Mr. President, will the Senator yield for a question?

Mr. JOHNSON of Texas. I yield the Senator from Minnesota an additional minute, if necessary.

Mr. LANGER. The distinguished junior Senator from Virginia [Mr. ROBERTSON] has just said there was an error of $1 billion in last year's tax bill. As I understand, the same experts who drew up the pending tax bill also drew up last year's tax bill. I should like to have the Senator from Minnesota tell me, if he can, how these distinguished experts can make an error of a billion dollars.

Mr. HUMPHREY. I cannot tell the Senator how they can make such an error. However, I can tell the Senator that they did make it. I can also say to the distinguished Senator from North Dakota that lawyers throughout the country and, in fact, the American Bar Association itself, warned the Senate last year that if the tax bill were passed it would open up many loopholes and would create many discrepancies and embody many weaknesses. I say that if it is possible to have a weakness of a billion dollars in one section of the bill, it is obvious that there may be thousands of others.

The PRESIDENT pro tempore. The time of the Senator from Minnesota has expired.

Mr. JOHNSON of Texas. I yield 5 minutes to the Senator from South Carolina.

Mr. JOHNSTON of South Carolina. Mr. President, I have always believed—and I have conducted my own personal affairs on that basis—that it was necessary to maintain a balanced budget. Balanced budgets are as necessary for

the operation of the Government as they are sound and good for private business and individuals. Our long-term prosperity, as a Nation, is dependent upon income being balanced against expense. No person, business, or nation can long prosper unless finances are kept in order.

To balance the budget, however, with the heavy burdens continuing constantly on those in the lower brackets of income, with high percentages in excise and consumer taxes remaining as a part of our tax structure, is unfair. This is especially so in view of the favors and allowances granted to the minority, in the higher brackets.

A situation which requires our most earnest consideration is presented. The great majority of our people should not be taxed to such an extent that they lack the money with which to buy the necessities of life and none of its luxuries, as under the present tax law.

The 1954 Internal Revenue Act gave only token relief to the majority of our taxpayers. That relief is consumed mostly in the increase in social-security taxes. The lower-income families received merely a dribble by comparison.

A recent analysis of last year's tax cuts demonstrates that only about 20 percent of the taxpayers received incomes of over $5,000 annually. Yet these 20 percent receiving net incomes of $5,000 annually received in the aggregate the benefit of 77 percent of the total amount of the money reductions in the tax act. The analysis further shows that the 77 percent of the total in dollars amounted to well over a billion dollars, whereas the remaining 80 percent, in number, of our taxpayers who get less than $5,000 annually received only about $311 million in tax relief.

The President in his budget message stated in effect that he would recommend a tax reduction next year, which would be spread more fairly among our taxpayers. I should like to have Congress give substance now to that recommendation. Let us now give reality to the President's expectations and hopes. It is proposed that the changes to be made shall be effective only next year. This benefit will accrue if we make our plans now. We will be better informed as to how to fix our appropriations when we are confronted with the expected tax reductions we will face next year. There is every reason in logic and equity why relief should be extended to the majority of our people in the less favored brackets, and why we should provide now that this large group be integrated into the program of appropriations which we shall consider during this Session of the Congress for the next fiscal year.

The great majority of our economists recommend that we should maintain a broad level, and if possible raise the purchasing power of the majority of our people. This base of purchasing power should be broadened, not narrowed. We have at present the largest productive capacity of any nation on the face of the earth. I am informed that the steel mills are running less than 80 percent of their capacity. Many of our factories, textile mills, and other manufacturing concerns are at present operating on a part-time basis. It is not the capacity we need; it is the utilization and continuous operation of our present capacity which gives us concern. By reducing the tax $20 per taxpayer and $10 for each dependent, we necessarily broaden the base of the purchasing power of those who need this small allowance the most. Compare the $20 allowance we propose with the $50 dividend allowance granted last year on stock dividends, when less than 10 percent of our people received such a dividend allowance, and one can see very readily how the purchasing power is spread among those most apt to buy consumer goods.

We hear the hue and cry raised that we are financially irresponsible. This sort of argument will not bear truthful analysis. Last year, taxes were reduced by the Republican majority by over $2 billion, when the country then faced a deficit of over $7 billion. The deficit this year is estimated at less than $3 billion, and the total relief we propose to extend to 80 percent of our people is less than a billion and a half dollars.

The PRESIDENT pro tempore. The time of the Senator from South Carolina has expired.

Mr. LONG. Mr. President, the majority leader left word that an additional 2 minutes should be allowed to the Senator from South Carolina if he should desire additional time.

Mr. JOHNSTON of South Carolina. Mr. President, if we extend the excise taxes and eliminate the dividend reductions, we will add to the Treasury $357 million.

What becomes of the political characterization of our conduct that we are irresponsible in the light of these almost undeniable calculations? The problem is not half so confusing and intricate as these unjustified charges against the sponsors would make it. If over $2 billion of relief last year helped to stabilize prices this year, how can half that amount cause inflation next year, especially when it will affect that portion of our population which will spend the money for the consumer goods we need to get on the market?

Mr. President, the situation boils itself down to this: There are some in our economy who believe that if the greater portion of relief is given to the very few at the top of the bracket, somehow and in some way the benefit will trickle down and reach those on the lower rungs of the ladder in our economy. I am convinced that the best results for our economy lie in the broadening of the base rather than the top of our tax structure. Let us stop and consider the man who receives the least annual salary or income, and quit favoring those in the higher brackets every time we have a tax bill under consideration.

For the reasons I have stated I strongly support the proposals contained in the minority views and urge their passage.

The PRESIDENT pro tempore. The time of the Senator from South Carolina has again expired.

Mr. BYRD. Mr. President, I yield 5 minutes to the Senator from Vermont [Mr. FLANDERS].

Mr. FLANDERS. Mr. President, the question before the Senate seems to me to be a very simple one indeed. In an endeavor to balance the budget there was introduced in the House of Representatives and there has come to the Senate a bill designed to maintain income, rather than to permit it to decrease.

The maintenance was to be provided by the extension of the corporate income tax and by the extension of certain excise taxes.

We now have in the Senate the strange spectacle of an effort being made to attach to a bill whose purpose was to maintain income, a means for reducing the income of the Government.

The two purposes do not go together. The proposed substitute itself is a heterogeneous anomaly, and should not be taken seriously as supporting in any measure the original purpose of the bill.

I said the bill as reported was intended to assist in balancing the budget. Let me say at once that I am not one of those who feel that the budget must be balanced under all circumstances.

At times when employment is decreasing, unemployment increasing, and the national production falling rapidly—which, thank heaven, is not now the case—it is not wise to balance the budget, but it is wise to leave it unbalanced. But these are not times when that applies. These are times when we should continue to endeavor to balance the budget.

One of the strange things about the situation, as I see it, is this: A number of Senators on the floor have expressed publicly the opinion that we should sharply increase our defense expenditures. That is a perfectly arguable proposition. It is one on which there may be disagreement among intelligent men. I am willing to predict, however, that many of those who will later express that point of view will be found among those who are now urging that we allow the income of the Government to decrease instead of to increase. We are going to see on the floor of the Senate these 2 contrary positions, 1 of spending more money and the other of providing less revenue, argued by the same persons. The position is one which cannot be maintained except in a situation in which by desperate measures it becomes necessary to arrest a declining economy. We are not in that position at the present time, and the bill addresses itself to the situation in which we find ourselves.

Mr. President, I should like, in conclusion, to pay my left-handed respect to the phrase "trickle down." There is no "trickle down" in the intentions or the purposes of the 1954 tax bill. The things which are characterized as "trickle down" really were intended as measures of growth up. They were intended as measures for the expansion of employment, for the expansion of production; and unless they succeed in assisting the expansion of employment and production, both of which are growing at the present moment, they have failed of their purpose.

So, Mr. President, let us no more use the phrase "trickle down" as a proper

description of the purposes, the intent, or the effect of the 1954 tax bill.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that I may suggest the absence of a quorum, with the understanding that the time be taken equally from both sides.

The PRESIDING OFFICER (Mr. FREAR in the chair). Is there objection? The Chair hears none, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the call of the roll be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JOHNSON of Texas. Mr. President, I yield 5 minutes to the distinguished Senator from Minnesota [Mr. HUMPHREY].

The PRESIDING OFFICER. The Senator from Minnesota is recognized for 5 minutes.

Mr. HUMPHREY. Mr. President, one of the arguments which has been used in connection with the proposal which is before the Senate, one which has been used with, apparently, some success, so far as publicity is concerned, is that if we cut the taxes of the lower-income group we will remove a large number of persons from the tax rolls; in other words, that they would not take on the responsibility of citizenship to pay taxes. Let us look at the facts instead of at fiction. I think the Secretary of the Treasury would do well to confine himself to a statement of the facts.

The people of the United States pay about $80 billion in taxes. This is 27 percent of the national income. They pay $12 billion to their local governments, $12 billion to their State governments, and $56 billion to the Federal Government, exclusive of social-security contributions.

Of this total sum, $10 billion or more are paid in property taxes which come out of everyone's income in the price of the home lived in and in the price of every commodity or service which is bought.

Sixteen billion dollars is paid in excise and sales taxes on goods and services which everyone buys—on cigarettes, on automobiles as well as on gasoline, oil, and tires. Excise taxes are, today, built into the price of the beer a citizen drinks, on his bus ride to work, on his wife's lipstick, on electric lights—and in 32 States on everything, or almost everything, he buys.

If anyone is guilty of irresponsibility in connection with this matter it is the administration's own spokesmen, from the Secretary of the Treasury down, when they say the people will not pay taxes. They will find that everything anyone touches is filled with taxes.

It is, therefore, nonsense to suppose that anyone escapes taxation, even those who pay no Federal or State income taxes. Competent estimates indicate that even families with incomes under $2,000 pay direct taxes amounting to about 12 percent of their incomes, in spite of the fact that they need so much for the necessities of living, and these taxes have risen since the estimates were made in 1948.

I am referring to a family consisting of a man, wife, and three children. They pay taxes amounting to 12 percent of their income, despite the fact that they need so much for the necessities of life. That is an estimate for 1948. It is the only one we have which is really authentic.

Income taxes in this country totaled $48 billion. This includes $2 billion paid to the States and $46 billion paid to the Federal Government. Of these amounts, $30 billion are taxes on personal incomes and $18 billion are taxes on corporate profits.

I had a survey made in my own State, and this is the result of a survey of the Federal Reserve Board in Minneapolis and St. Paul.

Mr. JOHNSON of Texas. Mr. President, will the Senator from Minnesota yield in order that I may suggest the absence of a quorum? There are at this time no Republican Members present.

Mr. HUMPHREY. I should be delighted to yield for that purpose, because what I am saying should not be only for the ears of my Democratic colleagues who are deeply concerned about these matters, but I think it would be of a little help to my Republican friends on the other side of the aisle.

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum, with the understanding that the Senator from Minnesota will not lose his right to the floor; and that the time required for the quorum call may be charged equally to both sides.

The PRESIDING OFFICER (Mr. FREAR in the chair). Is there objection? The Chair hears none, and it is so ordered. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call may be rescinded.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. HUMPHREY. Mr. President, I had been pointing out that according to a survey made in the State of Minnesota by the Federal Reserve Board and the Department of Labor, families having an income of $1,000 a year paid on the average $72 in taxes. That includes, of course, their property taxes. Also, they paid an average of $50 in excise taxes.

Families having an income of $2,500 paid $85 in personal income taxes.

The average family having an income of $4,100 paid $370 in personal income taxes.

Recently I received information that 99 percent of the farm families, which make up the bulk of the population of the Midwest, have gross incomes of less than $5,000 a year. It is to that 99 percent of the farm families that the amendment in the nature of a substitute providing tax relief is directed. It is the 99 percent of farm families which are the recipients of the Republican treatment in agricultural legislation, which is described in the report of the House Committee on Agriculture, which was published only recently, on March 10.

What does that report say? I read from it:

> The average of farm prices is down 22 percent since February 1951.
>
> Farm operating costs remain near their record high.
>
> Net farm income in 1954 was 28 percent below 1947 and 10 percent below 1953. Further declines are in prospect for 1955 and 1956.
>
> The parity ratio at 86 percent in January was the lowest since 1941.
>
> Farm debt is increasing.
>
> The value of agricultural assets has declined $10.5 billion since January 1, 1952.

Mr. President, I have in my pocket a clipping taken from the news ticker in the cloakroom, which states that the Secretary of the Treasury told the Senate Committee on Banking and Currency today that the stock market inquiry may undermine public confidence in the economy of the United States.

Did any other officer of the Government say that when Congress inquired into price supports, when it inquired into conditions in agriculture, there was any undermining of that part of the economy? No. But the stock markets are the untouchables, the sacred cows of Republicanism. Those are the cows the administration knows about. The stock markets are their sacred bovine specialty. But when it comes to doing something for the rank and file of American families, the tax bill which they propose gives no help whatsoever.

The PRESIDING OFFICER (Mr. GORE in the chair). The time of the Senator from Minnesota has expired.

Mr. JOHNSON of Texas. I yield an additional 2 minutes to the Senator from Minnesota.

Mr. HUMPHREY. Mr. President, the lame argument which has been dragged in by the tail in the dying moments of this debate is that if the depreciation allowances and accelerated depreciation are removed, the American farmer will be hurt. I have before me the figures from the tax debates in the House of Representatives. In 1955 the Republican tax law of 1954 will help the poor unincorporated businessmen and farm families in the sum total of $73 million. Think of it: $73 million in relief, in 1955, for all the unincorporated businesses, partnerships, and farmers.

With one $20 tax deduction for the head of a family, multiplied by 5 million farm families, there will be a saving to those families of $100 million. With a $10 deduction for each dependent, and assuming there are 4 children in the average farm family, there will be another $200 million saving.

It appears to me that if equitable tax relief is desired, we ought to remove the inequities from the tax law, and place in it a modicum of fair play and equality by providing at least some relief for the low-income families. Those families, in turn, will spend the money in the market place.

I say that what the administration proposal does, and does only, is to protect the "3–D boys"—the dividend boys, the depreciation boys, and the deduction boys. That is all. They are the "3–D" specialists. The administration bill will

not help the average family of the United States one iota. All it will do will be to perpetuate the inequities which are now in the tax law.

I am proud that the Democratic leadership has done two things: First, expose some of the inadvertent mistakes contained in the last tax bill, to the extent of $1 billion, and remove the depreciation and stock dividend provisions; and, second, to place in the tax bill the kind of relief which the United States Senate came within 3 votes or 2 votes of affording last year, when the Senate had before it a proposal to increase the exemption allowance by $100.

Our proposal does not go that far this year. It would seem to me to be impossible for us to turn down an opportunity to afford fair play and a chance to provide reasonable equity in the tax law.

The PRESIDING OFFICER. The time of the Senator from Minnesota has expired.

Mr. JOHNSON of Texas. I yield to the Senator from Minnesota an additional 2 minutes.

Mr. MANSFIELD. Mr. President, will the Senator from Minnesota yield?

Mr. HUMPHREY. I yield.

Mr. MANSFIELD. I am glad to note that the Senator from Minnesota has brought out the point that, contrary to what Secretary of the Treasury George Humphrey has said, even if the Democratic proposal shall be passed, it will not mean that many millions of income-tax payers will be removed from the tax rolls; they will still pay taxes.

The Senator from Minnesota mentioned that the Associated Press wires carried a story to the effect that once again Secretary of the Treasury Humphrey had chastised Congress, and had, in effect, accused Congress and a Senate committee of being irresponsible, just as he did when he told a House committee that Congress was to blame for the tax bill which he sponsored and which was proposed by the administration last year.

But because a Democratic Congress has uncovered a "blooper", the Secretary of the Treasury now tries to turn the blame around and pin it on Congress. Today, as the Senator from Minnesota has pointed out, the Secretary of the Treasury finds fault with the Committee on Banking and Currency, which is at present conducting hearings with respect to stock market operations.

Did the Senator notice that the Secretary of the Treasury appeared, first, with a prepared speech which he released to the press; and that later, when he had finished with his prepared speech, he gave his own personal interpretation of events, and in that personal interpretation, he once again found fault with Congress, and accused that committee and the Congress of undermining the stock market at the present time?

Who does George Humphrey think he is?

Mr. HUMPHREY. I gather that he thinks he is the specially appointed spokesman of the Republican administration. If he is their spokesman, let them keep him.

It is very, very interesting to note that when anyone does anything which may take the wind out of the stock market a little bit, the Republican leaders simply go into a frenzy. But, Mr. President, $10.5 billion of assets of agriculture have been liquidated in 2 years—$10.5 billion—and I have not witnessed 1 crocodile tear, nor have I heard any gnashing of teeth, or wailing, or screams of agony because of what has happened.

Then when a tax measure is proposed which would give a little relief to low-income taxpayers, and also provide further consumer spending in the stream of American economy, what happens? The Secretary of the Treasury says "Irresponsible! Irresponsible!"

I say, Mr. President, that it represents responsibility to the utmost; that what the substitute proposal represents is fiscal statesmanship. What the Secretary of the Treasury is saying is that Congress is not supposed to have control over tax policies. I ask the Secretary to take note that we have it, and we are going to control it.

The PRESIDING OFFICER (Mr. GORE in the chair). The time of the Senator has expired.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that my whole statement be printed in the RECORD, as well as a special statement I have prepared on Farmers and Taxes. I hope every Member of the Senate will read these statements.

There being no objection, the statements were ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR HUMPHREY

I rise to join my distinguished colleagues on this side of the aisle in support of a tax proposal which is based on the clear conviction that the strength of our Nation and our economy depends on people and people's welfare.

There is no legislation more basic to the economy of a nation and of the people in that nation than tax legislation. Yet tax legislation is so complicated, so technical, and so difficult to understand that vast numbers of Americans and large numbers of Congressmen have tended to allow decisions in this field to be made by technicians. I am pleased to say that this trend is changing.

Tax policy is now an essential part of public policy, and as such becomes an area for full discussion and debate—an area for controversy and compliance. And through this disussion and controversy comes greater public understanding.

It is in that spirit that I rise today to address myself to what I consider to be the basic consideration at issue—the basic equity, fairness, and justice in our income-tax laws.

An effort has been made to distort the meaning of the question we debate, to persuade the American people that the issue before the Senate is one relating to the question of a balanced budget alone. I believe in a balanced budget, Mr. President. Both a balanced family budget and a balanced national budget. I also believe, however, that the life and happiness and health of a family frequently depends on the ability to go in debt—witness the fact that were it not for the ability of most families to go into debt and obtain morgages, very few families could own heir own homes. This form of debt and the form of debt represented by installment buying spell not only the health and welfare of our economy but also the health and welfare and happiness of American families. The same principle must be applied to Government. We have needs as a Nation. We have problems as a Government to help meet those needs—needs of defense and general welfare—our Nation has had to go into debt. The result has been a relatively healthy and stable economy for our society.

Our attitude toward budgets, therefore, and the extent of balance or unbalance must depend not only on expenditures but also on revenues; and not only on revenues but also on the maintenance and growth of the national economy, on the potentialities for the expansion of that economy; yes, Mr. President, on our national income. It is only with these facts in mind that we can judge the virtue or desirability of a balanced budget at any particular time.

The question before the Senate today is, therefore, not only the question of how much we raise in taxes but also how we raise it—and the effect of this question on the people of the country.

The people of the United States pay about $80 billion in taxes. This is 27 percent of the national income. They pay $12 billion to their local governments, $12 billion to their State governments, and $56 billion to the Federal Government, exclusive of social security contributions.

Of this total sum, $10 billion or more are paid in property taxes which come out of everyone's income in the price of the home he lives in and in the price of every commodity or service he buys.

Sixteen billion dollars are paid in excise and sales taxes on goods and services that everyone buys—on a taxpayer's cigarettes, his car as well as the gasoline, oil, and tires that it uses. Excise taxes are today built into the price of the beer that he drinks, his bus ride to work, his wife's lipstick, the electric light—and in 32 States into everything, or almost everything, that he buys.

It is, therefore, nonsense to suppose that anyone escapes taxation—even those who pay no Federal or State income taxes. Competent estimates indicate that even families with incomes under $2,000 pay direct taxes amounting to about 12 percent of their incomes, in spite of the fact that they need so much for the necessities of living—and these taxes have risen since the estimates were made in 1948.

These taxes are a burden, but they are also a privilege. For with them the American people are fortunate because they are able to buy the finest public services—education, public health, fire and police protection, highways, national security—available to everyone. It is, therefore, perfectly fitting that all should share in the cost in some equitable degree. This broad picture, however, does not tell the whole story. There still remains a question of equity in the distribution of this tax load. In many of the taxes that we have just described—in fact, in most local and State taxes—there is an insufficient differentiation between low- and high-income families. Many of these taxes take as large or larger shares from the low-income family as they do from the high-income family. It is interesting to note that sales and excise taxes claim 2 or 3 times as large a share of the incomes under $1,000 or $2,000 as they do on incomes above $7,500 or $10,000. This is because lower-income families have to spend a larger share of their income on taxable purchases.

The principle of equity in our tax system taken in its entirety rests on income taxes, primarily on the Federal income tax. This principle recognizes that equity in taxation requires that high-income families shall pay—because they can afford to pay—not only a larger amount, but also a larger share of their incomes in taxes.

Income taxes in this country totaled $48 billion. This includes $2 billion paid to the States and $46 billion paid to the Federal Government. Of these amounts, $30 billion

are taxes on personal incomes and $18 billion are taxes on corporate profits.

Yes, the principle of equity in our tax system is most closely approximated by the income tax. But let no one suppose that the personal income taxes, even though the rates are steeply graduated are "rich man's taxes." The exemptions are low and the rates start high. Thirty percent of the taxpayers under Federal income tax law have incomes below $3,000, and more than 70 percent have incomes under $5,000. A very large proportion of the total yield of the Federal income tax is paid by families in the middle and lower brackets.

The significance of this can perhaps best be understood by looking at an example from my own State. In Minneapolis and St. Paul, according to statistics of the United States Department of Labor, families with incomes between $1,000 and $2,000 paid on the average $72 in income taxes. This was in addition to perhaps $50 by direct excise taxes. Mind you now, these figures are for the poorest families. Families with average incomes of $2,500 paid on the average of $185 in personal income taxes in addition to excise taxes. The so-called "average" family with an income of $4,100 paid $370 in personal income taxes. That is quite a bite out of a $4,000 income.

These are heavy burdens on our low and middle-income groups. They are burdens that should be reduced as soon as it is possible to do so. There are two reasons for this statement. One reason is simple justice. These families need to use every dollar of income for family living. The same Department of Labor studies show that families in the lower income levels spend most or all of their incomes, and in many cases, more than their incomes. The Federal Reserve Board shows a similar tendency. In fact, city families up to the $4,000 income level and higher have been overspending their incomes as a class. This is reflected in the increase in consumer credit by $13 billion in the past 5 years.

These figures do not mean that the families are submerged in poverty, although economically 15 or 20 percent of them are so submerged. It is rather in general a picture of American families striving to raise their standard of living as we believe the American families should be able to do as the American economy becomes more productive. It is a picture also of a people with rising incomes and confidence in their future, willing to undertake future obligations based on that confidence. This is the meaning and purpose of an expanding economy.

There is a second reason why the tax burden should be reduced on lower and middle income groups. Whatever we can do to quicken a rise in the standard of living not only strengthens our people and their faith in our American system, but it also promotes the growth of the economy. This is a growth which comes about by expanding the markets for the goods and services of American business.

Hence, we have now not only reason based on justice, but an economic reason for reducing the taxes of families below the $5,000 income. The House Ways and Means Committee correctly stated the case when it said that such reductions "immediately enter the Nation's income stream * * * and increase the demand for consumer goods which results in greater production." This is because our low and middle income families spend most of their income as they receive it.

There are some interesting statistics which should now be considered by the Senate. There exists at this time a significant gap between present level of production and consumption on the one hand and the level which would result from full employment of manpower and other resources. That gap represents a loss, a waste, at the rate of $20 or $30 billion a year. It is a gap which results from a lag in demand for goods and services. It behooves us to strengthen that demand in the most direct way possible.

I do not suggest, and it would be foolish to suppose, that a tax reduction for consumers of the size provided in the bill which I have the honor to support, or even the somewhat larger one in the bill approved by the House, that that tax reduction would alone close the gap. It would not, and of course, it is preposterous to suggest that it would in any way precipitate any degree of inflation. Our program, however, is at least a step toward full employment and higher standards of living.

Our program will result in an increase in the national income through helping to bring about full employment and higher living standards. This would mean that part of the revenues apparently lost by our proposed tax reductions would in fact tend to return to the Treasury through the rise in national income.

Even beyond that, however, our proposal provides for the recapture of revenues lost by preferential treatment of business and shareholders in business—a preferential treatment irresponsibly fostered by this administration when it pleaded for the enactment of the Revenue Act of 1954. What are the irresponsible provisions to which I refer? One of these was a preferential tax treatment of dividend income. This, Mr. President, was a curious decision, perversely arrived at. It used to be said that we gave an earned income credit on income of wage and salary workers. This was considered fair because it recognized the special virtue of earned income in our society, an income that should be regarded by a special credit. Oh, how far this administration has gone in distorting that virtue. Rather than an affirmation of this great virtue on earned income, the administration last year went in the opposite way. It provided a credit on dividends, a credit on a so-called unearned income. Its rationale for this subversion of an ancient virtue was a peculiar theory that dividend income is subjected to double taxation. Indeed, what income is not? Wage and salary income bears in addition to Federal income taxes the greater part of $6 billion in State excise taxes, and of $10 billion of Federal excise taxes not to mention local property taxes and a hierachy of other taxes.

The administration proposal to subvert the ancient virtue of "earned income" was done with the accompanying of beguiling arguments. But behind all of this beguiling seduction surrounded by honeyed words and soft television lights was nothing more than an attempt to rationalize a brazen preference in favor of higher-income taxpayers over low-income taxpayers, in favor of unearned income over earned income.

I am pleased and proud that my Democratic colleagues in the Congress were not taken in by the administration program last year and are uniting to correct that mistake now.

I look to the day when we can reduce taxes for all income brackets, but until we can do that, if I am faced with the choice of favoring the earners of wages or the drawers of dividends, I must in all conscience give priority to the former.

The tax bill which we ask the Senate to adopt is, of course, not a happy one in all respects. It is, however, a thoroughly responsible one and in the national interest. I would be less than candid with my colleagues if I did not say that there are two major provisions of this bill which I will vote for with great reluctance. I will vote for them because they provide revenue for which no alternative offers are made. These are, first, the extension of present high excise rates on certain commodities, and second, the extension of 52-percent rate on corporate profits.

I do not like excise taxes. Given a choice, I think I would rather reduce some Federal excise taxes than even some low-bracket income taxes. This is because excise taxes on articles of common consumption are a direct burden on the standard of living. Excise taxes are already heavily used by States and localities and the use by the Federal Government should be kept at a minimum. I look to the day when these taxes can be reduced or eliminated.

Furthermore, it is clear that taxes on corporate profits are high and I look to the day when these taxes can be lowered to accelerate the expansion of industrial capacity to meet the restoration of consumer markets and the expansion and demand for the products of industry which that restoration will produce. I wish to make it plain, however, that in saying this I do not subscribe to the contention that present rates stifle the incentive to invest. The investment boom of the last decade clearly demonstrates the contrary.

The economy today, however, makes it clear that corporate profit taxes cannot clearly be reduced if we are to remain responsible. The essence of responsibility, therefore, demands that we do not allow the use of backdoor methods to achieve an irresponsible goal and that is exactly the program that the administration sponsored in the last Congress. I object most vigorously to the use of backdoor methods and obscure devices better understood by corporation lawyers and accountants than understood by the Secretary of the Treasury or most of the Members of Congress. We are only now beginning to get a faint glimmer of what floodgates of corporation gain and Treasury loss were opened by the Revenue Act of 1954.

In this bill we are attempting to correct some of the glaring deficiencies and irresponsible provisions that the administration sponsored last year. The provision for accelerated depreciation, which could and should be devised to help small businesses to build up their capital, is estimated to cost the Treasury a billion dollars in fiscal 1956 and nearly $20 billion in 18 years from now. It is clear that this provision, this $20 billion, is not accruing to new or small business. I would like to vote for a proposal which would make it possible for small and new business to retain a large part of their earnings for growth, but the provision in existing law favors big business.

A provision for permitting new types of reserves for business expenses which last year we were told would cost the Treasury $57 million has opened up so many loopholes that the Secretary of the Treasury, after being prodded by Democratic Members of the House, now confesses he does not know how much it will cost and advocates its repeal. And the Secretary has the nerve and the audacity and the disrespect to talk of "fiscal irresponsibility" in others.

It is both morally and economically indefensible to argue on the one hand that it is good policy to give away billions of dollars of revenue to large corporations and on the other hand that the Treasury cannot afford modest relief to low-income families.

It is clear to me that the administration has been caught in the act of irresponsibility. It is no wonder that they are reacting so vehemently and so disrespectfully.

Statement by Senator Humphrey on Farmers and Taxes

A new smokescreen has been injected into this tax fight by the administration through very subtly trying to hide behind the American farmer.

Knowing the concern that many of us share for the depressed plight of agriculture, the word has been quietly spread that the substitute tax bill would be a blow to farmers—that taking away the depreciation allowance of last year's big business tax reduction bill would hit hard at farmers.

Nothing could be further from the truth.

There has not been an issue before this body that I have not vigorously taken the side of the average American farmer.

I think I know how farmers feel—at least, how midwestern farmers feel.

During the last campaign I talked with thousands of them.

We did not just talk price supports. We talked taxes. We talked about the Republican big-business tax bill enacted by the last Congress, and they did not like it. They did not react with any delight to either tax reductions for stock dividends, nor did they find any solace in depreciation allowances. They made it clear they felt in all equity any tax reduction should be made to the broad base of taxpayers, either through raising individual exemptions or granting a flat across-the-board reduction in low and middle income levels such as this substitute would do.

If my good friend from North Dakota [Mr. LANGER] has any doubts about how farmers feel on this tax issue, I would like to call his attention to what happened in Minnesota.

Taxes were a major issue in my own campaign. I vigorously opposed the administration's tax bill in farm areas and was met with an enthusiastic reception. I pledged farmers to work for a more equitable tax reduction at this session, along the lines of this substitute.

I need not remind the Senator from North Dakota what happened. I give farmers a great share of credit for returning me to this Chamber.

The conclusion should be obvious: Minnesota farmers went deeply into the pros and cons of how the administration's tax proposals affected them and gave me a resounding vote of confidence.

It does not take much mathematics to find out why farmers feel the way they do about this tax issue.

Ninety-nine percent of America's farmers have less than $5,000 taxable income.

As a result, 99 percent of American farmers would be benefited under this tax substitute, compared to the few big corporation farmers who might find some way of wangling out tax reductions under the depreciation-allowance provision so obviously designed not for agriculture but for industry.

The choice for any friend of agriculture in this Senate to make is whether he is for the millions of average family farmers in this country or whether he is only concerned about the few thousands operating "factories in the field."

I am sure on the basis of his past vigorous battles for fair dealings to farm people the Senator from North Dakota, who raised this question, will always want to be counted on the side of family farmers, not on the side of corporation farmers.

I appreciate his watchfulness in applying as a first test whether or not the substitute would harm agriculture. It reflects only the concern he has always had for farmers—a concern which I am proud to share.

My purpose now is only to reassure him and any others who have doubts that America's family farmers are on the side of this tax substitute and will benefit rather than be hurt by the tax substitute giving tax reduction to people instead of corporations.

Mr. BYRD. Mr. President, I yield 5 minutes to the Senator from Delaware.

Mr. WILLIAMS. Mr. President, previously I discussed this bill in detail and will only summarize at this time. There apparently is no controversy on three sections in the bill—extension of the excise taxes, extension of the corporate taxes, and the plugging of the recently discovered loophole. There is complete agreement on both sides of the aisle on the necessity for them, so there is no use of my discussing those three phases of the bill.

There is one phase of the substitute proposal which I think perhaps has been overlooked, and that is the implications inherent in the adoption of a $20 tax credit. I wish to point out that this would be the first time in the history of tax legislation that such a provision would be written into the tax laws. Prior to this time our income taxes have been levied based on the ability of a person to pay. If it is fair to pass such a provision at this time, assuming momentarily that we have the money in the Treasury, a year from now should world conditions warrant raising taxes again, the rate could be raised $5, $10, or $20. There is nothing sacred about the amount involved.

No one can deny the fact that if this is a fair way to reduce taxes, it would also be a fair way to increase taxes.

Let us examine how this latter proposal would look if put into effect. It is a direct per capita levy based on the number of dependents in the family and has no relationship to the taxpayer's ability to pay. It has no relationship to income. If it is adopted, it will be the first time in the history of tax legislation that either political party has ever made a proposal of a direct per capita levy to finance the Government.

I think it is one of the most dangerous features of the bill, completely aside from the arguments pointed out by the Senator from Virginia as to the fiscal condition of the Federal Treasury.

I agree with the Senator from Virginia that it is not sound financing to borrow money to finance a tax reduction, and then to borrow money to pay interest thereon. It is not bona fide tax relief as far as the American people are concerned. The only way to give real tax relief is to cut amounts provided in appropriation bills, so that bona fide tax relief can be granted to taxpayers. If Congress enacts tax reductions at this time, it will be an open admission on our part that we do not have the courage to raise taxes sufficiently to pay the cost of government or to cut appropriations to the amount of revenues received.

Mr. CASE of South Dakota. Mr. President, will the Senator yield for a question?

Mr. WILLIAMS. I yield.

Mr. CASE of South Dakota. Knowing the senior Senator from Delaware is a thorough student of taxation and is a member of the Committee on Finance, I should like to ask him a question. Last year there was a glut of farm machinery in the farm implement yards. After the tax bill was passed last year I told farmers in my State they could go ahead and buy some of that equipment and exercise the privilege of more rapid depreciation. In fact, I think I suggested that the first year they could take credit for twice as much depreciation as ordinarily. Today a great deal of the machinery which was in implement yards has been sold. If the proposal now before the Senate is enacted into law, what would happen to the farmers who this past spring purchased the machinery, anticipating that they could use the accelerated depreciation benefits contained in the tax law? Would the enacting of the proposal jerk the rug out from under the farmers?

Mr. WILLIAMS. Unquestionably, it would pull the rug out from under the farmers, and they would have to recalculate their depreciation under the less liberal features of the old law. The Johnson proposal would repeal the accelerated depreciation provision which last year Congress extended to the farmers and small-business men of America. Previously these liberal terms had been available only to large corporations. The farmers of America will resent the restoration of this discriminatory provision.

The PRESIDING OFFICER. The time of the Senator from Delaware has expired.

Mr. WILLIAMS. Will the Senator yield me 2 more minutes?

Mr. BYRD. Mr. President, I yield 2 additional minutes to the Senator from Delaware.

Mr. WILLIAMS. I wish to point out the complete fallacy of the argument that the substitute bill offered by Mr. JOHNSON and others would help the farmers or small-business men. As evidence that the supporters of the Johnson substitute are more interested in big business than in the small taxpayers I point out that the substitute proposal does not seek to repeal that section of the law providing for the 5-year amortization certificates. These still could be extended to large corporations under a formula not of 5 or 10 percent, but 20 percent. That part of the law has been retained by this same group who are now shedding crocodile tears for the little man. Nor is this group proposing to repeal the 27½-percent oil depletion allowance, which would bring some money into the Federal Treasury.

I conclude by appealing that we not take away from the American farmers and the small-business men benefits which Congress gave them last year. Why should not a farmer be allowed to depreciate his tractor as liberally as does the owner of the factory which produces these tractors?

As the Senator from South Dakota has stated, if we now repeal this benefit given to farmers last year we would be reneging on our promise. This accelerated depreciation provision was enthusiastically recommended and endorsed last year by the farm organizations appearing before the Finance Committee.

I pointed out yesterday that Mr. Lloyd C. Halverson, speaking for the National Grange, enthusiastically recommended the provision as a long-overdue correction in the law. I certainly hope the Senate will reject this substitute amendment and pass the bill as reported by the Senate Finance Committee.

The PRESIDING OFFICER. The time of the Senator from Delaware has expired.

Mr. JOHNSON of Texas. Mr. President, I yield 7 minutes to the Senator from Louisiana.

Mr. LONG. Mr. President, we must look at what has actually happened as a result of the tax measures which were passed by the Congress last year, and compare the results with the predictions

of those who so heartily supported the Eisenhower-Humphrey tax bill. We were told that those tax measures would benefit the economy, that new plants would be built, that employment would increase, and that everyone would be benefited.

The results have been completely different. Nonfarm employment has continued to go down. It went down by about 235,000 from January 1953 to January 1954, and it went down by about 345,000 from January 1954 to January 1955. Thus purchasing power actually declined in terms of the total amounts available to enable workers to purchase our products.

The whole point of the tax benefits provided to corporations and business rested largely on its effectiveness in stimulating the building of new plants and buying new equipment for old ones. Yet, what do we find? We find that almost $1.5 billion less is being spent on new plants and equipment in the first quarter of 1955, as compared with the first quarter of 1954.

While this has been happening in the industrial sector of our economy, things with our farmers have gone from bad to worse. The farm parity ratio has recently declined to 86, the lowest it has been since prior to our entry into World War II, in 1941. As a result, farm income has gone down more than 10 percent, and the value of the farmers' assets has declined even more drastically.

Although these things have been happening, Mr. President, the event which matters most in terms of an expanding economy has not happened. The purchasing power of the average workingman or farmer and his family has not increased. Without this, we cannot have the market to provide a base for the necessary growth of our productive facilities. I do not believe that even the most fervent supporters of the Eisenhower-Humphrey tax bill will attempt to prove that this measure has actually served to put additional purchasing power into the hands of the average American family.

It is not my intention, Mr. President, to draw any moral or to engage in any sharp tactics in order to apply this argument also to the reduction of the income tax which went into effect automatically in January of last year. We all know that our workers are paying for benefits which they hope to enjoy in the future when they pay social-security taxes. I do not address myself to that point at all.

Nevertheless, it is incontrovertibly true that the deduction of taxes from the wages of the majority of American workers actually increased, rather than decreased, when he received his pro rata share of the 10 percent reduction in his income tax. As my colleagues have heard me say on many occasions, this resulted from an increase in the social-security taxes which was greater than the reduction in income tax for any taxpayer whose income was less than $3,700 per annum and who had 3 dependents. Here, again, the increase in purchasing power of those in the low-income bracket, the vast majority of our citizens, was not increased.

Although the Eisenhower-Humphrey tax bill did not have the results which we were told would occur, this does not mean, Mr. President, that the measure did not have any effects. It served very well to increase the benefits of corporations and other businesses, and to benefit greatly all taxpayers in the upper income brackets. Unfortunately, these effects have not been transmitted in any useful way to the economy as a whole. The "trickle down" theory has long since been disproved, and our experience during recent months has only served to add further evidence of its falsity.

We have only to refer to the publications which are most respected in business circles for confirmation of the benefits of the Eisenhower-Humphrey tax bill for corporations.

Let us look at page 27 of the March issue of the monthly letter on business and economic conditions—issued by the National City Bank of New York. Here it is stated in concise summary that despite a drop of 7 percent in dollar sales, annual reports of 1,131 manufacturing companies revealed a 5-percent increase in net income. On less business, they made more profit.

This is further explained by the National City Bank as due to both a decrease in the taxable earnings, which were down 12 percent, and the expiration of the excess profits tax. The result was a reduction of no less than 25 percent in total Federal tax liabilities. In other words, Mr. President, there was a deduction of 25 percent in the total Federal tax liabilities of the 1,131 corporations reporting. That figure certainly ought to convince anyone of the effectiveness of the tax relief we gave last year to corporations.

In this publication it is also explained how the decrease in taxable earnings was very materially due to an increase in depreciation allowances which were made possible by the Eisenhower-Humphrey tax bill of last year. When a greater amount of total income is charged off to the cost of plant and equipment, there is, of course, less remaining to be taxed.

Therefore, Mr. President, the corporations got theirs from both directions. They were assisted in writing off additional costs, thus reducing the income which could be taxed at the 52 percent corporation tax rate. In addition, the excess profits taxes were removed. In addition to that, taxes on corporation stock were reduced when dividends were declared.

One of the additional interesting items which I find in this businessman's publication also illustrates how the recent slight improvement in business conditions has not benefited to any great extent the average workingman of America. One page 25 of this letter, it is pointed out that production has risen 6.5 percent, but employment has only gone up 2 percent. The result of this is necessarily to restrict further the purchasing power in the hands of the workers and their families, in relation to the amount of goods being produced.

As I have said on several occasions during the discussion of recent days, I am not opposed to the reduction of taxes on businesses. I am in favor of tax reduction for businesses, and last year I voted for both the accelerated depreciation and the tax benefits on stock dividends. However, I cannot and I would not attempt to justify my vote for those provisions on the grounds that those measures provide additional purchasing power where it will be used to stimulate our national economy. I know that they do not.

The PRESIDING OFFICER. The time of the Senator from Louisiana has expired.

Mr. LONG. Mr. President, will the Senator from Texas yield an additional 2 minutes to me?

Mr. JOHNSON of Texas. Yes, Mr. President; I yield an additional 2 minutes to the Senator from Louisiana.

The PRESIDING OFFICER. The Senator from Louisiana is recognized for 2 additional minutes.

Mr. LONG. I thank the Senator from Texas.

Mr. President, the choice before all of us today is between tax reductions which do not provide additional effective purchasing power for the economy and tax reductions which do increase purchasing power directly and in the hands of those who will use it.

I intend to vote for the substitute proposal which will provide tax relief for the average American family, and to withdraw temporarily, I hope, some of the tax benefits granted to corporations and other businesses, in order to obtain the necessary revenues with which to pay for these modest tax reductions.

Mr. AIKEN. Mr. President, will the Senator from Virginia yield 2 minutes to me, so that I may obtain some information on the bill?

Mr. BYRD. I yield 2 minutes to the Senator from Vermont.

The PRESIDING OFFICER. The Senator from Vermont is recognized for 2 minutes.

Mr. AIKEN. I should like to ask the Senator from Virginia whether the Johnson-Kerr substitute for House bill 4259 repeals any part of the amortization benefits which were granted to farmers in the tax bill of 1954?

Mr. BYRD. I reply to the Senator from Vermont by saying that it completely repeals the rapid depreciation provision.

Mr. AIKEN. Is that correct?

Mr. BYRD. It completely repeals it, and we go back to the straight-line depreciation.

Mr. AIKEN. And the farmer would lose all those benefits, would he not?

Mr. BYRD. Farmers who have invested in machinery, and so forth, will not receive any benefit whatever, except the straight-line depreciation, if the amendment is adopted.

Mr. AIKEN. Then the farmer would go back to the old procedure of amortization of machinery like tractors in 10 years instead of 5, if the amendment should be adopted; is that correct?

Mr. BYRD. That is correct.

Mr. AIKEN. Assuming that the farmer is entitled to the $10 reduction under the proposed substitute, when would he get the $10? When would that benefit accrue to him?

Mr. BYRD. As the Senator from Vermont knows, the farmer does not have to estimate his income in advance. So he would not get this benefit until 2 years from now.

Mr. AIKEN. He would get it, in other words, on April 15, 1957, or whenever he paid the tax due on that date—either on or before that date; is that correct?

Mr. BYRD. That is correct.

Mr. AIKEN. So the farmer could not get his $10 for 2 years, and in the meantime he would lose the benefits from the amortization of the cost of farm machinery and the cost of other facilities used on the farm, which was granted to him in the tax bill of 1954; is that correct?

Mr. BYRD. That is correct.

Mr. AIKEN. I thank the Senator from Virginia.

Mr. JOHNSON of Texas. Mr. President, I yield 5 minutes to the distinguished senior Senator from Oregon [Mr. MORSE].

The PRESIDING OFFICER. The Senator from Oregon is recognized for 5 minutes.

Mr. MORSE. Mr. President, I wish to make the second installment of my speech. I should like to speak very briefly on the depreciation allowance issue. The argument is that the accelerated depreciation allowance will result in expansion of the productive power of the United States. It rests on the false assumption that the rapid depreciation allowance will result in the expansion of productive power. The facts are that the accelerated depreciation allowance of last year did not result in that economic phenomenon, but, to the contrary, the fact is very clear that the savings were frozen.

On the depreciation allowance issue, I wish to say this: It was my view that the tax cuts of last year would not increase capital expenditures, and I said so in the debate last year. Let me quote a paragraph from the February 1955 issue of the Conference Board Business Record:

> Two out of three companies indicate that their depreciation policy will have no influence on capital expenditures, even though one of the stated reasons for writing accelerated depreciation into the new code was to stimulate the expansion and modernization of plant and equipment. Factors other than depreciation, such as demand for products, advantages of technical improvements, and the availability of cash are expected to remain the dominant considerations. Among those companies that foresee stimulus to capital expenditures, the majority expect to increase outlays for modernizing their plants and equipment rather than expanding plant facilities.

I say that the record is perfectly clear that the depreciation allowance does not result in an expansion of productive power. Why? Because the consumers of America do not have the purchasing power to take up the productive capacity which now exists. As I said in my speech earlier today, that is why it is so necessary to increase the purchasing power by this kind of tax relief.

The publication from which I have just quoted is a publication of the National Industrial Conference Board, a publication by and for business men. The remarks are based on a survey made of some 167 manufacturing companies. Demand for products, they tell us, will be one of the primary considerations taken into account before capital expenditures will be made. Notice that demand for products is the first thing that is listed. Notice, further, that the article specifically refutes the administration's argument that accelerated depreciation allowances would influence capital expenditures. Nor should we overlook the closing lines, which state that those companies which will make capital expenditures will modernize and not expand plant facilities.

Let us examine, for a moment, the capital expenditures of corporations and some other related figures.

In making their case for more liberal depreciation allowances the President and his advisors stated in his 1954 Economic Report this would "provide strong inducements to investment." I shall demonstrate, Mr. President, that the liberalization of depreciation allowances has not provided the strong inducements to investment referred to by the President.

The President also stated in rationalizing the huge prospective revenue loss under this provision that—

> The step proposed here should not entail any ultimate loss of revenue to the Treasury partly, because deductions for an asset would merely be shifted from later to earlier years and, more significantly, because of induced gains in the volume of investment, and in industrial productivity.

Mr. President, the loss in revenue from this provision will be gigantic, and the burden of meeting the revenue needs of the country will be shifted on to other groups—the small income groups. The prospective gains from increased productivity resulting from this provision thus far have proved illusory.

Mr. President, here are the facts about the relation between investment and depreciation allowances.

The recently transmitted Economic Report of the President for January 1955 contains a table titled "Sources and Uses of Corporate Funds, 1946–54." It appears at page 193 of the report. According to this table corporate spending for plant and equipment in 1953 amounted to $24.1 billion. In 1954 this amount was reduced by $1.6 billion and totaled $22.5 billion. This reduction in corporate investment for plant and equipment occurred in what the administration has called one of our most prosperous years—President's Economic Report, page 11.

The PRESIDING OFFICER. The time of the Senator from Oregon has expired.

Mr. JOHNSON of Texas. I yield 3 additional minutes to the Senator from Oregon.

Mr. MORSE. Why did corporations cut back investments by $1.6 billion? We passed the liberalized depreciation allowances which were supposed to offer strong inducements to investment. Perhaps it will be argued that there was not sufficient time for this stimulant to affect business finances. Unfortunately, this does not appear to have been true. Referring again to the table on page 193 of the President's Economic Report, we see that corporate depreciation and amortization allowances increased from $11.2 billion in 1953 to $12.5 billion in 1954. In brief, this source of internal funds provided corporations with an additional $1.3 billion in cash to finance investment in 1954.

That is what the tax bill last year gave to the corporations of the country—$1.3 billion in handouts by way of accelerated depreciation. Yet, as we have seen earlier, investment actually declined by $1.6 billion. It had just the opposite effect to what the proponents of the administration bill claimed on the floor of the Senate.

What happens to the cash that is generated by rapid depreciation? According to the President's Economic Report, corporations in 1953 had increased their bank and mortgage indebtedness by $400 million. In 1954 they reduced their indebtedness to banks and mortgagors by $1 billion. That is what we can expect when we give them a handout by way of an accelerated depreciation allowance. The benefit does not go into new production. It goes into the pockets of the corporations, in one way or another. As corporation internal sources of funds in the form of depreciation and amortization allowances have risen they have decreased their dependence upon external sources of financing, including bank and mortgage borrowings.

Increased depreciation charges permit corporations to increase their ratio of dividend payments to stockholders out of after-tax profits. Thus, in 1954, corporate dividend payments rose by $500 million—from $9.4 billion in 1953 to $9.9 billion in 1954—although corporate profits after taxes fell $500 million—from $18.3 billion in 1953 to $17.8 billion in 1954.

Additional funds generated by the more liberal allowances for depreciation have also permitted corporations to rely less upon the organized capital markets, thereby contributing to a shortage of new issues for investors to put their savings in. According to the President's Economic Report, net new security issues as a source of corporate funds declined by $800 million, or more than 10 percent, between 1953 and 1954—$7.3 billion in 1953 compared with $6.5 billion in 1954.

The PRESIDING OFFICER. The time of the Senator has again expired.

Mr. MORSE. Just 1 additional minute.

Mr. JOHNSON of Texas. Mr. President, I yield an additional minute to the Senator from Oregon.

Mr. MORSE. Addition depreciation allowances have on balance merely provided corporations with additional internal sources of funds and decreased their reliance upon outside borrowing. To that extent the position of the individual equity investors has been strengthened. These added funds have also enabled corporations to maintain a higher rate of dividends than would otherwise be possible. And in future years as this source of funds grows they will provide an added assurance to stockholders that dividend payments will be maintained in good years as well as bad

years. So far as investment is concerned, the chief stimulus to investment is the expectation of additional sales. Despite the prospect of an additional $1.5 billion in depreciation in 1955, corporations are not planning to increase their investments from the reduced rate of 1954 according to the most recent survey made by McGraw-Hill. Statement of Dexter Keezer, vice president, McGraw-Hill, page 127. Hearings on January 1955, Economic Report of the President.

These figures conclusively demonstrate that the administration's theory that tax reductions for corporations and those being paid dividends on stock would make for greater capital expenditures was wrong. The condition of our economy has not materially improved. In fact, it has grown worse in some areas.

Later in this discussion I shall examine what the majority report of the House Committee on Ways and Means had to say on the depreciation clause and its effect on the economy and returns to the Treasury. The result has been merely to give handouts to American big business at the expense of the low-income producers of the United States.

Mr. JOHNSON of Texas. Mr. President, I yield 10 minutes to the distinguished Senator from Oklahoma [Mr. KERR].

Mr. KERR. Mr. President, I invite the attention of Senators to the fact that the accelerated depreciation provision in the 1954 tax law is identical in principle with the Humphrey "blooper." All Senators seem to be eager to join in the parade to repeal the Humphrey "blooper" because it has been discovered that it gives corporations the opportunity to charge against income this year $1 billion or more of anticipated future expenses. We are hastening to repeal the Humphrey "blooper" because it allows corporations to save taxes this year to the extent of approximately $1 billion by charging off in this tax period expenses which will not accrue until a future tax period.

We are straining at the gnat and swallowing the camel. I say that because the accelerated depreciation provision in the 1954 law will let the same corporations charge off or save a total of $19 billion in 18 years, under the identical principle which permits a corporation to charge off anticipated expense, and to take credit in the income-tax return this year and charge against this year's income depreciation which it expects to sustain in future years.

The accelerated depreciation provision in the 1954 tax law is an incentive to unemployment. It is an incentive to unemployment in that it hastens and accelerates the process now underway in this country toward greater mechanization and a situation where fewer men are required to operate a given capacity of machinery.

Therefore, there will be on the statute books, if the substitute amendment is rejected, a provision identical in principle with the Humphrey "blooper," which is an incentive to unemployment because it pays the corporations a bonus to anticipate and accelerate the rate by which they increase the mechanization of their industries, as a result of which fewer men are required to operate any given productive capacity.

Mr. BENNETT. Mr. President, will the Senator yield?

Mr. KERR. I cannot yield, because I do not have the time available.

If it were not so tragic, the statements of Senators on the floor, that the accelerated depreciation provision should be retained because of what it means to the farmers, would be treated for what they are, namely, a hypocritical travesty on truth.

I heard the Senator from Vermont [Mr. AIKEN] speak in favor of that principle because he said it would protect the farmer. He is the same Senator from Vermont who led the shock troops of Secretary Benson across the floor of the Senate to put into effect a provision which has cost the American farmers $5 billion a year.

Mr. LONG. Mr. President, will the Senator yield?

Mr. KERR. I do not have the time to yield. However, I will yield very briefly.

Mr. LONG. Does not the Senator believe that every businessman wants to take his depreciation in years of high income? Only a fool would take his accelerated depreciation in the lowest-income year he has had in 10 years. Certainly he would want to save his depreciation for a year when he had the highest income.

Mr. KERR. That is correct.

I have read in today's New York Herald Tribune an article with the headline:

> Three Hundred and Fifty Million Expansion Plan Is Completed by ALCOA in 1954.

The article goes on to say:

> Expansion begun by Aluminum Company of America in 1951, involving capital expenditures of some $350 million was essentially completed in 1954, a year in which sales increased and profits, affected by higher amortization and depletion charges, were moderately lower than in 1953, the annual report disclosed yesterday.
>
> The income account listed depreciation, amortization and depletion charges in 1954 of $72,594,991, against $58,179,418 in 1953.

That one corporation received a benefit last year of more than $14 million. General Motors finished its $1-billion-expansion program last year and this year. If the average is 10 years, there is available a $100 million credit a year on amortization and depreciation. Under the provisions of the present law General Motors will get a bonus this year of not less than $75 million, and probably $100 million.

Nevertheless, men who say they are interested in the welfare of the American farmer stand on the floor of the Senate and talk about the benefit the American farmer will get from the accelerated depreciation provision.

I say that all the farmers in the Nation will not get a $100,000,000 tax benefit from that provision in 10 years. Up and down across the length and breadth of the country there are corporations which are getting close to that amount—and one of them in 1 year.

I have before me a publication entitled "The Farm Cost Situation," dated March 11, 1955. On page 19 it states:

> In 1955, farmers probably will pay about 23 percent less in Federal income taxes than they did in 1954.

This is where it says the saving will occur. A drop of 9 percent in farmers' income will result in twelve twenty-thirds of that lower tax cost.

A sizable reduction was made in the tax rates that benefited farmers a little and others a great deal, but from that the farmers received an additional ten twenty-thirds. Therefore, from the reduction in their income and the reduction in the rates which were put into effect by the Democratic Congress some years ago and went into effect last year, they received ten twenty-thirds. That leaves one twenty-third of their savings unaccounted for.

The great Secretary of Agriculture, at whose shrine the distinguished Senator from Vermont [Mr. AIKEN] worships, as though the Secretary of Agriculture were a deity on Mount Olympus—and I must say that is just as much justified as if he were actually on Olympus—states that "the third development which will contribute to a reduction in farmers' Federal income-tax payments in 1955 on 1954 income arose from changes enacted in the Revenue Code of 1954."

I have read that statement from the Department of Agriculture publication, The Farm Cost Situation. I continue:

> Among these are the privilege of deducting as current expenses certain outlays for soil or water conservation, and the liberalized depreciation schedules applicable to machinery.

In other words, even the great Secretary of Agriculture, than whom there is no official more unfriendly to American agriculture, repudiates the claims of the Senator from Vermont who cries for the benefit of American farmers.

Oh, Mr. President, as those farmers go about their business, conscious of the damage that has been done to them by the Senator from Vermont and the Secretary of Agriculture, as they contemplate the economic ruin and threatened bankruptcy, let word go out to them:

Take good cheer. Be happy. From the midst of your depression you can look forward to the day—sometime in the distant future, if and when you can make a little money, or a Republican Congress fixes things again—when you can get accelerated depreciation on a plow or a tractor. Of course, General Motors is getting a $75-million benefit in 1955, and you are getting a 75-cent benefit in 1995.

That is not a case of 1 horse and 1 rabbit. It is a case of about 15 horses and 1 rabbit.

I thank the Senator from Kentucky [Mr. CLEMENTS] who suggests to me in an aside that it is one elephant and one mouse.

The question before the Senate is this: Do we want to vote to continue to give a billion and a half dollars a year in tax bonuses to big corporations and big business and to the recipients of dividend income, or do we want to vote to give a billion dollars or less a year to the tax-

payer whose income is less than $5,000 a year? Do we want to vote to continue the tax subsidy and bonus to the few at the top, or do we want to vote to give a reduction of less than a billion dollars a year to 25 or 30 million people who are at the bottom? That is the choice, Mr. President.

The PRESIDING OFFICER. The time of the Senator from Oklahoma has expired.

Mr. BYRD. Mr. President, I yield 10 minutes to the Senator from Pennsylvania [Mr. MARTIN].

Mr. MARTIN of Pennsylvania. Mr. President, in the struggle to maintain a strong, sound, and expanding economy that will advance the welfare and security of the American people, nothing is more important than constant vigilance against the poisonous influence of inflation. There is no greater cause of inflation than deficit financing in Government.

Over and over again in world history great nations have been brought to destruction because their leaders placed upon the backs of the people a crushing burden of debt and taxes.

The ultimate outcome has always been misery and suffering, under dictatorship and tyranny. Human rights have always been lost when a nation, staggering under a debt too big for its economy to sustain, goes deeper into debt through deficit financing.

In modern times, Mr. President, we have the best possible illustration of that fact in the great nation of Germany. Because of inflation the value of their money was lost. That great government went out of existence. Through the persistence of its people, thank God, it is coming back. The same statement applies to Italy, to a lesser extent, and to Great Britain and other nations of the world.

Mr. President, when a nation goes very deeply in debt inflationary pressure is inevitable. The value of the dollar shrinks. The value of savings, produced by industry and thrift, is cut down. Life insurance policies, pensions, annuities and all other forms of fixed income are robbed of their real value. Inflation reaches into the pocket of every man and woman who works for a living. No family in America can escape the hardships that come with the depreciation of our currency through inflation.

It therefore seems to me most unsound to reduce taxes at a time when Federal expenditures are in excess of income and we are unable to balance the budget.

I would greatly prefer that we concentrate on reducing expenditures—on cutting away some of the high cost of government—in order to bring the budget into balance.

I have hoped that we could be able to enforce the strictest economy in Government spending. I have hoped we could bring about a reduction in all costs, including national defense, because all my life I have advocated economy in Government.

Mr. President, during the past half century, as a military man I have always advocated large expenditures for the defense of the Nation. The time has come when I feel we should take a calculated risk and even cut our military expenditures lower than many persons think would be prudent, because I fear an inward economy collapse much more than I fear invading armies.

Taxes can be cut when expenditures are reduced. But the fact remains that we have not yet achieved a balanced budget. We have added billions of dollars to the national debt that is already swollen to unbelievable proportions.

I have very greatly admired the stand of the distinguished Senator from Virginia [Mr. BYRD], the chairman of the Finance Committee, and of the senior Senator from Delaware [Mr. WILLIAMS], both of whom have stood on the floor and advocated no reduction in taxes until we have a balanced budget. Those two distinguished Senators, when the tax bill was under consideration last year, advocated that the then present taxes remain until the budget could be balanced. Those Senators have courage; they are great Americans; and the American people should appreciate their service.

Therefore I hold firmly to the belief that the proposal to reduce taxes at this time is wrong and that such a reduction would violate the fundamental principle of good business management.

Mr. President, I think the time has come to face the fiscal situation of our country squarely and with complete realization of the dangers facing us.

Our national debt is larger than the debt of all the other nations of the world combined. In 20 years the Federal debt has been multiplied almost 10 times and is now approaching the fantastic total of almost $280 billion.

Mr. President, if we now reduce taxes it will be necessary for us to raise the debt limit. It will be recalled that we only temporarily raised the debt limit a year ago.

Twenty years ago when we were fighting the worst depression in our history the Federal debt was less than $29 billion. Since the end of World War II the debt burden has been increased by $20 billion.

It is frightening to realize that the public and private debt of the American people has reached a total of more than $600 billion—three times as much as the debt of 15 years ago.

Mr. President, the time has come for the American people and the leaders in Government to take stock and have a realization that we are in danger.

In the past 5 years alone the public and private debt has increased by $50 billion.

The same pattern of a large debt year after year has been followed by State and local governments. Their debts have increased 16 percent in 1 year alone, reaching a total of $38 billion on June 30, 1954.

Mr. President, I think there is grave danger in any tax reduction that means more deficit financing. Unless the Congress has the courage to cut expenditures enormously we shall have a deficit to the extent that we cut taxes at this time. Again, that means a raising of the debt limit.

I find myself unable to justify a policy that calls for putting the United States deeper in the red in order to reduce taxes.

I am unable to agree with those who do not seem to be concerned with the threat of inflation.

We have stopped inflation, but if we continue to expand the debt, Mr. President, inflation will again become a serious problem. As I mentioned a moment ago, inflation has destroyed many stable governments.

The PRESIDING OFFICER (Mr. GORE in the chair). The time of the Senator from Pennsylvania has expired.

Mr. MARTIN of Pennsylvania. May I have 2 more minutes?

Mr. BYRD. Mr. President, I yield 2 more minutes to the Senator from Pennsylvania.

Mr. MARTIN of Pennsylvania. I submit, Mr. President, that a balanced budget should have top priority in our thinking.

I believe that the people of the United States will enthusiastically support every effort we make in that direction.

Continued deficity financing is the road for disaster.

It can only weaken America at a time when our country needs to be strong.

Mr. President, I cannot too strongly impress upon my colleagues the necessity for America's remaining strong economically so that we can help to stabilize many other nations of the world. The world is looking to America for help. Let us keep our economy strong.

Mr. BYRD. Mr. President, I yield 10 minutes to the Senator from Utah [Mr. BENNETT].

Mr. BENNETT. Mr. President, yesterday afternoon the Senator from Oklahoma and I engaged in a colloquy attempting to interpret the 150 percent declining balance method which was in effect before the 1954 law was passed.

The Senator from Oklahoma said, among other things, that under the regulations existing before the 1954 law was passed, if a person changed from the straight-line method to the declining-balance method he permanently lost whatever difference there may have been between the two methods at a given point.

I read from page 2804 of the RECORD of March 14 the statement by the senior Senator from Oklahoma [Mr. KERR], as follows:

> He would be penalized on his old depreciable asset the difference between what he would have got had he continued the straight-line rate and what he would have got had he put the 150 percent principle into effect on the old asset at the beginning of the depreciable period.

That says two things: It says that the taxpayer was required to go back and calculate depreciation on the old asset all the way from the beginning at the 150 percent declining balance rate; and that he would be penalized for the difference that existed at the time he made the change. I questioned the Senator from Oklahoma, so as to be certain. I asked him:

> Is it the understanding of the Senator from Oklahoma that that penalty was permanent and complete; that the taxpayer never would be able to recoup that part of

the value of his asset which represented the difference between the two points?

The Senator from Oklahoma said:

The Senator is correct.

That colloquy sent the junior Senator from Utah home to do some homework, and I should like to suggest to the Senator from Oklahoma two things: First, when a taxpayer changed from a straight line to the previous 150 percent basis, he did not go back to the beginning. He picked up 150 percent of the level of the value of the asset on the date of the change. Second, he did not accept a penalty of permanent loss. If the new rate was less than the straight-line rate, he was privileged to continue the depreciation until he had reduced the value of the asset to its ultimate salvage value.

Mr. GORE. Mr. President, will the Senator yield?

Mr. BENNETT. I am sorry, but I cannot yield; I have a limited period of time.

I should like to read a statement of the Treasury:

Under the 150 percent declining-balance method permitted by regulation under pre-1954 law, a taxpayer electing to use the declining-balance method was generally required to apply it to both old and new assets.

At this point I digress to say that the taxpayer was required to apply it to old assets of the same type, but not necessarily to all the assets which he had when he asked for the right to transfer. I continue:

The use of the 150 percent declining-balance method with respect to old properties sometimes produced more and sometimes less annual depreciation than the continuation of the straight-line method with respect to these properties, depending on the age distribution of the various components of the property account. In general, taxpayers with accumulated depreciation reserves equal to one-third of the original cost of the property found that the depreciation allowance under the declining-balance method would be about equal to that under the straight-line method.

But when the remaining value was less than one-third, then the amount that could be taken in annual depreciation under the old 50 percent declining balance was obviously less.

I continue to read:

It should be made clear that any disadvantage with respect to old properties was merely one of timing of deductions and did not affect the amount of basis ultimately to be recovered. In other words, in the transition from the straight-line method to the 150-percent declining-balance method, there was no loss of cost which would be charged off as depreciation over the remaining useful life. The amount to which the declining balance rate was applied was the entire remaining cost (original cost less accumulated depreciation reserves under the straight-line method).

I was very much interested in another short colloquy which occurred on the floor a few minutes ago, when the Senator from Louisiana [Mr. LONG] suggested that under the declining-balance method a taxpayer would want to take the higher rate in the year of his greatest earnings. I admit that that is a desirable hope; but once the taxpayer has settled on his rate of depreciation he is not allowed to change it, and he has tailed a rate that turns up regardless of whether his year is good or bad.

To summarize this problem, another point should be made, which has not been previously discussed in the debate. Both on the straight-line depreciation method and on the declining-balance method, it is assumed that the salvage value of the asset is taken out, and that the taxpayer involved actually recovers that value. Under the declining-balance method the calculation is made at the end. Under the straight-line method the deduction is properly made at the beginning, and before the straight-line rate is set. Under both methods, the taxpayer always recovers all of his cost except the salvage value.

The declining-balance method, at 150 percent, was set in motion by an administrative ruling under the Democratic administration. Thus, they accepted the principle and operated on it. I was told that this was done at the request of Wilson Wyatt, who was in charge of the housing program at the time.

The declining-balance method, at 150 percent, works perfectly for persons who are building their first big apartment house, a title 608 house, for example, and who own no other similar assets. Then they are not limited by problems involved in changing over from the straight-line method to the declining-balance method. They start in without any question.

When other taxpayers applied for permission to use it—and they had to apply for permission—if they had other assets, they had to apply the rate to the old assets. They did not have to go back, as I have already said, and recalculate an old asset from its beginning. They simply applied the rate to the value at the point at which they made the changeover. In the long run, every asset can be depreciated once. Everything will work out. But the real value of the declining-balance method is in two other ideas:

First, it is a more realistic method of matching depreciation to the actual resale value of the asset, which always depreciates faster in its earlier life. Second, it permits one to recover more of the value of the asset in its early life; and if he is acquiring the asset on the basis of a bank loan, it makes it possible for him to pay his bank loan down further, and thus season it, as the bankers say. This is undoubtedly the reason why the process was set in motion at the request of Wilson Wyatt.

The declining-value method was available under the previous administration; but it was so hedged about that it was most helpful only to one class of taxpayers, namely, persons who were acquiring new properties which were either their only property or were different from any other.

It did not involve any penalty which denied ultimate recovery to anyone who chose to use it, but it could slow down the rate of recovery on the old property.

Permission of the Bureau was required to change to it or to change away from it.

The 1954 act simply continued this principle. It did increase the pitch or the angle of the declining rate, so that more was recovered in the early period. Under the 150 percent rate the taxpayer recovered an extra six-sevenths of 1 year between the third and fourth years. Under the 200 percent rate, he recovers 1 6/7 years' value in the same period. But under the 1954 law, this privilege, which was available practically only to those who were building new assets, became available to all taxpayers.

The right to change was made more practical. Under the present law, if a person does not like the declining balance rate, he can change over to the straight line rate, and finish out his depreciation period at the straight-line rate.

Under the circumstances, it is hard for me to assume that the declining balance method, which was put in motion by our colleagues on the other side of the aisle, or by the administration which they represented, has been appreciably made evil simply because it was placed in the law, instead of being left to regulation and to the discretion of the Commissioner.

I see no reason why this saving which could be made, if the declining balance method were denied, should be assumed to be evil.

The PRESIDING OFFICER (Mr. BIBLE in the chair). The time of the Senator from Utah has expired.

Mr. KNOWLAND. Mr. President, was the Senator from Utah able to complete his remarks?

Mr. BENNETT. Yes. I have completed my remarks.

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. CLEMENTS. Mr. President, I yield 5 minutes to the Senator from Florida [Mr. SMATHERS].

Mr. SMATHERS. Mr. President, I rise to support the proposed substitute offered by our Democratic leader, the Senator from Texas, on behalf of the minority Members of the Finance Committee. I base my support on two simple and uncomplicated premises. First, I think this is a sound and needed approach at this time for our economy. I am not one of those persons who supports this proposal on the basis that he opposes corporations, big or little. I recognize today corporate setups are used by people in all walks of life, and in all types of business, big and little. Corporations are a necessary and desirable part of our business life and we need them. Nor am I one of those who wants to talk about the big people opposing the little people or class legislation while discussing this proposal, because I don't think it is—and in my judgment it is not proper to make such a charge.

Mr. President, last year I supported the tax bill, which granted a larger tax relief to taxpayers than was ever before granted. I was one of those who voted for accelerated depreciation. I was one of those who, after the proposed amendments increasing personal exemptions offered by Senators from Georgia and Louisiana and myself failed, supported the dividend credit of last year's bill.

I took that position last year because I had been led to believe, and I think rightly so, that what our economy needed was an opportunity to grow through business expansion, or strengthen itself through business expansion. At that time there were many statistics revealing our increasing population and our increasing labor force. Because of these conditions, we therefore needed to have business increase its capacity to produce, thereby providing more jobs.

It was on that basis that I voted for the accelerated depreciation features of the bill, believing it would mean that, because a company, big or little, could take depreciation benefits, because it could write off the cost of machinery at an accelerated rate and could buy new machinery and more machinery, and would thereby be willing to invest and expand in larger plants, thereby making for more productivity and thereby creating more jobs.

But, Mr. President, today I believe that the economic situation has changed, and changed rather drastically. We do not need expanding plant capacity any longer—or at least at the present. There is no economist that I know of who claims that expanded plant capacity is our present need. The Secretary of Commerce and the economists in his Department have pointed out that industrial plants today are operating at about 86 percent of full capability, whereas in 1953 it was operating at 96 percent of capacity, and in 1954 at about 90 percent of capacity.

I do not know who has left this information on my desk, but I have before me an article from the U. S. News & World Report which points out rather well the fact that we do not at this time need expanded plant capacity. A look at this chart reveals that expected automobile output this year is 6.6 million cars, while there is a productive capacity of cars in an amount of 9 million. It further reveals that 107 million tons of steel will be produced this year, while we have a capacity of producing 125 million tons. Nine million bales of cotton will be used this year, whereas we have the capacity to produce 13 million bales. The charts show that it is expected that 9 million television sets will be manufactured, while we have the capacity to produce 12 million sets. This article also shows that we will use 78 percent of the 1947–49 output of refrigerators, while there is a capacity to produce 177 percent more than were produced in that same 1947–49 period.

And so it goes. We know all too well the situation as concerns the steel, coal, and other like industries. We are actually in need of consumers to buy and to use that which we can produce. Therefore, we know we do not need any stimulant, so far as the bill is concerned, for encouraging expanded plant capacity or to encourage increased productivity. We do not now need that.

The PRESIDING OFFICER. The time of the Senator from Florida has expired.

Mr. SMATHERS. Will the Senator yield me 3 or 4 minutes?

Mr. CLEMENTS. Mr. President, I yield 4 additional minutes to the Senator from Florida.

Mr. SMATHERS. I should like to say that it is clear that today we do need demand on the part of consumers so that the things which we are now making can be bought and used.

I have sat on the Committee on Finance, as have many other Members now present, listening for the past 2 weeks to representatives of the textile industry who testified before the committee. What do they say they need? Do they want more plant capacity? No. What they say is that they want more consumer demand. What they need is more purchasing power. Someone to buy the materials and goods which they manufacture. Let's look at the coal industry. They do not need greater capacity for production. They have already curtailed their production. What they need is the opportunity to sell the coal which they can now produce.

This morning we heard witnesses tell that oil production in the great States of Oklahoma, Texas, Kansas, and other Western States was operating at much less than capacity, because there is not sufficient demand for that product which they produce. For weeks we have heard the same story from the textile, rope, pottery, lead, and zinc industries and many others. Every one of the representatives of those industries who testified before the committee said the same thing. Did they say, "We want the opportunity to increase our plant expansion and our productive capacity"? No. They said, "What we want is a greater consumer purchasing power, so that the people can buy the things which we can now make."

So, Mr. President, what we need is not expanded plant capacity but stimulation of our economy insofar as consumer purchasing power is concerned.

Therefore, Mr. President, what this particular proposal will do is to pump into the economic lifestream of this Nation an additional $2 billion, as a round figure, all of which will be spent and circulated because it will go into the hands of the low-income group. Persons in that group do not take that money and invest it in the stock market. They do not even put that money into savings accounts. On the other hand, they go out and buy clothing, food, refrigerators, and television sets, and thereby the money will be circulated, which will move goods and articles, create demand, and thereby strengthen the economy.

I cannot help but think that, from what we have heard based on statements of the economists, and from an examination of the figures and statistics, that what we need today is something which stimulates our economy, turns the production wheels at a faster rate and at the same time gives relief to the 5 million people in the low-income group.

That is the first reason why I shall vote for this present proposal.

The second reason for my support is that many Senators present on the floor have stated that we should not create a greater imbalance in the fiscal position of our Nation. They do not want a greater deficit, and with that I agree. They have said that before they could vote for any income-tax relief, which would cost the Treasury approximately $2 billion, there must be some recapture provision which will bring back into the Treasury at least an equal amount.

If one is going to follow that philosophy, and I am going along with it, at this time, and if we are going to try and raise the money, where better can we capture the additional revenue than by action on these two items, the dividend credit and the accelerated depreciation provisions. At the present time in light of our economic needs, these two provisions have a tendency to aggravate an increasingly unhealthy economic situation—by pushing plant expansion and productive capacity—whereas what is needed is a push at the other end of the train—or an increase in buying power. This condition now existing is, we all hope, temporary. We believe that if the right assistance and stimulant is now given—we can strengthen our economy, and improve living conditions for all.

So I am going to support the proposal, in the belief that it is a sound, justiciable, fair, and responsible proposal.

I know, from the witnesses we have seen and heard before the Finance Committee, that our economy is lagging in certain industrial areas of our country. We cannot afford to let it lag too drastically. What is needed now is a law which will benefit everyone, whether one is considered a big or little taxpayer. The adoption of this substitute proposal will help everyone, because it will provide purchasing power, thereby creating greater demand resulting in a greater use of our productive capacity meaning more jobs and a higher level of prosperity.

This, therefore, is in my humble judgment a sound and useful proposal which I shall support.

Mr. CLEMENTS. Mr. President, I yield 20 minutes to my colleague.

Mr. BARKLEY. I thank my colleague for his generosity in yielding me so large a portion of the time available between now and the hour when the vote will be taken.

Mr. President, I realize the impossibility of discussing in any detail the philosophy behind the pending tax bill and the philosophy behind the substitute which I rise to support. Many controversial expressions have been current since in the first instance the House of Representatives passed the so-called $20 deduction, involving—according to the Treasury—a loss of $2,300,000,000 in Treasury revenue, as opposed to a gain of $2,800,000,000 by extension of the taxes which will automatically expire if we do not extend them for a further year.

The Treasury Department, through its Secretary, who no doubt is a very able and charming man, objected to this tax reduction for the great masses of our people. He objected on the ground that it would be inflationary; that to turn back to the people in the lower brackets of income taxes $2,300,000,000—in an economy involving $300 billion of goods and services which we produce every year—would be inflationary; and he indulged in what seems to me to be the fantastic conclusion that, to turn back

to the people in the lower-income brackets $2,300,000,000, would involve an inflationary element of $4,600,000,000. In other words, he multiplied the first figure by 2, doing so on the ground that if the Treasury borrowed the money, instead of having it in cash, that also would be an inflationary element.

Mr. President, I cannot understand that sort of financial logic, because if we assume that the Government must purchase $2,300,000,000 worth of goods, the fact that it has the money in the Treasury or has to borrow the money does not increase the price and does not add to the inflationary equation the Secretary of the Treasury used as a ground for opposition to the $20 provision in the bill as it came to the Senate from the House of Representatives.

If the Secretary's fiscal responsibility or fiscal irresponsibility is to be judged by his equation of twice $2,300,000,000, we may pause and raise some question as to whether his conclusions in other fields are precisely accurate.

Because of our sponsorship of the substitute, we have been charged with politics; we have been accused of being silly, irresponsible, politically demagogic. Mr. President, I am not frightened by epithets. But for a moment I should like to compare some of our fiscal legislation on the basis of politics.

I imagine that in all tax legislation there is an element of politics, because politics is government; it is the science of government. However much or however sincerely we may decry politics, we cannot avoid it; we cannot escape it; because it is the very essence and the very heart of government itself, which, as all of us know, is an imperfect science.

I recall that on this floor, in 1930, when the Smoot-Hawley tariff law was about to be enacted, the former Senator from Indiana, Mr. James E. Watson, then the Republican leader, announced in eloquent terms that within 60 days after the enactment of that law, the wheels of industry would again revolve and smoke would again curl from the smokestacks. That was in June 1930. That was politics. All of us know what happened, partly as a result of that law.

The 80th Congress passed a tax law, and there was politics in it. An election was coming on in November 1948. The 80th Congress—controlled in both branches by our opponents—passed a law reducing by about $5 billion taxes and revenue. At that time we had reduced the public debt from approximately $275 billion to $254 billion, that is from the end of World War II to March 1948, we had reduced the public debt from the larger amount to $254 billion, representing a reduction of approximately $21 billion. There was politics in that tax law; a presidential election was in the offing, and our friends of the opposition felt that the campaign would revolve around tax reduction, and therefore, in order to gain votes, they wanted that tax law passed.

President Truman vetoed that bill. I have before me the record of the vote on the question of overriding the President's veto. I was among 10 Democratic Senators who voted against the bill, and who voted to sustain the President's veto. I did so because I felt that in time of prosperity—up to that time, an all-time prosperity—we ought not reduce the revenue of the Government, and thereby make it impossible to reduce the public debt, by approximately $5 billion.

But the bill to override the veto by the President of the United States was passed overwhelmingly, by a vote of 77 to 10. By and large, we have not reduced the public debt since then; but, on the contrary, we have increased it; we have increased it from $254 billion, in 1948, to $278 billion at the present time.

Mr. President, I wish to ask my colleagues what I believe it to be a legitimate question: In taking into consideration our over-all fiscal policy, when are we to reduce the public debt? When are we to cease increasing the public debt?

Last year the administration asked for an increase of $15 billion in the limitation on the public debt—or to raise the limitation from $275 billion to $290 billion. Congress gave the administration a $6 billion increase, on a temporary basis. Before the end of this session we probably shall be faced with another request for an increase or a request to make permanent the increase authorized last year.

Mr. President, when are we going to pay the public debt? When are we, ourselves, going to assume a part of that burden, instead of passing it on to our children or our grandchildren? If future events bring about another world war in which we shall be involved, and if we are then required to increase our public debt to $300 billion or $400 billion, how long will it be until the credit of the United States shall cease to attract the people of our country, so that we shall hand on to future generations beyond calculation a debt which neither we nor they will ever be able to pay?

If the world should become involved in such a war, all the nations, including our friends in the free world, would become involved in it. So I think we must face the question whether we are to hand on this fiscal situation until there shall be universal bankruptcy and universal repudiation of the debts of the nations of the free world.

How can $2.3 billion, in an economy of $300 billion, become inflationary. The substitute upon which we are soon to vote carries only a little less than $1 billion of reduction to the average man in the United States. How can that be inflationary? It is ridiculous to say that to turn back to the great masses of our people $1 billion a year, out of a total national income of $380 billion, is inflationary. These $1 billion will compete with one another in the purchase of goods which are available to the American people.

What is inflation? Inflation comes about when there are more dollars than goods, and those dollars compete, as though at an auction, when those with money bid up an article. Finally, the highest bidder receives it as a purchaser.

This proposal is said to be inflationary and political. Last year Congress passed a bill to reduce taxes. When the Secretary of the Treasury went on the stand one of the first statements he made was, "We reduced taxes last year by over $7 billion,"—meaning, of course, the present administration. When I asked him what he meant, he said, "The Government of the United States." He was finally compelled to concede that about $6 billion of the $7-billion reduction was brought about by automatic termination of taxes which had been provided for before the present administration came into power; but because we now propose an amendment which would extend, for 15 months longer than the present bill provides, taxes which would otherwise automatically expire, we are denounced as demagogs. We are denounced as being political-minded. We are denounced as cowards. The President of the United States said the House of Representatives did not have the courage to offer this proposal as an independent bill. Therefore the implication is that the House passed the $20 deduction because its Members were cowards. We in the House and the Senate are denounced as silly, incompetent, a bunch of financial and fiscal morons. Because we propose a reduction of approximately $1 billion in taxes for the average man, who will use every dollar of that reduction to purchase goods which he needs, and thereby provide additional employment, we are morons, silly, political, irresponsible.

I have no desire to quibble with the Secretary of the Treasury over the epithets he casts at us, but I would be willing to venture my reputation as a legislator on the statement that more employment will result from the reduction of $1 billion in the taxes of the average worker and the average farmer in America than would come from all the reductions in dividend taxes, reductions by way of specialized exemptions, depletion and depreciation allowances, and all the other provisions which were in the bill passed by the Congress in 1954.

In the consideration of that bill an amendment was offered to raise the exemptions of all the people of the country by $100 for each dependent. That amendment, if it had been adopted, would have accomplished practically what the House provision for a $20 deduction in this bill would accomplish. I was not here at that time, but my recollection is that every Member in this branch of the Congress voted for that amendment, which would have done a year ago what we propose to do now, or what the House proposes to do. Are we to admit here today that all those who voted for that amendment a year ago were wrong then, although it would have accomplished the same thing?

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. JOHNSON of Texas. I will say to the Senator that three present Members on this side of the aisle did not vote for that amendment. As I recall, they were the two Senators from Virginia [Mr. BYRD and Mr. ROBERTSON] and the senior Senator from Florida [Mr. HOLLAND].

Mr. BARKLEY. I thank the Senator. I was not here and could not remember all of them. I thought all of them voted for it. If three Senators voted against it, I am glad to be corrected.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. LANGER. I can understand the reason for the Senator's confusion. Two Republicans voted for it. That is what confused the Senator from Kentucky.

Mr. BARKLEY. I will say to the Senator from North Dakota that I am not always confused when Republicans vote with us. I am cheered by that fact.

Mr. President, we want a balanced budget. Those who are now operating the Government of the United States promised 2 years ago a balanced budget. We do not have it yet. I am not assessing any responsibility for that situation. It may be that in the economy of our country it was impossible to bring about a balanced budget, but, according to the testimony of the Secretary of the Treasury, there will not be a balanced budget this year, there will not be one next year, and there will not be one in 1957, under the present program. The administration may be here asking for an increase in the debt limit from $281 billion to $290 billion before this Congress shall have adjourned.

I have an affectionate regard for the Senator from Virginia [Mr. BYRD], although we differ at times. However, our differences are never acrimonious, never bitter. No loss of friendship is ever involved. I join him in desiring a balanced budget. Not only do I desire a balanced budget, but I want to see the national debt reduced. I see no prospect of that happening until we can balance the budget. This substitute would balance it, assuming that our expenditures are no greater in the next 2 years than they are now. If they are greater because of the international situation, we shall be writing a new tax bill, depending upon what may happen in that regard.

I join the Senator from Virginia and all other Senators who want a balanced budget. However, I am not satisfied with merely a balanced budget. I want to see the national debt reduced. I do not desire to see all this burden handed on to our children, particularly if, by reason of international situations, we find ourselves compelled to increase the public debt.

This amendment is not inflationary. It is ridiculous—I would not say "silly"—to say that to hand back $1 billion to the American people is inflationary. But if it should be mildly so, we can offset that.

The PRESIDING OFFICER. The time of the Senator from Kentucky has expired.

Mr. BARKLEY. Mr. President, will the Senator from Texas yield me additional time?

Mr. JOHNSON of Texas. How much additional time does the Senator desire?

Mr. BARKLEY. How much time does the Senator have? [Laughter.]

Mr. JOHNSON of Texas. I am sure the Senator is entitled to all the time we have. I yield an additional 7 minutes to the Senator from Kentucky.

Mr. BARKLEY. I thank the Senator.

Mr. President, I do not pose as an economist. I am speaking as an average man—probably, if I were to assess myself correctly, below the average. But I have seen a great many tax bills go through Congress. I have seen many changes in the tax attitude of political parties and individual Members. I wish to see at least $1 billion a year go back to the great masses of our people who make less than $5,000 a year. They need that money. They will spend it.

That will increase employment, which is a desirable objective, for the employment situation is not a happy one.

Likewise, the foundations of our economy are not happy. During the last few days we have had a great deal of testimony and public discussion of the stock market. I recall that back in the 1920's, every time the stock market started to go down, Secretary Mellon would come out on the front porch of the Treasury Building and announce that the foundation of the prices of stocks was sound. Up would go the prices of stocks for a little while, then they would go down again.

I hope their foundation is sound now. I hope our economy is sound. However, it is a little disturbing to note that when a Harvard professor testifies before the Committee on Banking and Currency it should cause the stock market to lose $5 billion in one day and $4 billion the next day. Yesterday the market went down a little more. Therefore, I am wondering whether our economy is on stilts, instead of on a solid foundation, when from $10 billion to $15 billion may be shorn from the value of stocks because of the testimony of one Harvard professor, who in his testimony insisted that stock buyers should pay cash for their stocks and not be permitted to buy them on margin.

Mr. President, the substitute amendment will give to the American people, who need it and will spend it, money that will increase employment in the United States. The substitute will extend certain excise taxes 15 months beyond the period provided by the House bill, and it will balance the budget by 1957.

I know of no greater service that we, regardless of politics, can render to the American people, than to increase employment and to balance the budget, so that we may look forward to the day when we may begin to reduce the public debt and not hand it all down to children yet unborn, who may inherit an international situation which will affect their own ability to deal currently with their problems. We should not force them to deal with problems which, because of our improvidence or because of our lack of courage, may be left to them to solve.

Mr. President, I have the greatest respect for the President of the United States. I admire him personally. I enjoy his association. However, I believe he went beyond the bounds of propriety and fairness in stating that the Members of the House of Representative had been cowardly because they did not introduce their tax proposal as an independent bill, instead of as an amendment to the pending tax bill. We should not consider tax legislation from the standpoint of epithet and name-calling and denunciation and the use of uncomplimentary terms. I regret that the President charged the whole House of Representatives with cowardice.

Mr. LONG. Mr. President, will the Senator yield for a question?

Mr. BARKLEY. I yield.

Mr. LONG. Could it not have been just as well argued that the Members of the House of Representatives would be insincere if they attempted to pass a bill giving tax relief to people in the low-income tax brackets, inasmuch as they knew it would require a two-thirds vote to override a veto of the President if they passed such a bill independently?

Mr. BARKLEY. The Senator from Louisiana is undoubtedly right about it. It is not a question of courage or cowardice. It is a question of judgment. It is a question of discretion. It is a question of good faith in dealing with the various economic strata in our population, in order that we may do justice to all of them.

I believe the substitute amendment does justice to all of them; that it does justice to the Nation's Treasury and does justice to our economy. If we should adopt the substitute, it would give hope to the American people and make them feel that we are financially and fiscally responsible, and that we have courage and judgment.

I hope the substitute will be adopted.

Mr. BYRD. Mr. President, I yield 5 minutes to the Senator from California.

Mr. KNOWLAND. Mr. President, I rise in opposition to the substitute offered by the majority leader, the Senator from Texas [Mr. JOHNSON], and his colleagues, and I urge that the Senate pass the bill in the form reported to the Senate by the Committee on Finance.

Mr. President, the national economy of our great free enterprise system is a delicate mechanism. I believe that all Americans are in the same boat. It is vital to labor, to agriculture, to the housewife, to the businessman, and to the farmer that we have a sound national economy. Whatever their purpose might be, those who would undermine our sound national economy are smoking in a powder magazine.

Mr. President, the Senator from Kentucky [Mr. BARKLEY] has referred to hearings which are being held by the Committee on Banking and Currency. He gave the impression that because of certain testimony before the committee $4 or 5 billion had been lost in the stock market. I have faith in the future of this country. I believe the Secretary of the Treasury in his testimony this morning indicated he had faith in the future of America. However, it would be possible to undermine confidence even in a solvent bank by spreading rumors concerning it. In the same way, if enough chiseling is done at the confidence in our economy there might well be precipitated a condition that would not be advantageous to any American, regardless of political affiliation and regardless of the place he may occupy in the national economy.

We are faced with a deficit. Any reduction of taxes at this time would mean that the reductions would have to be taken from borrowed money. In that way a great problem would be passed on to future generations of Americans.

In the limited time I have available, I should like to read to the Senate an

excerpt from Washington's Farewell Address:

As a very important source of strength and security, cherish public credit. One method of preserving it is to use it as sparingly as possible, avoiding occasions of expense by cultivating peace, but remembering, also, that timely disbursements, to prepare for danger, frequently prevent much greater disbursements to repel it; avoiding likewise the accumulation of debt, not only by shunning occasions of expense, but by vigorous exertions, in time of peace, to discharge the debts which unavoidable wars may have occasioned, not ungenerously throwing upon posterity the burden which we ourselves ought to bear. The execution of these maxims belongs to your representatives, but it is necessary that public opinion should cooperate. To facilitate to them the performance of their duty, it is essential that you should practically bear in mind, that towards the payment of debts there must be revenue; that to have revenue there must be taxes; that no taxes can be devised which are not more or less inconvenient and unpleasant; that the intrinsic embarrassment inseparable from the selection of the proper object (which is always a choice of difficulties) ought to be a decisive motive for a candid construction of the conduct of the government in making it, and for a spirit of acquiescence in the measures for obtaining revenue, which the public exigencies may at any time dictate.

Mr. President, there has been a great deal of discussion in which it has been attempted at least to array one group of Americans against another group because one group happens to be in one income bracket and the other in another income bracket. Mr. President, this Nation has developed and progressed and prospered because men had confidence in the building of their country; and regardless of whether they worked in the fields, in the factories, or in business offices, they hoped to leave to their children a better life than they themselves found. I think no good service is rendered to our Nation in this period when we face the most Godless tyranny the world has ever known by trying to array one group of American citizens against another group.

There have been men of means who, possessing a fine social conscience, have endowed great universities in the South, in the North, in the East, and in the West. There have been people who have accumulated means and who have devoted them to the remedying of some of the glaring ills which beset mankind. There have been men who have contributed to the cultural advancement of our country.

The PRESIDING OFFICER (Mr. PASTORE in the chair). The time of the Senator from California has expired.

Mr. KNOWLAND. Mr. President. I ask the Senator from Virginia to give me another 5 minutes.

Mr. BYRD. Mr. President, I yield another 5 minutes to the Senator from California.

Mr. KNOWLAND. Mr. President, I think no good service is rendered by attempting to array group against group in a nation which has never recognized the existence of classes.

Let us get down to some of the facts of the situation. If there are any in this body or in the country so shortsighted as to think that by passing legislation confiscating all the income of those in the so-called upper brackets we could solve the problems of our Government, they are greatly mistaken.

The fact of the matter is that if we confiscated 100 percent of all the surtax income over $10,000, or $20,000 on joint returns, there would be produced only $5,200,000,000.

If we confiscated all over $15,000, or over $30,000 on joint returns, there would be produced $3,200,000,000. If we confiscated all over $20,000, or $40,000 on joint returns, there would be produced $2,200,000,000. So, Mr. President, let us not try to "kid" anyone, least of all the American public, by stating that this problem can be passed on to the other fellow. The debt belongs to all of us. The obligation to support the Government belongs to all of us. Unless we maintain a sound national economy, which will benefit the worker, the farmer, the investor, and the housewife, those who are dependent upon insurance annuities or retirement compensation, we shall all suffer together and, perhaps, take the whole free world down with us.

Let us be careful not to smoke in a powder magazine.

Mr. President, as a matter of fact, in the last tax law which was passed the benefit provided went to all groups of our citizens. The reduction in the individual tax amounted to $3 billion. The elimination of the excess-profits tax benefited corporations to the extent of $2 billion. The stockholders, of course, also benefited to that extent. The reduction in the excise taxes benefited the people by $1 billion, and the tax revision bill itself benefited them by $1,400,000,000, or a total of $7,400,000,000. To the corporations we might credit $2,800,000,000, or 38 percent. To the individuals, $4,600,000,000, or 62 percent. I think we should keep things in proper perspective.

Mr. President, again I say that through the $7,400,000,000 tax reduction of 1954 corporations received $2,800,000,000, or 38 percent, and individuals received $4,600,000,000, or 62 percent.

The PRESIDING OFFICER. The time of the Senator from California has again expired.

Mr. BYRD. Mr. President, I yield 2 additional minutes to the Senator from California.

Mr. KNOWLAND. Of the tax reductions for individuals amounting to $4,600,000,000, $1,700,000,000 went to individuals with incomes of less than $5,000. Under the prior law, individuals with incomes below $5,000 were paying about one-third of the income taxes.

Whatever criticism may be leveled against the reduction in taxes which was made in the last Congress, the reduction of some $7 billion came after the expenditures of the Government were reduced by approximately $10 billion. As of today not a single appropriation bill for next year has come from the House to the Senate.

It seems to me, Mr. President, that the orderly procedure would be to extend the corporation and excise taxes as recommended by the President and Secretary Humphrey, and then go ahead with our bills. If Congress finds that sufficient reductions can be made in appropriations so that we may have a balanced budget, then it can provide, if it sees fit, for a reduction of taxes, but they should not be reduced by borrowing from future generations. That, I think, would be irresponsible under all the circumstances.

Mr. BYRD. Mr. President, I yield 5 minutes to the Senator from Ohio [Mr. BENDER].

Mr. BENDER. Mr. President, throughout the discussion of this measure repeatedly some of our colleagues have referred to it as being an Eisenhower-Humphrey bill. I am not at all alarmed about such a title for the bill.

We know the work of President Eisenhower, and certainly we know something of the work of Secretary Humphrey. He happens to be my fellow townsman. When I learned that he was to be Secretary of the Treasury I thought that no better news could come to our country. Through the good work of President Eisenhower and George Humphrey there has been accomplished the reduction in expenditures to which the minority leader [Mr. KNOWLAND] has just referred—a reduction of $10 billion. He referred also to a reduction in taxes of $7,400,000,000. The only way we can save money for the taxpayers, as the Senator from California indicated, is to cut expenses. This administration has cut expenses. It has kept its word with the American people.

There is no point in being unrealistic about what happened during the past 2 years, as a result of the passage of the tax bill. It resulted in savings amounting to $1,400,000,000, completely revised the tax laws, making 3,000 changes in them.

There was a $1 billion cut in excise taxes by reducing most rates to 10 percent, on household appliances to 5 percent, effective April 1, 1954.

There was a $3 billion cut in personal income taxes by an 11-percent reduction in tax rates, effective January 1, 1954.

There was a $2 billion cut in corporation taxes by ending the wartime excess-profits tax on December 31, 1953.

All taxpayers benefit from the $7,400,000,000 tax cuts, but the individual taxpayer is the chief gainer. Four billion seven hundred million dollars goes to individuals and only two billion seven hundred million dollars to corporations.

The comprehensive revision act gave $827 million to individuals, $536 million to corporations. Individuals receive $3 billion benefits from the 11-percent cut in income taxes, and $800 million from excess-tax cuts.

The average taxpaying family or single person gets a tax saving of $100 a year.

Corporations benefit from the revision act and the termination of the wartime excess-profits tax, but have to pay the high wartime 52 percent income-tax rate for another year.

The new law closed more than 50 loopholes by which some taxpayers have avoided paying their fair share of taxes.

We have heard about 1 loophole, but 50 loopholes were closed by the passage

of the so-called Eisenhower-Humphrey bill.

No reference has been made to all the loopholes which have been closed as a result of the passage of that bill.

A working widow can deduct $600 paid for the care of her children under the age of 12, which is a saving of $120 on a $3,000 income.

Thanks to President Eisenhower and Secretary of the Treasury George Humphrey, parents can deduct $600 for a minor as a dependent, even if he earns more than $600. That is a saving of $120 on a $3,300 income, or $132 on a $6,000 income.

Thanks to President Eisenhower and Secretary Humphrey, retired persons over the age of 65—schoolteachers, policemen, firemen, and the like, not drawing nontaxable social-security benefits—will be exempt on retirement income up to $1,200, thus saving up to $240 a year.

Thanks to President Eisenhower and Secretary of the Treasury Humphrey, a family having a $3,000 income and $150 in medical expenses can now deduct $60 from taxable income. Previously they could deduct nothing. The savings go up as medical expenses rise.

The PRESIDING OFFICER. The time of the Senator from Ohio has expired.

Mr. BENDER. May I have an additional minute?

Mr. BYRD. I yield an additional minute to the Senator from Ohio.

Mr. BENDER. Persons receiving stock dividends get the first $50 tax-free, thus saving $10 or more. They receive a 4 percent credit on the rest, or a $8 saving on a $200 balance from $250 total dividends.

Mr. President, I have so many other figures before me that I would appreciate it if I had the privilege to include them in my remarks. The statistics relate to actual reductions which have been made for the benefit of poor people, for the average citizen of America.

Thanks to President Eisenhower and Secretary of the Treasury George Humphrey, all those loopholes have been closed. At any rate, 49 of them have been closed. Perhaps Congress erred in not shutting one of them up.

The PRESIDING OFFICER. The time of the Senator from Ohio has expired.

Mr. JOHNSON of Texas. Mr. President, I yield 3 minutes to the distinguished junior Senator from Oregon.

Mr. NEUBERGER. Mr. President, my remarks as one of the newest Members of the Senate, indeed, the newest, the 96th, will be very brief.

I am very glad the distinguished junior Senator from Ohio [Mr. BENDER] mentioned the tax reductions made last year. I fail to understand how the tax reductions granted in 1954, when there was a substantial deficit, were evidences of statesmanship, while a different kind of tax reductions in 1955, when there is still a deficit, is called fiscal irresponsibility by the Republicans. It is a distinction I simply do not understand. Perhaps there is something about the atmosphere in the Senate which will enable me sometime to understand such a situation.

The comments which have been made on the so-called "blooper" also puzzle me. I once listened to an address by a well-known professor of mathematics at Oregon State College, in which he said that legitimate errors are always divided equally between two sides. How is it, Mr. President, that the only major error which thus far has been found has favored the great corporations?

If this was not a psychic error, will we find later, perhaps, a so-called "blooper" in the tax law which will enable a truck-driver to deduct the cost of cleaning his overalls? Perhaps such a "blooper" will be found, but I doubt it. Or a "blooper" may be found which allows a farmer to deduct in 1 year the entire cost of his combine or pickup truck or tractor. But I wonder if we will find such a "blooper," or whether the only "blooper" to be found in the law will turn out to favor big corporations. I shall consider it quite interesting if a "blooper" is found which will allow a truckdriver to deduct the cost of cleaning his overalls, or a farmer to deduct the entire cost of his tractor in 1 year. I doubt, however, the presence of such a "blooper," Mr. President.

I listened to the very able address of the distinguished senior Senator from California [Mr. KNOWLAND], the minority leader, about arraying class against class. No one wants to array class against class. Yet I wonder what it is that arrays class against class. Is it the word or the deed? Is it a tax law which grants disproportionate benefits to one class of people that arrays class against class? Or is it merely someone who points out that situation? I think we should decide what it is that arrays class against class—whether it is the deed or the mention of a deed.

During the 1954 campaign in my State, much was made by the present minority party in the Senate, which was the party that had been the majority party in my State for 40 years, of the fact that there had been substantial tax reductions granted. I still fail to understand how it was that those tax reductions were boasted of in October 1954 as being in the interest of American statesmanship, yet when reductions are proposed by the Democrats in 1955 they become irresponsible.

Mr. President, I ask unanimous consent to have printed at this point in my remarks a few representative communications which I have received from various persons throughout my State, and some from persons in other States, in behalf of the Democratic tax proposal.

There being no objection, the communications were ordered to be printed in the RECORD, as follows:

FEBRUARY 23, 1955.

Senator NEUBERGER:

I heard on this morning's newscast that President Eisenhower says that the $20 per person cut in income taxes is the height of financial irresponsibility. I say he is completely wrong.

The $20 cut will help everyone, and especially those in the middle and the lower income groups. It is much better than what the Republicans did when they first got into power—to cut the corporation taxes to the barest minimum, thus making more money for the already rich corporations and the coupon-cutting people.

The cut of $20 is a small way to help all the people.

It must go through.

Sincerely,

Mrs. L. R. PARKER.

BEND, OREG.

PORTLAND, OREG., *March 9, 1955.*

Hon. RICHARD L. NEUBERGER,
Senate Office Building,
Washington, D. C.:

In behalf of membership, our local union urges your support of $20 tax-credit bill for each taxpayer, each dependent. We feel this increased purchasing power in the hands of the wage earner and low-income group will bolster our economy.

KENNETH R. SMITH,
Financial Secretary, Cannery and Food Process Workers, Local M-24, IWA, CIO.

MARCH 3, 1955.

United States Senator RICHARD NEUBERGER.

DEAR SIR: Hoping that you will support the $20 tax each dependent bill.

This will be appreciated by me and all I have contacted.

I am one of your supporters in this last election and was glad to see you get to be elected. Will appreciate it if you will put me on your mailing list as to whatever important bills may come up from time to time.

V. R. TOMASINI,
One of Your Supporters.

PRINEVILLE, OREG.

ASBURY PARK, N. J., *March 2, 1955.*

Senator RICHARD L. NEUBERGER,
Senate Office Building,
Washington, D. C.

DEAR SENATOR NEUBERGER: Admired your frankness and evident honesty apparent in your remarks over the radio last night.

Regarding the current move to grant all taxpayers a $20 deduction:

Last year the wealthy of this Nation were given a double tax hand-out—corporations were given a tax cut which made larger dividends available to the wealthy stockholders and then cut the tax on those dividends.

Another point which will interest you from a man who owns some stock but also holds some deposits in savings banks.

The rich have little invested in savings banks. It is the poor and moderate who save the small funds in savings banks. The dividend-exemption law eliminates interest received from saving in savings banks from the dividend tax cut of 1954.

Sincere best wishes,

AN ADMIRING REPUBLICAN.

NOTE.—President Lincoln viewed our Government as "A Government of the people, by the people, for the people." Under President Eisenhower it has become "A Government of the people, by the bankers, for the bankers."

GRANTS PASS, OREG., *March 2, 1955.*

Hon. RICHARD NEUBERGER,
United States Senate,
Washington, D. C.

MY DEAR SIR: I find the following caption, three columns wide, on the front page of this morning's Oregonian most interesting, viz: "$20 tax cuts fails, pay boost wins."

Evidently when it is a question of putting some additional money in the pocket of the small taxpayer the answer is an emphatic "No." But when it is a question of putting a big pay increase in the pockets of the Members of the Congress the answer is a most enthusiastic "Yes."

One dollar and sixty-seven cents per exemption per month for the taxpayer? "No."

Six hundred and twenty-five dollars per month for the Members of Congress? "Yes."

Seems that the old adage "them as has gits" is still true.

What a fine example of Republican irresponsibility.

Yours very truly,

WALTER S. YORDON.

PORTLAND, OREG., *February 27, 1955.*
Senator RICHARD NEUBERGER,
Senate Office Building,
Washington, D. C.

DEAR SENATOR: Never has there been a more fair piece of legislation introduced than the $20 per person tax reduction proposed by the Democrats.

Had Ike started his work as President with such a bill, the Republicans would still be in control of Congress.

He screams it will mean inflation—I scream back to him that his dollar will inflate with mine—what could be fairer.

General Motors, the NMA, and AMA are not in a position to do my voting for me, and my vote will go for fair treatment.

I realize Ike's crowd is out to buttonhole and blackmail every vote they can get in the Senate opposing this bill, however, the longer this bill is debated regardless of whether it passes or not, the more opportunity the voters will have to size up their present lawmakers.

As you no doubt noted in the 1954 election results the "little people" are thinking a bit more seriously and watching more closely—and in my opinion it won't be many years hence, when all politicians will be honorable people, regardless of how the press, television, and radio fight the change.

If you are successful in passing this bill in the Senate, Ike will no doubt veto it, then the sentiment of the people may influence the Congress to override the veto, either way he turns, Ike is on the spot. I'm laughing.

Ike's excuse for vetoing the pay hike for my mail man was that we should finance it first with rate increase on our personal correspondence—has any one told him that rate increase on our junk mail would be more lucrative?

Democratically,
THOMAS C. KIDDER.

LOCAL UNION 5-245,
INTERNATIONAL WOODWORKERS OF AMERICA,
Oakridge, Oreg., March 3, 1955.
Senator RICHARD L. NEUBERGER,
Senate Office Building,
Washington, D. C.

DEAR DICK: The people of the Oakridge-Westfir, Oreg., area, the Democrats and even the Republicans are asking that you support the $20 tax deduction for each dependent person.

Very truly yours,
CLARENCE S. MONROE,
Business Agent.

Mr. JOHNSON of Texas. Mr. President, I yield 3 minutes to the distinguished junior Senator from Minnesota.

Mr. HUMPHREY. Mr. President, I appreciate the courtesy of the distinguished majority leader. My comments will be directed particularly to one issue which has been discussed off and on in the Senate while the tax bill has been under consideration.

First, I point out that the benefits which have been related to the Senate, particularly by the minority leader, the distinguished Senator from California [Mr. KNOWLAND], and the distinguished junior Senator from Ohio [Mr. BENDER], pertaining to schoolteachers, firemen, and pensioners, to medical costs, and to soil conservation, are left intact; they are not touched at all by what we are discussing or dealing with in the debate.

What we are really talking about—and let the issue not be beclouded; let there be no haziness or doubt about it at all—is whether there should be a continuation of accelerated depreciation. Should Congress continue to give a special kind of tax privilege to stock-dividend income which no other recipient of income receives under the tax law?

I point out that the distinguished Senator from Tennessee [Mr. GORE] as of yesterday made the record crystal clear that the stock-dividend recipient has a kind of privilege in taxation such as no one else receives.

The question we are now discussing is whether it is not equitable, desirable, and sound to provide a little tax relief for persons having incomes of $5,000 a year or less who represent approximately 80 percent of the taxpayers.

The distinguished Senator from Kentucky [Mr. BARKLEY] pointed out that the tax benefit proposed by the substitute will be used in the stream of commerce to provide additional employment and to utilize additional production, production which is available if the producing power is present.

I have heard much conversation and chatting in the cloakrooms as to what would happen if the Senate passed a substitute bill which would balance the budget and would remove glaring inequities from the tax law, on the one hand, while also providing relief for low-income families.

For instance, what will happen in the case of farm income? I have before me a report which came to me today. According to Farm Cost Situation, issued by the Department of Agriculture, farmers will save about 23 percent of their income-tax payments this year. How will the farmer save 23 percent? According to Farm Cost Situation:

> This decline results in three developments in 1954.

The first development is that out of a 23-percent saving on income-tax payments this year, farmers will save 12 percent as a result of a decline in take-home income, which is 9 percent below last year's income.

They will save 10 percent of their income-tax payments due to an automatic drop in the tax rates under the law passed at the time of the Korean war. This was an automatic reduction with which the Republicans and Democrats in the 83d Congress had nothing to do, because that provision was included in the tax law of 1951.

What did the 1954 Internal Revenue Act do for the 5 million farm families in the United States? Listen to this. I quote from the report of the Department of Agriculture. This is not the statement of George Humphrey; it is that of Ezra Benson. But they work in the same shop, and each has about the same status in the Cabinet. This is what Mr. Benson has to say:

> The third development that will contribute to a reduction in farmers' Federal income-tax payments in 1955 on 1954 income arose from changes enacted in the Revenue Code of 1954.

The PRESIDING OFFICER. The time of the Senator from Minnesota has expired.

Mr. HUMPHREY. May I have 1 additional minute?

Mr. JOHNSON of Texas. I yield 1 additional minute to the Senator from Minnesota.

Mr. HUMPHREY. The amount will be 1 percent as a result of the tax-reduction law of last year. The great, wonderful, gratuitous, charitable Internal Revenue Act of 1954 gives the American farm family—and there are 5 million of them in the United States—1 percent tax relief. Of that 1 percent, according to the same report, only a fraction will come from accelerated depreciation.

Mr. President, when one tries to base a tax bill on the ground it will benefit widows, orphans, and farmers, I suggest that there should be some evidence that it will, and in this instance the evidence is less than convincing.

The PRESIDING OFFICER. The time of the Senator from Minnesota has expired.

Mr. BYRD. Mr. President, I yield 5 minutes to the Senator from Vermont.

The PRESIDING OFFICER. The Senator from Vermont is recognized for 5 minutes.

Mr. AIKEN. Mr. President, I wish to say that the argument that the proposed substitute to the tax bill will benefit small income people and farmers is nonsense. This substitute is worse than that—it is a hoax.

Mr. President, just what does the proposal purport to do? It purports to give a $10 tax deduction to each man, his wife, and each dependent, to be deducted from his tax bill.

How do the sponsors of the substitute propose that the cost of the $10 to each taxpayer shall be met? The tax deduction is not going to be granted this year, anyway. A full year will elapse before it will become effective. The sponsors say the cost of such benefits will be paid by continuing for 1 year longer than recommended by President Eisenhower, the excise tax on many commodities which those same people will have to buy. Those taxpayers will be paying an extra tax on gasoline, on automobiles, and their repair parts, on oil, on perfume, on cigarettes, on beer and wine, and on other products.

When anyone tells the wage earner that the substitute bill will benefit him, he is not telling the wage earner the truth, because the wage earner will pay far more in excise taxes than the $10 or $20 tax deduction which he will receive.

The substitute bill is also a deliberate and well-calculated slap in the face to every farmer in the United States. Last year Congress, recognizing that industry had been enjoying peculiar advantages in the matter of amortization, wrote into the law a proviso that the farmer, too, could amortize more rapidly the equipment he uses on the farm, the facilities he needs on the farm, and the buildings which he erects on the farm. This substitute bill is a crackdown on every farmer in Minnesota, North Dakota, Wisconsin, and the other 45 States of the Union. It proposes to put the farmers back under the provisions of the old law which prevailed in the years before Congress passed the new tax bill of last year. Thus it would take the farmers 40 years to amortize a new barn and 10 years or more to amortize the cost of a tractor. It would at least double the farmers' tax burden so far as amortizing the cost of

equipment, machines, and new buildings is concerned.

If the pending proposal was calculated to make farmers more hard up and more dependent on the Government, it was well conceived.

I do not know exactly who sponsored the proposal for this hoax— and I repeat it is a hoax—but I hope the farmers will find out who is back of it, and will not forget the effort being made today to increase their tax burden.

Mr. President, if the sponsors of the proposed legislation really want to provide money to give low-income people an additional deduction of ten or more dollars apiece, why in heaven's name do they not go after the great corporations which have enjoyed exorbitant tax benefits over all these years?

The PRESIDING OFFICER. The time of the Senator from Vermont has expired.

Mr. AIKEN. May I have 1 more minute?

Mr. BYRD. Mr. President, I yield 1 additional minute to the Senator from Vermont.

Mr. AIKEN. Why do they not go after the 27½-percent depletion tax given the oil interests not only on their operations in this country but overseas as well. We understand this depletion allowance has made many multimillionaires in America, some of whom are in politics, we are told?

Mr. President, no one can honestly defend the proposed substitute legislation as being of any benefit to the wage earners of America, and it is a deliberate slap at every farmer.

Mr. JOHNSON of Texas. Mr. President, I yield the Senator from Tennessee [Mr. GORE] 5 minutes.

The PRESIDING OFFICER. The Senator from Tennessee is recognized for 5 minutes.

Mr. GORE. Mr. President, it is regretable to hear the distinguished, able, and affable senior Senator from Vermont [Mr. AIKEN] so lose himself in his excitement on the issue before the Senate as to brand the Johnson substitute amendment a hoax. I do not so regard it. Nor do I believe the distinguished Senator from Vermont would so regard it, upon cooler reflection.

I regard the Johnson amendment as a serious attempt to correct some of the inequities of the present tax law. I regard its authors, though I am not one of them, as sincere and patriotic men. I dare suggest that the senior Senator from Vermont regards the authors of the substitute amendment as sincere and patriotic men, too; and not as Members of the United States Senate who would attempt to perpetrate a hoax upon the American people.

Nor do I believe that in his cooler moments the Senator from Vermont will think those of us who intend to support and who do support the proposal do so with any intent or desire to slap any farmer in the face, I do not believe he thinks it would have that effect.

What is the choice here, Mr. President? It is not a choice of whether we are to enact or strike down a hoax. The choice is not whether we are to slap or not slap farmers in the face. The choice is between tax favoritism now written into the law for the benefit of the economically privileged few, or a tax reduction, small though it be, for the many families economically hard-pressed for money.

Upon that issue the Senate will make its choice and will make its election in voting for or against the Johnson amendment.

Mr. President, I have for long thought that the poper criterion for a Senator to use in measuring proposed Federal tax legislation, the yardstick he should stand beside each proposal, is taxation according to ability to pay.

The so-called Johnson amendment proposes a small tax reduction for the great body of taxpayers—all taxpayers with incomes not in excess of $5,000 a year. The Senator from Texas would substitute that amendment for three provisions now in the law, none of which meets the measure of taxation according to ability to pay.

The PRESIDING OFFICER. The time of the Senator from Tennessee has expired.

Mr. JOHNSON of Texas. Mr. President, I yield 2 additional minutes to the Senator from Tennessee.

The PRESIDING OFFICER. The Senator from Tennessee is recognized for 2 more minutes.

Mr. GORE. I thank the Senator from Texas.

Mr. President, since my time has passed quickly, I shall have to shorten my speech.

What are those provisions, Mr. President? One is the so-called blooper, which was written into the law last year, by the Congress. Congress was misled in its understanding of that provision of the law, and was misled as to its effects. In that connection I shall not use the word "deliberate"; I am not prepared to believe it was deliberate on the part of the high officials who recommended it; but I wonder who did know its effects. Nevertheless, we were misled into passing that law.

At this time, Mr. President, we have an opportunity to correct that situation. A vote against the Johnson amendment will be a vote to keep the Humphrey "blooper" in the law, because this is the first opportunity the Senate has had to repeal it.

Yesterday I read into the RECORD cases which showed that corporations with sizable profits had been able, through this "blooper," to convert profits into losses, wiping out entirely their 1954 tax, and enabling them to claim refunds or credits to carry forward in the years ahead or to apply to previous profits. What assurance have we that that "blooper" will be repealed?

The PRESIDING OFFICER. The time of the Senator from Tennessee has again expired.

Mr. JOHNSON of Texas. Mr. President, I yield an additional minute to the Senator from Tennessee.

The PRESIDING OFFICER. The Senator from Tennessee is recognized for an additional minute.

Mr. GORE. I thank the Senator from Texas.

Mr. President, we have no assurance at all that the "blooper" will be repealed. I dare say that before the measure reaches this Chamber from the other body, additional amendments will be added to it.

Mr. President, what are the other two? I shall name them quickly. One is the accelerated depreciation provision. I cannot say that we were deliberately misled about it; but we were told that it would have the effect of increasing employment. However, it has had precisely the opposite effect, for unemployment, rather than employment, has increased.

The third is the dividend credit—the credit for income received from corporation stock in the form of dividends. As I suggested yesterday, that is inequitable, and is unfair. It, too, fails to meet the yardstick of taxation according to ability to pay.

The PRESIDING OFFICER. The time of the Senator from Tennessee has again expired.

Mr. JOHNSON of Texas. Mr. President, I yield 2 minutes to the Senator from Louisiana [Mr. LONG].

The PRESIDING OFFICER. The Senator from Louisiana is recognized for 2 minutes.

Mr. LONG. Mr. President, reference has been made to the situation insofar as the farmer is concerned. I believe that anyone who will make the effort to read the figures prepared by the Department of Agriculture, and presented by the Senator from Minnesota [Mr. HUMPHREY], and the Senator from Oklahoma [Mr. KERR], will find that the savings to the farmer amounted to only a fraction of 1 percent of his tax bill. Certainly a credit of $50 for the average family of 5 would mean a great deal more to the farmer than a saving of only a fraction of 1 percent, which the average farmer might have been able to make last year, as a result of accelerated depreciation.

Furthermore, Mr. President, the American people have repudiated the favoritism which was given last year to corporations and businessmen; that was one of the main issues in the last election.

Frankly, I was surprised that the farmers—in view of the major reduction in their income—voted Republican to the degree they did. But there is no doubt that insofar as the average workingman was concerned, he voted to repudiate that tax bill, because it gave too much favoritism to those in the upper income brackets, and did so little for those in the lower income brackets, while doing so much for corporations and businessmen. Oh, how often have we heard that those who got the most relief were individuals. It is true that they were individuals, but what individuals, Mr. President? Corporations got almost half the relief. The remaining ones who obtained the relief were for the most part those who hold corporation stock—in short, a distinction without a difference. In other words, corporations and those who hold corporation stock were the ones who got most of the relief, last year.

I acknowledge that in last year's bill there was some small provision for relief for other taxpayers; for instance, the

bill provides some small relief for mothers who have to work, and who thus have to hire babysitters. But the basic theory of that bill was that if more tax relief were given to corporations and to business, they would provide more jobs. However, what do we find? When we look at the economic indicators which are issued by the administration, we see that there are now 397,000 more persons out of jobs than there were when we were told that bill would result in increasing employment.

The PRESIDING OFFICER. The time of the Senator from Louisiana has expired.

Mr. BYRD. Mr. President, I yield 2 minutes to the Senator from South Dakota [Mr. CASE].

The PRESIDING OFFICER. The Senator from South Dakota is recognized for 2 minutes.

Mr. CASE of South Dakota. Mr. President, in the remarks of the last speaker, I noted the statement that the American people have repudiated certain things. Mr. President, the Congress of the United States has repudiated two things in reference to taxes. First, the Congress has repudiated the idea of special favoritism to the community-property States.

The pending amendment, as I understand it, would restore favoritism to the community-property States.

Mr. JOHNSON of Texas. Mr. President, will the Senator from South Dakota yield to me enough time to permit me to make a correction of the statement he has just made? If he will yield to me, I shall agree to have the time charged against the time remaining to me.

Mr. CASE of South Dakota. Mr. President, I decline to yield.

The PRESIDING OFFICER. The Senator from South Dakota declines to yield.

Mr. JOHNSON of Texas. I thank the Senator from South Dakota.

Mr. CASE of South Dakota. Mr. President, Congress has also repudiated the idea of accelerated depreciation only for the large manufacturers.

In the last tax bill, Congress decided that if accelerated depreciation was a good thing for the large manufacturers, it was also a good thing for the farmers; and during the last year we encouraged the farmers to buy machinery on the basis of accelerated depreciation.

Therefore, Mr. President, I do not think we are going to accept the pending amendment and thereby repudiate our repudiation of those discriminations.

Mr. LONG. Mr. President, will the Senator from Texas yield 1 minute to me?

Mr. JOHNSON of Texas. Mr. President, I yield 1 minute to the Senator from Louisiana.

The PRESIDING OFFICER. The Senator from Louisiana is recognized for 1 minute.

Mr. LONG. Mr. President, with regard to the alleged favoritism toward the community-property States, the Senator from South Dakota will find that the amendment has been modified so as to make sure that in no circumstance will taxpayers in community-property States be favored.

I regret to say that the Senator from South Dakota is just as much mistaken on this point as he was, last year, when on the floor of the Senate he discussed the community-property law. At that time he had to admit that he was wrong about it. I now ask unanimous consent to have the pertinent excerpts from last year's RECORD printed at this point in the RECORD, as a part of my remarks.

The PRESIDING OFFICER. Is there objection?

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

[From the CONGRESSIONAL RECORD, volume 100, part 7, pp. 9497–9488]

Mr. CASE. Mr. President, as I was saying prior to the suggestion of the Senator from California—and I shall come back to his suggestion because I think it may offer a solution to the problem—when the Congress adopted the split income-tax provision some of us boasted of that as part of the record of the 80th Congress, because for the first time the law extended to persons living in other than community-property States a privilege which had been enjoyed by the citizens of community-property States. Then we discovered that if one of the spouses died that provision of the law did not apply, and the widowed spouse lost the privilege which had been extended to him while his spouse lived. It occurs to me now that if Congress were not to permit the surviving spouse to split his income, all that wealthy widows and widowers would have to do to get the advantage of a split-income provision would be to move to Louisiana or some other community-property State.

Mr. LONG. Mr. President, will the Senator yield for a question?

Mr. CASE. I yield to the Senator from Louisiana.

Mr. LONG. Does not the Senator from South Dakota realize that he is 100 percent wrong? There is not a single element of accuracy in what he is saying. In a community-property State a taxpayer splits his income with his wife, not with his children. Does not the Senator from South Dakota realize what the term "community property" means?

Mr. CASE. The Senator from South Dakota was under the impression, gained from consultation with a member of staff of the Committee on Finance, that if this provision were killed, a rich widower could move to one of the 11 community-property States and split his income.

Mr. AIKEN. Mr. President, will the Senator from South Dakota yield?

Mr. CASE. I yield to the Senator from Vermont.

Mr. AIKEN. I wanted the Senator to yield to me long enough for me to say that if the wealthy widowers were to move to Louisiana, California, or any of the other nine community-property States, it is my understanding on the basis of good authority, that they could split their income according to the laws of the State in which they then resided.

Mr. KNOWLAND. Oh, no; the Senator is mistaken.

Mr. CASE. Mr. President, who has the floor?

The PRESIDING OFFICER. Does the Senator from South Dakota yield?

Mr. CASE. I yield to the Senator from Vermont.

Mr. KNOWLAND. Will the Senator yield to me, because I am sure he does not want an error to be in the RECORD?

The PRESIDING OFFICER. The Chair advises the Senate that the Senator from South Dakota is speaking on limited time.

Mr. CASE. Mr. President, I yield to the Senator from California, but again I should like to say that I would like to have a little time reserved, because I have not completed my statement yet.

Mr. KNOWLAND. I am sure more time will be yielded to the Senator from South Dakota. It is a complicated bill which we have before us, but I think at least the record ought to be clear that the community-property principle has nothing to do with children; it relates to the married spouse. A widow or widower who moves into a community-property State is still a widow or widower, and cannot split his income for tax purposes. He cannot do it in the State of California or in any other State that I know of which has community-property laws.

Mr. DANIEL. He would have to get married again, would he not?

Mr. KNOWLAND. Yes.

Mr. CASE. Of course, I accept the statement of the Senator from California as to what the California law is, and I also accept the statement of the Senator from Louisiana as to what the Louisiana law is. What I stated about the possibility of a move by a widowed spouse into a community-property State was based on what I had understood was the advice of a member of the staff of the Committee on Finance.

Be that as it may, it certainly ought to be clear, from the discussion which has taken place in the Senate, that if a husband or a wife dies, the widowed spouse stands in danger of losing the benefit of the split-income features which were extended to the spouse in the event that the marriage continued. It may be that the provision is subject to abuse, as the Senator from Louisiana has suggested; but a great deal of his argument might be addressed to the whole idea of split-income features, anyway. Perhaps the Senator is prejudiced against the rich married couple being permitted to split their income; but all that the provision of the amendment offered by the Senator from Vermont would do would be to extend to the household the same benefit which it had prior to the death of one of the parents.

Mr. CASE of South Dakota. Mr. President, will the Senator from Louisiana yield to me?

Mr. LONG. My time has expired.

Mr. CASE of South Dakota. Or, Mr. President, does the Senator from Texas wish to yield 1 minute to me?

Mr. JOHNSON of Texas. No, Mr. President; the Senator from South Dakota has had his opportunity, and the RECORD will have to show that the Senator from South Dakota was not familiar with the substitute.

Mr. CASE of South Dakota. The Senator still has his doubts.

Mr. BYRD. Mr. President, I yield 1 minute to the Senator from South Dakota.

The PRESIDING OFFICER. The Senator from South Dakota is recognized for an additional minute.

Mr. CASE of South Dakota. Mr. President, I had been proceeding under the assumption that the amendment of the distinguished Senator from Texas would take care of all kinds of "bloopers." Now I find that it, itself, has to have all kinds of amendments—in fact, I do not know how many more amendments it will need—if it is to avoid all kinds of "bloopers."

So I think that instead of adding something, the effect of which we do not know, we should take the straight course, rather than make corrections and additions, when there is scarcely time for us to consider them.

Mr. BYRD. Mr. President, how much time remains under my control?

The PRESIDING OFFICER. The Senator from Virginia has 11 minutes remaining under his control.

Mr. BYRD. Mr. President, I yield myself 10 minutes on the bill.

The PRESIDING OFFICER. The Senator from Virginia is recognized for 10 minutes.

Mr. BYRD. Mr. President, I have spoken before on this proposed legislation. Before the vote is taken, I wish to emphasize certain points.

First, I wish to read into the RECORD a telegram which I, as chairman of the Senate Finance Committee, have received from John C. Lynn, legislative director of the American Farm Bureau Federation. The telegram reads as follows:

WASHINGTON, D. C., *March 15, 1955.*
Senator HARRY F. BYRD,
Senate Office Building:

Based on AFBF resolutions adopted by voting delegates of member State Farm Bureaus and in view of present fiscal situation, we are opposed to any reduction in personal income tax at this time.

JOHN C. LYNN,
Legislative Director, American Farm Bureau Federation.

As Members of the Senate know, this is the largest organization of farmers in America. They have gone on record in opposition to the substitute measure because it would reduce the personal income tax at this time, thereby creating a deficit in the Federal Treasury.

Mr. President, the pending substitute is a five-barreled proposal. It would affect every single taxpayer in the United States, whether the taxpayer be an individual or a corporation. Yet not a single one of those five barrels was presented to the Senate Finance Committee for consideration. One amendment was offered, to a limited degree attaching itself to one of these barrels, namely, the amendment offered by the Senator from Louisiana [Mr. LONG], to extend the 5-percent rate on corporations from April 1, 1956, to July 1, 1956. That was defeated in the committee by a 2-to-1 vote because we said that there had been no hearings on that question. Let me repeat that, of all five barrels of the proposal, not a single one was presented to the Finance Committee. I cannot say why that was. Six members of the Finance Committee are sponsors of the substitute proposal.

Mr. President, I have had the honor to be a member of the Senate Finance Committee for 22 years. Those who serve on that committee know how important it is to consider every detail, every item, and to have hearings on matters of such vast importance, affecting, as I have said, every single taxpayer in the United States.

Much has been said today about the accelerated depreciation allowance. A few moments ago my distinguished friend from Minnesota [Mr. HUMPHREY] said that there is only a 1 percent advantage to some farmers who own machinery.

If we analyze the pending individual income tax proposal, we find that it would give an advantage of 6 cents a day. It is a "Coca Cola" advantage. There would be just about enough in the $20 allowance to those who make the returns to buy a Coca Cola a day. They would receive only 6 cents benefit as a result of all the debate we have heard on the floor of the Senate regarding this subject. The dependents would receive a benefit of 3 cents a day. One would receive 6 cents a day, and the other 3 cents a day.

I should like to say a word about rapid depreciation. That question was carefully considered in the Finance Committee last year. The Senator from Oregon [Mr. MORSE] moved to strike it out of the bill. What happened? Sixty Senators voted against striking the provision. Sixty Senators less than a year ago voted for this provision. Four of those Senators are now sponsors of the pending amendment, to strike it out now. The distinguished majority leader [Mr. JOHNSON of Texas], for whom I have the greatest personal affection, is the chief sponsor of the substitute; yet last year he voted to leave the accelerated depreciation provision in the bill, as did three other sponsors of this amendment.

I wish to quote a man in whom I think all of us have the greatest confidence. For many years he served as chairman of the Senate Finance Committee. Yesterday I stated on the floor of the Senate that I think the senior Senator from Georgia [Mr. GEORGE] has performed a service to his country, rarely if ever equaled in the United States Senate. If there is a Member of the Senate or anyone anywhere who desires to do justice to all the elements of our population, and economy, it is the senior Senator from Georgia. This is what he said with respect to rapid depreciation, on the floor of the Senate on July 2, 1954, in discussing the bill then pending:

> But certainly there are in the bill some provisions in regard to matters that have long called for remedial treatment. One is the loss carry back and loss carry forward provisions, which tend to equalize the actual taxes or taxable profits of taxpayers. Another is the depreciation provision. It might have been possible that the depreciation provision could have been written in somewhat a different way which might have appealed to many persons as being a bit more equitable; but certainly it is highly desirable to make it possible for industries, shops, and producers in the United States to be able to provide new machines, and new machine tools, every 10 years. I think that would be a great forward step in our economy.

That comes from a man who, I believe, knows more about taxation that any other Member of the Senate, and perhaps more than any other Member of Congress. The Senator from Georgia has been a member of the Committee on Finance since 1922. His service has been long and distinguished.

Before I take my seat I wish to say a word as to the claim which has been made that the proposed substitute is a budget-balancing proposal. I differ emphatically and entirely with my distinguished colleagues who make such a statement. I wish to list again, as I did yesterday, a few of the reasons why I take that position.

It is plain that, as a budget-balancing measure, it must not only balance the loss it would bring about, but the entire budget of the United States Government, and put it on a pay-as-you-go basis, so to speak.

The first claim made is that by the repeal of the so-called error there would be a revenue gain—and it is written in plain words—of $1 billion.

We have not lost anything yet. Legislation is pending to correct the error. I have given my pledge, as chairman of the Senate Committee on Finance, that the repeal measure, which will be retroactive when it comes to the Senate, will be reported immediately. If we have not lost anything, how can we gain something that we have not lost? So I submit that the purported revenue gain of $1 billion is a complete fallacy.

The proponents of the substitute say that because they would extend taxes on corporations, on automobiles, on liquor, on cigarettes, and so forth, by 1 year and 3 months, they would bring about a revenue gain of $3,500,000,000. I submit that that is not a bona fide revenue gain. Those taxes were imposed as Korean war taxes. It was intended to review them every year. If there is need for their renewal next year, they will be renewed. So no real revenue gain is involved in that proposal. If that theory is correct, why not extend such taxes for 10 years? Then they could claim revenue gain of $35 billion, and we could start to pay off the public debt.

It is claimed that as a result of the repeal of the rapid depreciation provision there would be a revenue gain of $1,075,000,000. I take issue with that claim, because, in the long run, there will not be a single dollar of loss to the Federal Government.

The PRESIDING OFFICER. The time of the Senator from Virginia has expired.

Mr. BYRD. I yield myself 1 additional minute.

In the long run, there will not be a single dollar of loss to the Federal Government by reason of the rapid depreciation provision, because the amount due will be collected by the Government in full.

I therefore submit that there is only one item in this proposal which represents an actual saving to the Government, and that is the repeal of the dividend tax credit. The income-tax provision in the substitution measure will cost the Treasury Department $600 million a year, as I showed in detail in my speech to the Senate yesterday.

Mr. President, I ask unanimous consent to have printed in the body of the RECORD certain statements with respect to the pending legislation.

There being no objection, the statements were ordered to be printed in the RECORD, as follows:

STATEMENT ON RECENT TAX REDUCTIONS

The Congress in 1954 granted tax relief in an amount of $7,400,000,000. Of this amount $2,800,000,000 or 38 percent went to corporations and $4,600,000,000 or 62 percent went to individuals. This reduction to individuals came from three different measures. First, the termination on January 1, 1954 of the rate increases made by the Revenue Act of 1951. This amounted to relief

of $3 billion. Second, the excise-tax reduction of 1954 reduced excise taxes paid by individuals by $800 million and, third, the Revenue Act of 1954 granted $800 million of relief to individuals.

The following table shows the amount of relief granted to individuals with incomes under $5,000 and over $5,000. Thirty-seven percent of this relief went to those under $5,000 who under present law pay 29 percent of the total income tax. This can be contrasted to the class over $5,000 who bear 71 percent of the burden but received 63 percent of the relief. In other words, the proportion of the relief going to those under $5,000 was greater in relation to the amount of the tax they pay.

Reduction

Income:	*Amount (billions)*
Under $5,000	$1.7
Over $5,000	2.9
Total	4.6

DECLINING BALANCE DEPRECIATION IN 1954 TAX BILL

The next item I wish to refer to is that of depreciation. Part of the so-called package amendment being offered calls for the repeal with respect to property acquired or contracted after March 9, 1955, of the provision added in the 1954 Code providing for declining balance and similar forms of rapid depreciation.

I cannot help but believe that the repeal of this provision is suggested largely as a device to make up the revenue loss resulting from the proposed individual income-tax cut. I say this because I believe that the depreciation provision generally has been quite well thought of. In fact, last year when an amendment was offered in the Senate to strike this provision from the Internal Revenue Code of 1954, it was rejected by the Senate by a vote of 60 to 20. Moreover, I looked among the names of those who then wanted to strike this provision and failed to find the names of any of the six sponsors of the present amendment. Moreover, the senior Senator from Illinois, who has taken an active part in the debate favoring this amendment, not only supported this provision last year but also proposed a still more rapid writeoff for farm machinery.

Declining balance depreciation is beneficial to all business but is particularly important to small business—to the farmer, to the storekeeper, and to the individual renting property, including sole proprietors and partnerships. The rapid tax-free recovery of the cost of assets is vital to small businesses because of their ever-pressing need for capital. In this connection let me quote from a report of the House Small Business Committee relating to the effect of the tax structure on small business. This was in 1953 before the declining balance provision was under consideration. I am quoting from pages 7 and 8 of that report:

"The speed of the tax-free recovery of costs is of critical importance with respect to the willingness to incur risk, the working capital position, and ability of a business to borrow. A liberalization of present rules governing depreciation which would allow management greater discretion, would increase total investments, particularly in risky ventures, would stimulate a generally higher level of national income and economic activity, and would also remove sources of irritation and fruitless controversy in the administration of the tax laws. Of equal importance, a more liberal depreciation policy would ease the financial problems of many small concerns. The working capital which could be plowed back into business operations or used to ride out bank loans would be increased. More rapid tax-free recovery of investment outlays would greatly reduce the investment risk. The credit position of small business would be improved. Such an improvement in credit position would undoubtedly permit access to bank funds for those small businesses which have no recourse to the ordinary sources of equity capital.

"The subcommittee was considerably encouraged by the statements on behalf of the Treasury Department with respect to the question of depreciation. There is no doubt but that a more liberal depreciation policy, permitting taxpayers greater flexibility in determining the period over which assets are to be depreciated, will make more attractive the investment of funds in small business."

Declining balance depreciation is not new. It is only the more liberal use of this depreciation which is new. Prior to the 1954 Code this method of depreciation was permitted but was limited to 150 percent of straight-line depreciation. Actually, there is a considerable body of evidence that this type of depreciation more nearly conforms to reality than the so-called straight-line depreciation which divides the depreciation up evenly over the life of the asset. The declining-balance depreciation allows twice the straight-line depreciation the first year but in the second year this rate is applied only to the undepreciated portion of the asset. Thus, it is smaller than in the first year. In the third year the rate is applied to a still smaller base, and so on. In this manner the depreciation taken with respect to an asset becomes smaller and smaller each year.

It is important to note that this declining-balance method allows no more depreciation than the straight-line method. In both cases the taxpayer can write off only his cost of the asset. The advantage to the taxpayer arising from the use of this form of depreciation arises entirely in the timing of the depreciation deduction. Under the declining-balance method he receives a larger portion of the depreciation in the early life of the asset. For example, about 40 percent of the cost of an asset is depreciated in the first quarter of its life instead of the 25 percent which would occur under the straight-line method; about two-thirds of an asset is depreciated in the first half of the life of an asset under this method rather than only 50 percent.

This concentration of the depreciation in the early life of an asset conforms with actual experience. All of us know, for example, that because of obsolescence, the value of a motorcar declines more rapidly in the forepart of its life than in later years. This same principle applies to all equipment.

I have already pointed out the need for declining-balance depreciation by small business. I should like to discuss now the need for this depreciation by the economy as a whole. In my opening remarks on this tax bill last Thursday I pointed out that gross private domestic investment has been tapering off since reaching a peak in 1951 because of the Korean war. However, I pointed out that in the fourth quarter of 1954 this trend appeared to be reversed. In this quarter, investment, on an annual basis and seasonally adjusted, increased by more than $4 billion. I believe that the new depreciation methods provided in the 1954 Code were an important factor in accounting for this reversal. I believe a repeal of these provisions now would have a most serious adverse effect on investment.

The importance of a relatively rapid writeoff for depreciable assets has been quite generally recognized and various forms of faster write-offs of fixed assets have been almost universally adopted in recent years by other countries with modern income tax systems. Among such countries are Great Britain, Canada, and Sweden. Canada, for example, adopted a declining-balance provision which is quite similar to the provision which the amendment under consideration would repeal.

One aspect of the revenue loss involved deserves close attention. As previously indicated this loss arises only because of a change in the timing of depreciation deductions. With respect to any asset the total deductions which may be taken are no different than under prior law. However, a larger portion of the deductions are taken earlier in the asset's life. This results in an increasing revenue loss for a period of time until most assets have been replaced. After that time there is a continuing loss only to the extent of the growth in investment. Thus, this decrease in revenue is entirely a matter of timing. In the past when there have been changes which resulted in a speed-up in revenue collections these were ignored because they did not affect tax liabilities. Thus, under the Mills plan, upon the advice of Mr. Snyder, then Secretary of the Treasury, the pickup in revenue under the corporate tax was ignored. Similarly, last year when a further speedup of corporate tax collections was scheduled, the $100 million or so of revenue gain was ignored. I point this out to show that while there is a revenue impact from these depreciation provisions, it is of a different nature from those losses which affect tax liabilities and permanently result in smaller annual revenues.

This provision affects an estimated 9,600,000 individuals and partnerships and 600,000 corporations. Provisions which have such a wide application, even apart from the reasons I have already given you, should not in my opinion be repealed without adequate hearings.

SO-CALLED DEPRECIATION LOOPHOLE IN 1954 TAX BILL

From the debate it appears that there is some confusion as to the application of the depreciation provisions of the Revenue Act of 1954.

I would like to make it clear that the new provision in the 1954 code applies only to new property. Thus, where a taxpayer acquires a new asset, elects the rapid write-off under the 1954 code, and then sells the asset to another person, the buyer of such asset is prohibited from using the new methods for accelerated depreciation by virtue of section 167 (c) of the 1954 code. This property in the hands of the purchaser is not treated as new property unless the original use commences with the taxpayer after December 31, 1953. It is true that if the purchaser of this property from the original already sells it, he is entitled to capital gains treatment on the gain. However, the capital gain treatment provided in the case of the sale of depreciable property is not changed by the 1954 Code.

Section 167 (c) of the Internal Revenue Code of 1954 also does not apply the new depreciation rules to property having a life of less than 3 years.

EXPLANATION OF THE SUBSTITUTE PROPOSAL

It is, of course, quite obvious that the proposed extension of the corporate and excise rates for 27 months instead of 12, the denial of the accelerated depreciation and the repeal of the dividend exclusion and credit are provided in the amendments of the Senator from Texas only to offset the revenue loss involved in the proposed individual income-tax relief.

Thus, all this change is proposed basically because of the desire to provide tax relief which, for a married taxpayer, amounts to

only 19 cents a week for the taxpayer, his spouse, and each of his dependents.

The offsetting, at least to some extent, of the relief proposed for individuals by these other measures appears to be an admission that there is no impelling overall economic need for a tax cut at this time. I do not, as I will explain later, consider the revenue-raising provisions in the amendment as full offsets to the revenue loss involved in the individual income-tax cut.

The individual income-tax cut proposed allows the taxpayer a $20 credit for himself and a $10 tax credit for each of his dependents. However, only one tax credit of $20 is to be allowed a married couple, whether they file joint or separate returns. The proposed amendment presents a rather interesting problem where a married couple are filing separate returns and are in disagreement as to who should claim the $20 credit. In such a case the amendment would make the Secretary of the Treasury the arbitrator between the husband and wife as to which one was supposed to get this credit. Thus, where there is a dispute between husband and wife the law forces the Secretary to make a decision in a purely domestic family matter from which no appeal can be taken unless one or the other of the spouses can convince the court that the Secretary has acted arbitrarily.

Probably the factor which raises the greatest difficulty in subsection (e) in the proposed new section 38. This subsection provides that this $20 tax credit in the case of a married couple filing a joint return, a head of household, or a surviving spouse is to be reduced by the income-splitting tax benefit derived by the taxpayer. Nothing at all is said about reducing the credit in the case of married couples living in community-property States who file separate returns and in effect receive income-splitting benefits under the operation of their State laws. This raises again the whole question of equality of tax treatment of married couples in community-property and common-law States which was argued so strenuously in 1948, finally resulting in the passage of an act which equalized the situation in common-law and community-property States. The Johnson amendment would restore to the community-property States part of the advantages they previously enjoyed. It would enable taxpayers in those States, because of the community-property law, to split their incomes, file separate returns, and receive the benefits of the $20 and $10 credits provided by this new section 38 without any reduction on account of income-splitting benefits which they receive by operation of their State laws rather than by operation of the tax law. This is an example of the inconsistencies which are bound to creep into legislation which is drawn without adequate committee consideration.

Still another issue relates to the use of the optional tax table and the withholding tax tables. The optional tax table is the table on the short tax form which most taxpayers with incomes of $5,000 or under use in computing their tax. This table is built up in a manner which shows across the top the number of exemptions claimed. A taxpayer can then determine his tax by looking down the left hand column and over to the column indicating the proper number of exemptions. It is impossible to do this with the type of tax credit proposed because this proposal drops the uniform allowance per exemption. A taxpayer, if single, may receive $20, or if married but filing a separate return perhaps $20, perhaps $10, or perhaps nothing. Moreover, it differs from the regular exemption system in that taxpayers over 65 or those who are blind, although receiving an additional $600 exemption, do not receive an additional credit. Also, the allowance per dependent is $10 instead of $20. As a result it is impossible to build into this optional tax table the credits proposed. This means that all of these taxpayers with incomes of $5,000 or under will not only have to use the tax table as they previously have done, but in addition, will be required to make a new tax computation. This presents difficult compliance problems for the small taxpayer and means additional errors which the administrators must find and correct.

Still further problems are raised with respect to the withholding system and this is probably more serious than the optional tax table problem. The withholding tables are basically similar to the optional tax table, which I have already described, but of course are on a weekly, semi-monthly, or similar monthly basis. They provide for the withholding of approximately the correct amount of tax for those whose income is taxable only at the first bracket rate. The factors which will make it practically impossible to prepare adequate withholding tables are the following:

1. The tax of either spouse cannot be computed until the Secretary makes a finding as to which spouse is entitled to the $20 credit.

2. The tax of married couples living in common-law states and heads of households cannot be determined until the amount of their tax benefit derived from income splitting is found, because under the amendment the $20 credit must be reduced to this extent.

3. The $20, $10, or $0 tax credit allowed by the amendment provides so many variations that it is difficult to see how the credit can be worked into the present withholding system.

The amendment does not attempt to answer these problems. It requires that the tables be prepared under regulations of the Treasury. I suspect that the Treasury is being asked to do the impossible. It may be, however, through the substitution of a whole book of withholding tables in place of the present single table for each type of pay period, that it will be possible to withhold for this credit. I, however, want no part of the violent criticism which seems to me will almost inevitably be raised by employers throughout the country if they have to hunt through a book for each employee in order to find the correct withholding table.

The substitute amendment would require the Secretary of the Treasury to be the arbitrator. A Cabinet officer of the United States Government would be required by the substitute amendment to settle a purely domestic family dispute.

DIVIDEND PROVISION

I come next to the amendments dealing with the repeal of the dividend exclusion and the dividend credit. You will recall that under existing law, $50 of dividends received during the year are excluded from income and the balance of the dividend received during the year are granted a 4-percent credit against the tax. These provisions are repealed effective July 1, 1955. I recall that I was one of those who opposed adopting this provision last year. This was not because I was opposed to the principle of preventing double taxation of dividends (a principle which is firmly embedded in the tax laws of Canada and Great Britain), but because I was particularly concerned about the effect of the loss from this provision upon the budget. However, the provision was enacted over my opposition. It is now a part of the tax law. In my opinion it will be very unfortunate to repeal this provision now, without giving interested parties in favor of the provision an opportunity to be heard.

Whatever views are held on the wisdom of the dividend credit at the time of its enactment, wise tax policy and fiscal statesmanship dictate that the measure be given a fair trial. Instability in revenue legislation can cause chaos in financial and business affairs, not only for corporations, both large and small, but also for the average individual taxpayer. The need for certainty in financial planning cannot be overemphasized.

I do not necessarily subscribe to all the arguments advanced by the proponents of the dividend credit provision last year. However, the dividend provisions are now written into our tax law. I believe it only fair to wait and see what their effects will be. Will they stimulate a new flow of venture capital? Will they help to reverse the trend toward debt financing? It is too soon to judge at this time. If we subsequently find that the dividend provisions have not accomplished the beneficial results their proponents have claimed, it will then be time to reconsider our action and to take the necessary steps to modify or repeal. Precipitous action to repeal at this time seems clearly unwise. It could invoke the criticism of taxpayers throughout the Nation who look to us for wise and considered statesmanship in fiscal affairs.

I wish to insert at this time a short history of the taxation of dividends. It shows that relief was granted from double taxation of dividends in the Revenue Act of 1913 under the leadership of Cordell Hull. It was continued until the Revenue Act of 1936 when an undistributed profits tax was imposed which allowed a credit for dividends paid out. It had not been revived since the repeal of the undistributed profits tax until last year.

HISTORY OF TAXATION OF DIVIDENDS

The statement has been made that the 4-percent dividend credit is unique in our tax history in that it favors investment income more than earned income.

This statement is refuted by the history of the tax treatment of dividends. Beginning with the first income tax act under the 16th amendment, the Revenue Act of 1913, authorship of which was popularly ascribed to Cordell Hull, dividends were subject only to surtax. The 1913 act permitted individuals to deduct corporate dividends from their net income in arriving at taxable income for normal tax purposes. In the 1916 act and in subsequent revenue acts until 1936, individuals were allowed a credit against net income for normal tax purposes of the corporate dividends they received. This had the effect of subjecting the dividends to tax only for purposes of the surtax. This treatment was continued until 1936. At that time the Revenue Act of 1936 enacted the short-lived corporate undistributed profits tax and at the same time eliminated the credit granted to individuals for normal tax purposes for dividends received from corporations. When the undistributed profits tax was repealed in 1939 the credit for dividends previously granted to individuals was not reinstated.

During the period from 1913-36, when corporate dividends received by individuals were, in effect, exempt from normal tax, the normal tax rate varied from 1 percent to as high as 12 percent. It is interesting to note that at the time the credit was eliminated in 1936 the normal tax rate was 4 percent. Exemption from a normal tax rate of 4 percent is equivalent to allowing a credit against tax of 4 percent for dividends received. In other words, the present dividends received credit accomplishes the same result as the exemption of dividends from normal tax from 1913 to 1936, and the 4-percent rate of the current tax credit is exactly the same as the normal tax rate at the time the credit for dividends was eliminated in 1936. The following table shows the normal tax rate on individuals for the years 1913-36. As I have indicated, corporate dividends were, in effect, exempt from normal tax during the whole of this period.

Year (inclusive)	Top normal tax rate	Normal tax rate progression
	Percent	
1913 to 1915	1	None.
1916 to 1917	2	None.
1918	12	6 percent on 1st $4,000; 12 percent in excess of $4,000.
1919 to 1923	8	4 percent on 1st $4,000; 8 percent in excess of $4,000.
1924	6	2 percent on 1st $4,000; 4 percent on next $4,000.
1925 to 1928	5	1½ percent on 1st $4,000; 3 percent on next $4,000; 5 percent on balance.
1929	4	½ percent on 1st $4,000; 2 percent on next $4,000; 4 percent on balance.
1930 to 1931	5	1½ percent on 1st $4,000; 3 percent on next $4,000; 5 percent on balance.
1932 to 1933	8	4 percent on 1st $4,000; 8 percent in excess of $4,000.
1934 to 1935	4	None.

Mr. JOHNSON of Texas. Mr. President, how much time remains?

The PRESIDING OFFICER. The Senator from Texas has 4 minutes remaining.

Mr. JOHNSON of Texas. I yield myself the remaining 4 minutes.

Mr. President, it has long been the cornerstone of traditional Democratic policy that taxes should be levied in accordance with ability to pay. That is what the 6 members of the Finance Committee who signed the minority report have in mind in the substitute.

We tried to carry out that principle last year. We tried to carry out that principle in the amendment offered by the distinguished senior Senator from Georgia [Mr. GEORGE], to whom the Senator from Virginia [Mr. BYRD] has just referred.

In closing the debate on the George amendment, the amendment which would have provided an increase of $100 in the exemptions for each taxpayer in the land and each dependent, in lieu of the stockholders' provision in last year's bill—the dividend provision which we seek to strike from the bill today—the senior Senator from Georgia had the following to say:

> How are we to balance the budget unless we have an economy that will enable the people of the Nation on a per capita basis to pay for the products of the mills and factories? * * * In this America, in this free economy, have we become so accustomed to luxury and extravagant spending and living that we cannot see the long arm of the tax gatherer as it descends into the breadbasket of the poor in this country?

Yes, Mr. President, that was said by the man who the chairman of the Committee on Finance said knows more about taxes than any other man in Congress. With that statement I fully agree.

Cannot we see, Mr. President, the long arm of the tax gatherer as it descends into the breadbasket of the poor?

That proposal last year failed of enactment. This is the first opportunity we have had this year to do anything about it, inasmuch as the House of Representatives has the responsibility of initiating tax legislation.

We took the present administration seriously when it criticized the House amendment on the ground that there was no revenue set aside to pay for the tax benefits the House bill granted. The members of the Committee on Finance constituting the minority got together to work out a means of providing that revenue. They provided it by proposing to strike from the 1954 Revenue Act the special privilege section on dividends, which we attempted to strike out last year, and by striking from the 1954 Revenue Act the accelerated depreciation provision. In that way we would gain enough revenue to distribute $900 million to a group of people who are in the greatest need.

The distinguished chairman of the Committee on Finance has stated that it just represents a Coca Cola. Not until today did I know that some people begrudge the needy even a Coca Cola. In one breath they say the substitute would cause ruinous inflation, and in the next breath they say that it amounts to only a 6-cent Coca Cola.

Mr. President, the issue is clear. The question the Senate will decide today will be read and understood by the people of this Nation in the months to come. The question is: Shall we favor the accelerated depreciation provision and the dividend provision, in preference to a provision which benefits all the people?

Mr. President, we believe we can summarize the question very clearly. It is whether we believe all taxes should be raised on the principle of ability to pay, or on the principle of the bigger the company the bigger the dividend.

The PRESIDING OFFICER (Mr. PASTORE in the chair). All time for debate has expired.

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The Chief Clerk called the roll and the following Senators answered to their names:

Aiken	Fulbright	McNamara
Allott	George	Millikin
Anderson	Goldwater	Monroney
Barkley	Gore	Morse
Barrett	Green	Mundt
Beall	Hayden	Murray
Bender	Hennings	Neely
Bennett	Hickenlooper	Neuberger
Bible	Hill	O'Mahoney
Bricker	Holland	Pastore
Bridges	Hruska	Payne
Bush	Humphrey	Potter
Butler	Ives	Purtell
Byrd	Jackson	Robertson
Capehart	Jenner	Russell
Carlson	Johnson, Tex.	Saltonstall
Case, N. J.	Johnston, S. C.	Schoeppel
Case, S Dak.	Kefauver	Scott
Chavez	Kerr	Smathers
Clements	Kilgore	Smith, N. J.
Cotton	Knowland	Sparkman
Curtis	Kuchel	Stennis
Daniel	Langer	Symington
Dirksen	Lehman	Thurmond
Douglas	Long	Thye
Duff	Magnuson	Watkins
Dworshak	Malone	Welker
Eastland	Mansfield	Wiley
Ellender	Martin, Iowa	Williams
Ervin	Martin, Pa.	Young
Flanders	McCarthy	
Frear	McClellan	

Mr. CLEMENTS. I announce that the Senator from Massachusetts [Mr. KENNEDY] is absent by leave of the Senate because of illness.

Mr. SALTONSTALL. I announce that the Senator from Maine [Mrs. SMITH] is absent by leave of the Senate.

The PRESIDING OFFICER. A quorum is present. The question is on agreeing to the amendment in the nature of a substitute proposed by the Senator from Texas [Mr. JOHNSON] on behalf of himself and other Senators, as a substitute for sections 2, 3, 4, and 5 of the bill.

Mr. JOHNSON of Texas. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk called the roll.

Mr. CLEMENTS. I announce that the Senator from Massachusetts [Mr. KENNEDY] is absent by leave of the Senate because of illness.

Mr. SALTONSTALL. I announce that the Senator from Maine [Mrs. SMITH] is absent by leave of the Senate, and, if present and voting, the Senator from Maine would vote "nay."

The result was announced—yeas 44, nays 50, as follows:

YEAS—44

Anderson	Hill	Monroney
Barkley	Humphrey	Morse
Bible	Jackson	Murray
Chavez	Johnson, Tex.	Neely
Clements	Johnston, S. C.	Neuberger
Daniel	Kefauver	O'Mahoney
Douglas	Kerr	Pastore
Eastland	Kilgore	Russell
Ervin	Langer	Scott
Frear	Lehman	Smathers
Fulbright	Long	Sparkman
Gore	Magnuson	Stennis
Green	Mansfield	Symington
Hayden	McClellan	Thurmond
Hennings	McNamara	

NAYS—50

Aiken	Dirksen	McCarthy
Allott	Duff	Millikin
Barrett	Dworshak	Mundt
Beall	Ellender	Payne
Bender	Flanders	Potter
Bennett	George	Purtell
Bricker	Goldwater	Robertson
Bridges	Hickenlooper	Saltonstall
Bush	Holland	Schoeppel
Butler	Hruska	Smith, N. J.
Byrd	Ives	Thye
Carlson	Jenner	Watkins
Capehart	Knowland	Welker
Case, N. J.	Kuchel	Wiley
Case, S. Dak.	Malone	Williams
Cotton	Martin, Iowa	Young
Curtis	Martin, Pa.	

NOT VOTING—2

Kennedy Smith, Maine

So the amendment in the nature of a substitute proposed by Senator JOHNSON of Texas on behalf of himself and other Senators was rejected.

Mr. BYRD. Mr. President, I move that the vote by which the amendment was rejected be reconsidered.

Mr. KNOWLAND. I move to lay on the table the motion of the Senator from Virginia.

The PRESIDING OFFICER. The question is on the motion of the Senator from California [Mr. KNOWLAND] to lay on the table the motion of the Senator from Virginia [Mr. BYRD].

The motion to lay on the table was agreed to.

Mr. GORE. Mr. President, I have an amendment at the desk——

Mr. KNOWLAND. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. KNOWLAND. My inquiry is, Does not the vote now come on the committee amendments?

The PRESIDING OFFICER. That is correct.

The question is on agreeing to the committee amendments to strike out sections 4 and 5.

Mr. KNOWLAND. Mr. President, on that question I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. BYRD. Mr. President, I desire to make a brief statement. The committee amendment proposes to strike out the so-called $20 tax deduction as passed by the House of Representatives, which would result in a loss to the Treasury of approximately $2,100,000,000.

I sincerely hope that the amendment which was adopted by the Senate Committee on Finance, rejecting the action of the House, will be agreed to by the Senate.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. BYRD. I yield.

Mr. KNOWLAND. As I understand, the amendment on which the Senate is about to vote is the committee amendment, which strikes out the language of the House bill providing for a $20 deduction. Is that correct?

Mr. BYRD. The committee amendment strikes out that provision of the House bill.

Mr. KNOWLAND. A vote of "yea" would be a vote to strike out the $20 deduction provided by the House. Is that correct?

Mr. BYRD. Yes. The Senate Committee on Finance vote on the amendment was 9 to 6.

Mr. GORE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Tennessee will state it.

Mr. GORE. Is an amendment to H. R. 4259 now in order; or must the committee amendment be voted upon first? If an amendment to H. R. 4259 is not now in order, when will it be in order?

The PRESIDING OFFICER. The Chair is advised that amendments to sections 4 and 5 of the committee amendment are in order.

Mr. GORE. I thank the Chair.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment. The yeas and nays having been ordered, the clerk will call the roll.

The legislative clerk called the roll.

Mr. CLEMENTS. I announce that the Senator from West Virginia [Mr. KILGORE] is absent on official business.

The Senator from Massachusetts [Mr. KENNEDY] is absent by leave of the Senate because of illness.

I announce further that on this vote the Senator from West Virginia [Mr. KILGORE], if present and voting, would vote "nay."

Mr. SALTONSTALL. I announce that the Senator from Maine [Mrs. SMITH] is absent by leave of the Senate, and, if present and voting, the Senator from Maine would vote "yea."

The result was announced—yeas 61, nays 32, as follows:

YEAS—61

Aiken	Bennett	Byrd
Allott	Bible	Capehart
Anderson	Bricker	Carlson
Barrett	Bridges	Case, N. J.
Beall	Bush	Case, S. Dak.
Bender	Butler	Cotton
Curtis	Hruska	Robertson
Daniel	Ives	Russell
Dirksen	Jenner	Saltonstall
Duff	Knowland	Schoeppel
Dworshak	Kuchel	Smith, N. J.
Eastland	Malone	Stennis
Ellender	Martin, Iowa	Thurmond
Ervin	Martin, Pa.	Thye
Flanders	McCarthy	Watkins
Frear	McClellan	Welker
George	Millikin	Wiley
Goldwater	Mundt	Williams
Gore	Payne	Young
Hickenlooper	Potter	
Holland	Purtell	

NAYS—32

Barkley	Johnson, Tex.	Morse
Chavez	Johnston, S. C.	Murray
Clements	Kefauver	Neely
Douglas	Kerr	Neuberger
Fulbright	Langer	O'Mahoney
Green	Lehman	Pastore
Hayden	Long	Scott
Hennings	Magnuson	Smathers
Hill	Mansfield	Sparkman
Humphrey	McNamara	Symington
Jackson	Monroney	

NOT VOTING—3

Kennedy	Kilgore	Smith, Maine

So the committee amendment was agreed to.

Mr. BYRD. Mr. President, I move that the vote by which the committee amendment was agreed to be reconsidered.

Mr. KNOWLAND. Mr. President, I move to lay on the table the motion to reconsider.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from California [Mr. KNOWLAND] to lay on the table the motion of the Senator from Virginia [Mr. BYRD].

The motion to lay on the table was agreed to.

LEGISLATIVE PROGRAM FOR THE REMAINDER OF TODAY AND FOR TOMORROW

Mr. JOHNSON of Texas. Mr. President, I wish to make inquiry as to how many amendments there are at the desk.

The PRESIDING OFFICER. I am informed there are five printed amendments at the desk.

Mr. JOHNSON of Texas. Mr. President, if all those amendments should be called up and the full time taken on each amendment, both the pros and cons, we would be unable to finish unless the Senate sat late in the evening. I am hopeful that if only 2 or 3 of them are called up we may complete action on the bill today.

I should like to say, for the information of the Senate, that I have conferred with the minority leader and he is agreeable to the position I shall state. If it is possible to complete action on the bill by sitting until 7 or 8 o'clock this evening, the Senate will be requested to do so. If not, debate on the bill will go over until tomorrow.

Should the Senate complete action on the bill today, it is planned to consider the nomination of Judge Harlan to be a Justice of the Supreme Court tomorrow; and if action on that nomination is concluded, it is then planned to consider the nomination of Mr. Campbell to be Comptroller General.

Following action on those nominations, the Senate is expected to consider certain resolutions from the Committe on Rules and Administration, but that will probably not occur until late tomorrow evening, or perhaps the next day, depending on how much debate there is on the two nominations.

TAX RATE EXTENSION ACT OF 1955

The Senate resumed the consideration of the bill (H. R. 4259) to provide a 1-year extension of the existing corporate normal tax and of certain existing excise-tax rates, and to provide a $20 credit against the individual income tax for each personal exemption.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. GORE. Mr. President, I have an amendment at the desk, which I offer and ask to have stated.

The PRESIDING OFFICER. Does the Senator from Tennessee desire that the amendment be read in full, or that it merely be printed in the RECORD?

Mr. GORE. I merely request that the amendment be printed in the RECORD.

The PRESIDING OFFICER. The amendment will be considered as having been read, and will be printed in the RECORD.

Mr. GORE's amendment is as follows:

At the end of the bill insert a new section as follows:

"SEC. . Repeal of provisions allowing credit against tax and exclusion from gross income for dividends received by individuals.

"(a) Repeal of section 34 and section 116: Effective with respect to taxable years beginning after June 30, 1955, section 34 (relating to credit for dividends received by individuals) and section 116 (relating to partial exclusion from gross income of dividends received by individuals) are hereby repealed.

"(b) Application of section 34 to taxable years beginning before July 1, 1955: Effective with respect to taxable years beginning before July 1, 1955, section 34 (a) (relating to credit for dividends received by individuals) is hereby amended to read as follows:

"'(a) General rule: Effective with respect to taxable years ending after July 31, 1954, and beginning before July 1, 1955, there shall be allowed to an individual, as a credit against the tax imposed by this subtitle for the taxable year, an amount equal to the following percent of the dividends which are received after July 31, 1954, from domestic corporations and are included in gross income:

"'(1) 4 percent, in the case of a taxable year ending before July 1, 1955.

"'(2) 2 percent, in the case of the taxable year beginning on January 1, 1955, and ending on December 31, 1955.

"'(3) In the case of a taxable year beginning before July 1, 1955, and ending after June 30, 1955 (other than one beginning on January 1, 1955, and ending on December 31, 1955), a percentage obtained by—

"'(A) multiplying 4 percent by the number of calendar months in the taxable year prior to July 1, 1955; and

"'(B) dividing the product obtained in subparagraph (A) by the total number of calendar months in the taxable year.

For purposes of this paragraph and of subsection (b) (2) (D), a calendar month only part of which falls within the taxable year (A) shall be disregarded if less than 15 days of such month are included in such taxable year, and (B) shall be included as a calendar month within the taxable year if more than 14 days of such month fall within the taxable year.'

"(c) Limitation on credit under section 34 applicable to taxable years beginning before July 1, 1955: Effective with respect to taxable years beginning before July 1, 1955, section 34 (b) (2) (relating to limitation on amount of credit) is hereby amended to read as follows:

"'(2) The following percent of the taxable income for the taxable year:

"'(A) 2 percent, in the case of a taxable year ending before January 1, 1955.

"'(B) 4 percent, in the case of a taxable year ending after December 31, 1954, and before July 1, 1955.

"'(C) 2 percent, in the case of the taxable year beginning on January 1, 1955, and ending on December 31, 1955.

"'(D) In the case of a taxable year beginning after December 31, 1954, and before July 1, 1955, and ending after June 30, 1955 (other than one beginning on January 1, 1955, and ending on December 31, 1955), a percentage obtained by—

"'(i) multiplying 4 percent by the number of calendar months in the taxable year prior to July 1, 1955; and

"'(ii) dividing the product obtained in clause (i) by the total number of calendar months in the taxable year.'

"(d) Application of section 116 to taxable years beginning before July 1, 1955: Effective with respect to taxable years beginning before July 1, 1955, section 116 (a) (relating to partial exclusion from gross income of dividends received by individuals) is hereby amended to read as follows:

"'(a) Exclusion from gross income: Effective with respect to any taxable year ending after July 31, 1954, and beginning before July 1, 1955, gross income does not include amounts received by an individual as dividends from domestic corporations, to the extent that the dividends do not exceed—

"'(1) $50, in the case of a taxable year ending before July 1, 1955.

"'(2) $25, in the case of the taxable year beginning on January 1, 1955, and ending on December 31, 1955.

"(3) In the case of a taxable year beginning before July 1, 1955, and ending after June 30, 1955 (other than one beginning on January 1, 1955, and ending on December 31, 1955), an amount obtained by—

"'(A) multiplying $50 by the number of calendar months in the taxable year prior to July 1, 1955; and

"'(B) dividing the product obtained in subparagraph (A) by the total number of calendar months in the taxable year.

For purposes of this paragraph, a calendar month only part of which falls within the taxable year (i) shall be disregarded if less than 15 days of such month are included in such taxable year, and (ii) shall be included as a calendar month within the taxable year if more than 14 days of such month fall within the taxable year.

If the dividends received in a taxable year exceed the amounts prescribed in paragraph (1), (2), or (3), as the case may be, the exclusion provided by this subsection shall apply to the dividends first received in such year.'

"(e) Technical amendments.—

"(1) The table of sections to part IV of subchapter A of chapter 1 is hereby amended by striking out

"'SEC. 34. Dividends received by individuals.'

"(2) Section 35 (b) (1) is hereby amended by striking out 'the sum of the credits allowable under sections 33 and 34' and inserting in lieu thereof: 'the credit allowable under section 33.'

"(3) Section 37 (a) is hereby amended by striking out 'section 34 (relating to credit for dividends received by individuals),'.

"(4) The table of sections to part III of subchapter B of chapter 1 is hereby amended by striking out

"'SEC. 116. Partial exclusion of dividends received by individuals.'

"(5) Section 301 (f) is hereby amended by striking out paragraph 4.

"(6) Section 584 (c) (2) is hereby amended—

"(A) by striking out the heading and inserting in lieu thereof 'partially tax-exempt interest.—';

"(B) by striking out 'in the amount of dividends to which section 34 or section 116 applies, and'; and

"(C) by inserting a comma after 'interest' in the first sentence.

"(7) Section 642 (a) is hereby amended by striking out paragraph (3).

"(8) Section 643 (a) is hereby amended by striking out paragraph (7).

"(9) Section 702 (a) (5) is hereby amended by striking out 'a credit under section 34, an exclusion under section 116, or.'

"(10) Section 854 (a) is hereby amended by striking out 'section 34 (a) (relating to credit for dividends received by individuals), section 116 (relating to an exclusion for dividends received by individuals), and.'

"(11) Section 854 (b) is hereby amended by striking out 'the credit under section 34 (a), the exclusion under section 116, and' in paragraph (1) and by striking out 'the credit under section 34, the exclusion under section 116, and' in paragraph (2).

"(12) Section 854 (b) (3) is hereby amended by striking out subparagraph (B) and inserting in lieu thereof the following:

"'(B) The term "aggregate dividends received" includes only dividends received from domestic corporations other than any dividend from—

"'(i) an insurance company subject to a tax imposed by part I or part II of subchapter L (sec. 801 and following);

"'(ii) a corporation organized under the China Trade Act, 1922 (see sec. 941); or

"'(iii) a corporation which, for the taxable year of the corporation in which the distribution is made, or for the next preceding taxable year of the corporation, either is a corporation exempt from tax under section 501 (relating to certain charitable, etc., organizations) or section 521 (relating to farmers' cooperative associations) or is a corporation to which section 931 (relating to income from sources within the possessions of the United States) applies.

"'(C) In determining the aggregate dividends received, any amount allowed as a deduction under section 591 (relating to deduction for dividends paid by mutual savings banks, etc.) shall not be treated as a dividend.

"'(D) In determining the aggregate dividends received, a dividend received from a regulated investment company shall be subject to the limitations prescribed in subsection (a) and paragraph (2) of this subsection.'

"(13) Section 6014 (a) is hereby amended by striking out '34 or.'

"(14) The amendments made by this subsection shall apply only with respect to taxable years beginning after June 30, 1955."

Mr. MILLIKIN. Mr. President, I suggest that the proposed amendment is not in order. It violates the rule of germaneness.

The PRESIDING OFFICER. The Parliamentarian has suggested that the Chair ask the Senator from Virginia [Mr. BYRD] if he considers there is anything in the bill which would make the amendment germane.

Mr. BYRD. Mr. President, I would have to get some advice on the question.

Mr. GORE. Mr. President, I should like to be heard on this point of order.

The PRESIDING OFFICER. The Senator from Tennessee has the floor.

Mr. GORE. The bill now before the Senate, H. R. 4259, deals with tax credit. It provides for a credit of $20 for each taxpayer and for each dependent.

The amendment which I have offered would add a new section, which would repeal the tax credit for income derived from stocks of corporations.

It is difficult for the junior Senator from Tennessee to understand how one can logically argue that an amendment dealing with tax credit from one source is not germane to a bill which deals with tax credit from another source.

Therefore I suggest that an amendment to the bill, H. R. 4259, seeking to repeal the dividend tax credit, is germane.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. GORE. I yield.

Mr. MILLIKIN. I suggest there is nothing in the bill before the Senate that has to do with the "exclusion of gross income for dividends received."

Mr. GORE. Mr. President, the bill before the Senate is a revenue measure. As a part of that revenue measure the proposal seeks to extend taxes on certain corporate income, and extend excise taxes. The bill also provides a tax credit for each taxpayer. The amendment which I have offered would repeal the tax credit for each taxpayer receiving income from corporate stocks.

Where is the logic in the argument that a tax credit amendment is not germane to a tax credit provision of a bill? The bill seeks to raise and to lower revenue, depending on the source. So would the amendment which I have offered, and I respectfully suggest that though there might be some question as to whether it would be germane to the committee amendment, it is, I respectfully insist, germane to the bill, H. R. 4259; and I offer it as an additional section thereto.

Mr. MILLIKIN. Mr. President, I suggest again there is nothing in the bill which has to do with the "exclusion from gross income for dividends received."

Mr. LONG. Mr. President, I address myself to the point of order. The bill before the Senate relates to the tax which every corporation must pay, fixing schedules, as appears beginning on page 11 of the bill, which every individual in America must pay. It does not seem logical to me to contend that an amendment relating to individual incomes is not germane to a bill which fixes tax rates of corporations and of individual taxpayers in America.

Mr. GORE. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. GORE. The Senator from Louisiana has cited the tables set forth in the bill. Would not the amendment which I have offered, if adopted, affect the content of the tables which are now a part of the bill?

Mr. LONG. Of course. The amendment would be relevant to the particular tables referred to.

Mr. GORE. Can the Senator see by what logic, if any, the amendment would not be germane to the bill?

Mr. SMATHERS. Mr. President, will the Senator yield?

Mr. GORE. I yield to the Senator from Florida.

Mr. SMATHERS. Is it not a fact that during the consideration of the bill by the Committee on Finance the committee studied not only this amendment, but similar amendments, and that the amendments were germane to the question of raising revenue for the Government?

Mr. GORE. Yes.

Mr. LONG. The bill simply relates to the matter of raising revenue. The amendment relates to the tax bill. It does not deal with any extraneous issues. The bill affects the income of every individual and corporation. Certainly it seems to me an amendment relating to revenues is germane to the bill, since it relates not to extraneous issues, but only to taxation.

Mr. BYRD. Mr. President, if the Chair will read the unanimous consent agreement, it will be found that it reads in part:

> That with the exception of the amendment designated as 3–10–55—B intended to be proposed by Mr. JOHNSON of Texas (for himself and certain other Senators) and ordered printed on March 10, 1955, no amendment that is not germane to the subject matter of the said bill shall be received.

In this bill there is nothing whatever relating to the taxation of dividends or to taxes on the individual. The bill does not contain a line on that subject.

The bill relates to extension of the corporate tax, the tax on corporations. But the dividend credit or dividend tax is entirely separate from the corporate tax. The dividend tax we are now speaking about is a tax the individual pays.

So I submit the bill does not contain a line relating to a dividend tax; and the unanimous-consent agreement makes it clear that after that agreement has been accepted, it is not in order to submit such an amendment, for the agreement controls the consideration of this bill.

Mr. GORE. Mr. President, let me say that I was aware of the unanimous-consent agreement when I prepared to offer the amendment. But if the Senator from Virginia will read the last part of the unanimous-consent agreement, he will see that it reads as follows:

> No amendment that is not germane to the subject matter of the said bill shall be received.

I respectfully suggest that the amendment I have offered is not ruled out by the unanimous-consent agreement, because the amendment is germane to the subject matter of House bill 4259. It deals with the rate of taxes which individual taxpayers will pay. It also deals with tax credits. Both of them are the subject matter of House bill 4259.

Mr. BYRD. But the bill does not deal with the tax credit on dividends, Mr. President; and that is the purpose of the amendment. Nothing in the original bill has anything whatever to do, either directly or indirectly, with the so-called tax credit on dividends.

Mr. HOLLAND. Mr. President, will the Senator from Tennessee yield for a question?

The PRESIDING OFFICER (Mr. NEUBERGER in the chair). Does the Senator from Tennessee yield to the Senator from Florida?

Mr. GORE. Yes, Mr. President.

Mr. HOLLAND. What was the purpose of the Senator from Tennessee in placing in the unanimous-consent agreement these words:

> That with the exception of the amendment designated as "3–10–55–B," intended to be proposed by Mr. JOHNSON of Texas (for himself and certain other Senators) and ordered printed on March 10, 1955, no amendment that is not germane to the subject matter of the said bill shall be received.

Does not that language make it clear that the amendment is not germane to the bill?

Mr. GORE. I did not have a hand in drafting the unanimous-consent agreement, and therefore I cannot reply directly to the able Senator from Florida. However, I can express the opinion that those who drafted the unanimous-consent agreement may have had in mind the exclusion of proposed legislative amendments dealing with subjects other than taxation, although I do not know that was the case.

Mr. HOLLAND. Mr. President, will the Senator from Tennessee yield further to me?

Mr. GORE. First, Mr. President, I wish to say that I should not be surprised if some persons had had in mind preventing the offering of proposed civil-rights legislation, in connection with this bill.

Mr. HOLLAND. Mr. President, will the Senator from Tennessee yield to me at this time?

Mr. GORE. I yield.

Mr. HOLLAND. I thoroughly agree with reference to the provision that—

> No amendment that is not germane to the subject matter of the said bill shall be received.

That language clearly applies to proposed civil-rights legislation or to legislative matters in any other field.

But is it not quite correct, as a matter of the interpretation of words which are clearly stated in the unanimous-consent agreement, to say that those who drafted the agreement regarded the substitute amendment offered by the distinguished Senator from Texas [Mr. JOHNSON] and other Senators as not being germane to the subject matter of the bill?

Mr. GORE. That may be or it may not be, but that is not the question before us. The question before us is not the germaneness of an amendment which has been rejected, for that question was not raised. The question before the Senate is as to the germaneness of the amendment offered by me.

I respectfully suggest that the issue raised by the senior Senator from Florida [Mr. HOLLAND], able though he be, is extraneous to the question now before the Senate.

Mr. HOLLAND. Mr. President, will the Senator from Tennessee yield for an additional question?

Mr. GORE. Certainly.

Mr. HOLLAND. Is it not correct to say that the amendment now proposed to be offered by the distinguished Senator from Tennessee is itself a part of the so-called substitute amendment which is referred to in the unanimous-consent agreement as not being germane to the subject matter of the bill?

Mr. GORE. Mr. President, be that true or be it not true, it also is beside the point.

It is true that the amendment I have offered is taken bodily from a part of the so-called Johnson amendment, but that would not have a bearing on this question. The question of germaneness was not raised as to the Johnson amendment. Had such a question been raised, the amendment might have been ruled germane or it might have been ruled not germane on either that point or some other point. But that question is not before the Senate.

The question now before the Senate is as to the germaneness of the amendment I have offered—not the amendment offered by the senior Senator from Texas [Mr. JOHNSON].

Mr. BYRD. Mr. President, will the Senator from Tennessee yield to me at this time?

Mr. GORE. I yield to the Senator from Virginia.

Mr. BYRD. The Johnson amendment was specifically exempted from the unanimous-consent agreement. We are operating under the unanimous-consent agreement, which relates to the bill; we are not operating under the general rules of the Senate. A reading of the unanimous-consent agreement will show that the Johnson amendment was specifically exempted.

Mr. GORE. I shall be glad to read that part of the agreement. It is as follows:

> *Provided further*, That with the exception of the amendment designated as 3–10–55—B, intended to be proposed by Mr. JOHNSON of Texas (for himself and certain other Senators) and ordered printed on March 10, 1955, no amendment that is not germane to the subject matter of the said bill shall be received.

I respectfully submit that my amendment is germane.

Mr. BYRD. Now let the Senator from Tennessee read the title of the bill we are considering.

Mr. GORE. If the Senator from Virginia would like me to read the title of the bill, I shall be glad to do so.

Mr. BYRD. Yes.

Mr. GORE. The title is as follows:

> An act to provide a 1-year extension of the existing corporate normal-tax rate and of certain existing excise-tax rates, and to provide a $20 credit against the individual income tax for each personal exemption.

Mr. President, my amendment seeks to repeal a personal tax credit for each taxpayer who has income derived from corporate stocks. I respectfully suggest that the amendment is germane to the title of the bill and to the substitute.

Mr. BYRD. The title of the bill refers only to a $20 credit against the individual income-tax liability.

Mr. GORE. Nor does the title of the bill differentiate as to the sources of income for which the proposed $20 credit is to be given.

Therefore an amendment dealing with a tax credit is germane, I respectfully suggest, to a bill dealing with a tax credit.

Mr. HUMPHREY. Mr. President, will the Senator from Tennessee yield to me?

Mr. GORE. I yield.

Mr. HUMPHREY. Should the Senator from Tennessee perchance be overruled on this matter—although I do not think he should, I believe his argument to be cogent and logical—it is entirely possible to offer as a substitute an amendment embodying all the provisions of the bill before us, plus the Senator's amendment, so as to eliminate stock-dividend credits, because the agreement provides ample opportunity for the submission of such a substitute, and permits 4 hours' time, to be equally divided.

So let me suggest there are always other roads to travel, in case one should be blocked.

Mr. GORE. I thank the Senator from Minnesota, but I am willing to have the Chair rule on the point of order.

The VICE PRESIDENT. In view of the statement made by the chairman of the committee that in the bill, as passed by the House of Representatives, there is nothing dealing with the subject matter of the amendment of the Senator from Tennessee, the Chair sustains the point of order raised by the Senator from Colorado [Mr. MILLIKIN].

Mr. YOUNG. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The VICE PRESIDENT. The amendment of the Senator from North Dakota will be stated.

The LEGISLATIVE CLERK. On page 4, after line 16, it is proposed to insert a new section, as follows:

SEC. —. Payment to farmers of the amount of tax paid on gasoline used in farming.

(a) Subchapter B of chapter 65 of the Internal Revenue Code of 1954 (relating to special rules applicable to abatements, credits, and refunds) is hereby amended by renumbering section 6420 as section 6421 and by inserting after section 6419 a new section as follows:

"SEC. 6420. Gasoline.

"(a) Use in farming: Upon the use, after the date of the enactment of the Revenue Act of 1955, of gasoline in farm tractors or farm machinery or for other agricultural purposes by any person engaged in farming, the Secretary or his delegate shall pay to such person the amount of any tax paid under section 4081 with respect to such gasoline.

"(b) Cooperation with the States: Payments under subsection (a) shall be made pursuant to such rules and regulations as the Secretary or his delegate may prescribe. The Secretary or his delegate is authorized to enter into an agreement with any State which has a law authorizing payments or refunds, under conditions similar to those specified by subsection (a), of the amount of tax on gasoline imposed by such State whereby the Secretary or his delegate and the State may cooperate and exchange information with respect to payments under subsection (a) and payments or refunds under the State law."

(b) The table of sections for subchapter B of chapter 65 of the Internal Revenue Code of 1954 is hereby amended by striking out

"SEC. 6420. Cross references."

and inserting in lieu thereof the following:

"SEC. 6420. Gasoline.
"SEC. 6421. Cross references."

(c) (1) Subpart A of part III of subchapter A of chapter 32 of the Internal Revenue Code of 1954 (relating to the manufacturers' excise tax on gasoline) is hereby amended by adding at the end thereof a new section as follows:

"SEC. 4084. Cross reference.

"For payment to farmers of the amount of tax imposed under section 4081 on gasoline used in farming, see section 6420."

(2) The table of sections for such subpart is hereby amended by adding at the end thereof the following:

"SEC. 4084. Cross reference."

Mr. YOUNG. Mr. President, under existing law every farmer pays tax of 2 cents a gallon on all the gasoline which he uses for agricultural purposes. To me this is one of the most unfair taxes on our statute books today. I know of no industry, whether it be the railroads, the bus lines, or the power companies, which must pay a tax on all the fuel used in the conduct of its business.

The administration bill would extend this tax for 1 year. The Johnson substitute would have extended this tax for 27 months. That is one of the reasons why I voted against this substitute even though it contained some good provisions to lower income taxes.

The amendment I have offered would make a refund to every farmer of the 2 cents a gallon excise tax he pays on gasoline used exclusively for farming purposes. Many States have similar laws today effecting the refund of State gasoline taxes. I think the average farmer, and especially the operator of the family-sized farm, pays, under this unjust tax, an average of from $10 to $50 a year. If a farmer is a big operator, or if he has sufficient money, he will probably buy a diesel tractor. The cheapest diesel tractor costs four or five thousand dollars. If he can afford a diesel tractor, he does not pay any gasoline excise tax; or if he can afford a tractor which burns propane or butane, again he does not pay a tax. However, all the smaller farmers in the Nation, or practically all of them, burn gasoline in their tractors, combines, and other farm machinery.

Mr. CARLSON. Mr. President, will the Senator yield?

Mr. YOUNG. I yield.

Mr. CARLSON. I think it should be brought to the attention of the Senate that when in 1932 there was enacted the law placing a Federal tax on tractor gasoline, and all other gasoline used on the farms, with no exemptions, the purpose was to collect a gasoline tax for general revenue. The last session of Congress wrote into the law a section which provides that all Federal gasoline tax collections shall go for public highways. Therefore, I think the Senator's amendment is meritorious and should be given consideration.

Mr. CASE of South Dakota. Mr. President, will the Senator from North Dakota yield?

Mr. YOUNG. I am glad to yield.

Mr. CASE of South Dakota. I think possibly the distinguished Senator from Kansas was confused by the fact that when the highway bill passed the House of Representatives it carried a provision known as "linkage," in which the highway funds were related to the gasoline tax. However, that provision was dropped in the Senate version of the bill. But the Senate highway bill did increase the funds apportioned to the several States for highway purposes, until they amounted to approximately the equivalent of the anticipated revenues from gasoline taxes. However, the provision referred to was not written into the act as such.

Nevertheless, I feel that there is a great deal of merit in the amendment of the Senator from North Dakota. In fact, along with the distinguished Senator from Kansas [Mr. CARLSON], the other day I introduced a bill which contains this same provision. It provides for the exemption from the Federal gasoline tax of gasoline which is put to nonhighway use.

It should be said, however, that the Senate Committee on Public Works, through its subcommittee on roads, is at present considering the entire question of highway legislation and methods of financing. I believe that before the committee is through with that program it will have given consideration to the question of the amount of money collected from the gasoline tax, the amount provided for highway purposes, and the amount provided for farm-to-market roads.

The worst feature of the present injustice is that the extension of the 2-cent Federal gasoline tax, as is proposed by the pending bill, and the use of the revenue equivalent to that amount primarily for completion of the interstate system of highways, would be taking revenue from the farmers and dedicating it to the completion of the interstate system of highways, which is not primarily a farm-to-market road system.

Therefore, either 1 of 2 things should happen. Either we should provide for an exemption or we should provide that the secondary roads, the farm-to-market roads, should receive a larger share of the amount allocated by the Federal Government for road purposes.

Mr. YOUNG. The farmer pays the same tax as everyone else pays on gasoline used in his car or truck when operating on public highways. This is an additional tax, which he pays for the gasoline which he uses in his tractor or combine that my amendment deals with.

The gasoline bill of the average farmer is considerable. I believe it amounts to probably 20 percent or more of the total cost of his operations.

Mr. CASE of South Dakota. I may say to the distinguished Senator from North Dakota that I recently obtained figures from the highway commission of my own State. I find that the refund of gasoline taxes to farmers, so far as the State gasoline tax is concerned, is important percentagewise; and, of course, percentagewise it would be the same for both State and Federal taxes.

The percentage of gasoline which is used by the farmers of South Dakota for nonhighway purposes amounts to

28.9 percent. Obviously the same percentage would apply with respect to the Federal gasoline tax, because both taxes apply to the same gallon of gasoline. So approximately 29 percent of the gasoline purchased by the farmers of my State is used for nonhighway purposes.

Mr. BYRD. Mr. President, will the Senator yield?

Mr. YOUNG. I yield.

Mr. BYRD. I have great sympathy for this amendment. It would simply do on a national basis what is done on a State basis in every State in the Union which has a gasoline tax. However, I hope the Senator will not insist upon placing his amendment in the pending bill. The Senator is aware of the fact that we are in a difficult situation with respect to the conference with the House. As the Senator knows, the House has taken a very determined position with respect to the credit of $20 per person. This bill must go to conference. I will say to the Senator from North Dakota, as chairman of the Committee on Finance, I am in favor of the bill and that at the appropriate time I shall join him in an effort to have his proposal enacted into law. However, I hope he will not insist upon adding it to the pending bill.

Mr. YOUNG. Mr. President, I now yield to the Senator from Minnesota.

Mr. THYE. Mr. President, the amendment offered by the distinguished Senator from North Dakota [Mr. YOUNG] should be enacted into law. The Senator from Virginia [Mr. BYRD] does raise a question, which I believe we should fully consider.

However, I wish to call to the attention of the Senate the fact that there is now pending in the Committee on Finance a bill which was introduced by the Senator from Kansas [Mr. CARLSON], and perhaps by other Senators, who joined as cosponsors. That bill proposes to refund the amount of taxes paid on gasoline used for purposes other than highway travel.

In Minnesota there is a law on the statute books which refunds to the farmer the taxes he pays on gasoline not used in highway travel. The Senator from North Dakota [Mr. YOUNG] has submitted an amendment, which is entirely timely.

I am greatly encouraged to hear the distingished senior Senator from Virginia [Mr. BYRD] say he will support such legislation. With his support and with the support of other Members of the Committee on Finance, I am confident that in the course of the next few weeks we will have favorable action on the bill which was introduced by the Senator from Kansas [Mr. CARLSON].

Again I state that the Senator from North Dakota [Mr. YOUNG] is entirely within his rights in reminding the Senate that there exists an unfair and unjust financial burden on the farmers of America, particularly in light of the fact that practically all farm power is now furnished by gasoline engines. It is no longer a matter of horses or oxen furnishing the power, as it was in the early days. Today the farmer powers his units with gasoline, and he must pay a tax which no one else must pay, unless he is engaged in other industries.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. YOUNG. I yield.

Mr. KNOWLAND. I would say to the distinguished Senator from North Dakota that he has performed a very useful service to the farmers and that it will be highly appreciated in all sections of the country.

However, for the reasons stated by the distinguished Senator from Virginia [Mr. BYRD], I hope the Senator will not press his amendment at this time. With the assurances he has from the chairman of the Committee on Finance, and with his bringing the matter to the attention of the Senate, I am sure that action on his proposal will be accelerated. I therefore hope that he will not jeopardize the passage of the pending important bill by insisting on adding his amendment to it.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. YOUNG. I yield.

Mr. JOHNSON of Texas. As I told the Senator from North Dakota earlier today, he has made a very constructive suggestion. I should like very much to have the Senate act favorably on his amendment. However, we are all realists and all of us understand the problems involved.

In the light of the commitment which the distinguished chairman of the Committee on Finance has just made, I am hopeful the Senator from North Dakota will withdraw his amendment, so that it will not interfere with the passage of the pending bill this evening. I, too, am a member of the Committee on Finance, and I shall urge that the committee give early attention to the subject.

Mr. YOUNG. Mr. President, I appreciate the several very fine statements which have been made by various Senators. I believe there is a recognition on the part of everyone in the Senate that the tax on gasoline which is used strictly for farm purposes is an unjust tax. I was happy to hear the statement made by the Senators, particularly the statement made by the distinguished senior Senator from Virginia [Mr. BYRD], who is chairman of the Senate Finance Committee, and who is in charge of the pending bill, that consideration will be given to my proposal when this legislation is considered soon by the Senate Finance Committee if I will withdraw my amendment. In view of that statement, I believe the best interests of the farmers of America would be served by my withdrawing the amendment, and I ask unanimous consent to do so.

Mr. BYRD. I suggest that the Senator introduce a bill on that subject. I am sure it would be referred to the Committee on Finance, where it would receive prompt consideration.

The VICE PRESIDENT. Without objection, the Senator from North Dakota withdraws his amendment.

Mr. NEUBERGER. Mr. President, will the Senator from Virginia [Mr. BYRD] yield for a question?

Mr. BYRD. I am glad to do so.

Mr. NEUBERGER. I should like to invite the attention of the Senator from Virginia to the fact that my State is a coastal State and that thousands of its citizens are engaged in commercial fishing. They buy gasoline, which is exempt from State taxation, but not from Federal taxation.

If the question of taxes on gasoline used for farm purposes is considered by the Committee on Finance, would the Senator from Virginia also give consideration to the many thousands of men in our State, and elsewhere in the Nation, of course, who use gasoline in their commercial fishing operations. In that operation, they do not use any gasoline that is consumed in highway travel.

Mr. BYRD. I suggest that the Senator introduce a bill on the subject. If it is referred to the Committee on Finance, the committee will give it early consideration.

Mr. NEUBERGER. I thank the Senator from Virginia.

The VICE PRESIDENT. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment of the amendments and third reading of the bill.

Mr. NEUBERGER. Mr. President, I call up my amendment, which is at the desk. It proposes to raise the Federal gasoline tax from the existing rate of 2 cents to 3 cents.

The VICE PRESIDENT. Does the Senator from Oregon wish to have the amendment read?

Mr. NEUBERGER. I should like to have it included in the RECORD. It is very brief.

The VICE PRESIDENT. Without objection, the amendment will be considered as having been read, and will be printed in the RECORD at this point.

The amendment offered by Mr. NEUBERGER, for himself and in behalf of Mr. MORSE, is as follows:

On page 2, strike out line 20.

On page 2, line 21, strike out "(2)" and insert "(1)."

On page 2, strike out line 22.

On page 2, line 23, strike out "(4)" and insert "(2)."

On page 3, line 1, strike out "(5)" and insert "(3)."

On page 3, line 3, strike out "(6)" and insert "(4)."

On page 3, line 5, strike out "(7)" and insert "(5)."

On page 3, line 6, strike out "(8)" and insert "(6)."

On page 3, line 7, strike out "(9)" and insert "(7)."

On page 4, strike out lines 3 to 8, inclusive, and insert the following:

"(4) Section 6412 (a) (relating to floor stocks refunds on motor vehicles) is amended by striking out 'April 1, 1955' each place it appears and inserting in lieu thereof 'April 1, 1956', and by striking out 'July 1, 1955' and inserting in lieu thereof 'July 1, 1956'."

On page 4, after line 16, insert the following:

"SEC. 4. Increase in tax on gasoline, diesel fuel, and special motor fuels.

"(a) Gasoline: Section 4081 of the Internal Revenue Code of 1954 (relating to manufacturers' excise tax on gasoline) is hereby amended to read as follows:

" 'SEC. 4081. Imposition of tax.

" 'There is hereby imposed on gasoline sold by the producer or importer thereof, or by any producer of gasoline, a tax of 3 cents a gallon.'

"(b) Diesel fuel and special fuels.—

"(1) Increase in tax: Subsections (a) and (b) of section 4041 of the Internal Revenue Code of 1954 (relating to retailers' excise tax on diesel fuel and special motor fuels) are

hereby amended by striking out '2 cents' and inserting in lieu thereof '3 cents.'

"(2) Repeal of rate reduction: Subsection (c) of section 4041 of the Internal Revenue Code of 1954 is hereby repealed.

"(c) Repeal of floor stocks refunds on gasoline.—

"(1) Repeal: Section 6412 (b) of the Internal Revenue Code of 1954 (relating to floor stocks refunds on gasoline) is hereby repealed.

"(2) Technical amendment: Section 6412 (c) of the Internal Revenue Code of 1954 (relating to other laws applicable to certain floor socks refunds) is hereby amended to read as follows:

"'(c) Other laws applicable: All provisions of law, including penalties, applicable in respect of the taxes imposed under section 4061 shall, insofar as applicable and not inconsistent with subsection (a) of this section, be applicable in respect of the credits and refunds provided for in such subsection to the same extent as if such credits or refunds constituted overpayments of such taxes.'

"(d) Effective date: The amendments and repeals made by this section shall take effect on April 1, 1955."

Mr. NEUBERGER. Mr. President, I have prepared a rather long analysis of the amendment. However, I shall not present it in full at this time. Instead, I should like to point out that there is now pending in the Subcommittee on Roads, of which I am a member, a proposal from the President of the United States, known as the Clay report, which proposes to deal with the necessary construction of interstate highways.

A great many people, including the distinguished chairman of the Committee on Finance, the Senator from Virginia [Mr. BYRD], are disturbed by the fact that the financing of the President's proposal would require the payment of $11,548,000,000 in interest alone. In other words, for each dollar spent on paving, 55 cents would go for interest.

To phrase it in another way, for each $1.55 spent on the road program, $1 would go for paving. I suggest that a greater proportion of the money should be spent on roads and a smaller amount on interest.

The proposal which I have before the Senate would reduce the amount from $11½ billion to about $3½ billion, or perhaps even to a smaller amount. The amount that would be spent on interest perhaps might be as low as $3.2 billion.

It seems to me that if we need the great interstate road system suggested in the Clay report, a maximum amount of money should go into roads and a minimum amount of money should go into the interest rates to be paid to the banks.

Only recently, when the Senate voted down the tax proposal of the Democratic Party, to provide some relief for the little taxpayer, it was said it had to be done in order to prevent deficit spending. Nevertheless the highway proposals of the administration involve an enormous amount of deficit spending of the most reckless sort.

For that reason I have offered the amendment to increase the Federal gasoline tax from 2 cents to 3 cents a gallon.

In conclusion, Mr. President, I ask unanimous consent to have the text of my prepared remarks printed at this point in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR NEUBERGER

I should like at this time to state briefly the reasons why I think the Federal tax on gasoline and related motor fuels for highway vehicles should be raised from 2 cents to 3 cents a gallon.

I believe that such an increase, although onerous, will prove to be necessary if we are to have a sound financial basis for the expensive but necessary program of highway construction which will no doubt be adopted by the Congress, and I am therefore introducing an amendment to that effect. I am sorry that this amendment could not be introduced in time to be considered by the Finance Committee along with the rest of the tax legislation now before the Senate, so that the Senate could have had the benefit of the wisdom of the distinguished members of that committee on the subject. This amendment is, however, a very simple one, and I hope to show that the need for it is so apparent and so urgent that the Senate ought to adopt it at this opportunity, in connection with the other tax legislation which we are now considering.

THE NEED FOR NEW HIGHWAYS

The Committee on Public Works, on which I have the privilege to serve, is now considering alternative proposals for a very ambitious program of extending and modernizing our highway system. There is no doubt that a program of extensive highway construction and improvement is urgently needed, and that some form of the proposals now under study by the Committee on Public Works will have to be adopted.

There can also be no doubt, Mr. President, that this necessary extension and modernization of our highways will cost us a great deal of money during the next decade, or perhaps the next few decades. The greatest single difference between the alternative programs before the committee is in the provisions for financing this expense.

The administration's proposal for a Federal highway corporation contemplates financing an intensive 10-year improvement program by the sale of bonds of the Federal corporation to be redeemed over a period of 30 years from collections of the present Federal 2-cent tax on motor fuels. I do not propose at this time to discuss the details of this administration proposal or the arguments for and against it. These issues will be brought before the Senate by the report of the Public Works Committee. I do, however, want to cite some figures from the report of the President's Advisory Committee on a National Highway Program—commonly called the Clay report—to demonstrate the immense cost of the financing scheme recommended by the administration and the need for an increase in our gasoline taxes to put our essential highway construction program more nearly on a pay-as-you-go basis.

ADMINISTRATION'S PLAN WOULD COST $11.5 BILLION IN INTEREST CHARGES

The financing scheme for the administration's highway program is set forth at the end of section V of the Clay report. I ask permission to have this table reprinted at this point in the RECORD.

The table shows that the administration intends to spend $25 billion over the next 10 years on our interstate highway system. During those 10 years, about $4¾ billion would come from Federal gas taxes. $20,235,000,000 would be borrowed by the Federal highway corporation by issuing bonds contemplated to carry 3 percent interest. These bonds are to be fully redeemed within 30 years from the beginning of the program, or in other words, payments to redeem them will have to be made for 20 years after the end of construction under the program.

The table further shows that on this 30-year basis, and at the rate of 3 percent assumed in the Clay report, the total interest burden which would be assumed by financing the proposed construction and improvements of our network of interstate highways would add up to $11,548,000,000. On the basis of the estimated receipts from the present 2-cent Federal gas tax over the next decades, the report suggests that this source of revenue can pay off that $11,500,000,000 in interest and the 20.2 billion principal—a total of $31,783,000,000—over the 30 years of this financing program.

ADMINISTRATION'S SCHEME A BONANZA FOR BANKS

I believe there is no excuse for saddling ourselves and our children with an interest burden of $11,500,000,000 over the next 30 years to pay for borrowing less than twice that much—a little over $20 billion—to spend on our interstate highways in the next 20 years. In part, of course, this excessive interest charge is the result of the present administration's predilection for financing the responsibilities of government outside of the normal governmental budget—by high cost special purpose bonds instead of through the normal channels of Government financing. Such high-cost bonds offer a risk-free bonanza to banks, insurance companies, and other institutional lenders who would otherwise purchase Government bonds at their regular going rates. Yet if the administration had proposed to finance its highway program at those rates—at less than 2½—the interest burden would have been less than $9 billion, a saving to the taxpayers of over $2½ billion.

But even at that rate, the interest costs of building our highways would be much too high. Under the administration's proposal to spend $25 billion on construction, only $4,765,000,000 would be paid for on a pay-as-you-go basis. To pay for the additional $20,235,000,000, financing costs of $11½ billion are contemplated.

My concern over this program has grown while I have been listening to come very significant testimony on the question, as a member of the Subcommittee on Roads of the Senate Public Works Committee. This subcommittee has been working hard and earnestly under the effective chairmanship of the distinguished junior Senator from the State of Tennessee [Mr. GORE], with whom I have discussed this pending amendment.

Senator GORE and the rest of us have heard one administration witness after another oppose an increase of 1 cent in the Federal gasoline tax. These men admit that they prefer to underwrite the road program with deficit financing—although it seems to me that it is less of a road program and more of a financial picnic.

Yet the same administration has opposed income-tax relief for average families on the grounds that it would involve $2 billion in deficit financing.

I do not understand, Mr. President, how deficit financing on an extravagant scale can be good for roads but how deficit financing of modest proportions can be bad where tax relief for rank-and-file Americans is at stake.

PAY-AS-YOU-GO FINANCING IS CHEAPER

I think that far more of the essential highway construction and improvement which we shall have to face in the coming years should be paid for as it is built. A 1 cent increase in the Federal tax on motor fuels, as I have proposed, will go a long ways toward making this possible, at a great saving to the taxpayers in unnecessary interest charges. The staff of the Committee on Public Works has been good enough to prepare for me a set of figures to show the difference which one additional cent in Federal taxes would make in the financing of the extensive program we need. Over the 10 years during which the administration's program,

for example, would be spread, the additional revenue from a 1-cent increase would total $5,895,000,000. In other words, it would decrease the amount which would have to be borrowed and on which interest would have to be paid by almost $6 billion.

To demonstrate in another manner the fiscal soundness of contributing in this way toward the costs of our highway system, a construction program of the same dimensions as that advocated in the Clay Report could be built in 10 years with about $12 billion (instead of $4,765,000,000) coming from current gas-tax revenues and only $13,100,000,000 having to be borrowed for repayment out of subsequent revenues. Let us assume, then, that these borrowed funds were to be repaid over the following 10 years—in other words, within 20 years of the beginning of the program instead of 30 years—and at a hypothetical 2½-percent interest rate, which still is more than the actual cost of Government loans. Even on that conservative assumption, the total interest burden of the program would be reduced from the $11½ billion of the Clay Report to about $3¼ billion.

I have said that I cite these figures only to illustrate the very important savings which can come to the Nation's taxpayers from the adoption of a pay-as-you-go approach instead of the long-range bonus-for-bankers approach of the Clay proposals recommended by the administration. These savings are not, however, peculiar to any one highway-construction program. I believe the same arguments will necessarily hold true no matter what specific program we adopt for the Nation's highways.

The highways will have to be built. The Nation must have new interstate expressways, bridges, viaducts, farm-to-market roads, and forest roads. The money will have to be spent. To the extent that we do not pay for these necessary roads out of current taxation, the money will have to be borrowed, and interest charges will add to the actual costs of the highways.

Interest charges should be held to a minimum. Under the administration's program, for every dollar which goes for roadbeds and bridges and rights-of-way, 55 cents goes to the bankers for interest which does not add 1 inch of new surface to our roads.

GAS TAX SHOULD NOT CARRY WHOLE BURDEN

I do not advocate that we pay for the Federal share of new highway construction entirely out of current receipts from taxes on fuel. For one thing, the highways, once built, will serve for many years. Secondly, they serve the national interest, and particularly the interests of national defense, and there is no reason why the general revenues of the Government should not pay for our essential national highway network. But a 1-cent increase in the Federal tax on motor fuels will not in any case defray more than a part of the heavy investment which the Federal Government will have to make in its share of the highway construction which will be needed in the coming years.

ADMINISTRATION PROGRAM PROVIDES NOTHING FOR FUTURE NEEDS

Let me again refer to the financial plan of the administration as set forth in the table from the Clay report. That table shows that, of the present 2-cent tax revenues, $623 million a year would be reserved to continue the Federal share in our present highway programs other than the interstate network. The excess over these $623 million would, in effect, be pledged for 30 years entirely to paying for the interstate highways to be constructed during the next 10 years. In other words, it is contemplated to absorb the equivalent of all Federal motor-fuel taxes for the next 30 years in the financing of the administration's highway program and the continuation of other existing programs, without any provision being made for new needs which will arise at the conclusion of the 10-year construction period.

Yet it must be obvious that even the most intensive and ambitious program of highway construction during the next 10 years will not solve our road problems for the next generation. The administration's program would peg our existing programs at a flat $623 million. For our inevitable additional needs during the 20 years following the completion of the administration's construction program, the administration suggests no financing. It will then have to borrow new funds or find new sources of taxation at that time.

THREE-CENT FEDERAL GAS TAX WILL FINANCE FUTURE HIGHWAY NEEDS AT LOWER COST

We will provide better for the future if we prepare at this time for a sound financial program to pay for the needs of the future. As I have said, the 1-cent increase which I propose will not itself pay for the entire Federal share of the necessary extension and improvement of our highways, and it should not be expected to do so. But it will accomplish two things:

1. It will radically reduce the immense financial burden of completely unconstructive interest payments which is the greatest single evil in the administration's program. Even for that program, it would pare down by over two-thirds the proportion of this highway revenue which would go for interest, as compared with the sum to go toward roads and bridges and land acquisition.

2. It will permit a much faster amortization of the interstate system, in whatever form or manner such a system is to be financed, and at the same time make available necessary funds for the continuation and probable future expansion of our other existing national primary and secondary highway programs. For those reasons, I feel very strongly that this 1-cent increase in the Federal tax on motor fuels should be adopted at this time, in anticipation of the expensive highway program which will undoubtedly have to be adopted by the Congress later during its present session.

Mr. BYRD. Mr. President, I will say to the distinguished Senator from Oregon that if he will introduce a bill on the subject and if it is referred to the Committee on Finance, the committee will give it full consideration. I am sure he realizes that there is quite a large sum of money involved. I believe it is about $500 million. The committee certainly would like to have a separate bill presented on the subject and to have it referred to the committee. The committee could then invite the Senator from Oregon to appear before it to speak on the bill. I assure the Senator that such a bill would get full consideration of the committee after it has finished consideration of the extension of the so-called Reciprocal Trade Agreements Act.

I hope the Senator from Oregon will not insist on pressing his amendment to the pending bill. As I have explained, there is a very critical situation existing with the House as the pending bill goes to conference. The taxes involved must be renewed by March 31; otherwise there will be a severe loss of revenue, a loss in the neighborhood of $3 billion.

I hope the Senator will not complicate the conference with an amendment which increases taxes on gasoline to the extent of $500 million.

Mr. NEUBERGER. Mr. President, if it is the wish of the distinguished chairman of the Finance Committee that my amendment not be called up at this time because of the necessity of going to conference with the House, I shall withdraw my amendment.

One of the reasons why I submitted the amendment was because of the Senator's very valid concern, which I share, concerning the vast proportion of revenue under the proposed highway bill which would be expended in the form of interest rates. I hope that if later I resubmit my amendment the Senator from Virginia will give it due consideration.

Mr. BYRD. I can assure the Senator from Oregon that that will be done.

I think it is perhaps well also to wait to see what is done concerning the road bill. I believe the Senator is on the committee which will consider that bill.

Mr. NEUBERGER. I am associated with the Senator from Tennessee [Mr. GORE] who has been working very hard on the question.

Mr. BYRD. I think it may be pertinent later to resubmit the amendment. I am always in favor of a pay-as-you-go basis.

Mr. NEUBERGER. Mr. President, on the assurance of the distinguished Chairman of the Finance Committee, I withdraw my amendment.

The VICE PRESIDENT. The amendment offered by the Senator from Oregon is withdrawn.

Mr. CASE of South Dakota. Mr. President, I desire to call up my amendment 2-28-25-A.

The VICE PRESIDENT. The clerk will state the amendment offered by the Senator from South Dakota.

The LEGISLATIVE CLERK. On page 16, line 12, it is proposed to insert the following:

SEC. 6. Extension of Renegotiation Act of 1951 for two years.

That subsection (a) of section 102 of Renegotiation Act of 1951 is amended by striking out "December 31, 1954" and inserting in lieu thereof "December 31, 1956."

Mr. CASE of South Dakota. Mr. President, the Renegotiation Act went into effect in 1942 as an amendment to the 6th supplemental Appropriation bill of that year. An amendment which I had offered in the House of Representatives, which was subsequently modified in the Revenue Act of 1943, continued the Act throughout World War II. As a result the United States recovered more than $11 billion in the nature of excess war profits. That act continued in operation for a time, but was allowed to expire until the Korean conflict started and we had to build up our national defense. Then it was put into effect again. During the Korean conflict renegotiation again demonstrated its merits, but the act was allowed to expire during the past year, because the war in Korea had come to an end.

However, Mr. President, we are now engaged in a great build-up of the Air Force. We are building up 137 wings and switching over from the conventional propeller-type of aircraft to the jet-propelled aircraft. We are launching upon nuclear propulsion for submarines, and we are building new things in the electronic field, the result of which is that it is impossible to get firm prices. The Defense Establishment may try as

best it can to get a firm contract, but it simply cannot get a firm contract which does justice to the Government if we call upon a contractor to build new things and make the contract subject to change orders from time to time. Whenever there is a change order there is an increase in price. Furthermore, the Government provides plants, tools, and other aids for expediting production. The consequence is that when we apply a normal tax bill constructed upon a percentage plan, the same percentage which applies to the contractor or the manufacturer who is using his own plant applies also to the manufacturer who is using a Government-owned plant.

A percentage tax bill cannot differentiate between two types of contractors. Renegotiation can. That is why, in the build-up of our Air Force, in the build-up of new things, where firm prices cannot be quoted, we need a revival of the renegotiation statute.

Mr. KNOWLAND. Mr. President, will the Senator from South Dakota yield?

Mr. CASE of South Dakota. I yield.

Mr. KNOWLAND. Mr. President, I would say to the distinguished Senator from South Dakota that I know of his great interest in renegotiation legislation. I might point out to the Senator that in the intervening period the President has sent a message to the Congress of the United States urging renegotiation legislation. This is a subject matter upon which hearings have not been held at this session. Because it is not strictly germane to the pending bill, in view of the President's message urging that action be taken in this field, and inasmuch as Members on both sides of the aisle have an interest in the subject, I should think the matter would be facilitated greatly if the Senator from South Dakota would withdraw his amendment and allow the proposed legislation on renegotiation to proceed upon its own merits. I hope the Senator will find it possible to do that.

Mr. CASE of South Dakota. I appreciate the suggestion of the Senator from California.

Mr. WILLIAMS. Mr. President, will the Senator yield?

Mr. CASE of South Dakota. I yield.

Mr. WILLIAMS. I wish to join with the Senator from California in asking the Senator from South Dakota to withdraw his amendment at this time, because I know the Committee on Finance is planning to give some study to the subject of renegotiation. I think this is a subject which can better be handled in the committee, where appropriate hearings can be held, rather than on the floor of the Senate.

Therefore, I join with the Senator from California in asking the Senator from South Dakota to withdraw his amendment at this time, upon the assurance that question of renegotiation will be studied by the committee.

Mr. CASE of South Dakota. I appreciate the suggestion made by the Senator from Delaware. I wonder if I might have a statement by the distinguished Senator from Virginia, who is chairman of the Committee on Finance, with respect to the prospect of consideration of this matter by the committee.

Mr. BYRD. Mr. President, as soon as the committee finishes the hearings on the reciprocal trade agreements bill, it will then undertake to hold hearings on the subject of renegotiation. However, it will be a week, or probably two weeks, before the committee finishes its work on the reciprocal trade agreements bill.

Mr. CASE of South Dakota. I appreciate the statement by the Chairman of the Committee on Finance. I recognize also that under the unanimous consent agreement it might be ruled that my amendment is not specifically germane to the subject matter of the bill. Therefore, I am willing to withdraw the amendment at this time.

However, I wish to impress upon Senators that the matter is urgent and that the companies concerned should not be permitted to proceed too long without appropriate knowledge that there will be the enactment of a renegotiation law.

I appreciate the fact that the President has made this matter the subject of a special message. This is the third time a President of the United States has seen fit to draw attention to the merits of the renegotiation provisions as they apply to defense contracts.

I, therefore, withdraw my amendment, but I urge that when the proposal comes before the Senate Committee on Finance, the committee expedite its consideration and report a measure on the subject to the Senate at the earliest possible date.

Mr. LANGER. Mr. President, I call up my amendments and ask that they be read.

The PRESIDING OFFICER. Is it the desire of the Senator from North Dakota to have his amendments read in full?

Mr. LANGER. No; but I ask that they may be printed in full in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered, and the amendments will be printed in the RECORD.

The amendments proposed by Mr. LANGER are, on page 4, beginning with line 17, strike out all through line 11 on page 16, and in lieu thereof insert the following:

SEC. 4. Increase of personal exemptions to $800 for taxable years beginning after December 31, 1954, and before January 1, 1956.

(a) Increase in deductions for exemptions: Section 151 (relating to allowance of deductions for personal exemptions) is hereby amended by striking out "$600" each place it appears and inserting in lieu thereof "$800."

(b) Section 3402 (b) (1) (relating to percentage method of withholding income tax at source) is hereby amended by striking out the table and inserting in lieu thereof the following:

"Percentage method withholding table

"Payroll period:	*Amount of one withholding exemption*
Weekly	$17.00
Biweekly	34.00
Semimonthly	37.00
Monthly	74.00
Quarterly	222.00
Semiannual	444.00
Annual	888.00
Daily or miscellaneous (per day of such period)	2.40"

(c) So much of paragraph (1) of section 3402 (c) (relating to wage bracket withholding) as precedes the first table in such paragraph is hereby amended to read as follows:

"(1) (A) At the election of the employer with respect to any employee, the employer shall deduct and withhold upon the wages paid to such employee after April 30, 1955, a tax determined in accordance with the tables prescribed by the Secretary or his delegate, which shall be in lieu of the tax required to be deducted and withheld under subsection (a). The tables prescribed under this subparagraph shall correspond in form to the wage bracket withholding tables in subparagraph (B) and shall provide for amounts of tax in the various wage brackets approximately equal to the amounts which would be determined if the deductions were made under subsection (a).

"(B) At the election of the employer with respect to any employee, the employer shall deduct and withhold upon the wages paid to such employee before May 1, 1955, a tax determined in accordance with the following tables, which shall be in lieu of the tax required to be deducted and withheld under subsection (a):".

(d) The following provisions are hereby amended by striking out "$600" wherever appearing therein and inserting in lieu thereof "$800":

(1) Section 642 (b) (relating to allowance of deductions for estates);

(2) Paragraphs (1) and (3) of section 6012 (a) (relating to persons required to make returns of tax);

(3) Section 6013 (b) (3) (A) (relating to assessment and collection in the case of certain returns of husband and wife); and

(4) Section 6015 (a) (2) (A) (relating to declaration of estimated income tax by individuals).

(e) The following provisions are hereby amended by striking out "$1,200" wherever appearing therein and inserting in lieu thereof "$1,600":

(1) Section 6012 (a) (1) (relating to persons required to make returns of tax); and

(2) Section 6013 (b) (3) (A) (relating to assessment and collection in the case of certain returns of husband and wife).

(f) (1) Section 3 (relating to optional tax if adjusted gross income is less than $5,000) is hereby amended by striking out "who has elected for such a year to pay the tax imposed by this section, the tax shown in the following table:" and inserting in lieu thereof "who has elected for such year to pay the tax imposed by this section—

"(1) In the case of a taxable year beginning after December 31, 1954, the tax shown in a table which shall be prescribed by the Secretary or his delegate. The table prescribed under this paragraph shall correspond in form to the table in paragraph (2) and shall provide for amounts of tax in the various adjusted gross income brackets approximately equal to the amounts which would be determined under section 1 if the taxable income were computed by taking the standard deduction.

"(2) In the case of a taxable year beginning before January 1, 1955, the tax shown in the following table:".

(2) Section 4 (a) (relating to rules for optional tax) is hereby amended by inserting after "the table in section 3" the following: "and the table prescribed under section 3."

(g) The amendments made by subsections (a), (d), (e), and (f) shall apply only with respect to taxable years beginning after December 31, 1954, and before January 1, 1956. The amendments made by subsections (b) and (c) shall apply only with respect to wages paid after April 30, 1955, and before January 1, 1956.

(h) Wherever in this section an amendment is expressed in terms of an amendment of any provision, the reference shall be con-

sidered to be a provision of the Internal Revenue Code of 1954.

SEC. 5. Increase of personal exemptions to $1,000 for taxable years beginning after December 31, 1955.

(a) INCREASE IN DEDUCTIONS FOR EXEMPTIONS.—Section 151 (relating to allowance of deductions for personal exemptions) is hereby amended by striking out "$800" each place it appears and inserting in lieu thereof "$1,000".

(b) Section 3402 (b) (1) (relating to percentage method of withholding income tax at source) is hereby amended by striking out the table and inserting in lieu thereof the following:

"*Percentage method withholding table*

"Payroll period:	*Amount of one withholding exemption*
Weekly	$21.00
Biweekly	42.00
Semimonthly	46.00
Monthly	92.00
Quarterly	277.00
Semiannual	554.00
Annual	1,108.00
Daily or miscellaneous (per day of such period)	3.00"

(c) So much of paragraph (1) of section 3402 (c) (relating to wage bracket withholding) as precedes the first table in such paragraph is hereby amended to read as follows:

"(1) (A) At the election of the employer with respect to any employee, the employer shall deduct and withhold upon the wages paid to such employee after December 31, 1955, a tax determined in accordance with the tables prescribed by the Secretary or his delegate, which shall be in lieu of the tax required to be deducted and withheld under subsection (a). The tables prescribed under this subparagraph shall correspond in form to the wage bracket withholding tables in subparagraph (B) and shall provide for amounts of tax in the various wage brackets approximately equal to the amounts which would be determined if the deductions were made under subsection (a).

"(B) At the election of the employer with respect to any employee, the employer shall deduct and withhold upon the wages paid to such employee before January 1, 1956, a tax determined in accordance with the following tables, which shall be in lieu of the tax required to be deducted and withheld under subsection (a):".

(d) The following provisions are hereby amended by striking out "$800" wherever appearing therein and inserting in lieu thereof "$1,000":

(1) Section 642 (b) (relating to allowance of deductions for estates);

(2) Paragraphs (1) and (3) of section 6012 (a) (relating to persons required to make returns of tax);

(3) Section 6013 (b) (3) (A) (relating to assessment and collection in the case of certain returns of husband and wife); and

(4) Section 6015 (a) (2) (A) (relating to declaration of estimated income tax by individuals).

(e) The following provisions are hereby amended by striking out "$1,600" wherever appearing therein and inserting in lieu thereof "$2,000":

(1) Section 6012 (a) (1) (relating to persons required to make returns of tax); and

(2) Section 6013 (b) (3) (A) (relating to assessment and collection in the case of certain returns of husband and wife).

(f) (1) Section 3 (relating to optional tax if adjusted gross income is less than $5,000) is hereby amended by striking out "who has elected for such year to pay the tax imposed by this section, the tax shown in the following table:" and inserting in lieu thereof "who has elected for such year to pay the tax imposed by this section—

"(1) In the case of a taxable year beginning after December 31, 1955, the tax shown in a table which shall be prescribed by the Secretary or his delegate. The table prescribed under this paragraph shall correspond in form to the table in paragraph (2) and shall provide for amounts of tax in the various adjusted gross income brackets approximately equal to the amounts which would be determined under section 1 if the taxable income were computed by taking the standard deduction.

"(2) In the case of a taxable year beginning before January 1, 1955, the tax shown in the following table:".

(2) Section 4 (a) (relating to rules for optional tax) is hereby amended by inserting after "the table in section 3" the following: "and the table prescribed under section 3."

(g) The amendments made by subsections (a), (d), (e), and (f) shall apply only with respect to taxable years beginning after December 31, 1955. The amendments made by subsections (b) and (c) shall apply only with respect to wages paid after December 31, 1955.

(h) Wherever in this section an amendment is expressed in terms of an amendment of any provision, the reference shall be considered to be a provision of the Internal Revenue Code of 1954.

Mr. LANGER. Mr. President, I have been informed by the Parliamentarian that my amendments are subject to a point of order. However, in my 14 years as a Member of the Senate I have never seen Members of the Senate, on both sides of the aisle, so happy as they are today, so I have a hunch that no Member will raise a point of order, especially the chairman of the Committee on Finance, the distinguished Senator from Virginia [Mr. BYRD]. I have known him for 14 years, and I have observed him when he was harassed and gloomy; but today he is exuberant, and I think he is very anxious to have my amendments agreed to. [Laughter.]

I therefore wish to ascertain whether the Senator from Virginia will raise a point of order as to the germaneness of my amendments.

Mr. KNOWLAND. Mr. President, in case the Senator from Virginia should be so exuberant, I raise the point of order that the amendments of the Senator from North Dakota are not germane.

The PRESIDING OFFICER. The Chair sustains the point of order raised by the Senator from California.

The bill is open to further amendment.

If there be no further amendment to be proposed, the question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

Mr. KNOWLAND. Mr. President, so far I have had only one request for an allocation of time. The distinguished senior Senator from Michigan [Mr. POTTER] has requested 5 minutes. So, on the bill itself, I yield him 5 minutes. If he wishes additional time, I shall be glad to yield it to him.

The PRESIDING OFFICER. The Senator from Michigan is recognized for 5 minutes.

Mr. POTTER. I thank the distinguished Senator from California for yielding me time to speak on the bill. It had been my intention to offer an amendment, permitting the scheduled reduction of excise taxes on automobiles from 10 percent to 7 percent to become effective.

In view of the present parliamentary situation, whereby the bill carrying out the administration's tax program will go to the House of Representatives as a result of the action of the Senate, there is a possibility that the bill will not have to go to conference.

Because the bill will become effective very soon, and because the Committee on Finance will, as I understand, report to the Senate another tax measure in the very near future, I shall not offer my amendment now.

However, I wish to say that probably there is no tax which is more unfair or unjust to the average small taxpayer than an excise tax of any kind. I realize that to reduce the excise tax on automobiles from 10 percent to 7 percent would result in an initial loss to the Federal Treasury of approximately $600 million. But I am old fashioned enough to believe that a high excise tax, which is discriminatory against a basic industry, such as the automobile industry, retards the industry concerned; and, in effect, its tentacles spread throughout the entire economy.

If the excise tax on automobiles could be removed entirely, or certainly if it could be reduced from 10 percent to 7 percent, the acceleration of our economy would be such that the $600 million would be recovered for the Federal Treasury.

I have been informed that the Committee on Finance plans another tax vehicle to which my amendment may be offered.

It has been a little amusing to me to hear the oratory which has been generated on the other side of the aisle concerning the so-called handback of $20 and $10. Automobiles today are not luxuries; they are necessities. To Senators who claim to be so much interested in the small taxpayers, I suggest that serious consideration be given to the reduction of certain excise taxes, rather than to the attempt to hand back $20 or $10.

In this connection, I am reminded of the days when I was a child on a farm. Once a month the family would go to the grocery store to pay its bill. After the bill had been paid, the grocer would give each child a licorice stick. My mother was a pretty frugal person. She always checked the bill ahead of time. The proposal just rejected by the Senate, embodying the so-called $20 and $10 handback, reminds me of the licorice stick given to the children by the storekeeper.

When the fiscal situation of the Federal Government becomes such that taxes can be reduced, I recommend that the Senate give serious consideration to a reduction of taxes which will result in the greatest good being done, namely a reduction of the unfair, unjust, discriminatory excise taxes.

I recommend that among the first products on which we should stop imposing excise taxes is automobiles and trucks.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

Mr. KNOWLAND. Mr. President, in order to keep the record straight, I think we shall have to yield back the time of the Senator from Virginia, if there are no Senators who desire to be heard.

Mr. BYRD. Mr. President, I thought my time had expired.

Mr. KNOWLAND. Not on the bill. We are prepared to yield back the time I control.

Mr. BYRD. I yield back all the time which remains to me. I am glad to do it.

The PRESIDING OFFICER. The question is, Shall the bill pass?

The bill (H. R. 4259) was passed.

The title was amended so as to read: "An act to provide a 1-year extension of the existing corporate normal-tax rate and of certain excise-tax rates."

LIFE BEHIND THE IRON CURTAIN

Mr. HUMPHREY. Mr. President, within the last few days the American people have had an opportunity to grasp a perceptive insight into life behind the Iron Curtain as a result of a series of extraordinary and valuable articles written by the distinguished American editor, Mr. William Randolph Hearst, Jr. Mr. Hearst was successful in obtaining a series of exclusive interviews with the top leadership of the Soviet Union. His articles are proving valuable to all students of communism, as well as to Government officials who have the responsibility first to understand, and then to cope with the strategy and tactics of international Communist aggression. I commend Mr. Hearst for his journalistic coup.

I wish to draw the attention of the Senate to the last of Mr. Hearst's articles, in which he advances a series of recommendations based upon his experience. His suggestion for the establishment of a permanent planning board commissioned to formulate an all-field, all-fronts strategy for winning the battle of competitive coexistence deserves the most serious attention by the Congress and the President. We need an overall planning and coordinating program which appreciates the fact that the struggle between democracy and totalitarianism is a diverse one, encompassing all levels of societal activity, both military and nonmilitary.

This proposal also leads me to take the opportunity, Mr. President, to bring once again to the attention of the Senate a proposal I have been making, that the Senate itself pay more attention to the need for developing expertness within its own ranks on Communist strategy and tactics. There are experts available who can provide the Senate with the detailed facts, as well as with the philosophical grasp essential for an understanding of the mechanisms and power drive which are an integral part of international communism. The Congress spends millions of dollars pursuing scores of investigations on a whole series of valuable subjects. It is time that we spend a small portion of that amount for an investigation of the most serious threat which faces our democratic society. If we add to our understanding of that threat, we can thus better assure our survival and victory.

I ask unanimous consent that the series of articles written by Mr. Hearst, which were published by the Hearst newspapers in late February and early March of this year, be printed in the body of the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

(William Randolph Hearst, Jr., made newspaper history and created worldwide headlines this month with an unprecedented series of exclusive interviews in the Kremlin with the four top rulers of Soviet Russia. Now, for the first time, Mr. Hearst gives his personal behind-the-headlines report on the people he saw inside and outside the Kremlin during this historic visit to Russia. This is the first of nine uncensored articles.)

(By William Randolph Hearst, Jr.)

Three weeks in Russia and several long, intensive conversations with the highest Communist leaders have convinced me of the following:

1. The Eisenhower policy of firmness without provocation is the correct one and is beginning to get results.

2. The Soviet leaders mean it when they say Russia wants peace—but only because Russia needs peace and recognizes the superiority of the Allied world in the essential sinews of the atomic age.

3. Recent changes in the Soviet hierarchy reflect internal disagreements over policy but will not basically alter the propaganda line of peaceful coexistence.

4. The Communist leaders are concerned over the Far Eastern crisis and are realists enough to know that Red China has absolutely no chance of taking Formosa or surviving a shooting showdown with the United States.

5. Discords among the Allies—such as occurred at Geneva—and domestic political turmoil—such as occurs too often in France—are likely to smooth the path of Communist expansion more than any planned maneuver of the Communists.

6. The western program of building armed strength, while fundamentally the right one, should be widened into a more flexible and imaginative strategy for competitive coexistence with the Communists in every field and on every front.

7. Communism's ultimate goal remains world domination and the Russian leaders are sure they will someday achieve it.

These may seem like extreme conclusions to draw from such a visit to the Soviet Union but I am convinced they are basically sound ones despite the limitations of our trip.

They are shared by my two colleagues, Kingsbury Smith, European general manager of International News Service, and Frank Conniff, of the New York Journal-American, who traveled to Russia with me and participated in my interviews with the top Communist leaders.

They are shared as well by several high-level folk with whom I conferred.

We were aware we were getting the "red carpet" treatment, or rather what we chose to call the "white wall treatment" from the tire sides of the gleaming Packard-like Zis that was made available to us every day.

We knew we were seeing only what the Soviet leaders wanted us to see and that no secret experiment or unflattering inner problem would be exposed consciously to our prying gaze.

RUSSIAN PEOPLE FRIENDLY

We recognized that our concentration on the top tier of the Communist leadership for interview purposes would eat up so much time and energy that the chances of achieving close contact with the Russian masses were correspondingly reduced.

Nevertheless, what we did see of the Russian people encouraged us to believe that a strong sentiment of friendliness toward Americans exists among them.

When we were recognized as Americans in the streets, the theaters, the restaurants, and stores, we were greeted with smiles and friendly looks. Ten postwar years of anti-American propaganda seem to have had much less effect on the people of Russia than one would expect.

As for an overall impression of life in the Soviet land as seen from two of its main cities—Moscow and Leningrad—I would say that living conditions in Russia are less bad than the West generally believes but by no means as good as the Russian people are led by their government to think they are in relation to the outside world.

A day in any Soviet city would, I am sure, convince an American shopgirl, factory or white collar worker that in comparison to conditions in Russia, the United States is the paradise of the proletariat.

NO PUBLIC DISCUSSION

Indicative of what little influence the people have on the government that rules them was the apparent lack of popular excitement over the sensational shift in political power that occurred during our visit.

Replacement of Georgi Malenkov by Marshall Nikolai Bulganin as head of the government was an event of far-reaching importance. It was accompanied by policy pronouncements which made it clear that the change would affect the life of every individual in the Soviet Union, since it meant less consumer goods and greater emphasis on the production of heavy industry.

Such a momentous political event would have aroused public controversy and excitement in any Western democracy. One would have overheard it being discussed in the buses, subways, and restaurants.

Yet if there was any discussion of it among the Russian people, it was confined to the intimacy of inner family circles. No one would dare debate the right or wrong of it in public.

As far as any public comments in Moscow or Leningrad were concerned, the downfall of Malenkov might never have occurred. We tried to draw out our intourist guide, but not a word would he say. The Western envoys likewise told us they had received no reports of any public excitement or agitation over the news.

Some of the Russian translators working with the Western newspapermen in the press gallery of the Soviet Parliament at the time Malenkov's resignation was announced could not restrain themselves from exclaiming, almost in a whisper: "It's sensational," or the equivalent of "what a development."

NO SIGNS OF INTEREST

But, in the streets of Moscow, all was calm.

In the shops, people did not even gather around the radios as the news was broadcast. They simply went about their business as usual. If they were listening intently, as they doubtless were, they allowed no sign of it to show.

Unusual interest in such things might be interpreted as questioning the wisdom of what the rulers were doing, and that would be deviationism—the first step to opposition.

To return to the subject of our own mission, our interviews ranged from Communist Party Boss Khrushchev to Shostakovich, the composer; from Premier Bulganin to Ulanova, the ballerina; from Marshal Zhukov to Patriarch Alexei, the head of the Russian Orthodox Church, and from For-

eign Minister Molotov to Svetlana Stalin, the late dictator's daughter.

In addition, we literally spent hours in discussion with the leading western ambassadors, checking our impressions and gaging our reactions against the experience of men who have viewed the Russian scene for years.

Our own Ambassador, Charles E. (Chip) Bohlen, was most helpful and considerate. We consulted him every step of the way. We made certain that no move of ours would embarrass American policy at this delicate moment in world affairs.

We turned over verbatim transcripts of our interviews with Khrushchev, Bulganin, Molotov, and Zhukov to the Ambassador as soon as Kingsbury Smith could type them out following our return from the Kremlin.

TRANSCRIPTS OF INTERVIEWS

Ambassador Bohlen's trained eyes scanned the Soviet officials' calculated answers to our questions for buried meanings hidden in the transcript, a task to which Smith also contributed his rich experience as a diplomatic correspondent.

I do not think I violate any confidence when I say the Ambassador congratulated us on what we had obtained from the diplomatic as well as professional viewpoint. He found more than one item of interest which was promptly communicated to the State Department.

We're happy to be able to report that America has on the spot in Moscow a man whose training and background have well prepared him for the painstaking job of unscrambling the devious Russian moves and puzzling shifts in Communist policy.

It's nice to report, too, that the American Ambassador enjoys the professional respect of his fellow ambassadors. In fact, 1 western envoy assured me, "You have not 1, but 2 fine representatives in Moscow."

"Avis Bohlen," he said, "does as much to promote America's interests as her husband."

The whole ambassadorial corps followed the progress of our high-level talks with deep interest. It is basic in the Russian system that the leaders seek to maintain a wall between themselves and the official spokesmen of foreign countries who, under orthodox Marxist definition, are enemies doomed to eventual penetration and conquest.

AMBASSADOR'S DEDUCTION

Some ambassadors spend years in Moscow without talking with the high Communist leaders, outside of Molotov, and even diplomats from the most important western countries are fortunate to establish face-to-face contact with the really influential men of Russia more than one in a long while.

Great was the interest and surprise, then, when I and my 2 compansions flew into Moscow and proceeded to see, one after another, the 4 men who unquestionably dominate Russian affairs today.

Far from resenting our intrusion, the western ambassadors welcomed us warmly. Shreds of information are so hard to come by in Moscow that they studied our every move as a possible beam of light on Russia's inscrutable plans.

One Western ambassador made a daring deduction on the basis of our journalistic success. Three days before it formally occurred at the Supreme Soviet, he cabled his home office that Malenkov was going into political eclipse.

"It was apparent that you were seeing only the important Communist leaders," he said. "And when I suddenly realized Malenkov was not going to see you, I felt he was in the shadow."

To lend some perspective to our Russian journey, I made certain that at both ends it would be sandwiched by balancing talks with the influential soldiers and statesmen of the free world.

At Paris on the way in, we talked with Gen. Alfred M. Gruenther, the SHAPE commander. Al Gruenther has a keen, agile mind and a penetrating understanding of the problems we face in Europe today.

At Frankfurt in Germany, we breakfasted with retired Gen. Lucian Truscott, the hard hitting, Patton-type leader of the Sicilian, Italian, and southern France campaigns. (He is now chief of CIA intelligence in Western Europe.)

And on our way home, when our party reached London after a day of flying from Moscow (we had breakfast in Moscow, lunch at Vilnius, Lithuania; dinner at the Tempelhof Airport in Berlin; and a late supper at Claridge's in London) I experienced the sentimental climax of the whole trip as far as I was personally concerned.

The very next day I spent an hour with Sir Winston Churchill in the historic Cabinet room at No. 10 Downing Street. Earlier in the day we had lunched with Minister of State Anthony Nutting and then talked informally with Sir Anthony Eden at the Foreign Office.

That hour with Sir Winston was something really special. He listened closely while I gave my impressions of the Russian leaders and ventured a few thoughts on the significance of recent Russian moves.

It is gratifying to me that this great man, this towering personality whose eventful life embraces so much of livng history, heard me out with such evident interest, and volunteered his comments on current developments.

Nothing Sir Winston said can be quoted, but it is permissible to say that his observations ranged the international scene from Europe to the Far East.

CONDITIONED OPTIMISM

It was a most inspiring experience. Added to my own observations in Russia, Sir Winston's appraisal left me with an optimistic glow concerning the eventual outcome of the competitive coexistence we have embarked upon with the Communist world, barring accidents.

But it is an optimism that must be severely conditioned by the knowledge that only great effort and firmness of purpose will suffice to carry us through the dangerous days which lie ahead.

The Russian leaders are dedicated men sworn to the theory that capitalism must ultimately topple before the thrusts of aggressive and subversive communism.

They count heavily on the indecision of the Western World. They base their judgments on the belief that internal discord will wreck the Allied coalition.

Weighing up Korea, Indochina, and other theaters where Allied resolution was not adequate to the challenge of the hour, the Communists are convinced we will never face up firmly to their relentless pressure. They think they can win the battle of coexistence. I think we can.

The Russians are apprehensive about the risky schemes of their Chinese allies. No strategist worth his salt in Europe thinks the Red Chinese can traverse those 100 miles of blue water to Formosa over the massed might of the 7th Fleet.

In subsequent articles I will fill out further the bare outlines cited in my opening paragraphs. I expect to discuss the Russian leaders and peoples in detail.

(1) Firmness without provocation. (2) Optimism without complacency. Such should be the order of the day for America and its allies.

(This is the second of nine uncensored articles in which William Randolph Hearst, Jr., is reporting on what he heard, saw, and learned on his visit to Russia this month, during which he obtained a recordbreaking series of interviews with the Soviet Union's top four leaders. The first article appeared in the Sunday American.)

(By William Randolph Hearst, Jr.)

The strongest hope for peace that I found in my 3 weeks' visit to the Soviet Union was the shrewdness of Russia's new rulers.

These men can be ruthless. They have been merciless. No humanitarian considerations would cause them to hesitate to wipe out with H- or A-bombs New York, Washington, Detroit, San Francisco, or any other American city.

They believe the end justifies the means. And for them the end remains Communist domination of the world.

But these men are cold, calculating realists. They are not possessed by the madness that drove Hitler to bring Germany down in ruins. Nor by the recklessness that led Mussolini to tie Italy's kite to the shooting star of nazidom's short-lived conquest.

Crafty all the time, cruel if the occasion, in their opinion, warrants it.

Yes, unquestionably. But they are not paranoiacs.

They know the destructive power of nuclear weapons. Even if they possess the H-bomb—which British officials doubt—and even if they use it first, they know America enjoys superiority in these weapons and the means to deliver them.

They know that the chance of emerging victorious from a thermonuclear conflict with the United States would be a very slight one. They know the risk of being wiped out along with their system would be great.

Furthermore, the Soviets have now become the bourgeois—the so-called middle class—of the Communist world. They have established an empire extending from the heart of Germany to the borders of China.

They are becoming property owners—cars, electric ice boxes, television sets, country homes. They have vested interests to protect. There is also the budding of a class society based on the aristocracy of a Red bureaucracy.

As long as they feel they are not going to be directly attacked, as long as they know they cannot themselves attack without the certainty of swift and terrible retaliation, I seriously doubt that they will deliberately precipitate a conflict with the West.

If America was to let down its guard, if the day were to come when the Soviets thought they could deliver a knockout blow that would neutralize the United States, then the temptation to strike would be so strong that I would not exclude the possibility of them doing so.

For the present, however, I think they realize they could not pull an atomic Pearl Harbor on Uncle Sam without getting back a nuclear punch that might well knock the Red right out of Russia.

Those are the impressions I carried away from talks with the top 4 of the 9 bold men who comprise the all-powerful presidium of the central committee of Russia's Communist Party—the governing body of the Soviet Union.

The four with whom I talked separately represented the leadership in the governmental, political, diplomatic, and military fields. They were Nikolai Bulganin, the new Soviet Premier, Nikita Khrushchev, the boss of the Communist Party, Vyachesiav Molotov, the Foreign Minister, and Marshal Georgi Zhukov, Defense Minister and wartime commander of the Red army in the Allied defeat of Germany.

The history of Soviet Russia during the past 30 years has shown that one can never be sure what is going to happen, especially within the inner circle of the Red hierarchy. As Marshal Zhukov said to me, "Fortune-tellers can go wrong."

Nevertheless, I am prepared to dare a guess about the future of the Soviet leadership. That is, if another Stalin is to emerge

on the Russian political scene, it will not be the new Premier.

Bulganin, with whom I talked for over an hour, did not impress me as the type who would be capable of seizing power and making himself the absolute ruler as Stalin did.

He lacked the dynamic personality and forcefulness of Khrushchev. He did not seem to possess the cunning that would be required for victory in a struggle for power with the tough ones in the Kremlin.

Bulganin struck me more as a front-man for the principle of collective leadership that I think, for the time being, at least, continues to be the basis on which the Soviet system is now being run.

With his wavy white hair, trim goatee, and neat moustache, Bulganin has a professorial look. He is a "political" general, not a professional soldier. Stalin bestowed the title of marshal on him during the war when he was commissar of the armed forces. He has a reputation for being an able administrator and organizer. More of an efficient bureaucrat than political crusader.

In his talk with me, Kingsbury Smith, the INS European general manager, and Frank Coniff, my editorial assistant, Bulganin adopted a conciliatory tone. He seemed to be trying to offset the violent attacks on the United States which he and Molotov had made a few days previously in the supreme Soviet, or parliament.

We took him to task for those attacks. We told him we did not see how he could reconcile them with the protestations for improved relations with our country. He denied that the attacks reflected any decision of the new government to pursue a more antagonistic attitude toward the United States, and insisted the Soviet leaders were sincere in their desire for the reestablishment of normal, friendly relations with America.

There is so much doubletalk in Soviet verbiage that it's difficult to know when they are speaking the truth. They practice a sort of double-entry bookkeeping line, saying things that can have different meanings. However, I do feel they think it is in their own interests to try to improve relations with us.

We thought we smoked out Bulganin on one thing. Molotov claimed in the supreme Soviet that Russia had surpassed the United States in the production of hydrogen bombs. We called Bulganin's attention to the warnings of scientists that the continued explosion of nuclear weapons could have dangerous effects on human and animal life. We asked him whether Russia would be willing to enter an agreement with the United States and Great Britain to limit the number of these explosions for experimental purposes.

The quick and sharply negative reaction of the Soviet premier convinced me that the Russians are far behind us in the stockpiling of these new weapons, and may not have the H-bomb at all.

Of the four top leaders we met, Khrushchev was in many ways the most impressive. If any of the four were to grab power and build himself up into a Stalin-like dictator, my guess is it would be this boss of Russia's 6,000,000 Communist Party members.

A bull-necked, blunt, and rugged individual, this heavy set little man with his beady blue eyes and aggressive vitality gave the impression of being the boss of the Kremlin show at the moment, and knowing it.

On the day Georgi Malenkov publicly lost his job as premier, it was Khrushchev who dominated the scene in the supreme Soviet. He nominated Bulganin as successor, and as he did so he remarked that he was sure the deputies would accept the suggestion. There was more than an expression of hope in that remark. It was clear that the "boss" was speaking.

No one else was nominated, and no one else spoke for or against Khrushchev's candidate. The vote was called and the hands of some 1,400 deputies sprang automatically into the air. That is how Soviet "democracy" operates.

During our private interview with Khrushchev, which lasted nearly 3 hours, he also spoke with the voice of authority. He did not seem to bother to weigh his words the way Bulganin, Molotov and even Marshal Zhukov did. He was fast on the come-back, and he talked with as much ease on foreign affairs as he did about internal policy.

He made no bones about the hope of the Communists to gain "the upper hand," as he described it, in the world one day. But he sought to convince us that the Soviet leadership wants to confine the global struggle between the Communist and capitalistic systems to measures short of war.

Unlike American Communists, he and most of the other leaders we met displayed a sense of humor.

Khrushchev laughed and joked and at times showed flashes of wit. He would doubtless order your throat cut without blinking an eye if he thought it would serve his ends. But he can be amiable.

He said quite frankly he could appreciate the feeling of our countrymen about Communist China's imprisonment of the American airmen, and added that he personally hoped the matter would be settled satisfactorily. That is more recognition of the wrong that has been done by the Peiping regime to our fliers than we would likely get from Communists and fellow travelers here at home.

As for Molotov, he seems to have become the elder statesman of the Soviet Government.

He has been an active revolutionary for nearly 50 years, a member of the Central Committee of the party for 35 years and in the top echelon of the Soviet hierarchy for nearly 30, and there is hardly a responsible post in the Soviet Government that he has not held from premier on down.

His name means "the hammer" and he is known among the Russians as old "Stone Pants." He was formally polite and courteous during the 1½ hour interview we had with him.

Always the professional diplomat, he was cautious in his statements and quick to give us the propaganda line. He talked at length about American military bases surrounding the Soviet Union and referring to our protection of Formosa, labeled it "interference in the internal affairs of China."

From time to time, Molotov offered me a Russian cigarette and while he talked or listened to our questions, he toyed with a match box.

He spoke with an air of self-confidence as though he was supreme in the handling of Soviet diplomacy and did not feel that he had to worry about what the other members of the Presidium might think of his handling of foreign policy.

However, I had much the same feeling about him that I did about Bulganin. I could not quite picture him as developing into another Stalin. He, too, seemed to lack the flair for lone wolf leadership.

The western diplomats thought the most important part of our conversation with Molotov concerned the questions of a temporary cease-fire in the Formosan area to facilitate the evacuation of Chinese Nationalist forces from the exposed Tachen Islands under the protection of the United States Navy.

When we put the question to Molotov, he said he thought hardly anyone would hinder such an operation. The western envoys seized on this statement as an indication that the Soviet Government would restrain Red China from attacking the American naval units protecting the evacuation.

A week later, the order was given for a powerful Navy task force to proceed to the Tachens and cover the withdrawal of the Nationalist forces.

Had the Chinese Communists attacked our sailors we might today have been at war with Red China. The evacuation, however, was completed with hardly anyone interfering. Some of our diplomatic friends in Moscow expressed the view that our talk with Molotov paved the way for that operation and—who knows—that might have been the case.

Of all the four top men whom we talked, Marshal Zhukov was the most pleasant. He received us alone, except for our interpreter "guide," and greeted us warmly when we arrived in his office in the National Defense Ministry.

Above eight rows of ribbons were three stars representing the triple award of the highest military honors his nation bestows.

Here was the old soldier who had been on such friendly terms with General Eisenhower in the closing period of the European war and for a short time thereafter. He had stood with "Ike" beside him in Moscow's Red Square for the great victory parade. He had accepted an invitation from Eisenhower to visit Washington and Ike had offered him his own plane and his son, John, as an aide. The cold war prevented Zhukov from making the trip. He told us that it was his dream to do so, though he doubted that the time was ripe for it.

This husky, forthright military man who commanded the defense of Moscow, prepared the Soviet stand at Stalingrad and led the Red army to victory against Germany gave me the impression of being sincere in his expressed hope for improved relations with the United States and the warm sentiments he voiced about General Eisenhower.

I felt almost a sense of relief later when I heard that he had moved up to the post of Defense Minister.

Not because he would hesitate to do everything within his power to defeat us in the event of war between our two countries, but because I believe that soldiers like Ike and Zhukov know all too well the horrors of war and want to avoid it. The presence of Zhukov in the high councils of the Soviet regime might be a conservative, perhaps even restraining influence on the recklessness.

Not that I think there is any likelihood of Zhukov exerting a dominant influence on Soviet policy. He strikes me as a soldier likely to carry out the orders given to him. He also gave me the impression of being a dedicated Communist, speaking rather proudly of being a member of the Central Committee. He said:

"We soldiers follow the party line."

Nevertheless, I had the feeling that Zhukov is a patriot first and a Communist second, and that as long as he remains in the top echelon of the Government he would raise his voice strongly and perhaps effectively against any wild whims for a war that might lead to the destruction of "Mother Russia."

With these four coldly realistic men at the top in the Soviet Union, I could not help feeling that any immediate threat to world peace is more likely to come from Red China than Russia.

(This is the third of nine uncensored articles in which William Randolph Hearst, Jr., is reporting on what he heard, saw, and learned on his recent visit to Russia, during which he obtained a record-breaking series of interviews with the Soviet Union's top four leaders.)

(By William Randolph Hearst, Jr.)

There is one important factor too often neglected or not given sufficient emphasis in assessing the power of the U. S. S. R. against the backdrop of the world picture.

That factor is the enormous problem confronting Russia at home as its leaders struggle to gear the country's economy to the modern age.

We are inclined to think of Russia as a smoothly functioning state run with push-button precision by men who have fitted every piece in its proper place.

It is, instead, a nation of 200 million souls in relative degrees of backwardness, painfully seeking to mold its resources into a form where it can rival the might of an industrial giant like the United States.

TALKS BARE TURBULENCE

This inner turbulence was clearly evident to us in our long talks with Russia's top leaders 2 weeks ago.

They are men at grips with problems of production, of food supply and of industrial expansion which would create headaches for the most gifted group of American production geniuses.

In the hands of this tight little knot of bureaucrats rests an authority reaching into every phase of Russian life. It is a power so huge that it is difficult for free-enterprising Americans to comprehend its scope.

BOLD MEN IN POWER

There are 9 bold men in the Presidium—the post-Stalin version of the Politburo—and of these 9 men, it is certain that 3, and at the most 4, wield supreme influence in its councils.

They are Krushchev, Molotov, Bulganin, and possibly Zhukov. There is power enough for all, so far-reaching is the authority which funnels up to the small elite at the tip of the pyramid.

There is no adequate comparison in American life to Russia's power pyramid. Not only do these few men run the big factories, the farms, and the food shops; the bus lines and the taxicabs; the schools and the subways; the railroads and the airlines; but also the ballet and the ballot box.

Superimposed on these pressing problems of everyday life—the questions which would plague Communist Russia if the cold war never existed—are the problems they have created for themselves by challenging America and the Western World to an armament race.

The men who rule Russia must be toiling over the intricacies of jet aircraft construction and production. They ride herd on platoons of scientists assigned to solve the mysteries of the atom. They lavish Russia's resources on plant expansion designed to keep Russia's war potential within reach of the West.

They must somehow find the means, amidst all the urgent claims of their own domestic needs, to supply the instruments of war to a Chinese ally who is long on boasts but short on bombs.

All this in a nation which only entered the industrial age 37 years ago, and which, after more than a generation of bone-breaking privation, still lags far behind America in vital items like steel and coal and iron that are the sinews of a war economy.

MALENKOV'S FAILURE

In my opinion, this inner insecurity played as big a role as any other factor in the shake-up which shuffled Georgi Malenkov out of the driver's seat 3 weeks ago.

True, there was a struggle for position within the little group of ruthless men at the top. That is a permanent condition in the Kremlin's competitive jungle, although almost certainly Party Boss Khrushchev is now the dominant force of the Presidium.

But it seems to me that Malenkov's position weakened only as his administration proved unable to solve Russia's most clamoring problems. He is rated by westerners in Moscow as a man of intelligence and proven executive talent.

But the figures and facts were against him. His number was up. He had to go or seize supreme control himself, and he lacked the personal power for the latter bid.

SOFT THEORIES INADEQUATE

In every field of Russian effort, dark spots were appearing.

The peasantry, always a restive element, were stirring again.

Production at one point slumped off 8 or 9 percent.

A rearmed Western Germany loomed on the horizon.

Malenkov's soft theories were clearly inadequate to meet the new threat.

Or so it must have looked to his associates on the Presidium. They are tough, ambitious men and more than one of them undoubtedly nourished reasons for welcoming Malenkov's downfall.

Had the Malenkov administration proved a big success—had production figures in industry and agriculture boomed under his leadership—there is at least the possibility that Malenkov would have survived.

EVALUATE UPHEAVAL

Now they have tapped Nikolai Bulganin for top administrative responsibility. It may well be that his past success at executive levels was his chief recommendation for the post while his known talent for intrigue had probably placed him in a good position for the elevation.

Since returning to America, I have read many explanations of the Malenkov upheaval. Interpretations based on previous Communist history, character analyses of the principals involved, and evaluations of the relationship between the Communist Party, the Russian Government, and the Red army.

There may be some truth to all of them. Certainly neither I nor Kingsbury Smith nor Frank Conniff, nor all three of us pooled together, claim to be Russian experts after 3 crowded weeks in the Soviet Union.

ON SCENE OF ACTION

But we can and have read and studied Russian history and we did have the advantage of being on the scene while world-shaking events were taking place. Also of talking to the four key men who emerged at the helm. Plus the Western ambassadors and their staffs in Moscow.

We could not escape the feeling that Russia is wrenched by problems of tremendous dimensions and that the men at the top are sorely tried to meet them.

Here in America we have problems of sufficient size to test the competence of some of the best administrators the world has ever known.

How much more difficult must it be in Communist Russia, far less endowed in basic equipment and whose administrative experience dates back scarcely more than a generation.

PULL OUT ALL STOPS

Now I know that nothing could be more dangerous to America's security at this time than to underestimate the capabilities and the potential of Soviet Russia—an enemy who is ruthless, implacable, and convinced that in the end communism is destined to dominate the world.

But if it is dangerous to sell the U. S. S. R. short, it is equally wrong, in my opinion, to overestimate its capabilities.

In our talks with the Communist brass, they pulled out all the usual propaganda stops about airbases, atom bombs, and the like. But running like a theme through their most brazen declarations was the counterpoint of "peaceful co-existence." Khrushchev, tugging at my arm, said:

"Look. We're coexisting at this table. Why can't we coexist in the world?"

The Russians want peace because they need time.

They need time to solve, if possible, their problems at home, consolidate their vast empire and perfect their devices for the possibility of an atomic showdown.

You may have been surprised to read here yesterday that many informed Europeans—and I heard this at the highest levels, so I know it wasn't idle speculation—doubt if Russia yet possesses the hydrogen bomb.

Without necessarily accepting that estimate, I can appreciate from my own experiences in the Kremlin that the Russian position is not as rosy as those loud talkers at the Supreme Soviet would like the world to believe.

Timidity has sometimes shackled our actions in the past.

American policy now is to operate from "positions of strength."

We are heading in the right direction, and Communist Russia knows it.

(This is the fourth of nine uncensored articles in which William Randolph Hearst, Jr., is reporting on what he saw, heard, and learned about the Russian leaders and people on his recent visit to Russia, a visit marked by interviews with the four highest ranking men in the Kremlin.)

(By William Randolph Hearst, Jr.)

Easily the most surprising aspect of my 3 weeks' visit to the Soviet Union was the friendliness of the Russian people.

In view of the constant efforts of Soviet propaganda to turn the people against the United States, to frighten them with fear that America is preparing to attack them with hydrogen and atomic bombs, I had expected to be met with suspicious and hostile glances in public.

To my amazement, the attitude of the people we encountered was quite the contrary.

I am not referring to the formal politeness of the Red officialdom. I mean the common people. The man in the street. The shop-girl behind the department store counter. The old women in the market place.

"AMERICANSKI" HAS MAGIC EFFECT

The word "Americanski" seemed to have an almost magic effect on them. Doubtless, curiosity had a good deal to do with it. But it was more than that. Their faces brightened up. They smiled pleasantly. They seemed eager to talk—though not about their government.

Some cynics might say it is naive to think the friendliness of these people was genuine. That they must have been planted—knew who we were—and told to be affiable.

It would have been impossible to have arranged it in advance so that the people we just happened to encounter in the streets and elsewhere reacted as they did. We experienced the friendliness on the very first day of our arrival in Moscow. In different parts of the city, and before the Soviet press or radio had carried any information about our arrival.

I am positive that if you had been there with me, in the streets, the shops, the food markets and theaters of Moscow and Leningrad, you would agree with me that the amiable attitude of the people was spontaneous and sincere.

When I appeared with my two companions unexpectedly in the so-called free food markets, unaccompanied by any official guide, but by Charles Kiensch, our Russian-speaking American correspondent in Moscow, the men and women at the food stalls greeted us with good natured looks and eagerly showed us what little they had to offer for sale.

ONLY RUSSIAN FREE ENTERPRISE

These markets, incidentally, were the only sign of free enterprise we saw in Russia, and they operated on a small scale. Most food is sold in government stores at controlled prices, but there is a serious food shortage and the supply in the state shops is by no means enough to meet the public demand.

Prices at the free markets are uncontrolled. Peasants from the farmlands around Moscow bring to the free markets the little they are not compelled to sell to the government. Carrots, potatoes. A few chickens and eggs.

A bit of beef, lamb or pork, though the meat is of poor quality and expensive.

In one shop, there was a single, scraggy chicken on the counter. Beside it were three eggs. The Russian peasant woman, in a soiled white apron, held it up to me to inspect.

Her eyes twinkled and she laughed. I doubt that her customers, if any, did, at the price. It was the equivalent of $24 at the official rate of exchange for the dollar. In terms of Russian purchasing power, it was about $9. Since the salary of an average Moscow white collar worker is about $50 per week, chicken is a costly luxury.

To return to the friendliness of the people, however, we found it on every hand. When we stopped at a little corner ice cream and candy wagon to sample a bar of the rare and expensive chocolate, a score of people quickly gathered. They first gazed curiously, but when we smiled at them, they were quick to respond. Smiles would light their faces when we said Americanski. They crowded around and peered over our shoulders as we made notes about prices, giggled, coyly, if we took photos of them.

LIKING FOR AMERICANS TOLD

On one occasion in the market place, a middle-aged, poorly dressed woman with the traditional shawl over her head approached us, and upon being assured we were Americanski proceeded to tell us how much the Russian people liked Americans.

"We like your union," she said. "We are grateful for what you did for us during the war. We want to be friends with you. We do not want war. Let us have peace."

That reference to war and peace reflected the propaganda campaign against the United States, but the surprising thing to me was that these people did not seem to be mad at us. There was no antagonism in the woman's voice. There was more of a plea for friendship; an expression of fervent hope that there would be no more war.

The apparent failure of the Hate America campaign which has been underway in varying degrees of intensity ever since the cold war started 10 years ago was rather astonishing. The anti-American propaganda in the press, on the radio, and in the movies seems to have had much less effect on the average Russian man and woman than one would have expected.

We could only surmise that the people automatically shut off their sense of hearing as we do sometimes when dull commercials come on the radio.

LESS ANTAGONISM THAN FRANCE

As Kingsbury Smith, the INS European general manager, who accompanied me along with Frank Conniff, my editorial assistant, observed:

"An American walking through the Communist districts of Paris gets more hostile glances than anything seen here."

Perhaps the answer is that not many Russians are Communists at heart. After all, only 6,500,000 Russians are members of the Communist Party out of a population of approximately 200 million.

In the light of the friendliness we encountered, I could not help but wonder if the Russian people may not yet prove to be America's secret psychological weapon in the cold war with Soviet communism.

That may seem a startling statement. It certainly is not intended to imply that the Russian masses think American foreign policy is right and their government's policy wrong. The vast majority have no opportunity to know what really are the bases or objectives of American policy. They are simply told that Uncle Sam is an imperialistic beast who is preparing for war.

That they seem to take such propaganda with a whole sack of salt struck me as encouraging.

NO INDICATION OF REVOLT

Not that they are going to revolt. We were told by the western envoys there is not the slightest sign of anything like that. Nor do I believe we could expect any humanitarian considerations from the Russian people if they were forced into a war with the United States. They are a patriotic people. They proved that during the last war when they fought with great bravery and stamina—certainly not because they wished to save the Soviet system, but because they wanted to defend "mother" Russia.

If war should come, they would be told that Russia had been attacked, and whether they believed it or not, they would, I am convinced, fight hard.

However, as long as there is no war between Russia and the United States, I think the apparent resistance which the Russian people have shown to anti-American propaganda indicates two possibilities:

First, that they are not wholeheartedly supporting the Soviet Government's policy of attempting to make Uncle Sam the world's No. 1 villain.

Secondly, that if we can find ways of strengthening the feeling of friendship toward Americans that seems to be inherent in the character of the Russian people, we can make it more difficult for the Soviet Government to turn them against us, at least as long as there is no war.

DIFFERENCES TO BE DRAWN

In criticizing Russia, in vigorously opposing and condemning its policies, both domestic and foreign, I think our Government should make a point of differentiating between the people and the Soviet regime.

We should strive during the coming months through the Voice of America, Radio Free Europe, and all other means which we have of reaching the Russian people to get across to them our sympathies for the new hardships that will confront them.

We should do this without inciting them to revolt against their government. That would be cruel, because if they attempted to do so they would be shot down mercilessly. We should simply express our sympathies for them in connection with the Soviet Government's decision to curtail the production of consumer goods in order to concentrate on the greater development of heavy industry.

The Russian people are no fools. They know what this decision means for them. They realize it means more guns and less butter; more aid to Red China and less necessities of life for them.

This became clear to them when Georgi Malenkov was replaced a few weeks ago as Premier. He favored a softer line. As far back, as October 1953, he told the people in effect, that there had been enough emphasis on heavy industry and the time had come to "organize the sharp development of the production of consumer goods."

SOFTER POLICY LINE

During his short reign as head of the government, conditions eased considerably for the people. There was less police terrorism. More goods appeared in the shops, more suits and dresses, ties and shoes, though by no means enough to meet the demand at reasonable prices. Television sets were mass produced for the people. We saw the aerials on the roofs of apartments and houses all over Moscow and the suburbs.

Malenkov also cut farm taxes, permitted collective farmers more leave in cultivating small private plots.

Now the trend appears headed back in the direction of the Stalinist policy of squeezing the utmost out of the people in order to develop the basic industries and strengthen Russia's war potential.

The people will be called upon to work harder and get less. Nikita Khrushchev, boss of the Communist Party and the man who appears to be running the show now, told me during the course of my long interview with him that the production of consumer goods must henceforth take second place to the development of heavy industry.

Only 12 percent of the government budget for 1955 will go for light industry. The balance will be applied to what the Soviet leaders described as production of the means of production. In other words, heavy industry.

Notice has been served on the people that the 5-year economic plan, now in its last year, must be fulfilled ahead of schedule. The government claims it has increased industrial production 71 percent since the plan was launched, 9 percentage points from its goal, which it hopes to reach before the end of this year.

AGRICULTURE OUTPUT LAGS

No comparable increase, however, has been achieved in agriculture. A new program has been laid down which calls for an eightfold increase in the planting of corn, and an overall annual production of about 160 million tons of grain by 1960. Also a rise of 2 to 2½ times in the output of livestock products.

The people realize that the basis of this factory and farm program will be further forced development of heavy industry at the expense of consumer goods. It has been made clear to them that the economic might and military potentiality of the Soviet Union is to be given preference once again over their own personal needs.

Furthermore, they are being told in the Soviet press that they must work harder and increase the output per worker. Like the donkey and the carrot, the hope is being held out to them that if they pull the barge a little harder, it will eventually be possible to increase once again the production of consumer goods.

That is likely to be of little comfort to the Russian people in their disappointment over the realization that in the immediate future the already difficult living conditions are going to become worse.

That is why I feel we should extend to them our sympathies and take advantage of every possible opportunity to let them know the difference between our free system and the totalitarian one under which they live.

(This is the fifth of nine uncensored articles in which William Randolph Hearst, Jr., is reporting on what he saw, heard, and learned about the Russian leaders and people on his recent visit to Russia, a visit marked by interviews with the four highest-ranking men in the Kremlin.)

(By William Randolph Hearst, Jr.)

After more than 30 years of Communist rule, the people of Russia are living today in what we would consider, by any comparison with our own way of life, a state of deep economic depression.

Living standards remain appallingly low in comparison with our own.

There is a scarcity of almost everything—food, clothing, housing, and especially the little comforts of life that we have come to regard as necessities.

Most of the inhabitants of Moscow, for example, live in what we would regard as exceedingly poor to semislum conditions in overcrowded, dilapidated apartment buildings and small but quaint and crooked wooden houses.

CONDITIONS IMPROVED

But, broadly speaking, conditions have improved for the people under the Soviet system, every Western Ambassador and diplomatic expert in Moscow assured us.

That does not mean, of course, that they would not have been better off if the czarist system had continued. Conditions for the

working classes in all European countries are better than they were 30 years ago.

Whether they would have been better in Russia than they are today must remain in the realm of speculation.

A lot more people undoubtedly would have been alive. Stalin starved millions in the Ukraine to impose farm collectivization on a primitive agricultural nation.

The people were not free under the czars and they are not really free now, but the fact is that they have more freedom and they regard themselves as much better off.

They did not get to vote under the czar and while their vote means nothing today, they really think that they have a democracy.

As Marshall MacDuffie quotes in his excellent book on Russian life, The Red Carpet, "It is not as bad in Russia as most people outside think it is, but it is nowhere near as good as the Russians think it is."

The comforts, happiness, spiritual welfare, and personal liberties of the Russian people are still being sacrificed in the interests of increasing the industrial strength of the country and spreading Sovietism throughout the world.

The basis now being laid could make Russia a strong and perhaps prosperous nation 50 years or so from now, especially if the system changes by that time, but this generation of Russians is paying a high price in drudgery and discomfort for an uncertain future.

LESS MEAT THAN IN 1928

Take the question of food, for example. The western diplomatic experts in Moscow told us the average Russian is getting less than the 40 pounds of meat per person annually that he was able to obtain in 1928.

Compare this with 155 pounds of meat per person that the average American is estimated to be eating each year.

I gathered that the shortage of livestock—6 million fewer than in 1923—is attributed to the wholesale slaughtering of cattle to which the rebellious peasants resorted when they were being forcibly collectivized by Stalin.

An ambitious new program of stock breeding is under way. Launched by Nikita Khrushchev, head of the Communist Party and apparently the real boss in Russia today. He told me that he hoped to get the Russian farmers to copy American methods of animal husbandry.

In his January 25 report to the central committee of the party, Khrushchev claimed that the new program had achieved last year an increase of nearly 2 million head of cattle.

However, he took the peasants to task for incompetent handling of their livestock, especially in respect to feeding.

He said that while stock breeding was increasing, the loss of live weight on the cattle totaled more than 40,000 tons.

NEW CORN-FEEDING PROGRAM

The stock-breeding program also calls for a tremendous increase in corn acreage for livestock-feeding purposes. The goal is 70 million acres by 1960, or about 15 million acres more than the normal United States corn acreage for such purposes.

American Embassy agricultural experts in Moscow will be surprised if these goals are achieved. They say there is not enough rainfall and too short a growing season for such massive corn production.

Khrushchev's plan is to develop millions of acres of virgin land in central Asia. He is urging the youth of European Russia to go east.

They are being offered bonuses, relatively high wages, and other incentives to take a wife along with them and settle down as pioneers in the undeveloped central Asian prairies.

This is also part of the Government scheme to increase the population. The Soviet leaders are talking about doubling and even tripling it.

While they don't mention China, the figures they mention are close to the population of their Far Eastern ally.

This has led some of the western diplomats to wonder whether, from a long-range point of view, the Russian rulers are concerned about the danger of an eventually industrialized China of 600 million people becoming the stronger partner in the Communist alliance.

Food shortage appears to be a basic weakness in the Soviet system, partly because under Stalin, attention was concentrated on the development of heavy industry.

Western diplomats also say it is due to the difficulty of training Russians to cooperate, and especially to take good care of modern agricultural machinery.

HARD TIME TO GET FOOD

Whatever the reason, the Russian housewife has a hard time getting things for the dinner table. This was evident from the queues we saw from before dawn until after dark in front of the food shops in Moscow and Leningrad.

In fact, those were about the only queues we were conscious of, outside the line that waits daily to visit the tomb of Lenin and Stalin in Red Square.

The best food shops in Russia are said to be the two government grocery and meat stores in Moscow, called "Gastronoms."

One is located in Gum, the big department store facing Red Square. The other is on Gorky Street also in the center of the city.

These are the grocery "show" places of Russia. They are crowded from morning till evening.

Even in these two shops, they often run out of meat, though they usually have one or another of pork, beef or mutton.

Most of the time they have eggs. Less frequently, sweet cream and butter. Oranges, lemons and other fruit are to be found irregularly.

Diplomats and foreign correspondents can phone orders to these two stores. Mrs. Charles Klensch, wife of the INS correspondent in Moscow, put in orders at the Gum Gastronom four times in January.

On January 7th and 11th, she was unable to get lean beef, sour cream, sweet cream or any frozen fruit or vegetables.

Five days later, she was still unable to get cream, frozen foods, or lamb. On January 21st, pork as well as the other meats and the vegetables were unavailable.

This winter the price of a single fresh egg at the official rate of the dollar exchange has averaged 25 cents.

In terms of the real purchasing value of the ruble, that would make it about 10 cents, which is still high when you realize that the basic wage scale for the Moscow white-collar worker is about $50 per week.

First quality lean beef costs about $3 a pound. Pork is a little more expensive. Lemons are approximately 50 cents each. Oranges $1.25 a pound.

OVER HALF INCOME FOR FOOD

The average Russian city dweller spends about 55 percent of his income on food as compared with approximately 28 percent spent by an American workers, and, of course there is no comparison what the Russian gets what we get.

An average American eats nearly 4 times more meat than a Russian, and that's not because Russians don't like meat. Their favorite dishes are based on it.

The basic diet during the winter time is grain porridge, beet soup and black bread. In the Moscow food shops, however, we saw counters loaded with good-tasting white bread. But Moscow is not Russia, any more than New York is America.

Clothing is scarce and expensive, though the people we saw in the streets appeared quite warmly clad. Many women wore fur coats and most of the men we saw wore fur-trimmed hats.

Kingsbury Smith, European general manager of International News Service, who, with Frank Conniff, accompanied me on this trip, said the people appeared better clothed than when he was in Russia in 1947.

They were well, though not stylishly shod, wearing mostly boots.

Military officers and police are the best-dressed men to be seen in the streets, and they are far more numerous than in any Western capital.

The civilians as a whole are drably dressed, and we saw no Russian woman in the streets, theaters or restaurants that would, in Western terms, be considered at all smartly attired.

Men's ready-made suits of very inferior quality were priced in the main department store at 1,600 rubles, or $400 at the official rate of exchange.

While there is no longer any rationing in Russia, prices are used for much the same purpose. Goods of which there is a shortage are priced high.

AUTOS TOO COSTLY

Cars are now for sale to the public, but delivery takes a minimum of 10 months, and they cost about double the price of an American car.

The Zis auto, which looks like a prewar Packard, costs about 25,000 rubles, or more than $6,000.

There is considerable traffic in the center of Moscow, though nothing like New York, London, or Paris. However, the aristocracy of the Red regime does have money to spend. The problem is finding something to spend it on.

Income taxes are kept relatively low. Less than 10 percent of the government's revenue comes from this form of taxation. Most of its comes from sales and profit taxes of factories, farms, and state stores.

The basic working schedule is an 8-hour day, 6 days per week. Sunday is retained as the day off, though it is no longer officially regarded as the Sabbath.

Bonus incentives are used to speed up production. A norm, or quota, is set for industrial workers. If they exceed the quota, they get paid extra.

In cases where the factory schedule permits, they can work overtime to earn additional money, or, as it is put in Communist terminology, to "fulfill the plan ahead of schedule."

STRIKES NOT PERMITTED

Strikes are not allowed in the "paradise" of the proletariat.

This incentive system is a far cry from communism. There is, in fact, no such thing as real Marxist communism in Russia today.

Even the Soviet leaders say that quite frankly. They contend they are simply in the "socialistic" phase of the march toward communism, which is the Red utopia they hold out to the people for some unpredictable time in the future.

One of the best informed Western Ambassadors we met in Moscow said to me:

"There are no Communists in Russia, not on the top or the bottom. This system is being operated on the basis of State capitalism. Anyone who tried to practice real communism would be shot as a deviationist."

From what I heard about the way things are being done in Russia, I could not help feeling that the Soviets are moving more in the direction of capitalism, while we over here have been heading more in the direction of socialism.

(This is the sixth uncensored article in which William Randolph Hearst, Jr., is reporting on what he saw, heard and learned of the Russian people and leaders on his

recent visit to that country, during which he interviewed the top four men in the Kremlin.)

(By William Randolph Hearst, Jr.)

The Russian woman appears to be the greatest source of human vitality in the Soviet Union today.

Husky, healthy, frank, and good natured with a great capacity for hard work and also for child bearing, the average woman one sees in the big cities and on the farmlands certainly seems to justify the Nation being called, as it has been traditionally, "Mother Russia."

Drably dressed in comparison with western standards, lacking most of the conveniences that make life comfortable, and granted little if any consideration over man, the Russian woman leads a burdensome life.

Because the Government wants to double the population, she is now being called upon to produce more children. She is being urged to marry young and migrate east with her bridegroom to the virgin prairie lands of central Asia, as the early American pioneer women went west with their menfolk.

If she is an industrial worker, as millions of Russian women are, and she wants to keep her job after the birth of a baby, she is expected when she returns from maternity leave—which usually lasts about 2 months—to breast-feed the child in a nursery attached to the factory. She is given time off for this purpose. After work she can take the baby home with her, or she can, if she wishes, turn it over completely to a government nursery.

MONEY AND MEDICAL AID PROVIDED

If she wishes to keep and feed the child herself, she is, during the nursing period of 1 year, transferred to light work. She also receives money grants and medical benefits during maternity and the nursing period.

While the Soviet regime at one time allowed easy divorces and did nothing to discourage "free love," the policy now is to strengthen the family ties. Abortions have been prohibited. Divorce laws have been tightened up, and they reflect an attempt to protect the interests of mother and child.

To annul marriage, it is no longer enough (as it was prior to 1944) to give a one-sided, unsubstantiated application to the registrar's office.

Divorce is now effected publicly by a court of law, and the plaintiff has to substantiate his or her claim for divorce. The case is heard in the presence of both parties—first, at the so-called People's Court, which tries to reconcile the parties, then, if no reconciliation is possible, at a higher court. The latter either dissolves the marriage or rejects the case.

Simultaneously with granting the divorce, the court decides which of the parents is to have the children, which of them is to pay alimony and how much.

Under Soviet regulations, a court of law can dissolve a marriage "only when there are serious grounds for divorce and when continuation in the married state will prove contrary to Communist morality and will interfere with the creation of normal conditions for living together and bringing up children."

The Soviet constitution grants women "complete equality with men in economic, government, cultural, political and other public activity."

That applies to streetcleaning, too. One of the sights that startles the Western visitor to Moscow is the women shoveling snow day and night on the icy streets.

Bundled up in padded, quilted coats, with shawls over their heads, these women really look like human beasts of burden. Some are young. Some are well beyond middle age. I must state though that they do not actually look or act unhappy.

We were told that they are peasant women from the farms on the outskirts of Moscow. They are paid the equivalent of about $2 per day, fed and sheltered. One of the Western diplomats told us that the women apparently apply for these snow-cleaning jobs in big numbers, since it gives them an opportunity to earn money in the winter time when there is not as much for them to do on the farms as during the milder seasons of the year.

EDUCATION COMPULSORY AT SEVEN

Under the equal rights system for women, they are being given the same opportunities for education as men. Compulsory education starts for girls as well as boys at the age of seven. During our visit to Moscow University, one of the skyscraper sights of the city, we were told by the superintendent that young women comprise 51 percent of the student body.

We certainly saw as many of them as there were boys walking through the corridors and in some of the assembly halls, although there was a winter recess while we were there.

About 6,500 students live at the university out of a total of 21,500 attending the classes. I visited the living quarters, and while the small dormitory rooms were by no means luxurious they were not uncomfortable.

Girl students, as well as boys, pay a tuition fee of 400 rubles, about $100 per year at the Moscow University. They receive from the Government, however, from 300 to 700 rubles ($75 to $175) per month to meet the costs of room and board, books, and incidental expenses.

Communist girls and boys get the best break on education. If they have good records as members of the Komsomols, the Communist youth organizations, their applications for admission to the universities are given more favorable consideration. Only students who pass entrance examinations with the top grades are admitted.

There are probably beautiful women in Russia, but we were certainly not conscious of them in Moscow. Unquestionably the lack of smart clothes has a lot to do with it. Outside the western diplomatic corps, you never see what would be considered in New York, London, or Paris a fashionably dressed woman.

BALLERINAS BEST DRESSED WOMEN

The ballerinas were the best dressed Russian women we saw, but a chic American secretary, by comparison with them would look as though she had been outfitted by Dior.

The women in Leningrad are more attractive than those in Moscow. They seem more European, more vivacious and less peasant-like. I am inclined to credit Scandinavian blood for their better builds.

Then, too, Leningrad was Russia's "Window on the West" under the Czars. It was the capital of the nation for 200 years and at a time when French cultural influence was strong. There is much more grandeur about the city itself than there is about Moscow.

On one occasion when we were photographing the sights outside our hotel, a group of teen-age boys and girls walked by with skis over their shoulders. We turned our movie cameras on them and while the boys looked rather bewildered, the girls laughed gayly.

A pretty one stepped out of the group and walked into full views of the camera of Kingsbury Smith, who, along with Frank Conniff, was accompanying me. With dancing eyes and a bright smile, that Russian girl would have been considered striking in any country.

One of the boys, or the leader of the group, came back and hustled her along. She smiled back over her shoulder at us and, sad to relate, that was the last we ever saw of her.

To give you an idea of what life is really like in Moscow for an upper middle-class, Russian working woman, I will set down a question and answer interview with a translator employed in one of the diplomatic missions. This woman is about 45 years old. We will call her Masha since disclosure of her real name might get her into trouble for talking so freely to Americans.

RATHER THEATRICAL IN APPEARANCE

Rather theatrical in appearance with dyed hair, bright lipstick, and a gay silk scarf around her shoulders, this woman leads an easier and more pleasant existence than the vast majority of Russian women.

She is looking forward to "retirement" 10 years from now when she will be eligible for old-age pension and other benefits. She will then be able to go to a sanitarium or hotel-type rest home in the milder climate of Georgia. Meanwhile, the type of life she now leads can be seen from the following questions and answers:

"Question. What time do you get up?

"Answer. Between 8:30 and 9 a. m.

"Question. What do you eat for breakfast?

"Answer. We, I mean most Russians, nearly always eat a cooked breakfast. Eggs or sausages. Bread and butter. Coffee or tea.

"Question. Where do you go for lunch?

"Answer. Sometimes I bring sandwiches to work with me. All the big government offices and the factories have buffets. I rarely lunch in a big restaurant, it is too expensive.

"Question. When do you shop?

"Answer. I do not care to shop myself for food, but when I do, I try to limit it to Sunday, when all the food shops are open, or after work. Some of the state food shops are open until midnight specially for people who work late.

"Question. Who does your shopping when you don't do it?

"Answer. I share a servant with my neighbor, who is a doctor. We pay the servant 300 rubles per month (about $75). We also feed and clothe her, and she has a room in the apartment we share. She also makes a little extra money doing washing or other work for other neighbors.

"Question. How many people live in the apartment you occupy?

"Answer. There are five big rooms. We have a kitchen, bath, and telephone. It is all shared by eight people, all of us friends."

HAVE SOME ELECTRICAL EQUIPMENT

"Question. Do you have electric gadgets in your apartment?

"Answer. We have a big electric ice box. Also an electric iron and sweeper. We have three gas stoves in the kitchen.

"Question. How about laundry?

"Answer. I wash my own silk things but the rest goes to a laundry.

"Question. How often do you go to the hairdresser?

"Answer. Usually twice a month, but the young girls I know like to go every week.

"Question. What is the price of a silk dress?

"Answer. The pure, very fine silk dresses are about 280 rubles ($70). Rayon dresses cost from 180 to 220 rubles ($45 to $55).

"Question. How many pure silk dresses do you buy a year?

"Answer. About four or five. In the summer, there are many in the shops from which to make a selection.

"Question. How much are winter coats, and how many do you have?

"Answer. A plain but warm heavy coat without fur trimming costs about 550 rubles ($137.50). I have 1 fur coat and 1 cloth, but I know a woman who has 6 fur coats. (This woman, we found out, was the wife of a Soviet Marine colonel.)

"Question. How many pairs of shoes do you have?

"Answer. Five pairs of all-the-year round shoes, including fur boots, and two pairs of white shoes for summer.

"Question. Do you ever wear an evening dress?

"Answer. Very rarely. Sometimes at a New Year party, or a big reception. I like my cocktail dress better.

"Question. What do you eat for supper?

"Answer. Like all Russians, we have soup. Then perhaps a little meat or fish, compote of canned fruit, or some cakes or cookies.

"Question. How often do you eat in restaurants?

"Answer. At least twice a month. More often in summer. My favorite restaurant is frequented by theater artists. Sometimes I go with friends, but now and then alone."

MOVIES, OPERAS, PARTIES ENJOYED

"Question. How often do you go to the theater or ballet?

"Answer. I go to the movies regularly twice a week and to the theater, opera, or ballet about twice a month.

"Question. Do you go to many parties?

"Answer. Oh, yes. Russians love to have little parties. Not big ones. Just a few friends to eat and drink—and sing. I go to three parties at least each month.

"Question. How many books do you read a week?

"Answer. About two each week. I can get them from the libraries in Moscow. Also, I subscribe to magazines.

"Question. Do you have any particular hobbies?

"Answer. I make hats for myself and my friends. Also I am a member of a dramatic club, and acted in Gogol's 'Inspector General' a short time ago. I do not belong to any political club or organization.

"Question. Do you make any of your own clothes?

"Answer. Some of them, but I have a good dressmaker. Most of the women I know have their clothes made by little dressmakers. The shops are too expensive. I own my own sewing machine. Most of my friends have them. My sister just purchased a beautiful electric German sewing machine for 750 rubles ($187.50) with all the attachments.

"Question. Do you have a savings account?

"Answer. Yes; but only to save enough money to buy the things I want. Then I spend it. Why should I save more? I will be taken care of by my pensions when I am old.

"Question. What are you saving for now?

"Answer. First, for a new fur coat—a mouton. I can buy one for 1900 rubles ($475), but they are scarce and one must queue up for days. I do not like to queue up and never join a line if I know I must stand for more than half an hour. When I have bought a coat, I shall save for a television set. One of my neighbors has one, and I watch that, but I would like to have one of my own."

SAVE MONEY FOR HOLIDAY TRIPS

"Question. Where do you go for holidays?

"Answer. Oh, that is what I save most of my money for. I always go to the Crimea, usually Sochi. My sisters and their families come, too. Sometimes I go to Kiev, or other parts of the Ukraine, since that is where I was born.

"Question. Do you keep in touch with school friends?

"Answer. Yes, I meet them often, and now and then we have reunion parties.

"Question. Did you go to high school in Moscow?

"Answer. Yes, and after I finished I took a degree in theater arts at the dramatic institute here.

"Question. Are you married?

"Answer. I am a widow. My husband was the director of a theater in Moscow. He was killed during the war.

"Question. What did your father do?

"Answer. He was a professor of science.

"Question. How do you feel about the United States?

"Answer. I am sure America does not want war. I do not believe what I read in the newspapers. I am sure there is a big misunderstanding somewhere. If Russians and Americans could meet a lot more, and get to know one another, I am sure things would be better.

"Question. How much do you earn?

"Answer. As translator for a foreign embassy, I earn 1,000 rubles ($250) per month for half a day's work 6 days per week. I also receive a special pension as the widow of a soldier killed in the great patriotic war."

(This is the seventh of nine uncensored articles in which William Randolph Hearst, Jr., is reporting what he heard, saw, and learned of the Russian system, its leaders and people on his recent visit to that country, a visit highlighted by interviews with the four top men in the Kremlin.)

(By William Randolph Hearst, Jr.)

A new elite has emerged in the Soviet Union to prove the theory that under the Communist dictatorship everyone is equal—but some are more equal than others.

An aristocracy based chiefly, though not completely, on performance and talent reaps the fruits of Russia's sweat and toil in the form of bonuses, cars, apartments, dachas (country homes), servants, etc.

Old traditions of birth and privilege have long since been abandoned. Of course, human nature being what it is, Soviet Russia has its share of political favoritism, bureaucratic boondoggling, and even nepotism. Relatives of ranking party leaders are not without advantages in the struggle for existence.

The loftiest echelon of the modern Soviet classless society is a managerial elite based on position in the Communist bureaucracy and production structure, topped by names from theater, the opera, and the ballet.

INTELLIGENTSIA IN UPPER CRUST

Plant directors and managers, chief engineers and technicians, directors of state farms and machine tractor stations, kolkhoz (collective farm) chairmen, the literary and scientific intelligentsia—these comprise the upper crust.

High-ranking army officers and their wives also occupy prominent places in the new social hierarchy.

Russians in these categories live far better and higher than the massed ranks of workers below them, the humble factory hands and peasants who drudge along on a diet of meager rations and hard work.

Tempering any desire to "live it up" and flaunt their comparative wealth, however, is the knowledge that the Kremlin's high command frowns on ostentation.

Hard work and rugged competition keep the comrades toeing the line, and the regime applies the incentive motive of the capitalist system. This is contrary to true Marxist communism under which the incentive urge must necessarily disappear, as there is no reason for having incentive, everybody being equal.

But in Russia today there are so-called millionaire factories, such as the Stalin plant in Moscow, the sales revenues of which run into millions of rubles.

There are also millionaire kolkhozes where superior management and production bring rewarding bonuses to directors and workers alike.

HINT PREFERENTIAL TREATMENT

Some observers feel that the millionaire Stalin factory gets preferential treatment in materials and first-class production techniques and that some millionaire farms mostly owe their success to the good, rich earth of their particular areas.

Others think these favors of nature are taken into consideration when the central committee of the Communist party—the top ruling body in Russia—sets up norms and big results are demanded from operators of the fortunate farms and factories.

How much are the top executives and managers paid? The chairman of a good kolkhoz about 18 miles from Moscow told INS he makes 2,400 rubles a month (about $600 at the official rate), plus produce amounting to double the amount received by the average worker on his farm.

He has now a new small Pobeda car, a TV set, a radio, a Longines watch, and a telephone, testimony to the relative luxury available in such positions.

In cases such as these, it is hard to estimate the real value of pay because the exchange rate of the ruble in terms of dollars is artificially pegged. It is set at 4 rubles to $1 but Western economists estimate the true rate at closer to 12 rubles to the dollar.

President Eisenhower became aware of this false exchange during his postwar visit to Russia. Two weeks ago in the White House, he recalled the answer he had given a kolkhoz worker who asked what his opposite number in America would earn.

ZHUKOV UPSET

The President told me:

"I knew that the salary alone wouldn't tell the true difference, so I translated it into what the American worker could buy with his pay.

"I told him that his opposite number in America would probably own his own home, a car, have his children at a university, attend the movies and theater regularly, and, in general, possess many of the good things of life."

The President smiled at the memory, and continued:

"Marshal Zhukov was listening and I could tell he didn't like this line of talk. He turned on the worker and said:

" 'Stop bothering our guest with such silly questions.' "

Even the workers in Russia have their elite—the leading stakhanovites (workers who invent labor-saving shortcuts), outstanding shockworkers (those who overfulfill their norms or quotas by big margins), and top brigadiers foremen of collective farms (whose squads give impressive performances).

ARTISTIC WORLD

But the cream of Russian society is represented by the artistic world—the performers of the opera and ballet and theater who rise to the top on the strength of natural talent.

Ballerinas, opera singers, conductors, movie producers, directors, and writers get the best apartments and are among the few people in Russia to dress well, though not fashionably in Western terms.

They have big popular followers and are household idols throughout the Soviet Union. The wife of one Western Ambassador, with several years of experience in Russia, told me that the artists had a little world of their own in which they lived on a far better level than their adoring fans. She said:

"There's a society going on here that nobody sees."

A stiff artistic price is exacted from these beneficiaries of Soviet favors. Composers and writers must hew to the current line, and are soundly reprimanded in the party press for any deviation.

In an interview at the Moscow Conservatory of Music, Dmitri Shostakovich, the world famous composer who was severely reprimanded in Stalin's time for writing a deviationist symphony, stanchly defended the system which exposes creative artists to the bards of doctrinaire critics.

CRITICISM HELPS

He said:

"They're very helpful. Their criticism improves a composer's work. If I'm working in the wrong direction, I should be told."

There appears to be one exception to the blanket rule that all artists must accept party discipline or face stern punishment. The performing artists—the prima donnas and the actors and actresses as opposed to the composers and writers—seem to lead a charmed life in this respect.

Westerners tell the story of Kozlovsky, a top Russian tenor who always gets paid 25 times the stipulated state rate for each performance.

Kozlovsky rebelled against a proposed tour of the so-called people's democracies. He complained that the pay wasn't substantial enough and that the technical resources of some opera houses were beneath his standards.

For his show of temperament Kozlovsky drew the usual stern wigging in the party press. But nothing else happened. He was singing away as usual the next season and as popular as ever. One diplomat said:

"The Russians are like the westerners in that respect. They make allowances for the artistic temperament. As long as the fellow continues to perform satisfactorily, they'll let him get away with a lot of things."

NATIONAL IDOL

To really understand the grip performing artists hold on the affections of the Russian people, one must consider the case of Ulanova, the premiere ballerina of the famed Moscow ballet and rated by many critics as the world's greatest.

I may say in passing that I saw more ballet in Russia than I had in all my previous life put together. We went five times in Moscow and then attended the Leningrad ballet for good measure. People who are better qualified to judge than I am claim the Moscow ballet is the best in the world and I can only say it looked good to me.

Ulanova is the unrivaled star of this aggregation. Now in her mid-forties but still slender and poised, she no longer appears as frequently as she once did. Announcement of a Ulanova performance is enough to start a mad scramble for tickets.

While we were there she appeared in Gisselle for the first time in 7 years. Not one member of the Western diplomatic corps could obtain a ticket to the performance.

We knew we were getting special treatment when our party was allotted six precious tickets. Incidentally, you cannot just go to the box office and buy tickets to the ballet or opera. Tickets are allocated to workers organizations, visiting delegations, and to the Intourist bureau for foreign visitors.

Ulanova earns about 5,000 or 6,000 rubles a month, plus perquisites in the form of creature comforts, a decent apartment, and a maid. In addition, her title of People's Artist of the U. S. S. R. brings in extra money as do the Stalin prizes she regularly wins. Along with her basic salary, she now receives a substantial bonus for each performance.

COCKTAIL PARTY

We talked to this pleasant, unpretentious woman at the Bolshoi Theater and invited her to join a cocktail party we were giving that afternoon. I didn't entertain much hope she would show up but promptly at 6 o'clock Ulanova appeared, accompanied by Pliseskaya, another act ballerina, two male stars of the company, and the theater manager.

Our interviews with the Communist leaders were appearing from day to day in Pravda and we were slowly becoming well-known personages in Moscow. But we only became celebrities when Ulanova waved a greeting to us at the Bolshoi and Pliseskaya concentrated on us while taking her bows after a triumph in Shuralae, a ballet on Tartar folk songs.

That's how the artists rate in the new Soviet society. We had to be considered VIPs to draw personal attention from such popular favorites as Pliseskaya and the legendary Ulanova.

The new elite minds its manners in public and indulges in no flashy gestures to call attention to itself. Theater doors shut promptly at curtain time and there are no late comers swaggering down the aisle to disturb the intent audience. If late, you wait for a scene change.

Nikita Khrushchev, top boss of the Soviet regime, attended the performance of Giselle, but he was subdued indeed. He entered a front box only after the overture had begun, sat out of sight of the audience and slipped away as the curtain descended.

Nobody appeared to notice him except three American newspapermen. We also noticed two grim-looking gents who appeared in the otherwise empty box above him at the same time he entered the one below.

Somebody said they were the bodyguards. Even the elite can't take chances in the workers paradise.

(This is the eighth uncensored article in which William Randolph Hearst, Jr., is reporting what he heard, saw, and learned of the Russian system, its leaders and people on his recent visit to that country, a visit highlighted by interviews with the four top men in the Kremlin and other important figures.)

(By William Randolph Hearst, Jr.)

"Religious feeling among the Russian people is very strong. The strength of it is surprising. The people who believe in God are very firm in their belief. Their faith cannot be shaken."

These words were spoken to me by a leading ecclesiastic of the Russian Orthodox Church. With a flowing beard that reached to his chest, long hair that fell over his shoulders, and the black robes of priesthood, this acting chief monk of the famous monastery of St. Sergei looked like a character out of a passion play.

Named after the patron saint who founded the monastery in 1322, Father Sergei sat across a table from me in his tiny apartment in the seminary building of the walled, fortress-like headquarters of the Russian church at Zagorsk, about 50 miles northeast of Moscow.

The clear, frank, and apparently fearless eyes of this man of God in a land whose government creed is dedicated to atheism stared at me earnestly—as if trying to convey an impression even stronger than his words.

Through the frost-lined window behind him I could see the beautiful bell tower of one of the ancient Byzantine churches that grace this holy shrine of Russia.

WATCHDOG PRESENT

We had just finished a lunch that reflected the traditional hospitality of the Russians. Caviar, toast, hot meat cakes, borscht, or cabbage soup, baked chicken, rice, carrots, potatoes. Then a rich cake-like dessert, followed by oranges and apples. All washed down with vodka, red and white Georgian wine, Russian sweet champagne, and brandy.

That is certainly not the frequent fare of the average Russian. I would be inclined to doubt that Father Sergei himself eats like that very often. He had been informed in advance of our visit. Doubtless, he was ordered to provide a banquet.

Present at the luncheon was the civilian director of the monastery. He is the Government's watchdog. He never left the side of Father Sergei during our visit through the churches, the grounds, and the seminary itself and he, not the holy man, answered most of the questions we put about religion in Russia. A heavy-set, stern-featured man, he seemed to be on friendly terms with Father Sergei. I gathered they were coexisting as pleasantly as they could in the circumstances.

NO SUNDAY SCHOOLS

Our talks with Father Sergei and the director were conducted through the Intourist guide who accompanied Kingsbury Smith, European general manager for INS; Frank Conniff, my editorial assistant; and myself to the monastery.

We said we noted that most of the people we had seen in the churches were elderly women and we inquired whether the younger generation came regularly to religious services. The answer was that more young people came when there were sermons. It was difficult to estimate the percentage, but it was small.

We asked whether the church was allowed to teach religion to the young; whether there was anything like our Sunday-school classes. The answer was no.

In response to our question as to how the children learned about religion, since it was not taught in the schools nor in the churches, the director said:

"Children learn about religion from their families."

We said we understood that the Government discouraged belief in religion, and that those who dared to send their children to church or have them baptised ran the risk of getting into trouble with the authorities. If that was so, how could the families teach the children about religion?

The director replied that it was only members of the Communist Party, not the populace in general, who were not supposed to show an interest in religion.

Answering our question as to what were the relations between the government and the church, the director said:

"The church is completely separate from the state. Of course, it is necessary for it to have some relations with the government. Since 1944 there has existed a committee on matters relating to the Russian Orthodox Church. All the church needs from the state is handled by this committee, which is composed of members of the church and the state."

We inquired how this committee affected the freedom of the church in religious matters. That seemed to touch a sensitive spot, and the director spoke with a slightly sharper tone in his voice.

"The church is more free than before the revolution," he said. "Under the czars, the state ran the church. Today the state does not try to run the church."

PRIEST IS SILENT

Father Sergei sat silently by looking rather pathetically wistful, I thought. He did not nod his head over this assertion.

"As a principle," the director added, "we have freedom of religion." Since the director doubtlessly noticed the skepticism in our faces, he quickly added:

"Certainly it is possible that there have been some mistakes, but they have been rare, due to the fervor of some individuals. They are being corrected now. You may have heard of Comrade Khrushchev's decree."

We had heard of the recent decree, or statement, of Nikita Khrushchev, boss of the Communist Party and the man who seems to be running the regime now. That is another story, and a rather amazing one that confirmed Father Sergei's expressed conviction that the spirit of religion is deep and strong in the soul of the Russian people. I will get to it later on.

We asked whether the state allowed new churches to be built or established. The directors said that in order to open a church, 20 residents of the district in question had to sign a petition addressed to the Patriarch Alexei, the head of the Russian Orthodox

church. The Patriarch would, if he was disposed to support the petition, bring it to the attention of the committee.

"Would the committee automatically grant the request?" we inquired. "It would be considered," was the reply.

We then directed our questions to Father Sergei and heard, in response to our inquiries concerning the attitude of the people towards religion, the encouraging statements I quoted at the beginning of this article.

"I often hear confessions," he added, "and am surprised when, in the evenings, young girls come and ask forgiveness for small sins. The souls of these girls are good, and their belief in God is firm. I think this is a result of the profound religious feeling of the people."

Before lunch, Father Sergei and the director had escorted us around the grounds of the monastery and through the ancient churches. The foundations of the main church date back to 1354, when work was started on it 32 years after St. Sergei had founded the monastery.

NO SEATS IN CHURCH

There were no pews or chairs inside the church, although a service was being held when we entered. It was a week day. There were about a score of women and a few men standing on the stone floor, all facing in the direction of the tomb of a saint.

At the head of the tomb, a bearded monk was chanting prayers. We were told these services were conducted by the monks from 5 o'clock in the morning until 6 in the evening. The walls and cathedral-like columns supporting the high-domed church were covered with priceless old paintings or icons, as they call holy pictures, of the Madonna, Christ on the Cross, and other religious scenes. Clusters of lighted candles caused reflections on the gold and silver chalices, candelabra, and other rich ornaments.

One felt awed by both the beauty and the spiritual atmosphere of this House of God that had stood there in the heart of Russia for so many centuries and through so many turbulent times. And we emerged with a sense of great reverence and a strengthened conviction in the stability of Christianity.

STUDY FOR PRIESTHOOD

In answer to our question, as we walked across the snow-covered courtyard, Father Sergei estimated that there are now in Russia between 60 and 80 convents and monasteries.

Later he took us through the seminary, where about 200 young students are being educated for the priesthood. We sat in an exquisitely decorated little music room that had been built for the seminary by Catherine the Great, and listened to the choir sing Russian Christmas songs for us.

We spent the entire day at this monastery of St. Sergei and returned to Moscow long after dark, feeling somehow very much at peace with the world.

It was not until a few days later in Moscow that we learned the full significance of Father Sergei's assurances about the strength of religious feeling in the Russian people.

Then from a source whose word you would not doubt if I could identify him for you here, but which I must refrain from doing lest I endanger his position, we heard a truly remarkable report on how the Russian people have exerted their will to force the dictatorship that rules them to curtail the persecution of those seeking to return to the church.

ANTICHURCH PRESSURES

This source told us that back in about 1951, before Stalin died, the government had conducted an investigation to determine the attitude of the people toward religion. The check showed, according to our source, that not more than 40 percent of the population of 200 million was atheistic.

As a result, Stalin ordered an intensification of the antireligious campaign. For the next few years, strong pressure was applied. The husbands of women who had their children baptised suddenly found themselves transferred to inferior jobs. The older children whose parents attended church services were denied access to the Komsomols, the Communist Youth organizations which assure the best opportunities of education. Girl students who had been going to church found they could not get into the universities.

Then this happened.

REVOLT OF THE PEOPLE

In Moscow, Leningrad, and other big cities production in the factories began to fall off. In some instances, it dropped 8 to 9 percent. At first, the government could not account for it. The secret police were instructed to find out what was happening. They reported that a deliberate slow-down in work was taking place. Absenteeism was increasing. And the reason was the resentment of the workers of religious persecution. The people of Russia were making their wishes known in the only way available to them.

There were threats, warnings, even arrests. The slow-down continued. The Government could not put the entire population of the cities in jail. For months this situation continued.

Then one day, not long ago, Khrushchev issued a policy pronouncement. He condemned persecution of the people on religious grounds. He said such pressure must end; that "scientific" education—propaganda, not persecution—must be used to further the creed of atheism. The slowdown in production ceased. The religious spirit of the people of Russia had triumphed, at least temporarily, over totalitarianism.

This does not mean, however, that the Soviet leaders have changed their basic doctrinaire opposition to belief in God. They have not. They may shift tactics from time to time, but they remain opposed to real religious freedom.

Their callous attitude in respect to Christianity was evidenced this last week in the deplorable expulsion order issued against Father Georges Bissonnette, the only American religious representative allowed in the Soviet Union.

We had the pleasure, and it was a genuine pleasure, of meeting this ar[illegible]nt, affable 33-year-old Roman Catholic priest during our visit to Moscow. We attended mass on Sunday in his little apartment in the residential block assigned to the diplomatic corps. He was not allowed to hold services in any church, and had to confine his activities to administering the faith to the Catholic members of the American and other Western diplomatic missions.

OUSTER VIEWED AS RETALIATION

We lunched with him one day and found him a keen, intelligent, and devoted servant of God.

I consider it highly improbable that he personally did anything to justify his expulsion from Russia on a 4-day notice.

It is more likely, as the State Department seems to think, that the Soviet Government's action was intended as retaliation for the refusal of the United States to renew the visa of Archbishop Boris, of the Russian Orthodox Church, who was allowed to enter this country on a 2 months' permit that expired the end of February.

Boris, who came over here ostensibly to look into the affairs of a faction of the Russian Orthodox Church, had requested permission to remain permanently. Apparently a puppet of the Soviet Government, he had, according to our officials, engaged in other than spiritual activities.

If that was the case, the State Department was certainly right in refusing to renew the visa.

However, it seems to me that the matter might have been handled in a manner that would have made it somewhat less easy for the Soviets to retaliate in a propaganda manner against Father Bissonnette.

When the renewal request of Boris was rejected, the State Department should have issued a statement explaining that Boris had engaged in other than spiritual activities.

UNITED STATES MIGHT HAVE AVERTED ACTION

At the same time, the American Government should have added that if the Russian Orthodox Church wished to send another representative to the United States who would confine his activities to spiritual matters, he would be allowed to come.

This might not have averted the retaliatory move against Father Bissonnette, but it would have made the action even less justifiable than the Communist propaganda will doubtlessly attempt to make it appear to the people of Russia and other countries of the world.

Perhaps it is still not too late for the State Department to make such an offer. That might facilitate the sending of another American Catholic priest to Russia to replace Father Bissonnette.

I think the presence of an American religious representative in Soviet Russia is of great importance.

Before leaving Moscow, I visited the Patriarch Alexei in his home in Moscow. It was not unlike a cardinal's residence, with religious paintings and icons on the walls. We sat around a large, bare, polished drawing room-dining room table. A bejeweled cross hung on a silver chain around the neck of the patriarch. We talked for a while about my impressions of Russia, how I liked my visit, etc.

RELIGION STILL IS STRONG

Suddenly I made the remark that I had been carrying in the back of my mind for some days.

"You know," I said, "it has occurred to me that one of the reasons our two countries have such difficulties in believing one another is that we believe in God, as you do, while the governing body of Russia, the Communist Party, insists on godlessness—atheism—in their ruling hierarchy."

He evaded a direct answer, asserting that there was religious freedom; that there were many religions in Russia. He said that in the eastern parts of the Soviet Union there was Mohammedanism and even Buddhism.

I said that might be so, but repeated my original statement.

He looked straight into my eyes, and tapping his heart with his hand, said:

"Who knows. I think perhaps there are times when they do think of God."

With that, he rose and asked if I would like to see his chapel. He led me through a door into the candle-lit room with its icons. As I stood there beside him, I silently asked God for a blessing in behalf of my wife and children, and my mother. We then returned to his reception room, and as I bade him farewell, he gave me a little mother-of-pearl crucifix on a gold chain.

I say the spirit of religion is strong in Russia despite all that has been done to stamp it out.

(This is the final article in which William Randolph Hearst, Jr., reports on his recent visit to Russia, a visit highlighted by interviews with the four top men in the Kremlin and other important figures.)

(By William Randolph Hearst, Jr.)

In concluding this series today, I would like to advance a few ideas based on our 3-week visit to Russia indicating how the West can most effectively marshal its resources in order to win the continuing battle with world communism.

The previous 8 articles have catalogued many of the weaknesses of the Soviet Union. I have spoken of the dissension within the

leadership, the grave problems besetting Russia at home, the shakiness of the satellites, and the drawbacks on Russia's one worthwhile ally, Communist China.

But it would be wrong to get the idea that the Russian Communist system does not possess many assets, not the least of which is the chance that domestic turbulence and old national jealousies will divide and splinter the Allied coalition.

KHRUSHCHEV BOAST

If this happens, Communist Party boss Nikita Khrushchev or his successor may well witness the achievement of the confident boast he made to me during our long interview, that communism would ultimately gain "the upper hand" throughout the world.

He said it confidently and matter-of-factly, although acknowledging my right to believe that our way of life would ultimately win out.

It's up to us to devise a strategy that will demolish Khrushchev's calm assurance.

First of all, let's dispose of the question whether the conflict between communism and freedom can be solved by resort to war.

CAN'T STAND WAR

As I have already written, the Soviet Union can't stand a war with the West within the foreseeable future and therefore won't start one. I have further predicted that Russia's realistic rulers will exert a cooling influence to keep the Chinese teapot from boiling over.

"We're glad the fire in Korea was put out," Krushchev told us. "We don't want to see another one start up."

The democracies won't start a war with the Soviet Union because it is against the very nature of democracy to launch an aggressive war.

The only spark that might touch off an atomic showdown, as I have repeatedly stated, would be the failure of the West to keep up its guard and encourage the Kremlin to think we were weak and defenseless.

If I am right in thinking that war is no solution to the current struggle, and that Russia will not pull the trigger for varying reasons, then we pass into the much more difficult battleground of peace.

The West is well equipped in any trial at arms. But are we prepared practically and philosophically to surpass communism in the thornier problems of peace?

I wrote in the first article of this series:

"The Western program of building armed strength, while fundamentally the correct one, should be widened into a more flexible and imaginative strategy for 'competitive coexistence' with the Communists in every field and on every front."

PLANNING BOARD

Last week at the National Press Club in Washington, I recommended the establishment of a permanent planning board commissioned to formulate an all-fields, all-fronts strategy for winning the battle of competitive coexistence.

This board, I told the overflow audience, should be scrupulously nonpartisan. It should be culled from the finest minds and talents available. It should not bog itself down in catch phrases like "psychological warfare" or "merchandising the hell out of the American program."

Instead, it should coolly survey the whole global scene and develop plans for getting the people of the world on our side.

The idea that such a board was necessary had grown on me during our Russian visit, when it became evident that the Communists were moving ahead in many fields which the present Western strategy neglects.

Since making this recommendation at the press club, I have been pleased to learn that many other Americans, both in governmental and private levels, agree that it is an imperative requirement if we want to win the cold war.

SURPASS RUSSIANS

As I visualized this board, it should plan and coordinate a program designed to surpass the Russians in fields like sports, the theater, and educational exchanges. No area should be neglected in this competition of two diametrically different systems.

Who can doubt that America would emerge on top in any such competition?

Thus far, the efforts to oppose communism's steady pressure on nonmilitary fronts has been piecemeal and uncoordinated. Planners who are enthusiastic about our progress in one area have little knowledge of what is going on in another.

In fact, they may be enthusiastic about possibilities in their own particular bailiwick and take a dim view of the potentialities of another.

For instance, some Americans think we should stress the cultural side of American life in our presentation. These people, like as not, have little regard for sports as a weapon in the cold war.

Sports people are likely to believe that only their own field can capture the imagination of uncommitted millions. They are just as likely to think that culture is "old hat" and of no particular consequence as an ideological "persuader."

The answer to this clash of opinion is that the Russians take both into consideration. That is why we need a planning board to take the large view and see all sides of "competitive coexistence."

After the Press Club speech last Monday, I had the pleasure of a long talk with Theodore Streibert, Director of the United States Information Agency. He told me of several interesting developments.

Next May in Paris, several famous American artists are scheduled to appear at an "American festival" which should give the French a better idea of our cultural prowess.

EXCELLENT START

Actresses Helen Hayes and Mary Martin, and Conductor Eugene Ormandy and the Philadelphia Symphony Orchestra have already been lined up for the festival. "Oklahoma" will be performed by a professional troupe.

This is a step in the right direction, it seems to me, and the French shouldn't be the only people to get a look at these distinctively American stars.

The New York Philharmonic Symphony Orchestra is scheduled to appear at the Edinburgh festival during the coming year, while the Toscanini-trained Symphony of the Air has been booked for a tour of major Japanese cities.

ECHOES OF TRIUMPH

Streibert was quite proud, and properly so, of the cultural projects laid on for next year in this field of the cold war. Right now, I might add, the Porgy and Bess troupe is on tour through the Mediterranean countries and making friends for America everywhere it appears. I heard echoes of its triumphs as far away as Moscow.

Streibert and I disagreed on only one point during our conversation. He seemed to think that what was and is being done in this field is sufficient, whereas I believe it is only a beginning and a drop in the bucket.

Through funds made available by President Eisenhower—$2,500,000 for the year, according to Streibert—a modest program has been launched. When you compare this sum with the billions which we pour out each year to our Allies, I claim a few more dollars should be spent on unveiling the American story to interested foreigners.

As I have said before, we have so much more to offer than the Communists that any comparison must show up in our favor.

But it is not enough to sit complacently by while the Soviet Union throws its smaller resources into the scales and makes its weight felt because we do not choose to compete.

I can't stress this often enough: We should seek to convey to the world—to our Allies, to the uncommitted countries especially, and to the Russians if possible—the idea that America is not only proud of its motor cars, its bathtubs and its television sets, but of many other achievements as well.

I am certain that any cultural exchange between the United States and Russia is bound to show up in our favor. Within limits, I think such exchanges should be encouraged.

We have nothing to lose by exposing young Communists to the wonders of our civilization. Their faith in communism might be destroyed by a view of America with its vastly higher standard of living, its free press, its cultural institutions, its cities and its farms, and its open-hearted give-and-take.

The second half of the 20th century will determine whether Boss Khrushchev was right when he predicted that communism would win in this continuing battle of "competitive coexistence."

The faith of the Communist leader in the eventual triumph of his cause must be matched by a conviction on our side that is just as strong and just as deep.

Time alone will tell whether the free world is equal to the sacrifice, the self-denial and the courage required to win this epic struggle with aggressive communism.

After 3 weeks in Russia, I'm more convinced than ever that our side—the side of honor, dignity, and individual freedom and a humble belief in God—will prevail over the evil scourge of communism.

LEGISLATIVE PROGRAM

Mr. KNOWLAND. Mr. President, for the information of the Senate, I wonder if we might be advised as to the program for tomorrow. A number of Senators have made inquiry with respect to it, and I think the Senator from Texas had announced previously that following the disposal of the tax bill in the Senate it would proceed, as in executive session, to the matter of the confirmation of the nomination of Judge Harlan to be a Justice of the Supreme Court. Then, I believe it was stated, the Senate would consider the nomination of Mr. Campbell to be Comptroller General, which is on the Executive Calendar and awaiting action.

Mr. JOHNSON of Texas. Mr. President, I am delighted to comply with the request of my friend, the distinguished minority leader. I had announced earlier today, for the information of the Senate, that when the Senate concluded action on the tax bill, it would proceed as in executive session to consider the Executive Calendar. The first nomination on the calendar to be considered would be that of Judge Harlan to be a Justice of the Supreme Court of the United States.

When action is concluded on that nomination, the Senate will then proceed to the consideration of the nomination of Mr. Campbell to be Comptroller General.

When the Senate has concluded action on nominations on the Executive Calendar, it is planned to consider certain resolutions reported by the Committee on Rules and Administration.

I would like to be able to give the Senator from California more detailed information about the program for later in the week and the early part of next

week. I hope it may be possible for the policy committee to meet tomorrow, at which time it may reach certain decisions. In that event, of course, I shall promptly communicate the information to the minority leader.

Mr. KNOWLAND. I thank the Senator from Texas.

RECESS

Mr. JOHNSON of Texas. Mr. President, I now move that the Senate stand in recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 8 minutes p. m.) the Senate took a recess until tomorrow, Wednesday, March 16, 1955, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate March 15 (legislative day of March 10), 1955:

DIPLOMATIC AND FOREIGN SERVICE

The following-named persons for appointment as Foreign Service officers of class 2, consuls, and secretaries in the diplomatic service of the United States of America:

Wilson T. M. Beale, Jr., of the District of Columbia.
Samuel D. Boykin, of Alabama.
Bernard A. Bramson, of New York
Edward G. Cale, of Maryland.
William W. Chapman, Jr., of Maryland.
W. Pierce MacCoy, of Virginia.
Harold W. Moseley, of Massachusetts.
Donald L. Nicholson, of Pennsylvania.
Walter K. Schwinn, of Connecticut.

The following-named persons for appointment as Foreign Service officers of class 3, consuls, and secretaries in the diplomatic service of the United States of America:

John A. Birch, of Maryland.
Lee B. Blanchard, of Oklahoma.
Perry H. Culley, of California.
Edgar A. Dorman, of the District of Columbia.
Edwin M. Duerbeck, of Virginia.
Coulter D. Huyler, Jr., of Connecticut.
Donald B. McCue, of Virginia.
Charles J. Merritt, Jr., of Massachusetts.
Jack B. Minor, of New Jersey.
Thomas G. Murdock, of North Carolina.
Albert Post, of the District of Columbia.
John T. Sinclair, of Maryland.
Edward J. Thomas, of Ohio.
Alfred E. Wellons, of Maryland.

The following-named persons for appointment as Foreign Service officers of class 4, consuls, and secretaries in the diplomatic service of the United States of America:

Sverre M. Backe, of California.
LeRoy E. Colby, of Maryland.
James A. Dibrell, of Texas.
Michael J. Dux, of Florida.
Nels E. Erickson, of Virginia.
Robert C. F. Gordon, of California.
Miss Betty C. Gough, of Maryland.
Homer C. Kayle, of Missouri.
Emery R. Kiraly, of Maryland.
Joseph B. Kyle, of Virginia.
Seymour Levenson, of California.
Ralph K. Lewis, of California.
William P. McEneaney, of Michigan.
Bruce H. Millen, of Louisiana.
Joseph F. Proff, of California.
Miss Marie E. Richardson, of Arkansas.
Earle J. Richey, of Kansas.
Norman V. Schute, of California.
Charles H. Taliaferro, of Virginia.
Miss Ruth J. Torrance, of Virginia.
Joseph E. Wiedenmayer, of New Jersey.

The following-named persons for appointment as Foreign Service officers of class 5, vice consuls of career, and secretaries in the diplomatic service of the United States of America:

Robert A. Brown, of California.
Harrison W. Burgess, of Virginia.
Stephen A. Dobrenchuk, of Massachusetts.
Miss Dorothy J. Dugan, of New Jersey.
James J. Ferretti, of Connecticut.
William H. Gleysteen, Jr., of Pennsylvania.
Leaman R. Hunt, of Oklahoma.
Alexander C. Mancheski, of Wisconsin.
Louis B. Marr, of Pennsylvania.
William M. Olive, of Missouri.
William W. Sabbagh, of Maryland.
Ree C. Shannon, of North Carolina.
George W. Small, of West Virginia.
J. Harlan Southerland, of the District of Columbia.
Robert N. Wellman, of Ohio.

The following-named persons for appointment as Foreign Service officers of class 6, vice consuls of career, and secretaries in the diplomatic service of the United States of America:

John T. Bennett, of California.
G. Ryder Forbes, of Virginia.
Elmer G. Kryza, of Michigan.
Miss Mary Manchester, of Texas.
James D. Mason, of Indiana.
Miss Nancy V. Rawls, of Georgia.
Robert P. Smith, of Texas.

POSTMASTERS

The following-named persons to be postmasters:

ARIZONA

Wayne M. Sweetland, Salome, Ariz., in place of J. B. Watkins, retired.
Floy M. Martin, Thatcher, Ariz., in place of B. T. Lee, resigned.

CALIFORNIA

Josephine D. Blocking, Clayton, Calif. in place of Dolores Foubert, retired.
Arthur H. Morgenstern, Hermosa Beach, Calif., in place of P. L. Davis, removed.
Charles C. Herrick, Oakland, Calif., in place of S. E. Graham, deceased.
Katie B. Smith, Oro Grande, Calif., in place of H. M. White, resigned.
Lester P. Frost, Placerville, Calif., in place of A. W. Scherrer, retired.
John J. Shanahan, Saint Mary's College, Calif., in place of C. D. Mangan, retired.
Thurston C. Jordan, Skyforest, Calif., in place of M. P. Henck, resigned.
Louis K. Fies, Tulelake, Calif., in place of K. R. Rudisill, removed.
Gladys E. Beard, Veterans Home, Calif., in place of L. L. Long, retired.

DELAWARE

Henry V. Tobin, Sr., Kings College, Del. Office established September 1, 1949.
Elwood B. Rickards, Selbyville, Del., in place of I. K. Tubbs, retired.

FLORIDA

Elbert L. Brown, Oxford, Fla., in place of G. H. Stapp, deceased.
Bonita R. Swann, Wauchula, Fla., in place of J. W. Farr, deceased.

ILLINOIS

Carl E. Heideman, Algonquin, Ill., in place of M. W. Struwing, removed.
Frank T. Huggins, East Moline, Ill., in place of J. M. Ryan, retired.
James A. Blakemore, Glenwood, Ill., in place of J. F. Cahl, deceased.
Roy E. Thomas, Marengo, Ill., in place of C. T. Carney, removed.
Walter E. Grauel, Mascoutah, Ill., in place of N. A. Schilling, retired.
Kenneth W. Willman, Metamora, Ill., in place of O. F. Giehl, retired.
Lester E. Brown, New Lenox, Ill., in place of E. J. O'Daniel, deceased.

INDIANA

Albert L. Pyke, Lafayette, Ind., in place of G. W. Burnell, resigned.

IOWA

Homer I. Stearns, Sutherland, Iowa, in place of K. H. Chesley, resigned.

KANSAS

Paul H. Turnbull, Bushton, Kans., in place of A. L. Miller, retired.
Henry Clay Davis, Colby, Kans., in place of C. G. Eddy, retired.
John J. Keener, Rush Center, Kans., in place of L. R. Campbell, removed.

KENTUCKY

Guy Samuels, Baxter, Ky., in place of E. P. Leger, resigned.
Alden M. Lewis, Eminence, Ky., in place of B. G. Pollard, retired.
Velma L. Lane, Flatwoods, Ky., in place of Nancy Clark, retired.
William H. Cecil, Lexington, Ky., in place of R. F. Williams, deceased.
Pauline M. Collins, Lynch, Ky., in place of O. A. Brannon, resigned.

LOUISIANA

John E. Bishop, Lacombe, La., in place of L. G. Andrieu, removed.
Thomas N. Sofford, Morgan City, La., in place of R. J. Belanger, transferred.
James H. Smith, Newllano, La., in place of E. O. Joynes, removed.

MARYLAND

Wilma G. Raley, Ridge, Md., in place of A. M. Gatton, resigned.

MASSACHUSETTS

Ray D. Adams, Great Barrington, Mass., in place of E. C. Tyler, retired.
James E. Elphinstone, Ludlow, Mass., in place of Hormisdas Boucher, retired.

MICHIGAN

Ralph H. Derickson, Manitou Beach, Mich., in place of M. L. Schmidt, resigned.
Vada M. Green, Winn, Mich., in place of C. M. Ryman, resigned.

MINNESOTA

Clair N. Lund, Byron, Minn., in place of B. H. Anderson, transferred.
James E. Avenson, Cohasset, Minn., in place of J. R. Forsythe, retired.
Dexter N. Femling, Dent, Minn., in place of O. H. Voigt, retired.
Albert H. Temanson, Grand Meadow, Minn., in place of C. K. Peterson, removed.
Charles A. Lukens, Hadley, Minn., in place of C. R. Solter, removed.
George M. Freking, Heron Lake, Minn., in place of A. H. Smith, retired.
Lester W. Kamholz, Morgan, Minn., in place of C. R. Whitcomb, transferred.
Edmond L. Farrell, Slayton, Minn., in place of J. W. Lowe, deceased.

MISSISSIPPI

James K. Baker, Jr., Aberdeen, Miss., in place of Walter Darracott, retired.
Melvin G. Nesbit, Ecru, Miss., in place of E. M. Hattox, retired.
Charles D. Davis, Northcarrollton, Miss., in place of W. G. Sloan, deceased.
James D. Burch, Pattison, Miss., in place of Kay Eakin, deceased.
Lowrey T. Martin, Smithdale, Miss., in place of D. R. Butler, retired.
Dan Reece Monroe, Taylorsville, Miss., in place of J. T. Rainer, deceased.

MISSOURI

George O. Clarke, Laddonia, Mo., in place of L. B. Diggs, retired.

MONTANA

Delbert Trulson, Kremlin, Mont., in place of E. C. Winter, retired.

NEBRASKA

Virgil W. Benson, Upland, Nebr., in place of E. L. Bunger, retired.
Raymond E. Paulson, Wakefield, Nebr., in place of E. B. Gustafson, transferred.

NEW JERSEY

Marian T. Killoran, Almonesson, N. J., in place of E. M. Busch, removed.

Francis C. Monks, Harvey Cedars, N. J., in place of S. M. Lear, retired.

Sebastiano B. Dellagatta, Mizpah, N. J., in place of F. A. Bailey, resigned.

NEW MEXICO

Byron C. Withers, Fort Sumner, N. Mex., in place of J. W. Patterson, retired.

NEW YORK

Reginald A. Erick, Angola, N. Y., in place of F. V. Wiatrowski, retired.

Joseph C. Latham, Canisteo, N. Y., in place of W. L. Brown, retired.

Charles Walter Smallman, Fort Covington, N. Y., in place of N. B. Taillon, retired.

William H. Bero, Hogansburg, N. Y., in place of J. J. Lantry, resigned.

William G. O'Hara, Melrose, N. Y., in place of William Diefendorf, retired.

Joseph L. McKiernan, New Hampton, N. Y., in place of H. H. Sly, transferred.

James Egbert Foster, Ransomville, N. Y., in place of J. E. Molyneux, deceased.

Richard M. Hunter, Wappingers Falls, N. Y., in place of W. J. Eagan, retired.

NORTH CAROLINA

Floyd H. Shoaf, Linwood, N. C., in place of W. H. Lomax, transferred.

NORTH DAKOTA

Norman J. Dahl, Hillsboro, N. Dak., in place of F. O. Johnson, retired.

OHIO

Homer E. Charleston, Byesville, Ohio, in place of W. J. Grandy, retired.

Richard H. Mikesell, Cadiz, Ohio, in place of J. W. Martin, deceased.

David H. Reynolds, Cedarville, Ohio, in place of R. C. Ritenour, retired.

Clarence E. Felker, Gibsonburg, Ohio, in place of C. W. Zeller, resigned.

Wayne F. Grosse, Hiram, Ohio, in place of Arthur Fisher, deceased.

Adolph F. Raab, Lancaster, Ohio, in place of P. F. Hammond, retired.

Stanley L. Hartman, Medina, Ohio, in place of N. D. Roshon, transferred.

Dale A. Parker, North Bloomfield, Ohio, in place of W. S. Matson, retired.

Harold E. Zornes, South Webster, Ohio, in place of Etta Newell, retired.

Marjorie A. Sine, Zanesville, Ohio, in place of J. P. Orsborn, transferred.

OKLAHOMA

Bill M. Penwright, Calumet, Okla., in place of I. E. McCann, retired.

Bessie M. Hill, Cameron, Okla., in place of E. E. Hill, retired.

Vada R. Robertson, Webb City, Okla., in place of R. D. Taylor, retired.

John N. Wheatley, Yukon, Okla., in place of J. A. Whelan, retired.

OREGON

Ruth E. McLeod, Maupin, Oreg., in place of D. E. Miller, deceased.

PENNSYLVANIA

Donald C. Reese, Berwick, Pa., in place of J. F. Peterson, removed.

LeRoy W. Creasy, Bloomsburg, Pa., in place of Arthur Rabb, retired.

Stanley A. Dubos, Chestnut Ridge, Pa., in place of S. B. Ozegovich, removed.

Edna D. Lennon, Churchville, Pa., in place of L. K. Lennon, retired.

Edward R. Quinn, Clifton Heights, Pa., in place of J. A. McShane, retired.

Blair E. Goodlin, Clymer, Pa., in place of L. W. Oligher, retired.

Clair W. Wood, Conneautville, Pa., in place of C. G. Melcher.

Glenn P. Whelan, Croydon, Pa., in place of M. E. Tryon, transferred.

Karl W. Schempp, Jr., Donora, Pa., in place of T. W. Daley, retired.

Norman L. Bender, Dry Run, Pa., in place of B. M. McCartney, retired.

Norman L. Foust, East Brady, Pa., in place of H. L. Verner, retired.

James W. Hutchison, Elizabeth, Pa., in place of E. E. Hall, retired.

Dorothy G. Fritz, Garrett, Pa., in place of J. A. Habel, resigned.

Fred M. Ganoe, Heilwood, Pa., in place of J. A. Donahue, deceased.

Angelo P. Cellini, Midland, Pa., in place of K. H. Haydon, retired.

Neil J. O'Brien, Renovo, Pa., in place of Luke Binder, retired.

Gerald E. Ray, Rouseville, Pa., in place of J. W. Casey, resigned.

Arthur B. Coulter, Saltsburg, Pa., in place of C. P. Hilty, retired.

John P. Withers, Jr., West Elizabeth, Pa., in place of R. A. Miller, resigned.

Arthur V. Gridley, Westfield, Pa., in place of H. L. Parsons, transferred.

RHODE ISLAND

Charles J. Butler, Westerly, R. I., in place of G. A. Dolan, retired.

SOUTH CAROLINA

John T. Mabry, Abbeville, S. C., in place of C. C. Stewart, deceased.

Nellie E. Hodge, Alcolu, S. C., in place of W. D. Hodge, removed.

Herbert G. McGraw, Clemson, S. C., in place of R. L. Morris, deceased.

James R. Chitty, Jr., Olar, S. C., in place of J. G. Brabham, retired.

W. Loring Lee, Jr., Sumter, S. C., in place of J. C. Pate, retired.

SOUTH DAKOTA

Glen L. Engwall, Vermillion, S. Dak., in place of W. A. Bauman, retired.

TENNESSEE

James O. Buttram, Athens, Tenn., in place of C. W. Jones, retired.

Betty L. Milton, Duff, Tenn., in place of E. A. Thornton, removed.

James F. Darnell, Dukedom, Tenn., in place of G. T. Cunningham, retired.

James H. Ross, Englewood, Tenn., in place of W. W. Eledge, Sr., retired.

Ollie L. Davis, Gates, Tenn., in place of G. V. Anderson, deceased.

Ernest Neil Muzzall, Henry, Tenn., in place of M. B. Curry, transferred.

James C. Pendergrass, Hixson, Tenn., in place of R. B. Pitts, transferred.

Edmund E. Ward, Huntingdon, Tenn., in place of F. E. Joyner, transferred.

Albert B. Thomas, Mountain Home, Tenn., in place of C. G. Taylor, retired.

TEXAS

Crook T. Waller, Eldorado, Tex., in place of E. W. Brooks, retired.

Berney C. Kempf, Fabens, Tex., in place of O. P. Ford, retired.

Charles W. Ford, McGregor, Tex., in place of J. F. Bennett, Jr., transferred.

James B. Miller, Mount Calm, Tex., in place of Nona Hillyer, retired.

Donald L. Morrison, Throckmorton, Tex., in place of K. B. Daws, transferred.

UTAH

Douglas R. Jensen, Redmond, Utah, in place of S. M. Peterson, retired.

VERMONT

John H. Northrop, Enosburg Falls, Vt., in place of M. B. Depatie, retired.

VIRGINIA

Roger D. Clark, Alexandria, Va., in place of Elmore Mudd, retired.

Sarah C. Russo, Beaverdam, Va., in place of L. J. Taylor, removed.

Sylvia M. Goad, Dugspur, Va., in place of Adline Quesenberry, retired.

Paul P. Jones, Fancy Gap, Va., in place of Etta Mitchell, retired.

John H. Brown, Holland, Va., in place of J. R. Jones, resigned.

Mary M. Blaydes, Spotsylvania, Va., in place of A. T. Coleman, retired.

WASHINGTON

John C. Nowadnick, Chehalis, Wash., in place of L. K. Sullivan, deceased.

Alva Nadine Duvall, Hunters, Wash., in place of Mattie Laugenour, retired.

Maebelle C. Torres, Quinault, Wash., in place of J. F. G. May, resigned.

Charles C. Hedrick, Retsil, Wash., in place of J. F. Tostevin, retired.

WEST VIRGINIA

Lawrence E. Crow, Cameron, W. Va., in place of W. R. Kincaid, deceased.

Ivan E. Stewart, Ceredo, W. Va., in place of P. M. Alvis, removed.

Harold A. Buchanan, Gilbert, W. Va., in place of Eddith Fox, retired.

Hayden K. Wolfe, Glen Rogers, W. Va., in place of E. L. Williams, removed.

Frances L. Spencer, Hastings, W. Va., in place of Flossie Dougherty, resigned.

Robert Bruce Cocke, Iaeger, W. Va., in place of C. C. Francisco, resigned.

Vernon Squires, Newburg, W. Va., in place of M. H. Campbell, removed.

Richard U. Duerr, New Martinsville, W. Va., in place of H. E. Chapman, deceased.

Margaret G. Billings, Thorpe, W. Va., in place of E. A. McBrayer, removed.

WISCONSIN

Albert T. Fillnow, Clintonville, Wis., in place of E. F. Moldenhauer, transferred.

Sister M. Lenora Stein, Sinsinawa, Wis., in place of Sister Mary Martine, retired.

Donald A. Denison, Soldiers Grove, Wis., in place of L. E. Doll, deceased.

Minard F. Gaulke, Wisconsin Rapids, Wis., in place of J. P. Wheir, retired.

Alvin A. Kaziak, Woodruff, Wis., in place of C. C. Schlecht, retired.

HOUSE OF REPRESENTATIVES

TUESDAY, MARCH 15, 1955

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

Almighty and ever-blessed God, in these days that try men's souls, may we be numbered among the courageous and stout-hearted builders of the kingdom of righteousness and peace.

We beseech Thee to banish from our minds and hearts all feelings of fear and anxiety and lift us by Thy grace to the higher levels of faith and fortitude.

God forbid that we should ever surrender to a mood of defeatism or fatalism as we struggle to hold back the forces of evil that are endeavoring to block and barricade the way by which mankind may enter into its heritage of freedom and justice.

May we be a Nation whose hopes are fixed and founded eternally upon the solid and impregnable rock of Thy divine sovereignty.

Hear us in the name of the Captain of our Salvation. Amen.

The Journal of the proceedings of yesterday was read and approved.

SECOND DEFICIENCY APPROPRIATION, 1955

Mr. CANNON, from the Committee on Appropriations, reported the bill (H. R. 4903) making supplemental appropriations for the fiscal year ending June 30, 1955, and for other purposes (Rept. No. 207), which was read a first and second time, and, with the accompanying

papers, referred to the Committee of the Whole House on the State of the Union and ordered to be printed.

Mr. TABER reserved all points of order on the bill.

SPECIAL ORDERS GRANTED

Mr. WILLIS asked and was given permission to address the House on Tuesday next for 20 minutes following the legislative program and any special orders heretofore entered.

Mr. PATMAN asked and was given permission to address the House on Monday and Tuesday next for 30 minutes, to revise and extend his remarks and include certain extraneous matter, following the legislative program and any special orders heretofore entered.

COMMITTEE ON ARMED SERVICES

Mr. PRICE. Mr. Speaker, I ask unanimous consent that during general debate this afternoon the Committee on Armed Services be permitted to meet.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

CHARITABLE BEQUESTS MADE BY RESIDENTS OF THE DISTRICT TO CHARITIES OUTSIDE THE DISTRICT ARE NOT TAX EXEMPT, AND SHOULD BE

Mr. CURTIS of Massachusetts. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. CURTIS of Massachusetts. Mr. Speaker, I rise to stress the importance of H. R. 2406, filed by Hon. DEWITT S. HYDE, of Maryland, now pending before the Committee on the District of Columbia, and to urge prompt and favorable action.

Charitable bequests made by residents of the District to charities outside the District are not now tax exempt. This bill would make them exempt.

Charitable bequests are universally regarded as properly exempt under inheritance-tax laws, and this provision of the District law is obsolete and discriminatory. It is unfair that if a resident of the District makes a charitable bequest to a charity in the State which you represent, or which I represent, such bequest should receive no tax exemption.

Furthermore, this District law has unfortunate repercussions in other States. Many States grant tax exemption for bequests to charities outside of the State on a reciprocal basis. In those States a bequest to a charity in the District is taxable because a bequest by a District resident to a charity in those States is taxable.

I know of a case where a Massachusetts man left a substantial bequest to a cathedral in Washington. Because of this discriminatory law here in the District, his folks back in Massachusetts had to pay a tax on the bequest.

In all fairness, the District law should be changed.

SPECIAL ORDER GRANTED

Mr. SHEEHAN asked and was given permission to address the House for 5 minutes on tomorrow, following the legislative program of the day and any special orders heretofore entered.

COMMITTEE ON ARMED SERVICES

Mr. BROOKS of Louisiana. Mr. Speaker, I ask unanimous consent that the Committee on Armed Services be permitted to sit this afternoon during the session of the House during general debate.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

CONSENT CALENDAR

The SPEAKER. This is Consent Calendar Day. The Clerk will call the first bill on the Consent Calendar.

VINELAND SCHOOL DISTRICT, KERN COUNTY, CALIF.

The Clerk called the joint resolution (H. J. Res. 107) to permit the United States of America to release reversionary rights in a 36.759-acre tract to the Vineland School District of the county of Kern, State of California.

The SPEAKER. Is there objection to the present consideration of the joint resolution?

Mr. DEANE. Reserving the right to object, Mr. Speaker, this is the first call of the Consent Calendar. It is the opinion of the objectors that some ground rules should be set up for the consideration of the Consent Calendar during this year.

In previous years direct or indirect appropriations involving as much as $1 million have been passed over, the feeling being that this should be legislation cleared through the proper procedure of the Committee on Rules and otherwise. We feel that that procedure should be followed during this session.

Mr. CUNNINGHAM. Mr. Speaker, will the gentleman yield?

Mr. DEANE. I yield to the gentleman from Iowa.

Mr. CUNNINGHAM. Supplementing what the gentleman from North Carolina has said, I desire first to agree with everything he said as to the rules we have followed in the past and should follow in the future, and to add the following: That the members of the Consent Calendar objectors committee are not here to obstruct the passage of legislation nor to interfere with the proper consideration or passage of the bill of any Member. On the contrary, our purpose is, in addition to what the gentleman from North Carolina has already said, to expedite the passage of legislation, at the same time protecting Members from having bills passed by unanimous consent that should not be passed by unanimous consent. By that I mean that if a bill appears on the Consent Calendar that may change, for instance, national policy or international policy, or have some other questionable feature about it, in addition to the fact that more than $1 million is involved or not more than $1 million is involved, the objectors in the past, and I am sure they will in the future—I think I am speaking for all of them—have felt that perhaps time should be given for all of the Members to become acquainted with the particular bill so that if they had any objection to its being passed without full debate they could voice their objections. Therefore, we have at times asked unanimous consent to pass over bills without prejudice when we were not opposed to the bill at all and would personally vote for it if it came up under a rule. However, the members of the objectors committee feel that time should be given so that all of the Members of the House can be fully apprised of what is happening or what may happen.

In short, Mr. Speaker, we are here to expedite legislation and for the protection of the Members, and not for the purpose of objecting or retarding or obstructing their legislation, which might be otherwise meritorious and does not violate any of the rules which would make it objectionable to the members of the Consent Calendar Committee.

Mr. MILLER of Nebraska. Mr. Speaker, will the gentleman yield?

Mr. DEANE. I yield.

Mr. MILLER of Nebraska. Is it the official policy of the objectors to require a report from the Bureau of the Budget or the department concerned? In our own instance, in the case of the Committee on Interior and Insular Affairs, we will frequently report bills which will be placed on the Consent Calendar. Will you require a favorable report from the Department of the Interior as well as the Bureau of the Budget before you consider the bill on the Consent Calendar?

Mr. DEANE. In the past, may I say in answer to the gentleman, the committee has asked for reports from the departments concerned where it is considered essential. It is my understanding that a number of bills may be reported from the distinguished member's committee, which you mentioned, which perhaps do not carry reports since they were previously submitted. I think the individual objectors would use their own discretion as to whether or not a report is necessary.

Mr. CUNNINGHAM. Mr. Speaker, will the gentleman yield?

Mr. DEANE. I yield.

Mr. CUNNINGHAM. In answer to the gentleman from Nebraska, I might state in addition to what the gentleman from North Carolina [Mr. DEANE] has said, if the clerks of the committees, particularly the clerk of the gentleman's own committee, when they are in doubt will consult with you or with any Member on this side on the Consent Calendar Committee, we can advise them and in that way we will not have bills on the Consent Calendar which should not be there. Does the gentleman from North Carolina not agree with that?

Mr. DEANE. I feel that this would be a good time to express the feeling that while members of the Committee of Objectors are pleased to advise with Members on the day that the Consent Calendar is called, it would certainly expedite matters if the Members could speak to us in advance of the day when the bills are to be considered.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the present consideration of the joint resolution?

There being no objection, the Clerk read the joint resolution, as follows:

Resolved, etc., That, upon the written consent of the director of the California State department of agriculture, the Secretary of Agriculture of the United States is authorized and directed to convey, for a consideration of $1, by quitclaim deed to the Vineland School District, Bakersfield, county of Kern, State of California, and its successors and assigns, all of the right, title, and interest reserved or retained by the quitclaim deed from the United States of America to the aforesaid Vineland School District dated November 28, 1947, covering 36.759 acres, more or less, and recorded on December 10, 1947, in book 1341 of official records, page 424, in the office of the county recorder, Kern County, Calif.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

BATTLE OF BROOKLYN

The Clerk called the bill (H. R. 473) to authorize an investigation and report on the advisability of a national monument in Brooklyn, N. Y.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Interior is hereby authorized and directed to make an investigation and report thereon to the Congress at not later than March 1, 1955, with respect to the advisability of establishing a national monument in Brooklyn, N. Y., in honor of 256 Maryland heroes who fell in combat during the Battle of Brooklyn on the 27th day of August 1776. The report to the Congress shall include information regarding the following:

(1) National historical importance of such a memorial;

(2) Nature of burial site, identity of exact site of burial, size and present-day conditions of site, including improvements thereon;

(3) Complete cost for the establishment of such memorial;

(4) Cost of maintenance of such a memorial and amount thereof that will be paid for by the city of New York and/or the State of New York; and

(5) Recommendations.

With the following committee amendment:

Page 1, line 5, strike the words "at not later than March 1, 1955," and insert in lieu thereof the following language: "within 1 year following the appropriation of funds to the Department of the Interior for the purposes of this act."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LAND FOR EDUCATIONAL USE IN TERRITORY OF ALASKA

The Clerk called the bill (H. R. 607) to provide that lands reserved to the Territory of Alaska for educational purposes may be leased for periods not in excess of 55 years.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the second proviso in the first section of the act entitled "An act to reserve lands to the Territory of Alaska for educational uses, and for other purposes," approved March 4, 1915, as amended (48 U. S. C., sec. 353), is amended to read as follows: "*Provided further*, That the Territory may, by general law, provide for leasing said land in areas not to exceed 1 section to any one person, association, or corporation for not longer than 55 years at any one time:".

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

REPEALING NATURAL FIBERS ACT

The Clerk called the bill (H R. 2123) to repeal Public Law 820, 80th Congress (62 Stat. 1098), entitled "An act to provide a revolving fund for the purchase of agricultural commodities and raw materials to be processed in occupied areas and sold."

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

Mr. DEANE. Mr. Speaker, I ask unanimous consent that a similar Senate bill (S. 942) to repeal Public Law 820, 80th Congress (62 Stat. 1098), entitled "An act to provide a revolving fund for the purchase of agricultural commodities and raw materials to be processed in occupied areas and sold," be considered in lieu of the House bill.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There being no objection, the Clerk read the Senate bill, as follows:

Be it enacted, etc., That Public Law 820, 80th Congress (62 Stat. 1098), entitled "An act to provide a revolving fund for the purchase of agricultural commodities and raw materials to be processed in occupied areas and sold," is hereby repealed.

SEC. 2. This act shall take effect on June 30, 1955.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill, H. R. 2123, was laid on the table.

FEDERAL RECLAMATION PROJECTS

The Clerk called the bill (H. R. 103) to provide for the construction of distributions systems on authorized Federal reclamation projects by irrigation districts and other public agencies.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That irrigation distribution systems authorized to be constructed under the general provisions of the Federal reclamation laws may, in lieu of construction by the Secretary, be constructed by irrigation districts and other public agencies according to plans and specifications approved by the Secretary of the Interior.

SEC. 2. To assist financially in the construction of the aforesaid local irrigation distribution systems by irrigation districts and other public agencies the Secretary of the Interior is authorized to make funds available on a loan basis from moneys appropriated for the construction of such distribution systems to any irrigation district or similar public agency in an amount equal to the estimated construction cost of such systems, contingent upon a finding by the Secretary that the loan can be returned to the United States in accordance with the general repayment provisions of sections 2 (d) and 9 (d) of the Reclamation Project Act of August 4, 1939 (ch. 418, 54 Stat. 1187, 43 U. S. C. 485).

SEC. 3. Except as herein otherwise provided, the provisions of the Federal reclamation laws, and acts amendatory thereto, are continued in full force and effect

With the following committee amendment:

Page 1, line 4, strike the words "the general provisions of."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

THE YAKIMA INDIAN RESERVATION

The Clerk called the bill (H. R. 1801) to authorize the purchase, sale, and exchange of certain Indian lands on the Yakima Indian Reservation, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That (a) for the purpose of effecting consolidations of land, situated within the Yakima Indian Reservation in the State of Washington, between the Yakima Tribes of Indians and individual members of the tribes and other Indians, for the mutual benefit of the tribes and the individual members thereof, the Secretary of the Interior is authorized in his discretion to—

(1) purchase for the Yakima Tribes, with tribal funds of such tribes on deposit in the United States Treasury, or otherwise, any lands held by individual members of the Yakima Tribes and other Indians under trust patent or other restrictions against alienation including lands in heirship status, within the Yakima Indian Reservation, including interests therein or improvements thereon, water rights, and surface rights;

(2) sell to individual members of the Yakima Tribes any tribal trust lands within such reservation, including lands, interests, improvements, and rights acquired for the tribes under this act; and

(3) exchange any tribal trust lands within such reservation, including lands, interests, improvements, and rights acquired for the tribes under this act, for lands situated within such reservation which are held by individual members of the tribes and other Indians under trust patent or other restrictions against alienation including lands in heirship status.

(b) The Secretary shall obtain the advice and consent of the Yakima Tribal Council

before entering into any such transaction. The terms and conditions of any such transaction, including the price at which any land is so purchased or sold and the valuation of any lands so exchanged, shall be mutually agreed upon by the Secretary, the Yakima Tribal Council, and the individual Indian or Indians concerned. Any such exchange of tribal lands for lands held by individual members of the Yakima Tribes or other Indians, and for lands in heirship status, shall be effected on the basis of approximately equal consideration with due allowance for the value of improvements in determining the value of such lands.

SEC. 2. (a) Title to lands, interests, improvements, or rights so acquired by the Secretary for the Yakima Tribes through purchase or exchange shall be held by the United States in trust for the Yakima Tribes. Title to tribal trust lands, interests, improvements, or rights sold by the Secretary to individual members of the Yakima Tribes or exchanged by the Secretary for lands held under trust patent or other restrictions against alienation by individual members of the tribes and other Indians or for lands in heirship status shall be held by the United States in trust for the individual Indian or Indians concerned.

(b) Sums derived from the sale of tribal trust lands, interests, improvements, and rights shall be credited to the tribal funds of the Yakima Tribes.

SEC. 3. (a) No transaction entered into under this act shall affect, without the consent of the lessee, any lease of lands, interests, improvements, or rights involved in such transaction, or any right of the lessee with respect to extension or renewal of such lease, which is in existence at the time such transaction is entered into.

(b) Nothing in this act shall affect the existing status of any lands, interests, improvements, or rights with respect to taxation.

SEC. 4. The Secretary is authorized to prescribe such regulations as may be necessary to carry out the purposes of this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

TO INCREASE CRIMINAL PENALTIES UNDER SHERMAN ANTITRUST ACT

The Clerk called the bill (H. R. 3659) to increase criminal penalties under the Sherman Antitrust Act.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. PATMAN. Mr. Speaker, reserving the right to object, may I ask someone about this bill? Is this the bill that raises the penalty from $5,000 to $50,000 a year?

Mr. ROGERS of Colorado. That is right.

Mr. PATMAN. It does not go any further than that?

Mr. ROGERS of Colorado. That is right.

Mr. PATMAN. I hope the gentleman will not insist on consideration of this bill now and will get a rule, because I think the bill should have amendments.

Mr. ROGERS of Colorado. What does the gentleman mean?

Mr. PATMAN. Get a rule for the consideration of the bill and bring it to the floor of the House in the regular way so that Members may be able to offer amendments if they desire to do so.

Mr. CELLER. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. CELLER. This bill passed the House on two previous occasions. It has the unanimous report of the Committee on the Judiciary, and has had on all occasions.

Mr. PATMAN. But it means so little to think of fining a concern for committing one of the worst acts against the public interest, no more than half of what one concern pays a master of ceremonies for 1 hour's time on television. If that is not a slap on the wrist, I do not know what it is.

Mr. CELLER. True, the present penalty of $5,000 is a slap on the wrist, but you must remember that you may have ten or a dozen counts in one indictment, and the fine could be repeated for each count. I think we have to make progress slowly. A $5,000 penalty has existed since 1892 when we passed the Sherman Act. I think it is incumbent upon us to consider that the value of the dollar has shrunk considerably, and $50,000 in the estimation of the members of the Committee on the Judiciary would be deemed ample at this time. If at some other time you want to increase it, we might well do so.

Mr. PATMAN. While the dollar has shrunk, we have four times as many of them. I shall be compelled to object if you insist upon consideration at this time because I think an amendment should be offered to strengthen the penalty.

Mr. CELLER. Why do you not offer it now?

Mr. PATMAN. I do not want to offer it now. I want to offer it under the general rules of the House.

Mr. ROGERS of Colorado. Have you any suggestions to make to the Committee on the Judiciary as to what the amendment might be?

Mr. PATMAN. There should be jail penalties, or something like that, which is effective. Fines have proven to be ineffective in the past so we should consider making the penalties more severe than just fines.

Mr. CELLER. Will the gentleman yield further?

Mr. PATMAN. I yield.

Mr. CELLER. There is in the present statute a provision for a jail penalty up to 1 year.

Mr. PATMAN. But no one has ever been put in jail. That is something that should be looked into. Possibly we should consider making a jail penalty mandatory under certain conditions.

Mr. CELLER. Do you think if you increase the penalty beyond $50,000 it would put anybody in jail?

Mr. PATMAN. No, but we should make it compulsory in certain instances where there is no question about guilt and when the offense is sufficiently serious to justify a real effective penalty.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. PATMAN. Mr. Speaker, I hope the gentleman will withdraw this and bring it up under a rule.

The SPEAKER. Is there objection?

Mr. PATMAN. I object, Mr. Speaker.

TO PERMIT MINING, DEVELOPMENT, AND UTILIZATION OF MINERAL RESOURCES IN PUBLIC LANDS WITHDRAWN OR RESERVED FOR POWER DEVELOPMENT

The Clerk called the bill (H. R. 100) to permit the mining, development, and utilization of the mineral resources of all public lands withdrawn or reserved for power development, and for other purposes.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That this act may be cited as the "Mining Claims Rights Restoration Act of 1955."

SEC. 2. All public lands belonging to the United States now or hereafter withdrawn or reserved for power development or power sites by statutory rights shall be open to entry for location and patent of mining claims and for mining, development, beneficiation, removal, and utilization of the mineral resources of such lands under applicable Federal statutes: *Provided*, That all power rights to such lands shall be retained by the United States: *Provided further*, That locations made under this act within the revested Oregon & California Railroad and reconveyed Coos Wagon grant lands shall also be subject to the provisions of the act of April 8, 1948, Public Law 477 (80th Cong., 2d sess.).

SEC. 3. Prospecting and exploration for and the development and utilization of mineral resources authorized in this act shall be entered into or continued at the financial risk of the individual party or parties undertaking such work: *Provided*, That the United States, its permittees and licensees shall not be responsible or held liable or incur any liability for the damage, destruction, or loss of any mining claim, mill site, facility installed or erected, income, or other property or investments resulting from the actual use of such lands or portions thereof for power development at any time where such power development is made by or under the authority of the United States, except where such damage, destruction, or loss results from the negligence of the United States, its permittees and licensees.

SEC. 4. The owner of any unpatented mining claim located on land described in section 2 of this act shall file for record in the United States district land office of the land district in which the claim is situated (1) within 1 year after the effective date of this act, as to any or all locations heretofore made, or within 60 days of location as to locations hereafter made, a copy of the notice of location of the claim; (2) within 60 days after the expiration of any annual assessment year, a statement as to the assessment work done or improvements made during the previous assessment year.

SEC. 5. Nothing in this act contained shall be construed to limit or restrict the rights of the owner or owners of any valid mining claim located prior to the date of withdrawal or reservation.

SEC. 6. Notwithstanding any other provisions of this act, all mining claims and mill sites or mineral rights located under the terms of this act or otherwise contained on the public lands as described in section 2 shall be used only for the purposes specified in section 2 and no facility or activity shall be erected or conducted thereon for other purposes.

With the following committee amendment:

Page 3, line 18, insert:

"SEC. 7. No mining claim located pursuant to this act upon surveyed or unsurveyed lands, title to which, except for such location,

would following the termination of the withdrawal or reservation, vest in a State for the support of the common or public schools shall create any rights as against the State, and the existence of the claim shall not prevent the vesting of the title in the State."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

INVOKING THE AID OF COURTS IN COMPELLING TESTIMONY OF CONGRESSIONAL WITNESSES

The Clerk called the bill (H. R. 780) to prescribe a method by which the Houses of Congress and their committees may invoke the aid of the courts in compelling the testimony of witnesses.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That (a) either House, any committee or subcommittee of either House, and any joint committee of the two Houses of Congress may, by an affirmative vote of a majority of its actual membership, invoke the aid of the United States district courts in requiring the attendance and testimony of witnesses and the production of evidence, in furtherance of any inquiry such House, committee, subcommittee, or joint committee is authorized to undertake.

(b) The United States district court for the district within which the inquiry is carried on may, in case of contumacy or refusal to obey a subpena issued to any person by either House, any committee or subcommittee of either House, or any joint committee of the two Houses of Congress, issue an order requiring such person to appear (and to produce evidence if so ordered) and give evidence relating to the matter in question before such House, committee, subcommittee, or joint committee, as the case may be; and any failure to obey such order of the court may be punished by the court as a contempt thereof.

(c) Attorneys of the Department of Justice shall furnish legal assistance in invoking the aid of the United States district courts under subsection (a) to either House, or any committee, subcommittee, or joint committee which requests it.

Mr. KEATING. Mr. Speaker, this is one of the most constructive steps we could possibly take in improving the conduct of congressional investigations. It ties in closely with efforts to develop a code of fair play. It has had little fanfare, because nobody opposes it. The same bill, as H. R. 4975, 83d Congress, introduced by me on May 4, 1953, was favorably reported by the House Committee on the Judiciary and passed the House on August 4, 1954. It is also an essential complement to the administration's immunity bill which became law last year—Public Law 600, H. R. 6899, 83d Congress.

Neither good rules of procedure aimed at making the congressional investigation process work better, nor a good immunity law to strip undeserving witnesses of their shelter behind the fifth amendment, are really going to amount to very much unless the underlying power of Congress to enforce its powers is improved.

The present contempt statute upon which congressional committees are forced to rely is altogether too cumbersome. It makes contempt of Congress, or of any congressional committee, a misdemeanor, providing the recalcitrant witness is cited to the Congress, voted in contempt, indicted by a grand jury and convicted in the ordinary course of the criminal case in some district court. This takes months and years and more often than not, the witness goes free. In any case, even if he receives a fine or a jail sentence, he has escaped giving the testimony or producing the evidence which the committee wanted, and there is no way in the world to accomplish that result.

The solution is so obvious that I am astonished we have not hit upon it before. Nearly a score of Federal agencies, like the Securities and Exchange Commission and the Federal Communications Commission and the Interstate Commerce Commission, have substantially the same problem, in that they can subpena witnesses but would be remediless, so far as their own resources are concerned, if the witness should choose to maintain a defiant attitude. What Congress did for all these agencies was to enact a simple provision allowing them to apply to an appropriate Federal district court for an order from the court, compelling the witness to testify, and so forth. When such an order issues, the witness becomes instantly amenable to the court's own contempt powers, which are quite adequate to compel instant and complete obedience. No one can quarrel with the proposition that Congress itself should have the same power that is conferred on these agencies.

There is something else about this proposal which should also be kept in mind: It will have a very healthy effect on the whole conduct of hearings and investigations. It will not limit the rights of the investigators in any way, but at the same time, if a committee applies to a court for this summary remedy, the court would have an opportunity to review the action and give or withhold relief.

The committee could always resort to the old statute. If it relies on this new one, then in that case the witness would also be entitled to go into court and explain to the judge why he was resisting the particular order sought to be enforced against him. I feel that that would naturally tend to cause the committees to be doubly careful, when they are dealing with hostile witnesses, to be sure that their position on each issue is sound and that their procedure leaves no room for well-founded attacks or criticism.

This bill is the most important procedural suggestion I have encountered in nearly a decade of studying congressional investigating committees and their problems. It cures the greatest weakness our committees have had to face, and in the same stroke it actually tends to improve the status and position of any witness who really feels that he is being treated unfairly. It gives him a prompt day in court.

The bill was ordered to be engrossed and read a third time, was read the first time, and passed, and a motion to reconsider was laid on the table.

INNOCENT PURCHASERS OF FUNGIBLE GOODS

The Clerk called the bill (H. R. 1831) to amend the Commodity Credit Corporation Charter Act in order to protect innocent purchasers of fungible goods converted by warehousemen from claims of the Commodity Credit Corporation.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. McCORMACK. Mr. Speaker, reserving the right to object, this bill was reported out of the Committee on Agriculture. Having in mind the title, it was properly referred to the Committee on Agriculture, but the substance of the bill is clearly something that concerns the Committee on the Judiciary, because if this bill becomes law, it will change the law in relation to certain civil and possibly criminal proceedings not only with reference to the burden of proof in certain cases, but also in relation to the burden of evidence.

Lawyers know that the burden of proof in a criminal case always rests upon the Government, but during the course of the trial of a criminal case the burden of evidence may shift from time to time. As I read this bill, it not only is far-reaching in excluding from criminal prosecution certain purchasers of Commodity Credit items from a warehouseman—and I see the purpose behind that—but also the language of the bill states "goods, provided the buyer purchased such goods for value in good faith and did not know or have reason to know of any defect in the warehouseman's authority to sell such goods."

In my opinion, this language means that the burden of evidence in addition to the burden of proof is shifted to the Government's shoulders.

To me it is rather unusual to provide that by law. I realize that there are certain purchasers of Commodity Credit items stored in warehouses that are now subject to civil and criminal prosecution whom this bill means to exclude; and I think there is some merit to that view of it, especially where one buys in good faith or without knowledge of the criminal intent on the part of the warehouseman. I agree that the burden of proof in such case should be upon the Government, but in a criminal case the burden of proof always rests on the Government, whether it be State or Federal. However, the burden of evidence is an entirely different field, a related but different subject.

Mr. CUNNINGHAM. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. CUNNINGHAM. I seem to have a different view of the merits of this bill than does the gentleman from Massachusetts. As I understand, what the bill does is to permit a defendant to plead the fact that he is an innocent purchaser for value without notice. He does not have that right under a peculiar statute at the present time; it does not give him any more right than the gentleman from Massachusetts would have. I do not read into it all the gentleman from Massachusetts seems to.

Mr. McCORMACK. I do not think it is quite as simple as that. It does permit them to plead that they bought in

good faith but it throws the burden of proof upon the Government to show that they did not buy in good faith.

Mr. CUNNINGHAM. I think the gentleman is laboring under a misconception of the bill. Right now the defendant does not have the right to plead that he is an innocent purchaser. This simply gives him the right that he has got to prove, I think, that he is an innocent purchaser.

Mr. McCORMACK. The gentleman from Massachusetts is not in disagreement with the gentleman from Iowa on that portion of the gentleman's statement, that under the present law the Government would have to prove that a person who might have purchased in good faith did not purchase in good faith; I will agree to that. But it is a different principle for the defendant to have the privilege of pleading this defense that is never necessary in a criminal case, because if we pass this bill the burden would rest upon the Government to prove beyond a reasonable doubt that this man did not buy in good faith. To that point I could go, and I might be willing to go further if it were explained to my satisfaction. The first part of the bill changes the burden of proof, or it makes it incumbent upon the Government to prove in certain purchases that he is guilty. Now the bill, even as I read it, also makes it incumbent upon the Government to sustain the burden of evidence. While related in a trial burden of proof is an entirely different proposition from burden of evidence. This matter should be carefully looked into from a legal standpoint to be sure that the position of the Government is protected by not putting an unnecessary burden on the Government that does not exist with reference to other criminal or civil prosecutions.

Mr. REED of New York. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from New York.

Mr. REED of New York. I rather interested myself in this because of claims that were being settled by the Government against the farmers and other absolutely innocent people. I notice under findings it says:

> Under the existing rule of court decisions in this country, an owner of fungible goods, such as grain, wrongfully sold by a warehouseman, can recover from a wholly innocent purchaser of such goods. This rule has been criticized for many years by lawyers and judges who have recognized the harshness and inequity in forcing an innocent purchaser who buys fungible goods in good faith in the normal course of business from a dealer in such goods, to pay for them twice—first to the wrongdoing seller and again to the true owner. The critics of the rule have pointed out, also, that it disrupts normal trading in grain and other fungible goods because a prospective purchaser never knows whether a warehouse-receipt holder might later assert a claim to the goods he bought. This point has become a major problem for grain dealers and the Government alike in recent years because of the large-scale storage operations of Commodity Credit Corporation since World War II.

I should like to advise the gentleman why I am interested in this matter. There are some men at home whose families have been in business, and the farmers have been buying from them for a hundred years. They are fine people, the finest who ever lived. They would not violate the law. But they can follow this thing through to the innocent farmer and collect from him. That is why I have interested myself in this thing. It looks to me quite un-American as a purpose.

Mr. McCORMACK. I may say to the gentleman that I have no objection to the broad purposes of the bill, but I think the wording of it is such that it has to be viewed with great caution. I am in no way either expressly or by implication criticizing the committee. But this involves a civil and possibly criminal law and, with all due respect to our Committee on Agriculture, I think the House would feel more confident that the bill is drafted properly if we had the opinion of the competent legal authorities in this House, particularly members of the Committee on the Judiciary. That is the particular committee that should be interested. I hope that the Committee on the Judiciary will on the next call of the Consent Calendar look this bill over and informally report if it is drafted right. It states "provided the buyer purchased such goods for value in good faith and did not know or have reason to know of any defect in the warehouseman's authority to sell such goods."

We could start out with that left out, leaving in the first part.

I can see where there may be quite a different situation in regard to burden of evidence. I think the committee has a justifiable case for legislating and I want it understood I am not opposed to that. On the other hand, I would want to be careful that we do not go too far and put an unnecessary burden in relation to the burden of evidence on the Government. Lawyers know that the burden of evidence constantly shifts from one side to the other during the trial of a lawsuit and according to the technical nature of the evidence submitted by either side.

Mr. REED of New York. In the State of New York we have something like a million milk cattle. They supply the milkshed. There is your big milkshed in Massachusetts. They have it in Maine, they have it in New Jersey, they have it in Pennsylvania. Every one of these farmers has to buy practically all of his feed from the West. This grain is stored by the millions of bushels in these warehouses. The farmers go to their reputable dealers. I am speaking now because of this great interest here, and it is working a tremendous hardship; it is placing a tremendous burden on the Government itself. This law is too drastic a law for the purpose here intended, and I want to have this say because I may not be here on the next occasion when this bill comes up. But, this works such a tremendous hardship on the farmers and the dairymen in our part of the country, even as far away as Wisconsin and all over. They have no possible way of knowing whether they are violating the law or not. And, they cannot starve their cattle; they have to have the grain. I hope the gentlemen will not be too particular about this.

Mr. McCORMACK. Might I say to the gentleman from New York that there is nothing in what the gentleman has said that is in disagreement with my state of mind or what I have said. On the other hand, in trying to bring relief, I would regret it keenly if later we found out we enacted into law a bill that hamstrung the Department of Justice to go after the guilty persons. The burden of proof always rests on the Government, but the burden of evidence is an entirely different proposition. It shifts from time to time.

Mr. CUNNINGHAM. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Iowa.

Mr. CUNNINGHAM. I would like to recite to the gentleman what happened in certain Midwestern States that gave rise to this bill. There have been half a dozen bills like it before the Committee on Agriculture and also before the other body. This bill was favorably reported last year, but we did not get action on it before adjournment. Here is what actually happened in the Midwest. We had Government grain stored with an elevator man. He had his own grain mixed in with it. This man went broke. He sold Government graded grain mixed with his own, but the innocent farmers or grain dealers, long after he went broke, could not collect from this man who went broke. Now they have sued everyone who has gotten grain from this elevator man. They have sued the same owners for the same money, and it runs into the hundreds of thousands of dollars in each claim, and under this law those defendants are not permitted to show that they were innocent purchasers for value without notice. All this bill does is to remove that obstacle so that they can show it in defense.

Mr. McCORMACK. There is nothing the gentleman has said that is inconsistent with what I have said. The gentleman is talking on one subject. I thoroughly agree with the gentleman, but I am talking on another subject. I do not intend to sit here and let a bill go through which later I might regret when I might be putting an unreasonable burden on the Department of Justice. I am suggesting that the matter go over until the next Consent Calendar, and I hope some of my friends will level on this in an informal way so that they can advise the House when this bill comes up again as to whether or not they think the bill is in proper form and, if not, what amendments they think should be adopted to the bill to obtain the objective desired.

Mr. MULTER. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from New York.

Mr. MULTER. Mr. Speaker, I am very happy that the gentleman has called the attention of the House to this particular bill. Incidentally, while doing that, he ought to alert the membership to the recommendations of the Hoover Commission in their report on the reorganization in the executive departments just released in March 1955, to which our distinguished colleague, the gentleman

from California [Mr. HOLIFIELD], referred yesterday. In that report, among other things, they recommend the discontinuance of some of the programs affected by the very bill that the distinguished majority leader has referred to. But, more important, I think the membership should be alerted to the other recommendations that are in this report and all of which are intended to roll back all of the progress that we have made in the last 20 years. Mr. Hoover recommends now that we do away with all the lending agencies that will help the farmer, that will help the veteran, that will help the small-business man, and the peculiar part of it is that in these recommendations, while they recommend that the Export-Import Bank should discontinue its short-term loan policy, it approves the so-called long-term loan policy, and co-incidental with that we get an announcement from the Export-Import Bank that they just extended a $250 million credit to Argentina. Now, there is plenty of objection to be raised to that, because it is a totalitarian government.

But more than that, what they are doing is actually financing companies like the Armco International Corp., and the Westinghouse Electric International Corp., so that they can send their materials down there and get all their money out advantaging primarily the Argentinian Government that, in spite of the fact that that Government has twice—once only a short time ago, and once a few years ago—practically confiscated American property and American money in that country. Yet this Commission now recommends that we do away with all these lending agencies, discontinue the Commodity Credit Corporation program, and continue a program such as the $250 million loan to which I have just referred.

Mr. BYRNES of Wisconsin. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. BYRNES of Wisconsin. I wonder if somebody would explain what all this has to do with the bill before us relating to the protection of innocent purchasers of fungible goods.

Mr. McCORMACK. I am sure that the gentleman from New York [Mr. MULTER] felt that it was a matter of giving information to Members of the House.

Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts [Mr. McCORMACK]?

There was no objection.

ABOLISHING OLD KASAAN NATIONAL MONUMENT, ALASKA

The Clerk called the bill (H. R. 4046) to abolish the Old Kasaan National Monument, Alaska, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Old Kasaan National Monument, in Alaska, is hereby abolished, and the lands thereof shall hereafter be administered as a part of the Tongass National Forest.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RELIEF FOR MEMBERS OF ARMED FORCES ON SHIPMENT OF HOUSEHOLD GOODS FROM OVERSEAS

The Clerk called the bill (H. R. 2121) to provide for the relief of certain members of the Armed Forces who were required to pay certain transportation charges covering shipment of their household goods and personal effects upon return from overseas, and for other purposes.

Mr. GROSS. Mr. Speaker, reserving the right to object, I wonder if someone would explain why it is necessary.

Mr. DURHAM. Mr. Speaker, this bill is necessary primarily because of a change in regulations and law passed in the 83d Congress. The total of members of the Armed Forces concerned, as given to us, is 500 in the Army, 130 in the Navy, and 50 in the Marine Corps. These members of the Armed Forces, in good faith, shipped overseas a certain poundage of household goods. The change in the regulations came about in the 83d Congress. When they came back, they came back after the change in the regulations, and they were charged for that difference according to the poundage. The amount involved averages about $100 in each case. We did not find any case that came to over $100.

Mr. GROSS. So it becomes necessary because of legislation enacted by the Congress?

Mr. DURHAM. That is correct, when they made a change in the regulations.

Mr. FORD. Mr. Speaker, will the gentleman yield?

Mr. GROSS. I yield.

Mr. FORD. It is my recollection that in the 81st or in the 82d Congress a cutback in the limitation was made. These men who are affected went overseas under the old regulations. They were ordered back to the United States under the reduced limitations. Therefore, it was not an act of good faith to send them over under one limitation and bring them back under another. Last year we authorized this group to come back under the limitation under which they had been sent overseas, and the request here is to permit them to recoup through what appears to be a justified claim.

Mr. DURHAM. Mr. Speaker, that is correct.

Mr. GROSS. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That any member of the Armed Forces who was transferred to a duty station outside the continental United States or in Alaska under orders which relieved him from a duty station within the United States before July 10, 1952, and who—

(1) was transferred to any one or more other duty stations outside the continental United States or in Alaska after July 9, 1952, and before his transfer back to the United States; or

(2) was transferred back to the United States under orders which relieved him from a duty station outside the continental United States or in Alaska after July 9, 1952, and before July 1, 1953,

is entitled, for each of those transfers, to transportation, packing, crating, temporary storage, drayage, and unpacking of his household goods and personal effects without regard to the weight limitations of section 632 of the Department of Defense Appropriation Act, 1953 (66 Stat. 537). Any member who has made a repayment to the United States because the net weight of his household goods and personal effects in such transfer or transfers exceeded the weight limitations of section 632 may be paid the amount involved, if otherwise proper.

SEC. 2. The Comptroller General of the United States, or his designee, shall relieve disbursing officers, including special disbursing agents, of the Armed Forces from accountability or responsibility for any payments relating to shipments described in this act, and shall allow credits in the settlement of the accounts of those officers or agents for payments which appear to be free from fraud and collusion.

SEC. 3. Any appropriations available to the military department concerned for the pay and allowances of military personnel are available for payments under this act without regard to any weight limitations upon the shipment of household goods and personal effects which may be contained in the appropriation act concerned.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The SPEAKER. This is the last eligible bill on the calendar.

CREEK NATION OF INDIANS

Mr. ENGLE. Mr. Speaker, I ask unanimous consent for the immediate consideration of Item No. 17 on the calendar, the bill (H. R. 4367) to provide for the distribution of funds belonging to the members of the Creek Nation of Indians, and for other purposes, notwithstanding the fact that it has been on the calendar 2 legislative days rather than 3. I have cleared the matter with the official objectors and the leadership on both sides.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from California?

Mr. DEANE. Reserving the right to object, Mr. Speaker, and I shall not object, it is the feeling that with the staff the objectors have to do research on these bills, in the future the bills should follow the regular course of procedure and be on the calendar the number of days required before they are brought up for consideration.

I withdraw my reservation of objection, Mr. Speaker.

The SPEAKER. Is there objection to the request of the gentleman from California?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the provisions of section 1 of the Deficiency Appropriation Act, fiscal year 1934 (48 Stat. 1021, 1033), under the heading "Bureau of Indian Affairs" directing the Secretary of the Interior to make a per capita payment to the members of the Creek Tribe of Indians on the basis of a roll to be made as of December 4, 1933, are repealed.

SEC. 2. (a) The Secretary of the Interior is authorized and directed to use any funds

on deposit in the Treasury of the United States to the credit of the Creek Nation to complete allotment equalization payments to persons with claims thereto that were filed and adjudicated in accordance with the provisions of section 18 in the act of June 30, 1919 (41 Stat. 3, 24).

(b) The Secretary of the Interior is authorized to distribute per capita to the members of the Creek Nation whose names appear on the final rolls approved under the act of April 26, 1906 (34 Stat. 137), or to their heirs or legatees, any funds heretofore or hereafter deposited in the Treasury of the United States to the credit of the Creek Nation that are not used for the purposes of subsection (a) of this section and that are not needed, in the judgment of the Secretary, for other tribal purposes.

(c) The Secretary of the Interior is hereby authorized and directed to distribute among the persons entitled thereto the funds appropriated by chapter XII of the Third Supplemental Appropriation Act, 1952 (66 Stat. 101, 121), in payment of the judgment entered by the Indian Claims Commission in favor of the Loyal Creek Band or Group of Creek Indians et al., Docket No. 1. Such funds shall be paid to those persons whose names appear on the payroll prepared pursuant to the act of March 3, 1903 (32 Stat. 982, 994), by J. Blair Schoenfelt, United States Indian Agent, or to their heirs or legatees, on a pro rata basis in proportion to the amounts appearing opposite their names on such payroll.

SEC. 3. (a) If a person entitled to a payment authorized by this act is deceased, such payment shall be made to his heirs or legatees determined in accordance with the laws, relating to the distribution of personal property, of the Creek Nation if the decedent died before January 1, 1898, or of the State of Arkansas in effect at the time of death if the decedent died before November 16, 1907, or of the State of Oklahoma in effect at the time of death if the decedent died on or after November 16, 1907. For the purposes of this section the decedent shall be regarded as an owner in possession of the payment at the time of his death.

(b) Before a payment authorized by this act is made to an heir or legatee of a deceased person, proof of death and heirship or bequest satisfactory to the Secretary of the Interior shall be submitted to him, and his findings with respect thereto shall be final and conclusive. Where satisfactory proof of death and heirship or bequest is already available to the Secretary, no additional submission shall be required.

SEC. 4. Funds payable under this act to minors or to persons under legal disability shall be paid to such representatives and under such conditions as the Secretary of the Interior may direct. The distribution of funds under this act shall not be subject to any lien, except for debts owed to the United States or to Indian organizations indebted to the United States, and shall not be taxable.

SEC. 5. There is hereby authorized to be appropriated out of any money in the Treasury not otherwise appropriated the sum of $200,000 to remain available until expended, for necessary expenses incident to the distribution of funds authorized by this act.

SEC. 6. The Secretary of the Interior is authorized to issue rules and regulations necessary for the purposes of this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PRIVATE CALENDAR

The SPEAKER. This is Private Calendar Day. The Clerk will call the first bill on the Private Calendar.

GABRIELLA SARDO

The Clerk called the bill (H. R. 881) for the relief of Gabriella Sardo.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of sections 101 (a) (27) (A) and 205 of the Immigration and Nationality Act, the minor child, Gabriella Sardo, shall be held and considered to be the natural-born alien child of William Sardo, a citizen of the United States.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

BORIS IVANOVITCH OBLESOW

The Clerk called the bill (H. R. 1020) for the relief of Boris Ivanovitch Oblesow.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Boris Ivanovitch Oblesow shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CHRISTINE SUSAN CAIADO

The Clerk called the bill (H. R. 1048) for the relief of Christine Susan Caiado.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, notwithstanding the provision of section 212 (a) (4) of the Immigration and Nationality Act, Christine Susan Caiado may be admitted to the United States for permanent residence if she is found to be otherwise admissible under the provisions of that act: *Provided*, That a suitable and proper bond or undertaking, approved by the Attorney General, be deposited as prescribed by section 213 of the said act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. ANITA SCAVONE

The Clerk called the bill (H. R. 1130) for the relief of Mrs. Anita Scavone.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, notwithstanding the provision of section 212 (a) (9) of the Immigration and Nationality Act, Mrs. Anita Scavone may be admitted to the United States for permanent residence if she is found to be otherwise admissible under provisions of that act: *Provided*, That this exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice have knowledge prior to the enactment of this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ZBIGNIEW WOLYNSKI

The Clerk called the bill (H. R. 1177) for the relief of Zbigniew Wolynski.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Zbigniew Wolynski shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

With the following committee amendment:

Line 7, after "fee" strike out the remainder of the bill.

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ANGELITA HABERER

The Clerk called the bill (H. R. 1192) for the relief of Angelita Haberer.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Angelita Haberer shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ATSUKO KIYOTA SZEKERES

The Clerk called the bill (H. R. 1206) to restore United States citizenship to a former citizen, Atsuko Kiyota Szekeres.

Mr. WALTER. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

NICHOLAS JOHN MANTICAS, ANNE FRANCIS MANTICAS, YVONNE MANTICAS, MARY MANTICAS, AND JOHN MANTICAS

The Clerk called the bill (H. R. 1328) for the relief of Nicholas John Manticas, Anne Francis Manticas, Yvonne Manticas, Mary Manticas, and John Manticas.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Nicholas John Manticas, Anne Francis Manticas, Yvonne Manticas, Mary Manticas, and John Manticas shall be held and considered

to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fees. Upon the granting of permanent residence to such aliens as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct 5 numbers from the appropriate quota for the first year that such quota is available.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

STYLIANOS HARALAMBIDIS

The Clerk called the bill (H. R. 1490) for the relief of Stylianos Haralambidis.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Stylianos Haralambidis shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ROBERT GEORGE BULLDEATH AND LENORA PATRICIA BULLDEATH

The Clerk called the bill (H. R. 1511) for the relief of Robert George Bulldeath and Lenora Patricia Bulldeath.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Robert George Bulldeath and Lenora Patricia Bulldeath shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon the payment of the required visa fees. Upon the granting of permanent residence to such aliens as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct two numbers from the appropriate quota for the first year that such quota is available: *Provided*, That for the purposes of this act and the immigration and naturalization laws Robert George Bulldeath and Lenora Patricia Bulldeath, who were born in China of British parents, shall be deemed to have been born in Great Britain.

With the following committee amendment:

Page 2, line 2, after "available", strike out the remainder of the bill.

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JANIS ARVIDS REINFELDS

The Clerk called the bill (H. R. 1638) for the relief of Janis Arvids Reinfelds.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, notwithstanding the provisions of sections 212 (a) (1) and 212 (a) (4) of the Immigration and Nationality Act, Janis Arvids Reinfelds may be admitted to the United States for permanent residence if he is found to be otherwise admissible under the provisions of that act: *Provided*, That a suitable and proper bond or undertaking approved by the Attorney General be given as prescribed by section 213 of that act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

REGINA BERG VOMBERG

The Clerk called the bill (H. R. 1645) for the relief of Regina Berg Vomberg.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, in the administration of the Immigration and Nationality Act, Regina Berg Vomberg, the fiance of John C. Fenerty, a citizen of the United States, and her children, Wilma and Helga Vomberg, shall be eligible for a visa as a nonimmigrant temporary visitor for a period of 3 months: *Provided*, That the administrative authorities find that the said Regina Berg Vomberg is coming to the United States with a bona fide intention of being married to the said John C. Fenerty and that she is found admissible under all of the provisions of the Immigration and Nationality Act, other than section 212 (a) (9): *Provided further*, That this exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice had knowledge prior to the enactment of this act.

In the event the marriage between the above-named persons does not occur within 3 months after the entry of the said Regina Berg Vomberg and her children, Wilma and Helga Vomberg, they shall be required to depart from the United States, and upon failure to do so shall be deported in accordance with the provisions of sections 242 and 243 of the Immigration and Nationality Act. In the event that the marriage between the above-named persons shall occur within 3 months after the entry of the said Regina Berg Vomberg and her children, Wilma and Helga Vomberg, the Attorney General is authorized and directed to record the lawful admission for permanent residence of the said Regina Berg Vomberg and her children, Wilma and Helga Vomberg, as of the date of the payment by them of the required visa fee.

With the following committee amendments:

On page 1, line 6, strike out the words "a visa" and substitute in lieu thereof the word "visas."

On page 1, line 7, strike out the word "visitor" and substitute in lieu thereof the word "visitors."

On page 2, line 20, strike out the word "fee" and substitute "fees."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The title was amended so as to read: "A bill for the relief of Regina Berg Vomberg, and her children, Wilma and Helga Vomberg."

CHARLES CHAN

The Clerk called the bill (H. R. 1664) for the relief of Charles Chan.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That for the purposes of the Immigration and Nationality Act, Charles Chan shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DAVID MANUEL PORTER

The Clerk called the bill (H. R. 1665) for the relief of David Manuel Porter.

There being no objection, the Clerk read the bill, as follows:

Be it enacted etc., That, for the purposes of sections 101 (a) (27) (A) and 205 of the Immigration and Nationality Act, the minor child, David Manuel Porter (Manuel Pacheco), shall be held and considered to be the natural-born alien child of Warren R. Porter and Mrs. Betty O'Brian Porter, citizens of the United States.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ORLANDO LUCARINI

The Clerk called the bill (H. R. 1885) for the relief of Orlando Lucarini.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Orlando Lucarini shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FAY JEANETTE LEE

The Clerk called the bill (H. R. 1906) for the relief of Fay Jeanette Lee.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of section 101 (a) (27) (A) and section 205 of the Immigration and Nationality Act, the alien, Fay Jeanette Lee, shall be held and considered to be the minor natural-born alien child of Samuel Thorn, a citizen of the United States.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

NAMIKO NITOH AND HER CHILD, GEORGE F. X. NITOH

The Clerk called the bill (H. R. 1957) for the relief of Namiko Nitoh and her child, George F. X. Nitoh.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, in the administration of the Immigration and Nationality Act, Namiko Nitoh, the fiancée of Edward S. Phelan, a citizen of the United States, and her child, George F. X. Nitoh, shall be eligible for visas as nonimmigrant temporary visitors for a period of 3 months: *Provided*, That the administrative authorities find that the said Namiko Nitoh is coming to the United States with a bona fide intention of being married to the said Edward S. Phelan and that she is found otherwise admissible under the immigration laws. In the event the marriage between the above-named persons does not occur within 3 months after the entry of the said Namiko Nitoh and her child, they shall be required to depart from the United States and upon failure to do so shall be deported in accordance with the provisions of sections 242 and 243 of the Immigration and Nationality Act. In the event that the marriage between the above-named persons shall occur within 3 months after the entry of the said Namiko Nitoh and her child, the Attorney General is authorized and directed to record the lawful admission for permanent residence of the said Namiko Nitoh and her child as of the date of the payment by them of the required visa fees.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SISTER MARY BERARDA

The Clerk called the bill (H. R. 2279) for the relief of Sister Mary Berarda.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Sister Mary Berarda shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. MARJORIE FLIGOR (NEE SPROUL)

The Clerk called the bill (H. R. 2289) for the relief of Mrs. Marjorie Fligor (nee Sproul).

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, notwithstanding the provision of section 212 (a) (9) of the Immigration and Nationality Act, Mrs. Marjorie Fligor (nee Sproul) may be admitted to the United States for permanent residence if she is found to be otherwise admissible under the provisions of that act: *Provided*, That this exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice have knowledge prior to the enactment of this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

THEODORA SAMMARTINO

The Clerk called the bill (H. R. 2348) for the relief of Theodora Sammartino.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of sections 101 (a) 27 (A) and 205 of the Immigration and Nationality Act, the minor child, Theodora Sammartino, shall be held and considered to be the natural-born alien child of Vincent and Theodora Sammartino, citizens of the United States.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

BASIL THEODOSSIOU

The Clerk called the bill (H. R. 2354) for the relief of Basil Theodossiou.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, in the administration of Public Law 203, 83d Congress, chapter 336, 1st session, Basil Theodossiou shall be held to be eligible to apply in Egypt for a visa as a refugee under the provisions of section 4 (a) (7) of that act notwithstanding his inability to meet the residential requirements set forth therein; and that section 7 (d) (2) of the said act shall not be held to apply in the case of Basil Theodossiou.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. ELFRIEDE MAJKA GRIFASI

The Clerk called the bill (H. R. 2941) for the relief of Mrs. Elfriede Majka Grifasi.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, notwithstanding the provision of section 212 (a) (9) of the Immigration and Nationality Act, Mrs. Elfriede Majka Grifasi may be admitted to the United States for permanent residence if she is found to be otherwise admissible under the provisions of that act: *Provided*, That this exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice had knowledge prior to the enactment of this act.

With the following committee amendment:

Page 1, line 9, strike out the word "had" and insert the word "have."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DAVID DEL GUIDICE

The Clerk called the bill (H. R. 869) for the relief of David Del Guidice.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is hereby authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to David Del Guidice, Newark, N. J., the sum of $120. Such sum represents reimbursement to the said David Del Guidice for paying out of his own funds a judgment rendered against him in the courts of the State of New Jersey, arising out of an accident occurring in December 1952, when the said David Del Guidice was operating a Government vehicle in the course of his duties as an employee of the Post Office Department: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HAROLD C. NELSON AND DEWEY L. YOUNG

The Clerk called the bill (H. R. 903) for the relief of Harold C. Nelson and Dewey L. Young.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is hereby authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Harold C. Nelson, of Fairbanks, Alaska, the sum of $77.28, and to Dewey L. Young, of Fairbanks, Alaska, the sum of $84.90, in full settlement of all claims against the Government of the United States, as reimbursement for handtools destroyed as the result of a fire which occurred on December 22, 1953, at the Alaska Road Commission's Gardiner Creek construction camp, Alaska: *Provided*, That no part of the amounts appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with these claims, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WILLIAM MARTIN, OF TOK JUNCTION, ALASKA

The Clerk called the bill (H. R. 906) for the relief of William Martin, of Tok Junction, Alaska.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is hereby authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to William Martin, of Tok Junction, Alaska, the sum of $1,135 in full settlement of all claims against the Government of the United States, as reimbursement for personal effects destroyed as the result of a fire which occurred on September 29, 1953, at the Alaska Road Commission's Liberty construction camp on the Taylor Highway, Alaska.

SEC. 2. No part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by

any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DR. LOUIS J. SEBILLE

The Clerk called the bill (H. R. 989) for the relief of Dr. Louis J. Sebille.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That Dr. Louis J. Sebille (lieutenant, U. S. Naval Reserve, retired, 426735), Pontiac, Mich., is hereby relieved of all liability to refund to the United States the sum of $876.10, representing alleged overpayments in active-duty pay and allowances made to him by the Department of the Navy for the period beginning August 1, 1946, and ending October 31, 1946. In the audit and settlement of the accounts of any certifying or disbursing officer of the United States, full credit shall be given for any amount for which liability is relieved by this act.

With the following committee amendments:

Page 1, line 6, strike out "$876.10" and insert "$470.10."

Page 1, line 6, after the word "alleged", insert "net."

Page 1, line 9, strike out "August 1, 1946, and insert "January 25, 1945."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ROBERT FRANCIS SYMONS

The Clerk called the bill (H. R. 996) for the relief of Robert Francis Symons.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That Robert Francis Symons, of Bishop, Calif., is hereby relieved of all liability to pay to the United States any and all amounts which are due from or payable by the said Robert Francis Symons to the United States under a judgment entered against him by the United States District Court for the Southern District of California, Northern Division (United States of America, plaintiff, against Robert Francis Symons, defendant, civil action No. 783–ND). Such civil action areas out of the conditional sale of a surplus aircraft by the War Assets Administration to the said Robert Francis Symons.

With the following committee amendment:

Page 1, line 6, after the words "United States, strike out the balance of line 6, all of lines 7, 8, 9, 10, and 11 down to and including the word "of" and insert "for the unpaid balance due on."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. LORENZA O'MALLEY (DE AMUSATEGUI) JOSE MARIA DE AMUSATEGUI O'MALLEY, AND THE LEGAL GUARDIAN OF RAMON DE AMUSATEGUI O'MALLEY

The Clerk called the bill (H. R. 1003) for the relief of Mrs. Lorenza O'Malley (de Amusategui), Jose Maria de Amusategui O'Malley, and the legal guardian of Ramon de Amusategui O'Malley.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any amount in the Treasury not otherwise appropriated, to Mrs. Lorenza O'Malley (de Amusategui) the sum of $20,000, to Jose Maria Gerardo de Amusategui O'Malley the sum of $5,000, and to the legal guardian of Ramon de Amusategui O'Malley the sum of $5,000, all of Fort George G. Meade, Md. Such sums shall be in full settlement of all claims against the United States for money and supplies furnished and distributed by Mrs. O'Malley and her former husband, Ramon de Amusategui (now deceased), to American prisoners of war in the Philippines during World War II: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. IDA BIFOLCHINI BOSCHETTI

The Clerk called the bill (H. R. 1016) for the relief of Mrs. Ida Bifolchini Boschetti.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mrs. Ida Bifolchini Boschetti, Adams, Mass., the sum of $2,149.66. The payment of such sum shall be in full settlement of all claims of the said Mrs. Ida Bifolchini Boschetti against the United States for death compensation payable to her as the widow of Marine D. Bifolchini (XC–3860207), a veteran of World War II, for the period beginning January 12, 1945, and ending April 14, 1948: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CLYDE M. LITTON

The Clerk called the bill (H. R. 1072) for the relief of Clyde M. Litton.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Clyde M. Litton, of Los Angeles, Calif., the sum of $1,175.34. The payment of such sum shall be in full settlement of all claims of the said Clyde M. Litton against the United States arising out of the fact that, through an administrative error on the part of officials of the Army, he was not formally transferred from the Infantry Reserve to the Air Corps Reserve effective February 22, 1943, upon his completion of advanced glider training, and was thus deprived of the benefits to which he would have been entitled under section 2 of the act entitled "An act to increase the efficiency of the Air Corps," approved June 16, 1936 (49 Stat. 1524), as amended (10 U. S. C., sec. 300a), had he been so transferred: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GOLDA I. STEGNER

The Clerk called the bill (H. R. 1082) for the relief of Golda I. Stegner.

There being no objection the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Golda I. Stegner, Minneapolis, Minn., the sum of $10,000. The payment of such sum shall be in full settlement of all claims of the said Golda I. Stegner against the United States for compensation for the injuries and permanent disability which she sustained while serving on Okinawa as a civilian employee of the Department of the Army, as a result of a surgical operation at the Tokyo Army Hospital on August 9, 1951, and in the treatment given her at such hospital following such operation. Such claims are not cognizable under the Federal Tort Claims Act, since they arose in a foreign country: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

THEODORE J. HARTUNG AND MRS. ELIZABETH HARTUNG

The Clerk called the bill (H. R. 1099) for the relief of Theodore J. Hartung and Mrs. Elizabeth Hartung.

There being no objection the Clerk read the bill, as follows:

Be it enacted, etc., That the Comptroller General be, and he is hereby, authorized and directed to credit the accounts of Theodore J. Hartung and Mrs. Elizabeth Hartung, of 187 Colvin Street, Rochester, N. Y., in the amount of $1,200, which was paid Mrs. Elizabeth Hartung as family allowance after the discharge of the said Theodore J. Hartung from the Army of the United States from December 1945 to November 1947, inclusive.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. JENNIE MAURELLO

The Clerk called the bill (H. R. 1101) for the relief of Mrs. Jennie Maurello.

There being no objection the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated the sum of $500 to Mrs. Jennie Maurello, of 1343 North Clinton Avenue, Rochester, N. Y., in full settlement of all claims against the United States as reimbursement for bond posted for her brother Giacomo Restivo, in November 1949: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PAUL BERNSTEIN

The Clerk called the bill (H. R. 1116) for the relief of Paul Bernstein.

There being no objection the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Paul Bernstein, of Brooklyn, N. Y., the sum of $797.78. The payment of such sum shall be in full settlement of all claims of the said Paul Bernstein against the United States arising out of services rendered by him to the United States between June 30, 1936, and November 1, 1939, as an employee of the Federal Works Agency, Works Projects Administration, New York City. Such sum is the amount due the said Paul Bernstein for sick leave and annual leave, earned but not taken by him before a retroactive transfer to an agency under a different leave system. Similar payments may now be made under the subsequently enacted provisions of the act approved December 21, 1944 (U. S. C., 1946 edition, Supp. V, title 5, sec. 61d): *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SULLIVAN CONSTRUCTION CO.

The Clerk called the bill (H. R. 1134) for the relief of Sullivan Construction Co.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Sullivan Construction Co., of 322 West Main Street, Watertown, N. Y., the sum of $3,800, in full settlement of all claims of said company against the United States, for losses incurred under United States Coast Guard contract No. TO9cg1126: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdeameanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GEORGE GAHN AND MARGARETE GAHN

The Clerk called the bill (H. R. 1171) for the relief of George Gahn and Margarete Gahn.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Alien Property Custodian be, and he is hereby, authorized and directed to pay to George Gahn $6,537.07 and to Margarete Gahn $6,537.08. Such amounts represent the distributive share of George Gahn and Margarete Gahn under the will of their deceased sister, Lena Steeger, who died in Massachusetts on August 9, 1944: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on acount of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

WILLIAM H. BARNEY

The Clerk called the bill (H. R. 1189) for the relief of William H. Barney.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That William H. Barney, of Los Angeles, Calif., is hereby relieved of all liability to the United States arising out of his failure to perform Navy Contract No. NOy-22897 (Spec. 25380; Structural Alterations, Building No. 2–69 and Vault, Building No. 2–68, U. S. Naval Construction Battalion Center, Port Hueneme, Calif.). The said William H. Barney submitted his bid on October 24, 1950, and accepted notice to proceed on November 6, 1950, but he did not sign the contract, or enter upon its performance, on account of certain previously unforeseen costs of performance which would have caused him irretrievable financial loss.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

EWING CHOAT

The Clerk called the bill (H. R. 1401) for the relief of Ewing Choat.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Ewing Choat, Guntersville, Ala., the sum of $5,000. The payment of such sum shall be in full settlement of all claims of the said Ewing Choat against the United States on account of personal injuries (resulting in permanent partial disability) sustained by him on October 27, 1945, while he was working on an honor prison farm as an inmate of the United States Penitentiary, Atlanta, Ga.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

BERNHARD F. ELMERS

The Clerk called the bill (H. R. 1404) for the relief of Bernhard F. Elmers.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Bernhard F. Elmers, of Staten Island, N. Y., the sum of $10,000, in full satisfaction of all claims of the said Bernhard F. Elmers against the United States arising out of his personal injury on July 8, 1947, when he was assaulted and robbed by two men while he was employed as a civilian employee of the Army Exchange Service, to wit, a junior auditor, serving with the United States Army in Germany: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provision of this act, shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

H. W. ROBINSON & CO.

The Clerk called the bill (H. R. 1409) for the relief of H. W. Robinson & Co.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to H. W. Robinson & Co., Inc., of New York, N. Y., the sum of $823.13. The payment of such sum shall be in full settlement of all claims of such company against the United States for reimbursement of excessive duties (representing estimated duties deposited with the Collector of Customs on or about July 14, 1949, in connection with New York Customs entry No. 703501) paid by such company as a result of a clerical error in failing to note that certain woven fabrics imported by such company had been immediately exported: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

J. B. PHIPPS

The Clerk called the bill (H. R. 1416) for the relief of J. B. Phipps.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $10,000, to J. P. Phipps, of Columbia, S. C., in full settlement of all claims against the United States for personal injuries, together with all expenses incident thereto sustained as a result of an accident involving a United States Air Force plane at Woodward Field, Camden, S. C., on February 18, 1944: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HERMAN E. MOSLEY

The Clerk called the bill (H. R. 1420) for the relief of Herman E. Mosley.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Herman E. Mosley, Anniston, Ala., the sum of $5,579.25. The payment of such sum shall be in full settlement of all claims of the said Herman E. Mosley against the United States arising out of the death of his son, Herman E. Mosley, Jr., and the injuries sustained by his son, Willard E. Mosley, on November 25, 1945, as a result of the explosion of a mortar shell on the Fort McClellan Military Reservation, Ala. The Department of War disapproved the claims of the said Herman E. Mosley on the ground that the incident was not caused by negligence of Army personnel: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Strike out all after the enacting clause and insert the following:

"That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mr. and Mrs. Herman E. Mosley, as the natural parents of Herman E. Mosley, Jr., Anniston, Ala., the sum of $5,579.25. The payment of such sum shall be in full settlement of all claims against the United States arising out of the death of their son, Herman E. Mosley, Jr., on November 25, 1945, as a result of the explosion of a mortar shell on the Fort McClellan Military Reservation, Ala. No part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended to read as follows: "A bill for the relief of Mr. and Mrs. Herman E. Mosley, as natural parents of Herman E. Mosley, Jr."

A motion to reconsider was laid on the table.

GEORGE S. RIDNER

The Clerk called the bill (H. R. 1426) for the relief of George S. Ridner.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury shall pay, out of any money in the Treasury not otherwise appropriated, to George S. Ridner, of Newark, N. J., the sum of $10,000, in full settlement of all claims against the United States for his erroneous arrest in February 1921, and his subsequent conviction and loss of employment, including the failure of the Treasury Department to comply with Executive Order No. 6872, dated October 12, 1934, directed it to employ him in investigative duties in connection with the internal-revenue laws relating to liquor.

SEC. 2. No part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 6, strike out "$10,000" and insert: "$5,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CIRO PICARDI

The Clerk called the bill (H. R. 1440) for the relief of Ciro Picardi.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Ciro Picardi, of 332 Degraw Street, Brooklyn, N. Y., the sum of $1,000. The payment of such sum shall be in full settlement of all claims of Ciro Picardi against the United States for refund of the amount which he posted as cash bond in the case of Dominic Cacace alias Dominic DeRosa, an alien (file No. 0300–5851), who was deported.

With the following committee amendment:

Page 1, after line 11, insert the following: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CONSTANTINE NITSAS

The Clerk called the bill (H. R. 1640) for the relief of Constantine Nitsas.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $500 to Constantine Nitsas, 1121 Fifth Street NE., Canton, Ohio, in full settlement of all claims against the United States as reimbursement for bond posted for Anastasia Korinis (nee Xanthaki) in November or December 1947: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CLEMENT E. SPROUSE

The Clerk called the bill (H. R. 1671) for the relief of Clement E. Sprouse.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Clement E. Sprouse, of Cabin John, Md., the sum of $244.31. The payment of such sum shall be in full settlement of all claims of the said Clement E. Sprouse against the United States on account of damage to his car on February 4, 1954, as a result of its being struck at Massachusetts Avenue and Westmoreland Circle in the District of Columbia by a motorcycle operated by a member of the Metropolitan Police Department of the District of Columbia: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 4, strike out "any money in the Treasury not otherwise appropriated" and insert: "funds of the District of Columbia."

The commmittee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FREDERICK F. GASKIN

The Clerk called the bill (H. R. 1692) for the relief of Frederick F. Gaskin.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $500 to Frederick F. Gaskin, route 88, Rodgers Avenue (Alexton), Harrisburg, Pa., in full settlement of all claims against the United States as reimbursement for bond posted for Maria Grazia Stoudt (nee Russo) on October 6, 1947: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PAUL E. MILWARD

The Clerk called the bill (H. R. 1745) for the relief of Paul E. Milward.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $1,016.85 to Paul E. Milward, of Braintree, Mass., in full settlement of all claims against the United States for personal injuries and expenses incident thereto as a result of an accident involving a United States Army truck on December 22, 1941.

SEC. 2. The Secretary of the Treasury shall require the cancellation of judgment against Peter C. Penta, from the municipal court of the city of Boston, Mass., before payment shall be made under this act.

With the following committee amendments:

Page 1, line 5, strike out "$1,016.85" and insert: "$1,000."

Page 1, line 9, strike out "on December 22, 1941."

Page 1, strike out line 11 and lines 1 to 3 on page 2 and insert the following: "which occurred in Boston, Mass., on December 22, 1941: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any persons violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MR. AND MRS. THOMAS V. COMPTON

The Clerk called the bill (H. R. 1866) for the relief of Mr. and Mrs. Thomas V. Compton.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mr. and Mrs. Thomas V. Compton, Clarksville, Va., jointly, the sum of $6,000. The payment of such sum shall be in full settlement of all claims of the said Mr. and Mrs. Thomas V. Compton against the United States by reason of the decline in value since June 1, 1947, of business property located near Clarksville, Va., and owned and operated by the said Mr. and Mrs. Thomas V. Compton. The decline in value of the said property was caused by loss of business and police protection due to the relocation of Highway 15, near Clarksville, Va., which relocation was necessitated by work done at Buggs Island Lake by the Corps of Engineers, Department of the Army: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

IRVING I. ERDHEIM

The Clerk called the bill (H. R. 1886) for the relief of Irving I. Erdheim.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Irving I. Erdheim, of 1950 Andrews Avenue, Bronx, N. Y., the sum of $2,000. The payment of such sum shall be in full settlement of all claims of the said Irving I. Erdheim against the United States for refund of the amount which he posted as bond in the case of Fioravante Antonio Magistrale, an alien (file No. 0300-370104 App. B) who was deported: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, line 5, strike out "Irving I. Erdheim of 1950 Andrews Avenue, Bronx, New York" and insert "Vito Magistrale."

Page 1, line 8, strike out "Irving I. Erdheim" and insert "Vito Magistrale."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read as follows: "A bill for the relief of Vito Magistrale."

A motion to reconsider was laid on the table.

MRS. ANNA ELIZABETH DOHERTY

The Clerk called the bill (H. R. 1913) for the relief of Mrs. Anna Elizabeth Doherty.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mrs. Anna Elizabeth Doherty, Atlantic City, N. J., the sum of $3,613.30. The payment of such sum shall be in full settlement of all claims of the said Mrs. Anna Elizabeth Doherty against the United States for payment of allotments to which she was entitled as the lawful wife of Joseph F. Doherty (a member of the U. S. Navy) during the period beginning January 1, 1951, and ending October 31, 1952, but which she never received. The said Joseph F. Doherty obtained an invalid divorce from the said Mrs. Anna Elizabeth Doherty and subsequently entered into a bigamous remarriage, as a result of which the Department of the Navy, without investigation, withheld payment of such allotment to the said Mrs. Anna Elizabeth Doherty during such period: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ALEXANDRIA S. BALASKO

The Clerk called the bill (H. R. 1921) for the relief of Alexandria S. Balasko.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Alexandria S. Balasko, of Stockton, Calif., the sum of $300, in full settlement of all claims against the United States for reimbursement of a like amount expended by her out of her own personal funds in satisfying of record a judgment rendered against her on or about November 28, 1952, by the Justice's Court, city of Stockton, county of San Joaquin, State of California, in a suit brought against her individually by one Leland C. Keilbar in said court (case No. 15,260), for the damages sustained by him as the result of the collision of an Army automobile with the automobile of the said Leland C. Keilbar at the intersection of F Street and Fourth Avenue in Lathrop, Calif., on October 23, 1950, the said Army automobile being operated on official Government business at the time of said collision by the said Alexandria S. Balasko, a civilian employee of the Department of the Army and an authorized driver for the Sharpe General Depot, United States Army, Lathrop, Calif.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DASON EQUIPMENT CORP.

The Clerk called the bill (H. R. 1933) for the relief of the Dason Equipment Corp.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Dason Equipment Corp., of Brooklyn, N. Y., is relieved of any liability to pay all, or any part of the sum of $7,005.75 claimed by the United States as liquidated damages under contract W 11-183-qm-8160, dated June 23, 1949, since the nonperformance of the contract resulted in an eventual saving to the United States.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MATEO ORTIZ VAZQUEZ

The Clerk called the bill (H. R. 1941) for the relief of the estate of Mateo Ortiz Vazquez, deceased.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the estate of Mateo Ortiz Vazquez, deceased, the sum of $5,060, in full settlement of all claims against the United States arising out of the death of the said Mateo Ortiz Vazquez, who died on September 8, 1944, as the result of personal injuries sustained by him on that date when he was struck by a United States Army truck near Cayey, P. R.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JOHN G. ZEROS

The Clerk called the bill (H. R. 1943) for the relief of John G. Zeros.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $500 to John G. Zeros, of 1435 Harrod Avenue, Bronx, N. Y., in full settlement of all claims against the United States as reimbursement for bond posted for his brother-in-law Michael P. Costopoulos, in February 1948: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

VIRGINIA HELL

The Clerk called the bill (H. R. 1953) for the relief of Virginia Hell.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $2,495.36, to Virginia Hell, of 2055 38th Street SE., Washington, D. C. Such sum shall be in full settlement of all claims of said Virginia Hell against the United States for necessary expenses incurred in returning to the United States from London, England, after serving in Europe as a civilian employee of the American Government for 2 years and 7 months (May 4, 1948, to December 8, 1950) and for property damage sustained as the result of household furnishings being left out in weather at New Orleans, La., by the United States customs officials: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ROBERT FINLEY DELANEY

The Clerk called the bill (H. R. 1965) for the relief of Robert Finley Delaney.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay out of any money in the Treasury not otherwise appropriated, to Robert Finley Delaney the sum of $3,000. Such sum shall be in full settlement of all claims against the United States of said Robert Finley Delaney for personal property lost in an accident involving the crash of an Italian Airlines plane on which he was traveling in a duty status for the State Department, from Paris to Rome, under travel authorization 1-23032, dated November 17, 1950, purchased by the State Department's travel section at the BOAC, Washington, D. C.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GEORGE D. HOPPER

The Clerk called the bill (H. R. 1989) for the relief of George D. Hopper.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to George D. Hopper, Foreign Service officer, class 1, American Foreign Service, retired, of Asheville, N. C., the sum of $710.28. Payment of such sum shall be in full settlement of all claims of the said George D. Hopper against the United States for reimbursement of the amount of the loss sustained by him while in the American Foreign Service in making payment from his personal funds of the amount of a certain trust fund to the proper parties after having paid the amount of such trust fund in Stockholm, Sweden, to an individual not entitled to such payment who subsequently confessed to being an imposter: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LEILA PARK

The Clerk called the bill (H. R. 1971) for the relief of Leila Park.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is hereby authorized and directed to pay, out of any money in the

Treasury not otherwise appropriated, to Leila Park, 1110 South Fifth Street, Waco, Tex., the sum of $858.95. The payment of such sum shall be in full settlement of all claims of the said Leila Park for reimbursement of expenses caused by the negligence of Sgt. Eldon R. Ernest, AF 28667575, while driving an Air Force truck on or about March 1, 1952. Sergeant Ernest drove the truck into a 1949 Chevrolet club coupe, owned by Leila Park, while the Chevrolet was parked by the curbing on a street in Waco, Tex. Sgt. Eldon R. Ernest was not acting within the scope of his authority at the time of the collision.

With the following committee amendments:

Page 1, line 6, strike out "$858.95" and insert "$534.95."

Page 2, line 5, insert "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS JOHN WILLIAM BRENNAN

The Clerk called the bill (H. R. 1995) for the relief of Mrs. John William Brennan.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the late John William Brennan, Sr. (Veterans' Administration claim No. XC-813491), who died on September 15, 1952, shall be held and considered to have had in effect at the time of his death United States Government life insurance in the amount of $10,000, and the Administrator of Veterans' Affairs shall pay such insurance to Mrs. John William Brennan, widow of the said John William Brennan, Sr.

With the following committee amendment:

Page 1, line 7, strike out $10,000" and insert "$4,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EDWIN K. STANTON

The Clerk called the bill (H. R. 2057) for the relief of Edwin K. Stanton.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Edwin K. Stanton, Atlanta, Ga., the sum of $254. The payment of such sum shall be in full settlement of all claims of the said Edwin K. Stanton against the United States arising out of losses he sustained while employed by the Fish and Wildlife Service, Department of the Interior, when his personal property was destroyed by a fire which destroyed the camp of the Fish and Wildlife Service at the Klakas Lake stream weir in Alaska on September 21, 1948: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MARY ROSE AND MRS. ALICE ROSE SPITTLER

The Clerk called the bill (H. R. 2236) for the relief of Mary Rose and Mrs. Alice Rose Spittler.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mary Rose, McAlester, Okla., the sum of $4,000, and to pay the sum of $6,000 to Mrs. Alice Rose Spittler, of San Bernardino, Calif. The payment of such sum shall be in full settlement of all claims against the United States for payment of the proceeds of the United States Government insurance (K-662766) issued to the late Donald Little Rose (Veterans' Administration claim No. XC-880119): *Provided*, That no part of the amount appropriated in this act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CHARLIE SYLVESTER CORRELL

The Clerk called the bill (H. R. 2316) for the relief of Charlie Sylvester Correll.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Charlie Sylvester Correll, the sum of $9,107, in full settlement of all claims against the United States for time lost from work, medical and other expenses incident thereto, sustained on or about February 14, 1943, as a result of a collision on Highway 466, approximately 23 miles northwest of Barstow, Calif., between the automobile in which he was riding and an Army transport truck owned by the United States Government, said truck was transporting an airplane: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read a third time, and passed, and a motion to reconsider was laid on the table.

GUY H. DAVANT

The Clerk called the bill (H. R. 2366) for the relief of Guy H. Davant.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $156.55, to Guy H. Davant, of 1014 East Fortification Street, Jackson, Miss., in full settlement of all claims of said Guy H. Davant against the United States, such sum being the amount of his return transportation ticket to the Panama Canal Zone for which he paid prior to the cancellation of his employment there by the Bureau of Public Roads: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read a third time, and passed, and a motion to reconsider was laid on the table.

MRS. DIANA P. KITTRELL

The Clerk called the bill (H. R. 2456) for the relief of Mrs. Diana P. Kittrell.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $500 to Mrs. Diana P. Kittrell of 1434 Wieland Avenue, Chicago, Ill., in full settlement of all claims against the United States as reimbursement for bond posted for her natural niece and adopted daughter, Denesse Jennifer Brown: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read a third time, and passed, and a motion to reconsider was laid on the table.

GRONISLAV VYDAEVICH AND LEONID ZANKOWSKY

The Clerk called the bill (H. R. 2486) for the relief of Gronislav Vydaevich and Leonid Zankowsky.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Leonid Zankowsky and Gronislav Vydaevich the sum of

$10,000 each, as indemnification for injuries received August 12, 1945, at Campten, South Bavaria, through gunfire at the hands of American soldiers: *Provided*, That no part of either of the sums appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, line 6, strike out "$10,000" and insert "$4,000."

Page 1, line 7, strike out "Campten" and insert "Kempten."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ALBERT VINCENT, SR.

The Clerk called the bill (H. R. 2529) for the relief of Albert Vincent, Sr.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Albert Vincent, Sr., Route 1, Box 337, St. Martinville, La., the sum of $336, in full settlement of all claims of said Albert Vincent, Sr., against the United States for regular subsistence pay for the period September 26, 1949, through January 17, 1950, in the adult academic education program through the Iberia Parish School Board in Louisiana: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

TERRY L. HATCHETT

The Clerk called the bill (H. R. 2707) for the relief of Terry L. Hatchett.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $540.30 to Terry L. Hatchett, of Glasgow, Ky., in full settlement of all claims against the United States as a refund of income tax for the years 1947, 1950, and 1951. Such refund represents the amount of tax disallowed for an exemption taken on a contribution of $600 annually to a ward from the Baptist Orphans Home, of Louisville, Ky.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ESTATE OF RENE WEIL

The Clerk called the bill (H. R. 2709) for the relief of the estate of Rene Weil.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the estate of Rene Weil, late of New York, N. Y., the sum of $2,927.23. The payment of such sum shall be in full settlement of all claims of such estate against the United States for refund of overpayments in Federal estate tax which were made, on July 30, 1943, and February 1, 1944, as a result of the fact that certain Federal and State income tax payments had not been deducted from the value of the gross estate as provided by section 812 (b) (3) of the Internal Revenue Code. No part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ROY M. BUTCHER

The Clerk called the bill (H. R. 2736) for the relief of Roy M. Butcher.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Roy M. Butcher, of 510 West San Fernando Street, San Jose, Calif., the sum of $1,953.53. The payment of such sum shall be in full settlement of all claims under Navy Department contract NOy 26278 which claims are based upon additional costs incurred under terms of said contract: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WILLIAM B. RICE

The Clerk called the bill (H. R. 2760) for the relief of the estate of William B. Rice.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $2,000 to the estate of William B. Rice, RA-12295456 (George Rice, Jr.), deceased, of Rockaway Beach, N. Y., in full settlement of all claims against the United States sustained as a result of the failure of the Department of the Army, Class E Allotment Section, to forward premiums to the Pioneer American Insurance Co., Houston, Tex., prior to the last day of grace as authorized to do so under the law: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

THOMAS F. HARNEY, JR.

The Clerk called the bill (H. R. 2907) for the relief of Thomas P. Harney, Jr., doing business as the Harney Engineering Co.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Thomas F. Harney, Jr., doing business as the Harney Engineering Co., the sum of $13,439.84. The payment of such sum shall be in full settlement of all claims of said Thomas F. Harney, Jr., for alleged losses suffered by him as the plumbing and heating subcontractor under two lump-sum contracts between the United States, acting through the Army Quartermaster Corps, and D. A. Sullivan & Sons, Inc., which provided for the construction of building installations including 30 barracks at Fort Devens, Mass., during the fall and winter of 1940–41, the United States Court of Claims (congressional Nos. 17860 and 17861, decided July 13, 1954, pursuant to S. Res. 152 and 165, 81st Cong., 1st sess.) having found that the United States received substantial benefits from the work and efforts of claimant.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CLIFFORD OESTERLEI

The Clerk called the bill (H. R. 2936) for the relief of Clifford Oesterlei.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Clifford Oesterlei, of St. Louis, Mo., the sum of $442.60. Such sum represents the amount of settlement and costs for which the said Clifford Oesterlei was compelled to pay in settlement out of court of a civil action brought against him as the result of an accident which occurred on July 5, 1951, and which involved a United States mail truck being driven by the said Clifford Oesterlei, a regular carrier

in the United States Post Office, St. Louis, Mo. Such sum shall be paid only on condition that the said Clifford Oesterlei shall use such sum, or so much thereof as may be necessary, to pay such settlement and costs in full: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PAUL NELSON

The Clerk called the bill (H. R. 3031) for the relief of Paul Nelson.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Paul Nelson, Worcester, Mass., the sum of $15,000. The payment of such sum shall be in full settlement of all claims of the said Paul Nelson against the United States arising out of personal injuries sustained by him in Worcester on September 21, 1948, when he was assaulted by an enlisted man of the Army; such soldier was not acting within the scope of his employment: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 6, strike out "$15,000" and insert "$5,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GEORGE L. F. ALLEN

The Clerk called the bill (H. R. 3045) for the relief of George L. F. Allen.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the two provisos of paragraph 1 of part VIII of Veterans Regulation No. 1 (a) setting time limits for the initiation and termination of education or training under such part VIII shall not apply to George L. F. Allen, of McAllen, Tex., if he initiates his education or training under such part VIII within 120 days after the date of enactment of this act. Upon the said George L. F. Allen so initiating his education or training under such part VIII, he shall be held and considered to have been eligible for education or training under such part beginning October 17, 1951, the date on which he actually commenced his education or training. The Administrator of Veterans' Affairs shall reimburse the said George L. F. Allen for tuition, subsistence allowances, and other expenses related to his education or training which would have been paid him under paragraphs 5 (a) and 6 (a) of such part VIII if he had been eligible on and after October 17, 1951, and shall make the appropriate deduction of time from the period of eligibility of the said George L. F. Allen.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ALLEN POPE

The Clerk called the bill (H. R. 3054) for the relief of Allen Pope, his heirs or personal representatives.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Allen Pope, his heirs or personal representatives, the sum of $81,277, which sum represents payment at contract rate, as authorized by the act of February 27, 1942 (56 Stat. 1122), for the work of excavating materials which caved in over the tunnel arch during work performed by said Pope in the construction of a tunnel for the second high service of the water supply of the District of Columbia, for which he has not been paid, but of which the Government has received the use and benefit: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 6, strike out "$81,277" and insert "$40,000."

The committee amendment was agreed to.

Mr. LANE. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. LANE: On page 2, line 3, after "benefit", change the colon to a period, and add the following: "Such sum shall be in full settlement of all claims against the United States in connection with this contract."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DR. REUBEN RAPAPORT

The Clerk called the bill (H. R. 3178) for the relief of Dr. Reuben Rapaport.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That (a) effective June 12, 1946, for the purposes of section 212 of the Economy Act of June 30, 1932, as amended (5 U. S. C., sec. 59a), Dr. Reuben Rapaport (Army serial No. O1689011), Brooklyn, N. Y., is granted all the rights, benefits, and privileges which are granted to commissioned officers retired for disability incurred in combat with an enemy of the United States; and (b) the Secretary of the Army shall pay to the said Dr. Reuben Rapaport, from and after the first day of the first month following the month in which this act is enacted, the disability retirement pay which he is entitled to receive by reason of the enactment of the preceding subsection.

SEC. 2. The Secretary of the Army is authorized and directed to certify to the Secretary of the Treasury an amount equal to the amount of the disability retirement pay which has been withheld from the said Dr. Reuben Rapaport pursuant to section 212 of the Economy Act of June 30, 1932, as amended (5 U. S. C., sec. 59a), during the period beginning June 12, 1946, and ending on the last day of the month in which this act is enacted; and the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the said Dr. Reuben Rapaport, in a lump sum, the amount so certified: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HERBERT ROSCOE MARTIN

The Clerk called the bill (H. R. 3281) for the relief of Herbert Roscoe Martin.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Herbert Roscoe Martin, of Los Angeles, Calif., the sum of $7,465.64. The payment of such sum shall be in full settlement of all claims of the said Herbert Roscoe Martin against the United States for reimbursement of hospital and medical expenses paid by him as a result of an accident, while engaged in working on the post rock crusher at Schofield Barracks, Hawaii, on July 1, 1940: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 6, strike out "$7,465.64" and insert "$560.64."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LILLIAN SCHLOSSBERG

The Clerk called the bill (H. R. 3506) for the relief of Lillian Schlossberg.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized

and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $30,000 to Mrs. Lillian Schlossberg, of Brooklyn, N. Y., in full settlement of all claims against the United States for personal injuries sustained as a result of an accident involving a United States Army vehicle No. 165460, driven by Lt. Burl J. Brewington, of Fort Jay Army Base, on December 8, 1945, at the intersection of Canal Street and West Broadway, New York, N. Y.; the operator of such vehicle was not acting within the scope of his employment: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid, delivered to, or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

On page 1, line 5, strike out "$30,000" and insert "$15,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GUNTHER H. HAHN

The Clerk called the bill (H. R. 3512) for the relief of Gunther H. Hahn.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $10,000 to Gunther H. Hahn, of Yonkers, N. Y. The payment of such sum shall be in full settlement of all claims of the said Gunther H. Hahn against the United States as compensation for the death of his wife, Marie T. Hahn, and burial and other expenses incidental thereto, as the result of a crash of a United States Army C–47 plane which departed from Pisa, Italy, on November 28, 1947, to go to Frankfort, Germany, and which was subsequently found in August 1948 in the Alps with all personnel perished, and upon which the deceased Marie T. Hahn was being transported by the Department of the Army upon termination of her civilian employment by said Department at Naples, Italy: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JOSEPH H. WASHBURN

The Clerk called the bill (H. R. 3638) for the relief of Joseph H. Washburn.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Joseph H. Washburn, Long Beach, Calif., the sum of $2,500. The payment of such sum shall be in full settlement of all claims of the said Joseph H. Washburn against the United States arising out of his erroneous recall to extended active duty in the United States Marine Corps on July 29, 1950, after he had been discharged from the Marine Corps on July 6, 1950, and out of the hardships and privations which he and his dependents were forced to undergo during the period (beginning July 29, 1950, and ending February 11, 1951) in which he was performing such active duty (including extensive combat duty in Korea) as a result of such erroneous recall: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PAULINE H. CORBETT

The Clerk called the bill (H. R. 3957) for the relief of Pauline H. Corbett.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Pauline H. Corbett, Charleston, W. Va., the sum of $54,940. Payment of such sum shall be in full settlement of all claims of the said Pauline H. Corbett against the United States on account of severe personal injuries and disabilities sustained by her as a result of an overdosage of streptomycin which she received while a patient at the Tokyo Army Hospital, Tokyo, Japan, from November 2 to November 28, 1950, as a civilian employee of the General Headquarters, Far East Command, United States Army, engaged in a nonappropriated fund activity. Since the said Pauline H. Corbett was a civilian employee of the General Headquarters, Far East Command, who was paid from nonappropriated funds, she is not eligible for the benefits of the Federal Employees' Compensation Act, as amended. No part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment.

On page 1, line 6, strike out "$54,940" and insert in lieu thereof "$18,716.97."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CLAIMS OF RODERICK D. STRAWN

The Clerk called the bill (H. R. 4191) conferring jurisdiction upon the United States District Court for the Eastern District of South Carolina to hear, determine, and render judgment upon certain claims of Roderick D. Strawn.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That jurisdiction is hereby conferred upon the United States District Court for the Eastern District of South Carolina to hear, determine, and render judgment upon the claim of Roderick D. Strawn, Ocean Drive Beach, S. C., against the United States arising when he is alleged to have been kicked by a chief petty officer of the United States Navy while assigned to duty at the United States Navy Training Center, San Diego, Calif., during the month of August 1952.

SEC. 2. Suit upon such claim may be instituted at any time within 1 year after the date of the enactment of this act, notwithstanding any lapse of time or any statute of limitations; and proceedings for the determination of such claims shall be in the same manner as in the case of actions regularly filed under the provisions of section 1346 (b) of title 28 of the United States Code, except that the provisions of section 2680 (h) of title 28 of the United States Code shall not be applicable.

The enactment of this act is not an inference of liability on the part of the United States.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HARRINGTON & GRAHAM

The Clerk called the bill (H. R. 4288) for the relief of the law firm of Harrington & Graham.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the law firm of Harrington & Graham, Washington, D. C., the sum of $10,600. The payment of such sum shall be in full settlement of the claim of such firm against the United States for legal services rendered from September 1947 to June 1950 by such firm in connection with the defense of Toneo Shirakura and Osamu Watanabe, certain Japanese sergeants wrongfully accused, convicted, and sentenced to be hanged as violators of the laws and customs of war by the United States of America: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 6, strike out the figures and insert in lieu thereof "$3,500."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GUERDON PLUMLEY

The Clerk called the bill (H. R. 4320) for the relief of Guerdon Plumley.

There being no objection, the Clerk read the bill, as folows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Guerdon Plumley, Richmond Hill, N. Y., the sum of $542.50. Such sum represents the amount of the judgment and costs for which the said Guerdon Plumley was held liable to Abraham Appelbaum in a civil action in the courts of the State of New York. This civil action arose out of an accident which occurred on April 1, 1951, at 10:44 o'clock antemeridian between an automobile owned by the said Abraham Appelbaum and a United States mail truck driven by the said Guerdon Plumley, a garageman-driver in the New York post office motor vehicle service. Such sum shall be paid only on condition that Guerdon Plumley shall use such sum or so much thereof as is necessary to pay such judgment and costs in full: *Provided,* That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CAPT. MOSES M. RUDY

The Clerk called the bill (H. R. 1142) for the relief of Capt. Moses M. Rudy.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $5,469.38 to Capt. Moses M. Rudy, Army Reserve, of San Antonio, Tex., in full settlement of all claims against the United States for losses sustained by him on account of the destruction by fire of his household goods and personal effects at Whittier, Alaska, on June 17, 1953, for which he has not heretofore been compensated.

With the following committee amendments:

On page 1, line 5, strike out "$5,469.38" and insert in lieu thereof "$2,435.73."

On page 1, line 6, strike out the words "Army Reserve" and insert in lieu thereof "United States Air Force."

On page 1, at the end of line 11, delete the period and add the following: ": *Provided,* That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WILLIAM V. DOBBINS

The Clerk called the bill (H. R. 1719) for the relief of William V. Dobbins.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to William V. Dobbins, Jersey City, N. J., the sum of $217.30. Such sum represents the amount of the judgment and costs for which the said William V. Dobbins was held liable on September 30, 1953, in a civil action in the Hudson County District Court, part V, of Kearny, N. J., as the result of an accident which occurred on December 18, 1951, and which involved a United States mail truck being driven by the said William V. Dobbins, a letter carrier in the United States Post Office, Jersey City, N. J. Such sum shall be paid only on condition that the said William V. Dobbins shall use such sum, or so much thereof as may be necessary, to pay such judgment and costs in full: *Provided,* That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid, or delivered to, or received by any agent or attorney, on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MAJ. ROBERT D. LAUER

The Clerk called the bill (H. R. 2284) for the relief of Maj. Robert D. Lauer.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay out of any money in the Treasury not otherwise appropriated, to Maj. Robert D. Lauer (AO–433128), Newport, Ohio, the sum of $3,099.63, in full settlement of all claims against the United States for the damages sustained by him on account of damage to and destruction of his household goods and personal effects as the result of a crash of a B–29 bomber in Guam, Marianas Islands, on December 17, 1953, for which he has not heretofore been compensated: *Provided,* That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JOHN LLOYD SMELCER

The Clerk called the bill (H. R. 3271) for the relief of John Lloyd Smelcer.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $29,537.75 to John Lloyd Smelcer of Midway, Tenn., in full settlement of all claims against the United States, arising by reason of losses sustained by him, when, at the insistence of contract representatives of the Government and officials of the Small War Plants Corporation, and upon their assurance that he would be reimbursed for any losses occasioned hereby he entered into the production of base closing plugs for fragmentation bombs. Such amount is the decision of the United States Court of Claims in its findings of fact decided January 11, 1955: *Provided,* That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

On page 1, line 11, strike out the word "hereby" and insert in lieu thereof "thereby."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JOE KAWAKAMI

The Clerk called the bill (H. R. 3361) for the relief of Joe Kawakami.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Joe Kawakami, 4416 North Racine Avenue, Chicago, Ill., the sum of $106.05, in full reimbursement of the expenses incurred by him personally in paying a judgment obtained against him in a civil action in the municipal court of Chicago, as the result of a vehicular accident which occurred on January 9, 1953, at Chicago, Ill., when he was acting within the scope of his employment as a chauffeur of the Army vehicle involved in said accident: *Provided,* That no part of the amount appropriated in this act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with such claim, any contract to the contrary notwithstanding. Any person violating any of the provisions of this act shall be demed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

G. F. ALLEN, DECEASED

The Clerk called the bill (H. R. 3362) for the relief of G. F. Allen, deceased, former chief disbursing officer, Treasury Department, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That there is hereby appropriated, out of any money in the Treasury not otherwise appropriated, not to exceed the sum of $4,096.29, of which amount (a) not to exceed the stated sums shall be

credited in the accounts of the following-named disbursing officers or former disbursing officers of the Treasury Department, to adjust certain overpayments in such accounts as may be outstanding on the date of the enactment of this act: G. F. Allen, deceased, $495.88; E. J. Brennan, $925.18; Paul D. Banning, $1,152.71; H. H. Barraclough, $45.70; F. L. Barrois, $248.73; I. Carrico, $220; E. L. Hlinak, $7.50; A. H. Holland, $22.50; Don Iler, $58.30; Loren W. Looker; $107.36; R. E. Waters, $86; W. W. Weldon, $262.90; C. A. Wood, $40.80; Ruth E. Purnett, $104.67; Thelma R. Thurtell, $97.58, and David Oppenheim, $8.73; (b) not to exceed the stated sums shall be paid to the following-named employees of the Internal Revenue Service at Cleveland, Ohio, in reimbursement for amounts paid by them for their personal funds on account of counterfeit Federal Reserve bank notes accepted by them while in the discharge of their official duties: James D. Marple, $20; and Mrs. Clara Longbrake, $10; (c) not to exceed the sum of $75 shall be cedited to public-debt receipts to correct discrepancies resulting from a shortage in the United State Savings Bond Account of the Division of Disbursement; and (d) not to exceed the sum of $106.75 shall be credited to the accounts of the Treasurer of the United States for the purpose of adjusting the public-debt accounts of the United States.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RODOLFO C. DELGADO ET AL.

The Clerk called the bill (H. R. 3363) for the relief of Rodolfo C. Delgado, Jesus M. Lagua, and Vicente D. Reynante.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Rodolfo C. Delgado, 183–C Camarines Street, Santa Cruz, Manila, Republic of the Philippines, $8,000; to Jesus M. Lagua, 16–B Perla Extension, Tondo, Manila, Republic of the Philippines, $2,000; and to Vicente D. Reynante, Kawit, Cavite, Republic of the Philippines, $500. The payment of said sums shall be in full settlement of all claims of the above-named claimants against the United States for personal injuries, loss of wages, pain and suffering sustained by them as the result of a traffic accident which occurred in Okinawa, Ryukyus, on May 5, 1950, involving a United States Army vehicle operated by an enlisted man in the scope of his employment: *Provided*, That no part of the amounts appropriated in this act in excess of 10 percent of any claim shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with such claim, any contract to the contrary notwithstanding. Any person violating any of the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ERNEST W. BERRY, ALASKA NATIVE SERVICE SCHOOLTEACHER

The Clerk called the bill (H. R. 3364) for the relief of Ernest W. Berry, Alaska Native Service schoolteacher.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Ernest W. Berry, the sum of $1,070 which sum represented the loss of provisions and personal effects stored in the Alaska Native Service teachers' quarters at Unalakleet, Alaska, and which building was destroyed by fire on December 15, 1946: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ROBERT BURNS DEWITT

The Clerk called the bill (H. R. 3365) for the relief of Robert Burns DeWitt.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Robert Burns DeWitt, 5934 Tremont Street, Dallas, Tex., the sum of $4,100, in full satisfaction and final settlement of all claims against the United States of the said Robert Burns DeWitt arising out of the recruiting, quartering, provisioning, and transportation of troops by him for service with the United States Armed Forces during World War I: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, or attorney or attorneys, on account of services rendered in connection with this claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MARY J. McDOUGALL

The Clerk called the bill (H. R. 3366) for the relief of Mary J. McDougall.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mary J. McDougall, the sum of $631.99, in full settlement for the loss of her personal effects in the fire which destroyed the teachers' quarters which she occupied on January 13, 1950: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

COL. WALTER E. AHEARN AND OTHERS

The Clerk called the bill (H. R. 3367) for the relief of Col. Walter E. Ahearn and others.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That relief is hereby granted the various disbursing officers of the United States hereinafter mentioned in amounts shown herein, or in such lesser amounts as may be outstanding on the date of enactment of this act, said amounts representing amounts of erroneous payments made by said disbursing officers of public funds for which said officers are accountable as listed in and under the circumstances described in identical letters of the Secretary of the Army to the Speaker of the House of Representatives and to the President of the Senate, and that the Comptroller General of the United States be, and he is hereby, authorized and directed to credit in the accounts of the following officers of the Army, Air Force, Navy, and Marine Corps the amounts set opposite their names, or such lesser amounts as may be outstanding on the date of enactment of this act:

Col. Walter E. Ahearn, Finance Corps, Army, $2,383.93;

Maj. Harold Dean Banning, Finance Corps, Army, $909.89; Lt. Col. Leon S. Barwick, Finance Corps, Army, $18.75; 2d Lt. Hilary Stanislaus Bielawski, Finance Corps, Army, $80.69; Lt. Col. George F. Biles, Finance Corps, Army, $115; Maj. Viron E. Bird, Finance Corps, Army, $271.40; Lt. Col. Oscar Rawles Bowyer, Finance Corps, Army, $342.97; Col. George Louis Boyle, Finance Corps, Army (now retired), $130; Maj. Joseph M. Breen, Finance Corps, Army, $184.47; Col. Bert Nathan Byran, Finance Corps, Army (now retired), $101.17;

Col. James Clarke Carter, Finance Corps, Army (now retired), $1,155.55; Maj. Michael Cohen, Finance Corps, Army, $783; Maj. William Browning Colley, Finance Corps, Army, $274.98; Lt. Col. James Huntington Comings, Finance Corps, Army, $472.37;

Lt. Col. Robert Clifton Davie, Finance Corps, Army, $219.99; Maj. Frederick Jackson Decker, Finance Corps, Army, $1,206.71; Lt. Col. Roy G. DeVecchio, Finance Corps, Army, $70;

Maj. Shelton Gaddis, Finance Corps, Army, $163.87; Lt. Col. Edmund Swan Garland, Finance Corps, Army, $156.60; Lt. Col. Arthur A. Glick, Finance Corps, Army, $202.27; Capt. Lloyd Reynolds Graves, Finance Corps, Army, $265.13;

Col. Milton Barnes Hale, Finance Corps, Army, $25,260.49; Capt. Daniel Hanson, Finance Corps, Army, $722.42; Maj. Clayton Theodore Hathaway, Finance Corps, Army, $4,844.69; Maj. Paul William Herbst, Finance Corps, Army, $1,602.26; Capt. Trinidad Michael Heredia, Finance Corps, Army, $152.92; Capt. Stanley Clifton Hirsch, Air Force (now major, Finance Corps, Army), $454.25;

Lt. Col. Donald W. Ingalls, Finance Corps, Army (now retired), $676.87;

Maj. Frank J. Kempf, Finance Corps, Army, $250; Lt. Col. Leslie Beller Kovacs, Finance Corps, Army, $56.25;

Col. Richard K. LeBrou, Finance Corps, Army (now deceased), $109.17; Lt. Col. Hiram David Lloyd, Finance Corps, Army, $3,321.61;

Lt. Col. Joseph M. Mano, Finance Corps, Army, $3,175.66; Maj. Eugene R. Melton, Finance Corps, Army, $536.51; Capt. Louis

Christopher Mulvaney, Air Force (now Finance Corps, Army), $350.81;

Lt. Col. Clarence Calvin Neely, Finance Corps, Army (now retired), $248.05;

Lt. Col. Otis Purvis, Finance Corps, Army (now retired), $274.97;

Lt. Col. Francis A. Seitzer, Air Force (now Finance Corps, Army), $335.42; Maj. Edgar F. Simpson, Finance Corps, Army, $533.42; Lt. Col. Stilson Hilton Smith, Jr., Finance Corps, Army, $44,146.94; Col. Fiorre J. Stagliano, Finance Corps, Army, $132.30; Maj. Henry M. Sullivan, Finance Corps, Army, $340.79;

Maj. E. J. Tingle, Finance Corps, Army, $51; Col. George Van Studdiford, Finance Corps, Army (now retired), $156.81; Maj. Wesley Lee Viers, Finance Corps, Army, $1,153.17; Maj. Charles S. Von Nunes, Finance Corps, Army, $1,849.76; Lt. Col. Thomas W. Weiss, Finance Corps, Army, $1,372.40; Lt. Col. Ralph R. White, Finance Corps, Army, $23.40;

Maj. Floyd C. Whitlow, Finance Corps, Army, $117.21; Maj. Charlie L. Worthington, Finance Corps, Army (now retired), $257.18; Col. Kelly Leo Brazier, Finance Corps, Army, $211.59; Capt. Garland Edward Brenneman, Finance Corps, Army, $155; Lt. Col. Loomis Carroll, Air Force (now retired lieutenant colonel, Army), $850.03;

Lt. Col. Richard J. Clynes, Finance Corps, Army, $4,154.58; Lt. Col. John Hamilton Davin, Finance Corps, Army, $3,059.50; Col. Edgar Elliott Enger, Finance Corps, Army, $586.86; Col. Robert B. McKay, Finance Corps, Army, $476.22; Capt. Norman Frederick Powell, Finance Corps, Army, $138.94; Maj. Lawrence Carrithers Threlkeld, Finance Corps, Army, $1,983.22;

Lt. Col. Lee Roy Woods, Jr., Finance Corps, Army (now retired), $1,449.52; Col. Joseph Harris, Finance Corps, Army (now retired), $3,903.67; 1st Lt. Romualy J. Lapinski, Finance Corps, Army, $395.60; Lt. Col. Donald A. LaFace, Finance Corps, Army, $1,091.09; 1st Lt. Douglas DeWayne Culpepper, Finance Corps, Army, $820.88; Lt. Col. Thomas Charles Davis, Finance Corps, Army, $1,775.07;

Maj. Edward C. Rogers, Finance Corps, Army, $619.17; Lt. Col. Lloyd Burton, Finance Corps, Army, $1,174.64; Col. John Henry Doherty, Finance Corps, Army (now retired), $705.13; R. Lee, Corps of Engineers, Army, $316.34; B. L. Robinson, Corps of Engineers, Army, $190.84; T. A. Lane, Corps of Engineers, Army, $60.04;

R. D. Burdick, Corps of Engineers, Army, $462.66; F. J. Wilson, Corps of Engineers, Army, $1,986.05; L. E. Mielenz, Corps of Engineers, Army, $433.46; E. B. Downing, Corps of Engineers, Army, $813.34; Maj. Elton August Behrens, Air Force, $214.39; Lt. Col. Thomas Joseph Brooks, Air Force, $874.90;

Maj. Harold James Herrick, Air Force, $4,094.86; Lt. Col. Lawrence K. Homan, Air Force, $76.80; Maj. Homer Charles Oakes, Air Force, $263.82; Maj Ralph Edwin Powell, Air Force, $1,134.90; Maj. Leland E. Rice, Air Force (now major, Finance Corps, Army), $773.58;

Maj. C. Hunter Smith, Air Force, $304.08; Maj. Henry E. Wittrock, Air Force, $31.80; Capt. Robert R. Blaisdell, Supply Corps, Navy, $788.65; Ensign Jack M. Brennan, Supply Corps, Navy, $57.50; Ensign Robert E. Buntain, Supply Corps, Navy, $103.06; Capt. Henry S. Cone, Supply Corps, Navy, $243.75.

Comdr. Seymour DeLong, Supply Corps, Navy, $1,338.84; Ensign George W. Fairfield, Supply Corps, Navy, $293.89; Lt. (j. g.) William W. Fink, Supply Corps, Navy, $50; Lt. (j. g.) Carl R. Fischer, Supply Corps, Navy, $440; Lt. Carl A. Fox, Supply Corps, Navy, $150;

Ens. F. L. Hanson, Supply Corps, Navy, $5.01; Lt. Peter Hoes, Supply Corps, Navy Reserve, $318.75; Capt. Stanley A. Joy, Supply Corps, Navy Reserve, $440; Lt. (jg.) John H. Kammerer, Supply Corps, Navy, $18; Lt. Ben T. Karnes, Supply Corps, Navy, $150.20; Lt. Charles J. Keidel, Supply Corps, Navy, $6; Lt. Comdr. Robert J. Kliese, Supply Corps, Navy Reserve, $150;

Ens. John W. Kline, Supply Corps, Navy, $254.70; Ens. Herbert M. Lundien, Supply Corps, Navy, $126; Lt. (jg.) Donald R. Mandich, Supply Corps, Navy, $312.95; Ens. James E. Masterson, Supply Corps, Navy, $52.67; Ens. John J. McGee, Supply Corps, Navy, $76.25; Lt. (jg.) Alvin Moore, Supply Corps, Navy, $26.40; Lt. (jg.) Herman L. Philbrick, Supply Corps, Navy, $210;

Lt. (jg.) Burl D. Pollock, Supply Corps, Navy, $75; Lt. (jg.) James F. Reeves, Jr., Supply Corps, Navy, $14; Ens. Maurice L. Schmidt, Supply Corps, Navy Reserve, $75; Lt. (jg.) William C. Searcy, Supply Corps, Navy, $115; Lt. Carl J. Simon, Supply Corps, Navy Reserve, $56.25; Ens. Dale F. Sloan, Supply Corps, Navy, $150; Ens. Donald B. Small, Supply Corps, Navy, $32; Comdr. James S. Spore, Supply Corps, Navy, $18.75; Lt. Vernon E. Sutton, Supply Corps, Navy, $112.50;

Lt. (jg.) Alfred D. Taylor, Supply Corps, Navy, $18.75; Ens. Matthew L. Thomas, Supply Corps, Navy, $7.50; Lt. (jg.) Alonzo M. Tripp, Supply Corps, Navy, $70; Lt. Jimmie H. Myers, Supply Corps, Navy, $249.96; Lt. Comdr. Frederic M. Shepardson, Supply Corps, Navy, $661.10; Ens. Herbert S. Hillard, Supply Corps, Navy, $54.75; Lt. Comdr. E. F. Armstrong, Supply Corps, Navy, $8,322.50;

Lt. Comdr. Albert D. Willow, Supply Corps, Navy Reserve, $600; Capt. Joseph A. Rebentisch, Supply Corps, Navy, $2,068.97; Lt. (jg.) Robert W. Spicer, Supply Corps, Navy, $575.17; Comdr. Walter G. Bacon, Supply Corps, Navy Reserve, $112.50; Comdr. Henry W. Bryce, Supply Corps, Navy Reserve, $121.83; Ens. Alvin Lorshbough, Supply Corps, Navy Reserve, $107.95; Lt. Harvey W. Webster, Supply Corps, Navy, $93.75; Capt. Albert Lawrence Evans, Marine Corps, $235.75; the foregoing amounts representing erroneous payments of public funds for which these officers are accountable, which payments resulted from accounting differences and minor errors in determining amounts of pay and allowances due former officers, enlisted men, and civilian employees of the services concerned or contractors and vendors from whom collection of the overpayments has not been effected and which amounts have been disallowed by the Comptroller General of the United States.

SEC. 2. That any amounts refunded by any disbursing officer or his heirs in connection with any item of indebtedness in accounts cleared herein and any amount otherwise due any disbursing officer or his heirs which was set off against any item of indebtedness which is cleared herein, shall be refunded to such disbursing officer or his heirs from the account to which credited if that account is available for disbursement, or if not, from the appropriation "Payment of certified claims." No part of the amounts authorized under this section to be refunded shall be charged against any individual other than the person to whom the erroneous payment was made or the person who received the benefit thereof.

SEC. 3. In all cases where disbursing officers' accounts are cleared or relieved under the authority of this act, such clearance or relief shall be considered and construed as precluding the recovery from such disbursing officers of any interest charges (whether in connection with judicial proceedings or otherwise) arising from any item so cleared or relieved.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RALPH BENNETT AND CERTAIN OTHER EMPLOYEES OF THE BUREAU OF INDIAN AFFAIRS

The Clerk called the bill (H. R. 3639) for the relief of Ralph Bennett and certain other employees of the Bureau of Indian Affairs.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is hereby authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Ralph Bennett, the sum of $93.26; to Abner Davis, the sum of $201.64; to Jacob L. Dickens, the sum of $424.84; to Stewart Etsitty, the sum of $300.88; to Albert J. Hardy, Jr., the sum of $275.35; to Edward Kerr, the sum of $381.23; to Gilbert Kirn, the sum of $167.25; to Jose Martinez, the sum of $258.57; to General Miles, the sum of $122.70; to Peter Nakaidinae, the sum of $82.47; to Richard T. Slinkey, the sum of $72.33; to James T. Smith, the sum of $221.78; and to Andrew M. Verholt, the sum of $567.09. Such payments shall be in full settlement of all claims against the Government of the United States for the loss of personal effects of the said persons in the fire which destroyed the Consolidated Garage of the Bureau of Indian Affairs at Fort Defiance, Ariz., on February 6, 1953.

SEC. 2. No part of the amounts appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agency or attorney on account of services rendered to connection with these claims, and the payment of any amount in excess of 10 percent shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this section shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

BURGAL LYDEN AND OTHERS

The Clerk called the bill (H. R. 4044) for the relief of Burgal Lyden and others.

There being no objections, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to: Burgal Lyden, the sum of $750; Joseph J. Schimmels, the sum of $1,000; Mrs. Elizabeth McCready, the sum of $500; and Albert C. Lyden, the sum of $300 (all of Naponee, Franklin County, Nebr.). The payment of said sums shall be in full satisfaction and final settlement of all claims of the above-named claimants against the United States for damage to their real properties caused as a result of the construction of the Harlan County Dam and Reservoir project, and for which compensation may not be made under existing law: *Provided*, That no part of the amounts appropriated in this act in excess of 10 percent of any claim shall be paid to or received by any agent or agents, or attorney or attorneys, on account of services rendered in connection with such claim, any contract to the contrary notwithstanding. Any person violating any of the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CONFERRING JURISDICTION ON THE ATTORNEY GENERAL TO DETERMINE ELIGIBILITY OF CERTAIN ALIENS TO BENEFT UNDER SECTION 6 OF THE REFUGEE RELIEF ACT OF 1953

The Clerk called the resolution (H. J. Res. 211) to confer jurisdiction on the Attorney General to determine the eligibility of certain aliens to benefit under section 6 of the Refugee Relief Act of 1953, as amended.

There being no objection, the Clerk read the joint resolution, as follows:

Resolved, etc., That each of the following-named aliens may file, within 6 months immediately following the effective date of this act, application for adjustment of their immigration status under the provisions of section 6 of the Refugee Relief Act of 1953, as amended (67 Stat. 403; 68 Stat. 1045), notwithstanding their status at the time of entry:

Antonio Aikler, Antonio Joseph Aikler, Emilio Federico Aikler, Juliana Altenbrun, Maia Andre, Kazmierz Andrzejewski, Wladyslaw Augustynowicz, Adam Andrzej Bacal, Jozef Bak, Wladyslaw M. Barczykowski, Wieslaw Bartnicki, Marian Jan Bialy, Anna Bielska, Jozef Dryja Vel Bienkowski, Pawel Bonk, Stanley Brodzinski, Jerzy Brozozowski, Jozef Brzezinski, Frank Cecco, Roman Aleksander Choma, Ryszard Cielankiewicz, Stefan Ciundziewicki, Jerzy Cyrkler, Roman Englert, Edward Henry Erbes, Kunibert Franciszek Grabe, Zbigniew Henryk Galecki, Leon Glowacki, Jozef Grabowski, Stanislaw Gregorczyk, Szczepan Grunwald, Ryszard Grzegorzewicz, Tadeusz Hudzicki, Alilde Ilves, Eduard Ilves, Elvi Ilves, Eve Ilves, Helgi Ilves, Villem Ilves, Francesco Iurman, Zbigniew Jankowski, Jerzy Jurkiewicz, Jan Kaczmarek, Arvids Bruno Kalnins, Ascold Kaire, Henryk Kaminski, Zofja Kasphzyhowska, Emiljan Kasprzyk, Helena Kobielska, William Kobielski, Lech Korgol, Roman Kotlarz, Piotr Kowalczyk, Bronislaw Kowalek, Kazimierz Krol, Mieczyslaw Labocha, Arnis Lamberts, Harold Lamberts, Janis Lamberts, Pauline Leontine Lamberts, Wladyslaw Lewandowski, Czeslaw Lojewski, Marjan Lorent, Leon Lukaszwicz, Czeslaw Luniecki, Jerzy Luzny, Marjan Lysakowski, Bogdan Maciag, Wladyslaw or Walter Majkowski, Kazimierz Malina Zbigniew Malski, Jan Marciniak, Bronislaw Marek, Roman Massalski, Edmund Matuszak, Jozef Maz, Edward Miechowicz, Anna Mucha, Bronislaw Sep Nadolny, Alojzy Nieckarz, Marjan Nowakowski, Paul Okon, Stanislawa Ottowicz, Leszek Panelvzyk, Leokadja Paszkiewicz, Gonez Leon Pawel, Roman Pawlomski, Edmund Pazdej, Jerzy Pietron, Tadeusz Jerzy Pietrzak, Zbigniew Piotrowski, Janusz Plucinski, Jozef Podlacki, Leonard Polowczyk, Mierczyslaw Popiolek, Jan Prusisz, Olgierd Hieronim Pszczolinski, Henryk Ptak, Kazimierz Ptaszynski, Boleslaw Pustulka, Jan Puszka, Alojzy Pytel, Stanislaw Pytlik, Andrew Radlicz, August Raudsepp, Jakob Raudsepp, Sofia Raudsepp, Voldemar Raudsepp, Stefan Reichel, Jan Rogalewski, Kazimierz Rogalewski, Zdzislaw Rogula, Jozef Rojowski, Roman Semkow, Roman Skoczyles, Stanislaw Skrzypczak, Tadeusz Sluzewski, Edward Smiley (formerly Eddie Nichichuk), Pauls Smits (Paulis Smits), Stanislaw Smykala, Witold Sokolowski, Hela Soooar, Wladyslaw Sawinski, Franciszek Splawinski, Leon Sroka, Jozef Zelman Stankiewicz, Tomasz Stubynski, Jozef Szawejko, Kazimierz Szloszowski, Henryk Sztam, Fransiszek Terenowicz, Jan Trykowski, Czeslaw Trzcinski, Ignancy Urbanek, Jan Walczak, Piotr Wedrogowski, Zygmunt Wilk, Stanislaw M. Wisniewski, Stanislaw Witokski, Kazimierz Wojcik, Mairan Wojcik Wojnowski, Stanislaw Wojtal, Leopold Woloszyn, Jozef Woszczak, Alberto Yurman, Henryk Zalewski, Ryszard Zawadski, Zdzislaw Zdrzalik, Stanislaw Zgrzebnicki, and Helena Zukowska.

With the following committee amendments:

On page 2, line 6, after the name "Choma", insert the following: "Pai Shiu Chuan, Bogdan, Chylinski."

On page 2, line 7, after the name "Edward Henry Erbes", insert the following: "Erwin Gozdek."

On page 2, line 15, after the name "William Kobielski", insert the following: "Kresimir Kolumbic, Stanislav Kolumbic, Viekoslav Kolumbic."

On page 2, line 17, after the syllable "lek", insert the following: "Frank Kreft."

On page 2, line 17, after the name "Kazimierz Krol", insert the following: "Aleksander Kupiszewski, Stanislaw Kuty."

On page 2, line 19, after the name "Wladyslaw", strike out the comma.

On page 2, line 21, after the name "Bogdan Maciag", insert the following: "Tadeusz Majewski."

On page 2, line 24, after the name "Jozef Maz", insert the following: "Edward Lis Michonski."

On page 3, line 1, after the name "Paul Okon", insert the following: "Tadeusz Opalinski."

On page 3, line 1, after the name "Stanislawa Ottowicz", insert the following: "Agnes Palango, Viktor Palango."

On page 3, line 11, after the name "Jozef Rojowski", insert the following: "Robert J. Saar."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. ROBERTS. Mr. Speaker, the bills on the calendar following No. 99 have not been considered by the committee. I therefore ask unanimous consent that the further calling of the calendar be dispensed with for today.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

TREASURY-POST OFFICE APPROPRIATION ACT, 1956

Mr. GARY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 4876) making appropriations for the Treasury and Post Office Departments, and the Tax Court of the United States, for the fiscal year ending June 30, 1956, and for other purposes. Pending that motion, I ask unanimous consent that general debate on the bill be limited to not to exceed 3 hours, the time to be equally divided and controlled by the gentleman from Indiana [Mr. WILSON] and myself.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 4876, with Mr. COOPER in the chair.

The Clerk read the title of the bill.

By unanimous consent the first reading of the bill was dispensed with.

The CHAIRMAN. Under the consent agreement, general debate is limited to 3 hours, to be equally divided. The gentleman from Virginia [Mr. GARY] will be recognized for 90 minutes, and the gentleman from Indiana [Mr. WILSON] for 90 minutes.

The gentleman from Virginia is recognized.

Mr. GARY. Mr. Chairman, I yield myself 40 minutes.

Mr. Chairman, as we begin consideration of the bill appropriating funds for the Treasury and Post Office Departments and the Tax Court of the United States for the fiscal year 1956, I desire to express my profound regrets that the gentleman from New Jersey [Mr. CANFIELD], the ranking minority member of our subcommittee, is not present to participate in our deliberations.

The gentleman from New Jersey and I have alternated as the chairman of our subcommittee over a long period of time. He has a broad knowledge of the activities and the needs of the departments. He is an indefatigable worker and I fear is now suffering from his too arduous labors. He sat with the subcommittee during its hearings and through the markup. It is indeed unfortunate that his indisposition does not permit him to be present today, and I am certain that I speak for every member of the committee in wishing him a complete and speedy recovery.

I desire also to express my appreciation to the other members of the subcommittee who have given me their wholehearted cooperation. We have worked together as a team and we present to you a unanimous report.

The Treasury and Post Office Departments have the responsibility for administering a total of nearly $19 billion of the budgeted funds. Over $15 billion of these expenditures, however, are fixed and cannot be reduced by Congress. These expenditures consist of certain permanent indefinite appropriations totaling slightly more than $7 billion. The largest single item in this category is the interest on the public debt, which is estimated at $6.3 billion for the fiscal year 1956. This is a decrease of $175 million as compared with the current estimate for 1955. The reduction does not indicate a decrease in the public debt, however, but, rather, results from certain refunding operations in 1955, which required the payment of a full year's interest at higher rates than applicable to the new securities issued. The expenditures from trust funds administered by the Treasury Department are estimated at $8.5 billion for 1956. These trust-fund expenditures are not charges against the general revenues of the Treasury. The largest of these expenditures is the Federal old-age and survivors insurance trust fund, estimated at $6.8 billion for 1956.

This leaves approximately $3.36 billion subject to congressional pruning.

The Treasury and Post Office Departments are two of the oldest and most important departments of the Government. One is responsible for the finan-

cial transactions of the Government, the assessment of taxes, the collection of revenue and customs, and the handling of the public debt. The other is responsible for our postal-communications system, which is a vital part of the economic, educational, religious, political, and social life of our people. No activities of the Government touch the citizens more closely than the activities of these two Departments.

Remarkable progress has been made within the last few years in modernizing procedures in both Departments. The modernization programs started under the previous administration, have been continued under the present administration, and the economy and efficiency of the operations today will compare most favorably with other Government agencies and with private enterprise. As is always the case, however, there is still room for improvement. Our committee has attempted to give credit where credit is due and at the same time to offer constructive criticism wherever it is justified.

The bill which we present to the House today recommends for the Treasury Department a total appropriation of $595,818,000 for the fiscal year 1956, a decrease of $8,580,000 in the budget estimate. The amount recommended is $5,862,400 more than the appropriation for 1955.

This total is broken down in the bill into various items. The committee recommendation of $2,650,000 for the Office of the Secretary is a decrease of $30,000 in the estimates but an increase of $50,000 over the appropriation for 1955. The reduction is directed specifically at the discontinuance of the position of the Assistant Secretary created to handle the liquidation of corporate and lending agencies recently transferred to the Treasury Department. You will remember that last year the Congress authorized three additional assistant secretaries for the Treasury Department. One of these officials was authorized for the specific purpose of handling the liquidation of the RFC. At that time the RFC, although in liquidation, was a sizable operation. It operated the synthetic rubber plants, it operated the tin plant, and also was liquidating the loans which it had made over a period of years. The rubber plants have been sold and unless the contracts of sale are disapproved by the Congress by March 25, the rubber plants will be transferred to private enterprise. The tin plant will be closed down before the end of this fiscal year. Very much greater progress has been made in the liquidation of the assets of the RFC than had been anticipated. The work, therefore, of finally liquidating this agency, will be very greatly curtailed in the year 1956, and therefore our committee did not feel that the services of the assistant secretary are necessary. We therefore have recommended that the office be abolished.

In the Bureau of Accounts, the committee recommends the full amount of the budget estimate, which is $2.6 million. This is an increase of $51,300 above the amount appropriated for 1955.

May I say in that connection that very great progress has been made in modernizing the Bureau of Accounts. In spite of the improvements there is a backlog of work in the Bureau. This additional amount, the committee feels, will enable the Bureau to cut down this backlog and we feel will properly take care of the Bureau for 1956.

For the Division of Disbursements an appropriation of $15,475,000 is recommended by the committee, which is a decrease of $100,000 in the budget estimate but an increase of $625,000 over the amount appropriated in 1955. The reason for the increase is due to the increased number of checks that the division will have to disburse during 1956 as a result of the recent expansion of the social-security program. The justifications presented to the committee, however, indicate a decrease in the unit cost of issuing checks for 3 of the 5 major activities, but do not establish a basis for an increase in the 2 other categories. The committee felt that savings might be effected in those two categories.

In the Bureau of the Public Debt the bill includes $44.5 million for the administration of the public debt. This recommendation is a decrease of $200,000 from the budget estimate and is $497,300 below the appropriation for 1955. Testimony presented to the committee disclosed that one operation, the manual posting of serial numbers of retired bonds, was discontinued September 30, 1954, with resulting savings of $176,000 in 1955. The committee felt, however, that this Bureau has not been as alive to modernization and improvements as some of the other divisions and therefore recommended a cut of $200,000, believing that additional economies might be employed to absorb that amount.

The committee recommends a decrease of $500,000 in the estimates for the Office of the Treasurer, leaving $15 million for appropriation. This amount is $499,000 less than was appropriated in 1955. This action is predicated upon the fact that during the course of the hearings it developed that the retirement of worn currency is not uniform throughout the United States. In some sections currency is being retired much more rapidly than in others. Your committee felt that in view of that situation the Office of the Treasurer could absorb $500,000 this year by equalizing the standards for the retirement of currency throughout the United States.

The committee recommends $41,200,000 for the Bureau of Customs, the full amount of the estimates, and an increase of $1,203,700 above the amount appropriated in 1955. This recommendation will allow 41 additional employees in connection with the control and importation of political propaganda which the committee is told has been on the increase, and the segregation of foreign mail parcels for more expeditious handling.

Many of the Members will recall that the Bureau of Customs has had a tremendous backlog of work in the various ports and as a result, the importers of this country have been seriously impeded at times in the sale of their imports. When an importer brings goods into the United States he cannot determine the selling price until he knows the amount of the customs duties that he has to pay. When the determination of the customs duties is delayed, he is delayed in the disposal of his goods.

Several years ago a number of business organizations and associations requested our committee to consider this matter and to increase the personnel of the Bureau of Customs. The committee visited New York and several other large ports and when we saw the conditions we did recommend increased appropriations. We are happy to report that the situation has improved. It has not been entirely corrected but we hope that by allowing them the full amount requested this year the backlog will be still further reduced and services will be speeded up.

The Internal Revenue Service requested $286 million for the fiscal year 1956. This was an increase of $12,338,000 over 1955. The committee recommends an appropriation of $278 500 000 which is a reduction of $7,500,000 in the request, but an increase of $4,838,000 over the 1955 appropriation. The increase of $12,338,000 requested for 1956 anticipated the employment in the Field Service of 1,000 additional revenue agents, 488 additional clerks in the Audit Division, 80 additional attorneys, and 59 additional clerks in the Legal Division, making a total of 1,627 additional employees in the Field Service. In the National Office, 8 additional attorneys and 6 additional legal clerks were requested, making a total of 1,641 new employees to be employed during the year.

In the 1955 regular annual appropriation bill 650 new revenue agents were requested, and the committee was informed that they would be augmented by approximately 740 additional revenue agents which would be employed out of savings in the Department. Subsequently, 2,000 "collection officers" were designated "revenue agents" which consumed the anticipated savings with which the Department had expected to employ the 740 new revenue agents.

The Department then requested a supplemental appropriation of $9,750,000 for the fiscal year 1955, $4¼ million of which was to provide 800 new revenue agents, which with the 650 provided in the regular bill would have given a total of 1,450 for the year.

The Congress cut the request $2 million which was apparently applied by the Department entirely to revenue agents. A large part of the funds was used to retain 542 office auditors on the rolls which had been scheduled to be released. Frankly, evidence produced before the committee showed that these auditors were needed, particularly in the prerefund audit of returns. The tax recovery in 1954 from the prerefund audit activities alone amounted to over $40 million.

These various changes, however, curtailed the expected hiring of new revenue agents, so that when the Commissioner appeared before our subcommittee, requesting a further increase of 1,000 agents for 1956, it was found that only 289 had been employed for fiscal 1955, and it is now estimated that only 447 new revenue agents will be employed

during the fiscal year 1955 instead of the 1,450 anticipated.

The number of revenue agents has been increased from 4,401 in 1945 to 10,894 in 1955, or more than doubled.

In view of all of the evidence presented, our committee felt that the Internal Revenue Service is reaching its optimum employment level and that a continuing increase of 1,000 agents each year is no longer justified. We believe that the modest increase provided by the bill is more in keeping with the needs of the Service.

The committee recommends $2,990,000, which is the exact amount of the budget estimate, for the Bureau of Narcotics. This represents an increase of $220,000 over the appropriation for 1955. We are all familiar with the tremendous problems that department is facing at the present time. The committee felt that the full amount requested by the Bureau is needed to adequately enforce the narcotic laws of the United States.

For the United States Secret Service, the committee recommends an appropriation of $2,960,000, the amount of the budget request, and an increase of $812,000 over the amount appropriated for 1955. Nearly one-half of this increase is accounted for in increased premium and overtime pay that is required under the law. Approximately $40,000 is included for the pay and related costs of employing 8 additional agents during 1956.

The workload of the Secret Service has increased and we felt that a few additional agents should be allowed at this time.

With reference to the White House Police force, the bill includes $800,000, the full amount of the budget estimate. The amount recommended is $26,000 greater than the appropriation for 1955, the principal increase being the full year cost for the 18 positions added for the last 9 months of 1955. One additional position is provided in 1956 to establish the complete around-the-clock post coverage and visitor control at the White House.

The bill includes $268,000 for the guard force. This is the amount of the budget estimate and is the same as was appropriated for 1955.

The committee recommends $3,650,000 for the Bureau of the Mint, which is the amount of the budget estimate. This is $738,000 less than was appropriated for 1955. The decrease is based entirely upon the fact that the demand for coins decreased during 1954, and the Mint has a substantial inventory on hand.

With reference to the Bureau of Printing and Engraving, no appropriation is required by this Bureau as it now operates on a working capital fund basis. In other words, for that Bureau we have adopted the business-type budget which has been in operation for several years. I may say, however, that the Bureau has made numerous improvements and innovations in its methods which are saving the Government a considerable sum of money in the printing and engraving of its currency and bonds.

For the United States Coast Guard, the committee recommends $185,225,000, a decrease of $250,000 below the estimates, but an increase of $260,700 above the appropriations for 1955.

This appropriation is divided into three categories. With reference to operating expenses, the committee recommends $153,750,000, a decrease of $250,000 in the estimates and a decrease of $2,059,300 as compared with the appropriations for 1955. The reason for that cut is that the Coast Guard anticipates that a lesser number of military personnel will be separated from the service in 1956 than in 1955, with resultant less cost for terminal leave payments.

On the item "Acquisition, construction, and improvements," the committee recommends $7 million, the full amount of the budget estimate. Of that amount, $6 million is for replacements of three overage seaplanes which are badly needed at the present time. As a matter of fact, our committee has a feeling that possibly we are not doing as much as we should in keeping the Coast Guard Air Fleet up to the proper standards. We have urged that a program be worked out for annual replacements which will keep the fleet in good working condition. I think by next year we will have a definite program presented to carry out that recommendation.

With reference to retired pay, the committee recommends $21,300,000, the amount of the budget estimate, and an increase of $1,445,000 over the 1955 appropriation. There is nothing that we can do about that item. It is fixed by law and depends solely upon the number of retired personnel.

With reference to Reserve training, the committee recommends $3,175,000 which is the amount of the budget estimate. This item will probably be affected by the Reserve training bill which is now before the Congress. If so, we may have to appropriate additional sums for the Reserve-training program before the end of the year.

Under Federal Facilities Corporation, the bill provides no appropriation, but there is a limitation of the funds which can be expended by the corporation. This bill includes a limitation of $800,000 in the amount of funds which may be utilized for administrative expenses in 1956, which is the amount of the budget estimate and is $1,154,000 less than was authorized in 1955.

The bill includes a limitation of $1,400,000 for administrative expenses in the liquidation of the Reconstruction Finance Corporation in 1956. This amount is the budget estimate and a decrease of $2,100,000 below the amount available in 1955.

There was an item in the bill of $50,000 for civil defense loans. Several years ago when we started the civil defense program there was a great deal of talk about building factories and various facilities underground. To enable localities to carry out that program Congress authorized a loan fund of $250 million. It developed during the hearings that at present there have been commitments made only to the extent of approximately $7,500,000. All of those commitments have been for hospitals which is a duplication of the Hill-Burton program.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield.

Mr. GROSS. Where were those hospitals erected?

Mr. GARY. In various places. There is a list of them in the hearings.

Mr. GROSS. Are they called civil defense hospitals, or what are they called?

Mr. GARY. Loans were made on the basis that they were needed for civil defense purposes. Frankly, the committee is not sympathetic with the program and we have recommended that it be abolished.

Mr. GROSS. That will be found in the hearings?

Mr. GARY. We cut the $50,000 out of the bill.

Mr. GROSS. But I mean the location of these hospitals.

Mr. GARY. The location of each hospital and the amount loaned on each is shown in the hearings.

Mr. GROSS. I think the gentleman is correct, and I want to commend him.

Mr. GARY. I thank the gentleman.

Mr. NICHOLSON. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield.

Mr. NICHOLSON. Does this bill carry any appropriation for a marine hospital where Coast Guard men may go?

Mr. GARY. It does not; no, sir.

The Post Office Department requested $2,754,817,000. The committee recommends $2,685,700,000, which is a cut of $69,117,000. The Post Office Department is in the throes of a general reorganization and modernization program. The Postmaster General and his staff should be commended for many of the improvements which they have adopted. The principal change, however, is the decentralization program which is still in an experimental stage. Plans call for the establishment of 15 regional offices and 94 district offices throughout the United States. At the present time, 11 of the proposed regional offices and about 70 of the proposed district offices are in operation. There is no doubt that decentralization is going to cost more money in the long run. The general setup in the central office is being duplicated in each of the regional offices. There is a regional director, a regional director of operations, a regional director of transportation, a regional director of finance, a regional director of facilities, and a regional director of personnel. To all of this are added the district directors with their staffs.

Our committee was told when this program began that most of the personnel for these regional offices would be transferred from the central office so that the increase in personnel would not be as great as it would appear. We now find, however, that the number of new positions created in the regional and district offices so far established is over 630 and that the central headquarters staff in Washington has been reduced by approximately 230. In other words, at this point regionalization apparently has created about 400 new jobs outside of Washington, of which only 115 were filled by transfers of Washington personnel.

Now let us take a further look at the decrease in the Washington office. In

1954 total employment in the Washington headquarters was reduced by 50. This was accomplished by the addition of 154 employees in the $4,000 to $10,000 salary classification, and 19 more employees in the classification of $10,000 and over, against a decrease of 223 employees who were earning approximately $4,000 or less.

Time alone will demonstrate the wisdom of the decentralization program. There is evidence, however, that the management of the Department has become so enamored of the decentralization process that the grass roots function of the Department has been overlocked. Regardless of the problems of administration involved, it is still the primary duty of the Department to insure that the mails are handled expeditiously.

The volume of mail handled by the Post Office Department steadily increased over a period of years until the fiscal year 1954. Although final data are not yet available, the preliminary account indicates that volume for that year was 52.2 billion pieces as compared with 52.5 for the year immediately preceding. The Department has consistently requested increased appropriations based upon estimated increased volume.

For the past 3 years the volume has been overestimated, and the Department at the end of the fiscal year 1954 spent $104 million less than the Congress appropriated. The Department presently estimates an unobligated balance of $52 million at the end of fiscal year 1955. Although these savings were not entirely due to lower volume than the Department estimates, that was the chief factor.

Testimony heard by the committee disclosed that the recent congressional action in establishing certain restrictions on weight and size of parcel-post packages has reduced the volume of that class of mail. Similarly, the action of the Postmaster General in rescinding the so-called junk-mail privilege as of March 31 of this year can be expected to greatly decrease volume. This action was taken after the budget estimates had been prepared.

In the light of this history, our committee is convinced that the mail volume is overestimated for the fiscal year 1956. This fact, coupled with savings from improved methods which have been and are being installed should enable the Department to operate without difficulty on the appropriation recommended by the committee.

Mr. MATTHEWS. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield to the gentleman from Florida.

Mr. MATTHEWS. I wish to congratulate the gentleman on the splendid statement he is making and ask one question about junk mail. As I understand, this so-called junk mail has been eliminated from the post-office boxes of the people who live in the cities, but it is my understanding that it still goes in considerable quantities out into rural communities. I have had many complaints about it. I wonder if the gentleman can tell me whether this so-called junk mail still goes out into rural communities on the rural routes.

Mr. GARY. It is my understanding that it is to be eliminated completely, but the order does not go into operation until March 31 of this year.

Mr. MATTHEWS. I congratulate the gentleman on that great improvement.

Mr. HESELTON. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield.

Mr. HESELTON. Last year when the gentleman from New Jersey [Mr. CANFIELD] was handling the bill I discussed with him briefly the question of the handling of military service mail. It was my understanding at that time that a considerable amount of military service mail was being handled by the regular airlines, but that the Department had indicated that it proposed to increase the handling of such mail by the military services through the Air Force. Was consideration given to that at any point during the subcommittee's hearings?

Mr. GARY. That question did not arise because we had been assured last year that was going to be done and we just assumed it had been. So far as I remember, there was no discussion of that point at all.

Mr. HESELTON. I, too, assume that is the case; however I have been informed that it has not been carried out. Am I correct in understanding that it would be the subcommittee's and the full committee's intention that the military should utilize to the greatest extent possible their own air service rather than place it on the ordinary civil carrier service?

Mr. GARY. For the military mail?

Mr. HESELTON. For the military mail.

Mr. GARY. It was the understanding last year that the military would assume responsibility for this mail instead of the Post Office Department.

Mr. HESELTON. I thoroughly understand there might be some areas where the military could not do it.

Mr. GARY. That is right.

Mr. HESELTON. On the other hand, I think it should be emphasized during the course of the consideration of this bill that the assurances given last year are still in effect, so the subcommittee believes.

Mr. GARY. As I said, the subcommittee did not go into that because it assumed that the assurance had been or would be carried out.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield to the gentleman from Iowa.

Mr. GROSS. Did the gentleman's subcommittee elicit any information from the Post Office Department with respect to the workings of Public Law 199 which deals with the weights and charges for parcel post?

Mr. GARY. We did, but the Post Office Department, thus far, has made no recommendations with respect to that law. We gathered from the testimony that they felt that certain changes should be made in the law but they did not indicate what those were although they were requested to do so.

Mr. GROSS. In other words, they gave the gentleman no specific information?

Mr. GARY. None whatever.

The Post Office appropriation is broken down into several categories. First, there is administration, for which the committee recommends an appropriation of $15,500,000, a decrease of $599,000. The amount recommended is an increase of $129,950 over the amount available for 1955 on a comparative basis.

For Operations, the committee recommends $1,850,000,000, a reduction of $36,363,000 in the estimates. The decrease from the 1955 level is, comparatively, only $14,052,300. That cut is based on the estimated lower volume of mail that will have to be handled and also on improvements that are being installed.

For Transportation, the cut is based entirely on the estimated reduction in volume. There the committee recommends $648 million, a decrease of $27,241,000 in the estimates and a reduction of $53,596,500 below the 1955 level on a comparative basis.

For the Finance Division, the bill includes $17,200,000, a reduction of $114,000 in the estimates. The comparative figure of funds available for 1955, is $15,571,000, so that the increase in terms of realined functions and responsibilities is $1,628,750.

I want to say that the Post Office Department is doing an outstanding job in the installation of modern accounting procedures in the Finance Department. That, in my personal judgment, is one of the great improvements that has been made in the system. They are setting up a modern system of accounting.

The bill includes $155 million for the administration and operation of postal facilities. This is a decrease in the budget estimate of $4.8 million, and a decrease of $3,287,000 below the comparable funds available for 1955. This cut is based upon the estimated decrease in volume and also the improvements that are being made in the facilities which should begin to show a very sizable saving.

This is the first time that this committee has been charged with the duty of appropriating for the Tax Court of the United States, but we were informed by the Chief Judge, who testified before the committee, that over a long period of time their appropriation had never been cut by the Congress of the United States. Frankly, they appear to be operating on a very economical budget, and therefore the committee recommends $1,035,000, which is the full amount of the budget estimate for the court. The amount is $35,000 more than was appropriated in 1955 but results from the proposal to actively utilize the services of those judges scheduled for retirement in 1955 and 1956.

Mr. Chairman, that concludes my discussion of the changes in the bill. It has the endorsement of our entire committee, and we hope that it will be the pleasure of the House to adopt it.

Mr. WILSON of Indiana. I yield such time as he may desire to the gentleman from Pennsylvania [Mr. JAMES].

Mr. JAMES. Mr. Chairman, I first want to congratulate the chairman of our subcommittee on the very thorough, excellent, and informative statement that he has made on the bill before us. I also appreciate the very generous and thoughtful remarks that he made concerning the leader of the minority division on this subcommittee, the gentleman from New Jersey [Mr. CANFIELD] who, after laboring steadily through all of the hearings on this bill up to the time of its markup, was compelled to leave before he saw the final enactment of the bill in order to take advantage of a warning that he had been given by medical advice that a rest was in order and, if longer delayed, might prove serious. I know that we all here appreciate GORDON CANFIELD'S devotion to the work of this subcommittee. As you will recall, he was the chairman of this subcommittee in the last session of the Congress and occupied the spot that our good chairman holds here today. This subcommittee and the entire Committee on Appropriations can regard itself as highly fortunate in the 2 men that lead the 2 divisions of the new subcommittee. I suppose nobody would gainsay a statement that the 2 men of this entire House who know most about the Post Office Department and about the 11 divisions of the Department of the Treasury are the gentleman from Virginia [Mr. GARY] and the gentleman from New Jersey [Mr. CANFIELD]. We certainly miss the gentleman from New Jersey here today, because, with his full and complete knowledge of the current work of this committee, he would most certainly have made valuable contributions to the discussion that we have before us here today.

I am going to start in my discussion of this bill from the rear and come forward, taking up first the Post Office Department. I want to say at once that the bill comes before the House today with a unanimous report of the subcommittee, so that there is no question here of any disagreement with anything that has been done or which is in the bill as it is before the committee now. However, there are a number of things besides the excellent discussion of the financial matters made by our chairman that should be brought to the attention of the House in justification of the work that is being done by these two great agencies of Government.

I cannot share completely the lack of optimism of our chairman with respect to the reorganization program of the Post Office Department and its ultimate effectiveness and cost. I believe we will find in the end, although there may be expenses added in regional areas, that the savings made as against a centrally administered post office in a Nation of this size, and with a population such as we have, will probably outweigh by a considerable amount any additional cost that might be involved in this program of decentralization.

There was one point brought out in our hearings in a statement by the Postmaster General, that heretofore, under the fully centralized administration of the Post Office Department, 41,000 postmasters throughout the United States reported to one desk in Washington. It stands to reason, of course, that that does not mean one man. In that sense one desk means probably a section of the Post Office Department employing many people to take care of the reports that come to that one spot from 41,000 postmasters throughout this country.

So that there are a great many things that could be said in the interest of the plan to decentralize. The greatest and probably the most important thing to be said is that it will unquestionably make for quicker postal service, within the sphere of the region, than could possibly be had if that matter had to be referred to Washington and then referred back to the district in which the concern arose.

I do believe this, that after the full organization of the proposed 15 regional post-office districts we will begin to see in full effect the benefit of better postal service and, indeed, it is likely, the benefit of a saving in actual cost in operating the Post Office Department. That is, of course, for the future and as our chairman has very properly said "only time will tell."

There are a number of things that could be covered in a strictly financial discussion with respect to the 11 separate divisions of the Department of the Treasury. In a number of those divisions great technical advances have been made which will result in the end in a greater facility of operation and a better service from those divisions as well as real economies that will come about therefrom.

We have talked here about the Bureau of Accounts. We looked upon their activities with a punitive eye, so to speak. But they have come to life down there and have realized that with the greater burden that is placed upon the Department the time has arrived when they should abandon their ancient methods of operation and get down to modern means as well as modern methods. So that Department, I think, in the next report that is made here will have something very warming to report in the way of improved services and with probably some savings in the cost of their operations.

Discussion has been had mainly along the financial side of the operations of the Department of Internal Revenue. We came to an agreement in our committee with respect to the appropriation of funds to be made, but I wonder sometimes after we are through with our hearings, after we mark up our bill and after we reread the volume of interrogations and responses that have come from the men at the head of these departments, whether we can feel that we as a committee are completely and wholly right in the judgment we have finally made. That again is something that only time can tell.

Rather than have the forward-looking, progressive program of the Internal Revenue Service altered or changed, I for one would be willing, if it is found proper, and the need can be demonstrated, that we revise our ideas about the appropriation to that agency. If they do demonstrate a further important advance in the program they have laid out, we may be willing to say that it is worth the money and supplement what has been allowed them in this bill.

I am not saying here, and I do not mean to imply, that the judgment of the committee has been faulty. I joined in that judgment freely, but I do believe, again, that only time can tell in a great operation like the Internal Revenue Service whether our judgment of their requests for funds has been completely right.

They, too, have on foot a decentralization program. According to the testimony before our committee it is working very well. It is expected that as time goes on and this program is perfected it will prove to be a very important and very much worthwhile move in the operation of collecting the taxes in this Nation.

I want to talk a little now, about the technological advances that have been made by certain other departments. We have a very curious list of agencies under the Treasury Department. Sometimes when I look at what comes under the Treasury of the United States I wonder how in the world they can possibly be related to that department of Government. But we have there the Bureau of Engraving and Printing. I know this because I have all my life been in a position to know something about what goes on in the graphic arts industries. The plant and equipment of the Bureau of Engraving, for many, many long years, and this is not a political statement, because it has persisted through Democratic and Republican administrations, has been one of the oldest, most unmodern, behind-the-eight-ball printing plants in the entire world. They have been using machinery and equipment down there as late as 6 years ago that had been junked for as much as 25 years by industrial concerns outside of Government doing substantially the same type of business as the Bureau of Engraving and Printing does for its Government customers.

However, under the leadership of our two chairmen and the other members of our subcommittee, the Bureau of Engraving and Printing has entered upon a program of modernization. They have come lately under the directorship of a man who is practical, who has been with that agency for a great number of years, who as far as I know has no political affiliations, and who is heart, soul, body, and mind dedicated to making the Bureau of Engraving and Printing a thoroughly modern and economical operation of this Government.

It has been the practice down there for years to print dollar bills and $10 bills and even $100—I suppose—bills on a little sheet of paper 12 faces up, whereas almost everybody in the world in this kind of work has for a long while been printing like material 32 faces up. You can easily understand what the economy is going to be in the operation of that agency when they really get into full stride, and they are making excellent progress now. The committee was given a demonstration of some of the results they have obtained. They are up to printing a pretty good article 18 faces up instead of 12, but they are also

having a machine designed and built which will print the currency of the United States just as well as it has ever been printed, that will print the money by new machines and by new methods, which will cut the cost of the operation so vastly that there is little need to even make a forecast of what the savings might be. That is a very happy situation, indeed, and I am very glad to have had some part in the discussions that have led to this change.

There has been some discussion—going back to the Internal Revenue Service—as always happens when this bill or any other appropriation bill comes into the form of a report, of the figures contained in the bill. There is a great deal of conversation that gets back to the members of the committee, which sometimes informs us about things which strangely enough, although we are members of the committee, we have never heard of. It seems there is a feeling somewhere along the line that a misunderstanding was created either by statements made to the committee or by the committee's understanding of those statements that in some way the funds that should have been dedicated to increasing the force of internal-revenue agents might have been used in a way which was not intended. I will not say misappropriated because that could not happen. There has been a statement made in our report which I think is well taken, and I think the departments and agencies for whom we appropriate in this committee can afford to read this statement and take it to heart. This is with reference to the Internal Revenue Service, and it is just this portion of it which I want to read:

> At the time of the current hearings, only 289 new agents had been added to the rolls. This is not to disparage some very beneficial practical changes in the basic plans for employee utilization, but rather to require that programs for the expenditure of funds should be more firm before being presented to the committee.

That is one of the great difficulties this committee has to overcome through long interrogation of witnesses who appear before us, and finally by consultation among ourselves as to the decision that should be made, in writing the bill to bring before the House. All in all, of the agencies that come before us, I feel there has been a very great and very salutary improvement in their attitudes toward the operation of their departments and their departmental functions.

I believe that because of the earnestness and sincerity with which every member of this subcommittee approaches the committee work, the agencies for whom we appropriate have taken on an attitude that is desirable. That what the people of the United States want of those agencies and what we of the Congress want is just better work—in less time—for less money. That objective is taken very seriously, I feel sure, by the devoted men who head up the agencies and departments with which our subcommittee deals.

Mr. GARY. Mr. Chairman, I yield 20 minutes to the gentleman from Louisiana [Mr. PASSMAN].

Mr. PASSMAN. Mr. Chairman, when the distinguished gentleman from Virginia, chairman of the Treasury-Post Office Subcommittee on Appropriations, and the gentleman from New Jersey [Mr. CANFIELD], former chairman of the subcommittee, have finished with their remarks, there is little left for other members of the committee to say. They do a thorough job explaining the bill.

We miss GORDON CANFIELD, and my prayers are that the Supreme Architect of the Universe will see fit to restore his health and that in a short time he will be back with us.

I doubt if in the history of the Congress a more astute and able man than the gentleman from Virginia [Mr. GARY] has ever served as chairman of any committee. It is an inspiration to work under this very able and fair gentleman.

Now, Mr. Chairman, while we are recognizing the ability of our own colleagues let us extend this recognition to personnel in Federal agencies. Personally, I have never considered it distasteful to hand out a bouquet now and then to department heads when they have rendered a distinguished service to our country. So, I want to commend Postmaster General Summerfield for what in my opinion has been one of the finest jobs ever done by a department head. In my opinion, Postmaster General Summerfield and his able staff have put into effect more beneficial reforms in the Post Office Department in the past 2 years than were put into effect during the previous 20 years. I believe that the record will bear my claim out that the Post Office Department is now being operated by businessmen, and what they have accomplished is a matter of record.

Mr. Chairman, I want to repeat what I have said many times before, and that is that I cannot understand why the Congress refuses to increase postal rates so that the postal service may be placed on a self-supporting basis. I can see no reason for the Federal Government to continue subsidizing tens of thousands of American businesses which operate solely for a return on their investment. My own business in Louisiana is receiving a substantial subsidy from the Post Office Department in that I am permitted to use the mails in advertising my business at a cost far below what it costs the postal service, and this is also true at the end of the month when I use first-class mail to send out my monthly statements. If postal rates were adjusted upward, it would be very easy for me to absorb the increase. I think the same thing applies to many millions of businesses that are being subsidized by the Federal Government through the Post Office Department.

I would not be as complimentary as I am to Postmaster General Summerfield and his staff if it were not for the fact that I realize that almost every move they make in favor of economy meets with criticism. I believe I would be safe in saying that much of the criticism comes from Members of Congress. For instance, in the past 25 months the Post Office Department has discontinued 1,861 fourth-class post offices, and in all probability there were protests made on every decision to close an office.

Now, what are the results from closing 1,861 post offices in 47 of the 48 States? Mail service has been greatly improved and at the same time a saving of $2,700,000 has been effected.

Mr. Chairman, I am going to support the Post Office Department in all of its programs to improve mail service and effect savings. I believe the American people will eventually approve of the Post Office Department's program to close fourth-class post offices when they are convinced mail service can be given at a very substantial savings.

During the hearings I asked the Postmaster General what the first-class postage rate would be today if the Congress had authorized that first-class postage be increased according to the cost index. The Postmaster General answered "about 6 cents." I then asked the Postmaster General when Congress last authorized an increase in the first-class postage rate. The General answered "in 1932."

So, in reality, it has been 22 years since we have authorized an increase in first-class postage rates. Had we followed the cost index, the rate would now be 6 cents, whereas the postal authorities are asking for first-class postage rates to be increased to only 4 cents. I hope that I am given an opportunity to vote for this postal rate increase. I am thoroughly convinced that when this matter is properly presented to the people in my district, they will commend me for my action.

Before I leave the Congress, either voluntarily or involuntarily, I hope that I may know why the Congress refuses to take a businesslike approach to so many of the matters where the taxpayers' money is concerned. Without a doubt, we could put the postal service on a self-supporting basis without doing any harm whatsoever to a single individual or business firm. Why we do not do it is a mystery to me. We should not lose sight of the fact that when the Post Office Department operates with a deficit it is the taxpayers' money which makes up that deficit. So, by increasing postal rates, not only would the deficit be eliminated but those using the mails would pay for the service. Furthermore may I say that before I leave Congress I hope that the Congress in its wisdom will adopt legislation which will permit the Postmaster General to adjust postal rates as is done in many other countries. I shall not take the line of least resistance and agree with some of my constituents that they should be subsidized. Rather I shall face the issue and point out to them that they would actually save money if they would endorse a plan to put the Post Office Department on a self-supporting basis, and if you please, make needed reforms in other Federal agencies.

Mr. Chairman, there is one other matter that I would like to mention briefly, and that is the program of the lease-purchase contracts. On this program we are permitting Federal agencies to do indirectly what they are prevented from doing directly, and that is to have buildings erected for purchase by the Government.

For instance, the Post Office Department, or for that matter, other agencies,

may cause to be built on Government-owned land a building and then agree to pay an annual rent of so much for a period of 25 years, and at the end of 25 years, the building automatically becomes the property of the Federal Government. We have established before the committee that when the Government enters into one of these lease agreements, the agreement cannot be canceled. The Government enters into a firm contract to purchase and at the end of 25 years, the Government has paid for the building and takes title. See testimony on page 221 of the hearings and you will find that the department heads admit they are buying the buildings on an installment basis. Now, under such an arrangement, and notwithstanding the fact that it is claimed that the annual payments are made out of the rent allowance, the Government is paying from two and one-half to three times more for the buildings on the lease purchase basis than it would pay if the Government entered into a direct building program and constructed these buildings out of a direct appropriation.

On the lease-purchase agreement, the landlord must build the building on Government-owned land and he is permitted to include in the lease-purchase agreement 4 percent interest on the investment, whereas the Government could borrow money at 2½ percent. He is permitted to include municipal and State ad valorem tax, which in many instances would be in excess of 4 percent per annum on the investment, whereas the Government pays no ad valorem tax on its buildings. He is permitted to include all fire and other types of insurance, whereas the Government does not carry insurance on its own buildings, and, for that matter, various other expenses are included.

So, I repeat, under this system, the Government is buying buildings on an installment basis and at the end of 25 years they will have paid, in all probability, 2½ to 3 times as much for the buildings as they would have paid had the Congress authorized such a construction and appropriated funds for construction.

The trend in government is very definitely toward this type of program and, for that matter, this trend extends into the proposed highway construction system. If we pass laws that permit this program to be put into effect, then in just a few years we will have another public debt of maybe tens of billions of dollars of which the public will not be aware. Now, as far as I am concerned, if we must build highways and Federal buildings, we should do so with a direct appropriation and not take it out from under the public debt.

So, I repeat, if we permit this trend to continue we will have another public debt that is hidden from the public, and it may equal in dollars the public debt that is now listed on the Treasury's statement.

I recommend that the membership take a very, very close look at this lease purchase agreement that is now breaking out in many Federal agencies, because it is true that in a short time we will have a hidden public debt maybe equal to the public debt that we observe on the Treasury statement.

Mr. BYRNES of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. PASSMAN. I yield to the gentleman from Wisconsin.

Mr. BYRNES of Wisconsin. The gentleman is bringing up a point that probably should have more consideration of the House and the Congress than it has had. But there is one question that occurs to me in conjunction with that. We have today existing throughout the country, particularly in the Post Office Department as a very good example, old, dilapidated buildings, buildings for which the construction of new ones were authorized as far back as the thirties. But we postponed because of the fiscal problems of the Government and the Nation in the thirties, then postponed further by reason of World War II. Then we provided for the purchase of land and the acquisition of sites, but then again the construction of buildings was postponed due to the Korean war. Now, you have to have these facilities. It seems to me that the Congress unless it does proceed by way of these purchases must make up its mind that it is going to provide funds for the actual construction of buildings. We cannot just delay construction of these buildings any longer. I think we have a horn of the dilemma there as to which is the right way to proceed, though we have to proceed one way or the other pretty quick.

Mr. PASSMAN. I thank the gentleman. Why do we not face up to the issue, because you are doing by indirection what you are not permitted to do by law, and that is to draw plans and specifications, get an individual to build a building on Government-owned property, then pay him what we refer to as a rental but what in reality is an annual installment on the purchase agreement. If this carries over into the highway program and other agencies, we will very definitely have a hidden public debt that may be truly alarming.

Mr. BYRNES of Wisconsin. I agree with the observation that the gentleman makes, but I do not think we can avoid facing up to the responsibility of doing something in these areas. If we do not do it directly, then the only alternative is to take the lease-purchase agreement, because certainly we have got to do something, and in many of these areas today we are doing nothing.

Mr. PASSMAN. If you will read the testimony in the hearings, you will find that the Department heads testified that they are actually purchasing these buildings on an installment basis, and when you take into account the many items that the landlords are permitted to include in the lease-purchase agreements, I assure the gentleman that in 25 years we will have paid from 2½ to 3 times as much for the buildings as we would have paid had the Congress made a direct appropriation.

Mr. SCUDDER. Mr. Chairman, will the gentleman yield?

Mr. PASSMAN. I yield to the gentleman from California.

Mr. SCUDDER. I believe the gentleman is a little extravagant in his figures. The Lease-Purchase Act came before the Committee on Public Works, and it had a thorough discussion on the floor. Rather than 25 years being the rule for purchase, it is rather the exception. The law provides that you can pay from 10 to 25 years in order to purchase these buildings under a lease-purchase contract. Now, there was a question raised as to the taxes that you were going to be compelled to pay on the buildings while they were under private ownership, but again the committee looked thoroughly into that, and there is a cry throughout the entire country that we have too much Federal property off the local tax rolls, and this cannot make a shock on the town or the community in which the building might be located. It provides that the town would be collecting the taxes for a service in the town that the Government was using. So, there are several sides to the question. It is not a loss. The money you pay for taxes to the local government is not wasted. You are simply paying it back into another governmental agency.

Mr. PASSMAN. I thank the gentleman. That type of thinking is getting us off the right track. And, I may say that I am on the conservative side rather on the side of being extravagant, because I am familiar with situations where you have municipal and State ad valorem tax, and I know in some instances you pay a tax equivalent to the assessed value of your property every 20 years. I repeat, I think I am on the conservative side when I state that you will pay from 2½ to 3 times as much for buildings purchased on the lease-purchase program. If we go too far on such programs, we will have a tremendous hidden public debt. Am I correct in saying that these buildings that I am referring to must be built on Government-owned property and the Government takes title in 25 years?

Mr. SCUDDER. No.

Mr. PASSMAN. That was established in our testimony.

Mr. SCUDDER. It does not have to be built on Government property. The Government takes title to it after a 20-year period, which would be the usual contract. I believe Congress must look very thoroughly into the way this law operates, because it could turn out badly. But, I think it can operate very beneficially toward bringing about a building program throughout the country without doing any particular damage to the Federal Government and still give us buildings that we can occupy while they are being paid for.

Mr. PASSMAN. Of course, we are not pursuing that policy in the District, where we are permitted to erect public buildings. This is one place where we are building because the Congress appropriates money for public building.

Mr. SCUDDER. I thank the gentleman.

Mr. WILSON of Indiana. Mr. Chairman, I yield myself such time as I may require.

Mr. Chairman, I want to take a few minutes to compliment our distinguished chairman, Mr. VAUGHAN GARY, for the splendid job he has done on the appropriation bill for the Departments of

Treasury and Post Office and the various bureaus and divisions within those agencies. Also I wish to express my sorrow that our distinguished colleague on this side of the House, the ranking minority member of the committee [Mr. CANFIELD], is unable to be with us today because of illness.

I concur in the statement of the gentleman who preceded me that our chairman, Mr. VAUGHAN GARY, and our ranking minority member, Mr. GORDON CANFIELD, know as much about the work of these two departments as can possibly be known by Members of Congress. I have seen them differ, but always their differences were honest.

This bill comes before us with a unanimous report. Our differences were compromised in the subcommittee. We had some differences of opinion with Department heads on various items in the bill. Time will confirm our wisdom or lack of wisdom in composing the differences and in making the cuts which we made.

I think our Postmaster General has done and is continuing to do a good job under conditions beyond his control. I realize there are some conditions under which he has to work that are not conducive to the most efficient and effective dispatch of the mail.

For many years postmasters of this country have been under political patronage. Some people think that is bad, some think it is good. Evidently the Congress some time ago thought it was bad, for it proceeded to transfer the postmasterships from the political patronage system to Civil Service. I disagree with that, and I think time has proven those responsible were entirely wrong. The postmasters are out there on the firing lines to administer the directives of the Postmaster General, who is a Cabinet officer of the President serving at the time.

Our present situation I regard as particularly bad because we had 20 years of postmaster appointments under one political party. If any Republican ever got an appointment as postmaster in that 20 years, I never heard of it, yet a portion of that time we were operating under the same merit system we are operating under now.

I hesitate to admit, being a Republican, that all the merit is in the Democratic Party.

Anyway, there are a few things I would like to have made clear now, and I think every Member of Congress deserves to have these points clarified. I know it will be helpful to you, and I say this without malice or temper toward anyone. I say it because I want an honest and frank look at this situation.

Many of you perhaps have had the experiences such as I have had. I get letters every day from folks who think I should be able to pick a postmaster up and set him out and say, "That's it." I have people expecting to get around the civil service laws, or not understanding them. I explain to these people that this is a country of laws, and I thank God it is a country of laws. We have the proper procedures to follow in forcing people employed in public life to conform and live under those laws.

But that answer just simply does not satisfy everyone. Of course, I know most people know better, but a few are still insistent upon my going around the law and setting those postmasters out.

You may ask, if they were hired under the merit system legally and honestly, how could they all be Democrats? That is pretty hard for me to explain. I have to admit that the carryover postmasters are all Democrats. I would like to ask when that law was passed and I wonder if everyone involved realized what was being put under civil service. Can the chairman of the committee answer that for me?

Mr. GARY. I will say to the gentleman the postmasters were placed under the civil service by Public Law 720 of the 75th Congress, and they may not be removed except for cause under the provisions of that law.

Mr. WILSON of Indiana. They may not be removed except for cause. Now, Mr. Chairman, does that mean I can say, "Well, he is a Democrat, and he ought to be taken out." Would that be a sufficient cause?

Mr. GARY. The fact that a man is a Democrat would be cause for putting him in office but not for taking him out of office.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. WILSON of Indiana. I yield.

Mr. VORYS. Is this not the trouble, that these postmasters went in because they were Democrats, and as soon as they got in, they went under civil service and those who started in as political appointees suddenly under civil service became nonpolitical? If the original postmaster recruitment system had been under an actual merit system, there might be more merit in preserving the merit system when it comes to getting them out again, is that not correct?

Mr. WILSON of Indiana. There is no question at all but that these postmasters are loyal Democrats. They had to be loyal Democrats to get the appointments. From being Democrat partisans they are not likely to turn overnight into nonpartisans or into Republicans. So they are the same good Democrats today that they were when they were put into office. Many of them would like to see the Republican Post Office Department fail, to see the Eisenhower administration fail. Some would like to see inefficiency in the dispatching of the mail.

There are some good, honest Democrats, of course. But those who are not above the playing of shady politics are the ones likely to do things calculated to embarrass the Eisenhower administration. They are doing it every day. Their efforts are seriously retarding the efficiency of the Post Office Department.

I think the men who are charged with carrying out the orders of the Postmaster General should be under the patronage system, and should be of the same political faith so that they can sincerely try to make that Department of Government succeed instead of trying to make it fail and embarrass the administration.

Mr. REES of Kansas. Mr. Chairman, will the gentleman yield?

Mr. WILSON of Indiana. I yield.

Mr. REES of Kansas. I was not going into the political angle of this thing, but although the gentleman from Virginia [Mr. GARY] explained the situation he did not go one step further and say that those who were in office when the act to which the gentleman referred was passed, were given permission to take what is known as a noncompetitive examination, and if they qualified under that noncompetitive examination, then they were permitted to stay in those positions. It just worked out that this House and the other body approved legislation which permitted that sort of thing.

Mr. WILSON of Indiana. That was at a time when both the House and Senate were overwhelmingly Democratic.

Mr. GARY. Mr. Chairman, will the gentleman yield?

Mr. WILSON of Indiana. I yield.

Mr. GARY. Is it not true that since the adoption of the act, every postmaster now is required to take a civil-service examination? The Civil Service Commission gives this examination, and they submit to the Post Office Department the names of the three men who stand the highest in the examination. Then, the Post Office Department is permitted to select one of those three for the postmastership.

Mr. REES of Kansas. The only thing that I was trying to explain was that those who were in office during the 75th Congress, when the act was passed, were permitted to stay in those jobs if they passed a noncompetitive examination, and those same postmasters are there now unless for some reason they have been removed or separated from the service or retired.

Mr. GARY. Some of them may be out. This was a long time ago, and I dare say many of them are out, but unquestionably some of them are still in office.

Mr. REES of Kansas. That is right. The gentleman is correct, but after that act was passed, then from there on they are required to take a competitive civil-service examination.

Mr. GARY. That is right.

Mr. WILSON of Indiana. May I impose upon the distinguished gentleman from Kansas [Mr. REES] for about 2 minutes to tell us how we can remove postmasters from their present positions? I would like to have that in the RECORD.

Mr. REES of Kansas. I do not know of any way by which you can remove any postmaster who is presently in his position except and unless he has violated the law in some respect. He cannot be removed for a political reason, if that is what the gentleman is asking about.

Mr. WILSON of Indiana. That would require an investigation based on charges which would stand up under investigation by the Civil Service Commission and possibly by a court of law. Is that correct?

Mr. REES of Kansas. I think that is a fair statement.

Mr. WILSON of Indiana. I thank the gentleman from Kansas. I believe you are a past chairman of the Committee on Post Office and Civil Service, is that not correct?

Mr. REES of Kansas. That is correct.

Mr. WILSON of Indiana. And you are the ranking member now?

Mr. REES of Kansas. That is correct, I am the ranking minority member.

Mr. WILSON of Indiana. I thank the gentleman.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. WILSON of Indiana. I yield.

Mr. VORYS. I would like to ask the distinguished former chairman of the Committee on Post Office and Civil Service whether it is not true that the investigation of a postmaster to see whether charges would be warranted would be made by Civil Service employees appointed and holding office under the system that we have just described?

Mr. REES of Kansas. Those investigations are conducted by officials of the Civil Service Commission. That is correct.

Mr. WILSON of Indiana. In other words, you are trying to move Democrats who want to hold their offices, and you are using Democrats to investigate them and remove them. In my opinion it is a complete whitewash and amounts to nothing more.

Mr. CRETELLA. The facts are that 80 percent of the inspectors are Democrats.

Mr. WILSON of Indiana. You are lucky if you can find a Republican among them. I would vote for a bill tomorrow to put postal appointments on a bipartisan basis. That could be done in a way that would be equitable. I know it would be in the best interests of the Post Office Department. The present arrangement constitutes one of the biggest headaches that I have. I have responsibility without authority, and that makes it much worse.

Now, I think that is enough of the time of the committee on that particular point.

I did want to talk a little more about the bill. There are a few items in the bill in which I was very interested. We did leave money to be used for uniforms for carriers. I am happy that was left in. I hope it will prove adequate and I think it will.

Under the Treasury Department in this bill comes the Bureau of the Mint. For many, many years there has been underway a study as to what should be done about making the Bureau of the Mint a more efficient operation. We are presently halting the minting of coins at San Francisco. I think there will be continued there an operation for metal refining purposes. We have some very efficient employees there, who I hope can be placed somewhere else. It is a small mint, operating very inefficiently since it is old and substandard.

We have a mint in Philadelphia which is not operating at top capacity. In fact, we can make coins in the Denver mint and ship them to the east coast cheaper than we can make them in Philadelphia. The mint in Denver is our most modern and most efficiently operated mint.

A few years ago a survey was made with a view to relocating the mint. It was generally decided at that time that there would be one mint, modernized to the nth degree, and it should be placed near the center of population. I know that Treasury and mint officials considered locating that mint near Indianapolis. It looked as though, when the war came on, that we would build the new mint there. I hope that study will be continued, in view of the fact that Indiana is in the center of commerce, transportation, and population in the United States.

There is one important part of our program with which I am greatly concerned. That is port security, coming under the Coast Guard which is also under the Treasury. Port security may be the most neglected part of our national security program. I do hope that during the next year a thorough study will be made of our port security program and that definite, accurate, and sufficient means of bringing that program and that definite accurate, and place of responsibility in our national security effort may be accomplished.

Mrs. CHURCH. Mr. Chairman, will the gentleman yield?

Mr. WILSON of Indiana. I yield.

Mrs. CHURCH. I have interrupted the gentleman in a very fine speech because I wanted to express my own concern and seek reassurance concerning the cut in the appropriations for the Coast Guard. I noticed on page 6 of the report that the recommended appropriation is $153,750,000, a decrease of $250,000 in the estimates and a decrease of $2,059,300 as compared to 1953. I have noted that the reason advanced is that fewer numbers of personnel will be separated in 1956. I would like to ask the gentleman if he could assure me that, notwithstanding the decrease in appropriation it will not in any sense lessen the effectiveness of the Coast Guard on the Great Lakes.

Mr. WILSON of Indiana. I think I can give the gentlewoman reasonable assurance that the Coast Guard will have everything it has requested for operation on the Great Lakes.

Mr. GARY. Mr. Chairman, will the gentleman yield?

Mr. WILSON of Indiana. I yield.

Mr. GARY. May I say to the gentlewoman from Illinois that it will not effect the Coast Guard in any way. The only cut the committee made in requests was $250,000, which simply struck out some additional personnel that they requested for the operation of airplanes. We felt they could absorb that personnel without any difficulty.

The cut of $2 million to which the gentlewoman referred is a cut they requested themselves. They will not need the money in 1956 for the reason that they are not going to separate as many people from service next year as they did this year. This appropriation is based upon the fact that their present strength will be maintained rather than decreased. Had they continued to separate military personnel from the service they would have needed this money for separation pay, terminal leave, and so forth.

Mrs. CHURCH. I thank the gentleman for this reassurance.

Mr. WILSON of Indiana. I have concluded my statement, Mr. Chairman.

Mr. WILSON of California. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. WILSON of California. Mr. Chairman, the Coast Guard is in the difficult position of having to serve two masters—the Defense Department and the Treasury Department. In wartime, the Coast Guard operates under Navy control, and in peacetime under the Treasury. The Defense Department sets its pay scales, Treasury directs its operations, and the Public Health Service is supposed to take care of its medical needs.

Under this devious jurisdiction, medical care for dependents of Coast Guard personnel is vague, indifferent, and almost nonexistant.

Efforts have been made in the past to improve this situation, which I am informed, is a prime cause for low reenlistments of Coast Guard personnel.

The Coast Guard must be included in the new Defense Department's medical care bill, or separate arrangements must be made to care for Coast Guard personnel and dependents at any service hospital. As a valued and important member of our national defense team, the Coast Guard deserves equal status with other branches of the armed services.

Under unanimous consent, I include an article on the subject from the San Diego Evening Tribune.

CHANGES SOUGHT IN HOSPITAL CARE—REPORT HITS COAST GUARD MEDIC SETUP

(By John Bunker)

Although San Diego has 2 Navy hospitals, Coast Guard personnel here must travel 600 miles to obtain hospital care at Government expense.

Their families, at the same time, are not eligible for much of the medical care extended to dependents of Navy men and, to some extent, even to Navy civilian employees.

The strange situation of local Coast Guard fliers and sailors traveling more than half way along the State of California for hospital care when service hospitals are right in their own backyard is highlighted by a report on medical care for the Armed Forces just released by the Hoover Commission.

REORGANIZATION URGED

The commission has urged a drastic reorganization of the Government hospital system for more efficient operation and better care of service people.

It also urges medical care for coast guardsmen at the nearest military hospitals.

A San Diego-based Coast Guard plane recently flew a sick sailor from a Navy landing craft at San Clemente Island for emergency treatment at the naval hospital here. Some weeks ago a Coast Guard plane made a 1,400 mile flight to Mexico to bring back a badly injured man from a Navy ship.

Such flights are routine work for plane crews of the Coast Guard's Search and Rescue section here.

SAN FRANCISCO NEAREST

But if a coastguardsman needs anything but the most urgent medical care, he must go to the nearest United States Public Health Service Hospital in San Francisco.

Dependents of Coast Guard men are not admitted to Navy hospitals.

Denial of Navy medical facilities to Coast Guard personnel is a result of this service being a function of the Treasury Department rather than of the Navy, under which it operates only in time of war.

Capt. William B. Scheibel, commander, San Diego Coast Guard base, calls this hospital set-up "an impractical arrangement that makes for loss of valuable working time for personnel and an expense and inconvenience for all hands."

The Hoover Commission is of like mind. It proposes that United States Public Health Service hospitals be closed and that Coast Guardsmen and United States Coast and Geodetic Survey personnel and dependents be treated by military hospitals until a Federal medical insurance plan can be put into effect for them.

Scheibel believes that denial of Navy facilities to Coast Guard officers and enlisted men is one phase of "an inadequate medical program which tends to discourage Coast Guard reenlistments." Adequate medical care, he asserts, is as important as pay raises to keep good men in the services.

"For the sake of efficiency and the fullest use of our personnel," he says, "it would be much more logical to give the Coast Guard access to medical facilities requiring a minimum amount of travel time and time lost from duty."

WORSE IN HONOLULU

This situation, he says, assumes ridiculous proportions at some bases like that in Honolulu, where the Coast Guard station is next door to an Army hospital which admits CG men only for extreme emergency treatment.

There are two United States Public Health Service hospitals on the Pacific coast; at San Francisco and Seattle.

Scheibel emphasizes Coast Guardsmen do not object to treatment or standard of services at these hospitals, free to all CG ranks on active duty. They do object to traveling 600 miles when they could be getting the same treatment right in San Diego.

They feel service and facilities given them are equal to those in Army, Navy, and Air Force institutions.

MEASURE "SCUTTLED"

Representative GEORGE P. MILLER, Democrat, of California, asserted in a recent speech before the House Armed Services Committee that a bill to equalize medical care for Coast Guardsmen and their dependents with those of the other military services was scuttled by the Defense Department for fear it would put a greater burden on already-crowded Navy hospitals.

In the field of medical care for dependents, Coast Guardsmen here feel Congress can extend them more consideration.

They have found the United States Public Health Service hospital in San Francisco will admit children but only if a room is open and if a staff doctor is available with experience in pediatrics.

MUST PAY OWN FARES

Travel to and from the hospital is at the expense of dependents, a factor which forces most of them to seek private medical care here. No maternity care is provided anywhere by the Government for Coast Guard dependents, there being no facilities for obstetric care at United States Public Health Service hospitals.

Maternity and pediatrics care is one of the major activities in the dependents medical program at San Diego Navy hospitals.

In one respect, Coast Guardsmen feel they are well taken care of by the United States Public Health Service setup. There is a United States Public Health Service dentist stationed at the base full time and a daily clinic for first-aid cases and minor medical treatment.

About 200 men are stationed at San Diego Coast Guard Base. An average of 800 are stationed at Long Beach Headquarters of the 11th Coast Guard District, and on Coast Guard planes and cutters operating from there.

Mr. GARY. Mr. Chairman, I yield 15 minutes to the gentleman from Illinois [Mr. MURRAY].

Mr. MURRAY of Illinois. Mr. Chairman, I would like to compliment the chairman of our committee and the other members who have preceded me for a fine presentation, and also express my regrets that the able ranking minority member of this committee is incapacitated and unable to take part in this fine presentation to which he contributed so greatly.

Mr. Chairman, as a new Member of Congress it was a wonderful experience for me to serve on the Appropriations Committee. The experience was particularly helpful and pleasant to me with respect to my appointment to the subcommittee on Treasury-Post Office Departments and my participation in the hearings which resulted in the proposed legislation before the House at this time.

The pleasantness and helpfulness of my experience was due to the members of the committee representing both the minority and majority. I was most impressed by the efficient and pleasant method with which the chairman of the committee presided over the hearings. Subsequent to the questioning of the witnesses by the chairman and the other members of the committee when the questioning got down to myself there was very little, if anything, I could add to the testimony or evidence in support of the appropriation legislation. The bill as presented to the House is a compromise readily agreed to unanimously by all members of the committee as it well should be, for it is in connection with administrative branches of our Government whose functions are historically considered proper functions and obligations of the Federal Government.

The appropriation is most amply substantiated by the testimony presented. The refusal to make appropriation requested by various departments is documented by evidence rather than documented by lack of evidence.

There are certain points which I would like to call the attention of the House in connection with the appropriation which I deem germane to a consideration of this legislation. The President's budget message when compared with testimony in support of the appropriation with respect to the Post Office Department reminds me of the old story that the difference between a good lawyer and a legal genius is that a good lawyer will ask a client to give him the facts and then he will determine what the law is, while the legal genius will tell a client that he desires to discover what the law is and then will tell the client the facts.

I feel that the administration should be complimented because if the old story is true, there are a number of legal geniuses in the administration. At least with respect to those attorneys charged with interpreting the national debt limit.

During the hearings upon the Post Office's requested appropriation, much testimony was introduced concerning Government construction contracts under so-called lease-purchase agreements.

The testimony discloses that these so-called lease-purchase contracts are a complete misnomer. They are plainly and simply construction contracts payable over a period of years and not leases.

A lease in legal connotation always carries with it the power in the lessor to abandon the lease and subject himself to damages, depending upon the amount of rent the lessee is able to secure from someone else.

The evidence discloses that under these so-called lease-purchase agreements, the Government is obligated to pay not only the complete construction costs of the building which is to be erected upon Government-owned property but also local real-estate taxes and insurance premiums.

I have no quarrel with, as a matter of fact I favor, a public-construction program and I have no quarrel with the administration's labeling a construction program a rental program, but when the misnomer creates an added expense to the taxpayer, I feel I must object.

The misnomer in this case creates two additional expenses. It makes the Federal Government liable for local real-estate taxes. In six post-office buildings contemplated under this program, it is estimated that these local real-estate taxes will amount to $25,661.

I have no objection to the Government bearing its fair share of local taxation, but I do object to the Government paying local real-estate taxes through a private real-estate man and that is the case under the lease-purchase program.

Secondly, under the lease-purchase program the Government pays insurance premiums to insure against public liability resulting from an operation of a Government building by a private individual.

Obviously these two items create an added expense to the Government which would not be the case if the lease-purchase agreements were properly labeled.

The second point that concerns me is testimony disclosing an apparent feeling among the administration officials that narcotics is a matter principally of local concern rather than a grave national question. As a matter of fact, the testimony before our committee discloses that narcotics is most interstate in character. The testimony discloses that if the field of narcotics is not of national concern, then the constitutional provision delegating to the Federal Government jurisdiction over interstate commerce is meaningless. The testimony before the committee with respect to narcotics discloses that almost all, if not all, of the narcotics illicitly peddled in the United States is generated through interstate commerce or international commerce. The testimony discloses that where a State in the interest of local enforcement of this problem increases its penalties the bulk activities in peddling narcotics goes to another State. Obviously, with such a situation, it is the Federal Government's prime responsibility to attempt to control the illicit peddling of narcotics rather than one of local concern.

Information, not presented to the committee but which I received subsequent to the hearings before the committee, discloses a dangerous disregard

of the administration's responsibilities in the narcotics field. In an investigation conducted in Chicago, Ill., it was revealed that although the Federal Bureau of Narcotics in Chicago keeps records of each addict coming into the office, the records do not indicate whether the addict was a veteran or if the addiction was started in the armed services.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. MURRAY of Illinois. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. I want to congratulate the gentleman from Illinois, a new member appointed to the Committee on Appropriations, making his first speech to the House as a member of that committee. That is a correct statement, is it not?

Mr. MURRAY of Illinois. Yes.

Mr. McCORMACK. The gentleman is making a very powerful presentation, and I have listened with special interest to what he has said in relation to narcotics, because that is a matter of primary importance in the minds of all Americans. I have been very much concerned with the large importation of narcotics into the United States that we know is coming from Communist sources, and I have been concerned as to whether or not the Bureau of Narcotics and the customs service have received the appropriations that will enable them to meet this dastardly attempt on the part of the Communists to increase the importation of narcotics and to make more addicts of narcotics in the United States. We all know that the customs service is really the first line of defense to guard against it. Last year the guards were removed. They represented one of the important elements of inspection. I wondered if the gentleman was going to make any observation concerning weakening our protective services to our people against the importation of narcotics such as has taken place within the last few years.

Mr. MURRAY of Illinois. In my opinion, these budgets do not provide an appropriation sufficient to give our people the protection they need in the field of narcotics. In recent years the Bureau of Customs, according to the testimony, changed their method of inspection.

Mr. PASSMAN. Mr. Chairman, will the gentleman yield?

Mr. MURRAY of Illinois. I yield to the gentleman from Louisiana.

Mr. PASSMAN. Is it not true that this subcommittee allowed the Bureau of Customs and the Bureau of Narcotics every dime that they asked for, that we did not reduce their request at all?

Mr. MURRAY of Illinois. That is absolutely true. In this budget every dime that the Bureau of the Customs and Bureau of Narcotics requested was approved. The point that I am trying to bring out is this. In my opinion, to control effectively the illegal trade in narcotics there is a need of more Federal enforcement. I believe that the heads of the Bureaus of Customs and Narcotics are very capable men and doing an excellent job, but I believe somewhere, in the interest of economy, these officials have convinced themselves that narcotics is a matter for local concern. One of the most oft-heard excuses of an administrative official, whether he be a local administrative official or a Federal administrative official, is that a problem is not his responsibility, it is the responsibility of some other official. Here we have a problem of the gravest national concern, one that is obviously a national problem and one that properly comes within the scope of Federal jurisdiction. But in the testimony there is an apparent feeling among high administrative officials that, in the interest of economy and efficiency, the Federal Government should shirk this responsibility and leave it to the local law enforcement officers instead of asking for the amount of money needed properly to carry out the Federal Government's responsibility in this field.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. MURRAY of Illinois. I yield to the gentleman from Illinois.

Mr. YATES. Is it not true that quite frequently the Bureau of the Budget compels the agencies who are to appear before Congress to ask for a sum which may be inadequate, and that the amount that is requested and cleared through the Bureau of the Budget is not necessarily adequate to the purpose? In other words, quite frequently, the Bureau of the Budget will cut the request of the agency below an amount necessary effectively to carry out the purposes for which Congress passed the authorizing legislation so that even though the Appropriations Subcommittee may grant the entire amount requested by the agency, it still may not be the amount that is necessary fully to carry out their duties.

Mr. MURRAY of Illinois. That is absolutely correct.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. MURRAY of Illinois. I yield to the distinguished gentleman from Massachusetts.

Mr. McCORMACK. I think the gentleman clarified the point. I agree with the gentleman from Louisiana [Mr. PASSMAN] that the committee is not to blame; the committee has approved what was requested. But it is my understanding that in the Bureau of Customs, for example, when ships came in from abroad, especially from certain places where narcotics are grown, they used to have guards present who, in addition to inspecting the ship, searched members of the crew when they left the ship to see that they were not bringing narcotics in illegally. That is the way they detected attempts to bring in narcotics. Because of reductions in appropriations requested as submitted in the budget estimates the guard service had to be practically eliminated. That service was an important element in the detection of attempts illegally to bring narcotics into the United States.

Mr. MURRAY of Illinois. That is absolutely correct. That is a point that I was trying to bring out and I am glad that it was made so clear by our distinguished majority leader.

I should like to conclude by pointing out additional information that I received disclosing even greater evidence of a lack of interest of the administration in this very important field.

A perusal of the files of the Veterans' Administration hospitals conducted by staff members of the Crime Prevention Bureau of Chicago, which is doing very excellent work in this field at the local level, discloses that there was no information on alleged Korean veteran drug addicts in the Chicago area.

An interview with Dr. James Maddux of the United States Public Health Service, made by investigators of the Crime Prevention Bureau of Chicago, discloses that no information is kept in the office of the United States Public Health Service about the cause or whether the applicant is a veteran.

Drug addiction among veterans is regarded as a non-service-connected disability, due to the soldier's own misconduct, and the veteran would not be eligible for treatment in veteran facilities. Those found guilty of drug addiction while in the service are given a dishonorable discharge.

About 12 veterans have applied for aid to the West Side Veterans' Administration Hospital in Chicago, and have been referred to the United States Public Health Service as they are not eligible for outpatient treatment. No record of names or addresses is kept of these veterans.

By these statements, I do not wish to create the impression that among veterans if the addiction is due to prolonged illness and treatment for a service-connected disability or surgery that veterans are denied treatment. These veterans, of course, are treated at Veterans' Administration hospitals. There are few of these, however.

When I consider the apparent lack of concern to this national problem, with the tremendous expense that the problem is causing us, both in the health and welfare of our community, and in plain and simple economics, our administration had better awaken itself and take some action in this field before we have another example of "too little and too late."

The CHAIRMAN. The time of the gentleman has again expired.

Mr. GARY. Mr. Chairman, I yield 10 minutes to the gentleman from New Jersey [Mr. SIEMINSKI].

Mr. SIEMINSKI. Mr. Chairman, on this bill, I think we can say to the House that the hearings were good. The ideas submitted in the reports were plentiful. The attitude revealed was one of a definite desire to improve operations for the benefit of the taxpayer as well as to render him better and better service. So to Mr. GARY, the chairman; to Mr. CANFIELD, who is regrettably absent today; to Mr. PASSMAN, Mr. WILSON of Indiana, Mr. JAMES, Mr. MURRAY of Illinois; and to the witnesses and clerks, I think good thanks are due.

It is a temptation, in considering this bill, to develop an attitude that we must act like businessmen in all regards; that is, to make sure that we create a surplus so that profits can be shown. It is good to act like businessmen in giving our people high wages, good hours, fine working conditions, adequate vacations, and so forth. However, in that businesslike at-

titude, there is one danger; and that is to insist that postal salaries come out of the profits or be justified in the cost of running the post office. That is like saying to the military that its pay should be geared to the profits that PX's can earn; it is to say that salary increases for the military are to be determined on the basis of PX profits, else they stay where they are.

It is like saying, as they do in Europe and in Asia, that tax collectors are to be given a percentage of the taxes they collect to justify their keep. That is not the American way. We have designated the Ways and Means Committee to make sure that there are enough funds in the Treasury to give all concerned working for Uncle Sam their fair share of that Treasury. I hope we have heard for the last time of the necessity of justifying a postal pay increase out of postal operations. It is un-American.

The dangers that H. R. 4876 seeks to avoid in our economy, as I see it, are, among others, shortages in Treasury funds, job scarcity, shortages in necessities, delayed communications, delayed transmission of goods, services and the mails, faulty and expensive cost accounting, unfair working conditions, and unfair pay scales.

The benefits that H. R. 4876, this bill, seeks to create for the Treasury and the Post Office are, among others, to make sure that money is in full flow to create jobs. As the Secretary of the Treasury says, this is to be done whenever possible through private enterprise. It is our purpose in Government in this bill to make sure that jobs are at peak levels by keeping money, solid money, in full flow; money, like jobs, energizes people. With money and jobs we meet the needs in the life of our Nation; with it comes food, clothing, health, shelter, and education; with money and jobs we guarantee a growing and vibrant population thriving on a productive land.

We do not like to live in a vacuum, be it at home or with the world. That is why mail and the speedy delivery of it are so important. Around the world as well as at home, people want to be in communication with one another as quickly and inexpensively as possible. Like our daily papers, the mails must be on time to be of value and fully enjoyed.

I think the Bureau of Internal Revenue should be congratulated for the way it has encouraged the voluntary response in the payment of taxes in this country to keep going. This is one country in the world, outside of perhaps a few others, where tax collections are so completely and so voluntarily made. Abroad, as I said earlier, many tax collectors are given a percentage of the taxes they are able to collect. How can one trust a system of government that works that way? Our Bureau of Internal Revenue, through the years, has done well to preserve what is perhaps our most precious tradition; that is, trust in each other based on fair play.

With reference to the Bureau of Narcotics, what America needs, in my opinion, is more shine on the badges of our sheriffs all over the country. Sheriffs are our local law enforcement officials.

In the last 20 years, we have heard much about the FBI and other Federal Security and intelligence agents and very little about our sheriffs except in the movies in cowboy pictures. Perhaps it has been because of widespread interstate gangsterism and the growth of foreign threats that our sheriffs have been eclipsed as they were.

I hope, as tensions ease, that more and more credit for law enforcement will go to our sheriffs. It does now in Hudson County, N. J. There, as the hearings disclose, Sheriff Bill Flanagan is doing an outstanding job in law enforcement on all fronts, including narcotics.

I think the State of New Jersey merits the compliment paid it in the hearings; from its Supreme Court officials to its sheriffs, all have closed ranks on narcotics. They seem to have the narcotics problem under control, and I know, were he here, the gentleman from New Jersey [Mr. CANFIELD] would share in paying tribute to them in that respect.

In closing, to my colleagues on the committee, and to each of the witnesses who appeared before us, congratulations for a job well done. I think the bill should pass.

Mr. WILSON of Indiana. Mr. Chairman, I yield 2 minutes to the gentleman from Kansas [Mr. REES].

Mr. REES of Kansas. Mr. Chairman, I request this time to make two observations. I am sure the Postmaster General appreciates the splendid statements that have been made concerning the service he has rendered to the country during the brief period he has occupied this high Cabinet office. I want to join with them in expressing the view that the Postmaster General has made every effort in his power to improve the postal service and to run the Department as nearly as possible on a business basis as Government agencies can be managed.

I would like to inquire of the chairman of the committee with respect to the item minus $69,117,000 in this bill. I notice that the Post Office Department made its request for an amount less than last year. I observe also the committee saw fit to reduce the total appropriation $69,117,000. I notice there is a reduction of $36 million in the operations and $27 million in transportation. I have been under the impression the Postmaster General would make request only for such amount of funds as he deems necessary to properly run the Post Office Department. I would not want the service of the Department impaired because of lack of sufficient funds. I wonder why this cut of an extra $69 million was made.

Mr. GARY. No; the gentleman is in error in his figures. The bill which the committee has presented reduces the request of the Post Office Department $69,117,000.

Mr. REES of Kansas. My main point is that it is much less than the Postmaster General asked for; is that correct?

Mr. GARY. Yes; that much less than he asked for.

Mr. REES of Kansas. What was the occasion for the reduction?

Mr. GARY. But the bill is only $69,117,100 less than they had for fiscal year 1955. The Post Office Department requested approximately the same amount for 1956 that it had for 1955. So that it is not an additional cut. The basis for the cut which the committee has made is the fact that the Post Office Department has overestimated the volume of mail for the past 3 years. As a result, in 1954 they did not spend $104 million which the Congress appropriated. It is estimated that they will have an unappropriated balance at the end of 1955 of $52 million.

The committee considered, in view of the fact that they have overestimated the volume for the past 3 years, coupled with the fact that since the estimates were prepared the Postmaster General has issued an order discontinuing the so-called junk mail, which will tremendously decrease the volume, it was felt that a reasonable cut could be made, in view of that increased volume that was estimated at $69 million.

Mr. REES of Kansas. I thought it of importance for the committee to be informed why the reduction was made.

The CHAIRMAN. The time of the gentleman from Kansas has expired.

Mr. WILSON of Indiana. Mr. Chairman, I yield 2 minutes to the gentleman from Tennessee [Mr. PRIEST].

Mr. PRIEST. Mr. Chairman, I ask unanimous consent to proceed out of order, and to revise and extend my remarks.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. PRIEST. Mr. Chairman, I am very grateful to the gentleman from Indiana [Mr. WILSON], for yielding me this 2 minutes in order to call attention to the fact that today is the 188th birthday anniversary of Andrew Jackson, a very great American, who became seventh President of the United States.

Just a short while ago, at the request of the Ladies Hermitage Association of Nashville, Tenn., I placed at the bronze statue a wreath. This tall man of tough fiber, tough mentally, physically and morally, became known as "Old Hickory." In these days of international contentions, international contentions growing out of a frustrated world seeking to fight its way back to economic health and security, I believe we can well afford to emphasize in our national character some of the traits of this stalwart statesman, some of the traits of character that made him great and keeps him great in the memory and in the heart of the Nation.

Again I thank the gentleman from Indiana for granting me this time.

Mr. GARY. Mr. Chairman, I yield to the gentleman from Oklahoma [Mr. EDMONDSON].

Mr. EDMONDSON. Mr. Chairman, I ask unanimous consent to revise and extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. EDMONDSON. Mr. Chairman, in advance of any final action on this appropriation bill, I would like to submit several vital questions which bear directly on the question of adequacy of funds to carry on the fight against illegal narcotics:

First. I am becoming increasingly alarmed by the menace of narcotic drug addiction in this country. I note a similar distress on the part of many of my colleagues in this House and in the Senate, manifested by the extremely large number of bills and resolutions seeking investigation of the narcotic problem. Since the Customs Service is the first line of defense against the smuggling of narcotic drugs, I would ask if, in the opinion of the subcommittee on appropriations, the Customs Service is being supplied with enough funds to prevent this smuggling?

Second. Were officials of the Treasury Department and the Bureau of Customs questioned on this point? Do they feel they have sufficient funds to do an adequate enforcement job?

Third. If they had more money, could they do a better job?

Fourth. Are you aware that the attorney general of the State of New York stated a few days ago that the number of persons sentenced to prison for sale or possession of narcotics had risen nearly 50 percent in that State since 1951 and described these figures as grave and sensational?

Fifth. Is it true that appropriations at the Customs enforcement level would result in greater effectiveness than at other levels?

Sixth. Did your committee quiz officials of the Customs Bureau on the extent to which port security and internal security is affected by lack of Customs supervision of foreign vessels, by spot checks of the examination of passengers' baggage and other so-called calculated risks? Would you say that the security, health, and welfare of this country is being properly protected by the present method of enforcing the Tariff Act?

Seventh. With the threat of unconventional weapons being introduced by means of travelers carrying them in suitcases do you consider the present cursory examination of baggage a justified expedient?

Eighth. What percent of packets arriving by mail are being examined to verify their contents? Is not the small percentage of examination greatly increasing the odds in favor of the smuggler and providing limited protection to the honest importer? Could collections of revenue be increased by a more thorough processing?

Ninth. Do you consider the overall policies of the Customs Bureau consistent with our need for strong internal security?

Tenth. Has there been a record of infiltration into this agency by subversives or fellow travelers of the Communist line?

Eleventh. Did the Treasury Department influence of the late Harry Dexter White extend to the Customs Bureau? Are any of his associates in the Bureau?

Twelfth. Does the subcommittee consider that the management of this agency is such as is necessary to carry out the intent of Congress in the administration and enforcement of the tariff and other acts within the orbit of this agency?

Thirteenth. Has the subcommittee been in agreement with the Bureau of the Budget that enough funds have been requested that will make it possible for the Customs Service to carry out its functions?

Fourteenth. Has the subcommittee noted a serious impairment in the morale of employees?

Fifteenth. Would requests for supplemental funds be justified?

Mr. Chairman, I sincerely feel these questions should be answered in advance of final action on this measure.

Mr. GARY. Mr. Chairman, I yield the remainder of my time to the gentleman from Texas [Mr. PATMAN].

HOOVER COMMISSION PLAN TESTED

Mr. PATMAN. Mr. Chairman, the first Hoover Commission recommended that each agency of the Government reimburse the Post Office Department for the use of the mailing privileges used by such agencies. This recommendation was carried into effect by the passage of Public Law 286, which was signed August 15, 1953. The committee report stated:

> The objective of this legislation is in accordance with the recommendation of the Hoover Commission.

The Hoover Commission in January 1955 reported as follows:

> A little over a year ago the Post Office Department was freed of bearing the entire cost of Government mail and the unrealistic deficit this had caused. The individual agencies now pay the Post Office about $38 million a year. This is as it should be.
>
> It is alarming to note, however, that to develop their usage figures so that they may reimburse the Post Office Department the agencies are spending almost $3.8 million, equivalent to 10 percent of postage costs.

TEN-PERCENT INCREASE IN COST

That is an example of the results of a change that we made at the request of the Hoover Commission. Here is the same commission that requested the change to be made, the Congress made the change exactly as the commission requested, and the cost of taking the money out of 1 pocket and putting it into another pocket just on 1 item alone was $3,800,000. That is a 10-percent increase.

I am not claiming it goes clear across the board; it will not; but if it were to go clear across the budget with a $70 billion budget it would be an increase of $7 billion a year instead of a decrease. Certainly in this particular instance it does mean a 10-percent increase per year, the carrying out of just one recommendation of the Hoover Commission. I hope that the Members of the House will carefully read, study, and consider all the recommendations of the Hoover Commission before agreeing to accept them. I believe you would come to feel as I do that were we to give the consideration to these recommendations that they deserve it would require all of our time and attention just for the Hoover Commission alone; we would not have time to do anything else. Every week we get volumes of mail and dozens and sometimes hundreds of recommendations. If we gave them the consideration they deserve, we would not have time for anything else.

I think we should keep in mind that in at least one instance—and possibly you know of others—a recommendation of the Hoover Commission itself that was carried out to the letter by Congress, complied with 100 percent, instead of saving money by the millions, actually cost 10 percent more to carry out the recommendation and we lost money by the millions. So I think we should carefully scrutinize the recommendations and suggestions they make to us when we realize that they are just as capable of making mistakes as any other group. In fact, it is almost a separate branch of government. They have 411 members on their staff and officials. That is almost as large as the House of Representatives. They have been off for months making investigations and holding hearings just as we Members of Congress do. They have people there with a conflict of interest with public interest, admittedly so. Those 411 are making reports back to the 435 here on the floor of this House and they are making them so fast and so many of them that I doubt that we are capable of giving them the serious consideration they deserve.

I sincerely hope the Members will carefully weigh all these recommendations, because I am convinced that a large number of them, just like the one I cited, are certainly not in the public interest.

Mr. WILSON of Indiana. Mr. Chairman, I yield to the gentleman from Utah [Mr. DAWSON], for a consent request.

Mr. DAWSON of Utah. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Utah?

There was no objection.

Mr. DAWSON of Utah. Mr. Chairman, I am amazed at the action of the House Agricultural Committee in reporting out a measure that would continue a farm program that has proved, at a cost of billions of dollars, that it is not solving the farmer's problems, that it is contributing to mountainous surpluses, that is encouraging bad conservation practices, and that it is actually threatening the livelihood of a large segment of our farm people who must buy supported crops in their own farming operation.

No one can deny that our farm income has declined and is continuing to decline under the rigid price-support program. What then is the committee's solution? Continue the program.

Last session of Congress, at the request of Secretary of Agriculture Ezra Taft Benson, we passed legislation to put the support program on a flexible basis between 82½ and 90 percent of parity. This program—the result of months of study and consultation—will not operate until the crops are in this fall. Now we are asked by a majority of the House

Agricultural Committee to junk the program in favor of continuing the one we have—the program that costs taxpayers $700,000 per day in storage alone and a program that has not stopped a continuing decline in farm income.

In other words, we are asked to accept a program that is failing—and failing at great expense—rather than try a program that has been developed after consultation with the best brains in agriculture.

Why should there be this fear of trying the limited flexible program we adopted last session of Congress?

A year ago—operating under a special provision of the rigid support law—the Secretary of Agriculture dropped the support price on dairy products and milk from 90 percent to 75 percent. What has been the effect of this action during the past 11 months?

The consumer has benefited. In 1954 per capita consumption of butter increased 5 percent, cheese consumption was up 3 percent, and the per capita consumption of fluid milk also rose. The major part of this rise in consumption of dairy products came during the latter part of the year, when the dairy industry's vigorous promotion program, coupled with somewhat reduced prices, resulted in the return of butter to many dinner tables. I am sure the resourcefulness of the industry, as exhibited by their sponsorship of the Disneyland show over television, will not only result in a continued rise in the consumption of dairy products for the health of us all, but will in the near future bring supplies and demand in balance. With this program working, should we again return to rigid supports as advocated in H. R. 12?

The dairy farmer is benefiting. In January of 1955, according to the Department of Agriculture, the dairy farmers received 84 percent of parity for all milk—only 2 points below the level of last spring, when price supports were still pegged at 90 percent of parity. And the threat of a large overhanging surplus of Government-owned butter—a surplus that not only threatened the market price but might have led to a revolt on the part of consumers—is being diminished as Government stocks drop. The farmer's new market is not dependent upon the will of Congress. It is based on the firm foundation of consumer preference.

The taxpayer is benefiting. The Government is still buying some butter—7.5 million pounds in January. But in January 1954 the Government purchased 28 million pounds for storage. And in December, for the first time in 2 years, not 1 pound of butter was purchased by the Government. Compare the purchase record for the 11-month period the dairy industry has been operating under the lower parity formula, with purchases by the Government for storage during the previous 11-month period. Butter purchases down 100 million pounds, cheese down 71 million pounds, nonfat dry milk down 55 million pounds. During the same time, the Department increased the movement of Government-owned surpluses into consumption. This program is working out. Is now the time to change? Here is what the Secretary of Agriculture had to say:

> Our study shows that raising the price of dairy products 5 percent (as proposed in H. R. 12) would increase milk production by a billion pounds, decrease consumption by a somewhat larger amount and cost the agency which undertook the operation approximately $125 million.

Certainly, as the Secretary observed, now is not the time to rock the boat.

Let us give the Secretary a chance to put his program into operation. The current rigid support program is not doing the job. Its continuance threatens to wreck our farm economy through the building up of greater and greater surpluses or, as an alternate, the complete regimentation of the entire agricultural industry of the Nation.

The CHAIRMAN. There being no further requests for time, the Clerk will read the bill for amendment.

The Clerk read as follows:

FACILITIES

For expenses necessary for the administration and operation of postal facilities, buildings, vehicles, and field postal communication service; uniforms or allowances therefor, as authorized by the act of September 1, 1954 (68 Stat. 1114); procurement of postal supplies and equipment; storage and repair of vehicles owned by, or under control of, units of the National Guard and departments and agencies of the Federal Government where repairs are made necessary because of utilization of such vehicles in the postal service; $155 million: *Provided*, That hereafter collections resulting from damage to Government-owned vehicles operated by the Post Office Department shall be credited to applicable appropriations and shall be available for meeting repair cost of such damaged vehicles: *Provided further*, That herafter collections from the sale of leather, metal canvas cuttings and old canvas resulting from the manufacture and repair of mail bags and locks, shall be credited to applicable appropriations and shall be available for meeting the cost of such manufacture and repair: *Provided further*, That the aggregate of annual payments for amortization of principal and interest thereon required by all purchase contracts entered into during the fiscal year 1956 pursuant to the Post Office Department Property Act of 1954 (68 Stat. 251), shall not exceed the unused portion of the $3 million limitation applicable prior to July 1, 1955, under section 202 (1) of said act.

Mr. GARY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GARY: On page 15, line 24, after "68 Stat.", strike out "251" and insert in lieu thereof "521."

Mr. GARY. Mr. Chairman, this is merely a technical amendment correcting an error in the printing of the bill.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Virginia.

The amendment was agreed to.

The Clerk concluded the reading of the bill.

Mr. GARY. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with an amendment, with the recommendation that the amendment be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. COOPER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 4876) making appropriations for the Treasury and Post Office Departments, and the Tax Court of the United States, for the fiscal year ending June 30, 1956, and for other purposes, has directed him to report the bill back to the House with an amendment, with the recommendation that the amendment be agreed to and that the bill as amended do pass.

Mr. GARY. Mr. Speaker, I move the previous question on the bill and amendment to final passage.

The previous question was ordered.

The SPEAKER. The question is on the amendment.

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND REMARKS

Mr. GARY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks in the RECORD on the bill just passed, to be confined to the bill.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

SPECIAL ORDER GRANTED

Mr. MEADER asked and was given permission to address the House for 30 minutes on Monday next, following the legislative program and any special orders heretofore entered.

REPORT OF RUBBER FACILITIES DISPOSAL COMMISSION

(Mr. PATMAN asked and was given permission to extend his remarks at this point in the RECORD, and to include extraneous matter.)

Mr. PATMAN. Mr. Speaker, the following testimony was presented March 10, 1955, before the Committee on Armed Services:

> Mr. PATMAN. Mr. Chairman, first I want to congratulate the chairman on the fine statement that he made. It clarifies the issues involved here.
>
> RESOLUTION TO DISAPPROVE
>
> Today at noon when the House meets I expect to introduce a resolution that the House of Representatives does not favor sale of the facilities that are recommended in the report of the Rubber Producing Facilities Disposal Commission. It would have been introduced yesterday, except for the fact that the House was not in session.
>
> The CHAIRMAN. Well, in connection with that I will say to the gentleman from Texas that under the law we have to consider it within 10 days.
>
> Mr. PATMAN. And Mr. YATES——
>
> The CHAIRMAN. We will call that resolution up in the morning.
>
> Mr. PATMAN. Mr. YATES has been designated by the chairman of the Committee on

Small Business to speak for the Small Business Committee against this disposal program.

I think he would like to talk this afternoon, as he is not prepared right now, because his statement has not been finished, I mean has not been mimeographed.

The CHAIRMAN. In that connection, we will have to set him down for tomorrow morning.

Mr. PATMAN. All right. I would like to——

The CHAIRMAN. Wait one minute, now.

When you introduce your resolution, it will be referred to this committee by the House.

Mr. PATMAN. Yes, sir.

The CHAIRMAN. Of course, under the law it doesn't have to be acted upon by the Senate if it is disapproved in the House. One body controls in the matter if it acts contrary to what is recommended by the Commission.

Further, as I put out in my statement, it will be a privileged status and the committee will have a hearing on your resolution and will commence in the morning to consider it. When we reach a decision, we will report it to the House. And under the rules, it goes to the House and is called up and there is 10 hours general debate.

Mr. PATMAN. How many hours?

The CHAIRMAN. Ten hours general debate. It is only 1 hour if you are discharging the committee.

Mr. PATMAN. Oh, yes, that is right.

The CHAIRMAN. But when it gets into the House on the resolution, it will be 10 hours general debate, half of it controlled by those of the committee who are opposed to the resolution and half for those for it.

In view of the fact that you are going to have a resolution, why not just wait until tomorrow morning?

Mr. PATMAN. And be heard on it?

The CHAIRMAN. And also Mr. YATES, and let the Commission go on, and let the Commission also comment on the resolution.

Mr. PATMAN. And I can be heard at that time?

The CHAIRMAN. Be heard tomorrow as the author of the resolution.

Mr. PATMAN. Yes, sir.

The CHAIRMAN. Yes. You will get your chance.

Mr. PATMAN. My statement will not be long, probably not over 5 minutes. But I should be very glad to wait until a resolution is introduced.

The following testimony is self-explanatory:

H. R. 2882 AND REPORT OF RUBBER FACILITIES DISPOSAL COMMISSION

HOUSE OF REPRESENTATIVES,
COMMITTEE ON ARMED SERVICES,
Friday, March 11, 1955.

The committee met at 10 a. m., the Honorable CARL VINSON, chairman, presiding.

The CHAIRMAN. Let the committee come to order.

The purpose of the hearing this morning is to consider two resolutions, H. R. 170, introduced by Mr. PATMAN of Texas, and H. R. 171, introduced by Mr. DOYLE of California.

Mr. PATMAN.

Mr. PATMAN. Yes, Mr. Chairman.

The CHAIRMAN. Members of the committee, we have the pleasure this morning of having Mr. PATMAN, who is the chairman of the Small Business Committee.

Mr. PATMAN, we are delighted to have you over here this morning. Now, take the seat right there.

Mr. PATMAN. Thank you, Mr. Chairman. I shall make——

The CHAIRMAN. Wait 1 minute. Before you start, for the record, I want to find out—now, are you speaking in behalf of the Small Business Committee, and by direction, or are you speaking in your individual capacity as a member of the House?

Mr. PATMAN. I am speaking as a Member of the House, and as chairman of the Small Business Committee, and for a majority of the members of the Small Business Committee.

The CHAIRMAN. Now, has it been brought up on the Small Business Committee?

Mr. PATMAN. We have not had an opportunity; yesterday at noon was the time that we were supposed to do it, but we could not do it yesterday at noon. We have not had time to have a meeting. But I was assured by a majority of the members of the committee that I could speak for them. Each, individually, gave me their assurance.

In addition to that, I conferred with the ranking member of the minority before I made any announcement.

The CHAIRMAN. How, in speaking on behalf of a majority, you mean by that you consulted your Democratic colleagues on the committee, and you are authorized to speak for that group?

Mr. PATMAN. Before I did anything, I conferred with the ranking member of the minority, as I usually do. And after conferring with him I conferred individually with other members.

The CHAIRMAN. All right.

Mr. PATMAN. And I can state to the chairman of this committee that I am speaking for a majority, and at the request of a majority of the members of the Small Business Committee.

The CHAIRMAN. All right. Now, proceed. Go ahead.

Mr. PATMAN. All right.

Now, Mr. Chairman, I will make a short statement, and Mr. Yates, designated by me, as chairman, will speak for the committee.

The CHAIRMAN. Well, the committee hasn't officially acted on the matter. He is speaking for a majority of the committee.

Mr. PATMAN. That is right.

The CHAIRMAN. The committee has not officially acted?

Mr. PATMAN. That is right; the majority rules.

The CHAIRMAN. We understand.

Mr. PATMAN. The majority rules.

The CHAIRMAN. That is right.

Mr. BATES. Mr. Chairman, I suggest the names of the members who have authorized Mr. Patman to represent them be inserted in the record.

Mr. PATMAN. Don't you think that is going very far, Mr. Chairman?

Mr. KILDAY. Mr. Chairman——

Mr. PRICE. Mr. Chairman——

The CHAIRMAN. We will get along very well if everybody will be quiet.

Go ahead, Mr. Patman, and make your statement.

Mr. PATMAN. If I were permitted——

Mr. KILDAY. Just a minute, Mr. Chairman. Let us see what the Chair means by his questioning.

Do I understand you are going to question the right of Mr. Patman to appear before the committee?

The CHAIRMAN. No, sir; not at all. That wasn't even intimated by any question of mine.

Mr. KILDAY. I am not too sure that it wasn't. What was the purpose of your statement whether he was appearing for the majority?

The CHAIRMAN. I just want the record to show that he is appearing in his capacity as chairman of the committee, and he stated he is not appearing on behalf of the committee by direction of the committee, but in behalf of the majority of the committee.

Mr. PATMAN. On my own responsibility, I state that I am appearing for a majority of the members of the Small Business Committee.

The CHAIRMAN. That is right.

Mr. KILDAY. What I want to know is, Are you going to require him to corroborate himself by placing in the record the names of the committee he is speaking for?

The CHAIRMAN. No.

ECONOMIC QUESTION INVOLVED

Mr. PATMAN. That was corrected for the record.

If I were speaking solely from the armed services standpoint, and the military standpoint, I would approve this, just like the chairman. But there are more considerations in this than the military armed services. Economic questions are concerned.

The committee that had to do with the establishment and construction of these plants was a different committee from this committee. I am not bringing up any point to question this committee, or any other member, because there is not a member of this committee who probably doesn't have better judgment on many major questions than I have.

But I am bringing up the question for the purpose of showing that the committee that established these plants, or under whose jurisdiction the plants were established, dealt with economic questions. Therefore, this committee has a greater responsibility in the question of disposal because it must necessarily consider these economic questions, and these are the questions to which I want to address myself briefly.

Mr. DURHAM. Well, Mr. Chairman——

Mr. PATMAN. If I were looking at this——

Mr. DURHAM. Would the gentleman yield at this point?

Mr. PATMAN. Sure.

Mr. DURHAM. This committee has not approved this yet. We are merely hearing it.

Mr. PATMAN. Yes.

Mr. DURHAM. He said we agreed with the chairman that we would adopt it just like it is.

Mr. PATMAN. The committee chairman said that yesterday.

Mr. DURHAM. Well——

Mr. PATMAN. He said that in his statement.

The CHAIRMAN. That is right.

Mr. PATMAN. Now, the good thing about this is that you are disposing of the plants to private industry. I am for it. We are all for the private-enterprise system. We want the profit system. We want to dispose of them. That part is good.

But how the bad outweighs the good is the fact that you destroy the competitive market in rubber, and you create a monopoly if this disposal plan is approved.

Those are the points that I want you to consider.

Now, the question of establishing these plants in the first place was a political question, but not a partisan political question. In a democracy it is a political question.

The question of disposal of the plants is a political question.

I didn't think that the question should be left up to three outsiders who were not elected by the people in a democracy, or who were not obligated to any person who was elected by the people. I didn't think that was the right thing to do.

ALTERNATIVE PLAN

The alternative I suggest to this plan is—and you will ask me for an alternative: That this committee and the comparable committee in the Senate get together and negotiate, themselves, for the disposal of these plants, because it is a political question, and when you get ready to report, deal with small concerns, and if they are not able to supply the capital that is needed and necessary to make the purchase, recommend to Congress that the capital be supplied by the United States Government.

The CHAIRMAN. Wait 1 minute, Mr. PATMAN. Let me interrupt you.

Then you suggest to us that the way to dispose of it—because you say you are in favor of disposing of it.

Mr. PATMAN. Beg pardon, sir?

The CHAIRMAN. You stated you are in favor of disposal of these plants, and put them in private industry. And you suggested an alternative approach to it, that the Armed Services Committee of the House, and the

Banking and Currency Committee of the Senate, get together, open up negotiations, and try to dispose of them?

Mr. PATMAN. And give the little fellows an opportunity to buy these plants, or some of them.

The CHAIRMAN. Well, now——

Mr. PATMAN. They have not had an opportunity, Mr. Chairman.

The CHAIRMAN. I wish you would point out wherein and in what instance a little operator has been denied the privilege of buying these big facilities?

Mr. PATMAN. Beg your pardon?

The CHAIRMAN. I wish you would point out in what instance a little operator, a small business, has been denied the privilege of bidding on these plants?

Mr. PATMAN. Well, No. 1, I think you required a $500,000 deposit. It would take a pretty good-sized concern to put up that amount of money.

The CHAIRMAN. And it takes a pretty good-sized corporation to run one of these plants.

Mr. PATMAN. That is right.

The CHAIRMAN. Because, as I visualize it, it is not in the sphere of small business. This is big business.

Mr. PATMAN. I know, but small businesses can own their source of supply, which is normally not a good thing. But in this instance it would be preferable to the monopolies owning it, and they are monopolies because they have control of the rubber supply.

The CHAIRMAN. There are 800 small fabricators throughout the United States.

Mr. PATMAN. Yes.

The CHAIRMAN. Did not these 800 have the opportunity if they saw fit to do so to organize corporations for the purpose of getting their end products?

Mr. PATMAN. They had no way of getting credit, Mr. Chairman.

The CHAIRMAN. Oh, well.

Mr. PATMAN. No way of getting credit. You see, if they went to the banks they would wind up in New York because that is the only place they can get that much money. And in the board of directors at that table passing on the application would be directors in the rubber companies. They wouldn't have a chance.

If they went to the insurance companies, the only other place they would have an opportunity to get that kind of money, they would find on that same board of directors representatives of these big oil companies and rubber companies, and they wouldn't have a chance. And it requires available capital, Mr. Chairman, and this committee could make that possible if they were to negotiate the deals.

Mr. BROOKS. Will the gentleman yield, Mr. Chairman?

Mr. PATMAN. Glad to yield.

Mr. BROOKS. I want to ask you this: You complain about the deposit required of $500,000. What deposit would you recommend should be required?

Mr. PATMAN. Well, that part is not so material, Mr. Brooks.

Mr. BROOKS. Well——

Mr. PATMAN. I mean from my standpoint, it is not so material.

Mr. BROOKS. From your viewpoint?

Mr. PATMAN. Except I don't want it so high—that part they could probably comply with, if they had available capital.

Mr. BROOKS. From your viewpoint, though, would reducing the deposit make any difference on an overall purchase?

Mr. PATMAN. No; that is really not the problem.

Mr. BROOKS. That is our problem.

Mr. PATMAN. The problem is the unavailability of capital.

The CHAIRMAN. May I call——

Mr. PATMAN. You see, there is no place to get the money.

Now, in this morning's paper, the New York Times, we find that an agency of this Government, wholly owned by this Government, with $1 billion capital stock provided by the Congress of the United States, is making a loan for a steel mill in Argentina of $60 million, and, in addition to that, it is making further loans with the suppliers of the equipment and it will probably come out $100 million just on that one mill in Argentina.

Now, the point I am making is—I am not criticizing that. It is probably all right. I haven't a word to say in opposition to it, except to show in comparison that if we are able to spend so much money in helping other countries like Argentina in building a steel mill, why shouldn't we be able to help these little fellows buy some of these rubber plants to have a competitive rubber market in the United States?

The CHAIRMAN. Now——

Mr. PATMAN. That is the point I am making, Mr. Chairman.

Mr. COLE. Mr. Chairman.

The CHAIRMAN. Mr. Cole.

Mr. COLE. I am not certain of the fact, but isn't it the fact that a number of small companies did organize and bid successfully for 1 or 2 of these plants?

The CHAIRMAN. The gentleman is correct. They organized what is called the American Synthetics. And we will develop and show how many participated in organizing it.

Now, let us analyze what our able colleague has just said. He says we just reject this, and then pass whatever resolutions are necessary conferring on the Armed Services Committee and the Banking and Currency Committee the right and power to open negotiations. Then, if we find anyone who wants to participate that hasn't the capital to participate, then some method be made by the Government to loan him the money.

Mr. PATMAN. In the bill——

The CHAIRMAN. That is your provision——

Mr. PATMAN. That is right.

The CHAIRMAN. That you are advocating before the committee?

Mr. PATMAN. That is exactly right, Mr. Chairman.

The CHAIRMAN. And we would take the money out of the Treasury or organize some sale debentures or bonds and then we would loan it to these people who want to go in this business?

Mr. PATMAN. Well, the money wouldn't be a problem, Mr. Chairman.

The CHAIRMAN. Now, why shouldn't we do that in every other enterprise, then?

Mr. PATMAN. There is a difference there.

The CHAIRMAN. Now, what is the difference?

Mr. PATMAN. The difference is that you are delivering lock, stock, and barrel the rubber industry of the United States to people who are known to have unconversational understandings about what they do.

The CHAIRMAN. I don't know anything about that. If you have any evidence of that the committee would be very glad to have you put it in the record.

Mr. PATMAN. I think the records of the courts are filled with it, and the Federal Trade Commission. And I am not attacking them from that standpoint. They have all been doing it. But it is well known and recognized, and we know when we deliver it to them that they have a monopoly.

It is not just a question of 1 year, of $260 million. The $260 million is insignificant in comparison to the principle involved here, and the monopoly that will be created.

The price of raw rubber has been going up since a year ago. It was 22⅜ cents 1 year ago. It has been increasing on the strength of the disposal of these plants because the people who were in the raw-rubber business knew that when these plants were owned by the private industry in the United States the price would increase on raw rubber. Raw rubber went up to 38 cents.

Mr. DURHAM. But it has gone down to 30 and we are still in the negotiating stage.

Mr. PATMAN. Beg pardon?

Mr. DURHAM. It has gone down to 30, too, today.

Mr. PATMAN. It may be decided they are not too certain, after all; I don't know about it.

But, anyway, it went up to 38 cents. That is a 15-cent differential. Well, a 3-cent differential means $50 million a year. A 15-cent differential means $250 million a year. They can pay for these plants in 1 year by raising the price up to that 15-cent differential. And they would be allowed to do it.

There is nothing in this contract that would prohibit them from doing it. They can make it all back in 1 year, and continue their monopoly.

And another thing I want to invite your attention to, Mr. Chairman: The Attorney General rather cautiously approved this. If you will turn to page 32 of this statement of the Rubber-Producing Facilities Disposal Commission and read his letter you will find that Mr. Brownell, the Attorney General, stated: "This is to advise you that on the basis of the information furnished to me by the Commission"—that is the three members—"I do not view the proposed dispositions as being in violation of the antitrust laws."

All right, the question is, What information was presented to him by the Commission? I think it would be well to find out, because next year, when something comes up and it is shown that this thing is not happening like you have thought, the Attorney General could say, "Well, I didn't have any information on that. I told the committee that I was acting on the basis of the information that the three Commissioners furnished" to him. So that is rather a guarded and cautious statement of approval.

Now, let me briefly run through here, if you will, please.

Mr. DURHAM. Let's get back to the price——

Mr. PATMAN. I just made some little notes.

Mr. DURHAM. Before you get away from the price.

Mr. PATMAN. Yes, sir.

Mr. DURHAM. Of course, you were talking about raw rubber, not synthetic rubber price?

Mr. PATMAN. That is right, in comparison to raw rubber.

Mr. DURHAM. What you are arguing, then, that the standard price of 23 cents under the Government at the present time will go up, say to the 30-cent range or the 38-cent range; is that the point you are making?

Mr. PATMAN. Yes.

Mr. DURHAM. You think it will do that?

Mr. PATMAN. I certainly do, and more. Raw rubber price is liable to go to 80 cents a pound. There is nothing to stop it. You see, when they get together—you know Royal Dutch Shell is pretty close to other governments that have to do with raw rubber prices, and they are big as a mule in this thing.

Mr. DURHAM. How much raw rubber do you think we are going to consume next year—synthetic?

Mr. PATMAN. I don't know, but synthetics for some purposes, as the gentleman knows, is better than raw rubber in some instances.

Mr. DURHAM. Don't you realize that these plants can produce now more synthetic rubber than is required in the market?

Mr. PATMAN. Well, I know. I don't think you will have any problem there. When the people who are now bidding for them get these plants you won't have any problems there.

The CHAIRMAN. Now, go ahead——

Mr. PATMAN. They can get together better than the farmers can.

Mr. COLE. Yes. Let's hear the rest of it, and go on.

Mr. DURHAM. They haven't proved it yet.

The CHAIRMAN. Go ahead.

Mr. PATMAN. There is no buying here except from the big fellows. The little fellows are out in the cold. Money is unavailable to the little man. The Small Business Administration only goes up to $150,000. Not enough to amount to anything in bidding on a rubber plant.

The private loan companies, of course, like the banks and insurance companies, as I explained, are not going to make any loan for this purpose, for obvious and well known reasons.

Under the plan as presented, the little man will have to depend upon this monopoly for a supply, or for his supplies. And they have their own outlets. They have their out outlets, I repeat. They are not interested particularly in just Tom, Dick, and Harry, and little business. They are already tied up with other big companies. They can put the price up, just like the price of aluminum was put up. And it will cost them something in one pocket, but they will put it back in another pocket—but the little guy who is the fabricator is squeezed out, just like some aluminum fabricators were squeezed out.

The integrated companies can regulate this thing so as to squeeze the little man out and not hurt themselves one penny. That is possible under this contract.

All right. In addition to that, they can put the double squeeze on them. You see, a lot of these rubber companies, through their subsidiaries, have retail outlets. In addition to what I have already said, they could take their supplies away from them, or increase the price. They can sell at a loss in opposition to the Vinson Service Station until the Vinson Service Station is put out of business, sell at a loss, absolute loss, and then having lots of outlets all over the country, lots of outlets all over the country—I repeat—they get a tax deduction for putting the Vinson Service Station out of business, thereby getting a premium or a bonus from the Government for destroying little business. They have several ways of doing this. And we shouldn't encourage it more by granting a monopoly to the rubber companies.

All right. The price, as Mr. DURHAM brought out, is not regulated here. It can go to $1 a pound. I don't think it will, for a while. But you cannot tell. It might go to a dollar a pound. It wouldn't surprise me if it went to 80 cents a pound.

And when this bill was up on the floor, the distinguished gentleman from Michigan, whom we all remember so well and favorably, and who is not with us any more, we are sorry, stated that there were many of the small business people out of the 680 mentioned by the chairman a while ago, or 700, who expected to get together and bid on these facilities. I don't know whether they did not not. They certainly were not successful bidders.

Now, in that debate, the gentleman from North Carolina, Mr. DURHAM, brought out that there were from 60 to 80,000 employees of these fabricators involved with these little fellows, and certainly we should make sure that they are protected.

Well, what assurance have we? Just the assurance of the people who are buying these plants. We are betting everything we have that they will carry out these promises. Will they do it? We don't know. I don't know, and you don't know, either. They don't have to do it. They can double the price of rubber if they want to. There is nothing in here to stop them from doing it.

And Mr. DOYLE, from California, stated that several small companies are preparing to bid. I am glad he suggested that. And I hope that they did bid. But they were not the successful bidders.

NO NEED TO RUSH SALE

So evidently, Mr. Chairman, this is just the big companies getting control of the rubber business in the United States. And it is more important than $260 million. There is no rush to have to do it now. It is too important for that.

This monopoly can be with us for the next 50 years, or the next 100 years. We don't want to do something here now for $260 million that will tie us up in a rubber monopoly for the next 50 or 100 years. And I urge you gentlemen to look at this not from the standpoint of the military question. You are out of the realm of the military now. You are out of the realm of armed services. You are in the realm of economics. And I urge you to look at this from the standpoint of the good of the entire people of this country, and competitive business, and giving some, or making some, safeguards for the independent merchants of this country, these small people, who, after all, keep the country going.

Mr. RIVERS. Mr. Chairman, may I inquire of Mr. PATMAN?

The CHAIRMAN. Mr. RIVERS.

Mr. RIVERS. Do you charge that the Attorney General has made no investigation other than just a passing approval of what is submitted to him by the Commission, charged with the responsibility of disposing——

Mr. PATMAN. Well, let me read his statement.

Mr. RIVERS. I know. I heard you.

Mr. PATMAN. I will leave it to you.

Mr. RIVERS. I am asking you.

Mr. PATMAN. It is just three lines.

Mr. RIVERS. Wait a minute. I am asking you.

Mr. PATMAN. I believe him. I believe he told you the truth.

Mr. RIVERS. What do you believe?

Mr. PATMAN. Here is the truth: "This is to advise you that on the basis of information furnished to me by the Commission"—on the basis of the information furnished to me by the Commission—"I do not view the proposed dispositions as being in violation of the antitrust laws."

Mr. RIVERS. I will ask you this——

Mr. PATMAN. I will just take his word for it.

Mr. RIVERS. Now, wait. I will ask you this: Do you further interpolate that under the law he is required to go no further or he is required to go further?

Mr. PATMAN. I am not criticizing the Attorney General.

I am accepting his word, giving full faith and credit to it 100 percent.

Mr. RIVERS. You are sure not giving him any bouquets. Wait a minute. Do you charge he has not gone fully enough into the investigation as far as the Sherman Act is concerned?

Mr. PATMAN. I am not charging either way. I am just accepting his word that he is only responsible——

Mr. RIVERS. Does the law require him?

Mr. PATMAN. No; his only responsibility is to the extent of the information furnished him, not by this committee and not by the Senate committee and not by any other group on earth, except those three Commissioners.

Mr. RIVERS. What does the law hold?

Mr. PATMAN. He says, "Upon the basis of the information furnished to me by those three Commissioners"——

Mr. RIVERS. Does the law require any more of the Attorney General?

Mr. PATMAN. I am not going into that any more, because I haven't examined——

The CHAIRMAN. The law says: "From the time of its appointment and throughout the course of its duties, the Commission shall consult and advise with the Attorney General in order to secure guidance as to the type of disposal program which will best foster the development of a free, competitive synthetic-rubber industry, and second, to supply the Attorney General with such information as he may deem requisite to enable him to provide the advice contemplated by section"—and section so forth and section so forth and so forth.

Now, Mr. PATMAN——

Mr. RIVERS. I just want to be certain that he has carried out the intent of the Congress, rather than the perfunctory appraisal of information submitted to him by this group.

The CHAIRMAN. Now, let's sum up what you have said to the committee, if you please.

You said to the committee that you are in favor of the Government getting out of the rubber business?

Mr. PATMAN. That is right.

The CHAIRMAN. And that you are in favor of free enterprise taking over the rubber industry?

Mr. PATMAN. Right.

The CHAIRMAN. Now, that is in line with what President Truman said.

Mr. PATMAN. Under proper and effective safeguards.

The CHAIRMAN. I think that is good, sound democratic doctrine. And let me read this:

President Truman says: "Two years ago I recommended that the Congress authorize transfer of the Government's rubber-producing facilities to private ownership and recommended a disposal plan."

All right, now you come in before the committee, and we have all the highest respect for your ability, because you are a distinguished Congressman; you have a great record behind you. And you do what you consider to be right and proper. When this bill was before the House last year you made a speech in opposition to it.

Mr. PATMAN. Made two, Mr. Chairman.

The CHAIRMAN. And made a motion to recommit the bill back to the committee——

Mr. PATMAN. That is right, Mr. Chairman.

The CHAIRMAN. And the House did not follow your line of reasoning on that.

Now you come in here and say, "Get rid of these plants, get rid of them as soon as possible, and put private industry in competitive business in the synthetic rubber field."

And the way you approach it is that 37 members of the Armed Services Committee and probably 15 or 20 members from the Banking and Currency Committee in the Senate—that we sit down and we open up a disposal program and we try to call in all the people of America who are interested and say to them, "We want to sell these 13 copolymer plants and so many butadiene plants and so many styrene plants and so many boxcars.

"Now, if you boys haven't the money come down to Washington city and we will finance it for you."

Now, isn't that what your proposal before this committee is this morning?

Mr. PATMAN. Well, you picture it up in a rather cumbersome way, Mr. Chairman.

[Laughter.]

The CHAIRMAN. I am picturing it up exactly like it appears. It may be cumbersome, but nevertheless, there is no window dressing about what I have said.

Mr. PATMAN. All right. Well, of course, I didn't have in mind doing exactly what you said. I had in mind you selecting a subcommittee and getting some experts, you know.

The CHAIRMAN. That is the same thing.

Mr. PATMAN. No. I beg to differ with you. There is a big difference, the way I see it. And actually, in carrying it out——

Mr. RIVERS. You would be sort of financing it, if you did that, wouldn't you?

Mr. PATMAN. Eventually it would get back to this committee and eventually it would get back to the Congress, where it belongs, because it is a political question.

The CHAIRMAN. All right. Now, Mr. PATMAN, one thing I want you to correct. The law requires a deposit of only $250,000——

Mr. PATMAN. All right.

The CHAIRMAN. Instead of $500,000 be made.

Mr. PATMAN. O. K. I stated the deposit wasn't as important as the availability of credit.

The CHAIRMAN. That is right.

Mr. COLE, any questions?

Mr. COLE. First, let me observe that I cannot completely subscribe to the chairman's statement that getting the Government out of business is a good Democratic doctrine. I do insist, however, that it is typical Republican doctrine. [Laughter.]

The CHAIRMAN. Nevertheless, oftentimes it has been charged that we were driving along socialistic lines, and I want to show that we are just as anxious as any other party to have free-competitive enterprise.

Mr. COLE. Let me inquire of our distinguished colleague, who has been interested in this problem for many years, when he became convinced that the disposal plan of the Commission was improper?

Mr. PATMAN. When was I convinced?

Mr. COLE. Yes; after looking at the Commission's disposal plan, when were you disposed——

Mr. PATMAN. It shows on its face that the big fellows are getting it and the small fellows are not getting it.

Mr. COLE. When were you convinced it was unwise?

Mr. PATMAN. I was convinced the little fellow had no source of supplies except from his competitors.

Mr. COLE. When did you find out about it?

Mr. PATMAN. I found out from leaks in the newspapers of what was going to happen.

Mr. COLE. The Commission's plan was publicized in late January, I believe.

Mr. PATMAN. That is right.

Mr. COLE. After studying it, when were you convinced it was wrong?

Mr. PATMAN. That is right.

Mr. COLE. When were you convinced?

Mr. PATMAN. I was convinced it was wrong when I was convinced the little man had no place to get his supplies except from his competitors. I don't think that is the American way. I think that is the way of dictators and monopoly.

Mr. COLE. When did that occur in your mind, the 1st of February, the 15th of February, or when?

Mr. PATMAN. I don't know the time. I don't think it is important.

Mr. COLE. To me it is highly important.

Mr. PATMAN. Well——

Mr. COLE. Otherwise, I wouldn't have asked you the question

Mr. PATMAN. I made up my mind when the little fellow was not given an opportunity to get supplies except from his competitor. I think that is un-American.

Mr. COLE. You didn't make that decision yesterday, did you?

Mr. PATMAN. Oh, it has been made a good while.

Mr. COLE. A good while?

Mr. PATMAN. Since I found out that the little fellows didn't come in. Now, Mr. Doyle said they were planning to bid. Mr. Shafer said they were planning to bid.

Mr. COLE. You haven't answered my question.

Mr. PATMAN. I thought they knew what they were talking about. Possibly they did bid, but they were not successful bidders.

Mr. COLE. You didn't answer my question. You said you became convinced the Commission's plan was unwise a good while ago.

Mr. PATMAN. That is right.

Mr. COLE. You reached that conclusion——

Mr. PATMAN. As soon as I found out the little fellows had no sources of supply except from their competitors.

Mr. COLE. You haven't answered my question.

On yesterday the chairman pointed out that not a single resolution had been introduced to suspend the Commission's plans. Why was it that, having been convinced some time ago in your own words, you waited until yesterday to introduce your resolution to disapprove the Commission's plan?

Mr. PATMAN. I thought it was such a raw deal——

Mr. COLE. Now, the gentleman has been a Member of the House for many, many years, and if he had been convinced some time ago the Commission's plan was unwise, he should have introduced his resolution of disapproval some time ago. Why did you wait until yesterday to introduce the resolution?

Mr. PATMAN. Honestly, my good friend, I thought this was such a raw deal that somebody in this committee would introduce a resolution or the committee would turn it down. I am not a member of this committee. I never muscle in on one of these committees. I only came in when I believed it is absolutely necessary.

The CHAIRMAN. Mr. PRICE.

Mr. PRICE. Mr. Chairman, perhaps I can cast a little light on that. I know Mr. PATMAN talked to me on this matter as much as a month ago, and he was wondering what our committee was going to do about it. And I made some inquiry. I think the staff can verify the fact that I made two or three inquiries from the staff about what was being done about this report. And I was given assurance that our staff was making a thorough study of it and that it would report to every member of the committee and give us a digest of this report and let us know what is meant and all the facts about it.

And I reported that to Mr. PATMAN. Mr. PATMAN has been thinking about introducing this disapproval resolution for not less than a month, but I think, in courtesy to every member of this committee, he waited to see whether one member of this committee would do so.

The CHAIRMAN. Anyhow, it doesn't make a bit of difference. He has his rights. He brought the issue before the committee.

Now, let me develop this one point, Mr. PATMAN.

Now, there are seven criteria set up in the statute. I want to read the first one——

Mr. PATMAN. They are all good, Mr. Chairman, I will agree with you.

The CHAIRMAN. Wait a minute. I want to read the first one. The program has to be designed to best afford small business enterprise users other than the purchasers of the facilities the opportunity to obtain a fair share of the end product of the facilities sold at fair prices.

Mr. PATMAN. Now, would you yield for a question on that, Mr. Chairman?

Mr. CHAIRMAN. Yes. That is what I want.

Mr. PATMAN. Who will enforce that provision?

The CHAIRMAN. Well, I will say this: I will submit for the record to show that in every deed of transfer there is a commitment to the effect that the producer of GR–S will furnish to small business a certain percent of what it now has.

Mr. PATMAN. Who determines for that producer?

The CHAIRMAN. What?

Mr. PATMAN. Who determines for that producer?

The CHAIRMAN. The commitment itself requires the purchaser to say, "When I turn out so many thousand tons of GR–S will furnish to small business a certain percentage of what it now has."

Mr. PATMAN. Who determines for that producer?

The CHAIRMAN. What?

Mr. PATMAN. Who determines for that producer?

The CHAIRMAN. The commitment itself requires the purchaser to say, "When I turn out so many thousand tons of GR–S."

Mr. PATMAN. Yes.

The CHAIRMAN. "I have to make available to these 800 fabricators over the United States a portion." And what do the facts show? As I put in the record yesterday, the facts show that the small consumer does participate.

Now, let's assume——

Mr. PATMAN. Wait. Would you let me make a statement right on that point?

The CHAIRMAN. Wait 1 minute. Let's assume——

Mr. PATMAN. You are mistaken about the 800.

The CHAIRMAN. Wait 1 minute. Let's assume one of these large people wouldn't make available a certain proportion. All right, what would happen? Why, of course, a small producer could bring a complaint and bring a suit. Because that is a part and parcel of the terms upon which the Government disposed of the property.

Mr. PATMAN. Would you yield on that?

The CHAIRMAN. And there is absolutely no danger that every small consumer in America by these covenants that are written in these deeds have an opportunity to get all the rubber that they need based upon what they have been using in the past and based upon what they will probably use for a great many years in the future.

So what impressed me was that the covenant in the deed is so positive—and I am going to put them in the record from each one of these corporations—that there is no likelihood of any small fabricator in America saying that this transfer does not insure to me an opportunity to get that which I want to purchase from some large fabricator.

Mr. PATMAN. Now, will the gentleman yield for a correction on that?

The CHAIRMAN. Yes.

Mr. PATMAN. There is nothing in these contracts about the 780 or the 800 fabricators. Their names are not mentioned. The phraseology "small business" is mentioned. But who determines the small business concern that will get this? It is the producer. They can organize their own small subsidiaries in competition of that Vinson service station or any of the rest of it and furnish them and say, "We have complied with the law." There is not a line or a word in one of these contracts. And if I am not mistaken, I want the chairman to point out any that specifically mentioned any 1 or all of those 780 or 800 fabricators.

The CHAIRMAN. Of course, it doesn't.

Mr. PATMAN. And they are under no obligation to furnish anyone else.

The CHAIRMAN. It does not say 800 users. But it does say that there is an opportunity for small industry to get what it needs and based upon what they have been using in the past, 127,000 tons, there will be far more tonnage available than ever used in the peak of small industry. So they are absolutely protected. It can't be argued—I put it in the record yesterday because I knew you were going to testify, and I thought probably you were going to testify on the danger that small business was frozen out. Small business is not frozen out. Small business, by the covenant and by what has been produced, can get all the GR–S that it needs to carry on its business.

Mr. PATMAN. Mr. Chairman, you are not that naive. That is just like sending a rabbit to the corner grocery to get a head of lettuce. [Laughter.]

Mr. PATMAN. They are going to take care of themselves first.

The CHAIRMAN. Thank you very much, Mr. PATMAN. If you have anything else, we will be glad to have——

Mr. DURHAM. Let me ask him just one question.

The CHAIRMAN. Any members of the committee have any questions to ask Mr. PATMAN?

Mr. DURHAM. Mr. Chairman.

The CHAIRMAN. Yes.

Mr. DURHAM. Mr. PATMAN, you, then, say to us that the terms of the sale contract is not a commitment to supply the small-business industry of the country.

Mr. PATMAN. Commitment in loose and general terms that can be easily avoided and will probably be avoided because of the competitors. They are competitors who are looking after other competitors.

Mr. DURHAM. You have read the commitment.

Mr. PATMAN. I have read part of them. I have not read them all.

Mr. DURHAM. You feel it is not a commitment?

Mr. PATMAN. But, Mr. DURHAM, what chance would a little guy have suing one of these big concerns in the courts or Federal Trade Commission or filing a complaint with the Department of Justice? It would be dragged out in the court for years and years and years and finally reversed 10 or 15 years later. The little fellows can't last that long. They are squeezed out rather quickly and suddenly.

Mr. DURHAM. That just doesn't——

Mr. PATMAN. That court business doesn't make sense at all.

The CHAIRMAN. Now, members of the committee, let me recall to you the commitment —and I am going to put them, as I said, in the record—Now, here is what Firestone in Akron said. They belong to the big four. Listen to this:

"Purchasers will sell approximately 20 percent of the GR–S rubber produced at the facility to small business enterprises." And that is written in every one of them, along that same line.

Mr. PATMAN. Sure it is but does not mean anything. They determine who gets it. It will possibly be a blackmarket within 90 days for the little fellow. They can organize their own small companies to sell to and satisfy the law according to your interpretation.

The CHAIRMAN. Now, thank you very much——

Mr. KILDAY. Mr. Chairman.

The CHAIRMAN. Mr. KILDAY.

Mr. KILDAY. I would like to inquire of someone, either the chairman or counsel or Mr. PATMAN, what the situation will be if Mr. PATMAN's resolution should be adopted by the House?

The CHAIRMAN. Well, then——

Mr. KILDAY. Would the——

The CHAIRMAN. Then under the law—— May I interrupt you?

Mr. KILDAY. Yes, sir.

The CHAIRMAN. Then under the law the disposal is disapproved and then the synthetic rubber plants will run until 1956——

Mr. PATMAN. 1956, that is right, 2 years more.

The CHAIRMAN. That is right.

Mr. PATMAN. You have got plenty of time.

The CHAIRMAN. I mean the act.

Mr. KILDAY. Is the Rubber Disposal Act in such shape that the Rubber Facilities Disposal Commission could again advertise for bids to sell?

The CHAIRMAN. No. They die. If the House rejects this proposal——

Mr. SHORT. Either House.

The CHAIRMAN. Either House; and even the Commission, they pass out of the picture. And the Federal Government continues until 1956——

Mr. KILDAY. Unless extended.

The CHAIRMAN. What?

Mr. KILDAY. Unless the authority of the Government to continue the operation is continued.

The CHAIRMAN. Oh, yes; unless we open it up by some other legislation.

Mr. KILDAY. As we have done on a number of occasions in the past.

The CHAIRMAN. That is right.

Mr. KILDAY. But for the purpose of disposal, we would have to have a new Rubber Facilities Disposal Act.

Mr. PATMAN. That is right.

The CHAIRMAN. Thank you very much, Mr. PATMAN. It is always a pleasure to have you here.

Mr. PATMAN. Thank you and thank the committee.

The CHAIRMAN. You are an entertaining advocate.

Mr. PATMAN. Thank you.

A BILL TO AMEND THE HOURS OF SERVICE ACT

Mr. McCORMACK. Mr. Chairman, I ask unanimous consent that the gentleman from California [Mr. MILLER] may extend his remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objeaction.

Mr. MILLER of California. Mr. Speaker, with the introduction of H. R. 4905, I propose to offer amendments to the Hours of Service Act governing the working hours of certain railroad employees. The act was amended the last time in 1916, and since that time changes in working agreements and other conditions of employment have necessitated a modernization of the Hours of Service Act.

The distinguished chairman of the House Committee on Interstate and Foreign Commerce has already found it advisable to introduce H. R. 4691 to accomplish many of the needed improvements in the act, and I wish to lend my support to this legislation by the introduction of my bill to take the following changes:

First. Railroad signalmen are brought under the act.

Second. The act is made applicable to employees engaged in or connected with any movement of any train on the tracks of interstate common carriers.

Third. The term "any 24-hour period" as used in the act is defined as the time an employee first goes on duty after having a legal rest.

Fourth. Consecutive and aggregate hours on duty have been reduced from 16 to 14.

Fifth. Every employee must be accorded at least 8 consecutive hours off duty within 24.

Sixth. Only rest periods in excess of 3 hours are not to be regarded as time on duty.

Seventh. Crews of relief trains or wreck trains are permitted to remain on duty only until the track is cleared and must then be released.

Eighth. Increase of penalties for violations from $100 to $500 changed to $500 to $1,000 respectively for each violation on the part of the carrier.

These proposed changes in the present act are far reaching, and much overdue, and after conferring with representatives of the railroad industry, I am convinced the bill will afford happier working relationships in that industry.

A BILL TO AMEND THE RAILROAD RETIREMENT ACT

Mr. MILLER of California. Mr. Speaker, it is a pleasure for me to introduce H. R. 4906 to amend the Railroad Retirement Act. My distinguished colleague, the Honorable J. PERCY PRIEST, chairman of the House Committee on Interstate and Foreign Commerce, has already introduced H. R. 4744 to accomplish this purpose. My conversations and correspondence with members of railroad labor have convinced me of the necessity of this legislation, and I am happy to lend my support by the introduction of this bill.

The first provision of this bill would permit widows of railroad men, who have accumulated rights under social security to draw benefits under both the social security and railroad retirement systems. The precedent for this principle was established at the last session of Congress when H. R. 356 was enacted to remove the prohibition against the receipt of dual benefits on behalf of the railroaders themselves.

Another provision of the bill would permit a spouse's benefit under railroad retirement to rise over $40. Present maximum is $40, but this bill would allow the spouse to receive the same benefit she would receive if she were covered by the provisions of the Social Security Act, which may rise above a monthly annuity of $40.

The third portion of my bill will prevent the spoils system from entering the employment procedure on jobs at the Railroad Retirement Board. It provides that these staff jobs are clearly covered by the civil service merit system without exception.

I feel this bill would accomplish long overdue corrections in the present Railroad Retirement Act and make it serve the railroad industry and its employees more efficiently and to greater advantage.

SPECIAL ORDER GRANTED

Mr. THOMPSON of New Jersey asked and was given permission to address the House for 30 minutes on tomorrow following any special orders heretofore entered.

TECHNICAL ASSISTANCE — BASIC PRINCIPLES AND FOREIGN POLICY OBJECTIVES

The SPEAKER. Under previous order of the House, the gentleman from New Jersey [Mr. WILLIAMS] is recognized for 45 minutes.

Mr. WILLIAMS of New Jersey. Mr. Speaker, the future administration of the technical assistance program and related activities should be a matter of grave concern to the Congress. As we know, the technical assistance program of the United States presently is conducted by the Foreign Operations Administration. Despite the fact that this agency is scheduled to terminate its activities on June 30 of this year, we in the Congress have been given no indication of what plans are being made to carry on and to improve the manner in which this very important program is to be administered. The chairman of the Committee on Foreign Affairs, of which I am a member, the distinguished gentleman from South Carolina [Mr. RICHARDS] has attempted to obtain from the executive branch information regarding their plans for the future of this program. To date these efforts have been to no avail. Isolated words of informa-

tion or rumor reach us from time to time, and, in general, indicate that plans directed toward carrying forward or improving the administration and policy of this all-important program are practically at a standstill. We run the very real risk of paying the price of administrative chaos after June 30 unless affirmative action is taken promptly to correct this deficiency.

TECHNICAL ASSISTANCE AS AN EXPRESSION OF AMERICAN BELIEFS

The technical assistance program, or the point IV program as much of this effort was formerly known, is a great expression of American beliefs in a democratic political society and a free dynamic expanding economy. Although the program costs very little relative to the costs of the defense support and economic aid programs it has in some instances, and can to a much greater extent, contribute to building true strength in the free world by showing our friends in less fortunate lands not only the advantages of political democracy, but also of life in an atmosphere of free and expanding enterprise as the means of achieving higher standards of living and meaningful economic growth.

In their efforts to achieve world conquest and domination by all means short of war, and I hope they will never resort to war when these other means fail, the Communists attempt to make allies of the plagues of hunger, poverty, and disease. They use these weapons to play upon the legitimate desires and aspirations of the people of the less developed areas of the world, and suggest to them that communism holds the answer to these problems. That the Communist conspiracy merely intends to accentuate tyranny is clear to us, but it is not always so clear to those presently suffering from poverty, disease, and unsatisfied needs.

Through a program of technical assistance and cooperation the United States offers not shallow promises and forecasts of doom, but rather a vital living cooperative program which is designed to help others set into motion the basic forces upon which they can develop themselves in freedom and in hope. To Communist preachment and incitement our technical-assistance program provides an irrefutable action answer. The Communists say "let us redistribute what little wealth now exists." Obviously, this would destroy all and benefit no one. By our actions and by our willingness to join with our allies in overcoming their problems, we say "let us create more so that all may enjoy more," and having said it, we go about helping them to get it.

What President Truman said in inaugurating the point IV program is as true today as it was when he said it:

> Democracy alone can supply the vitalizing force to stir the peoples of the world into triumphant action not only against their human oppressors but also against their ancient enemies—hunger, misery, and despair.

All true believers in our great tradition of American democracy and economic freedom will certainly agree to the statement of President Truman. They will also agree with the statement of our esteemed colleague from Michigan [Mr. MEADER], made on the floor of the House in 1951, when he said:

> This program is one upon which all Americans can and should agree. It transcends partisan tenets or consideration. It is founded upon the basic concepts of the freedom and dignity of individual men which are they very core of democracy. Neither the Democratic Party nor the Republican Party has dared nor will dare to abjure these basic sacred principles.

THE COST OF TECHNICAL ASSISTANCE

As we all know, the United States Government cannot, either at home or abroad, undertake to do all that needs doing simply because it is desirable to do, or that it would be a nice thing to do. We must examine proposals in the light of their priority and in the light of their cost. In this case, by so doing we will reveal another very strong argument for the United States technical assistance program. This argument is that it is a relatively low cost program, and the benefits to be derived so greatly outweigh its small cost as to provide a return relative to our investment second to no other program in existence today. I understand that in the technical assistance effort which was part of the Marshall plan, at no time did the cost of technical assistance exceed one-half of 1 percent of the total aid funds expended. Not only is technical assistance much less costly to begin with, but also it is the one program which creates residual and long lasting effects which, in turn, continue to generate benefits by building a solid base for continuing improvement. Put in another way, it can be said that technical assistance multiplies the effects of our aid program, whereas without it, straight economic aid is but a process of simple arithmetic. If a participating country has a gross national product of X billions of dollars and the United States were to extend direct economic aid in the magnitude of one-half billion dollars the total good to that country, by and large, would be to raise the gross national product by the sum of X plus one-half. However, if through technical assistance we were to help that country become twice as efficient, twice as effective, then, of course, what we would have done would be to help make the gross national product of that country 2X, which is, needless to say, much the greater of the two figures.

THE GOALS OF THE TECHNICAL ASSISTANCE PROGRAM

The strong moral and spiritual arguments in support of the technical assistance effort are well known to all of us. I believe they are accepted not only by most of the Members of this House, but also by most of the citizens of our great country. To many people these arguments alone would constitute a compelling reason for continuing and enlarging the United States technical assistance effort.

A somewhat different point of view was contained in a report entitled "Arab Refugees and Other Problems in the Near East," prepared by two of our distinguished colleagues from the Republican side of the House which stated in part:

> It is difficult to justify giving aid to foreign nations for any reason other than that it contributes to the attainment of the objectives of the United States foreign policy. Few Members of Congress could support the levying of taxes on the American people and then the appropriation of money so derived as charity. The prevailing sentiment in the United States is that contributions to charity should be made by each individual for himself, and should not be levied against him by Government fiat.

In cold fact the technical assistance program meets both requirements. It meets strong moral and spiritual criteria but it is not charity. It serves our national interest so well that it is difficult to imagine a program which can contribute more to the attainment of the objectives of United States foreign policy than a properly conceived and well-executed technical assistance program.

I believe that one of the major problems of the technical assistance program to date has been the need for a clear definition of its scope and philosophy in relation to other United States activities and for a clear understanding of the goals which can be reached and which we should attempt to reach through a technical assistance program. By outlining such goals now we will provide a yardstick against which proposed actions can be measured and with which our own actions can be assessed. And we will provide for those who will be charged with the eventual responsibility for administering and implementing our future technical assistance programs a clear and understandable frame of reference. We can call this yardstick the "foreign policy goals attainable through a technical assistance program." I shall first list my view of the goals—not necessarily in the order of their importance—and then explain each one briefly.

UNITED STATES FOREIGN POLICY GOALS ATTAINABLE THROUGH A TECHNICAL ASSISTANCE PROGRAM—MY VIEW

First. To strengthen and support the efforts of other free nations of the free world to build free institutions; liberate themselves from disease, ignorance, want, and tyranny, and to pursue so far as it is within their power to do, the effort to establish conditions for a full development of the individual human being.

Second. To maximize the use of existing resources—including human resources—and to obtain the fullest possible use of such mutual economic endeavors as may be necessary and desirable — for example, grants-in-aid, loans, guaranties, developmental assistance, defense support, and so forth.

Third. By contributing to sounder conditions of dynamic and expanding economies, to create conditions more conducive and attractive to United States private investment abroad than those which now prevail, thereby reducing the need for United States governmental assistance in the future.

Fourth. To help the citizens of other nations acquire the self-confidence and faith in the future which is essential to their own growth and strength.

Fifth. Through direct United States participation in bilateral technical assistance programs to manifest and demonstrate in the four corners of the free world our interest in the living standards and well-being of other peoples.

Sixth. To counter the growing Soviet interest and activity in technical assistance and exchange.

Seventh. To provide a rich and constant source of information and publicity favorable to the United States, its way of life, and its conduct.

Eighth. To earn the respect of the free world for our motives and methods.

Let us examine these goals more carefully:

First. To strengthen and support the efforts of other free nations of the free world to build free institutions; liberate themselves from disease, ignorance, want, and tyranny, and to pursue so far as it is within their power to do, the effort to establish conditions for a full development of the individual human being.

In all of the free nations of the world there are individuals and groups who are attempting to build their countries in freedom and democracy. In the final analysis, of course, the success or failure of their countries will depend on their efforts. But we can do much to help. There is no long-distance substitute for a willingness and ability to roll up our sleeves and do what we can to bring about these much needed improvements. Academic arguments cannot convince Indonesian peasants of the magnificent achievements of American capitalism. It has no meaning to them in terms of their own lives and conditions. In fact, our standard of living is not so much a common bond between us as it is a wall which can divide us. I do not for one moment suggest that our goal should be to enable Indonesia at this stage in history to enjoy the same standard of living as the United States, but it should certainly be to enable them to rise above their present wholly inadequate and dangerously low level of existence.

Second. To maximize the use of existing resources, including human resources, and to obtain the fullest possible use of such mutual economic endeavors as may be necessary and desirable—that is, grants-in-aid, loans, guaranties, developmental assistance, defense support, and so forth.

It is quite obvious that the true value of an existing resource—a tool or a machine, an acre of land or a laborer—is entirely dependent upon the use to which the resource is put. When, in an economic aid program, we make it possible for a country to acquire, let us say, $100,000 worth of machine tools, if those tools are then used at 30 percent efficiency, we are in effect getting 30 cents worth of aid for every dollar which we have expended—not a very good investment. On the other hand if, through a technical assistance program, we can improve and maximize the use of existing resources, labor force, industrial plant, and raw material, we will get first to the point where we receive full value, or where full value is generated, for the amount of aid which has been put in. Then we will receive compound interest on our initial investment without further cost to us from the fact that the total economy of the nation which we set out to help is growing and expanding and will need less and less help in the future. This is not only true in the industrial areas but is equally applicable in health and agricultural programs which greatly strengthen a country's total resources by making its labor force stronger, more capable, and more productive in all tasks.

Third. Through direct United States participation in bilateral technical assistance programs to manifest and demonstrate in the four corners of the free world our interest in the living standards and well-being of other peoples.

In this particular foreign policy objective, I am referring only to those aspects of our technical assistance program which are carried out bilaterally between the United States and the country concerned. Even though this point is not generally applicable to multilateral programs, there are, of course, other compelling foreign policy objectives justifying such multilateral programs, provided they are of a reasonable scale and scope.

The participation of United States citizens in such a program will manifest and demonstrate in the four corners of the free world—to literate and illiterate alike—the fact that we have an interest in their standard of living and well-being, an interest which in this program makes no reference to their ability or capacity to bear arms. Naturally we know very well that those individuals who have a standard of living worth fighting for are more likely to fight for it should it come under attack. But through this program, while acknowledging the compelling self-interest which makes it both necessary and possible, we can proclaim in truth that in our operation we are also motivated by a sincere desire to see other people obtain improvement and alleviation. This means a great deal to the enormous mass of people in the tremendously heavily populated, underdeveloped areas of the world. Many of these people have never seen an American. Or, if they have, it was a member of our Armed Forces who in time of war was unable to establish the kind of rapport and understanding so necessary and desirable in these troubled times.

No amount of vicious Communist anti-American propaganda can ever destroy the deeply felt, favorable impressions created when an American specialist or technician goes to work in a spirit of dedication and friendship in remote areas of the world to help other people in their unending struggle to help themselves. Not even the wiliest of Communists could ever pin a "warmonger" or "imperialist" label on such men or on the country which they represent and which makes their presence in these far-off lands possible.

Fourth. To counter the growing Soviet interest and activity in technical assistance and exchange.

Although the Russian efforts in this regard sometimes strike us as being crude and transparent, the participants in Soviet technical exchange and cooperation programs who are invited from the non-Communist world are not all so perceptive. I am informed that the Soviets appear to be increasing their all-expense visits to Soviet cities and industrial establishments and that they are including many non-Communists in their lists of observers and participants. The rich propaganda values of such visits are carefully and extensively exploited, not only in Russia and the Russian satellite territories but also, and perhaps more importantly, in the widespread free and uncommitted areas from which the Russians are drawing their participants.

Fifth. By contributing to sounder conditions of dynamic and expanding enterprise, to create conditions more conducive and attractive to United States private investment abroad than those which now prevail, thereby reducing the need for United States governmental assistance in the future.

For many years now we have known of the great need for investment capital in the underdeveloped areas of the world. We also know, I believe, that there are in the United States considerable sums of money which are available for investment in the right projects. Nevertheless, despite the efforts to create inducements for overseas investments through treaties and agreements concerning the fair treatment of overseas investors, protection against arbitrary expropriation, guaranties of convertibility of investment and reasonable profits, and so forth, plus a considerable amount of special urging from time to time, the simple fact is that American capital has not been flowing into these areas at any considerable or adequate rate, and no responsible economic authority is predicting that it will do so in the near future. Private capital, like good water, seeks the easiest course. There are far too many good investment opportunities in the United States and its great neighbor, Canada, for this to be otherwise. However, with each move of the underdeveloped areas to develop a position of greater economic strength and ability, with each step taken in these countries to develop along free, competitive, dynamic economic lines, with each conquest of an endemic disease, improvement in educational level and rise in the standard of living, we will most certainly create more of an inducement and more of an incentive for the flow of this much-needed capital investment.

Sixth. To help the citizens of other nations acquire the self-confidence and faith in the future which is essential to their own growth and strength.

People without confidence in themselves and in the future of their country are neither willing nor able to take the steps necessary to make their country stronger and better. We Americans are so used to believing in ourselves and in our own country, and we have such good reasons for doing so, that we may find it difficult to believe that such is not the condition in other areas of the world. And yet it is not. In many areas there is a marked reluctance on the part of the few people who have a reasonable amount of investment funds to invest it in their own country. And far too many of the pitifully few trained engineers, doctors, and professional men see so little future at home that they are active can-

didates for migration to lands which they think of as offering more opportunity. Well, some say, if that is so, why should we care? If they won't bother, why should we care? Unfortunately, that is not a satisfactory position. Because we are so interdependent and because our fates are so related, we must find ways of handling this problem and find ways of helping people develop a faith in themselves and in their country's future. The steady loss of needed personnel or a reluctance to stake too much on their own country's future can so weaken these countries as to make them fall prey to the lures of easy solutions being proferred so profusely and so constantly by the Soviet international propagandists.

Seventh. To provide a rich and constant source of information and publicity favorable to the United States, its ways of life, and its conduct.

The United States is engaged in a great information effort throughout the world. I believe that this is a very necessary part of our foreign policy. It is necessary to counteract the lies, distortions and inaccuracies willfully spread by unfriendly elements. It is necessary to present a true picture of this noble land and what it has achieved for all of its people by the belief and practice of political and social democracy in a full, competitive, dynamic, and expanding economy. When the truth is known, there can be little doubt as to which system offers the most to the peoples of the world—Communist slavery or democratic freedom. But the struggle is to make the truth known, and this is a serious and continuing problem.

Through the technical cooperation or technical-assistance program, we have what I believe to be a major opportunity to publicize the United States and the reasons for its greatness. Newspapermen and publicists usually need a hinge for a story. I would suggest that the best hinge we have ever had is the technical-assistance program. The activities of United States technical personnel in the field provide a constant source of material for our own informational media. In addition, and perhaps of considerably greater importance, these technical-cooperation activities provide a rich source of material for the information media of the participating country. Such indigenous stories, films, posters, and reports, and so forth, written by non-Americans for consumption and use in the country of origin, have a ring of truth, of genuineness, of sincerity, which no information from any outside source can duplicate and which, I might add, no equivalent amount of money could buy.

Eighth. To earn the respect of the free world for our motives and methods.

This last item, which is most certainly not last in order of priority, is worthy of our most serious consideration. Friendship and the willingness to stick together in times of adversity cannot be bought and cannot be demanded. Friendship is born of a mutuality of interests and must be founded on respect and trust. Respect breaks down into respect for our motives and respect for our methods. Obviously, to earn respect for our motives we must make them clear. We must take steps to insure that they are, in fact, known and understood by the people of the world. Obviously, unless our practices are consistent with what we say our motives are, we can never hope to attain true respect. That is why I place such a great deal of importance on the way in which our technical-assistance program is to be administered. The Congress can do an excellent job with regard to establishing a frame of reference, listing criteria and foreign-policy objectives, and providing necessary funds, only to have all of this negated by inadequate, unsatisfactory administration. It is therefore imperative that the Congress demand top performance from the administrative mechanism which is to be established, and the personnel who are to be charged with this responsibility. We should support their efforts wholeheartedly and let them know that we intend to support them so long as their performance is consistent with their crucial assignment.

OPERATING GUIDELINES

The following guidelines appear necessary and desirable for the operation and improvement of the technical-assistance program.

First. We can and should seek actively to find aspirations and objectives that are common to the people of other countries and to ourselves. The finding of this common ground has been made much more difficult by the unbalanced emphasis which has been placed in recent years on governmental programs of military assistance, or of economic assistance whose justification was made almost solely on security grounds. Many countries will tend to oppose such programs and to refuse to participate jointly in such programs because to do otherwise often would tend to weaken the very forces within those countries which we are most trying to strengthen. The mutual-security values of any program which strengthens the free world economically are self-evident. However, these must not be overemphasized or given undue prominence in program pianning and execution.

Second. A brief analysis of the gamut of United States technical assistance and other economic programs to date seems to indicate that although administered under the same agency, technical assistance has been, with minor exceptions, separate from other forms of aid, for example, economic grants, developmental assistance, and loans, defense support, investment guaranties, and so forth. In terms of our objectives this could mean much less than full value received for the aid dollar expended. Economic aid in whatever form should not be spent to perpetuate the kinds of economic systems and practices which created the very problems causing the need for aid. Technical assistance, properly conceived as an integral part of investment and developmental assistance, would obviate this problem.

Third. A major deficiency of the technical-assistance program in the past, it seems to me, has been its lack of stability, caused by the fact that it has been primarily on a year-to-year basis. In the less developed countries, practicable programs directed toward economic betterment cannot be accomplished in a very short time. The participating countries cannot organize effectively, cannot rechannel their limited resources, and cannot undertake numerous other serious changes without more assurance from the United States that we intend to carry on these joint program with them long enough to give such programs a reasonable chance of success.

Fourth. As I mentioned somewhat earlier in this speech, it is a mistake to believe that private investment can be the complete answer to the growing capital needs of the less developed countries. Nothing which has happened to date supports any contrary view. Private investment can play its appropriate part, and I know it is the strong wish of the Congress that this part should be an ever growing, ever increasing one. But a current and urgent need is for a prompt stepping-up of public investment activities along appropriate bilateral and multilateral lines. Only through such steps will the free nations of the world be able to take in a timely and effective fashion appropriate and adequate steps to follow up and build upon the foundation of improved attitudes and practices created through technical assistance.

ADMINISTRATION OF THE TECHNICAL ASSISTANCE PROGRAM

As I indicated at the outset it is not clear at the moment how or from which parts of the executive branch the United States technical assistance activities will be controlled and administered after June 30, 1955. Although at first glance the idea of integrated administration within the Department of State seems to present a happy solution to many problems, there are a number of reasons why it would appear desirable to keep the operating parts of this program separate from the regular duties of the State Department and the Foreign Service.

A technical assistance program proceeds from the assumption that others have something to learn from us. Of course, it does not deny that we also have much to learn from other people. We know from experience that in most instances what is needed from us is not merely new knowledge but the willingness and ability to apply that which is already known. This means overcoming resistance to change. It means winning men's minds through knowledge, respect, and friendship. It also means helping to sidetrack a stubborn supervisor, going around a somewhat less than open-minded petty official, or giving advice or even a developmental loan to a competition-minded producer being squeezed by a monopoly or cartel.

A program dedicated to change and growth does all of these things and more. These are the direct implications and ramifications of a technical assistance program after it really gets into action at the grass-roots level. It would seem unwise in the extreme to expect our Foreign Service to supervise or to participate directly in such a program. The primary diplomatic and reporting responsibilities of Foreign Service officers require that they avoid any action which may be considered as "interference in the internal affairs of other countries."

They cannot be expected to perform effectively their primary duties and at the same time operate a program which, even though by invitation of the participating country, by its very nature becomes involved in internal affairs and the need for change. Action programs such as technical assistance would operate more effectively, it would appear, if operating responsibilities were not under the Foreign Service in a direct fashion.

However, central direction and administration are required to prevent the administrative difficulties which were encountered by predecessor agencies, particularly the Technical Cooperation Administration. The experience of TCA indicates that although it is essential to use to the maximum the facilities and knowledge of the other Government agencies, total segments of the program cannot be "farmed out" to the various old-line agencies—Commerce, Labor, Agriculture, Interior, and so forth. Because undertakings frequently overlap and usually are very much interdependent, unified administration is necessary to effective control and coordination of the program, particularly in the field. Proposals to return to divided responsibility and control should therefore be looked upon with disfavor. In order to retain the desirable features of unified administration, therefore, it would seem important to establish a Technical and Developmental Cooperation Agency under an administrator responsible to the Secretary of State and, of course, approved by the Senate.

If we agree that: First, a great number of important foreign-policy objectives can best, and in some cases only, be attained through an effective technical cooperation and development program; second, that it is imperative for free world survival in the long run that the United States demonstrate that a free expanding dynamic economy holds the best hope for meeting the worldwide rising levels of expectation and demand; and third, that the key to change and improvement is to be found in the attitudes of men and their leaders, then it appears appropriate that this Congress should, among other things: (a) Authorize continuance of United States bilateral and multilateral technical cooperation and developmental programs for periods of at least 4 years; (b) through major bilateral programs insure the continued direct participation of a high percentage of United States nationals as technicians and specialists in providing on-the-spot technical assistance and support; and (c) establish a permanent Technical and Developmental Cooperation Agency under an Administrator responsible to the State Department to assume operating responsibility for these activities.

It is imperative that we act now on the vital problem of continuing and strengthening a bold and effective program to aid less developed areas now under Communist attack. Continuous debate on military solutions to Koreas, Indochinas, and Formosas as they arise overlooks the fact that such military action will be a profitable investment in freedom only if we, in cooperation with our allies, use the time so acquired to correct the more basic causes of Communist influences in those areas. In this situation of competitive coexistence it is essential that we insure that democracy has a fighting chance in the uncommitted areas of the world.

I believe the program outlined above would provide an effective and stable policy to move toward accomplishing this goal. It is by no means a panacea but would be a long step in the right direction. I earnestly hope the Congress will act to provide a firm, adequate—but even more imperative—stable foreign economic policy in the less developed areas of the world, particularly Asia, at this session.

Mr. MEADER. Mr. Speaker, will the gentleman yield?

Mr. WILLIAMS of New Jersey. I am happy to yield to the distinguished gentleman from Michigan.

Mr. MEADER. I should like to commend the gentleman for the remarks he is making on our efforts to aid the underdeveloped areas through the use of American techniques and know-how. The gentleman and I had the privilege of serving on the International Operations Subcommittee of the Committee on Government Operations of the House in the last Congress. I know that we shared some experiences and observations in some of the areas in Europe that we visited last November and December.

I want to thank the gentleman for referring to the remarks I made in 1951 in this general field. I should like to ask the gentleman whether or not he agrees with me that we could be doing, and could have done a great deal more than we have been able to accomplish, in aiding underdeveloped areas to help themselves if somehow we had been able to knock down the artificial barriers that inhibit the investment of private capital in these underdeveloped areas, so that they, through the use of their own private capital, and the generation of additional indigenous private capital and through the flow of capital from free democratic countries such as our own, could build a sound economic basis for supporting themselves and raising their level of living and strengthening themselves so they could defend themselves against aggression.

Mr. WILLIAMS of New Jersey. I certainly agree with the gentleman. As I see it, we must move forward on many fronts. Certainly increased private investment is a goal that we hope will be achieved. When we have reached that goal where private investment will seek out opportunities to help develop the resources of, and to produce products in the underdeveloped areas and in other countries too, we will be on the way to to what I think we agree is our goal of having strong, dynamic economics in the free areas of the world. I think, however, that at this time we must take cognizance of the fact that the climate for private investment is not good in many of the underdeveloped areas.

We have seen numerous attempts to improve this climate and to increase the flow of private capital to these areas. Each time our technical assistance program succeeds in helping to make one of these areas a better place in which to live or work, it adds to that area's appeal to private investors. Each time our technical assistance efforts help to strengthen the economic stability and growth of the free areas of the world we have added immeasurably to making that place more attractive to the prudent private investor.

As I say, the present climate is not good enough, but if our technical assistance program goes about the matter properly, I think it can be one of the best methods for breaking down some of the very real barriers to private investment.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. WILLIAMS of New Jersey. I yield to the very distinguished majority leader.

Mr. McCORMACK. Might it not well be said that an adequate technical assistance program is dynamic democracy, in the affirmative?

Mr. WILLIAMS of New Jersey. I think that is an excellent statement of just what technical assistance is. I agree with the gentleman.

Mr. McCORMACK. While we must rely in the world of today upon a powerful military organization, that is not the whole answer. That is negative, that is defensive. If we rely only on that, and I am for a strong military organization, we are letting the potential enemy select the battleground and we are putting ourselves on the defensive. But if we have an adequate technical assistance program that is the complete picture. It is carrying on in an affirmative way not only the spiritual truths our people believe in but the governmental ideals which come from the spiritual truths we believe in. It is affirmative action; it is a frontal attack, and we are attacking the enemy where the enemy are the weakest instead of permitting them to select the battlefront for us.

Mr. WILLIAMS of New Jersey. I certainly agree completely with the gentleman from Massachusetts. I would suggest that in the time we gain with our strong military potential and our military might—and we do gain time because this is a deterrent to aggression by the Soviets—unless we do go forward affirmatively, as the gentleman from Massachusetts suggests, I think our program is only half a program.

Another foreign policy goal which we can support with technical assistance is through direct United States participation in bilateral technical assistance programs to manifest and demonstrate in the four corners of the free world our interest in the living standards and well-being of other people. The participation of the United States citizens abroad is one of the best methods of demonstrating that we are interested in the standards of living for people in other countries. Of course, we have a self-interest goal in mind too, and it only makes sense that as we help other people to help themselves to a better standard of living and a better life free of disease, poverty, and hunger, we are helping them to a way of life that they will want to defend and a standard of living, which if threatened, they will join us in defending and fighting for. I think another goal which will be achieved is the goal of countering

the growing Soviet activity and interest in technical assistance and information exchange. While many of the Soviet activities in this field of technical assistance seem a little bungling to us and we might ridicule them, to the people who they are reaching, they are effective and unless we meet that threat with our own programs designed to win people to new and free economic ways, we are being beaten by the Soviets in this field.

Mr. MEADER. Mr. Speaker, will the gentleman yield?

Mr. WILLIAMS of New Jersey. I am happy to yield to my colleague who has made such an important contribution in this field over the years.

Mr. MEADER. In connection with what the gentleman said about the training of people in foreign countries which can be done through the activities of private American citizens engaged in business and industrial operations abroad, may I say to the gentleman that last evening I read a statement by the president of the Ford Motor Co., Henry Ford II, in which he recited that the Ford Motor Co. had a branch in Brazil and in that branch they had trained 6,000 automobile mechanics. That is the type of technical assistance which I believe is the most economical to the Government of the United States. We should encourage the investment of private capital in overseas areas where such operations as the training of 6,000 automobile mechanics can be accomplished without the cost of 1 cent to the American taxpayer.

Mr. WILLIAMS of New Jersey. I thank the gentleman for that example of private technical assistance. I only hope that as our American companies that have been so successful in making our economy the strong, free economy that it is, go abroad with their products and engage in manufacturing in other countries, that they take with them American ways and American initiative and genius which has given us our expanding and dynamic economy rather than to go to those other countries and perhaps get caught in restrictive ways in countries where they may find themselves.

Mr. MEADER. I think the gentleman has touched on a very important point there, and one which may inhibit the investment of private capital in foreign areas. That is the maintenance of monopolistic and cartel-like economic practices in some of those areas.

I believe that our efforts through our State Department representatives and through our representatives in the Foreign Operations Administration and otherwise should be to break down those artificial barriers which inhibit the free flow of capital to underdeveloped areas of the world so that their economies may be strengthened in the same way as the resources of our great country were developed, which led to the establishment of the highest standard of civilization that has ever been experienced in the history of the world.

Mr. WILLIAMS of New Jersey. I am in complete agreement with the gentleman and thank him for his contribution.

Mr. Speaker, another goal of our foreign policy which we can achieve and realize with technical assistance is to help the citizens of other nations acquire self-confidence and faith in the future which is essential to their own growth and strength. In this country we have all the confidence we need in our country and in our ability to be strong and free and to thrive, but in many areas of the world that is not true. Where there is no stability, where there is poverty and where there is just nothing that resembles the good life that we know, even the people native to those lands who are educated and are in a position to help their country do not have the confidence and faith to stay in their own country, but want to get out to lands where there are greater opportunities.

As our technical-assistance programs are successful, I think we will help to build confidence and faith among the peoples of other countries.

Another goal would be to provide ready, sustained sources of information and publicity favorable to the United States and its way of life and its conduct.

As we succeed in technical assistance, we will gather to us people who will be advertisers of the kind of system we feel is necessary for a free democratic life.

I think, finally, that with technical assistance we can earn the respect of the free world for our motives and our methods. I think it is important to fully and clearly state what our motives are. Then after we have stated those motives we have to back up the motives with methods of action that are consistent with the motives. Here is where the administration of the program of technical assistance is so important, because as administrators fail, our whole program is lost. I think this Congress should be very vigilant to observe and watch the administration of a program such as technical assistance, and see that the worthy methods that we express in our legislation are backed up with principles and methods of operation in the administrative branch of our Government.

There are certain guide lines that we must consider as we think about expanding and extending the technical assistance program. First of all I think we must seek to find a common ground with the people we are going to deal with in other countries. One of the pitfalls that we have fallen into in some respects is the unbalance that we put on the military aspects—the overemphasis, perhaps, and there are examples of countries who refuse to join in the development of economic programs because of our insistence and overemphasis of the mutual military alliance. That is something that we should remember in talking about technical assistance.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. WILLIAMS of New Jersey. I yield.

Mr. McCORMACK. Without saying that anyone does not, it seems to me our representatives should also have a profound appreciation of the cultures of other peoples—their civilizations, their practices, and their customs, and the historical background of their country and their people for generations. There should be a profound appreciation of that, in order to bring about the greatest understanding and the maximum results possible.

Mr. WILLIAMS of New Jersey. I agree with the gentleman. It seems to me that what we are really after is to try to earn respect for us and this country. Certainly that is essential as between peoples—feeling that each is understood by the other in all his ways, his culture and his background.

Mr. MEADER. Mr. Speaker, will the gentleman yield further?

Mr. WILLIAMS of New Jersey. I yield.

Mr. MEADER. I dislike to trespass on the gentleman's time, but I think the point that he has made is so important that it deserves additional emphasis. We should not be attempting to remake other peoples in our own image. We should not be patronizing in our efforts to assist them. If our assistance is unwelcome we should not force it upon them. There is a great deal we can learn from other peoples with centuries of traditions and philosophies and habits of life which a part of which our fast-moving population could well absorb. I think the gentleman has made a very telling point when he has said that we should enter any program of this character, either on a government-aid basis or through the activities of our private citizens, with the greatest of respect for the traditions, religion, and conditions under which other people live, and not seek to remake everyone else in the American image.

Mr. WILLIAMS of New Jersey. I agree with the gentleman. I believe those who think along practical lines will agree that we only get results in our overall objective as we do approach the problem with that basic attitude.

I think another guideline we must consider is the fact that in the past our economic aid programs and our technical assistance programs have been of such short duration; they were on a year to year basis, and because of that they did not have the stability that allowed for a lot of the necessary development in areas and countries that were dealt with. A lot of the programs that can be developed with proper technical assistance are not year-long projects, but they must continue a greater length of time. So I think one of the things we should remember is that if we are to bring stability to this program it must be on the basis of a longer term than just year to year.

Mr. MEADER. Mr. Speaker, will the gentleman yield further?

Mr. WILLIAMS of New Jersey. I yield.

Mr. MEADER. I hate to keep interrupting the gentleman, but the point he has made on this matter is based in part upon an experience that I believe we had on our recent investigation when we attempted to look into the operation of Reorganization Plans 7 and 8 of 1953. Under Plan 7 the Technical Assistance Program was removed from the State Department, which was a permanent institution in our Government, and transferred to a temporary agency, namely, the Foreign Operations Administration. Now with the expiration of the Foreign Operations Administration on June 30,

if the Congress does not continue that agency, or whenever in future years we decide to discontinue that agency we will be faced with the necessity of placing it in another regular department of the Government. It was supposed to be a permanent program, namely, the Point Four program, or technical assistance program; so it will be transferred back into a permanent agency of the Government.

Mr. WILLIAMS of New Jersey. I thank the gentleman for his statement.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mrs. KEE and to include extraneous matter.

Mr. MACHROWICZ.

Mr. FLOOD and to include a statement.

Mr. WALTER in two instances and to include an editorial and a radio-television program.

Mr. CANNON.

Mr. MURRAY of Illinois.

Mr. THOMPSON of New Jersey (at the request of Mr. BARTLETT) in two instances and to include extraneous matter.

Mr. BURDICK.

Mr. KEATING in two instances and to include extraneous matter.

Mr. SCHWENGEL and to include a statement.

Mr. KEARNEY (at the request of Mr. MACK of Washington).

Mr. VAN ZANDT and include extraneous matter.

Mr. KLEIN (at the request of Mr. MCCORMACK) and include extraneous matter, notwithstanding the fact that it exceeds the limit and is estimated by the Public Printer to cost $180.

ADJOURNMENT

Mr. BOWLER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 9 minutes p. m.) the House adjourned until tomorrow, Wednesday, March 16, 1955, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

548. A letter from the Acting Secretary of the Treasury, transmitting the annual report of the Exchange Stabilization Fund for the fiscal year ended June 30, 1954, pursuant to section 10 (a) of the Gold Reserve Act of 1934, approved January 30, 1934, as amended; to the Committee on Banking and Currency.

549. A letter from the Secretary of the Army, transmitting a draft of proposed legislation entitled "A bill to provide for the operation and maintenance of certain flood-control projects by local interests"; to the Committee on Public Works.

550. A letter from the Assistant Secretary, National Institute of Arts and Letters, transmitting the report of the activities of the National Institute of Arts and Letters during the year 1954; to the Committee on House Administration.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. CANNON: Committee on Appropriations. H. R. 4903. A bill making supplemental appropriations for the fiscal year ending June 30, 1955, and for other purposes; without amendment (Rept. No. 207). Referred to the Committee of the Whole House on the State of the Union.

Mr. WILLIS: Committee on the Judiciary. H. R. 3885. A bill to amend the act of April 29, 1941, to authorize the waiving of the requirement of performance and payment bonds in connection with certain Coast Guard contracts; with amendment (Rept. No. 208). Referred to the Committee of the Whole House on the State of the Union.

By Mr. VINSON: Committee on Armed Services. H. R. 4393. A bill to provide for the construction and conversion of certain modern naval vessels, and for other purposes; with amendment (Rept. No. 209). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. CANNON:

H. R. 4903. A bill making supplemental appropriations for the fiscal year ending June 30, 1955, and for other purposes; to the Committee on Appropriations.

By Mr. COOPER:

H. R. 4904. A bill to extend the Renegotiation Act of 1951 for 2 years; to the Committee on Ways and Means.

By Mr. MILLER of California:

H. R. 4905. A bill to amend the act entitled "An act to promote the safety of employees and travelers upon railroads by limiting the hours of service of employees thereon," approved March 4, 1907; to the Committee on Interstate and Foreign Commerce.

H. R. 4906. A bill to amend the Railroad Retirement Act of 1937, as amended, and the Railroad Unemployment Insurance Act; to the Committee on Interstate and Foreign Commerce.

By Mr. ASHLEY:

H. R. 4907. A bill to amend the Internal Revenue Code of 1954 to provide an additional exemption for a taxpayer or spouse who is physically or mentally incapable of caring for himself, and an additional exemption for a taxpayer supporting a dependent who is blind or physically or mentally incapable of caring for himself; to the Committee on Ways and Means.

H. R. 4908. A bill to amend the Fair Labor Standards Act of 1938 so as to increase the minimum hourly wage from 75 cents to $1.25; to the Committee on Education and Labor.

By Mr. AUCHINCLOSS:

H. R. 4909. A bill relating to the consolidation of National Tax Association, a corporation organized under the laws of the District of Columbia, with the Tax Institute Inc., a corporation organized under the membership corporations law of the State of New York, in accordance with the applicable provisions of the membership corporations law of the State of New York; to the Committee on the District of Columbia.

By Mr. BALDWIN:

H. R. 4910. A bill to amend the Labor Management Relations Act, 1947, and for other purposes; to the Committee on Education and Labor.

By Mr. BLATNIK:

H. R. 4911. A bill to authorize assistance under section 401 of Public Law 815 to certain public school districts which accept Indian children living outside the district boundaries; to the Committee on Education and Labor.

By Mr. BUDGE:

H. R. 4912. A bill to promote the further development of public library service in rural areas; to the Committee on Education and Labor.

By Mr. BURDICK:

H. R. 4913. A bill to provide for the establishment of the National Arts Agency; to the Committee on Education and Labor.

By Mr. COLE:

H. R. 4914. A bill to increase the daily allowance of milk in the Navy ration, and to require corresponding changes in the Army and Air Force ration; to the Committee on Armed Services.

By Mr. COOLEY:

H. R. 4915. A bill to amend the act of April 6, 1949, to extend the period for emergency assistance to farmers and stockmen; to the Committee on Agriculture.

By Mr. DAVIS of Georgia:

H. R. 4916. A bill to provide for the enlargement of the Veterans' Administration hospital at Atlanta, Ga.; to the Committee on Veterans' Affairs.

H. R. 4917. A bill to amend the Federal Trade Commission Act to require that certain articles containing synthetic rubber shall be so labeled; to the Committee on Interstate and Foreign Commerce.

By Mr. DAWSON of Illinois:

H. R. 4918. A bill to amend section 3 of the Travel Expense Act of 1949, as amended, to provide an increased maximum per diem allowance for subsistence and travel expenses, and for other purposes; to the Committee on Government Operations.

By Mr. DORN of South Carolina:

H. R. 4919. A bill to provide for the establishment and operation of a laboratory for a study of the utilization of the soil and water resources of the Southeastern United States; to the Committee on Agriculture.

By Mrs. FARRINGTON:

H. R. 4920. A bill to provide for the review and determination of claims for the return of lands, in the Territory of Hawaii, conveyed to the Government during World War II by organizations composed of persons of Japanese ancestry; to the Committee on Interior and Insular Affairs.

By Mr. GENTRY:

H. R. 4921. A bill to prohibit picketing on any of the sidewalks immediately adjacent to and bordering on the grounds of the White House; to the Committee on the District of Columbia.

H. R. 4922. A bill to prohibit picketing in the immediate vicinity of the White House; to the Committee on the District of Columbia.

By Mr. HESELTON:

H. R. 4923. A bill to amend the Natural Gas Act, so as to clarify such act insofar as it relates to jurisdiction over sales in interstate commerce of natural gas; to the Committee on Interstate and Foreign Commerce.

H. R. 4924. A bill to amend section 1 (b) of the Natural Gas Act, with respect to jurisdiction over sales of natural gas by independent producers; to the Committee on Interstate and Foreign Commerce.

By Mr. HIESTAND:

H. R. 4925. A bill to incorporate the National Academy of Chefs; to the Committee on the Judiciary.

By Mr. HOFFMAN of Michigan:

H. R. 4926. A bill to amend the Social Security Act and the Internal Revenue Code of 1954 to provide that an agricultural worker shall not be covered under the old-age and survivors insurance system for any quarter unless he performs agricultural labor for an employer on at least 30 days in such quarter; to the Committee on Ways and Means.

By Mr. HOLIFIELD:

H. R. 4927. A bill to amend the Immigration and Nationality Act with respect to certain aliens born in Mexico; to the Committee on the Judiciary.

By Mr. HOPE:

H. R. 4928. A bill to amend the act of April 6, 1949, to extend the period for emergency assistance to farmers and stockmen; to the Committee on Agriculture.

By Mr. JENKINS:

H. R. 4929. A bill to amend the act of October 19, 1949, entitled "An act to assist States in collecting sales and use taxes on cigarettes"; to the Committee on Ways and Means.

By Mr. KEATING:

H. R. 4930. A bill to amend Chapter 235 of title 18, United States Code, so as to provide for appellate review of sentences, on appeal by the defendant, in criminal cases; to the Committee on the Judiciary.

By Mr. KEOGH:

H. R. 4931. A bill to amend section 812 of the Internal Revenue Code of 1939; to the Committee on Ways and Means.

By Mr. LANE:

H. R. 4932. A bill to amend chapter 235 of title 18, United States Code, so as to provide for appellate review of sentences on appeal by the defendant in criminal cases; to the Committee on the Judiciary.

By Mr. McDONOUGH:

H. R. 4933. A bill to permit local taxation of the private interest in personal property and work in process and inventories of material acquired by the Federal Government for military security and the national defense but in the possession of contractors with the Federal Government; to the Committee on Ways and Means.

By Mr. MEADER:

H. R. 4934. A bill to amend the Internal Revenue Code of 1954 to provide that, for excise tax purposes, the sale price of refrigerator components shall not include the value of similar components accepted in exchange; to the Committee on Ways and Means.

By Mr. MORANO:

H. R. 4935. A bill to amend title II of the Social Security Act to reduce the age at which individuals may become entitled to benefits thereunder from 65 to 62 in the case of men and from 65 to 60 in the case of women; to the Committee on Ways and Means.

By Mr. MORRISON:

H. R. 4936. A bill to authorize the furnishing of subsistence and quarters without charge to employees of the Corps of Engineers engaged on floating plant operations; to the Committee on Post Office and Civil Service.

By Mr. MURRAY of Tennessee:

H. R. 4937. A bill relating to the payment of judgments by the Post Office Department; to the Committee on Post Office and Civil Service.

H. R. 4938. A bill relating to contracts for the conduct of contract postal stations; to the Committee on Post Office and Civil Service.

By Mr. PRIEST:

H. R. 4939. A bill to amend sections 212, 219 (a), 221 (a), and 410 (a) of the Communications Act of 1934; to the Committee on Interstate and Foreign Commerce.

By Mr. REED of Illinois:

H. R. 4940. A bill to amend title 18, United States Code, relating to the Customs Court; to the Committee on the Judiciary.

By Mr. RICHARDS:

H. R. 4941. A bill to amend the Foreign Service Act of 1946, as amended, and for other purposes; to the Committee on Foreign Affairs.

By Mr. ROOSEVELT:

H. R. 4942. A bill to amend the act entitled "An act authorizing Federal participation in the cost of protecting the shores of publicly owned property," approved August 13, 1946; to the Committee on Public Works.

By Mr. STAGGERS:

H. R. 4943. A bill to amend the Natural Gas Act; to the Committee on Interstate and Foreign Commerce.

By Mr. TEAGUE of Texas (by request):

H. R. 4944. A bill to recognize as professionals the National Academy of Chefs; to the Committee on the Judiciary.

H. R. 4945. A bill to provide certain benefits for persons who served as contract surgeons or contract dental surgeons during the war with Spain, the Philippine Insurrection, or the China Relief Expedition; to the Committee on Veterans' Affairs.

H. R. 4946. A bill to amend title IV of the Veterans' Readjustment Assistance Act; to the Committee on Veterans' Affairs.

By Mr. TRIMBLE:

H. R. 4947. A bill to prohibit the disposal of certain surplus real property; to the Committee on Public Works.

By Mr. WATTS:

H. R. 4948. A bill to preserve the tobacco acreage history of farms which voluntarily withdraw from the production of tobacco, and to provide that the benefits of future increases in tobacco acreage allotments shall first be extended to farms on which there have been decreases in such allotments; to the Committee on Agriculture.

By Mr. WITHROW:

H. R. 4949. A bill to amend the act entitled "An act to promote the safety of employees and travelers upon railroads by limiting the hours of service of employees thereon," approved March 4, 1907; to the Committee on Interstate and Foreign Commerce.

H. R. 4950. A bill to amend the Railroad Retirement Act of 1937, as amended, and the Railroad Unemployment Insurance Act; to the Committee on Interstate and Foreign Commerce.

By Mr. ABBITT:

H. R. 4951. A bill directing a redetermination of the national marketing quota for burley tobacco for the 1955–56 marketing year, and for other purposes; to the Committee on Agriculture.

By Mr. BONNER:

H. R. 4952. A bill to clarify and consolidate the authority to require the establishment, maintenance, and operation of aids to maritime navigation on fixed structures in or over navigable waters of the United States; to the Committee on Merchant Marine and Fisheries.

By Mr. BUCKLEY:

H. R. 4953. A bill to amend the act of June 21, 1940, as amended, relating to the alteration of certain bridges over navigable waters so as to change the method by which the apportionment of total cost is made; to the Committee on Public Works.

By Mr. CELLER:

H. R. 4954. A bill to amend the Clayton Act by granting a right of action to the United States to recover damages under the antitrust laws, establishing a uniform statute of limitations, and for other purposes; to the Committee on the Judiciary.

By Mr. GWINN:

H. R. 4955. A bill to amend the Fair Labor Standards Act by clarifying the definition of employee, and for other purposes; to the Committee on Education and Labor.

By Mr. POWELL:

H. R. 4956. A bill to establish an advisory board to assist the Commission, created by the joint resolution of December 20, 1944, in considering a site and design for a National Memorial Stadium in the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

By Mr. REUSS:

H. R. 4957. A bill to provide for voluntary coverage under the Federal old-age and survivors insurance system for self-employed physicians and dentists; to the Committee on Ways and Means.

By Mr. WALTER:

H. R. 4958. A bill to amend the Clayton Act to allow the courts discretion in awarding damages, and for other purposes; to the Committee on the Judiciary.

By Mr. SAYLOR:

H. R. 4959. A bill to amend the Natural Gas Act; to the Committee on Interstate and Foreign Commerce.

By Mr. GENTRY:

H. J. Res. 254. Joint resolution proposing an amendment to the Constitution of the United States permitting the President of the United States to disapprove any item of appropriation in appropriation bills passed by the Congress; to the Committee on the Judiciary.

By Mr. THOMSON of Wyoming:

H. J. Res. 255. Joint resolution to assure the equal application of the Constitution and laws of the United States to individuals of both sexes; to the Committee on the Judiciary.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

By Mr. BLATNIK: Memorial of the Legislature of the State of Minnesota, memorializing the President, the United States Public Health Service, and the Congress of the United States to further develop requirement for interstate transportation of dairy products and to eliminate artificial trade barriers; to the Committee on Agriculture.

Also, memorial of the Legislature of the State of Minnesota, memorializing the Congress of the United States to admit the Territories of Alaska and Hawaii to statehood; to the Committee on Interior and Insular Affairs.

Also, memorial of the Legislature of the State of Minnesota, memorializing the President and the Congress of the United States to support measures authorizing the deepening of all Great Lakes connecting channels to a depth of 36 feet; to the Committee on Public Works.

By Mr. HAYS of Arkansas: Memorial of the State of Arkansas urging the introduction and approval of proper legislation for the construction of a trout hatchery at Norfork Dam for the hatching and distribution of trout, and to seek appropriation for funds to operate said hatchery; to the Committee on Merchant Marine and Fisheries.

By Mr. HILL: Memorial relative to memorializing the Congress of the United States to enact legislation for the development of the upper Colorado River Basin; to the Committee on Interior and Insular Affairs.

Also, memorial relative to memorializing the Congress of the United States to amend the Internal Revenue Code to allow the metal-mining industry the same depletion allowance as that given the oil and gas industry; to the Committee on Ways and Means.

By Mr. JUDD: Memorial of the Legislature of the State of Minnesota memorializing the President, the United States Public Health Service, and the Congress to further develop requirements for interstate transportation of dairy products and to eliminate artificial trade barriers; to the Committee on Agriculture.

Also, memorial of the Legislature of the State of Minnesota in favor of admitting the Territories of Alaska and Hawaii to statehood; to the Committee on Interior and Insular Affairs.

Also, memorial of the Legislature of the State of Minnesota memorializing the President and the Congress to support measures authorizing the deepening of all Great Lakes connecting channels to a depth of 36 feet; to the Committee on Public Works.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BENTLEY:

H. R. 4960. A bill for the relief of Marianne Schuster Dawes; to the Committee on the Judiciary.

By Mrs. BUCHANAN:

H. R. 4961. A bill for the relief of Melpomeni Papakosta Monoyoudis; to the Committee on the Judiciary.

By Mr. BUDGE:

H. R. 4962. A bill for the relief of Raimundo Arresti Laredogoitia; to the Committee on the Judiciary.

By Mr. FASCELL:

H. R. 4963. A bill for the relief of M. F. Comer Bridge & Foundation Co.; to the Committee on the Judiciary.

By Mr. GREEN of Pennsylvania:

H. R. 4964. A bill for the relief of Immaculate Morisco Smith; to the Committee on the Judiciary.

By Mr. JOHANSEN (by request):

H. R. 4965. A bill for the relief of Cornelis Willem Van Nus; to the Committee on the Judiciary.

By Mrs. KEE:

H. R. 4966. A bill for the relief of Show-Chung Lo Tsai, En-Ning Tsai, Ann-Ning Tsai, and Kwan-Mei Ho Tsai; to the Committee on the Judiciary.

By Mr. KILGORE:

H. R. 4967. A bill for the relief of F. P. Tower, Lillie B. Lewis, Manuel Branco, John Santos Carinhas, Joaquin Gomez Carinhas, and Manuel Jesus Carinhas; to the Committee on the Judiciary.

By Mr. MACK of Washington:

H. R. 4968. A bill for the relief of Valdemars W. Kokins; to the Committee on the Judiciary.

By Mr. McCONNELL:

H. R. 4969. A bill for the relief of E. Burke Wilford; to the Committee on the Judiciary.

By Mr. McCORMACK:

H. R. 4970. A bill for the relief of Edeltraudt Margot Hackelberg; to the Committee on the Judiciary.

By Mr. PRICE:

H. R. 4971. A bill for the relief of Jose Rodriguez; to the Committee on the Judiciary.

By Mr. ROBSION of Kentucky:

H. R. 4972. A bill for the relief of Miss Doreen Chen; to the Committee on the Judiciary.

By Mr. RODINO:

H. R. 4973. A bill for the relief of the Theobald Industries, Inc.; to the Committee on the Judiciary.

By Mr. TEAGUE of Texas:

H. R. 4974. A bill for the relief of Fusako Tone; to the Committee on the Judiciary.

By Mr. WAINWRIGHT (by request):

H. R. 4975. A bill for the relief of Anna Elizabeth Blau; to the Committee on the Judiciary.

By Mr. ZELENKO:

H. R. 4976. A bill for the relief of Said Cohen; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

159. By Mr. BROWNSON: Petition of Cecilia C. Hart, Aileen Klaiber, and others, of Indianapolis, Ind., requesting that compulsion be removed from social-security legislation, letting only those employers or employees who wish to participate in the program do so; to the Committee on Ways and Means.

160. By Mr. HAYS of Arkansas: Petition of J. H. Godwin, Little Rock, Ark., and others, urging that the excise tax be removed on bus and rail fare and expressing opposition to the lowering of tariffs; to the Committee on Ways and Means.

161. By the SPEAKER: Petition of the commander, district I, Veterans of Foreign Wars, Department of Texas, Gainesville, Tex., petitioning consideration of their resolution with reference to going on record as opposing the closing of the McKinney Hospital and recommending that the hospital be made a permanent installation; to the Committee on Veterans' Affairs.

EXTENSIONS OF REMARKS

Preparations for Defense

EXTENSION OF REMARKS
OF

HON. A. S. MIKE MONRONEY

OF OKLAHOMA

IN THE SENATE OF THE UNITED STATES

Tuesday, March 15, 1955

Mr. MONRONEY. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD an address delivered by Robert B. Anderson, Deputy Secretary of Defense, in Oklahoma City, Okla., on the occasion of the 50th or golden anniversary of the Oklahoma City Rotary Club. It is an address that is worthy of careful attention, since it spells out our defense needs and our policy for keeping America in readiness to combat Communist aggression.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

I am happy and, indeed, proud to be with you as you celebrate Rotary International's golden anniversary. You have a great deal to celebrate. In 50 years you have grown from meager beginnings to a membership of 402,000 in 6,500 clubs the world over. You count some of the most illustrious persons now living among your number—kings and statesmen, scientists and industrialists, artists and explorers, bankers and educators, agriculturalists and oilmen, our neighbor, and the man across town.

Your presence in 89 countries throughout the world is a living testament to the unity of the human brotherhood and the essential alikeness of human beings everywhere. The high standard of ethics which is traditional with Rotary and Rotarians is a shining example of what can be done when men are serious about extending their religious principles into their business affairs. You have done a great deal to make the world a better place to live in these past 50 years and you may look forward during the next half century to the opportunity of doing a great deal more, for the world needs Rotary and what it represents—the gentle civilizing action of moral goodness at the level of business and politics and the continuing demonstration that there are everywhere forces which tend to draw men together, uniting them in brotherhood and fellowship regardless of language or color or nation or creed. So I say to you, in the fullness of my heart, "Congratulations on 50 wonderful years of progress and achievement. May you prosper and grow in the service of our country and of all mankind."

The span of your 50 years has covered one of the most momentous periods in human history. It has been a period which recorded some of the most profound changes in our world, and in America's position in it. It is no longer the comfortable secure old world of the century's dawning—the gay splendid world of the Edwardians, the confident world of Edison and Carnegie, of Theodore Roosevelt and the elder Morgan. It is a more mature world, and we may hope, a wiser one. In many ways it is a better world.

But most importantly to Americans, it is a world in which our Nation has succeeded to a central role in international affairs. We are affected, closely or remotely, by almost every significant event which occurs anywhere in the earth. The "annihilation of distance" as Toynbee expresses it, has sharply narrowed the wide spaces which once separated us from the rest of the world. The monopoly of power once held by Western Europe has been destroyed, and with it many of the relationships which meant political stability to the world's people.

A billion people have been added to the earth in the past 50 years, and perhaps twice that number may be added in the next 50. An advanced technology, available both to the evil and to the good, makes it very nearly possible for man to destroy the culture which he has so laboriously extracted from 15,000 years of experience. And through all these massive changes and upheavals in human affairs there runs the sinister counterpoint of the Communist philosophy and program—a missionary secular doctrine, dedicated to our destruction.

As a result, we in America find ourselves intimately concerned not merely with the physical and military defense of our territory, but also with the defense of the political, economic, and social institutions which are the very stuff of our democracy. The menace is about as near to being total as we have ever seen. It is physical, it is moral. It is military, political, economic, and psychological. It is external and it is internal. It is immediate, and it is continuous.

The dilemma of our times lies in the fact that in order to preserve the essential elements of our society, we must stand ready to meet a military threat, and we must do it in a way which will assure the survival of the values we have moved to defend. It is small consolation to us if our military efforts are so great as to bring down upon us some odious form or police state; yet unless our military preparations are reasonably adequate, nothing else we do may count for anything.

Militarily, we must maintain a capability for several kinds of separate, but related action. We must maintain a powerful retaliatory force, primarily to prevent the outbreak of war, but capable of overwhelming an enemy should he strike. We must have an effective continental defense system.

We must have flexible, mobile ground, sea, and air forces which can be used in a variety of situations and a variety of places in potential trouble spots in many parts of the world while free people are endangered by Communist aggression. We must maintain a powerful Reserve and an adequate production base capable of being mobilized rapidly to whatever degree may be required by the circumstances of any future emergency.

In the nature of the case we have to maintain these capabilities without the advantage of knowing precisely when, how, or in what measure they may be required, if at all. The time, place, and circumstances of physical aggression are largely matters of choice for the aggressor, not the peaceable nation. Since we are thus limited, it means that we must undertake the discharge of our responsibilities for defense within certain limits of what it is possible for our Nation to sustain on a continuing basis—politically, economically, and above all morally.

We cannot expect to run the mile as if it were a hundred-yard dash. What we are capable of devoting to our military effort on a sustaining basis is bound to be measurably less than what we might be capable of putting worth over a very few years of all-out effort as the price of immediate physical survival. No nation, not even a dictatorship, can afford to keep itself fully mobilized all the time.

What we are undertaking is a state of partial mobilization, adequate to give a reasonable assurance against the outbreak of both total and limited war, sufficiently advanced to enable us to proceed quickly to whatever mobilization level is justified by the nature of the hostilities we may fail to prevent, and which in the long run will prove tolerable to the institutions of our democratic society.

The nature of this responsibility for our defense is so pervasive and appears in prospect of such long duration, that it must be accepted by all of us as an elementary fact of our contemporary national life. It is an enterprise in which all of us have a part, and in which all bear a certain responsibility.

The processes of war and national defense have ceased to be the concern solely of the small coterie which use to make and prosecute foreign policy—the sovereigns, their diplomats, and their small professional Armed Forces. The past 150 years have witnessed an ever-growing preoccupation with the military means of war to the extent that in times of active hostilities there is scarcely a facet of national life that is not in some way affected. Even now, in a period of nominal peace, 13 percent of our gross national product and 7 percent of our labor force are allocated directly to purposes of national security.

Within the past 5 years we have authorized the expenditure of over $220 billions by the Department of Defense—more than the total expenditures of our Federal Government from the beginning of our Republic until 1943. Last year the Armed Forces consumed 500 million pounds of beef, 250 million pounds of flour, and purchased $1 billion in petroleum products. Throughout the length and breadth of America, our farms, ranches, mines, oil fields, forests, factories, and mills poured out their products in an enormous stream to build the strength we must have if we are to live unmolested in a troubled world.

The roots of our military might are thus deeply imbedded in our nation. life, and because this is so, we cannot limit our concern with things military merely to the end results of the productive process.

We are concerned that there be adequate funds available for national defense; yet we are also concerned with the long-term effect of heavy taxation and expenditures upon your capacity to undertake new business ventures, your ability to replace and expand your capital assets, the ultimate value of your pension plans and life-insurance benefits, the soundness and solvency of your banks and savings companies.

We want to have powerful and effective standing forces; supplemented by trained and readily available reserves; yet we cannot ignore their profound implications for the lives of your sons and daughters, brothers and sisters. We need great quantities of weapons and equipment, constantly to be replaced by newer and more effective models. Yet every substantial change of pace in our procurement programs means the hiring and firing of men, the opening and closing of plants, the quickening or slackening of business in the affected communities. These are but a few, but they are typical of the manifold considerations which are constantly before those who bear responsibility for the direction of our defense effort.

Thus it is that we endeavor to avoid a policy of feast or famine in the development of military strength and seek instead a more nearly stabilized problem of ever-increasing strength that we can and will maintain for an unknowable period of time.

Let me assure you that the decisions which are made, and the programs which are adopted to acarry out those decisions, reflect the full consideration of all these factors by some of the wisest and most dedicated people I know, military and civilian. And in all America, there is no man whose experience in these matters is greater, whose judgment is sounder, whose solicitude for the people's welfare is more abiding, than the magnificent soldier-statesman-patriot whose leadership it is our great good fortune to enjoy in these uncertain days—Dwight D. Eisenhower.

Of great importance is the endless march of technology which renders obsolescent the best weapons of a few years before. It is this fact, more than any other, which warns us against procurement programs which overcommit us to the weapons of a particular vintage.

The desperate race for weapons superiority goes on, and sometimes the issue of victory or defeat is decided by the narrowest of margins. One may well speculate upon what our own fortunes in the European theater might have been had the Germans gotten their V-weapons into action 6 months earlier than they did, or had they gotten the Focke-Wulfe jet fighter operationally integrated into the Luftwaffe before our air offensive smothered it by sheer weight of bombs and numbers, or had the snorkel submarine made its appearance in 1943 instead of 1945.

No one need be reminded of the implication of these events for our own day. The appalling consequences of losing the technological race in even a single major weapons system cannot be overestimated, and they argue insistently for the closest kind of attention, not alone of a comparatively few scientists, engineers, factory executives, and military officers, but by all of us.

For it is out of our great commonwealth of skills, knowledge, and understanding in our school, colleges, libraries, laboratories, and factories that all specific applications must be drawn. All of us have a stake in the vitality of that fund. All of us have a responsibility for increasing it, widening its scope, making it more readily accessible to those who would draw upon it and contribute to it. Our success, both in the arts of peace and the arts of war, will be directly proportional to the success with which we are able, through the educational system and process, to provide the most intimate and productive association between this fund of knowledge and those who seek it.

Another area of responsibility in which many of our people are involved directly, is that of military service.

The President and many others of our leaders have stressed the urgent necessity of having a program which would produce a large, well-trained, readily available reserve. Such a program should try to achieve at least five things.

First, since both the active and the reserve forces have their roots in the common ground of the Nation's manpower pool, any Reserve plan must provide sufficient manpower to staff the active forces.

Second, there was the requirement that we build a reserve force that will be effective if and when mobilized.

Third, we should maintain reasonable stability in such matters as induction age levels so as to minimize the difficulties of our young men in planning their lives and their service obligations.

Fourth, we should provide a pool of militarily eligible men so that the program would operate efficiently.

Fifth, we should in some way insure a reasonable equity of service in the defense of our country.

The national Reserve plan presently before the Congress obtains, in my judgment, an effective reconciliation of these factors. It is designed to be practicable, flexible, and equitable, and will provide over the next few years a trained, vital, Ready Reserve of almost 3 million men, and a Standby Reserve of 2 million more. Because as a democracy we depend heavily on citizen soldiers, it is essential that we have an awareness and understanding of the importance of this program to our Nation and particularly to those young men whose lives are so vitally concerned.

This is true of every other aspect of our national defense effort. There is an insistent need for each of us to develop a continuing awareness of his own position in the world, to see how his problems and efforts relate to those of his neighbors, his city, his State, and his Nation. We need to perceive the implications for each of us in the general truth that we can best defend our country by the maximum development of our individual capabilities for useful, productive work.

The engineer, the mechanic, the farmer, the shopkeeper, the lawyer, the teacher—all those who contribute to the success of this marvelous organism called the United States, are each in their own way, helping to advance the cause of freedom in the world. It is of critical importance that each brings to his task the very best of his heart, mind, and hand.

And here, it seems to me, we are getting back to Rotary's motto of "service above self," and to the abiding truth that a free community must be built upon something more substantial than the self-love of its citizens. For the very practical meaning of service above self lies in the fact as each individual voluntarily gives up a portion of his time, his substance, his rights and privileges to his fellow men, the happiness and well-being of all, including his own, are increased thereby.

The key lies in the word "voluntarily." Any form of community life requires a certain amount of order; and to the extent that order is not achieved voluntarily by the self-discipline of its members it will be achieved by the enforced discipline of a central authority. In a responsible free society, there is a minimum of central authority, which means a maximum latitude for the natural creativeness of its individuals to assert itself in making productive and useful things.

Thus in our free society there are these strong motivations of competition, the natural desire to excel, the sense of satisfaction in a job well done, the joy of discovery and creation and constructive effort. In the economic field this has produced a situation in America in which the natural ambitions of people tend to create surpluses, and our problem is how better to utilize and distribute what we have so bountifully produced.

Where the stifling influence of a powerful central authority blights the initiative and creativeness of the people we have not abundance but scarcity. Lacking the stimulus of natural incentives, the bored and spiritless people simply go through the motions of the social and economic processes of community life.

We have recently had the novel experience of seeing the Soviet regime admit to failure—the colossal failure of its agricultural program. Here we have the incredible spectacle of a predominately agricultural nation, with a great expanse of some of the richest soil in the world, being actually unable adequately to feed itself.

Despite all its plans and quotas and exhortations Soviet agriculture remains at about the level it was 25 years ago. Its cattle population is 10 million below what it was in 1928; its pork production has dropped 5 million tons since 1940, and by its own admission the supply of meat, potatoes, and vegetables is unsatisfactory. Throughout the world one can see everywhere the results of the two systems: the success and prosperity of the free nations and the poverty and failure of the Communist bureaucracy.

To a greater or lesser degree these differences are evident in every other field of human endeavor, and they underscore the basic principle that the answers to the common problems of human association should be sought at the most elementary administrative level which permits of a satisfactory solution for all concerned: the town, the precinct, the county, the school district. Still more do they argue the need for the fullest kind of participation of the individual in the everyday process of community life, for the thesis of democracy is that its citizens have the capacity to solve their own problems and to do it better than any paternalistic government could possibly do it for them.

This means that the focus of effort upon a great many things which intimately and directly affect our lives—our moral and religious outlook, the state of our basic education, the competence of our citizenship—must come at the local and individual level: the level at which one person sees and embraces his ultimate responsibility toward his nation, his fellow men, and his God. It is at this level that Rotary has for 50 years concentrated its attention with such great success, and it is at this level that we must continue to work for a world of free and responsible individuals whose useful, happy, abundant lives give increasing proof that "he profits most who serves the best."

Impact of St. Lawrence Seaway on State and Municipal Projects

EXTENSION OF REMARKS

OF

HON. ALEXANDER WILEY

OF WISCONSIN

IN THE SENATE OF THE UNITED STATES

Tuesday, March 15, 1955

Mr. WILEY. Mr. President, all along the 2,300-mile lifeline into the heart of the North American Continent, there is a tremendous burst of activity at State, county, and city levels, as the Midwest prepares for the 1958–59 opening of the deepwater Great Lakes-St. Lawrence Seaway frontier, as made possible under the Wiley seaway law, Public Law 358, of the 83d Congress.

I was pleased to see in the March 8 issue of the Wall Street Journal a round-up article by Ray Vicker, staff reporter, regarding the tremendous variety of local projects which are now underway for the purpose of making the various States and communities adequate to reap the fullest possible benefits from the seaway.

These benefits will not drop into people's laps automatically. They must be worked for, planned for, built for—carefully and soundly.

The Wall Street Journal, I may say parenthetically, in recent days has not been carrying very encouraging news to its readers because of the downward fluctuations of the stock exchanges. But at least in this article, as in many other articles, depicting the continuing growth of the American economy, every reader—in Wall Street or Main Street—could feel encouraged and enthused.

As this noted publication knows and as we all should know, the basic fact of the matter is that the economy of the United States is fundamentally sound. It is not only sound, it is booming. Provided the Government continues to provide a sensible framework of encouragement and, provided the American people maintain sound, reasonable confidence in themselves and in their country, there is no reason why we cannot enjoy continued and ever-increased prosperity.

I ask unanimous consent that the text of the fine Wall Street Journal article be printed in the CONGRESSIONAL RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SEAWAY SPURS PORT IMPROVEMENT PLANS—CITIES ALONG GREAT LAKES PUT UP MILLIONS TO PREPARE HARBORS FOR DEEPER DRAFT VESSELS EXPECTED IN 1959—MILWAUKEE BEST EQUIPPED

(By Ray Vicker)

CHICAGO, ILL.—Icebound, 2,200-acre Lake Calumet in the heart of this city's industrial south side isn't much to look at with its swamps, garbage dump and backdrop of smoky factories. But civic and industrial officials have been looking at it intently of late. In the office of the Chicago Regional Port authority, two drawings show how the lake will look in 1959. Big oceangoing freighters are moving from a Lake Michigan connecting channel and nosing into docks. Long piers jut into a man-made harbor; warehouses and terminal facilities hug the shore. Around June 1, construction crews will begin the $22½ million job of transforming the drawings into reality.

Lake Calumet's conversion is one phase of a chain reaction set off by the decision to go ahead at last with construction of the St. Lawrence Seaway, to open the way for deep draft ocean vessels to sail from the Atlantic into the heart of the Midwest.

MILWAUKEE TO SPEND $4.7 MILLION

Among the many projects planned or under way in other harbor conscious cities are: A $4.7 million harbor improvement program at Milwaukee; a rough plan for a $20.6 million docking facility at Toledo; a new $1 million terminal at Toronto; $109 million worth of Federal channel improvements on the upper Great Lakes; a $2.3 million harbor deepening project at Buffalo; a $5 million plus harbor at Ashtabula, Ohio. Even smaller cities such as Manitowoc, Wis., and Erie, Pa., are talking port development.

One United States Army engineer estimates at least $500 million may be invested in the Great Lakes area in the next 10 years by Federal, State, city and private agencies for harbor and channel improvements.

Experts disagree only on the extent to which lake shore cities will be affected by the seaway. All expect heavy gains in commerce. Iron ore from Labrador will flow in big quantities to midwest steel mills, grain will flow from Great Lakes elevators directly to foreign shores, and Milwaukee machinery, Chicago metal products, Detroit autos, and other manufactured goods from the heartland of America will move on water to the rest of the world.

EQUAL TO PANAMA CANAL

The Federal Government's St. Lawrence Seaway Development Corporation estimates 36 million tons of cargo will flow through the seaway the first year it opens. This approximates the current annual volume through the Panama Canal. Higher estimates of the United States Department of Commerce, the Army engineers, and the Great Lakes-St. Lawrence Association range up to 57 million tons annually.

The railroads, which fought the seaway tooth and nail as uneconomic, figure they'll gain as well as lose. A. E. Perlman, New York Central's president, speculates that expansion of the lake ports may step up north-south traffic, although it might "affect us adversely east and west."

Right now, most Great Lakes cities don't have much more than a brass band to meet any big ocean freighters which might ride empty into their ports.

CHICAGO EXPECTS 800 SAILINGS FIRST YEAR

That's why you find so much activity along water fronts. Maxim M. Cohen, general manager of Chicago's port authority, says: "We plan to construct 8,000 linear feet of dock, 4 transit sheds of 60,00 square feet each, 2 grain elevators each of 6.5 million bushels' capacity, 2 railroad classification yards, and 100-acre site for liquid tanks. Completion of this initial project is scheduled for 18 months after the first dirt is turned this June.

But that's only a start. Eventually, the port is expected to consist of 14 miles of docks, with facilities for handling barges from New Orleans, Cincinnati, St. Louis, and other river ports, alongside big ocean freighters from the four corners of the globe. To build that port will require upward of $100 million.

A second major project here—the $182 million dollar Calumet-Sag Channel project—is aimed at widening the present link between the upper reaches of the Illinois waterway and Lake Michigan. Completion would allow the biggest towboats on the inland rivers to dock at Chicago, transferring cargoes directly to ocean freighters at the new harbor.

President Eisenhower's budget message to Congress in January called for funds to help get that project rolling. And the Chicago city council already has deeded the Lake Calumet area to the port authority, with legislative action anticipated soon to clear the way for a bond issue this spring. Says Cohen: "We are planning for 800 to 1,000 sailings here the first year that the seaway is opened."

MILWAUKEE PORT NOW BEST

Chicago's present facilities are inadequate even for the tiny freighters which now can navigate the St. Lawrence. When Norwegian marble was imported via the Great Lakes for the new Prudential Insurance Co. building here, the cargo was unloaded at Milwaukee, not Chicago. Milwaukee was the only nearby port with a crane large enough to handle the job. Chicago machinery exporters frequently bypass their own port to ship via Milwaukee.

"Right now we have the best equipped port on the Great Lakes for handling foreign cargoes," says Harry C. Brockel, Milwaukee's municipal port director. "Present port facilities will require only dredging to seaway draft to qualify them as facilities to accommodate seaway traffic." Seaway draft is 27 feet, compared with the present 14 foot St. Lawrence bottleneck.

But Milwaukee officials aren't sitting on their hands. Today, the skeleton of a new 20,000-square foot warehouse stands at the north end of Jones island in the harbor. Welders work on orange-painted beams over-

looking the frozen bay. Steel walls will be in place soon. "This warehouse," says Mr. Brockel, "might be called the first step in our expansion for the St. Lawrence Seaway."

Recently, the city's board of harbor commissioners presented a further four and seven-tenths million dollar development program to the city council. Biggest project in the program is a new three and four-tenths million dollar general cargo terminal. Others include a new highway to provide better truck access, expansion of rail trackage, purchase of new cranes, and dredging of harbor slips to seaway draft.

DULUTH REVIVES ITS PORT AUTHORITY

The board estimates it has room for 8 new major piers on the south side of the ice-crusted harbor entrance, and 6 on the north side. Currently it has 6 marine terminals which were served by 10 ship lines, in 1954. Foreign sailings totaled 188, compared with 10 in 1946. An estimated 225 are expected for 1955.

At the head of the lakes, wintry blasts aren't cooling Duluth-Superior's enthusiasm for the seaway. This hill-rimmed port, 1,340 miles west of Montreal, would be the end of navigation for big ocean vessels.

To get its harbor development program going, Duluth has reactivated its long-dormant port authority. Pending before the Minnesota legislature is a proposal to grant the authority an initial $73,000 to plan for development of the harbor. Duluth-Superior visualizes itself as the country's biggest grain-exporting port, while also serving as a medium for exports of farm implements and machinery.

Superior, Wis., also is considering reorganization of its inactive harbor commission and setting up a joint port authority with Duluth, and is studying budgetary problems of port development.

Before any of the lake ports above Monroe, Mich., can benefit from the seaway, the Detroit river, one of the connecting links between Lakes Erie and Huron, must be deepened, as must other channels between the upper lakes. A bill is pending in Congress to eliminate such bottlenecks through a $109 million United States Army Engineers dredging program.

In Toledo, Ohio, civic fathers dream of making the muddy Maumee River into a world-cargo port. The river splits the city, offering 7½ miles of waterfront lined with industrial plants and properties open for marine development.

At the mouth of the harbor, lean lake freighters are moored beside two huge coal docks which handled 20.9 million tons in 1954. But Toledo hopes to become more than a big coal port.

CLEVELAND STUDIES NEW PORT NEEDS

A tentative plan for a new $20.6 million general-cargo harbor facility has been drawn by Harland Bartholomew & Associates, St. Louis engineering firm. Proposed location is at the mouth of the Maumee on a 175-acre site. Facilities for 10 large cargo ships would be provided at 5 cargo slips and at open wharves.

In a room[3] of Cleveland's city hall overlooking the lake front, engineers are leaning over blueprints of a proposed port of Cleveland.

Currently, the engineering firm of James C. Buckley, Inc., New York, is making a traffic survey of 1,500 manufacturers in a 6-State area to see who might use a port at Cleveland. This information is expected to provide a foundation for port improvements.

Sixty miles east of Cleveland, at Ashtabula, 2 new piers jut 2,000 feet into the harbor, the core of the city's seaway port. The N. J. Pinney & Associates Dock Co. is scheduled to complete two 2,000 by 500 foot bulk cargo terminals with 8,000 linear feet of ship dock within 2 years. On drawing boards, is a third 2,000-foot dock. This $5 million plus project is a private Pinney venture aimed at transforming Ashtabula into a chemical shipping port.

The Buffalo, N. Y., city administration currently is pressing the State legislature to authorize a Buffalo area port authority.

"We anticipate the greatest value of the seaway to Buffalo will come from the movement of iron ore from Labrador," says Charles C. Fichtner, executive vice president, Buffalo Chamber of Commerce.

Mr. LANGER. Mr. President, will the Senator from Wisconsin yield?

Mr. WILEY. I yield.

Mr. LANGER. Mr. President, with reference to the article in the Wall Street Journal to which the Senator from Wisconsin has made reference, I am entirely satisfied that that article is not correct. The seaway should extend a number of miles inside my State. In my lifetime, there was navigation all the way up to Montana. I remember that when Teddy Roosevelt was in North Dakota he went on a big ship all the way to Custer and brought back the dead and the wounded from that point.

I wish to serve notice that I intend to introduce a bill providing for a survey to be made which has for its purpose ascertaining from the Army engineers or the Bureau of Reclamation the facts as to whether the seaway can be extended into the Missouri River.

Mr. WILEY. I certainly would not have any objection to that. I am sure the article speaks, at least, the honest conclusions of the writer. There is a great deal of discussion when we disagree on the floor of the Senate. This is just another example of the Senator from North Dakota disagreeing with the Wall Street Journal.

Mr. LANGER. I agree, on general principles, with the Senator from Wisconsin. All I am trying to do is to have another survey made to see whether we can have navigation to the Missouri River.

A Tribute to the Hungarian People on Their Day of Independence

EXTENSION OF REMARKS

OF

HON. DANIEL J. FLOOD

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 15, 1955

Mr. FLOOD. Mr. Speaker, the year 1848 was a year of revolution on the European Continent. Europe was in ferment. The forces of liberalism and nationalism, turned loose by the American Revolution of 1776 and the French Revolution of 1789 and repressed in Europe during the post-Napoleonic period, burst forth with renewed vigor to shake the foundations of the European system. Hungary was one storm center in the struggle for national independence.

America has her Washington; Hungary has her Kossuth. In our War of Independence Washington came to the fore, and leading the forces of the Revolution carried the cause of American independence to final fulfillment. We are the beneficiaries of the efforts of this great man; we are the beneficiaries of the efforts of his heroic soldiers.

In the Hungarian revolution of 1848 Louis Kossuth, like Washington, came to the fore and led the forces of Hungarian independence. Unfortunately, Kossuth and his compatriots failed in their attempt to establish freedom and democracy in Hungary. Imperial Russia intervened in the war of independence, and joining the forces of the Hapsburg Empire, succeeded in destroying the independence that the Hungarian people had proclaimed.

The Hungarian cause was lost. But, even from failure there arises many wholesome things and from this great attempt at establishing independence in Hungary there emerged a great leader of Hungarian democracy: Louis Kossuth. A leader of inestimable quality and ability Louis Kossuth has rightly taken a place alongside of the world's great leaders of democracy and independence, men like Washington, Jefferson, O'Connell and Bolivar.

Probably one of the most galling aspects of the present regime in Hungary is the attitude it has taken toward Kossuth. Deceitfully, the Communists have attempted in their propaganda to depict Louis Kossuth as a precursor of their own so-called liberation regime. The Communists have used every propagandistic contrivance to make this great Hungarian leader appear as one of them. Indeed, this treacherous tactic is a prime example of the manner in which the Communists have used the good name of a great democratic leader to cloak their own tyranny and injustices. Thus, they have sought to create the impression that the Communist movement in Hungary is really a Hungarian nationalist movement, entirely unrelated to the Soviet Union and the international Communist conspiracy. Indeed, this is a vicious fraud that is being attempted upon the Hungarian people, for Louis Kossuth and his patriots of 1848 were motivated by the highest democratic ideals; they were men grounded firmly in the Christian tradition; they were above all else Hungarians loyal to the cause of their nation. In a word, these men represent everything that we profess to be, great and pure, everything that is fundamentally hostile to the concept of communism.

Today as Hungary lies enchained in a new tyranny, all Hungarians can look to Louis Kossuth and the patriots of 1848 for inspiration in their struggle for freedom. For them we in America pray, as indeed Kossuth himself had prayed, that Hungary will one day be free.

Sixteenth Anniversary of the Independence of Slovakia

EXTENSION OF REMARKS

OF

HON. B. W. (PAT) KEARNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 15, 1955

Mr. KEARNEY. Mr. Speaker, today, March 14, is the 16th anniversary of the independence of Slovakia. Throughout

the world this anniversary will be celebrated by the Slovak people. On March 14, 1939, the Slovak Parliament in Bratislava proclaimed Slovakia an independent state. It was the climax to feelings of national consciousness which had their beginnings as early as the 16th century. Although for long centuries generations of Slovaks lived on their own land under foreign rule, they cherished the deep faith that the time would come when Slovakia would become an independent country and Slovaks might rule themselves.

The solemnity with which Slovaks everywhere greet this 16th anniversary of their independence springs from the fact that it must denote still another year during which the people of Slovakia have endured the material enslavement of their land under the mockery called by the Communists the people's democracy. However, that the years of independence were so few has only strengthened the age-old determination of this proud people to resist to the end the forces which now aim to stifle the very moral principles upon which democracy and freedom are based.

I know that I speak for the American people when I say that the people of Slovakia have our deepest sympathy and admiration in their heroic resistance to the regime of physical exploitation and the amoral ideology which the Soviet Union has attempted to force upon them. We join them on this anniversary of their independence in the fervent hope that their opposition will prevail, and achieve once again the establishment of a free and democratic nation.

Congress Must Do Something Immediately to Alleviate the Unemployment Problem in Labor Surplus Areas

EXTENSION OF REMARKS
OF
HON. JAMES E. VAN ZANDT
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, March 15, 1955

Mr. VAN ZANDT. Mr. Speaker, on Monday, March 14, 1955, I appeared before the so-called Neely subcommittee of the Senate Committee on Labor and Public Welfare in connection with the unemployment problem in the coal, railroad, and related industries and which exists in my congressional district. My statement follows:

STATEMENT BY REPRESENTATIVE JAMES E. VAN ZANDT, MEMBER OF CONGRESS, 20TH DISTRICT OF PENNSYLVANIA, MARCH 14, 1955, BEFORE THE NEELY SUBCOMMITTEE OF THE UNITED STATES SENATE COMMITTEE ON LABOR AND PUBLIC WELFARE

Mr. Chairman, I want to congratulate you and the members of this committee for making possible the appearance here of those of us in Congress who represent areas of the Nation with a substantial labor surplus.

These hearings are timely and of utmost importance because they focus the attention of Congress and the Nation on the evils of unemployment.

Furthermore, these hearings will reveal that thousands of good Americans are living today on unemployment insurance benefits, public assistance, and surplus commodities.

Mr. Chairman, I want it definitely understood that I am not opposed to the principle of reciprocal trade. My votes on that subject since becoming a Member of Congress support that statement.

However, when it became apparent that reciprocal trade agreements were permitting cheaply manufactured foreign goods to destroy the jobs of American workmen I could not conscientiously continue my support of such a program.

Mr. Chairman, I supported the peril-point and the escape-clause amendments which were written into the reciprocal-trade laws and which we were told would safeguard the jobs of American wage earners.

In addition, I looked upon the creation of the Randall committee with high hope that it would provide relief to certain American industries from unfair competition resulting from a flood of cheaply manufactured foreign goods.

Regardless of the peril point, the escape clause, or the recommendations of the Randall committee, no checkrein has been placed on foreign imports and especially the flood of foreign residual oil which has just about wrecked the economy of coal-producing areas in Pennsylvania, West Virginia, and Maryland.

Because of the geographical location of the coal-producing areas in these three States, for years and years their mines supplied the eastern seaboard with coal.

However, since 1946 foreign residual oil from Venezuela began to flood the eastern seaboard with the result that it has displaced coal from Pennsylvania, West Virginia, and Maryland, thus destroying the jobs of thousands of coal miners, railroaders, and others in related industries.

The following chart fully describes the economic losses to American industry and labor from the importation of foreign residual oil for the period from 1946 through 1954:

Item	1946	1947	1948	1949	1950	1951	1952	1953	1954
Economic losses to American industry and labor occasioned by United States imports of residual oil 1946-54, inclusive:									
1. United States imports of residual fuel oil ..millions of barrels..	45	54	53	75	120	119	129	136	132
2. Coal equivalent tons of item No. 1 (above) ..millions of tons..	11	13	13	18	29	29	31	33	32
Estimated economic losses to American industry and labor resulting from United States imports of residual fuel oil:									
3. Coal producers..millions of dollars..	$37	$54	$64	$87	$139	$141	$151	$160	$133
4. Railroad revenue..do..	$21	$28	$30	$45	$74	$75	$86	$92	$84
5. Coal miners—wages..do..	$19	$27	$31	$43	$68	$72	$77	$81	$74
6. Railroad labor—wages..do..	$12	$14	$15	$23	$36	$38	$43	$46	$44
7 Taxes (Federal, State, and local—direct)..do..	(1)	(1)	(1)	(1)	(1)	(1)	(1)	$41	$40

[1] Not available.

Mr. Chairman, this chart speaks for itself because it reveals the tremendous increase annually since 1946 in the importation of foreign residual oil.

In addition, it also discloses the millions of tons of coal displaced annually; the revenue lost to coal producers and the railroads; the loss in taxes to local, State, and the Federal Government; and more important than anything else the wages lost by coal miners and railroaders.

Mr. Chairman, I am not attempting to tell you or this committee that the unemployment in the coal, railroad, and related industries is wholly chargeable to foreign residual oil. It is, however, a powerful factor.

The following chart shows the decreased use of coal by the railroads of the Nation and by other domestic users:

Consumption of bituminous coal

[Thousands of net tons]

Year	Railroads (class I)	Retail dealer deliveries	Total
1946	110,166	100,586	500,386
1947	109,296	99,163	545,891
1948	94,838	89,747	519,909
1949	68,123	90,299	445,538
1950	60,969	86,604	454,202
1951	54,005	76,531	468,904
1952	37,962	68,393	418,757
1953	27,735	61,295	426,285
1954	17,370	52,616	362,980

Source: U. S. Bureau of Mines.

You will observe the drastic decrease in the amount of coal used by the railroads which is the result of the dieselization of their motive power.

The loss in domestic use or in retail deliveries is chargeable to the use of substitute fuels.

Mr. Chairman, from the information furnished in my testimony you have evidence as to the basis for the unemployment in the coal, railroad and related industries.

As you know, those of us in Congress from coal-producing areas have advocated a quota limitation on the importation of foreign residual oil, because we feel it is justified and the only way we can get relief.

Mr. Chairman, you have heard from spokesmen for the coal industry for the past week and there is nothing more I can add to their expert testimony.

For that reason, I want to talk about the unemployment situation in my own congressional district which comprises the counties of Blair, Centre, and Clearfield in central Pennsylvania.

When I first came to Congress in 1939 I opposed reciprocal trade agreements on the grounds that they were destroying the jobs of coal miners in my congressional district in Pennsylvania. At that time, imported Russian coal had captured some of the eastern seaboard coal markets from coal producers in my congressional district.

In voicing my opposition to the importation of slave-minded Russian coal and other cheaply manufactured foreign products, I predicted that such a reckless policy would create ghost towns out of many communities in my congressional district and throughout the Nation.

Mr. Chairman, my prediction in 1939 has become a reality.

Practically all of our deep mines in central Pennsylvania are closed and thousands of miners have been out of work for several years.

In fact, many mining towns have been abandoned and their empty and dilapidated rows of houses stand as a ghastly monument to the destructive effects of the importation of foreign residual oil.

Because they have nowhere to go, only a few of the unemployed in the coalfields of central Pennsylvania have left the area.

The result is that today, according to the United States Department of Labor, my con-

gressional district is classified as a critical area because of a very substantial labor surplus.

In fact, over 18 percent of the civilian labor force is unemployed.

This unemployment is not confined to coal miners and railroaders but includes those employed in affected related industries.

The three counties that comprise my congressional district represent one of the most acute unemployment areas in the United States.

This unemployment problem that exists in my congressional district did not happen overnight. As I mentioned a moment ago, it started back in 1939 and were it not for World War II and the Korean war which stepped up the demand for coal the unemployment problem we have today would have been acute in the intervening years.

In a few words, World War II and the Korean war simply delayed the day of reckoning.

Mr. Chairman, these unemployed people in my congressional district have exhausted their rights to unemployment insurance, liquidated their savings accounts, borrowed on or have taken the cash value of their insurance policies and today are living on public assistance and surplus commodities.

In order to become eligible for public assistance many of these good Americans were required to permit the State to place a lien against their home for the amount they receive in public assistance benefits.

To give you some idea of the overall picture of unemployment in my congressional district let me call your attention to the following chart that describes the number of families and persons receiving surplus commodities:

Surplus commodities

County	Number of families	Percentage of all families	Total number of persons	Percentage of county population
Blair	10,801	26.8	32,561	23.3
Centre	2,939	15.9	9,362	14.2
Clearfield	9,988	42.2	37,179	43.3
Total	23,728	28.8	79,402	27.1
Entire State of Pennsylvania			1,020,963	[1] 9.7

[1] Of State population of 10,498,012.

As you know, Mr. Chairman, before you receive coupons for surplus commodities you have to be certified as eligible by a local welfare agency.

Therefore, these figures are official and have been verified not only by the State of Pennsylvania but also by the county commissioners in each of the three counties in my congressional district.

Surplus commodities by carload lots to Mar. 1, 1955

County	Beans	Beef	Butter	Cheese	Dried milk	Rice	Shortening
Blair	2	16	21	19	18	1	16
Centre	½	4	3	5	5	½	4
Clearfield	4	5	16	14	16	1	13
Total number of carloads	6½	25	40	38	39	2½	33
Grand total, 184 carload lots.							

Mr. Chairman, there is no denial of the fact that these figures are startling and are an answer to those who smugly insist that there is no acute unemployment problem in the labor surplus areas of the Nation.

Think of it, Mr. Chairman, in the great industrial State of Pennsylvania out of its 10½ million residents, nearly 10 percent, or 1,020,963, are living on surplus commodities.

In my congressional district out of a population of 292,000 nearly 28 percent, or 79,402 persons, are receiving surplus commodities.

Yes, Mr. Chairman, these figures are startling for they truly portary the extent of unemployment in Pennsylvania and in my congressional district.

To be more specific, in my home city of Altoona, Pa., out of a metropolitan area population of a little better than 100,000 nearly 10,000 persons are unemployed, 6,000 of whom are railroad employees, with 4,100 of them having exhausted their rights to railroad unemployment insurance benefits on January 10, 1955.

I regret that every member of this committee is unable to visit Altoona, Pa., and talk to these unemployed Americans as they stand in line to pick up their surplus food coupons.

If it were possible for you to talk to them, you would hear the tragic story of their plight as citizens of a nation that boasts of its high standard of living.

Mr. Chairman, the residents of my congressional district faced with this acute unemployment problem are not sitting idly by and doing nothing to help themselves. Almost every community has an active industrial committee, and thousands of dollars have been raised by public subscription in an all-out and long-range program of rehabilitating the industrial economy of the area by attracting new industries.

As you know, Mr. Chairman, in the effort to attract new industries to a community the competition is really keen.

While these various community industrial groups exert every possible effort to attract new industries, no stone is being left unturned to assist the unemployed in finding jobs. In this effort we have the cooperation of Federal and State employment services as well as the Railroad Retirement Board.

Regardless of this determined effort to relieve the unemployment situation, we are faced with the fact that only a handful have found employment elsewhere in central Pennsylvania; while several hundred having despaired of getting employment in Altoona have migrated to other States. The bulk of the unemployed are still in central Pennsylvania and especially in the Altoona area where they are living in hope that employment conditions will improve.

Mr. Chairman, these unemployed who have remained in central Pennsylvania should not be criticized, for let us remember they represent the second and third generation of families that settled in the central Pennsylvania area years and years ago.

They have their family roots in central Pennsylvania, many owning their own homes or having nearly completed the purchase of them.

In plain words, these good American citizens who have helped build their community, State, and Nation through toil and taxes, should not be expected to leave the great industrial State of Pennsylvania and roam over the United States in gypsylike fashion seeking their daily bread.

To those who would suggest that these families be relocated at Government expense, I say to you that you are advocating the principles of state socialism which dictates when and where you may sow and reap.

Mr. Chairman, as the Representative of these people in the Congress of the United States, I have introduced a series of bills in this Congress designed to provide relief for the unemployment situation, not only in my congressional district but also in other labor surplus areas of the Nation.

There are two bills in particular in my series of legislative proposals that I would like to call to this committee's attention.

First is H. R. 860, a bill to provide for programs of public facilities construction which will stimulate employment in areas having a substantial labor surplus.

The other bill is H. R. 4628 which will authorize the Small Business Administration to make loans to municipalities having a substantial labor surplus to assist them in their efforts to promote the establishment and location of new industries or to aid in expanding existing plants.

These two bills are pending before House committees and if approved by this Congress would help considerably to alleviate the unemployment problem and bolster the sagging economy of many areas of the Nation.

Mr. Chairman, while we attack this unemployment problem on all fronts almost daily the situation becomes more acute as our unemployment rolls increase because of the fact that as the days go by more of our deep shaft mines are being closed with the result that more miners, railroaders, and employees in related industries are thrown out of work.

The closing of our mines, Mr. Chairman, is traceable to the ever-increasing imports of residual oil from Venezuela which started in 1946 with 45 million barrels and reached a total of nearly 132 million barrels in 1954.

In fact, from 1946 through 1954, inclusive, a total of 863 million barrels of foreign residual oil flooded the eastern seaboard of the United States displacing 209 million tons of bituminous coal resulting in the loss of $492 million in miners' wages and $271 million in railroader's wages.

We should add to this loss in income the loss in taxes to Federal, State, and local political subdivisions.

Mr. Chairman, you will remember that earlier in my discussion I talked of ghost towns and all through my remarks I have stressed the unemployment of thousands of good Americans who have exhausted their rights to unemployment-insurance benefits and are existing on public assistance and surplus commodities.

I repeat, this condition prevails in the United States where we boast of our high standard of living.

Mr. Chairman, the principal benefactor from the flood of foreign residual oil is Venezuela whose residents are enjoying unbridled prosperity.

Let me read to you Hal Boyle's syndicated column of January 14, 1955, titled "Venezuela Seen as the Texas of South America."

"VENEZUELA SEEN AS TEXAS OF SOUTH AMERICA

"(By Hal Boyle)

"CARACAS, VENEZUELA.—Leaves from a cruising notebook: Venezuela today is the Texas of South America.

"So much money is being made here that visiting Texans actually get an inferiority complex, and the United States dollar feels like 50 cents.

"Just to be sure he wouldn't be mistaken for an ordinary bum, one new millionaire from the interior of the country came to town with calling cards that bore this message printed after his name: 'Capital: 6 million bolivars.' That's nearly $2 million.

"There is so much wealth flowing around that even tourists get a break. If you kick a diamond out of a rock here, the Government lets you keep it tax free unless it is worth more than $1,700. You can also go pearl diving and keep any pearls you find.

"The visitor has a dazed sensation he is caught in a midcentury Klondike gold rush. The atmosphere of quick money is overwhelming, and tales of riches made overnight are a bolivar a dozen.

"Venezuela is bigger than Texas and Oklahoma combined and larger than any European country except Germany. Its chief income is from oil—no land except the United States produces more—but it also has iron ore deposits rivaling the famed Minnesota Mesabi Range. It also has cowboys and Indians, 16,000-foot-tall mountains, jungles, beach resorts, and the world's highest waterfalls.

"Although the nation has a population of 5½ million, the government spent half a billion dollars in 1954 on vast public-works projects and still ended up with $80 million left in the till. Its huge modernization program calls for the future expenditure of $800 million alone for a new 2,640-mile railway network to open inland mineral and agricultural areas for further development.

"Foreign investors from the United States and Europe are pouring untold more millions into the industrialization of the country. It has taken in more than 100,000 immigrants from Europe the last 10 years.

"Caracas, the 388-year-old capital, is now one of the world's greatest boom cities. Fifty years ago milkmen herded cows through its ancient streets. Today they are jammed by thousands of new high-priced motor cars.

"You reach the city from the nearby port along recently completed 11-mile highway that cost $71 million, which Caraquenos proudly boast is, mile for mile, the most expensive ever built.

"Nearly a million people live in the metropolitan area, and so many new buildings are going up construction workers have no time even to take Sundays off to go to the bull fights.

"Dominating the heart of the city is Centro Bolivar, Venezuela's 'Rockefeller Center,' which will cost $300 million. Its twin 300-foot towers, housing government offices, have four traffic levels beneath them.

"Caracas also has a baseball park the size of Yankee Stadium, the new $8 million Hotel Tamanaco, a technicolored $30 million polyclinic hospital, and a university as modern as any in the world.

"But the city has abysmal poverty as well as tremendous wealth. The shanties of the poor still crowd many of the raw red hills that stud Caracas. The government has torn down thousands of these eyesores and replaces them with forty 15-story apartment buildings at a cost of $24 million. Workmen can rent the apartments for $6 to $30 a month, own them after a period of 20 years.

"In 1955 the government plans to tear down 6,500 more shacks, spend $2 million more on apartment projects for low-income workers.

"Oddly, many uprooted workmen's families are unhappy in their fine new apartments.

" 'The old shacks had a small yard in which families could raise a pig and a few chickens, explained our guide. 'It is all but impossible, of course, to raise a pig in an apartment, and many of the old people in particular get lonesome for their old way of life. They don't feel as free as they did.'

"Progress always has its price, and to some the price doesn't seem worth it."

Mr. Chairman, what a contrast it is to compare living conditions in Venezuela with the coal fields of Pennsylvania.

May I add that the prosperity enjoyed in Venezuela is to a great extent at the expense of the misery and suffering of residents of the coal-producing States of our Nation and especially of my congressional district.

At this very minute a quarter of a million ton tanker ship is tied up at an east coast dock carrying disaster to the coal, railroad, and related industries of this Nation, in much the same manner as rat-infested vessels brought disease into our port cities in years gone by.

This foreign tanker with its bunker space filled with residual oil is dumping it in violation of every American concept of fair competition.

As a matter of fact, even if the miners of our Nation would work for nothing and the railroads transported the coal for practically nothing, the coal industry could not compete with this unfair competition from foreign residual oil because its price is continually manipulated downward in order to capture the eastern seaboard coal market.

Mr. Chairman, it is being said in defense of residual oil that the oil companies have been requested to restrict voluntarily the amount of residual oil imported quarterly. Those who have considered the possibility of voluntary cutbacks on imports of foreign residual oil insist that it is impractical and that the idea has been abandoned.

They further state that such voluntary control may be in violation of antitrust laws and thus the proposal presents a complicated legal problem.

It has also been said that if any restrictions are placed on the importation of foreign residual oil we will offend Venezuela.

Let me state, Mr. Chairman, that every time a coal miner loses his job because of unfair competition from foreign residual oil a railroader has also been added to the list of the unemployed.

As far as I am concerned, it is about time we start adopting some of the policies foreign nations apply against us in protecting the jobs of their industrial workers.

Mr. Chairman, I appreciate the opportunity accorded me this morning to appear before this committee and to tell you of the plight of the unemployed in my congressional district.

Your willingness to listen to an analysis of our problem renews our faith and confidence in our representative form of government.

I sincerely hope that as a result of these hearings remedial legislation will be enacted at the earliest possible date.

The Revision of U. N. Charter

EXTENSION OF REMARKS
OF

HON. USHER L. BURDICK

OF NORTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 15, 1955

Mr. BURDICK. Mr. Speaker, the One Worlders are getting more bold and daring. Through a revision of the Charter of the United Nations proposed for sometime this year, the One Worlders or the World Association of Parliamentarians for World Government and the United World Federalists propose to make a start in taking this country over, lock, stock, and barrel.

The United States is to be divided into four regions. The eastern section will include all of the United States from Maine to the Mississippi River and from the Mason and Dixon's line to Canada. The second section will include all the southern States from the Atlantic to the Rocky Mountains. The third section will take in the States of the Middle West from Canada to the Mason and Dixon line and from the Mississippi River to the Rockies. The fourth section will include the extreme west coast. These sections will be governed by the office of a director or commissar appointed by the World Government and he will administer laws given him by the same one world organization. These laws will be enforced by a corps of One World police, drawn from every country in the organization. There is no provision for the election of these directors or commissars and neither they nor the policemen used to enforce the laws can be residents of the district they control.

The resources of the world will be pooled and the rich, natural resources of the United States will be distributed throughout the world to bring every class of person up to a common standard of living. Individual efforts and industry count for nothing—the same identical setup the Soviets have. The One Worlders see a golden opportunity to get their clutches on the immense natural resources of this republic and distribute it to do two things:

First. To build up the potential enemies of this country.

Second. To so deplete the United States that it will be an easy victim of the World Government.

Not enough people in the United States are aware of this One World movement, which was once carried on secretly but is now promoted openly. Churches have joined in demanding this surrender on our part. These churches have been misled by thinking that world peace can be obtained if the United States will give up a part of its sovereignty. This is confused reasoning, because if we give up a part of our sovereignty it means that eventually we will be asked to give it all up if world peace cannot be established without it.

It is as impossible to subscribe to world peace with the Russian government, whose motive force is the destruction of capitalism, as it is to mix oil and water. We are not out to destroy communism, but Russia and China are out to utterly destroy capitalism. All we seek is to arrest communism and keep it from spreading ever outward as a threat to our own Government.

Since it is impossible to have perpetual peace with the Soviets, what faulty reasoning is it to suggest we give up our own sovereignty, thereby making the world conquest of capitalism more certain. The Soviets and Red China will sign any world peace document, but will not keep a word of their promises. How much more evidence do these peacemakers need to convince them that the signature of the Reds to a treaty is no more valuable than a page out of a Sears and Roebuck catalog?

These international One Worlders are heading this country into a lot of trouble here in the United States. Their plans include world citizenship, world legislation, world military control, world dis-

tribution of wealth and world management of economic and living conditions of all citizens, including the United States. We fought for our independence and freedom once, and will do it again. I do not believe the people of the United States want to give up, or will give up, any part of the sovereign rights of this republic. I think there are millions in this country who will, when the facts reach them, resist this One World Government, and brand its agitators for just what they are.

Although the Senate was asleep when the Charter of the United Nations was approved, the Congress is now alive to the menace of the One Worlders' efforts to sabotage the Constitution of the United States. House Joint Resolution 184 was passed unanimously by the Judiciary Committee of the House on March 8th, and reads as follows:

Resolved, etc., That the 1st day of May 1955 is hereby designated as Loyalty Day and is set aside as a special day for the reaffirmation of loyalty to the United States of America and for the recognition of the heritage of American freedom; and the President of the United States is authorized and requested to issue a proclamation calling upon officials of the Government to display the flag of the United States on all Government buildings on such day and inviting the people of the United States to observe such day, in schools and other suitable places, with appropriate ceremonies.

While the UNESCO of the United Nations seeks to tear down loyalty to this Nation and destroy patriotic national spirit, the Judiciary Committee expressed the opposite view in no uncertain terms. Gradually, day by day, the people are finding out about the purposes and objects of this sinister organization. The bolder UNESCO becomes, the more its purposes will be disclosed, and the Judiciary Committee of the House is to be congratulated for meeting its pernicious aims head on.

Historical Pageant Proposed for Trenton, N. J., Rich in History and in Knowledge of Its History

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EXTENSION OF REMARKS
OF

HON. FRANK THOMPSON, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 15, 1955

Mr. THOMPSON of New Jersey. Mr. Speaker, the city of Trenton, N. J., and the area surrounding it was the site of many stirring happenings in connection with the American Revolution and the Hessian barracks are maintained today on their original location just a short block from the State House. I have often thought that this area would surely provide as fine and moving a historical drama as that carried on at the national park at Roanoke Island, or the Paul Green drama Faith of Our Fathers, which marked the sesquicentennial of the Nation's Capital, both of which were arranged and sponsored by the National Park Service. National interest has been aroused by St. John Terrell in the Trenton area through his yearly reenactment of the drama of Washington Crossing the Delaware.

Conrad L. Wirth, director, of the National Park Service, in response to my inquiry on the matter replied in part as follows:

I am pleased to learn of your interest, that of the city of Trenton and of the State, in the possibilities of producing a community patriotic pageant in this area which would be similar to other such pageants being presented with success in the East and other parts of the Nation. It has been the experience of the National Park Service that these outstanding dramas have been sponsored and presented by communities and local patriotic organizations, which have frequently received State support. The Lost Colony is given within the boundaries of Fort Raleigh National Historic Site by the Roanoke Island Historical Association, formed primarily to present this pageant, and under a cooperative agreement with this service. The other Paul Green dream which you mentioned, Faith of Our Fathers, was presented by the National Capital Sesquicentennial Commission by agreement with National Capital Parks. In another instance, an interesting historical pageant is being presented by a local organization on a permit basis at Kings Mountain National Military Park, in South Carolina.

Mr. Wirth goes on to advise me as follows:

In the case of the Revolutionary pageant which you propose for the city of Trenton, the Service would like to suggest that, since the proposed site at the old Hessian barracks appears to be in State ownership, the city and State would undoubtedly be interested in acting as joint sponsors o the undertaking. We shall be glad to send them the names of officials sponsoring pageants in Service areas. Should the city and State officials wish to explore this project further, I suggest that they communicate with Mr. Elbert Cox, regional director, of our region one office, 900 North Lombardy Street, Richmond, Va., and arrange a meeting. Your interest in writing me about this proposal is appreciated.

I include here an article from the Trentonian by that newspaper's very capable Washington correspondent, Cyril J. O'Brien, as well as a letter from a constituent, Mrs. M. P. Shuman, a teacher of history and social science in the Trenton Public Schools:

TRENTON GOES TO WASHINGTON—THOMPY PLUGS THIS AREA FOR HISTORICAL PAGEANT

(By Cyril J. O'Brien)

WASHINGTON, March 2.—The historic light that promises untold opportunity for Trenton peeked brightly this week from under the bushel that has been clamped tightly over it by more than a hundred years of indifference.

The break in the bushel was a letter from Congressman FRANK THOMPSON, of New Jersey, to the National Park Service of the Department of the Interior.

At Roanoke Island, Va., a pageant, Lost Colony, is attracting thousands upon thousands of visitors each year, and at Williamsburg, Va., the historic pageant has become so nationally famous it is now a must for any sightseer in the east.

But Trentonians who sit on the powder keg of all pageants continue to sit, or go to Williamsburg to watch a pageant. Even their own Hessian Barracks—site of the very turning point of the War of Independence—draws a pitiful handful of visitors each month, who look, chat, go home, and perhaps forget it. And around Trenton, there are names like Monmouth, Princeton, Molly Pitcher's Well, the Iwo Jimas and Normandies of the Revolution. There is enough history, legend, romance a few minutes from the statehouse to arouse as much patriotic fervor as a Russian bomber.

CITES AREA'S HISTORICAL ASPECTS

"The city of Trenton, N. J." Representative THOMPSON wrote the Interior Department, "and the area surrounding it was the site of many stirring happenings in connection with the American Revolution, and the Hessian Barracks are maintained today on their original location just a short block from the statehouse. I have often thought that this area would surely provide as fine and moving a historical drama as that carried on at the national park at Roanoke Island, or the Paul Green drama, Faith of Our Fathers, which marked the sesquicentennial of the city of Washington.

"National interest has been aroused by St. John Terrell through his yearly reenactment of the drama of Washington crossing the Delaware. Another important factor to be considered is the heavily populated metropolitan areas of Trenton, Philadelphia, and New York, which would undoubtedly be a strong financial basis on which to base an undertaking of this kind."

The Congressman asked for assistance in the form of studies which would be a real help in planning a pageant and a program for the Trenton area.

Conrad L. Wirth, Director of the National Park Service, made it clear that his service could not sponsor such a program, but it was ready to give some help, and to advise sponsors. Wirth also suggested that this might well be a joint State-city undertaking.

The query of the Congressman made it clear that the help and the opportunities are there for opening to the world a pageant of history, romance, legend, and reality unmatched in the Nation. The people of Trenton would reap the harvest, but it will be up to someone or some group in Trenton to pick up the ball and carry it.

HIGHTSTOWN, N. J., *March 3, 1955.*

Congressman FRANK THOMPSON, Jr.,
House of Representatives,
Washington, D. C.

DEAR FRANK: I started out to write to tell you that the entry in the Freedom's Foundation contest that won our school (Junior One) the recent prize (George Washington gold medal) at Valley Forge on February 22 contained your voice on a record that was made from our Story of Trenton broadcasts last spring. I wanted to thank you again for your help and interest.

This morning, in the Trentonian I noticed in Cyril O'Brien's column an article about your interest in renewing interest in historical—particularly Revolutionary—Trenton.

Because I have been cochairman of the Committee on Historic Sites in Trenton, I have become well acquainted with an active committee that is interested not only in erecting historic markers but in preserving our history in general. It occurred to me that this committee might be very helpful to you in the development of your pageant idea.

I think we should go farther than having the pageant. I think we should erect an historical museum for the city in Stacy Park near the Douglass House and get a group of industrialists to finance it and use it as a resource for study, guide service, and coordinated classroom activity.

My book on the history of Trenton is being printed at the Rutgers Press at present and may help us considerably.

Sincerely,

ELEANORE NOLAN SHUMAN
Mrs. M. P. Shuman.

Iowa State College—The First Educational Institution To Benefit From the Land-Grant College Act

EXTENSION OF REMARKS
OF
HON. FRED SCHWENGEL
OF IOWA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, March 15, 1955

Mr. SCHWENGEL. Mr. Speaker, in view of the fact that this subject matter concerns an important educational institution in Iowa and, because of the national significance of this subject, the entire Iowa delegation—Representatives CUNNINGHAM, DOLLIVER, GROSS, HOEVEN, JENSEN, LECOMPTE, and TALLE—joins me in extending these remarks in the RECORD.

I wish to call the attention of the Congress to a very important fact of history which has been distorted recently. This misinterpretation is of particular concern to this body because it involves an act of Congress, the Morrill Act of 1862, popularly referred to as the Land-Grant College Act. This important legislation was initiated and implemented by the Congress of the United States and signed by President Lincoln on July 2, 1862.

On February 12, 1955, the Postmaster General of the United States issued a commemorative postage stamp bearing the names of Michigan State College and Pennsylvania State University and the dates of their founding, 1855 to 1955. I salute these two institutions on the occasion of their centennial celebrations and hope that their next hundred years will be as successful and as resourceful as the first hundred.

It also seems to me that the Postmaster General has established a fine precedent in issuing this 100th anniversary stamp for two of our outstanding institutions of higher education. Each of our State universities, in fact, should be so honored. This, I think, should be called to the attention of the great and noble State universities in order that they too can celebrate their 100th year with the issuance of a commemorative United States postage stamp.

There was a grave error and a distortion of historical fact, however, on this Michigan State College and Pennsylvania State University stamp. Across the top of this stamp runs the statement "First of the Land Grant Colleges," but this is not true.

These two institutions were not first of the land-grant colleges. Iowa State College was the first educational institution to become an official land-grant college.

First, there was no such thing as a land-grant college in 1855 since the national legislation creating them was not enacted until 1862. Granted there were agricultural colleges which later were designated for the functions of the Morrill Act, but they were not land-grant colleges until the several State legislatures accepted the terms of the Morrill Act and officially specified which State educational institution was to be the agricultural and mechanical arts college.

Second, as you can verify by the accompanying documented table, the Iowa State Legislature accepted the terms of the 1862 act on September 11, 1862, and by this action became the first State to accept it. At the same time, Iowa State was designated as the State's land-grant institution, thereby becoming the first educational institution to benefit from the Morrill Act of 1862 which provided for the creation of our land-grant colleges.

If these institutions, which had the greatest democratizing influence on higher education in this country, are to be honored as they should be, this gross error of historical fact that appears at the top of the Michigan State College and Pennsylvania State University commemorative stamp must be corrected.

I have pointed out that Iowa State College was the first educational institution to be a land-grant college because the State legislature accepted the 1862 act on September 11, 1862. When you study the accompanying documented table, you will also discover that Kansas State accepted the act on February 3, 1863, and created and designated Kansas State Agricultural College on February 16, 1863, to be its land-grant college. This was 10 days before the Michigan Legislature accepted the act and designated Michigan Agricultural College as its land-grant institution.

Also, you will notice that six State legislatures preceded the Pennsylvania State Legislature in designating their official land-grant colleges. Although Pennsylvania accepted the Morrill Act on April 1, 1863, Pennsylvania State College was not designated as the official land-grant college to receive the State's funds until February 19, 1867.

These are the facts of history and I ask that the Congress of the United States officially set the record straight and advise the Postmaster General of the inaccuracy that appears on the commemorative stamp issue of February 12, 1955.

See attached documented statement confirming above subject matter.

Land grant institutions—Selected group

Institution	Date of organization	Date of opening for students	Date of receipt of 1862 land-grant fund	Date of acceptance of 1862 act by legislature
Iowa State College of Agriculture and Mechanic Arts.	Mar. 22, 1858	School opened 1859; college, Mar. 17, 1869.	Sept. 11, 1862	Sept. 11, 1862
Kansas State Agricultural College	Feb. 16, 1863	February 1863 (16)	Feb. 16, 1863	Feb. 3, 1863
Michigan Agricultural College	Feb. 12, 1855	May 13, 1857	Feb. 25, 1863	Feb. 25, 1863
University of Missouri	Feb. 11, 1839	Apr. 14, 1841	Feb. 24, 1870	Mar. 10, 1863
Rutgers University, N. J.	Nov. 10, 1766	1771	Mar. 21, 1863	
Pennsylvania State College	Feb. 22, 1855	Feb. 20, 1859; college, May 1, 1862.	Feb. 19, 1867	Apr. 1, 1863
University of Vermont	Nov. 2, 1791	1801	Nov. 9, 1865	Oct. 29, 1862
University of Wisconsin	July 26, 1848	February 1849	Apr. 12, 1866	Apr. 2, 1863

Source: Benjamin F. The Land-Grant of 1862 and the Land-Grant Colleges. Washington, U. S. Government Printing Office, 1918, 62-63 p. Bureau of Education Bulletin 1918, No. 13. True, Alfred Charles. A History of Agricultural Education in the United States, 1785-1925. Washington, U. S. Government Printing Office, 1929. 436 p. U. S. Department of Agriculture. Miscellaneous Publication No. 36.

Income-Tax Exemption to Taxpayers Who Support Aged Dependents

EXTENSION OF REMARKS
OF
HON. JAMES C. MURRAY
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES
Tuesday, March 15, 1955

Mr. MURRAY of Illinois. Mr. Speaker, under leave to extend my remarks, I want to bring to the attention of the House the need for an amendment to the dependency provisions of the Internal Revenue Code of 1954 to provide taxpayers who support aged dependents with the same treatment as taxpayers who presently support children under the age of 19 years of age or children who are students. I have introduced bill H. R. 4816, which will effectuate this end.

Under the present dependency provisions of the Internal Revenue Code of 1954, dependents must receive over one-half of their support in the calendar year from the taxpayer before they may be counted in computing the taxpayer's exemption from income tax. Additional tests, beyond that of half of their support, also are provided. The tests are, that the dependent receive less than $600 per year gross income, or that, no matter what his income, he is less than 19 years of age or is a student—with no age limit specified.

The amendment which I have proposed would allow a taxpayer to claim a dependency deduction for an aged or blind or disabled parent, without regard to the parent's income, if the taxpayer contributed over one-half of the parent's support for the year. The amendment also would allow the same treatment for the blind, without regard to age. The treatment of children and students as dependents would be paralleled by treatment of the aged, the blind, and the disabled.

In computing their own income tax, the aged and the blind are given larger exemptions under present law than are allowed to children or students on their earnings.

But, in turn, students who hold scholarships which in fact provide support are allowed to exclude the amount of that support in determining their dependency status. It is only reasonable

that the additional living costs of the aged, the blind, and the restricted market for their services which they face, be recognized as it is now in the tax law in determining the exemption allowed to them on their own income. With respect to their own income, they ought to be treated, as they are, more liberally than children and students who are in preparation for entry into their years of broad opportunity for earning. The more liberal tax treatment of the income of the aged and the blind ought not stand in the way of giving those who support them as good treatment as that given to taxpayers who support their children.

If a taxpayer now is supporting an aged parent who receives OASI payments of, say, $700 per year, he may claim the parent as an exemption because OASI benefits are not gross income for tax purposes. Similarly, if the income is from railroad retirement, from certain military pensions, or from tax-exempt securities, it is not included in gross income. It can be received in amounts above $600 by the parent and the parent can continue to be counted as a dependent of the taxpayer. But, if the income is from work, from rentals of property, or from interest on savings bonds or corporate bonds, or dividends, or a civil-service annuity, and amounts to $600 or more, the taxpayer under present law cannot claim as a dependent the parent who receives the income. The results to which the present law leads may be seen in the following instance. A parent begins at age 65 to receive an annuity to which he and his employer have contributed. The annuity is, say $600 per year. During a period of, say, 3 years, the annuity is a return of capital and is not included in the parent's gross income. At the end of the 3 years the annuity continues in the same amount as before, but now becomes entirely income, since all capital has been returned. The recipient is not taxable by reason of his $1,200 personal exemption at age 65 or older. But the son who is supporting him loses an exemption of $600, and his taxes are potentially increased by at least $120.

The proposed amendment would correct this situation, so that the taxpayer who supports his parents who have no income, or whose income is from wages, dividends, rents, taxable interest, and so on, will be given the same treatment as the taxpayers whose parents have OASI benefits, tax-exempt interest, or other sources of income which the tax law excludes from gross income. And it will make the income tax of the taxpayer who supports his aged parents no heavier than the tax of the taxpayer whose children work or go to school.

The revenue loss resulting from this amendment probably would be some millions of dollars each year. No estimate of the amount is attempted because we lack information about the number of persons who support their parents as well as information about the sources of income of the aged.

The loss of revenue is justified because it is a result of allowing taxpayers to keep money which they use for a public purpose. The Government considers the support of the aged to be a purpose of such high rank that it has established both a tax and trust fund arrangement—the OASI—and a contractual arrangement with the States—the old-age assistance program—to seek this purpose. The extension of Government programs to help the aged will be somewhat less urgent as a result of this amendment. The expense of collecting taxes and paying them out to the aged will be somewhat reduced by exempting from tax those who are using their own resources to meet the problem directly.

This amendment will ease the problem of supporting dependents when that support becomes most costly, and when it is more essential that financial worries be minimized. It will also remove the conflicts about working that arise when a few dollars additional from occasional work will cost the person providing the support as much as $120 per parent.

The proposed amendment is less liberal than many would desire. What reason is there for making it applicable at age 65 rather than 64, or 60? A more liberal—lower—age limit could be justified, because the possibilities of staying in the labor force and being independent taper off sharply long before age 65. The age 65 is chosen only because it is commonly used in other sections of the Internal Revenue Code, the retirement income credit, for example; and in OASI and civil-service retirement legislation.

I hope that this body will give serious consideration either to the amendment that I have proposed or some other legislation which will correct this patent inequity in our income-tax structure.

Slovak Independence Day

EXTENSION OF REMARKS
OF
HON. THADDEUS M. MACHROWICZ
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES
Tuesday, March 15, 1955

Mr. MACHROWICZ. Mr. Speaker, yesterday was celebrated throughout the world as Slovak Independence Day. On this day it is fitting and proper that we Americans pay due tribute to the gallant Slovak people for their brave resistance to godless communism and their loyalty to traditions of true democracy and freedom. On this day we also express our words of hope and faith that their desperate struggle for liberty and national independence will ultimately bring victory and that justice will prevail for that oppressed nation.

At the conclusion of World War I, President Woodrow Wilson announced the principle of the right of self-determination of every nation. The preamble of the Charter of the United Nations restates that principle by reaffirming faith in "the equal rights of men and women and of nations, large and small."

Mr. Speaker, as a member of the House Committee on Communist Aggression I have had occasion to hear shocking testimony of the betrayal of the Slovak nation by the Communists. I have heard evidence of the brutality of the Soviet bolshevization of Slovakia. Tens of thousands of Slovaks were deported to Siberia and died there, innumerable Slovaks perished in prisons and concentration camps or while in forced labor in the uranium mines of Joachimstal. Four bishops and some 800 priests, nearly 30 percent of their total number in Slovakia, have been placed in prisons and forced labor camps, many without even a trial or sentence. Freedom and human rights have been almost completely abolished, and most of the living population are being gradually starved to death.

The Slovak people have earned a better and a more just fate. They look today with confidence to the great American Nation, in whom they see their greatest hope as well as the guaranty that international communism will be defeated and that the Slovaks will regain freedom and national independence with a free democratic and unified Europe.

On this Slovak Independence Day I express the hope and prayer that the day of freedom and justice for the Slovak people may be near at hand.

Immigration and Nationality Act

EXTENSION OF REMARKS
OF
HON. FRANCIS E. WALTER
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, March 15, 1955

Mr. WALTER. Mr. Speaker, under the leave to extend my remarks in the RECORD, I wish to include the transcript of Mr. Edward R. Murrow's television show of March 8, 1955, See It Now:

Mr. MURROW. Good evening, this is See It Now produced by the partnership of Friendly and Murrow, and presented each week at this time by Alcoa, the Aluminum Co. of America.

This 120-page document is called Public Law 414. It was passed by the 82d Congress over President Truman's veto. Legally, it is called the Immigration and Nationality Act. It is generally referred to as the McCarran-Walter Act because it was sponsored by the late Senator Pat McCarran and Representative FRANCIS E. WALTER, of Pennsylvania. This act determines who can and who cannot enter this country and also who can be deported. It is complex and controversial and this is an attempt to illuminate it a little bit. Representative WALTER is watching in Washington and he will respond at the close of this report. This was candidate Eisenhower on October 31, 1952.

Mr. EISENHOWER. I believe also that we need to rewrite the unfair provisions of the McCarran Immigration Act to get the bigotry out of it, and don't forget that a vote for my opponent is a vote to continue the Democrat author of that bill as chairman of the Senate Immigration Subcommittee and also chairman of the powerful Senate Judiciary Committee.

Mr. MURROW. And after the candidate became the President, he continued his opposition to the McCarran-Walter Act in his first state of the Union message.

President EISENHOWER. We are one and all immigrants or the sons and daughters of immigrants. Existing legislation contains

injustices. It does, in fact, discriminate. I am informed by Members of the Congress that it was realized at the time of its enactment that future study of the proper basis of determining quotas would be necessary. I am, therefore, requesting the Congress to review this legislation and to enact a statute which will at one and the same time guard our legitimate national interest and be faithful to our basic ideas of freedom and fairness to all.

Mr. MURROW. Again, in this year's state of the Union message, President Eisenhower called for revision of the McCarran-Walter Act. Now, as chairman of the House Immigration and Nationality Subcommittee, Representative WALTER continues as its stanchest defender. CBS reporter Dan Schorr interviewed him in his office.

Mr. SCHORR. Congressman WALTER, you and Senator McCarran are the authors of our current Immigration Act. Senator McCarran is now dead. You survive as a spokesman for Congress on this act. Has it accomplished what you expected it to?

Congressman WALTER. It has accomplished much that we hoped would be accomplished, but Dan, remember this. This code came as the result of nearly 5 years of work. There was expended on it over a half a million dollars. The joint committee—and the code was prepared by a joint committee of Representatives and Senators and the technicians that worked on it were the best people we could find and the best people anybody could recommend. It wasn't lightly considered, and I am quite certain that when recommendations for changes are made, if they are, and usually most of the criticism comes around election time, but if there are any criticisms of the law, I am quite certain that they will be of things that we have considered—that is, a joint committee has considered and rejected. Interestingly enough, I'll give you a beat, Dan. There was submitted to me this morning the galley proofs of a staff report just completed by our experts on the operation of this act and it's quite revealing.

It contradicts many of the statements made about this much maligned law. For example, we were told that the enactment of the McCarran-Walter Act would result in the drying up of all immigration. Well, interestingly enough, that did not happen but just the contrary is the fact. The over-all number of immigrants admitted to the United States exceeds by 22 percent the numbers admitted previously under general law.

Mr. SCHORR. And yet, President Eisenhower, in both of his state of the Union messages, referred to inequities and injustices in this act. How can you explain that?

Congressman WALTER. Well, I am certain that when the President made that statement, if there was any basis for it, he would have made concrete recommendations for changes. I've heard a great deal of name-calling and actually that's the sum total of the criticism of the law. I would like to have somebody point out to me what the inequities are. I am sure that if the President is sincere in his charges, he will have the Attorney General of the United States submit specific legislation.

Mr. SCHORR. Congressman, you said at one time that you favor the present act because it tends to arrest the tendency toward a change in the composition of the American stock. What did you mean by that and how would you justify that?

Congressman WALTER. No; that is not entirely my view. What I was saying at that time—I think it was a speech I made in Philadelphia a couple of years ago—what I was saying was this—that when this formula of national origins was devised, the men who agreed on it felt that the thing to do, in order to reduce conflicts to a minimum, was to bring into this country people who might become more easily assimilated.

After all, it's been intended that this be a great melting pot. I don't know how well that theory has succeeded because I do see evidence on all hands of hyphenated Americanism. There is no place in America for hyphenated Americanism, and all I was saying was that if people of one racial group were given preferences they would become quicker assimilated according to the size of that group.

Mr. SCHORR. Then your act does, in fact, tend to prefer people of one racial group over another?

Congressman WALTER. No; it doesn't prefer one group over another. It merely states that according to the percentages, the Anglo-Saxons were given a larger percentage because there was a larger percentage of the type of people who came during that time, and that is only accidental. It is not—the formula is not rigged but it just happens that when the law was enacted in 1924, there was the predominance of these particular groups.

Mr. SCHORR. But one criticism of the act has been that while it is very effective in excluding Communists, it is not equally effective in excluding those of other totalitarian beliefs such as Nazis and Fascists.

Congressman WALTER. Well, that, of course is not true. If they have been a member of any proscribed organization, then of course they are excludable, and it applies to Nazis and Fascists just as it does to Communists. Of course, there is a big difference, too, between the two forms of totalitarianism. I never heard of the Fascists trying to overthrow the Government of the United States through force and violence. There has never been a movement in the United States except a very inept movement by some German groups before the war to accomplish that.

Mr. SCHORR. May I point out that leaders of the three major denominations in this country—Catholics, Protestants, and Jews—have criticized and attacked your act as being unfair. On what grounds do you think?

Congressman WALTER. I don't know what religious leaders are criticizing this law who know anything about it. However, a lot of the old pros, the old immigrant movers whose job it is to move people, and of course they don't like to see any limit placed on their work, find that it isn't as easy to bring people into the United States as they would like it to be. Now, there was a charge made that the law was anti-Semitic. At a hearing on another act, Congressman Javits, the present attorney general of the State of New York, a great American and a distinguished man, who is in my judgment as well qualified to speak for any group of people as anybody who could be selected, because he is not only fair and honest but he knows the problem, when I asked him wherein this law was anti-Semitic, he laughed and said, "Nowhere is there anything in the law that is anti-Semitic."

Attorney General JACOB K. JAVITS. As I recall it, Congressman WALTER asked me this question at a hearing upon the proposition of moving to liberalize the immigration policy of the United States which I have advocated for a very long time.

At that time I said obviously there was nothing in the law which was specifically anti-Semitic, but I hastened to add that the law, in my opinion, discriminated against minorities like Negroes and those with Asiatic blood in their veins, and also perpetuated the quota system which discriminates against those who were born in Eastern and Southeastern Europe, and in that respect the law is anti-all people who come from those areas, which have traditionally included a good many Jewish people as well as a very great many people of Italian extraction, Greek extraction, Polish and Russian extraction, regardless of where—where they may be living now, and in that sense I have been opposed to the McCarran-Walter Act, and I still am opposed to it. We are anxious to attract good people from behind the Iron Curtain into the free world. There is an enormous influx of those people which comes into western areas like West Berlin. The great attraction to coming into those areas is that they can find a new life in the free world, and if the great leader of the free world, the United States, keeps them out of its own country, obviously it is a disastrous setback to what we hope will be the magnetic attraction to bring them out. And finally, there are very heavy disabilities in the law against citizens who are naturalized as contrasted with citizens who were born in the United States.

This is very much contrary to the whole spirit of this country, and yet it exists and we have the strange situation of where a person might be picked up 20 and 30 years after he is legally immigrated into the United States and shipped out because there is no limitation upon the fact that if he was found to have been guilty of—of some small crime before he came here, which somehow or other didn't get disclosed, or under some summary procedures get into difficulty about having joined some organization quite unwittingly which then turns up on the Attorney General's subversive list. We're not talking about Communists and even fellow travelers. We're just talking about ordinary people who have no intention to do anything but be loyal Americans who get themselves in some small scrape and find after building a life here for years that under the McCarran-Walter Act they have to be sent back now, I don't think that's fair and I don't think it's consistent with the spirit of our country.

Mr. MURROW. One of the religious leaders who oppose the McCarran-Walter Act is Archbishop Richard J. Cushing, of Boston.

Archbishop RICHARD J. CUSHING. I feel that our present restrictive immigration policy as reflected in the Immigration and Nationality Act of 1952 is outmoded and out of harmony with the humanitarian, democratic aim of our current domestic and foreign policies. It is an immigration policy based on fear, insecurity, and I also believe on racial prejudice. It is a denial and a reversal of the policy which brought about the creation, growth, and strength of our great democratic country. Most everyone agrees that the most detrimental feature of our present law and the one that is of paramount importance as far as revision is concerned, is the so-called national origins quota system. It is this system which says in effect that one race is superior to another and that we must therefore limit the admission of the inferior regardless of their individual qualifications or interests or needs, regardless of their refugee or surplus situation, and regardless of any family relationships which may be involved. We can and should establish a higher annual quota of admission to somewhere around 250,000, and an equitable substitute for the national origins quota system can be created for the allocation of these numbers. This new policy would eliminate, I believe, all discriminations and be flexible enough to take care of special problems and to insure that in any one year the entire quota will be utilized. This problem, like many others as I see it, is identified with the United States of America as the hope of a bewildered world.

Mr. MURROW. From Bishop Cushing, we move to Rabbi Israel Goldstein, president of the American Jewish Congress.

Rabbi ISRAEL GOLDSTEIN. I might say, in passing, that the Jewish stake, numerically speaking, is not very large in this particular matter owing to the unfortunate fact that 6 million Jews have been exterminated by Hitler and 2½ million Jews are now sealed

off in the countries behind the Iron Curtain, and owing to the fortunate fact that hundreds of thousands of Jews have come from European countries into Israel where they have found their homes and their freedom. But, nevertheless, our opposition to the McCarran-Walter Act is just as strong and just as vehement as that of any other group, because we condemn the grounds on which it is based. The whole approach to immigration is sort of hostile and the slogan seems to be: "Nothing that is alien is human to me." The McCarran-Walter Immigration Act, moreover, is hypocritical because while purporting to rectify the exclusion of Asians it actually puts a ceiling of 100 immigrants per year for countries such as Japan, with its 70 millions of population, or India with its 300 millions, and it adds injury to insult by counting against these absurd quotas, someone let us say, born in England of half-Asian parentage, who is not given the privilege of being counted for the English quota but is counted for the Asian quota. If that isn't racist, I don't know what is.

Mr. MURROW. Senator HERBERT LEHMAN was one of the 26 Senators who voted against the bill in 1952. We asked him to comment on Representative WALTER'S statement that immigration was up 22 percent since the McCarran-Walter Act.

Senator LEHMAN. Well, Mr. Schorr, in claiming that immigration under the McCarran-Walter Act increased by 22 percent, Congressman WALTER is playing with figures—a very dangerous game. The fact is that the total legal immigration in the fiscal year 1954 was lower than in any preceding year since 1947 with the sole exception of fiscal year 1953, the year Congressman WALTER used as his only basis of comparison. In the 2-year period during which the McCarran-Walter Act has been on our statute books, fiscal year 1953 and fiscal year 1954; total legal immigration was 378,000, but during the 2 years preceding the passage of the McCarran-Walter Act, fiscal years 1951 and 1952, total immigration was 471,000. In other words, total immigration was 25 percent greater during the 2 years before the McCarran Act than after. Moreover, over half of the so-called increase in immigration in 1954 over 1953 is accounted for by the increased immigration from Mexico which is not under the quota system at all. I think actually this bill which is claimed to be an immigration and naturalization law is not that at all, but an exclusion, a denaturalization and a deportation law.

You know the McCarran-Walter Act is based on the so-called national origins quota which goes back to 1924. At that time, they drafted a law which permitted a certain percentage of the people in this country who were of certain national origins to come in, and that; in turn, was based on the population, on the census of 1920, where there were thirty or forty million fewer people than there are today. Now, under that—under that quota system which I am very much opposed to, the national origins quota, a certain number of people were given to England and Italy and Poland and Greece, and the other countries. England and Northern Ireland were given 65,000. Only a very small percentage of those people come in here because the English don't immigrate. They want to stay at home to a great extent, so that these—they're unused quotas which cannot be used by any other country under the present law. On the other hand, a country like Greece has a quota of only 308, most of which are already mortgaged under provisions of the McCarran Act. Italy has a quota of less than 4,000. Poland has a small quota. All the—all the countries of southern and eastern Europe were very greatly discriminated against, and that's one of my very real strong objections to the present act, and why I am proposing to change that in the bill which I've introduced.

Mr. MURROW. Congressman FRANCIS WALTER has been watching in Washington. He will make certain concluding comments immediately after this word from Alcoa, the Aluminum Co. of America.

Congressman WALTER opened this discussion of the McCarran-Walter Act and he has now agreed to make some comments upon what some of its critics have said. Will you go ahead, sir, please?

Congressman WALTER. In the very brief time allotted to me to reply to the statements made by Mr. Javits and the others who spoke this evening, I shall attempt to take the statements each made and look at the notes that I prepared as they were making them. Now, Mr. Javits was fair in his statement but he is entirely incorrect when he states that a person could be deported for a trivial offense. Actually, a person can be denaturalized only after a verdict of a Federal court. An alien can be deported only for the commission of a felony within 5 years after the alien had been in the United States, or two felonies committed after this alien has come to the United States. As a matter of fact, there are two important cases now in the Supreme Court of the United States that go into this question of the procedures on denaturalization—one from Attorney General Javits' own State of New York. On an opinion handed down by Judge Harold Medina, who knows as much about communism as anybody, he stated, "It's worthy of note that the act of 1952 was not hastily thrown together. On the contrary, it's a result of years of patient study," and so on. Now, then, we get to the statements made by Archbishop Cushing.

He said that the act is discriminatory and the national origins system is antiquated, and there is nothing in the law that will enable us to deal with surplus populations. After all, when the Congress of the United States enacted the Immigration and Nationality Act, it was legislating in the interest of the United States and not in the interest of other nations. As far as family ties are concerned, it has been the policy of the Committee on the Judiciary, ever since I have been a member of it, to endeavor to reunite families, and I am sure that the record will show that. Rabbi Goldstein seemed to stress the fact that there were nations with large populations who want to send immigrants to the United States. Well, that demonstrates the fallacy of attempting to depart from the national origins system. I certainly don't believe that it would be in the best interest of the United States to fix quotas according to the size of populations of other countries. Rabbi Goldstein talked about the population of Japan being but 70 million, and they had only a hundred quota—they actually have 185; India, population of 300 million, and only a hundred quota. Well, what about China with a much greater population than either of those countries? Getting to Senator LEHMAN'S statement about juggling figures. He is entirely wrong, because he omitted to say that the years of 1949 to 1952 were the years when the displaced persons program was in effect. Of course immigration was high then under special emergency legislation. The last charge I think that ought to be answered and was not made tonight is with respect to permitting visitors to come to this country.

On tomorrow I am sure an announcement will be made that these Soviet school newspaper editors will be able to come to the United States under the very generous and liberal discretionary provisions of the present law—something that was impossible under the old law.

Mr. MURROW. Thank you very much, indeed, Congressman WALTER, for contributing to a degree to the clarification of this complex and controversial issue. Thank you, sir, very much indeed. Good night and good luck.

Keenotes

EXTENSION OF REMARKS
OF
HON. ELIZABETH KEE
OF WEST VIRGINIA
IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 15, 1955

Mrs. KEE. Mr. Speaker, under leave to extend my remarks in the RECORD, I include copy of my weekly column Keenotes of March 11, 1955, which refers to the recommendations of the Hoover Commission dealing with veterans' hospitalization and disability benefits:

KEENOTES

(By Hon. ELIZABETH KEE, of West Virginia)

In this fast-moving civilization of ours, yesterday is sometimes so very, very long ago. And so easy to forget.

It is particularly easy, it seems to me, to forget "yesterday's hero"—our war veterans—especially when, as right now, we are not engaged in a shooting war. The upsurge of gratitude felt by a whole nation for the sacrifices these boys made for us—the solemn pledges we in turn made them in those yesterdays—all of these can become so cloudy in memory, so easily forgotten now.

As one of the ranking members of the Committee on Veterans' Affairs of the House of Representatives, I have seen this forgetfulness of the veteran show itself many times in many different ways. Whenever it happens, I think of Lear's classic characterization of ingratitude as "how sharper than a serpent's tooth."

Lear was berating a thankless child. But nations can be ungrateful, too.

This Nation certainly would be ungrateful, I feel, if it were to adopt some of the latest recommendations of the Hoover Commission dealing with veterans' hospitalization and disability benefits.

The new Hoover group, officially known as the Commission on Organization of the Executive Branch of the Government, put a task force to work surveying all of the Government's $4 billion a year health activities, of which veterans' care is only a part. The group indicated a possibility of saving up to $400 million a year through reorganization of the Government's various health functions, including modification of some and elimination or drastic curtailment of others.

Significantly, however, more than three-fourths of all of these estimated—or hoped-for—savings would come out of curtailment of hospitalization benefits and tightening of disability-allowance procedures for veterans, including the closing of some veterans' hospitals.

On their face, some of the Commission statements on veterans' hospitalization benefits sound somewhat reasonable until a more thorough analysis shows that they are based on what appears to be an implication not merely of widespread but of wholesale and one would almost say general cheating by our war veterans in exercising their rights to hospitalization for nonservice-connected cases.

I cannot subscribe to any such blanket charge or wholesale condemnation of the men who fought to keep freedom alive in this world.

Perhaps there is one bright side to this newest attack on veterans' rights.

When the winds blow with freezing fury and life is grim and we are cold and miserable and full of winter weariness, and then, suddenly, we see an undaunted crocus has pushed its way right through the hard-crusted ground, doesn't the heart warm quickly in the happy knowledge that spring

is soon at hand? The crocus is always a sure sign.

Similarly, when I saw this official report from the Hoover Commission on veterans' benefits, I suddenly felt as if it was an omen of peace. Even though the experimental nuclear explosions, both here and behind the Iron Curtain, are getting bigger and more awesome day by day, and the situation off Formosa is looking quite menacing, it suddenly struck me: wasn't it a sign of an upswing in the prospects for peace when influential groups in this country start looking with outright hostility at the tremendous cost of veterans' hospitalization and disability benefits?

Nevertheless, we dare not repudiate the promises we have made to our veterans.

Four Hundred and Fifty Colleges and Universities Operating at a Deficit

EXTENSION OF REMARKS

OF

HON. FRANK THOMPSON, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 15, 1955

Mr. THOMPSON of New Jersey. Mr. Speaker, Dr. Wilson Compton, president of the Council for Financial Aid to Education, recently reported that just about half of the Nation's 900 private colleges and universities are operating in the red. Some 200 of them are "wobbly" and are afraid that unless they obtain substantial and immediate financial help, they will be in serious trouble. Inflation has doubled and even tripled the expenses that the educational institutions must meet.

Today it costs the student from $2,000 to $3,000 a year to go to some of the better private institutions. Some 200,000 of the superior high-school students, in the upper half of their graduating classes, do not go to college. Half of these, it has been estimated, do not attend because they are unable to meet the high costs of education.

Fortunately, private sources, such as business and industrial concerns, are now giving more to the colleges. General Foods, General Electric, Standard Oil Co. of New Jersey, Westinghouse, are giving generously. The Ford Foundation's grant of $50 million will help greatly.

I have introduced in the Congress a bill, H. R. 2211, developed about 2 years ago by the United States Office of Education in cooperation with some 30 leading national organizations in the field of education to establish a program of financial aid to students in higher education. I have sponsored this bill because of my conviction that the minimum need for this Nation in the world of today is to hold its own in all ways against Russian communism and to attempt to win friends in other countries. It is very important that we develop ways and means to bring to the hundreds of millions of people who are still free and who look to us for leadership a true picture of our form of government so that in the struggle that is going on for the loyalty, the minds, the hearts, and the souls of men throughout the world they will turn to us rather than to the Russians. Strong and courageous leadership is needed. My bill will assist in the development of the kind of leadership without which we may well lose the cold war.

I include here an article by Dr. Benjamin Fine, education editor of the New York Times, entitled "Financial Problems of Private Colleges Are Pointed Up by Ford Foundation Grant." In this article Dr. Fine ably discusses some of the problems our private colleges and universities are facing today:

EDUCATION IN REVIEW—FINANCIAL PROBLEMS OF PRIVATE COLLEGES ARE POINTED UP BY FORD FOUNDATION GRANT

(By Benjamin Fine)

The Ford Foundation's grant of $50 million to raise college teachers' salaries again has focused attention on the financial plight of our colleges and universities.

The Ford plan is to operate on a contingent basis; that is, each college will be expected at least to match the money that the Ford Foundation is to give. Some colleges will put up 2 or 3 times as much as their Ford grant. It is expected that between 50 and 100 colleges and universities will be in the program at the start.

College and university presidents last week were greatly heartened by the Ford announcement. They suggested that this action would stimulate the institutions to seek more funds from other sources, would help maintain academic standards, and improve morale on the campus.

LIBERAL ARTS GROUP PRESSED

For several years the colleges and universities, particularly the independent liberal arts institutions, have been hard hit financially. Some 40 to 50 percent of them are operating at a deficit.

The colleges recognize that their financial problems are tied in rather closely with factors beyond their own campuses. There is general agreement on the major causes behind the plight of the colleges. These include:

1. The cost of everything has gone up. The colleges need more buildings, laboratories, classrooms, libraries, administration facilities. Inflation has doubled and even tripled the expenses that the colleges must meet.

The colleges estimate that it would cost $6 billion to construct the buildings that will be needed in the next half dozen years. That kind of money simply is not available.

2. Fewer veterans are now going to college. After World War II the veterans flocked to the campuses, literally swamping the classrooms and almost driving out the civilian students. But that has not taken place after the release of the Korean veterans. To begin with, the numbers were much smaller. Then, many Korean veterans had completed their college work before being drafted. The draft law permitted the superior students to postpone their service until after college graduation. Also, the method of financing the veterans has been changed. Instead of giving the tuition fees to the colleges, the Government, under the GI bill, makes monthly grants directly to the student-veterans. Some educators believe that this favors the public colleges that do not charge high tuition fees.

3. More students are looking for scholarships. Because the cost of going to college has jumped so drastically—by more than 100 percent in the last 15 years—many students need financial help. Some colleges report that from 30 to 50 percent of their students receive scholarship aid.

4. Research projects are becoming more numerous and more costly. Although the Federal Government or private industrial concerns give money for research, too often the grants do not cover the cost of operating these projects. While the colleges are ready to continue with the many research contracts that they carry, they are now worried lest the projects eat away some of the money that is so badly needed for operating expenses. In some instances the concerns that award research grants to the colleges now also make additional allowances for the adequate maintenance of these programs.

WHAT RELIEF IS SOUGHT?

What is being done to ease these problems? Many things. Colleges are increasing tuition fees. The Ivy League colleges have jumped their fees during the year, and now charge from $800 to $1,000 for tuition alone. When room, board, incidentals, and general fees are added it will cost the student from $2,000 to $3,000 a year to go to some of the better private institutions.

Educators fear that if tuition rates go up any higher many college-caliber students will simply be priced out of the college market.

We know that now 200,000 of the superior high-school students, in the upper half of their graduating classes, do not go to college. Half of these, it has been reliably estimated, do not attend because they are unable to meet the high costs.

In addition to raising their fees, colleges have been looking to industry and to the foundations for help.

The Council for Financial Aid to Education was set up not long ago to help coordinate the efforts of the colleges to raise money. Headed by Frank W. Abrams, former chairman of the board, Standard Oil Co. of New Jersey, the council has taken an active part in focusing attention to the financial problems that beset the colleges.

In more than 30 States the private colleges have banded together to seek funds from corporations and foundations. This joint effort, unique in educational circles, is now in full stride. Although the total sums raised to date have not been large, the 500 or so colleges in these groups have learned to work together in the raising of funds.

Dr. Wilson Compton, president of the council for financial aid to education, in a recent survey, reported that just about half of the Nation's 900 private colleges and universities are operating in the red. Some 200 of them, according to recent reports, are wobbly and are afraid that unless they obtain substantial and immediate financial help, they will be in serious trouble.

MILLIONS NEEDED NOW

The council president pointed out that at least $30 million is needed right now to overcome the operating deficits of the private colleges in financial trouble. The head of the Rockefeller Foundation, Dean Rusk, said further that colleges and universities need a minimum of $300 million to $400 million of new money, if they are to keep going and maintain adequate teaching standards.

More and more colleges have been turning toward their own alumni for financial assistance. Dr. Compton pointed to the need of self-help when he told the colleges: "The success of our common effort to strengthen and fortify our American higher education will depend substantially on what the colleges and universities do for themselves. What they do for themselves depends substantially on what their alumni do."

The 1953 Fund Survey of the American Alumni Council showed 685,263 alumni giving to their colleges and universities. These alumni contributed a total of $16,443,756 to the 302 college funds reached in a survey by the council. Nevertheless, college officials feel that still more help can come from the alumni.

Private sources, such as business and industrial concerns, are now giving more to the colleges than ever before. For example,

General Foods Fund has given $270,000 to higher education. The Standard Oil Co. of New Jersey gave $450,000 to 138 private institutions. General Electric is providing funds, matching the money given by its employees to the colleges. It is estimated that last year business concerns and corporations gave $350 million to higher education, compared with $250 million in 1950. In 1936 business gave about $30 million.

THE OUTLOOK AT A GLANCE

What is the outlook? The colleges and universities believe that they will get the support to continue to function adequately. They are worried by what may happen if the enrollment doubles by 1970. Will the public colleges and universities become the dominant force in higher education? Already the swing is in that direction. More students are entering public institutions, proportionately, than ever before. A dozen years ago the ratio was 48 to 52 percent in favor of the private colleges.

Today it is just the opposite. Significantly, of the entering students last year, about 65 percent went to public colleges, 35 percent to private. In the long run that trend may be the most important development in the field of higher education in this country.

Forty-seventh Annual Order Day Dinner of B'nai Zion in Honor of Hon. Abraham J. Multer

EXTENSION OF REMARKS
OF

HON. ARTHUR G. KLEIN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 15, 1955

Mr. KLEIN. Mr. Speaker, on March 6, 1955, on the occasion of the 47th annual order day dinner of B'nai Zion in honor of our colleague, the Honorable ABRAHAM J. MULTER, of New York, there were many outstanding speakers. A citation was awarded to Congressman MULTER by the Honorable Arthur Markewich, a justice of the supreme court of the State of New York, and nassi-grandmaster of B'nai Zion.

Among the outstanding personalities present to do honor to our colleague were the Honorable HENRY M. JACKSON, United States Senator from the State of Washington, and the Honorable Carmine G. De Sapio, secretary of state of the State of New York and Democratic national committeeman from New York. Their addresses to the dinner guests and Congressman MULTER's acceptance speech were so outstanding and interesting that under unanimous consent I include them herewith. Also included is a copy of the citation presented to Congressman MULTER:

CITATION TO CONGRESSMAN ABRAHAM J. MULTER: LAWYER, LEGISLATOR, STATESMAN

In grateful recognition of the manifold historic services he has rendered to the American people in their fight for freedom.

In high appreciation of the unflinching loyalty and devotion he has brought to the cause of the State of Israel and his great efforts on behalf of the redemption of the land of Israel and the Jewish National Fund, exemplifying the high ideals of social justice set forth in the Bible by the prophets of Israel.

Presented on the occasion of the 47th annual B'nai Zion order day dinner, marking the tercentenary of Jewish settlement in the United States, Sunday, March 6, Hotel Commodore, New York.

JEWISH NATIONAL FUND OF AMERICA,
HARRIS J. LEVINE, *President.*
MENDEL N. FISHER,
Executive Director.
B'NAI ZION,
ARTHUR MARKEWICH, *Nassi.*
HERMAN Z. QUITTMAN, *Mazkir.*
NATHANIEL S. ROTHENBERG,
Chairman, Order Day Dinner Committee.

ADDRESS BY SENATOR JACKSON

It is highly appropriate that this B'nai Zion dinner is designed both to mark the tercentenary of Jewish settlement in America and to honor Congressman ABRAHAM MULTER for his impressive service to the American people. I do not know if ABE MULTER can trace his ancestry back to these 23 pioneer settlers but I do know that his record in Congress, where I had the privilege of serving with him for 6 years in the House, has been in the finest tradition of American Jewry.

B'nai Zion, through its great contributions to the Jewish National Fund, has fostered the pioneer point 4 program in the Middle East. As stockholders, so to speak, in the thriving young State of Israel, you may be proud of the record your investment has helped to make. In land reclamation, reforestation, and agricultural settlement Israel has made tremendous progress through your efforts.

I wish I could be as optimistic about other areas of the Middle East.

Ironically enough, it is just this phenomenal political and economic growth of Israel that has contributed to the present unrest and tension in the Middle East. There is no question in my mind but that the success of Israel has been a thorn in the side of the Arab States. Jealous of the progress of their youthful neighbor, the Arab leaders have sought to divert attention from their own shortcomings by the fanning of ancient religious hostilities.

We have seen just last week an unfortunate renewal of this conflict. I want to digress for a moment now and go back a few years to a time when Israel's future was far less certain, to tell you of an incident involving our guest of honor tonight.

You will recall that, following the assassination of Count Bernadotte, certain forces within and outside our State Department took that opportunity to press for a withdrawal of recognition of the new state. A critical situation resulted. Congressman MULTER was in Israel at the time and, at the request of our Ambassador there, flew home to deliver a message to the President which the Ambassador did not feel would reach the White House through normal channels. Without fanfare, ABE MULTER returned to the States and flew to Oklahoma City for a midnight conference with Mr. Truman on the latter's campaign train. His firsthand report resulted in a strengthening of American support for Israel at a time when Israeli morale was at a low ebb.

Economically and politically Israel is far more ready to weather this latest crisis than she was in 1948.

Having spoken of the attitude of the Arab leaders, I want to emphasize my belief that the Arab peoples have much the same hopes, needs, and aspirations as the people of Israel. As long as these hopes are unfulfilled, the Arab leaders will turn to Israel as a scapegoat and diversion.

For this reason, it is just as important for Israel to realize that her stability and security depend on the realization of national economic and social needs by the Arabs as it is for the Arabs, in their turn, to understand that poverty, inequality, and backwardness—not Israel—comprise their greatest enemy.

The nations of the Middle East, many of whom have recently acquired independence, must come to realize that their new-found freedoms are at stake in the struggle between communism and the free world. Perhaps they cannot be united on a positive basis at the present. But they may at least join together in opposition to the threat of Soviet domination. I think that the defense pact between Iraq and Turkey, ratified late last month, is the first evidence of this awareness on their part. I hope this may represent a chink in the armor of the Arab League, the influence of which has hardly helped the growth of the Middle East in recent years.

In our preoccupation with the Far East and Europe, we are only beginning to awake to the needs of the Middle East. There is a very real danger, however, in our approaching this area on a purely military basis. We cannot judge the Middle East on the same basis as Western Europe when seeking means to strengthen individual nations against Communist aggression. We are operating on two different levels of economic and social development and must act accordingly.

In short, if we attempt to build a Middle Eastern military fortress without first meeting the economic and social issues, we will create a dangerous sense of false security—like building a fort with walls but no insides.

Our primary aim, before we can consider a serious military buildup, must be to achieve political and social stability. To place arms in the hands of people who are badly housed, underfed, and badly governed is to invite disaster. If communism moves into these areas, it will be primarily because of unhealthy social and economic conditions—not for any lack of guns or grenades. Only through the building of strong economic and social foundations can we develop the will to resist.

The most obvious way to implement this approach is through economic and technical-aid programs. I regret to say that our programs of this kind have been diminishing in recent months—a reduction that is closely linked to our increased emphasis on military aims.

As a member of the Joint Committee on Atomic Energy, I am particularly well acquainted with the tremendous possibilities of peacetime atomic energy for the future growth and security of the Middle East.

I believe that the construction of nuclear reactors in the Middle East will do more for the progress and stability of this region than shiploads of military hardware.

A nuclear reactor is nothing more than an atomic furnace, using uranium as a fuel to produce heat, energy, and ultimately electricity. It does not depend on vast stores of natural resources or extensive supply lines for its successful operation. You will understand why when I tell you that 1 pound of uranium has the energy equivalent of 3,600,000 pounds of coal.

We cannot, of course, work economic and social miracles overnight but the peacetime reactor can come as close to a miracle as anything ever devised by man. These atomic furnaces will produce overnight energy to pump water over arid fields, turn the wheels of new industry, and lay the groundwork for increased productivity in areas where dire want is a round-the-clock reality.

I am not speaking of any dream for the future. We have already built at Oak Ridge an experimental reactor powerplant that has generated roughly 200 kilowatts of electric power—enough to satisfy the needs of a good-sized commercial building. The task from here on out is essentially an engineering and industrial undertaking. With our tremendously superior industrial system, I

am convinced we can soon overcome the problems that block the road to commercial feasibility.

In short, while there is little doubt that our military atomic race with the Russians is a neck-and-neck affair, I firmly believe that we have the present capability of instituting an overwhelming lead in the development and exploitation of the peaceful atom. If we give this effort the all-out crash priority we gave the hydrogen bomb, we will give the lie to the charge that we have given lip service to the peaceful atom. Not only would such a program prove our peaceful intentions, it would also provide a great economic shot in the arm for areas such as the Middle East.

Each American-built atomic reactor shipped overseas will be packaged progress carrying with it the seeds of productivity for an increased standard of living to areas where even the slightest increase in living standards is revolutionary.

I sincerely hope that the administration will consider making this effort on nuclear reactors the keystone of an increased program of technical aid in the Middle East and elsewhere.

The brightest future of this region lies in growing together rather than fighting each other. As you carry on your valuable work in Israel, I hope you will keep this general principle in mind: With the proper moderation, commonsense, and perspective, the Middle East can become the most dynamic region of our time rather than, as it is now, one of the most serious trouble spots of our time.

ADDRESS OF HON. CARMINE DE SAPIO, SECRETARY OF STATE OF NEW YORK

Chairman, Your Excellency, Congressman, Senator JACKSON, Judge Markewich, distinguished guests, ladies, and gentlemen; Senator JACKSON stated that it was difficult for him to land here this evening due to the fog over New York City; but that there is no fog in this hall this evening. I agree with you, Senator. There is indeed no fog here tonight; and this is due in great measure to ABE MULTER and the thousands of ABE MULTERS who spread sunshine and hope for their fellow men. In fact, Senator, since January 1 of this year, our Democratic weather bureau has dispelled a great deal of fog after 12 years of density.

I am very happy to be here tonight to join with you in paying tribute to a great American and a great son of Israel—my very good friend, Congressman ABRAHAM J. MULTER.

I do not think it necessary for me to remind you, his coworkers and associates in B'nai Zion, of his zeal and dedication in seeking to strengthen Israel and the cause of Jewry in America and throughout the world.

It is fitting that this celebration of the tercentenary of Jewish settlement in the United States should be in honor of this distinguished leader of our community.

Congressman MULTER's career has been marked by achievement and success, and yet you know as well as I, that he will never content himself to sit back on his laurels, piously proclaim that he has done enough, and elect to take it easy from here on in.

His vigor, his vision, and his determination keep him going all the time—always driving for new service; for new help to render to those persons and movements which he considers deserving.

In every sense ABE MULTER typifies the highest ideals of American citizenship and of the fraternal spirit which Bnai Zion represents. His devotion to Israel is founded upon his firm belief that that republic represents not only a haven for the oppressed, but also a bulwark for freedom in the Middle East. His devotion to our country is clearly evidenced by his dedicated public service and by his untiring efforts—both in Congress and in the community—in the causes of justice and right.

ABE MULTER is held in the highest esteem by people of all faiths who recognize in him those qualities of leadership which make our country and the world a better place in which to live. He epitomizes the best in Judaism and the best in Americanism because he works unselfishly for both, always in the cause of his fellow man.

I am proud to join with you on this occasion and to congratulate you on your noble work and your guest of honor on his high character and great achievements.

Thank you very much.

REMARKS OF HON. ABRAHAM J. MULTER AT THE DINNER TENDERED TO HIM BY B'NAI ZION AT THE HOTEL COMMODORE IN NEW YORK CITY ON SUNDAY, MARCH 6, 1955

Mr. Toastmaster, distinguished guests, and friends, I am grateful beyond the expression of words for the honor you have bestowed upon me this evening. That so many of you should give up a Sunday night for me is indeed a grand tribute. The fact that these very busy public officials and other distinguished members of our community take the time to grace this dais tonight, makes it more difficult for me to express my appreciation. I owe a special word of thanks to Miss Esther Herlitz, Consul of Israel in New York, to the Honorable Henry M. Jackson, United States Senator from the State of Washington, to our Secretary of State, the Honorable Carmine De Sapio, to the Honorable Arthur Markewich, New York State Supreme Court Justice, to the Honorable Emanuel Celler, Member of Congress who spoke not only for himself but for each of my other distinguished colleagues from the House of Representatives who joined us here this evening, to your genial chairman Nathaniel S. Rothenberg, to Dr. Harris J. Levine, president of the Jewish National Fund, to our good friend Harry Hershfield, and to Rabbi I. Usher Kirshblum.

This lovely Bible which you presented to me this evening will be a constant reminder of this event, and I can assure you that modesty will not prevent me from many times reading the beautiful inscription which you have placed therein.

To the many nice things you have said about me this evening may I respond with an old quotation from an unknown author: "There is no limit to what can be accomplished if it doesn't matter who gets the credit."

None of the things ascribed to me could have been accomplished except for the inspiration and the cooperation of you who are assembled here tonight and of thousands of others who are not with us tonight. The hardest tasks become easy of accomplishment when many willing workers cheerfully lend their help. Any small measure of success that has been mine as a leader is due to the many willing followers.

I am particularly touched by the fact that this dinner in my honor is dedicated to the tercentenary of Jewish settlement on this continent.

Most people overlook the true significance of the settlement of the Jews in this country in September of 1654. It would probably have been of no great historical importance if that small band of Jews had arrived on this continent to settle down unmolested and pursue their occupations and to worship freely. What makes the event important to our country and to the world is the fact that the then Governor of New Amsterdam refused to allow them to stay, solely because of their religious persuasions, coupled with the fact that the Dutch Government promptly overruled him, and directed that they were to be permitted to remain and to worship their God in accordance with the dictates of their conscience. That was the beginning of the writing of our Declaration of Independence and of our Constitution, which guaranteed religious freedom to all.

I am sure that you will all agree that without freedom of worship there could be no freedom of speech, there could be no freedom of press, there could be no freedom of assembly, and what we too often overlook today is the fact that there can be no freedom of thought without freedom of worship. The danger of conformity is that it necessarily destroys all of these freedoms.

If we agree that an attack upon the liberties of free people anywhere is an attack upon the liberties of free people everywhere then we must of necessity in these trying days turn our thoughts to what is happening in the Middle East.

We wonder why the ceaseless efforts on the part of Israel to bring about peace in that area have thus far been frustrated.

Despite the fact that the initial attack was by the Arab States, and all of the fighting that has continued down through the years has been instigated by the Arabs, Israel has constantly not only offered to negotiate peace directly and offered to permit others to negotiate the peace, but she has continually done things against her own best interest in order to promote better feeling between the Arabs and the Israelis. First she allowed Arabs to return to rejoin their families within her boundaries. Then she allowed Arab infiltrators who had no right to enter the country, to remain there. Then she released to Arabs moneys and properties which Israel had a right to hold as indemnity against the damages caused by Arabs. She has continually offered to cooperate economically with her Arab neighbors.

The Arabs have repeatedly answered by more killings and more robberies, by armed invasion, by guerrilla warfare.

There is only one way to stop the fighting in the Middle East, and it is not by sending arms to any of the Arab States. The attacks by Egyptians on the United Nations, and the destruction by the Egyptians of United Nations supplies intended for their own use, clearly show that even if the Arab leaders want to prevent violence they cannot control their own people.

The time has come when the United Nations not only must protect itself by the use of force, but it must send armed troops into that area to keep the peace. It will have no difficulty in the State of Israel, or from the Israelis. I am inclined to think, although I have not discussed this matter with any Israeli official, that Israel would welcome such armed intervention by the United Nations. It certainly would relieve her of the tremendous burden of constant military preparedness.

Such armed intervention by the United Nations forces will keep the Arabs away from Israeli borders and out of the State of Israel.

Met with such a situation the Arabs will have nowhere to go except to the peace table.

The last few days the papers have given considerable space to the Gaza incident coupled with some condemnation of an attack by Israel upon an Egyptian military installation within Egypt's borders.

Let me briefly review the situation leading up to this incident. Between August 1954 and February 1955, Egypt invaded Israel's borders with military units resulting in 34 armed clashes. As to 7 of these the United Nations officials said there was insufficient evidence on which to base a finding.

As to 27 of them the Mixed Armistice Commission found that Egypt violated the armistice agreement and each time warned Egypt to cease and desist from future violations. Every warning was ignored.

On January 13, 1955, our United States delegate to the United Nations, Ambassador Lodge, said: "These acts are inconsistent with the spirit and intent of the Egyptian-Israeli general armistice agreement, contrary to the Security Council resolution and

a retrogression from the stated objectives to which both sides committed themselves."

This was said immediately after the illegal and wholly unwarranted seizure of the Israeli ship, *Bat Galim*. The ship has not yet been released.

On January 24, 1955, the Mixed Armistice Commission said of the conduct of Egypt: "This aggressive action carried out by a unit of the Egyptian Army is in flagrant violation of the general armistice agreement with Egypt" and "notes with extremely grave concern this aggressive action and calls upon the Egyptian authorities to terminate these aggressive acts against Israel."

Egypt, as one would expect of a civilized nation, bent upon peace, immediately responded. That very night armed Egyptians crossed the Israeli border to Hashlosha, 3 miles within Israel, and attacked and pillaged the village and committed wanton murder.

On January 27, 1955, Egypt was again condemned by the Commission, saying that it "notes with grave concern the serious situation resulting from repeated attacks" and "notes once again with extremely grave concern, that despite obligations imposed upon Egypt by the general armistice agreement and a number of mixed armistice commission resolutions, these penetrations and killings of Israel citizens have not terminated" and "calls upon the Egyptian authorities to put an immediate end to such aggressive acts."

Of course, Egypt complied. Less than a week later she attacked with an armed force Rehovot, 18 miles inside Israel and continued the onslaught for several days.

But Egypt had ample explanation and excuse for these deliberate and well planned incursions and killings. Let me read a few brief excerpts: December 27, 1954, Maj. Saleh Salem, Egyptian Minister of National Guidance, said: "Egypt's policy has not ceased to rest on the principle of 'no peace with Israel' in any form and at any time. Egypt will not make peace with Israel, even if Israel were to implement the United Nations resolutions on Palestine." January 9, 1955, he said: "Egypt will strive to erase the shame of the Palestine war even if Israel should fulfill the United Nations resolutions. It will not sign a peace with her. Even if Israel should consist only of Tel Aviv, we should never put up with that."

An interesting sidelight is that the major's name translates from the Arabic to the English as Prince of Peace.

Two other answers came from the Egyptian press, as follows:

From Al Gomhouri (an official publication): "Egypt and the Arabs must turn, in the name of humanity and its culture, to all nations of the world who will aid in wiping Israel off the face of the map." And from Saut El-Arab (the Voice of the Arabs): "Egypt sees Israel as a cancer endangering the Arab people. Egypt is the physician who can uproot this cancer. Egypt does not forget that it is her obligation to take revenge, and she is mobilizing all her forces in anticipation of the hoped-for day."

Statesmen can sit calmly in their secluded debating chambers and say they condemn Israel's massive retaliation or her hot pursuit. Sitting with them, you and I might do likewise.

But transplant any of us to Israel's soil and under similar trying circumstances not a man, nor even a woman, would sit idly by and watch our neighbors, even less our families, set upon by barbarians attempting their annihilation.

You can't stop that kind of dreadful business by arming the Arabs.

Words, warnings, and condemnations have not done so.

Only a strong police force can do so.

I apologize for striking so serious a note this evening, but I am genuinely alarmed.

Wherever the Jews have been driven, wherever they have wandered, they have carried in their hearts and on their lips—they have taught by word and by deed—the key word of their Torah, their Bible: Sholom—peace.

They are being answered again by fire and by sword.

Unless the free world does something about it, and at once, our entire civilization will come tumbling down around us like the Temple of old around Samson.

Thank you for listening to me, and, again, thanks from the bottom of my heart for the great honor you have bestowed upon me tonight.

A New Wiretap Law Is Needed

EXTENSION OF REMARKS
OF
HON. KENNETH B. KEATING
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Tuesday, March 15, 1955

Mr. KEATING. Mr. Speaker, today I am introducing a new measure aimed at the control of wiretapping by unauthorized persons. It also follows the language of the bill which passed the House last year permitting the use of wiretap evidence in court, limited to cases involving the national security.

The bill that passed the House last year actually amounted to little more than a new rule of evidence, overturning the Federal court decisions which have prevented the use of wiretap evidence in Federal prosecutions, and providing that such evidence, with certain safeguards, shall hereafter be admissible in a limited class of Federal cases relating to the national security.

The evidence was not really the heart of the matter, as recent shocking disclosures about wiretapping in New York City have dramatically illustrated. I am convinced that there must be a prohibition against reckless and unauthorized tapping by persons who have no connection with law enforcement.

The new bill which I am introducing, therefore, combines the provisions of the House bill of last year with a new section intended to make wiretapping a Federal crime when it is done by blackmailers, snoopers, and all others except properly authorized law-enforcement officials. My bill would rid us of the clandestine listener who has sometimes turned out to be such a terrible threat to the privacy of individuals and the sanctity of their homes.

The new section, tied to the criminal penalties in the old act—1 year and a day and/or $5,000—prohibits all tapping except by the Federal intelligence agencies seeking evidence of subversion and espionage, the Federal Bureau of Investigation, investigating serious Federal crimes, or State and local officers acting in accordance with authority conferred by their own laws.

The text of the new section follows:

SEC. 4. No person shall intercept or attempt to intercept any communication by wire or radio, not being authorized in advance by the sender or the recipient thereof, except (1) authorized agents of the United States seeking evidence in accordance with the provisions of this act, (2) authorized agents of the Federal Bureau of Investigation seeking to detect or prevent any felony as defined in chapter 1 of title 18 of the United States Code, or (3) authorized agents of any State, Territory, or possession of the United States acting by authority of a law of such State, Territory, or possession."

As indicated in the following editorial from the Washington Star, the Attorney General has endorsed the principle of this bill:

REMOVE THE STRAITJACKET

Attorney General Brownell chose a good time and place to make his latest comments on wiretapping. New York City has been aroused by disclosures of widespread eavesdropping on telephone lines by nonofficial investigators. A grand jury inquiry is in progress. Mr. Brownell's proposal that wiretapping be outlawed except when authorized in certain major crimes attracted more than ordinary interest. That is encouraging, for the efforts of the Department of Justice in the past to gain public support for controlled Federal wiretapping, with permission to use the evidence in court, have been of little avail.

New York City has had a taste of the dirty business of indiscriminate wiretapping. But, as the Attorney General told the New York Patent Law Association, properly regulated wiretapping has a place in law enforcement. Certainly it is absurd to give spies, saboteurs, and kidnapers free use of wire communications, secure in the knowledge that no information obtained by listening in can be used against them in Federal courts. Under present law the Government is foreclosed from using wiretap evidence to convict known enemies of the country. Thus, as Mr. Brownell said, congressional reluctance to change the law along commonsense lines leaves Government prosecutors in a straitjacket as far as intercepted communications are concerned.

Appeal to Secretary Benson

EXTENSION OF REMARKS
OF
HON. CLARENCE CANNON
OF MISSOURI
IN THE HOUSE OF REPRESENTATIVES
Tuesday, March 15, 1955

Mr. CANNON. Mr. Speaker, on Tuesday, March 8, the House of Representatives of the Missouri General Assembly, in session at Jefferson City, Mo., passed by a unanimous vote a resolution requesting the Secretary of Agriculture, Hon. Ezra Taft Benson, to exercise the authority vested in him by statute to alleviate conditions in drouth areas in Missouri, and elsewhere in the United States, by permitting farmers to harvest mixed wheat and other small grains for feed purposes, as follows:

House Resolution 71

Whereas Missouri farmers should be permitted to harvest unlimited acreage of mixed wheat and other small grain without penalty; and

Whereas a majority of Missouri counties have been officially recognized as drought disaster areas by the United States Department of Agriculture; and

Whereas, 3 years of drought has put many farmers in serious financial condition and restrictions on producing extra feed grain in the form of small grains mixed with wheat is placing restrictions on the farmer, so he cannot help himself; and

Whereas wheat has the highest feeding value of all small grains and makes excellent livestock feed in mixtures with other grains such as oats and rye; and

Whereas the past 3 years have disrupted many rotations, reduced the supply of feed grains and decreased the new and old acreage of grasses and legumes so important in land improvement and livestock production; and

Whereas there was a large acreage of wheat seeded in the fall of 1954 to help fill the need for pasture; and

Whereas if the Secretary of Agriculture will exercise his existing powers and permit drought area farmers to seed oats and grass mixtures in this large wheat acreage seeded for pasture and harvest the mixed grain for livestock feed, a substantial contribution will have been made in helping the farmer help himself in this period of economic stress. This additional mixed feed will be fed on the many Missouri farms suffering from a prolonged grain shortage and will not add in any way to the national supply of commercial wheat: Now, therefore, be it

Resolved, That the members of the House of Representatives of the General Assembly of the State of Missouri request the Secretary of Agriculture to use the authority which Congress has given him to alleviate conditions in drought areas by permitting farmers to harvest mixed wheat and other small grains for feed purposes only; and furthermore be it

Resolved, That a committee of not over 10 members of the house be appointed by the speaker of the house to call upon the Secretary of Agriculture and Members of Congress, asking that the Secretary of Agriculture use the authority granted him by Congress to alleviate this serious situation in the State of Missouri; and be it further

Resolved, That the travel and sustenance expense of the members of the committee be paid from the contingent fund of the house.

EARL A. BAER.
RALPH WIGFIELD.

Mr. Speaker the resolution speaks for itself. Due to 3 years of unprecedented drouth the farmers are desperately in need of feed. The wheat to which the resolution refers was sown last fall before the announcement of their wheat quotas. Now that the quotas have been imposed they find themselves in a position where in order to comply with the program they must plow up a portion of the crop sown last fall. It involves loss of the seed and of the labor and investment expended in ordering the land and putting in the wheat and also the additional cost of plowing up the acreage in excess of their quota. The loss is particularly heavy at this time as they are faced in many instances with the alternative of sacrificing basic livestock if food can not be provided to carry it through.

If permitted to sow other small grains with the wheat thereby rendering it ineligible to commerce, and restricting it to use as stock feed by the farmer producing it, it cannot add to the national supply of commercial wheat and will in nowise interfere with the farm program as originally announced.

It is significant that this sensible and practical exemption is approved by the unanimous vote of the Missouri House of Representatives, of both parties and of both urban and rural representatives.

In response to the resolution, Speaker Hamlin appointed as members of the delegation to call on Secretary Benson, Representatives Earl A. Baer, Ralph Wigfield, I. Willis Henson, Luna E. Butler, John T. Campbell, Helen C. Hardy, Jennie Chinn, Charles J. Burns, James S. Lincoln, and George D. Young. The delegation will reach Washington by plane tonight and will be accompanied by Commissioner of Agriculture, Hon. L. C. Carpenter, and Hon. Arch V. McRoberts, an official of the house.

Arrangements have been made for them to call on Secretary Benson on Wednesday afternoon and it is to be hoped that agreements can be reached which will solve this difficult problem and meet the approval of Secretary Benson and the delegation and especially the farmers in the drouth areas and at the same time interfere in no way with the farm program so recently promulgated by the Department.

The Treasury Department Under the Eisenhower Administration

EXTENSION OF REMARKS
OF

HON. KENNETH B. KEATING

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 15, 1955

Mr. KEATING. Mr. Speaker, under leave to extend my remarks, I include an address delivered on March 15 before the Women's National Republican Club, New York City, by the Honorable Marion B. Folsom, Under Secretary of the Treasury.

The address follows:

THE TREASURY DEPARTMENT UNDER THE EISENHOWER ADMINISTRATION

I would like to talk to you today about the Treasury, its activities, problems, and accomplishments.

First, though, I want to describe briefly the progress of the administration as a whole in the fiscal field, which includes the income and outgo of the Government, taxes, debt, and the budget. While most of my remarks this afternoon will be about specific operational activities of the Treasury, we are, as you know, vitally concerned with the overall fiscal problems of the Government.

This administration has been dedicated to the policies of economy in Government, tax reduction, and a sound dollar. When we came to Washington we were faced with serious deficits—one of $9.4 billion in fiscal 1953, and a further $11 billion deficit in sight for fiscal 1954. We could do little about the 1953 deficit, but we cut the projected 1954 deficit to $3 billion. Due to the intensive work by all departments, spending has been cut so that for fiscal 1956 it is expected to be about $12 billion below the actual 1953 level, a huge reduction in so short a time.

Last year taxes were cut $7.4 billion, the largest dollar tax reduction in 1 year in our Nation's history. This tax reduction cushioned the impact on the economy of the sharp reduction in Federal spending. Of the cuts, $3 billion was in individual income taxes, $2 billion resulted from the termination of the excess-profits tax, and $1 billion represented excise-tax reductions.

The balance of $1.4 billion is accounted for by reductions included in the 1954 Internal Revenue Code revision. This recasting of the tax laws was a big step in improving our tax system. It had two main objectives: to remove many of the hardships to individuals which had crept into the tax laws; and to remove barriers to economic growth, and by so doing let American ingenuity go ahead full steam under the free-enterprise system which has made this country great.

The tax-revision law helped millions upon millions of taxpayers who had been plagued by unjust and unfair hardships for many, many years. This relief went to many millions of citizens in all walks of life and all income levels including working women, farmers, small-business men, retired people on pensions, widows, and people in hospitals or with medical expense.

The tax-revision law sought to help permit the economy to expand and provide more and better jobs. The partial relief of the double taxation of dividends is one of the provisions which help stimulate the investments which make jobs. The more flexible allowance for depreciation also stimulates the replacement of outmoded equipment and the building of more efficient plants, which lead to more jobs and the production of better goods.

We must continue in the future to eliminate other hardships in the tax laws as well as remove additional barriers to economic growth whenever our financial situation will permit the tax loss involved.

Simultaneous with the cutting of taxes, steady progress has been made toward a balanced administrative budget. For fiscal 1956 we expect a deficit of $2.4 billion, down $7 billion from the 1953 figure. On a cash basis, comparing the total amount of money we collect and the amount we pay out, the cash deficit was almost eliminated last year and a small cash surplus is currently anticipated for 1956.

The budget could have been balanced last year if the heavy cuts in spending had not been accompanied by substantial tax cuts. But tax reduction helped sustain the economy in a period of transition to lower levels of Government expenditures. Personal income in the last quarter of 1954 was up $1.7 billion from the fourth quarter of 1953. At the same time personal taxes fell at the annual rate of $3 billion. As a result, disposable personal income, i. e., income after taxes, in the last quarter of 1954 was at the annual rate of almost $256 billion, an increase of $4.7 billion over the comparable period in 1953. This was the main reason for the continuous rise in personal spending during 1954.

Taxes remain high and present a serious obstacle to the long-term dynamic growth of the economy. But the Government must always make adequate provision for national security and other essential services. Further tax reductions can only be made as savings in Government spending or increased revenues resulting from growth in our economy are in sight.

This encouraging progress in reducing the deficit has helped to give the American people a sound dollar. The value of the dollar has been stable for the last 2 years, compared with a drop in value from 100 cents in 1939 to 52 cents in 1952. During these 2 years, the cost of living has risen less than one-half of 1 percent. * * *

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A fundamental part of our sound money program has been the management of the public debt in the interest of monetary stability. The public debt of $278 billion is being handled wisely. Progress is being made toward our basic objective of lengthening the average maturity of the debt so that our huge debt is more manageable. Accelerated sales of United States savings bonds are stimulating widespread ownership of the debt by individuals. Finally, our central banking system—the Federal Reserve organization—has been allowed to carry out, in the interests of the American people, flexible monetary policies directed toward economic stability and growth.

A well-planned program, using the several fiscal and monetary tools I have mentioned,

has enabled the Nation to stop the inflationary trend and make the necessary adjustment to a sound basis without a serious deflation and without direct Government controls. We have merely put into effect great American traditions established at the very founding of the Republic by Alexander Hamilton and carried forward by great men of all parties. While these traditions were cast aside for many years, they are now, gradually but effectively, being followed again to provide sound money, a firm foundation for economic growth, and opportunity for every American.

This background on the administration's progress in fiscal matters puts in perspective the operations of the Treasury Department, for the principal activities of the Department are the development and implementation of monetary and fiscal policies, management of the debt, collection of Government revenue, and the manufacture of stamps, bonds, coins, and currency. More than 90 percent of the Treasury's 79,000 civilian employees are engaged in these activities.

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Overall policies, which are developed in the Office of the Secretary, are carried out by our operating bureaus. The largest of these activities is that of revenue and customs collection, carried on by the Internal Revenue Service and the Bureau of Customs. The size of the job is shown in the amount of Government receipts. In the 1954 fiscal year internal revenue receipts were almost $62 billion and customs receipts exceeded half a billion dollars.

To carry out its work, the Internal Revenue Service had about 50,000 employees at the end of 1954. This was a reduction of almost 4,000 since the end of 1952. While the total employment of the Service has dropped, the number of revenue agents has increased from about 7,500 at the end of 1952 to almost 11,000 at the end of 1954. This stepup in enforcement personnel has enabled the Service to do a more complete job of auditing returns than was previously possible. In the last 6 months of 1954 the Service audited 10 percent more returns than in the same period in 1953 and additional taxes produced by audit and other enforcement work increased $120 million. Successful prosecutions of tax evaders were up 27 percent in 1954 over the 1953 level. In fiscal 1954 the cost of the Revenue Service was only 38.5 cents for every $100 which the Service collected.

The Revenue Service has been making notable progress in increasing the effectiveness of its collection work. At the same time better day-to-day service is being given the taxpaying citizens of our country. Tax disputes pending before the Appellate Division have been reduced 57 percent in the last 2 years, thereby enabling taxpayers to settle disputes more promptly. Facilities for helping taxpayers fill out their returns have been expanded; this and other steps will help taxpayers take full advantage of the many beneficial tax changes made by Congress last year. All tax forms are under continuous study in an effort to make them more simple and understandable. This year a new small punchcard tax return is available for wage earners with incomes less than $5,000.

The Service, as you know, suffered from a period of scandals before this administration came into office. Through decentralization and a thorough reorganization, the Service has been greatly strengthened. We are proud of the work now being done by the Revenue Service, which has as its objective fair treatment to both the taxpayer and the Government.

The Bureau of Customs has as its main duties assessing and collecting duties and taxes on imported merchandise and baggage, preventing smuggling, and enforcing various export control laws. Customs' personnel is now about 8,000, a 10-percent reduction from the figure at the end of 1952. The staff of this Bureau is doing an efficient job in the face of a growing workload.

Progress has been made in eliminating difficulties of importers and others in processing goods through customs, and in facilitating customs procedures for travelers. Much of this was made possible by legislation sponsored by the Department and passed by the 83d Congress. Further efforts toward desirable changes in the law are being made.

Liquidation backlogs have been substantially reduced, required documentation for customs purposes has been simplified, and several significant aids for travelers have been placed in effect. Customs officers strive to maintain uniform courtesy and efficiency with the tact and patience of diplomats in spite of the careful examination of baggage which they make to detect violations at ports of entry—violations which are attempted by only a very small percentage of passengers.

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The Bureau of the Public Debt has been steadily reducing its work force and at the same time has furnished prompt and satisfactory service to holders of Government securities. The Bureau this year is expected to handle the issuance or retirement of more than 180 million individual securities.

Closely related are the activities of the United States Savings Bonds Division. The function of this Division, of course, is to promote the continued purchase of series E and H savings bonds and to encourage the owners of these bonds to hold them rather than cashing them prior to maturity.

Excellent progress has been made in the savings bonds program. Cash sales of series E and H bonds in 1954 were the best in 9 years and the net sales, that is the excess of cash sales over redemptions, were the highest in 5 years. The series E and H bond holdings reached an all-time peak of $38.2 billion in cash value in the hands of over 40 million of our citizens. Through the savings bonds program many people, for the first time in their lives, have become systematic and substantial savers.

The success of this program is in large part a reflection of the active support of the many thousands of patriotic, public-spirited volunteers who give the Treasury their time, energy, and influence to sell savings bonds.

The Treasurer of the United States is the official custodian of the public funds. Although practically all functions of the Treasurer are rigidly prescribed by law and have been performed by the Office of the Treasurer since 1778, remarkable progress has been made in utilizing new, efficient procedures. Conversion from paper to card checks alone provided $327,000 in recurring annual savings in fiscal 1953 and an additional $112,000 in 1954. Decentralization of the destruction of unfit currency is saving over $600,000 a year.

The Bureau of Accounts performs many fiscal activities. In addition to the payment function, other main jobs of this Bureau include central summary accounting and financial reporting for the entire Government. The Bureau's Division of Disbursement in fiscal 1956 is expected to process over 200 million check payments; this gives some idea of the size of the Bureau's job.

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The Treasury through the Bureau of Engraving and Printing and the Bureau of the Mint produces the Nation's stamps, bonds, coins, and currency.

The Bureau of Engraving and Printing designs, engraves, and prints currency, securities, postage and revenue stamps, Government checks, military commissions and certificates, and other Government engraving work. This is a large-scale production operation employing more than 4,000 people, about 2,000 less than when we came to Washington. The operations of the Bureau are carried out on a completely reimbursable basis, as authorized by Congress in 1950. Lower production costs are passed on to other agencies in the form of reduced costs for currency, bonds, and the like. Improved management techniques are paying large dividends in this Bureau as in other Treasury activities. For example, in fiscal 1953 currency printing was converted from 12 subjects in each sheet to 18 subjects giving an annual saving of over $4 million. Starting in fiscal 1954 savings of almost $450,000 a year were made by converting $25 savings bonds from expensive plate printing to the offset method. A similar change in the printing of liquor tax stamps is saving over $125,000 each year. $50 and $100 bonds have now been changed also, with additional annual savings of $150,000.

The main jobs of the Bureau of the Mint are the manufacture of coins and physical custody of the United States monetary stocks of gold and silver, including their purchase and sale. Coinage mints are in operation in Philadelphia and Denver, and, as you probably know, gold is deposited at Fort Knox, Ky., and silver at West Point, N. Y. Coinage production for the present fiscal year is expected to be over 1 billion pieces. Although salary costs have risen considerably, coinage costs are lower today than they were several years ago. The cost of shipping coins has been cut $250,000 a year by using armored cars and trucks instead of express. Additional annual savings of about $415,000 will commence this year as a result of discontinuing coinage operations recently in San Francisco and the closing of the Seattle assay office.

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The Secret Service is a small and compact organization with three major functions. The first is the protection of the President and his family, and the President-elect, and the Vice President at his request. The second is the suppression of counterfeiting of the currency and other obligations and securities of the Government. The third is the suppression of the forgery and fraudulent negotiation of Government checks and bonds.

An example of the excellent work done by the Secret Service is in detecting counterfeiting. While there has been no appreciable reduction in counterfeiting since 1951, there has been marked reduction in the amount of counterfeit money in circulation. This is due to successful efforts by Secret Service agents to discover counterfeiters and the seizure of counterfeiting plants before the money can be placed in circulation.

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The Bureau of Narcotics administers a program designed to deal with the control of permissive manufacture, distribution, and sale of drugs, as well as the control of sources of the illicit supply of drugs on international, national, and local levels. The narcotic agent's job is ferreting out gangsters and drug traffickers and bringing them before the courts. Some of the most effective work done by this little Bureau is in collaboration with foreign police.

Next I come to the United States Coast Guard, a branch of the military service at all times, a wing of the Treasury Department during peace, and a fighting arm of the Navy in time of war or whenever the President so directs.

The primary peacetime activity of the Coast Guard is to prevent avoidable loss of life and property. The Coast Guard's activities include air-sea rescue duties, port security responsibilities, maintaining aids to navigation including ice-patrol work, operation of lighthouses and ocean weather stations, and inspection of merchant vessels and their equipment.

A dramatic example of the skill and courage of the men of the Coast Guard was the rescue of the crew of a Military Air Transport

Service plane in the mid-Atlantic in January.

Finally, there are the Treasury's newest duties, those given the Secretary last year for administering the Federal Facilities Corporation, the liquidation of the RFC, and various defense lending programs.

The Federal Facilities Corporation has been conducting the Government's program for the production and sale of synthetic rubber and refined tin. It is currently expected that the synthetic-rubber-producing facilities will soon be sold to private interests, and that production of tin will be discontinued at the close of the current fiscal year.

The liquidation of the RFC is being carried out as expeditiously as possible under the general policy of securing the highest possible return on the funds invested in RFC assets without creating undue hardships for those indebted to the Corporation.

The programs for defense production and civil-defense lending are being carried on at the minimum levels required under present international and military conditions. Loans previously made under these programs are being placed in the hands of private financial institutions as rapidly as possible.

These many bureaus, divisions, offices, and services add up to the Treasury Department, an efficient organization carrying out functions vital to the operations of our Government. The Treasury has for many years been a well-run Department staffed with many able career people. It was not overstaffed so much under the past administration as some other departments, and the opportunity for savings was not so great. Nevertheless, in the last 2 years we have been able to make significant improvements in the management of this Department. While the total civilian employment of the Treasury is down from almost 88,000 to about 79,000—a drop of 9,000 or 10 percent—the enforcement activities have been strengthened by emphasizing more productive work, improving methods, and cutting out waste wherever we can find it.

In connection with specific activities, I have given some illustrations of savings from management improvements. The aggregate savings for the whole Department were over $12 million in fiscal 1953, and well over $20 million in fiscal 1954. The 1952 figure was $4 million and the highest previous year for which we have figures was $8 million in 1951.

In closing, I would like to say that I am proud to be a member of the Eisenhower administration and the Treasury team. I also want to stress the loyalty, hard work, and devoted service of the Department's employees. We are all striving to give the American people a fair, honest, and efficient Government, in which they will have confidence. Such confidence is basic to our policies of providing stability in the value of the dollar and a solid basis for economic growth.

SENATE

WEDNESDAY, MARCH 16, 1955

(Legislative day of Thursday, March 10, 1955)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

Lord of all being, whose glory flames from sun and star and on the awakening earth: With a freshened earth washed by Thy gentle rain, we bring to Thee our parched souls that they may be restored by Thy plenteous mercy which follows us all the days of our life.

Because there is no solution of the world's ills save as it springs from the cleansed hearts of men, out of which are the issues of life, we pray for ourselves. Purify our desires and motives by Thy grace. Feed our minds with Thy truth. Fortify our spirits by Thy might. Guide our feet into Thy paths of truth and justice and righteousness. We ask it in the dear Redeemer's name. Amen.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the reading of the Journal of the proceedings of Tuesday, March 15, 1955, was dispensed with.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Miller, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, its reading clerk, announced that the House had passed, without amendment, the bill (S. 942) to repeal Public Law 820, 80th Congress (62 Stat. 1098), entitled "An act to provide a revolving fund for the purchase of agricultural commodities and raw materials to be processed in occupied areas and sold."

The message also announced that the House had passed the following bills and joint resolutions, in which it requested the concurrence of the Senate:

H. R. 100. An act to permit the mining, development, and utilization of the mineral resources of all public lands withdrawn or reserved for power development, and for other purposes;

H. R. 103. An act to provide for the construction of distribution systems on authorized Federal reclamation projects by irrigation districts and other public agencies;

H. R. 473. An act to authorize an investigation and report on the advisability of a national monument in Brooklyn, N. Y.;

H. R. 607. An act to provide that lands reserved to the Territory of Alaska for educational purposes may be leased for periods not in excess of 55 years;

H. R. 780. An act to prescribe a method by which the Houses of Congress and their committees may invoke the aid of the courts in compelling the testimony of witnesses;

H. R. 869. An act for the relief of David Del Guidice;

H. R. 881. An act for the relief of Gabriella Sardo;

H. R. 903. An act for the relief of Harold C. Nelson and Dewey L. Young;

H. R. 906. An act for the relief of William Martin, of Tok Junction, Alaska;

H. R. 989. An act for the relief of Dr. Louis J. Sebille;

H. R. 996. An act for the relief of Robert Francis Symons;

H. R. 1003. An act for the relief of Mrs. Lorenza O'Malley (de Amusategui), Jose Maria de Amusategui O'Malley, and the legal guardian of Ramon de Amusategui O'Malley;

H. R. 1016. An act for the relief of Mrs. Ida Bifolchini Boschetti;

H. R. 1020. An act for the relief of Boris Ivanovitch Oblesow;

H. R. 1048. An act for the relief of Christine Susan Caiado;

H. R. 1072. An act for the relief of Clyde M. Litton;

H. R. 1082. An act for the relief of Golda I. Stegner;

H. R. 1099. An act for the relief of Theodore J. Hartung and Mrs. Elizabeth Hartung;

H. R. 1101. An act for the relief of Mrs. Jennie Maurello;

H. R. 1116. An act for the relief of Paul Bernstein;

H. R. 1130. An act for the relief of Mrs. Anita Scavone;

H. R. 1134. An act for the relief of Sullivan Construction Co.;

H. R. 1142. An act for the relief of Capt. Moses M. Rudy;

H. R. 1171. An act for the relief of Georg Gahn and Margarete Gahn;

H. R. 1177. An act for the relief of Zbigniew Wolynski;

H. R. 1189. An act for the relief of William H. Barney;

H. R. 1192. An act for the relief of Angelita Haberer;

H. R. 1328. An act for the relief of Nicholas John Manticas, Anne Francis Manticas, Yvonne Manticas, Mary Manticas, and John Manticas;

H. R. 1401. An act for the relief of Ewing Choat;

H. R. 1404. An act for the relief of Bernhard F. Elmers;

H. R. 1409. An act for the relief of H. W. Robinson & Co.;

H. R. 1416. An act for the relief of J. B. Phipps;

H. R. 1420. An act for the relief of Mr. and Mrs. Herman E. Mosley, as natural parents of Herman E. Mosley, Jr.;

H. R. 1426. An act for the relief of George S. Ridner;

H. R. 1440. An act for the relief of Ciro Picardi;

H. R. 1496. An act for the relief of Stylianos Haralambidis;

H. R. 1511. An act for the relief of Robert George Bulldeath and Lenora Patricia Bulldeath;

H. R. 1638. An act for the relief of Janis Arvids Reinfelds;

H. R. 1640. An act for the relief of Constantine Nitsas;

H. R. 1645. An act for the relief of Regina Berg Vomberg and her children, Wilma and Helga Vomberg;

H. R. 1664. An act for the relief of Charles Chan;

H. R. 1665. An act for the relief of David Manuel Porter;

H. R. 1671. An act for the relief of Clement E. Sprouse;

H. R. 1692. An act for the relief of Frederick F. Gaskin;

H. R. 1719. An act for the relief of William V. Dobbins;

H. R. 1745. An act for the relief of Paul E. Milward;

H. R. 1801. An act to authorize the purchase, sale, and exchange of certain Indian lands on the Yakima Indian Reservation, and for other purposes;

H. R. 1866. An act for the relief of Mr. and Mrs. Thomas V. Compton;

H. R. 1885. An act for the relief of Orlando Lucarini;

H. R. 1886. An act for the relief of Vito Magistrade;

H. R. 1906. An act for the relief of Fay Jeanette Lee;

H. R. 1913. An act for the relief of Mrs. Anna Elizabeth Doherty;

H. R. 1921. An act for the relief of Alexandria S. Balasko;

H. R. 1933. An act for the relief of the Dason Equipment Corp.;

H. R. 1941. An act for the relief of the estate of Mateo Ortiz Vazquez, deceased;

H. R. 1943. An act for the relief of John G. Zeros;

H. R. 1953. An act for the relief of Virginia Heil;

H. R. 1957. An act for the relief of Namiko Nitoh and her child, George F. X. Nitoh;

H. R. 1965. An act for the relief of Robert Finley Delaney;

H. R. 1971. An act for the relief of Leila Park;

H. R. 1989. An act for the relief of George D. Hopper;

H. R. 1995. An act for the relief of Mrs. John William Brennan;

H. R. 2057. An act for the relief of Edwin K. Stanton;

H. R. 2121. An act to provide for the relief of certain members of the Armed Forces who were required to pay certain transportation charges covering shipment of their household goods and personal effects upon return from overseas, and for other purposes;

H. R. 2236. An act for the relief of Mary Rose and Mrs. Alice Rose Spittler;

H. R. 2279. An act for the relief of Sister Mary Berarda;

H. R. 2284. An act for the relief of Maj. Robert D. Lauer;

H. R. 2289. An act for the relief of Mrs. Marjorie Fligor (nee Sproul);

H. R. 2316. An act for the relief of Charlie Sylvester Correll;

H. R. 2348. An act for the relief of Theodora Sammartino;

H. R. 2354. An act for the relief of Basil Theodossiou;

H. R. 2366. An act for the relief of Guy H. Davant;

H. R. 2456. An act for the relief of Mrs. Diana P. Kittrell;

H. R. 2486. A act for the relief of Gronislav Vydaevich and Leonid Zankowsky;

H. R. 2529. An act for the relief of Albert Vincent, Sr.;

H. R. 2707. An act for the relief of Terry L. Hatchett;

H. R. 2709. An act for the relief of the estate of Rene Weil;

H. R. 2736. An act for the relief of Roy M. Butcher;

H. R. 2760. An act for the relief of the estate of William B. Rice;

H. R. 2907. An act for the relief of Thomas F. Harney, Jr., doing business as the Harney Engineering Co.;

H. R. 2936. An act for the relief of Clifford Oesterlei;

H. R. 2941. An act for the relief of Mrs. Elfriede Majka Grifasi;

H. R. 3031. An act for the relief of Paul Nelson;

H. R. 3045. An act for the relief of George L. F. Allen;

H. R. 3054. An act for the relief of Allen Pope, his heirs or personal representatives;

H. R. 3178. An act for the relief of Dr. Reuben Rapaport;

H. R. 3271. An act for the relief of John Lloyd Smelcer;

H. R. 3281. An act for the relief of Herbert Roscoe Martin;

H. R. 3361. An act for the relief of Joe Kawakami;

H. R. 3362. An act for the relief of G. F. Allen, deceased, former chief disbursing officer, Treasury Department, and for other purposes;

H. R. 3363. An act for the relief of Rodolfo C. Delgado, Jesus M. Lagua, and Vicente D. Reynante;

H. R. 3364. An act for the relief of Ernest W. Berry, Alaska Native Service schoolteacher;

H. R. 3365. An act for the relief of Robert Burns DeWitt;

H. R. 3366. An act for the relief of Mary J. McDougall;

H. R. 3367. An act for the relief of Col. Walter E. Ahearn and others;

H. R. 3506. An act for the relief of Lillian Schlossberg;

H. R. 3512. An act for the relief of Gunther H. Hahn;

H. R. 3638. An act for the relief of Joseph H. Washburn;

H. R. 3639. An act for the relief of Ralph Bennett and certain other employees of the Bureau of Indian Affairs;

H. R. 3957. An act for the relief of Pauline H. Corbett;

H. R. 4044. An act for the relief of Burgal Lyden and others;

H. R. 4046. An act to abolish the Old Kasaan National Monument, Alaska, and for other purposes;

H. R. 4191. An act conferring jurisdiction upon the United States District Court for the Eastern District of South Carolina to hear, determine, and render judgment upon certain claims of Roderick D. Strawn;

H. R. 4288. An act for the relief of the law firm of Harrington & Graham;

H. R. 4320. An act for the relief of Guerdon Plumley;

H. R. 4367. An act to provide for the distribution of funds belonging to the members of the Creek Nation of Indians, and for other purposes;

H. R. 4876. An act making appropriations for the Treasury and Post Office Departments, and the Tax Court of the United States, for the fiscal year ending June 30, 1956, and for other purposes;

H. J. Res. 107. Joint resolution to permit the United States of America to release reversionary rights in a thirty-six and seven hundred and fifty-nine one-thousandths acres tract to the Vineland School District of the county of Kern, State of California; and

H. J. Res. 211. Joint resolution to confer jurisdiction on the Attorney General to determine the eligibility of certain aliens to benefit under section 6 of the Refugee Relief Act of 1953, as amended.

HOUSE BILLS AND JOINT RESOLUTIONS REFERRED

The following bills and joint resolutions were severally read twice by their titles and referred as indicated:

H. R. 100. An act to permit the mining, development, and utilization of the mineral resources of all public lands withdrawn or reserved for power development, and for other purposes;

H. R. 103. An act to provide for the construction of distribution systems on authorized Federal reclamation projects by irrigation districts and other public agencies;

H. R. 473. An act to authorize an investigation and report on the advisability of a national monument in Brooklyn, N. Y.;

H. R. 607. An act to provide that lands reserved to the Territory of Alaska for educational purposes may be leased for periods not in excess of 55 years;

H. R. 1801. An act to authorize the purchase, sale, and exchange of certain Indian lands on the Yakima Indian Reservation, and for other purposes;

H. R. 4046. An act to abolish the Old Kasaan National Monument, Alaska, and for other purposes; and

H. R. 4367. An act to provide for the distribution of funds belonging to the members of the Creek Nation of Indians, and for other purposes; to the Committee on Interior and Insular Affairs.

H. R. 780. An act to prescribe a method by which the Houses of Congress and their committees may invoke the aid of the courts in compelling the testimony of witnesses;

H. R. 869. An act for the relief of David Del Guidice;

H. R. 881. An act for the relief of Gabriella Sardo;

H. R. 903. An act for the relief of Harold C. Nelson and Dewey L. Young;

H. R. 906. An act for the relief of William Martin, of Tok Junction, Alaska;

H. R. 989. An act for the relief of Dr. Louis J. Sebille;

H. R. 996. An act for the relief of Robert Francis Symons;

H. R. 1003. An act for the relief of Mrs. Lorenza O'Malley (de Amusategui), Jose Maria de Amusategui O'Malley, and the legal guardian of Ramon de Amusategui O'Malley;

H. R. 1016. An act for the relief of Mrs. Ida Bifolchini Boschetti;

H. R. 1020. An act for the relief of Boris Ivanovitch Oblesow;

H. R. 1048. An act for the relief of Christine Susan Caiado;

H. R. 1072. An act for the relief of Clyde M. Litton;

H. R. 1082. An act for the relief of Golda I. Stegner;

H. R. 1099. An act for the relief of Theodore J. Hartung and Mrs. Elizabeth Hartung;

H. R. 1101. An act for the relief of Mrs. Jennie Maurello;

H. R. 1116. An act for the relief of Paul Bernstein;

H. R. 1130. An act for the relief of Mrs. Anita Scavone;

H. R. 1134. An act for the relief of Sullivan Construction Co.;

H. R. 1142. An act for the relief of Capt. Moses M. Rudy;

H. R. 1171. An act for the relief of Georg Gahn and Margarete Gahn;

H. R. 1177. An act for the relief of Zbigniew Wolynski;

H. R. 1189. An act for the relief of William H. Barney;

H. R. 1192. An act for the relief of Angelita Haberer;

H. R. 1328. An act for the relief of Nicholas John Manticas, Anne Francis Manticas, Yvonne Manticas, Mary Manticas, and John Manticas;

H. R. 1401. An act for the relief of Ewing Choat;

H. R. 1404. An act for the relief of Bernhard F. Elmers;

H. R. 1409. An act for the relief of H. W. Robinson & Co.;

H. R. 1416. An act for the relief of J. B. Phipps;

H. R. 1420. An act for the relief of Mr. and Mrs. Herman E. Mosley, as natural parents of Herman E. Mosley, Jr.;

H. R. 1426. An act for the relief of George S. Ridner;

H. R. 1440. An act for the relief of Ciro Picardi;

H. R. 1490. An act for the relief of Stylianos Haralambidis;

H. R. 1511. An act for the relief of Robert George Bulldeath and Lenora Patricia Bulldeath;

H. R. 1638. An act for the relief of Janis Arvids Reinfelds;

H. R. 1640. An act for the relief of Constantine Nitsas;

H. R. 1645. An act for the relief of Regina Berg Vomberg and her children, Wilma and Helga Vomberg;

H. R. 1664. An act for the relief of Charles Chan;

H. R. 1665. An act for the relief of David Manuel Porter;

H. R. 1671. An act for the relief of Clement E. Sprouse;

H. R. 1692. An act for the relief of Frederick F. Gaskin;

H. R. 1719. An act for the relief of William V. Dobbins;

H. R. 1745. An act for the relief of Paul E. Milward;

H. R. 1866. An act for the relief of Mr. and Mrs. Thomas V. Compton;

H. R. 1885. An act for the relief of Orlando Lucarini;

H. R. 1886. An act for the relief of Vito Magistrade;

H. R. 1906. An act for the relief of Fay Jeanette Lee;

H. R. 1913. An act for the relief of Mrs. Anna Elizabeth Doherty;

H. R. 1921. An act for the relief of Alexandria S. Balasko;

H. R. 1933. An act for the relief of the Dason Equipment Corp.;

H. R. 1941. An act for the relief of the estate of Mateo Ortiz Vazquez, deceased;

H. R. 1943. An act for the relief of John G. Zeros;

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H. R. 1989. An act for the relief of George D. Hopper;

H. R. 2057. An act for the relief of Edwin K. Stanton;

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H. R. 2236. An act for the relief of Mary Rose and Mrs. Alice Rose Spittler;

H. R. 2279. An act for the relief of Sister Mary Berarda;

H. R. 2284. An act for the relief of Maj. Robert D. Lauer;

H. R. 2289. An act for the relief of Mrs. Marjorie Fligor (nee Sproul);

H. R. 2316. An act for the relief of Charlie Sylvester Correll;

H. R. 2348. An act for the relief of Theodora Sammartino;

H. R. 2354. An act for the relief of Basil Theodossiou;

H. R. 2366. An act for the relief of Guy H. Davant;

H. R. 2456. An act for the relief of Mrs. Diana P. Kittrell;

H. R. 2486. An act for the relief of Gronislav Vydaevich and Leonid Zankowsky;

H. R. 2529. An act for the relief of Albert Vincent, Sr.;

H. R. 2707. An act for the relief of Terry L. Hatchett;

H. R. 2709. An act for the relief of the estate of Rene Weil;

H. R. 2736. An act for the relief of Roy M. Butcher;

H. R. 2760. An act for the relief of the estate of William B. Rice;

H. R. 2907. An act for the relief of Thomas F. Harney, Jr., doing business as the Harney Engineering Co.;

H. R. 2936. An act for the relief of Clifford Oesterlei;

H. R. 2941. An act for the relief of Mrs. Elfriede Majka Grifasi;

H. R. 3031. An act for the relief of Paul Nelson;

H. R. 3045. An act for the relief of George L. F. Allen;

H. R. 3054. An act for the relief of Allen Pope, his heirs or personal representatives;

H. R. 3178. An act for the relief of Dr. Reuben Rapaport;

H. R. 3271. An act for the relief of John Lloyd Smelcer;

H. R. 3281. An act for the relief of Herbert Roscoe Martin;

H. R. 3361. An act for the relief of Joe Kawakami;

H. R. 3362. An act for the relief of G. F. Allen, deceased, former chief disbursing officer, Treasury Department, and for other purposes;

H. R. 3363. An act for the relief of Rodolfo C. Delgado, Jesus M. Lagua, and Vicente D. Reynante;

H. R. 3364. An act for the relief of Ernest W. Berry, Alaska Native Service schoolteacher;

H. R. 3365. An act for the relief of Robert Burns DeWitt;

H. R. 3366. An act for the relief of Mary J. McDougall;

H. R. 3367. An act for the relief of Col. Walter E. Ahearn and others;

H. R. 3506. An act for the relief of Lillian Schlossberg;

H. R. 3512. An act for the relief of Gunther H. Hahn;

H. R. 3638. An act for the relief of Joseph H. Washburn;

H. R. 3639. An act for the relief of Ralph Bennett and certain other employees of the Bureau of Indian Affairs;

H. R. 3957. An act for the relief of Pauline H. Corbett;

H. R. 4044. An act for the relief of Burgal Lyden and others;

H. R. 4191. An act conferring jurisdiction upon the United States District Court for the Eastern District of South Carolina to hear, determine, and render judgment upon certain claims of Roderick D. Strawn;

H. R. 4288. An act for the relief of the law firm of Harrington & Graham;

H. R. 4320. An act for the relief of Guerdon Plumley; and

H. J. Res. 211. Joint resolution to confer jurisdiction on the Attorney General to determine the eligibility of certain aliens to benefit under section 6 of the Refugee Relief Act of 1953, as amended; to the Committee on the Judiciary.

H. R. 1995. An act for the relief of Mrs. John William Brennan; to the Committee on Finance.

H. R. 4876. An act making appropriations for the Treasury and Post Office Departments and the Tax Court of the United States, for the fiscal year ending June 30, 1956, and for other purposes; to the Committee on Appropriations.

H. J. Res. 107. Joint resolution to permit the United States of America to release reversionary rights in a thirty-six and seven hundred and fifty-nine one-thousandths acre tract to the Vineland School District of the county of Kern, State of California; to the Committee on Agriculture and Forestry.

LEAVES OF ABSENCE

Mr. SMITH of New Jersey. Mr. President, on Thursday and Friday of this week the Subcommittee on the United Nations Charter of the Senate Committee on Foreign Relations will conduct hearings in Atlanta, Ga., and Miami, Fla. Members of the subcommittee who will attend these hearings are the senior Senator from Florida [Mr. HOLLAND], the junior Senator from Alabama [Mr. SPARKMAN], and myself.

I ask unanimous consent that permission be granted members of the subcommittee to be absent from the Senate on Thursday and Friday of this week.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. HOLLAND. Mr. President, I ask unanimous consent that I may have leave of the Senate to be absent from my duties as a Senator until after the session of next Tuesday, in order that I may attend hearings of Senate committees in Georgia, on tomorrow, and in my State of Florida on Friday and on Monday.

The PRESIDENT pro tempore. Without objection, leave is granted.

Mr. THURMOND. Mr. President, I ask leave of the Senate to be absent from the Senate on Friday of this week, in order that I may attend certain Army demonstrations at the Aberdeen Proving Ground, at Aberdeen, Md.

The PRESIDENT pro tempore. Without objection, leave is granted.

Mr. CAPEHART. Mr. President, I have been invited, along with the able Senator from South Carolina [Mr. THURMOND] and other Senators, to go to Aberdeen, Md., on Friday to view the new armed vehicles and other equipment. I ask unanimous consent to be absent from the Senate on Friday for that purpose.

The PRESIDENT pro tempore. Without objection, leave is granted.

On his own request, and by unanimous consent, Mr. MAGNUSON was excused from attendance on the session of the Senate on Friday next in order to address a maritime gathering in Seattle, Wash.

COMMITTEE MEETING DURING SENATE SESSION

On request of Mr. JOHNSON of Texas, and by unanimous consent, the Reclamation Subcommittee of the Committee on Interior and Insular Affairs was authorized to meet today during the session of the Senate.

ORDER FOR TRANSACTION OF ROUTINE BUSINESS

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that immediately following the quorum call there may be the customary morning hour for the transaction of routine business, under the usual 2-minute limitation on speeches.

The PRESIDENT pro tempore. Without objection, it is so ordered.

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

REPORT ON COOPERATION WITH MEXICO IN CONTROL AND ERADICATION OF FOOT-AND-MOUTH DISEASE

A letter from the Under Secretary of Agriculture, transmitting, pursuant to law, a confidential report on cooperation of the United States with Mexico in the control and eradication of foot-and-mouth disease, for the month of January 1955 (with an accompanying report); to the Committee on Agriculture and Forestry.

REPORT ON REAPPORTIONMENT OF AN APPROPRIATION

A letter from the Director, Bureau of the Budget, Executive Office of the President, reporting, pursuant to law, that the appropriation to the Department of Labor for "Unemployment compensation for Federal employees," for the fiscal year 1955, had been apportioned on a basis which indicates a necessity for a supplemental estimate of appropriation (with an accompanying paper); to the Committee on Appropriations.

REPORT OF BOARD OF GOVERNORS OF FEDERAL RESERVE SYSTEM

A letter from the Chairman, Board of Governors of the Federal Reserve System, Washington, D. C., transmitting, pursuant

to law, the annual report of that Board, for the year 1954 (with an accompanying report); to the Committee on Banking and Currency.

AUDIT REPORT ON FEDERAL NATIONAL MORTGAGE ASSOCIATION

A letter from the Assistant Comptroller General of the United States, transmitting, pursuant to law, an audit report on the Federal National Mortgage Association, for the fiscal year ended June 30, 1954 (with an accompanying report); to the Committee on Government Operations.

PROTECTION OF CERTAIN OFFICERS AND EMPLOYEES OF THE GOVERNMENT

A letter from the Director, Administrative Office of the United States Courts, Washington, D. C., transmitting a draft of proposed legislation to amend section 1114 of title 18 of the United States Code, as amended, in reference to the protection of officers and employees of the United States by including probation officers of United States district courts (with an accompanying paper); to the Committee on the Judiciary.

PETITIONS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the PRESIDENT pro tempore:

A letter, in the nature of a petition, from the United States Flag Committee, Jackson Heights, Long Island, N. Y., signed by H. Joseph Mahoney, legislative secretary, praying for the enactment of Senate Joint Resolution 1, relating to the treatymaking power; to the Committee on the Judiciary.

By Mr. LANGER (for himself and Mr. YOUNG):

Two concurrent resolutions of the Legislature of the State of North Dakota; to the Committee on Interior and Insular Affairs:

"House Concurrent Resolution H-2

"Concurrent resolution urging Congress and the Bureau of Indian Affairs to establish tribal courts or courts of Indian offenses for the Fort Totten Indian Reservation

"Whereas the Federal Government has withdrawn from law-enforcement activities upon the Fort Totten Indian Reservation; and

"Whereas the Supreme Court of the State of North Dakota has ruled that this State has no jurisdiction over such Indian lands; and

"Whereas there is presently no provision for any law enforcement whatsoever upon the Fort Totten Indian Reservation except for the 10 major crimes: Now, therefore, be it

"Resolved by the House of Representatives of the State of North Dakota (the Senate concurring therein), That the legislative assembly hereby urges and requests the Congress and the Bureau of Indian Affairs to provide for the establishment of tribal courts or courts of Indian offenses at Fort Totten Indian Reservation in order to maintain law and order on such Indian lands; and be it further

"Resolved, That copies of this resolution be forwarded by the chief clerk of the house of representatives to the President of the United States, the Bureau of Indian Affairs, and to each member of the North Dakota congressional delegation."

"House Concurrent Resolution Q-1

"Concurrent resolution relating to law enforcement problems upon Indian reservations

"Whereas Public Law 280 has authorized the various States of the Union, including North Dakota, to assume criminal and civil jurisdiction in Indian country within their boundaries by appropriate resolutions or constitutional amendments; and

"Whereas no provision is now made whereby the Federal Government will reimburse States and local political subdivisions for the necessary expenditures upon the assumption of such jurisdiction over territory under the absolute control of the Congress of the United States; and

"Whereas the State of North Dakota is desirous of seeing that Indian people within its boundaries receive the same impartial protection of effective law enforcement as is enjoyed by non-Indian residents; and

"Whereas a recent investigation by the Senate Subcommittee on Juvenile Delinquency has disclosed and made public the deplorable lack of effective law enforcement in said Indian country as the same affects juveniles and adults, residents of said Indian country; and

"Whereas the solution of said problem and the improvement of the condition of said residents of said Indian country requires that adequate provisions be made for the reimbursement of State and political subdivisions before the assumption of said jurisdiction: Now, therefore, be it

"Resolved by the House of Representatives of the State of North Dakota, (the Senate concurring therein) That the North Dakota delegation in Congress, working with the delegations of other States having Indian populations, is hereby urged and requested to provide a means whereby it will be feasible for the State of North Dakota to offer its facilities for the correction of the presently existing deplorable conditions. That the legislative research committee is hereby authorized and directed to study such matters and to appoint a subcommittee to give detailed consideration to the financial aspects of such readjustment of historic responsibility and such subcommittee is hereby authorized to confer with the executive and legislative branches of the Federal Government in arriving at an equitable solution to such problems, and the legislative research committee is further directed, upon the completion of such study and said conferences, to publish its findings and recommendations, and to make its report to the Thirty-Fifth Legislative Assembly in such form as it may deem expedient; be it further

"Resolved, That copies of this resolution be forwarded to each member of the North Dakota Congressional delegation, to the Secretary of the Interior, and to all other persons interested in said matter.

"K. A. FITCH,
"Speaker of the House.
"KENNETH L. MORGAN,
"Chief Clerk of the House.
"C. P. DAHL,
"President of the Senate.
"EDWARD LENO,
"Secretary of the Senate."

WITHDRAWAL OF RESTRICTIONS ON COMPLETION OF GARRISON DAM AND RESERVOIR—RESOLUTION

Mr. HUMPHREY. Mr. President, I ask unanimous consent to have printed in the RECORD a resolution adopted by the County Commissioners of Clay County, the Public Service Department of the City of Moorhead, and the board of directors of the Moorhead Chamber of Commerce requesting the Congress of the United States to withdraw all restrictions on the completion of the Garrison Dam and Reservoir project to operate at the maximum operating pool level of 1,850 feet. The resolution also requests the appropriation of sufficient funds to enable the Corps of Engineers to proceed with the project at an efficient rate in procurement of real estate, planning, and construction of the project so that all potential benefits can be realized. I request that this petition be appropriately referred.

There being no objection, the resolution was referred to the Committee on Public Works, and ordered to be printed in the RECORD, as follows:

Whereas the Congress of the United States, in the Flood Control Act of 1944, authorized the construction of the Garrison Dam in North Dakota to provide urgently needed flood protection, for diversion to the James, Sheyenne, and Souris Rivers for the irrigation of over 1,000,000 acres of land in North and South Dakota, for production of hydroelectric power for rural electrification, municipal and industrial use, for municipal and industrial water supplies, stabilization of streamflows for stream-pollution abatement, and improved downstream navigation, for restoration of lakes, and for recreation and fish and wildlife conservation and propagation and other multiple benefits; and

Whereas through the coordinated efforts of the Corps of Engineers, the United States Bureau of Reclamation, the North Dakota State Water Conservation Commission and the Missouri Basin Interagency Committee it has been determined that a maximum operating pool level for the Garrison Reservoir of 1,850 feet (above mean sea level) is the most economical and will insure a realization of the maximum potential benefits by meeting all requirements of water users and, as a result of this determination, the Corps of Engineers have proceeded to plan, design, and construct the facilities for the project for operation at this pool level; and

Whereas adequate measures have been incorporated in the Garrison Dam and Reservoir project plan and designs for the protection of the city of Williston, the Lewis and Clark, and Buford-Trenton irrigation projects from any adverse effects caused by reservoir operation at the maximum pool level of 1,850 feet so that there will not be any interference with the normal use of these areas; and

Whereas, the operating pool level of 1,850 feet (above mean sea level) of the Garrison Dam project will insure the maximum production of hydroelectric power for rural electrification, irrigation, municipal, and industrial use; that, according to studies by the Federal Power Commission, the Missouri Basin Interagency Committee and others, will be needed by these users as soon as it is available; and

Whereas the additional power revenues that would be earned by the power facilities at Garrison Dam when the reservoir for that project is operated at a maximum normal operating pool level of 1,850 feet as compared to a lower level are needed to permit the maximum development of irrigation as authorized by the Congress of the United States; and

Whereas the construction of main stem dams on the Missouri River will permit the construction and enhance the feasibility of small irrigation projects below and adjacent to these reservoirs because of the elimination of bank erosion, reduced power costs, and flood protection afforded to the lands involved; and

Whereas the diversion of water from the Missouri River into central and eastern North Dakota for irrigation, municipal water supplies, restoration of lakes, stream-pollution abatement, and other purposes has been advocated by many people in North Dakota for the past 70 years and a plan under investigation by the United States Bureau of Reclamation to accomplish this diversion by utilizing the waters stored in the Garrison Reservoir has been determined feasible and can be most efficiently accomplished if the

Garrison Reservoir is operated at the 1,850-foot pool level; and

Whereas any reduction of the operating pool level of Garrison Reservoir will be a waste of its capacity to store reserve water for irrigation, municipal water supply, hydroelectric power production, and other uses during periods of drought; and

Whereas the Garrison Dam and Reservoir project is now over 80-percent complete and to curtail progress so as to prevent or delay its full utilization by restricting the operation of the reservoir at an elevation below 1,850 feet for flood protection, irrigation, hydroelectric power production and other multiple uses would result in major losses of potential benefits to this locality, the people of North Dakota and the entire Missouri Basin, and would not be consistant with good conservation practices; and

Whereas a definite need exists for the complete utilization of water from the Garrison Reservoir in central and eastern North Dakota as provided by the Garrison Diversion plan to provide for the continued prosperity and economic expansion of North Dakota through the irrigation of large areas which can be accomplished most efficiently and economically if the Garrison Reservoir is operated at a maximum normal pool elevation of 1,850 feet (above mean sea level):

Whereas the city of Moorhead, Minn., has been assured of a firm power commitment from electricity generated at the Garrison Dam and that negotiations are now under way for the construction of a transmission line to transport this electrical energy to Moorhead and that there would be a definite possibility that any reduction in the pool level below the 1,850-foot level now authorized would seriously affect the amount of electrical energy that would be made available to this area and that the diversion of water to the central and eastern portions of North Dakota will have a definite bearing upon the future economy of this community: Now, therefore, be it

Resolved by the Chamber of Commerce, Moorhead, Minn., That the senators and congressmen of the State of Minnesota do hereby petition and request the Congress of the United States to withdraw all restrictions on the completion of the Garrison Dam and Reservoir project to operate at the maximum operating pool level of 1,850 feet (above mean sea level), and to appropriate sufficient funds to enable the Corps of Engineers to proceed with the project at an efficient rate in procurement of real estate, planning, and construction of the project so that all potential benefits can be realized; and be it further

Resolved, That copies of this resolution be mailed to: Edward J. Thye, Senator from the State of Minnesota; Hubert H. Humphrey, Senator from the State of Minnesota; Mrs. Coya Knutson, Congresswoman, Ninth District, State of Minnesota, and Orville L. Freeman, Governor of the State of Minnesota.

CRUSADE FOR WORLD ORDER—CONCLUSIONS OF COUNCIL OF BISHOPS OF METHODIST CHURCH

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the conclusions from various discussions in the Crusade for World Order, led by the council of bishops of the Methodist Church, and intended to promote world peace, be printed in the RECORD and appropriately referred.

The PRESIDENT pro tempore. The conclusions will be received and appropriately referred; and, without objection, will be printed in the RECORD.

The conclusions presented by Mr. HUMPHREY were referred to the Committee on Foreign Relations, and ordered to be printed in the RECORD, as follows:

STILLWATER, MINN., *March 11, 1955.*

Recently our church took part in the Crusade for World Order, led by the council of bishops of the Methodist Church, and intended to promote world peace.

From the discussions on various subjects such as the United Nations and the "armament problem," the group reached some definite conclusions which it wishes to submit for your consideration:

I. We believe that greater publicity abroad about our efforts to promote peace would help the world situation. Authentic reports, published periodically, summarizing not only Government expenditures, but also the giving of the American people, through CARE, CROP, and many other agencies, could counteract our frequent reports about arms expenditures, the cost of atomic warfare, and the like.

II. We respectfully suggest that our Government increase expenditures for exchange scholarships, informative programs ("Voice of America"), and all cultural media which would promote mutual understanding among all people.

III. We suggest the need for better domestic news coverage on peace-promoting activities, such as the work done by various United Nations organizations. The television networks have a grave responsibility—and a great opportunity. Because of the greater cost of dramatic productions (as compared to factual presentations), this cost might, perhaps, be shared by the Government.

Very truly yours,

N. M. BASHARA,
Chairman.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. CLEMENTS, from the Committee on Agriculture and Forestry, without amendment:

S. 1325. A bill to amend the tobacco marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended (Rept. No. 107);

S. 1436. A bill to preserve the tobacco acreage history of farms which voluntarily withdraw from the production of tobacco, and to provide that the benefits of future increases in tobacco acreage allotments shall first be extended to farms on which there have been decreases in such allotments (Rept. No. 109); and

S. 1457. A bill to redetermine the national marketing quota for burley tobacco for the 1955–56 marketing year, and for other purposes (Rept. No. 111).

By Mr. CLEMENTS, from the Committee on Agriculture and Forestry, with an amendment:

S. 1326. A bill to amend the tobacco marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended (Rept. No. 108; and

S. 1327. A bill to amend the tobacco marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended (Rept. No. 110).

By Mr. KEFAUVER, from the Committee on the Judiciary; without amendment:

S. 599. A bill to prohibit the transportation of obscene matters in interstate or foreign commerce (Rept. No. 112); and

S. 600. A bill to amend title 18 of the United States Code, relating to the mailing of obscene matter (Rept. No. 113).

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. MONRONEY (for himself and Mr. KERR):

S. 1458. A bill to provide for the distribution of funds belonging to the members of the Creek Nation of Indians, and for other purposes; to the Committee on Interior and Insular Affairs.

S. 1459. A bill to provide assistance to the States in the construction, modernization, additions and/or improvement of domiciliary or hospital buildings of State or Territorial operated soldiers' homes by a grant to subsidize in part the capital outlay cost; to the Committee on Labor and Public Welfare.

By Mr. WELKER:

S. 1460. A bill for the relief of Guillermo Asla Pinuaga, Jose Espinosa Gomez, and Eusebio Asla Pinuaga; to the Committee on the Judiciary.

By Mr. SCHOEPPEL:

S. 1461. A bill for the relief of Chester J. Hartman; to the Committee on Finance.

By Mr. SCHOEPPEL (for himself, Mr. PAYNE, and Mr. BIBLE):

S. 1462. A bill to amend subsection 406 (b) of the Civil Aeronautics Act of 1938, as amended; to the Committee on Interstate and Foreign Commerce.

By Mr. MURRAY (by request):

S. 1463. A bill to provide for the management and disposition of certain public domain lands in the State of Oklahoma; and

S. 1464. A bill to authorize the Secretary of the Interior to acquire certain rights of way and timber access roads; to the Committee on Interior and Insular Affairs.

By Mr. DIRKSEN (by request):

S. 1465. A bill for the relief of Audrey Jean Younkers; to the Committee on the Judiciary.

By Mr. MANSFIELD:

S. 1466. A bill to increase the monthly rates of basic pay for certain members of the uniformed services by 25 percent; to the Committee on Armed Services.

(See the remarks of Mr. MANSFIELD when he introduced the above bill, which appear under a separate heading.)

By Mr. YOUNG:

S. 1467. A bill to amend the Universal Military Training and Service Act to provide for the deferment and exemption of certain persons employed as veterinarians by the Department of Agriculture; to the Committee on Armed Services.

By Mr. YOUNG (for himself and Mr. WILEY):

S. 1468. A bill to provide for payment to farmers of the amount of tax paid on gasoline used by them in farming; to the Committee on Finance.

By Mr. BUSH:

S. 1469. A bill to declare the portion of the waterway at Bridgeport, Conn., known as the west branch of Cedar Creek, northerly of a line running north seventy-eight degrees, fifty-six minutes, and one second east from a point whose coordinates in the Connecticut Geodetic System are south nine hundred thirty-seven and twenty-three one hundredths and west one thousand one hundred eight and forty one hundredths, a nonnavigable stream; to the Committee on Interstate and Foreign Commerce.

(See the remarks of Mr. BUSH when he introduced the above bill, which appear under a separate heading.)

By Mr. BUSH (for himself and Mr. PURTELL):

S. 1470. A bill to provide for the appointment of a district judge for the district of Connecticut; to the Committee on the Judiciary.

(See the remarks of Mr. BUSH when he introduced the above bill, which appear under a separate heading.)

By Mr. GREEN (for himself, Mr. PASTORE, and Mr. CHAVEZ):

S. 1471. A bill to provide that the Judges of the Court of Military Appeals shall hold office during good behavior, and for other purposes; to the Committee on Armed Services.

By Mr. DWORSHAK:

S. 1472. A bill to enable the Secretary of Agriculture to extend financial assistance to desert-land entrymen to the same extent as such assistance is available to homestead entrymen; to the Committee on Agriculture and Forestry.

By Mr. THYE:

S. 1473. A bill for the relief of Rok W. Shin; and

S. 1474. A bill for the relief of Valdis Mikelsons; to the Committee on the Judiciary.

By Mr. SPARKMAN:

S. 1475. A bill to authorize the issuance of a special stamp commemorative of the 125th anniversary of the establishment of savings and loan associations in America; to the Committee on Post Office and Civil Service.

By Mr. DOUGLAS:

S. 1476. A bill for the relief of Daniel Castro Quilantan and his wife, Graciela de Jesus Garza Quilantan; and

S. 1477. A bill for the relief of Clorinda Perri Sturino; to the Committee on the Judiciary.

By Mr. PASTORE:

S. 1478. A bill to provide for refund or credit of internal revenue taxes and customs duties paid on distilled spirits and wines lost, rendered unmarketable, or condemned by health authorities as a result of the hurricanes of 1954; to the Committee on the Judiciary.

By Mr. BEALL:

S. 1479. A bill for the relief of Marie Noelle; to the Committee on the Judiciary.

By Mr. KEFAUVER (for himself and Mr. WATKINS):

S. 1480. A bill to amend chapter 235 of title 18, United States Code, so as to provide for appellate review of sentences, on appeal by the defendant, in criminal cases; to the Committee on the Judiciary.

By Mr. KEFAUVER:

S. 1481. A bill to authorize the Interstate Commerce Commission to prescribe minimum standards of training and experience for operating personnel of railroads, and for other purposes; and

S. 1482. A bill to authorize the Interstate Commerce Commission to prescribe minimum standards of safety for railroad tracks, bridges, and related facilities, and for other purposes; to the Committee on Interstate and Foreign Commerce.

(See the remarks of Mr. KEFAUVER when he introduced the above bill, which appear under a separate heading.)

By Mr. SMITH of New Jersey:

S. J. Res. 56. Joint resolution for the establishment of a Commission on Nursing Services; to the Committee on Labor and Public Welfare.

(See the remarks of Mr. SMITH of New Jersey when he introduced the above joint resolution, which appear under a separate heading.)

DESIGNATION OF A CERTAIN WATERWAY AT BRIDGEPORT, CONN., AS A NONNAVIGABLE STREAM

Mr. BUSH. Mr. President, I introduce, for appropriate reference, a bill to declare a certain portion of the west branch of Cedar Creek at Bridgeport, Conn., a nonnavigable stream. This proposed legislation is needed in connection with the construction of the Greenwich-Killingly Expressway in the State of Connecticut. I ask unanimous consent that a letter from Hon. Newman E. Argraves, highway commissioner of the State of Connecticut, explaining the need for this proposed legislation, be printed at this point in the RECORD.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the letter will be printed in the RECORD.

The bill (S. 1469) to declare the portion of the waterway at Bridgeport, Conn., known as the west branch of Cedar Creek, northerly of a line running north seventy-eight degrees, fifty-six minutes, and one second east from a point whose coordinates in the Connecticut Geodetic System are south nine hundred thirty-seven and twenty-three one hundredths and west one thousand one hundred eight and forty-one hundredths, a nonnavigable stream, introduced by Mr. BUSH, was received, read twice by its title, and referred to the Committee on Interstate and Foreign Commerce.

The letter presented by Mr. BUSH is as follows:

STATE OF CONNECTICUT,
STATE HIGHWAY DEPARTMENT,
Hartford, Conn., March 8, 1955.

Hon. PRESCOTT BUSH,
United States Senator,
Senate Office Building,
Washington, D. C.

DEAR SENATOR BUSH: The layout of the Greenwich-Killingly Expressway through Bridgeport crosses over a portion of the dredged channel and established harbor lines of the west branch of Cedar Creek. Thus, in order to cross this area, it will be necessary to have a portion of the west branch of Cedar Creek declared a nonnavigable waterway. I respectfully request, therefore, that you introduce a bill into Congress to make this change effective.

I am attaching, hereto, a bill which has been prepared by this department which should adequately cover the situation, but, of course, it is subject to your review and such changes as you may feel are necessary. This matter has been discussed with both the Corps of Engineers, United States Army, and the city officials of Bridgeport and there is no reason to expect that there will be any opposition to this bill.

For your information, I am attaching a print showing the area affected by this bill. The highway department will acquire the riparian rights of all owners of uplands which border the area of waterway affected.

We are hopeful that favorable action by Congress will be forthcoming at an early date as this suggested bill is noncontroversial and requires no appropriation of Federal funds. If additional information is needed or you desire a representative of the highway department to advise you or appear in behalf of this bill, please let me know.

I want to thank you very much for the prompt attention you gave to this department's recent request for the introduction of a similar bill regarding the Greenwich Harbor.

Very truly yours,
NEWMAN E. ARGRAVES,
State Highway Commissioner.

ADDITIONAL DISTRICT JUDGE FOR DISTRICT OF CONNECTICUT

Mr. BUSH. Mr. President, on behalf of myself, and my colleague, the junior Senator from Connecticut [Mr. PURTELL], I introduce for appropriate reference a bill to provide for the appointment of a district judge for the district of Connecticut. It is my understanding that a similar bill will be introduced in the other body by the Honorable ALBERT W. CRETELLA, Representative of Connecticut's Third District.

The introduction of this bill has been requested by the senior judge of the district of Connecticut, the Honorable J. Joseph Smith.

I ask unanimous consent that the bill, a statement prepared by me on the bill, a letter addressed to me by Judge Smith explaining the need for an additional judge, the enclosures mentioned in his letter, and a resolution adopted by the executive committee of the Bridgeport, Conn., Bar Association, be printed in the RECORD.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the bill, together with the statement and other matters mentioned by the Senator from Connecticut, will be printed in the RECORD.

The bill (S. 1470) to provide for the appointment of a district judge for the district of Connecticut, introduced by Mr. BUSH (for himself and Mr. PURTELL), was received, read twice by its title, referred to the Committee on the Judiciary, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That the President shall appoint, by and with the advice and consent of the Senate, an additional district judge for the district of Connecticut. In order that the table contained in section 133 of title 28 of the United States Code will reflect the change made by this act in the number of judgeships for the district of Connecticut, such table is amended to read as follows with respect to such district:

"Districts	*Judges*
* * * * *	
"Connecticut	3"

The statement, letter, enclosures, and resolution, presented by Mr. BUSH, are as follows:

STATEMENT BY SENATOR BUSH

I am introducing in the Senate today a bill calling for the appointment by the President, by and with the advice and consent of the Senate, of an additional Federal district judge for the district of Connecticut.

The creation of an additional Federal judgeship in Connecticut is regarded as being urgently needed by the present judges. In a letter to me dated March 9, 1955, the senior judge, the Honorable J. Joseph Smith, requested consideration of the proposed legislation by the Connecticut delegation, and furnished statistics showing a very sharp increase in the business of the court in recent years, with consequent delays in the administration of justice which adversely affect the public.

Included in the tables furnished by Judge Smith are figures demonstrating that the caseload per judgeship in Connecticut is greater than in a number of districts which now have three judges.

Judge Smith informs me that the Honorable Charles E. Clark, chief judge of the second circuit court of appeals, agrees that an additional judge for Connecticut is needed at the present time.

In the past, members of the Bridgeport (Conn.) Bar Association have requested the provision of court facilities in that city for the trial of Federal court and jury cases. While believing this may prove advisable

in the future, Judge Smith does not consider the need urgent at the present time. For that reason the proposed legislation does not provide for sessions of the Federal court at Bridgeport. It would be my expectation that members of the Connecticut bar would be able to present their views on this matter when hearings on the bill are held by the Senate and House Committees on the Judiciary. It is my hope that such hearings will be scheduled at an early date.

UNITED STATES DISTRICT COURT,
DISTRICT OF CONNECTICUT,
Hartford, March 9, 1955.

Hon. PRESCOTT BUSH,
United States Senator,
Senate Office Building,
Washington, D. C.

DEAR SENATOR BUSH: I write to ask your consideration and that of your colleagues from Connecticut of provision for an additional district judge to enable this court properly to take care of the present and future volume of litigation in the district of Connecticut. Connecticut constitutes one judicial district, holding court at Hartford and New Haven under 28 United States Code 86, with two district judges under 28 United States Code 133 (act of Mar. 3, 1927, ch. 300, 44 Stat. 1348).

The volume of business in the district has, of course, greatly increased since 1927, with a very sharp increase in the last 4½ years.

In the past, we were able to handle the normal business and occasionally to help out in other districts in the second circuit and on the court of appeals, although even then there were occasional years, as during the early part of the war, when it was necessary to hold court throughout the year without recess.

Any hope Judge Anderson and I had that the increase of business would prove temporary and that two judges would be able to handle it with occasional outside help upon leveling off at about last year's level has proved illusory. The increase has now made itself plainly felt in a lengthening of time necessary to reach a case for trial, as shown by the enclosures herewith.

I have written to Judge Clark, chief judge of the circuit, and sent to him some illustrative statistics, copies of which are enclosed, together with a copy of my letter to him.

The most significant figure in the caseload statistics is that of private civil cases, for studies by the administrative office of the courts have shown that a far greater proportion of the time of the judges is required by this type of case than by any other. The caseload statistics, themselves, are of course significant only as they demonstrate the reasons for delay in disposing of litigation.

Judge Clark agrees that an additional judge is needed at this time, and will present the situation to the circuit council and the judicial conference for their recommendations.

It might prove advisable in the future to request court quarters in Fairfield County, in view of the volume of litigation now originating there. This need I do not consider urgent at present, however, since the distance to New Haven is not great and since we have available in New Haven one jury courtroom and a bankruptcy courtroom which we now use for court trials when two judges are sitting at New Haven. This bankruptcy courtroom could be converted to a small jury courtroom.

Provision of another judge is the pressing need at present. I hope that you will agree and will sponsor or support legislation to that end.

With kindest regards,
sincerely,

J. JOSEPH SMITH,
United States District Judge.

FEBRUARY 28, 1955.

Hon. CHARLES E. CLARK,
Chief Judge, United States Court of Appeals for the Second Circuit, New Haven, Conn.

DEAR JUDGE CLARK: Since talking with you last week, I have gone over our calendar situation with Gil Earl and find that it has been worsening more rapidly than I had thought. I had been a little too optimistic in the fall in thinking that a leveling off at the present volume would enable us to reach a more current status and even continue occasionally to help out elsewhere, if occasionally we received a little outside help, as in the past.

However, the sharp rise in the last 4 years continuing in the first half of this fiscal year, with resultant lengthening of time in bringing cases to trial makes it apparent that two of us can no longer handle the volume of business even with occasional outside help. The increase in population in the district, the congestion in the State courts and the steady rise in motor vehicle negligence cases all contribute to the trend.

I enclose lists of the number of criminal, civil and bankruptcy cases commenced, terminated and pending by fiscal years since 1940, including the first half of 1955.

The criminal cases have picked up a little in the recent years, following the drop after the war, but not significantly in number.

However, at present two Smith act cases are included, which may be expected to take a great deal of trial time. It is possible that on reindictment they will be consolidated, which might help so far as trial time is concerned.

The bankruptcy cases, fortunately, seldom take much court time, since petitions for review of the decisions of our two referees are comparatively rare.

From 1940 to 1951 the number of civil cases filed, while showing some upward curve, remained within our ability to handle on a practically current basis, with once in a while a chance for one of us to help out for a short time in the southern district or in Vermont. Since 1951, however, the civil load, and particularly the private civil cases which are the most time consuming have had a very considerable increase, which continues. In January and February we continued to have more filed than disposed of, so that the backlog, particularly of private civil cases, continues to increase, now totaling over 800 for all civil cases.

As shown by the table on page 1, the apparent temporary reversal of the trend in filings from 1953 to 1954 was much more than accounted for by a drop in United States plaintiff cases, private civil cases continuing the upward trend.

The time from issue to trial, which stood at the rather good level of 4.7 months in 1951, has steadily increased since and is now at an undesirably high level. The estimated present time from claim for trial list to trial, based on an analysis of 150 sample cases, is 9.5 months. Since some time elapses on the average between issue and claim for trial, it is safe to assume that the time from issue to trial is now more than 9.5 months.

I enclose also tables prepared by the clerk, showing the comparative caseload per judgeship in the district courts by circuit by fiscal year in 1951, 1952, 1953, and 1954, the caseload per judgeship in district courts having 2 judgeships in the same years, and the caseload per judgeship in district courts having 3 judgeships in 1954.

It will be noted that for the year 1954 on the most significant caseload figure, private civil, of the thirty-three 2-judge districts, only 3, eastern Louisiana, eastern and western Texas, have higher caseloads than Connecticut, and of the eight 3-judge districts, only 2 have higher civil and private civil caseloads per judge.

Of course, the caseloads may vary in type, so that these statistics are valuable primarily in explaining the significant one of increased delay in reaching trial and in demonstrating that the condition may be expected to worsen, rather than improve.

I believe that the caseload per judge has reached the point where three judges are permanently necessary to handle the business of the district.

This is without regard to the additional, and we hope temporary, load imposed by the pending Smith Act case and a private civil antitrust damage action against the major automobile companies.

I request, therefore, that legislation be proposed for an additional district judge for the district of Connecticut at this time.

With kindest regards.

Sincerely,

J. JOSEPH SMITH,
United States District Judge.

Civil cases filed by private parties, including those in which the United States is a defendant

	Fiscal year 1953	Fiscal year 1954	Fiscal year 1955 (July 1 to Dec. 31, 1954)
Fairfield	123	135	72
Hartford	154	131	80
Litchfield	2	1	1
New Haven	91	154	74
New London	8	7	5
Middlesex	4	5	1
Tolland	5	2	0
Windham	3	2	1
United States as plaintiff	232	62	54
Total	622	499	297

Time intervals from issue to trial of civil cases in which a trial was held

Fiscal year:	Median interval (months)
1951	4.7
1952	5.5
1953	6.4
1954	7.6
1955 (July 1 through Dec. 31, 1954)	8.2

Time intervals from filing to disposition of civil cases in which a trial was held

Fiscal year:	Median interval (months)
1951	8.9
1952	7.8
1953	9.6
1954	11.2
1955 (July 1 through Dec. 31, 1954)	11.7

Estimated median time interval, claims for trial list and trial 9.5 (months). Feb. 25, 1955.

Civil cases commenced and terminated during the fiscal years 1940–55 and pending cases

Fiscal year	Commenced	Terminated	Pending June 30
1940	318	316	180
1941	293	244	229
1942	211	230	210
1943	262	235	237
1944	206	197	246
1945	324	301	269
1946	407	433	243
1947	332	270	305
1948	267	294	278
1949	337	324	291
1950	378	373	296
1951	371	312	355
1952	563	432	486
1953	622	476	635
1954	499	413	721
1955	[1] 297	[1] 228	[2] 790

[1] Commenced and terminated July 1, 1954, through December 31, 1954.
[2] Pending c. o. b., December 31, 1954.

Caseload per judgeship in United States district courts (having 3 judgeships) during fiscal year 1954 (based on cases filed)

District	All civil	Private civil	Criminal
Delaware	31	17	27
Virginia, Eastern	223	131	130
Texas, Northern	436	348	164
Ohio, Southern	198	89	127
Missouri, Eastern	238	131	111
Missouri, Western	377	239	142
Oregon	173	115	54
Washington, Western	169	72	93
Connecticut [1]	250	201	96

[1] It may be noted that if the District of Connecticut is included with those districts having 3 judgeships for the sake of comparison, it would rank No. 3 as to "all civil" and "private cases" filed during the fiscal year 1954 and No. 6 as to "criminal" cases filed.

Criminal cases commenced and terminated during the fiscal years 1940–55 and pending cases

Fiscal year	Commenced	Terminated	Pending June 30
1940	141	146	19
1941	134	131	22
1942	146	151	17
1943	276	247	46
1944	320	337	29
1945	265	252	42
1946	138	140	40
1947	120	131	29
1948	124	116	37
1949	132	142	27
1950	105	126	6
1951	127	109	24
1952	104	111	17
1953	164	152	29
1954	208	187	50
1955	[1] 71	[1] 97	[2] 24

[1] Commenced and terminated July 1, 1954, through Dec. 31, 1954.
[2] Pending c. o. b., June 11, 1954.

Bankruptcy cases commenced and terminated during the fiscal years 1940–55 and pending cases

Fiscal year	Commenced	Terminated	Pending June 30th
1940	695	832	624
1941	839	601	862
1942	708	1,004	566
1943	494	775	285
1944	292	438	139
1945	162	206	95
1946	108	128	75
1947	187	143	119
1948	301	199	221
1949	438	317	342
1950	553	453	442
1951	553	599	396
1952	506	557	345
1953	542	508	379
1954	687	636	430
1955	[1] 372	[1] 318	[2] 484

[1] Commenced and terminated July 1, 1954, through Dec. 31, 1954.
[2] Pending c. o. b., Dec. 31, 1954.

Caseload per judgeship by fiscal year in United States district courts, by circuit (based on cases filed)

Circuit	Fiscal year 1951 (202 judgeships)			Fiscal year 1952 (202 judgeships)			Fiscal year 1953 (202 judgeships)			Fiscal year 1954 (229 judgeships)		
	All civil	Private civil	Criminal	All civil	Private civil	Criminal	All civil	Private civil	Criminal	All civil	Private civil	Criminal
1st circuit	247	98	73	330	175	65	472	307	57	233	159	58
2d circuit	249	175	59	281	189	61	305	208	58	246	174	59
3d circuit	204	125	61	203	114	63	209	121	54	169	106	54
4th circuit	154	79	211	206	97	208	244	113	222	230	109	204
5th circuit	239	160	580	283	167	532	308	194	193	314	195	171
6th circuit	229	101	156	274	121	159	244	117	153	176	103	127
7th circuit	233	124	82	280	145	87	309	171	98	222	138	74
8th circuit	205	95	86	212	100	91	228	110	91	190	104	89
9th circuit	190	103	143	148	60	146	180	72	80	140	69	83
10th circuit	195	91	183	201	98	174	239	125	153	190	109	122

Caseload per judgeship, by fiscal years, in United States district courts having two (2) judgeships (based on cases filed)

District	Fiscal year 1951 (202 judgeships)			Fiscal year 1952 (202 judgeships)			Fiscal year 1953 (202 judgeships)			Fiscal year 1954 (229 judgeships)		
	All civil	Private civil	Criminal	All civil	Private civil	Criminal	All civil	Private civil	Criminal	All civil	Private civil	Criminal
Total 86 districts	204	111	180	236	126	177	261	146	114	210	127	103
2d circuit:												
Connecticut	186	96	58	282	128	47	311	175	73	250	201	96
New York:												
Northern	132	77	65	190	97	77	240	105	51	237	118	98
Western	144	87	107	219	102	130	240	109	94	230	101	89
3d circuit: Delaware	38	22	13	42	22	28	48	23	25	(1)	(1)	(1)
4th circuit:												
Maryland	221	139	133	299	150	133	462	164	120	440	163	122
South Carolina, eastern	140	78	207	218	101	212	276	170	240	294	176	190
Virginia:												
Eastern	256	135	137	326	187	171	370	212	182	(1)	(1)	(1)
Western	84	36	149	113	41	121	107	47	118	97	45	121
5th Circuit:												
Alabama, northern	161	73	186	242	117	189	282	151	168	337	167	182
Georgia:												
Northern	187	82	223	235	98	247	227	106	241	224	107	230
Middle	117	49	187	143	56	182	137	63	180	163	71	161
Louisiana:												
Eastern	306	236	163	408	288	171	477	377	197	485	405	150
Western	181	137	133	223	146	138	191	135	151	247	190	198
Texas:												
Eastern [2]										317	207	82
Western	263	147	2,417	332	193	2,553	389	229	309	366	248	249
6th circuit:												
Michigan, western [2]										112	58	42
Tennessee:												
Eastern	233	119	175	293	128	200	269	145	200	262	177	224
Middle [2]										110	43	123
7th circuit:												
Illinois:												
Eastern	141	75	95	153	82	105	191	107	87	187	117	88
Southern	114	57	43	107	55	64	115	67	46	205	56	74
Indiana:												
Northern [2]										179	86	88
Southern [2]										217	100	104
Wisconsin, eastern [2]										179	103	50
8th circuit:												
Nebraska	154	56	37	164	63	96	158	61	77	125	58	62
North Dakota [2]										98	29	47
South Dakota [2]										76	27	62

[1] Three judgeships.
[2] District having only one judgeship prior to fiscal year 1954.

Caseload per judgeship, by fiscal years, in United States district courts having two (2) judgeships (based on cases filed)—Continued

District	Fiscal year 1951 (202 judgeships)			Fiscal year 1952 (202 judgeships)			Fiscal year 1953 (202 judgeships)			Fiscal year 1954 (229 judgeships)		
	All civil	Private civil	Criminal	All civil	Private civil	Criminal	All civil	Private civil	Criminal	All civil	Private civil	Criminal
9th circuit:												
Arizona	113	54	617	107	56	534	107	58	226	108	75	209
Idaho [2]										102	54	38
Montana	68	33	52	90	28	61	91	41	41	75	41	48
Nevada [2]										43	21	88
Hawaii	40	9	77	72	7	58	81	10	75	25	12	59
10th Circuit:												
Colorado [2]										183	102	217
Kansas	277	120	107	278	121	113	331	160	95	396	198	133
New Mexico [2]										115	83	109
Utah [2]										99	43	62

[2] District having only one judgeship prior to fiscal year 1954.

NOTE.—Number criminal cases indicated include immigration cases for fiscal years 1951 and 1952 and exclude same for fiscal years 1953 a nd1954.

BRIDGEPORT BAR ASSOCIATION, INC.,
November 8, 1954.

Hon. PRESCOTT BUSH,
Senate Office Building,
Washington, D. C.

DEAR SENATOR BUSH: At a recent meeting of the executive committee of the Bridgeport Bar Association the following resolution was adopted:

"The Bridgeport Bar Association requests the early establishment of courthouse facilities for the trial of Federal court and jury cases in Bridgeport."

It was voted that a copy of this resolution be sent to the Attorney General of the United States, United States attorney for the district of Connecticut, Senator BUSH, Senator PURTELL, Representative MORANO, and Representative SADLAK.

Respectfully yours,
JOHN C. THOMPSON,
Secretary.

COMMISSION ON NURSING SERVICES

Mr. SMITH of New Jersey. Mr. President, on January 25, 1955, Representative FRANCES P. BOLTON, of Ohio, introduced a joint resolution in the House of Representatives which would establish a Commission on Nursing Services.

Today, I introduce a similar joint resolution in the Senate and ask that it be appropriately referred. I ask unanimous consent that a statement which I have prepared on the subject be printed in the RECORD as a part of my remarks.

The PRESIDENT pro tempore. The joint resolution will be received and appropriately referred; and, without objection, the statement will be printed in the RECORD.

The joint resolution (S. J. Res. 56) for the establishment of a Commission on Nursing Services, introduced by Mr. SMITH of New Jersey, was received, read twice by its title, and referred to the Committee on Labor and Public Welfare.

The statement presented by Mr. SMITH of New Jersey is as follows:

STATEMENT BY SENATOR SMITH OF NEW JERSEY

We are faced today with an increasingly serious shortage of trained nurses. The problem of securing adequate care for the sick is one which should concern all of us. Some 55,000 nurses should be graduated each year to keep up with the increasing demand. Yet our nursing schools are graduating only about 30,000 a year. It is not enough that we be concerned with the problem of providing better facilities for the sick. We must also face the problem of staffing these facilities.

Although many private studies have been made in regard to overcoming the nursing shortage and improving the utilization of nurses, there remains a need for a central source of facts and expert opinion about nursing care for the entire field of health service.

This joint resolution would set up a Commission composed of 12 members—4 appointed by the President, 4 by the President of the Senate, and 4 by the Speaker of the House of Representatives. Half of each group would be chosen from private life and would include representatives from the nursing and medical professions.

The Commission would be authorized to make studies and recommendations and would:

Evaluate what the changing health needs of the public are;

Appraise the resources in money, manpower, and skills necessary to deal with these health needs;

Study the relationship between the economic status of nurses, the professional skills required, and the existing personnel shortage;

Analyze the various techniques and arts of nursing, including all successful new methods or devices, and indicate where they may best be applied;

Encourage additions to the body of knowledge of nursing as a discipline and thus permit more of the practice of nursing to be based on scientific principles.

I want to make it perfectly clear that the provisions of this joint resolution will in no way conflict with titles III and IV of the Health Improvement Act of 1955, but rather will complement the provisions of that act.

In this regard, I would like to call particular attention to section 1 (b) of the joint resolution, which states:

Nothing in this joint resolution shall be construed as authorizing or intending any interference with the programs of study and improvement of patient care which are being carried forward by the professional nurses' organizations, or by public or private endeavor, but rather this joint resolution shall be construed as an effort to augment such programs through the marshaling of resources for a multidisciplinary approach to the problem.

It is my hope that this joint resolution will at the proper time receive the careful consideration of the Senate, for the shortage of trained nurses is a critical one, and specific action to meet this crisis is required.

TREATMENT OF MENTAL ILLNESS

Mr. SMATHERS. Mr. President, I am about to introduce a bill, and I ask unanimous consent that I may speak on it in excess of the 2 minutes allowed under the order which has been entered.

The PRESIDENT pro tempore. Without objection, the Senator from Florida may proceed.

Mr. SMATHERS. Mr. President, the President of the United States in his health message to the Congress singled out for special attention and urgent action a health problem which today ranks as the most serious of all health problems confronting the Nation. I make reference to the problem of mental illness.

In evaluating the seriousness of this problem, the President was undoubtedly cognizant of the findings of the House Committee on Interstate and Foreign Commerce, which, in 1953 and 1954, undertook to conduct an investigation of our major diseases. The scope of this investigation included, among others, cancer, heart disease, poliomyelitis, tuberculosis, rheumatism, arthritis, and mental illness. These are the major diseases which take such a tremendous toll in lives, suffering, and dollars each year. In reporting its findings in March 1954, the committee stated:

> There is probably no more serious problem in the health field today than that of mental illness.

According to information furnished me by the National Association for Mental Health, evidence of the toll taken by mental illness is shocking. Year after year the number of persons in mental hospitals has been steadily increasing. There are today more patients in mental hospitals than in all other hospitals combined. This is a staggering fact. Let us ponder this fact carefully and weigh its frightful import.

I am advised that today there are approximately 1,400,000 patients in all the hospitals of this country. Approximately 730,000, or more than half of the total, are patients in mental hospitals. This fact reveals that there are more hospital patients suffering from mental illness than from heart disease, cancer, tuberculosis, infantile paralysis, and all other physical diseases combined. The figure 730,000 does not include another 400,000 men, women, and children who are in need of mental hospital care, but are unable to receive it because the present facilities are inadequate; nor does the figure include the hundreds of thousands who are now under treatment in general

hospitals primarily for physical diseases and who are also suffering from some form of mental disorder.

Thus far, I have referred only to the hospitalized victims of mental illness. In addition to these, there are very reliably estimated to be more than 9 million individuals who are not hospitalized, but who are so seriously incapacitated by mental disorders as to impair greatly their ability to work, to discharge their family responsibilities, to serve as useful members of their communities, and to serve their Nation in its Armed Forces. There is literally not a single facet of personal or social life which is not touched in one way or another by mental illness.

Today, when the element of industrial productivity is so vital to the Nation's economy, and particularly to its defensive strength, we are confronted by the fact that between 20 and 25 percent of all employees in any commercial or industrial organization are suffering from some form of mental disorder. These disorders range from the so-called neuroses to outright psychosis, and result in impaired efficiency, accidents, poor morale, absenteeism, damage, destruction, and reduced production. The loss to industry as a result of mental illness is estimated conservatively to be $3 billion a year. This sum is in addition to $1 billion of tax monies expended each year to provide care and treatment for the mentally ill in hospitals, and an estimated $2 billion loss in earnings and purchasing power suffered by new patients admitted to mental hospitals each year.

I would also like to point out at this time that the Commission on Organization of the Executive Branch of the Government in its recent report to the Congress estimated that 1 out of every 12 children born in this country today will spend some of his or her lifetime in a mental institution. In a plea for a special study of mental-health-care facilities, the report also stated that:

(a) About 250,000 new patients will be admitted to mental hospitals and institutions this year;

(b) The number of prolonged-care patients at such institutions throughout the country is increasing at the rate of 10,000 a year, despite new treatments to relieve mental ills;

(c) Survey compilations suggest that as many as 9 million persons, about 6 percent of the population, now suffer some form of mental disorder;

(d) About 10 percent of these 9 million are considered in need of hospital care;

(e) Mental patients are costing the taxpayers a billion dollars a year, exclusive of their incalculable losses in manpower and as income (tax) producers; and

(f) Most of the Nation's 650,000 prolonger-care psychiatric patients are being treated in State and Federal tax-supported mental institutions.

No other illness takes so frightful a toll as mental illness, despite the fact that for no other serious illness is the outlook for cure so hopeful. According to Dr. George S. Stevenson, medical director of the National Association for Mental Health, the outlook for mental illness is more hopeful than it is for any serious chronic disease.

The National Association for Mental Health, the organization which, together with its 400 affiliates, has been carrying on the citizens' fight against mental illness, states that mental illness can be conquered with a three-point program of research, training, and treatment.

Research has already produced very positive results in the treatment of mental illness. Serious diseases, like schizophrenia and involutional melancholia—considered almost hopeless 30 years ago—are today showing improvement and recovery in about 60 percent of the cases treated. Research holds out a very definite hope for even greater success with these and other mental diseases. But if research in this field is to make headway, it must be adequately financed, for mental illness covers more than 100 different diseases and accounts for more than 50 percent of all hospitalized casualties. Yet, I am informed, mental illness research receives less than 3 percent of the total expenditure for all medical research.

The second plank in this threefold program is training. The entire field of mental illness—clinics, private practice, hospitals, research laboratories—is plagued by a severe shortage of trained personnel, such as psychiatrists, psychiatric social workers, psychologists, and nurses. Thousands of new professional people are needed to fill existing vacancies and to staff the new services as they develop and expand.

The third point in this program for the defeat of mental illness is treatment. Most mentally sick people can be helped by treatment, but very few can get it. Most towns and cities do not have even a single private psychiatrist or a psychiatric clinic where people with mental disorders can go for treatment. In places where these services exist, they are swamped by long waiting lists. If there were enough psychiatrists and clinics, we would soon see a marked decline in the ravages of this disease. In the mental hospitals, too, treatment is grossly inadequate. Most mental hospitals are overcrowded, understaffed, underequipped, and provide little more than custodial care for most of their patients. As a result, hundreds of thousands of patients hang on hopelessly as public charges for months, years, even decades. Given proper treatment, up to 70 percent of the patients entering mental hospitals could be discharged as improved or recovered within a year. Together, research, training and treatment make up a realistic program which can reverse the trend of mental illness, and can cut down its tremendous toll.

This program is now in progress, and is being carried on by the National Association for Mental Health. This association is rallying citizens in all communities throughout the country to the fight against mental illness. But this organization cannot carry on the fight alone. It is in need of the same kind of support which is given to the other national health organizations. Widespread and substantial citizens' support for the fight against mental illness is long overdue. Our Nation has rallied to conquer one scourge after another. Infantile paralysis and tuberculosis are on the way to being wiped out. Important research inroads are being made in the fight against cancer and heart disease. It is now time for the people of the Nation to throw massive support into the fight against mental illness—by far the most serious health problem of all.

In keeping with the spirit of the President's comments and to express the sense of the Congress concerning this serious problem with which the Nation is confronted, I, together with 61 colleagues, submit the following concurrent resolution:

Whereas there is presently a great need for nationwide action for the prevention, treatment, and cure of mental illness; and

Whereas the National Association for Mental Health and the State and local mental health organizations associated therewith are working diligently in the fight against mental illness; and

Whereas the mental health fund is in dire need of public support in order to improve conditions in mental hospitals, provide more adequate treatment for the mentally and emotionally ill, carry on research in the field of the prevention, treatment, and cure of mental illness, and promote mental health education; and

Whereas it is understood that the week beginning May 1, 1955 and ending May 7, 1955, will be observed as National Mental Health Week; Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That the Congress hereby requests the people of the United States to join and cooperate in the fight for the prevention, treatment, and cure of mental illness and to observe National Mental Health Week with appropriate ceremonies and activities.

The PRESIDENT pro tempore. The concurrent resolution will be received and appropriately referred.

The concurrent resolution (S. Con. Res. 18) submitted by Mr. SMATHERS (for himself, Mr. ALLOTT, Mr. BARRETT, Mr. BENDER, Mr. BENNETT, Mr. BRICKER, Mr. BRIDGES, Mr. BUSH, Mr. BUTLER, Mr. CAPEHART, Mr. CARLSON, Mr. CASE of South Dakota, Mr. CHAVEZ, Mr. CLEMENTS, Mr. DANIEL, Mr. DIRKSEN, Mr. DOUGLAS, Mr. DUFF, Mr. ERVIN, Mr. FREAR, Mr. GOLDWATER, Mr. GREEN, Mr. HENNINGS, Mr. HILL, Mr. HOLLAND, Mr. HRUSKA, Mr. HUMPHREY, Mr. JACKSON, Mr. JENNER, Mr. JOHNSTON of South Carolina, Mr. KEFAUVER, Mr. KENNEDY, Mr. KNOWLAND, Mr. KUCHEL, Mr. LANGER, Mr. LEHMAN, Mr. LONG, Mr. MALONE, Mr. MANSFIELD, Mr. MARTIN of Pennsylvania, Mr. MCCLELLAN, Mr. MCNAMARA, Mr. MONRONEY, Mr. MORSE, Mr. MUNDT, Mr. MURRAY, Mr. NEUBERGER, Mr. PAYNE, Mr. POTTER, Mr. PURTELL, Mr. ROBERTSON, Mr. SALTONSTALL, Mr. SMITH of New Jersey, Mr. SPARKMAN, Mr. STENNIS, Mr. THURMOND, Mr. THYE, Mr. WATKINS, Mr. WELKER, Mr. WILEY, Mr. WILLIAMS, and Mr. YOUNG), was received and referred to the Committee on Labor and Public Welfare.

SELF-DETERMINATION BY IRELAND OF ITS FORM OF GOVERNMENT

Mr. BUTLER submitted the following resolution (S. Res. 80), which was referred to the Committee on Foreign Relations:

Whereas the United Nations Charter, article I, paragraph 3, declares it to be the intention of member nations "to develop friendly relations among nations based on respect for the principle of * * * self-determination"; and

Whereas the Atlantic Charter, in listing the objectives to be sought by the United States and Great Britain, declares "respect for the rights of all peoples to choose the form of government under which they will live" and expresses the wish "to see sovereign rights and self-government restored to those who have been forcibly deprived of them"; and

Whereas the unnatural division of Ireland is the result not of the express wishes of her inhabitants but of arbitrary action which has operated to forcibly deprive the people of Ireland of their inherent right of self-determination; and

Whereas use of the veto by Communist Russia to deprive Ireland of United Nations membership is the most persuasive recommendation the Republic could have for fair treatment by the free nations of the world; and

Whereas while Ireland naturally belongs in the Atlantic Pact, where its advantageous location would offer vital air and shipping bases, it is forced to abstain from membership in the North Atlantic Treaty Organization because part of its territory is occupied by one of the participating powers: Now, therefore, be it

Resolved, That it is the sense of the Senate of the United States that the Republic of Ireland should enjoy the same right of self-determination as to the form and extent of its government as is guaranteed to all nations under the United Nations and Atlantic Charters, and that, in the spirit of and under the authority of these charters, steps should be initiated looking toward a general plebiscite at which the people of all 32 counties of Ireland could be given opportunity, free of coercion or outside intervention, to declare for or against the union of the countries of Northern and Southern Ireland.

UNIFICATION OF IRELAND

Mr. DIRKSEN. Mr. President, earlier in the present session I, along with other Senators, submitted a resolution (S. Res. 21), dealing with the sense of the Senate as it relates to the Republic of Ireland. Since that time a number of Senators have expressed their interest in desiring to be cosponsors of the resolution. So today, I submit a second resolution on the same subject, with 17 cosponsors, and ask unanimous consent that the resolution be kept open for the remainder of the day, in order to give any Senator, who may desire to do so, an opportunity to become a cosponsor.

The PRESIDENT pro tempore. The resolution will be received and appropriately referred; and, without objection, will be held open for additional cosponsors, as requested by the Senator from Illinois.

The resolution (S. Res. 81) submitted by Mr. DIRKSEN (for himself, Mr. BEALL, Mr. BENDER, Mr. BARRETT, Mr. BUSH, Mr. KENNEDY, Mr. KUCHEL, Mr. MALONE, Mr. LANGER, Mr. MANSFIELD, Mr. MURRAY, Mr. O'MAHONEY, Mr. PASTORE, Mr. PURTELL, Mr. KEFAUVER, Mr. IVES, and Mr. MAGNUSON) was received and referred to the Committee on Foreign Relations, as follows:

Whereas the House of Representatives, 65th Congress (1919), third session, by House Joint Resolution 357, duly passed a resolution declaring that the people of Ireland should have the right to determine the form of government under which they desire to live; and

Whereas the maintenance of international peace and security requires settlement of the question of the unification of Ireland; and

Whereas 26 of the 32 counties of Ireland have been successful in obtaining international recognition for the Republic of Ireland which has, as its basic law, a constitution modeled upon our own American Constitution: Now, therefore, be it

Resolved, That it is the sense of the Senate that the Republic of Ireland should embrace the entire territory of Ireland unless a clear majority of all of the people of Ireland, in a free plebiscite, determine and declare to the contrary.

REPORTS ON IMPROVEMENT AND EXPANSION OF HORTICULTURAL AND AGRICULTURAL WEATHER FORECASTING SERVICES

Mr. CASE of South Dakota. Mr. President, I submit for appropriate reference, a resolution which requests the Secretary of Commerce and the Secretary of Agriculture to report to the Senate Committee on Agriculture and Forestry as to the steps taken to improve and expand horticultural and agricultural weather forecasting services.

In 1940, the Weather Bureau was transferred from the Department of Agriculture to the Department of Commerce, only after assurance was given that the service to farmers would not be decreased. The war naturally led to major emphasis on military and civil aviation programs. This, I fear, coupled with a reduction in governmental expenditures for the Weather Bureau, has prevented the Agricultural Forecasting Service from developing as was expected.

Modern surveys show that for the Weather Bureau to do a fully adequate job of serving the American farmer, it must provide at least the following:

First. All the latest available forecasts by radio or television, prior to the beginning of farm operations which take several days to complete.

Second. A forecast for the farmer's specific locality.

Third. More frequent, longer-period forecasts from 3 to 6 days in advance.

Fourth. Seasonal forecasts for the farmer.

Fifth. Forecasts with more meteorological details.

Sixth. Cooperation with the land-grant agricultural colleges, to find out more basic information as to the interaction of weather and farm production.

Therefore, Mr. President, I think it is time to ascertain how much progress has been made by the Department of Commerce in the field of agricultural weather forecasting. I am submitting this resolution, which will require the Secretary of Commerce to report to the Senate Committee on Agriculture and Forestry, not later than May 1, 1955, as to what steps have been taken to improve and expand the horticultural and agricultural forecasting services along the line of the six points mentioned above. I am also including in the resolution, a request that the Secretary of Agriculture report to the Senate Committee on Agriculture and Forestry his recommendations for adequate forecasting service for the Nation's farmers.

The PRESIDENT pro tempore. The resolution will be received and appropriately referred.

The resolution (S. Res. 82) submitted by Mr. CASE of South Dakota, was received and referred to the Committee on Agriculture and Forestry, as follows:

Resolved, (1) That the Secretary of Commerce is requested to report to the Senate Committee on Agriculture at the earliest practicable date and not later than May 1, 1955, as to what steps have been taken since the transfer in 1940 of the United States Weather Bureau from the Department of Agriculture to the Department of Commerce, to expand and improve horticultural and agricultural forecasting services to the extent necessary to provide farmers with (a) adequate forecasts for their specific localities, (b) more frequent forecasts covering periods of 3 to 6 days, (c) seasonal forecasts, (d) forecasts containing more meteorological details, and (e) such other weather-forecasting services as may be necessary to assist farmers in planning their operations, and (2) what plans have been made by the Secretary of Commerce to meet any deficiencies that may have been observed, and (3) that the Secretary of Agriculture is requested to report to the Senate Agriculture Committee his recommendations for an adequate forecasting service for the Nation's farmers.

AMENDMENT OF CONSTITUTION RELATING TO EQUAL RIGHTS FOR MEN AND WOMEN—ADDITIONAL COSPONSOR OF JOINT RESOLUTION

Mr. SMATHERS. Mr. President, I ask unanimous consent that my name be added as an additional cosponsor of Senate Joint Resolution 39, proposing an amendment to the Constitution of the United States relative to equal rights for men and women.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. IVES:

Address delivered by Charles S. Thomas, Secretary of the Navy, before Navy League at Detroit, Mich., on December 3, 1954.

By Mr. ALLOTT:

Newspaper comment on reclamation projects.

NOTICE OF HEARINGS ON CERTAIN NOMINATIONS BY COMMITTEE ON FOREIGN RELATIONS

The PRESIDING OFFICER (Mr. BARKLEY in the chair). The Chair desires to say that the Senate today received the following nominations: Ellis O. Briggs, of Maine, a Foreign Service

officer of the class of career minister, now Ambassador of the United States to the Republic of Korea, to be Ambassador of the United States to Peru; and William S. B. Lacy, of Virginia, a Foreign Service officer of class 1, to be Ambassador of the United States to the Republic of Korea.

Notice is hereby given that these nominations will be considered by the Committee on Foreign Relations at the expiration of 6 days.

WISCONSIN AND THE NATION SUPPORT DAIRY RESEARCH CENTER

Mr. WILEY. Mr. President, since introducing my bill, S. 788, to establish a dairy research center at Madison, Wis., I have received a great number of messages endorsing the project.

I send to the desk now a series of excerpts from some of these communications, and ask unanimous consent that the material be printed at this point in the body of the RECORD.

There being no objection, the matters were ordered to be printed in the RECORD, as follows:

MEMORANDUM BY SENATOR WILEY ON DAIRY RESEARCH CENTER

The reason the idea of a Dairy Research Center has caught on so tremendously is that ours is basically a Research Age, an Age of Science, an Age of Exploration. And Americans, best of all, know what research, what science, what exploration can perform.

The dairy industry of our Nation recognizes the need for a new type of approach to meet the dairy problem. That is the word which comes to me particularly from Madison where some of the first dairy research in the Nation is already being performed, albeit with limited funds.

All over America, whole industries are being revolutionized by new processes. The food industry in particular has felt the impact of new methods of production, packaging, and distribution. Frozen orange juice, frozen soup, frozen fishsticks are but a few of the new type items which have poured on to the American market, winning millions upon millions of new customers. The American housewife has new needs, new patterns of feeding her family. The food industry must adjust to those patterns.

And milk, nature's first product, nature's most important product, nature's healthiest product—offers by far the greatest potentialities of all—for new methods, new products and by-products, new types of processing, merchandising, and distribution.

HALF WAY OR WHOLE WAY

In this effort, we need to tap the finest research minds in America just as we are putting our best brains to work on unlocking the secrets of the atom.

Rut-bound people may say, "Let dairy research—which everyone agrees is very good indeed—be continued on its present scattered, decentralized basis."

But I say that halfway measures will produce only halfway results. I say that a few million dollars spent for a Dairy Research Center now will repay itself ultimately in terms of hundreds of millions of dollars of new wealth for America and in terms of improved health for our citizens.

The status quo mind implies, "Let's bumble along on our present limited research basis. Let's do a little research here and a little research there."

But the mind with vision will want us to push full speed ahead in a coordinated attack on the Nation's dairy problems.

Remember, now, I am not speaking merely for the dairy industry. I am speaking for the health of America. I am not speaking for creating a handsome new building as such; I am speaking and writing for getting a job done—through people—the best people we can mobilize—in new buildings or old, with whatever facilities are needed to do the job.

Why cannot we send word to the world that in addition to the work of our scientists in testing A-bombs at Yucca Flats, Nev., other United States scientists have just been given the green light for a "Manhattan district-like" project for milk? This will be a project to build—not to destroy—life. What better-type-message can we send to mankind?

And so, I hope that the Senate Agriculture Committee will take action on S. 788.

There follow now excerpts from a handful out of the great many spontaneous communications which I have received in praise of S. 788.

EXCERPTS FROM LETTERS

Where the message has come officially from an organization, I have included the full name and address, but where it is from an individual I have referred only to his location, since the individual obviously wrote to me in a private and personal capacity.

PURE MILK PRODUCTS COOPERATIVE,
Fond Du Lac, Wis., February 18, 1955.

DEAR SENATOR WILEY: The State board of Pure Milk Products Cooperative at its meeting today, unanimously endorsed your bill S. 788.

The board has requested me to write you a letter of appreciation. The members are deeply grateful for all the past services which you have rendered the dairy industry. You have never failed us in our time of need. You are always in the forefront when the battle for justice for the dairy farmer takes place.

* * * * *

In respect to bill S. 788, in introducing this bill, once again you have shown statesmanlike foresight. We believe that a laboratory devoted exclusively to dairy experimentation has long been needed. The board has high hopes of what it may accomplish. Assuredly such a laboratory should be located in Wisconsin, the heart of dairyland.

We sincerely congratulate you for introducing bill S. 788. The membership of Pure Milk Products Cooperative will work earnestly for this bill's adoption by the Congress.

WILLIAM F. GROVES,
President.

WISCONSIN SWISS & LIMBURGER CHEESE PRODUCERS' ASSOCIATION, MONROE, WIS.

I want you to know that we appreciate your efforts and work you do in behalf of the dairy industry of Wisconsin and the Nation as a whole.

The passing of the bill No. S. 788 to establish a dairy research center laboratory in Madison would be a great benefit to all dairying. The country needs more Senators, like you, who are concerned with our agricultural problems.

FRED GALLI, *Manager.*

LETTER FROM JOHNSTOWN, PA.

I thoroughly agree with what you said in the article that was published in the February issue of Better Farming magazine on the need for a dairy research center. Included in your aims for this project was research to combat animal disease and research into human nutritional needs.

I visited the Forest Products Laboratory at Madison, Wis., several years ago and have since wondered why this centralized thinking and research could not be applied to many of our problems particularly two which come to mind; your proposed project for dairying and medical research—primarily cancer.

Possibly every State in the Union have many scientists at work in many centers of learning on problems that relate to dairying. There does not seem to be any correlation of purpose or results which makes for many divergent theories and little practical attainment.

LETTER FROM LONDON, OHIO

Read your article in Better Farming. I am all for it. Get your ball rolling; get dairy and farming back of it.

Wisconsin (near Madison) is where this should be.

Ohio will be for it to a Congressman.

LETTER FROM MUKWONAGO, WIS.

We appreciate your taking the dairy farmer's problems seriously and read with great interest and hope your Better Farming article.

LETTER FROM MADISON, WIS.

Have just received my copy of Better Farming." Have read and reread and studied some more your very interesting article on (We Need a Dairy Research Center).

As you well know, we have here at Madison, our new Babcock Hall, with its dairy rooms and equipment, its numerous laboratories, salesroom, and its classrooms. All this governed and supervised by the Wisconsin Dairy Research Foundation.

Also the larger, new, dairy barn with its laboratories; has just recently been dedicated and turned into use, and an immense amount of good should be the result of its use.

Now if you as our senior Senator from Wisconsin can bring about a project such as you describe and be instrumental in bringing Federal aid into Wisconsin to help carry on dairy research work in our laboratories here or with more added, if and when needed, this would be fine, and no doubt a great deal of good will result.

In the September 29 issue of Capital Times of Madison appeared this item by Jack K. Kyle, Madison, executive secretary of Wisconsin Association of Cooperatives. While in Norway he discovered that the farmer received 75 cents out of the consumers' dollar, this compared to 42 cents received by the American farmer. In view of this fact, would it not be wise to find ways of closing this wide gap between producer and consumer?

LETTER FROM MILWAUKEE, WIS.

Just read S. 788 in RECORD. It is a fine bill.

ANOTHER LETTER FROM MILWAUKEE, WIS.

Just read We Need Dairy Research Center, page 29 of Better Farming, February issue. My congratulations to you for laying the first cornerstone on this project.

POSTAL SUBSIDIES AND FARMERS

Mr. MURRAY. Mr. President, I ask unanimous consent to have printed in the RECORD a very brief letter I have received from Mrs. Charles W. Cotton, of Glasgow, Mont.

In this letter Mrs. Cotton protests $8 million of postal subsidies to Life magazine, which has repeatedly attacked the farmers, and which she quotes as saying in a recent issue: "Whatever else you may think of Benson, you can still tell the keeper from the monkeys."

I should like to direct the attention of the Committee on Post Office and Civil

Mr. KEFAUVER, Mr. IVES, and Mr. MAG- improve and expand the horticultural O. Briggs, of Maine, a Foreign Service

Service and of the Committee on Agriculture and Forestry to the contents of this letter.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

GLASGOW, MONT., *February 21, 1955.*

DEAR SENATOR MURRAY: I have written to Life magazine protesting its attitude toward farmers but can't seem to get past the 13th secretary, so to speak.

In a recent Life article, it said: "Whatever else you may think of Benson (Ezra Taft), you can still tell the keeper from the monkeys."

The Government pays Life magazine $8 million a year subsidies to educate the American people into believing that farmers are monkeys.

I say any farmer who buys Life is one—but even more—isn't there some way Congress can protect us farmers from this type of education? They are safe from being sued for libel but do we have to continue their subsidy?

Sincerely,

Mrs. CHARLES W. COTTON.

The PRESIDENT pro tempore. Is there further morning business?

If not, morning business is closed.

CALL OF THE ROLL

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the call of the roll be rescinded.

The PRESIDENT pro tempore. Without objection, it is so ordered.

INCREASE OF BASIC PAY RATES FOR CERTAIN MEMBERS OF THE ARMED FORCES — BILL INTRODUCED

Mr. MANSFIELD. Mr. President, I introduce a bill to increase by 25 percent the basic rates of pay for certain members of the Armed Forces. I send the bill to the desk, request its appropriate reference, and ask unanimous consent that the bill be printed at this point in the RECORD, as a part of my remarks.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

The bill (S. 1466) to increase the monthly rates of basic pay for certain members of the uniformed services by 25 percent, introduced by Mr. MANSFIELD, was received, read twice by its title, referred to the Committee on Armed Services, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That the monthly rates of basic pay provided by section 201 (a) of the Career Compensation Act of 1949, as amended, for all members of the uniformed services having more than 2 cumulative years of service, are hereby increased by 25 percent.

SEC. 2. This act shall take effect on the first day of the second month which begins after the date of its enactment.

MILITARY MANPOWER

Mr. MANSFIELD. Mr. President, before anyone questions the wisdom or lack of wisdom of the proposed 25-percent increase in pay for all members of the military service with 2 years of service behind them, I would suggest that he look at the facts and study them quite carefully.

The Armed Forces of the United States are faced with an extremely grave problem—manpower—trained and skilled men who are willing to make one of the branches of the military service their career. The morale of the serviceman is low, reenlistment rates are near rock bottom, and they are receiving fewer fringe benefits than before.

Young men, today, seem to enter the service because they have to; when their tour of duty is up, they are not reenlisting. This trend has proven very costly to the taxpayers, and the Armed Forces do not have an adequate number of highly trained and skilled men to operate the expensive modern technical equipment and processes now used in the armed services. This condition will not improve until some new changes are put into force.

The Nation is in need of a defense force of approximately 3 million professional fighting men, according to administration estimates. Actually, according to administration estimates, the figure is 2,850,000 men. But it is impossible under existing conditions to meet this goal. The composite rate of reenlistments in the services for 1954 is only 20 percent, thus it is expected that it will be necessary to replace approximately 800,000 men during the coming year. During an appearance before the House Armed Services Committee, Secretary of Defense Charles E. Wilson indicated that he feared that most of the 1 million eligible to leave the service this year would do so. This extremely large turnover is a great financial burden, and promotes inefficiency.

The reenlistment rate figures from the Army, Navy and Air Force alone give sufficient reason to be concerned about our armed-service-personnel program. It was not an understatement on the part of Secretary of Defense Wilson when he said before the House Armed Services Committee that this situation "invites and encourages mediocrity," which we cannot tolerate if we wish to maintain a strong and effective defense force.

In the Army renlistments dropped to an overall percentage of 10.1 percent in 1953 and in 1954 the figure for the first 11 months was 10.8 percent. In the Air Force the reenlistment rate in the 1953 fiscal year was 67 percent, and it dropped to 24 percent in fiscal year 1955, July to November 1954. In the Navy the overall reenlistment rate prior to World War II was as high as 80 percent. In July to September of 1954 the figure dropped to 8.8 percent. It is interesting to note that where figures are given for both those of career and noncareer status, the career reenlistment rate is much higher, although there has been a decline in this group too. Unfortunately, the career classification is very limited in all branches of the service. In July to September of 1954 the career reenlistment rate in the Navy was 58.8 percent and noncareer was 5.5 percent. In July to December of 1953 the reenlistment rate of career Navy men was 86.4 percent and noncareer reenlistments were only 11.5 percent. The Department of the Army figures for calendar year 1954 show a 24.5 percent reenlistment rate for Regular Army personnel and 3.6 percent for those who were induced under selective service.

The effects of the startling figures shown above are far reaching indeed. In recent years, a study by the Navy Department of the need for experienced personnel required to operate and maintain the complex equipment of our modern Navy established 75 percent as the "career" rate and 25 percent as the "noncareer" rate of reenlistments essential to a sound personnel structure capable of properly manning the fleets. I would assume that something comparable would apply to the other branches of the service. Under this standard, the present reenlistment figures are far below the figures established as sound.

In the Air Force it costs the taxpayers $14,755 to take an enlisted man through the first routine 4-year enlistment. If he is to become an electronic expert, the cost may be as high as $75,000. The Air Force officers cost even more. For a triple-rated pilot of an atom bomber, the cost jumps to more than $600,000 for 1 man. The yearly average cost of training a man in the Navy is about $3,200. In the Army, training and maintenance costs for a 3-year tour of service is $16,200. When the reenlistment rate is so low that we must be continually training new men, this one item meant a dead loss to the Army alone of $819,200,000 for 1954. The Air Force loses at least $4 billion for each enlistment period. The high rate of turnover in the Navy costs nearly $100 million per year. And the money is not all.

In addition to this dollar cost, according to information received from the services, the importance of reenlistment is reflected in terms of a more effective defense capability. For example, this means:

Increased effectiveness: The career servicemen performs more efficiently, provides better quality work and returns more defense per defense dollar spent.

Decreased training costs: The retention of servicemen reduces expenditures for procurement, formal training, on-the-job training, transportation, travel time, incidentals, and loss of manpower efficiency during the break-in period.

Production and continuity of personnel: Increased production is a result of decreased turnover in personnel. A higher level of experience represented by reenlistees would require less personnel to accomplish the necessary tasks, and manpower requirements could be revised downward, without affecting the military preparedness.

Investment in supplies and equipment: Complex and expensive equipment demands the highest skill and training possible to avoid temporary breakdowns, complete loss of equipment, loss of man-hours, and possible loss of life. Modern fighting equipment and

weapons systems, costing many thousands of dollars, demand the services of highly trained and experienced airmen. I think that it can be agreed, that the cost of improper maintenance and handling of this complex equipment in terms of combat readiness and potential, not to mention the safety of the individual life, defies measurement in terms of dollars.

This problem is something which every American has to understand—Secretary of the Air Force Talbott stated in an address given in November of last year. He continued:

> If our people want to survive, it is up to them to make life more attractive to the men who are trying to protect them. We accomplish nothing by spending billions for equipment and only nickels for professional skill.

During recent years servicemen have received more inducements to get out of the service than to reenlist. So long as that situation exists it will be difficult to maintain a professional force. Men in the service look forward to the benefits of a discharge, college education, on-job training, mustering-out pay, unemployment pay, disability pensions, home and farm loans, hospital care, and other benefits which out-weigh the current benefits of reenlistment. It must be realized that a big factor in maintaining an all-volunteer force of capable men in the services is to increase the gains for those staying in the service.

A choice must be made as to whether young men should be enticed into enlisting in the Armed Forces because of the benefits they will receive when they get out, or whether to encourage them to reenlist because of the opportunities and benefits available to them while in the service.

The first step toward building this volunteer force would be an across-the-board 25 percent military pay increase. My proposal would apply to all enlisted men and officers who have more than 2 years of active service. President Eisenhower recommended a military pay raise to Congress in his message of January 13, 1955. In my opinion, it does not go far enough. The administration plan would provide only an approximate increase of 6.7 percent on a selective basis for those with 2 and 3 years active duty. Instead of an across-the-board raise, the administration measure lists selective increases which range as high as 25 percent of base pay for second lieutenants with 3 years service and 17 percent for corporals up for reenlistment. Some increases are as low as 2 percent. As a matter of fact, I think a buck private's pay would be increased to the extent of $7.80 a month. The President's incentive pay raise is a move in the right direction, but the increase should be nondiscriminatory. If one serviceman, who plans a career in a branch of the service, receives a 25 percent pay raise, they all should.

Military pay increases have not kept up with those in private industry and the increasing cost of living index. Since 1939, the cost of living has increased 200 percent, and in that period the wages of organized labor show an increase of 315 percent. In contrast the enlisted man in the Air Force has had an increase of only 110 percent, and the officers an increase of 59 percent. In the Army some grades have increased as little as 18.3 percent since 1939. The pay of naval officers of all ranks has increased 43 percent since 1942. Since 1941 enlistee pay raises have amounted to an average of 191 percent. A 25 percent pay increase for all career servicemen would seem to be more of a step in the right direction.

Traditionally one of the advantages of a career in the Armed Forces had over private industry was that the services offered a large number of nonpay benefits or fringe benefits not found in industry, thus compensating for the difference in salaries. Today the situation is changed, industry is moving more and more into the field of nonpay benefits for their employees. In reverse the members of the armed services have lost a number of these benefits. These fringe benefits should be reinstated for men in the service. These are the true incentives to a military career—post exchange and commissary facilities, family housing, disability retirement benefits, medical care for military personnel and families, education facilities and relocation allowances for moving and reassignment. The administration plan would reinstate many of these benefits. Once reinstated, they should be properly carried out.

In addition to the fringe benefits themselves, there are a number of complaints about conditions in the services which can be corrected only at the administrative level. There is some criticism about the operation of the selective-service program, particularly in regard to discriminatory selection of draftees and granting of deferments. Many feel that there is a great deal of insecurity under this system. Young men receive no indication when they may be called. If they are classified 4–F, they are subject to recall at any time because of revised medical standards or merely because a new draft board takes over. Mal-assignment is a frequent complaint; little choice is given in many branches of the service. A fairer promotion system would give morale a big boost. Too often, enlistees are put in a field in which they lack interest and qualifications. There should be an improved placement program. Another important factor would be an equality of facilities at all training centers, camps, and bases. Some are noted for their complete facilities—laundry, dry cleaning establishments, hobby centers, entertainment facilities, good food preparation and mess halls, and adequate living quarters. Others are likewise noted for the lack of such things.

An armed service of professionals cannot be built by conscription. As in any profession there must be a certain amount of incentive. The current situation in the branches of the service gives very little incentive to a young man to make a career out of the Army, Navy, Marines, or Air Force. If the rate of reenlistment can be greatly accelerated, training costs will be reduced, the turnover will be reduced, and the cost to the taxpayer will, as a result, be less.

Trained and experienced personnel are essential in today's Armed Forces. Pilots, navigators, mechanics, artillery experts, radar operators, and industrial workers require years of training to reach maximum efficiency. They must be held together as teams, for while continuity is important at policy forming levels, it is also very necessary down through the lower echelons. These men must be retained by the Armed Forces as significant contributors to our overall security. The only way is through a professional armed service.

At this time I do not have an estimate of the cost involved in my pay-raise proposal. The initial cost would undoubtedly be great, but when a volunteer professional Armed Force is established, the original cost will be more than offset. Fewer dollars will be needed for training of new recruits and specialized training funds will decrease because of a decreased turnover of men. Stability among our Armed Forces would prove to be less expensive. We do not have such stability today.

RESERVE PROGRAM

In addition to the current problem of building a strong voluntary armed force, there must be some form of a reserve to fall back on in time of general mobilization.

The present Reserve system requires that all veterans belong to a reserve, but they have a choice as to active or inactive reserves for a fixed number of years. Officers are to remain for an indefinite numbers of years. In addition, there is the National Guard, a reserve open to men before they enter the Armed Forces.

The present Reserve system has been subject to a great deal of criticism. One of the major complaints about the Reserve system is that it is not unified and lacks organization. The Reserves lack adequate facilities, training programs, uniform allowances; and in some cases the reservists receive no pay. It is suggested that a unified Reserve, all branches under one administrative head, would eliminate waste. Armories should be available for all branches of the Reserve. At the present time, Army, Navy, and Air Force reserve groups must maintain their own armories other than those operated by the National Guard. A unified Reserve would make all policies for each of the branches of the service. This would eliminate different promotion practices, terms of service and equipment; and supply facilities would be equalized.

The new administration proposal would extend the draft until July 1, 1959, and at the same time, set up a new form of UMT. The draft term would be kept at 24 months and the minimum draft age would remain at 18½. The newest plan would apply to youths under 19. One hundred thousand men of this age bracket each year would receive 6 months' basic training and then 9½ years in the active Reserves. The program would start with volunteers, but it could shift to the draft basis if necessary, with local boards selecting trainees.

This program would allow most veterans of 24 months' active duty to pass into the nonorganized Reserve, subject to call only in general mobilization.

This new plan would empower the National Guard to draft men who have completed 6 months' training, or a period of active duty in the Armed Forces, when essential to maintaining a Guard unit. The method of selecting such men was not explained when the plan was submitted.

In addition, National Guard enlistees with no prior service would be required to take 6 months' basic training in the Armed Forces. States would be allowed to set up new militia units that would replace the National Guard units called to active duty in an emergency.

There are many objections to this new administration manpower proposal. Any draft plan and more particularly the 6-month plan connected with a long reserve commitment bring a great deal of instability into a young man's life, unless he intends to make a branch of the Armed Forces his career. The future of these men is always overshadowed with the possibility of recall on short notice.

How much actual value is there in only 6 months training followed by part-time drill? In addition, there is discrimination in this plan because the first 100,000 will be the only ones who will get into the 6-month plan each year. How much training is done in these weekly meetings of the Reserves? Youths who are over 19 would be excluded from the new plan and would have to enlist or wait for the draft. Moreover, many men who are subject to Reserve training may live in places which are of considerable distance from the nearest Reserve unit.

Under some circumstances a young man might be able to wait out the draft until he was 26, and thus escape the draft because voluntary enlistments exceeded expectations. Another criticism of this Reserve plan is that veterans will be subject to involuntary assignment to active Reserve units. Veterans released since 1951 would be technically open to such a draft under the plan as written.

The main characteristics of this plan seem to be more insecurity, instability, and uncertainty for draft-age youths and their families.

Instead of relying on men who have already served, the Government might strengthen military training programs in high schools and colleges as a source of a large Reserve. At present, military training programs in our schools are generally limited to land-grant colleges and private schools. This military-training program could be extended to public and private high schools and institutions of higher learning which do not have military training programs at this time. The programs such as ROTC are integrated into the school curriculum and do not cause the interruption that other Reserve programs do in a civilian's business routine, and accomplish essentially the same thing. This program should be carried on within properly accredited State and private institutions. The instruction should be supervised by the school faculty and detached military personnel.

SHORTAGE OF ENGINEERS AND SCIENTISTS

In addition to a revitalization of our military manpower program, the United States is faced with a critical shortage of engineers and scientists. This shortage is potentially a greater threat to our national security than are any weapons known to be in the arsenals of aggressor nations. As a start in overcoming this deficiency, the Government might sponsor an extensive series of aptitude tests throughout the Nation's schools, discovering the students with the proper scientific potential.

Writing in Planes, official publication of the Aircraft Industries Association of America, Assistant Secretary of Defense Donald A. Quarles says:

> Since 1950 there has been a steady decrease in the number of technical graduates from United States schools, which has now leveled off at less than half the 1950 figures. This alarming decline has occurred at a time when advances ni technology have imposed mounting requirements for technical personnel in industry and national defense.

Americans have been too complacent regarding our capabilities as compared with those of our enemies, particularly the Soviet Union. We must face the fact that we no longer have the technological advantages we enjoyed in past years. We must face up to the fact that the cold war of today is a technological race with the Communist world.

Weapon technology is a very important factor in our cold-war position. One airplane in one trip can deliver at great distances a bomb load to knock out one large city. This means that research and development efforts to increase the effectiveness of the payload, to improve the means and reliability of delivering it, and, conversely, efforts to defend against it, tend to dominate our national security program. And to do this we must have a continual supply of technicians and scientists. At the end of World War II it seemed evident that we had a fairly comfortable technological margin over the Communist world, and, in fact, it is probably not an exaggeration to say that our air-atomic advantage was a principal factor in maintaining a balance of power, and, consequently, peace. In the decade that has followed, however, the Soviets have made very great strides in improving their technical position not only in the atomic field, as evidenced by their atomic test in 1949 and their thermonuclear test in 1953, but also in the fields of aeronautics and electronics, both of which are essential to the effective exploitation of their atomic developments.

According to the Quarles article, reports on the Soviet Union indicate that the Soviets are exerting intensive efforts to channel the interests of Communist youth toward science and engineering. Elementary and secondary schools stress science and mathematics. Incentives are provided for advanced students in engineering and science; and liberal rewards are given to their working scientists and engineers.

It has been estimated that this year the Russians will graduate approximately 50,000 engineers—more than double the number who will receive degrees from United States colleges and universities. An estimated additional 50,000 Russians will be graduated as subprofessional engineers and trained and highly qualified technicians.

The arguments presented by Mr. Quarles are very enlightening and very persuasive. He says:

> Only by matching them in ideas and skills can we expect to achieve a reasonable degree of national security in the future.

I thoroughly agree, and something must be done now to rectify this situation. It is my understanding that the administration has made no recommendations for Federal aid to colleges for technical training which might be of value in wartime, or for direct assistance to individual students.

As a strong military manpower program needs incentives, so does the program of training scientists and highly specialized technicians.

To illustrate the seriousness of this situation, recent figures indicate that the United States has an accumulated shortage of 40,000 engineers and 10,000 scientists, and the total shortage is increasing at the rate of 10,000 a year. These figures were presented by Dr. Allen Abrams, chairman of the committee on research of the National Association of Manufacturers, at a forum meeting of the committee on February 25 in New York City.

Dr. Abrams attributes the situation to many factors. He believes that the military is drafting many men needed for national defense and scientific programs. The number of students in science and mathematics has been decreasing steadily, he said, as well as has the number of science teachers in the high schools.

In order to insure an adequate number of personnel for industry and the military trained in highly technical and skilled fields, I suggest that the Government select each year a certain number of high school students who have shown special scientific interests and capabilities and underwrite their education. In return these students could be required to put in a period of service after graduation which would be in some way beneficial to our national security, in the military or industry.

Under such a plan we could be guaranteed a period of service during which these young men and women would be of great service. Today young aspiring scientists are faced with many obstacles, such as insufficient finances. If a young man is trained while in a branch of the services, he oftentimes does not complete the specialized training until his tour of duty is nearly up and then does he not reenlist.

Less than half of our high school graduates, deemed fully qualified for college work, fail to go on to college because of economic problems and lack of motivation. One step toward stimulating greater interest in science and mathematics would be improved teaching in the sciences at the high school level. Overpopulated schools and lack of proper facilities are two of the serious problems in this case.

It has been suggested by Alan T. Waterman, Director, National Science Foundation, that it might be desirable to explore the possibilities of a Federal grant-in-aid program to the States for science and mathematics teachers in the high school somewhat similar to existing

Federal aid for certain agricultural and vocational training in the secondary schools.

It is my understanding that the Federal Government's present role in promoting the education of potential scientists and engineers is generally limited to the National Science Foundation. The Foundation was created by Congress, as an agency of the executive branch, to fill the recognized need for a focal point within Government for the development of national science policy and the support and encouragement of basic research in science.

The Foundation's fellowship system is the most direct measure by which it augments the Nation's scientific manpower resources. By the award of fellowships for predoctoral study also, the Foundation offers to an average of 600 selected students a year the opportunity to undertake at institutions of their choosing, the advanced training necessary for a career in research.

Another important program of the Foundation is one that provides grants-in-aid to universities and other research institutions for the support of basic scientific research. The Foundation also is the center and distributing point of a great deal of scientific information.

The Foundation's program is a proven success but the program should be greatly expanded and include direct assistance to students studying in the sciences and mathematics below the graduate level.

Nuclear weapons, intercontinental guided missiles, supersonic jet planes, radar warning nets, these are the sort of complex instruments on which depends our ability to preserve peace and to resist aggression if it comes. To develop them and to improve them we need men and women of the highest caliber in applied mathematics, physics, chemistry, and related fields. Yet today we are faced with a shortage of these essential personnel. The correction of this situation should receive top priority.

The Armed Forces that we have today are those that we bought 3 and 4 years ago. The armed force that we need today is the one we failed to buy at that time.

In recent wars the United States has had months to prepare her fighting forces and muster her industrial strength. This is no longer true. Today we can suffer a devastating aerial attack in a matter of hours. Time is of utmost value.

Seven to ten years are required to create a modern bomber from design to combat readiness. No aircraft flew during World War II that was not designed prior to 1942, and nothing can alter the fact that it takes years to develop a single weapon.

An ever-increasing number of scientists and engineers in research and development is the key to qualitative superiority. A quotation from President Truman's Air Policy Commission at this point is in order:

> The next war, should there be one, may well be lost in the laboratories years before the storm clouds show on the horizon.

In conclusion, Mr. President, if it is necessary to continue to draft young men under existing conditions it should also be necessary to impose an excess profits tax on industries profiting from defense contracts. If we can draft men, I believe we can draft dollars on the same basis.

Universal military training is contrary to our traditions. Conscription in the services and the reserves is not the answer to a large, effective armed force, when it is possible to build a large voluntary force of professional soldiers, sailors, marines, and airmen with a little effort and determination. This should be done in the American fashion, not by compulsion and regimentation, but by providing individuals concerned with proper inducements to bring them into the fields of the military, science and engineering.

Mr. President, I recommend the following program:

First. A military pay raise—25 percent across-the-board to all servicemen with 2 years or more of active duty.

Second. Restored and increased fringe benefits for servicemen and their families.

Third. A voluntary Reserve.

Fourth. Expanded ROTC program in colleges and high schools, public and private.

Fifth. Government financed program of training scientists and engineers at college and graduate level. Federal aid to improve science programs in high schools.

Mr. President, I yield the floor.

ADDITIONAL APPROPRIATIONS FOR THE DEPARTMENT OF JUSTICE, 1955

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of House Joint Resolution 252, Calendar No. 106, providing for additional appropriations for the Department of Justice.

The PRESIDING OFFICER (Mr. BARKLEY in the chair). The joint resolution will be stated by title.

The LEGISLATIVE CLERK. A joint resolution (H. J. Res. 252) making additional appropriations for the Department of Justice for the fiscal year 1955, and for other purposes.

The PRESIDING OFFICER. Is there objection to the present consideration of the joint resolution?

There being no objection, the Senate proceeded to the consideration of the joint resolution (H. J. Res. 252) making additional appropriations for the Department of Justice for the fiscal year 1955, and for other purposes.

Mr. JOHNSON of Texas. I have discussed this matter with the distinguished minority leader, and he is agreeable to having the joint resolution considered at this time. The chairman of the Committee on Appropriations, the distinguished senior Senator from Arizona [Mr. HAYDEN], is ready to discuss the joint resolution now.

Mr. HAYDEN. Mr. President, the appropriation of $710,000 provided by the joint resolution merely covers deficiency funds for the Department of Justice, to enable the Department to pay the fees and expenses of witnesses.

The joint resolution was passed unanimously by the House, and was unanimously reported by the Senate Committee on Appropriations. I urge the immediate passage of the measure.

The PRESIDING OFFICER. The joint resolution is open to amendment.

If there be no amendment to be proposed, the question is on the third reading and passage of the joint resolution.

The joint resolution (H. J. Res. 252) was ordered to a third reading, read the third time, and passed.

EXECUTIVE SESSION

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to consider executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

The PRESIDING OFFICER. If there be no reports of committees, consideration of the nominations on the Executive Calendar is in order.

DIPLOMATIC AND FOREIGN SERVICE—NOMINATION PASSED OVER

The legislative clerk read the nomination of Julius C. Holmes to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Iran.

Mr. JOHNSON of Texas. I ask that the nomination be passed over.

The PRESIDING OFFICER. The nomination will be passed over.

SUPREME COURT OF THE UNITED STATES—NOMINATION OF JOHN MARSHALL HARLAN

The legislative clerk read the nomination of John Marshall Harlan to be Associate Justice of the Supreme Court of the United States.

Mr. JOHNSON of Texas. I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Chavez	Green
Allott	Clements	Hayden
Anderson	Cotton	Hennings
Barkley	Curtis	Hickenlooper
Barrett	Daniel	Hill
Beall	Dirksen	Holland
Bender	Douglas	Hruska
Bennett	Duff	Humphrey
Bible	Dworshak	Ives
Bricker	Eastland	Jackson
Bridges	Ellender	Jenner
Bush	Ervin	Johnson, Tex.
Butler	Flanders	Johnston, S. C.
Byrd	Frear	Kefauver
Capehart	Fulbright	Kerr
Carlson	George	Kilgore
Case, N. J.	Goldwater	Knowland
Case, S. Dak.	Gore	Kuchel

Langer	Murray	Smathers
Lehman	Neely	Smith, Maine
Long	Neuberger	Smith, N. J.
Magnuson	O'Mahoney	Sparkman
Malone	Pastore	Stennis
Mansfield	Payne	Symington
Martin, Iowa	Potter	Thurmond
Martin, Pa.	Purtell	Thye
McCarthy	Robertson	Watkins
McClellan	Russell	Welker
Millikin	Saltonstall	Wiley
Monroney	Schoeppel	Williams
Mundt	Scott	Young

Mr. CLEMENTS. I announce that the Senator from Michigan [Mr. MCNAMARA] and the Senator from Oregon [Mr. MORSE] are absent on official business.

The Senator from Massachusetts [Mr. KENNEDY] is absent by leave of the Senate because of illness.

The PRESIDING OFFICER (Mr. MURRAY in the chair). A quorum is present.

The question is, Will the Senate advise and consent to the nomination of John Marshall Harlan to be Associate Justice of the Supreme Court of the United States?

Mr. EASTLAND. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. KILGORE. Mr. President, there is before the Senate the nomination of John Marshall Harlan, of New York, to be an Associate Justice of the Supreme Court of the United States. The nomination was sent to the Senate on January 10, 1955, and hearings were conducted by the full Committee on the Judiciary on February 24 and 25, 1955; thereafter the committee considered the nomination on March 3; and later, on March 9, the committee approved the nomination and ordered it reported favorably to the Senate by a majority vote.

The nominee was born May 20, 1899, in Chicago, Ill.; graduated from Princeton University with an A. B. degree in 1920; attended Oxford University 1921–23, receiving a B. A. degree in jurisprudence; and thereafter attended New York Law School, receiving an LL. B. degree in 1924. The nominee was admitted to the New York bar in 1925 and joined the law firm of Root, Clark, Buckner & Howland—subsequently Root, Ballantine, Harlan, Bushby & Palmer—of New York City. The nominee was a member of that firm from January 1931 to February 28, 1954.

On February 10, 1954, the nominee was appointed by the President to the United States Court of Appeals, Second Circuit. He took the oath of office on March 4, 1954, and presently is serving in that position. While serving on the court of appeals, the nominee has participated in the decisions on approximately 100 appeals, and has written the opinions of the court in 23 of those cases.

During World War II, the nominee served in the Armed Forces as a colonel, United States Army Air Force. He was stationed in England from 1942 to 1944 as Chief of Operations, analysis section, 8th Air Force; and subsequently he was a member of the planning section for the occupation of Germany, United States Strategic Air Forces in Europe. For his service, the nominee received the United States Legion of Merit.

Representatives of the American Bar Association's committee on the Federal judiciary, the New York County Lawyers' Association, and the Bar Association of the City of New York appeared in behalf of confirmation of the nomination. Other members of the bar personally acquainted with the qualifications of the nominee also testified in his behalf, and on February 25, 1955, the nominee himself testified before the full committee.

Under the Constitution, it is incumbent upon the Members of the Senate to give their advice and consent on nominations made by the President to the Supreme Court. It is not only a constitutional duty, but is a solemn responsibility imposed upon Members of this body. Likewise, it is the duty of the Committee on the Judiciary to examine nominees to judicial positions, to determine whether the nominees possess the legal competence and judicial temperament required of appointees to such high offices.

The Committee on the Judiciary, in reporting this nomination favorably, has determined that the nominee has the proper training, legal experience, and judicial temperament necessary for appointment as an Associate Justice of the Supreme Court; and, accordingly, the committee has recommended that this nomination be confirmed.

Mr. President, at this time I should like to read into the RECORD a letter addressed to me:

NEW YORK, N. Y., *February 4, 1955.*

HON. HARLEY M. KILGORE,
United States Senate,
Washington, D. C.

MY DEAR SENATOR: I see that your committee has set the 23d of February to consider the nomination of John M. Harlan to the Supreme Court. Unfortunately at the moment my health does not permit me to ask for a personal appearance. I therefore take the liberty of writing a letter to you on the subject, to which, of course, your committee will give such weight or lack of weight as it sees fit.

I have known Judge Harlan personally and professionally, I think, ever since he came to the bar of New York. I am able, therefore, to testify of my own knowledge that he is a man of the highest character, an accomplished lawyer and, in my opinion, he would fill with distinction a place on the Supreme Court if and when his nomination is approved.

The great reputations on that Court have been made by men who reached the bench at an age that made possible long service and of course it is difficult, in filling a vacancy, to avoid contrasting the newcomer with the veteran who has gone; but he has youth, vigor, and industry, as well as a high order of intellect. I am sure I reflect the opinion of the entire bar of New York in saying that we were gratified by his selection and that we know of nothing whatever which would militate against his confirmation.

Believe me,

Very sincerely yours,

JOHN W. DAVIS.

Mr. President, I have read the letter because Mr. Davis originally came from my State, and I thought his letter should be placed in the RECORD, inasmuch as Mr. Davis is eminent in his profession.

Mr. EASTLAND obtained the floor.

Mr. SMITH of New Jersey. Mr. President——

Mr. EASTLAND. Mr. President, I ask unanimous consent that I may yield to the Senator from New Jersey without losing my right to the floor.

The PRESIDING OFFICER (Mr. BIBLE in the chair). Without objection, it is so ordered.

Mr. SMITH of New Jersey. Mr. President, one of the gratifications in having a vote in the United States Senate arises when opportunity is presented to vote for confirmation of a Presidential nominee who not only is outstandingly qualified for the office to which nominated, but is also a warm personal friend. Such an opportunity is presented to me in the case of President Eisenhower's nomination of John Marshall Harlan to be an Associate Justice of the Supreme Court of the United States.

Judge Harlan's biographical background is fully covered in the record of the Judiciary Committee, so I shall emphasize only the fact that he took his bachelor of arts degree from Princeton University in 1920, and then went as a Rhodes scholar to Oxford University, and attended Balliol College from 1921 to 1923, receiving a bachelor of arts in jurisprudence, and subsequently a master of arts degree. Upon returning from Oxford, he attended New York Law School, and received a bachelor of laws degree in 1924.

He was admitted to the New York bar in 1925, and since that time has had a brilliant law career. About a year ago he was appointed by the President to the United States court of appeals in the second circuit, and took the oath of office on March 4, 1954. While his term on the circuit court has been brief, his record was a brilliant one; and he has participated in the decision of many critically important cases.

Mr. President, I have known John Harlan personally since before his graduation from Princeton, 35 years ago. His family, as well as the family of the late Senator Robert Taft, and my family, have spent many summers together at Murray Bay, in Canada, where we all became intimately acquainted.

I can say without hesitation that rarely, if ever, has a man appointed for so important a position as Associate Justice of the United States Supreme Court been so well equipped and trained as John Harlan. His professional qualifications have been attested by leading jurists in the courts of New York and by the most distinguished members of the bar.

I knew him as an undergraduate at Princeton, and I had the privilege of advising with him at the time when he was making up his mind about accepting the Rhodes scholarship to Oxford.

Mr. President, I am sincerely hopeful that the outstanding nomination of John Harlan to be an Associate Justice of the Supreme Court of the United States will today be confirmed by the Senate by an overwhelming vote.

I thank the Senator from Mississippi for yielding to me.

Mr. EASTLAND. Mr. President, my opposition to the confirmation of the nomination of John Marshall Harlan to be an Associate Justice of the Supreme

Court of the United States is based primarily upon three grounds:

First, the nominee would not agree to protect the sovereignty of the United States in the fight which now is being waged by powerful, organized pressure groups on the Atlantic seaboard to secure a decision by the Supreme Court of the United States that a treaty and rights secured thereunder would contravene and be paramount to the laws of the United States; that they would be paramount to the Constitution of the United States; and that by the provisions of a treaty an American citizen could be deprived of the rights guaranteed to him and protected by the Bill of Rights of the Constitution.

The issue here is whether the United States has surrendered its sovereignty; whether the United Nations Charter, with its taint of communism, is paramount to the United States Constitution; and whether citizens of the United States can be deprived by a world government of their sacred American rights of life and liberty. Our Supreme Court is now divided 4 to 4 on this, the greatest question which has ever confronted our country.

The question is simply this: Is the Constitution of the United States supreme? Are the rights of our people, guaranteed by that document, secure? Will we retain our form of government? I conceive it to be my paramount duty under my oath of office to protect and preserve the Constitution. With the peculiar situation of a divided court, the sole way this country can be protected and preserved is to require a nominee to the Supreme Court to state his views on this question, to state his views on the legal effect of a treaty. Surely the United States Senate and individual Senators have a right to know the views of a nominee for Justice of the Supreme Court on questions which involve the sovereignty of the United States and the preservation of our form of government. This question I shall discuss in detail a little later.

The fact is, however, that Judge Harlan declined to discuss the question. He declined to give his views. I therefore consider it my duty to oppose the confirmation of his nomination.

The second reason why I oppose the confirmation of this nomination is that the nominee lacks judicial experience, that this is a political appointment, dictated by Thomas E. Dewey and his henchmen, and that therefore the nomination should not be confirmed.

The third reason is that Judge Harlan is from the State of New York, and that the people of this great State possess views and philosophies which are different from those entertained by the rest of the country. New York has had entirely too many men in the Cabinets of Presidents, and entirely too many men upon the Supreme Court bench. It has had, and now has, entirely too much influence, for one State, upon the Government of the United States and the policies of our country. It is not good for our Government when too many Cabinet members and too many judges of our highest court are concentrated in one State.

The charge has been made that several southerners are opposed to the confirmation of the nomination of Judge Harlan because 60 years ago his grandfather wrote a hostile, anti-Southern, dissenting opinion in a segregation case. This charge is, of course, absurd. It is made by the pressure groups to get votes for this nominee from the Northern and Western States. The reason these groups are supporting him is that they think he will rule in conformity with their views, to the effect that the United Nations Treaty and the United Nations Organization are paramount to the American Government and to the United States Constitution. They further feel that we can enter a world government by the negotiation and ratification of an Atlantic union treaty. In other words, they think he will break, in their favor, the present stalemate on the Supreme Court.

What kind of man is it who would vote against a nominee because of some decision made by his grandfather more than 60 years ago? I do not believe a single Senator would be influenced by such a fantastic consideration. The question of racial segregation has not entered into my decision to vote against confirmation.

There are certain things that even the Supreme Court cannot do. There are certain things which no court can accomplish. No court can compel people to associate socially with one another. No court can compel school integration in areas where it is violently opposed by both races. The recent school segregation decision and the decree which will be entered to implement it will not even begin to lay the groundwork for racial integration in the schools of the Deep South. When the final decree is entered the net result will be simply an intensification of the contempt held by many people of this country for the Court. It will merely intensify the view, held by a great many people, that the Court as now constituted is incompetent and is controlled by political pressure groups. There is nothing Judge Harlan could do to cause racial integration in the schools, even if he so desired.

Since the charge is made that the attitude of some of us is based on a segregation decision, because of what his grandfather is alleged to have done, I wish to show the fallacy of the charge, and to show that world government is really the issue in this case. I quote from the case of *Cummings* v. *County Board of Education* (175 U. S., p. 528), a unanimous decision of the Supreme Court, and a decision which was written by Mr. Justice Harlan, the grandfather of the present nominee:

> The education of the people in schools maintained by State taxation is a matter belonging to the respective States, and any interference on the part of Federal authority with the management of such schools cannot be justified, except in the case of a clear, unmistakable disregard of rights secured by the supreme law of the land.

If I were to be influenced for or against a nominee by reason of something his grandfather said, I would certainly be influenced in favor of confirmation in this case, because of the position which Grandfather Harlan took in a school case before the Supreme Court 60 years ago.

I believe that Judge Harlan is an able lawyer. He has certainly been a successful lawyer. I think he is too smart and is too able an attorney to accept the views held by a number of Justices as to the effect of the 14th amendment to the Constitution in segregation matters. I do not believe he will be subject, in segregation cases, to pressure by organized pressure groups. I believe that he will follow what was evidently the intent of the Founding Fathers who wrote the Constitution, and the real intent of those who framed and passed the 14th amendment.

Mr. President, I desire to be fair in this matter. Permit me to say for Judge Harlan that in my judgment, if confirmed, he will be the ablest lawyer on the Court. He will be an improvement over most of the Justices.

He would not give his views on treaty laws, but he did state—and I think he was correct in so stating—that he would not, if confirmed, accept cash annuities or awards from organizations which promote cases in the courts. I am sorry to say that that has occurred on the Supreme Court of the United States.

Mr. President, I believe that he would cite the law as he sees it, and would not rely for authority upon the writings of Communist-front sociologists and psychologists. He would not permit groups which promote legislation before the courts to lobby with him by giving him honorary dinners and "achievement" plaques. Again I am sorry to say that some Justices of the Supreme Court have been guilty of such things.

Mr. President, there is no complaint from me that Judge Harlan does not have the legal ability or the integrity for this high position. He does not have the judicial experience, but I am satisfied he has the legal ability. I believe he is a man of very high and unquestioned integrity. If his nomination is confirmed, I am confident there will never be the least question of his integrity, and there will never be the least question of unethical conduct, nor, as I have said, will pressure groups be able to influence him through cash awards and honorary dinners.

One of the primary reasons for the disrepute in which our high courts of appeals are now held is the lack of judicial experience of the individuals who are nominated to the bench. Eminent as Judge Harlan may be as a lawyer and trial attorney, he does not have sufficient judicial experience to qualify him for the Supreme Court.

It is my belief that the Justices appointed to the Supreme Court bench should be selected from among active judges on the Federal judiciary or those of the highest courts of the several States, and they should have served long enough to make a distinguished record.

Mr. President, it has been my observation for the past 20 years that in that time not one appointment to the Supreme Court was based upon outstanding legal ability or upon accomplishments as a great jurist. It is my opinion that political considerations have governed the selection of Supreme Court Justices

in both Democratic and Republican administrations. For that reason the Court finds itself at the low level it now occupies.

The complexities of modern civilization have increased to a great degree specialized activities by various members of the legal profession. Certainly a field that requires the highest degree of specialization and training is that of the judiciary. Judge Harlan's slight experience as a member of the Second Circuit of the United States Court of Appeals in no way gives him needed judiciary experience to meet the high requirements that should be set for the Supreme Court of the United States.

I am in favor of comprehensive legislation which would set the highest standards possible for qualification to nomination and appointment to the Supreme Court of the United States. Bills which have been introduced to this effect, and which were necessary for the welfare of the Nation, will receive my earnest consideration and hearty support.

Mr. President, the duty incumbent on members of the Judiciary Committee to subject nominees for high judicial posts to rigorous and minute examination and cross-examination is a very unpleasant and distasteful task. But the performance of this duty is a most solemn obligation we owe to our oaths of office and to the people of the United States. I regret the necessity of having had to subject Judge Harlan to this ordeal.

The evidence is clear and convincing that Judge Harlan is one of the truly outstanding members of the American bar. As a trial lawyer of long-time experience, he was probably without a peer in his field. Despite his widespread activity in many fields of legal endeavor, his record is above reproach and he has received universal acclaim and recommendation from his associates at the bar.

But, Mr. President, honest and honorable men can cleave to differences of opinion in the realm of ideas, and on political and legal philosophies that create chasms across which no bridge can span. It is on this plane that I base my unalterable opposition to the confirmation of the nomination of Judge Harlan.

This character of opposition is not new and unprecedented in the Senate. In 1795 the nomination of John Rutledge of South Carolina for Chief Justice of the Supreme Court was rejected. He had previously honorably served a 2-year term as an Associate Justice. The senior Senators from Georgia and Arizona will personally recall the great debate which took place over the nomination of Judge John J. Parker to the Supreme Bench in 1929. Judge Parker was then and is now one of the truly outstanding jurists of the 20th century. His character and reputation were above and beyond reproach, but his nomination was rejected by the Senate on the ground that he espoused a political or legal philosophy contrary to that held by a majority of the Senators then present and voting. It is interesting to note further Mr. President, that these alleged ideological differences referred solely and alone to the application of Federal laws within the framework of the Constitution. Of much greater importance and significance is an ideological difference that extends above and beyond the framework of the Constitution. It is on this basis that I must part ways with Judge Harlan.

Mr. President, previously I have reviewed—and I shall later, perhaps, do so in greater detail—the development of judicial decisions concerning the application of treaties to the domestic law of the United States and that of the several States. Prior to Judge Harlan's appearance before the committee, and after long and careful thought and consideration, I reached the conclusion that the sovereignty of our country was a vital and compelling issue that over-rode all consideration of personalities. While I disagree wholeheartedly and completely with Secretary Dulles' enunciation as to the effect of treaties on the Constitution and laws of the United States and the constitutions and internal laws of the several States, it is a self-evident fact that this pernicious doctrine is now being given widespread credence by responsible officials in the executive department of the Federal Government.

I shall read from a speech delivered by Secretary of State Dulles before the American Bar Association in the city of Louisville, Ky., on April 12, 1952.

I asked Judge Harlan what his views were on the pronouncement made by Secretary Dulles in that speech. Judge Harlan said he did not desire to comment.

Mr. President, it is the duty of the Judiciary Committee to inquire into the legal philosophy of a nominee. It is incumbent upon us as lawyers to make certain that a nominee is well grounded in the law. It is incumbent upon us to see that the laws are upheld. That has nothing to do with a specific case which would come before the court, and is certainly no reason for disqualification should such a case arise.

Mr. President, this man, who refused to talk, was supported by Dulles, Dewey, and Brownell. He is a member of the Atlantic Union Advisory Committee. He is a member of the United Nations Committee to promote the United Nations. He says he did not know what they meant. I have heard that before. He said if they mean what now he realizes is their true meaning and what they really stand for, he would dissociate himself from them, provided his nomination should be confirmed. I asked the question because he put that proviso in his answer—"provided my nomination is confirmed." I asked him if he thought he should have dissociated himself from them when he became a judge of the circuit court of appeals, and he said, when driven into a corner: "Yes, I believe I should."

Mr. President, here is what Secretary Dulles said:

> The treatymaking power is an extraordinary power liable to abuse. Treaties make international law and also they make domestic law. Under our Constitution, treaties become the supreme law of the land. They are indeed more supreme than ordinary laws, for congressional laws are invalid if they do not conform to the Constitution, whereas treaty laws can override the Constitution. Treaties, for example, can take powers away from Congress and give them to the President; they can take powers from the State and give them to the Federal Government, or to some international body.

Mr. President, there is the greatest issue which confronts 20th century America.

Mr. LANGER. Mr. President, will the Senator from Mississippi yield for a question?

Mr. EASTLAND. I yield.

Mr. LANGER. Is it not true that the same Mr. Dulles appeared before our committee and testified against the Bricker amendment?

Mr. EASTLAND. That is correct.

Mr. Dulles goes further, and I hope Senators will listen to this:

> And they can cut across the rights given by the constitutional Bill of Rights.

Mr. President, the Supreme Court is divided 4 to 4. I asked the nominee if, in his judgment, a treaty could deprive a citizen of the United States of rights guaranteed by the Bill of Rights, and he refused to answer. Why? I ask, again, Why?

He was asked if a treaty ratified by the Senate could deprive a citizen of rights guaranteed by the Constitution of the United States, and if a treaty is paramount to the Constitution, and his answer was, "I decline to answer."

Mr. President, if we are going to confirm the nominations of men who take such a position before the committee, we might as well abolish the right of the Senate to confirm judicial nominations. We have a duty and a right to know the legal philosophy of a man who is nominated to the Supreme Court bench. I know that every Senator will conscientiously discharge his duty, under his oath of office, as he sees it. I think it is my duty to vote against confirming the nomination of any man, regardless of who he may be, who will not answer such questions, because, after all, it is my primary responsibility, as I see it, under my oath, to protect the sovereignty of my country.

Mr. President, there is another angle. I am going to read part of a telegram from a great Texan, which will emphasize the point which bears upon this nominee's qualifications.

The nominee was asked about the Bricker amendment, one of the very important questions which confront the people of the United States at this time. Upon its solution, in my judgment, depends the whole future of the American form of government. I think that unless the Bricker amendment is submitted and ratified, the American system of government will be a thing of the past.

What was his answer? He said he did not know anything about the Bricker amendment; he did not know what it meant.

Mr. President, here is an able lawyer, a man who represented the Du Ponts in a great antitrust case, a man who was the senior partner of a great law firm, a man who was on the bench of the circuit court of appeals, a man who is highly educated, a graduate of Oxford University. He stated that he did not know what the Bricker amendment was.

Listen to this telegram, Mr. President:

I have come to the conclusion that Judge Harlan, a national and international lawyer, is one of the least-informed men I have ever heard of. There is scarcely a high-school boy or girl in Texas not familiar with the United Nations and the Atlantic Union.

I submit, Mr. President, that a nominee who says he knows nothing about a matter which is so important as is the Bricker amendment should not have his nomination confirmed; that we had better go slowly; and that we must go slowly is made double sure when we learn the organizations to which he belongs, and when we discover who were his associates behind his nomination for the United States Supreme Court. He is a product of the Dewey crowd. He is a product of Thomas E. Dewey and his political henchmen, one of whom came down from the city of New York, a very able lawyer, a very honorable man, and urged that the nomination of Judge Harlan be confirmed. It developed that he signed a brief in the Supreme Court for Alger Hiss, a brief which sought to get the Court to hold that the United Nations Charter could supplant laws of the States and could supplant the Constitution of the United States.

I say, Mr. President, we should consider his surroundings, his environment, his associates. Why were those people pushing this nomination for confirmation, and at the very time when our Supreme Court is divided, 4 to 4, on this great question? The issue involved is too grave to place on the basis of trust or speculation. In the field of political or legal philosophy a "yea" or a "nay" answer is required. The question was put squarely to Judge Harlan. He refused to say "Yea," and he refused to say "Nay." The character and nature of his evasive answers lends weight to the conclusion that he sides with those who would forfeit our sovereignty. This, plus what I will charitably term his "naivete" is being wholly oblivious to, and holding no opinion or convictions concerning, great public issues that characterize the life of our times.

Mr. President, examination of Judge Harlan's testimony will be in the reverse order from the delineation immediately set forth above.

Senator DANIEL. Judge Harlan, without causing you any embarrassment or any intended criticism of any person who might have commented on the subject, do you, as an individual citizen, have any views whatever on the subject of admission of Communist China to the United Nations?

Judge HARLAN. I have no views on it.

Here is a nominee to the Supreme Court who has absolutely no views on whether Communist China should be admitted to the United Nations. I submit that that is a circumstance which goes to the competence of the nominee, able lawyer and honorable man that he is. I continue to quote from the hearings:

Senator DANIEL. You have not expressed any views in international affairs since becoming a judge of the circuit court?

Judge HARLAN. I have not.

Senator DANIEL. Publicly?

Judge HARLAN. No, sir; or before.

Thus, a learned and intelligent man has no personal or private views on a public issue which has been the subject of widespread debate throughout our society from high-school civic classes to the Halls of the American Congress. An inquiring reported cannot get a satisfactory answer from a man on the street who does not have a fixed conviction one way or another. If the most intelligent, and supposedly best informed, citizens of the country can so disregard and be oblivious to such vital matters, wherein can there be hope for the survival of our Republic?

Mr. DANIEL. Mr. President, will the Senator yield?

Mr. EASTLAND. I yield for a question.

Mr. DANIEL. I assume the Senator from Mississippi understands the reasoning behind my line of questioning of Judge Harlan, as to whether he had expressed himself regarding the admission of Red China to the United Nations.

Mr. EASTLAND. Yes, I understand.

Mr. DANIEL. My real interest was in determining whether or not Judge Harlan planned to go about over the country, expressing himself publicly on international affairs.

Mr. EASTLAND. I yielded for a question.

Mr. DANIEL. I merely wished to clarify the record. If the Senator objects——

Mr. EASTLAND. No; I do not object.

Mr. DANIEL. Since the Senator from Mississippi read some of the questions I asked Judge Harlan, I want to clarify the record here today.

My feeling about the matter is that a member of the Supreme Court of the United States should confine himself, as nearly as possible, to the business of the Court, and should not be taking sides publicly on important matters of foreign relations. I do not mean by these remarks to criticize any particular sitting member of the Court; it is simply a general principle with me. That is why I asked Judge Harlan the questions.

Mr. EASTLAND. I think the distinguished Senator from Texas is exactly correct. I think his position is sound.

The Senator has said he would not criticize any sitting member of the Court. However, I think one member of the Court is deserving of criticism, and I will certainly criticize him.

Mr. DANIEL. I will, too, at the proper time. I just did not mean to be criticizing by these remarks.

Mr. EASTLAND. I will be critical. I will be guilty of it. I speak of a man who advocates and recommends the recognition of Communist China, a country whose government has murdered thousands of American boys.

Judge Harlan's answer was not that he had not gone over the country; his answer was that he had no opinion on whether Red China should be recognized or not. The point I make is that that goes to his competence.

Mr. DANIEL. I would have been better satisfied if Judge Harlan had had a personal opinion that Red China should not be admitted to the United Nations. I agree with the Senator from Mississippi on that point.

Furthermore, in other forums, I have disagreed with a sitting member of the Supreme Court on this matter. I said I had not intended to do so again here today, but since the Senator from Mississippi has raised the question and has himself expressed such disagreement, I will here and now join with the Senator in expressing my disagreement with and disapproval of a sitting member of the Court who has gone about over the country advocating the admission of Red China to the United Nations. I wanted to be certain that we would not have another member of the Supreme Court doing that, if the nomination of Judge Harlan were confirmed.

Mr. EASTLAND. I do not think there will be another member of the Supreme Court doing that.

Does not the Senator from Texas believe that the same Justice who has been traveling throughout the country espousing pro-Communist causes, resorted to legal chicanery in an effort to save from execution two Communist spies?

Mr. DANIEL. I have not studied or formed an opinion on the question the Senator asks.

Mr. EASTLAND. Judge Harlan is a member of the American Bar Association and also a member of the Association of the Bar of the City of New York. It was in 1948 that the American Bar Association, through its Committee on Peace and Law through the United Nations, began studying United Nations covenants. These studies culminated in a resolution adopted by the House of Delegates in February 1952, recommending an amendment to the Constitution of the United States to clarify and pin down the treatymaking power contained in the Constitution. It was a subject of widespread discussion and debate. The Senator from Ohio [Mr. BRICKER], also proposed a similar amendment, known as the Bricker amendment, in February 1952. When the battlelines were drawn, it developed that the Association of the Bar of the City of New York was the only bar association in the United States actively fighting the Bricker amendment. As all know, it has been one of the great debates of the mid-20th century. Yet Judge Harlan says:

Senator DIRKSEN. Judge Harlan, it was the Judiciary Committee and a subcommittee of the Judiciary Committee that took the testimony on the so-called Bricker proposal, and I suppose you followed it somewhat no doubt through the bar associations and the press at the time it was on the front page.

Judge HARLAN. Frankly, I did not, and I will tell you why. For the past 4 years, almost, before I came on the bench and left private practice, I have been so immersed in litigation, most of which has been out of town, that the normal things that one does under ordinary circumstances escape me, and frankly, I attended none of the meetings of the bar association, no meetings that I can ever remember discussing the question of the Bricker amendment, and read no literature on the subject. I neglected my family in other respects, so that it wasn't merely the—

Again I say that practically every schoolchild in the United States knew about the great fight which the senior

Senator from Ohio [Mr. BRICKER] was making. It seems peculiar to me that that fact did not trickle down to this nominee, who is a great lawyer and an American of high intelligence. I continue to read:

Senator JENNER. I am glad to have your views in regard to this. Now, may I ask, what is your opinion of the Bricker amendment?

Judge HARLAN. I have no opinion about it because, as I testified before—and I think it was Senator DIRKSEN who asked me the question—it so happened that during the controversy about the Bricker amendment, I was heavily engaged in litigation to the point where the ordinary interest that any intelligent citizen has in the affairs of this country, whether he is active or inactive in politics, had to yield to the necessities of my professional commitments. Perhaps you weren't here when I said it.

Here, Mr. President, are two topics of great significance, such as to attract the "ordinary interest that any intelligent citizen has in the affairs of this country, whether he is active or inactive in politics." Yet, about them, Judge Harlan pleads ignorance or indifference. I submit that no man can live in this country in an absolute vacuum, particularly an astute and able lawyer, and not have some cognizance of the public issues of the day.

According to Judge Harlan, his lack of understanding extends to acts of commission as well as those of omission. The opposition to his nomination stemmed from his alleged connection with the Atlantic Union Committee. He was reported as having been a member of the advisory council of this organization since 1952. The report was absolutely correct. But, after holding a post on the advisory council for a period of 3 years, Judge Harlan not only stated that he took no part in the organization's activities, but now denies that he understood the purposes of the organization that he joined, and upon being advised as to what its purposes were, disassociated himself completely from those purposes, and repudiated them.

Two of the purposes contained in the articles of incorporation of the Atlantic Union Committee are:

2. To promote a widespread understanding of the principles and advantages of a federal union of free peoples so as to make possible a fair evaluation of any plan that may be recommended by such convention, and to proffer advice and assistance in formulating the terms on which any such union is to be established.

I read further:

3. To promote the formation of such a union of democracies as, in the opinion of the committee, offers the best prospect for attaining world peace.

What constituted the opinion of the committee is covered in this address in setting forth Justice Robert's testimony before the Senate Foreign Relations Committee in 1950. What did Judge Harlan know and think about all this? He explained that he received a letter from Justice Roberts, whom he did not know personally, which letter said in part, as appears in the hearings:

"MARCH 29, 1952.

"DEAR MR. HARLAN: The Atlantic Union Committee has authorized me, as president, to invite you to join us in our effort to underwrite the safety of freemen."

Judge HARLAN. I might parenthesize at that point to say that Mr. Osborne was one of the commissioners of the crime commission, which you heard discussed yesterday, for which I had recently been at this time the counsel. Continuing with the letter:

"Mr. Lithgow Osborne has suggested to me that you might be interested in our work. We want you among the 500 other distinguished American leaders who comprise the membership of our council.

"Specifically, the job of the Atlantic Union Committee is to support mutual-security measures which can help the Atlantic community grow into a union of the West, with some form of common authority. In this way it will give the United States power to enforce peace."

Let me interpolate to say that under that common authority and common citizenship, our immigration laws would be swept away.

I continue to read the letter and testimony:

"Your acceptance of this invitation to join our council will mean two things: First, you will be aliining yourself with leaders in the free world who believe that aggression and war can be deterred by determined, collective action.

"Secondly, you will be acting on your own convictions by joining a group that is translating this theory into practice through supporting legislation moving toward union of democracies."

To which I replied on April 31, as follows:

"MY DEAR JUDGE ROBERTS: I am glad to accept your invitation to become a member of the council of the Atlantic Union Committee. I feel, however, that I should warn you that I cannot be counted on for any work or activity in connection with the committee for the next year, owing to an antitrust litigation in which I am engaged."

Judge HARLAN. That, gentlemen of the committee, that is of the Judiciary Committee, is the full extent of my participation in the Atlantic Union.

Senator EASTLAND. Judge, the letter spoke of an international authority, and you had an invitation to join that authority. What did you understand about the international authority that the invitation asked you to join?

Judge HARLAN. I regarded that letter, Senator EASTLAND, as indicating some kind of collective action that would represent the group of so-called American democracies in a collective effort to combat the Communist menace, that was all.

At a later point in the testimony, Judge Harlan said in part:

And I also said, which I again want to make clear, so that it does not leave any false implication, that since this thing has come up, I have heard nothing and have no reason to believe that the Atlantic Union stands for any such thing as has been pictured here, or that the objectives of the union are different from the premises that I told Judge Roberts I would join it on, namely, as an instrument in the defense of the Atlantic community against the Communist threat.

Still later, he said:

Judge HARLAN. I might also add that I have said, which I still believe to be the case, that I have found nothing, even though my connection with the Atlantic Union was purely formal, I have found nothing that I have heard since that indicates the Atlantic Union stands for any different set of principles than the premise on which I felt I would join it.

At one point the chairman asked him:

The CHAIRMAN. Just a second, I want to ask one question to clarify something.

There is one thing you said that is a little bit unclear, I think, that within your knowledge the Atlantic Union had nothing to interfere with your ideas. By that do you mean that there is nothing in the Atlantic Union policies that in your opinion would in any way affect the sovereignty of the United States as a sovereign nation of the world?

Judge HARLAN. That is why I have always understood the Atlantic Union.

Judge Harlan admits that he knew the Atlantic Union Committee would be a subject of controversy at the hearings. He went through his files to get the correspondence. As a great trial lawyer, could he ever have prepared and won a case with such an abysmal ignorance of his facts and an absolute inattention to any detail? Here, on a matter so important that it shakes the foundation of the Constitution itself, he pleads guilty.

I read further:

Senator JENNER. But I take it, since Judge Harlan here has become a member of the Atlantic Union, so to speak, on the advisory committee, through a direct invitation of Justice Owen Roberts—in other words, I would like to know, Judge Harlan, how far would the proposed Atlantic Union reduce American sovereignty, if you know?

Judge HARLAN. Well, I just can't tell you because I don't—I wouldn't suppose at all, because I don't understand that their objectives are to undermine the Constitution of the United States.

Senator JENNER. Well, let me give you, as I understand it, some of the objectives sustained by Justice Roberts of the Atlantic Union:

"Such a union must be built on, first, a common citizenship; second, a common economic and military policy; third, a common currency; fourth, a free exchange of goods and services among federation members." Now, that is Justice Roberts' statements on what are the proposals of the Atlantic Union.

Judge HARLAN. Well, I——

Senator JENNER. And that would affect the United States, Canada, Great Britain, France, and the Benelux countries in the original proposal.

Judge HARLAN. Well, I can't——

Senator JENNER. But they also have literature out that would eventually, by consent of the original members of the Atlantic Union, provide that they could bring in the rest of the world.

Now, I realize that I am inquiring into a political philosophy, but I think that we are at such a juncture in history, before a man is confirmed to the highest court in this land—

Mr. President, let me say I certainly agree with the position taken at that point by the distinguished junior Senator from Indiana [Mr. JENNER]—

this committee, through the representative form of government—and I am here representing the people of my State and I hope the people of the Nation—I would like your honest views on your political philosophy on that kind of proposition, common currency, and so forth.

Judge HARLAN. I will give you my honest view.

Senator JENNER. All right, sir.

Judge HARLAN. This is the first time, unless it was read yesterday, that I have ever heard that statement read. If Justice Roberts is correctly quoted, and the implication that you draw from what is said there is correct, I disassociate myself from it, because I don't believe in it.

And again, later:

Senator DANIEL. As a predicate to some questions on that subject, I would like to read from a document I obtained at the Library of Congress, Twenty Questions on Atlantic Union, published by the Atlantic Union Committee, from page 3 following, which I will dictate into the record:

"We would transfer to the union government certain definitely limited portions of powers presently delegated to our National Government.

* * * * *

"Proponents of the Atlantic Union have, however, pointed out that in existing Federal unions, like the United States, the people have delegated to the union government powers to establish a common foreign policy, a common defense, a common free market, a common currency, a common postal system, a common citizenship, and also a sufficient power of taxation to implement these other powers. Justice Roberts has suggested—"

And I am now reading from page 4 of this document—

"that an Atlantic union government should comprise a legislature, probably of two houses elected by the union's people, an executive capable of enforcing the union laws upon its citizens, and a judiciary empowered to adjudicate union laws."

That is an international supreme court, Mr. President; and Judge Harlan was a member of the advisory committee to promote such a setup. When pinned down, he said he did not know it stood for that.

Mr. President, I do not think it is good policy to confirm the nomination of a man who joins such an organization and, when he sees that the objectives of the organization would not meet with the approval of a majority of the United States Senate, says, "I am ignorant about it, and I dissociate myself from it." I have heard such statements made too many times by persons who have joined a great many organizations which later turned out to be "front" organizations; when they found Communists there, those persons have said, "I did not know it, and I dissociate myself."

That situation has been bitterly condemned and, I think, rightly so, year in and year out by Members on the Republican side of the aisle. But now the shoe is on the other foot.

I read further, continuing the statement made by the Senator from Texas [Mr. DANIEL]:

Now, as I understand it, at the time that you consented to become a member of the advisory board of the Atlantic Union, you did not know that these were proposals of the Atlantic Union Committee.

Judge HARLAN. That is correct, sir.

Senator DANIEL. And you disassociate yourself with any such proposals?

Judge HARLAN. I do, sir.

Senator DANIEL. Now, from page 16 of the same document I read into the record the following:

"By the process of voluntary growth, the union could at some time in the indefinite future develop into a free world government." At the time that you consented to become a member of the board, you did not know that that was a statement, at least, contained in the official publications of the Atlantic Union Committee?

Judge HARLAN. That is correct, sir.

Senator DANIEL. And you disassociate yourself with any such plan or proposal.

Judge HARLAN. I do.

Senator DANIEL. Now, are you still a member of the advisory board of the Atlantic Union?

Judge HARLAN. So far as I know.

Mr. President, before I make any additional comments, let me point out Judge Harlan's admitted connection with still another organization.

Senator EASTLAND. You have never been a member of any United Nations organization?

Judge HARLAN. Yes; I have. I am a member of the Citizens Association of the United Nations, I think. Never attended any meetings. My membership goes to the extent of going to one meeting and hearing a speech made, and sending in $25 contribution.

Senator EASTLAND. What is the object of the Citizens Association for the United Nations?

Judge HARLAN. Frankly, I cannot tell you. I think I went with a friend to a cocktail party one afternoon. I think the purpose of it is simply to engender interest in the United Nations—that is all.

Mr. President, I submit there are in this country very few persons who will join an organization and will make a contribution of $25 to promote it, but will have no idea what its objectives are. I was amazed when I heard that statement by the nominee.

Mr. President, I have been unable to find a listing of any such organization as the Citizens Association for the United Nations. Since the American Association for the United Nations, which concentrates its activities in New York, and about which I have spoken at great length, is the only one of any consequence in that area with a similar name, it must be assumed that this is the organization to which he is referring.

Judge Harlan says he thinks the purpose of it is simply to engender interest in the United Nations. I say that the evidence is clear and convincing that its purpose is to undermine and destroy the sovereignty of the United States. We need no further proof than the amicus curiae brief, previously discussed, which it filed in the case of Shelly V. Kramer. We certainly hold to different points of view. My viewpoint is based on facts. Judge Harlan's is probably based on ignorance.

I shall read the arguments in the brief which was filed by this organization, the American Association for the United Nations, to which Judge Harlan evidently belonged, and to which he evidently made a $25 contribution. The brief is signed, among others, by Alger Hiss, Asher Bob Lans, Phillip C. Jessup—I remember that the Senate refused to confirm the nomination of Mr. Jessup at one time—Joseph M. Proskauer, who was the principal witness for the nominee; Myers S. McDougal, and Victor Elting, of counsel.

Mr. McDougal was a schoolmate of mine. He is a very distinguished professor at Yale University, and I think a very misguided liberal.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. EASTLAND. I yield.

Mr. LANGER. Will the Senator give us his definition of a "misguided liberal"?

Mr. EASTLAND. We will go into that.

The arguments in the brief are summarized:

I. Enforcement of racial restrictive covenants is a violation of articles 55 (c) and 56 of the treaty known as the United Nations Charter.

(a) Interpretation of articles 55 (c) and 56.

(b) The obligations of the United States under articles 55 and 56 are not qualified by article 2, paragraph 7 thereof.

II. As a part of the supreme law of the land treaties invalidate conflicting provisions of State common law or State statutes.

III. Both State and Federal courts are prohibited from taking affirmative action which contravenes the declared foreign policy of the United States of eliminating racial and religious discrimination.

The Supreme Court decided this case on other grounds. But the position taken by the authors and proponents of this brief is clear and unequivocal.

While Alger Hiss signed this brief as an attorney, he is not listed as a member of the Board of Directors or an officer of the American Association for the United Nations. Let me say in deference to Judge Harlan that he said he was a member of the Citizens Association for the United Nations. My information is that there is no such organization, and that the only one is the association which filed this brief.

Mr. Eichelberger, the executive director of the American Association for the United Nations, explained Mr. Hiss' connection with the brief in this language:

It is the first name and it would be proper to read the list, but in case anyone reads the record in the future and wonders, I want to make it clear, I want to make it clear no one is stressing that. Mr. Hiss at that time was president of the Carnegie Foundation and a member of the Board of International Nations. Certainly no question has been raised as to his patriotism. He asked to sign the brief although he had little to do with its preparation. That was before any question was raised as to Mr. Hiss.

Mr. President, the point is that this organization filed a brief in the court, which stated:

As a part of the supreme law of the land treaties invalidate conflicting conditions of State common law or State statutes.

Here again we have the question as to the competence and qualifications of this nominee.

How did Judge Harlan get into the Atlantic Union business? Justice Roberts says his good friend Mr. Lithgow Osborne recommended him. Judge Harlan described Mr. Osborne as one of the commissioners of the New York Crime Commission, for which he served as counsel. He omitted the fact that Mr. Lithgow Osborne is also the national secretary of the Atlantic Union Committee of which Justice Roberts is President. Certainly, Mr. Osborne knew and knows exactly and accurately what the Atlantic Union Committee stands for and what has been contained in the literature.

As I have stated, Judge Joseph M. Proskauer, of New York City, appeared before the committee to testify for Judge Harlan, not only as a representative of the New York County Lawyers Association, but also as a long-time friend of Judge Harlan. This is the Judge Proskauer whom I previously described as

being at the San Francisco convention, where the United Nations was organized, and making the inspiring speeches for the insertion of articles 55 and 56 into the United Nations Charter. This is also the Judge Proskauer who signed the brief amicus curiae in the Shelly versus Kramer case along with Alger Hiss, Phillip Jessup, and others whom I have named. Mrs. Joseph M. Proskauer is listed as a member of the board of directors for the American Association for the United Nations.

Mr. Wendell Berge, formerly an Assistant Attorney General of the United States, appeared at the hearings to testify for Judge Harlan on his own behalf. He explained that as a law clerk he worked under Judge Harlan's supervision for 2 years and that Judge Harlan was an inspiration to all who came in contact with him. Later the judge had litigation with the Government in fields in which Mr. Berge represented the Government. Mr. Berge—and this is strange—is or was also a member of the advisory council of the Atlantic Union Committee.

Mr. President, the Senate Committee on the Judiciary was besieged by members of this advisory committee, by people who were interested in one-world government, and who were advocating the confirmation of this man's nomination. I submit that that is a circumstance which should weigh heavily.

The Chicago Tribune, in a long editorial opposing Judge Harlan's appointment, summed up his testimony in regard to these organizations in this manner:

> A lot of Communists and members of Communist fronts have testified that they were so simple minded that they never knew that they were being used for revolutionary purposes. It is difficult to credit their testimony as to Communist fronts; it is difficult to credit Judge Harlan's as to one-world fronts.

Mr. President, at great length and in detail, I have analyzed the attitudes and actions of organizations, and the members thereof, devoted to the principle of supergovernments. Judge Harlan, himself, was forced to admit publicly that they did seek to destroy sovereignty now vested in the Constitution of this Republic. He attempted to repudiate these purposes. Now, on the basis of his own testimony, he must be indicted in the words of Jefferson for—

> combining with others to subject us to a jurisdiction foreign to our Constitution, and unacknowledged by our laws.

The people, who are the final reservoir of our strength and power, are awake to the assaults that are now being made on the Constitution. If the Senate does not perform its constitutional duty in protecting the Constitution, the issue will ultimately be determined at the polls. But determined it shall be, and I, for one, have no doubt about the eventual outcome.

Mr. President, please indulge me while I make a more detailed analysis of Judge Harlan's testimony in regard to treaty law. As my distinguished friend, the junior Senator from Indiana [Mr. JENNER] said, that is a great question that confronts this country.

I read to Judge Harlan Secretary Dulles' statement on treaty law, which I have previously quoted in full, and asked this question:

> Now, I would like to have you tell us, please, sir, whether you agree or disagree with that statement, whether a treaty can cut across the Bill of Rights, whether it can override the Constitution of the United States, and whether under a treaty, rights given under the treaty will be paramount to the domestic laws of the State.
>
> Judge HARLAN. I will try to answer that question as fully and directly as I can, Senator EASTLAND, bearing in mind, which I am sure the committee respects, the position that I am in as a nominee to the Supreme Court of the United States, for I take it not only would the committee agree with me that it would be inappropriate for me to comment upon cases that may come before me, and to express my views on issues that may come before me, but that if I undertook to do so that would seem to me to constitute the gravest kind of question as to whether I was qualified to sit on that great Court. But in those limitations I will give an answer to your question, sir.

Let me say that it would be inappropriate for a judge to comment on cases which might come before him. But that is not the question here. He was asked solely and simply his view on a point of law. I submit it is not only within our power but it is within our duty as Senators to get that information.

> Senator EASTLAND. All right, sir.
>
> Judge HARLAN. First of all, as to the scope of the treatymaking power which has a long history, stemming from the original adoption of our Constitution, as you gentlemen know, as well as I do, those involved questions which have been before the Supreme Court, which are likely to come again before the Supreme Court in one fashion or another, and as to that I must ask your indulgence in saying that I would not in my position be entitled to comment on that. That is point 1.
>
> I have not finished my answer sir.
>
> Point 2: I think I can say with propriety that whatever the law is as a result of further congressional action with respect to the treatymaking power, either by constitutional amendment or otherwise, I would conceive it as my duty on the Court to enforce the Constitution and the law made by Congress as it appeared to me was the congressional intent of such legislation or constitutional amendment.

Mr. President, if any further proof was needed as to the impelling necessity to pass a constitutional amendment, such as the Bricker amendment, to spell out the scope of the treatymaking power, we have it here. A great jurist refuses pointblank to vouchsafe any opinion as to what our Constitution now means in respect to the scope, extent, or meaning of the treatymaking powers. Yet, he adds, "if you enact an amendment, if you pass legislation, I promise you I will do my utmost to carry out the congressional intent."

To continue with the testimony:

> Senator EASTLAND. Well, now, sir, we have an obligation, Judge, which is to protect the sovereignty of our country, and that is especially true in the light of the split decision of our Supreme Court, and I think that it is my duty to determine whether or not a man who is nominated, who becomes a member of the Highest Court in the land, would participate in a decision by which this country would lose its sovereignty.
>
> I would like to ask you, in the light of that, this question now: Can a treaty take powers from the State and give them to an international body, as the Secretary of State says it can?

Who questions the fact that a Member of the United States Senate is not entitled to an answer to that question? There is no such case before him. Can a treaty take powers from the State and give them to an international body, as the Secretary of State says it can?

> Judge HARLAN. For the reasons, Senator EASTLAND, that I have given, I do not think I can amplify the statement I have made or that it would be proper for me to do so, and I will have to stand on my previous answer with this addition, that I fully recognize the responsibility of your committee to scrutinize the candidate.
>
> Senator EASTLAND. Each individual Senator to make up his mind?
>
> Judge HARLAN. I entirely agree with that and am in full sympathy with it. I am not one of those who believes that the Senate Judiciary Committee should be a rubberstamp in exercising its constitutional responsibility in participating in nominations. I am not of that school of thought, and that is why I am here. By the same token, I am sure that the members of the committee would recognize that under our scheme of things that a nominee to high judicial office would commit the gravest indiscretion, and I may add, impropriety, in expressing views as to how he would vote on issues that have not yet come before him and may come before as a member of the Court. And all I can say by way of amplification, with what I have said as to my own attitude on these questions, that I am not one of those who believe in any organization, the purpose of which is to override the Constitution of the United States, to surrender one iota of its sovereignty, and that the relationships that we must necessarily have in this complicated world and dangerous situation, are relationships which must be achieved and which can be achieved and were intended to be achieved within the framework of the Constitution of the United States.

Mr. President, of course, it would be fully in accord with the Constitution if a fifth man on the Supreme Court, which is now divided 4 to 4, should hold that a treaty could surrender a right guaranteed under the Bill of Rights and could deprive the American Government of power vested in it by the Constitution and transfer it to some international body.

Mr. DANIEL. Mr. President, will the Senator from Mississippi yield?

Mr. EASTLAND. I yield for a question.

Mr. DANIEL. The Senator from Mississippi does not mean to say, does he, that, in his opinion, such a decision would be in accordance with the Constitution of the United States or the intention of the writers of the Constitution?

Mr. EASTLAND. No. What Judge Harlan said was that he would not override the Constitution. But if the Court should hold that under the Constitution of the United States there can be negotiated and ratified a treaty which would deprive citizens of their rights guaranteed by the Bill of Rights, it would be perfectly constitutional.

Mr. DANIEL. That would be based on a new interpretation of the Constitution which might be made by the Court.

Mr. EASTLAND. That is correct.

Mr. DANIEL. But no such interpretation should ever be made. I wonder if the Senator will yield for an observation as to the importance of a constitutional amendment on this subject being emphasized by Judge Harlan's testimony?

Mr. EASTLAND. I shall yield for a comment, of course, if I do not lose my right to the floor.

Mr. DANIEL. On this point the only thing on which I might disagree with the Senator is this: Judge Harlan said the question might come before the Court in the future and he would not undertake to answer the interrogatory because, if he did, he might at some time have to disqualify himself. He might have been justified in declining to answer for that reason. But I agree with the Senator that if it is a sufficiently close question as to whether a treaty might override the Constitution—so close that a nominee to the Supreme Court should not express himself on the question—then it makes out a good case for some type of constitutional amendment along the line of the Bricker amendment. The question should be resolved so that in the future no court could decide that a treaty could override express provisions of the Constitution.

Mr. EASTLAND. I agree with the Senator from Texas. But, Mr. President, the Bricker amendment was not adopted; it was defeated. I shall discuss in a moment the Iowa case, in which the Supreme Court was divided, 4 to 4. If this nomination is confirmed, Judge Harlan will have the deciding vote. I know of no other way to protect the sovereignty of the United States than to force any man, not only Judge Harlan but any other man who is nominated to the Court, to state his views on treaty law.

Mr. DANIEL. So long as there is sufficient doubt as to cause a nominee to decline, on grounds of propriety, to answer the question, there certainly seems to be need for some type of amendment which will make it clear that a treaty cannot override the express provisions of the Constitution.

Mr. EASTLAND. I certainly think so. I agree with the Senator entirely. I hope we can succeed in having such an amendment adopted.

Mr. JENNER. Mr. President, will the Senator from Mississippi yield?

Mr. EASTLAND. I yield to the Senator from Indiana.

Mr. JENNER. In other words, the Constitution of the United States provides for the ratification of treaties. Is not that correct?

Mr. EASTLAND. Yes.

Mr. JENNER. The Constitution itself provides for the way in which treaties shall be ratified. Once ratified, they are the supreme law of the land. Is not that correct?

Mr. EASTLAND. That is correct.

Mr. JENNER. Therefore, unless Congress takes back the power it has given away, it would not matter whether Judge Harlan or any other man should be on the bench, he would have to rule that Congress, by political action, gave away our rights under the Constitution when we ratified the United Nations Treaty. That is the crossroads where we stand today. No one but the Congress itself can change the situation.

Mr. EASTLAND. Let me ask the Senator from Indiana a question. With a court divided as is the Supreme Court—and as the Senator knows the Bricker amendment was not adopted—how can this country be preserved, if what the Senator says is true, unless a man who is nominated for a position on the Supreme Court tells the committee how he stands on this subject?

Mr. JENNER. The Senator has answered the question himself by saying that this country cannot be preserved unless we take back the power we have given away by ratifying international treaties. It would not make any difference whether Harlan is on the Supreme Court, a treaty is the supreme law of the land, and Congress needs to wake up and take action. I say, the sooner the better.

Mr. EASTLAND. This nominee, if his nomination be confirmed, will have the deciding vote. He will determine that question, and the Senate does not know how he stands.

Mr. JENNER. We have a pretty good indication from the organizations to which he belonged. The sooner the question comes up the sooner the Congress and the people of the United States will awaken to the fact that the Nation has been placed in a boobytrap and our rights have been destroyed by the political action which weak-kneed men on the floor of the Senate of the United States took in ratifying that kind of a treaty. I say the sooner the better.

Mr. WATKINS. Mr. President, will the Senator from Mississippi yield?

Mr. EASTLAND. I yield.

Mr. WATKINS. What question did the Senator say would have to be decided?

Mr. EASTLAND. This nominee will have a deciding voice with reference to the principles of law at issue.

Mr. WATKINS. With respect to the Constitution itself, is it not clear from the very language of the Constitution that it provides that a treaty becomes the supreme law of the land?

Mr. EASTLAND. That is correct.

Mr. WATKINS. Therefore it has constitutional backing. That question does not have to be decided.

Mr. EASTLAND. On a mere general statement such as that, of course not.

Mr. WATKINS. As a matter of fact, those of us who supported the Bricker amendment—and I am one of them—have been contending all the time that the Constitution itself provides that a treaty is the supreme law of the land.

Mr. EASTLAND. Let me tell the Senator from Utah that I am not willing to agree that under the treaty power the laws of a State can be supplanted; that under the treaty power the rights guaranteed under the Bill of Rights can be taken from an American citizen. I do not agree to any such thing. I do not believe in such a thing. I say the present Supreme Court is divided 4 to 4, and that this man will have the determining vote.

Mr. WATKINS. Unless we concede that a treaty is the supreme law of the land, there is very little merit to the contention for the Bricker amendment.

Mr. EASTLAND. Of course not. There is a great fight. There is a group which is trying to get the Court to adopt that theory. Then the Bricker amendment entered the field of executive agreements.

Mr. WATKINS. We were trying to do what had already been done.

Mr. EASTLAND. What we were trying to do was to prevent what the Supreme Court is on the verge of doing.

Mr. WATKINS. What we were trying to do was to amend the Constitution so that it would not say, in effect, that treaties are the supreme law of the land.

Mr. EASTLAND. Yes; but that is a general statement. It do not say that by a treaty a citizen can be deprived of fundamental rights guaranteed by the Constitution.

Mr. WATKINS. In my opinion, the only way in which that objective can be achieved is by an amendment to the Constitution.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator yield?

Mr. EASTLAND. I yield.

Mr. JOHNSTON of South Carolina. Article VI of the Constitution provides as follows:

> This Constitution, and the laws of the United States which shall be made in pursuance thereof, and all treaties made, or which shall be made, under the authority of the United States, shall be the supreme law of the land, and the judges in every State shall be bound thereby, anything in the constitution or laws of any State to the contrary notwithstanding.

The question now before the Senate, in connection with the confirmation of the nomination of Judge Harlan, is whether or not, with the Supreme Court divided 4 to 4, the nominee, if he shall take his seat, will decide that a treaty shall take precedence over the Constitution and laws of the United States and the constitutions and laws of the various States.

Mr. EASTLAND. The Senator is correct.

Mr. JOHNSTON of South Carolina. Based upon his testimony and his background, I think he ought to be able to make up his mind which way he will decide such a case.

Mr. EASTLAND. Judge Harlan belongs to all the organizations which are promoting the doctrine that treaties take precedence over the Constitution.

Mr. LANGER. Mr. President, will the Senator yield for a question?

Mr. EASTLAND. I yield.

Mr. LANGER. Suppose the Bricker amendment were adopted. Sooner or later it would come before the Supreme Court of the United States for interpretation.

I think the distinguished Senator from Mississippi is familiar with the fact that when it comes to an interpretation of a clause in the Constitution, the final decision rests in the hands of the 9 members of the Supreme Court.

Mr. EASTLAND. That is correct.

Mr. LANGER. Let us take, for example, the Steel Seizure case, a case recently decided, and one which is discussed quite often. As I remember, the

decision in that case was 5 to 3. Five members of the Court held one way; three members held the other way.

So if the Bricker amendment were adopted, 5 members of the Supreme Court might interpret it in 1 way, while 4 members might say it meant somethig else. Therefore, what five members say is controlling. That is why the question of the confirmation of this nomination is so important.

Mr. EASTLAND. The Senator is correct.

Mr. President, I shall now discuss the Iowa decision, which is reported in 245 Iowa 147, 60 N. W. (2d) 110. The wife of the deceased, Sgt. John Rice, an eleven-sixteenths Winnebago Indian, entered into a contract with the cemetery for a burial lot. The contract included a clause which stated that "burial privileges accrue only to members of the Caucasian race." A funeral was held, but the cemetery refused to have the body lowered into the grave and had it removed from the grave site. Mrs. Rice was a Caucasian, and the cemetery claimed it did not know when the contract was entered into that the husband was eleven-sixteenths Winnebago Indian.

Mrs. Rice filed suit in a district court. It was the opinion of the lower court that the cause of action was originally premised upon a breach of contract with an allegation of damages based on the humiliation and mental distress occasioned by, first, the removal of the body from the grave site; and, second, a pamphlet published by the cemetery which sought to justify its action. The case was not tried on the merits. On motion by both parties for an adjudication on the points of law, the district judge found for the cemetery and Mrs. Rice appealed.

The Supreme Court of Iowa upheld the findings of the lower court. The district court had held that the United Nations Charter had no effect on the legality or illegality of the clause or in the rights of the parties under the contract. The Supreme Court of Iowa upheld this position with the following statement:

(4) It will suffice to say that that treaty has no application to the private conduct of individual citizens of the United States. It is true a principle was enunciated in that treaty but claims or fears that State laws have been abrogated by the provisions of the Charter of the United Nations, have been dissolved by the California and Michigan courts. In *Sipes* v. *McGhee* (316 Mich. 614, 25 N. W. 2d 644), a case reviewed by the United States Supreme Court, there was a reversal on constitutional grounds but no criticism of the State court's expression as to the general law relative to treaties. The Michigan court said: "We do not understand it to be a principle of law that a treaty between sovereign nations is applicable to the contractual rights between citizens of the United States when a determination of these rights is sought in the courts. So far as the instant case is concerned, these pronouncements (art. 55, 56, United Nations Charter) are merely indicative of a desirable social trend and an objective devoutly to be desired by all well-thinking peoples." With this statement we agree.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. EASTLAND. I yield.

Mr. JOHNSON of Texas. I ask unanimous consent that the Senator from Mississippi may yield to me for the purpose of my suggesting the absence of a quorum, with the understanding that following the quorum call and a brief recess in order to receive the Prime Minister of Australia, the Senator from Mississippi will again have the floor.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas? The Chair hears none, and it is so ordered.

Mr. JOHNSON of Texas. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Frear	McCarthy
Allott	Fulbright	McClellan
Anderson	George	Millikin
Barkley	Goldwater	Monroney
Barrett	Gore	Mundt
Beall	Green	Murray
Bender	Hayden	Neely
Bennett	Hennings	Neuberger
Bible	Hickenlooper	O'Mahoney
Bricker	Hill	Pastore
Bridges	Holland	Payne
Bush	Hruska	Potter
Butler	Humphrey	Purtell
Byrd	Ives	Robertson
Capehart	Jackson	Russell
Carlson	Jenner	Saltonstall
Case, N. J.	Johnson, Tex.	Schoeppel
Case, S. Dak.	Johnston, S. C.	Scott
Chavez	Kefauver	Smathers
Clements	Kerr	Smith, Maine
Cotton	Kilgore	Smith, N. J.
Curtis	Knowland	Sparkman
Daniel	Kuchel	Stennis
Dirksen	Langer	Symington
Douglas	Lehman	Thurmond
Duff	Long	Thye
Dworshak	Magnuson	Watkins
Eastland	Malone	Welker
Ellender	Mansfield	Wiley
Ervin	Martin, Iowa	Williams
Flanders	Martin, Pa.	Young

The PRESIDING OFFICER (Mr. BARKLEY in the chair). A quorum is present.

RECESS

Mr. BIBLE. Mr. President, I ask unanimous consent that the Senate stand in recess, subject to the call of the Chair.

The PRESIDING OFFICER. Without objection, it is so ordered.

Thereupon (at 3 o'clock and 5 minutes p. m.), the Senate took a recess, subject to the call of the Chair.

VISIT TO THE SENATE BY HON. ROBERT GORDON MENZIES, PRIME MINISTER OF AUSTRALIA

The VICE PRESIDENT. The Senate will be in order. The Chair appoints the majority leader, the Senator from Texas [Mr. JOHNSON] and the minority leader, the Senator from California [Mr. KNOWLAND], as a committee to escort the Prime Minister of Australia into the Chamber.

The Honorable Robert Gordon Menzies, Prime Minister of Australia, escorted by the committee appointed by the Vice President, entered the Chamber and took the seat assigned to him immediately in front of the Vice President.

The VICE PRESIDENT. Members of the Senate, it is my great privilege to present to you the Prime Minister of Australia. [Applause, Senators rising.]

Prime Minister MENZIES. Sir, it is a very remarkable experience for me to be allowed to speak in this place for the second time. As I said somewhere else about a similar matter, it is rather flattering, because the first time the invitation might have been accidental, but the second time it must be deliberate.

I also, sir, remember that on a former occasion when I spoke here, in 1950, I felt that I had had a busy day, because, in my innocence, I thought I would make one speech; but then I discovered, still in my innocence, that I would have to make two. And then I was taken off by Senator Connally to a luncheon of the Foreign Affairs and/or Foreign Relations Committee, and I found I had to make three speeches.

But, sir, I welcome this opportunity, not because I want to inflict a speech upon Senators, but because I think it affords a splendid occasion to say to the Senate of the United States something from Australia.

I do not suppose that any parliamentary assembly in the world has had such responsibilities to carry in the past 10 years as has this one. You have had the privilege and the responsibility of accepting toward other portions of the free world the most remarkable obligations; and to accept those, you have had to exhibit a willingness to place burdens—heavy burdens—on your own people. I am politician enough, after all my years of politics, to know that is not the easiest thing in the world. But you have done it.

One of the astonishing things, one of the cynical things, perhaps, in the world is that every now and then there are encountered people who have received benefits who rather resent it, who rather resent having some feeling of obligation to someone else. That must, as it comes back to you occasionally, make you feel somewhat irritated. But I should like to say, on behalf of Australia, that we have nothing but admiration, nothing but gratitude, for the magnificent magnanimity and leadership which you have given to the world. [Applause.]

Sir, there is one other thing I should like to say: We are free people. We engage in political conflicts. From a close perusal of the newspapers in the past few days, I have gathered that they are not unknown, even here. [Laughter.] But we in Australia carry them on with what Winston Churchill once described as a fine 18th century fervor; and your politicians, too, can strike blows and receive blows with gusto. But the point about it all is that we do all these things within the framework of freedom; and because we attach importance to that freedom, it is of the essence that we look around the world so that we may have great friends or small friends in the defense of freedom, in the defense of the right to disagree without execution. [Applause.]

In the case of Australia, we have great friends. We are, in terms of population, a small country—as small as you once were—and with a continent in front of us to develop somewhat larger than your own. Therefore, no one else is so well

fitted to understand us and our aspirations and our problems as you are, for in the course of your own national history you have solved your problems, and now find yourselves in a position where not only is the world affected by what you do or say, but in a large degree the free world depends vitally upon you. The day will no doubt come when some other, some future Prime Minister of Australia, may stand in this very room and find himself speaking, not for 9 million people, but for 50 million; and provided they are free people and sound people, he will be able to come here as a friend and meet friends.

One thing, however, disturbs me, and I hope I do not trespass too much on the hospitality of your time. The enemy—I shall not need define that expression with any more precision—has a superb technique of divide and conquer. The enemy is very astute to seize upon every point of difference among the governments of free countries, and magnify them from being points of difference into being vast areas of conflict, hoping that in that way he will produce misunderstandings, produce divisions, induce some great government to adopt irrevocably a policy unacceptable to another great government, so that we will be divided at the very time when we ought to be in a state of unity. I am constantly saying to other people and to myself, "We must watch this. We must keep our friendships in repair. We must not allow them to be destroyed or dissipated by this technique of divide and conquer." I believe that the points of difference among the free peoples of the world are trivial—so trivial that I will venture to say, not for the first time, that if we were contemplating—as we all are, but hoping to avoid it, of course, by honorable means—if we were contemplating a great world war in the defense of freedom, you would know, I would know, everyone in Great Britain would know, all around the free world we would know, that we would all be in it together.

Sir, that is the vital fact; and if we know, if we believe, that we must all stand together if we come to that challenge, then I think we should conduct all our discussions on the footing that if we are to be together, we must be together as tolerant, understanding friends, so that our differences, when looked at, may be dissipated, and the marvelous, underlying unities emphasized.

Now, sir, with your permission, one final observation. I said something about the Communist technique of divide and conquer. No more subtle propaganda is going on in the world today—we hear it, you hear it, all around the free world in my travels I have heard it—than propaganda against the United States of America—because in all these matters, as you know, you are regarded as the chief offender. Thank heaven you exist; but you are regarded as the chief offender. The Communists say, "What are they doing? They are propping up some outworn regime, some discredited government." I hear this everywhere; and I find it necessary to say to people, and I think we shall all find it necessary to say to people, "Put that nonsense out of your minds. What we are defending in our various countries and under our various agreements is not some man, not some government, but the freedom of the people of that country. If they are to change their government, they must be allowed to change it in their own way. If they are to adopt new philosophies, they must adopt them in their own way. But we are not going to accept a position in which, by force from without, these people are converted into being the slaves of some new tyranny. It is freedom for which we stand—not some man or some administration."

I think that needs to be known, needs to be preached, and needs to be clearly understood all over the world.

Sir, so far as we in Australia are concerned—British as we are, and proud member of the British Commonwealth as we are—we have with your great country, as a result of war, as well as of peace, a tie which I believe to be unbreakable; a profound sense of gratitude for all you have so splendidly done for the world; and—if I may add it, sir—a degree of affectionate, simple understanding which I do not believe can be surpassed between any two countries of the world. [Prolonged applause, Senators rising.]

The VICE PRESIDENT. The Chair recognizes the majority leader [Mr. JOHNSON of Texas] to respond on behalf of the majority to the remarks of the Prime Minister.

Mr. JOHNSON of Texas. Mr. President, Mr. Prime Minister, and my colleagues in the Senate, it is a very great pleasure to welcome to this historic Chamber today a great leader of a valiant ally in World War II. Australians endeared themselves to all Americans when they received our boys in the dark days, the early days of World War II, on their land and in their homes, and when they stood side by side with them in fighting a ruthless foe.

Mr. Prime Minister, we are grateful for your stimulating and inspiring statements to us. We hope that you may enjoy your visit to our country. We all are looking forward to another visit with you.

If a personal reference may be pardoned, I had the very great pleasure of spending the first 4 or 5 months of World War II in your country, and on an island adjoining your country. I always felt that if I could not return to Texas, I knew where I wanted to go. That was Australia.

We hope you will say to your people that we appreciate their friendship. We realize that in unity there is strength, and so far as Australia and America are concerned, we know that the bonds of unity bind us together. [Applause.]

The VICE PRESIDENT. The minority leader [Mr. KNOWLAND] is recognized to respond for the minority.

Mr. KNOWLAND. Mr. President, Mr. Prime Minister, and my colleagues: I think you can see, Sir, by the warmth of the greeting which comes to you from both sides of the aisle, that your welcome here is indeed bipartisan in character, and represents the feeling not only of the Members of this body, but also of the American people as a whole.

You have mentioned the close ties which bind our two Nations together. We welcome you as the representative of a great people and a great government from "Down Under." In the early days of our own life as a free nation we had an expression, a sentiment was uttered to the effect that we would either hang together or we would hang separately. I believe that is meeting the challenge which confronts the free world today, the nations which believe in human freedom—nations in the far Pacific, in Europe, in the Middle East, and in the Americas—must recognize that in facing the menace of global communism we all must hang together or hang separately. I think we shall find no stouter ally than the great people of Australia and the British Commonwealth. I hope that our ties of friendship may endure for a thousand years. [Applause.]

The VICE PRESIDENT. The Chair knows that Members of the Senate would like to meet the Prime Minister personally, and opportunity will be afforded for them to do so.

The Chair would like to state that a little more than a year ago it was his privilege to visit the Parliament in Canberra and to be entertained at a parliamentary luncheon.

Many ties bind together the people of Australia and those of the United States. One of those, which is the strongest, is our common belief in the parliamentary system of government. However, there are some differences. Today we had the privilege of hearing the Prime Minister of Australia speak. I had the privilege of hearing him participate in the question period in Parliament. I wish our rules were such that we could observe him under questioning from Members of this body. I assure Senators that he responds to questions with an aptitude which is worthy of praise.

Senators who wish personally to greet the Prime Minister, and perhaps put questions to him privately, may do so at this time.

The Prime Minister of Australia advanced to the area in front of the Vice President's desk, accompanied by Mr. JOHNSON of Texas and Mr. KNOWLAND, and was greeted by Members of the Senate as they were introduced to him.

The Prime Minister of Australia and the distinguished visitors accompanying him were then escorted from the Chamber.

At 3 o'clock and 30 minutes p. m., the Senate reassembled, in executive session, when called to order by the Presiding Officer (Mr. BIBLE in the chair).

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Chaffee, its reading clerk, announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 4259) to provide a 1-year extension of the existing corporate normal-tax rate and of certain existing excise-tax rates, and to provide a $20 credit against the individual income tax for each personal exemption; asked a conference with the Senate on the disagreeing votes of the 2 Houses

thereon, and that Mr. COOPER, Mr. DINGELL, Mr. MILLS, Mr. REED of New York, and Mr. JENKINS were appointed managers on the part of the House at the conference.

The message also announced that the House had agreed to the concurrent resolution (S. Con. Res. 9) to print for the use of the Committee on the Judiciary additional copies of certain parts of the hearings on Interlocking Subversion in Government Departments.

ENROLLED BILL SIGNED

The message further announced that the Speaker had affixed his signature to the enrolled bill (S. 942) to repeal Public Law 820, 80th Congress (62 Stat. 1098), entitled "An act to provide a revolving fund for the purchase of agricultural commodities and raw materials to be processed in occupied areas and sold," and it was signed by the President pro tempore.

TAX RATE EXTENSION ACT OF 1955

The PRESIDING OFFICER, as in legislative session, laid before the Senate a message from the House of Representatives announcing its disagreement to the amendment of the Senate to the bill (H. R. 4259) to provide a 1-year extension of the existing corporate normal-tax rate and of certain existing excise-tax rates, and to provide a $20 credit against the individual income tax for each personal exemption, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. BYRD. I move that the Senate insist upon its amendments, agree to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. BYRD, Mr. GEORGE, Mr. KERR, Mr. MILLIKIN, and Mr. MARTIN of Pennsylvania conferees on the part of the Senate.

SUPREME COURT OF THE UNITED STATES—NOMINATION OF JOHN MARSHALL HARLAN

The Senate in executive session resumed the consideration of the nomination of John Marshall Harlan, of New York, to be Associate Justice of the Supreme Court of the United States.

Mr. EASTLAND. Mr. President, I was discussing Judge Harlan's refusal to answer certain questions. I continue to read from the record the judge's reply:

> That is the oath I have taken as a lawyer. It is the oath that I took when I became a member of the court of appeals. It is the oath that I will take if my nomination to the Supreme Court is confirmed.
>
> And you must judge me from what you have heard about me, and the impression that I make on you, and from what you can get from my history and record, as to whether that oath is a serious oath or whether I am simply talking for the record.

I believe that Judge Harlan would take his oath very seriously. However, I still say that the test is, What do men in their hearts believe? What do nominees in their hearts believe? Which road does their mind dictate this country shall follow? In Judge Harlan's case it is reinforced by his associations and by the fact that he is supported by Dewey and Dewey's henchmen.

I quote further from the record:

> Senator EASTLAND. I know you are not, sir. I have great admiration for you, sir.
>
> You were not asked about an organization that would believe in that. Of course, if the Court holds that a treaty, by an act of ratification of a treaty, these rights vest, it would be constitutional, it would be perfectly legal. And that is the gravest question that confronts this country.
>
> I am going to ask you another question. I want to know if you would make the same answer, that is, that by a treaty could we deprive the American people of rights guaranteed to them in the Bill of Rights, as the Secretary of State says? Can we deprive citizens of rights guaranteed in the Bill of Rights of the Constitution?
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> Senator MCCLELLAN. You mean by treaty?
>
> Senator EASTLAND. That is right.
>
> Senator DIRKSEN. By treaty.
>
> Senator EASTLAND. The Secretary of State says we can.
>
> Judge HARLAN. My recollection, if it serves me correctly—I am talking now from general newspaper reading—Mr. Dulles later qualified his statement in some fashion or other.

Mr. President, that is beside the point, and it was an evasion to say that Mr. Dulles had qualified his statement. The question was, What did the nominee believe? That is the question he refused to answer. It is beside the point, but I deny that Secretary Dulles ever qualified his statement. He merely said it was more or less hypothetical since a sound Republican administration had taken over.

Now, I find that the Secretary of State has gone even further than Secretary Acheson would have dreamed of going.

I continue to quote from Judge Harlan's answer:

> All I can say again to that is that that issue is one that has been the subject of numerous series of litigations in the Supreme Court. It has not arisen for the last time. I must ask your respectful indulgence in according me what I consider to be a necessary concomitant of this high office that I should not be asked to forecast how I will decide cases when they arise before me.

I say again, if the United States Senate, in deciding whether to confirm a man for this high office, cannot inquire whether he is well grounded in the law and cannot inquire into the legal principles in which he believes, then the power of confirmation is worthless.

> Senator EASTLAND. Would the same answer go to the question that a treaty can supplant the domestic laws of the State? Frankly, that was an issue raised in the Supreme Court of the United States and the Court divided, 4 to 4, on it.
>
> Now, do you think it would be improper for you to answer that question?
>
> Judge HARLAN. I do, sir, because that is again relating to a case, as I understood it from the discussion yesterday, that has recently been decided in the Court and which came up again, as I understand it, for reargument. All I can say in amplification to that area of your question is that, as in other cases, both my personal predilections and by my sworn duty to uphold the Constitution of the United States, I would decide those issues in accordance with the Constitution of the United States and the law of the United States as God gives me light to see the right result.

Mr. President, here we arrive at the crux of the issue. The Constitution and law of the United States will be what Judge Harlan says the Constitution and law of the United States are if he is permitted to mount the bench on faith and trust. What is all this sacrosanctity and hesitation about expressing opinions as to the meaning and intent of our fundamental law and the political and legal philosophies to which one adheres? Other judges of equal and superior eminence to Judge Harlan do not hesitate to let their convictions be known in no uncertain terms.

I submit it is certainly proper to make this inquiry of a man nominated for the Supreme Court. Some judges have expressed themselves most forcefully before the same committee, or subcommittee to the committee that heard Judge Harlan's testimony. Listen to the words of Chief Judge Orie L. Phillips, United States Circuit Court of Appeals for the 10th circuit. No one can have any doubt where this great jurist stands—and the words were uttered in the forum and not on the bench:

> First, our Federal Government is and should continue to be one of delegated and limited powers. Its powers should be limited to matters that are national in scope and character, and matters which are essentially local in character should be reserved to the States and the people, with the power to deal with them in the light of peculiar local conditions and problems which differ widely throughout the various sections of our vast country;
>
> Second, it should not be possible through the exercise of the treatymaking power or by the exercise of legislative power derived from treaties to deprive an American citizen of any of his fundamental rights and freedoms.

Mr. President, there was a great judge, who did not hesitate to answer the question of how he stood on this grave question which confronts this country.

It may be that such statements as these would automatically disqualify Judge Phillips from nomination or confirmation to the Supreme Court, but I can think of no vote that would be more satisfying than to say "Yea" to his nomination.

Judge Florence Allen, of the Sixth United States Circuit Court of Appeals, has written a book on the subject The Treaty as an Instrument of Legislation. Judge Allen was not one who would run, hide, dodge, and refuse to answer questions.

Judge John J. Parker, of the Fourth United States Circuit Court of Appeals, has expressed his views in no uncertain terms, although, I, for one, am not in agreement with him.

Judge Harlan says "You must judge me from what you have heard about me, and the impression I make on you, and from what you can get from my history and record." Mr. President, he is simply asking us to play a game of blindman's buff. He says "You must trust me." His record has been searched with a fine tooth comb and in no particular can evidence be found regarding any expression of opinion or conviction concerning political or legal philosophy to-

ward the subject of treaty law. All that we can get from his history and record, from the time he went to England as a Rhodes scholar to date, stamps and characterizes him as an internationalist, either wittingly or unwittingly. The Supreme Court sits in precarious balance. Would Senators risk tipping the scales against sovereignty on the basis of speculation?

Mr. President, one of the most amazing facts in the history of our jurisprudence is that a treaty has never been declared unconstitutional. Time and time again, the Supreme Court has struck down and nullified acts of Congress and the constitutions and laws of the several States, as being contrary to the Constitution; but never a treaty or any of the provisions of one. This was understandable in our earlier history. But with the present multiplicity of treaties and executive agreements, it is not understandable today. Twice in the past 30 days this issue has been put to the Court—once in the Capps case, involving an executive agreement with Canada, and again in the Keefe case, where attack was made on the Status of the Forces Treaty with the NATO—but the Court always finds some other grounds for its decision and studiously avoids making any comment on the treaty aspect of the cases. This nominee will be the balance on the Court.

Then, finally, we have the Iowa case which has brought us to the threshold of what could be the most revolutionary change in the structure of this Government since it was founded. Thoughtful men, in every walk and talk of life, are justified in asking the question: Have we approached or passed the point of no return?

The Declaration of Independence has well been described as the spirit and the Constitution as the body of the political structure of this country. The enduring value of this system lies in the fact that it is the embodiment of political faith, founded on the religious faith, of the American people. The antithesis that now confronts the world is Christ versus the antichrist. For a court to attempt to graft the United Nations Charter into the body politic of this country is no more, nor no less, than an attempt to introduce the antichrist. Need I say more as to the gravity of the issue which now confronts us?

Mr. President, in this crisis, I, for one must be convinced beyond all reasonable doubt and to a moral certainty as to the political and legal philosophy of candidates suggested for the Supreme Court bench. The present nominee, John Marshall Harlan, refused to answer the critical question. The answer could not be found in his history and record. Therefore, I shall vote to reject his nomination.

Mr. President, in the beginning I said there have been entirely too many Cabinet members and Supreme Court Justices from the State of New York and from certain other States of the Union, that entirely too many States have been neglected, and that for that additional reason I would vote against confirmation in this case.

Mr. President, I ask unanimous consent to place in the body of the RECORD a list of Cabinet appointments and Supreme Court appointees from each State, from 1789 to 1900, and from 1900 to 1955.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

State	Cabinet appointments [1]			Supreme Court appointments [2]		
	1789 to 1900	1900 to 1955	Total	1789 to 1900	1900 to 1955	Total
Alabama	1	0	1	2	1	3
Arizona	0	0	0	0	0	0
Arkansas	1	0	1	0	0	0
California	1	6	7	2	1	3
Colorado	1	4	5	0	0	0
Connecticut	8	2	10	1	1	2
Delaware	5	0	5	0	0	0
District of Columbia	2	0	2	0	0	0
Florida	0	0	0	0	0	0
Georgia	9	0	9	2	1	3
Idaho	0	0	0	0	0	0
Illinois	7	10	17	2	0	2
Indiana	10	3	13	0	1	1
Iowa	6	5	11	1	1	2
Kansas	0	2	2	1	0	1
Kentucky	14	1	15	3	2	5
Louisiana	3	0	3	1	0	1
Maine	6	0	6	1	0	1
Maryland	13	2	15	4	0	4
Massachusetts	23	10	33	4	4	8
Michigan	5	6	11	1	1	2
Minnesota	3	2	5	0	1	1
Mississippi	4	0	4	1	0	1
Missouri	6	9	15	0	0	0
Montana	0	0	0	0	0	0
Nebraska	1	1	2	0	0	0
Nevada	0	0	0	0	0	0
New Hampshire	3	0	3	1	0	1
New Jersey	5	3	8	2	1	3
New Mexico	0	2	2	0	0	0
New York	29	30	59	7	6	13
North Carolina	4	2	6	2	0	2
North Dakota	0	0	0	0	0	0
Ohio	19	7	26	5	4	9
Oklahoma	0	1	1	0	0	0
Oregon	1	1	2	0	0	0
Pennsylvania	30	10	40	5	1	6
Rhode Island	0	1	1	0	0	0
South Carolina	5	2	7	2	1	3
South Dakota	0	0	0	0	0	0
Tennessee	8	4	12	2	3	5
Texas	0	5	5	0	1	1
Utah	0	2	2	0	1	1
Vermont	2	1	3	0	0	0
Virginia	20	6	26	5	0	5
Washington	0	2	2	0	0	0
West Virginia	3	2	5	0	0	0
Wisconsin	5	2	7	0	0	0
Wyoming	0	0	0	0	1	1
United States	263	146	409	57	33	90

[1] Individual Cabinet members having continuous service in the same post under more than 1 administration have been counted once; only those members being reappointed after a lapse in service or named to a different Cabinet post have been counted more than once.

[2] The Supreme Court tabulation includes the nomination of Judge Harlan. It excludes appointments of Associate Justices to Chief Justice from bench membership. Justice Hughes' 2 appointments are counted because of the break in service.

Mr. EASTLAND. Mr. President, I ask unanimous consent to place in the body of the RECORD an analysis of Cabinet and Supreme Court appointments.

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:

ANALYSIS OF CABINET AND SUPREME COURT APPOINTMENTS

The following analysis is based on the attached chart. On the chart, individual Cabinet Members having continuous service in the same post under more than one administration have been counted once; only those Members being reappointed after a lapse in service or named to a different Cabinet post have been counted more than once.

The Supreme Court tabulation included the nomination of Judge Harlan. It excludes appointments of Associate Justices to Chief Justice from bench membership. Justice Hughes' two appointments are counted because of the break in service.

Seven States have never been represented in either the Cabinet or on the Supreme Court. They are:

Arizona	749, 587
Florida	2, 771, 305
Idaho	588, 637
Montana	591, 024
Nevada	160, 083
North Dakota	619, 636
South Dakota	652, 740
Total population	6, 133, 012

Twenty States have never had representation on the Supreme Court. These States are:

Arizona	749, 587
Arkansas	1, 909, 511
Colorado	1, 325, 089
Delaware	318, 035
Florida	2, 771, 305
Idaho	588, 637
Missouri	3, 954, 653
Montana	591, 024
Nebraska	1, 325, 510
Nevada	160, 083
New Mexico	681, 187
North Dakota	619, 636
Oklahoma	2, 233, 351
Oregon	1, 521, 341
Rhode Island	791, 896
South Dakota	652, 740
Vermont	377, 747
Washington	2, 378, 963
West Virginia	2, 005, 552
Wisconsin	3, 434, 575
Total population	28, 390, 372

Delaware, Rhode Island, and Vermont were among the original Thirteen Colonies. Missouri was admitted to the Union in 1821; Arkansas in 1836; Florida in 1845; Wisconsin in 1848; and Oregon in 1859.

Twenty-nine States have had no Supreme Court appointments since 1900.

The 20 States listed immediately above, plus:

Illinois	8, 712, 176
Kansas	1, 905, 299
Louisiana	2, 683, 516
Maine	913, 744
Maryland	2, 343, 001
Mississippi	2, 178, 914
New Hampshire	533, 242
North Carolina	4, 061, 929
Virginia	3, 318, 680
Total population	26, 650, 501
Plus 20 above	28, 390, 372
Total population	55, 040, 875

Thirteen States have had no representation in the Cabinet or on the Supreme Court from 1900 to date. They are:

Arizona	749, 587
Arkansas	1, 909, 511
Delaware	318, 085
Florida	2, 771, 305
Idaho	588, 637
Maine	913, 774
Mississippi	2, 178, 914
Louisiana	2, 683, 513
Montana	591, 024
Nevada	160, 083
New Hampshire	533, 242
North Dakota	619, 636
South Dakota	652, 740
Total population	14, 670, 051

Eight States have never had a representative in the Cabinet:

Arizona	749, 587
Florida	2, 771, 305
Idaho	588, 637
Montana	591, 024
Nevada	160, 083

North Dakota	619,636
South Dakota	652,740
Wyoming	290,529
Total population	6,423,541

Sixteen States have had no representation in the Cabinet from 1900 to date:

The 8 listed immediately above, plus—	
Alabama	3,061,743
Arkansas	1,909,511
Delaware	318,085
Georgia	3,444,578
Louisiana	2,683,516
Maine	913,744
Mississippi	2,178,914
New Hampshire	533,242
Total population	15,143,333
Plus 8 above	6,423,541
Total population	21,466,874

States with the greatest number of appointees are:

	Supreme Court	Cabinet	Total
New York	13	59	72
Pennsylvania	6	40	46
Massachusetts	8	33	41
Ohio	9	26	35
Virginia	5	26	31
Kentucky	5	15	20
Maryland	4	15	19
Illinois	2	17	19
Tennessee	5	12	17
Indiana	1	13	14
Iowa	2	11	13
Missouri	0	15	15
Connecticut	2	10	12
Michigan	2	11	13
New Jersey	3	8	11
California	3	7	10
South Carolina	3	7	10

The appointments from these 17 States represents more than 80 percent of the total.

The first seven States account for more than 50 percent of the positions.

The State of New York has dominated every Cabinet position with the exceptions of Agriculture and Health, Education, and Welfare. The breakdown shows:

Secretaries of State	10
Secretaries of Treasury	11
Secretaries of War	10
Secretaries of Navy	5
Attorneys General	7
Secretary of Interior	1
Postmasters General	6
Secretaries of Commerce and Labor	2
Secretaries of Commerce	2
Secretary of Labor	1
Secretaries of Defense	2
Total	59

Twenty-nine of these appointments were made prior to 1900 and 30 subsequent thereto. Of the total of 13 Supreme Court appointments, 7 were before and 6 after 1900, excluding Justice Stone's appointment from associate to chief justice.

New York's overall ratio of appointments to population equals 1 for every 205,973 of its citizens. At the other extreme this compares with 0 against 6,133,012 citizens in the seven States that have never been represented in the Cabinet or on the Supreme Court.

Percentagewise New York has received in excess of 14 percent of the total Cabinet and Supreme Court appointments; in excess of 12 percent of all Cabinet appointments; and 19 percent of the Supreme Court appointments since 1900; 20 percent of all Cabinet appointments since 1900.

The Eastern States of New York, Massachusetts, and Pennsylvania combined have received the total of 159 Cabinet and Supreme Court appointments. This represents more than 30 percent of the total.

The same three States have been given a total of 28 appointments to the Supreme Court, more than 30 percent of all made. Since 1900, they have received 11 appointments, more than 33 percent of the total. Twenty States, previously listed, with a combined population of 28,390,372 have never received a single appointment to the Supreme Court.

Six States, New York, Massachusetts, Ohio, Pennsylvania, Kentucky, and Maryland, account for 5 Supreme Court appointments, 50 percent of all made. The Supreme Court representation by States is:

New York	13
Massachusetts	8
Ohio	9
Pennsylvania	6
Kentucky	5
Maryland	4
Tennessee	5
Virginia	5
South Carolina	3
Alabama	3
California	3
Connecticut	2
Georgia	3
New Jersey	3
Illinois	2
Iowa	2
Louisiana	1
Michigan	2
North Carolina	2
Indiana	1
Kansas	1
Maine	1
Minnesota	1
Mississippi	1
New Hampshire	1
Texas	1
Utah	1
Wyoming	1

Mr. EASTLAND. Mr. President, in conclusion, let me say that to my mind there is no doubt that Judge Harlan is a very fine lawyer, and there is no doubt that he is a man of unimpeachable integrity, and, in my opinion, he is a very high class gentleman. I do not agree with his political philosophy. I think he has not met the test, namely, to state as a condition of confirmation how he stands on the questions which I have enumerated. Because he declined to do so I find it necessary to cast my vote against the confirmation of his nomination.

Mr. DIRKSEN. Mr. President, I have more than a casual interest in the nomination which is before the Senate today. The nominee was born in Chicago. As I recall, his father was a candidate for the mayoralty in Chicago a great many years ago. I have received a large volume of mail, telephone calls, telegrams, and other communications with respect to the nominee. Some of the communications have scolded me rather soundly because when his nomination came before the Judiciary Committee I supported it. I am delighted to see such a manifestation of interest in a nomination for the highest tribunal of this country. It connotes some interest on the part of the people in those who shall grace the Supreme Court bench, and, quite aside from the general tenor of the communications which have come to my attention, I am still delighted to observe the interest. It was not quite borne out, of course, by the number of witnesses who appeared before the committee. I thought there would have been a larger number. I thought the testimony with respect to Judge Harlan, and particularly that of adverse witnesses, would have been a little more substantial than it was. It is not necessary for me to recite or to review all the testimony which was presented to the committee.

First, Mr. President, I agree with my distinguished friend, the Senator from Mississippi [Mr. EASTLAND], with respect to the integrity and the character of the nominee. It was not impeached by any witness. It was not impeached in any letter or communication which has come to my attention.

I believe it can be said that he possesses judicial temperament. He has graced the Federal circuit bench for more than a year; and for that position his nomination was confirmed by the Senate in February 1954.

His sense of civic responsibility is beyond impeachment. He gave 8 months without compensation as general counsel to the New York Crime Commission. That commission did a noteworthy and outstanding job in the State of New York. For his unselfishness and his sense of civic duty, I think he deserves the plaudits of and a salute from his fellow countrymen.

So we start with an area of agreement, namely, that nothing was said in derogation of his character, his integrity, his sense of civic duty, and, I think, his judicial temperament.

It was agreed by all who know him and by all who are familiar with the record that he is one of the Nation's outstanding lawyers. To be sure, he is a specialist in the field of monopoly law. As the Senator from Mississippi so well said, Judge Harlan was counsel on the other side in the celebrated Du Pont case.

It would be difficult for me to understand how a man of his brilliant attainments in the legal field, a man of his vigor, could be wanting in judicial temperament and in judicial capacity. I think we can take that for granted from the record.

The point of controversey arises from Judge Harlan's identity with an organization known as Atlantic Union. He was a member of the advisory committee, and he came within the orbit of that advisory committee pretty much as Members of the Senate find themselves suddenly gracing boards of directors or designated as trustees of national organizations.

About 2 years ago I discovered my name on a letterhead, and I had to threaten mandamus proceedings in the Federal district court for the District of Columbia to have my name removed. I was not certain at the time as to exactly what the purposes of the organization were. However, I learned that it was doing things that I could not support and which were not consonant with my own views.

I have had that experience many times; and I should say that, on the average, at least one request comes to my desk every week, sometimes two requests, to join a national organization having idealistic purposes and objectives. Later I discover that, in actual practice, programs and policies are pur-

sued which seem to be at variance with what was announced in idealistic language. The result is that one finds himself in some difficulty.

I think that was the case with Judge Harlan and the Atlantic Union. He received a letter from one who once graced the Supreme Court, former Justice Owen Roberts. The letter is contained in the hearings.

I fancy that if I had received that letter and knew nothing more about the organization, I might very well, in a moment of weakness, have slipped a joint and have become a member of the advisory committee. I may say that the advisory committee numbers among its personnel ambassadors, generals, admirals, and business heads of all kinds throughout the country. In all, it is a rather imposing list. A partial list, at least, appears in the hearings; and anyone who wishes to take the trouble to examine the membership of the advisory committee of the Atlantic Union, will find it there.

I think it should be said, too, that when the exploratory resolution on Atlantic Union was introduced in 1951, 28 Members of the United States Senate and 10 Members of the House of Representatives were sponsors. There will be found in the hearings, also, a list of 100 Members of the House of Representatives who evidently formally gave assurances that they intended to support the exploratory resolution on Atlantic Union.

So it is not so difficult to understand how a practicing attorney should receive from a former Justice of the Supreme Court a letter setting forth that the organization was devoted to mutual security purposes, and should then suddenly say, "I shall be delighted to join."

Judge Harlan even testified that at some meeting after that, he probably made a contribution of $25. But the rest of the testimony is that he attended no meetings, he performed no functions, and he did not know what Atlantic Union actually was about; and he said as much. When the distinguished junior Senator from Indiana [Mr. JENNER] was quizzing him, Judge Harlan made an answer which will be found on page 172 of the hearings. The Senator from Indiana had read some Atlantic Union literature pertaining to the specific purposes of the organization, and Judge Harlan responded as follows:

> This is the first time, unless it was read yesterday, that I have ever heard that statement read. If Justice Roberts is correctly quoted, and the implication that you draw from what is said there is correct, I disassociate myself from it, because I don't believe in it.

Judge Harlan knew nothing about Atlantic Union except what was in the letter from Justice Roberts. So it is easily understandable as to how and why he and other persons become affiliated with such organizations.

With respect to his fidelity to the constitutional concept, I can do no better than to repeat what the distinguished Senator from Mississippi said, because the testimony is in the hearings. This is Judge Harlan responding to a question asked by the Senator from Mississippi [Mr. EASTLAND]. He said:

> And all I can say by way of amplification, with what I have said as to my own attitude on these questions, that I am not one of those who believes in any organization, the purpose of which is to override the Constitution of the United States, to surrender one iota of its sovereignty, and that the relationships that we must necessarily have in this complicated world and dangerous situation, are relationships which must be achieved and which can be achieved and were intended to be achieved within the framework of the Constitution of the United States.

When a moot question or a speculative question is asked of a nominee, I am not so sure what my own response would be if I were in his position. The distinguished former chairman of the Committee on the Judiciary said a moment ago that I was something of an enigma. He expected me to vote against the confirmation of the nomination of Judge Harlan.

I said, "Senator, I try to do two things: First, I put myself in the witness chair to see what my own responses would be. Second, I project myself into one of those robes on the high court to see what my attitude would be there."

So I believe that confirmation of the nomination of Judge Harlan on the basis of all that has been presented thus far is warranted.

Mr. President, I know the source of the fears that go with this matter. I have received my share of telegrams and letters. The fact of the matter is that the fear today springs from the danger of interpretation of what is in the Constitution of the United States, and the actions by Congress, including the Senate. Today the issue, in my judgment, is not John Marshall Harlan; I think the issue is the failure of the United States Senate to take action on a provision in the Constitution which permits a loophole, in the light of our commitments to worldwide organizations.

Article VI of the Constitution contains certain provisions. Too often we do not read the entire article, so it is well to refresh ourselves. This is what article VI provides:

> This Constitution, and the laws of the United States which shall be made in pursuance thereof, and all treaties made, or which shall be made, under the authority of the United States, shall be the supreme law of the land—

And then, Mr. President, the Constitution says—

> and the judges in every State shall be bound thereby, anything in the Constitution or laws of any State to the contrary notwithstanding.

That is the Constitution. It is supreme. The laws made in pursuance of it are supreme. The treaties are supreme. That is what the Founding Fathers wrote into the Constitution.

So the question then arises, in connection with the nominee, How is he going to interpret that language when some specific commitment involving countries abroad comes to the Court's attention? The first thing, of course, that is recited, as it was in the Iowa case, is the United Nations Charter. We fail to go back to primary sources, for this is the book, this is the gospel, this is the test, because this is the official charter of the United Nations, together with the statute of the International Court of Justice.

Mr. President, Judge Harlan had nothing to do with the writing of this charter. This charter was ratified by the Senate of the United States. It was ratified on July 28, 1945. It was ratified by a vote of 89 to 2. I think my friend the Senator from North Dakota [Mr. LANGER] was 1 of the 2 Senators who voted against it.

Mr. LANGER. Yes, and I am proud of it.

Mr. DIRKSEN. It is not in my mind who the other Senator was.

Mr. LANGER. Senator Shipstead of Minnesota.

Mr. DIRKSEN. I have stated what the vote was. The reason why this charter is in being today, so far as the United States is concerned, is that 89 Senators of this body, before I became a Member of the Senate, although I was then a Member of the House, which had nothing to do with treaties in those days, said that the charter was satisfactory, and they ratified it.

Let me refer to a provision or two of the United Nations Charter:

> Ch. IX. International Economic and Social Cooperation. Article 55. With a view to the creation of conditions of stability and well-being, which are necessary for peaceful and friendly relations among nations based on respect for the principle of equal rights and self-determination of people, the United Nations shall promote:
>
> (a) Higher standards of living, full employment, and conditions for economic and social progress and development.

Did Judge Harlan write that, Mr. President? He did not. The charter was contrived in San Francisco, but 89 Senators said it was satisfactory, and so it became a treaty, and the Constitution provides that a treaty shall be the supreme law of the land.

Judge Harlan did not fasten the United Nations Charter on the country. The Senate of the United States did it, because it could not have become effective without the sanction, consent, and advice of the Senate of the United States.

The article continues:

> (b) Solutions of international economic, social, health, and related problems and international cultural and educational cooperation.

It continues, Mr. President:

> (c) Universal respect for, and observance of, human rights and fundamental freedoms for all without distinction as to race, sex, language, or religion.

Now, give ear, Mr. President, to article 56, because that contains the "clout," as is said. That is a rather colloquial term, but everybody knows what it means. Article 56 reads as follows:

> All members pledge themselves to take joint and separate action in cooperation with the organization for the achievement of the purposes set forth in article 55.

The Senate of the United States knew that language was in the charter, and the Senate pledged this country to it, under its constitutional authority to give

advice on and consent to treaties. Senators must have read the language. Judge Harlan had nothing to do with it. The language was approved by the Senate of the United States. If his nomination is confirmed, Judge Harlan will sit on a tribunal where he will be expected to interpret, not what he wrote, but what the Senate approved; and the Senate approved the United Nations Charter with its eyes open—I hope.

Then, Mr. President, let us look at article 59, which reads as follows:

> The organization shall—

It does not say "may." The article says:

> The organization shall, where appropriate, initiate negotiations among the states concerned for the creation of any new specialized agency required for the accomplishment of the purposes set forth in article 55.

Did Judge Harlan write that? He had nothing to do with it. He probably did not even know the proposal was before the Senate. The Constitution of the United States provides that the treaty, called the United Nations Charter, is the supreme law of the land, along with the laws passed by Congress, and the Constitution.

So if the nomination of Judge Harlan shall be confirmed, he will take an oath to do what? Let me read the oath he will take, or, at least, which I hope he will have a chance to take. Let me read it into the RECORD. Every justice or judge of the United States shall take the following oath or affirmation before performing the duties of his office:

> I, ——— ———, do solemnly swear (or affirm) that I will administer justice without respect to persons, and do equal right to the poor and to the rich, and that I will faithfully and impartially discharge and perform all the duties incumbent upon me as ——— according to the best of my abilities and understanding, agreeably to the Constitution and the laws of the United States: So help me God.

That is what he will have to say. He will hold up his hand and say, "Agreeably to the Constitution and the laws of the United States."

What is the law, Mr. President? I have been reading from the Charter of the United Nations. Judge Harlan had nothing to do with its framing. All he will do will be to interpret it when it gets to him.

The fear, of course, is understandable. I refer in that connection to the Rice case, which was resolved in the Supreme Court of Iowa in the October term of 1953. Sergeant Rice died or was killed in Korea. His wife was a Caucasian. She contracted with the Sioux City Cemetery Association for a lot. In the contract, of course, she had to agree to abide by the rules and regulations of the cemetery. One of the regulations was that only Caucasians could be buried in that cemetery. The managers and trustees of the cemetery association did not know anything about Sergeant Rice until the day of the funeral. Then they discovered that Indian mourners appeared. That was the first time they knew Seregant Rice was part Indian. They discovered Sergeant Rice was eleven-sixteenths Indian. As I have said there was a provision in the contract for the cemetery lot which stated that no one could be interred in the cemetery unless he was a Caucasian.

Sergeant Rice's wife sued for breach of contract, and the case went to the Supreme Court of the State of Iowa. Many things were averred by attorneys for the plaintiff and attorneys for the defendant, but the interesting fact was that they went back to article 55 in the United Nations Charter. It was contended that an organization cannot discriminate in that manner, and the United Nations Charter was pointed to as being the law of the land. As a result of what the United States Senate did on the 28th of July, 1945, the charter was made a treaty law, and was invoked by lawyers.

Judge Harlan did not have anything to do with that. If he sits on the Supreme Court bench he will interpret questions that come to him for interpretation.

I ask my colleagues not to be "kidded." Lawyers all over the country, when they examine their cases, are going to invoke the provision of the United Nations Charter to which I have referred. If I were in active practice back in my home State and certain cases came before me, one of the first things I would do would be to burn the midnight oil and ascertain if I could not find in the United Nations Charter something which was germane to my side of the case, and if I thought it was germane I would plead it in the lower courts, and I would plead it in the Supreme Court of the United States. After all, it is the duty of an advocate to do the best he can in the interest of his client.

One of the judges who decided the Rice case was an old classmate of mine in the study of law back in my days in Minnesota. I hope some time to have a chance to talk to him about the question. What happened? There was a split opinion. The Court could not agree. It divided 4 to 4. It would have been rather interesting to hear the arguments as to article 55 from the cloisters of the Court.

But when it comes to the question of what Judge Harlan did, he knew nothing about it. Eighty-nine Members of the Senate put this country into the United Nations, and article 55 is in its charter. When we read it, and then when we refer to article VI of the Constitution, which provides that—

> All treaties made • • • under the authority of the United States shall be the supreme law of the land.

We find that article 55 is the supreme law. Any lawyer will plead it, and there are going to be more and more lawyers who will raise this question. That is why it is so important.

I must add one thing. I get quite a little stimulation in going back and looking at a tremendous report which was made in 1952 by the President's Materials Policy Commission, composed of William S. Paley, president of the Columbia Broadcasting Corp., as chairman, and George R. Brown, Arthur H. Bunker, Eric Hodgins, and Edward S. Mason. They submitted the report, which is in 4 volumes, and comprises in excess of 1,000 pages. It is rather well done, too, Mr. President.

In the first volume, the Commission refers to the Habana Charter for International Trade Organizations and the various agreements we have entered into, such as the International Sugar Agreement, the International Wheat Agreement, and the many others. The Senator from Ohio [Mr. BRICKER] will remember the testimony before the Banking and Currency Committee, either during or after the war, I have forgotten which—but after the war, I think—by the International Materials Conference, which was an informal organization in the State Department.

This is what the President's Materials Policy Commission said:

> The United States has not ratified the treaty but under a resolution of the United Nations Economic and Social Council is bound with other nations to recognize chapter VI as a general guide.

I read further:

> The further steps which in the Commission's view the United States should take on chapter VI of the Habana Charter are discussed later in relation to the Commission's conclusions about the types of agreements which may help to stabilize materials markets, agreements upon which chapter VI would have a definite bearing.

We are moving deeper and deeper into the orbit. There was an agreement on tin. Efforts were made to reach agreements regarding various critical materials; and some of the eager beavers were only too anxious to bring us into the orbit. Why? Well, here is the law; I read article 55. It is broad enough for anything. But John Harlan had nothing to do with it. The United States Senate approved that language; and there we are today.

So we get around to what? We get around to the real issue before the Senate this afternoon. What is it? It is not the nomination of John Marshall Harlan. The issue is the failure of the Senate of the United States to meet the challenge as the result of our excursions into these world organizations and the power of treaties. We speak of treaty power, but I am more interested in the power of treaties, and there is an excellent example. There is the United Nations Treaty, which echoes in a cemetery case in Sioux City, Iowa, and finally comes to the Supreme Court of the United States.

Mr. President, what is the function of Judge Harlan or any other judge? Only to interpret what the Congress has approved, only to interpret what, in conjunction with another body and the signature of the President, we place upon the statute books of the country. That will be his only function.

What would you say, Mr. President, if you read that language? I am not so sure what I might say in keeping with the oath I would take—"agreeably," as it says, "to the Constitution and the laws of the United States, so help me God." I can read the English language, and I can read the Constitution. I know it means different things to different people. But who, then, is the culprit—if that is not too inelegant a term? The

culprit is the Congress of the United States. Who is going to undo this? The Senate and the House. How are they going to undo it? Only by resuming their interest in the proposal which was made by the Senator from Ohio [Mr. BRICKER], for which he was a one-man crusader into every section of the land.

That proposal should be brought before the Senate right away. I wish to say to the distinguished Senator from Tennessee [Mr. KEFAUVER], who now occupies the chair, and who is chairman of the Subcommittee on Constitutional amendment, that I trust that at a very early date we can set a hearing on the Bricker resolution, call witnesses to testify, and then bring this all-important issue back to the only body which can do anything about it, and the only body which can close a loophole which was left as a result of the commitments and the delegations of power which have been made, under a treaty, to international organizations. John Marshall Harlan cannot do it. That is a job for the Senate and the House of Representatives.

This question will continue to recur. Every time there is a nominee for the Supreme Court, the question will be, "What are his political beliefs? What are his ideological beliefs? How will he rule on this or that?"

I am not so sure that it was proper for Judge Harlan to respond to some of those questions. It was perfectly proper for a member of the Judiciary Committee to ask the questions; but the nominee had to remember that today he is on the Federal bench, a judge of the second circuit. So, in making his responses, he had to bear that in mind.

I think I would have been very cautious if I had been in a similar position, and had appeared before a senatorial committee, and if such a question had been asked of me. I would have been thinking whether a case involving that point might come before the court for resolution, and whether perhaps I would tie my own hands, and whether perhaps I would be foreclosing my own thinking on it, and would be tying myself to a commitment I could not keep, upon more meticulous examination of the language which probably would be presented.

So, Mr. President, I wind up pretty well where I began. The issue is not John Marshall Harlan, brilliant lawyer, concededly brilliant; a man of integrity of character; a man who has done yeoman public service, and has done his full share of civic jobs and duties. No one has attacked him on that score. The attack came only because of his rather formal but almost casual identity with the Atlantic Union, about which he knew nothing. By his own confession, in the record, he did not know it called for common citizenship; he did not know it called for common currency; he did not know it called for a common authority to enforce peace. And in response to a question from the Senator from Indiana [Mr. JENNER], Judge Harlan said, "If that is the case and if that is true, I disassociate myself from it."

In this rather complicated and accelerated age that is the easy way out when one gets into difficulties by allowing his name to be used by an organization when he does not know fully what its objectives, programs, and purposes are. That he might have been misled is not strange, when 28 Senators and 10 Members of the House were cosponsors of the resolution in 1951, and another 100 Members of Congress indicated that they would support the resolution. It is not strange that a candidate for a place on the highest tribunal on the basis of a letter which he received from a former Justice of the Supreme Court, should send him a one-paragraph note and say, "I will join," and even make a $25 contribution. I think that aspect of the matter has been too thoroughly amplified, beyond its true context.

But as we go back and examine the record, we find Judge Harlan speaking, on page 173:

> My views are that the Constitution is the thing that governs us all, whether in one branch of the Government or another, and if the Constitution, through the wisdom of Congress or the caption of the people is amended in any particular respect, that becomes the Constitution, and so far as I personally am concerned, it is the Constitution that I am sworn to uphold, and that will be my endeavor, to do it to the best of my ability.

I do not know what more, by way of a commitment, we could ask from a man of unimpeachable integrity and conceded capacity and competence in the legal field. So we get back to the issue—not the interpretation, but the language which made it possible for the Court to work its will upon, and possibly contravene, the domestic law and the rights of our people. Never was it so imperative that the Senate Judiciary Committee roll into action at once on the Bricker resolution; and the sooner it is done the better, because this will be a constantly recurring question.

It is for the reasons stated that I shall support the nomination of Judge Harlan.

Mr. CHAVEZ, Mr. JENNER, and Mr. BARKLEY addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Illinois yield; and if so, to whom?

Mr. DIRKSEN. I was about to yield the floor.

Mr. BARKLEY. Mr. President, I desire the floor briefly to speak on the nomination.

The PRESIDING OFFICER. The Senator from Kentucky is recognized.

Mr. CHAVEZ. Mr. President, will the Senator from Kentucky allow me to ask the Senator from Illinois a question, without the Senator from Kentucky losing the floor?

Mr. BARKLEY. Certainly.

The PRESIDING OFFICER. Without objection, the Senator from New Mexico may proceed.

Mr. CHAVEZ. The discussion this afternoon has involved the state of mind of the nominee on basic issues. In arriving at a conclusion as to whether or not the nominee deserves the approval of the Senate, should we not also consider the fine historical background of the nominee himself—his grandfather, his great grandfather, his early days in Indiana and his days in Kentucky?

Mr. DIRKSEN. There is a great tradition behind the family. That is the best one can say. They have been great citizens. They have carried on in the finest American tradition. I know of nothing more that one could ask, in that field, at least.

Mr. CHAVEZ. That is correct. The nominee might at a given moment entertain an idea which any Senator might entertain. Are we to say that we are the only ones who believe in the Constitution and Declaration of Independence? We take our oath of office to do our duty. If an American citizen, no matter how humble, holds to a certain belief, should we, merely for that reason, deny him the confirmation of his nomination to an office to which the President of the United States has appointed him?

Mr. DIRKSEN. I think the Judiciary Committee was entirely within its rights in pursuing one line of questioning or another. It is always for the nominee, with a proper concept of propriety, to determine whether or not he should answer the questions. That is a matter which only he could determine under the circumstances. So I do not quarrel for a moment with the questions which were asked. I say only that we ought to get the issue into its proper focus, because it will arise over and over and over again, every time the United Nations Charter is invoked in some domestic action at law or in equity. So let us go back to the basic issue. Let us go back to the document which was ratified by this body, and which, under the Constitution, is made the supreme law of the land. That is where we must go.

Mr. CHAVEZ. I agree with everything the Senator from Illinois has had to say. I sincerely and conscientiously believe that the Constitution and the Declaration of Independence are supreme over anything, regardless of what others might think, either correctly or incorrectly. Merely because Congress takes a certain action, I cannot for a moment see why a citizen of this country should not be free to entertain the idea that Congress might have been mistaken.

Mr. DIRKSEN. I will say to my friend from New Mexico that that is really not the issue. The issue I have been belaboring is simply this: When we effectuate a treaty, under our constitutional processes we give it the dignity of supreme law. Then the question arises: Is there language which, by reasonable interpretation, can supervene and contravene the rights of the people in a case under domestic law? The first paragraph of the Bricker resolution provides that a treaty shall not have the effect of internal law unless it is implemented, or unless it is consonant with the Constitution.

Mr. CHAVEZ. I voted for the Bricker resolution when it came before the Senate at the last session and if I have the opportunity it is my purpose to vote for it again. But until the Bricker resolution becomes the law of the land, or a part of the law of the land, there is no particular reason why, under our form of government, we should not pass judgment on a man whom I consider a pretty good citizen.

Mr. DIRKSEN. It seems to me that as a result of the discussion finally there will come an awakened interest in the substance of the Bricker resolution. I fancy that in due course the country will respond, because the people will see what the real issue is.

Mr. BARKLEY. Mr. President, I shall be very brief in my observations regarding this nomination.

I do not know Judge Harlan personally. So far as I now know, I never met him. I casually knew his father, who lived in Kentucky many years ago and moved to Illinois. That is the only thing I could hold against him.

As a boy in Kentucky, I was a great admirer of the nominee's grandfather, John Marshall Harlan, whose very name carries us back almost to the origins of our country, in the traditions of the American bar.

The original Justice Harlan was born in my State, in the county of Boyle. He became a county judge of that county. For 4 years he was attorney general of the State of Kentucky. Twice, in 1871 and 1875, he was the Republican nominee for governor of the State from which I come. Of course, in the state of political affairs at that time that was a hopeless honor, because he could not be, and was not, elected. In November 1877, the month and year in which I was born, he was appointed to the Supreme Court of the United States.

If I am not mistaken, he served longer than any other Justice of the Supreme Court in the history of the United States except John Marshall himself. Justice Harlan served as a Justice of the Supreme Court, as I recall, 34 years, and John Marshall, for whom Justice Harlan was named, served 35 years. He was not only one of the longest in service, but he was one of the most independent and outstanding Justices of the Supreme Court.

If the sins of the father are to be visited upon his sons to the third and fourth generation, surely the virtues of the father also should be visited upon his sons to the third and fourth generation.

I mention these circumstances merely to set forth the background of the nominee to the highest court in our land. I may be partially actuated by sentiments revolving around my own State. I may be partially actuated by the great admiration I had as a youth for Justice Harlan.

However, in view of that, and in view of an utter lack of any implications which would disqualify the grandson of Justice Harlan to be a member of the Supreme Court of the United States, I feel it my duty not only to vote for the confirmation of his nomination but to speak these brief words in support of confirmation by the Senate.

Mr. President, every time we vote to confirm the nomination not only of a member of the Supreme Court but of any other member of the judicial system, we take a chance. We take a chance on how a man's mind will work when he dons the robes of a Justice of the Supreme Court. We assume a risk. We cannot always know in advance everything—and probably we should not press an inquiry along that line—concerning how any nominee for appointment to the Court will decide a given case. He cannot know all the ramifications of a case. He cannot know in advance what the evidence will be and what the circumstances will be. Therefore we must trust the members of the Court as we must trust ourselves, and as we must trust other nominees whose confirmation we are called upon to consider.

I have only a meager knowledge of the personality of the nominee in this case. However, I understand that he had an honorable career at the bar. Like all lawyers, including some of us, he took cases as they came to him. There is no evidence that he ever went forth chasing cases. He was not an ambulance chaser. He was a dignified lawyer. He hung out his shingle and awaited clients. Clients came to him. He was a successful lawyer at the New York bar. The fact that he was appointed a judge of the court of appeals only a year or so ago does not militate against him or his qualifications. If that were a disqualification, many of the present members of the Supreme Court would not have been qualified to be appointed or confirmed. Many of them did not serve on any court prior to their appointment to the Supreme Court.

I shall not now discuss the Bricker amendment, but I shall discuss it if it comes before the Senate. I was not in the Senate last year, when it was voted on. Probably I shall be here when and if it is voted on again. I do not wish to bring that subject into this discussion. I do not believe it is important so far as the nomination of Judge Harlan is concerned.

Neither do I regard as important the fact that Judge Harlan was a nominal member of the advisory board of an international organization. Many good men have been enticed into membership in organizations which seem to be working in behalf of good causes designed to benefit mankind.

As the Senator from Illinois [Mr. DIRKSEN] has stated, many of us have been solicited from time to time to join such organizations. I had a similar experience several years ago. I joined the advisory board of an organization which seemed to be designed to benefit the American people. Later I found that it was giving out propaganda and statements and taking positions with which I did not agree. I immediately resigned. I never took any active part in it. However, that experience is likely to come to any man who has any public consciousness or who has any desire to allow his name or his influence to be used in behalf of some great cause that appeals to many people. I see nothing in that. I see no implication, so far as Judge Harlan's future attitude on public questions may be concerned, in his membership in such an organization.

I have many good friends who have been members of it. I have myself declined to be. That does not mean that I have lessened my respect for men who have seen fit to join such organizations in some capacity that appeals to them, in view of the world confusion and the world problems of today.

Mr. President, as a Kentuckian and as an admirer of the Harlan family, which until recently lived in the county of Boyle in the State of Kentucky, in which the grandfather of the nominee, the great Justice of the Supreme Court, was born and lived, I feel it my duty to vote for the confirmation of the nomination of Judge Harlan to be a member of the Supreme Court of the United States.

Mr. CHAVEZ. Mr. President, I shall be very brief. Notwithstanding the fact that the Senator from Kentucky and I are of different national origins, I believe we have something very much in common. We are emotional. I believe that possibly I, more than anyone else in the Senate, have been the beneficiary of the best things that are American. It is in that vein that I wish to speak to my fellow Members of the Senate today.

I, too, know the background of the nominee. I do not know the nominee personally. However, I have not only a sense of appreciation of my fellowman, but I have also a sense of duty toward my fellowman.

It was not so long ago when Ohio and Indiana and even Kentucky were a part of the great West. If anyone went beyond the New York line or the Pennsylvania line, he was lost. So far as Ohio and Kentucky and Indiana and even Illinois are concerned, they were populated by people who moved there from other States.

When we think of the Harlans in Kentucky, we think of the people from other States that settled in Kentucky. When we think of the appointment of the nominee's grandfather, in 1877, of what does it remind us?

It does not remind us of the present President of the United States, or of the previous President of the United States. It reminds us of the ideals of Rutherford P. Hayes and of the people of those times, descendants of Anglo-Americans, who came to this country to carry out the ideals of free nations. It was from the descendants of Daniel Austin, of Vermont; Moses Austin, of Missouri; and Steven Austin, of Texas; and of the Austins that Rutherford B. Hayes came.

In my opinion, Tilden should have been elected. I happen to be on the other side of the fence politically, but I think Hayes made a great contribution by having in mind, at least, the fact that the Constitution had to be interpreted by Americans, irrespective of party politics, and he did select John M. Harlan, of Kentucky, to be an Associate Justice of the Supreme Court of the United States.

I shall vote for the confirmation of the nomination, without knowing the nominee. But I have read the hearings, and I think he will make a great Justice of the Supreme Court. Many persons think a nominee for the Supreme Court must have had experience. The best judges I have ever known were lawyers whom the people elected at the grassroots. They would interpret the law in the first instance. An average person would not have an opportunity to be appointed to the Supreme Court. On that

Court we wish to have the best lawyers in the first instance. I believe this nominee, with his fine historical background, has an understanding of the philosophy of English common law and an understanding of the philosophy of a free government. I do not wish him to tell me how he should decide cases. If I should do so and he should follow my advice, I would not be in favor of the confirmation of his nomination. I wish him to decide cases as he sees them, as he understands the facts and the law.

Mr. JENNER. Mr. President, the people of the United States are deeply concerned over the appointment of a new Justice to the Supreme Court of the United States. They are especially concerned because of attempts to limit the sovereignty of the American Government through the United Nations Charter, and proposals for an Atlantic Union.

From persons in my own State and in other States I have received many letters, asking me to weigh the new appointment in the light of the long debate over the Bricker amendment, showing the dangerous expansion of the executive power through treaty-made laws.

Our people have also been disturbed more than a little by the facts revealed in the Sioux City Cemetery case in which the Court was evenly divided on a question involving the effect of treaty law on a private cemetery in Iowa. The decision carried to a critical point the danger revealed in the steel seizure case, in which three members of the Supreme Court were of the opinion that the President of the United States had the power and the duty, under the obligations of treaty law, to seize property which he was forbidden by the American Constitution to touch.

I share the doubts and concern of my fellow citizens. I agree that the new appointment to the Court is of transcendent importance. I have decided, nevertheless, to vote for the confirmation of the nomination of Judge Harlan. He is, I believe, fully qualified professionally for the position. He has stated that he will meet all issues with full obligation to his oath to support the Constitution.

But, Mr. President, the Senator from Illinois [Mr. DIRKSEN] put his finger on the spot. The United Nations Treaty is as much a part of the Constitution as is the Bill of Rights. If the Congress, by its ratification of that treaty, has diluted the American system of government, then it does not matter whether we place Judge Harlan on the Supreme Court bench or whether we place there the most conservative man we can find in the Nation. He would still have to uphold the law and the Constitution; and the United Nations Treaty is the supreme law of the land.

So, Mr. President, the only way we are going to remove these doubts of the American people is by political action, namely, for Congress to pass the Bricker amendment and also to take back the power it has given away.

This leaves the crucial political issue before us, with all the threatened dangers. The sovereignty of the United States is being eroded, and the Constitution is being undermined. Sixty-one Members of the United States Senate have voted, in the George amendment, that our Constitution needs new bulwarks to protect it against the strong currents leading, by way of treaty law, to a supergovernment.

I take the position that the duty of protecting the Constitution rests on Congress. It cannot be shifted by Congress to any other branch of government.

If Congress has passed a law, or the Senate has approved a treaty, which leads to diminution of American sovereignty, the members of the judicial branch have no choice but to interpret the law or the treaty as Congress has approved it.

I cannot ask a nominee for Justice of the Supreme Court to interpret the law in any way except the way Congress has written it.

The Supreme Court has been meticulously careful to observe the line between political and judicial powers. It has fully upheld the right of Congress to pass any laws and make any political choices within the limits set in the Constitution.

Congress is the branch of Government responsible for deciding political issues. The Executive has no choice but to administer the law as written. The courts have no choice but to interpret the law as written.

All the political winds and currents bear on Congress. It resolves those pressures into a set of policies which will serve the interests of the Nation as a whole.

This high task of weighing the diversities of interest and inclination within the Nation and shaping them into a truly American policy embodied in law I would not surrender to any other branch of Government if I could.

If Congress is dissatisfied with the results of its legislative acts, the whole responsibility to undo the damage rests on Congress.

At this time I should like to point out, Mr. President, the specific remedies which lie within our power.

Congress has passed a number of laws since the end of World War II which dilute American sovereignty. These include adoption of the U. N. Charter, the NATO agreement, the Status of Forces Treaties, and provisions in the mutual-security bills which permit the President of the United States to assign members of the Armed Forces and of civilian Government agencies to foreign governments or international agencies.

On January 8, 1954, the late Senator Pat McCarran, former chairman of the Senate Judiciary Committee, analyzing the legal implications of the U. N. Charter, stated on the Senate floor that:

> Today under the present state of the law, the Congress of the United States is no longer a legislature of delegated powers, to be exercised within prescribed limits, but a legislature of unlimited and undelegated power.

The checks and balances in the Constitution had already been removed by congressional approval of treaties which permitted or even compelled Congress, in honor, to pass laws contrary to the Constitution. The former chairman of the Judiciary Committee reminded us that any judge—and that includes Judge Harlan or any other person who might have been nominated—trying to decide on the constitutionality of a law today would have to hold the Constitution of the United States in one hand and the U. N. Charter in the other.

A few days later I myself stated that, under article 56 of the U. N. Charter, which the Senator from Illinois [Mr. DIRKSEN] just read to the Senate, the American Congress had pledged itself to "take joint and separate action," not in its own best judgment but "in cooperation with" the United Nations, that is, only in a form acceptable to the United Nations, to carry out the objectives of article 55, which pledged a world welfare state.

I say to the Senate that the question of saving our country and our liberties cannot be hung on some judge whose nomination is before the Senate for consideration. We must, by political action, withdraw the power we have passed on to others by the ratification of treaties which destroy the liberties of our country. That is where we find ourselves today, in the middle of the 20th century. The sooner we face up to this condition the sooner will the necessity of our meeting such problems day by day disappear. There is no sense in taking chances.

I heard the distinguished Senator from Mississippi [Mr. EASTLAND] quote from the speech of Secretary of State Dulles in Louisville, Ky. Then I heard the Senator from Mississippi quote Judge Harlan to the effect that Secretary Dulles had added to his statement since that time. Yes, I will tell Senators what the Secretary added to that speech.

He said, "What I said in Louisville, Ky., was right; but now that we have a Republican administration in office, trust us."

Mr. President, I trust no political party with the liberties and the future of my country. Why should we take a chance of any kind? Let us write safeguards into the law. Then when an official steps out of line he can be impeached.

"Trust us?" I am concerned about the danger to our national sovereignty which may come from future agreements drafted by the executive department or from future decisions by the Supreme Court.

The greater danger, however, is here now, and the duty of protecting our national sovereignty lies with us in Congress.

I shall not take the time of the Senate for any criticism of present or former Members of Congress. I know how these matters are conducted. The old propaganda machine is organized; and all the pinkos, eggheads, commentators, and columnists start grinding. Then up comes a United Nations treaty.

Mr. President, it was in August 1945 that the United Nations Charter was ratified by the Senate by a vote of 89 yeas; with only 2 Members voting against it.

We did not know that the Iowa Cemetery case was coming up; but it is here. That is what we are facing in the 20th century.

I do not wish to criticize past Congresses, because they are like some I have seen. Members do not even know what is contained in many treaties, and, naturally, they do not know what is contained in executive agreements. So we cannot be held accountable for them. There are thousands of them in existence today.

I have come to the conclusion that both Congress and the American people suffered a kind of shellshock during World War II, which was the effect of the monstrous misapplication of American energy we call unconditional surrender. We have hardly begun to estimate the errors, and confusions, and losses of those fateful years.

It is not our task to blame earlier Congresses for passing this legislation to reduce our sovereignty. But our people will blame the present Congress if it does not set to work at once to undo the damage.

I say the Bricker amendment, or the George amendment, or whatever it is desired to call it, should be brought before the Senate immediately. Then it will not be necessary to worry about the confirmation of the nomination of Judge Harlan or of anyone else. Protection will have been written into the law. It will not be necessary to depend upon men. The safeguards will have become a part of the body of law of the United States, which is not a government of men.

The advocates of supra-national sovereignty plan to subordinate our national security to that of other nations, to change our basic law, dilute our population, divide our national resources, and blot out the American way of life.

The first safeguard needed to protect our Nation is passage of the Bricker amendment which, in the form of the George amendment, received 61 votes in the Senate only last year. I need add nothing to what has been said of the importance of its early passage by this Congress.

I am greatly concerned about the fact that this is the year for revision of the United Nations Charter. Do Senators know that Congress already has appropriated many thousands of dollars for the study of the revision of the United Nations Charter, which is to be considered this year, I believe in September?

Supporters of restricted sovereignty for the United States are aggressive, well-organized, and well supplied with funds. They are busy shaping public opinion in all parts of the United States. What are the guardians of American sovereignty doing? The answer is: Nothing. Shall we sit and wait until a completed program is presented to us, with a well-organized prapaganda support, and then wring our hands, and say, "It is too late. We can do nothing. I do not particularly like it, but I am going to go along"?

How many times have I heard that statement on the floor of the Senate?

I intend to submit a resolution, Mr. President. I hope it will not be buried and forgotten, because I think it will be vital to the questions we are discussing today. I shall ask that the Senate Committee on Foreign Relations be authorized to prepare a complete report on all the legislation, treaties, amendments of treaties, executive agreements, court decisions, and other acts of government which have effectively reduced American national sovereignty. The report should also point out what action by Congress would be needed to reestablish in full the sovereign power of the United States and to protect its security, its population, its economic resources, and its way of life.

We shall then have complete and well-documented briefs on both sides of this great issue. The issue can be clearly seen. The decision will be made where it should be made, in full and open debate, on the floor of Congress, with plenty of time for full discussion by men and women who are responsible to the electorate for their decisions. It will not be confused with the debate on the confirmation of the nomination of a judge who can only interpret the law as Congress has written it.

CONVICTION OF HARVEY MATUSOW

Mr. EASTLAND. Mr. President, as some of my colleagues may already know, Judge Thomason, of the United States district court, in El Paso, Tex., today found Harvey Matusow guilty of criminal contempt in his effort to obstruct justice in the case of Clinton Jencks. Judge Thomason sentenced Matusow to 3 years in prison. Appeal bond was set at $10,000.

Judge Thomason's conduct and actions in this matter have been refreshing, and wholly praiseworthy. What Judge Thomason has done cannot help but add luster to the Federal bench, and contribute to the confidence and respect which the people of America have for the Federal judiciary.

Matusow's conduct before the Federal court in Texas, as it has been reported, was, like his conduct before the Internal Security Subcommittee, which I witnessed, a shoddy and reprehensible performance. Matusow's efforts to sell a pack of lies to serve the purposes of the Communist conspiracy provided a nauseating spectacle.

Cross-comparison of what Matusow said in his affidavit in the Jencks case, what he told the Internal Security Subcommittee, what is stated in the book False Witness, which bears Matusow's name as author, and what Matusow told his publisher, Albert Kahn, during tape-recorded sessions in which the book was shaped up, shows not only the duplicity of Matusow and the complicity of Kahn, but also gives an excellent illustration of the intellectual dishonesty of the Communist mind.

In his affidavit, in the case of United States against Clinton E. Jencks, Matusow said:

> There was no basis for my stating that Clinton E. Jencks was a member of the Communist Party at the time I stated so in court.

The author of False Witness says in that book:

> I have stated on the witness stand that in July and August 1950 I had visited the San Cristobal Valley Ranch in Taos, N. Mex., and that I had met Jencks there. I testified that I had three conversations with him in which he told me he was a Communist Party member. Actually, there was no basis whatsoever for this statement of mine; and in January 1955 the lawyers for Jencks' defense received from me a sworn statement to that effect.

The following are excerpts from the hearing record of the Internal Security Subcommittee:

> Senator DANIEL. Do you deny that Jenny Wells Vincent and Craig Vincent were members of the Communist Party?
>
> Mr. MATUSOW. I didn't know them as Communists.
>
> * * * * *
>
> Mr. SOURWINE. Do you know whether Clinton Jencks ever was a member of the Communist Party?
>
> Mr. MATUSOW. Of my own knowledge?
>
> Mr. SOURWINE. Yes.
>
> Mr. MATUSOW. No; I don't, sir.
>
> Mr. SOURWINE. When you first went to the San Cristobal Ranch in New Mexico in 1950, did you know it was operated by the Communist Party?
>
> Mr. MATUSOW. No, sir; I did not.
>
> Mr. SOURWINE. Do you know whether it was operated by the Communist Party?
>
> Mr. MATUSOW. No, sir; I didn't.
>
> Mr. SOURWINE. Do you know now whether it was then operated by the Communist Party?
>
> Mr. MATUSOW. No, sir.
>
> * * * * *
>
> Mr. SOURWINE. Mr. Matusow, can you say concerning any of the persons you have named as having been met by you, or known by you at San Cristobal Valley Ranch that to your knowledge they were not Communists?
>
> Mr. MATUSOW. I don't know one way or another, sir.

During the tape-recorded conversations between Matusow and Kahn, in advance of the actual writing of the book, but in preparation for writing the book, when Matusow was "talking it out" to Kahn, in accordance with outlines worked up by Kahn, the following colloquy took place:

> Mr. KAHN. Now let me ask you this for example—'cause I think this could come in well. You say in your testimony you met one of the Vincents at a Communist party—at the Albert Hotel. Now actually, what was that party?
>
> Mr. MATUSOW. Oh, I was being very flippant. I think I said it was a "hootnanny" or a "wingding." An affair put on by Peoples Artists. No, it's unimportant here what it was. It wasn't a Communist Party party. There's a difference, you see. I drew the line to myself. A Communist-front party—so it's a Communist party. I said Vincent was introduced to me as a Communist Party member. I wasn't introduced to him saying this is Craig Vincent. He is a party member. No, not like that. The intangible again. Vincent was a party member. I knew Vincent was a party member from talking to him. When I was expelled from the Communist Party, Vincent received the information from the party directly—through the party organization in New Mexico. I knew this, too. There was no doubt in my mind about Vincent's party membership. When—I mean that I can't say that I didn't—there was—I can't say that I really didn't know that Vincent was a party member. Then I'd be lying. I knew he was a party member and I said so. I knew Jencks was a party member and I said so. I can't say here that Jencks wasn't a party member after he signed the affidavits because I know that he was. But I shouldn't have testified. That's the important thing.
>
> Mr. KAHN. Why do you say you know he was?
>
> Mr. MATUSOW. I say I know he was—I mean in this way. Men like Ben Gold who

have been indicted on the same charge. He officially resigned from the Communist Party. Jencks also officially resigned from the party. Or he could have. Let's put it that way. But in—to my mind—then, in my thinking, it made him no less a Communist because he put a piece of paper down and said I'm no longer a member. As far as I was concerned, Jencks was still under Communist Party discipline. And there's a difference. He legally, according to the law, might not have been a member of the party. It didn't know that difference. Jencks didn't change his thinking because he issued that scrap of paper.

The same man who made that statement went on to tell an entirely different story in his book, and before the Internal Security Subcommittee, and in Judge Thomason's court in El Paso.

But the strategy of the forces behind Matusow has failed because of the honesty and integrity of a competent Federal judge. Once more, the system of American justice, at which the Communists scoff, and which they seek to pervert or destroy, has resisted a Communist onslaught and has emerged with vigor undiminished and with honor untarnished.

THE INTERNATIONAL COMMUNIST TYRANNY

Mr. McCARTHY. Mr. President——

The PRESIDING OFFICER (Mr. NEUBERGER in the chair). The Senator from Wisconsin.

Mr. McCARTHY. Mr. President, I think I am enough of a nationalist not to be apt to become so concerned about foreign peoples as I do about Americans—as I have been concerned, for example, in the fate of the 526 American servicemen languishing in Chinese Communist dungeons. But I want to speak today about a matter involving foreign peoples, a matter that has weighed heavily on my mind for some time, as I am sure it has on other Senators' minds. I desire to talk about 100 million eastern Europeans, who are held captive by the international Communist tyranny. In a very real sense, these enslaved millions hold I O U's against the United States of America. These I O U's are not financial obligations; they are claims on our national honor.

We need not think of our obligation to Eastern Europe in altruistic terms—in terms of Uncle Sam's duty to dispense charity all over the world. The obligation is based rather on the solemn word of the United States—on pledges indelibly written in the books of history. It is also based on deeds, shameful deeds, committed by a Democrat administration in the name of the American people, at a small Russian town called Yalta.

The pledges I mention were noble pledges; and they had, I believe, the support of the American people. On August 12, 1941, on board an American warship in the mid-Atlantic, the President of the United States and the British Prime Minister issued a declaration, which—by the time we actually became involved in the Second World War—became the official statement of our war aims.

In the Atlantic Charter we said:

> We * * * desire to see no territorial changes that do not accord with the expressed wishes of the people concerned. * * * We respect the right of all peoples to choose the form of government under which they will live; and * * * we wish to see sovereign rights and self-government restored to those who have been forcibly deprived of them.

ANNOUNCEMENT THAT YALTA AGREEMENTS ARE BEING MADE PUBLIC TODAY

Mr. GEORGE. Mr. President, will the Senator yield to me for just a moment, in order that I may make an announcement?

Mr. McCARTHY. I shall be glad to yield for that purpose.

Mr. GEORGE. The chairman of the Senate Committee on Foreign Relations is advised that the executive branch of the Government is making public today the Yalta agreements, and that a copy of the agreements will be sent to the committee for the use of the committee or for the use of anyone who wishes to inspect the agreements.

I thank the Senator from Wisconsin very much for yielding.

Mr. McCARTHY. Mr. President, did I understand the Senator from Georgia to say that the agreements are being made public?

Mr. GEORGE. They are being made public today, and a copy is coming to the Senate Committee on Foreign Relations.

Mr. McCARTHY. I thank the Senator very much.

In connection with his announcement, I believe I should point out that yesterday I discussed the matter of the Yalta papers with one of the very reputable officials of the State Department, and he admitted to me at times as many as 150 persons were engaged in the job of censoring the Yalta papers. He maintained that they had done a fine job of it; that they tried to go down the center; but he said he had to admit that a large number of persons were engaged in censoring the Yalta papers. So what the Senator will get will not be the entire picture of Yalta.

Mr. GEORGE. That may or may not be the case. I do not express any view on that statement. I am simply giving to the Senate the information as I received it.

Mr. McCARTHY. I know the Senator is.

Mr. President, I continue with my statement.

I have read, Mr. President, our message of encouragement to people the world over whose liberty and homelands had been taken from them. The message did not fall on deaf ears—especially after America entered the war and put her military might behind her moral assurances. It was heard, for example, in Poland—gallant Poland, persuaded by her allies, as the war began, to wage, singlehandedly, a hopeless battle of resistance, yet willing to contribute the blood of her sons to the cause of freedom even after the homeland had been overcome by German arms and Soviet treachery. There can be no question that the decision of Polish divisions to join the fight abroad was prompted, in part, by America's promise that Poland's self-government and freedom would be restored. Then there was the heroic Warsaw uprising against such frightening odds in the summer of 1944. The battle would never have been undertaken were it not for the faith of the Poles in the promises of their allies. The indignant reaction in America to the barbaric and treacherous Soviet decision to let the uprising fail is proof we Americans intended at that time to vindicate the Poles' faith in us.

The story of Poland is only illustrative of what happened elsewhere in Eastern Europe. Rumania, Bulgaria, Yugoslavia, Hungaria, Czechoslavakia, Albania, Latvia, Lithuania, Estonia—all committed precious human lives and fortunes in support of underground guerrilla activities, trusting in our promises of deliverance. In Yugoslavia, for example, the valiant Chetniks, under General Mihailovitch, fought for 4 long years to preserve Yugoslav freedom against first the Nazi, then the Communist tyranny.

All of this sacrifice and devotion was, as I say, action in reliance on our promises. These people were encouraged to resist—not with the idea they would become Communist captives the moment they were rescued from the Nazis, but rather with the idea that they would be permitted to hold their heads high and walk in freedom again.

But, Mr. President, then came the great betrayal. As the war was drawing to a close, 3 men—Franklin Roosevelt, Winston Churchill, and Joe Stalin—men whose 3 countries were committed to the Atlantic Charter's guaranty that freedom and self-determination would be restored to the conquered peoples of Europe—met at Yalta and calmly decided to hand over 100 million human beings to the Soviet tyranny. The master plotter was, of course, the bandit Stalin. But the blame for the treachery is shared equally by the heads of the 2 western democracies who, with hardly a whisper of protest, consented, "in the interest of world unity," to put 10 nations in chains.

That deed, Mr. President, stained American honor as has no other deed in history.

The magnitude of the deed was only gradually appreciated. But when the truth about the Yalta agreement came to light, America was angry, her conscience was stung. Although most of us had nothing to do with the treachery, we had been committed by our leaders to the wrong, and so we were determined to undo the wrong.

The Republican Party decided to take steps to salvage American honor. In its platform of 1952 the Republican Party declared that if we were elected we would repudiate the Yalta agreement. We made a solemn pledge to the American people that if they should see fit to give us the reigns of Government, we would undertake to retrieve American honor. Repudiation of Yalta was a part, but a very important part, of our program to put America on the initiative in the world fight against Communism and to give our policies a moral tone that they had theretofore lacked. It was a part of the great policy of liberation to which, as a party, we pledged ourselves. I wonder how we will explain this in 1956 as we again campaign for office. I read

new from the Republican platform of 1952:

Teheran, Yalta, and Potsdam were the scenes of those tragic blunders with others to follow. The leaders of the administration in power acted without the knowledge or consent of Congress or of the American people. They traded our overwhelming victory for a new enemy and for new oppressions and new wars which were quick to come.

* * * * *

The Government of the United States, under Republican leadership, will repudiate all commitments contained in secret understandings, such as those of Yalta, which aid Communist enslavements. It will be made clear, on the highest authority of the President and the Congress, that United States policy, as one of its peaceful purposes, looks happily forward to the genuine independence of those captive peoples.

We shall again make liberty into a beacon light of hope that will penetrate the dark places. That program will give the Voice of America a real function. It will mark the end of the negative, futile, and immoral policy of containment which abandons countless human beings to a despotism and godless terrorism, which in turn enables the rulers to forge the captives into a weapon for our destruction.

Thus we promised to repudiate Yalta and the policy of containment.

It will be remembered that, depending upon the word of President Eisenhower and Secretary Dulles, Republican candidates all over the country promised a new foreign policy. We told the American people that the Truman-Acheson-Marshall policy of containment was ineffectual practically and contemptible morally. We said—and some speeches of ringing eloquence were made on this subject by the Presidential candidate and his choice for Secretary of State—that it was not enough merely to attempt to hold the line, but America must set her sights on the liberation of the enslaved peoples of the world.

Of course, a liberation policy was 100 percent inconsistent with the Yalta agreement which formally authorized slavery. Thus, as a first step toward liberation, we pledged ourselves to erase the black stain of Yalta. That was our solemn promise to the American people.

Today—nearly 2½ years after the American people registered their approval of the Republican platform—what does the record show? How does the Republican Party's performance stack up against its promises? The record, I regret to say, is no credit to the Republican Party. Yalta has not been repudiated. Our word has not been made good.

Let me say in this connection that it is not easy for me to criticize the Republican Party, and I suppose it would be shrewd not to do so. I have been told on a great number of occasions by my friends that I ought to desist from criticizing Republicans. I have been told that that is the surest path to political oblivian. Perhaps it is, Mr. President. So what? What is my job as a United States Senator, just to survive? I remind my Republican colleagues that I, and they, too, stumped the country in 1952—we addressed audiences from New York to California, from New Orleans to St. Paul—on the theme that the Democrats had a record of placing party above country.

Mr. President, may we have order? I wonder whether the function of the Chair is to keep order.

The PRESIDING OFFICER (Mr. NEUBERGER in the chair). The Chair wonders whether he has to enter into a discussion with the Senator from Wisconsin about the function of the Chair. There is order in the Chamber.

Mr. McCARTHY. Mr. President, may we have order?

The PRESIDING OFFICER. There is order.

Mr. McCARTHY. Mr. President, we claimed—and I think with voluminous evidence to support us—that many Democrats had put their personal political fortunes ahead of principle and the national interest. How are we to interpret our election? As a mandate to go ahead and do precisely what we had accused the Democrats of doing? I think not. I am a Republican, root and center, first and last. But I think the honor, as well as the success, of the Republican Party depends upon our playing square with the American people. So I say to my friends—to my practical friends—who advise me to go easy on Republicans, that, frankly, I am not optimistic of our chances in 1956 if we go before the American people with a series of broken campaign promises.

Let me hasten to add that the Republican Party as a whole is not to blame in this respect. It was only a matter of days after a Republican administration took office and a Republican majority was installed in Congress—in January of 1953—that a resolution repudiating the Yalta agreement was framed. That resolution, initially, had the support of a vast majority of Republicans in Congress. But it was not passed. It was not passed, in part, because the Democrats were opposed to it. At the margin, however, we must admit that the resolution failed because powerful pressure from the State Department and from the White House discouraged certain Republicans from supporting it.

I have no way of knowing the motives of the administration. But I can make some educated guesses about them. I would guess that the answer lies in the disposition and in the power of certain entrenched bureaucrats in the State Department, for repudiation of Yalta meant repudiation of them.

These men were holdovers from the Roosevelt-Truman-Acheson days. They are the likes of Charles Bohlen, who, as will be recalled, was made the Eisenhower administration's Ambassador to Russia, notwithstanding the fact that at Yalta he represented the State Department's Eastern European Division, and notwithstanding the fact that as late as 1953 he stoutly defended Yalta. These holdovers from the Roosevelt-Truman-Acheson regime exert a powerful influence on the shaping of American foreign policy even today. Some of them, unfortunately, are as inclined today to appease international communism as they were in 1945.

Not all, however, are holdovers from the Roosevelt-Truman-Acheson regime. A man whose advice is accepted above that of anyone else at the White House is Milton Eisenhower. My authority for this is President Eisenhower himself. Here is what he had to say in the New York Times of October 1, 1950:

I consider Milton to be a great liberal in the best sense of the word. I look on a liberal as a man trying to meet the problems of his day while still recognizing the indispensable requirements that we preserve human dignity and freedom.

The man's breadth of experience is really quite a remarkable thing. He is at once at home with ideas and also so practical. I ask his advice in things where I'm anxious to get down exactly what I mean. I think I'd rather take his views than those of anyone else. He's a unique baby brother—he's got the respect of all the older ones.

Who is Milton Eisenhower, who exerts such a tremendous influence on our foreign policy. Perhaps to get a picture of him, we should quote, from the Tydings committee hearings, Esther Brunauer reading a letter from Milton Eisenhower. Esther Brunauer was one of those I named as a security risk, and who was removed from the State Department on security grounds. I quote from page 299 of the Tydings Committee hearings:

Mrs. BRUNAUER. Yes. Then I have one more, Mr. Chairman, from Judge Marion J. Harron, who has known me since I was in high school. May I also read a personal letter from Mr. Milton Eisenhower. He said—

And now I read the letter from Milton Eisenhower to Esther Brunauer, who was "canned" from the State Department as a security risk because of her Communist connections—

DEAR ESTHER: I am happy you wrote me, because I have been so angry about the McCarthy charges that I have been wanting to take some kind of action. You give me the very opportunity I need. The first letter I wrote for you just smoked with adjectives. Then I decided you didn't want that kind of testimonial, so I send the attached very calm letter. If it isn't exactly what you want, please let me know at once.

I will see you in April at the commission meeting.

Incidentally, Mrs. Brunauer's husband was a close friend of Noel Field, who disappeared behind the Iron Curtain, and was dropped from the Navy Department because of Communist connections.

Then there was Owen Lattimore. I quote from page 224 of the McCarran committee report, where he is described:

Owen Lattimore was, from some time beginning in the 1930's a conscious articulate instrument of the Soviet conspiracy.

Here is the letter in full, from Milton to "dear Owen":

KANSAS STATE COLLEGE OF
AGRICULTURE AND APPLIED SCIENCE,
Manhattan, October 22, 1943.

Mr. OWEN LATTIMORE,
Director, Pacific Operations,
Office of War Information,
San Francisco, Calif.

DEAR OWEN: Thanks a lot for your informative letter. To tell you the truth, I was a little ashamed of myself not to have the appropriate information at my finger tips when Captain Arthur Farrell made the statements he did. Anyway, I now have the information direct from you and will be prepared for the next occasion.

Since I have been home here in Kansas I have made three rather extensive talks on

psychological warfare throughout the world and I talk on domestic war information. The audiences have been keenly interested and subsequent to the discussions have indicated a friendly attitude toward OWI.

Nothing would please me more than to have you stop in Manhattan when you are on one of your trips from Frisco to Washington. I do not mean to impose unduly on my friends but I am willing to impose on them a little. It would not only be fun to have a visit with you but I should like to have you carry on a few forum discussions at the College. You have had so much experience along this line that I needn't tell you that you would enjoy it. Of course you would.

Sincerely,

MILTON
M. S. Eisenhower.

I mention Milton Eisenhower merely because he is typical of the palace guard of New Dealers which lead Ike around without his ever knowing exactly where they are taking him.

Mr. President, the hour is growing late. A number of Senators have indicated that they are eager to reach a vote on the Harlan nomination. I understand that the yeas and nays have been ordered, so Senators do not wish to leave the Chamber. I indicated to one Senator that after I had progressed to a certain point in my speech I would be willing to have the rest of it inserted in the body of the RECORD, the same as though given, and yield the floor for a vote. So I now ask unanimous consent that the remainder of the speech be printed in the RECORD at this point.

Mr. JOHNSON of Texas. Mr. President, I have no objection to the Senator inserting his statement in the RECORD at this point.

The PRESIDING OFFICER. Without objection, the remainder of the statement will be printed in the RECORD.

The remainder of Mr. MCCARTHY'S statement is as follows:

What the White House offered as an alternative to repudiating Yalta was that Congress verbally slap the wrists of the Communists by reproaching the Soviet Union for having breached the Yalta Agreement. This was the administration's way of making good on our campaign promises.

Do not get me wrong. The Communists should be criticized for going even farther toward enslaving people than we had expressly agreed to let them go. But that sort of thing is old hat. The Communists have an unblemished record of breaking every agreement they have ever made as long as it is in their interest to do so. The American people know this and have known it for a long time. We Republicans did not waste our breath talking about that during the 1952 campaign. We talked rather about the agreements themselves, and pointed out that they were evil. What we Americans did in signing the agreements was evil. I ask my good friends not to be misled by that strange version of morality which says it is wrong for us to denounce Yalta because we always should keep agreements we have made. If you and I agree that together we will murder someone and later you realize that what you did was wrong, the way to redeem yourself is not to say "I will stick by my agreement," but rather "I will denounce the agreement and do whatever I can to prevent the murder."

Let us be very clear about why what we did was wrong, and why we are being dishonest with ourselves when we blame the Communists for doing pretty much what we agreed they could do.

At Yalta we agreed in effect that the Communists could have Poland. Let me refresh the minds of Senators as to the situation in Poland at that time. As you will recall, there were two claimants to the Government of Poland: one, the so-called Lublin Provisional Government, which was nothing more than a committee of Communists appointed by the Soviet Union to take over Poland, and the other, the officially recognized Polish Government-in-exile, which had its headquarters in London. Before Yalta it was the view of the American and British delegations that representatives of the Lublin group and the London Government should meet, and then under the direct supervision of all the Allied Powers should conduct free elections. I may say that even then we were promoting the unrealistic idea of a coalition government, including Communists; but at least we had the good sense to propose that any elections be supervised by Americans and British along with the Russians. But this proposal was distasteful to the Communists, so we agreed to what Stalin wanted. I now quote from the Yalta protocol, which we signed:

"The provisional government (meaning the Communists) which is now functioning in Poland should therefore be reorganized on a broader democratic basis with the inclusion of democratic leaders from Poland itself and Poles abroad. This new government should then be called the Polish Porvisional Government of National Unity."

In other words, the Communists were to be recognized as the de facto rulers of Poland. They agreed, of course, to reorganize themselves on a broader democratic basis. But no provision was made for enforcing that commitment. And no reasonable man could possibly believe that, if left to their own devices, the Communists would permit anti-Communists to join the Government. As a practical matter, we gave the Soviet Union and its Communist puppets a blank check. And the Communists, of course, proceeded as expected. The first delegates from the London government to arrive in Poland for the purpose of participating in the government—15 Polish Army officers—were quickly shipped off to Russia and shot.

At Yalta it was agreed that the eastern provinces of Poland should be handed over lock, stock, and barrel to the Soviet Union. This was to reward Russia, as Sir Winston Churchill has put it, for "her great deeds in * * * liberating Poland." Churchill did not explain how you can liberate a country and annex it at the same time.

At Yalta we agreed that Poland should take substantial areas of territory in the north and west. This meant that Poland would get, as she has gotten, huge sections of German territory, populated by Germans, in compensation for Russia's grab of Polish territory in the east. The result was that close to 9 million Germans had to leave their homes and try to find room to the west in order to avoid being ruled by an alien power.

At Yalta we agreed that Marshal Tito and his Communist followers should organize a government for Yugoslavia. The heroic Chetniks of General Mikhailovich, who had fought for so long and so valiantly against Nazis, Fascists, and Communists alike, were abandoned—and given the status of criminals.

At Yalta we agreed that the future of the other nations of eastern Europe—Czechoslovakia, Rumania, Bulgaria, Hungary, Latvia, Estonia, and Lithuania—should be decided by the Soviet Union. There was no specific mention of this in the Yalta protocol. But since, in the words of the protocol, a "general review of other Balkan questions" was undertaken at Yalta, and since no provision was made for America and Britain joining in setting up new governments for these countries, the only possible inference is that explicitly, or by default, Roosevelt and Churchill secretly agreed to give Russia the same free rein in the remainder of eastern Europe as she was allowed in Poland and Yugoslavia.

At Yalta we agreed that $20 billion be exacted from Germany in reparations—half of which was to go to the Soviet Union.

At Yalta we agreed that the Communists could physically cart away to the Soviet Union 80 percent of German industry located in the Russian Zone. Think what that meant. Think what it would mean if the United States were, all of a sudden, deprived of 80 percent of all its factories, its machinery, its machine tools, its rolling stock of railways, its investments in foreign enterprises, and so on. Think what it meant for Germany, already ruined by the physical devastation of war. This was to be our way of rebuilding Europe.

At Yalta we agreed—and this I regard as the most appalling commitment of all, the darkest blemish American honor has ever sustained—we agreed that "the use of labor" was to be part of Germany's reparation contribution. That deadly phrase to which we signed our name permitted the Communists to ship off hundreds of thousands—probably millions—of human beings as slave laborers to the Soviet Union. I can think of no greater crime against humanity.

At Yalta we agreed that war criminals should be tried and brought to justice. By this commitment we authorized the notorious Nuremberg trials, so courageously opposed at the time by the late Senator Taft. We committed ourselves to a rule of ex post facto law, theretofore utterly foreign to America's system of jurisprudence.

And finally at Yalta we agreed—and this part of the agreement was labeled "Top Secret" and carefully concealed from the public mind until months afterward—we agreed, with respect to the Far East, that the Kurile Islands should be handed over to Russia, that the southern half of Sakhalin Island should be given to Russia, that the Soviets should be allowed to occupy the northern half of Korea, that the port of Darien should be internationalized; that Russia should be given Port Arthur, and that the Soviet Union should be given pre-eminent rights in Manchuria. Why was this part of the agreement kept secret? For the very good reason that the Republic of China, perhaps our most trusted ally, had not been told that we were giving away her territory to the Soviet Union. It was not wise to run the risk of discouraging Chiang's war effort by telling him, while the war was going on, that we had bargained away his country. What monstrous treachery.

Do Senators see why it is intolerable that the good name of America should remain affixed to this infamous document? Compare what was done at Yalta with our declaration in the Atlantic Charter that we "desire to see no territorial changes that do not accord with the freely expressed wishes of the people concerned," and that we "respect the right of all people to choose the form of government under which they will live" and still again that we "wish to see sovereign rights and self-government restored to those who have been forcibly deprived of them."

At Yalta they compromised our integrity; they made off with American honor. I hold that it is our solemn obligation to rescue American honor.

The Republican Party is so pledged. I would have the Republican Party make good on all of its pledges. I would have the Republican Party recall that it promised to the American people in 1952 a policy of liberation. Such a policy requires absolutely the repudiation of Yalta.

It also requires—and I wish to make this additional point because the subject is so timely—it also requires that we support the Republic of China in this, its hour of great

need. It requires that we encourage the Chinese to hope and plan for the rescue of their homeland from its oppressors. I said in Chicago, several weeks ago, and it bears repeating now, that the Eisenhower administration has ordered the Republic of China to retreat. I said that the Eisenhower administration, at the behest of the British, forced free China to abandon the Tachen Islands, and that there is evidence that the strongest sort of pressure is being brought to bear to compel Chiang to abandon also Quemoy and the Matsus. I said that this attitude on the part of the administration represents not only an attempt to appease communism and our alleged allies, but also indicates a final decision not to permit free China to even attempt to liberate the mainland.

At a recent press conference when asked whether we would support Chiang if and when he invaded the Communist controlled mainland, the President said, according to the New York Times of March 3, 1955:

"The United States is not going to be a party to an aggressive war; that is the best answer I can make."

So what during the campaign was called "rolling back the Communist" now becomes aggressive war by the Republic of China.

Neither are our British friends reticent to state a like position. Let me read a statement made just 5 days ago by the British Foreign Secretary, Sir Anthony Eden. After telling a cheering House of Parliament that a peaceful Formosa settlement would result in the West giving fresh consideration to Red China's claims to a seat in the United Nations, Eden went on to compliment the United States for helping to pacify the Formosa situation. Eden said:

"They (meaning the United States) have effectively restrained the Chinese Nationalists in recent weeks from initiating attacks against the Chinese mainland. They have persuaded the Nationalists to evacuate the Tachen and Nanchi Islands."

Is this the way the Eisenhower administration proposes to make good on its promise to pursue a policy of liberation?

I recommend to the President of the United States that he reread his campaign speeches of 1952—and those of his Secretary of State. I remind the President that his administration is pledged to a policy of liberation—not coexistence. The first step in charting such a policy is to denounce the infamous deal made at Yalta. I call upon President Eisenhower immediately to announce the support of his administration for formal congressional action repudiating the Yalta Agreements.

I myself have reintroduced such a resolution in the Senate.

There was a time when America was much weaker physically than she is today, but oh, how much stronger morally. Let us recover our moral strength. Let us keep faith with ourselves and with the millions of people in Asia and Europe whom, at Yalta, we helped consign to slavery. Let us set as our goal the redemption of American honor.

Twenty-seven months have passed since we Republicans have been in charge of the Nation's affairs. And despite the solemn commitments of our party to repudiate the illegal acts of the previous administrations, nothing has been done. Today more than ever it is essential that the President of the United States, in keeping with the platform of his party, should reject formally the treason of the past. The coming to office of the Republican Party gave new hope to tens of millions of enslaved people to whom our Voice had broadcast our platform such as it will mark the end of the negative, futile, and immoral policy of containment which abandons countless human beings to a despotism and godless terrorism. Chinese, Poles, Hungarians, Czechs, and East Germans have all been awaiting the accomplishment of the enunciated rollback policy, but they have heard nothing in these last 27 months. They are beginning to believe that the American Nation in which they have pinned their hopes has forgotten and abandoned them.

An immediate repudiation of the Yalta agreements which enslaved them would renew their confidence in the future and in the United States. Also, the Moscovites are eager now to sign a peace treaty with the Japanese. Soviet and Japanese delegates will meet in New York sometime next month to discuss conditions of such a treaty which may result in Japan getting into the Soviet sphere of influence. A denunciation of the Yalta agreement would have its immediate effect to nullify the Russian illegal occupation of the Kuriles and southern Sahkalin Islands, Japanese territories handed over to the U. S. S. R. by Mr. Roosevelt without the constitutional processes of the United States, that is to say the approval of the American Senate. It would give the Japanese Government a powerful weapon to be able to ask the Moscovites to move out of the islands in order to obtain the peace treaty they are so eagerly seeking now.

THE SUPREME COURT OF THE UNITED STATES—NOMINATION OF JOHN MARSHALL HARLAN

The Senate, in executive session, resumed the consideration of the nomination of John Marshall Harlan, of New York, to be an Associate Justice of the Supreme Court of the United States.

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to the nomination of John Marshall Harlan to be Associate Justice of the Supreme Court of the United States?

Mr. KNOWLAND. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STENNIS. Mr. President, I had some remarks prepared with reference to the pending question. However, in view of the lateness of the hour and the possibility of coming to a quick vote, I shall be very brief indeed.

After making a study, with deep concern, of the trend or drift for the past several years with reference to appointments to the Supreme Court, I finally prepared a short bill, which I introduced 2 days ago. It attempts to provide some kind of standard, some kind of guide, some kind of bench mark by announcing the policy the Congress believes the President should follow in making such appointments. In preparing and introducing the bill I had no personal reference to the present Chief Executive or to the nominee.

I was deeply impressed by the idea that the Constitution of the United States puts strong and binding limitations on the Chief Executive with reference to his general executive powers and imposes great limitations on Congress with reference to its legislative powers, but prescribes no guide, no rule, and no plan with reference to selecting associate justices of the Supreme Court, the branch of our Government which has become the most powerful of the three.

I was impressed by the fact that when the President of the United States makes an appointment of a minister or ambassador, he may recall him at any time he sees fit. A Cabinet member may be recalled during his term of service. The Congress itself may cut off funds. But when a person is appointed a member of the Supreme Court of the United States, the appointment is irrevocable. He is beyond the reach of the President of the United States. He is beyond the reach of Congress. He has a life tenure. It is a position of accumulated power over the decades, the like of which is not found in any other government in the world.

It is true that what nine men say about a statute of Congress or about the constitution of a State or with reference to any legal principle, theory, or policy is the final word and the final law. For that reason, long before the present nominee's name was mentioned—and I cast no aspersions or reflections on him—I said I was convinced of the need of a Supreme Court composed, at least in half, of men of mature judgment who have had experience as jurists; and that I would not vote to confirm the nomination of anyone who did not meet those qualifications. For that reason I shall vote against the confirmation of the nominee in this instance.

I submit to the membership of the Senate that this long-neglected subject is one of the most demanding in government today. We should prescribe some standard whereby there will be assurance, as appointments are made from time to time, that at least half of the number of nominees for the Supreme Court will have already been seasoned and matured as judges of law and will have had a thoroughly developed judicial concept before they become members of the highest court of the land and are invested with an irrevocable power.

I hope that Congress will consider the question of passing such a measure such as I have proposed for the guidance of future Presidents.

Mr. KEFAUVER. Mr. President, as a member of the Judiciary Committee, and one who was present at most of the hearings before the committee, I shall take only a few minutes to explain my position on the confirmation of the nomination of Judge Harlan.

I first became acquainted with Judge Harlan in 1950 or 1951, when he was appointed counsel for the New York State Crime Commission. I followed his work as counsel for that commission. He handled himself in a judicial manner. He was thorough. He was effective. He served without compensation. I thought he as counsel and the members of the commission did a most commendable job. There is no question about his legal ability or his aptitude or his capacity to be a member of the Supreme Court.

I have listened with a good deal of interest to the objections which have been made to the confirmation of his nomination, particularly on the ground that he was associated with an organiza-

tion designed to lend support to the United Nations, and also that he served on the advisory committee of the Atlantic Union Committee. I am not a member of the Atlantic Union Committee. But I wish to say that its officers and directors and those who have supported it are among the outstanding Americans of our time. They are men and women of both poltical parties.

My only partial criticism of Judge Harlan is that in the testimony he was slightly apologetic for his interest in the United Nations or in the Atlantic Union Committee. I would think more of Judge Harlan if he had straightforwardly and enthusiastically presented his suport of these two great efforts.

In my opinion, a person, a lawyer or a private citizen, who exercises influence in forming public opinion and in the guidance of the Nation, should have an interest in civic matters, indeed, in general political problems, and in our effort to have something better than wars every 25 years, and to have our Nation furnish leadership looking toward peace with honor. I would look with a great deal of suspicion upon an able man in private life who did not use his energy and some of his intelligence and ability toward trying to make this a world in which we will have a chance to live at peace.

Therefore, Mr. President, rather than being crticized, in my opinion the efforts Judge Harlan has made in some advisory capacity on behalf of the United Nations, or being interested in it at least, as well as in the Atlantic Union, should be commended.

Mr. President, I do not wish to retry the Bricker amendment. However, let me say that so far as the Atlantic Union resolution is concerned, I have felt for a long time that unless we can have some political implementation of the NATO treaty, and of the nine-power agreement, which is now being considered by various nations in connection with a military alliance, and unless we can have consultations upon economic and political matters and foreign-policy matters, I am afraid we will not be taking effective steps to hold together the free world. That must be done if we are to have peace.

What the resolution does, and all it does, is to request the President—and the President can heed the request or ignore it—to call a meeting of the interested nations so that they may determine what else can be done. It is purely exploratory. There is need of more discussions between our allies and ourselves. We need to explore what we can do to hold the free nations together, to reduce differences of opinion, and to stand united in the face of Communist unity which is threatening the peace of the world.

Mr. President, I respect the attitude of those who oppose the nomination of Judge Harlan, but I saw nothing in the hearings which indicated that he is not capable, that he does not have the proper concept with reference to the Constitution, or that as a private citizen he has not done his duty to his community and to the country. So, Mr. President, I shall vote for the confirmation of his nomination.

Mr. RUSSELL. Mr. President, I wish to speak briefly with reference to the nomination of Judge Harlan.

I do not doubt the legal ability of Judge Harlan. He is a member of one of the important law firms of this Nation and has been employed by those who would not have other than the best legal talent of this Nation to represent them. I have no question as to the personal character of Judge Harlan. The fact that he was selected to head the probe of crime conditions in New York attests to his character and standing in his own State. But I have become increasingly concerned over the appointment to the highest court of this land, a court from whose decisions there is no appeal, of those who have had no judicial experience whatever or such limited judicial experience that it has not grown into the maturity which comes from long service on the bench. There are other qualifications for service on the Supreme Court of the United States than mere brilliance of intellect or power of advocacy at the bar. The maturity of a real judge derives from judicial experience and judicial restraint. The willingness to decide questions as the judge finds the law to be, rather than to attempt to write the law as the judge feels it should be, is one of the most important characteristics of a judge of a court of last resort, from which there is no appeal.

The Supreme Court, I may say, Mr. President, has been assuming more and more power and infringing more and more on the prerogatives of the legislative branch of the Government in recent years.

Mr. President, this restraint can be acquired only by serving on a court whose decisions are subject to review.

I do not propose, Mr. President, to vote to advise and consent to the nomination of any judge to the Supreme Court bench who has not had considerable judicial experience under the restraint of precedent. There should be some members of that bench who believe that precedent plays a part in the organization of our judicial system and the decisions of our courts and who think that the doctrine of stare decisis has vadility and value even to a court of last resort.

I have always been very loath to oppose any nominations submitted to this body by the Chief Executive of the Nation. Our views are colored by our own experiences. As Governor of my State I have had some experience in dealing with the confirmation of nominations which has caused me generally to support the Chief Executive, of whatever party he may be, in proposing nominations to this body. I would be the last to abuse the power of advice and consent which is lodged in this body. But, in my opinion, Mr. President, the power to advise and consent which was vested in the Senate was wisely placed here by the Founding Fathers to deal with just such a situation as we find in this instance. There are many able judges of broad experience who have been seasoned in the restrain of precedent in this country who are available for appointment to the Supreme Court. There are many of them on the United States circuit court of appeals. We find them in Federal district courts. I doubt not that the courts of last resort in every State in the Union have men of broad and long experience who are well qualified to serve on the Supreme Court of the United States. For my part, I propose, with such authority and such responsibility as I have under the power of advice and consent, to oppose the nomination of men to the Supreme Court who play such a vital part in shaping the life of our Nation, affecting our economy and the very structure of our business, as well as our individual rights, unless they have experienced the restraint of precedent.

Mr. ERVIN. Mr. President, will the Senator yield?

Mr. RUSSELL. I am glad to yield.

Mr. ERVIN. Is it not the understanding of the distinguished Senator from Georgia that of the 8 present members of the Supreme Court of the United States, only 1 had as much as a single second's judicial experience on an appellate court or a court of general jurisdiction prior to his elevation to his present position?

Mr. RUSSELL. I am quite confident that the statement made by the distinguished Senator from North Carolina is correct. I do not intend to go into the composition of the Supreme Court at the present time. I voted for the confirmation of the nominations of all the present members of the Supreme Court except the present Chief Justice; but I stated publicly in my own State, in the fall of 1953, that so long as I was in the Senate, I did not intend to vote for the confirmation to the Supreme Court of any person who was without judicial experience until there were some seasoned members of that body. I frankly have erred in doing so in previous instances.

Mr. ERVIN. Mr. President, will the Senator yield for a further question?

Mr. RUSSELL. I yield.

Mr. ERVIN. I ask the distinguished Senator from Georgia if, in his judgment, it is not essential to the proper functioning of any appellate court that the court be composed of members who, by reason of prior judicial experience, have acquired both the capacity and the willingness to subject themselves to the restraint which is inherent in the judicial process itself when the judicial process is properly understood and applied.

Mr. RUSSELL. I would not say that that applied to every appellate court; but certainly I think it applies to a court of last resort, from which there is no appeal; a court which has sweeping power over the lives of the American people, power which has been either vested in or assumed by the Supreme Court of the United States.

Mr. JOHNSTON of South Carolina. Mr. President, this is a matter of deep importance to the people of the United States. For many weeks the Committee on the Judiciary has been studying the nomination of Judge Harlan to be a member of the Supreme Court. As I recall, the Committee on the Judiciary

made a divided report, 4 members voting not to confirm the nomination of Judge Harlan, and 1 member refraining from voting at that particular time. That action convinces me that the Senate should, at least, think over the question very seriously.

I regret I am unable to vote to confirm the nomination of Judge John Marshall Harlan to be a Justice of the Supreme Court.

He appears to be a gentleman of considerable ability and of high character. In some respects, I believe he might make an able Justice. When questioned, however, as to whether he would construe the provisions of a treaty to be subordinate to the provisions of the Constitution and the Bill of Rights, he would not commit himself, stating that that question might come before him in his judicial capacity and that it might be improper for him to state an advance opinion. I think such a question is vital and paramount, involving a principal of our Government rather than a disputed question of fact or law which that might thereafter come before the Court for its decision. Judge Harlan's unwillingness to declare himself in advance on that abstract important question completely foreclosed me from favoring his nomination.

I notice that the vote of the eight Justices of the Supreme Court of the United States in the cemetery case resulted in a tie, thus allowing the decision of the Iowa Supreme Court upholding the contract in controversy to stand. In that case, four Justices took the position that the United Nations Charter is a treaty which can override the contractual rights secured to citizens under decisions so ancient that they are a part of the American tradition and inheritance.

If by our action we allow to be placed on the Supreme Court a member having the background of Judge Harlan, I believe that the rulings of the Supreme Court in the future in such matters will be 5 to 4.

I think the provisions of the Treaty made under the Constitution are in the same category as is any law passed by Congress; and that when any contest or issue is raised as between the provisions of the Constitution, on the one hand, and the laws of Congress or the provisions of treaty, on the other hand, the latter should be subordinated to the provisions of the Constitution.

I am a fundamentalist and a strict constructionist. Moreover, I adhere strongly to the doctrine of States rights. There are too many people today who are either willing to forget or entirely fail to appreciate the fact that our States existed before the Federal Union was formed; and that the Bill of Rights is a part of the fundamental law of the land. Too many people are willing to overlook the fact that the rights not conferred on the Federal Government have been retained by the people of our States.

There is also a tendency in the United States today to be international-minded, instead of thinking first of our own Nation.

While I strongly favor our association with other Nations by a Treaty such as NATO, SEATO, and the United Nations, I am entirely unwilling to submit the individual rights of the American people, guaranteed to them by the provisions of the Constitution, to the whims and caprices of those unfamiliar with our national origin or who do not enjoy or understand the blessings guaranteed to us by the Constitution.

This country owes its progress and the high state of civilization we enjoy to the sacrifices made by our forebears, all of which they charted for us in the liberties provided for us by the Constitution.

I do not favor judicial legislation any more than I do executive legislation. Many lawyers have complained, and I agree with them, that a number of the recent decisions of our Supreme Court have had the effect of judicial legislation. If our form of Government is to be changed or our Constitution needs changing, I believe the change should be in the manner provided for in the Constitution, rather than by any loose, strained interpretation or covert construction of it.

For these reason, briefly stated, I shall vote against the confirmation of the nomination of Judge Harlan. I believe that if we do not stop, look, and listen, at the present time, and put on the brakes, so to speak, with respect to the "international crowd," we shall be certain to give up the rights of our States and our Nation under the Constitution.

Mr. JOHNSON of Texas. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Flanders	Mansfield
Allott	Frear	Martin, Iowa
Anderson	Fulbright	Martin, Pa.
Barkley	Goldwater	McCarthy
Barrett	Gore	McClellan
Beall	Green	Millikin
Bender	Hayden	Monroney
Bennett	Hennings	Mundt
Bible	Hickenlooper	Neely
Bricker	Hill	Neuberger
Bush	Holland	O'Mahoney
Butler	Hruska	Pastore
Byrd	Humphrey	Payne
Capehart	Ives	Potter
Case, N. J.	Jackson	Purtell
Case, S. Dak.	Jenner	Robertson
Chavez	Johnson, Tex.	Russell
Clements	Johnston, S. C.	Scott
Cotton	Kefauver	Smathers
Curtis	Kerr	Smith, Maine
Daniel	Kilgore	Stennis
Dirksen	Knowland	Thurmond
Douglas	Kuchel	Thye
Duff	Langer	Watkins
Dworshak	Lehman	Welker
Eastland	Long	Wiley
Ellender	Magnuson	Williams
Ervin	Malone	

The PRESIDING OFFICER (Mr. FREAR in the chair). A quorum is present.

The question is, Will the Senate advise and consent to the nomination of John Marshall Harlan to be an Associate Justice of the Supreme Court of the United States?

The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. SCOTT (when his name was called). On this vote I have a pair with the senior Senator from Oregon [Mr. MORSE], who is absent. If he were present and voting he would vote "yea." If I were permitted to vote I would vote "nay." I withhold my vote.

The rollcall was concluded.

Mr. CLEMENTS. I announce that the Senator from Georgia [Mr. GEORGE], the Senator from Michigan [Mr. MCNAMARA], the Senator from Oregon [Mr. MORSE], the Senator from Montana [Mr. [MURRAY], the Senator from Alabama [Mr. SPARKMAN], and the Senator from Missouri [Mr. SYMINGTON] are absent on official business.

The Senator from Massachusetts [Mr. KENNEDY] is absent by leave of the Senate because of illness.

I further announce that the Senator from Massachusetts [Mr. KENNEDY], the Senator from Michigan [Mr. MCNAMARA], and the Senator from Missouri [Mr. SYMINGTON] if present and voting, would each vote "yea."

Mr. KNOWLAND. I announce that the Senator from New Hampshire [Mr. BRIDGES], the Senator from Massachusetts [Mr. SALTONSTALL], the Senator from Kansas [Mr. SCHOEPPEL], the Senator from New Jersey [Mr. SMITH], and the Senator from North Dakota [Mr. YOUNG] are absent on official business.

The Senator from Kansas [Mr. CARLSON] is necessarily absent.

If present and voting the Senator from Massachusetts [Mr. SALTONSTALL] and the Senator from New Jersey [Mr. SMITH] would each vote "yea."

The result was announced—yeas 71, nays 11, as follows.

YEAS—71

Aiken	Dworshak	Long
Allott	Ellender	Magnuson
Anderson	Flanders	Malone
Barkley	Frear	Mansfield
Barrett	Fulbright	Martin, Iowa
Beall	Goldwater	Martin, Pa.
Bender	Gore	McCarthy
Bennett	Green	Millikin
Bible	Hayden	Monroney
Bricker	Hennings	Mundt
Bush	Hickenlooper	Neely
Butler	Holland	Neuberger
Byrd	Hruska	O'Mahoney
Capehart	Humphrey	Pastore
Case, N. J.	Ives	Payne
Case, S. Dak.	Jackson	Potter
Chavez	Jenner	Purtell
Clements	Johnson, Tex.	Robertson
Cotton	Kefauver	Smith, Maine
Curtis	Kerr	Thye
Daniel	Kilgore	Watkins
Dirksen	Knowland	Wiley
Douglas	Kuchel	Williams
Duff	Lehman	

NAYS—11

Eastland	Langer	Stennis
Ervin	McClellan	Thurmond
Hill	Russell	Welker
Johnston, S. C.	Smathers	

NOT VOTING—14

Bridges	Morse	Smith, N. J.
Carlson	Murray	Sparkman
George	Saltonstall	Symington
Kennedy	Schoeppel	Young
McNamara	Scott	

So the nomination was confirmed.

The PRESIDING OFFICER. Without objection, the President will be notified forthwith of the confirmation of the nomination of John Marshall Harlan, of New York, to be an Associate Justice of the Supreme Court of the United States.

NOMINATION PASSED OVER

Mr. JOHNSON of Texas. Mr. President, I wonder whether we can pass over the nomination of Mr. Campbell, which it is planned to take up on Friday, and at this time consider the other nominations on the calendar, regarding which I believe there is no controversy.

The PRESIDING OFFICER. Without objection, the nomination of Joseph Campbell, of New York, to be Comptroller General of the United States will be passed over.

Mr. JOHNSON of Texas. Mr. President, I ask that the remaining nominations on the Executive Calendar, following that of Mr. Campbell, be considered.

The PRESIDING OFFICER. Without objection, it is so ordered. The next nomination will be stated.

UNITED STATES MARSHAL

The legislative clerk read the nomination of Lama A. DeMunbrun, of Kentucky, to be United States marshal for the western district of Kentucky.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Postmaster nominations be considered and confirmed en bloc.

The PRESIDING OFFICER. Without objection, the postmaster nominations are confirmed en bloc.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the President be notified forthwith of the confirmations of these nominations.

The PRESIDING OFFICER. Without objection, the President will be notified forthwith.

LEGISLATIVE PROGRAM

Mr. JOHNSON of Texas. Mr. President, I have a brief announcement to make for the information of the Senate: In accordance with agreement between the leadership, it is planned when the Senate concludes its business this evening that it take a recess until Friday at noon. At that time the Senate will be in executive session, and will proceed to consider the nomination of Joseph Campbell, of New York, to be Comptroller General.

When that nomination is acted upon, it is planned to have the Senate consider certain resolutions coming from the Committee on Rules and Administration. Previously I have made announcement regarding those resolutions.

When the Senate concludes the consideration of the various resolutions coming from the Committee on Rules and Administration, it is planned to have the Senate consider the cotton bill, coming from the Committee on Agriculture and Forestry.

When the Senate has concluded with that business, it is planned to take up the postal pay bill, and then to take up the classified pay bill—reserving the right, of course, to bring up, in between, any matters of an unusual or emergency nature. But as nearly as we can anticipate, that will be our program for the next several days.

I rather think the Senate will be in session only on Friday of this week. The pay bills will not be considered, of course, until some time next week—probably on Monday or later.

Mr. KNOWLAND. Mr. President, will the Senator from Texas yield to me?

Mr. JOHNSON of Texas. I yield.

Mr. KNOWLAND. I have had prior consultation with the distinguished majority leader, and he has informed me of this general program; and of course I thoroughly approve of it.

As I understand the situation, after the Executive Calendar, including the nomination of Mr. Campbell, is cleared, and after action on the resolutions, the cotton bill will be brought up; and presumably at the beginning of the week we shall consider the postal pay bill and the classified pay bill. Is that correct?

Mr. JOHNSON of Texas. Yes, that is our plan—unless some other matter intervenes in the meantime.

But I think we should give the Members the assurance—and although I have not consulted with my friend across the aisle, if he is agreeable to having me give the assurance, I shall do so—that there will be no votes on the pay bills this week.

Mr. KNOWLAND. Mr. President, I should like to ask whether the Senator from Texas is prepared at this point to indicate the situation over Good Friday and the Easter weekend. I have had a number of requests from various Senators in connection with that situation, and I know he has been most obliging in making as early an announcement as possible. I did not know whether any final conclusion had been reached along the lines we had previously discussed tentatively. If he is not prepared to make such an announcement, that will be agreeable to me; but I thought he might be prepared to make one.

Mr. JOHNSON of Texas. Mr. President, I appreciate the courtesy of the Senator from California; he is always considerate in that way.

I had hoped, as I know a number of other Members have, that—perhaps by way of resolution—we could get away for a definite period during the Easter season. However, because of the uncertainties in regard to certain important legislative matters in certain committees, we felt we could not give any assurances at this time that we would have a recess for a period longer than from Thursday before Good Friday until Tuesday following Easter Sunday—in short, from Thursday to Tuesday. Of course it would be necessary for the Senate to return on Monday, but we would do so with the understanding that no votes would be taken on Monday, although there would be opportunity to make insertions in the RECORD, and to submit similar routine matters.

Mr. KNOWLAND. I thank the Senator from Texas.

Mr. JOHNSON of Texas. Let me say to the Senator from California that if the Reciprocal Trade Act extension bill or some of the other more important measures are not ready for action by the Senate at that time, it may be that we shall amend our plan, and shall consider having a more extended recess, such as the one the House of Representatives takes each year.

Mr. BUSH. Mr. President, does the Senator from Texas mean the Senate will not be in session on Thursday before Good Friday?

Mr. JOHNSON of Texas. No; the Senate will be in session on Thursday, and will take a recess from Thursday afternoon until the following Monday, but with the understanding that no votes will be taken before Tuesday afternoon, although the Senate will be in session on Monday.

Mr. CAPEHART. Mr. President, will the Senator from Texas yield to me?

Mr. JOHNSON of Texas. I yield.

Mr. CAPEHART. There is one matter, which may be privileged, namely, the one dealing with the disposal of the rubber plants. I think the deadline, if the Senate is to act on that matter, is the 25th, which I believe will be a week from tomorrow.

Mr. JOHNSON of Texas. Nothing which is scheduled would keep that matter from being taken up. As I remember, the statute provides that any Member can call it up.

Mr. CAPEHART. But if any action is to be taken on it, it must be taken between now and next Thursday.

ORDER FOR RECESS TO FRIDAY

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that when the Senate concludes its business today it stand in recess, in executive session, until 12 o'clock noon on Friday next.

The PRESIDING OFFICER. Without objection, it is so ordered.

RURAL ELECTRIFICATION—REPORT OF HOOVER COMMISSION

Mr. NEUBERGER. Mr. President, the hour is late, and I venture to intrude on the time of the Senate for approximately two and one-half minutes to discuss an issue which is extremely important to the people of my State, if I may judge from the many communications received in my office.

Mr. President, last Monday the Commission on Organization of the Executive Branch issued a report on Federal lending agencies which recommends drastic curtailment of the services these agencies render to important segments of the national economy.

This Commission, set up by the present administration, is headed by former President Hoover and has become known as "the Hoover Commission"—a name which is associated in the public mind with the respect and confidence earned by the accomplishments of its predecessor, the original Hoover Commission. The latter group, created by President Harry S. Truman, made studies and recommendations to improve the efficiency of executive agencies and commissions of the Federal Government.

But, Mr. President, any popular confusion betwen that original Hoover Commission and the present one would be a grievous mistake, although, perhaps, it was intended that the good name of the former would be useful in glossing over the undesirable policies recommended by the present group.

The original Hoover Commission devoted itself fastidiously to problems of administration and efficient management, refusing to enter into matters of substantive policy. The present Commission makes far-reaching recommendations to change, curtail or abolish long-established national policies under the guise of furthering efficiency.

This is an unwarranted intrusion into areas of important national policies. An illustration of this, to take one example, is the present Commission's recommendations concerning the rural electrification program.

It is evident, Mr. President, that the recommendations of the Hoover Commission propose to return America to the old law of tooth and fang. The report suggests that the REA "secure its financing from private sources." This would raise by many millions of dollars the interest rates paid by farmers on the poles, wires, and transformers bringing electricity to their farms. It would put our farmers again at the mercy of the banks and utilities which left them without lights prior to the Roosevelt administration.

WHY ENDANGER FARM ELECTRICITY?

It appears that since financial soundness of supplying the power needs of rural families has been proved by REA, those interests which refused to finance farm service two decades ago now covet the rural power market. Their influence on formulating views of the task force cannot be ignored.

In 1933 only 27 percent of Oregon's farms had electric lights. By 1952—under the favorable impact of the Rural Electrification Administration—98 percent of our farms had central service, and most of this at reasonable rates. The Hoover Commission would end this magnificent record, which has brought the blessings of electricity to our Oregon farm people—and particularly for the women on the farms, who have been relieved of the drudgery of hand-washing of clothes and of cooking with kindling.

Many rural electric co-ops still must expand their service, as the population of our State increases, because it is one of the fastest-growing States in the Union. This requires further loans from the REA and more low-cost power. But the national administration, under Secretary McKay, already has cut down Bonneville's supply of power by choking off all new Federal "starts" in the Pacific Northwest. Not content with this sabotage, the Hoover Commission now proposes restrictions which would limit REA as a favorable factor in the lives of our farm families.

The Commission's meat-ax approach is deplorable. It is apparent that the task force entered its work with a preconceived notion that Government lending is generally bad, completely ignoring the fact that these agencies, which intimately affect the lives and well-being of millions of Americans, were established to carry out policies formulated after long discussion and investigation of national needs.

COMMISSION NOT OPEN-MINDED ON ISSUES

And the end is not yet in sight. Other task-force groups of the present Hoover Commission have reports and recommendations in production. Hearings staged by the task force on water resources forecast the type of proposals which can be expected to be made public. At hearings held in Portland, Oreg., last June, members of this group apparently had less interest in obtaining the views of the people than they did in telling the people of the Northwest what they should think. As the Oregonian stated in an editorial on July 1, 1954:

> Members of the Hoover Commission task force on water resources had their minds pretty well made up when they came here.

As a result of this entry into the controversial field of policymaking through this report, 5 of the 12 members of the Commission filed statements of dissent. One of the present Commission members, the Honorable CHET HOLIFIELD, recognized the closed-mind attitude and the policy-making role assumed in the present report. In his dissenting statement, Mr. HOLIFIELD said:

> The Congress re-created the Hoover Commission to study the present operation of the executive department and agencies, with a view to better management and economy. I do not believe that the Congress wanted advice from the Commission on public policies of every sort. The Commission has construed its congressional mandate otherwise. This report indicates that the Commission is willing to roam far and wide in the field of public policy.

I agree with Mr. HOLIFIELD's dissent. No good purpose will be served by turning over policymaking functions to a commission which misconstrues its powers of recommendation.

Mr. President, I should like to conclude my brief remarks by placing in the CONGRESSIONAL RECORD a very succinct and pertinent statement on the so-called power partnership program, which was written last fall by a former distinguished Member of this body, the Honorable Rufus C. Holman. Many Members of the Senate will recall Senator Holman for his notable service in the Senate from 1939 until 1945.

Senator Holman has correctly pointed out that the proposed power partnership of the national administration is adverse to the public and will benefit only private monopolies. The statement of Senator Holman is reprinted from the Weekly Review of Milwaukie, Oreg.

I ask unanimous consent that the statement be printed in the body of the RECORD at the conclusion of my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

GUEST EDITORIAL BY FORMER UNITED STATES SENATOR RUFUS C. HOLMAN

To the Readers of the Milwaukie Review:

The consumer and user of hydroelectric energy is more interested and concerned in what he pays for it than from whom he buys it; therefore, let us see just why he can get electric energy more cheaply from the publicly owned, operated and transmitted hydroelectric plants than he can from the privately owned power trust plants.

First, the large hydroelectric generating plants are too large for private enterprise and it is in the largest units that electric energy can be generated most economically.

Secondly, it is the rate payer who pays for the construction, maintenance, operation, and transmission of all the hydroelectric plants whether they be publicly or privately owned and operated plants. In each case, the original capital is borrowed but with this difference: The capital debts of the publicly owned plants are gradually reduced and finally extinguished and, therefore, there is finally no item of expense for debt service included in the rate structure, making it possible to eventually reduce the rates for electric power and the cost of it to the consumer and user; whereas in the privately financed and operated hydroelectric plants the capital debts are seldom, or never, reduced and extinguished, but on the contrary often are increased, with the result that a large item for debt service always is calculated in the rate structure. Consequently, the cost of electric light, heat, and power to the consumer is never reduced and may be increased so as to continue to earn profits for large salaries to the private operators, dividends to the owners, and interest to the bankers and moneylenders and their interlocking directorates.

Observe that the Columbia River Interstate Bridge which was built by the public administration never cost the taxpayers a dollar. The tollpayers paid for it in 11 years. Today it is a free bridge, while 50 miles up the river at Hood River is a privately owned bridge operated like the privately owned hydroelectric plants and, likewise, 50 miles down the river at Longview is another privately owned toll bridge operated for private profit. A thousand years from now the public which uses these two privately owned and operated toll bridges will still be paying tolls to cross them.

Obviously it is no advantage to the people for the public to go into partnership by contributing their free bridge to the partnership with the private owners of the two toll bridges.

Similarly, it has not been made crystal clear to intelligent people how it can be of advantage to the people to contribute their great hdyroelectric plants at Bonneville, Grand Coulee, and elsewhere in a "partnership" deal with the private power trust (subsidiaries of the Electric Bond and Share Co.).

Such a deal is about as idiotic as it would have been for Henry Ford to have gone into partnership with Al Capone in the automobile business; yet there are those in and out of public service and holding positions of public trust who advocate such a "partnership."

Money has few votes but it causes many birds to sing.

RUFUS C. HOLMAN,
United States Senator, 1939-45.

1954—A FAIRLY PROSPEROUS "DEPRESSION" YEAR

Mr. HICKENLOOPER. Mr. President, I wish to call attention to various conflicting statements which have been made recently on the question of agricultural prosperity in this country. Many statements have been made based upon assumptions of facts which are not accurate. The fact is, I believe, that agricultural prosperity generally in this country is, if not at an all-time high, at least at the top of the curve.

On March 11, Mr. R. K. Bliss, the head of the extension service at Iowa

State College, delivered a radio address entitled "1954—A Fairly Prosperous 'Depression' Year." Because he analyzes the high level of agricultural income of 1954 and shows the reasons for it, as well as the deficiencies of those who argue that it was not a highly prosperous year, I ask unanimous consent to have this address, consisting of 4 pages, printed in the RECORD at this point as a part of my remarks.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

1954—A FAIRLY PROSPEROUS DEPRESSION YEAR

(By R. K. Bliss, extension service, Iowa State College)

During the first half of 1954 there were constant predictions of an oncoming depression. Agriculture was said to be in a particularly bad situation. Many economists joined in this gloomy prophecy. It was a forecast based on previous experiences. War had ceased in Korea. Government spending was being sharply reduced. Depressions usually come under such circumstances and following wars. How did it turn out? Let us take a look at farm income in 1954 from the following viewpoints.

1. Farm income in Iowa.
2. Farm income in the United States.
3. General observations.

The Department of Agriculture has just issued preliminary estimates covering cash receipts received by farmers for farm marketings in 1954. This first report may be changed up or down later, but probably not very much.

FARM INCOME IN IOWA

Let us first take a look at farm income in Iowa. Cash receipts from farm marketings received by Iowa farmers in 1954 totaled over $2\frac{1}{3}$ billion ($2,347,221,000).

How does this compare with 1953? Let us take a look at that too. Final revised figures on Iowa's cash receipts from farm marketings in 1953 totaled a little less than $2\frac{2}{3}$ billion ($2,386,312,000) or $39,091,000 more than in 1954. In view of drought conditions this was not a serious drop in cash receipts.

However, there is more to be included in determining Iowa's production of farm wealth in 1954 than cash receipts. Iowa's Crop and Livestock Reporting Service shows that the numbers of livestock on Iowa farms figured on the basis of grain-consuming units as of January 1, 1955, were 9 percent more than a year earlier on January 1, 1954. Iowa had the highest number of cattle of record (6,279,000 head), 3 percent more than the next highest year. The increase in the livestock inventory on January 1, 1955, over January 1, 1954, was 411,000 cattle; 1,386,000 hogs; and 356,000 chickens. Iowa was down 9,000 head on sheep and lambs and 6,000 head of turkeys.

We will have to wait and see what we receive in cash for this increased inventory of hogs and cattle but as of January 1, 1955, we had a much larger inventory of livestock on farms than on January 1, 1954. If we figure the actual present value of this increased livestock inventory it raises Iowa's agricultural wealth production for 1954 considerably above 1953.

Iowa's grain inventory was also up. On January 1, 1955, as compared with January 1, 1954, Iowa had in all positions an increase of 24½ million bushels of corn, an increase of 9½ million bushels of oats, and an increase of almost 10¾ million bushels of soybeans.

Iowa led all of the States in cash receipts from farm marketings for the first 10 months of 1954. California, which might be called more of an empire than a State, rallied in the last 2 months and topped Iowa over $100 million.

Iowa's 1954 receipts from sales of livestock totaled $1,891,210,000. This was $720,000,000 more than that received by Illinois the next nearest State, and more than twice the amount of livestock sold by Texas.

Iowa's agricultural year of 1954 compares quite favorably with previous years. Now let us take a look at national United States farm income.

FARM INCOME IN THE UNITED STATES

The Department of Agriculture estimates the total cash receipts from farm marketings in the United States at about 30 billion dollars ($29,953,873,000). Farmers net cash income is estimated at $12 billion, down 10 percent from the 1953 figure. This is the figure you will probably read in the papers. It is not the real increase in farm wealth production because it does not include changes in farm inventories.

If inventory changes are included says the Department, the decline in net income from 1953 to 1954 was only a little over 1 percent. Much of the income farmers realized in 1953 was the result of inventory liquidation, that is selling more than they produced. In 1954 farmers sold less than they produced building up their inventories of both crops and livestock. Including inventories along with cash receipts is the accurate way of figuring the total increase in farm wealth production.

The following statement made by the Department is of such interest that I am quoting it in full. "Net income after the adjustment for inventory change which represents the net value of farm output during the year was $12.3 billion in 1954. Adding farm wages of $2.1 billion and $5.7 billion income from nonfarm sources gives $20.1 billion as the total income of the farm population. Although this was 3 percent below 1953, the farm population was down 3½ percent so that total income per capita of the farm population actually rose slightly from 1953 to 1954."

The Department goes on to say that, "Smaller cash receipts from wheat, cotton, dairy products, and eggs accounted for practically all of the $1.5 billion decline in the total." This refers to the decline in gross cash farm marketings in 1954 as compared with 1953. It is of interest to note that the decrease in cash receipts were for wheat and cotton both supported at 90 percent of parity and for dairy products which received 90-percent support part of the year and at all times substantial support. Eggs were not supported. Curtailing acreage to make rigid 90-percent price supports work appears to have reduced farmers' gross income. Perhaps the income might have been still lower with somewhat lower supports. However that may be, high rigid supports does certainly curtail markets, especially foreign markets, and farmers must have markets in order to prosper.

There is another item in this farm income report that will be if interest to Iowa people. Farm products, garden stuff, fruit, meat, eggs, milk, etc., grown and consumed on the farm are figured in as part of the farm income. Farmers consumed about the same amount of home grown food but owing to lower prices principally for dairy products, poultry and eggs this item was reduced $150 million thus reducing total farm income for 1954 by $150 million.

This did not mean that farmers received $150 million less cash. It did not mean a nickle out of farmers' pockets because they grew and consumed the produce on their own farms and there was no buying or selling. It seems rather amusing to decrease farmers' income by $150 million because the food he produced and consumed on his own farm was selling for that much less on the market, but I presume that is about the only way to figure it.

It is something like the story of the economy-minded man who walked to his work rather than pay 10 cents a ride to the street car company. Then the company lowered the price to 5 cents a ride and our economy-minded pedestrian made less money because he could then make only 5 cents a trip by walking while before that he could make 10 cents.

It is rather difficult to exactly determine per capita farm income in the United States because of the increasingly large number of part-time farmers who derive a considerable portion of their income from off the farm work. The Department estimates that United States farmers in 1954 received 5.7 billion dollars from nonfarm sources. Most of it, I suppose, came from off-the-farm employment. This item may be expected to grow.

The number of farms in the United States was 1 percent fewer than in 1953. This raised the average per capita farm income a bit. Farm operators average net income per farm, including the inventory change, was $2,268 in 1954. For the farm operation this was ½ percent below 1953.

GENERAL OBSERVATIONS

The farm income report makes a comparison of per capita farm income with per capita city income. Per capita farm income rose slightly to $918 in 1954. On the other hand, the nonfarm population continued to increase while total income remained about the same. As a result, nonfarm income dropped 3 percent per capita in 1954 to a total of $1,836 per capita. Interestingly enough, the average per capita nonfarm income is just twice the farm income.

Why in this free country should there be such a difference in per capita income between city and country? People do not have to stay on farms if they are dissatisfied with the income. In fact they are not staying on farms. There has been an actual decrease in farm population in the United States of about 10 million people in the past 20 years. Farmers are moving in what might be called a migration to other types of employment.

I believe there are, however, many people who like to live on small tracts of land, work for others part of the time, raise as much of their own food as they can, and on the whole do about as they please. They may enjoy life as much as any of us. Now there are many people and I suppose I am among them that think something ought to be done, as we say, to raise the standards of living of these people.

I don't think this can be done all at once. It is principally a matter of education and incentive. As Dr. Knapp, the agricultural statesman of the South, once said, "When people are in a rut the first thing to do is to make the rut more livable and then they will work themselves out of the rut." He did not feel that there was any short cut to getting people out of ruts. I am of the same opinion. I recall in the early days of extension work a story of an elderly woman who listened to a lecture on home improvement by Miss Isabel Bevier, a pioneer home economist in Illinois. After the lecture someone asked her what she thought about it. Her answer was that "it was all right, but just the same, I'd ruther do what I'd ruther." There are many people like that in this world of ours.

TRANSPORTATION OR MAILING OF OBSCENE MATTER

Mr. KEFAUVER. Mr. President, in reporting favorably from the Committee on the Judiciary S. 599 and S. 600, I wish to point out certain facts.

S. 599, which is a bill to prohibit the transportation of obscene matters in interstate and foreign commerce, and S. 600, a bill to amend title 18 of the

United States Code relating to the mailing of obscene matter, are legislative proposals which, if enacted, would be helpful in checking the interstate traffic in pornography.

This traffic has reached serious proportions. Conservative estimates have placed the nationwide traffic in this filth at 100 to 300 million dollars annually. It is big business, and it depends for a large portion of its profits upon the lunch money and allowances of school children. Curiosity and immaturity of growing boys and girls make them sales targets of the producers and hucksters of pornography.

The Subcommittee To Investigate Juvenile Delinquency has made certain preliminary studies of the traffic in pornography. These studies have shown that it is chiefly interstate in character and flourishes because of a loophole in the present Federal law. While the Federal statutes now prohibit the interstate shipment of obscene materials by common carrier or through the mails, it is not unlawful to transport pornographic materials by private car or by truck. And it is because of the existence of this loophole that the insidious traffic thrives on an interstate basis.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. KEFAUVER. I yield.

Mr. MAGNUSON. The Senator rendered yeoman service in his own special crime investigating committee in connection with that subject, although other matters took precedence.

Would not the question of the interstate traffic be a subject for the Committee on Interstate and Foreign Commerce, aside from the question of penalties, which come under the jurisdiction of the Committee on the Judiciary? Would not the suppression of this particular traffic come within the jurisdiction of the Committee on Interstate and Foreign Commerce? The Senator suggests that there is a loophole in the law.

Mr. KEFAUVER. I do not know. The bills were introduced and were referred to the Committee on the Judiciary, so I assume that committee had jurisdiction.

Mr. MAGNUSON. I hope the committee will continue its work in connection with this subject. My only suggestion is that, if it is necessary to change the law regarding interstate traffic, the Committee on Interstate and Foreign Commerce will be found very cooperative in amending the so-called Interstate Commerce Act, to which the Senator refers. I think there is a loophole, which should be examined.

Mr. KEFAUVER. I know of the interest of the distinguished chairman of the Committee on Interstate and Foreign Commerce in this connection, and his interest as a Senator. I think it is a subject which undoubtedly should be considered by both committees.

Mr. MAGNUSON. Yes. The point I make is that whichever committee does the work, it should be done. We wish to cooperate in every respect.

Mr. KEFAUVER. I know that in connection with a great many similar questions there has been a very fine line as between the jurisdiction of the Committee on Interstate and Foreign Commerce and that of the Committee on the Judiciary. We are very fortunate in having the finest type of cooperation in dealing with such questions.

Mr. MAGNUSON. I thank the Senator.

Mr. KEFAUVER. These two bills would help to plug the loophole in existing statutes.

The subcommittee, in the course of hearings in various parts of the United States, has heard witnesses tell of the flood of obscene materials which are available to both adults and adolescents. I should like to call attention to statements of some of the witnesses. A lieutenant of the Philadelphia police department testified that his investigations revealed that obscene picture books distributed among Philadelphia schoolchildren were being produced across the state line in South Camden, N. J.

Testimony at the subcommittee hearings in El Paso, Tex., brought out the fact that extensive pornographic materials are being sold across the border in Juarez, Mexico, and are being imported in substantial amounts into the United States.

Testimony at the hearings in Miami, Fla., revealed an extensive traffic in pornographic motion-picture films. Miami police in 1 raid seized 58 rolls of pornographic films in addition to many obscene photographs and books. The dealer who had those pornographic materials had a long record of previous arrests.

In the testimony at the hearings of the subcommittee in San Diego, Calif., an incident was told of a 7-year-old boy who came home with a pornographic book he had obtained by swapping comic books.

The collector of customs at Los Angeles testified that large amounts of pornographic films and pictures came into the port of Los Angeles from abroad.

James A. Fitzpatrick, a member of the New York State Legislature, testified that the most salacious type of material is being mailed to youngsters in schools. He found there were "unsolicited mailings to a list of youngsters in preparatory school, asking if they did not want to buy this type of material."

It was found that one New York dealer purchased names of juvenile comic-book readers and mailed them circulars advertising a number of books which have been declared nonmailable under the postal statutes.

While the Subcommittee To Investigate Juvenile Delinquency is continuing its investigation into this insidious traffic in filth designed to sap the moral fiber of our Nation's young people, and while I am sure that further remedial legislative proposals will be forthcoming, I urge that the Senate give favorable consideration to S. 599 and S. 600, as two measures which, if enacted, would go far toward reducing the traffic in pornographic materials.

Mr. President, I now desire to introduce two bills.

The PRESIDING OFFICER. The Senator from Tennessee has the floor.

MINIMUM STANDARDS FOR OPERATING RAILROADS AND PERSONNEL

Mr. KEFAUVER. Mr. President, out of order, I introduce for appropriate reference, two bills, one to authorize the Interstate Commerce Commission to prescribe minimum standards of training and experience for operating personnel of railroads, and for other purposes, and the other to authorize the Interstate Commerce Commission to prescribe minimum standards of safety for railroad tracks, bridges, and related facilities, and for other purposes.

The PRESIDING OFFICER. The bills will be received and appropriately referred.

The bills, introduced by Mr. KEFAUVER, were received, read twice by their titles, and referred to the Committee on Interstate and Foreign Commerce, as follows:

S. 1481. A bill to authorize the Interstate Commerce Commission to prescribe minimum standards of training and experience for operating personnel of railroads, and for other purposes; and

S. 1482. A bill to authorize the Interstate Commerce Commission to prescribe minimum standards of safety for railroad tracks, bridges, and related facilities, and for other purposes.

Mr. KEFAUVER. Mr. President, I wish to make a statement about a very serious problem which confronts my section of the country and which has relevance to the two bills. It is a matter of tremendous importance, not only to the one section of the country, but, if the strikes continues, to the economy and commerce of the entire Nation.

A few days ago strikes were called by the nonoperating brotherhoods on three railroads which operate in my section, the L. & N., the N. C. & St. L., and the Clinchfield Railroad. These strikes have to some extent paralyzed commerce in this area. I have received a great many telegrams and a great many calls from various companies, businesses, and individuals expressing the hope that the strikes can be settled and that some composition of them can be made. Some of the plants will have to close down if the strikes continue. In addition, many people are being inconvenienced by the lack of transportation. It is indeed an extremely serious matter.

I know that practically all the people, including, I am sure, many connected with railroad management and railroad unions, as well as the public generally, want to see every effort made to bring the strikes to a conclusion as soon as possible. They have been writing and urging those of us in Congress who represent that area to do something about the situation.

I thought I should say something this afternoon about what is causing the strike. I think it is well for us to keep the matter in perspective and to try to find the facts. In that way people will know what the issues are.

There is a great deal of excitement and exaggeration on both side. In order to bring about a meeting of minds, and to have the public clearly understand the issues, I believe it is well to understand some of the basic questions involved in the strikes.

I certainly hope there may be an early settlement of the dispute. We have always been very proud of the fact that for many years there has been on the statute books the railway mediation law, which has always been considered a model of excellence insofar as bringing about a settlement of disputes between railroad employees and railroads is concerned.

Under the Railway Mediation Act, disputes have usually been settled and the railroads have operated almost constantly for many years without having to be closed down by strikes. The Railway Mediation Act requires, first, that demands be made. An effort is made by conferees called by the National Mediation Board to settle the dispute. If that is not successful, the question is finally referred to the President of the United States. The President then appoints an emergency board to make findings and recommendations. Then there is a 30-day cooling off period after the Presidential emergency board has made its finding.

Ordinarily that has served the purpose of avoiding a stoppage of transportation caused by management-labor disputes. The present strike of the operating employees may be the largest one that has taken place since the shopmen's strike in 1922. It is important to consider what is happening in connection with the railway mediation law and to determine whether efforts under it will be sufficient in the days to come.

The chronological happening of events in this case is that on May 22, 1953—and I have talked with a great many people about it—the nonoperating brotherhoods served notice on the carriers, in which they asked for certain improvements in working conditions. They asked for paid vacations, paid holidays, premium pay for work on Sunday, group life insurance, hospital and surgical and medical protection for employees and their families, to be paid for by the railroads, and for liberalized pass privileges.

The railroads countered by asking for certain changes insofar as the rules were concerned, which the railroads felt would be helpful to them.

I ask unanimous consent to have printed in the RECORD a part of the original proposal presented by the nonoperating brotherhoods in November 1953.

There being no objection, the proposal was ordered to be printed in the RECORD, as follows:

On May 22, 1953, the 15 cooperating railway labor organizations served notice pursuant to the Railway Labor Act on the railroads throughout the United States proposing to revise and supplement existing agreements so as to provide:

1. Improved vacations with pay—allowing employees with 1 year of service 5 days of vacation; those with 2 years but less than 5 years, 10 days; those with 5 years but less than 15 years, 15 days; and those with 15 or more years, 20 days. Our proposals also contained improvements in other sections of the vacation agreement dealing with qualifications and service requirements, etc.

2. Seven holidays with pay for all employees, with additional double-time pay for employees required to work on holidays.

3. A health and welfare plan which would allow each employee group life insurance equal to his full-time annual earnings with a minimum of $3,500, and hospital, medical, and surgical benefits for all employees and their dependents, and with the carriers paying all the costs of such insurance and benefits.

4. Premium pay for Sunday service at time and one-half when it is an employee's regular working day, and at double time when it is his day off.

5. A uniform system of free transportation applying to employees of all railway companies, terminals, and joint facilities, the pullman and the express agency and providing specified privileges of free transportation over the lines of their own companies and—under certain conditions—on all other carriers, parties to the agreement.

Mr. KEFAUVER. After an individual effort was made to reach a settlement of the demands and the counterdemands, after the brotherhoods had negotiated with the carriers, and after those efforts had failed, the carriers and the brotherhoods joined in asking for national negotiation, that is, that the railroad labor law be invoked for the purpose of trying to bring about a settlement of the demands.

The first thing that was done was to bring the matter before the National Mediation Board. This was done in October 1953. The strike ballot was taken in November 1953. During the same month the Mediation Board got the parties together—that is, the representatives of the brotherhoods and the representatives of the railroads—for the purpose of trying to work out a compromise and settlement. The Mediation Board continued its efforts until December 1953.

Having failed to mediate the dispute and to settle it, the Board reported that fact to President Eisenhower. They reported that the Board was unable to compromise the differences. Automatically under the law, on December 26 or 27, President Eisenhower appointed the Emergency Board, which was made up of three distinguished men. Mr. Charles L. Loring, the Chairman of the Board, is a former chief justice of the Minnesota Supreme Court. Mr. Adolph E. Wenke, a member of the Emergency Board, was a justice of the Nebraska Supreme Court. Mr. Martin P. Catherwood, another member of the Board, is dean of the New York State School of Industrial and Labor Relations at Cornell University.

President Eisenhower's commission held hearings beginning in the middle of January 1954. It continued its hearings for several months, until the 7th or 8th of April 1954. I have been advised that the President's Emergency Board held very extensive and lengthy hearings on the demands of the nonoperating brotherhoods and of the railroads.

The board reported to the President on May 15, 1954, and I have a copy of the report.

Neither the railroads nor the brotherhoods were satisfied with the report of the emergency commission. It gave the union members a great deal less than they had requested, and it did not give to the railroads the relief they had requested.

Two or three of the things which the emergency board recommended in connection with an extra week off after a certain number of years' service have been put into effect by all the railroads of the Nation, including the three here involved. One of the recommendations of the board had to do with a health and welfare plan. The board recommended that a health and welfare program be set up in cases where the railroads did not already maintain provision for treatment and hospitalization of employees.

The board recommended that such a program be entered into on the basis of a contribution by the employees of 2 or 3 cents an hour, and a like amount by the companies. The board said:

The charges in connection with such associations are reported for the most part in the range of $4 to $7 a month.

It said the plan could be put into effect by an item that would take 2 or 3 cents from the employees, and that the employer would put up the same amount.

On page 97 of the report of President Eisenhower's Emergency Board, the health and welfare plan is specifically recommended and found to be justified, and it is there set forth. The report was made on May 15, 1954. Under the law, after the report is made, there is still a cooling-off period of 30 days before a strike is called. Thirty days passed after May 15, 1954, and no strike was called.

The railroad companies and the unions got together in the early part of June to see if they could work out agreements which would put into effect the findings and the recommendations of the President's Emergency Board.

I have been advised that agreements were reached on August 21, 1954, with approximately 95 percent of the railroads of the country and covering approximately 95 percent of the employees, and that, as a matter of fact, agreements were reached with all of them except these 3 railroads and 1 or 2 small subsidiary railroads operating in Atlanta. The record shows that some 10 days before the agreement was reached on August 21 the representative of the Louisville and Nashville Railroad, who was also representing the Nashville, Chattanooga & St. Louis Railroad, withdrew those railroads from the negotiations. The agreement provides for payment of $3.50 a month by each employee and a similar amount by the railroads into a health and welfare fund for a policy which had been worked out with the Traveler's Life Insurance Co. for medical treatment, hospitalization, and services of that kind.

There were some negotiations in an effort to get the Mediation Board back into the picture.

Finally, the full agreement was consummated on January 18, 1955, with the Traveler's Insurance Co. and with 95 percent of the other railroads.

The three railroads I have mentioned refused to go along with the health and welfare program. That is the issue which is here involved.

Strike notices were given which set forth the provisions in the original strike notice of a year and a half ago.

Of interest in this matter, Mr. President, is the fact that these three railroads are actually owned or controlled by the Atlantic Coast Line. The Louisville & Nashville Railroad owns a controlling interest through the ownership

of 74 percent of the common stock of the Nashville, Chattanooga & St. Louis Railroad. The Louisville & Nashville Railroad and the Atlantic Coast Line operate the Clinchfield Railroad by lease.

There has been some suggestion that the Nashville, Chattanooga & St. Louis management might have a settlement worked out with the Clinchfield, and that the Louisville & Nashville ownership and control has been one of the main difficulties in trying to get the recommendations of the President's board agreed to.

On March 9, 2 or 3 days before the strike was to start, an application for an injunction was made in the circuit court in Louisville, Ky., in the chancery court. The matter was heard before the judge of that court. The injunction was requested on the ground that it would be illegal to withhold a part of the compensation of the employees, and that the proposed strike would be an illegal strike. The injunction was asked to prohibit any effort to try to get any part of the wages of the employees withheld. The question was heard by Judge Lampe, and his opinion sets forth, I think, in pretty clear terms what the issues were and what the strike was about involving these three railroads.

Mr. President, I ask unanimous consent to have certain pertinent parts of Judge Lampe's opinion printed in the RECORD at this point.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

JEFFERSON CIRCUIT COURT, CHANCERY BRANCH, SECOND DIVISION—LOUISVILLE & NASHVILLE RAILROAD CO., PLAINTIFF *v.* BROTHERHOOD OF RAILWAY & STEAMSHIP CLERKS ET AL., DEFENDANT

OPINION

I am aware of the public importance of this litigation. If there was any legal way to avert a threatened labor dispute that might cripple the transportation of this community and in a large measure that of the State and a large segment of the country I would like to find that legal way. I am aware that not only are customers of the railroad injured but also members of the general public and sometimes the employees themselves are injured by the very strikes designed to aid them. It is, therefore, desirable that labor disputes be settled, if that is at all possible, before they culminate in crippling strikes.

Neither the Congress of the United States nor the legislature of Kentucky, however, has vested courts with authority to avert strikes through judicial settlement of labor disputes. Accordingly, I cannot inquire into which of the adversaries to this dispute is in the right or which is in the wrong. I am limited to a determination of one question only. Is the strike about to be called on Monday of next week a legal strike? K. R. S. 366.130 affords employees, collectively and individually the right to engage in a peaceful strike. That statute is merely expressive of the public policy not only of Kentucky but also of the United States.

There is no contention here that any violence is threatened nor were we confronted with any suggestion of a breach of the peace. I must assume that any strike called would be a peaceful one. The question then is when can I enjoin a peaceful strike? In view of the statute just quoted, I feel that I could do that only when such a strike would be clearly against the law. During this trial I had expressed misgivings as to whether I could inquire into the question of whether the threatened strike might violate a Federal law, feeling that I was limited only to determine the question of whether it violated a State law. I had in mind the case of *Garner v. Teamsters' Union*, 98 Law Ed. 228, which involved a matter under the N. L. R. B. and held a Federal remedy to be exclusive, thereby depriving State courts of the right to act in the same matter since the Congress had pre-empted the field. That case, however, dealt with an exclusive remedy not with substantive law.

Without available time to consider all other authorities, I accept those offered by the plaintiff to the effect that it is appropriate for me to determine whether this strike is violative of the Federal statute.

The National Railway Labor Act has set up an elaborate method designed to avoid strikes among railway carriers and their employees. First, the parties must negotiate with each other relative to rates of pay, rules and working conditions. When negotiation fails mediation is attempted. Provision is made for the President to appoint an emergency board if other efforts fail. After a report by that Board there is a waiting period of 30 days before actions such as strikes are taken.

It is significant, however, that nowhere does Congress prohibit a strike. The right of labor to strike is not denied. Unions are merely required to comply with the act before resorting to a strike.

All of this procedure under the Railway Act was taken in this case. Appendix A, filed as an exhibit to the complaint, shows the matters that the unions demanded and offered for negotiation in May 1953. It is the unions' contention that the benefits there claimed are still the demands being made by the unions although there is some dispute as to this position.

When the Presidential Emergency Board considered this case it recommended among other things a health and welfare plan, one-half of the cost of which was to be paid by the carrier and one-half of the cost of which was recommended to be deducted from the wages of the employees. Many carriers settled the dispute with the unions on the basis of this recommendation. The Louisville & Nashville, and a few others declined to do so, taking the position that they should not require their employees to contribute compulsorily. They offered what they considered a better voluntary plan.

The Louisville & Nashville and some of their employees intervening herein, now take the position that the Louisville & Nashville was not required to negotiate a health and welfare plan under the Railway Act because such health and welfare does not, they insist, constitute rights of pay, rules, or working conditions. For comparison I am referred to *Inland Steel* v. *NLRB* (170 F. (2d) 247). There, the Seventh Circuit Court of Appeals pointed out the difference in the NLRB and the National Railway Labor Act.

I do not think it important whether health and welfare is to be considered within rates of pay, rules and working conditions.

If health and welfare does come within these terms, then it was a proper subject for negotiation as was carried through to the final consideration by the Presidential Emergency Board. If it does not come within those terms, I find nothing in the act that requires either the carrier or the unions to go through the elaborate procedure provided in the act as a condition precedent to a strike based on health and welfare demands. There is no expressed congressional intention to deprive the unions of any right to strike for a health and welfare fund. Counsels say that that intention is to be implied.

In view of the Kentucky Statute specifically authorizing employees to engage in peaceful strikes, I do not feel justified in denying them that right by implying into the Federal statute a provision against strikes.

The L. & N. insists that after it rejected the recommendation of the Presidential Emergency Board, there has been no good faith effort on the part of the unions to negotiate, and they offer that position as a violation of the Railway Labor Act, and a basis for denominating this strike an unlawful strike. I reject that theory. The unions were willing to accept the recommendation of the Presidental Emergency Board. It is nowhere shown that they affirmatively withdrew the original demands contained in Appendix A. They were willing to compromise with the L. & N. as they had with the other carriers. I cannot see how it is possible for me to hold that, because they were willing to accept the Emergency Board's recommendation, that they should now be held to have refused in good faith to bargain because thereafter the L. & N. was unwilling to accept that recommendation and insisted upon further bargaining.

It seems to me that at any time after 30 days after the finding of the Presidential Emergency Board, the unions were justified, under the terms of the Railway Labor Act, to pursue any course authorized by that act.

Moreover, the record discloses that as late as 1954, in December, a letter was directed by at least one of the unions to the L. & N. offering to negotiate the May, 1953 demands.

I conclude that the threatened strike does not violate the Railway Labor Act.

The L. & N. insists that the threatened strike is unlawful under the law of Kentucky. Since the recommendation of the Presidential Emergency Board, or at least since the acceptance of the Board's recommendation by most of the other carriers in August 1954, the L. & N. insists that the demands of the unions have been, not as set forth in appendix A requiring the carrier to pay all the costs of the health and welfare fund, but rather the L. & N. accept the compromise recommendation of the Emergency Board, which would require the carrier to deduct one-half of the cost compulsorily from the employees wages. This, the company contends violates section 244 of the Kentucky constitution and K. R. S. 337.060 which prohibits the withholding from employees wages of any sum unless authorized by the employee or a deduction authorized by State or Federal law. If I accept the L. & N. contention as being correct from a factual standpoint, there is merit to its position. The statute does contain this provision. In passing my attention has been called to litigation that was pending in a Federal Court which might have determined whether or not the deduction, which the L. & N. claims is insisted upon, was authorized by Federal law. This litigation was voluntarily dismissed by the L. & N. and others involved therein.

More important to the issue here involved, however, is the inquiry into what originated this labor dispute, upon what questions did the unions vote to strike and what issues were contained in the strike call. No one contends but that the orignal demands were for the company to pay all the health and welfare contribution. When a strike vote was taken in the fall of 1953 it appeared on the ballot that the purpose of the strike was to require the company to pay all of the costs, not to deduct some part thereof from the employees' wages. The strike call issued the day this litigation was initiated, before any issues were argued herein, discloses that, among other things, the purpose of the strike was to require the company to pay all of the costs, not to impose a part of them on the employees.

It may still be, and apparently is, the unions' attitude that they will accept the compromise contained in the Presidential Emergency Board's recommendation. If an agreement along those lines were to be reached it might be that a declaratory judgment action would still be required to de-

termine whether under Kentucky law the deduction would be legal. I do not decide that question now.

I do decide that I cannot hold the unions to be embarked upon an unlawful strike based chiefly upon their willingness to abide by the recommendation of the Presidential Emergency Board, even if those recommendations do require further litigation to determine their validity.

I think the unions' position of being willing to abide by the Presidential Emergency Board's recommendation, but at the same time contending that if the L. & N. is unwilling to abide by it they maintain their right to strike for the original demands, is not an inconsistent position.

Even though the unions have expressed willingness to accept the compromise; even though in their negotiations they have tried to urge upon the L. & N. that compromise in which event at the most they were trying to carry out the spirit of the Railway Labor Act; I do not believe that they have deprived themselves of the right to strike based upon their original demands.

Accordingly, it is therefore ordered by the court that the motion for a temporary restraining order filed by the intervenors is treated as a motion for a temporary injunction and denied; the motion made by the L. & N. for a temporary injunction is also denied. To which the plaintiff and intervenors objected, and they are granted 20 days within which to apply to a judge of the court of appeals to order the issuance of such temporary injunction, if any, as may be proper.

STUART E. LAMPE,
Judge.

Mr. KEFAUVER. Mr. President, the judge held that the injunction should not be issued, and it was not issued. The question was appealed to the court of appeals in Kentucky a day or so following that time, and the court of appeals refused to issue the injunction.

On the Saturday before, or a few days before the strike, an application was made for an injunction to prohibit efforts to get the companies to withhold employees' wages. The application was made in Nashville. An injunction was issued there, and on the following day an injunction was issued at Johnson City, so far as the Clinchfield Railroad employees were concerned.

These matters will be heard in a few days, and the question as to whether the injunction should have been issued will be decided.

I think it is well to point out that the strike was called upon the original strike notice, a copy of which I have already placed in the RECORD, which does not require the company to withhold any amount whatsoever from the employees' salaries. The original demand and strike notice called for the entire amount to be paid by the company. But following the finding by the President's Emergency Board, the brotherhoods agreed to go along with the finding of that Board, and to settle the dispute on the basis that the cost of the health and welfare policy would be borne equally by the employees and the railroads.

Grave questions are raised in connection with the operation of the railway-labor law by reason of the injunctions which have been issued. There is a question whether they are operative in a field which is covered by a Federal law, such as the national-mediation law. There is some doubt about the right of State courts to act in the absence of violence or destruction of property. There is a question as to the right of the employees to strike in the event they have followed all the procedures of the national railway-labor law, and then find their efforts thwarted. There is a question of what kind of action could be brought against the company if the situation were the other way around.

This situation brings up the question of the validity of the Norris-LaGuardia Act, which is, of course, applicable only in Federal courts. It would seem to be very difficult to apply the jurisdiction of State courts in a field which has largely been taken over by the national railway-labor law.

Another problem involved in the matter of injunctions is the application of the Louisville & Nashville Railway for an injunction to prohibit the operating unions from striking. A restraining order was issued by a Kentucky judge which, in substance, would require the operating employees to continue to run the trains, even though signalmen and maintenance-of-way men were not on their jobs, thus endangering the lives of train crews and the safety of passengers and the general public. Fortunately, I understand that this restraining order has been withdrawn, and that the problem is not immediately urgent in Kentucky.

My office has received a number of calls from persons who were worried about trains being operated by personnel who are not especially trained for the operating of locomotives or other rolling stock.

So the question arises whether the Interstate Commerce Commission should have jurisdiction in the interest of public safety to provide at least a limited standard of qualifications for persons who operate trains.

When these calls were received by my office, we called the Interstate Commerce Commission, in order to ascertain what the rules are. We were advised that although the Commission required specific inspections of locomotive boilers and airbrakes, it had no jurisdiction whatsoever over the minimum experience which might be required of anyone employed in the train-operating service.

Therefore, one of the bills relates to that problem, and I ask unanimous consent that it may be printed at this point in the RECORD.

There being no objection, the bill (S. 1481) was ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That section 1 of part I of the Interstate Commerce Act (49 U. S. C. 1) is amended by inserting at the end thereof the following new paragraph:

"(23) The Commission may, after hearing, on a complaint or upon its own initiative without complaint, establish reasonable regulations with respect to the minimum standards of training, experience, and physical qualification which shall be required of any or all classes of personnel engaged in the operation of railroad trains of carriers by railroad. Any carrier subject to this part which knowingly permits any individual to participate in the operation of any railroad train of such carrier in violation of such regulations shall be liable to a penalty of $100 for each day during which each such violation continues. Such penalty shall accrue to the United States, and may be recovered in a civil action brought by the United States."

Mr. KEFAUVER. Mr. President, the other bill relates to the question whether, if operating employees should be forced to continue to operate trains, or if inexperienced or less-experienced personnel should operate trains, the safety of passengers and the general public would be protected if there were no standard of safety for the maintenance of railroad tracks, bridges, and related equipment.

I ask unanimous consent that that bill be printed at this point in the RECORD.

There being no objection, the bill (S. 1482) was ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That section 1 of part I of the Interstate Commerce Act (49 U. S. C. 1) is amended by inserting at the end thereof the following new paragraph:

"(23) The Commission may, after hearing, on a complaint or upon its own initiative without complaint, establish reasonable regulations prescribing the minimum standards of safety which shall be required in the construction, operation and maintenance of rights-of-way, tracks, switches, crossings, bridges, tunnels, signaling devices, and other facilities (except railroad locomotives and cars) necessary for the operation of railroad trains by carriers by railroad. Upon the promulgation of such regulations, the Commission shall establish and maintain an adequate inspection service which shall inspect periodically such facilities of such carriers. Any carrier subject to this part which knowingly violates any such regulation shall be liable to a penalty of $100 for each day during which each such violation continues. Such penalty shall accrue to the United States, and may be recovered in a civil action brought by the United States."

Mr. KEFAUVER. Mr. President, after the President's Emergency Board found that there should be a health and welfare plan, a policy with the Travelers Insurance Co. was worked out with all the railroads except these three. The policy will cost about 2 cents an hour for each employee. This is in accordance with the finding of the Presidential Board.

I have been advised that at least one of the railroads in question offered its employees a health and welfare insurance policy in a smaller amount. The policy has a number of limitations and fewer benefits, and is more temporary than the one which has been worked out with all the other railroads. The policy in question was not negotiated and there seemed to have been no effort made to negotiate it or to have it substituted; it was simply prepared by one of the railroads, perhaps others. It would cost the same amount of money, so it would seem that the amount involved is not large, and that the difference between the employees and the railroads is not great.

The railroads apparently are willing to make some payment toward a health and welfare plan or policy, as is evidenced by the fact that, unilaterally, they drafted a policy, which was not, however, negotiated.

It seems to me that, in a matter of this kind, about the best that can be done is to follow the procedure which has been established by law, and to have

mediation and negotiation. If that should fail, then the Presidential Board, composed of disinterested persons, should examine the facts and make a recommendation. So the question involved is in connection with the Presidential Emergency Board's recommendation.

The amount of difference involved between the employees and the railroads is not large. Certainly there should be some way by which the strike can be settled; and the President's Emergency Board should carry substantial weight in the matter.

The public should know that there has been a Board finding, and should know what the finding was. I think it is a matter of public importance to know what steps have been taken to try to put into effect the program which has been effectuated by most of the railroads.

I understand that some of the complaint on the part of the railroads, and perhaps some of the contention with respect to the court orders, is that the railroads are not authorized to make deductions from the wages of employees for the purpose of a welfare program or for any other program. It seems to me that if that is not going to be possible under our labor laws it will be very difficult to have collective bargaining. That was the finding of the judge in Kentucky.

The purpose of collective bargaining is to let some organization speak for all the employees. That is the way the railway labor law operates. Such a provision was a part of the Wagner Act; and it is a part of the Taft-Hartley law, which is now on the books. These laws provide that, under certain circumstances, designated officials, properly selected by an organization, a union, or a brotherhood, shall have the right to speak for the employees. I know of no law in the State of Tennessee which would prevent that from being done.

I also know the history is that back in the depression, in 1932 and 1933, and perhaps part of 1934, when the railroads were met with a situation in which they could not possibly make ends meet, and were having a hard time, and when they were asking that there be reductions in wages, the railroads in question, and perhaps most of the railroads of the Nation, did enter into agreements with their unions, including the nonoperating unions, whereby the unions or brotherhoods authorized those railroads, and others, to deduct 10 percent from the wages of the employees, which amount was kept by the railroads, in order to enable the railroads to have smaller deficits and to continue operations. So that if it was legal at that time, I know of nothing that has changed the law since then.

Furthermore, since then the Wagner Act and the National Labor Relations Act have been enacted. The Railway Labor Act has been strengthened by the legislation of 1950. So it is an accepted part of our labor-management policy and program that the duly constituted representatives of unions and brotherhoods on questions of this kind, having to do with wages and working conditions of the employees, have the right to speak for and act for all of the employees.

Mr. President, the strike would do damage to the State of Tennessee, to the railroads, and to industry. Nobody wants that to happen, I am sure the brotherhoods, the employees, would be very happy to have the strike settled. It is hoped that there will be calm and serious consideration of the facts, that there will be no violence, and that there will be an understanding of what the issues involve. I firmly feel that if there is a full appreciation of the issues, the force of public opinion will play an important part in having the parties get together in this very unfortunate labor dispute.

Mr. President, I have concluded my remarks.

RECESS TO FRIDAY

The PRESIDING OFFICER. If there is no further business to come before the Senate, pursuant to the order previously entered, the Senate will stand in recess until Friday, March 18, 1955, at 12 o'clock meridian.

Thereupon (at 7 o'clock and 3 minutes p. m.) the Senate, in executive session, took a recess, the recess being, under the order previously entered, until Friday, March 18, 1955, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate March 16 (legislative day of March 10), 1955:

Diplomatic and Foreign Service

Ellis O. Briggs, of Maine, a Foreign Service officer of the class of career minister, now Ambassador Extraordinary and Plenipotentiary to the Republic of Korea, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Peru.

William S. B. Lacy, of Virginia, a Foreign Service reserve officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Korea.

Atomic Energy Commission

Allen Whitfield, of Iowa, to be a member of the Atomic Energy Commission for the remainder of the term expiring June 30, 1955, vice Joseph Campbell, resigned.

CONFIRMATIONS

Executive nominations confirmed by the Senate March 16 (legislative day of March 10), 1955:

Supreme Court of the United States

John Marshall Harlan, of New York, to be Associate Justice of the Supreme Court of the United States.

United States Marshal

Lama A. DeMunbrun, of Kentucky, to be United States marshal for the western district of Kentucky.

Postmasters

ALABAMA

Max A. Wilder, Dadeville.

CALIFORNIA

Keith D. Rice, Blythe.
Julius George Ponchak, Bostonia.
Paul S. Kinsey, Cloverdale.
Winifred B. Thomas, Happy Camp.
Bessie E. Hardy, Inyokern.
Fred J. Figge, Lockeford.
Rocco V. Pernetti, Los Banos.
Robert V. Ely, Lucerne Valley.
Lewis W. Hartwell, Madera.
Bernard P. Piotrowski, Northridge.
Wilma E. Graham, Sloat.
Samuel G. Andersen, Stateline.
Joseph Beeson, Sunnymead.

CONNECTICUT

Roger H. Clark, Cobalt.
Joseph Rocco Ferrigno, Meriden.

GEORGIA

Carl V. Ivey, Lincolnton.
William H. Marshall, Parrott.

ILLINOIS

Vernon L. Wilking, Chebanse.
Carl D. Roadarmel, Cowden.
John Edwin Mickens, Danvers.
Edward J. Hickey, Fox River Grove.
Walter Lueking, Hoffman.
Richard C. Atwood, Hutsonville.
Mary E. Burleigh, Ingleside.
George C. Bryce, Irving.
Vincent E. Cyrier, Manteno.
Cuma F. Holtzclaw, Maunie.
Warren G. Hess, Ontarioville.
Sidney L. Shaw, Petersburg.
Erwin H. Brandt, St. Peter.
Ronald E. Shawger, Sterling
Arnold C. Lapsansky, Witt.
Arthur Hay, Wonder Lake.

INDIANA

Hiram J. Shepherd, Butlerville.
Thomas R. Spence, Galveston
Clifford K. Smith, Leesburg.
Lloyd D. Spann, Madison.
Don P. Guild, Medaryville.
Joseph S. Dean, Napoleon.
Franklin O. Rarick, Warsaw.
Vera G. Wilkins, Wolflake.

IOWA

Clarence A. Forslund, Harcourt.

MASSACHUSETTS

Frances V. Conley, Manchaug.
Robert L. McCarthy, Warren.

MICHIGAN

Jean N. Carruthers, Bancroft.
Ronald C. Cheever, Britton.
Robert J. Terrell, Byron Center.
Chester V. Muntz, Cass City.
Olga L. Thoms, Centreville.
Wynne Vanderkarr, Corunna.
Donovan E. Springsteen, Fenwick.
Carl F. Riebow, Harrisville.
Wilbur T. McLane, Lake.
Ralph H. Jokipii, Pelkie.
Robert J. McIntosh, Port Huron.
Myrtle E. Kennedy, Topinabee.

MINNESOTA

Raymond O. Johnson, Cloquet.
Dale A. Lahti, Kelly Lake.

MISSISSIPPI

Philip E. Swayze, Benton.
Dora F. Lynd, Escatawpa.
Joseph B. Pickett, Pope.
Carroll M. Butler, Raleigh.
Elizabeth H. Branch, Shelby.
Roy A. Schmidt, Sontag.

NEBRASKA

Bernard J. Holen, Bertrand.
Lois J. Larson, Macy.
Anton F. Fisher, Weston.

NEVADA

Norma N. Bianchini, Beowawe.

NEW JERSEY

J. Ward Johnson, Belford.
Lyman H. Graham, Bradley Beach.
Joseph J. Kelly, Coytesville.
George E. Cusick, Demarest.
Anna P. MaGill, Lafayette.
Dorothy L. Curley, Lyons.
Ruth E. Alt, Morganville.
Edna I. McTamney, Neshanic Station.
Henry J. Formon, Ridgefield.
Amelia S. Applegate, South River.
Philip N. Mazziotta, Towaco.

NEW YORK

W. Arthur Lewis, Fishers.
Florence Thompson, Harriman.
Donald M. Baker, Moriah.
Lloyd A. Carter, Saranac.
Berta L. Wixom, Trumansburg.
Donald M. Tobey, Victor.
John A. Harrington, West Oneonta.

PENNSYLVANIA

Bernard E. O'Connor, Bainbridge.
Ward O. Sharpe, Murrysville.
Rita P. Ritchie, Prospect.
James M. Dougherty, Ralston.
Arthur Mosteller, Shawnee on Delaware.
Marie H. McDannell, Spartansburg.
Jane E. McKenry, West Bridgewater.

SOUTH CAROLINA

Lucille G. Heyward, Bluffton.
Lee M. Blanchett, Summerville.

SOUTH DAKOTA

Ranald A. Bishop, Hurley.

TEXAS

Edward A. Buffington, Anderson.
Bernice F. Hines, Diboll.
Hal E. Hanson, Dickinson.
Martin B. Glasscock, La Feria.
Samuel S. Williams, Marshall.
Howard G. Turner, Orange.
Odie K. Gaylor, Pampa.
Claud M. Erwin, Rocksprings.
Oscar C. Hope, Jr., Scottsville.
Donald H. Smith, Spearman.
Miller E. Herrington, Whitney.
Esta L. Matson, Zephyr.

UTAH

Byron L. Huish, Magna.

VIRGINIA

Robert K. Drumwright, Jr., Fork Union.

WISCONSIN

Archie W. Christman, Darien.
Wendell G. Williams, Elcho.
Floyd A. Fralick, Glen Haven.
Arnold L. Peters, Marinette.
DeWayne W. Jensen, Minong.
Ernest M. Iverson, Williams Bay.

WYOMING

Allen L. Swan, Douglas.
Robert A. Lowham, Evanston.
Walter S. Brown, Jr., Pine Bluffs.

HOUSE OF REPRESENTATIVES

WEDNESDAY, MARCH 16, 1955

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

Eternal God, our Father, whose thoughts concerning us are always those of love and peace, we rejoice that daily we are living under the canopy and shelter of Thy divine grace.

Grant that in this moment of quietness our minds and hearts may be filled with the spirit of penitence and humility, of gladness and gratitude, of faith and hope.

Help us to give ourselves unreservedly to the guidance of Thy Spirit and may every thought of our minds be brought into a glad obedience to the way of our Master.

May we be one in our longings and search to know Thy will for our generation and one in our aspirations and endeavors to obey Thy will with courage and faithfulness.

Inspire our character and conduct with the holiness and heroism, the consecration and dedication of our blessed Lord, in whose name we pray and bring our petitions. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Carrell, one of its clerks, announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 4259. An act to provide a 1-year extension of the existing corporate normal-tax rate and of certain existing excise-tax rates, and to provide a $20 credit against the individual income tax for each personal exemption.

COMMITTEE ON FOREIGN AFFAIRS

Mr. BURLESON. Mr. Speaker, by direction of the Committee on House Administration, I offer a privileged resolution (H. Res. 92) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That the expenses of conducting the studies and investigations, authorized by House Resolution 91, 84th Congress, incurred by the Committee on Foreign Affairs, acting as a whole or by subcommittee, not to exceed $75,000, including expenditures for the employment of such experts, clerical, stenographic, and other assistants, shall be paid out of the contingent fund of the House on vouchers authorized by such committee or subcommittee, signed by the chairman of the committee, and approved by the Committee on House Administration.

The resolution was agreed to, and a motion to reconsider was laid on the table.

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

Mr. BURLESON. Mr. Speaker, by direction of the Committee on House Administration, I offer a privileged resolution (H. Res. 117) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That effective from January 5, 1955, the expenses of the investigations and studies conducted pursuant to House Resolution 105, by the Committee on Interstate and Foreign Commerce, acting as a whole or by subcommittee, not to exceed $60,000, including expenditures for employment of investigators, attorneys, and clerical, stenographic, and other assistants, shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman of such committee, and approved by the Committee on House Administration.

The resolution was agreed to, and a motion to reconsider was laid on the table.

ELIMINATING NEED FOR RENEWAL OF OATH OF OFFICE UPON CHANGE OF STATUS

Mr. BURLESON. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 913) to eliminate the need for renewal of oaths of office upon change of status of employees of the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That no person who, upon appointment as an employee of the Senate, has subscribed or hereafter subscribes to the oath of office required by section 1757 of the Revised Statutes of the United States, as amended, shall be required to renew such oath so long as the service of such person as an employee of the Senate is continuous.

With the following committee amendments:

Line 4, following the word "Senate", insert "or House of Representatives."

Line 8, following the word "Senate", insert "or House of Representatives."

The bill was ordered to be read a third time, and was read the third time, and passed.

The title was amended to read: "An act to eliminate the need for renewal of oaths of office upon change of status of employees of the Senate or House of Representatives."

A motion to reconsider was laid on the table.

OUR AMERICAN GOVERNMENT, WHAT IS IT? HOW DOES IT FUNCTION?

Mr. BURLESON. Mr. Speaker, by direction of the Committee on House Administration, I offer a privileged resolution (H. Con. Res. 85) and ask for its immediate consideration.

The Clerk read the concurrent resolution, as follows:

Resolved by the House of Representatives (the Senate concurring), That the author of the pamphlet entitled "Our American Government, What Is It? How Does it Function?", as set out in House Document No. 465, 79th Congress, and subsequent editions thereof, revise the same, bring it up to date, and that it be printed as a public document.

SEC. 2. Such revised pamphlet shall be printed as a House document, and there shall be printed 300,000 additional copies, of which 24,750 copies shall be for the use of the Senate; 266,150 for the use of the House of Representatives; 3,100 for the Senate Document Room; and 6,000 for the House Document Room.

The concurrent resolution was agreed to, and a motion to reconsider was laid on the table.

REPORT ON ESTABLISHMENT OF PRAYER ROOM

Mr. BURLESON. Mr. Speaker, by direction of the Committee on House Administration, I offer a privileged resolution (H. Con. Res. 90) and ask for its immediate consideration.

The Clerk read the concurrent resolution, as follows:

Resolved by the House of Representatives (the Senate concurring), That the Legislative Reference Service of the Library of Congress is hereby authorized and directed to prepare a report on the origin, establishment, furnishing, and decoration of the Prayer

Room established by House Concurrent Resolution 60 of the 83d Congress for use of the Members of the Senate and House of Representatives.

SEC. 2. Such report shall be printed as a House document with illustrations, in accordance with regulations of the Joint Committee on Printing. In addition to the usual number, there shall be printed 100 copies for use and distribution by each Member of Congress.

SEC. 3. As used in this resolution, the term "Member of Congress" includes a Member of the Senate, a Member of, and a Delegate to, the House of Representatives, and the Resident Commissioner from Puerto Rico.

With the following committee amendments:

Line 2, strike out "Legislative Reference Service" and insert "Architect."

Line 3, strike out "Library of Congress" and insert "Capitol."

The committee amendments were agreed to.

The concurrent resolution was agreed to; and a motion to reconsider was laid on the table.

ADMINISTRATION OF MILITARY RESEARCH AND DEVELOPMENT PROGRAM

Mr. BURLESON. Mr. Speaker, by direction of the Committee on House Administration, I offer a privileged resolution (H. Con. Res. 91), and ask for its immediate consideration.

The Clerk read the concurrent resolution, as follows:

Resolved by the House of Representatives (the Senate concurring), That there be printed for the use of the Committee on Government Operations, House of Representatives, 1,000 additional copies of the hearings held by the said committee during the 83d Congress, 2d session, on the organization and administration of the military research and development programs.

With the following committee amendment:

Line 4, strike out the word "one" and insert in lieu thereof the word "two."

The committee amendment was agreed to.

The concurrent resolution was agreed to, and a motion to reconsider was laid on the table.

HOW OUR LAWS ARE MADE

Mr. BURLESON. Mr. Speaker, by direction of the Committee on House Administration, I offer a privileged resolution (H. Con. Res. 93), and ask for its immediate consideration.

The Clerk read the concurrent resolution, as follows:

Resolved by the House of Representatives (the Senate concurring), That there is ordered to be reprinted 50,000 copies of House Document 210 of the 83d Congress, entitled "How Our Laws Are Made," by Charles J. Zinn, law revision counsel of the Committee on the Judiciary, to be prorated to the Members of the House of Representatives for a period of 90 days, after which time the unused balance shall revert to the Committee on the Judiciary.

With the following committee amendment:

Line 2, strike out "fifty" and insert "one hundred."

The committee amendment was agreed to.

The concurrent resolution was agreed to, and a motion to reconsider was laid on the table.

COMMITTEE ON THE JUDICIARY

Mr. BURLESON. Mr. Speaker, by direction of the Committee on House Administration, I offer a privileged resolution (S. Con. Res. 9) and ask for its immediate consideration.

The Clerk read the concurrent resolution, as follows:

Resolved by the Senate (the House of Representatives concurring), That there be printed for the use of the Senate Committee on the Judiciary not to exceed 20,000 additional copies of parts 21, 22, 24, 25, and 26 of the hearings entitled "Interlocking Subversion in Government Departments," held before a subcommittee of the above committee during the 83d Congress.

The concurrent resolution was concurred in, and a motion to reconsider was laid on the table.

COMMITTEE ON APPROPRIATIONS

Mr. BURLESON. Mr. Speaker, by direction of the Committee on House Administration, I offer a privileged resolution (H. Res. 177) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That there be printed for the use of the Committee on Appropriations, House of Representatives, 1,000 additional copies of the hearings entitled "Volume I of the Agriculture Appropriation Bill, 1956," held by said committee during the 84th Congress, 1st session.

The resolution was agreed to, and a motion to reconsider was laid on the table.

ELECTRICAL OR MECHANICAL OFFICE EQUIPMENT FOR USE BY HOUSE OF REPRESENTATIVES

Mr. BURLESON. Mr. Speaker, by direction of the Committee on House Administration, I ask unanimous consent for the immediate consideration of the joint resolution (H. J. Res. 250) to amend the joint resolution of March 25, 1953, relating to electrical or mechanical office equipment for use of Members, officers, and committees of the House of Representatives.

The Clerk read the title of the joint resolution.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Clerk read the joint resolution, as follows:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection (c) of the first section of the joint resolution entitled "Joint resolution to authorize the Clerk of the House of Representatives to furnish certain electrical or merchanical office equipment for the use of Members, officers, and committees of the House of Representatives," approved March 25, 1953 (2 U. S. C., sec. 112a (c)), is amended by striking out "not more than two of each."

SEC. 2. The first section of such joint resolution is further amended by adding after subsection (c) thereof the following new subsection:

"(d) Except in case of electric typewriters, not more than two of each of the general types of equipment described in subsection (c) may be furnished under this joint resolution for use in the office of a Member, officer, or committee."

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

COMMISSION OF FINE ARTS

Mr. BURLESON. Mr. Speaker, by direction of the Committee on House Administration, I ask unanimous consent for the immediate consideration of the bill (H. R. 4534) to amend the act establishing a Commission of Fine Arts.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. GROSS. Reserving the right to object, Mr. Speaker, what does this bill provide for?

Mr. BURLESON. The bill raises the ceiling on a $10,000 limitation that was imposed on the Fine Arts Commission for their activities. The gentleman from New Jersey [Mr. THOMPSON] introduced this bill. I would be glad if he would answer further questions as to the specific reason why. I think it is common knowledge that heretofore the limitation has not been observed and that it is not practical. For that reason the bill was introduced.

Mr. GROSS. May I ask the gentleman from New Jersey: What is the Fine Arts Commission?

Mr. THOMPSON of New Jersey. It is a statutory body created under the law in 1910 to see to the aesthetic development of the city of Washington in its growth. They make recommendations with regard to the design of buildings, and so on.

Mr. GROSS. Does this call for an increased appropriation?

Mr. THOMPSON of New Jersey. It raises the ceiling upon the appropriation which was set by law in 1910 of $10,000. The fact is that by ultra vires act over the years the appropriation committees have in fact been giving them more than $10,000. This merely makes legal something which has been taking place for some time.

May I point out to the gentleman that in two instances, under Public Law 231 of the 71st Congress and Public Law 808 of the 81st Congress the duties of the Fine Arts Commission have been expanded. That has also been the case by 2 or 3 Executive orders.

Mr. GROSS. Expanded in what way?

Mr. THOMPSON of New Jersey. Public Law 231 of the 71st Congress is an act to regulate the height, exterior design, and construction of private and semipublic buildings in certain areas in the National Capital. The other one is to do the same thing for the private and semipublic buildings in the Georgetown area.

Mr. GROSS. What is the total expenditure under this proposal?

Mr. THOMPSON of New Jersey. The total expenditure under this proposal is not specifically set forth. They will go before the appropriate committee and ask for their bare needs, which I will hazard a guess and say will be in the vicinity of $25,000 instead of the present $10,000.

Mr. GROSS. Are these commissioners paid?

Mr. THOMPSON of New Jersey. They are not paid except on a per diem and actual expense basis. Some of them must travel and it has become increasingly difficult for them to do so under the present appropriation.

Mr. GROSS. How much are they paid? What is the per diem allowance?

Mr. THOMPSON of New Jersey. They do not receive per diem allowance. Only their actual traveling expenses.

Mr. GROSS. Mr. Speaker, I withdraw my reservation of objection.

Mr. HOFFMAN of Michigan. Mr. Speaker, reserving the right to object, what is the parliamentary situation at the present time?

The SPEAKER. The gentleman from Texas [Mr. BURLESON] has asked unanimous consent for the present consideration of a bill.

Mr. HOFFMAN of Michigan. Is that the bill that they have been talking about?

The SPEAKER. Yes.

Mr. HOFFMAN of Michigan. And it is not a privileged matter?

The SPEAKER. It is not a privileged matter.

Mr. HOFFMAN of Michigan. Mr. Speaker, I object.

The SPEAKER. Objection is heard.

COMMITTEE ON ARMED SERVICES

Mr. VINSON. Mr. Speaker, I ask unanimous consent that the Committee on Armed Services may have until midnight tomorrow to file a report on House Resolution 170 and House Resolution 171.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

Mr. MARTIN. Mr. Speaker, reserving the right to object, are minority views to be filed in connection with these resolutions?

Mr. VINSON. I imagine there will be a minority report.

Mr. MARTIN. Will the gentleman incorporate that in his request in the event that minority views are to be filed?

Mr. VINSON. Mr. Speaker, I ask unanimous consent that the Committee on Armed Services may have until midnight tomorrow to file a report on House Resolution 170 and House Resolution 171 and that the same privilege be granted for the filing of minority views.

Mr. GROSS. Mr. Speaker, reserving the right to object, these two resolutions do not deal with universal compulsory conscription, do they?

Mr. VINSON. No; these resolutions deal with the question of the disposal program of synthetic rubber. I may at this time announce that if the reports are filed tomorrow, I have agreed with the leadership to call them up on next Tuesday morning.

Mr. HOFFMAN of Michigan. Mr. Speaker, reserving the right to object, will the gentleman tell us whether Members will have an opportunity to discuss the bills when they come in and vote on them?

Mr. VINSON. Under the rule, they have 10 hours of general debate. I will try to reach an agreement with the authors of the resolutions for a reasonable time, thus assuring the distinguished gentleman that he will have an opportunity.

Mr. HOFFMAN of Michigan. You say I will have an opportunity?

Mr. VINSON. I hope so.

Mr. HOFFMAN of Michigan. That will be a fine procedure. You know we have not had it before.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

RESIGNATION FROM A COMMITTEE

The SPEAKER laid before the House the following resignation from a committee:

MARCH 16, 1955.

Hon. SAM RAYBURN,
Speaker, House of Representatives,
Washington, D. C.

DEAR MR. SPEAKER: I hereby tender my resignation as a member of the Committee on House Administration.

Respectfully submitted.

JAMES A. HALEY,
Member of Congress.

The SPEAKER. Without objection, the resignation is accepted.

There was no objection.

ELECTION TO STANDING COMMITTEE

Mr. COOPER. Mr. Speaker, I offer a privileged resolution (H. Res. 178) electing JAMES A. HALEY, of Florida, to the standing committee of the House on Veterans' Affairs, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That JAMES A. HALEY, of Florida, be, and he is hereby, elected a member of the standing committee of the House of Representatives on Veterans' Affairs.

The resolution was agreed to, and a motion to reconsider was laid on the table.

EXTENSION OF CORPORATE AND EXCISE TAX RATES AND $20 CREDIT FOR EACH PERSONAL EXEMPTION

Mr. COOPER. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 4259) to provide a 1-year extension of the existing corporate normal-tax rate and of certain existing excise-tax rates, and to provide a $20 credit against the individual income tax for each personal exemption, with Senate amendments thereto, disagree to the Senate amendments and request a conference with the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

Mr. MARTIN. Mr. Speaker, reserving the right to object, does the gentleman from Tennessee [Mr. COOPER] know at this time how long it will probably take to reach an agreement in conference?

Mr. COOPER. Mr. Speaker, I regret exceedingly I am not able to advise the distinguished gentleman from Massachusetts on that point.

Mr. MARTIN. I was afraid he might not. Further, when the committee does report, those of us who believe in the right of the other party to vote their views will have that opportunity when the conference report is submitted? That is a fact, is it not?

Mr. COOPER. Certainly the rules of the House will be followed. There is no question about that.

Mr. MARTIN. I expect that, too. Mr. Speaker, I am not going to object to sending this bill to conference because I realize that this is very important legislation and that the country is looking forward to it and it must be passed before April 1. Otherwise it would be a very serious blow to the finances of the country. So I am quite sure the conferees will be able to reach an agreement before April 1. If there is no agreement, I am sure those who support the Senate will have an opportunity to vote before the date of expiration of the taxes.

Mr. COOPER. Mr. Speaker, I feel I should probably point out to the gentleman from Massachusetts, and the gentleman from New York [Mr. REED], the ranking minority member of the Committee on Ways and Means will concur with me in this statement, as the gentleman from New York [Mr. REED] knows, the Committee on Ways and Means has a very important hearing scheduled for 10 o'clock tomorrow morning on the recommendation of the Secretary of the Treasury that certain provisions of the tax bill passed last year be immediately repealed. As the gentleman knows, notice was issued pursuant to an agreement of the Committee on Ways and Means last Monday, that those public hearings would be held tomorrow. I am advised by the clerk of the committee that there are some 18 or 20 witnesses requesting to be heard. I assume we will probably conduct hearings tomorrow and the next day to hear all those witnesses. Of course, the committee will be busy during that time. I think the gentleman from New York [Mr. REED] will concur with me in that statement.

Mr. REED of New York. That is correct.

Mr. MARTIN. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee [Mr. COOPER]. [After a pause.] The Chair hears none, and appoints the following conferees: Mr. COOPER, Mr. DINGELL, Mr. MILLS, Mr. REED of New York, and Mr. JENKINS.

DAMAGE FROM FLOODS

Mr. BROOKS of Louisiana. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. BROOKS of Louisiana. Mr. Speaker, I am president of the National Rivers and Harbors Congress. Floods are always tragic. They result in damage and they result in loss of life, but it is interesting to us who want to see the work of reducing the damage from floods to continue to read a very complete report issued by the Corps of Army Engineers as of March 15, covering the flood situation in the Ohio Valley as of this time. While the flood damage is heavy and there is loss of life in the Ohio Valley, the flood-control facilities are operating effectively and are reducing the damage and the loss of life. A great program for making the valley safe seems to be paying dividends.

Therefore, Mr. Speaker, I ask unanimous consent that this report be printed at this point in the RECORD that it may be available to the Members.

The SPEAKER. Is there objection?

There was no objection.

The report referred to follows:

SUMMARY OF OHIO RIVER FLOOD OF MARCH 1955

(By Col. J. L. Person, division engineer, Ohio River Division, Corps of Engineers, Cincinnati, Ohio)

Twice within 5 months in late 1954 and early 1955, the Ohio River tested the Corps of Engineers' plan for flood control in the Ohio Valley, and twice the value of sound, comprehensive planning was proved, even though the plan has only partially been translated into protective construction.

Damages aggregating close to $218 million were prevented: Approximately $149 million by works in the upper river in October, when Hurricane Hazel dropped enough water in the upper watershed to have otherwise produced the third highest flood of record at Pittsburgh and Wheeling, and the remaining $69 million in March of this year, $50 million of the latter in the stretch of river from below Wheeling, W. Va., to Maysville, Ky., including tributaries.

Actually the latter flood resulted from three distinct storms: One on February 21–22; another during the period February 26 to March 1, and the last during the period from March 3 to March 6.

During the first period rains were moderately heavy on northern and southern tributaries of the Ohio in Ohio, eastern Kentucky, and West Virginia. The second storm was marked by light precipitation on the northern tributaries in Ohio, and heavy rainfall on southern tributaries in West Virginia.

The third storm brought moderately heavy rain along the northern tributaries in Ohio and southeastern Pennsylvania, and heavy precipitation along southern branches in West Virginia and eastern Kentucky.

The net result would have been the third highest flood of record in the Huntington, W. Va., area, had it not been for the fortunate fact that the rains fell in areas where effective control was possible from completed Corps of Engineers reservoirs. Had heavier portions of the same rains fallen within areas not yet protected, much higher stream stages would have resulted, with flood loss mounting considerably more than the preliminary estimate of $15½ million.

Just as operation of 10 Pittsburgh area reservoirs knocked about 9 feet from crests in the Pittsburgh-Wheeling reach in October, a total of 28 completed reservoirs—14 in the Muskingum Valley of Ohio plus 4 others in the Huntington district and the 10 near Pittsburgh—effected crest reductions of from 3½ to 7 feet along a 600-mile stretch of the Ohio. Typical were these:

Pittsburgh, Pa., 3.4 feet; St. Marys, W. Va., 3.5 feet; Marietta, Ohio, at the mouth of the Muskingum, 4.1 feet; Parkersburg, W. Va., 3.5 feet; Pomeroy, Ohio, 6.5 feet; Point Pleasant, W. Va., 6.6 feet; Huntington, 6.3 feet; Ashland, Ky., 7 feet; Portsmouth, Ohio, 6 feet; Maysville, Ky., 5.6 feet; Cincinnati, 5 feet; Louisville, Ky., 3.5 feet.

Expressed another way: Had it not been for operation of the reservoirs, the turgid Ohio would have reached a crest at Huntington only 6 inches lower than the 66-foot stage of 1913, a flood second only to the record onslaught of 1937 when the river reached 69.4 feet. As it was, the stream crested at 59.5 feet against flood stage of 50 feet.

At Cincinnati, the river reached 61 feet, 9 feet above flood stage, and full 19 feet below the record 80-foot stage recorded in 1937. But, again, had it not been for reservoir control, the Ohio would have stopped only a bare 2½ inches below the 66.2-foot top reached in 1883, a flood listed as the fifth highest disaster of record in the valley. The Ohio remained above flood stage for 11 days at Cincinnati, edging above 52 feet on March 2, and slipping below at dusk on March 13.

The combination of reservoir control and protection afforded by Corps of Engineers local protective works created a situation unique in flood annals in the Ohio Valley. The major portion of such cities and towns as Parkersburg, Point Pleasant, Huntington and Ceredo-Kenova, W. Va., Ironton and Portsmouth-New Boston, and Mill Creek Valley section of Cincinnati, Ohio; Ashland, Maysville, Newport, Covington, Louisville and Paducah, Ky., Lawrenceburg, Jeffersonville, New Albany and Evansville, Ind., and Cairo, Ill., remained high and dry behind levees or flood walls. Flood loss was held to an astonishing minimum, considering the widespread sweep of water.

Preliminary Corps of Engineers figures with some of the tributaries not yet accounted for, placed property loss at about $15½ million, of which $13 million was recorded in that portion of the Valley above Lawrenceburg, Ind., a small community important as a distillery center located some 23 miles west of Cincinnati, and 493 miles below Pittsburgh. The remainder was listed for the 488 miles of the Middle and Lower Ohio extending from Lawrenceburg to Cairo, Ill., where the Ohio joins the Mississippi—an area where flood heights on the Ohio fell off rather rapidly.

The flood caused considerable suffering and inconveniece to thousands of lowland dwellers—as all floods do. But paralleling the low record of property loss is the fact that throughout the thousand-mile valley, the Red Cross and other relief agencies evacuated fewer than 3,500 persons from their homes, and the Corps of Engineers was called upon to perform only one emergency mission—and that of minor nature—at Maysville, Ky., where a pump was hastily installed to assist partially completed flood wall facilities. Three drownings have occurred during the current flood.

Corps of Engineers flood walls and levees—including 43 of the 132 authorized local protection projects which have been put into operation—performed "as expected." Not a single sandbag was filled, much less wet.

The record of damage prevented is all the more remarkable because the Ohio Valley's flood control plan has been authorized only since 1938 when Congress acted to prevent recurrence of such widespread disasters as the 1937 flood and its record of property loss of more than $400 million. Only 33 of the 80 reservoirs authorized by the act of 1938 have been completed, along with the 43 local protection works.

The threat of major disaster still hangs over the valley and will continue to hang until such time as the plan is completed. This, of course, will depend upon the rate at which funds are appropriated by the Congress.

The current estimated total Federal cost of the congressionally authorized program for the Ohio River Valley (including all authorized navigation, flood-control and multiple-purpose projects) is $2,783 million.

Funds made available to date have permitted the overall project to be advanced to 29-percent completion.

PAMPHLET "THE HOUSE OF REPRESENTATIVES"

Mr. IKARD. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. IKARD. Mr. Speaker, I have introduced House Resolution 176, which provides for the publication of 250,000 copies of a pamphlet entitled "The House of Representatives," which I have prepared. It deals with the history, traditions, and great and interesting personalities who have served in this great, distinguished legislative body. The pamphlet also includes descriptive matter concerning the Capitol Building and Capital City of the United States.

I hope and feel that this pamphlet will be instructive and beneficial and will tell the story of the great contribution that the House of Representatives has made toward free government and the freedom of America generally.

House Resolution 176 is as follows:

Resolved, That the pamphlet entitled "The House of Representatives," which sets forth the history and functions of the House of Representatives, shall be printed as a House document.

SEC. 2. There shall be printed 250,000 additional copies of such House document for the use of the House of Representatives.

PERMISSION TO SIT DURING SESSION OF HOUSE

Mr. ASPINALL. Mr. Speaker, I ask unanimous consent that the Subcommittee on Irrigation and Reclamation of the Committee on Interior and Insular Affairs may sit this afternoon notwithstanding the House may be in recess or in session.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

HOSPITAL NEEDS OF VETERANS OF FLORIDA

Mr. MATTHEWS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. MATTHEWS. Mr. Speaker, I know that Members of Congress have read with a great deal of interest the task force report of the Hoover Commission on Federal medical services, which has been released with a dateline of February 1955.

On page 117 of the report it is recommended that the Veterans' Administration close and dispose by sale or otherwise any hospital which in its judgment can no longer be operated effectively or economically. Then, in its appendix 12 on page 135 of the report, the task force recommended the Lake City, Fla., hospital as 1 of 19 which, in its words, "should be closed because it has such a small bed capacity, is so poorly located, or has such a low rate of bed utilization that its continued operation is uneconomic and ineffective." I should like to point out some of the facts concerning the Lake City, Fla., veterans' hospital. This splendid institution has never had a chance to perform effectively until recently because its buildings are half a century old, and it has been for years in a most dilapidated condition. Its main buildings were used by the University of Florida over 50 years ago. However, the Veterans' Administration, recognizing the need of a modern renovation program, obtained from Congress an item of over $4 million to complete this modern renovation program, which will be completed probably about June of this year. Now this hospital at Lake City, Fla., will be modern in every respect and will, for the first time in its history, have the facilities to operate effectively. I am very much concerned that the task force seemingly did not take this modernization program into consideration at all when it made its recommendation. There is no doubt in my mind whatsoever but that the Veterans' Administration will insist on keeping this veterans' hospital at Lake City, which serves not only the northern part of Florida, but the southern portion of Georgia and other sister States, and will in the future continue the needed expansion of this facility.

The task force pointed out the great problem of taking care of our veterans who have neuropsychiatric problems. I am glad they pinpointed that great problem, because for 2 years now I have been pointing out to the Congress the tremendous problem we have in caring for our veterans with neuropsychiatric disorders in the State of Florida. I know that any objective study of the veteran's hospital program in Florida will show how far behind our great State lags in providing the hospital beds for the veteran population. At the present time in Florida we have only 1,350 general hospital beds, and 116 NP beds to take care of a veteran population which is estimated now at 436,000. This means that the ratio of veterans per VA hospital bed in the United States as a whole is 185 to 1, whereas the ratio of veterans per VA hospital bed in the State of Florida is 332 to 1. The ratio of veterans per NP bed in the United States as a whole is 450 to 1, while in Florida it is approximately 3,750 to 1. We had as of February 1, 362 of our veterans in the Florida State mental hospital who were suffering from non-service-connected neuropsychiatric problems, and there were 39 in the county jails throughout the State because there were no facilities for them. I am confident that there are hundreds of other veterans in Florida with mental disorders who have never sought admittance into a VA hospital because they know there are no bed facilities, and are now dependent on the mercy of friends, or they are in the custody of their loved ones who do not have the facilities to take care of them properly.

The great House Committee on Veterans' Affairs, which does such a splendid job in evaluating the needs of our veterans and fighting for a square deal for them, has looked thoroughly into this situation of a neuropsychiatric hospital for Florida.

On March 1 the Subcommittee on Hospitals of the House Committee on Veterans Affairs granted the Florida Delegation, and other interested citizens from Florida a hearing on my bill, H. R. 1820, which proposes the establishment of a 1,000-bed neuropsychiatric hospital at Gainesville, Fla., the home of the University of Florida, and the site of the State of Florida's medical school which will admit its first class in September of 1956. This location is ideal for a neuropsychiatric hospital because it will be in the area of a great medical center, and in a central location in Florida.

Florida at the present time has nearly 900 veterans hospitalized outside the State. We are faced with a great disadvantage in geography as far as veterans' hospitals are concerned because our veterans can go only from south to north. We are surrounded on three sides by water. I am sure we can all realize the great problems and expense of appropriate mental treatment for veterans who have to go in some cases literally a thousand miles or more away from home for treatment. Florida needs this neuropsychiatric hospital, and I sincerely hope the hospital subcommittee of the House Committee on Veterans Affairs can visit Gainesville, Fla., in the immediate future to get any information needed to evaluate this great problem of the neuropsychiatric veterans in Florida.

THE SOCIETY OF THE 28TH DIVISION

Mr. QUIGLEY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. QUIGLEY. Mr. Speaker, I today introduced a bill providing for the incorporation of the Society of the 28th Division. I invite the particular attention of any of my colleagues who might be veterans of this great fighting unit and will certainly welcome them as cosponsors.

REGULATION OF INDEPENDENT PRODUCERS OF NATURAL GAS

Mr. YATES. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, and to revise and extend my remarks and include correspondence.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. YATES. Mr. Speaker, 2 weeks ago I had occasion to comment upon the report issued by the President's Committee on Energy Supplies and Resources Policy, which recommended exemption from regulation of the so-called independent producers of natural gas, and recommended, also, that fair field value be used as the basis for the rate regulation of natural-gas companies, rather than actual legitimate cost. Inasmuch as the 8-man committee consisted of 7 members of the President's Cabinet and the head of the Office of Defense Mobilization as chairman, it seemed certain that the report reflected the views of the Eisenhower administration. I said at that time:

> The report continues the administration's long record of flouting the interests of the consumers. If its recommendations are adopted, consumers will pay hundreds of millions of extra dollars into the treasuries of the big oil and gas companies.

Mr. Speaker, it now appears that the White House is hedging on accepting the report of the committee. Word issues from other assistants to the President that the President may not accept the viewpoint of his committee.

I have just been furnished with a letter written on March 4, 1955, by Gerald D. Morgan, special counsel to the President, to Joseph F. Grossman, special assistant corporation counsel of the city of Chicago, which is as follows:

THE WHITE HOUSE,
Washington, March 4, 1955.

Mr. JOSEPH GROSSMAN,
Special Assistant Corporation Counsel, City of Chicago, Chicago, Ill.

DEAR MR. GROSSMAN: The President asked me to reply to your letter of March 2, enclosing the copy of the resolution of the city council of Chicago, concerning possible legislation dealing with jurisdiction to regulate the price of natural gas at the wellhead.

As you know, some time ago the President designated several members of the Cabinet to serve as an advisory group on energy-resources problems. That group issued a report last Saturday, and among its recommendations was one dealing with the subject matter in which you expressed an interest.

These recommendations do not, however, represent recommendations of the President. They are merely recommendations of the advisory group to the President.

The President expects to give thorough consideration to these recommendations with a view to achieving the maximum protection of the interests of consumers. You may be sure that the President will give the views expressed in the resolution and your letter careful consideration.

Sincerely,

GERALD D. MORGAN,
Special Counsel to the President.

Mr. Speaker, the White House is now in the very adroit position of being on both sides of this very controversial issue and therefore, on neither side. The

country wants to know what stand the President intends to take. Inasmuch as time is fleeting and the House Committee on Interstate and Foreign Commerce has scheduled hearings on legislation dealing with this very important matter on March 22, I am impelled to ask: "Mr. President, won't you please make up your mind as to whether or not you intend to approve the report of your Committee on Energy Supplies and Resources Policy?"

MONOPOLY IN RUBBER BAD FOR AMERICA—QUESTION TO BE DECIDED IN HOUSE OF REPRESENTATIVES TUESDAY, MARCH 22, 1955

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and to include extraneous remarks.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PATMAN. Mr. Speaker, next Tuesday, if present plans are carried out, a major national problem will be decided by the House. It involves the disposal of the synthetic rubber plants to big rubber and oil companies in a way that I believe will be ruinous to the public interest.

This question affects everyone in the United States. It involves the price of automobile tires, the protection of small business against unfair and destructive competition, and the creation of an iron-clad rubber monopoly.

The following letter I have sent to Chairman VINSON is self-explanatory:

MARCH 16, 1955.

Hon. CARL VINSON,
Chairman, House Armed Services Committee, Washington, D. C.

MY DEAR MR. CHAIRMAN: I was gratified that your committee had Judge Stanley N. Barnes, Assistant Attorney General in charge of antitrust, before the Armed Services Committee on March 15 and put a number of questions to him concerning the Rubber Facilities Disposal Commission's plan for selling the Government-owned synthetic rubber industry to a few rubber, oil, and chemical corporations. As you know, I feel very strongly that the monopoly aspects of this plan and its provisions purporting to provide some protection to small rubber fabricators have not been adequately explored, and that the Attorney General's letter of January 17, included in the Commission's report to Congress, leaves unanswered a number of questions which should be answered before the House has to make a decision on this matter.

As to the military and national security aspects of the Disposal Commission's plan, I have complete confidence that your committee has explored and considered the matter expertly and I have no doubt that you have found the national security fully protected in this plan. As I stated to your committee on March 11, however, I feel that there is a great deal more at stake in this plan than the national security; the plan raises complex questions concerning the welfare of our domestic economy, and concerning the future of small business particularly. I do not believe moreover, that there has to be a choice between protecting our national security and protecting our domestic economy against monopoly control of a vital industry and destruction of small business. On the contrary, I believe that the two objectives are completely compatible. In fact, I believe that both of these objectives would be reinforced under a plan which effectively meets both objectives, for long experience has proved over and over again that a monopolized industry tends to retard expansion of capacity and tends to inhibit technical innovations and progress.

Consequently, while I am satisfied with the national security aspects of the Disposal Commission's plan, I am as yet far from satisfied with the monopoly and small-business aspects of the plan and with the adequacy of the information which either the Attorney General or Judge Barnes has given on these aspects of the plan. I have had prepared, therefore, the attached list of questions, which I believe should be put to Judge Barnes and which I believe must be answered, before Congress can make an informed decision on the question of whether it should disapprove the Disposal Commission's plan.

Since the Attorney General and the Assistant Attorney General, Judge Barnes, have a statutory responsibility for advising Congress with reference to the question, whether the Disposal Commission's plan meets the criteria set out in the Rubber Producing Facilities Disposal Act of 1953 (Public Law 205, 83d Cong., 1st sess.) concerning the establishment of a free, competitive, synthetic-rubber industry and concerning the plan which best protects small business, I hope that you may see fit to put these questions to Judge Barnes and have his answers made available to the House before we take up the question of this disposal plan next week.

Sincerely yours,

WRIGHT PATMAN.

The questions for the Honorable Judge Stanley N. Barnes, Assistant Attorney General in charge of antitrust, are as follows:

Judge Barnes, I would like to invite your comments on one broad, general question; then I have a few questions on specific points I would like to get cleared up.

The general question relates to the second paragraph of the Attorney General's letter of January 17. It reads as follows:

"This is to advise you that on the basis of the information furnished to me by the Commission I do not view the proposed dispositions as being in violation of the antitrust laws. I express no opinion, however, concerning the legality of any programs or activities in which the proposed purchasers may engage in the utilization of these properties, nor as to any matters other than whether or not the proposed dispositions violate the antitrust laws."

Now that statement contains two qualifications which I would like for you to examine. First, it contains the phrase "on the basis of the information furnished to me by the Commission" and says nothing about other information which the Department of Justice may have or could reasonably have gotten from other sources. Second, if I read the remainder of the statement correctly it says simply this: The Attorney General expresses the opinion that the proposed disposition of these plants, taken alone and quite apart from any other facts which he may or may not know to exist, will not violate the antitrust laws; but the Attorney General expressly reserves the opinion whether or not there would be a violation of the antitrust laws, taking account of the whole factual situation, the moment these plants are transferred.

Now, as I understand the antitrust laws, you frequently have situations where a particular competitive arrangement taken alone, out of context of the whole factual situation, is not violative of any laws, but when you add this competitive arrangement to the whole factual situation you have an unreasonable restraint of trade. Now, I am not talking about secret agreements or conspiracies or understandings among these proposed purchasers. I realize that there could be secret agreements, which you might not know about and might never know about even though you investigated diligently, so I am not talking about agreements or understandings which you may not know about, but this is the question I want to get clarified: Quite apart from any agreement which you do not know about, has the Department of Justice investigated and considered the whole factual situation insofar as it could reasonably ascertain the facts and satisfied itself that there will not be an unreasonable restraint of trade or other violation of the antitrust laws the moment these plants are transferred?

2. Now, the rest of my general question pertains to the analogy you have here with the Supreme Court's decision in the Columbia Steel case. (*U. S.* v. *Columbia Steel Co. et al.* (334 U. S. 495, decided June 7, 1948).) The theory of the United States in bringing that suit was that the acquisition of Consolidated constituted an illegal restraint of interstate commerce because all manufacturers except United States Steel would be excluded from the business of supplying Consolidated's requirements of rolled steel products, and because competition then existing between Consolidated and United States Steel would be eliminated.

In addition, the Government alleged that the acquisition of Consolidated, viewed in the light of the previous series of acquisitions by United States Steel, constituted on attempt to monopolize the production and sale of fabricated steel products in the Consolidated market. That last aspect of the case was vigorously contested. The defense was predicated in a substantial way upon the fact that the United States Government had in 1947 sold to the United States Steel Corp. a large plant at Geneva, Utah, and that in that connection the Attorney General had concluded "that the proposed sale, as such, did not violate the antitrust laws."

You will also remember in that connection that the Supreme Court in disposing of that aspect of the case stated: "To show that specific intent, the Government recites the long history of acquisitions of United States Steel, and argues that the present acquisition when viewed in the light of that history demonstrates the existence of a specific intent to monopolize. * * * We look not only to those acquisitions, however, but also to the latest acquisition—the Government-owned plant at Geneva. We think that latest acquisition is of significance in ascertaining the intent of United States Steel in acquiring Consolidated." The Court then proceeded to dismiss the suit by a vote of 5 to 4.

Then the court pointed out that when approval was given to the sale of the Geneva plant to United States Steel, the Government had reason to know that if United States Steel acquired the Geneva plant it would for "normal business purposes" either acquire or build finishing facilities to assure itself a market for the unfinished steel produced at the Geneva plant, and the Government made no objection. Now this raises a question. First, you are approving the sale of 31.8 percent of the butadiene capacity to one partnership company—the partnership being made up of 2 oil companies and 2 rubber companies.

Now, permit me to ask you this: If, in the future, you decided to proceed against one of the rubber companies under the Clayton Antitrust Act or the Sherman Act because of any proposal on their part to acquire smaller companies in order to balance their rubber capacity with their butadiene capacity, or to balance their butadiene capacity with their rubber capacity, or to balance

their rubber fabricating capacity with their rubber capacity, how could you distinguish, as a matter of law, such a situation from the situation disposed of by the Supreme Court in the Columbia Steel case and what different results could you expect to secure?

Now for my more specific questions:

3. It has been pointed out that according to this disposal plan, no one company will have more than 18.8 percent of the GR–S capacity. On the other hand, the disposal plan calls for one partnership company, to have 31.8 percent of the butadiene capacity. The partnership company is made up of Gulf, Texas, U. S. Rubber, and Goodrich. These four companies, together, will have 29.1 percent of the GR–S capacity. Since these four companies will be a partnership in 31.8 percent of the butadiene capacity, would you see any substantial difference insofar as practical competition is concerned, if they formed a single partnership company to handle their 29.1 percent of the GR–S capacity?

4. I would like to ask you about the license agreements. The second paragraph of the Commission's statement on this subject (p. 31) indicates that the Commission has made available to prospective purchasers the patent agreements to which the Government is a party and that it has taken actions to assist prospective purchasers to obtain licenses to use patents to which the Government was not a party. I quote from the Commission report as follows: "The patent agreements to which the Government was a party and the actions subsequently taken in this field by the Commission assure that adequate rights to patents and technical information are available to plant purchasers." Beyond this however, the Commission has not told Congress what it has done; we don't know what these actions were, what the terms and conditions of the license agreements are, and I wonder if the Department has examined all of these license agreements and satisfied itself that none of the royalties are unreasonable and that there is nothing else in them which will unreasonably restrain competition.

5. What has been the Department's usual position with reference to patent pooling where the pool was restricted to members and not freely open to all newcomers?

6. The Attorney General's report has something to say about the patents and agreements covering butyl rubber, but it seems to be silent on this subject as regards the more important classes of rubber and feed stocks. Can you tell me where the provisions are in the contracts with the proposed purchasers of the rubber facilities, or elsewhere, which assure that the patent pool which will now be set up among the proposed purchasers will be open to the other companies that might wish to enter some phase of the synthetic-rubber business in the future?

7. The Commission's report contains this sentence: "* * * in the appendix to each contract of sale, the Commission has agreed that, to the extent of the Government's powers under these agreements, it will assist purchasers in obtaining necessary rights," speaking of patent rights, of course. Can you tell us whether or not the Government has sufficient powers under these agreements that it could, if it cared to do so, assure any and all possible purchasers the right to use all product and process patents now necessary for successful operation of the butadiene and GR-S rubber plants.

8. In view of the fact that when the Government-owned aluminum plants were sold, the Department of Justice insisted upon having, as a condition of the sale, a provision making licensing of patents at reasonable royalties compulsory, I am wondering why the Department has not insisted upon such a provision in the case of these rubber facilities.

9. The assurances that we have been offered that small rubber fabricators will have access to adequate supplies of rubber at fair prices rest in large part on the premise that the production of Shell on the west coast will all be put on the open market, since Shell is not a rubber fabricator. In this connection the Attorney General's report (p. 34) is to the effect that since the major tire companies will have copolymer plants on the gulf coast, they will supply their west coast tire plants from these. The Attorney General's report does not make it clear however, how much surplus production these tire companies will have at their gulf coast plants after supplying the requirements of their more eastern markets, or why these major tire companies took 90 percent of the production of Shell's west coast plant in 1954. Could you enlighten us on this?

10. In considering the supplies which might be available to small fabricators, I wonder if you have taken into consideration these contracts which some of the oil companies seem to have with some of the rubber companies for promoting the sale of their tires through the retail filling stations. For example, on page 158 of the supplement of the Commission's report the proposed contract with Shell contains the following sentence: "Neither Shell Chemical Corp. nor the parent, Shell Oil Co., is engaged in the manufacture or sale of natural or synthetic rubber or products made therefrom, excepting that Shell Oil Co. has contracts with the Firestone Tire & Rubber Co. and with the Goodyear Tire & Rubber Co., Inc., which provide for the payment of a commission to Shell Oil Co. as compensation for Shell's assistance in promoting the sale of their products to Shell dealers, commission distributors, and jobbers." What effect do you think such contracts would have on the question whether Firestone and Goodyear would buy Shell's rubber, or refuse to buy Shell's rubber, and thus make it available for small business?

11. Judge Barnes, I would like to have your comments with reference to the "agreements" in the contracts with the proposed purchasers, where the purchasers say that they agree to "make available" certain specific percentage of their production to "small business". How could the small fabricator who found that he could not obtain rubber find protection under these agreements—specifically the following questions occur to me:

Is the small-business man to bring private suits, and if so under what theory of the law? And what is the likelihood that the courts will say to an individual businessman that he has a right to sue as a third party beneficiary of the United States Government? Since no small-business man is mentioned in these contracts, but the Government merely purports to try to protect an indeterminate class in these contracts, can the indeterminate members of this class have any standing before the courts as third party beneficiaries?

Then, may I ask the question as to which of these proposed purchasers the small-business man would sue? Is there any mechanism by which he would know which of these companies were failing to sell their agreed proportion to small business? Is there any requirement that the proposed purchasers make public their sales and customers or open their books for inspection?

What specific rights does a fabricator have under this agreement? Would there be any difficulty arising from the lack of a definition of small business? And does a small fabricator have a right to demand that a particular rubber company sell him supplies or does the rubber company have the right to choose its customers?

Assuming that the small-business man can sue, then as a practical matter how much would such a suit cost a small fabricator, and how long would it take to conclude the litigation, and what would be the prospects of his concluding the litigation before he has gone out of business?

On the other hand, if the Government is to police these agreements who is to do the job and how will it be done? More specifically let us consider the following questions:

Can the Government sue on the basis of damage for a breach of contract, since the Government will not have suffered any damage? Could the Government sue for specific performance of contract, and what State law would determine whether an action for specific performance could be brought? Would the right to sue differ according to where a plant is located, and would the Government have different rights under different laws in different States where the plants are located? If the Government is to police these agreements, what mechanism will it have for knowing whether or not the agreements are being lived up to, and what assurance are there that the Government will move promptly and that it can obtain relief before a substantial number of small-business men have gone bankrupt?

12. Judge Barnes, some of these so-called agreements in the contracts with the proposed purchasers are to the effect that the purchasers will make available certain specified percentages of rubber to small fabricators at competitive prices. I wonder whether to your mind this term "competitive prices" has any meaning other than that the integrated fabricator will make available to his small competitors rubber at the same prices and terms as he makes it available to himself.

13. Judge Barnes, I don't wish to go into the long list of past antitrust cases in which these big rubber companies and oil companies have repeatedly been found guilty or plead nolo contendere to charges of violating the antitrust laws, but I do want to ask you about a few of the recent and pending cases which seem to have a particular bearing on this disposal plan.

I am told that there is a case now pending in the courts of the District of Columbia involving the Federal Trade Commission and 20 big rubber and oil companies, and I am told that the proceedings arose because the FTC attempted to relieve pressure on small tire distributors resulting from the tire companies discriminating in prices among their different customers; I am also told that these proceedings were started in 1947, so that they are not concluded after 8 years of litigation. I wonder if you are familiar with this case?

Would you venture an estimate as to how long it will take before this case is ultimately concluded?

Do you know whether or not the discriminations complained of by the FTC are still being practiced by these companies pending the outcome of this litigation?

Is it your opinion that the rubber and oil companies will be less likely to discriminate against these small competitors than they have been to discriminate among their own customers?

14. Now I want to refer you to a few cases in which the big rubber companies have plead nolo contendere to charges of violating the Sherman Act.

In the Rubber Manufacturers Association case, the big four rubber companies plead nolo contendere on October 21, 1948, to a charge of conspiracy and combination to restrain trade in tires and tubes lasting from 1935, to date of filing the complaint in 1947—in other words, approximately 12 years.

Five days after the plea was entered in the Rubber Manufacturers Association case, the Government filed a criminal indictment charging Goodyear and others with fixing prices of rubber heels and soles, and in 1949 pleas of nolo contendere were filed.

In 1950 Firestone, Goodrich, Goodyear, Sears, Roebuck, and others were defendants

in 2 actions, 1 civil and 1 criminal, which charged these companies with fixing prices and exercising monopoly power to exclude competitors in the sale of batteries.

Now my question is this: Before approving the Commission's disposal plan, did the Department of Justice make investigations to find out whether or not the practices which were admitted in these cases have been stopped and whether or not the court orders are being complied with?

15. Judge Barnes, I understand that the case of *U. S.* v. *National City Lines* is still pending—that in this case you charge Firestone, Phillips, and Standard of California with a combination and conspiracy to monopolize trade in the sale of both petroleum products and tires and tubes. Can you assure us this if you win that case you will effectively eliminate the trade restraints charged in this case?

16. Judge Barnes, I would like to ask you about another case which is still pending; this is *U. S.* v. *Standard Oil Company of California et al.*, in which the Standard California Co., the Shell Co., and the Texas Co. are charged with monopolizing the entire oil industry in the Pacific States area from point of production to point of retail distribution.

The complaint in this case alleges, in paragraphs 72 and 73, that a formal civil action filed in 1930, in which a consent judgment was entered, and a formal criminal indictment in 1939, to which pleas of nolo contendere were entered, were against the same defendants—Standard, Shell, and Texas—but that these previous actions have been completely ineffective in preventing these companies from continuing to monopolize the oil industry of the Pacific coast area.

In paragraph 74 the Government further alleges that—

"Defendants' domination and control of the petroleum industry in the Pacific States area has become so entrenched and so overwhelmingly and generally accepted that it has persisted and will continue to persist and grow * * * and will continue to make it impossible for independents at any and all levels of the petroleum industry to compete effectively with defendant oil companies."

The same paragraph stated that the "business operations of defendant oil companies are conducted as if said oil companies were a single concern with single management."

(a) Now, first of all, Judge Barnes, is not this an admission on the part of the Government that Texas, Shell, and Standard Oil of California have monopolized the petroleum industry since 1930, and that so far the Government has not been able to stop them even though it has been successful in two antitrust actions?

(b) Secondly, Judge Barnes, when the Government filed its complaint in the California case it, in effect, vouched for the truth of the charges made, did it not, so that even though there has been no final determination of the California case, the Department of Justice believes that the charges it made in its complaint are true?

(c) How does the Department of Justice, therefore, Judge Barnes, reconcile its allegations made in the California case, with the assertions that the sale of the synthetic rubber plants to the defendants named in that case promotes free enterprise?

(d) Is it your personal opinion that if the allegations contained in the Government's complaint are true that the sale of the synthetic facilities to Standard of California, the Texas Co., and Shell will not enhance the monopoly position of these defendants and make it even more difficult for small independents to survive?

(e) Now check my memory on this: In the old Mother Hubbard case the Government had a similar charge against all of the major oil companies, concerning monopoly practices in markets all over the United States, and the Government dropped the Mother Hubbard case because it was too big to try, that is, there were too many companies to have in one suit; so it dropped that case with the intention of starting a series of smaller cases involving the separate regions of the United States, and this case of *U. S.* v. *Standard Oil of California et al.*, was then filed as the first of a series of cases to replace the Mother Hubbard case. Can you put me straight on this?

17. Now about your current suit against the oil cartel. Four of the oil companies to which the Commission proposes to sell the rubber facilities are named as defendants in that suit—that is, Texas, Gulf, Standard (New Jersey), and Standard of California. I believe that a fifth oil company, Shell, is alleged to be a member of that cartel, although it is not named as a defendant. Now my question is this: Do you feel confident that you will successfully break up the restrictive features of that cartel, if any exists, and that the restrictions on competition between these companies alleged to exist as to the production and sale of petroleum and petroleum products will not spread to the production and sale of rubber and rubber products?

18. The Attorney General's report is silent on the background of cartel control over natural rubber; I would like to know if the Department took the cartel question into consideration and, if so, what conclusion it reached concerning probable future control over natural rubber by cartel action?

19. I now refer you to the announcement made by Attorney General Brownell on September 30, 1954, in which he expressed disapproval of the proposed merger of the Bethlehem Steel Co., and the Youngstown Sheet & Tube Co., and expressed the opinion that such merger would probably be in violation of the antitrust laws. In that announcement the Attorney General quoted with approval a statement in the report of the House Judiciary Committee on the Antimerger Act of 1950 concerning the meaning of an illegal effect upon competition, as follows:

"Such an effect may arise in various ways, such as an elimination in whole or in material part of the competitive activities of an enterprise which has been a substantial factor in competition; increase in the relative size of the enterprise making the acquisition to such a point that its advantage over its competitors threatens to be decisive, undue reduction in the number of competing enterprises or establishments of relationships between buyers and sellers which deprived their rivals of the same opportunity to compete."

I also point out that had the Bethlehem-Youngstown merger been consummated, Bethlehem would have then had approximately 30 percent of the steel capacity, although it would have still been the second largest steel company. In contrast, the Attorney General's letter has approved the sale of 31 percent of the country's butadiene capacity to a single company, and this will be the largest company in its industry.

In the light of the foregoing, I would like to know upon what basis the Department of Justice foresees an unsatisfactory degree of competition in steel and a satisfactory degree of competition in butadiene?

The Honorable CARL VINSON is a very fair chairman. He has been courteous to and cooperative with those of us who are opposing him on this sale of the rubber plants. He has already given me the assurance that my letter and questions have been sent to the Attorney General with a request that the answers be available Monday morning, March 21.

EXCISE-TAX RELIEF FOR THE REFRIGERATOR INDUSTRY

Mr. MEADER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. MEADER. Mr. Speaker, yesterday, I introduced a bill, H. R. 4934, to amend the Internal Revenue Code of 1954, to provide that in computing the excise tax on refrigerator components, the sale price shall not include the value of a similar component accepted in exchange.

The language of the bill is simple. It adds to section 4112 of the Internal Revenue Code of 1954, the following new subsection:

(c) Sale price of certain refrigerator components: In determining the sale price of a refrigerator component, there shall be excluded from the price, in accordance with regulations prescribed by the Secretary or his delegate, the value of a like component accepted in exchange.

Mr. Speaker, the adoption of my bill would place the refrigerator industry on the same footing as the automotive industry with respect to the excise tax on replacement parts. In fact, the language of my amendment is as nearly as possible the same as the language of section 4062 (b) of the Internal Revenue Code of 1954, relating to the sale price of automotive parts and accessories.

Mr. Speaker, my interest in this subject stems from the circumstance that one of the largest independent manufacturers of refrigerator components is located in my district. I refer to the Tecumseh Products Co., of Tecumseh, Mich., which employs some 4,000 of my constituents.

Mr. Speaker, my objective is to remove the inequity which exists under the present law. The used component, traded in for a new or rebuilt component, was already taxed when originally sold. Therefore, including the value of the traded-in, worn-out component in the sales price of the new or rebuilt component, for which it is exchanged, results in paying the excise tax on that value a second time. This is unjust double taxation.

Mr. Speaker, there is no reason for treating the automotive industry in one way with respect to excise taxes on parts and treating the refrigerator industry on a different basis. My bill would eliminate that discrimination.

Mr. Speaker, I am informed that the tax loss from this change will not exceed $50,000, against which should be offset the cost of collection and the cost of accounting and bookkeeping incidental to the placing of a value on trade-in components. It is entirely possible there would be no net loss in revenue. Meanwhile, the administrative burden, both to the Bureau of Internal Revenue and the taxpayers, would be greatly simplified if the tax were applied only to the cash received on the sale, and accounting for the traded-in component could be eliminated.

Mr. Speaker, I am confident that the present inequitable situation is benefiting no one; that the second tax on the value of these traded-in components is a nuisance tax. My proposal should be adopted in the interest of eliminating discrimination, in fairness to the refrigerator manufacturers and consumers and to simplify the administration of the excise-tax law. It is, therefore, in the public interest.

PROPOSED TRANSFER OF BUREAU OF NARCOTICS FROM TREASURY DEPARTMENT TO DEPARTMENT OF JUSTICE

Mrs. FRANCES P. BOLTON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentlewoman from Ohio?

There was no objection.

Mrs. FRANCES P. BOLTON. Mr. Speaker, I have followed the devastating effects of narcotics upon all and sundry and its international implications since the twenties and I am very deeply disturbed that there should be any move to transfer the United States Bureau of Narcotics from the Treasury Department to the Justic Department. My concern in this matter is not to be construed as implying any criticism of the Attorney General. I have the highest regard for the Attorney General and the Department of Justice, but it must be recognized that the Department is not equipped to serve as an administrative and regulatory body in technical fields.

Furthermore, Mr. Speaker, inasmuch as the problem of illicit narcotics is primarily international, it is of first importance that the Bureau of Narcotics be and continue in close association with the Bureau of Customs, under the Secretary of the Treasury, in order to better protect the public against the introduction of illegal narcotics into this country. My own customs bureau in Cleveland, of which Miss Albina Cermak is the director, is a very fine demonstration of the minuteness with which customs officials proceed in order to stamp out smuggling of narcotics in any form.

I note in the CONGRESSIONAL RECORD of March 10, under an insertion by Senator ALEXANDER WILEY, that the executive committee of the American Drug Manufacturers Association has approved a resolution protesting the proposed transfer of the Bureau of Narcotics to the Department of Justice. In my knowledge, the drug manufacturers and pharmacists have for many years worked in an atmosphere of constructive cooperation with the Bureau of Narcotics. If it were not for this, we would be even more flooded with illicit drugs than we are today.

It is my hope that the full implications of the suggested transfer of the Bureau of Narcotics from the Treasury Department to the Justice Department will be given very serious consideration by the Ways and Means Committee in the House or the Finance Committee in the Senate. I am sure my colleagues who have made the suggestions are not aware of the possibilities of danger it presents.

MORE SEVERE PENALTIES NEEDED FOR NARCOTICS VIOLATORS

It would seem to me, Mr. Speaker, that enactment of more severe penalties would go far in stamping out narcotics addiction. It would enable narcotic violators who are frequently addicts themselves, to be subjected to a longer period of treatment and observation, and would at the same time have the important effect of removing from active participation in the drug traffic those offenders who may not be susceptible to corrective treatment.

I am today introducing a bill to fix the penalties at 5 to 10 years for the first offense, 10 to 20 years for the second offense, and life imprisonment for the third offense. In addition, my bill would provide a mandatory life-imprisonment sentence for anyone who sells, transfers, barters, exchanges, or gives away any narcotic drug or marihuana to any person who has not attained the age of 21 years.

The testimony of the Commissioner of Narcotics, Mr. Harry J. Anslinger, before the Subcommittee on Appropriations of the Treasury-Post Office Departments, disclosed that where a State increases its penalties the bulk activities in peddling narcotics goes to another State. Obviously, with such a situation, it is the Federal Government's prime responsibility to attempt to control the illicit peddling of narcotics rather than one of local concern.

Mr. Anslinger testified as follows on page 211 of the hearings:

> You could not stop heroin from coming into the port of New York with all the forces you could marshal in this country. After it gets in, with all the thousands of ways the gangs have of distributing it you are not going to pick up that stuff with 250 men. You could not do it with a thousand men. The answer to stopping the traffic is penalties. You have a good law, but you do not have high penalties.

It is my hope, Mr. Speaker, that the Committee on Ways and Means will consider my bill without delay.

THE LATE MRS. MARY HARRINGTON COSTELLO

Mrs. ROGERS of Massachusetts.. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, over this past weekend I lost a beloved neighbor and a very great friend. My home city of Lowell, Mass., lost one of its finest citizens. The Commonwealth of Massachusetts and our country lost a great American and a great patriot.

In every community throughout America there are men and women whose wisdom, unlimited comprehension, and consideration, together with kindness and leadership, seem to pull together all of the qualities and forces necessary to make life and living attractive, beautiful and inspiring. Mrs. Mary Harrington Costello did this and more for her home community and mine, Lowell, Mass.

Honored with life beyond three score and ten, Mrs. Costello's achievements and goodness and faith in her community extended through many years. She was the only child of the late John H. Harrington, the founder of the Lowell Sun. After her father's death in 1932 she assumed the responsibilities of the publishing of the Lowell Sun. The contributions she made to this newspaper during her leadership left their mark and helped to establish it as one of the great newspapers in America. Her knowledge of journalism, her sense of fairness, and her courage and constant effort to do the right helped to set the pattern of community and national respect for the Lowell Sun. Having succeeded her father as the president of the Lowell Sun Co., her sound judgment and wise counsel was respected and sought by many in the cause of community projects and undertakings. Her word of encouragement, her praise, and her faith were invaluable to so many. Her fight against communism and to preserve the free way of life in America was constant and effective.

Mrs. Costello was kind and generous and charitable. Perhaps never to be known are the many kindnesses and charitable acts Mrs. Costello extended to so many. Of this we are sure and that is the people of our wonderful community will miss the understanding heart and helpful hand of their constant and interested friend.

Mrs. Costello was born in Lowell and lived her entire life in my home city. Her marriage to Mr. Thomas F. Costello was blessed with 4 sons, 3 of whom survive. They are Thomas F. Costello, John H. Costello, and Clement C. Costello, all of Lowell and who are the principal officers of the Lowell Sun Publishing Co. After the death of her father and her husband, Mrs. Costello took over all of the responsibilities and direction of the Lowell Sun until such time as she could relinquish to them its management. During World War II, when all three of her sons served in the United States Navy, she again assumed the duties and operations of publishing the Lowell Sun. And her help in promoting the national defense was invaluable. In addition to her family, her countless friends will miss her greatly and long remember the many beautiful contributions she made to make life and living more pleasant and more happy for so many.

In closing, Mr. Speaker, I want to include in my remarks one of the finest editorials I have ever read. Written by her eldest son, the publisher of the Lowell Sun, it seems to speak for everyone, as well as her devoted family. It is a beautiful tribute to a wonderful mother and a great leader. It is so worthy of the attention of everyone.

The editorial follows:

MRS. MARY HARRINGTON COSTELLO

It happens only once in a lifetime. It makes no difference where you are, who you are, or what you are. It happens but once to all people. Your mother dies. We hope it hasn't yet happened to you. Yesterday it happened to us.

If John H. Harrington was the father of the Sun, and it is a historical fact that he was away back in 1878, then it is true that his lone child, Mary Harrington Costello, was the mother of the Sun, for when Mr. Harrington died in 1932, Mrs. Costello mothered this newspaper creation of her father as a mother would nurture her children in a period of great stress.

Yesterday Mrs. Costello died at the age of 73. She had been ill of a heart ailment for some weeks, but death came suddenly for she had been feeling quite chipper earlier the same day. So the shock to those close to her was great.

Her influence for good on the Sun had been enormous for the past quarter century, and it is certain to be deeply, deeply felt for many years to come.

She was a wonderful and wondrous mother. She had a great and she had a big heart which finally just got too tired to keep pumping any longer.

She was a great lady, and a gallant lady. To her we now sadly say, "Hail and farewell. May your soul rest in eternal heavenly peace."

Mr. TUMULTY. Mr. Speaker, will the gentlewoman yield?

Mrs. ROGERS of Massachusetts. I yield.

Mr. TUMULTY. I was very deeply shocked to learn of the passing of Mrs. Costello. I attended Holy Cross College and was a classmate of John H. Costello. I would like to associate myself with the remarks of the gentlewoman. Mrs. Costello was a great Christian and a very wonderful lady. I would like to spread upon the RECORD my sympathy to her family in this hour of their bereavement.

Mrs. ROGERS of Massachusetts. I have never seen a family more deeply moved than the family of Mrs. Costello, her sons, her daughters-in-law, and her grandchildren. I am so glad that she had the comfort and joy of them during her lifetime. Among my most precious possessions are letters written by her. She was kind to everybody, a really true Christian gentlewoman.

Mr. TUMULTY. She was a very wonderful woman and was very kind to all of us. I knew her son John very well. He was a remarkable athlete and student.

Mrs. ROGERS of Massachusetts. And you can understand what their solace and comfort must have meant to her.

Mr. TUMULTY. Yes, I do; and her many other friends also.

POST OFFICES AND POSTAL FACILITIES

Mr. ARENDS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. ARENDS. Mr. Speaker, I would like to call the attention of the House to a statement made yesterday by Postmaster General Summerfield. He declared that, although the volume of mail handled since 1938 has doubled, not one single post-office building has been built by the Government during that same period of 17 years.

Post offices and postal facilities are bursting at the seams—

Mr. Summerfield said—

and conditions are so bad in some of our cities that bulk mail actually is handled and sorted outside buildings, in the open air, rain or shine.

I submit that this condition will continue and grow worse unless we bring to an end this practice of trying to run the largest nonmilitary agency of Government on prewar income at postwar costs. It just does not make sense.

While Postmaster General Summerfield has done a great deal for improving the postal service and reducing costs, he cannot possibly put the service on a truly efficient basis, give the people the service they need and should have, unless he has the authority to operate his Department on the principle of receiving a fair return for value given. That's what the American people want.

I don't think it was the wish of our people to charge a 10-year postal deficit of $4 billion to the already overburdened American taxpayer. Our postal service, as in most other enlightened countries, should practically pay its own way.

Mr. Summerfield believes that our citizens are ready and willing to pay for better and improved mail service. His belief is verified by answers to several public opinion polls. I echo that belief. I believe that the wealthiest nation in the world can afford moderate increases in postal rates which will be reflected in improved service.

As a member of the Armed Services Committee, I cannot help but think of the vast amount of weapons for our national defense which could have been bought for $4 billion, the amount of the postal deficit for the past decade. The American taxpayer carries the burden of our inescapable military costs, and he is also obliged to carry the burden of the postal deficit.

I do not think it is asking too much to ask mail users to pay for their mail service. And I think they are willing to do so. In the end they will benefit.

TEXAS CITY TIN SMELTER

Mr. MULTER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. MULTER. Mr. Speaker, we have heard a great deal about the give-aways of this administration and we are going to hear a great deal more. We will probably get a bill or a resolution on this floor next week involving part of those give-aways.

A new method of give-away, however, is the giveaway to foreign big business. There is only one tin smelter in the Western Hemisphere and that is at Texas City, Tex. There is only one source of tin in the Western Hemisphere and that is Bolivia. With the dismantling of the Texas City tin smelter, which is now advocated by this administration, we will then give to the world tin cartel, which controls all foreign sources of supply other than Bolivia and all foreign tin smelters, complete control of the tin supply of the world. Domestic consumers will then be at the mercy of these foreign suppliers.

RELEASE OF AMERICAN WAR PRISONERS IN CHINA

Mr. GROSS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. GROSS. Mr. Speaker, early in January of this year the United Nations sent an emissary to China to negotiate for the release of the American war prisoners. Amid a great fanfare of newspaper, telephone, and radio publicity, this emissary went to Peiping. He returned more than 2 months ago from this mission. For some reason, the bottom has dropped out of the publicity attendant upon this gentleman's trip.

Mr. Speaker, I submit that the time has come for this emissary of the United Nations, and the United Nations itself, either to say that it has accomplished something toward the release of these American war prisoners or admit its dismal and unmitigated failure.

COMMISSIONED CORPS OF THE PUBLIC HEALTH SERVICE

The SPEAKER. Under the previous order of the House, the gentleman from California [Mr. MILLER] is recognized for 30 minutes.

Mr. MILLER of California. Mr. Speaker, everything that concerns the strength of the United States in these precarious times is automatically a matter for the most careful consideration by Members of the Congress. For that reason, we cannot remind ourselves too often that the foundation of our whole defense effort is the health of our people.

Partly because it is numerically small, partly because many of its officers do not normally wear the uniform in peacetime, it is easy to overlook the fact that the commissioned corps of the Public Health Service is an essential part of our defense forces.

The commissioned corps is, of course, one of our long-established uniformed services. Although composed exclusively of professional people, the corps has been closely identified with our Armed Forces from its inception. Officers of the corps serve under military-like discipline; they are appointed by the President by and with the consent of the Senate; they agree to serve where the needs of the Service require; their rank and tenure are comparable to rank and tenure in the Army.

The President is authorized by law to declare the commissioned corps a military service in time of war, and this authority was, in fact, exercised by the President during World War II. But even before this formal declaration was issued, the commissioned corps was operating to all intents and purposes as an integral part of our military machine. Its officers were assigned to a great variety of war-related activities, both here and abroad.

Officers of the Public Health Service were detailed as a malaria-control mission so that the Burma Road might be built, and some officers of this mission walked out to India on Stilwell's famous march. Others served with the American Typhus Commission. Some served in the Arctic and some in the Tropics to maintain health services so that the vital construction on the Inter-American Highway and the Alaska Highway might go forward. They served with Army service commands and with civil defense in the continental United States; with the strategic bombings surveys in Germany and Japan, and with military government in both the Pacific and European theaters. As a matter of fact, the present distinguished Surgeon General, Leonard A. Scheele, served in military government on General Eisenhower's staff and Dr. Howard F. Smith, Chief Quarantine Officer of the Philippines, accompanied General MacArthur on his secret departure from Bataan.

The Public Health Service is the medical arm of the Coast Guard and Public Health Service officers provide medical service to the officers and men of the Coast Guard on land and sea. Over a thousand Service officers served with the Coast Guard during the war, and some were lost on LST's and some were captured as prisoners of war.

One of the great campaigns of the Public Health Service began during the last war and resulted in the virtual stamping out of malaria in this country. Until this concentrated campaign with the newly discovered DDT, great areas of the United States had been in the grip of this soul-sapping disease, one of the most terrible human scourges of all time.

Throughout history, typhus has been one of the greatest causes of casualties among armies—until World War II. The development of a vaccine against typhus at the National Institutes of Health, the Public Health Service's great research center at Bethesda, Md., was a major factor in controlling the spread of this dread disease among our troops, with the result that not a single American soldier died of typhus during the last war.

Physicians, scientists, and technicians of the Service have given their lives in their search for knowledge of disease. A half a dozen Public Health Service medical officers died during the conquest of yellow fever. Death has likewise stalked the laboratories and taken its toll of Service personnel working on typhoid fever, tuberculosis, smallpox, Rocky Mountain spotted fever, tularemia, meningitis, psittacosis, "Q" fever, and a form of typhus w th the exotic name Tsutsugamushi.

The dangerous work goes on today, in the laboratories of the Public Health Service—the great National Institutes of Health, at Bethesda; the Communicable Disease Center, at Atlanta; and the Robert A. Taft Sanitary Engineering Center in Cincinnati.

Officers of the Public Health Service are on duty today in such isolated places as the Pribilof Islands in the Bering Sea; they are on missions in Liberia and Indochina with the Foreign Operations Administration.

The Service maintains one of the most unusual institutions in the world at Carville, La., a hospital, a home and a research center for people suffering from the ancient disease of leprosy. More knowledge about this terrible disease has been won since the establishment of this unique institution than anyone was ever able to acquire in the preceding 2,000 years.

As they have been doing for the last century and a half, officers of the Service, wherever in the world they may be stationed, are seeking to push back the frontiers of knowledge about man's unseen enemies.

Many battles have been won in man's age-old war with disease—but only battles the war goes on. Diseases like malaria, typhoid, yellow fever, diphtheria that used to account for a substantial portion of the deaths in this country have been brought under control.

But complaisance with respect to the infectious diseases can be a dangerous thing. Plague, the black death of the Middle Ages, is a case in point. It got in at the port of San Francisco but it never obtained a foothold among our people, thanks to the vigilance of the Public Health Service.

Plague is endemic to this day in the wild rodent populations of our Western States. The constantly watchful eye of the Public Health Service and the other public health agencies of these areas have kept it from spreading to the rat populations of our cities.

The unbroken record of the Public Health Service in guarding the health of the American people, to say nothing of its services with our fighting forces, goes back almost to the beginning of the Nation itself.

The Public Health Service was first established as the Marine Hospital Service by act of Congress in 1788, 2 years even before the seat of government was permanently established in Washington. From that time on, the Congress of the United States has never relaxed its efforts to safeguard and improve the health of the American people.

It supported the work of the Public Health Service at a time when there was very little knowledge about the causes of disease—long before the science of bacteriology came into being in the latter part of the last century.

Although the Service, quantitatively, has remained small—it has only 2,500 officers on active duty today—its responsibilities have been greatly increased over the years. As knowledge and responsibilities grew, the need for a disciplined staff of competent professional people became apparent, and in 1873, the Commisioned Corps system was established by regulations of the Treasury Department. This was 10 years before the career and merit principles were introduced into the general government service by act of Congress.

From the time of its establishment, the value of a corps of professional health officers in the Federal Government has been demonstrated. As the responsibilities of the corps continue to grow, the need for establishing such a corps firmly in the law was recognized and in 1889 the corps was placed on a statutory basis. It was a sound action.

Today, in addition to its regular work, the Service has new and important responsibilities in the field of national defense and is in the process of developing a strong reserve corps of commissioned officers who can be called to duty if a major national emergency develops.

The great strength of America is in the health of her people. A healthy America is important now as perhaps never before in history. One of the things that has helped to make America strong has been the quiet, persistent work of the Public Health Service through more than 150 years of war and peace. It is a winning team. Let us keep it that way.

Mrs. ROGERS of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. MILLER of California. I yield.

Mrs. ROGERS of Massachusetts. I think the gentleman will be very much interested in having legislation passed to give the veterans suffering from that dread disease a presumptive service connection.

Mr. MILLER of California. I would be interested in that. I may say to the gentlewoman that, speaking of the Public Health Service, she well remembers that after World War I when we were confronted with this great problem of the returning veterans, and before the Congress and the country had time to adequately prepare for their care, it was the Public Health Service that stepped into the breech.

Mrs. ROGERS of Massachusetts. Yes, I know they did a great deal of work. I also know the very fine work the gentleman did regarding veterans' hospitalization and the handling of veterans' claims and other veterans' matters. The gentleman was instrumental in getting the first rating of service connection for veterans without medical affidavit but using instead lay affidavits.

Mr. MILLER of California. I should say that that distinction is not one which may be claimed by the gentleman now speaking, but instead was earned by the gentlewoman from Massachusetts, for without her help it would never have been accomplished.

Mrs. ROGERS of Massachusetts. We both worked on it.

A FOREIGN POLICY FOR PEACE

The SPEAKER pro tempore (Mr. METCALF). Under previous order of the House, the gentleman from Wisconsin [Mr. REUSS] is recognized for 60 minutes.

Mr. REUSS. Mr. Speaker, I speak this afternoon for myself alone. But what I have to say has been discussed

with many of my colleagues, and I believe that the general thoughts expressed are theirs as well as mine.

This Congress and this Nation must once again attempt what mankind throughout its history has tried but failed to do. We must move swiftly now to set in motion forces which will insure peace. For we now confront humanity's annihilation by the A-bomb, the H-bomb, the U-bomb, the C-bomb, on hand or being perfected.

We had a warning of this several weeks ago in the Atomic Energy Commission's report on the effects of the H-bomb. We had a sign of this just a few days ago in the Nevada tests of what the press hinted was a possible "trigger mechanism" for the H-bomb. The explosion shook the earth, and the flash lighted up the sky of 13 Western States. How many more would be shaken and bathed in the deadly light of what the trigger mechanism itself was designed to set off.

We know, of course, how to wage war. We have the means to wage it. We know, too, that America and the free world have suffered unconscionable abuses from the Communist powers, abuses which in a former day would have justified a stand to arms for redress. Yet we do not live in a former day when the musket over the fireplace was the answer to tyranny, or when the fleet alone seemed sufficient to keep the enemy at bay. We live in the year 1955, in the age of nuclear weapons.

We delude ourselves if we think that a war between America and the centers of Communist power could be limited to the conventional weapons which brought us victory in the past. Our tactics are shifting rapidly to nuclear weapons. We may assume that the same is true of the enemy. Even if leaders on both sides showed a moment of qualm before they used nuclear weapons, they might be compelled by the force of popular passions to use at once what they themselves have proclaimed all along to be the guarantor of a swift, easy, and decisive victory.

There is only one avenue away from the dead-end of worldwide destruction. It does not lie in any agreements to limit the use of atomic weapons if war should come, important as such a limitation may be. It lies in trying to clear up some of the gathering tensions which lead, often by accident, to war.

The tensions of the world today are not of our making. We did not invent colonialism. We came to birth as a Nation because we fought colonialism. We did not invent disease, ignorance, and poverty. We came to greatness as a Nation because we set ourselves the task of fighting all that lays a blight on human existence. And we have every reason to be inflamed when we hear that the best of what we try to do is often portrayed abroad as merely grasping and selfish. But the question for us is not what they ought to do, but what we ought to do; not whether it is just and wise for them to complain when they suffer no wrong from our hands, but whether it is wise in us to invite the distrust of other peoples because of what we, as a great power, have the responsibility and the capacity to do—but have failed to do.

For example, 30 nations of Asia, Africa, and the Middle East, representing more than one-half of mankind, will confer at Bandung, Indonesia, a month from today—and for what purpose? In part, at least, to air their grievances against the United States because we have failed to take the lead in their common fight for freedom from colonialism and feudalism, in their common hope for economic aid on an international basis, in their common desire for a position of non-involvement in great power rivalry.

In Europe, Germany is still cut in two. One hundred million people groan under Soviet rule in the enslaved states of Central and Eastern Europe. The partial rearmament of Western Germany is underway, despite the bitter opposition of half the people of Germany and France.

Short of war—if then—it is not within our power to overturn the present rulers of Moscow and Peiping. Yet the main game is still to be played for around the globe. All too often, we forget this to our disadvantage, while Moscow and Peiping keep their thoughts focused all along on what we forget. We forget that the stakes of the game are the hearts and minds of the people of Asia, the Pacific, the Middle East, Africa, Europe, and Latin America who as yet remain outside the net of Communist power; who want to live in peace, to be the authors of their own history; who will respond to any leadership which raises the banner of hope that what they want so desperately can be theirs to have.

We are not now raising that banner of hope. We seem bent on vetoing it, not by design, but unwittingly. For our foreign policy in the recent past has zigzagged into the wayward paths of agonizing reappraisal, unleashing Chiang, massive retaliation, the New Look, liberation, and other tired slogans. Now at last we are back to the policy of containment developed by the last administration. To that policy of containment, we are adding German rearmament; we have a military agreement with Spain; we have formed the Southeast Asia Treaty Organization; and we have exchanged mutual guaranties with Chiang.

These military alliances should not be viewed as ends in themselves. In the nature of the case, the weaker partners in these alliances will always be suspicious of the stronger ones. Unless all are bound together by vital economic, political or social interests, military alliances tend to come apart at the seams when they are subjected to the acid test of war.

Our view of a policy of containment ought to be that it is merely an expedient. It is to gain through strength a margin of time in which to do the real work before us of removing the causes for worldwide tensions. We have instead viewed that policy as the end itself, while the tensions continue to pile up unattended to, to hammer against and sometimes breach the military retaining wall we have built against them. When we side with the colonial against the anticolonial countries in the U. N., we lose the respect of half the world struggling to be free. Our refusal last May to join the special United Nations Fund for Economic Development, on the ground that we could not afford the $80 million annual cost until there was disarmament, sounds thin to the free world. In Europe, no rhetorical flourishes can disguise the fact that, although we cry "unification" for Germany and "liberation" for Eastern Europe, we have offered no method to achieve either aim.

If there is no desire to ease tensions of this sort, then a thousand plausible reasons can be found to explain why this failure of will is really the highest form of statesmanship. Yet a beginning of some sort must be made; and the time to do it is now. For every day that passes increases the mining of uranium for military use, increases the stockpile of atomic weapons, and brings us 1 day closer to the abyss of nuclear disaster.

Somebody has to make a start. In June 1947, Gen. George Marshall, in his speech at the Harvard commencement, spoke 3 or 4 sentences that inspired the world with their universal promise of a better day. Can anyone doubt today that those 3 or 4 sentences, when translated into concrete yes-and-no decisions, at least temporarily saved Western Europe for the free world?

President Eisenhower can continue this same work. He may not have the power to impose the American national will for peace on Moscow and Peiping. But backed by the national will, he has the power to ease age-old causes for tensions which now keep the world in a constant state of alarm, and which Moscow and Peiping exploit to their own advantage.

The time has come for President Eisenhower to speak out boldly and constructively before the Congress and before the United States in this vein—let him say to the world—

"We Americans want peace, and we want to do our part to secure the peace.

"To the people of Asia, Africa, and the Middle East who are about to meet at Bandung, we say this. If you agree, we will ask the U. N. to take over Formosa as a trusteeship, to assume its defense against the aggression that threatens it, and to promote the development of self-government by the Formosan people. If you agree, we will reverse our refusal to join the Special United Nations Fund for Economic Development, and will work with you, both inside and outside the U. N., for social and economic advancement, and against colonialism and feudalism.

"To the people of Europe, we say this. West German rearmament is under way, because Russia leaves the West no alternative. But if you agree, and if Russia will carry out her part of the bargain by withdrawing to her historic borders, we will welcome a unified and independent Germany; a free Poland, Czechoslovakia, Hungary, Austria, Rumania, Bulgaria, and the Baltic States, each independent but part of a larger central European community based upon a respect for human rights; all without the capacity to make aggressive war, but with their security guaranteed by the U. N.

"To all people of all nations, we say this. We reaffirm our hope to end the destructive phase of nuclear development, and to seek man's advancement through science. We rededicate ourselves to work in humble hope with the rest of the world toward the goal of permanent peace, for our own continued survival is hinged to the prospect of permanent peace."

Let our President speak in that vein.

Perhaps the details are not exactly these. Perhaps more should be said, and perhaps less. But what is said must be in the main current of our historic mission. It must reflect the American genius for ideas and action, the American tradition for independence and justice, the American hatred of war. What is said must ask for action by the Communists, not for paper promises. It must be based on what the Communists themselves could not reject without the risk of being rejected by their own peoples.

Whatever the outcome, this Nation could then face the future secure in conscience that we are striving to do that which is responsible and right.

What the President says will be rendered meaningless unless it is backed in depth, in the halls of Congress, on the streets and farms of this country, in the hearts and minds of every American. I am confident that if he does speak in his way, he will have that backing in depth. The people are hungry for dynamic leadership.

Mr. UDALL. Mr. Speaker, will the gentleman yield?

Mr. REUSS. I yield.

Mr. UDALL. I wish to commend the gentleman from Wisconsin for this fine, bold presentation. I think he echoes the hopes and beliefs of a great majority of the people of this country. I would like, if I may, to make a few observations and to comment on what seems to me to be one of the large points made by the gentleman. I refer to an issue that is currently in the news, that of the proposal for a foreign-aid program for Asia.

As we all know, a trial balloon was sent up by the State Department people, by Mr. Stassen, 2 or 3 months ago, before Congress convened, and it was indicated that a substantial program of aid for Asia would be proposed. The interesting thing about that trial balloon is that it apparently has been shot down, not by the Members of Congress, as undoubtedly many expected, but apparently by the Secretary of the Treasury and his associates. In fact, I think it is significant, too, that on Monday of this week, when Mr. Stassen held a press conference after meetings at the White House, he stated that this original program as conceived and proposed by him and by the State Department people has been cut more than 80 percent, and apparently they themselves are now doubtful about offering such a program for fear it will not meet with a good reception.

I cannot understand the timidity of Mr. Stassen and the State Department people, because, unfortunately, we have produced a climate of opinion here and in the country which apparently is the opposition of some people to such additional programs. A book has been recently published called Billions, Blunders, and Baloney, which is a cynical title representing that type of thinking. I believe that the creative thinking of the people in the State Department has pretty well been stifled and bluffed out by this type of opinion we have heard.

I venture to suggest that history will record that those Members of Congress in the past who voted for these programs voted wisely, and that that money is some of the best money we have spent, that the spending of money in Asia, as conceived by the State Department and those who are out there working with those people, has been a proper investment and one that will save the future expenditure of many dollars in excess of these amounts.

I do not pretend to know the temper of the Congress here, as a new Member, but I think I do know somewhat the disposition of some of the new Members of Congress on this side of the aisle. It is our belief that we are ready to go ahead with such programs and that the President and the Secretary of State have more support here than they realize if they want to go forward. I think they would have to come up here and fight for such programs, that they might risk defeat, but there is support for substantial programs of this kind if they want to come up here and ask for them. They have been too fainthearted in shaving them down, in emasculating these proposed programs and ideas.

I should like to make one other comment here, as I see some of our veteran Members are with us. Many of you may feel that it is presumptuous on the part of some of us newscomers to discuss a subject of this kind. Certainly, it is presumptuous. We must admit that. But traditionally if freshmen have any assets they can offer a body, whether they are in college or coming into a new body, it is usual that they have a little excess energy and occasionally a fresh point of view. That is what I think the gentleman from Wisconsin is trying to offer us here today and what I would like to offer as a fresh point of view, and to say to the President and the Secretary of State: Be a little bolder, be a little less fainthearted; perhaps you have more support here than you know of.

Mr. REUSS. I thank the gentleman from Arizona for his very forceful statement and its clear recognition that the economic as well as the political and social side of our foreign policy is of vital importance.

Mrs. GREEN of Oregon. Mr. Speaker, will the gentleman yield?

Mr. REUSS. I yield to the gentlewoman from Oregon.

Mrs. GREEN of Oregon. Mr. Speaker, may I first say that I am in agreement with the gentleman from Wisconsin in his statement that in the age of nuclear weapons we have no alternative but to move swiftly to put into effect those activities which will insure peace.

Real peace is more than the mere absence of war. And one of the preconditions to peace is cooperation on the part of all to help the needy to help themselves to a higher standard of living and to develop conditions of stability and well-being the world over.

I firmly believe that the United Nations is the most effective tool we have yet devised as a meeting place for the nations of the world. And I also firmly believe that one of the greatest contributions the United States can make to an enduring peace is the contribution to the United Nations' expanded program of technical assistance.

It is my understanding that the recommendation made yesterday by the Committee on Appropriations was for $4 million. It seems to me it would be a tragic mistake if this is not changed to the $8 million sum which the President recommended.

To those who would say that we cannot maintain the level of foreign aid because it is too expensive, I would suggest that they contemplate for awhile the figure of the richest man in the graveyard.

We cannot afford to lose our liberty. We cannot afford to build the fantastic defense force that we would have to build if we were really friendless. And we cannot afford to stop building our defenses at home and abroad. But let's not forget one thing. We are sometimes apt to feel that the money we send abroad for either economic or military aid is going to defend someone else. I don't think we should ever lose sight of the fact that in building the strength of the free world, we are building our own.

In the very heart of our foreign policy, lies the question of emphasis. Let us strengthen the economic aid programs and the point 4 program. Let us increase technical assistance; let's show the people of Asia and Africa that we are anxious to see them achieve the status they so badly want. Let us never lose sight of the fact that the biggest single factor in world politics today is the desire—the needs of the millions upon millions of human beings who have just emerged from colonial status or who are still in that status. There are several things those people want. They want first—to be treated with common decency—to be treated as equals—if not brothers.

They want economic stability. The new nations of Asia and Africa are rich in natural resources—and in the opinion of experts could easily support their present populations at a standard of living far exceeding anything those people have ever known—but that standard can never be reached without great changes in their technology. Point 4, the technical-assistance programs of the United States and the United Nations, is a very effective technique, or can be if it is pursued in a wholehearted fashion.

All of this can be attacked as globaloney, do-goodism. And it is so attacked in a great many quarters. I am at something of a loss to account for the growth and apparent acceptance of the idea that it is wrong to do good; but I suppose it is so considered by the people who consider Christ's command—"That we cast our bread upon the waters"—to be impractical, because they forget the next phrase—"That it will come back to us a thousandfold." And so it is with the things that I have urged. If we cannot find it in our hearts to urge independence

for an Asiatic group simply because we believe that men have a right to be free, then let us back it because we know that freemen will fight harder than men who have a grievance. If we cannot fight economic injustice and disease because we hate them as we hate communism, then let us fight them because healthy men and secure men make better friends of democracy than do desperate men. If we cannot be generous, then let us be prudent. Whatever our motives, it cannot help but be to our profit.

Mr. REUSS. I thank the gentlewoman from Oregon for her warmhearted and heart-warming expression.

Mr. LANKFORD. Mr. Speaker, will the gentleman yield?

Mr. REUSS. I yield to the gentleman from Maryland.

Mr. LANKFORD. Mr. Speaker, I have listened with great interest to the gentleman from Wisconsin and I wish to commend him on a most forceful and hopeful statement. With his permission I would like to associate myself with him in the ideas he has propounded. Particularly, I agree with my distinguished colleague in his statement that the policy of containment, achieved in a large measure by the formation of treaty organizations and military alliances, should not be viewed as an end in itself.

I was quoted in yesterday's press as saying that the only way to assure peace is by total preparedness, and I say that again. But I say it with reference to the present only. I do not intend to convey the thought that total preparedness is the answer to all questions.

Containment, as evidenced by our preparedness to meet the threat of armed aggression with arms, is at best an expedient, a means to an end.

We must never lose sight of the fact that merely containing in a given area of the world those ideologies which are inimicable to the free and democratic world is not the end we seek. The end we seek is world peace and security.

We must go beyond containment and demonstrate to the other nations of the free world by thought, word, and deed that we do have a main objective—the objective of world peace.

Mr. ROOSEVELT. Mr. Speaker, will the gentleman yield?

Mr. REUSS. I yield to the gentleman from California.

Mr. ROOSEVELT. Mr. Speaker, I welcome the opportunity to join with my colleague from Wisconsin in urging leadership by the American people and their Government in a positive plan for peace.

The science of preventive medicine not only includes emergency medicinal application, but seeks to attack the root causes of the sickness and to prevent its reoccurrence by the application of a positive plan of attack. Likewise, the science of peace must include emergency facilities in the nature of military preparedness. It must also attack the blight upon the peace of the world at its root causes, by the application of a positive plan to enable us to win and maintain the peace and to prevent its future destruction.

In seeking to eliminate sickness and disease, medical science uses all known machinery. So too, should the freedom loving nations of the world use every possible agency that brings nations together.

Our Government has not been using all of the machinery available to it in its fight for peace. The time has come to recognize that we have bypassed, ignored and in many cases half heartedly supported the facilities of the United Nations, a body specifically established to promote world peace. On rare occasions such as the address of the President of the United States in 1953 on the sharing, for peaceful use, of atomic energy, our Government has made a great world impact. But we seem to deliver one blow for peace, and then duck back into our shell. Indecision and contradictory statements bring disillusionment in their wake.

The United Nations is the place where we can work for the support—active, vocal, and insistent—of all of the nations who believe in freedom and justice. The United Nations is the place where the machinery exists to attack poverty, disease, the lack of individual opportunity, and the mangling of human rights. These are the root causes of war.

It is in the U. N. that we can meet those who have high hopes for their own economic and spiritual development. It is there that we can mark so clearly the hollow and false claims of peaceful intention that come from Communist leaders. We must bind the representatives of these other hopeful nations to us with a sense of partnership, a feeling of deep understanding and a proof of sincerity, by performing that of which they know we are capable. It is there that we can answer with a positive course, the cries which will come from Bandung, Indonesia in April. Those who have failed to press for such active leadership at the United Nations have always resorted to the hollow cry that an emphasis on such a program would detract from our concentration on military strength and would indicate a softness toward the threat of armed Communist aggression.

Now is the time to assert and to reassert that the fight against communism, like the fight against disease can only be won by attacking on two fronts, the front of the emergency cure, that is, military preparedness, and the front of the elimination of the root causes of war, that is, a positive program to win the peace. The front of military preparedness and superiority of weapons of war is undoubtedly the only language which the leaders in the Kremlin can or will understand; but the people of India, the people of Central and South America, the people of the Middle East are being wooed not by Communist military strength, but by the mirage of a communistic economic Utopia, that is why we need the second front. We cannot afford to relax in anyway if we are to continue to win the battles along the first front. Yet we must face the fact that we are today losing the battles along the second front because of fear and shortsightedness.

It is the President of the United States who makes our foreign policy. It is the Congress which must back him with the necessary tools to win the war for peace. As in the Second World War, so now, it is time to open up this second front and to persist until we have made the fullest use of the machinery which we have so far left rusting in an atmosphere of detrimental and ignorant disuse.

It is my hope that the Congress will restore and maintain our fullest military strength, and I hope that it will create legislation which will speak for and reflect the hopes and prayers of our people, that our Government will rise to the challenge not only to prevent war, but to build peace.

I join with my colleague from Wisconsin in saying that I hope we may continue to fight along these lines.

Mr. QUIGLEY. Mr. Speaker, will the gentleman yield?

Mr. REUSS. I yield to the gentleman from Pennsylvania.

Mr. QUIGLEY. May I say to the gentleman from Wisconsin, apropos of the excellent remarks made here today, particularly those that detail so correctly the manner in which our State Department for the last 2 years has gone all the way round the barn only to come back to the once bitterly denounced policy of containment, I am reminded and would like to point out that the author of that particular policy, the Honorable George F. Kennan, is a distinguished constituent who resides in the 19th District of Pennsylvania.

I am also reminded as I am sitting here that this happens to be an anniversary date of an event of no particular importance in world history but of considerable importance in my young life and also in the life of Mr. Kennan. It was exactly 1 year ago today that Mr. Kennan made the decision to withdraw as a candidate for the seat in Congress that I now have the honor to occupy. I do not believe I am expressing any state secrets when I point out that Mr. Kennan's decision was an important turn in the road that finally led me to these Halls.

If Mr. Kennan were here as my Congressman, I feel that he would be eminently well qualified to speak for me on matters of foreign policy, but since I am here as his Congressman I have an understandable reluctance to attempt to speak for him.

However, I cannot help but feel that if the fates and the voters had otherwise decreed and Mr. Kennan were present here today as a Member, certainly at this point in the proceedings he would have taken the floor long enough to congratulate and to commend the gentleman from Wisconsin.

I believe Mr. Kennan would be the last to contend that in devising the containment policy for Soviet Russia he was thereby suggesting anything that was to be or to become a permanent way of life. The containment policy at its best was a brilliantly conceived but badly misunderstood passing phase of a dynamic foreign policy.

I think there is little to be gained by Mr. Kennan or his Congressman now taking time to have the satisfaction of saying, "I told you so." What has happened has happened. What is past is

past. The past is nothing more than a prologue. If we are to reach peace, and if we are to attain our goal, we must devote our efforts toward the future. There is nothing to be gained and much to be wasted by looking back into the past and reminiscing over past achievements or recriminating over past failures. I think what has been said here today is important not so much for the details—details with which many may agree or disagree, but I think what is important is the fact that we have here expressed the ideas and the thinking of many of the younger Members of the Congress who are willing to look to the future. It is important to look to the past. It is important to remember our American traditions—traditions which I believe the gentleman indicated involved almost passionate dedication to freedom and independence and a hatred of war. It is important that we should look and cling to those traditions for renewed hope and inspiration. But the hope of this Congress, the hope of this Nation and the hope of freemen everywhere is to look to the future and not to be afraid of a new idea but to earnestly seek new ways and new means to solve the problems which we face. I believe in this way we can hope to gain the long sought—the everlastingly sought goal of peace in this world. Insofar as the gentleman from Wisconsin and others who spoke here today have made a small contribution toward that goal, I firmly believe they deserve the gratitude of the Members of this House and the people of this country.

Mr. HAYWORTH. Mr. Speaker, will the gentleman yield?

Mr. REUSS. I yield.

Mr. HAYWORTH. Mr. Speaker, I compliment the gentleman from Wisconsin for his thought-provoking and incisive report. There have been many times in our history when the administration and the Congress were not united. I would like to point out that one of the very encouraging things about the situation at present is the fact that the administration can depend upon the wholehearted support of both parties in the House of Representatives, whether of the majority party or the minority. We today, without question, are facing not only as a nation but as a part of the free world itself, the greatest menace that civilization has ever known. Only by this wholehearted cooperation of both parties and of the administration can we be sure of our life as a nation. In conclusion, I would like to say I am personally proud—very proud of the leadership of the Democratic majority in the House of Representatives today. They have shown the kind of statesmanship we need in peace as well as in war.

Mr. SISK. Mr. Speaker, will the gentleman yield?

Mr. REUSS. I yield to the gentleman from California.

Mr. SISK. Mr. Speaker, I commend the gentleman from Wisconsin on his very courageous stand. I can appreciate the courage it took to come before this body with some ideas which, to my mind, pose a new and refreshing thought. Whether or not we may all agree entirely with everything the gentleman has said, certainly I commend him on the excellency of his speech and upon the fact that it may cause some soul searching on the part of the American people relative to what our position should be as leaders of the world.

Mr. DAVIDSON. Mr. Speaker, will the gentleman yield?

Mr. REUSS. I yield to the gentleman from New York.

Mr. DAVIDSON. I shall be very brief. I congratulate the gentleman from Wisconsin and others who have spoken today for the sober, serious, and conscientious considerations expressed. Implicit in the statement of each is a plea for inherent morality in our foreign policy.

In order not to take the time of so many who desire to express themselves along these lines, I ask unanimous consent, Mr. Speaker, to extend my remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. DAVIDSON. Mr. Speaker, we are gratified to learn from reports of the administration and from press news and reports of progress that has been made in the Middle East. One of the Arab States that have heretofore concentrated all their efforts on their internal and regional problems, first and foremost on their hostility to the State of Israel, has now for the first time openly acknowledged the greater threat hanging over the Middle East as a whole and threatening its security, its freedom, and its way of life from the north. This Arab State, Iraq, has now joined with our stanch ally, Turkey, in a treaty of defense cooperation which, I am told, has the full blessing of our administration and of our British ally.

While this new treaty seems to be a most gratifying event, I venture to express the hope that in the enthusiasm of that new alliance our Government will not sacrifice older friendships and alliances more firmly established and of a more stable promise. The new Iraqi-Turkish Treaty is open to the adherence of any other state in the area of the Middle East and outside that area, except for the State of Israel. According to that stipulation and, also, according to professions of continued hostility on the part of Iraq's leaders and Government, Iraq's new alliance with Turkey in the West has not led her to adopt a more moderate and conciliatory attitude toward the State of Israel, our friend and ally. The new treaty, while gratifying in that it strengthens our wall of containment against the Soviet menace, contains therefore nothing to allay the concerns of the State of Israel with regard to the unwavering hostility of the Arab States, to their professed resolve to attack Israel sooner or later, and to the imbalance being created by our new alliances with Arab States and our offer of military aid to them.

The state of tension and hostility being what it is in the Middle East, there can, of course, be no question today of Israel and the Arabs joining together in one collective security arrangement against the common danger. However, while we ally ourselves with Iraq and aid her with arms and equipment—and I understand that we are ready to do the same with regard to other Arab States as soon as they are ready—we should now urgently see to it that no imbalance is being created by this policy of ours. When we offered armaments and an alliance to Pakistan, we were quick to tell India that she could have the same as soon as she wanted it. Now, again, we are offering alliances and arms to one side in a conflict, both sides of which are friends of ours. We should now offer a similar alliance, a similar guaranty of security, and similar military aid to the State of Israel, which most certainly should be the cornerstone of any democratic alliance in the Middle East.

Mr. ASHLEY. Mr. Speaker, will the gentleman yield?

Mr. REUSS. I yield to the gentleman from Ohio.

Mr. ASHLEY. Mr. Speaker, I am very much interested in the remarks of my colleagues because they reflect many of the same hopes and doubts, misgivings and confusions with respect to the conduct of our foreign policy which I often hear in my own district.

With the present tenuous balance between an uneasy peace and a catastrophic war, I believe there is an increasing effort on the part of people everywhere to find, in our foreign policy, positive and constructive goals which offer some hope of a permanent peace.

Certainly there can be little question of the necessity for the United States, as the leader of the free world, to maintain military might as a deterrent to the aggressive ambitions of Communist Russia. Nor can there be any real question of the necessity of committing our military strength, as we did in Korea, to halt the advance of the Communist military machine.

But surely our foreign policy must have a broader goal than simply drifting from crisis to crisis in our effort to contain Communism. If I judge the uneasiness of the men and women in my district with any degree of accuracy, it comes from an inability to sense a broader purpose in the conduct of our foreign affairs.

Mr. Speaker, despite the tensions which exist today, I still believe that peace is possible. But I must say, with great reluctance, that I think peace is possible only if the United States, through our President, sets forth in language capable of being understood and believed by the entire world a policy which has as its objective the establishment of a permanent world peace.

Certainly one aspect of such a program must be the elimination of conditions of economic distress which continue to plague whole continents and hundreds of millions of people, and from which inevitably spring the seeds of war.

The United States has the greatest industrial plant and technology in the world. But unless we develop a far more imaginative means of sharing this development with our less fortunate world neighbors, we shall have failed in what I believe to be one of the essential tasks of our foreign policy.

Mr. Speaker, we as a Nation have always had great powers of imagination and determination, and indeed it is these

powers which in large measure have led us to our position of world leadership.

But I submit that there has never been a time in our history when it was more essential for us as a Nation to apply our powers of imagination and determination in the establishment of a foreign policy which is truly constructive and positive and which has as its goal, not the prevention of seemingly isolated wars, but the winning of a peace as broad as the world itself.

Mr. TUMULTY. Mr. Speaker, will the gentleman yield?

Mr. REUSS. I yield to the gentleman from New Jersey.

Mr. TUMULTY. I thank the gentleman.

Let me direct your attention to page 6 of this address which you have just made. As I read it, it says:

> But to the people of Europe let me say this: West German rearmament is under way because Russia leaves the West no other alternative.

The sentence I direct attention to is:

> But if you agree and if Russia will carry out her part of the program by withdrawing to her historic border.

Do I understand that this plan of yours depends upon the acquiescence of Soviet Russia?

Mr. REUSS. It depends not on the acquiescence in words by the Soviet Union but on action by the Soviet Union in actually withdrawing to her borders. If she wants to stand before the world as the force which is preventing German unification, as the force which is preventing the freeing of the now satellite countries, as the force which is preventing the formation of a European federation dedicated to peace, then let her so stand before the world. I cannot imagine a better propaganda weapon which we could possibly have.

Mr. TUMULTY. The plan which the gentleman proposes requires the withdrawal of the Soviet Union for it to be practical.

Mr. REUSS. It requires the withdrawal of the Soviet divisions back to her historic boundaries. If she fails to accept such plan or proposal she will then stand stigmatized before the whole world as the one single force which is barring the solution of these problems.

Mr. TUMULTY. I notice it is the gentleman's position in this bold new plan that we say to the people of Asia, Africa, and the Middle East who are soon to meet in Bandung:

> If you agree, we will ask the U. N. to take over Formosa as a trusteeship, to assume its defense against the aggression that threatens it, and to promote the development of self-government by the Formosan people. If you agree, we will reverse our refusal to join the Special United Nations Fund for Economic Development, and will work with you, both inside and outside the U. N. for social and economic advancement, and against colonialism and feudalism.

Am I to infer that you would amend the plan which has been adopted by this Congress or resolution which we passed supporting President Eisenhower on Formosa?

Mr. REUSS. I thank the gentleman from New Jersey for putting that question, because far from its being my intention to change any policies formulated or adhered to by this Congress, I would prefer to strengthen them. Specifically, any trusteeship agreement we make with the United Nations should provide for the full force of the United Nations and the United States forces to prevent Communist aggression against Formosa, just as we provided in our resolution of the other day, to which both the gentleman from New Jersey and I myself fully adhere; but let me say further that a trusteeship is in no way inconsistent with our present position respecting Red China's aggression, of opposing recognition of Red China and of opposing admission of Red China to the United Nations.

Let me say further that it is in no way inconsistent with the authorization we gave to the President to defend as related territories the islands of Quemoy and Matsu if they are deemed necessary to the defense of Formosa; nor is it inconsistent in any way with our continuing recognition of the Republic of China, of which Chiang is the exemplar, and with our continued adherence to the mutual defense pact with Chiang ratified just the other day by the other House of this Congress.

Mr. TUMULTY. I thank the gentleman. Now may I ask just 1 or 2 more questions? At the present there sits in the United Nations a nation miscarried as Poland, which has been demonstrated to be nothing less than the alter ego of Soviet Russia, the stooge and tool of Soviet Russia. The gentleman's theory proposes the withdrawal of the Soviet Union to her 1939 borders; but would that in any way alter the real composition of the present Polish state?

Mr. REUSS. There is nothing in my proposition about the eviction or noneviction of Soviet Russia from the United Nations. However, since the gentleman from New Jersey asks, I support the President of the United States in his view that for the present it would hurt, not help, our national security interest to attempt to withdraw recognition from Soviet Russia or to move to put Soviet Russia out of the United Nations.

Mr. TUMULTY. I am not speaking of Soviet Russia and her membership in the United Nations, but in the gentleman's proposal that Soviet Russia withdraw to her 1939 borders—and the gentleman states that there will be a free Poland—will that Poland be any different than the so-called nation that now sits in the United Nations falsely representing the oppressed people of Poland? Which fact has been brought out by a committee of this Congress as recently as 3 months ago.

Mr. REUSS. Of course, it will be different from the pitiful satellite and slave-state people who now represent Poland in the United Nations. I am sure the brave people of Poland would throw off the Communist tyranny the first chance they got and breathe the good air of freedom again. It would be my pride and the gentleman's too, I am sure, to welcome the representative of the new free Poland to the United Nations.

Mr. TUMULTY. Having said that the gentleman now agrees with me, it is a good way to start this whole new program of the gentleman's by ousting the false government that now usurps Poland's position in the United Nations?

Mr. REUSS. No, I do not agree with the gentleman. He is entitled to his view in the matter. I think the substantive creative thing should be done first, then with the flat of our swords we can get rid of the little problems.

Mr. TUMULTY. This is the first time I have ever heard that problem referred to as a little problem.

Mr. REUSS. The gentleman from New Jersey knows what I mean. The most important thing is that the men and women of free Poland be able to lead their own free lives.

Mr. TUMULTY. I appreciate the gentleman's answers. The gentleman will agree with me that the presence of this usurping band of stooges in the United Nations is a shocking thing from the moral as well as the leadership point of view?

Mr. REUSS. Yes; any injustice and cruelty wherever practiced shocks me as it does the gentleman from New Jersey.

Mr. TUMULTY. In the gentleman's speech, which was very well delivered incidentally, I noticed that in discussing colonialism he did not implement his policy of colonialism by condemning the present occupation by the greatest colonial power in the world of Ireland when he condemned the satelliteism of the Soviet Union. Is there any reason for withholding comments in reference to that in the gentleman's oration?

Mr. REUSS. The gentleman from New Jersey has misunderstood my remarks. I condemned colonialism and I condemn again in the most forthright terms I know of slavery and satelliteism, to use the gentleman's phrase, which the Soviet Union now practices.

Mr. TUMULTY. How about Ireland? I would like to hear the gentleman's comments on the colonialism now practiced on Ireland by a member of the United Nations, Great Britain, who will take over the trusteeship of Formosa and the trusteeship of these natives in Central Europe.

Mr. REUSS. I will leave those comments to the gentleman from New Jersey for tomorrow. I know he will do a magnificent job.

Mr. McDOWELL. Mr. Speaker, will the gentleman yield?

Mr. REUSS. I yield to the gentleman from Delaware.

Mr. McDOWELL. Mr. Speaker, I wish to add my remarks to those of my colleagues who have already expressed their views on this most important subject. The need for a positive approach to this complex problem has become more and more obvious with each passing day. However, even though obvious, nevertheless, ignored. Concrete suggestions to bring this ideal about have been very ably presented to this body. I refer specifically to the need for a more efficient use of the United Nations and the winning of the uncommitted peoples of Asia. In the interest of peace for the world, the threat of complete annihilation must be admitted and not ignored.

No peril has ever before confronted mankind to compare with the fear of

atomic war. This fear of war is today universal in the minds of humanity. No amount of bluster on the part of statesmen nor the pratings of dictators can force the peoples of any nation to voluntarily start a war today.

Are all the centuries of civilization to end because man finds himself so fear crazed that he can only find a way out of the cage by fighting, tearing, and rending himself and all others to eternity? The will to overcome such a fatal solution must predominate all other thinking now. It is not safe to wait for time to find the solution. The will to work for peace must be unleashed throughout the world. No new idea can safely be suppressed until it has been fully explored. New ideas are needed as never before in the history of mankind. The same dynamic leadership that has created the means of our total destruction must now be channeled toward a peaceful solution through renewal of our faith in God and a return to spiritual values. The people of our great Nation and the people throughout the world need leadership now to remove the terrible grip of fear which has permeated their everyday thoughts.

Mr. Speaker, I would like to extend my remarks by including in the RECORD a part of a speech by Judge Learned Hand entitled "Rational Inquiry and the Triumph of Wisdom":

Our Nation is embarked upon a venture, as yet unproved; we have set our hopes upon a community in which men shall be given unchecked control of their own lives. That community is in peril; it is invaded from within, it is threatened from without; it faces a test which it may fail to pass. The choice is ours whether, when we hear the pipes of Pan, we shall stampede like a frightened flock, forgetting all those professions on which we have claimed to rest our polity.

God knows, there is risk in refusing to act till the facts are all in; but is there not greater risk in abandoning the conditions of all rational inquiry? Risk for risk, for myself I had rather take my chance that some traitors will escape detection than spread abroad a spirit of general suspicion and distrust, which accepts rumor and gossip in place of undismayed and unintimidated inquiry. I believe that that community is already in process of dissolution where each man begins to eye his neighbor as a possible enemy, where nonconformity with the accepted creed, political as well as religious, is a mark of disaffection; where denunciation, without specification or backing, takes the place of evidence; where orthodoxy chokes freedom of dissent; where faith in the eventual supremacy of reason has become so timid that we dare not enter our convictions in the open lists to win or lose. Such fears as these are a solvent which can eat out the cement that binds the stones together; they may in the end subject us to a despotism as evil as any that we dread; and they can be allayed only insofar as we refuse to proceed on suspicion, and trust one another until we have tangible ground for misgiving.

The mutual confidence on which all else depends can be maintained only by an open mind and a brave reliance upon free discussion. I do not say that these will suffice; who knows but we may be on a slope which leads down to aboriginal savagery. But of this I am sure: If we are to escape, we must not yield a foot upon demanding a fair field, and an honest race, to all ideas. "Blame not before thou hast examined; understand first and then rebuke. Answer not before thou hast heard; interrupt not in the midst of speech." Those words were written nearly 2,000 years ago; they came out of an experience already long and refined in the fires of passion and conflict; they are the product of a wisdom, bought by ages of bitter trial; and by that wisdom alone shall we be saved, we, who boast ourselves to be the apostles of a faith in the eventual triumph of wisdom.

Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following letter received from Barbara Jones, recording clerk, Wilmington Monthly Meeting of Friends, Wilmington, Del.:

MARCH 14, 1955.

Hon. HARRIS B. MCDOWELL,
Representative, Delaware State,
House Office Building,
Washington, D. C.

Dear SIR: The Wilmington monthly meeting of Friends would like you to consider the following points in relation to the Universal Military Training and Reserves Act No. 2967.

This act would not only cement conscription into our American military system, but it would introduce a new element into our national life. For the last 15 years Congress has regularly re-enacted selective service legislation. On each occasion it has fixed a terminal date. This has constituted recognition of the principle, that conscription should not be a permanent feature of our military setup. The bill No. 3005 has a termination date; however, bill No. 2967 has no termination date and would therefore survive our present temporary draft law.

A permanent universal military conscription act will necessarily have its effect upon American thinking. Its existence would amount to an endorsement that has never been placed upon conscription in the past. Future generations not only grow up with the necessity of performing military service, they would also see it as an unchanged feature in their lives.

The personality of our country will change in many ways presently unforeseen, and possibly unforeseeable. A people that accepts military conscription as the only possible means of survival is likely to give up the search for a better answer.

Has the process of erosion already gone so far that we cannot find a more satisfactory solution? We are merely following the footsteps of other older nations. We should insist on a better way out of our dilemma.

Americans cannot endorse a permanent Military Establishment because we do not believe that armed force is the final arbiter of our destiny; we do have a faith that with God's help men will be able to devise ways of living together in peace.

BARBARA JONES,
Recording Clerk.

Mr. REUSS. I thank the gentleman.

Mr. FLYNT. Mr. Speaker, will the gentleman yield?

Mr. REUSS. I yield to the gentleman from Georgia.

Mr. FLYNT. Mr. Speaker, I would like to commend and congratulate my distinguished friend and colleague from Wisconsin not only for his ability in the presentation of the remarks which he has made but on the courage which he has displayed in bringing to the floor of this House this all-important subject. It is a subject which I feel must be discussed. It must be discussed at length by the Members of the House of Representatives of the United States. It is a question on which the gentleman from Wisconsin and I may find details in which we are in considerable disagreement. On the other hand, there are many things in his prepared remarks today with which I find myself in complete accord.

I want to say this, as did the great Voltaire of old, that even though I might disagree with everything that you have to say, I would fight to the death for your right to say it. I am proud of the courage which you have demonstrated in bringing to the floor of this House these remarks today.

Mr. Speaker, the foreign policy of the United States is indeed a question which calls for sober, prayerful, and soul-searching thought and consideration by every Member of this body. For too long, especially during the last 2 years or so, we have been in an abysmal fog as far as our foreign policy is concerned. The people of the United States are entitled to know in which direction we are headed. The United States Government, perhaps under the leadership of the executive department but, if that leadership is lacking, then under the leadership of the House of Representatives of the United States, must chart a course which is in line with and symbolic of the great progress which has been made by America during the time we have been a great Nation among the nations of the world.

Mr. Speaker, we must never forget that our way of life, our America itself, our democratic institutions exist by reason of their very virtue. If ever we are destroyed, it will not be when we have been destroyed by an outside foreign foe; it will be when we have become so weak from within that we have no knowledge and no desire to have any knowledge of what our course in foreign policy is. If and when we are destroyed, or if and when we destroy ourselves, it will be when you and I have forgotten the past, have become indifferent as to the present, and utterly reckless as to the future. The thing, Mr. Speaker, that has made this country the great Nation that it is is that, like the great ship of state described by Oliver Wendell Holmes, "Sometimes we sail with the wind and sometimes we just sail against the wind, but all-important is the fact that we always sail; we never drift or lie at anchor." We must chart a definite course in foreign policy, one which will once again raise the prestige of this Nation among the nations of the world so that there will never be any doubt as to the position of the United States Government on any phase of foreign policy. We may be right and we pray that we are and shall be; we may be wrong, but may God forbid that we shall ever be in doubt on any issue upon which the national honor of our Nation depends. It may be that we shall have to make a completely new reappraisal of our foreign policy and strike from it any portion which is un-American and conflicts with those principles which are basic and fundamental to our way of life.

Mr. REUSS. I thank the gentleman.

Mr. RHODES of Pennsylvania. Mr. Speaker, will the gentleman yield?

Mr. REUSS. I yield to the gentleman from Pennsylvania.

Mr. RHODES of Pennsylvania. Mr. Speaker, I, too, wish to commend the gentleman from Wisconsin [Mr. REUSS]

for his excellent statement which reflects deep conviction and a thorough understanding of our foreign policy problems. It offers a positive approach in these crucial days as we hover perilously near the brink of atomic disaster and the horrors of worldwide nuclear war. I wish to associate myself with him in his observations and with the remarks of other colleagues who express similar views on this vital subject.

Mr. Speaker, the people in many areas of the world are looking for a way to free themselves from colonialism and its brood of poverty, misery, and disease. They seek a better life for themselves and their children and the opportunity to enjoy the blessings of freedom. We all know and understand how the seeds of Communist imperialism have been able to take root and grow in such fertile areas of the world, feeding on the hopelessness and despair of millions and millions of these unfortunate people.

We of the free world should take positive steps to prove our sincerity of purpose and dedication to the principles of decency and human freedom which have made our Nation great.

In the past decade we have taken our first hesitant steps on the road toward international cooperation and understanding relations with other nations. Our participation and support of the United Nations, the genius of the Marshall plan, and the bold new point 4 program are milestones on the road to world peace and justice of which we can be justly proud. But when we view the vast scope of the job which remains to be done, this pride becomes tempered with the realization of the pitiful inadequacy which these approaches have achieved and the opportunities which have been lost to make more significant progress.

Mr. Speaker, the effectiveness of our foreign policy cannot be measured in the number of TV speeches by our Secretary of State or the air-mileage records he sets in his trips around the globe. Nor can it be described in slogans or broad policy declarations which seem to change every hour on the hour. These tactics only divide and confuse our own people and have an even worse effect on our allies who receive only fragmentary reports.

What will be the judgment of world history when our foreign policy decisions are viewed in the cold light of retrospect? Who will be able to explain the inconsistencies of our foreign policies? How our Nation could on one occasion embark courageously to repel naked aggression in Korea, acting in concert with other peace-loving countries through the established channels of the United Nations; but, having driven back the combined armies of the original aggressor and the hordes of Red Chinese at the cost of the lives of thousands of our young men and billions of dollars of our resources, we now refuse to contribute even token assistance to programs designed to attack Communist aggression at the roots of its power? This we did by opposition to the establishment of a loan fund to aid underdeveloped countries improve their basic public works, power facilities, health and education programs, and other badly needed programs necessary for their social and economic development.

Such a broad and vital technical assistance program has been envisioned in the establishment of the Special United Nations Fund for Economic Development—SUNFED. The proposed SUNFED program was to be financed by a $250 million fund. Our share was to have been $80 million, an insignificant amount when we consider that our defense expenditures cost about $1 billion a week.

But the United States delegate to the United Nations refused to participate in SUNFED at the 1953 fall meeting of the UN Economic and Financial Committee, citing our heavy burden of defense. This was in line with President Eisenhower's speech of April 16, 1953, in which he outlined our policy with respect to international economic cooperation. He said:

> The Government is ready to ask its people to join with all nations in devoting a substantial percentage of the savings achieved by disarmament to a fund for world aid and reconstruction.

Thus our participation in SUNFED-type programs was put on an either/or basis—we will spend money either for military defense or for increased economic aid, but not for both. Mr. Speaker, this either/or policy is a tragic mistake in judgment.

The consequences of such a policy are already seen in further Communist inroads in southeast Asia, in the loss of Dien Bien Phu and northern Indochina, and, equally important, in the loss of confidence among our friends in the have not countries of the world. This feeling is perhaps best expressed by the Philippine representative to the U. N. Economic and Financial Committee, Miguel Cuaderno, Sr., when, following the United States torpedoing of SUNFED, he said:

> It is indeed disheartening for the underdeveloped countries to see this, their white hope, wither away under the cold indifference of the metropolitan industrial powers.

To pigeonhole the SUNFED proposal, he added, would be slamming the door of economic opportunity and development in the faces of hundreds of millions of people throughout the world who have come to regard the United Nations as the instrument of their salvation.

It is imperative that we reverse our shortsighted opposition to the objectives of SUNFED before next month's meeting in Bandung, Indonesia, of some 30 have not nations of Asia, Africa, and the Middle East. It is not too late for us to supply the necessary positive leadership to demonstrate to the people of the underdeveloped areas of the world that we are sincerely and humanely interested in their welfare.

The Senate Foreign Relations Subcommittee on Technical Assistance has heard testimony urging that funds be authorized for our participation in SUNFED. The need has been adequately demonstrated.

The stakes are large and the cost of failure fearsome to contemplate. We must not, by default, pass up this opportunity to strike a severe blow at the rulers in the Kremlin and their plans for subversion and conquest of the most populous areas of the world. At the same time, in the same blow, we can prove to the world our determination to wage a continuous war against disease, poverty, suffering, and misery among the peoples of these exploited countries.

Mr. Speaker, in conclusion, I would like to insert excerpts from an article by Justice William O. Douglas, which appeared in the New Republic of March 12, 1951. Because of its farsighted importance and depth of understanding of the Communist menace among underdeveloped nations, it is especially timely in light of our statements here today.

The article follows:

A WORLD IN REVOLUTION

(By William O. Douglas)

The world is different than we in America have thought. Wendell Willkie and many other reporters who traveled the back countries told us what was happening; but we did not listen. The plain fact is that the world is in a revolution which cannot be bought off with dollars. There are rumblings in every village from the Mediterranean to the Pacific. A force is gathering for a mighty effort. We think of that force as Communistic. Communists exploit the situation, stirring every discontent and making the pot boil. The revolutions which are brewing are not, however, Communist in origin nor will they end even if Soviet Russia is crushed through war. The revolutionaries are hungry men who have been exploited from time out of mind. This is the century of their awakening and mobilization.

What I saw and heard as I traveled this vast territory that lies under the southern rim of Russia reminded me very much of what I had read about other revolutions. The spirit which motivates these people is pretty much the same as the one which inspired the French and the American Revolutions.

The abuses against which our American forebears protested in 1776 were piled high. They are listed in our Declaration of Independence: dissolution by the king of legislative bodies; corruption of judges; maintenance of a standing army and quartering of troops among the people; imposition of taxes without the consent of the colonies; transporting citizens beyond the seas for trial of offenses committed here. These and other practices of the king brought our people to a boiling point; and we declared ourselves free.

The complaints of the peasants of Asia are just as specific as those in our own Declaration of Independence; and to the people involved they are just as important. I have talked with them in many places across this wide belt and found them alive not only to their problems but to the solutions as well. These people, though illiterate, are intelligent.

The people of Asia have a catalog of specific complaints. The absence of medical care always comes first. The absence of schools is always second. Then comes land reform. These people have a passion for land ownership that Americans can understand. We expressed it in our homestead laws and in the great westward movement that built a Nation out of the wilderness. Next comes the desire to learn how to farm the modern way. The right to vote, the right to elect representative government, the power to expel and punish corrupt officials—these too are important claims to reform. Finally, they have a new sense of nationalism. It reflects itself in many ways—the growing sentiment in some countries of the

Middle East to nationalize their oil and keep the profits for themselves; the desire to have local capital a partner with foreign capital in developing the nation; an exultant feeling of independence and resentment against intermeddling by outside powers.

There are professional agitators who stir this brew of discontent; but the force comes from the masses. I have not seen a village between the Mediterranean and the Pacific that was not stirring uneasily.

American foreign policy has never been addressed to the conditions under which these revolutions flourish. Democracy, peace, aggression are important words to us; but to those in the hinterland they are apt to be hollow and meaningless. America's voice, when heard in this poverty- and disease-ridden belt, often sounds coarse and cheap—not because we intend it but because we do not know the world in which we live.

We tell about our high standard of living, how well our workers eat, the fine houses they live in, and it sounds like boasting and bragging. We send technical experts abroad to help in seed selection, soil conservation, malaria control and the like. But we never raise our voice for reforms of the vicious tenancy system of Asia under which increased production inures to the benefit of a few. We seem to forget that health programs unrelated to land-distribution projects, minimum wages, maximum hours of work, and the like merely increase the number of people among whom the existing poverty must be rationed.

We talk about democracy and justice; and at the same time we support regimes whose object is to keep democracy and justice out of the reach of the peasants for all time. We put billions of dollars behind corrupt and reactionary governments which exempt the rich from income taxes and fasten the hold of an oligarchy tighter and tighter on the nation. The fact is that America has been so engrossed in providing a defense against communism that we have lost the initiative. Our great weakness has been our negative attitude. We have been anti-Communist. We have been pledged to root it out and expose it for all its ugliness. We have taken up the hunt inside the country for every human being who was, is, or may be, a Communist. Yet no matter how feverish our efforts, the red tide of communism seems to spread abroad. We are seized with panic as the waters lap at feeble dikes. So we rush to the support of every group which opposes Soviet communism. That puts us in partnership with the corrupt and reactionary groups whose policies breed the discontent on which Soviet communism feeds and prospers.

This negative attitude, the policy of merely defending against communism, is one reason for our default. The other basic reason is that we have relied more and more on our military to do our thinking and planning for us. Beginning in 1945 with the fall of Japan we entrusted most of our attitude toward Asia to the Army. The military made policy for us. It is no reflection on the military to deplore that fact. The situation in Asia is delicate and complex. It requires astute handling at the political level—the best that we can muster in skill and understanding.

As a consequence of our negative attitude and military approach to problems, the tide of Soviet communism has picked up momentum. The trend will continue; and the part of the world on which communism has not fastened itself will become smaller and smaller as long as our policy is merely negative or dominated by military thinking. The Communists are not merely anti-status quo. They have concrete programs of political action in every country. If we are to regain the initiative, we must use our ingenuity to invent ways to aid the peasants in their revolutionary aims. We must take over the guidance and direction of these revolutions if we want a free world.

We have thought we could save the world from communism by dollars. It is, however, ideas not dollars that count the more in this campaign. Dollars are secondary. They must be conserved until an honest, progressive government comes into power. Then they can be used in select ways to help the natives build a new economy.

America is fitted by tradition for directing and guiding the revolutions that sweep the earth. We won our freedom by revolution and set the example which today inspires the peasant of Asia. We cannot remake the world in our image; but we can help those who are seeking an escape from squalor to find alternatives to communism. We cannot do it by talking democracy to these people. We can do it only by making our foreign policy understandable in terms of their aspirations: medical care, education, distribution of land to the peasants, modern agriculture, free elections, independence from foreign domination. If we took that stand not only in rhetoric but in action, the political implementation of the program would be relatively easy. The Philippines, already the showcase of Asia, could be transformed into a healthy, prosperous, democratic community.

India and Israel are examples of the strength and stability that democratic forces can mobilize. These nations have domestic programs that make communism internally an empty threat. What Israel and India have done can be done elsewhere.

There are liberal forces in practically all of the Asiatic countries which can do the same. At times they are either in a minority position in the cabinet or outside the government completely. But each country has men who have the dream of a new freedom for their people, who have the character and that has existed from time out of mind. In ability to rid the nation of the feudal system other words, there is both the leadership and the energy within these countries to accomplish the necessary programs of social reconstruction.

We must be, and remain, strong as a military power in case Russia shifts from political to military action. But meanwhile our only real defense against communism is a political offensive, a political offensive with action rather than with rhetoric. The hour is late; but so long as world war III has not struck, it is not too late.

Mr. Speaker, this statement by Justice Douglas deserves careful thought and consideration. There is also much food for thought given by Columnist Dorothy Thompson in today's Washington Star. She calls attention to the danger of reckless statements made in the Congress and in the press which label every realistic appraisal of foreign policy as a move that spells appeasement. I hope every Member of the Congress will have an opportunity to read her timely and thoughtful column. In it she also points to the danger in statements that frighten and confuse our own people and which increase the tensions which lead to war.

Again, Mr. Speaker, I want to say that I am glad to associate myself with my colleagues here today who see the need for a more realistic approach if we are to win the hearts and minds of the freedom-loving people everywhere in the fight against Communist aggression and all forms of totalitarian tyranny.

Mr. HOLT. Mr. Speaker, will the gentleman yield?

Mr. REUSS. I yield to the gentleman.

Mr. HOLT. I thank the gentleman.

I think, too, that it is a healthy thing for the younger Members of Congress to discuss foreign policy. I am the youngest Member on this side of the aisle, and I am very much interested in these remarks that have been made concerning our foreign policy.

I am sorry that I missed some of the gentleman's original remarks. I do not happen to have a copy of his statement, but I should like to ask the gentleman one question. How does the gentleman propose, under his plan, to require the Soviet Union to draw back to its borders, to compel them to do so?

Mr. REUSS. The suggestion is that the President should tell the world that if the Soviet Union will withdraw to its borders, we, the free world, will do the following: There will be German unification and a free, united Germany. The 10 countries now enslaved by Soviet Russia will be free and will become members of a larger central and eastern European federation. Then united Germany and those 10 nations to be liberated by this action would be without arms to make aggressive war—arms which, over the years, have been Soviet Russia's main excuse for some of the outrageous actions of which she has been guilty.

I do not for one moment suggest that Soviet Russian would agree to such a plan. I do not know. We cannot tell until we try it. If we try it and if we succeed, then we will have gone a long way toward removing the tensions of this world. If we try it and we fail, then we will have for the first time clothed ourselves in the armor of righteousness with respect to a united Germany and a free Eastern Europe and to a wholesome order in Eastern Europe.

The SPEAKER pro tempore (Mr. METCALF). The time of the gentleman from Wisconsin [Mr. REUSS] has expired.

Mr. HOLT. Mr. Speaker, I ask unanimous consent that the gentleman be granted 5 additional minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. HOLT. If the gentleman will yield to me further, have we not done that in Europe in the case of Austria? Have we not proposed that Austrians be allowed free elections? The Soviet Union will not permit that. Let us take a country that wants to be free now and one that is not behind the Iron Curtain.

Mr. REUSS. Certainly it is very true that Soviet Russia has outrageously dragged its feet for 10 years on the question of a unified Austria. I think the proof of a sound American foreign policy is to be found in the fact that today in Austria, whether one goes to the French or the British or the American or the Soviet zone, one will find that 99 percent of the Austrian people are firmly on our side. One will not find that in other areas of Europe today, because we have not pursued a similar policy there.

What I am suggesting is that we put before the people of Europe, free or enslaved, a plan, a program, a formula which will hold out to them some hope of freedom and peace.

Mr. HOLT. Let us turn to a part of the world that is in the newspapers today, Formosa. It is my opinion that time and time again the President of this

country, the United Nations, and the free world have shown their good faith. I wonder how much more we can do to get the Soviet Union to believe in our good faith so far as the peace of the world is concerned. Speaking still of the situation in Formosa, is it my understanding that the gentleman desires that Red China be admitted to the United Nations?

Mr. REUSS. I cannot imagine why the gentleman would make that statement, since he must have heard me say just a moment ago that I am emphatically opposed to recognition of Red China. I emphatically oppose the admission of Red China into the United Nations. I emphatically adhere to our treaty recently made with Chiang Kai-shek for the mutual defense of Formosa. I emphatically adhere to the provisions of the recent resolution of this House, for which I believe the gentleman voted and for which I voted, to defend Formosa against Red aggression.

What I am saying is that we should get ourselves in a good moral position so that we can appeal to the 1 billion uncommitted people in that portion of the world and get them on our side so that we do not have to go it alone if war comes.

Let me say further that if the gentleman now or later has any suggestion for the improvement, for the making more creative of the modest proposals here offered, I hope he will see me so that we can work together for the peace I know we all want.

Mr. HOLT. Have we not shown our good intentions by wanting to have Red China settle the Formosan question, but Red China will not agree?

Mr. REUSS. I suggest that the less we let ourselves be perturbed and nudged from our path by Red China the better. If the gentleman will recall my remarks, I mentioned Red China not at all. I am not in favor of appeasing Red China. I am in favor of building up a strong alliance of freedom-loving peoples so that if you and I have to fight for Formosa we can do it knowing we are fighting on the side of righteousness.

Mr. HOLT. Is it not a fact that we have been doing that through the wonderful agreement that Secretary Dulles entered into on behalf of the United States, the Manila Pact, which in one part will temporarily halt the Communist aggression, and in the second and third parts will use economic and technical assistance by the great importance for the first time of recognizing subversion for what it is? Does not the gentleman agree that is a step in the right direction?

Mr. REUSS. The gentleman entirely agrees that that is a step in the right direction. Now we must clothe those bare military bones with the life that comes from the economic, social, and political proposals such as those under discussion this afternoon.

Mr. HOLT. The gentleman agrees with the foreign policy of the Eisenhower administration and the fine job Secretary of State Dulles has done?

Mr. REUSS. I emphatically agree that in the military sphere the administration is doing a job that is close to adequate. I very often wish they would be more forthright and strong in their military requests here. I will back them to the hilt when they are. But militarism alone will not save the world. What we are talking about here is using the thoughts that have been in our Christian heritage for many years in the field of politics and economics and social life.

Mr. HOLT. I was interested in the gentleman's remarks about colonialism, which after all was under a different administration. I am glad this administration has corrected it. If we are to spend more money on this economic and technical assistance, how can be do it and at the same time vote for a tax cut?

The SPEAKER pro tempore. The time of the gentleman has again expired.

Mr. HOLT. Mr. Speaker, I ask unanimous consent that the gentleman be permitted to proceed for an additional 5 minutes.

Mr. ROOSEVELT. Mr. Speaker, I object. I think there is another special order.

UNITED NATIONS TRUSTEESHIP FOR FORMOSA

Mr. LAIRD. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. LAIRD. Mr. Speaker, this afternoon a very interesting discussion has been carried on here on the floor of the House of Representatives about a "new foreign policy" for the United States. I cannot see any new foreign policy in the suggestions which have been made here on the floor of the House this afternoon. Most of the suggestions which have been made would merely be a return to appeasement and to handing over to international communism everything it wants.

The suggestion which was made on the floor this afternoon by the gentleman from Wisconsin [Mr. REUSS] for U. N. trusteeship for the island of Formosa must not go unanswered. This 84th Congress on January 25, 1955, enacted a resolution which announced to the world that our policy was and would continue to call for the defense of the Island of Formosa. The suggestion of the gentleman from Wisconsin [Mr. REUSS] merely muddies the water and actually is an attempt to destroy much of the effect of the solidarity which was expressed by this Congress on the defense of Formosa. It would indeed be a great mistake if from this discussion on the floor of the House of Representatives it were reported throughout the world that we in America are giving serious consideration to a U. N. trusteeship for Formosa. Our policy to defend Formosa has been ably presented in the resolution which we have already passed in this 84th Congress. The suggestion of the gentleman from Wisconsin [Mr. REUSS] for a U. N. trusteeship of the Island of Formosa should certainly at this time not be given any serious consideration by this House. Furthermore, we cannot afford to give our Communist enemies the impression that the United States Congress is divided on the issue of defending Formosa. Such suggestions are only serving to endanger the peace and the lives of our citizens. The road of appeasement leads to a U. N. trusteeship for Formosa. Certainly we do not want to go down that road today and we should overwhelmingly maintain our support of our previously passed Formosan resolution.

FEDERAL PROPERTY AND ADMINISTRATIVE SERVICES ACT OF 1949

Mr. O'NEILL, from the Committee on Rules, reported the following privileged resolution (H. Res. 179, Rept. No. 221), which was referred to the House Calendar and ordered to be printed:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 3322) to amend the Federal Property and Administrative Services Act of 1949 so as to improve the administration of the program for the utilization of surplus property for educational and public-health purposes. After general debate, which shall be confined to the bill, and shall continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Government Operations, the bill shall be read for amendment under the 5-minute rule. It shall be in order to consider without the intervention of any point of order the substitute amendment recommended by the Committee on Government Operations now in the bill, and such substitute for the purpose of amendment shall be considered under the 5-minute rule as an original bill. At the conclusion of such consideration the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any of the amendments adopted in the Committee of the Whole to the bill or committee substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

SPECIAL UNITED NATIONS FUND FOR ECONOMIC DEVELOPMENT

The SPEAKER pro tempore. Under previous order of the House, the gentleman from New Jersey [Mr. THOMPSON] is recognized for 30 minutes.

Mr. THOMPSON of New Jersey. Mr. Speaker, I would like to commend the gentleman from Wisconsin for his able presentation and especially for the effort to which he has gone in the preparation of his remarks. I think that his approach is sound and I find myself in agreement with much that he has said.

I do not think the gentleman from Wisconsin or any of his colleagues who have supported him with their collateral remarks have conceived that they are setting down a new foreign policy for the United States of America. In my opinion, they have simply added thoughts which they have developed on subjects which have been discussed before and have in a sense, in this particular instance, enlarged those thoughts.

Those of us in the United States face a double- or triple-barreled problem in

the field of foreign policy. We all know that the Soviet Union represents a very potent military threat to the free world. This is a very real challenge and one that we will have to face for many years to come. Without minimizing that threat in the slightest degree, and with the realization that we must even improve our military readiness in the face of it, I suggest that this is not our only immediate problem.

The danger which the Soviet Union presents to us and the other democratic nations is not, however, exclusively a military one. It is also political, social, and economic. The Soviet Union, as a great world power, has very large military forces. This is one problem. The Soviet Union, as the representative of an ideology and a political system, is another problem and, in many ways, a much more complex one. Totalitarian communism is an idea and a program. It is something which we, in the United States and all the other democratic nations, oppose completely and absolutely, but it is an idea and program which has had many successes throughout the world. These successes are largely predicated on the existence of poverty, for communism is a philosophy which is peculiarly able to exploit poverty and discontent. It is my belief, however, that Communist control can be achieved only in such depressed areas. In all others it must resort to force.

It is this fact with which we, in the United States and particularly those of us in Congress, must concern ourselves, and it is with a particular facet of this problem that I would like to deal today. In spite of the tremendous advances made in techniques of production of both food and industrial products, millions of people throughout the world live what is, at best, a marginal type of existence. This is a fact of life in Asia, in Africa, and in Latin America. It is also a fact of life that it is in just these areas that communism has its greatest appeal. It is in just these areas that the democratic ideal has been losing out to the totalitarian philosophy. This is not because of any inherent fault in democracy, but rather because, as has been said many times already, people quite naturally are more concerned with a full stomach than they are with freedom of speech, press, or religion.

Yet, there is no need for these peoples to turn to communism as the one way of life which might enable them to have a decent standard of living. Indeed, quite the reverse is true for it is certainly undeniable that those nations with the highest standard of living are also those most stanchly defending the democratic philosophy. The nations of the West have much to offer other nations as an example of what it is possible to accomplish, and still establish and maintain democratic traditions. This is particularly true of the United States which has behind it a long record of democratic liberalism coupled with a tremendous economic success. Unfortunately, it can be stated quite categorically that we have failed to make these things clear to the less fortunate peoples of the world. We have, instead, been throwing away a great fund of good will which was ours.

This ideological loss, it seems clear, has come about because we have refused aid to these peoples when they desperately needed it, and, instead, have said that we were interested solely in setting up military defenses against Soviet encroachment. We have said to them, in effect, that though we sympathize with their aspirations, we are concerned mainly with the establishment and maintenance of stable governments on the periphery of the Soviet Union which is interpreted to mean defense of ourselves primarily.

Such an attitude leaves us little hope of actually winning the support of these nations in anything except the military field and probably augurs poorly for success even there. We must take note of the aspirations of the peoples of Asia, Africa, and Latin America for the establishment of economies which are free of outside domination and, at the same time, provide their citizens with a decent standard of living.

The ways and means of accomplishing these objectives are well within our grasp. We already have a limited program of technical assistance in operation and, considering its small scale, it has done an enormous amount of good. It is indicative of what could be accomplished in this area. The next steps must now be taken and they have already been proposed. In March 1951 the United States International Development Advisory Board, under the chairmanship of Nelson Rockefeller, reported to President Truman. The Board recommended, unanimously, the establishment of what is now called the Special United Nations Fund for Economic Development, or SUNFED. This project, under the auspices of the United Nations, is designed to supply the basic needs for the development of roads, railways, canals, port installations, and sources of power in the underdeveloped countries. It would also aid in the establishment of schools to train the labor force, and hospitals to promote health and hygiene.

These projects, it is true, cannot be considered to be self-liquidating in the financial sense. They would not produce foreign exchange and would furnish very low yields on a short-term basis. But they are essential to any well-developed economy. Indeed, experts have pointed out that in underdeveloped countries 60 percent of the overall financial investment must be in this field or there will be great risk of building a very shaky economic structure which would be constantly in danger of collapse. The underdeveloped nations want to become part of the 20th century world and they know they can only do this by making radical changes in their economies. The help which would be theirs, if the SUNFED proposal is adopted, will aid them to step out of the past and into the present. Then, and only then, may we expect to see economically stable governments established capable of becoming worthwhile and steadfast friends of the United States.

Opponents of this program have charged that the adoption of this program would mean giving the rest of the world a blank check enabling them to draw immeasurable funds from the United States. This simply is not true. Under the plan the funds appropriated would be under the control of a board composed of both the nations giving the funds and those receiving them. Fifty percent of the membership on this board would be reserved for the nations making the contributions. The remaining 50 percent would be made up of members representing receiving nations. Further, the United States, as the largest single contributor, would undoubtedly be able to name the director of the whole operation and we would, in these ways, have a large voice in determining its direction.

Here, in brief form, is a proposal which would give great impetus to the fight to establish democracy in all those areas of the world as yet uncommitted in the struggle between democracy and totalitarian communism. It is a program designed to give meaning to our past statements of faith in democracy and the free-enterprise system, and to show our willingness to aid in other than military ways. Military defense cannot be neglected in the face of the continuing threat from the Soviet Union, nor would I so advocate. Indeed, it strikes me as dangerous to reduce our Armed Forces to the extent already proposed, but we must realize that we face multiple problems to which there is no single answer—not even military force. SUNFED would attack one of these problems at its very source by building the basic industries and equipment necessary for an industrial economy. Unfortunately, the SUNFED proposal already has been once turned down by the United States and the other "have" nations. That response to the urgent needs of the world's less fortunate peoples resulted in the following reply from Miguel Cuaderno, the Philippine representative at the United Nations:

> It is indeed disheartening for the underdeveloped countries to see this, their white hope, wither away under the cold indifference of metropolitan powers.

Such was the response to our refusal. Imagine the hope that would be engendered and the friendship that would be endurably established were we now to reverse our position and advocate the adoption of this program by the United Nations. It is reasonably certain that our advocacy of this step would insure its success. President Eisenhower has recognized the desperate need for such a program, but he has tied its adoption to worldwide disarmament. Must we wait? Indeed, can we afford to wait? As I have already pointed out, and as we all know, the struggle with the Soviet Union is one which we are losing in every area except that of military defense. Our loss is due, it seems to me, to our concentration on this area. As population grows throughout the world, so does poverty. It is this fact which is uppermost in the minds of millions of people throughout the world. So long as we continue to disregard the impact of endemic poverty, we cannot expect to insure the allegiance of the so-called underdeveloped countries. We, in the United States, are concerned with the threat of aggression from the Soviet

Union, but large areas of the world are concerned with getting enough bread and butter from day to day. Nor are they enthusiastic over the idea of becoming expendables in a power fight between the Soviets and ourselves. From our point of view, defense against Soviet aggression is one barrel of this double-barreled threat. We are keeping it well oiled and loaded with ammunition. The other barrel is the economic problem. We cannot allow rust to settle here either. SUNFED is a proposal for great and positive help in this area. It is of great importance in the fight against Soviet communism. It would also mean gains for the American economy in a more direct sense. As these primitive economies, based on simple agriculture and mining, change under impact of the technical assistance programs, we may look for ever greater markets for our own products. This is graphically illustrated by figures comparing our export trade with Canada and Latin America. In 1938, the last prewar year unaffected by the catastrophe of World War II, Canada imported $41.3 worth of goods of all types per capita from the United States. On the other hand, Latin America, much less highly industrialized than Canada, imported only $4.6 worth. It would seem clear that as industrial output rises, importation also increases. Though this fact is not the most important reason for the adoption of this program, it is worth considering in connection with the cost of SUNFED. Our military program is already bold and dynamic. Now is the time to bring our diplomatic and economic leadership up to the same level.

The program I advocate here today is not one which would immediately solve all our problems or those of the world. To think so would be an idle and dangerous hope. But it would be a tremendous step in the right direction, not only in terms of the global struggle in which we are now engaged, but in terms of the peaceful world we all hope and pray will one day be ours to live in. We still have a choice. Will it be SUNFED or unfed, for the underdeveloped nations of the world? The decision is in our hands.

Mr. TEAGUE of California. Mr. Speaker, will the gentleman yield for a question?

Mr. THOMPSON of New Jersey. I yield to the gentleman from California.

Mr. TEAGUE of California. Does not the gentleman feel that increasing technical assistance output, the SUNFED program, increasing our Armed Forces, is a little inconsistent with the move to reduce our national income through a tax cut in the amount of some two and a quarter billions?

Mr. THOMPSON of New Jersey. I do not think it is any more so than our actions since last year have been inconsistent with the $7 billion reduction which the Congress granted at that time.

Mr. TEAGUE of California. Yes, but the gentleman is now proposing, as I understand, to go even further in the matter of technical assistance, to embark upon a very extensive SUNFED program, to increase our Armed Forces; how is that possible and at the same time reduce our income by two and a quarter billions?

Mr. THOMPSON of New Jersey. The gentleman's question, I believe, is predicated upon a desire which apparently is in his mind that the financial balance, the balancing of the budget on paper is the sole consideration of the American way of life and of democracy. I do not go so far, sir, as to say that in order to balance the budget we must let the rest of the world go whistle.

Mr. TEAGUE of California. Mr. Speaker, will the gentleman yield further?

Mr. THOMPSON of New Jersey. I yield to the gentleman.

Mr. TEAGUE of California. I do not wish to go so far at this time as to say I am opposed to SUNFED or further technical assistance, but as the gentleman probably knows, I do feel that we must certainly take into full consideration our financial limitations. When we embark upon new and larger programs we must know where the money is coming from to pay for them.

Mr. THOMPSON of New Jersey. I thank the gentleman. I think it is well within the economic capability of these great United States, especially in the prosperity we are now enjoying, to extend ourselves a little further in this area to fight communism.

Mr. BOYLE. Mr. Speaker, will the gentleman yield?

Mr. THOMPSON of New Jersey. I yield to the gentleman from Illinois.

Mr. BOYLE. Mr. Speaker, it is highly fitting on the occasion of the eve of celebrating the birthday of St. Patrick, that great patron saint of Ireland, that I have an opportunity to make my first speech in the Halls of Congress. It surely quickens the imagination and the pulse of an Irishman to be able to get up here and talk on the subject of peace that was so close to the heart and to the affections of that great Irishman whose memory we celebrate tomorrow. It is equally fitting that we get an opportunity in this forum to talk about a subject that is so close to the hearts and to the affection of not only the American people but the people throughout the whole world.

I am sorry my time does not permit me to go down the roll and tell you how much I appreciate the well thought out remarks of the individuals who have preceded me here today. But it is fitting, apart from that, that the young Democrats of this Congress should feel that they would like to come back here and to tell not only the United States but to tell the world that, sure, they are freshmen, but they are fresh in the sense that they represent the collective feeling of the people whose votes sent them here to the Capitol and they did that no later than on November 2 of 1954. The people all over the United States want peace. They are tired; they are discouraged; they are not interested in anything but the brotherhood of man, and that universal feeling represents the hopes and longings of the whole world. With the ground right under us now trembling from all of those recent atomic assaults and tests in Nevada, it is about time that a new generation with a new look add its little bit to retelling the age-old story that men everywhere believe in fellowship, in brotherhood, in peace under God.

Mr. Speaker, nothing that I say here today should be construed as an admission that I want to be soft against atheistic communism. Nothing could be farther from the truth. I hate communism in all of its aspects. No psychological or philosophical definition, no matter how wide the genus or the specific difference might be, could ever be large or big enough to encompass me within the dimensions of atheistic communism, because communism thwarts the very notion of the dignity of man. It tears down that rational note or aspect that identifies him as a human being. It is in contradistinction to the very position that we take here today. Our position is that the freshman Congressman came here to the Capitol at the beginning of the new session charged with the responsibility of helping to clarify, at least, a foreign policy which had contained in the immediate past a number of divergent, disconnected, and disorganized interpretations of our position and policy.

Let me say at the outset that I, for one, do not want to be guilty of the offense of the oversimplification of foreign policy. When the vote on the Formosa resolution came to the floor, fortified by the representations that it was a peace measure, we had to show a solid front and give testimony to all the world and thus exemplify our unanimity of action. We approved that momentous piece of legislation. We knew we had to draw the line somewhere, and we were very happy to do that, and we did it categorically and we did it without equivocation; yes, we did it almost unanimously. But we are standing here today talking in a nobler and a bigger sense; not in a military sense but in a political sense. I think people everywhere are interested in the brotherhood of man. I think if they are given an opportunity, they will assert and reassert that feeling, that longing, and that hunger, and I would submit that no amount of negotiation is too much, no amount of deprecation can stand in the way of trying and trying again to work out some formula that will let people of all nations, all colors and faiths, live in concert, in harmony, and in peace, because if you do not do that in this race of armaments, you are going to have nothing but total annihilation. Total victory is a myth. In the old days wartime objectives were generally limited and practical ones. It was common to measure the success of your military operations by the extent to which they brought you closer to your military objectives. But when your objectives are moral and ideological ones and run to changing the attitudes and the traditions of an entire people or the personality of a regime, then victory is probably something not to be achieved by military means or, indeed, in any short space of time at all, and perhaps that is a source of our confusion.

In any case I think there is no more dangerous delusion, none that has done us a greater disservice in the past or threatens to do us a greater disservice in

the future, than the concept of total victory.

Mr. Speaker, I submit that everything that has been said here is testimony against the recognition of Red China. To our way of thinking, Red China was branded an aggressor in North Korea. That stigma, that indictment, still stands today, and the young Democrats are not in favor of letting Red China shoot its way into the society of nations. We expect that Red China, if and when it is ever permitted membership in that august society of nations, will demonstrate not only that it had the votes of the people but it had something that is more important even than that; that it has a de jure government and as a de jure government it has responsibilities so that it can go into the council of nations, so that it can participate in the council of nations, so that it can accept and have a part of the sanctions that are imposed by that responsible society.

Mr. Speaker, I am happy to be a Member of this House, and I am very happy to be a member of that group who once again asks you and pleads with you to try to do everything possible in both an economic and in a political sense in the interest of peace. We admit we are doing almost everything we can, in a military sense. In our dealings with all nations, it will mean that we must have the modesty to admit that our own national interest is all that we are really capable of knowing and understanding, and the courage to recognize that if our purposes and undertakings here at home are decent ones, unsullied by arrogance or hostility toward other people or delusions of superiority, then the pursuit of our national interest can never fail to be conducive to a better world. Then, by our own conduct, we will be telling the sad and the lonely of the world of the love that is theirs to be, and by the cross of Christ and His passion and the might that is born in brotherhood and unity we will be showing the world that we are doing more than merely paying lip service to an empty ideal—that we are, in fact, trying to live in the community of nations under God.

Mr. O'HARA of Illinois. Mr. Speaker, I have listened to the distinguished gentleman from Wisconsin [Mr. REUSS] and to the others who have spoken here today. I have been deeply moved.

The significance of this memorable and historic debate I know will be grasped by the American people. We are living nervously not on a keg of dynamite, as was expressed in earlier times, but upon a vast concentration of the product of atomic energy. For generation after generation the challenge has been to the youth of each succeeding generation to find the way to permanent peace. Each generation, one after the other, has failed to meet the challenge. To this generation again has been given the challenge. If again there is failure to meet the challenge, we have reached the end of our present civilization. Everything man has built in the long stretch of years that has perfected our present civilization will go down in ruinous debris. Then mankind will have to begin again the long and tortuous climb of the centuries from the caves to a new civilization.

In such a period of crisis, involving the endurance not alone of one nation but of all civilization, there have come to this Congress some new faces. That is always the case. Each Congress as each high school and each university has a freshman class. We on the Democratic side are happy indeed because of the quality in ability, in character and in earnest sincerity of the new Democratic members.

They have come fresh from the people. They know, as do all of us older in service in this Chamber, that what the American people and indeed the peoples of all the world most want is security against war and security against poverty. When you remove from this old world of ours poverty you have brought to all mankind the certainty of a continuing peace.

The significance of this memorable and historic debate of today is that the freshman Democratic Members of this body are not contenting themselves by remaining silent and inactive when the whole world is resting on a concentration of atomic energy power needing only the winking of an eye to set it ablast. They may not have the perfect blueprint. I do not think that anyone has a perfect blueprint. But that blueprint will be found in the common sense of the American people when the thinking of men and women in the homes of the Nation are kindled and inspired by such debates as we have been listening to today.

I have been thrilled. I have been heartened, too. In my youth I dreamed of a world of peace. The war of the North and South then was thought to have been the last war in which our people would be engaged. By 1898 the American people were so convinced that never again would there be war that the Army was reduced to a thin blue line of 25,000 men. Then out of the clouds came the war with Spain. A brief interlude of peace, then World War I, another brief interlude of peace and World War II, the most devastating war of all history.

Thinking of my boyhood dreams of a world of peace, and of the 50 years of bitter wars that have followed, I could be disillusioned. I could say as these years of the evening wrapped themselves around me that though there were rainbows in the sky there were thunderbolts and lightning in the making behind the rainbows. But I have no such disillusionment. As I have a firm and abiding faith that there is a God in Heaven, so do I have the faith that in the minds of men the purpose of that God is being implanted and that the way to the permanent peace soon and in this generation will be found. The gentleman from Wisconsin and his colleagues in the Democratic freshman class of this 84th Congress today have given substance to that faith.

Mr. Speaker, I could not close without an especial reference to a colleague from Chicago. Today I listened to the closing oration in this memorable and historic debate, and when the gentleman from Illinois [Mr. BOYLE] had ended I joined with all other Members present in the round of applause that appropriately marked the delivery of one of the great maiden speeches in the history of this House.

Mr. THOMPSON of New Jersey. I thank the gentleman from Illinois.

Mr. VANIK. Mr. Speaker, will the gentleman yield to me?

Mr. THOMPSON of New Jersey. I yield to the gentleman from Ohio.

Mr. VANIK. I do not concur in all the things that have been said this afternoon by the gentlemen from Wisconsin and Illinois and New Jersey, and the others who have preceded me. But I do appreciate their enthusiastic and energetic approach to a plan for a peaceful world to which these gentlemen have subscribed. I want to say that there are great areas for agreement available to all Members of the Congress. The debate that has taken place this afternoon has indeed been refreshing. It has been one of the most worthwhile afternoons that I have spent on the floor of this Congress.

I have sat here day after day and patiently listened; I have listened for hour after hour to tedious eulogies of Congressmen who were and no longer are. I spent, I believe, a portion of one day listening to a eulogy of the groundhog from Pennsylvania. Entire sessions of this Congress have been consumed in a mutual interchange of birthday greetings. We have spent more time debating the service of food and the quality of the food in the Capitol cafeteria and restaurant than we did in toto on the Formosa resolution.

As a Member of this Congress I feel that this afternoon's beginning—and I hope it is just a beginning—will afford every Member—every new Member particularly—of this Congress an opportunity to take a more active part in the determination of the foreign policy of this country. This afternoon has been well spent and I hope that it has given every Member of this Congress an opportunity to recheck his own thinking on the foreign policy of our Government.

Mr. THOMPSON of New Jersey. I thank the gentleman.

Mr. Speaker, I ask unanimous consent that all Members who may desire to do so have permission to extend their remarks in the RECORD on the subject just discussed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

FOREIGN POLICY OF THE UNITED STATES

The SPEAKER pro tempore. Under previous orders of the House, the gentleman from New Jersey [Mr. TUMULTY] is recognized for 5 minutes.

(By unanimous consent, at the request of Mr. ALBERT, Mr. TUMULTY was granted an additional 3 minutes.)

Mr. TUMULTY. Mr. Speaker, I suppose the fact that tomorrow is St. Patrick's Day gives me the right to disagree with both sides. I would not have risen except that the implication was that we

wise freshmen have risen up in our sophistication before we have learned the rules of the House, to put the world in order.

However, I would like to say that I cannot agree with this resolution. I think it is well intended and I think the people who are behind it are sincere, but I cannot agree with it because, in the first place, the gist of its practicality depends on the acquiescence of the Soviet Union. And if we have learned anything in the past 10 or 15 years it is that we know that we can have absolutely no further hope that those infamous men, those intrinsically evil men, guided by their black philosophy, will do anything other than promote their own selfish interests.

As to the resolution:

No. 1, we are told in this resolution—and I quote from page 4:

When we—

Meaning the United States—

side with the colonial against the anticolonial countries in the U. N., we lose the respect of half the world struggling to be free.

Why is it that our sincerity must always be questioned by our own people? In the first place, one of the greatest examples of fair treatment—of a country that came into control of another country in international affairs—was that of our country's giving the Philippines its independence. That is a specific country. There we did not join with the procolonial philosophy. That statement in the resolution is not true. As a matter of fact, our country was the first nation of the world ever to treat a conquered people in the fashion which it did, when it liberated the Philippines. We must not forget the wonderful treatment that we, under General MacArthur, afforded defeated Japan. So we are not siding with the colonial people. But if the argument is that we should side against every colonial power in the world as the resolution implies then we would have to destroy every one of our allies to accomplish that purpose.

Secondly, I would like to point out that we are asked to tell these nations who are meeting in Bandung that if they will do certain things we will give them money.

That is what it boils down to. They will take our money, but all of us know you can give money to gain friends, but they do not necessarily have to stay with you. Many a man has lost a political election who gave money to his friends. They put it in their pockets and then voted against him. There is no guaranty of the practicality in this measure.

But beyond that, and I read right from this document itself, it says:

To the people of Europe, we say this. Western German rearmament is underway, because Russia leaves the West no alternative. But if you agree, and if Russia will carry out her part of the bargain—

As if she ever carried out any bargain since she was first created—

—by withdrawing to her historic borders, we will welcome a unified and independent Germany; a free Poland, Czechoslovakia, Hungary, Austria, Rumania, Bulgaria, and the Baltic States, each independent but part of a larger central European community based upon a respect for human rights; all without the capacity to make aggressive war, but with their security guaranteed by the U. N.

But I ask who sits on the United Nations Security Council? The Soviet Union. All it has to do to kill it, this bold new plan, is to veto it. What did you do to these countries when you put them under Stalin and company in the United Nations?

Finally, after having decided to support President Eisenhower in the defense of Formosa, we in the Congress are now told that we must throw Free China out, though we are with them as allies; and we are now going to put a United Nations trusteeship in place of our allies. There will be elections in Formosa, they say. But we rejoin, What about elections in Red China? What about elections in Poland? What about elections in the states of the Soviet Union? What about our going into the United Nations and out-Malik-ing Malik, and getting it through that the United Nations throw Red Poland out? They have no right to be there. I am sick and tired of seeing us treat murderers as if they were decent, honest people. When we begin to treat them for what they are, we may begin to save ourselves.

It is a beautiful and wonderful idea on paper. They propose, if it can only work, if the Soviet Union in its benignancy, in its known "generosity" stops drinking blood from a skull long enough to say, "We will withdraw from Poland," and then we will create this new nation with no arms except United Nations arms. We know what happened in Korea. That will be 90 percent American arms. That is what it means. So we will have to send a greater army to central Europe and a greater army to protect Formosa. That is what this proposal means. Any time the Soviet Union wants to stir herself, all she has to do is set her armies on the march, and these countries under the U. N. trusteeship would be crushed.

I am a freshman Congressman. All I know and what I have learned about governmental affairs is this, that when you are in a power game you cannot stop power with platitudes. You cannot stop Soviet commissars by sending them copies of the Declaration of Independence or DeTocqueville's book on America. We know what they are. How long can we pretend that they are any different than they are? They are the ones that put this country into the cold war.

I took some notes on the remarks of the gentleman from Wisconsin as he spoke. I am sure he did not mean them in any but a proper manner. He said, "Let us get ourselves in a good moral position." Let us get ourselves in a good moral position for whom? The bandits of the world? That is just like saying to the victim of a burglar, "Let's be nice to the burglar. After all, he's in our home. We must be polite to him. Let him turn on the TV. We will tie Grandma up in the closet, and give him a copy of the writings of Socrates, Aristotle, and Thomas Jefferson. It will win him over eventually"—if we live long enough and have enough people in the family.

All I say is, It is a swell idea but it will not win the hot war and it will not win the cold war. I do not even think it will change the Speaker or the majority leader.

I would like to ask our Republican friends this: "When are you going to have Henry Lodge, our Ambassador to the United Nations, do something about Poland?" I recall the great speech he made. He wound up saying, "Polanis restituta"—Poland must be restored. But Soviet oppressors of Poland are in the United Nations now. A simple resolution to put Poland out of the United Nations would give us a chance to bring about debate and put them on the defensive for a change.

So once again, let me conclude by thanking the lovely lady, the gentlewoman from Massachusetts [Mrs. ROGERS], for permitting me to have a few minutes before her time. I am glad my colleagues brought this subject up, but since tomorrow is St. Patrick's Day I do not agree with you—and besides you did not put Ireland in your resolution anyhow.

RECESS

The SPEAKER. The Chair declares a recess at this point until 3 p. m.

Thereupon, at 2 o'clock and 42 minutes p. m., the House stood in recess until 3 p. m.

AFTER RECESS

The recess having expired, the House was called to order by the Speaker at 3 o'clock p. m.

Mr. LONG. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently, a quorum is not present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 20]

Arends	Fine	McConnell
Barden	Fisher	McDowell
Barrett	Forand	Macdonald
Bell	Fountain	Madden
Bentley	Granahan	Mason
Bolton, Oliver P.	Gray	Miller, Md.
Bonner	Green, Pa.	Moulder
Boykin	Hand	O'Brien, Ill.
Brownson	Harrison, Va.	Patman
Buckley	Herlong	Pillion
Byrne, Pa.	Hillings	Powell
Canfield	Hoffman, Ill.	Reece, Tenn.
Celler	Holtzman	Rivers
Chatham	Jackson	Roberts
Chelf	Jones, Ala.	Sheehan
Chiperfield	Jones, Mo.	Shelley
Christopher	Kearns	Short
Cole	Keating	Smith, Kans.
Davis, Tenn.	Kelley, Pa.	Steed
Dawson, Ill.	Kelly, N. Y.	Udall
Dies	King, Calif.	Velde
Dingell	Kirwan	Whitten
Dollinger	Kluczynski	Winstead
Eberharter	Knutson	Young
Fallon	Latham	Zelenko
	Lesinski	

The SPEAKER. On this rollcall 354 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

DESIGNATION OF ESCORT COMMITTEE

The SPEAKER. The Chair appoints as members on the part of the House, to escort our distinguished visitor to the Chamber, the gentleman from Massachusetts [Mr. McCORMACK], the gentleman from Massachusetts [Mr. MARTIN], the gentleman from South Carolina [Mr. RICHARDS], and the gentleman from Ohio [Mr. VORYS].

The House will stand in recess subject to the call of the Chair.

RECESS

Accordingly (at 3 o'clock and 32 minutes p. m.), the House stood in recess, subject to the call of the Chair.

During the recess, the following occurred:

VISIT OF RIGHT HONORABLE ROBERT GORDON MENZIES

The Doorkeeper announced the Right Honorable Robert Gordon Menzies, Prime Minister of Australia.

Mr. Menzies, escorted by the committee of Representatives, entered the Hall of the House of Representatives and stood at the Clerk's desk. [Applause, the Members rising.]

The SPEAKER. Members of the House of Representatives, it is my great pleasure, and I deem it a high privilege, to be able to present the representative of a great and a proud people of a free Commonwealth, the Prime Minister of Australia. [Applause, the Members rising.]

Mr. MENZIES. Mr. Speaker, it is almost 5 years since I last stood in this place. I shall never forget it. I was escorted in by four powerful-looking Members. There were a lot of lights burning. People were taking pictures and making television. I had gone to great pains to make a few intelligible remarks. I put them down and I found I could not see them. I looked around. I knew there were Members here because I could hear them—but I could not see them. And, apart from my memories, the only souvenir I have is a photograph which shows me leaning forward with my eyes shut and Speaker RAYBURN leaning back with his eyes shut. [Laughter.]

But, sir, I would not have you think that that was the only memory I really carried away with me because a parliamentary assemblage has one supreme honor within its gift and that is to invite some representative of another country to be present, to which honor you, with infinite courtesy in this somewhat silent land, add the privilege of making a speech, which I am bound to tell you is something we have so far resisted in Australia. But for a representative of Australia to be here twice is a remarkable experience, and I welcome it because for the second time I can perform my true function in this place, and that is the function of speaking as the head of the Government of Australia to a nation which stands so high in the good will and the understanding and the memories of the Australian people.

I am, sir, within the limits of my capacity, a constant exponent of the need for personal contact among peoples of the world, particularly among those who have responsibility. Therefore, I recall with great pleasure the visit of more than one Member of this House and of the Senate to Australia. So much is that the case that this afternoon I have had the fascinating experience of being able to greet quite a few well-known men in this place on terms of old friendship established in my own country.

I very well remember that before the war it was possible to encounter somebody in the United States who did not know where Australia was. A gentleman in San Francisco once assured me that he understood quite plainly it was on the east coast of the United States; a sort of off-shore island. But those days have gone. The war did many terrible things, and it created dangers which have not yet passed, but it did some wonderful things. I do not think anybody will ever be able to estimate the impact upon the Australian mind, and if I may say so, upon yours, of the existence in and around Australia for a long period of time of hundreds of thousands of young Americans. So that wherever we in my party go in the United States now we are bound to meet somebody who says: "I was out there with you," or: "My son was out there with you," or: "My nephew," or as the case may be. And this, I believe, has created a distinctive degree of understanding which, as far as I am concerned, always makes it so easy to get along with the people with whom I have to conduct discussions in the United States. In fact, I regret to tell you, Mr. Speaker, that it makes me feel so much at home that I am liable to speak too long when I am on my feet among people whom I feel to be my friends.

It is a very good thing, sir, if I might engage in a small homily, which is an ill reward for your kindness, it is a very good thing to make new friends in the world, and we must never regard the list as exhausted. We must never give up hope that in time to come we will have reached to the true heart of people who are now unavailable to us through some form of dictatorship, and that we may find some friendship with them. The search for new friends must always go on. But it is just as important to remember that old friends must be kept, and that old friends can easily be lost in this world by neglect or by indifference, by misunderstanding. Our opponent in the world understands that to perfection, and he devotes the bulk of his time in propaganda, in seeking to divide us, seeking to set up points of argument, seeking to establish some misunderstanding and every now and then some hostility between the people of the United States and the people of the British Commonwealth. We must constantly be on our guard against it. I have, and you have, from time to time, in this great country of yours read things so violently antagonistic to the British that I could not conceive that anybody except a Communist imperialist could get any pleasure out of it. I have in London, or elsewhere, occasionally read tirades about the Americans, and I have had exactly the same feeling. Of course we are grownup people. We are adult nations. You are more adult than we are, because we are not so far along the journey of a developing nation. But we are grownup people, and we can afford in the context of our common freedom and our common understanding to discuss, to argue, to persuade, and refute. All of the things that you can engage in in this House, you engage in under the common enveloping garment of a free democracy, of a free parliamentary system.

It is because of that very freedom, because we take our freedom as a whole for granted in our own countries that we are able to engage in disputes and arguments to our hearts' content. But we know, do we not, that if it comes to the point, all arguments are forgotten. The one thing that comes uppermost is the pride that we have in being one free people in a country of which we are all proud. [Applause.]

I would like to think, sir, that that spirit could pervade the whole of the free world. I would like to feel that in Canberra we could argue with Washington—and we are a fairly argumentative crowd at Canberra—that we could argue with Washington just as London could argue with Washington, just as we could all go on arguing with each other, not as if we were liable to become enemies, but on the footing that our friendship is indestructible and we may, therefore, speak frankly—with affectionate frankness—to each other. When that happens and the whole world knows that the people of the free world are not so easily put asunder by Communist propaganda, I believe that will be the most powerful deterrent weapon that the world will have produced, because the enemy is hoping all the time to divide us.

As I have just had the honor to say in another place, we know, do we not, that should this world pass down once more into the valley of a world war, we know, do we not, that we are all together in it.

Does anybody suppose that in such a catastrophe America would go one way and Australia another? Or Great Britain one way and America another? Not for one moment.

If there is one thing of which I have the most complete assurance in my heart and mind it is that in the supreme test we will be found together, just as surely, sir, as American and Australian troops were found together on the Kokoda trail. [Applause.]

If we remember that truth, that end truth, that ultimate truth, which is therefore the dominating truth of our relationship we then merely behave like intelligent men and women. If we determine that as we shall be together in that event, we shall practice being together every month and every year as time goes on, we shall learn more and more to understand each other, and the funny little differences that exist between us. May I, before I resume my seat, sir, mention one thing only? It is worth mentioning. In the United States you have as the head of the Government the President. The President, I admit,

is not without political problems from time to time, but the President is President for 4 years; and whatever arguments may go on somewhere or other, he is President for 4 years, and, therefore, he has a fixed term and, therefore, a degree of executive authority which no Prime Minister of Australia could possibly aspire to have because the Prime Minister of Australia, I regret to tell you, is not elected for any term of office at all; he is here today and he might be gone tomorrow. It might happen.

These things have been known to happen in the past, oddly enough. Therefore, under our system of government, whatever a Prime Minister does must, in the first place, be intimately discussed with his colleagues in cabinet. He is not to commit the government to a view which he does not know he can sustain in his own cabinet. And his cabinet is not going to commit itself to a view that it does not believe it can carry through parliament. Therefore we tend to make all our policies by private discussion in the first place, and we produce the chicken fully fledged from the egg in due course. Sometimes it survives and sometimes it does not. Whereas in the United States of America, because of your system, there is a constant hammering out of public policy in committees and in Congress frequently before the point has been reached at which the policy is crystallized. I am not quarreling with your method. I see great advantages in it and some disadvantages. But what I am pointing out is that these are vastly different methods and that unless we understand the other man's method we may easily misunderstand the significance of something that is going on. Somebody reads a speech made in this House or in the Senate, somebody in Britain, somebody in Australia, and says: "I see that American opinion is so and so." But it may not be. [Applause.]

Sir, I have detained the House and trespassed on your patience long enough. I said something about winning new friends, something about the great glories of old friends. I am rather happy to think that I am making my bow to you in this place today as a young friend who happens to be the child of an old friend. I am not at all sure that the children of our old friends are not the most attractive of all. [Applause; the Members rising.]

The SPEAKER. The Chair desires to announce that the Prime Minister will be glad to stand in the well of the House and greet the Members.

The Prime Minister of Australia stood in the well of the House and received Members of the House of Representatives.

AFTER RECESS

The recess having expired, the House was called to order by the Speaker at 4 o'clock and 16 minutes p. m.

PRINTING OF PROCEEDINGS DURING RECESS

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the proceedings that took place during the recess be made a part of the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

PROGRAM FOR REMAINDER OF WEEK

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. McCORMACK. Mr. Speaker, tomorrow there will come up for consideration the donor property bill, in which many Members are interested, and in which there is tremendous interest throughout the country on the part of colleges, universities, and other schools, and hospitals. I do not believe there is any opposition to it, none that I know of, and I am the author of the bill and the chairman of the subcommittee that considered it. It was unanimously reported out by the Committee on Government Operations.

On Friday the supplemental appropriations bill will be taken up.

Mr. MARTIN. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Massachusetts.

Mr. MARTIN. A good many Members are going to Aberdeen for some demonstrations the Army is putting on. Will there be apt to be a rollcall on Friday that the gentleman knows about?

Mr. McCORMACK. I know of no opposition to the second supplemental appropriation bill. There is no policy on the part of the leadership on our side, and I am sure none on the gentleman's side, to ask for a rollcall. However, one cannot guarantee that there will be no rollcall, if a quorum is not present and someone at the proper time makes a point of order.

Mr. ROONEY. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from New York.

Mr. ROONEY. May I point out that in the full Committee on Appropriations consideration of the Supplemental Appropriations bill on yesterday no controversy arose with regard to the provisions of the bill.

Mr. McCORMACK. If the exception should occur, which I hope it will not, I do not feel that I would be justified in putting over until Tuesday a rollcall on that bill.

STREAMLINE DISPOSAL OF SURPLUS PROPERTY TO HELP SCHOOLS AND HOSPITALS

Mr. LANE. Mr. Speaker, I ask unanimous consent to extend my remarks at this point.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. LANE. Mr. Speaker, the main purpose of H. R. 3322 may seem to be obscured by technicalities, a conflict between law and regulation needs to be resolved. Under one accounting concept, that of the comptroller of the Department of Defense, surplus property that is capitalized into a stock fund, is not subject to donation.

As a result, the original intent of the Congress to help educational and public-health services, has been thwarted.

The Department of Defense normally disposes of 90 percent of all excess property.

Under regulation 7420.1 and in order to maintain the capitalization at the highest possible level, the Department of Defense has sold a considerable amount of such property during the last year, often and understandably, for scrap prices. An estimated $2 billion worth of property, at acquisition cost, will be sold this year.

Much of this, which would be useful, and needed by educational and public-health institutions, is being diverted to private and sometimes speculative channels.

On the other hand, the Comptroller General of the United States has stated, as of March 3, 1955, that authority to donate property to beneficiary institutions under H. R. 3322 is also authority for responsible officials to take acounting credit to the extent of the impairment to the capitalization caused by the donation.

This, coupled with provisions to insure cooperation, compliance, and control, should speed up the orderly disposal of all surplus property.

Under the donable property program we want to see real and personal property that is no longer needed by the Federal Government transferred to nonprofit groups that will best serve the taxpayers and the public interest.

For too many years, our educational and public-health institutions have had to defer their needs because of the prior claims of the Federal Government on revenues and materials, primarily for national defense.

Our human resources have suffered accordingly.

It is only right and proper that the surplus property of the Federal Government should now be channeled to schools and hospitals and related nonprofit institutions, to repair deficiences caused in part by the sacrifices we have previously asked of them.

Education and health go hand in hand to form the sturdy citizens who are this Nation's first line of defense.

This will clarify the situation and will make certain that the surplus property, paid for by the taxpayers, will revert to the use of public welfare agencies and will not be sold at giveaway prices to postwar profiteers.

Beneficial institutions can use much of this equipment in its original form. Many other items, considered as being strictly of a military nature, may be modified, converted, or cannibalized to high utility for educational and public health purposes.

The Committee on Government Operations received testimony showing that property is sometimes downgraded to come within the classification of scrap

and salvage when it might, in fact, be used elsewhere in the Federal Government or perhaps made available for use in educational and public health institutions.

Within my own experience, as one Member of the Congress, I have had schools, and old folks, and small hospitals, plead for some of this surplus property so that they could continue their good work without operating at a loss.

They could not understand how the Federal Government, as the custodian of property bought by the taxpayers' money, could permit surplus inventories to be bought dirt cheap by private operators who then proceeded to sell them back to the taxpayers at a considerable profit.

The present bill, enacted into law and conscientiously supervised, should correct these abuses.

It will also eliminate the technical roadblocks that have prevented some Government agencies from carrying out the full intent of the Congress.

The greatest good for the greatest number requires that surplus property of the United States shall be donated to eligible schools and hospitals in order to promote the public welfare and to strengthen the confidence of all citizens in the integrity of our Government.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. Carrell, one of its clerks, announced that the Senate had passed without amendment a joint resolution of the House of the following title:

H. J. Res. 252. Joint resolution making an additional appropriation for the Department of Justice for the fiscal year 1955, and for other purposes.

The message also announced that the Senate insists upon its amendments to the bill (H. R. 4259) entitled "An act to provide a 1-year extension of the existing corporate normal-tax rate and of certain existing excise-tax rates, and to provide a $20 credit against the individual income tax for each personal exemption, disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. BYRD, Mr. GEORGE, Mr. KERR, Mr. MILLIKIN, and Mr. MARTIN of Pennsylvania to be the conferees on the part of the Senate.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. PRICE and to include extraneous matter.

Mr. SMITH of Mississippi in two instances and to include extraneous material.

Mr. DORN of South Carolina and to include extraneous matter.

Mr. ROOSEVELT in two instances and to include extraneous matter.

Mr. ANFUSO (at the request of Mr. RODINO) and to include extraneous matter.

Mr. LESINSKI.

Mr. VAN ZANDT.

Mr. OSTERTAG and to include extraneous matter.

Mr. CURTIS of Missouri (at the request of Mr. OSTERTAG) and to include editorials.

Mr. DONDERO and to include an article.

Mr. CEDERBERG and to include a statement by the Postmaster General.

Mr. GUBSER (at the request of Mr. YOUNGER) in four instances and to include extraneous matter.

Mr. TUCK regarding a bill he introduced today.

Mr. KELLEY of Pennsylvania.

Mr. O'HARA of Illinois.

Mr. DIGGS.

Mr. JUDD and to include extraneous matters.

Mr. RABAUT and to include extraneous matter.

Mr. GARMATZ (at the request of Mr. ROONEY) and to include extraneous matter.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows to:

Mr. SMITH of Kansas (at the request of Mr. REES of Kansas) on account of important business for the remainder of the week.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 942. An act to repeal Public Law 820, 80th Congress (62 Stat. 1098), entitled "An act to provide a revolving fund for the purchase of agricultural commodities and raw materials to be processed in occupied areas and sold."

ADJOURNMENT

Mr. McCORMACK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (a 4 o'clock and 21 minutes p. m.) the House adjourned until tomorrow, Thursday, March 17, 1955, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

551. A letter from the Chairman, Board of Governors of the Federal Reserve System, transmitting the 41st Annual Report of the Board of Governors of the Federal Reserve System, covering operations during the calendar year 1954; to the Committee on Banking and Currency.

552. A letter from the Assistant Comptroller General of the United States, transmitting a report on the audit of the Federal National Mortgage Association for the fiscal year ended June 30, 1954, pursuant to the Government Corporation Control Act (31 U. S. C. 841). (H. Doc. No. 109); to the Committee on Government Operations and ordered to be printed.

553. A letter from the Under Secretary of Agriculture, transmitting the report on cooperation of the United States with Mexico in the control and eradication of the foot-and-mouth disease for the month of January 1955, pursuant to Public Law 8, 80th Congress; to the Committee on Agriculture.

554. A letter from the Director, Bureau of the Budget, Executive Office of the President, relative to reporting that the appropriation to the Department of Labor for "Unemployment Compensation for Federal Employees," for the fiscal year 1955, has been apportioned on a basis which indicates a necessity for a supplemental estimate of appropriation, pursuant to paragraph 2 of subsection (e) of section 3679 of the Revised Statutes, as amended; to the Committee on Appropriations.

555. A letter from the Administrator, Federal Facilities Corporation, transmitting the semi-annual report of the Federal Facilities Corporation on Tin Operations for the 6-month period ended December 31, 1954, pursuant to Public Law 125, 80th Congress; to the Committee on Banking and Currency.

556. A letter from the Attorney General, transmitting a draft of proposed legislation entitled "A bill to establish a Commission and Advisory Committee on International Rules of Judicial Procedure"; to the Committee on the Judiciary.

557. A letter from the Director, Administrative Office of the United States Courts, transmitting a draft of proposed legislation entitled "A bill to amend section 1114 of title 18 of the United States Code, as amended, in reference to the protection of officers and employees of the United States by including probation officers of United States district courts"; to the Committee on the Judiciary.

558. A letter from the Chairman, Federal Communications Commission, relative to calling attention to a problem which has arisen which reads as follows: "1071. Gain from sale or exchange to effectuate policies of Federal Communications Commission," pursuant to section 1071 of the Internal Revenue Code of 1954; to the Committee on Ways and Means.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. BURLESON: Committee on House Administration. House Resolution 92. Resolution providing for expenses of conducting studies and investigations authorized by House Resolution 91; without amendment (Rept. No. 210). Ordered to be printed.

Mr. BURLESON: Committee on House Administration. House Resolution 117. Resolution to provide funds for the investigations and studies made by the Committee on Interstate and Foreign Commerce pursuant to House Resolution 105; without amendment (Rept. No. 211). Ordered to be printed.

Mr. BURLESON: Committee on House Administration. S. 913. An act to eliminate the need for renewal of oaths of office upon change of status of employees of the Senate; with amendment (Rept. No. 212). Ordered to be printed.

Mr. BURLESON: Committee on House Administration. House Concurrent Resolution 85. Concurrent resolution authorizing the printing as a House document the pamphlet, "Our American Government, What Is It? How Does It Function?"; without amendment (Rept. No. 213). Ordered to be printed.

Mr. BURLESON: Committee on House Administration. House Concurrent Resolution 90. Concurrent resolution authorizing the preparation and printing of a report on the Prayer Room established in the Capitol; with

amendment (Rept. No. 214). Ordered to be printed.

Mr. BURLESON: Committee on House Administration. House Concurrent Resolution 91. Concurrent resolution authorizing the printing of additional copies of hearings held by the Committee on Government Operations on the organization and administration of the military research and development programs; with amendment (Rept. No. 215). Ordered to be printed.

Mr. BURLESON: Committee on House Administration. House Concurrent Resolution 93. Concurrent resolution authorizing reprinting of House Document 210 of the 83d Congress; with amendment (Rept. No. 216). Ordered to be printed.

Mr. BURLESON: Committee on House Administration. Senate Concurrent Resolution 9. Concurrent resolution to print for the use of the Committee on the Judiciary additional copies of certain parts of the hearings on Interlocking Subversion in Government Departments; without amendment (Rept. No. 217). Ordered to be printed.

Mr. BURLESON: Committee on House Administration. House Resolution 177. Resolution authorizing additional copies of hearings entitled "Volume I of Agriculture Appropriation Bill, 1956"; without amendment (Rept. No. 218). Ordered to be printed.

Mr. BURLESON: Committee on House Administration. House Joint Resolution 250. Joint resolution to amend the joint resolution of March 25, 1953, relating to electrical or mechanical office equipment for the use of Members, officers, and committees of the House of Representatives; without amendment (Rept. No. 219). Ordered to be printed.

Mr. BURLESON: Committee on House Administration. H. R. 4534. A bill to amend the act establishing a Commission of Fine Arts; without amendment (Rept. No. 220). Referred to the Committee of the Whole House of the State of the Union.

Mr. O'NEILL: Committee on Rules. House Resolution 179. Resolution for consideration of H. R. 3322, a bill to amend the Federal Property and Administrative Services Act of 1949 so as to improve the administration of the program for the utilization of surplus property for educational and public health purposes; without amendment (Rept. No. 221). Referred to the House Calendar.

Mr. COOLEY: Committee on Agriculture. H. R. 2839. A bill to amend the rice marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended; without amendment (Rept. No. 222). Referred to the Committee of the Whole House on the State of the Union.

Mr. COOLEY: Committee on Agriculture. H. R. 4356. A bill to amend the Agricultural Adjustment Act of 1938, with respect to rice allotment history; without amendment (Rept. No. 223). Referred to the Committee of the Whole House on the State of the Union.

Mr. MURRAY of Tennessee: Committee on Post Office and Civil Service. H. R. 4644. A bill to increase the rates of basic salary of postmasters, officers, supervisors, and employees in the postal field service, to eliminate certain salary inequities, and for other purposes; without amendment (Rept. No. 224). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ALBERT:

H. R. 4977. A bill to provide assistance to the States in the construction, modernization, additions, and/or improvement of domiciliary or hospital buildings of State- or Territorial-operated soldiers' homes by a grant to subsidize in part the capital outlay cost; to the Committee on Veterans' Affairs.

By Mrs. FRANCES P. BOLTON:

H. R. 4978. A bill to increase the penalties applicable to individuals convicted of violating certain narcotic laws, and for other purposes; to the Committee on Ways and Means.

By Mr. BROYHILL:

H. R. 4979. A bill to authorize and direct the Civil Service Commission to make a study of the classification of, and rates of basic compensation payable with respect to, technical, scientific, and engineering positions in the classified civil service; to the Committee on Post Office and Civil Service.

By Mr. BUCKLEY:

H. R. 4980. A bill to provide for the operation and maintenance of certain flood control projects by local interests; to the Committee on Public Works.

By Mr. CARRIGG:

H. R. 4981. A bill to amend the Natural Gas Act; to the Committee on Interstate and Foreign Commerce.

By Mr. CEDERBERG:

H. R. 4982. A bill to amend the act entitled "An act authorizing Federal participation in the cost of protecting the shores of publicly owned property," approved August 13, 1946; to the Committee on Public Works.

By Mr. CELLER:

H. R. 4983. A bill to fix the fees payable to the Patent Office and for other purposes; to the Committee on the Judiciary.

By Mr. CRETELLA:

H. R. 4984. A bill to provide for the appointment of a district judge for the district of Connecticut; to the Committee on the Judiciary.

By Mr. DENTON:

H. R. 4985. A bill to amend title II of the Social Security Act to permit an individual to waive his right to receive benefits thereunder in order to preserve his right to receive benefits under other laws; to the Committee on Ways and Means.

By Mr. EDMONDSON:

H. R. 4986. A bill to provide assistance to the States in the construction, modernization, additions, and/or improvement of domiciliary or hospital buildings of State- or Territorial-operated soldiers' homes by a grant to subsidize in part the capital outlay cost; to the Committee on Veterans' Affairs.

By Mr. FORAND:

H. R. 4987. A bill to provide for further effectuating the act of May 15, 1862, through the exchange of employees of the United States Department of Agriculture and employees of State political subdivisions or educational institutions; to the Committee on Agriculture.

By Mr. JARMAN:

H. R. 4988. A bill to provide assistance to the States in the construction, modernization, additions, and/or improvement of domiciliary or hospital buildings of State- or Territorial-operated soldiers' homes by a grant to subsidize in part the capital outlay cost; to the Committee on Veterans' Affairs.

By Mr. JENNINGS:

H. R. 4989. A bill to amend the tobacco-marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended; to the Committee on Agriculture.

H. R. 4990. A bill to amend the tobacco-marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended; to the Committee on Agriculture.

By Mr. KEOGH:

H. R. 4991. A bill to suspend for 1 year certain duties upon the importation of aluminum and aluminum alloys; to the Committee on Ways and Means.

By Mr. KING of California:

H. R. 4992. A bill to amend the Internal Revenue Code to provide that the gain from the sale of a residence by a taxpayer who has attained the age of 65 shall be excluded from gross income; to the Committee on Ways and Means.

By Mr. McMILLAN:

H. R. 4993. A bill to authorize the Board of Commissioners of the District of Columbia to permit certain improvements to business property situated in the District of Columbia; to the Committee on the District of Columbia.

By Mr. MATTHEWS:

H. R. 4994. A bill to establish public use of the national forests as a policy of Congress, and for other purposes; to the Committee on Agriculture.

By Mr. METCALF:

H. R. 4995. A bill to preserve the wheat acreage history of farms voluntarily underplanting their allotments; to the Committee on Agriculture.

By Mr. QUIGLEY:

H. R. 4996. A bill to incorporate the Society of the 28th Division; to the Committee on the Judiciary.

H. R. 4997. A bill to amend the Missing Persons Act to provide that premiums paid on insurance issued on the life of a person which are unearned by reason of being for a period subsequent to the date of death of such person shall be paid to the beneficiaries of such insurance; to the Committee on Armed Services.

By Mr. SIKES:

H. R. 4998. A bill to amend section 202 (7) of the Classification Act of 1949; to the Committee on Post Office and Civil Service.

By Mr. SIMPSON of Pennsylvania:

H. R. 4999. A bill to amend section 812 of the Internal Revenue Code of 1939; to the Committee on Ways and Means.

By Mr. VINSON:

H. R. 5000. A bill to authorize voluntary extensions of enlistments in the Army, Navy, and Air Force for periods of less than 1 year; to the Committee on Armed Services.

By Mr. HUDDLESTON:

H. R. 5001. A bill to prohibit the transportation of obscene matters in interstate or foreign commerce; to the Committee on the Judiciary.

H. R. 5002. A bill to amend title II of the Social Security Act to provide that a child shall be considered the adopted child of a deceased individual where such individual, before his death, had filed an appropriate petition for the adoption of such child; to the Committee on Ways and Means.

By Mrs. KELLY of New York:

H. R. 5003. A bill to amend the Immigration and Nationality Act to provide that the base year for determining any quota shall be 1950, to provide for the pooling of unused quota numbers for use in oversubscribed areas, and to provide that nations within the Asia-Pacific triangle shall be allocated quota numbers in the same manner as in the case of other nations; to the Committee on the Judiciary.

By Mr. RHODES of Pennsylvania:

H. R. 5004. A bill to protect the rights of veterans of World War II in the field postal service; to the Committee on Post Office and Civil Service.

H. R. 5005. A bill to amend the National Labor Relations Act, as amended; to the Committee on Education and Labor.

By Mr. STEED:

H. R. 5006. A bill to provide assistance to the States in the construction, modernization, additions, and/or improvement of domiciliary or hospital buildings of State- or Territorial-operated soldiers' homes by a grant to subsidize in part the capital outlay cost; to the Committee on Veterans' Affairs.

By Mr. TUCK:

H. R. 5007. A bill to amend title 28, United States Code, to provide that the district courts shall have jurisdiction of certain civil actions only if the amount in controversy exceeds $10,000, and to provide that their jurisdiction based on diversity of citizenship shall not extend to actions in which corporations are parties; to the Committee on the Judiciary.

By Mr. TUMULTY:

H. R. 5008. A bill to amend the Tariff Act of 1930 to provide that silk fabrics shall be exempt from duty when imported by certain religious societies for use in the manufacture of clerical vestments, robes, and altar cloths; to the Committee on Ways and Means.

By Mr. WICKERSHAM:

H. R. 5009. A bill to provide assistance to the States in the construction, modernization, additions, and/or improvement of domiciliary or hospital buildings of State- or Territorial-operated soldiers' homes by a grant to subsidize in part the capital outlay cost; to the Committee on Veterans' Affairs.

By Mr. CURTIS of Massachusetts:

H. Con. Res. 94. Concurrent resolution favoring the waiver of State residence requirements in certain elections; to the Committee on House Administration.

By Mr. BROWNSON:

H. Con. Res. 95. Concurrent resolution requesting observance of National Mental Health Week; to the Committee on the Judiciary.

By Mr. GARMATZ:

H. Con. Res. 96. Concurrent resolution requesting observance of National Mental Health Week; to the Committee on the Judiciary.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

By Mr. LOVRE: Memorial of the Senate of the State of South Dakota, the House of Representatives concurring, memorializing the Congress of the United States relative to a convention for proposing an amendment to the Constitution of the United States, pursuant to article V of the Constitution of the United States; to the Committee on the Judiciary.

Also, the South Dakota State Senate memorializing the Corps of Engineers and the Congress of the United States relative to the land-acquisition program in the Missouri River Basin; to the Committee on Public Works.

By Mr. YOUNG: Memorial of the Legislature of the State of Nevada requesting the Congress to take whatever steps may be necessary to assure adequate care and maintenance and needed expansion of national forest recreational areas in the State of Nevada; to the Committee on Agriculture.

Also, memorial of the Legislature of the State of Nevada requesting the Congress to amend the Federal Property and Administrative Service Act of 1949 so as to improve the administration of the program for the utilization of surplus property for educational and public-health purposes, and to authorize disposition to political subdivisions; to the Committee on Government Operation.

Also, memorial of the Legislature of the State of Nevada, requesting the Congress to enact legislation to encourage local and State development of small irrigation and reclamation projects; to the Committee on Interior and Insular Affairs.

By the SPEAKER: Memorial of the Legislature of the State of New Jersey, memorializing the President and the Congress of the United States to appoint a committee to investigate and study the proposed closing of Camp Kilmer and to defer closing of this military establishment until completion of such investigation; to the Committee on Armed Services.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ANFUSO:

H. R. 5010. A bill for the relief of Lillian Schaffer; to the Committee on the Judiciary.

H. R. 5011. A bill for the relief of Mrs. Theresia Handler; to the Committee on the Judiciary.

By Mr. BLATNIK:

H. R. 5012. A bill for the relief of Carlo Mattiazzi and Constanza Mattiazzi; to the Committee on the Judiciary.

By Mr. BROYHILL (by request):

H. R. 5013. A bill for the relief of Chai Ho Min, Kyuiyung Na Min, Yoo Ra Min, and Wha Ra Min; to the Committee on the Judiciary.

By Mr. DAVIDSON:

H. R. 5014. A bill for the relief of Jerzy George Birnbaum; to the Committee on the Judiciary.

By Mr. DENTON:

H. R. 5015. A bill for the relief of Oscar L. McCallen; to the Committee on the Judiciary.

H. R. 5016. A bill for the relief of Catarina Begovic (Sister Laureta); to the Committee on the Judiciary.

By Mr. DIGGS:

H. R. 5017. A bill for the relief of Ann Herbert; to the Committee on the Judiciary.

By Mr. HOLTZMAN:

H. R. 5018. A bill for the relief of Leonard Giziski; to the Committee on the Judiciary.

By Mr. HUDDLESTON:

H. R. 5019. A bill for the relief of Mary Prem; to the Committee on the Judiciary.

By Mrs. KELLY of New York:

H. R. 5020. A bill for the relief of Olga Bartley; to the Committee on the Judiciary.

By Mr. LANKFORD:

H. R. 5021. A bill for the relief of Harriet L. Barchet; to the Committee on the Judiciary.

By Mr. MULTER:

H. R. 5022. A bill for the relief of Rachel Stein; to the Committee on the Judiciary.

H. R. 5023. A bill to confer jurisdiction upon the District Court for the Northern District of Illinois to hear and determine the claims of the Aetna Insurance Co. and others; to the Committee on the Judiciary.

By Mr. O'BRIEN of New York:

H. R. 5024. A bill for the relief of Dr. Piero Gasparri; to the Committee on the Judiciary.

By Mr. POWELL:

H. R. 5025. A bill for the relief of Gordon Seymour Peter Beckles; to the Committee on the Judiciary.

By Mr. REECE of Tennessee:

H. R. 5026. A bill for the relief of Darinka Gavrilovic; to the Committee on the Judiciary.

By Mr. SISK:

H. R. 5027. A bill for the relief of Robert N. Humason; to the Committee on the Judiciary.

H. R. 5028. A bill for the relief of Wellington D. Louis; to the Committee on the Judiciary.

By Mr. TAYLOR:

H. R. 5029. A bill for the relief of Thomas F. Luther, and others; to the Committee on the Judiciary.

By Mr. TUMULTY:

H. R. 5030. A bill for the relief of Renato Noe and Angela Noe; to the Committee on the Judiciary.

EXTENSIONS OF REMARKS

Reclamation Projects

EXTENSION OF REMARKS
OF
HON. GORDON ALLOTT
OF COLORADO
IN THE SENATE OF THE UNITED STATES

Wednesday, March 16, 1955

Mr. ALLOTT. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD the following news items and editorial comment from the Rocky Mountain News, of Denver, Colo., a daily newspaper which is widely circulated. It is edited by Mr. Jack Foster, who has distinguished himself in the field of journalism.

The items are:

First. A Black Day for Reclamation, which is made up of two parts: (A) The Colorado Story, by Mr. James Daniel, Washington correspondent for the Rocky Mountain News, and other Scripps-Howard papers, and formerly city editor of the Washington Daily News; (B) the California Story, which is a United Press dispatch that does not carry a byline. Both items are datelined Washington, March 10.

Second. An Associated Press dispatch, datelined Washington, March 10, headlined "Let's Not Be Stiff-Necked," and expresses a statement attributed to California's attorney general, Edmund G. (Pat) Brown.

Third. An editorial entitled "Hysterical Sharpshooting: It Can Kill Reclamation," from the Rocky Mountain News of March 12, written by Mr. Foster.

I commend the reading of these items to my colleagues in the Congress.

While I cannot endorse all that former Commissioner Straus is reported to have said, he does furnish material for serious reflection. I challenge immediately any inference that the Republicans are out to destroy reclamation, and I point out that, as these items show, reclamation projects proposed by the Administration have been stopped not by party rivalry, but by sectional disagreements and misunderstanding.

It might be pointed out to Mr. Straus that perhaps much of the unwillingness on the part of the Congress to embark on further reclamation projects now is caused by suspicion created in many minds by the past handling of projects already authorized. Congress should not, and will not, in my opinion, vote a blank check for any purpose.

But the record of the Congress is clear as to their intention to further reclamation projects found necessary to the utilization of natural resources and the creating of necessary power for development. There are many of us here today, and there have been many Members in past sessions of the Congress, who believe and have fought for the principle that it is not a governmental sin for the United States to sell power to tax-paying entities, individual or corporate, so that

legitimate business enterprises might merchandise the energy to the consumer, as well as bear the cost of distribution and services.

The President made it very clear in his state of the Union message, on January 6 of this year, when he elaborated on the principle of partnership when he said:

This policy of partnership and cooperation is producing good results, most immediately noticeable in respect to water resources. First, it has encouraged local public bodies and private citizens to plan their own power sources. Increasing numbers of applications to the Federal Power Commission to conduct surveys and prepare plans for power development, notably in the Columbia River Basin, are evidence of local response.

Second, the Federal Government and local and private organizations have been encouraged to coordinate their developments. This is important because Federal hydroelectric developments supply but a small fraction of the Nation's power needs. Such partnership projects as Priest Rapids in Washington, the Coosa River development in Alabama, and Markham Ferry in Oklahoma already have the approval of the Congress. This year justifiable projects of a similar nature will again have administration support.

Third, the Federal Government must shoulder its own partnership obligations by undertaking projects of such complexity and size that their success requires Federal development. In keeping with this principle, I again urge the Congress to approve the development of the upper Colorado River Basin to conserve and assure better use of precious water essential to the future of the West.

The budget recommends funds for the Bureau of Reclamation to start five irrigation and water-supply projects.

There being no objection, the news comments were ordered to be printed in the RECORD, as follows:

A BLACK DAY FOR RECLAMATION—QUARRELING MAY WRECK ALL RIVER PROJECTS

(By James Daniel)

THE COLORADO STORY

WASHINGTON, March 10.—Michael W. Straus, the Democrats' controversial Reclamation Commissioner, Thursday pleaded for unity of the eastern and western slopes of Colorado and of the upper and lower basins of the Colorado River.

Mike Straus, a storm center in the Roosevelt and Truman administrations, who was often accused of trying to build a Federal empire with his reclamation projects, said present disunity is destroying the West.

"The reclamation program is being liquidated," he said.

"Reclamation has never gone forward as a whole except with a united West supporting it.

"When you engage in hysterical sharpshooting, as the eastern and western slopes and the upper and lower basin States are doing, reclamation stops.

"The upper States and California, too, have not got a single new project, and they won't get one as long as they engage in political war under the disguise of talking about confused water rights."

Mike was interviewed outside the House Interior Committee hearings on the upper basin bill project, at which he has been an occasional, unhappy spectator.

Digs at Ike

"I recommend the upper basin project," he said.

Good Democrat that he is, Mike put in his digs aplenty at the Eisenhower administration.

He said that the White House is for the upper basin bill only because it senses that a day of reckoning is at hand. The West, he said, is waking up to the fact that no new starts have been made in reclamation under the Republicans.

"They're just carrying forward what they found started when they came in. In the 8 years before 1953 the average national expenditure for reclamation was $300 million a year. Since then it has been around $150 million a year.

Getting backlash

"The Republicans are now getting the political backlash of this from the West, which believes in and to my way of thinking must have these resources development projects.

"Half a century of reclamation experience is being liquidated."

To the private power industry, Mike Straus was a particular affliction. Thursday in discussing the gloomy prospects for the $1.5 billion upper basin development plan on account of sectional quarrels, Mike gave the private power group another twist.

Law is nullified

"The reclamation law is a public power law. That is written into it. Everybody knows that it is a public power law and has to be.

"The present administration disbelieves in public power and considers it creeping socialism and has so said in many instances.

"The law isn't being repealed. It is just being nullified."

As long as those in the West who realize the harm disunity is doing "sit on their can and do nothing," Mike said, "you can't blame Congress for not passing anything."

THE CALIFORNIA STORY

WASHINGTON, March 10.—Chairman CLAIR ENGLE, of the House Interior Committee, Thursday warned opponents of the upper Colorado River project their tactics could bring to an end all reclamation in the West.

The California Democrat spoke out during subcommittee hearings on the proposed billion-dollar power and irrigation project in five Western States.

He objected particularly to a leaflet—Representative WILLIAM A. DAWSON, Republican, of Utah, called it a propaganda sheet—claiming taxpayers will have to put up $5,000 for each acre of land to be irrigated by the project.

Told by DAWSON that the leaflet was prepared and distributed by the Colorado River Association of Los Angeles, ENGLE replied:

"As a Californian, I vigorously disapprove of it."

Unity progress

Meanwhile Attorney General Edmund G. (Pat) Brown, of California, said he had made progress in his efforts to unify the fight against the upper Colorado project. He ended a 4-day visit after conferring with the California congressional delegation and Government officials.

Dawson produced the leaffet during cross-examination of Wilbur A. Dexheimer, United States Commissioner of Reclamation, and O. E. Larson, regional commissioner from Denver.

Dawson called the $5,000 figure fantastic. He asked if Dexheimer had any idea how the association arrived at the figure.

The Commissioner said he could not understand either the association's method or logic.

The leaflet, printed in red and white, noted in big red type:

"See what this will cost. It's your money."

Typical propaganda

Representative A. L. MILLER (Republican, Nebraska) said it was "typical of the propaganda being put out that reclamation is bleeding the country white."

Turning to Representative JOHN P. SAYLOR (Republican, Pennsylvania), a leader in the fight against the Colorado project, MILLER added:

"We spent $7,245,000,000 on flood control up to 1952 and flood control doesn't pay back one cent of interest, even in Pennsylvania * * * without the reclamation projects in the West, many easterners would be starving to death because we could not have produced the food."

ENGLE said he thought MILLER's remarks were excellent, and added some of his own.

In the past 5 years, he said, the Nation has spent as much in Europe under the Marshall plan as has been invested in reclamation in the last half century.

No returns

In contrast to the reclamation projects which returned money from their power features, he said, the Treasury did not get back "one plugged nickel" from the money it poured into Europe.

Waving an arm in the direction of DAWSON and the leaflet, ENGLE said people who sponsor that kind of thinking are endangering the whole reclamation program and could bring an end to all reclamation in the West.

LET'S NOT BE STIFF-NECKED

WASHINGTON, March 10.—California's Attorney General, Edmund G. (Pat) Brown expressed apprehension over the opposition of southern California interests to the upper Colorado project.

Brown told a news conference he is a little afraid if we take too stiff-necked attitude it may prejudice our own projects.

The attorney general came to Washington to discuss water development problems with Members of Congress.

Brown said he was told by Senator CLINTON ANDERSON, Democrat, of New Mexico, that if California continues opposition to the upper Colorado development there will not be another project started in California so long as he remains chairman of the Senate Reclamation Subcommittee.

Brown said he plans to discuss the matter with Gov. Goodwin J. Knight upon his return to California.

He said he plans to review the status of Northcutt Ely, Washington attorney who is acting as a special assistant California attorney general and attorney for the Colorado River Board, a southern California group.

The attorney general said there has been a question as to whether Ely, who is opposing the upper Colorado project before congressional committees, should be speaking for the whole State or for the Colorado River Board only.

Brown also said he will press for early decision by the Supreme Court in the Arizona-California dispute over Colorado River water rights.

HYSTERICAL SHARPSHOOTING: IT CAN KILL RECLAMATION

The future of Federal reclamation—and with it development of the West—hangs in the balance.

Immediately at issue is the great upper Colorado Basin development project, logical and orderly outgrowth of the river development which began with the Colorado River Compact more than 30 years ago.

Disunity in the West itself is giving opponents of reclamation a field day.

Hysterical sharpshooting, Michael Straus, former reclamation Commissioner, had called it.

Disunity in Colorado, pitting western slope against eastern slope in a senseless quarrel over division of water resources, is a factor.

Disunity in the river basin, pitting upper basin against lower basin in a senseless quarrel over water resources, is another factor.

Opponents of reclamation and of development of the West, especially with Federal assistance, leap with unconcealed glee into the fracases built on these disunities.

And the blunt truth is that they fly at any details—major or minor—by which they hope to throw a block against such developments as those contemplated in the life-saving upper Colorado project.

It must be remembered that the water resources in the Colorado River rise in large measure right here in Colorado, even as the reclamation works by which these and other waters are harnessed in the service of mankind are born and nurtured in the reclamation headquarters right here in Denver.

It was only logical and proper that the massive Hoover Dam and other important projects should be built in the lower basin and put to vital uses the waters allocated to that area.

There never could have been a Hoover Dam had Colorado and Wyoming and Utah and New Mexico undermined and undercut the whole idea in a rage of disunity such as has been marking the upper basin proposals.

It is crystal clear at this moment that only in unity and common purpose can the West continue to march forward.

"When you engage in hysterical sharpshooting, as the eastern and western slopes and the upper and lower basin States are doing, reclamation stops," Straus warned.

"We spent $7,245 million on flood control up to 1952 and flood control doesn't pay back 1 cent of interest—even in Pennsylvania," said Representative A. L. MILLER, Republican, Nebraska, in a barb obviously intended for Representative JOHN P. SAYLOR, Republican, Pennsylvania, who has been a leader in the fight against the Colorado projects.

Even to California—bitter opponent of upper basin hopes and aspirations—the future is becoming clear.

Attorney General Edmund G. (Pat) Brown, of that State, put his finger squarely on the issue when he told a news conference in Washington this week that a "too-stiff-necked attitude" on the part of his own State may well sound the doom of further projects for California.

There is no question about that.

The mere fact that Federal assistance is necessary to carry out the gigantic reclamation projects is evidence enough that they are too big for any State—too big for any region.

The upper Colorado River Basin development is vital to the future of Colorado and the other upper basin States.

But this is just as clearly on the record: The principle involved is every bit as important to California, to Pennsylvania, and to the rest of the Nation, which also must look to flood control and to development.

The President's Proposed Road Program

EXTENSION OF REMARKS
OF
HON. GEORGE A. DONDERO
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 16, 1955

Mr. DONDERO. Mr. Speaker, under leave to extend my remarks in the CONGRESSIONAL RECORD, I include therein the following statement made by me on America's Town Meeting of the Air on a national broadcast at Wilmington, N. C., March 13, 1955:

The United States has the world's finest road system. It consists of approximately 3 million miles of roads and streets, on which more than 58 million motor vehicles are operated. This means that we have 1 motor vehicle for every 700 feet of roadway. We have practically the same road system today that we had in 1930, when we had only half the number of vehicles on our highways. At present, we are adding 3 million cars to the highways each year. Automobiles are no longer a luxury but an absolute necessity; therefore, better roads on which the cars must travel are also an absolute necessity. Because of present congestion, it is estimated that 25 percent of the gasoline consumed in metropolitan areas is burned waiting for traffic to move.

I come from the Detroit, Mich., area—the automobile capital of the world. Naturally, the growth, use, and dependence of the American people on the motor vehicle is well known to me. Today our entire economy and way of life is patterned around our automobile.

The motor and allied industries now furnish one-seventh of our gross national product. We must find a way to finance additional adequate highways to accommodate the increased use of motor vehicles and increase in population, or this one-seventh contribution will decrease.

The all-important question is how to finance a greatly expanded highway program. The highway user now pays the bill. That the American people are willing to pay the extra expense for a good road and an adequate road is evidenced by the fact that people are using toll roads in ever-increasing number. Road building is expensive. There are two ways in which we can pay for roads. First, pay as you go—that is the method we are now using. The other—to use credit financing. The latter method is simply buying something we need and paying for it on the installment plan. This applies in large measure to the sale of automobiles, of which 1 in every 3 Americans is now the owner.

One of the methods of credit financing can be illustrated by the toll roads. The other is for some level of Government to use the income from the use of highways to secure service borrowings to build the needed improvement for highways and pay for it as it is being used. Such income is the tax on gasoline, oil, and excise taxes. A bill, H. R. 4261, introduced by me, proposes to make use of the latter type of financing at the Federal level. This will encourage and speed the construction of the interstate highway system, estimated to cost $27 billion, and which system is proposed to become the sole responsibility of the Federal Government. This system of nearly 40,000 miles of roads represents only 1.2 percent of the total roads and streets of the Nation, but carries 20 percent of all rural traffic and connects 90 percent of our cities having a population of 50,000 or more. The proposal is to build this interstate system over a period of 10 years, and to make such system adequate for traffic over the next 30 years.

The proposal to borrow $21 to $27 billion to construct the interstate system and to issue bonds to run 30 years has caused some concern as to whether or not such a program is feasible and practical. However, we are now paying more car insurance than we are paying for construction of highways, and it should be noted that 38,000 people lost their lives in traffic accidents last year and nearly $4 billion was lost in property damage through accidents on our highways. When these facts are taken into consideration, I believe we could well save, in the long run, in addition to the excessive operating costs occasioned by present conditions, by going into debt for improved and safer highways.

The $11 or $12 billion in interest which would accumulate over the 30-year period amounts to less than one-fourth of a cent per mile of travel by the average vehicle, and the savings in having this new type of road system would amount to at least 1 cent a mile in operating costs alone. When we understand this situation, I think it can be plainly seen that the American people would gain by financing our much-needed highway system.

The balance of the $101 billion estimate of highway needs set forth in the Clay report is for financing accumulated and accruing deficiencies on our other roads and streets during the next 10 years, and represents the type of construction expenditure which should be paid for as we go.

In my bill, H. R. 4261, Federal funds are provided to those systems at the same level as provided in the Federal Highway Act of 1954, and the bill provides for paying the Federal share of these classes of roads from current revenues on a pay-as-you-go basis. In my opinion, this is the only way by which this Nation will ever connect its population centers by a modern and safe nationwide system of highways and have it done within a reasonable period of time. I am certain that when our people understand this program, which is designed for their convenience, their comfort, and their safety, and when they realize the savings on these modern highways, they will decide to provide for these roads and this highway system, and we will all enjoy the satisfaction of seeing a new era in road building in this Nation, which will be the greatest since the invention of the automobile.

"The easy conveyance of men and goods from place to place" has always been and always will be one of the three essentials "which make a nation great and strong."

Our Strength for Defense

EXTENSION OF REMARKS
OF
HON. JAMES E. VAN ZANDT
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 16, 1955

Mr. VAN ZANDT. Mr. Speaker, Adm. Arthur Radford, United States Navy, Chairman of the Joint Chiefs of Staff, delivered the following address, March 15, 1955, before the Committee of One Hundred, Miami Beach, Fla.:

OUR STRENGTH FOR DEFENSE

In spite of widespread gloomy forebodings which have been expressed so often, I believe that world events have been steadily forcing America into a position of greater strength. Our defensive capabilities now are greater than ever before.

One matter of greatest importance, forcing us into this stronger position of which I speak, is the nature of the Communist threat against us. That there is need for continuing vigilance and military readiness on our part is readily apparent from a glance at the world situation. Almost every week there is fresh evidence of the unchanged fundamental objective of the Kremlin.

From the military viewpoint, there seems little reason to doubt the magnitude of Communist military capabilities in terms of manpower, weapons, and fighting qualities. Particularly have they been making great strides in the development of their air forces and nuclear weapons.

This in no way, however, describes the full scope of the Communist threat. The struggle is not one of military power only. In many respects, the other more sinister and devious techniques in the political, economic, scientific, and psychological fields of human endeavor are more dangerous. Such techniques include war by propaganda and subversion, by proxy, and by infiltration.

And, those techniques have been supported by the largest, most callous military power in the world. Communist military strength has given impact to infiltration and subversion, terrifying into submission those who lacked the strength and the will to resist. The capture of satellite countries, the dragging of whole nations behind the Iron and Bamboo Curtains, the maintenance of puppet regimes, and the high degree of Soviet influence in world affairs—all have been made possible in great measure by Soviet military power.

Usually down through history, we have had a reasonably clear understanding of an enemy's capabilities, but a less clear understanding of his intentions.

Today the easiest question to answer concerns Soviet long-range intentions. Here it is abundantly clear that Moscow schemes to create one Communist world with all that it means—one giant Red World Union of Soviet Socialist Republics. This is a clear and flat assessment of Communist intentions. It is a total menace.

And with Red China, there is a parallel. Red China wants one completely Red Asia—one which includes Formosa and the Pescadores. They have so stated—not once, but many times. This, too, is a clear statement of Communists' intentions.

But Communist short-range intentions are not always so clear. In fact, they are subject to quite a bit of change. They are flexible and often fitted to the particular opposition they expect to encounter.

Right now, our eyes are focused a good deal of the time on the tensions around Formosa and off the China coast. But this is an old familiar pattern. In the past, in similar fashion, our eyes have been focused on other sensitive areas—areas like Czechoslovakia, Greece, Berlin, Iran, Korea, and Indochina—usually quite cleverly—first one and then another.

The result is that, today, the creeping expansion of communism backed by guns and bombs and several millions of troops—unrestrained by solemn agreement, or moral restraint—is a long-term challenge to everyone of us.

Accordingly, the bonds with our allies are being strengthened—in NATO, in the London and Paris Accords, in the Manila and Rio Pacts, and in our mutual defense treaties. These bonds reflect our concern for Soviet military capabilities. More than 40 free nations, including our own, have allied themselves in regional defense arrangements.

I think we all know the basic policy of the United States. Our object is peace, not war. We want a real and lasting peace, and we are working for it. No country has demonstrated more restraint or more sincere willingness to explore, discuss, and study possible courses of action to prevent war from starting than has the United States.

Until the Communists emphasize by deeds and actions, and not just by words and promises, that they really believe in peace, too, then we have no alternative but to keep ourselves strong and in a high state of preparedness.

Now, I do not hold with those persons who contend war is inevitable, or that it is instinctive to mankind. If we despair in the hope of averting war, we could become accessories in the events that lead to another.

Nor do I hold with those who think war can be prevented simply by the renunciation of war on the part of those of us who hate it.

In fact, there is little to choose between those who would transform the world into warlike garrison states and those who would put all their trust in the semantics of peace. Both are unwitting apostles of war. Historically their divergent paths have led again and again to disaster.

Our best assurance against the inevitability of another war being forced upon us lies in the collective combination of free nations always working for peace, but maintaining constantly a strong defensive posture. That calls for allied unity, firm resolution, and a willingness to make sacrifices and share in the risks.

So there may be no misunderstanding I want to make it clear that while the Joint Chiefs of Staff are charged with giving military advice on national security matters, and for preparing plans for war in whatever form it might take, our fundamental objective is to discourage war and to maintain national security. Our efforts are aimed at making military aggression so prohibitive that no one logically can choose it as a course of action.

Reality requires us to face the Communist threat. There are no real grounds for believing that the threat has materially diminished. War could come almost any place any time. It could be a big war or a limited war. It could be initiated secretly by a small handful of men whose only allegiance is to themselves—men who are contemptuous of religion and who owe no accounting to world opinion.

Under such circumstances, it is my earnest conviction that the President has asked for the proper security program, one in which the dangers we face are reduced to an acceptable degree.

In general terms, the President has recommended a defense structure which will serve the needs of national security over an indefinite period. He has suggested an Armed Forces strength on the order of 2,850,000 at an annual budget cost of approximately $34 billion. Within this framework, he has put emphasis on the development and maintenance of those forces and facilities for which the United States, uniquely among free nations, is best suited.

The proposed strength levels are based upon world conditions as they are now. They are based on the improved military preparedness of other free countries of the world, the end of active fighting in Korea and Indochina, improved weapons systems, better utilization of manpower, expected improvements in the future, the continuing Communist threat, and a whole host of other factors.

At this point I would like to interpose a few words about figures. In determining our required force levels, there are naturally a number of intangibles with which planners must reckon. One of the greatest intangibles is just exactly where, when, or how the next shooting war might be forced upon us.

If we knew we were going to face a major onslaught in the next 6 months, then we would need additional manpower and appropriations.

On the other hand, if we were guaranteed that we were not going to be forced into a war for the next 20–25 years, then I would say our force levels could be reduced.

But, of course, we cannot guarantee such a course of events and therefore must be prepared for the possibility of war. Of one thing we can be certain: The provision of adequate military strength is indispensable to our future safety.

Moreover, it is imperative that from here on out, our country have a defense program that is reasonably stable—one that is not materially disturbed by every hot and cold effort of an unfriendly nation, or wishful thinking on the part of ourselves or a friendly nation.

Large upswings or downswings in force levels have disastrous effects upon our defense planning, just as they do on business. The services have been plagued over the years by sharp inclines and declines where we increase in size rapidly and tremendously, and then decrease even more rapidly. Not only has it been wasteful but it also has involved serious risks which militarily, I do not believe we can afford to take at this time.

The stability in overall numbers is, of course, only the first step. Our next step must be to achieve stability of personnel within these numbers. It is not good enough to level off at 2,850,000 if we continue to have an inordinate personnel turnover rate. For this reason, several measures now before the Congress—measures like the proposed Career Incentive Act—are designed to induce larger numbers of qualified officers and men to accept and want the service as a career.

As a matter of fact, the stability in all the Armed Forces—stability which is being made possible by the President's program—is probably the most important single defense policy we want to see adopted. It will permit planning, orderly procurement, and efficient operation. It will give us a defensive posture which will be readily appreciated and understood by the rest of the world.

And, should important changes in the world situation make it necessary, the Joint Chiefs of Staff would step forward with recommended changes in our force levels. You can count on that.

Let me list for you just a few of the key strengths which go into the makeup of our defense program.

First. We have a strong retaliatory capability, and we are going to keep it strong. We have a long-range Strategic Air Command without peer in the world, and carrier task forces unmatched by any other nation. Our country is particularly well suited for providing these two vital elements of the free world's capacity to counter an aggression.

Second. We have strong land, sea, and air forces which can be used in a variey of situations whenever and wherever required.

I have often pointed out that we are not placing undue reliance upon any one weapon, or one service, nor are we anticipating just one kind of war. We have modern jet tactical air forces which can carry either high explosives or atomic bombs, depending upon what the target requires. We have naval forces which can clear the sea lanes, and Army forces which can do their part toward the accomplishment of military decisions when and where required. We have armored, airborne, amphibious, and other modern forces, all of which are important to our national defense.

In fact, the United States forces we plan to maintain are the most powerful—the most potent—forces, individually by service and collectively as a team, that our Nation has ever undertaken to maintain during a period when we were not actually engaged in a shooting war.

In this connection, the proposed National Reserve plan will go a long way toward helping to provide the right structure for building an adequate Reserve strength to complement and reinforce our forces in being.

Third. We have allies. Collectively, our allies are stronger than ever. United States Armed Forces are a part of the allied team. It is not easy for any single nation to match the power that can be marshaled by Communists and their resources. Therefore, we have to think of using our power in a way and in the place which will provide maximum safety to free nations as a whole.

To meet local aggressions, a growing reliance can be placed on those allied forces now being strengthened in many areas of the world. At the same time, we stand ready with our forces to continue military assistance and cooperation with our friends. Thus, within limits, the pattern of our own forces conforms to that of a member in several great alliances.

Fourth. We are continuing to improve our continental defense system. Due to the nature of the Communist beast, and due to the destructiveness of modern weapons now available to the Communist bloc, the United States could be seriously damaged by sudden attacks upon us.

Therefore, we have been hard at work, in conjunction with our Canadian friends to the north, pushing the program with all practicable speed at a rate consistent with

our developing technology. We will continue to improve our air defenses, and our radar, communications, and computing systems which will provide increased effectiveness against attack. Both Canada and the United States are making invaluable contributions to this important undertaking.

Fifth. We have an industry-science-military team which, in my opinion, presents an unbeatable combination. In my present position, I derive a great personal satisfaction from this teamwork, and the national strength which it builds.

The threat of modern war calls for constant modernization. Because of their complexity, the time taken to put newer weapons systems through the various stages of research and development into production tends to be longer than in the past. Here science and industry give us a big hand.

Today, the services are organized to utilize our national scientific, technological, and productive abilities. Science helps us to devise new weapons and new techniques. Industry helps us to get them. In this endeavor, we are very much in need of your continued teamwork.

With all that we have, we cannot let ourselves become complacent, or tend to rest upon past laurels. We need to remain steadfast and determined that our weapons systems will be kept ahead of our competitors. It is vital to our security and world peace that we do so.

In this, you and I are partners in defense. Our product is national security.

Gentlemen, those are some of our more important military strengths. We can review this defensive power we have with mixed feelings. We can derive satisfaction and confidence from its built-in strengths to protect our way of life. We can also be sobered by the contemplation of modern weapons systems in the hands of a callous and ruthless enemy in the years which lie ahead.

Yes, there are inescapable difficulties and dangers posed by Communist powers whose aims and policies are so diametrically opposed to our own. In a lawless world, we must be prepared for a fight at any time—and we must be prepared with weapons and other means better than those which are likely to be used against us.

Thus, our Armed Forces today are situated in many parts of the world, representing the strength of this Nation in defense of human justice and freedom. Our capabilities serve to prevent war through their deterrent effect. They are also the foundations of an effective defense if the aggressors should strike.

In essence our Armed Forces are geared to the preservation of our way of life. We must never forget that our most precious possessions are the lives of our citizens and the principles for which they stand.

In my judgment we have an adequate, properly proportioned defense program—one in which you can place your confidence. We have a good strong defense team. We can and will continue to improve it. And in all cases you can count on our Armed Forces team to carry out their tasks and missions with skill, determination, and a complete loyalty to the American people.

Radio Station KSCO, Santa Cruz, Calif.

EXTENSION OF REMARKS
OF
HON. CHARLES S. GUBSER
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, March 16, 1955

Mr. GUBSER. Mr. Speaker, in the early morning hours of Tuesday, March 8, fire completely destroyed the transmitting equipment of radio station KSCO in Santa Cruz, Calif. Every electrical circuit was rendered useless. Control panels, transformers, tubes, indeed, the entire complicated technical apparatus was burned to charred junk. Yet, within little more than 48 hours—in spite of the remoteness of this station from normal replacement supply sources—KSCO was back on the air to serve the public.

I believe that this is gratifying proof of the individual recovery potential in the face of sudden disaster. KSCO happens to be a regional key station in the CONELRAD setup, which is needed in times of war emergency. In spite of almost total destruction, the station managed to get back on the air with makeshift equipment, some of it flown in from as far as 3,000 miles away, in just 2 days.

Manager C. V. Berlin and his staff should be congratulated for proving that even grave disaster cannot for long keep us down, as long as the will is there to overcome it with all we have.

Those U. N. Awards

EXTENSION OF REMARKS
OF
HON. HAROLD C. OSTERTAG
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Wednesday, March 16, 1955

Mr. OSTERTAG. Mr. Speaker, the question was raised in this body earlier this week as to what funds were used by the United Nations to pay indemnities, amounting to approximately $180,000, to a group of former American employees of the U. N. who were fired after they invoked the fifth amendment on questions concerning their loyalty to the United States.

I have made a rather extensive investigation of this matter, Mr. Speaker, not only to determine how and why these awards were made, but also to determine how they were paid and whether the indemnities would be regarded by the Internal Revenue Service as damages, in which case they would be tax free, or as income, in which case they would be taxable. Finally, I made inquiries to determine whether, if the indemnities were regarded as income, the United Nations would then pay the State and Federal taxes due on them. As members of this body know, United States employees of the U. N. are reimbursed for all income taxes they pay to the United States Government, and to the New York State government, so that, for all practical purposes, their salaries are tax free. In lieu of taxes to our own Government, however, they contribute to the U. N. Staff Assessment Fund, and it was from this fund that these awards were paid. Since the awards range from $6,000 to $40,000, the State and Federal taxes on them would be substantial. My inquiries have established, in brief, that first, the Internal Revenue Service has held that the awards are income, and therefore taxable; and secondly, that the United Nations will not pay the taxes thereon.

I should like to add this further word, Mr. Speaker: In my judgment, the disposition of these loyalty cases constitutes a shabby blot on the U. N. escutcheon. In firing, and then rewarding these individuals, the U. N. pursued completely contradictory courses. It could not have been right on both counts. Either these people were loyal, in which case a great injustice has been done to them; or they were disloyal, in which case they should never have received these handsome indemnities.

The size of the awards is, of course, unimportant. The principles involved go to the very foundations of our concepts of equity and justice.

I am certain the Members of this body will be interested in the exchange of correspondence I have had on this matter with our Ambassador to the United Nations, Henry Cabot Lodge, Jr., and with Commissioner T. Coleman Andrews, of the Internal Revenue Service. It is appended herewith:

DECEMBER 6, 1954.

Hon. HENRY CABOT LODGE, Jr.,
United States Ambassador to the United Nations, New York, N. Y.

DEAR CABOT: I note in the press that our Government has agreed to pay the awards made by the United Nations Administrative Tribunal to 11 United States citizens who were former employees, and that the awards will be paid from the staff assessment fund. This letter is to request further data with respect to this matter; namely, (1) a copy of the statement made by Senator FULBRIGHT agreeing to the awards; (2) a copy of the resolution jointly sponsored by the United States and Argentina with respect to the creation of a board of judicial review, with, presumably, appellate jurisdiction over the Administrative Tribunal; (3) a report on the status of the resolution and the steps through which it will have to pass before such a board is actually established; (4) data about the staff assessment fund—what it is; who contributes to it; how contributions are made; is it voluntary or compulsory; and what the fund is used for. The press reports that the fund is a United Nations tax levied on all employees' salaries in lieu of the national income taxes, and that the special indemnity fund is to be carved out of this, and maintained at a level of $250,000. Have the U. N. employees agreed to this, and if so, what contingencies other than the dismissal of the 11 Americans have persuaded them to the creation and maintenance of such a fund? Finally, I should be grateful for a clarification of the tax status of U. N. employees, vis-a-vis their respective countries. It was my understanding that their income taxes were remitted to them by the U. N., but the press reference to U. N. taxes in lieu of national income taxes raises some question in my mind about the status of these employees.

This is rather a large order, but I know you agree that the matter is rather far-reaching in its implications, and I am therefore anxious to secure as much data as possible with respect to it.

With kindest personal regards to your good self, I am

Sincerely yours,

HAROLD C. OSTERTAG,
Member of Congress.

NEW YORK, N. Y., *December 22, 1954.*

Hon. HAROLD C. OSTERTAG,
United States House of Representatives.

DEAR HAROLD: This is in further reply to your letter of December 6 concerning the United Nations Administrative Tribunal awards question which was before the United Nations General Assembly.

Final action on the matter was completed by the General Assembly at its closing plenary session on December 17, and I am now in a position to give you a full report on it.

The resolution passed by the Assembly on this matter on December 17 (copy enclosed) represents the culmination of vigorous efforts made in compliance with House Concurrent Resolution 262, which (a) called upon the United States delegation to "take all possible steps to prevent the General Assembly of the United Nations from authorizing or approving the payment" of awards made 2 years ago to 11 Americans, and (b) provided that the United States "should not be compelled to contribute any of its funds" in payment of these awards and "that no part of the funds heretofore appropriated, or hereafter appropriated by the Congress for the United Nations shall be used for the payment of such awards."

The record is clear that all possible steps were taken within existing legal procedures to prevent the payment of these awards. These steps commenced, of course, long before the passage of the House concurrent resolution. The United States delegation fought against the payment of the awards throughout the eighth session of the General Assembly. The State Department's Legal Adviser fought before the International Court of Justice to establish the legal right of the Assembly to refuse to pay the awards. Finally, after the International Court denied that right in its opinion of July 13, 1954, so that payment became inevitable, the United States delegation to the ninth session of the Assembly continued to maintain the position that the awards were unjust and indeed outrageous and that the opinion of the International Court of Justice, though it should be respected, was erroneous.

Thus, all possible means of opposition to the awards—except outright defiance of the opinion of the International Court—were used in a fight carried on over 2 years. Outright defiance of the opinion of the International Court would clearly have left the United States standing almost alone on the issue and would have resulted in the payment of the awards from appropriated funds contrary to the intent of the House concurrent resolution.

With reference to that intent, the majority leader of the Senate speaking on August 20, 1954, said that the resolution "does not go to the point that United Nations funds from other sources should not be used for such payment of damages, but that funds appropriated by the American Congress, from the American taxpayers, should not be used in this particular type of situation."

Accordingly, the United States delegation, having exhausted all efforts to defeat payment of the awards completely, made certain that the awards would not be financed from funds heretofore or hereafter appropriated by the Congress. It saw to it that a special fund was set up financed from staff assessment—the internal United Nations tax on its employees—from which past and future awards would be paid. The creation of this fund was bitterly attacked by the Soviet bloc, which alone opposed it in the plenary session.

The United States delegation then went further—beyond the directive of the House resolution—to assure that in the future the administrative tribunal would not have the last word in making awards such as those made to the 11 Americans. It carried on a long and difficult, but finally successful, fight to establish the principle that awards of the tribunal should be subject to judicial review. Though this principle was defeated in committee, it finally won acceptance in the plenary, and action to establish the review procedure will be taken by the next session of the Assembly after thorough study is given to the matter by a special committee. Of course, the United States will be represented on this committee.

The General Assembly resolution of December 17 as a whole—including the establishment of the special fund and the provisions for judicial review—represents a real victory for the United States and a defeat for the Soviet bloc. The resolution as a whole was approved 52 to 5, with only the Soviet bloc opposed.

An important element in this victory was the fact that the United States was able to make clear its opposition to the opinion of the International Court of Justice and at the same time avoid the necessity of insisting that the Assembly disregard it. As you know, one of our strongest weapons in exploiting Soviet propaganda and motives is, from time to time, to challenge them to submit specific issues to the International Court for decision. Their inability to accept such a challenge constantly exposes to the world the true nature of their charges and actions. Had we not been able to secure the adoption of the resolution of December 17 and had we found it necessary to insist that the Assembly refuse to comply with the opinion of the Court, we would have lost this very important weapon against the Soviets.

Now, let me reply to your requests for specific data:

(1) I am enclosing copies of three statements made by Senator FULBRIGHT on this matter. The first was made in committee on December 3, when the original United States-Argentine resolution was introduced. The second was made in committee on December 9 after the committee voted to accept an amendment to the United States cosponsored resolution which struck out the acceptance of the principle of judicial review. The third was made in the plenary on December 17 in support of the United States cosponsored amendment to restore the judicial review principle. This amendment carried and is embodied in the final resolution.

Also enclosed is a copy of the statement made by Senator SMITH on December 9 in support of the United States cosponsored resolution.

(2) I am enclosing copies of the original United States-Argentine proposal (A/C.5/L. 317), the resolution adopted by the committee on December 16, and the resolution voted by the plenary on December 17.

(3) I have already covered the question of the status of the resolution. The steps provided for the creation of the judicial review machinery are spelled out in the resolution of December 17.

(4) The provisions for the creation of a new special indemnity fund from staff assessment proceeds are contained in part "C" of the enclosed resolution of December 17.

The staff assessment fund is derived from an internal income tax levied by the United Nations on its employees. Payment of the assessment is compulsory. The plan was adopted some years ago by the Assembly for two reasons. The first was to avoid the inequality of take-home pay of Secretariat employees which would result if they were subject to varying systems of national income taxation. To meet this situation, it was recommended to governments that they exempt their citizens employed by the United Nations from national taxation; and, in anticipation that this would be done, it was provided that there be substituted an internal income tax applying equally to all Secretariat employees. The second reason for the establishment of a staff assessment plan was the recognition that it was undesirable for United Nations employees to be a tax-free group of individuals, a situation which would result if they were exempted from national taxation.

The proceeds of staff assessment have been treated as miscellaneous income of the Organization and are at the disposal of the General Assembly to meet expenses of the Organization. Thus, the consent of the staff is not required. The Secretary General has proposed for study by member governments a plan whereby staff assessment proceeds would be placed in a special fund from which credits would be given only to those governments which have exempted their citizens from national taxation.

Of the governments whose nationals are employed by the United Nations within the boundaries of their home countries, the United States is the only one which has failed to provide exemption from national taxation. To avoid a situation in which Americans employed by the United Nations would be subject to double taxation—staff assessment plus United States income tax—the United Nations has each year reimbursed to these Americans the income tax paid by them to the United States. Other member governments have, of course, been most unhappy about this situation because it has resulted in their contributing to the payment of United States income taxes. It is for this reason that the Secretary General has made the proposal mentioned above concerning the handling of staff assessment proceeds in the future.

I hope I have covered all the various questions you had in mind. If not, please do not hesitate to call upon me for further information.

Sincerely yours,

HENRY CABOT LODGE, Jr.,
United States Representative to the United Nations.

UNITED STATES TREASURY DEPARTMENT,
Washington, D. C., February 8, 1955.

Hon. HAROLD C. OSTERTAG,
House of Representatives,
Washington, D. C.

MY DEAR MR. OSTERTAG: This is in reply to your letter of January 5, 1955, in which you request information concerning the treatment, for Federal income tax purposes, of amounts approved by the United Nations General Assembly for payment to a group of 11 Americans whose employment with the United Nations was terminated after they refused to answer questions concerning their loyalty.

Information available to us indicates that in each case a claim was presented for salary, remedial relief, and reimbursement of legal costs. In making the awards consideration was given to the extent to which each applicant had expectation of continued employment by taking into account the terms and nature of the contract of employment and evaluating the applicant's chances of earning a livelihood after separation from the United Nations.

Section 61 (a) of the Internal Revenue Code of 1954 provides a general definition of gross income which states that except as otherwise provided in the Internal Revenue Code, gross income means all income from whatever source derived, including, but not limited to, compensation for services, fees, commissions, and similar items. Section 22 (a) of the Internal Revenue Code of 1939 was to the same effect.

It is our opinion that the awards are compensatory in nature and that the amount thereof, in each case, is includible in the gross income of the recipient for the year in which such amount was received.

The legal fees expended by each of the individuals concerned are deductible in the year in which such fees are paid in accordance with the provisions of section 212 of the Internal Revenue Code of 1954 and section 23 (a) (2) of the Internal Revenue Code of 1939.

Very truly yours,

T. COLEMAN ANDREWS,
Commissioner of Internal Revenue.

NEW YORK, N. Y., *February 14, 1955.*

Hon. HAROLD C. OSTERTAG,
House of Representatives.

DEAR HAROLD: Thank you for your letter of February 9 and the enclosure.

I have looked into the question which you raise and can assure you that the United Nations will not pay the Federal income tax on the awards.

With best wishes and kind personal regards.

Sincerely yours,

HENRY CABOT LODGE, JR.,
United States Representative to the United Nations.

Farmers and Small Business Would Be Hurt Under New Hoover Commission Plan

EXTENSION OF REMARKS
OF

HON. MELVIN PRICE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 16, 1955

Mr. PRICE. Mr. Speaker, I take the floor this afternoon to commend and congratulate the gentleman from California, Mr. CHET HOLIFIELD, for the splendid work he has performed as a member of the Commission on Organization of the Executive Branch of the Government, generally known as the Hoover Commission.

Mr. HOLIFIELD has contributed much to the public good by his alertness as a member of this Commission. I am confident that many of the reports from the Commission are in better form today as a result of the work of Mr. Holifield. I am certain that the public has been served well by Mr. HOLIFIELD's determination to keep them informed as to the contents of the reports and as to their effect on the various segments of our economy.

The farmers of America and small business of America owe to Congressman HOLIFIELD a great debt of gratitude for his efforts in the past few days to make public, through his dissenting report, on the most recent of the Commission's activity calling for the reorganization of Government lending agencies. Congressman HOLIFIELD points out, effectively, how many of these recommendations will hurt the farmers and small businesses throughout the country. He has been consistent in calling to the attention of the American public the fact that the new Hoover Commission has gone beyond the scope intended by Congress and has taken to itself the role of policymaker, usurping the power of Congress. Congressman HOLIFIELD points out that if Congress should accept the Hoover Commission's recommendations on Government lending agencies we would, in effect, approve a new policy to enforce tighter agricultural credit, tighter credits on housing loans and small-business loans, and enforce restrictions on the rural-electrification program.

All of these seem to me to be a backdoor approach toward eliminating Government cooperation in programs assisting farmers, small business, and home owners. Add to these, thousands of veterans who would be unfavorably affected by other reports from the Hoover Commission.

Under leave to extend my remarks, I include, herewith, an article on this subject, written by Thomas L. Stokes, which appeared in the Washington Evening Star March 15, 1955:

THE NEW HOOVER COMMISSION: HOLIFIELD POINTS OUT THAT REPORT CRITICAL OF AID TO FARMERS, SMALL BUSINESSMEN DIDN'T NOTE SUBSIDIES TO INDUSTRY

An open secret around here is the way ex-President Herbert Hoover is seeking to change basic and long-established Government policies through the medium of the Commission on Organization of the Executive Branch of the Government, of which he is chairman.

To any one familiar with Government agencies and their operations, this is made clear enough in the Commission's latest report to Congress this week which contains 48 recommendations affecting Federal lending agencies. But, to make it doubly sure that the public gets the story, it is explained at long last by a Democratic member of the Hoover Commission who also is a Member of Congress, Representative CHET HOLIFIELD, of California.

He takes occasion to reveal what he considers a distortion of the Commission's job as laid down by Congress, about which he long has been disturbed, in the course of a minority report on Federal lending agencies in which he dissents from most of the recommendations. As he sees it, the recommendations which are designed to turn over financing now handled by many Government lending agencies to private banks, point in the direction of tighter agricultural credit, a slowing down of housing construction, restrictions on the rural electrification program and limitation on other direct or indirect aids provided by the Federal Government.

In the Truman administration, when the Commission was created and Mr. Hoover was delegated to head it, the Commission limited itself to recommendations on ways of making the Government more efficient and its operations more economical—a mechanical, reorganizing job. Mr. HOLIFIELD thus tells the story of what has happened now:

"The Congress re-created the Hoover Commission to study the present organization and operation of the executive departments and agencies, with a view to better management and economy. I do not believe that the Congress wanted advice from the Commission on public policies of every sort.

"The Commission has construed its congressional mandate otherwise. This report indicates that the Commission is willing to roam far and wide in the field of public policy.

"No matter how wise and well-informed, the 12 Commission members cannot be expected to have more than a casual acquaintance with many of the complex issues posed by this report. The task-force study contributed little, in my opinion, to the deliberations of the Commission."

It is regarded of some significance that James A. Farley, another Commission member, issued a broad, if brief, statement of dissent to proposed policy changes. Though a member of the Roosevelt cabinet, which he left when he broke with President Roosevelt over a third term, Jim Farley never was regarded as a New Dealer, but conservative of viewpoint. He said:

"It is my opinion that this report fails to give adequate reasons for recommending changes in certain Government organizations, functions, and policies which have served a good purpose, especially in fields where private enterprise has failed to meet the needs. I refer particularly to the Farmers' Home Administration, the Commodity Credit Corporation, the Rural Electrification Administration, and the Export-Import Bank, although there are other agencies which this report has dealt with in a similar manner."

Dissents also came from two officials high in the administration and in the President's confidence. Attorney General Brownell objected to turning over REA to private bank financing. He and Arthur S. Flemming, Director of Defense Mobilization, could not go along with cutting off normal short-term export-import loans by the Export-Import Bank, or for reducing or abandoning urban planning and reserve of planned public works by the Housing and Home Finance Agency.

The 10-member task force on Federal lending agencies included four bankers, and its chairman was a partner in Price Waterhouse & Co., certified public accountants—Paul Grady. Mr. HOLIFIELD thought it unfortunate that the Commission again used in the present study a "re-hash" of a report by Price Waterhouse for the first Hoover Commission that was severely criticized by important members of the previous Commission as reflecting a narrow accounting view of broad public policies.

The California Congressman also pointed out that while the Commission criticized subsidies in Government programs for farmers, homeowners, small businessmen and veterans, it said nothing about much more lavish subsidies to big manufacturers, publishing firms, ship operators, airline companies, and the like, or about "the hundreds of millions of dollars obtained by large companies as interest-free loans through the device of accelerated tax amortization." Compared with the latter, the former, he said, "pale into insignificance."

Mental Health Week

EXTENSION OF REMARKS
OF

HON. EDWARD A. GARMATZ

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 16, 1955

Mr. GARMATZ. Mr. Speaker, in October of 1953, the House Committee on Interstate and Foreign Commerce launched an investigation of the toll of all the major diseases confronting the Nation in order to determine what steps were necessary to combat them. Among the diseases studied were heart disease, cancer, infantile paralysis, tuberculosis, mental illness, and several others. Submitting its findings to Congress in March of 1954, the committee declared in its report that "there is probably no more serious problem in the health field today than that of mental illness." Permit me to cite you some of the evidence in support of this conclusion:

During the past year, some 2½ million men, women, and children were treated for some form of mental disorder in mental hospitals, at psychiatric clinics or in the offices of private psychiatrists.

On any day during the year, nearly three-fourths of a million people were under the care of mental hospitals alone—constituting more than 50 percent of the 1,400,000 patients in all

the hospitals for all diseases in the entire country. This figure for hospitalization of the mentally ill is an alltime high. It represents an increase of 60 percent in the past 20 years.

Another 5 million who went to general hospitals to get treatment for physical ailments or injuries were found to be suffering from some mental or emotional disturbance as well.

The year also saw more crimes and acts of delinquency committed than ever before—over 2 million major crimes and more than 400,000 juvenile delinquency cases.

Federal, State, and city government expenditures in connection with mental illness were over the billion mark—or about $3 million every day of the year.

The cost in human misery, wasted, and destroyed lives, cannot be estimated, nor is it possible to compute the secondary financial costs to the individual victims, their families and to the local, State, and Federal governments.

This array of shocking facts leads to the inescapable conclusion that mental illness is taking a greater toll than ever before in our history and that it is, with very little doubt, the most serious of all the health problems confronting the Nation today. The shocking nature of the picture which I have just painted for you is compounded further when we consider that the situation is the result not of inevitability but of neglect.

I would like to read to you excerpts from a statement made recently by Dr. William C. Menninger in behalf of the National Association for Mental Health. I quote:

It may come as surprise to many that mental illness has probably the highest recovery rate of any group of illnesses today. In my own State of Kansas, for example, where citizens and politicians have developed active treatment centers from what had once been merely custodial institutions, 4 of every 5 patients admitted to a mental hospital for the first time go home within a year of admission.

The basis for the erroneous impression that the majority of mentally ill patients do not get well is probably the fact that in many of our large mental institutions 60 percent of the patients who enter them never leave. How can this be so? Because Kansas and other States which are rehabilitating their mentally ill patients have invested money in trained people primarily, and buildings only secondly.

This past election American citizens voted more than $750 million to put up new mental hospital buildings to house patients who in many cases will not receive treatment because there will be no trained personnel to treat them. Each year, we build buildings and when these buildings are filled up, we build new ones. In 1903 there were 150,000 patients in our mental hospitals, today there are 700,000. As long as we continue to spend our money for buildings instead of doing research and training professional personnel to cure these patients, this trend will continue.

But, look at Kansas, as an example of the other side of the coin. In 1946, Kansas had 5,172 mental hospital beds and the United States Public Health Service estimated that it needed nearly 4,000 more. Today, the average population of Kansas' State hospitals has dropped from over 5,000 to 4,551. Yet Kansas actually admitted 75 percent more patients in 1954 than in 1946.

The buildings Kansas didn't have to build would have cost 25 to 40 million dollars, to say nothing of the cost of caring for 4,000 additional patients each year.

There is no reason that every State cannot do this. I don't mean to minimize the size of the problem. Mental illness is still the most expensive, most prevalent, and most neglected health problem in the world. But, given trained personnel and the knowledge that proceeds from research, most mental illness can be cured and, ultimately, can be prevented.

We don't have a fourth of these trained people. We spend less for research in mental illnes than we leave in tips on restaurant tables. Until all of us, as citizens, do something about this—research and the training of professional people—we will continue to build buildings to house patients we could be making well.

Dr. Menninger puts the case simply, sharply and eloquently, and he refutes once and for all any notion that may still exist to the effect that mental illness is hopeless, that nothing can or should be done about it. He places the emphasis correctly on the need for widespread public support of the organizations which are carrying on the fight against mental illness. He concludes with a plea in behalf of the National Association for Mental Health, the national citizens' organization which, together with its 400 affiliates, is leading the crusade against mental illness.

On May 1 to 7, Mental Health Week will be observed in thousands of communities throughout the country under the direction of the National Association for Mental Health and in cosponsorship with the National Institute of Mental Health of the United States Department of Health, Education, and Welfare. During Mental Health Week an attempt will be made to rally millions of Americans to the campaign against mental illness. During the balance of that month the National Association for Mental Health and its affiliates will conduct a nationwide fund-raising drive—the Mental Health Fund campaign—to raise money for research, training, improved treatment of the mentally ill, and education. To help provide the maximum success for these events—Mental Health Week and the Mental Health Fund campaign—it is my honor and pleasure to submit to this body a joint resolution calling upon the President to proclaim May 1 to 7 as Mental Health Week, to urge widespread participation in this observance, and to encourage enthusiastic financial support for the Mental Health Fund campaign. The joint resolution reads as follows:

Whereas there is presently a great need for nationwide action for the prevention, treatment, and cure of mental illness; and

Whereas the National Association for Mental Health and the State and local mental health organizations associated therewith are working diligently in the fight against mental illness; and

Whereas the Mental Health Fund is in dire need of public support in order to carry on research in the field of prevention, treatment, and cure of mental illness; sponsor training of expert personnel to staff the mental hospitals and the community mental health services; provide more adequate treatment for the mentally ill, and promote mental health education: Now, therefore, be it

Resolved, That the President of the United States is authorized and requested to issue a proclamation designating the week beginning May 1 and ending May 7, 1955, as National Mental Health Week, and urging the people throughout the Nation to cooperate in the fight for the prevention, treatment, and cure of mental illness, inviting the communities of the United States to observe such week with appropriate ceremonies and activities, and calling upon the public to support the Mental Health Fund.

The Navy's Career Dilemma

EXTENSION OF REMARKS

OF

HON. IRVING M. IVES

OF NEW YORK

IN THE SENATE OF THE UNITED STATES

Wednesday, March 16, 1955

Mr. IVES. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD the text of an address delivered by the Honorable Charles S. Thomas, Secretary of the Navy, before the Navy League, at Detroit, Mich., on December 3, 1954. I believe that the Members of the Congress will find this address well worth their perusal.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

THE NAVY'S CAREER DILEMMA

Mr. President, national officers of the Navy League, ladies, and gentlemen:

I am really glad to be here tonight. As you perhaps know, I have taken an active interest in the Navy League for many, many years, so I am personally acquainted with its officials, its program, its objectives, and its achievements. The Navy League has done a tremendous job over the past 52 years to assist and help the Navy and I can assure you that help has been appreciated.

I was particularly pleased to see the new 1954 four-way program Mr. Richards and his able program chairmen have inaugurated. This represents, I believe, the league's revitalized intention to take a more active, dynamic role in assisting the Navy and the Nation it serves. I am glad that this is so, because seldom in the league's history has there been a greater need or a greater opportunity to help the Navy than there is right now.

Several times, when I was active in Navy League affairs, the thought came to me that the Navy was sometimes remiss with regard to the potential of the Navy League, that it could and should give more guidance and encouragement to the league. So when I became Secretary of the Navy, one of my private resolves was not to neglect this vital task.

It is for this reason that I particularly welcome the chance of speaking to you tonight, and to lay before you a very important problem wherein you can do a tremendous job to help the Navy.

To begin, I'd like to read to you a letter I received just a couple of weeks ago, from the wife of one of our young bluejackets. She wrote as follows:

"SECRETARY OF THE NAVY,
Department of the Navy,
Washington, D. C.

"DEAR SIR: Thank you and the members of the United States Navy who are responsible for keeping my husband away from his family for the second year in succession. The morale of this young man could not get any lower.

"I hope you all have a very Merry Christmas.

"Very sincerely yours,
"_____ _____."

Whether she knew it or not, the young mother who wrote me this greeting hit right at the heart of a problem vital to every citizen of this country, particularly to members of the Navy League. The problem is our reducing ability at the present time to attract enough young men of the country to a career of naval service.

I wish to make it clear that this problem is common to all the services • • • Army, Navy, Air Force, Marine Corps. All are confronted with the same dilemma: Too few present-day young Americans appear to believe that either the patriotic need or material reward is sufficient to make them willing to make military service a career.

The man of whom this young woman has written is 28 years of age, and has been in the service for 9 years. In that time, at the cost of some $9,000, the Navy has trained him to be an aviation ordnance technician with guided missile experience. His total salary is $250 a month, about $55 a week; a day laborer gets that much or more. In the last 4 years, that young sailor has seen combat duty in Korea aboard an aircraft carrier; he has served with a specialized development squadron in California; with a jet fighter squadron in various areas of the Pacific; for the past 6 months he has been attached to an aviation support squadron in the Hawaiian Islands. He has been married for 4 years, he has 1 child, and this will be his third Christmas away from his family. Are you surprised, as his wife states, that his morale is low? The important point is that when this man's contract with the Navy expires, and he is requested to reenlist for additional service, he will probably refuse to do so, as increasing thousands are doing. Instead, he will choose a civilian career and probably be paid twice as much and be able to stay at home with his young family, and the Navy will have lost another valuable, trained technician, a man we very badly want to keep, a man our country needs in uniform, a man in whom the taxpayers have invested heavily for the Nation's readiness and security.

The man represents the career dilemma that we would like for you to try and help us solve. In so doing, you will ask, why must the Navy keep this young man away from his family for 2 successive years? Why is it necessary to keep him on sea duty for such prolonged periods? Why will he probably not reenlist? What have we done and what are we doing? And finally, what else must be done about it?

To help you understand the background, you will recall that the Navy had a pre-Korean strength of 315,000 enlisted men. Three years later when the truce was signed, we had expanded this to over 700,000 men. During the past year, we have been reducing to reach an authorized strength of 608,000. This represents a 14 percent overall reduction, but will still leave us with a Navy almost twice the size of what it was before the Korean war started.

With this 14 percent reduction in numbers of men, however, there has been very little commensurate reduction in our commitments. We still have almost as many ships and squadrons in commission and deployed overseas as during the Korean campaign. In these perilous days, we must keep a fleet in the Far East, a division of Marines in Korea and one in Japan. We must keep a fleet in the Mediterranean, a force in the Persian Gulf. While these units are not actively engaged in fighting, they and all our ships must maintain a heavy training schedule in order to insure the instant readiness and vigilance which the world situation has dictated.

Complicating this reduction in strength without a concurrent reduction in operational commitments is the fact that 60 percent of the men in the Navy today have enlistment contracts which expire in the next 2 years. These personnel can be divided roughly into two groups—the so-called career people who are on their second or subsequent enlistment and the noncareer people serving on their first enlistment. Among our career personnel, only 48 percent are signing up for additional service. This 48 percent today compares with 90 percent only 1 year ago. For the noncareer people, less than 3 percent are signing up. In summary, it is alarming to note that the overall reenlistment rate has fallen from 46 percent in October 1953 to only 7 percent in October 1954.

Therefore, because an increasing number of short-term and career-type contracts are expiring and are not being renewed, plus the inevitable losses due to sickness, disability retirement, etc., the Navy estimates it will lose about 375,000 men—or 60 percent of our total strength—during the next 2 fiscal years.

The critical part of this is that not all of these losses are the apprentices and the unskilled. Many are highly trained technicians, specialists in electronics repair, aviation mechanics, submarines, and atomic weapons, as well as the many other technical trades of the Navy. Many are our key people—our supervisors, our petty officers. Visualize the effect on a major civilian industry—Detroit's automobile industry would be a good example—if it were faced with the prospect of a 60-percent turnover of its personnel in only 2 years, many of them key personnel and potential supervisors for future years. This is the problem the Navy—and indeed, all of the services—faces today.

To replace these losses, we have only two sources; first to call the Reserves to active duty—obviously impractical in peacetime. Second, to enlist and train new recruits. We are meeting increasing difficulty in doing the latter despite vigorous and increased efforts. To compensate for those leaving the service this year, we will require a total of 145,000 new recruits, or about 12,000 every month. The quota for September was 12,500, and we failed to meet it by 1,700. The quota for October was again 12,500 and we failed to meet that by 4,000. Some of this fall-off is seasonal, but it indicated our increased difficulty of replacing our losses.

Again, I would like to point out that the twin problem of enlistment and reenlistment is common to all the services. Accepting 2-year draftees in the Navy is certainly not the total or satisfactory answer, for it takes almost 3 months to put a man through basic recruit training, about 4 months more through a technical school if required. Add to this the administrative time of travel, leave, etc.; many a recruit does not reach his first duty station for about 8 to 9 months. He has had some training and indoctrination but he is still inexperienced and unfamiliar with general Navy life. This takes several months more to learn. Just as he reaches the point of becoming experienced and valuable, his 2-year draft term is completed, he leaves the service, and the process must start all over again. It is for this reason that the Navy cannot survive as a first-class fighting service if it becomes a conscript Navy. There must be a base of between 50 to 60 percent of career people. To maintain this base, not less than 25 percent of those completing their first enlistment and 75 percent of the career people must reenlist.

And what of the quality of the young men who are enlisting? Remember that our naval equipment is becoming increasingly complex and specialized, and demands high caliber personnel with special training to maintain and operate it. All of the armed services need their share of the top talent of the country, and this need becomes more pressing as our naval equipment becomes more complex. Yet of the 8,500 naval recruits who enlisted in October, 35 percent were in the lower quarter mental group. A year ago, we were taking only the required 27 percent of that low mental group. This percentage was established by the Department of Defense to fairly distribute among all the services a fair proportion of both upper and lower groups of mental talents. Now, however, instead of taking only its share of the lower mental group, the Navy is taking 8 percent more than required and is still unable to recruit numbers needed. Thus, at a time when the complexity of our modern atomic Navy is demanding increased performance and skill from the individual, the Navy is being forced to reduce its quality standards.

These facts summarize the problem today. But for the future, the prospects are even more serious as our senior supervisors—those who came into the Navy during World War II—complete their 20 years of service in 1960–65 and become eligible for retirement.

What has the Navy done and what is the Navy doing about this problem? Frankly, we have done a great many things. First of all, Admiral Carney and I are both committed to the internal improvement of the Navy—its morale, its leadership, its appearance, its discipline. Over the long pull, we know this will make the service more attractive by giving it greater esprit, which in turn will give to each individual the sense of belonging to a fine and an important organization.

Secondly, we are taking every measure to solve the problem of overcommitment—which keeps our fleets almost continuously at sea—by trying to increase the numbers of operating ships, so that each individual ship can spend more time in its home port. Take our Pacific Fleet as an example of how our far eastern commitments adversely affect the career problem. Roughly one-half of the fleet is on station in the Orient at all times, where it is obvious that around the troubled water of Korea, Indochina, and Formosa, we must keep a strong 7th Fleet. A ship in the 7th Fleet spends 6 months in the forward area, plus 1 month of turnover and transit time. So the ship can expect 7 months out of every 12 in the Orient. But even the other 5 months can't be spent in the home port area. Every time a ship returns from overseas duty, there are large numbers of men scheduled for release or for shore duty. New people must be assimilated and trained. In effect, then, much of the remaining 5 months is spent at sea getting ready to go back again.

One way to alleviate this is, of course, to have a few more ships, so that the 7-month period in the Far East could be reduced. More ships, however, mean more men and more money and neither are easy to come by. However, Admiral Carney and I are doing our utmost to solve this one. If we can, it would do a great deal toward attracting more career people.

As for the personnel situation itself, our Chief of Naval Personnel, Admiral Holloway, is working overtime to alleviate and solve this problem. He has introduced extraordinary methods giving more attention to the individual man and his problems, to reinstate some of the traditional benefits that have been taken away since World War II. He has taken drastic steps to try and maintain dependent medical care—such things as requiring shipboard doctors when they are in port to serve at the local dispensaries to provide better care for the dependents of our men at sea. He is trying to see that living conditions and housing conditions around our major bases are improved. And he has increased the size of our recruiting staffs and reemphasized our recruiting program to help sell the Navy to the youth of the country.

But all of these actions are still not solving the basic problem—of attracting more young

men to make the Navy a career. The civilians and military leaders of our Navy appreciate that with peacetime military forces of over 3 million people we cannot expect all of our personnel to be career people. We realize that a great proportion of our Navy's future enlisted strength must be noncareer, short-term personnel. But it is also true that if the Navy is to remain a first-class organization, it must have a cadre, a base, a foundation of career people.

To provide this strong base of career people, both in talent and numbers, there must be two fundamentals: Motivation by the individual and recognition by the public.

For the individual who is thinking about making the Navy a career, there must be two prime attractions—the opportunity to do something useful and worthwhile; the opportunity to improve himself and his fortunes.

For the public, there must be general and genuine recognition of the individual's worth, of his importance, of his tasks, and of his accomplishments.

Why are the Navy and the other services finding it increasingly difficult to attract young men of the country to a career in the Navy?

In the first place, military service is not sufficiently attractive, not only in the material sense, but in the sense of duty to country. Presently, the personal advantages of civilian life so outweigh those of present day military service that fewer and fewer men care to make the sacrifice. Furthermore, the material inducements which await him as a civilian veteran—education, veteran's benefits—exceed the material attractions of making the Navy a career. When you ask a man to make a career of the service today, you are asking him to spend a large share of his life away from home and family, and not always in the most desirable spots in the world. The Aleutians, the Straits of Formosa, the Persian Gulf, all may have the poster appeal of romance and adventure to an enlistee, but to an American sailor who has seen some of the world and has matured to the point of decision about his life's work, it doesn't compare with Carthage, Ill.—especially when the wife and kids are back in Carthage. This family angle is increasingly important, for more and more of our men are married, and they are getting married younger all the time. A naval career these days means many long periods at sea of intense work maintaining the readiness of our fleets. It means a change of duty station at least every 2 years with the constant turmoil of moving family and household possessions. It means low pay.

In the second place, more people are not making the Navy a career because of the apathy of the public to the value and need of the career man to the country.

Today, the one really valid argument that can be presented to our people and to the young men in the country is simply but most importantly that they are needed by the service, needed by the country.

As I see it, the problem is to create once again within the country an attitude that a career in the military service is one of the most honorable professions, worthy of the best men in the country, and vital to the peace and prosperity of the Nation. Pride in our military men, pride in the uniform they wear, pride in the service—must once again be common to every American. Service in the Navy in peacetime must be as warmly and as generally recognized as in wartime. This atmosphere must permeate the general public and be reflected in their attitude toward the serviceman and his problems, in order that the services will attract the best men. If this can be done, more of our best young men will become convinced that the country needs them, and will choose the service as a career.

If this public recognition and appreciation can be brought about, then the American people will automatically take greater care of career men and their families. If international commitments are going to demand that we keep large numbers of men overseas for long periods of time, then the answer may be to give them a little bit of America in the overseas area. This may mean housing, schools, medical care, all of which are expensive. It may mean schooling to provide the technical know-how necessary to maintain and operate our equipment. It may mean more ships in service. In short, whatever the price, we've got to pay that price to gain the caliber and numbers of career talent necessary to keep the Navy strong. Failure to do so can only result in a second-rate Navy.

Now what can the Navy League do to help us? First of all, the league can promote a continuing nationwide program of public education to inform the American people of the gravity of this problem, which as I said, is common to all the services. Second, as part of that same program, the league can initiate a campaign to sell the naval service to our patriotic young citizens as a career—a career which in truth is vital to the security and welfare of the country. That campaign must be long range, vigorously pressed through all the public media, and it must not appeal just to materialism but to service and devotion to country. If there were more appreciation and esteem by the American public for military service, more of our young people would understand our country's need of their services and would choose it as a career. As part of that campaign, I think the league should try and sell the American public that if they want a first-class Army, a first-class Navy, a first-class Air Force, and a first-class Marine Corps, they must pay the price for it.

But most of all, by that program, the league will be helping to create an atmosphere of renewed public pride in peacetime military service.

This is the challenge that I offer to you.

The Economic Report

EXTENSION OF REMARKS
OF

HON. AUGUSTINE B. KELLEY

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 16, 1955

Mr. KELLEY of Pennsylvania. Mr. Speaker, it is a surprising and rather wonderful thing when a congressional committee composed of both New Dealers and Old Dealers—liberals, conservatives, and ultra-conservatives—can get together unanimously on a report on the status of our economy and on the President's economic proposals.

Yet that is what happened this week when the Joint Committee on the Economic Report, composed of 7 Senators and 7 Representatives—with 4 Democrats and 3 Republicans in each group—made its annual report to Congress as required under the Employment Act of 1946, the Full Employment Act.

But before the editorialists begin to write rapturous pieces about the new atmosphere of economic unity on Capitol Hill, it might be useful to see just how we 14 committee members of such diverse personal views really managed to get together on a unanimous report on so explosive and controversial an area of national debate as economic policy.

We could agree, of course, on a wide number of fundamentals, such as all-out defense against Communist expansion, maintenance of a strong free-enterprise system, the fact that we had a recession last year but want to have prosperity from now on, and so on. As a matter of fact, there are broad areas of agreement among Democrats and Republicans on a great number of things, including virtually all basic American principles, and I think we sometimes tend to underestimate this unity on the really big things while we pay much more attention to the political fights over details.

Nevertheless, in order to achieve the goal of a unanimous report, the joint committee had to narrow down quite a bit the scope of the report, and then start refining the language. Thus, although the Democrats were inclined to say things were not nearly good enough, the Republicans wanted to point out, instead, how much better they are than they were a year ago.

The result was compromise on both sides with such language as this:

> Employment and production have regained about one-half of the ground lost, and unemployment has receded about one-third. Most indices in recent weeks have been up.

While this sort of compromise gave some substance to the idea that there is broad general agreement on many aspects of the economy, it was not satisfying to either group on the committee. So the result was that after our unanimous committee report, we then added a bunch of supplementary reports in which Democrats took a critical look at the present economy and of the President's economic proposals, while the Republicans took the opposite view—that things were pretty fine. And, of course, that was to be expected. For these divergent views are not just politics—they represent basic and fundamental differences of approach of the two political parties.

CAUTION

Throughout the report there is evidence that a good part of the present steam behind the economy comes from unusually high-volume, bunched-up automobile production. The question is asked: What happens if auto production begins to slacken later in the year, as it apparently will have to? What happens to steel, glass, rubber, and other related industries, and how do we take up the slack? In this connection, the approach taken by my public-works bill received broad support among members of the Joint Economic Committee, particularly on the Democratic side. But even the Republican members saw a need for more public-works activity, particularly in the distressed areas.

CONTRAST

While both Democrats and Republicans on the Joint Economic Committee of the Congress were agreeing in principle that the Government must be prepared to take a strong hand in meeting any basic economic dislocation before it causes deep distress to the whole coun-

try, the reactivated Hoover Commission, heavily loaded with ultraconservatives, came out with a report urging elimination of many of the Government's best weapons in the economic arsenal against depression. It wants to get Government out of business so much and so badly that, if we were to follow the Hoover approach, I am afraid we would end up all over again, as we did once before under his direction, having no business at all.

Marguerite Kozen, Julius Chajes—Goodwill Ambassadors

EXTENSION OF REMARKS
OF
HON. CHARLES C. DIGGS, JR.
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES
Wednesday, March 16, 1955

Mr. DIGGS. Mr. Speaker, the 13th Congressional District of Michigan is proud of the singular achievements made by so many of its citizens. Mr. and Mrs. Julius Chajes, of 610 Blaine Street, Detroit, Mich., are two such persons who have added particular luster to the district through their accomplishments. Through the use of their talents, the Chajes have performed an outstanding service of goodwill for their adopted country, the United States of America—Mrs. Chajes, as an established operatic soprano, who sings under the name of Marguerite Kozen; Mr. Chajes as a composer and concert pianist.

Our Nation is justly proud of such of its citizenry who, without the honor of presidential appointment, voluntarily serve as ambassadors of goodwill, establishing and solidifying vital friendships with neighbor countries. In appreciation of these services, I ask the permission of Congress to spread upon the RECORD a résumé of the accomplishments of the Chajes that it may serve to inspire all Americans to use the talents they have in good will service to our country.

Each year, Mr. and Mrs. Chajes, who were born in Europe but came to America to flee nazism, make regular trips through Central Europe and Israel for personal appearances and radio broadcasts. It is my understanding that on such trips, they also make contributions to printed publications as a means of expressing their support of our Government's efforts to convey information and to express its good will to those areas which, for political reasons, have been blocked off from our part of the world.

Mrs. Chajes made her American debut as soloist with the New York Philharmonic in Carnegie Hall. She has sung leading roles with opera companies in the United States and abroad. During the past 7 years, she has been on 8 consecutive concert tours in London, Paris, Lausanne, Vienna, Salzburg, Rome, and Jerusalem. With her husband, she has been presented in more than 300 concerts in the United States, coast to coast, and Canada.

Julius Chajes, while best known to the world as a composer and concert pianist, is known also in the city of Detroit as a conductor and teacher. Hailed as a "wonder child," he made his debut at the age of 9 in a piano concert in Lemberg, Poland. His first string quartet was played in Vienna, when, as a 12-year-old, he appeared as composer and pianist. A student under several famous teachers, including Moritz Rosenthal, once a pupil of Liszt, Mr. Chajes also studied conducting and composition in Austria.

From 1934 to 1936, Chajes headed the piano department of the Music College of Tel Aviv, Palestine. In this country, he became a teacher of composition at the New York College of Music. In 1937, he played the premier of his second piano concerto first with the Vienna Symphony, and the following season, as soloist with the Detroit Symphony Orchestra.

On a recent trip to New York, Mr. Chajes learned that his 142d Psalm has gone into its sixth printing—said to be an almost unprecedented achievement in choral work. The setting of the psalm has been recommended by David Williams, noted organist and choral director, to a conference of 300 Protestant choir directors as one of the most significant contributions of modern times to liturgical music.

The Robert Shaw Chorale and Fred Waring singers have made extensive use of Chajes choral works in concert and on television.

In Detroit, Mr. Chajes has been director of music at the Jewish Community Center since 1940. He was cofounder and artistic director of the Detroit Friends of Opera, Inc. He is also music cochairman of the Detroit Round Table of Catholics, Protestants, and Jews.

We salute in gratitude Mr. and Mrs. Chajes and the many other American citizens who are using their talents to perform a vital service for their fellowmen as well as to give pleasure to them.

True Economy?

EXTENSION OF REMARKS
OF
HON. W. J. BRYAN DORN
OF SOUTH CAROLINA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, March 16, 1955

Mr. DORN of South Carolina. Mr. Speaker, an editorial in this week's edition of the Army-Navy-Air Force Register illustrates the frustration which the editor of that publication has had in attempting to learn from the Secretary of Defense the relative cost and capability of land-based and carrier-based aircraft in the performance of strategic bombing missions.

What every unbiased person wants to know, what every citizen has a right to know is, "Have the Joint Chiefs of Staff or the Weapons Systems Evaluation Group made a comparative or relative evaluation of the apparent capability of land-based aircraft and carrier task forces to carry out strategic bombing missions? If either can carry out such missions, why do we need both? And is it economical to have both, rather than the one system that can carry out the mision most effectively?" To date Secretary Wilson has ignored these and similar questions.

I worked long and hard for the Unification Act which passed this Congress in 1947. My only purpose in working for the passage of that bill was in the interest of the security of the United States at the least possible cost to the already overburdened taxpayer. Those of us on the Expenditures Committee at that time listened for days and weeks to the testimony of the best military minds in the world including General Eisenhower who testified for the bill.

We were striving to eliminate duplication, waste, and extravagance by bringing our services closer together. I think Congress today should determine whether or not the Unification Act is functioning as it should. We should find out if there is any duplication of strategic bombing assignments within the Defense Department. It was my understanding that the first supercarrier was for testing and evaluation purposes. Before we embark on an expanded carrier program I think we should have the results of this experiment in the first instance.

Mr. Speaker, I ask unanimous consent of my colleagues to extend my remarks and insert the editorial called "True Economy?" from the Army-Navy-Air Force Register in today's issue of the CONGRESSIONAL RECORD. I would point out to my colleagues and emphasize to the printer that the title includes a question mark. Are we getting economy, as a result of unification, or are we building up three services, with no consideration at all for duplication, overlapping, and waste? The editorial, with questions as yet unanswered, follows:

TRUE ECONOMY?

Elsewhere in this issue, the Register prints two letters—one addressed to Secretary of Defense Charles E. Wilson by the editor of the Register on November 30, 1954; the other, a reply, dated February 9, 1955, and signed by D. Walter Swan, Deputy Assistant Secretary of Defense for Public Information.

It is, perhaps, significant that an inquiry concerning matters of basic policy and true economy in the military establishment was referred to a public relations assistant to answer—perhaps not. It might be significant, also, that the somewhat lengthy reply signed by Mr. Swan discusses at length what he assumed, erroneously, to be the premise of our letter, and then proceeds to a pep talk about defense programs which carefully avoids answering the questions asked. (At his news conference this week, Secretary Wilson, asked about Joint Chiefs' approval of the supercarrier, also used this technique of answering a question which had not been asked.)

On the score of Mr. Swan's apparent assumption concerning our premise, let it be said merely that responsible public officials can be "forced" to adopt a program by other means than arbitrary fiat—they not only can be, they usually are.

All of the factors cited by Mr. Swan as bearing on the maintenance of a military establishment of any given type and size are so obvious that they can be assumed to be factors considered by the responsible officials—as they were, in fact, assumed by us to be.

But this by no means answers our question as to whether or not "consideration has been given to any factors other than the application of monetary limitations, to the present structure and assigned missions of the forces."

Nor does the balance of Mr. Swan's letter answer the more specific questions any more satisfactorily. Since he failed to answer them, we will: In every case in which we asked specifically whether the Weapons Systems Evaluation Group has made a comparative or relative evaluation, the answer is a flat, "No."

WSEG has not examined weapons systems, existing or planned in the separate services, in which there is apparent overlap of function or of capability. WSEG has not made a comparative analysis of the cost or effectiveness of Army as against Air Force control of Army-type aviation. WSEG has not done an evaluation of land-based as against carrier-based long-range strategic bombardment systems. WSEG has not conducted any study to determine whether, in the light of current and expected aircraft developments, the old separation of Strategic and Tactical missions within the Air Force still makes sense. And so forth, and so forth.

The Register does not pretend to know the answers to these questions. It does assert, with complete confidence, that the answers are equally unknown to Secretary Wilson, his Deputy Secretary, and all his Assistant Secretaries. We concur heartily with Mr. Swan when he congratulates the country on having both strategic air forces and carrier task forces. But we didn't ask Mr. Wilson about "carrier task forces"—we asked him specifically about the relative cost and capability of land-based and carrier-based aircraft in the performance of those air missions which, in military parlance, are termed "strategic"; and we asked him, specifically, whether WSEG or any other Defense Department (not Navy or Air Force) agency had tried to find out whether, as regards the carrier task force, "the addition to it of strategic bombardment capabilities increases its size and cost beyond those which would be required for naval forces not concerned with strategic bombardment."

The answer, of course, is "No"—neither WSEG nor any other group has made such an evaluation above the single-service level.

In our issue of February 5, we printed an account of significant changes now in process to give the Weapons Systems Evaluation Group the scope that the late Secretary of Defense James Forrestal intended it to have when he set it up 6 years ago. That account contained many of the answers which did not get into the letter signed by Mr. Swan.

With the House Armed Services Committee endorsing the Navy's request for a fifth Forrestal-class carrier, and other Members of the House questioning its wisdom, it might be wise for Mr. Swan and his superiors in the Pentagon to take another look at our letter of last November and realize that what we raised in that letter was no mere problem in public relations. We asked serious questions about matters of grave public policy, and they are not answered by a polite brush-off from a Deputy Assistant Secretary of Defense.

Mr. Swan says that "missions and requirements stem from national policy decisions and broad basic guidelines for planning."

Precisely. Our point is that, so far, these "broad basic guidelines" seem to be laid more up from the services to the Defense Department, than down from the Secretary of Defense on the basis of the independent evaluation, for him, of service projects and programs.

There may be no duplication, therefore, no waste, therefore no opportunity for true economy on the apparent overlap of Strategic Air Command and the employment intended for the supercarriers of the Forrestal class. There may be no duplication or overlap in the missiles systems being developed and even standardized by the three services, and so no opportunity for true economy there.

Our point is not that we don't know the answers but that the Secretary of Defense and the Joint Chiefs of Staff don't know the answers, because no qualified agency has yet conducted a scientific and objective evaluation of these and other equally important "weapons systems."

Until the Secretary knows the answers, he cannot be certain that his is a program of true economy.

A Bill To Amend Title 28, United States Code

EXTENSION OF REMARKS
OF

HON. WILLIAM M. TUCK

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 16, 1955

Mr. TUCK. Mr. Speaker, today I have introduced in the House of Representatives a bill to which I would like to call particular attention because of the economy involved as well as the important bearing it has upon the administration of justice in the courts of the land. My bill raises no complex questions and is short and simple and easy to understand. It reads as follows:

A bill to amend title 28, United States Code, to provide that the district courts shall have jurisdiction of certain civil actions only if the amount in controversy exceeds $10,000, and to provide that their jurisdiction based on diversity of citizenship shall not extend to actions in which corporations are parties

Be it enacted, etc., That sections 1331 and 1332 of title 28, United States Code, are amended to read as follows:

"§ 1331. Federal question; amount in controversy

"The district courts shall have original jurisdiction of all civil actions wherein the matter in controversy exceeds the sum or value of $10,000, exclusive of interest and costs, and arises under the Constitution, laws, or treaties of the United States.

"§ 1332. Diversity of citizenship; amount in controversy

"(a) The district courts shall have original jurisdiction of all civil actions where the matter in controversy exceeds the sum or value of $10,000, exclusive of interest and costs, and is between—

"(1) individuals who are citizens of different States;

"(2) individuals who are citizens of a State, and foreign states or citizens or subjects thereof;

"(3) individuals who are citizens of different States and in which foreign states or citizens or subjects thereof are additional parties.

"(b) The word 'States,' as used in this section, includes the Territories and the District of Columbia."

The effect of this proposal, if enacted into law, is to increase the original jurisdictional amount in United States district courts from $3,000 to $10,000, exclusive of interest and costs, in matters of controversy arising under the Constitution, laws and treaties of the United States, and in controversy between persons of diverse citizenship, and to confine jurisdiction in such cases to individuals who are citizens and to the exclusion of corporations except where Federal questions are raised.

This measure is designed to relieve the Federal courts of litigation of a trifling or less substantial nature and to confer jurisdiction in such cases upon the State courts where it belongs. Under the Constitution of the United States the Congress has the power within certain limitations to fix and determine the jurisdiction of the United States courts. It is my information that the jurisdictional amount was fixed originally in 1780 at $500. In 1801 it was reduced to $400, then in 1802 it was again fixed at $500. In 1887 the amount was increased to $2,000, and in 1911 it was increased to $3,000.

Since 1911 when the jurisdictional amount in controversy was last increased the value of the dollar has steadily declined and litigation has considerably multiplied, particularly in the field of damage suits. Few such suits are now brought for as small an amount as $3,000. Moreover, a greedy and Gargantuan Central Government in the last few years has usurped the powers of the States by expanding its activities into almost every phase of our existence and we can feel its tentacles in all walks of life.

This unwarranted invasion of the governmental functions and responsibilities of the States has been carried on under the guise of beneficence but if continued unchecked will finally leave the Government of the States and localities nothing more than the hollow shells of a lost liberty. Some of the States have succumbed to these spurious doctrines and have yielded to this usurpation of their powers either through a failure to understand the fundamental principles upon which our Government was established and is based, or have surrendered in the hope of receiving a liberal abundance and share of the governmental largess made available to them under many of these socialistic schemes.

My thoughts in respect to the increase in the jurisdictional amounts are not original with me for it is my understanding that a committee of judges comprising the senior United States circuit judges has recognized the desirability of making this change, and several bills have been introduced in the House of Representatives in recent years to this effect, and at least one bill has passed this body raising the jurisdictional amount from $3,000 to $7,500.

I want it distinctly understood now that I have unbounded confidence in the Federal judges presiding over the courts in which I have practiced. I am well acquainted with the United States district judges now in service in Virginia. I have the highest respect for all of them and they are, I believe, my warm personal friends. I have not discussed this subject with any of them. Hence, I have no authority and do not undertake to speak for them. Knowing them as I do, I believe that they would welcome the changes herein proposed in the interest of economy and in the administration of justice by relieving them from the bur-

den of hearing and trying cases of a frivolous or less substantial nature, thus enabling them to devote more of their valuable time to cases of greater importance. I do know that they are all men of the highest qualifications, fitness, and character, and who would not under any conditions covet influence or power. It is my desire to enhance, if practicable, the usefulness and the already high standing of these honorable courts.

Under the diversity of citizenship clause of the Constitution, the courts have from time to time over a period of some 70 or 80 years construed the word "citizen" or "citizens," as used in article III of the Constitution, to embrace corporations also. Having enunciated this doctrine they have found and held that the persons composing the corporation are presumed to be citizens of the State where the corporation was chartered, and the courts have held that this presumption is irrebuttable. While there may be substantial basis for this theory and line of reasoning, I do think the time has come to curtail the jurisdiction of Federal courts based on the citizenship of corporations. This view, likewise, is not new or original with me for attempts have been made repeatedly for the last 75 years to negate these rulings by congressional action. The House of Representatives as far back as 1880 passed a bill, H. R. 4219, 46th Congress, one paragraph of which deprives Federal courts of jurisdiction based on diversity of citizenship in cases between a corporation and citizens of any State in which it does business other than patent and copyright cases. Other measures of a similar nature passed the House of Representatives from time to time thereafter but were lost in the Senate.

As late as 1932 President Hoover in a special message to Congress on strengthening the judiciary system of the country recommended that jurisdiction of Federal courts be modified by "providing that where a corporation, organized under the laws of one State, carries on business in another State, it shall be treated as a citizen of the State wherein it carries on business as respects suits brought within that State between it and residents thereof and arising out of the business carried on in such State." The effect of the Supreme Court decisions hereinabove generally referred to construing the word citizen in article III, is to confer fictitious citizenship upon corporations. The bill which I have introduced will, if passed, nullify these decisions and limit the jurisdiction to individual citizens and exclude jurisdiction where the citizens are corporate or fictitious.

Mr. Speaker, I am a firm believer in the principles of States rights, and particularly where these principles apply to litigation. These matters in dispute can be settled more expeditiously and with a closer approach to public justice in the localities where the cause of action has arisen. Our State judges as a whole are learned men. They are fair, impartial, and highly fitted to wear the judicial robes. For the most part they rank in fitness and ability on a plane equally as high as our United States district judges. Under the aegis of such a judicial system and with expansion and improvement of communications such as automobiles, airplanes, the press—including radio and television—as well as our modern and improved educational programs, I cannot believe that the people of the respective States would be so provincial in this enlightened era that they would refuse a fair trial because one of the litigants was a citizen of another State. More often than not cases are moved from the State to the Federal courts for no purpose other than to delay the trial and administration of justice, and as we all know a delay in the trial of a case often thwarts public justice.

The Congress is called upon repeatedly to create additional Federal judgeships to relieve the present judges of the existing workload which in some Federal jurisdictions is unbearable. These additional courts are created and established at great expense to the already overburdened American taxpayer and the principal parties continue to be subjected to the harassment, the inconvenience, the delay, and the expense of having their cases heard and tried in some instances at least hundreds of miles away from the scene where the cause of action arose and where the litigants, attorneys, and witnesses reside.

Briefly, the above are a few, among many other good reasons, why the original jurisdictional amount in controversy should be changed so as to curtail the jurisdiction of the United States district courts, thus leaving important legal rights of our citizens to be determined in a forum where public justice will be promoted—not retarded or denied.

It is my fervent hope that the bill which I have introduced may have the active aid and support of the members of the Judiciary Committee not only, but of all those who are interested in economy at the Federal level where it is so sorely needed, and who are interested in the preservation of the rights of the citizens of our sovereign States as well as in the fair, impartial, and speedy administration of public justice.

March 15: Hungarian Freedom Day—Statement by Congressman John Lesinski

EXTENSION OF REMARKS
OF
HON. JOHN LESINSKI, JR.
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES
Wednesday, March 16, 1955

Mr. LESINSKI. Mr. Speaker, yesterday was the 107th anniversary of an event which brought joy and virtual independence to the people of Hungary. This was a very important event in Hungarian history, for on that day over a century ago the Hungarians regained some of the freedoms which were denied to them by their Hapsburg overlords. In the charter of freedom which the Hungarian House of Deputies approved on March 15, 1848, a number of reforms were introduced which were approved by the Austrian emperor. Among them freedom of the press was established, feudal servitude and heavy taxes on the peasantry were abolished, and the Hungarians were allowed to form their own national government. Louis Kossuth was made president. In short, by the Freedom Day Charter the Hungarians secured national autonomy, or for all practical purposes, independence.

The freedom gained in 1848 was soon lost, and it was not until the end of World War I that Hungary became a completely independent country. The Hungarians enjoyed the blessings of national independence for about two decades, but then came the dark years of World War II. Toward the end of the war Hungary was invaded by the Red army, and since then the Hungarians have been struggling, insofar as they are able, to free themselves from the clutches of their Communist rulers. The fight they are waging against the ungodly Communists is an uphill fight, one in which many brave Hungarians have been placed under arrest and are serving prison terms in convict labor camps. Even the Roman Catholic primate of Hungary, Cardinal Mindszenty, the most outspoken foe of communism in Hungary, is not free.

This prelate of the church was arrested and imprisoned by the Communist government on some trumped-up charges and has been in prison since December of 1948. The whole free world, and specially our own country, sincerely hopes to have the cardinal released from prison, and we are doing everything practicable to support the Hungarians during these painful times. We are seeking to keep up the Hungarian spirit of independence by means of messages broadcast through the Voice of America. This is one of the ways that we hope will strengthen resistance to the Communist regime and thereby keep alive the Hungarians' faith in the cause of liberty.

In the celebration of this significant day, the Hungarian freedom day, all of us ardently hope that the rebirth of a new freedom for Hungary may not be too far off.

I intend to introduce shortly a concurrent resolution whereby Congress can focus the attention of the free world upon the violations of the Yalta Agreement committed by the Soviet Union. With the weight of Congress in back of such a resolution we can provide an effective way of puncturing the hypocrisy of Soviet propaganda.

Mr. Humphrey's "Blooper"

EXTENSION OF REMARKS
OF
HON. THOMAS B. CURTIS
OF MISSOURI
IN THE HOUSE OF REPRESENTATIVES
Wednesday, March 16, 1955

Mr. CURTIS of Missouri. Mr. Speaker, under leave to extend my remarks in the CONGRESSIONAL RECORD, I include an editorial which appeared in the St.

Louis Post-Dispatch, entitled "Mr. Humphrey's 'Blooper'," together with a communication which I addressed to the editors of the St. Louis Post-Dispatch on this editorial pointing out that it was an extreme case of quoting a public official out of context.

MR. HUMPHREY'S "BLOOPER"

Secretary of the Treasury Humphrey, we regret to note, appears to have contracted a case of the affliction that has bothered some other officeholders before him. It is a peculiar infirmity, for which the only known specific is a dose of realism mixed with humility.

Under the spell of this strange virus, the officeholder becomes obsessed with the idea that he cannot afford to admit having made a mistake.

Secretary Humphrey seemed to have been bitten by that bug when he testified before a House committee on what some Democrats have been unkind enough to call Humphrey's "billion-dollar 'blooper'." This is a freshly discovered loophole in the administration's 1954 tax law, under which corporations can reduce their tax liability substantially by taking double deductions for certain business expenses.

The Secretary admits that the loophole exists, and he favors amendment of the law to remove it. But, like other officeholders before him, he is going through strange contortions in an effort to disclaim responsibility for the error.

"You gentlemen passed the law, we didn't," Mr. Humphrey told the Congressmen. "If you made a mistake, I'm sorry."

That was a rather ungracious remark coming from a Cabinet member who has never been modest about hailing the administration's 1954 tax law as just about the greatest work of tax architecture in history. Mr. Humphrey's experts labored for months over that tax bill. They should have been aware of any billion-dollar "bloopers" that were in it.

The congressional committees have tax experts, too. These experts also should have detected the loophole which is now belatedly discovered. But their failure does not by any means excuse the Treasury's.

Mr. Humphrey would simplify everything if he would just frankly admit that his department can make mistakes and in this case did.

MARCH 15, 1955.

EDITORS, ST. LOUIS POST-DISPATCH,
St. Louis, Mo.

GENTLEMEN: Your editorial in Sunday, March 13, 1955, St. Louis Post-Dispatch, entitled "Mr. Humphrey's 'Blooper'," is an extreme case of quoting a public official out of context to make him appear to say the exact opposite of what he did say.

I was present and participated in the hearings of the Ways and Means Committee where Secretary Humphrey testified.

The full unrevised statement of the Secretary occurred in the following colloquy, page 18 of the unrevised transcript:

"Secretary HUMPHREY. Well, Mr. MILLS, I don't know what it is you are trying to drive at. You gentlemen passed the law. We did not.

"Mr. MILLS. That is the point I am driving at, Mr Secretary.

"Secretary HUMPHREY. If you made a bad error, I am just sorry. For our participation in it, I am sorry. I regret that it happened, and I am trying to correct it as quickly as possible. And I am not trying to pin it on you.

"Mr. MILLS. Mr. Secretary, my point is this, exactly the point you make. You attempt to lay the blame and the responsibility on this committee.

"Secretary HUMPHREY. No; I am not."

Prior to this point in the testimony, Secretary Humphrey had repeatedly stated that the Treasury Department had made a mistake and were partly responsible.

On page 11 of the uncorrected transcript, he stated:

"I think that it was a mistake. I think that it was a mistake that we made in the Treasury in the first instance in suggesting the matter. I think it was a mistake that you gentlemen and all of us participated in as we went along. It is one of those things that can happen, as I have said, when you are doing a job as big as this.

"We thought, and I am sure that you gentlemen thought, that all you were doing was a constructive job, as represented to us, to make the tax accounting and the business accounting coincide, which is a desirable thing if you just say it quickly."

On page 12, Secretary Humphrey further stated:

"So that is why I am here; because I think we made an error. I do not think we appreciated the results of what we said in the law. I don't think we appreciated the results of the advice that we gave you gentlemen. And I think that you gentlemen, on our advice and on your own hearings and on your own determinations, joined with us; and we just all made a mistake which ought to be corrected.

"Mr. MILLS. The error, if it was made at all, was made in the acceptance of the proposition by the Treasury and the suggestion by the Treasury that this provision be included in H. R. 8300.

"Secretary HUMPHREY. We will take our full share of responsibility for it. I think we are all involved."

It was only after Mr. MILLS of Arkansas kept trying to put the entire blame upon the Treasury Department that Mr. Humphrey made the remark you quoted out of context. The questioning and statement of Mr. MILLS were so extreme, and I thought, in error, in trying to take all blame away from the Ways and Means Committee that I entered the colloquy, page 38, to make this statement:

"Mr. CURTIS of Missouri. I mainly wanted to clear the record, because I want to disassociate myself from the views of Mr. MILLS, in particular his defense of the committee. I personally am willing, as a member, to assume the responsibility, as a member of this committee, for what we did in H. R. 8300, and I would hate to see the time come when we did not, as a committee, assume responsibility for our actions.

"It is very good to inquire as to why we did certain things, to find out the course, to see where an error was made. But I, personally, think in order to assume any credit for what we did in H. R. 8300, we likewise must assume a responsibility for the harm that we have done. And I am not yet willing to say that this committee is a creature of either the executive department or political caucuses, even though there are members of the committee who seem willing not only to say it but by their actions make it a reality."

On page 92 of the transcript occurs this final colloquy, in point:

"Secretary HUMPHREY. I don't think that anybody had any idea; and I think if we had studied this provision for another year, we would still have put it in without knowing what has happened to date. It took actual application to find out.

"The CHAIRMAN (Hon. JERE COOPER, of Tennessee). I understand that. And I think you very appropriately stated here that the Treasury and you assume your part of the responsibility for the mistake that was made.

"Secretary HUMPHREY. That is right."

On Saturday, March 12, 1955, you have an editorial headed: "Now you see it, now you don't". You complain bitterly about a public relations firm quoting one of your editorials on the Dixon-Yates controversy out of context in relation to the other editorials you have printed on the subject. You conclude the editorial with the sentence, "Sweet are the uses of public relations."

Gentlemen, I think your complaint of being quoted out of context was justified. I suggest that you fight the cause of quoting out of context whenever and wherever it occurs. Also you might occasionally print the arguments on the other side of the Dixon-Yates controversy. This one-sided reporting your paper has indulged in on the Dixon-Yates and other public issues is just as reprehensible as quoting out of context and just as damaging to honest public discussion.

Yours truly,

THOMAS B. CURTIS.

The Need for Improvement in the Social-Security System

EXTENSION OF REMARKS
OF

HON. VICTOR L. ANFUSO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 16, 1955

Mr. ANFUSO. Mr. Speaker, I am today introducing a bill to amend the Social Security Act in order to provide for greater economic security for our senior citizens over the age of 60 when they reach the evening of their life.

Because of the increasing number of older people in our population, there is a growing interest in the economic and social problems which have arisen as a result of this change in the makeup of this country's population. I believe we should give more serious thought to these problems so that we can deal more adequately with the growing number of elderly people and afford them the opportunity to spend their declining years in greater comfort and fewer economic worries.

In the last few years there have been some changes in the structure of our social-security system, which has been expanded to include greater numbers of our citizens, and the benefits have been somewhat liberalized. It is my conviction, however, that we have not gone far enough. There are still some serious deficiencies which should be corrected. In many instances the benefits are far from adequate and provide only a minor part of the needed security. In other instances the age limitation is too rigid, so that many people who are in dire need of this security cannot obtain it.

My bill aims to correct some of these deficiencies by improving and increasing the social-security benefits and by decreasing the age limit so that more people would be entitled to these benefits at a time when they are most urgently in need of this assistance.

The bill which I am introducing seeks to amend title II of the Social Security Act in four major respects, namely, to increase the minimum benefits, to increase the amount of outside earnings, to reduce the retirement age at which such benefits become payable, and to extend coverage to include self-employed

professionals. Let us examine these four amendments more closely.

First. Increase in minimum benefits: The minimum monthly benefits payable under the social-security system at the present is $30. This is a most inadequate sum for an elderly person to be able to subsist on for an entire month at the current cost of living rate, especially where these people are no longer physically able to earn the limited outside income permissible under the law. Talk to any of our older citizens receiving this minimum and you will find that they are quite bitter and resentful over it. They feel that they are the forgotten people.

Consequently, I am proposing to raise the minimum monthly payments to $40, which averages at about $1.30 per day over the month—not a very large sum to cover even the most elementary needs. Nevertheless, I am certain that this small increase will be greatly appreciated by many elderly people throughout the country.

Second. Increase in the amount of outside earnings: Under our present law, those entitled to receive social-security payments are allowed to earn up to $100 per month without deduction or loss of such benefits. There are still many among our older citizens who are able to work and they desire to do so in order to maintain a greater degree of economic independence and to keep themselves productively occupied. They can still render good services for their community and for the country as a whole, and we need not deprive them of this opportunity prematurely.

Therefore, I urge that the so-called work clause in the Social Security Act be amended to allow these people to supplement their income through part-time work whereby they can earn up to $125 per month or a total of $1,500 per year, instead of $1,200 per year as at present.

Third. Lowering of retirement age: I consider this as the most important amendment proposed in my bill. A lowering in the eligibility age for entitlement to retirement benefits under social security is long overdue. Somehow, in the changes and improvements made in the law in recent years, this badly needed change was overlooked. Today, the age limit for eligibility to social-security benefits still remains at 65, and this age has become a yardstick of retirement. This causes a great hardship on many persons between the ages of 60 and 65 who are suffering from ill health and are no longer able to work and earn a livelihood.

It is particularly causing a great hardship for widows in this age group, who must wait until they reach the age of 65 before they can qualify for survivor's insurance. At the age of 60 or more women have almost no chances of obtaining any kind of employment. In most instances they have no income on which they could fall back, and unless they have children to aid them they must turn to public relief in order to maintain themselves. I believe they should be taken off the relief rolls and provided for in a dignified manner the same as other elderly people.

It is estimated that there are some 6 million people, men and women, between the ages of 60 and 65. Fortunately, the overwhelming majority of these people still work and prefer to continue to work. But the few hundred thousand among them who have become ill and disabled cannot receive any benefits until they reach 65 and they face the alternatives of either becoming public charges or starving. Surely, this is no way to treat our senior citizens who have a right to expect at least a minimum of economic security from their country at a time when they can no longer be productive.

I am suggesting in my bill to lower the retirement age for entitlement to social-security benefits from 65 to 60 years. I am familiar with the argument that this will cost us a large sum of money, but at this time I do not wish to go into a full discussion on this point. Suffice it to say, that the same arguments were made when social security was first enacted and they are being made each time an amendment liberalizing the system comes before the Congress. Yet, our social-security fund is growing from year to year. If it is a question of a choice between saving a few hundred million dollars annually or providing economic security to people between 60 and 65 who are dependent on such aid for their daily sustenance, I shall gladly choose the latter. Furthermore, this money will be used by the beneficiaries for food, clothing, rent, and other necessities of life and it will thus go right back into our economy.

Fourth. Extension of coverage: The fourth and last amendment of my bill calls for the extension of coverage to certain professional groups which are not now included in our social-security system. I refer specifically to self-employed lawyers, doctors, dentists, osteopaths, veterinarians, and optometrists. They should be afforded proper coverage under the law the same as other self-employed persons. There is no reason why these people should be discriminated against in enjoying the same degree of economic security as other American citizens.

Mr. Speaker, we must begin to look upon the problem of our aging population in a more realistic and more humane way. To ignore this problem as if it did not exist means that we are committing a grave injustice to millions of our elderly citizens, who deserve better treatment. By enacting the changes proposed in my bill, we shall take a decided step forward toward providing greater economic security for the American people. The provisions suggested in this bill will help to remove some of the more glaring deficiencies of the social-security system.

These amendments are neither unreasonable nor impracticable. It is a sincere effort to improve our social-security system in such a way that existing discriminations are eliminated and the greatest number of our people would be able to look forward in their old age to receiving adequate economic protection. They have earned this protection and they deserve to receive it when they most need it.

Secretary Benson Urged To Move Surplus Cotton Into Export Channels

EXTENSION OF REMARKS
OF
HON. FRANK E. SMITH
OF MISSISSIPPI
IN THE HOUSE OF REPRESENTATIVES
Wednesday, March 16, 1955

Mr. SMITH of Mississippi. Mr. Speaker, cotton farmers of the country facing a severe hardship of limited production are concerned about the lack of a concerted program to reduce the present cotton surplus.

At a time like this emergency action is needed in the overall interest of our economy.

As an expression of the views of many members of the House of Representatives from throughout the United States, a letter requesting early action has been submitted to Secretary of Agriculture Benson, signed by 129 Members of the House of Representatives. A similar letter was signed by 54 Senators.

Under unanimous consent, I include a copy of the letter:

HOUSE OF REPRESENTATIVES, U. S.,
COMMITTEE ON AGRICULTURE,
Washington, D. C., March 17, 1955.

Hon. EZRA TAFT BENSON,
Secretary, Department of Agriculture,
Washington, D. C.

DEAR MR. SECRETARY: We urge that you use existing authority under the Commodity Credit Corporation charter and other legislation to move accumulated stocks of cotton primarily into export channels.

This cotton could be sold with a minimum of disruption here at home and in world markets if a judicious job of merchandising is conducted.

As you know, other authorizations provide opportunities to barter such excess stock for supplemental reserves of strategic materials. We need these materials more than we need the cotton.

There is a need also for us to regain our fair share of the world market.

We share your concern for the fact that present cotton-acreage levels are about to ruin the economies in many of the cotton States. As you know, the income on cotton farms is far below the farm income averages in many other areas. Relief is greatly needed from the standpoint of our entire economy.

We jointly ask your personal attention to the situation which is of such consequence in cotton growing and manufacturing States.

Sincerely,

HAROLD D. COOLEY, JOHN W. MCCORMACK, JOHN L. MCMILLAN, THOMAS G. ABERNETHY, E. C. GATHINGS, PAUL JONES, JOHN BELL WILLIAMS, JAMIE L. WHITTEN, WILBUR D. MILLS, ALBERT RAINS, A. S. HERLONG, JR., CARL T. DURHAM, NOBLE J. GREGORY, CLIFFORD DAVIS, HENDERSON LANHAM, ROSS BASS, JOHN J. FLYNT, JR., CARL VINSON, PHIL M. LANDRUM, CARL ELLIOTT, HERBERT C. BONNER, J. PERCY PRIEST, ED EDMUNDSON, W. F. NORRELL, JOE L. EVINS, GEORGE W. ANDREWS III, OMAR BURLESON, W. R. HULL, JR., LEE METCALF, GRACIE PFOST, ARMISTEAD I. SELDEN, JR., MARTIN DIES, ROBERT T. ASHMORE, FRED MARSHALL, MELVIN PRICE, CLIFFORD R. HOPE, B. F. SISK, TOM STEED, GEORGE S. LONG, JOHN J. DEMPSEY, FRANK W. BOYKIN, OTTO E. PASSMAN, DON MAGNUSON, ROBERT C. BYRD, CLEVELAND M. BAILEY, ROY W. WIER,

JAMES B. BOWLER, EDWIN E. WILLIS, JOHN JARMAN, JAMES P. RICHARDS, W. R. POAGE, JAMES POLK, JOHN C. WATTS, CARL ALBERT, HARLAN HAGEN, CLARK W. THOMPSON, FRANK E. SMITH, WILLIAM M. COLMER, JERE COOPER, GEORGE M. GRANT, O. C. FISHER, D. R. MATTHEWS, ARTHUR WINSTEAD, OREN HARRIS, OLIN E. TEAGUE, JAMES W. TRIMBLE, JAMES B. FRAZIER, JR., PORTER HARDY, HOMER THORNBERRY, ROBERT E. JONES, J. L. PILCHER, E. L. FORRESTER, WRIGHT PATMAN, PAUL BROWN, WALTER ROGERS, GRAHAM A. BARDEN, BRADY GENTRY, WILLIAM H. NATCHER, KENNETH A. ROBERTS, JAMES A. HALEY, JOHN DOWDY, LESTER JOHNSON, JIM WRIGHT, J. VAUGHAN GARY, FRANK IKARD, OVERTON BROOKS, JOE M. KILGORE, EDWARD J. ROBESON, JR., GEORGE HUDDLESTON, JR., WATKINS M. ABBITT, PRINCE H. PRESTON, JR., CHARLES B. DEANE, PAT JENNINGS, JAMES ROOSEVELT, CHET HOLIFIELD, JOHN J. ROONEY, JAMES H. MORRISON, H. R. GROSS, BROOKS HAYS, F. ERTEL CARLYLE, STEWART UDALL, WAYNE N. ASPINALL, PAUL G. ROGERS, JOHN A. BLATNIK, JOHN E. MOSS, JR., SAMUEL N. FRIEDEL, BYRON G. ROGERS, ABRAHAM J. MULTER, COYA KNUTSON, PAGE BELCHER, VICTOR L. ANFUSO, A. S. J. CARNAHAN, CHARLES E. BENNETT, T. JAMES TUMULTY, JOHN M. PHILLIPS, T. P. O'NEILL, JR., HAROLD O. LOVRE, EDWARD P. BOLAND, MYRON V. GEORGE, THADDEUS M. MACHROWICZ, WILLIAM S. HILL, H. CARL ANDERSEN, BEN F. JENSEN, CLAIR ENGLE, T. A. THOMPSON, F. EDWARD HÉBERT, J. T. RUTHERFORD, VICTOR WICKERSHAM, TOM MURRAY.

Postmaster General Speeds Clean-Up-the-Mails Campaign

EXTENSION OF REMARKS
OF
HON. ELFORD A. CEDERBERG
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES
Wednesday, March 16, 1955

Mr. CEDERBERG. Mr. Speaker, I am sure decent citizens of our country will applaud the efforts of the Post Office Department, under Postmaster General Arthur E. Summerfield, to eliminate the obscene and indecent trash that has been finding its way into postal channels in increasing amounts recently. As the result of this drive the money-hungry purveyors of pornographic publications are going to have greater difficulty getting their lewd materials into the hands of their customers.

While the Post Office Department is without authority to prosecute the mailers of this material, it does have authority to refuse to carry it through the mail. That it is doing as rapidly as the source of the material is learned.

Postmaster General Summerfield recently made a very fine statement on this clean-up-the-mails drive, pointing out it does not involve an abridgement of freedom of speech or press nor sets up a censorship of works of art. This is a sincere effort to keep this unwanted pornographic material from being offered through the mail for delivery into American homes.

The statement of Postmaster General Summerfield follows:

CLEAN-UP-THE-MAILS CAMPAIGN

A growing volume of unwanted lewd and obscene matter is being sent through the mails into American homes, and the Post Office Department is intensifying its clean-up-the-mails efforts to stop this offense against common decency.

Risque snapshots, pornographic magazines and books, and lascivious slides, party films, and records are being widely offered for sale as shown by a 73-percent increase in the last 6 months in cases dealing with indecent materials sent through the mails.

This is a serious and nationwide problem of public morality which affects all our citizens. In our common interest this misuse and prostitution of the mails should be stopped by a sensible preventative program of the Post Office Department, acting for the people as directed by the law enacted by Congress.

We know from experience that any enlightened effort of this kind—no matter how intelligently administered—is occasionally open to attack and ridicule which is frequently deliberately inspired by those who make money from the sale of lewd materials. Sometimes we are criticized because our purposes are not fully understood by the very people we are seeking to protect from pornographic material.

CENSORSHIP NOT INVOLVED

In other instances our efforts to keep the mails clean produce an almost inevitable cry of censorship by certain groups who confuse license with liberty. Their viewpoint, while sincere, seems to suggest an abysmal ignorance of the nature of the problem and the threat it imposes to the moral fiber of the Nation.

We are not concerned with bureaucratic snooping. No issues of abridgments of the freedom of speech or of the press are involved.

We are not arbitrary censors of literary efforts nor of works of art, either ancient or modern.

What we are vitally concerned about is the great mass of unwanted pornographic material being offered for delivery through the mails into the homes of American citizens.

MENACE TO MORAL OF YOUTH

We know the great majority of adult Americans want this obscene material—which they have not asked for—kept out of their homes and away from their children, whether it is generated at home or mailed into this country from abroad. This vile stream of commercialized obscenity persists because there is money in it and we must be alert lest the greed of the individuals and sham publishing concerns who sell it damage the moral standards of our young people.

Many criminal, educational, and religious authorities see a definite connection between this disgraceful upsurge in obscenity and the startling growth of juvenile delinquency in the Nation.

Other experts believe this increase in lewd and lascivious material is reflected in the sickening growth of criminal assaults on girls and women.

While the Post Office Department has no authority to prosecute mailers who offend against common decency, we are required, by law, to refuse to carry obscene material through the mails.

Fortunately the power to exclude pornographic material from the mails is a highly effective preventive measure in that it usually shuts down the most practical and economical distribution method available.

The criterion used in ruling on mailability is the ordinary standard of common decency of average representative citizens. Let me quote a recent ruling on obscene books which illustrates the reasoning used:

"The word 'obscene' is not uncommon and is used in English and American speech and writings as the symbol of indecent, smutty, lewd, or salacious reference to the parts of the human or animal body, or to their functions, or to the excrement therefrom.

"It is, of course, true that the ears of some may be so accustomed to words which are ordinarily regarded as obscene that they take no offense at them, but the law is not tempered to the hardened minority of society.

"The statue forbidding the importation of obscene books is not designed to fit the concept of morality throughout the world, nor for all time past and all the future, but it is designed to fit the normal American concept in the age in which we live.

"It is no legitimate argument that because there are social groups composed of moral delinquents in this or other countries that their language shall be received as legal tender along with the speech of the great masses who trade ideas and information in the honest money of decency."

OUR CITIZENS CAN HELP

Citizens who wish to help the Post Office Department in its clean-up-the-mails campaign can do so by delivering, to their local postmaster, any material received through the mails which they consider obscene. Postmasters throughout the country are being instructed to forward such material here to Washington to the Office of the Solicitor, the chief legal officer of the Post Office Department, for proper action.

Delays in Reaching the Goals of Justice

EXTENSION OF REMARKS
OF
HON. BARRATT O'HARA
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES
Wednesday, March 16, 1955

Mr. O'HARA of Illinois. Mr. Speaker, from lawyers in Chicago I have been receiving enthusiastic comments on the address to the Chicago chapter of the Federal Bar Association of the Honorable Bolitha J. Laws, chief judge of the United States district court for the District of Columbia.

The Chicago chapter of the Federal Bar Association prides itself on the quality of the speakers at its gatherings. It is interesting to recall in this connection that the first public address in Chicago of former President Harry Truman was made at an annual banquet of the Chicago chapter of the Federal Bar Association, my son and namesake at that time being the president of the chapter, and the present Associate Justice of the Supreme Court, the Honorable Thomas Clark, the national president of the Federal Bar Association.

Former President Truman was the Senator from the State of Missouri, the chairman of a committee that had aroused wide public interest. The Honorable Edward J. Kelly then was mayor of Chicago. The visit of Senator Truman to Chicago to make his first public address in that city as the guest speaker of the Chicago chapter of the Federal Bar Association brought Senator Truman and Mayor Kelly again into association. This circumstance may have

been a contributing factor to historic events quickly to follow. In any event, Mayor Kelly not long afterward was a a vital factor in swinging the vice presidential nomination to Mr. Truman. That nomination eventually led to the Presidency and the brilliant era of Truman's administration of the high office of the Chief Executive. It was President Truman who placed Associate Justice Clark first in the office of the Attorney General of the United States and then on the Supreme Court.

The theme of Judge Laws' address was a trend which he thinks presents a serious threat not only to the cause of justice but to the very existence of the courts themselves. This is the trend to long-drawn-out trials both in courts of law and before administrative agencies and tribunals. He directed attention to a few typical cases:

First. Within the past 5 years a suit in the Boston United States court included 4,600 exhibits one of them containing over 1,000 pages. Objections were filed on 2,000 of the exhibits and the hearings then took months, lengthening the trial case to well over a year.

Second. The New York Medina case took more than 2 years and although Judge Laws forgot the number of exhibits he recalled $1 million was spent to transcribe the records alone.

Third. In the District of Columbia a case required approximately 3½ months to hear a motion to dismiss. There were 976 exhibits and 3 judges studied the motion for over a year. The Supreme Court reversed the decision.

Fourth. A case in the District of Columbia in which Judge Laws had a part contained thousands of exhibits in the preliminary stages. Judge Laws understands that the exhibits at the trial may reach between five and ten thousand and the lawyers estimate the actual trial will last from 10 months to a year.

Fifth. In the district court for the District of Columbia if all long cases now on the calendar were tried promptly it would occupy no less than full time for four judges for a year.

Sixth. In studying the calendar in Chicago several months ago a judge told Judge Laws that there were approximately 85 lengthy trials scheduled most of which were antitrust. If all of these were tried it would take the time of 6 judges for 47 months to try them.

Some criminal trials cited:

First. The Bridges case took over 82 trial days and ultimately over 4 months.

Second. Communist cases—Foster, et al.—took 35 trial days, over 2 months, and time used in selecting jury requiring 105 trial days—over 5 months.

Third. A sedition case in the District of Columbia took over 108 days for trial—6½ months—and then the judge died. The prosecution case was not closed.

Fourth. The Judith Coplon case in the District of Columbia was estimated to take a week but took 48 days—2½ months. The New York trial took 50 days for motions, 30 days for trial, a total of over 4 months.

It is a waste of time, expense, and effort. Judge Laws said—

Many times as I have gone through tedious trials I have thought of the words of the great Teacher: "Use not vain repetitions, as the heathen do; for they think they will be heard for their much speaking." I think of the Lord's Prayer, a petition of man to his Creator for guidance; a prayer of 66 words. I also think of our amazing Constitution, with its amendments. This instrument has withstood assaults of more than 160 years of crises, through war and peace, prosperity and depression. This mighty document, simple, concise, definite, with reading time of 18 brief minutes.

We of the law today must combine to find a way to the goal of justice that is shorter, less expensive, and simpler.

Oil for the Lamps of China

EXTENSION OF REMARKS
OF
HON. CHARLES S. GUBSER
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, March 16, 1955

Mr. GUBSER. Mr. Speaker, in connection with the current approach of a Finnish tanker into the southeast Asia area with a consignment of kerosene for Communist China, I have received inquiries why the United States is, in effect, attempting to "keep oil from the lamps of China," and whether this Government is prepared to go to war "in an attempt to stop the natural industrial development of a nation of 600 million people." Under leave to extend my remarks in the RECORD, I herewith enter my reply.

The rulers of Communist China have publicly announced their intention of extending their regime to the island of Formosa. They have stated that they would invade that island, and they have massed armed forces along the coasts facing this island. Formosa, however, is an important anchor point of our own Pacific defense perimeter, and military leaders as well as political leaders of both parties are in agreement that an attempt upon Formosa constitutes an attack upon the security of the United States.

Now, kerosene may once have been innocuous oil for the lamps of China. Today, kerosene is fuel for jet propelled aircraft. This Government certainly is not prepared to go to war "in an attempt to stop the natural industrial development of a nation of 600 million people," but I believe we are prepared to defend ourselves against further Communist aggression. And furthermore, I believe that this very preparedness may be the biggest deterrent factor for any such aggression to actually happen.

We have contained Russian expansion in Europe by drawing definite lines, and by backing these lines with arms and men. The lines have remained inviolate. In many Asiatic areas, we have been only too vague in defining the points beyond which we would consider ourselves attacked. Then, on January 24, 1955, President Eisenhower sent his message on Formosa and the Pescadores to the Congress, and in subsequent action—and in a fine show of bipartisan unity—the Congress drew a line in that area.

I thoroughly agree that it is better to use every means possible to settle differences through peaceful negotiations, and to avoid interference in the internal affairs of other countries. I believe we are doing both. We are peaceful people who do not fight unless attacked. We are carrying the principal burden for maintenance and upkeep of the United Nations because we believe that this organization furnishes the platform on which peace can be served in multilateral negotiation and international supervision. We have offered to share our knowledge of the atom with others for peaceful endeavor. We have submitted plans for the outlawing of atomic weapons and a system of international inspection. We are always willing to negotiate if the cause of honorable peace can be served.

In the case of Formosa, we are confronted not with a difference of opinion, but with the announced intention to make war upon a bastion in our own defenses. We have clearly and calmly announced our intention to counter any such attack if it is made. We are all for the oil that can soothe the troubled international waters. The oil that sends jet planes screaming against our own lines must, of necessity, receive different consideration.

National Sunday School Week

EXTENSION OF REMARKS
OF
HON. WALTER H. JUDD
OF MINNESOTA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, March 16, 1955

Mr. JUDD. Mr. Speaker, may I call attention to the fact that the week of April 11 through 17 is one that is to be observed as National Sunday School Week—a special week dedicated to the youth of America, no matter what their creed. For the past 11 years this worthy cause has been promoted throughout the United States under the auspices of the Layman's National Committee, Inc., an organization made up of men and women from business and industry who have pledged themselves to the common cause of furthering religion in our everyday life. However much they may differ on other matters, they unite in supporting religion that reduces itself in action to the principle of the Golden Rule, which is the foundation of the best in our American life. And so very strongly does this committee feel about the continuance of our American way of life that its members are constantly devoting untiring efforts to the proper dissemination of information regarding the fundamental principles on which our Nation was first established. They must be understood and preserved

and strengthened if our country is to be preserved and strengthened.

This year the Laymen's National Committee has chosen as its theme for Sunday School Week "Sunday Schools Are the Root-Strength of Our Nation's Youth."

Permanent Peace in the Middle East

EXTENSION OF REMARKS
OF
HON. JAMES ROOSEVELT
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 16, 1955

Mr. ROOSEVELT. Mr. Speaker, over a period of the last month I have had a most interesting and informative exchange of correspondence with the Department of State. The matters of principle which are involved and their effects on the possibilities for the development of permanent peace in the Middle East are of such importance that I believe my colleagues will be glad to give it their attention. I am, therefore, inserting under unanimous consent three items—first, my letter to the Secretary of State; second, the reply from the Honorable Thruston B. Morton, Assistant Secretary of State; third, my reply to him. In order to bring them within the limitations of material allowed in the RECORD, I have divided them into two separate insertions—i. e., first, the letter to the Secretary of State; and, second, Mr. Morton's answer and my reply.

FEBRUARY 4, 1955.

The honorable the SECRETARY OF STATE,
Washington, D. C.

MY DEAR MR. SECRETARY: May I venture to write to you in connection with recent developments in the Middle East.

Like many of my colleagues, I am particularly interested in the attainment of a peaceful settlement in that troubled region. Like most Americans, I was very proud that our country was able to play an important part in the establishment and the growth of the State of Israel. It is one of the significant achievements of the last decade. I am fully aware of your deep interest in the difficult problems in this area, and I am familiar not only with your own personal contribution in the establishment of Israel but also with your efforts to strengthen the entire region.

The issue which dictates this letter is the news that we have now sent military equipment to Iraq. I had been pleased to hear several weeks ago that the administration was evaluating its whole policy in the Near East. I had been looking forward, therefore, to the measures which the administration planned to take to reassure both Israel and the Arabs against any renewal of hostilities. Accordingly, it had been my hope that, pending some revision in the attitude of the Arab situation or the development of some positive program to promote an Arab-Israel reconciliation, we would have refrained from sending arms to the Arab countries.

I am sure that it is not necessary for me to review all the arguments against the supply of arms to the Arab countries. But I am firmly convinced that this policy will neither strengthen our defenses in the area nor will it win us new friends. On the contrary, I have felt that the program will weaken our defenses because it will make peace more difficult to attain; it will certainly tend to weaken the one country that is firmly alined with the West; it will raise false hopes among Arab leaders; and, in the end, it will earn us more enemies than friends.

If we give arms without requiring that there is substantial progress toward a real and lasting peace between Iraq and Israel as a condition of our support, we would be failing to utilize one of the few remaining instruments for peace at our disposal. Moreover, if we pour arms into the Arab countries, we shall whet unhealthy appetites. No matter how much we give, we shall reap a harvest of disappointment. In this connection, I call your attention to the interesting dispatch from Baghdad which appeared in the New York Times on January 14. I quote:

"Considerable disappointment was expressed here when the first United States shipment, said to have been composed exclusively of vehicles and engineer equipment, arrived as Basra December 19. Opposition deputies in Parliament wanted to know why heavy weapons had not been delivered and they charged that the United States program had been cut to $25 million a year.

"The Government replied that United States material would be initially devoted to increasing the mobility and improving the communications of Iraq's forces. Negotiations on larger items are now in progress, it was said."

This suggests that our experience may not be dissimilar from that of the British who learned to their bitter disappointment that the gift of their assistance and weapons did not necessarily win them friendship.

I do not imply that our policy indicates any lack of friendship or good will for Israel. But the course we pursue may have the appearance of coolness toward Israel and may be interpreted in the Arab world in a manner opposed to the best interest of peace and cooperation. Under the circumstances, it is my hope that the administration will soon come forward with a clear program which will, without question, clarify that their goal in the Middle East is the friendship and reconciliation of all the peoples there. To attain that goal, it seems to me to be imperative that we suspend further arms shipments until the Arab States have agreed to the machinery of negotiation with Israel and to call off their present boycotts and blockades. Unhappily, I see no indication of this today. Indeed, the Egyptian reaction to our criticism of the Suez blockade indicates that Egypt remains firm in its hostility toward Israel and has little or no inclination toward a program of peace. (I hasten to add that it was most gratifying to see that our United Nations delegation spoke so definitely on this issue during the recent discussion at the United Nations Security Council.)

I am keenly aware of the strategic importance of Iraq, of their inclination to be friendly with the other objectives of the United States and of the necessity of our development of this friendship. I hope that we are not compelled to go forward with further arms shipments to Iraq, but if we are for some unknown reason to me, I would like to see an expression from the administration to the effect that Israel is being included in our regional defense planning. It is difficult to see how we can justify the exclusion of the Israel fighting forces from our program.

Above all else, however, it seems to me that the time has come for some assurances that none of the arms shipped to any country in the Near East will be used in acts of aggression against any other country with which we have relations, and most certainly we need the assurance that these arms will never be used except for a strictly defensive purpose. To this date I have seen nothing from Baghdad which expressly assures the Western World that our arms will not be used against Israel. On the other hand, I have seen belligerent statements from Premier Faris el Khoury of Syria summoning the Arabs to accept our arms for use against Israel. The alarm thus caused is, therefore, substantial and real.

The kind of guaranties which could be meaningful or feasible under these circumstances can best, of course, come from the studies of the State Department made on this problem. If, however, a positive program and statement could be made that any aggressive military action by any country of the Near East to whom we have given military or economic aid and assistance would immediately justify our active intervention to prevent its spread, it would, I believe, receive widespread congressional and nationwide support. I am certain that many of my colleagues, as well as our constituents, share our deep apprehensions on this issue.

I would appreciate hearing from you.

With assurance of my high respect and desire to be of constructive assistance, I am,

Very sincerely,

JAMES ROOSEVELT.

Permanent Peace in the Middle East

EXTENSION OF REMARKS
OF
HON. JAMES ROOSEVELT
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 16, 1955

Mr. ROOSEVELT. Mr. Speaker, previously I included in the RECORD my letter to the Secretary of State on the subject of permanent peace in the Middle East. I now submit the reply received from the Honorable Thruston B. Morton, Assistant Secretary of State, and my comments on his interesting information. As I stated, in view of the imminent consideration by the Congress of appropriations covering the foreign operations field, I hope that my colleagues will find time to give this matter their consideration.

DEPARTMENT OF STATE,
Washington, February 10, 1955.

The Honorable JAMES ROOSEVELT,
House of Representatives.

DEAR MR. ROOSEVELT: Thank you for your letter of February 4, 1955, expressing your views concerning military assistance to Iraq and the other Arab countries. We appreciate your conveying to us your thoughts on this matter.

There is enclosed a statement recently prepared by the Department of State giving United States policy on the question of military assistance to countries of the Middle East and measures taken to ensure that this military assistance will not be used for aggressive purposes.

Sincerely yours,

THRUSTON B. MORTON,
Assistant Secretary
(For the Secretary of State).

UNITED STATES POLICY WITH REGARD TO MILITARY AID TO THE NEAR EAST

The policy of the United States in supplying arms to the Near East is guided by the

principles set forth in the tripartite declaration of May 25, 1950, issued by the United States, the United Kingdom, and France. This declaration recognized that both the Arab states and Israel needed to maintain a certain level of armed forces for the purpose of assuring internal security and self-defense, and at the same time emphasized that an arms race between the Arab states and Israel should not be permitted to develop. It further made clear the intention of these powers to prevent aggression among those states.

These considerations have been reflected in the decisions of this Government with regard to (1) issuing licenses for the export of arms purchased by the Near East governments on the commercial market and (2) making it possible for Near East governments to purchase and export certain arms not available on commercial market, under the terms of section 408 (e) of the Mutual Defense Assistance Act of 1949, as amended. The United States Government has maintained a position of impartiality with regard to both these types of arms exports, discriminating against neither the Arab states nor Israel.

Sales of arms to the Near East and Middle East under these policies have been limited, and the area remains relatively defenseless against possible outside aggression. This has been a matter of growing concern to the United States Government. The 1st session of the 83d Congress in 1953 authorized, in section 202 (b) of the mutual security legislation for 1954, and appropriated funds for United States military assistance to certain of the countries of this area where the President considers such assistance will serve the purposes of the act.

On February 25, 1954, the President announced the first action taken under this authority—the decision to extend military aid to Pakistan. In the President's statement announcing this decision, there were included the following passages:

"This Government has been gravely concerned over the weakness of defensive capabilities in the Middle East. It was for the purposes of helping to increase the defense potential in this area that Congress in its last session appropriated funds to be used to assist those nations in the area which desired such assistance, which would pledge their willingness to promote international peace and security within the framework of the United Nations, and which would take effective collective measures to prevent and remove threats to peace.

"Let me make it clear that we shall be guided by the stated purposes and requirements of the mutual security legislation. These include specifically the provision that equipment, materials, or services provided will be used solely to maintain the recipient country's internal security and for its legitimate self-defense, or to permit it to participate in the defense of the area of which it is a part. Any recipient country also must undertake that it will not engage in any act of aggression against any other nation. These undertakings afford adequate assurance to all nations, regardless of their political orientation and whatever their international policies may be, that the arms the United States provides for the defense of the free world will in no way threaten their own security. I can say that if our aid to any country, including Pakistan, is misused, and directed against another in aggression I will undertake immediately, in accordance with my costitutional authority, appropriate action both within and without the U. N. to thwart such aggression. I would also consult with the Congress on further steps.

"The United States earnestly desires that there be increased stability and strength in the Middle East, as it has desired this same thing in other parts of the free world. It believes that the aspirations of the peoples in this area for maintaining and developing their way of life and for realizing the social advances close to their hearts will be best served by strength to deter aggression and to reduce the fear of aggression. The United States is prepared to help in this endeavor, if its help is wanted.

"PRESIDENT EISENHOWER."

President Eisenhower further states in his address on October 20, 1954, at the American Jewish tercentenary dinner, that—

"In the Near East, we are all regretfully aware that the major differences between Israel and the Arab States remain unresolved. Our goal there, as elsewhere, is a just peace. By friendship toward both, we shall continue to contribute to peaceful relations among these peoples. And in helping to strengthen the security of the entire Near East, we shall make sure that any arms we provide are devoted to that purpose, not to creating local imbalances which could be used for intimidation of or aggression against any neighboring nations. In every such arrangement we make with any nation, there is ample assurance that this distortion of purpose cannot occur."

On April 21, 1954, an agreement was made for Iraq to receive United States military assistance, such assistance having been requested in March 1953 for the purpose of strengthening Iraqui forces for the defense of the country against possible aggression. In requesting this help, the Iraqi Government linked its national defense with the defense of the vital resources of the free world against the danger of Communist expansion. Included in the agreement is a provision that "assistance will be provided subject to the provisions of applicable legislative authority and will be related in character, timing and amount to international developments in the area."

Evidence of Iraq's determination to deal effectively wtih domestic Communist activities may be found in recent severe measures taken by the Government against membership in the Communist Party and Communist activities. In addition to these measures, the Government is attempting to lessen the appeal of communism by raising the general living standards through land reform and other measures and through an economic development program for which 70 percent of the country's considerable oil revenues are earmarked.

The announcement on January 13, 1955, of the intention of Iraq and Turkey to conclude a mutual defense treaty further demonstrates Iraq's clear realization of the danger which threatens the area and her desire to cooperate with others in meeting that danger. (Public Services Division, Department of State, Washington, D. C., January 18, 1955.)

MARCH 18, 1955.

HON. THRUSTON B. MORTON,
Assistant Secretary of State,
Department of State,
Washington, D. C.

DEAR MR. SECRETARY: I have carefully gone over the statement of United States Policy with Regard to Military Aid to the Near East, dated January 18, 1955, which you were kind enough to send me in response to the letter which I sent to Secretary of State Dulles.

In my letter I expressed concern over our current programs to furnish military assistance to Iraq and other Arab countries in advance of an Arab-Israel peace. I do not believe that your answer adequately responds to my inquiry or allays my concern in this serious matter.

Your statement declares that United States policy in supplying arms to the Near East is guided by the principles set forth in the tripartite declaration of May 25, 1950. This Declaration, you point out, recognized that both the Arab States and Israel needed to maintain a certain level of armed forces for the purposes of internal security and self-defense and at the same time emphasized that an arms race between the Arab states and Israel should not be permitted to develop. You go on to say that with regard to the issuing of licenses for the export of arms and the purchase and export of arms not available on the commercial market, the United States has "maintained a position of impartiality, discriminating against neither the Arab states nor Israel."

Having thus declared our Government's desire to be impartial and to prevent an arms race, you then proceed to state that arms are being furnished to Iraq but you offer no explanation of the fact that no arms are going to Israel although it is my understanding that Israel requested our arms back in 1952. This is not impartiality—this is clear discrimination.

Furthermore, it is clear that if we are to press our arms upon Iraq and other Arab states and deny them to Israel, we are inevitably provoking a disastrous arms race, which will put a tremendous burden on all the people of the area and which may lead to a renewal of the fighting. Accordingly, it seems plain that our current program does not follow the 1950 tripartite declaration. It flouts it.

You quote a statement of the President to the effect that "in helping to strengthen the security of the entire Near East, we shall make sure that any arms we provide are devoted to that purpose, not to creating local imbalances which could be used for intimidation of or aggression against any neighboring nations."

The President may have the finest of intentions ir approving the shipment of arms to these countries, but how can he guarantee the intentions of the recipients?

He goes on to state, "In every such arrangement we make with any nation, there is ample assurance that this distortion of purpose cannot occur." But as I read that portion of the Iraq-United States agreement which you have provided me with and which is relevant to this subject matter, I see no express undertaking by the Government of Iraq not to use our arms for a renewal of aggression against Israel. The language that is used in this agreement is extremely vague—pointedly so. So vague, in fact, that the Baghdad radio hailed the agreement as unconditional. It would therefore seem that the Arab States do not interpret this agreement as you do.

It seems evident that we do not have sufficient influence with the Arab countries to persuade them to agree, as a condition for the receipt of our arms, that they will renounce their aggressive intentions against Israel. If our influence is of such little consequence, would we really be able to halt an outbreak of fighting should it occur?

Nothing you have submitted to me diminishes my fear that we are taking the most reckless gamble with Middle East peace if we continue to pursue these unstable Arab governments, press our favors upon them whether they wish them or not, shower them with lethal weapons whether they can use them or not; secure their signatures on pacts whether they mean them or not; and all without taking the first and necessary step for an effective program for Middle East development and defense, the promotion of peace negotiations between the Arab States and Israel.

It may be that the time is still unpropitious to bring Israel and the Arab States together into direct negotiations looking toward a peace settlement. But if this is still

true 7 years after Israel was established; if the Arab States still refuse even to recognize her existence, how can we possibly ignore the efficient threats which emanate from Arab leaders? How can we risk giving them the weapons to translate their declarations into deeds?

All of us agree that we must strengthen the Middle East so that it can resist Communist aggression. But I cannot see how we strengthen this area if we arm one side and ignore the other; if we create a military imbalance; if we refuse to recognize threats at their face value; if we continue to condone boycotts and blockades and a flagrant rejection of obligations under the United Nations Charter.

We will not strengthen an area if, as a result of our policy, we keep it in tension and turmoil. As to so many other areas of the world, the need is for bold and positive leadership with an emphasis on peace. First we need a firm declaration of fundamental principles. Next we need action to implement them. When will our Government make clear to the whole Middle East that never will we let Israel suffer from armed aggression, when will it make clear that every treaty, pact, or agreement made in the area to which we are party or to which we have given our approval must include all the nations on an equal footing? When will we openly seek similar action from our allies, such as France, who have influence and interests in the area?

In summary I most earnestly urge that our Government undertake a dynamic program to meet and conquer the root causes of conflict in the Middle East. Certainly the United States, in building its opposition to subversion and aggression, will not ignore or help injure the only really democratic government in the whole area. Surely we will not abandon the ally most dedicated to friendship toward our own ideals and one most ready and willing, if necessary, to fight for them.

Inasmuch as this entire question will come before the Congress shortly during our consideration of the mutual-security program, I trust that a definitive statement will soon be forthcoming from the administration.

Very truly yours,

JAMES ROOSEVELT.

NACA Keeps the Ceiling Unlimited

EXTENSION OF REMARKS

OF

HON. CHARLES S. GUBSER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 16, 1955

Mr. GUBSER. Mr. Speaker, in an era so thoroughly dominated by the airplane that it is commonly—and I think quite appropriately—termed the air age, it is fitting to observe the 40th anniversay of an organization which has had a major part in making our country the undisputed leader in the field of aeronautics. I refer to the National Advisory Committee for Aeronautics which today celebrates its 40th anniversary.

Considering that the entire modern history of human flight is not much older than 50 years, the NACA is "old." I am glad to know from firsthand experience, however, that the great usefulness of the organization is continuously increasing, that the rich experience of the past 40 years finds expression in a most constructive and dynamic program of aeronautical research. I know I am on safe ground when I say that it is the work of the NACA which keeps America not only abreast but ahead of other countries in civilian as well as military aviation.

Mr. Speaker, near the cities of Mountain View and Sunnyvale, in the 10th District of California, which I represent, there is an installation known as Ames Laboratory. While much of the work performed at Ames is by its very nature a closely guarded secret, it is common knowledge that flying today in its gigantic wind tunnels are the military aircraft of 1960 and the speedy airliner of 1965. Ames Laboratory is operated by the National Advisory Committee for Aeronautics. Its equipment includes the world's largest wind tunnel, a monster with a test section measuring 40 by 80 feet. Here, under the able direction of Dr. Smith J. DeFrance, the NACA can subject plane models to speeds fast enough to melt any known material on earth; speeds fast enough even to melt diamonds. The answers that are found in the caverns of Ames Laboratory will help the American aircraft industry to build the planes and missiles of tomorrow. I have no doubt that every one of our current aircraft and missiles reflects in important ways the fruit of scientific studies conducted at this California research center.

In 1915, when our Government took the initiative and appointed the National Advisory Committee on Aeronautics, our country was woefully behind France, Germany, England, and other nations in the development of aircraft. A large measure of thanks must go to the NACA for pulling our Nation far ahead in subsequent years. On the occasion of its 40th anniversary we owe a vote of thanks to this organization which quietly, patriotically, and with great ability helps American wings to fly higher, faster, safer, and more efficiently, and which gives American aviation its true "ceiling unlimited."

Aid to Education

EXTENSION OF REMARKS

OF

HON. LOUIS C. RABAUT

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 16, 1955

Mr. RABAUT. Mr. Speaker, under leave to revise and extend my remarks in the CONGRESSIONAL RECORD, I should like to have entered my testimony before the House Education and Labor Committee which was considering prospective legislation for Federal aid to school construction.

The testimony follows:

Mr. Chairman and gentlemen of the committee, may I first say that I greatly appreciate the opportunity to appear before this committee to testify on the very important matter before this forum. I sincerely hope that my request for hearing will not be construed as indicating a personal presumption of my expertness on the varied problems plaguing our educational system. I am sure that this committee has heard, or is scheduled to hear, qualified educators in regards the technical aspects of the question. The message I should like to bring this committee deals with the broader governmental concepts that rest at the base of our important social, economic, and political problems.

This committee has recently heard from our very able colleague from Arizona, Representative STEWART L. UDALL, who very concisely disclosed two very important, as he termed it, "stumbling blocks" that have blockaded much of the thinking in the area of Federal aid to school construction. The clarity of his reasoning, I am sure, has shed a brighter light upon a segment of our thinking made dark by such ominous forebodings of late as: "Get government out of business get government out of public power," and now: "Keep government out of education." Even the most credulous individual cannot fail to recognize the frailty of these manifestations—it smacks more of emotion than reason; and as such, I fear, unable to cope with the immense problem of properly providing our youth with adequate educational facilities.

In deference to the plan proposed by the administration, which I'm sure this committee is giving arduous study, I feel that its half-way approach fails theoretically to understand this Government's obligations to its citizenry by subjecting the school districts to an unreasonable indebtedness. Our desperate school districts cry for relief, but their supplications, I fear, have been answered by a master bond-issuing program designed, not for their relief, but rather their insolvency. To peg an unrealistic interest rate on our Nation's school districts for the sake of attracting risk capital to the safe confines of municipal securities, which guarantee a safe return, is neither a service to our school system nor a discharge of our responsibility to it. Educating America's youth is a public responsibility historically vested in the local community through the instrumentalities of the city, county and State governments; and, if the situation so requires, ultimately with the Federal Government. When Federal assistance to the health and welfare of the several States falls suspect, then, indeed, the entire edifice of our great constituted system of Federal Government, which has served us well, must be reexamined. I, for one, harbor not such dismal fear those who do have somewhere parted company with a great tradition.

THE GENESIS OF THE PROBLEM—RAPID GROWTH OF POPULATION

We have had occasion to point with singular pride to the robust expansion of our population in the last 15 years. (Approximately 30 million; a yearly average increase in excess of 2 million). Latently contained in this national asset lies the cause of the present problem. The dislocations of one major war, the continuing condition of world unrest which necessitates a priority to national security problems, and the parallel high level of consumer-goods production have diverted our energies to these important areas to the exclusion of schools and their educational plants and facilities. No doubt this fact has been generally regarded as a preestablished axiom with those of us who have concerned ourselves with the question. The significance of this fact, I feel, finds its force in the realization that the staturation

point has been achieved; and in many areas superseded, so as to be justifiably termed disaster areas. We have provisions to meet this crisis in the actual physical sense; but have failed to affect like remedial machinery for our educational disaster areas. I see no genuine deterrent in the path of our Federal Government to meet this challenge.

INCREASED COMPLEXITY OF OUR EDUCATIONAL SYSTEM

As populations have grown so have the corresponding accompanying needs of that increased citizenry progressed. The simplified curriculums offered in my grade school days now appear skeletal alongside the courses of study given our youths today. The entire machinery of education has become more complex, and in turn, has required a greater competence of its administrators. The problem is real, complex, and enduring; the need must be answered realistically, intricately, and with far reaching vision. Any legislation that falls short of achieving these minimal requirements must be termed inadequate. Any legislation that makes these considerations secondary to the dreams of certain financial interests, for the sake of providing a safe harborage for bond purchasers, misinterprets, I feel, the basic interest of the majority of the American people.

THE PROBLEM FACED IN THE STATE OF MICHIGAN AND ITS PLANS TO MEET IT

With the committee's permission, I should like to commend to its study and perusal, without burdening the official record, a report by the Department of Public Instruction of the State of Michigan. It aptly demonstrates the type of efforts which I am sure are being put forth by similar State agencies throughout the country. I am proud to be associated in the service of government with such able and dedicated public servants as we have in our great State of Michigan. As this report indicates, much thought and planning has gone into estimating our State's educational needs in the coming 5 years. Their work is clearly demonstrative of their efforts to seek first a solution to their shortages which took into account the State's own resources before considering direct aid from the Federal Government. I think that this is a fair and honest approach to the matter and commend it as an example worthy of emulation.

Significantly, it will be noticed on page 68 of the report (Michigan Public School Building Needs, 1953–60) that the area of Government financial assistance is only contemplated for "hardship areas." This is a proper concern for the Federal and State Governments, since these hardship areas often exist through forces beyond the scope of the local school district means to afford a remedy. Of our State's 534 school-service areas, 117 are estimated to be hardship cases. Such factors as shifting population, realty devaluation, and lack of adequate local taxing powers have been inextricably intertwined at the base of the school district's inability to raise funds. As a direct result of the presence of these variable determinants, our State faces in the school year 1959–60 a deficit of $50 million for needed school construction. In this predicament, I am quite sure, gentlemen, that the plight of Michigan is neither unique nor singular.

Therefore, gentlemen of this committee, may I commend to your deliberations a course of legislative action that affords expeditious aid by direct grant in participation with the several States to our "educational disaster areas" adequate to meet their critical needs. I further recommend that such plan be so designed as to avoid imposing upon our school districts a continuing financial burden.

We are dealing here in the critical commodity of human resources. Let us afford it the priority parallel to the great role it must play in our Nation's destiny.

Thank you kindly.

Help for Retarded Children

EXTENSION OF REMARKS
OF
HON. FRANK E. SMITH
OF MISSISSIPPI
IN THE HOUSE OF REPRESENTATIVES
Wednesday, March 16, 1955

Mr. SMITH of Mississippi. Mr. Speaker, I should like to speak out in behalf of the families of the more than 5,800,000 mentally retarded and handicapped children in the United States, and to point out the urgent need for assistance to these burdened folk that would in part be provided by enactment of my bill, H. R. 2205, now pending before the House Ways and Means Committee.

The present Social Security Act provides for the payment of benefits to surviving children until they reach the age of 18 years, and for the vast proportion of our people this is a sound provision. We want our mothers to be able, insofar as it is possible to make it so, to remain at home with their children even though they have lost their husbands and fathers, so that our children may have the immeasurable benefit of a normal home and proper care. And for most of our families, it is safe to assume that the children will become self-supporting when they reach 18.

For the families of many, however, this is not true. Can the child who is permanently and severely mentally retarded or crippled be expected to earn a living and to free his widowed mother to do likewise? The answer is, of course, an emphatic no. If anything, the need for special care of the abnormal child above age 18 creates a demand upon the widowed mother far greater than that experienced in caring for normal children under 18 years.

This principle has been recognized in almost every major insurance and retirement plan of the Federal Government. H. R. 2205 would give long overdue recognition to it by amending the Social Security Act to provide benefits to surviving children above the age of 18 who are so mentally or physically disabled that they are unable to earn an independent livelihood, and to continue the widow's benefits for their mothers who must remain at home and care for their handicapped children. By specifying that the child's disability must be a longstanding one, originating before age 18, H. R. 2205 provides a safeguard against any possible abuse of the benefits and at the same time facilitates determination of eligibility for the benefits.

In moving to expand the social-security system, we must always consider whether the additional benefits, however justified on moral ground, are actuarially sound. I have studied this aspect of my bill carefully, and I am convinced that no argument against these benefits can be made on actuarial grounds. Even though enactment of H. R. 2205 will provide benefits to approximately 10,000 handicapped children and their widowed mothers, the estimated additional cost to the fund would not require an increase in the payroll tax, according to computations of social-security experts I have consulted with. Since there are now about 1 million children on the rolls, if current ratios continue, the number of children on the rolls would only be increased by about 1/110 if H. R. 2205 were enacted into law. This expansion of the program, from a cost standpoint, is indeed minute.

Small in cost, yes; but the aid this legislation would give to widows with handicapped children would be of tremendous value in easing their burden of misfortune by providing them with a minimum income for independent existence, and by easing the poverty which so many of them suffer in addition to the permanent sorrow of having an abnormal child. The husbands and fathers earned these benefits, and it is only just that their widows and children should at last receive them.

The President Shares a Secret

EXTENSION OF REMARKS
OF
HON. CHARLES S. GUBSER
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, March 16, 1955

Mr. GUBSER. Mr. Speaker, last Tuesday our entire Nation was electrified by the excellent news that American science had discovered an answer to infantile paralysis. Yesterday President Eisenhower, in one of the greatest and most magnanimous gestures ever made, decreed that all mankind should benefit from this discovery, as he made the Salk vaccine available to all nations, regardless of their political complexion.

In this time of strife and tension, I cannot think of a more effective way to demonstrate the true moral fiber of America. President Dwight D. Eisenhower, the man who not long ago offered to share the secrets of the atom for peaceful use with all comers, spontaneously offered the process of the Salk vaccine in order to combat disease and better the lot of human beings wherever they may live.

We have much for which to be thankful, but nothing I can think of makes me more proud and grateful to be an American than does this great and humane act of our great President. I hope that the Voice of America will do its part in telling all the world that the Nation which is alleged to harbor sinister secrets of destruction is giving to the entire world the wonderful secret of how to eliminate infantile paralysis.

HOUSE OF REPRESENTATIVES

THURSDAY, MARCH 17, 1955

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

O Thou Infinite and Supreme Being, who art the wisest of all counselors and the nearest of all companions, we humbly worship and adore Thee as our God and Father.

Grant that we may count it as our noblest obligation and highest privilege to obey Thy holy will and walk in Thy ways.

Help us to sense Thy presence in this Chamber and inspire us with the blessed assurance that Thou art willing and able to give us wisdom and understanding as we plan and labor for the welfare of our country and all mankind.

May we never be self-centered or indifferent to the needs of suffering and struggling humanity.

Make us eager to participate in the glorious task and adventure of leading men and nations out of bondage into freedom, out of darkness into light, out of sorrow into joy, and out of despair into hope.

Hear us in the name of the Christ, who went about doing good. Amen.

The Journal of the proceedings of yesterday was read and approved.

SPECIAL ORDER

Mr. MADDEN. Mr. Speaker, I ask unanimous consent that the special order which I have for today be put over until Tuesday next, March 22.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

ST. PATRICK'S DAY

Mr. FLOOD. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include therewith an article by Rev. John Tracy Ellis.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. FLOOD. Mr. Speaker, I cannot imagine that anybody knowing that my name is DANIEL JOHN FRANCIS JOSEPH FLOOD would be surprised when I wish you all "caed mille failtche," which in the Irish of Gael is "one hundred thousand welcomes."

We have a tendency, Mr. Speaker, you who know us, to embellish things a little bit upon occasion. These Halls have been hallowed with the names and services of hundreds of great Americans in whose veins flowed the proud blood of Irish ancestors. I am satisfied that these remarks of mine today will be added to eloquently by my colleagues in the House.

So, Mr. Speaker, I bring your attention today to an article appearing on the first page, where it should properly appear, of the Washington Post, The Character of St. Patrick, written by a man of God, because the Irish are people of God.

I ask unanimous consent, Mr. Speaker, to include this article in my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

(The matter referred to follows:)

THE CHARACTER OF ST. PATRICK

(By John Tracy Ellis)

Six years from today will mark the 1500th anniversary of the death of St. Patrick, for according to an ancient tradition, it was on March 17, 461, at Saul in Ulster, that the great apostle of Ireland breathed his last.

But one does not need to anticipate the 15th centennial of his death to arouse interest in St. Patrick. For as many years as any living man can remember, the Christian world has commemorated his feast day with an enthusiasm rarely bestowed upon that of any other saint. How does one account for the fact that in practically every country where the faith of Christ has been preached there is a lively devotion to this man of the fifth century about whom so relatively little is known?

One explanation is the deep and abiding love of the Irish people for their patron saint, a love that they carried with them when the sad misfortunes of their native land forced them to emigrate to the four corners of the earth a century ago. But the real answer lies deeper, for the keen and perceptive sense of the Irish does not readily permit them to give their hearts to a man unless they see something in him that especially recommends him as an object of their affection.

What, then, was it that the Irish saw in Patrick that made them conceive for him so lasting a love that they passed it on to succeeding generations as one of their most cherished traditions? Not only has it shone for 1,500 years among their own descendants but also among men of all nationalities who have come to know Patrick and to appreciate something of the significance of his life.

The answer to the question can, I think, be found only in the character of the saint himself. Born about 385 in Roman Britain, he was captured by Irish raiders at the age of 16 and taken as a slave, to Ireland, where for 6 years he tended the flocks of a pagan master. It was during this period of servitude in the solitary wastes of Slemish in County Antrim that he discovered the secret of God's love.

There he heard in his dreams the heavenly voice that directed him to the seacoast, and to an escape from slavery on a ship carrying Irish hounds to a port of what is today France.

A brief sojourn in Britain with his family did not still the voice which kept repeating that Patrick's true mission in life was the conversion of the pagan Irish. Once more he crossed the channel and put himself under the tutelage of St. Germanus (c. 378–448), the famous bishop of Auxerre. After he was ordained a priest his opportunity came when Palladius, the first bishop destined for Ireland, died and Patrick was appointed in his place.

Consecrated a bishop, Patrick lost no time in inaugurating his mission, and from the day of his landing in 432 to his death nearly 30 years later, he was unceasing in his efforts to uproot paganism and to plant the cross of Christ. He died in 461 with the consolation of knowing that he had succeeded beyond his fondest dreams.

In barest outline that is Patrick's story, but it tells nothing of how he accomplished the marvel of converting virtually an entire nation to the Christian faith in the short span of 30 years. That can only be accounted for—under the grace of God—by the character of the man, and that character can be explained solely in terms of the heroic virtues which Patrick manifested before the eyes of the pagan Irish.

There is an old proverb that says, "Words move, example draws." It was Patrick's example that proved the sincerity of the words which he spoke to the audiences gathered about him on the hillsides and in the valleys of Ireland.

It is not often that one can find the norms of character outlined by a Cambridge don in a way that may be applied to the saints. Yet I believe that the Reverend David Knowles, the new regius professor of modern history in the University of Cambridge, in his inaugural lecture of November 17, 1954, has given the formula that will reveal the spiritual greatness of St. Patrick.

Speaking of the manner in which the historian observes the course of events and the actions of men in an effort to record them as best he may, Professor Knowles said:

"As he watches he looks to see whether a man, by and large during his life, shows any evidence of acting according to a divine or moral law outside himself; whether he ever sacrifices his own profit or pleasure for the sake of a person or a principle; whether he shows evidence of loving other men, where by love we understand the classical definition of wishing them well and doing well to them; whether he puts justice before expediency; whether he is sincere and truthful.

His writings, and a study of his deeds, show how splendidly St. Patrick met these tests of true greatness. In the face of the fiercest opposition from the pagan druids, Patrick boldly declared, "Regardless of danger I must spread everywhere the name of God so that after my decease I may leave a bequest to my brethren and sons whom I have baptized in the Lord."

Not only did Patrick thus act according to a law outside himself, but from the moment of his youthful conversion among his flocks in Slemish, his entire energies were devoted to the fulfillment in his own life of the law of Christ and to its incessant promulgation in the lives of others.

In fact, one might say that for Patrick there was no other law than the divine law that he had learned through prolonged prayer and penance. As a consequence the Irish who listened to him preach knew at once that here, indeed, was a man of God.

Moreover, in the practical fulfillment of the directives of that divine law, St. Patrick was forced to abandon every element of worldly profit or human pleasure for the sake of those whom he sought to serve. He had come from a family of local prominence and considerable means, among whom he could have lived out his days in comfort and ease. But as he said in a moment of great stress, "I live among barbarians, a stranger and exile for the love of God * * * and the truth of Christ has wrung it from me, out of love for my neighbors and sons for whom I gave up my country and parents and my life to the point of death."

There could be no doubt, therefore, about the sacrifice that Patrick had made that pagan Ireland might be won to the principles of Christian belief. He had surrendered everything that a man holds dear, and the example of that sacrifice was to remain indelibly impressed upon the minds of the Irish from that day to this.

No man voluntarily forsakes every cherished human possession for the welfare of others unless he is motivated by a compelling love. That was the kind of love that St. Patrick had for the Irish. Opposition, suffering, and disappointment he knew aplenty, but to him the crown of eternal life for himself, and for those whom he sought to save, was worth the price he had to pay.

More cruel by far than the opposition of enemies is betrayal by those who are supposed to be one's friends. That, too, Patrick

experienced when some of his own associates charged him with a sin of his boyhood that he had humbly confessed years before.

But so well had he learned the lesson of perfect charity—like his Divine Master and St. Stephen, the first martyr, before him—that he met the taunt of his accusers with the prayer, "I ask God that it may not be reckoned to them as sin."

It is also a characteristic of the saints to put justice before expediency. In this, Patrick was no exception to those rare men whose love of God and fellowman conquers a common human weakness to compromise with evil, in order that they may defend what they believe to be right.

That the democratic doctrine that all men are equal in the sight of God as preached by Patrick, should have been opposed by Loegaire, the High King of Tara, the Gaelic aristocracy and the pagan priests was to be expected, just as the oppressed people who lived under their harsh rule welcomed the emancipation which it held out to them.

When, therefore, Patrick for the first time came within sight of Tara on that memorable Easter eve of 433 and was told that the morrow was the day marked for lighting the new fire of the pagan festival, it would have been expedient for him to withdraw. For, as the account tells us, the druids immediately rushed to Loegaire to denounce the intruder who had dared to carry out the Christian ceremony of lighting the paschal fire on the neighboring hill of Slane.

But Patrick's loyalty to the greatest of all the church's festivals, which commemorates the resurrection of Christ from the dead, was more than a match for Loegaire and his druids. In the sequel the illegal flame of Patrick's paschal fire burned on triumphantly while the saint himself emerged victorious from the contest with the pagan priests. That incident, coming so soon after Patrick's landing in Ireland, was symbolic of two things: the fearlessness with which he pursued his goal, and the fact that the paschal fire which he lighted on that dark night on Slane was the first reflection of a Christian faith which would soon illumine the whole of Ireland.

Every quality that endears a man to his fellowmen St. Patrick had in abundance: a supernatural faith held aloft as an exalted ideal for which he would gladly die; a love of others so great that he would sacrifice all that he possessed for their well-being; a touching humility that prompted him to confess publicly more than once his own sins; and earnestness of purpose through which there gleamed a transparent sincerity and truthfulness; and, finally, an utter reliance on God for whatever strength he had and for whatever good he had been able to accomplish.

These, then, were the elements of character and the inner forces that propelled Patrick through the long weary years during which he gathered the Irish nation within the Christian fold—and within the broad and tender embrace of his love—before he laid down his staff forever.

When at times he felt his interior strength begin to slacken amid the exhausting and discouraging labors of his apostolate, it was on the remote summit of Croagh Patrick in County Mayo that he sought the source of its renewal in the lonely vigils spent in communion with God. That is why descendants of his original converts still go each year on pilgrimage to the bleak mountain in Mayo and to the saint's tomb in Armagh. In these spots hallowed by the memory of Patrick, their own souls are refreshed for the battle of life.

St. Patrick built more firmly in Ireland than he had ever dreamed. In the succeeding centuries the little island more than once passed through savage persecutions for the religious faith of its people. One such persecution was described by the great Protestant statesman, Edmund Burke, as being "as well fitted for the oppression, impoverishment, and degradation of a people, and the debasement, in them, of human nature itself as ever proceeded from the perverted ingenuity of man."

Yet, in spite of every adversity, the Irish held tenaciously to the faith that Patrick had brought to them. One is reminded of the closing words of the Sermon on the Mount, where our Lord likened those who heard His words and acted on them to a wise man who built his house on rock, "and the rain fell, and the floods came, and the winds blew, and beat against that house, but it did not fall, because it was founded on rock." (Matthew 7: 25.)

Patrick was, indeed, a rock, and the faith and love in that rock have come down the centuries as unshaken as the day when the mortal remains of the great apostle of Ireland were laid away in his tomb at Armagh to await the final resurrection.

Striking testimony to the depth and intensity of that faith is afforded by the recently published report of the Irish Society for the Propagation of the Faith. At present, 4,870 missionaries from that little country are spread throughout every continent on the globe. Like Patrick before them, these heroic men and women have left everything that is dear to the human heart to carry to distant lands the precious gift which the great apostle bequeathed to their ancestors centuries ago. As the men of Asia, Africa, and the islands of the Pacific behold the lives of self-denial of these Irish missionaries of the 20th century may they, in God's chosen time, be prompted to echo the ancient prayer attributed to St. Patrick:

"Christ in the heart of every man who thinks of me.
Christ in the mouth of every man who speaks of me."

UTILIZATION OF SURPLUS PROPERTY

Mr. O'NEILL. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 179 and ask for its immediate consideration.

The Clerk read as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 3322) to amend the Federal Property and Administrative Services Act of 1949 so as to improve the administration of the program for the utilization of surplus property for educational and public health purposes. After general debate, which shall be confined to the bill, and shall continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Government Operations, the bill shall be read for amendment under the 5-minute rule. It shall be in order to consider without the intervention of any point of order the substitute amendment recommended by the Committee on Government Operations now in the bill, and such substitute for the purpose of amendment shall be considered under the 5-minute rule as an original bill. At the conclusion of such consideration the committee shall rise and report the bill to the House with such amendments as may have been adopted, and any member may demand a separate vote in the House on any of the amendments adopted in the Committee of the Whole to the bill or committee substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

Mr. O'NEILL. Mr. Speaker, I yield myself such time as I may need, and at the conclusion of my remarks I will yield 30 minutes to the gentleman from Ohio [Mr. BROWN].

The SPEAKER. The gentleman from Massachusetts is recognized.

Mr. O'NEILL. Mr. Speaker, it is interesting today that we should be calling up a bill sponsored by the gentleman from Massachusetts [Mr. MCCORMACK]. I know that were Mr. MCCORMACK in Boston at this particular time he would be at a Gaelic and civic celebration in Dorgan's Old Harbor House, and he no doubt would be the central attraction of all those gathered there, and right he should be, for he is truly a great American.

In Boston today, Mr. MCCORMACK's home town, there is a big celebration. To us it is Evacuation Day, because many, many years ago the people of Boston drove the Tories from Dorchester Heights, which is part of South Boston; and the Irish in South Boston and Greater Boston have been celebrating the event ever since. On that eventful day the good St. Patrick came to the aid and assistance of the old colonists in their War of the Revolution.

If you were to walk down the streets of South Boston today the common greeting would be: "Top of the morning to you"; and the response would be: "The rest of the day to you."

Mr. Speaker, I rise to urge the adoption of House Resolution 179, which will make in order the consideration of the bill (H. R. 3322) to amend the Federal Property and Administrative Services Act of 1949 so as to improve the administration of the program for the utilization of surplus property for educational and public-health purposes.

House Resolution 179 provides for an open rule with 1 hour of general debate on the bill itself. The rule would make it in order to consider the substitute amendment recommended by the Committee on Government Operations now in the bill without the intervention of any point of order, and such substitute for the purpose of amendment shall be considered under the 5-minute rule as an original bill. Any Member may demand a separate vote in the House on any of the amendments adopted in the Committee of the Whole to the bill or committee substitute and a motion to recommit with or without instructions would be in order.

H. R. 3322 would make it clear that the Administrator of the Federal Property and Administrative Services Act of 1949 could, by regulation, authorize the donation of surplus Federal property, subject to the provisions of the act, including property which has been capitalized in a working-capital fund, stock fund, revolving fund, or other accounting arrangement in several agencies.

Basically the Federal Property and Administrative Services Act of 1949 provides that property, both real and personal, which becomes surplus to all Federal requirements may be donated for educational purposes upon determination by the Secretary of Health, Education, and Welfare that the property is useful and needed for such purposes.

The act also permitted the donation of real property for public-health purposes.

Congress under the Constitution has sole authority over the disposition of surplus Federal property. The function of the Congress is to decide what methods will best serve the interests of the taxpayer in this question of the disposal of this surplus property. Congress has realized that sufficient funds have not been available for essential public welfare purposes because of war expenditures and has repeatedly decided that the best course of action is to give educational and public-health institutions surplus property if useful and needed, since there has been a comparatively small return to the Treasury from the straight sale of surplus property up to the present time.

Mr. Speaker, it was pointed out during the hearings before the Committee on Rules that our educational institutions and our health centers are in great need of all the help which they can get in order to do the type of job that we all want them to do. H. R. 3322 was reported unanimously from the Committee on Government Operations and it is felt that the passage of H. R. 3322 would help these worthy institutions considerably. I hope that the House will see fit to adopt House Resolution 179 which will thus provide for the consideration of H. R. 3322 by the House.

Mr. METCALF. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Montana?

There was no objection.

Mr. METCALF. Mr. Speaker, the schools and health agencies of Montana, like those of the rest of the Nation, have a stake in this bill to correct the result of faulty administration and a lack of coordination between responsible executive agencies.

The Federal Property and Administrative Services Act of 1949 authorized the Secretary of Health, Education, and Welfare to allocate useful and needed surplus Government property to education and health agencies.

Since this program was established, almost $1½ billion worth of public property has continued in public use. Under this program, in which 151 of our schools are participating, Montana has received a little over $6 million worth of equipment and property they could not otherwise have afforded.

The operation of this program has been curtailed by a regulation issued February 1, 1954, by Comptroller McNeil, of the Department of Defense. This order puts certain inventories in stock fund, or working capital, accounts. Once surplus material is in a stock fund it cannot be donated. It can only be sold.

The bill now before you would reestablish the authority to allocate surplus property to schools, the authority which Congress provided and which existed prior to the date of the Defense Department directive. I hope this Congress will reestablish that authority. I hope, too, that executive agencies then will stop trying to block our intent.

This surplus property belongs to the people, not to any Federal agency. Where useful and needed, this property should be used for the benefit of the people who bought and paid for it and whose schools and health agencies are in dire need of it.

In his education message to Congress, President Eisenhower said the crisis in education is in part a legacy of the years of war and defense mobilization. Yet by this directive, the Department of Defense is itself obstructing our efforts on behalf of our schools.

I have heard it said that the donable surplus property program is a school subsidy program. I would rather subsidize the schools than subsidize the junk dealers to the detriment of our schools. This latter is what has been happening since the directive was issued.

Surplus diverted by this directive has been, and is being, sold at auction, at a return of only 6 or 7 cents on the dollar. I doubt if the return from these auctions is much more than enough to pay for the cost of the auctions.

I am informed that under the donable-surplus-property program the Secretary of Health, Education, and Welfare had only been taking about 6 percent of the material available as being useful and needed for education and health. This authority should be reestablished.

In support of my statements concerning the importance of this program to my State of Montana, I include this correspondence from—

Mr. E. J. Tuomi, superintendent, School District No. 45, Augusta, Mont.:

I am taking this method of asking you to support any measure that will be in favor of schools and other State institutions to buy surplus property. This property has been purchased with tax money; therefore I am of the opinion that schools and State institutions supported by taxpayers should have the first opportunity to select and purchase donable property.

Our school just built a new shop, which is equipped with approximately 80 percent surplus equipment and tools. If surplus equipment would not have been available, we would not have been able to equip our shop, as we have for at least 3 years, because of the cost of the equipment.

I know you understand the financial problems of the Montana schools and the big help surplus equipment has been to us.

Mr. M. F. Whalen, superintendent, division of physical plant, Montana State College, Bozeman, Mont.:

I am writing to urge your support of H. R. 3322, pertaining to the disposal of surplus Federal property to schools and colleges.

We, at Montana State College, have actively participated in the donable-property program and have found it of tremendous benefit. We have obtained property that we could not otherwise have afforded for use both in instruction and maintenance.

However, the program has deteriorated badly this last year and has reached the point where very little material is available to the schools and colleges. It appears the material is going elsewhere.

I urge you again to do all within your power to secure passage of this bill.

Mr. W. J. Ernest, director, donable property division, State Department of Public Instruction, Helena, Mont.:

This agency has received surplus property from the Government in the amount of $6,056,353 from 1946 through December 31, 1954. It has consisted of machine tools, carpenter tools, maintenance equipment of all kinds.

If this property is cut off as a result of the stock-fund accounts this agency will cease to exist, thus cutting off all property to schools and hospitals which have benefited by this program.

The taxpayers are realizing both direct and indirect savings and benefits through secondary utilization of Federal surplus property.

The program has enabled secondary and higher educational institutions to enlarge and expand their courses of study. Small schools which ordinarily would not have been in a financial position to offer specialized courses now have them as a part of their regular curricula as a result of this Federal donation program.

Results are both better and more extensive training of individuals, a salutary effect for both our armed services and the civilian economy.

The secondary use of Federal real property for educational purposes has been of great benefit to the taxpayers. Many thousands of veterans have been housed on university campuses through the use of the offsite transfer of buildings for use as dormitories, classrooms, and recreational centers.

Mr. BROWN of Ohio. Mr. Speaker, I yield myself such time as I may use.

Mr. Speaker, as the gentleman from Massachusetts has so ably explained, this resolution makes in order consideration of the bill H. R. 3322, from the House Committee on Government Operations, which is designed to clarify and strengthen the present laws as to the distribution of Government-owned surplus property.

There is now a great amount of such surplus property subject to distribution, and the bill H. R. 3322 would give, of course, priority to public health and educational institutions of the various States and local communities.

The measure was considered very thoroughly by a subcommittee of the House Committee on Government Operations and unanimously reported by that very able subcommittee to the full Committee on Government Operations, which devoted a day of consideration to the legislation, then in turn unanimously approved and reported the bill to the House. The measure was brought before the Committee on Rules, and a rule was granted unanimously by that committee. The rule, as explained, makes it in order 1 hour of general debate and then, under an open rule, it is subject, of course, to amendments under the 5-minute rule.

Mr. Speaker, I now yield to the gentlewoman from Massachusetts [Mrs. ROGERS].

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include an editorial.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, three towns in Greater Lowell, in my district, are having tercentennial observances in 1955. It is a significant year for these proud communities that were founded back in 1655. I hope every

Member of the House will visit these very beautiful and wonderful towns.

The editorial reads as follows:

[From the Lowell Sun of January 8, 1955]

TOWNS OF DISTINCTION

Three towns in Greater Lowell are having tercentennial observances in 1955. It is a significant year for these proud communities that were founded back in 1655.

Chelmsford, Billerica, and Groton are going to have birthday parties, to which national and State dignitaries have been invited. Each community has appointed a committee to work out the details of the festive celebrations, and we have no doubt that they will attract visitors from far and near.

These towns were founded long before the coming of heavy industry; they were basically agricultural communities, and there are still some of the finest and most modern farms in all of New England still being operated in this area.

The city of Lowell which regards these towns as excellent neighbors may be historically just a little closer to Chelmsford than it is to either Billerica or Groton. The town of Lowell, founded in 1826 when the textile pioneers decided to develop their huge plants because of the excellent waterpower facilities, had been a part of Chelmsford, and it is historically interesting to note that the first newspaper made available to the people of Lowell was the East Chelmsford Phoenix.

There is no gainsaying that the three towns that are planning a jubilee have grown and prospered as the years have rolled by. But they have not lost their general pristine beauty.

The celebrations are scheduled for the spring and early summer, when everyone in the city and surrounding towns will join with the people of Groton, Billerica, and Chelmsford in marking 300 years of progress.

Mr. O'NEILL. Mr. Speaker, I yield 5 minutes to the gentleman from Oklahoma [Mr. ALBERT].

Mr. ALBERT. Mr. Speaker, I rise in support of this resolution and the bill which it makes in order. More specifically I rise to state that I feel it is most appropriate that this humanitarian and important proposal should be brought before this body for consideration on this day which is dedicated to the patron saint of a great land and a great people, a people who have been referred to rightly, I think, as the most human of all humanity, and a people who seem literally to sparkle with the joy of living and of loving their fellow man. It is, therefore, particularly appropriate that the greatest living American of Irish descent, should bring here on this St. Patrick's Day this measure which bears his name.

The official burdens of the majority leader in this body are enormous. The duties of his office call for tremendous capacities of leadership and diplomacy. His responsibilities as such are over and beyond his individual responsibilities as a Member of Congress representing his constituency in this House.

Despite this, the gentleman from Massachusetts [Mr. MCCORMACK], the majority leader, not only sponsored this legislation, but he also headed the subcommittee which held hearings on it and reported it to the House.

Mr. Speaker, in view of the significance of this day, in view of the nature of this bill, in view of the position of its author in this body, in view of his background, in view of those lovable traits of character that endear him to all who know him, the enactment on this St. Patrick's Day of this humanitarian legislation, which bears the name of JOHN MCCORMACK, is indeed most fitting.

Mrs. ROGERS of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. ALBERT. I yield to the gentlewoman from Massachusetts.

Mrs. ROGERS of Massachusetts. I say "Amen" to that with all my heart.

Mr. ALBERT. I thank the gentlewoman.

Mr. BROWN of Ohio. Mr. Speaker, may I add that I agree with all the fine sentiments expressed concerning the gentleman from Massachusetts whereby he is called the greatest living American. However, if the word "living" had not been included, I might have been compelled to object, because of the fact that one of my great grandfathers was also a fullblooded Irishman, and he, too, lived in Boston and was a great man in his own right. Next to my great grandfather, I will agree Mr. MCCORMACK is the greatest Irishman to ever live in Boston.

Mr. Speaker, I yield 5 minutes to the gentleman from California [Mr. BALDWIN].

Mr. BALDWIN. Mr. Speaker, I rise in support of this bill, H. R. 3322. We have in the Sixth District of California five different military installations which have, in the course of their operations, considerable quantities of surplus property available for distribution. I have received many letters from California schools and hospitals relative to H. R. 3322 and advocating the passage of this bill. These letters have been from the State Department of Education, the Contra Costa Junior College, the Solano County superintendent of schools, St. Mary's College in Contra Costa County, and many high schools and grammar schools and other types of schools in my district. I think this bill is recognition of the fact that surplus property is much more beneficial to schools and hospitals than it would be if sold at surplus sale. I heartily endorse this bill.

Mr. O'NEILL. Mr. Speaker, I yield 5 minutes to the gentleman from Colorado [Mr. ASPINALL].

Mr. ASPINALL. Mr. Speaker, I rise in support of the rule which would bring up for consideration H. R. 3322 and commend the chairman and members of the special subcommittee and of the full committee for the work they have done on this important matter.

I also wish to take this opportunity to express my personal appreciation to the majority leader, Mr. MCCORMACK, of Massachusetts, for sponsoring this measure. He has always been in the forefront of the never-ending struggle to protect the rights of all of our people against those who would attempt, either by legislation or by executive order, to provide for a selected few that which belongs to all.

Mr. Speaker, as the committee report points out, since the end of World War I Congress has enacted some 15 pieces of legislation designed to make available to educational and health institutions quantities of property acquired largely for war activities.

It is regrettable that the Comptroller of the Department of Defense used section 405 (d) of Public Law 216, 81st Congress, as his authority to, in effect, disregard the express intent of Congress as expressed in past legislation and more recently restated in Public Law 152 and Public Law 754 of the 81st Congress.

Mr. Speaker, the surplus property acquired by the institutions of this country under these laws have been of untold benefits to our people. Those who are advised are only too aware of the fact that education and health facilities have been and remain in scarce supply. In part this is due to the heavy and necessary demand made by the military services on an extremely large share of our taxes. However, it is only equitable that usable and needed properties which are surplus to all Federal requirements be made available to needy educational and health institutions for the general welfare. I would remind you, my colleagues, that a grand total of $1,483,056,226 in real and personal property is not to be shrugged off lightly. This is the overall amount which was made available to the various institutions in the 48 States and Territories between 1946 through December 31, 1954. This represents approximately $185 million per year. Of the total my own State of Colorado received $8,512,030, or on the average of $1,064,000 per year. This is an impressive achievement nationally as well as for the individual States and Territories. Are we to permit the Comptroller of the Department of Defense to cancel the benefits which have been made available to the institutions of our respective States? My answer to that question is, "No."

I would remind you, Mr. Speaker, that Mr. McNeil's regulation 7420.1, dated February 1, 1954, has resulted in selling to salvage dealers such surplus property rather than making it available for distribution to our schools and hospitals. In turn these salvage dealers, who obtained such surplus at a fraction of the original cost and realizing the need for this property, frequently offered it for sale to the institutions at rates which showed the huge profits involved to the salvage dealer.

In conclusion, Mr. Speaker, I should like to remind the Comptroller of the Department of Defense that Government agencies do not own property, but rather that they are the custodians of it for the people of the United States. In view of the growing crisis in education and health, it ill behooves the Department of Defense to auction such property at returns to the Government amounting to 5 to 6 percent of the cost.

I urge the Members of the House to support H. R. 3322.

Mr. O'NEILL. Mr. Speaker, I yield 2 minutes to the gentleman from West Virginia [Mr. BAILEY].

Mr. BAILEY. Mr. Speaker, several weeks ago when the distinguished gentleman from Massachusetts introduced this legislation I commended him from the well of the House. Now that the legislation is formally before the Congress, I want to renew my commendation

and my congratulations to the gentleman.

When he introduced this legislation I took the trouble to send copies of it to the various State institutions and the Health Department of West Virginia, and to the 55 county boards of education. The response has been unanimous that this type of legislation should be passed and passed immediately.

Again let me say I want to congratulate the gentleman from Massachusetts. Had his idea occurred to me, I am sure I would have done the same.

Mr. O'NEILL. Mr. Speaker, I yield such time as he may desire to the gentleman from Illinois [Mr. SPRINGER].

Mr. SPRINGER. Mr. Speaker, this bill is a simple one. However, it does have a very important and far-reaching effect on the possible physical facilities throughout the country of universities, colleges, schools, and hospitals. The basic intent of the bill is to improve the administration of the program for the utilization of surplus property of the Federal Government, for schools and hospitals.

A short history of the background of this bill should be stated at this point in the RECORD. The Federal Property and Administrative Services Act of 1949 provides that property, both real and personal, which becomes surplus to all Federal requirements may be donated to schools and hospitals. The act also permitted the donation of real property for hospital purposes.

In addition, the Congress has in recent years enacted some 15 pieces of legislation designed to make available to schools and hospitals quantities of property acquired largely for war activities. The Congress has repeatedly decided that the best course of action is to give schools and hospitals this surplus property if useful and needed.

The Congress has been fully aware of the small return to the Treasury from the sales of surplus property made to date. It is my understanding that the average return of the cost of the property has been only 5.7 percent.

The legislation before the House today is necessary because of a decision of the Comptroller of the Department of Defense which practically nullifies previous legislation on the donable property program. To the credit of the Comptroller, may I say that the misunderstanding has been honest and has been pursuant to a regulation drafted by the Army, Navy, Air Force, Bureau of the Budget, and the General Accounting Office. It was their understanding that under one regulation of the Department of Defense—no consideration could be given to the donable program. This bill today clarifies this situation beyond any doubt.

My own State of Illinois has benefited from this donable program of personal and real property to schools and hospitals since 1946 to the extent of $37,834,795. This is no inconsiderable sum. I find on investigation that much of this property has gone to communities and areas which would have been unable to acquire this property in any other manner. That is, due to the local tax situation, it would have been impossible to purchase the property.

Section 2 (a) of the bill clarifies the authority of the Secretary of Health, Education, and Welfare to enforce compliance with the terms and conditions of the donated property. The committee in bringing in this bill has taken a strong position that any donated property must be put to a maximum continuous use in order to enhance the educational and public-health programs of the Nation.

Another new feature has been added in section 3. The Secretary may now enter into cooperative agreements with State departments of health or education and with other State agencies for the utilization of surplus property for educational and health purposes. This section will greatly implement the program. It will permit voluntary agreements between the Department of Health, Education, and Welfare and State agencies with respect to standards of requirement, audit, and inspection.

Sections 4 and 5 are intended to facilitate and reduce administrative costs at both the Federal and State level. In addition, the Secretary will be required to submit quarterly reports as to the amount of both real and personal property donated and, also, who is actually in possession. This will enable the appropriate committees of Congress to determine whether such property is being equitably distributed among the States.

This, in short, is a review of the previous program and the effect of the legislation before the House today. Mr. Speaker, in my opinion this is one of the most appropriate humanitarian proposals that has been brought forward in this session. During the recent war there was a heavy and necessary demand by the military on a major share of our taxes. Both health and education suffered during those years. This, in a small way, is helping to add to those services which were handicapped during all those years that we were engaged in mortal conflict.

Hospitals, universities, and schools will be enabled as a result of this legislation to acquire needed facilities which are made available by our Government.

I have received a number of communications from local school boards and other educational agencies of my district who are struggling to provide adequate education—all strongly in favor of this bill. I am sure that any property made available to the hospitals and schools of my area will be well used.

In my opinion, this bill serves a wholesome and needed purpose and I am pleased to urge and support its enactment. I also support the rule which would allow the bill to be heard.

Mr. O'NEILL. Mr. Speaker, I move the previous question.

The previous question was ordered.

The resolution was agreed to.

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the bill H. R. 3322 be considered in the House as in Committee of the Whole.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That (a) paragraph (2) of subsection (j) of section 203 of the Federal Property and Administrative Services Act of 1949 (40 U. S. C., sec. 484), is amended by inserting immediately after "(2)" the following: "No property (including property capitalized in a working capital fund) shall be sold under this or any other act as surplus property until it has been determined whether or not such property is usable and necessary for educational purposes or public health purposes, including research."

(b) Paragraph (2) of such subsection is further amended by striking out "the Federal Security Administrator" and inserting in lieu thereof the following; ", or under regulations issued by, the Secretary of Health, Education, and Welfare."

SEC. 2. Paragraph (2) of subsection (k) of section 203 of the Federal Property and Administrative Services Act of 1949 is amended by inserting "real" immediately before "property" where it appears in subparagraphs (A) and (B).

SEC. 3. Section 203 of the Federal Property and Administrative Services Act of 1949 is amended by adding at the end thereof the following new subsection:

"(m) The Secretary of Health, Education, and Welfare, or the head of any Federal agency designated by the Secretary, is authorized to enter into cooperative agreements with State departments of education or health, and with other State agencies, which are responsible for carrying out in the States the program for the utilization of surplus property for educational purposes and health purposes provided for in subsection (j) or (k) of this section. Such cooperative agreements may provide that either the Federal agency or the State agency will assume responsibility for a part of the duties of the other agency which relate to such program, and that either such agency will make available to the other agency such property, personnel, or funds as may be necessary to enable it to perform such duties."

SEC. 4. Subsection (d) of section 602 of the Federal Property and Administrative Services Act of 1949 is amended by inserting after "Nothing in this act" the following: "(including the first sentence of section 203 (j) (2))."

SEC. 5. No restrictions or conditions on the utilization of surplus personal property donated or sold at a discount for educational purposes or public health purposes, including research, prior to the enactment of this act under the Federal Property and Administrative Services Act of 1949 or any other act dealing with the disposal of surplus property shall remain in effect after 1 year after the enactment of this act.

With the following committee amendment:

Strike out all after the enacting clause and insert the following: "That paragraph (1) of subsection (j) of section 203 of the Federal Property and Administrative Services Act of 1949 is amended (1) by inserting after 'other supplies' the following: '(whether or not capitalized in a working-capital or similar fund)', and (2) by adding at the end thereof the following: 'No property shall be transferred under this subsection until the Secretary of Health, Education, and Welfare has received from an appropriate State agency or official a certification that such property is usable and needed for educational or public-health purposes in the State. In determining whether or not property is to be donated under this subsection, no distinction shall be made between property capitalized in a working-capital fund established pursuant to section 405 of the National Security Act of 1947, as amended, or any similar fund, and any other property.'

"SEC. 2. (a) Subsection (j) of section 203 of the Federal Property and Administrative Services Act of 1949 is amended by adding

at the end thereof the following new paragraph:

"'(4) The Secretary of Health, Education, and Welfare may impose reasonable terms, conditions, reservations, and restrictions upon the use of any single item of property donated under this subsection which has an acquisition cost of $2,500 or more.'

"(b) The amendment made by subsection (a) shall apply only with respect to property donated after the date of enactment of this act.

"SEC. 3. Section 203 of the Federal Property and Administrative Services Act of 1949 is amended by adding at the end thereof the following new subsection:

"'(m) The Secretary of Health, Education, and Welfare, or the head of any Federal agency designated by the Secretary, is authorized to enter into cooperative agreements with State departments of education or health, and with other State agencies, which are responsible for carrying out in the States the program for the utilization of surplus property for educational purposes and health purposes provided for in subsections (j) or (k) of this section. Such cooperative agreements may provide for utilization by such Federal agency, without payment or reimbursement, of the property, facilities, personnel, and services of the State agency in carrying out such program, and for making available to such State agency, without payment or reimbursement, property, facilities, personnel, or services of such Federal agency in connection with such utilization.'

"SEC. 4. (a) In the case of personal property donated or sold at a discount for educational purposes or public-health purposes, including research, under any provision of law enacted prior to the enactment of the Federal Property and Administrative Services Act of 1949, no term, condition, reservation, or restriction imposed on the use of such property shall remain in effect after the date of the enactment of this act. This subsection shall not be deemed to terminate any civil or criminal liability arising out of a violation of such a term, condition, reservation, or restriction if a judicial proceeding to enforce such liability is commenced within 1 year after the enactment of this act.

"(b) No term, condition, reservation, or restriction imposed upon the use of any single item of property donated under section 203 (j) of the Federal Property and Administrative Services Act of 1949 prior to the enactment of this act which has an acquisition cost of less than $2,500 shall remain in effect after the expiration of the 1-year period which begins on the date of the enactment of this act. This subsection shall not be deemed to terminate any civil or criminal liability arising out of a violation of such a term, condition, reservation, or restriction if a judicial proceeding to enforce such liability is commenced within 1 year after the expiration of such 1-year period.

"SEC. 5. Section 203 of the Federal Property and Administrative Services Act of 1949 is amended by adding at the end thereof the following new subsection:

"'(n) The Secretary of Health, Education, and Welfare shall submit, during each calendar quarter, a report to the Senate (or to the Secretary of the Senate if the Senate is not in session) and to the House of Representatives (or to the Clerk of such House if it is not in session) showing the acquisition cost of all personal property donated under subsection (j) and all real property donated under subsection (k) during the preceding calendar quarter to, or for distribution to, educational or public health institutions in each State, Territory, and possession. The first report under this subsection shall be made with respect to property donated during the first calendar quarter which begins after the enactment of this subsection.'"

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the further reading of the substitute amendment be dispensed with.

Mr. HOFFMAN of Michigan. Reserving the right to object, Mr. Speaker, is that the amendment that was offered by the gentleman from Virginia [Mr. HARDY]?

Mr. McCORMACK. That is the whole amendment.

Mr. HOFFMAN of Michigan. The Hardy amendment is in there?

Mr. McCORMACK. Yes.

Mr. HOFFMAN of Michigan. I withdraw my reservation of objection, Mr. Speaker.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. McCORMACK. Mr. Speaker, I move to strike out the last word.

Mr. Speaker, this bill, from the angle of understandability, is a very simple one, but in its results it is very important and far reaching in connection with the universities, colleges, schools, and hospitals of our country, the beneficiaries under the existing law.

This bill does not in any way change existing law in relation to the beneficiaries. The law since 1950 has related to educational institutions and public health institutions. So this bill in no way changes the beneficiary groups under existing law.

The bill was very carefully gone into by a subcommittee consisting of the gentleman from California [Mr. Moss], the gentleman from North Carolina [Mr. JONAS], and myself. The subcommittee unanimously reported the bill to the full Committee on Government Operations, and the full committee unanimously reported the bill in its present form to the House.

There is no opposition from any agency or department of the Government.

This bill was necessary as a result of an order issued in February 1954 by the Department of Defense. But, may I call attention to the fact that representatives of the Department of Defense testified at the hearing that they did not give to the donable property provisions of the existing law any consideration at that time although upon later consideration they felt the provisions of the donable property law warranted and were entitled to such consideration. The subcommittee found very little area of difference existing between the various agencies and departments, and the purpose of the bill which I had introduced. They made suggestions and each and every one of them was very carefully considered and a number of them are incorporated by amendment in the bill, as it is now before the House. The subcommittee through its staff gave every consideration to the views of the interested agencies and departments. I can safely say that this bill does not have the opposition of anyone and I can definitely say on my own responsibility, from the angle of compatibility, this bill is agreeable to the departments and agencies interested.

Mr. HAYS of Arkansas. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. HAYS of Arkansas. Mr. Speaker, as I understand it, the committee did not consider proposals to add to the categories of eligible agencies to receive this property, did they?

Mr. McCORMACK. That is correct. I will state to my friend the reason why. We were considering the carrying out as effectively as possible the intent of Congress in relation to donable surplus property to colleges and public-health institutions. We confined ourselves to that without going into any different categories or classes of beneficiaries because we felt that they should be considered separately in the various bills that have been introduced. I know my friend the gentleman from Arkansas has introduced a bill in relation to the water districts. I shall do everything I can, and I assure the gentleman he will be given a hearing by the Committee on Government Operations, or the appropriate subcommittee, on his bill. There has also been a bill introduced in relation to civil defense, which I am very favorably disposed toward, but the subcommittee felt that we should confine our attention to existing law rather than for the subcommittee to consider new classes of beneficiaries. We were in agreement that bills regarding such possible new classes should be considered separately and upon their own merits.

Mr. HAYS of Arkansas. I agree with the gentleman.

Mr. MATTHEWS. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Florida.

Mr. MATTHEWS. I congratulate our distinguished majority leader for bringing this legislation to the floor of the House. I have had many communications from the State of Florida also. We feel it will be of tremendous help to our public institutions. I want to thank you, sir, and associate myself with your remarks.

Mr. McCORMACK. I thank the gentleman very much. Might I say that the Governor of the State of Florida sent me a telegram and had his personal representative here in Washington.

Might I also say that in the drafting of this bill and in the consideration of the amendments that the representatives of a number of States who were in Washington, including Florida, were also consulted. So this bill represents about as high a degree of satisfaction as could humanly be attained in connection with the agencies and departments of our Government which are interested and at the same time ministers adequately to the needs of the colleges, universities, and hospitals of the country and of the several States of the Union. I have received at least 2,000 letters, telegrams, telephone calls, favoring this bill, as I am sure other Members have received numerous letters and communications, in support of this bill from hospitals, colleges, and universities. At least half of the governors of the States of the Union and probably more, but at least

half, have personally conveyed to me either by telegram or by telephone their support of this bill, and some of them had their State representative in Washington while the bill was under consideration.

Mr. WICKERSHAM. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. WICKERSHAM. Mr. Speaker, I wish to congratulate the gentleman from Massachusetts for his great efforts in behalf of this bill, and also the gentleman from Massachusetts [Mr. O'NEILL] for introducing this resolution. Although I speak for myself, I do wish to express the sentiments of the entire membership of the Oklahoma delegation and of our Governor, who was here 2 days ago to express his interest, together with representatives from both our State senate and our State house of representatives, on behalf of this legislation. I think it is a very worthwhile piece of legislation.

Mr. McCORMACK. I thank the gentleman very much.

Mr. EVINS. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. EVINS. I wish to associate myself with the majority leader in the importance of this bill. The States will benefit greatly by this provision. I would like to ask the gentleman one question for the purpose of securing a little information. Largely the Commissioner of Health, Education, and Welfare will make these determinations. But in what area or field will the Administrator of the General Services Administration make similar determinations on grants of surplus property?

Mr. McCORMACK. The Administrator of the General Services Administration, when property is declared excess by an agency, will be notified, and then he contacts all agencies and departments of the Government to see whether or not any of the property declared excess can be used. That is existing law, and properly so.

Mr. EVINS. I think as a matter of procedure the acquisition of property in the same way would be most helpful. Real estate is handled through the General Services Administration, whereas other properties are handled by the Department of Health, Education, and Welfare.

Mr. McCORMACK. Both go through General Services and Health, Education, and Welfare and both will under this law. For the last year any stock-fund items declared excess did not go through General Services to Health, Education, and Welfare for donation by reason of the order of February 1, 1954, but under the provisions of this bill they will. So General Services will be advised and then Health, Education, and Welfare. General Services will contact other agencies and departments of Government to see if they need any of the property declared excess. Thereafter they notify the Department of Health, Education, and Welfare of property that no other agency or department of Government wants such property and that it is therefore surplus to the needs of the Federal Government.

Mr. EVINS. I thank the gentleman.

Mr. McCORMACK. There is a very excellent relationship, particularly during the past 5 years, between the Federal agencies and the several States of the Union.

Mr. SMITH of Mississippi. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. SMITH of Mississippi. I wish to take this opportunity to express to the gentleman my personal appreciation and that of the various subdivisions of our State government in Mississippi for the fine work that has been done in bringing this legislation before us to carry on a program that has been of such great benefit to so many programs vital to the welfare of our State and the people of the country.

Mr. McCORMACK. I thank the gentleman.

Mr. LANHAM. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. LANHAM. Mr. Speaker, I, too, am glad to commend the gentleman from Massachusetts [Mr. McCORMACK] for his enterprise and foresight in bringing this bill before the House, but I do want to say that some of the beneficiaries of this program have complained to me that articles and merchandise that ought to have been useful to other branches of the Government, and that were being purchased by other branches, were being sold to them at just a token price. So it seems to me there ought to be some investigation of the methods that are used to declare these properties surplus. I am very much in favor of the bill. If it is going to be disposed of, then our schools and hospitals ought to get the benefit of it, but we ought to know why articles that apparently could be used by other departments of the Government are declared surplus and put on the market in this way.

Mr. McCORMACK. May I say that, in accordance with existing law or the provisions of this bill, before any property is declared surplus for distribution or donation, the General Services Administration must give every other agency or department of the Federal Government an opportunity to acquire the property at fair value. In the past the fair value has been set too high, with the result that it has not been acquired for Federal use and then either donated or sold. It is our hope that this situation may be corrected by the proper subcommittee in the near future.

Mr. LANHAM. But is any compulsion put on these other departments to accept this merchandise instead of going into the market and buying identical new merchandise?

Mr. McCORMACK. I do not think there is any compulsion, but I should be surprised if a department that could use property declared excess would not use it if the terms were satisfactory.

Mr. LANHAM. They are not doing it now; and new property is being handled in this way that I am sure could have been used by other departments. I think it ought to be looked into. The Committee on Government Operations should investigate it.

Mr. McCORMACK. I may say in further answer to my friend and along the lines he has stated that our hearings disclosed that under the so-called exchange or trade-in provisions of Public Law 152, 81st Congress, that if the Army for example has certain items which are actually "excess" even the Navy or Air Force, never mind any other department or agency, have not had an opportunity of getting those items even if they could use them. It is hoped that this situation will be corrected by General Services regulation.

Mr. LANHAM. I want to commend the gentleman for raising this important problem. I am sure it will go a long way toward correction of the difficulty.

Mr. ROOSEVELT. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. ROOSEVELT. I should like to associate myself with my other colleagues in congratulating the gentleman from Massachusetts on this bill, particularly because the State of California next to the State of Texas, has made the greatest use for educational and public-health purposes of the features which this bill now protects.

Mr. McCORMACK. I thank my distinguished friend from California.

Mr. Speaker, I want to compliment the two others of the members of the special committee of which I was chairman for the outstanding contributions they made in the drafting of the bill, and as chairman of the special subcommittee, I also want to express my thanks to the members of the full Committee on Government Operations for their consideration of the bill and its unanimous report from our committee. I want to particularly express the high regard that I have for the chairman of our committee, the distinguished gentleman from Illinois [Mr. DAWSON]. It is a pleasure for me to serve on the Committee on Government Operations under the chairmanship of Congressman DAWSON. He is not only one of the ablest Members of the House, but he is one of the most highly respected Members of our body. He commands the respect and enjoys the friendship of all of his colleagues. The Committee on Government Operations functions with efficiency and constructively under the chairmanship of Congressman DAWSON. The people of his district and of his city and State can well be proud of this outstanding legislator and great American.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I congratulate the gentleman from Massachusetts and ask him if it is in order to strike out the last word.

Mr. McCORMACK. I may say to the gentlewoman from Massachusetts that she may move to strike out the last word.

Mr. HOFFMAN of Michigan. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. The gentleman from Michigan is entitled to the floor.

Mr. HOFFMAN of Michigan. That is what I thought, but I was not able to get it. I just wanted to ask a question. But if the gentlewoman from Massachusetts wants the floor I certainly would not stand in her way.

Mr. Speaker, I withdraw my point of order.

The SPEAKER. The gentlewoman from Massachusetts rises on a pro forma motion and is recognized for 5 minutes.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I am delighted that the gentleman has brought this bill to the floor. I am sure it will result in many beneficial reforms, for I know very well of the mishandling of surplus property in the past, property that could have gone to other departments and to State institutions and to schools and colleges and hospitals and could have been used by them that went instead into the hands of commercial companies and sold to them for a song. One instance is that of desks that were given away, not to schools but to commercial companies, given to them for almost nothing.

This bill will serve a very useful purpose. There are many institutions in my district that want this surplus property. I am extremely hopeful that the bill will pass.

I would like to ask the gentleman from Massachusetts if any priority is set up in the distribution of the property.

Mr. McCORMACK. When property is declared surplus or excess under this bill and under existing law any agency or department of the Government has the first preference. It is only when no department of the Government wants any of the property declared surplus by a department that it will be made available through a very strictly regulated procedure to the beneficiaries that exist under present law. So that the order of priority is another Federal agency before the donation provisions can become operative. That is the way it should be.

Mrs. ROGERS of Massachusetts. May I ask one other question? The States are to come first?

Mr. McCORMACK. Yes.

Mrs. ROGERS of Massachusetts. So that in the case of a hospital, if the administration or the Government wants to take it over they will have priority?

Mr. McCORMACK. That is so. This bill does not in any way relate to real property because the existing law governs that. If a hospital, as the gentlewoman has referred to, is declared surplus and no other agency of the Government wants it, then the State has the first opportunity. If they do not want it, then some group like a hospital, if they want to use it as a further facility, or some recognized group of persons who are charitably disposed, can then be considered for the donation of the real estate. But this is personal property.

Mrs. ROGERS of Massachusetts. Sometimes a State wants to take over a hospital.

Mr. McCORMACK. We have the Cushing General Hospital in Massachusetts. This does not in any way disturb that.

Mrs. ROGERS of Massachusetts. I wanted to be sure.

Mr. McCORMACK. The gentlewoman need not worry about that.

Mr. HOFFMAN of Michigan. Mr. Speaker, I move to strike out the requisite number of words.

May I ask the gentleman from Massachusetts a question: This being a bill that he has introduced and that has the approval of the departments, all of them, is it not a fine example of the complete harmony that prevails here between the Democratic leadership and the Republican administration?

Mr. McCORMACK. I think this is a very excellent illustration of harmony.

Mr. JONAS. Mr. Speaker, I move to strike out the requisite number of words.

Mr. Speaker, it was a privilege to serve on the special subcommittee that considered this legislation. I learned a lot about procedure under the leadership of the distinguished chairman of the subcommittee, the gentleman from Massachusetts [Mr. McCORMACK].

We had no trouble reaching a meeting of minds in the committee. We were all in favor of the principle sought to be reached by the proposed legislation. The only differences we encountered were over matters of procedure.

The chairman of the subcommittee, the author of this legislation, was very willing to listen to suggestions and to modifications and changes that might improve the bill as originally introduced. We undertook to take care of certain objections that were raised to procedural or technical provisions.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. JONAS. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. May I say that the gentleman from North Carolina [Mr. JONAS] made powerful contributions during the hearing on the bill and in executive session. Many of his views are incorporated by way of amendment into the bill.

Mr. JONAS. I thank the gentleman very much and I reciprocate the compliment. I repeat, I found the gentleman from Massachusetts very willing to listen to suggestions. The committee had no difficulty in reaching a final decision on the bill. We were all in favor of the principle involved.

Mr. Speaker, I take this time in order to refer to a comment that was made on the floor earlier today by the gentleman from Colorado. He was very critical of the Comptroller of the Defense Department for the promulgation of the regulation in question and I do not think the RECORD should be left incomplete in that particular.

In the first place, the regulation was not promulgated by Mr. McNeil, the Comptroller, but by the Secretary of Defense. Mr. McNeil is the Assistant Secretary of Defense and perhaps had something to do with the decision to adopt the regulation, but from the standpoint of accuracy it must be stated that the regulation was issued by the Secretary.

The purpose of the regulation was to preserve the integrity of stock funds established in the Department of Defense pursuant to the provisions of section 405 of the National Security Act Amendments of 1949. That section provides that such funds shall be reimbursed for supplies, stores, and materials when issued. The Defense Department construed this section as being mandatory, and therefore took the position that when supplies, stores, and materials on hand had been capitalized in a stock fund they could not be given away but should be sold.

Representatives of other departments of the Government held a contrary view and therefore the differences that arose were based upon a difference in the interpretation of apparently conflicting statutes. It is not unusual for lawyers to differ in their interpretation of statutes.

While I am not a spokesman for the Department of Defense, and did not rise in defense of any of its acts with respect to surplus-property disposal, I think, in justice to Mr. McNeil and to the Department of Defense, that the record should show that the decision to promulgate the regulation was made in good faith and as a result of advice from its legal department to the effect that the language in section 405 of the National Security Act Amendments of 1949 was mandatory.

The SPEAKER. The time of the gentleman from North Carolina has expired.

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the gentleman be permitted to proceed for 5 additional minutes.

The SPEAKER. Is there any objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. JONAS. I think it should be pointed out also that Mr. McNeil, as the representative of the Defense Department, in his testimony before our subcommittee, stated that the Department was not opposed to the donable property program and that it was only seeking, under the advice of counsel, to maintain the integrity of its stock funds.

The evidence produced before our subcommittee will show that the operations of these stock funds have resulted in substantial savings of the taxpayers' money.

Mr. McNeil testified that vast improvements have been made in supply control since these stock funds were created. This year alone the Department of the Army will offer for rescission $700 million as a result of the improved management of stock-fund inventories. It is therefore clear to me that the inauguration of sound business practices by the Defense Department in undertaking to control inventories, of which the establishment of working capital or stock funds is an example, is paying dividends to the taxpayer. I do not think it would be wise for us to take any action that would destroy the integrity of these stock funds or handicap the officials of the Defense Department in their efforts to bring about improved methods of handling the vast inventories of goods now controlled by that Department.

I think it is fair to say that the subcommittee recognizes the importance of maintaining the integrity of these stock funds. The subcommittee undertook to try and meet this concern of the Defense Department. For example, the subcommittee added section 5 which directs the Secretary of Health, Education, and Welfare to submit, during each calendar quarter, a report to the Senate and House of Representatives showing the acquisition cost of all property donated during the preceding quarter to

any educational or public health institutions in each State, Territory, and possession. We also obtained a ruling from the Comptroller General advising that the Defense Department may adjust its accounting records to reflect decreases in assets by showing the value of property made available for donation from stock funds. The letter of the Comptroller General containing this ruling appears as appendix 1 to the committee report—Report No. 206, 84th Congress, 1st session.

I hope the bill now before the House will resolve the fears of the Defense Department that the integrity of its working-capital stock funds will be impaired and at the same time will permit the donable surplus property program of the Government to proceed so that all property, surplus to the needs of the Federal Government and which would produce little monetary return to the Treasury if sold, may be available for distribution to educational and public health institutions.

The distribution of this property, equitably and fairly among such institutions in our country, will pay large and incalculable dividends to our entire country.

Mr. SCHENCK. Mr. Speaker, I move to strike out the last word.

Mr. Speaker, the public schools and public-health institutions of the Third District of Ohio, which district I have the honor to represent here in the House, have long been urging the passage of necessary and proper legislation to make more operable the Federal Property and Administrative Services Act of 1949.

Our Federal Government has purchased great amounts of various kinds of equipment and supplies which on the basis of completely justifiable considerations is no longer needed or usable by the appropriate Federal departments. Much of these supplies and materials, however, can be used by various educational and health institutions to a very great advantage—a substantial savings to local taxpayers.

I have examined H. R. 3322 very carefully, have read the report of the committee and have discussed the provisions with members of the committee on many occasions. I, therefore, Mr. Speaker, support this legislation and urge its adoption. I also urge that the appropriate departments make sure that proper administrative procedures are developed to properly handle this important matter.

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that all Members who so desire may extend their remarks in the RECORD at this point.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. SISK. Mr. Speaker, I would like to make a brief statement in strong support of H. R. 3322, which is intended to improve the administration of the program for utilization of surplus property for educational and public health purposes.

I need not remind you of the extremely dire financial situation confronting our school system throughout the country. The inability of local and State agencies to cope with educational demands finally has caused the administration to propose Federal aid to schools. In passing, I may say I believe the proposals made to the Congress are totally inadequate.

My own State of California has been particularly hard hit in the educational field because of the tremendous influx of population there. As a consequence, citizens of California are being called on to finance education of hundreds of thousands of children who normally would be educated at the expense of the States from which their parents migrated. It is obvious that these new citizens, while welcome, do not for a number of years contribute equally to taxation for school purposes, so that far heavier burdens are thrown upon persons who have been longer established in the community.

What better way can we utilize property which is surplus to Federal needs than to make it available for educational and public health purposes? Certainly, the meager amounts to be obtained through private sale of this property are no bar to its higher and better utilization to partially relieve critical educational and health problems of the country.

I may say that I have received communications from a number of school boards and other educational agencies in my district which are struggling to make both ends meet and provide adequate schooling for children. They strongly urge enactment of H. R. 3322. Among those joining in this plea are the Central Union High School of Fresno, Clovis Elementary School, Merced School District, Washington Union High School, Sanger public schools, Raymond Granite Union High School, Fresno city schools, Hilmar Unified School District, Sierra Union High School, and the California Department of Education.

I sincerely hope that through enactment of H. R. 3322 we may embark upon a program to provide substantial Federal help to education.

Mr. GROSS. Mr. Speaker, I strongly support this legislation to make available surplus property for educational and public health purposes.

I have had many communications from the district which I am privileged to represent and elsewhere in Iowa endorsing this measure. I know of nothing I can add to the supporting statements already made. I simply want the record to show my vote in behalf of this needed legislation.

Mr. DEANE. Mr. Speaker, I favor the passage of H. R. 3322 by the House. For several months I have been receiving correspondence and statements from the public school and public health leaders of my district and from the State of North Carolina favoring the passage of H. R. 3322.

Recognizing the importance of the provisions of H. R. 3322 and what this measure would mean to the schools and hospitals of North Carolina, our State legislature on February 17, 1955, passed a joint resolution memorializing the Congress to pass H. R. 3322 as an amendment to the Federal Property Act of 1949.

From my study of H. R. 3322, together with the accompanying committee report, I firmly believe that this bill will provide for a better use of Federal surplus property through donating it to public health and educational institutions that can be derived through the sale of such property in open market for a few cents on the dollar. Through such a utilization program, the American public and taxpayers, by and large, will receive greater benefits from their expenditures.

Mr. Speaker, I have received statements in support of H. R. 3322 from Dr. O. David Garvin, Lee County health officer, Sanford, N. C.; Mr. K. A. McDonald, Hoke County school superintendent, Raeford, N. C.; Mr. J. J. Lentz, Lee County school superintendent, Sanford, N. C.; Dr. G. F. Reeves, Richmond County health officer, Rockingham, N. C.; Mr. J. W. Moore, principal of West Southern Pines High School, Southern Pines, N. C.; Mr. Allison W. Honeycutt, deputy director, State agency for surplus property, Raleigh, N. C.; and Mr. David Q. Holton, director of the State division of purchase and contract, Raleigh, N. C.

Typical of the letters and statements which I have received in support of H. R. 3322 is this quotation from the letter of Lee County Health Officer O. David Garvin, who wrote me:

> We of the Lee County Health Department have greatly benefited by the distribution of surplus properties to education and health agencies. I do not need to call to your attention the advantages of saving local tax moneys when something that has been declared surplus can be used.

It is the feeling of our health and educational leaders that Department of Defense officials have formulated such strict and stringent regulations relative to the disposal of surplus property under existing legislation that this agency, which has 90 percent of all surplus Federal property, is more in league with speculators and secondhand skinflints than it is with our public schools and hospitals. Indeed, last fall I became so concerned about this problem that I had an exchange of correspondence with Assistant Secretary of Defense W. J. McNeil. I showed Mr. McNeil's reply to my inquiry to our State director of purchase and contract in North Carolina, Mr. David Q. Holton, and his comment was as follows:

> My reaction is that those now in control have done a clever job of "delaying tactics" and of confusing interpretations of the directive's results, while simultaneously they are selling to speculators and others the more desirable items so urgently needed by health and education without awaiting determination of the intent of Congress. This raises the question as to how soon the agencies serving the schools and health units will be reduced to the necessity of accepting the leavings at the bottom of the barrel.

Mr. Speaker, I frankly do not know how we in North Carolina could have maintained and operated our schools and hospitals as effectively as we have without having received the $41,592,398 worth of surplus property that we have received from the Federal Government since 1946. Faced as we are in North Carolina and in many other States with

great demands for public education and health services and with insufficient revenue to handle these demands, we must receive the assistance of a liberalized Federal surplus-property-disposal program in order to meet minimum requirements. H. R. 3322 will help us immeasurably in meeting such public demands, and I sincerely hope the House will pass this measure today.

Mr. MAGNUSON. Mr. Speaker, I wish to speak only briefly today to express my support for H. R. 3322.

I believe the members of the Special Subcommittee on Donable Property and the full Committee on Government Operations should be commended for the excellent and thorough work they have done in reexamining the Federal donable surplus-property program and the full potential of its benefit to the educational and health institutions of our country.

It seems to me there can be no question of the good sense of making surplus property available to the Nation's schools and hospitals. It does not make much sense for the tax-supported Defense Department to sell a $100 article today for $6 instead of giving it to a tax-supported school, when the school tomorrow will have to buy one just like it for $100. The taxpayer takes a whopping loss on this kind of a transaction.

And I think the evidence developed at the subcommittee hearings demonstrates that schools, through the exercise of good American ingenuity, can make good use of much surplus property, which otherwise is practically valueless to the Federal Government.

There seems to me to be no question but what the directive issued by the Comptroller of the Department of Defense on February 1, 1954, directly violates the well-considered and well-established will of Congress, particularly as expressed in Public Law 152 of the 81st Congress, that surplus property first should be made available to educational and health institutions. As I said in the statement I submitted to the subcommittee, H. R. 3322 will set at rest any possible misconceptions of congressional intent.

I urge that this legislation be passed.

Mr. PHILBIN. Mr. Speaker, first, may I take this opportunity to compliment my friend, the able, distinguished majority leader [Mr. MCCORMACK], for so resourcefully leading the campaign to enact this meritorious measure and all the members of the subcommittee who cooperated with his efforts. Fortunately there is no substantial issue raised against this measure.

The need for the bill arose in large part from the failure of certain Government officials, particularly certain officials of the armed services, to interpret the Organic Act under authority of which Government property is donated for educational, public, and other programs, as being binding upon them. So far as I understand it, these officials in some instances interpreted the word "shall" in certain parts of the statute as not being mandatory. Of course, such a position is untenable and it is most unfortunate that such an interpretation should be made of the word "shall" when it appears in statutes passed by the Congress.

As every lawyer knows "shall," in the legal sense, is mandatory language. It has the force of a command. It should always be distinguished from "may" which is the directory or discretionary language and permits administrative latitude within the general bounds of a statute.

I am very familiar with the program as it has heretofore been carried out and I do not wish the above remarks to be interpreted in any way as reflecting upon either the objectives or results achieved by the program. It has been very helpful to a great many subdivisions of government throughout the Nation, and I have been in a position many times to note the value of its contributions.

Of course, gross abuses have occurred in the distribution of surplus property and these are to be deplored. I cannot possibly find the language to denounce them. More than that, we should try to do everything we can to prevent their recurrence in the future. The Treasury and the American public must be protected against maladministration, waste, and extravagance.

This bill, in the limited field it covers, should insure the utilization of surplus property for educational purposes and health purposes through cooperative policies of Federal and State agencies. It is my opinion that this bill serves a wholesome and beneficent purpose and I am pleased to urge and support its enactment.

I hope that in net result it will be wisely administered according to law and proper legal interpretation and that it will bring real benefits to many worthwhile and worthy activities which promote the health, education, and social betterment of the Nation.

Mr. BOLAND. Mr. Speaker, I rise in support of H. R. 3322.

Changes in the basic act outlined by this resolution would assure educational and health institutions of a justified prior claim on beneficial surplus property.

The surplus property utilization program has been of inestimable value to Massachusetts educational and health institutions. A total of $41,560,454—acquisition cost—of personal property and real property has been allocated to the Commonwealth for these worthy institutions between 1946 and December 31, 1954.

In the country at large, since 1946, there has been donated to educational and public health institutions a total of $783,343,181 in personal property and $699,713,045 in real property for a total of $1,483,056,226 at acquisition cost.

However, Mr. Speaker, during the last 13 months the Department of Defense has been selling numerous classes of common-use items such as clothing, general supplies, medical and dental supplies and equipment. The proceeds have been going into its working capital or stock funds. Inventory valued at $8,862,638,000 as of February 17, 1955, had been capitalized into 37 stock funds of the Army, Navy, Marine Corps, and Air Force.

This practice by the Department of Defense, it seems to me, is defeating the very purpose of the basic surplus-property-disposal law. The various branches of the Armed Forces are selling excess items throughout the country for a mere pittance of acquisition costs. An estimated $2 million worth of property at acquisition cost is planned for sale during the current year.

A considerable amount of these items held by the Department of Defense would be useful and needed by educational and public health institutions.

Mr. Speaker, I have received numerous letters from colleges and hospitals, not only in my district in Massachusetts, but from others in the Commonwealth, urging passage of this bill.

I believe that Federal property once procured by taxpayers should be used when needed by educational and health institutions for the benefit of taxpayers. This property should not be sold by a Federal agency to salvage dealers, who in turn, have offered the same property to schools and hospitals at huge profits.

I want to commend my colleague the gentleman from Massachusetts [Mr. MCCORMACK] as the author of this bill, and I strongly urge that the House vote in favor of this measure so that we may have a better and more effective utilization of surplus Government property for educational and public health purposes for the years to come.

Mr. CRETELLA. Mr. Speaker, I want to associate myself with my many colleagues who have expressed their favorable views on H. R. 3322.

I congratulate the committee for bringing out a favorable report on this desirable legislation which I know will go a long way toward helping many institutions by supplying them with donable goods.

Many of the heads of these institutions in my district have written me expressing their interest in the receipt of the various articles declared surplus by the Government, permitting them to acquire through this legislation these goods which they probably would not otherwise be able to afford.

I believe that the letters which I have received clearly indicate that surplus property can and does play a major part in the progress, operation, and learning of these recipient schools and health establishments.

I trust that an overwhelming vote of approval of this legislation will follow.

I include in my remarks correspondence on this subject:

DEPARTMENT OF EDUCATION,
OFFICE OF THE SUPERINTENDENT,
North Haven, Conn., February 16, 1955.

Hon. ALBERT W. CRETELLA,
Representative, Third District, Connecticut, House of Representatives, Washington, D. C.

DEAR MR. CRETELLA: This letter refers to House bill H. R. 3322 and Senate bill S. 1004 concerning disposal of surplus Government property to health and educational institutions.

The North Haven public schools have benefited greatly from surplus property available to us in the past. We have received at nominal warehouse charge a wide variety of materials ranging from band-leaders batons to a pick-up truck. Much of this material has been immediately usable in our schools. Other items have been modified at slight cost for educational use, i. e., a commercial electric bake oven.

Our use of surplus property has saved the taxpayers of North Haven considerable money, besides making items available which might not be purchased through public funds. There is no doubt that surplus property has improved the educational offering in North Haven.

Therefore, we should appreciate your serious consideration of these bills and hope your active support will follow.

In addition, we would suggest a change in regulations governing certain types of surplus which are not offered to educational institutions because they are reimbursable and hence are sold to highest bidder. These are commonly referred to as stock fund items. Offering this property to public institutions would in my estimation be in the public interest because:

1. These items bring only a fraction of their value at auction, whereas a high proportion of their true value will be realized in their use in schools and other institutions.

2. Inordinate high profits sometimes realized by private bidders on resale of surplus property will be reduced if more surplus is put to use in public institutions.

Sincerely,

CHARLES T. ST. CLAIR,
Superintendent of Schools.

THE CHOATE SCHOOL,
Wallingford, Conn., February 11, 1955.

Congressman ALBERT W. CRETELLA,
House of Representatives,
Washington, D. C.

MY DEAR CONGRESSMAN CRETELLA: We understand House bill H. R. 3322, which is concerned with the disposal of surplus Government property, is coming up for hearing very shortly.

We are vitally interested in this measure and would like to see it passed and improved. During the past few years we have saved literally thousands of dollars in equipment that was, and is, necessary to carry on the work of an institution such as ours. We have also been able to obtain equipment that we could never afford to purchase otherwise. The result has been that we have been able to keep our tuition rates down considerably below the index for the costs of living increases. This has resulted in savings to many taxpaying parents and has enabled many more worthwhile students to matriculate at Choate.

A great deal of the equipment we have received, especially in electronics, has enabled our students to carry on advanced studies and consequently be better fitted for their work in the armed services.

We are particularly interested in the regulations concerning the stock fund. As it now works out, much material that would be of great benefit to health and educational purposes is not available to us. We do believe, however, that it was, and is, the intent of the Congress that these stock-fund properties should be made available to health and educational agencies. We will appreciate your considered attention to this part of the bill to see that the intent is clear and cannot be misinterpreted.

We might say in closing that the items we have received under the present act have been most helpful. Every boy that attends a private school is a direct savings to the taxpayer. Only by keeping our tuition rates down are we able to keep students coming to our schools. The acquisition of surplus materials is a valuable aid in our efforts to do this.

We will appreciate everything you can do to boost this bill, and your vote in its favor.

Very truly yours,

CHARLES EGLISE, Jr.,
Business Manager.

GAYLORD FARM SANATORIUM,
Wallington, Conn., February 11, 1955.

Hon. ALBERT W. CRETELLA,
House of Representatives,
Washington, D. C.

DEAR MR. CRETELLA: Recently it has been brought to my attention that there is legislation being proposed to change the present system of allotting war surplus commodities to charitable institutions, schools, etc.

Gaylord Farm being a nonprofit institution has been the recipient of many very valuable items at relatively low cost. Many of these items would never have been obtained because of lack of funds if they had not been made available through the Department of Education under its present setup. There are many items now being sold by auction that I would like to have for this institution if they could be made available through our present source. However, attending these auctions is impossible and it would be impossible to purchase one item where they are being sold in quantity to big buyers with relatively little income to the Government in ratio to their actual cost. Therefore, it is my opinion that this practice of disposal to institutions should not only be continued, but also broadened to make any item wanted by an institution available through the present source.

I would be very happy to furnish you with detailed information on equipment already procured and items I would like to procure if available.

It is hoped this information will be of use to you when considering the advisability of supporting legislation to continue and broaden the scope of the present program.

Sincerely yours,

HAROLD DEDERICK,
Business manager.

STATE DEPARTMENT OF EDUCATION,
Hartford, Conn., February 18, 1955.

The Honorable ALBERT W. CRETELLA,
United States House of Representatives, Washington, D. C.

MY DEAR CONGRESSMAN: House bill H. R. 3322 and Senate bill S. 1004 affecting the distribution of surplus property to education and health institutions will be presented to Congress for your consideration in the very near future. These bills have the approval of the National Association of State Directors of the State Agencies for Surplus Property, the American Vocational Association, and practically all of the education and health institutions in our State. It concerns the restrictions on the donation of stock-fund property which through a directive from the Office of Defense does not make this type of property available for donation, which we believe was not the intention of Congress when the surplus-property legislation was enacted.

Your active interest in these bills would be greatly appreciated by all interested parties because valuable materials and equipment is included in this stock-fund category which would save both education and health institutions a considerable amount of money.

Sincerely yours,

FRANK P. BRADLEY,
Director, State Agency for Surplus Property.

GENERAL LEAVE TO EXTEND

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on this bill in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The SPEAKER. The question is on the committee amendment.

The committee amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on passage of the bill.

The bill was passed; and a motion to reconsider was laid on the table.

ST. PATRICK, PATRON OF FREEDOM AND LIBERTY, AND THE YALTA AGREEMENT

Mr. McDONOUGH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. McDONOUGH. Mr. Speaker, there is no holiday we celebrate as a nation like St. Patrick's Day. Regardless of whether we may hail from the Emerald Isle by way of our forefathers, or claim but a wee drop of Irish blood from somewhere along the way, we still join together each 17th day of March in the wearing of the green in honor of Ireland's patron saint.

From pre-Revolutionary days in the Colonies, the Irish, true to their adventurous spirit, came across the sea to find the new land of opportunity, and stayed to bring a bit of old Ireland to the New World.

Firm believers in the principles of democracy, they fought gallantly through the War for Independence, and it has been estimated that during the Revolutionary War, 38.6 percent of the names on the muster rolls of Washington's forces could be identified as Irish. On April 2, 1784, Lord Mountjoy, addressing the House of Commons, was reported to have said:

> I am assured, from the best authority, the major part of the American Army was composed of Irish. * * * It was their valor determined the contest. * * * America was lost because of the Irish immigrants.

Since the founding of our Nation, the Irish-Americans have made their mark in every phase of our national life. There was the great lawyer, Charles O'Conor; the famed author and poet, father of the present-day mystery story, Edgar Allan Poe; the beloved composer of American operettas, Victor Herbert. There was the great John L. Sullivan and James J. Corbett; Connie Mack and George M. Cohan. There was Al Smith, Colin Kelly, Butch O'Hare, Paddy Finucane, and Admiral Callahan, to name just a few. And the list could go on and on.

Regardless of descent, every American is familiar with the luck of the Irish, the wit of the Irish, the Blarney stone, and the magic of the shamrock.

The Irish brought to America a vigor to build that strengthened the young Nation's westward march that made possible our vast expansion. With them

they brought humor and they brought music. They were as down to earth as the sod of the beloved country of their birth, and they were as regal as its kings. They brought to America a sparkle and zest for life that has become an integral part of our national character.

Today is the 1500th anniversary of the birth of St. Patrick. St. Patrick brought spiritual light and intellectual freedom to Ireland and the world of his day. He is credited with driving all the snakes out of Ireland. Today is also the 10th anniversary of the Yalta agreement, a dark day in the world's history. The Yalta agreement imposed slavery and lost freedom to millions of people throughout the world and let loose the snakes of communism upon the free world. Today we need a modern St. Patrick to restore freedom to the world with the power to drive the snakes of communism out of the world.

The United States should assume that role by demanding the repudiation of the Yalta agreement.

So "the top of the morning to you" on this March 17 of 1955 as we Americans join together once more, whether of Irish origin or not, and celebrate another grand and glorious St. Patrick's Day.

One of the most appealing, sentimental, and descriptive songs and poems of the shamrock of Ireland is the 100-year-old The Green Little Shamrock of Ireland:

There's a dear little plant that grows in our isle,
'Twas St. Patrick himself, sure, that set it;
And the sun of his labor with pleasure did smile,
And with dew from his eye often wet it.
It thrives through the bog, through the brake, through the mireland;
And he called it the dear little shamrock of Ireland,
The sweet little shamrock, the dear little shamrock,
The sweet little, green little, shamrock of Ireland.

This dear little plant still grows in our land,
Fresh and fair as the daughters of Erin,
Whose smiles can bewitch, whose eyes can command,
In each climate that they may appear in;
And shine through the bog, through the brake, through the mireland,
Just like their own dear little shamrock of Ireland.
The sweet little shamrock, the dear little shamrock,
The sweet little, green little, shamrock of Ireland.

This dear little plant that springs from our soil,
When its three little leaves are extended,
Denotes from one stalk we together should toil,
And ourselves by ourselves be befriended:
And still through the bog, through the brake, through the mireland.
From one root should branch, like the shamrock of Ireland.
The sweet little shamrock, the dear little shamrock,
The sweet little, green little, shamrock of Ireland.

AMERICAN WAR PRISONERS IN CHINA

Mr. GROSS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. GROSS. Mr. Speaker, again I call attention to the fact that American servicemen, who fought in the Korean war, are rotting in Communist Chinese prisons.

On December 2, 1954, President Eisenhower said at his news conference:

> Moreover, those men were there (in Korea) in conformity with obligations incurred under the United Nations, and were there, in fact, in accordance with the specific request and resolution of the United Nations.
>
> How the United Nations can possibly disabuse itself of a feeling of responsibility in this matter, and retain its self-respect, I wouldn't know; and so, I think that the United States does not stand alone, merely indicating that we are yet far from exhausting all of our resources.

Mr. Speaker, I say again that it is time for the United Nations to obtain the release of these war prisoners or admit its dismal failure.

COMMITTEE ON RULES

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight to file a report.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

ST. PATRICK'S DAY

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. McCORMACK. Mr. Speaker, all the world's green today and all the world's akin, and 'tis no wonder, for today the world is celebrating the feast day of that great and glorious patron of the Emerald Isle, St. Patrick.

Today, St. Patrick's Day, merriment runs like the dancing waters of a babbling brook; joy in living and true brotherhood are the order of the day; the very air takes on a new note of friendliness and graciousness and the spirit of man soars. What a grand compliment to a saint of God and to a nation and a people for which Patrick is patron.

Eloquence is the order of St. Patrick's Day, Mr. Speaker, as sons of many lands vie to honor St. Patrick; in poetry, music, song, oratory, and humor, palans of praise go up in memory of this simple servant of God who humbly assumed one of the grimmest missions given to man, and thereby enriched mankind for all times.

I must confess, Mr. Speaker, that I delight in the coming of St. Patrick's Day. I look forward to it each year, and, perhaps, with the passing of time, with greater appreciation each March the 17th. I relish it not only because I am of Irish blood, but because of what I see it does to all men, no matter what their nationality, what their creed, what their race.

Mr. Speaker, it is the universality of St. Patrick's Day that has one of its greatest appeals for me. It is the pleasure of seeing one's friends and neighbors genuinely buoyed up by the occasion. It is good to see what this remarkable feast day does to and for one's neighbor. Such is the charm and appeal and spiritual content of this day that truly all men are brothers on March 17.

I have often pondered the explanation of all this; the lives of the saints are filled with heroic sacrifices; many, in the intellectual sense, were more gifted than Patrick; the vast majority of them paid with their lives for their faith, and on the romantic and epochal side there were the Sts. Francis and Xavier; each, of course, has his own legion of devout and devoted followers, but to Patrick seems reserved a special man-in-the-street appeal that is at once a source of gratification and awe.

St. Patrick's story is a fascinating one, and it is chocked full of human interest. St. Patrick's life was one rich in trials and challenges, struggles, hope and disappointments, and eventual magnificent success. I suppose much of the natural attraction for St. Patrick is the very humanness of his life, plus the eventual crowning of it by that glorious achievement of converting the blessed isle from paganism to Christianity.

I suppose, too, that in the heart of every God-fearing man who walks the earth today there is a sense of gratitude to St. Patrick for whatever we possess in the way of enlightenment and culture, for the leaven of society.

In all this there is much that is providential. It seems to fit God's great plan that godly men have grown up out of time, as it were, across the span of the centuries so that history presents us with a virtual bridge of saints.

Mr. Speaker, the story of St. Patrick's life is one of the most interesting recorded in written history. Without my going into details on this occasion as to his great contributions, it can truly be said that God smiled on St. Patrick's mission, and this divine benevolence left its impress on the fair green isle and its people, not only on St. Patrick's Day but throughout the succeeding centuries and in the centuries to come. St. Patrick has also left his imprint upon the minds of countless millions of persons of other lands and of other racial origins, as well as other faiths. For St. Patrick's mission was one of moral courage, strong faith, enduring loyalty, imagination, as well as the gift of laughter and song and fine fellowship and a love of life well lived. His life was devoted to God and His word and His law. Without regard to race, color, or creed, the world of today has great need for the spiritual truths and the idealism that the life of St. Patrick so powerfully and eloquently symbolizes.

ST. PATRICK'S DAY AND THE BRITISH IN NORTHERN IRELAND

Mr. SHELLEY. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. SHELLEY. Mr. Speaker, today is normally a day of rejoicing for Irishmen and their true friends. It is a sad thing that the sons and daughters of St. Patrick cannot celebrate his day unreservedly because of the reign of terror they must now endure along the so-called border which now knifes through the heart of their homeland. I hold in my hand a clipping from the Irish Press, of Dublin, which gives the details of the latest chapter in the long story of the atrocities perpetrated against free Irishmen by the British forces of occupation in Northern Ireland. On March 5 of this year an 18-year-old Irish lad on his way home from an evening of innocent fun was waylaid in his car and shot dead by a highway patrol gang of special British border police—the notorious "B" men—a group of British hirelings whose only job is to terrorize the people of Ireland into submitting to English oppression and misrule. To prove how vicious and irresponsible are the tactics used by these "B" men, abetted by the Royal Ulster Constabulary, the same article relates how one of their own gang was shot down on the next night by his own comrades—a mistake undoubtedly regretted by the English masters of Northern Ireland, but only because the bullet failed to find its mark in a citizen of Ireland fighting against the present undemocratic partition of the island.

Mr. Speaker, it is high time that the United States Congress and our Department of State opened their eyes and took official notice of the terroristic regime now in control of that part of Ireland forcibly separated from the Irish Republic. The partition of Ireland is in direct violation of the principles of democratic rule and self-determination of peoples which we espouse in our Declaration of Independence and which we reproclaimed in the charter of the United Nations. Great Britain pays lip service to those principles on the one hand, but with the armed might of its other hand it engages in a rule of oppression, suppression, and terror against the people of Ireland which would do credit to a Hitler or the masters of the Kremlin. The United States should wake up to the fact that our failure to denounce this infamous "Police Government" of occupied Ireland nullifies everything we are trying to do in building up confidence and faith in our ideals among the oppressed and underprivileged peoples in all corners of the world. How can they look to us for deliverance from actual or threatened control by the Communist-world conspiracy when they see us standing by and doing nothing to stop similar armed occupation of the territory of a subject people by the so-called democratic government of our ally, Great Britain? Our consciences cannot be clear nor can the Voice of America be fully heard until that house has been put in order.

The incidents related in this press clipping are not the first nor will they be the last of the atrocities committed along the artificial border dividing Ireland—they will not end until that border has been wiped from the map and all of Ireland is free. World opinion finally forced England to withdraw its Black and Tan gangs of terrorists and grant Ireland partial freedom in the twenties. World opinion can force the completion of the task, but it cannot be marshaled effectively unless and until the United States takes the lead. So that the people of this country and defenders of freedom everywhere can get some insight into conditions now prevailing in Ireland I submit the press story of this latest atrocity for inclusion in the CONGRESSIONAL RECORD with these remarks. Pray God and St. Patrick that it will help move our State Department and the congressional committees concerned to take action to clean our skirts of responsibility for winking at the depraved actions of the present regime in northern Ireland.

[From the Irish Press of March 7, 1955]

WEEKEND OF INTENSE BORDER ACTIVITY BY RUC AND SPECIAL CONSTABULARY—OFFICERS HEAVILY ARMED WITH REVOLVERS, RIFLES, AND STEN-GUNS—OPERATIONS STRICTLY SECRET—YOUTH SHOT DEAD BY "B" MEN—CARS THAT FAILED TO STOP FIRED ON IN COUNTIES ARMAGH AND TYRONE—CRITICALLY WOUNDED MAN IN HOSPITAL

One motorist was shot dead and another seriously wounded by "B" Specials in a weekend of intense border activity.

Dead is 18-year-old Arthur Leonard, of Cladymore, County Armagh, who was fired upon on Saturday night when he was driving home in a van from the village of Keady. Clare Mallon, aged 16½, a passenger in the van was wounded.

In Omagh Hospital, critically ill, is 23-year-old Austin Stinson, of Monea, Derrygonnelly, County Fermanagh, whose car was fired upon last night on the Aughnacloy-Augher Road.

An RUC statement on the Keady shooting said that the shots were fired when Arthur Leonard failed to obey a signal to stop.

Clare Mallon, the injured girl, said that they saw a police tender blocking one fork of the road. Leonard said to her: "There must have been an accident. We will take the Newtownhamilton Road." Then the first shot was fired and they stopped.

Clare's sister, Alice, aged 15, and a youth, who were in the back of the van, were unhurt. Alice said: "They fired a shot and Arthur stopped the van. After that they kept on firing. The shots came from the front, through the windscreen."

Arthur Leonard had driven into Keady to visit his grandmother, Mrs. Mary Rafferty, and his aunt, Mrs. Ena Vallely.

On leaving, he stopped to give a lift to Clare and Alice Mallon, of Darkley, who had gone to confession in Keady and stayed on to see a film show.

With them was Peter McKearnan, of Ferna.

THE LAST RITES

The scene of the shooting is about 300 yards from the village of Keady, but well within the village boundary.

A group of youths, attracted by the shots, rushed first to the scene and then to the priest's house to call Rev. Charles McKeone, who left his sick bed to hurry to the van.

Father McKeone said yesterday: "I got to the scene before the doctors, and gave the unfortunate youth the last rites of the church.

"He was completely unconscious, a burning cigarette still smoldering between his fingers. There was a large gaping wound on the side of his face, which was covered with blood."

Drs. F. X. McElroy and E. S. Dorman also rushed to the scene of the shooting, but Arthur Leonard was already dead.

One of the youths who called the priest said: "When we heard the worst, we knelt on the roadside and said the Rosary. The 'B' Specials stood by watching us."

ROAD BLOCKED

In bed at her home, Clare, eldest of eight children of Mr. and Mrs. Patrick Mallon yesterday told me of the tragedy.

"My sister Alice and I were in Keady. On our way home about 11:15, a van pulled up and the two boys inside it asked us if they could give us a lift.

"We knew the boys, so we jumped in. I got in the front seat with Arthur and my sister was beside Peter in the back.

"As we approached the fork in the road to Newtownhamilton and Darkley, a mile and a quarter from home—we saw a number of 'B' Specials.

"A car was drawn up beside a police tender blocking the Darkley road. Arthur said: 'There must have been an accident. We will take the Newtownhamilton road.'

"FELL OVER WHEEL"

"As Arthur spoke, the 'B' Specials fired a shot and we stopped," said Miss Mallon.

"More shots were fired then, which splintered the windscreen. The glass hit me and a bullet went through my leg just above the knee.

"Arthur just fell over the wheel. I think the first bullet must have hit him.

"One of the 'B' men came up and lifted me out. Three more went over to Arthur's side of the car.

"One of the Specials asked me why we had not stopped. I told him we had seen no lights or heard no shouts to stop."

Miss Mallon was attended by Dr. Dorman in a neighbor's house. Her wounded leg is to be X-rayed today.

SAW RED LIGHT

Peter McKearnan said: "I was in the back of the van. As we slowed up, I saw a red light in front.

"Almost immediately after that I heard 4 or 5 shots. The van stopped and Arthur slumped over the wheel.

"A 'B' man said, 'They knew what was coming to them when they did not stop.' I said, 'Sure we were stopping'."

A man who came on the scene just after the shooting said: "At least 5 or 6 shots were fired from a Sten gun.

"Leonard's car piled into the ditch after he had been struck by a bullet in the temple."

The RUC statement said: "At approximately 11:30 on the night of Saturday, March 5, a Special patrol on duty at a point between Keady and Darkley, County Armagh, signaled to a vehicle approaching their post to stop.

"The driver of the vehicle failed to obey the signal. The patrol fired on the vehicle, which came to a standstill some distance away."

Police last night would not add anything further to the statement. An inquest is to be held in Armagh Courthouse today at 3 o'clock by the city coroner, Mr. C. G. Anderson.

AT STORMONT

The six-county Minister of Home Affairs, Mr. George B. Hanna, Q. C., said last night that he intends to make a statement about the shooting in Stormont tomorrow.

Mr. Hanna said: "Until I have a fully comprehensive report and the full facts of the

regrettable occurrence, I cannot make any statement.

"I hope to be in a position to give all the information I have in a statement in the House of Commons on Tuesday."

Mr. Gerald Curran, solicitor, Newry, acting for the Leonard family, told the Irish News Agency last night that the police authorities had refused him permission to have the van in which the boy was killed photographed.

"I had the greatest difficulty in even getting in to see the van," he said. "Head Constable Chambers, of Armagh, was adamant that no photographers would be permitted to photograph it, even to provide me, the family solicitor, with evidence which I consider is vital.

"The reason the head constable refused was," he said, "that he was acting on the instructions of the county inspector of the police. I shall have something to say about that strange decision at the inquest tomorrow."

NEIGHBORS' PRAYERS

At all masses in the district yesterday prayers were said for the repose of the soul of the dead youth. A friend of the family said, "Arthur's parents are still stunned by the tragedy."

A wooden cross was erected this morning on a beech tree overshadowing the spot where the shooting took place.

Arthur Leonard was the second of a family of 13. His parents, Mr. and Mrs. Patrick Leonard, have a small farm and conduct a small-scale secondhand motor business at Cladymore.

The van belonged to the family.

The B Specials involved in the incident were under the command of Subdistrict Commandant Albert Watson, of the Crosskeys special constabulary branch, Armagh.

The RUC have begun an investigation, under the direction of County Inspector S. Peacock, of Armagh.

Since the raid on the Armagh barracks last year, "B" special constabulary have been detailed to patrol areas of the border not normally covered.

In recent weeks, there have been three incidents where they fired on cars which, they alleged, refused to halt when called upon.

On one occasion, according to a reliable source, they shot the tires off an RUC car in mistake.

Since Saturday morning, intense police activity was noticed in the South Down, South Armagh, and Derry areas.

A police spokesman in Newry said: "The check is merely against smugglers dealing in secondhand cars."

Today's Daily Express says the shooting occurred "during a snap anti-IRA police mobilization exercise."

The press association reported last night "what appeared to be the largest-scale mobilization of police forces in the border areas" over the weekend.

LEAVE STOPPED

Police leave was stopped and officers who were not out on patrols or at roadblocks stopping and searching cars crossing the border were confined to barracks.

All officers were armed with revolvers, Sten guns, or rifles, and they were supported by police cars with radio equipment. The greatest secrecy was maintained.

Arthur Stinson, the victim of last night's shooting, is the son of a farmer, and is employed as a bread server in the Enniskillen area, about 6 miles from his home. He is a member of the Church of Ireland.

He was wounded in the chest. A spokesman at Omagh Hospital said that no decision to operate on him had been taken yet.

At the time of shooting he was driving his brother's car, and had a number of other people with him. They brought the news of Stinson's injuries to his mother, who collapsed when told of the fate of her son.

UNIFICATION OF IRELAND

Mr. SHELLEY. Mr. Speaker, I ask unanimous consent that the gentleman from Illinois [Mr. O'HARA] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. O'HARA of Illinois. Mr. Speaker, I want to compliment the gentleman from California on calling this sad situation to the attention of the House. Mr. Speaker, the recent killing along the border has also been brought to my attention through the Irish press. I have here an article from the Irish Independent of March 8 which gives further details on this wanton shooting and I ask unanimous consent that it be printed in the RECORD at this point. I certainly agree that it is high time that the United States assume its proper responsibility in the matter of the partition of Ireland by publicly demanding that all of Ireland be given its freedom.

[From the Irish Independent of March 8, 1955]

OPEN VERDICT AT REQUEST ON ARMAGH YOUTH—"B" SPECIALS TELL OF SHOOTING

The jury at an inquest in Armagh on Arthur Leonard (18), of Cladymore, County Armagh, last night returned an open verdict in accordance with the medical evidence, holding that Leonard died as a result of gunshot wounds and that the shots were fired by members of the Special Constabulary. Sympathy was expressed to the relatives by the jury, coroner, and representatives of the RUC and Special Constabulary.

Addressing the jury before they retired at 10 o'clock, Mr. P. G. Curran, who appeared for the Leonard family, said: "I invite you to say that the Special Constabulary willfully exceeded their duty with the result that an innocent boy is lying dead tonight. If you find that, they are guilty of murder."

The coroner, Mr. G. C. Anderson, told the jury he did not think they would be wise in returning a verdict of murder. They could find accidental death if they thought the Specials were justified, or return an open verdict in accordance with the medical evidence and leave the decision as of guilt to a higher tribunal.

Before the jury was sworn, Mr. Curran asked that an assurance should be given that no one on the jury was a member or ex-member of the RUC or "B" Special Force.

"I think you will agree that an inquiry should be made to insure that none of those on the jury has a special interest in the case," he said.

The coroner then asked if any member of the jury was a member or ex-member of the "B" Specials or RUC. One man replied that he was.

The coroner then asked Mr. Curran if he took exception to this juryman, Mr. Wilson.

"Mr. CURRAN. Not personally, but I think this tribunal should be constituted of independent people. I think it is only right to insure impartiality."

ASKED TO LEAVE

The coroner then asked Mr. Wilson to leave.

Dr. Patricia Cole, house officer at Armagh City Hospital, said that she examined Arthur Leonard at 12:30 a. m. on Sunday. He was then dead. He had a wound in the head and in the thigh. She formed the opinion that the injuries were compatible with being inflicted by a bullet wound. Death was due to extensive laceration of the brain.

Mr. CURRAN. "Would you agree that the mark on the thigh was also a bullet mark?

"WITNESS. It looked very like it.

"Mr. CURRAN. That would have come through the driver's door?

"WITNESS. Yes."

Asked about the girl, Clare Mallon, who was injured in the front of the van, Dr. Cole said that she had a gunshot wound on the outer side of her right leg just above the knee.

Dr. Francis Xavier McElroy said that about 11:30 on Saturday he went to the junction of the Keady-Newtownhamilton and Darkley Roads. He saw a motor van parked on the left facing Newtownhamilton.

"I opened the driving door and saw a young man behind the wheel. I examined him and found that he was dead. On the left side of his skull he had a ragged cut about 2 inches square. I arranged for his removal to the county infirmary."

To Mr. Curran he said that on his way to the scene he saw about a dozen police around the van.

SERGEANT'S EVIDENCE

Sgt. Gordon H. Watson, Special Constabulary, said that on Saturday night he was on duty at the junction of the Keady-Newtownhamilton-Darkley Roads. There were five Specials altogether and their duties were to stop and search all motor vehicles. They put a van across the Darkley Road to form a roadblock. It had two front lights and one rear light. Specials G. Fields and A. Gibson were on the Darkley side of the van. There was one Special named McAllister about 2 yards up the Newtownhamilton Road. Witness was about 20 yards down the Keady Road with Reggie Gibson. He was unarmed. But the others, with the exception of Alan Gibson, were armed with rifles.

Their instructions were to give a signal by waving a torch with a red light back and forth to stop the vehicles. Between 10:15 and 11:30 they stopped about 40 vehicles and no difficulty was experienced. There was a good moon out.

"About 11:30," he said, "I saw two headlights of a vehicle coming from Keady. I gave it the usual signal to stop with the torch. I was on the middle of the road and the vehicle was then about 140 yards away. It neither stopped nor slowed down as it approached. I had to jump to my left to avoid being knocked down. I shouted 'Stop,' but that had no effect and the vehicle continued on at a speed of 35–40 miles per hour. When I saw it was making no attempt to stop I shouted 'Stop that van.'

HEARD SHOUTS

"Immediately it passed me it appeared to go in the direction of the Darkley Road but then changed direction into the Newtownhamilton Road. I then heard shots. I thought there were 3 but I now know there were 4. They followed in quick succession. During the shooting the van was moving.

"After the last shot it appeared to slow down. It stopped on the left side of Newtownhamilton Road. I went down to the van and found Arthur Leonard crouched over the steering wheel. There were two girls and another man in the van. I immediately went for medical assistance and the RUC.

ASKED ABOUT AGES OF SPECIALS

Replying to Mr. Curran, witness said he was 30, and had been 8½ years in the Specials. Specials had to be skilled in the use of firearms before ammunition was entrusted to them.

Asked the ages of the men under him at the roadblock, witness said 1 of them was over 21—Reg. Gibson. McAllister was not yet 19, and had been about 1½ years in the force. He could not say when McAllister had passed a test before being allowed out on the road carrying firearms. He was sure

there would be a record at headquarters in Armagh.

At this point Mr. H. A. Emerson, solicitor for the "B" special constabulary, objected to these matters being put to the witness. They were for his superior officer, he said.

Witness then said in reply to Mr. Curran that when he examined the ammunition of his men later he found four bullets were missing. He knew nothing of a live round of rifle ammunition which Mr. Curran produced, saying it had been found at the scene.

"Mr. CURRAN. Did you consider you were entitled to fire on vehicles that night?"

"WITNESS. Yes.

"Mr. CURRAN. Who gave you those orders?

"WITNESS. Our sergeant instructor. Sergent McGahey.

"Mr. CURRAN. Were you told to fire to kill?

"WITESS. No. We were told to disable the vehicle if possible."

Witness said the van was too close to McAllister to fire at the tires.

"Mr. CURRAN. Did McAllister fire to hit the driver?

"WITNESS. I cannot say."

He added that 2 shots were fired by each of the 2 guns.

"Mr. CURRAN. Do you consider you would ever be entitled to shoot the driver if he did not stop?

"WITNESS. If he did not stop after all necessary precautions had been taken, it would be proper to shoot to wound the driver."

Asked what allowance he would make if a man was unable to stop due to bad brakes, witness said: "It is against the law to have bad brakes."

"Mr. CURRAN. Yes, but the penalty is not death."

Asked what allowance he would make for a nervous lady driver, Watson said she could give some indication she was going to stop. He denied that the van had been shifted before the police arrived.

"Mr. CURRAN. I put it to you this man was shot at pointblank range when the van was stopped?

"WITNESS. I entirely disagree."

Asked why they could not have pursued the vehicle in their own van, he said in his opinion they had used all reasonable means to stop it. He was not aware that Leonard had mistaken the roadblock for a motor accident.

To Mr. Emerson he agreed he had definite orders to fire on any vehicle which did not stop.

William J. McAllister (18), a member of the patrol, said his duty on Saturday night was to intercept on the Newtownhamilton road any cars which failed to stop for Sergeant Watson's signal. He said he saw the van coming on at a steady speed making no attempt to slow down. He heard the sergeant shout "Stop," and then "Stop that van." "I stepped out into the road," he said, "with my rifle leveled from the hip, but it still made no effort to stop. I fired two low shots toward the front of the van, one when the bonnet was opposite me and one when it was completely past me.

"After the last shot the van slowed down and I did not fire again. I fired both shots from the hip. I also heard two shots from behind me. My intention was to disable the van."

McAllister, cross-examined as to his shooting capability, said he was a marksman. If he aimed at anything it was likely that he would hit it.

"Mr. CURRAN. Were you told how to intercept vehicles?

"WITNESS. There is only one way—to shoot at the engine. I had not time to aim at the tires.

"Mr. CURRAN. Why did you fire through the driver's door?

"WITNESS. I did not know the shot went through the door. I tried to hit the bonnet.

"Mr. CURRAN. What was to hinder you letting the van go by and firing at the tires?

"WITNESS. The further it would be from me the harder it would be to hit."

Mr. Curran said it was rather peculiar that one of the bullets passed through the top of the bonnet at the passenger side.

McAllister said he could not have hit it there unless it was a ricochet.

There was no other constable with a gun in front of the van. He denied he fired any shot through the windscreen. "For all I know my shot may have hit the driver," McAllister said.

Reginald Gibson, special constable, said he was behind Sergeant Watson and heard him shout "Stop that van." "I immediately fired at the back wheels," he said, "with the intention of hitting the tire. I fired another shot immediately afterward. The vehicle was in motion."

SECOND SHOT

"Mr. CURRAN. What was the purpose of the second shot?

"WITNESS. To disable the van.

"Mr. CURRAN. Did you take time to see the effect of your first shot before firing the second?

"WITNESS. I did not."

Witness told Mr. Curran he was 21 and had been in the "Specials" for 2½ years. He was a fair middling shot. His rifle was pointing downward.

"Mr. CURRAN. If evidence is given by the RUC that a bullet struck the van between the windows and the dashboard, who fired that shot?

"WITNESS. I did not. I could not say.

"Mr. CURRAN. I put it to you your evidence is not true when you say you fired downward?

"WITNESS. I fired the two shots down from my side.

"Mr. CURRAN. Why did you want to stop this van?

"WITNESS. It was an emergency. We were under orders to search it.

"Mr. CURRAN. Did you search it?

"WITNESS. No.

"Mr. CURRAN. The only thing wrong that the occupants of the van had done was not to stop?

"WITNESS. Yes."

Gibson said the car stopped in the normal way, without a jerk.

A member of the jury. "At this time the driver had a bullet through his brain. How could the van stop in the normal way?"

Gibson made no reply.

Sgt. E. J. Duffy, RUC, Keady, described a detailed inspection of the van. In the left rear door of the van he found a bullet-entry hole. In the driver's door he found another. There was a third entry hole on the left of the dome of the radiator. This bullet, he said, was apparently deflected and disintegrated immediately after entrance. There were three holes above the frame of the windscreen glass.

Sergeant Duffy said there were two entry holes in the scuttle dash below the windscreen.

He agreed with Mr. Curran that the hole in the back door of the van must have been made by a bullet from a gun over 4 feet from the ground. It could not have been made by a gun pointing downward. The bullet which struck the radiator must have been fired by a man in front of the van. The bullet which hit Leonard's eyebrow would seem to have come from in front of the van through the windscreen. Witness had been in charge of RUC patrols.

WOULD PURSUE CAR

"Mr. CURRAN. If a car failed to stop when the RUC signaled and you had a car and 4 or 5 men available, what would you do?

"The WITNESS. I would pursue the car."

Constable John Bingham, RUC, Keady, said he examined the van at the scene. It was in third gear. In a road test he found that on applying both foot and hand brake at 30 miles per hour it took 90 feet to stop. The efficiency of the brakes was only 35 percent, which he would describe as very dangerous. The fact that the van was in third gear indicated the driver was trying to stop.

Peter McKernan, Ballymanab, said he left Keady with Leonard in the van. They saw Clare and Alice Mallon and decided to take them home. Approaching the junction he felt the van slowing up and then he saw a red light. Next he heard 4 or 5 shots. The van just stopped when the last of the shots was fired. He got out and saw that Leonard was badly hurt.

A Special constable said, "When he did not stop he knew what was coming to him." Witness replied, "He was stopping."

In reply to Mr. Curran, witness said Leonard was slowing up before the first shot was fired. No attempt was made to go through the patrol.

Evidence of identification was given by Mr. Patrick Leonard, father of the dead youth.

MAN WITH GUN

Miss Alice Mallon, aged 15, described how she and her sister had accepted a lift in the van while returning from Keady on Saturday night. Approaching the fork on the road, Arthur Leonard remarked, "There must be an accident." There was a car and a van on Darkley Road. He said he would go by the Newtownhamilton Road. She looked out and saw a man in uniform with a gun up to his eye. The next thing she heard a shot. Arthur's head fell back and then forward and the van stopped. There were 3 or 4 shots after that. She saw no red torch waving. The man with the gun was standing in front of the van about 3 yards away on the verge of the road.

Mr. Curran, addressing the jury, said there was no question of any political or religious significance in the case. He suggested that there had been untruth in the case on the part of the Specials. The evidence, he said, showed that Leonard was also shot through the leg which he would use for braking. That meant that the car must have been stopped.

The law held that the action of the officers of justice who willfully exceeded their duty without just cause would imply malice, and they would be guilty of murder.

Mr. Curran said this was not being vindictive; he was merely asking the jury for justice.

"I invite you to say," he concluded, "that the Special Constabulary willfully exceeded their duty, with the result that an innocent boy is lying dead tonight. If you find that, they are guilty of murder."

Mr. Emerson, addressing the jury on behalf of the "B" Specials, said that constables were entitled to use force. "Unfortunately, in this city," he said, "there are far too many bullets. It is not so long ago when ammunition was stolen in this very town. The constables were decent young fellows who had tried to do their duty."

The coroner (Mr. C. G. Anderson) said there was no doubt that deceased went to his death by gunshot wounds inflicted by the Special Constabulary in the course of their duty acting under orders.

"The law which Mr. Curran quoted applies only in England," he said. "The law in Northern Ireland was in a peculiar state. Under the Special Powers Act, a special constable endeavoring to arrest a man for an offense under the act was in the same position as a police constable arresting a man for felony. I don't think you would be wise in returning a verdict of murder." The jury could find accidental death if they thought that the Specials were justified, or return

an open verdict in accordance with the medical evidence and leave the decision as to guilt to a higher tribunal.

POLICE STATE IN CONTROL OF NORTHERN IRELAND

Mr. SHELLEY. Mr. Speaker, I ask unanimous consent that the gentleman from New Mexico [Mr. DEMPSEY] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. DEMPSEY. Mr. Speaker, I ask unanimous consent to include at this point in the RECORD a third article on this shameful affair along the Irish border. I have received an article from the Irish Independent of March 9 which deals with the killing of this young lad and tells of the stormy debate which it aroused in the Parliament of Northern Ireland. The debate points up the bitter feeling of the people of Ireland against the puppet government now occupying part of their territory, and I feel that the story should be included here so that the United States will have an inkling of the type of police state now in control of Northern Ireland.

[From the Irish Independent of March 9, 1955]

LIVELY EXCHANGES IN STORMONT—M. P.'S URGE DISBANDMENT OF "B" MEN

The weekend shootings in counties Armagh and Tyrone were the subject of a lively Stormont debate during which Mr. Sean Dunne, T. D., and a companion were removed from the distinguished strangers' gallery after they had interrupted a speech of Mr. Hanna, Minister of Home Affairs. Mr. P. J. Gormley (A. P., Mid-Derry) was also ordered to leave the House.

Later there were exchanges between the speaker and Mr. E. McAteer (A. P., Foyle), after the member had said that "Now they saw the tragic consequences of this policy, because it was not the man who pulled the trigger, but the Minister of Home Affairs who sent that man out on midnight maneuvers who was the murderer." Mr. McAteer declined to withdraw the remark, but resumed his seat when ordered to do so or leave the house. The debate was very heated at times. Members of the opposition demanded that the "B" Specials be disbanded.

The Minister of Home Affairs, who said he had directed a full investigation of the shooting incidents, was criticizing the Government of the Republic for failing to cooperate in arresting I. R. A. men responsible for activity against the six counties, when Mr. Dunne and Mr. S. Bohan, of Rathgar Road, Dublin, who accompanied him, rose and shouted toward the surprised front Government bench.

"Don't try to justify the murders you have carried out," shouted Mr. Dunne. "You nearly murdered your own in your anxiety to murder our people."

Mr. Bohan shouted, "You need crossroad murder gangs to keep you in this House. The Republic doesn't need crossroad gangs."

A unionist back-bencher shouted back: "Sean O'Casey characters."

REMOVAL ORDERED

At this stage the speaker, Sir Norman Stronge, called on the sergeant at arms to remove Mr. Dunne and his companion.

As attendants approached the gallery, which is on the same level as the Commons Chamber, both Mr. Dunne and Mr. Bohan started to leave their seats. As they were leaving Mr. Bohan cried: "You are trying to justify murder. Ordinary law and order is not sufficient. You need a murder gang."

Mr. Dunne also shouted: "This is not a government; it is a masquerade."

The Minister stood silently until the interrupters had left the House.

They were taken out by attendants and handed over to police in the lobby. The police took them to the porter's room at the front entrance. After communicating with police headquarters both men were taken to the front door and they left the building.

MR. DUNNE'S STATEMENT

"I came here today to hear the debate," said Mr. Dunne when interviewed outside the building, "because I sent a telegram to the Taoiseach asking the Government to take steps to protect our people here. Listening to the Minister of Home Affairs, I just could not curb my indignation at the slanderous statements he was making regarding the people and the government of the 26 counties."

He said that the police had asked them their names. "I told them my name," he said, "but I told them I was not giving them any further information. Mr. Harry Diamond came along and we were informed that we would not be detained. They rang for instructions first."

"A POLICE STATE," SAYS MR. HEALY

The subject of the shooting incidents of Saturday and Sunday nights was raised by Mr. Cahir Healy (A. P.) who said the tragedy at Keady had startled and angered the public. "That a young citizen going home peacefully in the night could be shot dead by a gang of irresponsible playboys has given everyone a shock," he said.

"When the tragedy is followed next night by a similar happening at the hands of other irresponsible youths attired in Home Office garb and with lethal weapons in hand it has come to many as an amazing instance of the peculiar nature of the freedom we enjoy in this police state," said Mr. Healy.

"That it is a police state is indicated by the number of the RUC and Specials—almost 13,000 men between them, all armed and ready to shoot whenever the spirit moves them.

"It would seem, according to the evidence of an RUC sergeant, that Leonard's van was found 15 yards beyond the "B" patrol. So the young man could hardly have stopped sooner or shorter. If the Minister of Home Affairs had been driving a car I doubt if he could have done better than Leonard. It was admitted that the brakes were only 32 percent efficient.

"Yet the van was peppered from the front and through the door with bullets showing that the vehicle had not quite reached the patrol when the young people were spattered with lead."

MINISTER'S ROLE

"Look at it how you may as citizens, the situation is appalling. If we venture forth after dark a like fate may befall any of us. The Minister of Home Affairs will, nevertheless, speak from his brief and defend the culprits, however, indefensible their actions may be. This is his customary role and he will play it. But, he will not convince the public, any of whom may be the next victim of his gestapo, now unloosed upon the six counties.

"A cross-channel newspaper says the police were out on some mysterious exercise or some snap exercise. They were not accompanied by a member of the RUC, who have more training and less prejudice than this sectarian civil armed force. Hitherto they have had some serious guidance: Now since Armagh and Omagh they have been unleashed like greyhounds after a hare.

THE RESPONSIBILITY

"Whoever it was thought of this notion of a mystery exercise is responsible for the death of Arthur Leonard. The shooters were merely the dumb obedient instruments of the planner's will.

"These political policemen have no experience of police work—they were shown next evening to be a danger even to themselves. The shooting of a 'B' man, Austin Stinson, between Aughnacloy and Augher on Sunday night is the best confirmatory proof of the utter irresponsibility of the whole set-up. However law-abiding one may be, nobody is safe on the king's highway in Northern Ireland now. He may be shot down in any place and the old excuse will suffice for the government—he did not stop for the red light.

"Stinson says no red light was shown to him and no challenge made, but he lies in Omagh Hospital with bullets in his stomach and arm."

TOURIST ADVERTISEMENT

"What an advertisement for Northern Ireland as a tourist center. An armed regular police by day, an armed bandit by night who may shoot at will, as in Stinson's case. 'Come to Northern Ireland and enjoy the thrill of your life—if you survive the Sunday newspapers will tell your story with pictures for your friends.'

"Someone has suggested that the new mobilization was done to reduce the number of unemployed. The blame primarily rests upon the government in that, for no disclosed reason they excited the 'B' men everywhere by a secret mobilization order. These young men (one was only 18) came together in a state of expectancy and excitement looking for something which did not turn up. What they were told we have no idea. The rumor was Irish moonshine."

PUT MEN'S NERVES ON EDGE

"But it put the nerves of the men—young and old—on edge. They began to see enemies in every bush, shooters behind every hedge. The man who set this wicked 'yarn' on foot, and the government who sponsored the mobilization are responsible. The dupes are just accessories after the event.

"This happening will show people outside the six counties the abnormal state in which citizens here live. If you venture forth after dark you do so on your own responsibility. In the case of Austin Stinson from Fermanagh we have one 'B' man shooting another. Both he and his comrade, Mervyn Hassard—another 'B' man—state positively and clearly that they heard no challenge and saw no light.

"Out of this emerges the terrible conclusion that a 'B' man is now authorized to shoot away under any and all circumstances and let whoever likes bear the penalty—even if it be death. It is an appalling situation for all people in the six counties."

REPUBLIC OF IRELAND

Mr. SHELLEY. Mr. Speaker, I ask unanimous consent that the gentleman from New Jersey [Mr. ADDONIZIO] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. ADDONIZIO. Mr. Speaker, today—on this March 17—I should like to speak of the sovereign and independent Republic of Ireland, small industrially, but rugged of character, as one of the world's moral bastions in an age threatened by great evil. Ours is a very

special time in history. We have arrived at an impasse in the annals of man. One-half of the world stands in furious hostility against the other half. In one camp, the camp of the free world, is a mighty nation called the United States of America. In the opposing camp is another mighty nation called the Soviet Union. The Soviet Union is a nation whose government demonstrably is without moral principle, without religious faith, and utterly ruthless not only to the world outside, but to itself and to its own officials on the very highest levels of government. These it periodically and by its own kind of summary due process regularly assassinates. Either of these two squared-off neutral enemies has it within its power to totally destroy the other. It is held entirely possible that a war between them may totally destroy all life on this planet. It has lately become relatively cheap to provide the explosive agency for this doomsday. There is no absolute defense against such destruction should it ever begin. There is no antidote to the H-bomb. There is devastating retaliation and that means an eye for an eye which in turn means international suicide.

The ony answer is that it must never begin.

Now, what I have just said is a reasonable oversimplification of the problem, but substantially that is it. If we reduce everything that has been said by the world's outstanding leaders, the best informed, those weighted with the major responsibility, we can arrive at no other lowest common denominator of the facts. Not only can man totally destroy himself and all life on this planet in a period analogous to the interval between breakfast and lunch but he is actually standing off in a high state of threat and preparedness to do so. It does not seem to me to be farfetched if we say there has been nothing like it since creation, for what we have wrought is the capacity by ourselves to reverse the opening lines of Genesis:

> In the beginning God created the heaven and the earth.

Today man, in his matchless insanity, can confront what God has created and reply, "Just as God in the beginning created the heaven and the earth, so man in the end destroyed them."

To be sure, man needs power and he needs might, for with them go liberation from the grinding tasks that have wearied man's muscles, shortened his life, and reduced him to a beast of burden. But we shall miss the central lesson of history, as historians like Toynbee, and religious and saintly leaders since the beginning of time, have pointed out, if we neglect the inestimable force of moral values. If the war of the H-bomb is never to begin, it is the moral values of life that will stop it. For all that Los Alamos, and Detroit, and Pittsburgh, and New York, and Chicago can do is give us revenge, not salvation. And all that our potential power can do is provide at best a deterrent, or what may simply be described as a state of fear in the enemy. It is this state of fear we depend upon today. We must never cease to intensify it and make it, from hour to hour, more and more and still more formidable.

But the long-term solution to this perpetual abyss at the edge of which mankind is teetering is the moral law.

It is fear which keeps the enemy restrained but it is the moral law, not fear, which keeps us from launching a preventive war to destroy the enemy—some hope—before he may destroy us. The moral law in our time cannot prevail if there is only one man to promulgate it whom destiny in the end resigns to the gibbet. The moral law can only prevail against such an enemy as confronts us from the Kremlin if moral faith spreads out among the masses of mankind and multiplies its converts in great tides of evangelical faith. History taught us that this has and can happen and one of the greatest examples of such a phase in history is the sublime story of the life of St. Patrick, the patron saint of Ireland. From the day of the arrival of this immigrant to Ireland from a foreign shore 1,500 years ago, to the moment at which I speak, the Irish, a small, a tough, a stalwart, a doughty people, have to a fantastic degree been the devotees, among nations, of moral law and Christian principle.

I am giving the Irish only their just due, predicated upon the facts of time, when I say here, in this little nation, this shimmering bit of land in a shining sea, civilization has a source of enduring strength to lean upon in time of crisis. May I emphasize that I do not say it is the world—or the free part of it—which should, out of its beneficence patronizingly offer its aid to Ireland, as one helps a faltering reed. On the contrary the United States and the whole free world should look to Ireland for an example of that tenacious and leathery stuff of character that makes for the triumph of moral principle and religious faith. They knew how to persist through 700 years, and what was their mainstay but the moral teachings represented by the life and the virtue of St. Patrick and the Christianity he came to teach a people worthy of it?

Now there is an indebtedness the free world—and especially the United States—owes to Ireland. We can itemize that indebtedness by talking of the tens of thousands of soldiers of Irish descent in the continental armies during the American revolution. We can go through American history page by page and find an Irish here in every paragraph. Show me the soil upon which valiant men have fought for a good cause and I will show you stains of Irish blood and tombstones with Irish names. There ought to be some acknowledgment in return, a token repayment, if you like. And one way that this can be done now, today, in our time, is to widen the Irish Republic's opportunity for trade and commerce, to encourage and increase her tourist trade, to help make her commercially and industrially strong, as she is morally impregnable.

Here is a land of something over 20 million—almost 21 million acres. They ring with such county names pleasing to the ear as Carlow and Dublin, Kildare and Offaly, Westmeath and Wicklow, Kilkenny and Wexford, and Galway, Roscommon, and Sligo. There are in Ireland four and a quarter million people. The emigration rate from that beautiful country is about 20,000 a year. But against this, in spite of the usually late marriage age in Ireland, the Irish are a fertile people. This high fertility has permitted a population growth in Ireland well above the European average. The country is still basically agricultural, some 50 percent of the people drawing their support from the land. Yet since 1922 when Ireland went on her own as a nation, she has developed industry which now employs more than 215,000 people, twice that of 1929. Ireland has her own shipping line. Among her new industries are furniture, boots and shoes, cement, food processing, tobacco, fabrics, clothing, distilling, and lumber. All the world knows about her export of blooded horses.

Today Ireland is a creditor country in sterling but she needs dollars. Her major exports are tweeds, whisky, and garments. But as we know, it is not easy to crash the United States market. That is why I plead that as individuals and as businessmen, as groups, and as a Nation, we pitch in and help Ireland as a good customer helps an honest and a square and worthwhile merchant and manufacturer who happens also to be a good friend. I remind you that Ireland has set up a corporation to handle her export trade and that she has offices both in New York and in Montreal.

The Irish and the United States are at present negotiating a series of agreements to dispose of the counterpart fund corresponding to the $18 million grant made to Ireland by the United States under Marshall aid. Among the projects envisaged are an agricultural institute in Ireland, an educational exchange scheme between the two countries, and a provision for technical assistance in various fields. This $18 million is, of course, much less than many other countries have obtained. In spite of the close ties between Ireland and the United States, the amount of the loan and the amount of the grant under Marshall aid were quite modest.

I think I can safely speculate that perhaps one reason for this was that Ireland did not wish to indebt herself for a sum she felt she might not be able eventually to pay back. Ireland's story is magnificent since the days of St. Patrick. It is a story that is unbroken in its devotion to moral principle, to religious faith, and to the indomitable will of man to be free. Ireland is a bastion in an age threatened by great evil. It is to mankind's own profit and vital to the survival of the free world that Ireland be paid back in friendship, in business, in support, for the great contribution her people have made through the ages to the culture and the progress of the human race. It lifts my heart to know that in the Congress of the United States as among the people everywhere Ireland has willing and devoted friends.

PREPAREDNESS ALONE WILL NOT WIN FOR US THE BATTLE OF COEXISTENCE

Mr. SHELLEY. Mr. Speaker, I ask unanimous consent that the gentleman from New Jersey [Mr. THOMPSON] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. THOMPSON of New Jersey. Mr. Speaker, the strength and ultimate survival of the free world's system, based on human freedom, the dignity of the individual, and private initiative is being challenged by the Communists throughout the world. Preparedness alone will not win for us the battle of coexistence. Something more is needed. The Western program of building armed strength should be widened into a more flexible and imaginative strategy for competitive coexistence with the Communists in every field and on every front. The arms race is not the only event in which they are competing with us. They have taken sports and culture and the impressionable years of youth and transformed them into arenas of the cold war. Our reliance upon armed strength alone as our primary concern is permitting communism to take long strides forward in those fields which we have largely neglected.

America has dominated the Olympic games since their inception. It has also been a source of prestige throughout the world, especially with sport-conscious young people. How will the youth of the world feel, especially in doubtful areas, if the Russian team ends America's long sway at Melbourne in 1956? Of course, these Russian athletes are not really amateurs. They are professionals. They are trained under Government guidance, with Government help in the form of bonuses, money prizes, and in many other ways. We should find some way of making sure that our Olympic contenders get everything they need in the way of training opportunities.

The lively arts are another field wherein the U. S. S. R. is operating with the professed intention of proving to the young people of the world that Russian achievements far surpass the West.

Ballet, the theater, literature—all are shaped toward aiding communism's long-range scheme of world domination. Top artists know they are not only expected to perform, but to give their service at clinics where the plastic minds of youthful visitors can be influenced.

From Moscow radiate troops of athletes and artists, circulating through the Soviet world and the satellites, venturing into countries like Red China and India with their gospel of communism.

We have so much more to offer than the Communists that any comparison must show up in our favor. But it is not enough to sit complacently by while the Soviet Union throws its smaller resources into the scales and makes its weight felt because we do not choose to compete. Nor is it enough for our leaders to advocate and appropriate large sums for foreign military and economic aid and think they have met the challenge. Money is not enough, only deep thought and long-range planning will suffice to prevail over communism in the conflict of coexistence.

We must convey to the world, to our allies, to the uncommitted countries, especially, and to the Russians if possible—the idea that America is not only proud of its motor cars, its bathtubs, and other material benefits, but also of its cultural achievements.

These and other trenchant observations were made by William Randolph Hearst, Jr., editor in chief of the Hearst newspapers, in a brilliant speech delivered at the National Press Club in Washington, D. C., on February 26, 1955.

I have introduced several bills which are specifically designed to put into legislative form the excellent proposals made by Mr. Hearst. One bill, to establish a civic and cultural center in the Nation's Capital, has just been reported favorably to the House District of Columbia Committee after splendid hearings conducted by a special subcomittee. The chairman of the subcommittee was the gentleman from Louisiana, JAMES H. MORRISON, who is to be commended for the very fine way in which he conducted the hearings and for the opportunity he gave representatives of the country's leading cultural and business groups to appear and present their views.

A second bill, H. R. 4109, would establish an advisory group, made up of the Nation's leading sports organizations, to assist the Federal commission created by the joint resolution of December 20, 1944, in establishing a national stadium for Olympic games as a memorial to the heroes of World War I, World War II, and the Korean hostilities.

The third measure would provide, in the field of culture, the kind of flexible and imaginative strategy called for by Mr. Hearst as well as the kind of program which will show that America is not only proud of its motorcars, its bathtubs, and other material benefits, but also of its cultural achievements and its creative artists. I hope that a number of my colleagues from both sides of the House will join with me in sponsoring these measures. I am proud to be able to include here the text of a letter dated March 11, 1955, which I have just received from the Honorable Roswell B. Perkins, Assistant Secretary, Department of Health, Education, and Welfare, which shows the concern of the present administration with the cultural side of our lives:

DEPARTMENT OF HEALTH,
EDUCATION, AND WELFARE,
Washington, March 11, 1955.

Hon. FRANK THOMPSON, Jr.,
House of Representatives.

DEAR CONGRESSMAN THOMPSON: Thank you for your letter of March 8 concerning H. R. 4698, your bill for development of fine arts programs. I have also received a note from Nelson Rockefeller with a set of your fine arts bills and some statements you have made concerning them.

We are glad to have an opportunity to review your proposals in the light of the President's recommenations for the fine arts and a draft bill on which this Department is working.

We shall get a report to you soon.

Sincerely yours,

ROSWELL B. PERKINS,
Assistant Secretary.

IRELAND, ONE NATION, INDIVISIBLE

Mr. SHELLEY. Mr. Speaker, I ask unanimous consent that the gentleman from Rhode Island [Mr. FOGARTY] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. FOGARTY. Mr. Speaker, once again it is our happy privilege to join with the Irish everywhere in celebrating Ireland's national holiday, St. Patrick's Day. It is always a festive occasion since the Irish people are endowed with a keen sense of wit and merriment and enjoy that peace and contentment which arises from the full inner feeling of calm satisfaction with the life they enjoy, the land they love and the freedom of spirit they possess.

It would be a glorious occasion indeed, could we herald today the freedom and independence of all Ireland as we acclaim it in the 26 counties of the Republic of Ireland. Unfortunately the enjoyment of this day is always clouded with the realization that in a part of the Emerald Isle the rights of freemen are not enjoyed and the democratic principles of our modern civilization are yet to be granted to the people.

I refer to the six counties in Ireland, where the hand of British imperialism stretches forth and through the medium of a puppet government the evil conditions of a police state are forced upon the people. In the name of loyalty to the crown, the aspirations of the people to be free from colonial domination are suppressed with force and violence.

It is scarcely 10 days since the ruthless and wanton shootings on the part of the Royal Ulster Constabulary, better known as the "B" Specials was demonstrated in the vicinity of the ridiculous border which has been imposed upon the country. In one case a young man was killed outright and a teen-age girl was shot, while their two companions were fortunately not injured. In a second instance on the same night of Saturday, a week ago, at a nearby location another young man was shot while his companion escaped injury.

It appears that roadblocks had been established in great numbers at various spots adjoining the fictitious border, and all cars were being stopped and searched. In no instance was anything found in any of the cars that were stopped, which would justify such a procedure. The careless operation of these roadblocks, whereby inadequate warnings are provided to advise motorists of the roadblock, and the reckless shooting without

any justification, are but repeated demonstrations of the continued tyranny that is used to retain the dominance of the government in power.

The wanton killing of the driver of the van in the first case mentioned, while the driver quite evidently was in the act of stopping, would be passed over by the Stormont government as just an unfortunate incident. However, in the second case, the two young men in that car were themselves members of the "B" Special police, and were fired upon by other members of the same outrageous group of so-called law enforcement officers. The Government is hard put to it in an effort to explain away why their teenage "B" Specials are engaged in shooting one another. Why young men of 18 or 19 should be put out on the highways, armed with revolvers, rifles, and Sten guns, and authorized to shoot at passing vehicles without justification, cannot be explained away to the satisfaction of free people in other parts of the world.

It is the sort of provocation of the people that enkindles in them a still greater yearning to be free from the despotic controls that only those who have suffered under a police state can appreciate. It was this same sort of despotic rule which alienated the early colonials in this land from any desire to enjoy British rule and ultimately brought forth the American Revolution. The revolution which has taken place in Ireland has been one of long continued engagements over the centuries with the forces of the British crown. However each generation of Ireland's people have won some new gain from Britain and have ultimately won the full control of a part of their land. This Irish revolution is not yet ended and it will not be ended until all of Ireland is a free and united island. It may take a generation, or it may take a century, but make no mistake about it, ultimately all Ireland will be free, since no people will continue to suffer the denial of their rights and freedoms and live under the yoke of a police state.

In each successive Congress I have been presenting a resolution for the consideration of this body, expressing the sentiment of the House of Repesentatives that all Ireland should be united. It has been my hope that this resolution might be considered favorably by the House and being passed it would serve as a means whereby the leaders of government in Ireland might be urged to come together and seek a solution of the evil of partition of the country. I have been urging this procedure, because I know, as surely each one of you must know, that unless this border question is settled in an amicable fashion, then it will be settled through means of bloodshed and violence.

The bloodshed on the part of the extra police has already been forcefully demonstrated to the world by these recent shootings. That there will be more shooting and more killing cannot be questioned. It is to prevent this very situation and to put an end to the wanton bloodshed that will occur, that I have been so insistent that the border be eliminated in Ireland and that British colonialism be ended there. Surely no greater role could be played by our own Government than to be the leader in proposing to Great Britain that she exercise just a little statesmanship in directing that the Stormont government sit down with the Dublin government and come to terms regarding the unification of Ireland.

When this shall have been done, then and then only will we be able to celebrate truly the national holiday of Ireland and be able to rejoice with them that they, too, shall have become one nation, indivisible, with unity and justice for all.

ST. PATRICK'S DAY

Mr. SHELLEY. Mr. Speaker, I ask unanimous consent that the gentleman from New Jersey [Mr. RODINO] may extend his remarks at this point in the RECORD and revise and extend his remarks.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. RODINO. Mr. Speaker, it is a privilege to be able once more to pay tribute to that great and beloved man, St. Patrick, and to the Irish Nation that honors him as apostle and patron saint. To me, Ireland and St. Patrick stand for transcendent and selfless courage, above all. St. Patrick, after a youth spent in slavery in Ireland, devoted his adult life to the conversion of those barbarians who had been his masters. It was a lonely and uphill struggle, most of the time by that one brave man alone against the power of the warlike chiefs of pagan Ireland. With shining faith and indomitable courage, St. Patrick went forward without faltering and subdued chiefs and people to the loving service of God.

What St. Patrick did through the years of one man's life, Ireland, taught by him, has done through the centuries. Ireland, through centuries of foreign rule, kept its national integrity and its Catholic faith, and is today sending forth priests and nuns, missionaries and teachers, to spread faith and learning over the whole world. Ireland is a shining example, looked to today with love and hope by the small nations imprisoned under Communist rule—Poland, Czechoslovakia, Hungary, Lithuania, Latvia, Estonia, and the rest. Green, the color of hope, is the color of Ireland. Not only the shamrock but even the least leaf or blade of grass can remind the suffering and oppressed in those unhappy countries of how a people can maintain its hope through years and centuries, and then, when opportunity offers, burgeon forth into full independence.

Typical both of America and of Ireland is this courage that will not give up. I think of Lincoln's brave and noble saying:

> Many free countries have lost their liberty, and ours may lose hers; but if she shall, be it my proudest plume, not that I was the last to desert, but that I never deserted her.

Louise Imogen Guiney, an American poet of Irish descent, put into ringing verse this spirit that refuses to accept defeat, whatever the odds, and fights on while a breath of life remains:

> A man said unto his angel:
> "My spirits are fallen low,
> And I cannot carry this battle:
> O brother! where might I go?
>
> "The terrible Kings are on me
> With spears that are deadly bright;
> Against me so from the cradle
> Do fate and my fathers fight."
>
> Then said to the man his angel:
> "Thou wavering witless soul,
> Back to the ranks! What matter
> To win or to lose the whole.
>
> "As judged by the little judges
> Who hearken not well, nor see?
> Not thus, by the outer issue,
> The wise shall interpret thee.
>
> "Thy will is the sovereign measure
> And only event of things:
> The puniest heart, defying,
> Were stronger than all these Kings.
>
> "Though out of the past they gather.
> Mind's doubt, and bodily pain,
> And pallid thirst of the spirit
> That is kin to the other twain.
>
> "And grief, in a cloud of banners,
> And ringletted vain desires,
> And vice, with the spoils upon him
> Of thee and thy beaten sires.
>
> "While Kings of eternal evil
> Yet darken the hills about,
> Thy part is with broken sabre
> To rise on the last redoubt;
>
> "To fear not sensible failure,
> Nor covet the game at all,
> But fighting, fighting, fighting,
> Die, driven against the wall."

Louise Imogen Guiney's transcendent courage, here so resoundingly expressed, she had both inherited and learned from her father, Gen. Patrick Guiney, a veteran of 36 battles of the Civil War, a brave American from County Tipperary. Few deathbed scenes are so inspiring as the one-sentence account of General Guiney's death in the Dictionary of American Biography:

> Removing his hat one March day in 1877, he knelt in the street, crossed himself, and died, leaving his daughter an imperishable image of a brave and noble soul.

How Irish courage and faith come down together in the great tradition of St. Patrick is splendidly expressed in the poem, The Sons of Patrick, by an Irish priest who lived in Canada, the Reverend James B. Dollard:

> Into the mists of the pagan island
> Bearing God's message great Patrick came;
> The Druid altars on plain and highland
> Fell at the sound of his mighty name.
>
> Swift was the conquest—with hearts upswelling
> The faith they took, and to God they swore:
> That precious spark from the bosoms' dwelling,
> Man's guile or torture should snatch no more.

And ever since, while the wide world wonders
This steadfast people their strength reveal,
As time earth's kingdoms and empires sunders,
They stand by Patrick in ranks of steel.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. CHIPERFIELD, for an indefinite period, on account of illness in family.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD or to revise and extend remarks, was granted to:

Mr. ROGERS of Texas.
Mr. MCVEY.
Mr. SCHWENGEL.
Mr. PELLY in two separate instances, in each to include extraneous matter.
Mr. CHIPERFIELD (at the request of Mr. ARENDS).
Mr. VAN ZANDT and to include extraneous matter.
Mr. BOLAND.
Mr. HIESTAND.

ENROLLED JOINT RESOLUTION SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a joint resolution of the House of the following title, which was thereupon signed by the Speaker:

H. J. Res. 252. Joint resolution making an additional appropriation for the Department of Justice for the fiscal year 1955, and for other purposes.

ADJOURNMENT

Mr. McCORMACK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 12 o'clock and 59 minutes p. m.) the House adjourned until tomorrow, Friday, March 18, 1955, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

559. Under clause 2 of rule XXIV, a letter from the Chairman, Federal Power Commission, transmitting four recently issued publications for the information of the House of Representatives was taken from the Speaker's table and referred to the Committee on Interstate and Foreign Commerce.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. THORNBERRY: Committee on Rules. House Resolution 180. Resolution for consideration of H. R. 3659, a bill to increase criminal penalties under the Sherman Antitrust Act, without amendment (Rept. No. 226). Referred to the House Calendar.

ADVERSE REPORTS

Under clause 2 of rule XIII,

Mr. VINSON: Committee on Armed Services. House Resolution 170. Resolution to declare that the House of Representatives does not favor sale of the facilities as recommended in the report of the Rubber Producing Facilities Disposal Commission submitted to the Congress on January 24, 1955 (Rept. No. 225). Referred to the Committee of the Whole House on the State of the Union.

Mr. VINSON: Committee on Armed Services. House Resolution 171. Resolution to disapprove proposed sale to Shell Oil Co. of certain synthetic rubber facilities as recommended by the Rubber Producing Facilities Disposal Commission report (Rept. No. 227). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ANFUSO:

H. R. 5031. A bill to amend title II of the Social Security Act to increase the minimum benefits payable thereunder, to reduce the age at which such benefits become payable, to increase the amount of outside earnings permitted without deduction from such benefits, and for other purposes; to the Committee on Ways and Means.

By Mr. ASHLEY:

H. R. 5032. A bill to amend the Internal Revenue Code of 1954 to provide a deduction in certain cases for disabled veterans who replace automobiles furnished by the Administrator of Veterans' Affairs; to the Committee on Ways and Means.

By Mr. COOLEY:

H. R. 5033. A bill to amend section 203 of the Interstate Commerce Act in order to provide that in certain cases leaf tobacco shall not be considered an agricultural commodity for the purpose of the agricultural exemption for motor carriers under subsection (b) (6) of such section; to the Committee on Interstate and Foreign Commerce.

By Mr. KELLEY of Pennsylvania:

H. R. 5034. A bill to amend the Natural Gas Act; to the Committee on Interstate and Foreign Commerce.

By Mr. MORGAN:

H. R. 5035. A bill to amend the Natural Gas Act; to the Committee on Interstate and Foreign Commerce.

By Mr. PRIEST:

H. R. 5036. A bill to amend the Federal Food, Drug, and Cosmetic Act, as amended, with respect to new cosmetic ingredients; to the Committee on Interstate and Foreign Commerce.

By Mrs. ROGERS of Massachusetts (by request):

H. R. 5037. A bill to authorize payments by the Administrator of Veterans' Affairs on the purchase of automobiles or other conveyances by certain disabled veterans, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. ROOSEVELT:

H. R. 5038. A bill to amend the act entitled "An act to promote the safety of employees and travelers upon railroads by limiting the hours of service of employees thereon," approved March 4, 1907; to the Committee on Interstate and Foreign Commerce.

H. R. 5039. A bill to amend the Railroad Retirement Act of 1937, as amended, and the Railroad Unemployment Insurance Act; to the Committee on Interstate and Foreign Commerce.

By Mr. THOMPSON of New Jersey:

H. R. 5040. A bill to establish a program of cultural interchange with foreign countries to meet the challenge of competitive coexistence with communism, to establish a Federal Advisory Commission to advise the Federal Government on ways to encourage artistic and cultural endeavor and appreciation, to provide awards of merit, and for other purposes; to the Committee on Education and Labor.

By Mr. PRIEST:

H. J. Res. 256. Joint resolution providing for an objective, thorough, and nationwide analysis and reevaluation of the human and economic problems of mental illness, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. SPRINGER:

H. J. Res. 257. Joint resolution providing for an objective, thorough, and nationwide analysis and reevaluation of the human and economic problems of mental illness, and for other purposes; to the Committee on Interstate and Foreign Commerce.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

By Mr. HILL: Memorial relative to memorializing the Congress of the United States to allow the Secretary of Defense and the Secretary of Commerce jointly to designate highways needed for the national defense on the proposed interstate system beyond the 40,000-mile limitation; to the Committee on Public Works.

By the SPEAKER: Memorial of the Legislature of the State of Arizona, memorializing the President and the Congress of the United States to create a program for the rehabilitation of the Papago Tribe of Indians for the protection of and better utilization of the resources of the tribe; to the Committee on Interior and Insular Affairs.

Also, memorial of the Legislature of the Territory of Alaska, memorializing the President and the Congress of the United States relative to urging that withdrawn lands on St. Lawrence Island be opened to prospecting and mining by the respective agencies concerned; to the Committee on Interior and Insular Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. COUDERT:

H. R. 5041. A bill for the relief of Mrs. Margaret Dows Thyberg; to the Committee on the Judiciary.

By Mr. JENKINS:

H. R. 5042. A bill for the relief of Rose M. Treitmaier; to the Committee on the Judiciary.

H. R. 5043. A bill for the relief of Sachiko Keibu; to the Committee on the Judiciary.

By Mr. SHELLEY:

H. R. 5044. A bill authorizing the consideration of the recommendation made for the award of the Legion of Merit to Dr. William A. Reilly for meritorious service during World War II; to the Committee on the Armed Services.

By Mr. WILLIAMS of Mississippi:

H. R. 5045. A bill for the relief of Elias Youssef Mikhael (Ellis Joseph Michael); to the Committee on the Judiciary.

EXTENSIONS OF REMARKS

Natural Gas—What Has Happened

EXTENSION OF REMARKS
OF
HON. WALTER ROGERS
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES

Thursday, March 17, 1955

Mr. ROGERS of Texas. Mr. Speaker, what a whale of a difference a few decades make. Only 50 years ago the oil prospector who found some gas wells or—even worse—a gas field, manfully strove to keep from blubbering at his bad luck. For gas was not worth the match that turned it into a fiery monument to waste. Nobody wanted it. There was no way to haul it as you hauled the coal, oil, wood, that stoked the Nation's industrial fires and cooked its meals.

Nor is this all. If someone had then asked any of us to invest in gas, we would have ranked him with the slickers who were "selling" New York's Flatiron Building at bargain-basement prices to honest country folk visiting the metropolis. And that is where we would have made fools of ourselves.

The stone the builders rejected has become a chief cornerstone. Today natural gas is the Nation's sixth largest industry.

Today upward of $12 billion is invested in the gas business. That is a lot of money even in a country where a quarter interest in a champion breed bull brings more than a king's ransom used to bring. And nearly every day someone in this dynamic industry is going to the public for more money to build more facilities to supply more gas to more people. How come? You may ask. What has swiftly transformed natural gas from a blooming nuisance into a spectacular success?

The chief thing is this. If you produce something—in this case natural gas—that people universally like because it best serves their needs, price it right so that everybody can use it, service it in "the show's the thing" tradition of the trouper who goes onstage even if it kills him, then you are almost sure to become successful. Then you can nail down your success if you do not get too big for your britches and you remember that you are not God's gift to mankind but are just a businessman competing honorably with others who also have good products to sell.

In general, I believe the gas industry has had enough mother wit to abide by these principles. And whenever it forgets them it ought to be—and will be—soundly spanked. As for natural gas itself, evidently there is nothing wrong with it even if—as they are the first to admit with crimson brow—not all gasmen wear fledgling wings. Now I do not like statistics any more than you do, but just as the doctor cannot examine your throat unless you say "ah" through a spoon, so the case cannot be made clear without using a few figures. Here they are:

Thirty-three million families cook with gas.

Eighteen million families heat water with gas.

Four million families use gas refrigerators.

Fourteen million families heat their houses with gas.

It would seem, then, that, next to children, gas is the favorite household pet of them all, for nearly three-fourths of all American families depend upon it in their daily living.

The figures show this but they do not give us the why of it. Why did gas become a household favorite of the American woman who is wife, mother, cook, maid, companion to husband and children, and often helps support the family to boot? Because gas is clean; gas need not be stored as coal and oil are stored; gas contains no built-in waste; gas, if it could sing, could sing Ethel Merman's old favorite to its oil and coal competitors around the house, Anything You Can Do I Can Do Better; gas is priced right.

That last line, as it stands, is idiotic. It is like the advertising that reads: "Joe's pies are better." Better than what? Joe does not tell us. He tries to make us believe that his pies are better than the best pies available even if that is as far from the truth as a pig is from an understanding of Easter.

When I say that "gas is priced right," I mean that it is priced right in relation to its great competitors: coal and oil. Actually I believe that millions of American housewives, because of what one might call the housewifely qualities of natural gas, would willingly pay more for it than for competing fuels. But gas has made its way in the American home against the hard competition of oil and coal not only because of qualities that endear it to the housewife, but also because she could buy it nearly always for less, and certainly not more, than she would have to pay for coal or oil.

Yet—and this is as it should be—the very presence of coal and oil to which the housewife could turn if gasmen had been so stupid as to try to gouge her on prices helped keep the price of gas on the sunny side.

Those who produce gas are proud to have a secure place on the American hearth. It is cozy there and occasionally you can scent the homey aromas of cinnamon and apples coming from the kitchen. But no less proud to have an important place in the American factory. In fact, industry is the biggest customer.

Now, industry, as you know, buys what it needs to buy on one basis only: "Will this article give us better service for a lower price than any competing article on the market?" And that works just fine. Because this basis has produced so much business that gas folks are nearly driven frantic to produce enough gas and build enough pipelines to deliver it to industrial customers whose appetite for gas seems to grow by what they feed upon.

But here again a salutary competition exists for those in the gas business, and if they should ever be foolish enough to forget it, they would deservedly lose their silly little heads. This competition lies in the fact that industry does not have to use natural gas. Gasmen have no monopoly. If, therefore, the gas industry should ever get "above its raisin'," it would price itself out of the market because industry and the housewife can always turn to coal and oil.

What has happened, then, is this: When gas producing was growing from a nuisance to the condition of spectacular success, gasmen sold their product at prices so competitive with other sources of fuel energy that gas won a secure place in American families and industrial life. During this period there was no regulation of gas producers—men who spend their lives hunting for gas—by the Government. But last year the Supreme Court, as you perhaps know, changed all that. It held that producers of natural gas were subject to regulation by the Federal Power Commission.

This is the law. It will remain the law unless Congress should step in and say plainly by statute that it is not in the public interest that producers of natural gas should be subject to Federal regulation and so return to the happy state of yesterday when gas met all comers in the field of competition and made its way to great estate in American life. I have the highest respect for the Supreme Court, but as its own record of reversals of opinions shows, it is not infallible and—praise the Lord—it does not think it is infallible. And fortunately for us free Americans, as a cat may look at a queen, so the humblest layman among us may question the wisdom of the highest legal authority among us. Hence the following observations that simply make sense:

First. Will the regulation of gas producers create greater and greater quantities of gas needed by Americans? I do not think so. Gas producing is risky. It is an enterprise that is neither all adventure nor all business but is always risky. If you hit it right, you may make a lot of money; that is, if you are permitted to bargain in your own way for the sale of your treasure trove. If you do not hit it, you will lose your shirt and there is no Marshall plan for shirtless gas producers. The chances are that you will not hit it, but that has never restrained Americans who have always been willing to take high risks for the sake of high rewards. But just as there is a big difference between courage and foolhardiness, so there is a big difference between the man who will risk a lot for a hefty reward and the fellow who will risk a lot for a small reward or nothing. The latter does not last long and, while he does, his standing in the community is not enviable.

Second. Federal regulation of utilities has hitherto affected a relatively few

firms—railroads, pipelines, and so forth. They are easy to regulate. They are not only few but are remarkably alike in structure and function. And—in return for regulation—the Government often grants them semimonopolistic status and clothes them with awesome rights such as the right of eminent domain—which means that they can confiscate your property, no matter how loud you howl, and pay you a fair price for it.

Yet, how are you going to apply these principles to gas producers? There are thousands of them. They are big, little, and runts. No two are identical. No two have an identical history. They are all bewilderingly different and each—to be fair—would have to be regulated, not on the basis of similarity, but upon the basis of dissimilarity. Yet, no regulatory body can regulate on the basis of dissimilarity for this would introduce into the regulations, not uniformity, but anarchy. But that is what the FPC faces if it is going to regulate fairly thousands of gas producers.

The gas industry is enormously complex, and Mr. Justice Douglas, dissenting from his brethren of the Court who held gas producers to be subject to regulation, said that it was perhaps too complex for the Court to understand upon its own. And it was just here that 50 years ago, Mr. Justice Holmes, one of the most brilliant minds that ever sat on the Supreme Court, said:

> But legislatures and courts generally have recognized that the natural evolutions of a complex society are to be touched only with a very cautious hand.

Everybody agrees it is in the public interest that railroads, say, and some transportation gas and oil pipelines should be federally regulated to guard the public against possible abuse by them. These utilities are, with some exceptions, not producers. They sell a service: transportation. But it is recognized that while Government may regulate railroad rates, it may not regulate the prices of commodities hauled by railroads. Government may say that a railroad may not charge more than $2 a ton to haul coal from Albany to Ashland. But it may not regulate the price of coal.

Some great companies of the gas industry produce gas themselves and transport it through their own pipelines. Sellers of both a commodity—gas—and a service—transportation—they constitute a separate category in the industry whose potential regulation must be considered in the light of their two-way function if great injury is not to result to all concerned.

This enormous distinction has always prevailed between the price of gas in the pipeline and the price of gas at the wellhead—that is, before it has got into the pipeline. At this point it is a commodity. Its price is one between seller, buyer, and the market. No one has ever believed that the price of such a commodity is any more subject to Federal regulation than other commodities are subject to it. Logically, if government is going to regulate the price of gas at the wellhead, it will eventually have to regulate the price of coal at the pithead and the price of oil in the well. This would mean Federal regulation of the great sources of fuel energy. And since America is what one might call combustion on wheels, the day would then be at hand when government, through control of our fuel energy sources, could control every business in this land from the greatest steel company to the smallest peanut roaster. I do not believe that is what Congress intended when it wrote the Natural Gas Act in 1938. I do not believe that that is what the overwhelming majority of the American people want either. And I do not think it is what you want. Hence, I think this is a matter of concern to all who want to go on in the future as a free-enterprise nation.

I hope, therefore, that Congress will declare that the regulation of natural-gas producers is not in the public interest. But pending its action, and regardless of what action it takes, I want to say this:

The gas people are loyal American citizens just as you are. They will abide by the Supreme Court's decision so long as it is the law. They will do their best to find more gas to supply more people even if it must be done with one hand tied. They believe they can do an even greater job in the future than they have in the past if given the chance to do it. In the meanwhile, they are trying to tell people what is happening, serene in the belief that if they are right—and I profoundly believe they are—the people of this Nation will see to it that right prevails.

The New Concept of Education Embodied in the Land-Grant College Movement Not Limited to Two Colleges

EXTENSION OF REMARKS
OF
HON. FRED SCHWENGEL
OF IOWA
IN THE HOUSE OF REPRESENTATIVES
Thursday, March 17, 1955

Mr. SCHWENGEL. Mr. Speaker, I wish to insert into the RECORD my reply to a news release from Michigan State College concerning my statement to the press about the Michigan State College and Pennsylvania State University commemorative-stamp issue of February 12, 1955. My original statement appeared in the RECORD of March 15, 1955.

This commemorative stamp honoring the centennial of the founding of Michigan State College and Pennsylvania State University is referred to in the Michigan State College release as a stamp "to honor the founders of the new concept of higher education." The new concept of education in agriculture and mechanical arts in institutions of higher learning had been started in other colleges and universities throughout the Nation. It was a part of the productive growth of this country, and the tremendous westward expansion, and the need felt for practical education and wider educational advantages for more Americans. To single out only two State institutions to honor for this new concept of higher education is to deny the significant contemporary movements, in other States, to establish a broader base in higher education. Senator Justin Morrill, author of the Land-Grant College Act named for him, emphasized this in a speech before the Vermont Legislature at Montpelier in 1888, when he said:

> The fundamental idea was to offer an opportunity in every State for a liberal and larger education to larger numbers, not merely to those destined to sedentary professions but to those much needing higher instruction for the world's business, for the industrial pursuits and professions of life.[1]

In Iowa, for example, in 1848—

> The legislature asked Congress to grant to the State the site and buildings of Fort Atkinson in Winneshiek County, with two sections of land, for an agriculture college. Nothing came of this movement, but on December 28, 1853, the State agriculture society was organized by people interested in agricultural education. * * * Petitions for an agricultural college multiplied and finally on March 22, 1858, Governor Lowe approved a bill for a State agricultural college and farm.[2]

This is only one example of the movement which was evolving in many States at that time. In fact, Iowa was also active during the consideration of the Morrill Act of 1859 which was vetoed by President Buchanan. Earle Ross in his History of Iowa State College points this out in the following description:

> Iowa legislators authorized the establishment of an agricultural college with the definite expectation of Federal aid for their project, either through general grants to the States such as that proposed in the first Morrill bill then pending or by a special subsidy. * * *
>
> On March 3, 1858, the legislature approved a memorial to Congress asking "a donation of 50,000 acres of land, to be taken from public lands in this State, for the purpose of establishing scientific agricultural schools." The memorial urged that "the farmers of the State of Iowa are exceedingly desirous to establish a scientific agricultural college and schools for the purpose of giving freely to all a profound knowledge of the great truths and fundamental principles of nature."[3]

The Michigan State College release contains a quotation from Dr. Russell I. Thackery, president of the Association of Land-Grant Colleges and Universities. This, in my opinion, cannot be taken as a definitive answer to the question. I call to your attention that he is quoted as having said:

> I think it is generally recognized that Michigan State is the first agricultural college of its type actually in operation deserves the distinction of being called the first land-grant institution.

You cannot build historical fact on what people think. Where does this place Pennsylvania State Agricultural College which, according to the stamp issue, is also celebrating its 100th anniversary and is designated by this as first of the land-grant colleges?

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[1] True, Alfred Charles. A history of agricultural education in the United States. 1785–1925. Washington, U. S. Government Printing Office, 1929. P. 109.

[2] Ibid., p. 152.

[3] Ross, Earle D. A history of Iowa State College. Ames, the Iowa State College Press, 1942. P. 35.

An additional error in fact, I would like to point out, occurs in the Michigan State College news release. They would have us believe that Dr. Adonijah Strong Welch was, and I quote:

A president imported directly from the East Lansing campus, according to Dr. Madison Kuhn, Michigan State College historian and author of the forthcoming book Michigan State—The First Hundred Years.

According to Earle D. Ross in his History of the Iowa State College of Agriculture and Mechanic Arts, Dr. Welch was head of Michigan State Normal College at Ypsilanti, Mich., in 1852 and "he served general education by the promotion to teachers' institutes and of a State teachers' association and aided technical training by service on the board of the agricultural college."[4] He was not "imported directly from the East Lansing campus," as the Michigan State College press release says because, according to Earle Ross:

In 1865, failing health caused him to seek a milder climate, and he went to Florida, where he engaged in lumbering and fruit growing near Jacksonville. * * * His leadership in reconstruction politics had been felt among northern residents of Florida, and he was offered one of the senatorships of the restored State government. * * * On June 17, 1868, he was chosen by the Florida Legislature for the short senatorial term ending March 3, 1869, took his seat on July 2, and served the remaining 25 days of the long session before assuming his academic duties in Iowa.[5]

In addition to this, I have also noted that in its centennial pamphlet, The First 100 Years of a New Educational Concept, Michigan State College states that it "and most of the the 53 land-grant colleges rank among the largest and best-known universities of the world." Their reputation is not disputable. Their contribution to American higher education deserves recognition, but there are not 53 land-grant institutions, there are 69.

There are two more points from my original statement I wish to reemphasize today. First, I salute those two great institutions—Michigan State College and Pennsylvania State University—on the occasion of their centennial celebrations and hope that their next hundred years will be as successfull and as resourceful as the first hundred.

Secondly, there was no such thing as a land-grant college under the Morrill Act in 1855 since the national legislation creating them was not enacted until 1862. Granted there were agricultural colleges which later were designated for the functions of the Morrill Act, but they were not land-grant colleges until the several State legislatures accepted the terms of the Morrill Act and officially specified which State educational institution was to be the agricultural and mechanical arts college.

I call upon the presidents of these two fine institutions to review the documented facts as outlined here, as well as others which further study will reveal, in order that the reputations for truth and honesty which they have earned through their outstanding records will not be questioned in a situation like this where they seem to be taking advantage of others who should at least share in the honors.

The Post Office Department should be absolved of blame because it was led to believe that the picture as presented by these institutions represented the whole truth when it seems evident that this is not the case.

[4] Ibid., p. 60.
[5] Loc. cit.

Communist Government Encourages Dope Evil

EXTENSION OF REMARKS
OF
HON. ROBERT B. CHIPERFIELD
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES
Thursday, March 17, 1955

Mr. CHIPERFIELD. Mr. Speaker, for the first time in history the production and distribution of opium and all its murderous narcotic derivatives has become an organized government business in Communist China. Pressed by Moscow for foreign exchange funds, the Peiping Government has undertaken the systematic cultivation of opium as a principal source of revenue. This review of the growing dope traffic out of Red China is based on recent testimony before the House Appropriations Committee by Harry J. Anslinger, Commissioner of Narcotics, in the Treasury Department.

Opium is Peiping's newest secret weapon. Dope is being delivered systematically in the Pacific and Southeast area, with special emphasis on infiltrating the military camps of the Western Powers particularly in Japan. There is no more deadly way to undermine morale than to spread the dope traffic amongst youngsters in the military services. That is Peiping's program today.

China's systematic development of the narcotics traffic as a state-approved and state-supported business began in 1950 when Communist street girls were infiltrated as dope peddlers around the United States military bases in South Korea.

Only trusted Communists handle the processing of the opium after it reaches the central harvesting stations in China. The Communist Peoples' Bank of China handles the illicit financing through special agents assigned to the tobacco monopoly. Incoming shipments of opium from the remote provinces are analyzed for grade and quality by the Shanghai Hygienic Department.

The growing narcotics trade serves Peiping two ways; first, it provides tremendous dollar and sterling exchange; second, it is a weapon of sabotage against the entire free world, for every narcotic addict impairs the productive power of the victim nation. In May 1953 British customs agents in Singapore seized a consignment of 3,000 pounds of raw opium, described as the biggest seizure ever made anywhere in the world. The shipment was being offered at $90 per pound. Refined to heroin, it sells for about $20 per gram or roughly $9,000 a pound.

During the past 3 years Chinese farmers have been encouraged to expand their planting of opium poppies. The Communist Government participates in the lucrative business of imposing heavy taxes on the sale of poppies at the farm. Government loans are available to farmers who wish to expand poppy acreage.

One factory in western China is known to produce for export more than 300 pounds of heroin a day. Revenues obtained from narcotics sales abroad for the fiscal year 1953 reached approximately $70 million, out of which $30 million went back to the Communist Government of China, and the remaining $40 million was spent in the victim countries for Communist Party activities, sabotage, espionage, and the purchase of military and industrial secrets.

Never before has there been found so dark a page in the record of godless communism. Truly, communism is the evil wrecker of all humanity, of all government, of all morality. Wherever we find it, communism is always the same—the frightful, demonic destroyer, the brigand, outlaw, and killer.

Best for Little Fellow

EXTENSION OF REMARKS
OF
HON. EDGAR W. HIESTAND
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Thursday, March 17, 1955

Mr. HIESTAND. Mr. Speaker, under leave to extend my remarks in the RECORD, and in line with my remarks yesterday, March 16, 1955, to the effect that the great tax-revision bill of 1954 is, in effect, a poor man's bill—a bill favoring the small individual—may I add the following letter of my distinguished colleague, the Honorable CRAIG HOSMER, of California, to the Christian Science Monitor on the same subject:

BEST FOR LITTLE FELLOW

To the Christian Science Monitor:

In your March 7 column a reader attempted to discredit what he called the seep-down-tax theory, which is more commonly referred to as the trickle-down theory by demagoging politicians in attacking the Eisenhower tax-revision bill enacted last year to correct countless inequities in the old law and to remove discouragements to job-producing economic development.

In the process everybody got a 10-percent tax reduction and such "little fellows" as retired people, working mothers, those inflicted with medical disasters, and others got special attention.

Some relief also went to business, and some people claim that was bad.

But let us take a look at what business is. Farmers are businessmen, so are small proprietors. In fact, business in the broad sense is the organized economic life of the people. It is the direct provider of all income, public and private, large and small. Aside from the small output of amateurs, everything that is consumed by anyone must first be produced by business.

The mainspring that energizes this mechanism is the incentive of profit. In the drive for profit, business creates jobs, absorbs

savings, pays wages, interest, and taxes to support the Government.

When the opportunity for profit is restricted by inequitable taxation, this mechanism slows down, all forms of income tend to shrink, and jobs are lost.

It is inaccurate and misleading to call this basic principle a trickle-down theory.

In the first place, it is not a theory but a constantly demonstrated fact. It is, in short, the free-enterprise American economic system which has given Americans the highest standard of living of any people in the history of the world.

In the second place, the flow of incomes originated in and radiating from business is, when conditions are right, not a trickle or a seep but a torrent.

In the third place, the flow is no more down than it is up. It is best described as an emanation or spontaneous distribution of the goods and services produced by the people for their own use, under the spur of profit and subject to the regulatory action of price and competition.

America's economic system has proved itself the best ever devised by the mind of man to take care of the "little fellow."

That is why I feel impelled to answer another reader's attack on it.

Air National Guard

EXTENSION OF REMARKS
OF
HON. THOMAS M. PELLY
OF CONNECTICUT
IN THE HOUSE OF REPRESENTATIVES
Thursday, March 17, 1955

Mr. PELLY. Mr. Speaker, on Monday last, March 14, I called the attention of the distinguished Members of this House to H. R. 4890, a bill I had introduced to extend to members of the Air National Guard and their survivors certain benefits presently available to members of other Reserve components of the Armed Forces and their survivors. My remarks at that time explaining this legislation were more or less general in nature and were for the purpose of drawing the attention of my colleagues to the existing discrimination against a small group of Reserve fliers. Since the introduction of H. R. 4890, a surprising number of groups and individuals have expressed their interest in this bill and made inquiries which suggest the need for more specific and technical information. Therefore, Mr. Speaker, I have asked permission to further extend my remarks in order to include the following comparison which points out the obvious discrepancies in benefits now existent between the Air National Guard and the Air Force Reserve, bearing in mind that the Air National Guard units of our country are, for all practical purposes, an important part of the Air Force Reserve program.

Under existing law, members of the Air National Guard units are eligible for Veterans' Administration benefits only. To make the glaring inequities more apparent, let us take the hypothetical case of a member of the Air Force Reserve with the rank of colonel having accrued 30 years' service. If deceased during wartime, his widow would receive 40 percent of base pay or $290.47 per month, and, in addition, 15 percent for each dependent up to 75 percent of base pay or $544.64 per month. The widow of the same officer, mind you, if a member of an Air National Guard unit and deceased under identical conditions and while in performance of identical duties, would receive only $87 per month with no dependents or $121 per month with one dependent plus $29 for each additional minor dependent.

It seems only fair and right that since the Air National Guard and the Air Force Reserve are to all intents and purposes the same, that survivor benefits should be the same.

COMPARISON OF BENEFITS

AIR RESERVISTS ON ACTIVE DUTY

Under Federal Employees Compensation Act

Death benefits of basic salary to widow until death or remarriage.

Widow with dependents, 40 percent plus 15 percent each dependent up to 75 percent of salary, dependents' allotment terminates at 18 years of age. Also for totally dependent parents, if only one, 25 percent; if both dependent, 20 percent each.

If disabled and subject has dependents receives up to 75 percent of base salary depending on degree of disability. Final determination is the sole prerogative of the Bureau of Employees Compensation.

AIR NATIONAL GUARD

Under Veterans Administration

If subject deceased during wartime, widow received flat $87 per month if she has no children; $121 per month with one child, plus $29 each additional child. Dependent's allotment ceases at 18 years of age unless totally disabled or attending school, in which case allotment continues until 21 years of age.

If subject deceased during peacetime, widow receives $69.60 per month; with one child, $96.80 per month, plus $23.20 each additional minor dependent. Dependency terminates same as war conditions.

If subject disabled, benefits depend on degree of disability not to exceed death benefit.

All benefits to widow cease in case of remarriage or death.

The American Dollar

EXTENSION OF REMARKS
OF
HON. WILLIAM E. McVEY
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES
Thursday, March 17, 1955

Mr. McVEY. Mr. Speaker, one of the most disturbing elements in our domestic economy has been the course of the American dollar. The public has witnessed a decrease in the purchasing power of the dollar, amounting to almost one-half of it. There have been compensating factors to the workingman through increases in salary, but at the same time, life-insurance policies of long standing have been cut in half of their former value. Saving deposits, bonds, pensions, and social-security payments have been depleted to a similar extent.

The administration which is now in power promised, before the election in 1952, a sound dollar. Let us see whether this promise has been fulfilled. In order not to become involved too extensively in statistics, decreases in the value of the dollar since 1939 are quoted for certain periods, rather than for month-by-month, down to the present time. A résumé of this situation is as follows:

[1935–39 consumer prices=100]

Date:	*Value of the dollar*
1939	101.4
1946	75.0
1950	58.8
1952	52.7
1953 (January)	52.0
1954 (January)	52.0
1955 (January)	52.0

From the above table, it does seem that the promise of the administration with regard to a sound dollar has been kept. The period, beginning in January 1953, has been given because that marks the event when the Eisenhower administration took office, and there has been no downward drift of the dollar since that date. The figures quoted may be verified by the Library of Congress in Washington, D. C., the most impartial and authentic source of information to which we have access.

It is possible that the American people do not realize fully the meaning of this accomplishment because not everyone is aware of the fact that in France today, approximately 400 francs can be purchased for an American dollar, as contrasted to the time when only 5 francs were available for the same amount of money. The development in France has been duplicated in most of the countries in Europe. We have seen an inflationary spiral destroy the currency of those countries one after another. There was a time, after the severe inflation in Germany, when a billion marks could be purchased for $1.50, notwithstanding the fact that at one time, only 4 of those marks represented the same value as the American dollar.

With the stabilization of the American dollar, there has been a stabilization of most of the elements in the American economy. There may be other accomplishments to which we may point with pride, but there is not one which means more to the great mass of the American people than the stability of the purchasing power of our currency.

St. Patrick's Day

EXTENSION OF REMARKS
OF
HON. EDWARD P. BOLAND
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES
Thursday, March 17, 1955

Mr. BOLAND. Mr. Speaker, this morning's, March 17, issue of the Washington Post and Times Herald features an article on the character of St. Patrick. It was authored by the Reverend Dr. John Tracy Ellis, professor of church history at the Catholic University of America. In my opinion, it portrays an excellent analysis of the success that St. Patrick enjoyed in the conversion of pagan Ireland. The answer,

of course, lies in the character of St. Patrick himself.

Mr. Speaker, I understand that my colleague from Pennsylvania [Mr. FLOOD] has secured unanimous consent to extend his remarks in the RECORD and to include Father Ellis' article. I congratulate the author on the article and commend the Washington Post and Times Herald on presenting it on today's St. Patrick's Day.

John T. Jones

EXTENSION OF REMARKS

OF

HON. JAMES E. VAN ZANDT

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 17, 1955

Mr. VAN ZANDT. Mr. Speaker—

Leaves have their time to fall,
And flowers to wither at the north wind's breath, and stars to set,—but all,
Thou hast all seasons for thine own,
O death.

The organized-labor movement suffered a great loss on March 3, 1955, in the death of Mr. John T. Jones, nationally known director of Labor's Nonpartisan League and the possessor of many fine qualities that endeared him to those who were privileged to number him among their friends and associates.

It was my good fortune to know John T. Jones and because of my knowledge of his many admirable traits of character and the cordial relations that existed between us his passing has been a source of deep sorrow to me.

CALIBAN IN THE COAL MINES

(By Louis Untermeyer)

God, we don't like to complain,
We know that the mine is no lark,
But there's the pools from the rain,
But there's the cold and the dark.

God, You don't know what it is
You in Your well-lighted sky,
Watch the meteors whiz,
Warm with the sun always by.

God, if You had but the moon
Stuck in Your cap for a lamp
Even You'd tire of it, too,
Down in the dark and the damp.

Nothing but blackness above
And nothing that moves, but the cars,
God, if You wish for our love
Fling us a handful of stars.

John T. Jones had a mission to perform in life for those with whom he worked in his early years in the coal mines of the Nation. That he was successful in his efforts to improve their lot in life is attested to by the fact that he spent many years in active and successful pursuit of the objectives of the United Mine Workers of America.

Mr. Speaker, I should like at this point in my remarks to have inserted the following article from the March 15, 1955, issue of the United Mine Workers Journal titled "John T. Jones—'In Whom There Was No Guile'."

The article contains references to the beautiful eulogy delivered at the funeral services on March 5, 1955, by the Reverend Dr. Frederick Brown Harris, pastor of Foundry Methodist Church, Washington, D. C., and Chaplain of the United States Senate.

The article follows:

JOHN T. JONES—"IN WHOM THERE WAS NO GUILE"

Probably no more fitting words may be found to honor the memory of John T. Jones, director of Labor's Nonpartisan League, close associate of President John L. Lewis of the UMWA, and a veteran of 53 years of toil in behalf of his fellow coal miners, than those of the Reverend Dr. Frederick Brown Harris. Dr. Harris, minister of Washington's Foundry Methodist Church and chaplain of the United States Senate, was a close personal friend of Mr. Jones whose untimely death on March 3 shocked and sorrowed all who knew him.

These are the words of Dr. Harris, spoken in final tribute to Mr. Jones at the funeral service on March 5:

"The brief working day of a valiant servant of God and of humanity, on this mortal stage, is ended. His sun has gone down while it is yet day. Our eyes are staring, stunned, bewildered and strangely moved, at a vacant place against the sky of our choicest friendship, our church, and our Nation.

"By dint of his own energy and effort, John T. Jones, climbing from the penury and darkness of his childhood and youth, never forgot the pit from which he was digged. The ruling passion of his life became to light that darkness for others who bent their backs to its heavy tasks.

"His own spirit was as the candle of the Lord, not just to shine in places of plenty and comfort—to which his indefatigable toil, his devotion and his ability lifted him—but to bring justice and safety and more abundant home life to those hardy servants of the public good, his brother miners, whose contribution to the gadgets and glitter of an industrial day sentenced them to arduous labors, with light of day denied.

"We are vividly conscious in this hour, now that his lips are silent, that with righteous indignation against selfish powers which sought to exploit those whom he always regarded as his comrades in toil he cried out again and again to exploiters in high places of privilege, 'Let my people go.'

"We remember today the wistful appreciation with which in memory he turned often to that long-suffering Christian mother, whose face and form were ever with him and who, amid conditions which might have stifled spiritual aspirations, lighted the candles of faith and reverence on the altar of his boyish heart, a flame that no winds of adversity could ever blow out.

"As we survey the record of this useful life, we are thankful, as was his own grateful heart, that when as a young man his face turned from across the sea to this land of hope and glory, our America, this 'blessed land of room enough' gave him his chance to unlock native talents for leadership and for wide service which struggled for expression in the heart of this Welsh lad whose life, until that emancipating day, had been so cabined and confined. In these latter years, as with disciplined powers he moved on levels of great influence, all his days were as a paean of devotion to the great Republic which had become so truly his as it molded his life to ampler patterns of service to man and his Maker.

"We think of the great causes which claimed his loyalty and the full measure of his devotion. We bear witness to his love for the church of the living God and his belief in her mission. John T. Jones was not just a hearer, but a doer of the word. The message of the church and the kingdom to him was literally expressed in the program as announced by the great head of the church: 'I am come to preach the gospel to the poor, to heal the broken hearted, to preach deliverance to the captives and to set at liberty them that are bruised.' In this triumphal hour we testify that here was a Christian indeed, in whom there was no guile. In a time of sophisticated artificiality he loved and clung to the genuine and true. He hated sham and cant, and knew both when his honest eyes looked upon them with scorn, in high places and low.

"We rejoice in the heritage of the moving words he recently wrote, blazing with holy wrath against the sophistries of those who, in the titanic global struggle now raging, blaspheme and deny the paramount dignity of the individual and the rights of the common man.

"Our hearts are warmed as we remember his genius for friendship and how his life was bound as with bands of steel to the very souls of those he loved and trusted. As we think of his devotion to the Master of all good workmen, it will be to us evermore who ministered to him in holy things a blessed memory that on his last earthly Sabbath, listening, by his own earnest request, to the ancient words of contrition and consecration, his hands, so still now, reached out reverently for the bread and the wine in remembrance of the Lord and Master who was the strength of his life.

"Ringing in our ears will ever be his clear witness, just before the human skill of surgeons did their best; his confident words will light us to the end of our own way as we count the rosary of his assurance: 'I am not afraid, if this is the end of this life for me, for I know that the next room is a place of beauty and brightness beyond compare.' Inspired by his undimmed trust as he walked through the valley of the shadow and feared no evil, now that he has gone into the bliss of that larger room our hearts cry out:

" 'Servant of God, well done!
Thy glorious warfare past;
The battle's fought, the crown is won
And thou art crowned at last.'

"And so we give thanks that there was a man sent from God whose name was John. And we give him back, with clean hands and pure heart, knowing where we shall find him again and in what company we shall see him when the long night is past and the eternal morning breaks.

" 'A friend has passed across the bay,
So wide and vast, and put away
The mortal form that held his breath;
But through the storm that men call death,
Erect and straight, unstained by years,
At heaven's gate a man appears!' "

Seizure of American-Flag Ships

EXTENSION OF REMARKS

OF

HON. THOMAS M. PELLY

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 17, 1955

Mr. PELLY. Mr. Speaker, since calling the attention of my colleagues earlier

today to the unlawful search and seizure of the American-flag ships *Arctic Maid* and *Santa Ana* by Ecuador, I believe it desirable to extend my remarks to include additional information which I obtained from the Department of State.

Only a few short weeks ago, Mr. Nick Bez, of Seattle, Wash., a well-known fishing operator and a constituent of mine, paid $5,000 tribute to the Government of Peru for the release of his ships, the *Western Clipper* and the *Tony Bee*. Both of these ships asked sanctuary of the Peruvian Government, one for needed emergency repairs and the other for medical assistance for a sick crewman. After granting asylum to these fishing vessels and their crews, and literally inviting them into the protection of the harbor of Calloa, the Government of Peru seized the ships and to all intents and purposes held them for ransom. Three weeks ago eight American-flag fishing craft were seized, again by the Peruvian Government, and $2,000 more American ransom dollars were paid out before their release could be effected. On September 4, 1954, the *Sunstreak*, an American-flag ship owned by Mr. Jack Crivello, of San Diego, was confiscated by Ecuador. Mr. Crivello paid between $12,000 and $13,000 for the release of his ship, and, pursuant to Public Law 680 of the 83d Congress, has filed a claim in this connection with the Department of State.

These are acts of piracy, Mr. Speaker. Therefore I ask, how long will these acts of modern-day banditry be tolerated? How long will citizens of this country sailing under the protection of the Stars and Stripes be subjected to the indignities of forcible detention by foreign governments until tribute is paid for their release? I suggest that it is about time the United States ceased protesting and started protecting our American persons and property. The echoes of that stirring slogan of early years, "Millions for defense but not 1 cent for tribute," once echoed loudly in this land of freedom. In our position of world leadership it should resound from shore to shore, today louder and with far greater determination and firmness than ever before in our history.

SENATE

FRIDAY, MARCH 18, 1955

(Legislative day of Thursday, March 10, 1955)

The Senate met in executive session, at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

O God our Father, beyond whose brooding care we cannot drift: In the glory and vigor of a new morning we lift our careworn hearts to Thee, as we set our faces once more toward waiting tasks and toils. We fain would quiet our souls in Thy presence and rest ourselves in the confidence of Thy sustaining strength, that the peace of God which passeth all understanding may guard our hearts and thoughts. Through countless channels Thou dost seek our lives. At many a door Thou dost stand and knock, if we would but heed the gentle accents of Thy call.

In all the strident voices of this tumultuous day may we not miss the still, small voice which alone can change our fear to faith and our cowardice to courage. Hearken to the prayers of our hearts when in our highest moments we forget ourselves and think of Thee. We ask it in the dear Redeemer's name. Amen.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the reading of the Journal of the proceedings of Wednesday, March 16, 1955, was dispensed with.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its clerks, announced that the House had passed the bill (S. 913) to eliminate the need for renewal of oaths of office upon change of status of employees of the Senate, with amendments, in which it requested the concurrence of the Senate.

The message also announced that the House has passed the following bill and joint resolution, in which it requested the concurrence of the Senate:

H. R. 3322. An act to amend the Federal Property and Administrative Services Act of 1949 so as to improve the administration of the program for the utilization of surplus property for educational and public health purposes; and

H. J. Res. 250. Joint resolution to amend the joint resolution of March 25, 1953, relating to electrical or mechanical office equipment for the use of Members, officers, and committees of the House of Representatives.

The message further announced that the House had passed the following concurrent resolutions, in which it requested the concurrence of the Senate:

H. Con. Res. 85. Concurrent resolution authorizing the printing as a House document the pamphlet, Our American Government, What Is It? How Does it Function?;

H. Con. Res. 90. Concurrent resolution authorizing the preparation and printing of a report on the Prayer Room established in the Capitol;

H. Con. Res. 91. Concurrent resolution authorizing the printing of additional copies of hearings held by the Committee on Government Operations on the organization and administration of the military research and development programs; and

H. Con. Res. 93. Concurrent resolution authorizing reprinting of House Document 210 of the 83d Congress.

ENROLLED JOINT RESOLUTION SIGNED

The message also announced that the Speaker had affixed his signature to the joint resolution (H. J. Res. 252) making an additional appropriation for the Department of Justice for the fiscal year 1955, and for other purposes, and it was signed by the President pro tempore.

HOUSE BILL REFERRED

The bill (H. R. 3322) to amend the Federal Property and Administrative Services Act of 1949 so as to improve the administration of the program for the utilization of surplus property for educational and public-health purposes, was read twice by its title and referred to the Committee on Government Operations.

HOUSE CONCURRENT RESOLUTIONS REFERRED

The following House concurrent resolutions were referred to the Committee on Rules and Administration:

House Concurrent Resolution 85

Resolved by the House of Representatives (the Senate concurring), That the author of the pamphlet entitled "Our American Government, What Is It? How Does It Function?", as set out in House Document No. 465, 79th Congress, and subsequent editions thereof, revise the same, bring it up to date, and that it be printed as a public document.

SEC. 2. Such revised pamphlet shall be printed as a House document, and there shall be printed 300,000 additional copies, of which 24,750 copies shall be for the use of the Senate; 266,150 for the use of the House of Representatives; 3,100 for the Senate Document Room; and 6,000 for the House Document Room.

House Concurrent Resolution 90

Resolved by the House of Representatives (the Senate concurring), That the Architect of the Capitol is hereby authorized and directed to prepare a report on the origin, establishment, furnishing, and decoration of the Prayer Room established by House Concurrent Resolution 60 of the 83d Congress for use of the Members of the Senate and House of Representatives.

SEC. 2. Such report shall be printed as a House document with illustrations, in accordance with regulations of the Joint Committee on Printing. In addition to the usual number, there shall be printed 100 copies for use and distribution by each Member of Congress.

SEC. 3. As used in this resolution, the term "Member of Congress" includes a Member of the Senate, a Member of, and a Delegate to, the House of Representatives, and the Resident Commissioner from Puerto Rico.

AMENDMENT OF REORGANIZATION ACT OF 1949, RELATING TO CERTAIN REORGANIZATION PLANS

The PRESIDENT pro tempore laid before the Senate a message from the House of Representatives announcing its disagreement to the amendments of the Senate to the bill (H. R. 2576) to further

amend the Reorganization Act of 1949, as amended, so that such act will apply to reorganization plans transmitted to the Congress at any time before April 1, 1958, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. McCLELLAN. I move that the Senate further insist upon its amendments.

The motion was agreed to.

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on March 17, 1955, he presented to the President of the United States the enrolled bill (S. 942) to repeal Public Law 820, 80th Congress (62 Stat. 1098), entitled "An act to provide a revolving fund for the purchase of agricultural commodities and raw materials to be processed in occupied areas and sold."

COMMITTEE MEETINGS DURING SENATE SESSION

As in legislative session,

On request of Mr. JOHNSON of Texas, and by unanimous consent, the Internal Security Subcommittee was authorized to meet during the session of the Senate today.

On request of Mr. JOHNSON of Texas, and by unanimous consent, the subcommittee on Investigation of Union Welfare and Pension Funds of the Committee on Labor and Public Welfare was authorized to meet today during the session of the Senate.

Mr. HAYDEN. Mr. President, in order to expedite the work of the Committee on Appropriations in the remaining months of the present session of Congress, I ask unanimous consent that the committee be permitted to meet when necessary during the sessions of the Senate.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Arizona? The Chair hears none, and it is so ordered.

ORDER FOR TRANSACTION OF ROUTINE BUSINESS

Mr. JOHNSON of Texas. Mr. President, as in legislative session, I ask unanimous consent that immediately following the quorum call there may be the customary morning hour for the transaction of routine business, with statements made in connection therewith limited to not exceeding 2 minutes.

The PRESIDENT pro tempore. Without objection, it is so ordered.

LEGISLATIVE PROGRAM AND CALL OF THE ROLL

Mr. JOHNSON of Texas. Mr. President, I have asked the minority leader to give consideration to the possibility of the Senate's taking up today Calendar No. 107, a bill (S. 1325) to amend the tobacco marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended; Calendar No. 108, a bill (S. 1326) to amend the tobacco marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended; Calendar No. 109, a bill (S. 1327) to amend the tobacco marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended; Calendar No. 110, a bill (S. 1436) to preserve the tobacco acreage history of farms which voluntarily withdraw from the production of tobacco, and for other purposes; and Calendar No. 111, a bill (S. 1457) to redetermine the national marketing quotas for burley tobacco for the 1955–56 marketing year, and for other purposes.

I understand those bills have been reported unanimously from the Committee on Agriculture and Forestry and that there is no opposition to them. It may be that after concluding the business scheduled for today I shall desire to move the consideration of those bills.

I wished to make that announcement at this time.

Mr. President, I now suggest the absence of a quorum.

The PRESIDENT pro tempore. The Secretary will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDENT pro tempore. Without objection, it is so ordered.

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following communication and letters, which were referred as indicated:

PROPOSED SUPPLEMENTAL APPROPRIATION, FEDERAL CIVIL DEFENSE ADMINISTRATION (S. Doc. No. 14)

A communication from the President of the United States, transmitting a proposed supplemental appropriation, for the Federal Civil Defense Administration, in the amount of $12 million, for the fiscal year 1955 (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

INCREASE IN NUMBER OF CADETS APPOINTED BY THE PRESIDENT TO THE UNITED STATES MILITARY AND AIR FORCE ACADEMIES

A letter from the Secretary of the Army, transmitting a draft of proposed legislation to increase the number of cadets that the President may personally select for appointment to the United States Military Academy and the United States Air Force Academy (with an accompanying paper); to the Committee on Armed Services.

REPORT ON CERTAIN CONTRACTS IN EXCESS OF $50,000 AWARDED BY DEPARTMENT OF THE NAVY

A letter from the Assistant Secretary of the Navy (Material), transmitting, pursuant to law, the fifth semiannual report of contracts, in excess of $50,000, for research, development, and experimental purposes, awarded by the Department of the Navy, for the period July 1 through December 31, 1954 (with an accompanying report); to the Committee on Armed Services.

REPORT OF FEDERAL FACILITIES CORPORATION ON TIN OPERATIONS

A letter from the Administrator, Federal Facilities Corporation, Washington, D. C., transmitting, pursuant to law, the semiannual report of that Corporation on tin operations, for the 6-month period ended December 31, 1954 (with an accompanying report); to the Committee on Banking and Currency.

REPORT ON ACTIVITIES OF VETERANS' ADMINISTRATION

A letter from the Deputy Administrator, Veterans' Administration, Washington, D. C., transmitting, pursuant to law, a report of the activities of the Veterans' Administration, as of June 30, 1954, including the annual report of the Veterans' Educational Appeals Board, for the year 1954 (with an accompanying report); to the Committee on Finance.

GAIN FROM SALE OR EXCHANGE OF PROPERTY REQUIRED BY FEDERAL COMMUNICATIONS COMMISSION

A letter from the Chairman, Federal Communications Commission, Washington, D. C., transmitting, for the information of the Senate, a problem which has arisen as a result of that Commission's obligations under section 1071 of the Internal Revenue Code of 1954, relating to the gain from the sale or exchange of certain property; to the Committee on Finance.

JOURNAL OF SENATE OF TERRITORY OF HAWAII

A letter from the Secretary of Hawaii, transmitting, pursuant to law, the Journal of the Senate, Legislature of the Territory of Hawaii, special session of 1954 (with an accompanying document); to the Committee on Interior and Insular Affairs.

COMMISSION AND ADVISORY COMMITTEE ON INTERNATIONAL RULES OF JUDICIAL PROCEDURE

A letter from the Attorney General, transmitting a draft of proposed legislation to establish a Commission and Advisory Committee on International Rules of Judicial Procedure (with accompanying papers); to the Committee on the Judiciary.

GRANTING OF APPLICATIONS FOR PERMANENT RESIDENCE TO CERTAIN ALIENS

A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, copies of orders granting the applications for permanent residence filed by certain aliens, together with a statement of the facts and pertinent provisions of law as to each alien and the reasons for granting such applications (with accompanying papers); to the Committee on the Judiciary.

SUSPENSION OF DEPORTATION OF CERTAIN ALIENS

Three letters from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, copies of orders suspending deportation of certain aliens, together with a statement of the facts and pertinent provisions of law as to each alien, and the reasons for ordering such suspension (with accompanying papers); to the Committee on the Judiciary.

REPORT OF BOY SCOUTS OF AMERICA (H. Doc. No. 110)

A letter from the chief scout executive, Boy Scouts of America, National Council, New Brunswick, N. J., transmitting, pursuant to law, the 45th Annual Report of the Boy Scouts of America, for the year 1954 (with an accompanying report); to the Committee on Labor and Public Welfare.

DISPOSITION OF EXECUTIVE PAPERS

A letter from the Archivist of the United States, transmitting, pursuant to law, a list of papers and documents on the files of several departments and agencies of the Government which are not needed in the con-

duct of business and have no permanent value or historical interest, and requesting action looking to their disposition (with accompanying papers); to a Joint Select Committee on the Disposition of Papers in the Executive Departments.

The PRESIDENT pro tempore appointed Mr. JOHNSTON of South Carolina and Mr. CARLSON members of the committee on the part of the Senate.

COVER ON MAIL OF SENATORS

The PRESIDENT pro tempore laid before the Senate the following letter from the Assistant Attorney General, which was read, and, with the accompanying exhibits, was ordered to be placed on file:

DEPARTMENT OF JUSTICE,
Washington, March 17, 1955.

Hon. FELTON M. JOHNSTON,
Secretary, United States Senate,
Washington, D. C.

DEAR MR. JOHNSTON: Your memorandum of March 10, 1955, directing the report of the Special Committee on Investigation of Cover on Mail of Senators to the attention of the Attorney General for appropriate action has been referred to the Criminal Division.

The material transmitted has been examined and found to be essentially the same as that made available to us by United States Senator CARL HAYDEN under cover of his letter dated December 14, 1954. Senator HAYDEN requested at that time that he be advised whether there was any violation of Federal law based upon the facts and evidence adduced. We advised Senator HAYDEN in a letter of January 5, 1955, that we had concluded from our examination of the materials in the light of the applicable law that the mail cover did not violate any Federal criminal statute. Upon a reexamination of our file in the light of the material submitted with your memorandum, we have reached the same conclusion.

We are returning the original exhibits forwarded with your memorandum.

Sincerely,

WARREN OLNEY III,
Assistant Attorney General.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the PRESIDENT pro tempore:

A resolution of the Senate of the State of New Jersey; to the Committee on Armed Services:

"A concurrent resolution petitioning the President of the United States or the Secretary of the Department of Defense to appoint a committee to investigate and study the proposed closing of Camp Kilmer and to defer closing of this military establishment until completion of such investigation

"Whereas the Department of Defense has announced that it intends to close the military establishment known as Camp Kilmer located in Middlesex County in the State of New Jersey on or about June 30, 1955; and

"Whereas the Federal Government acquired approximately 1,900 acres of land in the establishment of Camp Kilmer, adversely affecting the ratables in several municipalities; and

"Whereas the area adjacent to the military installation has undergone a period of economic adjustment and large capital investments have been made in order to anticipate the needs of Camp Kilmer and its personnel; and

"Whereas the closing of Camp Kilmer will result in great economic dislocation in this defense area: Therefore be it

"*Resolved by the Senate of the State of New Jersey (the General Assembly concurring):*

"1. It is respectfully requested that Dwight D. Eisenhower, President of the United States, or Charles E. Wilson, Secretary of Defense, appoint a committee composed of representatives of the Federal Government as well as citizens from the community to investigate and study the proposed closing of the military establishment known as Camp Kilmer in Middlesex County and that the closing of Camp Kilmer be deferred until such committee has had an opportunity to study and submit a report.

"2. The secretary of the senate is hereby directed forthwith to transmit a copy of this concurrent resolution, properly authenticated, to the President of the United States, to the Secretary of Defense, to the respective presiding officers of the United States Senate and the House of Representatives and to all of the Senators and Representatives from New Jersey in the Congress.

"3. This concurrent resolution shall take effect immediately.

"BRUCE A. WALLACE,
"President of the Senate.

"Attest:

"O. J. VAN CAMP,
"Secretary of the Senate."

A joint resolution of the Legislature of the Territory of Alaska; to the Committee on Interior and Insular Affairs:

"Senate Joint Memorial 10

"To the President of the United States, the Congress of the United States, the Secretary of the Interior, United States Commissioner of Indian Affairs, Director of Fish and Wildlife Service, and Territorial Delegate to Congress:

"Your memorialist, the Legislature of the Territory of Alaska, in 22d session assembled, respectfully submits that:

"Whereas reindeer stations and wildlife refuges withdrawn from public entry by the Bureau of Indian Affairs and the Fish and Wildlife Service are closed to mining and prospecting in Alaska; and

"Whereas these particular withdrawals total more than 8 million acres; and

"Whereas many known deposits of lode and placer gold, strategic and industrial minerals, and coal exist within these withdrawn areas; and

"Whereas in the case of St. Lawrence Island, which is withdrawn as a reindeer station, only approximately 90 head of reindeer exist and more cannot be supported there for 50 to 100 years in the future because of extreme overgrazing in the past and the slow growth of the lichens and moss on which they feed; and

"Whereas mining operations on St. Lawrence Island, which is usually a hardship area, would create employment opportunities for the native Eskimos and aid their economy; and

"Whereas in the case of the large wildlife refuges on Kodiak Island, the Aleutian Islands, and the Kenai Peninsula, orderly prospecting and mining could be carried on without disturbing the wildlife under protection and with no conflict with the control or regulations of the Fish and Wildlife Service as is done in some wildlife refuges in the States.

"Now, therefore, your memorialist, the Legislature of the Territory of Alaska, respectfully urges that these withdrawn lands be opened to prospecting and mining by the respective agencies concerned.

"And your memorialist will ever pray.

"Passed by the senate February 24, 1955.

"JAMES NOLAN,
"President of the Senate.

"Attest:

"KATHERINE T. ALEXANDER,
"Secretary of the Senate.

"Passed by the house March 4, 1955.

"WENDELL P. KAY,
"Speaker of the House.

"Attest:

"JOHN T. MCLAUGHLIN,
"Chief Clerk of the House."

A joint resolution of the Legislature of the Territory of Alaska; to the Committee on Public Works:

"House Joint Memorial 15

"To the Honorable Dwight D. Eisenhower, President of the United States of America; the Honorable Richard Nixon, President of the United States Senate; the Honorable Sam Rayburn, Speaker of the United States House of Representatives; the Honorable Carl Hayden, chairman, Senate Committee on Appropriations; the Honorable Clarence Cannon, chairman, House Committee on Appropriations; the Honorable E. L. Bartlett, Delegate to Congress from Alaska:

"Your memorialist, the Legislature of the Territory of Alaska, in 22d regular session assembled, respectfully submits that:

"Whereas the people of Alaska desire to attract new industry and new population to the Territory, to develop Alaska's economy to a high level, resulting in a higher standard of living and the creation of taxable treasure through utilization of natural resources; and

"Whereas Wood Canyon on the Copper River, the largest remaining undeveloped hydroelectric power site on the Pacific coast of the United States, has been under investigation during the past few years; and

"Whereas development of the Wood Canyon power site would attract and permit the establishment of aluminum and/or other light metals industries and other large consumers of low-cost hydroelectric energy in the electrochemical and electrometallurgical fields; and

"Whereas copper deposits in the region are not being worked during a period of serious copper shortages throughout the free world owing to the lack of surface transportation to Cordova, Alaska, a year-round, deep-water seaport; and

"Whereas the Katalla petroleum province, also adjacent to Cordova, cannot be explored adequately, or brought into actual production without construction of an access road link with Cordova; and

"Whereas the Bering River coalfield, estimated to cover more than 50 square miles and to contain more than 2 billion tons of coal ranging in rank from subbituminous to anthracite, including unknown quantities of metallurgical-grade coking coal, remains undeveloped because no highway links the coalfield with port facilities at Cordova; and

"Whereas it already has been demonstrated that construction of the Copper River Highway not only is feasible from the engineering standpoint, but also may be placed in the low-cost construction category since use of the abandoned Copper River and Northwestern Railroad bed, including several steel bridges which are in good condition, are involved; and

"Whereas the 109-mile right-of-way is the property of the United States Government; and

"Whereas construction of the Copper River Highway would provide an alternative route from the Gulf of Alaska to defense installations in interior Alaska, important to the defense scheme of the Territory.

"Now, therefore, your memorialist, the Legislature of the Territory of Alaska, in 22d regular session assembled, respectfully urges that the construction program of the Copper River Highway, now under way on a piecemeal basis, be accelerated to permit development of resources of the region at the earliest possible moment.

"And your memorialist will ever pray.

"Passed by the house March 4, 1955.

"WENDELL P. KAY,
"Speaker of the House.

"Attest:

"JOHN T. MCLAUGHLIN,
"Chief Clerk of the House.

"Passed by the senate March 8, 1955.

"JAMES NOLAN,
"President of the Senate.

"Attest:

"KATHERINE T. ALEXANDER,
"Secretary of the Senate."

A letter, in the nature of a petition, from the traffic managers conference of southern California, Los Angeles, Cal., signed by F. Z. Wakefield, president, embodying a resolution adopted by that conference, relating to the fiscal and financial policies of the Panama Canal; to the Committee on Interstate and Foreign Commerce.

The petition of Mary J. Richards, and sundry other citizens of the State of New York, praying for the enactment of Senate Joint Resolution 1, relating to the treaty-making power; to the Committee on the Judiciary.

A resolution adopted by the Association of Highway Officials of North Atlantic States, at Atlantic City, N. J., relating to the Federal aid for highways program; to the Committee on Public Works.

By Mr. JOHNSTON of South Carolina:

A concurrent resolution of the Legislature of the State of South Carolina; to the Committee on Appropriations:

"A concurrent resolution requesting the two United States Senators and the United States Congressmen from the Second and Third Districts of South Carolina to investigate the possibility of obtaining Federal aid for property owners in Aiken, Edgefield, McCormick, and Saluda Counties who suffered losses as a result of the wind and hail storm on the night of March 13–14

"Whereas property owners in Aiken, Edgefield, McCormick, and Saluda Counties suffered severe losses to their crops and other property as a result of the wind and hail storm which struck with terrific force on the night of March 13–14; and

"Whereas many such property owners are without financial ability to repair and replace such losses: Now, therefore, be it

"*Resolved by the senate (the house of representatives concurring)*, That the two United States Senators from South Carolina and the Members of the United States Congress from the Second and Third Congressional Districts are requested to investigate the possibility of obtaining Federal aid for the property owners in Aiken, Edgefield, McCormick, and Saluda Counties; be it further

"*Resolved*, That copies of this resolution be furnished the two United States Senators and the Members of the Congress of the United States from the Second and Third Congressional Districts."

REHABILITATION OF PAPAGO TRIBE OF INDIANS—RESOLUTION OF ARIZONA HOUSE OF REPRESENTATIVES

Mr. HAYDEN. Mr. President, I present, for appropriate reference, a resolution adopted by the House of Representatives of the State of Arizona, relative to the Papago Indian Reservation. The resolution recommends that a program be established for the rehabilitation of that tribe of Indians and the protection and better utilization of the resources of the tribe.

In this connection, Mr. President, I may state that there is pending before the Committee on Interior and Insular Affairs a bill (S. 54) to promote the rehabilitation of the Papago Tribe of Indians and the better utilization of the resources of the Papago Tribe, introduced by my colleague, the junior Senator from Arizona [Mr. GOLDWATER], and myself, which this memorial supports.

The PRESIDENT pro tempore. The resolution will be received and appropriately referred; and, under the rule, the resolution will be printed in the RECORD.

The resolution, presented by Mr. HAYDEN, was referred to the Committee on Interior and Insular Affairs, as follows:

House Memorial 1

Memorial requesting Congress to create a program for the rehabilitation of the Papago Tribe of Indians for the protection of and better utilization of the resources of the tribe

To the Congress of the United States:

Your memorialist respectfully represents:

The Papago Tribe of Indians, located on the second largest reservation in the United States comprising almost 3 million acres in southern Arizona, is the only tribe of Indians on a reservation in the United States that does not have the right to minerals under the land.

This unfair condition exists in spite of the fact that the United States in the Gadsden Purchase Treaty in 1854 promised to protect the rights of the inhabitants of that area when it was transferred from Mexican to American sovereignty. This discrimination against the Papagos is the result of pressure brought on President Woodrow Wilson at the time in 1916 when he set aside the land for an Indian reservation. In 1932, acting upon representations made by attorneys for the Papagos, the then Secretary of the Interior, the Honorable Ray L. Wilbur, closed the reservation to mineral entry. However, in 1934, a rider denying the Papagos the mineral rights was attached to the Indian reorganization bill. This has brought about a condition in which the Papagos face the prospect of losing their reservation piecemeal because both large companies and amateur prospectors are searching for uranium and other minerals on the Indian land. If a prospector can prove there is mineral under his stake, he can file a claim and work the land. Even sand and gravel claims can be filed.

In substantiation of this claim it might be pointed out that as of August 18, 1954, 410 mining claims encompassing over 11,000 acres of land had been located, and 202 claims encompassing almost 4,000 acres of Papago land had been patented.

In addition to this danger of losing their land through mining activities, the Papagos because of conditions beyond their control are in dire need of assistance from the Federal Government.

One of the main reasons stems from inadequate educational opportunities. The Papago Reservation at the present time has only 6 Government schools to provide educational opportunities for about 1,250 children. In addition the reservation supports 5 Catholic mission schools offering education to about 350 children, one-half of whom are taken care of by contract with the Federal Government on a tuition basis. This is necessary since the distances to Government schools are too great, in some instances as high as 20 miles, to allow all of these children to attend even by the use of buses. In addition to this deplorable situation, only the elementary grades are provided. There is no opportunity for these children to further their education on the reservation, in either high school or college, and such opportunities are extremely limited throughout the western United States.

Since 1947, when the hospital at Sells, Ariz., was destroyed by fire, there has been no hospital maintained on the Papago Reservation. The nearest adequate facilities are in Tucson, a distance of 60 miles from the center of the reservation, with the next nearest hospital being located in Phoenix, a distance of 145 miles. Only 2 outpatient clinics, the one at Sells and the other at Santa Rosa, and 1 mobile health unit operated by the United States Public Health Service, are available to care for the entire reservation of about 8,000 population, and these are severely handicapped by a lack of sufficient personnel. There are no obstetrical facilities on the entire reservation, with the result that the infant mortality rate on the Papago Reservation is the worst in the United States with about 1 of every 4 children dying during their first year, and the life expectancy at birth being about 20 years. The health situation is further complicated by the fact that there is no tuberculosis sanatorium on the reservation, and the death rate from this disease is about seven times greater than the average throughout the rest of the United States.

The Papago Indian Reservation is located in an extremely arid region. In spite of this there are only 143 wells serving the entire reservation for an average of less than one well for each village. The water from these few wells is carried for the most part by wagon in barrels for distances up to 5 miles. In some areas water is taken directly from open ponds and used for household purposes without boiling.

Nor does the irrigation problem stand in any better light, for there are only about 15,000 acres, or about one-half of 1 percent of the total acreage lying within the reservation which is irrigable land. This small amount can support only 200 families of the total 1,250 families living on the reservation.

Any one of the above circumstances would of itself be sufficient argument for immediate action by the Federal Government, but with the combination of unfortunate handling of mineral rights, inadequate educational opportunities, nonexistent hospital care and medical guidance, severe lack of water for both household and irrigation purposes, and poor roads, the situation of the Papago Indians is desperate beyond human conception.

Wherefore your memorialist, the House of Representatives of the State of Arizona, respectfully prays:

1. That the Papago Indian Reservation in Arizona be closed to any further prospecting or locating of mineral claims, and that the Papago Indian Tribe be granted the same rights to minerals that other Indian tribes on reservations enjoy.

2. That a survey of the mineral resources of the Papago Indian Reservation be made by an agency of the Federal Government.

3. That sufficient funds be appropriated by Congress to create and make effective a comprehensive rehabilitation program to promote the economic and social development of the Papago Indians, such comprehensive program to include: 3 (a) More Government schools and teachers and the opportunity to attend high schools and colleges for Papago children; 3 (b) a 40- to 50-bed general hos-

pital at Sells, Ariz., together with provisions for adequate doctors, dentists, nurses, sanitoriums, mobile health units, ambulances, and administrative assistance to maintain adequate vital statistics; 3 (c) drilling and equipping of more wells both for household and irrigation purposes; 3 (d) more roads, and, 3 (e) in general, to provide facilities, employment, and essential services in combating hunger, disease, poverty, and demoralization among the members of the tribe, to make available the resources of the reservation for use in building up a self-supporting economy and self-reliant communities, and to lay a stable foundation upon which the Papagos can engage in diversified economic activities and ultimately attain standards of living comparable with those enjoyed by other citizens.

The PRESIDENT pro tempore laid before the Senate a resolution of the House of Representatives of the State of Arizona, identical with the foregoing, which was referred to the Committee on Interior and Insular Affairs.

By Mr. MORSE:

A joint resolution of the Legislature of the State of Oregon; to the Committee on Foreign Relations:

"Senate Joint Resolution 7

"Whereas the attention of a world plagued with the imperialistic designs of godless communism is focused with foreboding on the next move of the Chinese Communists; and

"Whereas this move could take form in large-scale military aggression aimed at subjugation of Formosa, the Pescadores Islands, and related territory; and

"Whereas the President of the United States has asked the Congress for a grant of authority to employ United States Armed Forces as he sees fit in frustrating a possible Chinese Communist attempt to seize Formosa, the Pescadores Islands, and related territory; and

"Whereas the Congress of the United States with but six dissenting votes has given its approval to the subject request, known as the Formosa resolution; and

"Whereas the greatest import of the Formosa resolution stems from its inherent influence as a deterrent to Chinese Communist aggression; and

"Whereas this influence will be felt in direct proportion to the degree of unanimity with which the Formosa resolution is upheld by the citizens of the United States of America and their elected officials, as well as the peoples of all free nations: Now, therefore, be it

"Resolved by the Senate of the State of Oregon (the House of Representatives jointly concurring), That this 48th legislative assembly, in regular session assembled, hereby give its unequivocal backing to the action taken by the President and the Congress in their advocacy of the Formosa resolution; be it further

"Resolved, That all interested citizens of Oregon and all civil, fraternal, management, labor, veterans, and other organizations in this State hereby be urged likewise to apprise the President and the Congress of their concurrence in the Formosa resolution to the end that as many Americans as possible be united in expressing opposition to Chinese Communist designs on the territory in the western Pacific area in question; and be it further

"Resolved, That the secretary of state of the State of Oregon hereby be directed to send copies of this resolution to the President and the Oregon delegation to the Congress of the United States of America and to the appropriate representatives of press and radio who can assist in giving the viewpoint set forth in this resolution the widest possible dissemination.

"Adopted by senate February 3, 1955.

"ZYLPHA ZELL BURNS,
"Chief Clerk of Senate.
"ELMO E. SMITH,
"President of Senate.

"Adopted by house February 9, 1955.

"E. A. GEARY,
"Speaker of House."

A joint resolution of the legislature of the State of Oregon; to the Committee on Interstate and Foreign Commerce:

"House Joint Memorial 6

"To the Honorable Members from Oregon of the Senate and the House of Representatives of the United States of America, in Congress assembled, and to the Honorable Douglas McKay, Secretary of the Interior for the United States of America:

"We, your memorialists, the 48th Legislative Assembly of the State of Oregon, in legislative session assembled, most respectfully represent as follows:

"Whereas several years ago certain airlines were granted temporary authority by the Civil Aeronautics Board to establish and operate through air freight and passenger transportation service between Portland, Oreg., on the one hand, and Alaskan cities upon the other, pending a general investigation known as the States-Alaska case covering the issuance of permanent certificates authorizing such operations; and

"Whereas by reason of this through air transportation service, inaugurated and maintained by these airlines during the past several years, a vital pattern of trade and commerce has been developed as between the industries and businesses of the State of Oregon and the Territory of Alaska, and as a result Oregon industries and businesses are enjoying a rapidly increasing air cargo commerce with industries and businesses in Alaskan cities, while through passenger service is encouraging and building a close tie of friendly business relationship, and thus this service has proved to be an absolute necessity in the public interest; and

"Whereas during 1954 the Civil Aeronautics Board, in the course of their general investigation, caused public hearings to be held respecting the question of adequate air transportation service in the public interest between the United States and the Territory of Alaska, and at these hearings the business interests of the city of Portland and the State of Oregon, supported by the Public Utilities Commissioner of Oregon, intervened in support of a permanently maintained through air transportation service, both air cargo and passenger, between Portland, Oreg., and Alaskan cities, while Seattle business interests, supported by the Washington Public Service Commission, took a position favoring a monopoly of Alaskan air commerce by Seattle commercial interests in that they advocated that presently existing through air transportation operations between Portland, Oreg., and Alaskan cities should be done away with as uneconomical, and that all temporary airline certificates be rescinded, and that Seattle, Wash., should be permanently designated as the sole and exclusive terminal of all air commerce between the Territory of Alaska and the United States of America; and

"Whereas thereafter an initial decision was proposed by the Chief Hearing Examiner to the Civil Aeronautics Board recommending the granting of the request and contentions of Seattle business and commercial interests by the creation of a virtual monopoly of air trade and commerce in favor of Seattle, and limiting all through air-transportation service between the Territory of Alaska and the United States to the one single air terminal located in and near Seattle, Wash., and rescinding all temporary certificates held by airlines now serving Portland, Oreg., maintaining through air-transportation service between Portland and Alaskan cities, thereby slamming shut the door of trade and commerce between Alaska and the State of Oregon and strangling all competition which is the very essence and life of American commerce, all to the great detriment and loss of not only the businesses, industries, and the people generally of Oregon, but also to the detriment and loss of citizens of the Territory of Alaska and their new and growing industries; and

"Whereas presently existing air trade and commerce between the United States and the Territory of Alaska was found by the Civil Aeronautics Board investigation, through its Chief Hearing Examiner and staff, to be an absolute necessity in the public interest, as shown by the following quoted excerpts from the examiner's report:

" 'No Territory under the American flag is so dependent upon air transportation as the vast land area of Alaska. The last frontier of the United States contains a vast wealth of natural resources and is so located as to play a vital role in the defense plans of the Nation. Unlike other parts of the United States, there are no alternative modes of transportation in Alaska—the river boats and the dog team have, to a large part, been displaced by the airplane.

" 'Inadequate, unreliable, and high-cost shipping from the States to Alaska has played a large part in the development of the Territory as an area of high costs, with a consequent deterring effect upon its growth. In addition to the high transportation charges incurred in the transportation of cargo to Alaska, the uncertainties inherent in the system in the past have resulted in the necessity for maintaining unusually high inventories. The problem of spoilage in perishable products has been another problem resulting from the transportation lack. * * * Neither the sea route nor the highway route can offer a reasonably comparable service from standpoint of time, and both of these routings are of limited use during the winter months'; and

"Whereas it has been reliably reported that the membership of the Civil Aeronautics Board has finally adopted the detrimental recommendations of the Chief Hearing Examiner, basing their conclusions upon the concept that economy of operations demands a cessation of through air-transportation service between Portland, Oreg., and Alaskan cities, even though a strangling monopoly is created and established thereby in favor of Seattle businesses and industries, and despite the apparent fact that the public interest of Oregon will suffer great and irreparable damage while the Territory of Alaska becomes competitively shackled respecting its air trade and commerce with the United States; and

"Whereas if the aforesaid decision becomes the final decision of the Civil Aeronautics Board, all air transportation operations between Portland, Oreg., and Alaskan cities will be subject to the additional costs of terminal operations at Seattle, Wash., made necessary by the combination of local flights to Seattle with through flights from thence on to Alaskan cities, which will warrant necessary additional overhead costs of separate organization, separate billing and handling expense on air cargo, and under well recognized court decisions covering rates and charges for transportation, increased rate charges for these additional terminal services are justified, and it is obvious that any proposed shuttle service between Seattle and Portland, and thence by through service to Alaska, on all movements of air cargo, as well as passenger, will entail added rates and

charges which will have the effect of doing away entirely with any competitive aspects of air transportation, trade, and commerce as between Portland and Seattle in relation to the markets and cities of the Territory of Alaska: Be it

"*Resolved by the House of Representatives of the State of Oregon (the Senate jointly concurring therein)*, That the President of the United States and the Secretary of the Interior be hereby memorialized to bring this most vital transportation and economic situation to the attention of the honorable membership of the United States Civil Aeronautics Board, through established procedures, in behalf of the public interest of the people of the State of Oregon, to insure the protection of the public interest in Oregon, as well as the Territory of Alaska, and avert the grave economic consequences which will inevitably follow if an air trade and commerce monopoly is created in favor of the business and commercial interests of Seattle to the exclusion of the commercial and trade interests of the city of Portland, Oreg., by the establishment of through air transportation service as between Seattle, Wash., only, and Alaskan cities, while denying the same through air transportation service between Portland, Oreg., and Alaskan cities, in direct violation of the competitive principles of trade and commerce which is the very essence of the American system and way of life; and be it further

"*Resolved*, That the secretary of state of the State of Oregon, is hereby directed to present official copies of this memorial and resolution, through proper channels, to the President of the United States and to the Secretary of the Interior for their consideration and action relative to any decision which might throttle air trade and commerce as between Oregon and the Territory of Alaska, and create a virtual monopoly in behalf of Seattle, Wash., detrimental to the public interest of both the State of Oregon and the Territory of Alaska.

"Adopted by house February 1, 1955.

"Adopted by senate February 11, 1955.

"C. A. GEARY,
"Speaker of the House.
"EDITH BYRON LOW,
"Chief Clerk.
"ELMO E. SMITH,
"President of the Senate."

RESOLUTION OF OREGON STATE FARMERS UNION, SALEM, OREG.

Mr. MORSE. Mr. President, I present, for appropriate reference, and ask unanimous consent to have printed in the RECORD, two resolutions, adopted by the Oregon State Farmers Union at Salem, Oreg., relating to income from offshore oil for education, and control and allocation of electric power in the Pacific Northwest.

There being no objection, the resolutions were received, appropriately referred, and ordered to be printed in the RECORD, as follows:

To the Committee on Interstate and Foreign Commerce:

"Whereas there is a movement by the private power utilities to promote the formation of the Columbia Interstate Compact Commission, including the States of Oregon, Washington, Wyoming, Montana, and Utah for the purpose of controlling or allocating the electric power in the Pacific Northwest; and

"Whereas it is feared this commission would be largely in control of the private utilities: Therefore be it

"*Resolved*, That the Oregon State Farmers Union go on record as being unalterably opposed to the formation of the so-called Columbia Interstate Compact Commission; and be it further

"*Resolved*, That copies of this resolution be sent to the Oregon delegation in Congress."

To the Committee on Labor and Public Welfare:

"*Resolved*, That we favor using the Federal income derived from offshore oil for education in accord with the bill introduced by Senator LISTER HILL of Alabama; and be it further

"*Resolved*, That copies of this resolution be sent to our representatives in Congress."

COLUMBIA RIVER INTERSTATE COMPACT—RESOLUTION OF OREGON STATE GRANGERS

Mr. MORSE. Mr. President, I present, for appropriate reference, and ask unanimous consent to have printed in the RECORD a resolution adopted by the Oregon State Grangers at Portland, Oreg., relating to the Columbia River Interstate Compact.

There being no objection, the resolution was referred to the Committee on Public Works, and ordered to be printed in the RECORD, as follows:

Grangers, representing 34 of the State's 36 counties, meeting at State Grange headquarters in Portland, Oreg., on January 17, 1955, to discuss the hydroelectric power situation in the Pacific Northwest go on record in opposition to the Columbia Interstate Compact between the States of Oregon, Washington, Idaho, Montana, Nevada, Wyoming, and Utah, because this compact would draw arbitrary lines for the allocation of power and water rather than making it available on a regionwide basis.

The wording of the compact is confusing and we urge the Oregon State Legislature not to commit Oregon to this compact when it leaves so many questions unanswered.

We also oppose the compact because it will impede the orderly Federal development of the natural resources and the full hydroelectric power potential of the Pacific Northwest.

RAY W. GILL.
ALBERT ULLMAN.
EARL A. MOORE.

CLOSING OF VETERANS HOSPITALS TO CERTAIN NON-SERVICE-CONNECTED DISABILITY CASES—RESOLUTION

Mr. MORSE. Mr. President, I present, for appropriate reference, and ask unanimous consent to have printed in the RECORD a resolution adopted by the Disabled American Veterans, Department of Oregon, relating to the closing of Veterans hospitals to certain nonservice connected cases.

There being no objection, the resolution was referred to the Committee on Labor and Public Welfare, and ordered to be printed in the RECORD, as follows:

Whereas it has been brought to the attention of Portland Chapter No. 1, Disabled American Veterans, that the head of the Veterans' Administration, Mr. Higley, has recently issued an order that no nonservice connected veteran shall hereafter be admitted to any Veterans Mental Hospital unless his mental or nervous disability shall be directly service connected; and

Whereas it is well known that any veteran afflicted with this disability requires long treatment and hospitalization under such circumstances and few if any of such veterans are financially able to pay for such long time treatment in a private hospital and as a consequence all such veterans will become a public charge to the local branches of the government and the Government is thus shirking and shifting this responsibility of the Government to the local communities who are not financially able to meet this drain upon their treasuries; and

Whereas there are now confined in the State hospitals a large number of veterans who should be receiving this treatment from the Government, in Government institutions and hospitals; and

Whereas the United States Government is gradually shifting this and other responsibilities of the Government to the local communities and thus placing a heavy drain upon the local taxpayers; and

Whereas only a short time ago this same Mr. Higley, head of the Veterans' Administration stated publicly that it was the responsibility of the Government to care for all nonservice connected cases wherein it would require a long period of time for their treatment, which statement is in direct contradiction to the order recently issued; and

Whereas the great cry of the Veterans' Administration as to why they cannot care for these cases is that they do not have sufficient hospital beds for such care; and

Whereas at the present time there is an order out to close the tuberculosis section of the Barnes Veterans Hospital which will make available approximately 150 beds which if properly staffed could be used for mental patients; Now, therefore, be it

"*Resolved*, That Portland Chapter No. 1, DAV, go on record as asking the State legislature to petition or otherwise recommend to Congress and the Veterans' Administration, that the order closing Veteran hospitals to nonservice connected mental or nervous cases be rescinded and that the Congress of the United States be asked to construct or equip and staff additional buildings and hospitals in the northwest to care for such additional patients that are so rapidly adjudged being in need of such care, especially as many of these nonservice cases are borderline cases and in all probability a direct result of the stresses and strains suffered under combat and which are now showing up after a long period of time; and be it further

"*Resolved*, That a copy of this resolution be furnished to the joint legislative staff of the several veteran organizations and a copy to the State Department of the DAV and to each chapter in the department.

PORTLAND CHAPTER NO. 1, DISABLED AMERICAN VETERANS.

NATIONAL FLOWER OF THE UNITED STATES—RESOLUTION

Mr. MORSE. Mr. President, I present, for appropriate reference, and ask unanimous consent to have printed in the RECORD a resolution adopted by the board of directors of the Portland (Oreg.) Realty Board, favoring the selection of a national flower of the United States.

There being no objection, the resolution was referred to the Committee on Rules and Administration, and ordered to be printed in the RECORD, as follows:

Be it resolved, That the board of directors of the Portland Realty Board, in session this

16th day of February of the year 1955, go on record as unanimously approving the movement to select a national flower of the United States of America; be it further

Resolved, That the board of directors of the Portland Realty Board hereby recommend that the rose be approved as the flower hereafter to be known as the national flower of the United States of America.

CHARLES L. PAINE,
President, Portland Realty Board.

Attested:

TAYLOR TREECE,
Executive Secretary, Portland Realty Board.

REORGANIZATION OF MILWAUKEE DISTRICT OFFICE, CORPS OF ENGINEERS—RESOLUTION

Mr. WILEY. Mr. President, I was delighted to hear from Herbert Schirnas, secretary of the Milwaukee Post of the Society of American Military Engineers, of the desire of that distinguished organization for the retention of the Milwaukee District Office of the Corps of Engineers. Its retention is considered to be vital.

I present this important resolution, and ask unanimous consent that it be printed in the RECORD, and be thereafter appropriately referred.

I earnestly hope that the resolution's objective will indeed be attained.

There being no objection, the resolution was referred to the Committee on Public Works, and ordered to be printed in the RECORD, as follows:

Whereas the Corps of Engineers of the United States Army has announced its plan of reorganization of the Milwaukee district office of the Corps of Engineers and the transfer to the Chicago, Detroit, and St. Paul offices of various responsibilities, duties, and personnel, all in the interest of economy and the attainment of even greater efficiency and value to the public than the high standard always merited by the corps, of which the Milwaukee district office was always a leader; and

Whereas we regret the need of the change in status of the Milwaukee district office, knowing of its long help and value to the port cities on Lake Michigan in both Wisconsin and Michigan, to engineering circles in all classes in both war and peace, and to shipping and economic groups in this powerful industrial and commercial area; and

Whereas we view with great pride the sterling record in the public welfare of the Milwaukee district office, which record is best described by one of our Nation's transportation leaders when he said, "I am amazed at the news that the district office of the Corps of Engineers is closing at Milwaukee. I certainly am sorry for I believe from the time I have known that office it is and has been one of the best engineering offices of the corps and did a great amount of good. It seems to me to be in a proper spot industrially and geographically for the work to be done in that area"; and

Whereas we hold in highest esteem the unmatched technical knowledge and sound judgment of the Corps of Engineers and recognize that the port cities and shipping routes now included in the present Milwaukee district will grow in use beyond estimate to the benefit of the people of both Wisconsin and Michigan: Therefore be it

Resolved, That the Milwaukee post of the Society of American Military Engineers which in the 25 years of its existence worked with the Milwaukee district office in closest cooperation and highest confidence and esteem, express the belief and make the request that the Corps of Engineers continue its long confidence in, and service to, the Lake Michigan area presently in the Milwaukee district, and that the corps will continue in the Milwaukee area office such staff and such facilities as will permit a continuance of the great service and value which in the past won for the Milwaukee district office the high acclaim it received from all our people; and be it further

Resolved, That copies of this resolution be placed in the hands of the United States Senators and Representatives in Congress from the States and districts in the present Milwaukee district, the Chief of Engineers, the Board of Engineers for Rivers and Harbors, the division engineer, north central division, and the district engineer for the Milwaukee district.

MEDICAL CARE FOR VETERANS—RESOLUTION

Mr. WILEY. Mr. President, I have heard from a great many veterans' organizations in protest against various recommendations which have been filed with the President, and which could result in harming the welfare of the Nation's veterans, particularly those in need of medical care.

I present one such grassroots resolution. It comes from a Veterans of Foreign Wars post in Spooner, Wis.

I ask unanimous consent that the resolution be printed in the RECORD at this point, and be thereafter appropriately referred.

There being no objection, the resolution was referred to the Committee on Labor and Public Welfare, and ordered to be printed in the RECORD, as follows:

VETERANS OF FOREIGN WARS
OF THE UNITED STATES,
Spooner, Wis., March 14, 1955.

Hon. ALEXANDER WILEY,
United States Senator,
Washington, D. C.

Hon. JOSEPH MCCARTHY,
United States Senator,
Washington, D. C.

Hon. ALVIN O'KONSKI,
United States Congressman,
Washington, D. C.

GENTLEMEN: Our Veterans of Foreign Wars post is very much concerned because of the proposals by the Hoover Commission, and at our last regular meeting the following resolution was unanimously passed:

"*Resolved*, That Dodge-Gilbertson-Carlson Post 1028, Veterans of Foreign Wars, located at Spooner, Wis., is opposed to the Hoover Commission's proposal to close 21 veterans' hospitals and to curtail the veterans' pensions, for the reason that such proposal would create an undue and unnecessary hardship on all veterans concerned; be it further

"*Resolved*, That a copy of this resolution in opposition to such proposal be forwarded to the Honorable ALEXANDER WILEY, United States Senator, JOSEPH MCCARTHY, United States Senator, and Hon. ALVIN O'KONSKI, United States Congressman."

We earnestly solicit your concerted opposition to such proposal.

Respectfully,

LLOYD POTTERTON, *Commander.*
FRED SCHROEDER, *Quartermaster.*
HERMAN HUMMEL, *Adjutant.*

PUBLIC HEARINGS ON JUVENILE DELINQUENCY BILLS—LETTER

Mr. WILEY. Mr. President, I was pleased to receive from Rev. Leland B. Henry, executive director for the department of Christian social relations, of the diocese of New York, a resolution urging a hearing on pending juvenile delinquency bills, one of which I was glad to cosponsor as a member of the Senate Judiciary Subcommittee on Juvenile Delinquency.

I emphatically endorse the recommendation which was made on the occasion of a recent widely attended public conference on our responsibility to troubled children.

I feel sure that hearings will indeed be shortly held by the Senate Labor Committee on this score, and I hope they can be expedited to the greatest possible extent in the interest of starting constructive action on behalf of the Nation's youngsters.

I ask unanimous consent that the letter from the Reverend Mr. Henry be printed in the RECORD, and be thereafter appropriately referred to the Senate Labor Committee.

There being no objection, the letter was referred to the Committee on Labor and Public Welfare, and ordered to be printed in the RECORD, as follows:

THE COUNCIL OF THE
DIOCESE OF NEW YORK,
New York, N. Y., March 15, 1955.

Senator ALEXANDER WILEY,
Senate Office Building,
Washington, D. C.

DEAR SENATOR WILEY: At a conference on our responsibility to our troubled children, sponsored by the department of Christian social relations of the Episcopal diocese of New York, a resolution was unanimously adopted requesting that public hearings be held on two bills dealing with juvenile delinquency, namely, S. 728, introduced by Senator KEFAUVER and 19 other Senators, and S. 894, introduced by yourself and Senator THYE.

The conference numbered 600 people representing 9 dioceses of the Episcopal Church, and 59 voluntary agencies—Jewish, Protestant, and nonsectarian. Among those present were the attorney general of the State of New York, the chairman of the State youth commission, the presiding justice of the Children's Court of New York City and many of the outstanding leaders of the social agencies of New York. A copy of the program is enclosed.

The resolution requesting the hearings was offered by the Right Reverend Charles F. Boynton, suffragan bishop of New York. It was adopted with enthusiasm, and represents the considered judgment of hundreds of concerned, responsible citizens.

Respectfully yours,

LELAND B. HENRY,
Executive Director.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. ELLENDER, from the Committee on Agriculture and Forestry, without amendment:

S. 1166. A bill to amend section 6 of the act of August 30, 1890, as amended, and section 2 of the act of February 2, 1903, as amended (Rept. No. 114); and

S. 1167. A bill to amend the Soil Conservation and Domestic Allotment Act (Rept. No. 115).

REPORT ON DISPOSITION OF EXECUTIVE PAPERS

Mr. JOHNSTON of South Carolina, from the Joint Select Committee on the Disposition of Executive Papers, to which was referred for examination and recommendation a list of records transmitted to the Senate by the Archivist of the United States that appeared to have no permanent value or historical interest, submitted a report thereon, pursuant to law.

ADDITIONAL REPORT OF JOINT COMMITTEE ON REDUCTION OF NONESSENTIAL FEDERAL EXPENDITURES—CIVILIAN EMPLOYMENT IN EXECUTIVE BRANCH

Mr. BYRD. Mr. President, from the Joint Committee on Reduction of Nonessential Federal Expenditures, I submit an additional report on civilian employment in the executive branch of the Federal Government for the month of January 1955 and, in accordance with the practice of several years' standing, I ask unanimous consent that it be printed in the body of the RECORD, as part of my remarks, together with a statement prepared by me.

There being no objection, the report and statement were ordered to be printed in the RECORD, as follows:

FEDERAL PERSONNEL IN EXECUTIVE BRANCH, JANUARY 1955 AND DECEMBER 1954, AND PAY, DECEMBER AND NOVEMBER 1954

PERSONNEL AND PAY SUMMARY

(See table I)

Information in monthly personnel reports for January 1955 submitted to the Joint Committee on Reduction of Nonessential Federal Expenditures is summarized as follows:

Total and major categories	Civilian personnel in executive branch			Payroll (in thousands) in executive branch		
	In January numbered—	In December numbered—	Increase (+) or decrease (−)	In December was—	In November was—	Increase (+) or decrease (−)
Total [1]	2,353,573	2,368,072	−14,499	$904,338	$782,372	+$121,966
Agencies exlusive of Department of Defense	1,170,191	1,188,166	−17,975	485,997	403,005	+82,992
Department of Defense	1,183,382	1,179,906	+3,476	418,341	379,367	+38,974
Inside continental United States	2,126,014	2,141,109	−15,095			
Outside continental United States	227,559	226,963	+596			
Industrial employment	725,396	728,132	−2,736			
Foreign nationals	341,517	340,272	+1,245	26,394	25,133	+1,261

[1] Exclusive of foreign nationals shown in the last line of this summary.

Table I breaks down the above figures on employment and pay by agencies.

Table II breaks down the above employment figures to show the number inside continental United States by agencies.

Table III breaks down the above employment figures to show the number outside continental United States by agencies.

Table IV breaks down the above employment figures to show the number in industrial-type activities by agencies.

Table V shows foreign nationals by agencies not included in tables I, II, III, and IV.

TABLE I.—*Consolidated table of Federal personnel inside and outside continental United States employed by the executive agencies during January 1955, and comparison with December 1954, and pay for December 1954, and comparison with November 1954*

Department or agency	Personnel				Pay (in thousands of dollars)			
	January	December	Increase	Decrease	December	November	Increase	Decrease
Executive departments (except Department of Defense):								
Agriculture	70,920	70,348	572		24,053	23,424	629	
Commerce [1]	44,466	63,386		18,920	22,579	17,939	4,640	
Health, Education, and Welfare	37,918	[2] 36,676	1,242		14,257	[2] 13,352	905	
Interior	49,543	[3] 49,842		299	19,590	19,019	571	
Justice	30,303	30,249	54		13,806	12,965	841	
Labor	4,891	4,918		27	2,215	2,136	79	
Post Office	507,129	507,928		799	232,031	164,856	67,175	
State	20,825	20,997		172	7,264	6,820	444	
Treasury	80,418	79,181	1,237		33,316	31,369	1,947	
Executive Office of the President:								
White House Office	267	263	4		145	137	8	
Bureau of the Budget	428	430		2	273	257	16	
Council of Economic Advisers	35	34	1		25	23	2	
Executive Mansion and Grounds	68	68			25	22	3	
National Security Council [4]	27	26	1		16	16		
Office of Defense Mobilization	292	295		3	152	153		1
President's Advisory Committee on Government Organization	5	6		1	3	4		1
Independent agencies:								
Advisory Committee on Weather Control	20	12	8		3	5		2
American Battle Monuments Commission	790	820		30	118	102	16	
Atomic Energy Commission	6,012	5,966	46		2,933	2,932	1	
Board of Governors of the Federal Reserve System	582	586		4	269	259	10	
Civil Aeronautics Board	532	533		1	291	279	12	
Civil Service Commission	4,051	4,106		55	1,772	1,698	74	
Commission of Fine Arts [5]	3	3			1	1		
Commission on Intergovernmental Relations	59	65		6	31	27	4	
Defense Transport Administration	17	18		1	11	11		
Export-Import Bank of Washington	135	135			77	73	4	
Farm Credit Administration	1,092	1,087	5		541	518	23	
Federal Civil Defense Administration	698	687	11		363	341	22	
Federal Coal Mine Safety Board of Review	8	7	1		5	4	1	
Federal Communications Commission	1,088	1,094		6	566	541	25	
Federal Deposit Insurance Corporation	1,085	1,086		1	486	504		18
Federal Mediation and Conciliation Service	356	355	1		233	233		
Federal Power Commission	625	636		11	331	322	9	
Federal Trade Commission	591	594		3	328	312	16	
Foreign Claims Settlement Commission	175	182		7	105	102	3	
Foreign Operations Administration	6,257	6,129	128		2,734	2,601	133	
General Accounting Office	5,771	5,791		20	2,524	2,415	109	
General Services Administration	25,869	25,863	6		8,683	8,341	342	
Government Contract Committee	14	10	4		4	4		
Government Printing Office	6,749	6,781		32	2,883	2,813	70	
Housing and Home Finance Agency	10,393	10,427		34	4,773	4,624	149	
Indian Claims Commission	14	13	1		10	9	1	
Interstate Commerce Commission	1,822	1,831		9	912	869	43	
Jamestown-Williamsburg-Yorktown Celebration Commission [6]	2		2					

[1] January figure includes 499 seamen on the rolls of the Maritime Administration and their pay.

[2] Revised on basis of later information.

[3] The Commission of Fine Arts, previously reported under the Interior Department, is now reported as an independent agency. December figures for Interior Department have been adjusted.

[4] Exclusive of personnel and pay of the Central Intelligence Agency.

[5] New agency created pursuant to Public Law 263, 83d Cong.

TABLE I.—*Consolidated table of Federal personnel inside and outside continental United States employed by the executive agencies during January 1955, and comparison with December 1954, and pay for December 1954, and comparison with November 1954*—Continued

Department or agency	Personnel				Pay (in thousands of dollars)			
	January	December	Increase	Decrease	December	November	Increase	Decrease
Independent Agencies—Continued								
National Advisory Committee for Aeronautics	7,188	7,160	28		3,308	3,115	193	
National Capital Housing Authority	285	287		2	92	97		5
National Capital Planning Commission	21	18	3		10	10		
National Gallery of Art	313	315		2	104	98	6	
National Labor Relations Board	1,150	1,172		22	623	605	18	
National Mediation Board	115	108	7		68	70		2
National Science Foundation	178	250		72	88	95		7
National Security Training Commission	7	7			5	3	2	
Panama Canal	15,638	15,758		120	3,480	2,717	763	
Railroad Retirement Board	2,445	2,390	55		927	853	74	
Renegotiation Board	596	606		10	369	355	14	
Rubber Producing Facilities Disposal Commission	21	23		2	15	13	2	
Saint Lawrence Seaway Development Corporation	18	22		4	11	3	8	
Securities and Exchange Commission	691	694		3	397	376	21	
Selective Service System	7,146	7,157		11	1,730	1,655	75	
Small Business Administration	757	756	1		413	394	19	
Smithsonian Institution	633	633			236	226	10	
Soldiers' Home	969	976		7	209	193	16	
Subversive Activities Control Board	35	35			23	20	3	
Tariff Commission	198	195	3		110	107	3	
Tax Court of the United States	141	142		1	76	74	2	
Tennessee Valley Authority	21,824	22,712		888	10,594	10,746		152
United States Information Agency	9,671	9,551	120		2,457	2,335	122	
Veterans' Administration	177,806	177,735	71		59,915	56,413	3,502	
Total, excluding Department of Defense	1,170,191	1,188,166	3,612	21,587	485,997	403,065	83,180	188
Net change, excluding Department of Defense			17,975				82,992	
Department of Defense:								
Office of the Secretary of Defense	1,920	1,914	6		1,055	1,016	39	
Department of the Army	465,470	464,590	880		153,512	126,965	26,547	
Department of the Navy	409,520	408,885	635		156,501	149,056	7,445	
Department of the Air Force	306,472	304,517	1,955		107,273	102,330	4,943	
Total Department of Defense	1,183,382	1,179,906	3,476		418,341	379,367	38,974	
Net increase, Department of Defense			3,476				38,974	
Grand total, including Department of Defense	2,353,573	2,368,072	7,088	21,587	904,338	782,372	122,154	188
Net change, including Department of Defense			14,499				121,966	

TABLE II.—*Federal personnel inside continental United States employed by executive agencies during January 1955, and comparison with December 1954*

Department or agency	January	December	Increase	Decrease
Executive departments (except Department of Defense):				
Agriculture	69,761	69,144	617	
Commerce [1]	41,584	60,510		18,926
Health, Education, and Welfare	37,392	[2] 36,158	1,234	
Interior	43,926	[3] 44,216		290
Justice	29,791	29,735	56	
Labor	4,787	4,807		20
Post Office	504,785	505,584		799
State	5,835	5,789	46	
Treasury	79,429	78,192	1,237	
Executive Office of the President:				
White House Office	267	263	4	
Bureau of the Budget	428	430		2
Council of Economic Advisers	35	34	1	
Executive Mansion and Grounds	68	68		
National Security Council [4]	27	26	1	
Office of Defense Mobilization	292	295		3
President's Advisory Committee on Government Organization	5	6		1
Independent agencies:				
Advisory Committee on Weather Control	20	12	8	
American Battle Monuments Commission	18	17	1	
Atomic Energy Commission	5,996	5,951	45	
Board of Governors of the Federal Reserve System	582	586		4
Civil Aeronautics Board	528	529		1
Civil Service Commission	4,041	4,096		55
Commission of Fine Arts [3]	3	3		
Commission on Intergovernmental Relations	59	65		6
Defense Transport Administration	17	18		1
Export-Import Bank of Washington	135	135		
Farm Credit Administration	1,081	1,075	6	
Federal Civil Defense Administration	698	687	11	
Federal Coal Mine Safety Board of Review	8	7	1	
Federal Communications Commission	1,061	1,067		6
Federal Deposit Insurance Corporation	1,084	1,085		1
Federal Mediation and Conciliation Service	356	355	1	
Federal Power Commission	625	636		11
Federal Trade Commission	591	594		3
Foreign Claims Settlement Commission	175	182		7
Foreign Operations Administration	1,651	1,627	24	
General Accounting Office	5,722	5,742		20
General Services Administration	25,760	25,751	9	
Government Contract Committee	14	10	4	
Government Printing Office	6,749	6,781		32
Housing and Home Finance Agency	10,267	10,302		35
Independent agencies—Continued				
Indian Claims Commission	14	13	1	
Interstate Commerce Commission	1,822	1,831		9
Jamestown-Williamsburg-Yorktown Celebration Commission [5]	2		2	
National Advisory Committee for Aeronautics	7,188	7,160	28	
National Capital Housing Authority	285	287		2
National Capital Planning Commission	21	18	3	
National Gallery of Art	313	315		2
National Labor Relations Board	1,128	1,151		23
National Mediation Board	115	108	7	
National Science Foundation	178	250		72
National Security Training Commission	7	7		
Panama Canal	543	551		8
Railroad Retirement Board	2,445	2,390	55	
Renegotiation Board	596	606		10
Rubber Producing Facilities Disposal Commission	21	23		2
St. Lawrence Seaway Development Corporation	18	22		4
Securities and Exchange Commission	691	694		3
Selective Service System	6,947	6,958		11
Small Business Administration	757	756	1	
Smithsonian Institution	631	631		
Soldiers' Home	969	976		7
Subversive Activities Control Board	35	35		
Tariff Commission	198	195	3	
Tax Court of the United States	141	142		1
Tennessee Valley Authority	21,824	22,712		888
United States Information Agency	2,210	2,190	20	
Veterans' Administration	176,531	176,476	55	
Total, excluding Department of Defense	1,111,283	1,129,067	3,481	21,265
Net decrease, excluding Department of Defense			17,784	
Department of Defense:				
Office of the Secretary of Defense	1,866	1,859	7	
Department of the Army	373,359	373,050	309	
Department of the Navy	377,977	377,552	425	
Department of the Air Force	261,529	259,581	1,948	
Total, Department of Defense	1,014,731	1,012,042	2,689	
Net increase, Department of Defense			2,689	
Grand total, including Department of Defense	2,126,014	2,141,109	6,170	21,265
Net decrease, including Department of Defense			15,095	

[1] January figure includes 499 seamen on the rolls of the Maritime Administration.
[2] Revised on basis of later information.
[3] The Commission of Fine Arts, previously reported under the Interior Department, is now reported as an independent agency. December figures for Interior Department have been adjusted.
[4] Exclusive of personnel of the Central Intelligence Agency.
[5] New agency created pursuant to Public Law 263, 83d Cong.

TABLE III.—*Federal personnel outside continental United States employed by the executive agencies during January 1955, and comparison with December 1954*

Department or agency	January	December	Increase	Decrease
Executive departments (except Department of Defense):				
Agriculture	1,159	1,204		45
Commerce	2,882	2,876	6	
Health, Education, and Welfare	526	518	8	
Interior	5,617	5,626		9
Justice	512	514		2
Labor	104	111		7
Post Office	2,344	2,344		
State	14,990	15,208		218
Treasury	989	989		
Independent agencies:				
American Battle Monuments Commission	772	803		31
Atomic Energy Commission	16	15	1	
Civil Aeronautics Board	4	4		
Civil Service Commission	10	10		
Farm Credit Administration	11	12		1
Federal Communications Commission	27	27		
Federal Deposit Insurance Corporation	1	1		
Foreign Operations Administration	4,606	4,502	104	
General Accounting Office	49	49		
General Services Administration	109	112		3
Housing and Home Finance Agency	126	125	1	
National Labor Relations Board	22	21	1	
Independent agencies—Continued				
Panama Canal	15,095	15,207		112
Selective Service System	199	199		
Smithsonian Institution	2	2		
United States Information Agency	7,461	7,361	100	
Veterans' Administration	1,275	1,259	16	
Total, excluding Department of Defense	58,908	59,099	237	428
Net decrease, excluding Department of Defense			191	
Department of Defense:				
Office of the Secretary of Defense	54	55		1
Department of the Army	92,111	91,540	571	
Department of the Navy	31,543	31,333	210	
Department of the Air Force	44,943	44,936	7	
Total, Department of Defense	168,651	167,864	788	1
Net increase, Department of Defense			787	
Grand total, including Department of Defense	227,559	226,963	1,025	429
Net increase, including Department of Defense			596	

TABLE IV.—*Industrial employees of the Federal Government inside and outside continental United States employed by executive agencies during January 1955 and comparison with December 1954*

Department or agency	January	December	Increase	Decrease
Executive departments (except Department of Defense):				
Agriculture	2,778	2,819		41
Commerce	2,130	2,110	20	
Interior	7,755	7,846		91
Treasury	6,473	6,534		61
Independent agencies:				
Atomic Energy Commission	135	131	4	
Federal Communications Commission	14	14		
General Services Administration	900	868	32	
Government Printing Office	6,749	6,781		32
National Advisory Committee for Aeronautics	7,188	7,160	28	
Panama Canal	7,636	7,686		50
Tennessee Valley Authority	18,592	19,470		878
Total, excluding Department of Defense	60,350	61,419	84	1,153
Net decrease, excluding Department of Defense			1,069	
Department of Defense:				
Department of the Army:				
Inside continental United States	[1] 207,900	[2] 207,786	114	
Outside continental United States	[1] 46,900	[2] 46,707	193	
Department of the Navy:				
Inside continental United States	237,220	236,791	429	
Outside continental United States	6,894	6,922		28
Department of the Air Force:				
Inside continental United States	154,418	153,394	1,024	
Outside continental United States	11,714	15,113		3,399
Total, Department of Defense	665,046	666,713	1,760	3,427
Net decrease, Department of Defense			1,667	
Grand total, including Department of Defense	725,396	728,132	1,844	4,580
Net decrease, including Department of Defense			2,736	

[1] Subject to revision.

[2] Revised on basis of later information.

TABLE V.—*Foreign nationals working under United States agencies overseas, excluded from tables I though IV of this report, whose services are provided by contractual agreement between the United States and foreign governments, or because of the nature of their work or the source of funds from which they are paid, as of January 1955 and comparison with December 1954*

Country	Total		Army		Navy		Air Force	
	January	December	January	December	January	December	January	December
Austria	171	171					171	171
England	7,290	7,117					7,290	7,117
France	20,884	20,274	14,503	14,001			6,381	6,273
Germany	124,804	124,019	101,871	101,551	1,972	1,971	20,961	20,497
Japan	157,228	157,581	95,781	[1] 95,781	18,543	18,499	42,904	43,304
Korea	28,431	28,343	28,431	28,343				
Lybia	1,050	1,077					1,050	1,077
Ryukyus	223	214			223	214		
Saudi Arabia	698	734					698	734
Spain	96	95					96	95
Trinidad	642	644			642	644		
Total	341,517	340,272	240,586	239,676	21,380	21,328	79,551	79,268

[1] Revised on basis of later information.

NOTE.—The Germans are paid from funds provided by German Governments. The French, English, Koreans, and Austrians reported by the Army and Air Force are paid from funds appropriated for personal services. All others are paid from funds appropriated for other contractual services.

STATEMENT BY SENATOR BYRD

Executive agencies of the Federal Government reported regular civilian employment in the month of January totaling 2,353,573. This was a net decrease of 14,499 as compared with employment reported in the preceding month of December.

The decrease resulted largely from the separation of temporary employees of the Census Bureau. Under these circumstances, the regular employment continued the downward trend it had followed for 27 of the past 30 months.

Civilian employment reported by the executive agencies of the Federal Government, by months in fiscal year 1955, which began July 1, 1954, follows:

Month	Employment	Increase	Decrease
July	2,387,833		5,187
August	2,375,988		11,845
September	2,355,170		20,818
October	2,359,325	4,155	
November	2,385,024	25,699	
December	2,368,072		16,952
January	2,353,573		14,499

Total employment in civilian agencies during the month of January was 1,170,191, a decrease of 17,975, compared with the December total of 1,188,166. Total civilian employment in the military agencies in January was 1,183,382. This was a net increase of 3,476, as compared with 1,179,906 in December.

Civilian agencies reporting the major decreases were: Department of Commerce, with a decrease of 18,920; Tennessee Valley Authority, with a decrease of 888; and the Post Office Department, with a decrease of 799. Major increases were reported by the Department of Health, Education, and Welfare, with an increase of 1,242; Department of the Treasury, with an increase of 1,237;

and the Department of Agriculture, with an increase of 572.

Increases in civilian employment by the Department of Defense were reported by Department of the Air Force, with an increase of 1,955; Department of the Army, with an increase of 880; Department of the Navy, with an increase of 635; and the Office of the Secretary of Defense, with an increase of 6.

Inside continental United States civilian employment decreased 15,095, and outside continental United States civilian employment increased 596.

Industrial employment by Federal agencies in January totaled 725,396, a decrease of 2,736 as compared with December.

These figures are from reports certified by the agencies, as compiled today by the Joint Committee on Reduction of Nonessential Federal Expenditures.

FOREIGN NATIONALS

The total of 2,353,573 civilian employees certified to the committee by executive agencies in their regular monthly personnel reports included some foreign nationals employed in United States Government activities abroad, but, in addition to these, there were 341,517 foreign nationals working for United States military agencies overseas during the month of January who were not counted in the usual personnel report. The number in December was 340,272. A breakdown of this employment for January follows:

Country	Total	Army	Navy	Air Force
Austria	171			171
England	7,290			7,290
France	20,884	14,503		6,381
Germany	124,804	101,871	1,972	20,961
Japan	157,228	95,781	18,543	42,904
Korea	28,431	28,431		
Lybia	1,050			1,050
Ryukyus	223		223	
Saudi Arabia	698			698
Spain	96			96
Trinidad	642		642	
Total	341,517	240,586	21,380	79,551

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. LANGER:

S. 1483. A bill for the relief of Mr. Irfan Kawar; to the Committee on the Judiciary.

By Mr. BENDER:

S. 1484. A bill for the relief of Dr. Rosemary Lin; to the Committee on the Judiciary.

By Mr. COTTON:

S. 1485. A bill to amend the Internal Revenue Code of 1954 to reduce the amount of income tax payable in the case of an individual 65 years of age or over who sells his home and does not acquire a new one; to the Committee on Finance.

By Mr. CARLSON:

S. 1486. A bill to amend section 16 of the act entitled "An act to adjust the salaries of postmasters, supervisors, and employees in the field service of the Post Office Department," approved October 24, 1951 (65 Stat. 632; 39 U. S. C. 876c);

S. 1487. A bill relating to contracts for the conduct of contract postal stations;

S. 1488. A bill relating to the payment of money orders;

S. 1489. A bill to increase the rates of basic salary of postmasters, officers, supervisors, and employees in the postal field service, to eliminate certain salary inequities, and for other purposes; and

S. 1490. A bill to increase the rates of compensation of certain officers and employees of the Federal Government; to the Committee on Post Office and Civil Service.

(See the remarks of Mr. CARLSON when he introduced the last two above-mentioned bills, which appear under a separate heading.)

By Mr. BRIDGES:

S. 1491. A bill to provide the United States with a gold standard and redeemable currency, and to correct other defects in the monetary system of the United States; to the Committee on Banking and Currency.

(See the remarks of Mr. BRIDGES when he introduced the above bill, which appear under a separate heading.)

By Mr. ELLENDER (by request):

S. 1492. A bill to amend subsection 216 (c), part II, of the Interstate Commerce Act to require the establishment by motor carriers of reasonable through routes and joint rates, charges, and classifications; to the Committee on Interstate and Foreign Commerce.

By Mr. McNAMARA:

S. 1493. A bill for the relief of Dorin Ursulesku Baron; to the Committee on the Judiciary.

By Mr. ANDERSON:

S. 1494. A bill to authorize the Administrator of Veterans' Affairs to convey to the village of Central, in the State of New Mexico, certain lands administered by the Veterans' Administration facility at Fort Bayard, N. Mex., to the Committee on Labor and Public Welfare.

By Mr. BUSH:

S. 1495. A bill to amend chapter 69 of title 18 of the United States Code so as to authorize the making of facsimile reproductions of certain naturalization and citizenship papers having historical value; to the Committee on the Judiciary.

By Mr. MAGNUSON:

S. 1496. A bill for the relief of Ruriko Hara; and

S. 1497. A bill to amend title 28 of the United States Code to provide for transfer of cases between the district courts and the Court of Claims; to the Committee on the Judiciary.

(See the remarks of Mr. MAGNUSON when he introduced the last above-mentioned bill, which appear under a separate heading.)

By Mr. BEALL:

S. 1498. A bill to amend the Natural Gas Act; to the Committee on Interstate and Foreign Commerce.

S. 1499. A bill to provide that school districts which filed applications for payments under Public Law 815, 81st Congress, before November 24, 1953, shall not be penalized on account of school-construction contracts made after that date; to the Committee on Labor and Public Welfare.

By Mr. THYE (for himself and Mr. CAPEHART):

S. 1500. A bill to amend the Small Business Act of 1953; to the Committee on Banking and Currency.

By Mr. CAPEHART (for himself, Mr. BRICKER, Mr. BENNETT, Mr. BUSH, Mr. BUTLER, Mr. BRIDGES, Mr. AIKEN, Mr. KNOWLAND, Mr. MILLIKIN, Mr. DIRKSEN, Mr. CARLSON, Mr. KUCHEL, Mr. WELKER, Mr. WILEY, Mr. BENDER, Mr. SALTONSTALL, Mr. SMITH of New Jersey, Mr. COTTON, Mr. BEALL, Mr. THYE, Mr. MARTIN of Pennsylvania, Mr. PAYNE, Mr. IVES, Mr. SYMINGTON, Mr. HRUSKA, and Mr. POTTER):

S. 1501. A bill to amend the National Housing Act by adding a new title thereto providing additional authority for insurance of loans made for the construction of urgently needed housing for military personnel of the armed services.

(See the remarks of Mr. CAPEHART when he introduced the above bill, which appear under a separate heading.)

By Mr. BARRETT:

S. 1502. A bill to permit the mining, development, and utilization of the mineral resources of all public lands withdrawn or reserved for power development, to require public hearings prior to withdrawals of all public lands, to limit temporary withdrawals to 5 years, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. MORSE:

S. 1503. A bill for the relief of Harold George Jackson; to the Committee on the Judiciary.

By Mr. MORSE (for himself and Mr. NEUBERGER):

S. 1504. A bill for the relief of Yee Loy Foo, also known as Loy Foo Yee, or Ted Yee; to the Committee on the Judiciary.

Mr. MORSE (for himself and Mr. McNAMARA):

S. 1505. A bill to increase the salaries of teachers of the District of Columbia; to the Committee on the District of Columbia.

(See the remarks of Mr. MORSE when he introduced the above bill, which appear under a separate heading.)

By Mr. CASE of South Dakota:

S. 1506. A bill to authorize the issuance of a special stamp commemorative of the 50th anniversary of the United States Forest Service and accomplishments in conservation; to the Committee on Post Office and Civil Service.

(See the remarks of Mr. CASE of South Dakota when he introduced the above bill, which appear under a separate heading.)

INCREASED COMPENSATION FOR POSTAL AND CLASSIFIED EMPLOYEES

Mr. CARLSON. Mr. President, I introduce, for appropriate reference, two bills providing pay increases for postal and classified Federal employees.

The bill providing pay increases for postal employees provides for an average of 7½-percent pay increase. The bill carries an overall 6-percent increase with a 1½-percent increase based on reclassification. The bill for classified employees carries a 6 percent across-the-board pay increase.

When the proposed legislation for a pay increase for both of these groups is before the Senate, I expect to offer them as substitutes for the bills submitted by the majority of the Senate Committee on Post Office and Civil Service.

The PRESIDENT pro tempore. The bills will be received and appropriately referred.

The bills, introduced by Mr. CARLSON, were received, read twice by their titles, and referred to the Committee on Post Office and Civil Service, as follows:

S. 1489. A bill to increase the rates of basic salary of postmasters, officers, supervisors, and employees in the postal field service, to eliminate certain salary inequities, and for other purposes.

S. 1490. A bill to increase the rates of compensation of certain officers and employees of the Federal Government.

GOLD REDEMPTION ACT OF 1955

Mr. BRIDGES. Mr. President, I introduce, for appropriate reference, a bill, entitled "The Gold Redemption Act of 1955." It merely reestablishes for our citizens a privilege we already grant to foreigners. The United States Treasury accords to foreign central banks the privilege of obtaining gold in exchange for dollars at the rate of 1 troy ounce of gold for $35. My bill extends to Americans no more than the same rights accorded foreign interests. It removes an unfair discrimination against United

States citizens in favor of foreign central bankers.

During 1953, and down to June 1954, $1,247,000,000 in gold, at $35 an ounce, was transferred to foreign interests from our Treasury in exchange for dollars. There is no justice or economic sense in denying to United States citizens what we freely grant to foreign interests. Since January 31, 1934, we have made good in gold for dollars at that rate to foreign central banks with whose countries we were at peace. Is the Government of these United States at war with its own citizens? Then, why not treat them as well, at least, as we do foreign interests who may wish to exchange dollars for gold? Especially is that a minimum of justice to American citizens whose efforts cause the gold to come into the Treasury in exchange for the products of their toil and risk taking.

Twenty-two years ago we suspended specie payments in gold for American citizens. The then Secretary of the Treasury, Mr. Woodin, was reported in the New York Times and in other newspapers as saying that the suspension was for the time being and to meet an emergency. It followed the advice of J. M. Keynes—Lord Keynes of England. Whether there was an emergency in 1933 is doubtful, because there was more gold in the Treasury on January 1, 1933, than there was in the Treasury in September 1929. But those were days when many doubtful and in fact unconstitutional remedies were the fashion. That experiment of tinkering with the standard was abandoned January 31, 1934, with the dollar fixed at 35 to the ounce. It was followed by the NRA, which was declared unconstitutional and also abandoned. The President's right to further devalue the dollar expired in 1943, and, after review by the Senate, was not extended, but we had not put things in the rightful posture in regard to the first experiment which had been abandoned. We left the American citizen denuded of a right to redeem his dollar currency as well as any foreign interest. My bill clears up that uncertainty.

This bill is the same as that on which hearings were held by the subcommittee of the Committee on Banking and Currency of the Senate in the last session, from March 29 through April 1. Consideration was given to the fact that $11 billion was held by foreign governments or central banks, or national banks, and private owners as well. However, when already swimming one does not fear that a shower may make one wet. We redeem the dollars of foreign interests in gold now, and my bill proposes no change in that. Foreign holders of obligations in dollars would be no more inclined nor no more able to draw an undue amount of gold after the enactment of my bill than before. In fact, it seems more likely that foreigners would be pleased to continue their investments in dollars in a country which unfailingly redeemed its currency to all holders of it, whether foreigners or citizens.

Irresponsible talk about devaluing the dollar is dangerous to stability. It would precipitate the very drain which critics of my bill say they fear. That is because any foreign central bank having any suspicion that the dollar would bring a lesser weight of gold than one thirty-fifth of an ounce, at some future date would be inclined to withdraw gold and remove it from our country. The enactment of my bill with the actual coinage of gold and offer of it for circulation among our own people is earnest of our intention to maintain the fixed standard of value hereafter.

Easy money does not make good times; in fact, quite the contrary. In 1939 we had 11 million unemployed, although we had been taken off the gold standard for our own people since 1933. We enacted the bill resuming specie payments after the experience of the depression of 1873. It ushered in the period beginning in 1879 known on economists' charts as the era of gold standard prosperity.

Nor does easy money assist in financing the public debt among buyers of long-term bonds. The certainty of payment in a fixed standard would, on the contrary, improve the saleability of bonds, and assist the Treasury in placing them with real savers, instead of being compelled to issue short-term notes bought chiefly by banks to work the engine of inflation.

The gold standard is no panacea. Its proponents do not claim that it will make prices higher, or lower; they do not say that it will save us from follies, of unwise speculation of itself; nor will it automatically balance the budget, although it will give us a measure of value which will permit us to see why we must do so in the long run.

The bill carries out the pledge to the American people in the Republican platform. It carries out the principles of many of the more responsible members of the Democratic Party. It is in the American tradition. All dollars are equal under my bill, because all are convertible on demand into our standard of value, gold at $35 to the ounce. The dollar of the American citizen will be as good as a dollar held by foreign interests.

The PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 1491) to provide the United States with a gold standard and redeemable currency, and to correct other defects in the monetary system of the United States, introduced by Mr. BRIDGES, was received, read twice by its title, and referred to the Committee on Banking and Currency.

TRANSFER OF CASES BETWEEN DISTRICT COURTS AND COURT OF CLAIMS

Mr. MAGNUSON. Mr. President, I introduce, for appropriate reference, a bill to amend title 28 of the United States Code to provide for transfer of cases between the district courts and the Court of Claims.

At the present time, contract suits against the United States involving maritime matters may be brought either in the Court of Claims under the Tucker Act, or in the United States district courts in admiralty under the Suits in Admiralty Act or Public Vessels Act, depending upon whether the vessel was operated by or for the Government, as a public vessel, etc. A number of court decisions have been rendered over the past several years which are not entirely in harmony, and maritime litigants have frequently, because of complex factors and determinations involved, commenced suit in a court which is ultimately determined to be without jurisdiction. Thus, litigants having meritorious claims have commenced litigation in the wrong forum, and then, after the statute of limitations has run, have been barred from suit in the proper forum. Section 1500 of title 28 prohibits bringing suits concurrently in the Court of Claims and district courts.

The proposed legislation provides that if a case is brought in the district court in admiralty, and it later develops that it should have originally been brought in the Court of Claims under the Tucker Act, the case may then be transferred to the Court of Claims. The statute of limitations would be determined by the date of filing in the original court. Similarly, if a case were filed erroneously in the Court of Claims, then the case might ultimately be transferred to the district court in admiralty, the filing date in the Court of Claims being the determining date for purposes of determining the statute of limitations. Thus, a meritorious cause of action would not be barred if counsel should make an erroneous determination as to whether the vessel involved in the litigation was employed as a merchant vessel, or was a public vessel, or whether a contract with the United States was maritime or nonmaritime.

The proposed legislation is endorsed by the Maritime Law Association of the United States, and a companion bill (H. R. 668) is pending in the House of Representatives.

The PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 1497) to amend title 28 of the United States Code to provide for transfer of cases between the district courts and the Court of Claims, introduced by Mr. MAGNUSON, was received, read twice by its title, and referred to the Committee on the Judiciary.

PROPOSED ARMED SERVICES HOUSING INSURANCE ACT OF 1955

Mr. CAPEHART. Mr. President, on behalf of myself, the senior Senator from Ohio [Mr. BRICKER], the Senator from Utah [Mr. BENNETT], the Senator from Connecticut [Mr. BUSH], the senior Senator from Maryland [Mr. BUTLER], the senior Senator from New Hampshire [Mr. BRIDGES], the Senator from Vermont [Mr. AIKEN], the senior Senator from California [Mr. KNOWLAND], the Senator from Colorado [Mr. MILLIKIN], the Senator from Illinois [Mr. DIRKSEN], the Senator from Kansas [Mr. CARLSON], the junior Senator from California [Mr. KUCHEL], the Senator from Idaho [Mr. WELKER], the Senator from Wisconsin [Mr. WILEY], the junior Senator from Ohio [Mr. BENDER], the Senator from Massachusetts [Mr. SALTONSTALL], the Senator from New Jersey [Mr. SMITH], the junior Senator from

New Hampshire [Mr. COTTON], the junior Senator from Maryland [Mr. BEALL], the Senator from Minnesota [Mr. THYE], the Senator from Pennsylvania [Mr. MARTIN], the Senator from Maine [Mr. PAYNE], the Senator from New York [Mr. IVES], the Senator from Missouri [Mr. SYMINGTON], the Senator from Nebraska [Mr. HRUSKA], the Senator from Michigan [Mr. POTTER], I introduce, for appropriate reference, a bill to amend the National Housing Act by adding a new title thereto providing additional authority for insurance of loans made for the construction of urgently needed housing for military personnel of the armed services.

The so-called Wherry Act, the Military Housing Act, will expire on June 30. Therefore, it will be necessary for Congress to enact new legislation if any housing is to be provided for our military personnel. The bill which I am introducing is, I believe, superior to the Wherry Act.

I ask unanimous consent that the bill, together with a statement and a memorandum, prepared by me, explaining the bill, be printed in the RECORD.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the bill, statement, and memorandum will be printed in the RECORD.

The bill (S. 1501) to amend the National Housing Act by adding a new title thereto providing additional authority for insurance of loans made for the construction of urgently needed housing for military personnel of the armed services, introduced by Mr. CAPEHART (for himself and other Senators), was received, read twice by its title, referred to the Committee on Banking and Currency, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That this act may be cited as the "Armed Services Housing Insurance Act of 1955."

SEC. 2. The National Housing Act, as amended, is amended by adding at the end thereof a new title as follows:

"TITLE X—ARMED SERVICES HOUSING INSURANCE

"AUTHORITY TO INSURE

"SEC. 1001. The purpose of this title is to assist in relieving the acute shortage of housing accommodations that now exists on military installations and to increase the supply of necessary housing accommodations for military personnel at such installations. To effectuate this purpose, the Commissioner shall, upon application of the mortgagee, insure mortgages (including advances on such mortgages during construction) which are eligible for insurance as hereinafter provided, and, make commitments for so insuring such mortgages prior to the date of their execution or disbursement thereon: *Provided*, That the aggregate amount of contingent liability outstanding at any one time under insurance contracts and commitments to insure made pursuant to this title shall not exceed $1,350,000,000.

"ELIGIBILITY

"SEC. 1002. To be eligible for insurance under this title, a mortgage shall meet the following conditions:

"(1) The mortgaged property shall be designed for use for residential purposes by military personnel of the armed services and situated at or near a military installation. No mortgage shall be insured under this title unless the Secretary of the Army, Navy, or Air Force, or their designees, shall have certified to the Commissioner that the housing with respect to which the mortgage is made is necessary to provide public quarters at such military installation and that there is no present intention to curtail substantially the activities at such installation. The certification shall be accepted by the Federal Housing Commissioner as conclusive evidence of the necessity of providing public quarters for such military installation.

"(2) The mortgage shall involve a principal obligation in an amount:

"(A) Not to exceed the amount which an eligible builder (as defined in section 3 of the Armed Services Housing Insurance Act of 1955) has bid to construct the housing project; and

"(B) Not to exceed an average of $13,500 per family unit for such part of the property as may be attributable to dwelling use.

"AMORTIZATION AND INTEREST

"SEC. 1003. The mortgage shall provide for complete amortization by periodic payments over a period of not to exceed 25 years and shall bear interest (exclusive of premium charges for insurance) at not to exceed 4 percent per annum of the amount of the principal obligation outstanding at any time. The Commissioner may consent to the release of a part or parts of the mortgaged property from the lien of the mortgage and the mortgage may provide for such release.

"PREMIUM

"SEC. 1004. For insurance granted pursuant to this title, the Commissioner shall fix and collect a premium charge in an amount not to exceed one-half of 1 percent of the outstanding investment for the operating year for which such premium charge is payable, without taking into account delinquent payments or prepayments. Such premium charge shall be payable annually in advance by the mortgagee, either in cash or in debentures issued by the Commissioner under this title at par plus accrued interest. Upon presentation of a mortgage for insurance that complies with the provisions of this title and tender of the initial premium charge, such mortgage shall be accepted for insurance by endorsement or otherwise as the Commissioner may prescribe. In insuring mortgages under this section, the Commissioner is authorized to waive his usual requirement for property and hazard insurance. In the event the principal obligation of any mortgage accepted for insurance under this title is paid in full prior to the maturity date, the Commissioner is authorized to refund to the mortgagee for the account of the mortgagor all, or such portion as he shall determine to be equitable, of the current unearned premium charge theretofore paid.

"DEFAULT

"SEC. 1005. (a) The failure of the mortgagor to make any payment due under or provided to be paid by the terms of a mortgage insured under this title shall be considered a default under such mortgage and, if such default continues for a period of 30 days, the mortgagee shall be entitled to receive the benefits of the insurance as hereinafter provided, upon assignment, transfer, and delivery to the Commissioner, within a period and in accordance with rules and regulations to be prescribed by the Commissioner of:

"(1) All rights and interest arising under the mortgage in default;

"(2) All claims of the mortgagee against the mortgagors or others, arising out of the mortgage transaction;

"(3) All policies of title or other insurance or surety bonds or other guarantees and any and all claims thereunder;

"(4) Any balance of the mortgage loan not advanced to the mortgagor;

"(5) Any cash or property held by the mortgagee, or to which it is entitled, as deposits made for the account of the mortgagor and which have not been applied in reduction of the principal of the mortgage indebtedness; and

"(6) All records, documents, books, papers, and accounts relating to the mortgage transaction.

"(b) Upon such assignment, transfer, and delivery, the obligation of the mortgagee to pay the premium charge for mortgage insurance shall cease, and the Commissioner shall, subject to the cash adjustment provided for in section 1006 of this title, issue to the mortgagee debentures having a total face value equal to the value of the mortgage, and a certificate of claim as hereinafter provided.

"(c) For the purposes of this section, the value of the mortgage shall be determined in accordance with rules and regulations prescribed by the Commissioner, by adding to the amount of the original principal obligation of the mortgage which was unpaid on the date of default, the amount the mortgagee may have paid for:

"(1) Any liens that are prior to the mortgage, including special assessments, water rates or taxes when applicable.

"(2) Insurance on the property; and

"(3) Reasonable expenses for the completion and preservation of the property and any mortgage insurance premiums paid after default; less the sum of:

"(A) Any amount received on account of the mortgage after such date; and

"(B) Any net income received by the mortgagee from the property after such date: *Provided*, That the mortgagee in the event of a default under the mortgage may, at its option and in accordance with regulations of, and in a period to be determined by, the Commissioner, proceed to foreclose on and obtain possession of or otherwise acquire such property from the mortgagor after default, and receive the benefits of the insurance as hereinafter provided, upon.

"(1) the prompt conveyance to the Commissioner of the mortgagee's interest in the property which meets the requirements of the rules and regulations of the Commissioner in force at the time the mortgage was insured, and which is evidenced in the manner prescribed by such rules and regulations; and

"(2) the assignment to him of all claims of the mortgagee against the mortgagor or others, arising out of the mortgage transaction or foreclosure proceedings, except such claims that may have been released with the consent of the Commissioner. Upon such conveyance and assignment, the obligation of the mortgagee to pay the premium charge for insurance shall cease and the mortgagee shall be entitled to receive the benefits of the insurance as provided in this section.

"DEBENTURES

"SEC. 1006 (a). Debentures issued under this title shall be in such form and denominations in multiples of $50, shall be subject to such terms and conditions, and shall include such provisions for redemption, if any, as may be prescribed by the Commissioner with the approval of the Secretary of the Treasury, and may be in coupon or registered form. Any difference between the value of the mortgage determined as herein provided and the aggregate face value of the debentures issued, not to exceed $50, shall be adjusted by the payment of cash by the Commissioner to the mortgagee from the Armed Services Housing Insurance Fund.

"(b) Debentures issued under this title shall be executed in the name of the Armed Services Housing Insurance Fund as obligor, shall be signed by the Commissioner, by either his written or engraved signature, and shall be negotiable. All such debentures shall be dated as of the date of default as determined in accordance with section 1005

of this title, and shall bear interest from such date at a rate determined by the Commissioner, with the approval of the Secretary of the Treasury, at the time the mortgage was accepted for insurance, but not to exceed 3 percent per annum, payable semiannually on the 1st day of January and the 1st day of July of each year, and shall mature 10 years after the date thereof.

"(c) Such debentures shall be exempt, both as to principal and interest, from all taxation (except surtaxes, estate, inheritance, and gift taxes) now or hereafter imposed, by any Territory, dependency, or possession of the United States or by the District of Columbia, or by any State, county, municipality, or local taxing authority. They shall be paid out of the Armed Services Housing Insurance Fund which shall be primarily liable therefor, and they shall be fully and unconditionally guaranteed as to principal and interest by the United States, and such guaranty shall be expressed on the face of the debentures. In the event the Armed Services Housing Insurance Fund fails to pay upon demand, when due, the principal of or interest on any debentures so guaranteed, the Secretary of the Treasury shall pay to the holders the amount thereof which is hereby authorized to be appropriated, and thereupon to the extent of the amount so paid the Secretary of the Treasury shall succeed to all the rights of the holder of such debentures.

"CERTIFICATE OF CLAIM

"SEC. 1007. The certificate of claim issued by the Commissioner to any mortgagee in connection with the insurance of mortgages under this title shall be for an amount determined in accordance with subsections (e) and (f) of section 604 of this act, except that any amount remaining after the payment of the full amount under the certificate of claim shall be retained by the Commissioner and credited to the Armed Services Housing Insurance Fund.

"INSURANCE FUND

"SEC. 1008 (a). There is hereby created the Armed Services Housing Insurance Fund which shall be used by the Commissioner as a revolving fund for carrying out the provisions of this title and for payment of his administrative expenses in connection therewith. For such purpose, the Secretary of the Treasury shall make available to the Commissioner such funds as the Commissioner shall deem necessary, but not to exceed $10 million, which amount is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated. For immediate needs pending such appropriation, the Commissioner is directed to transfer the sum of $1 million to such fund from the War Housing Insurance Fund created by section 602 of this act, as amended, such amount to be reimbursed to the War Housing Insurance Fund upon the availability of the appropriations authorized by this section. General expenses of operation of the Federal Housing Administration under this title may be charged to the Armed Services Housing Insurance Fund.

"(b) Premium charges, adjusted premium charges, and appraisal and other fees, received on account of the insurance of any mortgage insured under this title, the receipts derived from any such mortgage or claim assigned to the Commissioner and any property acquired by the Commissioner under this title, and all earnings on the assets of the Armed Services Housing Insurance Fund, shall be credited to such fund. The principal of and interest paid and to be paid on debentures issued in exchange for any mortgage or property insured under this title, cash adjustments, and expenses incurred in the handling of such mortgages or property and in the foreclosure and collection of mortgages and claims assigned to the Commissioner under this title, shall be charged to the Armed Services Housing Insurance Fund.

"(c) Moneys in the Armed Services Housing Insurance Fund not needed for current operations under this title shall be deposited with the Treasurer of the United States to the credit of such fund, or invested in bonds or other obligations of, or in bonds or other obligations guaranteed by, the United States. The Commissioner may, with the approval of the Secretary of the Treasury, purchase in the open market debentures issued under this title. Such purchases shall be at a price which will provide an investment yield of not less than the yield obtainable from other investments authorized by this section. Debentures so purchased shall be canceled and not reissued.

"CONTRACT OF INSURANCE CONCLUSIVE

"SEC. 1009. Any contract of insurance executed by the Commissioner under this title shall be conclusive evidence of the eligibility of the mortgage for insurance, and the validity of any contract of insurance so executed shall be incontestable in the hands of an approved mortgagee from the date of the execution of such contract, except for fraud or misrepresentation on the part of such approved mortgagee.

"SECONDARY MARKET

"SEC. 1010. In order to assure an adequate market for mortgages insured under this title, the powers of the Federal National Mortgage Association and of any other Federal corporation or other Federal agency hereinafter established, to purchase, service, or sell any mortgages, or partial interests therein, may be utilized in connection with mortgages insured under this title.

"POWER TO INSURE UNDER OTHER TITLES

"SEC. 1011. The Commissioner shall also have power to insure under this title or titles II or VI any mortgage executed in connection with the sale by him of any property acquired under this title without regard to any limit as to eligibility, time or aggregate amount contained in this title or titles II or VI.

"APPLICABILITY OF OTHER SECTIONS OF ACT

"SEC. 1012. The provisions of section 207 (k) and section 207 (l) of this act shall be applicable to mortgages insured under this title and to property acquired by the Commissioner hereunder, except that as applied to such mortgages and property:

"(1) All references in such sections to the 'Housing Fund' shall be construed to refer to the 'Armed Services Housing Insurance Fund,' and

"(2) The reference in section 207 (k) to 'subsection (g)' shall be construed to refer to 'section 1003' of this title.

"INAPPLICABILITY OF PROVISION IN SECTION 214

"SEC. 1013. The second sentence of section 214 of this act, as amended, relating to housing in the Territory of Alaska, shall not apply to mortgages insured under this title on property in said Territory.

"RULES AND REGULATIONS

"SEC. 1014. The Commissioner may make such rules and regulations as may be necessary to carry out the provisions of this title.

"MISCELLANEOUS PROVISION

"SEC. 1015. Section 1 of the National Housing Act, as amended, is further amended by striking out 'Titles II, III, VI, VII, VIII, and IX' each time it appears and inserting in lieu thereof 'Titles II, III, VI, VII, VIII, IX and X'.

"DEFINITIONS

"SEC. 1016. The following terms shall have the meanings respectively ascribed to them below:

"(a) 'Mortgage' means a first mortgage on real estate held in fee simple or under a lease.

"(b) 'First mortgage' means such classes of first liens as are commonly given to secure advances on or the unpaid purchase price of real estate under the laws of the State in which the real estate is located together with the credit instruments, if any, secured thereby.

"(c) 'Mortgagee' includes the original lender under a mortgage and his successors and assigns approved by the Commissioner.

"(d) 'Mortgagor' includes the original borrower under a mortgage, its successors and assigns (including the United States acting through the Secretary of the Army, the Secretary of the Navy, and the Secretary of the Air Force or their respective designees, and its assigns).

"(e) 'Maturity date' means the date on which the mortgage indebtedness would be extinguished if paid in accordance with periodic payments provided for in the mortgage.

"(f) 'Housing accommodations' means housing designed for use by Army, Navy, Air Force, and Marine Corps personnel, and their dependents, assigned to duty at the military installation at or in the area where such property is constructed.

"(g) 'Military' includes Army, Navy, Marine Corps, and Air Force.

"(h) 'State' includes the several States and Alaska, Hawaii, Puerto Rico, the District of Columbia, the Virgin Islands, and Guam."

SEC. 3. (a) The Secretary of the Army, the Secretary of the Navy, and the Secretary of the Air Force are hereby authorized to enter into contracts with any eligible builder to provide for the construction of urgently needed housing on lands owned or leased by the United States and situated on or near a military reservation or installation for the purpose of providing suitable living accommodations for military personnel of the armed services assigned to duty at the military installation at or in the area where the housing is situated. Any such contract shall contain such terms and conditions, including the amount of the mortgage that the Commissioner shall insure, as the Secretary may determine to be necessary to protect the interests of the United States. The terms and conditions of such contract shall be conclusive evidence to the Commissioner that the contractor is an eligible builder within the meaning of this act and that the amount set forth in the contract as to the cost of the housing is the amount that shall be insured.

(b) Notwithstanding any other provision of law, the Secretary of the Army, the Secretary of the Navy, or the Secretary of the Air Force are authorized to acquire by lease or otherwise, the housing constructed pursuant to such contracts; to maintain and operate such housing; to assume the payment of notes, mortgages, or other legal instruments required by the Federal Housing Commissioner of the owners or mortgagors or prospective owners or mortgagors constructing housing projects insured under title X of the National Housing Act, and to make amortization payments thereon; but, all rental or other payments made during any year in the case of any housing so acquired shall not exceed an average living unit payment of $90 per month, and, in the case of any one of the military departments total payments per month for all housing so acquired, shall not exceed $9 million per month.

(c) For the purposes of this act, the term "eligible builder" means a person, partnership, firm or corporation determined by the Secretary (1) to be qualified by experience and financial responsibility to construct housing of the type described in subsection (a) of this section, and (2) to have submitted the lowest acceptable bid as provided in subsection (d) of this section.

(d) Before the Secretary of the Army, Navy, or Air Force shall enter into any contract with any builder as provided in this section for the construction of any housing he shall invite the submission of competitive bids after advertising in the manner pre-

scribed in section 3 of the Armed Services Procurement Act of 1947.

SEC. 4. Whenever the Secretary of the Army, Navy, or Air Force shall deem it necessary for the purposes of this act, he may acquire by purchase, donation, or other means of transfer, or may cause proceedings to be instituted in any court having jurisdiction of such proceedings to acquire by condemnation, any unimproved land adjacent to a military reservation or installation. Any such condemnation proceedings shall be conducted in accordance with the provisions of the act of August 1, 1888 (25 Stat. 357), as amended, or any other applicable Federal statute. Before condemnation proceedings are instituted pursuant to this section, an effort shall be made to acquire the property involved by negotiation unless, because of reasonable doubt as to the identity of the owner or owners, because of the large number of persons with whom it would be necessary to negotiate, or for other reasons, the effort to acquire by negotiation would involve, in the judgment of the Secretary, such delay in acquiring the property as to be contrary to the interest of national defense. In any condemnation proceeding instituted pursuant to this section, the court shall not order the party in possession to surrender possession in advance of final judgment unless a declaration of taking has been filed, and a deposit of the amount estimated to be just compensation has been made, under the first section of the act of February 26, 1931 (46 Stat. 1421), providing for such declarations. Unless title is in dispute, the court, upon application, shall promptly pay to the owner at least 75 percent of the amount so deposited, but such payment shall be made without prejudice to any party to the proceeding. Property acquired under this section may be occupied, used, and improved for the purposes of this section prior to the approval of title by the Attorney General as required by section 355 of the Revised Statutes, as amended.

SEC. 5. Whenever the Secretary of the Army, Navy, or Air Force determines that it is necessary to lease any land held by the United States on or near a military reservation or installation to effectuate the purposes of this act, he may lease such land upon such terms and conditions as will, in his opinion, best serve the national interest.

SEC. 6. The Secretary of the Army, the Secretary of the Navy, and the Secretary of the Air Force or their designees are authorized to assign quarters in any housing acquired under this act to military personnel in the same manner and to the same extent as other public quarters are so assigned.

SEC. 7. The Secretary of the Army, the Secretary of the Navy and the Secretary of the Air Force are authorized, upon a determination that such action is necessary in order to effectuate the purposes of this act, to procure by negotiation or otherwise the services of experts and consultants (including architects and engineers), or organizations thereof under such arrangements as they may deem desirable without regard to the civil service and classification laws, to compensate any individuals so procured at rates not in excess of $50 per day, and to pay travel expenses of such individuals, including actual transportation costs and per diem allowances in lieu of subsistence while traveling to and from their respective homes or places of business and the official duty station as may be authorized in travel orders or letters of appointment. Such services may include the development of plans, drawings, and specifications for housing and related facilities under the authority of this act and for other services in connection therewith, including inspection of construction.

(b) The procurement of services in accordance with the provisions of subsection (a) of this section may include provisions for advances or progress payments, for payment by third parties, for payment by the Government of any such compensation as is not paid for by third parties. Provision may be made for reimbursement by third parties or from mortgage funds to the Government pursuant to this section, and other provisions may be made for compensation. All reimbursement paid to the Government on account of payments made pursuant to this section, or other sections of this act, shall be credited to the appropriations or funds against which such payments were charged. Any public-works appropriations now or hereafter available to the Department of the Army, Navy, or Air Force may be obligated by the respective Department for these purposes.

SEC. 8. (a) There are hereby athorized to be appropriated such sums as may be necessary to carry out the provisions of section 3 through 7 of this act.

(b) Any funds heretofore or hereafter authorized to be expended by any of the military departments for the payment of allowances for quarters for military personnel may be used for the purposes specified in subsection (a) above.

The statement and memorandum, presented by Mr. CAPEHART, were ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR CAPEHART

By a record vote of 399 to 1, the House approved last Thursday, March 10, 1955, an incentive-pay increase for nearly 2 million career men and women in the armed services ranging from 6 percent to 25 percent. This pay increase certainly is deserved and appropriate.

Another great military necessity exists. There is an alarmingly acute shortage of housing accommodations for military personnel and their families. This possibly constitutes the greatest need today of all branches of the armed services.

At present about 80 percent of the officers and about 20 percent of the enlisted personnel are married and are in the three top pay grades. Under existing permanent legislation, these personnel are entitled to Government quarters or rental allowances in lieu thereof. The requirement for housing on the basis of this permanent legislation is 140,000 units for officers and 315,000 units for enlisted men, making a total of 455,000 units for a permanent peacetime strength of 1,750,000 men. At present there are nearly 3 million men in the various services.

To meet the housing requirement presently for these people, the services have only 124,000 permanent units of family housing, plus 100,000 units of temporary housing (25,000 only of which are in good condition), and an estimated community support of 150,000 units. This leaves an estimated deficiency of at least 150,000 housing units needed now, and badly, by the permanent Military Establishment.

The lower four grades are likewise entitled to Government quarters or rental allowances in lieu thereof by temporary legislation expiring on June 30 of this year. It is believed, however, that the Congress may be asked to make this legislation permanent. Twenty percent of this personnel likewise are married. To provide housing for them would require approximately 300,000 additional units. However, since the legislation is not permanent, these personnel have not been included in the above calculations.

Experience convinces us that a happy wife and a happy family mean a more happy, a more satisfied, a more efficient serviceman.

I am convinced that a solution to the present inadequate housing for service personnel is both in the best interest of our national defense and of our taxpayers. Too seldom in this day and age of the A-bomb and the H-bomb and the highly complicated and intricate mechanized equipment do we consider either the time or the money required to train men and women in the arts of present day technical warfare.

It is estimated today that to train 1 pilot for our modern airplanes costs $40,000 or more. To train 1 enlisted technician to service our airplanes and their equipment costs about $14,000 and requires a period of 28 months out of the 4-year enlistment period.

Now let us consider reenlistments by Regulars in all branches of the service. For the period July 1 to December 31, 1954, 76 percent of the Regulars in all branches did not reenlist—a truly appalling fact considering the waste both in manpower and in money.

It has been estimated that in order to maintain a reasonably well-trained Military Establishment, at least 33 percent of the Regulars should reenlist instead of the present 24 percent. For every 1 percent that reenlistments are raised, the Air Force alone estimates that $20,400,000 is saved. Moreover, and of much greater significance, is the fact that for every percent the reenlistment of Regulars is raised, a combat team with more efficient operations is saved and maintained.

I firmly believe that if we provide the housing we should provide, we will find that reenlistments meet the expectation and the need. It is for this reason that I am today, joined by many Members of this body, introducing a bill which I believe will go far toward solving the housing problem for the armed services.

Many Senators, upon hearing of my proposal, have asked to join as cosponsors. In view of the very widespread interest in this bill on both sides of the aisle, I am asking that it lay on the table for 3 days so that others of my colleagues who wish to do so may have an opportunity to join as cosponsors.

MEMORANDUM IN EXPLANATION OF S. 1501

A draft of a bill to provide urgently needed housing for military personnel of the armed services and their families is attached.

I took the "best of Wherry," eliminating those provisions which are said to have constituted roadblocks to obtaining this needed housing, and added needed new features.

The FHA mortgage insurance feature is utilized with the establishment of a separate fund to be known as the "Armed Services Housing Insurance Fund."

Under Wherry, it is necessary to have a sponsor, a builder, and someone to maintain and operate the project upon completion of construction. All three of these functions frequently were performed by the same person but not necessarily so.

The attached bill dispenses with the need for an outside sponsor and for outside maintenance and operation after construction.

A sponsor, as such, is not needed. Insofar as the functions formerly performed by a sponsor are concerned, these are performed by the branch of the service interested and the builder.

Maintenance after construction is by the interested service. By eliminating maintenance and operation cost, we have estimated that a billion dollars could have been saved with respect to the 80,000 Wherry units now built or in process.

BRIEF SUMMARY OF PROVISIONS OF BILL

New title X—"Armed Services Housing Insurance," an amendment to the National Housing Act.

Insurance mandatory

When the appropriate Secretary certifies to the Commissioner of FHA that (1) the housing with respect to which the mortgage is made is necessary; and (2) no present intention exists to curtail substantially the

activities of such installation, the Commissioner of FHA must grant insurance on the mortgage in an amount not to exceed—

(a) The amount of the lowest acceptable responsible bid as established by competitive-bid procedure in accordance with section 3 of the Armed Services Procurement Act of 1947.

(b) An average of $13,500 per family unit.

Comment: This provision eliminates the discretion of FHA, presently existing administratively under the Wherry Act, to approve or disapprove the granting of mortgage insurance, depending upon whether FHA thought the proposal was economically sound or the units were needed at the installation in question.

The responsible military authority should know better than anyone else what is required. A careful check by the "watchdog committee" of the Senate Banking and Currency Committee could and should be kept to the end that the military does not abuse this newly granted authority.

In reducing the responsibility of FHA, it is anticipated that processing time will be cut in half. The average processing time under the Wherry Act before a spade of dirt is turned is about 13 months. Construction is not completed for at least another year.

Although the matter has not been explored with FHA, I rather suspect that the Commissioner might not be too unhappy to be relieved of the above-discussed responsibility.

It is intended and I believe that since the builder is purely and simply a builder neither mortgaging out nor the reaping of windfall profits are possible.

The lowest financially responsible bidder will be awarded each contract. Naturally, included in the bid is what he hopes will be his profit. This, however, is not repulsive but is in the best American tradition. Exercise of diligence by the military services will make excessive profits unlikely at least, if not impossible.

The cost must not exceed an average of $13,500 per family unit. This amount is neither the maximum nor the minimum. The reason for this flexibility is obvious. A serviceman with a monthly quarters allowance of $90 should not receive the same type quarters as one with a monthly quarters allowance of $170.

Presently, under the Wherry Act, the average living space is about 865 square feet. Under this bill, using the amount suggested, it is thought that a minimum of 1,080 and a maximum of nearly 1,400 square feet of living space can be obtained, with a few units for flag or general officers that may approach 2,100 square feet.

Amortization and interest

The mortgage must provide for complete amortization over a period of not to exceed 25 years at a rate of interest of not to exceed 4 percent.

Comment: It is estimated variously that amortization is readily possible in from 18 to 25 years, utilizing the quarters' allowances granted the military occupant.

It is believed that private capital will be interested at a rate of interest of about 3¼ percent, which is the same percentage now paid to finance the college dormitory construction under the Housing Act.

Insurance premium

A premium charge of not to exceed one-half of 1 percent, to be fixed by the Commissioner, must be paid by the mortgagee for the insurance granted.

Comment: Under Wherry, discretion is in the Commissioner to fix the premium charge at anywhere between one-half of 1 percent and 1½ percent of the outstanding investment for the operating year.

I believe that a maximum premium of one-half of 1 percent is adequate under this bill. By making the premium relatively low, I hope that the mortgages will thereby become more atractive to private capital.

Default

In the event of a default that continues for 30 days, the mortgagee may receive the benefits of the insurance provided under the bill by proceeding in 1 of 2 ways:

1. Assign, transfer, and deliver to the Commissioner all of his right, title, and interest in the mortgage. Thereupon, premium charges for insurance shall cease and the Commissioner shall proceed to issue debentures to the mortgagee having a face value equal to the value of the mortgage, subject to cash adjustments.

2. Foreclose and obtain possession of the property, conveying the mortgagee's interest to the Commissioner and assigning all claims of the mortgagee against the mortgagor to the Commissioner. Thereupon, the mortgagee is entitled to receive mortgage debentures in the face amount of the insurance, subject to cash adjustments.

Comment: These provisions follow substantially the already well-established pattern in the law with respect to FHA mortgage insurance.

Debentures

Debentures may be issued in the name of the Armed Services Housing Insurance Fund as obligor in such form and denominations in multiples of $50, as may be prescribed by the Commissioner with the approval of the Secretary of the Treasury. Such debentures shall bear interest at a rate not to exceed 3 percent per annum, as determined by the Commissioner with the approval of the Secretary of the Treasury, bearing date as of the date of default. They mature 10 years from date.

These debentures are exempt, both as to principal and interest, from all taxation, except surtaxes, estate, inheritance, and gift taxes. Payment of the debentures, in the first instance, is out of the Armed Services Housing Insurance Fund which is primarily liable. In the event such fund fails to pay upon demand, when due, the Secretary of the Treasury must honor the debentures. This means that the debentures are fully and unconditionally guaranteed by the United States.

Comment: In order to interest private capital, it appears essential that either the full faith and credit of the United States or a guaranty of the United States be behind all debentures issued by the Commissioner in payment to the mortgagee in the event of default.

I have been informed that this matter has been explored fully and thoroughly with the big insurance companies and others on several occasions and that they insist on one or the other requirement.

The guaranty method has been utilized for several reasons, principally because its operation is well known and understood.

It is my understanding that until there is a default and an issue of debentures to pay the mortgagee, any obligation resulting from the issuance of insurance on mortgages under the bill is no more than a contingent liability of the United States, and consequently, could not affect the national debt limit.

In case of default and the issuance of debentures, it is my understanding that for the first time a direct obligation exists against the United States which could affect the debt limit.

It is anticipated that the insurance fund will be adequate to pay in the event of any default. Actually, there would seem to be little likelihood of any mortgage going into default. Virtually the only possibility would appear to be when the installation is abandoned by the interested military service.

The military would assign its personnel to quarters in these units just as it otherwise assigns public quarters. This means that the quarters' allowances, whether they be $90—the average monthly quarters' allowance—or $170—the monthly quarters' allowance for general officers—will be withheld from the assigned personnel and used to make periodic payments on the principal and interest of the mortgages outstanding against the respective housing accommodations.

Insurance fund

The bill creates the Armed Services Housing Insurance Fund, which is similar to the Military Housing Insurance Fund under Wherry.

Authorization is given the Secretary of the Treasury to make available immediately for the use of the fund the sum of $10 million. Immediate transfer of $1 million from the War Housing Insurance Fund is directed in order that general expenses and operations may be paid prior to the transfer of the $10 million.

Premium charges are earmarked for the fund.

Comment: The procedure here utilized is similar to that which was used to establish the insurance fund under Wherry.

Secondary mortgage market

In order to assure an adequate market, FNMA is specifically authorized to purchase, service, and sell.

The following is with reference to sections 3 through 8 of the bill. These sections are not amendments to the Housing Act, but deal rather with providing adequate authority in the Secretaries of the armed services to utilize the provisions under new title X of the Housing Act.

Authorities in the Secretaries

The Secretaries are authorized to acquire by purchase, by lease, or by condemnation—similar to provision as set forth in Defense Production Act of 1950—real estate needed to effectuate the purposes of the bill.

The appropriate Secretary is also authorized to enter into contracts with any eligible bidder for the construction of housing for occupancy by military personnel of the armed services. Specifically, the competitive bid procedure as provided for in the Armed Services Procurement Act of 1947, must be followed, with plans and specifications to be developed by the military departments.

An "eligible bidder" is defined as a person, partnership, firm, or corporation qualified by experience and financial responsibility to construct the housing required and who has submitted the lowest acceptable bid.

Authority is given the appropriate Secretary to lease any land held by the United States to an eligible bidder and also to assign quarters to military personnel, withholding therefrom the quarters' allowances of the presonnel so assigned.

The aggregate amount of contingent liability outstanding at any one time under insurance contracts and commitments to insure cannot exceed $1,350,000,000. This ceiling makes a potential of 100,000 units available before further fund authorization need be sought of the Congress. This is calculated on the basis of an average per unit payment of $90 per month with a total payment per month by any one branch of the military not to exceed $9 million.

Comment: It appears appropriate and necessary to grant the Secretaries of the various services rather flexible authority in order to permit them to effectively implement the act. Such has been done. Administrative rules and regulations under the act will be promulgated by the military services and FHA.

In the past it has been found to be both unwise and virtually impossible to write rules and regulations into statutes. These properly should be handled administratively by the issuance of appropriate rules and regulations.

In some situations it may be necessary for the military service involved to acquire additional land for the reason that sufficient

space is not presently available on the reservation or base. Authority to do so is provided. Cost of such acquisition can be included in the average unit cost of $13,500.

An accelerated condemnation procedure is included in the bill. This is similar to the provision found in the Defense Production Act of 1950. It was utilized because it appears that time is of the essence.

Competitive bidding is one of the key features of the bill. It will be governed by section 3 of the Armed Services Procurement Act of 1947. An "eligible bidder" is defined in a manner that follows the recognized definition used in such Procurement Act.

Specific authority is given the appropriate Secretary to lease to the successful bidder the real estate on which the units are to be constructed. This is done in order to provide a further tool, which may be needed to obtain private financing of the housing.

It is expected that the military and/or FHA will issue rules and regulations covering the terms and conditions to be included in the contract entered into between the military service involved and the successful bidder.

I would expect also that the successful bidder will be required by regulation to form a construction corporation, with the common stock to be issued to the bidder and the preferred stock to be held by FHA.

The construction contract would be entered into between the military and the builder corporation. Very likely, in order to aid in obtaining private financing the military would lease to the construction corporation the real estate on which the units are to be constructed.

Armed with the construction contract and with a lease in excess of 25 years (probably 50 years to meet FNMA requirements), the construction corporation would go to FHA for an insurance commitment, without additional processing. Upon receipt of an insurance commitment from FHA, the construction corporation would seem to have adequate collateral to obtain funds in the amount of the bid price, payable probably as the work proceeds, from private lending institutions.

The construction corporation would continue in existence until the mortgage is retired. The common stock of the corporation, however, would be transferred and delivered to the respective Secretary where it could be held until full payment of the mortgage is made. Thereafter, the corporation would be dissolved by the military department, thus merging the lease in the fee.

To simplify bookkeeping the military probably would want and could get the construction corporation to assign to the mortgagee all of its right, title, and interest in and to the quarters' allowance payments allocated to the mortgaged premises. If so, payments on the mortgage could then be made direct to the mortgagee.

CONCLUSION

The sole purpose of this legislation is to make available the tools whereby necessary housing can be had by the military. I believe this bill provides the answer to this urgent military necessity.

There are, of course, other approaches. I have considered all of these but decided finally in favor of the approach suggested in this bill. My reason for reaching this decision is twofold. First of all, I cannot visualize any appreciable advantage to be gained by utilizing any of the other approaches. Moreover, I can think of some disadvantages that appear inherent in other approaches to the problem that are not present in the suggested approach.

Mr. CAPEHART. Mr. President, I ask also that the bill be not referred to the Committee on Banking and Currency until next Tuesday, because it is an amendment to the housing act, and I wish to give every Senator an opportunity to become a co-sponsor of the bill.

Our military personnel need housing urgently, and I am hopeful that it will be possible to go before the Committee on Banking and Currency with a bill sponsored by practically every Member of the Senate, if not every Member. In that way, it will be possible for the committee to act on the bill promptly and to have it passed by the Senate immediately thereafter. Our military personnel do not have proper housing, which they should have; therefore, Congress should act immediately on the bill.

I ask unanimous consent that the bill may be printed and lie on the table until next Tuesday, at which time it may be referred to the Committee on Banking and Currency, containing the names of additional Senators who may wish to join as co-sponsors.

I did not have time to invite all Senators to become co-sponsors, because it would be a big job to speak with 95 Senators. It is for that reason that I am asking that the bill lie on the table until next Tuesday.

The President pro tempore. Without objection, it is so ordered.

INCREASED COMPENSATION FOR TEACHERS OF DISTRICT OF COLUMBIA SCHOOLS

Mr. MORSE. Mr. President, on behalf of myself, and the Senator from Michigan [Mr. MCNAMARA] I introduce, for appropriate reference, a bill to increase the salaries of teachers of the District of Columbia. I ask unanimous consent that a statement, prepared by me, pertaining to the bill, be printed in the RECORD.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the statement will be printed in the RECORD.

The bill (S. 1505) to increase the salaries of teachers of the District of Columbia, introduced by Mr. MORSE (for himself and Mr. MCNAMARA), was received, read twice by its title, and referred to the Committee on the District of Columbia.

The statement presented by Mr. MORSE is as follows:

STATEMENT BY SENATOR MORSE

For myself and the Senator from Michigan [Mr. MCNAMARA] I have today introduced a bill to increase the salaries of District of Columbia teachers by $600 per annum, effective July 1, 1955.

As a former member of the teaching profession, I am keenly aware of the inadequacy of teachers' salaries, not only in the District of Columbia but also throughout the Nation. After all, our teachers, together with parents, guide and inspire American children of today—America's leaders of tomorrow. Teachers, who are entrusted with this tremendous responsibility, deserve salaries commensurate with their high obligations.

Three other Members of the Senate have indicated their desire to increase the teachers' pay in sponsoring an omnibus bill, which bill also includes provisions relating to personnel reorganization, leave, classification, tenure, and new positions. All of these provisions are important and will require extended study. However, I am fearful lest the period necessary for such study may delay the enactment of the vitally essential teachers' pay increase.

It is my sincere hope that Congress acts favorably and speedily upon this bill so that teachers employed in our Nation's Capital for the coming school year will be assured of long overdue and greatly deserved salary increases.

COMMEMORATIVE STAMP FOR 50TH ANNIVERSARY OF UNITED STATES FOREST SERVICE

Mr. CASE of South Dakota. Mr. President, I introduce, for appropriate reference, a bill authorizing the Postmaster General to issue a special stamp to commemorate the 50th anniversary of the United States Forest Service and accomplishments in the field of conservation.

Fifty years ago President Theodore Roosevelt signed the bill establishing the United States Forest Service. He immediately named Gifford Pinchot of Pennsylvania, one of America's great conservationists, as Chief Forester.

Even earlier President Benjamin Harrison signed a bill setting aside certain timbered areas as "forest preserves." His first official act was to set aside and create Yellowstone Park Timberland, now Yellowstone National Park. During the remainder of his administration he set aside 13 million acres. President Cleveland followed by adding an additional 20 million acres.

In more recent times the American people have come to a general realization of the wisdom and prudence of conservation, not only of our forested areas but the need to practice soil conservation, water conservation, fish and wildlife conservation, and the conserving of our mineral resources.

President Dwight D. Eisenhower has often expressed his belief that we must expand the program of water conservation in which protection against the denuding of forest areas is so important.

So, Mr. President, I urge favorable action on this bill to authorize the Postmaster General to issue a special stamp to commemorate the 50th anniversary of the United States Forest Service and accomplishments in the field of conservation.

Mr. President, I ask unanimous consent that the bill, together with an article by Aubrey Graves, known as the "Squire of Grigsby Hill," published in the Washington Post and Times Herald of January 30, 1955, which tells the story of the growth of the United States Forest Service, be printed in the RECORD, as a part of my remarks.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the bill and article will be printed in the RECORD.

The bill (S. 1506) to authorize the issuance of a special stamp commemorative of the 50th anniversary of the United States Forest Service and accomplishments in conservation, introduced by Mr. CASE of South Dakota, was received, read twice by its title, referred to the Committee on Post Office and Civil

Service, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That the Postmaster General is authorized and directed to prepare for issuance, on as early a date as is practicable during the calendar year 1955, a special postage stamp of 3-cent denomination, of such appropriate design as he shall prescribe, in recognition of the outstanding accomplishments in the field of conservation, and in commemoration of the 50th anniversary of the establishment of the United States Forest Service.

The article presented by Mr. CASE is as follows:

[From the Washington Post and Times Herald of January 30, 1955]

To early settlers the wide land that later became the United States must have appeared as one vast wooded area. Most of the country except the Great Plains was covered with timber.

In the beginning the forest was both blessing and hardship. It supplied the pioneer with fuel and building material. But at times it stood in his way.

Before he could farm or build a road, timber had to be cleared away. Sometimes it was felled carefully with an ax. Too often the unthinking found it easier to put huge stretches to flame.

Later the woodlands were logged, with little thought of the future. Lumberjacks chopped through the dwindling forests, leaving wastelands as their sawmills moved onward.

Not until 1891 was anything really done to crack down on fire and reckless chopping. That year Congress authorized the President to set aside "forest preserves."

President Benjamin Harrison created the first—Yellowstone Park Timberland. Before his term was over he had set aside 13 million acres. President Cleveland added more than 20 million.

In 1898, Gifford Pinchot, a great conservationist, was appointed head of the Forestry Division. When President Theodore Roosevelt signed a bill creating the Forest Service in 1905, Pinchot became Chief Forester. From the Secretary of Agriculture came this directive: Manage the Forest Service reserves so that they would provide "the greatest good to the greatest number of people in the long run."

Our system of national forests now reaches from the West to the Lake States, from Puerto Rico to Alaska. It takes in East and South. It lies within or across the borders of 40 States. Today there are more than 150 national forests, covering 181 million acres.

The Service has grown from a handful of crusading conservationists to a vast land-management, research, and educational agency. It has more than 6,700 year-round employees, and twice that many during the forest-fire-danger season.

Millions of woodland acres, once stripped by cutting and by fires, have been replanted—by private owners and Government seeders. Today our woods are producing 5 billion board feet of lumber annually, all the Nation needs. Foresters tell us that production can be doubled when necessary.

Within their shady depths, our forests furnish seasonal grazing to millions of cattle and sheep. In them millions of Americans find recreation.

One-third of all our big game animals and countless thousands of fur bearers and waterfowl live therein. Beaver, deer, elk, moose, mountain goats, bighorn sheep and many kinds of birds attract hunters by the thousands.

More than 80,000 miles of trout streams and 1,550,000 acres of lakes offer sport to the angler.

The wilderness is rapidly vanishing from our continent but within the national forests about 75 areas (some 14 million acres in all) have been set aside to remain free of nearly all man-made changes.

These wilderness areas are accessible only by trail or water. "Practical" men preaching "progress" still try to encroach upon them, but up to now have been directed to go elsewhere to build their power dams.

The Forest Service has come a long way.

INCREASED COMPENSATION FOR CLASSIFIED FEDERAL EMPLOYEES—AMENDMENTS

Mr. DIRKSEN (for himself, Mr. BRICKER, Mr. BUTLER, Mr. HUMPHREY, Mr. IVES, Mr. JACKSON, Mr. LEHMAN, Mr. MCNAMARA, Mr. PASTORE, Mr. POTTER, and Mr. KUCHEL) submitted amendments intended to be proposed by them, jointly, to the bill (S. 67) to adjust the rates of basic compensation of certain officers and employees of the Federal Government, and for other purposes, which were ordered to lie on the table and to be printed.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. KNOWLAND:

Address delivered by him at the Hotel Astor, New York, N. Y., March 17, 1955, before the Friendly Sons of St. Patrick.

By Mr. ERVIN:

Jefferson-Jackson Day address delivered by Senator ANDERSON at Raleigh, N. C., on February 5, 1955.

By Mr. WILEY:

Address entitled "Russia, China, and the Outlook in the Pacific," delivered by him before the Intelligence Chapter of the Reserve Officers Association, in Washington, D. C., on March 16, 1955.

Statement prepared by him and an address delivered by Hon. Morehead Patterson relating to the international atomic-energy program, which will appear hereafter in the RECORD.

By Mr. HRUSKA (for Mr. ALLOTT):

Statement prepared by Senator ALLOTT concerning National Correct Posture Week.

NOTICE OF HEARING ON SENATE BILL 256, RELATING TO ELIMINATION OF CUMULATIVE VOTING OF SHARES OF STOCK IN CERTAIN CASES

Mr. ROBERTSON. Mr. President, on behalf of the Subcommittee on Banking of the Committee on Banking and Currency, I desire to give notice that public hearings will be held on S. 256, to eliminate cumulative voting of shares of stock in the election of directors of national banking associations unless provided for in the articles of association, beginning at 10: 00 a. m. on Thursday, April 7, 1955, in room 301, Senate Office Building.

All persons who desire to appear and testify at the hearings are requested to notify Mr. J. H. Yingling, chief clerk, Committee on Banking and Currency, room 303, Senate Office Building, telephone, National 8-3120, extension 865, as soon as possible.

NOTICE CONCERNING NOMINATION OF ROBERT C. MCFADDEN, TO BE UNITED STATES MARSHAL, SOUTHERN DISTRICT OF INDIANA

Mr. KILGORE. Mr. President, the following nomination has been referred to and is now pending before the Committee on the Judiciary:

Robert C. McFadden, of Indiana, to be United States marshal for the southern district of Indiana, vice Julius J. Wichser, resigned.

Notice is hereby given to all persons interested in this nomination to file with the committee on or before Friday, March 25, 1955, any representations or objections in writing they may wish to present concerning the above nomination, with a further statement whether it is their intention to appear at any hearing which may be scheduled.

NOTICE CONCERNING NOMINATION OF THOMAS H. TRENT, TO BE UNITED STATES MARSHAL, SOUTHERN DISTRICT OF FLORIDA

Mr. KILGORE. Mr. President, on behalf of the Committee on the Judiciary, notice is hereby given to all persons interested in the nomination of Thomas H. Trent, of Florida, to be United States marshal for the southern district of Florida, vice Leo H. Brooker, resigned, to file with the committee in writing on or before Friday, March 25, 1955, any representations or objections they may wish to present concerning this nomination, with a further statement whether it is their intention to appear at any hearing which may be scheduled.

NOTICE OF HEARINGS ON NOMINATIONS OF CERTAIN CIRCUIT JUDGES

Mr. KILGORE. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that a public hearing has been scheduled for Tuesday, March 29, 1955, at 10:30 a. m., in room 424, Senate Office Building, on the following nominations:

Warren L. Jones, of Florida, to be United States circuit judge, fifth circuit, vice Louie W. Strum, deceased.

Gerald R. Corbett, of Hawaii, to be sixth judge of the first circuit, circuit courts, Territory of Hawaii.

At the indicated time and place all persons interested in the nominations may make such representatives as may be pertinent. The subcommittee consists of myself, chairman, the Senator from Texas [Mr. DANIEL], and the Senator from Wisconsin [Mr. WILEY].

CONSIDERATION OF CERTAIN HOUSE CONCURRENT RESOLUTIONS

Mr. HAYDEN. Mr. President, there are at the desk three resolutions coming from the House of Representatives, namely, House Concurrent Resolution 91, House Concurrent Resolution 93, and House Joint Resolution 250. They relate strictly to the business of the House of

Representatives. I ask unanimous consent for their immediate consideration.

Mr. KNOWLAND. Mr. President, reserving the right to object—although I shall not object, because these measures come under the rule of comity and the custom of the two Houses in respect to purely housekeeping matters, to permit such measures coming from the other body to go through in the way it desires—for the record I merely wish to state that this should not be considered a precedent for Senate resolutions or for other measures which normally require joint action by the two bodies.

However, I have no objection in this case, inasmuch as these measures are House resolutions only.

The PRESIDENT pro tempore. Is there objection to the unanimous-consent request of the Senator from Arizona? Without objection, it is so ordered.

MILITARY RESEARCH AND DEVELOPMENT PROGRAMS—PRINTING OF ADDITIONAL COPIES OF HEARINGS OF HOUSE COMMITTEE ON GOVERNMENT OPERATIONS

The PRESIDENT pro tempore. The Chair lays before the Senate House Concurrent Resolution 91.

The concurrent resolution (H. Con. Res. 91) was considered and agreed to, as follows:

Resolved by the House of Representatives (the Senate concurring), That there be printed for the use of the Committee on Government Operations, House of Representatives, 2,000 additional copies of the hearings held by the said committee during the 83d Congress, 2d session, on the organization and administration of the military research and development programs.

HOW OUR LAWS ARE MADE—REPRINTING OF HOUSE DOCUMENT 210

The PRESIDENT pro tempore. The Chair lays before the Senate House Concurrent Resolution 93.

The concurrent resolution (H. Con. Res. 93) was considered and agreed to, as follows:

Resolved by the House of Representatives (the Senate concurring), That there is ordered to be reprinted 100,000 copies of House Document 210 of the 83d Congress, entitled "How Our Laws Are Made," by Charles J. Zinn, law revision counsel of the Committee on the Judiciary, to be prorated to the Members of the House of Representatives for a period of 90 days after which time the unused balance shall revert to the Committee on the Judiciary.

ELECTRICAL OR MECHANICAL OFFICE EQUIPMENT FOR USE OF MEMBERS, OFFICERS, AND COMMITTEES OF THE HOUSE OF REPRESENTATIVES

The PRESIDENT pro tempore laid before the Senate the joint resolution (H. J. Res. 250) to amend the joint resolution of March 25, 1953, relating to electrical or mechanical office equipment for the use of Members, officers, and committees of the House of Representatives, which was read twice by its title.

The joint resolution was considered, ordered to a third reading, read the third time, and passed, as follows:

Resolved, etc., That subsection (c) of the first section of the joint resolution entitled "Joint resolution to authorize the Clerk of the House of Representatives to furnish certain electrical or mechanical office equipment for the use of Members, officers, and committees of the House of Representatives," approved March 25, 1953 (2 U. S. C., sec. 112a (c)), is amended by striking out "not more than two of each of."

SEC. 2. The first section of such joint resolution is further amended by adding after subsection (c) thereof the following new subsection:

"(d) Except in case of electric typewriters, not more than two of each of the general types of equipment described in subsection (c) may be furnished under this joint resolution for use in the office of a Member, officer, or committee."

The PRESIDENT pro tempore. Is there further morning business?

PUBLICATION OF THE YALTA PAPERS

Mr. KNOWLAND. Mr. President, I ask unanimous consent that at this time I may proceed for not more than 10 minutes.

The PRESIDENT pro tempore. Is there objection? Without objection, the Senator from California is recognized for 10 minutes.

Mr. KNOWLAND. Mr. President, this week the official State Department documents on the Yalta Conference were released. I do not intend to go into this subject in any detail today, but I do wish to make several observations which I think may be of interest to the Senate and to the country.

First of all, the Yalta Conference itself was held from February 4 to February 11, 1945. A brief communique was issued February 12, 1945. After his return home President Franklin D. Roosevelt reported to a joint session of Congress on March 1, 1945.

At this time I wish to direct the attention of Members of the Senate to that report, which appears in the permanent edition of the CONGRESSIONAL RECORD, volume 91, part 2, March 1, 1945, beginning on page 1618 and extending through pages 1619, 1620, and 1621, and ending on page 1622, where the message to the joint session in the Chamber of the House concludes.

The significant feature of that speech, which I have read and reread, is that, after a condensation of the discussions which took place at Yalta concerning the European phases of the program, there appears this paragraph—and I quote it precisely as it appears in the CONGRESSIONAL RECORD, from the speech of the President of the United States making an official report to the two Houses of Congress, a coequal branch of the Government, sitting in joint session:

Quite naturally this conference concerned itself only with the European war and with the political problems of Europe, and not with the Pacific war.

I can thoroughly understand, in wartime, the necessity of not making certain documents available for general public use. I can understand an expression wherein a President of the United States, reporting to a coequal branch of the Government, might say that in the national interest it was not well to discuss certain matters in public. I can understand, under certain circumstances, his making no mention of the situation at all in a public session. But I think—and I say it reluctantly—that that report comes near to being what, in the Army, we called a "false official report" to a coequal branch of the Government of the United States.

I doubt if any person holding the office of President of the United States has the right to mislead the Congress. The fact of the matter is, as everyone knows, that the Yalta conferences dealt with many problems in the Pacific, including China, including Japan, including Korea, including the Sakhalin Islands, and the Kuriles. The Yalta Conference dealt with a great many problems in the Pacific.

V–E Day occurred on May 7, 1945. V–J Day occurred on August 14, 1945. These dates are important, I believe.

Requests for the Yalta agreement by congressional committees and Members of Congress were denied. I am speaking now only of the period subsequent to August 14, 1945, when the fighting in the Pacific stopped. For the remainder of that year, during all of 1946, and until March 24, 1947, requests of Members of Congress were denied. It was not until March 24, 1947, that the texts of the agreements themselves were made public. That means that for a period of more than a year and a half after the war had ended and the security problem was no longer involved, the actual texts of the agreements themselves were not made public or supplied to Members of Congress.

It was not until 8 years after the publication of the agreements and 10 years after the conference that other documents relating to the Yalta Conference, released this week, were finally made available to the Congress of the United States.

Prior to this week Members of Congress could get a piecemeal view of the Yalta Conference by reading various books which deal with the subject. Several of them have been called to my attention. I have personally read the following:

As He Saw It, the story of the world conferences of F. D. R., by Elliott Roosevelt, his son, who accompanied him to the several conferences. This book was published in the year 1946.

Triumph and Tragedy, volume VI, Second World War Memoirs of Sir Winston Churchill, published in 1953.

Roosevelt and the Russians—the Yalta Conference—by the late Edward Stettinius, Jr., formerly Secretary of State, published in 1949.

Speaking Frankly, by James F. Byrnes, published in 1947.

I Was There, by Admiral William D. Leahy, published in 1950.

In addition, there was the very excellent book by Mr. Sherwood, on Roosevelt and Hopkins, which throws some additional light on the Yalta Conference.

It is clear from the papers released this week that Stalin refused to meet anywhere except on Soviet soil. The Russians supplied the household help. We know that subsequently they planted electronic devices in an American Embassy in a Communist country. Is there any reason to believe that they had not provided similar devices in the Czar's summer palace, and other buildings set aside for conference purposes?

Granted that there may be valid reasons for withholding public release of information in time of war, does any President have the moral right to give misinformation to a coequal branch of the Government? When a war is over and security is no longer an issue, is it good public policy to deny the text of such an agreement as Yalta to committees and Members of Congress? Remember V–J Day was August 14, 1945, and the text of the agreement was denied to committees and Members of Congress until March 24, 1947, a period of 19 months. The background information was withheld for a period of almost 10 years. In reaching decisions should Members of Congress have to depend upon private memoirs, biographies, and books?

In the Washington Post and Times Herald of this morning there is a lead editorial which begins as follows:

> Publication of the Yalta papers reopens old wounds and opens a lot of new ones. The papers show no secret engagements whatsoever. Alger Hiss is revealed not as a principal architect of anything, but as a technician working among other technicians by the side of the American member of the Big Three.

No responsible individual that I know of has ever claimed that Alger Hiss was a principal architect in the Yalta Conference or, indeed, even a chief negotiator. However, he was there. He sat in numerous conferences, and was not limited to listening to or participating only in the United Nations phases of the situation. If the Soviet Union had advance access to our positions and policies, it would be like a man playing poker with a mirror at his back, in which his opponent could see his hand before the play began.

Perhaps the most detailed account of the Yalta Conference until the recent publication was Mr. Stettinius' book. He was Secretary of State at the time of the Yalta Conference. Presumably he was the President's chief adviser on foreign policy, though I think it is fair to say that probably the President was acting more or less as his own Secretary of State. But I refer those who have tried to indicate that Mr. Hiss played no important part at Yalta to Secretary of State Stettinius' book. On page 30, for example, he mentions that Mr. Hiss was there as Deputy Director of the Office of Special Political Affairs. He mentions the various conferences he attended.

On page 83, Secretary of State Stettinius says:

> My usual daily schedule, for instance, was to confer with Matthews, Bohlen, and Hiss just after I got up in the morning. I next discussed conference problems with the President.

On the same page he says:

> After these dinners I usually conferred again with Matthews, Bohlen, Hiss, and Foote.

On page 103 of the same book, former Secretary of State Stettinius says:

> The Americans, sitting behind the President, varied somewhat from session to session but usually included Hopkins, Matthews, and Hiss, and sometimes Foote.

On page 138 the Secretary writes:

> I sat at the President's right. Behind the President sat Hopkins, Matthews, and Hiss.

On pages 196 and 197 former Secretary of State Stettinius mentions that, in dealing with the question of multiple voting in the United Nations, that question had been taken up in a subcommittee on which Hiss was the American representative.

Mr. President, I call this subject to the attention of the Senate because in the light of subsequent developments, particularly the conviction of Hiss for giving perjured testimony relating to turning over secret documents of the Government of the United States to an espionage ring in this country, it is apparent that Hiss did not have to be an active negotiator and did not have to be a principal architect at the conferences to do great damage. All he had to do was to sit in and be privy to the information available at the conferences in order to be able to do tremendous harm to the Government of the United States and to the people of the United States and, indeed, to the President he was supposed to be loyally serving.

At a later date I intend to go into the subject in some detail. I believe there is a great deal of information in the documents which have just been made available which will throw much light on this important subject. I believe these matters should be explored, not for any purpose of stirring up acrimony or reopening old wounds, but in an attempt to make certain that never again in its history will our country participate in a meeting such as the one held at Yalta, and place the lives and liberties of millions of people throughout the world in jeopardy in a secret conference in which the nations that are bartered away have no voice or vote in the making of decisions which so vitally affect their ultimate destiny.

Mr. JOHNSON of Texas. Mr. President, I shall not ask that I be permitted to speak for 10 minutes, or any length of time, on the subject of these papers whose release has electrified the capitals of the free world. But I believe that I should make a very brief statement at this time. I do not plan that it shall be my last statement on the subject.

I realize that I am not sufficiently versed in international diplomatic customs to render a positive and final judgment on the effect of the action taken by the Secretary of State. Nor have I had an opportunity to give these bulky documents, which were laid on my desk the day before yesterday, the thorough consideration they deserve.

Nevertheless, Mr. President, according to the New York Times today, the distinguished occupant of the Chair, the chairman of the Committee on Foreign Relations [Mr. GEORGE], who has spent a lifetime in the study of this problem, has stated that the publication of the papers will have "a bad effect" on our international relations.

The publication of the papers raises some disturbing thoughts. Since this is an administration which is so strongly committed to the concept of responsibility, I must assume that the Secretary of State had a highly responsible purpose in mind when he released the documents. Surely they were not released merely for the sake of disposing of excess papers in the files of the State Department.

It has been my belief that the objective of the State Department should be to gear all its activities to winning the cold war and to preserving the United States from the menace of communism. That, we believe, is the basis of the bipartisanship which we Democrats have so willingly and cheerfully and wholeheartedly advanced. The Democrats have no intention of altering their approach to foreign relations.

We believe that every American would rather win the cold war against communism than win a cold war against another political party.

Frankly, I do not know the purpose that will be served by the hasty publication this week of these documents. I do not know what purpose will be served, so far as the unity and the determination of the freeworld is concerned, by hasty comments on paragraphs of this bulky release.

I do know that the press this morning relates that one of the participants at the conference has already challenged the accuracy of the papers. I do know that the press is full of comments from distinguished experts in the field of diplomacy, who indicate that they are very uneasy over the results that may flow from publishing the papers.

We must face the fact that the publication of these papers may have—at least for the immediate future—ended international conferences at which participants will fully and freely discuss with each other the problems of the world.

Mr. President, I suggest that we let the record show that we will have to leave it to the judgment of history to determine whether this move this week was intended to promote the cause of freedom and of America and of the free world, or whether we submerged international relations to purely domestic political considerations.

REMARKS ON REPORT OF JOINT COMMITTEE ON THE ECONOMIC REPORT

Mr. WATKINS. Mr. President, I should like to make a few remarks with respect to the report of the Joint Committee on the Economic Report.

The committee report does recognize that "the President's Economic Report looks for a continued advance in general economic activity" in that "it is reasonable to expect that within the coming year we can approximate the levels of maximum employment, production, and purchasing power envisage by section 2

of the Employment Act." The committee report concludes that these levels seem "to imply national production of about $375 billion for the year as a whole, with a year-end rate of about $385 billion, on the basis of committee staff projections," and that "most of the witnesses at the recent committee hearings warned, that during the second half of the year, the advance may be less than during the first half."

The implication of these statements obviously is that the economy will not reach that level of economic activity which the President's report indicates that it in all probability will reach.

The latest expert opinions, however, seem to indicate, quite to the contrary, that a gross national product of $375 billion will in all probability be achieved. For example, the March 14 issue of Newsweek magazine concludes:

The wary economists who have been looking for a production letdown in the last half of the year are not so sure now. And even the optimists are beginning to raise their sights. * * *

The way things look now, barring a major strike, 1955 could wind up with gross national product at a breathtaking $375 billion. Top officials privately expect the year's first quarter to show the Nation's output of goods and services running around $368 billion. The all-time high, set in the second quarter of 1953, was $370 billion.

The reported change in expert opinion, therefore, should impress upon the public the need for viewing such economic projections as those relied upon by the Joint Committee on the Economic Report, with a great deal of caution and reserve.

The economic outlook for 1955 is indeed excellent, and the American people can have faith in the President's statement that:

The Nation's output within the coming year will approximate the goals of maximum employment, production, and purchasing power envisaged by the Employed Act.

Mr. President, I ask that this article from Newsweek, entitled "The Periscope—Business Trends," be printed in its entirety at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE PERISCOPE—BUSINESS TRENDS

RAISING THE SIGHTS

The wary economists who have been looking for a production letdown in the last half of the year are not so sure now. And even the optimists are beginning to raise their sights.

Many top administration officials still think the astounding automobile production race will have to gear down. But they are no longer so positive the deceleration has to be drastic.

One of Detroit's most optimistic—and accurate—forecasters, General Motors president Harlow Curtice, now predicts a 7.5 million-car year. That would mean sales and production volume some 20 percent over 1954's—and a new record. Earlier, Curtice was talking of a 10 percent gain for 1955.

The way things look now, barring a major strike, 1955 could wind up with gross national product at a breath-taking $375 billion. Top officials privately expect the year's first quarter to show the Nation's ouput of goods and services running around $368 billion. The all-time high, set in the second quarter of 1953, was $370 billion.

PRESSURE ON PRICES

The industrial barometers, however, are also showing pressures building up for a fresh price spiral, starting in the basic metals.

The worldwide tight supply of copper has already inflated its price tag. Aluminum ingots recently climbed a cent a pound. Steel looks to be next.

The makings of a steel spiral are already here. The industry is braced for one increase when this year's wage negotiations with the steelworkers' union take place.

The workings of the steel market will very likely pile another price hike on top of that one.

THE RAW MATERIALS

Bidding by Europe's—and later, Japan's—reawakened steel mills neutralized United States companies' efforts to check a runaway in prices of steel scrap. Scrap is up to close to $37 a ton, compared with less than $30 last September.

Now American steelmakers need more scrap and the outlook is for scrap prices to keep right on going. The other ingredients that feed the blast furnaces are bound to follow. (That was the pattern in copper.) Iron-ore prices have inched upward; limestone, pig iron, and coking coal will do the same.

Aluminum, the No. 1 substitute when copper or steel turn hard to get, is no longer plentiful. Aluminum makers, whose expansion plans were stymied by Washington last year, are working hard to catch up now—with costs higher.

THE HUNGRY CUSTOMERS

Predictions that steel demand would slack off during the last half of this year now seem very shaky.

Even if auto production lines eased up on their voracious steel consumption, steelmakers would still have plenty of customers. For one thing, steel inventories have been worked way down and steel users are anxious to replenish them.

The railroads, which cut plant and equipment spending in 1954, are ready to resume at their old $1 billion-a-year rate.

The steel industry itself (and it's one of its own best customers) had ticketed about $700 million earlier this year for expansion. Now there is talk that this will not be enough.

The administration's $101 billion road program opens up fresh markets for steel—not only for the metal that will go into the roads themselves, but also for the army of road-building machines the project will need.

RAILROADS PULL AHEAD

The pellmell rush of industrial activity has started the railroads clicking faster, too. So far this year, carloadings have been running more than 2 percent ahead of last year—and the lines usually don't roll out of their winter slump until March.

Significantly, the margin of improvement over last year's figures has been steadily widening.

Railroadmen expect the second quarter to improve still further, with a good chance that traffic for the year will wind up about 3 percent better than 1954. This would put profits much higher.

REPORT OF HOOVER COMMISSION TASK FORCE ON FEDERAL MEDICAL SERVICES

Mr. CLEMENTS. Mr. President, on February 19, a task force on Federal Medical Services of the Commission on Organization of the Executive Branch of Government, better known as the Hoover Commission, filed its report.

This report recommends the closing of 19 Veterans' Administration hospitals. Two of these hospitals are located in Kentucky. One is at Fort Thomas, Ky., the other is at Outwood, Ky.

The Hoover Commission report of February 28, transmits the report of its task force. This report does not make the same recommendation as that made by the task force. It asks that Administrator of the Veterans' Administration "consider the recommendations made by the task force as to closing of certain hospitals and obtain the advice of the proposed Federal Advisory Council of Health on these recommendations."

Mr. President, this does not, in my view, minimize the threat to these hospitals, which have been accomplishing outstanding work in the treatment of our veterans.

The hospital at Fort Thomas has a capacity of 395 patients, but there are now 404 patients in the hospital, 9 more than the capacity.

The hospital at Outwood has done an excellent job in the treatment of tuberculosis cases. Most of the veterans at this hospital are from the area and by receiving treatment at Outwood they are able to have the benefit and joys of visits from their family and friends.

The majority of the patients at Outwood are veterans of World War I. Their average age is 62, and since they have been ill for many years they have not been able to build up social-security benefits and other sources of income which would make it possible for them to live their remaining years with a measure of security and care, except that which is given them at this hospital.

Apparently, Mr. President, the recommendation for closing these hospitals does not come from any lack of need for such facilities. I quote from the report of the task force itself to show that Veterans' Administration hospitals are desperately needed. Page 56 of this report states the following:

There has been an increase in the total patient load in VA hospitals in the past year. Although the patient load is apparently now in equilibrium, the continued increase in the number of veterans and the aging of the present veteran population can be expected to increase the pressures for more veterans' hospital construction in the future.

It is apparent also that the proposal to close these hospitals does not reflect the attitudes and desires of those who live near these installations and those who have observed their workings and their benefits.

I have had correspondence and discussions with many from Kentucky who speak forcefully of the need for these hospitals.

Only last week, leaders of the Kentucky Department of the American Legion were in Washington at the National Rehabilitation Conference. Meeting with State Commander Rodney Brown and his staff, I discussed the matter of closing these hospitals. He presented the strongest opposition to this action and stated that it would weaken the veterans' program immeasurably in Kentucky and in the surrounding areas served by both Outwood and Fort Thomas.

I ask unanimous consent to insert at this point in the RECORD resolutions and communications I have received which pertain to the recommendations of the task force.

There being no objection, the resolutions and communications were ordered to be printed in the RECORD, as follows:

Resolution protesting the closing of the Fort Thomas Veterans Hospital

Whereas it is the feeling of the Board of Commissioners of the City of Newport, Ky., that the closing of the Fort Thomas Hospital would directly affect more than 100 families of Newport, Ky., who have patients or are employees of the hospital; and

Whereas it would also cause a loss of revenue to merchants of the city of Newport, Ky.: Now, therefore, be it

Resolved by the Board of Commissioners of the City of Newport, Ky.:

SECTION I. That the Board of Commissioners of the City of Newport, Ky., does by this resolution, protest the closing of the Fort Thomas Veterans Hospital, Fort Thomas, Ky.

SEC. II. That a copy of this resolution of protest be sent to the Senators, Representatives, and Veterans' Administration officials.

SEC. III. That this resolution shall be signed by the mayor, attested by the city clerk, recorded and published. Same shall be in effect at the earliest time provided by law.

Adopted this the 11th day of March 1955.

ROBERT L. SIDELL,
Mayor.

Attest:

ROBERT SCHOMAKER,
City Clerk, Acting.

BROTHERHOOD OF PAINTERS, DECORATORS, AND PAPERHANGERS OF AMERICA,
LOCAL UNION NO. 215,
Newport, Ky., March 7, 1955.

Senator EARLE C. CLEMENTS.

DEAR SIR: At our last regular meeting I was instructed to write you, asking you to do everything in your power to prevent the closing of the Fort Thomas Veterans Hospital. It is a big help to the merchants and working people of this community and would be sorely missed if closed, especially by the painters. We have four men under civil service, who work there steady, and each year a number of others get work on the purchase and hire plan, when they do extra work at the hospital. It has been responsible for hundreds of man-days for painters in this district, and would be a big loss to us for we have lost so much work to the "do it yourself" campaign that our craft is in a depression hereabouts. Thanking you for anything you can do.

I am,

JAMES J. BURNS,
Recording Secretary.

HOUSE OF REPRESENTATIVES, KENTUCKY,
Campbell County, Ky., February 28, 1955.

Senator EARLE C. CLEMENTS,
Senate Office Building,
Washington, D. C.

DEAR SENATOR CLEMENTS: On page 1 of the Kentucky Times-Star, issue of February 26, 1955, is an 8 column heading, saying in part: "Closing of VA Hospital Rumored, Fort Thomas Hospital Is Listed Among 19 To Be Discontinued." The Hoover Commission will report to Congress Monday and it will recommend the closing of the Fort Thomas Veterans Hospital.

As a disabled veteran of World War I, and having served for four terms as a member of the Kentucky House of Representatives, and at nearly every session having served as a member of the House Veterans Committee and also having served since its inception as a member of the local committee to promote the work of the hospital at Fort Thomas, Ky., and knowing the needs of and the services rendered by this hospital, I am emphatically opposed to such a reported move and urge upon you to use the powerful influences of your good offices to prevent the closing of this hospital, at this time, or any other time.

There are now 404 patients at the Fort Thomas Veterans Hospital and 9 more than the capacity of the institution, and I can't understand why anyone would recommend its closing when it is rendering such a great and efficient service to our sick and disabled veterans.

Therefore, I urgently recommend that when this report is presented to Congress that you use every means at your command to defeat this move to close our local VA hospital.

Very sincerely yours,

CHARLES W. WIRSCH,
Representative, 62d Kentucky District.

AMERICAN WAR DADS,
KENTUCKY STATE ASSOCIATION,
Louisville, Ky., March 1, 1955.

Senator EARLE CLEMENTS,
The United States Senate,
Washington, D. C.

MY DEAR SENATOR CLEMENTS: The American War Dads of Kentucky are very much opposed to the bill to close veterans hospitals in any part of the United States.

We, as a patriotic organization, are aware of the need of veteran hospitals.

Therefore, we ask that you oppose the bill when it comes before the Senate.

With every good wish to you personally.

Respectfully yours,

WM. G. TOMPKINS,
President.

LADIES' AUXILIARY,
VETERANS OF FOREIGN WARS,
KERSTEN-O'DAY POST NO. 2899,
Bellevue-Dayton, Ky., February 28, 1955.

Hon. EARLE C. CLEMENTS,
United States Senator, Senate Office Building, Washington, D. C.

DEAR SENATOR CLEMENTS: Through the local press the public has been informed that the VA Hospital at Fort Thomas, Ky., is to be closed.

The Ladies' Auxiliary to Kersten-O'Day Post No. 2899, Veterans of Foreign Wars, Bellevue and Dayton, Ky., would like to go on record as opposing this action. In the interest of the veterans we beg that you exert whatever power you have in protesting such a measure.

The VA Hospital has served long and well in this community and all civic, patriotic and fraternal organizations are doing everything possible to assist in the rehabilitation of the patients. From our observations it seems that the hospital is functioning in an excellent manner.

Anything you can do will be sincerely appreciated by our organization.

Very truly yours,

Mrs. HELEN S. FRENCH,
Legislative Chairman.

COMMONWEALTH OF KENTUCKY,
DIVISION OF PUBLICITY,
Frankfort, Ky., March 3, 1955.

Senator EARLE C. CLEMENTS,
Senate Office Building,
Washington, D. C.

DEAR SENATOR: Knowing of your interest in the Outwood Veterans' Hospital, I am confident that you were disappointed with the recommendation of the Hoover Commission which suggested the closing of Outwood hospital.

Your many friends in Dawson Springs and the communities of Princeton, Hopkinsville, and Madisonville, along with all persons interested in the welfare of our veterans, will appreciate your efforts in providing for the continued operation and maintenance of Outwood hospital.

With kindest personal regards and all best wishes, I am,

Sincerely,

MACK SISK,
Director.

Mr. CLEMENTS. It is evident from these communications, Mr. President, that the interest in continuing both Outwood and Fort Thomas VA hospitals is the matter of great concern. They represent a broad segment of the community.

No responsible veterans organization, no individual veteran, or anyone interested in the well-being of those who have served their Nation faithfully and honorably, desire more for the veteran than he deserves.

But by the same token, Mr. President, those who have served their Nation, and particularly those who are in the need of mental and physical care, should not have taken from them the facilities to live a better, longer, and healthier life.

TALENT IRRIGATION PROJECT IN SOUTHERN OREGON

Mr. NEUBERGER. Mr. President, during the past 2 weeks, a number of employees of various agencies of the Department of Interior have been testifying before committees of Congress in behalf of authorization of the upper Colorado storage project. The administration has thrown platoon after platoon of engineers, heads of administrative agencies, and technical experts into the lines to support this project which entails expenditure of about $1,500,000,000.

I do not at this time intend to explain my position on the upper Colorado proposal; but, because of the administration's attitude on an important reclamation project in the State of Oregon, this display of support raises an important and unresolved question.

I have been advised by the Bureau of Reclamation that the benefit-cost ratio of the upper Colorado River storage project with 11 participating projects is 1.31 to 1. The President's 1956 budget has tentatively earmarked $10 million for the Colorado project if it is approved by Congress. The Bureau also advised me that the irrigation benefit-cost ratio for the Talent project in southern Oregon is 1.30 to 1. Following its authorization last year, Republican Party candidates used the Talent project as a springboard for political celebrations. Yet this year, not a single dollar is provided in the budget for this necessary and beneficial project.

I wonder if this is to become the administration's policy on irrigation projects—to push for project authorization and then withdraw interest when it comes time to make the project a reality through construction? The upper Colorado River project and the Talent project have virtually identical benefit-cost features. Talent is authorized, but no construction funds are available. Will the administration's interest in the upper Colorado project suddenly wane after authorization is won, as it apparently

and unfortunately did in the case of the Talent project?

The administration's attitude on the Talent project is a betrayal of the people of southern Oregon. I shall continue to do all in my power to bring about appropriations for the Talent project, which compares favorably to undertakings the administration is promoting elsewhere in the Nation.

Mr. President, I ask unanimous consent that my letter to the Commissioner of Reclamation with reference to this important question be printed at this point in the RECORD in connection with my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

MARCH 18, 1955.

Mr. WILBUR A. DEXHEIMER,
Commissioner, Bureau of Reclamation, Department of the Interior, Washington, D. C.

DEAR MR. DEXHEIMER: During the last 2 weeks numerous employees of the Bureau of Reclamation have testified before the Senate and House Interior and Insular Affairs Committees relative to authorization of the upper Colorado River storage project. Testimony presented by yourself and others in the Bureau of Reclamation indicates a strong desire by the administration to obtain approval of this project, entailing expenditure of about $1,500,000,000.

According to information received from the Acting Commissioner on March 15, 1955, the benefit-cost ratio of the upper Colorado project for irrigation is 1.31 to 1.00. The President's budget for fiscal 1956 has earmarked $10 million for the Colorado storage project if approved by Congress. The Acting Commissioner also advised that the irrigation benefit-cost ratio for the Talent project in southern Oregon is 1.30 to 1.00. However, the budget does not earmark a single dollar for construction of this already-authorized project.

Since the upper Colorado and the Talent project have almost identical benefit-cost features, would you please advise me why the Bureau of Reclamation is pushing for approval of the upper Colorado project but has evidenced no similar interest in construction of the Talent project, which, by virtue of previous authorization, could become productive much sooner? I trust that it has not become the policy of the Bureau to funnel its energies into seeking authorization for projects, but not to follow through and seek immediate construction. If so, I wonder whether the Bureau—if the upper Colorado project is authorized—will lose interest in seeking construction funds for it, as has apparently and unfortunately been the case with the Talent project?

I would greatly appreciate it if you would advise me immediately as to plans of the Bureau of Reclamation in recommending the appropriation of funds for construction of the Talent project. In my opinion, this project should be undertaken immediately and the necessary funds made available.

Sincerely,

RICHARD L. NEUBERGER,
United States Senator.

PROTECTION OF CONSUMERS OF NATURAL GAS

Mr. WILEY. Mr. President, earlier today it was my privilege to introduce to President Eisenhower an outstanding delegation of State and municipal law officers from all over the country who had come to present to the President the case for protection of consumers as regards natural gas rates.

In the course of our visit, we submitted to the Chief Executive a statement signed by all the members of the delegation for this objective.

I ask unanimous consent that the text of this statement containing the signatures of those present be printed at this point in the body of the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY REPRESENTATIVES OF CONSUMERS TO PRESIDENT EISENHOWER OPPOSING DESTRUCTION OF CONSUMER PROTECTIONS UNDER THE NATURAL GAS ACT

We are pleased and honored to have this opportunity as representatives of natural gas consumers to present certain facts on their behalf. We are here to urge you not to approve proposed legislation [1] which will destroy the Natural Gas Act's protections for consumers.

We do not speak for any special interest, or group. We do speak for millions of consumers—little people who are unable to speak to you personally on their own behalf. We ask no special favor or exemption. Our plea is limited to a request that you do not approve any bill which allows any seller of natural gas in interstate commerce, for resale, to exploit consumers by charging unreasonable prices. It is our basic position that consumers are entitled to protection against unreasonable prices.

There were 19,959,200 national gas customer connections in the United States in 1953.[2] Of these, 18,386,200 were residential. In round numbers there are approximately 60 million residential natural gas users affected.[3]

We report to you that our people are tremendously alarmed at this legislative drive to scuttle effective regulation of natural gas rates. Most consumers have experienced one or more natural gas rate increases already in the past 3 years. And we estimate that increases from $200 million to $400 million yearly will eventually flow from this proposed congressional action.

NATURAL GAS ACT AIMED PRIMARILY AT PREVENTING CONSUMER EXPLOITATION

In several cases the Supreme Court of the United States has recognized that "the primary aim of this legislation (the Natural Gas Act of 1938) was to protect consumers against exploitation at the hands of natural gas companies." [4]

Under this act, the Federal Power Commission has jurisdiction to determine whether rates charged in all sales of natural gas in interstate commerce for resale by producers, gatherers, pipelines, or any other person are just and reasonable. The act requires that the FPC allow natural gas companies a just and reasonable rate of return; these companies may compel the granting of such a return by appeal to the courts.

The Natural Gas Act grew out of an investigation by the Federal Trade Commission which revealed price gouging and exploitation of consumers by sellers of natural gas in interstate commerce. The Supreme Court of the United States had previously held in two landmark decisions [5] that neither the State of origin nor the State of destination could control the rates charged by these sellers in interstate commerce. The Court held that under the Constitution, the Federal Government has exclusive jurisdiction in this field. The act was thus adopted to bridge this gap in Federal-State jurisdiction by providing Federal protections for consumers which the States may not constitutionally provide.[6] If the act is amended as proposed in pending bills, then the price at which gas enters the pipelines will not be subject to any real regulation and all consumer protection will be effectively destroyed. With Federal protection removed, and the States constitutionally helpless to protect consumers, an unregulated—and unprotected—twilight zone would result.

CONSUMER PROTECTION UNDER ACT

A Federal Power Commission study shows that from 1938, when the Natural Gas Act went into effect, until 1946 the Commission conducted numerous rate investigations resulting in rate reductions to consumers aggregating in excess of $157 million in such cities as Detroit, Kansas City, Cleveland, Fort Wayne, Dallas, and other cities located in Illinois, Kansas, Nebraska, Ohio, Pennsylvania, Michigan, and other States.[7] This experience demonstrates that the consumers needed protection and that the act provided such protection.

However, large and continuing increases in field prices and the general inflationary trend caused the FPC to grant higher rates. Some half billion dollars of gas rate increases have been filed at the FPC in the past 5½ years. During the fiscal year 1954, gas rate increase applications in the amount of $286,800,000 were under consideration. Of this total, $106,900,000 has already been allowed.[8]

A tremendous network of pipelines now bring natural gas to nearly all the major cities in the Nation. The pipelines were built for the most part under the present act and under the representation that natural gas would be made available to consumers at a reasonable rate. Municipalities and consumers supported this pipeline development in reliance on these representations. Local distribution companies have instituted, city by city, a changeover in equipment as natural gas became available. Consumers are now absolutely dependent upon those who sell gas in interstate commerce for resale. Natural gas is now a public service commodity just as are water, electricity, and other historically regulated public service commodities. Stoves, heating units, and hot water heaters have been converted to this fuel at an expense of millions of dollars. Consumers have invested $10 billion in this gas-burning equipment—an investment which we believe exceeds the value of all other investments in the natural gas industry. Gas is the only fuel that can be utilized by this equipment. Consumers cannot change suppliers if the particular company upon whom they have become dependent increases the price. Distributors are committed under long-term contracts to buy gas from the pipeline which serves them at a price fixed by the FPC. Interstate pipelines in turn are bound to sellers in a given field or fields by the physical location of their pipelines, which cannot readily be moved to a new field in search of a better price. Unless the FPC has jurisdiction to control that initial price

[1] The major bill is the Harris bill (H. R. 4560). Other pending bills of similar purpose are H. R. 3703, 3902, 3940, 3941, 4168, 4214, and 4675.

[2] Gas Facts (1953), p. 91 (published by American Gas Association, Bureau of Statistics). These are the latest available figures.

[3] This is computed by estimating three persons per residential connection.

[4] *Federal Power Commission* v. *Hope Natural Gas Co.* (320 U. S. 591, 610); *Phillips Petroleum Company* v. *State of Wisconsin* (347 U. S. 672).

[5] *Public Utilities Commission* v. *Attleboro Steam and Electric Co.* (273 U. S. 83); *Missouri* v. *Kansas Natural Gas Co.* (265 U. S. 258).

[6] In its official reports Congress said the act was "to fill the gap in regulation that now exists by reason of the lack of authority of the State commissions" (H. Rept. 709, 75th Cong., 1st sess., p. 3; S. Rept. 1162, 75th Cong., 1st sess., p. 3).

[7] Hearings on H. R. 2185 et al., 80th Cong., 1st sess., p. 463 et seq.

[8] 34th Annual Report, FPC (1954), p. 108.

in the field no effective control exists.[9] Proceedings before the FPC show that there is no competition between sellers and that the only competition is between buyers; who are bidding against each other for gas supplies.

Should the gasoline for his automobile prove unsatisfactory, or should his cigarettes disagree with him, there is the simple expedient open to the user of changing brands. But the only choice open to the person who is serviced by a natural gas company, which furnishes the wherewithal to enjoy a warm home, or a hot meal, is to endure whatever the particular inconvenience is or to use another fuel.

This, patently, is no choice at all. Once a person has installed costly gas-burning equipment with which to heat and cook, then the cost of changing to another fuel, measured in terms of time, inconvenience, and most important of all, money, is absolutely prohibitive. Congress was fully aware of these facts when it provided that the Federal Power Commission should regulate all sales in interstate commerce for resale. To limit the act to sales by pipelines, as the pending bills propose, eliminating sales to pipelines in interstate commerce would be to ignore obvious evils which the present act eliminates.

FABULOUS NATURAL GAS EXPANSION UNDER ACT

That the act as now written is beneficial to sellers of gas in interstate commerce, for resale, is amply demonstrated by the record of the past 17 years.

Sales of natural gas have increased from 1,200 billion cubic feet in 1938 to 5,319 billion cubic feet in 1953.[10] The number of customer connections increased from 6,742,000 in 1938 to 19,959,200 in 1953.[11] Pipeline mileage increased from 184,900 in 1938 to 393,890 in 1953.[12] Revenues increased from $406,352,000 in 1938 to $2,250,120,000 in 1953.[13]

Based upon the number of consumers dependent upon natural gas for heating and cooking, the natural-gas industry has increased some 300 percent since 1938. This industry is gigantic in size and tremendous in its effect upon the national economy. It must be subject to the closest scrutiny and regulation to insure equal justice both to sellers of gas in interstate commerce and consumers. Consumers definitely are on an unequal footing with the natural-gas industry. If the act is amended so that the FPC cannot protect them, then no one can.[14]

EFFECT OF THE PROPOSED LEGISLATION—A $200 MILLION TO $400 MILLION YEARLY BOOST IN CONSUMER GAS BILLS

All of the proposed bills in Congress in effect prohibit the FPC from fixing reasonable rates to be charged by sellers of natural gas in interstate commerce in sales taking place prior to the time the gas enters the large interstate pipelines.

In addition, the Harris bill (H. R. 4560) would compel the Federal Power Commission to allow pipeline companies for their produced gas the prevailing market price for the gas in the field where the gas is produced.

The effect of such a basic change in consumer protection is dramatically illustrated in a pending rate increase case involving the city of Denver.[15] In that case Colorado Interstate Pipeline Co. has asked that this field price theory be substituted for the established method of regulation which bases prices on cost plus a reasonable rate of return. According to the figures presented there, this change means an increase in rates to consumers in the Denver area of approximately $4 million per year—and the company claims its field rate there is not as high as it should be. Many other cities will be similarly affected if the proposed legislation is enacted by Congress.

When the Kerr bill was considered by the Congress in 1949–50, the FPC estimated conservatively that a 5 cents per thousand cubic feet increase would flow from its adoption, resulting in a $200 million per year increase to consumers.[16] That an increase of $400 million per year, for consumers is probably now a conservative estimate of the effect of the pending bills is amply demonstrated by the great increase in reserves, markets, sales, and natural gas prices since 1950. Regardless of amount, the result of the adoption of the proposed legislation would certainly be unregulated and unreasonable prices—as witness the Denver case already mentioned.

REASONS ADVANCED FOR BILLS TO REMOVE CONSUMER PROTECTION ARE UNSOUND

The major reason advanced in support of the bills to remove existing consumer protections from the Natural Gas Act is that sellers of natural gas in interstate commerce need the removal of these consumer protections to encourage them to produce the needed natural gas. This is a familiar scare technique. It is respectfully submitted that the 27½ percent tax exemption now enjoyed by these natural gas sellers and the prices received are sufficient encouragement without this additional exemption allowing the charging of any price the traffic will bear. The tremendous growth of the industry under the existing law proves this.

In urging passage of this legislation, the industry lays great stress on the 4,000 small producers of natural gas but fails to mention that 85 percent of all the natural gas sold in interstate commerce for resale is produced by less than 100 companies—most of them oil companies—and that one-third of the supply is furnished by 7 companies. The fact is that a few big oil companies make most of the sales; it is these companies which have fought against FPC regulation since 1938 by litigation, legislative efforts, and other methods. The repeated mention of 4,000 small producers is a smokescreen intended to obscure the true situation.

Despite claims to the contrary, FPC regulation of rates charged for sales in interstate commerce for resale does not result in interference with State conservation powers.[17] The Supreme Court considered hundreds of pages of testimony, briefs, and argument on this exact issue and then expressly so held in the Phillips case. Since the States cannot constitutionally control sales for resale—even at the wellhead—if they are in interstate commerce, there can be no conflict of State-Federal power. Some States fix minimum prices to protect landowners, producers, and royalty owners. No State does fix, or can constitutionally fix, rates for sales in interstate commerce to protect consumers.

REGULATION TO PROTECT HELPLESS LITTLE PEOPLE UNDER FREE-ENTERPRISE SYSTEM

It is a basic tenet of our free-enterprise system that the helpless little fellow must be protected from those in a position to exploit him. We have antitrust laws, laws requiring fair and truthful advertising, a minimum wage law, and a whole series of other regulatory acts designed for this express purpose. The Natural Gas Act, with its "primary aim of preventing exploitation of consumers," fits clearly within the basic tenets of our free-enterprise system and should not be changed so as to place these helpless little people at the mercy of sellers of natural gas in interstate commerce. It must be kept in mind that this is regulation of an essential public service and not an unreasonable interference with private business or private ownership of business.

It is contrary to the traditions of our free-enterprise system, whereby Government regulations are designed to protect the weak who cannot protect themselves, to subject these thousands of helpless consumers to exploitation by the great oil and gas companies—the real sponsors of this proposed legislation. These companies are seeking a congressional edict freeing them from all possible controls whereby consumers can be protected against their exploitations.

Finally, no practical difficulties are involved requiring passage of the pending legislation. That argument was likewise presented in the Phillips case to the Supreme Court of the United States and rejected, the Court stating:

"Regulation of the sales in interstate commerce for resale made by a so-called independent natural-gas producer is not essentially different from regulation of such sales when made by an affiliate of an interstate pipeline company. In both cases, the rates charged may have a direct and substantial effect on the price paid by the ultimate consumers. Protection of consumers against exploitation at the hands of natural-gas companies was the primary aim of the Natural Gas Act."

Respectfully submitted.

Alexander Wiley; William G. Callow, City Attorney, Waukesha, Wis.; Peter Campbell Brown, Corporation Counsel, New York, N. Y.; Abraham L. Freedman, City Solicitor, Philadelphia, Pa.; Ralph S. Locher, Director of Law, Cleveland, Ohio; James H. Lee, Special Corporation Counsel (utilities), Detroit, Mich.; John J. Mortimer, Corporation Counsel, Chicago, Ill.; Harry G. Slater, First Assistant City Attorney, Milwaukee, Wis.; David M. Proctor, City Counselor, Kansas City, Mo.; John C. Banks, City Attorney, Denver, Colo.; Charles S. Rhyne, General Counsel, NIMLO, Washington, D. C.; Andrew Broaddus, Mayor, Louisville, Ky.; Vernon W. Thompson, Attorney General, State of Wisconsin; Stewart G. Honeck, Deputy Attorney General, State of Wisconsin; Benson Trimble, Nashville, Tenn.; H. J. O'Leary, Public Service Commission, Madison, Wis.

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[9] That all of this increase would be paid by consumers is beyond question. In *Interstate Natural Gas Co.* v. *Federal Power Commission* (331 U. S. 682, 692–693), the Supreme Court said of prices at the origin or producing and gathering stage: "Unreasonable charges exacted at this stage of the interstate movement become perpetuated in large part in fixed items of costs which must be covered by rates charged subesquent purchasers of gas, including the ultimate consumer. It was to avoid such situations that the Natural Gas Act was passed."

[10] Gas Facts (1953), p. 107.

[11] Ibid., p. 86.

[12] Ibid., p. 58.

[13] Ibid., p. 128.

[14] The Cabinet committee in its Report on Energy Supplies and Resources Policy states in part that "We believe the problem of natural-gas regulation should be approached from the viewpoint of assuring reasonable prices to consumers." But the proposed legislation removes all power to assure reasonable prices to consumers.

[15] FPC Docket Nos. G–2260 and G–2576.

[16] Hearings on S. 1498, 81st Cong., 1st sess., p. 16, table 10, and p. 263.

[17] The act prohibits FPC regulation of production and gathering.

COMPTROLLER GENERAL OF THE UNITED STATES

The PRESIDENT pro tempore. The Senate is in executive session, and the clerk will state the nomination on the Executive Calendar, the consideration of which is now in order.

The legislative clerk read the nomination of Joseph Campbell, of New York, to be Comptroller General of the United

States for a term of 15 years, to which office he was appointed during the last recess of the Senate.

Mr. GORE. Mr. President, in considering the confirmation of Joseph Campbell to be Comptroller General of the United States it must be borne in mind by the Senate that the General Accounting Office is an arm or an agency of the legislative branch of government, rather than of the executive branch. This is clearly apparent from the legislative history of the Budget and Accounting Act of 1921 which created this agency. Since that time its unique status has been specifically recognized by the Congress in connection with the passage of the various reorganization acts, which have exempted the General Accounting Office from the authority of the President to effect reorganization. The Congress considered that the General Accounting Office was not within the scope of the mission assigned to the Hoover Commission which was created to make recommendations with respect to the reorganization of the executive branch of the Government.

In our system of government, with its various checks and balances, the Executive is charged with the administration of the laws. This is not to say that the Congress is powerless to influence the way in which the laws it passes are administered. Certainly the Congress, having the power of the purse, has every right and duty to watch over the expenditures of appropriated moneys, and it is not without power to follow through in this respect.

The General Accounting Office was specifically created by the Congress as its agency, as its watchdog, for the purpose of examining and reporting to the Congress with respect to the manner in which appropriated funds are expended, so as to insure that all such expenditures are made in accordance with the law and with the intent of the Congress.

The greatest power yet remaining to the Congress, Mr. President, is the power of the purse. I say, the greatest power remaining to the Congress, because there has been a disproportionate growth of the executive branch of the Government. While the executive branch has grown to enormous proportions, Congress has remained essentially the same as it was in Jefferson's day. We still use Jefferson's Manual in our parliamentary debates. We have essentially the same committee structure, though there have been changes in the membership of committees from time to time. To meet new circumstances new committees have been created, but, essentially Congress remains the same.

Thus the legislative branch has been hard put to cope on a basis of equality with an expanding and powerful executive branch in this era of rapid changes. In order to mitigate this situation the Congress has, from time to time, resorted to the creation of independent agencies and has delegated to such independent agencies specific and legally designated functions. We have found this a useful means, but, Mr. President, we have seen the independence of these independent agencies assaulted by both Democratic and Republican administrations. I am sure that all who have served in Congress, even if only for a few years, have felt the indispensable need for an independent agency such as is the General Accounting Office, specifically responsible to Congress.

Those who have served in Congress for as long as it has been my privilege to serve not only feel but know the necessity for such an independent agency.

Mr. President, I should like to refer to some of the debates in 1920 and 1921, and even further back, when the question of creating the General Accounting Office was before Congress. We find that in 1920 Congress devoted a great deal of effort toward perfecting legislation and establishing procedures to insure that the proposed new agency would, in fact, be independent of the executive branch and not directly responsible to it, but, on the other hand, would be directly and solely responsible to the Congress.

The debates in Congress during the consideration of the legislation which created the General Accounting Office clearly established that the major purpose of the Budget and Accounting Act was to provide Congress with an agency responsible to it alone, in order to enable the legislative branch to obtain, through its own representatives, required information regarding the operations of the executive branch and the expenditure of funds appropriated by Congress. It was held essential that such an agency should be established to enable Congress to keep fully informed regarding the increasing Federal expenditures. Federal expenditures were increasing them, and they have increased now to vastly greater proportions.

Even with the level of expenditures as low as it was at that time, Congress felt that, in order properly to carry out its constitutional functions and to retain its control over Federal expenditures, it was necessary to create an agency responsible to Congress alone.

I wish to read a brief excerpt from the speech of former Representative James W. Good, who was chairman of the House committee which reported the bill:

> It was the intention of the committee that the Comptroller General should be something more than a bookkeeper or accountant, that he should be a real critic and at all times should come to Congress no matter what the political complexion of Congress or the Executive might be and point out inefficiency if he found that money was being misapplied—which is another term for inefficiency—and that he should bring such facts to the notice of the committees having jurisdiction of appropriations.

Thus it can be seen that in seeking to create an agency which would be completely independent of the Executive, Congress was cognizant of the degree to which independence would be directly related to the agency's responsibility to the Congress itself, on the one hand, or to the Executive, on the other hand, or, in a different set of circumstances, to a dual jurisdiction.

A study of the debate shows, further, that Congress at that time felt that the independence of this agency would largely depend upon the power to appoint and the power to remove the official who headed the agency. A review of the legislative history of the Budget and Accounting Act of 1921 clearly establishes that in the absence of certain constitutional doubts, Congress would have reserved to itself the authority to select the head of its own agency. Much thought was given the possibility, namely, the inclusion in the legislation creating the agency of a provision by which the head of the proposed agency would be appointed by Congress as its agent, without any Presidential influence, control, or action.

As the distinguished senior Senator from North Dakota [Mr. LANGER], who is seated before me, will recognize, because of his great training, talent, and experience as former chairman of the Senate Committee on the Judiciary, a constitutional question was involved. In fact, two major objections were raised to the suggestion that Congress itself should appoint the head of its own agency. The first was that to do so might involve a constitutional question as to the authority of Congress to make appointments of Federal officers or to take action which might affect the power of the President over the appointment of such officers; and, second, whether the terms of such officers might be terminated by succeeding Congresses on a possible partisan, political basis.

Congress resolved those doubts, as Congress resolves many doubts, by some understandings among those who exercised the responsibility at that time.

To meet these objections, the appointive power was vested in the President, but under conditions which were designed to create tenure of office on a basis similar to that pertaining to the appointment of Federal judges, in the sense that the appointees would not be removed by the President, but only, in this case, by a resolution of Congress or by impeachment.

The bill as passed by Congress in 1920 provided that the Comptroller General or the Assistant Comptroller General was to serve during good behavior, and could be removed only when either officer "is incapacitated, or has become inefficient, or has been guilty of neglect of duty, or of malfeasance of office, or of any felony or conduct involving moral turpitude and for no other cause and in no other manner, except by impeachment."

It was provided further that whenever action was to be instituted to remove either of these officers under the prescribed conditions, only action by Congress itself, through the adoption of a concurrent resolution, would be effective in bringing about removal.

President Wilson vetoed that bill on June 4, 1920, on the ground that the provision authorizing removal by concurrent resolution of Congress was in violation of the constitutional authority vested in the Chief Executive to remove appointive officers, and that its enactment would be an encroachment on the authority of the President.

That bill, then, did not become law in 1920; but essentially the same bill was reintroduced in the succeeding Congress and, without material change, was signed by the succeeding President on June 10,

1921, and became law. There was, however, this change: The term of office of the Comptroller General was fixed at 15 years. His tenure was limited to one term. Provision was made for removal for cause by Congress by joint resolution instead of by concurrent resolution.

Thus, Mr. President, we see that in the creation of this agency Congress had one resolute purpose. That was to create an agency responsible to Congress, and Congress alone; to create an agency which is just about the only agency Congress has to exercise surveillance over the expenditures of the then vast amounts of money appropriated by the Congress, and the now vastly greater amounts.

That law remains unchanged to date despite efforts to change it. There has been antagonism on the part of the executive branch of the Government toward the General Accounting Office. I have witnessed that antagonism in Democratic administrations. But, as a Member of the legislative branch, I have resisted all efforts to compromise the independence of the General Accounting Office or to compromise its sole responsibility to the legislative branch of government.

I have been told by elder Members of the Congress, both recently and in former years, that back in 1921 there was a sort of gentlemen's understanding, so to speak, that the Comptroller General would be appointed upon recommendation of Congress. The constitutional phrase "advise and consent" with respect to the Comptroller General has never been treated as a mere matter of confirmation. It must not be so treated now.

Mr. President, it is in the light of this legislative background that the pending nomination must be considered. It is in the light of this background, and in the light of the practices through the years since 1921, that the Senate must consider the qualifications of the nominee whose name is now before it. In the present instance it is only through the act of withholding confirmation that the Congress may preserve its traditional rights in the selection of its own agency heads. In this sense the confirmation process differs materially from that pertaining to confirmation of officials of the executive branch, who are, as they should be, responsible to the President.

Moreover, the Senate has a further responsibility. It must guard the rights of the House of Representatives as well as those of the Senate. The power of confirmation is vested in the Senate; the House of Representatives cannot partake of it. Thus, the act has vested in the Senate the responsibility of advising and consenting for the entire legislative branch to the appointment of a Comptroller General.

Mr. President, before going further, I should like to make it clear that the views I express as to the qualifications of Mr. Campbell, the nominee under consideration, are neither personal in nature, partisan in purpose, nor motivated by Mr. Campbell's part in the Dixon-Yates contract. I must suggest that Mr. Campbell's part in the Dixon-Yates contract has by no means added luster to his record. I respectfully submit, however, that it is not controlling, or even a major factor, in the determination of my position or in the position I now lay before the Senate.

Mr. KEFAUVER. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER (Mr. SPARKMAN in the chair). Does the junior Senator from Tennessee yield to the senior Senator from Tennessee?

Mr. GORE. I yield.

Mr. KEFAUVER. It seems to me, however, that the fact that the person who has been nominated to be Comptroller General was willing to use another independent agency of the Government, to wit, the Atomic Energy Commission, for a purpose entirely foreign to the purposes for which it was formed, certainly does not indicate that he has a proper perspective of the necessity of keeping independent agencies performing the line of duties for which they were created, but, on the other hand, indicates a lack of knowledge on the part of Mr. Campbell as to the operation of the various branches of the Government, which knowledge I certainly would regard as important.

Mr. GORE. I recognize the cogency of the statement which my senior colleague has made. As I indicated, I was displeased that a commissioner of an independent agency would yield the prerogatives of the office to which he had been appointed and to perform the duties of which office he had taken the oath.

I submit, however, that is an illustration of an attitude which Mr. Campbell then entertained and, so far as I know, may still entertain, to which I shall later make reference.

If I may give an illustration, opposition or support of the Dixon-Yates contract is not the measure by which I have attempted to develop my position today. I say now I would gladly support for appointment as Comptroller General such outstanding champions of the Dixon-Yates contract as our former colleague, the Honorable Homer Ferguson, or Representative STERLING COLE, or other Members of the Senate or the House of Representatives. My opposition to Mr. Campbell is more basic. My statement that I would give my support to the two distinguished gentlemen whom I have named for the position of Comptroller General, if they were before the Senate for confirmation, is based upon the fact that they have essential qualifications for the position which Mr. Campbell lacks. Of course I would prefer to see those gentlemen alter their position with respect to the Dixon-Yates contract, but I submit that that would not be the determining or controlling factor in my position.

Mr. KEFAUVER. Mr. President, will my colleague yield further to me?

Mr. GORE. I yield.

Mr. KEFAUVER. In creating independent agencies, such as the Atomic Energy Commission, the Panama Canal Railroad, the Tennessee Valley Authority, and many, many others, Congress was careful to prescribe their lines of responsibility and duty. It is the duty of the Comptroller General to see that the congressional intent is strictly followed. He is the watchdog, so to speak, to see that one agency does not get into the business or field of another, and that the various departments and agencies perform their functions properly, along clear-cut lines, as established by Congress.

It is very difficult for me to conceive how a person who was a member of one of those agencies could countenance its use for a purpose foreign to that for which it was created, and to the detriment of the agency itself. I say that because, despite all the argument, we know that this diversion on the part of the Atomic Energy Commission has thwarted our program. We read that the British have gotten ahead of us in the development of reactor piles for the generation of electricity; and there are many other evidences of this situation.

So it is difficult for me to understand how the perpetrator of that kind of misuse of the function of an executive agency can be a proper person to supervise the proper performance of the duties of the independent agency known as the General Accounting Office.

Mr. GORE. Mr. President, I appreciate the statement of my distinguished and able senior colleague.

Mr. LANGER. Mr. President, will the Senator from Tennessee yield to me for a question?

Mr. GORE. I yield.

Mr. LANGER. What is the duty of the Comptroller General? Is it not to save the money of the people of the United States, and to prevent its use by persons who are grafters or crooks?

Mr. GORE. That is certainly a major part of his function. The function of his office is quasi-judicial, namely, to see to it that the funds appropriated by Congress are expended lawfully, efficiently, and economically.

Mr. LANGER. Mr. President, will the Senator from Tennessee yield further to me?

Mr. GORE. I yield.

Mr. LANGER. Let me say that I have a distinct recollection that some years ago the senior Senator from Vermont [Mr. AIKEN] rose on this floor and read a letter from Lindsay Warren, in which Mr. Warren said that certain ships which were sold by the Maritime Commission for almost nothing subsequently were insured for hundreds of thousands or millions of dollars; and later, in some instances, when the Government needed the ships during World War II, it had to pay enormous prices in order to buy back the very ships it once had sold for almost nothing.

I remember that Lindsay Warren mentioned that the Standard Oil Co., as I now recall, leased some of the ships for almost nothing, and later charged large sums of money for them when they were used for cargo purposes by the Government. I thought Lindsay Warren did a remarkably fine job when he revealed to the Senator from Vermont some of the things he had discovered when he was Comptroller General.

Certainly in connection with his contacts the Atomic Energy Commission, during his service as a member of the Joint Committee on Atomic Energy, the distinguished Senator from Tennessee

has learned that the Tennessee Valley Authority, by building the plant, could have saved between $90 million and $150 million. Yet, Mr. Campbell voted for the Dixon-Yates contract. In the last analysis, the Government will thereby lose between $90 million and $150 million.

The Comptroller General of the United States has the job of auditing, as I understand—I assume that is part of the job, is it not?

Mr. GORE. Yes.

Mr. LANGER. A part of his job will be to audit—I would not say the expense accounts—but to audit the work of the various independent agencies, with the idea of saving money for the taxpayers of the United States. Can the Senator from Tennessee reconcile that responsibility with the nominee's record?

Mr. GORE. I can not. However, I return to the statement I made earlier to my colleague [Mr. KEFAUVER] namely, I hold that the nominee's action with respect to the Dixon-Yates contract is an illustration of a philosophy of government and a personal attitude toward political responsibility that is more disqualifying than his action on that particular contract would be. I should like to develop that point briefly.

As I understand the position of the Atomic Energy Commissioners at that time, they never took the position that they favored the Dixon-Yates contract. In that regard, the Commission yielded to the President. I should like to read from a letter which Mr. Campbell, then Commissioner Campbell, wrote to the Joint Committee on Atomic Energy. I shall not read all the letter; I think the excerpt I shall read will in no way be unfairly interpreted by taking it out of context. The entire letter is printed in the hearings, copies of which are now before the Senate, on page 30. I shall read only a portion of it, to which I invite the attention of the Senator from North Dakota. Before reading it, let me say that the Joint Committee was conducting a study of the structural organization of the Atomic Energy Commission. Mr. Campbell was offered an opportunity to submit his views, and he did submit his views in this letter written on May 7, 1954:

> The last, and perhaps the most significant comment that I desire to make on the organizational structure of the Atomic Energy Commission, is that it is completely devoid of political responsibility.

Mr. President, I digress to say that Congress created the Atomic Energy Commission as an independent, nonpolitical agency, having in mind the purpose of keeping it in the status of a nonpolitical organization. In fact, of the first 5 Commissioners appointed by a Democratic President, 4 were members of the Republican Party, and the fifth was an independent. So Congress thought it was necessary to have an independent, nonpolitical agency. Yet we find that Mr. Campbell complained because it is not politically responsive.

But I shall read on, and shall let his own words develop his position. I now continue to read:

> We live in a political system under which the people are entitled to call to account their public servants and to replace them through the election process in the event that their performance is unsatisfactory. This Commission, as it is established, is not responsive to the will of the people. It is only partially under the control of the executive branch and it is entirely possible that the situation could arise where a majority of the Commission might be fundamentally opposed to the philosophy of the elected Congress and Executive. Now, this is not to imply that there should be allowed any opportunity to play politics with atomic energy. The American people expect that with a new administration there will be a new Secretary of State, with new principal advisers, and that the same pattern will be followed in other executive departments.
>
> Since the impact of the operations of the Atomic Energy Commission, both on domestic and foreign policy, in many ways exceeds that of other executive agencies which are directly responsive to the change of political administrations, there is no logical reason why the Atomic Energy Commission should be exempt from such political responsibility. The present arrangement, therefore, in my opinion, is not only bad political philosophy, but, as well, is poor administrative procedure.

Let me repeat that I thought we needed an independent, nonpolitical agency to handle the problems of atomic energy. If any agency of the Government should be nonpolitical, it is the Atomic Energy Commission. Yet, Mr. Campbell says that is bad political philosophy. He wrote the chairman of the joint committee only last year complaining that the Atomic Energy Commission is not sufficiently politically responsive. That is the man whose nomination is now before the Senate. He has been appointed to head the one and only agency which Congress has, the General Accounting Office. If he considers that the Atomic Energy Commission should be politically responsive, are we not warned that he might consider that the General Accounting Office should be politically responsive?

I read this letter to the Senate committee in the presence of Mr. Campbell. I listened to his succeeding testimony. He did not retract his philosophy. So far as the record stands, he still holds that it is bad political philosophy for the Atomic Energy Commission not to be politically responsive. Are we not thus warned?

Mr. LANGER. Mr. President, will the Senator yield?

Mr. GORE. I yield.

Mr. LANGER. What is puzzling the Senator from North Dakota is this: If a man will take orders, as a member of the Atomic Energy Commission, and enter into a contract because he is ordered to do so by the President of the United States, what assurance has this body that he will not act in a similar manner as Comptroller General?

Mr. GORE. I am unable to offer the Senator any assurance. I think we must be forewarned. I remind the Senator of my statement a moment ago, that the junior Senator from Tennessee read this letter to the Senate committee in the presence of Mr. Campbell, and he did not retract that philosophy.

At the close of the hearing the chairman of the committee, the distinguished senior Senator from Arkansas [Mr. MCCLELLAN], turned to Mr. Campbell and said:

> As far as I know, the hearing is concluded. All who may be interested have been given an opportunity to be heard. All Senators have been notified and given an opportunity to submit their views. Except for extending to Mr. Campbell the privilege of filing a statement if he wishes to do so—and I hope that will be limited to any response you want to make to whatever Senator GORE may have testified in this statement—the hearings are concluded.
>
> (Mr. Campbell notified the committee that he did not wish to submit any further statement.)

So, not only was opportunity accorded him then to say that he would not, in the position to which he has been nominated, apply the political philosophy which he holds, but he was invited to submit a statement later for printing in the hearings. He later notified the committee that he did not wish to make any further statement. Are we not thus warned, I ask the senior Senator from North Dakota?

Mr. LANGER. Mr. President, will the Senator yield?

Mr. GORE. I yield.

Mr. LANGER. This man is appointed to a position for 15 years. It strikes me that what the Congress wants is a man who is entirely independent of politics in every way. His job is to scrutinize the actions of the executive departments in dealing with public funds, so as to save the taxpayers every dollar possible. If a man in that position is to take orders from any President, Republican or Democrat, I should say that he is not the kind of man we want as Comptroller General. Does the Senator from Tennessee agree with me?

Mr. GORE. I agree entirely with the Senator.

Mr. LANGER. In fact, it might be advisable, when a Republican President is in office, to have a Democrat in the position of Comptroller General, and vice versa. Certainly there should be someone in that office as a watchdog, scrutinizing expenditures running into billions of dollars. Every once in a while we hear a story such as we heard a short time ago with respect to the Housing Administration—a story of crookedness and graft. If the Comptroller General is not on the job as a watchdog to look after the interests of the taxpayers of the country, who in heaven's name is there to do the job?

Mr. GORE. We have no one. This is the only agency which Congress has.

Mr. LANGER. The Senator from Tennessee says that the nominee stated that he would follow politics.

Mr. GORE. I do not know that he said he would follow politics, but I read what he said.

Mr. LANGER. Does it not mean that, when we analyze the statement?

Mr. GORE. He complained that the Atomic Energy Commission was not sufficiently responsive to the Executive politically.

Congress created the agency as a nonpolitical agency. The General Accounting Office was created for the sole purpose of serving as an agency of Congress, solely responsible to Congress, to

exercise surveillance over the vast sums which the Congress appropriates.

Mr. LANGER. I ask the distinguished Senator whom Mr. Campbell is going to try to please in this very important position. Is he going to try to please the man who appointed him, or is he going to try to please the Congress? What is the answer to that question, based upon the record and upon what Mr. Campbell stated in his letter?

Mr. GORE. Of course, I cannot foretell how Mr. Campbell will perform the functions of this office if his nomination is confirmed. If it should be confirmed, I would earnestly hope that he would abandon his presently held political philosophy and execute the important duties of that office to the full satisfaction of the Congress. But I have no assurance which I can pass on to the Senator that such would be the case.

Mr. LANGER. Was not his appointment as a member of the Atomic Energy Commission confirmed?

Mr. GORE. Yes.

Mr. LANGER. Whom did he represent after he went on the Commission? Did he represent the people or the President, when the President said, "Sign that order"? How could a State government operate if the governor of the State could say to a board created to protect the interests of the taxpayers of the State of Tennessee, North Carolina, North Dakota, or any other State, "Sign this order, even though it may result in the loss of millions of dollars"?

Mr. CHAVEZ. Mr. President, will the Senator yield?

Mr. GORE. I yield.

Mr. CHAVEZ. I think the difficulty the Senator from North Dakota has is this: The President of the United States has the right to appoint an individual to an administrative position in one of the executive departments.

However, in this case, is it not true that Congress enacted a law establishing the General Accounting Office as a creature of Congress? That makes it entirely apart from an administrative position in the executive branch of the Government. Is that not the fact?

Mr. GORE. That is correct.

Mr. LANGER. That is exactly what the Senator from North Dakota has been trying to tell the Senate this afternoon.

Mr. GORE. The confirmation of this nomination cannot and must not be treated as routine.

Mr. CHAVEZ. That is correct.

Mr. GORE. It is not like the ordinary nomination to which the Senate gives its advice and consent. In this instance, in order to avoid constitutional difficulties and a possible infringement upon the prerogatives of the President, an understanding was developed and reached under which the head of the agency was to be identified with the legislative branch.

At no previous time during the history of the agency has an appointment been made from the executive branch of the Government. Lindsay Warren, to whom the Senator from North Dakota has referred, served with distinction for about 15 years in the House of Representatives. All his predecessors in the agency were men who had been identified with the legislative branch.

In the present instance the advice and consent must be literal, and the appointment must be made with the advice of the legislative branch. Only by the rejection of this nomination, which was made in contravention of the understanding to which I have referred, can Congress preserve its right to a voice in the selection of the head of the agency.

Mr. CHAVEZ. Mr. President, I have the greatest respect for the executive branch of the Government. However, I do not like to see the legislative branch lose its power to pass judgment on a nomination, particularly when I am aware of the fact that so far as this nomination is concerned, it is not a Presidential appointment at all. The agency in this case was intended to be a watchdog for the legislative branch of the Government. I hope we will seriously consider what that means.

The people of North Dakota trusted the Senator from North Dakota. The people of Tennessee trusted my good friend, the Senator from Tennesese. The other Senators were trusted by their people. Are we now to surrender, not our rights—we do not say our rights—but are we now to surrender the power which in certain instances belongs to the legislative branch of the Government?

Are we going to let the appointment be a Presidential appointment? I do not have in mind a particular President. It could have been Roosevelt. It could have been Truman. It could have been Eisenhower. I am trying to protect the dignity of the United States Senate. Are we going to say that anyone may be appointed to this position? Are we going to confirm a purely executive nomination, or are we going to protect the dignity of the legislative branch of the Government?

Mr. LANGER. Mr. President, will the Senator from Tennessee yield so that I may ask a question of the Senator from New Mexico, with the understanding that the Senator from Tennessee will not lose the floor?

Mr. GORE. With that understanding, I yield.

Mr. LANGER. I should like to ask the Senator from New Mexico, who has had vast experience and long service in the Senate, whether it is not true that formerly there was a great deal of crookedness and corruption, and that when a Senator went home and his constituents came to see him and complained the Senator would have to say, "I am helpless. We passed a law, and the Executive carries it out."

As a result, Congress finally passed a law which created the position of Comptroller General. It was intended that the agency be an agency of Congress. It was supposed to be an agency on which Congress could rely. The head of the agency was supposed to scrutinize closely the acts of the various departments and independent agencies. Are we not now being asked to surrender the power of Congress over the agency by confirming this nominee?

Mr. CHAVEZ. That is the point I am trying to make. I am trying to agree with the Senator from North Dakota. The agency was created by Congress. Congress wanted someone to check and scrutinize the activities and expenditures of the various Government departments and agencies. The General Accounting Office is not an Executive creation. The President of the United States did not send a message to Congress asking that the agency be created. Congress established the agency.

There have been some good administrators of that agency. Lindsay Warren, whose name has been mentioned, was one. There have been other good officials at the head of the agency. It was always understood that the General Accounting Office would be the congressional watchdogs so far as expenditures were concerned. That is what the agency was intended to be. Now, all of a sudden, we are faced with an Executive appointment, and we are asked to surrender our power.

We might as well not seek reelection in our States from now on, if we are to surrender the power over the purse strings. We might as well have only one branch of the Government, and make it all executive.

I still love my country. I still love the legislative and the executive and the judicial branches of the Government, with each of the branches performing its own functions. If that is not to be the case, we might just as well not continue to seek office in our home States.

Mr. GORE. I appreciate the comments of the distinguished and able senior Senator from New Mexico. I hold that this nominee, on the one hand, lacks the essential qualifications for the position to which he has been nominated. On the other hand, he has demonstrated and expressed a political philosophy which disqualifies him. I have referred to that political philosophy.

I now wish to discuss his lack of essential qualifications for the position. In doing so I wish to say again that my position is entirely free from personal bias toward this gentleman. I have met him. He is an affable gentleman. He is a man of qualifications. He is a gentleman who might well be qualified for some other position in the Government. However, he lacks the qualifications essential for the position of Comptroller General of the United States.

Mr. KEFAUVER. Mr. President, will the Senator from Tennessee yield?

Mr. GORE. I yield.

Mr. KEFAUVER. Before the Senator passes on from the general political philosophy of the nominee I should like to invite attention to a part of his political philosophy and ask the Senator what he thinks of it.

We know that, in the past, the Comptroller General in his watchdog capacity, has suggested or has had a so-called blacklist, of certain corporations, and has undertaken to use his influence against them when they have conducted themselves in violation of law or in such manner as to make them incompetent to handle Government business, and to prevent them from handling it. There is

quite a substantial precedent for such action in the Office of the Comptroller General. A number of companies, while not actually law violators, have conducted themselves in an improper way, and the Comptroller General has undertaken to see that they shall not have Government business.

In the National Holding Company Act Congress tried to prevent holding companies from getting together for the purpose of removing local control over electric rates and to prevent the kind of a situation which arose under Insull in the days of the old Electric Bond & Share Co.

In connection with the Dixon-Yates contract, as the Senator knows better than does anyone else, there is a bringing together of holding companies in violation of the spirit if not of the letter of the National Holding Company Act. Yet this nominee not only condoned it but was an actual participant in it. I do not know that the Comptroller General is going to furnish the people and the Congress of the United States any protection from the onslaughts and the greed of certain big holding companies in endeavoring to get together again as they did before the passage of the act, and do things which are diametrically opposed to the intent of Congress as expressed in the holding company law. When the nominee himself is a participant in allowing such a situation I do not see how his can be the proper political philosophy to protect the interests of the people and to carry out the will of Congress.

I do not know whether the Senator intends to cover that subject matter.

Mr. GORE. I had not intended to cover it, because I have sought to base my position upon two most fundamental grounds: One, that this nominee lacks the essential qualifications for the position; and two, that in his brief time in office in another position he expressed views which specifically disqualify him for this specific office.

An examination of the biographic data submitted with his nomination indicates that he has had advancement in his chosen profession, for which I applaud him. But, Mr. President, in addition to the circumstances, facts, and history which I have recited, upon which alone this nomination must, in my opinion, be rejected, the very nature of Mr. Campbell's background and experience, in addition to his political views to which I have referred, causes me to question the advisability of confirming his nomination.

It is imperative that the committee and the Senate consider the nature of the functions which the General Accounting Office was created to perform and does perform. It is much more than a simple accounting or bookkeeping function. Former Representative Cook spoke with great foresight when, in 1920, he envisioned that this position would be "something more than a bookkeeper or accountant." How prophetically he spoke, Mr. President.

The function of the General Accounting Office is now far more than that. It involves the interpretation of law. The record is replete with references to the duty of the Comptroller General to pass upon the legality of expenditures. The function of the General Accounting Office is not so much to determine how much money is spent, but how it is spent. The value of the General Accounting Office to the Congress lies to a great extent in this field in order to assure that the money is spent in accordance with the intent of Congress.

Presumably, the Bureau of the Budget can be relied upon to make a tabulation of the amounts spent so as to prohibit expenditures in excess of the total amount of appropriated funds, but the Congress does not depend upon the Bureau of the Budget to advise it upon the legality of expenditures. It is upon the General Accounting Office that Congress relies for such surveillance.

I hope my remarks will not be construed as reflecting in any way upon the accounting profession or upon those who pursue it. Accountants have an important role to play in the operations of the General Accounting Office. But in the selection of an individual to head this agency, to direct its operations, to establish its policies, and to render its decisions, I believe experience and background of a legal or legislative nature are essential. Mr. Campbell is totally lacking in experience in either field or in identity with either field.

We do not find in the law any specific requirement that the Comptroller General must be a lawyer or that he must possess legal or legislative training and experience. Over the years, however, beginning with the passage of the Budget and Accounting Act, there has been developed a concept that the Comptroller General should be thoroughly familiar and identified with the legislative processes of the Government. Since the passage of the act there have been only three Comptrollers General. The first of these, who served from 1921 until 1936, was Mr. John Raymond McCarl, who had been, when appointed, secretary to Senator Norris, of Nebraska, and had succeeded at that time to the executive secretaryship of a committee. Mr. McCarl was succeeded by the Honorable Fred Herbert Brown, who had served 6 years as a Member of the Senate. Mr. Brown was, in turn, succeeded by the Honorable Lindsay C. Warren, who for many years prior to his appointment, as I have said, was a distinguished Member of the House of Representatives. It was my privilege, pleasure, and honor to serve with him. He was a distinguished Representative. He loved the legislative branch of the Government. He was loyal to it. He held its independence essential to the liberty of his country. As Comptroller General, he resisted efforts to make the General Accounting Office subservient to the executive branch. He defended the prerogatives and the power of the office which he held. He defended and upheld the responsibility of that office to Congress. His was a record of great service to his country and his fellow men.

As a result of the knowledge possessed by these men and their loyalty to the legislative procedures of Congress, and their appreciation of the value of preserving the checks and balances as between the legislative and the executive, the policies of the General Accounting Office and its direction have been such as to insure its performance of the role intended by Congress.

Members of the Senate who are now granting me the honor of an audience have themselves resisted demands to encroach upon the General Accounting Office. Yet, though we will resist efforts to bring that office under the power of the President in reorganization bills, though we will take legislative steps to insure that the General Accounting Office will be responsible to Congress, and Congress alone, we can lose this one agency of Congress by permitting the appointment of a person to head it who is not primarily loyal to the legislative branch of the Government. We can lose the last agency of Congress, the one and only agency which is solely responsible to Congress, merely by permitting or confirming the appointment of one who is primarily loyal to the executive branch; by confirming the nomination of one who has boldly asserted that even the Atomic Energy Commission should be politically responsive to the Chief Executive.

I speak not as a partisan in this respect. Because some Members are now present in the Chamber who were not present at the time I previously made this statement, I repeat that during Democratic administrations I have resisted efforts to encroach upon the responsibility of the General Accounting Office to the legislative branch alone. I would resist the confirmation of this nomination, I believe, no matter by whom the appointee might have been nominated, for he lacks the essential qualifications of the office, and he has asserted a political philosophy which is the very antithesis of the responsibility of the position to which he has been appointed, as it was envisioned in its creation.

I do not believe that the experience and qualifications of Mr. Campbell, distinguished though his career may be, have been such as to make him uniquely fitted for the position of Comptroller General. Indeed, they tend to disqualify rather than to qualify him. His record is devoid of experience calculated to steep him in the traditions of Congress and the urgency for its independence; devoid, too, of experience in the interpretation of legislative intent, and devoid of legal training and judicial review, as well.

Not only is the nominee without these essential qualifications, but he comes directly from the executive branch of the Government, thus violating another unwritten law with respect to the position of Comptroller General that has prevailed throughout more than 30 years.

Mr. President, I respectfully submit that this nominee, against whom I raise not one word of personal criticism, against whom I have no personal enmity, is without the essential qualifications for the position; and that his nomination, under all the circumstances with which Members of the Senate are familiar, violates understandings which have surrounded this office since its creation in 1921.

The selection of Mr. Campbell, without the advice of the leaders of one or the other House of Congress, is an affront to Congress, and it will be only by the rejection of this nomination that Congress can preserve its right in the selection of the head of its own agency.

I summarize by emphasizing these points and ask the Senate not to confirm the nomination of Mr. Joseph Campbell to be Comptroller General of the United States.

Mr. ERVIN. Mr. President, I wish to commend the able exposition of views made by the distinguished junior Senator from Tennessee [Mr. GORE]. I desire to associate myself with those views.

History shows that the office of Comptroller General was created to give the legislative branch of the Federal Government an officer to supervise the expenditure of appropriations by executive departments and agencies. History shows also that it has been customary to appoint to this office persons whose experience in Government has been with the legislative branch—an experience which would insure their discharge of the duties of this highly important office from a legislative rather than from an executive viewpoint.

When we depart from this tradition and confirm the appointment as Comptroller General of one who comes from the executive branch of the Government, I think we destroy a very praiseworthy and necessary tradition and destroy in large measure the value of the office. If it is desired to make the office of Comptroller General the important arm of the legislative branch of the Government which it was designed to be, we must insist that the occupant of the office shall be one whose experience in Government identifies him with the legislative branch of the Government, otherwise we shall be reducing ourselves to the rather absurd position of having the executive supervise the executive, which was foreign to the thinking of Congress when it created this great office.

For these reasons, I concur in what the distinguished junior Senator from Tennessee has so ably said and announce that I expect to vote for the rejection of this nomination.

I do not question in any way the integrity of Mr. Campbell or his proficiency in his chosen profession as an accountant. I shall vote against the confirmation of his nomination, because of his lack of legislative experience, because of his lack of a legislative viewpoint, and because I do not believe that the office of Comptroller General can have the value it is designed to have to the Government if Congress, in effect, shall permit the executive branch of the Government to supervise itself.

Mr. GORE. Mr. President, will the Senator yield?

Mr. ERVIN. I yield.

Mr. GORE. Does not the Senator from North Carolina also think that the position of Comptroller General is of a quasi-judicial nature?

Mr. ERVIN. I do. The occupant of that office is called upon to pass on the legality of the expenditure of Federal moneys by the agencies and departments of the executive branch, and I do not see how a man can pass upon legal questions if he has had no training in the legal field. I know I have spent my life in the legal field, and I have found it most difficult to pass on many legal questions. I do not believe a man who has had no experience in such an activity is capable of doing so.

Mr. GORE. Mr. President, will the Senator yield further?

Mr. ERVIN. I yield.

Mr. GORE. I wish to thank deeply the senior Senator from North Carolina for his generous references to my efforts in this regard. I am grateful to him. Does not the Senator think that if the nomination should be confirmed a precedent would have been established which would destroy the traditions of 34 years with respect to the office of Comptroller General?

Mr. ERVIN. If the pending nomination should be confirmed, I think not only would the traditions of 34 years be destroyed, but that in a large measure the value of the office would be destroyed.

Mr. HICKENLOOPER. Mr. President, I should like to say a few words in connection with the nomination of Mr. Campbell to be Comptroller General. I realize that those who oppose his appointment are sincere. I believe they are mistaken in their viewpoints, but I am quite sure they are sincere in their opposition. I consider it to be unfortunate that a man possessing, as Mr. Campbell does, the national stature, vast experience, proficiency in his business, and a broad-gage knowledge of public and semipublic financing, should be subjected to the attacks of which he has been the object and to the charge that he is unqualified for the position of Comptroller General.

I have not known Joseph Campbell long. The very first time I ever saw him in my lifetime was on the day he appeared before the Senate section of the Joint Committee on Atomic Energy in connection with his nomination by the President to be a member of the Atomic Energy Commission. I had looked through his record somewhat prior to that time. I discussed his viewpoint with him. As a member of the Senate section of the Joint Committee on Atomic Energy, I became convinced that in his profession as an accountant, he had had a unique and unusual experience in matters of public finance, not only the accounting end, but the administration end, and legality end, so to speak.

The nomination of Mr. Campbell to be a member of the Atomic Energy Commission for a short term, which term would have expired on June 30 next, was confirmed by the Senate.

The record clearly shows that some time ago he felt that the Commission was not the most satisfactory place for him to serve, because of his experience and qualifications along other lines, and he thought it was fair that he resign at that time. As I have said, his term was to have expired on the 30th of June next, anyway. But during the year or so that he served on the Atomic Energy Commission I had considerable experience with him; and I say to you, Mr. President, that I have never come in contact with a man who created a finer impression of fundamental, basic honesty and decency, straightforwardness, and high competence, than did Joseph Campbell. He is a leader in his profession, which is that of accountancy, and of investments, mostly on behalf of educational and charitable institutions. He has had experience in interpreting law—if you please from a layman's standpoint—and of straightening out and keeping on the right track the finances of some large institutions, among them Columbia University.

I shall presently read a statement setting forth in part the experience which Mr. Campbell has had in the past; but before I do that, let me say, Mr. President, that I know of no man who is better qualified for the position in Government to which he has been nominated than is Joseph Campbell. I say that sincerely, because I believe he is uniquely and unusually well qualified for that office.

In his appearance before the Committee on Government Operations, when it was considering his nomination, he made a statement, which is incorporated in the committee report. He made that statement with respect to his background, his experience, and the things he has done. It is one of the most impressive records that a man nominated for a position can bring to a committee which is considering his appointment.

I hold no special brief for Mr. Campbell, except to testify to the high admiration which I have for him as a result of association with him and observation of his conduct.

But I say to the Senate, that if our Government wishes to have in public office qualified persons who can do the work assigned them with honesty, integrity, and ability, and can do it with the same vigor, honesty, and integrity with which they have discharged their responsibilities in private life, then Mr. Campbell ranks at the top of those who are available for public employment and public service.

Mr. Campbell has had an impressive experience. As I have said, I had no knowledge of him prior to his coming to Washington, other than perhaps to read his name in a newspaper, or something of that kind. But I desire to call attention to his experience: He is a veteran of World War I. His university education was financed entirely by scholarships which he won on his own merit. He early began in the accounting business and became assistant treasurer of the Columbia University Press. Later, he became assistant treasurer of the Columbia University Corp. For a number of years he was the director of the financial business and legal aspects of the war activities of Columbia University. I think one of the motivating reasons why he was asked to serve at least for a time on the Atomic Energy Commission was that he was the moving factor on the part of Columbia University in the negotiation of contracts for experimentation in the atomic field. In connection with those activities, he gained some knowledge of that field.

Mr. President, it will be found that over the years Mr. Campbell has had extensive experience in negotiating—on behalf of both Columbia University and others—contracts with the following Government agencies: The Air Force; in the Department of the Army, the Chemical Corps, the Corps of Engineers, the Medical Corps, the Ordnance Corps, the Quartermaster Corps, and the Signal Corps; the Atomic Energy Commission; the Bureau of Public Roads; the General Services Administration; the Civil Aeronautics Administration; the United States Coast Guard; the Commission on Organization of the Executive Branch of the Government; the Economic Cooperation Administration; the Office of Education; the Federal Housing Administration; the Federal Security Agency; the National Academy of Science; the National Advisory Committee for Aeronautics; the National Research Council; the National Science Foundation; in the Department of the Navy, the Bureau of Aeronautics, the Bureau of Personnel, the Bureau of Ships, the Bureau of Yards and Docks, the Navy Purchasing Office, the Office of Naval Research; also with the New Jersey State Highway Department; the United States Public Health Service; the Office of Scientific Research and Development; the Department of State; the State of New York; the Veterans' Administration; and the War Production Board.

Mr. President, where can another man with such extensive experience in governmental contract negotiations, which have been successfully conducted, be found today? Perhaps other such men can be found; but I submit that the list I have just read is one of the most impressive indications of experience in governmental contract-negotiation operations of any kind I have ever known, in the case of anyone who has been nominated to a position of service in the Government.

Mr. THYE. Mr. President, will the Senator from Iowa yield to me?

The PRESIDING OFFICER (Mr. SCOTT in the chair). Does the Senator from Iowa yield to the Senator from Minnesota?

Mr. HICKENLOOPER. I yield.

Mr. THYE. In reading the record, as set forth in the report, and also in listening to the Senator from Iowa refer to the outstanding record of Joseph Campbell, I cannot for the life of me understand why anyone would object to the confirmation of his nomination.

After having served in the educational field—which service has qualified him for a position requiring research and study—and also having served with so many governmental agencies, he certainly understands governmental operations.

Mr. HICKENLOOPER. Let me correct a misunderstanding the Senator from Minnesota may have. I did not say the nominee had served in all those agencies. I said he had, in connection with his representation of Columbia University and others, negotiated contracts, and seen to their supervision and performance, in the case of various governmental agencies. I did not mean to give the idea that the nominee had served in the numerous governmental agencies I listed.

Mr. THYE. I may have stated poorly my thought in that connection. What I meant to say was that he has had an excellent insight into government, as a result of having served in those various capacities and as a result of coming into contact with Federal expenditures in his educational work.

Mr. President, after having read the report, I cannot understand why there would be any objection to the confirmation of the nomination.

Therefore, I have listened with great interest to the explanation given by the Senator from Iowa of the nominee's qualifications, and I have been interested in hearing the Senator from Iowa state why in his opinion the nominee is eminently qualified to serve in the capacity of Comptroller General of the United States.

Mr. HICKENLOOPER. I thank the Senator from Minnesota.

Mr. President, before going further, I ask unanimous consent that an excerpt from the statement of Joseph Campbell, the nominee to be Comptroller General of the United States, beginning on page 2 of the hearing before the Committee on Government Operations, United States Senate, 84th Congress, 1st session, and continuing through to the bottom of page 7, be printed at this point in the RECORD, as a part of my remarks.

The PRESIDING OFFICER. Is there objection?

There being no objection, the excerpt from the hearings was ordered to be printed in the RECORD, as follows:

STATEMENT OF JOSEPH CAMPBELL, NOMINEE TO BE COMPTROLLER GENERAL OF THE UNITED STATES

Mr. CAMPBELL. Mr. Chairman, I believe that each member of the committee has a copy of the statement which I am about to read.

My purpose in preparing this statement is to disclose to you all information bearing on my appointment and relating to my past activities, including the names of the individuals with whom I have been associated during most of my working life, and the kind of business and financial transactions in which I have been involved over the years. In other words, this statement is designed to meet some important questions to which you would expect me to have the answers.

Born in New York City on March 25, 1900, I attended its elementary public schools and Townsend Harris Hall. In the spring of 1917, because of the departure of my older brothers for military service, I deferred entering college, finding instead a job as a clerk with the American Fore insurance group of New York. In August 1918 I enlisted in the United States Army as a private; I later was an acting line sergeant, and in October 1918 I was designated to attend the Field Artillery Officers' Training School at Camp Zachary Taylor, Ky. En route to that assignment on Nomember 8, 1918, I was recalled when word was received that World War I was at an end.

Upon discharge from the Army in December 1918, I worked first on the liberty loan drive then in progress; and thereafter as a messenger, later as a clerk, in the private banking firm of William H. Goadby & Co., Manhattan, until September 1919 when I entered Columbia University.

My university education was financed entirely by scholarships and loans, supplemented by earnings from teaching school and private tutoring. My early college work included principally history, government, and economics, but later I devoted most of my time to statistics, accounting, auditing, business law, and income-tax courses. I received an A. B. degree in June 1924, having lost a year due to an injury and a resulting illness.

Immediately upon graduation, I started work as a junior in the accounting house of Lingley, Baird & Dixon, its principal office being in New York City. During this period I also was the assistant treasurer of the Columbia University Press, the publishing organization associated with Columbia University. In the fall of 1926 one of the firm's clients requested loan of my service, and I then began employment with Valentine & Co., paint and varnish manufacturers, as assistant controller. Subsequently I became controller of that organization and of its parent company, the Valspar Corp. In the spring of 1931 the interest which I represented withdrew from the management, and I returned to public accounting on a full-time basis with Richard T. Lingley & Co., successor to my former employer. In the spring of 1932 I became a general partner in the firm and continued as such until June 30, 1933, when I found myself with a large enough practice to establish my own organization.

Thereafter until April 30, 1941, I was engaged solely as a partner in the firm started in 1933. We had our share of routine audit and systems work, but the larger part of my own time was devoted to special examinations, investigations, and reorganizations.

In this connection I should state that I am a registered certified public accountant of New York State and of Connecticut, as well as a member of the American Institute of Accountants and of the New York and Connecticut State Societies of Certified Public Accountants.

In the spring of 1941 the trustees of Columbia University in the city of New York, for whom I had done considerable consulting work, asked me to become the assistant treasurer of that corporation, looking toward early succession to the treasurer then on point of retirement. One of their serious problems was the approaching changeover to an intensive war research, development, and training effort for the Government. I believed I had an obligation to respond to this call on my services. I sold my practice and started with the university on May 1, 1941.

From that date to the end of World War II, my principal activity at Columbia was the direction of the financial, business, and legal aspects of its war activities. At the same time, of course, I shared with the then treasurer responsibility for the management of the endowment consisting of real estate, mortgages, and securities and for such other matters as ordinarily fall within the purview of a university financial officer.

During World War II and thereafter until I entered the Government's service on July 27, 1953, I either personally negotiated or supervised the negotiation of all of the university's contracts with the United States Government, with the State of New York, and with the city of New York. In this connection, I should point out that these agreements were without financial profit to Columbia and were entered into at the request of the Federal or State or city authorities. During this period contracts with the Federal Government totaled over 800 with aggregate appropriations of approximately $85 million and total expenditures of about $73 million. The related work was carried on at over 30 different sites in this country and abroad by a staff of about 3,000. My own staff included principally accountants, lawyers, and auditors.

Our contracts covered the following Government offices: Air Force; Department of the Army—Chemical Corps, Corps of Engineers, Medical Corps, Ordnance Corps, Quartermaster Corps, Signal Corps; Atomic Energy Commission; Bureau of Public Roads; General Services Administration (now under Deparment of Commerce); Civil Aeronautics Administration; United States Coast Guard; Commission on Organization of the Executive Branch of the Government; Economic Cooperation Administration (now Foreign Operations Administration); Office of Education; Federal Housing Administration; Federal Security Agency; National Academy of Sciences; National Advisory Committee for Aeronautics; National Research Council; National Science Foundation; Department of the Navy—Bureau of Aeronautics, Bureau of Personnel, Bureau of Ships, Bureau of Yards and Docks, Navy Purchasing Office, Office of Naval Research (formerly Office of Research and Inventions); New Jersey State Highway Department; United States Public Health Service; Office of Scientific Research and Development; Department of State; State of New York; Veterans' Administration; War Production Board.

In addition, the university performed under substantial subcontracts with industrial organizations in turn working for the Government.

Among these activities was, of course, the so-called atomic-bomb project initially under a contract with the Navy, then with the Office of Scientific Research and Development, then with the Manhattan Engineering District, and finally with the Atomic Energy Commission. Other important war activities were an extensive underwater sound research and development program, the operation of the Naval Midshipmen's School from which were graduated over 21,000 line officers, the Naval School of Military Government, and a substantial medical research effort concentrated almost entirely at the Columbia-Presbyterian Medical Center in New York City.

With the cessation of hostilities in 1945, the return to the normal educational function of the university required a reduction in Government research. To accomplish this, I, among others, advocated the transfer of the continuing major Manhattan Engineering District atomic energy research from Columbia to some associated group of interested eastern universities. I was named chairman of a committee to accomplish this end, and, as a result, the Brookhaven National Laboratory was established under the control of Associated Universities, Inc., of which I was the first treasurer.

On March 9, 1949, I was appointed treasurer of the trustees of Columbia University, and in June 1949 I became, in addition, vice president of the university.

All phases of the endowment management are the direct responsibility of the treasurer and include, among other things, all legal, maintenance, insurance, patent and accounting matters, and purchases and sales. During my active service at the Columbia University such purchases and sales of investments were approximately as follows:

In Government securities, $284 million; in all other kinds of securities, $110 million; in real estate, $19 million; in mortgages, $16 million.

In addition to my activities as university treasurer, my responsibility as vice president of the university included supervision of maintenance and construction relating to the university's academic plant, power system, athletic facilities and outlying laboratories, and the administration of nonacademic personnel matters, labor relations, purchasing, and, in general, of all affairs of a business and legal nature.

The names of the present trustees of Columbia are as follows: M. Hartley Dodge, Willard V. King, Albert W. Putnam, Thomas J. Watson, George E. Warren, Thomas I. Parkinson, John G. Jackson, George L. Harrison, Arthur Hays Sulzberger, Adrian M. Massie, Frank D. Fackenthal, Walter D. Fletcher, Douglas M. Black, William S. Paley, Robert W. Watt, Maurice T. Moore, Dr. John J. H. Keating, the Reverend John Heuss, Jr., Vermont Hatch, Grayson Kirk, Felix E. Wormser, Thomas W. Chrystie, and Lester D. Egbert.

On December 8, 1941, I became a trustee of the Central Savings Bank of New York, a mutual institution with deposits of about $380 million and about 170,000 depositors.

The other trustees of the bank are James G. Blaine, Lucius D. Clay, Cleo F. Craig, Robert A. Drysdale, Eugene Hennigson, James L. Lee, John Lowry, James A. McLain, Ralph T. Reed, Frederick M. Schall, Otto Strippel, Herbert J. Stursberg, and Louis Watjen.

The bank's committee on investments, of which I have been a member with Mr. Blaine, Mr. Drysdale, and Mr. Lee, approved, during the period of my active service (June 8, 1942, to July 27, 1953) total Government bond purchases and sales amounting approximately to $1,400,000,000, and other bond transactions totaling about $52 million.

During the period January 11, 1943, to July 27, 1953, I served continuously with Mr. Lee, Mr. Lowry, and Mr. Stursberg as a member of the bank's committee on mortgages and real estate, when we approved the purchase of 542 FHA-insured mortgage loans for about $41 million; 1,381 VA-guaranteed mortgage loans for about $13,500,000; and other loans for approximately $61 million.

During most of my active service as a trustee, I was chairman of the bank's examining committee, supervising the annual audit of the institution's affairs as required by the State banking department.

On April 28, 1950, I was elected and continue as a trustee of the Teachers Insurance and Annuity Association, a mutual insurance company with assets of $415 million, serving the staffs of approximately 650 colleges, universities, and other institutions, generally of an educational nature. The names of the other trustees of this organization are as follows: Roger Adams, H. M. Addinsell, James S. Alexander, Charles W. Cole, Ralph E. Himstead, Richard M. Hurd, John I. Kirkpatrick, Cloyd Laporte, R. McAllister Lloyd, Milton T. MacDonald, Norman A. M. MacKenzie, Joseph B. Maclean, James M. Nicely, Francis T. P. Plimpton, Earl B. Schwulst, Sumner H. Slichter, Earle S. Thompson, Franklin B. Tuttle, and Joseph H. Willits.

From April 28, 1950, until July 27, 1953, I was continuously a member of the association's committee on mortgages and real estate, the other regular members being Mr. Schwulst, Mr. Laporte, and Mr. Lloyd. Transactions approved during that period included the following investments; the amounts are approximate: FHA-insured loans, $63 million; VA-guaranteed loans, $9,500,000; conventional mortgages, $40 million; real estate, $5,600,000.

From time to time I was a member of other committees of this organization.

In addition to these two principal activities outside the university, I serve as a director—without committee assignment—of the American Re-Insurance Co. and the American Reserve Insurance Co. to which boards I was elected on January 28, 1942, and February 23, 1950, respectively. In the past I was a director of the Lincoln Building Corp. and the McComb Estate Corp. Otherwise my corporate connections have, or have had, to do with my Columbia office or family responsibilities.

At present I am acting as trustee of certain trusts as a result of personal relationships or in connection with my university work.

In public service, I am a life trustee of Trinity College, Hartford, Conn., a member of the committee on education of the New York State Chamber of Commerce, a trustee of the Manhattanville Neighborhood Center, and of the House of the Holy Comforter, both of New York City, and for some years was the treasurer and a director of the Alumni Federation of Columbia University.

As a consultant to the Department of Defense, I was a member, during 1951 and 1952, of that Department's Committee on Contracts With Educational Institutions; and during 1952 and 1953, a member of its Commission on Hazardous Duty and Incentive Pays for the Armed Services. I was sworn in as a member of the United States Atomic Energy Commission on July 27, 1953, for an unexpired term ending June 30, 1955.

After a year with the Commission, I became convinced that my particular experience and abilities could be better applied to Columbia and the other activities to which I have referred. Accordingly, I advised the President that I wished to leave the Commission on or before November 30, 1954. He then asked me to accept my present post, subject to Senate confirmation. I took office as Comptroller General of the United States on December 14, 1954, by recess appointment.

In this connection I should like to draw your attention to the circumstances leading up to this appointment.

During the past summer I reached the conclusion that it would be best if I returned to private life as soon as possible—preferably by early fall. I did not have an opportunity to discuss this directly with the President until September 20 when I tendered my resignation as a member of the Atomic Energy Commission. Whereupon the President asked that I consider the Comptroller General post. Since he had not previously intimated that this request would be made of me, it was not until September 30 that I was able to reach a decision and, on that day, I accepted.

In the few brief discussions I have had in this matter, prior to and since my appointment, neither the President nor any member of his staff has sought or has received my views, nor have they expressed to me their views, with respect to the Office of the Comptroller General or to the organization and operation of the General Accounting Office.

If I may, I wish now to give you this first expression of my concept of the place of the Comptroller General and the General Accounting Office in our system of government

Anyone engaging in public accounting or in certain kinds of legal work must have a general understanding of the organization and methods of the General Accounting Office. This was my experience during the period from 1924 to 1941. Thereafter, when with Columbia, in devoting the greater part of my time to Government matters, it was even more essential for me to be informed of not only the day-to-day decisions of the Comptroller General, but also to understand the particular function of the General Accounting Office in contracting and operating arrangements.

As a result, I came to my present Office with a wholesome regard for its staff, its procedures, and its integrity. In my opinion, this agency of the Congress today commands the high respect of the business community and the confidence of the public.

During recent weeks I have been reviewing the history of the General Accounting Office and its relationship to the legislative and executive branches of the Government. While there undoubtedly are views to the contrary, I personally am clear in my own mind that in enacting the Budget and Accounting Act of 1921, the Congress intended that this Office be the agent of the Congress and a part of the legislative branch of the Government. There has been considerable discussion on this point over the years by students of government; nevertheless, the Congress emphasized upon enactment of the Reorganization Acts of 1945 and 1949, and

again at the time of enactment of the Budget and Accounting Procedures Act of 1950, that the General Accounting Office is a part of the legislative branch. I believe that it is the only proper status for the Office, if it is, in fact, to be an independent agency of the Congress.

It cannot be under the control of, or responsible to, either the President or the executive branch. To be effective in discharging the functions imposed upon them by law, the Comptroller General and the General Accounting Office must remain responsible to the Congress. At the same time, it must be recognized that the Office has a duty to cooperate with the executive branch to improve accounting, auditing, and financial reporting throughout the Government, as well as to work closely with the executive branch on other matters to improve economy and efficiency in Government operations.

The Comptroller General must be completely nonpartisan in his work. His reports to the Congress and others must be factual and fair. There must be a full disclosure of all matters, letting the chips fall where they may. It is the duty of the Comptroller General to enforce strictly the laws enacted by the Congress insofar as they relate to financial matters. If such enacted laws are either difficult of compliance from an administrative viewpoint or result in inequities, it is obviously the responsibility of the Congress to make whatever changes it may deem necessary. It, of course, is not within the power of the Comptroller General to modify a law by interpretation.

As the agent of the Congress, it is the responsibility of the Comptroller General, with the General Accounting Office, to render all possible service to the Congress and its committees in the form of reports and assistance. I understand this function was developed extensively during the past 10 years by my esteemed predecessor. It would be my intention to continue to emphasize and to develop this phase of the organization's function.

The CHAIRMAN. That concludes your prepared statement, Mr. Campbell?

Mr. CAMPBELL. Yes, sir.

Mr. GORE. Mr. President, will the Senator from Iowa yield to me?

Mr. HICKENLOOPER. I yield.

Mr. GORE. I appreciate the generous remarks of the able senior Senator from Iowa, in saying that he concedes that those of us who oppose confirmation of the nomination are sincere.

Mr. HICKENLOOPER. I know the Senator from Tennessee is sincere, although I happen to disagree with him. That, however, does not go to the question of the distinguished Senator's sincerity.

Mr. GORE. I was about to add that that remark is typical of the Senator from Iowa. He is always generous in conceding to his fellow Senators the sincerity of their views; he always takes that position. I appreciate it, and I wish to say that I enjoy working with the distinguished Senator from Iowa.

I, too, conceded, in the course of my remarks, that Mr. Campbell has had a distinguished career. For that, I applaud him. However, the experience he has had would not, I take it, qualify him—according to the view of the senior Senator from Iowa—for appointment to the United States Supreme Court.

Mr. HICKENLOOPER. If I may answer the Senator from Tennessee, I shall not refer to any appointments of individuals at any time to the Supreme Court, but I will say that there are persons who have been proposed for appointment to the Supreme Court of the United States who I thought were not qualified; and from the standpoint of judgment, commonsense, and interpretative ability, I would say that Joe Campbell would be far better qualified to serve the country on the Supreme Court of the United States, even though he is not a lawyer, than would some persons who have been proposed, but have not been appointed to that Court. In that connection, I refer to no one who has been appointed to the Court.

Mr. GORE. Mr. President, will the Senator yield?

Mr. HICKENLOOPER. I yield.

Mr. GORE. That may well be. I brought up that question only because I have previously said that there are positions in the Government with respect to which I would gladly support the nomination of Mr. Campbell; but there are positions in the Government for which I believe he lacks the essential qualifications.

I appreciate the courtesy of the Senator in yielding to me.

Mr. HICKENLOOPER. I appreciate the Senator's view, and I respect his view. He is sincere. I am not attempting to do anything to detract from his position. As I stated a moment ago, frankly, I happen to disagree with him, but I think we can disagree without difficulty.

I wish to discuss for a moment the question of legal training. Much has been made of the fact that Mr. Campbell is not a trained lawyer, that he does not possess a law degree. However, I suggest that during the past 30 years his experience as an accountant and a layman qualifies him for this position. Today accountants appear before boards and bureaus of the Government in connection with delicate and technical legal matters. They are not admitted to the practice of law, as a rule, but they are acknowledged to possess the ability to deal with legal questions. They have a knowledge of the legal phases of their profession which entitles them to appear as advocates on behalf of clients before boards and bureaus of the Government.

When the criticism is made that Mr. Campbell is not a lawyer, I reply that the most momentous decisions in the world today are made by the President of the United States. They involve most serious and fundamental legal problems; and yet the President of the United States is not a lawyer and does not claim to be a lawyer. He is a man of judgment. He is a man capable of listening to advice from skilled technical and professional advisers, and acting upon the advice which he receives, but he is not a lawyer.

The Secretary of the Navy does not have to be a lawyer, but he must pass upon contracts. He takes the advice of the technically able counselors in his Department.

The number of contracts which the Atomic Energy Commission enters into each year runs into literally hundreds of thousands, yet no member of the Atomic Energy Commission at this time is a lawyer. Nor is it thought absolutely essential that any member be a lawyer. There are many scores, if not hundreds, of lawyers on the staff.

There are between 100 and 150 lawyers in the General Accounting Office. The Deputy Comptroller General is a lawyer. With between 100 and 150 lawyers in the agency, if the necessary technical and legal advice is not available to the Comptroller General, I do not know how it could be obtained.

Today there is no man living who could head one of the vast departments of Government and personally pass upon the legal problems which arise almost every minute. No one has the capacity to do it.

The heads of the great industries of this country, whose very business life depends upon the legality of the performance of their contracts, in many cases are not lawyers. It does not require a lawyer to be the head of a departmental agency. Every agency of the Government is involved every day in the interpretation and application of legal principles to the business of government. There are lawyers on the staffs of the various departments to advise the heads of those departments.

Let us get back to the Atomic Energy Commission. Probably there is no more vital scientific, technical, and production agency in Government today than the Atomic Energy Commission, with all its activities. Yet it does not require a man highly schooled in science, engineering, or anything else, to be a good Commissioner. I think it is well to recognize some of the various branches of our economy on that Commission, but it is not essential, because in the scientific field there is a general advisory committee, consisting of the top scientists of the country, to advise the Commission, which is a commission of laymen. The members of the Commission must make up their minds based upon good commonsense and sound judgment.

Today there is not an engineer on the Commission; and none is necessary. I would not object to a member of the Commission being an engineer if I thought he had commonsense as well as engineering training in the particular category. But it is not essential, because there are technical boards of engineers to give advice in that field.

So it is with the General Accounting Office. A man who knows finance, who knows the operations incident to the expenditure of public funds, needs only commonsense and a willingness to take advantage of the technical advice in fields in which he is not technically trained. In effect, our great universities are public bodies, so far as concerns their investments and their operations. A man who is familiar with such operations, and who has had broad experience with government, needs only commonsense to avail himself of the technical advice in fields with which he is not familiar.

If the Comptroller General undertakes to inspect procedures involving the expenditure of funds in the Navy Department, must he know navigation? Must he know how to operate a zonar set? Must he know how to fire electronically the big guns?

If he goes into the Air Force to inspect the application of public moneys appropriated to the Air Force, must he know how to fly a jet fighter? It seems to me that the fallacy of the argument, with all due respect to those who advance it, that because he does not happen to be a lawyer he is disqualified for this position, must be patent.

We need a man of consistent courage, ability, and honesty. Not a word of aspersion against the honesty or integrity of this man has been uttered on the floor, and I am quite sure that Senators who object to his nomination have no thought of impugning his integrity or honesty.

The distinguished Senator from Tennessee [Mr. GORE], who spoke against the confirmation of this nomination, affirmatively reiterated that point; and he is sincere. It has been affirmatively admitted on the floor of the Senate by the opponents of Mr. Campbell's nomination that he is a man of great ability and experience.

We next come to the argument that he will not represent the interests of the Congress of the United States. Again I say that I do not wish to create the impression or leave the connotation that I believe that those who object to him on that ground are impugning his integrity, because I do not think they mean to do so. However, in effect, when the charge is made that Joseph Campbell, whose honor has not been impugned, and who, through every acquaintance he ever made, can produce testimony that his integrity is inviolate, if he assumes the obligations of this office will not discharge the duties of the office sincerely, honestly, and decently in the interest of the Congress, those who make the charge in fact, impugn his honor and integrity.

Again I say that I am utterly certain that those who use that argument have no intention whatsoever of attempting to create that impression. But that is the effect of it. They say, "Here is a man who is admittedly honest now but if he assumes the responsibilities and obligations of public service, he will not discharge them honestly and in contemplation of law."

If that is not an imputation against the honor and integrity of an individual, who otherwise has never had his honor and integrity impugned, then I do not know what it is.

I cannot repeat too often that I do not believe the argument is used for that purpose at all. However, it has that implication. That is the interpretation that could be put on such a statement.

Let us now consider the argument that this is an Executive appointment. The law itself prescribes how the Comptroller General shall be nominated and appointed. The law says that the President shall appoint the Comptroller General, with the advice and consent of the Senate. That is, technically, the President nominates the Comptroller General, and the Senate advises and consents to his appointment, as in other cases of Executive appointments.

Therefore, the statute passed by Congress provides that the President shall nominate the Comptroller General and appoint him by and with the advice and consent of the Senate. Has there been any deviation from that practice in this instance?

The argument is made that Congress should have something to say about it initially. There is nothing in the law that so provides. What mechanism has been created whereby Congress can name the Comptroller General? None whatever.

Is it to be argued that a couple of leaders on each side of the aisle in the Senate shall get together and name the Comptroller General and the President shall appoint the person they agree upon? I do not happen to be in that leadership. However, I have something to say about such an appointment, as does every other Member on both sides of the aisle.

The Librarian of Congress is supposed to be a servant of Congress. Yet the law provides that he shall be nominated by the President of the United States.

These questions have been discussed and the same arguments have been advanced heretofore, but they have always been discarded as unworkable and impracticable. Are we to have a caucus in the Senate of Repulbican Members and a caucus of Democratic Members? Are we to have a caucus in the House of Representatives of the Republican Representatives and a caucus of the Democratic Representatives?

Are we to run teams of candidates for these offices? Are we to select candidates whom the President shall appoint? I think not. I believe no one will argue for that kind of procedure or contend that that should be done.

The responsibility for nominations rests with the President. The responsibility for advising and consenting rests with the Senate. Thereafter the President may appoint.

Certainly the Comptroller General is a servant and agent of the Congress and of the interests of the public in seeing to it that public moneys are properly expended.

I wish to suggest that the questions which have been raised with reference to the Comptroller General are not new questions. The question of providing proper safeguards for the administration of public funds is not something which has come into existence during the past 20 or 30 years. It goes back to the 12th or 13th century. Quite a history of it has been compiled by the Chief of Investigations of the General Accounting Office.

I ask unanimous consent to have printed in the RECORD at this point in my remarks an address entitled "The Power of the Purse," delivered by Mr. W. L. Ellis, Chief of Investigations of the General Accounting Office, at the Hillsdale (Mich.) College annual alumni dinner in 1954. It is a succinct and very lucid discussion of the historic background and development of what we now call the comptroller system of public finance in our Government and in the government of England.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

THE POWER OF THE PURSE

(Speech by W. L. Ellis, Chief of Investigations of the U. S. General Accounting Office, at the Hillsdale (Mich.) College annual alumni dinner, 1954)

When we speak of the power of the purse, we mean the control by Congress on the amount and purposes of the spending of the public's money. It is our doctrine that this is Congress' first business, the one real power upon which all other legislative work depends for its effectiveness—the one which most directly benefits you as a citizen and a taxpayer if it is used well, and most severely hurts everyone if it is used badly. In fact, the view is held that the control of public funds historically is the basic reason we have a representative legislature as an inherent institution of a free government.

The function we are talking about did not spring full-blown from the mind of the lawgiver. It became settled only after centuries of internecine conflict, some of it very bitter indeed. Our system being modeled very closely after the English system, with which the framers were familiar, let us refer for a moment to what it was.

Through the centuries of the Middle Ages no problem arose on what could or should be done with the sovereign revenue, with perhaps 1 or 2 untypical exceptions. The first form of English appropriation is understood to have been authorized in 1348 for the defense against the Scots, and in 1353 for the furtherance of the border wars then in progress. Again, when Henry IV was asked to render accounts of the extraordinary supply voted him for military use, his answer was, "Kings do not render accounts." But these efforts were the exceptions; and the reason is this: There was no treasury apart from the King's own purse. His ordinary expenses of government were paid from the revenues of his private lands and feudal rights. When further and extraordinary aids were voted him by the barons, and later by Parliament, they became the King's funds, subject only to the royal prerogative. It is true that certain reference can be found in Magna Carta to the already felt doctrine that taxation without common consent is illegal, a doctrine restated in the Petition of Right in 1628, and finally affirmed in the Bill of Rights later in that same century.

But parliamentary control of the spending of the royal revenue, as distinguished from raising it, is the story of the 17th century—the years of revolution in the mother country. Under the Tudor kings, Parliament hardly dared to meddle with such matters, but the stronger Parliament of 1624 set a precedent in an appropriation for extraordinary supplies that the money should be paid not to the King or to the Chancellor of the Exchequer but into the hands of commissioners named by the Parliament. This happened again in 1641 and during the interregnum it became an easy and comfortable adjustment to have the national finances managed by a parliamentary committee. Five years later, when a very large sum was needed for the Dutch war, a clause inserted in the bill called for the money to be spent only for the purposes of that war. After the revolution of 1689 and with the great powers dedicated to Parliament by the declaration of rights and the bill of rights, a simple insertion in the law, limiting the money voted to the purpose for which appropriated, became the custom and then the rule. Under the same influence came the new limit on the size of the standing army, and the statute necessary to furnish it with funds and provisions was carefully limited to an annual vote, good for 1 year only. Per-

haps that background is why it is said: "In fact, most scholars are now agreed that, although the knights and the burgesses could be useful to the King in acting as his agents and giving occasional advice on matters of importance to local government, the Crown's need of money was the most immediate reason for summoning representatives of the counties and towns to Parliament."

In brief, what called Parliament together from time to time at the King's writ was his need for money; what Parliament did to make its voice effective was to enact a control not merely on the raising of money but on its spending.

With that background, it is not surprising that the English colonists in the New World, in their colonial assemblies, used effectively the power of the purse in their struggle for power with the royal governors. A writer named Charles Bullock says:

"Nothing stands out with greater distinctness than the persistence and success with which the colonists insisted upon the right of their legislative assemblies to direct their finances. This side of colonial history is so familiar that we can assume the facts of the separation of powers and the establishment of legislative control of the finances."

I think also that background explains why the basic provision in the Constitution on this subject was adopted with so little controversy. I could not find it even mentioned in the Federalist papers. What the Constitution says, very simply, is this: "No money shall be drawn from the Treasury, but in consequence of appropriations made by law."

Now, to give force to this generality, Congress, over a hundred years ago, supplemented the Constitution by a series of statutes providing:

First. All money received from any source for the use of the Government must be deposited into the Treasury.

Second. Once appropriated by the Congress, the public funds may be used only for the purposes for which appropriated.

Third. Except in the case of supplies for the soldiers, no contract may be made to bind the Treasury unless—according to the neat language of that time—it is under "an appropriation adequate to its fulfillment."

Fourth. No Department may expend more than the amount appropriated for the current year.

To carry out the system of controls so provided, the primary machinery, of course, is the President's budgetary program and the annual Congressional review and passage of the money bills. The latter responsibility falls almost entirely upon a most hardworking and effective branch of the Congress, namely, the Appropriations Committees. Their hearings are continuous, long, and arduous. Their staple diet is the book of estimates, a mass of tedious figures. Their work is quite without glamor—their meetings without publicity. It is not for them to receive acclaim by raising estimates and granting benevolences. Rather, theirs is the unpopular task to cut down, to deny, to withdraw, to refuse—sometimes at great political risk—the enormous pressures of the interested groups, and most of all the spending department, whose plea it is that the pillars of the Republic will fall if their budget is cut.

The great change in recent years in the appropriation process is the shift from specific detailed appropriations of relatively small amounts to broadly worded provision of general funds in large amounts, often hundreds of millions of dollars, for a single purpose—such as projects for rural rehabilitation, loans for public works, and the like. This leaves to the President and the departments much of the policy on how the money is to be spent and for what. In turn, this calls for a great improvement in another legislative function, namely, the oversight or surveillance of administration. This may happen through committee hearings and investigations, through appropriation cuts the following year, and finally through our own work in the General Accounting Office, which is a part of the legislative branch and exists—in short terms—to try to see that the Government's fiscal business gets run right.

The first of these methods of congressional surveillance is the investigation process of the Congress itself or its committees. That story is a long one, and you will be relieved to hear that it must await another occasion. But it may be of interest to remind you that the earliest congressional investigation, in 1792, related to the spending of public money in this area (Michigan) and it examined into the military expedition of General St. Clair into the Northwest Territory, and into charges of waste, mismanagement, and failure.

The Government's accounting office has been in business since 1789 but under different names and always subject to the direction of the Secretary of the Treasury until 1921. During those years, what can be described as "a paper audit" was thought to be enough; that is, an examination of the papers and vouchers submitted to justify the expenditure of funds, on the presumption that the vouchers truly stated the facts. No deficiencies were felt in that form of check-up.

In the great budgetary reform of 1921 which resulted from a study set up by President Taft, and from the hard lessons of the war years, the accounting office was removed from the executive branch, put under a new officer, the Comptroller General of the United States, who though named by the President is subject to dismissal only by joint resolution of the Congress and whose work is not subject to the direction of any other officer. Accounting and auditing activities, further strengthened by the act of 1950, are directed ultimately toward (a) assisting departments and agencies in meeting their express responsibilities for the establishment of appropriate and meaningful accounting systems and (b) comprehensive analyses of agency operations to determine the extent to which accounting and related financial reporting provide the needs of both Congress and management and an effective control over Government assets.

For the first time, too, the act of 1921 tells us to investigate, at the seat of Government or elsewhere, all matters relating to the receipt, disbursement, and application of public funds. We are told to dig out the facts. When an investigation is required, our Office of Investigations is called in. We have a small staff located at 30 different points in this country and 3 points in Europe; and we have a few investigators covering the Far East on travel assignment.

The subject matters investigated are limited only by the broad generality of the language quoted above. For example, they may cover allegations of wasteful and extravagant procedures and expenditures; departmental activities not authorized by the law; failure to collect sums due the Government or the use of collections without authority; fraudulent or otherwise irregular purchases; excess spending for property and equipment; manifest overstaffing; unauthorized facilities; unnecessary, ineffective, or overlapping activities; undercharges for services supplied and sold; dissipation of property through neglect; unjustified allowances granted; or any other erroneous condition reflecting inattention to the public interest. We may examine into the purpose for which money was spent or the method by which it was used, and specific findings in one area may lead to widespread investigation of similar matters in other areas and agencies.

The results of this work are sent in the form of reports to the departments whose job it is to do something about them and, when necessary or requested, the reports may be sent to the Congress or the committees, where they very frequently form the basis of congressional hearings. Some few specific examples are briefed in the Comptroller General's annual report to Congress, such as our reports on PMA grain warehouse losses and defalcations, veterans' training under the GI bill, extravagant construction of housing for foreign service employees in Germany, dual staffing in military and civilian positions, year-end procurement to obligate available funds, and timber sale practices in the national forests and public lands.

Mr. CARLSON. Mr. President, will the Senator yield?

Mr. HICKENLOOPER. I yield.

Mr. CARLSON. I am interested in the statement of the distinguished Senator from Ohio with regard to this nomination and with reference to the fact that the General Accounting Office is an agent of the legislative branch of the Government. I was interested, in that connection, to read the statement Mr. Campbell made on that point to the committee:

> While there undoubtedly are views to the contrary, I personally am clear in my own mind that in enacting the Budget and Accounting Act of 1921, the Congress intended that this office be the agent of the Congress and a part of the legislative branch of the Government.

It seems to me that statement clarifies the situation. It makes it clear that Mr. Campbell feels the position is not a part of the executive or any other branch of the Government, except the legislative branch.

Mr. HICKENLOOPER. I thank the Senator from Kansas. I had no intention to discuss this subject at such great length. I shall conclude my remarks by referring to the suggestion made this afternoon that Mr. Campbell has had no experience in the administration of the legislative interests of the Government.

Let me say that if that argument were valid, then no human being in the United States could run for the United States Senate for the first time, because he would have had no previous experience in the Senate.

No lawyer, regardless of how successful he might be in the practice of law, could be placed on the bench of his State or on the Federal bench, if he had never been a judge, because he would have had no experience as a judge.

In public office 2 or 3 requirements are essential. One is the realization that a public office is a public trust. In keeping with that realization, another requirement is an inviolate integrity on the part of the incumbent. I would consider a most desirable and essential requirement, ability. If I had to differentiate among these qualifications, I would probably put ability third, because, in my opinion, the realization that a public office is a public trust and the inviolate integrity of an individual are the fundamental essentials. We can usually find the ability that goes along with those two qualifications.

In this case I am convinced, from association with this man, that he has a full realization that a public office

is a public trust and that he knows that the Comptroller General is a servant of the Congress whose duty it is to assure the proper application of the funds which the representatives of the people vote for their Government. I am also convinced that Mr. Campbell is a man of the highest integrity, because not only has no one questioned it, but the record is replete with testimony as to his integrity. Furthermore, his ability and experience cannot be questioned.

Mr. President, I regret that there are some who sincerely and genuinely feel they must object to this appointment. I thoroughly disagree that they have any grounds upon which to object, either on the basis of integrity or ability or a realization on the nominee's part that the position of Comptroller General is primarily one of service to the Congress in supervising the application of the funds appropriated by the Congress. I feel it is an appointment worthy of the high requirements of the office. Probably in connection with no appointment or very few is there unanimity of opinion. Some people may honestly in their own minds disagree. In this case I consider that the appointment is one of which the Congress will eventually be proud—that of a man who will serve in the highest traditions of the Office and will discharge the duties of the Office with high integrity, great ability, and a deep sense of responsibility.

Mr. BENDER. Mr. President, I shall not detain the Senate very long in speaking with reference to this appointment. But I wish to emphasize 2 or 3 points because of my close experience with the Comptroller General's office.

Before I became a Member of this body I was a member of the other body for 14 years, and during that time I served on the House Committee on Government Operations. During that time on three occasions, I was chairman of a subcommittee which worked very closely with the office of the Comptroller General. No one had greater respect for the immediate predecessor of Mr. Campbell than did I. Lindsay Warren was indeed a fine man who endeavored to do, and did do, a good job.

The question of politics was brought up in the discussion by the distinguished junior Senator from Tennessee and in the colloquy which took place between him and the senior Senator from North Carolina [Mr. ERVIN].

Mr. Campbell may have made rather remotely some mention of politics in a letter.

There have been only three Comptrollers General before Mr. Campbell. The first was J. Raymond McCarl. Among the things listed in Mr. McCarl's biography is the fact that he was executive secretary of the National Republican Congressional Committee. So, obviously, he had some political contact, and he was formerly private secretary to the late great Senator George Norris.

Mr. HICKENLOOPER. Mr. President, will the Senator from Ohio yield?

Mr. BENDER. I yield.

Mr. HICKENLOOPER. If the Senator will permit me, I am aware of the statement referred to a while ago to the effect that Mr. Campbell said there should be political responsibility to the President on the part of the Atomic Energy Commission. I am familiar with that statement. I think I understand its connotation. I believe he meant that this is a political government, not a Republican or a Democratic government, and that the responsibility for a political government in its administration must necessarily from time to time head up with the chief executive officer of the Government, who is the President, and that an administrative department should have, in the broadest sense of the word, political responsibility, that it should not be an agency running all over the map on projects of its own, but should be coordinated with the administrative program and administrative accomplishments. I think it was in the broadest possible sense that Mr. Campbell used the word "political."

Mr. BENDER. I am very grateful to the Senator for his comment and for emphasizing what was in Mr. Campbell's mind when he wrote the letter to which reference has been made.

I wish to say, further, that the second Comptroller General, Fred Herbert Brown, was a Presidential elector on the Democratic ticket of Wilson and Marshall. So, obviously, he was versed in the ways of politics.

I know his predecessor, Mr. McCarl, was an active partisan. Mr. McCarl was a Republican and Mr. Brown was a Democrat.

Mr. Lindsay Warren had vast political experience. He was a delegate to the Democratic national conventions in 1932 and 1940. He was chairman of the State conventions in 1930 and 1934, and was temporary chairman and keynoter——

Mr. LANGER. Mr. President, will the Senator from Ohio yield?

Mr. BENDER. I yield.

Mr. LANGER. Does the Senator refer to national conventions?

Mr. BENDER State conventions in his home State of North Carolina. These men were active in their own parties, but that did not influence one iota their service in the important position of Comptroller General. Lindsay Warren did an excellent job, even though he was an active Democrat and an active partisan. He performed his duties extremely well, although in a few instances he made some mistakes. In the 80th Congress I was chairman of a committee which investigated the Comptroller General's office. I am sure Lindsay Warren would be the first to agree with my statement that in the General Accounting Office things were going on which were not altogether businesslike. The committee was not a headline-hunting committee. It was a committee which had in its membership the now majority leader of the House of Representatives, JOHN MCCORMACK, and several other eminent Representatives. We discussed the accounting methods of the Comptroller General's Office and brought about many reforms in that Office.

So even so good a man as was Lindsay Warren made some mistakes during his tenure of office.

It has been emphasized that the Comptroller General's Office is an agency of the Congress. It is. The Comptroller General is directly responsible to the Congress. But the fact that the nominee is a businessman and a certified public accountant should not militate against him, particularly when it is recognized that accounting has much to do with the position to which he has been appointed.

The fact that he was confirmed by this body to serve on the Atomic Energy Commission, which is highly important so far as the national welfare is concerned, certainly should not militate against him.

No one questions his integrity; no one questions any aspect of his official work as a servant of Columbia University or of his contacts with the Federal Government and Federal agencies. The office of Comptroller General requires a man who has had business experience. If a nominee for this office had been a delegate to a Democratic or a Republican convention it certainly should not militate against him. But that is not true in this case. Mr. Campbell, so far as I know, has not been active politically. In fact, that is one thing I hold against him. I like people who are active in politics.

Mr. LANGER. Mr. President, will the Senator from Ohio yield?

Mr. BENDER. I yield.

Mr. LANGER. He has been much less of a politician than have his predecessors; is not that correct?

Mr. BENDER. Yes.

Mr. LANGER. He has not mixed in politics at all until he received this appointment.

Mr. BENDER. That is my impression.

Mr. LANGER. Which may be a very good thing.

Mr. BENDER. I think so. It may be an advantage not to have been active in any political organization, since he will occupy a position as the watchdog of the Treasury for the Congress of the United States.

Mr. LANGER. In examining the proceedings held before the Committee on Government Operations, I was impressed by the fact that Columbia University is one of the largest universities in the world.

Mr. BENDER. The Senator is absolutely correct.

Mr. LANGER. My recollection is that Columbia owns some of the very finest property in New York City, property which occupies 4 or 5 blocks. Rockefeller Center, I believe, is located on some of the property of Columbia University.

Mr. BENDER. The Senator is correct.

Mr. LANGER. It probably receives revenue amounting to millions of dollars annually.

Mr. BENDER. I appreciate the observation of my good friend from North Dakota.

Mr. LANGER. Certainly a few years ago it was the largest university in the United States.

Mr. BENDER. That is correct.

Mr. LANGER. Does the Senator from Ohio know of any time when there was

any scandal connected with the administrative or financial affairs of Columbia University, with which Mr. Campbell was connected?

Mr. BENDER. Having been a member of the Committee on Government Operations, which passed upon Mr. Campbell's qualifications, I can say there is nothing in his record, private, official, or in any other way, which indicates that he is anything but an honorable gentleman, who is highly qualified to perform this very important service for the United States Congress and the taxpayers.

Mr. LANGER. Moreover, Mr. Campbell is a certified public accountant, is he not?

Mr. BENDER. He is a certified public accountant, which certainly should not militate against him in the consideration by the Senate of his nomination.

Mr. THYE. Mr. President, will the Senator yield?

Mr. BENDER. I yield.

Mr. THYE. To be qualified to serve as Comptroller General, one would need to be a certified public accountant just as much as he would need to be a good administrator, would he not?

Mr. BENDER. The Senator is 100 percent correct.

Mr. THYE. In order that the Comptroller General may be enabled to understand the field of investigational work in connection with the appropriation and expenditure of public funds he must be a certified public accountant. If he has that qualification, the legal aspects of the position can be studied and acquired later.

I think the person whose nomination is before the Senate for confirmation, Mr. Joseph Campbell, has the qualifications which can assure Congress that he is eminently fitted to examine and determine whether funds which have been authorized and appropriated by Congress have been properly expended.

Mr. BENDER. I appreciate the observation of the distinguished senior Senator from Minnesota. I have no quarrel with lawyers. I think the Government and the Senate need lawyers.

Mr. LANGER. The Senate needs farmers, too.

Mr. BENDER. The membership of the Senate comprises good farmers, good lawyers, and good businessmen.

Mr. LANGER. I understand that for many years Columbia University has conducted a course in business administration in its School of Business.

Mr. BENDER. I may say to my good friend from North Dakota that Columbia University has one of the outstanding business schools in the world.

Mr. LANGER. It is my understanding, further, that there have been thousands of graduates from the Columbia University School of Business.

Mr. BENDER. That is true; and they comprise many persons who now occupy some of the outstanding positions in Government and the business world.

Mr. LANGER. My understanding, further, is that the Columbia University School of Business is closely allied with the Harvard University School of Business.

Mr. BENDER. That is exactly correct; there has been a very close relationship between the two schools for many decades.

Mr. LANGER. It is further my understanding that the board of trustees of Columbia University is comprised of persons of outstanding business experience.

Mr. BENDER. The Senator is exactly correct.

Mr. LANGER. So when the university was searching for an assiistant treasurer, the trustees of Columbia, most of whom, I assume, were residents of New York, and had had an opportunity to observe the thousands upon thousands of graduates of their business school, were able to select from among those persons one who would make a good assistant treasurer, and they selected Mr. Campbell.

Mr. BENDER. I am certain that the observation made by the Senator from North Dakota is entirely in order, and I appreciate his contribution.

Mr. LANGER. As I understand, when he was appointed assistant treasurer, it was with the understanding that his predecessor planned to resign in a short time and that Mr. Campbell would succeed him as treasurer.

Mr. BENDER. That is correct.

Mr. LANGER. When that time came, the board of trustees, who are businessmen, and had the advantage of being intimately acquainted with thousands upon thousands of other good businessmen, did not even select one of the graduates of the Columbia University School of Business; instead, they picked Mr. Campbell because of his very outstanding record as a business administrator.

Mr. BENDER. There is no question about his ability. As a matter of fact, I believe the President of the United States could not have selected, from anywhere in the country, a person better qualified and equipped for this particular position.

As I have said, while I was a member of the House Committee on Government Operations, I had close contact with the Office of the Comptroller General. I know something about the operations of the Office and of the qualifications which are necessary for a person to head that Office and to do a good job.

I feel certain that Members of Congress in both Houses will be proud of the decision which I hope the Senate will make today to confirm the nomination of Joseph Campbell.

Mr. LANGER. Mr. President, will the Senator further yield?

Mr. BENDER. I have finished.

Mr. LANGER. I would not concede for a moment that Mr. Campbell is the best person who could have been selected for the position because I know there are many other persons, in Maine, North Dakota, Ohio, and other States, who could fulfill the requirements of the office of Comptroller General. I would not say that Mr. Campbell is the best person who could have been nominated, but certainly, based on the record, it seems that he is an outstanding man—one who will do a very good job.

Mr. BENDER. I appreciate sincerely the contribution of the Senator from North Dakota.

I hope and trust that the Senate will act immediately to confirm the nomination, and I hope that even my friend the distinguished junior Senator from Tennessee [Mr. GORE] will leave the mourners' bench and join with us in doing this good work.

Mr. PAYNE. Mr. President, I intend to speak for only a very few minutes, and I do so because the question has been raised as to the qualifications of Joseph Campbell, whose nomination for the office of Comptroller General is under consideration by this body.

If we were to undertake to follow the criterion suggested by one of the speakers today as the basis upon which the office of Comptroller General should be filled, then we would bar from that office three Members of this body, I can think of at the moment, who probably possess the greatest knowledge concerning the interpretation of appropriation acts and the manner in which the moneys of the Government should be expended so as to express the will of the Congress. I refer to three Senators who are not lawyers, and who would not qualify in that respect. One of them is my distinguished friend, the senior Senator from New Hampshire [Mr. BRIDGES]. Another is the distinguished senior Senator from Virginia [Mr. BYRD]. Another is the distinguished senior Senator from Arizona [Mr. HAYDEN]. All three of them have played very important parts in handling matters before the Appropriations Committee. Yet they are neither accountants nor lawyers.

Mr. President, my reason for speaking, briefly, is that I think I do have some knowledge of the qualifications needed for the particular office under discussion. It so happens that I have been privileged to serve in a similar capacity—on a smaller scale, I will admit, but in a very similar capacity—and I, too, am not a lawyer, and do not possess that title behind my name. But I am an accountant, and I recognize the great value that an accountant can bring to the office of Comptroller General.

I may say that if, during many years of the past, the Members of this body and the Members of the House of Representatives had paid a little more heed to the urgings of the senior Senator from New Hampshire [Mr. BRIDGES] and the senior Senator from Virginia [Mr. BYRD] with respect to financial accounting and other monetary problems which have confronted the Nation, we would be in far better shape, from a fiscal standpoint, than we are today.

I may say that if Mr. Campbell could make no other contribution than to go into the office of Comptroller General, admirably qualified as he is, and make a comprehensive study and evaluation of the accounting systems which are presently in use at the Federal level, and submit to Congress specific recommendations which would pinpoint the loopholes that currently exist—and we are not getting factual reporting and accounting of value to the Congress in determining the needs of the administration in carrying out its program—then he would be making in that field alone a very great contribution toward putting

the fiscal house of the Federal Government in order. When fiscal reports are made we should be able to have confidence that they are actual, factual, and sound.

I am referring especially to the manner in which unobligated balances of appropriations are reported. There is no uniform or systematic way of making such reports. One department reports such balances on one basis. Another department—say the Defense Department—reports them on another basis. We can go down the line and find that the departments give figures today which in 2 weeks will be out of balance by millions of dollars.

No, Mr. President, we are not getting the type of fiscal reporting and accounting the country needs in order properly to evaluate and carry out a performance program in keeping with the budget which is sent to the Congress.

Mr. GORE. Mr. President, will the Senator yield?

Mr. PAYNE. I am glad to yield.

Mr. GORE. I take it the distinguished Senator may have referred to the remarks I made, in which I set forth what I consider should be the qualifications of the Comptroller General.

Mr. PAYNE. The Senator is correct. I was referring to the Senator's comment that he did not believe Mr. Campbell was qualified because the office under consideration is quasi-judicial in character, and therefore one filling that office should be an attorney in order to be able properly to interpret the meaning of the appropriation bills passed by the Congress.

Mr. GORE. Mr. President, will the Senator yield further?

Mr. PAYNE. I yield.

Mr. GORE. I appreciate the remarks the distinguished Senator has made. I wish to say I regard him as one of the fine, able, and conscientious Members of the United States Senate. However, I should like to remind him that I used the following words in my remarks:

> I believe that experience and background of a legal or legislative nature are essential.

Under those terms, the distinguished Members of this body to whom the able Senator referred would not be disqualified. I only undertook to point out that the nominee lacked experience either in the legislative or the judicial branches of the Government, or training in the legal field.

Mr. PAYNE. Let me say to my good friend the junior Senator from Tennessee that I appreciate fully the statement he made in that regard. Let me say further, because of the knowledge I believe I possess of this particular type of work and the kind of experience needed in such a position, that unless a person were exceptionally well grounded in the field of accounting and the practices that go with it, he would not be able to do what I have suggested should be done; namely, make recommendations concerning the action which should be taken both by the executive and the legislative branches of the Government to put into effect a uniform, effectual, and accurate system of accounting which would reflect true balances at all times, nor would he be able to report to the Congress whether or not appropriations were being expended in keeping with the intent of Congress and in accordance with the history back of such appropriations.

Today we are not getting such reports, and Congress will never get them until there shall be established a unified system of accounting for the Government in all branches, so all departments will report and account for their money in the same manner. Otherwise, it is a loose-knit proposition. I can assure my colleague that no business or State government that is well organized and operated could possibly exist under the type of accounting system under which the Federal Government operates.

Mr. GORE. Mr. President, will the Senator yield further?

Mr. PAYNE. I yield.

Mr. GORE. In my opinion, there is great merit in the statement which the distinguished Senator from Maine has just made. His statement, however, does not go to the essential qualifications of the office of Comptroller General. True, it would be well and good for the Comptroller General to have accounting experience, but I do not believe that qualification is as essential as are the other attributes which should be possessed by an incumbent of the office.

I wish to call to the able Senator's attention, with apologies for interrupting his able address, the Fifth Intermediate Report of the Committee on Expenditures in the Executive Department, 81st Congress. I read from that report:

> The Comptroller General not only must decide questions which arise in connection with the carrying out of the duties of the General Accounting Office. He also is required, at the request of a disbursing or certifying officer or head of a department or establishment, to render a decision in advance of the legality of any proposed expenditure. The decision is binding on the General Accounting Office and on the officer or agency. Decisions of this kind are extremely important. They decide not only the propriety of individual payments but, often, the legality of entire programs. The Comptroller General makes certain that spending programs and financial transactions conform to the intent of the Congress.

Mr. PAYNE. Mr. President, if I may say so—and I shall not go into the matter at any length—I think the Senator from Tennessee and I could better talk over this matter at some other time, because it would involve a long discussion. To the proposition what he has just mentioned I would seriously object; and I think any person who understands the fundamental principle would object to it also. I refer to having the Comptroller General under the structure established by the Congress act as a preaudit officer, on the one hand, and then, on the other hand, turn around and, as a postaudit officer, act on what he has previously given consent to. That is completely outside all the true concepts of the practice of accounting and auditing. One serves as a preaudit officer. The other serves as a postaudit officer. The Comptroller General is the postaudit officer of the United States Government, acting for the Congress, and he determines whether expenditures have been made in accordance with the laws enacted by Congress.

The suggestion advanced would involve a long discussion. I shall be happy to discuss it at length with my good friend, the Senator from Tennessee, at any time he may desire.

Mr. GORE. Mr. President, will the Senator from Maine yield further to me?

The PRESIDING OFFICER (Mr. MONRONEY in the chair). Does the Senator from Maine yield to the Senator from Tennessee?

Mr. PAYNE. I am very happy to yield, Mr. President.

Mr. GORE. Again, Mr. President, I think there is considerable merit in the position the able Senator from Maine has taken. However, I submit that the matter I read illustrates the necessity of the Comptroller General having more than auditing experience or capacity.

Mr. PAYNE. Mr. President, if the Senator from Tennessee will permit me to interrupt for a moment, let me ask whether he has ever known a business corporation to employ a firm of lawyers to do auditing work as postauditors in determining whether the instructions of its board of directors have been faithfully and accurately carried out by the officers of the corporation. Or has the able Senator ever known a State to take similar action? In such cases, whom do they employ? They employ a firm of certified public accountants, trained and qualified by experience to do that type of work. I can assure my distinguished colleague that I speak from knowledge, because I have served in that capacity.

Mr. GORE. Mr. President, will the Senator from Maine yield further to me?

Mr. PAYNE. Yes; I am very glad to yield.

Mr. GORE. I am aware of that business practice, and I think it would be good for the Government. In fact, independent audits have been used by the Government.

But the case the Senator from Maine cited was that of a congressional committee which inquired of the Comptroller General about the legality of a proposed program.

I should like to point out to the able Senator from Maine that only last week, I, as chairman of the Roads Subcommittee of the Public Works Committee, was directed by the committee to invite the present Acting Comptroller General to come before the committee and give it his opinion as to the legality of the proposed highway legislation, now pending before the committee.

Mr. PAYNE. But he was not giving the committee an opinion upon a program which already has been placed in law.

Mr. GORE. No. By direction of the committee, I addressed to the Acting Comptroller General a letter—not having any bearing on the question of the confirmation of this nomination, I hope the Senator from Maine will believe—inviting him to come before the committee and give it his opinion as to the legality and feasibility of Senate bill 1160.

Just how the Acting Comptroller General can give such an opinion, I do not know. Perhaps he can, with the advice

of his counsel, pass on to the committee the composite of their opinions. But there may come a time when there is a disagreement between the legal counsel and the Comptroller General; and the law places upon the Comptroller General the responsibility for decision.

Mr. PAYNE. Yes, after the law has taken effect, because I think my good friend, the Senator from Tennessee, will agree that if we were not to proceed along that line, every bill or any bill which was before this body would then become the subject of appeal by us to the Supreme Court of the United States, with the request that the Court give us its opinion as to whether the bill we were considering, if enacted, would be good or bad, or could be carried out. In other words, that principle can be carried both ways.

If we wish to find out about proposed laws, let us see whether it will be appropriate to take each and every measure to the Supreme Court of the United States, to obtain its opinion. In the final analysis, the Court will be the tribunal which will interpret the law, and pass judgment on whether it is or is not constitutional.

The Comptroller General passes on the execution of the law, to determine whether the executive and administrative branches of the Government have properly carried out their responsibilities and have made their expenditures in keeping with the intent of the Congress in the enactment of the law.

Mr. GORE. The Senator from Maine will concede, I take it, that Congress does need an agency upon whose advice it can depend as being independent of any ulterior motive—to advise it as to the legality of pending legislation.

Mr. PAYNE. That is true; and there is nothing wrong with having the Comptroller General give the Congress his advice, when requested to do so, as to his version of what the law may mean. But he will give it only about a measure which has not yet become a law. It is only after it becomes a law that he takes positive position for or against an action which occurs under the law.

Mr. GORE. Mr. President, if the Senator from Maine will yield further, let me say I am enjoying this discussion, but I realize the Senator from Maine does not wish to prolong it. So I desire to act in accordance with his wish.

Mr. PAYNE. Mr. President, I believe the distinguished majority leader, too, would like to be able to finish as soon as possible.

Mr. GORE. He keeps turning a weather eye upon me, as well as upon the Senator from Maine. So at this time I shall desist. I thank the able Senator from Maine for his indulgence.

Mr. PAYNE. I thank the Senator from Tennessee.

Mr. President, I close by saying that I feel that in the person of Joseph Campbell we have a man who is admirably well qualified for the position of Comptroller General of the United States, and who, if his nomination is confirmed, will make a real contribution to the operations of that office.

Mr. President, I yield the floor.

THE FEDERAL SECURITY PROGRAM—ADDRESS BY HARRY P. CAIN

Mr. HUMPHREY obtained the floor.

Mr. KNOWLAND. Mr. President——

The PRESIDING OFFICER. Does the Senator from California desire to have the Senator from Minnesota yield to him?

Mr. KNOWLAND. No, Mr. President; I merely had in mind suggesting the absence of a quorum.

Mr. HUMPHREY. Mr. President, I shall be brief, and I do not believe it necessary to have a quorum call at this time.

Mr. President, I rise to bring to the attention of the Senate an outstanding address made this morning by the Honorable Harry P. Cain, former Member of this body, and a member of the Subversive Activities Control Board. I ask unanimous consent to have the address entitled "Strong in Their Pride and Free," delivered before the seventh annual conference on civil liberties, in Washington, D. C., printed in the body of the RECORD following these remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit A.)

Mr. HUMPHREY. Mr. President, I desire to direct the specific attention of the Senate to Senator Cain's comments with regard to the desirability of establishing a commission to study and make recommendations on the Government's security program. After an eloquent plea reaffirming the unique value and indispensability of preserving the letter and the spirit of the Bill of Rights in practice as well as word, Senator Cain made the following dramatic summary:

What I have just recited about the letter of the Bill of Rights means just this: Had you chosen recently between being indicted for a capital or infamous crime or being held to be a loyalty or security risk, there would have been no choice to make. From the indictment, you would have been found guilty or acquitted; sentenced or released through language and methods everyone can understand. From the allegation that you were a loyalty or security risk, you might have long wallowed in the wilderness of despair and mental torment without determining what the charges were all about, or where they came from. Please note my use of the tense. Future consequences from recent refinements in the Federal employees security program remain to be seen.

Our former colleague continues:

Above the pillars of the home in which the Supreme Court resides are these words: "Equal justice under law." There are few exceptions to this rule. We recently have been looking for without finding this sought-after inscription on other public buildings in your Nation's Capital: "Equal justice under government." The absence of this duality is the crux of the dilemma which plagues us. We have grown somehow to consider legal justice to be one thing and administrative justice to be a different sort of thing. Until justice is understood to be indivisible, this Republic of ours will be mired in troubles and beset by problems which defy solutions to be trusted.

These comments are very disturbing, Mr. President. They are not disturbing because they are uttered; they are disturbing rather because they needed to be expressed. It is a privilege for me to commend Senator Cain for his courage in speaking out so clearly, so intelligently and so eloquently. It is likewise a privilege for me to note that Senator Cain looks upon the creation of a commission to study the security program as a partial but a necessary step toward the solution of the problems he raises.

I now read former Senator Cain's comments with regard to the commission:

Does the Government have an adequate answer to the expressed concern by the people that our systems of internal security are growing to be more powerful than the Government? Like you, I wish I knew. It has been suggested that the President appoint, with approval from the Congress, a commission of outstanding citizens to concern itself basically with policy questions relating to internal security. Without sidetracking this proposal with finality, the administration has thought that the Internal Security Section within the Justice Department can reappraise and advocate refinements and policy changes which the future may require.

I think it possible that the Justice Department could do the job but I feel most strongly that a commission would have the better chance of being more effective, persuasive, and helpful to the Nation.

In matters concerning aggression from the outside and the readiness and strength of our military posture at home, the President has available to him advice from the National Security Council. This instrument doesn't represent the views of a single department of the Government. It reflects the consolidated and weighted views of the Government. When this Council speaks, the Nation believes that it is getting a balanced estimate of a given situation.

When it comes to important questions relating to internal security, the President receives his advice from several departments, but these views, as I understand channels of authority, are not necessarily coordinated nor do they always address themselves to the problem as a whole.

When the Attorney General talks about internal security, he almost invariably makes reference to the Federal employment security program. When the President talks with you about the same subject, he may be addressing himself to the Federal employees program or to the security plan in the Armed Forces or the industrial-security program which is administered by the several services within the Defense Department, or to the Atomic Energy Commission's security procedures or to the International Organization Employee Loyalty program.

Certainly the improvements recently adopted for the Federal employees program are not required to be accepted by the other programs.

If an ambition is to achieve uniform and consistent standards and procedures throughout the Federal structure, I can think of no sounder way to approach the problem than through a detached and distinguished nonpartisan commission of some sort.

I think the President would feel better if the recommendations from such a commission were available to him and I know that the Congress and the public would derive a better understanding of what is going on and what should take place in the future.

We do not suffer from any lack of the persons wholly qualified to sit on a commission. Had I the happy assignment of making selections, there would be room for any former President of our Republic. I would look for the experience possessed by retired members of our higher courts. Some exceedingly splendid minds are ready to be used

from within both parties in each House of the Congress. Other national leaders in private life, both men and women, would surely respond to the challenge with energetic alacrity. There would be no problem in staffing a commission to the entire and grateful satisfaction of the Nation.

We often think it a pity that former leaders and builders in one field or another are put out to pasture when they have so much left to offer for the common good. Any among these could be employed for the benefit of everybody.

I am thrilled by the possibility that such a commission may, in due time, be agreed to and established. If our Nation didn't then have every ounce of confidence in the pronouncements to be anticipated, then we shall have lost our capacity for confidence.

Should a commission be authorized, the name of which might be the National Internal Security Council, then our President or those who follow him would be more fully prepared to master the uncertainties of our tomorrows. He or they could listen and consider advice which would accelerate our Nation's strength in all possible fashions.

A simple announcement that a commission is to be established would signify that the marriage between security and politics had been annulled. The cheering to take place all over this land would be heard throughout the world.

He continues:

In utter sincerity, I do maintain that political consideration in security questions has been the major source of our discontent and diminishing confidence in authority since the close of World War II.

There is no reason to say that one political party has been more responsible for this mischief than the other. Under circumstances which prevailed, each party sought to claim the credit for knowing more about security and freedom than the other. National campaigns have revolved around who was going to do what to whom in these fields. There has been no agency within the several administrations and few individuals who have been considered to be disinterested and objectively minded. The charge and countercharge are the weapons employed by partisan minds everywhere. One party is maligned for having attempted too little and the other party is criticized for having attempted too much. Republican and Democratic Party supporters mostly restricted their views to what their articulate spokesmen say. The independent voter picks and chooses from competing headlines.

A commission would have a far better chance of having its judgments considered on their merits. Much of what is good today is disregarded, held suspect, or neglected because it is written off as being politically inspired. The commission could stop most of this. It would, I think, place the greater emphasis on what rather than who is right and best for the Nation in the complicated equations which are the ingredients in the realm of internal security.

It is that spirit, Mr. President, that motivated the Senator from Mississippi [Mr. STENNIS] and myself to introduce Senate Joint Resolution 21 to establish a Commission on Government Security. It is that spirit and those objectives that have been basic to the hearings on our resolution, which ended today, and in which I had the honor of sitting as chairman. These were hearings held by the Subcommittee on Reorganization of the Committee on Government Operations.

Mr. Cain has well stated the case for the Commission. We welcome his support as a further indication of the growing bipartisan conviction that a resolution such as ours must be adopted if we are to protect the integrity of our security system and the integrity of our society as a democratic nation.

The hearings we have just completed, Mr. President, have persuaded me anew as to the desirability and necessity for the enactment of Senate Joint Resolution 21. Senator Cain's address of this morning will go far toward helping the Congress arrive at this decision in a nonpolitical spirit—not in the spirit of partisanship, but in the spirit of a common desire to strengthen our security program and our democratic institutions.

There is much more to Senator Cain's speech that deserves serious study and consideration by our Government. I am sure that my colleagues know that this is the second of a series of important speeches by former Senator Cain, of Washington, on this very important subject. It is my hope that Members of Congress will read his speech, which I have asked to have printed in the RECORD at the conclusion of my remarks.

I have said that, for all practical purposes, we have concluded the hearings before the subcommittee of which I am privileged to be the acting chairman. It is entirely probable, however, in view of what I consider to be evasiveness, vagueness, and adroitness on the part of 1 or 2 Government witnesses in ducking certain issues, that I may ask for further testimony.

I am sorry to inform the Senate that one of the witnesses, namely, the Chairman of the Civil Service Commission, did not cooperate with the subcommittee to the extent I felt the subcommittee was entitled to cooperation. The hearings were not held in a spirit of vindictiveness or accusation. They were held in a friendly and warm atmosphere. They were held in a spirit of trying to analyze and bring forth information about the structure and purpose of the internal security program.

Many of the witnesses who appeared before the committee, particularly witnesses from the Department of Defense, from the Atomic Energy Commission, and from the State Department, tried very earnestly to be helpful, and they gave the committee a considerable amount of information, frankly and fully, much of it in prepared testimony, and some of it in cross-examination.

There are still some questions that need to be answered before the subcommittee, particularly with reference to what the review by the Civil Service Commission of preceding security programs offers in terms of suggestions, what deficiencies were found, what inadequacies, if any, were found, and what constructive proposals the Civil Service Commission under its authority can make to the National Security Council.

I regret to say that that information was not given to us. I regret to say also that even elementary statistical evidence which was needed by the subcommittee was not forthcoming. I now, as acting chairman of the subcommittee, serve warning that I shall insist upon that information being given to the responsible Members of the Senate who are charged with the inquiry into the delicate subject of internal security. In the main our hearings have been constructive, and I believe they have been highly informative. It is fair to say that as a result of the hearings we have been able to obtain at least a picture or an image of the so-called structural apparatus of the security program of our Government.

I would be less than candid if I said I was pleased with the picture. In fact, it appears to me that instead of there being one picture, there are many pictures. The situation appears to be more like a mural, with the many separate parts clearly delineated and describing different activities and procedures of the Government.

EXHIBIT A

STRONG IN THEIR PRIDE AND FREE

Mr. Chairman and my fellow citizens, your invitation does me honor and my firm hope in return is to add a little to your knowledge while expressing the fullest measure of my respect and encouragement for your endeavors, past, present, and future.

PART I. THE PAST AS PROLOG

On this day a year ago, the Attorney General of the United States was eloquent, persuasive, and action-advocating when he said to you:

"It is un-American not to be interested in the protection and extension of civil rights."

In further support of this exciting contention, the Attorney General added:

"The need for frank discussion and widespread dissemination of the issues regarding basic freedoms is imperative. The distinguishing feature of our Republic is that it was born of a struggle to secure these rights."

Here we have expressions of our Government's leadership at its finest. This is the character of official talk we citizens praise on hearing. In furtherence of this urging, we can offer details of our thinking in confidence that our petitions will be soberly and painstakingly evaluated and considered. That is all that any responsible citizen can or wants to ask.

If I am pointedly critical of some present-day internal security developments and programs, it should not be inferred that I seek to hinder or embarrass the President, the administration, or the Congress in any fashion. As a member of the administration, my function, with your help, is to strive for action which makes certain that the early-day struggle to secure civil rights will be continued to strengthen and maintain those civil rights. For the office of the President, my respect, like yours, is profound. For the person of the President, my own admiration and affection are keen and sincere. Let no person believe that I have any other ambition than to serve my country through stating what I believe to be true and employable for the common good.

Before getting at the present and reflecting on the future, let us dig into the developments, troubles, and progress of the past.

Unless one has lived along the banks of mighty rivers like the Mississippi or Columbia, it must be exceedingly difficult to appreciate the anxiety of flood fighters who struggle to save lives and property against the coming of the crest of the danger, or the depth of their relief and gratefulness when the peak waters begin to recede. These fighters know then that their work has really just begun but they instinctively comprehend, because of the past, that the battle for survival won't be lost, and that the goal of a less precarious and more reliable future will be achieved.

Most of my life has been spent near these rivers which possess an almost unlimited capacity for good and evil. When harnessed, they open up new and broader opportunities for development and progress. When they take off on a rampage after having overrun

their restraining walls and levees, they cripple and cut back the efforts of builders to move forward. Lessons about our country can be learned by watching a river as it builds or destroys.

The United States is analogous to the mightiest of all rivers, or as an understatement to a combination of the Columbia, Mississippi, Ohio, Missouri, and Colorado, with the strongest of all protective restraining walls and levees. The waters represent the Nation's power to be employed for good or evil; the levees and banks represent the people's potential for discipline, control, moderation, and direction.

The contest of our lives has always been a constant, difficult, and demanding effort to make our national strength serve our peoples' will in ways productive, constructive, just, and lasting. Out of this combat comes greatness and contentment, or futility and ruin. We have benefited and suffered from all of these through the years.

I say without thought of being contradicted that in recent years our Nation's river, driven by the winds and fury of fear, inexperience, suspicion, distortion, and intolerance has overwhelmed and washed away some, but by no means all, of the protective banks which had been constructed out of historical commonsense, reason, and justice.

My reference obviously is to our newly established internal security systems through which an understandable but unwarranted overemphasis on security has treated with far too many Americans as though they were faceless, prideless, and nameless; as though they were spineless, devoid of character, and lacking in that deep sense of devotion to our Republic which stimulates you and me.

But there is good news to be found in the misery. I state with considered conviction that the unruly flood which has threatened to make the essence of civil liberties unrecognizable in America has reached the crest of its most explosive danger and the waters of persecution unintended have slowly started to recede. I do believe that this very real flood menace can now be so managed and disciplined that we shall perhaps and reasonably soon, though not without major mental surgery, hard work, and a more alert citizenry, reconstruct and then maintain an internal security program which will assist in keeping us safe, self-respecting and free.

It has been reassuring to watch the Government and the Congress attempt more in the field of thought, reappraisal and intended procedural changes during the past 2 months than was undertaken in the previous 20 months. I think this is an accurate statement of fact. Certainly it gives promise of a healthier climate to come.

Those among us who are so situated as to acquire some perspective in matters dealing with security and the freedoms have been appalled, but not made cynical or skeptical about the future or entirely surprised, by the lack of balance, poise and understanding which has prevailed lately in high and important places, both public and private.

The peoples' liberties have been generally, in one way or another, temporarily in jeopardy during or after every domestic conflict or external war in which our Nation has been engaged. At intervals between the wars, minorities, many of whom subsequently were noted for their respectability, suffered severely at the hands of majorities and the Government. Need I more than mention some names: Abolitionists, Copperheads, southerners, Mormons, Masons, Catholics, Jews, Irish, Negroes, Germans, union organizers, "scabs," pacifists, teachers, feminists, Japanese, Indians, Chinese. This list could be extended too easily from the memory of any wide-awake and informed citizen.

During the First World War citizens were prosecuted and persecuted as obstructionists who advocated change or engaged in political criticism of those in authority. People could and did go to jail for expressing views held to be contrary to those supported by the Government even when these views were anything but dangerous to the public safety. Many who simply advanced ideas which were unpopular with the majority suffered as though guilty of the most serious crimes.

I wish that every student and thinking adult would give particular attention to the variety of ways and different eras in which Americans have been unfair and ruthless in their treatment of each other. This knowledge would make it easier to understand today's plight and point up the direction to be taken to undo the harm while making repetitions of abuses less likely.

Little has happened to us in this postwar period, shortly to recognize or celebrate its 10th anniversary, that hasn't happened to us before but there are differences we ought to think about.

In every other American period, the problem of disregarding or violating the other person's rights has been of concern only to us here at home. We had no fear or thought of danger from beyond our borders. We had ample time to reunify our people as a solid front to confront any foreign trouble which might be brewing.

Those were the good old days which have gone forever. In those days, we were required to be prepared to fight on foreign soil only part of the time. Now we must remain prepared to fight there or resist and repel aggression here—all of the time.

Our mission as a people and as a government is to so work and stand together in peacetime that we shall want to stand and fight together should there come another wartime.

I think that you here are to be in the vanguard of those who bring about this unity and singleness of our Nation's purpose in either peace or war. If you do not remain as the advance guard in this campaign, then our Nation is headed for disasters of undefinable dimensions. You are the people. The destiny of our Republic is for you to mold. The future will be what we, the people, really want it to become. This is easier said than done but the opportunity remains available.

In another stimulating passage, offered only 52 weeks ago, the Attorney General told you this:

"Our future is secure—for Americans believe above all in the dignity of man. They will never permit the substitution of intolerance and persecution for our cherished heritage: civil liberties."

What does this language really mean? What justifies the language? In what ways should it be applied to our daily lives? Are we using it on only half of an American double standard of justice which appears to be growing? Is the phrase "the dignity of man" esentially an oratorical prop or is it the workable and distinguishing feature between any American and the subjects of lands in which autocracy reigns supreme? Is the American individual actually deserving of any consideration for his dignity if he is thought to be, let us say, a present-day loyalty or security risk?

From this point on, I shall try my level best to offer answers to these related questions which are rational, reasonable, and historically correct.

As a federation of like minds in many organizations, you are joined in labors to preserve those civil liberties without which no human being can long remain free or unoppressed by some government.

If we speak the same language, we agree that what we mean by civil liberties is fundamentally included within the strength and the promise not just of the letter but also the spirit of the first 10 amendments to our Nation's Constitution. Live by those commandments, and no individual can be made a slave by his Government. Repudiate those commandments, and any government can enslave any people. Don't take my word to be the fact. The bloodshed and turmoil of the ages provide proof which is unassailable.

We Americans aren't what we have become through the years by mere chance. We remain different from most other peoples because the climate for our growth and development has been different from theirs. They have mostly looked to government for their success and health. We have mostly employed government to supplement what we have initiated and accomplished as men and women who have been free to join, to promote, to speak, to change, to believe in God or to be an agnostic or atheist, to move about, to venture, to become wise, to be a fool, to save, and to be ourselves.

It was intended from our beginning as a nation that our Government would guide and direct the national effort to be strong and secure, while every law-abiding citizen would be unmolested and unoppressed by that Government in his house, his person, his mind, his tongue, and his movements.

The dignity of man we are talking about only has a meaning with substance if it incorporates all of these features.

Those who established and were the first public managers of our Republic were singular scholars, historians, and patriots. They had a respect for government, but they knew better than to trust government. They had a respect for people, including themselves, but they knew better than to trust human nature. They were keenly aware that unrestricted government equals tyranny and that unrestricted liberty equals anarchy. They joined hands and hearts in a premeditated effort to establish a society in which there was a balance between a disciplined government and a people who might have liberty without resorting to license. In this attempt, their success exceeded the dreams and aspirations of the centuries which went before.

Those who were to launch America's Ship of State restricted their chances of running aground or off course even before they entered the pilothouse. These were the men who knew that the unratified Constitution before them would become just another future tyrant's scrap of paper unless it was joined by what became the Bill of Rights, your guaranty of a continuing opportunity to walk erect with head high as a free and independent human being.

In hope that they will someday be more widely read and digested, I make reference to a handful of classics which gave direction to our ancestors as they began to carve a different sort of nation from new and unlimited frontiers: The Magna Carta (1215); the Statutes of Westminster (1275); the Petition of Right (1628); Maryland's Toleration Act (1649); the Charter of Rhode Island (1662); Bushell's case (trial by jury, 1670); the Habeas Corpus Act (1679); the Toleration Act (1689); the Zenger case (1734); James Otis' the Rights of the British Colonies Asserted and Proved (1764); Samual Adams' The Declaration of the Rights of Man (1772); the Declaration of Rights and Liberties (1774) issued by the First Continental Congress; Paine's Common Sense (1776); the Early State Bill of Rights of Maryland (1776), New York (1777), and Massachusetts (1780); and Virginia's Statute of Religious Freedom (1785).

All of these expressions were steps forward on the road to protecting the liberties of peoples against their own governments and individuals against the tyranny of majorities.

Then came 1791 and the Bill of Rights, without which there would be no Federal Constitution as we know it.

The Bill of Rights offers no protection to which any individual is not entitled. You can't find within its provisions any snug harbor of safety or comfort for the murderer, robber, rapist, libeler, kidnaper, or

traitor. Taken as a whole, they only demand that those who make charges must prove those charges to be true. Without this restraint, how many men and women might be executed and condemned on denouncements which evaporate when closely examined?

When some in authority refer to fifth amendment Communists, I shudder because of the lack of understanding and power for destructive evil which is inherent in those statements. One who refuses to testify against himself may be a Communist but there are solid and proper reasons why he may not be. There was once a one-eyed man in this country (George Spencer, of New Haven, 1642) who perished on the scaffold because in the agony of his inquisitional trial by a group of pious and well-intentioned citizens, he pleaded guilty to the charge of having sired a one-eyed monster by a sow belonging to a neighbor. Can you think of better justification for an amendment which requires the accusers to prove their allegations without help from the tongue of the defendant, witness or victim?

Those who use fifth amendment as an adjective of disapprobation modifying the noun "Communist" are as guilty of disrespect for the Constitution as any Communist could be.

Centuries of inquisitional tortures, mental and physical, and misgivings over man's inhumanity to man forged and tempered the bulwark of freedom that the individual shall not be required to convict himself. We should be less concerned by the few who hide behind the privilege without justification and much more concerned by those who trifle with and prostitute its significance.

Where would our Nation be right now if we couldn't assemble peaceably, or petition the authorities about our grievances, or pray as we like, or speak freely by word of mouth or in the press? For these blessings, we thank the first amendment.

What might our feeling be if we were denied the right to protect ourselves and if the authorities, civilian or military, could requisition our homes in peacetime or ferret through them in looking for things some gossip said might be there? I salute the second, third, and fourth amendments.

If it were not for the sixth amendment, we could rot in jail while waiting for a trial to be conducted by some petty tyrant who might, through whim, eventually inform us of the nature and cause of the accusation. Without this amendment, those who alleged against us would remain undisclosed and we could whistle without response for witnesses to speak out in our favor. Because of the amendment, we get a speedy and public trial; a bill of particulars; legal assistance when required and help in securing witnesses to support our contentions.

Because of the seventh amendment, we are entitled to a trial by jury even where the value in civil controversy is no more than $20.

If we are thought to be connected with some capital or other infamous crime, the fifth amendment requires our indictment by a grand jury and once acquitted, we shall not again be harassed or tried for the same offense. Once we have reestablished our good reputation, we can keep it.

I was fortunate to have been born an American because only in my beloved country does the law so clearly control the irresponsibility, prejudice, and venom which a considerable number of people, including authorities, possess.

Without the Bill of Rights, no American would be certain of possessing any personality of his own. We would be only what our rulers, masters, or judges wanted to think of us as being. The Bill of Rights was intended to provide every citizen with a name and a face of his own. A nation possessed of citizens without faces or names is a mass of anonymity but it can't be a republic.

In other periods, we have abused the meaning of the Bill of Rights. We are so abusing some of its meaning today. This must not dishearten us because until the amendments have been repealed, and this prospect is not in sight, nor is it likely to be, men and women possessed of reason can prevail upon others to understand that the amendments constitute our American way of life and with courage these same citizens can prevail upon authorities to live in accordance with every one of them.

What I have just recited about the letter of the Bill of Rights means just this: Had you chosen recently between being indicted for a capital or infamous crime or being held to be a loyalty or security risk, there would have been no choice to make. From the indictment, you would have been found guilty or acquitted; sentenced or released through language and methods everyone can understand. From the allegation that you were a loyalty or security risk, you might have long wallowed in the wilderness of despair and mental torment without determining what the charges were all about, or where they came from. Please note my use of the tense. Future consequences from recent refinements in the Federal employees security program remain to be seen.

Please permit me to assume that you do not think I like to make these distinctions. I do so because the fact, which can be too easily documented, is demanding of a broader public circulation.

Above the pillars of the home in which the Supreme Court resides are these words: "Equal justice under law." There are few exceptions to this rule. We recently have been looking for without finding this sought after inscription on other public buildings in your Nation's Capital: "Equal justice under government." The absence of this duality is the crux of the dilemma which plagues us. We have grown somehow to consider legal justice to be one thing and administrative justice to be a different sort of thing. Until justice is understood to be indivisible, this Republic of ours will be mired in troubles and beset by problems which defy solutions to be trusted.

In time, we must agree to reaffirm our faith in a Government by law or renounce that advocacy, which gave us liberty, in favor of supporting a government of men, which has given tyranny to others. The Constitution is no bar to such a change if we Americans want to make it. The question is ours to answer.

As for me, I pray that all of us will come to realize that justice is indivisible, and that every citizen will again believe that he will be as fairly treated under the administrative procedures of his national government, as by the Federal courts of his land. Then, prevailing misunderstandings, distrust, and troubles will disappear as does the fog before the illuminating rays of the sun.

Let us hurry that day.

PART II. SECURITY IN THE ATOMIC AGE

Are you clear in your minds as to where our Nation is headed? I am not. Do you believe that our political leaders know where we are going? I think not. Those who are the most informed can only make calculated guesses. Any estimate of the situation remains largely uncertain because of foreign factors over which the United States has small control.

We probably agree, in whole or in part, that the Communist campaign for the mastery of the world has been joined. We are trying to be stronger than our enemies in hope that they will not attack us and to make it possible for us to defeat them if they do.

In this moment of history which is neither peace nor war, we strive for a better world while preparing to destroy a large part of it if existing differences are not resolved at international council tables.

If the power of the universe is to be employed for peaceful pursuits, heaven on earth is actually in prospect; if this force is to be employed to maim, mangle and dismantle, hell on earth shall be realized for civilization must then return to the Dark Ages where there is little light, heat, food, shelter, progress, or satisfactions to be exchanged among the survivors from what we characterize as being the enlightened second or last half of the 20th century.

Winston Churchill said the other day, "imagination stands appalled" by the destructiveness of the hydrogen bomb. He thought, in hoping for the best, it might ironically come about that "safety will be the sturdy child of terror; and survival the twin brother of annihilation."

Like some of you, I am aware that an army division today has 80 percent more fire power than in World War II, and that a single B–17 can wreak as much damage as did the entire Air Force in that many years' war. Atomic cannon and guided missiles have long since left the drafting boards.

As I puzzle and worry over the gigantically contradictory alternatives which face America and mankind, I keep returning to the aspirations which have made us what we are. The best hope I personally have for the future comes from these determinations and progress in our everlasting fight to improve our stature as individuals.

If the world of the present comes tumbling down, as it has the power now for so doing, those who remain alive must begin to build another home for the living from the ruins. The only possible tools to be in our hands in the beginning will be our courage and self-respect, and a hoped for mutual trust among Americans.

In preparing ourselves for either peace or war, we must recognize that these ingredients are indispensable. We can't win any war or long maintain any peace unless we possess all three in abundance.

This personal conviction came to me during World War II when I was privileged to serve with the airborne foot soldiers whom the Germans called those devils in baggy pants.

There was little material difference between us and the well-trained, disciplined, and equipped German soldier. But in the final analysis, there was the difference in spirit which made the big difference in result. The German's government treated him as a number; ours respected us as individuals. Because of this difference, the German couldn't win World War II and we couldn't lose it.

The American's greatest strength was not in his weapons but in what most of them, especially those who died, were convinced was true. At least, the airborne soldier, whom I knew intimately, was powered and motivated by more than the guns and grenades he carried.

They would quietly say before taking off for the unknown anywhere:

"If it be life that waits, then I shall live
forever, unconquered.
If it be death, then I shall die at last,
strong in my pride and free."

If this motivation is not to be America's salvation and main reliance against the hazards of tomorrow, then I have profaned your time in being your guest and what I wish to suggest in the next few minutes will be valueless.

Unless we remain enthusiastic about being Americans; unless we have confidence in our Government, we aren't likely to see any universal peace established and we aren't going to win any war which may engage us.

If this be so, we ought to reexamine the status of our enthusiasm and the degree of confidence we hold for those in authority.

I have a feeling that the deepest concern shared by millions of citizens today is that

their Government has established a national system of internal security which is becoming more powerful and having a more direct influence on their daily lives than the Government which created it. It becomes increasingly apparent in their minds that the last word has been spoken when some security officer or hearing board puts them to the test. These citizens haven't lost much of their confidence in their leaders but they have lost most of their faith in the octopus-like apparatus which these men and women put together. They feel that this machine has treated them, or it may at some later date, unfairly, unreasonably, and too impersonally. Once caught in the clutches of the machine, it seems to them that sympathetic authorities to whom they turn are powerless to rectify any wrong or to correct any evil.

Citizens generally have few illusions about the age of peril in which all of us live. They understand the domestic need for making our Nation strong and secure. They will not oppose any sound effort to separate the guilty from the innocent in any field which affects their Nation's health. They are prepared to be enthusiastic in any such effort. They want affirmatively to be a part of these endeavors.

The people want their Government to be as confident of their integrity and loyalty as they want to remain convinced that the Government is speaking for and through them and not at or against them.

For the present, millions of citizens do not know what to think. These citizens have become bewildered and troubled by the contradictions between stated purposes and administrative results. They remain aware of the official declarations of intent and purpose regarding the act of August 26, 1950, and Executive Order 10450 which was dated April 27, 1953. This act and order cover 2,400,000 individuals within the Federal establishment. Their intention is to determine that only loyal and trustworthy persons are to be retained or employed. Every employee has been advised that he could expect fair, impartial, and equitable treatment at the hands of his Government which would utilize consistent standards of procedure as between Federal departments and agencies.

The vast differences between purpose and result have been properly acknowledged and emphasized by the procedural changes and refinements recently worked out by the Attorney General and approved for adoption by the President. If these improvements are imperatively required, then citizens within and beyond the Federal establishment have been consistent and right in their oft-repeated contentions of alarm.

What these improvements, when taken in the aggregate, amount to seems to be this: Meticulous care will be exercised in determining whether derogatory information justifies suspending an employee; an accused employee is to be advised of what he is charged with in language he can understand; this statement is to be given to him at the time he receives notice of suspension; the charges against the employee will be drafted in consultation with a legal officer who will make certain that the language is meaningful; the accused and the proper agency authority will meet in conference before the employee is suspended; an opinion will be secured from the agency general counsel as to the sufficiency of information justifying suspension; a legal officer will be present at a security board hearing to advise the accused as to his rights; when agencies are in dispute over an employee, they shall first consult with each other before publicly announcing decisions; and, efforts will be made to produce witnesses for the Government so that the accused may confront some among his accusers and cross-examine them.

Many disinterested critics believe these improvements to be an acknowledgment of criticism rather than a desire to reform the system. I do not share this attitude. In my judgment, the improvements are fundamentally important and they are evidence of officialdom's intentions to consider and press for additional changes.

The knowledge we must keep in mind is that it took the better part of 20 months to solidify these minimum standards of fairness. We ought to perfect machinery which will be self-correcting at a much more rapid pace.

Some of those who have resisted change seem to imply that a system which is just is not capable of being a system which is firm. I denounce this reasoning in an effort to protect those who maintain it. We all want a system to severly punish the disloyal while removing the true security risk from the Federal structure. Can you point to a single one of the recent improvements which softens the firmness of results desired? Firmness and justness are obviously compatible.

These improvements are merely a practical bar to persecution and they make hasty or thoughtless or obviously bad judgments less likely. To me, they represent something more. They begin to remind me of the flavor of the Bill of Rights. They put a nose back on an otherwise faceless person. Because of them, an accused will smell a more refreshing atmosphere. The sculptor's remaining task is to provide these faceless individuals, now possessed of a nose, with ears, eyes, and a mouth.

Does the Government have an adequate answer to the expressed concern by the people that our systems of internal security are growing to be more powerful than the Government? Like you, I wish I knew. It has been suggested that the President appoint, with approval from the Congress, a commission of outstanding citizens to concern itself basically with policy questions relating to internal security. Without sidetracking this proposal with finality, the Administration has thought that the Internal Security Section within the Justice Department can reappraise and advocate refinements and policy changes which the future may require.

I think it possible that the Justice Department could do the job but I feel most strongly that a commission would have the better chance of being more effective, persuasive, and helpful to the Nation.

In matters concerning aggression from the outside and the readiness and strength of our military posture at home, the President has available to him advice from the National Security Council. This instrument does not represent the views of a single Department of the Government. It reflects the consolidated and weighted views of the Government. When this Council speaks, the Nation believes that it is betting a balanced estimate of a given situation.

When it comes to important questions relating to internal security, the President receives his advice from several Departments but these views, as I understand channels of authority, are not necessarily coordinated nor do they always address themselves to the problem as a whole.

When the Attorney General talks about internal security, he almost invariably makes reference to the Federal employees security program. When the President talks with you about the same subject, he may be addressing himself to the Federal employees program or to the security plan in the Armed Forces or the industrial security program which is administered by the several services within the Defense Department, or to the Atomic Energy Commission's security procedures or to the International Organization Employee Loyalty Program.

Certainly the improvements recently adopted for the Federal employees program are not required to be accepted by the other programs.

If an ambition is to achieve uniform and consistent standards and procedures throughout the Federal structure, I can think of no sounder way to approach the problem than through a detached and distinguished nonpartisan commission of some sort.

I think the President would feel better if the recommendations from such a commission were available to him and I know that the Congress and the public would derive a better understanding of what is going on and what should take place in the future.

We do not suffer from any lack of the persons wholly qualified to sit on a commission. Had I the happy assignment of making selections, there would be room for any former President of our Republic. I would look for the experience possessed by retired members of our higher courts. Some exceedingly splendid minds are ready to be used from within both parties in each House of the Congress. Other national leaders in private life, both men and women, would surely respond to the challenge with energetic alacrity. There would be no problem in staffing a commission to the entire and grateful satisfaction of the Nation.

We often think it a pity that former leaders and builders in one field or another are put out to pasture when they have so much left to offer for the common good. Any among these could be employed for the benefit of everybody.

I am thrilled by the possibility that such a commission may, in due time, be agreed to and established. If our Nation didn't then have every ounce of confidence in the pronouncements to be anticipated, then we shall have lost our capacity for confidence.

Should a commission be authorized, the name of which might be the National Internal Security Council, then our President or those who follow him would be more fully prepared to master the uncertainties of our tomorrows. He or they could listen and consider advice which would accelerate our Nation's strength in all possible fashions.

A simple announcement that a commission is to be established would signify that the marriage between security and politics had been annulled. The cheering to take place all over this land would be heard throughout the world.

In utter sincerity, I do maintain that political considerations in security questions has been the major source of our discontent and diminishing confidence in authority since the close of World War II.

There is no reason to say that one political party has been more responsible for this mischief than the other. Under circumstances which prevailed, each party sought to claim the credit for knowing more about security and freedom than the other. National campaigns have revolved around who was going to do what to whom in these fields. There has been no agency within the several administrations and few individuals who have been considered to be disinterested and objectively minded. The charge and countercharge are the weapons employed by partisan minds everywhere. One party is maligned for having attempted too little and the other party is criticized for having attempted too much. Republican and Democratic Party supporters mostly restrict their views to what their articulate spokesmen say. The independent voter picks and chooses from competing headlines.

A commission would have a far better chance of having its judgments considered on their merits. Much of what is good today is disregarded, held suspect, or neglected because it is written off as being politically inspired. The commission could stop most of this. It would, I think, place the greater emphasis on what rather than who is right and best for the Nation in the complicated equations which are the ingredients in the realm of internal security.

It is not for me to say that we shall or shall not construct a commission. Regardless of who future managers are to be, there remains much to be undertaken and more

to be thought about by every citizen or public servant who has any regard for liberty or responsibility for any phase of internal security.

On my own responsibility, I soberly but gladly offer some suggestions and raise several questions which may be of broad concern for they are by no means restricted to the Federal employees security program under Executive Order 10450. We are not so fortunate presently as to be operating under a single security system.

Every suggestion to be made is predicated on the assumption, in which I believe, that what we Americans and our leaders actually want most is a maximum of firmness and a maximum of justness in any internal security system or systems to bear a stamp of legitimacy and approval in the United States.

First. Are we likely to develop a sufficient number of qualified security officers, hearing board members, and administrators to supervise, coordinate, operate, and understand prevailing security programs without establishing training schools of the highest order? The answer seems to be self-evident.

No individual is permitted to practice law or medicine or teach or be an FBI agent or become an officer in any branch of the armed services without extensive training which is thorough, intensive, and specialized. Is there less need for training in the person who deals with the preciousness of another's reputation?

Those within the Government who most strongly defend the policies behind our security systems often admit that a lack of experience has caused admitted abuses. What is being done to provide the right kind of experience?

If the age of peril goes on for half a century, our security systems will be continued for the same or longer length of time. It is provocative to think that some of our grandchildren may express the wish to be security officers rather than cowboys or professors or sailors when they grow up.

People ask how many citizens are now investigated, examined, or heard through security systems. I suppose that an accurate answer does not exist. If you add the 2½ million Federal employees to the several million now requiring clearances in industry, plus our citizens employed by the United Nations, the thousands of officers in the armed services, the considerable totals covered by the AEC, and perhaps higher maritime figures, you can reasonably conclude that as many as 20 million Americans are affected directly or indirectly today. When the breadwinner gets covered or in trouble, his family is concerned or in trouble, too.

We have built our systems faster than we could control them effectively or fairly. It is past time that we caught up. Were international tensions to increase by a few percentage points, or if we go to war, and our security programs expand accordingly, we would possess neither the personnel nor experience to master the difficulties.

The result would be security without direction or purpose, or a purpose without security. While nobody is shooting at us, we ought to prepare for any storm.

Second. Item 2 of the recently adopted 7 improvements said "meticulous care should be exercised in the matter of suspension of employees against whom derogatory information has been received."

I have long wondered why any alleged security risk, particularly those holding nonsensitive positions, should be suspended prior to the hearing to which an individual is entitled. What purpose really is served by these suspensions? On the basis of the record which points out that many of the persons accused are cleared and restored to duty after their hearing, it taxes credulity to agree that our security has been strengthened by the suspensions. It is easier to agree that human beings have been needlessly hurt.

If there is reason to suspend an employee as an alleged security risk, there must be ample grounds for holding a hearing. Why the suspension and then delay before the hearing? Why? Is this practice to be called firmness? Is this treatment to be thought of as being just?

A hearing is held to determine whether the retention in employment in the Federal service of a particular individual is clearly consistent with the interests of the national security. Why not notify the employee that the question is pending through a statement to him which relates the when, where, whom, and what to the charges against him; then give this employee a reasonable period for preparing his defense; then hold the hearing which will recommend his dismissal or retention without any further prejudice.

Would the Government be harmed if this practice became the custom? How could it be harmed?

What about the employee who has been suspended with several months to wait before his hearing? He watches his limited resources rapidly evaporate. The statement of charges he carries in his pocket has too often been too vague for some outside attorney to understand; his family begins to wonder where their next meal is coming from; his neighbors think it strange that he spends so much time around the house; his children are pleased at first but they begin to wonder soon; if he is innocent of any wrongdoing, and this is more often the case than not, he just wonders and suffers, and generally prays.

How many times does this employee resign after having been suspended because he thinks he doesn't have a chance and there is no point in requesting a hearing? There is every logical reason not to agree with those who blithely point to a resignation after suspension as being an admission of guilt. A man must earn and live. If he can't afford the waiting and the money to defend himself at a future hearing, he must get to work at something because his family must eat and his children must go on going to school.

On November 22, 1954, a clerk, a GS-4, I think, was suspended by a great agency of the Government for it was alleged that she had been a member of the Washington Book Shop in either 1940 or 1941. This she denied under oath. Her hearing was held on March 2, 1955. No decision had been reached on last Monday when I committed this reference to paper. Is any such suspension justified? How could her retention, pending a hearing, impose either trouble or injury on the agency? What has the action of that agency done to her enthusiasm and confidence in her Government?

The more I consider the practice of suspension before hearings, the more I believe that it weakens but does not strengthen internal security.

Third. Under the seven new improvements, it is provided that a legal officer be present at security board hearings to advise the employee, if not represented by counsel, as to his rights under Executive Order 10450, as amended, and the pertinent regulations.

Here we encounter the question, "Is not the employee entitled to something more than a mere recitation of his rights?" Why should he not be assisted by the Government in his defense? That Government does not wish to persecute him; it endeavors rather to determine if the employee is, in fact, a security risk.

The court-marial has long been employed by the armed services as an instrument of security and fairness. This court provides competent counsel for any draftee or professional serviceman who is brought before it. Is the civil servant less entitled to protection than the individual who volunteers or is required to wear the uniform of his country? Are we content to say that one is a judicial and the other an administrative proceeding? Is it not apparent that careers and reputations are equally at stake?

The accused before a military court-martial is actually less in need of legal assistance, which he gets automatically, than is the accused before a security-board hearing, who either contracts for his legal aid on the outside or goes without.

Testimony before a court-martial is restricted; that admitted by a security-board hearing may be anything, everything, or practically nothing. The one who stands accused before this administrative body needs, and I think he is deserving of, legal assistance from the agency which submits the charges.

Private bar associations are offering legal assistance free of charge to Federal employees involved in security-risk cases. As a taxpayer, I resent the implication that a public servant must be protected from his Government by outside help.

If our policy becomes that of providing legal assistance to those accused, would we be less than firm in our Nation's desire to rid the Government of undesirables? You know we would not.

The absence of legal assistance is perlexing enough for the civil servant but even more demanding of consideration in the field of industrial security. Its only three hearing boards are situated in San Francisco, Chicago, and New York. The persons here concerned for the most part are scientists, engineers, and skilled technicians. They must travel to and from the hearings at their own expense. All of the many other costs, including attorney fees, come out of their own pockets. Why shouldn't too many of those accused just quit after suspension and seek employment in some nondefense industry? Many of them do and their departure hurts them less than it does the Government which needs every superior mind and skill it can prevail upon to contribute to the defense effort.

This question of legal aid in its entirety has no ready answer. Is it not deserving of public study and exploration?

Fourth. The sixth improvement, recently announced, says that even though the statute does not provide subpena power, every effort should be made to provide witnesses for the Government to be confronted and cross-examined by the accused, so long as their presence would not jeopardize the national security.

This seems to be more of an expression of hope than reality. How many witnesses who provide unsworn derogatory information will respond to an invitation to appear, to be sworn, to submit to cross-examination, and to pay whatever travel and living costs are involved? My guess is that very few will show up.

If we have a pressing need for security boards, as we do, should they not be equipped with every facility for reaching decisions which are firm and just? Without the subpena power, these boards must do a lot of guessing, which can impose real and avoidable harm and trouble on either the Government or the employee. At least, it appears so to me.

The Government employs undercover agents, paid informers, and casual informers, for whom it wishes to guarantee anonymity. This is a touchy question, but I think it not indiscreet to refer to my understanding of the casual informer. Most of us have been casual informers from time to time. Investigators ask us what we know or desire to say about our friends, coworkers, associates, and acquaintances. Should we not be willing to say under oath and at a hearing what we have freely said, be that derogatory or praiseworthy, within the four walls of our home or office? If we are unwilling, should we not be required to support our judgment or retract it?

The accused employee is constantly impressed by the sad consequences to result

if he does not tell the truth. I think it sadder that he can be torn to shreds by the tongue of a person he never sees. Perjury ought to be as applicable to the accuser as to the accused.

The Government has stated in the improvements that the rights of the Government and of the employees are fully safeguarded when persons possessing the highest degree of integrity, ability, and good judgment sit as members of security boards. Such qualities when unrelated to established knowledge are often wasted and work in the dark.

Five. Contradictions between security systems could be reconciled with a resulting clearer understanding and increased confidence in the public's mind. How a division within the Justice Department can bring this unity about, assuming it to be desirable, I do not know. Certainly assistance from the Congress would be necessary.

Under Executive Order 10450, the applicant with derogatory information against him may or may not be told that such exists or the nature of it. The person for whom he seeks to work can discuss the question with him but is not required to do so. If the applicant surmises that there is a security question about his employment, there is no official avenue through which he can be fully or factually informed. Generally he hears nothing from official sources and he seldom receives the sought-after appointment.

Under the Atomic Energy Commission's procedures, the same applicant would be advised of the derogatory charges, encouraged to answer, and automatically granted a hearing if he desired one.

Under the industrial-security plan, this applicant would automatically be denied employment for any assignment requiring a clearance. Industry has no preemployment examination to clear away derogatory information.

AEC hearing board members are largely distinguished private citizens. Those under Executive Order 10450 are all employees within the Federal establishment, while those who serve on industrial security boards are officers from the Army, Navy, or Air Force, or civilians who are generally retired officers from the armed services.

Under Executive Order 10450 and the industrial-security system, the standard by which employees are retained is whether their retention is clearly consistent with the national security.

Under the Atomic Energy Commission, personnel is retained if their retention will not endanger the common defense and security.

These standards and procedures are poles apart. Some among them are infinitely preferable to others. The present is the best time to make the choice.

Those who believe as I do would never advocate a system which denies an opportunity to any applicant to explain away or clear up the derogatory information which has been filed against him. Unless it is cleared away, this individual, who may be totally above legitimate criticism, is not likely to have a reasonable chance for Federal employment in any other agency. Once you have any kind of written record with the Government, it becomes your shadow and follows you everywhere. If there is a cloud on that record, you may be well thought of elsewhere but hardly by the Government.

The pride I want to have in my Government does not permit me to view with favor any machinery which seemingly favors a standard of mediocrity over a standard of excellence. Unless registered derogatory information is examined in consultation with its subject, our Government will be more and more inclined to accept for employment only those against whom nothing bad or little good is said. Many of these applicants will become first-rate personnel but a large number will be unimaginative drones of the first order. We ought more readily to appreciate human nature. The most intelligent and progressive people we can think of are supported by many friends and opposed, sub rosa and less often publicly, by many enemies. Greed, jealousy and selfishness often are reflected in the derogatory information registered against an applicant.

It will take time, thought, desire and money to be more thorough and careful in evaluating an applicant's Form 57. In doing so, however, the strength of our Government would be increased. In clearing away derogatory information about a particular individual, it might well result that he or she was possessed of the qualities and driving force of genius. Has our Government, speaking for the people, ever been more in need of these characteristics?

Sixth. In 1947, the Attorney General was directed by the President to compile a list of organizations thought to be totalitarian, Fascist, Communist, or subversive. Memberships in organizations on this list were to be considered by the Civil Service Commission in judging the loyalty of applicants and public servants in the Federal service.

The organizations on the Attorney General's current subversive list totals more than 250. Some 75 of these organizations have been listed since 1952.

Every applicant for the Federal service and every employee within that service has been required to state whether he is currently or has ever been a member of any organization listed by the Attorney General.

Is it not proper to explore the desirability of eliminating that portion of the question which relates to memberships which were resigned or renounced or which lapsed prior to the listing which was first made public in 1947?

If an individual's conduct, attainments, and attitudes have been above reproach during the past 8 years, or since 1947, is it not a legitimate calculated risk to assume that he had been a loyal citizen during the years which went before? I think the risk can be intelligently taken.

By what training are we qualified to examine the years and conditions before 1947? No more than a mere handful of persons have any knowledge about the history, character, make up and purposes of most of the listed organizations. Who among your acquaintances has any knowledge about them? The fact is that a large majority of those who evaluate applications and investigate civil servants are without sufficient knowledge to reach a rational judgment covering the past. They interpret the list, which is all they have before them, in any way they please.

Is it not logical to understand that one may have joined the Workers Alliance because unemployed, or taken out a card at the Washington Book Shop during the early 1940's in order to buy books or records at a discount, or joined one of the friendship-with-Russia groups during the World War II alliance, without in any of these cases ever knowing that the organization was subversive or controlled by the Communists?

Has our society become so lacking in vitality, vision and strength that we must pour over the ashes of a dead period in the past which will not be fully analyzed by historians for another 50 years? When this Nation of ours fought its way West to open up new frontiers, a contributor was judged for what he could do and for what he was rather than against any standard to evaluate what he had been in the years of his youth and growth. I am not suggesting that we give consideration only to memberships which were taken out in this year. I am bluntly suggesting that an examination of a person's record over an 8-year period from 1947 to 1955 is sufficient to judge the usefulness and loyalty of that person at this moment and for the future.

This question, concerning the past, when raised becomes demanding of discussion and thought.

When the Nation substituted a broader security program for a restricted loyalty program, the Attorney General's list was supplied to the heads of all departments and agencies for use by their security apparatus. This list is presently being employed for many purposes beyond the security program—for passport denials; by local officials and private owners to deny meeting halls; and for teachers' oaths to state but several.

The Attorney General's list, when related to memberships prior to 1947, excepting previous membership in the Communist Party, USA, is causing an extravagant and futile waste of time and energy which ought to be utilized in seeking solutions for problems of the present.

All I do professionally is to work on those portions of the list which cover alleged Communist organizations. My experience has taught me, or I have grown to believe, that memberships in these groups are often absolutely meaningless unless they are related to when, where and why.

The Attorney General is presently seeking to list the National Lawyers Guild as the legal mouthpiece for communism in our country, but had I been an enterprising law-school undergraduate or Negro lawyer in the late 1930's, I would probably have joined it. The American Bar Association of that period did not permit Negroes to membership nor did it provide any limited membership for the undergraduate who sought a close association with his legal elders. Had I joined and then resigned before 1945, should I now be held suspect and penalized for having been ambitious in my youth?

A person may have been a dupe in joining a listed organization which is thought now to have been subversive but it does not follow that he necessarily was disloyal. With respect to those who resigned from these organizations before they were listed by the Attorney General, I think we can easily afford to assume that the resignation was initiated for cause by a good American.

Among my own friends are those who renounced their memberships in given organizations some years before they were listed. These individuals were more farsighted than their Government, but instead of being praised, they have been too often denied Federal employment. Is this reaction by authorities the exercise of commonsense?

Do you remember when people were fired from the Government for expressing antagonistic views about our wartime alliance and friendship with our Communist ally, Soviet Russia? Do we forget that Communists were commissioned in our armed services not long ago? Can you not recollect the public encouragement given to some of the listed organizations by the most prominent public and private personalities during World War II? How many of the members of that period joined because their leaders spoke out in open praise for the organizations? A very large number were so stimulated, encouraged, or coerced.

That period of our past from 1930 through 1945 was a confused, groping, bewildering series of contradictions. We fought and suffered through a depression and engaged in a global war. We kept company with some strange and disagreeable allies and fair-weather friends. We did all of this in an agonizing and amazing effort to conquer the unknown and to keep our liberties. In having done both, is it not practical, humane, and desirable to forget the past before 1947 so that we may do a better job of going forward from there and from now?

One trouble with going backward is that of never knowing where to stop. What organization will be listed tomorrow in which past memberships will embarrass and cloud the reputations of those now employed who

are considered above reproach by their superiors and friends.

Seventh. There is more to ponder over in the Attorney General's list than memberships before 1947. The question which intrigues me is what ought to be done with the Attorney General's list?

I am not the first to be so intrigued. The Congress spent years in working for an answer.

The Internal Security Act of 1950 established the Subversive Activities Control Board. The function of this body is to adjudicate the merits of cases through which the Attorney General alleges that organizations exist in this country which are dominated, directed, infiltrated, and controlled by international communism or by the Communist Party, U. S. A.

In these proceedings, the Board moves with cautious thoroughness because the sanctions to be applied to Communist-action or Communist-front organizations are severe and onerous. The Attorney General is required to establish his allegations to be true, as would any prosecutor before any court, and the respondent is provided with every opportunity to prove that the allegations are unfounded in fact, as he would be encouraged to do before any bar of justice.

If this process of adjudication is desirable, should we not speed up the process and thus move in the direction of liquidating the Attorney General's list? Without this process, the Attorney General's list, as it refers to Communist organizations, would remain outstanding in perpetuity without being adjudicated. Any fair-minded American would be made to feel uncomfortable by any prospect of this kind.

Many of the organizations on the Attorney General's list are said to have been inspired and organized by Fascist, totalitarian, or subversive movements unrelated to communism. How are the facts about these organizations to be established? Many of the organizations have been dead for years and in this sense, they are defenseless. Should we go on casting discredit on individuals who belonged to this type of organization many years ago?

The Internal Security Act of 1950 might be amended to provide the same method for adjudicating totalitarian, Fascist, and subversive organizations as is now provided for Communist organizations. Otherwise these non-Communist but subversive organizations will continue to be listed, without much meaning, forever and a day.

Some of the listed organizations had but a single purpose and brief existence. Shall all of those who belonged to these groups be held suspect for as long as they live? Would it not serve the public interest to eliminate all of the deadwood from the Attorney General's list as soon as possible?

I can give you a dozen reasons why we ought to hurry with this pressing task of liquidating the Attorney General's list. The most illuminating reason is to be found in a question which the Department of Defense in its industrial security program requires to be answered by any person who seeks a clearance to handle classified information. This question reads: "Are you now associating with or have you within the past 5 years associated with any individual, including relatives, who you know or have reason to believe are or have been members of any of the organizations designated by the Attorney General as having interests in conflict with those of the United States?"

If your answer to this question is "Yes," even though you make reference to a cousin five times removed or to a casual friend with whom you share an occasional glass of beer, your answer in itself constitutes derogatory information against you. If the answer is "Yes" and you are an applicant rather than an employee, you have closed the door to employment in your own face. If the answer is "No," but others think it should be "Yes," you may find it exceedingly difficult to clear away the seeming discrepancy. If the answer is "Yes," but others believe it should be "No," then you have placed them in a dilemma which may ensnare you before it has been resolved.

We are not accustomed to any citizens' informer system in this country. Yet, throughout defense plants in American industry, we have established one. In the above question we are asking citizens to probe the past from which their coworkers, relatives, and friends have come. Who among us is knowing enough to relate the past to circumstances which prevailed? This is a task to be assumed only by the most knowing professionals.

Though I personally believe this procedure is not in our Nation's best interest, I am constrained to inquire as to why the question to which I have referred is not included as a question in the Federal employment form 57? If there is need for an all-inclusive informer system within industry, there ought to be a like need for such a system within the Government. Perhaps, on reflection, those who take action in these matters will consider any citizens' informer system within industry or the Government to be as distasteful and harmful in the long run as I do.

The Attorney General's list ought, in my judgment, to be liquidated through procedures which our country supports. The merits of the charges against any listed organization should be adjudicated. Sanctions should apply to those who remain as members after an organization has been found to be guilty as alleged by the Attorney General. We ought to permit and encourage those who resign or have previously quit, to work and travel without restraint or prejudice. In what other way can the list be liquidated? In what other fashion can fairness be maintained? In what other way can we distinguish between those who are dedicated to an un-American cause, and those who seek a way out as soon as they are given established reason to believe that they have been hoodwinked. Many among us have been silly, foolish, and stupid in the years of our past but how many among us have or want to be disloyal? That list is remarkably short. This knowledge ought to make us cheerful and keep us so.

There remains an important question to be raised concerning any Attorney General's authority to list organizations as being subversive or un-American. What should the time lag be between his listing an organization and when he prosecutes his charges before a body of competent jurisdiction? Until the prosecution of a case is undertaken, the listing authority remains as judge, jury, and prosecutor. This is hardly in keeping with our historic tradition of charge, prosecution, and verdict. In my opinion, no organization should be listed unless it is simultaneously announced that prosecution will be initiated in the case within a period of several months. Is this attitude unreasonable? Would its adoption endanger our desire to be firm with those who are found to be our enemies? I raise the question because we are no closer to adjudicating some of the listed organizations than we were on a day in 1947 when the organizations were publicly listed. We need a better answer to this question than has been available during 8 long years. We continue to list organizations much more rapidly than they are being disposed of.

Your patience this morning has been quite remarkable but the depth of my appreciation for your interest and invitation is comparable. In departing from your presence, I take away to be treasured always a stimulating, encouraging, heart-warming memory.

I leave you with this wrap-up conviction and expressed hope.

The complete measure of a government, like that of an individual, can only be judged by the fashion in which it assumes and fulfills its unenforceable obligations.

These are the areas of public concern we have emphasized today. We expect and pray that our government will be just in its treatment of every citizen not because the laws of our land so require in every instance, for they do not, but because that government wants and will remain determined to be just.

In this Republic, the Government represents, acts, and speaks for us, its people. It continues for us, the people, to petition that government while joining minds, hearts, and hands with it in ways destined to sharpen the unlimited powers of liberty; to keep the Nation progressive, alert, and resourceful; to provide a climate in which the individual is self-reliant, self-respecting, and free.

May health and happiness bless you all.

I wish you well.

COMPTROLLER GENERAL OF THE UNITED STATES

The Senate resumed the consideration of the nomination of Joseph Campbell to be Comptroller General of the United States.

The PRESIDING OFFICER (Mr. MONRONEY in the chair). The question is, Will the Senate advise and consent to the nomination of Joseph Campbell to be Comptroller General of the United States?

Mr. HUMPHREY. I request the yeas and nays.

The yeas and nays were not ordered.

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

SEVERAL SENATORS. Vote! Vote!

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to the nomination of Joseph Campbell, of New York, to be Comptroller General of the United States? [Putting the question.]

The nomination was confirmed.

The PRESIDING OFFICER. Without objection, the President will be notified of the confirmation of the nomination of Joseph Campbell.

Mr. HUMPHREY. Mr. President, I ask unanimous consent to have printed in the RECORD, immediately following the vote on the confirmation of the nomination of Mr. Campbell, a statement I have prepared.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR HUMPHREY

The Senate should disapprove the nomination of Joseph Campbell for appointment as Comptroller General of the United States.

I have arrived at this conclusion after careful study of the history of the Office and its functions as an agency of the legislative branch of the Government, with which Mr. Campbell has had no previous knowledge or experience.

While Mr. Campbell undoubtedly is qualified in the accounting field, one of the functions performed by the Comptroller General, he is completely lacking in legal, judicial, or

legislative experience and training, which, in our view, are essential requirements for the performance of the quasi-judicial functions of the Office and in carrying out other important responsibilities of the Comptroller General.

Although it is not required that an appointee to the position of Comptroller General must necessarily be a lawyer, I do believe that any nominee who has had no legal, judicial, or legislative training lacks the essential qualifications to carry out the duties and responsibilities vested in the Office by the basic statutes under which the General Accounting Office was established and which govern its operations.

The Office of the Comptroller General was created to provide the Congress with a fiscal and legal agent, vested with quasi-judicial authority, whose duty it would be to audit the accounts of all Federal agencies; to review the manner in which executive branch departments and agencies are executing and administering programs authorized by Congress; and to analyze the expenditure of appropriated funds to insure compliance with the intent of the Congress under legislation which authorized the programs. Thus, his responsibility to the legislative branch includes reporting deficiencies in administration, waste, and extravagance in the expenditure of appropriated funds, and providing the Congress with essential information relative to operations of the Federal Government upon which legislative action must be based.

The Comptroller General is required by law to prepare and issue numerous decisions covering practically the entire range of Government operations, many of which are extremely complex and highly controversial. He must also resolve questions arising out of the normal operations of the General Accounting Office; render decisions on the legality of Federal expenditures, with particular reference to whether programs under which funds are to be expended have been authorized by law and that the manner of their expenditure conforms to the intent of the Congress; review the legality of Federal contracts and expenditures made pursuant thereto, as well as the settlement of accounts and claims against the Federal Government. His decisions are binding on the executive branch and are often considered and cited by the Federal courts.

In order to perform these duties properly, the Comptroller General must have had experience with and a detailed knowledge of the legislative process, or sufficient legal training to enable him to evaluate the intent of the statutes approved by the Congress and to report fully on deviations from the intent of Congress.

The legislative history of the Budget and Accounting Act of 1921, which created the General Accounting Office and the Office of the Comptroller General, clearly demonstrates the emphasis placed by the Congress on the importance of making the Office entirely independent of executive control, with sole responsibility to the legislative branch. Serious consideration was given to placing the appointment of the Comptroller General under the control of the Congress itself, in order to insure that the appointee would be responsible only to the legislative branch. It was determined, however, that such a provision of law would be an infringement on the appointive powers of the President, and, after extensive debate, the power to make the nomination was vested in the President, with the added legislative control that he could be removed by the Congress by the passage of a joint resolution (which would require Presidential approval).

The debates in Congress clearly illustrate the fact that this appointive power was reluctantly vested in the President as a matter of necessity so as to meet other requirements of law. To emphasize its desire to insure the separation of legislative and executive powers under the Budget and Accounting Act of 1921, the Congress also provided in the act for the establishment of the Bureau of the Budget, headed by an officer—the Director of the Bureau of the Budget—who would serve the executive in a capacity similar to that in which the Comptroller General was to serve the Congress. The act did not require Senate confirmation of this officer on the premise that he should be responsible only to the President, and could be appointed or removed at the will of the President without congressional interference or Senate approval, as is required of all other officials of the Government appointed to positions of similar importance.

Under present policy, unless there is some question raised as to the qualifications of the appointee or his fitness for the office, nominations submitted to the Senate by the President for appointive positions in the executive branch are confirmed under a more or less routine procedure, based on the premise that the President has the right to select officials who will be responsible to his direction and qualified to carry out his policies without congressional interference. An appointee to the Office of the Comptroller General, however, being accepted generally as one responsive only to the legislative branch, should have required, in the view of the minority, not only the consent but the advice of the Senate. No information was submitted at the hearings to indicate that the President consulted with or sought the advice of Members of Congress before submitting the nomination of Mr. Campbell to the Senate. Thus, there arises the question of whether Mr. Campbell, should he be confirmed by the Senate as a Presidential appointee, would be responsive to the wishes of the President or the Congress, in the event of a serious controversy between the executive and legislative branches which he might be called upon to resolve.

During the quarter century that the General Accounting Office has been in existence, and the Comptroller has acted to assist the Congress in retaining its control over the expenditure of public funds, a number of efforts have been made to weaken the powers vested in that office, and to transfer certain of its functions to the executive branch. The Congress has strenuously and successfully resisted these moves.

It is my view that the Senate should reject the confirmation of Mr. Campbell, in order that the Congress may make certain that the General Accounting Office will continue to perform functions essential to the retention of congressional supervision over Federal expenditures, and to insure that the legislative branch may retain its status as a coequal branch of the Government.

EMPLOYMENT OF ADDITIONAL ASSISTANTS BY THE COMMITTEE ON BANKING AND CURRENCY

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of legislative business.

The motion was agreed to, and the Senate resumed the consideration of legislative business.

Mr. JOHNSON of Texas. I now move that the Senate proceed to the consideration of Order No. 51, Senate Resolution 57.

The PRESIDING OFFICER. The clerk will state the resolution by title.

The CHIEF CLERK. A resolution (S. Res. 57) authorizing further expenditures and temporary employment of additional assistants by the Committee on Banking and Currency.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas.

The motion was agreed to; and the Senate proceeded to consider the resolution (S. Res. 57) which had been reported from the Committee on Banking and Currency without amendment, and subsequently reported from the Committee on Rules and Administration with an amendment, on page 1, line 7, after the word "authorized", to strike out "until" and insert "through", so as to make the resolution read:

Resolved, That, in holding hearings, reporting such hearings, and making studies as authorized by section 134 of the Legislative Reorganization Act of 1946 and pursuant to its jurisdiction under rule XXV (1) (d) 4 of the Standing Rules of the Senate, the Committee on Banking and Currency, or any duly authorized subcommittee thereof, is authorized through January 31, 1956, to make such expenditures, and to employ upon a temporary basis such investigators, and such technical, clerical, and other assistants as it deems advisable; and with the consent of the department or agency concerned, to utilize the reimbursable services, information, facilities, and personnel of any of the departments or agencies of the Government.

SEC. 2. The expenses of the committee under this resolution, which shall not exceed $100,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

The amendment was agreed to.

Mr. ELLENDER. Mr. President, may I inquire whether the resolution provides for more clerical help for the Banking and Currency Committee?

Mr. SPARKMAN. Mr. President, in answer to the Senator's question, I will say that the committee report which was submitted in connection with the resolution carries a suggested budget. The committee has been carrying on an investigation since last April, I believe, or about that time, and we did not propose to use more help; in fact, I do not think we will use even as much help as we used during the investigation last year; but additional help is needed. The budget is set forth in the report of the committee.

Mr. ELLENDER. The resolution provides for what?

Mr. SPARKMAN. It provides for a continuing investigation and a study of the whole housing program.

Mr. ELLENDER. Mr. President, there are quite a few resolutions on the calendar calling for the expenditure of more and more money. I thought that before we proceeded to the individual consideration of these resolutions I would make a preliminary statement as to the resolutions, and then, as each resolution comes before the Senate, it is my hope to obtain a little more detail in trying to ascertain the necessity for it.

I dislike to make myself, may I say, more or less obnoxious to many of the Members of the Senate and the investigative staffs when I take the floor to ascertain the purposes of the many resolutions which are submitted at the beginning of each Congress.

As I have pointed out on numerous occasions, many, if not all, of these resolutions authorizing funds for so-called temporary investigations are submitted with the statement of the proponents that "We hope to get through

this session without further expenditures." But that is seldom the case, Mr. President. As I have frequently pointed out, unlike the old soldier who never dies but merely fades away, these special committees not only never die, but they seem to grow larger and stronger as time goes on. They become more powerful and healthier. There are, as I have previously pointed out, professional staffmen on Capitol Hill—professional investigators, if you will—who make it their business to either expand their investigations, or to create more and more of these special committees so as to preserve and perpetuate their jobs and their lucrative salaries. The record I have before me testifies adequately as to their success, Mr. President.

In 1940, the amount of money which was appropriated for special investigation committees was $170,263.04. From year to year, the amounts increased. In 1945 the amount had increased from $170,268.04 to $427,574.

During the fiscal year 1947, the first year after the passage of the Reorganization Act in 1946, special investigation costs increased to $692,603.65.

Mr. KILGORE. Mr. President, will the Senator yield for a question?

Mr. ELLENDER. I yield for a question.

Mr. KILGORE. Was it not at that time that the special committees were forbidden, by a rule of the Senate, to borrow personnel from executive departments? I well remember that at that time a special committee could be set up with only $3,000 or $4,000, and by borrowing the necessary personnel from the executive departments. But by a resolution adopted by the Senate, the borrowing of personnel from the executive departments of the Government was forbidden, and it became necessary for the committees to employ their own personnel. Is not that correct?

Mr. ELLENDER. That is true. But the amount of the appropriations from 1946 onward, even after the adoption of the resolution to which the Senator has referred, has continued to increase, until today, as I shall point out in a few minutes, one committee of the Senate, the Judiciary Committee—headed by my good friend, the distinguished Senator from West Virginia—will receive more than a million dollars in order to carry on its operations for this year alone.

I say it is time to call a halt to all these expenditures. I say it is time to cut down on staffs and eliminate the so-called temporary investigations which cost so much money.

Let me refresh the memory of the Senate as to the manner in which these temporary probes have multiplied and expanded.

In 1950, which was several years after the adoption of the resolution to which the distinguished Senator from West Virginia has referred, the amount spent by the Senate on special investigations increased to $1,277,094.39.

In 1952, the amount was $1,727,000.

In 1953, it was $1,739,329.

Last year $1,936,217.29 was expended.

This shows a gradual but substantial increase from year to year. What is the outlook for 1955? I should like briefly to review the current status of these appropriations. The Senate, at this session of Congress, already has approved resolutions for the following special studies:

For the Committee on Interstate and Foreign Commerce, to study certain interstate commerce problems, $200,000; for the Post Office and Civil Service Committee, to study the internal security program, $125,000; for the Committee on Banking and Currency, to study the economic stabilization and mobilization problems, $100,000; for the Committee on Armed Services, a carryover from its investigation of the preparedness program, $63,647; for the Committee on Foreign Relations, to investigate the technical assistance program, $52,000; for the Committee on Interior and Insular Affairs, to investigate critical materials, $70,000; for the Committee on Interior and Insular Affairs, general investigations, $60,000; for the Committee on Labor and Public Welfare, to study pension funds, $190,000; for the Committee on Government Operations, for the Permanent Investigations Subcommittee, $190,000.

This makes a total, already approved and acted upon, of $1,050,647 for the year 1955.

If the Senate today should adopt the resolutions which are now on the calendar, there will have been added to the $1,050,647, the further sum of $1,104,600, thereby making a grand total, for 1955, of $2,155,247.

That will be an increase of more than $200,000 over last year; and the year 1955 is still young; this is only March. I suspect that from this time forward, other committees will be coming before the Senate, asking for more money.

As I have just indicated the Senate has for consideration today 12 resolutions seeking amounts aggregating $1,104,647.

In that total are included the following appropriations: Internal Security Subcommittee, $260,000; Antitrust Subcommittee, a brand new investigatory body, $250,000—and this amount is being asked in the face of the fact that the Attorney General has been making surveys and studies of the antitrust laws for the past 2 years. Congress already has a wealth of information, previously gathered; yet the Senate today is being asked to provide another $250,000 in order to study the problem further. I say this is pure duplication of effort. It is not necessary, and it should not be done.

If the Attorney General has recommendations to make, they should be submitted, and I am sure in due course they will be submitted, to the Committee on the Judiciary; and I am also sure that the Judiciary Committee will undoubtedly recommend remedial legislation to the Senate. Such proposed legislation must necessarily be considered by the regular committee.

The $250,000 which the Senate is now being asked to appropriate is money which will simply be thrown down the drain.

Mr. KEFAUVER. Mr. President, will the Senator yield for a question?

Mr. ELLENDER. I yield for a question.

Mr. KEFAUVER. I think the Senator from Louisiana is incorrect about the consideration of the reports made by the Attorney General. The subcommittee in question is a special subcommittee of the Committee on the Judiciary. As such, it would be the one to hold hearings to consider the reports of the Attorney General.

Mr. ELLENDER. I have no doubt that if the Senate follows the regular procedure, the recommendations of the Attorney General will be submitted to the Committee on the Judiciary, and that committee will undoubtedly suggest amendments to the law. As a rule, it is the full committee which considers the reports, not special committees.

The Senator knows as well as I do that what the special committees do is to hold hearings. After they have concluded the hearings, the subcommittees submit their findings and recommendations to the full committees. It often happens that the full committee will then look into the matter and decide whether the recommendations should be enacted.

Mr. KEFAUVER. The chairman of Committee on the Judiciary is present and can speak for himself, but I submit that in that committee—and I suppose the same practice is followed in most other committees—matters affecting the antitrust laws, and similar laws, are submitted to a subcommittee for the purpose of conducting hearings and investigations, following which the subcommitte makes its report to the full committee.

The Committee on the Judiciary as a whole has so much business before it that it would not be possible to have it considered by the committee as a whole; therefore, it is necessary to refer it to subcommittees.

Mr. ELLENDER. Unquestionably the Attorney General spent thousands of dollars in order to gather the information upon which he expects to base his recommendations to the Committee on the Judiciary; and no doubt he will recommend that some laws be enacted.

The Senator from Tennessee knows what the procedure is, and I shall demonstrate it in a minute with respect to the Subcommittee on Juvenile Delinquency, of which the Senator, as I understand, will be the chairman. That subcommittee has been in existence during the years 1953 and 1954.

The committee has traveled in many parts of the country. It has submitted a report indicating what the trouble is, and suggesting legislation. What is going to happen with respect to those recommendations? As I understand, proposed legislation will be submitted, and when that is done the bill will go to the full committee, and the committee will hold hearings or accept the recommendations of the special committee and determine whether or not it should proceed with efforts to get the legislation enacted.

Mr. KEFAUVER. Yes; but the work of getting the facts, the pros and cons, and reporting the necessity in connection with the proposed legislation,

whether it is the juvenile delinquency subcommittee or the antitrust monopoly subcommittee, will be work carried on by subcommittees. It would be impossible to carry on the work otherwise.

Mr. ELLENDER. That is why the reorganization law was enacted. Each standing committee was authorized to appoint 4 specialists, 2 clerks, and 4 clerical employees. Each standing committee of the Senate is provided with a total of $95,000, which is appropriated each year, and which the committee can spend. That amount is to pay for the four specialists, or experts, the clerical assistants necessary, and for the purpose of holding hearings.

Mr. KEFAUVER. If the Senator would look at the calendar of the Committee on the Judiciary, he would find, in view of the very wide jurisdiction of the committee—and it is not the fault of the committee that Senators introduce many bills which are referred to the Committee on the Judiciary—that somewhere between 52 and 55 percent of all bills introduced in the Senate are referred to the Committee on the Judiciary. I know that the experience of the late Senator McCarran and the Senator from North Dakota [Mr. LANGER] was, and I know that the experience of the Senator from West Virginia [Mr. KILGORE] now is, that the regular staff of four professionals was not and is not able to do the work for the full committee, let alone all the subcommittees.

Mr. ELLENDER. Let me tell the Senator that before the Reorganization Act was passed I was chairman of the committee which considered all the private claims bills which the Committee on the Judiciary is now handling. I worked on that committee for 5 or 6 years, 4 of those years as chairman, and that committee handled all of this work at a total salary cost of $3,600. I do not know how many clerks the Committee on the Judiciary has engaged in that work.

Aside from that, we are providing the Attorney General with almost $100,000 to make studies of private claims bills before they come to the committee. We did not have that advantage before 1946, and I think we did a very good job. When I was chairman of the committee, we considered a large number of bills; 51 or 52 percent of the total number of bills passed by the Senate were reported by the then Claims Committee, of which I was privileged to be chairman. We had a great deal of work to do, yes, but we did the work ourselves, and we did not have numerous lawyers and clerks to do it. The Senators themselves did the work.

Nowadays it seems the order of the day to have attorneys and professional job seekers serving the committees, and to have the committees surrounded with a lot of clerical help. In addition to that, there seems to be a need to have somebody in the Attorney General's office do most of the work of investigating as to whether or not the special claims ought to be paid.

It is true Mr. President, that a lot of work has devolved on the Committee on the Judiciary because of the immigration laws which have been enacted. But the committee is especially provided with assistants to do that work. Extra help to do that work is provided for the Subcommittee on Immigration. That personnel handles the work; it is not the staff of the regular committee that does it.

In addition to the 4 professionals and the 6 clerical employees whom the Committee on the Judiciary has, what is provided? There are 2 additional professional workers and 3 clerks, to carry the extra load the Senator has just been discussing.

Mr. President, in my humble judgment, if the employees of the Committee on the Judiciary were to do the work assigned to them, there would be ample help available in the present force.

Mr. KEFAUVER. Mr. President, will the Senator yield for a question?

Mr. ELLENDER. I yield for a question.

Mr. KEFAUVER. I wish to say I do not know of any Senate employees who work harder than do the employees of the Committee on the Judiciary. They are busy all day. I know that many of them work at night. Many of them work very, very long hours.

It may be that when the Senator was handling claims bills, he was able to get more done than the present members of the committee are able to do, but I submit the burden of work on the chairman of the Committee on the Judiciary and on every member of the committee is very, very taxing, because as to every one of the claim bills, even though assistants are provided, the claimants want so see committee members and be heard. The same is true of immigration bills. I do not think the committee would be able to function at all, considering the burden of proposed legislation it carries, unless it had subcommittees and adequate staffs.

The Senator referred to the immigration subcommittee. That is one of the subcommittees requesting funds.

Mr. ELLENDER. I may state to my friend from Tennessee that I am not questioning each one of the requests. I know it is necessary to increase some of the amounts previously provided. I know that. But the committee keeps burdening itself with more and more subcommittees. That is what I do not understand. As I pointed out a short time ago, the Committee on the Judiciary of the Senate would, standing by itself, be the first standing committee to have available over $1 million with which to operate this year. It would be the first committee to reach that level of expenditure, and I submit that it is a dubious distinction, indeed. As a matter of fact, Mr. President, it is unconscionable. I am saying, Mr. President, that, if this matter were looked into by the chairman and others, probably 40 percent of that amount could be saved, and the work could be done just as well as it is being done now, or better.

Mr. President, I do not wish to go into all the resolutions in detail, but I should like to call attention to one in particular, and that is the one embodying the request of the juvenile delinquency subcommittee. That subcommittee was created 2 years ago, at the request of former Senator Hendrickson, of New Jersey. As I did when other new subcommittees were formed, I questioned the advisability of creating that special subcommittee. I do not suppose there is a problem confronting us that is better known than is the subject of juvenile delinquency. However, it should be considered more or less on the local level.

When the resolution was presented, the former distinguished Senator from New Jersey asked for $44,000. In debate, he stated to the Senate—and I was present—that he felt confident that if the Senate would give him that amount of money, he could complete the investigation and could make his report to the Senate. By the way, Mr. President, when my good friend, Senator Hendrickson, of New Jersey, made a further request, last year, for additional funds for this purpose, he acknowledged that he was in error when he said he could complete the investigation with only $44,000. At that time he made the following confession:

> Mr. ELLENDER. Since the Senator from New Jersey is the author of this resolution, I have no doubt that he will be appointed a member of the subcommittee. So I hope he will come to the Senate next year without a request for more funds.
>
> Mr. HENDRICKSON. I sincerely hope that I shall be able to come before the Senate and report exactly the result which the Senator from Louisiana wishes.

Mr. President, what happened? The subcommittee was organized. It spent the $44,000; and at the beginning of last year it returned to the Senate with a request for an additional $175,000. At that time I stood on the floor of the Senate and reminded Senator Hendrickson, of New Jersey, of what he had previously stated. I tried to have the requested $175,000 cut in half, because I felt that the only thing the subcommittee could do would be merely to dramatize the evils of juvenile delinquency; that the subcommittee could not do much about the problem; because it had to be dealt with more or less on the local level.

After considerable skirmishing and debate, the Senate rejected the amendment I suggested, and gave to the Hendrickson subcommittee the full sum of $175,000.

The subcommittee got busy. It held hearings in many of the large cities throughout the Nation; and at the beginning of this year, it submitted to the Senate a report of its findings. The subcommittee did not discover anything new, anything we did not already know. The subcommittee reported on a plan which would, in effect, help in the fight against this evil.

I have before me a clipping from the Washington Star of March 11, 1955—soon after the report was issued. In the article it is stated that 13 recommendations were made by the subcommittee. After studying the problem for a whole year, in addition to the 6 or 8 months during which it had studied it previously, the subcommittee made certain specific recommendations. It recommended, according to the article to which I have referred:

1. Federal aid to schools, "the Nation's first line of defense in preventing juvenile delinquency."

That was one of the recommendations. I now read the others, as reported in this article:

2. Federal grants of "risk capital" to set up demonstration projects in fighting juvenile delinquency.

3. Establishment of a Federal revolving fund to finance costs of returning the more than 200,000 runaway youngsters that burden States other than their own.

4. More and better probation, parole, and social case workers in all institutions and organizations dealing with juveniles—Federal, State, and local.

5. Federal assistance in training such workers.

6. Federal strengthening of laws requiring a runaway father to support his wife and children. This would include putting the District under the reciprocal nonsupport law.

7. Banning the transportation of pornography across State lines by any method. Federal law today prohibits the transport of such material by mail or common carrier. There is no Federal law prohibiting such transport in trucks or private cars.

8. Finding ways to get communities to develop programs to provide youngsters with jobs.

9. Giving juvenile courts, under attack from some quarters, a chance to prove their worth. This would include, the subcommittee said, providing enough well trained social workers to do the job for which juvenile courts were designed.

10. Getting children out of common jails.

11. Better cooperation among the various agencies, national and local, concerned with juvenile delinquency.

12. New laws against trafficking in narcotics and adoptions.

13. Codification of Federal laws for the treatment of juvenile offenders.

All those suggestions or recommendations, as I have read them in brief, were incorporated in detail in the subcommittee's report.

What do we find, Mr. President? After the subcommittee and its predecessors spent more than a year and one-half in making these studies, we now find that the Judiciary Committee wishes to continue the subcommittee.

I should like to read for the RECORD a brief article which appeared at the time the subcommittee was organized:

KILGORE GETS PLACE KEFAUVER WANTED

Senate Judiciary Chairman HARLEY M. KILGORE, Democrat of West Virginia, yesterday took over control of that group's Antitrust and Monopoly Subcommittee, edging out Senator ESTES KEFAUVER, Democrat, of Tennessee, who was eager to get the post.

There have been recurring reports—and recurring denials—that Senate Democratic leaders were eager to keep KEFAUVER out of that potential headline-getting post, which could serve as a build-up for the 1956 Presidential campaign.

A KEFAUVER associate said yesterday, however, that he had seen no evidence of any "ganging up" by the Democratic leadership to keep the Senator out of that job. Associates did not deny, however, that KEFAUVER, a leading critic of "power monopolies," was anxious to head the subcommittee.

KEFAUVER will be second-ranking member on the antitrust unit, which also includes Senators THOMAS C. HENNINGS, JR., Democrat, of Missouri; JOSEPH C. O'MAHONEY, Democrat, of Wyoming; ALEXANDER WILEY, Republican, of Wisconsin; WILLIAM LANGER, Republican, of North Dakota; and EVERETT M. DIRKSEN, Republican, of Illinois.

KEFAUVER drew the chairmanships of the subcommittees on Juvenile Delinquency, and Constitutional Amendments.

Just listen to that, Mr. President—as though the Juveline Delinquency Subcommittee were a permanent subcommittee of the Judiciary Committee. Mr. President, that is going the limit.

Because of the delay in reporting the resolutions from the Judiciary Committee, I was in hope that the new chairman of the committee would make a study of this entire matter and would try to eliminate a good deal of the expense. But what do we find? As I have already stated today, the chairman of the committee has come forth with proposals which will make available to the Judiciary Committee in excess of $1 million for its operations. I say that is wrong. It is money wasted. Something should be done about it. I am pleading with the Senate to do something about it today.

Mr. President, I contend that to date we have had sufficient hearings on the problem of juvenile delinquency. The subcommittee spent $44,000 in 1953, and $175,000 in 1954; and now it wishes to have an additional $154,000 to do more work in that field, notwithstanding the fact that the subcommittee has already made abundant recommendations about what should be done in order to assist in the fight against this evil of child delinquency.

It strikes me that what ought to be done by those who are interested, particularly by Senators who served on that committee—and I am sure the Senator from Tennessee is familiar with the report, because he was a member of the committee—is to consider the report, and perhaps implement it with legislation, if that should be done. However, nothing further can be gained, by giving the committee $154,000 more to parade all over the country seeking information which it already has in its files. To my way of thinking that is a pure waste of money, and it ought to be stopped.

As I previously indicated, a great many subjects are considered in the report. With respect to Indian juvenile delinquency there are 1½ pages of recommendations; two pages of recommendations with respect to runaway children; recommendations of 3 or 4 pages on the subject of narcotics; 3 or 4 pages on the subject of lewd literature. There are family support recommendations, recommendations with respect to juveniles in the Armed Forces, youth delinquency in public housing, juvenile delinquency in the District of Columbia, and so forth. I do not know of any facet of juvenile delinquency which has not been covered by the subcommittee. Why should we vote to give the subcommittee $150,000 more to permit it to continue to hold hearings when all it could do would be to again parade around the country and spend the taxpayers' money?

Of course, it is possible to dramatize some of this evil. Television and radio are great media for dramatizing the problem of juvenile delinquency. If I fail in trying to persuade the Senate to vote outright against this resolution, I shall certainly seek to reduce the appropriation by a considerable amount, because, as I previously stated, the only thing left to be done is to dramatize the problem. When I sought to reduce the appropriation for 1954 I presented facts and figures to show that it would require less than half of what was then being asked for the dramatization I have referred to. I submit that a similar situation exists today. We should learn by experience.

As each resolution comes up, Mr. President, I plan to ask a few questions regarding the amount of money which it is proposed to appropriate.

Mr. WILEY subsequently said: Mr. President, I understand that there has been some discussion in relation to the funds desired for juvenile delinquency investigations. On March 5, I was unable to appear to testify before the subcommittee which was making up the budget for that appropriation.

I personally feel that the allocation of funds proposed in the resolution is very sound and in the public interest. Few problems, in my opinion, are more disturbing to the average American than those affecting our youngsters, many of whom are committing crimes. One million youngsters in this country might very well be saved if the hearts and souls of America were put into the fight.

The committee which is to take charge of this investigation will have the benefit of a certain momentum already created. We have learned from past experience that congressional committees create a certain public momentum, but even that momentum dies when the investigation expires.

My view is that in the attack against juvenile delinquency this momentum must not be lost. The various remedial measures which have been begun in the States, and at the Federal level, should be vigorously pursued. The existence of the committee for the duration of this year and the first month of 1956 is, in my opinion, absolutely vital, not only to protect the lives of youngsters, but to protect the Government. These youngsters will take over the Government in the future. This will be their Government. The lives we save may mean the saving of the Nation.

I am sure that Senators recognize, from their own experience, that there are many pitfalls along life's highway. I know of no greater function of the legislative branch than the investigation function when it is nobly undertaken and performed.

I wish to add my voice in urging approval of the appropriation for this particular committee.

HIGHWAY BUILDING PROGRAMS

Mr. SYMINGTON obtained the floor.

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. SYMINGTON. I yield.

Mr. SPARKMAN. I was hoping we might bring the pending resolution to a vote. Most of the remarks of the Senator from Louisiana [Mr. ELLENDER] have been on the resolution dealing with juvenile delinquency. That is not the one which is now pending. It is coming up later. I was hopeful that we might dispose of the pending resolution.

Mr. SYMINGTON. I should like to make a few comments on another subject.

Mr. President, knowing of the great interest in the various highway building programs now being studied by the appropriate committees in the House and the Senate, I wish to read to the Senate a letter just received from a man whose support and leadership for better roads is of long standing, Missouri's No. 1 citizen, a former Member of this body and one of our greatest Presidents, Hon. Harry S. Truman:

MY DEAR SENATOR SYMINGTON: In that you are on the Public Roads Subcommittee, I am writing you my views on the improvement and modernization of the highways of the United States.

My interest in transportation and communication is as lively as it ever was, so that I have noted with approval the consideration being given the bills pending in the Congress to modernize our major highways within 10 years. I repeat, I have a very great interest in transportation and communication.

Every citizen agrees with me that the need to bring our roads and streets up-to-date is urgent. The longer we wait, the greater the cost will be.

Every year our outdated and wornout roads cost us time and money; and, much more important, they cost us lives. Traffic accidents and road congestion together cost us billions of dollars and thousands of lives every year.

I have always been interested in traffic safety. In 1946 I called a National Safety Conference to try to find a way to stop death and destruction by highway accidents. Safety conferences were held yearly on the call of the President after the first one.

Since returning to Missouri, I have been saddened by the number of people who die, every year, on the highways of this great State.

We all know that roads properly built to meet modern highway traffic conditions can help materially to reduce accidents. The saving of life and limb alone would justify the cost of modernizing our road system as quickly as possible.

Of course, it will take a big capital outlay to build a modern highway system. Solutions to fiscal problems are never easy, but I am sure we can all see the wisdom of this investment in the future of this great country. It is one that will bring immediate dividends in the convenience, efficiency and, above all, safety to highway travel and transportation.

Our improved standard of living and vast economic expansion, which accompanied the tremendous growth of highway transportation over the past 40 years are due in large part to the Federal-aid program first enacted in 1916, under a Democratic administration and subsequently extended and enlarged, always on a public service and not on a partisan basis.

The 84th Congress will have few better opportunities to advance the welfare of the American people than by making possible the large scale and rapid development of our highway system. I hope the Congress will take advantage of this opportunity.

With kindest personal regards,

Sincerely yours,

HARRY S. TRUMAN.

Because he made so many other contributions to our Nation and to the free world, history probably will not list Harry S. Truman as a great road builder, but that is the field of public service in which he first earned State, national, and international recognition.

For reasons so adequately stated in his letter, Mr. Truman knows from first hand experience that money spent wisely for roads and highways is not an expense, but one of the best investments that can be made.

In the years from 1927 to 1934, as presiding judge of the county court, the chief administrative office of Jackson County, Mo., Mr. Truman initiated and carried through to successful completion a road system equaled by not more than 1 or 2 other counties in the United States.

Under Judge Truman's leadership, Jackson County was literally taken out of the mud.

An all-weather road served every farm, and no farm was more than 2 miles from a concrete highway—an almost unbelievable achievement 25 years ago.

Building highways was not a matter of partisan politics to Mr. Truman. He retained the best professional staff available under a bipartisan board of engineers. Contracts were let through true competitive bidding to the lowest and best bidders.

Mr. Truman's vision and leadership of 25 years ago resulted in much more rapid development of the rural areas of this county than would otherwise have been possible.

As our former President drives, each day, over these roads from his home in Independence, to his office in Kansas City, to the family farm near Grandview, I am sure he takes justifiable pride in the fact that these roads were the best investment, dollar for dollar, ever made by his county, and that the roads have long since paid for themselves in increased wealth in the area they serve.

Mr. Truman's interest in good roads extended far beyond his home county. Even before he became United States Senator, while still a county judge, he was elected president of a national road association. As shown by his letter read here this afternoon, his support for good roads and highways is unabated. He still believes in building not only for the present but for the future. Would that we had more leaders with such vision and courage.

Mr. GORE subsequently said: Mr. President, I was glad to hear the distinguished junior Senator from Missouri read the letter from former President Harry Truman, who has contributed so much to the cause of good roads. It is particularly fitting that we should receive a message from him in that cause. The Subcommittee on Roads is holding long hearings. We hope we are beginning to see the end of the hearings. I think I can say to the Senate with assurance that it will receive from the Committee on Public Works a good road bill, representing the composite views of the committee, a bill of which the Senate may be proud.

Mr. BYRD. Mr. President, I ask unanimous consent that a statement I made this morning before the Subcommittee on Roads of the Senate Public Works Committee be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR BYRD

I appreciate very much the invitation of this committee to appear before you with respect to S. 1160.

I know of no more important legislation now pending in this Congress.

Permit me to say at the beginning of my remarks that I have spent a good portion of my life working for sound expansion of highways. In 1915 I went to the State Senate of Virginia, where I served for 10 years. I became Chairman of the Virginia Senate Road Committee. I was a patron of the bill to establish the first State highway system in Virginia, and introduced a bill providing for a 3-cent gasoline tax, which was, at that time, the highest gasoline tax imposed by any State.

As Governor of Virginia one of my major efforts was to improve our road system. Virginia is a pay-as-you-go road State. Not a single road bond has been issued by the State since 1835. Virginia is 1 of the 4 States of the Union which construct and maintain every public road in the State, thus relieving the localities of all road expense. This has been done from revenue derived from the gasoline tax and license tax. Our present tax is 6 cents for gasoline and $10.00 for license. Our road system in Virginia is creditable, and the Federal records show that of the 54,240 miles in the State highway system, all except 2,942 miles are surfaced.

I am fully conscious of the need for a greatly accelerated road program to meet the new conditions of travel. I am not before your committee today in a spirit of criticism of highway improvement, except to point out what to me appears to be the errors of the pending legislation. I am prepared to support sound measures to modernize our road systems. Furthermore, I would like to say that the pending road bill treats Virginia fairly. The National Highway program as set forth under Senate bill 1160 allots Virginia 908 miles, somewhat more than an average State.

I want to make it very clear that my objections to Senate bill 1160 do not come from either a lack of appreciation of the need for very substantial sums for road improvement or any feeling that the program as such does not deal fairly with Virginia. My objections are based on fundamental reasons why I am convinced that S. 1160 is unsound and unwise in its present form.

The policy for modern highway development was established with the adoption of the Federal Aid Road Act of 1916.

This act recognized the need for highways to carry motor vehicle traffic smoothly across State lines, but it clearly recognized that highway accommodation to communities and people within the States is of equal if not overriding, importance. There is no such thing as a purely interstate road. All highways must serve local as well as interstate traffic.

The wisdom and proof of this policy has been established by nearly 40 years of State-Federal cooperation in highway construction, maintenance, and policing.

The tenets of this policy have been built into our governmental system, our revenue system, our transportation system, and our economic system.

Since Congress first began appropriating to highways in 1916, the funds have been used in cooperation with the States on a matching basis. This bill proposes that the Federal Government pay virtually 100 percent of the interstate system cost.

Throughout all these 39 years to date, basic highway controls have remained in the States, and in Congress the Federal policy has been subject to at least biennial review by the Congress.

To date every dollar of the $13 billion of Federal appropriations, so far made for roads, has been subject to statutory review in authorization legislation, budgetary control, appropriation procedure, and all of it has been paid out of general revenue as expenditures within application of the Federal statutory debt limit.

Over the same period the States and localities have spent close to $80 billion.

From these figures it is seen that in 39 years, nearly half of which have been depression and war periods, the States and the Federal Government have spent $90 billion to $95 billion for highway construction.

I mention these facts simply to indicate that our present policy is capable of producing not only expansion, but also improvement in other aspects of the problem.

It is my own opinion that the present situation does not justify the violent departures from fiscal fundamentals and our traditional principles of government proposed in this administration bill.

Senate bill 1160 will, if adopted, change drastically the methods of road construction, both with State funds and with Federal funds. The range of implications in this legislation is extensive.

1. In my judgment, if Senate bill 1160 is enacted in its present form, it will destroy sound budgetary procedure and take the longest step yet toward concentrating power in the Federal Government.

2. It abolishes the State matching formula, which has existed since 1916. It turns over to the Federal Government control of 40,000 miles of our most important roads heretofore under the control of the 48 States.

3. It gives to certain States large windfall refunds for existing roads which will be refunded to the States on a basis that will result in great injustice as between them.

4. It is based upon the erroneous conclusion that the interstate system as established by this bill will meet the needs for a period of 32 years. It would dry up the gasoline tax for road improvement on this system from 1966 to 1987 in order to pay the bonds and the interest thereon. It apparently assumes that no new road development on the interstate system will be necessary in this 22-year period.

5. It establishes a Government corporation without income or assets and authorizes this corporation to borrow $21 billion for 32 years without declaring it as a debt, and by legerdemain excludes this debt from the debt limitation fixed by Congress. The interest will be $11.5 billions, or 55 percent of the funds borrowed.

6. It provides for payment of principal and interest on these bonds with permanent indefinite appropriations, which removes the corporation from annual appropriation control by Congress.

7. It gives the corporation authority to draw from the Treasury at any time during the next 32 years additional amounts up to $5 billion outstanding at one time without going through any appropriation action by Congress.

8. It attempts to convert what was originally intended to be a temporary excise tax on gasoline for general revenue purposes into a permanent special tax, irrevocably dedicated to a single specified purpose.

It is to me fantastic to think that in this 22-year period there will be no need for road development. The construction of roads is a continuing process. A secondary road today may be an interstate road tomorrow and vice versa. Requirements for roads never stand still.

A superficial glance at the map of this interstate system makes it absurd to think 40,000 miles will be the ironbound limit over the period of 32 years. I suspect the mileage will be increased quickly when it is found that the system bypasses the capitals of six States and many important areas are omitted.

This Federal corporation will borrow money for roads outside the Federal debt limit and spend it without regard to budgetary control and appropriation procedure. Should this be approved, it will certainly be followed by other proposals to finance endless outlays in a similar manner. If a dummy corporation can be established by Congress to borrow $21 billion for roads, and this corporation has neither assets nor income, then why cannot other corporations be established to feed on dedicated liquor taxes or the cigarette taxes and scores of other taxes now being levied by the Federal Government.

Returning to the methods, procedures, and techniques proposed to finance this $25 billion road corporation, it is my sincere conviction that the proposal is incapable of honest Federal bookkeeping and accounting. It contemplates a dual set of books. In one, the ordinary operations of Government subject to debt, budgetary, and appropriation control will be disclosed. In the other the extraordinary functions of the Government, as set forth in this legislation, with special privileges to evade sound financing requirements, will be concealed.

In these days when we are continuously piling up debt to be paid by our children and grandchildren, the least we can do is to keep the books honest and make full disclosure of the obligations we are incurring.

There probably was never a corporation—public or private—with assets so small and liabilities so large as proposed in Senate bill 1160. Neither it nor the Federal Government will even own the rights-of-way or the roadbeds on which the money is to be spent.

We must remember that we cannot avoid financial responsibility by legerdemain, nor can we evade debt by definition. The earmarking of a tax over a long period of years is of very questionable legality and, in my judgment, even if legal, it is poor practice. Whenever you begin to earmark taxes out of the general revenue, then such a practice will be continued for other purposes and thereby the authority of Congress over appropriations would be destroyed.

I have sought an opinion from Mr. John Simms, Chief of the Senate Legislative Counsel, as to the legality of earmarking future proceeds from a specific tax for the payment of a debt created by a Government corporation. Here are the questions I propounded:

1. Prior to the time all obligations of the corporation have been retired, can the Congress reduce or repeal the taxes imposed by sections 4081 and 4041 of the Internal Revenue Code of 1954, and thus eliminate the base for computing the permanent indefinite appropriation?

2. Prior to the time all obligations of the corporation have been retired, can Congress reduce or repeal the permanent appropriation provided in section 105 (b)?

ANSWER BY JOHN H. SIMMS

"It seems elementary that one Congress, or one law enacted by a Congress, cannot completely foreclose action by a subsequent Congress, or by a subsequent law of the same Congress. To so hold would be to say that once a policy had been enunciated by the Congress it is not susceptible to change. That is not to say, however, that a subsequent Congress is always left with an unlimited realm of action. Rights may have accrued under a law which cannot be validly divested. But the power of each Congress to enact legislation for future application cannot be eliminated by action of a prior Congress. A change of policy by a Congress, effected by amending or repealing previously enacted laws, may give rise to causes of action by persons whose vested rights are thereby adversely affected, but unless the policy change is invalid in all aspects, the power of the Congress to make the change is not destroyed by previous enactments. For example, the next Congress could reduce the amount of indebtedness which the Corporation is authorized to incur, or could provide a different method of financing with respect to obligations subsequently issued by the Corporation.

"It should be noted that the bill does not appropriate the moneys in excess of $622,500,000 collected under sections 4081 and 4041 of the 1954 Code, but an amount equal to the moneys collected in excess of such amount. While the obvious purpose is to earmark these revenue collections, the bill does not attempt to prescribe the tax rates under these sections of the 1954 Code nor to foreclose a change in the rates.

"The statement in section 2 of the bill can be taken as no more than a statement of policy by the present Congress, in fact, only of the present Congress at the time this bill is enacted. Each Congress has power to make changes in the tax laws which it deems desirable. Likewise, each Congress has power to appropriate such moneys as it deems desirable to provide for the operation of the Government and to satisfy the debts of the United States.

"The answers to these two questions are in the affirmative. Each Congress has power to repeal or reduce, at any time, the taxes imposed by sections 4081 and 4041 of the Internal Revenue Code and to reduce or repeal, at any time, the permanent appropriation made by section 105 (b) of the bill. For the same reasons, the Congress could not be compelled to increase the amount of the permanent appropriation should it prove insufficient to meet the debt service requirements of the corporation."

So it is very evident that the gasoline tax cannot be legally earmarked over a period of years, nor can permanent appropriations be made beyond the power of Congress to change them, with the definite result that the proceeds of this tax can be made available to pay off these bonds and the interest.

Camouflage it all you please, the bonds issued by this corporation will be a Federal debt, and a general obligation of the Government. It would be absurd for this corporation to attempt to issue bonds unless the Federal Government would guarantee them for the simple reason that unless this were so the bonds would be unsaleable. Those who buy bonds by the billions of dollars in value do not do so unless their validity and security are assured.

I point now to one glaring inconsistency in this bill, and that is that while one clause of the bill states the bonds are not guaranteed by the Federal Government, there is another provision that gives the Government the right to sell these bonds to Government-trust funds.

It is unthinkable to me that the Congress would authorize legislation to permit bonds not guaranteed by the Federal Government to be sold to its trust funds, such as the social security for which the Government is a trustee with all of the responsibility that a trusteeship carries.

It is idle, I think, to take time to discuss the question whether this is a legal debt of the United States Government. If it is not a legal debt the whole enterprise will fall because the bonds simply cannot be sold.

Here is an opinion by the Comptroller General of the United States holding that the bonds would be a legal debt of the Government—that the bonds will not be self-liquidating, and the funds for paying off the bonds would have to come from the general fund of the Treasury:

FEBRUARY 17, 1955.

DEAR SENATOR BYRD: In response to your request of February 11, 1955, attached herewith is a condensed summary of the methods used to finance the activities of the various Federal corporations now in existence and

certain other agencies engaged in business-type activities. Also, as requested, there is attached as a separate memorandum a more detailed summary of the financing arrangements of the Tennessee Valley Authority.

You also inquired as to whether or not the Government has ever used a financing arrangement such as is proposed by the President's Advisory Committee on a National Highway Program in its report of January. That proposal called for the creation of a new Government corporation to be known as the Federal Highway Corporation and an authorization for it to issue bonds in an amount sufficient to cover the Federal share of the cost of constructing the proposed interstate system of roads over a construction period of 10 years.

While the terms and conditions of the Corporation's bonds would be approved by the Secretary of the Treasury and the plan calls for their repayment from funds provided by the Treasury as authorized by the Congress annually (presumably by appropriation action), the plan does not specifically provide that such bonds be guaranteed by the Secretary of the Treasury. However, all related factors plus the fact that they are to be issued by a Federal corporation would have the same effect. The total amount of such borrowings from the public would amount to $25 billion. The Corporation's activities would not be self-liquidating, it would have no important revenues, and funds for paying off the bonds would have to come from the general funds of the Treasury.

Insofar as we are aware, such a financing arrangement for a Federal expenditure program of the scale and magnitude contemplated for the proposed Federal Highway Corporation has never been used by the Federal Government.

Sincerely yours,

JOSEPH CAMPBELL,
Comptroller General of the United States.

It is obvious to me that this Corporation will have supreme power over the construction, the operation, and everything else in connection with the 40,000 miles of interstate road. The authority of the States will be clearly abdicated. The legislation specifically provides that in cases of dispute between States and Federal authorities, the Corporation will decide in the nature of a supreme court. This absolute final Federal authority over the vital roads in all the States is a very serious matter.

This program envisages right-of-way of up to 255 feet and access to the roads will be extremely limited. It is proposed to use existing routes, which have been in long use and naturally, they have accumulated business operations of all kinds. A 255-foot right-of-way will necessitate the removal of thousands and thousands of buildings, or the bypassing of many of these areas. I can appreciate the fact that cities, because of congested traffic, can and should at times be bypassed, but the same conditions do not apply to towns and rural areas.

I have been told by our Virginia State Highway Commission that one of the main routes, from Winchester to Bristol, would have to be relocated, certainly over one-half its length, and this relocation would mean that investments to the extent of millions of dollars along these rights-of-way to service the traveling public would be rendered valueless.

While it is not clearly defined, it is apparently provided that all concessionaires such as restaurants, filling stations, motels, etc., may be licensed and there is indication in the report that license fees will be charged. But, I emphasize that whatever may be said today as to the powers of this highway corporation, such powers would be virtually unlimited. They can move the roadbed. They can establish a license system for all concessions and charge fees, or anything else they choose to do within the right-of-way limit.

To those who deny this, I would like to ask: Where are the safeguards in this legislation to prevent the Federal Government from exercising this conclusive and dictatorial control if it chooses to do it?

I want to make clear also that this legislation will be permanent. There is no recovery of the power we would be giving away over our roads and the activities that exist along these roads.

I have searched the records and nothing comparable to this legislation, in its magnitude, has ever been suggested in the way of increasing the concentration of power at Washington.

I call to the attention of the committee the language of section 207B on page 20 of the bill.

This provides that for toll roads completed prior to December 31, 1951, within the interstate system there shall be allowed as a credit to the State an amount not exceeding 40 percent of the original cost. For toll roads completed during the period between December 31, 1951, and December 31, 1955, the State will receive a credit not exceeding 70 percent of the original cost. For a toll highway constructed after December 31, 1955, the State will receive 90 percent of the cost of construction.

It is difficult to determine from the report the extent of these refunds, but in my opinion, they will certainly run into many billions of dollars.

The report states that on the interstate system there are 1,058 miles of toll roads now in operation, and the refund formula will be from 40 to 70 percent of cost of the roads taken into the system.

The report states there are 1,247 miles under construction or financed. It is likely that these roads which go into the system will certainly receive either 70 or 90 percent credit.

The report then states there are 3,854 miles authorized, and this category will receive credit of either 70 or 90 percent.

The report lists additional proposals of 3,578 miles, and in this category the refunds to the States will certainly be 90 percent.

As toll roads are costing on an average of $1 million a mile, this will involve refunds on a basis of an approximate cost of $8.5 billion.

But the bill goes further. Section 207C is an invitation to every State to construct more and more toll roads on the interstate system, which will not be paid for out of State funds but by revenue bonds secured on the revenue of the turnpike. The State will then receive 90 percent of the cost of these roads built any time in the future—now or 10 years from now—all such refunds to be expended outside of the interstate system without matching.

When the State receives this refund, it can decide whether to pay off the revenue bonds and free the roads of tolls, or use the money, without matching, on other roads. The decision, in my opinion, will be unanimous not to pay the revenue bonds off on the toll roads, but to use the money for other construction.

I agree with the American Automobile Association when it called these refunds "a reimbursement bonanza" which would practically force the States to go into the toll business.

No one can predict the amount of refunds under this section in the years to come, but it is obvious that they will be great and concentrated in certain States. This will bring about an unequal distribution of the Federal funds to States that have constructed toll roads.

In addition to these refunds I have mentioned, it is further provided that any freeways constructed by any State that comply with standards set forth in the bill can likewise receive refunds.

When it is considered that $21 billion is to be borrowed; interest will be $11.5 billion; and that there will be billions of dollars in refunds, as permitted under this legislation, we must conclude the actual funds to be expended on new construction will be greatly diminished.

In my opinion, the refund provision is one of the more iniquitous provisions of this legislation, and it is especially indefensible because those testifying in favor of the bill have not been able to estimate the amount of refunds.

In conclusion, I want to express my support of a sound pay-as-you-go plan of road improvement. The request has frequently been made by the governors of the States that the 2-cent Federal gasoline tax be repealed. This is certainly one way greatly to promote the road program. Should it be repealed, and the present Federal aid to States be continued, amounting to $525 million a year over the period of the life of this program, there would be a far greater sum available for road improvement than under the plan proposed in this bill.

A continued direct appropriation of $525 million annually out of the Federal Treasury, and the reimposition by the States of the 2-cent gasoline tax, if removed by the Federal Government, will bring in an additional revenue of $39 billion to the States during the 32-year period if the estimates of the President's Advisory Committee are correct.

I do not think there is a single State in the Union that would not be ready to reimpose the 2-cent tax after the repeal of this tax by the Federal Government.

I suggest as one solution of the problem that:

1. The 2-cent gasoline tax now being collected by the Federal Government be repealed, thus permitting the States to reimpose it.

2. Present Federal aid to primary, secondary, and urban road systems which, for many years has been integrated with State highway systems, be continued on the long standing match basis. This amounts to $535 million a year.

3. The lubricating oil tax now collected by the Federal Government be continued.

Under such a plan States would retain as much control over their roads as they have had in the past; $11.5 billion interest would be saved for additional road construction; and road revenue would be evenly distributed over future years to keep highways modernized to meet changing conditions.

Mr. CHAVEZ. I am glad the Senator from Missouri has read the letter dealing with the activities of former President Truman pertaining to roads. I believe Congress is still pursuing the idea former President Truman had in mind when he was building roads in Jackson County. In giving credit where credit is due, I believe that credit should be given, even at this late date, to a man who back in the year 1916 represented the State of Arizona in the House of Representatives. If we are to give credit to the men who got America out of the mud, let us give credit to the Senator who sits on my right, the Senator from Arizona [Mr. HAYDEN]. He is the father of roads in this country. He was the initiator of the original bill. He made it possible for the Committee on Public Works, of which I am now chairman, and the subcommittee headed by the Senator from Tennessee [Mr. GORE], to continue our work.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. CHAVEZ. I yield.

Mr. LANGER. I believe that credit should also be given to former Senator McKellar, of Tennessee, who was the right hand man of the Senator from Arizona [Mr. HAYDEN] in the matter of building roads in America.

Mr. CHAVEZ. The Senator from North Dakota is absolutely correct. In the early days when one had to face stern realities, it was the old timers, such men as Senator HAYDEN and former Senator McKellar, who did the real work. I wish to give credit to Senator HAYDEN for getting us out of the mud. To him the United States of America owes a great deal.

Mr. President, I desire now to turn my attention to another subject.

The PRESIDING OFFICER (Mr. NEUBERGER in the chair). The Senator from New Mexico has the floor.

COMMERCIAL AIR SERVICE BETWEEN NEW YORK CITY AND MEXICO CITY

Mr. CHAVEZ. Mr. President, it was not my intention this afternoon to discuss in detail the subject I have in mind, but I wish to say a few words on it. Uncle Sam is the easiest victim of foreign ideas and of foreign powers that anyone can think of. I wish to discuss briefly the question of air flights from New York City to Mexico City. Senators know that it is not possible to fly direct in an American airplane from New York to Mexico City; but do they know that it is not possible to board an American airplane in Mexico City and ride nonstop to New York City? Let me tell the Senate what the situation is. I hold in my hand a recent news report. It is quoted from the American Aviation Daily of March 3, 1955.

Senators like to boast about being Americans. I ask them to listen to this:

> During its first year of operation with traffic rights between New York and Mexico City (through Jan. 14, 1955), Air France—

This is not Eastern Air Lines or American Air Lines or Pan American Airways, or TWA, but Air France—

> carried 26,000 passengers between the two cities. It offered 80,960,000-passenger miles, and sold 68,350,000, corresponding to an average load factor of 82 percent.

I have been at the airport in Mexico City, and I know what I am talking about. I have seen the situation. I have seen an American plane take off with 18 passengers, and I have seen Air France airplanes take off loaded to full capacity.

The article states that Air France has just finished a good year in operating between New York and Mexico City. It carried 26,000 passengers between the 2 cities, for a total of 63,350,000 passenger miles.

Mr. President, I am not talking about flying from Paris to Mexico City. I am not talking about flying from a French colonial possession in North Africa to Mexico City. I am talking about flying from an American city to Mexico City.

That is fine for Air France, Mr. President. Behind this news clipping lies an extraordinary story of bungling by someone in the United States Government. It is not right. It is not fair. Senators who are about to vote more than a million dollars for an investigation, certainly must be interested in the taxpayers' dollar.

While this French airline has a large and profitable business between New York City and Mexico City, the United States-flag airline with a New York-Mexico City route is losing money on its Mexican service.

The reason is that the United States airline is not permitted—not by France, but by its own Government—to operate nonstop between New York City and Mexico City.

Do Senators realize the impact of such a situation? A passenger can board a foreign airline plane in New York and fly nonstop to Mexico City. Those flights are paid for with American dollars. That cannot be done on an American plane. The reason is that the United States airline is not permitted by our own Government to operate nonstop between New York City and Mexico City. That right has been given by our Government to the French carrier. That is my complaint.

What the airlines need is competition. If I have a ship and another man has a ship, we should be permitted to take on passengers, in competition with each other, with the idea that the best man will win in going after the business. That is good old American competition.

But now an American airline is not permitted to fly nonstop to Mexico City, while at the same time Uncle Sam gives a foreign airline permission to do just that. The United States carrier has to stop all its flights at Dallas and Fort Worth, while the French carrier is permitted to fly nonstop directly to Mexico City.

One result of this discrimination against the United States-flag service is that it takes at least 25 percent more time to make a round trip between New York and Mexico City on a United States flag carrier than it does by Air France. Naturally, the bulk of the passengers between New York and Mexico are now flying in the French planes.

How did this amazing situation arise? Why does this Nation discriminate against United States air transportation in favor of French airlines?

The answer to this question is certainly not to be found in the record of the pioneering of this service by the French. They did not pioneer. I recall years and years ago when our airlines in Texas, Oklahoma, and New Mexico were trying to start a new business and bring about a new transportation situation. They were the ones who pioneered as far back as 1942 to 1945. I am proud of the fact that I contributed a little to get American Airlines into Mexico City.

The French are newcomers. The service was pioneered and developed under the United States flag. American Airlines has been operating between New York and Mexico City since 1942. It is not a "Johnny-come-lately." It built its air service to Mexico literally from scratch. Those boys were poor. They were pioneering, as our ancestors pioneered in the West. The company had to construct a complete airway system with landing fields, emergency fields, ground installations, and radar stations, before it could even get started.

I recall to this day that at Monterey, Mexico, where General Taylor, of blessed memory, in the Mexican War made his name great, American Airlines, not Air France, with their own money, their own technique, and their own know-how, built an airport. The company had to do it at its own expense, in sharp contrast to the situation where the Government builds the airways, and in even sharper contrast to the situation which confronted Air France when it entered the New York-Mexico City market a little over a year ago, after the airway system was built.

Nor did our Government subsidize American Airlines. No one subsidized American Airlines. C. R. Smith and Red Mosher, and a number of other men in the West pioneered.

Its Mexican service has been operated continuously without subsidy even though on this route it has suffered operating losses which, on a cumulative basis, are now more than three-quarters of a million dollars. The New York-Mexico City traffic is the largest single source of revenue on this route.

When our Government authorized this United States service to Mexico it was required that every flight stop at Dallas-Fort Worth. Of course, at that time airplanes did not have the range which they now have. They could not have flown the distance between New York and Mexico City nonstop. So the required intermediate stop made no particular difference.

But with the great new modern aircraft such a nonstop operation became feasible, and as early as 1947—8 years ago—American Airlines applied to the Civil Aeronautics Board for authority to operate nonstop between New York and Mexico City.

But the Civil Aeronautics Board sat on that application, refused to grant a hearing, and did nothing until last year, 7 years after the application was filed. Then it finally started a proceeding which has not yet been concluded. After 7 years, the Board is beginning to look into the matter, and eventually it may make a decision.

In the meantime, our Government dealt very differently with Air France. I want Senators to get mad about it; I really do.

In July of 1951 Air France filed an application for nonstop flights between New York and Mexico City. This was 4 years after American Airlines had filed its application. But within 6 months the Civil Aeronautics Board had completed its procedures on the Air France application and had authorized Air France to operate nonstop between New York and Mexico City. In spite of that action, the Civil Aeronautics Board still sat on the application of American Airlines for the same service and did absolutely nothing for our own carrier.

Mr. President, someone might refer to me as an isolationist. It is not my intention to be, but when the showdown comes, believe me, I shall pick Uncle Sam every time. I cannot see any reason why our Government should discriminate in

favor of a foreign airline as against a pioneering airline of our own country.

It was not until January of 1954 that Air France was able to institute its New York-Mexico City service, because it was not until then that it received permission from the Mexican Government. In January of 1954 it did get permission and promptly began to carry traffic nonstop between New York and Mexico City.

Obviously, this gave a tremendous competitive advantage to the French airline. The United States airline, which had developed that traffic, was now compelled to fight for it with one hand tied behind its back. The result was exactly what might have been expected. The Air France operation was quickly increased to a daily service and the great time advantage which it enjoyed because of its nonstop rights enabled it almost immediately to capture most of the traffic.

Do Senators know who travel from New York to Mexico City on the French planes? American citizens. As I stated before, the service is paid for by American dollars. At this time the French airline carries nearly 4 times as many passengers as does the United States airline which spent 12 years building up the traffic before Air France ever began.

When the Air France operation was started, our Government finally began to move. The State Department recommended to the Civil Aeronautics Board that prompt action be taken to correct the competitive inequality, and at last the Civil Aeronautics Board began a proceeding on the American Airlines' application which it had been sitting on for 7 long years.

Talk about our friend from Kansas who spoke about the Democrats being in office for 4 long years? This is 7 long years.

In fairness to the Civil Aeronautics Board it should be pointed out that when it finally took action it tried to move promptly and it issued an exemption to permit American Airlines to begin nonstop operations immediately, to compete with Air France, pending the hearing on American's application. The Mexican Government, however, insisted that a similar right should be given a Mexican carrier and therefore refused to join in the immediate temporary authorization for American Airlines, so the Civil Aeronautics Board withdrew its temporary exemption.

The Civil Aeronautics Board then went ahead with its proceeding. Two other United States carriers entered the proceeding. These two were Eastern Air Lines and Pan American Airways who for many years had been providing a service between New York and Mexico City by connection at Houston.

Eastern Airlines flies to Houston; there it connects with Pan-American Airlines, which flies into Mexico City.

After months of delay a hearing was finally held before a CAB examiner in November of 1954 on the application of American Airlines, which by that time had been pending for 7½ years, and on the more recent applications filed by Eastern and Pan-American. The case is now being considered by the examiner, a Government employee, for whose salary Congress will be appropriating money one of these days.

But even after he makes his initial decision there will be further delay while the CAB reviews the examiner's decision and then submits the case to the President for his final determination. Therefore, while it can be hoped and expected that the case will now move speedily, it is clear that Air France will continue to enjoy its great competitive advantage over United States air transportation for several months more.

If the case moves with dispatch this gross discrimination by our own Government against United States flag air transportation will, of course, finally be corrected. It is high time that corrective action be taken. With nothing done for 7 years for our own carriers despite action taken for the benefit of the French in 6 short months, and with 8 years now having elapsed since the first application was filed by a United States carrier, the record of delay is one which our Government certainly cannot be proud of.

I hope the Government is not proud of it. It is not fair; it is not right.

Congress enacts tax laws and expects the Government to collect taxes. How do we expect Americans operating American companies to pay taxes if we prefer a foreign airline to an American airline, or if we do not permit, at least, keen competition?

It is impossible to understand how this state of affairs could ever have been permitted to arise. New York is more than 3,500 miles from France and Mexico City is an additional 2,000 miles away. The interest of the United States in traffic between New York and Mexico City on the other hand is the most direct interest conceivable. Not only has the traffic been pioneered and developed by United States air transportation, but the overwhelming majority of the passengers traveling between these cities are United States citizens. It is inconceivable that our Government could have an aviation policy which in the Western Hemisphere would discriminate in favor of a European airline and against our own airlines in the transportation of our own citizens. There is not another country on earth that would permit any such situation to arise or that would tolerate for one day such a gross discrimination against its own citizens.

I do not charge our Government with deliberately bringing about this state of affairs. I am sure that it is simply a case of bad bungling somewhere along the way. Yet I would suppose that in the course of 8 long years, during 7 of which our Government refused even to grant a hearing on an application filed by a United States airline, the bungling could have been corrected.

How this kind of thing can be prevented in the future I do not know. Perhaps there is too much opportunity for buck passing under the present division of responsibilities between the Civil Aeronautics Board, the State Department, and the White House in these international route matters. But whatever the trouble may be, it is clear that there has been a lack of vigor in protecting the United States and in moving speedily and directly to dispose of business pending entirely too long a time. Let us hope that the lack of vigor and the delays are matters of history and will not be repeated.

ORDER FOR RECESS TO MONDAY

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that at the conclusion of the business of the Senate today, the Senate stand in recess until Monday next at 12 o'clock noon.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORIZATION FOR FURTHER EXPENDITURES AND TEMPORARY EMPLOYMENT OF ADDITIONAL ASSISTANTS BY COMMITTEE ON BANKING AND CURRENCY

The Senate resumed the consideration of the resolution (S. Res. 57) authorizing further expenditures and temporary employment of additional assistants by the Committee on Banking and Currency.

Mr. ELLENDER. May I ask the Senator from Alabama if this is the same committee which investigated housing last year?

Mr. SPARKMAN. This is the Committee on Banking and Currency. The committee which investigated housing last year was the full Committee on Banking and Currency, and the investigation will again be carried on by that committee. It is not a special committee in any sense of the word.

It is the plan of the chairman of the committee, the distinguished Senator from Arkansas [Mr. FULBRIGHT], to use the Subcommittee on Housing for the purpose of the investigation.

Mr. ELLENDER. Does the Senator mean to carry on the work of the subcommittee in respect to investigations?

Mr. SPARKMAN. That is correct.

Mr. ELLENDER. I notice that the subcommittee was organized in 1954.

Mr. SPARKMAN. An authorization and an appropriation were made in 1954 to enable the committee to conduct an investigation of the Federal Housing Administration. That investigation was made. We intend to carry on the investigation, but we intend to do something else, namely, to make a continuing study, which I think is contemplated by the Reorganization Act of 1946, of the whole field of housing, which, after all, is one of the biggest programs in which the Federal Government engages.

Mr. ELLENDER. I notice that Senate Resolution 229, of the 83d Congress, appropriated $150,000 for such purposes.

Mr. SPARKMAN. That is correct.

Mr. ELLENDER. How much of that has been used?

Mr. SPARKMAN. I am sorry I do not have the figures at my fingertips, but my recollection, which is subject to correction, is that there were two different resolutions. Under both of them a total of $225,000 was appropriated, of which $184,000 was used, if I remember correctly, leaving about $41,000 unexpended. However, that authorization has expired,

and we are not asking for the reappropriation of the balance.

Mr. ELLENDER. The Senator is asking for $100,000 of new money?

Mr. SPARKMAN. Yes; of new money.

Mr. ELLENDER. Will the same investigative and clerical force which served the previous subcommittee be used?

Mr. SPARKMAN. In part, but not altogether, because some of the personnel have already resigned and have returned to their former jobs; but we anticipate using personnel whom we hope to obtain from Government agencies on a reimbursable basis.

Mr. ELLENDER. I notice, according to the showing made before the Committee on Rules and Administration, that it is hoped to have sufficient money with which to employ 1 chief counsel, 2 special counsel, and 2 investigators; and then I notice the item "editorial research." This follows the same pattern as is followed by other committees.

Mr. SPARKMAN. It is more or less typical nomenclature. Of course, as the Senator from Louisiana knows, in doing work such as this, a great deal of research, such as going back through the records and checking accounts, is required. The preparation of reports is also involved. All these activities are included in that particular nomenclature. But I think the Senator from Louisiana understands that a very general type of work is done.

Mr. ELLENDER. I notice that provision is made for 16 employees. Can the Senator from Alabama state the number of extra employees hired by the standing Committee on Banking and Currency when the investigation of housing was made?

Mr. SPARKMAN. No, I am sorry; I cannot. I am certain that it was a greater number than 16. I assure the Senator from Louisiana, and all other Senators, that this study and investigation—and I want to include both terms—will be as economically conducted as that which will be carried on by any other committee of Congress.

After all, this is a tremendous program, under which the Federal Government incurs a liability of something like, offhand, $7.5 billion a year. I think an expenditure of $100,000 for 1 year is a pretty good investment in watching the program. Even though nothing irregular be found, I think the amount asked would be well worthwhile.

The PRESIDING OFFICER. The question is on agreeing to the resolution as amended.

The resolution (S. Res. 57), as amended, was agreed to.

INCREASE IN LIMIT OF EXPENDITURES RELATING TO INTERNAL SECURITY OF THE UNITED STATES

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 52, Senate Resolution 58.

The PRESIDING OFFICER. The clerk will state the resolution by title.

The LEGISLATIVE CLERK. A resolution (S. Res. 58) to further increase the limit of expenditures under Senate Resolution 366, 81st Congress, relating to the internal security of the United States.

Mr. KILGORE. Mr. President, before the Senate proceeds with the consideration of the resolutions reported from the Committee on the Judiciary, I ask unanimous consent that a statement I have prepared be printed at this point in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR KILGORE

Before the Senate proceeds to consider the resolutions which pertain to the Committee on the Judiciary, it seems only proper to bring to the attention of the Senate that each of these resolutions has the unanimous approval of the Committee on the Judiciary and are now before the Senate, having been reported favorably by the Committee on Rules and Administration.

Under the Legislative Reorganization Act of 1946 the jurisdiction of the Committee on the Judiciary was increased tremendously, and, in addition to this, the functions formerly performed by the Committee on Claims, the Committee on Immigration, and the Committee on Patents were transferred to the Committee on the Judiciary.

Beginning with the 80th Congress, the number of legislative proposals referred to the Committee has increased with each Congress. During the 80th Congress the Committee received over 1,500 bills and resolutions, which approximated 42 percent of the total legislation received in the Senate. During the 83d Congress the Committee received 3,000 bills and resolutions, which amounted to 49.8 percent of the total legislation received in the Senate.

There was referred to the Committee not only a far larger share of the Senate's total workload than any other standing Committee of the Senate, but of the 2,505 written reports filed with the Senate in the 83d Congress, the Judiciary Committee submitted 1,451 reports, representing 57.9 percent of all written reports filed.

However, these figures in nowise represent the sum total of Committee effort in relation to legislative activity. Committee consideration of many bills often results in adverse action and indefinite postponement, requiring the preparation of written reports on these measures which are not submitted to the Senate.

As can readily be seen, because of the amount of legislation which is referred to the Committee on the Judiciary, increasing demands are made for conducting hearings on private relief bills, as well as those of a general nature. Naturally, to comply with such requests consumes time and requires necessary personnel to assist the Committee in processing these measures for consideration by the Committee and the subcommittees thereof.

During the more recent Congresses, the efforts of the committee have been expended on an increasing burden of legislation with respect to judicial proceedings, constitutional amendments, Federal courts and judges, revision and codification of the statutes of the United States, protection of trade and commerce against unlawful restraints and monopolies, internal security, patents, copyrights and trade-marks, and immigration and naturalization.

Historically, the Congress has logically delegated the initial tasks of legislative preparation and formulation of legislative policy to its standing committees. Adequate professional and clerical assistance to the members of any committee has been demonstrated by experience to be an absolute necessity. The resolutions about to be considered are necessary in order to provide the Committee on the Judiciary and its subcommittees with assistance in carrying out the legislative process.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas [Mr. JOHNSON].

The motion was agreed to; and the Senate proceeded to consider the resolution (S. Res. 58) to further increase the limit of expenditures under Senate Resolution 366, 81st Congress, relating to the internal security of the United States, which was reported from the Committee on the Judiciary with an amendment, and subsequently reported from the Committee on Rules and Administration with additional amendments.

The amendment of the Committee on the Judiciary was, to strike out all after the word *"Resolved"* and insert:

That in holding hearings, reporting such hearings, and making investigations as authorized by section 134 of the Legislative Reorganization Act of 1946, and in accordance with its jurisdictions specified by rule XXV of the Standing Rules of the Senate, insofar as they relate to the authority of the committee under S. Res. 366 of the Eighty-first Congress to make a complete and continuing study and investigation of (1) the administration, operation, and enforcement of the Internal Security Act of 1950; (2) the administration, operation, and enforcement of other laws relating to espionage, sabotage, and the protection of the internal security of the United States; and (3) the extent, nature, and effect of subversive activities in the United States, its Territories and possessions, including but not limited to, espionage, sabotage, and infiltration by persons who are or may be under the domination of the foreign government or organizations controlling the world Communist movement or any other movement seeking to overthrow the Government of the United States by force and violence, the Internal Security Subcommittee of the Committee on the Judiciary is authorized from March 1, 1955, through January 31, 1956, (1) to make such expenditures as it deems advisable; (2) to employ on a temporary basis such technical, clerical, and other assistants and consultants as it deems advisable; and (3) with the consent of the heads of the department or agency concerned, to utilize the reimbursable services, information, facilities, and personnel of any of the departments or agencies of the Government.

SEC. 2. The expenses of the committee under this resolution which shall not exceed $260,000 shall be paid from the contingent fund of the Senate by vouchers approved by the chairman of the committee.

SEC. 3. This resolution shall be effective as of March 1, 1955.

The additional amendments of the Committee on Rules and Administration were, in the amendment of the Committee on the Judiciary, on page 2, line 12, after the word "committee", to strike out "under Senate Resolution 366 of the 81st Congress"; in line 25, after the word "the", to strike out "Internal Security Subcommittee of the", and on page 3, line 1, after the word "Judiciary", to insert "or any subcommittee thereof,", so as to make the resolution read:

That in holding hearings, reporting such hearings, and making investigations as authorized by section 134 of the Legislative Reorganization Act of 1946, and in accordance with its jurisdiction specified by rule XXV of the Standing Rules of the Senate, insofar as they relate to the authority of the committee to make a complete and continuing

study and investigation of (1) the administration, operation, and enforcement of the Internal Security Act of 1950; (2) the administration, operation, and enforcement of other laws relating to espionage, sabotage, and the protection of the internal security of the United States; and (3) the extent, nature, and effect of subversive activities in the United States, its Territories and possessions, including but not limited to, espionage, sabotage, and infiltration by persons who are or may be under the domination of the foreign government or organizations controlling the world Communist movement or any other movement seeking to overthrow the Government of the United States by force and violence, the Committee on the Judiciary, or any subcommittee thereof, is authorized from March 1, 1955, through January 31, 1956 (1) to make such expenditures as it deems advisable; (2) to employ on a temporary basis such technical, clerical, and other assistants and consultants as it deems advisable; and (3) with the consent of the heads of the department or agency concerned, to utilize the reimbursable services, information, facilities, and personnel of any of the departments or agencies of the Government.

SEC. 2. The expenses of the committee under this resolution which shall not exceed $260,000 shall be paid from the contingent fund of the Senate by vouchers approved by the chairman of the committee.

SEC. 3. This resolution shall be effective as of March 1, 1955.

The amendments were agreed to.

Mr. ELLENDER. Mr. President, I should like to ask the Senator from Mississippi a few questions about the resolution. Does it provide for a continuation of the internal security investigation which originated back in 1950?

Mr. EASTLAND. Yes. The Senate resolution which created the subcommittee was agreed to at that time.

Mr. ELLENDER. I notice that under Senate Resolution 366, of the 81st Congress, $100,000 was asked for; under Senate Resolution 7 of the 82d Congress, $85,000 was requested, and in the second session of the 82d Congress, $95,000 was requested.

Last year, according to the record before me, $170,000 was spent. When that request was made, there was a showing made in the report of how the money was going to be spent and the number of employees who were to be hired.

I am wondering if the Senator from Mississippi will tell us why it is necessary to raise the amount from $170,000 to $260,000.

Mr. EASTLAND. The difference is due to this factor: The total of $221,000 which was available last year for the committee——

Mr. ELLENDER. How much was spent altogether last year?

Mr. EASTLAND. I am informed the amount was $211,000. Does the Senator desire to know the reason——

Mr. ELLENDER. I wish to ask why $50,000 more is being requested.

Mr. EASTLAND. Several employees who were doing Internal Security Subcommittee work were on the staff of the Immigration Subcommittee. The chairman of the full committee thought that each subcommittee should have its own employees, with which I agreed, and the employees were transferred to the Internal Security Subcommittee.

There are a number of projects that will be investigated, and that will take more money. In addition, the subcommittee adopted, at the request of the full committee, new rules of procedure. I think it had been advocated pretty generally by the Senate that there should not be hearings unless at least two Senators were present. That necessity requires an increase in funds.

Mr. ELLENDER. Why is that? How will the necessity of having two Senators sit on committees require an increase in funds?

Mr. EASTLAND. Because when hearings are held out of town, 2 Senators instead of 1 will have to go. The committee and the Government Operations Subcommittee have adopted a uniform rule of procedure whereby the minority is to be provided with counsel. Heretofore the minority has not had counsel. Now it is entitled to counsel. Those are the reasons for the request for additional funds.

Mr. ELLENDER. Will the staff, the investigators, the lawyers, and others connected with the investigation, be increased in number?

Mr. EASTLAND. The present staff has places for 28 employees. There are three vacancies on the staff. I expect to cut the staff down somewhat. However, the committee is going to be very effective this year. It is going to be very frugal with its expenditures. It is certainly going to live within the budget.

Mr. ELLENDER. To what extent will the Senator cooperate with the House Un-American Activities Committee, as well as the committee headed by the senior Senator from Arkansas [Mr. MCCLELLAN]? I read in the press some time ago that a meeting was held by the chairmen of the various committees, in the hope that something could be done to stop or prevent duplication.

Mr. EASTLAND. There will be no duplication.

Mr. ELLENDER. In view of that fact, is the Senator from Mississippi still of the opinion that he will need all the funds he is requesting?

Mr. EASTLAND. I am positive there will be no waste.

The PRESIDING OFFICER. The question is on agreeing to the resolution, as amended.

The resolution (S. Res. 58), as amended, was agreed to.

The title was amended so as to read: "Resolution authorizing further expenditures relating to the internal security of the United States."

STUDY OF ANTITRUST LAWS OF THE UNITED STATES

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 53, Senate Resolution 61.

The PRESIDING OFFICER. The resolution will be stated by title, for the information of the Senate.

The LEGISLATIVE CLERK. A resolution (S. Res. 61) authorizing a study of the antitrust laws of the United States, and their administration, interpretation, and effect.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas.

The motion was agreed to; and the Senate proceeded to consider the resolution (S. Res. 61) authorizing a study of the antitrust laws of the United States, and their administration, interpretation, and effect.

Mr. ELLENDER. Mr. President, as I understand from the report which accompanies the resolution, the purpose of creating the subcommittee is to study evidence as well as recommendations which will be made by the Attorney General. It is stated in the report that the subcommittee will be organized in order to make such studies of the report of the Attorney General. I do not suppose anyone is familiar with the contents of the Attorney General's report.

I wonder whether the Senator from West Virginia will be willing to let the resolution remain on the calendar and await the report from the Attorney General. In that way it might be possible for us to determine the amount of work necessary to be done. As I understand, the Attorney General's report may be submitted soon—perhaps next week or next month. It seems to me that we should let the resolution remain on the calendar; and as soon as the report comes to us from the Attorney General, we can then consider the resolution anew.

I may state, Mr. President, that I am informed that a resolution similar to the one the Senate is now considering was before the Judiciary Committee for some time. I have before me a brief memorandum on it. The memorandum states that in the 82d Congress there was a resolution authorizing the appropriation of $250,000 for antitrust investigations. Senator McCarran submitted Senate Resolution 86, to provide funds for a probe similar to the one we are now considering. That resolution was not reported by the Judiciary Committee.

In the 83d Congress, Senate Resolution 14, authorizing a similar study, was submitted, was approved by the committee, and was placed on the calendar; but it was never acted upon.

The resolution we are now discussing would, if agreed to, be the first specifically to provide funds for a full-fledged antitrust probe, although, as I have said before, last year the Judiciary Committee did not suggest the adoption of the resolution, which was then on the calendar.

So I suggest to the Senator from West Virginia that, in light of the fact that the report shows that the subcommittee is being organized primarily for the purpose of studying the recommendations of the Attorney General, we permit the resolution to remain on the calendar and open for further consideration.

Mr. KILGORE. Mr. President, in reply to the Senator from Louisiana, let me say the subcommittee is a standing subcommittee of the Judiciary Committee. By the Legislative Reorganization Act, there was placed on the Judiciary Committee the duty of going into all antitrust matters. At the last session of Congress, the subcommittee, with volunteer help—because no funds were available—made an investigation of

monopoly aspects in the power field and filed a subcommittee report. I believe the subcommittee had no working funds, and was assisted by a volunteer counsel.

Let me also say there is misapprehension about the recommendations to be submitted by the Attorney General. He appointed a committee—about 60 or 65 in number, I believe—to study the antitrust laws. That was done 2 years ago. The committee recently, so I was informed by the Attorney General, completed a report. I was also informed by a member of the committee that in the report there are some 65 recommendations as to changes in the antitrust laws, and that the report probably within a week will be printed and available for distribution.

That precipitated the necessity for us to have an organization ready to handle the report and the recommendations. Unless we are to accept blindly the recommendations of 60 unpaid, volunteer attorneys, many of whom may represent corporations which may have interests in the monopoly field, we believe it is necessary to study the report as soon as it is off the press. After all, if it took the Attorney General's committee 2 years to make their report, it follows that the recommendations in the report certainly merit a complete study by the Senate Judiciary Committee.

Mr. ELLENDER. Mr. President——

Mr. KILGORE. Mr. President, I did not interrupt the Senator from Louisiana when he was speaking. So, if he will pardon me, I should like to finish my statement.

Mr. ELLENDER. But the Senator from West Virginia asked me a rather long question, and I should like to answer it.

Mr. KILGORE. The Senator from Louisiana asked me a rather long question also.

Mr. President, that is the occasion at this time for believing it is necessary for us to be ready to deal with this matter. I point out to the Senator from Louisiana that we cannot pick from a shelf, somewhere, the experts who will be needed to study the antitrust laws. It is necessary to employ those who have no ax to grind, and who are experts in the field of antitrust legislation.

Furthermore, a veritable flood of mergers has begun, both in my own State of West Virginia and in many other States. That development is similar to the one which precipitated the 1929 depression, and also is similar to the one which precipitated the panic in 1880.

The Judiciary Committee believes that such a study is necessary; and after studying the proposed budget, the committee approved that budget as necessary, as did the Committee on Rules and Administration.

That is why I do not wish to have the committee wait. Apparently some of the lawyers have been talking about their recommendations, and I have seen résumés of the report in the Wall Street Journal and in other publications. Obviously it is necessary for us to be ready to take action, without waiting 2 years.

The Senator from Louisiana must realize that the Sherman Act has not been reviewed by Congress in 65 years, and the Clayton Act has not been reexamined for a very long time, and the same is true of the Robinson-Patman Act. That is why I believe it is necessary for the committee to commence this work.

Mr. ELLENDER. Mr. President, I should like to read from the report itself the reason advanced for the creation of the subcommittee. I do not object to a study being made of whatever findings the Attorney General may submit. What I am objecting to is the creation of the subcommittee now, in order to study what may come forward 3 or 4 months hence.

I read now from page 2 of the committee's statement:

> Attorney General Brownell recognized the need for a study of the antitrust laws on June 26, 1953, in announcing the appointment of the Attorney General's National Committee To Study the Antitrust Laws. The Attorney General's committee is expected to report its recommendations for revision of the antitrust laws to the Congress some time next month. As the Committee on the Judiciary, under the Legislative Reorganization Act, has jurisdiction over the subject matter of the protection of trade and commerce against unlawful restraints and monopolies those recommendations will be referred to the Committee on the Judiciary for consideration. The Committee on the Judiciary will immediately be faced with the task of evaluating and analyzing the recommendations which have occupied the attention of the Attorney General's 60-man committee for almost 2 years. Because of the necessity of reconciling conflicting points of view, extensive and lengthy hearings on these recommendations are contemplated.

Mr. President, I concede that it will be necessary to have special help to make a study of the report, after it comes to the Judiciary Committee. But a subcommittee of this character was suggested several years ago, and was never created, and no money was ever given for it, insofar as the record shows, or insofar as I have been able to ascertain.

All I am requesting is that the resolution remain on the calendar; and as soon as the Attorney General files his report, we shall be able to determine—better than we can now—how much money will be necessary and how many persons may be required to make the study.

If this resolution is agreed to today there is no doubt that the chairman of the committee will appoint the necessary personnel without further ado.

Mr. KILGORE. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. KILGORE. The record should be corrected. It is slightly misleading. The report was dated February 21. It stated that within the next month—which would be March—the recommendations would be published. Since that time the Attorney General has talked with the Senator from West Virginia, urging that we get to work as rapidly as possible. I am now officially informed that the report will be released, even to the press, on the 31st day of this month.

Mr. ELLENDER. Could we not wait 2 weeks, until we get the report and determine what is to be done? According to the budget proposed on page 3 of the report, a quarter of a million dollars is asked. There will be a general counsel, 2 assistant counsels, 3 attorneys, 5 attorney-investigators, and so forth. In all there will be 11 attorneys, according to the budget which is presented.

Then, in accordance with the practice followed in connection with similar budgets, there must be editorial, economic, and statistical forces. There must be an editorial director and an assistant editorial director, an economist, and so forth. Why not wait until the report is made, so that we can determine the amount of work necessary to be done? A delay of 2 weeks certainly would do no harm. I am sure the Senate would then be in a better position to determine the amount of money necessary than it is at this time, in anticipation of the report being made, as the Senator indicates. It may be that the report will not be made on March 31. I do not know, but as soon as it is made, the Senate can take up the subject in the light of the work to be done, and act upon the report more intelligently. All I am asking is that action be postponed until such time as the report is filed.

Mr. LANGER. Mr. President, I hope there will be no delay in voting on the appropriation. Five hearings have been held up week after week and month after month. There has been interminable delay, because we have not had any money to complete the various investigations. I hope the resolution will be disposed of today, and that the appropriation requested will be approved.

TRADING WITH THE ENEMY ACT

Mr. JOHNSON of Texas. Mr. President, I move that Calendar No. 53, Senate Resolution 61, which is the pending business, be temporarily laid aside, and that the Senate proceed to the consideration of Calendar No. 55, Senate Resolution 63, to which I understand there is no objection.

The PRESIDING OFFICER. The question is on the motion of the Senator from Texas.

Mr. LANGER. Mr. President, am I to understand that we are to pass over the antimonopoly resolution?

Mr. JOHNSON of Texas. Only temporarily.

Mr. LANGER. Will it be taken up again this afternoon?

Mr. JOHNSON of Texas. Yes.

The PRESIDING OFFICER. The question is on the motion of the Senator from Texas.

The motion was agreed to; and the Senate proceeded to consider the resolution (S. Res. 63), providing funds for an examination and review of the administration of the Trading With the Enemy Act, which had been reported from the Committee on Rules and Administration with amendmendts, on page 1, line 6, after "Judiciary" to strike out "under S. Res. 245 of the 82d Congress"; and in line 10, after "Judiciary," to insert "or any subcommittee thereof," so as to make the resolution read:

> *Resolved,* That in holding hearings, reporting such hearings, and making investigations as authorized by section 134 of the Legislative Reorganization Act of 1946, and in accordance with its jurisdictions specified

by rule XXV of the Standing Rules of the Senate insofar as they relate to the authority of the Committee on the Judiciary to conduct a full and complete examination and review of the administration of the Trading With the Enemy Act, the Committee on the Judiciary, or any subcommittee thereof, is authorized from March 1, 1955, through January 31, 1956, (1) to make such expenditures as it deems advisable; (2) to employ on a temporary basis such technical, clerical, and other assistants and consultants as it deems advisable; and (3) with the consent of the heads of the department or agency concerned, to utilize the reimbursable services, information, facilities, and personnel of any of the departments or agencies of the Government.

SEC. 2. The expenses of the committee under this resolution, which shall not exceed $53,500, shall be paid from the contingent fund of the Senate by vouchers approved by the chairman of the committee.

SEC. 3. This resolution shall be effective as of March 1, 1955.

Mr. JOHNSON of Texas. Mr. President, does the Senator from Louisiana [Mr. ELLENDER] care to make any comments on Senate Resolution 63?

Mr. ELLENDER. Mr. President, I should like to ask a few questions with regard to this resolution.

As I understand, this committee was created during the 82d Congress. Is this the resolution relating to the Trading With the Enemy Act?

Mr. JOHNSTON of South Carolina. It is.

Mr. ELLENDER. I understand that a report was made last year containing a résumé of all the hearings which had been previously held, and that certain recommendations were made to the Congress. I understand that pursuant to those recommendations a bill was introduced during the previous session of Congress, but because of the lateness of its introduction it was not considered. I understand that a similar bill was introduced during the present Congress.

The question I wish to ask is this: Since the subcommittee has made its studies and has indicated what should be done, and since those in charge of this subcommittee of the Judiciary Committee have introduced a bill to carry out the recommendations of the committee, what is the necessity for further hearings?

Mr. JOHNSTON of South Carolina. I should like to answer the Senator from Louisiana by saying that he has referred to only one bill which was introduced in connection with the Trading With the Enemy Act. I hold in my hand copies of many bills which have been introduced. I invite the attention of the Senator to the fact that there is a problem involving between half a billion and a billion dollars' worth of property which is tied up in one way or another. There are involved also copyrights and patents and a great many other things, which take a great deal of time and study.

I see on the floor of the Senate the former chairman of the subcommittee, the Senator from Illinois [Mr. DIRKSEN]. He will verify the statement that there is a great deal of work involved. I am a little doubtful that the small amount we are requesting will be sufficient. When I went before the full committee, it interrogated me as to whether the small amount would be sufficient with which to do the work that is necessary to be done in connection with this subject.

Mr. DIRKSEN. I should like to respond to my distinguished friend from Louisiana. As the former chairman of the subcommittee, I should like to say that the Senator from Louisiana is exactly correct. An omnibus bill was introduced as a result of the efforts of that subcommittee. I may say that a rather substantial amount of money, which was not expended by the subcommittee, was returned to the Treasury, because the subcommittee operated on a very frugal basis.

Since that time, an entirely new factor has come into the picture. Within the past 30 days a delegation of personal emissaries of Chancellor Adenauer arrived at the State Department. Conversations were held in the State Department. A release was issued by the State Department, in which it was indicated that a wholly different type of bill would be introduced. In the bill the cutoff of restitution will be $10,000 for each individual private claim, and $10,000 for each individual private claim in excess of that amount.

That brings into focus an entirely new factor; first, the amount of money that will be involved and, second, how it will be financed, whether by reparations from one side to the other. There is, after all, a very tricky budget problem which presents itself. Therefore, that is an entirely new development which has come about within the past 30 days.

Mr. ELLENDER. Then the report is erroneous when it states that based on recommendations previously made by the committee which was created last year, during the 83d Congress, a bill was introduced in order to carry out the recommendations made by the committee. That is the same bill that was introduced verbatim this year. Is that correct?

Mr. DIRKSEN. That is correct.

Mr. ELLENDER. Am I to understand that something has developed since that time?

Mr. DIRKSEN. That is correct.

Mr. ELLENDER. And am I correct in my understanding that that requires more hearings?

Mr. DIRKSEN. Yes. I should like to explain the matter a little further. The subcommittee proceeded on the theory that complete restitution should be made, on the ground that we ought to revert to the so-called custodial principle in connection with alien property, rather than confiscation, which was written into the act in 1942. On that principle the subcommittee proceeded and introduced an omnibus bill. It envisioned, of course, complete restitution of the property. Since that time a release from the State Department indicated that the Department did not intend to go that far, and that it would prefer to work out the problem on the basis of limited restitution. That caused the development of some new facets.

Mr. ELLENDER. I wonder why that was not known before. Why was it not brought up before when the committee was created last year or the year before?

Mr. DIRKSEN. The suggestion was made, but no formal action was proposed to the committee at the time. Speaking as the former chairman, I still feel the subcommittee was correct in going back to the custodial principle, because that has been the policy of this Government from the time of the founding of the Republic to 1942. However, other agencies of Government take a different view. I was not a party to the conferences at the State Department. I was not a party to whatever messages were sent to Chancellor Adenauer in Germany. Germany is the principal country in interest at the present time.

An additional problem, therefore, has developed.

Inasmuch as millions of dollars are involved, certainly $58,000 is a very modest sum for prospecting the matter in order to determine what can be done.

The PRESIDING OFFICER. The question is on agreeing to the resolution, as amended.

The resolution (S. Res. 63), as amended, was agreed to.

INVESTIGATION OF PROBLEMS CONNECTED WITH EMIGRATION OF REFUGEES FROM WESTERN EUROPEAN NATIONS

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 56, Senate Resolution 64.

The PRESIDING OFFICER. The clerk will state the resolution by title for the information of the Senate.

The LEGISLATIVE CLERK. A resolution (S. Res. 64) extending the authority to investigate problems connected with emigration of refugees from Western European nations.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas.

The motion was agreed to; and the Senate proceeded to consider the resolution, which had been reported from the Committee on the Judiciary without amendment, and subsequently reported from the Committee on Rules and Administration with amendments, on page 1, line 6, after the word "Judiciary", to strike out "under Senate Resolution 326 of the Eighty-second Congress"; and in line 11, after the word "the", to strike out "Subcommittee To Investigate Problems Connected With Emigration of Refugees and Escapees" and insert in lieu thereof: "Committee on the Judiciary, or any subcommittee thereof", so as to make the resolution read:

Resolved, That in holding hearings, reporting such hearings, and making investigations as authorized by section 134 of the Legislative Reorganization Act of 1946, and in accordance with its jurisdictions specified by rule XXV of the Standing Rules of the Senate insofar as they relate to the authority of the Committee on the Judiciary to conduct a thorough and complete study, survey, and investigation of the problems in certain Western European nations created by the flow of escapees and refugees from Communist tyranny, the Committee on the Judiciary, or any subcommittee thereof, is authorized from March 1, 1955, through January 31, 1956, (1) to make such expenditures as it deems advisable; (2) to employ on a temporary basis such technical, clerical, and other assistants and consultants as it deems

advisable; and (3) with the consent of the heads of the department or agency concerned, to utilize the reimbursable services, information, facilities, and personnel of any of the departments or agencies of the Government.

SEC. 2. The expenses of the committee under this resolution, which shall not exceed $36,500, shall be paid from the contingent fund of the Senate by vouchers approved by the chairman of the committee.

SEC. 3. This resolution shall be effective as of March 1, 1955.

The PRESIDING OFFICER. The question is on agreeing to the amendments of the Committee on Rules and Administration.

The amendments were agreed to.

The PRESIDING OFFICER. The question is on agreeing to the resolution, as amended.

The resolution (S. Res. 64), as amended, was agreed to.

INVESTIGATION OF NATIONAL PENITENTIARIES

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 57, Senate Resolution 65.

The PRESIDING OFFICER. The Secretary will state the resolution by title for the information of the Senate.

The LEGISLATIVE CLERK. A resolution (S. Res. 65) to authorize an investigation of national penitentiaries.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas.

The motion was agreed to; and the Senate proceeded to consider the resolution, which had been reported from the Committee on the Judiciary without amendment, and subsequently reported from the Committee on Rules and Administration with an amendment on page 1, line 7, after the word "or", to strike out "the standing Subcommittee on National Penitentiaries" and insert "any subcommittee thereof", so as to make the resolution read:

Resolved, That in holding hearings, reporting such hearings, and making investigations as authorized by section 134 of the Legislative Reorganization Act of 1946, and in accordance with its jurisdictions specified by rule XXV of the Standing Rules of the Senate insofar as they relate to national penitentiaries, the Committee on the Judiciary, or any subcommittee thereof, is authorized from March 1, 1955, through January 31, 1956, (1) to make such expenditures as it deems advisable; (2) to employ on a temporary basis such technical, clerical, and other assistants and consultants as it deems advisable; and (3) with the consent of the heads of the department or agency concerned, to utilize the reimbursable services, information, facilities, and personnel of any of the departments or agencies of the Government.

SEC. 2. The expenses of the committee under this resolution, which shall not exceed $13,600, shall be paid from the contingent fund of the Senate by vouchers approved by the chairman of the committee.

SEC. 3. This resolution shall be effective as of March 1, 1955.

The PRESIDING OFFICER. The question is on agreeing to amendment of the Committee on Rules and Administration.

Mr. ELLENDER. Mr. President, last year the Judiciary Committee received $5,000, and this year the committee is asking for $13,600. What has been done by this committee?

Mr. JOHNSTON of South Carolina. I should like to invite the Senator's attention to the fact that the committee is asking for a total of $8,600. There is on hand a balance of $3,600. That amount, with the $5,000 now requested, makes a total of $8,600, instead of $13,600 as the Senator suggests.

Mr. ELLENDER. The resolution, on page 2, in section 2, states:

SEC. 2. The expenses of the committee under this resolution, which shall not exceed $13,600, shall be paid from the contingent fund of the Senate by vouchers approved by the chairman of the committee.

Mr. JOHNSTON of South Carolina. We are asking for an additional $5,000.

Mr. ELLENDER. Does the Senator wish to amend the resolution to that effect? The resolution requests more than $13,000.

Mr. JOHNSTON of South Carolina. I would make it $8,672.79.

Mr. ELLENDER. Mr. President, I move to amend the resolution by substituting for "$13,600" the figures "$8,672.79."

The PRESIDING OFFICER. The question is, first, on agreeing to the committee amendment.

The amendment was agreed to.

The PRESIDING OFFICER. The question now recurs on agreeing to the amendment offered by the Senator from Louisiana.

The amendment was agreed to.

The PRESIDING OFFICER. The question is on agreeing to the resolution, as amended.

The resolution (S. Res. 65), as amended, was agreed to.

ADDITIONAL FUNDS FOR THE COMMITTEE ON THE JUDICIARY

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 58, Senate Resolution 66.

The PRESIDING OFFICER. The clerk will state the resolution by title.

The LEGISLATIVE CLERK. A resolution (S. Res. 66) to provide additional funds for the Committee on the Judiciary.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas.

The motion was agreed to; and the Senate proceeded to consider the resolution.

Mr. KILGORE. Mr. President, I ask that a statement I have prepared be printed at this point in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR KILGORE

Senate Resolution 66, which provides $102,000 additional funds to the Committee on the Judiciary for an 11-month period beginning March 1, 1955, is needed to maintain the standing Subcommittee on Immigration and Naturalization. The subcommittee has been maintained exclusively by funds provided by special resolutions since the 2d session of the 81st Congress.

Since the beginning of the 80th Congress, which was the first Congress operating under the Legislative Reorganization Act, there has been a substantial and ever-increasing workload on the Immigration and Naturalization Subcommittee.

The number of private immigration and naturalization bills referred by the Senate has progressively increased from 58 in the 78th Congress to 1,958 in the 83d Congress.

Of the 1,958 private immigration and naturalization bills which were referred to the subcommittee during the 83d Congress, 1,694 were disposed of, 1,001 of which number were reported favorably to the Senate by the full Judiciary Committee and 693 were indefinitely postponed. The remaining 264 includes 64 bills recommended for approval by the subcommittee and 20 recommended for indefinite postponement, which bills were not acted on by the full Judiciary Committee prior to adjournment.

Many private bills are indefinitely postponed because the committee has a general policy of disapproving private bills in cases in which an administrative remedy appears to be available. In this type of case the staff assists the Senator's office in working out the administrative remedy for the alien involved.

There were referred to the subcommittee 29 general immigration and naturalization bills during the 83d Congress; 18 of these bills were disposed of, 9 of which number were reported favorably to the Senate by the full Judiciary Committee and 9 were indefinitely postponed. At the time the Congress adjourned, there remained 11 general immigration and naturalization bills pending before the subcommittee.

The new Immigration and Nationality Act (Public Law 414) became effective on December 24, 1952; and in order to assure fair and effective interpretation and administration of the new act, considerable work hours of the staff have been and will be utilized in conference with administrative enforcement officials of the executive branch, in research, and in the study of rules and regulations and administrative interpretations.

It is necessary for the subcommittee staff to maintain continuous liaison with the various branches of the executive departments concerned with the administration of the immigration and nationality laws and it is expected that numerous, informal sessions and conferences will be held, as in the past, between members of the staff and officials of the Visa Office and the Passport Office of the Department of State, the Immigration and Naturalization Service, and the Board of Immigration Appeals concerning administrative problems in the enforcement of the Immigration and Nationality Act and other immigration and nationality laws. Members of the staff of the subcommittee consult daily with other senatorial staff members in connection with problems arising under the act.

It is also anticipated that the workload of the subcommittee in this respect will be increased considerably during the current session of the Congress in view of the widespread interest in the administration of the Immigration and Nationality Act and the contemplated proposals to revise the act. Proposed revisions of the act have already been introduced in both the Senate and House of Representatives, and any consideration by the subcommittee of these measures, or any contemplated proposals yet to be introduced, will result in increased demands for liaison and consultation with officials of the Visa Office and Passport Office of the Department of State, the Immigration and Naturalization Service, the United States Public Health Service, the Board of Immigration Appeals and other interested branches of the Executive Department. The subcommittee staff will also be required to devote considerable time to consultations with representatives of voluntary

agencies interested in immigration and nationality problems, members of industry affected by immigration and by interested members of the public.

The staff of the Immigration and Naturalization Subcommittee also provides service to the Joint Committee on Immigration and Nationality Policy, established pursuant to section 401 of the Immigration and Nationality Act.

On August 7, 1953, the Refugee Relief Act of 1953, as amended, (Public Law 203, 83d Cong.) became effective. That act provides for the admission or the adjustment of status of 214,000 refugees and orphans over a period of approximately 3 years. Considerable work hours of the staff have been and will continue to be utilized in connection with the administration of the act. In addition, it is anticipated that a substantial amount of time will be devoted by the staff of the subcommittee to a consideration of proposed revisions of the Refugee Relief Act of 1953.

In addition, the subcommittee has an extensive workload of referral items from Senators' offices and correspondence which cannot be statistically appraised but which necessitates considerable work by the staff.

The subcommittee also has a considerable workload of cases involving the adjustment of status of aliens in this country. Under the immigration laws the Attorney General is empowered to adjust the status of certain deportable aliens to that of aliens lawfully admitted for permanent residence through the procedure of suspension of deportation, but such adjustment of status is subject to affirmative congressional approval in certain categories of cases.

In addition, under the provisions of the Displaced Persons Act and the Refugee Relief Act of 1953, a number of persons who have gained admission into the United States on a temporary basis are eligible to have their status adjusted to permanent residence. Each of these cases is subject to affirmative congressional approval by action similar to the action taken in certain of the suspension of deportation cases.

At the beginning of the 83d Congress there were pending in the committee 4,092 cases involving the adjustment of the status of deportable aliens under the suspension of deportation procedure. To that number of pending cases were added 7,855 additional cases which were submitted during the 83d Congress, making a total of 11,947 cases. Of the total number of cases pending before the subcommittee in the 83d Congress, 9,949 were approved, 129 were withdrawn by the Attorney General and 1,347 cases expired, leaving 522 cases "in process" at the time of adjournment of the Congress.

At the beginning of the 83d Congress there were pending in the subcommittee 876 cases involving applications for adjustment of status under the Displaced Persons Act of 1948, as amended. To that number were added 2,507 additional cases, making a total of 3,383 cases.

Of the total number of cases referred, 2,697 were approved; 9 were withdrawn by the Attorney General; 195 were not approved; 8 were held for further information; and 474 have not yet been considered.

The Refugee Relief Act of 1953, as amended, became effective on August 7, 1953, and to date there have been referred to the subcommittee only 36 cases involving applications for adjustment of status under section 6 of the act. However, it is anticipated that the volume of such cases referred to the subcommittee will increase substantially during the current session of the Congress.

The present subcommittee staff consists of 6 staff members and 4 stenographers. As previously pointed out, the instant resolution provides for a sum of $102,000 to operate the subcommittee during the current period as compared to the sum of $87,000 provided during the last session of the Congress. The requested increase in the funds to operate the subcommittee during the current period, as compared to the authorized funds in the last session of the Congress, is based upon an anticipated increase in the volume of work necessitating additional professional, administrative and clerical services. It is contemplated that a consideration of proposed revisions of the Immigration and Nationality Act will result in extensive investigations and hearings, thereby substantially increasing the workload of the subcommittee. Such activity by the subcommittee will necessarily result in increased demands for liaison and consultation with officials of the Visa Office and Passport Office of the Department of State, the Immigration and Naturalization Service, the Board of Immigration Appeals, the United States Public Health Service and other interested branches of the Executive Department, in addition to the normal activities of the subcommittee staff. It may also be anticipated that conferences with private organizations, individuals, and industry interested in revisions of the act will impose additional demands upon the subcommittee staff. Any consideration of proposals to revise the Immigration and Nationality Act will require an increase in the emphasis on the research functions of the subcommittee staff with the necessary staffing for that purpose. In addition, the increasing number of private immigration bills referred to the subcommittee, with requests for hearings in connection therewith in many cases, has contributed to the increase in the volume of work performed.

For these reasons, Mr. President, I believe that the funds provided by Senate Resolution 66, as reported by the Committee on Rules and Administration, are amply justified and represent the bare minimum required to operate properly the Subcommittee on Immigration and Naturalization for the period covered.

Mr. ELLENDER. Mr. President, I understand the amount being asked for is to carry on the work of the Immigration and Naturalization Subcommittee. As I understand, the committee is charged with the duty of investigating all the bills on that subject which are introduced in the Senate.

Mr. KILGORE. That is a part of the committee's duty. We have to pass also on all the deferrals of deportation. This year the Bureau has asked us to make a further study of immigration laws to see if we cannot eliminate some of this work.

Mr. ELLENDER. I noticed that during the last session of the Congress the amount requested was much smaller.

Mr. KILGORE. Yes.

Mr. ELLENDER. The committee is now asking for $102,000.

Mr. KILGORE. In 1953 the amount was $97,000. Last year it was $87,000. Last year Congress adjourned a little sooner than had been anticipated, and naturally the amount of work was cut down, but we have a backlog at this time which was piled up during the interim.

Mr. ELLENDER. Does the committee really need $102,000?

Mr. KILGORE. We cannot function without it. If any money can be saved, I can assure the Senator from Louisiana that it will be saved.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 66) was agreed to, as follows:

Resolved, That in holding hearings, reporting such hearings, and making investigations as authorized by subsection (k) of rule XXV of the Standing Rules of the Senate, or by section 134 (a) of the Legislative Reorganization Act of 1946, insofar as they relate to immigration and naturalization, the Committee on the Judiciary, or any duly authorized subcommittee thereof, is authorized during the period beginning on March 1, 1955, and ending on January 31, 1956, to make such expenditures, and to employ upon a temporary basis such investigators, and such technical, clerical, and other assistance, as it deems advisable.

SEC. 2. The expenses of the committee under this resolution, which shall not exceed $102,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

SEC. 3. This resolution shall be effective as of March 1, 1955.

STUDY OF NARCOTICS PROBLEM IN THE UNITED STATES

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 59, Senate Resolution 67.

The PRESIDING OFFICER. The clerk will state the resolution by title.

The LEGISLATIVE CLERK. A resolution (S. Res. 67) to authorize a study of the narcotics problem in the United States.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas.

The motion was agreed to; and the Senate proceeded to consider the resolution.

Mr. ELLENDER. Mr. President, as I understand, this is a resolution for the creation of a brand new subcommittee.

Mr. DANIEL. That is correct.

Mr. KILGORE. May I make a slight correction? The subcommittee was created to study improvements in the Criminal Code.

Mr. DANIEL. I interpreted the Senator's question as referring to a brand new job rather than to a new committee. I was in error in saying that it is a new committee. It is a new job which is given to the committee which was created to study improvements in the criminal code.

Mr. ELLENDER. How was the former subcommittee sustained? Did it work from regular funds made available to it?

Mr. DANIEL. Yes. This is a new assignment to the committee.

Mr. ELLENDER. This means that in addition to certain professionals, the subcommittee will require the services of six professionals aside from those the committee now has. Will this entail the services of other professionals than the ones the committee is now using?

Mr. DANIEL. Yes. This will entail the employment of 1 general counsel, 1 investigator, and 1 clerical assistant to carry on the work of a complete investigation of the narcotics problem in the United States. I doubt if any investigation of a problem so large and of legislation already introduced in connection with it can be conducted for less than the amount recommended.

Mr. ELLENDER. I am not questioning that fact, I will say to my good friend from Texas. I am only trying to find out why it is necessary to provide this money to carry on in the future the work which I understand has been carried on in the past by the regularly employed experts.

Mr. DANIEL. No, not this type of work. This is the first time that any committee of the Congress has been organized to go into the entire matter of the narcotics racket and to recodify the laws and recommend some new laws to strengthen our attack on this nefarious business.

Mr. ELLENDER. To what extent will these studies duplicate the studies which were made by the juvenile delinquency subcommittee?

Mr. DANIEL. To no extent whatever. We intend to use the evidence which has already been gathered by the juvenile delinquency subcommittee, the Kefauver Crime Investigating Committee and other committees. We do not intend to duplicate the work.

Mr. ELLENDER. Will the committee use the past studies in its work?

Mr. DANIEL. It will; but the studies already made cover only certain isolated phases of the problem.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 67) was agreed to, as follows:

Resolved, That the Committee on the Judiciary, or any duly authorized subcommittee thereof, is authorized and directed to conduct a full and complete study of the narcotics problem in the United States, including ways and means of improving the Federal Criminal Code and other laws and enforcement procedures dealing with the possession, sale, and transportation of narcotics, marihuana, and similar drugs. In the conduct of such investigation special attention shall be given to (1) the extent, cause, and effect of unlawful uses of narcotics and marihuana in the United States, (2) the adequacy, administration, operation, and enforcement of existing laws relating thereto, and (3) the additions and changes which should be made in the laws and enforcement procedures to prevent illicit possession, sale, transportation, and use of narcotic drugs and marihuana, and to combat the increasing narcotic addiction in the United States.

SEC. 2. The committee, or any duly authorized subcommittee thereof, is authorized to sit and act at such places and times during the sessions, recesses, and adjourned periods of the Senate, to hold such hearings, to require by subpenas or otherwise the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths, to take such testimony, and to procure such printing and binding as it deems advisable. The cost of stenographic services to report hearings of the committee or subcommittee shall not be in excess of 40 cents per hundred words. Subpenas shall be issued by the chairman of the committee or the subcommittee, and may be served by any person designated by such chairman.

A majority of the members of the committee, or duly authorized subcommittee thereof, shall constitute a quorum for the transaction of business, except that a lesser number to be fixed by the committee, or by such subcommittee, shall constitute a quorum for the purpose of administering oaths and taking sworn testimony.

SEC. 3. The committee shall report its findings, together with its recommendations for such legislation as it deems advisable, to the Senate at the earliest date practicable but not later than January 31, 1956.

SEC. 4. For the purposes of this resolution, the committee, or any duly authorized subcommittee thereof, is authorized from March 1, 1955, through January 31, 1956, (1) to make such expenditures as it deems advisable; (2) to employ on a temporary basis such technical, clerical, and other assistants and consultants as it deems advisable; and (3) with the consent of the heads of the department or agency concerned, to utilize the reimbursable services, information, facilities, and personnel of any of the departments or agencies of the Government.

SEC. 5. The expenses of the committee under this resolution, which shall not exceed $30,000, shall be paid from the contingent fund of the Senate by vouchers approved by the chairman of the committee.

SEC. 6. This resolution shall be effective as of March 1, 1955.

INCREASE IN LIMIT OF EXPENDITURES BY COMMITTEE ON PUBLIC WORKS

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 60, Senate Resolution 70.

The PRESIDING OFFICER. The clerk will state the resolution by title.

The LEGISLATIVE CLERK. A resolution (S. Res. 70) increasing the limit of expenditures by the Committee on Public Works.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas.

The motion was agreed to; and the Senate proceeded to consider the resolution.

Mr. ELLENDER. Mr. President, as I understand it, the resolution provides for a new committee.

Mr. CHAVEZ. No. I wish to assure the Senator from Louisiana that we do not wish to employ any extra technical or professional employees. As the Senator knows, the President of the United States has submitted a certain recommendation with reference to roads throughout the country. The President appointed a Commission to deal with that subject. Others have a different idea of the situation; and inasmuch as there is involved a recommendation for the possible expenditure of, say, $20 billion worth of bond money within a period of 10 years, we thought the American people should know that the problems concerning roads in Louisiana, in the Senator's own State, for example, are entirely different from what the road problems are in Oregon, for instance, and in some of the other Western States.

I assure the Senator from Louisiana that I am with him in the position he takes. As a matter of fact, I am trying to get rid of some of the professionals on my committee. In many instances I think we have too many of them.

Mr. ELLENDER. I am glad the Senator agrees with me.

Mr. CHAVEZ. They do not vote for the Senator from New Mexico, the Senator from Texas, or the Senator from any other State; but they are always on the job with the committee.

Mr. ELLENDER. I notice, according to the budget submitted, that the special subcommittee will be provided with three engineers.

Mr. CHAVEZ. That is what it says. I am willing to let the Senate amend the resolution. It provides for so many technical personnel, so many lawyers, so many engineers. I am willing to have that provision stricken from the resolution.

Mr. ELLENDER. I am not opposing the resolution; I am simply trying to get the facts, in order to make the record.

I notice that it is proposed to pay stenographers a base salary of $3,720, and a gross salary of $6,481.67. Does not the Senator from New Mexico believe that if that is to be done by the committee, it will be an invitation to other committees to pay similar salaries to stenographers? Frankly I think the amount is somewhat high.

Furthermore, will it not result in having stenographers who work for Senators and committees make requests for the same amount of money?

Mr. CHAVEZ. I disagree with my friend. I would rather pay a stenographer a good salary than use some of the so-called technical experts on the committees. I mean that. But, as a matter of fact, I want to agree with the Senator. The resolution was drawn as a technical proposition. Whatever may be done, let us not cut down on the pay of the stenographers.

Mr. ELLENDER. Will the Senator from New Mexico agree to the payment of a salary in an amount equal to that paid by other committees? The amount provided in the resolution is far in excess of what is paid by other committees.

Mr. CHAVEZ. I agree with the Senator.

Mr. ELLENDER. I hope the Senator will do that.

Mr. CHAVEZ. Not only will we do that; but I assure the Senator that there will not be any so-called experts drawing pay for doing nothing.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 70) was agreed to, as follows:

Resolved That in holding hearings, reporting such hearings, and making investigations as authorized by section 134 of the Legislative Reorganization Act of 1946 and in accordance with its jurisdictions under rule XXV of the Standing Rules of the Senate, the Committee on Public Works, or any subcommittee thereof, is authorized from March 1, 1955, through January 31, 1956, (1) to make such expenditures as it deems advisable; and (2) to employ upon a temporary basis such technical, clerical, and other assistants and consultants as it deems advisable.

SEC. 2. The expenses of the committee under this resolution, which shall not exceed $100,000, shall be paid from the contingent fund of the Senate by vouchers approved by the chairman of the committee.

STUDY OF THE ANTITRUST LAWS OF THE UNITED STATES

Mr. DANIEL. Mr. President, I move that the Senate resume the consideration of Calendar No. 53, Senate Resolution 61, authorizing a study of the antitrust laws of the United States, and their administration, interpretation, and effect.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas.

The motion is agreed to.

Mr. ELLENDER. Mr. President, the motion to consider the resolution had not been agreed to.

The PRESIDING OFFICER. There seemed to be no objection. Is there objection now?

Mr. ELLENDER. The RECORD will show that the motion to take up Senate Resolution 61 was not agreed to, because I made the point of order, the moment it was called up and read, that it should be passed over.

The PRESIDING OFFICER. The question now is on agreeing to the motion to consider the resolution.

Mr. KILGORE. Mr. President, I ask unanimous consent that a statement I have prepared be printed at this point in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR KILGORE

Senate Resolution 61 proposes a complete and comprehensive study and investigation of the Federal antitrust laws. It should be noted that the basic law, the Sherman Act, is now 65 years old, the Clayton Act 41 years old, and the Robinson-Patman Act 19 years old. During this 65-year period, no attempt has yet been made by the Congress to survey the entire field of antitrust laws with a view toward a comprehensive revision and coordination of these basic laws. In past years controversy has arisen as to whether these basic policies may have become outdated. Because of the many differences of opinion about the objectives of these antitrust statutes, suggestions have been made by many sources that our antitrust policy be restudied.

Attorney General Brownell recognized the need for such a study on June 26, 1953, in announcing the appointment of the Attorney General's National Committee To Study the Antitrust Laws. The Attorney General's committee is expected to report its recommendations for revision of the antitrust laws to the Congress in the very near future. As the Committee on the Judiciary under the Legislative Reorganization Act has jurisdiction over the subject matter of the "protection of trade and commerce against unlawful restraints and monopolies," those recommendations will be referred to the Committee on the Judiciary for consideration. The Committee on the Judiciary will immediately be faced with the task of evaluating and analyzing the recommendations which have occupied the attention of the Attorney General's 60-man committee for almost 2 years. Because of the necessity of reconciling conflicting points of view, extensive and lengthy hearings on these recommendations are contemplated.

Questions have been raised in many quarters as to the adequacy of the present-day antitrust laws in the face of the apparent growth and concentration of economic power in fewer corporations and the consequent effect on the consumer dollar as contrasted with the situation existing at the time of the enactment of the Sherman Act in 1890. In view of the fact that the United States Government is the largest single customer of business and industry, it has been suggested that a study be made of the adequacy of our antitrust structure with relationship to the Government's procurement program and its effect upon the small business of the country, and as to whether such large procurements are contributing to the growth of monopoly control, and a weakening of our free, competitive economy.

Questions have also been raised as to whether the legislative policies embodied in the antitrust laws, are intrinsically sound in approach, and whether the separate provisions of these statutes and their relationship to one another are sufficiently consistent and coordinated to effectuate a unified Federal policy of maintaining competition.

It is noted that there has been a concern in recent years by the Congress over the growth of mergers and a decided trend toward bigger business despite the amendment to Section 7 of the Clayton Act enacted by the Congress in 1950. This increase dictates a need for extensive study of the merger movement, its consequent effect on competition and whether such a trend indicates desirable or undesirable concentrations of economic power.

Criticism has been raised regarding the procedures and remedies of the antitrust laws. The overlapping of jurisdiction of Federal antitrust agencies, highlighted especially by the overlap in jurisdiction of the Department of Justice and the Federal Trade Commission, has generated demands for Congressional action to centralize antitrust administration and enforcement in one source of authority, or at least to coordinate through a central agency the concurrent jurisdiction of the several Federal agencies.

These and many other questions that have been raised as to the adequacy and present effectiveness of the antitrust laws can only be answered by the investigation proposed in Senate Resolution 61.

In view of the tremendous technological progress of American industry since the enactment of the Sherman Act in 1890, it is imperative that a thorough review be made of the entire antitrust field in order to achieve such realinement of the antitrust laws as will determine an effective Federal antitrust policy which can be enforced vigorously, effectively, and uniformly to achieve the desired goal of competition in a free economy.

Mr. ELLENDER. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The question is on agreeing to the motion of the junior Senator from Texas [Mr. DANIEL] that the Senate proceed to the consideration of Senate Resolution 61.

The motion was agreed to; and the Senate proceeded to consider the resolution (S. Res. 61) authorizing a study of the antitrust laws of the United States, and their administration, interpretation, and effect.

Mr. ELLENDER. Mr. President, as I suggested a few moments ago, when this resolution first came up, I am certainly not opposed to a study of the antitrust laws. As was stated this afternoon by the chairman of the Committee on the Judiciary, the Attorney General has appointed a committee of 60 persons in order to make a study of the antitrust laws, the same study, I am sure, which is now in contemplation. The report attached to the resolution states the purpose for the selection of that committee. What I was asking was that the resolution be retained on the calendar until such time as the Attorney General's report may be filed.

Since the order for the quorum call was rescinded, I have been in conversation with the senior Senator from Texas [Mr. JOHNSON].

Mr. President, I offer an amendment to the resolution, reducing the amount which appears on page 2, line 22. I offer an amendment to strike the amount "$250,000" and insert in lieu thereof "$200,000."

Mr. JOHNSON of Texas. May we have action on the amendment, Mr. President?

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 2, line 22, it is proposed to strike out "$250,000" and insert in lieu thereof "$200,000."

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Louisiana [Mr. ELLENDER].

Mr. KILGORE. Mr. President, I have no objection to the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Louisiana.

The amendment was agreed to.

The question now is on agreeing to the resolution, as amended.

The resolution (S. Res. 61), as amended, was agreed to.

Mr. ELLENDER. Mr. President, as I understand from the conversation I have had with the majority leader, it is understood that no one will be employed by this subcommittee until such time as a report comes from the Attorney General.

Mr. JOHNSON of Texas. That is correct.

Mr. President, I move that the Senate proceed to the consideration of Senate Resolution 62.

Mr. LANGER. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from North Dakota will state it.

Mr. LANGER. Has Senate Resolution 61 been agreed to?

Mr. JOHNSON of Texas. It has been agreed to.

STUDY OF JUVENILE DELINQUENCY IN THE UNITED STATES

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of Senate Resolution 62, Calendar No. 54.

The PRESIDING OFFICER. The clerk will state the resolution by title, for the information of the Senate.

The LEGISLATIVE CLERK. A resolution (S. Res. 62) to study juvenile delinquency in the United States.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas.

The motion was agreed to; and the Senate proceeded to consider the resolution which had been reported from the Committee on the Judiciary without amendment, and subsequently reported from the Committee on Rules and Administration with amendments, on page 1, line 6, after the word "Judiciary", to strike out "under Senate Resolution 89

of the 83d Congress"; on page 2, line 6, to strike out "Subcommittee To Study Juvenile Delinquency in the United States" and insert "Committee on the Judiciary, or any subcommittee thereof"; and in line 10, after the word "advisable", to insert "including no more than $2,000 for obligations outstanding and incurred pursuant to Senate Resolution 49, agreed to February 4, 1955", so as to make the resolution read:

Resolved, That in holding hearings, reporting such hearings, and making investigations as authorized by section 134 of the Legislative Reorganization Act of 1946, and in accordance with its jurisdictions specified by rule XXV of the Standing Rules of the Senate insofar as they relate to the authority of the Committee on the Judiciary to conduct a full and complete study of juvenile delinquency in the United States, including (a) the extent and character of juvenile delinquency in the United States and its causes and contributing factors, (b) the adequacy of existing provisions of law, including chapters 402 and 403 of title 18 of the United States Code, in dealing with youthful offenders of Federal laws, (c) sentences imposed on, or other correctional action taken with respect to, youthful offenders by Federal courts, and (d) the extent to which juveniles are violating Federal laws relating to the sale or use of narcotics, the Committee on the Judiciary, or any subcommittee thereof, is authorized from March 1, 1955, through January 31, 1956, (1) to make such expenditures as it deems advisable including no more than $2,000 for obligations outstanding and incurred pursuant to Senate Resolution 49, agreed to February 4, 1955; (2) to employ on a temporary basis such technical, clerical, and other assistants and consultants as it deems advisable; and (3) with the consent of the heads of the department or agency concerned, to utilize the reimbursable services, information, facilities, and personnel of any of the departments or agencies of the Government.

SEC. 2. The expenses of the committee under this resolution, which shall not exceed $154,000, shall be paid from the contingent fund of the Senate by vouchers approved by the chairman of the committee.

SEC. 3. This resolution shall be effective as of March 1, 1955.

The amendments were agreed to.

Mr. KEFAUVER. Mr. President, I have a statement, giving in some detail what the special subcommittee has done up to this point, and what the plans for the committee are in the future. I do not wish to read the statement at this time, but I ask unanimous consent to have it printed in the RECORD at this point, for the information of the Senate.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR KEFAUVER

The Senate has before it today the Rules Committee's recommendation for an appropriation to extend the Senate Subcommittee to Investigate Juvenile Delinquency. All of us, I am sure, remember the fine work the subcommittee did under the helm of the former Senator from New Jersey (Mr. Hendrickson). Seldom has a job captured the imagination and inspiration of a committee's members, and been more rewarding, than the job that we undertook 17 months ago. When the former Senator from New Jersey and I introduced identical resolutions calling for a senatorial investigation of juvenile delinquency, we had no pretentions about the job—we knew that it would be long, that it would be difficult, that it would be frustrating. We knew, or suspected, we would uncover some very ugly situations, situations that I, as a father, would wish did not exist. But we also knew that unless these situations were brought to the attention of the general public, the problem of juvenile delinquency would grow increasingly serious, something that our country, with its high ideals and morals, and its prominent place in the free world's showcase could not afford.

We on the subcommittee set an almost impossible task for ourselves. We divided the objectives of our work into three sections. First, we embarked on a factfinding mission. We wanted to determine the extent, the causes, the character, and the contributing factors to juvenile delinquency. We wanted to know how adequate existing treatment was and whether preventive measures were working. We wanted to know how effective Federal laws were, especially those laws relating to narcotics, the Youth Corrections Act, and treatment facilities of the Federal Government. Then we hoped to focus public attention, through our factfinding, upon the existing problems. Finally, we wanted to act upon the facts and recommendations we compiled. We wanted to help those youngsters who had already embarked upon delinquent or criminal careers or who had become addicted to narcotics.

To grasp the problem, we decided on a representative community approach. We went north to Boston, south to Miami, west to San Francisco. We went to the border town of El Paso, visited Indian reservations, and took a look in our own backyard, Washington, D. C. What we found wasn't pleasant to me either as a father or as a Member of Congress. Frankly, what I saw frightened me. I learned that as a parent, I could only partially keep my children from becoming delinquent, although this was an important part. Much of the remainder of the job had to be done by the schools, by the churches, and by the Government.

Here are a few of the things we learned.

We found a direct correlation between juvenile delinquency and narcotics. We found that young girls turned to prostitution to raise the $20 to $30 a day necessary to keep them in drugs. This week Narcotics Commissioner Anslinger confirmed one of our findings when he reported that racketeers are recruiting youngsters to peddle narcotics in ever-increasing numbers.

In New York we were told that there are an estimated 7,500 addicts in that city alone. Seventy-five hundred. In Los Angeles County, 8 to 9 percent of all children hauled into juvenile courts had contact with narcotics. In Denver it was found that from 80 to 90 percent of all Spanish-American boys brought into juvenile courts had contact with narcotics. And in Iowa, investigations revealed that 25 percent of the girls admitted to the State training school habitually used marihuana.

In California the narcotics problem couldn't be handled by local authorities. Across its border, in Tia Juana, every form of vice abounds, including widespread prostitution and wide-scale narcotics operations. Tens of thousands of youngsters from southern California pour over the border in search of this excitement. Local authorities are frustrated. They can't prohibit this traffic. To them, this is an international problem.

One border official told us he had no authority to arrest or detain any of the many minors returning to this country under the influence of narcotics.

On the basis of our study we were able to introduce legislation that would prohibit juveniles, unaccompanied by a parent or guardian from going outside the United States without a permit issued by the Attorney General. On another level, we proposed that the meager force of 260 men who compose the Bureau of Narcotics be increased to at least 500 men.

In further study of the juvenile drug problem, the subcommittee found widespread use of barbituates, better known to teen-agers as "goof balls." These drugs act as a stimulant when taken with soft drinks or alcoholic beverages, causing the user to lose all inhibition and control. The drugs are not harmless as many people believe. Continued use will cause an addiction more severe than narcotic addiction and requiring lengthy treatment.

Manufacture of barbiturates in the United States far exceeds any possible normal use of the drug. This year the subcommittee hopes to get at the root of the problem, the solution of which may rest in Federal regulation of these drugs. We feel that there is a pressing need for control on the national level through the interstate commerce power or the taxing power of the Federal Government.

In one area, the subcommittee was both shocked and shamed. We found that a tremendous amount of pornographic literature, aimed at the young and sexually inquisitive person, was crossing State lines with almost complete immunity. A loophole in Federal law allows this $300 million business to flourish next to the impotent Federal and local authority. Under the present law, this pornographic material cannot be shipped through the mails. But it can be easily and legally carried across State lines by automobile and truck. Federal legislation is now under preparation by the subcommittee to close the loophole in the law. Future investigations are planned to discover the extent of this disgusting attack upon juvenile morality.

In Chicago, the National Auto Theft Association told our subcommittee that from 1948 on the number of automobiles stolen by persons under 17 years of age has steadily risen. In 1952, 70 percent of all automobiles stolen, were stolen by boys and girls under 17 years of age. Such thefts involve a loss of millions of dollars to the automobile owners of the Nation.

Under the Dyer Act, children who joyride cars across State lines come under Federal jurisdiction. As a consequence our Federal Training Schools are filled with teenagers who took an automobile with no intention of selling it, but merely to have a "good time." This conduct, of course, is inexcusable, but the subcommittee wants to look behind the law and see if the Dyer Act is perhaps too severe in dealing with these joy-riding youngsters.

Other crime statistics cannot be as easily explained. During 1952, 37 percent of all persons arrested for robberies were under 21 years of age. This age group accounted for almost half of all arrests made for larceny and even 35 percent of all arrests made for rape.

Back in 1948, we thought the problem of juvenile delinquency was solving itself. In that year less than 300,000 youngsters appeared before the courts. But, in 1949, with the cold war in full swing and the Korean war right around the corner, the juvenile delinquency rate started soaring again. By 1953, 435,000 children were being hauled up before the judges. In 1954, the figure jumped to over half a million. Only 10 percent of this increase can possibly be attributed to the enlarged juvenile population.

By 1960, this country will have a massive population in the 10- to 17-year-old age bracket. If juvenile delinquency continues to mount at the rate of the past 5 years, almost 800,000 boys and girls will be called before a judge each year. It must be remembered that there are at least three juvenile offenders brought to the attention of the police for every child actually brought before the juvenile courts. And that only represents the juveniles who are caught or turned in. Yet, even on the basis of the first figure, the problem is one of immense proportions.

The growing seriousness of juvenile delinquency is also underscored by the fact that an increasing number of younger boys and girls are committing serious offenses. During each successive year since 1948, a larger number of persons under 18 years of age have been involved in such offenses as burglaries, robberies, automobile thefts, and violent crimes.

As a result of the intensive community studies, the subcommittee introduced S. 728 which will provide Federal assistance and cooperation to States in strengthening and improving their programs for the control of juvenile delinquency. The bill also calls for the establishment in the Department of Health, Education, and Welfare of an office for children and youth. A prerequisite for Federal assistance is the organization of a committee by the State to coordinate all the interested agencies of the State in combating juvenile delinquency.

While the Federal Government insists on this coordination, as a prerequisite for assistance, no such program operates or is now contemplated on the Federal level. Each of the several agencies interested in the welfare of our young people goes its own pleasant way. Our subcommittee is now working on a program which we hope will bring together these various agencies so that they may effectively combat the problem of juvenile delinquency.

There are many and varied conditions contributing to juvenile delinquency which cannot be corrected on a community-to-community basis. There are interstate and national conditions and problems, and to these the subcommittee gave its particular attention.

The problem of runaway children fits into this category. No one had ever thoroughly investigated this problem before, although an estimated 200,000 youngsters stray from home each year. Our investigations revealed that runaway children are often committed to State or Federal institutions because of the lack of means to return them home. For their youthful action and the State's lack of funds, youngsters acquire a lifelong record as a delinquent. Further investigation by the subcommittee proved that the cost of institutional care of these runaways often exceeded the cost of sending them back home. Your subcommittee worked out proposals for effective interstate cooperation. One of these proposals would assist the States to return runaway children to their own communities in another State. The second would provide for an interstate compact for the return of runaways.

I have mentioned in passing only some of the subcommittee's findings. Let me pause for a moment and detail a few of our accomplishments.

Seldom a day passes without the newspapers carrying an account of some new action by a city or a State to combat juvenile delinquency. The very fact that the Senate of the United States singled out this problem for special study brought the problem to the attention of local and national groups. By the time the community hearings and their results were made national conservational topics, the cities and States had set up commissions and agencies to study the problems which we had highlighted. In short, the publicity accorded our work by the sympathetic press was a long step towards overcoming some of the difficulties inherent in the complex problem of juvenile delinquency.

During the hearings it was forcefully brought home to us, time and time again, that there is all too often a decided lack of cooperation and coordination among the agencies which are trying to do the job. And this, Mr. President, is true both nationally and in local communities.

The subcommittee has tried to do something about this lack of coordination. We have, first of all, focused public attention on this lack of coordination not only through our public hearings but also through questionnaires soliciting advice on how better coordinated efforts can be brought about.

Some of the recent communications received by the subcommittee indicate that our efforts may be more effective than we had guessed. For example, we have had considerable testimony before our subcommittee concerning the need for the establishment by the Federal Government of a new organization which some of the witnesses called a National Institute of Juvenile Delinquency. Our subcommittee is giving earnest consideration to such a proposal. In order to get the best thinking on the subject, we sent out hundreds of questionnaires asking for specific recommendations on the subject—for pros and cons—on this proposal. Recently we received one reply from one city in which all the agencies had gathered together to discuss the questions we had raised. In compiling their answers they were led to see how their recommendations could be put into effect locally.

A few months ago, the subcommittee called together representatives of some 17 of the largest service, fraternal, and veterans organizations representing over 16 million persons. When these representatives gathered here in Washington we put our challenge squarely to them. We knew that these organizations were doing a lot to prevent juvenile delinquency. But we asked them to do more. And we asked them to coordinate their efforts in doing more. They accepted our challenge.

Just this month, here in Washington, these groups met and set up an organization to coordinate their efforts in combating juvenile delinquency. They were entirely realistic in setting up their organization. They fully realized the difficulties inherent in coordinating the work of many sovereign organizations. But they felt the problem severe enough to merit their attention and dynamic action. In this very quiet way, the subcommittee has gone to work on its task of doing something about the problems we uncovered. This new organization will long outlive this subcommittee. We have provided the stimulus, the rest is up to them. I am sure they will do a wonderful job.

At one point in our investigation we asked 18 leading national, public, and private organizations dedicated to the improvement of services for the prevention and treatment of juvenile delinquency to gather together. They all came. They met for a full day and gave us the benefit of their valuable advice and counsel on how national efforts of public and private agencies throughout the country could be harnessed together to pull in the same direction, to eliminate duplication, and to increase their effectiveness. Many of the valuable suggestions received from that group are incorporated in the subcommittee's recommendations for legislation and action. But one thing surprised me about that meeting. I was told that it was the very first time they had all gathered together. And they expressed the belief that even if nothing further came of that meeting the opportunity provided by the subcommittee for discussing their common problems, as they did that day, would prove invaluable.

We all know what happened when the subcommittee tackled the problem of crime and horror comic books. In a short time, by the publicity given our hearings and findings, one large manufacturer of the comic books dropped out of business. Then the industry set itself the task of cleaning up its own business. They appointed a czar to police the industry. The results of this action aren't clear yet, but their action, through the work of the subcommittee, is a step in the right direction. You will recall that several police chiefs had testified to us that many of the delinquents they arrested had learned their ideas on crime from these supposedly comic books.

When the Congress can obtain such immediate results on situations as bad as this one, then we can be proud. We have done the best that can be done: We have legislated without legislation and censored without censorship. To me this is the highest kind of order within a society, but one that is not often or easily obtained.

Here in the District of Columbia the subcommittee found a juvenile-court system that didn't measure up to the problem. The court and police took it upon themselves to clean up many of the faults revealed by the subcommittee's investigations. But, the subcommittee is prepared to introduce no less than six bills calling for specific readjustments to make the District Federal court system more responsive to the problems of juvenile delinquents.

The subcommittee hearings were largely responsible for an additional appropriation of $75,000 to the Children's Bureau of the Department of Health, Education, and Welfare. This money will be used for juvenile services. The money was appropriated on the suggestion and recommendation of the subcommittee.

In Philadelphia our hearings were responsible for changes in the procedure for dealing with juveniles before the courts of that city.

In North Dakota, under the expert eye of the Senator from that State (Mr. LANGER), we discovered that the facilities of that State were denied Indian children residing on reservations. The Federal Government had relinquished its authority and no one had stepped forward into the vacuum.

During the four hearings of your subcommittee in North Dakota a number of specific recommendations for remedial action were proposed by various witnesses. Some of these were aimed at improving the administration of existing programs. Others highlighted the need for legislative action by both State and Federal Governments. Still others pointed at ways and means of improving coordination among the tribal, State, Federal and other agencies and organizations involved in Indian affairs. The subcommittee is now taking action on many of these suggestions and is presenting legislation directed at alleviating the severe juvenile delinquency problem in this area of direct Federal concern. In the coming year the subcommittee will travel to the southwest to see if we can discover the extent and the cure of the problem of juvenile delinquency in this Federal area.

The subcommittee felt that Federal assistance should be given foster children. Consequently, we have prepared legislation that would allow a foster parent to declare the foster child as a dependent for income tax purposes.

Each year tens of thousands of minor children are deprived of parental support because deserting fathers move out of State. To correct this ugly situation we prepared legislation to provide for the enforcement of family support legislation.

Let me for a moment recap what the subcommittee has already done.

We have foscused national attention on the very serious problem of juvenile delinquency. We have discovered the weak links in the chain of juvenile delinquency rehabilitation. We have discovered some of the major causes of juvenile delinquency. We have brought these findings to the attention of both the layman and the professional in the field. We have provided Federal leadership for community projects. Communities all over the United States are now combatting juvenile delinquency * * * and it isn't costing the Federal Government one cent for the majority of the work being done. We have brought together Federal, State and local groups, made our information

available to them, and, in turn, took information from them. We have laid an institutional framework by which to attack this problem and by which to receive and transmit findings.

Most of all, however, the subcommittee has developed leads for further study and investigation. The community hearings opened the door, provided the research necessary to attack the major problems topic by topic. That is what we hope to do. This is the area in which the Subcommittee can make its major contribution.

The subcommittee's efficient staff, in cooperation with the members of the subcommittee have synthesized all the information our investigations brought in and we have come up with no less than twenty specific topic areas that need intensive investigation and study.

The whole area of juvenile courts will come under our survey. Testimony before the subcommittee revealed that the Nation has only 7,000 probation officers while a minimum of 40,000 is needed.

The subcommittee will seek the cooperation of various bar associations and juvenile court judges in exploring the practices of the juvenile courts with an eye towards promulgating a uniform law and correcting abuses of the constitutional rights of juveniles and their parents.

Out of these hearings it is hoped will come some idea of how a juvenile court could be effectively run, the size of a staff relative to the cases handled, how much time the court should spend in social study of the youthful offender before the trial, the adequacy of the probation supervision, the availability of clinical services and the extent to which they are used and the professional qualifications of the judge and staff.

Much work still remains to be done with comics. Interesting leads have developed from our original studies in the field. One publisher testified that by mistake one of his trays of addressograph plates bearing the names of 400 children was routed to a publisher of sex literature. His mistake was one of many such mistakes by others. Advertisements of a salacious kind have been received by juveniles as young as 9 years of age.

The subcommittee held preliminary hearings to inquire into the extent, if any, that the presentation of crime and violence on television may contribute to the delinquent acts of children. Because of time limitations the subcommittee did not hear the full story of the effects of television on children. Further hearings are needed to determine if there is a casual relationship between the viewing of crime and violence on television and delinquency, and, if there is, what role should the Federal Communications Commission play in combating this. The television industry need not fear that we are singling them out for special investigation. We hope to conduct a similar study with regard to the movies.

The overcrowded conditions prevailing in our classrooms are well known. This national problem was illustrated repeatedly in the course of the subcommittee's hearings. The subcommittee found indications that the overcrowding and undermanning of schools are actually a contributing factor to juvenile delinquency. We wish to further investigate this matter and also deal with the manner in which schools may prevent delinquency and how schools may deal with delinquent behavior and vandalism behind their own walls.

Preliminary investigation into the relationship between lack of employment and juvenile delinquency leads your subcommittee to believe that there is a correlation between the two.

Your subcommittee must also thoroughly and systematically explore ways and means of providing suitable part-time work experience under proper supervision for the schoolchild who desires it. We must look into the expansion of guidance services and curriculum, including a schoolwork program in the public high schools, and look into the possibility of amending the Wagner-Peyser Act to authorize extension of the facilities of the United States Employment Service for young workers and to make its facilities available for the employment, counseling, and placement of high-school graduates and drop-outs, and to provide funds to enable the States to develop services along the same lines. From the proposed hearings it is hoped will come a detailed plan for a national program that will help solve this problem.

The policies of the armed services with regard to juvenile delinquents is an area wherein further investigation and exploration must be continued by this subcommittee. First, we must consider the problem created by the large number of juvenile delinquents who are not eligible for the draft due to their internment and, second, the problem of the many youngsters between 17 and 21 years of age who enter the military and suddenly come under an adult code of justice. For a minor offense, this youngster can be dishonorably discharged and his entire life ruined. We have no answers to these problems, but we do feel that they merit serious study.

Treatment services and facilities, including detention homes and aftercare services were found by the subcommittee to be one of the weakest links in the chain of juvenile delinquency rehabilitation.

We want to discover if our present Federal institutions offer proper treatment and rehabilitation of youngsters once they have embarked on a career of crime. We know that most criminal cases are repeats. If we can stop crime in its first stages, then we can go a long way toward eliminating one of the worst blights on our way of life.

Testimony before your subcommittee revealed that over 100,000 boys and girls are confined to common jails, thrown in with hardened criminals and not afforded the attention necessary to keep them on the right track once they have stepped off the main line. We want to explore the possibility of establishing Federal Forestry Camps on a cooperative basis with the States. We want to investigate the entire unexplored area of treatment and responsibility for seriously disturbed children. A segment of delinquents, while not psychotic, is so emotionally disturbed that special treatment facilities are required. Responsibility for such children is not clear. This hospital type of service is very expensive. Federal aid may be indicated or legislation may need enactment so that two or more States will be able to share the responsibility and the cost of a joint hospital.

Through its studies, the subcommittee found an unexplored area for investigation. This was the area of the youthful offender. A youthful offender is a person above the age jurisdiction of the juvenile court but still under 21 years of age. J. Edgar Hoover reported that crime in this age bracket jumped over 8 percent in 1954 alone. The subcommittee hopes to conduct hearings on the extent of involvement in crime of youths between 18 and 21 years of age and examine the court procedures in handling of these youths.

We also wish to follow leads uncovered in the community hearings that girls in this age bracket are being furnished for filthy entertainment and prostitution.

One of the main areas of concern of the subcommittee is the tremendous gap between the dollars needed for and the dollars allotted to family welfare work, education, psychiatric treatment and research, police court, probation and parole work. This problem will be with us a long time. One answer, to our way of thinking, is to get the best we can for the limited money we have. In most instances those in the field are dedicated, if grossly underpaid, people. But, our preliminary investigation highlighted the lack of cooperation among these people and groups. In overcoming this we feel that the Federal Government should take the lead. Toward that end we hope to evaluate the programs of Federal agencies in the fields of employment, education, social service, law enforcement, courts, detention, and recreation. Also to be examined is the feasibility of extending the services of the United States Children's Bureau, the Mental Health Institute of the National Institutes of Health, the United States Office of Education, the Federal Bureau of Narcotics, and other agencies directly connected with this problem.

The illegal sale of 20,000 babies for adoption represents another interstate problem. Teen-aged mothers are particularly susceptible to the unscrupulous operators who market babies like dresses. In the Miami hearings it was brought out that Florida laws were inadequate to cope with the problem. It was revealed that a doctor operating out of New York was controlling the black market baby operations in Florida. Only when interested citizens contacted the New York authorities were the doctor's operations stopped and he called to account under New York laws. It is this type of situation that we are out to correct. The subcommittee hopes to explore this entire field from the criminal violations in adoption to the legitimate adoption and care of the babies of teen-aged unmarried mothers.

The statement has often been made that slums breed delinquency. That isn't always true, but in a growing number of cases it is true. At least, bad housing is a contributing factor towards delinquency. The subcommittee would investigate the adequacy of the Federal program in slum areas and the effect of slum areas on juvenile delinquency in such cities as Chicago, Philadelphia, Pittsburgh, and New York.

I have only outlined part of the subcommittee's contemplated work and exploration. But, from these, I am sure you can see the trend and the importance of continuing operations. Already findings, recommendations and legislation are helping to solve a major problem of our time.

When dealing with human personalities, one should not expect miracles or tremendous changes in short periods of time. We know that we are in for long hard days and ugly information. But we also know that we are engaged in correcting a situation that affects the very lifeblood of our Nation—our youth.

Many of us are tempted to think of juvenile delinquency in terms of children will be children. I only pray that this were the situation. But 17 months of investigation and study have shown us that unscrupulous adults and skillful manipulators in the mad search for an extra dollar are subverting our children. We have seen that the social ills of our society, and the tensions of a world halfway between war and peace are contributing to the restlessness of our youth and to the delinquency of some. We know that bad housing, bad schools and bad rehabilitation systems aid the growth of juvenile delinquency. But we also know that solid study, careful and realistic evaluations, publicity, cooperation and skillful legislation can solve this problem.

Mr. KEFAUVER. Mr. President, I wish to assure the Members of the Senate that if the requested appropriation is approved, the subcommittee will be conducted with dignity; there will be a very serious effort made to determine the Government's responsibility in the field of juvenile delinquency, and the requested amount of money will go further and do more toward alleviating a very distressing situation existing in our country today than will any other amount

of money that may be appropriated by the Senate.

Mr. President, the fact that increasing numbers of young people are coming into conflict with police officials—in other words, juvenile delinquency—constitutes one of the serious problems facing the Nation today. The number of juvenile delinquencies has been increasing every year. The statistics show that under the Dyer Act, which the Federal Government has jurisdiction to enforce, 70 percent of the violations are committed by young people under the age of 17; that 37 percent of all persons arrested for robberies were under 21 years of age; that the same age group accounted for almost 50 percent of all arrests made for larceny. Mr. J. Edgar Hoover states that there has been an increase in rape cases of 110 percent since 1939, and the percentage of juveniles involved is becoming larger and larger.

Commissioner Anslinger, of the Narcotic Bureau, has considered the narcotics problem among youths to be of such consequence that he has assigned one of his top investigators to work with the subcommittee during its investigation. He recently stated at a congressional hearing that peddlers of narcotics were using more and more teen-agers to sell their narcotics, because stiff sentences have taken some of the old peddlers off the streets. There are many other efforts by organized crime and by peddlers in narcotics to use young people to perform their criminal actions.

The work of the Subcommittee on Juvenile Delinquency up to this point brought the commendation of all the organizations with which I have come in contact in connection with its work. We have received commendatory letters and statements from various organizations, including civic clubs that have been associated with the subcommittee.

I ask unanimous consent to have printed in the RECORD at this point, a list of those organizations.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

ORGANIZATIONS REPRESENTED IN LETTERS OF APPROVAL TO THE COMMITTEE

National Probation and Parole Association.
The Salvation Army.
National Council of Churches of Christ.
Chicago Police Department.
North Dakota Indian Affairs Commission.
Greater St. Louis Regional Women's Guild.
Utah Federation of Women's Clubs.
American Legion, Department of New Jersey.
American Federation of Labor.
National Association of County and Prosecuting Attorneys.
Young Women's Christian Association.
Whatcom County Farm Bureau, Lynden, Wash.
Holy Name Society, Gary, Ind.
Holy Name Society, Menominee, Wis.
Commissioner's Youth Council District of Columbia.
Crime Prevention Association of Philadelphia.
National League of American Pen Women.
Parker B. Francis of Puritan Compressed Gas Corp.
United Christian Youth Movement.
National Council of Catholic Men.
Board of Training Schools, Missouri.
General Federation of Women's Clubs.

Mr. KEFAUVER. Mr. President, I think if nothing else had been done by the subcommittee other than to bring the two groups together the expenditure of the money would have been justified. For the first time in the history of this Nation all of the groups, of a voluntary nature, dealing with the problem of juvenile delinquency have been brought together, such as the United States Chamber of Commerce, the Knights of Columbus, the Knights of Pythias, and other similar organizations.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point in my remarks a list of the organizations which have coordinated in their work in the field of juvenile delinquency.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

ORGANIZATIONS REPRESENTED AT THE NATIONAL CONFERENCE OF SERVICE, FRATERNAL, AND VETERANS' ORGANIZATIONS ON JUVENILE DELINQUENCY, FEBRUARY 24, 1955

American Legion.
American Veterans of World War II.
B'nai B'rith Youth Organization.
Fraternal Order of Eagles.
Benevolent and Protective Order of Elks.
General Federation of Women's Clubs.
United States Chamber of Commerce.
Knights of Columbus.
Knights of Pythias.
Lions International.
Loyal Order of Moose.
National Urban League.
Optomist International.
Veterans of Foreign Wars.

Mr. KEFAUVER. Mr. President, 20 or more agencies, such as the American Bar Association, the Child Welfare League of America, the Children's Bureau, and the Office of Education, have been brought together to coordinate their work insofar as such national agencies are concerned. I ask unanimous consent that the list of those organizations be printed at this point in the RECORD.

The PRESIDING OFFICER (Mr. MCNAMARA in the chair). Is there objection?

There being no objection, the list was ordered to be printed in the RECORD, as follows:

AGENCIES REPRESENTED AT MEETING OF NATIONAL AGENCIES, NOVEMBER 17, 1954

Administrative Office, United States Courts.
Advisory Committee for State and Local Action.
American Bar Association.
American Public Welfare Association.
Bureau of Prisons.
Child Welfare League of America.
Children's Bureau.
Community Chests and Councils of America.
Family Service Association of America.
National Association of Training Schools.
National Association of Juvenile Court Judges.
National Education Association.
National Institute of Mental Health.
National Probation and Parole Association.
National Social Welfare Assembly.
Office of Education.
Social Security Administration.
Youth Division, Federal Parole Board.

Mr. KEFAUVER. Mr. President, in trying to solve these problems, we have had considerable cooperation from Mrs. Oveta Culp Hobby, the Secretary of Health, Education, and Welfare. Her Department has been most helpful. I read now what she said recently about the work the committee has been doing:

> In seeking, as you have, facts and opinions from many sources, you have helped the Nation, both to grasp the intricacies of this social sickness and to think constructively about methods that must be devised and used in dealing with it.
>
> The public service you are rendering in this way is in my judgment of the highest order.
>
> I do not know of any other peacetime problem of our society that is more important, nor which, as the President has said, is more "filled with heartbreak."

Furthermore, Mr. President, the President of the United States—for the first time, so far as I know, in any state of the Union message—has requested that special consideration be given this problem.

The committee has made headway in getting the publishers of horror and so-called "comic" books—of which approximately 25,000,000 have been published every month—to clean their own house; but there are still some problems in connection with that part of the publishing industry, including the question of how the matter is to be looked into, whether the cleanup is working, and whether such publishers have a tie-in with distributors, so that many of the newsstands have been forced to sell such publications for the reading of children.

We have made some investigation of the distribution of pornographic material—the slime which has reached the proportions of a business of from $100 million to $300 million. That is an outrageous business. We have under consideration a bill, which has just been reported to the Senate, which will plug a loophole in connection with dealings in material of that kind; and we think the bill will be of substantial help in correcting that situation. Other hearings are to be held in connection with it.

Mr. President, I do not know how much longer the Senate wishes me to discuss the 15 or 16 items which either have not yet been dealt with at all in the course of our investigations up to the present time, or have been dealt with only partially. They include such matters as the operation of the Youth Correction Act. It is shameful that in many States, youths are thrown into jail with hardened criminals. There is a great deal of interest in the Federal Youth Correction Act, but it is not operative everywhere.

We have not had an opportunity to investigate the facilities in connection with the treatment of narcotic addicts. We have not been able to make a study of some angles of the problem of the use of narcotics by youths.

Mr. CASE of South Dakota. Mr. President, will the Senator from Tennessee yield for a question?

Mr. KEFAUVER. I yield.

Mr. CASE of South Dakota. Would the Senator from Tennessee say that, in general, the resolution provides for a continuation of the study which was carried on by the former Senator from New Jersey, the distinguished Bob Hendrickson?

Mr. KEFAUVER. Yes; the resolution provides for a continuation of that study. Senator Hendrickson did a great deal of good by the investigation he conducted.

Mr. CASE of South Dakota. It is my observation that in his studies in the District of Columbia, he was very helpful in exposing some situations which should have been exposed.

Mr. KEFAUVER. I agree. Most of the hearings held up to this time have been held by Senator Hendrickson; and everywhere the hearings were held, a great deal of good was done.

Mr. CASE of South Dakota. I know that at a subsequent point on the calendar, there is listed Calendar No. 59, Senate Resolution 67, to authorize a study of the narcotics problem in the United States. Can the Senator from Tennessee tell us whether the study in connection with that resolution and the study in connection with the other resolution would involve any duplication of work?

Mr. KEFAUVER. I assure the Senator from South Dakota that there will be no duplication. The study called for by Senate Resolution 67 is to be made from a different angle. Furthermore, the resolution submitted by the Senator from Texas [Mr. DANIEL] relates to a recodification of all the narcotics laws.

Mr. CASE of South Dakota. I am glad to have that point made clear for the RECORD; because if we were to judge from the titles of the resolutions, that question would naturally arise in one's mind.

Certainly the resolution the Senator from Tennessee has been discussing should be agreed to. I agree with him that the entire field needs to be studied, particularly as regards the sale of some of the reading material to which he has alluded.

Mr. KEFAUVER. I thank the Senator from South Dakota.

Mr. President, we now have pending before the committee some 10 or 12 bills which have been introduced, to date, as a result of the committee's hearings. We have some 14 or 15 recommendations which have not yet been put into the form of legislative proposals, but will be put into that form in the very near future.

Several pending resolutions call for investigation of a very iniquitous situation; namely, the so-called trade or racket in the adoption of children. The committee has some information about that matter, which relates to the actual selling of babies. That has been condemned in many places.

Furthermore, the committee has a great deal of work to do in connection with problems relating to juvenile delinquency among Indians on the reservations. The committee has held some hearings, and much good has been done in that field. The other day the committee had a hearing on that problem, which is a very substantial one.

The committee has held hearings on a great many complaints about certain types of television programs. The committee has monitored some television programs, and has tried to work out the problem in conjunction with the Federal Communications Commission.

There is also the problem of employment opportunities for youths, particularly in the case of young persons who are out of high school but who, under some of the labor laws, cannot obtain employment. That is another matter that is being taken up by the committee.

The whole problem of the juvenile courts has not been investigated.

The committee has some investigations going on, Mr. President, in connection with a bill—which has been introduced—to make it possible to encourage foster homes for young people. There are a great many runaway children. The committee has made some investigations in connection with that problem, and wishes to make more, so as to determine what can be done in the case of runaway children, and how they can be returned to their homes.

Mr. President, I may say that as a result of the investigations conducted by the committee, or substantially as a result thereof, all over the United States committees have been formed; civic clubs have created interest in the necessity of taking action concerning juvenile deliquency; and various States have formed juvenile-deliquency study groups or committees. Not only that, but through our committee the Federal Government has been furnishing leadership and encouragement in connection with the attempt to deal in an adequate way with that problem. Approximately 35,000 copies of the committee's last interim report, entitled "The Comic Book and Juvenile Delinquency," have been sent out. I have before me at this time a copy of the report. The demand for additional copies of it has been tremendous, and has come from all over the Nation. As a result of the attention which, by means of the circulation of the committee's report, has been focused on the problem, parents all over the Nation have risen up in indignation and have demanded that the newsstands stop selling some of the so-called comic books.

I assure the Senate that this will be an unsensational, serious study. The plan is to ask the five members of the subcommittee each to hold hearings on some subject matter, either here or wherever they can be arranged. I am certain the Senator from Louisiana will be pleased with the work which we propose to do in connection with this problem, which he knows to be very serious.

A couple of days ago I received a letter from a young priest who has been working with children for a number of years, and has been one of our advisers and consultants. We have seen a great deal of him. His name is Father Daniel Egan, and he writes from Garrison, N. Y. The last paragraph of his letter reads as follows:

> Again, God bless you with zeal and courage in the work you are doing. It is the most important work that faces the Senate today if America is to remain strong for the future. It is the biggest test you've ever faced. I pray that you face it and pass it successfully—for the good of America's youth.

Mr. ELLENDER. Mr. President, in my opening statement this afternoon I pointed out that the original subcommittee to study juvenile delinquency was created in 1953. At the time of its creation the Senate had the solemn promise of the Senator who originally headed the subcommittee that the money asked for would be sufficient to make a study of this question and that a report would be forthcoming, at or before the time stipulated in the resolution.

The time finally came for this subcommittee to obtain more money in order to carry on its work, in spite of the fact that Senator Hendrickson stated, when the committee was first organized, that the $45,000 then appropriated to pay the expenses of the committee would be sufficient.

Later, as I pointed out last year, the Senator came back to the Senate and asked not for $45,000, but $175,000, in order to carry on the hearings. At that time, when the Senate resolution came up, there appeared in the Washington Daily News of January 21, 1954, an editorial entitled "So Now We Know." It reads as follows:

> SO NOW WE KNOW
>
> Having done relative little with the first $45,000, the Senate Juvenile Delinquency Subcommittee now asks for $175,000 more.
>
> The subcommittee started out to "paint a picture" of delinquency in the Nation. And to some extent it did. Now it is out to fill an entire art gallery.
>
> It is not entirely the subcommittee's fault that the "preliminary" excursion into delinquency has proved so little worthwhile. Senator Hendrickson and Senator HENNINGS have devoted much time and thought to the problem.
>
> But delinquency is perhaps the most amorphous subject that Congress has ever tackled. Furthermore—and perhaps this is really the crux of the crticism—the staff work has been, to put it as gently as possible, highly inadequate.
>
> The record, as now compiled, is a hodgepodge of testimony that adds up to confusion. Witnesses have been paraded to the stand without regard to the establishment of a comprehensive picture of any given phase of delinquency. Incidentally, the staffs of regular Senate committees set up hearings such as this one at a cost of a few dollars by making a few phone calls and sending out a couple of dozen telegrams.
>
> For the sake of overburdened taxpayers, we are prepared to make a deal. Let's all admit that delinquency exists, that all of us—parents, police, courts, schools, and citizens in general—have their various responsibilities in correcting it, and if the committee will bow out with the $45,000 it has already frittered away, The News will let bygones be bygones and refrain from saying, "We told you so!" which we did on November 17.

That, in essence, is about the same thing I stated to the subcommittee when it was first organized. I said that all that would result from this work would be a dramatization of child-delinquency problems. It is something that must be corrected, as I see it, in the homes and in the communities. Merely dramatizing the issue will not cure the evils.

As I pointed out this afternoon, the subcommittee made a report after spending $45,000. Another report has been made after spending the additional sum of $175,000 voted last year. That last report is now in the hands of the Senate. It contains recommendations of that subcommittee. I suggest that what the Judiciary Committee ought to do is to follow through with the recommenda-

tions made by the subcommittee, instead of continuing the subcommittee in existence merely for the purpose of dramatizing the issue.

I think this report indicates that practically every possible phase of juvenile delinquency has been looked into. Recommendations have been made in connection with each phase. The subcommittee has traveled to many of the large cities throughout the country, and on the basis of its investigations it found, of course, what everyone already knew existed. In addition, however, the subcommittee has suggested certain remedies. I say that now is the time to try to carry through the suggestions made, for us to act on the recommendations, and not to permit the subcommittee to merely continue to hold hearings and further dramatize the subject. Now, I say, is the time for action. We shall not begin eradicating the evils uncovered until we act—and the additional funds this resolution authorizes hold no promise of quick action; they portend only more dramatization.

I do not care to go into detail as to what happened to the subcommittee last year, but quite a disturbance was caused in the subcommittee when two of its staff members prepared a series of five articles which were published in the Saturday Evening Post.

Those employees received something like $15,000 for their articles. I understand that the chairman of the committee did not like it very much, and my good friend from Tennessee resented the fact that these two lawyers published the articles and were paid for them, in advance of the time the committee's report was filed. Why the committee did not stop the publication of the articles, I do not know. The fact remains that the articles were published, and that the two employees, in addition to the salaries they received for their work on the committee, received a $15,000 bonanza.

What is going to happen from here out? If the Senate gives the committee the $154,000 now asked, it will mean that the subcommittee will go over the same ground that the Hendrickson subcommittee covered. I presume there will be a little more television and a little more radio to follow the committee around the country. I am sure the chairman of the subcommittee, as well as all members of the subcommittee, will probably get quite a bit of advertising out of it.

And this problem needs no more advertising; it cries for immediate remedial action. If the amount herein requested were to be used in actually correcting some of the evils of juvenile delinquency, I would support it with all my strength. But these are not action funds, they are advertising funds.

In my humble judgment, the $154,000 will result in pure waste. My suggestion is a simple one. I stated from the very beginning, as far back as 1952, that some good might come about by dramatizing the situation. I agreed to that. However, to continue to dramatize juvenile delinquency without doing something about it will mean that we will spend this money and end up where we started. That is why I am opposed to any more money being appropriated for this subcommittee. I hope the Senate will agree with me. We have already appropriated for this committee over $200,000. The amount of money that is now being asked for, $154,000, will be just that much more money to go down the drain.

I hope the Senate will agree with me and vote down the resolution.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LANGER. Mr. President, I was chairman of the Judiciary Committee at the time the special committee was created, and I am entirely familiar with everything the committee did. I was also a member of the subcommittee. The Senator from Louisiana, apparently, would spend more money for the cure of hoof-and-mouth disease than is spent for the benefit of the children and the youth of this country. If the distinguished Senator had taken the trouble to read the report of the committee he would be asking that the appropriation be doubled, instead of saying he does not wish any appropriation at all to be made. Let him go among the Indians. Let him go, as Mrs. Langer and I did, to an Indian reservation and see the want, the starvation, and the lack of education. I can take my friend from Louisiana from State to State and show him children 16 years of age who cannot speak a word of English.

Mr. ELLENDER. Mr. President, will the Senator from North Dakota yield?

Mr. LANGER. I yield to my friend; yes.

Mr. ELLENDER. The investigation as to Indians has already been made.

Mr. LANGER. I beg the Senator's pardon. It has not been made.

Mr. ELLENDER. The Senator has not read the report, then. He has accused me of not reading the report, but if he will read the report he will see that the study to which he refers has been made.

Mr. LANGER. A complete study has not been made. Of course, we made some study.

The Senator talks about dramatization. The Senator from Tennessee [Mr. KEFAUVER] and I went to South Dakota and North Dakota. We invited the Senators from South Dakota, and Representative LOVRE, of South Dakota, and the Representatives from North Dakota. We arose at 6 o'clock in the morning. There was no radio or television. We went to Fort Yates, N. Dak., and called a meeting at 9 o'clock in the morning, which is 8 o'clock at Bismarck, N. Dak. We stayed there until 11 o'clock at night. As the distinguished Senator from Tennessee will verify, we drove back to Bismarck, and arrived at 1 o'clock in the morning.

We went to another town and stayed all day at a hearing and returned to Bismarck at midnight. We left early in the morning for another hearing and stayed all day, arriving at Bismarck again at 2 o'clock in the morning.

That is the dramatization this committee afforded to the investigation of Indian conditions.

What did we find, Mr. President? We found on those reservations no law enforcement at all. The distinguished Senator from Wyoming [Mr. O'MAHONEY] appeared with us before the Secretary of the Interior, and we have been having hearings this week endeavoring to get some kind of law enforcement into the four reservations in North Dakota and South Dakota.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator from North Dakota yield?

Mr. LANGER. I yield.

Mr. JOHNSTON of South Carolina. Did not the committee also find from its investigations that some States have certain provisions in their constitutions which will have to be removed in order to pass appropriate laws dealing with the subject?

Mr. LANGER. That is correct. The constitutions of Montana and North Dakota require a constitutional amendment before they can take over the matter of law enforcement in order to protect the youth. The constitution of South Dakota is somewhat different.

Mr. President, this appropriation, in my opinion, is not one-third large enough. So far as I am concerned, I would vote for three times the amount requested.

Go to the State of Texas, go to El Paso. I wonder if my distinguished friend from Louisiana has ever been in El Paso, Tex.

Mr. ELLENDER. I have been all over the country.

Mr. LANGER. Then he is acquainted with a hundred solid blocks of land claimed by both the United States and Mexico at El Paso. For many years both nations have claimed that territory. The only line marking the boundary between the United States and Mexico is composed of a few fence posts containing two rusty strands of wire. In those 100 blocks of property, consisting, as I understand, of between 1,500 and 2,000 acres, there are shacks. The people occupying them cannot get title to the property; they are squatters. The mayor of Juarez and the mayor of El Paso say they are helpless to enforce the law. Talk to those who have taken children by the hundreds and organized basketball teams and bowling teams, and they will make it plain that money is urgently needed in order to do something about juvenile delinquency in the United States of America.

Mr. President, we went to the boys' reformatory in Englewood, near Denver, Colo. In that institution there were 250 boys of the average age of 17 years. Go there and talk to them the way we talked to them and find out whether there is need to do something about juvenile delinquency in this country.

The distinguished Senator from Louisana says he has been all over this country. Then he knows better than anyone else can possibly know how badly we need this appropriation to help the youth of America.

Mr. President, I simply wish to say that, so far as I am concerned, I am willing to stay here all night and all day tomorrow in order to get this appropriation to give the children of the United States the same kind of a deal we have given cattle and hogs and sheep.

The PRESIDING OFFICER (Mr. THURMOND in the chair). The question is on agreeing to the resolution, as amended.

Mr. ELLENDER Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call may be rescinded.

The PRESIDING OFFICER. Is there objection?

Mr. DWORSHAK. Mr. President, reserving the right to object, the Senate appears to have been indulging in dilatory tactics for several hours. I am willing to stay as long as any other Senator; but I desire to have a statement of the objectives or of what is being sought to be accomplished. In the last few hours there have been numerous quorum calls, but in each case the order for the quorum call has been rescinded.

I wonder whether the Senate has adopted new rules. I should like to have either the majority leader or the minority leader tell the Senate what may be expected.

Mr. JOHNSON of Texas. When the majority leader is dealing with 95 other Senators, including the distinguished Senator from Idaho, he is unable to anticipate what is likely to occur. In fact, with respect to the observation just made by the Senator from Idaho, the majority leader will say that he is just as anxious to get home as is the Senator. But the Senate has a legislative measure pending before it. A difference of opinion exists, as the Senator from Idaho must have observed. An attempt is being made to reconcile the different viewpoints and to keep Senators in good humor.

At various intervals during the evening I shall be glad to explain to the Senator any other objectives that may have developed in the meantime.

As I understand, the Senator from Louisiana desires to offer an amendment. If the amendment shall be offered, and if it be the judgment of the Senate that it should be adopted, then I assume the Senate will proceed to vote on the resolution.

If the Senate agrees to the resolution, the Senator from Texas will propose that the Senate recess until next Tuesday. If the Senate is unable to agree to the resolution this evening, it will be my intention to move that the Senate return on Monday. The objective on Monday will be the same as the objective on Friday; namely, to agree to the resolution in such form as may please the majority of the Senate.

Mr. DWORSHAK. I thank the distinguished majority leader.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request that the order for the quorum call be rescinded? The Chair hears none, and it is so ordered.

Mr. ELLENDER. Mr. President, I intend to offer an amendment to this resolution in just a moment, but I first want to remind the Senate that not 1 penny of the money which the pending measure contains will go toward actively eradicating the evil of juvenile delinquency. Not 1 red cent will be used to directly aid our children. On the contrary, the money contained in this bill will be used to pay salaries to a horde of professional investigators, lawyers, and clerks.

Reference has been made to the program directed at the eradication of the hoof-and-mouth disease. This program is not a costly one, Mr. President, but it is an action program. The funds involved go to actually stamp out the disease, not to merely investigate it, or dramatize it. I would be in full favor of increasing the money involved in the measure the Senate has before it if it were to be used to help our people actually and actively wipe out juvenile delinquency.

Mr. President, I offer amendments, as follows: On page 2, line 8, to strike out "January" and insert in lieu thereof "July"; on line 9, to strike out "1956" and insert in lieu thereof "1955"; on line 19, to strike out "$154,000" and insert in lieu thereof "$125,000."

The PRESIDING OFFICER. The question is on agreeing en bloc to the amendments offered by the Senator from Louisiana.

Mr. KEFAUVER. Let me see if I understand the Senator's proposal. On the basis of what he proposes, the report would be made on July 1, 1955, instead of February 1, 1956. Is that correct?

Mr. ELLENDER. No; on July 31, 1955. What I have in mind is to give the subcommittee, if it be necessary, time and funds sufficient to study further the report which has been made to the full committee and to carry through with the recommendations made by the subcommittee last year not to give the subcommittee funds with which to hold a new series of dramatic presentations and to again parade all over the country.

Mr. KEFAUVER. I should like to advise my colleagues, including the distinguished senior Senator from Louisiana, that I do not believe it will be possible, based on the schedule which has been planned, to hold all the hearings which the subcommittee has agreed to hold. The Senator from Wisconsin [Mr. WILEY], the Senator from North Dakota [Mr. LANGER], the Senator from Texas [Mr. DANIEL], the Senator from Missouri [Mr. HENNINGS], and I held a meeting in which this subject was discussed. It will not be possible within the time proposed by the Senator from Louisiana to hold all the hearings which have been scheduled.

Furthermore, it will be very difficult to hold hearings even on the basis of the reduced amount which has been asked for this year. Last year the committee asked for $175,000; this year the amount was reduced to $154,000.

Therefore, if the motion shall be agreed to, I think it should be known that, based on the schedule already planned, it will be necessary to return to the Senate before July 31 and to ask for an extension to enable the subcommittee to finish the hearings, and also to ask for additional funds.

I do not desire that any Senator shall misconstrue the present intention of the committee. I am confident the people of the Nation want the investigations to be made and to have consideration of the legislative proposals. Therefore, the subcommittee would like to be able to carry out its schedule.

If the amendments offered by the Senator from Louisiana shall be agreed to, it will be the intention of the subcommittee to ask for additional funds before July 31, and also to seek a further extension of time in order to enable the subcommittee to complete its work.

The PRESIDING OFFICER. The question is on agreeing en bloc to the amendments offered by the Senator from Louisiana.

The amendments were agreed to.

The PRESIDING OFFICER. The question is on agreeing to the resolution, as amended.

The resolution (S. Res. 62), as amended, was agreed to.

RESCISSION OF ORDER FOR RECESS UNTIL MONDAY

Mr. JOHNSON of Texas. Mr. President, earlier in the session today, an order was entered that when the Senate concluded its business today, it stand in recess until Monday next. I ask unanimous consent that that order be rescinded.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

PROGRAM FOR NEXT WEEK

Mr. JOHNSON of Texas. Mr. President, I wish to make a brief announcement. Early this week, after consultation with the distinguished minority leader and the various chairmen of committees interested, I announced that following action on the resolutions which have just been disposed of, I would move to proceed to the consideration of the cotton bill, which has been reported by the Committee on Agriculture and Forestry.

Following completion of action on the cotton bill, it was intended to take up the postal pay bill; and following completion of action on the postal pay bill, it was planned to take up the classified pay bill.

I have had further conferences with members of the Committee on Agriculture and Forestry and also with the distinguished minority leader. Since it has been possible to conclude action on the resolutions tonight, I now propose to move that when the Senate concludes its business today it take a recess until Tuesday, at which time I shall move to take up the cotton bill. It is planned to have the Senate proceed as expeditiously as possible with the consideration of that measure.

As soon as the cotton bill has been disposed of, I shall propose that the Senate continue with the schedule and take up

the postal pay bill and the classified pay bill.

Unless some emergency matters or controversial questions arise, that will be the order of business.

Mr. President, I have another announcement to make. When the Senate recesses, it will do so until Tuesday next, so there will not be a call of the calendar this coming Monday. However, I wish to serve notice on Senators, particularly the calendar committees of the majority and the minority, that a week from next Monday it is expected to have a call of the calendar from beginning to end.

The PRESIDING OFFICER. What is the pleasure of the Senate?

AMENDMENT OF COTTON MARKETING QUOTA PROVISIONS

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 50, H. R. 3952.

The PRESIDING OFFICER. The clerk will state the bill by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H. R. 3952) to amend the cotton marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas.

The motion was agreed to; and the Senate proceeded to consider the bill (H. R. 3952) to amend the cotton marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended, which had been reported from the Committee on Agriculture and Forestry with an amendment.

RECESS TO TUESDAY

Mr. JOHNSON of Texas. Mr. President, I move that the Senate stand in recess until Tuesday next.

The motion was agreed to; and (at 7 o'clock and 2 minutes p. m.) the Senate took a recess until Tuesday, March 22, 1955, at 12 o'clock meridian.

CONFIRMATION

Executive nomination confirmed by the Senate Friday, March 18 (legislative day of March 10), 1955:

COMPTROLLER GENERAL OF THE UNITED STATES

Joseph Campbell, of New York, to be Comptroller General of the United States for a term of 15 years.

HOUSE OF REPRESENTATIVES

FRIDAY, MARCH 18, 1955

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

Merciful and gracious God, may we accept this new day as a great and glorious gift; a chance and opportunity for heroic endeavor and noble service; a call and challenge to build a social order that has in it the virtues of love and good will and the witness to a kinder and more magnanimous spirit.

We rejoice that, as we turn our thoughts toward Thee in the attitude of prayer, there comes into our hearts a sense of peace and power; the problems of life become less difficult to face and its burdens easier to bear.

Wilt Thou then constrain us to make a more fervent trial of the privilege of prayer and help us to believe that if we pray in ordinary days we will know how to pray with conquering power when the days of crisis and adversity come upon us.

Grant unto us an ever-enlarging vision of Thy greatness and goodness, for we humbly confess that we are frequently haunted by doubts and are tempted to become discouraged because the way is dim, the road is rough, and weather so stormy.

Hear us in the name of the Christ who is our refuge and strength. Amen.

The Journal of the proceedings of yesterday was read and approved.

LABOR, HEALTH, EDUCATION, WELFARE, AND RELATED AGENCIES APPROPRIATION BILL, 1956

Mr. FOGARTY, from the Committee on Appropriations, reported the bill (H. R. 5046) making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1956, and for other purposes (Rept. No. 228), which was read a first and second time, and, with the accompanying papers, referred to the Committee of the Whole House on the State of the Union and ordered to be printed.

Mr. TABER reserved all points of order on the bill.

AMENDMENT OF SOCIAL SECURITY ACT

Mr. McGREGOR. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. McGREGOR. Mr. Speaker, today I introduced a bill to amend the Social Security Act to lower from 65 to 60 the age at which women may become entitled to benefits thereunder. I believe this bill to be an economic necessity for married, single, and widowed women.

Two hundred and twenty-one thousand and two hundred and forty-two American women between 46 and 64 have applied for jobs in State employment offices. The married woman under 65 does not have enough to get along on even if her husband is receiving his benefits. If she becomes a widow before reaching the age of 65, she receives a lump sum of $255 from social security. The married and widowed woman is then put in the same position as the single women in this age bracket. She must seek employment.

Look at any want-ad section of any newspaper throughout the land. Very few employers are interested in women over 50. Yes; they must seek employment, but the bulk of women over 50 find the doors closed.

Reducing the age to 60 at which women may become entitled to benefits will cost 1 percent of the payroll costs. Gentlemen, these are our American women—our mothers, sisters, wives, and daughters. Compared to the sums of moneys sent to help other women throughout the world, is 1 percent too much to ask?

According to the questionnaire I sent to the 17th Ohio District, which I so proudly represent, 68 percent of my constituents favor lowering the age so that women receive benefits at 60. I hope and pray that my esteemed colleagues from the other 47 States will agree with our belief.

COMMITTEE ON INTERIOR AND INSULAR AFFAIRS SUBCOMMITTEE ON IRRIGATION AND RECLAMATION

Mr. ASPINALL. Mr. Speaker, I ask unanimous consent that the Subcommittee on Irrigation and Reclamation of the Committee on Interior and Insular Affairs may be permitted to sit this afternoon while the House is engaged in general debate.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

THE LATE HONORABLE WALTER SOOY JEFFRIES

Mr. HAND. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. HAND. Mr. Speaker, with the routine of this new session of Congress now established and work well under way on some of the most pressing matters, I should like to pay tribute to a former Member of Congress who passed away while the House was in recess on October 11, 1954. I speak of Walter Sooy Jeffries, who served as a Member of this body from 1939 to 1941 as the Representative of the Second Congressional District of New Jersey.

His untimely death 5 days before his 62d birthday anniversary occasioned genuine and heartfelt grief in his home community, in his native Atlantic County, where he was widely known and highly respected, throughout the State of New Jersey and through much of this Nation where he had innumerable friends among members of the Masonic Lodge and the Shrine, in which he had long been very active.

His loss will long be felt by all who knew him, for throughout his adult life he had contributed substantially to the civic and fraternal life of the entire area. For nearly a quarter of a century he had been in offices of public trust and had dispatched his many official duties capably and well. And in the Masonic

Lodge and the Shrine he loved so dearly, his passing leaves a void that will long be felt.

Mr. Speaker, our Nation and the world can ill afford to lose men of such outstanding qualities and integrity as were exemplified in Walter Jeffries throughout his lifetime. His life, so well lived, stands as an enduring monument to the memory of this outstanding citizen, who gave so largely of his time and talents for his fellow men.

He was born October 16, 1893, in Atlantic City, the son of Samuel Leeds Jeffries and Laura Jeffries. In his boyhood he roamed Absecon Island and spent long periods on the family's farm in Atlantic County. He spent long hours with the seafaring men of the day and early in life he learned to love south Jersey lore. Displaying qualities of leadership even in youth, he organized the Westside Cadets, an organization similar to the Boy Scouts, and for many years he sponsored the Jeffries Club and its baseball teams.

At 14 he finished public school and at 16 he entered his father's paint business, which he operated until his death under the firm name of Jeffries & Co. In 1912 he married Frances Sabbath, of Red Bank, N. J., and the couple had two children.

Throughout most of his lifetime he devoted much time and effort to the Ancient Arabic Order Nobles of the Mystic Shrine. He was coronated a 33d degree Mason, the highest honor in Masonry, at the 139th meeting of the supreme council of sovereign inspectors general for the northern Masonic jurisdiction in the United States when that group met in Boston in 1951.

He served 2 years as potentate of Crescent Temple and was a past president of the Mid-Atlantic Shrine Association, a member of Belcher Lodge, No. 180, F. and A. M., and Excelsior Consistory, Valley of Camden, Ancient Accepted Scottish Rite.

A lifetime Republican, he became a member of the Atlantic County Board of Freeholders and soon thereafter he was elected mayor of Margate. He served three terms as mayor of his home city and under his guidance his community survived the dark years of the depression and prospered.

In 1935 he was nominated by his party for the office of Atlantic County sheriff and was elected by a sweeping majority. During that period he played a leading role in organizing the Atlantic County League of Municipalities.

On January 3, 1939, he took his seat in the 76th Congress of the United States and became a member of the House Naval Affairs Committee. After serving one term, he returned to private life and devoted his efforts to his family, his business, and to his fraternal interests.

Mr. Speaker, I know that you and the other Members of the House join with me in this tribute and share with all who knew him the deep sense of loss occasioned by his passing.

THE YALTA CONFERENCE

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the gentleman from Ohio [Mr. FEIGHAN] may extend his remarks at this point.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. FEIGHAN. Mr. Speaker, since the State Department report on the Yalta Conference has been made public, there has been a wide variety of public reactions. Some think it was a good thing to do, some think it was untimely, and still others seem to think no good can come of that action.

The comments of an unidentified diplomat have, as I see it, put the finger on the central issue of the Yalta Conference. That diplomat is alleged to have said that since the United States had made these reports public, we would likely encounter greater difficulty in conducting our foreign affairs because representatives of other nations would be hesitant to engage in secret conferences with us for fear of what they might read in the papers 10 years later. The basic point is that we got ourselves into our present precarious position because we did take part in secret conferences, a practice contrary to our form of government and alien to the democratic processes. Secret conferences give a temporary protection to the participants to make agreements against which the people would rebel, and time to put them into effect without the consent of the people. That is the history of secret conferences between nations.

For my part I hope everyone will now be frightened of secret conferences and, being concerned about what the press might say about them in their lifetime, will put their trust in open covenants openly arrived at. Now is the time to put all the cards upon the table in any of our dealings with foreign nations and to require them to do likewise. We must recognize that there is morality and legality in the conduct of affairs between nations. That is the real lesson of Yalta.

COMMITTEE ON AGRICULTURE

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the Committee on Agriculture may have until midnight tonight to file reports on the bills H. R. 4951 and H. R. 4647.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

SECOND SUPPLEMENTAL APPROPRIATION BILL, 1955

Mr. CANNON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 4903) making supplemental appropriations for the fiscal year ending June 30, 1955, and for other purposes; and pending that motion, Mr. Speaker, how much time does the gentleman from New York [Mr. TABER] think would be required for general debate?

Mr. TABER. I should think we ought to be able to get through with 1 hour of general debate equally divided.

Mr. CANNON. Then, Mr. Speaker, I ask unanimous consent that general debate on the bill be limited not to exceed 1 hour, the time to be equally divided and controlled by the gentleman from New York [Mr. TABER] and myself.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from Missouri.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 4903, with Mr. THOMPSON of Texas in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. CANNON. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, this bill, of course, is in the nature of an emergency bill to take care of deficiencies which have arisen for various reasons in the several departments of the Government, and which must be taken care of prior to the enactment of the annual appropriation bill.

Accordingly we have grouped the estimates and included the committee recommendation in a general deficiency bill, the pending bill.

Each chapter of the bill will be handled by the respective chairman of the subcommittee having jurisdiction.

The bill carries recommendations for appropriations totaling $855,212,429. The committee has reduced the budget estimates of $920,523,454 by a total of $65,311.025.

The major dollar items in the bill are $133,750,000 for the Department of Commerce, $395,611,000 for the Veterans' Administration, and $306,500,000 for the Department of Health, Education, and Welfare. These amounts, which total $835,861,000 of the $855,212,429 carried in the bill, are for such items as payments to air carriers, operating differential subsidies for maritime operators, Federal-aid highways, veterans' compensation and pensions, veterans' readjustment benefits, payments to school districts, assistance for school construction, and grants to States for public assistance. All of these, and several smaller items, are duly authorized grant or subsidy payments, or items of computed allowances over which the committee exercises limited control.

The bill includes a multitude of smaller items including, for the Forest Service of the Department of Agriculture, $2,570,000 to combat spruce budworm infestation, for several departments and agencies a total of $1,880,000 for increases in costs resulting from various employee fringe-benefit laws enacted by the last Congress.

Several items requested are provided for in the bill by transfer, including $1,452,500 for fringe benefits for other departments and agencies, $224,000 for salaries and expenses of the Small Business Administration, $12,320,000 for increased requirements for claims and retired pay in the Department of Defense,

and $4 million for a United States contribution to the United Nations expanded program of technical assistance.

Other items exceeding $1 million in amount are $1,068,267 for the payment of claims of persons of Japanese ancestry and $2,824,820 for the legislative branch. This last item includes $25,000 for preliminary studies and estimates for an additional House Office Building. Claims, audited claims, and judgments total $6,269,842.

Language is included in the general provisions authorizing the use of presently appropriated funds for several departments and agencies for the provision of uniforms, or allowances for uniforms, as authorized by Public Law 763 of the 83d Congress.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. CANNON. I yield to the gentleman from Iowa.

Mr. GROSS. Will the gentleman or somebody on the committee address himself to an explanation of the $4 million to the Foreign Operations Administration or contributions to the United Nations expanded program of technical assistance?

Mr. CANNON. I would be glad if the gentleman would reserve his question until the chapter carrying that item is reached in the consideration of the bill.

Mr. Chairman, I reserve the balance of my time.

The CHAIRMAN. The gentleman from Missouri has consumed 7 minutes.

Mr. TABER. Mr. Chairman, I yield myself 10 minutes.

The CHAIRMAN. The gentleman from New York is recognized.

Mr. TABER. Mr. Chairman, the biggest part of this bill is for things that we have got to provide. There were some things estimated for which we did not need to provide; for instance, we found the Civil Aeronautics Board coming up with a request for $15 million for funds and we found that a very large part of it was for the pan-American proposition and that they had not audited books on it; so they did not know how much was due to them. They finally decided to wait for an audit which to my mind is the proper procedure.

The Foreign Operations Administration has presented here a budget estimate of $8 million for additional funds for this United Nations setup. Frankly, it is a duplication of the activities that are set up under the law through technical assistance, which is also under the foreign operations setup. They go into the same countries, they do almost the same things; and, frankly, I have never been able to understand why we should be participating in that operation. I think it is very bad. The committee, however, did recommend $4 million in the nature of a transfer out of funds that are already appropriated. If they are going to have it, they might better have it as a transfer than the other way, because it does not make any more money available out of the Treasury. My own opinion is they ought not to have it at all, but if they have got to have it, it ought to be through a transfer rather than by a direct appropriation of funds.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Iowa.

Mr. GROSS. On page 431 of the hearings, I may say to the Members of the House, will be found a statement by the gentleman from New York [Mr. TABER] dealing with this situation. I recommend that all Members read it. It is a very fine statement expressing his opposition to this sort of thing and the necessity for ending this program. I want to compliment the gentleman for the statement he has made.

Mr. TABER. If the gentleman so wishes I shall be pleased to yield to him to read it.

Mr. WILLIAMS of Mississippi. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Mississippi.

Mr. WILLIAMS of Mississippi. This technical-assistance money that we have in this bill and have appropriated in the past, is that money that is used to send agricultural experts and technical assistance of that nature to every country in the world?

Mr. TABER. Well, I do not think they cover every country in the world, but they make a very considerable approach to that.

Mr. WILLIAMS of Mississippi. Would it be fair to say that this money we are using to send agricultural experts and technicians to other parts of the world is to teach them to grow cotton and corn and other agricultural commodities which go on the world market in competition with ours?

Mr. TABER. It would not be fair to say that that was the only purpose of these funds that are used. I am only giving recollection now but there are probably $150 million there under foreign operations that are to be used for that purpose. To give you an illustration—we developed this in the hearings—take Ecuador. They have 3, 4, or 5—I do not remember exactly how many—down there under the United Nations setup. We have in the direct operations of the Foreign Operations Administration something like 30 or 40. The question arises as to why there should be, if there is going to be anything of this kind, two setups that we are paying for. There is no use kidding ourselves, we are paying for what the United Nations does along that line.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Michigan.

Mr. DONDERO. I think it is fair to say that with every succeeding year the opposition of the American people toward this kind of proposition is growing. It is not as popular as it once was. I hope the time is near when we can suspend sending our money abroad and keep some of it here at home.

Mr. TABER. I think that I ought to say right now that when we brought this bill to the House last year it did not have any money in for this setup. The bill went to the other body and that was loaded in. We found where they have violated the law. The hearing showed that they had violated the law, that they had drawn money in spite of the limitations that had been put in the year before beyond all reason. Before we got through with the Senate we had to give them a little over $9 million in order to get a settlement. That irked me, but we were in the last few days of the session and it was the best we could do to get a settlement and get cleaned up so the House could adjourn.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Iowa.

Mr. GROSS. The gentleman from Mississippi [Mr. WILLIAMS] raised the question of American technicians and experts being sent abroad to teach these people how to grow cotton and how to develop sheep that will produce wool and so forth. May I ask the gentleman, is it not a fact that we contribute 55 to 60 percent of the cost of the United Nations technical assistance program and although we contribute 55 to 60 percent of the dollar value of this program or the dollar contribution to it—we provide only approximately 14 percent of the so-called experts and technicians that are sent abroad. The British, who provide a million dollars plus for this program, contribute some 17 percent of the technicians and so-called experts that are sent abroad. In other words, it may be British experts paid with American dollars that are being sent to other countries to teach them or help them to produce cotton and other products in competition with American producers.

Mr. TABER. The Soviet is going to get into this program so that they will be able to send folks all over.

Mr. GROSS. But they will get in only on the basis of rubles, so-called soft currency, used in the satellite countries or in India.

Mr. TABER. I am afraid they will be used in places where we would rather not have them.

Mr. PASSMAN. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Louisiana.

Mr. PASSMAN. In the hearings I asked this question:

> It is my understanding that we have 84 nations in the world of nations and reading here it says:
>
> "Technical assistance projects are currently operating in some 80 countries and territories with approximately 1,000 experts in the field."

I asked the Ambassador then:

> Now, would it not be much easier to insert in the record the 4 nations not receiving the program rather than the 80 who are receiving it?

Ambassador Wadsworth answered:

> That would be perfectly simple. We will do that, sir.

So, there are 3 or 4 territories in the 80, or I think you will find about 76 of the 84 receiving technical assistance.

Mr. TABER. Well, that is about the story.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. The gentleman made the observation that they violated the law.

Mr. TABER. Yes.

Mr. McCORMACK. Will the gentleman state who violated the law?

Mr. TABER. The outfit that handled the money that went into the program, that was appropriated for this United Nations technical assistance. They drew out money and used it for one half of a fiscal year when that half was prohibited in the appropriation bill.

Mr. McCORMACK. Who is the head of that agency?

Mr. TABER. Mr. Stassen.

Mr. SCHENCK. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Ohio.

Mr. SCHENCK. The TWA has one trunkline which goes through my congressional district. I was very happy to note in reading some reports and testimony of the hearings on this bill that they have not received a subsidy in 1954 and 1955. Will the gentleman tell me whether that is correct?

Mr. TABER. I think that is correct, yes.

Mr. SCHENCK. I thank the gentleman.

Mr. CANNON. Mr. Chairman, I yield 2 minutes to the gentleman from West Virginia [Mr. BAILEY].

Mr. BAILEY. Mr. Chairman, I have asked for this brief allotment of time in order to clarify the record. Speaking as the author of the school impact legislation, Public Laws 815 and 874, when the new administration came in in January 1953, they decided to make some changes in Public Laws 815 and 874. One of those was to change the percentage absorption. I was a member of the committee in conference, and I refused to sign the conference report and I denounced the report here on the floor of the House and advised my colleagues of the House that it would not work. It did not work, so they came along a little bit later and passed Public Law 732. Now I would like to invite the attention of my colleagues to page 22, payments to school districts under the Department of Health, Education, and Welfare. There they are approving a supplemental appropriation of $20 million; $17 million of that $20 million is necessary because they would not take the advice of someone who knew what he was talking about at the time. So, they finally got back to doing what was in the original legislation, and now you are putting up $17 million additional because their proposition did not work. I just wanted to clarify the record to that extent. Three million dollars of this $20 million goes to the Department for operating expense and $17 million to adjust a mistake or misjudgment in toying with something that some folks did not know anything about.

Mr. CANNON. Mr. Chairman, I yield 1 minute to the gentleman from Oklahoma [Mr. EDMONDSON].

Mr. EDMONDSON. Mr. Chairman, I simply want to express the gratitude and appreciation of the people of Oklahoma to this committee for their recognition of the very grave problem that we have in the drought area and also in the Dust Bowl area, that is upon us, by making available this additional uncommitted $7,147,000 to carry out emergency wind erosion control measures; and by elimination of the limitation of $1.25 per acre which was carried in last year's bill which was an inadequate sum.

This is certainly a step in the right direction toward recognizing and meeting a very grave problem that is today affecting more than 26 million acres of our Nation's precious soil.

I want to express our appreciation to the committee and express also the hope that this step in the right direction will be followed by additional funds which are going to be necessary before the drought emergency is over.

Mr. CANNON. Mr. Chairman, I yield 5 minutes to the gentleman from Georgia [Mr. LANHAM].

Mr. LANHAM. Mr. Chairman, I wonder sometimes just how shortsighted we can be. I regret to see the attack on this portion of the foreign aid program that we carry on through the United Nations.

Mr. Chairman, I am sure that there is no money that we spend that is of more benefit to the United States and to our national security and to the security of the free world than the money that we spend for technical assistance, which used to be known as the point 4 program. I am sure that we ought not to eliminate what we are doing in this field through the United Nations.

Russia did not go into this program and she has seen her mistake. Now she is going into the program. Why? Because she saw that she had made a mistake and that she ought to take part in the program for her own good. Now she is doing it. But you say that her rubles will be spent in the satellite countries. The Russian rubles will not be spent in any country that does not request that Russian experts or Russian technicians be sent. These Russian technicians will not be sent into India unless India requests that they be sent.

I hope we are not going to be so shortsighted as to fail to cooperate with the other free nations of the world in our attempt to win the cold war. That is especially true in Asia. We have not done so splendidly in Asia with our military forces. We tried to bluff our way through, saying that Dien Bien Phu could not fall and that if Indochina fell all Southeast Asia would be lost. We had to eat our words. We had to retrace our steps for our bluff was called by the Communists.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. LANHAM. I yield.

Mr. GROSS. Is it not envisioned that the rubles will be used to train a certain number of natives of India in Russia?

Mr. LANHAM. I do not know.

Mr. GROSS. That is in the hearings.

Mr. LANHAM. If India asks for that, yes. If India wants to train some of her people in Russia, why should she not do it? That is not the point. Russia sees that she made a mistake. So she is going into the program at the very moment that we are trying to cut our own throats and reduce our expenditures in this one field where we may be able to block communistic expansion and infiltration. By our action today are we going to turn this program over to Russia and the Communists? We are apparently not going to stop the spread of communism by military action. As a matter of fact, this thing we call communism as an idea and an ideal cannot be fought with military weapons. How are we going to fight it if we do not do it in this way? What does our membership in the United Nations mean if we are not going to join other free countries in trying to fight this thing of communism as an idea and an ideal, which is sweeping the world like a false religion, which is what it is. How are we going to meet it except by this point 4 program, showing our unselfishness, our willingness to try to help people help themselves? That is what the people in Asia want to do today. They want self-determination, they want to help themselves. They do not want our money poured out over there. They want to know how they can help themselves. That is what we are trying to do through the United Nations and through this program.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. LANHAM. I yield to the gentleman from Iowa.

Mr. GROSS. Is it not true that we have four programs going at the same time in some countries?

Mr. LANHAM. That is true, but they do not overlap. I asked Mr. Wadsworth about that. I asked him if we could prevent any overlapping that does occur by turning FOA over to the State Department. Senator MANSFIELD and I made a trip through Europe 2 years ago and investigated the operation of FOA. It was not called that then. I have forgotten what the alphabetical name was at that time. But we saw that we were working at cross purposes in having this organization imposed upon the State Department. We found five men of ambassadorial rank in Paris alone. We recommended at that time that the operation be turned over to the State Department. I am glad that at last we are beginning to see that that is what ought to be done, but let us not be shortsighted and cut our own throats by refusing to make this small contribution to the United Nations' efforts to promote this point 4 program.

Mr. TABER. Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. BALDWIN].

Mr. BALDWIN. Mr. Chairman, I want to congratulate the committee on approving the full amount of $20 million requested for payments to school districts and the full amount of $48,500,000 requested for assistance for school construction. I happen to have 1 of the 2 districts in the State of California that have been most affected by the increase in school population as a result of the existence of Federal installations and Federal housing areas. These particular appropriations are vital to the schools in these areas. They would not be able to carry through their programs with their existing budgets if these funds were not allocated. I am delighted the committee has approved them in full.

Mr. MARSHALL. Mr. Chairman, I yield 5 minutes to the gentleman from Louisiana [Mr. PASSMAN].

Mr. PASSMAN. Mr. Chairman, as a member of the Foreign Operations Subcommittee on Appropriations I think I should point out to the committee that there are 74 nations contributing to the expanded United Nations technical assistance program. However, the United States is contributing 55 percent of the total amount.

There are 1,000 experts employed in the program, yet only 14 percent of the total number of experts are United States citizens.

Make no mistake about it, there are four similar programs going on at the same time. This was brought out in the hearings in the following testimony:

Mr. PASSMAN. In most of these countries you have both the United Nations technical assistance program and the United States technical assistance program as such, do you not?

Mr. PHILLIPS. In most cases both programs are in operation.

Mr. PASSMAN. How do you prevent overlapping when you have two similar programs going on in the same country?

Mr. PHILLIPS. This is a matter which has been of very great concern to us since the beginning of the two programs and a great deal of careful work has been done to prevent such duplication.

Mr. Chairman, I shall not fly false colors. I have been against this program since its inception. I have voted against the authorization and I have voted against the appropriation for 8 years because I have believed all the time that the program would continue spreading and there would be no stopping place. The program started with 18 nations, and now there are 61 nations in the overall mutual-security program receiving some type of aid. I believe there are 80 nations and territories participating in the so-called U. N. technical-assistance program. I must be completely honest with you and state my position and say that if I am called upon to conduct hearings, I shall be fair and impartial, but I am not going to be sympathetic to a program that I do not believe in. The public debt of our Government is $62 billion greater than the combined public debts of all the other nations of the world put together. Make no mistake about it, that is the record. The majority of the House of Representatives has been working its will, and if it wants to continue giving away the American taxpayer's money, at least my position will have been made known. I think we should go into the entire foreign-aid program thoroughly before we get started on some new program that will make the old one look small. You are reading about this proposed program in the press every day.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. PASSMAN. I yield.

Mr. GROSS. I certainly want to commend the gentleman for his statement. I should also like to ask him a question concerning an appropriation to send a certain number of delegates to San Francisco apparently to commemorate the 10th anniversary of the organization of the United Nations. Did the gentleman's subcommittee deal with that?

Mr. PASSMAN. No, I am afraid the subcommittee did not deal with that subject.

Mr. Chairman, I yield back the remainder of my time.

Mr. TABER. Mr. Chairman, I yield 5 minutes to the gentleman from Iowa [Mr. GROSS].

Mr. GROSS. Mr. Chairman, first of all I should like to read into the RECORD a statement made by the gentleman from New York [Mr. TABER] when witnesses were before the Committee on Appropriations asking for these funds. Mr. TABER, addressing himself to Ambassador Wadsworth, said this:

Mr. TABER. I don't know whether you know it, or not, but this whole program has been in bad odor with this committee for some little time. For instance, in 1954, when this bill was prepared, it provided an appropriation of $8,500,000 to cover the entire fiscal year 1954. When the money was all put out by the 1st of July, we were very specific about that. This time we left it out entirely and the Senate put it in and we finally compromised and agreed on the item you have told us about. There never has been any evidence of any benefits. It has appeared all the way through that there was duplication all over the lot in connection with it.

Now, I don't know whether you care to comment on that situation or not, but I don't feel that I should allow you to go out of here without knowing that that situation exists.

Ambassador WADSWORTH. Well, I don't believe I would have too many specific comments on it, Mr. TABER.

I think the Members of the House will agree with me that Wadsworth's reply is an especially lame comment on the statement made by the distinguished gentleman from New York. Here we are called upon to provide another $4 million for the United Nations technical assistance program, to which we contributed nearly $14 million in 1954. We are called upon to give them another $4 million when already the United States contribution is far and away the greatest of any country in the world. On top of that, it is my understanding, we appropriated $105 million for technical assistance under the so-called Mutual Security Act.

In other words, our bill is apparently well above $120 million for these technical assistance programs. It is time we called a halt. The gentleman from Missouri [Mr. CANNON] the other day took the floor and made quite a statement concerning the beating farmers out in Missouri are taking on their beef cattle prices. The situation is getting worse all the time. It is in the State of Iowa also. Our farmers have been marketing their choice hogs at the bankrupt price of a little better than $15 per hundred. That is a loss of $20 on choice hogs, over a year ago. In the State of Iowa we cannot continue to pay bills of this kind.

The gentleman from Louisiana [Mr. PASSMAN] made an excellent point when he said the debt of this country exceeds the combined debt of the world by $62 billion. That is the Government debt alone.

I raised the question earlier about the expenditure to be made on certain emissaries who are scheduled to commemorate the tenth anniversary of the founding of the United Nations at San Francisco. I wonder if the chairman of the subcommittee who handled that part of the appropriation bill could answer a question or two. I should like to know why, for instance, we are going to be called upon to spend somewhere between $35,000 and $200,000 to send some 30 or 35 emissaries to San Francisco, come this June. I would like to have somebody explain that to me.

Mr. PRESTON. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I will be glad to yield to the gentleman.

Mr. PRESTON. In the bill there is only $75,000 for conference purposes.

Mr. GROSS. Then the request was for $200,000?

Mr. PRESTON. That is right. The purpose of the meeting at San Francisco, of course, is a very debatable one. It is the 10th anniversary of the founding of the United Nations.

Mr. GROSS. To pay tribute to one of the architects of the United Nations, Alger Hiss?

Mr. PRESTON. Well, the gentleman has his own ideas about that. But it seems to be the general custom to celebrate anniversaries of organizations as well as of people. They desire to go back where the organization was created to have their anniversary. Of course, I would be the first to admit that this is a questionable matter, but when you think about the overall amount of money in the United Nations it is a mere drop in the bucket. So the House can work its will on this item. The committee approved it, recognizing the fact that it was one of those debatable things.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. TABER. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. GROSS. The appropriation is $75,000, is that correct?

Mr. PRESTON. Yes. It is $75,000 for three conferences; not just the United Nations alone, but for three conferences.

Mr. GROSS. What is it estimated it will cost to send these delegates to San Francisco?

Mr. PRESTON. Oh, I express a personal opinion that it will probably be $25,000.

Mr. GROSS. I think they represented in the hearings that they needed a minimum of $35,000.

Mr. PRESTON. Well, they could spend that much or $50,000, depending on the number of people who are going.

Mr. GROSS. Let me ask the gentleman this question. It is proposed to send 30 or 35 people out there. They wanted an appropriation, which will apparently be taken out of this, of about $35,000. Can the gentleman tell me how they can possibly spend $1,000 apiece in 1 week in San Francisco as delegates to that meeting?

Mr. PRESTON. I might explain that but I do not know that I should. It just depends on how much money we want to spend on this thing. I personally do not think I could spend $1,000.

Mr. GROSS. What do they propose to do, take their wives out there?

Mr. PRESTON. Perhaps.

Mr. GROSS. Mr. Chairman, it is about time we put brakes on this kind of spending.

There are several other items in this bill about which I wish to ask some questions later on, but I do hope we will be able to knock out the $4 million for technical assistance; and the funds to send delegates out to San Francisco, and other items.

Mr. MARSHALL. Mr. Chairman, I yield 3 minutes to the gentleman from California [Mr. DOYLE].

Mr. DOYLE. Mr. Chairman, I appreciate the courtesy of the Committee in giving me this time to make these few extemporaneous remarks. I would not have asked the opportunity to thus speak here at this particular hour if I did not think that there was a fundamental issue present and involved in our decision as to whether or not we would accept the report of our distinguished Subcommittee on Appropriations and approve the appropriation of this $4 million amount for the United Nations program of technical assistance to be derived by transfer from the appropriation heretofore contained in Public Law 778, 83d Congress.

Mr. Chairman and my colleagues, the fundamental issue I observe as present in my own conclusion in this matter, is that we must here determine whether or not we are going to continue to give evidence of our determination to longer cooperate with the other nations of the world who are likewise continuing to contribute of their money to this same fund. If a decision were today made to eliminate this $4 million and thus to disapprove of the favorable action and recommendation of our Appropriations Committee, one clear-cut result of so doing will be to give notice, not only to the United Nations as an organization, but to all the nations of the world that we are appreciably lessening our desire to cooperate with the other nations through the United Nations organization. Our decision will, furthermore, be taken as a decision to make it less possible for the United Nations technical program, also sometimes known as point 4, to be as successful as it has heretofore admittedly been.

Mr. Chairman, I believe I accurately appraise the attitude of this great legislative body, when I appraise it as determined to not weaken the United Nations organization and to not give any evidence to the other nations of the world of any lack of desire on our part to do our fullest share in carrying out our previous commitments and our moral, as well as legal obligations, to this technical-assistance program which is one of our commitments to and through the United Nations organization.

I agree with the President of the United States, and with our United States representatives at the United Nations organization, which as I understand it is, that this money should be made available as recommended by our Appropriations Committee.

Another tangible and clear as crystal side of the fundamental issue which I said was present is whether or not we will continue to take a long-range view of the world issue in which we are involved and recognize that military strength is not an enduring answer. Nor, Mr. Chairman, is it the less expensive method and manner of maintaining a position of mutual strength with other freedom-loving nations; nor of maintaining our own national security with utmost safety in this hectic world. I repeat that while I recognize it as no doubt true, at this time that we must be militarily so strong that any aggressor nation or combination of aggressor nations dare not attack us and our freedom-loving allies, nevertheless it appears to me as less than sound judgment to now weaken this technical aid program by lessening the extent to which we make it clear to the under-privileged and the hungry and the needy and the poorly fed and the ill equipped peoples, that we still are their real friends and that we have no desire to be militarily strong for the purpose of being a military dictator.

In those strategic areas of the world where the Communist aggressive conspiracy, is abroad and which undertakes to filtrate by subversion and aggression, it appears to me that we should let those peoples know in sincerity and truth that we are their real friends by reason of expanding money to help them get on their own feet in the matter of producing their own food supplies. And also to learn how to technically produce whatever they need. These are steps in the technical assistance program, and the point 4 program which are far more reaching in the hearts and minds and lives of these people than is the presence of a United States Army division in their midst. Both are necessary at this time.

Having traveled in a goodly portion of this old world officially as a member of the House Armed Services Committee these several years, I believe I have been habitually observing and vigilant in going out of my way to learn all I could about the effect and results of the technical-assistance program and also the program known as point 4. Yes, I know that the administration of such programs under the Democratic administration was criticized, and in some parts of the world I observed some administration procedures which I felt could be well subjected to sincere, constructive criticism. But I was also aware that there were present different and multifarious problems of administration which were not easy of solution, achievement, and correction. From the remarks made by some of you, my colleagues, on the minority side of the aisle very recently, I observe that you continue to criticize the administration of these same and similar programs since the last Presidential and congressional election as you did before that occasion. So, it would appear that problems of administration still continue to be present. But my information is that many of them have been mastered in the interest of efficiency and economy, and certainly the worthiness and need of the program should not be dissolved and destroyed and eliminated in favor of human error and mistakes. These mistakes and errors must increasingly be eradicated in favor of the necessity and soundness and commonsense qualities present in the programs we are committed to. May I briefly repeat that I recognize that we must not allow ourselves as a nation with our other freedomloving friends to become militarily so weak and defenseless that an aggressor nation or combination of aggressive, subversive nations will dare attack us. May I also repeat that while this sort of military strength against any who would capture us and make slaves of us, and destroy our freedoms, I also repeat and emphasize that corresponding with this military strength must be continued for a reasonable time yet this technical aid and point 4 sensibly and honestly and efficiently administered. The two must march side by side. These programs, therefore, are manifestly in the interest of our own national security and the preservation of our own freedoms and democratic processes. We must not allow any conditions to grow up whereby the Communist Soviet Union gets a further foothold on the hearts and minds and lives of peoples by reason of our own failure to do the reasonable, sensible thing, to demonstrate to these peoples that we are not at heart a military nation, but that we are a nation of strong desires and decisions that the freedomloving peoples of the world shall not need to succumb to inducements by the Communist conspiracy. I do not consider this technical aid and point 4 program a giveaway program. Rather, Mr. Chairman, it is founded in the commonsense scriptural reference which says something about casting our bread upon the waters and it will return to us well buttered.

In closing, may I say that I have observed in the printed volume of hearings before the subcommittee considering this bill, H. R. 4903, that for the calendar year 1955 some of the nations and the amounts contributed by them are as follows:

Argentina	$300,000
Brazil	486,486
Canada	1,500,000
Denmark	550,166
France	1,448,571
India	400,000
Italy	200,000
Netherlands	660,000
Sweden	579,934
United Kingdom	2,240,000
U. S. S. R.	1,000,000

And on page 421, the committee makes this statement, to wit:

The figure of 80 includes territories. Countries which contribute funds to the United Nations technical-assistance program but which do not receive technical assistance from the program are: Argentina, Australia, Belgium, Byelorussian S. S. R., Canada, Czechoslovakia, Denmark, France, Germany, Federal Republic of Ireland, Luxembourg, Monaco, Netherlands, New Zealand, Norway, Poland, Sweden, Switzerland, Ukrainian S. S. R., United Kingdom, United States, U. S. S. R.

Mr. TABER. Mr. Chairman, I yield 5 minutes to the gentleman from Maryland [Mr. HYDE].

Mr. HYDE. Mr. Chairman, I should like to commend the committee for the item which appears on page 10 providing funds for a survey of the mass transportation problem in the Washington metropolitan area. However, I want to

take a few minutes to clear up what appears to me from the report on this item, on page 20, to be a misunderstanding.

In the report the original sum requested for this survey was $400,000, which has been cut in half.

From the report apparently the reason given is "pending legislation affecting the scope and conduct of the survey could alter existing plans."

I should like to say for the record that there is no pending legislation affecting the scope and conduct of the survey which could alter the existing plans for a mass transportation study.

I had hoped that the committee would include in the legislation on this a provision which would have required the survey group to make a report and recommendation on or before January 4, 1956, on the advisability of and need for one agency to regulate mass transportation in the region. However, I think, due to a misunderstanding, we were not able to get that language in. I would like the record also to show that the National Capital Regional Planning Council, which is going to have the job of conducting this survey, has gone on record by resolution as favoring a report on or before January 3, 1956, on this question of mass transportation regulation by one regulatory body in the whole area.

Mr. TABER. Mr. Chairman, I yield the balance of my time to the gentleman from California [Mr. PHILLIPS].

Mr. PHILLIPS. Mr. Chairman, before I speak briefly on the subject I want to discuss, may I assure the gentleman from Iowa, my good friend [Mr. GROSS], that if he will come out to California some time he will understand why 7 people or 35 people naturally want to go to San Francisco in June and to take their wives along with them. I am sure the gentleman would not want them to go out there without also visiting a most delightful part of California, namely, the southern part, and on the way out they might even stop in Iowa. I would like these people to see certain parts of the United States, if the gentleman from Iowa understands, which I do not think many of them have.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. PHILLIPS. I yield to the gentleman from Iowa.

Mr. GROSS. The gentleman would be delighted to see everyone who goes to California have a thousand dollars a week to spend while they are in California.

Mr. PHILLIPS. If they have when they come, we would like them to leave some of it with us.

Mr. GROSS. At the taxpayers' expense.

Mr. PHILLIPS. I would like to have the people who go to these international meetings see some of the United States before they go.

Mr. Chairman, what I rose to talk about is this matter of the contribution of an additional $4 million to the United Nations extended technical-assistance program, in addition to the more than $9 million already appropriated, because I do not think the question before us is whether we are in favor of such a program generally or opposed to such a program generally, but that there may be a complete understanding of what this program is and what it is not. I think there is confusion as to what it is.

This is not the technical-assistance program which this Nation created and carried on with great benefit in all parts of the world, creating friends wherever we did it, wherever operated upon a limited and economical basis. We called it the point 4 program. Later that program was enlarged. I have on three separate occasions put into the CONGRESSIONAL RECORD, at the request of the advisers of the original point 4 program, resolutions asking us not to increase the appropriations for it, and pointing out the success when this is based purely upon an American principle of showing other people, from our store of technical knowledge, how to help themselves.

Within the past few months I arranged a meeting here in Washington of these men who have been close to the program. The program we are talking about today, which the United Nations calls a technical-assistance program, is not that program. This is a program to which the United States was committed, so I have been told, without authority to commit us.

This is a program under which, shall I say, certain people living in the ivory towers and windowed walls of the United Nations Building, would like to interest themselves in a program which is not our technical-assistance program.

There is involved, however, one outstanding organization that was created during my tenure in this Congress, and that is the Food and Agricultural Organization. As long as we can keep that independent, and free from such influences as are attempting to take it over; as long as we can keep that on a basis of specialists, technicians, helping people help themselves, we will have something the value of which in international relations could not possibly be calculated. This U. N. superorganization is trying to control the Food and Agricultural Organization. I have a note saying the U. N. wants to send a commission around the world to see if the work of FAO is being done properly; to see if the work is being done properly by a group which for the past 10 years has made an outstanding record in the food and nutrition problems of the whole world.

I think there are many people here who feel, looking at the bill and seeing the words "technical-assistance program," that this is money for the technical-assistance program, now called FOA and administered by Mr. Stassen. Although I have voted against the latter, as has the gentleman from Louisiana, in recent years, because it is no longer the original technical-assistance program of Dr. Bennette or other men who created it and developed it, inherently it is the program to which the money should be given.

Mr. HOPE. Mr. Chairman, will the gentleman yield?

Mr. PHILLIPS. I yield to the gentleman from Kansas.

Mr. HOPE. I want to be sure I understand the gentleman. I think the gentleman has made a very fine and clear explanation.

Mr. PHILLIPS. May I just finish my sentence by saying that the gentleman from Kansas was one of the men who first went to the meetings at Hot Springs and Atlantic City when the Food and Agricultural Organization was created, representing the Congress of the United States.

Mr. HOPE. The gentleman's position, as I understand it—and I think I do—is that the appropriation of this particular amount will in no way assist in carrying out the original FAO program.

Mr. PHILLIPS. I believe that to be correct.

Mr. HOPE. And the gentleman, as I am, is in favor of carrying out that program as it has been administered during the years, and perhaps even expanding it.

Mr. PHILLIPS. That is correct.

Mr. HOPE. If that seems advisable.

Mr. PHILLIPS. I thank the gentleman.

Mr. MARSHALL. Mr. Chairman, I yield the remainder of my time to the gentleman from Georgia [Mr. PRESTON].

Mr. PRESTON. Mr. Chairman, there are two items in this bill that seem to be somewhat controversial. Several Members have expressed the desire to ask some questions of the committee concerning these two items. They are the operating differential subsidy under the Maritime Board and the subsidy for air carriers.

The committee has made rather severe cuts in both of these areas. First in the maritime matter they reduced the request of $60 million to $35 million, a cut of $25 million. Now, the feeling of the committee was that $100 million a year was an adequate rate of payment to the subsidized shipping lines. The request of $60 million would have brought the payments current up to the last quarter of the present fiscal year. The deferment of a payment of $25 million, of course, operates to the disadvantage of the shipping companies because of the fact that they have to borrow money and pay interest on the loan. One line pointed out that they are indebted to the banks in the sum of $14 million on which they are paying interest at the rate of 3½ percent. It is debatable whether we should appropriate the full amount or not, but the committee concluded that with our pressing fiscal situation we should defer payment of $25 million until sometime during the next fiscal year.

Mr. BOW. Mr. Chairman, will the gentleman yield?

Mr. PRESTON. I yield.

Mr. BOW. Before leaving that point, the gentleman referred to the fact that one line had $14 million on loan and was paying interest on it. Is that interest considered in setting the subsidy rate for the lines?

Mr. PRESTON. No; it is not. As a matter of fact, the item of interest cannot be considered by the Maritime Board in determining the operating cost of a shipping line. So it really amounts to an out-of-pocket payment by the shipping company due to the fact that we have deferred making the payment. I say it is debatable, it is really questionable whether we should do it, but, after all,

when you subsidize shipping companies to the tune of $100 million a year, that is quite a fanciful figure, and we thought perhaps we would be in a better financial status next year to pick up the check for the $25 million.

Mr. HARRIS. Mr. Chairman, will the gentleman yield?

Mr. PRESTON. I yield.

Mr. HARRIS. May I inquire concerning the action of the committee with reference to providing subsidy payments for commercial air carriers?

Mr. PRESTON. I was just about to address myself to that subject. The request for the air carriers was $15.2 million. The committee reduced that to the flat figure of $5 million, a cut of $10.2 million. There again the committee recognizes the fact that this is an obligation of the Federal Government that ultimately will have to be paid. But the presentation made by the Civil Aeronautics Board to the committee was so inadequate and the evidence revealed that the Civil Aeronautics Board had not put into effect the decision of the Supreme Court concerning the auditing of the companies and the auditing of the separate divisions; so that the purpose of the committee in reducing this was to say to the CAB that "Until you audit these companies properly we are not going to pay the bills."

Mr. HARRIS. Mr. Chairman, will the gentleman yield further?

Mr. PRESTON. Yes, I yield further.

Mr. HARRIS. It is my understanding that the subsidy payment that is required would be affected but little by the decision referred to of the Supreme Court of the United States, because that affects the international carriers. It is my understanding that the greater portion of this subsidy is for the local carriers and I believe three trunkline carriers. Is that true?

Mr. PRESTON. The gentleman is correct. We stated in the report that the money appropriated we thought would be adequate to take care of the domestic carriers and the feeder lines. It was not the committee's purpose, as stated in the report, to spend any of this money for the international carriers but preferably for the domestic and feeder lines.

Mr. HARRIS. The gentleman's committee, I know, endeavored to get all the facts that it could get in order to meet this problem. Was the committee satisfied that $5 million would be sufficient to take care of this responsibility for the rest of this fiscal year?

Mr. PRESTON. To be perfectly frank with the gentleman, I doubt that we are completely satisfied.

Mr. HARRIS. Is it not anticipated that if additional information is obtained, at some subsequent time a more correct determination can be made?

Mr. PRESTON. On yesterday I had a lengthly conversation with the chairman of the CAB, and I assured him that when they were able to produce the facts for the committee we would certainly be bound by what the facts revealed, and we would make the funds available. If we have cut too far, we will have an opportunity between now and the time the matter is considered in the Senate and the time the conference committee meets to correct that action, and the committee would want to do that.

Mr. HARRIS. I thank the gentleman.

Mr. BOW. Mr. Chairman, will the gentleman yield?

Mr. PRESTON. I yield to the gentleman from Ohio.

Mr. BOW. Is it not a fact that the committee, from the confused state of the testimony submitted to it, felt that the amount of $5 million was adequate to carry the subsidy payments on through this fiscal year?

Mr. PRESTON. We thought so. Of course, we can be wrong, but we have ample time to find that out.

Mr. BOW. Is it not true that it is the intent to carry on the payments during the year? It was not the intent of the committee or the gentleman from Georgia who now has the floor, the chairman of the subcommittee, to cut off the payments?

Mr. PRESTON. The gentleman is absolutely correct. There was no motive in mind at all designed to stop the subsidy payments, because that is a statutory matter that the Congress has passed upon, and we are bound by it. It is a matter that is recoverable in the Court of Claims.

Mr. BOW. Is it not also a fact that the intent was to get proper audits and proper testimony before the committee so we would be able to proceed on the basis of fact rather than the fiction that has been coming up to us?

Mr. PRESTON. The gentleman is correct.

The CHAIRMAN. All time has expired. The Clerk will read the bill for amendment.

The Clerk read as follows:

CIVIL AERONAUTICS BOARD

Payments to air carriers

For an additional amount for "Payments to air carriers," $5 million, to remain available until expended.

Mr. HOFFMAN of Michigan. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, will the gentleman from California [Mr. PHILLIPS] tell me again, for I did not quite understand his remarks, the difference between the two technical-assistance programs and which he supports?

Mr. PHILLIPS. It is contained on page 439 of the hearings, a copy of which the gentleman has in his hand. This shows money for the United Nations technical-assistance program. Then, in a separate item, it shows the money to support the Food and Agriculture Organization, and there are 3 or 4 other items, including a technical-assistance board.

There is also in operation through the FOA—not the FAO but the FOA, which is the agency headed by Mr. Stassen—a program that we call the point 4 program. Its actual name is the technical-assistance program, which you see is a duplication of name and duplication of activities.

There is going on, right at the present time, a study, activated, I think, out of the White House, of the best method of handling this program, of preventing duplication and trying to recommend to the President what its future should be. My comments were that they should be very careful that the money appropriated to this United Nations fund——

Mr. HOFFMAN of Michigan. In the bill here before us?

Mr. PHILLIPS. This bill here—should not be confused with the money which we appropriate and have appropriated in the past to the other fund, which is one that has been carrying on, until it became a giveaway program, but even now as part of that, a very good program, very inexpensive, very simple, helping people to help themselves and creating friends for us all over the world, whereas the big giveaway programs, in the opinion of those that are closest to them, like the original council of advisers, is losing friends for us.

Mr. HOFFMAN of Michigan. Perhaps I am dumb, but does the gentleman approve that appropriation in this bill?

Mr. PHILLIPS. Had it been left exclusively to me, I should have removed the first item of $4,653,408, and I should be very careful not to increase the money. This present money is actually being transferred to it from the money we appropriated previously for the other program, and is a supplemental amount to the $9 million appropriated in the regular bill last year.

Mr. HOFFMAN of Michigan. Was the other the giveaway one or is this one the giveaway one?

Mr. PHILLIPS. Both, I guess, is the answer on that first item.

The Clerk read as follows:

Repair of reserve-fleet vessels (liquidation of contract authorization)

The limitation under this head in the Supplemental Appropriation Act, 1955, on the amount which may be advanced to the appropriation, "Salaries and expenses, maritime activities," is increased from "$150,000" to "$225,000."

Mr. TOLLEFSON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take this time in order to ask the chairman of the subcommittee on appropriations for the Department of Commerce, the gentleman from Georgia, a few questions about the funds for operating subsidies. As I understood the gentleman, the budget request for $60 million, and the committee cut that down to $35 million?

Mr. PRESTON. That is correct.

Mr. TOLLEFSON. Is my understanding also correct that the full $60 million was requested after approval, of course, by the Maritime Administration?

Mr. PRESTON. That is true.

Mr. TOLLEFSON. Was the full $60 million approved by the General Accounting Office?

Mr. PRESTON. It was.

Mr. TOLLEFSON. So there can be no question but that the full $60 million is a valid and just obligation on the part of the Federal Government?

Mr. PRESTON. It must be admitted that that is true.

Mr. TOLLEFSON. Is it the purpose of the committee then to leave the balance of the $60 million, namely $25 million due and owing, until the next fiscal year?

Mr. PRESTON. Of course, we cannot foresee the action of the other body. This is a matter which will go to conference. After that time, if there is still a deficiency, the Maritime Board can seek another supplemental appropriation.

Mr. TOLLEFSON. But insofar as the House committee is concerned, it would prefer to leave the matter go over until the next fiscal year?

Mr. PRESTON. I may have left that impression a moment ago when I was addressing the Committee. I would not say that is entirely correct. I do not know what the subcommittee would do about it on a supplemental appropriation bill, but I am inclined to believe if there is a remaining sum due, a supplemental request would be looked upon with favor. Of course, that is only my judgment.

Mr. THOMAS. Mr. Chairman, will the gentleman yield?

Mr. TOLLEFSON. I yield.

Mr. THOMAS. I will say to my distinguished friend, the gentleman from Washington, that in this appropriation bill and in all appropriation bills, dealing with the Maritime Administration there is language in the bill which specifically reiterates that the Maritime Administration has authority to commit the United States Government to long-term contracts by subsidies. Whether we like it or do not like it, as long as that language remains in the bill, and you recall the Independent Offices Appropriations Subcommittee on several occasions has attempt to strike it from the bill——

Mr. TOLLEFSON. Indeed, I do remember.

Mr. THOMAS. As long as that language is in the bill, it is a valid debt and you are going to have to pay it. I would not be too surprised if you let it drag beyond the due date, you will find you will get a ruling from the General Accounting Office that perhaps you not only owe them money, but interest on it. It will have to be paid—make no mistake about it.

Mr. TOLLEFSON. I thank the gentleman for his contribution, and I thank the gentleman from Georgia.

Mr. Chairman, this subsidy matter is one which we, perhaps, do not like, generally speaking, but under the terms of the 1936 act, which was approved by the Congress for good and sufficient reasons at that time, and I believe for good and sufficient reasons now, we do need to subsidize our American merchant marine. I justify it not only by reason of the economic benefits which ensue, but for reasons of our national defense. The gentleman from Georgia made a statement that $100 million was a lot of money to spend in 1 year to subsidize maritime operators. You will understand that that money does not go to the operators in one sense of the word, but goes to pay for the differential in wage costs and repairing and maintenance and so forth between the costs in this Nation and costs abroad. So actually it does not go into anybody's pockets except the pockets of the workers; $100 million does sound like a lot of money. I want to remind the House, however, that we are paying between $300 million and $400 million in interest alone on a debt which was incurred in World War II for the construction of ships which we needed to carry out our war effort. We had so neglected our merchant marine that when World War II broke out we did not have cargo and passenger vessels in sufficient number to carry men and materials to the fighting fronts. So maybe this $100 million a year investment in maintaining a going American merchant marine is a pretty good one in the interest of our national defense. While it is, or rather while it does seem to be, a lot of money, it is small when compared to other defense expenditures which we have to pay.

Mr. THOMAS. Mr. Chairman, will the gentleman yield?

Mr. TOLLEFSON. I yield.

Mr. THOMAS. I think the gentleman is touching on a subject which really deserves some attention now when he talks about construction. How many ships have subsidized operators drawing this $100 million a year built? I am talking about new ships since the close of World War II. There have been built less than 15 or 18 ships.

Mr. TOLLEFSON. I am sorry my time has expired, but it is a worthwhile subject to go into and I hope it can be gone into very thoroughly at some future time on the floor of the House. The operating subsidies have not averaged $100 million per year. The average cost runs considerably less than that. Under the subsidy contracts the operators have agreed to replace their vessels as they approach obsolescence. I am sure they will do so unless Congress takes some action which will upset the plans. Let us not repeat the mistakes of the past and again neglect our merchant marine. If we do it will cost us a great deal more in the long run. And do not let us forget that we are talking about our fourth arm of defense without which all other arms of defense are not fully effective.

The Clerk read as follows:

Contributions to the United Nations expanded program of technical assistance

For an addition amount for "Contributions to the United Nations expanded program of technical assistance," for United States contributions during the period ending June 30, 1955, $4 million, to be derived by transfer from the appropriation contained in Public Law 778, 83d Congress, for assistance authorized by section 121 of Public Law 665, 83d Congress.

Mr. WILLIAMS of Mississippi. Mr. Chairman, I offer an amendment which is at the Clerk's desk.

Mr. HOFFMAN of Michigan. Mr. Chairman, I have a point of order to make against this item on page 7.

Mr. TABER. Would the gentleman reserve the point of order for a moment?

Mr. HOFFMAN of Michigan. Yes, of course.

Mr. TABER. I just wanted to suggest to the gentleman that we might better vote on this thing as it stands as a direct appropriation, which would be in order, and if we should vote it out as a transfer, that would be the end of it. But if we throw this out on a point of order, the question would come up then whether we should take the money directly out of the Treasury or out of funds already appropriated.

Mr. WILLIAMS of Mississippi. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. WILLIAMS of Mississippi. The purpose of my amendment is to strike the entire chapter. As I understand it, the effect of the point of order being sustained would be to provide that this shall be an additional $4 million rather than a transfer.

Mr. TABER. Whatever question we vote on would be whether we take the money directly out of the Treasury or not; whereas, if they vote on this question as it stands, it would be on whether or not we allowed the money to be transferred from one appropriation to another.

Mr. HOFFMAN of Michigan. As I understand the gentlemen's remarks, they are going to get the $4 million anyway.

Mr. TABER. I do not say that. Frankly, I shall vote in favor of striking the thing out if a motion is made to strike it out. If it is thrown out on a point of order and the $4 million is offered direct, I shall vote against that. That is my position, and I hope the House will feel the same way.

Mr. HOFFMAN of Michigan. I think it is bad legislation and a waste of money. If we cannot prevent it entirely, I would like to postpone that evil day as long as we can.

Mr. WILLIAMS of Mississippi. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. WILLIAMS of Mississippi. Would the gentleman reserve his point of order until after the amendment has been read? I think we are both trying to attain the same end.

Mr. HOFFMAN of Michigan. I just want it out. I do not care whether it goes out at half past 1 or 2 o'clock. I make a point of order against that chapter.

The CHAIRMAN. What is the gentleman's point of order?

Mr. HOFFMAN of Michigan. That it is legislation on an appropriation bill, because in line 19 it provides that the "$4 million, to be derived by transfer from the appropriation contained in Public Law 778, 83d Congress, for assistance authorized by section 121 of Public Law 665, 83d Congress." That section which I have before me expressly provides that the money is given to the President for his own purposes. Down in the next section a limitation is put on the fund. The President's control over it is limited to certain specific purposes.

Mr. PASSMAN. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. PASSMAN. Could the gentleman reserve his point of order until after the matter has been acted upon?

The CHAIRMAN. No; the point of order will have to be disposed of before consideration of the item.

Mr. HOFFMAN of Michigan. If I do not make it now I cannot make it after it has been acted upon.

The CHAIRMAN. That is correct.

Mr. HOFFMAN of Michigan. I make it now.

The CHAIRMAN. Does the gentleman from Georgia desire to be heard on the point of order?

Mr. PRESTON. I would like to submit a parliamentary inquiry: To which lines on page 7 does the gentleman's point of order apply?

The CHAIRMAN. The point of order lies against the whole chapter, as the Chair understands it.

Mr. PRESTON. There are, of course, two portions to the chapter. It is our position that the gentleman from Michigan cannot make his point of order against more than one paragraph of the chapter at a time.

Mr. HOFFMAN of Michigan. My point of order lies against the provision on page 7: "Contributions to the United Nations expanded program of technical assistance" at the bottom of the page, the paragraph in lines 16 to 22, inclusive.

Mr. PRESTON. Mr. Chairman, I concede the point of order.

The CHAIRMAN. The point of order is sustained.

Mr. PRESTON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PRESTON: After line 11 on page 7, insert:

"Funds appropriated to the President, Mutual Security contributions to the United Nations expanded program of technical assistance: For an additional amount for 'Contributions to the United Nations expanded program of technical assistance,' for United States contributions during the period ending June 30, 1955, $4 million."

The CHAIRMAN. The gentleman from Georgia [Mr. PRESTON] is recognized in support of his amendment.

Mr. PRESTON. Mr. Chairman, I yield to the gentleman from Louisiana [Mr. PASSMAN].

Mr. PASSMAN. Mr. Chairman, I should like to explain the committee's position. When this matter came before the Subcommittee on Appropriations last year the committee did not recommend any funds for the United Nations expanded technical-assistance program. When the bill reached the floor, the House sustained the action of the subcommittee. The other body put in the bill a substantial sum for this program. The House conferees agreed to the action when the bill was in conference.

When the matter was brought before the subcommittee this year for a supplemental appropriation, we asked the Ambassador if he was familiar with the language in the appropriation bill of last year, which read as follows:

No commitment for the calendar year 1955 or thereafter shall be pledged on behalf of the United States until the Congress appropriates for said purpose.

Ambassador WADSWORTH. Yes, sir.

He understood it. I asked this question:

Up to this time there has been no commitment whatsoever with respect to supplemental appropriations?

Ambassador WADSWORTH. There has been none.

Your committee felt that on account of the action of the other body last year and the agreement in conference the committee should recommend, and by majority did recommend, $4 million, and that is the item that is before the committee at this time.

I might add that it was a compromise in the committee.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. PASSMAN. Yes; I should be happy to yield.

Mr. GROSS. This will be a direct appropriation out of the Treasury.

Mr. PASSMAN. This will be a direct appropriation out of the Treasury.

We thought, inasmuch as there were $6,200,000,000 in the overall program unobligated, that somewhere FOA would be able to find the $4 million. If a point of order had not been made and sustained by the Chair, the $4 million would have been allocated out of the funds already appropriated, but inasmuch as the Chair sustained the point of order it is a question of whether or not you are going to vote a $4 million new appropriation.

Mr. GROSS. Therefore, it becomes an addition to the Federal debt?

Mr. PASSMAN. It becomes an addition to the Federal debt; yes; and a new appropriation.

Mr. GROSS. Will the gentleman answer one other question? How much have we appropriated for United States States technical assistance?

Mr. PASSMAN. For the current fiscal year we have appropriated $105 million for the United States technical-assistance program.

Mr. GROSS. And for the United Nations? This goes to the United Nations?

Mr. PASSMAN. This goes to the United Nations.

Mr. GROSS. How much for the United Nations technical assistance program for fiscal year 1955?

Mr. PASSMAN. $9,957,621.

Mr. GROSS. I thought the figure was $13,900,000 approximately. I assume that figure is the total of the $9,957,000 appropriated for fiscal year 1955, plus the $4 million in this supplemental bill.

Mr. GARY. The gentleman from Louisiana is correct. The figure is $9,957,000.

Mr. PASSMAN. I might say to the gentleman there are 74 nations that contribute. The United States has contributed up to this time 55 percent of the total.

Mr. PHILLIPS. Mr. Chairman, will the gentleman yield?

Mr. PASSMAN. I yield to the gentleman from California.

Mr. PHILLIPS. On page 439 of the hearings you have a list of the year 1954 breakdown for the United Nations expanded program for technical assistance. This comes to a total of $19 million plus. All this supplementary $4 million is for is to fill up a gap which apparently previous money did not reach. If the $4 million were to be used for all of these 8 items that are shown in there, then there would be a very real question as to whether it were being used as the Congress has directed it to be used. If the amendment were to limit it exclusively to the Food and Agricultural Organization and nothing else, then the amendment might have merit. Would the gentleman feel it possible to amend that motion to limit this $4 million exclusively to the use of the Food and Agricultural Organization?

Mr. PASSMAN. I might say to the gentleman from California that this appropriation was to see the program through June 30, 1955. It was established in the hearings that $2,200,000 would be sufficient to carry the program through June 30, 1955. The $4 million was a compromise. If you will read the hearings, you will ascertain that $2,200,000 will be sufficient to carry the program through June 30, 1955.

Mr. PHILLIPS. I do not quite understand the gentleman from Louisiana. Dos he mean that we actually only need $2½ million and are asking for $4 million?

Mr. PASSMAN. That is absolutely correct. I believe the gentleman understands there was a compromise in the committee. The majority of the committee agreed to the $4 million. The gentleman is correct. The hearings indicate that the $2,200,000 will see the program through June 30 this year.

LEGISLATIVE PROGRAM FOR NEXT WEEK

Mr. HALLECK. Mr. Chairman, I move to strike out the last word. I ask for this time to inquire of the majority leader as to the program for next week. I know many Members want to know as quickly as possible as to what may be expected for next week.

Mr. McCORMACK. Monday is Consent Calendar day. Of course, the calendar will not be called, because it was called last Tuesday out of order. Nevertheless, being Consent Calendar day, suspensions, which the Speaker desires to recognize in relation to bills, are in order. There will be two suspensions on Monday: H. R. 4951, agricultural marketing quotas for tobacco. I think this is burley tobacco. The other one is H. R. 4644, the Postal Service Compensation Act of 1955. Following that we will take up H. R. 5046, Labor-Health, Education, and Welfare appropriation bill for 1956.

On Tuesday and Wednesday we will take up House Resolution 174, disapproving resolution, sale of rubber plants, and House Resolution 171, disapproving resolution, sale of certain rubber plants, and, if a rule is reported, H. R. 12, amending the Agricultural Act of 1949. That is the 90 percent of parity section.

Mr. HALLECK. Has a rule been granted on that?

Mr. McCORMACK. Not yet, but if a rule is reported out, it will come up.

On Thursday, Friday, and Saturday: Interior Department appropriation bill for 1956, then H. R. 4725, which repeals sections 452 and 462 of the Internal Revenue Code of 1954. That is a bill having to do with the section where they found tremendous losses of revenue, greatly in excess of a billion dollars, occurring in last year's internal revenue bill. Then House Resolution 151, code of fair procedure for committees; H. R. 4941, Foreign Service Act amendments of 1955; and H. R. 3659, increase penalties, Sherman Antitrust Act.

Now, it may be that I may not bring some of these bills up in the order that

I have stated them to the Members of the House, but that is approximately the order. That is a pretty active program for next week.

Of course, there is the usual reservation that any further program will be announced later, and conference reports may be brought up at any time.

Mr. HALLECK. I thank the gentleman.

Mr. PHILLIPS. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. PHILLIPS to the amendment offered by Mr. PRESTON: Strike out "$4,000,000" and insert "$2,500,000 to be allotted to the fund of the Food and Agricultural Organization."

Mr. PHILLIPS. Mr. Chairman, this is an amendment to the amendment offered by the gentleman from Georgia [Mr. PRESTON].

If you will turn to the bottom of page 450 of the hearings, I quote from a statement of Mr. Christopher Phillips:

As of April 30 they would have approximately a million dollars.

The gentleman from Michigan [Mr. FORD] then said:

The rate of obligation from January 1, 1955, to April 30, is approximately $1,600,000.

Mr. PHILLIPS. That is correct.

Mr. FORD. You say you would theoretically need from the United States for that 2-month period, the difference between $2.2 million and the $1 million which you say will be available.

Now, what is really needed is $2.2 million, and I have offered the amendment to reduce the $4 million to $2.5 million on the evidence of the Department, and I have allotted it exclusively to the Food and Agricultural Organization on the basis of the table which appears on page 439 of the hearings. I believe that is a program that this Congress has been trying to support and wants to support and that we want to maintain the independence and the efficiency and the confidence in the Food and Agricultural Organization.

Mr. WILLIAMS of Mississippi. Mr. Chairman, I rise in opposition to both amendments.

Mr. Chairman, it seems to me that every time a bill comes before this House which has for its purpose the spending of the American taxpayers' money for the benefit of foreign countries, somehow or other we lose our equilibrium. I have gone through the testimony presented before the subcommittee which heard this item and not once have I seen any reference made to the welfare or the wellbeing of the people of the United States of America. It just does not make sense to me that while we have a tremendous cotton surplus, while we have tremendous surpluses in other agricultural commodities, and are having to limit production in practically every field of agriculture, we should be taxing these very farmers for the purpose of promoting increased agricultural production abroad.

During the last 10 or 15 years we have spent not millions but billions of dollars to encourage the production of agricultural commodities all over the world with the result that American exports of those commodities have fallen off. And why? Because they are being choked off the world market by subsidized foreign production—subsidized by the taxpayers of the United States of America.

The chairman of this subcommittee stated that we had no obligation whatsoever, moral, legal, or otherwise, to put 1 single nickel into this so-called point 4 program for this year or for next year. Then why are we doing it? As I understand, we are putting up about 61 percent of the whole amount, if I read the hearings correctly. We are putting up $105 million of our own money in our own program and then we are adding to that by supporting 61 percent of the United Nations program which duplicates exactly what the United States program does.

Mr. PASSMAN. Mr. Chairman, will the gentleman yield?

Mr. WILLIAMS of Mississippi. I yield to the gentleman from Louisiana.

Mr. PASSMAN. I am afraid that by past action of the Congress we do have a moral obligation. I want to be fair to the committee and say that we do have a moral obligation because of our action in the past.

Mr. WILLIAMS of Mississippi. If you give me a loaf of bread then I suppose you have a moral obligation to give me another loaf of bread after I have eaten the first loaf?

Mr. GROSS. And how about putting the butter on it?

Mr. HOFFMAN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. WILLIAMS of Mississippi. I yield.

Mr. HOFFMAN of Michigan. The gentleman just expressed the thought that I was going to express; that is, having made one loan, we are under obligation to continue forever to make other loans?

Mr. WILLIAMS of Mississippi. Not a loan but a gift.

Mr. HOFFMAN of Michigan. I beg the gentleman's pardon for saying it was a loan.

Mr. WILLIAMS of Mississippi. Mr. Chairman, if you will look at page 423 of the hearings you will see a full page taken up in listing the countries we are subsidizing to promote agricultural production which will be in competition with the American farmer. There may be some sense in it, but I cannot see it.

Then if you turn over to page 425 of the hearings you will see where one of the witnesses was questioned as to the overlapping of the programs; that is, the United States $105 million program and the United Nations program which we are supporting to the degree of 61 percent. The witness said:

In one case, the FOA expert, the United Nations expert, was helping to assist the Government in a program to encourage the raising of calves into full-grown beef steers. The Ecuadorans apparently have a habit of killing off most of their calves after they are a week or two old because they find it economically unproductive to raise them to maturity. They tend to concentrate on dairy cattle instead.

Then he goes on further and says:

The result is that they have a tremendous meat shortage in Ecuador.

We have plenty of meat down in the State of Mississippi that we would like to be able to export to Ecuador, but our cattlemen down there are starving to death because this international giveaway program has driven the price of cattle, because of subsidized foreign production, down to the point where it is not profitable to feed our cattle.

I believe the chairman of the subcommittee mentioned that some 1,000 technical experts work under this program. I believe he said that the United States, furnishing 61 percent of the money that goes into this program, is permitted 14 percent, which would be 140, of these experts. We are not even hiring our own people with our own money, but we are building up competitors who are choking us off the world market. We have been doing the same thing in the field of manufacturing. We have built factories overseas, and now our manufacturers are asking for higher tariffs to protect them against the products of those subsidized foreign concerns.

Mr. GARY. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, there is 1 issue and 1 issue alone before the House at this time. In my humble judgment, it is the most serious issue the United States of America faces today. That issue is the question of world cooperation or isolationism.

Mr. Chairman, we refused after World War I to enter the League of Nations. We said at that time that we were separated from the rest of the world by two oceans and that we were going to tend to our own business and were not going to interfere with the affairs of the world. Consequently, we tried to go our way alone.

Twenty years later we found out that we could not isolate ourselves from the rest of the world and we were drawn into another world conflict against our will. By that time we had learned our lesson and we agreed to enter the United Nations.

The program that is before you today is a program of the United Nations, a program in which the member nations are cooperating. It is not a program for which we are taxed. We have no legal obligation to go into this activity, but we have agreed to go along with the United Nations. This is a program which is being conducted by that organization with contributions from the member nations.

According to my information we are not contributing 61 percent to this fund. We contribute 54 percent to the United Nations fund, but the funds of the United Nations are matched by the individual nation in which this technical assistance is rendered, and when the contribution of the individual nation is taken into account we are contributing only 21 percent of the entire program.

This matter came before our committee. Frankly, we felt that the $8 million requested was too much for us to contribute for the balance of this fiscal year. But the committee, believing that it is a program in which we should participate, recommended to this body that we contribute $4 million.

It is true that we have a technical-assistance program of our own, a bilateral program, in which the nations to which we contribute match our funds.

In that program we put up the entire money except that which is matched by the nation receiving the assistance. In this program we are contributing to a fund to which the member nations of the United Nations also contribute.

Let me say to you this is not a partisan matter. Ambassador Wadsworth came before our committee. The suggestion has been made that $2 million is sufficient, he justified $8 million. He said they needed $8 million from the United States for this program for the balance of this year. The State Department asked for $8 million. We did not agree to that amount. We thought $4 million was a fair figure.

We provided in the bill that that $4 million should not be a new appropriation, but that it should be taken from other appropriations already made for similar purposes. The gentleman from Michigan raised the point of order which struck out that provision. Consequently, the only way we can make the contribution now is by a direct appropriation. In response to the point of order, the gentleman from Georgia has offered an amendment to make a direct appropriation of $4 million. I trust it will be the will of this body to support that amendment and to vote down the amendment offered by the gentleman from California who would cut the amount down to $2,500,000.

The CHAIRMAN. The time of the gentleman from Virginia has expired.

Mr. BOW. Mr. Chairman, I ask unanimous consent that the gentleman from Virginia may proceed for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. BOW. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield.

Mr. BOW. Can the gentleman tell the committee the contributions made by the other nations to which you have referred? Can the gentleman tell the amounts of their contribution?

Mr. GARY. If we have contributed 54 percent, their contributions have been approximately 46 percent of the entire fund.

Mr. BOW. Can the gentleman tell us, for instance, how much Britain, France, and the other members of the United Nations have contributed?

Mr. GARY. Those figures are in the record of the hearings, may I say to the gentleman.

Mr. BOW. The gentleman from California [Mr. PHILLIPS] has just informed me that the figures are on page 420 of the hearings.

Mr. GARY. Yes. Mr. Chairman, as I was saying, the amendment offered by the gentleman from California would cut the amount and apply the appropriation to one specific purpose and that is the Food and Agriculture Organization. Included in this program is the health program, and many other excellent programs that are being sponsored by the United Nations.

Mr. PHILLIPS. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield.

Mr. PHILLIPS. I think the gentleman overlooks the fact that this is only a supplemental appropriation. There is already money in the fund which can be used for the things which the gentleman is talking about. I am attempting to limit the additional money to a very worthwhile objective. I am not gutting the program. I have nothing to do with the rest of the program—that money was appropriated a year ago.

Mr. GARY. The gentleman is trying to limit it to the program which he is particularly interested in. There are other things involved. Is not the gentleman interested in health?

Mr. PHILLIPS. Very much, but money was appropriated a year ago for that. This is a supplemental appropriation.

Mr. GARY. But there are other programs involved.

Mr. PHILLIPS. That is correct.

Mr. GARY. We have never earmarked any appropriation we have put into this fund. We have provided that the United Nations should do that. If the gentleman will pardon me for saying so, I certainly know he does not intend it, because I have the highest regard for the gentleman's opinion, but in my judgment his amendment would be telling the United Nations how they should run their business. I think we have done too much of that in the United States. I think we ought to cooperate with these various nations.

Mr. PHILLIPS. Does the gentleman mean that we should not tell them how to spend the money that we appropriate to them?

Mr. GARY. I mean to say that we should not try to dictate to them how they should do it. Of course, we should voice our views as one of the member nations, but not as a dictator who stands off and tries to run the entire program.

Mr. PHILLIPS. But the gentleman knows they took the money we appropriated and spent it for something that was not authorized in competition with programs which are separately financed.

Mr. GARY. No, I do not know that because all of these items are a part of the general program and we appropriated money for the general program and I hope we will continue to do so.

The CHAIRMAN. The time of the gentleman from Virginia has again expired.

Mr. HOFFMAN of Michigan. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the gentleman from Virginia [Mr. GARY] just said there was but one issue before us. That is true. But it is not the one to which he referred. The issue is whether we are going to give the United Nations another $4 million and add it to the national debt.

But the issue, he said, was world cooperation. Now, think that over. Just when, since we have been sticking our national nose into the business of other nations, and then at their request, and loaning — no, usually giving — them money by the billion, have we had wholehearted disinterested cooperation from any nation in Europe or in the world? Is Great Britain cooperating today? I guess not. She is trading with Russia. She wants us to fuss around over in Formosa just so far and no farther than will serve her interests. She is talking about asking Nationalist China to give up certain islands but she hangs on to Hong Kong. She asks us to agree to that policy while she seems to want Red China in U. N. That cooperation business is all nonsense. The only time there is any cooperation is when we do what they want us to do: fight their battles, levy a burden upon our taxpayers to give them money to spend as they wish, and they resent any suggestions or any advice from us as to how they should use those funds. They use much of it to provide their people with things our people cannot afford.

Another thing the gentleman said, that our troubles are due to the fact that we have been trying to go it alone since World War I. I challenge the accuracy of that statement. As I read the record, we have not tried to go it alone in the interest of America since 1916. No; not once. All the time we have been trying to serve the interest of, do what some other nation or nations wanted. All we were permitted to do, all we have done is to pay the larger part of the cost, whether it was in lives or in dollars, of the effort to solve the problems, get out of the wars into which they or the U. N. has dragged us—and do not forget Korea where U. N. sent thousands of our men to die but denied them the opportunity to win.

We just enacted legislation a week or two ago which, according to the gentleman from Georgia [Mr. VINSON], will add $36 billion to our annual expenditures. Where is the money coming from? From already overburdened taxpayers. Give U. N. another $4 million but not by my vote. The money will not come from that $20 exemption provision in the tax bill the majority party put over a week or so ago. You vote to cut taxes then you vote $4 million which we must borrow as a gift to U. N. Then we added something like a million and a half for an increase in our own compensation—long deserved, earned by burning the midnight oil, and by sweat, and so on. Oh, yes.

We passed another one the other day, an increase in compensation for those in the armed services, and I voted for it.

We have another one coming in for increased compensation for the postal workers, and I am going to vote for an increase if the other provisions of the administration bill are adopted.

In fact, I have changed my whole approach on these items. So long as we are going bankrupt, not only the Nation but the taxpayers, the quicker we get it over with the better, because I hope to be able to assist in digging us out of the pit we are bound to get into if we continue as we have.

Then there is another bill coming up for increase in compensation for all Federal workers. And then we will have this $1.25 minimum-wage law, and if and when that comes to the floor I may offer

an amendment requiring that the Federal Treasury will pay to each employer who does not have the money a sum sufficient to meet that hourly wage of $1.25, and a further amendment providing that all customers who live in the neighborhood of that employer shall be required to purchase sufficient of his merchandise or production at a price so that he can continue in business with a profit, and that the consumers, the would-be purchasers, if they do not have the money to make such purchases, shall be given enough from the United States Treasury so that they can make those purchases. If we can get all those enacted, then everybody is going to be happy. We will have a merry-go-round that will really whirl—make us all dizzy— but happy. Who is going to supply the food and clothing and a roof over the house? I guess it will have to be the good Lord. If we are ever to avoid economic disaster, we show no disposition to escape it.

Mr. DIES. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN of Michigan. I yield to the gentleman from Texas.

Mr. DIES. And will the gentleman also offer an amendment to increase the appropriation so that we can build larger printing presses to print this money?

Mr. HOFFMAN of Michigan. Well, the suggestion is a reasonable one, but could we not just change a few figures—just add a few more ciphers on the side of the decimal point, and let it go at that? Why not do away with the dollar bill and make it a hundred-dollar bill. Why not?

We have one issue before us today: Are you going farther than we have gone down the road of irresponsibility to ruin by giving the United Nations $4 million more when they already have millions on hand—$4 million more—and then add it to the tax roll? That is the question.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. PRESTON. Mr. Chairman, I ask unanimous consent that all debate on the pending amendment and all amendments thereto close in 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. BOW. Mr. Chairman, I move to strike out the last word.

I would simply like to point out to the Committee figures here on the desk regarding the contribution of the United States to this program. In the regular appropriation bill the amount we contribute amounted to $14 million.

It has been stated that other nations contributed to the program, and that is true. I should like further to point out to the Committee the amount they contributed. Understand, we are contributing $14 million, and if we pass this item it will be $18 million. The contribution of France is $1,448,571—and we are contributing $14 million, and they are asking us now to contribute $18 million. The contribution of Italy is $200,000—and we have contributed $14 million, and they are asking us to contribute $18 million.

The contribution of the United Kingdom is $2,240,000. We have contributed $14 million, and they are asking us to contribute $18 million.

Mr. Chairman, we are being asked in this supplemental appropriation bill to contribute more than the other nations contribute throughout the entire year, although we have already contributed $14 million.

Mr. Chairman, it seems to me the time has come when we must consider the American taxpayer, the American farmer, American industry, the American workingman, and not put items of this kind in supplemental bills which will increase our contribution to $18 million in comparison to the contributions of other nations which I have pointed out.

Mr. GARY. Mr. Chairman, will the gentleman yield?

Mr. BOW. I yield.

Mr. GARY. I am sure the gentleman wants to be accurate in his figures.

Mr. BOW. I certainly do.

Mr. GARY. We are contributing this fiscal year $9,900,000, not $14 million.

Mr. BOW. Then the percentage figure that has been given us is in error, I may say to the gentleman from Virginia, because the gentleman from California has given me the figure of $14 million. I will accept the $9 million if that be true.

Mr. GARY. That is correct.

Mr. BOW. I will accept the $9 million, if that be true. Add $4 million, and you have $13 million, and compare it with the contributions the other nations have made, and you will find we are going down a pretty dangerous road in our fiscal policy.

The CHAIRMAN. The Chair recognizes the gentleman from Iowa [Mr. GROSS].

Mr. GROSS. The gentleman from Virginia [Mr. GARY] would have you believe that this is a program by which we buy friends and influence people. In the same breath he admits that in committee he helped reduce this from $8 million to $4 million. If we can buy friends with $4 million why does not the gentleman advocate the spending of $8 million? Why not have double the friends, if this is the medium by which you are going to buy friends and influence people? The gentleman I think in his own heart does not believe that.

The gentleman indicates that some of us who oppose this sort of thing are isolationists. I should like to ask the gentleman how many of the member nations of the United Nations got into the war in Korea with combat troops? The figures show that only 14 nations participated in the Korean war, exclusive of the United States, and these contributed only token numbers of combat soldiers. Forty-five nations contributed not one single combat soldier to the war in Korea. He knows that to be true, and he knows that with the billions upon billions of dollars we are spending on these foreign aid, give-away programs, we are not buying friends and we are not influencing people. I do not know where he would go or anyone else would go with any assurance for a powerful ally if a shooting war came tomorrow. Suppose fighting broke out around Formosa tomorrow would the British come to our assistance? We have no such assurance.

We have warships all over that part of the Pacific. Are the British or any other nation helping us with that patrol? If they are it is not a matter of record.

Then who are the real isolationists? They are the 45 member nations of the United Nations who refused to shed a drop of blood in defense of South Korea although they have the same responsibility to the United Nations Charter that we have. They are the 14 other member nations of the United Nations which went through the motions of taking part in the Korean war.

Thirty-five thousand American dead in that conflict as compared with only about 3,000 for the rest of the United Nations is the real and uncontradicted story of isolationism.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Chairman, frankly I am opposed to this item because of the way this outfit has performed and the record it has made. I may say that, according to the testimony on pages 448 and 449 of the hearings, if they were given $4 million more, they would have for operating in the period from January 1, 1955, the sum of $13,900,000 subscribed by the United States. According to the testimony given by Mr. Phillips, representing the agency—and there is a difference between that Mr. Phillips and our Mr. PHILLIPS, of California—that outfit on the basis of $1,600,000 a month would have sufficient funds to carry it for 8⅔ months. That is just plain, ordinary, simple arithmetic.

They offered no justification for this amount of money. If you give them $2 million, they would have a very liberal amount; if you give them $2½ million, which the gentleman from California has proposed, they would have an exceedingly liberal amount. Therefore I shall be obliged to vote against this amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Georgia [Mr. PRESTON].

Mr. PRESTON. Mr. Chairman, there is more involved in the question before the House at the moment than money. The question of our participation in the United Nations is involved. Unfavorable action by the House today will be construed throughout the world as a very definite trend in this country of a rising opposition to our participation in the United Nations. There are some people who would like to see us withdraw. There are some in this body, and you have heard them speak today, who would by the stroke of the pen eliminate us entirely from the United Nations. But when we stop to think about what a large degree of our national potential is going into national defense and how little we spend in peaceful efforts, it is deplorable. Bring a bill before the House today that carries 100 submarines and nobody will vote against it, but bring in a bill with a paltry $4 million for sending technicians throughout the world in a peaceful effort and you find many

supporters of the proposition that you are spurning your own people, you are denying your own people help while squandering money all over the world. It is the popular thing to do.

Mr. PASSMAN. Mr. Chairman, will the gentleman yield?

Mr. PRESTON. I yield to the gentleman from Louisiana.

Mr. PASSMAN. First, we do have $105 million in the United States technical-assistance program operating in those same nations.

Mr. PRESTON. That has been brought out previously in the debate, it is unquestioned. But there is involved here, as I said a moment ago, the question of the trend of the people in our country. Are we for the United Nations or are we not? If that is the consensus of our leaders in Government that we need to appropriate $4 million additional for this cause, then why not give them a chance to use it?

The CHAIRMAN. The time of the gentleman from Georgia has expired.

All time has expired.

The question is on the amendment offered by the gentleman from California [Mr. PHILLIPS] to the amendment offered by the gentleman from Georgia [Mr. PRESTON].

The question was taken; and on a division (demanded by Mr. TABER) there were—ayes 52, noes 74.

So the amendment to the amendment was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Georgia [Mr. PRESTON].

The question was taken; and the Chairman announced that the ayes appeared to have it.

Mr. WILLIAMS of Mississippi. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. PRESTON and Mr. TABER.

The Committee divided, and the tellers reported that there were—ayes 89, noes 63.

So the amendment was agreed to.

Mr. TABER. Mr. Chairman, I offer an amendment.

The Clerk read the amendment, as follows:

Amendment offered by Mr. TABER: After the amendment just adopted, insert the following paragraph:

"The sums provided in the foregoing paragraph shall be derived by transfer from the appropriation contained in Public Law 778, 83d Congress, for assistance authorized by section 121 of Public Law 665, 83d Congress."

Mr. PRESTON. Mr. Chairman, will the gentleman from New York yield to me?

Mr. TABER. I yield to the gentleman from Georgia.

Mr. PRESTON. The committee would be glad to accept the amendment of the gentleman from New York.

Mr. TABER. Mr. Chairman, I think I should say simply that it takes it out of a transfer instead of directly out of the Treasury.

Mr. HOFFMAN of Michigan. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, this amendment is the provision that was stricken from the bill on a point of order. What the gentleman from New York now proposes to do is to use $4 million that they give to the President in the bill which such paragraph sought to amend and which was referred to previously—it is carried in the original paragraph—take $4 million away from him, from President Eisenhower and give it to the United Nations. Well, perhaps the majority of the House thinks United Nations can put $4 million to better use than the President. I do not. There is no assurance that when those who support this amendment have taken the $4 million away from the President and given it to U. N. they will not ask for $8 million, $12 million, or $16 million additional to replace that, give him a little extra velvet to go on, and plug the hole caused by the transfer of this $4 million with another four or five million.

The issue is plain enough. It is whether when the United Nations still has millions on hand which they have not spent, we are going to take $4 million more and give it to them to spend as they may wish.

I do not intend to fuss about it. Because of the request of the gentleman from New York [Mr. TABER], who works so hard, who mistakenly in this instance, thinks he will save $4 million by a transfer. I will not now make the objection to his amendment which I made to the same language which was in the bill and which was stricken. The issue is clear enough. If you want to go on record, as you will before we are through with this, if I can bring it about, to give the United Nations $4 million when we are in debt the way we are, paying some $7 billion dollars interest on the national debt, and we need tax revenues, which some insist we shall not have, that is your privilege. If the House puts this through, then the gentlemen who voted for that $20 tax exemption deduction will have to rescind that action; will they not? Or just let the debt and interest charges roll on and up.

We are short of tax dollars to meet the demands of our own people but if Members prefer to give the four million additional to U. N., which to date by its actions, has shown it has little interest in the United States except to milk its people dry—that, as has been said—is the privilege of each Member. I want no part of such a program. Give the U. N. another four million and then explain to your needy deserving constituents why you cannot meet their requests—tell it to the postal employees—sing it to those needy who are on relief in your own district.

I have had more than enough of the U. N.

Mr. PRESTON. Mr. Chairman, I ask unanimous consent that all debate on the pending amendment and all amendments thereto do now close.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. TABER].

The amendment was agreed to.

The Clerk read as follows:

NATIONAL PARK SERVICE

Jones Point bridge

For expenses necessary for the preparation of plans, specifications, and estimates for the construction of a bridge over the Potomac River pursuant to the provisions of the act of August 30, 1954 (68 Stat. 963, 964); $600,000; to remain available until expended.

Mr. GROSS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I should like to ask someone on the Committee on Appropriations about this $600,000 appropriation for the Jones Point bridge. I understand this is for preliminary survey work or something of that nature.

Mr. TABER. It means just what it says, a preliminary survey and all the other kinds of survey and planning in connection with the bridge and the approaches to it, whatever has to be done with respect to the folks who want to sell or do not want to sell property in connection with the approaches.

Mr. GROSS. What contribution are the States of Maryland and Virginia making to this preliminary survey?

Mr. TABER. I do not think they are making any.

Mr. GROSS. Why not?

Mr. TABER. They seem to have been able to get by with it on previous occasions.

Mr. GROSS. That is exactly what I thought. These two States are going to be directly benefited. I do not know that anybody is coming out in the State of Iowa and building any bridges for anybody there.

Mr. TABER. They let you in Iowa pay for them, just as they let me pay for them in my territory. They are so rich down here they want to be made richer.

Mr. GROSS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GROSS: On page 9, line 22, strike out "$600,000" and insert "$300,000."

Mr. GROSS. Mr. Chairman, I will not labor this amendment, but I think $300,000 is a reasonable contribution; that is, the States of Virginia and Maryland can each contribute $150,000 to this preliminary survey work. Since they are going to be directly benefited by this bridge, they can very easily each contribute $150,000 and spare the taxpayers of the entire country the full cost of this work.

Mr. HOFFMAN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield.

Mr. HOFFMAN of Michigan. If the gentleman's amendment goes through and this is cut in half, should there not be a further amendment that the Maryland-Virginia landlords do not add to the rent of the Federal employees to collect that money to make the $150,000 contribution?

Mr. GROSS. I do not know whether we have any assurance that this will not be a toll bridge, with the States of Virginia and Maryland collecting the tolls.

Mr. HOFFMAN of Michigan. Does not the gentleman think we will have to move down to Virginia or Maryland to get a bridge of our own and then move it to Iowa or Michigan?

Mr. GROSS. The gentleman makes a good point.

Mr. Chairman, I think this is a reasonable amendment, and I hope it will be adopted.

Mr. NORRELL. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, this is an item which was unanimously adopted by your subcommittee and the Department of the Interior. There is nothing that we can do about it, and there is nothing we should do about it. We ought not to cut the matter up piecemeal. It was authorized by an act of Congress. We tried to do the job as we deemed was proper. I hope the amendment will be voted down.

Mr. BROYHILL. Mr. Chairman, I move to strike out the last word and rise in opposition to the amendment.

Mr. Chairman, as the gentleman from Arkansas stated, this matter was resolved last year. The House of Representatives unanimously approved the authorization for the construction of this bridge at a cost of approximately $14,750,000. The original bill authorizing the construction of this bridge at Jones Point called for an amount of $20 million. When it was increased from a 4- to 6-lane project, the cost was estimated at $24 million. That included certain approaches and highways running about 2 or 3 miles to the bridge. The Committee on the District of Columbia thought that the two States involved should pay for the cost of construction of those approaches. In addition to that, there is approximately $5 million or $10 million additional cost to bring the other approaches and feeder roads up to the bridge. This is a metropolitan Washington problem. There is a responsibility of the Federal Government in the construction of this bridge because this is the Nation's Capital. The bridge would provide a bypass for the large amount of traffic now going through Washington. It would bypass Washington entirely. The States involved should contribute something to the cost of these highways and bridges. They do so by paying approximately $10 million to $14 million for the approaches. They could provide the entire cost of the bridge if the Federal Government, which happens to be the principal industry here, were paying its share of the taxes to the various communities. The Federal Government is the principal industry here and it does not pay taxes which means a loss of revenue for the communities in this area of somewhere in the neighborhood of $75 million to $100 million a year. I would much prefer to receive the taxes from the Federal Government, to which these communities are entitled rather than to have the Federal Government by piecemeal measures pay its share of these obligations. The Department of the Interior in requesting this appropriation asked for $675,000. They stated that was a minimum needed to provide for the various surveys and plans for the construction of this bridge. The Committee on Appropriations deemed it advisable to cut that down to $600,000. I had intended to offer an amendment to increase that to $675,000 but I decided it was better to go ahead and do the best we could with the $600,000. The surrounding communities do not have the money to pay the difference between the $300,000 requested by the gentleman from Iowa and the $600,000. It would just mean that much more delay in the construction of this bridge and in the financing of that construction. It is going to have to be constructed sooner or later and we may as well face it.

Mr. Chairman, I urge the defeat of the amendment.

Mr. PRESTON. Mr. Chairman, I ask unanimous consent that all debate on the pending amendment, and all amendments thereto, close in 3 minutes.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. LANGFORD. Mr. Chairman, I move to strike out the last word and rise in opposition to the amendment.

I agree with the remarks made by my colleague, the gentleman from Virginia, and I would point out that the primary purpose of this bridge is to alleviate the congested traffic conditions in the Federal District of Columbia. So that this bridge is not for the benefit of just the people of the States of Maryland and Virginia, but for the benefit of all the people who are in and pass through the District of Columbia, our Nation's Capital.

The CHAIRMAN. The time of the gentleman has expired. The question is on the amendment offered by the gentleman from Iowa [Mr. GROSS].

The question was taken; and on a division (demanded by Mr. WIER) there were—ayes 12, noes 70.

So the amendment was rejected.

Mrs. ROGERS of Massachusetts. Mr. Chairman, I move to strike out the last word.

I rise to ask the chairman of the committee if the amount appropriated for the Veterans' Administration is not just what they asked for. I was told that it was. Is that correct?

Mr. THOMAS. That is exactly right. The lady is 100 percent correct.

Mrs. ROGERS of Massachusetts. I thank the gentleman.

The Clerk read as follows:

INTERNATIONAL CONTINGENCIES

For an additional amount for "International contingencies," $75,000, to be derived by transfer from "Educational aid for China and Korea."

Mr. GROSS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I shall not take any part of the 5 minutes. I simply want to call attention to what you are going to vote for under this particular title.

Under the $600,000 appropriation, some $335,000, I understand, is to provide for about 20 Americans in the establishment of two embassies in Cambodia and Laos. I say again I think there are about 20 Americans involved at an expenditure of $335,000.

Then there is $12,500 for missions to international organizations. I imagine that is another giveaway.

Under "International contingencies," it is proposed to spend probably $35,000, on 30 to 35 people to travel from New York to San Francisco. In other words, you are spending about $1,000 a head per week on these emissaries to travel out to San Francisco to commemorate the organization of that Tower of Babel known as the United Nations.

I think probably all of these items are subject to a point of order, but I am not going to make a point of order, because I suspect what would happen is this: We would walk up the aisle and we would walk back down the other aisle, and we have another amendment introduced for a direct appropriation, and that would be followed by another amendment to provide for the same thing that was stricken out on the point of order. That is what happened earlier this afternoon.

Mr. HOFFMAN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. GROSS. Yes, I am glad to yield.

Mr. HOFFMAN of Michigan. Do you not realize that even when they make a transfer they fill the hole where they took it away with another appropriation just the same, and it all ends up with an addition to the national debt?

Mr. GROSS. There is no doubt about that.

Mr. BAILEY. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield.

Mr. BAILEY. Has the gentleman checked into the matter far enough to know whether any of these supplemental funds will be used to implement the general agreements on trade and tariffs, better known as GATT?

Mr. GROSS. That raises another interesting point. We have got to the place here in this House where we have to give assurance to everybody in every foreign land that we have not overlooked them. When we passed the 4-year extension of the draft spokesmen for the measure came down here in the well of the House asserting it must be done in order to give assurance to our so-called foreign friends that we were backing them. Then, in the matter of the Trade Agreements Act, the free-trade bill, we were told we had to pass that for a 3-year period to give assurance to our foreign friends that we had not overlooked something that we could do for them somehow, somewhere, no matter how much the cost to us. When, I ask, do we give assurance to our own people, who are paying the bills, that they are our primary concern?

Mr. HOFFMAN of Michigan. Does not the gentleman know that the United Nations has taken us over? What is the gentleman kicking about?

Mr. GROSS. I suppose I am getting to be something like the gentleman from Michigan; I have got to kick to show that I can kick when I know something is wrong.

Mr. HOFFMAN of Michigan. That is right, if it is something worth while.

The Clerk read as follows:

FOREIGN MAIL TRANSPORTATION

For an additional amount, fiscal year 1947, for "Foreign mail transportation," $25,000, to be derived by transfer from the appropriation "Railway mail service," fiscal year 1947.

Mr. MOSS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, it is my understanding that on Monday a motion will be made to suspend the rules and pass what is known as the pay-raise bill for the postal field service. I hope that between now and Monday each Member of the House will read the minority report which has been filed and which points out that we have not just a simple salary bill to consider. Instead, it is a substantial grant of authority from this Congress to the Postmaster General, authority so broad that if used unwisely it could effectively destroy morale among the postal workers. It is a bill which proposes for those in the top categories increases in many instances of from 30 to 50 percent or more, yet proposes for the great bulk of the postal field service workers—the clerks, the carriers, the motor-vehicle workers who make up some 60 percent of the total number of employees of the service—a raise of about 6.8 percent.

If the House permits the rules to be suspended and denies the membership an opportunity to understand fully what is being proposed, it will be doing a disservice to each Member of the House and to every employee of the postal field service. This is far-reaching legislation affecting vitally the welfare of those who are charged with the responsibility of providing a very basic service to this Nation. It should be passed upon only on the basis of sound judgment. Every Member of this body should have a full opportunity to debate it. We have twice during this session acted upon salary legislation. We have increased our own compensation—and I voted for that, for I felt it was completely justified. We increased the compensation of members of the armed services. I voted for that for it was completely justified. I would like to give equal justice to the employees of the postal establishment. I want every Member of this House to have an equal opportunity to acquaint himself fully with all the facts and recognize that the bill is two-headed.

It provides for both reclassification and salary increases and the reclassification provisions require modification, through amendments, if we are to provide for some neutral review of the Post Office Department reclassification such as is required of the actions of any other department of Government.

The amount of the salary increase proposed for the bulk of the postal workers is inadequate. We cannot justify the discrimination against the majority of the postal employees which is contained in H. R. 4464 as reported to the House.

I am confident that, with full and careful debate providing for the consideration of reasonable amendments, we can produce a bill which many Members who now oppose H. R. 4464 will support. We cannot achieve such a bill under the gag-rule procedure which will inevitably follow if we vote for suspension of the rules.

Mr. HILL. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, I wish to express to the Appropriations Committee as well as the subcommittee, my appreciation for the excellent work they have done on the section in this bill concerning funds for use in the Great Plains section on wind erosion soil control.

There remained $7,147,000 unspent from the Third Supplemental Appropriations Act of 1954. Under the provisions of H. R. 4903 now being considered, these remaining funds may now be used in this wind-erosion program.

Let me quote from the committee report:

> The prolonged nature of the drought in many areas, and the strong possibility of further severe damage this year due to lack of moisture and dust storms, present a serious national problem which can be met only by a farsighted and long-range conservation program vigorously prosecuted throughout the country. The committee urges the Department to give this matter even closer attention than in the past, and asks that it give careful study to all legislation and other proposals designed to meet various phases of the problem. It invites the Department to work closely with the Congress on this program, especially with the Agriculture and Appropriations Committees of both Houses.

And in addition a report as of yesterday from the Soil Conservation Service:

SPECIAL REPORT ON WIND EROSION CONDITIONS, GREAT PLAINS, SOIL CONSERVATION SERVICE, MARCH 17, 1955

Severe wind storms during the first half of March, particularly on March 10 and 11, damaged both crop and rangeland in those Great Plains States where drought has persisted. Land damage during the intense storm of March 10 and 11 exceeded the damage in any previous month during this blow season. Figures, by States, are given below:

State	Land damaged Mar. 1-15, 1955	Total land damage 1954-55 season	Additional land likely to blow in 1955
Colorado	519,000	[1] 3,022,696	[1] 3,589,237
Kansas	595,000	[1] 525,400	[1] 5,955,222
New Mexico	335,000	355,000	1,291,000
Oklahoma	174,140	293,833	1,605,000
Texas	49,225	[1] 705,467	[1] 5,048,640
Nebraska	76,800	225,302	[1] 742,865
Wyoming	226,100	1,000,000	1,928,013

[1] Figures taken from Mar. 1 conditions.

Mr. H. CARL ANDERSEN. Mr. Chairman, will the gentleman yield?

Mr. HILL. I yield to the gentleman from Minnesota.

Mr. H. CARL ANDERSEN. May I say to the gentleman that the subcommittee was convinced that the situation out there is still bad, and we thought it was good business to make available the balance of the unexpended funds.

Mr. HILL. The gentleman is correct. It does not add any more to the budget.

Mr. H. CARL ANDERSEN. I think the gentleman will agree with me that the people out in that region owe a debt of gratitude to the Soil Conservation Service for the splendid way in which they are attempting to do something worth while in this line. Too many of us are apt to forget the additional burdens put upon that Service during emergencies. That has been one reason why I personally have felt that the budget given the Department of Agriculture for the next fiscal year has been too little as far as the Soil Conservation Service is concerned.

Mr. HILL. May I say that I am sure there is no section of these United States where the farm people on the land are more appreciative of the assistance given to them by the Congress than our friends in the drought-stricken area.

The Clerk read as follows:

CAPITOL BUILDINGS AND GROUNDS

Capitol Grounds: For reconstruction, repair, alteration, and improvement of the areas of the United States Capitol Grounds located above and in the vicinity of the legislative garage, situated north of Constitution Avenue between New Jersey Avenue and Delaware Avenue, including expenditures for personal and other services and all other necessary items, $611,000, to remain available until expended.

House Office Buildings: To enable the Architect of the Capitol, under the direction of the House Office Building Commission, to carry out the provisions of Public Law 176, 80th Congress, approved July 11, 1947, relating to erection of an additional House Office Building, including accommodations for parking automobiles, $25,000.

Mr. RAYBURN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. RAYBURN: On page 19 strike out all of lines 5 through 10, inclusive, and in lieu thereof insert:

"CHAPTER XII–A

"ADDITIONAL HOUSE OFFICE BUILDING

"SEC. 1201. There is hereby authorized to be constructed on a site approved by the House Office Building Commission, in accordance with plans to be prepared by or under direction of the Architect of the Capitol and to be submitted to, and approved by, such Commission, an additional fireproof office building for the use of the House of Representatives, including such necessary access facilities over or under public streets and such other appurtenant or necessary facilities as may be approved by such Commission.

"SEC. 1202. (a) If the site upon which the building authorized to be constructed by section 1201 of this act is not within the United States Capitol Grounds as defined in the act entitled 'An act to define the area of the United States Capitol Grounds, to regulate the use thereof, and for other purposes,' approved July 31, 1946 (40 U. S. C., secs. 193a–193m), the Architect is authorized to acquire such site by purchase, condemnation, or otherwise, and upon acquisition of such site and completion of the building, such building, and the grounds, sidewalks, and facilities surrounding it, shall be subject to the provisions of (1) of the act of May 4, 1907, as amended (40 U. S. C., sec. 175) (relating to the control, supervision, and care of the House Office Building), and (2) the act entitled 'An act to define the area of the United States Capitol Grounds, to regulate the use thereof, and for other purposes,' approved July 31, 1946 (40 U. S. C., sec. 193a–193m).

"(b) Any proceedings for condemnation brought under subsection (a) shall be conducted in accordance with the act entitled 'An act to provide for the acquisition of land in the District of Columbia for the use of the United States,' approved March 1, 1929 (16 D. C. Code, secs. 619–644).

"SEC. 1203. For carrying out the purposes of this act there is hereby appropriated $2 million, to remain available until expended; and there are hereby authorized to be appropriated such additional sums as may be necessary to carry out this act.

"SEC. 1204. This subchapter may be cited as the 'Additional House Office Building Act of 1955'."

Mr. CANNON. Mr. Chairman, in view of the emergency involved, and the urgent need of the facility for which the appropriation is proposed, the committee

accepts this amendment and approves the expenditure.

Mr. HOFFMAN of Michigan. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. HOFFMAN of Michigan. I make the point of order against the amendment that it is legislation on an appropriation bill.

Mr. CANNON. Mr. Chairman, the point of order comes too late.

The CHAIRMAN. The point of order does come too late.

Mr. HOFFMAN of Michigan. How does it come too late when I was on my feet seeking recognition before the gentleman was recognized?

The CHAIRMAN. The gentleman, as chairman of the committee, was recognized first.

Mr. HOFFMAN of Michigan. That is to say the rule that requires recognition of the chairman of a committee would deprive another Member from making a point of order?

The CHAIRMAN. No. Did the gentleman address the Chair?

Mr. HOFFMAN of Michigan. I did address the Chair before the Clerk finished reading.

The CHAIRMAN. That was not the proper time.

Mr. HOFFMAN of Michigan. I was on my feet and addressed the Chair before the Clerk finished and as soon as he finished. Now, if I have to shout louder, I can do that.

The CHAIRMAN. The Chair could not recognize the gentleman until the Clerk had finished reading.

Mr. GROSS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I should like to ask the chairman of the Appropriations Committee what is the emergency that compels us to construct a new office building, and what is going to be the cost of this building?

Mr. RAYBURN. Mr. Chairman, if the gentleman will yield, I can say this to the gentleman, that if he were on the House Office Building Commission and had a dozen people coming to him every day asking for additional space, why he would understand something about the necessity for building a building that gives us more space. They do need this building very badly, and this is a start on it; I think a good start. Of course, I must admit that this Commission that is going to handle it is a very fine Commission, because the gentleman from Texas [Mr. RAYBURN] is a member of it.

Mr. GROSS. I would agree with that.

Mr. RAYBURN. And the gentleman from Georgia [Mr. VINSON], and one of the finest men of the House and a man who probably knows more about public buildings than anyone, the gentleman from New Jersey [Mr. AUCHINCLOSS]. I do not think this Commission is going to run wild on anything. But I do know that we need additional space here to carry on efficiently the work of the Members of the House of Representatives.

Mr. GROSS. Mr. Chairman, may I inquire of the gentleman from Texas [Mr. RAYBURN], is this going to be an ornamental type of building again, or is it going to be a functional type of building? What are we getting into here?

I am concerned, and deeply concerned, because things are happening out in the State of Iowa today that are not good for the economy of the State or of this country. Let me say to the gentleman that last year 54 percent of the farmers of the State of Iowa did not make sufficient income to pay a State income tax. I am concerned—and I want the gentleman to understand that I make this inquiry in the utmost sincerity—about this spending situation. We are putting up buildings on the Capitol Grounds, tremendous structures, and a great deal of money is going into them. I want to know the necessity for these expenditures.

Mr. RAYBURN. I think it is very necessary for the Members of the Congress, in order to serve the State of Iowa, as well as the other 47 States, to have the instruments and the room in which to work to perform their duties.

Mr. DONDERO. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I just came into the Chamber to hear part of the debate going on over the amendment offered by the gentleman from Texas [Mr. RAYBURN].

I happen to walk through the hallways of this Capitol Building nearly every day, and have for a good many years. I notice, and I am sure other Members have noticed, that partitions have been built setting off parts of the hallways or corridors in order to obtain more office space. The same has been done over in the new and old House Office Buildings. They have had to cut off some of the hallways in order to obtain more office space.

Certainly the people of the United States would be willing for us, as representatives of a great Nation, to have sufficient space in order to carry on the business of their Government. I do not think there will be any objection to it.

Mr. HALLECK. Mr. Chairman, will the gentleman yield to me?

Mr. DONDERO. I yield.

Mr. HALLECK. I should like to commend the gentleman for the statement he has made. I have not had as close a connection with the matter of proper housing to carry on the functions of the House of Representatives as has been had by the gentleman who has just spoken or the gentleman from Texas [Mr. RAYBURN]. However, I have been sufficiently close to the matter to know that as the responsibilities of the Congress have increased in recent years, we have found ourselves in all sorts of additional activities. Different functions must be carried on. I know of my own knowledge that we need additional space, and I sincerely hope that this amendment will be adopted and that we may get on with the construction of this building that I say is justified and necessary.

Mr. DONDERO. Mr. Chairman, I should like to close my remarks by saying this. I have never been charged in this Chamber with being one who is willing to spend the people's money for nothing. I am known here as a conservative. But here is an amendment which I think we should all support in the interest of the common welfare of the American people.

Mr. HOFFMAN of Michigan. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I am not finding fault with the substance of this amendment offered by the gentleman from Texas [Mr. RAYBURN], our Speaker.

For 15 years I have been trying to get a decent place for Congressmen to eat, entertain their homefolk, and still have the time to perform their duties. But I have not seen any amendment come from that side of the aisle, I have not seen any amendment offered by the gentleman who is offering this amendment to do anything to provide that which everyone knows we need, which we have needed for 20 years. But that is not my point at all. My point is this.

I have been told from the well of the House, by the Speaker, who offered this amendment, that this is one of the greatest deliberative bodies in the world. I have heard that more than once from the gentleman from Texas [Mr. RAYBURN], and on several occasions the gentleman has coupled with it the statement that our proceedings should be orderly and in accordance with the rules of the House—the House which he dearly loved.

Yet, while we are supposed to be operating under rules to which the gentleman has called our attention, what happened today, just a few moments ago? The Members of the House saw what happened. The gentleman from Texas [Mr. RAYBURN] offered an amendment which was obviously in violation of a House rule. I was on my feet seeking recognition by the Chair, for I saw the gentleman from Missouri [Mr. CANNON] standing by the Speaker on the other side of the aisle. I knew I must make my point of order before debate on the amendment began. At least twice while the amendment was being read I addressed the Chair seeking to make a point of order—when the Clerk finished reading I again addressed the Chair, saying, "Mr. Chairman, a point of order." Twice I addressed the Chair—and in no whisper. Instead of giving me the recognition to which I was entitled, the Chair recognized the gentleman from Missouri, a member of the committee, who being recognized, said my point of order came too late. It did not come too late. It was made at the proper time, but apparently on advice of someone I was refused the recognition to which I was entitled under the rules. I do not charge any conspiracy between that gentleman and the gentleman from Texas [Mr. RAYBURN]. Oh, no; I do not charge that at all. But what they did was to so arrange things so that the gentleman in the chair, as was not his prerogative, instead of recognizing me when I was trying to obtain recognition, both before the Clerk had just finished reading and after, recognized the gentleman from Missouri [Mr. CANNON]. So, by their procedure, they did what? They deprived a member of the minority, a Member of the House from the Fourth District of Michigan, of the opportunity, under the rules, an opportunity which

he should have, a right given him by the rules of the House, to which the Speaker has so often asked us to adhere, to make a point of order. How can a Member make a point of order if, when on his feet, in a loud voice, almost a shout, addressing the Chair, he says, "Mr. Chairman" then adds, "A point of order, Mr. Chairman," when the Chairman refuses to see him. If that is legislating deliberately, all right. I will say that that is what I call a gag rule, an arbitrary ruling or procedure, which deprives a Member of the House, which on this occasion deprived the Member from Michigan, of a privilege, of a right, that is given him under the rules of the House, rules under which the amendment of the gentleman from Texas [Mr. RAYBURN] was out of order. The statement of the Chair that he could not recognize me before the Clerk finished reading, if followed, would prevent the making of a point of order when the House was out of order—an absurdity. Moreover, I was on my feet addressing the Chair, as 50 Members of the House well know, when the Clerk finished reading the amendment.

If you like that kind of procedure, all right. But do not ever come around to me and do not ever cry babylike, from the well of the House, of a fancied violation of the rules—do not preach or cry to me about the sacredness of the rules of the House, about something that may happen over here on this side. And it was all so unnecessary. Why not the legislation in the amendment in a bill in the regular way—sent to a committee? Was there something requiring secrecy, haste? Was there an emergency? Rules made for me to obey are rules for all to follow.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. RAYBURN].

The amendment was agreed to.

Mr. JOHNSON of California. Mr. Chairman, I intend to vote for this bill. It has several provisions which are of special interest to my constituents and which are very pleasing to me.

Four million dollars is appropriated for contributions to the United Nations expanded program of technical assistance. This is a good program and luckily the Soviet Union did not want to be in it. It is the kind of a program that should be helpful in building up our friendship and cooperation with countries which are or want to be a part of the free world. The gentleman from Georgia, Hon. HENDERSON LANHAM, expressed my views. He is on the subcommittee that proposed this amount and his knowledge of the situation in some of the countries who may be benefited by this money was fortified by a personal trip which he made to look into this program to determine its worth. He endorsed the program as well as the amount and method of its expenditure very highly. Mr. TABER offered an amendment with which I concurred providing that the money for this project should come out of unexpended balances.

It happens that I have a bill, H. R. 2980, which is now pending in the Committee on Education and Labor which proposes to authorize money to be spent to provide classrooms for the public schools. The appropriation bill now being considered provides for an additional amount for assistance for school construction, $48,500,000. The people of my district will be very much pleased and also very grateful for any part of this which may come as an aid in developing our schools.

The Appropriations Committee showed commendable selectivity in picking out projects and programs that should be given Federal assistance.

Mr. HAYS of Arkansas. Mr. Chairman, I regret that the committee disapproved the item of $8 million for the United Nations technical assistance program requested by the Bureau of the Budget. There is a demonstrated value in the work of this agency, and the 50 percent cut would seriously impair its work. Technical assistance is relatively inexpensive. It represents a constructive effort to help people to improve living standards. It is based upon the self-help principle and the cooperation of recipient nations. This type of technical assistance parallels and does not conflict with our bilateral program which has won such widespread support. Some types of technical assistance for agricultural, health, and related programs can be most effectively promoted under international auspices. It is an important phase of our foreign policy and serves our national interest as well as promoting the welfare of people around the world.

The Clerk concluded the reading of the bill.

Mr. CANNON. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill, as amended, do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. THOMPSON of Texas, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 4903) making supplemental appropriations for the fiscal year ending June 30, 1955, and for other purposes, had directed him to report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill, as amended, do pass.

Mr. CANNON. Mr. Speaker, I move the previous question on the bill and all amendments thereto to final passage.

The previous question was ordered.

The SPEAKER. Is a separate vote demanded on any amendment?

Mr. WILLIAMS of Mississippi. Mr. Speaker, I demand a separate vote on the Preston amendment to chapter IV, and on the Taber amendment to chapter IV.

Mr. PHILLIPS. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. PHILLIPS. Is the amendment to which the gentleman from Mississippi refers the $4 million amendment?

Mr. WILLIAMS of Mississippi. Yes.

Mr. PHILLIPS. I want a separate vote on that.

Mr. HOFFMAN of Michigan. Mr. Speaker, I ask for the yeas and nays on both amendments.

The SPEAKER. We have hardly reached that point yet, under the rules of the House.

Is a separate vote demanded on any other amendment? If not, the Chair will put them in gross.

The amendments were agreed to.

The SPEAKER. The Clerk will report the first amendment on which a separate vote is demanded.

The Clerk read as follows:

After line 11, page 7, insert:

"FUNDS APPROPRIATED TO THE PRESIDENT

"Mutual security

"Contributions to the United Nations Expanded

"Program of technical assistance

"For an additional amount for 'Contributions to the United Nations expanded program of technical assistance,' for United States contributions during the period ending June 30, 1955, $4,000,000."

The SPEAKER. The question is on the amendment.

Does the gentleman from Michigan desire to ask for the yeas and nays?

Mr. HOFFMAN of Michigan. I ask for the yeas and nays, Mr. Speaker.

The yeas and nays were refused.

The question was taken, and the Speaker announced that the ayes appeared to have it.

Mr. WILLIAMS of Mississippi. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. The Chair will count. [After counting.] One hundred and eighty-six Members are present, not a quorum.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 175, nays 107, not voting 152, as follows:

[Roll No. 21]

YEAS—175

Addonizio	Cooley	Halleck
Albert	Coon	Harris
Allen, Calif.	Cooper	Harrison, Va.
Allen, Ill.	Cramer	Harvey
Aspinall	Cunningham	Hays, Ark.
Auchincloss	Curtis, Mass.	Hébert
Avery	Deane	Herlong
Ayres	Dempsey	Heselton
Baldwin	Denton	Hinshaw
Barden	Diggs	Holifield
Bass, N. H.	Doyle	Holmes
Bass, Tenn.	Edmondson	Holtzman
Bates	Elliott	Hope
Bennett, Fla.	Engle	Hosmer
Blatnik	Evins	Hyde
Blitch	Feighan	Ikard
Boggs	Fernandez	Jarman
Boland	Fino	Johnson, Calif.
Bolling	Fogarty	Johnson, Wis.
Bonner	Forand	Jonas
Bowler	Ford	Karsten
Brooks, Tex.	Fountain	Kean
Brown, Ga.	Frazier	Keating
Broyhill	Gamble	Kelley, Pa.
Buchanan	Gary	Kilgore
Burleson	Gathings	King, Calif.
Burnside	Gordon	Knutson
Byrd	Green, Oreg.	Lanham
Cannon	Gregory	Lankford
Carnahan	Gubser	LeCompte
Chelf	Hagen	Lesinski
Cole	Hale	Long

McCormack	Pilcher	Smith, Miss.
Mack, Ill.	Poage	Spence
Madden	Polk	Springer
Magnuson	Powell	Staggers
Mahon	Preston	Sullivan
Mailliard	Price	Teague, Calif.
Marshall	Priest	Teague, Tex.
Matthews	Quigley	Thomas
Meader	Rabaut	Thompson, La.
Merrow	Radwan	Thompson, Tex.
Metcalf	Rains	Thomson, Wyo.
Mills	Ray	Thornberry
Mollohan	Reuss	Tollefson
Morgan	Rhodes, Pa.	Trimble
Moss	Richards	Tumulty
Murray, Ill.	Riley	Udall
Murray, Tenn.	Roberts	Vinson
Natcher	Rodino	Walter
Norrell	Rogers, Colo.	Watts
O'Hara, Ill.	Rogers, Fla.	Wickersham
O'Neill	Roosevelt	Wigglesworth
Osmers	Schwengel	Williams, N. J.
Ostertag	Selden	Willis
Pelly	Shelley	Yates
Perkins	Sieminski	Younger
Pfost	Sikes	Zablocki
Philbin		

NAYS—107

Abernethy	Forrester	O'Konski
Alexander	Gentry	Passman
Alger	George	Phillips
Andersen, H. Carl	Gray	Poff
Andresen, August H.	Gross	Reed, Ill.
Arends	Gwinn	Reed, N. Y.
Bailey	Hand	Rees, Kans.
Baker	Harden	Rhodes, Ariz.
Baumhart	Harrison, Nebr.	Rogers, Mass.
Beamer	Henderson	Rogers, Tex.
Belcher	Hiestand	Rutherford
Bennett, Mich.	Hill	Saylor
Berry	Hoffman, Mich.	Schenck
Bow	Horan	Short
Brooks, La.	Jackson	Siler
Brown, Ohio	Jenkins	Simpson, Ill.
Budge	Jensen	Smith, Va.
Burdick	Jones, N. C.	Smith, Wis.
Bush	Kearns	Taber
Byrnes, Wis.	Kilburn	Talle
Carlyle	King, Pa.	Taylor
Chenoweth	Knox	Thompson, Mich.
Church	Laird	Tuck
Clevenger	Landrum	Utt
Dague	Lipscomb	Van Zandt
Davis, Ga.	McCulloch	Vursell
Davis, Wis.	McDonough	Westland
Dawson, Utah	McGregor	Wharton
Dies	McIntire	Wier
Dixon	McMillan	Williams, Miss.
Dolliver	McVey	Williams, N. Y.
Dondero	Mason	Withrow
Dowdy	Miller, Md.	Wolcott
Fisher	Miller, Nebr.	Wolverton
Fjare	Mumma	Young
	Nelson	
	Nicholson	

NOT VOTING—152

Abbitt	Davis, Tenn.	Huddleston
Adair	Dawson, Ill.	Hull
Andrews	Delaney	James
Anfuso	Derounian	Jennings
Ashley	Devereux	Johansen
Ashmore	Dingell	Jones, Ala.
Barrett	Dodd	Jones, Mo.
Becker	Dolling	Judd
Bell	Donohue	Kearney
Bentley	Donovan	Kee
Betts	Dorn, N. Y.	Kelly, N. Y.
Bolton Frances P.	Dorn, S. C.	Keogh
	Durham	Kilday
Bolton, Oliver P.	Eberharter	Kirwan
	Ellsworth	Klein
Bosch	Fallon	Kluczynski
Boykin	Fascell	Krueger
Boyle	Fenton	Lane
Bray	Fine	Latham
Brownson	Flood	Lovre
Buckley	Flynt	McCarthy
Byrne, Pa.	Frelinghuysen	McConnell
Canfield	Friedel	McDowell
Carrigg	Fulton	Macdonald
Cederberg	Garmatz	Machrowicz
Celler	Gavin	Mack, Wash.
Chase	Granahan	Martin
Chatham	Grant	Miller, Calif.
Chiperfield	Green, Pa.	Miller, N. Y.
Christopher	Griffiths	Minshall
Chudoff	Haley	Morano
Clark	Hardy	Morrison
Colmer	Hays, Ohio	Moulder
Corbett	Hayworth	Multer
Coudert	Hess	Norblad
Cretella	Hillings	O'Brien, Ill.
Crumpacker	Hoeven	O'Brien, N. Y.
Curtis, Mo.	Hoffman, Ill.	O'Hara, Minn.
Davidson	Holt	Patman
Patterson	Scrivner	Van Pelt
Pillion	Scudder	Velde
Prouty	Seely-Brown	Vorys
Reece, Tenn.	Sheehan	Wainright
Riehlman	Sheppard	Weaver
Rivers	Shuford	Whitten
Robeson, Va.	Simpson, Pa.	Widnall
Robsion, Ky.	Sisk	Wilson, Calif.
Rooney	Smith, Kans.	Wilson, Ind.
Sadlak	Steed	Winstead
St. George	Thompson, N. J.	Wright
Scherer	Vanik	Zelenko
Scott		

So the amendment was agreed to.

The Clerk announced the following pairs:

Mr. Jones of Alabama with Mr. Martin.

Mr. Thompson of New Jersey with Mr. Morano.

Mr. Dingell with Mr. Johansen.

Mr. Boyle with Mr. Gavin.

Mr. Friedel with Mr. Derounian.

Mr. Christopher with Mr. Cretella.

Mr. Sisk with Mr. Carrigg.

Mr. Winstead with Mrs. Frances P. Bolton.

Mr. Barrett with Mr. Simpson of Pennsylvania.

Mr. Green of Pennsylvania with Mr. Sadlak.

Mr. Chudoff with Mr. Fulton.

Mr. Granahan with Mr. Coudert.

Mr. Byrne of Pennsylvania with Mr. Lovre.

Mr. Lane with Mr. Oliver P. Bolton.

Mr. Donohue with Mr. Betts.

Mr. Garmatz with Mr. Hoffman of Illinois.

Mr. Fallon with Mr. Frelinghuysen.

Mrs. Griffiths with Mr. Miller of New Jersey.

Mr. Klein with Mr. Patterson.

Mr. Keogh with Mr. Reece of Tennessee.

Mrs. Kee with Mr. Riehlman.

Mr. Fine with Mr. Hess.

Mr. Anfuso with Mr. Becker.

Mr. Kirwan with Mr. Widnall.

Mr. Dollinger with Mr. Hillings.

Mr. Davidson with Mr. Dorn of New York.

Mr. Machrowicz with Mr. Fenton.

Mr. Delaney with Mr. Devereux.

Mr. Buckley with Mr. Corbett.

Mr. Moulder with Mr. Chase.

Mrs. Kelly of New York with Mr. Canfield.

Mr. Multer with Mr. Brownson.

Mr. O'Brien of New York with Mr. Adair.

Mr. Celler with Mr. Bentley.

Mr. Rooney with Mr. Van Pelt.

Mr. O'Brien of Illinois with Mr. Wainwright.

Mr. Zelenko with Mr. Latham.

Mr. Donovan with Mr. Mack of Washington.

Mr. Sheppard with Mr. McConnell.

Mr. Steed with Mr. Scott.

Mr. Whitten with Mr. Seely-Brown.

Mr. Morrison with Mrs. St. George.

Mr. Miller of California with Mr. James.

Mr. Jones of Missouri with Mr. Judd.

Mr. Hays of Ohio with Mr. Kearney.

Mr. McDonald with Mr. Wilson of Indiana.

Mr. Hardy with Mr. Norblad.

Mr. Haley with Mr. Bosch.

Mr. Andrews with Mr. Bray.

Mr. Ashmore with Mr. Curtis of Missouri.

Mr. Ashley with Mr. Ellsworth.

Mr. Chatham with Mr. Krueger.

Mr. Colmer with Mr. Velde.

Mr. Dodd with Mr. Smith of Kansas.

Mr. Eberharter with Mr. Scherer.

Mr. Grant with Mr. Pillion.

Mr. Flood with Mr. O'Hara of Minnesota.

Mr. Rivers with Mr. Hinshaw.

Mr. Boykin with Mr. Prouty.

Mr. Clark with Mr. Robsion of Kentucky.

Mr. Fascell with Mr. Scudder.

Mr. McCarthy with Mr. Vorys.

Mr. McDowell with Mr. Weaver.

Mr. Patman with Mr. Wilson of California.

Mr. Robeson of Virginia with Mr. Chiperfield.

Mr. Durham with Mr. Hope.

Mr. Shufford with Mr. Hoeven.

Mr. Davis of Tennessee with Mr. Crumpacker.

The result of the vote was announced as above recorded.

The SPEAKER. The Clerk will report the next amendment on which a separate vote is demanded.

The Clerk read as follows:

After the amendment just adopted insert the following paragraph:

"The sums provided in the foregoing paragraph shall be derived by transfer from the appropriation contained in Public Law 778, 83d Congress, for assistance authorized by section 121 of Public Law 665, 83d Congress."

The SPEAKER. The question is on the amendment.

The amendment was agreed to.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. CANNON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

SPECIAL ORDERS GRANTED

Mr. LESINSKI asked and was given permission to address the House for 30 minutes today, following the legislative program and any special orders heretofore entered.

Mr. DIGGS asked and was given permission to address the House for 1 hour on Thursday, March 24, following the legislative program and any special orders heretofore entered.

CONGRESSIONAL INVESTIGATING COMMITTEES: THEIR NEED, THEIR ENEMIES

Mr. HOFFMAN of Michigan. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include therein pertinent material.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. HOFFMAN of Michigan. Mr. Speaker, a former very able, patriotic, and experienced member of the House Un-American Activities Committee, Kit Clardy, on February 12, 1955, at Chicago, in an instructive talk, made clear the need for congressional committees and the procedure they follow. That talk is as follows:

CONGRESSIONAL INVESTIGATING COMMITTEES: THEIR NEED, THEIR ENEMIES

(Speech by Kit Clardy at Chicago, Ill., February 12, 1955)

A year ago last November while making a speech at Flint I was summoned to the phone on a Washington call. It was then

that I learned that the chairman of my committee, Mr. VELDE, had just subpenaed Harry Truman and Tom Clark. By sheer coincidence I was interrupted in the midst of advocating precisely the course the chairman had followed.

At the chairman's request I boarded the next plane for Washington. The next few days and weeks were indeed hectic and crowded. The left-wing columnists, radio and television commentators and those they could influence poured out their vitriol. We were the subject of abuse from one end of the country to the other. And all because we had dared to suggest that those who had guilty knowledge of how Communists had gotten into and remained in high places in government ought to be compelled to explain their part in the whole dirty business.

I'll come back to the Harry Dexter White case and what it really means but first I shall try to set the stage, so to speak. There are many things we must understand if committee investigations are to have meaning. We must get away from the misleading small talk and the smear campaigns, if the need for congressional investigations is to be really understood. And we must know the real enemies of such committees—we must know why they attack and smear. We must understand that their attacks are not accidental—that they are in fact all part of a planned campaign.

What would you think if I told you that a number of past and present Members of both Senate and House have been either witting or unwitting members of or cooperated with Communist fronts? Yet, as I shall show you later it's literally true that even Members of Congress have been sucked in by the Communists and their friends or dupes.

Now I don't want it thought that I'm calling such folks Communists. I'm merely trying to show you just how effective the Communists have been in putting over their planned program of infiltration. I'm doing it to show you how really necessary congressional investigations are if an informed people are to defeat the Marxist determination to destroy us. I'm doing it to show you the lack of awareness we face in this fight.

Lenin long ago said that it was vitally necessary to Communist plans of conquest to get Soviet politicians into Parliament and that they must then disrupt the Parliament to prepare the ground for the Soviet's forthcoming task of dispersing Parliament. There's much more along this line but it all adds up to the fact that part of the Communist plan of conquest embraces the duping of folks in all levels of society including particularly people in government.

I'd like you to now ask yourselves some questions. What do you think would be the situation today if DICK NIXON and his committee had not gone after Alger Hiss hammer and tongs? What if they had not opened up the Harry Dexter White scandal? What if the Amerasia case had not been investigated? What if Truman's red-herring coverup had been successful? What if the tremendous unmaskings made by MARTIN DIES had been prevented—as Roosevelt tried to do?

And I'd like you to ask yourselves some questions along another line. What would be the world situation today if the early work of MARTIN DIES and those who followed him on my committee had been studied and used in making both foreign and domestic policy? Is it not plainly apparent that if, when DIES gave Roosevelt a list of 2,000 Communists in Government way back in 1941, the executive branch of Government had acted as it should, we would not be in trouble in Asia, in Europe or anywhere else on the globe? Has not there been enough disclosure of facts to show plainly that we were betrayed from within time after time? Not just at Yalta, Teheran, Potsdam or the other formal conferences, but day after day in little decision after decision so that the end result was a policy that surrendered everything the Communists wanted?

The Congress of the United States is not just a lawmaking body. As one of the three branches of Government, it has other functions that our left-wing enemies would have us forget. Congress has the all-important duty of keeping the people informed—of letting them know what's going on behind the scenes in all the other branches. Woodrow Wilson put it most effectively when he said:

"It is the proper duty of a representative body to look diligently into every affair of government and to talk much about what it sees. It is meant to be the eyes and voice of its constituents. Unless Congress have and use every means of acquainting itself with the acts and the disposition of the administrative agents of the Government, the country must be helpless to learn how it is being served; and unless Congress both scrutinize these things and sift them by every form of discussion, the country must remain in embarrassing, crippling ignorance of the very affairs which it is most important that it should understand and direct. The informing function of Congress should be preferred even to its legislative function."

The history of the past two decades should dispel all doubts about the wisdom of those words. But yet another man said something in 1936 of even more direct application. Hugo Black, now on the Supreme Court has this to say:

"This power of the probe is one of the most powerful weapons to restrain the activities of groups who can defy every other power. Public investigating committees exist always in countries where people rule. They have always been opposed by groups that seek or have special privileges."

And another in the liberal tradition. Senator George Norris, said:

"Whenever you take away from the legislative body of any country the power of investigation, you have taken a step that will eventually lead into absolute monarchy and destroy any government such as ours."

Now ask yourself another question. What would have been the result if the self-serving denials of wrongdoing that issued from the executive department in the Teapot Dome case had been the end of things? What if the Congress had silently accepted these proclamations of virtue and taken the position it was none of the business of Congress?

Of course even the self-styled liberals of today will not agree that Congress should investigate graft and corruption. Why then do they balk at investigating a subject and a field far more important and dangerous? Why do they constantly attack everyone and every committee engaged in exposing and fighting a conspiracy we all know is dedicated to our destruction as a free people?

I think I know the answer. It's a many-sided one. Of course, some of this opposition is honest even if wrong and based on misinformation or misunderstanding of the true situation. But most of it is definitely inspired by the Communists and their dupes. My friend MARTIN DIES, points out that:

"There were some 10 million gullible people who were enmeshed in the Communist conspiracy. * * * When it suddenly dawned on the country that these organizations were under the control of Moscow these people bitterly resented the exposure. Many of them claimed to be intellectual. * * * A great majority of them turned on the committee with great resentment and began to attack the committee in order to defend themselves."

But some of the people and groups are lined up solidly with the Communists because they want to be on that side. Some of them may honestly think they're in the right but the greatest percentage known better. You can put all the Communist fronts in the class of those who know the score. Let's look at a few samples.

The Communist Party put out a pamphlet last year entitled "The American Way to Jobs, Peace, Democracy." You may have seen it. On page 14 they say:

"We urge an end to the witch-hunting, the abolition of all congressional witch-hunting committees, and a halt to the Gestapo-like political activities of the FBI. * * * The attempts to outlaw the Communist Party and to deprive Communists of their citizenship rights must be defeated. The Smith and McCarran Acts should be repealed."

Now, let's look at the published platform of a group that has been the loudest in urging the very things I've just cited for you from the Communist document. Americans for Democratic action is the leftwing outfit I mean. They've written and said a great many things on the subject but a few sentences will tell the story. They say:

"We oppose any legislation outlawing any political party. * * * While we recognize the right of Congress to conduct investigations, the House Un-American Activities Committee has proved itself a threat to freedom of political opinion. We, therefore, call for its abolition."

And on the question of the FBI they said something that ought to be long remembered. They defended Judith Coplon and attacked the FBI with these words:

"It has given the public a chance to see how silly an FBI report can really be."

ADA goes right along with the Communist Party in advocating the claimed right of teachers and pupils to be Communists and to do their work without having to bother with loyalty oaths or tests. They grow quite indignant over attacks on teachers who are shown to be Communists or who teach communism. And they say no one should question the right of a Communist to be on the Government payroll.

ADA has long been promoting the idea of "peaceful coexistence" with Red Russia. And they favor our recognizing Red China—and admitting her to the United Nations. These and many other things openly advocated by the Communists are part of the written platforms of ADA.

Yet this outfit parades before the American people as an anti-Communist organization. They depend on the inability of the people generally to learn of the things I've told you today. And so when they launch an all-out attack on my committee or its members it's almost impossible for the public to properly and accurately evaluate their statements. And in this they're helped by such leftwingers as the Alsops, Childs, Stokes, and others.

And while we're about it we should remind ourselves that the same crowd that runs ADA is the moving force in the outfit calling itself the "Commitee for an Effective Congress." That's the gang that supplied Senator FLANDERS with his dirt last year. Let's look at some of those doing the planning and plotting for ADA and this "committee."

Now I haven't time for more than a thumbnail outline but here goes. Arthur Schlesinger, Jr., is probably the most prolific in his writings and propaganda. Well back in 1929 the New York Times published a statement attributed to him in which it is said:

"I happen to believe that the Communist Party should be granted freedom of political action and that Communists should be allowed to teach in universities so long as they do not disqualify themselves by intellectual distortions in the classroom * * *."

There speaks one who either lacks understanding of the Communist or who is deliberately promoting the cause. I can't believe he is naive. Freedom of political action means freedom to destroy us—nothing

less. Over and over again from Lenin and Marx down to Malenkov they have told us this. I cannot believe anyone with an eighth-grade education could be misled, and teachers and professors do not turn their Communist ideas on and off as they enter or leave a classroom.

Earlier Schlesinger was one of those urging that the deportation order of Harry Bridges be canceled. He was sponsor of a civil rights congress appeal for a meeting to be held at Detroit on April 27 and 28, 1946. This is the organization dedicated to the defense of Communists and which was cited as subversive and Communist by the Attorney General. My committee branded it as controlled by individuals who are either members of the Communist Party or openly loyal to it (September 2, 1947) and he recently rushed to the defense of J. Robert Oppenheimer in a long magazine article.

I could name other groups with which his name has been associated but I think this enough to give you the idea. Perhaps this will give you some insight into how these groups work and why FLANDERS was used as the front man. And I have checked on some 14 members of the committee for an effective congress as listed in the CONGRESSIONAL RECORD last year by FLANDERS. I have not had time to run down the records of the balance but I found everyone I checked associated in one way or another with anywhere from 1 to 14 front groups. While one of them, Paul Appleby, has testified before my committee that:

"A man in the employ of the Government has just as much right to be a member of the Communist Party as he has to be a member of the Democratic or Republican Party."

And several others have belonged to Communist fronts, I am not charging them with being Communists. That's something that could only be determined through hearings.

But that's not the point. I'm merely trying to show that people with sympathies of that kind are the ones chiefly responsible for the blatant demand that all investigations into communism be abandoned. These people may honestly believe the stuff they put out but that doesn't change the fact that they are doing for the Communists that which they cannot do themselves. J. Edgar Hoover, whom I admire very much, puts it this way:

"The pseudo-liberal can be more destructive than the known Communist because of the esteem which his cloak of respectability invites."

Which brings to mind the name of another bleeding heart—Robert Hutchins—formerly with the University of Chicago. He has recently blown off steam on this subject as he has been doing for years. When in Los Angeles a little more than a year ago he was extensively quoted as being violently opposed to congressional investigations. He said that Cardinal Spellman was all wrong in saying that no one was being hurt in America by such committees. He said that:

"Congressional committees which published lists of subversive Communist and Fascist organizations were run by a bunch of characters. And that the lists should not be published."

He went on to say he didn't believe in loyalty oaths for teachers or professors. And he said:

"I do not feel the Communist Party as dangerous as professed. Some people take it for granted that just because a person is a member of the Communist Party he is dangerous. This is not true."

Is it possible this man is that ignorant? He must know better. But that attitude pretty well sums up the apparent or public thinking of nearly all those who want an end to congressional investigations. It's exactly the same as the Communist Party position. In the pamphlet I mentioned earlier the Communists say:

"Communism is not the issue in this country today or in the near future. * * * American Communists * * * deny that the Soviet Union or any country led and ruled by working people threatens our country, or could threaten our country. * * * But while the issue today is not communism, the true nature of the Communist Party and the role which it plays in American life is very much an issue. The American people must know the truth about this issue lest the monstrous deception now practiced on them lead to the loss of democracy and freedom they prize so dearly."

I presume Hutchins knows these things. Draw your own conclusions as to whether he's promoting the cause of communism when he tries to sell the idea that communism and Communists are really fine and pose no threat to us.

Hutchins and those like him who seek an end to investigations would have us forget the history of the last two decades. No one charges that the whole Democratic Party as such is guilty of condoning all the terrible betrayals that took place. I know many deplore them as strongly as any of us. But I don't see how anyone can avoid agreeing that their leadership did deliberately try to sweep all the dirt under the rug. Surely we have not forgotten that the guilty knowledge about Communists in Government was revealed to both Roosevelt and Truman years before it was brought out into the open by congressional committees.

Let's take the White case as an example, since it's typical. On December 4, 1945, the FBI informed Truman that White was in contact with six persons involved in the Amerasia case. That was some 3 years before our committee hearings. And it was 3 years before our committee exposed Alger Hiss. Yet the FBI had told Truman all about Hiss, Abt, Pressman, Collins, Perlo, Kramer, and others along with White. And about 60 days after the first report the FBI handed up another on the subject.

The first FBI report told of Chambers' statements of 1939. All of this of course long before the famous Pumpkin Papers episode. And Harold Glasser was named. He was an assistant to White. Yet after getting all this information Truman appointed White as United States Director of the International Monetary Fund.

Now observe carefully what this sequence of events means. The FBI did a magnificent job. But it could get no results—except in reverse. When it made known to the President the information it possessed it could go no further. It is part of the executive branch. It has no power to compel action and it is commanded by law to keep its mouth shut. It cannot go to the public as can a congressional committee in an effort to force the President to act. And so in the White case every thing was cozy. Despite the obviously heroic efforts of the FBI to force action the Executive was the boss—and so began the coverup. Nothing happened. The people of the country were entirely in the dark. In the words of Woodrow Wilson, "the country (was) helpless to learn how it (was) being served." The country was in embarrassing, crippling ignorance of the very affairs which it is most important that it should understand.

Is it too much so say that if, instead of covering up, the President had moved swiftly to clean out the nest we could have avoided Korea at the very least? Do you think we would now be debating what we shall do in Asia. Is it not clear that the Nation is now paying the penalty for enforced ignorance of its own affairs? Do you think that Congress would have gone along with the insane things done after these things were privately revealed to the Executive? Rather do you not think that the world would be free of most of the Communist-inspired trouble?

But now observe what happened with passage of time and as a result of the energetic work of my committee. Elizabeth Bentley, Whittaker Chambers, and others came before the committee and began to unfold the sordid story we now all know. It was done with difficulty for on March 21, 1947, Truman thought to protect himself by issuing his now famous order preventing Congress from getting at the records. Nevertheless, the disclosures broke things wide open with the results we now know. Of course there remains much to be done. The files of the Executive Departments, if opened to the Congress, could tell stories that would dwarf all that's been thus far revealed. I've had a glimpse—I know.

Now does anyone really think that the clean-up, reluctant as it has been, would have been started if the committee had not gone ahead regardless of the brickbats? Truman's famous " red herring" remark was far from the worst thing said about the committee and its work. The Washington Post, the Post Dispatch, the Sun Times, the Los Angeles Daily News and the Pittsburgh Post to name a few took out after the committee in hot pursuit. They practically accused the committee of committing a crime in even examining White in hearing Bentley. Completely without foundation the Post Dispatch said the committee "often shows scant respect for civil rights"—referring especially to the examination of White. Tom Stokes went overboard as usual in these things and said that "White has been a victim of a special sort of tyranny." He said the hearing was an, "American-style inquisition." And that prominent lady who is always quick to jump to the defense of anyone called before a congressional committee, Mrs. Roosevelt, pulled out the favorite of the Communists, character assassination, and called Miss Bentley, "this evidently neurotic lady."

Now I hope you will bear these things in mind when you read or hear these papers, columnists, and others bearing down on congressional investigations. I could cite many more examples of how they operate—and show how they have consistently been wrong. I remind you of just one more example—Alger Hiss.

I think it self-evident that those who constantly cry out, "Let the FBI do it," really mean something far different. The record shows plainly that the FBI can't do it unless those at the top are wholly in sympathy. And even then there is much the FBI cannot do or is prohibited from doing. Above all it is the duty of the legislative branch to exercise its watchdog and informative functions.

Of course its absurd to say that the Executive Department should be depended on to handle its own checkup and inspection. It's grown to such size that no one man can even know the limits of its domain. And you can depend on it that each man looks out for himself and doesn't seek trouble. It's sheer folly to argue that Congress should leave the policing job to those whose house is to be inspected. That's been the policy of the past—and it's responsible for the situation we now know about. The FBI and the many other security agencies are all part of the executive branch. That branch must always be suspect if we are to preserve our liberty for that's the only branch where real tyranny can arise.

But now I come to a very real and important reason why congressional committees are to be preferred over the FBI or any of the other executive department agencies. The FBI cannot even touch the thing that's most important of all—the factor of political or other influence on policy and decision. Only a congressional committee can lay bare the facts about an outfit like the Institute of Pacific Relations

or any one of the more than 1,200 Communist fronts now operating within our borders. The FBI can act only in criminal matters. Even then it cannot speak out. It cannot subpena witnesses. It can never expose the secret workings and influence of the men and groups that seek to betray us from within.

We're in trouble all over the globe today, because the evil influence of men who could not be prosecuted for a crime, reached into the high councils of government and produced a Yalta, a Potsdam, a Tehran. We're in trouble, because congressional committees were denied access to files and information before and while things were happening. We learn too late something of the baneful influences that sold Chiang down the river and lost China, Korea, Indochina, central Europe, and now threatening even greater losses unless we're prepared to make a last-ditch fight.

And don't make the fatal mistake of thinking it won't ever happen again, so long as the instinct of self-preservation exists, men in government will always cover up. The man at the top will never know; he can't unless Congress moves in. And since the Communists work 24 hours each day, the pressures will never cease. Congress should be on guard every day of the year if we are to be saved.

There has been much said about committee methods and procedure. Practically all of this started with the left-wing ADA crowd after prompting by the Communists. You have only to attend committee hearings to find that witnesses are not abused. All this talk about civil rights started with the Communist Party's handbook. It's been taken up by people who either do not know the facts or are willfully helping the Communist cause. It's the committee that's on the receiving end. The Communist witnesses are instructed on how to use their appearance as a means of putting over the party line. They are told to "bring out the class issues at the trial." And in answering questions they are instructed to "either answer your own way or not at all."

Those who accuse the committees of destroying civil rights never become specific. They cannot. Instead they set up a straw man to demolish. It's too bad they never sit in on our hearings. But then that would ruin their story.

Now, earlier I said something about Members of Congress being taken in by the Communist conspiracy. Let me give you just a few examples. The American Committee for the Protection of the Foreign-Born was long ago stamped a Communist front. It is perhaps the oldest and best known of the lot. The National Council of American-Soviet Friendship has been identified as a front also. These facts have been common knowledge for a long time. Yet despite these well-known facts, several Senators have taken part in or lent their names to the activities of both these groups. Of course, each one can point to the others and use that as an excuse for being duped. But that's no real excuse. A moment's investigation would have revealed the true nature of these groups. The fact that these men did not use the simple precaution of investigating ought to be a warning to others, and certainly argues for the necessity of investigating committees of Congress.

One Senator supported a number of groups, including one of the most important Communist fronts while it lived—the American Youth Congress. That Senator has been listed as a member of the National Advisory Board of the American Friends of the Chinese people and as a sponsor of the American Investors' Union. Both were known Communist fronts. The first of these groups openly espoused the cause of the Chinese Communists. This Senator may say he didn't know these things, but in the face of known facts that would be hard to believe. And his record as an ADA member belies any such defense.

Several others were affiliated in one way or another with the independent citizens' committee of the arts, sciences, and professions. The Communist Party started that outfit. It has now been succeeded by the National Council of the Arts, Sciences, and Professions. Both have been exposed by the committee of which I was a member.

But why go on? This should give you some idea of what I mean when I say that the Communists have reached up into the Congress itself with their influence. I'm not calling these men Communists, but the use of their name and influence with their consent has undoubtedly given aid and comfort to the very ones these men should be fighting. It may have been unconscious, but that does not change things for America. And does it not prove J. Edgar Hoover right when he said:

"The pseudo-liberal can be more destructive than the known Communist, because of the esteem which his cloak of respectability invites."

The really frightening thing about all this is that it evidences a complete lack of understanding of what's going on in the world, and what the Communist conspiracy is doing and how it operates. It's obvious that these men do not yet understand that this Nation has been at war with communism since its birth in Russia in 1917. Of course, the real war against us started in a big way when Roosevelt made the greatest blunder of all—the recognition of Red Russia in 1933. It's been all-out war since that day. These men and many others do not understand that this is a war to the death; that the basic philosophy of the Communist world is that we must be destroyed. And that we must be first softened up from within by the very front method I've discussed.

Over 20 years ago those attending the Lenin School of Political Warfare in Moscow were told:

"War to the hilt between communism and capitalism is inevitable. Today, of course, we are not strong enough to attack. Our time will come in 20 or 30 years. To win we shall need the element of surprise. The bourgeoisie will have to be put to sleep. So we shall begin by launching the most spectacular peace movement on record. There will be electrifying overtures and unheard of concessions. The capitalist countries, stupid and decadent, will rejoice to cooperate in their own destruction. They will leap at another chance to be friends. As soon as their guard is down we shall smash them with our clenched fist."

Earlier Lenin had outlined the general plan of attack. It's passing strange that more people do not understand. Yet, as we know, Hitler's plans were laid out for all to see, but practically no one read or believed. Well, back in 1922, Lenin had this to say:

"First we will take eastern Europe, then the masses of Asia, then we will encircle the United States, which will be the last bastion of capitalism. We will not have to attack; it will fall like overripe fruit in our hands. We must secure the good will of teachers and professors in schools and universities, of liberal ministers of religion, and of the pacifists and reformers of the world in order to create a mental barrage in the minds of capitalistic youth, which shall forever bar them from participating in a carnal conflict with the Communist order."

Have not the past two decades brought us proof that these words were not idle ones? Is there anyone so blind as to not see that the Communist timetable has been followed right down to the present. Have they not used the means and methods they so plainly told us they intended using? Is there reason to doubt that they intend plowing straight ahead on the furrow they've been following?

Congressional investigating committees are part of the frontline troops in this very real war between godless communism and those of us who still believe in Christianity and individual freedom. We are the only important organized group combating the subversive influences that seek to lure us to our doom. It's part of the duty of such committees to see to it that the Nation is not lulled to sleep. It's part of the committee job to see to it that the Communist conspirators are not allowed the luxury of surprising us. I am in complete agreement with Woodrow Wilson when he says that the informative function is to be preferred above the legislative one. I agree with Justice Black and Senator Norris in their appraisal of what can be expected if investigating committees are ended.

Those who would destroy the investigating committees looking into the Communist threat have scant knowledge of history. If our liberty is to be preserved, it will be because the elected representatives of the people make it their business to protect it. The eyes and ears of Congress are its committees. The Communists know this. Events of the last year should warn us that they have sucked in far too many to do their bidding. If Congress should now suddenly decide to call off the hunt for subversives there would be great rejoicing in Moscow, for that's their No. 1 goal at the moment. Let's not be suckers.

I am convinced that the concerted efforts the Communists made against all of us on these committees was but part of their overall plan to put out the eyes of the Nation so that, blinded, we will walk over the cliff into totalitarian slavery. You have their word for it that they're counting on us to do this.

I am now temporarily on the sidelines, so to speak, but my interest has not flagged. So long as the Stevenson, Reuther, ADA, left-wing philosophy retains control of the Democratic Party machinery—so long as they put up candidates who subscribe to the theory that we have nothing to fear from the Communists within our midst—the hope of the Nation must rest on the Republican Party and those real Jeffersonian Democrats who have not forgotten their heritage. God forbid that we go soft. If we do, the cause is lost forever.

DEFENSE SKILLS

Mr. PHILBIN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. PHILBIN. Mr. Speaker, I wish to revise and extend my remarks in the RECORD and include therein an excellent statement before the House Ways and Means Committee on H. R. 1 by my friend, Mr. Henry S. Woodbridge, vice president of the American Optical Co. of Southbridge, Mass.

Mr. Woodbridge, an outstanding industrial statesman and an outstanding authority on the very vital question of preserving skills in American industry, has ably presented views which should be carefully considered by every Member of the Congress.

Foreign imports are unquestionably adversely affecting and dangerously threatening to diminish, certain essential skills in American industry. We must all be concerned lest current trends developing still further should reduce these skills to the danger point and leave our economy severely handicapped regarding defense preparations and its

total-war potential. This thoughtful, well-reasoned, documented presentation by Mr. Woodbridge is most assuredly a great contribution to a most important subject. It is timely and convincing. It points up a most alarming condition.

We should all ask ourselves the question: If we permit foreign competition to reduce still further the utilization and development of the skills of precision workers, and other key workers, so essential to modern, scientific, industrial techniques, how can we possibly be assured of keeping our great industrial machinery and great productive system at that high pitch of efficiency and productivity necessitated by present conditions in the world?

Can we stand by, unprotesting and inactive, while low-standard, low production cost, foreign products take over increasing areas of our markets in respect to fabricated commodities requiring special skills and technical proficiency, and thus leave our economy floundering in confusion and inadequacy when a real emergency arises? This question imperatively requires the careful attention of the Congress. It must be answered, if the national security is to be adequately safeguarded.

DON'T SCRAP DEFENSE SKILLS, WOODBRIDGE URGES

Scrapping of defense-vital skills is far more serious than scrapping guns or planes.

So declared Henry S. Woodbridge, vice president of the American Optical Co., today in urging amendment of the administration's reciprocal-trade bill. Mr. Woodbridge testified before the House Ways and Means Committee.

Twelve years' experience with military procurement had convinced him, Mr. Woodbridge said, "That there is no single responsible authority to make effective the preservation of skills that are essential to our national security."

"This is the Achilles' heel of our defense program," he added. "Failure to make provisions for the preservation of vital skills is nothing short of disarmament. In the final analysis, scrapping of skills is far more serious than scrapping guns or planes. Unlike ships, these skills cannot be mothballed.

"Without certain vital skills our country could find itself at a serious military disadvantage in a time of emergency."

The amendment Mr. Woodbridge suggested would require the Tariff Commission, in any escape-clause proceeding found to involve national security, to report this finding to the Defense Mobilization Board for investigation of defense-essential skills involved. The Board would then submit its findings to the President for appropriate action to preserve them.

Mr. Woodbridge, whose company was founded in 1833 and is the oldest optical company in the country, was strongly opposed to Government subsidies to keep optical skills alive, even though he imagined "our company would have to be included in a subsidization program."

"Frankly, it is our genuine belief that subsidies will weaken the industry and that the right way to handle the situation is in a competitive climate," he added.

"This has always provided the incentives which have resulted in the extraordinary achievements of American industries."

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

Mr. PRIEST. Mr. Speaker, I ask unanimous consent that during the next 2 weeks, on such days as there is no legislation being considered under the 5-minute rule, the Committee on Interstate and Foreign Commerce may sit during the sessions of the House.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

ADJOURNMENT OVER

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

POSTAL SERVICE COMPENSATION

The SPEAKER. Under previous order of the House, the gentleman from Michigan [Mr. LESINSKI] is recognized for 30 minutes.

Mr. LESINSKI. Mr. Speaker, it seems that request has been made by the chairman of the Committee on Post Office and Civil Service to bring up the bill H. R. 4644 under suspension of the rules. As one of the members of the committee who tried to report out a fair compromise bill, it is rather shocking to me that that request should be made because we will be unable under the suspension procedure to correct the bill sufficiently to make it practical for all the people involved.

The bill originally called for a 5-percent increase, and a total average of 6.5 percent of payroll. As the bill stands right now, that claim of 7.5 percent is not so. It is only 6 percent for the majority of the postal employees. The increases in the bill range from 6 percent to as high as 58 percent. I have no objection to the 58-percent increase to certain employees for the very reason that the across-the-board increases in the past have destroyed the differences in the salaries. However, under the suspension of the rules procedure it is impossible for us to correct some of the inequities that have shown up. We have tried time and again to correct these things in the committee but have been unable to. For that reason, I believe we should beat down the suspension of the rules on Monday. Let us work out a proper bill on the House floor.

Mr. MOSS. Mr. Speaker, will the gentleman yield?

Mr. LESINSKI. I yield to the gentleman from California.

Mr. MOSS. Is it not true that in the bill which will be considered here, should the House vote it under suspension of the rules, we provided at least 15 of the 50 key positions defined in the bill for increases in salaries ranging from 10 to 34 percent?

Mr. LESINSKI. That is correct.

Mr. MOSS. Is it not also true that in the proposed salary level 5, where 60 percent of the total field service of the postal establishment will be placed, there is an average increase of 6.9 percent?

Mr. LESINSKI. The average increase is correct, but, as I understand it, at the present time the average for the majority of the employees is below that. It is 6 percent.

Mr. MOSS. I was liberally construing the figures that had been computed by some of those favoring the bill, but putting the most favorable light on it 6.84 percent would represent, I believe, the correct average for that level.

Mr. LESINSKI. The gentleman from California will recall we tried to amend the bill with a compromise of 8 percent, because the actual needs of the employees are 12.5 percent, and they compromised to 10 percent. We tried to get some definite amount that would be a further compromise. Actually the administration has not moved a single bit. We have moved all the way.

Mr. MOSS. There have been many stories published since the committee reported out the legislation, stories which claim that this is a 7.5-percent salary increase bill.

Mr. LESINSKI. That is not true.

Mr. MOSS. Relating that to the payroll, I believe it represents the cost of the legislation, but it is admitted by the Post Office Department that at least 1.5 percent of the total cost of this legislation is directed primarily to reclassification itself.

Mr. LESINSKI. That is correct.

Mr. MOSS. Therefore, for the purpose of salary adjustment and to meet competitive conditions and to compensate for increased productivity on the part of the worker, and to recognize increased living costs, and I think the Congress should be concerned also with the increased standards of living, there is actually under the legislation only a 6 percent of payroll allotted for that purpose.

Mr. LESINSKI. Under this bill, the Postmaster General has the authority to either upgrade or downgrade a person in the post office. Of course, there is the chance that that might happen to a man because he combs his hair on the wrong side or for some other reason. We realize that there are political purposes, too, but the intent of the bill is that the Postmaster General shall have that authority. I do not think that is proper. It is up to the Congress to regulate such things and to provide a proper piece of legislation so that the employees in the Post Office Department may have a chance to come back to us in case something is wrong.

Mr. FOGARTY. Is it not a fact that those of us who want to see some legislation passed providing a raise for postal employees and all Government employees are being forced into the position of voting against suspension of the rules on next Monday?

Mr. LESINSKI. That is correct in spite of the fact that generally the bill provides for 6 percent. The majority of the Congress believe a 10-percent increase is proper. Those of us who will vote against the suspension of the rules on Monday will do so not because we do not want an increase, but because we are against the bill as it stands today.

Mr. FOGARTY. That is right and this is just another way to get them the raise that they deserve at the present time.

Mr. LESINSKI. That is correct.

Mr. DIES. Mr. Speaker, will the gentleman yield?

Mr. LESINSKI. I yield.

Mr. DIES. I do not quite follow the logic of the gentleman. Assuming that the bill is not satisfactory in its present form, would it not be better to pass it and send it to conference and let the conferees work out a bill rather than to repeat what happened last year? Of course, you know that the committee of the other body has reported quite a different bill without any reclassification providing a 10-percent raise. The gentleman knows that a great deal of legislation is worked out in conference.

Mr. LESINSKI. That is correct.

Mr. DIES. What possible service can you render the postal employees by killing this bill and delaying this matter and having a repetition of what you had last year?

Mr. LESINSKI. May I say for the benefit of the gentleman, No. 1, the House bill provides, as it stands now, 6 percent for the majority of the employees; and, No. 2, the second feature of the bill is that there are items of reclassification, which are objectionable. That is the main reason why we are opposing this bill at this time.

Mr. DIES. Assuming that all to be true and assuming the gentleman is correct, as a matter of procedure and as a matter of being practical, would it not be advisable to send this to conference and let the conferees work out a bill? You know that the conferees of the other body are favorable—more favorable, we will assume, to that. If you really want legislation, is that not the practical way to get it?

Mr. LESINSKI. In reply to the gentleman, I will say this, it is up to the House and the membership of the House to decide what kind of legislation we want. If the legislation differs from what the other body puts out, then it should be straightened out the way the gentleman has just said, and that is in conference.

Mr. DIES. But you know what will happen if you kill this bill on Monday.

Mr. LESINSKI. We do not intend to kill the bill, may I say to the gentleman from Texas, because if we cannot do what we would like to do here, we intend to send the bill back to the committee and report out the bill, S. 1, which calls for a 10-percent increase if possible.

Mr. DIES. But you have been working on the legislation now for a long time and you came out with a bill, which is the best bill that you can report; is that not correct?

Mr. LESINSKI. That is right—in the committee, but not on the House floor.

Mr. DIES. Now you propose, after having brought the bill out, that everyone should vote against suspending the rules on Monday for considering the bill, which has the effect of sending the bill back to your committee.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. LESINSKI. I yield.

Mr. McCORMACK. If we followed the reasoning of our friend, the gentleman from Texas, then there would be no reason why we should legislate on any bill, which passes the other body and we might just as well have the House abdicate its responsibility by saying that we can send the bill to conference to be worked out. Certainly, we have a right to pass on legislation.

The method suggested by the gentleman would deny Members of the House an opportunity for offering amendments and the House passing upon them.

In the second place, if the suspension is not carried, the bill is not defeated. It is in the Committee on Rules.

Mr. DIES. Yes; and the gentleman knows it will come back with the same sort of gag rule we have had here on all controversial legislation.

Mr. LESINSKI. This is an administration bill, not a bill from the committee.

Mr. MOSS. Mr. Speaker, will the gentleman yield?

Mr. LESINSKI. I yield to the gentleman from California.

Mr. MOSS. Is it not true that the statement of the gentleman from Texas [Mr. DIES] would place the House in the position of abdicating its responsibility to try to work its will in perfecting legislation which I think is generally agreed by everyone to be necessary.

Mr. LESINSKI. That is correct.

Mr. MOSS. There is a distinct possibility that through offering amendments on this floor, amendments which the House can consider, that we can strengthen certain of the provisions of the bill as they relate to the broad grant of classification of authority which is being given the Postmaster General? For example, the minority views express the intention of those who subscribe to them to offer one amendment which would require the Civil Service Commission, as it does for all other departments of the Government, to audit and review the classification decisions taken by the Postmaster General. It would be a hedge against arbitrary action by the Postmaster General. It is the fear of arbitrary action from the present occupant of that office that has so disturbed the postal organization. They would feel much more secure if they knew that some fairly neutral agency of Government would be accorded the opportunity of reviewing the decisions, allocating them jobs and salary levels. In addition, we will have an opportunity to bring a salary increase for the great bulk of the employees more nearly in line with the salary increases proposed for approximately 18 of the 21 salary levels in this new legislation. Those are decisions which this House should make and which they cannot consider at all under the gag procedure of suspension which, at best, permits us opportunity for most limited discussion. There is not even an opportunity to move to recommit the bill with instructions, under such procedure.

Mr. LESINSKI. The bill presented under suspension, if it is given proper study and if the committee allows it to be corrected properly, is all right, but this bill was not properly considered. True, the Department claims they spent 6 months on it. They could have done so. But the Department did not go to the people that it is supposed to represent, except in a few minor instances. Actually, in your State you have men in the airmail department that were not even considered or spoken to. In spite of some of the good features of the bill, which I have to acknowledge, basically the bill allows the Postmaster General to demote or to promote or to increase the salaries all the way down the line. I believe you and I in this House, and not the Postmaster General, should have that responsibility.

Mr. DIES. Mr. Speaker, will the gentleman yield?

Mr. LESINSKI. I yield.

Mr. DIES. I am delighted to hear some of my colleagues speak against a closed rule. I wish they had taken that position in the past few weeks when we fought certain closed rules that were passed. But the point I am making is that you have considered this matter for more than a year and you finally came out with a bill, and that represents the very best bill that your committee can formulate. Now you have an opportunity to have that bill considered on the floor of the House.

Assuming that it does not represent what it ought to represent, nevertheless you know and I know that if a committee of the other body that has very liberal ideas with respect to the postal raise and this idea of reclassification, brought out a bill and the other body passed it, it would seem to me that the most practical course would be to pass this bill, let the two bills go to conference and let the conferees try to work out a compromise.

Mr. LESINSKI. In all fairness to the gentleman, he said that we have had a year. That is not so. If the gentleman will recall, last year the bill required the Post Office Department to make a reclassification. That bill did not pass. True, the Post Office Department worked for 6 months on this bill without too much thought given to the employees.

The gentleman said that we were allowed time to study this thing. That is not true, because within a week after it was placed in the hopper the bill was called up for action in the committee and the Members did not have time to study all the provisions of the bill.

Mr. TUMULTY. Mr. Speaker, will the gentleman yield?

Mr. LESINSKI. I yield.

Mr. TUMULTY. Mr. Speaker, I have been listening to the eloquent senior gentleman from Texas but methinks that he contradicts his own policy. I did not have a year to study this bill; I just got here in January. All I know is that the postal employees want a 10-percent raise and I am with them. I sat in on this committee and I am convinced it is not the best bill this committee can report out. I am convinced that the minority report is perhaps to my mind a better proposition, better than even the 10-percent bill of the Senate.

We should have an oportunity to meet this matter on its merits.

I listened to the eloquent gentleman from Texas when he was arguing. He wants an open rule on all matters in which he is interested. Now I find that he uses his seniority and his skill to prevent an open debate.

Mr. DIES. No, the gentleman does not do me justice.

Mr. TUMULTY. May I finish, please? I now find out, listening to his guile of seniority that his method would permit him to take a double position. He could say to the postal employee that he was for them, then the conferees could accomplish just the opposite thing and keep their raises down, a very clever and excellent maneuver. But it seems to me these employees are entitled to have this measure heard in open debate on the floor. I know I am only a freshman and have not had the experience of the gentleman on these various committees in working up these various things. All I know is he stands here and argues against an open rule, that he wants a suspension of the rules. But the people are entitled to have the measure brought up and freely discussed. And I am sure the way to bring out a measure that will do justice to the postal employees is to vote against a suspension of the rules.

Mr. DIES. Mr. Speaker, will the gentleman yield?

Mr. LESINSKI. The gentleman's name was mentioned; I yield to him.

Mr. DIES. The gentleman unduly compliments me. I am not nearly as clever as he thinks. I did not say I was for a closed rule. I said you have a choice between two closed rules, either a suspension of the rules; or if it goes to the Rules Committee you will come back with the same kind of rule that this House has voted on every controversial question as long as I have been here this session. You wanted a closed rule on the various bills where it has been controversial.

Mr. TUMULTY. I think the gentleman mistakes my position.

Mr. DIES. I did not mean the gentleman individually.

Mr. TUMULTY. Do not look at me then if you do not mean me; look at somebody else.

Mr. DIES. If you have any assurance that you could come back here with an open rule under which this bill could be amended that would be one thing; but, as a practical matter, you and I know that if you defeat this suspension method, and then go to the Rules Committee, you will come back with the same sort of situation in which you cannot offer amendments.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. LESINSKI. I yield.

Mr. McCORMACK. As a matter of fact, my good friend from Texas has not, I think, said he was going to vote for suspension. I say that in justice to the gentleman. I understood he was just probing for enlightenment for himself as well as for the other Members, and I am sure the gentleman's mind is still open as to whether or not he will vote for suspension on Monday. As I understood my friend, he was just viewing things from a practical angle, in this case a little bit too practical for me to follow. But he has not stated he was going to vote for suspension of the rules. I am sure he will keep his mind open. The practical effect of that will be that we are denying an opportunity on a bill that there should not be a closed rule on.

There are some bills we recognize there should be some closed rules on. I am sure that my friend from Texas on the tax bill would want to vote for a closed rule rather than having an amendment offered in relation to a depletion allowance for oil, for example. I am sure my friend would vote for a closed rule, so would I on a tax bill, but not for that reason. I realize that in connection with oil there should be an allowance for depletion. I have rather definite views that do not vary very much from those of my friend from Texas. I am sure if he were faced with the possibility of an amendment being offered to a tax bill which would sharply reduce the depletion allowance on oil he would vote for a closed rule.

There are certain bills we have closed rules on. The procedure for Monday is a proper procedure. It is under the rules of the House, and no criticism can be directed. I am opposed to it because I do not think in connection with this particular bill that should be exercised. I think an opportunity, a reasonable opportunity, should be given to the membership of the House to try and carry out the will of the House. I am sure that if the bill were brought up under the general rules of the House there would be only two amendments offered to it.

There are different kinds of closed rules. There is an absolute closed rule. However, a closed rule never takes away the right of offering a motion to recomit. Then there is also the partially closed rule. There are closed rules which permit certain amendments to be offered in the Committee of the Whole. So that I am sure if suspension of the rules does not prevail on Monday this bill will be brought up before the House in the reasonably near future.

Mr. LESINSKI. I was one of the first of the committee who wanted to bring about the formulation of a practical balance between both sides. If this bill met even to a degree what I tried to propose originally, I would be the first to follow the gentleman from Texas. But, on second thought and for your information, the bill as reported out of the committee is not the bill the committee members voted on originally. It has been changed between the reporting out of the committee of the bill and the final printing of the bill. That is something for us to consider and that is the reason why we are opposing it today.

Mr. HALLECK. Mr. Speaker, will the gentleman yield?

Mr. LESINSKI. I yield to the gentleman from Indiana.

Mr. HALLECK. I would like to say this at the present time. The gentleman from Massachusetts has referred to suspensions and to closed rules. Those of us who have been here through the years know that sometimes we have closed rules and many times we have suspensions. Without going into reasons why, certainly not at this time, the gentleman from Massachusetts knows as well as I do why many bills are brought here under suspension of the rules. Here is a situation where a bill has been reported, as I understand it, from the committee that has had the matter under consideration for months and months by a vote of 16 to 7. I think it is liberal treatment of the employees. I think it should also be understood that before suspension of the rules can be had, a request must come from the chairman of the committee who in this instance is the gentleman from Tennessee [Mr. MURRAY] to the Speaker of the House before suspension can be had.

Now, I assume that is what has been done on this occasion. I think it is fair also for me to say at this juncture that this bill, if it is passed as it is written here, can go on and become law, and that certainly is something that we ought to be interested in, all of us. So, as far as the procedure is concerned, there is nothing irregular about it. Bills of this sort have come up under suspension of the rules before and will come up under suspension of the rules hereafter, as do many other bills, from the Committee on Veterans' Administration, for instance, and even another bill is to be called under suspension of the rules on Monday next.

Mr. LESINSKI. May I say to the gentleman if you had a lot of fourth class post offices in your district and they were to be closed, say, by intimidation, it is rather difficult for you to keep an open mind.

Mr. MOSS. Mr. Speaker, will the gentleman yield?

Mr. LESINSKI. I yield.

Mr. MOSS. I would like to call the attention of the Members to the fact that we have during this session of Congress acted on two salary bills permitting ample time for the Members of this body to debate them. One of them was our own bill. The other was a salary bill for the military. Now we have another salary proposal dealing with another group of Federal employees. I can see no valid reason why their case must be considered under gag procedures unless there is a fear that, if permitted to work its will, the House would go beyond what the Postmaster General has laid down as an absolutely rigidly imposed ceiling. I am not willing to abdicate my privileges and my responsibilities as a Member of this House to any member of the Cabinet. That is a decision which I should decide on the merits and I should decide it after being thoroughly familiar with all of the facts.

Now, as to the question raised by the gentleman from Texas [Mr. DIES], this bill needs to be perfected before it goes to conference. The other body has reported a bill and will probably pass a bill which contains not a single provision relating to classification. If we are going to have proper classification, then we have the responsibility here in this House to send to conference a bill which is a proper classification act. The matter of salary can be compromised in conference, and I hope that it will be, and I think it is possible, if we take this matter under debate and consider just a few rather important amendments, that we can perfect it to the point where, in conference, a reasonable compromise can be arrived at which all of us can subscribe to.

Mr. RHODES of Pennsylvania. Mr. Speaker, will the gentleman yield?

Mr. LESINSKI. I yield to the gentleman from Pennsylvania.

Mr. RHODES of Pennsylvania. Mr. Speaker, I can understand why every Member of this House or most every Member will at times be in favor of a closed rule, but I can see no justification at this time for suspension of the rules on an important bill like this. A lot has been said about the salary increase, but there is a whole lot more involved in this legislation than the proposal to increase salaries. I refer to what has been called reclassification. Many of us are very much concerned about this reclassification feature. A lot has been said about the crying need for reclassification, but I wonder how many Members know what this reclassification bill does. It seems to me that there should be an opportunity to discuss it fully and put into the record the pros and cons on this important question of reclassification. For that reason, I think it is important that enough Members be present on Monday to defeat the effort to suspend the rules.

The Post Office Department has been very effective in its propaganda campaign for reclassification. In fact, the Department has a propaganda agency which surpasses anything I have ever seen in any government department. I recall some of the harsh criticism that was leveled at heads of some of the agencies during the Truman administration, who were charged with trying to influence legislation. Such charges were even made when the Social Security Administration sent out pamphlets explaining the provisions of the social-security law. Now the critics are strangely silent as hundreds of press releases pour out of the Post Office Department to sell a questionable reclassification bill and to increase first-class postage rates.

Unless one is familiar with both sides of this important reclassification issue, the propaganda from the Department could be most convincing.

A sound reclassification bill should start out by setting a maximum pay and a minimum to make possible the kind of livelihood to which every American citizen is justly entitled. Once the proper minimums and maximums are agreed upon we are in a position to arrive at the proper evaluation of jobs. That has not been done in this bill.

This bill, if passed, will result in greater confusion, more discontent and falling morale in the postal service. The power it places in the hands of the Postmaster General, if used for ulterior purposes, could result in serious consequences to postal employees and the postal service. Perhaps the present head of the Department has no such plan, but the power is there if this bill is enacted. It can be used at any time any Postmaster General wishes to use it.

There are some who may question the right of postal employees to belong to labor organizations. Others may question the right of Federal-employee organizations to press Members of Congress for support of legislation in which they are interested.

Leaders of employee organizations fear that such an attitude is held by some administration leaders.

They are justly concerned about some of the provisions in this bill. Some postal employees from my district have bluntly told me that they would rather have no pay increase than one that carries with it some of the reclassification provisions.

It matters little what kind of a pay bill is passed if postal employees will be put into a position where they can be demoted or promoted at will. They lose all if in order to be secure in their jobs they are forced to conform to the thinking and philosophy of those who control the Post Office Department.

Some of us on the committee had grave misgivings about this bill, but we were willing to compromise in an effort to have some kind of legislation enacted which would give the Department more freedom in dealing with personnel problems and at the same time provide for an adequate pay increase for postal workers. Amendments have been made in committee which resulted in substantial improvement in the legislation as first proposed. But there needs to be opportunity to make further changes which many of us believe are very important.

In the present bill some top bracket employees will receive increases of $4,000 to $5,000 a year. In the lower brackets, where the need is greatest, increases will amount to only $210 a year.

Such a proposal reflects the same kind of economic thinking and philosophy as the trickle-down theory on taxes and other important legislation.

In my opinion, a vote to suspend the rules is a vote for a proposal which can lead only to greater confusion and dissatisfaction in the postal service. Every Member who wants to be fair with the efficient and faithful employees in the postal service and who is concerned about employee morale should vote against suspension when the opportunity comes next Monday.

Mr. O'HARA of Illinois. Mr. Speaker, will the gentleman yield?

Mr. LESINSKI. I yield to the gentleman from Illinois.

Mr. O'HARA of Illinois. Mr. Speaker, I am a man with a simple mind. I know little and understand less of the legislative ambushes that smart men devise for thwarting the will of the majority. I do know that the postal workers of the United States are underpaid. I do know that the wives and the children of these underpaid postal workers are paying the price of administrative frills and administrative stubbornness. I do know that in the 83d Congress we in this House were given an ultimatum that we would have to take the barbarously unfair bill of the administration or get no bill at all to help these humble postal workers.

I know that we stood firm, and finally the majority of the membership of this House won the day and we passed a bill giving the postal workers a long overdue pay increase. The will of the Postmaster General was of stronger influence with the President of the United States than the voice of the Congress and the President of the United States vetoed the bill. In November the people took matters in their own hands and returned a Democratic Congress.

I am not saying that the mistreatment of the little people who do the underpaid jobs in the Post Office Department was the sole reason why the people sent to Washington a Democratic Congress. I do say it was a factor in the election because the majority of the American people, I am happy to say, are little people. By little people I mean men and women who do well and faithfully their jobs, smilingly trodding the routine of daily toil and wishing in return only the opportunity properly to take care of their families. The great majority of the Members of the House in their hearts sympathize with and want to do the right and decent thing for the little men and women of America.

As I understand it, on Monday next there will be a resort to legislative ambushing to prevent the doing of the decent thing by the postal workers. The challenge to every Member of this House who wants to do the decent thing by the postal workers is to be on this floor on Monday and remain here, untimidated by partisan pressures or by the dictatorial commands from any source, until the battle has been won.

Mr. LESINSKI. I concur with the remarks of the gentleman from Illinois.

The SPEAKER pro tempore. The time of the gentleman from Michigan [Mr. LESINSKI] has expired.

TO AMEND THE RICE MARKETING QUOTA PROVISIONS OF THE AGRICULTURAL ADJUSTMENT ACT OF 1938, AS AMENDED

Mr. THOMPSON of Texas. Mr. Speaker, by direction of the Committee on Agriculture I ask unanimous consent for the immediate consideration of the bill (H. R. 2839) to amend the rice marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. HOPE. Mr. Speaker, reserving the right to object, and I shall not object, I should like to hear a brief explanation of the bill by the gentleman from Texas.

Mr. THOMPSON of Texas. Mr. Speaker, the author of the bill, the gentleman from Arkansas [Mr. GATHINGS], is present and I should like to yield to him to make a brief explanation.

Mr. GATHINGS. Mr. Speaker, this bill seeks to do the same thing for the rice producer as is now done under the statutes for wheat, for peanuts, and for cotton. It would permit the rice farmer to release to the county committee the whole or a part of his allotment that he did not want to plant and have it reallocated in that same county. By releasing, or voluntarily surrendering, this acreage such rice farmer does not lose his acreage history. This legislation would provide some additional acreage to producers who have suffered hardship as a result of the large national reduction of 24.7 percent in the 1955 allotments. It keeps the acreage in the county where

the history was earned in those instances in which a farmer did not wish to plant the particular land and voluntarily surrendered the allotment to be reallocated to other growers.

Mr. HOPE. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Texas [Mr. THOMPSON]?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That section 353 of the Agricultural Adjustment Act of 1938, as amended, is amended, effective beginning with the 1955 crop of rice, by adding at the end thereof the following new subsection:

"(e) Any part of the farm rice acreage allotment on which rice will not be planted and which is voluntarily surrendered to the county committee shall be deducted from the allotment to such farm and may be reapportioned by the county committee to other farms in the same county receiving allotments in amounts determined by the county committee to be fair and reasonable on the basis of the past production of rice by the producers on the farm or the past production of rice on the farm, as the case may be; acreage allotments previously established for the farm or for the producers on the farm, as the case may be; abnormal conditions affecting acreage; land, labor, water, and equipment available for the production of rice; crop-rotation practices; and the soil and other physical factors affecting the production of rice. Any allotment surrendered under this provision shall be regarded for the purposes of subsection (b) of this section as having been planted on the farm from which surrendered, except that this shall not operate to make the farm from which the allotment was surrendered eligible for an allotment as having rice planted thereon, or to make any producer thereon eligible for an allotment as having produced rice, during the 5-year base period."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RICE ALLOTMENT HISTORY

Mr. THOMPSON of Texas. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 4356) to amend the Agricultural Adjustment Act of 1938, with respect to rice allotment history.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. HOPE. Mr. Speaker, reserving the right to object, will the gentleman make a brief explanation of this bill?

Mr. THOMPSON of Texas. Mr. Speaker, in some of our rice producing States, the allotment of acreage is given to the individual farmer rather than to the landowner. It is customary procedure to farm on shares. A man with an allotment will go to a landowner and say, "I want to come in and farm on your property and we will split 50–50." That farmer may have the entire allotment and the landowner no allotment. Under the present law, at the end of the season, the history of that acreage is split 50–50 between the farmer and the landowner, something which will entirely disrupt the industry in those States in which the acreage and the history customarily goes with the farmer.

This bill was approved and written in the Department of Agriculture, as was the one we have just passed, H. R. 2839.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That section 353 of the Agricultural Adjustment Act of 1938, as amended, is amended by adding to subsection (c) thereof the following new paragraph:

"In determining the past production of rice by producers on a farm for the purpose of establishing farm acreage allotments for the 1956 and subsequent crops, the acreage of rice on the farm for any year for which farm acreage allotments were in effect shall be divided among the producers thereon in the proportion in which they contributed to the farm acreage allotment."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. REES of Kansas.

Mr. RILEY.

Mr. QUIGLEY and to include extraneous matter.

Mr. LESINSKI.

Mr. OSTERTAG and to include a lenten message by the Chaplain of the House, Dr. Bernard Braskamp.

Mr. CRAMER in three instances and to include extraneous matter.

Mr. FEIGHAN and to include extraneous matter.

Mr. DIGGS.

LEAVES OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. SISK, for Friday, March 18, on account of official business.

Mr. MINSHALL (at the request of Mr. MCGREGOR), on account of official business.

Mr. BETTS (at the request of Mr. MCGREGOR), on account of official business.

CONSENT CALENDAR

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the call of the Consent Calendar on Monday next be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. BURLESON, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, a joint resolution of the House of the following title:

H. J. Res. 252. Joint resolution making an additional appropriation for the Department of Justice for the fiscal year 1955, and for other purposes.

ADJOURNMENT

Mr. McCORMACK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 6 minutes p. m.), under its previous order, the House adjourned until Monday, March 21, 1955, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

560. A letter from the chief scout executive, Boy Scouts of America, transmitting the 45th Annual Report of the Boy Scouts of America for the year 1954, pursuant to the act of June 15, 1916 (H. Doc. No. 110); to the Committee on Education and Labor and ordered to be printed with illustrations.

561. A letter from the Deputy Administrator, Veterans' Administration, transmitting the annual report of activities for the period ending June 30, 1954, pursuant to section 6 (c) of the act of July 3, 1930 (Public Law 536, 71st Cong.), and section 1504 of the act of June 22, 1944 (Public Law 346, 78th Cong.), including the annual report of the Veterans' Educational Appeals Board (H. Doc. No. 8); to the Committee on Veterans' Affairs and ordered to be printed with illustrations.

562. A letter from the Assistant Secretary of the Navy (Material), transmitting the fifth semiannual report of contracts, in excess of $50,000, for research, development, and experimental purposes for the period July 1 through December 31, 1954, pursuant to section 4 of Public Law 557, 82d Congress; to the Committee on Armed Services.

563. A letter from the Archivist of the United States, transmitting a report on records proposed for disposal pursuant to the provisions of the act approved July 7, 1943 (57 Stat. 380), as amended by the act approved July 6, 1954 (59 Stat. 434); to the Committee on House Administration.

564. A letter from the Acting Secretary, Department of Health, Education, and Welfare, transmitting a report on the settlement of claims made under the Military Personnel Claims Act of 1945, as amended, during the calendar year 1954, pursuant to section 222c (e) of title 31, United States Code; to the Committee on the Judiciary.

565. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders granting the applications for permanent residence filed by the subjects, pursuant to section 4 of the Displaced Persons Act of 1948, as amended; to the Committee on the Judiciary.

566. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders suspending deportation as well as a list of the persons involved, pursuant to section 244 (a) (1) of the Immigration and Nationality Act of 1952 (8 U. S. C. 1254 (a) (1)); to the Committee on the Judiciary.

567. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders suspending deportation as well as a list of the persons involved, pursuant to Public Law 863, 80th Congress, amending subsection (c) of section 19 of the Immigration Act of February 5, 1917, as amended (8

U. S. C. 155 (c)); to the Committee on the Judiciary.

568. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders suspending deportation as well as a list of the persons involved, pursuant to section 244 (a) (5) of the Immigration and Nationality Act of 1952 (8 U. S. C. 1254 (a) (5)); to the Committee on the Judiciary.

569. A letter from the Secretary of Hawaii, Territory of Hawaii, transmitting a copy of the Journal of the Senate, Legislature of the Territory of Hawaii, special session of 1954, pursuant to section 69 of an act of Congress approved April 30, 1900; to the Committee on Interior and Insular Affairs.

570. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated February 14, 1955, submitting a report, together with accompanying papers and illustrations, on a review of report on Ponce de Leon Inlet, Fla., requested by a resolution of the Committee on Rivers and Harbors, House of Representatives, adopted on March 25, 1938; to the Committee on Public Works.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. FOGARTY: Committee on Appropriations. H. R. 5046. A bill making appropriations for the Department of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1956, and for other purposes; without amendment (Rept. No. 228). Referred to the Committee of the Whole House on the State of the Union.

Mr. RICHARDS: Committee on Foreign Affairs. H. R. 4941. A bill to amend the Foreign Service Act of 1946, as amended, and for other purposes; without amendment (Rept. No. 229). Referred to the Committee of the Whole House on the State of the Union.

Mr. COOLEY: Committee on Agriculture. H. R. 4647. A bill to amend the rice marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended; with amendment (Rept. No. 237). Referred to the Committee of the Whole House on the State of the Union.

Mr. COOLEY: Committee on Agriculture. H. R. 4951. A bill directing a redetermination of the national marketing quota for burley tobacco for the 1955–56 marketing year, and for other purposes; with amendment (Rept. No. 238). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. WALTER: Committee on the Judiciary. H. R. 876. A bill for the relief of Alberto Dal Bello and Mrs. Dina Bristot Dal Bello; without amendment (Rept. No. 230). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. H. R. 923. A bill for the relief of Dr. Danuta Oktawiec; without amendment (Rept. No. 231). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. H. R. 957. A bill for the relief of Dr. Cristjo Cristofv, his wife Jordana Dilova Cristofv, and his children George and Daphne-Kremena Christofv; with amendment (Rept. No. 232). Referred to the Committee of the Whole House.

Mr. FEIGHAN: Committee on the Judiciary. H. R. 958. A bill for the relief of Howard Carl Kaiser; without amendment (Rept. No. 233). Referred to the Committee of the Whole House.

Miss THOMPSON of Michigan: Committee on the Judiciary. H. R. 970. A bill for the relief of Kyung Ho Park (Syung Sil Park) and his wife, Mrs. Young Sil Lee; without amendment (Rept. No. 234). Referred to the Committee of the Whole House.

Mr. HYDE: Committee on the Judiciary. H. R. 971. A bill for the relief of Mrs. Erato Aranopoulou; without amendment (Rept. No. 235). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. H. R. 976. A bill for the relief of Mrs. Franciska Mihalka; without amendment (Rept. No. 236). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. FOGARTY:

H. R. 5046. A bill making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1956, and for other purposes; to the Committee on Appropriations.

By Mr. BOGGS:

H. R. 5047. A bill to increase the compensation of trustees in bankruptcy; to the Committee on the Judiciary.

By Mr. CHENOWETH:

H. R. 5048. A bill to exempt farm transportation from tax; to the Committee on Ways and Means.

By Mr. McVEY:

H. R. 5049. A bill for the establishment of the National Monetary Commission; to the Committee on Banking and Currency.

By Mr. METCALF:

H. R. 5050. A bill to amend the Davis-Bacon Act, and for other purposes; to the Committee on Education and Labor.

H. R. 5051. A bill to amend the Labor Management Relations Act, 1947, and for other purposes; to the Committee on Education and Labor.

By Mr. SHORT:

H. R. 5052. A bill to amend chapter 113 of title 18, United States Code, to provide for the punishment of persons transporting and receiving stolen dogs in interstate commerce; to the Committee on the Judiciary.

By Mr. TEAGUE of California:

H. R. 5053. A bill to amend the Federal Employees' Compensation Act to establish an additional wage basis for computing compensation in cases of recurrence of disability and in cases of death occurring subsequent to such recurrence; to the Committee on Education and Labor.

By Mr. TEAGUE of Texas:

H. R. 5054. A bill to extend the direct loan authority of the Administrator of Veterans' Affairs under title III of the Servicemen's Readjustment Act of 1944, as amended, to July 25, 1957, to make additional funds available therefor, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. TEAGUE of Texas (by request):

H. R. 5055. A bill to provide that service of cadets and midshipmen at the service Academies during specified periods shall be considered active military or naval wartime service for the purposes of laws administered by the Veterans' Administration; to the Committee on Veterans' Affairs.

H. R. 5056. A bill to provide greater security for persons retired after service during the Spanish-American War, including the Boxer Rebellion and Philippine Insurrection, in the granting of outpatient treatment by the Veterans' Administration; to the Committee on Veterans' Affairs.

By Mr. ZABLOCKI:

H. R. 5057. A bill to amend the Social Security Act to provide disability insurance benefits for totally disabled individuals, and to provide benefits for the wives and minor children of such individuals; to the Committee on Ways and Means.

By Mr. BAKER:

H. R. 5058. A bill to extend service pension benefits to persons who served on certain vessels operated by the Army during the Spanish-American War (including the Boxer Rebellion and the Philippine Insurrection), or who served as teamsters with the Army during such war; to the Committee on Veterans' Affairs.

By Mr. BYRD:

H. R. 5059. A bill to amend the Natural Gas Act; to the Committee on Interstate and Foreign Commerce.

By Mr. CELLER:

H. R. 5060. A bill to amend section 1114 of title 18 of the United States Code, as amended, in reference to the protection of officers and employees of the United States by including probation officers of United States district courts; to the Committee on the Judiciary.

H. R. 5061. A bill to establish a commission and advisory committee on international rules of judicial procedure; to the Committee on the Judiciary.

By Mr. FRAZIER:

H. R. 5062. A bill to prohibit the transportation of obscene matters in interstate or foreign commerce; to the Committee on the Judiciary.

H. R. 5063. A bill to amend title 18 of the United States Code, relating to the mailing of obscene matter; to the Committee on the Judiciary.

By Mr. McGREGOR:

H. R. 5064. A bill to amend the Social Security Act to lower from 65 to 60 the age at which women may become entitled to benefits thereunder; to the Committee on Ways and Means.

By Mrs. ROGERS of Massachusetts (by request):

H. R. 5065. A bill to define service as a member of the Women's Army Auxiliary Corps as active military service under certain conditions; to the Committee on Veterans' Affairs.

H. R. 5066. A bill to liberalize the definition of "widow of a World War I veteran" governing the payment of compensation or pension; to the Committee on Veterans' Affairs.

By Mr. UTT:

H. R. 5067. A bill to amend section 721 of the Internal Revenue Code of 1939; to the Committee on Ways and Means.

By Mr. VAN ZANDT:

H. R. 5068. A bill to amend the Natural Gas Act; to the Committee on Interstate and Foreign Commerce.

By Mr. WALTER:

H. R. 5069. A bill to permit the naturalization of certain Philippine citizens by reason of honorable service in the United States Navy prior to December 24, 1952; to the Committee on the Judiciary.

BY Mr. HOLTZMAN:

H. J. Res. 258. Joint resolution designating the first Sunday in October of each year as Grandparents' Day; to the Committee on the Judiciary.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

By Mr. CHENOWETH: The House of Representatives of the Colorado State Assembly requesting that Congress increase the mileage in the proposed interstate highway system; to the Committee on Public Works.

By the SPEAKER: Memorial of the Legislature of the Territory of Alaska memorializing the President and the Congress of the United States relative to urging that the construction program of the Copper River Highway, now under way on a piecemeal basis, be accelerated to permit development of resources of the region at the earliest possible moment; to the Committee on Appropriations.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ALLEN of California:
H. R. 5070. A bill for the relief of Bishara Lawrence; to the Committee on the Judiciary.

By Mr. ANFUSO:
H. R. 5071. A bill for the relief of Kurt Klein and Erno Klein; to the Committee on the Judiciary.

By Mr. BATES (by request):
H. R. 5072. A bill for the relief of Pasquale De Leonibus; to the Committee on the Judiciary.

By Mr. CANFIELD:
H. R. 5073. A bill for the relief of Adolfo Morciano; to the Committee on the Judiciary.

By Mr. CRAMER:
H. R. 5074. A bill for the relief of Miss Blanca Lina Rionegro; to the Committee on the Judiciary.

By Mr. FINO:
H. R. 5075. A bill for the relief of Ernesto Forreger; to the Committee on the Judiciary.

By Mr. GWINN:
H. R. 5076. A bill for the relief of Laura Ann Aylott; to the Committee on the Judiciary.

By Mr. JONAS:
H. R. 5077. A bill for the relief of Gladys H. (Butts) White; to the Committee on the Judiciary.

By Mr. McCORMACK:
H. R. 5078. A bill for the relief of the estate of Victor Helfenbein; to the Committee on the Judiciary.

By Mr. MAILLIARD:
H. R. 5079. A bill for the relief of Tom Wong (Foo Tai Nam); to the Committee on the Judiciary.

By Mr. METCALF:
H. R. 5080. A bill for the relief of Florence E. McConnell; to the Committee on the Judiciary.

By Mr. ROOSEVELT:
H. R. 5081. A bill for the relief of Gan Seow Tung; to the Committee on the Judiciary.

By Mr. TEAGUE of California:
H. R. 5082. A bill for the relief of Mrs. Koto Nakagawa; to the Committee on the Judiciary.
H. R. 5083. A bill for the relief of Kyung Cho Chung; to the Committee on the Judiciary.

By Mr. YOUNG:
H. R. 5084. A bill for the relief of Fred M. Anderson, Frank A. McCart, and William C. Williams; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

162. By Mr. CANFIELD: Resolutions adopted by the Association of Highway Officials of the North Atlantic States at their 31st annual meeting in Atlantic City on March 4, 1955, supporting and endorsing the position of the American Association of State Highway Officials relating to the Federal aid program which is to be enacted by the 84th Congress of the United States; to the Committee on Public Works.

163. By the SPEAKER: Petition of Ole Pearson and Berger Fasdal, Ketchikan, Pulp Co., Hollis Logging Camp, Ketchikan, Alaska, requesting passage of H. R. 2535, a bill to provide statehood for Hawaii and Alaska; to the Committee on Interior and Insular Affairs.

164. Also, petition of George Hughes and others, Sitka, Alaska, requesting passage of H. R. 2535, a bill to provide statehood for Hawaii and Alaska; to the Committee on Interior and Insular Affairs.

165. Also, petition of M. C. Humphrey and others, Ketchikan, Alaska, requesting passage of H. R. 2535, a bill to provide statehood for Hawaii and Alaska; to the Committee on Interior and Insular Affairs.

EXTENSIONS OF REMARKS

Religion in American Life

EXTENSION OF REMARKS
OF
HON. HAROLD C. OSTERTAG
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Friday, March 18, 1955

Mr. OSTERTAG. Mr. Speaker, under leave to extend my remarks, I include in the RECORD a Lenten message from our good Chaplain, the Reverend Dr. Bernard Braskamp. Recently I had the pleasure of having Dr. Braskamp as my guest on a radio program broadcast in my district. Dr. Braskamp commented on the subject of religion in American life, a subject to which millions of Americans today are giving renewed thought and meditation. With a view to making his views available to a wider audience, I include them herewith:

RELIGION IN AMERICAN LIFE

(A statement by the Reverend Dr. Bernard Braskamp, Chaplain of the House of Representatives)

I believe that a resurgence of faith in God, reverence for God's moral order, and obedience to God's will would be the noblest victory in the annals of American history, for our national greatness cannot survive if we allow it to become eclipsed by a decline in spiritual idealism.

Materialism, as a philosophy, has well nigh run its course, but as a habit and way of life it still seems to have a very strong hold on many. The dream of an economic Garden of Eden is a very old one and there are those who feel that all that mankind needs is an abundance of food and drink and clothing and then all will be well. To be sure these are among the necessities of life and everything should be done to improve mankind's temporal conditions.

Man, however, is too great to be content with these, for man cannot live by bread alone. What we need to do is to help America cultivate the religious sentiment with the lofty idealisms, for then only can our Nation make a distinct contribution to the wealth of human aspirations and achievements and fulfill its responsibility for the welfare and happiness of all mankind.

It seems to me that the logic of the American way of life and the religious spirit of our Republic find their noblest expression when as citizens we seek to blend a virile and wholesome type of materialism with a noble and lofty idealism.

Our national spirit, at its best, embraces this dual aspect and these two must always be kept in close and cordial agreement so that our materialism shall incarnate our idealism and the great spiritual realities and sentiments shall pervade and permeate our materialism.

I believe that one of the most encouraging and hopeful signs of our time is just this, that there is a new feeling of God-consciousness among our leaders in public life. I frequently talk with the men in Congress about the place of religion in our national life and I find them very responsive and ready to admit that our national problems cannot be solved on a purely economic basis and that God must be brought into the picture. We are beginning to see that the weakness of our plans and programs for a finer social order has been just this, that we are working on the stupid assumption that an abundance of material things for struggling humanity is the universal cure-all.

The manmade economic order needs to be coordinated with the God-made moral and spiritual order; otherwise there will be chaos and confusion, damnation and doom. Let no one say that the principles of Christianity have failed. The truth of the matter is that neither as a nation or as individuals have we ever given them an honest-to-goodness trial.

The time has come to put first things first. This is what Jesus said, "Seek ye first the Kingdom of God and His righteousness and all these things shall be added unto you." Roger Babson said many years ago, "The solution of the labor problem is wholly a question of religion." A leading commercial journal has said, "Above all else this country needs a nationwide revival of old-fashioned prayer-meeting religion."

Most Holy Trinity Church, Detroit

EXTENSION OF REMARKS
OF
HON. CHARLES C. DIGGS, JR.
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES
Friday, March 18, 1955

Mr. DIGGS. Mr. Speaker, yesterday's observance of St. Patrick's Day had an extra significance for Most Holy Trinity Church located at Sixth and Porter Streets in the 13th Congressional District of Detroit, for the 100th anniversary of its edifice was celebrated. Few parishes in the United States have such a long colorful history in the service of the community and God Almighty. Many priests and sisters formerly connected with the parish returned for the anniversary. Descendants of those who built the church returned from all parts of Detroit. They were greeted by Mexicans, Maltese, Chinese, and other newcomers—today's parishoners of the mother church of Detroit's Irish.

When Bishop Frederic Rese arrived here in 1833 to direct the newly established Detroit diocese, he received a petition from Irish Catholics for a parish and priest of their own. They were then attending St. Anne's Church, where sermons in English were preached for them.

Granting the request of the Irish here, Bishop Rese bought from the First Protestant Society its church, then located on Woodward Avenue between Larned and Congress. He had the frame building moved to Cadillac Square where now stands the Barlum Tower.

Before the building could be remodeled for Catholic services, the dreaded Asiatic cholera broke out and took a heavy toll. There were no hospitals or pesthouses. Bishop Rese ordered the proposed Holy Trinity Church turned into a temporary hospital and put it in charge of Father Martin Kundig. It was the first hospital in this part of the country.

After the plague had abated, on Trinity Sunday in 1835, the first church for the Irish of Detroit was dedicated. In 1849 it was moved to Sixth and Porter in Corktown, the area bounded east and west by Third and Eighth Streets, and south and north by the river and Vernor Highway. In 1855 the early church was razed to make room for the present structure.

The new church cost $30,000, a great sum for those days. When it was built Detroit had fewer than 25,000 inhabitants, there was no streetcar line, gas lighting was unknown, the eastern boundary of the city was Dequindre Street and the western limits were at Trumbull Avenue.

In the old brick building, thousands of Detroiters, now prominent in civic and religious life, received baptism. Before its main altar hundreds of couples spoke their matrimonial vows and later moved into other parishes. Thousands of Detroiters received their religious and secular education in Holy Trinity Parochial School.

First pastor of Holy Trinity Parish was Father Bernard O'Cavanagh. In a short time he was succeeded by Father Kundig, who had charge a few months. One of the pastors of Old Trinity was the first priest ordained for this diocese, Father Lawrence Kilroy. Msgr. James Savage, known as the dean, served the parish 50 years, 10 years as assistant and 40 years as pastor. He died in 1927.

Successive pastors down through the years, including the present spiritual leader, Father Clement Kern, have been dedicated men whose conception of their responsibility encompassed all facets of community life. Under this conception by its leaders, parish members of Most Holy Trinity Church throughout the years have been principal factors in the growth and changing tone not only of our city of Detroit but, in the far-reaching effect of progressive community interest sensitive to the needs of humanity, they have heavily contributed to national welfare. America's position of world leadership, land of freedom and opportunity and riches, has been the attainment of such rightful conceptions of life and conscientious labors in making them a reality as represented in the efforts of the people of Most Holy Trinity.

It is fitting, therefore, that we here in the Congress of the United States, who recognize and appreciate the major role played by our great churches in fostering these ideals, in establishing these ideals as a bulwark in the struggle against godless international communism, pause and pay special tribute to the people of Most Holy Trinity Church of Detroit.

A Tribute to the Late Senator Maybank

EXTENSION OF REMARKS
OF
HON. JOHN J. RILEY
OF SOUTH CAROLINA
IN THE HOUSE OF REPRESENTATIVES
Friday, March 18, 1955

Mr. RILEY. Mr. Speaker, early on the morning of September 1, 1954, I turned on my radio to get the headline news which is given at that time. I was shocked and distressed to hear that my distinguished senior Senator and beloved friend, Burnet Maybank, had passed away during the night. I felt very deeply that my State and Nation had suffered one of its heaviest losses in years, in the passing of this very able and distinguished representative in the prime of his life. I felt very deeply, too, the great personal loss which had come to me.

While Senator Maybank had been active in the political life of my State and in the leadership of the Democratic Party in South Carolina, I did not know him intimately until I came to Congress during the dark days of World War II. Senator Maybank was even then a leader in the United States Senate, although he had been a Member of that great body less than a term at that time. He was most cooperative in assisting me with matters that came before me and most generous in the giving of his time and counsel in matters in which we were jointly interested. I learned to know him well, and he and I became fast friends working together on legislation affecting our State. We had many joint problems since I had the honor of serving on the Banking and Currency Committee in the House and later on the Appropriations Committee in the House, while Senator Maybank was chairman of the great Banking and Currency Committee in the Senate and served on the Appropriations Committee in the Senate. I can say, with all sincerity, that Senator Maybank gave, without reservation, of his great ability and unbounded energy in the service of his State and Nation. I firmly believe that his life was shortened through his extremely conscientious efforts to cope with the many problems of his responsible position. Beyond a doubt, he was one of the ablest and most influential representatives from South Carolina to serve in the national Congress.

He had a rich background of culture, splendid educational advantages, rare ability, and a personality that won him friends, not only among his Democratic colleagues, but among those who served on the Republican side. He had the confidence of all of his associates.

He had the confidence and esteem of the people of South Carolina, for he had filled with distinction the many responsible assignments which the citizens of his home city of Charleston and his beloved State had given him. The affection, confidence, and esteem in which he was held is attested by the fact that he was never defeated for any office for which he offered, and by the fact that in his last race for reelection as United States Senator he was unopposed, a tribute accorded to no other candidate for the national Senate by the people of the Palmetto State.

He loved his family, and nothing gave him greater pleasure than to have his friends visit with him and his family. My deepest sympathy goes to these loved ones of his. They have suffered an irreparable loss, but they have the great heritage of a noble husband and father to comfort them in the passing of this true southern gentleman and outstanding statesman. Those of us who are left can but try to emulate the high ideals and principles which guided the life of Burnet Rhett Maybank.

The Postal Field Service Compensation Act of 1955

EXTENSION OF REMARKS
OF
HON. EDWARD H. REES
OF KANSAS
IN THE HOUSE OF REPRESENTATIVES
Friday, March 18, 1955

Mr. REES of Kansas. Mr. Speaker, on Monday the House will consider, under suspension of the rules, the bill H. R. 4644, the Postal Field Service Compensation Act of 1955.

Because of the limited time, under such procedure, I am presenting here for the information of the Members a few facts concerning this legislation.

Our committee has worked diligently to develop legislation which would not only be fair and equitable to postal employees, but would also come reasonably within the bounds of the President's request for this legislation.

Our committee has recommended a good bill. I am sure the Members when in possession of all the facts will agree. The members of the committee are to be commended for the effort they have put forth and the results obtained. This extends not only to those who voted with the large majority of the committee, but also to those who have some slight reservations with respect to the ultimate product.

Basically, the bill provides a minimum of 6-percent salary increase, and, at the same time, will bring about a reclassification of postal employees' salaries through the establishment of a new salary plan for the postal field service.

Under the bill, 90 percent of the employees are covered by position specifically defined in the bill and are assigned to appropriate salary levels. Only 10 percent will be assigned by the Post-

master General, and these must be assigned in accordance with strict standards and subject to an appeal to the Civil Service Commission by the employee concerned.

Many Members have received letters expressing concern about certain provisions or lack of them in the bill as originally recommended by the Postmaster General, H. R. 2987. The committee, by its action, has eliminated virtually everyone of these objections. Even the views of the minority are only one-half of 1 percent apart on total amount of the increase. For the benefit of the Members there follows a discussion of the most frequently raised objections to the bill, coupled with corrective action taken by the committee. For the convenience of the Members, I have referred to appropriate section numbers in H. R. 4644.

1. THE POSTMASTER GENERAL HAS TOO MUCH AUTHORITY TO GRADE JOBS

While this was not entirely true, the committee recognized the concern of the employees and struck out references to Postmaster General and rephrased the language to make the provisions of the bill a matter of law rather than to be dependent on actions required of the Postmaster General.

The descriptions of duties, responsibilities, and relationships of 50 positions, covering more than 90 percent of the postal employees, and the establishment of salary levels, are made a matter of law by section 203 of the bill.

The detailed procedure for the establishment of salary levels for the remaining less than 10 percent are made a matter of law by section 201 of the bill.

Section 202 authorizes the employee to appeal to the Civil Service Commission any action taken by the Post Office Department in the assignment of a job to a key position or to a salary level. It also makes the decisions of the Civil Service Commission mandatory on the Postmaster General.

2. THE SALARY OF AN EMPLOYEE CAN BE REDUCED MERELY BY ASSIGNMENT TO LOWER DUTIES

The committee, in the language of section 204, allows the assignment of employees to other duties but provides (a) that the salary of no employee be reduced as a result of such action, and (b) that assignment of an employee to higher duties for more than 30 days in a calendar year shall be paid for at the higher rate of pay.

3. ALLOWS THE POSTMASTER GENERAL TO MAKE UNLIMITED APPOINTMENTS TO SUPERVISORY POSITIONS FROM OUTSIDE THE POSTAL FIELD SERVICE

Section 501 limits this authority to appointment of persons who have been civilian employees in any branch of the Government and to positions in the regional and district offices and positions in the professional and scientific fields.

4. PERMITS THE APPOINTMENT OF AN UNLIMITED NUMBER OF SUBSTITUTES

The committee recognized that there was some desirability of eliminating the regular-substitute ratio in the interest of flexibility of administration. However, it also felt that the claims that no ratio would lead to abuses had merit. Section 606 (c) retains a ratio but changes it from 6 regulars to 1 substitute to 5 to 1. This overcomes the objections of the employees. It also allows additional administrative flexibility.

5. THE PROPOSAL OF THE ADMINISTRATION WOULD ALLOW THE POST OFFICE DEPARTMENT TO DOWNGRADE ALL POSITIONS

Sections 201, 202, 203, 301, 302, 303, and 504 of H. R. 4644 establishes by law the grade and salary of over 90 percent of the positions and provides a mandatory procedure for establishing the salary level of all others.

6. PROVIDES GREATEST INCREASES FOR HIGHER PAID WORKERS

This statement would be true, if the principle of equal pay for substantially equal work and responsibility is to be ignored. The ranking of positions and salary levels as set forth in titles II and III of the bill, H. R. 4644, recognizes this principle. There are some 1,100 employees in positions such as assistant postmasters, superintendents of mails, superintendent of transportation, and a few others who for some 10 years have been grossly underpaid. For instance, the Postmaster at New York is paid $13,770 while the Assistant Postmaster is paid only $8,470. This is a difference of $5,300 between the postmaster and his first deputy. The provisions of H. R. 4644 will bring these salary rates into more reasonable alinement and will, for the first time, recognize the duties and responsibilities of the assistant postmaster.

The committee also recognized that the clerks and carriers in post offices in the first and second class have greater responsibilities than reflected in the salary level proposal by the administration. A new salary level 5—section 301—which provides higher salaries for these groups of employees was approved by the committee. The additional cost resulting from the insertion of this new level is estimated at over $20 million.

7. THE PROPOSED EFFECTIVE DATES DELAY THE INCREASES FOR 6 MONTHS

Section 710 (c) of H. R. 4644 establishes the first pay period after date of enactment as the effective date of both the 6-percent minimum pay increase and that resulting from reclassification. The bill allows a maximum of 180 days in which to effect the assignment of all positions to salary levels. Once the assignment is made, the employee will receive a retroactive payment for the amount of his gross increase as of the first pay period after date of enactment of this bill.

Use of Draft To Force Compliance With Farm Programs Is Unethical, Un-American, and Probably Illegal

EXTENSION OF REMARKS
OF

HON. JAMES M. QUIGLEY
OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, March 18, 1955

Mr. QUIGLEY. Mr. Speaker, recently the House of Representatives repealed the so-called tie-in provision of the 1953 agriculture law, under which farmers who failed to comply with crop controls were ineligible to participate in the ACP program.

This was a wise move, for the Congress obviously felt that programs having separate and distinct goals should not be tied together.

It has come to my attention, however, that local selective-service boards are being advised to base agricultural deferments on compliance with crop controls established by Secretary of Agriculture Ezra Taft Benson.

Memoranda have been circulated among local boards in Pennsylvania setting forth benchmarks for use in reducing farm deferments. I quote two of these benchmarks:

3. Attention should be centered on the kind of farm produce and whether or not the farm in question is adhering to acreage quota of crops demanded by the Department of Agriculture.

And then the following:

Credit should be given only for farm commodities marketed. Therefore, for example, if a farmer is feeding 100 percent of his field crops or other produce to his stock he should be given credit for the milk or stock sold and not for the crops fed to produce that milk or other livestock. Further, any percentage of crops fed should be deducted from the unit value of crops sold.

Mr. Speaker, we recognize selective service as a necessary evil at best; a burden we Americans must reluctantly assume because of the existing world tensions. No one in this body who supported the extension voted earlier this year did so, I am confident, with the intent that it should be used to help Secretary Benson enforce compliance with his crop-control program.

Mr. Speaker, under leave to revise and extend my remarks, I include a portion of a memorandum dated February 1, which has been forwarded to local boards in Pennsylvania.

This purports to provide answers to frequently asked questions. I submit, Mr. Speaker, that it is a most flippant, a most sophomoric approach to an extremely serious problem. Seldom have I had the opportunity of reading anything more ridiculous than this memorandum.

The memorandum follows:

PENNSYLVANIA STATE
HEADQUARTERS,
SELECTIVE SERVICE SYSTEM,
Harrisburg, Pa., February 1, 1955.

MEMORANDUM TO ALL LOCAL BOARDS

Subject: Notes on agriculture

There follows a few answers to excuses given to the question, Can a registrant be replaced? If not, why?

Excuse. It would take years of training.

Answer. He has been liable since he registered and the training should have been started some time ago.

Excuse. Registrant is not replaceable. (Registrant is the son.)

Answer. No son is replaceable. But he is still liable for service.

Excuse. Where can you get hired help to do what the owner will do?

Answer. Nowhere. But owner is keyman and he can train and supervise a replacement.

Excuse. Not dependable.

Answer. A good many people are this way in other pursuits as well as agricultural. No excuse.

Excuse. Cannot pay off debt and wages at same time.

Answer. Neither can the businessman, but he is liable for service.

Excuse. Because it wasn't necessary.

Answer. Wrong. It is necessary.

Excuse. Doing all right this way.

Answer. So were we all until the lightning struck.

Excuse. Who will work on farm from daylight to dark?

Answer. Better wages and living conditions would help to persuade someone to do this.

Excuse. Because I own farm business and tools.

Answer. So does the business and the professional man own his own business and tools.

St. Patrick's Day

EXTENSION OF REMARKS

OF

HON. JOHN LESINSKI, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, March 18, 1955

Mr. LESINSKI. Mr. Speaker—

We invoke holy Patrick, Ireland's chief apostle.
Glorious is his wondrous name, a flame that baptized heathen;
He warned against hard-hearted wizards.
He thrust down the proud with the help of our Lord of fair Heaven.
He purified Ireland's meadow-lands, a mighty birth.
We pray to Patrick chief apostle; his judgment hath delivered us in doom from the malevolence of dark devils.
God be with us, together with the prayer of Patrick, chief apostle.

So prayed Ninine, Irish poet of the eighth century or earlier, and so we pray today. There is a green-and-gold glory about the world today, the sunshine on the grass reminding us of the dearly loved flag of ancient Ireland—the golden harp on a green field. All the year round we love the Irish, but this is the day we stand up and tell them so. This is the day when Irish song and Irish poetry mingle with flights of impassioned prose by orators of every race, all over the world. Everyone who feels the springs of courage in him, or claims to have a sense of humor, feels that he has a bit of the Irish in his blood.

All our hearts re-echo today to the music of these lines of William Drennan:

When Eire first rose from the dark-swelling flood,
God blessed the green island, and saw it was good;
The emerald of Europe, it sparkled and shone,
In the ring of the world, the most precious stone.
In her sun, in her soil, in her station thrice blest,
With her back towards Britain, her face to the west,
Eire stands proudly insular, on her steep shore,
And strikes her high harp 'mid the ocean's deep roar.

All over the length and breadth of America people are wearing green—a shamrock, a green necktie, green suits and dresses. I have little doubt that some, in their unrestrained enthusiasm, are leaping this minute into vats of green dye. More power to them. May they live into a green old age.

We of Polish ancestry, you know, have a special feeling of kinship with the Irish. Poland, like Ireland, has a tragic and glorious history of bravery, of war and betrayal, of glorious victories and devastating defeats. But they are alike most of all in the courage that holds on to national identity and patriotism, through years and centuries of foreign rule; and in the faith that no promise of reward or threat of punishment can shake. It is out of defeat that we, Polish and Irish and American, draw our most glorious memories. Warsaw in World War II, with its history of oppression and murder, climaxed by the betrayal of General Bor and his gallant band of partisans, is a name to go down in history with Drogheda, of Cromwell's invasion of Ireland, and with the Alamo. But this background of gallantry and stalwart faith has a sadness about it that is foreign to the enjoyment of this day. Let us think, rather, of the double symbolism of the color green—the color of Ireland and the color of hope. Ireland, under the patronage of St. Patrick, won through to its independent place in the family of nations, after centuries of suffering and hoping, and to the unhampered exercise of the Catholic religion. May the green of hope and of St. Patrick carry today to every Polish heart assurance that Poland, too, will attain freedom and independence.

Today, though, the first thought of every Pole, and of every American, goes out to Ireland, whose sons are brave, whose daughters beautiful. Our hearts dance to the lilt of Irish melody and verse, until we half feel our own fathers and mothers must have been Irish, and we can read, with a feeling almost of nostalgia, lines like these of Father Charles L. O'Donnell:

A ROAD OF IRELAND

From Killybegs to Ardara is seven Irish miles,
'Tis there the blackbirds whistle and the mating cuckoos call,
Beyond the fields the green sea glints, above the heaven smiles
On all the white boreens that thread the glens of Donegal.
Along the roads what feet have passed, could they but tell the story,
Of ancient king and saint and bard, the roads have known them all;
Lough Dergh, Doon Well, Glen Columcille, the names are yet a glory,
'Tis great ghosts in the gloaming remember Donegal.

The harbor ships of Killybegs glistened with Spanish sail
The days Spain ventured round the world and held the half in thrall,
And Ardara has writ her name in the proud books of the Gael,
Though sleep has fallen on them now in dreaming Donegal.

Well, time will have its fling with dust, it is the changeless law,
But this I like to think of whatever may befall:
When she came up from Killybegs and he from Ardara,
My father met my mother on the road, in Donegal.

St. Patrick's Day Address by Hon. William F. Knowland, of California

EXTENSION OF REMARKS

OF

HON. WILLIAM F. KNOWLAND

OF CALIFORNIA

IN THE SENATE OF THE UNITED STATES

Friday, March 18, 1955

Mr. KNOWLAND. Mr. President, I ask unanimous consent that there be printed in the CONGRESSIONAL RECORD an address delivered by me last night at the Hotel Astor, New York, N. Y., before the Friendly Sons of St. Patrick.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Mr. Chairman, your eminence, Mr. Mayor, distinguished guests, members and guests of the Friendly Sons:

We are here to pay our respects to St. Patrick. In his day, as every wearer of the green will recall and all others should be advised, he drove the snakes out of his beloved Ireland.

He used a stout stick for he understood that in dealing with snakes they would have been unimpressed by the use of either mere talk or discussion backed up with only a feather duster. Even a good stout shillelagh would not work if its value was neutralized by the lack of will to use it to meet the threat at hand.

Today the world faces the serpent of communism which has spread its venom on a worldwide scale.

The age in which St. Patrick lived was one in which ancient institutions were breaking down and confusion reigned in men's minds. The Roman Empire was disintegrating and with it the political structure of the civilized world. Christian civilization in north Africa was wiped out by the vandals. Because of the withdrawal of Roman troops, Britain, which had under Roman protection reached a high degree of civilized life, was left unprotected to the inroads of such marauders as the pagan band which carried Patrick off. Fear and uncertainty were everywhere in that chaotic time.

Into his part of that world Patrick brought two great and related ideas—faith and freedom.

He was first and foremost an apostle of the Christian faith. There were apparently Christians in Ireland before him, but he made the country dominantly Christian, and so throughly that Ireland became for the next 700 years a center of learning and a center of missionary activity. From Ireland missionaries went to Scotland, to northern and central Europe. Ireland was a kind of headquarters of culture and religion for western Europe.

At the time, and quite logically so, Patrick was an apostle of freedom. He had been a captive. Now he endeavored to make people free.

The story of St. Patrick is of peculiar relevance today. Fear and uncertainty reign in various places. Moreover, there is a great, powerful, and concerted attack on just the things for which St. Patrick stood.

Communism, which is stalking over the world today, is the denial of religious faith and at the same time the denial of human freedom. Communism is godless. It is also a system of slavery based on contempt for, and oppression of, the common man.

But there is that which will defeat communism. It is just the twofold vital quality which St. Patrick wielded as his weapon—faith in God and faith in human free-

dom. These are indestructible and while we cling to them we are indestructible too. This is the lesson of St. Patrick.

At the time of Yalta, just 10 years ago, less than 200 million people were behind the Communist Iron Curtain. Today, over 800 million people are enslaved by the most godless tyranny the world has ever known.

Despite the fact that the Soviet Union has violated its treaties of friendship and nonaggression with Finland, Poland, Latvia, Lithuania, Estonia, Hungary, Rumania, Bulgaria, Czechoslovakia, and the Republic of China there are still some simple souls who believe that the way to deal with an international bully is by more appeasement.

At Munich the world should have learned that the road to appeasement is not the road to peace, it is surrender on the installment plan.

The Soviet Union has vetoed the admission of 17 nations into the United Nations, none of which have committed an act of aggression since the formation of that organization 10 years ago. Significantly Ireland, Portugal, and Spain were all "honored" by the Soviet veto. Ireland first applied for membership in 1946 and the Soviet Union has vetoed their application, three different times though more than two-thirds of the General Assembly has voted to approve the membership.

The Soviet Union is an admitted violator of the United Nations charter and the resolutions in support of the Republic of Korea, a victim of Communist aggression on June 25, 1950. Yet now the Soviet Union is supporting the admission of the aggressor, Communist China, into that organization.

Such action would violate the moral foundation upon which the United Nations is supposed to rest. It would be putting a premium on aggression. It would serve notice that the quickest way to membership is by shooting your way in. It would be a betrayal of the 140,000 American casualties including 35,000 of our dead.

The Chinese Communists, in violation of the armistice, admit they hold 15 American airmen; 11 of these have been sentenced to Communist prisons. There is strong reason to believe they hold several hundred other United States and United Nations military prisoners. We know they hold over 30 American civilians who have been in jail for several years.

As long as one American in the armed services or in civilian life is unjustly held I shall not remain silent.

How can our associates even consider compromising principle and honor to that extent? What does the United Nations intend to do about it? What are the American people going to do about it?

Based alone on the Soviet Union's failure to support the United Nations action in Korea and to abide by its charter obligations the Soviet Union should have been expelled from membership.

Have we forgotten St. Paul's injunction in second Corinthians:

"Be ye not unequally yoked together with unbelievers: for what fellowship has righteousness with unrighteousness? And what communion has light with darkness?"

As for me, as long as I have a voice and a vote in the Senate of the United States, I shall oppose the admission of Communist China.

We must always distinguish between the people of Russia and their Communist Kremlin masters. The Russian people were the first victims of the godless Marxian tyranny of Lenin and Stalin.

The struggle for power goes on in the Kremlin. The tactics may change with the faction temporarily in power. The long-term strategy for the destruction of human freedom continues throughout the world by Communist aggression from without or by subversion from within.

There will never be peace in our time in any real sense until the people of Russia and China have thrown out their Communist masters and established justice in their political system, freed their economy from the dead hand of statism concentrated on armament production and, more important than all, reopened their churches so that the guidance of the Father of us all may replace the godless teachings of Marx, Lenin, and Stalin.

The crucifix is a more potent force than the clenched fist of communism.

When the people of Russia and China gain their freedom from the tyranny which temporarily rules them we should make it known that our friendship and our assistance will be available for the establishment of peace with honor in a truly free world of freemen.

We seek not 1 foot of their territory nor control over a solitary one of their people.

We only want for them the cherished freedom to worship God according to the dictates of their conscience; to have in the hands of a truly free people the right of self-determination on who shall constitute their government and the right to change it by the decision of 200 million people rather than a cabal of less than a dozen power-mad men in the Kremlin who threaten the peace of the world; and to be able to enjoy the fruits of their labor and a rising standard of living.

We should look upon the people within the Iron Curtain as our friends and allies. Indeed, should their totalitarian masters embark upon further aggression the temporarily enslaved people may turn out to be among our stoutest allies.

Such a policy does not contemplate aggression on the part of the free world. But it does require that we never by word or deed give our moral or legal blessing to the enslavement of the 800 million people behind the Communist Iron Curtain.

Such a policy does contemplate the application of moral, economic, and diplomatic sanctions against the international Communist conspiracy against the free way of life. Human freedom is a God-given right beyond the power of dictatorships to permanently destroy.

It is difficult for me to understand how the British Foreign Minister could urge the turning over of Quemoy and Matsu Islands to the Communists on the grounds they are close to the Communist mainland and be silent about Hong Kong which is closer and would be an even bigger feather in their cap.

It may be clever, but it is not honorable to pay the ransom to the Communists with the other fellows assets. America should have no part of any such deal.

The United States and Ireland learned that people must be prepared to fight for freedom if they are to achieve it.

Another Patrick (Patrick Henry) on March 23, 1775 (about 4 years after the friendly sons was organized), in the Virginia Legislature said:

"Is life so dear, or peace so sweet, as to be purchased at the price of chains and slavery? Forbid it, Almighty God: I know not what course others may take, but as for me, give me liberty or give me death."

In his day Lincoln understood that this Nation could not continue "half slave and half free." In the age of the airplane and the atomic and hydrogen weapons the world cannot long continue half slave and half free.

In 1865 at his second inaugural Lincoln expanded this doctrine when he said:

"Fellow citizens, we cannot escape history * * * we here have the power and bear the responsibility * * * in giving freedom to the slave we assure freedom to the free. We shall nobly save or we shall meanly lose this last best hope of earth."

This I believe: Under the divine guidance that made us and kept us a free Nation this generation of Americans will not sacrifice principle for expediency; nor cringe in the face of brutal naked aggression and we will not barter friends and allies in the Western Hemisphere, in Europe, Africa or Asia in a dishonorable appeasement at a far eastern Munich or a second Yalta.

Statement in Support of H. R. 4903, Chapter 7, Department of Health, Education, and Welfare, Dealing With Additional Payments to School Districts

EXTENSION OF REMARKS
OF
HON. WILLIAM C. CRAMER
OF FLORIDA
IN THE HOUSE OF REPRESENTATIVES
Friday, March 18, 1955

Mr. CRAMER. Mr. Speaker, I wish to take this opportunity to commend the Appropriations Committee for its action in including in the second supplemental appropriation bill, 1955, a provision for $20 million as an additional amount for payments to school districts for carrying out the provisions of Public Law 874, and thus for the current year making available 100 percent of entitlements as the result of the suspension, pursuant to Public Law 732, of the 3-percent absorption feature of Public Law 874 as amended by Public Law 248, of the 83d Congress.

This is of tremendous importance to the First District of Florida, as it is to many other areas of the country where federally impacted areas exist, thereby placing a greater responsibility on the local school boards and taxpayers, to provide educational facilities. The existing appropriation of $55 million for payment to school districts for the 1955 fiscal year resulted in the payment of only 65 percent of full entitlement to the school districts qualifying. The $20 million additional appropriation provided in this bill will permit payment of 100 percent entitlement to the eligible school districts.

I received communications from the Honorable J. Crockett Farnell, superintendent of Hillsborough County public schools, which provide a concrete example of the tremendous importance of this supplemental appropriation, in that it will mean approximately an additional $35,000 to help bear a portion of the additional cost of educating approximately 2,000 federally connected pupils who must be absorbed by the educational system of that one county that has an average total daily attendance of some 50,000 pupils. Of the 2,000 federally connected pupils a sufficient number qualify for only a one-half pupil rating to reduce the number below 1,500, or below 3 percent of the total enrollment.

These figures will, it appears, clearly justify and substantiate the wisdom of the Congress in the last session eliminating the 3 percent absorption feature contained in Public Law 874, amended by

Public Law 248, of the 83d Congress, said suspension for 1 fiscal year being contained in Public Law 732. Without this provision this county, which bears a tremendous burden of Federal impact, due to the existence of one of the largest Air Force bases in the country, MacDill Field, would be unable to qualify under the act and would thereby lose a hundred thousand dollars as an average per year as a partial contribution toward the education of these 2,000 federally connected pupils. This contribution pays for only a portion of the educational costs and certainly this participation is justified on the facts involved, and I hope will demonstrate clearly the need for continuing the elimination of this 3-percent-absorption feature.

I am hoping that Congress will, in this session, recognize the tremendous importance of many areas of continued elimination of the 3-percent-absorption provision, and will enact legislation similar to H. R. 850 designed to accomplish this in subsequent fiscal years.

Russia, China, and the Outlook in the Pacific

EXTENSION OF REMARKS
OF
HON. ALEXANDER WILEY
OF WISCONSIN
IN THE SENATE OF THE UNITED STATES
Friday, March 18, 1955

Mr. WILEY. Mr. President, on the evening of March 16, 1955, it was my privilege to address the Intelligence Chapter of the Reserve Officers Association. That is composed of the Intelligence Services of the Army, the Navy, and other groups. I spoke on the subject Russia, China, and the Outlook in the Pacific. I ask unanimous consent that my address be printed in the CONGRESSIONAL RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

RUSSIA, CHINA, AND THE OUTLOOK IN THE PACIFIC

As we look out on the world and ponder the problems that confront us, their very magnitude leads us at times to see only the dark side of the picture.

Unless those problems solve themselves, we must continue to seek solutions. And while seeking them, in association with our allies, we must keep up our guard, remain strong, and be prepared to meet any new danger which may threaten our security or that of the free world.

Yet the outlook is far from hopeless. Viewed superficially, or basing our conclusions on day-to-day developments, it might be thought fairly desperate. But if we dig deeper and look at the fundamentals, we can even be fairly cheerful.

There are favorable factors at work that justify an optimistic outlook. The facts of human nature likewise should strengthen our faith in the future.

The facts of history belie the concept that human beings will accept tyrannical rule indefinitely, or that tyrants cannot be overthrown.

The historic relationships of Eurasian peoples—including the Chinese and Russians—disclose more points of conflict, including conflicts of interest, than there are points of agreement.

Communism itself, although assuming malevolent form in its present incarnation, becomes a menace only as it is linked to nationalistic and imperialistic ambitions centering in Moscow and Peiping. In its basic philosophy it did not originate with Karl Marx. It is as old as mankind, and there have been communistic societies, or attempts to set them up, as far back as we can see in our study of human institutions.

To dispose of that subject first, and briefly, it is one of the simple facts of history that from the earliest times down to the present, these communistic communities have died out and either disappeared completely or passed through successive mutations into a pattern more nearly reflecting the competitive nature of life and the aspiration of human beings to pursue happiness and struggle for life's rewards in their own way. Communism has always failed when tried, because it conflicts with the fundamentals of human nature. It will fail in Russia and China for the same basic reason.

But it will fail for another reason also. It will fail because communism itself cannot compete with individualism. It must fail; because slaves and slave states cannot compete with free institutions and with free men living in free countries. It must fail because, under communism, and under dictatorial regimes and tyrannical rule, there is lacking the incentive to achievement which inspires free men to reach the heights they do.

A single illustration points the moral here: Russia and China are both suffering from food shortages. In the United States our problem is not shortages, but surpluses. Elsewhere in the free world the production of wheat, rice, meat, dairy products, and other dietary essentials is increasing constantly. The Communist world, experimenting with collectivism, and with orders for food production handed down from above through a Communist bureaucracy, and with production at the source supervised by Communist overseers, suffers from hunger.

If the hungry peoples who are still free can be shown how to increase their own food supplies, and if we can help them to do this (meanwhile sharing our surpluses with them, as we have and will), they too will follow the path of freedom rather than fall into the lockstep of communism.

Now to be specific concerning Russia and China:

Moscow continues to growl and threaten, to abuse the rest of us, and to flood the free world with lying propaganda designed—though unsuccessfully—to convince it that the Soviet Union is the world's most powerful nation.

Can a nation suffering from food shortages, and which has to choose between guns and butter, consumer goods and the products of heavy industry, be so categorized? Hardly. With all of her progress of the last 25 or 50 years in some directions, Russia still cannot grow enough food for her people, and actually has fewer cattle now than when the Russian peasant was little more than a serf, but still had freedom enough to run his farm in his own way.

What about Russia's relations with China? Does this constitute a true partnership, or is Russia making China pay through the nose for whatever the Red regime gets—meanwhile pushing off on the Peiping government obsolete and surplus war equipment which Russia herself no longer wants?

To a limited extent it pays Russia to help Red China. As China develops economically, it can become a market for Russian products—when Russia has enough of anything to export. As China becomes stronger militarily, the Red regime and the Red Army can be used to threaten China's neighbors. But it also serves Russia's purposes; for by encouraging China to undertake military adventures in the Far East, Russia makes sure that there will be no Chinese thrust to the north or west—into Siberia or Mongolia.

China is kept in a state of subjection as surely as if she were one of the lesser satellites of the Soviet Union. And to the extent that China's resources go into her Army and Air Force, with no real hope that they can be used to enlarge her territory or advance her interests—China is kept weak economically, or at least weaker than if the whole energies of her industrious people were devoted to developing her resources for her own benefit.

Thus, it may be suspected that Russia has a darkly ulterior, as well as a profit motive in giving Red China limited help. Moscow may even encourage Peiping to test our defenses in the Pacific for the double purpose, as they hope, of involving both China and the United States in a military conflict.

But certainly Russia can never afford to allow Red China to become a first-class military power. For whatever else they are, the rulers in the Kremlin are realists. They know their history. And they are not likely to forget that over the historic period the pressure of population on the Eurasian Continent has always come from the East. They will not forget that the Mongol hordes only a few centuries ago, as history is measured, overran Russia repeatedly, burned Moscow at least twice, and that for some 300 years Russia was forced to pay tribute to a Mongol Khan.

So there is a limit to the military and economic assistance Red China can expect from Russia.

Mao Tse-tung and Chou En-lai might think of themselves as partners of Russia; but sooner or later they will learn—if they have not realized it thus far—that they are not partners.

Russia is using Red China and will use her, so long as it serves Russian purposes, and so long as the Peiping government permits itself to be so used.

The Chinese rulers, for their part, will not be likely to forget the historic record. It is Russia that has hemmed China in. A glance at the map will show this vividly. China cannot move either north or west into sparsely populated areas with presumably substantial resources awaiting development, without coming into conflict with Russia.

What country took over Mongolia at a moment of Chinese weakness? Russia.

What neighbor moved into Manchuria and forced concessions there from China? Russia.

What supposed friend led China into a hopeless war in Korea, draining Chinese resources and costing the lives of a million Chinese? Russia.

What country stripped Manchuria of Japanese industrial equipment after World War II, leaving Communist China with the problem of rebuilding that formerly busy area, as developed during the Japanese occupation? Russia.

Only twice in Chinese history—once during the Mongol period, under the reign of Kublai Khan, in what is known as the Yuan Dynasty, and again under the Manchus—have the people of China gone south into Burma, Cambodia, and beyond, for purposes of military conquest.

These expeditions failed, and there is nothing in the present situation to suggest that any new Chinese military move in that direction would prove more successful, even without our intervention.

And the United States would intervene. Let there be no mistake on that point. And with a suddenness and strength that would open Asian eyes.

The Red rulers of China know this.

As to Formosa, the answer is equally clear: There is no possibility whatever that the men who sit in Peiping could take Formosa

against the opposition represented by the Nationalist government on that island, supported by United States naval and air strength. And the Red Chinese know this, too.

The Chinese never have been a maritime people. They could no more reach out into the Pacific over the opposition of the free nations, including the Asian people in countries nearby, and of course including ourselves, than they could march to Moscow against Russia's military might on land. The Chinese know this.

If they feel themselves bottled up in China, they might look at the map again, and see who it is that has bottled them up. The map tells the story. The only territory formerly included in the Chinese empire which has been taken from China was taken from them by Russia.

When China has felt impelled to move into new territory in the past, the people of that country have moved—with the unsuccessful exceptions noted previously—either north or west. There has been trouble on her northern and western frontiers since before the Christian era.

It would not be altogether surprising if, at some future date, there should again be trouble there.

Moreover, the Chinese people, who enjoyed a high degree of culture before the first Russians emerged from the northern forests, certainly cannot enjoy subordinating themselves to the Russians now—or knowing that if Russia can prevent it they can never rise to equality with their neighbor to the west.

The Communists can settle down in China and behave themselves, so far as their conduct concerns others, or they can invite trouble, and undoubtedly find it in whatever direction they move.

And Communist Russia can do the same thing, as of today; for if they should move into Europe, beyond the present boundaries of the Communist bloc, they would invite destruction of all that they have gained, or built, in more than a quarter of a century.

That, then, is the picture.

These are some of the things we too often forget, or overlook, or fail to think about as we pass through this time of trouble.

On the whole, I think we have reason to be encouraged.

In the end, I believe the world will emerge into a better day.

Ultimately, we can hope, the Russian and Chinese people will throw off the tyranny of pseudo-communism, a dielectic screen for totalitarian rule by self-serving dictators—and again join the ranks of the free nations.

For the present, we shall watch, wait, pray, keep our powder dry, our Seventh Fleet in the Formosa Straits, and our airbases around the perimeter of Russia.

And we shall have faith that out of this formula will come, before long, a happier world for all of us.

National Correct Posture Week

EXTENSION OF REMARKS

OF

HON. ROMAN L. HRUSKA

OF NEBRASKA

IN THE SENATE OF THE UNITED STATES

Friday, March 18, 1955

Mr. HRUSKA. Mr. President, on behalf of the Senator from Colorado [Mr. ALLOTT], I ask unanimous consent that there be printed in the CONGRESSIONAL RECORD a statement prepared by him concerning National Correct Posture Week.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR ALLOTT

I wish to call attention to the increasing importance of a vital phase of our national welfare—the general health of all our citizens.

It has long been realized that the stress and strain of modern living have contributed materially toward the present-day afflictions of the American people.

The so-called high-pressure mode of living has brought an increasing awareness of the mental ills which beset the people of this Nation in disturbing numbers. The formation of many new mental-health associations attest to this fact.

Much work is being done by the National Chiropractic Association, which again this year—from May 1 to May 7—is acting as sponsor for National Correct Posture Week.

This association, through activities in connection with the special week and throughout the year, is bringing a simple, elemental, yet often overlooked basic-health fact to the attention of the Nation, and that is the importance of correct posture.

From the formative years of school age, on through to adulthood, it is vitally important that our people maintain their good posture as a firm foundation for general good health and well being.

The value of this special week is indicated by the fact that many of our mayors and governors have issued special proclamations urging the people to participate in the special educational activities during National Correct Posture Week.

It is significant to note that our Nation's schools are paying special attention to this worthy program of training for our young people.

I attach for the RECORD a statement prepared by Dr. Emmett J. Murphy, of Washington, D. C., who is director of public relations of the National Chiropractic Association.

STATEMENT PREPARED BY DR. EMMETT J. MURPHY

No greater contribution can be made by the chiropractors of America to the Nation than by improving posture and thus increasing the efficiency of all our workers. Poor posture is expensive, and poor posture habits are responsible not only for many days of lost time, but for poor response to job needs, and eventually for a shortened life of top efficiency.

The problem of poor posture and the low efficiency of workers which it brings on can be approached in two ways.

The first is a long, careful, and well-planned program to teach Americans how to walk and stand and sit in ways which will promote health and efficiency. We have such an educational program under way, and it is having its effect.

However, that takes time. Meanwhile, many postural faults can be helped by direct treatment, or the bad effects can be modified or eliminated.

CHIROPRACTORS PLAY DECISIVE ROLE

In both programs individual chiropractors can play a decisive and important role.

They can continue to carry out the program of education. They can explain to their patients how to walk, stand, sit, and lie for the best effect on health. They can give their patients the publications of the National Chiropractic Association on the subject and win their cooperation.

They can also continue to relieve the bad results of poor posture by correcting the misalinements of the spine. Every chiropractor knows that the most minor displacements in the spinal column can bring on sharp pains, often far removed from the spine itself, which disappear under chiropractic treatment.

TEST YOUR POSTURE

Good posture is a result of holding your body in a balanced position. The easiest way to attain it is to think of an imaginary line running (side view) from the tip of the skull through your neck, shoulders, hips, knees, and insteps. When the head is bent forward, the abdomen thrust out, or the back bent, the line of gravity is shifted, and a strain placed on muscles to keep the body from falling.

To test: Stand with back to wall with head, heels, shoulders, and calves of legs touching it, hands by sides. Flatten hollow of back by pressing buttocks down against the wall. Space at back of waist should not be greater than the thickness of your hand.

Stand facing close to wall, palms of hands touching front of thighs. If chest touches wall first, your posture is probably excellent, or at least good; if head touches first, it is only fair; if abdomen touches first, your posture is really bad, and you should see a chiropractor.

Standing

When you stand straight your head should be balanced and erect. Your shoulders are relaxed and low; your chest is held high. Your lower back should curve to just a slight degree. Your abdomen should be flat. Have your knees straight but not stiff, and feel your weight in the outer borders of your feet.

Sitting

You should sit with your feet flat on the floor. Do not slump in a chair, but keep your back straight and your abdomen flat. As in standing, your head should be erect and well balanced. When you lean forward, lean from the hips, not from the waist.

Walking

Movement should start at the hips. Your head and upper part of your body should remain at right angles to the ground. Swing your arms freely. Look ahead, never down. Point your toes straight ahead. Knees should be relaxed and free.

SECOND LARGEST HEALING PROFESSION

Chiropractic, as an organized professional body, is 58 years old, and now ranks as the second largest healing profession.

Licensed by law in 44 States, District of Columbia, Hawaii, Alaska, Puerto Rico, and 7 Provinces of Canada, there are some 22,000 chiropractors in the United States (against a population of 161 million) and 1,030 in Canada (against a population of 15 million).

Chiropractic is an established but growing and dynamic profession, which has adopted high professional standards and ethics through formal action of the National Chiropractic Association.

Officials of the National Chiropractic Association believe it to be the most democratic professional body in the United States. It employs no sanctions of legal or economic force against nonmembers and strives to achieve its goal of professional unity through education and in a manner discussed and approved by the national membership.

FOUR-YEAR COURSE IS EDUCATION STANDARD

Chiropractic colleges are required to give 4,000 academic hours in a standard 4-year course to obtain accredited ratings from the committee on educational standards of the National Chiropractic Association. A basic course of 4,400 hours is recommended.

The curriculum and hours of study parallel the minimum requirements of the American Medical Association for class A schools.

Up to 2 years of preprofessional (college) education is required by State chiropractic laws of licensure. A large percentage of students entering approved chiropractic colleges today have college degrees.

CHIROPRACTIC COMPARES WELL

In every way chiropractic as a healing profession, compares well with other professions.

Sound chiropractic education is encouraged not only by the national council on education of the National Chiropractic Association but also by the student loan fund and other devices designed to provide aid for gifted students.

Chiropractic education has a lower gross cost than that of other professions, but average incomes for practitioners fall into the median group of all professions.

BASIC CURRICULUM

The following typical or basic curriculum for approved chiropractic colleges is based on the National Chiropractic Association code for a minimum of 4,000 hours in a 4-year course:

Subject:	Hours
Anatomy, including embryology and histology	740
Physiology	240
Biochemistry	180
Pathology and bacteriology	520
Public health, sanitation, hygiene	160
Practice of chiropractic (principles and technique, neurology and psychiatry, pediatrics, dermatology and syphilology, urology, ophthalmology, otolaryngology, first aid and minor surgery, roentgenology)	1,960
Obstetrics and gynecology	200
Total	4,000

Statement in Support of a Bill Extending Certain Veteran's Benefits to or on Behalf of Dependent Husbands and Widowers of Female Veterans

EXTENSION OF REMARKS
OF
HON. WILLIAM C. CRAMER
OF FLORIDA
IN THE HOUSE OF REPRESENTATIVES

Friday, March 18, 1955

Mr. CRAMER. Mr. Speaker, I have today introduced a bill into this Congress that would provide that, in those provisions of laws administered by the Veterans' Administration which relate to compensation, pension, retirement pay, and subsistence allowance, the terms "wife" and "dependent" shall include a dependent husband and the term "widow" shall include a widower whenever his condition is such that, if his wife were living, he would be dependent upon her for support.

This is one of the most compassionate requests I may make to you today. I take this opportunity to point out several of the merits of this measure. My sincerity in this case has been heightened by several cases in the First District of Florida of which I would recite one to bring into sharp focus the real need of many wives of the veterans of our wars in defense of this great Nation.

This resident of my district is a disabled female veteran, and her husband, because of physical disability, is entirely dependent upon his wife for support and comfort. It falls upon this woman the responsibility of providing a home for her husband and giving to this disabled man such comforts as life may bring him in his condition. This is a task that she welcomes as part of her matrimonial vows and one which she has cheerfully and fully taken upon herself. Who is this woman? She is one of those upon whom this Nation called for service in the defense of our Nation in the dire years of World War II. I think it is time to remind this House that these women were volunteers in our service. They had put their country above many of the comforts of home and had served beyond the call of duty to their Nation. It is time that we recognized their devotion and their service. It is time that we placed their responsibilities today on the same basis as the responsibilities of those veterans who receive the benefits of the compensation provided by the Veterans' Administration for dependents who cannot care for themselves.

In the bill that I have today proposed such relief would be provided. In the case of the individual I have recommended for your consideration the amount of additional compensation would be in the vicinity of $27 per month. This is a small amount to each of us individually. This is a large amount to the veteran for whom I would provide some of the smaller benefits of life.

I believe that this legislation is highly desirable, both on the basis of providing uniformity and because it is sound policy to make the benefits available to the dependent husbands of widowers of female veterans in the same manner as they are available to the wives and widows of male veterans. In view of the service rendered to the country during World War II particularly, and in a lesser extent during World War I, by female components of the Armed Forces, it is believed that such action is only fair and just.

There are approximately 300,000 living veterans of World War II, and there is no information on which to base an estimate of the number who would be affected by the passage of this legislation. Therefore no fixed cost estimate can be provided.

These last two paragraphs of explanation of the bill are from the report of the committee of the 81st Congress in support of earlier bills. These statements are true today. They are more true as each year cases occur which place more of the family responsibility upon these female veterans.

It is my most sincere hope this Congress shall make such benefits available to the women who have served our Nation.

Jefferson-Jackson Day Address by Hon. Clinton P. Anderson, of New Mexico

EXTENSION OF REMARKS
OF
HON. SAMUEL J. ERVIN, JR.
OF NORTH CAROLINA
IN THE SENATE OF THE UNITED STATES

Friday, March 18, 1955

Mr. ERVIN. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD a Jefferson-Jackson Day address delivered by the Senator from New Mexico [Mr. ANDERSON] at Raleigh, N. C., on February 5, 1955.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Mr. Toastmaster, Governor Hodges, Senator ERVIN, Senator SCOTT, members of the North Carolina congressional delegation, representatives of the Democratic National Committee, and the North Carolina State Democratic Committee, my fellow Democrats, ladies, and gentlemen, it is not from allegiance to a political party that I visit North Carolina today. I am not here because the Democratic National Committee selected me to speak at this occasion. Instead I come in the name of friendship and long association with men whose lives have touched my own—men whose fine character helped strengthen me in difficult days and whose confidence sustains me and will as long as I may live.

In such a list is your fine Governor. Thirty years ago we sweltered in the June heat of a Dallas hotel room and struggled to bring about the election of a fine citizen of North Carolina to the presidency of the World Rotary movement. We began then a friendship which has lasted through the years.

True friendship, of course, permits an occasional imposition upon it, and I imposed on Luther in an hour of great difficulty. It is a story that I must repeat here tonight.

When I took the oath of office as Secretary of Agriculture, the President made me as well War Food Administrator which led to the added chore of Chairman of the World Food Board. On the first day, I was handed a receipt which I was obliged to sign—a receipt for $1.5 billion worth of garden seeds, cotton, corn, wheat, and potatoes—heavy on the potatoes—owned by Commodity Credit Corporation. I signed it, and then I phoned New York and found that Luther was back in North Carolina.

I notified Luther that we had just bought a business. He asked how much we paid for it and I told him a billion and a half dollars. There was silence on the other end of the phone line and finally I felt obliged to ask him, "Luther, do you have any questions?"

"Yes," he said, "I would like to know what we bought, where it is, and what shape it's in."

"Good," I told him, "Come to Washington and find out those three things for both of us."

Thus began a distinguished chapter of service to the American people. Luther Hodges sought to find out how the Department of Agriculture which had been required to ship billions of dollars worth of food and fiber to our armed services, both at home and abroad, and to allies across every sea and in every part of the earth, could now account for these enormous shipments and at the same time develop an inventory of the goods then on hand. He brought into the Department of Agriculture experts on physical inventories. He took in pay only an amount which covered a portion of each day's hotel bill; but at the end of his service, the Commodity Credit knew what it had, where it was and what shape it was in. There have been numerous investigations of Government agencies, charges and countercharges about fur coats and deep freezes, but the Department of Agriculture came out of that period without a breath of scandal. For that rare good fortune I owe complete thanks to a handful of men including the present distinguished Governor of North Carolina, Luther Hodges.

When he informed me that the Democrats of North Carolina were having a Jefferson-Jackson Day dinner and asked me to make an address to the Democrats, I welcomed the

chance because I have long desired to pay public testimony to his work and rejoice again in the privilege of calling Martha and Luther our friends as you delight to call him your governor.

Grant me now the privilege of a few words about some other Carolinians.

North Carolina bows to no State in the excellence of its representation in the United States Senate. I am proud that SAM IRVIN and KERR SCOTT are Democrats.

Few men in my time have so quickly achieved the Senate stature of your senior Senator, SAM ERVIN. Long respected and esteemed here in North Carolina for his great judicial ability and dedication to high principle and purpose, he was little known in the Nation when, last June, he succeeded the beloved, late Senator Clyde Hoey.

Then suddenly he was named to the Senate select committee which handled the McCarthy censure resolution. His distinguished service on that committee was not only a great credit to North Carolina, to the Senate, and to the Nation; it also brought him nationwide attention and acclaim.

Many have predicted that Senator ERVIN'S speech on the censure resolution will rank among the great speeches of the Senate. It was a masterpiece of logic and eloquence. Listen to these words from that famous address:

"The Senate," said he, "Is trying this issue: Was Senator MCCARTHY guilty of disorderly behavior in his senatorial office? The American people are trying another issue. The issue before the American people transcends in importance the issue before the Senate. The issue before the American people is simply this: Does the Senate of the United States have enough manhood to stand up to Senator MCCARTHY? The honor of the Senate is in our keeping. I pray that Senators will not soil it by permitting Senator MCCARTHY to go unwhipped of senatorial justice."

From that day on, the stature of SAM ERVIN in the Senate of the United States was established. His ringing words fell on the consciences of reasonable men. You know the verdict, and we know our colleague!

May I turn now to your junior Senator?

I first had the great pleasure of working with KERR SCOTT when I was Secretary of Agriculture. He was then your Commissioner of Agriculture, and an excellent one.

In 1948 we both left the immediate arena of agriculture. I went to the Senate. KERR SCOTT became your Governor.

Under his vigorous, progressive leadership, North Carolina set a new pace of progress in many fields. Your new rural roads and highways, your hospitals and schools, your expanded electric-power facilities are monuments to an era of action. They are living tributes to the zeal, energy, and high purpose of KERR SCOTT.

I would not want to forget those members of the North Carolina delegation who serve in the House of Representatives. When I came to the House in 1941, I found HERBERT BONNER near me in the Old House Office Building. He had entered the House to take the place of the beloved and highly respected Lindsay Warren. Tonight I congratulate the State of North Carolina on Herbert's elevation to chairmanship of the Committee on Merchant Marine and Fisheries.

Of course, I have had many opportunities to watch the work and the fidelity to his task of the dean of your delegation, HAROLD COOLEY, chairman of the House Committee on Agriculture, and one of the top figures of our Congress in importance to his State and to the Nation. While Secretary of Agriculture I had the benefit of his experience and counsel. Now in the Senate I take some interest in agricultural legislation; and while HAROLD COOLEY and I are not always on the same side and frequently are on opposite sides of agricultural questions, nothing has impaired my admiration for him, nor altered my conviction that he is a true friend of the farmers of the United States.

Obviously I must not prolong my praise of your congressional delegation of this remarkable State, but surely I would never forgive myself if I did not mention CARL DURHAM, who is my opposite number on the Joint Committee on Atomic Energy. When the Democrats control again the House of Representatives in the 1956 elections, CARL DURHAM will become chairman of the joint committee, and a very fine chairman he will be. We all admire him for the quiet, gentlemanly way in which he goes about his tasks. The Nation will be fortunate to have a man of his stature as head of that very important committee.

With GRAHAM BARDEN, a long-time member of your delegation and now the able chairman of the Committee on Education and Labor, these are the Congressmen with whom I served when I was a Member of the House of Representatives. You have added other capable and talented men and I would like to consider each one; but I will content myself with saying that this collection of strong men in the House of Representatives is a great political and economic asset for the State of North Carolina, and the Democrats over the Nation rejoice in your good fortune.

This mention of rejoicing seems automatically to bring me into the current economic and political situation. The last time I was moving around the country making Jefferson-Jackson Day speeches in any number was in 1948. That was a period when we were taking a rather vigorous pounding from critics across the Nation, and as a member of the Truman administration, I was allergic to the subject of mink coats and deep freezes, even though I had purchased my own deep freeze and had a legitimate, well documented sales slip to prove it. But in the recent campaign I found that the Republicans have developed a few deep freezes of their own. The most noted one from my standpoint was on display in the 83d Congress when the then junior Senator from Kentucky, John Sherman Cooper, sought to get into the White House to tell the President of the United States the facts of life about the Tennessee Valley Authority and the Dixon-Yates contract. When Senator Cooper got to the desk of Sherman Adams, whether in person or on the phone, he learned what a deep freeze really was (he couldn't talk to the President); and even though he got a momentary Presidential handclasp in the closing days of his campaign, it never succeeded in thawing out from the minds of the people of his State the autumn frostbite given him at the White House, and he went down to defeat by the old warrior, ALBEN BARKLEY.

These and other Republican activities helped in additional Democratic victories in November. They made it possible for our party to redeem the Congress and bring it under Democratic control. We saw what Secretary McKay's partnership in resource development could do to the race of a conservative Senator like Guy Cordon of Oregon. We saw what an unsympathetic attitude on unemployment could do to a vulnerable Senator like Homer Ferguson of Michigan. We saw how vigorous campaigning could win for Senator JOSEPH O'MAHONEY in Wyoming against the heaviest barrage of slush and slime that any western candidate ever faced. But most of all we saw Democratic candidates for governor sweep the Republican strongholds and show by their victories that there was an abundance of popular support for Democratic principles in every part of the Nation, and that the support was so widespread and deep rooted that a Democratic victory in 1956 seemed virtually assured.

Let's take a quick look at the effect of those governorship races. We gained 9 governorships without losing a single one. We made the greatest increase in governorships which was ever made in a 2-year period by either major party since the great Democratic landslide in 1932. Governors were elected in 1953 and 1954 in 36 States and we won 21 of them. Even in the States that we lost, the Democratic percentage of the popular vote improved in every one of them except two—Idaho and Massachusetts—and we think there definitely were local conditions which caused our troubles in those States.

When we count the States that swung into the Democratic column in these elections of 1953 and 1954, we sense that in the 21 States where the Democrats elected governors, there are 284 electoral votes. Now our Republican friends captured 15 States but those States had total electoral votes numbering only 124. As a matter of fact, if you add the 6 States where Democrats have hold-over Democratic governors to the ones we won, we then count 27 States which together have 347 electoral votes—far more than needed to make a Democrat President and about two-thirds of the total. So the future looks bright.

What brought this swing to Democrats? What helped us carry New York and Pennsylvania, and kept Ohio and Michigan heavily in our fold? What won back our governorships in Colorado, New Mexico, and Arizona which had become part of the great Democratic desert?

For my part, I want to look at the plight of the American farmer, for I think he may still influence deeply the economics of this Nation and that his distress has been the symbol if not the source of Republican political decay.

So let's talk about farming. Yours is a great agricultural State, and you have as deep an interest in farming as any State in the Union.

One of my hobbies has been checking on farm income, and I have made calculations to show what parity would have produced for the American farmer through the years and contrasted that with what the farmer actually received. I start with the year 1910 because that was the beginning of the parity base.

We use 1910 through 1914 as the 5 years which are the golden age of American agriculture. Conditions were so ideal during that period that parity on many products and originally on all products was figured on that base.

So I've gone back to the beginning of that period and checked the income of American farmers from 1910 to 1953, and have discovered that farm income depends upon the zeal of the administrator of farm programs and not solely on the text of the current law.

Since 1910 Republicans have held power for 16 years. In that period full 100-percent parity income would have been $103,153,000,000. Actual farm income was $92,030,000,000, a deficit of $11,123,000,000 during Republican control.

The Democrats were in for 28 years, and in that time estimated parity income, full 100-percent parity, was $209,208,000,000. Actual income to farmers was $265,921,000,000, a surplus of $56,713,000,000.

In other words, while the Republicans were in, farmers of this country got $11 billion less than full parity. While the Democrats were in the farmers of this country got $56,713,000,000 more than full parity.

That suggests to me that the party which knows how to do the job of protecting the American farmer is the party which has built the price support program, which set up the machinery, and which understands that no farm program is worth its salt if it doesn't save the farmer from the sheriff.

I'm going to talk about farm income this evening because I see things on the agricultural front that I don't like. Farm debt is

getting bigger. There has been a 63-percent increase in farm mortgage debt in 8 years and yet we had 90-percent supports every one of these years and good administration of farm laws during many of them. I'm convinced that we will never do the job by price supports alone; that we have to do it by active markets at home and abroad, and have at the same time Secretaries of Agriculture who are fighting to get the highest possible level of agricultural income in this country. Secretaries who want to get the top dollar—not a part of it—for the farmers of our Nation.

I say that because I realize that the net income to farmers from farming in 1953 was only 4.3 percent of the national income. That was the lowest it has ever been in the history of this country. I look back for comparison at the figures when I was in the Department. In 1946 farm income was 9.4 percent of the national income; in 1947 and 1948 it was an even 9 percent of national income. And yet, the last year for which figures are fully available—1953—the percentage was 4.3 percent, the lowest we have ever known.

But brace yourselves, because 1954 will be found to have been even lower. Even in 1932, which was the year of depression, the farmers received more than 5.5 percent of the national income, but the preliminary figures for 1954 indicate that farmers' net income that year was less than 4.2 percent of national income—an all-time low. The farmer didn't get his share of prosperity but he gets more than his share of recession.

That's why I say that in the Department of Agriculture we need not so much a set of rules as a ruling spirit, not so much a program of supports as a Samson who will not tear down but hold erect the pillars of agricultural prices. This Nation has not reached the peak of national income. Statisticians and economists predict that income will reach $500 billion by 1975 and probably earlier than that. If the farm areas of the country then receive a full share, our farm income would be more than double what it now is. But instead of that, the figures reveal that since 1947 national income has increased more than $100 billion; and farm income, instead of following it up and thereby increasing five to seven billion dollars since its 1947 peak of $16¾ billion, has dropped $4¼ billion. It is that tragic trend which must first be stopped and then reversed before farm prosperity is possible in America, and only Democrats will do the job.

I realize that some may comment that I have supported the President's Secretary of Agriculture. What possibly is overlooked is that he recommended an agricultural program which I had presented to the Congress 9 years ago, which incidentally had its beginnings in the flexible support system written into the Agricultural Act of 1938 and advocated with more or less consistency through the years of Democratic administration. Naturally, I was pleased to find him recognizing the merits of Democratic programs. That wasn't the only Democratic agricultural program which he embraced. He sent us a wool bill which we incorporated into the last agricultural act. It followed the principles of a wool bill submitted to Congress in 1947 but its method of farmer payment was on all fours with the Brannan plan for supporting perishable farm products. On top of that the perplexing dairy situation turned the Department again in the direction of the Brannan proposal to such a degree that the U. S. News & World Report commented that "Republicans, with a farm problem on their hands * * * are even exploring a modified Brannan plan," and the Scripps-Howard newspapers which were and are strong Eisenhower backers, published a headline reading, **Brannan Plan Still Very Much Alive.**

I predict, of course, that if the Department finally tries to sell butter, cheese, and milk powder on the Brannan formula, the Secretary of Agriculture may catch the same sort of heat in his domestic problems that the Republican Senate leader poured on the President in foreign affairs. Of course, if Mr. Benson gets into hot water on the Brannan plan, it will be no novelty to him. No one could watch his handling of the Ladejinsky matter without realizing that he has a passion for hot water and 1 or 2 more plunges into it will be no novelty either for him or for the Republican administration. I wish him no misfortune. I seek only to keep the record straight on the origin of his agricultural programs.

That has been the best part of the Eisenhower administration—the facility with which it has adopted good Democratic doctrine.

In the very first state of the Union message, President Eisenhower announced that he was "unleashing" the forces of Chiang Kai-shek so that they might attack the Chinese mainland from Formosa. Here are his words: "I am issuing instructions that the 7th Fleet no longer be employed to shield Communist China." But here are his more recent words: "The Nationalist Chinese navy and air force have been ordered to cease attacks on Chinese Communist mainland targets as a result of United States pressure." The experience of 2 years with a difficult Formosa problem has brought him to the point where he now favors an open commitment for all the world to heed and remember that we will prevent Red China from seizing the Pescadore Islands and Formosa—precisely what President Truman proclaimed 5 years ago. All Democrats should be glad that such a good American doctrine has found a new home.

I hear more favorable words these days about the doctrine of mutual aid and the Marshall plan. We find a new feeling of appreciation for trade, not aid; and an occasional comment as to how we may achieve a better balance in world trade by falling back on the wisdom of a great Democrat, Cordell Hull.

Let us talk just a little about Mr. Hull's program of reciprocal trade. It seemed to find a new home when on March 30, 1954, the President sent to the Congress his message on foreign trade. He described as its main provision the continuance of the Reciprocal Trade Agreements for another 3 years.

Those of us who were appreciative of the fact that only by an alert and aggressive foreign trade can we save our farmers were warmed by the President's strong message. We knew that once before he had put off a fight with those old-guard Republicans in Congress who believe in the highest of protective tariffs, but now he seemed in his firmly worded message to be telling them that he was ready to fight it out.

Yet within 2 months he made public a letter revealing that he would not fight for his 3-year tariff-cutting program, but would settle for a simple 1-year extension. We Democrats thought that he shouldn't give up so easily. Senator ALBERT GORE, of Tennessee, led off a 90-minute debate on foreign trade in which the Senate Democrats freely joined, but not a Republican said a word.

Eighteen of us joined with Senator GORE in offering an amendment which would carry out the President's fighting words of only a few months before. We stood ready to make the fight even if the President wouldn't. The roll was called in the Senate, and 84 percent of the Senate Democrats supported the President's trade program, while 100 percent of the Republicans voted for the weak and feeble 1-year bill. Pretty soon we will be at it again, but this time we will be wondering how much help we will have from the followers of the President in putting across the President's program. These Democratic policies could be dusted off and win if we could only get some Republicans to follow the Republican leadership.

We Democrats enjoy comparing the promise with the performance.

The budget? The general in the 1952 campaign said, "We can reduce our budget * * * we can live within our means." But Treasury sources today say the deficit was big in 1953, big in 1954, will be big in 1955, and that will continue to be the story.

The national debt? The 1952 Republican platform said, "Our goal * * * is a reduced national debt." But today the Treasury Department is preparing its annual request for permission to raise the debt limit.

Farm prosperity? The Republican platform of 1952 said, "The Republican Party will create conditions providing for farm prosperity and stability." The figures I have given you tonight already show that farm net income will be the smallest percentage of national income we have ever known, even in the bottom of the depression.

Family quarrels? The general in the 1952 campaign said, "We shall not allow our Government agencies to fight at the expense of the American people." CARL DURHAM and I know something of their family fights. Indeed, I watched Admiral Strauss and Commissioner Murray of the Atomic Energy Commission argue one day face to face before our committee and I knew then that family quarrels were the order of the day.

Of course, I know what the Senator from Wisconsin has said about the man in the White House; what the Secretary of Commerce says to the Secretary of Labor; what the Senator from California has said about Formosa; and when I went home that evening after watching the argument in the Atomic Energy Committee I opened the Bible that lies beside my telephone and my easy chair and, strangely, my eyes fell on the 17th verse in the 4th chapter of Nehemiah: "They which builded on the wall, and they that bare burdens, with those that laded, everyone with one of his hands wrought in the work, and with the other hand held a weapon." If ever there was a spot where the Commissioners worked with one hand and held a weapon with the other, it was and is the Atomic Energy Commission, and we are promised a replay of that record on Tuesday of this coming week.

Why, the battles of Washington determine even our dreams. One night after a particularly bitter day, my dreams took the pattern of an old-time minstrel show—end men, buck and wing dancers, barbershop quartets, and all the trimmings.

Ed Sullivan had just put on television his tribute to the radio industry and that pageant may have colored my phantasy, for on stage strutted a male chorus, and they sang:

"I wish I were in the land of Dixon
Big deals there are ripe for fixin',
Giveaway, giveaway, giveaway Dixon-Yates."

Then the fade-out and a strong singer with a parody on Gilbert and Sullivan—and the Captain of the King's Navee.

What he sang proved that my dreams were getting better all the time—better and closer to reality. Dr. Lawrence Hafsted, the AEC expert on reactors, had just been hired by the Chase National Bank, the public relations man had joined a New York publicity firm, and the general manager himself had resigned to take a huge salary because he couldn't live on the $20,000 we were paying him. So the singer on my dream stage sang:

"Now friends and pals, wherever you may be
You'll never get rich in the AEC.
If you want to make a mark and a dollar too,
Just take this advice I give to you.
The advice that I give is all for free
Get a new job in industry."

As they left our schooling and went out into the world of more and bigger bucks, they

sang in tribute to their training ground and their alma mater:

"There by Mississippi's waters
On a bank of mud
"Sits our generating station
Covered by a flood."

The real target of the Dixon-Yates feud, of course, was the TVA and the salute to TVA came in Clementine:

"In a canyon, in a valley
Generating tax-free juice
"Stands a hydropower project
Socialism on the loose."

Suddenly the male chorus sang again—this time the Notre Dame Victory March:

"Cheer, cheer for old Dixon-Yates,
Cheer while we boldly jack up the rates
Send the bill to AEC
Pray that they keep from bankruptcy
What though our taxes be great or small
Old Uncle Sam will pay for them all.
Here's to those who foot our bills, and
Forward to Solvency."

Yes, in spite of the Gore amendment, Uncle Sam will pay the taxes. Even my dream wasn't wrong on that.

Of course, the Yale men didn't sing the Notre Dame song. They just tip-toed around in the currency singing, "Moola, Moola."

But then the last scene—just Mr. Dixon and Mr. Yates alone on the stage for a final number.

What do you suppose they were singing? "My Country 'tis of Thee?" No. "America, the Beautiful?" No. "Carolina in the Morning?" Never that. "Bringing in the Sheaves?" Well, that's close, but they were really singing: "There's a Gold Mine in the Sky."

Now for a few words that I want to say on my own. I have been steadily in Washington for the past 14 years and had spent much time there in the previous ten. The battles over social security, collective bargaining, public resource development, and the like, which agitated us so severely decades ago, seem now about ended.

But we have some new problems: the menace of long-run inflation, the menace of long-run militarization, and the menace of mutual destruction through building our defenses so strong that they give security to none.

Long-run inflation is all about us. Every time the stock market moves up, some trading specialist finds a new formula to explain the phenomenon. But in my book none is needed save the fact of our constant failure to balance the budget and the steady increase in the manufacture of personal and industrial credits.

I stood in 1947 with Jesse Jones in his proud city of Houston while he pointed out to me the rising landscape as he brought his buildings up to a uniform height of 22 stories. I asked him why he did not retrench rather than expand.

"Because," said he, "we will be in an inflation cycle for years to come. We can't afford a depression with our huge national debt. We can't let the dollars shrink." How wise he was.

Long-run militarization we know too well. The powers of destruction gain faster than our ability to control them. Every year the planes fly faster and higher. Every year as their speed increases, the power to resist attack is lessened. But the planes of our enemy likewise improve until no man is safe, even in his own house.

So we come to the menace of mutual destruction—the odd chance that some desperate leader may trigger an atomic or nucleonic war where there can be no victory but only the destruction of all.

A week from tonight many of us will prepare to leave for a proving grounds to see if there is a new and promising crop of fantastic weapons. That is our responsibility and we must certify to the Congress that this Nation is ready.

Ready for what? To blow another people into powder or be decimated ourselves? Ready to loose new forces that we but partly understand, and whose potency surprises even the magicians who make them? I cannot believe that is the best this Nation can contrive.

Rather I would believe that our Senate leader, LYNDON JOHNSON, spoke for all the Democrats in Congress when he declared:

"I shall fight to keep my party on the road of freedom and progress for America. * * * I shall never permit partisan zeal to become the instrument of discord that will tear America apart in the face of a threatening enemy. * * * I should like for the President to think, with justification, that Americans will back him—not as Republicans and not as Democrats—but as Americans who place the salvation of their Nation above all else."

This is a dark and troublesome hour in world affairs, but we can find our way to final peace if the Democrats of this Nation measure up to that leadership and determine that good faith to their Nation is more important than good fortune to their party.

North Carolina can help us to that goal.

St. Patrick's Day Address

EXTENSION OF REMARKS
OF

HON. MICHAEL A. FEIGHAN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, March 18, 1955

Mr. FEIGHAN. Mr. Speaker, under leave to extend my remarks, I wish to insert in the RECORD my annual St. Patrick's Day address which was broadcast over radio-TV station WXEL, and radio stations WJW and WERE, Cleveland, on Thursday, March 17:

Once again we commemorate the feast of St. Patrick and rejoice in his many wonderful gifts to our civilization.

The greatest of these gifts are of the spirit. They are reflected in those great principles which recognize the special dignity of every man and serve as the steady guide for humanity in time of strife or tranquillity.

The entire history of the United States is replete with St. Patrick's contributions, beginning with our fight for national independence.

The sons and daughters of Ireland, loyal always to the great inspiration of St. Patrick, have come to our shores and have helped us to become the great Nation that we are today.

As a great Nation among the powers of the world we have been called upon to assume grave responsibilities in an up-set world in which the very civilization heralded by St. Patrick is threatened with extinction.

It is therefore fitting on this, his feast day, that we recall to mind some of the signs of our time which carry bad tidings of the future.

It is now 10 years since the end of a war involving most of the nations and people of the world.

That war was costly, in terms of our manhood and our natural resources.

We fought that war against tyranny and for a golden era of peace, freedom, and prosperity for all mankind.

In the throes of that great struggle, suffering mankind was promised that those great goals would surely be attained and that finally there would be comity among all the nations of the earth.

Even before the end of active hostilities, we began to construct an organization for peace in whose councils all the nations would be represented.

At war's end, all mankind held high hopes for, and placed great faith in, a peaceful future.

In the 10 years that have passed, but a moment in the long history of mankind, many events have taken place which have shaken confidence in our ability to reach those worthy goals.

Our first shock came when it became clear that all the nations of the world would not be included in the United Nations organization.

Some nations were to be severely punished and purged before they would be considered for membership.

Other nations, taking no part whatsoever in the war, and long recognized as peaceful nations, were denied membership because of the objections of the Russians. Unhappily, Ireland, the home of St. Patrick, and the mother of many great leaders in the fight for human liberty, was one of those nations excluded from the councils of the United Nations.

The second great shock came from the Russians who, in violation of all their solemn pledges during the war, brought under ruthless slavery the many nations and peoples our sons and daughters fought and died to liberate during World War II.

It would seem that then we in the free world failed to recognize the terrible significance of these events, because we did little or nothing about them.

We surely did not recognize these events as a threat to peace, because we failed to use the United Nations in order to prevent these acts of aggression.

Our third great shock came when the Russians threatened to overrun Greece and Turkey in their geopolitical drive to split the world. We became aroused at this turn of events, because a great American, President Truman, took a stand against Communist aggression and pronounced the Truman doctrine.

His significant act awakened the West from a deep slumber.

The next great shock came when the Russians attempted to force the western allies out of Berlin by means of a blockade.

This was another test of the determination of the United States to fight for the cause of freedom.

This challenge was met, and the Russian bullies backed down.

Then came Korea.

The Russians, using a small corps of North Koreans and hardened veterans of the Chinese Communist army, invaded South Korea for the purpose of driving the Americans into the sea and enslaving all Korea.

Without hesitation, President Truman met this challenge, and after terrible sacrifices the Communist aggressors were driven back north of the 38th parallel.

Then followed a protracted period of negotiations climaxed by a dubious armistice for which the Communists have shown their complete disdain by breaking it time and time again.

In the process, Red China was branded an aggressor in the Korean war by the United Nations.

Still another blow at the hopes of mankind was the Communist aggression in Indochina. When another Russian stooge, Ho Chi Min, fully supported by the Chinese Communists, brought about more bloodshed and terrible human suffering.

While all these shocks were taking place the United Nations, in one degree or another, became involved, but in none of these instances was the United Nations able to measure up to the reasonable hopes imposed in it by mankind.

Twenty years ago, in 1935, a great Irish statesman, Eamon De Valera, speaking before

the League of Nations when that body was considering Mussolini's aggression against Abyssinia, warned that this was its crucial test.

That if it allowed aggression against a small and defenseless country to go unpunished, its days were numbered.

Ireland, unfortunately, is still not admitted to the councils of the United Nations.

She is still blocked by the atheistic Communists of Russia.

The prophetic words of Eamon De Valera could well be spoken in the councils of the United Nations today.

What he said in 1935 fits perfectly the crisis that now faces the United Nations, an organization for peace in which we put such high hopes.

I feel certain that if Ireland were represented, the issue that De Valera raised in 1935 would be raised again in the councils of the United Nations in an effort to reestablish law and morality in the conduct of affairs between nations, and to avoid what, at the moment, seems to be an uninterrupted trend toward world war III.

It seems very strange that today there should be any talk whatsoever about admitting Red China to the United Nations.

Red China, an aggressor and initiator of the Korean war, a violator of every tenet of international law, defiant and disdainful of all pleas made by the United Nations, has no right whatever to membership in the United Nations.

If Red China be admitted to the United Nations there would be no doubt but that the criteria for membership is the ability of a nation to wage aggressive war rather than its hopes and aspirations for peace.

There are some who still believe that it is possible to satisfy the appetite of a dictator.

A good example of this notion is found in the crisis created by the Chinese Communists in their efforts to destroy what is left of free China.

At the beginning of this crisis, certain of the islands of still free China were voluntarily evacuated and turned over to the Communists.

By devious twisting of the facts, this evacuation was built up as a great victory for peace.

It was depicted as a victory because the evacuating force was not attacked by the Communists while they were in the process of handing over to them, territory that belonged to free China.

That is peace at any price.

All liberty-loving people were shocked upon receiving the news that the Chinese Communists held, without foundation, many Americans in their prisons and refused to release them.

Most of these Americans are members of the armed services.

We were horrified to learn how these Americans were being brainwashed and that many of those whose personality had been destroyed were returned to us so that they could cause further confusion and damage to the cause of liberty.

It was not so many years ago that the holding of one single American by a foreign power, without cause, would have been considered a most serious offense and likely to lead to war if not quickly and satisfactorily remedied.

But today it seems that the unchanging values and immutable principles which brought America to its present position in the world, have lost their meaning and their purpose.

It may be that we, as a nation, have been subjected to a brainwashing which has dimmed our fundamental beliefs and confused us as to what is right and what is wrong.

Are we to believe that nothing is black or nothing is white, but everything is gray?

Is this what is happening to us as a nation and a people as we seek to avoid war, and continue our fight for peace, freedom, and prosperity?

That is the fundamental question of our times.

It is not a question of patience, as some would have us believe. Rather it is a question of right or wrong.

We must at all times be impatient to see that right is done in the conduct of all the affairs of mankind.

And we must be equally impatient to prevent and stamp out that which is wrong.

Failing to do this, we will have signed our own death warrant and prepared the way for the fall of our entire civilization.

On this, the feast of St. Patrick, we must begin to reassess our values and to reexamine our mission in a sadly upset world.

We must make it clear that we, as a nation, know the difference between right and wrong.

We must also make it clear that we propose to stand up for that which is right and to oppose with all our vigor that which is wrong.

We must also make it clear that we place the greatest value upon things of the spirit and not upon material gain.

Above all, we must make it clear beyond any doubt to all the people of the world that no sacrifice is too great for us to make in support of those great spiritual values without which our Nation would soon cease to exist.

I believe that adherence to sound moral principles is St. Patrick's greatest gift to America and to all other peoples of the world who have felt the warmth of his teachings.

America has been blessed with an abundance of his favors, and I pray to God we will begin to take full advantage of these great assets.

An Act To Provide for the Protection of Public Property Near the Shores of the United States From Damage by Waves and Currents

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EXTENSION OF REMARKS

OF

HON. WILLIAM C. CRAMER

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Friday, March 18, 1955

Mr. CRAMER. Mr. Speaker, I introduced yesterday H. R. 5363 entitled "An act to provide for the protection of public property near the shores of the United States from damage by waves and currents," which has as its purpose what I believe to be a realistic and reasonable approach to one of the most serious problems facing many areas of our country where beach erosion, or the threat thereof, exists.

Under recent legislation concerning this subject matter of beach erosion, including Public Law 520, 71st Congress, 1930; Public Law 409, 74th Congress, 1935; Public Law 166, 79th Congress, 1945; and Public Law 727, 79th Congress, 1946, the Federal Government participates, upon a finding by the Beach Erosion Board of public interest being involved, to the extent of one-third of that portion of the cost of the project allocable solely to the protection of Federal, State, municipal, and other publicly owned property that abut immediately upon the water. The result of the present legislation is, therefore, that in many instances, the Federal participation is inconsequential and obviously does not accomplish the purpose intended by Congress, that is, that the Federal Government should make reasonable contributions in beach-erosion projects where public property is involved, in threatened beach-erosion areas. For instance, to take a specific example, there was approved by the Beach Erosion Board, the United States Army Engineers, and by the last session of Congress, the Pinellas County, Fla., project, at a total estimated cost of $717,350, of which the Federal share is $34,300, which is unquestionably justified in that the cost-benefit ratio of the total $25 million project is 4.2. Due to the minimal amount of publicly owned property that immediately fronts on the shore, it is seen that the Federal contribution is only approximately 5 percent.

To further substantiate the fact that there is no question of justification of this project from the standpoint of the existence of a storm threat, the report to the Public Works Committee shows that 19 storms struck the general area between 1901 and 1950, inclusive, resulting in an average annual loss by annual erosion damage of $112,400. During the last 4-year period the area involved has appreciated tremendously in real value, in that millions of dollars in improvements have taken place.

Thus, under the present formula and existing legislation, and with the Pinellas County project as a specific example, the contribution of the Federal Government is very minimal despite the fact that substantial municipal, county, and State property that does not directly abut the shore is constantly subject to the threat of storm damage and erosion. This is true because the 25-mile string of islands involved is comparatively narrow and there is a public road extending in most instances within the erosion damage range of the entire coastline. Presently the Federal Government has no authority to participate through Federal contribution in the protection of any of this publicly owned property, simply because it does not actually abut on the water, although it is extremely subject to storm and erosion damage action by the water. This is only one of the examples of which many could be cited, where publicly owned property is affected by erosion from which there is no protection whatsoever and, under existing legislation, is not being reasonably carried out. The object of my bill is to some degree bring the Federal participation realistically in line with the existing threat to publicly owned property. Without this bill many needed beach-erosion projects have not been undertaken, partially due to the unfair and high percentage of participation required of local interests.

It will be noted that my bill is in no sense a windfall to the intervening private property between the publicly owned property and the shore, in that the formula for participation has been reduced to one-sixth in determining public interest that there may be a substantial benefit resulting to the public property as compared to the benefit

which might conceivably be derived by private property.

This bill is the result of lengthy conferences with the United States Army engineers and a representative of the Federal Beach Erosion Board, and it is hoped that it is a sufficiently realistic approach to a very serious national problem that it will merit the favorable consideration of the Public Works Committee and this Congress.

The International Atomic Energy Program—Address by Hon. Morehead Patterson

EXTENSION OF REMARKS

OF

HON. ALEXANDER WILEY

OF WISCONSIN

IN THE SENATE OF THE UNITED STATES

Friday, March 18, 1955

Mr. WILEY. Mr. President, I have prepared a statement relative to the International Atomic Energy Agency and negotiations for worldwide peaceful application of this great nuclear force.

I ask unanimous consent that the statement and the attached speech by the Honorable Morehead Patterson be printed in the CONGRESSIONAL RECORD.

There being no objection, the statement and appended speech were ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR WILEY

The world has noted with interest the latest example of Soviet duplicity: Izvestia, characteristically, has just denounced President Eisenhower's effort for worldwide peaceful application of atomic energy. Izvestia slandered the historic address made by our Chief Executive on December 8, 1953, before the United Nations General Assembly.

Thus, once more, the Soviet Union brands itself in the eyes of the world as an opponent of all reasonable steps actually to harness this great force for man's benefit, and to prevent it from being used for man's destruction.

The Soviet Union's course with respect to President Eisenhower's efforts represent a typical instance of the Soviet Union's talking out of both sides of its mouth at the same time. This situation proves once more the Soviet tendency to lie unendingly, to propagandize unconscionably.

Nevertheless, we are not disenheartened. We are not discouraged. We are not going to permit Soviet sabotage to impair our efforts in relation to working out with the free nations the great plans which have been spelled out by our Chief Executive.

MANY PROBLEMS LIE BEFORE US

I have noted with deep interest the progress of many of the free nations in their nuclear reactor programs or the beginnings of such programs.

I feel that we are entering upon a new age in which many underdeveloped nations can span the gap toward industrialization with a speed which might heretofore have been inconceivable.

There are, of course, a great many technical and economic problems which must still be resolved before atomic energy can be produced economically for peaceful power purposes. This is not going to happen overnight by waving a magic wand, but that it is going to happen within a reasonable time is certain. We are sure that under the great leadership of President Eisenhower and Secretary of State, John Foster Dulles, we will, in concert with freemen everywhere move toward the goals which we have set for ourselves.

ADDRESS BY MOREHEAD PATTERSON

America is fortunate that we have as our United States representative for international atomic energy negotiations an outstanding citizen, a leading businessman (president of the American Machine & Foundry Co.), a man who has already proved his mettle in U. N. conferences on disarmament, Mr. Morehead Patterson.

I was pleased the other day to read the text of an address which Mr. Patterson delivered at the opening of the School of Nuclear Sciences and Engineering in Chicago. In it, he voices many extremely significant observations with regard to the future peaceful application of atomic energy on an international scale. This is Mr. Patterson's first public address in his new capacity.

AN HISTORIC CHAPTER

This overall subject is, of course, no mere passing matter.

I believe that when the history of these times is written, the role played by President Eisenhower in the atoms-for-peace plan will constitute one of the most significant chapters of our times.

I believe, too, that the vital role played by Adm. Lewis Strauss, Chairman of the Atomic Energy Commission, in pioneering in the peaceful application of atomic energy, will likewise stand as one of the outstanding roles of a public servant in our time.

In the flux of day-to-day events, let us keep these immensely significant contributions in mind.

Let us bear in mind, too, that it is the genius of United States free enterprise which is in the vanguard of actually carrying out the technical details of this work.

VITAL WORK OF ATOMIC INDUSTRIAL FORUM

Fortunately, a great many of America's finest companies, including many in my own State, are now laying sound plans to cooperate with our Government in peaceful use of the atom.

The Atomic Industrial Forum is serving invaluably in this overall effort.

American business is thus demonstrating to the world its vision and resourcefulness in opening a new chapter in our free-enterprise system. And Government is giving the "green light" as fast as security considerations and other problems will permit.

Meanwhile, on the international scale, America is acting upon her unparalleled opportunity to serve man's welfare and to strengthen relations with all free nations, as well as trying to come to some meeting ground with the east.

SPEECH AND EDITORIAL

There follow now excerpts from the text of Mr. Patterson's vital address.

It is followed by an editorial from the March 17 Milwaukee Journal, describing the significance of the historic occasion at the opening of the school.

I may note that Mr. Patterson is going to address an important conference in San Francisco on April 4, conducted by the Atomic Industrial Forum and Stanford Research Institute. The theme of the conference is Atomic Energy—The New Industrial Frontier. Other speakers will include Dr. Glenn T. Seaborg, Nobel prize winner, and Dr. Edward Teller, famed nuclear scientist. This meeting at the Mark Hopkins Hotel is typical of the very significant work being spearheaded by the Atomic Industrial Forum, in acquainting United States business with its opportunities and responsibilities in the atomic age.

MAN'S BENEFITS FROM THE ATOM

(Address by Ambassador Morehead Patterson, United States representative for international atomic-energy negotiations, at the opening of the School of Nuclear Sciences and Engineering, Chicago, Ill., March 13, 1955)

This day will long be remembered by peoples everywhere. It marks the beginning of an extensive, permanent program of international educational exchange applying the knowledge of the atom to the betterment and the improvement of mankind.

You who come from every continent of this earth are true trailblazers in this historic program of peaceful cooperation. Representatives from 19 countries are ready to begin here at the School of Nuclear Sciences and Engineering a most unique and fruitful program.

Each of you is a living testimonial to the desire that burns in all the world's people—to help one another toward greater health, security, and well-being. Through your studies here you will have the opportunity to make a substantial contribution toward that end for your own countries and peoples and for all the countries and all the peoples of the world.

The opening of this school is a true realization of the hope that modern man can learn to overcome his fears and his misunderstandings in much the same way that we have learned and are still learning to fathom the infinite mysteries of nature and to apply them to the benefit of all.

This School of Nuclear Sciences and Engineering equally represents a most remarkable advance along the path of international cooperation. One of the greatest obstacles to the speedier development of the peaceful uses of the atom is the lack of a large enough body of scientists and technicians trained to deal with nuclear materials. We cannot have powerplants operating by atomic fission, for instance, until we have technicians who know how to operate them. As a result, we must train a large body of individuals all over the world who can grasp the problems and know what is required to work safely and effectively with atomic materials. There are substantial numbers of reactor engineers in the United States, in the United Kingdom, and in Canada, and there are quite a few in other lands. Their number must be rapidly increased, especially today. That is exactly what we are trying to do with this school and with this course.

The existence of this school for the exchange of know-how to the benefit of mankind is a typical way in which the American people desire to express their deep and genuine hatred of war and their devotion to peace. History has shown that the American civilization flourishes in peace. War, and especially war in the 20th century, must of necessity bring with it the type of economic regimentation which is destructive of the finest and most productive values in American life.

It is for these simple reasons that the harnessing of the atom for peaceful purposes is a natural and inevitable step for the American people. And this, by the same definition, is an advance which the American people like and prefer to share with their friends abroad. Similarly, it was natural and easy, though admittedly naive, for the American people to disarm rapidly soon after the end of both World Wars. What other country could have demobilized 8 million men in 10 months? It was also natural and easy for the American people to offer to give up their most powerful weapon of war—the atom bomb—and internationalize atomic energy. Despite the fact that the United States had a monopoly of that weapon at that time, the sole condition made was that a foolproof system of safeguards be established. Those were easy, unhesitant decisions for the United States. The difficult

and trying decision is to maintain preparedness. While the atom takes on a primary peaceful aspect, we shall not weaken our defenses to the detriment of real security.

The unique course you are about to begin is the natural consequence of another memorable event. On December 8, 1953, the President of the United States delivered a message of hope to the world—a broad plan for turning the atom to peaceful uses.

* * * * *

He thus proposed that the benefits of atomic energy be used for the good of all mankind, and not confined to the few States that by an act of God, so to speak, have atomic know-how.

The impact of the President's thoughts was great. It stirred the imaginations of people all over the world and created a tremendous wave of enthusiasm which even a dash of Russian cold water failed to chill. It was also greeted by some with cynicism and pessimism.

Such was the enthusiam that many were inclined to overestimate and forget the practical difficulties involved in putting the atom to work. Some have concluded that in a very short time—perhaps next month or next year—we would find ourselves in a rose-tinted era of atomic plenty. All of us—in industry, in science, and in positions of public responsibility for the peaceful development of nuclear energy—have contributed in some measure to this excessive public optimism on how much we can expect from the atom, and how soon. Sometimes we compete with one another to see who can take the longest leap into outer space in projecting the overnight transformation of every aspect of human life through the application of atomic power. One could argue that there is nothing drastically wrong with this dreaming.

The free world was not alone in this contemplation of atomic possibilities. What, for instance, have the Russians to say on this subject? Let me quote from a recent article in the Soviet magazine New Generation (Smena):

"The use of atomic energy for peaceful purposes will permit the correcting of many of nature's mistakes * * * the Turgai Gates might be blown up to open the way for Siberian rivers to flow south to Central Asia and Kazakhstan."

Other projects which this article promised are "irrigating such deserts as the Sahara, construction of a colossal powerplant in the Straits of Gibraltar, building a dam in the Bering Straits which would be connected with a series of other structures that would direct the warm streams of the Pacific Ocean to the Arctic Ocean to warm the areas beyond the Arctic Circle."

While the article then indicated that all this could happen immediately, it points out that these "earth-shaking schemes will have to wait for the end of capitalism."

From what we really know, none of these earth-shaking schemes nor, in passing, the end of capitalism is imminent.

So much for the optimists.

Now for the pessimists.

A respected political leader in one country suggests that we give up hope of ever being able to solve all atomic problems; that we turn back the clock and that the United States "throw all its atom bombs into the deep Antarctic and begin a new world free from fear." Of course, this would mean a complete halt to the development of peaceful uses of the atom, since the basic fissionable materials that we would throw into the Antarctic would be the same as the materials used in powerplants.

The road which the United States is presently following is not that of unrealizable earth-shaking schemes; or is it the road of despair which would abandon all hope of progress because of its dangers. We are seeking to move forward constructively and practically with steady steps toward our goal of making the atom a real servant of mankind. We hope and know that each year will show advances over the previous year.

I am deeply convinced that the atom holds limitless potentialities for human good. Science and industry, hand in hand with the Government, will level the barriers that stand between us and its useful application. By focusing increased attention on these problems and the freer exchange of information between countries—which is reflected in the school here—the time for achieving appreciable results will get shorter. Every promise has 3 dimensions, 1 of which is time.

We will bring about only disappointment, and perhaps even disillusionment and despair, if people become persuaded that all this represents a quick or easy assignment.

The Sahara just cannot be made to bloom next year.

The face of the globe cannot be altered to turn the North Pole into a tropic paradise the year after that.

We must realize that great human and material effort must still be exerted before we can tap the atom's full potential; and that, even when we do, it will not be the answer to every problem in every corner of the earth.

This state of mind can easily be described by the old maxim: Before we can run, we must learn to walk.

In the public discussions on the potentials of the atom the aspect that has attracted principal attention until now is the prospect of cheap and plentiful electric power, using nuclear materials as fuel.

So many countries are in need of new fuel sources and the world's energy requirements are rising so rapidly that much of our immediate hope for the atom is concentrated in this field. A good part of your own time at this school will be devoted to certain aspects of this subject.

The countries which you represent hope to realize many benefits from the development of reliable and economical powerplants utilizing nuclear fuels as soon as possible. For each country the timetable of this development will vary. The power requirements of your countries are increasing rapidly each year. For example, I understand that the rise in Portugal amounts to 20 percent per year.

At the same time the conventional sources of fuel—solid fuels, liquid fuels, and water power—are generally inadequate today and can be expanded only with difficulty.

Let us be specific for a moment: In France and Belgium the solid fuels which up until now have been the chief source of energy are becoming more expensive to produce and there is little possibility of rapid expansion of production. The recent discoveries of oil in France are indeed encouraging but will probably be used for purposes other than energy.

In Switzerland, Sweden, Portugal, and Greece expansion of hydroelectric resources is definitely limited and there is no substantial production of liquid or solid fuels.

Portugal fortunately has rich deposits of uranium. In Spain with its limited hydroelectric and solid fuel resources we look forward to especially rapid increase in the demands for power.

To turn to Asia: The hydroelectric and solid fuel resources of Japan are already entirely inadequate to take care of its highly industrialized economy. There is no oil production.

In the Philippines even today we find a desperate power shortage which impedes the industrial development of the country.

Thailand is completely dependent on imported fuel to meet its power requirements.

In Pakistan domestic production of fuels is equal to only about one-fourth of present consumption requirements.

Indonesia is more fortunate than some of its neighbors because of its nearly unlimited resources in petroleum. However, its vast populations should benefit especially from applications of the atoms in the field of health and agriculture.

Israel has as yet found neither liquids nor solid fuels in its borders.

Australia has large solid fuel resources. Yet its program for expanding its economy should benefit materially from harnessing the atom for peace, especially since Australia is a potentially large producer of uranium.

There are a number of peaceful uses of the atom now being developed which could be extremely helpful to Egypt in solving its unique economic problems. I refer in particular to the tracer techniques as applied to agriculture and to the considerable experimentation now going on to develop economical methods of transforming sea water to fresh water.

To turn to the Western Hemisphere: Of the countries represented in this course only Mexico has at the present time adequate developed fuel resources within its borders; all four states—Argentina, Brazil, Guatemala, and Mexico—have embarked on programs of industrial development which can benefit materially from the atom.

I think it is safe to say that every one of you when you return to your homes will find problems in your countries at least in the planning stage to which you can apply immediately and profitably the knowledge and skills which you will acquire in these courses.

To my mind, the best way to illustrate where we stand today in the realm of atomic power is to draw an analogy between the development of aviation in the early years of this century and the present stage of development of atomic energy.

In the late twenties—many here will recall—a wave of enthusiasm engulfed the world in connection with the benefits to be derived by mankind from the peaceful uses of the aeroplane. Up to that time, the chief developments in aircraft had all been military. Little serious thought was given to the commercial use of planes. Suddenly, the world seemed to visualize a tremendous future for civil aviation.

* * * * *

The headway in civil aviation has, of course, been impressive. It has brought material benefits to all of us. And yet very few of us can commute to work by air; even fewer drop out of the skies to visit their friends for an evening. Railroads, steamers, and buses continue to run, and the use of automobiles has increased many times more rapidly than the use of the planes.

The reason why the dreams of the twenties are still only partly realized is a simple one: With aviation, something new was added to the complexities of travel—the law of gravity. Flying is not dangerous. The danger begins when the motor fails and you stop flying. Ever since the Wright brothers made their first flight our ingenuity has been focused in two directions: First, on ways to make planes safer and more reliable; and second, on the training of technicians—the pilots and ground crews. We have made enormous strides in this direction.

Today after 50 years of constant experimentation and improvement, air travel has become so safe that our major airlines fly millions of miles each year without a casualty. They solved the safety problem, just as you, and others like you, will solve the problems inherent in the safe application of atomic power. But it took time.

* * * * *

We are going to get a great deal from the atom, but it is foolhardy to tell ourselves we are going to accomplish this revolution overnight.

I am confident that the will and the ability to solve these many problems will be found. Indeed, an occasion like this one here today represents the best assurance that the thinking of experts from all nations can and will

be focused on the prompt and effective solution of problems which man has the ingenuity to conquer. Out of such fine cooperation can come only good.

These past months progress has been made toward international cooperation in peaceful uses of the atom. We have moved forward on the path leading to the creation of an International Atomic Energy Agency as suggested by President Eisenhower. A draft statute for such an agency has been prepared and is presently under active negotiation. Included in this statute are numerous constructive steps suggested during the lengthy and helpful debate on this subject in the last United Nations General Assembly. It would be premature to discuss today the details of the proposed agency. Soon there will be in existence an active international agency to develop the peaceful uses of atomic energy. I hope that many of you will share in the work of this agency.

The opening of the School for Nuclear Science and Engineering is yet another step toward this important path of international cooperation to bring out greater peaceful uses of the atom. So is the forthcoming Technical Conference on the atom in Geneva in August.

Highly significant in the operation of this school is its worldwide representation, spread all over the globe.

We might call the roll to bring out this vital fact:

From Africa, Egypt is represented here; Australia is represented. From Asia we have here students from Japan, Pakistan, Israel, Thailand, Philippines, and Indonesia. Europe is represented by Belgium, France, Greece, Portugal, Spain, Sweden and Switzerland. America is represented by Guatemala and Mexico and by Argentina and Brazil.

* * * * * *

We certainly should have a good start in developing trained technicians all over the world.

By this school and by joint participation we have made a real move toward international cooperation in harnessing the atom for peace. The message of hope which the President of the United States gave to the United Nations a little over a year ago has become today a reality. More will be done in the future.

In the future when we have an International Atomic Energy Agency, as visualized by the President, I hope that all countries with atomic know-how, including the Soviet Union, will invite citizens of all nations to participate in their training programs on an exchange basis. The International Agency may have training programs of its own; and in any event, it can assist materially in arranging for spreading atomic know-how everywhere.

I congratulate the Atomic Energy Commission for its broad vision in establishing this school. I congratulate the staff of the school for the careful and skillful arrangements which, I am convinced, will make the courses a success.

And I congratulate you, the students from foreign lands, who will go back to your countries as pioneers in this great work. You signify the urgency expressed throughout the world for affirmative action to assure the survival of humanity on this planet—survival in the face of possible widespread destruction from the use of this same atomic energy for war only. I think it is the justifiable hope of the world that as peaceful uses of atomic energy become universal and the power systems of the world become more and more dependent upon it, its destructive use in allout war may become less likely. In this sense the development of nuclear power would have significance far beyond the economic sphere which is the perspective in which it is generally considered today. In this sense your efforts as pioneers in your countries in this field may well qualify you for the blessed reward promised to peacemakers. You will be in that enviable position of making the world we live in better, more secure, and healthier. This represents real hope. By exchanging know-how and ideas all men benefit. The American people by their action in the field of the peaceful uses of atomic energy have dedicated themselves to that goal.

[From the Milwaukee Journal of March 17, 1955]

REPAYING OUR ATOMIC DEBT

America this week started sharing with other nations of the world some of the knowledge and skills that have given us preeminence in the realm of atomic science.

At the Argonne National Laboratory, southwest of Chicago, representatives of 19 foreign lands gathered for the opening of the new School of Nuclear Science and Engineering. There they will learn the techniques of operating atomic reactors so they may return home and pass on their knowledge to others. Thus will be created a body of technicians for the constructive use of atomic energy.

One may properly take pride in this example of American generosity. But, in truth, it represents only a partial repayment of the immense contributions made to our earlier atomic effort by scientists of foreign lands.

The roll of these scientists was called, in part, at ceremonies opening the school: Einstein, of Germany; Fermi, of Italy; Bohr, of Denmark; Breit, of Russia; Szilard and Wigner, of Hungary; Zinn, of Canada; they and many others; and before them Hahn and Strassman, of Germany; Cockroft, of England; the Curies, of France and Poland.

Not until the present modest beginning has been vastly broadened can we mark the debt paid. President Eisenhower sketched the outlines in his electrifying atoms-for-peace proposal to the United Nations.

HOUSE OF REPRESENTATIVES

MONDAY, MARCH 21, 1955

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

O Thou, who art found by all who sincerely seek Thee and known by those who love Thee and seen by all whose hearts are pure, may we now be numbered among the seekers and finders of God.

We penitently confess that we frequently enter upon a new day with many doubts and fears, for the future at times seems to be so dark and full of mystery.

Grant that when we are disquieted and disturbed by evil tidings may our restless spirits find their strength and refuge in Thee.

May we have within us Thy peace which passeth all understanding, which the world cannot give or take away, and help us to believe that in Thine own good time there shall be peace on earth and good will among men.

Hear us in the name of the Prince of Peace. Amen.

The Journal of the proceedings of Friday, March 18, 1955, was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Carrell, one of its clerks, announced that the Senate had passed without amendment a joint resolution and concurrent resolutions of the House of the following titles:

H. J. Res. 250. Joint resolution to amend the joint resolution of March 25, 1953, relating to electrical or mechanical office equipment for the use of Members, officers, and committees of the House of Representatives;

H. Con. Res. 91. Concurrent resolution authorizing the printing of additional copies of hearings held by the Committee on Government Operations on the organization and administration of the military research and development programs; and

H. Con. Res. 93. Concurrent resolution authorizing reprinting of House Document 210 of the 83d Congress.

The message also announced that the Senate further insists upon its amendments to the bill (H. R. 2576) entitled "An act to further amend the Reorganization Act of 1949, as amended, so that such act will apply to reorganization plans transmitted to the Congress at any time before April 1, 1958."

The message also announced that the Vice President has appointed Mr. JOHNSTON of South Carolina and Mr. CARLSON members of the joint select committee on the part of the Senate, as provided for in the act of August 5, 1939, entitled "An act to provide for the disposition of certain records of the United States Government," for the disposition of executive papers referred to in the report of the Archivist of the United States numbered 55–10.

APPROPRIATIONS FOR DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES, 1956

Mr. KIRWAN, from the Committee on Appropriations, reported the bill (H. R. 5085, Rept. No. 235) making appropriations for the Department of the Interior and related agencies for the fiscal year ending June 30, 1956, and for other purposes, which was read a first and second time, and, with the accompanying papers, referred to the Committee of the Whole House on the State of the Union, and ordered to be printed.

Mr. JENSEN reserved all points of order on the bill.

SPECIAL ORDER GRANTED

Mr. SIKES asked and was given permission to address the House for 30 minutes on Monday next, following the legislative program of the day and the conclusion of any special orders heretofore entered.

PAY RAISE FOR FEDERAL WORKERS

Mr. LANE. Mr. Speaker, I ask unanimous consent to extend my remarks at this point.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. LANE. Mr. Speaker, the turnover among civilian employees of the

United States Government is alarming and wasteful.

We are losing too many skilled and experienced civil servants to private industry because we have not the commonsense and gratitude to pay these people what they are really worth.

If this Congress straddles the issue and fails to vote a 10-percent wage and salary increase for Federal employees, it will be justly charged with putting its own personal interests first.

With a 50-percent increase coming into our own pockets, we should not begrudge a 10-percent lift for those who are the backbone of Government, carrying out the millions of complex tasks that transform our paper orders into realistic accomplishments.

If Uncle Sam does not adopt an enlightened policy toward his own workers and manage to pay them as well as General Motors recognizes the valuable services of its employees, he will run the risk of getting second-class personnel because the good ones will not work for peanuts, and the leftovers will not dedicate themselves to their jobs because they must conserve their energies for extra, part-time work on the outside to bring their incomes up to average.

During the debate on the congressional pay-raise bill, much was made of the fact that private industry pays much more for equivalent responsibilities.

The same holds true for the rank-and-file workers of the Federal Government.

We sometimes take the view that they have enlisted for life—that they should work hard and ask for nothing more.

The Federal worker has a strong sense of duty, but we must not take advantage of it and expect him to trod along the treadmill without hope of appreciation and reward.

A bored and perfunctory approach to this problem would be worse than doing nothing.

Federal employees are becoming restless—cynical over last year's spectacle, when overwhelming endorsement of a general pay increase was given at the last minute, with no time left to override the Presidential veto of the postal pay raise. They believe that the Congress saw this coming and was so anxious to make itself look good that it was not sincere concerning the realities of the situation.

The year 1955 started with a flood of pay increase bills for Federal workers and a rash of tributes to our underpaid civil servants.

But where do matters stand now?

The Federal workers are hostages to the administration's stubborn determination to raise postal rates and effect a postal reclassification plan. The merits of their case are unfairly subordinated to the solution of this extraneous issue.

I can state here—and without reservation—that a puny 5-percent increase will not be satisfactory.

A higher increase should already be in effect, from July 1 of last year.

Playing politics with this issue has plunged the morale of Federal workers to an all-time low.

Only forthright and substantial pay adjustments will restore their faith in the Congress, which is the boss of their economic positions.

Business is booming. Dividends are rolling in. Some stocks have increased 200 percent, and a few 300 percent in value in a little more than a year. The gross national product is breaking records. The wage level is rising.

But where does this leave the threadbare, respectable Federal workers with their increasing workload?

Always behind the rate of economic progress.

This is a sorry state of affairs.

It can be cured by a 10-percent increase for Federal workers that will be repaid in many dividends of confident and constructive performance by civil servants who are secure in the knowledge that the Congress is doing right by them.

We cannot afford to "Scrooge" on those who work for the whole Nation.

SPECIAL ORDERS GRANTED

Mr. BAILEY asked and was given permission to address the House on Wednesday next for 25 minutes, following the legislative program of the day and any special orders heretofore entered.

Mr. YATES asked and was given permission to address the House today for 10 minutes, following the legislative business of the day and any special orders heretofore entered.

PAY LEGISLATION FOR POSTAL EMPLOYEES

Mr. ANFUSO. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. ANFUSO. Mr. Speaker, I am opposed to the consideration of H. R. 4644 under a suspension of the rules. I believe that a rule should be granted and the bill should be presented under a form to permit amendments and sufficient time for debate.

In its present form H. R. 4644 is, in my view, inadequate, insufficient, ill-defined in its purposes, and discriminatory against the rank and file of our postal workers. The benefits provided under this measure are entirely too meager. After waiting and hoping for nearly 4 years since the last increase in July 1951 for an adequate and decent pay raise which will help postal employees to cope with the high cost of living, we are grudgingly offering them what I regard as a ridiculous sum. Instead of a strong helping hand, we are extending to them a mere straw.

I prefer to see enacted legislation calling for a 10-percent salary increase for all postal workers, retroactive to August 23, 1954, the date when the President vetoed the pay-raise bill passed by the 83d Congress.

It is not a very difficult matter for postal employees to prove that there is complete justification for a substantial salary increase, and I am thinking of a sum in the neighborhood of at least $800. Ask any postal worker how he manages on his present income and you will see how woefully underpaid the great majority of them are. They have been behind the cost of living almost continually since 1940. In all these years their salaries have never been adequately adjusted to meet the cost of living, while the purchasing value of their limited income has declined steadily. We cannot ignore this situation at this time when we reconsider the salary structure and seek to determine a more adequate and satisfactory salary level.

As a result of this decline in the purchasing power of postal employees, those in the lower income brackets found this situation almost intolerable as they continued their struggle to maintain the family unit and to provide an education for their children. A very large percentage of the postal workers have had to take on a second job or have their wives seek employment in order to supplement the family's income. This two-job era, which began as a temporary matter, has by this time developed into a permanent part of the home life of many postal families.

Let me point out, too, that postal employees have never received any consideration for their increased productivity, which has almost doubled in the years between 1940 and 1955. The bill under consideration, H. R. 4644, likewise omits in its salary structure any consideration of this increased productivity on the part of postal workers and this omission is a grievous error and a serious shortcoming of the measure.

A major fault of this bill is that some supervisors and other high-paid officials in the postal system would receive salary increases ranging as high as 50 percent, which is greater than the entire annual salary of certain lower-paid employees. In contrast with these increases, many of the clerks, carriers, motor-vehicle operators, and others will receive a raise of only about 6 percent. This is not only discriminatory but unjustified and unacceptable.

To put it in bold figures, the immediate increases granted to some supervisors under H. R. 4644 are as high as $2,280 and $2,930. I am not opposed to this pay raise for them. They are entitled to it because of their administrative experience and their heavy responsibilities.

But let us look at the other side of the ledger. Out of 234,562 regular carriers, clerks, postal-transport employees, and motor-vehicle employees in level 5, a total of 213,121 will receive less than $300 as their pay increase under this bill. On a percentage basis, a total of 180,086 of these employees will receive increases amounting to less than 7 percent.

Our postal employees have earned their right to a decent increase, and anything less than 10 percent could not be considered thus. I prefer to think of 10 percent as a minimum rather than a maximum.

I should also like to call attention to the fact that, unlike other workers in private industries, postal employees and all Government employees are prohibited by law from engaging in political activity to improve their situation. Furthermore, long before our Government inserted no-strike provisions in the laws

affecting Federal workers, postal employees voluntarily relinquished all rights to declare strikes—which, as is well known, is a potent weapon on the part of labor to improve conditions.

I am also mindful of the fact that the post office is a service to the American people—perhaps even more important than other public services which have to be wholly maintained by the American taxpayer. It is not a profit organization or an enterprise devoted entirely to the profit motive, and it is therefore erroneous for us to think of the postal system in such terms when we consider the welfare of the country and of those directly associated with the postal system in particular.

Postal workers are a loyal and conscientious group. They deserve fair and adequate remuneration for the services they perform to keep our Government and our economy operating smoothly and efficiently.

Since postal employees are entirely dependent on the Congress for sympathetic consideration of their needs, the Congress has a responsibility which it must exercise by affording full consideration of these needs.

BILL TO CREATE DEPARTMENT OF PEACE AND DISARMAMENT

Mr. LANHAM. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. LANHAM. Mr. Speaker, today I have introduced a bill to create a Department of Peace and Disarmament.

I was moved to do this by the action of the President appointing the Honorable Harold Stassen as a special aide to the President to discharge the duties which would be assigned to him by my bill.

It is not my purpose to preempt the field and try to substitute my bill for similar ones previously introduced by Members of the House delegation from West Virginia. A very distinguished constituent of theirs has long advocated the creation of a Department of Peace. I refer to Mr. R. M. Davis.

It has not seemed to me until now that the time was ripe for such a department. At this time, it seems to me, such action on the part of Congress would have tremendous psychological impact throughout the world. People everywhere are tired of war and the armament race that unless checked may well lead to world war III and the destruction of civilization. Of course any move toward disarmament must be made with due regard to our national security and in close cooperation with the Department of State.

It seems to me that Mr. Stassen with his wide experience in the field of foreign aid and his long-time interest in the promotion of peace and world accord is well suited to head a department of peace and disarmament.

I have no pride of authorship in the bill, and want simply to add my approval to the action of my West Viriginia colleagues in proposing throughout several years the idea contained in my bill.

DISPOSAL OF SYNTHETIC RUBBER FACILITIES

Mr. VINSON. Mr. Speaker, I desire to announce to the House that tomorrow I will call up a privileged resolution (H. Res. 170) relating to the disposition of the synthetic rubber facilities.

Mr. Speaker, I ask unanimous consent that general debate on House Resolution 170 be fixed at 6 hours, 3 hours to be controlled by the author of the resolution, the gentleman from Texas [Mr. PATMAN], and 3 hours by myself as chairman of the Committee on Armed Services.

Mr. ARENDS. Mr. Speaker, reserving the right to object, and I shall not, I wonder if the chairman of the committee will tell us whether the other resolution will be called up on that day or the following day.

Mr. VINSON. Mr. Speaker, in regard to House Resolution 171, I will call that up Wednesday morning, because it will take all day tomorrow to finish House Resolution 170.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. VINSON. Mr. Speaker, I desire to announce further that I will ask for a rollcall at the end of the debate on the disposal resolution.

HOUR OF MEETING MARCH 22

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 11 o'clock tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

AMENDING REORGANIZATION ACT OF 1949

Mr. McCORMACK. Mr. Speaker, I call up the bill (H. R. 2576) to further amend the Reorganization Act of 1949, as amended, so that such act will apply to reorganization plans transmitted to the Congress at any time before April 1, 1958, with Senate amendments thereto, and ask for the present consideration of the Senate amendments.

The Clerk read the title of the bill.

The SPEAKER. The Clerk will read the first Senate amendment.

The Clerk read as follows:

Page 1, line 7, change "1958" to "1959."

Mr. McCORMACK. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. MCCORMACK moves that the House recede from its disagreement to the amendment of the Senate numbered 1 and concur in the same with an amendment as follows: In lieu of the matter stricken out and inserted by said amendment strike out of the engrossed bill "April 1, 1958" and in lieu thereof insert "June 1, 1957."

Mr. PATMAN. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. PATMAN. Does this relate to the Committee for the Reorganization of the Executive Branch?

Mr. McCORMACK. Yes.

Mr. PATMAN. I would like to know something about that, Mr. Speaker.

Mr. McCORMACK. The purpose of the action to be taken by the House is this: The Reorganization bill as it passed the House allows the President 3 years to submit reorganization plans in reference to the executive branch of the Government. The Senate amended it and made it 2 years. The purpose of this amendment is to make it 2 years and 2 months, the reason being that the law will expire in the month of April 1957. That is rather short. We felt that 2 months would be advisable, making the time expire on June 1, 1957, instead of April.

The SPEAKER. The question is on the motion.

The motion was agreed to.

The SPEAKER. The Clerk will read the next amendment in disagreement.

The Clerk read as follows:

Amend the title so as to read: "An act to further amend the Reorganization Act of 1949, as amended, so that such act will apply to reorganization plans transmitted to the Congress at any time before April 1, 1957."

Mr. McCORMACK. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. MCCORMACK moves that the House recede from its disagreement to the amendment of the Senate to the title and concur in the same with an amendment as follows: In lieu of the matter proposed by said amendment, amend the title so as to read: "An act to further amend the Reorganization Act of 1949, as amended, so that such act will apply to reorganization plans transmitted to the Congress at any time before June 1, 1957."

The motion was agreed to.

A motion to reconsider the votes by which action was taken on the several motions was laid on the table.

CALL OF THE HOUSE

Mr. McGREGOR. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 22]

Bell	Curtis, Mo.	Rivers
Bolton, Oliver P.	Dorn, N. Y.	Velde
Canfield	Eberharter	Vorys
Chiperfield	Jones, Mo.	Vursell
Christopher	Moulder	Wigglesworth
	Reece, Tenn.	

The SPEAKER. On this rollcall, 416 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

AMENDING FOREIGN SERVICE ACT

Mr. TRIMBLE, from the Committee on Rules, reported the following privileged resolution (H. Res. 181, Rept. No. 240), which was referred to the House Calendar and ordered to be printed:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 4941) to amend the Foreign Service Act of 1946, as amended, and for other purposes. After general debate, which shall be confined to the bill, and shall continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Foreign Affairs, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

POSTAL FIELD COMPENSATION ACT OF 1955

Mr. MURRAY of Tennessee. Mr. Speaker, I move to suspend the rules and pass the bill (H. R. 4644) to increase the rates of basic salary of postmasters, officers, supervisors, and employees in the postal field service, to eliminate certain salary inequities, and for other purposes.

The Clerk read the bill, as follows:

Be it enacted, etc., That this act may be cited as the "Postal Field Service Compensation Act of 1955."

TITLE I—DEFINITIONS, COVERAGE, AND EXEMPTIONS

Definitions

SEC. 101. For the purposes of this act—

(1) "Department" means the Post Office Department established by section 388 of the Revised Statutes (5 U. S. C., sec. 361), and the postal field service of the Post Office Department;

(2) "postal field service" includes all operations and organization units of the Department, other than the departmental operations and organization units in the headquarters offices of the Post Office Department at the seat of the Government, and includes postal inspectors assigned to the headquarters offices of the Post Office Department at the seat of the Government;

(3) "employee", unless the context otherwise indicates, includes postmasters, officers, supervisors, and all other persons employed in the postal field service, regardless of title, other than persons who provide services for the Department on a fee, contract, job, or piecework basis;

(4) "position" means the duties and responsibilities assigned to an employee, other than duties performed on a fee, contract, job, or piecework basis;

(5) "key position" means an existing position, described in section 203 of this act;

(6) "salary level" means the numerical standing in the postal field service schedule assigned to a position in the postal field service;

(7) "basic salary" means the rate of annual or hourly compensation specified by law, exclusive of overtime, night differential, and longevity compensation;

(8) "basic compensation" means basic salary plus longevity compensation; and

(9) "persons" has the meaning prescribed for such word in section 1 of title 1 of the United States Code.

Coverage

SEC. 102. This act applies to all positions and employees in the postal field service.

TITLE II—RANKING OF POSITIONS

Administration

SEC. 201. (a) The Postmaster General shall determine the personnel requirements of the postal field service, and fix the number of supervisors and other employees in such service, except that not more than one assistant postmaster may be employed at any post office. He shall define the various positions other than the key positions specified in section 203 of this act and the standard positions of postmaster in a fourth-class office and rural carrier. He shall assign each such position to its appropriate salary level in the postal field service schedule. He shall ascertain the appropriate salary level of a position (1) by comparing the duties, responsibilities, and work requirements of the position with the duties, responsibilities, and work requirements of key positions described in section 203 of this act, and (2) by ranking the position in relation to the key position most closely comparable in terms of the level of duties, responsibilities, and work requirements.

(b) In ranking positions, the Postmaster General shall apply the principle of equal pay for substantially equal work and give effect to substantial differences in difficulty of the work to be performed, in the degree of responsibility to be exercised, in the scope and variety of tasks involved, and in the conditions of performance.

(c) The Postmaster General's determinations under this section shall be the basis for the payment of compensation and for personnel transactions.

Appeals

SEC. 202. Any employee, either individually or together with one or more other employees with a similar grievance, may appeal at any time, in person or through his representative specifically designated for that purpose, to the United States Civil Service Commission to review (1) if such employee is in a position other than a key position described in section 203 of this act, any action taken by the Postmaster General under section 201 of this act, in order to determine whether his position has been placed in its appropriate salary level in accordance with such section, and (2) if such employee is in a key position described in section 203 of this act, any administrative action taken or determination made under this act, in connection with such employee, in order to determine whether such employee has been placed correctly in a key position on the basis of and in accordance with the descriptions of key positions and the assignments of such positions to salary levels specified in section 203 of this act. The Commission shall act upon such appeal at the earliest practicable time, and its decision on such appeal shall be certified forthwith to the Postmaster General who shall take action in accordance with such certificate.

Key positions

SEC. 203. Key positions in the postal field service consisting of standard, related tasks commonly performed in that service are described and assigned to salary levels in the postal field service schedule, as follows:

(1) Position: Janitor—Level 1.

Basic function: Cleans, sweeps, and removes trash from work areas, lobbies, and washrooms.

Duties and responsibilities:

(A) Sweeps and scrubs floors and stairs, dusts furniture and fixtures, cleans washrooms, and washes windows (except exterior glass in high buildings).

(B) Moves furniture and helps erect equipment and fixtures within offices of the building.

(C) In addition, may perform any of the following duties:

(i) Cleans ice and snow from the sidewalks and driveways, and tends the lawn, shrubbery, and premises of the post office.

(ii) Washes walls and ceilings.

Organizational relationships: Reports to a foreman or other designated supervisor.

(2) Position: Elevator Operator—Level 2.

Basic function: Operates a freight or passenger elevator.

Duties and responsibilities:

(A) Operates elevator.

(B) Cleans cab of elevator and polishes metal fittings.

(C) In addition, may perform any of the following duties:

(i) Pushes handcarts of mail on and off elevator or assists in loading or unloading material carried on elevator.

(ii) Tends the heating plant or performs cleaning duties in the vicinity of the elevator.

Organizational relationships: Reports to an elevator starter or other designated supervisor.

(3) Position: Order filler—level 2.

Basic function: Selects, assembles, and makes ready for shipment items requisitioned by postal field establishments.

Duties and responsibilities:

Is assigned any of the following duties:

(A) Separate sheets of the requisition form, fastens copies to clipboards and places on appropriate conveyor line.

(B) Clarifies writing on carbon copies of requisitions in order to minimize errors in filling requisitions.

(C) Sets up and prepares shipping containers.

(D) Places in cartons on conveyor lines the quantities of items requisitioned from an assigned station, indicating action taken opposite each item.

(E) Fills and labels bulk shipping orders and moves bulk material to dispatch area.

(F) Replenishes from stock items stored in individual stations and keeps stations neat and orderly to facilitate filling of requisitions.

(G) Transports bulk and individual shipments on hand trucks.

(H) Assembles materials for each requisition where conveyor lines converge.

(I) Places cartons on assembly table for coordination and packing.

(J) Checks requisition copies and items to assure that proper action has been taken.

(K) Directs items not requiring packing to dispatch area.

(L) Combines shipments to reduce packing.

(M) Transmits bulk slips and shipping labels to the appropriate person.

(N) Labels bulk and individual packages with printed labels to avoid hand labeling.

(O) Prepares labels by use of appropriate rubber stamps.

(P) Seals cartons with stapling machine or tape.

(Q) Packs supplies for shipment.

(R) Stacks and trucks completed orders.

Organizational relationships: Reports to a foreman or other designated supervisor.

(4) Position: Clerk—third-class post office—level 2.

Basic function: Sorts incoming and dispatches outgoing mail for a small number of points of separation and destination; provides a limited number of services at public windows.

Duties and responsibilities:

(A) Sorts incoming mail for general delivery, lock boxes, and one or more delivery routes.

(B) Postmarks, and prepares mail for dispatch by train or other mail route; closes, locks, and affixes labels to pouches and mail sacks.

(C) Performs services at a public window, such as selling stamps, stamped envelopes, or other routine functions.

(D) As the needs of the service require, many perform other related duties incidental to the operation of the post office.

Organizational relationships: Reports to a postmaster.

(5) Position: Guard—level 3.

Basic function: Makes rounds of the post office building, and punches clocks at designated stations.

Duties and responsibilities:

(A) Patrols buildings, punching watchman's clock where furnished, checking door and window locks, noting and reporting fire hazards and other irregularities, such as running water and unclosed doors and windows.

(B) Sounds fire alarm.

(C) Preserves order in corridors and, when necessary, detains persons for interrogation by post-office inspectors or local police.

(D) In addition may perform any of the following duties:

(i) Gives directions to the public in building lobby.

(ii) Raises and lowers the flag.

(iii) Retrieves lost and found articles and delivers them to the appropriate place.

(iv) Obtains names of victims, doctors, police, and witnesses in the event of accident.

(v) Guards property entrances and prevents damage to property by the public.

(vi) Tends the heating plant of the building.

(vii) Operates elevators on a relief basis.

(viii) Does incidental cleaning and laboring work.

Organizational relationships: Reports to a lieutenant of the guard, a building superintendent, or other designated supervisor.

(6) Position: File clerk—level 3.

Basic function: Sets up and maintains files on one or more subject matters.

Duties and responsibilities:

(A) Prepares new file folders and maintains existing folders in correct order as prescribed in the established filing system.

(B) Transmits folders or information contained therein to authorized personnel (for example, forwards personnel folders to requesting supervisors, or copies data from folders to satisfy requests).

(C) Opens, sorts, and searches file material, and maintains files in up-to-date condition.

(D) In addition, may perform any of the following duties:

(i) Types from rough draft or plain copy.

(ii) Answers telephones.

(iii) Prepares requisitions for supplies.

(iv) Operates a mimeograph machine.

Organizational relationships: Reports to a designated supervisor.

(7) Position: Typist—level 3.

Basic Function: Types material such as forms, correspondence, and stencils from rough draft or plain copy; performs general office clerical work.

Duties and responsibilities:

(A) In accordance with instructions and information furnished by supervisor, types forms, standard reports, and documents such as invitations to bid, orders, contracts, invoices, personnel actions, and related materials.

(B) Types correspondence and memoranda from rough drafts or general information.

(C) Cuts stencils for instructions, circulars, and other general uses.

(D) In addition, may perform any of the following duties:

(i) Transcribes from a dictating machine.

(ii) Operates a mimeograph machine.

(iii) Files, checks, requisitions, prepares vouchers, and answers the telephone.

Organizational relationships: Reports to a designated supervisor.

(8) Position: Mail handler—level 3.

Basic function: Loads, unloads, and moves bulk mail, and performs other duties incidental to the movement and processing of mail.

Duties and responsibilities:

(A) Unloads mail received by trucks. Separates all mail received by trucks and conveyors for subsequent dispatch to other conveying units, and separates and delivers working mails for delivery to distribution areas.

(B) Places empty sacks or pouches on racks, labels them where labels are prearranged or racks are plainly marked, dumps mail from sacks, cuts ties, faces letter mail, carries mail to distributors for processing, places processed mail into sacks, removes filled sacks and pouches from racks, closes and locks same. Picks up sacks, pouches, and outside pieces, separates outgoing bulk mails for dispatch and loads mail onto trucks.

(C) Handles and sacks empty equipment, inspects empty equipment for mail content, restrings sacks.

(D) Cancels stamps on parcel post, operates canceling machines, carries mail from canceling machine to distribution cases.

(E) Assists in supply and slip rooms and operates addressograph, mimeograph, and similar machines.

(F) In addition, may perform any of the following duties:

(i) Acts as armed guard for valuable registry shipments and as watchman and guard around post-office building.

(ii) Makes simple distribution of parcel-post mail requiring no scheme knowledge.

(iii) Operates electric fork-lift trucks.

(iv) Rewraps soiled or broken parcels

(v) Performs other miscellaneous duties, such as stamping tickets, weighing incoming sacks, cleaning and sweeping in workrooms, offices, and trucks where such work is not performed by regular cleaners.

Organizational relationships: Reports to a foreman or other designated supervisor.

(9) Position: Garageman—level 3.

Basic function: Performs a variety of routine services incidental to the proper maintenance of motor vehicles.

Duties and responsibilities:

(A) Lubricates trucks in accordance with lubrication charts and type of truck.

(B) Changes crankcase oil and filter cleaners and cleans case in conformance with instructions and vehicle mileage.

(C) Changes tires and makes necessary repairs.

(D) Washes and steam-cleans trucks.

(E) Assists automotive mechanics.

(F) Fuels and oils trucks.

(G) Cleans garage, garage office, swing room, and washroom, as assigned.

Organizational relationships: Reports to a foreman of mechanics or other designated supervisor.

(10) Position: Special-delivery messenger—level 4.

Basic function: Is responsible for delivering, on foot or by vehicle, special-delivery letter mail and parcels to city patrons. As a representative of the postal service, maintains pleasant and effective public relations with patrons.

Duties and responsibilities:

(A) Receives special-delivery mail for delivery and signs c. o. d. and registered items at post office before beginning route.

(B) Delivers on foot and by vehicle special delivery mail to patrons; obtains signatures when required; collects amounts and fees on c. o. d.'s; in case of absent patrons, exercises judgment in determining whether to leave mail or leave notice and return mail to post office.

(C) Returns receipts and moneys collected to authorized personnel at post office.

(D) In addition, may perform any of the following duties:

(i) Faces and cancels mail and makes routine distribution of incoming and outgoing mail.

(ii) Delivers and collects mail other than that requiring special delivery handling.

(iii) Loads and unloads or carries bulk mail and parcels.

Organizational relationships: Reports to a foreman or other designated supervisor.

(11) Position: Motor vehicle operator—level 5.

Basic function: Operates a mail truck on a regularly scheduled route to pick up and transport mail in bulk.

Duties and responsibilities:

(A) Picks up and delivers bulk quantities of mail at stations, branch offices, and terminal points; as required, picks up mail from collection boxes and deposits mail in relay boxes.

(B) Operates truck in conformity with time schedules and rules of safety, and in accordance with instructions regarding the route for which responsible.

(C) Ascertains the condition of the truck prior to leaving and upon returning to the garage; reports all accidents, mechanical defects noted, and mechanical failures while on route.

(D) In addition, may perform any of the following duties:

(i) Drives a tractor and semitrailer on occasion, unloading bagged mail and packages at post offices and picking up mail for delivery to a central point.

(ii) Prepares daily trip reports showing work performed.

(iii) Makes minor mechanical repairs to truck in emergencies while on route.

Organizational relationships: Reports to a superintendent of motor vehicles or other designated supervisor.

(12) Position: City carrier—level 5.

Basic function: Is responsible for the prompt and efficient delivery and collection of mail on foot or by vehicle under varying conditions in a prescribed area within a city. As a representative of the postal service, maintains pleasant and effective public relations with route patrons and others, requiring a general familiarity with postal laws, regulations, and procedures commonly used, and with the geography of the city.

Duties and responsibilities:

(A) Routes or cases all classes of mail in sequence of delivery along an established route. Rearranges and relabels cases as required by route adjustments and changes in deliveries.

(B) Withdraws mail from the distribution case and prepares it in sequence for efficient delivery by himself or a substitute along an established route. Prepares and separates all classes of mail to be carried by truck to relay boxes along route for subsequent delivery.

(C) Enters change of address orders in change of address book and on appropriate form. Readdresses mail to be forwarded and marks for appropriate handling other mail addressed to route patrons who have moved. Sorts such mail into throw-back case for convenient handling by clerks.

(D) Delivers mail along a prescribed route, on a regular schedule, picking up additional mail from relay boxes. Collects mail from street letter boxes and accepts letters for mailing from patrons. Such service may be rendered on foot or by vehicle and in some instances may consist exclusively of parcel post delivery or collection of mail.

(E) Delivers and collects charges on customs, postage-due, and c. o. d. mail matter. Delivers and obtains receipts for registered and certain insured mail. Receipts for such matter, except insured mail, at the post office before beginning route and accounts for it upon return by payments of the amounts collected and delivery of receipts taken.

(F) Deposits mail collected in the post office upon return from route; faces such mail for stamp cancellation.

(G) Checks, and corrects if necessary, mailing cards presented by advertisers bearing names and addresses of patrons or former patrons of the route.

(H) Furnishes patrons with postal information when requested, and provides change of address cards and other postal forms as requested.

(I) Reports to supervisor all unusual incidents or conditions relating to mail delivery, including condition of street letter boxes and time cards.

(J) Regular city carriers assigned to foot delivery routes are required to become proficient in the casing of mail on at least one other foot delivery route.

(K) Substitute city carriers may be assigned to perform clerical duties and may be required to pass examinations on schemes of city primary distribution.

(L) In addition, may perform any of the following duties:

(i) Checks hotels and other such establishments to insure that mail for residents undeliverable as addressed is not improperly held.

(ii) Delivers stamps or other paper supplies to contract or classified stations.

(iii) Serves at carriers' delivery window.

(iv) Receives and registers, where practical, all letters and packages of first-class matter properly offered for registration and gives receipt therefor.

(v) Makes delivery on other routes as assigned.

Organizational relationships: Reports to a postmaster or assistant postmaster, or other designated supervisor.

(13) Position: Distribution clerk—level 5.

Basic function: Separates mail in a post office, terminal, airmail field, or other postal facility in accordance with established schemes, including incoming or outgoing mail or both.

Duties and responsibilities:

(A) Makes primary and one or more secondary distributions of incoming mail by delivery point (for example, classified or contract station or branch or other delivery unit, general delivery, lockboxes, rural or star route, or city carrier route) based on a knowledge of the distribution scheme established for that office.

(B) Makes primary and one or more secondary distributions of outgoing mail for dispatch (for example, by city, State, region, train, highway or railway post office, or airmail flight) based on a knowledge of the distribution scheme prescribed by the Postal Transportation Service.

(C) In addition, may perform any of the following duties:

(i) Maintains records of mails.

(ii) Examines balances in advance deposit accounts.

(iii) Faces and cancels mail.

(iv) Ties mail and inserts facing slips.

(v) Opens and dumps pouches and sacks.

(vi) Operates canceling machines.

(vii) Records and bills mail (for example, c. o. d., registered, and so forth) requiring special service.

(viii) Renders service at public windows.

Organizational relationships: Reports to a foreman or other designated supervisor.

(14) Position: Window clerk—level 5.

Basic function: Performs a variety of services at a public window of a post office or post office branch or station. As a representative of the postal service, maintains pleasant and effective public relations with patrons and others, requiring a general familiarity with postal laws, regulations, and procedures commonly used.

Duties and responsibilities:

(A) As a regular assignment, performs any of the following duties:

(i) Sells postage stamps, stamped paper, cards, internal revenue stamps, migratory bird stamps, and postal savings stamps and certificates.

(ii) Accepts from and, after proper identification, delivers to patrons parcel post, insured, c. o. d., and registered mail; makes collection of required postage, issues necessary receipts, and issues general delivery mail to patrons.

(iii) Verifies second-, third-, and fourth-class mailings, computing and maintaining on a current basis mailers' credit balances.

(iv) Assigns special delivery and registered mail for delivery.

(v) Checks and sets post office stamp-vending machines, postage meters, and large mailers' stamp permit meters.

(vi) Receives, follows up, and recommends action on patrons' claims and complaints.

(vii) Issues and cashes foreign and domestic money orders and postal savings certificates.

(viii) Rents post office boxes, receives rental payments, conducts reference checks, and completes related forms.

(ix) Provides information to the public concerning postal regulations, mailing restrictions, rates, and other matters involving postal transactions.

(B) In addition, may perform any of the following duties:

(i) Makes emergency calls on patrons to adjust service complaints.

(ii) Makes emergency carrier relays.

(iii) Assists in alien registration and census matters.

(iv) Separates and distributes mail.

Organizational relationships: Reports to a postmaster, assistant postmaster, or other designated supervisor.

(15) Position: Automotive mechanic—level 6.

Basic function: Repairs mail trucks, including the removal and installation of complete motors, clutches, transmissions, and other major component parts.

Duties and responsibilities:

(A) Diagnoses mechanical and operating difficulties of vehicles, repairing defects, replacing worn or broken parts.

(B) Adjusts and tunes up engines, cleaning fuel pumps, carburetors, and radiators; regulates timing, and makes other necessary adjustments to maintain in proper operating condition trucks that are in service.

(C) Repairs or replaces automotive electrical equipment such as generators, starters, ignition systems, distributors, and wiring; installs and sets new spark plugs.

(D) Conducts road tests of vehicles after repairs, noting performance of engine, clutch, transmission, brakes, and other parts.

(E) Operates standard types of modern garage testing equipment.

(F) In addition, may perform any of the following duties:

(i) Removes, disassembles, reassembles, and installs entire engines.

(ii) Overhauls transmission, rear end assemblies, and braking systems.

(iii) Straightens frames and axles, welding broken parts where required.

(iv) Makes road calls to make emergency repairs.

(v) Makes required truck inspections.

Organizational relationships: Reports to a foreman of mechanics or other designated supervisor.

(16) Position: Transfer clerk—Level 6.

Basic function: Arranges for transfer of mail at junction points between trains and other mails units and observes the separation, loading and unloading of mail by railroad employees to make certain that this is done properly.

Duties and responsibilities:

(A) Provides for the most expeditious transfer of mail from observations of the operation of trains, star route or mail messenger vehicles, Government-owned vehicles and platform vehicles.

(B) Examines outgoing and incoming cars to determine maximum utilization of space and proper adherence to railroad safety requirements; reports findings, when necessary, to the district superintendent.

(C) Decides whether outbound cars in full authorizations should be held beyond the first available dispatches in order to obtain fuller loading and maximum utilization of the space paid for, making certain that this will not unduly delay the arrival of the mail at destination.

(D) Studies the routing and loading of mail dispatched from his station in storage cars in order to recommend changes which would bring about economies in line haul and terminal charges and effect earlier arrival. Gives similar attention to incoming mail to assure that dispatching divisions are using best routing and loading methods; reports facts to the district superintendent.

(E) Maintains close liaison with foreman of appropriate incoming and outgoing trains and vehicles to assure prompt receipt and expeditious dispatch of mail.

(F) Keeps informed on local holding orders for each outgoing dispatch and requests that departure of unit within these limitations be withheld when scheduled connections are delayed.

(G) Prepares list of railroad cars (except railway post office cars) in which mail is loaded and maintains record of mail loaded and unloaded in outgoing and incoming trains. Serves notice on railroad company to cancel operation and purchases lesser storage unit in its place when necessary. Prepares official diagram and appropriately labels outgoing cars to indicate destination or next relay point.

(H) Inspects the loading and unloading of storage mail to secure individual piece count of lesser storage units (30 feet and less); estimates volume when more than 30 feet.

(I) Observes and reports to designated supervisor any failure of the railroad company to afford protection for the mail.

(J) Qualifies periodically through examination on knowledge of distributing schemes, postal regulations, space rules, and train connections.

(K) In addition, may perform any of the following duties:

(i) Receipts for, transfers, and delivers registered mail between trains or between train and post office.

(ii) Distributes mail prescribed for distribution in transfer officer.

Organizational relationships: Reports to a foreman or other designated supervisor.

(17) Position: Distribution Clerk RPO or HPO—Level 6.

Basic function: Distributes mail in railway or highway post office prior to departure and while en route.

Duties and responsibilities:

(A) Determines the fastest or most expeditious dispatch of mail from the standpoint of assignment. In emergencies, such as floods, storms, wrecks, strikes, and missed connections, redistributes the mail so as to reach destination by the most expeditious alternative means, for example, by other railway post office or highway post office, airmail route, or star route.

(B) Distributes mail rapidly into letter case or pouches and sacks.

(C) Hangs pouches and sacks in racks and places labels in holders provided; labels letter cases in accordance with official diagram.

(D) Prepared mail for dispatch, involving labeling and tying of letter mail in packages for distribution in pouches, closing and locking sacks and pouches, and maintenance of proper separations for connections en route.

(E) In addition, may perform any of the following duties:

(i) Receives and dispatches mail en route.

(ii) Unloads mail and equipment at terminal of run.

(iii) Examines car to ascertain that no mail is left.

(iv) Convoys registered mail to post office and connecting lines.

(F) Qualifies through examination periodically on knowledge of distributing schemes, postal regulations, space rules, and train schedules.

Organizational relationships: Reports to a foreman in charge of the railway post office car or highway post office.

(18) Position: Claims clerk, paying office—level 6.

Basic function: Examines claims for loss or damage of insured or c. o. d. mail matter and determines and approves for payment the amount found to be due under postal regulations.

Duties and responsibilities:

(A) Receives and reviews prescribed claim papers to ascertain whether:

(i) All necessary items of the appropriate claim form have been properly completed.

(ii) Proof of value has been properly determined.

(iii) Appropriate check has been made of applicable records.

(iv) Other necessary information has been supplied.

(B) Determines whether amount of claim exceeds amount of loss and the proper amount payable is within the limits of the indemnity.

(C) Conducts necessary correspondence in connection with the claim.

(D) Approves amount to be paid, and directs disposition of damaged articles.

(E) Maintains prescribed record of claims.

Organizational relationships: Reports to an assistant postmaster or other designated supervisor.

(19) Position: Postmaster, small third-class office—level 6.

Basic function: Is responsible for all operations of a small third-class post office, including actual performance of mail processing and window service, disbursement of funds and preparation of required reports. This office has no employees other than the postmaster and a replacement to serve during his leave; has annual receipts of approximately $1,700; has no rural delivery service within its jurisdiction.

Duties and responsibilities.

(A) Conducts the activities of the office in such manner as to provide prompt and efficient postal service to the patrons of the office.

(B) Maintains direct contact with the public and gives personal attention to complaints.

(C) Sorts incoming mail for boxholders and general delivery; faces, cancels, sorts by destination, ties and sacks outgoing mail.

(D) At a window delivers general delivery mail, issues and cashes money orders, delivers c. o. d. and customs mail, accepts and delivers parcel post, registered and insured mail, sells stamps and stamped paper, and collects box rents.

(E) Prepares and submits estimates of operating allowances as required.

(F) Makes deposits of accountable funds; requisitions stamps and stamped paper; requisitions supplies; pays authorized bills.

(G) Maintains required office records; prepares and submits necessary reports in accordance with instructions.

(H) Maintains files for the office.

Organizational relationships: Administratively responsible to a district manager.

(20) Position: Claims clerk, common and contract carriers—level 7.

Basic function: Audits carriers' claims for the transportation of mail to insure their accuracy and correctness of form prior to certifying them for payment.

Duties and responsibilities:

(A) Checks original or draft of claims submitted by carriers using space procurement data, records of air carrier flights and weight allocations, reports of railroad space utilization, emergency space procured, and other pertinent reports and data submitted by the districts.

(B) Corrects errors in drafts of claims and returns them to the carrier for resubmission in final corrected form.

(C) Expedites the processing of claims by continuous coordination with the carriers to minimize the incidence of error on claims submitted.

(D) Rechecks resubmitted claims prior to certifying them for payment.

(E) Maintains records pertinent to carrier claims such as unscheduled air carrier flights, weight allocations for mail on flights of air carriers, and airline flight schedules.

(F) Accumulates data and prepares periodic and special reports on subjects related to the purchase and use of railroad space, and air carrier weight allocation.

Organizational relationships: Reports to the supervisor in charge of the fiscal section in a postal transportation service division office or other designated supervisor.

(21) Position: Postmaster, third-class office—level 7.

Basic function: Is responsible for all operations for a third-class post office, including actual performance of mail processing and window services, disbursement of funds and preparation of required reports. This office has one part-time clerical employee; has annual receipts of approximately $4,700; has no rural delivery service within its jurisdiction.

Duties and responsibilities:

(A) Supervises and conducts the activities of the office in order to provide prompt and efficient postal service to patrons.

(B) Maintains direct contact with the public and gives personal attention to complaints.

(C) Appoints personnel to serve in the post office within the limits prescribed by departmental and civil service regulations.

(D) Sorts incoming mail for boxholders and general delivery; faces, cancels, sorts by destination, ties and sacks outgoing mail.

(E) At a window delivers general delivery mail, issues and cashes money orders, delivers, c. o. d. and customs mail, accepts and delivers parcel post, registered and insured mail, sells stamps and stamped paper, and collects box rents.

(F) Makes required deposits of accountable funds; requisitions stamps and stamped paper; requisitions supplies; pays authorized bills and makes salary disbursements.

(G) Prepares and submits annual estimates of manpower needs and operating allowances as required.

(H) Maintains required office records; prepares and submits necessary reports in accordance with instructions.

(I) Maintains files for the office.

Organizational relationships: Administratively responsible to a district manager.

(22) Position: Foreman, mails—level 8.

Basic function: Supervises a group of employees engaged in carrying out assigned tasks connected with the processing of incoming or outgoing mail.

Duties and responsibilities:

(A) Lays out work for employees; insures attendance to duties and proper performance of assignments: shifts employees from one assignment to another to meet fluctuations in workload; answers questions respecting work progress.

(B) Trains new employees and provides continuous on-the-job training for all employees under his supervision.

(C) Reports unusual difficulties to a general foreman and suggests solutions. Personally resolves problems of a routine nature.

(D) Keeps required records for such matters as time, mail on hand, and mail processed.

(E) Recommends personnel actions respecting subordinates; maintains morale among the employees in the group; adjusts complaints; supplies leadership necessary to secure maximum interest and effort from men and promotes cooperation and harmony.

Organizational relationships: Administratively responsible to a general foreman or other designated superior. Supervises approximately 20 or more employees.

(23) Position: Postmaster, third-class office—level 8.

Basic function: Is responsible for all operations of a third-class post office, including actual participation in processing of mail and window services, disbursement of funds and preparation of required reports. This office has two clerical employees and annual receipts of approximately $6,000, and rural delivery service within its jurisdiction.

Duties and responsibilities:

(A) Supervises the activities of the office in order to provide expeditious handling of the mails, and efficient and courteous postal service to patrons.

(B) Maintains direct contact with the public and gives personal attention to complaints.

(C) Appoints personnel to serve in the post office within the limits prescribed by Departmental and Civil Service Regulations; selects personnel and trains them in their respective positions.

(D) Directs the activities of employees; arranges working schedules of employees and is responsible for the administration of the Efficiency Appraisal System.

(E) Distributes incoming mail for carrier delivery, boxholders and general delivery; faces, cancels, distributes, ties and sacks outgoing mail; performs general delivery window service; issues and cashes money orders; delivers c. o. d. and customs mail; accepts and delivers parcel post, registered and insured mail; sells stamps, stamped paper, savings bonds, postal savings stamps and certificates, migratory and documentary stamps, and collects box rents.

(F) Checks financial accountability of employees in accordance with existing instructions; makes daily deposits of accountable funds in local bank; obtains bids for proposed purchases; requisitions supplies; issues checks for employees' salaries and other official disbursements.

(G) Prepares annual estimates of manpower needs and operating allowances for submission as required.

(H) Prepares reports of a recurring nature, reflecting various transactions of the office, such as personnel salary summaries, retirement and withholding tax data, cost estimates, money order and bond summaries and schedules of disbursement.

(I) Maintains all files for the office.

Organizational relationships: Administratively responsible to a district manager.

(24) General foreman: RPO—level 9.

Basic function: Directs mail service operations in a railway post office train with two or more authorized cars. Supervises a crew of foremen and clerks whose primary function is the distribution and exchange of mails en route.

Duties and responsibilities:

(A) Provides for the proper distribution, exchange, and dispatch of mail regularly assigned for handling in the railway post office cars. Makes decisions concerning the most expeditious dispatch, rerouting and utilization of alternative connections involving irregularly received mail and also in emergency situations.

(B) Directs mail service operations in the railway post office train including:

(i) Rapid distribution of all classes of mail in accordance with official diagrams and via most advantageous routing.

(ii) Handling, recording, and protection of registered mails.

(iii) Makeup and exchange of mail at intermediate and terminal offices.

(iv) Proper utilization of space in each railway post office car with relation to other storage space in train and, except as charged

to transfer clerks, for proper handling of all storage mail in train.

(v) Loading and unloading of railway post office cars to assure maximum use of available storage space without additional cost.

(vi) Proper usage of mail equipment and supplies.

(vii) Maintenance of distribution schemes and schedules of mail routes in corrected condition.

(C) Supervises the activities of foremen and clerks in the cars and reassigns them to various duties as may be required to complete maximum distribution. Instructs clerks on proper practices and procedures and reports failures to meet operating standards to the district superintendent.

(D) Inspects condition of railway post office cars and reports to the railroad company unsatisfactory situations.

(E) Completes trip report form covering service operations, including particulars of train operation, roster of clerks on duty, mails received, worked and dispatched, and mails not worked; prepares a list of all cars on train in which mail is carried, a record of the mail, and a report of any irregularities in service. Observes and reports to district superintendent any failure of the railroad company to afford protection to the mail.

(F) May personally distribute letter mail for one or more States, and maintain record of pouches received and dispatched.

Organizational relationships: Administratively responsible to a district superintendent or other designated superior. Directs, through one or more subordinate foremen, clerks assigned to the run.

(25) Position: Assistant postmaster, small first-class post office—level 9.

Basic function: Serves as the overall assistant to the postmaster, providing general direction and supervision over mails, finance, personnel, and other related activities. This office has approximately 16 employees, annual receipts of approximately $63,000, and 8 carrier routes within its jurisdiction.

Duties and responsibilities:

(A) Participates in the organization and management of the office to insure expeditious handling of the mails and to provide courteous and efficient service to patrons.

(B) Reviews and evaluates recommendations referred to the postmaster by subordinates with respect to promotions and disciplining of post office personnel; generally oversees the training of all personnel for their respective positions.

(C) Directs a continuous audit program concerning the accountability of responsible finance employees of the office.

(D) Reviews estimates of manpower needs and operating allowances for action of the postmaster.

(E) Analyzes and reports to the postmaster the daily manpower expenditures and is responsible through designated subordinates for maintaining proper apportionment of authorized allowances to operating units.

(F) Gives assistance and direction to key subordinate employees in planning and executing the mail handling, finance, and administrative programs of the post office.

(G) Reviews reports and recommendations of subordinates and attends to administrative matters essential to the management of the post office.

(H) Represents the postmaster in relationships with the public in the area, including representation with employee organizations.

(I) May personally handle window transactions and perform work elsewhere in the office as the workload requires.

(J) Assumes complete responsibility and authority for the post office in the postmaster's absence and at other times as required.

Organizational relationships: Administratively responsible to the postmaster.

(26) Position: Postmaster, second-class office—level 9.

Basic function: Is responsible for all operations of a second-class post office, including actual participation in processing of mail and window services, disbursement of funds and preparation of required reports. This office has approximately 6 employees, annual receipts of approximately $16,000, and has rural delivery service within its jurisdiction.

Duties and responsibilities:

(A) Supervises and coordinates the activities of the office in order to provide expeditious handling of the mails, and efficient and courteous postal service to patrons.

(B) Maintains direct contact with the public on administrative matters and gives personal attention to complaints.

(C) Appoints personnel to serve in the post office within the limits prescribed by departmental and civil service regulations; selects personnel and trains them in their respective positions.

(D) Directs the activities of employees; arranges working schedules of employees; recommends promotions of employees; is responsible for the administration of the efficiency appraisal system.

(E) Distributes incoming mail for carrier delivery, boxholders, and general delivery; faces, cancels, distributes, ties and sacks outgoing mail; performs general delivery window service; issues and cashes money orders; delivers c. o. d. and customs mails; accepts and delivers parcel post, registered, and insured mail; sells stamps, stamped paper, savings bonds, postal savings stamps and certificates, migratory and documentary stamps, and collects box rents.

(F) Checks financial accountability of employees in accordance with existing instructions; makes daily deposits of accountable funds in local bank; obtains bids for proposed purchases; requisitions supplies; issues checks for employees' salaries and other official disbursements.

(G) Prepares annual estimates of manpower needs and operating allowances for submission as required.

(H) Prepares reports of a recurring nature, reflecting various transactions of the office, such as personnel salary summaries, retirement, and withholding tax data, cost estimates, money order and bond summaries, and schedules of disbursement.

(I) Maintains all files for the office.

Organizational relationships: Administratively responsible to a district manager.

(27) Position: General foreman, mails—level 10.

Basic function: Directs foremen in the distribution of all or part of incoming mails, outgoing mails, or both, at a first-class post office.

Duties and responsibilities:

(A) Lays out work for foremen at the beginning of a tour and issues instructions.

(B) Oversees work in progress to prevent accumulation of mail.

(C) Insures that mail is distributed in accordance with established orders and instructions.

(D) Shifts men from one foreman to another to keep mails moving.

(E) Reports difficulties and suggests corrective measures to superior.

(F) Maintains required records.

(G) Assures that adequate on-the-job training is carried out to promote employee efficiency.

(H) Reviews and forwards recommendations of foremen respecting discipline, promotions, or changes in assignments; approves time and leave requests; submits manpower estimates.

Organizational relationships: Administratively responsible to a superintendent or assistant superintendent or other designated superior. Directs, through approximately four foremen, employees as assigned.

(28) Position: Postmaster, small first-class office—level 10.

Basic function: Is responsible for all operations of a first-class post office, including direction and supervision of mails, finance, personnel, and other related activities. This office has approximately 16 employees, annual receipts of approximately $63,000, and city delivery service consisting of 8 carrier routes within its jurisdiction.

Duties and responsibilities:

(A) Organizes the post office to insure expeditious handling of mails and to provide courteous and efficient service to the patrons.

(B) Maintains direct contact with the public on administrative matters and gives personal attention to complaints.

(C) Appoints personnel to serve in the post office within the limits prescribed by departmental and civil service regulations; determines that personnel are carefully selected and adequately trained for their respective positions.

(D) Directs the activities of employees; arranges working schedules of employees; recommends promotions of employees and is responsible for the proper administration of the efficiency appraisal system.

(E) Checks financial accountability of employees in accordance with existing instructions; makes daily deposits of accountable funds in local bank; obtains bids for proposed purchases; requisitions supplies.

(F) Prepares annual estimates of manpower needs and operating allowances for submission as required.

(G) Prepares reports of a recurring nature, reflecting various transactions of the post office; submits postmaster's accounts with supporting vouchers and documents in accordance with existing instructions.

(H) Advertises for bids for various services, including contract stations, vehicular service, mail messenger service, and vehicular maintenance service, and submits bids, with recommendations, as required.

(I) Directs the maintenance of files for the office.

(J) May personally handle window transactions and perform work elsewhere in the office as the workload requires.

Organizational relationships: Administratively responsible to a district manager.

(29) Position: Building superintendent—level 11.

Basic function: Directs the janitorial, maintenance, and operating services of a large post office building and branches and stations covering an aggregate area of approximately 700,000 square feet, including security, heating and ventilating, mechanical and electrical equipment, and elevator services.

Duties and responsibilities:

(A) Plans and prepares work schedules and supervises the custodial forces in cleaning, heating, guarding, operating, and repairing the post-office building and equipment.

(B) Makes frequent inspections to determine maintenance needs of the building and equipment, and to determine the efficiency of the janitorial and maintenance force.

(C) Prepares and answers correspondence relating to custodial service.

(D) Plans and supervises maintenance or alteration work under contract.

(E) Supervises the office force in the preparation of vouchers, requisitions, and reports incidental to custodial service, and in the maintenance of required accounts and records.

(F) Recommends transfers, promotions, and disciplinary measures for custodial personnel.

(G) Inspects mechanical equipment to determine repair needs and adherence to standards of preventive maintenance.

Organizational relationships: Administratively responsible to the postmaster or other

designated superior. Directs, through a general foreman of laborers and a chief engineer, approximately 100 employees, including electricians and other skilled trades.

(30) Position: Postmaster, first-class office—level 11.

Basic function: Is responsible for all operations of a first-class post office, including direction and supervision of mails, finance, personnel, and other related activities. This office has approximately 27 employees, annual receipts of $129,000, and 11 city delivery and rural carrier routes within its jurisdiction.

Duties and responsibilities:

(A) Organizes the post office to insure expeditious handling of mails and to provide courteous and efficient service to the patrons.

(B) Maintains direct contact with the public on administrative matters and gives personal attention to complaints.

(C) Appoints all personnel to serve in the post office within the limits prescribed by departmental and civil service regulations; determines that all personnel are carefully selected and adequately trained for their respective positions.

(D) Directs the activities of all employees; supervises arrangement of working schedules of employees; recommends promotions of employees; and is responsible for the proper administration of the efficiency appraisal system.

(E) Checks financial accountability of employees in accordance with existing instructions; makes daily deposits of accountable funds in local bank; obtains bids for proposed purchases; requisitions supplies.

(F) Prepares annual estimates of manpower needs and operating allowances for submission as required.

(G) Prepares reports of a recurring nature, reflecting various transactions of the post office; submits postmaster's accounts with supporting vouchers and documents in accordance with existing instructions.

(H) Advertises for bids for various services, including contract stations, vehicular service, mail messenger service, and vehicular maintenance service, and submits bids, with recommendations, as required.

(I) Directs the maintenance of files for the office.

(J) May personally handle window transactions and perform work elsewhere in the office as the workload requires.

Organizational relationships: Administratively responsible to a district manager.

(31) Position: Tour superintendent, incoming or outgoing mails—level 12.

Basic function: Directs general foremen in the distribution of incoming mails or outgoing mails on a tour at a large first-class post office.

Duties and responsibilities:

(A) Provides for the prompt and complete operation of a tour activity, such as incoming mails, outgoing mails, or all first- and third-class outgoing mails.

(B) Reassigns employees as necessary to meet peak-load demands; provides direction to subordinate foremen, coordinating the portions of work assigned to them.

(C) Answers questions of subordinate foremen regarding operating problems; refers policy questions to his superior with appropriate recommendations.

(D) Reviews requests for personnel actions by subordinate foremen, recommending final action to superior.

(E) Reviews estimates of manpower required, consolidating for recommendation to superior.

Organizational relationships: Administratively responsible to an assistant superintendent of mails or other designated superior. Directs, through general foremen, employees assigned to the tour.

(32) Position: Postmaster, first-class office—level 12.

Basic function: Is responsible for all operations of a first-class post office, including direction and supervision of mails, finance, personnel, and other related activities. This office has approximately 53 employees, annual receipts of $314,000, 6 Government-owned vehicle units, no classified stations, and 25 city and rural delivery routes within its jurisdiction.

Duties and responsibilities:

(A) Organizes the post office to insure expeditious handling of mails and to provide courteous and efficient service to the patrons.

(B) Maintains direct contact with the public on administrative matters and gives personal attention to complaints.

(C) Appoints personnel to serve in the post office within the limits prescribed by departmental and civil-service regulations; determines that personnel are carefully selected and adequately trained for their respective positions.

(D) Directs the activities of all employees; supervises arrangement of working schedules of employees; recommends promotions of employees and is responsible for the proper administration of the efficiency appraisal system.

(E) Checks financial accountability of employees in accordance with existing instructions; makes daily deposits of accountable funds in local bank; obtains bids for proposed purchases; requisitions supplies.

(F) Prepares annual estimates of manpower needs and operating allowances for submission as required.

(G) Prepares numerous reports of a recurring nature, reflecting various transactions of the post office; submits postmaster's accounts with supporting vouchers and documents in accordance with existing instructions.

(H) Advertises for bids for various services, including contract stations, vehicular service, mail messenger service, and vehicular maintenance service, and submits bids, with recommendations, as required.

(I) Directs the maintenance of files for the office.

(J) May personally handle window transactions and perform work elsewhere in the office as the workload requires.

Organizational relationships: Administratively responsible to a district manager.

(33) Position: Postal inspector—level 13.

Basic function: Is responsible in an assigned territory, usually including all classes of post offices, for inspection and investigative programs covering all phases of the postal service. In heavily populated areas may be assigned a majority of the time to selected types of work as determined by the inspector in charge.

Duties and responsibilities: Assigned territory:

(A) Inspects post offices and related postal units to insure compliance with postal laws and regulations, protection and proper expenditure of postal revenues and appropriated funds, and evaluates and reports to administrative officials on operational efficiency.

(B) Maintains close working relationship with regional officials and submits to them factual information and recommendations on conditions and needs of the postal service; acts as counselor to postmasters and other postal officials and employees in explaining instructions, regulations, applicable laws, and decisions.

(C) Investigates violations of postal laws, including, but not limited to, armed robbery, mailing of bombs, burglary, theft of mail, embezzlements, obscene literature and pictures, and mail fraud.

(D) Determines the validity and seriousness of charges against postmasters and other officers and employees and makes pertinent recommendations.

(E) Investigates local and area operating problems and recommends corrective action, and within his prescribed jurisdiction, initiates necessary corrective action, including restoration of service immediately in disaster areas caused by hurricanes, tornadoes, floods, and other catastrophes.

(F) Maintains liaison activities (i) with military installations to insure adequate postal service for the military forces; (ii) with Federal and State civil-defense authorities at the area level; (iii) with branches of Federal and State law-enforcement agencies.

(G) Ascertains postal needs for post offices and stations, rural and city delivery, changes in schedules, quarters, equipment, manpower, and procedures and reports findings and recommendations to appropriate officials.

Selected cases:

(H) Investigates the loss, theft, destruction, and damage to mail matter through technical analyses of complaints and other specialized procedures.

(I) Investigates money-order forgeries; investigates complaints of use of the mails to defraud and to operate lotteries.

(J) Investigates personal injuries, motor-vehicle and other accidents; develops evidence for defense of suits under the so-called Federal Tort Claims Act; recommends out-of-court settlements.

(K) In any criminal investigation, develops evidence, locates witnesses and suspects, apprehends and effects arrests of postal offenders, presents facts to United States attorney, and collaborates as required with Federal and State prosecutors in presentation before United States commissioner, grand jury, and trial court.

(L) Surveys postal service on an area basis to ascertain and recommend ways of improving service and effecting economies.

(M) Makes investigations of a variety of other matters and performs related duties as assigned.

Organizational relationships: Responsible to the inspector-in-charge or the assistant inspector-in-charge of the division. Supervises trainees and other inspectors as assigned.

(34) Position: Postmaster, first-class office—level 13.

Basic function: Is responsible for all operations of a first-class post office, including direction and supervision of mails, finance, buildings, personnel, and related services. This office has approximately 72 employees, annual receipts of $797,000, 6 Government-owned vehicle units, no classified stations, and 17 carrier routes within its jurisdiction.

Duties and responsibilities:

(A) Organizes the post office to insure expeditious handling of the mails and to provide efficient and courteous postal service to patrons.

(B) Represents the Post Office Department in its relationships with the public in the area.

(C) Appoints personnel to serve in the post office within the limits prescribed by departmental and civil-service regulations; determines that personnel are carefully selected and adequately trained in their respective positions.

(D) Supervises the administration of the efficiency appraisal system and is responsible for maintaining satisfactory employee relations with representatives of employee organizations and individual employees.

(E) Reviews estimates of manpower needs and operating allowances, submits requests and recommendations as required, and determines that operations are efficiently carried out and expenditures authorized in accordance with approved estimates.

(F) Provides for the safeguarding of all moneys, the operation and maintenance of equipment and other facilities of the post office, and for the expenditure of funds in

accordance with applicable laws and regulations.

(G) Approves requisitions for supplies and equipment submitted by operating officials of the post office for submission to the supply center or the Department.

Organizational relationships: Administratively responsible to a district manager.

(35) Position: Station superintendent, large classified station—level 14.

Basic function: Directs the operations of a large classified station, including the distribution, delivery, and dispatch of mail and all required window services to the public.

Duties and responsibilities:

(A) Plans and supervises the distribution of incoming and outgoing mails, the delivery service, including special delivery, and the dispatch of outgoing mail.

(B) Supervises services to the public at windows, including sales of stamps and stamped paper, money orders, postal savings stamps and certificates, migratory and documentary stamps, registry and insurance of mail; handling of c. o. d. items; general delivery and box mail.

(C) Supervises city and rural carriers and determines that delivery schedules are maintained; consults in the adjustment and establishment of routes to reflect changes in volume, patronage, or population; and recommends establishment or changes in location of collection boxes.

(D) Directs and maintains required records for personnel of station, verifies and approves timecards for payroll purposes; makes manpower estimates and reports; trains new supervisors and employees in various aspects of station operation.

(E) Requisitions supplies and equipment, stamps, stamped paper, and accountable forms from main post office, reissuing to subordinates as required. Is responsible for entire fixed credit of station and for operation within the allowance granted.

(F) Maintains effective relations with large mailers and the public; simplifies handling of mail, and takes appropriate action to meet complaints.

(G) In addition, may perform any of the following duties:

(i) Supervises the cleaning and custodial maintenance of the station building.

(ii) Makes necessary arrangements for special services such as alien registrations, special census reports, or handling of special purpose mailing.

Organizational relationships: Administratively responsible to a superintendent of mails or other designated superior. Directs, through subordinate supervisors, approximately one thousand or more employees.

(36) Position: Assistant Postmaster, first-class office—level 14.

Basic function: Serves as the overall assistant to the postmaster, particularly on internal operations, and provides general direction over the mails, finance, administrative, and service functions of the post office. The office has approximately 450 employees, annual receipts of $2,700,000, 50 Government-owned vehicle units, one classified station or branch, and 130 carrier routes within its jurisdiction.

Duties and responsibilities:

(A) Participates in the organization and management of the office to insure expeditious handling of the mails and to provide courteous and efficient service to patrons.

(B) Reviews and evaluates recommendations referred to the postmaster by subordinates with respect to promotions and disciplining of post-office personnel; generally oversees the training of all personnel for their respective positions.

(C) Directs a continuous audit program concerning the accountability of responsible finance employees of the office.

(D) Reviews estimates of manpower needs and operating allowances for action of the postmaster.

(E) Analyzes and reports to the postmaster the daily manpower expenditures and is responsible through designated subordinates for maintaining proper apportionment of authorized allowances to operating units.

(F) Gives assistance and direction to key subordinate officials in planning and executing the mail handling, finance, and administrative programs of the post office.

(G) Reviews reports and recommendations of subordinates and attends to administrative matters essential to the management of the post office.

(H) Represents the postmaster in relationships with the public in the area, including representation with employee organizations.

(I) Carries out special assignments for and as directed by the postmaster.

(J) Assumes complete responsibility and authority for the post office in the postmaster's absence and at other times as required.

Organizational relationship: Administratively responsible to the postmaster.

(37) Position: Postmaster, first-class office—level 14.

Basic function: Is responsible for all operations of a first-class post office, including the direction and supervision of mails, finance, buildings, personnel, and related services in the main post office, stations, and branches. This office has approximately 180 employees, annual receipts of $1 million, 21 Government-owned vehicle units, 3 classified stations, and 65 carrier routes within its jurisdiction.

Duties and responsibilities:

(A) Organizes the post office to insure expeditious handling of the mails and to provide efficient and courteous postal service to patrons.

(B) Represents the Post Office Department in its relationships with the public in the area.

(C) Appoints personnel to serve in the post office within the limits prescribed by departmental and civil service regulations; determines that personnel are carefully selected and adequately trained for their respective positions.

(D) Supervises the administration of the efficiency appraisal system and is responsible for maintaining satisfactory employee relations with representatives of employee organizations and individual employees.

(E) Reviews estimates of manpower needs and operating allowances, submits requests and recommendations as required, and determines that operations are efficiently carried out and expenditures authorized in accordance with approved estimates.

(F) Provides for the safeguarding of all moneys, the operation and maintenance of equipment and other facilities of the post office, and for the expenditure of funds in accordance with applicable laws and regulations.

(G) Approves requisitions for supplies and equipment submitted by operating officials of the post office for submission to the supply center or the department.

Organizational relationships: Administratively responsible to a district manager.

(38) Position: Assistant Postmaster, first-class office—level 15.

Basic function: Serves as the overall assistant to the postmaster, particularly on internal operations, and provides general direction over the mails, finance, administrative, and service functions of the post office. This office has approximately 1,200 employees, annual receipts of $8,460,000, 117 Government-owned vehicle units, 16 classified stations and branches, and 290 carrier routes within its jurisdiction.

Duties and responsibilities:

(A) Participates in the organization and management of the office to insure expeditious handling of the mails and to provide courteous and efficient service to patrons.

(B) Reviews and evaluates recommendations referred to the postmaster by subordinates with respect to promotions and disciplining of post office personnel; generally oversees the training of all personnel for their respective positions.

(C) Directs a continuous audit program concerning the accountability of responsible finance employees of the office.

(D) Reviews estimates of manpower needs and operating allowances for action of the postmaster.

(E) Analyzes and reports to the postmaster the daily manpower expenditures and is responsible through designated subordinates for maintaining proper apportionment of authorized allowances to operating units.

(F) Give assistance and direction to key subordinate officials in planning and executing the mail handling, finance, and administrative programs of the post office.

(G) Reviews reports and recommendations of subordinates and attends to administrative matters essential to the management of the post office.

(H) Represents the postmaster in relationships with the public in the area, including representation with employee organizations.

(I) Carries out special assignments for and as directed by the postmaster.

(J) Assumes complete responsibility and authority for the post office in the postmaster's absence and at other times as required.

Organizational relationships: Administratively responsible to the postmaster.

(39) Position: Postmaster, first-class office—level 15.

Basic function: Is responsible for all operations of a first-class post office, including direction and supervision of mails, finance, buildings, personnel, and related services in the main post office, stations, and branches. This office has approximately 450 employees, annual receipts of $2,700,000, 50 Government-owned vehicle units, 1 classified station or branch, and 130 carrier routes within its jurisdiction.

Duties and responsibilities:

(A) Organizes the post office to insure expeditious handling of the mails and to provide courteous and efficient postal service to patrons.

(B) Represents the Post Office Department in its relationships with the public in the area.

(C) Appoints personnel to serve in the post office within the limits prescribed by departmenal and civil-service regulations; determines that personnel are carefully selected and adequately trained in their respective positions.

(D) Supervises the administration of the efficiency appraisal system and is responsible for maintaining satisfactory employee relations with representatives of employee organizations and individual employees.

(E) Reviews estimates of manpower needs and operating allowances, submits requests and recommendations as required, and determines that operations are efficiently carried out and expenditures authorized in accordance with approved estimates.

(F) Provides for the safeguarding of all moneys, the operation and maintenance of equipment and other facilities of the post office, and for the expenditure of funds in accordance with applicable laws and regulations.

(G) Approves requisitions for supplies and equipment submitted by operating officials of the post office for submission to the Supply Center or the Department.

Organizational relationships: Administratively responsible to a regional director or other designated superior.

(40) Position: Assistant postmaster, first-class office—level 16.

Basic function: Serves as the overall assistant to the postmaster, particularly on

internal operations, and provides general direction over the mails, finance, administrative and service functions of the post office. This office has approximately 3,200 employees, annual receipts of $16,900,000, 200 Government-owned vehicle units, 34 classified stations and branches, and 1,000 carrier routes within its jurisdiction.

Duties and responsibilities:

(A) Participates in the organization and management of the office to insure expeditious handling of the mails and to provide courteous and efficient service to patrons.

(B) Reviews and evaluates recommendations referred to the postmaster by subordinates with respect to promotions and disciplining of post-office personnel; generally oversees the training of all personnel for their respective positions.

(C) Directs a continuous audit program concerning the accountability of responsible finance employees of the office.

(D) Reviews estimates of manpower needs and operating allowances for action of the postmaster.

(E) Analyzes and reports to the postmaster the daily manpower expenditures and is responsible through designated subordinates for maintaining proper apportionment of authorized allowances to operating units.

(F) Gives assistance and direction to key subordinate officials in planning and executing the mail handling, finance, and administrative programs of the post office.

(G) Reviews reports and recommendations of subordinates and attends to administrative matters essential to the management of the post office.

(H) Represents the postmaster in relationships with the public in the area, including representation with employee organizations.

(I) Carries out special assignments for and as directed by the postmaster.

(J) Assumes complete responsibility and authority for the post office in the postmaster's absence and at other times as required.

Organizational relationships: Administratively responsible to the postmaster.

(41) Position: Postmaster, first-class office—level 16.

Basic function: Is responsible for all operations of a first-class post office, including direction and supervision of mails, finance, buildings, personnel, and related services in the main post office, stations and branches. This office has approximately 700 employees, annual receipts of $4,4700,000, 77 Government-owned vehicle units, 8 classified stations and branches, and 200 carrier routes within its jurisdiction.

Duties and responsibilities:

(A) Organizes the post office to insure expeditious handling of the mails and to provide courteous and efficient postal service to patrons.

(B) Represents the Post Office Department in its relationships with the public in the area.

(C) Appoints personnel to serve in the post office within the limits prescribed by departmental and civil service regulations; determines that personnel are carefully selected and adequately trained in their respective positions.

(D) Supervises the administration of the efficiency appraisal system and is responsible for maintaining satisfactory employee relations with representatives of employee organizations and individual employees.

(E) Reviews estimates of manpower needs and operating allowances, submits requests and recommendations as required, and determines that operations are efficiently carried out and expenditures authorized in accordance with approved estimates.

(F) Provides for the safeguarding of all moneys, the operation and maintenance of equipment and other facilities of the post office, and for the expenditure of funds in accordance with applicable laws and regulations.

(G) Approves requisitions for supplies and equipment submitted by operating officials of the post office for submission to the supply center or the department.

Organizational relationships: Administratively responsible to a regional director or other designated superior.

(42) Position: General superintendent, PTS Division—level 17.

Basic function: Directs all activities of a division of the Postal Transportation Service of average size and complexity in terms of numbers of employees and in expenditure of funds, or in terms of the importance of the mail gateways in the division, the volume and complexity of the mail and mail handling operations, and concentrations which create congestions. Is responsible for the transportation, transfer, distribution, and dispatch of mail in transit, and for the efficient and economical operation of the division.

Duties and responsibilities:

(A) Directs and coordinates the activities of subordinate district superintendents in planning and effectuating the transportation and processing of transit mail within, entering, or emanating from the division; confers with officials of commercial carriers regarding mail handling and transportation, schedules, security of mail in transit, and rates.

(B) Provides, through his assistants, general supervision over the activities of the employees of the division. Establishes manpower controls, effective employee relations, and inspections of personnel activities, both informally and as required by regulations.

(C) Exercises administrative control over the district superintendents and, through them, the constituent field units such as transfer offices, airmail fields, terminals, railway post-office lines, highway post-office lines, and contract carriers such as star routes and mail-messenger routes, and related operating units; maintains financial control of the division, reporting on expenditures and requirements as directed.

(D) Maintains liaison with airlines, railroads, trucklines, and other contract carriers; contacts major publishers, mail-order houses, and other large volume patrons with respect to mass mailing problems.

(E) Coordinates division activities with those of contiguous divisions and with other segments of the Post Office Department within the area.

Organizational relationships: Administratively responsible to a regional director. Directs, through an assistant and district superintendents, up to 3,300 employees.

(43) Position: Assistant Postmaster, large first-class office—level 17.

Basic function: Serves as the overall assistant to the postmaster, particularly on internal operations, and provides general direction over the mails, finance, administrative and service functions of the post office. This office has approximately 8,000 employees, annual receipts of $48 million, 400 Government-owned vehicle units, 50 classified stations and branches, and 1,400 carrier routes within its jurisdiction.

Duties and responsibilities:

(A) Participates in the organization and management of the office to insure expeditious handling of the mails and to provide courteous and efficient service to patrons.

(B) Reviews and evaluates recommendations referred to the postmaster by subordinates with respect to promotions and disciplining of post-office personnel; generally oversees the training of all personnel for their respective positions.

(C) Directs a continuous audit program concerning the accountability of responsible finance employees of the office.

(D) Reviews estimates of manpower needs and operating allowances for action of the postmaster.

(E) Analyzes and reports to the postmaster the daily manpower expenditures and is responsible through designated subordinates for maintaining proper apportionment of authorized allowances to operating units.

(F) Gives assistance and direction to key subordinate officials in planning and executing the mail handling, finance, and administrative programs of the post office.

(G) Reviews reports and recommendations of subordinates and attends to administrative matters essential to the management of the post office.

(H) Represents the postmaster in relationships with the public in the area, including representation with employee organizations.

(I) Carries out special assignments for and as directed by the postmaster.

(J) Assumes complete reponsibility and authority for the post office in the postmaster's absence and at other times as required.

Organizational relationships: Administratively responsible to the postmaster.

(44) Position: Postmaster, first-class office—level 17.

Basic function: Is responsible for all operations of a first-class post office, including direction and supervision of mails, finance, buildings, personnel, and related services in the main post office, stations, and branches. This office has approximately 1,200 employees, annual receipts of $8,460,000, 117 Government-owned vehicle units, 16 classified stations and branches, and 290 carrier routes within its jurisdiction.

Duties and responsibilities:

(A) Organize the post office to insure expeditious handling of the mails and to provide courteous and efficient postal service to patrons.

(B) Represents the Post Office Department in its relationships with the public in the area.

(C) Appoints all personnel to serve in the post office within the limits prescribed by departmental and civil-service regulations; determines that all personnel are carefully selected and adequately trained in their respective positions.

(D) Supervises the administration of the efficiency appraisal system and is responsible for maintaining satisfactory employee relations with representatives of employee organizations and individual employees.

(E) Reviews estimates of manpower needs and operating allowances, submits requests and recommendations as required, and determines that operations are efficiently carried out and expenditures authorized in accordance with approved estimates.

(F) Provides for the safeguarding of all moneys, the operation and maintenance of equipment and other facilities of the post office, and for the expenditure of funds in accordance with applicable laws and regulations.

(G) Approves requisitions for supplies and equipment submitted by operating officials of the post office for submission to the supply center or the Department.

Organizational relationships: Administratively responsible to a regional director or other designated superior.

(45) Position: General superintendent, largest PTS division—level 18.

Basic function: Directs all activities of one of the largest divisions of the postal transportation service in terms of numbers of employees and in expenditure of funds, as well as in terms of the importance of the mail gateways in the division, the volume and complexity of the mail and mail-handling operations, and concentrations which create congestions. Is responsible for the transportation, transfer, distribution, and dispatch of mail in transit, and for the efficient and economical operation of the division.

Duties and responsibilities:

(A) Directs and coordinates the activities of subordinate district superintendents in planning and effectuating the transportation and processing of transit mail within, entering, or emanating from the division; confers with officials of commercial carriers regarding mail-handling and transportation schedules, security of mails in transit, and rates.

(B) Provides, through his assistants, general supervision over the activities of the employees of the division. Establishes manpower controls, effective employee relations, and inspections of personnel activities, both informally and as required by regulations.

(C) Exercises administrative control over the district superintendents and, through them, the constituent field units such as transfer offices, airmail fields, terminals, railway post-office lines, highway post-office lines, and contract carriers such as star routes and mail messenger routes, and related operating units; maintains financial control of the division, reporting on expenditures and requirements as directed.

(D) Maintains liaison with airlines, railroads, trucklines, and other contract carriers; contacts major publishers, mail-order houses, and other large volume patrons with respect to mass mailing problems.

(E) Coordinates division activities with those of contiguous divisions and with other segments of the Post Office Department within the area.

Organizational relationships: Administratively responsible to a regional director. Directs, through an assistant and district superintendents, approximately 3,300 or more employees.

(46) Position: Assistant postmaster, largest first-class office—level 18.

Basic function: Serves as the overall assistant to the postmaster, particularly on internal operations, and provides general direction over the mails, finance, administrative, and service functions of the post office. This office has approximately 20,000 employees, annual receipts of $140 million, 1,100 Government-owned motor-vehicle units, 66 classified stations and branches, and 3,200 carrier routes within its jurisdiction.

Duties and responsibilities:

(A) Participates in the organization and management of the office to insure expeditious handling of the mails and to provide courteous and efficient service to patrons.

(B) Reviews and evaluates recommendations referred to the postmaster by subordinates with respect to promotions and disciplining of post-office personnel; generally oversees the training of all personnel for their respective positions.

(C) Directs a continuous audit program concerning the accountability of responsible finance employees of the office.

(D) Reviews estimates of manpower needs and operating allowances for action of the postmaster.

(E) Analyzes and reports to the postmaster the daily manpower expenditures and is responsible through designated subordinates for maintaining proper apportionment of authorized allowances to operating units.

(F) Gives assistance and direction to key subordinate officials in planning and executing the mail-handling, finance, and administrative programs of the post office.

(G) Reviews reports and recommendations of subordinates and attends to administrative matters essential to the management of the post office.

(H) Represents the postmaster in relationships with the public in the area, including representation with employee organizations.

(I) Carries out special assignments for and as directed by the postmaster.

(J) Assumes complete responsibility and authority for the post office in the postmaster's absence and at other times as required.

Organizational relationships: Administratively responsible to the postmaster.

(47) Position: Postmaster, first-class office—level 18.

Basic function: Is responsible for all operations of a first-class post office, including direction and supervision of mails, finance, buildings, personnel, and related services in the main post office and stations and branches. This office has approximately 3,200 employees, annual receipts of $16,900,000, 200 Government-owned vehicles units, 34 classified stations and branches, and 1,000 carriers routes within its jurisdiction.

Duties and responsibilities:

(A) Organizes the post office to insure expeditious handling of the mails and to provide courteous and efficient postal service to patrons.

(B) Represents the Post Office Department in its relationships with the public in the area.

(C) Appoints personnel to serve in the post office within the limits prescribed by departmental and civil-service regulations; determines that personnel are carefully selected and adequately trained for their respective positions.

(D) Supervises the administration of the efficiency appraisal system and is responsible for maintaining satisfactory employee relations with representatives of employee organizations and individual employees.

(E) Reviews estimates of manpower needs and operating allowances, submits requests and recommendations as required, and determines that operations are efficiently carried out and expenditures authorized in accordance with approved estimates.

(F) Provides for the safeguarding of all moneys, the operation and maintenance of equipment and other facilities of the post office, and for the expenditure of funds in accordance with applicable laws and regulations.

(G) Approves requisitions for supplies and equipment submitted by operating officials of the post office for submission to the supply center or the Department.

Organizational relationships: Administratively responsible to a regional director or other designated superior.

(48) Position: Postmaster, large first-class office—level 19.

Basic function: Is responsible for all operations of a large first-class post office, including direction and supervision of mails, finance, buildings, personnel, and related services in the main post office and stations and branches. This office has approximately 8,000 employees, annual receipts of $48 million, 400 Government-owned vehicle units, 50 classified stations and branches, and 1,400 carrier routes within its jurisdiction.

Duties and responsibilities:

(A) Organizes the post office to insure expeditious handling of the mails and to provide courteous and efficient postal service to patrons.

(B) Represents the Post Office Department in its relationships with the public in the area.

(C) Appoints personnel to serve in the post office within the limits prescribed by departmental and civil service regulations; determines that personnel are carefully selected and adequately trained for their respective positions.

(D) Supervises the administration of the efficiency appraisal system and is responsible for maintaining satisfactory employee relations with representatives of employee organizations and individual employees.

(E) Reviews estimates of manpower needs and operating allowances, submits requests and recommendations as required, and determines that operations are efficiently carried out and expenditures authorized in accordance with approved estimates.

(F) Provides for the safeguarding of all moneys, the operation and maintenance of equipment and other facilities of the post office, and for the expenditure of funds in accordance with applicable laws and regulations.

(G) Approves requisitions for supplies and equipment submitted by operating officials of the post office for submission to the supply center or the department.

Organizational relationships: Administratively responsible to a regional director or other designated superior.

(49) Position: Postmaster, largest first-class office—level 20.

Basic function: Is responsible for all operations of one of the largest first-class post offices, including direction and supervision of mails, finance, buildings, personnel, and related services in the main post office, stations, and branches. This office has approximately twenty thousand employees, annual receipts of $140 million, 1,100 Government-owned vehicle units, 66 classified stations and branches, and 3,200 carrier routes within its jurisdiction.

Duties and responsibilities:

(A) Organizes the post office to insure expeditious handling of the mails and to provide courteous and efficient postal service to patrons.

(B) Represents the Post Office Department in its relationships with the public in the area.

(C) Appoints personnel to serve in the post office within the limits prescribed by departmental and civil service regulations; determines that personnel are carefully selected and adequately trained in their respective positions.

(D) Supervises the administration of the efficiency appraisal system and is responsible for maintaining satisfactory employee relations with representatives of employee organization and individual employees.

(E) Reviews estimates of manpower needs and operating allowances, submits requests and recommendations as required, and determines that operations are efficiently carried out and expenditures authorized in accordance with approved estimates.

(F) Provides for the safeguarding of all moneys, the operation and maintenance of equipment and other facilities of the post office, and for the expenditure of funds in accordance with applicable laws and regulations.

(G) Approves requisitions for supplies and equipment submitted by operating officials of the post office for submission to the supply center or the department.

Organizational relationships: Administratively responsible to a regional director.

(50) Position: Regional director—level 21.

Basic function: Directs the management of all postal activities within the jurisdiction of an assigned region in accordance with basic departmental policies and with functional direction and guidance from Assistant Postmasters General.

Duties and responsibilities:

(A) Develops and formulates policies and practices for the region within basic policies and instructions of the Postmaster General.

(B) Manages post office operations.

(C) Administers routing, distribution, and transportation of mail within and in transit through the region.

(D) Arranges for the provision of adequate facilities and equipment for all postal functions in the region.

(E) Administers the personnel program of the region, including employment, placement, training, evaluation of positions, employee relations, and other personnel functions.

(F) Authorizes and issues allowances for all expenditures and exercises budgetary controls.

(G) Administers cost reduction programs and provides industrial engineering services to operating segments of the region.

(H) Maintains effective public relations with the general public, large mail users, and with Federal, State, and municipal authorities.

Organizational relationships: Administratively responsible to the Deputy Postmaster General. Directs, through subordinate officials, approximately thirty thousand to thirty-five thousand employees in some three thousand offices within the region.

SEC. 204. (a) An employee may be appointed to more than 1 position and shall be paid compenation at the rate provided by law for each position, without regard to the provisions of sections 1763, 1764, and 1765 of the Revised Statutes, as amended (5 U. S. C., secs. 58, 69, 70).

(b) As the needs of the service require, an employee may be assigned from time to time to perform, without change in compensation, duties and responsibilities other than the duties and responsibilities specifically set forth in his position description; however, if any employee is assigned for more than 30 days in any calendar year to duties and responsibilities of a salary level which is higher than the salary level to which his position is assigned, except to perform service in a relief capacity for a supervisor granted compensatory time pursuant to section 603, he shall be paid for the period of his assignment in excess of 30 days a basic salary computed in accordance with the provisions of section 502.

TITLE III—BASIC SALARY SCHEDULES

Postal field service schedule

SEC. 301. (a) There is established a basic salary schedule for positions in the postal field service which shall be known as the postal field service schedule, and for which the symbol shall be "PFS." Except as provided in sections 302 and 303 of this act, basic salary shall be paid to all employees in accordance with this schedule.

Postal field service schedule

Salary level	Per annum rates and steps						
	1	2	3	4	5	6	7
1	$2,870	$2,970	$3,070	$3,170	$3,270	$3,370	$3,470
2	3,080	3,185	3,290	3,395	3,500	3,605	3,710
3	3,330	3,440	3,550	3,660	3,770	3,880	3,990
4	3,590	3,705	3,820	3,935	4,050	4,165	4,280
5	3,640	3,760	3,880	4,000	4,120	4,240	4,360
6	3,880	4,005	4,130	4,255	4,380	4,505	4,630
7	4,190	4,330	4,470	4,610	4,750	4,890	5,030
8	4,530	4,685	4,840	4,995	5,150	5,305	5,460
9	4,890	5,060	5,230	5,400	5,570	5,740	5,910
10	5,280	5,465	5,650	5,835	6,020	6,205	6,390
11	5,800	6,000	6,200	6,400	6,600	6,800	7,000
12	6,380	6,600	6,820	7,040	7,260	7,480	7,700
13	7,020	7,260	7,500	7,740	7,980	8,220	8,460
14	7,730	7,990	8,250	8,510	8,770	9,030	9,290
15	8,500	8,780	9,060	9,340	9,620	9,900	10,180
16	9,350	9,650	9,950	10,250	10,550	10,850	11,150
17	10,300	10,620	10,940	11,260	11,580	11,900	12,220
18	11,400	11,740	12,080	12,420	12,760	13,100	13,440
19	12,500	12,860	13,220	13,580	13,940	14,300	14,660
20	13,600	14,000	14,400	14,800			
21	14,800						

(b) The basic salary for hourly rate employees shall be computed by dividing the per annum rates prescribed in the Postal Field Service Schedule (1) by 2,080 in the case of hourly rate employees other than substitutes, and (2) by 2,016 in the case of substitute employees.

Rural carrier schedule

SEC. 302. (a) There is established a basic salary schedule which shall be known as the Rural Carrier Schedule, and for which the symbol shall be "RCS," for carriers in the rural delivery service, which is based in part on fixed compensation per annum and in part on specified rates per mile per annum. Basic salary shall be paid to rural carriers in accordance with this schedule.

Rural carrier schedule

	Per annum rates and steps						
	1	2	3	4	5	6	7
Carriers in rural delivery service:							
Fixed compensation per annum	$1,538	$1,578	$1,618	$1,658	$1,698	$1,738	$1,778
Compensation per mile per annum for each mile up to 30 miles of route	63	65	67	69	71	73	75
For each mile of route over 30 miles	21	21	21	21	21	21	21
Temporary carriers in rural delivery service on routes to which no regular carrier is assigned:							
Fixed compensation per annum	1,538						
Compensation per mile per annum for each mile up to 30 miles of route	63						
For each mile of route over 30 miles	21						
Temporary carriers in rural delivery service on routes having regular carriers absent without pay or on military leave	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Substitute carriers in rural delivery service on routes having carriers absent with pay	(1)	(1)	(1)	(1)	(1)	(1)	(1)

[1] Basic compensation authorized for the regular carrier.

(b) A rural carrier serving one triweekly route shall be paid on the basis of a route one-half the length of the route served by him. A rural carrier serving 2 triweekly routes shall be paid on the basis of a route one-half the combined length of the 2 routes.

(c) The Postmaster General may pay such additional compensation as he may determine to be fair and reasonable in each individual case to rural carriers serving heavily patronized routes not exceeding 61 miles in length. He may not pay additional compensation to a carrier serving such a route in an amount which would exceed $4,700, when added to the basic salary for the maximum step in the rural carrier schedule for his route. In case any such heavily patronized route is extended in length, the rural carrier assigned to such route at the time of such extension shall not be reduced in pay.

(d) The Postmaster General may pay additional compensation to rural carriers who are required to carry pouch mail to intermediate post offices, or for intersecting loop routes, in all cases where it appears that the carriage of such pouches increases the expense of the equipment required by the carrier or materially increases the amount of labor performed by him. Such compensation shall not exceed the sum of $12 per annum for each mile such carrier is required to carry such pouches.

(e) In addition to the other compensation, rural carriers shall be paid the authorized fee for making special delivery of mail. Such fee shall not be paid when (1) no special-delivery service is rendered, (2) delivery is made into a rural mailbox, or (3) delivery is made to the addressee or his representative on the rural carrier's route.

Fourth-class office schedule

SEC. 303. (a) There is established a basic-salary schedule which shall be known as the fourth-class office schedule, and for which the symbol shall be "FOS," for postmasters in post office of the fourth class which is based on the gross postal receipts as contained in returns of the post office for the calendar year immediately preceding.

Basic salary shall be paid to postmasters in post offices of the fourth class in accordance with this schedule.

Fourth-class office schedule

Gross receipts	Per annum rates and steps						
	1	2	3	4	5	6	7
$1,300 to $1,499.99	$2,514	$2,598	$2,682	$2,766	$2,850	$2,934	$3,018
$900 to $1,299.99	2,304	2,381	2,458	2,535	2,612	2,689	2,766
$600 to $899.99	1,886	1,949	2,012	2,075	2,138	2,201	2,264
$350 to $599.99	1,467	1,516	1,565	1,614	1,663	1,712	1,761
$250 to $349.99	1,048	1,083	1,118	1,153	1,188	1,223	1,258
$200 to $249.99	838	866	894	922	950	978	1,006
$100 to $199.99	629	650	671	692	713	734	755
Under $100	419	433	447	461	475	489	503

(b) The basic salary of postmasters in fourth-class post offices shall be readjusted for changes in gross receipts at the start of the first pay period after the beginning of each fiscal year. In adjusting a postmaster's basic salary under this section the basic salary shall be fixed at the lowest step which is higher than the basic salary received by the postmaster at the end of the preceding fiscal year. If there is no such step the basic salary shall be fixed at the highest step for the adjusted gross receipts of the office. Each increase in basic salary because of change in gross receipts shall be deemed the equivalent of a step increase under section 401 of this act and the waiting period, for purposes of advancement to the next step, shall begin on the date of adjustment.

(c) The basic salaries of postmasters at newly established offices of the fourth class shall be fixed at the lowest salary rate. Whenever unusual conditions prevail at any post office of the fourth class the Postmaster General may advance such office to the appropriate category or class indicated by the receipts of the preceding quarter. Any fourth-class office advanced to the appropriate category or class pursuant to this subsection shall remain in such category or class until the start of the first pay period after July 1 of the calendar year following the calendar year in which it was so advanced, at which time it shall be assigned to the category or class indicated by the receipts for the preceding calendar year.

(d) Persons who perform the duties of postmaster at post offices of the fourth class where there is a vacancy or during the absence of the postmaster on sick or annual leave, or leave without pay, shall be paid the same basic salary to which they would have been entitled if regularly appointed as such postmaster.

(e) The Postmaster General may allow to postmasters in fourth-class post offices additional compensation for separating services and for unusual conditions during a portion of the year, in lieu of an allowance for clerical services for this purpose.

(f) At seasonal post offices of the fourth class, the Postmaster General may authorize the payment of the basic salary prorated over the pay periods such office is open for business during the fiscal year.

(g) Where the gross postal receipts of a post office of the third class for each of two consecutive calendar years are less than $1,500, or where in any calendar year the gross postal receipts are less than $1,400, such post office shall be relegated to the fourth class and the basic salary of the postmaster shall be fixed in the manner provided in subsection (b) of this section.

Conversion

SEC. 304. (a) Each employee whose basic salary is paid under the act of July 6, 1945 (59 Stat. 435), as amended, or under the Classification Act of 1949 (63 Stat. 954), as amended, and who on or prior to the effective date of this section has earned but has not been credited with a higher automatic salary grade increase under the act of July 6, 1945, or a higher within-grade step increase under the Classification Act of 1949 for his position shall be given credit for such increase before his basic salary is adjusted under this act.

(b) The basic salary of each employee in effect immediately prior to the effective date of the postal field service schedule, the rural carrier schedule, and the fourth-class office schedule shall be adjusted to the basic salary in the schedules in the following manner:

(1) If the basic salary of the employee is equal to any step established for his position in the appropriate schedule, such step shall be established as the employee's new basic salary.

(2) If the basic salary of the employee is less than the entrance step established for his position in the appropriate schedule, such entrance step shall be established as the employee's new basic salary.

(3) If the basic salary of the employee falls between any two steps established for his position in the appropriate schedule, the higher step shall be established as the employee's new basic salary.

(4) If the basic salary of the employee is greater than the highest step established for his position in the appropriate schedule, such basic salary shall be established as the new basic salary of the employee.

Addition of longevity step increases

SEC. 305. (a) When the basic salary of an employee, except an employee whose basic salary immediately prior to the effective date of the postal field service schedule was fixed by the Classification Act of 1949, is established under section 304 of this act, each longevity step increase which such employee has earned prior to the effective date of his schedule shall become a part of his basic compensation and shall constitute a longevity step increase under section 404 of this act.

(b) In the case of an employee whose compensation immediately prior to the effective date of the postal field service schedule was fixed by the Classification Act of 1949, all creditable service under section 404 shall be counted in order to determine such employee's eligibility for longevity step increases under such section.

Conversion formula

SEC. 306. For the purposes of section 304 (b), 502 (a), and 504 of this act, the basic salary in effect immediately prior to the effective date of this section, of each employee paid under the act of July 6, 1945, as amended (39 U. S. C., secs. 858, 859, 861a, 862, 863–866, 868, 869), or under the Classification Act of 1949, as amended, shall be deemed to have been increased by 6 percent (rounded to the nearest dollar in the case of per annum rates and to the nearest one-half cent in the case of hourly rates, a half-dollar or one quarter of a cent being rounded to the next highest dollar or one-half cent, respectively); and such increase shall be applied in the case of each rural carrier to his fixed compensation, his compensation per mile, and any additional compensation allowed him for serving a heavily patronized route.

TITLE IV—STEP-INCREASES

Automatic advancement by step-increases

SEC. 401. (a) Except as to a substitute employee in the Postal Transportation Service whose position is allocated to salary level PFS–6 as a distribution clerk in a railway or highway post office, each employee whose position is allocated to the rural carrier schedule, the fourth-class office schedule, or salary level PFS–10 or a lower salary level of the postal field service schedule, who has not reached the highest step for his position, shall be advanced successively to the next higher step for his position at the beginning of the first pay period following the completion of each 52 calendar weeks of satisfactory service, if no equivalent increase in basic salary from any cause was received during such period of 52 calendar weeks. The benefit of successive step-increases shall be preserved, under regulations prescribed by the Postmaster General, for employees whose continuous service is interrupted by service in the Armed Forces.

(b) Each employee whose position is allocated to salary level PFS–11 or a higher salary level of the postal field service schedule shall be advanced to and including step 4 of his salary level in the manner provided in subsection (a) of this section. Advancement of such employee to steps higher than step 4, exclusive of longevity step-increases, shall be granted by the Postmaster General on the basis of superior performance under regulations issued by him, but no such employee is eligible for more than one step-increase within the time period specified in subsection (a) of this section.

(c) Each substitute employee in the Postal Transportation Service, whose position is allocated to salary level PFS–6 as a distribution clerk in a railway or highway post office, shall be advanced in the manner prescribed for other employees under subsection (a) of this section, but such substitute shall not be advanced beyond step four of salary level PFS–6.

Creditable service for advancement

SEC. 402. Each employee in the postal field service is eligible to earn step increases in accordance with this act. Except for temporary rural carriers serving in the absence of regular rural carriers on leave without pay or on military leave, credit shall not be allowed for time on the rolls under a temporary appointment for 1 year or less unless such time on the rolls is continuous to the date of appointment to a position of unlimited duration.

Adjustment of service credit

SEC. 403. (a) Subject to subsection (b) of this section and for the purpose of establishing eligibility for step increases under the provisions of section 401 of this act, each employee whose basic salary is adjusted on the effective date of the schedules in sections 301, 302, and 303 of this act shall begin his waiting period of 52 weeks on the date of such adjustment.

(b) Each employee in the automatic grades immediately prior to such adjustment who had not reached the maximum grade for his position may retain his anniversary date established under the act of July 6, 1945 (Public Law 134, 79th Cong.), as amended, for purposes of advancement to the next step for his position, if the amount of the increase which he received by reason of such adjustment to his salary schedule under this act is less than that part (allocable to the service performed by him since his last automatic increase under such act of July 6, 1945, as amended) of the amount representing the grade increase which would have been credited to him at the beginning of the quarter following his next anniversary date under such act of July 6, 1945, as amended.

Longevity step increases

SEC. 404. (a) There are established for for each employee longevity steps A, B, and C. For each promotion to a longevity step—

(1) each postmaster at a post office of the fourth class shall receive an amount equal to 5 percent of his basic salary, or $100 per annum, whichever is the lesser, and

(2) each employees (other than a postmaster at a post office of the fourth class) shall receive $100 per annum.

In computing the percentage increase under this subsection the amount of the increase shall be rounded to the nearest dollar. A half dollar or one-half cent shall be rounded to the next highest dollar or cent, respectively.

(b) Each employee shall be assigned to—

(1) longevity step A at the beginning of the pay period following the completion of 13 years of service;

(2) longevity step B at the beginning of the pay period following the completion of 18 years of service; and

(3) longevity step C at the beginning of the pay period following the completion of 25 years of service.

(c) (1) There shall be credited, for the purposes of subsection (b)—

(A) all time on the rolls, except time on the rolls as a substitute rural carrier, in the postal field service or in the Post Office Department;

(B) all time on the rolls in the custodial service of the Department of the Treasury continuous to the date of the transfer of the employee to the custodial service of the Post Office Department in accordance with Executive Order No. 6166, dated June 10, 1933;

(C) all time on the rolls as a special-delivery messenger at a first-class post office; and

(D) all time on the rolls as a clerk in a third-class post office for which payment is made from authorized allowances.

(2) In determining longevity credit for the purposes of subsection (b) in the case of an employee whose continuous service in the postal field service or in the departmental service of the Post Office Department shall have been interrupted by service with the Armed Forces or to comply with a transfer during war or national emergency as defined by the United States Civil Service Commission, all time engaged in such service with the Armed Forces or on such transfer shall be credited pro rata for each week of such service. All service specified in this subsection, whether continuous or intermittent, shall be credited on the basis of 1 week for each whole week the employee has been on the rolls, except that credit shall not be allowed for time on the rolls under a temporary appointment for 1 year or less unless such time on the rolls is continuous to the date of appointment to a position of unlimited duration.

(d) Employees on the rolls on the effective date of this section who are entitled to promotion credit for longevity purposes under section 2 of the act approved May 3, 1950 (64 Stat. 102; 39 U. S. C. 889), shall retain all rights and benefits established or continued under such section to the same extent as though such section had remained in effect.

(e) Increases under this section shall not be deemed equivalent increases within the meaning of section 401.

TITLE V—GENERAL COMPENSATION RULES

Appointments

SEC. 501. The Postmaster General may appoint any person who has been employed in a civilian capacity in any branch of the Government to any position in a regional or district office or to any professional or scientific position and may place such person in any step in the salary level of the postal field service schedule which is less than one full step above the highest basic salary which such person received from the United States.

Promotion

SEC. 502. (a) Any employee who is promoted or transferred to a position in a higher salary level of the postal field service schedule shall be paid basic salary at the lowest step of such higher salary level which exceeds his existing basic salary by not less than the amount of difference between the entrance step of the salary level from which promoted and the entrance step of the salary level immediately above the salary level from which promoted. If there is no step in the salary level to which the employee is promoted which exceeds his existing basic salary by at least the amount of such difference, such employee shall be paid (1) the maximum step of the salary level to which promoted, or (2) his existing basic salary, whichever is higher.

(b) Regular clerks and carriers in first- and second-class post offices are not eligible for promotion to positions of higher salary levels in their respective offices unless they are in the maximum steps of their respective salary levels. If for any reason such clerks and carriers in such maximum steps are not available those clerks and carriers in the lower steps in such offices shall be eligible for such promotion.

Compensation of certain temporary employees

SEC. 503. Each temporary employee who is hired for a continuous period of 1 year or less for a position under the postal field service schedule shall be paid a basic salary at the entrance step for the salary level of the position to which he is appointed.

Prohibition on reduction of former compensation

SEC. 504. (a) Nothing in this act shall be deemed to reduce the per annum or hourly basic compensation of any employee on the rolls on the effective date of the postal field service schedule, the rural carrier schedule, or fourth-class office schedule to an amount less than his basic compensation immediately prior to adjustment to such schedules.

(b) For the purposes of this section, "basic compensation" includes basic compensation under the Classification Act of 1949.

TITLE VI—PAY ADMINISTRATION

Pay periods and computation of rates

SEC. 601. (a) Employees in the postal-field service shall be paid compensation in 26 installments. Each such installment shall be the compensation for a pay period of 2 weeks.

(b) As basic compensation for a full pay period, an employee, other than an hourly rate employee, shall be paid an amount equal to one twenty-sixth of his annual basic compensation. As basic compensation for a portion of a pay period, such employee shall be paid basic compensaton computed in accordance with subsection (d) of this section for the number of days and hours of service for which he has credit.

(c) As basic compensation for the pay period, an hourly rate employee shall be paid an amount equal to the product of his hourly rate of basic compensation and the number of hours of service for which he has credit.

(d) For purposes of computing rates of compensation other than annual rates the following rules shall govern:

(1) To compute an hourly rate of basic compensation for employees other than substitute employees, the annual rate of basic compensation shall be divided by 2,080.

(2) To compute an hourly rate of basic compensation for substitute employees, the annual rate of basic compensation shall be divided by 2,016.

(3) To compute the daily rate of compensation for postmasters, postal inspectors, and rural carriers, the annual rate of compensation shall be divided by 312.

(4) To compute the daily rate of basic compensation for annual rate employees other than postmasters, postal inspectors, and rural carriers, the hourly rate of basic compensation shall be multiplied by the number of daily hours of service required.

(e) Except for lump-sum payments for accumulated leave upon the termination of employment, an annual rate employee shall not be paid more than one twenty-sixth of his basic compensation as basic compensation for a pay period.

(f) All rates shall be computed to the nearest cent, counting one-half cent and over as a whole cent.

(g) When a pay period for employees to whom this act applies begins in one fiscal year and ends in another, the gross amount of the earnings of such employees for such pay period may be regarded as a charge against the appropriation or allotment current at the end of such pay period.

Hours of work

SEC. 602. Except as otherwise provided in this act, employees shall not be required to work more than 8 hours a day. The work schedule of employees shall be regulated so that the 8 hours of service shall not extend over a longer period than 10 consecutive hours.

Compensatory time, overtime, and holidays

SEC. 603. In emergencies or if the needs of the service require, the Postmaster General may require employees to work more than 8 hours in 1 day, or on Saturdays, Sundays, or holidays. For such service he shall grant employees in the "PFS" schedule compensatory time or pay such employees overtime compensation under the following rules:

(1) Each employee in or below salary level PFS–8 shall be paid for all work in excess of 8 hours in 1 day at the rate of 150 percent of his hourly basic compensation.

(2) (A) Each employee in or below salary level PFS–8 who performs work on Saturdays or Sundays shall, under regulations prescribed by the Postmaster General, be granted compensatory time in an amount equal to the excess time worked within 5 working days, except that, in lieu of such compensatory time, the Postmaster General may, if the exigencies of the service require, authorize such employee to be paid, for work performed on Saturdays and Sundays during the month of December, at the rate of 150 percent of his hourly basic compensation.

(B) If the work performed by such employees on Saturdays and Sundays is less than 8 hours, such service, in the discretion of the Postmaster General may be carried forward and combined with similar service performed on other Saturdays and Sundays. The employees may be allowed compensatory time for such combined service or any part thereof at any time, except that, whenever at least 8 hours of such service has been accumulated, the employees shall be allowed 8 hours compensatory time on 1 day within 5 working days next succeeding the Saturday or Sunday on which the total accumulated service was at least 8 hours.

(3) For time worked on a day referred to as a holiday in the act of December 26, 1941 (5 U. S. C., sec. 87b), or on a day designated by Executive order as a holiday for Federal employees generally, each employee in or below salary level PFS–8, under regulations prescribed by the Postmaster General, shall either be granted compensatory time in an amount equal to such time worked within 30 working days, or be paid premium compensation at a rate equal to his hourly basic compensation for the time so worked. For work performed on Christmas Day, premium compensation shall be paid at a rate equal to 150 percent of the employee's hourly basic compensation.

(4) Each employee in or above salary level PFS–9 who performs overtime or holiday work as described in this section, under regulations prescribed by the Postmaster General, shall be granted compensatory time in an amount equal to such overtime or holiday work.

Nightwork

SEC. 604. Employees who perform work between the hours of 6 p. m. and 6 a. m. standard or daylight-saving time, depending upon which time is observed where such work is performed, shall be paid extra compensation for each hour of such work at the rate of 10 percent of their hourly basic compensation. The differential for night duty shall be included in computing any overtime compensation to which such employees may be entitled.

Exemption of certain employees from certain provisions relating to pay administration

SEC. 605. (a) Sections 602, 603, and 604 of this act do not apply to the heads of regional or district offices and such other employees of the headquarters staff of regional and district offices as the Postmaster General designates, or to postmasters, rural carriers, post-office inspectors, traveling mechanicians, and traveling examiners of equipment and supplies.

(b) Sections 602 and 603 of this act do not apply to substitute employees and to employees in the Postal Transportation Service assigned to road duty.

(c) Section 602 of this act does not apply to employees in post offices of the third class.

(d) The provisions of section 603 of this act relating to compensatory time and overtime compensation for work on Saturdays or Sundays do not apply to hourly rate regular employees.

Substitute employment

SEC. 606. (a) Subject to subsection (c) of this section, the Postmaster General shall prescribe the conditions under which substitute positions may be established.

(b) Each substitute employee who reports for duty in compliance with an official order shall be employed for not less than 2 hours following the hour at which such employee is ordered to report.

(c) In the case of positions which are the same as or equivalent to the positions enumerated in the act entitled "An act to provide for the appointment of substitute postal employees, and for other purposes," approved June 4, 1936, as amended (39 U. S. C., sec. 834), the ratio of classified substitute employees to regular employees shall not be more than 1 classified substitute to 5 regular employees or fraction thereof with respect to each such position, except that in offices having fewer than 5 regular employees there may be 1 substitute clerk and 1 substitute carrier, and 1 substitute in the motor-vehicle service.

Employees in the postal transportation service

SEC. 607. (a) The Postmaster General shall organize the work of employees in the postal transportation service who are assigned to road duty into regularly scheduled tours of duty. Such tours of duty shall aggregate an average of not more than 8 hours a day for 252 days a year, including an allowance of 1 hour and 35 minutes for work to be performed on layoff periods. He shall

not grant allowances of time for work performed on layoff periods to employees other than employees engaged in the distribution of mail.

(b) Employees in the postal transportation service assigned to road duty, except substitute employees, who are required to perform work in excess of the scheduled time of their regular tours of duty as established by the Postmaster General shall be paid at the rate of 150 percent of their hourly basic compensation for such overtime work. In arriving at the amount of overtime to be paid at any time during the calendar year, any deficiencies accrued up to that time during the same calendar year shall be offset against any overtime work by the employee.

(c) Substitute employees in the postal transportation service assigned to road duty shall be paid on an hourly basis for actual work performed according to the time value of each trip of such road duty, including an allowance of time for all work required on layoff periods.

(d) In addition to compensation provided under this act, the Postmaster General, under regulations prescribed by him, may pay not more than $9 per day as travel allowances in lieu of actual expenses, at fixed rates per annum or by such other methods as he deems equitable to regular and substitute employees in the postal transportation service who are assigned to road duty, after the expiration of 10 hours from the time the initial run begins.

(e) Substitute employees in the Postal Transportation Service shall be credited with full time while traveling under orders of the Post Office Department to and from their designated headquarters to take up assignments.

Equipment maintenance allowance for special delivery messengers

SEC. 608. (a) In addition to the compensation provided under this act regular and substitute special delivery messengers at first-class post offices shall be paid an automotive equipment maintenance allowance at the rate of 7 cents per mile or major fraction thereof for miles traveled under the direction of the Department in making delivery of special-delivery mail or at the option of the Postmaster General at the rate of 90 cents per hour spent in making delivery of special-delivery mail. Payments for equipment maintenance shall be made at the same periods and in the same manner as payments of regular compensation.

(b) The Postmaster General may provide or hire vehicles under an allowance basis for use in the delivery of special-delivery mail whenever the needs of the postal field service so require.

Equipment maintenance allowance for rural carriers

SEC. 609. (a) In addition to the compensation provided in the rural carrier schedule, each rural carrier shall be paid for equipment maintenance a sum equal to 9 cents per mile for each mile or major fraction of a mile scheduled. The Postmaster General may pay such additional equipment maintenance allowance as he determines to be fair and reasonable, not in excess of $3 per day when combined with the equipment maintenance allowance provided by the preceding sentence, to rural carriers entitled to additional compensation under section 302 (c) of this act for serving heavily patronized routes. Payments for such equipment maintenance shall be made at the same periods and in the same manner as payments of regular compensation.

(b) Any employee in the postal field service who is assigned to serve any rural route, and who furnishes the vehicle used in the performance of such service, shall be paid the equipment maintenance allowance provided for the route so served, in addition to his compensation.

Allowances for postmasters in fourth-class post offices

SEC. 610. Postmasters of fourth-class post offices shall be paid as allowances for rent, fuel, light, and equipment an amount equal to 15 percent of the compensation earned in each pay period, at the same time and in the same manner as their regular compensation.

TITLE VII—MISCELLANEOUS PROVISIONS

Classes of post offices

SEC. 701. The Postmaster General shall divide post offices into four classes on the basis of gross annual postal receipts. He shall place in the first class those post offices at which such receipts are $40,000 or more. He shall place in the second class those post offices at which such receipts are $8,000 or more, but less than $40,000. He shall place in the third class those post offices at which such receipts are $1,500 or more, but less than $8,000. He shall place in the fourth class those offices at which such receipts are less than $1,500.

Assignment of employees

SEC. 702. With the consent of the employee, the Postmaster General is authorized to detail any employee, including any employee of the departmental service, between the postal field service and the departmental service to such extent as may be necessary to develop a more efficient working force and more effectively to perform the work of the Department. Each such detail shall be made for a period of not more than 1 year and may be made without change in compensation of the employee so detailed.

Increases in basic compensation not "equivalent increases"

SEC. 703. Any increase in rate of basic compensation by reason of enactment of this act shall not be considered as an "equivalent increase" in compensation within the meaning of section 701 (a) (A) of the Classification Act of 1949, in the case of employees who transfer or are transferred to a position coming within the purview of the Classification Act of 1949.

Postal employees of the Canal Zone Government

SEC. 704. The Governor of the Canal Zone is authorized and directed to adopt applicable provisions of this act for postal employees of the Canal Zone Government, as of the respective effective dates of such applicable provisions.

References in other laws with respect to Public Law 134, 79th Congress

SEC. 705. (a) Whenever reference is made in any other law to the act of July 6, 1945 (59 Stat. 435), as amended, such reference shall be held and considered to mean this act. Whenever reference is made in any other law to a "grade" of such act of July 6, 1945, such reference shall be held and considered to mean the corresponding basic salary step in any schedule contained in this act.

(b) The application of this act to any position or employee shall not be affected by reason of the enactment of subsection (a).

Applicability of act to Guam

SEC. 706. This act shall have the same force and effect within Guam as within other possessions of the United States.

Regulations of Postmaster General

SEC. 707. The Postmaster General is hereby authorized to issue such regulations as may be necessary for the administration of this act.

Civil Service Act and Rules, Veterans' Preference Act of 1944

SEC. 708. This act shall not be construed to modify the application of the Civil Service Act and Rules or the Veterans' Preference Act of 1944 to the postal field service.

Authorization of appropriations

SEC. 709. There are hereby authorized to be appropriated such sums as may be necessary to carrying out the provisions of this act.

Effective dates

SEC. 710 (a) This section shall take effect on the date of enactment of this act.

(b) Section 601 of this act shall take effect on any Sunday following the date of enactment of this act designated by the Postmaster General but not later than the first Sunday of the first calendar month which begins more than 60 days after such date of enactment.

(c) The remainder of this act shall take effect on the first day of the first pay period which begins after the date of enactment of this act.

(d) (1) The adjustment of the basic salary of each employee to the basic salary established for the position he was occupying on the effective date of this act shall be completed within 180 days after the effective date of section 304 (b).

(2) The applicable salary schedules, provisions, and limitations contained in the act of July 6, 1945 (Public Law 134, 79th Cong.), as amended, shall contine in effect with respect to each such employee until the date on which his basic salary is adjusted under such section 304 (b).

(3) Such adjustment of basic salary of each such employee shall be made effective as of the effective date of section 304 (b) and payments of basic salary on the basis of such adjustment shall be decreased by the amounts of basic salary received by such employee during such period under the applicable provisions of such act of July 6, 1945, as amended.

The SPEAKER. Is a second demanded?

Mr. REES of Kansas. Mr. Speaker, I demand a second.

Mr. MORRISON. Mr. Speaker, I demand a second.

The SPEAKER. Is the gentleman from Kansas for or against the motion?

Mr. REES of Kansas. Mr. Speaker, I am in favor of the motion.

The SPEAKER. The gentleman from Kansas does not qualify.

Mr. MORRISON. Mr. Speaker, I demand a second and I am opposed to the motion.

The SPEAKER. The gentleman qualifies and will be recognized for 20 minutes.

Mr. MURRAY of Tennessee. Mr. Speaker, I ask unanimous consent that a second be considered as ordered.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. MURRAY of Tennessee. Mr. Speaker, I yield 5 minutes to the gentleman from Texas [Mr. DOWDY].

Mr. DOWDY. Mr. Speaker, 5 minutes is not long to discuss any bill as much involved as this bill before us today. In one of the institutions in my district where they sometimes confine people who have imbibed too long and too freely of the liquid fruits of grain, and other people, there was a guard who was taking some of these men out on a stroll in the yard to give them some exercise. After they had walked around for an hour or such a matter they sat down under a tree to rest. While they were sitting there one of the men sat with his head between his legs and every once in a while he would look up at the flagpole in

front of him. He suddenly jumped up and climped to the top of the flagpole. He took a slip of paper and a pencil out of his pocket and he wrote upon the paper. He screwed the cap off the flagpole, put the slip of paper in and screwed the cap back on and went down to resume his seat. A little later another one climbed up the flagpole. He screwed the cap off the top and read the paper, put it back, screwed the cap back on and came down again. The same thing happened with 2 or 3 others. Finally, the guard decided that something would happen if he did not take the men back, so he returned them to their cells. Finally, he worried about what was in that note on the flagpole. With great difficulty, he climbed to the top of the pole, he unscrewed the cap, took out the piece of paper and read it; and here is what was on the note: "Notice to all flagpole climbers. This is the top of the pole."

I think the President has left such a note to everybody who is concerned with this bill before us.

Now you will probably hear statements made that the Congress should not regard the President's ideas in legislation. I am not going to argue that with anybody. They have a right to their own opinion, but I will say this, the Founding Fathers of this country in their great wisdom gave to the President the power of veto. So I am glad the President has the courage to give us his idea about this legislation, in order to keep us from just wasting our time here. I believe the President is a truthful man. Somebody else may say he is not truthful; that his statement is false. That is an opinion that anyone has a right to have for himself. I am not here to tell you how to vote on this bill. I am just looking at it from a practical standpoint, and my remarks will be directed along that line, for whatever it is worth. The purpose of this legislation is to provide for an increase in the compensation of postal employees, and at the same time to bring about a correction of serious inequities in the salary schedules by the adoption of an approved method of classifying postal employees for salary purposes.

Under this bill, all postal employees will receive a minimum increase of 6 percent of their basic salaries.

Mr. Speaker, it is the purpose of this legislation to provide an increase in the compensation of postal employees and, at the same time, bring about correction of serious inequities in the salary schedule by the adoption of an improved method of classifying postal employees for salary purposes.

Under this bill, all postal employees will receive a minimum increase of 6 percent on their basic salaries and will then be fitted into a salary schedule providing for a pay scale establishing a more realistic relationship between the various positions—particularly with reference to their duties and responsibilities—and the salaries of such positions. The adjustment to the new salary schedule will result in a payroll increase of approximately 1.6 percent.

I may say that there is unanimity in the committee as to the desirability of reclassification in the postal service. The large majority of the committee favoring H. R. 4644 have unmistakenly expressed their feeling in this matter. The minority views, while proposing some modification in the provisions of H. R. 4644, have also indicated the desirability of reclassification.

On the essential substance of the bill, then, there is no controversy within the committee.

The committee members who have subscribed to the minority views, although making no valid point of criticism of the general nature of the classification proposals, have sought to obtain larger increases for certain categories of employees within that general framework.

I wish to emphasize that H. R. 4644 provides an integrated salary plan for the payment of postal employees, based on the relative difficulty of their individual jobs. The salary schedule in the bill attempts to establish an equitable and intelligent relationship between jobs, so that those whose jobs are comparable in difficulty and responsibility will receive like treatment in their wages, those whose jobs are more responsible and difficult will receive commensurately greater pay. When an employee advances from one job to a distinctly more responsible job, he will receive an increase in pay.

When one says that he favors reclassification, he has to mean that he favors these principles, because that is what reclassification is, and that is what this bill provides.

Now an integrated salary structure cannot be tampered with or it will no longer preserve a proper relationship between positions. As an example of what I mean, let us consider one of the principal recommendations made in the minority views for changing the pay schedule.

That recommendation is that file clerks and typists, who are now placed in salary level 3, should be raised to salary level 4, which pays from $3,590 to $4,280 a year.

In the rest of the Government, which compensates their employees under the Classification Act of 1949, file clerks and typists are paid in either grade 2 or grade 3 of that act. Grade 2 has a starting rate of $2,750. Grade 3 has a range starting at $2,950 and going to $3,430. Even if 6 percent is added to the Classification Act rates in this session of Congress, those employees will receive a range of only $3,127 to $3,607 per annum in grade GS–3.

And the minority views would set the post office file clerk or typist apart from the many thousands of other Government employees, and pay him $3,590 to $4,280 per year, or $463 to $673 more for precisely the same work. It that equitable treatment?

And what would happen to our postal pay schedule if file clerks and typists were placed in salary level 4? Every other employee whose work is of the same difficulty and responsibility would be justified in asking that his position also be placed in that level, and the Postmaster General would be obliged to take action to raise those other positions.

And the employees whose positions are now placed in salary level 4 under the bill would be justified in asking that they be advanced to level 5, because their jobs are one level better than those of the file clerks and typists.

The level 5 clerk would then go to level 6, and so on without end.

It is clear that this and any other change suggested would initiate a similar chain reaction and the principle of equal pay for equal work would be destroyed before it even got a foothold in the postal service.

The minority views indicate also that the salary level for clerks, letter carriers, and motor vehicle operators is not properly set, with the result that those employees allegedly will not receive enough of a pay increase and that there is not an adequate differential between their salary level and the one just below.

A minority of the committee proposed during the committee sessions that an additional $40 million be given to clerks, and carriers, and motor vehicle operators. To do this a new salary level was to be created for clerks, letter carriers, and motor vehicle operators. The committee approved the creation of this new level, and in the bill it is set forth as salary level 5, but at a lower rate—one giving this group $20 million more a year.

It was clear to a large majority of the committee that allocating such a large additional raise to these four groups would raise the cost of the bill to such an extent that it would assuredly be vetoed and everything lost. The rightness of this position has since been proved by the President himself.

I moved in a spirit of compromise in order that a bill might get to the floor, that the rates for salary level 5 be established midway between the level 4 rates and the level 5 rates proposed by the minority group. The committee approved this compromise, which has the effect of giving the clerks, letter carriers, and motor vehicles operators an additional $20 million over and above what they would have received under the bill as originally introduced.

The comment that there is now an inadequate differential between salary level 4 and level 5 is a curious one, considering that it was basically the proposal of the members signing the minority views, which resulted in the insertion of the new level 5 between two salary levels which did have a substantial differential. It is even more curious in view of the fact that, the only difference between the reported bill and the minority proposal in the committee, is $40 in each step in level 5, which is less than 75 cents per week to each employee.

Mr. MORRISON. Mr. Speaker, I yield 1 minute to the gentleman from Georgia [Mr. DAVIS].

Mr. DAVIS of Georgia. Mr. Speaker, the House Committee on the Post Office and Civil Service worked earnestly and faithfully on this bill. We reported out a bill which I think could very well be submitted to the Rules Committee and could very well be submitted to the House. I voted for that bill in the committee and I believed that it was going to be submitted to the Rules Committee and to the House with an opportunity to

any Member who wished to offer an amendment should he so desire.

I am constitutionally opposed and fundamentally opposed to gag rules. I think that anyone who wants to offer an amendment to this bill should have the opportunity to do so. For that reason I am going to vote against the motion to suspend the rules and pass the bill in this manner.

Mr. REES of Kansas. Mr. Speaker, will the gentleman yield?

Mr. DAVIS of Georgia. I yield.

Mr. REES of Kansas. The gentleman is not opposed to this legislation, is he?

Mr. DAVIS of Georgia. As I stated, I voted for this bill in the committee. I do not like the way it is being brought up for consideration under a suspension of the rules.

Mr. MORRISON. Mr. Speaker, I yield 2 minutes to the gentleman from Iowa [Mr. GROSS].

Mr. GROSS. Mr. Speaker, with the gentleman from Georgia [Mr. DAVIS], I voted to bring this bill out of committee, but certainly there was not the slightest hint at that time that the chairman would ask for a suspension of the rules.

With the gentleman from Georgia, I am fundamentally opposed to considering legislation under a gag rule. For that reason and others I certainly shall vote this afternoon against the motion to suspend the rules.

Mr. REES of Kansas. Mr. Speaker, will the gentleman yield?

Mr. GROSS. I yield.

Mr. REES of Kansas. The gentleman is not opposed to this legislation, is he?

Mr. GROSS. The gentleman from Iowa thinks that 60 percent of the employees of the Post Office Department should be entitled to at least the average increase and therefore would support such an amendment on the floor of the House, under normal procedures.

May I say that the gentleman from Iowa does not believe an increase of 50 percent for some employees, 30 percent for others, and for 60 percent of the employees an increase of less than 7 percent is equitable and there ought to be the opportunity to remedy that situation.

Mr. MURRAY of Tennessee. Mr. Speaker, I yield 3 minutes to the gentleman from Kansas [Mr. REES].

Mr. REES of Kansas. Mr. Speaker, this is an important piece of legislation. It has been carefully prepared and is the result of a considerable amount of study on the part of our committee. This legislation has been studied as far back as the 80th Congress. This legislation has been grossly misinterpreted. During the hearings, all members of the committee agreed there must be reclassification. That, of course, includes those who have submitted minority views. This measure includes a tremendous amount of work, effort, and research. It is really a committee bill.

The last Congress held 24 sessions dealing with the question of pay and other benefits for postal employees. During this Congress, our committee held 15 sessions on this proposed legislation. Members may be interested to know that before this bill was finally submitted, the chairman of this committee, the gentleman from Tennessee [Mr. MURRAY], and, I, as ranking minority leader, conferred with representatives of postal employees. These were representatives who had already testified before our committee. We included many of their suggestions in this proposal.

This bill is a fair approach. It provides for a minimum increase of 6 percent and an adjustment and realinement in the pay structure which adds an additional 1.6 percent. This bill, in my judgment, is the best that can be worked out in consideration of the interest of the Government and in keeping salaries and salary increase within reasonable bounds.

Complaints and suggestions are bound to develop when you deal with personnel problems effecting more than 500,000 employees. I challenge anyone to deal with matters affecting more than one-half million individuals and not have some dissent. I want to emphasize that if there is going to be an increase in postal salaries, it must be accompanied by a salary plan. It should be equally clear that the salary increases included in this legislation have been pushed to a breaking point. Mr. Speaker, on Friday I submitted a statement in the RECORD covering the principal criticisms leveled against this proposed legislation. Our committee has complied with practically all of those suggestions.

Basically, this bill provides a minimum of 6-percent salary increase, and, at the same time, will bring about a reclassification of postal employees' salaries through the establishment of a new salary plan for the postal field service.

Under the bill, 90 percent of the employees are covered by position specifically defined in the bill and are assigned to appropriate salary levels. Only 10 percent will be assigned by the Postmaster General, and these must be assigned in accordance with strict standards and subject to an appeal to the Civil Service Commission by the employee concerned.

Many Members have received letters expressing concern about certain provisions or lack of them in the bill as originally recommended by the Postmaster General, H. R. 2987. The committee, by its action, has eliminated virtually every one of these objections. Even the views of the minority are only one-half of 1 percent apart on total amount of the increase. For the benefit of the Members there follows a discussion of the most frequently raised objections to the bill, coupled with corrective action taken by the committee. For the convenience of the Members, I have referred to appropriate section numbers in H. R. 4644.

It is claimed by those who criticize this bill that the Postmaster General has too much authority to grade jobs. The committee recognized the concern of the employees and struck out over 100 references to Postmaster General and rephrased the language to make the provisions of the bill a matter of law rather than to be dependent on actions required of the Postmaster General.

The descriptions of duties, responsibilities, and relationships of 50 positions, covering more than 90 percent of the postal employees, and the establishment of salary levels, are made a matter of law by section 203 of the bill.

The detailed procedure for the establishment of salary levels for the remaining less than 10 percent are made a matter of law by section 201 of the bill.

Section 202 authorizes the employee to appeal to the Civil Service Commission any action taken by the Post Office Department in the assignment of a job to a key position or to a salary level. It also makes the decisions of the Civil Service Commission mandatory on the Postmaster General.

It has been erroneously stated the salary of employees can be reduced merely by assignment to lower levels. I ask you to look at section 204 which allows the assignment of employees to other duties but provides (a) that the salary of no employee be reduced as a result of such action, and (b) that assignment of an employee to higher duties for more than 30 days in a calendar year shall be paid for at the higher rate of pay.

The minority report would have you believe that the Postmaster General can make unlimited appointments to supervisory positions from outside the postal field. Section 501 limits this authority to appointment of persons who have been civilian employees in any branch of the Government and to positions in the regional and district offices and positions in the professional and scientific fields.

They also claim that this legislation permits the appointment of an unlimited number of substitutes. This is incorrect. The committee recognized that there was some desirability of eliminating the regular-substitute ratio in the interest of flexibility of administration. However, it also felt that the claims that no ratio would lead to abuses had merit. Section 606 (c) retains a ratio but changes it from 6 regulars to 1 substitute to 5 to 1. This overcomes the objection of the employees. It also allows additional administrative flexibility.

Some of those who criticize this legislation would have you believe that this proposal would allow the Post Office Department to downgrade all positions. The fact is that H. R. 4644 establishes by law the grade and salary of over 90 percent of the positions and provides a mandatory procedure for establishing the salary level of all others.

It has been suggested that larger increases go for higher paid workers. This statement would be true, if the principle of equal pay for substantially equal work and responsibility is to be ignored. The ranking of positions and salary levels as set forth in title II and III of the bill, H. R. 4644, recognizes this principle. There are some 1,100 employees in positions such as assistant postmasters, superintendents of mails, superintendent of transportation, and a few others who for some 10 years have been grossly underpaid in relation to their responsibility. The provisions of H. R. 4644 will bring these salary rates into more reasonable alinement and will, for the first time, properly recognize their duties and responsibilities.

The committee also recognized that the clerks and carriers in post offices in the first and second class have greater

responsibilities than reflected in the salary level proposal by the administration. A new salary level 5—section 301—which provides higher salaries for these groups of employees was approved by the committee. The additional cost resulting from the insertion of this new level is estimated at over $20 million.

Those who criticize the bill say that the proposed effective dates delay increases for 6 months. The fact is this bill establishes the first pay period after the date of enactment as the effective date of both the 6 percent minimum pay increase and that resulting from reclassification. The bill allows a maximum of 180 days in which to effect the assignment of all positions to salary levels. Once the assignment is made, the employee will receive a retroactive payment for the amount of this gross increase as of the first pay period after date of enactment of this bill.

Mr. Speaker, much has been said about the starting rate for clerks and carriers. The present starting rate of clerks and carriers is $3,270 a year. This bill increases that amount $370, which makes a total of $3,640. Clerks and carriers comprise about 60 percent of employees in Government. The average payroll increase going to clerks and carriers is 8.2 percent and not 6.2 percent as claimed by the minority. The minority neglected to include premium pay for overtime and night work which really brings the increase to 8.2 percent.

This bill provides, too, that clerks and carriers reach a top salary in 7 years instead of 9 years.

Much has been said about bringing this bill under suspension of the rules. The question now is whether the bill is right. If it is right, you will vote for it. If you do not think it is right, then you will vote against it. I think it is fair. I am anxious to get a bill through the House and through the other body that will become law. In my view this bill is the one most likely to become law and I think that when the postal people really know what the measure contains, they will not only favor it, but will support it. I would like to say that I have at all times supported legislation that I thought was fair and beneficial to postal employees. This bill is fair. It is right. It ought to pass.

Mr. MORRISON. Mr. Speaker, I yield 5 minutes to the gentleman from California [Mr. Moss].

Mr. MOSS. Mr. Speaker, two points are being urged on the Members of this House today. One of them so nicely put by the gentleman from Texas [Mr. Dowdy] is that this is the "top of the flagpole"—the limit we can go without encountering Executive veto.

I want you to know that for the two and a fraction years of my service as a member of the House Committee on Post Office and Civil Service the threat of veto has been my constant and continuing companion. At no time have I presumed to discuss matters before the committee without having someone tell me that if I did not agree, veto was inevitable. We still have a responsibility—a responsibility to do the job we were sent here to do. The President has his. Let us try to compromise, but neither should dictate to the other.

The other course of action urged upon you is to send the bill to conference. Well, it needs perfecting in some of its provision on reclassification. The bill proposed in the other body has no provisions on reclassification. It is highly doubtful it will have reclassification provisions when it finally passes. If we are to deal with equitable reclassification, we must do that here in this House. We must, by amendment, make stronger the prohibition against discriminatory action by the Postmaster General.

Why do we have to suspend the rules to consider this, the third salary bill which we have here this year? The bill affecting our salaries and the salaries of the Federal judiciary was passed after full and complete debate under an open rule. We have recently passed a bill providing almost three-quarters of a billion dollars in salary increases to the military forces of this Nation. We did not bring either of these bills to the floor under a gag procedure. We permitted the House to work its will, and we should do the same in this instance.

Now, as to the amount of increase proposed here, it is a 7.5-percent average as related to payroll. It is not a 7.5-percent increase for the great bulk of the postal-field-service employees. It is a bill representing less than 7 percent for 60 percent of the employees. The gentleman from Kansas, in mentioning the entrance salary for the carriers as being 11 percent, is certainly correct, but I think there are only 172 affected employees out of over 120,000 personnel in that 1 level. It is still less than 7 percent for the great bulk of the employees.

In the minority views we proposed a very moderate addition to the total cost of this legislation bringing, as related to payroll, approximately six-tenths of a percentage-point increase in the total cost, and that not to become fully effective until the third year after enactment. The cost of our amendment, if adopted by the House, will increase the cost the first year by approximately $1 million, but it would give to that great bulk of the employees the 7.5 percent or better which they are entitled to receive. We have increases in this bill going as high as 60 percent, and I do not think that any of us can go back to our people and, on the basis of what most of you Members know at this moment, justify the type of salary increase offered here.

In the first place, 7.5 percent as the cost takes into consideration two factors. One and five-tenths percent of the total cost related to payroll is purely and simply a cost allocated to reclassification, and only 6 percent is a cost properly allocable to payroll itself.

These employees of our postal establishment have demonstrated remarkable ability in recent years to increase their productivity. On the testimony of the Postmaster General himself before our committee, it was acknowledged that the productivity of the employees has increased far more rapidly than have their incomes. In most major industries of this Nation today we give some small measure of consideration to productivity when we arrive at salaries.

The SPEAKER. The time of the gentleman from California has expired.

Mr. HOFFMAN of Michigan. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. HOFFMAN of Michigan. If suspension is denied and the matter then goes to the Committee on Rules, can that committee bring in an open or a closed rule?

The SPEAKER. If the motion is defeated, the bill remains on the calendar and is subject to the general rules of the House.

Mr. HOFFMAN of Michigan. I thank the Speaker.

The SPEAKER. The Chair does not presume to say what the Committee on Rules will do about anything.

Mr. MORRISON. Mr. Speaker, I yield 1 minute to the gentleman from Pennsylvania [Mr. Corbett].

Mr. CORBETT. Mr. Speaker, actually the members of the committee were not very far apart on the provisions of this bill. In fact, had there been a small adjustment or two passed, we would have come here today with a unanimous report. I believe very, very definitely that the procedure here proposed is unnecessary and undesirable. We can and should at certain places in this bill bring in amendments for the consideration of the House.

It is also my clear understanding that those who have some differences regarding the amount of salary do not propose to come here with any wild proposals that would unbalance the bill but, rather, would bring it more into balance. I believe the full House has the right to hear this tremendously important reclassification procedure discussed and debated. I believe we can eventually work to the point where this House can pretty well agree, perhaps almost unanimously, on a bill and send it to the Senate.

The motion should be defeated.

Mr. MURRAY of Tennessee. Mr. Speaker, I yield 2 minutes to the gentleman from Indiana [Mr. Halleck].

Mr. HALLECK. Mr. Speaker, there is nothing unusual in the way in which this bill is being presented. I have been here 20 years. I have seen bills like this from the Committee on Veterans' Affairs come in under suspension of the rules. I think it is a fair way to handle it.

Let us bear in mind that this bill came out of committee by a vote of 16 to 7. Necessarily, the arrangement that brings it here in this way was made by the chairman of the committee with the Speaker of the House.

I have supported increases for the postal employees in the past, and in case any Members have forgotten, there was an increase of $400 in 1945; $400 in 1946; $450 in 1948; $120 in 1949; and $400 more in 1951. And all of those increases were across the board.

The reclassification procedure provided undertakes to deal with problems that were not corrected heretofore. This bill is a fair bill. I make no apology for my support of it. It averages 7.5 percent. It is 1 percent more than was recommended by the administration.

I have not heard any language threatening a veto, but I think it is fair for me to say that this bill, which provides a substantial amount for postal employees, if adopted here, can go on and become law.

I think it is satisfactory. It is 7.5 percent on the average salary of $2 an hour, which is 15 cents an hour increase. That is more than has been had. It keeps pace with the cost-of-living index. I know that some people have talked about the increase that we voted ourselves, but the committee points out in its report that since 1945 there has been a 96-percent increase in postal pay.

What is the situation now? This bill as it is drafted will add $152 million to the cost of the Post Office Department. Last year, with all of the efficiencies that could be obtained, the Post Office Department operated at a loss of $400 million. So, when you start increasing these items and you add a total of $152 million, we should give the most careful and serious thought to the matter of adequate revenues to meet these increased obligations. That is our responsibility, and we should meet it. If you want to reduce taxes in the future, if you want to balance the budget, then all of these matters must be treated with some reason. I understand that most of the people who are opposed to this bill now would like to offer amendments to make it cost a lot more. But I think it is a reasonable bill, and we ought to adopt it and send it to the other body, and that is what I am going to vote to do.

Mr. HOFFMAN of Michigan. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. HOFFMAN of Michigan. Is there any difference in result between this section of the rules and adoption of a closed rule, except that the first requires a two-thirds vote and the other one a majority?

The SPEAKER. That is practically all the difference.

Mr. MORRISON. Mr. Speaker, I yield 1 minute to the gentleman from California [Mr. HOLIFIELD].

Mr. HOLIFIELD. Mr. Speaker, we ought to defeat this motion to suspend the rules. It is not becoming to this body to consider a 110-page bill in a period of 40 minutes, with people on this committee like the senior members of the committee, who know so much about it, confined to 1 or 2 minutes to make their explanations of this important bill.

This is not a 7.5-percent increase overall. It is less than 7 percent to the majority of the people. It goes as high as 58.7 percent in some particular cases.

I think the House in its good judgment will decide that this bill, a 110-page bill, needs to be explained and certain amendments need to be offered. I believe the House will vote against the suspension of the rules. I shall vote against this attempt to force a program which is unfair to the great majority of our postal employees, and I urge my colleague to do likewise.

This bill should come to the floor under a regular rule so we can debate its provisions and amend its inequitable sections.

Mr. MORRISON. Mr. Speaker, I yield one-half minute to the gentlewoman from Idaho [Mrs. PFOST].

Mrs. PFOST. Mr. Speaker, the fact that I have only one-half minute at my disposal today is the strongest possible argument for the defeat of this motion.

I am absolutely opposed to consideration of this postal pay raise bill, H. R. 4644, under suspension of the rules, because I do not feel that such a procedure is fair to the more than one-half million citizens whose welfare is so closely tied in with this legislation.

If we allow this bill to come up under suspension of rules, where it cannot be debated or amended, we are putting ourselves in the position of having to accept a bill which is flagrantly unfair to 60 percent of the postal employees—or of having no bill whatsoever.

I believe we are all pretty much agreed that the postal employees deserve a raise. The question at issue is, How much?

While the bill was still in the House Post Office Committee, a group of us tried to effect a compromise between what the administration thought the lower paid postal employees should have, and what the employees themselves showed, by a wealth of facts and figures, they needed. The administration's version of compromise was so limited as to be virtually meaningless.

Threat of an administration veto forestalled a larger salary increase for the great mass of postal workers, even though the clear factual record presented to the committee proved the need for a more realistic increase.

The bill before us, therefore, is not the product of the fine American procedure of give and take—it is, in fact, a measure whose terms were arbitrarily set by an administration which held its views should not be tampered with. For this reason, the postal pay raise bill should be debated in full and the House should have an opportunity to take the inequities out of it by amendment.

All I want is a decent break for the rank-and-file postal employee—and I think this body will give him that break if they have the chance.

Mr. MORRISON. Mr. Speaker I yield 3 minutes to the gentleman from Florida [Mr. FASCELL].

Mr. FASCELL. Mr. Speaker, I respectfully urge that this motion be voted down. The committee has worked for more than a month on this bill. It is a 110-page bill. We considered three drafts. The report covers 67 pages. We have over 20 pounds of testimony. Yet we are going to settle this matter in 40 minutes on the floor here today.

This is an all-sweeping bill. It covers an increase in pay and new pay periods, and it completely reclassifies all positions in the Post Office Department, sets up 50 key positons, and sets up new methods on appeal; yet we are expected to decide it this morning without any question. A substantial number of the committee oppose the present bill, eight in number.

The action this morning is just a follow-up of what started the first day with the first witness. It was just a little bit like a steamroller, because when he sat down he said, "This is the framework within which you shall operate. If there is no reclassification it will be vetoed. If it goes above 5 percent it will be vetoed."

As of yesterday we heard the same language, with due respect to my colleague, when the President said:

> I must make it clear that any additional increases in postal salaries above your committee's action would give me the gravest apprehension.

You translate that into the English language, and this is, of course, a nudge telling us not to go above that point. That may be all right, but I think the House should have the right to consider some matters which we feel are important.

What does this motion mean? It simply means you are going to be on the spot, and that is all, so that you cannot vote against the pay raise. That might be a nice maneuver, but I think the House has enough sense to consider the matter on its merits.

What are you doing when you vote for suspension? You are saying, "I am voting for 6 percent"—see page 10 of the report—when, as a matter of fact, the evidence is that you ought to have more. Why? Because level 5, carrying over 60 percent of the employees, is out of relation in respect to all other grade levels in the bill. You will have $190 differential between grade 1 and grade 2, and between grades 7 and 8, $340. But what do you have between grades 4 and 5? Only $90. The whole thing is out of proportion.

The amendment which the minority seeks to submit would put that in proper perspective by raising that salary sixtenths of 1 percent, 15 cents a day, 2 cents an hour, 77 cents a week, but in doing that, translating it into dollars, you put the bill in the proper perspective it should be.

One other important point: You give the Postmaster General, if you vote for this motion, the right to reclassify 9 percent of all the employees in the Post Office Department without any means of review. We submit that the House ought to consider that his action ought to be reviewed.

Mr. Speaker, I urge you to vote down this motion.

Mr. MORRISON. Mr. Speaker, I yield 4 minutes to the gentleman from Pennsylvania [Mr. RHODES].

Mr. RHODES of Pennsylvania. Mr. Speaker, time is too short to mention all that is bad about this bill which its supporters are trying to jam through the House under the gag rule.

It has been said that there was plenty of time to study this legislation. It is true that the committee has been considering postal pay and reclassification for a long time, but there has been little chance for Members of the House to become fully informed. Those of us on the committee who have studied it are in sharp disagreement. This suspension move should be defeated so every Member will have the opportunity to decide after hearing both sides of the issue.

The propaganda agency in the Post Office Department has poured out thousands of news releases about this legislation. But you cannot be fully informed by reading this material. I do not question the sincerity of those who are responsible for this one-sided propaganda, but I do challenge their kind of thinking and philosophy on postal pay legislation. This proposal reflects the same kind of economic thinking and philosophy as the trickledown theory on taxes and other important legislation.

For the vast majority of employees the increase in this bill would be less than 7 percent, although the sponsors describe it as a 7½-percent increase. In the high brackets increases would run as much as 58 percent. Increases would range from $200 to $4,900 per year. No consideration is given to increased productivity in the postal service, nor the increase in national productivity. No consideration has been given to the need for a substantial increase to those in the lower pay brackets. The Nation's increasing productive power and growing surpluses call for greater purchasing power for the lowest income groups. That factor was not reckoned with.

This bill is much more than a salary increase measure. Far more important is the question of reclassification. So it is very unusual to deny adequate debate on such an important matter.

While the propaganda agency in the Post Office Department has been very effective in creating the thought that there is a crying need for reclassification, it is doing everything possible to prevent a thorough discussion as to what is proposed under the guise of reclassification.

A sound reclassification bill should start out by setting a maximum pay and a minimum to make possible the kind of livelihood to which every American citizen is justly entitled. Once the proper minimums and maximums are agreed upon we are in a position to arrive at the proper evaluation of jobs. That has not been done in this bill.

This bill, if passed, will result in greater confusion, more discontent, and falling morale in the postal service. The power it places in the hands of the Postmaster General, if used for ulterior purposes, could result in serious consequences to postal employees and the postal service. Perhaps the present head of the Department has no such plan, but the power is there if this bill is enacted. It can be used at any time any Postmaster General wishes to use it.

There are some who may question the right of postal employees to belong to labor organizations. Others may question the right of Federal-employee organizations to press Members of Congress for support of legislation in which they are interested.

Leaders of employee organizations fear that such an attitude is held by some administration leaders.

They are justly concerned about some of the provisions in this bill. Some postal employees from my district have bluntly told me that they would rather have no pay increase than one that carries with it some of the reclassification provisions.

It matters little what kind of a pay bill is passed if postal employees will be put into a position where they can be demoted or promoted at will. They lose all if in order to be secure in their jobs they are forced to conform to the thinking and philosophy of those who control the Post Office Department.

Mr. Speaker, I have, in my hand, a copy of a release by the Post Office Department dated March 19, 1955.

It indicates that the Department must be pretty confident that Congress will yield to its pressure and propaganda by jamming this bill through Congress.

Mr. Speaker, I insert the entire letter at this point:

UNITED STATES POST
OFFICE DEPARTMENT,
Scranton, Pa., March 19, 1955.

Numerous reports have reached this office to the effect that many clerks are not meeting the minimum requirements as set forth in the regulations on the casing of mail. A minimum of 16 pieces per minute or approximately 1,000 pieces an hour is required.

Legislation now pending in Congress calls for reclassification of all postal employees in accordance with certain work production standards to be determined by the Department. Those employees who do not meet the standards will be placed in a lower grade than more proficient employees.

Investigation has shown that the reasons for this lower rate of production are:

1. Too much conversation between employees.
2. Too much time spent in the lavatories.
3. Too much aimless wandering about the office.
4. Lack of scheme study.
5. Indifference and laziness on the part of many employees.
6. Undesirable work habits formed over the years.

Each employee is expected to make every effort to improve his own rate of production so that the overall efficiency of the office may be improved and that each employee may have the opportunity of receiving a high classification when, and if reclassification comes.

BERNARD J. HARDING,
Acting Postmaster.

That, Mr. Speaker, shows why we should not permit this bill to be railroaded through the House at this time. This is a bad bill. It is not only a trickle-down pay bill, but it can be a pay-cut bill as well. Many of us are opposed to it, and I am informed that the majority leader is also opposed to this effort to suspend the rules. I hope the motion is defeated.

The SPEAKER. The time of the gentleman from Pennsylvania has expired.

Mr. MORRISON. Mr. Speaker, I yield such time as he may require to the gentleman from Indiana [Mr. MADDEN].

Mr. MADDEN. Mr. Speaker, this bill, H. R. 4644, is a highly complex piece of legislation. It will entirely revolutionize job classifications and assignments in the Post Office Department in addition to the salary provisions of the bill. I am against the suspension of the rules, and I think every Member is entitled to debate this bill under the regular procedures of the House.

I appeared before the Post Office and Civil Service Committee several weeks ago and recommended the enactment of the Morrison bill which provided for a 10-percent increase in salary for postal employees. I represent a highly industrialized congressional district adjacent to the city of Chicago and the cost of living has increased on the same percentage basis as in the great urban center of Chicago. The postal employees in my district have a difficult time in providing the necessities of life for themselves and families under their present salary bracket.

I am indeed surprised that the proponents of this bill should bring it on to the floor of the House under the suspension of rules procedure. This strategy prohibits Members of the House from offering constructive amendments to the legislation. Under the suspension of rules, only 20 minutes' debate is allowed each side. I am voting against the suspension of rules because I think each Member of Congress should have an opportunity to learn all the facts and provisions in this 110-typewritten-page bill. Outside of the members of the Post Office Committee, I do not believe that five Members of the House are familiar with the major provisions set out in this controversial piece of legislation.

We were elected by our constituents to legislate intelligently on bills that concern the people of our district and Nation. If the suspension of rules is defeated, this legislation can then come before the House Rules Committee and provisions can be made for ample time to debate and offer amendments to the bill. I have great faith in the verdict of all the Members of Congress when they are familiar with all the facts. Under this present gag procedure, we are blindly voting for legislation concerning which most of us are not familiar. When I learn all the facts concerning this complicated bill, I may be for some of the reclassification provisions, but like other Members, I cannot vote intelligently under suspension of rules when I do not know all the stipulations set out therein.

I hope this legislation is returned to the committe so the Rules Committee can present it to the floor of the House unded the proper procedure.

Mr. MORRISON. Mr. Speaker, I ask unanimous consent that all Members may have the right to insert their own remarks in the RECORD at this point.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

A VOTE AGAINST SUSPENSION OF RULES IS A VOTE FOR THE POSTAL WORKERS

Mr. WOLVERTON. Mr. Speaker, the motion to suspend the rules and pass H. R. 4644 as reported by the Committee on Post Office and Civil Service should be defeated.

The bill as reported by the committee does not represent the will of the postal workers, in whose behalf it is alleged to be offered, nor does it represent the will of the majority of this House.

The majority of this House, in my opinion, has a very real and generous desire that the postal workers should have a larger increase in salary than the bill provides and a different setup for a system of classification than the bill provides.

It is plain to me that the whole purpose of the motion to suspend the rules

is to prevent the House membership from working its will on this legislation. This is wrong. If this motion is adopted it will mean that no amendment can be offered to the bill no matter how meritorious the amendment may be. Thus, if this motion is adopted it would not be possible to vote for a 10-percent increase of salary, or any other percentage of increase, for postal workers in place of the 6 or 6.9 percent the bill provides for, nor would it be possible to substitute a more equitable method of reclassification of workers than the bill provides. Inability to do these things would be a shocking injustice to our faithful and conscientious postal workers. It is contrary to the rules of fair play that is the basis of all parliamentary procedures. The right to move amendments should be considered inherent. And it is certainly inexcusable to take such action as is contemplated by the management of this House in this matter so soon after Congress voted itself an increase of salary of more than 50 percent.

At the time the congressional salary increase bill was before the House I spoke against it and voted against it. In my remarks I said that it was inappropriate to vote ourselves an increase before acting on an increase of salary for postal and other Government workers and that it would be unfair to vote such a tremendous increase in the salary of Members of Congress and then quibble over whether other Government employees should have 5-, 6-, 7½-, or 10-percent increase. It now seems that my prophecy was absolutely right. We now have the situation before us of the Post Office and Civil Service Committee providing for only a 6-percent increase and the management of the House adopting a method that will, if successful, prevent an increase to even 7½ or 10 percent. I regret that such is the situation that now exists. However, I am satisfied that when the congressional salary bill was before us that I voted against it and I will vote against the motion to suspend the rules and pass the present bill, although I favor an increase for postal workers. I regret that the necessity to do so exists and that such a vote is the only way we have to get the larger increase in salary that the postal workers are entitled to have.

There are other provisions of the bill, including provisions for reclassification, that require amendments but in no way can any amendment be made to the inequitable features of this bill unless we vote down the motion to suspend the rules. With the defeat of this motion the House can proceed under a proper rule and by that I mean an open rule to pass a bill after amendment that will be in accord with the will of the House and do real justice for our postal workers.

Mr. PELLY. Mr. Speaker, I desire to address myself to the matter of suspension of the rules in connection with H. R. 4644.

I have read the committee report on this legislation and in view of the information emphasized by the minority views it seems to me that this bill should be considered by the House under normal procedure. Of course closed rules or suspension of rules have their place and it is not practical at times for the entire membership to try and write technical legislation on the floor of the House. But with H. R. 4644 it seems to me we have only two basic issues. One is the amount of the pay increase for lower salaried employees and the other has to do with the provisions of the reclassification proposals.

As to the amount of salary increase, I have wanted an adequate raise and would support the maximum that in my judgment has a chance of being finally enacted into law. Frankly, I might compromise if it appeared not to do so would jeopardize any pay increase at all. I would hope that in conference the lower salaried employees would get more than H. R. 4644 provides.

However, the issue of reclassification is a different matter. The minority views express grave concern as to latent defects and hidden injustices, and likewise call attention to possible abuses which could result from the broad grant of administrative authority contained in this bill. I favor reclassification, but I had hoped through regular procedure of full debate and discussion, as well as of at least a limited power to amend, the issue of loopholes in the law could be pointed up and corrected. As a Member of this body I would want to exercise my judgment and assure myself that reclassification here is not an open door to favoritism and the old spoils system.

On this account I oppose suspension of the rules, and hope that in due course an opportunity will come to vote on this measure under circumstances which will permit amendment and exercise of individual judgment on provisions under disagreement.

Mr. ZELENKO. Mr. Speaker, I am against H. R. 4644 for the reason that certain of its provisions are onerous and detrimental to the many thousands of loyal and diligent post office employees.

Although it is true that the bill embodies a raise in pay, the reclassification portion of the bill in my opinion vitiates the tenure and grading of the postal worker. It endangers his civil service security.

In regard to that portion of the bill which gives a long needed raise in pay, may I say that the amount of the raise contained in this bill falls far short of fair and equitable requirements.

The raise in pay should be at least 10 percent with a minimum of $430 per year.

It may seem to some persons that my negative vote indicates that I am against a raise in pay. This is not so. Were the raise in pay in the bill by itself, I might be constrained to vote for it, for perhaps part of a loaf is better than none and the need of these loyal Americans is urgent. On the other hand, it has been such a major undertaking over many years to reach the point where a raise in pay could be obtained for postal workers that if this inadequate bill is passed at this time it may be another generation, if ever, before the matter will be considered again.

However, inasmuch as reclassification is packaged with pay raise I feel that the detrimental effect of reclassification far outweighs any benefit of pay raise and, therefore, in the interest of the postal workers I am against H. R. 4644.

I shall, however, continue my efforts to work for a just bill.

I have never felt that the postal service necessarily had to show a profit or be required to keep losses at a minimum at the expense of the postal worker. The Post Office Department performs a necessary service in peacetime and in wartime. In a way it is similar to those of the Armed Forces where the paramount thought is one of protection and service, and not of profit balance.

I have discussed H. R. 4644 with representatives of all the affiliated labor organizations representing the various groups of postal workers. I have also discussed the matter with numerous of my constituents who work in the post office and have received many communications regarding this. Almost without exception they have urged me to adopt the stand I have taken today for the reasons I have set forth.

Mr. BROYHILL. Mr. Speaker, we have before us today an important piece of legislation. Either we keep faith with the vast army of postal workers or we do not. No question exists regarding the necessity for a substantial raise for the loyal and efficient employees of the Post Office Department. The sole question is how much of an increase we can vote without endangering the legislation we are now considering.

I, personally, believe that they should receive a 10-percent pay hike. Indeed, they richly deserve a 10-percent increase. During consideration of this measure in committee and here there has been a tendency to politick. Each party seems bent on proving that it is the friend of the postal workers and that the opposite party is their enemy. This we recognize for what it is—a mere jockeying for political advantage. We all know down in our hearts that nearly all of us are their friends.

I represent the largest constituency of Federal employees in the United States. I know hundreds of these employees by their first names. I have talked with more of them than any other Member of this distinguished legislative body. I know their problems. I know their hopes and aspirations. And, Mr. Speaker, I know that they want additional pay in their pockets. They have every right to expect more pay. We made that promise to them and we must keep it. We must provide equal pay increases for equal work done by both the postal workers and the classified workers. To do otherwise would be patently unfair.

We have a yardstick provided by the President of the United States on just how far we can go without the grave possibility of a Presidential veto. Perhaps if we go beyond the 7.5-percent increase we could override a veto. And then perhaps we could not.

Last year we passed pay legislation which displeased the White House. We had been forewarned, but we thought President Eisenhower was bluffing. So we called his hand, and the Federal employee was the one who suffered. He went without a salary increase. Do not let us make the same mistake this year despite our feeling that the Federal

workers are entitled to more than a 7.5-percent hike. In my opinion, the President is not a bluffer. He does not scare easily.

So we are faced with the prospect of voting a 7.5-percent raise or having a greater raise vetoed, with the danger that the veto will be sustained, and that once again Uncle Sam's workers will find the cupboard bare. Under these circumstances I, for one, want to pursue the safe course. I want to put more money into the pay envelopes. If I cannot give a whole loaf, I want to give two-thirds of a loaf, with the probability that we can later make up the difference.

Mr. Speaker, it is my fervent hope that we will not by our action today jeopardize the interests of the more than 2 million Government workers. Let us be safe instead of sorry. Let us promptly vote this 7.5-percent raise for the postal workers and then, when the bill reaches us from the Post Office and Civil Service Committee, let us give the same raise to the classified employees. Certainly they deserve no less than the postal workers.

If we do these things then, Mr. Speaker, we will have kept faith. We will have adopted a course of action that will give all workers a pay raise that they can spend.

Mr. McDONOUGH. Mr. Speaker, with the exception of legislation concerning taxation and national defense, there is perhaps no legislation pending before this Congress which affects so many of our citizens vitally and personally as does the legislation proposing an increase in salary for the men and women in our postal service.

There is not a corner of our Nation, however remote and far removed from the centers of population, where our postal employees are not found serving the public.

The men and women of the postal service have done and are doing a magnificent job in handling the mail efficiently and making safe and speedy delivery. And every man, woman, and child in the United States received personal service from the postal service.

In spite of the fact that the Post Office Department provides a service which is vital to every business and in our Nation, and is used by every citizen, the employees of the postal service have been underpaid, and have not received salary increases equal to those granted employees in private industry to compensate for the steadily increasing cost of living. And surveys indicate that in spite of small increases in salary rates, the postal employees are still receiving pay that amounts to 26 percent less in purchasing power in 1955 than that which they received in 1939.

As an additional example, other branches of public service receive higher pay as in the city of Los Angeles where our firemen and policemen receive higher pay than our letter carriers. After 9 years of service top pay for a letter carrier is $4,070. Los Angeles firemen and policemen after 4 years of service can receive $5,004. This is concrete evidence of the great margin which exists between pay for postal employees and other employees in public service.

It has been reported in the public press that the bill as reported out of committee provides for a 7.5-percent pay increase. This applies to percentage of payroll, however. The increases provided in the bill are not equally distributed. The vast bulk of the employees receive a very small increase under this bill. The immediate increases granted to some supervisors are as high as $2,930 and $2,280. In both instances, the employees in these positions will have 6 additional increases coming and their ultimate increase in 1 case would be $4,970 and in the other $4,080. The immediate percentage increase runs as high as 34.6 percent and the ultimate percentage increase goes as high as 58.7 percent. The increase granted to letter carriers under H. R. 4644 is 6.84 percent.

Out of 234,562 regular carriers, clerks, postal transport employees in level 5, and motor vehicle employees in level 5, 213,121 will receive increases less than $300 under H. R. 4644; 180,086 employees will receive increases less than 7 percent.

The postal employees are entitled to an adequate increase in salary now to permit them to support their families and to maintain a reasonable standard of living. And that increase should be granted without further delay.

I would like to bring to your attention here a letter which I received from a letter carrier constituent of mine which I believe expresses the viewpoint of our postal employees:

DEAR CONGRESSMAN: I am aware that our Nation's legislators grow weary the same as the Nation's letter carriers, so to be brief, I am asking that you read my little missive in the hope that you will find quick and thorough knowledge of our plight by way of amateur poetry. The proposed 7½-percent increase in postal pay is far short of the amount needed with which to assure us a reasonable degree of the dignity to which all Government workers are entitled.

In writing to you thusly, I sincerely trust that you will take no offense, but rather, find the enclosed poem amusing and informative. Please allow me to thank you for your many magnanimous efforts in our behalf in the past and your courageous fight now being waged.

Sincerely,

RAY E. PRATT.

LOS ANGELES, *Calif.*

THE MAILMAN PRAYS TO CONGRESS

Oh, mighty masters, we, your humble minions, pray
We shall not be set apart and made to play
Second fiddle to minor legislation while our plight
And that of our loved ones goes unheeded and shunned
While we and the nonbelievers in our midst are being dunned
By landlord and time-plan vendor for lack, lack of coins;
For 'tis with the cloth of pittance we are forced to gird our loins
While our brothers in fields of less noble endeavor
Blessed with intelligence and foresight, seem assured of victuals forever.
The eldest of our multitude find no solace in the years
Which they gave unselfishly through depression and war without tears.
Even the young have faces of men grown weary of strife;
Let them not be driven to the depths where insolvency is rife.
Condescend, O Noble Ones, grant us reasonable stipend
So that we and our brothers can at least make end meet end. Amen.

Let us not disappoint the men and women of the postal service. As Mr. Pratt so aptly puts it, Government workers are entitled to a reasonable degree of dignity which can only be achieved with an adequate compensation.

We should approve legislation giving an adequate increase in pay to our postal employees and we should do it now.

I am opposed to the motion to suspend the rules of the House and pass this bill, H. R. 4644, as reported to us by the Post Office Civil Service Commission. I do not think the bill provides adequate compensation and working conditions for postal employees.

I believe the House rules should report this bill to us with an open rule.

I believe the postal employees are entitled to more adequate pay than this bill provides.

I therefore urge a "No" vote to suspend the rules and pass this bill.

Mr. RODINO. Mr. Speaker, I rise to speak for a pay increase to our postal employees of at least 10 percent.

One of the difficulties with even a discussion of a raise in pay, is the presumption that a raise is some kind of largesse, a special gift, a bonus. It has the implied meaning of something given by way of overplus. The raise I am proposing is nothing of the sort. To call an increase of 10 percent in the pay of our postal employees any kind of a raise in the accepted meaning of that word, is basically a misstatement. A raise in pay suggests a real improvement. But the increase I am recommending is something less than that: It is the rectification of an elementary injustice. In this case it is granting something that has been withheld too long. I hold it basically wrong, an act of economic unreasonableness to pay a city carrier in the postal service of the United States the incredibly low salary of $3,270 to $4,070 a year. There are almost 122,000 such city carriers in the Government service, and the total impact of the standards under which they are compelled to live must have a generally depressing effect on the American economy.

To the Congress the condition of our postal employees, I maintain, is a very singular responsibility. To the world of labor internationally the postal employee presents a kind of showpiece—whether we like it or not—a point of reference, an authentic piece of source information, on America's official and concrete attitude toward the worker. My study of the problem convinces me that unfortunately the postal employee is a kind of special case, selected for particularly penurious treatment. If it is alleged that he has some influence organizationally and politically the record of his salary increases through the years would hardly justify it.

What this record shows to those who study it carefully constitutes a rather sad commentary on the perpetual plight to which we subject—by legislation—our more than 460,800 postal workers. What we have adopted is a kind of revolving process whereby we underpay our postal employee and keep him underpaid until his status becomes economically unendurable and governmentally unconscionable. Then we legislate to raise his pay just enough so that he is still on

little more than subsistence level. Either he is almost up to a living standard, or just below it, or badly below it. What the salary increases through the years for the post office worker have amounted to is the kind of improvement where the employee figuratively, when he gets his raise, is able to afford another patch on his pants, but never quite a new pair.

I had before me in preparing the material for this address, a salaries and cost of living chart, based on the Bureau of Labor Statistics Consumer Price Index. The chart was based also on the Post Office Department budgets with adjustments for the Economy Act of 1933 and wartime bonus available from May 1943 to July 1945. The lines on the chart reveal even to those inexpert in economics some rather raw facts. With the exception of some months in 1939 up to and including 1951, the regular clerks and letter carriers' average annual base salaries were never quite up to the prevailing cost of living standard. There was a period in 1945 when living costs and salaries almost touched fingers, but not quite. In 1950 the gap between living standards and the pay the employee got was narrowed, but never closed. From 1951 to 1954 salaries were barely over the hump of living costs.

The way I look at it the postal employee never really got his whole slice of bread.

But the fact that he was given anything at all was made to look as if he were being given a lot by those who would like to accuse him of having had political influence on his side and special favors from this House. The same attitude, I regret to find, seems to prevail today. We are at long last on the point of giving the postal employee another pay increase which—even if it is 10 percent as I propose—can hardly be called generous. Yet it is suggested that we take a bite out of this piece of bread, too, by tieing to it conditions which take the justice, the fairness, the sense of right out of the legislation. It is proposed to encumber the pay raise legislation with other legislative complications that suck the milk of human kindness—such as it is—out of the pay-raise plan, and ensnarl it in a mesh of ancillary provisions that all but destroy its meaning. It is for this reason that I oppose as strongly as I can any recommendation seeking to attach to the pay-raise measure programs for postal-rate increases, reclassification schemes, or anything else.

For once in about 20 years let us give to the postal employee of the United States a free and unencumbered, a reasonably just, pay raise, unmarred by any tie-in schemes. Of course if this Congress sees fit to raise postal rates to meet Government costs I hold that to be properly a problem for separate legislation. If there are questions of the reclassification of postal employees, of superimposing on the postal-employee system, some other system that may have worked well in other agencies of the Government that, too, properly belongs under the head of separate legislation. On the bare question: ought the pay of the postal employee to be increased by a basic 10 percent—at least—the answer is an unequivocal yes. For the injustices of the past will never be corrected and have gone down the drain. The postal employee has been made to suffer a periodic lag in his income, ameliorated but never corrected by pay-increase legislation that caught up with the lag, only to fall behind again until the next time.

Thus the wheel of fortune turned for the post-office employee but never quite enough. Always the postal employee has been suffering from a cumulative-income deficit—the half slice of bread, or the three-quarters slice of bread, for a fleeting moment even a whole slice of bread. We subjected him to a system of continuing economic deprivation. It was a policy of now he has it—but mostly he does not.

Of course my position for the 10 percent increase is supported by all the known arguments affecting an expanding economy. The argument, for example, that mass production calls for mass purchasing power. We know that we are in need for market outlets for our vastly increased production. Americans on the borderline of subsistence can hardly be expected to serve as a market for the things we produce. I am not now even discussing the unsavory picture underpayment of postal employees presents to private industry and to industry all over the world. The postal worker certainly in relation to other workers in industry comes quite close to being a stepchild in the American economy. He does a little better at some points according to all the available statistics, but the overall picture is hardly a pleasant one.

It is, I suppose, a pertinent question to ask just what the postal employee has done to deserve a pay increase. The answer is that he certainly has not fallen so far behind in his work as to deserve the treatment he has had so far. The facts are just the reverse, and the postal employee has learned through the years to produce more in less time. The facts, indeed, show that his progress in his work—altogether apart from the pay question—has been worthy of high praise. According to one estimate:

> The great increase in volume handled over employment meant that a single employee handled 20 percent more mail per year in 1952 than in 1938.

That quotation is from the report of the Senate Committee on Post Office and Civil Service—No. 1086—of March 24, 1954.

Since I am quoting this document, perhaps it would be advisable if I added some other information from it, which directly or indirectly is related to my position for a 10-percent increase in pay for postal employees. The report says, for example:

> Broadly viewed, the postal service performs a variety of vital economic functions. * * * They support and help maintain given levels of income and output and stand ready to aid in advances toward higher levels.

And at another point the report says:

> In recent years a change of $100 in national income has, on the average, been accompanied by a change in the same direction of about 20 cents in first-class revenue.

And again the report says:

> In the past 10 years alone revenue per capita has nearly doubled.

One may well ask ought not the postal employee to share in some of this extra revenue, and this greater post-office production per employee?

Again the report declares:

> Over the years postal revenues have tended to move with the total volume of goods and services the Nation produces. Both have risen, with postal revenue advancing faster.

And here, from the same report, is a significant statistic:

> During World War II the Nation increased its per capita output more than 50 percent, and the post office gross per capita income advanced fully 75 percent. Since 1946 gains in postal revenues have continued to outstrip the increase in production."

Still again there is this from the report—the report, I repeat, of the Senate Committee on Post Office and Civil Service—No. 1086—of March 24, 1954:

> From 1946 on, the workload per man-year, based on pounds of mail handled, moved irregularly upward. The workload per man-year, based on the number of pieces handled, which is probably a more accurate measure, moved consistently upward.

So that the 10-percent pay increase—entirely apart from the economic injustice to the postal worker that has prevailed through the years—is justified not on a status quo basis, but on the basis of increased production per man—a 20-percent increase per single employee of the mail handled per year in 1952 than in 1938.

All this adds up to a few simple conclusions:

The 10-percent pay increase is justified on the basis of the most elementary justice—the righting of an economic wrong.

The 10-percent pay increase is demanded by our position before the world as the Nation that holds high its regard for those who toil.

The 10-percent pay increase is a good thing for the American economy, bringing the purchasing power of nearly half a million Government employees up to a level that will improve the American consumption for American production.

The 10-percent pay increase has been earned—and more—by the postal employee because of his increased production, and because postal service and postal revenues have enormously increased.

In stating this case today I cannot overlook the tremendous impact I have myself had from the piles of correspondence that have come to me urging a pay increase of at least 10 percent. Hundreds of constituents in my district have bombarded me with letters—the kind all of us welcome because of the information they provide on the attitude of mind at the grassroots—letters that show how deeply the people are behind an improvement in the living conditions of our postal workers. And the reason they feel so deeply is revealed in some of the letters. The wife of a postal employee wrote a letter from which I quote this line:

> Today we ran out of food. We have 3 children and 8 days to go until payday.

That kind of firsthand information speaks eloquently for itself.

Mr. O'HARA of Illinois. Mr. Speaker, this is the day on which the Members of this House will decisively answer the challenge to their independence. It was distasteful to me to read in the newspapers on the eve of a rollcall in this Chamber a message subject to the interpretation only of being intended to intimidate the Members of this body and to influence their votes. In our Government there are three separate and independent branches, those of the executive, the legislative, and the judiciary. It would be highly improper for a Member of the Congress to seek to intimidate a judge of the United States courts. Certainly any person, whether a Member of Congress or one in private life, who sought to intimidate a Federal judge while he was presiding over a trial and was about to pronounce judgment would promptly be called to task. We in this body constitute a jury about to pass upon the petition of a group of faithful and underpaid Federal employees for an increase in wage adequate to meet their needs. How then am I, a Member of this body, about to pass judgment upon this legislation, to read in the newspapers a statement emanating from one not of this branch of Government and attempting by intimidation to influence my vote?

I am excusing the President of the United States because I understand that because of his large responsibilities and the great demands upon his time he of necessity has to rely upon the counsel of his Cabinet advisors. In this instance he was badly advised, I think very much against his own good judgment and, I hope, against the instincts of a good heart. What we do today is in discharge of our duties as Members of the Congress. What the President of the United States later may do is within the proper realm of his authority and is subject to the same check in the public opinion of the Nation as will be the action that we take.

I, with good conscience, could not face my constituents in the Second District of Illinois if I today voted against the legitimate interests of the men and women in humble and underpaid positions in the postal service who by all the rules of decency are entitled to an increase not one whit under 10 percent. I have voted in the past to do the decent thing as I saw it for these faithful Federal workers. I shall continue so voting and by so doing I can hold up my head when I go back home and meet the people who sent me to this Congress.

I am certain that today we will crush for all times the resort to legislative strategism to defeat common decency by denying a voice in this Chamber to a majority of its Members. There is no valid reason under the sun why this salary bill should not be brought before us in the same manner in which other salary bills have been brought. The reason that there is a resort to gag rule is to deny the postal workers the justice that they should have and that the great majority of the American people insist they shall have.

It is my responsibility today to vote as my conscience dictates and in conformity with what I know to be the sentiment of the people of the district which I have the honor to represent. I shall exercise that responsibility with increased determination because of an attempt at intimidation that I do not like and will not tolerate. I trust and I believe that this motion to suspend the rules will be defeated by such a tremendous majority that hereafter there will be no doubt in any quarter that this House will not be intimidated and that it will not stop in the fight until justice has been done for the postal workers.

Mr. DINGELL. Mr. Speaker, the inadequacy of the bill, H. R. 4644, providing for pay increases relating to postal employees according to my appraisal is insufficient in its provisions. I cannot support this bill, which is said to be the committee's best composite effort, because I am committed to a straight across-the-board increase of 10 percent. I was, I believe, the first Member of the House to introduce a bill providing for a straight 10-percent across-the-board increase, and I do not like this 6½ or 7½ percent. I thought that this time the committee and the House would go "whole hog" and for once try to come abreast of the pay problem and that it would be done without quibbling or procrastination. Unfortunately, the majority of the committee did not see their way clear to do this.

Many of the committee members felt they must go along with the Eisenhower proposal of 5 percent or a little bit above that figure; others on the committee were browbeaten by the administration to go along with the program under threat of a Presidential veto. As a party man I would not permit the chiefs in my party ever to dictate to me in this instance or in any other. They never have and they never will.

I have no fear about a Presidential veto either. In the first place, I do not think the President will have the courage to attempt to veto this early in the session. I did not think it was smart or courageous when the President waited until Congress went home in the 83d session before he vetoed the previous pay raise. Not having that advantage in this session he will not take the risk of a veto, but even if he should I would be the first one to vote to override it, because the demands of the postal employees and of the Federal employees generally for a 10-percent increase is not, according to my mind, too much, but I would rather have it too much than too little. I joined with my good friends, Senators NEELY and JOHNSTON, and introduced an identical bill in the House, H. R. 2118, for the purpose of eliminating differences and controversy between the two Houses, and thus expediting the earliest possible pay increase law.

As a matter of principle I cannot vote for this bill. I do not believe the House will sustain the passage of the bill under suspension of rules, nor do I believe that the distinguished chairman of the committee should have made such an attempt, because it is obnoxious and offensive for the reason that it bars amendments and does not allow a sufficiency of debate. So on the double score of niggardliness and because the average Member is being denied the privilege of expressing an opinion or offering an amendment for a higher rate of pay, I repeat, Mr. Speaker, I shall vote against the bill. Should the bill be defeated, there will be an opportunity to vote on the Senate bill which provides a retroactive clause at a higher rate of pay, and is in every respect more generous and desirable. If worse comes to worst, any attempt to bottle up the bill to give the President another chance at postadjournment veto can, and I am sure will be circumvented by the initiation of a petition which will blast my companion bill to the Senate Johnston-Neely bill out of committee. That is, of course, a last resort, and I would prefer not to undertake it, but there may be no choice nor any other alternative.

At any rate, I am voting against the Murray bill, H. R. 4644, and am urging my colleagues to do likewise.

Mr. GUBSER. Mr. Speaker, I would be disappointed to again see a postal pay raise voted down by this House. I am firmly of the opinion that H. R. 4644 is the limit to which we can go without inviting a Presidential veto. The employee organizations, led by the national leaders for the clerks and carriers, are, from all indications, extremely active in promoting a refusal by the House to suspend the rules and pass this 7½ percent postal pay increase. If a better bill emerges as a result of defeat, we will have made the right decision. For the good of more than 300,000 clerks and carriers who sadly need a raise, I hope that would be true.

I cannot help but compare this situation with the one which existed in the closing days of the 83d Congress. If you will remember, the House refused to suspend the rules and pass a 7-percent increase last year. Some will say that the reason for last year's refusal was because a postal rate bill was tied to the pay measure. I am convinced that the same pressure from employee groups which is evident in the Halls today, and the same hope that a better bill would result out of defeat, is what caused failure of the 7 percent postal pay bill last year. You will remember the statement made by the present majority leader, Mr. MCCORMACK, that if the 7-percent bill were defeated under suspension of the rules, the House would have another chance to vote on a pay bill. Mr. MCCORMACK's prediction proved true. We did have another chance to vote on a pay bill, but it was not a better bill. If you will remember, instead of giving the employees 7 percent, it called for a much lower figure of 5 percent. It was overwhelmingly passed, and President Eisenhower vetoed it.

Thus, last year, we saw a 7-percent bill defeated for the purpose of waiting for a better one. What happened was that we passed a bill far less favorable to the employees, and this was vetoed. The employee leaders gambled and lost. They are gambling again. Will they win this time? Let us hope history does not repeat itself, because if it does, the leaders of the postal unions are making a very unwise choice.

In order to avoid a repetition of last year's events I therefore urge both sides of this controversy to cast aside politics

and personal feelings. I urge them to earnestly consider the question, "What is the highest possible pay raise which can become law?" When the question is answered, there is no reason why we cannot all join together in a bill which will give much needed relief to our postal employees. Personalities and politics must not enter when the welfare of human beings is being considered.

Mr. CANFIELD. Mr. Speaker, I am opposed to a suspension of the rules to permit consideration of H. R. 4644. I wish to record myself in favor of an adequate pay increase for postal employees. I am in favor of a bill reported under a rule permitting debates and amendments in accordance with the wishes of the Members of this House. It is apparent from all the discussion that has already taken place on the economic status of our almost 500,000 postal employees that failure to grant an increase that may justly be called adequate would inflict an injustice on our demonstrably deserving Government workers.

The raises granted to the postal workers, as statistical studies show, have always fallen more or less behind living costs, and have given on the whole scant consideration to the improved efficiency of the postal employees.

I hold it therefore time that the postal employee be given his due by an adequate salary increase. And I earnestly hope that the committee will report out a bill calling for adequate salary increases and that this bill will be reported under a rule permitting Members of the House to work their will thereon.

Mr. MURRAY of Tennessee. Mr. Speaker, I ask unanimous consent that the gentleman from Ohio [Mr. ASHLEY] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. ASHLEY. Mr. Speaker, I am very much opposed to this motion to suspend the rules in considering H. R. 4644. This is an attempt to push through inadequate legislation without proper consideration. If this motion is allowed to carry, there will be no opportunity for the amendments which are so desperately needed if the postal employees throughout the Nation are to receive fair consideration. Can we, as a legislative body, honestly say that this bill represents, in its present form, the best legislation that we are capable of producing? Those who favor the motion to suspend the rules are most certainly saying exactly this for not only does this motion prohibit amendments but it also limits the debate to a total of 40 minutes.

Mr. Speaker, I oppose this motion because I am convinced that H. R. 4644, in its present form, falls far short of doing proper justice to the vast majority of our postal employees. It has been said that this bill provides for a 7.5-percent increase for postal employees. But regular city carriers and clerks and motor vehicle operators are not even slated for a 7-percent increase according to the copy of H. R. 4644 which I now hold in my hand. And yet it is these very men and women, together with the thousands of rural carriers who will receive only a 6-percent increase, who have been hurt most by the squeeze between an established take-home pay and an ever rising cost of living.

Mr. Speaker, I find little argument with those who believe that some sort of reclassification scheme should be adopted in the interests of economy and efficiency within the postal service. But I have grave reservations about the reclassification plan contained in H. R. 4644. Because I am not a member of the House Committee on Post Office and Civil Service, I must admit that my knowledge of postal matters is not as great as that of my colleagues who are serving on this fine committee. But is not this all the more reason, Mr. Speaker, for defeating the motion which is before us? This legislation has been in committee nearly a month, has been deliberated hour after hour, day in and day out, by the members of the Post Office Committee. And yet, the entire body of the House of Representatives, except for the 25 members of this committee, must vote on this matter after only 40 minutes of general debate.

Mr. Speaker, more than 500,000 postal employees in every part of our country look to this body for the legislation which will determine the conditions under which they work and the reward for their livelihood. I submit that only by defeat of the motion before us can we give proper consideration to their interests, and only by the adoption of amendments to H. R. 4644 can we enact legislation which is truly in the best interests of these men and women of the entire postal service, and of our country.

Mr. MORRISON. Mr. Speaker, I yield one-half minute to the gentleman from California [Mr. MILLER].

Mr. MILLER of California. Mr. Speaker, I urge the defeat of the motion to suspend the rules. They are trying to jam through a bill without an opportunity for this House to work its will.

We recently passed the military pay bill amounting to some $745 million a year. It came in here under an open rule. Our own salary bill came in under an open rule.

To try to take up this important piece of legislation at this time is merely to try to railroad it through. I ask for a "No" vote on the motion to suspend the rules.

Mr. MORRISON. Mr. Speaker, I yield myself the remainder of the time.

The SPEAKER. The gentleman is recognized for 1 minute.

Mr. MORRISON. In that 1 minute, Mr. Speaker, I would like to say that 8 members of this committee signed a minority report which is many pages long, giving their views against this bill and 2 other members of the committee, who did not sign it, were also against this bill. The bringing up of this bill with only 40 minutes' debate is all wrong. Our distinguished colleague from Texas [Mr. DOWDY] who is in favor of this limited debate gag said that 5 minutes was not enough time to properly debate this matter. He is right on this point. The ranking minority member of this committee spoke for only 3 minutes, and he asked for another minute and could not get it. Why all the hurry? Why not give every member sufficient time to debate this important bill? Let this legislation come up through the Committee on Rules and let us debate it fully and give every Member of the House an opportunity to have his say on this particular piece of legislation. Most of the postal workers are against this bill in its present form. They want it amended. I urge that the motion to suspend the rules be voted down.

Mr. MURRAY of Tennessee. Mr. Speaker, I yield myself the remainder of my time.

The SPEAKER. The gentleman is recognized for 9 minutes.

Mr. MURRAY of Tennessee. Mr. Speaker, the Postmaster General in January sent to the Speaker of the House a bill for a reclassification and salary increase for the postal employees. On January 25 I introduced that bill, which was H. R. 2987, as chairman of the Committee on Post Office and Civil Service. Extensive hearings were held on that bill. In fact, there were more than 15 separate days of hearings on the bill. After much consideration and careful deliberation, the committee made over 20 major changes in the bill. As a result of the changes made in H. R. 2987 I then introduced a new bill, H. R. 4644, which is now before the House for consideration. This new bill incorporated all of the major revisions, numbering 20, which were made by the committee. These major revisions or changes are as follows:

First. The percentage of guaranteed increase of basic salaries has been adjusted from 5 percent to 6 percent for all employees.

Second. A new and higher salary level for clerks, letter carriers, and motor-vehicle operators was adopted at an additional cost of $20 million annually.

Third. The effective date of the adjustment to the new schedules, which in most cases will represent an additional pay increase for the employees, has been changed from 6 months after enactment to the first pay period after enactment.

Fourth. The maximum travel allowance for employees of the Postal Transportation Service who are assigned to road duty is raised from the present $6 per day to $9 per day.

Fifth. References to the Postmaster General were deleted in more than 100 places so as to make the numerous provisions affecting employees a matter of right under law rather than to be dependent on the action of the Postmaster General.

Sixth. The right to appeal a classification to the Civil Service Commission has been given to employees covered by the key positions as well as to those not covered by the key positions.

Seventh. The broad repeal provisions have been eliminated, so as to provide reassurance that only those present laws which are clearly inconsistent with H. R. 4644 will be modified by its enactment.

Eighth. The prohibition against reduction of any employee's salary as a result of this bill was redefined in order to provide the requested assurance that the present salary of each employee plus the 6-percent increase, would be protected.

Ninth. The Postmaster General's authority to assign employees from time to time to work outside their regular position assignment has been modified so as to require that such assignment to duties of a higher level for more than 30 days shall be paid for at the higher rate of pay.

Tenth. The authority to detail employees between the field service and the departmental service of the Post Office Department was rewritten to require the employee's consent in such details.

Eleventh. The Department's authority to pay new employees above the bottom rate of the salary level has been limited to regional and district office positions and to professional and scientific positions elsewhere in the postal field service, and is further limited to appointees who have previously received higher basic salaries from the United States Government.

Twelfth. The committee has removed the proposal to give postmasters the authority to determine whether they would pay employees for overtime work on Saturdays and Sundays throughout the year, or whether they would grant compensatory time for such work.

Thirteenth. The proposed unlimited ratio of classified substitutes to regular employees has been restricted to 1 classified substitute for each 5 regulars. The present ratio is 1 to 6.

Fourteenth. The present requirement that there be no more than one assistant postmaster at each post office was added to H. R. 4644.

Fifteenth. The waiting period for annual step increases was modified so that employees who have already served a substantial amount of their time under present law toward their next automatic increase may retain credit for this service if the amount of additional pay increase upon conversion to the new schedules does not otherwise compensate them.

Sixteenth. The promotion rule for clerks and carriers, which is stated in present law, was restored in H. R. 4644 so that junior clerks and carriers may not be promoted over available senior clerks and carriers.

Seventeenth. The key position descriptions for window clerk and for building superintendent have been amplified and made more specific.

Eighteenth. The privileges of dual employment which are authorized in present law have been restated in H. R. 4644 so as to remove all doubt that those privileges are continued.

Nineteenth. Assurance has been spelled out that employees will retain all rights and benefits to promotion credit for longevity purposes under section 2 of the act approved May 3, 1950.

Twentieth. The Governor of the Canal Zone is directed, by the provisions of H. R. 4644, to adopt and place into effect these new schedules of compensation for postal employees of the Canal Zone Government.

The additional cost of these revisions is over $23 million. The cost of the original bill was $129 million and the new bill has raised the total cost to over $152 million.

This new bill was voted out by the committee by a vote of 17 to 6. It was a compromise. Time after time the majority yielded to the minority and made concessions and compromises in various versions of the bill.

As soon as the report on this bill was filed, I sent a letter to the President of the United States, because I wanted a bill that would be approved by the President and would give a fair increase to our postal employees and would also reclassify postal positions.

Here is my letter to the President:

MARCH 17, 1955.

The PRESIDENT,
The White House,
Washington, D. C.

MY DEAR MR. PRESIDENT: Transmitted for your information and reference is a copy of our committee report on H. R. 4644, the Postal Field Service Compensation Act of 1955. This report has just been received from the printer.

I am sure that you are aware that within the next few days this legislation will be considered by the House and Senate. Our committee has recommended favorably H. R. 4644, which would provide a minimum of a 6-percent increase for postal employees and a proper reclassification of positions very similar to those recommended by the Postmaster General and in line with your message of January 11.

The pay provisions, of course, are somewhat higher than you recommended but appear to the committee, after careful consideration, to be reasonable. There are many Members of the House, I am sure, who would prefer to give an even higher salary increase. At the same time, I do not believe they would want to amend the committee bill to the point that it might be disapproved with the result that there would be no salary increase for postal employees.

Because I am aware of your deep and continuing interest in this legislation, I thought you might like to have this information as to its current status.

Respectfully yours,

TOM MURRAY,
Chairman.

In reply I received this letter from the President of the United States:

THE WHITE HOUSE,
Washington, March 18, 1955.

The Honorable TOM MURRAY,
Chairman, Committee on Post Office and Civil Service, House of Representatives, Washington, D. C.

DEAR MR. CHAIRMAN: I appreciate your letter respecting H. R. 4644, the Postal Field Service Compensation Act of 1955, and am interested to learn of your committee's action on this important legislation.

My special message to Congress on January 11 emphasized the need for fair adjustments in postal pay and long overdue reclassifications of postal positions. To accomplish these purposes, I recommended an increase of 5 percent in the compensation of postal employees and also a reclassification of postal positions and compensation adjustments to bring about proper wage relationships among new classifications. The combined increases of pay adjustments and reclassification amount to an overall 6½-percent salary increase in the postal service. These modifications, in my judgment, would be equitable to all postal employees.

I am gratified by the committee's action on reclassification. As to the compensation of postal employees, I note that your committee has approved an increase higher than I recommended. This gives me concern not only because of the fiscal impact of such increases, but also because of the close relationship between this legislation and legislation now pending in the Congress affecting the compensation of other Federal employees.

Of course, in the consideration of such legislation as this there can be reasonable differences of opinion as to what constitutes an appropriate increase. Although I shall carefully consider this factor when the time comes for me to act on this legislation, in fairness to you and your colleagues I must make it clear that any additional increases in postal salaries above your committee's action would give me the gravest apprehension.

With kind regard,

Sincerely,

DWIGHT D. EISENHOWER.

I am quite hopeful that the President will sign H. R. 4644 as it is before us today. I am convinced beyond all doubt that if Congress should send him a bill which increased the costs above that of H. R. 4644, which is approximately $152 million, the President then would veto the bill. I do not believe Congress would ever override a veto of the President on such legislation. The present pay or total salaries of employees of the postal service is nearly $2 billion.

I have been a member of the House Committee on the Post Office and Civil Service for over 12 years. I have longer service on the committee dealing with postal employees than any other committee member, and no one ever worked harder or longer hours in behalf of fair, helpful, and constructive legislation for postal employees and the postal service than I have in connection with this legislation.

I am a friend of the postal employees and have always been their friend since I have been a Member of Congress. I have met with representatives of all postal-employee groups on this legislation. The ranking minority member of the committee, the gentleman from Kansas [Mr. REES] and I spent two afternoons in conference with the heads of the postal clerks and city carriers reviewing this legislation, and numerous changes were made at their request and suggestion; in fact, the committee changed the classification of city clerks and carriers from level 4 in the first bill to level 5, at an additional cost of $20 million. The full increase for carriers and a majority of the clerks, including substitutes, in this bill will be around 8 percent. If this bill is enacted into law, the top salary with the three longevity grades for clerks and carriers will be $4,660, nearly $400 a month.

That kind of salary is far above that paid schoolteachers with master's degrees, bank tellers, bookkeepers, salesmen, policemen, and firemen in my home city.

Mr. Speaker, I have sponsored more beneficial legislation for postal employees during the past 12 years than any other Member of Congress. In 1945 before the enactment of Public Law 134 the starting salary of a post office clerk and city carrier was $1,700 and the maximum salary was $2,100—a carrier or clerk who was receiving the top salary of $2,100 with 15 years' service in 1945 under the present bill will receive total compensation of $4,660 per year. Since 1946, when the Legislative Reorganization Act was passed, the average salary of the employees in the postal field service has been increased by 73.3 percent. The

provisions of this bill will result in a total increase over 1946 of 87.2 percent.

I have given this measure my most careful considération and I can tell you in all good faith that this is an equitable, a fair, a constructive bill.

As chairman of the Committee on Post Office and Civil Service I have a difficult and trying task. No chairmanship has more headaches or more trials and tribulations and no committee has more pressure exerted on it by certain postal employee groups. No union leader or any postal employee group is going to dictate my course of action on any legislation. I still reserve the right to exercise my own best judgment and follow the dictates of my own conscience.

I am asking you to suspend the rules and pass this bill because it is a complex complicated, technical piece of legislation with which Members outside of the committee cannot be too familiar. It comprises 110 pages. I hope the House will suspend the rules and pass this bill which has the approval of the District League of Postmasters, Special Delivery Messengers, Mail Handlers, National Association of Postmasters, National Rural Letter Carriers Association, and National Association of Postmasters and Postal Transportation Employees.

If this bill is not approved by Congress I do not know when the postal employees will receive an increase in salary. Now is the opportunity for Members of Congress to vote for a minimum increase of 6 percent for all postal employees and for a fine, proper reclassification of postal jobs which is so badly needed.

The SPEAKER. The question is on suspending the rules and passing the bill.

Mr. MORRISON. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 120, nays 302, not voting 12, as follows:

[Roll No. 23]

YEAS—120

Abbitt	Dowdy	Mack, Wash.
Abernethy	Fisher	Martin
Adair	Ford	Mason
Alger	Frelinghuysen	Meader
Allen, Calif.	Gamble	Mumma
Allen, Ill.	Gary	Murray, Tenn.
Andresen, August H.	Gentry	Nicholson
Arends	George	O'Hara, Minn.
Avery	Gregory	Phillips
Baker	Gubser	Poage
Barden	Halleck	Poff
Bates	Harden	Ray
Beamer	Hardy	Reed, N. Y.
Bentley	Harris	Rees, Kans.
Bonner	Harrison, Va.	Richards
Bow	Harvey	Robeson, Va.
Brooks, Tex.	Hébert	St. George
Brown, Ohio	Henderson	Scherer
Broyhill	Hess	Scrivner
Budge	Hillings	Siler
Burleson	Hinshaw	Simpson, Pa.
Bush	Hoffman, Mich.	Smith, Kans.
Byrnes, Wis.	Holmes	Smith, Miss.
Cederberg	Hope	Smith, Va.
Chatham	Horan	Smith, Wis.
Chenoweth	Jackson	Taber
Clevenger	Jenkins	Teague, Tex.
Cole	Johansen	Thompson, Mich.
Colmer	Jones, N. C.	Thomson, Wyo.
Coon	Kilburn	Thornberry
Cooper	Kilgore	Tuck
Cretella	Knox	Utt
Crumpacker	Laird	Van Pelt
Davis, Wis.	LeCompte	Vinson
Dies	Long	Vorys
Dolliver	McConnell	Vursell
Dondero	McCulloch	Westland
Whitten	McGregor	Wolcott
Wigglesworth	Williams, N. Y.	Younger
Williams, Miss.	Wilson, Ind.	
	Winstead	

NAYS—302

Addonizio	Forrester	Murray, Ill.
Albert	Fountain	Natcher
Alexander	Frazier	Nelson
Andersen, H. Carl	Friedel	Norblad
Andrews	Fulton	Norrell
Anfuso	Garmatz	O'Brien, Ill.
Ashley	Gathings	O'Brien, N. Y.
Ashmore	Gavin	O'Hara, Ill.
Aspinall	Gordon	O'Konski
Auchincloss	Granahan	O'Neill
Ayres	Grant	Osmers
Bailey	Gray	Ostertag
Baldwin	Green, Oreg.	Passman
Barrett	Green, Pa.	Patman
Bass, N. H.	Griffiths	Patterson
Bass, Tenn.	Gross	Pelly
Baumhart	Gwinn	Perkins
Becker	Hagen	Pfost
Belcher	Hale	Philbin
Bennett, Fla.	Haley	Pilcher
Bennett, Mich.	Hand	Pillion
Berry	Harrison, Nebr.	Polk
Betts	Hays, Ark.	Powell
Blatnik	Hays, Ohio	Preston
Blitch	Hayworth	Price
Boggs	Herlong	Priest
Boland	Heselton	Prouty
Bolling	Hiestand	Quigley
Bolton Frances P.	Hill	Rabaut
Bosch	Hoeven	Radwan
Bowler	Hoffman, Ill.	Rains
Boykin	Holifield	Reed, Ill.
Boyle	Holt	Reuss
Bray	Holtzman	Rhodes, Ariz.
Brooks, La.	Hosmer	Rhodes, Pa.
Brown, Ga.	Huddleston	Richlman
Brownson	Hull	Riley
Buchanan	Hyde	Roberts
Buckley	Ikard	Robsion, Ky.
Burdick	James	Rodino
Burnside	Jarman	Rogers, Colo.
Byrd	Jennings	Rogers, Fla.
Byrne, Pa.	Jensen	Rogers, Mass.
Cannon	Johnson, Calif.	Rogers, Tex.
Carlyle	Johnson, Wis.	Rooney
Carnahan	Jonas	Roosevelt
Carrigg	Jones, Ala.	Rutherford
Celler	Judd	Sadlak
Chase	Karsten	Saylor
Chelf	Kean	Schenck
Chudoff	Kearney	Schwengel
Church	Kearns	Scott
Clark	Keating	Scudder
Cooley	Kee	Seely-Brown
Corbett	Kelley, Pa.	Selden
Coudert	Kelly, N. Y.	Sheehan
Cramer	Keogh	Shelley
Cunningham	Kilday	Sheppard
Curtis, Mass.	King, Calif.	Short
Curtis, Mo.	King, Pa.	Shuford
Dague	Kirwan	Sieminski
Davidson	Klein	Sikes
Davis, Ga.	Kluczynski	Simpson, Ill.
Davis, Tenn.	Knutson	Sisk
Dawson, Ill.	Krueger	Spence
Dawson, Utah	Landrum	Springer
Deane	Lane	Staggers
Delaney	Lanham	Steed
Dempsey	Lankford	Sullivan
Denton	Latham	Talle
Derounian	Lesinski	Taylor
Devereux	Lipscomb	Teague, Calif.
Diggs	Lovre	Thomas
Dingell	McCarthy	Thompson, La.
Dixon	McCormack	Thompson, N. J.
Dodd	McDonough	Thompson, Tex.
Dollinger	McDowell	Tollefson
Donohue	McMillan	Trimble
Donovan	McVey	Tumulty
Dorn, N. Y.	Macdonald	Udall
Dorn, S. C.	Machrowicz	Vanik
Doyle	Mack, Ill.	Van Zandt
Durham	Madden	Wainright
Edmondson	Magnuson	Walter
Elliott	Mahon	Watts
Ellsworth	Mailliard	Weaver
Engle	Marshall	Wharton
Evins	Matthews	Wickersham
Fallon	Merrow	Widnall
Fascell	Metcalf	Wier
Feighan	Miller, Calif.	Williams, N. J.
Fenton	Miller, Md.	Willis
Fernandez	Miller, Nebr.	Wilson, Calif.
Fine	Miller, N. Y.	Withrow
Fino	Mills	Wolverton
Fjare	Minshall	Wright
Flood	Mollohan	Yates
Flynt	Morano	Young
Fogarty	Morgan	Zablocki
Forand	Morrison	Zelenko
	Moss	
	Multer	

NOT VOTING—12

Bell	Christopher	Reece, Tenn.
Bolton, Oliver P.	Eberharter	Rivers
Canfield	Jones, Mo.	Velde
Chiperfield	McIntire	
	Moulder	

So (two-thirds not having voted in favor thereof), the motion to suspend the rules and pass the bill was rejected.

The Clerk announced the following pairs:

Mr. Eberharter with Mr. Canfield.

Mr. Christopher with Mr. Reese of Tennessee.

Mr. Moulder with Mr. McIntire.

Mr. Rivers with Mr. Chiperfield.

Mr. Jones of Missouri with Mr. Velde.

Mr. Bell with Mr. Oliver P. Bolton.

The result of the vote was announced as above recorded.

REDETERMINATION OF NATIONAL MARKETING QUOTA FOR BURLEY TOBACCO

Mr. COOLEY. Mr. Speaker, I move to suspend the rules and pass the bill (H. R. 4951) directing a redetermination of the national marketing quota for burley tobacco for the 1955–56 marketing year, and for other purposes, with committee amendments.

The Clerk read the bill and amendments, as follows:

Be it enacted, etc., That notwithstanding any other provision of law—

(1) The Secretary of Agriculture shall, within 10 days after enactment of this act, redetermine the national marketing quota for burley tobacco for the 1955–56 marketing year on the basis of the latest available statistics of the Federal Government, apportion such quota among States, convert the State quotas to State acreage allotments, and allot the same among farms pursuant to and in accordance with applicable provisions of law: *Provided,* That burley tobacco marketing quotas and acreage allotments heretofore established for the 1955–56 marketing year shall not be effective, but the preliminary burley tobacco acreage allotment for any farm determined under section 725.616 of the burley and flue-cured tobacco marketing quota regulations, 1955–56 marketing year, issued by the Secretary of Agriculture (19 Federal Register 3549), shall not be reduced by more than 25 percent (except for reductions under section 725.619 of said regulations);

(2) Burley tobacco farm acreage allotments of seven-tenths of an acre or less heretofore determined for the 1955–56 marketing year when redetermined pursuant to paragraph (1) of this act may be reduced but not more than one-tenth acre: *Provided, however,* That no allotment of five-tenths of an acre or less shall be reduced under this section;

(3) Within 20 days after the issuance of the proclamation of the national marketing quota for burley tobacco for the 1955–56 marketing year as redetermined pursuant to paragraph (1) of this act, the Secretary of Agriculture shall conduct a referendum of farmers who were engaged in the production of the 1954 crop of burley tobacco to determine whether such farmers are in favor of or opposed to such redetermined quota. If more than one-third of the farmers voting in the referendum oppose such redetermined quota, the Secretary of Agriculture shall, within 30 days after the date of the referendum, proclaim the result of the referendum and (1) no quota for burley tobacco for the 1955–56 marketing year shall be effective thereafter, and (2) no price support shall be made available on the 1955 crop of burley tobacco.

SEC. 2. Public Law 528, 82d Congress (66 Stat. 597), is hereby amended, effective for the 1956 and subsequent crops of burley tobacco, to read as follows:

"The farm acreage allotment for burley tobacco for any year shall not be less than the smallest of (1) the allotment established for the farm for the immediately preceding year, (2) five-tenths of an acre, or (3) 10 percent of the cropland: *Provided, however,* That no allotment of seven-tenths of an acre or less shall be reduced more than one-tenth of an acre in any 1 year. The additional acreage required under this act shall be in addition to the State acreage allotments and the production on such acreage shall be in addition to the national marketing quota."

SEC. 3. Section 313 (g) of the Agricultural Adjustment Act of 1938, as amended, is amended by adding immediately after the first sentence thereof a new sentence to read as follows: "Any acreage of tobacco harvested in excess of the farm acreage allotment for the year 1955, or any subsequent crop shall not be taken into account in establishing State and farm acreage allotments."

SEC. 4. The last sentence of section 313 (g) of the Agricultural Adjustment Act of 1938, as amended, is amended by adding in the last sentence thereof immediately following the language "if proof of the disposition of any amount of tobacco is not furnished as required by the Secretary" the language "or if any producer on the farm files, or aids or acquiesces in the filing of, any false report with respect to the acreage of tobacco grown on the farm required by regulations issued pursuant to this act."

SEC. 5. Section 314 (a) of the Agricultural Adjustment Act of 1938, as amended, is hereby amended, effective July 1, 1955, with respect to flue-cured tobacco, and October 1, 1955, with respect to other kinds of tobacco, by striking out the figure "50" therein and inserting in lieu thereof the figure "75."

The SPEAKER. Is a second demanded?

Mr. HOPE. Mr. Speaker, I demand a second.

The SPEAKER. Is the gentleman opposed to the motion?

Mr. HOPE. No; I am not opposed to the motion.

Mr. BASS of Tennessee. Mr. Speaker, I demand a second.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. BASS of Tennessee. I am.

The SPEAKER. The gentleman qualifies.

The gentleman from North Carolina [Mr. COOLEY] will be recognized for 20 minutes, and the gentleman from Tennessee [Mr. BASS] for 20.

Mr. COOLEY. Mr. Speaker, I yield myself 9 minutes.

The SPEAKER. The gentleman from North Carolina is recognized.

Mr. COOLEY. Mr. Speaker, I suppose most of the Members of the House are well aware of the fact that the tobacco bill has worked well and successfully in past years; in fact, it has worked so well and so successfully that Mr. Eisenhower in his agriculture message to the Congress recommended a continuation of the program. The Secretary of Agriculture, Mr. Benson, likewise has recommended a continuation of the tobacco program.

I do want to say for the new Members here that this program has operated for many years, and so well and so successfully that it has not to date cost the taxpayers of America a single dollar or a single dime; actually, the program shows a net profit.

But it has now become necessary and desirable to modify and to amend the program. Secretary Benson sent up recommendations to our committee some time ago. I in turn appointed a tobacco subcommittee. The subcommittee held extensive hearings, and everybody expressing a desire to be heard was accorded an opportunity to be heard.

Those representing the burley districts in Congress are well aware of the importance of the proposed amendments, and while the committee held these long hearings, my recollection is that there was only one dissenting vote when the matter was considered by the full committee, and that was the dissenting vote of the gentleman from Tennessee [Mr. BASS] who demanded a second a moment ago and who will, of course, control one-half of the time.

The amendments proposed are 4 or 5 in number, all of which strengthen the program and make it more likely that we will be able to keep supply in line with reasonable consumer demand.

One amendment provides for an increase in the penalty which will be paid by any farmer who grows tobacco beyond his acreage allotment. It increases the penalty from 50 percent to 75 percent of the price received for this crop in the year immediately preceding.

Another very desirable amendment will take away the right of any farmer to secure an acreage allotment merely by violating the acreage allotments which were issued by the Department of Agriculture. Heretofore if a farmer grew tobacco beyond the quota or without a quota for a certain period of time he was then given an acreage allotment and a marketing quota. In that way a considerable amount of tobacco has been grown by farmers who were willing to pay the penalty in order to secure increased acreage. Now we take away by these amendments the right to acquire allotments in that manner.

There were 3 or 4 different bills introduced. Our committee combined all of them into the bill we are now presenting.

To those who live in areas where flue-cured tobacco is grown, such as in North Carolina and other parts of the United States, all of us fully realize the importance of this acreage allotment and marketing quota law. Burley tobacco is used in the manufacture of cigarettes along with flue-cured tobacco. If this burley-tobacco program fails and is finally abandoned, it will be only a short time before the flue-cured program will be definitely in trouble and will also probably be abandoned.

If we should lose the tobacco program under which we have operated for all these years, we will destroy the tobacco farmers of America. They will bury themselves beneath the great surpluses which will be produced. Prices will be demoralized, farm purchasing power will be destroyed, and the impact will be felt in every industrial section of this country.

Mr. HOFFMAN of Michigan. Mr. Speaker, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Michigan.

Mr. HOFFMAN of Michigan. Mr. Speaker, the gentleman said that the program will be in trouble. In just a few words will he tell us how or why? I do not understand.

Mr. COOLEY. I can tell the gentleman why. Under this program of restricted acreage we have consistently increased the per unit field. That has been done in all of the producing areas of America where basic commodities are produced. We are now producing more cotton per acre, we are producing more wheat per acre, we are producing more tobacco per acre. In that situation the Secretary of Agriculture has not been able under this particular program to reduce the acreage as drastically as the acreage should be reduced.

Here is the reason: In this law we have now a minimum acreage allotment. It is seven-tenths of an acre, which means any producer who is growing less than seven-tenths of an acre of burley tobacco cannot have his acreage reduced at all. Under the law which we are proposing, the Secretary of Agriculture could in 1955 reduce the man with seven-tenths of an acre by one-tenth of an acre and in 1956 by another one-tenth of an acre.

Burley tobacco is grown by thousands of little farmers. When you have a minimum acreage allotment and many, many little farmers, it is difficult to make the necessary adjustments. We do not have that minimum acreage allotment in our flue-cured tobacco law.

Mr. HOFFMAN of Michigan. One other question. Assuming that the postal employees both smoke and chew a fair amount of tobacco, will not our action just taken in the House which denied them an increase in compensation interfere some with the sale of tobacco?

Mr. COOLEY. I doubt that that will result in much of a decrease in the consumption of tobacco.

Mr. MORANO. Mr. Speaker, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Connecticut.

Mr. MORANO. The gentleman said that the Secretary of Agriculture favors extension of this legislation. Does he also favor the amendments that the gentleman proposes?

Mr. COOLEY. He actually proposed the amendments himself and brought this situation to our attention. In other words, the supply of burley tobacco now is too large. We believe that the farmers are willing to take the necessary reduction in acreage. But in this bill we provide that after the Secretary redetermines the situation in the light of present stocks on hand and he proclaims a further reduction in acreage, then there is provided another referendum in which the farmers will themselves determine whether or not they are willing to take the acreage-allotment reduction.

Mr. MORANO. Does he favor the penalties that you have proposed?

Mr. COOLEY. Yes. He favors every provision that we have in this bill.

Mr. MORANO. Is there anything in the bill in regard to shade-grown tobacco?

Mr. COOLEY. No; nothing at all.

Mr. JONAS. Mr. Speaker, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from North Carolina.

Mr. JONAS. Will the gentleman explain, please, the graduated scale of reduction? You have stated the seven-tenths percent business. Now, how does it come about? Is it on an ascending scale?

Mr. COOLEY. No. Anyone above seven-tenths percent will be forced to take the necessary reduction, whatever it might be, whether it is 10, 15, or 25 percent, but the man who is already on a minimum allotment cannot be reduced at all, and he will not be reduced at all unless two-thirds of the farmers in the referendum approve the Secretary's recommendation. This is an important bill. It should be enacted immediately. The situation is urgent. There is no controversy about any section of this bill other than the section which authorizes the Secretary to reduce the minimum acreage allotment one-tenth of 1 acre for 1955 and an additional one-tenth of an acre in 1956. Even if this is authorized and the farmers voting in the referendum approve, the general reduction will be uniform. If the farmers reject the further reduction of one-tenth of an acre, the production of burley tobacco will not be under control and the producers of burley tobacco will not have the benefit of a price-support program. In this event, the end of all tobacco programs will be near at hand. I have every reason to believe that the producers of tobacco want to market their tobacco profitably and that if they do not have acreage allotments and marketing quotas, the price will probably drop from 50 cents to 15 cents a pound. All tobacco growers are little growers. Even an individual with a rather large allotment cannot cultivate and harvest it himself. Tobacco growers with large allotments have tenant families depending upon the allotment, so we are all in this program together. If the program fails, we will all suffer. Planting is near at hand and I hope that you will vote to suspend the rules and pass this bill.

Mr. BASS of Tennessee. Mr. Speaker, I yield 5 minutes to the gentleman from West Virginia [Mr. BURNSIDE].

Mr. BURNSIDE. Mr. Speaker, I agree largely with what the gentleman from North Carolina had to say. The major difference is in one respect, and that is cutting this acreage from seven-tenths in 2 years to five-tenths. We have just taken a two-tenths cut in the last 2 years, so that is 44.4 percent cut for these little farmers, which is a higher ratio than many others have had. I want to give you some figures.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. BURNSIDE. I yield to the gentleman from Iowa.

Mr. GROSS. Then, this falls heaviest on the little farmer.

Mr. BURNSIDE. It is falling very heavily from the seven-tenths to the five-tenths, exactly, the ones that certainly are not able to withstand this cut. You are actually, and I mean this in all seriousness, Members of the House—you are taking the shoes off the feet and the clothes off the backs of my small mountaineer farmers. You are doing the same thing in the mountains of North Carolina, may I say to Mr. COOLEY, and you are doing the same thing in Kentucky, as Mr. PERKINS will tell you, and you are doing the same thing that the Congressmen from Virginia can tell you about. Why is that true? You have 207,100 allotments or 64 percent of the allotments in that seven-tenths class. They produce just 30 percent of the tobacco. You have all the others, which is less than one-third, that produce 70 percent of the tobacco in the United States. So, you see where it falls. You have some farmers down in Georgia that are affected the same way by this. Ninety-odd percent of the burley tobacco farmers in Georgia produce less than seven-tenths of an acre.

Mr. GAVIN. Mr. Speaker, will the gentleman yield?

Mr. BURNSIDE. I yield to the gentleman from Pennsylvania.

Mr. GAVIN. Would not this legislation hurt the little tobacco farmers?

Mr. BURNSIDE. Yes, because they have taken a 44.4-percent cut in the last 4 years in this legislation.

Mr. GAVIN. How much of the acreage is held by the big tobacco producers?

I believe the gentleman said 70 percent.

Mr. BURNSIDE. Seventy percent is held by the larger producers.

Mr. GAVIN. Then, this legislation proposes to cut back next year one-tenth and the following year one-tenth more.

Mr. BURNSIDE. That is right, and anybody knows that that is about the same size as the small city lot you are allowing these little mountaineer farmers, and they cannot possibly raise enough for their cash crop. Five-tenths of an acre would only net them about $300. May I ask you religious people here, do you want to force them into making moonshine? That is the only thing you are leaving them. Do not, for goodness sake, cut the very shoes off the feet of these people.

Mr. GROSS. Mr. Speaker, if the gentleman will yield, why is the bill brought in under suspension of the rules?

Mr. BURNSIDE. That is what I would like to know. They do not even have the committee testimony printed. It is not even available so that we can look at it for information. The county committee teams are out checking with the farmers now. The Agricultural Committee does not even have a report back from the county committees who are checking the farmers. If this had been done straightforwardly, I could go along with the suspension of the rules, but it was not.

Now, I want to be sure you take this thought home. The eight-State tobacco committee, which represents the heaviest producing States, did not include this cut in their recommendations.

Mr. GAVIN. Mr. Speaker, will the gentleman yield?

Mr. BURNSIDE. I yield to the gentleman from Pennsylvania.

Mr. GAVIN. I always have a very deeply sympathetic attitude toward the small producer and the small farmer. We hear so much talk about helping the small farmer. But the gentleman says that the proposed legislation definitely will not help the small farmer?

Mr. BURNSIDE. It definitely will not help the small farmer because he would be cut in 4 years from nine-tenths down to five-tenths and his income to about $300 net per year. These farmers do not want to go on relief, but this bill, if passed, will force many of the West Virginia farmers to go on relief.

Mr. HOFFMAN of Michigan. Mr. Speaker, will the gentleman yield?

Mr. BURNSIDE. I yield.

Mr. HOFFMAN of Michigan. I thought from what I heard a couple of weeks ago that the gentleman's party was all for the little fellow. This bill just cuts the little fellow's throat if he is growing tobacco, is that right?

Mr. BURNSIDE. Exactly.

Mr. HOFFMAN of Michigan. Why the change in attitude?

Mr. BURNSIDE. There is a combination that is working to hurt the little farmer. It happens to be on both sides. For instance, the Secretary of Agriculture happens to be a multimillionaire farmer and he is not interested in the small farmer.

Mr. Speaker, I notice from figures supplied me by the Department of Agriculture that there were 4,340 tobacco allotments within the State of West Virginia in 1954. These allotments covered a total of 3,200 acres, so that the average size of each allotment in West Virginia is just barely seven-tenths of an acre, the current minimum. I also notice in checking the 1955 burley acreage allotments that there are 40 farmers in the United States who produce more tobacco than is produced in the entire State of West Virginia. I notice that there are 10 farmers who produce more than one-third of the entire acreage of the State of West Virginia. I also notice that there are 400 farmers who are producing over 20 to 50 acres which, Mr. Chairman, would run many times the allotments in the State of Ohio and in the State of West Virginia put together. While I do not have the exact figure, nearly all of these allotments are situated in my district. I estimate that 95 percent of all the tobacco grown in West Virginia is grown by Fourth District farmers. Quite naturally, therefore, I have always been very much interested in our tobacco program. I have constantly discussed it for many years with producers in the district, and I feel that I can speak with some first-hand knowledge of their ideas on the subject.

Today, needless to say, the producers in my district like those everywhere are concerned about the growing tobacco surplus. That, of course, is the primary cause of this hearing. It is apparent that steps must be taken to remedy the present unhealthy situation, which many farmers feel is due to both increased production per acre, and reduced demand. This committee has already heard, in considerable detail, the various plans

which have been put forth to solve present difficulties. I will not burden the committee by going into detail as to these proposals.

West Virginia producers have endorsed the legislative recommendations of the Eight State Burley Tobacco Committee, which were presented to the Agriculture Subcommittee by Mr. Clayton Stanley, of the West Virginia Farm Bureau. I shall not repeat these recommendations at this time, but would like to insert them in the RECORD:

EIGHT STATE BURLEY TOBACCO COMMITTEE,
Lexington, Ky., February 19, 1955.

Hon. EZRA TAFT BENSON,
Secretary of Agriculture,
Washington, D. C.

DEAR MR. SECRETARY: The Eight State Burley Tobacco Committee recommends that you publish forthwith in the Federal Register notice of your consideration of making those amendments in the burley and flue cured tobacco marketing quota regulations for the 1955–56 marketing year which are hereinafter set forth. We recognize that some divergence of view might conceivably arise concerning these recommendations, but, of course, the hearing to be held upon your notice will afford all interested persons an adequate opportunity to express their views with respect to the proposed amendments.

For the reasons hereinafter set forth, the Eight State Burley Tobacco Committee and its legal advisory committee recommends that the burley and flue cured tobacco marketing quota regulations, 1955–56 marketing year, be amended as follows:

"(1) Delete paragraphs (a) and (b) of section 725.616.

"(2) Delete paragraphs (c), (d), and (e) of section 725.616 and insert in lieu thereof the following:

" 'Section 725.616 (a): If no 1954 allotment was established for the farm, the community and county committees shall establish a preliminary allotment for the farm on the basis of the past acreage of tobacco, making due allowance for drought, flood, hail, other abnormal weather conditions, plant bed, and other diseases; land, labor, and equipment available for the production of tobacco; crop rotation practices; and the soil and other physical factors affecting the production of tobacco. The preliminary allotment established under this section shall not be larger than the smaller of (1) the average acreage of tobacco harvested on the farm in the years 1940–54, or (2) the acreage obtained by multiplying the farm's average acreage for the 5 years 1950–54 by the ratio of the farm's actual yield to the 1954 county average yield, *Provided, further,* that such preliminary allotment shall not exceed the smallest of (1) the acreage indicated by cropland, (2) 20 percent of the acreage of cropland on the farm in the case of flue-cured tobacco, or (3) the acreage capacity of curing barns located on the farm and suitable for curing tobacco, which in the case of flue-cured tobacco shall be 3.5 acres per barn.' "

REASONS AND NEED FOR AMENDING SECTION 725.616

Excessive stocks of burley tobacco have resulted in large measure from the production of nonallotment tobacco. In the past 8 years, excess acreage planted on nonallotment farms and on excess farms has totaled 54,999 acres with 10,274 acres of this total being accounted for in 1954. Prior to 1947 excess and nonallotment acreage was relatively insignificant, but since then annual totals have climbed at an alarming rate. The full impact of excess acreage upon the quota program is not apparent until one considers the cumulative allotments acquired during this 8-year period through the means of excess production. It is conservatively estimated that in the 8 years last past allotments of more than 70,000 acres have been acquired through excess production. An analysis quickly disclosed the reasons why this trend commenced in 1947 and also the cause for its significant acceleration in quantity. Prior to the 1947 crop, the Agricultural Adjustment Act of 1938 was correctly construed to mean that a preliminary acreage allotment shall be the same as the acreage allotment for the preceding year for all farms having had an allotment in the preceding year. For the first time in the regulations published for the 1947 crop, it was provided that if no allotment was established for the preceding year, then the preliminary allotment would be the average acreage of tobacco harvested on the farm in each of the 5 preceding years. Furthermore, for the 1947 crop the regulations provided for the first time that if harvested acreage in the 3 preceding years exceeded the preceding years allotment by more than 10 percent that the preliminary allotment for the current year would be increased by one-third of the number of acres by which the 3-year average acreage exceeded the preceding years allotment. For the 1948 crop, it was specifically provided that if no allotment existed in 1947, the preliminary allotment would be one-fifth of the 1947 harvest, and it was further provided that if the harvest exceeded 10 percent of the allotment the preliminary 1948 allotment should be increased by one-fifth of the number of excess acres harvested in 1947. A similar provision appeared in the regulations for the 1948 crop and the 1950 crop. For the 1951 crop, the regulations were phrased as follows: "If no 1950 allotment was established for the farm, the preliminary allotment shall be the smaller of (1) the average acreage of tobacco harvested on the farm in the 5 years 1946–50, or (2) the acreage obtained by multiplying the farm's average acreage for the 5 years 1946–50 by the ratio of the farm's actual yield to the 1949 county average yield: Provided, that such preliminary allotment shall not be less than 0.1 acre. "If the acreage of tobacco harvested on the farm in 1950 exceeded the 1950 allotment by more than 10 percent, the preliminary allotment shall be the 1950 allotment plus the smaller of (1) one-fifth of the excess acreage, or (2) the acreage obtained by multiplying one-fifth of the excess acreage by the ratio of the farm's actual yield to the 1949 county average yield." In each of the subsequent years, the regulation has followed the phraseology of that governing the 1951 crop. Between March 31, 1944 and October 17, 1951, the Congress did not amend 7 U. S. C. A. 1313 in any form or manner whatsoever. There can, therefore, be no justification whatsoever in the status itself for the change in interpretation of the Agricultural Adjustment Act which occurred on September 13, 1946, when the regulations for the 1947 crop were filed for publication in the Federal Register.

It would be difficult and unprofitable to compare the regulations for the 1938, 1939, and 1940 crop years with the current regulations. In 1938 and in 1939 quotas were promulgated on a poundage basis. On August 7, 1939, the act was amended to provide for quotas on an acreage basis and the first regulation promulgated thereunder, dealing with the 1940 crop, dealt largely with the problem presented by the conversion to a new allotment system. Beginning with the 1941 crop, however, regulations began to take on the form with which we are currently familiar, but at that time the Agricultural Act of 1938 was correctly construed. For the 1941 crop, the regulations did not authorize or require any increase in allotment by reason of nonquota production in 1940. On the other hand, the regulations said:

"Acreage allotments for old tobacco farms: The farm-acreage allotment for an old farm shall be the 1940 acreage allotment for the farm provided that (1) the 1941 acreage allotment shall be the 1939 allotment if the 1939 allotment was five-tenths acre or less and the allotment was reduced in 1940; or (2) the 1941 acreage allotment shall be five-tenths acre if the 1939 allotment was in excess of five-tenths acre and the allotment was reduced in 1940 to less than five-tenths acre." In a subsequent section, the same regulations set aside not in excess of 1 percent of the 1940 acreage allotment for the making of equitable adjustments, but here it was specifically provided: "In no event shall the adjustment of the acreage allotment to any farm be more than 10 percent of the 1940 allotment for the farm, or, if greater, five-tenths of an acre; provided that in the case of any farm on which tobacco was harvested in 1940 for which no acreage allotment was established the committee may establish an allotment not exceeding five-tenths of an acre."

The regulations covering the 1942 crop and the 1943 crop were similar in language.

For the 1944 crop, it was again provided that preliminary acreage allotments would be based on the preceding year's quota, but the limitations upon equitable increases were revised to read as follows: "Without prior approval of the State committee, the acreage allotted under this section shall not exceed 1 percent of the county acreage allotment for 1940." Similar language appeared in the regulations promulgated for the 1945 and the 1946 crops.

There is no apparent reason for the change in regulations which occurred first with the 1947 crop. Once again let it be noted that between March 31, 1944, and October 17, 1951, the Congress did not amend 7 U. S. C. A. 1313 in any form or manner whatsoever. Furthermore, although section 1313 (g) requires that past acreage be considered in the allocation of allotments, the Department itself has recognized that this consideration of past acreage need not be a part of the formula for determining preliminary allotments, but only one of any factors to be considered in adjusting preliminary allotments in the interest of fairness and equity. Finally, 7 U. S. C. A. 1313 (a) can be construed to absolutely prohibit automatic increases in allotments through the production of excess acreage.

On June 13, 1940, title 7, United States Code, Annotated, section 1313 (a) was reworded in many respects. One of the principal modifications was designed to impose particular requirements for the 3 marketing years, 1941–42 to 1943–44, but the phraseology of 1313 (a) as reworded does not necessarily restrict the applicability of all of the new phases to those 3 marketing years. The following particularly can be construed either as applicable only to the 3 marketing years in question or to every marketing year: The statute says that except for farms on which no tobacco was produced in the last 5 years "the farm acreage allotment * * * shall be determined by increasing or decreasing the farm acreage allotments established in the last preceding year in which marketing quotas were in effect in the same ratio as such marketing quota is increased or decreased."

To avoid any misunderstanding about this issue, it is well to read all of the applicable language of section 1313 (a). The 1940 revision reads as follows: "Notwithstanding any other provision of this section and section 312 (sec. 1312 of this title), except the provisions in subsection (g) of this section relating to reduction of allotments, for any of the 3 marketing years, 1941–42 to 1943–44, in which a national marketing quota is in effect for burley or flue-cured tobacco, such national marketing quota shall not be reduced below the 1940–41 national marketing quota by more than 10 percent and the farm acreage allotments (other than allotments established in each year under subsection (g) of this section

for farms on which no tobacco was produced in the last 5 years) shall be determined by increasing or decreasing the farm acreage allotments established in the last preceding year in which marketing quotas were in effect in the same ratio as such national marketing quota is increased or decreased above or below the last preceding national marketing quota." We respectfully submit that the quoted language of section 1313 (a) can be read as being applicable, not only to the 3-year period, but as to all years in the provision that a grower having an allotment cannot possibly increase his allotment by excessive production since allotments on all old farms shall be based on allotments granted for the preceding year.

If our construction of 1313 (a) is correct, the rules should be written in the regulations like this: If a grower does not have an allotment and raises nonquota tobacco, he becomes entitled under the statute to an allotment based in part on his past marketing of tobacco, but this allotment must be derived from the allotment for new farms to be made by the Secretary out of a reserve set aside for this purpose of "not in excess of 5 percent of the national marketing quota." After a grower obtains his first allotment, then he absolutely cannot under 7 U. S. C. A. 1313 increase that allotment by excessive production. In other words, a grower can obtain an allotment originally by excess production but the Secretary of Agriculture does not have the authority to increase an allotment once granted by reason of excessive production. The word "shall" is used in the sentence. It reads: "The farm acreage allotment * * * shall be determined by increasing or decreasing the farm acreage allotments established in the last preceding year in which marketing quotas were in effect in the same ratio as such national marketing quota is increased or decreased above or below the last preceding national marketing quota."

If we are in error in our construction of section 1313 (a) the fact, nevertheless, remains clear that the statute does not compel the Secretary of Agriculture to grant an allotment based on excess production during the preceding 5 years. Recognition of this fact is implicit in the regulations published by the Secretary of Agriculture for the years prior to 1947. The 1940 amendments if limited to the years through the 1943 crop year certainly did not compel the Secretary to publish the regulations for the 1944, 1945, and 1946 crops which did not give the grower an additional allotment by reason of excessive production.

Section 725.616 (c) of the present regulations grant allotments based on nonquota production when no 1954 allotment was established for the farm. Section 725.616 (d) grants an increase in allotment for excessive production on farms having a 1954 allotment. Our proposed amendment repeals subsection (c) and (d) so that no longer will it be possible to get automatically a substantial allotment based on excessive production. Instead, it is proposed that if no 1954 allotment was established, then all of the statutory factors shall be considered in granting an allotment for 1955. Furthermore, it is provided that if a 1954 allotment existed, then no increase shall be obtained by reason of excess production in 1954. This was the practice in each of the years 1944, 1945, and 1946, and we are unable to perceive any reason why this most reasonable construction of the statute should not be restored. Subsection (e) has not been eliminated or revised, but consolidated with subsection (c) as reworded in the proposed amendment.

AN ADDITIONAL RECOMMENDATION

As the Court of Appeals for the Second Ciruit pointed out in *Jerry Rossman Corp.* v. *Comm.* (175 F. (2d) 711, 37 R. F. T. R. 112), there are "penalties" and "penalties." Some penalties may be allowed as income-tax deductions while others will not qualify. A very general and perhaps somewhat inaccurate statement of the rules is that a penalty payment is deductible if its allowance does not frustrate the public policy of the statute imposing it.

Curiously, there does not appear to have been any decision upon the issue of whether or not a penalty imposed by title 7, United States Code Annotated, section 1314, may be deducted in the computation of an individual's income tax. Practically speaking, the internal revenue service for the State of Kentucky has rather consistently allowed the deduction of these penalties. This has been true even in fraud cases. We recommend that the Secretary of Agriculture request the Commissioner of Internal Revenue to promulgate a regulation to the effect that penalties imposed by title 7, United States Code Annotated, section 1314, are designed to implement public policy and, therefore, may not be allowed when paid as income-tax deductions. Many of those who are today raising excess tobacco are persons in the higher tax brackets. If a farmer is in a 50-percent bracket then the allowance of the penalty as an income-tax deduction reduces the effectiveness of the penalty in half. If the penalty, on the other hand, cannot be taken as a deduction, then as far as a 50-percent bracket income taxpayer is concerned, a 50-percent nondeductible penalty is the actual equivalent of a 100-percent penalty.

Publication of the recommended regulation by the Commissioner of Internal Revenue would increase the effectiveness of the penalties provided by title 7, United States Code Annotated, section 1314. Accordingly, we recommend that the Secretary of Agriculture make such a request of the Commissioner of Internal Revenue.

This committee further recommends that the regulations provide that two employees of the county office work together in measuring and reporting tobacco acreage.

Respectfully submitted.

EIGHT STATE BURLEY TOBACCO COMMITTEE,
JOHN M. BERRY, *Chairman.*

I endorse Mr. Stanley's statement before the subcommittee of the Agriculture Committee, and I am sure that he represents the opinion of tobacco growers in my district and the country at large.

I believe that the proposals which Mr. Stanley set out would, if adopted, adjust our tobacco program to allow for increased production per acre made possible by improved methods. I would not discourage use of these methods which everyone has worked so hard to develop. I would not discourage the Department of Agriculture in its program to improve the production methods of American farmers. I am sure that no member of this committee would recommend a program which would reverse the trend of modern agriculture. Likewise, in our efforts to cope with the current situation, there is danger in going too far in reduction of minimum acreage allotments, so as to put many small West Virginia farmers on relief. Unfortunately, Mr. Speaker, we have about 237,000 people on relief in West Virginia already, and I am quite worried about the additional numbers who may be forced on relief in this tobacco program.

We have small valleys in between the mountains, and this small acreage lends itself very well to keep these small farmers occupied, producing some food and clothing. Really, Mr. Speaker, if we were to cut the seven-tenth minimum acreage, we would have to find shoes for a number of these mountaineer children. It is pretty hard, getting up early in the morning, at 6 or 7 o'clock in the morning, to catch a bus out to school without the proper shoes and clothing to wear. I mean that in all seriousness, because I have seen the problem. I have seen them in the schools.

It is indeed a serious problem, especially, Mr. Speaker, when we consider that 40 tobacco farmers produce more acreage than the entire State of West Virginia; that 10 farmers produce more than one-third of the entire acreage of the State of West Virginia's 4,460 farmers; and that 400 farmers produce approximately the entire acreage of the States of West Virginia and Ohio combined.

The farmers of West Virginia definitely do not want a reduction in the present 0.7-acre minimum. If this minimum is cut, many producers in my district will be entirely eliminated. The only persons left to produce tobacco in that event will be the large producers in other States. An important source of income to West Virginia's small farmers will then be lost. Equally important, a needed source of West Virginia State income will be eliminated. Burley tobacco is one of the few crops which can be grown profitably on the typically small acreage available down in the valley between the mountains.

A rather small crop of burley is often the backbone of an entire farming family, and this is exaggerated, Mr. Speaker, by the fact that so many are now out of work in our State. About 14 percent of the entire population in West Virginia is out of work. Last year we lost 2.9 percent of our entire population. Indeed, these are disaster figures, Mr. Speaker. A rather small plot of burley is often the backbone of an entire farming operation. If it is lost, the entire farm may become unprofitable. In light of the very disturbing economic situation in West Virginia today, any reduction in allotment minimums, small though it may appear to us, will have serious consequences throughout the State.

Mr. Speaker, let us go back just a moment and look at the history of the tobacco production in my State of West Virginia. In 1919 we had 11,400 acres. In 1923, we had 10,800 acres. Today, the West Virginia farmers have cooperated and taken cuts. They have gone voluntarily into this program and have taken cuts down to 3,200 acres. We maintain, Mr. Speaker, that these small farmers have done more than their share in taking cuts in the very small acreage.

I know the same thing is true in Ohio, and I know the mountain farmers over in Tennessee, and the mountain farmers over in North Carolina have taken their fair share of cuts. I am speaking especially of the mountain people, with their little narrow valleys to work.

Whereas some States and some farmers have gone up in production—if you will check them back to 1919 and go through the years, you will find that some have gone up in production—many other States have taken cuts in produc-

tion. We have taken nearly a 75-percent cut in our entire acreage allotments in those years, 1919 to 1955, and we have taken it from people who can ill afford to take these cuts.

Mr. Speaker, you may think back to one other thing which I believe we ought to take seriously into consideration here. It is true that formerly a large number of farms, that is 207,100 farms, or 64 percent of the farms, had only 110,840 acres; but today we find that there are 80,000 farms having 224,000 acres. That shows that a large percentage of the acres are in the category above 1.2 acres.

Therefore, gentlemen, I strongly urge you to consider these effects of a reduction in the present 0.7-acre minimum. In considering legislation in this field, I ask you to employ those suggestions contained in the eight-State committee recommendation and also to reject any reduction in the minimum acreage allotments.

Mr. COOLEY. Mr. Speaker, I yield myself 1 minute just to answer the question why this bill is brought in under suspension of the rules and why it is urgently needed. We are now arriving at the time when tobacco farmers will soon be planting or transplanting tobacco. This matter was brought to our attention. I might say to my friend the gentleman from Michigan [Mr. HOFFMAN] and my friend the gentleman from Iowa [Mr. GROSS] by Mr. Benson, the Secretary of Agriculture, who has recommended these amendments.

The gentleman from West Virginia [Mr. BURNSIDE] talked about the little farmer, saying that we are trying to take the clothes off his back. That just is not the fact. I think everybody knows that the House Committee on Agriculture has been just as considerate and as reasonable as possible in taking care of small growers.

Another thing: The gentleman cries about the tobacco farmers of West Virginia. They have the same kind of tobacco farmers in North Carolina and in all the other burley-growing areas. But if we follow the gentleman's advice and vote this program down, all the tobacco farmers in every tobacco area in America will be faced with bankruptcy, because they will produce in such great abundance they will destroy the price, and all of them will come to grief.

CALL OF THE HOUSE

Mr. HOFFMAN of Michigan. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER pro tempore. The Chair will count. [After counting.] One hundred and twenty-one Members are present, not a quorum.

Mr. COOLEY. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 24]

Baker	Christopher	Jones, Mo.
Bell	Dawson, Ill.	McIntire
Bolton, Oliver P.	Eberharter	Moulder
Canfield	Engle	Reece, Tenn.
Chiperfield	Flood	Rivers
	Hinshaw	Velde

The SPEAKER. On this rollcall 417 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

Mr. BASS of Tennessee. Mr. Speaker, I yield 2 minutes to the gentleman from Tennessee [Mr. EVINS].

Mr. EVINS. Mr. Speaker, I take this time because, while I do not wish to disagree with the great Committee on Agriculture of the House and have the highest esteem for the chairman and ranking member and all members of the committee, I must say that this bill gives me some concern. I know that over the years the tobacco program has been highly successful, but I am apprehensive that the committee has undertaken to write a bill based upon the recommendations of the President and the Secretary of Agriculture, rather than the small tobacco farmers of the Nation.

This bill tends to favor the big tobacco growers. There are more than 2,500 such big producers of the Nation with tobacco bases in excess of 10 acres. Why cut further the little 1-acre-or-less tobacco grower? They have been cut enough already. I say let us call a halt here.

Over the years we know that the Tobacco Branch of the Agriculture Department has reduced and continued to reduce the tobacco acreage of the little tobacco farmers. It seems to me they are now trying to secure legislative authority or sanction for their actions for other possible reductions. The answer to this problem must be found in some other solution.

I note by the report it is stated that over the years certain farmers have gladly paid the penalty for overproduction with a view of building up their historic allotments for a greater tobacco acreage base. So that now should a cut be authorized those who have paid the penalty will not suffer as much as those who have not overproduced and who have not had to pay the penalty. Why is it necessary to have authority at this time to reduce further the tobacco acreage allotment to the farmers of the Nation? Why not give them an increase? Why cut the little tobacco farmer any further?

Mr. COOLEY. You would just add to the problem. If you increase the acreage, you would increase the poundage.

Mr. EVINS. Does not the gentleman admit certain tobacco farmers have been paying a penalty and have not minded doing so because it has tended to build up a larger allotment for them over the years and in that sense the proposal now before us favors the large tobacco farmer?

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. BASS of Tennessee. Mr. Speaker, I yield 2 minutes to the gentleman from West Virginia [Mr. BAILEY].

Mr. BAILEY. Mr. Speaker, I have asked for these 2 minutes in order to call the attention of my colleagues to the fact that the intent of the pending suspension is just another modified form of imposing the gag rule. The legislative situation facing us now is the same as the situation that faced us a half-hour ago when we roundly defeated the suspension of the rules on the postal pay-increase bill. There is no more ground for imposing this modified gag rule on the House by the passage of the suspension of the rules motion now than there was at that time.

Mr. HOFFMAN of Michigan. Mr. Speaker, will the gentleman yield?

Mr. BAILEY. I yield to the gentleman from Michigan.

Mr. HOFFMAN of Michigan. Does the gentleman think that there is any reason why the House should be consistent from, say, 12 o'clock to 3 o'clock? Why should we be consistent about it? Have we ever been?

Mr. BAILEY. I guess the gentleman is correct.

Mr. Speaker, may I add this one thought? I have no burley tobacco acreage in my district, but my colleague, the gentleman from West Virginia [Mr. BURNSIDE], along the Kentucky border, has quite a considerable number of growers of burley tobacco. I remember my first trip to the Congress, back in 1945, when John Flanagan, of Virginia, was chairman of the Committee on Agriculture. We had this same argument about the allocation of acreage to burley tobacco growers in southern West Virginia. They have been discriminated against, and now you are proposing to give the Secretary of Agriculture the right to cut their acreage for the next 2 years again. There is such a thing as being consistent. I remember some of the gentlemen who are proposing to give the Secretary of Agriculture the right to cut the acreage of burley tobacco that are against giving him the right to reduce 90 percent of parity on wheat. So, I would like for some of the gentlemen to be consistent in their position.

I am against the suspension of the House rules in this instance.

Mr. COOLEY. Mr. Speaker, I yield 4 minutes to the gentleman from Kentucky [Mr. WATTS].

Mr. WATTS. Mr. Speaker, the Department of Agriculture came before our committee and told us in detail as to the situation that burley tobacco was facing at the present time. They said that in the course of the next 2 years we would have to cut burley tobacco production 50 percent. He came forward with a group of recommendations to effectuate that cut in the best possible method over a period of 2 years. He asked for authority to take a further look at the quota this year with the idea of making a cut of 25 percent this year. This bill embodies every recommendation of the Department of Agriculture. It came out of our committee with an almost uanimous vote. There are about 6 or 7 provisions in this bill, and they have all been agreed to by everybody, with the exception of 1, and I want to address my remarks to that provision.

The provision in the bill that is in controversy is the minimum acreage provision. Under the present law, we have a minimum acreage provision of seven-tenths of an acre. No matter how much tobacco may be cut, they cannot cut that

seven-tenths. The average burley tobacco base is only 1.1 acres. So we have a situation today where we have a minimum acreage of seven-tenths and an average base of 1.1. With a 50 percent cut in the offing, you can readily see that with 64 percent of our bases protected there are only 36 percent that can be cut. This condition requires some change in the minimum provision.

Let us look at the bases, and see who has taken the cuts in prior years. In 1946 the tobacco growers took a 10 percent cut. In 1947 they took a 19.4 percent cut. In 1948 they took a 2.2 percent cut. In 1950 they took a 15 percent cut. In 1953 they took a 10 percent cut. In 1954 they took an 8 percent cut. That is a total of about 70 percent and during this entire period the grower with seven-tenths of an acre took no cut.

Let us see who holds these tobacco bases that they are talking about, and I think I can convince the House that it is necessary to make some modification of the minimum provision.

Listen to this. Bases under five-tenths of an acre amount to 31.26 percent of the total. Bases of seven-tenths of an acre or under amount to 64 percent. Bases of 1½ acres and down—and mind you that is a small base—come to 81.57 percent of all the bases. Bases of 2½ acres or under represent 90.23 percent. Bases of 5 acres or under represent 96.72 percent of all the bases. Bases of 10 acres or more represent seven-tenths of 1 percent of all the bases.

The tobacco grower with a 1½-acre base, under a statement made by the Secretary of Agriculture, is going to be cut from 1½ acres to seven-tenths of an acre in the next 2 years. All we are asking in this bill is that while the 1½-acre man is being cut in half, while the 2-acre man is being cut in half, that the fellow with seven-tenths of an acre take a one-tenth of an acre cut and bear some small part of the load of saving this program.

It is not often that you see a group representing a commodity come before the Congress and ask to be cut, but they realize they must keep supply and demand in line. That is what this bill is intended to do.

The reason this bill is brought up in such a hurry, the reason the bill is brought up under a suspension of the rules, is that it also carries in it a provision that when it is passed it is going to be sent back to all of the burley growers, little, big, or indifferent, and there will be a referendum to be held not later than May 1. The burley growers by a 66⅔-percent vote must indicate their desire, whether they want to accept this or not.

There is nothing wrong in letting it go back to the people who are going to be affected, to let them pass on it for what it is worth. That is what this bill provides, that it will be sent back to those growers who are going to be affected by it, and they will have the final say.

The Department of Agriculture said it would take 30 days to have that referendum. Planting time is about the 1st of May, so we could not wait to take the orderly processes. If we are going to do anything about it we have to do it now.

Mr. COOLEY. Mr. Speaker, will the gentleman yield?

Mr. WATTS. I yield to the gentleman from North Carolina.

Mr. COOLEY. I should like to draw the attention of the House to the fact that the gentleman's subcommittee held joint sessions with the Senate subcommittee during the consideration of this measure.

Mr. WATTS. That is right. The same bill has been unanimously approved by the Senate Committee on Agriculture.

I urge passage of this legislation.

Mr. BASS of Tennessee. Mr. Speaker, I ask unanimous consent that all Members may have 4 legislative days in which to extend their remarks at this point in the RECORD on the bill under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. BASS of Tennessee. Mr. Speaker, I yield 2 minutes to the gentleman from Ohio [Mr. JENKINS].

Mr. JENKINS. Mr. Speaker, I have the honor to represent quite a number of men and families who grow tobacco. Very few, if any of them, grow as much as 5 acres of tobacco. Most of them have, I think, less than 3 acres. The men who grow big acreages, such as 20 acres or more, are located in Missouri or in the bluegrass region of Kentucky. The trouble with this plan of allotment is that, as provided in this bill, it deals with a percentage of acres and not a percent or a poundage basis. One-half of an acre of a cut to a man who has a hundred acres or more or even 15 or 20 acres does not mean much to him, but half an acre to a man who has only an acre means a great deal.

The fault I find with this percentage basis is that it is too great on the little fellow who grows less than an acre. The percentage is not right with him and it is not fair with him. There are tobacco men in the country who have as much as 100 acres of tobacco. Those fellows can lose 10 acres, but our little fellows who have only an acre or half an acre cannot lose these percentages and operate.

In my county I do not have the same class of people as those mentioned by my good friend from West Virginia, who said he has so many poor people. Mine are not so poor. But many a man in my section raises tobacco. He raises an acre or two, and that is the cash money that he gets in the fall of the year when his wife wants money to buy shoes and clothes for the children who go to school and she may save some of it to get Christmas presents for the family. He also uses this money to pay his taxes.

In other words this tobacco crop is a very necessary crop for many fine people in our congressional districts. I think this bill will injure very seriously the small-tobacco growers in my district. Consequently, I am opposed to it. I hope this effort to pass this bill under a suspension of the rules will be defeated today, and that it will be brought up again before the Whole House when we can have a chance to amend the bill.

Mr. COOLEY. Mr. Speaker, I yield 2 minutes to the gentleman from Kentucky [Mr. CHELF].

Mr. CHELF. Mr. Speaker, I am for this legislation because it is the only fair approach that has been made with respect to our present dilemma brought about by our overproduction of tobacco. Before our present tobacco program was enacted in 1938 our tobacco farmers were absolutely at the mercy of the large tobacco companies. The farmers received from the buyers of the companies on the floors of the tobacco warehouses just about what the companies wanted to pay and no more. The reason the big companies offered such pitifully low prices for the crop was chiefly because of overproduction.

With the adoption of the present tobacco program the Secretary of Agriculture was empowered to determine stocks of tobacco on hand, balance same with the public requirement and, in addition, to provide for reasonable reserve. A quota system pertaining to the acreage was inaugurated and the farmers were called upon to vote upon the plan and as to whether or not they would voluntarily place themselves under the quota restrictions set up by the Department of Agriculture. With the one exception of the year 1939, the tobacco farmers have voted overwhelmingly in favor of quotas and have cooperated to the fullest extent, making the tobacco program the great success that it has been up to now. As a result, production and demand—up until recently at least—have been adequately met and the tobacco farmer, large and small, has profited tremendously by this splendid legislation.

While the Federal Government does have the support program for the tobacco at 90 percent of parity, nevertheless, this is one program that the Government has supported which has not cost the taxpayers of the Nation a red cent. What's more, the program has been such a huge success that actually a profit has gone into the United States Treasury.

As we all know, during the war years the Department of Agriculture implored the farmers to increase their production. This was not only true from the standpoint of wheat, corn, and other edible grain but it also included a demand for increased production of tobacco and all other crops. There was a shortage of tobacco during World War II just as there was a shortage of everything else and, as a result, cigarettes were rationed. As a result of the constant pressure being exerted on the farmers of America to go all-out in production it has therefore been rather difficult during the transition period from war to peace to reduce the production of the various crops. It is because of this great difficulty to change over or to reduce production that the tobacco program has gotten into trouble. The Department of Agriculture tells us that we are at the present time in a desperate condition. They have pointed out that there is today over 3½ years of tobacco supply on hand when the normal danger signal is approximately 2 years surplus tobacco

crop. They have indicated that drastic changes in the program must be inaugurated forthwith if the program is to survive. The legislation that is here before us today on the floor is the result of long, hard work on the part of the Joint Tobacco Committee of the House and Senate. They have been holding hearings for many, many days. They have heard from the experts in the Department of Agriculture; they have heard the growers; the warehousemen; and all other interested parties and it is the general belief that this legislation to increase the tax on tobacco raised over the legal acreage allowance from 50 percent to 75 percent, and for the enactment of the other provisions contained herein, are absolute "musts." I appeared before the joint committee of the House and Senate and submitted to them a petition containing the names of some 600 Barren County farmers who urged that great committee to increase the tax on tobacco that was raised illegally or on the red card. Another petition that was submitted to me by the farmers of the great county of Larue stated:

> We the undersigned are in favor of increased tax on excess tobacco above allotments.

Mr. Speaker, I have many letters and telegrams from not only the presidents of several county farm bureaus within my district, but also letters from leading citizens, bankers, and farmers who are growers of burley tobacco urging me, as their Representative, to petition this Congress to increase the tax on excess tobacco from 50 percent to as high as even 90 percent, and to do everything else necessary in order to preserve and protect the tobacco program which, Mr. Speaker, is the very economic life-blood of my great people.

I attended the hearings of the joint committee of the House and Senate on Thursday, March 10, 1955, and I was very much impressed by the statement of Mr. Burl S. St. Clair, president of the Kentucky Farm Bureau Federation, when he said among other things:

> We favor legislation for the reduction of acreage allotments on a basis that would apply to all growers alike.

This policy conforms with a telegram to me, dated January 14, 1955, from Mr. Ben F. Newman, Nelson County Farm Bureau president, in which he suggests changing "allotment decimals from tenths to hundreds of an acre so all allotments would be cut at uniform rates."

Mr. Speaker, among the many communications that I have received I have one from the Woodford County Farm Bureau and also a letter from Mr. Owen Rouse, chairman of the ASC committee, which state, among other things, "national increases and reductions should apply to all tobacco farms." They also are in favor of an increased tax on excess tobacco, and they have stated that it should go from 50 percent to at least 75 percent and that the so-called red card ought to be publicized on the tobacco warehouse floors. I have a wire from Mr. Earl Butcher, president of the Lincoln County Farm Bureau at Stanford, Ky., under date of March 5, 1955, which urges that the present penalty be increased to 75 percent and recommends that "any cut in acreage be across the board." A telegram from the Shelby County Farm Bureau, signed by the president, Mr. G. N. Buses, Jr., and dated March 5, 1955, states among other recommendations:

> We wish particularly to emphasize the fact that everybody large or small must take future cuts equally if the program is to survive.

Mr. Speaker, I could go on and on and unnecessarily take up the time of the House with many more letters, telegrams, and other forms of communications to me, but I honestly feel that those which I have mentioned quite adequately and fairly represent a real cross section of the sentiment of my people in the great Fourth Congressional District of Kentucky which, together with the Sixth Congressional District—that is so ably represented by the Honorable JOHN C. WATTS—produces about 75 percent of the burley crop of the entire State of Kentucky.

Mr. Speaker, as I have previously stated, our program at the present is in serious trouble. This has been brought about, as we know, by our own overproduction of our fine burley tobacco. Our present situation is somewhat akin to a man bringing on the gout and other dangerous physical disturbances by overeating. When a man overeats his blood pressure goes up and his very life sometimes becomes endangered. A stroke may follow. The doctor tells him to go on a diet or he may conceivably die. The patient may not always like the doctor's advice, but rather than to ruin his health he is more or less prone to comply with the doctor's wishes. No matter how bitter the medicine may be, he will hold his nose and take it if he thinks it will help him. In our present situation we have overproduced to the point where the entire tobacco program is in a very unhealthy state economically. We must either curtail our production or it is entirely possible that we may completely spill our entire economic life-blood which is in the form of our cash crop. We simply cannot continue to overproduce and have our program.

Frankly, Mr. Speaker, I sincerely feel that when the seriousness of the situation is called to the attention of this House, and when they stop to consider that this great tobacco program of ours has not cost the Federal Government a single penny but, rather, has made the Government money, I believe that you will be ready and willing to go along with us representatives of the burley tobacco belt. Sometimes I feel that those of us who are fortunate enough to have been chosen leaders in one field or another are prone to underestimate the American farmer. Thank God I have always found him to be fair, honest, straightforward, highly intelligent, and quite eager to live and let live, give and take the good and the bad.

Mr. Speaker, my good people know that when burley tobacco is in trouble all of Kentucky is in trouble and that, at the moment, the burley tobacco program throughout Kentucky and her seven sister-producing States is in serious trouble. What I think is needed in addition to this legislation is not only to reduce production but to develop within the next few years a high-quality burley leaf. The tobacco farmer, big and little, will make more money in the long run for fewer pounds of a higher quality burley leaf than a larger number of pounds of lower quality burley that is high in nicotine content. Our growers know that the solution to the problem actually lies in the hands of the burley growers themselves; however, this legislation is desperately needed and must be passed today if they are to be able to help themselves.

A crisis in the entire Tobacco Belt gave birth to the program in the first instance; this program has been highly successful, therefore, I know that my growers—large and small—will join with the tobacco growers of all States in an all-out effort to preserve and to protect that which has meant so much to them. Necessity is not only the mother of invention but the father of orderly change for the better. My colleagues, we are in trouble. I beg of you to support this legislation and to help my people; when you do so you will be helping America because when we keep one segment of our people strong we help to keep all America strong. Also the increase in penalties will mean a great deal, a very hard-pressed United States Treasury. We wish we did not have to come to you today with our troubles, but frankly it is this or nothing. A half loaf beats no loaf. This shot will hurt us, but thank heaven it will not kill us.

Mr. BASS of Tennessee. Mr. Speaker, I yield 3 minutes to the gentleman from Kentucky [Mr. PERKINS].

Mr. PERKINS. Mr. Speaker, I doubt the advisability of suspending the rules to pass this legislation. There are provisions in H. R. 4951 which I would like to support—necessary provisions for a sound burley tobacco program. I happen to represent approximately 4,000 growers who have bases of seven-tenths of an acre or less. I realize the committee has worked hard in trying to solve a difficult problem, and I wish to compliment them; but the question of the most equitable solution still remains in my mind.

Mr. COOLEY. Mr. Speaker, will the gentleman yield?

Mr. PERKINS. I yield.

Mr. COOLEY. In North Carolina, we have about 12,000 burley growers and our average acreage is slightly over six-tenths of an acre.

Mr. PERKINS. It gets back to the question of the most equitable solution to solve this problem.

In 1952 there was legislation on this floor, not under a suspension of the rules, which set the minimum acreage at seven-tenths of an acre. I am fearful that if we continue to take away the purchasing power of these small farmers in growing burley tobacco, we will soon force them out of the business. Several counties in eastern Kentucky have a tobacco economy, and the vast majority of the farmers have small tobacco allotments. I feel confident that 99 percent of these small growers want to keep the program.

Mr. Speaker, if I had been afforded the opportunity, I intended to offer an amendment on page 2 by striking out lines 16 to 22 inclusive and inserting: "No burley tobacco farm acreage allotment of seven-tenths of an acre or less shall be reduced under this section"; and also a perfecting amendment on page 3 for the same purpose by striking out line 15 and all that follows through line 3 on page 4.

I have talked to hundreds of these small farmers. They are deeply concerned about the overproduction problem; however they feel it would be very unfair to reduce the base of these growers who produce only five or six hundred dollars worth of tobacco a year when the total reduction of this group would amount to only 2 percent of the total burley acreage.

I cannot go along with this legislation which proposes to reduce the income of these small farmers whose production has already been cut to a very thin margin. In fact, the great majority of these farmers have no other cash crop and very little cash income except tobacco money.

I have on this date received a telegram from the Morgan County Farm Bureau at West Liberty, Ky., which reads as follows:

> The Morgan County Farm Bureau at regular meeting Saturday, March 19, went on record asking you to offer amendment to proposed tobacco bill or bills now before Congress not to cut any tobacco growers with seven-tenths acre or less.
>
> EZRA BACKE,
> *President, Morgan County Farm Bureau.*

It is my considered opinion that the local farm bureau members, which usually comprise a majority of the larger tobacco producers, understand this problem best. Approximately 50 percent of the tobacco growers in the State of Kentucky have tobacco bases averaging 2.6 acres per farm, comprising more than 81 percent of the State's total burley acreage. This is why I say it would work an extreme hardship if we forced the seven-tenths-of-an-acre farmer or below to take any further cut. So I urge you to vote against the suspension of the rules.

Mr. BASS of Tennessee. Mr. Speaker, I yield myself the remaining time that I have.

The SPEAKER. The gentleman is recognized for 2 minutes.

Mr. BASS of Tennessee. Mr. Speaker, I do not strongly oppose the total content of this bill. I realize that the burley tobacco situation is certainly in a drastic state at this time. I realize we must have some type of legislation to correct the overproduction in the tobacco belt. However, I oppose this measure because of the part of the bill which allows the Secretary of Agriculture to cut the minimum acreage below seven-tenths of an acre. I fear that if we continue to cut the acreage of the small tobacco farmers we will create a social problem that will be hard to handle.

It has been brought out here today that over 64 percent of the tobacco growers in America have an allotment of seven-tenths of an acre or below. Many of these allotments, of course, are below the five-tenths proposed minimum, which this bill includes. I certainly believe that by other measures we can work out the tobacco situation without creating a social problem that this cut in minimum acreage would bring about.

I heartily endorse those parts of the bill which call for the reduction in overproduction of tobacco. I endorse the increased tax on the overproduction of tobacco. I endorse that part of the bill which disallows the establishing of a burley tobacco base by overplanting. I also endorse the measures which bring about strict compliance with the burley tobacco program. However, I cannot see myself voting for suspension of the rules in this case which will allow the Secretary of Agriculture to reduce the minimum acreage below seven-tenths of an acre.

Mr. COOLEY. Mr. Speaker, will the gentleman yield?

Mr. BASS of Tennessee. I yield to the gentleman from North Carolina.

Mr. COOLEY. The gentleman realizes, of course, that the Secretary of Agriculture cannot reduce that minimum until the proposition has been submitted to the farmers on a referendum, and until two-thirds of the farmers have indicated that they favor that.

Mr. BASS of Tennessee. The gentleman is correct.

Mr. COOLEY. What you are actually doing is permitting the little farmers to vote to determine whether or not they are willing to accept this reduction.

Mr. BASS of Tennessee. That is right but I oppose that vote for the 1955 crop at this late date.

Mr. BURNSIDE. But that is only 40 percent of the 64 percent.

Mr. COOLEY. Mr. Speaker, I yield the balance of the time to the gentleman from Virginia [Mr. ABBITT].

Mr. ABBITT. Mr. Speaker, I believe there has been a great misunderstanding on the part of some of the Members with regard to this bill. The purpose of the bill is to save the burley tobacco program. I am convinced that if the burley tobacco program goes down all tobacco programs will go down.

Mr. POAGE. Mr. Speaker, will the gentleman yield?

Mr. ABBITT. I yield to the gentleman from Texas.

Mr. POAGE. Coming from a district that has no burley tobacco producers, it seems to me that what the gentleman has said about the tobacco program will apply to all farm programs. If we allow that program to collapse, they will all collapse. Exactly what you have asked the Members of this House to do with respect to other commodities is what is being asked of burley tobacco.

Mr. ABBITT. That is exactly true.

Mr. JENNINGS. Mr. Speaker, will the gentleman yield?

Mr. ABBITT. I yield to the gentleman from Virginia.

Mr. JENNINGS. I think I represent as many small farmers in my district as any one person in this Congress. But after talking with the farmers, I am sure that if we are to save this program, if we give them an opportunity that they rightfully deserve, they will vote in favor of this bill, because they want to save the burley tobacco program and this is the only manner in which it can be saved.

Mr. ABBITT. The gentleman is absolutely right.

Mr. CHELF. Mr. Speaker, will the gentleman yield?

Mr. ABBITT. I yield to the gentleman from Kentucky.

Mr. CHELF. The bill does bring about a referendum and the farmers will have an opportunity to say what they want to do.

Mr. ABBITT. The gentleman is absolutely right.

Mr. CHELF. They will be given that opportunity. That was the reason I said awhile ago that prompt passage of this bill is imperative and necessary under the circumstances because, as everyone can see, the planting season is coming right along. It will take at least 30 days to have a referendum. Time is of the essence. That is the point I am trying to make.

Mr. ABBITT. The gentleman is absolutely right.

Mr. WILSON of Indiana. Mr. Speaker, will the gentleman yield?

Mr. ABBITT. I yield.

Mr. WILSON of Indiana. I have 11,000 burley tobacco growers in my congressional district and we grow better than 10,000 acres. The program has been put up to them and they are for it. They want to salvage what they can.

Mr. ABBITT. I thank the gentleman for his contribution.

A point we have not understood is that this bill strengthens the program, as pointed out by the gentleman from West Virginia [Mr. BURNSIDE].

First, the Secretary of Agriculture redetermines the allotment. After he redetermines the allotment, then that redetermination is submitted to the growers and they, in a referendum within 30 days after the allotment has been submitted for redetermination, will vote whether they want to accept that allotment or whether they want to turn it down.

Mrs. ST. GEORGE. Mr. Speaker, will the gentleman yield?

The SPEAKER. The gentleman does not have any more time; his time has expired.

Mr. ABBITT. I just hope he will keep the interest of the grower in mind.

The SPEAKER. The time of the gentleman from Virginia has expired. All time has expired.

The question is on the motion of the gentleman from North Carolina that the rules be suspended and that the bill be passed.

The question was taken; and there were—yeas 260; nays 152; not voting 22, as follows:

[Roll No. 25]

YEAS—260

Abbitt	Anfuso	Bentley
Abernethy	Arends	Berry
Adair	Aspinall	Blatnik
Addonizio	Avery	Blitch
Albert	Ayres	Boggs
Alger	Baldwin	Bolling
Allen, Calif.	Barden	Bolton
Allen, Ill.	Barrett	Frances P.
Andersen, H. Carl	Bates	Bonner
	Beamer	Bowler
Andresen, August H.	Belcher	Boykin
	Bennett, Fla.	Boyle
Andrews	Bennett, Mich.	Bray

Brooks, La.	Halleck	O'Brien, Ill.
Brooks, Tex.	Harden	O'Brien, N. Y.
Broyhill	Hardy	O'Hara, Minn.
Buckley	Harris	O'Konski
Burdick	Harrison, Va.	O'Neill
Burleson	Harvey	Osmers
Bush	Hays, Ark.	Passman
Byrnes, Wis.	Hayworth	Pelly
Cannon	Hébert	Pfost
Carlyle	Henderson	Phillips
Carnahan	Herlong	Pilcher
Carrigg	Hiestand	Poage
Cederberg	Hill	Poff
Celler	Hillings	Polk
Chelf	Hoeven	Preston
Chenoweth	Hoffman, Ill.	Price
Clark	Holifield	Rabaut
Cole	Holmes	Rains
Colmer	Holtzman	Ray
Cooley	Hope	Reed, Ill.
Cooper	Horan	Reed, N. Y.
Corbett	Hosmer	Rhodes, Ariz.
Coudert	Huddleston	Richards
Cramer	Hull	Riley
Crumpacker	Hyde	Roberts
Curtis, Mass.	Ikard	Robeson, Va.
Curtis, Mo.	Jackson	Robsion, Ky.
Dague	James	Rodino
Davidson	Jennings	Rogers, Colo.
Davis, Tenn.	Johnson, Calif.	Rogers, Fla.
Dawson, Utah	Johnson, Wis.	Rogers, Mass.
Delaney	Judd	Rogers, Tex.
Dempsey	Karsten	Rooney
Denton	Kean	Rutherford
Devereux	Kelly, N. Y.	St. George
Dies	Keogh	Scrivner
Dingell	Kilburn	Selden
Dixon	Kilday	Shelley
Dollinger	Kilgore	Sikes
Dolliver	King, Calif.	Simpson, Ill.
Dondero	King, Pa.	Smith, Kans.
Donovan	Kirwan	Smith, Miss.
Dorn, N. Y.	Klein	Smith, Va.
Dorn, S. C.	Kluczynski	Smith, Wis.
Dowdy	Knox	Spence
Durham	Knutson	Steed
Edmondson	Krueger	Sullivan
Engle	Laird	Teague, Calif.
Fallon	Lankford	Teague, Tex.
Fascell	LeCompte	Thomas
Fenton	Lovre	Thompson, La.
Fernandez	McCarthy	Thompson, Tex.
Fine	McCormack	Thomson, Wyo.
Fisher	McMillan	Thornberry
Fjare	McVey	Tollefson
Flood	Macdonald	Trimble
Flynt	Machrowicz	Tuck
Fountain	Mack, Wash.	Utt
Frelinghuysen	Mahon	Vanik
Friedel	Marshall	Van Pelt
Gamble	Martin	Walter
Garmatz	Mason	Watts
Gary	Matthews	Westland
Gathings	Merrow	Wickersham
Gentry	Miller, Md.	Widnall
George	Mills	Wigglesworth
Gordon	Morano	Williams, Miss.
Granahan	Morrison	Williams, N. J.
Grant	Multer	Williams, N. Y.
Green, Oreg.	Mumma	Willis
Green, Pa.	Murray, Ill.	Wilson, Calif.
Gregory	Murray, Tenn.	Wilson, Ind.
Gubser	Natcher	Winstead
Hale	Nicholson	Wright
Haley	Norrell	

NAYS—152

Alexander	Davis, Ga.	Hoffman, Mich.
Ashley	Davis, Wis.	Holt
Ashmore	Deane	Jarman
Auchincloss	Derounian	Jenkins
Bailey	Diggs	Jensen
Baker	Dodd	Johansen
Bass, N. H.	Donohue	Jonas
Bass, Tenn.	Doyle	Jones, Ala.
Baumhart	Elliott	Jones, N. C.
Becker	Ellsworth	Kearney
Betts	Evins	Kearns
Boland	Feighan	Keating
Bosch	Fino	Kee
Bow	Fogarty	Kelley, Pa.
Brown, Ga.	Forand	Landrum
Brown, Ohio	Forrester	Lane
Brownson	Frazier	Lanham
Buchanan	Fulton	Latham
Budge	Gavin	Lesinski
Burnside	Gray	Lipscomb
Byrd	Griffiths	Long
Byrne, Pa.	Gross	McConnell
Chase	Gwinn	McCulloch
Chatham	Hagen	McDonough
Chudoff	Hand	McDowell
Church	Harrison, Nebr.	McGregor
Clevenger	Hays, Ohio	Mack, Ill.
Coon	Heselton	Madden
Cunningham	Hess	Magnuson
Mailliard	Radwan	Taber
Meader	Rees, Kans.	Talle
Metcalf	Reuss	Taylor
Miller, Calif.	Rhodes, Pa.	Thompson, Mich.
Miller, Nebr.	Riehlman	Thompson, N. J.
Miller, N. Y.	Roosevelt	Tumulty
Minshall	Sadlak	Udall
Mollohan	Saylor	Van Zandt
Morgan	Schenck	Vorys
Moss	Scherer	Vursell
Nelson	Schwengel	Wainright
Norblad	Scudder	Weaver
O'Hara, Ill.	Seely-Brown	Wharton
Ostertag	Sheehan	Wier
Patman	Short	Withrow
Patterson	Shuford	Wolcott
Perkins	Sieminski	Wolverton
Philbin	Siler	Yates
Pillion	Simpson, Pa.	Young
Powell	Sisk	Younger
Priest	Springer	Zablocki
Prouty	Staggers	

NOT VOTING—22

Bell	Eberharter	Rivers
Bolton, Oliver P.	Ford	Scott
	Hinshaw	Sheppard
Canfield	Jones, Mo.	Velde
Chiperfield	McIntire	Vinson
Christopher	Moulder	Whitten
Cretella	Quigley	Zelenko
Dawson, Ill.	Reece, Tenn.	

So, two-thirds not having voted in favor thereof, the motion was rejected.

The Clerk announced the following pairs:

Mr. Zelenko with Mr. Canfield.
Mr. Sheppard with Mr. Cretella.
Mr. Eberharter with Mr. McIntire.
Mr. Dawson of Illinois with Mr. Scott.
Mr. Christopher with Mr. Velde.
Mr. Moulder with Mr. Chiperfield.
Mr. Whitten with Mr. Oliver P. Bolton.
Mr. Vinson with Mr. Hinshaw.
Mr. Jones of Missouri with Mr. Reece of Tennessee.
Mr. Bell with Mr. Ford.

Mr. O'HARA of Illinois changed his vote from "yea" to "nay."

Mr. KNOX changed his vote from "nay" to "yea."

Mr. SMITH of Wisconsin changed his vote from "nay" to "yea."

Mr. SPRINGER changed his vote from "yea" to "nay."

Mr. SIEMINSKI changed his vote from "yea" to "nay."

The result of the vote was announced as above recorded.

ONE HUNDREDTH ANNIVERSARY OF HOBOKEN, N. J.

Mr. TUMULTY. Mr. Speaker, I ask unanimous consent for the immediate consideration of the resolution (H. Res. 165) to express the felicitation of the House on the occasion of the 100th anniversary of the incorporation of the city of Hoboken, N. J.

The Clerk read the title of the resolution.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

Mr. MARTIN. Mr. Speaker, reserving the right to object, may I inquire of the gentleman, who is the author of the bill, if this is not a resolution felicitating the city of Hoboken on the 100th anniversary of its incorporation, and that it carries no appropriation; is that correct?

Mr. TUMULTY. It is a very simple resolution felicitating the city of Hoboken upon its incorporation 100 years ago and carries no appropriation.

Mr. MARTIN. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

The Clerk read the resolution, as follows:

Whereas March 28, 1955, is the 100th anniversary of the incorporation of the city of Hoboken, N. J.; and

Whereas throughout the years since its incorporation Hoboken has played an important role in the growth and development of Hudson County, the State of New York, and the Nation; and

Whereas the city of Hoboken is known throughout the United States not only because of its shipping and industrial facilities, but also because of the personal acquaintance of the thousands of servicemen who have passed through it in embarking for overseas service: Therefore be it

Resolved, That the House of Representatives extends to the city of Hoboken, N. J., its felicitations on the occasion of the 100th anniversary of its incorporation and hereby expresses to that city its appreciation for the splendid services to the Nation its citizens have rendered during the last 100 years.

The resolution was agreed to.

A motion to reconsider was laid on the table.

SPECIAL ORDER GRANTED

Mr. DONDERO asked and was given permission to address the House on Wednesday next for 20 minutes, following the legislative program of the day and the conclusion of any special orders heretofore entered.

GENERAL LEAVE TO EXTEND

Mr. FOGARTY. Mr. Speaker, I ask unanimous consent that all Members may extend their remarks in the RECORD during proceedings in Committee of the Whole and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

DEPARTMENTS OF LABOR, HEALTH, EDUCATION, AND WELFARE APPROPRIATIONS FOR 1956

Mr. FOGARTY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 5046) making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1956, and for other purposes; and pending that motion, Mr. Speaker, I ask unanimous consent that general debate be limited not to exceed 2 hours, the time to be equally divided and controlled by the gentleman from New York [Mr. TABER] and myself.

The SPEAKER. Is there objection to the request of the gentleman from Rhode Island [Mr. FOGARTY]?

Mr. HOFFMAN of Michigan. Reserving the right to object, is there going to be a vote on this bill today?

Mr. FOGARTY. It is my hope that we will be able to vote on the bill tonight. After conferring with Members on the minority side, we may not use the 2

hours of general debate. There are only 1 or 2 small amendments that I know of, and we hope to be able to pass the bill today.

Mr. HOFFMAN of Michigan. If we do use the 2 hours' debate it would be a quarter to 7.

Mr. FOGARTY. No. It would be a quarter to 6, but we do not expect to use all the time.

Mr. HOFFMAN of Michigan. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

The SPEAKER. The question is on the motion.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 5046) making appropriations for the Departments of Labor, Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1956, and for other purposes, with Mr. PRICE in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the unanimous-consent agreement, the gentleman from Rhode Island [Mr. FOGARTY] will be recognized for 1 hour, and the gentleman from New York [Mr. TABER] will be recognized for 1 hour.

The Chair recognizes the gentleman from Rhode Island [Mr. FOGARTY].

Mr. FOGARTY. Mr. Chairman, I yield myself 28 minutes.

Mr. Chairman, we bring to you this afternoon the annual appropriation for the Department of Labor, Health, Education, and Welfare, and related agencies. This is the fifth time I have had the privilege and honor of presenting this appropriation bill as chairman of the subcommittee. This is my ninth year as a member of the committee. I think I can honestly say that we have never had a more conscientious and hardworking group of Members of Congress on any subcommittee on appropriations than we have had this year.

On the Democratic side we have with us the gentleman from New Mexico [Mr. FERNANDEZ], who has served on this committee for the past 2 years; a new member, the gentleman from Georgia [Mr. LANHAM]; and we welcome back again the gentleman from Indiana [Mr. DENTON], who previously had served on this committee for 2 years. They gave to me all the help any chairman could expect. Their attendance was 100 percent, and I am very happy to acknowledge their support and cooperation at this time

When this committee was made up in January there were 2 or 3 vacancies on the Republican side. I must say that I was amazed to learn that the ranking Republican member of the full Committee on Appropriations, the gentleman from New York [Mr. TABER], who has the duty and obligation of naming the Republican members of all subcommittees of the Committee on Appropriations had named himself on this committee. It pleases me very much as chairman of the subcommittee to know that I have him with me, one of the outstanding Members of Congress. He, along with the distinguished chairman of the Committee on Appropriations, the gentleman from Missouri [Mr. CANNON], have probably done more than any other two Members of Congress to work toward keeping the budget in balance. I appreciate his presence on the committee. He never missed a meeting. He is one of the hardest working members of the committee. We have back with us again the gentleman from Iowa [Mr. JENSEN], who had previously served on the committee. His previous experience on this committee makes him most welcome. He, too, was a very active member. Then we had a new member of the committee from the Republican side, the gentleman from New Jersey [Mr. HAND]. He also never missed a meeting and turned out to be a most valuable member of the committee. So I think I can say this afternoon that I am very fortunate in having such an outstanding group of members on this subcommittee.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. FOGARTY. In just a moment. I could not conclude this phase of my remarks without mention of the most important cog in any subcommittee on appropriations, and that is the employee who does most of the work and gets paid less than he deserves for all the work he does. We have had Mr. Robert Moyer as clerk of this committee for many years. I do not know what his salary is, but he should be getting twice as much as he is getting, and I hope the Committee on Appropriations in the House does something about these clerks. When we see the budget officers from the agencies downtown, coming before our committees, making $12,000 a year or more, and our own clerks who work with us on these subcommittees and who know as much and work as hard or harder on these budgets, I think the time has come for reappraisal and correction. In my opinion they should be paid at least commensurately with executive personnel.

I have never been able to understand by what process of reasoning we Members of Congress have gone along in the approval of salaries for employees of the executive department greatly in excess of the salaries we pay our own committee and office staffs. It has been a source of amazement to me that we approve salaries of $14,800 for such executive employees and yet maintain a ceiling on our own committee personnel of about $11,600 and of our own personal staff members of less than that. And to further aggravate the situation I understand that the executive branch is now moving to increase the permissible ceiling for their employees to $17,500 per year. It seems to me that we, in the Congress, are somewhat derelict in not coming to the front for those on whom we depend so much, and I sincerely hope that we soon take measures to correct this inequity and see to it that our committee personnel and our personal staffs are at least given equal treatment with the employees of the executive department.

I now yield to my distinguished majority leader, the gentleman from Massachusetts [Mr. McCORMACK].

Mr. McCORMACK. I know the modesty of the gentleman from Rhode Island, but I think every member of the subcommittee, as well as the staff, is not only grateful but highly pleased at serving under his chairmanship, because I have served with no finer Member of Congress than the distinguished gentleman from Rhode Island, Mr. FOGARTY.

Mr. FOGARTY. Mr. Chairman, I think this is one of the most difficult appropriation bills to cut. It carries an appropriation this year of $2,337,000,000. It is $94,600,000 less than the total of the budget requests; and it is $94,200,000 less than was appropriated for the current fiscal year 1955. It is one of the most important appropriation bills because it deals with human beings. It affects all American citizens, not only in their health and welfare, but it gives protection to all those who work for a living in this country. An additional reason is that there is a one-line item in the bill that amounts to 60 percent of the $2,337,000,000, the item for public assistance. This item amounts to $1,400,000,000 which we did not cut a dime because of the statutes we are operating under. When the States approve claims for public assistance, we have no alternative but to match funds on the basis provided by the Social Security Act. As a result of the hearings, during which those in charge of the program told us this figure perhaps will fall $50 million short of meeting these requirements, the committee had no other choice but to allow the full amount of $1,400,000,000.

In the first part of the report you will notice we have a paragraph regarding civil defense. We had a request from the Department of Health, Education, and Welfare, asking for $1,600,000 for civil defense activities. We have cut this item out entirely because the committee believes that the Civil Defense Administration should keep all their eggs in one basket and not ask every agency of the Government to request the Congress, on a piecemeal basis, to appropriate money for civil defense. We say in our report that the Civil Defense Administration should go to the appropriate subcommittee on appropriations and justify their entire budget before that committee.

We did the same thing with regard to defense mobilization activities, for which we received a request from the Department of Labor. We told them the same thing in denying all funds for defense mobilization.

We cut the Department of Labor items quite substantially. For the Secretary's Office we allowed a couple of small increases. We allowed most of the request for $173,000 to make a study of those over 45 years old seeking employment. That is a problem that is going to continue to get bigger, and we are not doing anything about it. So the committee allowed an appropriation for the Secretary of Labor to study this problem and to make recommendations to the Congress next year.

We also allowed most of a $40,000 request for a program to improve the

skills of the American worker in this country.

For the Office of Solicitor we allowed a slight increase.

For the Bureau of Labor Standards we also allowed a slight increase.

We gave to the Bureau of Veterans' Reemployment Rights the sum of $346,000, a reduction of $46,000 from the request and an increase of $46,000 above the appropriation for 1955.

For the Bureau of Apprenticeship we gave an increase of $50,000 above the appropriation for 1955. We also told them to use this $50,000 in the field and not here in Washington where they requested it.

We cut grants to States for unemployment compensation and employment service administration by $280,000. This is actually a larger cut than it seems because we raised the contingency fund to $20 million. As you know, the contingency fund can be used only for three specific things; that is increased workloads that they could not foresee when they prepared their budget, an increase in State salaries, and increases in work loads because of changes in State law that may take place in the future. Even though that is some decrease in the base appropriation, they will have $5 million more than they have this year to operate with.

Now, we show a fairly substantial deduction in the Department of Labor, but most of it occurred in two items. One was the unemployment compensation for veterans. We are providing $120 million, but that is a $30 million reduction which was made because the most up to date statistics we have indicate that the $120 million will be enough to carry out this program this year. The same thing applies to the appropriation for unemployment compensation for Federal employees. This is a new law which became effective last January. We provided $10 million in the supplemental bill for this fiscal year, 1955, and the present bill includes $20 million. It is a reduction of $20 million from what they asked for, but we believe, on the testimony that was presented, that this will be enough to carry them through 1956.

We show a little decrease in the Mexican farm-labor program, because that law expires the end of December this year. If it is extended, as most people think it will be, we will be back here recommending a supplemental appropriation for the last half of the fiscal year.

In the Bureau of Employees' Compensation there is an increase of $117,000 for investigation of claims for compensation by Federal workers.

In the Bureau of Labor Statistics we allowed three increases amounting to $500,000 in total. They asked for increases totaling $1,495,000. The $500,000 includes $200,000 for improving and filling gaps in factual data on employment, hours, and earnings; $100,000 to bring up to date the Occupational Outlook Handbook, which most of the committee were convinced was one of the best publications the Government has put out to date; and $200,000 for information on the labor force and on the characteristics of the unemployed in selected areas.

Now, we gave the Women's Bureau every dime they asked for, $348,000.

In the Wage and Hour Division we gave them the small increase of $45,500 which they asked for.

Mr. BAILEY. Mr. Chairman, will the gentleman yield?

Mr. FOGARTY. I yield to the gentleman from West Virginia.

Mr. BAILEY. I would like to ask the gentleman concerning the Department of Labor. Would the gentleman mind explaining in more detail the items he spoke of there for activities in the areas where we have unemployment? I believe the gentleman mentioned an item of that kind.

Mr. FOGARTY. That was just factual data that the Bureau of Labor Statistics is getting up on all of these areas where there is high unemployment.

Mr. BAILEY. No part of it was intended to alleviate the situation?

Mr. FOGARTY. No. There is nothing in the bill that would do that directly.

In the Department of Health, Education, and Welfare we have a new program that was not asked for by the Bureau of the Budget. It is one that I became concerned with at the beginning of the year. I became interested in the program because of being asked to address the parents of retarded children in my State of Rhode Island last December. It was not until I had accepted that invitation to speak to the parents of these retarded children that I really knew of the tremendous problem that exists all over the country in this particular field. As the result of that talk, when we started the hearings in January, I asked many questions of the people in our Department of Health, Education, and Welfare, from the Secretary on down. What are we doing for these children? All down the line I found that we were not doing much of anything for these particular children. I asked that same question of the Department of Health, and I asked it of the Department of Education, what they were doing. As the result of the answers that we received and the problem that exists in this area, the committee approved an amount, over and above the budget request, of $750,000 to start a program of research for these children.

I do not like to refer to them as retarded children. When I was coming down on the train last January, I read a magazine article on these mentally retarded children. The article referred to the archbishop of Boston, Archbishop Cushing, and it related what a friend he has been to this group of children. The article told of the diocese of Boston building a school at Hanover, Mass., which I understand is one of the best in the country at the present time. It was at the dedication of that school almost 2 years ago, in 1953, that the archbishop referred to these children as exceptional children. That is the term that I like to use when we speak of these children—exceptional children.

What really touched me when I read that article was that, in dedicating this home almost 2 years ago, in 1953, the archbishop, busy as he is, made it as his last request that when he died he be buried among those children at Hanover. I do not know of anything that ever impressed me so much as that statement by this man, in his position in life, that it was his last request, to be buried among those white crosses at Hanover, to be buried among these exceptional children.

It seemed to me then that it was about time that we attempted to do something for these children, to find out what causes mental retardation in the children of our country.

Many of us still think of the village idiot in this regard, or perhaps of those unfortunate families, the Kallikaks and the Jukes, in whom idiocy ran for generations. We now know, however, that only a small percentage of mental retardation—less than 10 percent—is due to genetic causes. The main causes are organic and psychological—brain damage due to prenatal and postnatal infections, or to embryonic and birth injuries; or, as we have also learned, mental retardation can be due to environmental factors occurring during the growth of the child, especially where the child is deprived of close maternal care. These are problems, in short, which any family in the United States might have to face—and too frequently does have to.

Some progress, I am glad to say, has been made against mental retardation in the past decade.

Congenital syphilis, passed from mother to child, has been virtually conquered by penicillin. Brain damage from this cause has been virtually eliminated.

Physicians no longer X-ray mothers in their third month of pregnancy, because it is then that the embryonic brain has been found most susceptible to damage.

Also in the same month, for the same reason, both physician and mother are particularly on guard against German measles.

Blood transfusions in the newborn Rh incompatible child have been found to virtually eliminate kernicterus, a disease which ordinarily leads to cerebral palsy and mental retardation.

Such progress has been encouraging. So has progress in the education and care of mentally retarded children. New knowledge of the emotional and social needs of both children and adults has made it possible in some instances to raise the intellectual levels of the mentally retarded. Such progress in prevention and treatment has only aroused the interest of our cititzens—especially the parents of retarded children—for greater achievement, and created a demand for programs which will eliminate or reduce this problem.

Through lack of funds, programs of this kind are in their embryonic stage. Both the National Institute of Mental Health and the National Institute of Neurological Diseases and Blindness are almost alone in their support of research programs in this field, and only the surface has been scratched in this field and in the related field of guidance and training of the retarded child and adult. In fact, because of ignorance and shortage

of trained people, we are not now applying knowledge that is already available.

But much more new knowledge is within reach. Mental retardation at birth has been definitely linked in many cases with the fate of the mother and child. Pregnancy and birth records, however, because they are incompletely kept, do not permit analysis of all the factors which might lead to brain damage and mental retardation. The time has certainly come when a study should determine what data is needed concerning the pregnant mother and newborn child, with a view to isolating those as yet unknown factors or characteristics which can lead to mental retardation.

There are many other studies which should be directed to prevention of mental retardation.

What happens to the embryo during pregnancy?

How does the brain develop?

What causes brain abnormalities?

How is the brain nourished?

And when it is adversely affected during embryonic growth, can the destructive process be reversed by administration of drugs or other substances?

Research in treatment and education of the mentally retarded must also be advanced far beyond the point now possible. Rehabilitation has not really touched the field—that is, rehabilitation to make the best use of what we have.

What are the best educational procedures for persons with low levels of intellectual capacity?

What occupational and social training may be undertaken so as to make maximum profitable use of limited abilities?

How is the mentally retarded child best cared for, and how should parents and teachers be apprised of this?

These are questions which actively disturb the parents and relatives of the mentally retarded at this very moment.

Part of the problem of mental retardation is allied to needs for manpower—for trained investigators in wide range of fields such as neuroanatomy and psychology, neurophysiology and psychiatry, neurochemistry and sociology. Medical and paramedical specialists who are competent to deal with the mentally retarded in terms of their care, education, and training are also in short supply and great demand. Training in these fields has been almost completely neglected; it has merely kept pace with our critical refusal to recognize that mental retardation is a problem at all.

Fragmentary efforts are being made to meet this problem. State and local communities and a few small voluntary health associations have allocated some funds for the care and welfare of the mentally retarded. But the financial burden of these programs—if they were fully assumed—would be exorbitant. It needs no vigorous imagination to see how difficult and prolonged must be the care and education of the mentally retarded, especially when the damage occurred at birth.

Programs of care and education can be greatly expanded, and must be through the addition of trained personnel. The magnitude of the problem is such, however, that steps must be taken to reduce and eventually eliminate it. We must look forward, then, to the success of research which can lead to better means of prevention and treatment.

A limited program of research and training related to the prevention and treatment of the mentally retarded is presently being undertaken separately and together by the National Institute of Mental Health and the National Institute of Neurological Diseases and Blindness. It would be a mistake to consider that their efforts represent a full-scale attack on the problem. Yet it is just such an attack which is needed—just such an attack which, considering the facts, has been too long postponed.

It is my hope that the Congress will now make it possible to begin such a program in earnest by increasing appropriations to both these Institutes in the coming fiscal year, emphasizing research for prevention, and training for rehabilitation.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. FOGARTY. I yield.

Mr. McCORMACK. I might say that both Mrs. McCormack and I were at the dedication of this school at Hanover to which the gentleman has just referred. The gentleman very properly referred to that beautiful expression the archbishop uses in referring to these children, as exceptional children. It is a splendid school. I might say that whenever the archbishop has the opportunity in his busy life—and he is an exceedingly busy man—for a few hours of relaxation, he goes down to that school. Sometimes he may have a weekend and he goes there other than some other place, because he loves to be among those children.

I should like to compliment the gentleman from Rhode Island [Mr. FOGARTY] and all the other members of the subcommittee on this new program. I hope the press of the country will give the action of this subcommittee the credit to which the members of it are entitled, because this is something new in our effort to alleviate human suffering and distress. This is something which has originated in the Congress, and in this subcommittee of the Committee on Appropriations. When finally passed, the results that will flow from the action of the committee will represent something that originated in the Congress of the United States.

This is simply another monument to the leadership and the service of the gentleman from Rhode Island [Mr. FOGARTY], in this House, and of all the other members, in particular of this subcommittee.

Mr. FOGARTY. I thank the gentleman.

I do want to make it known that this is a unanimous report of the Subcommittee on Appropriations that is presented to the Committee today.

Taking up briefly other items in the Department of Health, Education, and Welfare: For the American Printing House for the Blind, we approved the small increase they asked for.

For the Food and Drug Administration, we gave them a small increase of $384,000.

Mr. BEAMER. Mr. Chairman, will the gentleman yield just briefly?

Mr. FOGARTY. I yield to the gentleman from Indiana.

Mr. BEAMER. I wanted to speak in behalf of the canning industry. We have a large number of people in that industry in our part of the country. I would like to refer to a statement made with reference to the Food and Drug Administration to the effect that the increase should be allowed to be utilized solely for activities aimed at protecting the American public, and so forth. I am quite sure that all of the food and canning industry are conscious of the excellent work that has been done by the Pure Food and Drug Administration. It has been of great assistance to the industry, and it is hoped that this increase will provide an increase in facilities rather than a lessening of facilities. I merely wondered about the expression used in the report.

Mr. FOGARTY. The report means exactly what it says. They have today $5,100,000 with which to operate, and the $384,000 increase we gave them is based on the testimony they presented to us that with all the new drugs coming on the market, and the new food products, and food that is being reclaimed and reprocessed, they needed additional inspectors.

Mr. BEAMER. In other words, they will be able not only to continue but probably improve the service that they are rendering?

Mr. FOGARTY. That is right.

Mr. BEAMER. I thank the gentleman very much.

Mr. NICHOLSON. Mr. Chairman, will the gentleman yield?

Mr. FOGARTY. I yield to the gentleman from Massachusetts.

Mr. NICHOLSON. Is this a proper time to ask if there is any contemplation of doing away with the marine hospital in Boston?

Mr. FOGARTY. I had not reached that, but I could never refrain from answering any question from my distinguished friend from Cape Cod. I do not believe any man has served with greater distinction than the gentleman from Cape Cod did when he was the Presiding Officer over general debate on this bill for the past 2 years. I know of the gentleman's interest in that hospital. We refer in our report to the fact that it was testified that there is no intention to close any marine hospital, and funds have been provided so that no marine hospital will be closed.

Mr. NICHOLSON. I thank the gentleman from Rhode Island very much. I think as much of him as he does of me.

Mrs. SULLIVAN. Mr. Chairman, will the gentleman yield?

Mr. FOGARTY. I yield to the gentlewoman from Missouri.

Mrs. SULLIVAN. First, may I say that every citizen in this Nation owes a debt of gratitude to the chairman of this subcommittee, the distinguished gentleman from Rhode Island, for his efforts over the years in advancing and promoting all of these programs to protect and improve the health of the American people. The research undertaken as a result of his efforts and support is adding

years to the life expectancy of our people, and reducing suffering in a really impressive manner.

As the gentleman knows, I am very much interested in the Food and Drug Administration. I should like to see its appropriation increased constantly over a period of years. We know that this cannot be done overnight, but I should like to see the appropriations increased each year so that they can be hiring scientists every year.

There is just one thing I would like to ask in connection with this bill. Can the gentleman tell me, Is it true that the only way the Food and Drug Administration can now get into any of this work in exposing cheaters is if they happen to run across it by accident in connection with their other investigations? In other words, out of this modest appropriation that is given to protect the health of our people from contaminated foods, they have very little money for protecting us against fraud, because they have to use most of it to protect us against the actual danger to our lives and health. Can the gentleman tell me how this is going to affect the work of the Food and Drug Administration?

Mr. FOGARTY. I think the gentlewoman has almost answered the question. Over the past 3 or 4 years they have been taking personnel off the investigations of fraud and putting them on investigations of foodstuffs and drugs. The only way they will be able to get back on the fraud activities is through additional appropriations to hire additional personnel.

Mrs. SULLIVAN. I hope we can each year increase that to the point where they can eventually perform all the services that are necessary.

Mr. FOGARTY. I hope so, too. I think this is one of the most important Government agencies we have at the present time.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. FOGARTY. I yield to the gentleman from Iowa.

Mr. GROSS. I note a rather considerable amount of money is appropriated here for Gallaudet College. I have no doubt that it is a very fine institution, but what I want to ask the gentleman is this: What is the enrollment of this college? Is enrollment open to people from other States in the Union? What is the enrollment from other States?

Mr. FOGARTY. I will have to get the figures regarding the number of students enrolled, but every State in the Union is eligible to send students to this college. This was formerly known as the Columbia Institution for the Deaf. Now it is called Gallaudet College. It is the only college in the world operated exclusively for deaf students. Every State in the Union has the right to send students who are deaf to this college.

Mr. PHILLIPS. Mr. Chairman, will the gentleman yield?

Mr. FOGARTY. I yield.

Mr. PHILLIPS. I believe I am quite sure that there are students from the State of Iowa, but I cannot answer definitely until I go back to my office and check on it. But up to a few years ago, all students who were there who did not come in and pay full tuition, which was somewhat rare, required the recommendation of the Congressman in order to enter the school. That is how many of us became acquainted with the outstanding work of the institution. At the present time, I believe, that has been waived, but there still is interest on the part of every Congressman in the students he has there. I know nothing more inspiring than to see these students come into the college with the inability to hear or to speak and to see them some four or five years later with the ability to speak so that they can be understood and perhaps to hear. Thus, they acquire the ability to support themselves which, if the gentleman will permit me, is one of the outstanding things about the college.

Mr. FOGARTY. May I say to the gentleman from Iowa, we went into extensive hearings a year ago with reference to the buildings, facilities and curriculum they have at the college. It was mainly on the advice of our colleagues, on your side the gentleman from California [Mr. PHILLIPS] and on my side the gentleman from Texas [Mr. THORNBERRY], who served as members of the Board representing Congress, that we went into this extensive program in building up this college. This is a $2 million project that we have now. It is going to cost the Government about $8 million for the building program to make this a first-class college. That is what we are trying to do.

Mr. GROSS. If the gentleman will yield further, the gentleman will remember that I prefaced my statement by saying I supposed it was a very fine institution, but at the same time I noticed a very substantial appropriation in this bill, and I thought I ought to inquire about it.

Mr. FOGARTY. I think the gentleman should inquire as to such things.

Mr. GROSS. I did not know whether the enrollment was open to other States in the country or whether like a good many other things here in the District of Columbia and the surrounding territory, we pour out the money at the expense of our taxpayers and get no direct benefit from it.

Mr. FOGARTY. No, this is open to all the States of the country.

Mr. GROSS. That is all I was inquiring about.

Mr. FOGARTY. As a result of this expenditure of money, this will be a first-class college in 2 or 3 years, when we get the program completed.

Mr. PHILLIPS. Mr. Chairman, will the gentleman yield?

Mr. FOGARTY. I yield.

Mr. PHILLIPS. I just want to say the reason the money is needed now is because for a great many years we have given them no money at all, with the result that the buildings are run down and we are having great difficulty in getting accredited status just because of the physical condition of the buildings. Now that was not an oversight on the part of the Congress—I do not want that to be misunderstood, but the gentleman will agree with me, it was because there was a question as to whether the college should stay where it is or whether it should be moved somewhere else. Now that question has been settled and this is to make up for what we probably should have done for the college a long while ago.

Mrs. CHURCH. Mr. Chairman, will the gentleman yield?

Mr. FOGARTY. I yield to the gentlewoman.

Mrs. CHURCH. I am sure the gentleman knows that throughout the years I have had a great interest in Howard University. I have read the report very carefully and I find mention of a cut, I believe, of $150,000. As I add up the figures representing the decrease in the amount not allowed for planning, I cannot quite get an accounting. Can the gentleman tell us what the cut consisted of?

Mr. FOGARTY. It is for plans and specifications.

Mrs. CHURCH. And not for any other item?

Mr. FOGARTY. It is for plans and specifications for a new building. There is considerable construction under way at the present time. We have already granted them about $25 million for new construction, and we are waiting until they get caught up with what they have at the preesnt time before proceeding further.

Mrs. CHURCH. May I thank the gentlemen of the subcommittee for not making any reduction in the educational feature at Howard University.

Mr. FOGARTY. No; we have not done that.

Mr. WAINWRIGHT. Mr. Chairman, will the gentleman yield?

Mr. FOGARTY. I yield.

Mr. WAINWRIGHT. The bill includes $24 million in this appropriation for construction under Public Law 815. I introduced a bill on behalf of myself and a number of other Members covering 81 school districts that have been cut off under the cut-off date of entitlement under Public Law 815. There seemed to be a great deal of sympathy in committee to pass this bill. However, if it is passed, it will be a futile thing unless there are funds on hand to comply with the request. Does the gentleman know whether the $24 million would include the funds for this or not?

Mr. FOGARTY. I think it would not. The $24 million represents every cent that they asked for under the current law, which expires this coming year. There is no money in this bill at all for any legislation that might be passed in the future.

Mr. WAINWRIGHT. In last Friday's bill there was a breakdown of that amount, $48,000,000 and $21,500,000. The $21,500,000 was to pay up in old districts where the entitlements had not been completed.

Mr. FOGARTY. I thought the $21,500,000 was the unobligated balance that they had from the old program. Then this $24 million, which would bring the total up to $94 million, is the end of the school construction program as far as this current legislation is concerned.

Mr. WAINWRIGHT. I want to congratulate the gentleman and the committee for the wonderful job they have done in this case.

Mr. FOGARTY. I thank the gentleman.

Mr. RHODES of Arizona. Mr. Chairman, will the gentleman yield?

Mr. FOGARTY. I yield.

Mr. RHODES of Arizona. There is one item of $200,000 for cooperative research education. The bill does not include any part of that request. Will the gentleman explain that?

Mr. FOGARTY. I was coming to that.

For vocational education, we have allowed the same amount they had this year, which included the $5 million that was added a year ago. In "Endowment of Colleges of Agriculture and the Mechanic Arts," you will see we gave that full amount.

The next item is "Salaries and expenses" for the Department of Education. You will remember that last year we passed 3 bills, 1 for the White House Conference on Education; another for cooperative research on education, and the other 1 set up the National Advisory Committee on Education. The only way we could get one of them through the House was by deleting the authorization for an appropriation from the bill. The House turned down the request for appropriations in the first supplemental bill for 1955, but they were added in the other body. We on the committee believe that the Department of Education could have handled these functions, if they were given additional money with which to do it. So this year we said to the Department of Education: "We will give you $100,000 more, which you are asking for salaries and expenses, and we will give you another $50,000, but we think you ought to carry out the Federal Government's functions with regard to education, including what was to be assigned to the National Advisory Committee on Education, which is not in the Department of Education but in the Secretary's office. And, by the way, the head of the Department of Education, the commissioner of education, is a nonvoting member of the National Advisory Committee. He does not even have a vote on that committee.

Then we disallowed the request for "Cooperative research," because we thought they should be able to carry on those activities in the Department of Education.

We believe it is about time that the Department of Education became a real department or none at all, one that the educational authorities throughout the country would be proud of; and they do not have the personnel to carry on those activities at this time.

Mr. McCONNELL. Mr. Chairman, will the gentleman yield?

Mr. FOGARTY. I yield to the gentleman from Pennsylvania.

Mr. McCONNELL. In connection with the cooperative research program, if I remember correctly that bill passed by a rather overwhelming vote in the House.

There was no necessity for dropping out any request for funds in connection with the cooperative research program. It was generally felt that the reason it was advocated was in order to save money in research matters that would deal with educational problems. It was following the general program where they farm out many matters of research.

Now I am wondering when you cut out the program for cooperative research in education and put it into the Department of Education under, I imagine, the Commissioner of Education, if you preclude his farming out research projects? Because to me that is the key of the whole thing.

Mr. FOGARTY. No. We asked him to handle this program and then come in and justify the request in his annual budget in the Department of Education where we believe this work should be done.

Mr. McCONNELL. It would be done under their direction but it might be farmed out.

Mr. FOGARTY. That would be up to them if they appear and justify it before our committee.

Mr. GAVIN. Mr. Chairman, will the gentleman yield?

Mr. FOGARTY. I yield.

Mr. GAVIN. I want to commend my very good and able friend, the gentleman from Rhode Island [Mr. FOGARTY] on a very fine statement. Previously in his remarks he discussed the situation relative to people securing employment after reaching the age 45. I did not hear the amount that the committee recommended or appropriated.

Mr. FOGARTY. Approximately $170,000 in the Secretary's office.

Mr. GAVIN. And a staff will be appointed to study that problem.

Mr. FOGARTY. That is right.

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. FOGARTY. I yield to the gengentlewoman from Massachusetts.

Mrs. ROGERS of Massachusetts. What does the committee authorize in the way of money to help private hospitals, foundations, and so forth?

Mr. FOGARTY. I will get to that in just a minute.

Mrs. ROGERS of Massachusetts. I would like to express my deep appreciation of the gentleman's admiration of our Bishop Cushing and his interest in children. This interest in exceptional children is just one of the wholehearted generous things the noble and great-hearted bishop has done in Massachusetts. He is tireless in his activities to help all who need help. He never spares himself.

Mr. FOGARTY. In the Office of Vocational Rehabilitation we include $32,000,000 for State grants. This will allow $30 million for the basic program, plus $2,500,000 for the new features added last year.

In training and traineeships we include $1,800,000, an increase of $900,000 above the appropriation for 1955. That increase is made because the appropriation for the current fiscal year came too late to be used for the first semister of the 1954–1955 school year for salaries and expenses the committee made a reduction of something over $200,000 from the budget request, but still an increase of $165,000 over the current year's appropriation. The first item under Public Health Service is the appropriation for the control of venereal disease, because there are still some States where it is not under control and there are indications that the appropriation has been reduced to an extent not warranted by the circumstances, the committee is recommending a small increase for the next fiscal year.

For control of tuberculosis the bill appropriates the amount requested, the same as that carried for the current fiscal year, $6 million.

For control of communicable diseases the committee approved an increase of $100,000 above the amount appropriated for 1955, $4,400,000. One thing that the committee feels should be given special attention is the rabies problem, which is becoming increasingly important in many areas of the country, and we have earmarked $50,000 for that.

Mr. LANHAM. Mr. Chairman, will the gentleman yield?

Mr. FOGARTY. I yield to the gentleman from Georgia, who has taken such an interest in this matter.

Mr. LANHAM. I wanted to make it clear that this $50,000 is in addition to the $90,000 that is being expended at this time on this program.

Mr. FOGARTY. Yes; that is correct. The $50,000 is in addition to what they are now spending for this activity.

Mr. LANHAM. Which will make a minimum of $140,000 for 1956.

Mr. FOGARTY. That is right.

For sanitary engineering activities the committee cut about $300,000 from the request but allowed over $700,000 more than they had this year for these activities. We allowed them this increase for research dealing with air pollution and water pollution control, and the basic laboratory facilities and activities related thereto.

In the hospital construction program we allow in this bill $96 million, which is a reduction of $29 million from the request. Under the old Hill-Burton Act we have been appropriating about $75 million. This year the budget asked for $65 million. We raised that from 65 to 75 million dollars and cut down the request under the new program to $21 million for these diagnostic centers, nursing homes, chronic disease hospitals, and rehabilitation centers because that has been slow in getting started. The $21 million would give them exactly what they have this year with which to operate.

Mr. BAILEY. Mr. Chairman, will the gentleman yield?

Mr. FOGARTY. I yield to the gentleman from West Virginia.

Mr. BAILEY. How does the item for hospital construction compare with last year?

Mr. FOGARTY. Under the old Hill-Burton Act we are keeping it at $75 million, the same as we did for 1955. We raised the budget request from 65 to 75 million dollars in this bill.

We made a reduction of $300,000 from the request in connection with salaries and expenses, hospital construction services.

The Foreign Quarantine Service asked for an increase of $100,000. We gave them half—$50,000.

Now, we have two new activities. For Indian health activities the bill includes $33,840,000. We gave them every cent they asked for and a little more. Because of the interest of my distinguished friend from New Mexico [Mr. FERNANDEZ], and the study he made, we allowed them the request and an additional $250,000 to make a complete and comprehensive survey of the needs for health facilities for the Indians. We were of the unanimous opinion that if the Public Health Service is going to be asked to take care of these Indians, we ought to give them enough to do it with.

Mr. BARTLETT. Mr. Chairman, will the gentleman yield?

Mr. FOGARTY. I yield to the gentleman from Alaska.

Mr. BARTLETT. I would like to commend the gentleman and the members of his committee for the work they have done for the care of Indians in Alaska. I would like to ask the chairman if my assumption is correct that the committee desires all hospital facilities in Alaska to be utilized to the utmost before patients are sent from there to other places? I have in mind the situation at Seward and at Anchorage, Alaska. I would very much appreciate it if the chairman would explain the committee thinking on that point.

Mr. FOGARTY. If the gentleman wants an expert opinion, I would have to refer to the gentleman from New Mexico [Mr. FERNANDEZ].

Mr. FERNANDEZ. Mr. Chairman, the answer to that is yes, definitely. Last year there was $1,180,000 appropriated in a supplemental bill for the care of patients in the State of Washington. They made an appropriation request also for patients to be cared for in hospitals in Alaska. For some reason the budget cut that out.

This year we are assured by the Department that they have requested sufficient funds of the committee to take care of all beds available in Alaska and also the necessary beds available in Washington, and the committee has approved their request.

Mr. FOGARTY. I thank the gentleman.

Mr. BARTLETT. I thank the gentleman from Rhode Island and the gentleman from New Mexico.

Mr. FOGARTY. I have some more extensive remarks about the National Institutes of Health that I will make a little later, but at this time I will only say that we gave them the amount they asked for this year. It is spelled out on page 13 of the report. They asked for $89,138,000 and we gave them $89,138,000.

There are a few internal changes in this program. For mentally retarded children we added $250,000 to the Mental Health Institute and $500,000 for neurology and blindness activities. We also gave an additional $250,000 for 26 more beds in our new clinical center in Bethesda, Md., to permit them to take in more patients. They have a backlog of over 300 applicants for admittance into this particular institute and because of the fine work and accomplishments they have made over the past year or two, the committee gave them an additional $250,000 to expand their activities.

The development of the programs of the National Institute of Neurological Diseases and Blindness has been a matter of special interest to me. This Institute was created during the 81st Congress, at which time I was chairman of the subcommittee which considered its appropriation. The Institute had been authorized under Public Law 690 in 1950 but was not allocated operating funds until fiscal year 1951.

Prior to that time, through the interest and efforts of the voluntary health agencies in the field, some progress had been made against the neurological and sensory disorders. We learned that they affected some 20 million people in the United States, half of whom are gravely disabled. We heard that many of these victims are rejected by society, for those crippled by such disorders as multiple sclerosis, cerebral palsy and epilepsy, or blinded by glaucoma and cataract, either are stigmatized by their ailments or make others retreat from them because of our inability to be of assistance.

These disabilities with but very few exceptions are incurable. It is perhaps just as disturbing to know that such treatment and care as might ameliorate their suffering is rarely available. We have learned that there are only about 250 qualified neurologists in the United States. Some States have none at all.

The voluntary health agencies have done much to bring both aid and welfare to the unfortunate victims of these diseases, but the excessive financial burden has made it impossible to aid all of them. It was and is, therefore, a major difficulty for such agencies also to support adequately such research and training as might eventually lead to the prevention or cure of many of the neurological and sensory disorders.

In past testimony on behalf of the Neurology Institute, it has been said that patients with these disorders are the "forgotten men." Rejected by society, spoken of only within the family circle, virtually neglected by medicine and science, bereft of compassion during their slow, disabled progress toward death, we can only agree that this phrase is truly appropriate.

In 1950 I was convinced that the plight of these "forgotten men" warranted action—and further, that it warranted such immediate and extensive action as only the Congress could stimulate. It was apparent, too, that a broad program to attack these problems should be centered at the National Institutes of Health. I then proposed, with the hearty concurrence of the subcommittee, that a significant program be established immediately, stressing training, research in non-Federal institutions, and direct research at Bethesda. The Congress approved appropriations for the National Institute of Neurological Diseases and Blindness totaling $1,250,000 in 1952, $1,972,000 in 1953, $4,500,000 in 1954, and $7,600,500 in 1955.

Within a year after the first funds were made available to this program, it was already evident that a national force had been established. Sound programs were already underway in research grants, research fellowships, clinical traineeships, and at Bethesda, the nucleus of an outstanding group of scientists had been formed.

Now, a little more than 3 years later, this early promise has come to fruition, and the Institute has begun to stand firmly on a record of research and training productivity of which the Congress may well be proud.

At Bethesda, the basic chemical abnormalities responsible for epileptic seizures has finally been brought to light by Institute scientists. Based on this discovery, a treatment with two substances, glutamine and asparagine, promises to bring greater control over this dread disease. Again, drugs for the medical control of a major eye disorder, granulomatous uveitis, have been developed, thereby saving some 2,500 persons each year from probable loss of vision.

Through grant support of research at non-Federal institutions, the leading cause of blindness in children, retrolental fibroplasia, has now become largely preventable; a major cause of cerebral palsy, kernicterus, has been virtually eliminated, and I have learned from a recent report that incidental to the study of nerve muscle disorders, a potential antidote for war nerve gases is in the process of development, so that we may now hope for neutralization of that horrible weapon of war.

The training programs of the Neurology Institute have also been effective in helping meet the needs of the victims of the neurological and sensory disorders. Some 92 physicians and paramedical personnel have received specialized training in neurology, ophthalmology and rehabilitation, as a result of the clinical traineeship program. Last year and this year, the Congress made available a total of $1½ million for aid to medical schools to initiate or expand their training in neurology and ophthalmology. As a result, there are now another 74 residents in neurology and 16 in ophthalmology who are already or will be treating patients and who are or will be conducting research. Twenty-eight teachers in the clinical or basic neurological sciences have emerged from this program, as have 14 in the ophthalmological sciences.

I am glad to say that the Institute's relations with the voluntary health associations in its fields are very effective. The study of retrolental fibroplasia was conducted in cooperation with two such agencies; two other agencies are cooperating in the national cerebral palsy study which is being spearheaded by the Institute; and many other projects have been conducted through mutual assistance and cooperation. The Institute in truth has become a focal point for the attack on the neurological and sensory disorders.

This history of success would suggest that all the Institute's needs and thereby the Nation's are being fully met. This is not so, and as our subcommittee found, as might be expected in a new program, there were still several serious deficiencies in support of the Neurological Institute program. One of these deficiencies was that there were not enough clinical

facilities available to the Institute. It had been originally planned that the Institute should have 52 beds in the Clinical Center. In the past year, they have had to borrow 13 beds from the other Institutes. And their absolute need is for 78 beds. This means that if we are to encourage the Institute to achieve maximum effectiveness, we should provide additional funds in the amount of $280,000 to permit activation of an additional Institute nursing unit in the Clinical Center.

One reason for the increased need for research beds lies in the fact that the many diseases under investigation demand specialized bed facilities. Another reason is the need for beds in connection with research on blindness—a program which is just getting into high gear. Dr. Ludwig von Sallmann, one of the three leading eye researchers in the country, will be joining the Institute, and activation of the eye-research program as originally planned and supported by Congress will then become possible. Dr. Von Sallmann's work in glaucoma is of particular promise; and he hopes as well to activate studies on cataract and corneal opacity on a larger scale than has hitherto been possible. These disorders of the eye are responsible for more than 50 percent of blindness in the United States but at present receive little clinical research attention.

The 52 beds now available to the Institute cannot possibly absorb new research without terminating present research of promise. Moreover, eye research, as other research, demands certain specialized procedures in medical care requiring separation of its research patients from neurological patients; and the eye research program, therefore, requires a specialized nursing unit of 26 beds.

It should be noted that the two standard nursing units of 26 beds each now available to the Institute are also specialized; one unit receives medical patients, chiefly those with muscular dystrophy, myasthenia gravis, and epilepsy; the other receives surgical patients, chiefly those with cerebral palsy, brain tumors, and those epileptics for whom surgical intervention has proved necessary. This division is not arbitrary; it is essential for proper medical care and research determinations; it facilitates research control; it guarantees that each area as a whole will be geared to the special needs and welfare of the patient. Similarly, therefore, eye research and eye research patients will require a distinct separate research-nursing unit for the optimum benefit of the patient and for maximum research productivity.

I do not want to conclude this discussion of the program of the National Institute of Neurological Diseases and Blindness without referring to its role in the study of mental retardation. The National Institute of Mental Health is also interested in this problem. There is, of course, necessarily, a very close correlation between these two Institutes.

It is for all of these reasons, which add up to the need for rounding out a research program of great merit, that I propose modest increases for the National Institute of Neurological Diseases and Blindness.

Although we gave $1 million above the requests for the two Institutes, we took off $1 million out of operating expenses, which was for grants to States for water pollution and air pollution control, because we thought there might be some duplication with the work of the Sanitary Engineering Center at Cincinnati, Ohio, for which a considerable increase was allowed for research in air pollution and water pollution.

Mrs. FRANCES P. BOLTON. Mr. Chairman, will the gentleman yield?

Mr. FOGARTY. I yield to the gentlewoman from Ohio.

Mrs. FRANCES P. BOLTON. On page 14, second paragraph, under "Operating expenses," there is an increase of $625 000 for grants for studies in the field of nurse utilization in preparation of nursing personnel. Nothing could be more helpful at the moment, Mr. Chairman, and I am not criticizing it, but I am wondering how these research grants are going to be set up. Who will do the research work? Who will do the evaluation? And, what will the end result be? Will it assist in the use of nursing personnel, or will it just be a study that is static?

Mr. FOGARTY. From what they told us, it comes under the purview of the Public Health Act itself as far as the authority is concerned, but the National Institutes of Health will make these grants to various medical schools throughout the country as they are making grants for cancer, heart, and other research. They will be handled in practically the same way as other grants are under the National Institutes of Health. I am sure it will not remain static.

Mrs. FRANCES P. BOLTON. The diffusion of what they learn is one of the very important things, but I have not found anything that would indicate they will do that. I am hoping that my bill, setting up a commission for nursing, H. R. 171, will carry on, perhaps, from that point.

Mr. FOGARTY. I would think this would be a very good basis for legislation such as the gentlewoman has recommended to the Congress.

Mrs. FRANCES P. BOLTON. I thank the gentleman.

Mr. PELLY. Mr. Chairman, will the gentleman yield?

Mr. FOGARTY. I yield to the gentleman from Washington.

Mr. PELLY. I wonder if the gentleman could tell me if the historic appropriation that we have had for members of our merchant marine, our sick and disabled seamen, is included in this legislation.

Mr. FOGARTY. Yes; under the item "Hospitals and medical care," and we are giving them nearly everything they asked for.

Mr. PELLY. I thank the gentleman.

Mr. FOGARTY. There is very little change from the 1955 appropriation base in the remaining item in the bill, so unless Members have questions, I will not go into further detail concern them.

So, Mr. Chairman, all in all, we have an excellent bill to present to you. It is one in which no important activity is being hurt, and we have cut in every place where we knew a cut could be had. On the other hand, we have granted increases and even gone above the budget where we felt important and worthwhile progress could be made for the benefit of the American people.

I wish that every Member of Congress could have heard the testimony on medical research which was presented before our Appropriations Subcommittee in February and released in a public document March 16. The occasion was a review of the 1956 budget proposals for the National Institutes of Health. As the hearings progressed, I was filled with pride at the record of accomplishment which was brought before us. Today, I want to share some of my feeling with you.

The people of Rhode Island's Second District have asked me to represent them in Congress for the last 14 years. During most of this time, I have chosen to serve on the subcommittee concerned with funds for labor, health, education, and welfare activities of the Federal Government. This is no mere accident of seniority and succession. I feel that many matters of the most vital and personal significance to the American people are brought before this committee. It has been a privilege for me to observe and participate in the evolution of the various programs in the Department of Labor and the Department of Health, Education, and Welfare.

One of these programs in which I have had a continuing interest is that of the National Institutes of Health, located in Bethesda, Md. As part of the Public Health Service, it has a long and distinguished record of service. Its research activities began in the 1880's. From the turn of the century until the present time, its scientists have made great contributions to the control and eradication of such diseases as diphtheria, smallpox, plague, cholera, typhoid, typhus, pellagra, and the other diseases which were a constant menace a few short years ago, but are rarely heard of today.

Just before, during, and immediately after World War II, it became abundantly clear that medical research in this country had to face up to a whole new set of problems. If these problems were to be met, our medical-research efforts would have to be reorganized, redirected, and strengthened by more adequate support from all sources, both private and public.

The population of the United States was growing rapidly. At the same time, the average life span was increasing. A child born in 1950 could look forward to almost 70 years of life, in contrast to the child born in 1900, whose life expectancy was less than 50 years. These population changes had the net effect of causing more people to live to middle and old age. It was this fact, resulting from the increasing control of the communicable diseases, that caused a need for a shift in medical-research emphasis. It became important to focus primarily on the diseases which cause premature death and long-term disability—diseases such as heart disease, cancer, mental illness, arthritis, and so on. This meant fundamental changes in the method and content of medical research itself,

for these were challenging, complex diseases about which little was known.

There was another important factor at work during this period of transition. The United States had been dependent largely upon European research for much basic scientific data. We were cut off from that source of supply by 1940—and it has never been resumed. Yet research against chronic illness could not hope for success unless there was a continuing flow of basic data to provide the essential underpinning for progress. Thus, one of the challenges of the times was to establish and sustain a diversified and productive national research effort in the basic sciences, and at the same time provide assurance that each promising lead from the basic science laboratories would be quickly exploited if it promised to yield something of value in the prevention and control of disease.

Still another factor helped reshape our medical research structure at this time. Our victory in World War II was in part a demonstration of a great national capacity for productive research. All sorts of problems yielded to concentrated research effort under the impetus of the struggle for the survival of freedom—problems ranging from the mysteries of the atom to improved psychiatric treatment for warborn psychoses. In fact our success in the Far East was made possible largely by our conquest of malaria and the dysenteries. When the war was over, it seemed imperative that the research effort should continue, and the American people confidently expected that a part of that effort would be centered on the problems of health and disease.

The interplay among these and other forces resulted in policy decisions that materially affected the National Institutes of Health. One was that it was appropriate for the Federal Government to continue to support medical research and research training through grants and awards. The National Institutes of Health took over a group of grants from the abolished Office of Scientific Research and Development, and we saw the beginning of a research-grants program which has grown and prospered through the years, until now it supports more than one-quarter of all medical research conducted in the Nation's medical schools and universities.

Another policy decision was that the National Institutes of Health should gradually strengthen and redirect its own research activities at Bethesda, in order to be a fully effective complement to the private medical research effort. The years have seen the establishment of new Institutes—the National Heart Institute in 1948, the National Institute of Mental Health in 1949, the National Institute of Neurological Diseases and Blindness in 1950—until today, the seven Institutes cover the full range of diseases which plague mankind.

A third policy decision was that the National Institutes of Health required extensive clinical research facilities to round out its research program. The beautiful new Clinical Center was authorized in 1947, started in 1949, and has just been completed. This center, with its functional design, has beds for 500 study patients and 1,000 rooms for clinical and laboratory investigation, providing the National Institutes of Health with medical research resources that are second to none in the world.

It was apparent then, as it is today, that research progress is dependent upon a continuing supply of trained scientific manpower, modern research facilities in which to work, and adequate funds for the support of research projects. All of these requirements have been met, in part, by a responsive Congress—the first by expanded fellowship, training-grant, and teaching-grant programs; the second by a program of research-construction grants for heart and cancer facilities—terminated, unfortunately, by the Korean war—as well as by the new facilities on the ground of the National Institutes of Health; and the third need, support of research projects, has been increased each year since the program expansion began in 1946.

I have watched the growth of the National Institutes of Health very closely during this period of transition. In the decade since the war, it has changed almost beyond recognition—in size, and in outward appearance. But the fundamental motivation remains the same—the organized, thoughtful search by well-trained and dedicated men for new knowledge which will be useful in the conquest of disease.

The National Institutes of Health, as a public institution, could not have reached its present state of development if it had not been for the strong bipartisan support of Congress. It represents a capital investment of more than $30 million. Its annual appropriation for the current fiscal year is $81 million—of which more than $50 million is allocated to research grants, research training, and related programs for the support of research in medical schools, universities, and other private-research institutions. An investment of this magnitude is an act of great faith by the Congress both in the ultimate return from investment in medical research and in the effectiveness and productivity of the National Institutes of Health itself.

As chairman of the subcommittee directly concerned with these appropriations, I am pleased to be able to report to you that there is ample evidence that our faith and confidence has been well founded.

I can recall clearly the hearings on some of these appropriations during the years immediately after the war. Productive research was continuing in the National Institutes of Health laboratories. But most of the testimony centered around the nature of the research problems, their size and importance—in both human and economic terms—and the steps that would have to be taken in order to launch a major research attack. This was a necessary note to strike during a period of transition.

Last year, and even more dramatically this year, however, there was a new note in the hearings: a note of solid progress, demonstrating specific advances and leaving us with the conviction that the National Institutes of Health has come through its period of transition with flying colors and is now come of age.

It is of course difficult to attempt any specific correlation between medical research progress and dollars saved in the national economy, although we know such correlation exists. Isolated facts point up the way it works. Mental illness costs the Nation more than a billion tax dollars a year for institutional care alone. Half of the mentally ill who are hospitalized suffer from schizophrenia. Improvements in the prevention or treatment of schizophrenia, then, would obviously have great meaning to the American taxpayer.

Or consider the more than 4½ million Americans with high blood pressure, a disease which causes a progressively increasing amount of disability after middle age. If there were a way to control this disease, it would return rich dividends.

Even the common cold, that much-ridiculed "minor" disease which afflicts the average person several times a year, is estimated to cost the Nation several billion dollars a year in absenteeism and lost productivity.

Facts such as these indicate that the stakes are high in economic terms. Even more important are the stakes in terms of human happiness and well-being. A fundamental principle under our system of government is that the individual citizen has a right to life and the pursuit of happiness. The Government has an obligation to help the individual achieve these goals, in part by making it possible for him to achieve better health.

Tangible evidence that our Government is meeting this obligation is found in some of the current reports of progress in research conducted or supported by the National Institutes of Health. I would like to cite several examples. My purpose in doing so is to convey to you the sense of movement which we felt so strongly in our committee hearings and which is reflected in the committee report on these appropriations.

One report from the National Cancer Institute is that there is now available a diagnostic technique which, if applied broadly in medical and public health practice, can virtually conquer cancer of the cervix in women. This is the second most common form of cancer from which women suffer.

We were informed of the results of a group of grantees supported by the Neurology Institute. They undertook to establish the cause of a form of blindness called retrolental fibroplasia, which is common among premature infants. They found that administration of too much oxygen during the first days of life was responsible. With this knowledge, it is possible to prevent this disease, which has already claimed more than 8,000 victims doomed to total blindness from birth.

Another form of blindness, called uveitis, has caused nearly 30,000 people in this country to be totally blind and another 150,000 blind in one eye or visually handicapped. In National Institute of Health laboratories, it was established that one form of this disease was caused by an organism called toxoplasma, and that the disease responded to treatment with a combination of medicinals, one of

which was developed at National Institute of Health.

The Arthritis Institute has recently announced work with a pair of new drugs which promise to be four times as effective as cortisone in the treatment of rheumatoid arthritis.

The Heart Institute reports new drugs which are highly effective in lowering blood pressure, and the Cancer Institute reports drugs which, while they are not cures, can add 1 to 5 years to the lives of children afflicted with leukemia.

The Microbiological Institute reports very hopeful progress toward finding effective vaccines against the common cold and other minor upper respiratory infections. The hope stems from the successful isolation of a whole series of hitherto unknown viruses, called the APC viruses, which are associated with the development of striking epidemic illness.

Research on epilepsy by the Neurology Institute offers some very promising leads having to do with chemical deficiencies of the epileptic tissue which may possibly be corrected by adding chemicals to the blood.

The Microbiological Institute has made significant progress in developing and testing effective vaccines against influenza.

The Cancer Institute has demonstrated the usefulness of the female sex hormones in treatment for cancer of the breast, cervix, and the prostate gland.

Items of progress such as these and many others recorded in the hearings are I think the kind of return Congress was hoping for when it supported the development of the National Institutes of Health during the decade just past.

It would be short-sighted indeed to base one's judgment solely on reports to and testimony before a committee of Congress.

The committee has also received a great deal of clarifying testimony and wise counsel from distinguished scientists and interested laymen who have journeyed to Washington at their own expense to comment on the health needs of the Nation.

In addition, members of the committee have visited the National Institutes of Health to see first hand the work that is going on in the laboratories, the research facilities, and the caliber of the professional staff.

Through the years, we have been impressed, too, by the demonstrated ability of the National Institutes of Health to administer a complex and extensive program in support of research and research training—a program which reaches into the heart of virtually every medical research institution in this country—without interference, without Federal domination or control, but with the kind of relations which assure that the program meets the needs of the Nation as a whole. I have met personally with a number of medical school deans, administrators, teachers, and research workers; and I am assured that the mechanisms for administration and review of these grant and award programs, and the policies which they reflect, are broadly endorsed throughout the country.

Gentlemen, the total medical research expenditure in this Nation today is under $200 million a year. This includes support of research from all sources—philanthropy, endowment, industry, and government. It represents only 5 percent of all research and development of all kinds. I do not propose to make comparisons between medical research and other necessary research, such as that in atomic energy, or in agriculture. I do believe, however, that the $200 million total is small in view of the importance of the problems of disease and the potential gain from attacking disease through medical research.

The annual appropriations to the National Institutes of Health represent an important segment of the total national expenditure for such research. We have in large measure helped to create a program which is essential to continuing progress against disease. It is today an alert, flexible, dynamic program. It is up to us, and to those who may succeed us, to make sure that the program measures up through periodic review. I propose, as a part of my duties, to continue to conduct such reviews, paying particular attention to the broad areas of research interest and seeking to pinpoint research needs wherever they may occur. At the same time, I propose to make sure that the National Institutes of Health do not suffer through thoughtless and short-sighted decisions which might put its productivity in jeopardy.

The committee has a continuing interest in seeing that research work within the expanded PHS facilities, such as the Clinical Center, is not impeded from attracting and holding scientific personnel of superior quality by an inadequate salary structure.

In 1948 the Congress provided the PHS with 30 supergrade positions in the $10,000 to $15,000 salary range. These were reserved for employment of specially qualified scientific and professional personnel in research and development activities. This has proved to be farsighted and successful legislation and has enabled the Service to attract a number of outstanding physicians and scientists interested in research.

Testimony before this committee indicates that except for a few scarce specialties, such as ophthalmology, radiology, and psychiatry, the Service has been able to attract most of the top program leaders it needs to plan high quality research. The presence of outstanding research leaders in turn has made it possible to attract a promising staff of young investigators at current entrance salary levels.

However, the committee was given the impression that slow promotions through the middle scientific grades and possibly lack of salary incentives at the top grades are making it difficult to hold an adequate number of the most promising investigators as they develop and demonstrate their research abilities. There may be other reasons.

I think that the Secretary of the Department of Health, Education, and Welfare should undertake an immediate study to develop full information on the extent of the problem of retaining competent professional manpower in research laboratories of the PHS. I feel that we should have the Secretary's advice on or before July 1, 1955, on specific measures which are being, or can be, taken to correct the problem either by executive or legislative action.

Mr. HOFFMAN of Michigan. Mr. Chairman, will the gentleman yield for a question?

Mr. FOGARTY. I yield.

Mr. HOFFMAN of Michigan. Can the gentleman advise us whether there will be a rollcall vote tonight?

Mr. FOGARTY. As far as I am concerned, there will be no rollcall vote. I expect the bill to pass without amendment.

The CHAIRMAN. The time of the gentleman from Rhode Island [Mr. FOGARTY] has expired.

Mr. HOFFMAN of Michigan. Mr. Chairman, will the gentleman from New York [Mr. TABER] yield to me?

Mr. TABER. Yes.

Mr. HOFFMAN of Michigan. Can the gentleman advise me whether there will be a rollcall vote tonight?

Mr. TABER. I have not any idea. It depends on whether somebody asks for one. If somebody does, there is no way to stop him from getting it. I cannot stop him.

Mr. HOFFMAN of Michigan. The gentleman has some idea whether he will himself ask for a rollcall vote or not.

Mr. TABER. At the present time I have no expectation of asking for one.

Mr. FOGARTY. If the gentleman will yield to me for a moment, we have no desire on this side of the aisle to ask for any rollcall vote this evening, although we expect the bill to pass in a reasonably short time.

Mr. TABER. If someone should offer an amendment which I thought was not desirable and it was adopted, I might be left no alternative than to ask for a rollcall vote.

Mr. HOFFMAN of Michigan. Then about the only thing for me to do is to stay here and make a point of no quorum tonight, and then have it go over until tomorrow.

Mr. TABER. I think, Mr. Chairman, we might just as well go along.

Mr. HOFFMAN of Michigan. All right; I will stay here.

Mr. TABER. Mr. Chairman, I yield 10 minutes to the gentleman from New Jersey [Mr. HAND].

Mr. HAND. Mr. Chairman, I doubt very much that I shall use even the 10 minutes allotted to me, because the chairman of the subcommittee has made a very thorough and extensive presentation of the details of the bill and has yielded very generously, so that most of the Members are quite well informed about it.

I must say to the gentleman from Rhode Island [Mr. FOGARTY] however, that we on the minority side feel just as affectionately toward him as he has so kindly expressed himself toward us. I have had the privilege of serving in the House with the gentleman for many years past, but not before have had the intimate relationship in committee work. He has been an excellent chairman at all times, very fair and courteous, and

it is our pleasure on this side to reciprocate the nice things that he was so gracious enough to say about us.

We on the subcommittee have the privilege of having, as the gentleman from Rhode Island has already indicated, our ranking minority member, the gentleman from New York [Mr. TABER], and also the benefit of the presence and advice of the gentleman from Missouri, so that our committee is unusually fortunate in having those experienced Members to help the rest of us.

The only thing I want to emphasize is, as the chairman has already indicated, that this bill has been cut by almost in excess of $94 million, but I want to say that the cuts have not in any degree been arbitrary cuts. For example, we have not hesitated on 2 or 3 occasions to exceed the amount that the Bureau of the Budget allowed where we thought that was necessary and proper.

If the members of the Committee of the Whole will refer, for example, to the report on page 19 they will see that we were very careful in restoring some cuts made by the Bureau of the Budget to the United States Soldiers' Home.

Mr. PRIEST. Mr. Chairman, will the gentleman yield?

Mr. HAND. I am happy to yield to the gentleman.

Mr. PRIEST. I wanted to ask one question about a section of the report on page 7 relating to the Food and Drug Administration. The language is:

> It is the desire of the committee that the increase allowed be utilized solely for activities aimed at protecting the American public from products that are filthy or endanger health, and for better enforcement of the oleomargarine laws.

The question I have in mind is this. In the opinion of the subcommittee that language does not in any sense restrict the Food and Drug Administration from carrying out the program it now has, by specifically mentioning foods that are filthy or endanger health?

Mr. HAND. It would not, in my opinion, be so restrictive, nor in my judgment would it in the opinion of the subcommittee.

Mr. PRIEST. I have had some inquiries made to me in that regard and I am trying to clear the matter up for the record. What I have in mind, for example, is not a pleasant subject, but, for instance, if horsemeat were sold for hamburgers to be used for human consumption, that would not be filthy and perhaps not dangerous, and yet the practice of investigating such activities the Food and Drug Administration should be permitted to continue.

Mr. HAND. No doubt they will, and there were other activities that were a little beyond what we thought was the legislative intent, where we intended to restrain.

Mr. PRIEST. I thank the gentleman for that clarification.

Mr. HAND. The only thing I want to say particularly about the bill, because it is impossible, of course, to cover the entire bill, is to indicate that in the treatment of appropriations requested by the National Institutes of Health in every instance the committee has given these institutes the entire amount of their budget requirements.

On page 13 of the report it is indicated that the National Cancer Institute, mental health activities, National Heart Institute, dental health activities, arthritis and metabolic disease activities, microbiology activities, and neurology and blindness activities have all been given, with 1 or 2 exceptions, a good deal more than they had in the last fiscal year, and all without any exception, have been given the entire amount of the budget request.

The subcommittee I think is in complete agreement that while we cannot vouchsafe for the perfection of the administration or for the perfection of the work they are doing, the National Institutes of Health are doing a dramatic job, a very important job, and a job which will continue to increase in importance as time goes on. These institutes, it will be remembered, are quite young, but already they have done some excellent work.

I doubt very much if I have time to make a full quotation, but for the benefit of the Committee of the Whole I should like to call attention to one instance of their dramatic work, appearing on page 712. They have developed a substance called glutamine. Another substance recently developed, but not quite so well tested, is called asparagine. There is one case that is indicated in the testimony on that page. A 2-year-old infant had had 400 to 500 seizures a day of epileptic attacks. After the administration of asparagine, after everything else had failed, the record reads as follows:

> He treated her with asparagine and in about 10 days the seizures were down to about 1 a week and later, in about 3 weeks, she did not have any seizures.

The discovery and development of drugs of that character are worth all the money they cost. The members of the subcommittee felt this was at least one division of the responsibilities we had where we should err if at all on the side of extra generosity rather than on the side of economy.

I have nothing further to add, Mr. Chairman, except to thank again the chairman and the other members for their cooperation and courtesy.

Mr. McCONNELL. Mr. Chairman, will the gentleman yield?

Mr. HAND. I yield to the gentleman from Pennsylvania.

Mr. McCONNELL. As the gentleman recalls, when we enlarged the program for rehabilitation last year we realized that one of the important bottlenecks to that expansion would be the proper training of personnel to do the work. I notice on page 10 of the committee report that there is a reduction of $550,000 from the request for training and traineeships appropriations. It is explained by the fact they did not use the money that was appropriated earlier of $900,000, but it concludes with this statement.

> The amount recommended in the bill is sufficient to carry this activity forward at the same level in 1956 as will prevail for the last school semester falling in fiscal year 1955.

Would it not be proper to assume that there will be an increase in the activity in 1956 over the fiscal year 1955?

Mr. HAND. I doubt it very much. The indication that we had before the committee was that there would not be at the present time, at least, any material increase in that program. I think all the members of the committee were fully conscious of the necessity for this training and traineeship program. My feeling is that we have made an appropriation which is adequate at least for this fiscal year to carry on the work efficiently.

Mr. McCONNELL. Was the feeling of the committee members a strong sympathy for the program, so that there would be no hesitation on their part in increasing the amount if necessary to provide a good training program?

Mr. HAND. I feel certain that if it did become necessary later in the year, the committee would be happy to consider a supplemental or a deficiency appropriation.

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. HAND. I yield.

Mrs. ROGERS of Massachusetts. I think the research work in these new drugs is extremely important because some of the new drugs do not work for every individual. The research work, as I say, is of vital importance. I think the committee has done a wonderfully fine job. I am sure the gentleman approves of the very fine work done at St. Elizabeths Hospital by Dr. Overholser, of Massachusetts.

Mr. HAND. I do indeed. We are very much impressed with him. I may say to my friend, the gentlewoman from Massachusetts, before our committee hearings commenced on this phase of the bill, all of the committee personally went down to the National Institute and spent a substantial amount of time there. We would have liked to have spent a great deal more time. What we saw and what we learned and what we heard on the occasion of that visit, I think was very impressive to us.

Mrs. ROGERS of Massachusetts. I think what the committee has done in this bill is a very fine and remarkable thing, and I believe the committee deserves a good deal of appreciation.

Mr. HAND. I thank the gentlewoman very much. I do feel this is quite a good bill. No bill ever comes before the Congress on which we are all in complete agreement, but this is a good bill which I think meets with the full approval of the minority as well as the gentleman on the other side.

Mr. HESELTON. Mr. Chairman, will the gentleman yield?

Mr. HAND. I yield.

Mr. HESELTON. In looking at the committee report on page 11, and on the top of page 12, reference is made there to new amendments to the Hill-Burton Act features, which have to do with hospital construction. Probably that feature should be increased. I notice that the committee has increased the amount for hospital construction $75 million, but included $21 million for four new types of facilities. I do not find anything in the report although it may be in the

hearings somewhere as to the division between the four categories.

Mr. HAND. I can say to the gentleman that they were reduced, as I recall, in exact proportion to the amount which was originally authorized, and the reduction, as you know was given to the original program under the Hill-Burton Act. The reason the reduction was made, as I recall it, was that we were not at all confident that this program had really gotten off the ground as far as this fiscal year is concerned. These funds would be quite adequate, but instead of taking the balance of the funds and saving them, as we might have done, we added that to the principal program of the Hill-Burton Act for hospital construction.

Mr. HESELTON. I recall when the Department was before the House Committee on Interstate and Foreign Commerce, I made inquiry as to how far they had gone. It is my recollection they said only 7, 8, or 9 States had so far made application. Has the committee received any subsequent information?

Mr. HAND. No; I think that is about correct. I know the gentleman made a very careful study of this program and has watched it from the beginning. I think the gentleman is correctly informed. That is about the situation now.

Mr. HESELTON. So, it is really up to the States to get into this thing, if they want it to work.

Mr. HAND. We have to have the States' help. If they desire the program, the committee stands ready to appropriate sufficient funds.

Mr. MILLER of Nebraska. Mr. Chairman, will the gentleman yield?

Mr. HAND. I yield.

Mr. MILLER of Nebraska. On page 27, line 7, I find reference to some dental health activities in respect to dental diseases and conditions, $2,136,000. Can the gentleman tell me in some detail as to what the dental activity might be for that small amount of money?

Mr. HAND. Of course, they are almost entirely experimental and clinical and the work is carried on by the National Institute of Health here at Bethesda. They do not attempt to do any field work in any extensive way.

Mr. MILLER of Nebraska. There is no field work at all in this?

Mr. HAND. Not so far as I know. There might be some, I will say to the gentleman from Nebraska, but there is no extensive work. Of course, they got the same amount of money that they had and asked for.

Mr. MILLER of Nebraska. Would that be true with reference to arthritic and metabolic disease work carried on mostly at the Institute?

Mr. HAND. That is correct.

Mr. TABER. Mr. Chairman, I yield 2 minutes to the gentleman from Iowa [Mr. JENSEN].

Mr. JENSEN. Mr. Chairman, owing to the fact that the subcommittee on Interior appropriations sit in their hearings at the same time as this committee, and owing to the fact that I am ranking minority member of the Interior subcommittee on appropriations, it was not possible for me to attend nearly all the meetings of this subcommittee. However, I did attend as often as I could. I want to say I am greatly impressed with the action of this committee. All of the members were very interested. Many questions were asked of all the officials of the different Departments, on health, education, labor, and social security, and all the facts were developed I am sure in a very fine manner.

I am in almost complete agreement with the figures which the committee decided on to mark up in the bill. However, I think there are one or two questions that will be debated under the 5-minute rule when we reach that point.

I want to say also that I hold the officials—the great surgeons and doctors and specialists at the Health Institute in Bethesda—in the highest esteem. I know they are doing a wonderful job. We visited that great center, as the gentleman from New Jersey [Mr. HAND], has just said, and it was quite remarkable to see and know of the great experiments that are being made in all of these dread human diseases, in the cause and cure of these terrible diseases that humanity has been suffering from and I suppose will continue to suffer from even though we are making great strides in the cure of those diseases.

I was especially interested in one phase of their work out there and that was in the cure of epilepsy. Of the number of people upon whom they have operated, 50 percent have been completely cured; 25 percent partially cured, and the balance were not hurt in any way, shape, or form. That alone is a great step in the right direction. They have made great strides in treating other dread diseases.

Another thing which we learned is that the great doctors and surgeons in private practice are cooperating fully with the Health Center officials at Bethesda, and the officials at Bethesda are cooperating to the fullest extent with all of the great surgeons and doctors who are in private practice.

So, all in all, I feel that if we have erred we have erred on the side of liberality rather than on the side of economy, for certainly I am sure every Member of Congress and every American would not want to economize on suffering humanity.

So as I have indicated, I am in almost complete accord with the figures in this bill. I want to compliment the chairman of this committee, [Mr. FOGARTY]. He has devoted his life to this great work; and I want to congratulate every other member of this committee who has been so diligent in seeing to it that proper funds were made available for this great work.

Mr. TABER. Mr. Chairman, I yield 2 minutes to the gentleman from New Jersey [Mr. WAINWRIGHT.]

Mr. WAINWRIGHT. Mr. Chairman, earlier there was a colloquy between the gentleman from Rhode Island [Mr. FOGARTY] and myself regarding H. R. 4022 as to funds in 81 particular school districts. Since discussing this with the gentleman, I have found that those 81 districts would be covered under the $21,500,000 that fell in the supplemental appropriation which we passed last Friday.

The CHAIRMAN. The time of the gentleman has expired.

Mr. TABER. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania [Mr. GAVIN].

Mr. GAVIN. Mr. Chairman, I want to compliment my very good and able friend the gentleman from Rhode Island [Mr. FOGARTY], whom I esteem and admire, and also the committee of which he is chairman for bringing in this excellent bill—H. R. 5046—to make appropriations for the Departments of Labor and Health, Education, and Welfare and related agencies, for the fiscal year ending June 30, 1956, and for other purposes, the bill before us here today.

During my congressional service, and long before coming to Congress I had taken a keen interest in the plight of our old people, and over the years I have noted a gradual improvement in their status. Tremendous strides have been made in this field since 1935, when the Social Security Act was enacted into law. It was primary and elemental, but it served as a basis for the elaborate and more comprehensive law which we now have to meet the exigencies of old age. While I am in general accord with the overall program of social security, there are many weaknesses and discrepancies which I believe should be corrected.

Our modern industrial and social order is ever changing, and such changes in the main affect our senior citizens adversely. Today with our modern productive facilities, younger employees are in demand; elderly people cannot compete on the production line, consequently we find a segment of our people too old to find or hold a job and too young to qualify under the social security setup or under private industrial pension programs.

It is my opinion that a study should be made to determine whether or not a reduction in age to perhaps 62 years should be made to become eligible for social security coverage. Such action would render a needed public service and meet a human need.

I was particularly pleased today to hear the chairman of the committee say they have included in this bill a proposed appropriation of $173,000 to establish a committee to study the matter relative to the employment of people who have reached or who are over the age of 45 years. I want to say to the committee that this certainly is a step in the right direction and a program that I believe deserves the careful consideration not only of the present Congress but of the Congresses of the future, as to how we are going to meet the needs and demands of people in this age bracket who are seemingly unable today to find employment or a place in our production line. It becomes increasingly apparent to us every day that something must be done to take care of the group of people who have reached the age of 45. Nobody appears to be interested in solving this problem and the committee is to be congratulated for recommending that a committee sit and an appropriation established to make a study of this very important matter.

Mrs. FRANCES P. BOLTON. Mr. Chairman, will the gentleman yield?

Mr. GAVIN. I yield to the gentlewoman from Ohio.

Mrs. FRANCES P. BOLTON. Would it not be interesting if we could urge upon all employers of labor to make certain studies in their own areas of activities into the health and strength of these people who, as the gentleman says, are over 45, to see how they can be utilized, stepping down physical activity and perhaps stepping up some other activity so that their type of employment would change and they would not be put in the situation that they are today? If we could interest the employers of the country, great and small, to do something or other by way of changing the activity that would be asked of these people of advancing years, it would be most helpful.

Mr. GAVIN. I want to heartily concur in what the gentlewoman from Ohio has said. I, too, think that our great industrial organizations should make a very comprehensive study of this matter.

I want to call the attention of my very good friend that on a recent trip to Europe, in visiting one of the great industrial organizations in a principal city of Germany, I found they also were looking after their physically handicapped, and those other unfortunate incapacitated people to see how they could fit them in their industrial programs. The deep and sympathetic interest and attitude expressed by those people who I might say were in the distressed areas themselves brought to mind the need in our Nation for a greater interest on the part of our people in these problems of age limitation and our physically handicapped.

Mr. TABER. I yield myself such time as I may consume.

Mr. Chairman, I am not going to take much time on this bill because the chairman of the subcommittee has done such a good job of explaining the bill and in answering the questions that were submitted to him that I do not feel it is necessary. He did that same kind of a job all the way through the hearings and made the burden of the rest of the Members comparatively easy.

It was a real privilege to serve with him.

As far as the amounts in the bill are concerned, I have no quarrel with them. As we met, some of us had higher figures for this one and lower figures for that one and the bill as worked out finally is a compromise, although what the chairman of the subcommittee suggested generally prevailed.

I will have one little amendment I shall offer as we proceed to the reading of the bill for amendment.

Mr. Chairman, I have no further requests for time on this side.

Mr. FOGARTY. Mr. Chairman, I yield such time as he may desire to the gentleman from Georgia [Mr. BROWN].

Mr. BROWN of Georgia. Mr. Chairman, I am supporting the bill, H. R. 5046. I am glad to see the Committee has included in the bill the amount recommended by the Director of the Budget for vocational education. This amount, and more, is needed.

I desire to discuss this type of education. The knowledge gained through such training is not only beneficial to the individual, but it is also useful to the Nation in the maintenance of both the civilian economy and our productive capacity for defense purposes.

Since the passage of the Smith-Hughes Act in 1917, I have witnessed in my State the growth and development of truly magnificent educational programs. I am sure that there have been similar achievements throughout the other States. The growth and development to which I refer has been brought about through our program of vocational education in agriculture, homemaking, industry, the trades, and in distribution. This program stands out as one of our greatest achievements to me, for it reaches down to the masses—those who cannot go to college and those who could not finish high school—and it teaches them to earn a living. It brings to them a desire for greater learning. It recognizes that America's real asset is contained within the native ability and aspirations of its people. I am a great believer in helping people to help themselves, and that is the purpose and the record of our vocational education program.

The benefits of this program have not been confined to the individual, for the Nation has received great benefits from this kind of education in our defense programs and during periods of actual hostilities. Vocational education provided training for hundreds of thousands of workers on our assembly lines which produced weapons and machines for war. Vocational agriculture teachers have conducted adult classes in the production and conservation of food for home use, including meats, fruits, and vegetables at community food preservation centers, which has aided thousands of farm families. These same teachers have also held classes in the maintenance and repair of farm equipment, to cite but a few of the many classes which have aided the farmers.

There have been those who have advocated a return of the vocational education program to the States. It has been my opinion that this would jeopardize the educational program which has been built up throughout the years. This has been borne out by the fact that when Federal appropriations for vocational education have been reduced the States have not been able to take up the slack. The States are spending a large percentage of their revenue for education, and yet it is difficult to meet the needs as the number of students increase. It is obvious that the States could not take funds from the elementary and high school grades for other educational purposes. While the Federal Government now spends a relatively small percentage of the total expenditures for vocational education, these funds aid and encourage the States and also insure in all States minimum standards for vocational education.

Never in the history of our country has there been a greater need for vocational education than today. This is an age of rapid technological advancement, an age in which the knowledge and know-how of this year must be greater than last year. It is well recognized that America must maintain technological superiority in order to have the necessary strength to deter aggression and to keep the peace. The vocational education program provides the opportunity to enable those who would not otherwise receive training to have a part in sharing in the wealth of America while they at the same time contribute to our resources, strength and stability. Our people constitute our greatest asset, for it is through them that all of our natural resources are dependent for the uses which they serve.

I am also pleased to see that the bill includes the amount recommended by the Director of the Budget for land-grant colleges.

Mr. FOGARTY. Mr. Chairman, I yield such time as he may desire to the gentleman from Indiana [Mr. DENTON].

Mr. DENTON. Mr. Chairman, several weeks ago the Subcommittee on Appropriations for the Department of Labor and the Department of Health, Education, and Welfare visited the National Institutes of Health in Bethesda, Md.

I recall that it was an extremely busy day for the members of the committee. On that same day, we were to hear testimony from Mrs. Hobby, and we were heavily scheduled with hearings and other committee business. But we took the time to go out and talk with the NIH scientists. We wanted to see for ourselves what is going on in the laboratory buildings and in the clinical center. I know the other Members of Congress will be interested in what we found out.

I think it is worth noting that every member of the subcommittee was there, and stayed with us the whole time as we questioned, and listened, and looked.

I recall that we were met by Dr. Shannon and Dr. Van Slyke, Associate Directors of the National Institutes of Health. They did not hold us up with front office talk. We went right over to another building, where we started discussing high blood pressure and what research is doing to find a way to prevent and control it. I had not known until then that high blood pressure—or hypertension, as the scientists called it—was not only a major cause of death, but also that more than 4½ million Americans have the disease today, many of them totally disabled by years of invalidism.

The Heart Institute scientists who talked with us were young, forceful, enthusiastic people. One of the spokesmen was a tanned man with iron-gray hair and deep-blue eyes. He told us that the new drugs being developed to reduce high blood pressure were very promising. Some were synthetic; others were derived from natural products. One even came from a plant the Indians used to use as an herb. Already those drugs are saving lives.

We were told that medical science does not know much about what causes high blood pressure. But even if the exact cause or causes remain unknown for a while, it is essential that more effective ways be found to reduce blood pressure and to keep it down with simple medication.

We left the heart scientists and followed down a crowded corridor. An ultracentrifuge was humming, cages of

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experimental animals were pushed by us, and open doors revealed complicated mazes of laboratory glassware and white-coated men and women preoccupied with the fascinating tasks of research.

I noticed the next building we entered had strange-shaped windows and a sign prohibiting visitors above the first floor. I asked Dr. Haas, Director of the Microbiological Institute, about this. He told me this building was named Memorial Laboratory in honor of the 17 scientists and technicians who had died from accidentally catching the diseases they were studying. As a result, this building had been designed with special built-in precautions against accidental infection.

I must admit I did not feel too happy when I found we were expected to go upstairs. Dr. Haas assured us that it would be all right, and later I was certainly glad we went.

We traveled through narrow protective corridors and emerged in a laboratory wing where half a dozen or more technicians were hurrying around with racks of test tubes, studying them under microscopes, placing them in rotating drums, and making notations on scraps of paper. We were a bit startled when a couple of chimpanzees rattled their cages and screeched at us. The laboratory showed no signs of having been polished up for our visit. There was work going on there. I doubt if many of the people knew there were five Members of Congress standing in their doorway.

I felt I recognized the young doctor who came over to us. It turned out that I had seen his picture in a recent magazine—the doctor, his wife, and his eight children—in a story on research against the common cold.

We found that in this laboratory, using a new technique of growing viruses on adenoid tissue, they had recently discovered a great many new viruses, had described the ailments they caused, and were just about ready to make a vaccine and try it on humans.

I was impressed with the thought that this laboratory might find some way to prevent some of the virus X's and the 5 or 6 colds a year that the average man gets.

I was more than impressed when I heard that these viruses—which live in and feed on the contents of cells—had just been found to have the ability to destroy human cancer cells. Already they were trying to introduce these viruses into cancers in people, to see if they would inactivate, reduce, or destroy the malignant growth. I thought it would be strange indeed if an answer to cancer should come from what started as a study of the common cold. But I was told that scientists would not think it at all strange, since research in one field frequently has unexpected application in others.

We left the Memorial Laboratory and went down past a group of other buildings to the animal facilities. I was certainly not prepared for what we found there. The quarters were extremely well kept, well lighted, and spacious. There were special operating rooms. We heard that the National Institutes of Health uses more than 700,000 experimental animals a year—and that they do most of the breeding and rearing of small animals right there. These include carefully bred strains whose known heredity can be an important factor in research. The animals range from mice, chicks, toads, and eels to hamsters, cats, dogs, and monkeys.

I could not help reflecting on how far we have come in the last few years toward recognition and acceptance of the humane use of experimental animals in essential medical research.

Then our group went to the clinical center. If there are Members of Congress who have not been there, they should certainly go. It is an experience that confirms one's faith in medical science, and his belief that there is perhaps no better expression of the interest of Congress in doing something worthwhile for the American people than this effort to help them find protection through research against disease.

We saw and heard some interesting things as we trudged down long corridors in this 14-story red brick structure which at capacity can house 500 research patients and almost 1,000 laboratories for clinical and basic studies of disease in man.

Every patient is a volunteer who comes to the clinical center to participate in research on the disease or condition from which he suffers. I asked if there were any things a Member of Congress should know about admissions to the clinical center, since I had had several constituents who had sought my assistance in being accepted as patients. I was told—in all good humor, of course—that the Institutes would not discriminate against but neither could they give preference to an applicant just because he was referred through congressional channels. The determination must be made on the basis of the research needs of the scientists, not upon the needs of the applicant, however great they might be. I also learned that every patient must be recommended by his own doctor before his case can be considered at National Institutes of Health.

First an area of study is established in one of the Institutes. A decision is made as to how many patients and what kind of patients will help this study progress. Patients are then admitted—only as many as are needed, and only if they are referred by a physician. When the patient is no longer required for the study he is returned to the care of his own physician again. Of course, while at National Institutes of Health every resource of medical science is used to benefit the patient as well as learn new facts about his disease. Full reports on what is observed in the patient are sent to the referring physician.

I was glad to know these things. I understood better why it should be that way when we found ourselves talking with several of the laboratory scientists and clinicians who are studying the cause and treatment of epilepsy.

For this purpose, they admit a very few patients whose epileptic seizures are related to damage in a part of the brain called the temporal lobe. In the clinical center they perform delicate and extremely difficult surgery which exposes that part of the brain and removes the damaged tissue. There are only 4 or 5 places in the world where such surgery can be done. I was told that it is quite successful—that as many as 80 percent of the suitable patients can be cured.

But this is a research project. The reason for doing this kind of surgery in the clincal center is not primarily to cure people. Laudable though that objective may be—and of course the welfare of the patient comes first—the research problem is to find out what kind of damage or deficiency exists, to map the surface of the brain while it is exposed, and to study what can be done to prevent the damage or to reduce or control the seizures.

The young men on this research team made their mission and their method, and even their complex tools and equipment come alive as they described this work to us.

One of their important findings has been that the damaged tissue which causes seizures is deficient in certain body chemicals. This may be the essential defect in epilepsy. The scientists are having some success in replacing these chemicals by putting them in the blood stream. It is not firm that such treatment will be the answer. But it is encouraging. If it stands up, it will mean new hope for the million and a half people in this country who suffer from epilepsy.

This was all we had time for on this visit to National Institutes of Health. Later, when the Institute Directors testified to our subcommittee relative to their appropriations, the background we had picked up proved invaluable in understanding and assessing the needs of each program and making the decisions embodied in the report that is before you.

I have described our visit to the National Institutes of Health in some detail for several purposes.

First, it is an exciting place, one which should be visited by every Congressman.

Second, it is doing dramatic research, making findings that have present or potential meaning to millions of Americans.

For the most part, though, I have described the National Institutes of Health today to make a particular point—a point of comparison.

The last time I had been able to find time to visit the National Institutes of Health was in 1949 when I first came to Washington to serve my constituents, my State and my Nation. Now 6 years later, I have had an opportunity to see the growth and change resulting from the stimulus and bipartisan support of Congress.

National Institutes of Health in 1949 showed every evidence of a program with a capacity for growth. It had achieved a proud record of research accomplishment against the epidemic diseases. It had carried out its responsibilities notably during World War II. After that war, it had faced up to a new and critical responsibility; the research attack on the diseases of middle and old age—heart disease, cancer, mental illness, arthritis, and so on. This was not a challenge to be taken lightly, for these so-called chronic diseases demanded a research

effort that would be broadened in scope and intensified in depth.

By 1949, the National Institutes of Health effort to meet this challenge was beginning to take shape. It had acquired and developed a significant program of grants in support of the research of independent investigation in private research centers. It had initiated a group of programs for the purpose of research training in various forms, to help assure a continuing supply of competent scientists and physicians to meet the Nation's needs. At Bethesda, a second categorical institute—the National Heart Institute—had been set up on the general pattern of a prewar prototype, the National Cancer Institute, and the National Mental Health Act presaged the establishment of an institute in this vitally important field.

But the institutes seemed restless and bursting at the seams. There were new fields of research crying for exploitation, and every program needed clinical facilities to permit study of disease in patients as well as in the laboratory.

Today, the things that were planned and dreamed of in 1949 have largely come to pass. New Institutes in Mental Health, Arthritis, and Neurology have been established and have grown to productive young maturity. That magnificent new research facility, the clinical center, has become a reality. It has about 350 beds activated by this time, and each of the seven Institutes has started clinical investigations, closely integrated with their laboratory work; and there have been completed the necessary facilities for a comprehensive range of services so necessary to the support of today's complex research.

When I revisited National Institutes of Health a few weeks ago, I could see many of these changes—and I could sense other changes as well. I got a feeling of movement and accomplishment from talking with these research scientists. They are no longer talking about the problems of chronic illness and worrying through the acquisition of facilities and staff and funds to get started. They are doing things. And they are the kind of things that pay off.

They pay off, first of all, in dollars. It does not take a statistician to know that every major advance against disease repays the Nation many times over its research investment. Here, the return is in tangibles—in greater earning capacity, in decreased absenteeism, in reduced cost of medical care.

Advances such as those recently made at the National Institutes of Health also pay off, more importantly, in human happiness and wellbeing. How can one measure what it means to an epileptic to be cured of his seizures? How can we know what it is to have a painful and inflammed arthritic joint for many years and then, because of a research finding, be relieved of all pain? What is the value derived from a diagnostic technique which picks up an early cancer while it is operable instead of permitting the cells to proliferate until it is too late?

These are the questions one asks himself as a member of the Subcommittee on Appropriations concerned with the level of support for the National Institutes of Health.

I have weighed these questions carefully. And I have concluded that this program, so rich in accomplishment and so ready for further progress, should be supported to the extent to which it can productively use its own existing facilities and make its appropriate contribution to the national medical research effort through grants and awards. As a Congressman, one speaks and votes for the people he represents. I am sure that on this matter of protecting people from disease through research, my decision and my action would have the 100-percent endorsement of my constituents.

Mr. FOGARTY. Mr. Chairman, I yield 2 minutes to the gentleman from Georgia [Mr. LANHAM].

Mr. LANHAM. Mr. Chairman, I take this time to express my appreciation for the opportunity and privilege that I have had of serving on this subcommittee.

First of all, I want to say how much I appreciate our chairman, his courtesy and kindness to us at all times. I knew he was a lovable individual, but after serving with him on the subcommittee I learned that he is a scholar and a gentleman. I started to say "southern gentleman." He meets all the requirements of that title, too. It is just an accident of geography that we cannot claim him as one of us. I think you will agree with me that he is something of a magician since you heard the statement of the distinguished gentleman from New York.

It has been a pleasure to serve under our chairman and to serve with my colleagues on this side of the aisle. It has truly been a pleasure also to know better and to serve with the gentlemen on the other side of the aisle. I have learned to love and to admire even more than I already did that grand old man from New York. I am just happy that our committee has been able to work in such harmony. It has also been a delight to me to serve with the gentleman from New Jersey [Mr. HAND], and the gentleman from Iowa, [Mr. JENSEN].

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. LANHAM. I yield to the gentleman from Iowa.

Mr. JENSEN. When the gentleman referred to the gentleman from New York as an old man, he meant old in experience, I am sure.

Mr. LANHAM. In experience and I used the word old as a term of affection.

Now, before I sit down, I want to especially commend our chairman for his leadership in having something done for the forgotten children of our country, that is, the children we call exceptional or retarded. I am just happy that we have been able to appropriate money to begin the work not only to discover why these children are born handicapped but also how they can best be instructed and be educated to be useful citizens of our land. It has been a pleasure, as I say, to serve with this subcommittee, and I appreciate the way that the House has accepted the report of our chairman and of the leader on the minority side.

Mr. METCALF. Mr. Chairman, I wish to call the attention of my colleagues to the need for additional funds for an important Federal-State cooperative research project now going forward in Montana.

Since 1951 several Federal and State agencies have been cooperating in a study which began as an investigation of mosquito problems in the Milk River Valley. This valley is typical of many other irrigated areas where serious irrigation and drainage problems have also created serious public health problems.

Crop production in this valley, which includes about 124,000 acres of irrigated land, is severely reduced by excessive application of water, improper irrigation methods, poor land preparation, and inadequate drainage facilities.

These same factors are responsible for extensive collections of surface waste water, both within and without the irrigated fields, which permit the production of vast swarms of mosquitoes, including the one which carries encephalitis, or sleeping sickness.

The problem soils of the Milk River Valley are similar to problem soils in other irrigated areas. The irrigation-caused mosquito problem also exists to some degree in every other irrigated area.

Therefore, the information obtained by this project will be useful in many other irrigated areas throughout the Western States.

The mosquito problem in the Milk River Valley has been recognized for more than 40 years and a number of studies have been made of the mosquitoes.

However, little has been done on the irrigation and drainage problems which are responsible for both the high mosquito population and the low crop production in the area.

In 1951 a citizens committee from the Milk River area asked the Montana State entomologist, Dr. J. R. Pepper, to make studies which might lead to a solution of their mosquito problem.

Following preliminary studies, Dr. Pepper said the problem was too big for the State and local government units to handle. The United States Public Health Service was requested to join with State agencies in attacking the problem after an investigation by the National Institutes of Health showed that a relatively high percentage of valley residents had at some time in their lives had mosquito-borne sleeping sickness.

This resulted in organization of a cooperative project, involving the Public Health Service, the Montana State College Agricultural Experiment Station, the Office of the State Entomologist, the Montana State Board of Health and a special committee of Milk River Valley residents.

In 1952, a United States Public Health Service Study showed that over 90 percent of the mosquito production was associated with the use of irrigation water and that over 70 percent of the production occurred within irrigated fields.

When it became known that more than 90 percent of the mosquitoes were produced as a direct result of present necessary irrigation practices, and that these same practices were responsible

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for the ever-decreasing level of agricultural production, the Research Division of the Soil Conservation Service was asked to cooperate.

Since establishment of the cooperative project, the agencies concerned have spent in excess of $60,000 on defining and analyzing mosquito production from residual irrigation water, overflow from farm distribution systems, irrigation waste water, in fields and pastures. In addition, there were preliminary studies of the incidence of encephalitis viruses.

These studies showed that in the Milk River Valley the prevalence of these viruses was comparable to the highest epidemic areas for this disease in the United States.

I am told that the Health, Education, and Welfare section of H. R. 5046 includes $10,000 for the Public Health Service to continue cooperating in this research project. I believe this should be increased to at least $25,000. It is my understanding that the Agriculture Department appropriation bill will include $5,000 for continued work in this project by the Soil and Water Conservation Branch of the Agricultural Research Service. I wish this figure could be increased to $25,000.

I emphasize that this is a comprehensive study by Federal and State agencies. These agencies are in complete agreement as to what each will do. Each of the State agencies is working on its assigned task. Federal agencies should be given the money to do their share of this important work, which does not lend itself to a piecemeal approach.

Mr. PELLY. Mr. Chairman, in connection with H. R. 5046, which the House has under consideration today, I have made private inquiry regarding the appropriation for vocational rehabilitation because I wished to support President Eisenhower's expanded program. My information is that the money provided in this bill will be adequate. I certainly hope so for I have very recently received some new evidence of the value of this work.

In order to evaluate the effectiveness of its program of vocational rehabilitation, the Washington State Board for Vocational Education last June authorized a followup study of rehabilitated public assistance recipients. This study was conducted by Dr. Frank R. Bruel, associate professor of the Graduate School of Social Work, University of Washington. His objective report entitled "Do They Stay Rehabilitated?" is evidence that those rehabilitated stay that way and supports the program as a sound investment of public funds.

Following is a summary of Dr. Bruel's findings as taken from his printed report:

SUMMARY OF FINDINGS

The 321 persons included in the findings of this study had received services from the Division of Vocational Rehabilitation and were considered as rehabilitated during the fiscal year 1950–51. The employment history since closure of each was ascertained during the Autumn of 1953. The purpose of obtaining such information after a period of 30 to 42 months was to determine how effective vocational rehabilitation services are in helping persons with physical handicaps to so utilize their capacities as to be productive and self-supporting members of society. Ability to remain self-supporting is considered here as the criterion of the effectiveness of vocational rehabilitation services.

Ninety-two percent were found to be self-supporting either as wage earners or housewives. Only 9 persons, less than 3 percent, were receiving public assistance at the time of followup. Two of these were receiving old-age assistance, three were in hospitals, one was recovering from an injury, and one had had a heart attack. The jobs of two had ended and they were unable or unwilling to find new ones. Fifty-three percent had been receiving public assistance at the time they were accepted for rehabilitative services or were referred by welfare departments. The remaining persons were referred by various agencies and were receiving support from other sources.

Most of the rehabilitated persons employed at follow-up had been able to do more than just remain self-supporting. Eighty-five percent had received wage increases. In one-half the cases the increases amounted to more than $1,000 per year.

Mr. FOGARTY. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. There being no further requests for time, the Clerk will read the bill for amendment.

The Clerk read as follows:

Unemployment compensation for Federal employees, next succeeding fiscal year: For making, after May 31 of the current fiscal year, payments to States, as authorized by title XV of the Social Security Act, as amended, such amounts as may be required for payment to unemployed Federal employees for the first quarter of the next succeeding fiscal year, and the obligations and expenditures thereunder shall be charged to the appropriation therefor for that fiscal year.

Mr. TABER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. TABER: On page 8, line 11, strike out the period, insert a comma and the following: "*Provided*, That none of the funds appropriated in this act shall be paid to any person who voluntarily severs his or her employment with the Government of the United States."

Mr. TABER. Mr. Chairman, the budget submitted a request from the Department indicating that $7 million was estimated to be used for this particular purpose. When one severs his employment and leaves his work voluntarily, and if we attempt to set up unemployment insurance for him, we are going to wreck the whole unemployment insurance setup. Because I believe that way, I feel that I must offer this amendment and ask that the committee support it.

Mr. DENTON. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, when the Federal Employees Unemployment Compensation Act was passed, there were two theories about how the law should be administered. One was that we should have a Federal Act and should follow the District of Columbia. The other was that we would let the States administer the law just the same as they did for the people who are unemployed in their own State. The Department of Labor was very anxious that the latter method be employed. The law was adopted and it provides that we make contracts with the States and they administer the law under the same terms and conditions as they do their own laws.

That is, if one State allows an unemployed person 20 weeks' unemployment compensation, and a Federal employee lives in that State and claims compensation he gets 20 weeks' compensation. If another State allows 26 weeks then the person in that State gets 26 weeks' compensation.

The point that I am making is that this is a State law. The State determines the right of the person to the compensation.

I have a chart given me by the Department of Labor which shows that there is not a single State that does not disqualify a person who quits his work without cause. About 16 States—and I believe the State of the gentleman from New York and my own State are among those—have various waiting periods that run from 4 to 8 weeks. The theory is that if a man quits his work, becomes unemployed for that reason, there is this waiting period. A number of the other States, I believe some 20-odd, do not give the man any compensation at all if he quits his work. The remaining States disallow compensation for various terms depending on what were the reasons why he quit his work.

We were very anxious to have this law administered according to the State law. The Department of Labor tells me that it would be almost impossible to administer if we tried to set up Federal standards. There is a great deal of fear that the Government will take over unemployment insurance. I think we should not go into this through a subcommittee of the Appropriations Committee. If the law is going to be changed, it ought to be changed through the legislative committee. I am afraid this amendment will cause a great deal of difficulty if adopted.

Mr. HOFFMAN of Michigan. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I can understand a policy which advocates that when industry takes on a man or a young woman when strong and healthy and uses them until they are physically exhausted, there should be unemployment compensation or more accurately retirement pay or a pension for them or if they are discharged, unemployment compensation for a limited time.

But I just cannot figure out nor understand why the Federal Government should appropriate the taxpayers dollars for the purpose of paying a person who has voluntarily quit a Federal job. Why should an employee who just walks out on his job be entitled to more Federal dollars while he is looking for another job. He should think of what his leaving his job means before he quits. The proposal looks like a paid vacation for not working—a reward for idleness.

Mr. OSTERTAG. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN of Michigan. I yield.

Mr. OSTERTAG. I question whether a person who voluntarily quits would be entitled to this compensation if he were just looking for another job.

Mr. HOFFMAN of Michigan. A Federal employee who quit his job would be paid whether he was looking for a job or whether he quit just because it was a nice day. I ask the gentleman from New York [Mr. TABER], whether I am not right in my statement.

Mr. TABER. That is the way it can work, and that is what bothers me about it: I do not like it.

Mr. HOFFMAN of Michigan. Nor do I like the provision. Are we going to adopt this policy just because of the attitude of the Department of Labor, referred to by the gentleman from Indiana? We had the WPA under which billions were wasted—which encouraged the lazy while it gave a little employment—this proposal would encourage an individual to leave a paying job and get dollars paid by his neighbors and working friends while he loafed—watched them go to work—while he sat on his hands.

Mr. FERNANDEZ. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN of Michigan. I yield. I should like to say first that some now want a guaranteed annual wage, for example the CIO-UAW. The teamsters want a guarantee of pay for a week even if they only work a day in that week—a full day's pay if they work an hour. Can the consumer who in the end pays the overall bill carry the load?

I yield to the gentleman from New Mexico.

Mr. FERNANDEZ. I can understand the gentleman's objection to the law, but that law was passed by the 83d Congress; the gentleman's objection comes too late.

Mr. HOFFMAN of Michigan. I am sorry, I did not understand the gentleman's comment.

Mr. FERNANDEZ. I think the gentleman is a little too late. The law was passed last year by the 83d Congress. I can understand that the gentleman would object to that kind of law, but it is a little too late now to argue against it.

Mr. HOFFMAN of Michigan. Oh no. We are being asked here to appropriate the money to pay for doing nothing. The law is without force if there is no money to implement it.

Mr. FERNANDEZ. The Congress can amend the law, but the amendment should come from the appropriate committee of the House and not from the Committee on Appropriations.

Mr. HOFFMAN of Michigan. They cannot get the money for this purpose unless we appropriate the money. The purpose of the appropriation is to implement that legislation, is it not?

Mr. FERNANDEZ. Of course, they cannot get the money if we do not appropriate the money. But I think it is the duty of the Committee on Appropriations to appropriate money when the Congress passes a law such as was passed last year. It does not go to persons who have quit their jobs except in certain States that permit that. My State does not.

Mr. HOFFMAN of Michigan. Whatever legal logic there may be to that argument one Congress cannot bind the next Congress. Suppose all these postal workers or a group of them quit, or a group from another department quit—do we have to pay them with Federal dollars while they enjoy a vacation for the number of weeks or months a State law specifies? Sure we do, under this bill unless the amendment is adopted.

Mr. DENTON. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN of Michigan. I yield to the gentleman from Indiana.

Mr. DENTON. There is not a single State that does not disqualify a man if he quits his work voluntarily.

Mr. HOFFMAN of Michigan. Does the gentleman mean the man does not get any more money under this bill?

Mr. DENTON. Twenty-three States do not pay him at all.

Mr. TABER. If that is so, why would they want $7 million out of the estimate here for that purpose?

Mr. DENTON. I do not quite follow the gentleman on that.

Mr. TABER. That is the amount that was set up in the budget justifications to take care of the liability that would come from paying money to those people who quit their jobs voluntarily.

Mr. HOFFMAN of Michigan. The provision carried in the bill is an inducement to quit a job no matter how secure.

Mr. DENTON. They have that in some States. The gentleman's is one and mine is another.

Mr. HOFFMAN of Michigan. With a national debt of more than $275 billion, an interest charge of almost $7 million—taxes too high—there is no reason to pay jobholders not to work. The only further thought I have on the matter is that unless we adopt this amendment we are appropriating money to induce Federal employees to quit, making it easier if they do. Why should we put a premium on unemployment? I want no part of that procedure. The amendment should prevail.

Mr. FOGARTY. Mr. Chairman, I ask unanimous consent that all debate on the pending amendment and all amendments thereto do now close.

The CHAIRMAN. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. TABER].

The question was taken; and on a division (demanded by Mr. TABER) there were—ayes 42, noes 26.

So the amendment was agreed to.

The Clerk read as follows:

Salaries and expenses, certification, inspection, and other services: For expenses necessary for the certification or inspection of certain products, and for the establishment of tolerances for pesticides, in accordance with sections 406, 408, 504, 506, 507, 604, 702A and 706 of the Federal Food, Drug, and Cosmetic Act, as amended (21 U. S. C. 346, 348, 354, 356, 357, 364, 372a, and 376), the aggregate of the advance deposits during the current fiscal year to cover payments of fees for services in connection with such certifications, inspections, or establishment of tolerances, to remain available until expended. The total amount herein appropriated shall be available for personal services; purchase of chemicals, apparatus, and scientific equipment; expenses of advisory committees; and the refund of advance deposits for which no service has been rendered.

Mr. HALE. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I have made this pro forma motion because my attention has been directed to the language of the report on page 7 under the caption "Food and Drug Administration." The report says:

The bill includes $5,484,000, the amount of the budget request, and an increase of $384,000 above the appropriation for 1955. It is the desire of the committee that the increase allowed be utilized solely for activities aimed at protecting the American public from products that are filthy or endanger health, and for better enforcement of the oleomargarine laws.

That language is rather disturbing to some friends of mine because they feel, and I feel, that it slights all the functions of the Food and Drug Administration in reference to the prevention of deceptions, frauds on the public, misbranding, and so on. I would like to ask the chairman of the committee if he would comment on that for me.

Mr. FOGARTY. We discussed this earlier and we do not believe there is anything binding in the language at all. The $5½ million roughly which they have now can be used to do the work that they now are doing, and they testified before our committee that this $384,000 was to be used for this specific purpose. That is what we gave it to them for.

Mr. HALE. I think it would be a very grave mistake if the language of the report were to be construed as restrictive in the enforcement of the act. I sincerely hope that such will not be the case.

Mr. FOGARTY. Mr. Chairman, I ask unanimous consent that the balance of the bill be considered as read and that the bill be open for amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

The CHAIRMAN. If there are no further amendments, the Chair recognizes the gentleman from Rhode Island [Mr. FOGARTY].

Mr. FOGARTY. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with an amendment, with the recommendation that the amendment be agreed to and the bill, as amended, do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the Chair, Mr. PRICE, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 5046) making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1956, and for other purposes, had directed him to report the bill back to the House with an amendment, with the recommendation that the amendment be agreed to and that the bill, as amended, do pass.

Mr. FOGARTY. Mr. Speaker, I move the previous question on the bill and the amendment thereto to final passage.

The previous question was ordered.

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The SPEAKER. The question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

ONE HUNDREDTH ANNIVERSARY OF HOBOKEN

Mr. TUMULTY. Mr. Speaker, I ask unanimous consent that in the engrossing of the resolution, House Resolution 165, which was passed by the House earlier today, a correction may be made as follows:

In line 5 of the preamble, strike out the words "New York" and insert the words "New Jersey."

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

ST. PATRICK AND AMERICA

Mr. PHILBIN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. PHILBIN. Mr. Speaker, on March 17, I was desirous of addressing the House on the occasion of St. Patrick Day, but in view of the legislative schedule and early adjournment on that great day, the opportunity did not present itself.

I am, therefore, taking this opportunity to set forth my remarks in the RECORD on a subject that is so very dear to the heart of every person with Irish blood in his veins.

Today, the whole world pauses in its busy whirl to honor the memory of the valiant St. Patrick, the great apostle of Ireland. For those of Irish blood and heritage, the day carries special significance since it marks an age-old and ageless tradition of Irish ancestors, who, inspired by the profound faith of their glorious patron saint have ever clung to his precepts and his principles in every clime and country.

Little is known of the early life of St. Patrick except that he was a Briton, a citizen of a Roman province, born about the year 385, perhaps somewhere in Wales. While he was a mere lad of 16 he was made captive by Irish raiders, who at the time were sweeping upon the British coasts, and he was carried off as a slave to Ireland.

Although he had been brought up in Christian surroundings, his hard life among the Druid religious masters of Ireland at the time, the loneliness, privation, and hunger of his new life turned him to a religious calling. He harkened to an inner voice which urged him to escape his bondage. Shipping aboard an export cargo for the Continent, Patrick found upon landing nothing but desolation and ruin, for the Vandals had crossed the Rhine and sacked much of Europe.

Associating himself with a religious order in Gaul, he devoted himself to study and prayer so that he might be prepared to fulfill his pledged mission of bringing Christianity to Ireland.

Because of his zeal, ability, and piety, about the year 432 he was launched upon his laborious episcopate by a papal edict which designated him to be the bishop of the "Scots believing in Christ."

Against greatest odds, in the face of grievous disappointment and bitter hardship, he commenced his noble undertaking. His first task was to pacify the belligerent Druid leaders, and on Easter Eve, 433, Patrick was said to have begun the church's beautiful ritual for Holy Saturday by lighting the Paschal fire on a hilltop near Tara. By his deep sincerity and powers of persuasion, he was able to placate the ruling king and his Druids, who gave him permission to conduct his religious work in his adopted land.

Patrick went into almost every section of Ireland combating paganism, consecrating bishops and priests, establishing new churches, and carrying the faith to the people by the example of his noble character, great faith, self-denial, and forceful discourse. He soon gained a large following, and in 440, as history records it, he spent the whole of the Lenten season conducting devotions on Croagh Patrick Mountain in southern Ireland.

Despite strong opposition and constant hostility, Patrick extended his spiritual influence throughout all of Ireland, and the fire of faith that he ignited there burns more brightly than ever to this very day in the hearts and minds of the Irish people.

Patrick was buried, so we are informed, at Down-Patrick, and his grave is marked by a large boulder with his name cut upon its face. But as has been so well said:

Patrick's real monument is not the stone at Down-Patrick but the constancy of the faith of the people of Ireland.

It is natural, as well as traditional, that all true Irishmen, and many men and women of other faiths and races, should join today in reverently commemorating the sacred life of this great, illustrious spiritual leader whose noteworthy achievements in laying the deep foundations of Christianity in Ireland have impressed so many and have so greatly influenced the history of the Irish people wherever they may be.

The years have changed the geography of Ireland. They have changed its government and its way of life. Because of abominable tyranny and persecution with hardly a counterpart in human history, many of the Irish people through the years have become as wanderers upon the seas, dispersed to every land on earth. But time has never served to dim their loyalty to the teachings of St. Patrick, their devotion to the tenets of the faith which he implanted in the breasts of their forebears. The light of that faith brightens the pathway of the Irish wherever they go, and it has inspired and led them to the heights of achievement and accomplishment that cannot be surpassed by that of any other nation or people.

Belief in God is as fundamental to an Irishman as his own bloodstream. It permeates every fiber of his being. It is the dominant note of his character, the source of his inspiration, the spark of his genius, the touchstone of his contributions. But there is another facet to the Irish character and to the Irish tradition that is also fundamental, deep-seated, basic to the Irish nature, so far as America is concerned, and that is his patriotism, his unexcelled Americanism, his flaming passion for liberty, his irreconcilable hatred of intolerance and injustice, his fierce determination to preserve the principles of faith and freedom derived from the teachings of St. Patrick which have animated the Irish throughout the centuries. These beliefs in God and America which every Irish man and Irish woman eternally embrace are immutable and undying.

America is proud, indeed, to recognize the great contributions which the Irish have made to its upbuilding and its preservation. The unselfish devotion of the Irish people to the principles and spiritual truths of our Constitution, their eager sacrifices to sustain the integrity of the Nation, their ceaseless labors, and zealous efforts, in war and in peace, to keep America as a great sanctuary of human liberty has been and is a priceless, immeasurable benefaction to our beloved Nation and I know that the contributions of the Irish are appreciated by the American people, just as much as the Irish appreciate the opportunity to share the blessings of our own great Nation.

There is need for the spirit of St. Patrick in this Nation and in the world today. There is need for the gallantry and heroism and willingness to sacrifice of the Irish. There is urgency for their loyalty, devotion, and unflinching opposition to godless communism and all subversive forces, powerful and malignant, which are working so hard to destroy this Nation and everything it stands for.

For the Irishman has lofty ideals; he holds to profound spiritual truths; he lives by the sacred precepts of the Almighty and by the principles of the American Constitution; and he is pledged, not only in his mind but in his heart and soul, to preserve these incomparable possessions at any cost; and he is prepared to fight and die, if it is necessary, to achieve that end of maintaining, protecting, and preserving the great United States which holds in its realm and within the sweep of its mighty powerful organization of free men and women the destiny of human freedom.

As to today, my friends, all hail to St. Patrick, the God-loving apostle of Erin, who preached the Gospel of Christ and held upright the banner of Christianity, and who throughout the centuries up to this present hour has encouraged and inspired his followers and has set an enviable example of virtue, patriotism, and achievement for the

whole world to admire. And hail to the Irish people, to all the noble sons and daughters of Irish blood, who have never known the word "fear," who have fought militantly against the dictator and the oppressor, and who are willing to fight now to preserve our great American Nation from destruction by the perverted leaders of communism who strive to annihilate liberty and establish totalitarian tyranny on all the earth.

The militant, unyielding spirit of the Irish must be the order of every day if this Nation and the cause of human freedom are to be preserved—not the kind of militancy which shouts, shrieks, threatens, and seeks war, but the kind of militancy which St. Patrick displayed for his great cause and which is needed today, as never before, to sustain this Nation: the militancy of the spirit, the militancy that will never give up allegiance to God, to country, and to human freedom, whose possessors would rather die than ever to yield up a single portion of the magnificent heritage that has made our America the greatest nation in history.

All hail to St. Patrick and all hail to America. May their spirit pervade all mankind to bring justice and peace to the world.

MORE EFFECTIVE CONTROL OF NARCOTICS AND A PUBLIC HEALTH SERVICE HOSPITAL IN NEW YORK

Mr. DAVIDSON. Mr. Speaker, I ask unanimous consent to extend my remarks at this point and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. DAVIDSON. Mr. Speaker, on Thursday, March 17, 1955, I wrote to the Surgeon General of the United States, asking him to establish in the New York City area a narcotics hospital similar to those public health service hospitals now in existence at Lexington, Ky., and at Fort Worth, Tex. I also requested his support and assistance at hearings which I trust will soon be held on a bill which I and several other Members of this House and over 40 distinguished Senators have introduced. This bill, House Joint Resolution 225, provides for the consolidation of Federal efforts to stamp out the scourge of narcotic addiction.

The shocking fact is that despite all our efforts in the past, despite the heroic work of the Bureau of Narcotics and the various other Federal and State agencies concerned, Communist China is succeeding in its terrible plan to cripple and emasculate us by furnishing ever-increasing quantities of habit-forming drugs for sale and, in fact, for free distribution in both the continental United States and to our troops overseas. These drugs are coming into the United States and they are being sold, given away, and used in ever-increasing quantities. In New York State, Commissioner Anslinger points out that both Buffalo and New York City are trouble spots and that New York City is the only city with a problem in its schools. There were more juveniles arrested in New York City in 1954 for narcotics violations than the total combined number of adults and teen-agers so arrested in 1946.

I hope that all the Members of the House will join together to support this proposal to help win the battle against narcotic addiction. I am including here, with my remarks, my letter to the Surgeon General:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C., March 17, 1955.

Hon. LEONARD A. SCHEELE,
Surgeon General, Public Health Service, Department of Health, Education, and Welfare, Washington, D. C.

DEAR GENERAL SCHEELE: Prior to my election to Congress in 1954, I served for almost 7 years as a justice of the Court of Special Sessions of the city of New York. That court has, by statute, extensive criminal jurisdiction. During my tenure on the bench, many thousands of people appeared before me, charged with various forms of violation of our narcotic laws. I was appalled by the unending stream of boys and girls, under the age of 21, who were horribly caught in the trap of narcotic addiction. Ample evidence was presented to me and my other colleagues of this court that a tremendous percentage of the crime with which society was plagued came directly as the result of narcotic addiction and the compelling need of persons afflicted for the wherewithal to sustain their habit. The latest report of the New York City Department of Correction states, "from known facts, it is estimated that 35 to 40 percent of the daily population at the Rikers Island Penitentiary, and 33⅓ percent at the women's house of detention, are drug users."

No part of my work was more frustrating than the realization that prescribed incarceration was not alone cruel, but completely ineffectual. The experience, I am sure, is the same in the Court of General Sessions in the city of New York and in the United States district courts for the southern and eastern districts. The problem is particularly acute in the city of New York, and definitely increasing in intensity. On March 7 of this year, United States Narcotics Commissioner Harry J. Anslinger, in a report to a House appropriations subcommittee, stated that with regard to narcotics, New York City has the worst teen-age problem. I have been in contact with the New York City Department of Correction, the New York City Police Department, and the United States attorney for both the southern and eastern districts of New York. The following table tells the story of New York's problem most succinctly:

Total New York City narcotic arrests	1952	1953	1954
Total arrests in all age groups	2,967	3,605	4,316
Arrests of boys and girls under 21	560	573	749
Arrests of men and women 21 and over	2,407	3,032	3,567

For those who may be interested in the impact of narcotic addiction upon juvenile delinquency, here is another frightening statistic. In 1954, more boys and girls under the age of 21 were arrested in New York City for narcotic violations than the total of all narcotic arrests for adults and teen-agers combined in the year 1946. These figures were supplied by the office of the police commissioner of the city of New York.

Notwithstanding the commendable efforts of the Federal Government through its Bureau of Narcotics, your own excellent work in the Public Health Service, the efforts of the Treasury Department, the Federal Bureau of Investigation, and the local police in the city of New York, we are losing ground, and this is a battle which we cannot afford to lose. Commissioner Anslinger, I am sure, has shocked the people of the city of New York by his statement that New York City has a serious narcotics problem in its schools. It has been asserted by him that evidence exists of a direct, deliberate plan by Communist China to infest the United States with harmful narcotics. This facet of the problem cannot be overlooked.

In the city of New York, the facilities to cope with the narcotics problem are totally inadequate to deal with this deadly and dangerous threat to our Nation. The Riverside Hospital on North Brother Island, recently established, is greatly to be commended, but unfortunately is pathetically inadequate. This was recognized by former Attorney General Nathaniel L. Goldstein, of the State of New York, who made a thorough survey and submitted valuable reports to the legislature of that State.

My own study and experience in this field leads me to the inescapable conclusion that juvenile delinquency and narcotic addiction are essentially related and that narcotic users become pushers, and pushers become sellers in search of other users, so that the scourge is like an ever-widening infection. It has long been established that, while pushers, sellers, and importers of narcotics must be dealt with with the utmost severity, the unfortunate user and addict is the victim of a deadly disease which incarceration alone will not correct. It is not correction which is needed for the addict—it is cure.

Due to this, and based on the long record of accomplishment achieved by the Lexington and Fort Worth hospitals of the Public Health Service, I have, together with several other Congressmen, introduced House Joint Resolution 225, identical with Senate Joint Resolution 19, introduced in the Senate by a group of distinguished Members of that body, including Senators PAYNE, LEHMAN, IVES, MORSE, and KEFAUVER. This bill is designed to effect the creation of additional hospitals, similar but not precisely identical to the Public Health Service hospital at Lexington, Ky. It provides for a chain of narcotic clinics across the Nation, and creates a new division of narcotic clinics in the Public Health Service. The Bureau of Narcotics of the Treasury Department would be transferred, for purposes of consolidation and unification of approach to the Department of Justice. The new type narcotic clinic would denominate the narcotic addict for what he is, not a criminal, but a person desperately ill. It would insulate these unfortunate persons from contact with hardened criminals and give them the help which they so desperately need, both as hospital and also as ambulatory patients.

In the hope of securing early consideration of this legislation, I have written to the chairman of the Committee on Ways and Means, requesting that hearings be held as soon as practicable. In this I implore your support.

More important and more immediate is this urgent request which I now make with regard to the special problem above outlined.

I trust that you will agree with me that whether the legislation which I have introduced is successful of passage or not, the New York City area desperately needs a local, effective hospital for drug addicts. New York correction and law-enforcement officers have found the facilities at Lexington overtaxed. They have become well aware of waiting lists and the difficulties presented by that institution's distance from the acute New York City problem. Both the city and State require the help and experience which the Federal Government Health Service can offer in this field. I am sure that arrangements can and will be made by both the city and State of New York to compensate the Federal Government on

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a per diem basis for the maintenance of those placed by New York State and city authorities in such Federal care. The cost would be no more to these units of government than what they are now expending for cruel and ineffectual incarceration.

I am sure you are aware that section 248 (a) of title 42 of the United States Code authorizes you to provide such an institution for the New York City area, in which pursuant to section 257, you would provide for the "confinement, care, protection, treatment, and discipline of persons addicted to the use of habit-forming narcotic drugs who voluntarily submit themselves for treatment and addicts who have been or are hereafter convicted of offenses against the United States." The purpose of the statute is admirably set forth in that section: "Such care and treatment shall be provided at hospitals of the Service especially equipped for the accommodation of such patients and shall be designed to rehabilitate such persons, to restore them to health, and, where necessary, to train them to be self-supporting and self-reliant."

I am aware of the fact that unless and until my bill is enacted into law, a Public Health Service hospital in the New York City area will, under existing law, be available only to narcotic addicts, "who have been convicted of offenses against the United States" and addicts "who voluntarily submit themselves for treatment." Frequently, New York judges placed narcotic addicts on probation with the express condition that they submit themselves to hospitalization for treatment. A New York City institution, readily available, would be a blessing. As for those who do not come before the courts, shall we deny them help? There are persons who beg for relief from the agonizing grip of drug addiction. In the year 1953, there were 1,057 users who voluntarily committed themselves to the New York City Department of Correction. In 1954, there were 1,124 such voluntary commitments. The aid which the Public Health Service would render to the local area, even so limited, would be immeasurable.

Needless to say, I am at your service if you feel that I can in anywise help in the bringing of such an institution to the city of New York.

Most respectfully yours,

IRWIN D. DAVIDSON,
Member of Congress.

TEN-PERCENT PAY INCREASE FOR POSTAL WORKERS

Mr. DAVIDSON. Mr. Speaker, I ask unanimous consent to extend my remarks at this point.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. DAVIDSON. Mr. Speaker, on January 15, 1955, I delivered a statement to the House Committee on Post Office and Civil Service, urging favorable action on a 10-percent increase in pay for postal workers. These men deserve it for their arduous and too little appreciated work upon which we all rely so much. In the interest of fair play the Members of the Congress ought to support a pay raise for our postal workers at a realistic and adequate level.

A bill, H. R. 1592, has been introduced in this House which embodies the minimum needs of our postal employees. I hope that it will be favorably acted upon by the Members of the House.

LABOR MANAGEMENT RELATIONS ACT, 1947

Mr. ARENDS. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. BOSCH] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. BOSCH. Mr. Speaker, I am today introducing a bill to amend the Labor Management Relations Act, 1947, to require that unfair labor practice cases be tried in Federal district courts, and for other purposes.

This bill amends the Taft-Hartley Act to require the trial of unfair labor practice cases in Federal district courts. It would give a complainant the right to present his own case, or to have his United States attorney present it for him. But regardless of whether a complainant presented his own case or had the Government do it for him, the decision would be that of a Federal judge instead of a labor board trial examiner, as is the case today. The bill also ends labor board investigations of unfair practice charges, and requires the parties to produce their own evidence. It would continue the NLRB as an administrative agency, responsible for the handling of representation matters, including the conduct of elections.

For years Congress has heard testimony about the case-handling delay and the bias of the National Labor Relations Board. For many months during the 83d Congress, the Education and Labor Committee reviewed the operations of this agency. I am convinced that the most practical answer to the widespread dissatisfaction with the NLRB is to divest it of its so-called judicial function. This bill, therefore, carefully limits the board to administrative duties only. It places the trial of cases where they belong—in the 86 Federal district courts throughout the country.

In considering this measure, we must remember that both the Wagner Act and the Taft-Hartley law spell out precisely the conduct which constitutes unfair labor practices. In neither law did Congress delegate any authority to anyone to decide what the country's labor policy ought to be. Instead, it limited the judicial function of the NLRB to a finding on whether specific acts violated the well-defined terms of the law.

It was obviously a mistake to confer this purely judicial duty upon anybody other than our courts. This bill corrects that basic mistake.

I know many people will say that unfair labor practice cases will swamp the already heavily congested dockets in the various Federal districts. I know too that our Federal courts are generally undermanned, and that in some districts this situation is acute. However, I call attention to two important considerations in connection with this bill. First of all, while an average of nearly 6,000 unfair labor practices charges are filed with the Labor Board every year, an average of only 10 percent reach the trial stage. The remainder are disposed of without any formal action, mostly by the parties themselves. These charges are not, as some people would suggest, comparable to proceedings in court. Instead, they are merely requests for investigation. My bill requires that the parties conduct their own investigations and furnish their own evidence. It is my considered judgment that the same number of settlements before trial would be made whether the cases are to be tried by a Federal judge or a Labor Board examiner. In fact, if anything, the present average of 500 to 600 trials a year would decrease because no lawyer is anxious to bring a frivolous or ill-founded case before a Federal judge. Secondly, to the extent that these 500 to 600 labor cases might work a hardship in districts whose dockets are unduly congested, I would recommend that Congress take the necessary action to increase the number of Federal judges.

Furthermore, I would point out that this bill makes the Federal rules of civil procedure applicable to these trials. These rules, along with specific provisions for nonjury proceedings, and for the use of special masters, would materially reduce the impact of these cases.

It also seems to me that Congress should never deny a litigant his proper access to our courts simply because present court facilities may be overtaxed. It is much more in keeping with our traditional sense of justice that we equip our courts to meet the needs of the day, rather than commit the rights of our citizens to some administrative board staffed by short-term political appointees.

I would also point out that today, before a litigant can have his case tried by a Labor Board examiner, it is necessary that he first convince the General Counsel for the Board that his case has merit. This is a practice wholly at odds with our judicial traditions for civil litigation. It is only in criminal matters that a prosecuting officer should ever have this veto power over the question of whether a case should be presented for trial.

This bill gives every person the right to present his own case for trial without reference to the NLRB's counsel or investigators, and not dependent on their approval. In some instances, I recognize that the litigant may be unable to afford the necessary counsel fees. With this in mind, and in order that no one be denied his full rights, my bill provides that a complaining party would have the alternative right to present his own case or to have his local United States Attorney present it for him without cost. It also provides if a complaint is without any basis in law or in fact, and obviously frivolous in the opinion of the United States attorney, he may refuse to take it to court. But this refusal does not prevent the complaining party from presenting the matter himself. Neither does the time taken by the United States attorney count against the complainant in computing the act's statute of limitations. And most important, of course, is the fact that regardless of who presents the case, it will be decided by a Federal judge and not by a Labor Board examiner.

One of the most important changes in the bill relates to injunctions. Under present law, orders of the Labor Board are not self-enforcing. The statute provides for judicial enforcement after appellate review. Present law also provides for temporary restraining orders against any unfair labor practices. These can be issued by the court only on the petition of the NLRB's General Counsel. He may apply for injunctive relief against any unfair practice, regardless of who commits it. He must apply for injunctive relief in secondary boycott cases if he believes the charge to be true.

With cases tried in Federal district courts, judges, as in other civil litigation, would be empowered to grant appropriate temporary relief pending final disposition of any case. And as a protection against any possible misuse of this injunctive remedy, this bill sets up procedural safeguards patterned after the Norris-LaGuardia Act, requiring a public hearing and the opportunity for cross-examination. Beyond that, this bill bans the ex parte injunctions which were possible under the Norris-LaGuardia Act and the Taft-Hartley Law. Under my bill, no restraining order may be issued without notice and an opportunity to be heard.

The bill also outlines an orderly process of transition from the Board to the courts. No pending proceeding would be prejudiced in the change. Further, the bill continues the non-Communist affidavit, and the other compliance requirements which are now in the law.

In summary, I should point out that this bill does not change the nature of unfair labor practices. The sanctions upon improper conduct by employers and labor unions remain unchanged. The remedies remain unchanged. Only the forum and the procedures are different.

I am sure that we have sufficiently come of age in this field to face the facts squarely. And those facts prove beyond question that 86 Federal district courts throughout this land, staffed by lifetime judicial appointees, are infinitely better qualified to impartially decide these cases, than are the 5 short-term Labor Board appointees and their 50 roving trial examiners. And I am thoroughly impatient with the ridiculous assertion that unfair labor practice cases would be too complex for a Federal judge to handle. Believe it or not, some Labor Board partisans have actually made that claim.

I am convinced that this bill will usher in a new era of fair and speedy handling of unfair labor practice cases. Employees, unions, employers, and the public will be far better off because of it. And after nearly 20 years of grim experience with the Labor Board, that change is long overdue.

FOREST REHABILITATION

The SPEAKER. Under previous order of the House, the gentleman from Florida [Mr. SIKES] is recognized for 30 minutes.

Mr. SIKES. Mr. Speaker, I take this opportunity to discuss the forestry items in the fiscal year 1956 budget which I believe should receive the most careful consideration at a time in our history when an adequate supply of timber and wood products is essential. Each year I have mentioned to the Congress that we are not doing the forestry job that needs to be done in light of the world situation as we find it today. There is constant talk of the hydrogen bomb and the preparation that is necessary to adequately handle our people in the event of an emergency. There is no more versatile resource in America than the yellow pine tree should we need on short notice, thousands of temporary shelters as a result of the destruction of our more permanent dwellings and homes.

I am particularly conscious of the need to make our forests produce the maximum amount of wood because of my close association with the needs of a military organization in our modern world. The day is past when we can wait weeks or even months to develop a raw material into a usable product in the event of a sudden need. Our softwood timber is the most versatile resource in our Nation today. It can be cut one day and fabricated into a shelter or a paper product the next. The nitrocellulose for smokeless powder can be made in short order from softwood pulp. Many other vital items necessary to maintain a modern defense establishment can be obtained from our forests when needed. It is not too farfetched to assume that our trees will be producing foodstuffs if such a need were to arise.

Each year the Congress has been alerted by many Members that we are not doing a sufficient forestry job to keep pace with our expanding needs for forest products, particularly woodpulp and paper products. I believe if the full facts were known we would find that we are not even matching the efforts of Russia in the planting of trees or the rehabilitation of our forests. I cannot fully substantiate the fact, but I do have information that during the period 1949 through 1951, a period of 3 years, Russia planted about 5$\frac{1}{10}$ million acres in forests. Mr. Speaker, I repeat, this figure of 5$\frac{1}{10}$ million acres, because during the same period, in the United States we planted a little more than 1$\frac{1}{3}$ million acres of our idle lands that should be producing forest products.

This year in the budget we have the paltry sum of $447,061 recommended for cooperation with the States in forest tree planting. I refer to the item under "State and private forestry cooperation" on page 363 of the printed budget. In 1949 we in Congress were successful in amending the Clarke-McNary Act so that an authorization of 2\frac{1}{2}$ million annually for tree planting would be available to the Forest Service for cooperation with the States. It is a shame that we have never appropriated more than this small annual sum of some $450,000 for cooperation with 43 States, Hawaii, and Puerto Rico. We have a colossal reforestation job, involving 50 or 60 million acres of idle land which need to be planted to trees in this Nation. It is about time the Congress steps in and recognizes just how slowly we are going in our tree-planting program, and do something about speeding up this vital activity. We can talk about tree planting, but unless we cooperate more fully with the States and actually get the idle acres planted there will not be needed trees growing 10 or 15 years hence, when in retrospect we can look back in remorse and wonder why we were so negligent in overlooking this vital resource rehabilitation matter.

During World War II the Japanese sent over balloons to which there were suspended bombs designated to start forest fires in our great western forests. Numbers of these bombs arrived with the wind currents, and numerous fires were actually started, but thanks to the alertness of our forest rangers and the State forest-fire personnel, the catastrophe which the enemy planned never materialized. Today millions of our people ride through our forests in automobiles. Other millions are camping or hunting and fishing in these great out-of-doors areas. It frequently happens, either through carelessness or accident and sometimes by intent, that they set the woods on fire. In my State of Florida forest fire has always been a problem, because when you run fire through a young pine stand there is always chance of killing many of the trees. During this last week, we have been having forest fires in Florida. The story is the same in other parts of the Nation. In 1949 we succeeded in amending the Clarke-McNary Act to provide an annual authorization of $20 million to enable the Forest Service to cooperate with the States in forest-fire control on private and non-Federal lands. You can imagine my chagrin and disappointment when I saw a proposed cut of over a million dollars in an appropriation which now is only $9,449,500. In other words, the Congress has asked to reduce by over $1 million an item in our cooperative program which safeguards the future of our most vital natural resource. Gentlemen, I refer to page 363 of the printed budget under the cooperative forest-fire control item with the States. My concern is magnified by the fact that we still have over 50 million acres of State and private forest lands without any organized kind of fire protection. When, I ask you, is the Congress going to recognize our needs at home in our own forests and do something about appropriating the full amount authorized in the Clarke-McNary Act. I certainly will not be a party to any reduction in the Federal-State fire funds. Instead I want it clearly understood that this appropriation should be pushed to its full authorization.

We have another important program which is designed to help the small woodland owner do a better job of managing his woodland and when the small forest owner grows more timber he not only puts money in his own pocket but he contributes to the overall store of available forestry products.

Again, I refer to page 363 of the budget which provides $632,429 for cooperating with the States in assisting the Nation's small owners to grow more timber and do it faster on lands which have been severely overcut and mismanaged for many years. I had a part in the development and eventual passing of the

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Cooperative Forest Management Act of 1950. Again in this act, the Congress authorized $2½ million annually for the employment of farm foresters under this Federal-State cooperative endeavor. While we pour millions into programs designed to improve the resources of other nations we still put a few dollars by comparison in an endeavor designed to work with the States in growing more timber on our private woodlands which make up the bulk of the productive woodlands of our Nation. It is about time for us to do something in this program to show the States that our efforts of 1950 were not just on paper, but were a sincere desire to push through this work with the millions of small woodland owners. When we talk about our surpluses of field crops and hope that something will be done to fill the gap which the farmer must of necessity fill if he is to maintain a livable cash income each year, we had better look to the millions of acres of poor lands which could be producing salable crops of trees. We could do nothing better to step up tree growing and good forestry than to see that this cooperative endeavor is financed at the full amount intended by the Congress in the Cooperative Forest Management Act.

I have always been interested in forest research. It is only through continuous and painstaking research that we learn the best ways of growing, harvesting, and utilizing our products of the forest. The forest research centers set up the United States Forest Service in cooperation with private industry and the States have paid off many times through improved procedures and practices which can be applied by the woodland owner or timber operator. The $200,000 increase for forest research on page 359 of the budget will be put to a good purpose. It will provide for additional new small centers as well as intensifying the work at established areas. It is a small item but one that should be favorably considered.

We have three national forests in my State of Florida. One of them, the great Apalachicola, is in my district. I have seen the many advantages of a forest of this kind as an example of what can be done when forest lands are properly managed. In a sense it is a working demonstration which others can see in operation and then go do likewise on their own lands. The 150 other national forests throughout the Nation are just as important. Each day we read or hear about the multiple benefits that come from our great national forest enterprise and particularly in this the 50th year of our Forest Service, many fine things have been said about the national forests and the men who run them for the people.

Congress has always shown a great interest in these public forest properties. They belong to all of the people and therefore it is only natural that the average citizen should look to Congress for the guidance and leadership needed to assure continuous and substantial appropriations for the operation of these great forests. Each year more millions of people are camping, hunting, and fishing on these public lands. Each year it is becoming more difficult for the forest operators to keep the picnic and camping areas sanitary and attractive. There is a $200,000 increase on page 359 of the budget for sanitation and care of public campgrounds on the national forests. This will not be doing the job. Many of the installations were made during the CCC days. They were built to handle fewer people than now use them, they have been overrun by folks who want to spend a few hours or perhaps a weekend in the woods. It is an obligation that Congress must assume to provide for funds for the proper sanitation and care of these public campgrounds. Several bills have been introduced which would provide more adequate funds for the care of these areas. I hope that something will come out of all this effort to put our public campgrounds in satisfactory condition for public use. In the meantime, however, I hope that this Congress will grant the proposed increase and even go further in making additional funds available to the Forest Service for keeping these areas clean.

Timber resource management on the national forests has to do with the cutting and sale of timber ready for harvesting. I know that when Congress provides an additional dollar for marking additional national forest timber for sale, 8 to 10 additional dollars come back to the Treasury. The $800,000 increase recommended on page 359 of the budget for timber resource management is a good investment.

In discussing the public campgrounds I said that millions of people are using the national forests every year. These people must have a way to get into the forest and to get out conveniently. By this I mean good forest roads and trails must be constructed and maintained if this recreational use is to be handled in an orderly manner. We have spent millions of dollars on national forest roads and trails so that inaccessible timber could be cut or removed. The increase of $1,500,000 on page 361 of the budget under Forest Roads and Trails is merely to provide the total amount authorized for appropriation in 1956 for this activity. This is a good expenditure of Federal funds and I am in favor of granting this increase.

There are in addition to the timber access roads, thousands of miles of recreation roads and trails on national forests which need immediate attention. They are now in poor condition and in some national forests thousands of miles of new recreation roads should be built if the average American family is to be able to enjoy the great out of doors which is so much a part of our heritage and our way of living. Only a small percentage of the appropriated forest roads fund is used for improving or building recreation roads and trails. Many of my colleagues in Congress from the East have national forests in their States or in their districts. We see a great need for some serious attention to this matter of recreation roads and trails. I know that I speak for a number of them when I recommend that consideration be given to an increase in road funds which could be used for recreational purposes.

Mr. Speaker, we have a tremendous conservation job to do in America and much of it is on our forest lands or on lands that should be growing trees. We know that water has become a commodity of great importance in industry and commerce. A prospective new industry will look at an area, like the location and its people, and give serious consideration to establishing a new plant which will employ people and produce goods. One question, however, must always be answered affirmatively: Is there an adequate supply of unpolluted, usable water? If there is not, the industry moves somewhere else. My colleagues from the West will tell you that out there water is more precious than gold. The fate of a small community or the future of a great city often depends on the water that is available for everyday needs. Our forests are prime producers and storers of water. For maximum efficiency, however, they must be forests that are protected from fire and wisely cut. If the land is bare and on steep slopes, it must be planted to trees so that the soil can be held in place and the water allowed to percolate into the ground or run off slowly into streams or reservoirs.

The business of forestry is a serious matter. There is no magic formula or easy cheap way of doing the job. We have, over the years, through the efforts of Congress and the serious cooperation of the States and private industry, been able to develop a method of doing the forestry job that works. However, it will not work unless the Federal partner assumes his fair share of the burden, and by that I mean a fair financial share. The proposal in the budget to cut forest-fire-cooperation funds in certainly not an indication that the Federal Government is upholding its part of the bargain. Cooperation works two ways in that both parties in the enterprise must be able to assume a fair share of the responsibility. The Congress has passed much fine legislation for cooperating with the States and for protecting and managing our great national forests. In this significant year—the 50th anniversary of forestry and conservation in the Nation—I urge this Congress to start the next half century with appropriations that will begin to do the job. We, in Congress, should realize that now, more than ever before, the American people are interested in what happens to their land and their forests. No Member of Congress need fear criticism or retaliation if he takes a forward-looking stand on making the future of our forest resources secure. We know that no one else is going to do the job for us. We also know that if the future of our great Nation is ever endangered the resources near at hand—those on our home soil—will be the first to supply our needs. The history of civilization is so closely tied to the availability of ample supplies of natural resources that no effort should be spared to maintain the natural resources of America in top condition. Every year that we put off doing this

job in an adequate manner in 1 year which we can never regain because it takes time to grow a tree, to develop a forest, and to put our watersheds into the best possible condition.

It is with these thoughts in mind, Mr. Speaker, that I urge Congress to break off the chains of our past restraints, as far as appropriations for forestry matters are concerned, and to realistically look to the staggering problem that confronts us today in the protection and management of our Nation's woodlands. If we are going to do the job within a reasonable span of years, if we are genuinely interested and concerned about the future of America then let us do something about the present. As in former years, I again urge that we get along with the forestry job that lies ahead.

SPECIAL ORDER GRANTED

Mr. PATMAN. Mr. Speaker, I ask unanimous consent that the special order I have for tomorrow may be vacated and that I be allowed to proceed for the same length of time on Wednesday and Thursday of this week, with the right to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

DISPOSAL OF GOVERNMENT-OWNED SYNTHETIC RUBBER FACILITIES

The SPEAKER. Under previous order of the House, the gentleman from Texas [Mr. PATMAN] is recognized for 30 minutes.

Mr. PATMAN. Mr. Speaker, under my special order for today I ask unanimous consent to insert the staff report on the facts concerning the plan for disposal of Government-owned synthetic rubber facilities.

The SPEAKER. Is there objection?

There was no objection.

(The report follows:)

HOUSE SMALL BUSINESS COMMITTEE STAFF REPORT ON THE FACTS CONCERNING THE PLAN FOR DISPOSAL OF GOVERNMENT-OWNED SYNTHETIC RUBBER FACILITIES

The materials below are in 6 parts, as follows:

A. Introduction: Page 1.
B. Origin and scope of the industry: Page 2.
C. Supplies and prices (natural and synthetic): Page 3.
D. The proposed purchasers: Page 6.
E. Question of full fair value: Page 8.
F. Question of free competitive industry: Page 10.
G. Question of small business protection: Page 14.
H. Antitrust considerations: Page 19.

A. INTRODUCTION

The Rubber Producing Disposal Act of 1953 (Public Law 205, 83d Cong., 1st sess.) established the Rubber Producing Facilities Disposal Commission to formulate a plan for disposing of the Government-owned synthetic rubber facilities to private owners.

The Disposal Act of 1953 requires however, that the Disposal Commission submit its plan to Congress, and provides that either the House or the Senate may object to the plan in whole or in part. The Disposal Commission submitted its plan on January 25, and its proposed sales will be automatically consummated at midnight March 25, unless either the House or the Senate has passed a resolution objecting to the plan.

If a resolution is passed by either House objecting to the plan as a whole, then the synthetic rubber plants will continue in operation under present arrangements until March 31, 1956, at which time new legislation will be needed. If no resolution is passed objecting to the plan as a whole, but a resolution is passed objecting to some particular sale or sales, then the facility or facilities involved in such objection will be taken out of production and put in mothballs for 3 years. No one may then operate the facility—unless of course a new law is passed.

If the plan is disapproved as to any individual purchaser, any and all of the other proposed purchasers may withdraw from their contracts within 30 days without penalty.

The Disposal Act of 1953 sets out six criteria which the Disposal Commission's plan is required to meet. Among these are the following:

"1. That the disposal program be designed best to afford small-business enterprises and users, other than the purchaser of a facility, the opportunity to obtain a fair share of the end products of the facilities sold and at fair prices.

"3. That the recommended sales shall provide for the development within the United States of a free, competitive, synthetic rubber industry, and do not permit any person to possess unreasonable control over the manufacture of synthetic rubber or its component materials.

"5. That full fair value for the facility or facilities will be received by the Government, taking into consideration the policy set forth in section 2 of this act." (The policy set forth in sec. 2 requires that the prospective purchaser have the technical competence necessary to operate a rubber-producing facility.)

The primary purpose of this report is to set out the more important facts relative to the three criteria quoted above.

B. ORIGIN AND SCOPE OF THE INDUSTRY

Prior to World War II, substantially all rubber used in the United States was natural rubber. The principal sources of natural rubber are in the Far East—Malaya, Indonesia, Ceylon, Thailand, and Indochina—although moderate amounts are grown in Africa (Liberia) and South America. United States imports of natural rubber in 1954 were as follows:

County of origin	1954 (thousands of long tons)	Value (millions of United States dollars)
Malaya	153.9	74.2
Indonesia	239.3	95.4
Thailand	105.6	44.8
Liberia	36.6	19.9
Indochina	50.4	22.0
Ceylon	5.8	2.8
Others	5.3	2.7
Total	596.9	261.8

Source: Natural Rubber Bureau.

Substantially all the facilities for producing synthetic rubber in the United States were constructed by Government expense after the beginning of World War II, when sources of natural rubber were cut off. These facilities have been operated throughout, and are now operated by private companies in the rubber, petroleum, and chemical fields. The Government pays these private operators a fee for operating the facilities, usually based upon the amount of production. In addition, the Government pays certain of these companies royalties for the use of their patents. The Government controls prices and distribution of synthetic rubber to the various rubber-user fabricators.

Synthetic rubber is made in what is called the copolymer plants. These plants use as feed stocks butadiene and styrene; about 80 percent butadiene and 20 percent styrene goes into making synthetic rubber. Butadiene is a product of petroleum, and the petroleum companies are most interested in this phase of the business. Butadiene may also be made from alcohol, and there are two plants geared to this operation. Alcohol is too expensive, however, and alcohol-butadiene has not been produced except in periods of dire shortages.

Styrene has other uses in the chemical industry—for the making of plastics—and the chemical companies are most interested in this phase of the business. The market for styrene varies independently from the market for synthetic rubber. There are 6 privately owned styrene plants in the United States (four of which were purchased from the Government in 1946–47) in addition to the one Government-owned plant at Los Angeles which the Disposal Commission proposes to sell. These privately owned plants are owned by Dow, Monsanto, Koppers, Carbide and Carbon, and Foster-Grant.

The Disposal Commission proposes to sell the Los Angeles styrene plant to Shell. It received 10 other bids for this plant, 9 from chemical companies and 1 from Standard Oil of California. The styrene type, or what is called GR–S, is by far the most important of the synthetic rubbers. This is a general-purpose product, used in tires and many other products where natural rubber might be used. In addition, there are several special types, among which butyl is the only one which is produced in Government-owned plants. This is used primarily for making innertubes. The two United States butyl plants will be sold, according to the Commission's plan, to subsidiaries of Standard Oil (New Jersey).

The basic research on GR–S was done by I. G. Farben Industrie in Germany, in the late 1920's and early 1930's. Some American research was done in the 1930's on an N-type synthetic, production of which has never passed 20,000 tons per year. In the 1930's, Standard (New Jersey), acting as American agent for I. G. Farben, refused to license American production of styrene-type synthetic. As late as 1941, Standard filed patent infringement suits against one or more United States manufacturers, which suits were dropped after Pearl Harbor at the insistence of the Federal Government.

In 1939, Standard (New Jersey) began suggesting to the Army and Navy Munitions Board that the Government finance a synthetic industry. The Munitions Board is reported to have been interested, but was without funds or authority to undertake such work. In 1941, RFC, upon the recommendation of the Office of Production Management, authorized a GR–S plant of small capacity, but without either butadiene or styrene feedstock capacity. After Pearl Harbor, the RFC organized a patent pool into which American industry put a number of patents, none of which are thought to have been basic to GR–S.

Early in 1942, the Government filed two antitrust suits against Standard (New Jersey) which eventuated in Standard's releasing additional patents covering both butyl and styrene-type synthetics. During the period from 1939 to 1942, representatives of other companies in the petroleum and rubber industries also recommended that the Government establish a synthetic-rubber industry.

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Prior to 1942, synthetic-rubber production (aside from neoprene) would not have supplied United States rubber fabricators for a single day. Beginning in 1942, however, the industry was rapidly expanded. In 1945, consumption of new rubber reached 799,000 tons; of which only 105,000 tons was natural rubber. In 1946, consumption passed 1 million tons; and reached a peak of 1,338,000 in 1953.

C. SUPPLIES AND PRICES (NATURAL AND SYNTHETIC)

At the present time new rubber used in the United States is about half natural rubber and half synthetic rubber. Rubber is used in a wide variety of products. The greatest volume is used in tires and tubes—over 60 percent goes for this purpose.

For some uses synthetic is superior to natural rubber, and for other uses natural rubber is superior. For tires which generate high internal heat—such as airplane and heavy truck tires—natural rubber is superior to any synthetic yet developed.

In June 1952, the President's Material Policy Commission (the Paley Commission) estimated that by 1975 United States consumption of new rubber will be 2.5 million long tons, and the total free world consumption will be 5 million long tons. These estimates are based simply upon the anticipated increases in population and productivity, and make no allowance for possible war needs. It was further estimated that the anticipated free world demands by 1975 must be met by 2.7 million long tons of synthetic rubber. This compares with approximately 1.2 million long tons of synthetic capacity today, of which 1.1 million long tons are in the United States.

The director of research of the B. F. Goodrich Co. estimated, in 1954, that world demand in 1960 will be 3 million long tons, of which 1.3 to 1.4 million long tons must be supplied by synthetic.[1]

The Assistant Director for Rubber, Rubber and Chemical Division, Department of Commerce, recently made a forecast of natural rubber production which indicates only slightly increased output between now and 1959, as follows:

Thousands of long tons[1]

1955	1,805
1956	1,800
1957	1,820
1958	1,840
1959	1,860

[1] Source: Department of Commerce letter of Feb. 21, 1955 (this letter also offered a forecast of United States and free-world demand for these years which is based on anticipated population growth alone, and which makes no allowance for a continuing increase in per capita consumption which has been in evidence in the past) attached to letter of Mar. 2, 1955, from Mr. Holman D. Pettibone to Hon. CARL VINSON, chairman, Committee on Armed Services, U. S. House of Representatives.

The consensus of both industry and Government forecasts indicate a need for substantial expansions of United States synthetic capacity over the next several years, just to meet peacetime needs. These forecasts assume moreover that free-world trade with those areas of the world which produce natural rubber—principally southeast Asia—will not be cut off.

As has already been indicated, a large percentage of the United States demand for rubber may be met by either synthetic or natural rubber. GR–S rubber and natural rubber may be used interchangeably to the extent of about 35 percent of the total rubber of these 2 types used in the United States. This being true, prices of GR–S and natural rubber are intimately related. Natural rubber prices fluctuate from day to day—sometimes below and sometimes above GR–S prices—but except in periods of acute shortages the general level of prices for natural rubber is determined by the price of GR–S.

Under Government ownership of the synthetic plants, prices of synthetic have been held at uniform levels for long periods of time. In January 1950, prior to the outbreak of the Korean war in June, the price of both GR–S and butyl was 18.5 cents, as it had been for several years. The average price of natural rubber (No. 1 ribbed smoked sheets) in that month was 18.4 cents. GR–S and butyl prices were held unchanged until December 7, 1950, at which time GR–S was raised to 24.5 cents and butyl to 20.75 cents. By June of 1950, natural rubber prices had risen to an average of 30.8 cents; by July, to 40.2 cents; and by November, to 73.1 cents.

The GR–S price was raised to 26 in September 1951, to adjust for additional costs of reopening and operating the alcohol-butadiene plants. Natural rubber in that month averaged 53.5 cents. Six months later, March 1952, the GR–S price was reduced to 23 cents. Natural rubber averaged 38.3 cents in that month. The GR–S price has remained at 23 cents, to date. In this time, the price of natural rubber has averaged as low as 20 cents and has gone as high as 38 cents.

Beginning about a year ago, prices of natural rubber began rising, and by February of this year were approximately double the price of February a year ago—although the GR–S price remained unchanged at 23 cents.

At mid-February, a year ago, the price of natural rubber was about 20 cents. The price rose, more or less steadily, to about 29 cents at mid-December. Thereafter, it continued rising to a peak of 38 cents on Friday, February 11, of this year.

The increases in natural-rubber prices in this period appear to have resulted from a growing shortage, from tensions in southeast Asia, and from other speculative influences. There appears to be some thought in the rubber-producing countries, and elsewhere, that sale of the United States synthetic industry to private owners will result in higher prices for synthetic rubber, and concomitantly, for natural rubber. For example, more than a year ago the Straits Times (of Singapore) carried an editorial quoting the former head of the Natural Rubber Bureau in Washington to the effect that Federal taxes and additional costs of "advertising or a sales organization" would "make an estimated difference of 5 to 7 cents a pound on the cost of general-purpose synthetic."[2]

Since mid-February, however, there has been a substantial decline in prices of natural rubber. The first break came on Monday, February 14, when the price dropped to 36⅜ cents. During the next 2 weeks, prices continued to decline to a low of 29¾ cents on March 1. Since March 1 (to March 17) prices have remained more or less steady, ranging mostly between 30 and 32 cents. The spot price on March 17 was 31⅛ cents.

It is probable that the change in GSA stockpile operations announced on February 16 influenced the downward course of prices between that date and March 1, in two respects. First, GSA increased the amount of its rotation, that is, selling and buying replacements, in order to prevent deterioration of the stockpile. Second, GSA also increased the period when deliveries must be made to the stockpile to replace sales from the stockpile.

Whereas, formerly, GSA had sold 5,000 long tons per month and replaced these within 30 days, by its new program it sells 7,500 long tons per month and allows 60 days within which to make replacements. The immediate effect of this, if the full 60 days is utilized, is to add to the supply available to commercial users by 7,500 tons. Commercial use of natural rubber is about 50,000 long tons per month, so the effect of the GSA change may be to make available to commercial users a 15-percent addition to supply in the month following its announcement. Moreover, even if no delay in replacement beyond the normal 30 days occurs the fact that a delay is possible could well affect speculators' price expectations.

D. THE PROPOSED PURCHASERS

In the Disposal Commission's plan, there are several proposed sales to different subsidiaries of the same parent corporation, and in several instances the proposed sales are to companies which have been formed as joint subsidiaries of these parent corporations or their subsidiaries. For purposes of simplification the parent corporations to which it is proposed to sell the Government-owned feedstock and copolymer plants are listed by their familiar designations below:

Proposed purchasers of feedstock and copolymer plants (showing parent company designations only)

General Purpose Rubber

Feedstock plants

Rubber companies: Goodrich, U. S. Rubber.

Oil companies: Texas; Gulf; Shell; Phillips; Standard, California; Cities Service; Continental Oil.

Chemical companies: Food Machinery & Chemical Corp.

Miscellaneous companies: Copolymer Corp.

Copolymer plants

Rubber companies: Goodrich, U. S. Rubber, Firestone, Goodyear.

Oil companies: Texas; Gulf; Shell; Phillips.

Miscellaneous companies: Copolymer Corp. (29 companies), American Synthetic (7 companies).

Butyl Rubber

Feedstock plants

Standard (New Jersey).

Copolymer plants

Standard (New Jersey).

The formal names of the proposed purchasers and their parent corporations appear on the table to follow, which also shows their assets and net profits after taxes in 1953.

Here, it may be noted that each of the proposed purchasers has assets well in excess of $100 million, and 6 of the 13 individual corporations have assets in excess of $1 billion. It may also be noted that one of the proposed purchasers will bring into a single partnership two of the top oil companies and two of the top rubber companies, with combined assets of about $4.5 billion.

The 14th and 15th listed companies, American Synthetic and Copolymer Corp., are joint subsidiaries of 29 percent corporations and 7 corporations, respectively. For reasons of brevity, the assets and earnings of these companies have not been shown separately. (The company names appear in the Disposal Commission's report at page 8). In the case of American Synthetic, assets and earnings data are published for only 16 of the 29 owner-corporations. These 16 had combined assets in excess of $2 billion in 1953, and—before the new tax law went into effect—earned in excess of $100 million after taxes.

[1] India Rubber Journal (London) vol. CXXXVII No. 4, July 1954 World Rubber Requirements, United States Economists' Estimate, p. 147.

[2] The Straits Times, February 9, 1954.

Assets and profits of proposed purchasers of Government-owned synthetic-rubber producing facilities

[In millions]

Purchaser	Parent corporation	Assets and net profits in 1953	
		Total assets	Net profits after taxes
Goodrich (Gulf Chemical, Inc.) and Texas (U. S. Chemical Co.).	Gulf Oil Corp	1,766	175
	B. F. Goodrich Co	437	34
	Texas Co	1,805	193
	U. S. Rubber Co	489	33
Total		4,497	435
Petroleum Chemicals, Inc	Cities Service Co	1,103	51
	Continental Oil Co	409	41
Total		1,512	92
Humble Oil & Refining Co., Esso Standard Oil Co.	Standard Oil Co. (New Jersey) [1]	5,372	53
Standard Oil Co. of Calif	Standard Oil Co. of Calif	1,535	189
Shell Chemical Corp	Shell Oil Corp	985	115
Phillips Chemical Co	Phillips Petroleum Co	1,039	77
Firestone Tire & Rubber Co	Firestone Tire & Rubber Co	567	47
Goodyear Tire & Rubber Co	Goodyear Tire & Rubber Co	666	49
Food Machinery & Chemical Co	Food Machinery & Chemical Co	223	12
American Synthetic Rubber Corp.[2]	29 companies	2,048	118
Copolymer Corp.[3]	7 companies	1,501	123

[1] Incomplete; certain foreign subsidiaries not included.
[2] Data on 13 of the 29 companies not available and not included.
[3] Data on 1 of the 7 companies not available and not included.
Source: Moody's Industrial Manual, 1954.

The fact that financial data are not published for an individual firm does not necessarily mean that it is small. Such data are not published, for example, for the Ford Motor Co. (which is not a proposed purchaser of synthetic rubber plants).

The largest of the companies in the American Synthetic group are probably the following: Anaconda Copper Mining Co., with $839 million of assets; American Cyanamid, with $443 million; Phelps Dodge, with $345 million; Endicott-Johnson, with $90 million; and General Cable, with $69 million. Several other companies have assets ranging between $20 and $50 million. The smallest companies for which financial data are published are Brown Rubber Co., with $6.7 million of assets; and Tyer Rubber Co., with $3.7 million.

The copolymer group includes 7 companies, counting both Armstrong Rubber Co. and Armstrong Rubber Manufacturing Co., the later being a subsidiary of the former. The largest company in the group is Sears, Roebuck with $1.4 billion of assets. The group also includes several of the so-called small rubber companies as follows: Armstrong Rubber with $35 million in assets; Dayton Rubber with $32 million; Mansfield Tire & Rubber with $24 million; and Seiberling Rubber with $22 million of assets. The sixth rubber company, Gates Rubber, publishes no financial data in the usual commercial references.

E. QUESTION OF FULL FAIR VALUE

The Disposal Act requires that the Disposal Commission obtain full fair value for the Government-owned synthetic rubber facilities. Both the Commission's report to Congress (p. 15) and the preceding RFC report on the disposal program (March 1953, p. 29) recognize a congressional intent underlying "full fair value" to mean not merely what the cost would be to replace the physical facilities, but a reasonable value assignable to a going, profitable business. In short, by normal commercial practices the value of a business is determined not by the cost of the physical facilities alone, but by the business' profit prospects.

The Commission proposes to sell the plants for $260 million, plus certain other amounts to cover capital additions which were put in place during the period of negotiations.

During the past 4 years, the plants which the Disposal Commission proposes to sell have made a profit of $130 million, and another $135 million has been charged to depreciation, making a net return of $265 million in this period after payment of all costs, including substantial fees to the private operators for their management services, payment of interest charges and payment of royalties for use of the patents involved. Yet during this period the Government has exercised its monopoly control to keep prices of synthetic rubber at much lower levels than would have been supported, during much of this period, as reflected in prices of natural rubber.

This would suggest that even if the private owners did not raise prices of synthetic rubber after these plants are transferred, they would recover the cost of the plants in about 5 years, under certain conservative assumptions. These assumptions are that the proposed purchasers will adopt a 10-year amortization base, that they will pay the maximum rate of Federal income taxes (52 percent) now in effect, that they will encounter no higher costs than the Government has incurred, and that the volume of sales will be no higher in the next 4 years than they have been in the past 4 years. On the other hand, if the proposed purchasers were to raise the prices of synthetic rubber by only 5 cents a pound, this would suggest a complete pay out in less than 3 years, assuming the same tonnage sales of the past 4 years.

Here it may be noted that if the proposed purchasers raise prices of GR–S and butyl by 5 cents a pound above the level that has been maintained under Government ownership, the result would be an increase of $75 million in the cost of these synthetic raw materials going into United States fabrication channels each year. In addition, however, it could reasonably be assumed that the level of natural and other synthetic rubber prices would increase by a like amount, and since these latter materials account for approximately half the new rubber used in the United States, an increased raw-materials bill of $150 million a year would be indicated, even if use of rubber does not increase above present levels.

It should be emphasized, moreover, that this $150 million each year would be merely the increased raw-materials cost, and it falls far short of suggesting the full increased cost to consumers. Since in our economic system there is a tendency for manufacturers, distributors, wholesalers, and retailers to compute their profit margins as a percentage markup from costs, any increase in raw material prices tends to multiply (and snowball) before the effect reaches the ultimate consumer.

The Commission has not indicated to what extent it has taken profit prospects into account in determining full fair value, nor has it revealed either its own appraisal of the separate plants or the method by which its engineers appraised these plants. In its report to Congress, the Commission has said that while it has taken other standards into account "such as original cost, replacement cost, depreciated values, and the precedent of previous Government surplus property sales," it decided, "because the disposal program made possible the purchase of a going profitable business" that "for negotiating purposes potential earning power should be the prime factor in the establishment of an appropriate price."

The Commission's report likewise mentions that it had studies made as to each plant's earning power, and that it likewise examined such studies made by the proposed purchasers. The Commission has not revealed, however, what these studies show. The most pertinent facts made public are in a letter [4] to the Honorable CARL VINSON, which indicates that insofar as the Commission took earning prospects into account, it based its computations on the assumption that the proposed purchasers will maintain the present Government price of 23 cents a pound for rubber, and that the plants will be operated at 80 percent of maximum capacity.

While the Commission has not made public sufficient data whereby the reasonableness of its proposed sales prices can be judged, it would appear that if the proposed purchasers raise the price of rubber above 23 cents a pound (without full-cost justification) or succeed in utilizing the plants at more than 80 percent of maximum capacity, the Commission's proposed sales prices are less than full fair value by its own standards.

The question whether the price of $260 million which the Disposal Commission has negotiated for the Government-owned synthetic-rubber facilities represents full fair value is a question of judgment. More particularly, it is a matter of judgment whether $260 million is sufficient public compensation to offset features of the disposal plan which are contrary to the public interest. In terms of these broader considerations, it is debatable whether the Commission's price represents full fair value.

In this connection, an analogy might be appropriate. If the postal system were offered for sale and were so divided up that a high degree of competition in postal services would come about among the private operators, it is probable that bidders for pieces of this system would not offer prices that would cover replacement costs of the physical facilities. On the other hand, if the same system were offered under conditions whereby monopoly or quasi-monopoly control over future operations could be expected, then it is probable that bidders would be willing to offer a price that would be many times the replacement costs.

F. QUESTION OF FREE COMPETITIVE INDUSTRY

The Disposal Act of 1953, not only requires, in section 3 (c), "That the recommended sales shall provide for the development within the United States of a free, competitive synthetic-rubber industry," but it also specifies that the Attorney General is required to submit to the Disposal Commission a statement setting forth findings "approving the proposed disposals in accordance with standards set forth in section 3 (c)."

[4] See letter of March 2, 1955, to Hon. CARL VINSON, chairman of the Armed Services Committee, from Hon. Holman D. Pettibone, Chairman of the Disposal Commission.

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The Attorney General has made such findings, approving of the proposed disposal (beginning at p. 32 of the Disposal Commission's report), but these findings appear to leave a number of important questions unanswered.

In his letter to the Disposal Commission the Attorney General has said: "This is to advise you that on the basis of the information furnished to me by the Commission I do not view the proposed dispositions as being in violation of the antitrust laws. I express no opinion, however, concerning the legality of any programs or activities in which the proposed purchasers may engage in the utilization of these properties, nor as to any matters other than whether or not the proposed dispositions violate the antitrust laws."

Thus the Attorney General's statement appears to contain two qualifications. First, it uses the phrase "on the basis of the information furnished me by the Commission," and says nothing of any other information which the Attorney General may have or reasonably should have obtained before passing upon this matter. Second, the Attorney General's letter seems to say that the disposal plan itself does not violate the antitrust laws, without reference to the question whether the disposal plan when added to the factual situation which already exists would not bring about a violation of the antitrust laws the moment this plan is consummated.

The question whether the disposal plan would bring about a free, competitive industry, must be considered in the light of a number of factors. These include the structure of the industry which would be created under private ownership, the competitive or noncompetitive proclivities of the proposed purchasers, as indicated by recent antitrust actions, and finally, some consideration should also be given to the possibility of cartel controls over natural rubber may be reinstituted.

An industrial structure which would bring about competition involves more than the question of how many corporate names appear on the roster of proposed purchasers. It involves the contractual arrangements which may exist among the corporate entities, including patent licensing agreements. It involves the question whether the various facilities in the synthetic rubber industry are being so divided as to bring about customer-supplier relationships, and a merger of interests, in and among the proposed purchasers. It involves also questions of already established customer-supplier relationships between and among the proposed purchasers. And finally, if the industry is to be in any sense free, there is an essential question whether patent restrictions or other conditions have been brought about which will prevent newcomers from entering the industry in the future.

The Attorney General's report is silent on the contractual arrangements between and among the proposed purchasers. Yet in the contracts between the Disposal Commission and several of the proposed purchasers there may be found clear allusions to the existence of already established contractual arrangements which have a vital bearing on the question whether there will be competitive rivalry among the proposed purchasers.

The Attorney General's report is also silent on the new customer-supplier relationships and the merger of interests which may be brought about by the disposal plan, yet it is manifest that the disposal plan so divides the synthetic-rubber industry that new customer-supplier relationships must be established between and among the proposed purchasers.

The Attorney General's report is also silent, with a minor exception, on the matter of patent-license agreements which may have been entered into between and among the proposed purchasers, although there are strong indications that patent-license agreements either have been or must be entered into between and among the proposed purchasers. Finally, the Attorney General's report is silent on the question of what steps may have been taken with reference to patents to assure that newcomers may enter the industry in the future, although official discussions leading up to the disposal plan have presupposed that such steps would be taken.

Each of the above points are more fully discussed below.

With reference to the contractual arrangements between and among the proposed purchasers it seems unquestionable that the major oil companies have contracts with certain of the major tire companies concerning the distribution and sale of tires through the retail filling stations controlled by the oil companies. Either the rubber company manufacturers of tires under the oil companies' brand name or the oil companies promote the sale of one or more tire company's branded products in exchange for a commission. For example, in the Disposal Commission's contracts with the proposed purchasers the following may be noted:

"Shell Oil Co. has contracts with the Firestone Tire & Rubber Co., and with the Goodyear Tire & Rubber Co., Inc., which provide for the payment of a commission to Shell Oil Co. as compensation for Shell's assistance in promoting the sale of their products to Shell dealers, commission distributors, and jobbers" (p. 150 of the supplement to the Commission's report to Congress.)

"The Texas Co. in its bid states (p. 189 of the supplement) that it acts as selling agent of two tire companies (Firestone and Goodrich) and earns and receives a sale commission on net sales of tires and tubes of such tire companies to Texas' dealer outlets.

"In the bid of Goodrich-Gulf, it is stated (p. 65 of the supplement) that Gulf markets, directly and through a subsidiary, Gulf-brand tires and tubes manufactured to its specifications by Goodrich."

In addition to the above, the Standard companies promote through the retail stations handling their products their Atlas brand tires and tubes, which tires and tubes none of these companies manufacture. Clearly then, on the basis of the contracts already known to exist, competition in any normal sense of the term cannot be expected between each of the oil and rubber companies appearing on the list of the Commission's proposed purchasers. On the contrary, there are several instances where the rubber phases of the businesses of the supposed competitors will be integrated and merged.

The Disposal Commission's plan is to turn the entire capacity for producing general purpose synthetic rubber over to 8 corporations, 2 of which are joint subsidaries of 2 top oil companies and 2 top rubber companies. The two joint enterprises are moreover, themselves combined in the petroleum butadiene phase of the industry. More specifically, Gulf and Goodrich will be partners in the GR–S phase of the business, while Texas and United States Rubber will also be partners in the GR–S phase of the business and these two joint subsidiaries will in turn be partners in the butadiene phase of the business. Thus it appears at the outset that 2 of the top oil companies and 2 of the top rubber companies will be integrated insofar as the synthetic rubber phases of their businesses are concerned.

As has already been noted furthermore, Gulf has contracts to sell tires manufactured by Goodrich, and Texas has contracts to promote the sale of Goodrich and Firestone tires through its retail outlets, while Shell has similar contracts to promote the sale of Goodyear and Firestone tires. Hence the Disposal Commission's plan for general purpose synthetic rubber is one in which there is a double supplier-customer relationship between the oil companies and tire companies which are listed as supposed competitors. The rubber companies are customers for the oil companies' butadiene and/or synthetic rubber, and the oil companies are in turn customers for the rubber companies' tires, tubes, batteries, and other auto accessories.

A diagram of these relationships among the proposed purchasers of the GR–S plants, insofar as they are known, is provided on the page to follow. Here it may be noted that 7 big oil and rubber companies with intimate customer-supplier relationships will own 77 percent of the GR–S capacity of the United States and 54.8 percent of the petroleum butadiene capacity.

The 3 remaining companies, Phillips and the 2 partnership companies—American Synthetic and Copolymer—will own 22.6 percent of the GR–S capacity and 14.4 percent of the petroleum butadiene capacity. (American Synthetic will own no butadiene capacity.)

It is thought that Phillips has contractual arrangements for promoting the sale of Lee tires somewhat similar to those already mentioned as to Shell and Texas.

While the contractual agreements pertaining to the distribution of feedstocks and synthetic rubber are unknown, it is likely that such contracts either have been made or must shortly be made after the disposal plan is consummated. While the Disposal Commission has not provided Congress with any basis for knowing to what extent the copolymer capacity it proposes to sell to the major rubber companies will be inadequate to balance the companies' fabricating capacity, it is clear that the proposed purchasers of copolymer plants will have rubber-producing capacities which do not balance with their butadiene capacity, and the proposed purchasers of butadiene plants will have capacities which do not balance with their rubber-producing capacities.

With reference to patent agreements, the Disposal Commission's report to Congress states:

"Early in its tenure, the Commission turned its attention to these agreements realizing that patent purchasers would seek necessary patent and technical information * * *. The patent agreements to which the Government was a party and the actions subsequently taken in this field by the Commission assure that adequate rights to patent information are available to plant purchasers."[4]

Without further specification as to what the practical significance is of the patents to which the Government has been a party, and without further hint as to what the Commission's action subsequently taken have been, several vital questions are left unanswered. The background of this matter should be considered.

In 1942 the Government set up a patent pool among the proposed purchasers and other companies holding patents in this field. This patent pool continued in operation and was expanded to include new inventions up to the time of the passage of the Rubber Act of 1948, wherein the Government was directed to discontinue making further accumulation of know-how on rights to patents. Since that time individual companies have been making new inventions, and have been issued patents. Therefore, the Disposal Commission's plan raises two fundamental questions:

[Chart omitted.]

1. In view of the fact that patent pools which are not freely open to newcomers have long been understood to be contrary to the antitrust laws, what provisions have been made to assure that newcomers will have

[4] Disposal Commission's Report, p. 31.

access to the patent pool which will remain in private operation upon the Government's withdrawal.

2. What license agreements have been entered into among the proposed purchasers, and what steps have been taken to see that these agreements will not place an undue restraint on competition?

On March 9, 1955, the Honorable SIDNEY R. YATES sent a telegram to the Attorney General asking for a report on the status of the patent agreements, and on March 14, Mr. William P. Rogers, the Deputy Attorney General, sent a letter in reply which is quoted in part below.

With reference to the question whether the patent pool is open to newcomers, the following should be noted:

"The basic wartime Government-sponsored patent agreements have substantially been terminated except that licenses granted under existing patents prior to termination continue for the life of the patents, and such agreements are also in effect with respect to assuring similar licenses to plant purchasers."

Thus it would appear that those patent agreements to which the Government was a party are in effect with respect to the proposed purchasers only, and are not open to newcomers.

With respect to the question whether the license agreements may have been entered into among the proposed purchasers, it appears that the Disposal Commission does not know, and that the Attorney General has made no review to determine whether or not they are unduly restrictive of competition. Mr. Rogers' letter states:

"We have been advised by the Commission, however, that, in the main, purchasers are working out their own arrangements. Negotiations are still going on and no licenses as yet have been submitted to the Commission or to this Department."

Only in the case of the proposed sale of the copolymer plants, for making butyl rubber has the Attorney General reviewed the patent agreements and taken any visible steps directed at opening up this business to competition. There are two plants for making butyl rubber, one located at Baytown, Tex., and the other at Baton Rouge, La. The Disposal Commission proposes to sell both to subsidiaries of Standard (New Jersey), and in view of the obvious monopoly which will result, the contracts with Standard contain certain agreements which could possibly open the business to new producers during the next 3 years. These agreements may be summarized as follows:

If, within 3 years, a qualified purchaser seeks to purchase the Baton Rouge plant from Standard, Standard agrees to sell this plant under certain conditions. One of the conditions is that no other company not affiliated with Standard has built or is building butyl rubber capacity of 43,000 long tons or more. Standard is not required however, to sell this plant to any qualified purchaser seeking to buy nor is it required to sell it to the highest qualified bidder. (Supplement to the Disposal Commission's report, p. 237.) Standard may, upon receipt of a qualified offer to purchase, negotiate and sell to another qualified purchaser of its choosing.

The Disposal Commission also proposes to sell to Standard the feedstock capacity at Baton Rouge, in return for which Standard has agreed, should it sell the butyl rubber plant at Baton Rouge, to supply the new owner with feedstocks to the extent such are available at Esso's Baton Rouge refinery and not required to Esso's own operations. (Disposal Commission's report, p. 34.)

All corporations to purchase Government-owned feedstock and/or copolymer plants (showing parent company names only)

Location of feedstock and copolymer plants	Feedstock plants	Copolymer plants
	GENERAL PURPOSE RUBBER	
Port Neches, Tex	1 plant: Gulf, Texas, U. S. Rubber, and Goodrich.	2 plants: Texas-U. S. Rubber. Gulf-Goodrich.
Naugatuck, Conn	1 plant: U. S. Rubber [1]	1 plant: U. S. Rubber.
Houston, Tex	1 plant: Food Machinery & Chemical Co.	1 plant: Goodyear.
Akron, Ohio	No plant	2 plants: Goodyear.
	(?)	
	(?)	
Lake Charles, La	1 plant: Cities Service and Continental Oil.	1 plant: Firestone.
Borger, Tex	1 plant: Phillips	1 plant: Phillips.
Los Angeles, Calif	2 plants	1 plant: Shell.
	Standard Oil (California) [2]	
	Shell	
Baytown, Tex	1 plant [3]: Standard Oil (New Jersey)	1 plant: Not sold.
Louisville, Ky	1 plant: Not sold [4]	1 plant: American Synthetic(?)
Baton Rouge, La	1 plant: Copolymer Corp	1 plant: Copolymer Corp.
	BUTYL RUBBER	
Baytown, Tex	1 plant [3]: Standard Oil (New Jersey)	1 plant: Standard Oil (New Jersey).
Baton Rouge, La	1 plant: Copolymer Corp	Do.
Kobuta, Pa	1 plant: Not sold [4]	
Louisville, Ky	1 plant: Not sold	
Institute, W. Va		1 plant: Not sold.

[1] The feedstock plant at Naugatuck, Conn., is a Chemical (DDM plant).
[2] The Standard Oil (California) petroleum plant at Los Angeles is a preliminary processing plant which feeds the Shell petroleum butadiene plant.
[3] Feedstock plant at Baytown, Tex. (with 1 butyl rubber plant sold) and 1 GR–S plant (not sold).
[4] The feedstock plants at Louisville, Ky., and Kobuta, Pa., are alcohol butadiene plants.

When the Government turns over to private groups assets which belong to the general public, and presumption is that it does so for the reason that the general public interest will be advanced thereby. It is a fundamental tenet of our national philosophy, moreover, that the general public interest is best advanced when business affairs are conducted by private, competitive enterprise—wherever such business affairs are suited to private competition organization. It is manifest, however, that competition is a matter of degree; the public interest is advanced when competition exists in a greater degree, and the public interest suffers when competition exists in a lesser degree. Our antitrust laws do not prescribe the precise degree of competition wherein business conduct is legal, and beyond which it becomes illegal.

Consequently, when assets belonging to the general public are turned over to private groups, the question is not merely whether the antitrust laws will be violated, but whether the terms and conditions under which such assets are turned over will best advance the public interest. For these reasons, in negotiating the sale of public assets to private groups in the past, the Government has frequently negotiated terms and conditions to advance the public interest, where such terms and conditions have gone beyond the question whether the antitrust laws would be violated. Such, for example, was the case when the publicly owned aluminum plants were sold after World War II, and the Department of Justice insisted that as a condition of the sale the buyers agree to license their patents at reasonable royalties. So also was the case, at least as a tentative matter, when Congress went beyond the standards of the antitrust laws to write into the Disposal Act of 1953 certain criteria for safeguarding the public interest in the disposal of the publicly owned synthetic rubber plants.

G. QUESTION OF SMALL BUSINESS PROTECTION

The action of the Disposal Commission in carrying out its congressional mandate to formulate a plan which would best protect small rubber fabricators has been: First, to assume that all of the rubber to be produced by proposed purchasers who are not themselves rubber fabricators will be available to small business; and second, to accept certain statements appearing in its contracts with rubber fabricators as practical assurances that these fabricators will make available certain percentages of their production to their small, nonintegrated competitors—at competitive prices. Referring to its congressional mandate, the Disposal Commission has said: [5]

"The major need of these hundreds of rubber fabricators is a dependable supply of synthetic rubber. The most effective way of satisfying this demand if to place rubber-producing capacity in the hands of nonrubber fabricators—corporations with no captive demand which will have to look to the general market for the sale of their product. This the Commission has done. Shell and Phillips alone represent 152,000 tons of capacity."

Thus, while it appears that the Commission is counting upon Shell's and Phillips' entire production to be available in the open market, actually the Commission's contract with Shell clearly indicates that Shell has contracts with Goodyear and Firestone for promoting the sale of these companies' tires and tubes through Shell dealer outlets. In view of these contracts, it can hardly be said that Shell's production of synthetic rubber will be available on the open market whenever these rubber companies choose to make first call upon Shell's rubber supplies. Similarly, while the contract with Phillips does not so specify, it is general trade belief that Phillips has a distribution contract with a single tire producer—Lee Tire & Rubber Co.

Concerning the supplies which the Disposal Commission seems to think it has assured small business by the term of its contracts with rubber fabricators, the pertinent portions of these contracts may be noted as follows:

"AMERICAN SYNTHETIC, LOUISVILLE, GR–S

"2. The purchaser will sell to each stockholder, upon call, up to approximately 500 long tons annually of the end products of the facility for each $50,000 of capital paid in by such stockholder. Purchaser will sell the balance of such end products of the facility (estimated by the purchaser to range between 4,000 and 15,000 long tons annually) through American Cyanamid Co., as purchaser's exclusive sales agent, to other small business enterprises who are consumers of synthetic rubber.

* * * * *

[5] Disposal Commission's report, p. 20.

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"FIRESTONE, AKRON, GR–S

"2. The purchaser will sell approximately 20 percent of the GR–S rubber produced at the facility to small business enterprises (as defined in section 21 (h) of the act) and to small rubber companies, such sales to be made at the going price on types of rubber generally accepted. In the event demand exceeds such 20 percent, purchaser will consider expansion of its facilities to take care of the added small business market.

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"FIRESTONE, LAKE CHARLES, GR–S

"2. The purchaser will sell approximately 20 percent of the GR–S rubber produced at the facility to small-business enterprises (as defined in sec. 21 (h) of the act) and to small rubber companies, such sales to be made at the going price on types of rubber generally accepted. In the event demand exceeds such 20 percent, purchaser will consider expansion of its facilities to take care of the added small-business market."

"GOODRICH-GULF, FORT NECHES, GR–S

"2. The purchaser proposes to make available approximately 15,000 long tons per year of GR–S-type rubbers produced at the facility for sale at fair market prices to small-business enterprises (as defined in sec. 21 (h) of the act) and users other than the B. F. Goodrich Co., in reasonably equal monthly quantities.

"GOODYEAR, AKRON, GR–S

"2. The purchaser intends that some substantial part of the synthetic rubber produced at the facility will be made generally available for sale to users other than the Goodyear Tire & Rubber Co. and its subsidiary corporations. The purchaser will make available for sale, in each month of the period of the national security clause, to small-business enterprises (as defined in sec. 21 (h) of the act) synthetic rubber in an amount equal to 10 percent, by weight of dry rubber solids content, of the synthetic rubber produced at the facility in the preceding month, at current market prices for such types and grades and on reasonable terms.

• • • • •

"GOODYEAR, HOUSTON, GR–S

"2. The purchaser intends that some substantial part of the synthetic rubber produced at the facility will be made generally available for sale to users other than the Goodyear Tire & Rubber Co. and its subsidiary corporations. The purchaser will make available for sale, in each month of the period of the national security clause, to small-business enterprises (as defined in sec. 21 (h) of the act) synthetic rubber in an amount equal to 10 percent, by weight of dry rubber solids content, of the synthetic rubber produced at the facility in the preceding month, at current market prices for such types and grades and on reasonable terms.

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"PHILLIPS, BORGER, GR–S

"2. The purchaser will manufacture a variety of synthetic rubber polymers for sale to small-business enterprises (as defined in sec. 21 (h) of the act) as well as to other prospective customers. Purchaser desires to sell the major portion of its production to such small-business enterprises and for so long as it continues active operation of the plant will do so, to the extent that demand from such small-business enterprises will permit such sales to them on terms and conditions generally competitive with those offered by other private suppliers of synthetic rubber and offering a fair return to purchaser on its plant investment.

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"TEXAS: U. S. RUBBER, PORT NECHES, GR–S

"2. The purchaser will afford small-business enterprises (as defined in sec. 21 (h) of the act) and other users the opportunity to obtain a fair share of the GR–S rubber produced at the facility at fair prices. The purchaser will make available for sale to small-business enterprises and users other than United States Rubber Co. up to 20 percent of the GR–S rubber produced at the facility, upon the terms and conditions prevailing in the open market.

• • • • •

"U. S. RUBBER, NAUGATUCK, GR–S

"2. The purchaser is prepared to make available between 50 percent and 60 percent (up to 13,000 tons) of the tonnage of synthetic rubber annually produced at the facility for sale to small-business enterprises (as defined in sec. 21 (h) of the act) and other users upon the terms and conditions prevailing on the open market."

Since the language of some of these contracts has come up for examination before the House Armed Services Committee and Senate Banking and Currency Committee, there has been a great deal of discussion as to whether the language means what it says, or whether it is to mean what certain representatives of the proposed buyers have stated to these committees, that they think it means. The point which has been overlooked however, is that even if all the contracts committed the proposed purchasers unequivacally to supply a certain percentage of their production to a general class of small business, the result would in no practical sense assure any individual small-business men that he could obtain a fair share, or any share, of synthetic rubber supplies.

The individual small-business man knows only that he is unable to obtain supplies, when this is the case, and he has no way of knowing which of the various proposed purchasers, if any, may not be living up to its statement that it will make, or proposes to make available, a certain percentage of its production to small business. Assuming, moreover, that the individual businessman would have any right to sue for enforcement of these so-called agreements,[6] the small-business man would have neither the resources for carrying on such suits, nor any basis for gaining the information necessary for winning his suit. And even if he should be foolish enough to sue, and lucky enough to win, he would still have no reason to think that he could then obtain supplies of needed rubber from the defendant firm. As long as there is no law which compels a supplier to sell to any particular buyer, it must be assumed that suppliers may continue to choose their customers as they please.

On the other hand, if the Disposal Commission has in mind that these so-called agreements are to be enforced by an agency of the Federal Government, then it has failed to suggest any legal authority for such enforcement, and it has likewise failed to suggest what mehanism it thinks might be created to obtain effective enforcement.

Finally, the proscription that an integrated fabricator must sell to his nonintegrated competitors "at competitive prices" can mean nothing more than it has always meant—namely, that the integrated producer will sell to his nonintegrated competitor at the same price as he charges himself. Over the years countless small fabricators have been squeezed out of business, in industry after industry, as a result of having to pay their competitors competitive prices for raw materials.

In this connection it may be pertinent to take note of a recent finding of the Federal Trade Commission in its "Quantity Limit Proceedings in the Rubber Tire Industry". In these proceedings the Federal Trade Commission found that the rubber tire manufacturers discriminated in price among their customers to the extent that, on the average, the biggest customers paid 30.5 percent less for passenger tires than the smallest customers and the largest customers paid 38.5 percent less for truck tires than the smallest customers. The full range of discrimination between the largest and smallest customers of the tire companies is indicated in the following table:

	Number of purchasers	Percentage discount from list price	
		Passenger tires	Truck tires
Buyers making yearly purchases of—			
Under $100,000	47,247	0–16	0–2.005
$100,000 to $600,000	888	18.5	23.0
$600,000 to $5,000,000	52	26.0	32.0
$5,000,000 to $25,000,000	9	28.5	40.0
$25,000,000 to $50,000,000	2	30.5	38.5
All purchasers	48,198		

The Federal Trade Commission found these prices to be unjustly discriminatory and promotive of monopoly in violation of section 2 (a) of the Clayton Antitrust Act, as amended, and issued an order against continuation of the practice. It may be noted, moreover, that Firestone, Goodyear, Goodrich, U. S. Rubber, and certain of their oil-company customers filed an action in the United States District Court for the District of Columbia, now pending, seeking to have the Federal Trade Commission's rule set aside.

In view of the big rubber companies' practice of openly discriminating in prices among their own customers, and in violation of law, then this question arises: What reason is there for thinking that they will behave contrary to their self-interest by refraining from discriminating against their fabricator-competitors, when in this instance the discriminations may be practiced legally, and without the full knowledge of the customer-competitors?

The practice of large integrated producers creating "price squeezes" to eliminate their nonintegrated customer-competitors has been one especially notable and of long standing in the petroleum industry.[7]

In fact the practice has been carried to such extreme by some of the big oil companies; they have even used pipeline rates to squeeze out smaller competitors. Although the oil-company owners of pipelines are required by law to allow competing companies to transport their products over these lines, prior to 1941 several of these big owners raised their rates to such exorbitant levels that hundreds of their smaller competitors were being ruined. Of course the oil-company owners charged themselves the same

[6] The firm's position is that of a third party beneficiary, who does not have standing to sue for breach of contract, where the benefit is incidental to the contract. In the comparable field of a contract between a public service corporation and a municipality, an individual cannot sue if the benefits were to be conferred upon the community as a whole (2 Williston on Contracts, sec. 347, et seq.).

[7] See for example: Petroleum study, hearings before a subcommittee of the Committee on Interstate and Foreign Commerce, House of Representatives, 81st Cong., 2d sess., on H. Res. 107, H. R. 6047, H. Res. 423; Oil Study and Distribution Problems, a final report of the Special Committee To Study Problems of American Small Business, U. S. Senate, 80th Cong., 1st sess., Report to the Federal Trade Commission by its staff on Monopolistic Practices and Small Business, 1952, pp. 39–44, et seq.

rates, the profits on which they took back in dividends from their operator-subsidiaries. In this instance, because of the common-carrier nature of the facilities involved in the discriminatory rebating, the Department of Justice was able to win a consent order limiting the owners' returns to 7 percent of the valuation of the pipeline.

Comes now the final question which is: Should Congress withdraw from the demand it wrote into the Disposal Act of 1953, "That the disposal program be designed best to afford small-business enterprises and users, other than the purchaser of a facility, the opportunity to obtain a fair share of the end products of the facilities sold and at fair prices"?

The answer to this question goes to the reason why it is necessary to provide protection for small business at all. Manifestly, small business needs no special protection where its industry is truly competitive. It is an inevitable consequence of a vigorous competitive industry that the products of the industry are freely available to all, and that short supplies go to the highest bidders at nondiscriminatory prices. Consequently, if the Disposal Commission had created a disposal plan which would establish a free, competitive synthetic-rubber industry, no special protection for small-business users of rubber would be needed.

It is impossible to conclude that the Disposal Commission has created a plan which will establish a free competitive industry, and it is equally impossible to conclude that the plan for the monopolistic industry it has created contains any practical protection whatever for small rubber fabricators.

ANTITRUST CONSIDERATIONS

As has already been noted, the question of whether the Commission has met the criteria in its disposal plan of fostering a free and competitive synthetic-rubber industry and assuring small-business enterprises a fair share of synthetic rubber at a fair price, cannot be fully answered without consideration of the competitive or noncompetitive character of the proposed purchasers and whether serious antitrust problems may arise in the future.

The antitrust cases in which proposed purchasers have been involved have been presented by the Honorable EMANUEL CELLER (CONGRESSIONAL RECORD, March 7, 1955, pp. 2467–2469. In addition, attached as an appendix, is a compilation prepared by the Department of Justice listing under the name of each proposed purchaser, all antitrust actions brought by the Department in which the purchaser has been a defendant. At this time there is no official compilation of private antitrust and Federal Trade Commission cases in which the proposed purchasers have been involved. In this respect, therefore, the antitrust background is incomplete.

This section will deal only with the more recent antitrust cases in which proposed purchasers have been or are involved and with other general antitrust cases which might have an important bearing on future antitrust actions.

In *United States* v. *Rubber Manufacturing Association et al.*, Firestone, Goodrich, United States Rubber, Dayton, Seiberling and others entered a plea of nolo contendere in 1947 to a criminal action charging a combination and conspiracy, existing since 1935, to fix prices in the sale of tires and tubes.

In *United States* v. *Metropolitan Finding Association, Inc.*, in 1948, Goodyear and others were charged with price fixing in rubber heels and soles, and were fined.

In *United States* v. *United States Rubber*, in 1948 United States Rubber, Dunlop Rubber Co., Ltd., and others were charged with illegal cartel agreements and price fixing in reference to latex. A consent decree was entered in 1954.

In *United States* v. *Association of American Battery Manufacturers*, in 1950, both a civil and criminal action were filed charging Sears Roebuck, Firestone, Goodrich, and Goodyear (and others) with price fixing and the exercising of monopolistic power to exclude competitors. The defendants pleaded nolo contendere in the criminal action and took a consent judgment in the civil action.

In *United States* v. *Standard Oil Company of California et al.*, filed in 1950 and now pending, Standard of California, Shell, and Texas, along with others, are charged with monopolizing the entire oil industry in Pacific States area. The complaint alleges in paragraphs 72 and 73 that two former actions embodying similar charges against Standard of California, Shell, and Texas which had resulted in pleas of nolo contendere in 1939 and a consent judgment in 1930, had been completely ineffective in preventing these companies from continuing to monopolize the oil industry in the Pacific States area. In paragraph 74, the Department of Justice further alleged that "defendants' domination and control of the petroleum industry in the Pacific States area, has become so entrenched and so overwhelmingly and generally accepted that it has persisted and will continue to persist and grow * * * and will continue to make it impossible for independents at any and all levels of the petroleum industry to compete effectively with the defendant oil companies." The same paragraph states that the "business operations of defendant oil companies are conducted as if said oil companies were a single concern with single management."

The pending case against Standard of California, Shell, Texas, and others can properly be considered in conjunction with *United States of America* v. *American Petroleum Institute et al.* This latter case, known as the Mother Hubbard case because of the number of defendants involved, was filed by the Department of Justice in 1941. The action was an attempt to break up in one suit an alleged nationwide combination and conspiracy of the 22 major oil companies and their affiliates to monopolize the entire oil industry of the United States. No action was taken on the complaint during the Second World War, and on June 6, 1951, the suit was dismissed by the Department of Justice. The reason given for the dismissal was that the Government could better attack the nationwide monopoly by bringing individual and segmented actions instead of combining all defendants and all charges in one complaint. The pending case represents one such segmented action.

In *United States* v. *Standard Oil Company (New Jersey) et al.*, filed in 1953, the Department directed its attention to an alleged international cartel in oil. The complaint alleges that Standard Oil (New Jersey), Texas Co., Gulf Oil Co., Standard Oil Co. of California, and others had unlawfully conspired and combined since 1927 to restrain "interstate and foreign commerce of the United States in petroleum and products, to increase domestic market price of petroleum and products imported into the United States, and to monopolize trade and commerce in petroleum and products between the United States and foreign nations." Although named as a party to virtually every act declared to be illegal in the complaint, Shell is not named as a defendant.

The decision of the Supreme Court in *United States* v. *Columbia Steel* (1948 (334 U. S. 495)) does not involve any of the prospective purchasers, but it does involve a principle which may have an important bearing on future antitrust actions against such purchasers. In this case the Government alleged that the acquisition of Consolidated Steel Corp. by U. S. Steel, when viewed in the light of previous acquisitions, would constitute an attempt to monopolize the production and sale of fabricated steel products in the consolidated market.

In treating this aspect of the case, the Supreme Court gave great weight to the fact that the United States Government had in 1947 sold to the United States Steel Corp. a large plant at Geneva, Utah, and that in that connection the Attorney General had concluded "that the proposed sale, as such, did not violate the antitrust laws." The Supreme Court stated: "To show that specific intent, the Government recites the long history of acquisitions of United States Steel, and argues that the present acquisition when viewed in the light of that history demonstrates the existence of a specific intent to monopolize. * * * we look not only to these acquisitions, however, but also to the latest acquisition—the Government-owned plant at Geneva. We think that latest acquisition is of significance in ascertaining the intent of United States Steel in acquiring Consolidated." The Court then proceeded to dismiss the suit by a vote of 5 to 4.

The Court further pointed out that when approval was given to the sale of the Geneva plant to United States Steel, the Government had reason to know that if United States Steel acquired the Geneva plant it would for "normal business purposes" either acquire or build finishing facilities to assure itself a market for the unfinished steel produced at the Geneva plant, and the Government made no objection.

The Columbia Steel case would appear to raise serious questions as to whether the approval by the Attorney General of the Commission's disposal plan jeopardizes both future and pending antitrust actions against the proposed purchasers, if the plan is accepted by Congress. First, the Attorney General has approved of the joint purchase by Texas, United States Rubber, Goodrich, and Gulf of the butadiene plant at Port Neches, Tex., which has 31.8 percent of total butadiene capacity. Any further acquisitions by the joint purchasers, either collectively or individually, of other companies in order to balance their rubber capacity with their butadiene capacity would appear, under the Columbia Steel case, possibly to be immune from antitrust action. A similar situation would appear to exist with respect to any purchaser who acquires a company to balance either his butadiene capacity with his GR–S capacity or his GR–S capacity with his rubber fabricating capacity.

The Columbia Steel case would also appear to endanger antitrust enforcement in the event the oil purchasers further combine and integrate with the rubber purchasers. Mr. McCurdy, president of Shell Chemical Co., has testified before the Subcommittee of the Senate Banking and Currency Committee that "He either must ship something like five-sixths of the rubber (from the Shell GR–S plant) that he could make back East and pay the extra freight, or he must persuade the large rubber companies to buy rubber from him in the West." Assuming that Shell does make arrangements with the large rubber companies to take five-sixths of Shell's production, and that Shell in practice distributes in its service station only the tires of these large rubber companies, such arrangements, under the Columbia Steel case, might not be subject to antitrust action because of the Attorney General's approval of the sale to Shell. The danger is even more pronounced of course where such combinations as Goodrich-Gulf and Texas-United States Chemical are expressly approved by the Attorney General upon the basis that they promote free competition in the synthetic rubber industry.

With reference to pending cases against oil company purchasers, heretofore discussed, there also seems to be the danger that their successful prosecution might be weakened by the Attorney General's approval of the Commission's plan. Although the Government asserts in these pending cases that the oil companies act as if they were one single

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company under one management, in approving of the Commission's program the Attorney General asserts the sale of synthetic rubber facilities to the same companies fosters free competition.

APPENDIX 1

A LISTING OF ANTITRUST PROCEEDINGS INSTITUTED BY THE DEPARTMENT OF JUSTICE AGAINST PROPOSED PURCHASERS OF GOVERNMENT-OWNED SYNTHETIC-RUBBER-PRODUCING FACILITIES THROUGH FEBRUARY 1955

(Prepared by Hon. Stanley N. Barnes, Assistant Attorney General)

Partners in American Synthetic Rubber Corp.

American Cyanamid Co.: *U. S.* v. *E. I. du Pont de Nemours & Co.* (Cr. 1268 (N. D. Ind.) 720[1]), *U. S.* v. *Monsanto Chemical Co.* (Cr. 1265 (N. D. Ind.) 717), *U. S.* v. *Standard Ultramarine & Color Co., et al.* (Civ. 739 (S. D. W. Va.) 1201), *U. S.* v. *Allied Chemical & Dye Corp.* (Cr. 753–C (N. J.) 706).

Anaconda Wire & Cable Co.: *U. S.* v. *Western Pine Association* (Cr. 14522 (S. D. Calif.) 561), *U. S.* v. *Western Pine Association* (Civ. 1389–RJ (S. D. Calif.) 586), *U. S.* v. *Climax Molybdenum Co.* (Civ. 19–112 (S. D. N. Y.) 729).

Dunlop Tire & Rubber: *U. S.* v. *The Cooper Corp.* (Civ. 2–396 (S. D. N. Y.) 442), *U. S.* v. *United States Rubber Co.* (Civ. 50–564 (N. D. Ohio) 967).

General Cable Corp.: *U. S.* v. *General Cable Corp.* (Civ. 40–76 (S. D. N. Y.) 886).

Phelps-Dodge Copper Products Corp.: *U. S.* v. *General Cable Corp.* (Civ. 40–76 (S. D. N. Y.) 886).

Raybestos-Manhattan, Inc.: *U. S.* v. *Brake Lining Manufacturers Association, Inc.* (Cr. 126–205 (S. D. N. Y.) 899), *U. S.* v. *Brake Lining Manufacturers Association, Inc.* (Cr. 126–206 (S. D. N. Y.) 900), *U. S.* v. *Brake Lining Manufacturers Association, Inc.* (Cr. 126–207 (S. D. N. Y.) 901).

Partners in Copolymer Corp., Inc.

The Dayton Rubber Co.: *U. S.* v. *Rubber Manufacturing Ass'n., Inc.* (Cr. 126–193 (S. D. N. Y.) 897), *U. S.* v. *The Cooper Corporation* (Civ. 2–396 (S. D. N. Y.) 442).

Sears, Roebuck & Co.: *U. S.* v. *Sears Roebuck Co., et al.* (Civ. 73–293 (S. D. N. Y.) 1117), *U. S.* v. *Sears Roebuck Co., et al.* (Civ. 73–297 (S. D. N. Y.) 1119), *U. S.* v. *Association of American Battery Manufacturers* (Cr. 17652 (W. D. Mo.) 1012), *U. S.* v. *Association of American Battery Manufacturers* (Civ. 6199 (W. D. Mo.) 1013).

Seiberling Rubber Co.: *U. S.* v. *Rubber Manufacturers Ass'n., Inc.* (Cr. 126–193 (S. D. N. Y.) 897), *U. S.* v. *The Cooper Corporation* (Civ. 2–396 (S. D. N. Y.) 442).

The Firestone Tire & Rubber Co.

U. S. v. *National City Lines, Inc., et al.* (Civ. 49C1364 (S. D. Calif.) 890[1]), *U. S.* v. *National City Lines, Inc., et al.* (Cr. 47–524 (S. D. Calif.) 891), *U. S.* v. *Master Horseshoers' Nat'l Protective Ass'n.* (Equity 5565 (E. D. Mich.) 123), *U. S.* v. *The Cooper Corporation* (Civ. 2–396 (S. D. N. Y.), 442), *U. S.* v. *Rubber Manufacturers Ass'n., Inc.* (Cr. 126–193 (S. D. N. Y.) 897), *U. S.* v. *Brake Lining Manufacturers Ass'n., Inc.* (Cr. 126–206 (S. D. N. Y.) 900), *U. S.* v. *Brake Lining Manufacturers Ass'n., Inc.* (Cr. 126–207 (S. D. N. Y.) 901), *U. S.* v. *Association of American Battery Manufacturers* (Cr. 17652 (W. D. Mo.) 1012), *U. S.* v. *Association of American Battery Manufacturers* (Civ. 6199 (W. D. Mo.) 1013).

Food Machinery & Chemical Corp.

U. S. v. *Food Machinery and Chemical Corporation* (Civ. 29308–G (N. D. Calif.) 997), *U. S.* v. *National Association of Vertical Turbine Pump Manufacturers* (Cr. 32421 (N. D. Calif.) 1001), *U. S.* v. *National Association of Vertical Turbine Pump Manufacturers* (Civ. 29446 (N. D. Calif.) 1011).

B. F. Goodrich Co.

U. S. v. *The Cooper Corporation* (Civ. 2–396 (S. D. N. Y.) 442), *U. S.* v. *Rubber Manufacturers Ass'n., Inc.* (Cr. 126–193 (S. D. N. Y.) 897), *U. S.* v. *Sears Roebuck Co., et al.* (Civ. 73–293 (S. D. N. Y.) 1117), *U. S.* v. *Association of American Battery Manufacturers* (Cr. 17652 (W. D. Mo.) 1012), *U. S.* v. *Association of American Battery Manufacturers* (Civ. 6199 (W. D. Mo.) 1013).

Goodyear Tire & Rubber Co.

U. S. v. *Association of American Battery Manufacturers* (Cr. 17652 (W. D. Mo.) 1012), *U. S.* v. *Association of American Battery Manufacturers* (Civ. 6199 (W. D. Mo.) 1013), *U. S.* v. *Rubber Manufacturers Ass'n, Inc.* (Cr. 126–193 (S. D. N. Y.) 897), *U. S.* v. *The Cooper Corporation* (Civ. 2–396 (S. D. N. Y.) 442).

Gulf Oil Corp.

U. S. v. *Standard Oil Co. (Indiana)* (Cr. 11296 (W. D. Wis.) 415), *U. S.* v. *Standard Oil Co. (Indiana)* (Cr. 11365 (W. D. Wis.) 419), *U. S.* v. *American Petroleum Institute* (Civ. 8524 (District Court for the District of Columbia) 564), *U. S.* v. *Standard Oil Co. (N. J.) et al.* (Civ. 86–27 (District Court for the District of Columbia) 1163), *U. S.* v. *Socony-Vacuum Oil Co., Inc.* (Cr. 11342 (W. D. Wis.) 416), *U. S.* v. *Socony-Vacuum Oil Co., Inc.* (Cr. 11364 (W. D. Wis.) 420).

Petroleum Chemicals, Inc.

Cities Service Co.: *U. S.* v. *Standard Oil Co. (Indiana)* (Cr. 11296 (W. D. Wis.) 415), *U. S.* v. *Standard Oil Co. (Indiana)* (Cr. 11365 (W. D. Wis.) 419), *U. S* v. *Socony-Vacuum Oil Co., Inc.* (Cr. 11342 (W. D. Wis.) 416), *U. S.* v. *Socony-Vacuum Oil Company, Inc.* (Cr. 11364 (W. D. Wis.) 420), *U. S. American Petroleum Institute* (Civ. 8524 (D. C.) 564).

Continental Oil Co.: *U. S.* v. *Standard Oil Co. (Indiana)* (Cr. 11296 (W. D. Wis.) 415), *U. S.* v. *Standard Oil Co. (Indiana)* (Cr. 11365 (W. D. Wis.) 419), *U. S.* v. *Standard Oil Co. of New Jersey* (Eq. 5371, Circuit Court (E. D. Mo.) 41), *U. S.* v. *American Petroleum Institute* (Civ. 8524 (D. C.) 564), *U. S.* v. *Socony-Vacuum Oil Co., Inc.* (Cr. 11342 (W. D. Wis.) 416), *U. S.* v. *Socony-Vacuum Oil Company, Inc.* (Cr. 11364 (W. D. Wis.) 420).

Phillips Petroleum Co.

U. S. v. *Standard Oil Co. (Indiana)* (Cr. 11296 (W. D. Wis) 415), *U. S.* v. *Standard Oil Co. (Indiana)* (Cr. 11365 (W. D. Wis.) 419), *U. S.* v. *American Petroleum Institute* (Civ. 8524 (D. C.) 564), U. S. v. *Socony-Vacuum Oil Co., Inc.* (Cr. 11342 (W. D. Wis.) 416), *U. S.* v. *Socony-Vacuum Oil Co., Inc.* (Cr. 11364 (W D. Wis.) 420), *U. S.* v. *National City Lines, Inc., et al.* (Civ. 49C1364 (S. D. Calif.) 890), *U. S.* v. *National City Lines, Inc., et al.* (Cr. 47–524 (S. D. Calif.) 891).

Shell Oil Co.

U. S. v. *Standard Oil Co. of California* (Civ. 11584–C (S. D. Calif.) 1024), *U. S.* v. *American Petroleum Institute* (Civ. 8524 (D. C.) 564), *U. S.* v. *General Petroleum Corp. of California* (Cr. 14149–M (S. D. Calif.) 465), *U. S.* v. *Hiram W. Evans* (Cr. 16205 (N. D. Ga.) 532), *U. S.* v. *Standard Oil Co. of California* (Eq. 2542–S (N. D. Calif.) 369), *U. S.* v. *Standard Oil Co. (Indiana)* (Cr. 11296 (W. D. Wis.) 415), *U. S.* v. *Standard Oil Co. (Indiana)* (Cr. 11365 (W. D. Wis.) 419).

Standard Oil Co. of California

U. S. v. *Standard Oil Co. (New Jersey) et al.* (Civ. 86–27 (D. C.) 1163); *U. S.* v. *Standard Oil Co. of New Jersey* (eq. 5371, Circuit Court (E. D. Mo.) 41); *U. S.* v. *American Petroleum Institute* (Civ. 8524 (D. C.) 564); *U. S.* v. *Standard Oil Co. of California* (eq. 2542–s (N. D. Calif.), 369); *U. S.* v. *General Petroleum Corp. of California* (Cr. 14149–M (S. D. Calif.), 465); *U. S.* v. *Standard Oil Co.* (Indiana) (eq. 4131 (N. D. Ill.), 288); *U. S.* v. *Pacific Greyhound Lines* (Civ. 25267–S (N. D. Calif.), 835); *U. S.* v. *Standard Oil Co. of California and Standard Stations, Inc.* (Civ. 6159–B (S. D. Calif.), 883); *U. S.* v. *National City Lines, Inc., et al.* (Civ. 49C1364 (S. D. Calif.), 890); *U. S.* v. *National City Lines, Inc., et al.* (Cr. 47–524 (S. D. Calif.), 891); *U. S.* v. *Standard Oil Co. of California* (Civ. 11584–C (S. D. Calif.), 1024).

Standard Oil Co. (New Jersey)

U. S. v. *Standard Oil Co. (New Jersey), et al.* (Civ. 86–87 (D. C.), 1163); *U. S.* v. *Standard Oil Co. (Indiana)* (Eq. 4131 (N. D. Ill.), 288); *U. S.* v. *Calvin N. Payne* (Cr. 1214 (N. D. Tex.), 122); *U. S.* v. *Standard Oil of New Jersey* (Eq. 5371, Circuit Court (E. D. Mo.), 41); *U. S.* v. *American Petroleum Institute* (Civ. 8524 (D. C.), 564); *U. S.* v. *Standard Oil Co. (New Jersey)* (Cr. 682 and Civ. 2091 (N. J.), 695 and 696); *U. S.* v. *Monsanto Chemical Co.* (Cr. 1265 (N. D. Ind.), 717).

The Texas Co.

U. S. v. *American Petroleum Institute* (Civ. 8524 (D. C.), 564); *U. S.* v. *Standard Oil Co. (Indiana)* (Eq. 4131 (N. D. Ill.), 288); *U. S.* v. *General Petroleum Corp. of California* (Cr. 14149–M (S. D. Calif.), 465); *U. S.* v. *Standard Oil Co. (Indiana)* (Cr. 11296 (N. D. Wis.), 415); *U. S.* v. *Standard Oil Co. (Indiana)* (Cr. 11365 (N. D. Wis.), 419); *U. S.* v. *Socony-Vacuum Oil Co., Inc.* (Cr. 11342 (W. D. Wis.), 416); *U. S.* v. *Socony-Vacuum Oil Company, Inc.* (Cr. 11364 (W. D. Wis.), 420); *U. S.* v. *Standard Oil Co. of California* (Eq. 2542–s (N. D. Calif.), 369); *U. S.* v. *Standard Oil Co. (New Jersey), et al.* (Civ. 86–27 (D. C.), 1163); *U. S.* v. *Standard Oil Co. of California* (Civ. 11584–C (S. D. Calif.), 1024).

U. S. Rubber Co.

U. S. v. *Rubber Manufacturers Ass'n, Inc.* (Cr. 126–193 (S. D. N. Y.), 897); *U. S.* v. *E. I. du Pont de Nemours and Company* (Civ. 49C–1071 (N. D. Ill.), 987); *U. S.* v. *United States Rubber Company* (Civ. 50–564 (N. D. Ohio), 967); *U. S.* v. *The Cooper Corporation* (Civ. 2–396 (S. D. N. Y.), 442).

[1] Federal Antitrust Laws 1890–1951, Commerce Clearing House.

Mr. PATMAN. Mr. Speaker, this is a very comprehensive report and was prepared by the staff of the Small Business Committee of the House, Everett McIntyre, chief counsel and director; Bill Johnson, chief economist; and George Arnold, of counsel for the committee.

It concerns a bill that will come up for consideration tomorrow, the rubber disposal bill. It gives information that the Members are entitled to have before they vote. I think it is one of the most important bills that will come before the Congress this session.

I realize that the public interest comes first. It comes ahead of the rubber companies; it comes ahead of small business; it comes ahead of all groups of individuals—the public interest. It is my sincere belief that if this bill is passed, four big rubber companies will have a monopoly on rubber in the United States, and the Congress will be giving its nod or a green light to a monopoly in the rubber business. I do not think it should be done at all. I hope the Members will carefully study the facts as they are presented, and I certainly hope they will see their way clear to vote against this disposal plan.

I ask unanimous consent to revise and extend my remarks and include certain extraneous matter.

The SPEAKER. Is there objection?

There was no objection.

AMENDING THE RULES RELATING TO COMMITTEE PROCEDURE

The SPEAKER. Under previous order of the House, the gentleman from Michigan [Mr. MEADER] is recognized for 30 minutes.

Mr. MEADER. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. MEADER. Mr. Speaker, I have taken this time to discuss House Resolution 151, to amend the rules of the House governing committee procedure, which is scheduled to come up on the floor of the House later in the week.

Under House rules this resolution will be considered for only 1 hour and will not be open to amendment unless the previous question is voted down. For the information of the Members, therefore, I will analyze House Resolution 151, pointing out defects which should be cured by amendment. I might say that all of these defects could be cured by one amendment: Namely, the substitution of my resolution, House Resolution 99, which in my judgment contains all that is necessary to be added to the rules of the House governing committee procedure.

I also intend to discuss the telecasting and broadcasting of committee hearings, concerning which House Resolution 151 is silent.

Mr. Speaker, any discussion of amendment of the rules of the House should be founded upon the following points:

First. The rules of the House should not be lightly amended. They are our bible of procedure, which should be clearly understood by all Members, and ought not to be altered except upon a strong showing that change is required. In other words, the burden of proof is upon him who asserts that a change in the rules is needed.

Second. We must continually bear in mind that under the present law announced by the Supreme Court of the United States in the case of *Christoffel* v. *United States* (338 U. S. 84 (1949)), the courts will review in subsequent judicial proceedings the application of any rules we adopt.

Third. The ruling of Speaker RAYBURN with reference to the telecasting and broadcasting of committee hearings seems to deny the doctrine of implied powers as applied to the rules of the House. In other words, unless there is express authority in the rules, the power does not exist. It cannot be implied as being necessary and proper in the exercise of an express power.

Mr. Speaker, in the light of these principles, I now desire to discuss House Resolution 151 which I insert at this point in my remarks:

Resolved, That rule XI 25 (a) of the Rules of the House of Representatives is amended to read:

"25. (a) The Rules of the House are the rules of its committees so far as possible, except that a motion to recess from day to day is a motion of high privilege in committees. Committees may adopt additional rules not inconsistent therewith."

SEC. 2. Rule XI (25) is further amended by adding at the end thereof:

"(h) Each committee may fix the number of its members to constitute a quorum for taking testimony and receiving evidence, which shall be not less than two.

"(i) The chairman at an investigative hearing shall announce in an opening statement the subject of the investigation.

"(j) A copy of the committee rules, if any, and paragraph 25 of rule XI of the House of Representatives shall be made available to the witness.

"(k) Witnesses may be accompanied by their own counsel for the purpose of advising them concerning their constitutional rights.

"(l) The chairman may punish breaches of order and decorum, and of professional ethics on the part of counsel, by censure and exclusion from the hearings; and the committee may cite the offender to the House for contempt.

"(m) If the committee determines that evidence or testimony at an investigative hearing may tend to defame, degrade, or incriminate any person, it shall—

"(1) receive such evidence or testimony in executive session;

"(2) afford such person an opportunity voluntarily to appear as a witness; and

"(3) receive and dispose of requests from such person to subpena additional witnesses.

"(n) Except as provided in paragraph (m), the chairman shall receive and the committee shall dispose of requests to subpena additional witnesses.

"(o) No evidence or testimony taken in executive session may be released or used in public sessions without the consent of the committee.

"(p) In the discretion of the committee, witnesses may submit brief and pertinent sworn statements in writing for inclusion in the record. The committee is the sole judge of the pertinency of testimony and evidence adduced at its hearing.

"(q) Upon payment of the cost thereof, a witness may obtain a transcript copy of his testimony given at a public session or, if given at an executive session, when authorized by the committee."

I intend to vote for House Resolution 151, because of two salutary provisions in that resolution.

The first clearly gives committees authority to adopt rules not inconsistent with the rules of the House.

The second permits committees to establish a quorum for taking testimony of less than a majority of the committee, but not less than two members.

The remaining provisions of House Resolution 151 are either unnecessary or dangerous. Furthermore, House Resolution 151 dodges the question of whether committees should have the authority to allow telecasting and broadcasting of their committee hearings.

I hope that the House will be able to perfect this resolution by amendment, in which case House Resolution 151 would be a step forward in strengthening and clarifying the powers of committees.

Mr. Speaker, at this point in my remarks, I insert a detailed analysis of House Resolution 151, which I presented to the Rules Committee, suggesting perfecting amendments. Unfortunately, in my judgment, the Rules Committee made no amendments to House Resolution 151, but reported it out in the form in which it was introduced.

SUGGESTED AMENDMENTS TO HOUSE RESOLUTION 151

Page 1, line 4: Strike the word "possible" and insert in lieu thereof the word "applicable."

The word "applicable" is presently used in the House rules and seems to be a far more specific and appropriate expression than "possible."

Page 1, line 7: Before the period insert "and may create subcommittees."

The power of committees to adopt rules and create subcommittees is nowhere expressly granted in the rules of the House. However, it has been an accepted practice of committees and seems to have been recognized in the precedents. (See notes under rula XI of (a) of the House rules.)

It would seem desirable, since House Resolution 151 expressly empowers committees to adopt additional rules, that the power to create subcommittees also be expressly provided in the rules. This would forestall anyone challenging the authority of a subcommittee on the ground that since express authority to create subcommittees cannot be found in the rules, therefore the power to do so does not exist.

Page 2, strike lines 1 to 3, inclusive (par. (i)).

It probably is desirable for a statement to be made at the opening of each hearing of the general purpose and objective of the inquiry. However, certain dangers arise when this is required as a rule of the House. In the light of the Christoffel doctrine that the judiciary will review the application of parliamentary rules, it is possible that the failure to observe this rule might be employed as a defense by those seeking to avoid proceedings for enforcement of the investigative powers of committees.

Assuming that such a provision should be included in the rules of the House, still a host of questions are raised by the language employed:

1. Is the committee bound by the statement of purpose the chairman makes pursuant to provision (i)?

2. Does the committee itself lose authority over defining the scope of an inquiry?

3. The language refers only to investigative hearings. Since the philosophy of the Legislative Reorganization Act contemplates investigations by standing legislative committees, how do you determine when a hearing is investigative or legislative? May it not be both?

4. What is the legal effect of failure to observe the rule requiring opening statements?

5. How would such a rule be enforced? (a) By a point of order? (b) Raised by a member of the committee? (c) By an objection from a witness or his counsel to a proceeding in the absence of such an opening statement? (d) By defense in a subsequent judicial proceeding for perjury or contempt where the witness defends on the ground that no opening statement was made?

6. What would constitute an adequate opening statement? May it be broad or must it be specific and detailed? Would its adequacy be a question which could be raised either by a member of the committee or by a witness or his counsel?

7. In the light of Supreme Court decisions on relevancy of questions would all questions not clearly within the scope of the opening statement be irrelevant with the result that the witness could refuse to answer them with impunity?

Page 2, strike lines 4 to 5, inclusive (par. (j)).

It hardly seems necessary to write into the rules of the House that House Rule XI 25 and a copy of committee rules be made available to witnesses. House rules obviously are available to anyone, and committee rules either are published in their calendar which is always available or in printed or mimeograph

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form available on request. What is the effect of failure to observe this rule, and how would it be enforced?

Page 2, strike lines 7 to 9, inclusive (par. (k)).

This provides that witnesses have counsel to advise them concerning their "constitutional rights." This is a salutary practice usually granted by committees but ought not to be written into the rules of the House. The language employed raises a number of questions:

1. May counsel advise only on constitutional rights but not on other rights?

2. Does this give counsel the right to be present in executive sessions? If so, what means does the committee have for maintaining the executive character of the executive session and the evidence given therein?

3. Suppose counsel becomes obstreperous and is ejected from the hearing as was the case of Attorney Maloney when his client, Henry Grunewald was testifying before the King Subcommittee of the House Ways and Means Committee? Must the hearings be stopped until the witness obtains other counsel and consults with him?

4. How long should be allowed for new counsel to familiarize himself with the hearing?

5. What is the effect of this rule, and how would it be enforced?

6. Would the entire proceeding be vitiated if the committee proceeded in the absence of counsel if the witness signified his desire to have counsel?

7. Could this rule be employed by a recalcitrant witness desiring to conceal evidence from the committee to obstruct or delay its inquiry?

Page 2. Strike lines 10 to 13 inclusive (par. (l)).

These provisions for maintaining order and citing to the House for contempt raise problems that require much further study.

The case of *Marshall* v. *Gordon* (243 U. S. 521), holds that the House of Representatives does not possess the judicial contempt power but only the power to punish offenders obstructing its inquiries as an aid to legislation. The House could not by rule add to or alter its authority to punish for contempt.

Page 2. Strike lines 14 to 22 inclusive (par. (m)).

This provision is illusory in that it gives witnesses or others defamed no rights unless the committee makes a determination. Committees are presently at liberty to make such a determination and follow the suggested or other procedures without any new rule of the House.

If the language is written in the resolution, there should be an amendment on line 17 after (1) inserting "in the first instance."

The language as it reads without such an amendment would seem to require the committee to receive the testimony in executive session but makes no provision for a subsequent open hearing in the event the committee determines the matter should be considered in public hearing.

It would seem that paragraph (n) and paragraph (p) are also illusory since they add nothing to the present powers of committees or grant no real rights to witnesses or others conceiving themselves aggrieved.

Mr. Speaker, I may say that the simplest way to perfect House Resolution 151 would be to strike out all after the enacting clause and insert the provisions of House Resolution 99 which I incorporate at this point in my remarks:

Resolved, That rule XI 25 (a) of the Rules of the House of Representatives is hereby amended to read as follows:

"(a) The rules of the House are hereby made the rules of its committees so far as applicable, with the following exceptions:

"(1) A motion to recess from day to day is hereby made a motion of high privilege in such committees.

"(2) Each committee is authorized to create subcommittees, with such powers and duties and subject to such limitations as it deems advisable.

"(3) Each committee is authorized to adopt rules in addition to, but not inconsistent with, the rules of the House.

"(4) Each committee is authorized to fix a lesser number than a majority of its entire membership, but not less than two members, which shall constitute a quorum thereof for the purpose of taking sworn testimony.

"(5) Each committee is authorized, in its discretion, upon such terms and conditions as it deems advisable, to permit the broadcasting and telecasting of its proceedings by radio and television, and the dissemination of news of such proceedings by other methods and media of communication."

SEC. 2. Rule XI 25 (c) of the Rules of the House of Representatives is hereby amended to read as follows:

"(c) All committee hearings, records, data, charts, and files shall be kept separate and distinct from the congressional office records of the Member serving as chairman of the committee; and such records shall be the property of the House. Each committee is authorized to have printed and bound testimony and other data presented at hearings held by the committee. No evidence received in executive hearings, or material received by the committee upon a confidential basis, shall be published, released, or divulged except by order of the committee."

SEC. 3. Rule XI 25 (e) of the Rules of the House of Representatives is hereby amended by adding at the end thereof the following sentence: "Until so reported, no findings, conclusions, or recommendations of the committee shall be published, released, or divulged except by order of the committee."

Mr. Speaker, now I desire to discuss in somewhat greater detail two provisions of House Resolution 151, which I regard as dangerous. The first reads as follows:

(l) The chairman at an investigative hearing shall announce in an opening statement the subject of the investigation.

Cases construing congressional investigative power consistently hold that questions asked of a witness at a committee hearing must be pertinent to the inquiry. The statement referred to in the quoted paragraph in House Resolution 151 could well be held to define and limit the scope of the inquiry with the result either that questions asked by committee members or counsel not clearly within the chairman's statement of the subject of the hearing either could be disregarded with impunity by a witness or endless discussions of relevancy could arise with respect to questions asked. That would have the necessary effect of stalling and impeding the progress of the inquiry.

The statement referred to would be in the nature of pleadings in a law suit through which the issues are fixed and which determine the relevancy of evidence. Legal training is not required as a prerequisite to service in the House of Representatives. Adopting judicial procedures places at a disadvantage every Member of the House not trained in the law.

I have caused a study to be made of the occupations of the Members of the House and find that almost one-half of the present membership are not attorneys. For the interest of the members I incorporate a table showing the occupations of Members of the House at this point in my remarks:

Summarization of occupation of Members of the House of Representatives as disclosed by the 1955 Congressional Directory

Attorneys	246
Educators	28
Farmers	27
Publishers, editors, and reporters	22
Realtors and insurance	14
Bankers, investors and loan business	7
Medical doctors	4
Accountants	4
U. S. Government	4
Lumbermen	3
Electrical business	3
Building business	2
Morticians	2
Clothiers	2
Advertising	2
1 each of the following: pharmacist, baking business, printer, forester, musician, chief of police, radio and TV, carbonated beverage and imported foods, aviation, automobile business, wholesale paper and paint, industrial chemist, copper business, city council, refrigerator and restaurant equipment, advertising sign business, social work, diplomatic service, mayor, oil operator, naval architect, fuel business, railroad, public health and nursing education, civil engineer, tire business, merchandising, restaurant and catering business, totaling	28
Unspecified occupations	37
Total	435

To those who would convert a committee hearing into a trial, I would like to point out that legislative inquiries are by their very nature exploratory. In a sense, they are the reverse of a lawsuit. In a lawsuit existing rules of law are applied to specific factual situations affecting the life or property of an individual. A legislative committee is seeking to draw from the experience of modern society the facts and logic upon which to base a general rule of legislative policy. In a court, known law is applied; in a committee we are trying to find out what the law ought to be or observing an existing law in operation.

It is precisely to find out what the facts are in a field of legislative jurisdiction that a committee inquiry is instituted. By its very nature it is a fishing expedition.

The second dangerous feature of House Resolution 151 is the provision that witnesses, as a matter of right, may be accompanied by counsel. This provision reads:

(k) Witnesses may be accompanied by their own counsel for the purpose of advising them concerning their constitutional rights.

Mr. Speaker, let me make it plain at the very beginning that I think committees, in their discretion, should permit witnesses to have their counsel present at public hearings and, where it can be done safely, at executive hearings. So far as I know, committees generally accord this privilege to witnesses. The difficulty arises when such a provision is written into the rules of the House and a weapon is thereby handed to a recalcitrant witness or an overzealous attorney to obstruct and disrupt the committee's inquiry.

An example of the manner in which this innocent appearing provision may

be turned against a committee was provided in the appearance of Henry W. Grunewald and his attorney, William Power Maoloney, before a House Ways and Means Subcommittee, which I noted previously. The committee's inquiry was halted by the unseemingly conduct of the attorney and the refusal of the witness to proceed after the attorney had been ejected from the committee hearing because of his conduct. I have made a summary of these proceedings which I insert at this point in my remarks:

ANALYSIS OF PROCEEDINGS OF KING SUBCOMMITTEE OF HOUSE WAYS AND MEANS COMMITTEE, 82D CONGRESS, 2D SESSION, INVESTIGATING BUREAU OF INTERNAL REVENUE, RECORDING OBSTRUCTION OF THE INVESTIGATION BY WITNESS HENRY W. GRUNEWALD AND HIS ATTORNEY, WILLIAM POWER MALONEY

The King subcommittee was seeking to find out about the activities of one Henry W. Grunewald in connection with certain internal-revenue matters. Grunewald appeared before the committee in both executive and public hearings with his attorney, William Power Maloney. A total of 6 hours in actual hearing time was consumed in procedural matters, primarily lectures to the committee by Attorney Maloney on how the committee ought to conduct its hearings. Not one word of testimony was elicited from the witness, and the proceedings of the committee were successfully obstructed by these tactics on the part of Grunewald and Maloney.

All of the following references are from volume 98, part 3, CONGRESSIONAL RECORD, 82d Congress, 2d session, House proceedings for April 8, 1952:

Executive hearings, December 12, 1951, 2:15 p. m. to 2:55 p. m. (40 minutes), pages 3757–3760. (The King subcommittee meeting in Georgetown Hospital to hear testimony from Grunewald with his attorney, Maloney.)

Executive hearings, December 20, 1951, 2:30 p. m. to 3:15 p. m. (45 minutes), pages 3761–3763. (The King subcommittee, KEAN presiding, in the main hearing room of the Ways and Means Committee.)

Executive hearings, December 21, 1951, 10:50 a. m. to 11:35 a. m. (45 minutes), pages 3763–3765. (The King subcommittee, KEOGH presiding, in the main hearing room.)

Public hearings, December 21, 1951, 11:35 a. m. to 12:40 p. m. (65 minutes), pages 3765–3768. (The King subcommitee, KEOGH presiding, in the main hearing room.)

Executive hearings, December 21, 1951, 12:40 p. m. to 1 p. m. (20 minutes), page 3768.

Public hearings, January 29, 1952, 10:20 a. m. to 12:45 p. m. (145 minutes), pages 3768–3771. (KING presiding in main hearing room.)

Mr. Speaker, House Resolution 99 would clearly have given committees the power to authorize telecasting and broadcasting of their public hearings. The Rules Committee dodged this issue in reporting out House Resolution 151, which is silent on this point.

Mr. Speaker, while I believe that the rules presently authorize committees to permit telecasting and broadcasting of their public hearings, I think the ambiguity should be resolved, and I conceed that the question is one of policy.

I regret that the Democratic leadership in the House of Representatives has drawn a "shutter curtain" between the American people and the conduct of their business in Congress.

The Speaker ruled in January that committees of the House of Representatives, under House rules, do not have the power to authorize broadcasts and telecasts of their public hearings.

In the Republican 83d Congress, Speaker JOE MARTIN ruled the exact opposite and there was no restriction on telecasting and broadcasting House committee hearings under Republican leadership.

The Rules Committee of the House had before it my proposal to amend the rules, House Resolution 99, which clearly would authorize committees to open their hearing to television and radio. The Rules Committee, under Democrat control, considered my resolution but declined to report it to the House floor. Thus, Democrats in the House of Representatives have gone on record clearly to deny to the American public the instruments of television and radio to follow more closely the activities of House committees. In my judgment, this position violates the public interest and raises questions which voters in coming elections should consider carefully.

What are Democrats trying to hide?

Memories are not too short to recall corruption and mismanagement in the last Democrat regime. Are Democrats afraid the spotlight of television will disclose incompetence and bungling, poor attendance at committee hearings, railroading of legislation without adequate consideration, and their general incompetence in managing legislative affairs of the House of Representatives?

It is asserted that televised committee hearings will tend to develop showmanship on the part of committee members. That argument is an insult to the level of judgment of an American public quick to sense grandstanding.

It is also said that television and radio apparatus, as well as still news photographers, tend to disrupt proceedings with their klieg lights, flashbulbs, and other paraphernalia. The argument simply ignores progress made in television, radio, and broadcasting photographic techniques. Both moving and still pictures can now be taken under normal, adequate illumination, which committees could easily require.

It is also asserted that the presence of television, radio, and photographic apparatus have a tendency to frighten witnesses and disturb testimony. No one can judge with accuracy human reactions, but it would seem logical that a witness, particularly one concealing information, would be more disturbed by the presence of committee members and counsel than by the presence of radio and television technicians and photographers and their equipment. In any event, if a subject under inquiry is one of public concern, the public has a right to observe those proceedings. There is no reason why the American people should not be permitted to use instruments of communication such as radio and television in exercising their right to observe.

It is argued that telecasts and broadcasts of the proceedings may be slanted and edited. This, of course, is true. But it is also true about every other method of reporting on committee proceedings. Slanting by news reporters or columnists or radio commentators is possible—and is done. There is, however, much less opportunity for editorial slanting in live or recorded broadcasting or telecasting.

Television and radio are means whereby citizens located at some distance from the Nation's Capital may witness personally national activities. In a sense, they are the equalizers, making it possible for citizens to witness national events without the disadvantages of time and transportation costs to travel to Washington.

Republican House leadership allowed full and free use of television and radio to persons who wanted to follow House committee activities. The Democratic leadership of the House has denied that right.

Why?

Mr. Speaker, I hope that the Members of the House will vote down the previous question on House Resolution 151 so that the resolution will be opened to perfecting amendments.

When we are in the process of amending the rules of the House, we ought to use the greatest care and skill so that the language will be clear and unambiguous. Furthermore, we ought to be extremely careful not to adopt as House rules provisions which may come back to plague House committees in the future. The doctrine of judicial interference in the legislative process announced in the Christoffel case renders careful draftsmanship of rules governing committee procedure especially important.

Mr. Speaker, I appeal to the leadership of the House to give Members an opportunity to understand the meaning and effect of the provisions of House Resolution 151 and to perfect it through amendment.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks was granted to:

Mr. SHELLEY.

Mrs. KEE and to include a statement.

Mr. BUDGE.

Mr. CELLER in three instances.

Mr. MURRAY of Illinois and to include extraneous material.

Mr. PRICE.

Mr. BEAMER.

Mr. BALDWIN and to include a statement before the House Committee on Post Office and Civil Service.

Mr. HOSMER and to include extraneous matter.

Mr. MILLER of California and to include extraneous matter.

Mr. ELLIOTT (at the request of Mr. ROBERTS) and to include an editorial.

Mr. CLARK his remarks in support of H. R. 577.

Mr. MINSHALL (at the request of Mr. ARENDS) and to include an editorial.

ENROLLED JOINT RESOLUTION SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a joint resolution of the

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House of the following title, which was thereupon signed by the Speaker:

H. J. Res. 250. Joint resolution to amend the joint resolution of March 25, 1953, relating to electrical or mechanical office equipment for the use of Members, officers, and committees of the House of Representatives.

ADJOURNMENT

Mr. BOWLER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 26 minutes p. m.) the House, pursuant to its previous order, adjourned until tomorrow, Tuesday, March 22, 1955, at 11 o'clock a. m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

571. A letter from the Acting Secretary of the Navy, transmitting a draft of proposed legislation entitled "a bill to authorize special pay for certain retired medical and dental officers of the Army and Navy who performed active duty during the period September 1, 1947, through September 30, 1949"; to the Committee on Armed Services.

572. A letter from the Administrator, Small Business Administration, transmitting the Third Semiannual Report of the Small Business Administration covering operations between August 1, 1954, and January 31, 1955, pursuant to section 215 of the Small Business Act of 1953 (Public Law 163); to the Committee on Banking and Currency.

573. A letter from the Director, Federal Mediation and Conciliation Service, transmitting the Seventh Annual Report of the Federal Mediation and Conciliation Service for the fiscal year ended June 30, 1954, pursuant to section 202 (c) of the Labor Management Relations Act of 1947; to the Committee on Education and Labor.

574. A letter from the Assistant Secretary of the Interior, transmitting a proposed concession contract with the Colorado Transportation Co., which will, when executed by the Director of the National Park Service on behalf of the Government, authorize it to provide accommodations, facilities, and services for the public within Rocky Mountain National Park, Colo., for a period of 20 years from January 1, 1955, pursuant to the act of July 31, 1953 (67 Stat. 271); to the Committee on Interior and Insular Affairs.

575. A letter from the Assistant Secretary of the Interior, transmitting a draft of proposed legislation entitled "A bill to authorize the establishment of the Virgin Islands National Park, and for other purposes"; to the Committee on Interior and Insular Affairs.

576. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders granting the applications for permanent residence filed by the subjects, pursuant to section 6 of the Refugee Relief Act of 1953; to the Committee on the Judiciary.

577. A letter from the President, Panama Canal Company, transmitting a draft of proposed legislation entitled "A bill to add section 246 (f) and amend section 412 (b) of title 2 of the Canal Zone Code, as amended"; to the Committee on Merchant Marine and Fisheries.

578. A letter from the President, Panama Canal Company, transmitting a draft of proposed legislation entitled "A bill to repeal section 412 (e) of title 2 of the Canal Zone Code, as amended"; to the Committee on Merchant Marine and Fisheries.

579. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated February 10, 1955, submitting a report, together with accompanying papers and illustrations, on a review of reports on Ohio and lower Mississippi Rivers, with a view to determining what measures are necessary and justified at this time to provide for flood control and allied purposes along the Ohio River at and in the vicinity of Cincinnati, Ohio. This report was requested by a resolution of the Committee on Public Works, House of Representatives, adopted on June 17, 1948; to the Committee on Public Works.

580. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated January 27, 1955, submitting a report, together with accompanying papers and illustrations, on a review of reports on the Intracoastal Waterway between Charleston, S. C., and St. Johns River, Fla., with a view to determining the advisability of making improvements for navigation between Buckingham Landing and Hilton Head Island, Beaufort County, S. C. This investigation was requested by a resolution of the Committee on Public Works, House of Representatives, adopted on April 25, 1951; to the Committee on Public Works.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. KIRWAN: Committee on Appropriations. H. R. 5085. A bill making appropriations for the Department of the Interior and related agencies for the fiscal year ending June 30, 1956, and for other purposes; without amendment (Rept. No. 239). Referred to the Committee of the Whole House on the State of the Union.

Mr. PRIEST. Committee on Interstate and Foreign Commerce. House Joint Resolution 256. Joint resolution providing for an objective, thorough, and nationwide analysis and reevaluation of the human and economic problems of mental illness, and for other purposes; without amendment (Rept. No. 241). Referred to the Committee of the Whole House on the State of the Union.

Mr. TRIMBLE: Committee on Rules. House Resolution 181. Resolution for consideration of H. R. 4941. A bill to amend the Foreign Service Act of 1946, as amended, and for other purposes; without amendment (Rept. No. 240). Referred to the House Calendar.

REPORTS OF COMMITTESS ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 oi rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. WALTER: Committee on the Judiciary. H. R. 984. O bill for the relief of Dr. Lycourgos E. Papadakis; without amendment (Rept. No. 242). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. H. R. 1008. A bill for the relief of Alexander Turchaninova; without amendment (Rept. No. 243). Referred to the Committee of the Whole House.

Mr. FEIGHAN: Committee on the Judiciary. H. R. 1009. A bill for the relief of William Ligh; without amendment (Rept. No. 244). Referred to the Committee of the Whole House.

Mr. FEIGHAN: Committee on the Judiciary. H. R. 1012. A bill for the relief of Federico Ungar Finaly; without amendment (Rept. No. 245). Referred to the Committee of the Whole House.

Mr. CHELF: Committee on the Judiciary. H. R. 1085. A bill for the relief of Moses Aaron Butterman; with amendment (Rept. No. 246). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. H. R. 1086. A bill for the relief of Mayer Rothbaum; with amendment (Rept. No. 247). Referred to the Committee of the Whole House.

Miss THOMPSON of Michigan: Committee on the Judiciary. H. R. 1108. A bill for the relief of Rose Mazur; with amendment (Rept. No. 248). Referred to the Committee of the Whole House.

Miss THOMPSON of Michigan: Committee on the Judiciary. H. R. 1111. A bill for the relief of Philip Mack; with amendment (Rept. No. 249). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. H. R. 1196. A bill for the relief of Li Chiu Fu and wife, Leung Sue Wa; without amendment (Rept. No. 250). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. H. R. 1203. A bill for the relief of Ivan Bruno Lomm, also known as Ivan B. Johnson; with amendment (Rept. No. 251). Referred to the Committee of the Whole House.

Mr. HYDE: Committee on the Judiciary. H. R. 1220. A bill for the relief of Kleoniki Argendeli; without amendment (Rept. No. 252). Referred to the Committee of the Whole House.

Mr. HYDE: Committee on the Judiciary. H. R. 1346. A bill for the relief of Mrs. Anatoly Batenko and Vladimir Batenko; without amendment (Rept. No. 253). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. H. R. 1679. A bill for the relief of Marek S. Korowicz; without amendment (Rept. No. 254). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. H. R. 2087. A bill for the relief of Erika Rambauske; with amendment (Rept. No. 255). Referred to the Committee of the Whole House.

Mr. BURDICK: Committee on the Judiciary. H. R. 1393. A bill for the relief of the E. J. Albrecht Co., without amendment (Rept. No. 256). Referred to the Committee of the Whole House.

Mr. BURDICK: Committee on the Judiciary. H. R. 1643. A bill for the relief of the estate of James F. Casey; without amendment (Rept. No. 257). Referred to the Committee of the Whole House.

Mr. MILLER of New York: Committee on the Judiciary. H. R. 1691. A bill for the relief of Henry L. Stamm, Sr.; with amendment (Rept. No. 258). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 1747. A bill for the relief of the Utica Brewing Co.; with amendment (Rept. No. 259). Referred to the Committee of the Whole House.

Mr. REED of Illinois: Committee on the Judiciary. H. R. 2068. A bill for the relief of William F. Friedman; without amendment (Rept. No. 260). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 2747. A bill for the relief of Col. McFarland Cockrill; with amendment (Rept. No. 261). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 3526. A bill for the relief of the estate of Neil McLeod Smith; with amendment (Rept. No. 262). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 3738. A bill for the relief of Roy M. Hofheinz and wife Irene; without amendment (Rept. No. 263). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 4549. A bill for the relief of John J.

Braund; without amendment (Rept. No. 264). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. KIRWAN:

H. R. 5085. A bill making appropriations for the Department of the Interior and related agencies for the fiscal year ending June 30, 1956, and for other purposes; to the Committee on Appropriations.

By Mr. BAILEY:

H. R. 5086. A bill to amend the Natural Gas Act; to the Committee on Interstate and Foreign Commerce.

By Mr. BOSCH:

H. R. 5087. A bill to amend the Labor Management Relations Act, 1947, to require that unfair labor practice cases be tried in Federal district courts, and for other purposes; to the Committee on Education and Labor.

By Mr. COOLEY (by request):

H. R. 5088. A bill to promote an agricultural development program under title III of the Bankhead-Jones Farm Tenant Act, and for other purposes; to the Committee on Agriculture.

By Mr. DIGGS:

H. R. 5089. A bill to extend the time for filing application by certain disabled veterans for payment on the purchase price of an automobile or other conveyance, to authorize assistance in acquiring automobiles or other conveyances to certain disabled persons who have not been separated from the active service, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. EDMONDSON:

H. R. 5090. A bill to amend the Servicemen's Readjustment Act of 1944, so as to authorize loans for farm housing to be guaranteed or insured under the same terms and conditions as apply to residential housing; to the Committee on Veterans' Affairs.

By Mr. FINO:

H. R. 5091. A bill to provide that cigarettes sold in interstate commerce shall be packaged and marked so as to show the nicotine content of each package; to the Committee on Interstate and Foreign Commerce.

By Mrs. GREEN of Oregon:

H. R. 5092. A bill to provide for the hospitalization and care of the mentally ill of Alaska, and for other purposes; to the Committee on Interior and Insular Affairs.

H. R. 5093. A bill providing for the location, establishment, construction, equipment, and operation of a hospital for the mentally ill of Alaska; to the Committee on Interior and Insular Affairs.

By Mr. HALE:

H. R. 5094. A bill to amend the Federal Food, Drug, and Cosmetic Act, as amended, with respect to new cosmetic ingredients; to the Committee on Interstate and Foreign Commerce.

By Mr. HOSMER:

H. R. 5095. A bill for the establishment of the United States Commission on the Aging and Aged; to the Committee on Education and Labor.

By Mr. KEATING:

H. R. 5096. A bill to authorize the admission into evidence in certain criminal proceedings of information intercepted in national security investigations, and for other purposes; to the Committee on the Judiciary.

By Mrs. KEE:

H. R. 5097. A bill to amend the Natural Gas Act; to the Committee on Interstate and Foreign Commerce.

By Mr. KILBURN:

H. R. 5098. A bill to amend section 32 (a) of the Trading With the Enemy Act; to the Committee on Interstate and Foreign Commerce.

By Mr. LANHAM:

H. R. 5099. A bill to create a Department of Peace and Disarmament; to the Committee on Government Operations.

By Mr. LONG:

H. R. 5100. A bill to amend Veterans Regulation No. 7 (a) to clarify the entitlement of veterans to outpatient dental care; to the Committee on Veterans' Affairs.

By Mr. O'KONSKI:

H. R. 5101. A bill to provide assistance in acquiring specially adapted housing for blind veterans who have disabilities of such a nature that they require specially adapted housing; to the Committee on Veterans' Affairs.

By Mr. PERKINS:

H. R. 5102. A bill to amend the Natural Gas Act; to the Committee on Interstate and Foreign Commerce.

By Mr. PHILBIN:

H. R. 5103. A bill to amend section 2104 of the Internal Revenue Code of 1954; to the Committee on Ways and Means.

By Mr. SPRINGER:

H. R. 5104. A bill to amend the Railroad Retirement Act of 1937, as amended, and the Railroad Unemployment Insurance Act; to the Committee on Interstate and Foreign Commerce.

By Mrs. SULLIVAN:

H. R. 5105. A bill to provide for the establishment of a food stamp plan for the distribution of $1 billion worth of surplus food commodities a year to needy persons and families in the United States; to the Committee on Agriculture.

By Mr. THORNBERRY:

H. R. 5106. A bill to amend the Servicemen's Readjustment Act of 1944, so as to authorize loans for farm housing to be guaranteed or insured under the same terms and conditions as apply to residential housing; to the Committee on Veterans' Affairs.

By Mr. WEAVER:

H. R. 5107. A bill to amend the Servicemen's Readjustment Act of 1944, so as to authorize loans for farm housing to be guaranteed or insured under the same terms and conditions as apply to residential housing; to the Committee on Veterans' Affairs.

By Mr. WILSON of California:

H. R. 5108. A bill to prohibit juveniles, unaccompanied by a parent or guardian, from going outside the United States without a permit issued by the Attorney General for such purpose; to the Committee on the Judiciary.

By Mr. BOGGS:

H. R. 5109. A bill to amend the Ship Mortgage Act, 1920, so as to facilitate marine mortgage transactions by eliminating certain procedural difficulties arising under that act, and to make preferred marine mortgages available on all towboats; to the Committee on Merchant Marine and Fisheries.

By Mr. DONOHUE:

H. R. 5110. A bill declaring October 12 to be a legal holiday; to the Committee on the Judiciary.

By Mr. FISHER:

H. R. 5111. A bill to facilitate performance by the United States Commissioner, International Boundary and Water Commission, United States and Mexico, of certain functions in connection with the treaty between the United States and Mexico, signed February 3, 1944; to the Committee on Foreign Affairs.

By Mr. HAYS of Arkansas:

H. R. 5112. A bill to authorize Federal payments to the States to assist in constructing schools; to the Committee on Education and Labor.

By Mr. MINSHALL:

H. R. 5113. A bill to amend sections 2111, 2112, and 641, title 18, United States Code, so as to increase the penalties for robbery and burglary of Government property; to the Committee on the Judiciary.

H. R. 5114. A bill to provide penalties for the robbery and burglary of firearms and weapons owned by or within the jurisdiction of the Federal Government; to the Committee on the Judiciary.

By Mr. SIKES:

H. R. 5115. A bill to prohibit the disposal, by contract or Executive order, of work traditionally performed by civilian components of the Department of Defense; to the Committee on Armed Services.

By Mr. SHUFORD:

H. R. 5116. A bill to amend the Servicemen's Readjustment Act of 1944, so as to authorize loans for farm housing to be guaranteed or insured under the same terms and conditions as apply to residential housing; to the Committee on Veterans' Affairs.

By Mr. SELDEN:

H. R. 5117. A bill to amend the Servicemen's Readjustment Act of 1944, so as to authorize loans for farm housing to be guaranteed or insured under the same terms and conditions as apply to residential housing; to the Committee on Veterans' Affairs.

By Mr. STAGGERS:

H. R. 5118. A bill to authorize and request the President to undertake to mobilize at some convenient place in the United States an adequate number of outstanding experts, and coordinate and utilize their services in a supreme endeavor to discover means of curing and preventing cancer; to the Committee on Interstate and Foreign Commerce.

By Mr. TEAGUE of Texas (by request):

H. R. 5119. A bill to amend the act entitled "An act to authorize the District of Columbia government to establish an Office of Civil Defense, and for other purposes," approved August 11, 1950; to the Committee on the District of Columbia.

By Mr. THOMPSON of Texas:

H. Con. Res. 97. Concurrent resolution to express the sense of the Congress on continuing the operation of a tin smelter at Texas City, Tex.; to the Committee on Banking and Currency.

By Mr. VINSON:

H. Res. 182. Resolution increasing the compensation of the position of administrative assistant to the Clerk of the House (retirement consultant); to the Committee on House Administration.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

By Mr. CANFIELD: Concurrent resolution of the New Jersey Senate adopted March 7, 1955, referring to the closing of Camp Kilmer; to the Committee on Armed Services.

Also, assembly concurrent resolution No. 20, passed in 1954 by the New Jersey Legislature, relating to the Interstate Commerce Commission and its control over transportation; to the Committee on Interstate and Foreign Commerce.

By Mr. HESELTON: Resolution of the General Court of the Commonwealth of Massachusetts, memorializing Congress to enact certain legislation to promote the general welfare; to the Committee on the Judiciary.

By the SPEAKER: Memorial of the Legislature of the State of California, memorializing the President and the Congress of the United States to take appropriate action to establish a separate Federal judicial district for the counties of San Diego and Imperial, with two resident Federal judges; to the Committee on the Judiciary.

Also, memorial of the Legislature of the State of Massachusetts, memorializing the President and the Congress of the United States to enact certain legislation to promote the general welfare; to the Committee on the Judiciary.

Also, memorial of the Legislature of the State of Nebraska, memorializing the President and the Congress of the United States

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to investigate the importing of canned ham from Communist-dominated countries and take immediate action that such imports be stopped; to the Committee on Ways and Means.

Also, memorial of the Legislature of the State of Nevada, memorializing the President and the Congress of the United States to recognize officially the discovery of the Comstock lode in 1859, and to issue a centennial stamp in commemoration thereof; to the Committee on Post Office and Civil Service.

Also, memorial of the Legislature of the State of New Mexico, memorializing the President and the Congress of the United States to enact legislation prohibiting the seeding of clouds or the use of other methods of inducing rain or snowfall until sufficient scientific data are collected to make other effective regulation possible; to the Committee on Interstate and Foreign Commerce.

Also, memorial of the Legislature of the State of Utah, memorializing the President and the Congress of the United States relative to senate joint resolution No. 8, entitled, "Congratulating President Eisenhower on Equal Rights of Citizens"; to the Committee on the Judiciary.

Also, memorial of the Legislature of the State of Washington, memorializing the President and the Congress of the United States to maintain the present duty on the importation of cherries from foreign countries so that fair competition will continue to exist as to such products produced in this country; to the Committee on Ways and Means.

Also, memorial of the Legislature of the Territory of Alaska, memorializing the President and the Congress of the United States relative to urging that at least $2 million per year for the next 5 years be made available for the sole purpose of extending the rectangular surveys of Alaska, etc.; to the Committee on Appropriations.

Also, memorial of the Legislature of the Territory of Alaska, memorializing the President and the Congress of the United States relative to urging that the Federal Government grant the Territory the same right as has been granted other States under the Submerged Land Act of May 23, 1953 (67 Stat. 69) (43 U. S. C. 1301), etc.; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CANFIELD:

H. R. 5120. A bill for the relief of Sumiko Ariumi Bilson; to the Committee on the Judiciary.

By Mr. CLARK:

H. R. 5121. A bill for the relief of Ennio Strizzi; to the Committee on the Judiciary.

By Mr. CUNNINGHAM:

H. R. 5122. A bill for the relief of Hilda Anna Stegedirk and Roswitha Hewerer, her minor daughter; to the Committee on the Judiciary.

By Mr. GRANAHAN:

H. R. 5123. A bill for the relief of Takako Iba; to the Committee on the Judiciary.

By Mr. HOLIFIELD:

H. R. 5124. A bill for the relief of Jose Rios-Gonzales; to the Committee on the Judiciary.

By Mr. KELLEY of Pennsylvania:

H. R. 5125. A bill for the relief of Ralph Piccolo (Raffaele Piccolo); to the Committee on the Judiciary.

By Mr. MADDEN:

H. R. 5126. A bill for the relief of Jorgen Jorgenson; to the Committee on the Judiciary.

H. R. 5127. A bill for the relief of Ernest (Thomas) Cooros; to the Committee on the Judiciary.

By Mr. ROGERS of Florida:

H. R. 5128. A bill for the relief of Pietro Di Filippo; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

166. By Mr. OLIVER P. BOLTON: Petition of Trumbull County (Ohio) Women's Christian Temperance Union, bearing the signatures of 42 Trumbull County residents, opposing H. R. 2886, to extend the doctors and dentists draft; H. R. 2967, the Reserve training program; and H. R. 3005, the 4-year draft extension; to the Committee on Armed Services.

167. By the SPEAKER: Petition of Ardito Bernini, Livorno, Italy, relative to an auto accident in which he was involved, occurring on November 24, 1953, at Livorno, Italy; to the Committee on the Judiciary.

EXTENSIONS OF REMARKS

Wheat Certificate Plan Provisions of H. R. 12 Are Unsound

EXTENSION OF REMARKS

OF

HON. JOHN V. BEAMER

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 21, 1955

Mr. BEAMER. Mr. Speaker, as a farmer, as a consumer, and as a legislator, I am vitally interested in H. R. 12 which deals with price-support programs for basic commodities, wheat, and dairy products.

The 83d Congress enacted legislation which would help to improve the farmers' condition and it does not go into effect until the 1955 crops are marketed. Government price fixing has produced lower returns for the farmers and surely we do not want to have H. R. 12 continued since the results of that type of legislation have been so detrimental to the farmers' interests.

I would like to place special emphasis upon the unsound provisions of the wheat-certificate plan in H. R. 12 as an example of the weakness of that entire piece of legislation.

The certificate plan for wheat is a device for dumping surplus wheat in other people's markets. It calls for supporting a portion of the domestic wheat crop at a high and very profitable level so that wheat producers will be able to produce to capacity and dump their surpluses in the export food and domestic feed markets. As such, it is a proposal to authorize the most vicious, unfair type of subsidized competition imaginable. It would be unfair competition with wheat growers in every other country in the world. It would be unfair competition with every American farmer who grows corn or other feed grains such as oats, barley, and grain sorghums.

Foreign countries would be quick to take retaliatory measures against the adoption of any such scheme by this country. Importing countries, almost all of whom have some domestic wheat producers, would seek to protect these producers by imposing various types of trade barriers against a flood of cheap wheat from the United States. In competing exporting countries retaliatory actions probably would be directed against other American export crops, such as cotton, soybeans, lard, tobacco, fruits, and vegetables. The end result might well be a net reduction in our exports of both wheat and other farm products. Canada now buys 200,000 to 400,000 bales of our cotton and millions of dollars worth of other farm products annually. Do you think that we can maintain our agricultural exports to Canada undiminished if we are going to adopt what Canadians certainly would consider to be an unfair method of competition in the world wheat market? I do not think so.

In view of American agriculture's urgent need for expanded export markets, we cannot afford to antagonize other trading nations, whether they are wheat importers or exporters.

Why would the certificate plan be unfair competition? Let us look at it from the standpoint of the Canadian wheat farmer. Sponsors of this legislation say they only want to compete for the world market at the world price, but they only want to take the world price for the portion of their crop that is not used domestically as human food. The Canadian wheat farmer makes his living by selling wheat at the world price. He does not have a program which gives him a much higher price for half his production.

Let us look at it from the standpoint of our own corn farmers. The wheat farmer obviously has to realize a certain average price for his wheat if he is to pay his expenses and realize a satisfactory income. If he is to be permitted to sell a part of his wheat at a high and very profitable price in a protected domestic food market, he obviously can sell the remainder for a much lower price and still come out with a satisfactory average. In effect, the high price received in the protected market subsidizes cut-rate sales in the unprotected market.

If he got enough for food wheat, the wheat farmer could give away his surplus without any pain. Would he produce a surplus under such conditions? He certainly would under the certificate plan as now proposed, for each farmer's right to sell wheat in the protected domestic market would be based on the normal yield of the acreage he planted to wheat in the 3 years immediately preceding each food quota year. Any farmer who reduced his wheat acreage would

risk a reduction in his share of the national food allotment. Therefore, he would try to produce to capacity as long as the average amount he received for his total production was satisfactory. This might be partially controlled by supplementary acreage allotments, however, H. R. 12 prohibits the use of acreage allotments when the certificate plan is in effect. If we were to have acreage allotments as well as food allotments, we certainly would compound our administrative problems without doing very much to improve the wheat farmer's plight. With uncontrolled production, the average or blended price of wheat might, and probably would, drop to the level that would prevail on a free market without any program. Under such conditions, the average wheat farmer would get no benefit from the proposed program.

The corn farmer makes his living by feeding corn to livestock or by selling it to others who do so, just as the Canadian farmer makes his living by selling wheat at the world price. If the wheat farmers are going to be allowed to dump hundreds of millions of bushels of surplus wheat into the feed market, the producers of corn and other feed grains certainly are going to be hurt. The inevitable results of subsidizing wheat into the feed market will be increased livestock production, lower livestock and corn prices, and a greatly increased movement of corn and other feed grains into Government bins under the price-support program. What will it profit us as a nation to reduce the wheat surplus by subsidizing the creation of an offsetting surplus of corn and other feed grains?

It will be argued that the amount of wheat that would be fed under the certificate plan would be small in relation to the total feed-grain supply. The facts, however, are that the quantity of wheat that could be fed under this program is neither small nor insignificant. On July 1, 1954, we had a carryover of more than 900 million bushels of wheat. Our 1954 crop under marketing quotas amounted to 970 million bushels, or about 135 million bushels more than 1953–54 exports and domestic consumption. This adds up to a wheat supply that exceeds our present markets by more than 1 billion bushels. A billion bushels of wheat is the feed equivalent of nearly one-third of a normal year's corn crop.

Laying aside for the moment the difficulties involved in liquidating our accumulated wheat surplus, what would this program mean in terms of a continued annual addition to the feed market? On the basis of the record, we can easily produce 1,250 million bushels of wheat per year. Domestic consumption and exports amounted to only about 835 million bushels in the 1953–54 marketing year. There is no assurance that wheat exports would increase under the plan. If exports did not increase, the plan could throw as much as 400 million bushels of wheat into the feed market in a normal year. This amount of wheat may seem small in comparison with our annual consumption of over 3 billion bushels of corn, but it is the feed equivalent of two-thirds of the corn crop produced in Iowa, the leading corn State, in 1953. Iowa's 1953 corn crop was 592 million bushels.

Furthermore, we already have a more than adequate supply of corn. Acreage allotments were imposed in 1954 to reduce corn production, and are in effect again this year. Our 1954 corn carryover of approximately 920 million bushels was the largest on record. Despite drought damage to the 1954 crop, this year's January 1 corn stocks were the highest on record for that date.

Corn farmers are perfectly willing to compete for the feed market provided the power of the Government is not used to stack the rules of the game against them. If the wheat farmers will accept support prices based on the feed value of their product in relation to the support price of corn for their entire crop, corn farmers will share the feed market with them on a competitive basis without complaint.

The argument is made that the certificate plan will make it possible for farmers to feed wheat in areas where little or no corn is grown. This in no way reduces the competitive impact of such a program. The end product of feed is livestock, and the livestock market is a national market. Any livestock that is injected into this market at any point affects the total national supply and the national price picture. If the corn farmers could be guaranteed 100 percent of parity in their major markets, I am sure they would be willing to accept a lower price in other markets. For example, they probably would be willing to absorb freight charges so as to undersell wheat in such areas as the Pacific Northwest. Or, if the corn producers could be assured full parity on all the corn that is fed to cattle and hogs, they undoubtedly would be willing to take a substantially lower price for the corn that is fed to poultry. Would this be fair competition for the hog and cattle producers, or for the producers of other products that are used in poultry feed? Of course not, but if we are going down the road of letting one commodity group charge a monopoly price where it has the least competition, so that it can sell at cut rates in the areas of greater competition, the producers of other commodities have every right to demand that they be allowed to take counter measures.

The end result of this approach could well be a complete system of Government-administered prices and a collateral Government control over every aspect of American agriculture.

It is proposed that the certificate plan be placed in effect only if it should be approved by more than one-half of the wheat farmers voting in a referendum. This departs from the established legislative policy of requiring that control programs must be approved by two-thirds of the farmers voting in a referendum. Furthermore it would exclude from the polls many farmers whose income would be affected by the outcome.

In view of the fact that this is a proposal to subsidize the dumping of cheap wheat into the feed market, the producers of corn and other feed grains should be allowed to vote on the same basis as wheat producers. Wheat producers who grow less than 15 acres also should be allowed to vote.

Under the proposed program wheat producers could be required to comply with acreage allotments, production goals, and marketing practices—excluding marketing quotas—as a condition of eligibility for price support and marketing certificates. This provides a neat device for keeping corn farmers from establishing a base for a food wheat quota, but if we are going to allow wheat farmers to dump their surplus production into the feed market, it would seem that fair play would require that we let the feed producers go into the wheat business and get a pro rata share of the food marketing certificates on the basis of their production of wheat.

A little while ago, I said that there is no assurance that the proposed certificate plan would bring about an increase in wheat exports. In this connection, the Pacific Northwest Cooperative Extension Bulletin "Which Wheat Program?" recently issued by the State Colleges of Idaho, Washington, and Oregon says: "The plan has little effect on quantity offered for export, since wheat at corn support levels probably would be above world wheat prices most of the time."

We currently are paying subsidies that run as high as 76 cents per bushel on wheat exports both under the International Wheat Agreement and outside of it. If the proponents of the certificate plan believe that this plan would increase wheat exports, the burden of proof is on them. What countries would buy more United States wheat under this plan, how much more would they buy, and at what prices?

Let me elaborate on this point. Total world trade in wheat has been declining while wheat supplies have been building up in the major exporting countries. Our present supply of wheat exceeds our domestic needs by enough to supply the entire world market for well over a year. The United States, Canada, Australia, and Argentina together have enough wheat available for export and carryover to meet the present world demand for more than 2 full years. Competing export countries, and especially Canada, are prepared to sell wheat and to fight for their respective shares of the world market. We already have had some evidence of this. When we dropped the export price of wheat 10 cents per bushel a few months ago—by increasing our export subsidy—the Canadian Wheat Board promptly cut its export price by 10⅛ cents. There is no doubt that we could break the world price by throwing our surplus wheat onto the world market, as proposed in the certificate plan, but would we sell more wheat? The certificate plan would not increase our quota under the International Wheat Agreement. It would not solve the problems that result from shortages of dollar exchange, and the fact that our wheat is not always competitive in terms of quality.

I recognize that the proposed certificate plan carries authority for the establishment of a price floor for surplus

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wheat through loans, purchases, or other operations, based on certain considerations, including the support level for corn, provisions of the International Wheat Agreement, and the foreign trade policies of friendly exporting countries. Parenthetically, I would like to say that if we adopt this program, there probably will not be any such thing as a wheat exporting country that is friendly to the United States. The provision in the plan for a floor under surplus wheat prices in no way changes the nature of the proposal. It is still a scheme to get a monopoly price in a protected market, and to use monopoly profits to cut prices in other markets. Corn producers are perfectly willing to accept a support price of less than parity and to have their support price adjusted from time to time to take account of changing supply and demand relationships, in accordance with the principles of the Agricultural Act of 1949, but they don't want surplus wheat used to set a ceiling on corn prices at the support level.

Sponsors of the certificate plan sometimes call it a two-price plan, but it would end up as a multiprice plan. We would have one price for human food—maybe one for bread flour, a second for cake flour, a third for breakfast food wheat, and perhaps a fourth for dog biscuit wheat—then we would have a feed price governed by the support level for corn, and then we would have to have one or more export prices, since other countries could undercut any supported price. The whole program would take us in the direction of complete Government price fixing at home, and state trading abroad.

The certificate plan not only would work an injustice on domestic producers of feed grains and foreign wheat producers, but also would create inequities between domestic wheat growers. Wheat is not a single commodity. Different grades and types have different uses. The surplus problem is much greater for some types than for others, as the attached table I shows. The domestic consumption of hard red spring wheat in the 1952–53 marketing year amounted to more than 100 percent of our 1952 production, while the domestic consumption of white wheat was only 42 percent of the 1952 production.

The following table indicates the percentages of the production of the major classes of wheat that have been used domestically for all purposes in various recent periods:

Percentage of production for marketing period used domestically

Class	1949–53 average	1952–53	1953–54
Hard Red Winter	50.9	37.8	46.3
Soft Red Spring	76.0	68.8	67.1
Hard Red Spring	77.4	100.5	63.0
Durum	90.1	121.7	114.3
White	44.7	42.2	34.5
All classes	60.2	53.4	52.5

Under the proposed certificate plan, food wheat certificates would be distributed to all wheat producers on the basis of past wheat production without any regard to their historical participation in the domestic food market. This means that the growers of durum and hard red spring wheat, most of which is consumed domestically as human food, in effect would be taxed to subsidize the dumping of surplus wheat of other types into feed and export markets. Further inequities would be created among the producers of the various clauses of wheat, for not all wheat of a given class is equally acceptable for domestic use as human food. Instead of rewarding the producer of high quality milling wheat, this plan might well tax him for the benefit of the producers of low quality wheat.

If the certificate plan were in effect today, a producer or processor of durum wheat could go into court and show, first, that this type of wheat is selling for above parity prices in the market, second, that the certificate plan, therefore, is unnecessary to return parity to the producers of durum wheat, and that as a result; third, the processing of durum wheat is being taxed in an arbitrary and discriminatory manner to provide benefits to the producers of the types of wheat that are in surplus. The same thing is true to a lesser degree in the case of certain qualities of hard red spring wheat. Is it fair to impose a tax on a type of wheat that is selling above parity to provide benefits to the types that are below parity? How do you think a court would decide this question?

Thus far, I have been dealing primarily with probable effects of the proposed certificate plan on foreign trade and on various groups within agriculture. Now let us look at some of the more general considerations involved in this proposal. The requirement that processors buy certificates in proportion to the volume of wheat they mill for domestic human consumption is in effect a processing tax. It might well be called a bread tax, in view of the fact that it ultimately would be passed on to the purchaser of bread and other wheat products. This inevitably would be brought to the consumer's attention—perhaps in a printed eye-catching notice included with each loaf of bread. How do you think consumers would react to such a development? Is it constitutional to levy such a tax and use it directly for the benefit of a special group without going through the procedure of covering the revenues into the Treasury and then appropriating funds for the program by separate action? I doubt it. Processors historically have opposed processing taxes. They succeeded in getting the processing taxes established under the original Agricultural Adjustment Act of 1933 declared unconstitutional. They undoubtedly would attack the constitutionality of the current proposal and might well win their case in the courts.

The proposed plan would require a large amount of government administrative and enforcement machinery. The opportunity to make large profits by evading the purchase of certificates for wheat used for domestic human food inevitably would lead to enforcement difficulties. The fact that unscrupulous operators are known to have mixed Canadian feed wheat with higher grade United States wheat, which subsequently was milled or exported under the International Wheat Agreement, is a clear indication that evasions would be attempted. It is quite true that the price of wheat makes little difference to the consumer who buys a loaf of bread at retail, but it is just as true that the price of wheat is very important to a miller or a baker.

The plan would provide a real incentive for research to develop ways of producing wheat products with less wheat. In some cases, this could lead to the discovery of substitutes with the capacity of permanently shrinking demand for wheat as a food. For example, it may prove possible to increase the use of surplus potatoes in bread if we get the price of wheat high enough.

The entire Nation has an interest in the conservation of the soil resources which are the basis of our abundant production. There is no question but what the good wheat prices of recent years have encouraged farmers to expand wheat production in areas where such action was not consistent with good land use. The return of the Dust Bowl problem is the result. The proposed certificate plan would encourage farmers to keep marginal land in wheat production. This in turn would require large appropriations for programs to remedy the damage caused by overcropping marginal land. If by chance we should be able to increase wheat exports under the program, we in effect would be subsidizing the export of our soil fertility.

Is it fair to the wage earners in this country to raise the domestic price of wheat by a tax so that wheat farmers can produce surpluses to sell to competing workers in other countries at a substantially lower price? This sort of program would provide an argument for increasing tariffs on the industrial goods we are going to have to import if we are going to build farm exports.

By proposing a multiple price plan for wheat, the sponsors of the certificate plan are admitting that the present support price of wheat, based on 90 percent of old parity, is too high to serve the long-run interests of the wheatgrower. Economic studies of the cost of producing wheat in efficient areas bear this out. Studies at the Kansas State College indicate that the cost of producing wheat on the basis of 1941–50 yields and farm costs at about the 1952 level run as low as 71 cents per bushel in efficient producing areas. If, as appears to be true, the present wheat support level is too high, it is up to the sponsors of the certificate plan to prove that a multiple-price plan is the best way to lower the support level. This they cannot do because of the effects such a plan would have on other groups.

Farmers and Members of Congress who are interested in the support programs for other commodities had better take a careful look at this proposal. If it is sound to finance a program for wheat through what amounts to a processing tax, why would it not be sound to put the burden of other price-support

programs on the producers, processors, and consumers of the supported product?

Our present wheat situation is admittedly difficult. It will take some time to make the necessary adjustments, but we can work out of this situation by gradually shifting to variable supports, based on a modernized parity, by recognizing wheat quality in the support program, by taking marginal land out of wheat, by selling wheat for foreign currencies, as recently authorized by the Congress, and by working with other countries to expand the total world demand for wheat. As a part of solving the problem, we probably will have to feed some of our surplus wheat. It is one thing to feed a part of our existing surplus as a part of an overall program for solving the wheat problem, and quite another to ask feed producers to take over the burden of absorbing a continuing surplus of wheat at cut-rate prices year after year. We cannot solve any problems by adopting a multiple-price plan designed to give the wheat farmers a monopoly price in the food market so that they can continue to produce surpluses and use them to disrupt the domestic feed and international food markets. The certificate plan should be rejected by the House.

TABLE I.—*Analysis of the production, supply and disappearance of wheat in the 1952–53 and 1953–54 marketing years, and supplies for 1954–55 by classes*

[In millions of bushels]

Class	Stocks, July 1, 1952	Production, 1952–53	1952–53 supply	Domestic consumption, 1952–53	Exports, 1952–53	Added to carryover
Hard Red Winter	97	715	812	270	184	261
Soft Red Winter	16	199	215	137	40	22
Hard Red Spring	117	182	[1] 321	183	17	[2] 18
Durum	15	23	38	28	3	[2] 8
White	11	180	191	76	77	27
All wheat	256	1,299	1,577	694	321	284

Class	Stocks, July 1, 1953	Production 1953–54	1953–54 supply	Domestic consumption, 1953–54	Exports, 1953–54	Added to carryover
Hard Red Winter	358	493	851	228	78	187
Soft Red Winter	38	243	281	163	56	24
Hard Red Spring	121	219	[1] 345	138	11	70
Durum	7	14	21	16		[2] 2
White	38	200	238	69	75	56
All wheat	562	1,169	1,736	614	220	335

Class	Percent of 1953 production used in 1953–54 for—			July 1, 1954, stocks	1954 production	1954–55 supply
	Domestic consumption	Exports	Addition to carryover			
Hard Red Winter	46.3	15.8	37.9	545	471	1,016
Soft Red Winter	67.1	23.0	9.9	62	200	262
Hard Red Spring	63.0	5.0	32.0	196	144	[1] 344
Durum	114.3		[2] (14.3)	5	6	[3] 12
White	34.5	37.5	28.0	94	149	243
All wheat	52.5	18.8	28.7	902	970	1,877

[1] Stocks and production of Hard Red Spring wheat were supplemented by imports as follows: 1952–53 marketing year, 22 million bushels; 1953–54 marketing year, 5 million bushels; 1954–55 marketing year, 4 million bushels.
[2] Reduction in carryover.
[3] Stocks and production of Durum wheat were supplemented by imports of 1 million bushels in 1954–55.

Source: Basic data from table 11, p. 22, the Wheat Situation, WS–142, Feb. 28, 1955, Agricultural Marketing Service, United States Department of Agriculture.

Secretary Humphrey's Blooper—A Billion-Dollar Blunder

EXTENSION OF REMARKS
OF
HON. MELVIN PRICE
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES
Monday, March 21, 1955

Mr. PRICE. Mr. Speaker, the St. Louis Post-Dispatch said editorially a few days ago that Secretary of the Treasury Humphrey appears to have contracted a case of the affliction that has bothered some other officeholders before him—a peculiar infirmity or virus under the spell of which Humphrey has become obsessed with the idea that he cannot afford to admit having made a mistake.

That "bug" showed up in the Secretary when he testified before the House Committee on Ways and Means on what some committee members have called Humphrey's billion-dollar blooper.

The committee was concerned about a loophole in the Eisenhower 1954 tax law, under which corporations can reduce their tax liability substantially by taking double deductions for certain business expenses.

Humphrey admitted to the committee that the loophole exists and he now proposes amendment of the law to remove it.

However, the Secretary attempted to pass the buck to Congress in fixing the responsibility for the loophole.

"You gentlemen passed the law, we didn't," Mr. Humphrey told the committee. "If you made a mistake, I'm sorry."

An ungracious remark from an Eisenhower Cabinet member, if I have ever heard one, and especially coming from Mr. Humphrey, who quickly took credit for the Eisenhower administration on excise-tax reductions last year which he and President Eisenhower actually opposed when they were under consideration in committee, after being proposed by Democratic members.

Mr. Humphrey's strange contortions places him in the position of taking all credit for things that turn out well and disclaiming all mistakes. For the past year Humphrey has been hailing the Republican tax law of 1954 as the greatest work of tax architecture in history. His tax experts labored for months over the bill. They should have been aware of the billion-dollar bloopers that were in it.

And, of course, the committee had responsibility. Its tax experts also should have caught the loophole. But need I remind anyone that the Eisenhower tax law was completely in Republican hands, both from the department level to the committee level? From this we can fairly conclude that whether it was Humphrey's billion-dollar blooper, or the committee's billion-dollar blooper, it most certainly was a Republican and an Eisenhower administration billion-dollar blooper.

The billion dollars, of course, went to big business.

A Trinity for St. Patrick's Day; a Laugh, a Tear, and a Prayer

EXTENSION OF REMARKS
OF
HON. JAMES C. MURRAY
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES
Monday, March 21, 1955

Mr. MURRAY of Illinois. Mr. Speaker, under leave to extend my remarks in the RECORD, I include herewith an address delivered on March 17, St. Patrick's Day, at the Mayflower Hotel, before the Friendly Sons of St. Patrick, Washington, D. C., by the Honorable T. JAMES TUMULTY, Representative from New Jersey. Mr. TUMULTY'S address was eloquent, thoughtful, and moving. Mr. TUMULTY was with Chief Justice Earl Warren, guests of the Friendly Sons.

The address follows:

St. Patrick's Day is a holy day but a happy day. It is a day which can be described by three words: "A laugh, a tear, and a prayer." Certainly we must laugh when we see how everyone wants to get into the act, a la Durante. The English try to crash the party by claiming that early Christianity in Ireland was the work of the English saints. The French, not just because they have a brandy by the name of Hennessy, claim Patrick was born in France. The Italians claim Patrick was an Italian. The Israelites climbed on the bandwagon by pointing to Douglas Hyde's Literary History of Ireland where they tell the story of Gael Glas who was wandering in Palestine years before the Irish discovered Ireland. Gael, the leader of the Irish, was bitten by a snake and cured by Aaron, the brother of Moses, who predicted the Irish

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would find their isle of destiny on the rim of the world. When later the Irish did discover and land on Ireland, they gave it among other names the name of Innisfail, the Isle of Destiny. The Chinese—the free Chinese—have a St. Patrick and they erected a pagoda to him, except that their St. Patrick was a soldier of fortune named, "Fighting Pat McCarthy," who used to direct the old empire's armies. The Spanish claim the right to tango on Paddy's Day because the Irish traveled through Spain in their search for Ireland and the armada was wrecked on Irish shores. The Danes, Finns, Norwegians, Normans, etc., etc., all lived at one time or another in Ireland. So it is, indeed, laughable to see the Irish celebrate a day in which they have so little part originally and a day named after saints, neither of whom were Irish.

It's a day when the Irish outboast the Russians in claiming for themselves all the great inventions and discoveries of the world. Sure I had direct from my Irish grandmother that the first one to discover America was an Irishman. In fact, there are two claimants for the honor. The first none other than St. Brendan, the busy voyager, whom I am going to nominate for the patron saint of the Committee on Merchant Marine and Fisheries, sailed for Greenland, and when he arrived in America, introduced bingo to the North American Indians who played it with beads and later called it wampum—the Gallic word for bingo.

Also, never forget Willie Gallagher from Cork who sailed with Columbus and was the 7th son of a 7th son and so he had preternatural gifts and could see through the dark dead of night better than a cat. Willie was in the prow of the *Santa Maria* on the great voyage of discovery when one night after Columbus had left the bridge to go below and get some sleep, leaving Willie at the prow piercing the dark night with cat's eyes, when sure enough didn't Willie spy land and didn't he "Lep" over the prow, swim ashore and become the first man to set foot on American soil and if you don't believe me there is to this day in the Dublin Museum his salty shorts and sneakers, worn on that historic occasion.

Another historic landmark occurred on the occasion of the settling upon the 17th as the true date for St. Patrick's day. As you know, the day we celebrate is the day of the death of St. Patrick, that is the second St. Patrick (Patrick of Britain). At one time there was an argument over the date. St. Patrick of Britain died near midnight on the 8th or 9th of March according to the old calendar. So when they, in the long ago, started to celebrate, some celebrated the day on the 8th, some on the 9th, and some both days. Things got confusing, not to say exhausting, so a grand meeting was called on the high hill of Tara, as my grandmother told me, to decide whether it was the 8th or 9th. Well, they argued and argued till my great, great, great, great, great aunt Molly Griffin—the first suffragette in history—rose up to say, "Quiet, the whole lot of yez. Add the two dates together and celebrate it on the 17th and all will be right," which they promptly did and it has been so celebrated to this day.

Then we all know, and it can be revealed for the first time, that St. Patrick discovered the secret of the atom and the H-bombs. Patrick discovered the secret and was experimenting with the bomb to see if he could use it for good when it exploded in a remote part of Ireland and scared all the living creatures off the island. St. Patrick was saved by a miracle but the causeway leading to Scotland now known as the Giants Causeway, was destroyed and all the snakes were driven out of Ireland and a hurricane ensued. Thus the date in history has been placed as the year of the big wind or the year when Paddy chased the snakes out of Ireland. St. Patrick, because of the awesome nature of the H-bomb, placed a formula into a bottle and threw it into the sea where it floated for thousands of years until it was picked up by Einstein while walking on the beach at Long Branch, N. J. Since Einstein recognized Gaelic as a relative language to Hebrew he had no difficulty translating the formula and perfecting the H-bomb as we have it today. All the foreging I have on the authority of my grandmother.

Laugh as we do with these stories of the past, laughter is never very far from tears. The tear we should drop today is for a man who symbolizes the greatness and heroism of the men called to the greatest vocation the world has known, the priesthood or ministry of God. I am not speaking of the Patrick after whom the day we celebrate is named. I now mean the forgotten Patrick whose mission, through no fault of his own, did not succeed. In 431 the Patrick who landed in Ireland was Patricius Palladius. He has been called by some the elder Patrick. He and his companions were of Fallic and Italian origin, and they brought Ireland into direct contact with the Continent. There is some dispute as to how long the forgotten Patrick labored in Ireland.

The Two Patricks, Dublin Institute for Advanced Studies, 1942, Thomas F. O'Rahilly declares that he labored for 30 years before he died.

The Review of Politics, July 1948, Ludwig Bieler, however, states that the mission of Patricius Palladius was short lived and says that "Perhaps the truth about his death is contained in a faint and sporadic tradition to the effect that he suffered martyrdom." It is typical of the "Irish luck," as O'Rahilly says, "Ireland has two Patricks, either of whom could be considered its national apostle. The first and forgotten Patrick brought, as did the traditional Patrick, the faith to Ireland, but in addition, the culture of the Continent. Too bad for him, circumstances thwarted his mission and brought it to an end, erasing his name from history. The second Patrick from Britain—Patrick the Great—established for all time Christianity in Ireland.

Although Patricius Palladius was the first bishop of Ireland, nevertheless, "The Lord gave Ireland not to Palladius but to Patrick, because nobody can take from the world that which is not given him from above."

At any rate, the Patrick who failed is the subject of my remarks tonight, because he represents so many thousands of priests and clergymen whose missions are doomed to failure because of the rising tide of atheism. Thousands of modern Patricks like the forgotten Palladius are today being harassed and hunted from place to place all over the world. Clergymen of all sects, like Cardinal Mindszenty and Lutheran Bishop Ordass are languishing in prison. Thousands of them are marked men, and today on the holy day we pause before the tomb of the unknown Patrick, not only to remember him but to think of the persecuted men of God, these fugitive apostles of charity, of the hunted men of heaven, who today in obscurity forgotten by the free world are suffering in Red jails. For them and for the forgotten Patrick let our tears drop and crystalize as they flow and be carried as a rosary of remembrance for the suffering ministers of God of all sects. For them we can but give a prayer which completes the trinity of my talk tonight. You will remember I said St. Patrick's Day could be described with three words—a laugh, a tear, and now a prayer. The prayer I offer tonight is the prayer of the great St. Patrick, the traditional St. Patrick whose mission was successful and who gloriously and miraculously was preserved from all harm.

Patrick made this hymn. It was made in the time of Loegaire son of Niall. The cause of its composition, however, was to protect him and his monks against deadly enemies that lay in wait for the clerics. And this is a breastplate of faith for the protection of body and soul against devils, men, and vices. When anyone shall repeat it every day with diligent intentness on God, devils shall not dare face him, it shall be a protection to him against every poison and envy, it shall be a defense to him against sudden death, it shall be a breastplate to his soul after his death. Patrick sang this hymn when ambuscades were laid against his coming by Loegaire, that he might not go to Tara to sow the faith. And then it happened, it appeared before those lying in ambush that they (Patrick and his monks) were wild deer, with a fawn (Benen) following them, and its name is Dee: Cry of Patrick's Breastplate.

"I arise today
Through the strength of Heaven:
Light of sun,
Brilliance of moon,
Splendor of fire,
Speed of light,
Swiftness of wind,
Depth of sea,
Stability of earth,
Firmness of rock.

"I arise today
Through God's strength to pilot me:
God's might to uphold me,
God's wisdom to guide me,
God's eye to look before me,
God's ear to hear for me,
God's word to speak for me,
God's hand to guard me,
God's way to lie before me,
God's shield to protect me,
God's host to secure me—
Against snares of devils,
Against temptations of vices,
Against inclinations (?) of nature
Against everyone who shall wish me ill
Afar and anear,
Alone and in a crowd.

"I summon today all these powers between me (and these evils)—
Against every cruel and merciless power that may oppose me body and soul,
Against incantations of false prophets,
Against black laws of heathenry,
Against false laws of heretics,
Against craft of idolatry.
Against spells of women and smiths and wizards,
Against every knowledge—that endangers—man's body and soul.

"Christ to protect me today
Against poison, against burning,
Against drowning, against wounding,
So that there may come abundance of reward.
Christ with me, Christ before me, Christ behind me.
Christ in me, Christ beneath me, Christ above me,
Christ on my right, Christ on my left,
Christ where I lie, Christ where I sit, Christ where I arise.
Christ in the heart of every man who thinks of me.
Christ in the mouth of every man who speaks of me.
Christ in every eye that sees me,
Christ in every ear that hears me,

"I arise today
Through a mighty strength, the invocation of the Trinity,
Through belief in the Threeness,
Through confession of the Oneness
Toward the Creator.

"Salvation is of the Lord,
Salvation is of the Lord,
Salvation is of Christ,
May Thy salvation, O Lord, be ever with us."

So on this holy day we celebrate, I offer you a toast to the suffering and forgotten priests and clergymen of the world now enduring their Gethsemane. Wherever they may be, may God protect them, may God preserve them, and may God bless them.

Protesting Comptroller's Approval of Bank Mergers—Letter From Comptroller of Currency Approving Proposed Merger of National City Bank-First National Bank of New York and Nine Other Bank Mergers in Nearby Long Island

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EXTENSION OF REMARKS
OF

HON. EMANUEL CELLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, March 21, 1955

Mr. CELLER. Mr. Speaker, under date of March 2, 1955, I protested to the Comptroller of the Currency regarding the contemplated merger of the Nation's second largest bank, the National City Bank of New York, with the First National Bank of New York. I also asked him to withhold his approval of the proposed mergers of the Franklin National Bank with the First National of Mineola, First National of Glencoe, Roslyn National, and Nassau County Trust; and the merger of the Meadowbrook National Bank with the New Hyde Park, National City Bank of Long Beach, Baldwin National Bank, and People State Bank of Baldwin.

I pointed out that the National City-First National merger together with the recently announced merger agreements of the Chase-Manhattan-Bronx, and the Bankers Trust-Public National—all of New York City—constituted the three largest in the history of our country in terms of total deposits. I argued that such mergers tended to create a monopoly and to substantially lessen competition in that section of the country and that such mergers were, therefore, at odds with the whole intent and policy of our antimonopoly and antitrust laws.

I also pointed out to the Comptroller that the Franklin National mergers and the Meadowbrook mergers would give those 2 banks control over 60 percent of all the banking deposits in Nassau County. This percentage figure is inordinately large, and accentuates the comparative weakness of the remaining smaller banking institutions and points up how increasingly difficult, if not impossible, it would be for them to compete.

The text of the letter of Comptroller of the Currency Ray M. Gidney and my answer to him follows:

COMPTROLLER OF THE CURRENCY,
March 14, 1955.

Hon. EMANUEL CELLER,
House of Representatives,
Washington, D. C.

MY DEAR MR. CELLER: I wish to acknowledge and thank you for your letter of March 2, 1955, which has been read with interest. I appreciate having your views on a matter that has been receiving our serious attention. Your letter raises the question of whether certain proposed bank mergers in the metropolitan area of New York City will violate the intent or policy expressed in section 7 of the Clayton Act or other antitrust laws.

In determining whether the approval of this office will be given to any merger or consolidation, the Comptroller considers, among other things, how the proposed merger will affect the particular banks involved, the soundness of the national banking system, and the convenience and needs of the community concerned. There may be a technical question as to the specific application of section 7 of the Clayton Act to these mergers. However, it has been the practice of the Comptroller before giving his approval to determine whether the effect of the merger, "in any section of the country * * * may be substantially to lessen competition, or to tend to create a monopoly."

The Comptroller is aware of the recent mergers both within and beyond his jurisdiction and has studied the mergers presented for his approval to determine whether individually or collectively they tend to establish or give impetus to any existing trend which would have an adverse effect upon competition among banks.

The competitive area of the merging banks in Nassau County to which you have referred may for all practical purposes be defined as including all of Long Island and the Borough of Manhattan in New York City. However, in the case of the proposed merger of National City and First National, we have considered the problem as it may affect both the metropolitan area and nationwide competition among banks.

Our examination of the proposed National City-First National merger indicates that this merger would add vitality to competitive banking in New York by combining the diversified operations of National City with the specialized operations of First National.

Essentially, these two banks conduct different types of business. First National has specialized in a relatively small number of large corporate relationships and has not engaged in providing banking services to businesses and individuals of more moderate financial means. It has no domestic or foreign branches. National City, on the other hand, has 71 domestic and 57 overseas branches and is engaged in extensive foreign banking transactions. It finances trade and other commercial activities. A significant portion of its business is in the field of consumer credit and other banking services to individuals and small businesses. The competition between these two banks, in character of business and in services rendered, is minimal.

The attached schedules show the competitive position of the banks concerned, both prior and subsequent to the proposed merger. For example, in the metropolitan area, National City has 10.52 percent of the total deposits as against 11.7 percent after the merger, an increase of only 1.18 percent.

In comparison with other banks engaged in a nationwide business, National City's deposits amount to 7.5 percent of the total deposits of such banks, while after the merger the combined deposits will amount to 8.34 percent of the total, an increase of 0.84 percent. (For the purpose of this study only banks with total assets of over $500 million were assumed to be engaged in nationwide banking; there are, of course, other banks which are in competition for nationwide business with National City, in varying degrees.)

In the New York area, National City has outstanding, 8.59 percent of the total loans. This figure refers to bank loans and does not include loans made by other types of competing financial institutions. The addition of First National loans to those of National City will increase the latter's percentage to 9.58 percent of the total, an increase of 0.99 percent.

In comparison with banks engaged in a nationwide banking business National City has 7 percent of the total loans and with the addition of those of First National the continuing bank will have 7.81 percent, or an increase of 0.81 percent.

It should also be noted that as a result of the proposed merger the National City bank will add only 1 banking office, and will, as a result, increase its total number of banking offices to 73 out of a total of 732 offices in the city of New York alone.

Accordingly, upon a study of the pertinent facts, the Comptroller has concluded that the proposed National City-First National merger will not violate the spirit or policy embodied in section 7 of the Clayton Act or other antitrust laws of the United States.

The mergers in Nassau County to which you refer do not either individually or collectively establish any substantial lessening of competition nor do they tend to create a monopoly. In fact an analysis of the banking business in that area discloses that the growth of certain banks in Nassau County was a necessary development if any local banks were to meet the competition of the larger New York City banks for the expanding industrial business of the Long Island area.

While it is true that the 2 largest banks in Nassau County have 60 percent of the deposits of all county banks, this figure does not indicate a true picture of the competitive situation as it affects these banks. Nassau County banks are in direct competition for deposits, and all banking business, with banks in New York City. The deposits in these banks as compared to the total savings and commercial deposits of all Nassau depositors in all banks would not approach 60 percent. It is our opinion that but for the mergers involving the two large Nassau County banks of which you speak, local banks would have a considerably smaller percentage of the banking business originating in Nassau County than they now enjoy. The increase in size has increased the ability of these two banks to compete with the larger New York City banks both in service and loaning ability.

An examination of the attached Schedule E indicates that Franklin National has 0.66 percent of the deposits and 0.77 percent of the loans of banks in its competitive area, while the Meadowbrook National had (before its two most recent mergers, which were effective on March 4) 0.34 percent of the deposits and 0.33 percent of the loans. After the proposed mergers those percentages will be 0.78 percent and 0.88 percent for the Franklin bank. After the recently completed and proposed mergers these percentages for the Meadowbrook bank will be 0.44 percent and 0.42 percent. These figures, and particularly the small amount of the increase, indicate to us that there will be no substantial lessening of competition as a result of the mergers.

Any consideration of the state of competition in the field of banking must take into account the vogorous competition offered by financial institutions other than banks, such as savings and loan associations and insurance companies. For example, savings and loan associations in Nassau County had loans of $265,718,000 on December 31, 1954, as compared to commercial bank loans of slightly over $404,000,000. When the impact of their activities is added to the competitive situation shown in the annexed schedules, it is even more apparent that the possible effect of these mergers upon competition is unsubstantial.

It is our conclusion that the proposed New York City and Nassau County mergers will contribute significantly to the ability of the banking institutions affected to serve the increasing needs of expanding economic activity and the millions of people who benefit by such expansion. This means the mergers should prove advantageous not only to the people of the respective areas, but also to the population of the entire metropolitan community.

There is nothing to indicate the mergers will substantially lessen the present healthy

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competition among banks in the New York area, or tend to create monopolies.

We share sincerely your interest in keeping abreast of the implications of current bank mergers as they pertain to the possible substantial lessening of competition in the field of banking. We shall continue to remain alert to our responsibilities to all the people of the Nation in this connection. We are constantly concerned to see that the law on this subject is strictly observed and shall give our best endeavors to keeping all mergers in which we have authority on a sound, healthy, and businesslike basis and consistent with the welfare of the greatest number of people who are served.

These particular marger proposals have been studied so exhaustively that we doubt enough new and pertinent information could be developed by hearings to justify the expense they would require. However, we would, of course, be pleased to meet at any time with you to discuss these matters further.

We value highly your views, realizing that we have the common purpose of maintaining a national banking system of unquestioned soundness and of the utmost effectiveness of its service to the public.

Yours very truly,

R. M. GIDNEY,
Comptroller of the Currency.

HOUSE OF REPRESENTATIVES, U. S.,
COMMITTEE ON THE JUDICIARY,
March 16, 1955.

Hon. RAY M. GIDNEY,
Comptroller of the Currency,
Department of the Treasury,
Washington, D. C.

DEAR MR. GIDNEY: This is to acknowledge your letter of March 14, 1955 relating to my letter concerning the recent announcements of bank mergers in the New York City area. I wish to thank you for the illuminating material which accompanied your letter and for the courtesy and thoughtful attention you gave to my request.

As I am sure you will agree, we are both interested in having a strong, competitive banking system. Sometimes, in order to obtain banks that can stand on their own feet and provide the public with the services needed, various small, weak banks need to merge, for the purpose of forming stronger, independent banks. The reasons underlying such mergers are well known. Early in our banking history we had thousands of banks which were too small, with too little capital, with inadequate diversification of loans, and lacking specialized personnel, and as a result they were unable to weather economic storms of even moderate magnitudes. In order to secure more capital, greater diversification of loans, and better managements, these small banks either united with other banks or established branches. All of these reasons have been acceptable and recognized ones for bank mergers and no doubt they will continue to be valid reasons.

None, however, seem to apply in the case of the recently announced National City-First National Bank merger. I have looked in vain in your memorandum for evidence on any of these points. You concede that National City is both strong and diversified; you include data which shows First National not only to be one of the larger banks in New York City but also one which is getting along so well that it is among the high profit earners in that area. No statement is made to the effect that First National suffered from inadequate capital or lack of diversification of its loans or for lack of well-qualified, specialized personnel. You mention that it will now, as a result of the merger, possess foreign and domestic branches, and that it will be able to go into the field of consumer credit, but you fail to point out that we have hundreds of strong banks with no foreign branches, nor do you indicate assurance that going into the field of consumer credit will add appreciably to the strength of the bank. In these, as in some other respects, I find your letter disappointingly inadequate.

I am sure your devotion to the American system of free competitive enterprise is as strong as mine and that you wish, in the public interest, to preserve competition. You are as disturbed, I am sure, as I am about the fact that in the New York area there have been 14 mergers in the last 7 years, as a result of which there has been the elimination of many strong, vigorous, competing banks.

A notable example has been the elimination of the Corn Exchange Trust Co., in its merger with the Chemical Bank & Trust Co. Since the first of January we have had the merger announcements of the Chase National Bank with the Bank of the Manhattan Co., the Bankers Trust with the Public National Bank, the National City Bank, mentioned above, with the First National Bank—all located in New York City—which constitute, in terms of total deposits, the three largest banking mergers in the history of our country. If the present mergers are approved, an all-powerful oligopoly made up of the just-enumerated banks and the Manufacturers Trust (itself the result of some 80 mergers and consolidations over the years) will have a stranglehold on New York banking facilities. The businessman and the merchant will be at the mercy of the financial colossi, which, because of the lack of competition, will be able to set the standards providing for their best interest, to the detriment of small banks, small-business men, and other customers. The Chase National Bank, which is presently the second largest bank in New York City, does not need the banking offices of one of its large competitors to render to the public the service for which it was organized. The principal value obtained by a large bank in acquiring a competing bank and merging with it is the elimination of the competitor, and in the instant case, the strengthening of an already all-powerful position of a large banking institution.

Your letter notes that, as a result of their eight recent mergers, the Franklin National and the Meadowbrook Banks of nearby Nassau County, Long Island, will have together over 60 percent of all the deposits of all the banks in that county. While these figures are inordinately large, you feel that such expansion is justified in order that those banks may meet the competition of the larger New York City banks. Such a position seems to me to be incongrous. It would mean that most banks in counties nigh unto New York City could or should merge, regardless of consequences. Your position offers the greatest encouragement for banks in Nassau, Westchester, and Putnam counties and the nearby counties in New Jersey and Connecticut, to merge with each other.

Any banks which control 60 percent of the deposits of a county are breeding, for all practical purposes, a monopoly. It violates the very purpose of our antitrust laws and the underlying policies of the Celler Antimerger Act. I believe you are being negligent in your duty by failing to stop mergers which tend to create monopolies. To my mind, these mergers, taken collectively with the recent gigantic mergers in New York City, can only have an adverse effect upon competition among banks in that area. The present merger trend serves to accentuate the comparative weakiness of the remaining, smaller banking insitutions and points up how it is becoming increasingly difficult, if not impossible, for them to compete.

If the present trend is not stopped, obviously there will ultimately be but a few banks which, inevitably, as the history of banking in other countries has clearly demonstrated, will wind up in a nationalization of the banking system. We will soon be following in the footsteps of Great Britain. There, the so-called big five banks control about 75 percent of England's financial resources. Competition is not only lessened, but, correspondingly, the economy is depressed and cartelized.

If you, at the Federal level, will step into the breach and arrest this trend toward socialism, you will render statesmanlike service and set a sterling example for the banking officials of our various States, including the State of New York, in alerting them to the dangers inherent in these combinations.

Very sincerely yours,

EMANUEL CELLER,
Chairman.

Need for Pay Increase for Classified Federal Employees

EXTENSION OF REMARKS
OF

HON. JOHN F. BALDWIN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 21, 1955

Mr. BALDWIN. Mr. Speaker, with your permission, I would like to insert in the CONGRESSIONAL RECORD the following statement which I made before the House Post Office and Civil Service Committee on Friday morning, March 18, relative to the need for a substantial pay increase for classified Federal employees:

Mr. Chairman, I am appearing before the House Post Office and Civil Service Committee in behalf of a substantial increase in the pay scales of the classified Federal employees.

In my district in California there are four large Federal installations. These are: Mare Island Naval Yard, with approximately 11,500 Federal employees; Benicia Arsenal, with over 3,000 Federal employees; Travis Air Force Base, with approximately 1,000 Federal civilian employees; and Port Chicago Naval Magazine, with approximately 1,000 Federal civilian employees. In addition, many other Federal workers live in my district who are employed at Federal installations in Alameda County and in San Francisco.

I have discussed the necessity of adequate compensation for Government civilian employees at length with the commanding officers of Mare Island Naval Yard and Benicia Arsenal. These employees have rendered a tremendous service to our Government over the past years. We have called upon them for literally heroic work at times during periods of crisis, such as the urgent days of World War II and the Korean war. They have always responded and done a remarkably effective job. The work of the Federal employees at these military installations has been outstanding.

At the present time, we are in danger of losing our most competent employees because of the fact that their pay scales are not comparable with the pay scales of comparable positions in private industry. This would be a tremendous loss to the efficiency of the Federal service. It also would have an adverse effect on the appeal of the Federal service to new young people who are considering it as a career.

For these reasons, it is most essential, in my opinion, that this session of Congress grant a substantial increase in pay to our Federal classified employees. I believe that this increase should be at least comparable in amount to the increase that has been proposed for Federal Post Office workers. In

other words, if the Congress adopts an increase for Federal postal workers of somewhere between 7½ and 10 percent, as now appears likely, it would appear essential that an increase of at least comparable proportions be granted to Federal classified employees.

Armed Robbery of Government Property

EXTENSION OF REMARKS
OF
HON. WILLIAM E. MINSHALL
OF OHIO
IN THE HOUSE OF REPRESENTATIVES
Monday, March 21, 1955

Mr. MINSHALL. Mr. Speaker, early last Friday 2 masked gunmen raided the 107th Light Armored Cavalry Regiment Armory in Shaker Heights, Ohio, and wounded a warrant officer while stealing 4 federally owned machineguns.

The FBI immediately joined local police officials in the search for these desperadoes and a statewide alarm was put out for their apprehension. The FBI should be commended for their swiftness in joining this important search for two men dangerously armed and presumed to be on the path of further robbery and violence.

Mr. Speaker, this is an appalling situation. But it could be even worse if these men were part of a conspiracy to overthrow our Government by force—if they were part of an uprising against civil authority—or if they were bent upon sabotaging our defense effort.

We must take—we are compelled to take—stringent measures to assure that a similar robbery will not be attempted again. There are two ways of obtaining such assurance. One is to increase the criminal penalty for armed robbery of Government property and the other is to increase the security guard of all weapons storage centers.

Today I have introduced two bills. One increases the present penalties for robbery and burglary of Government property and the other provides new statutes providing a stronger penalty for the burglary and robbery of weapons and firearms. The texts of these bills are as follows:

Be it enacted, etc., That section 2111, title 18, of the United States Code, be amended as follows:

"Whoever, within the special maritime and territorial jurisdiction of the United States, by force and violence, or by intimidation, takes from the person or presence of another anything of value, shall be imprisoned not more than 25 years."

SEC. 2. Section 2112, title 18, of the United States Code shall be amended as follows:

"Whoever robs another of any kind of personal property belonging to the United States shall be imprisoned not more than 25 years."

SEC. 3. Section 641, title 18, of the United States Code shall be amended as follows:

"Whoever embezzles, steals, purloins, or knowingly converts to his use or the use of another, or without authority sells, conveys, or disposes of any record, voucher, money, or thing of value of the United States or of any department or agency thereof, or any property made or being made under contract for the United States or any department or agency thereof; or

"Whoever receives, conceals, or retains the same with intent to convert it to his use or gain, knowing it to have been embezzled, purloined, or converted—

Shall be fined not more than $10,000 or imprisoned not more than 20 years, or both; but if the value of such property does not exceed the sum of $100, he shall be fined not more than $5,000 or imprisoned not more than 5 years, or both.

"The word 'value' means face, par, or market value, or cost price, either wholesale or retail, whichever is greater."

Be it enacted, etc., That whoever within the special maritime and territorial jurisdiction of the United States, by force and violence, or by intimidation, takes from the person or presence of another any firearm or weapon, shall be imprisoned not more than 50 years.

SEC. 2. Whoever robs another of any weapon or firearm belonging to the United States shall be imprisoned not more than 50 years.

SEC. 3. Whoever steals, purloins, or knowingly converts to his use or the use of another, or without authority sells, conveys, or disposes of any firearm or weapon of the United States or any department or agency thereof, or any firearm or weapon made or being made under contract for the United States or any department or agency thereof; or whoever receives, conceals, or retains the same with intent to convert it to his use or gain, knowing it to have been stolen, purloined, or converted, shall be fined not more than $50,000 or imprisoned not more than 50 years, or both.

Mr. Speaker, also, I have dispatched letters to the Secretaries of Defense, Army, Navy, and Air Force asking them to immediately take an inventory of all Government weapons and to increase the security guard on all places where weapons are stored. And I have also asked the FBI to join with the Defense Department in an appraisal of the entire weapons storage problem.

In these days when our national security is threatened from within as well as from without, we must take all steps necessary to prevent any group from taking our own weapons and using them against us. If it is this easy to get weapons out of Government arsenals, then potential revolutionaries would have no trouble at all in arming themselves on the eve of an attack. We must prevent this.

Make Columbus Day a Legal Holiday

EXTENSION OF REMARKS
OF
HON. FRANK M. CLARK
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Monday, March 21, 1955

Mr. CLARK. Mr. Speaker, I wish to express my views on making Columbus Day a legal holiday.

Christopher Columbus' name stands supreme among the world's daring explorers. In selfless service to his fellow man, to Spain, and to God, he ventured out on uncharted waters, with a reluctant crew, in frail and tiny vessels, and kept on, through murmurs rising to threats of mutiny, until that glorious moment when a seaman's cry brought all on deck to view a new world shining in the dawn. That is a moment to remember. That is a moment to celebrate. The city of Genoa and the land of Italy are proud to claim Columbus as a native son. Spain counts it among her chief glories that Columbus sailed under her banner. But all we of the Western Hemisphere can look upon him, not as our son or servant, but as father of us all. In token of this filial reverence, most of the countries of this hemisphere, and most of the States of the Union, already observe Columbus Day as a bank holiday or a school holiday, and as a day for ceremonies in honor of Christopher Columbus and his discovery.

I am glad to add my voice, on behalf of my constituents, to the enthusiastic support being given in this House to H. R. 577, a bill declaring October 12 to be a legal holiday.

Address by Secretary of Agriculture Ezra Taft Benson Before the Pacific Dairy and Poultry Association, Salt Lake City, Utah, March 19, 1955

EXTENSION OF REMARKS
OF
HON. HAMER H. BUDGE
OF IDAHO
IN THE HOUSE OF REPRESENTATIVES
Monday, March 21, 1955

Mr. BUDGE. Mr. Speaker, the following is the portion of Secretary of Agriculture Ezra Taft Benson's remarks at Salt Lake City, Utah, on March 19, 1955, which relate to the general farm program:

Now I should like to turn to a matter which concerns not only the poultry and dairy industries but all of agriculture and, in fact, all of the people of this Nation. That is the basic question of what kind of a farm program we are to have. Shall we move forward in our efforts to establish a soundly conceived, long-range program designed to bring about better balanced agricultural production, broader financial stability, and greater freedom for farmers? Or shall be continue the unrealistic, stopgap, emergency program of high, rigid price supports which has already demonstrated its inability to cope with the problems of a peacetime agricultural economy?

Congress clearly rejected this second approach only a few short months ago when it adopted the Agricultural Act of 1954 and voted to permit flexible price supports for the basic commodities to become effective, as scheduled, in 1955. Now the whole issue has been revived. The House Committee on Agriculture has reported favorably a bill which would, among other things, continue rigid price supports at 90 percent of parity for the basic commodities for 3 more years.

The principal argument put forward by the proponents of this measure is that it will halt the steady decline in farm income which has been underway since 1947. What they fail to mention is that this entire reduction has come about while we had rigid 90-percent supports for the basic commodities. What they are recommending, in effect, is another dose of the same medicine that has made the patient progressively sicker.

The fixed price support advocates, reinforced by labor leaders turned farm experts, are shouting from the rooftops that farm prices are being wrecked by flexible supports.

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It just isn't so. Not 1 bale of cotton, not 1 bushel of corn or wheat, not 1 sack of rice, not 1 pound of peanuts has yet been placed under loan or sold to the Government at less than 90 percent of parity. Flexible price supports don't become operative until the 1955 harvest—still several months away—and even then the levels of support will be unchanged for some commodities and most modest for others, in line with President Eisenhower's recommendation for gradual adjustments.

The attempt to saddle the failures of the old program upon a new one which hasn't even been tested yet is unlikely to meet with very broad acceptance among farmers who know the facts. The issues at stake are of such great importance to every farmer, however, that I believe the record must be set straight for all to see.

Flexible price supports have been a part of our bipartisan farm programs for many years. They have been endorsed at one time or another by every Secretary of Agriculture for the past 20 years and by every major farm organization. They were advocated in the platforms of both major parties during 1948 and by the then occupant of the White House.

In fact, it was from this unanimity of opinion that the agricultural acts of 1948 and 1949 were distilled. Both of these measures called for flexible price supports for basic commodities. The effective date of the flexible program was repeatedly postponed, however, the last time until 1955. This year we are finally scheduled to employ the flexible price support provisions which almost everybody once agreed were essential to the effective operation of a long-range, peacetime agricultural program.

For some time now, many would-be political leaders have been using high, fixed price supports as a smokescreen to cover up one indisputable fact—the fact that it was the unprecedented demands of war, together with inflation, that kept farm prices high during the 10 years following Pearl Harbor. The parity ratio averaged between 100 and 115 during those years. Actually, it was ceilings, fixed by law at the top—not the 90 percent floor below—which set farm prices. Every farmer knows he would have received even more for his products during this period had there been neither ceilings nor price supports.

Mounting surpluses, increasing costs, and declining farm prices are evidence enough that high, rigid, emergency supports offer no solution to our peacetime agricultural problems. If they were the solution, there would be no problems. Even though farm prices have declined under the program which we inherited from the preceding administration, this administration is willing to assume its share of the responsibility. But let me make it very clear just what our share is.

Between February 1951 and January 1953, when this administration assumed office, the parity ratio tumbled from 113 to 94. This is a downward plunge of 19 points. Since January 1953 the parity ratio has declined from 94 to a current level of 87—a change of 7 points. It has averaged about 90 over the last 2 years.

Thus, it will be seen that nearly three-fourths of the drop in farm prices which has occurred since the Korean war peak in 1951 came under the preceding administration. So, as I have said, we are willing to assume our share of the responsibility. Let our predecessors face up to theirs.

Today it seems to me that the situation which has developed with respect to wheat pinpoints the major fallacies and contradictions of high, rigid price supports. Wheat is a most important crop, not only in this area, but over much of the United States. And wheat is also the Government's biggest problem in the field of price supports. Here is a commodity which actually has been supported at about 105 percent of modernized parity. And still it is in worse trouble than any other crop.

The United States had on hand for the current marketing year an all-time record supply of 1,878 million bushels of wheat. At the present rate of disappearance, this unprecedented supply is enough to meet all our domestic and export requirements for more than 2 full years.

The Commodity Credit Corporation today has investment in more than 1 billion bushels of wheat—660 million bushels owned outright in inventory and the rest held as security against price-support loans. This involves a commitment of approximately $2.7 billion of CCC funds. It represents well over one-third of the CCC funds now invested in all price-support activities.

For 1955, the national wheat acreage allotment has been reduced to 55 million acres, the minimum provided by law. This compares with a 1954 allotment of 62 million acres and represents a cut of 30 percent from 1953, when no acreage allotments were in effect. Without the minimum amount provided by law, the allotment for 1955 would have been sharply below the 55 million total. In view of the record supplies of wheat on hand for this year, the formula in the law called for a national allotment of only about 19 million acres if no minimum had been provided.

The very substantial cut in our national wheat acreage creates serious operating problems for many farmers. Even after this sharp reduction for 1955, the minimum national acreage will, with average yields, produce almost as much wheat as we are now moving into domestic consumption and foreign markets in a year. Insofar as exports are concerned, we need to keep in mind that at our present level of price support, wheat shipments to foreign countries are made possible only by active programs of United States assistance. United States sales of wheat abroad will involve subsidies of at least $175 million for the current crop year.

One fact that stands out is that this Nation's carryover of wheat next July 1 will be larger than it was a year earlier despite everything we are trying to do to bring about a reduction. Although we have succeeded in boosting wheat exports somewhat during the current crop year, there are limitations upon what the world markets will take even at the wheat agreement price or under the new program which permits sales abroad for foreign currencies. There are legal restrictions upon selling wheat in the domestic market at less than 105 percent of parity, plus carrying charges.

With total wheat supplies increasing in spite of production controls last year, it now appears that our carryover in 1955 will approach 1 billion bushels, for a new all-time record. It is expected that CCC will own some 850 million bushels of this vast surplus. The yearly storage charges alone on this inventory, not counting interest or deterioration, will be near the $140 million mark.

In talking about this wheat surplus problem, we lump all wheat together—spring and winter—hard and soft—red and white—high protein and low protein. Yet farmers know there can be at least as great a difference between different types of wheat as there is between Holstein and Hereford cattle.

At a time when we have a record-breaking surplus of wheat in the United States, there is an acute shortage of durum wheat and a tight situation with respect to high protein milling wheat. Flour has been selling at the highest prices since 1920.

Farmers in some parts of the country have been concentrating upon exceptionally high-yielding wheat, rather than upon quality wheat. Since the grain is produced for sale to the Goverment at a fixed, guaranteed price, rather than for conversion into bread, the sole objective is to grow as many bushels as possible on the allotted acreage.

Unrealistic price supports have brought about a sharp rise in wheat production outside the area we normally think of as the commercial wheat country. The Corn Belt has become the source of more wheat. So have the grasslands of the Southern Great Plains and the dairy regions of the northeast.

In Illinois the 1953 wheat acreage was 51 percent above the 10-year average. In Michigan it was up 46 percent. Even in New York the increase was 36 percent. One "dust bowl" county of eastern Colorado, which reported a mere 5,000 acres of wheat in 1939, had 365,000 acres in this 1 crop by 1952 as the "suitcase" farmers and speculators moved in.

Now, farmers in the low-cost areas where most of our wheat has been produced in recent decades find themselves in the same production straitjacket as growers in States less favorably suited to efficient wheat production. The man who has been growing quality wheat for the market gets cut back on the same basis as the man who grows wheat for the Government loan.

I would like to see us produce wheat in the regions where it can be grown most efficiently. Many of these areas are not well adapted to the production of profitable crops other than wheat.

Wheatgrowers understandably are dissatisfied with the conditions which have been forced upon them under this system of high, rigid supports. Perhaps more than any other major producer group they are actively seeking a new approach to the whole problem. They want a program which will give them greater freedom—a chance to utilize more fully the potential of their land.

I am sympathetic to those wishes. Recently I requested the National Agricultural Advisory Commission to review the entire wheat situation, giving special attention to possible means of expanding consumption, as well as to grades and classes of wheat and land-use programs. The study will also be directed toward the merits of production controls established on a bushel rather than an acreage basis.

I believe the flexible price-support program which becomes effective with this year's harvest will help to bring wheat supplies and utilization into better balance. But it is going to take time because of the mountainous surplus built up under high, rigid supports.

Certainly agriculture has had its problems during this period of adjustment from war to a peacetime economy. Yet it is also true that we are making the changeover this time with far less hardship than farmers experienced in the years following the First World War.

The flexible price-support provisions of the Agricultural Act of 1954 can be of real assistance in making an orderly transition from an emergency program to a permanent, peacetime farm plan. Let us not turn back the clock at this point. Instead, let us give the new program a fair chance to operate.

Let us work toward a well-balanced agriculture—one in which farmers themselves will make most of the management decisions right on their own farms. Let us seek to build a thriving farm economy in which dairymen, poultrymen, and all other segments of agriculture will share fairly and fully.

Our national economy is sound and prosperous. That, in the long run, is the best guaranty of a brighter tomorrow for American agriculture.

Let us push toward those horizons beyond.

Let us continue resolutely to work toward a stable, prosperous, and free agriculture here in this choice land which God has blessed above all others.

Some of the Tourist Attractions of the Seventh Congressional District of Alabama

EXTENSION OF REMARKS
OF
HON. CARL ELLIOTT
OF ALABAMA
IN THE HOUSE OF REPRESENTATIVES
Monday, March 21, 1955

Mr. ELLIOTT. Mr. Speaker, the Seventh Congressional District of Alabama is coming to realize and to develop its scenic and tourist attractions with each passing year. The miracles that will soon be wrought on the Warrior River, and particularly in its headwaters, will, in time, provide a natural playground which should attract tourists, as well as the people who live in the area itself.

The New Hope Dam, designed to be approximately 300 feet high, will be the second highest dam east of the Mississippi River.

The large steam, electric-generating plants at Gorgas, Ala., along with the adjacent mines, and together with the world famous experiment in underground coal gasification are beginning to attract large numbers of visitors.

While these attractions are classified as being partially manmade, the natural wonders of that area of Alabama are most absorbing. Some that come quickly to mind are the Natural Bridge of Alabama, located in Winston County, 10 miles south of Haleyville on State Highway 195; the Cheatham Road—State Highway 36—Natural Bridge with a 70-foot span in the William B. Bankhead National Forest in Winston County; and the 80-foot Sandstone Natural Bridge, located 10 miles east of Phil Campbell in Franklin County, Ala. Others are the Underground Lake at Belgreen, and the Dismal Falls in Franklin County.

The Ave Maria Grotto in Cullman County is nationally known.

Very little has been written about these scenic attractions of this area of Alabama. There are many more than I have named.

My neighbor, Mr. W. M. Massey, of Jasper, Ala., published a story, entitled "Bridges What Come Naturally," dealing with the natural bridges of the Seventh Congressional District of Alabama, plus one in Tennessee. The article was published in the March 1955 issue of Ford Times.

The article follows:

BRIDGES WHAT COME NATURALLY
(By W. M. Massey)

In northwestern Alabama, a farmer likes to build his home on a ridge. It tickles his fancy to think that water falling on one side of his roof will reach the Gulf of Mexico via the Tennessee, Ohio and Mississippi Rivers, while raindrops sliding down the other side will travel via the Sipsey, Warrior, and Tombigbee.

The varied topography that allows this indulgence is also responsible for some very satisfactory scenery that is not widely known. The hinterland of the Muscle Shoals area, where thousands of vacationers annually enjoy the manmade dams and lakes of the Tennessee Valley system, is replete with cliffs, gorges, waterfalls and an assortment of natural bridges.

About 50 miles north is the Natural Bridge of Tennessee, on U. S. 64 near Waynesboro. Here twin arches of limestone are set at right angles and joined on both ends by a semicircular bluff, on the Buffalo River. Terraces in the eroded rock form a natural amphitheatre in which, for some 40 years before the Civil War, the courts of Stone and Hardin Counties held sessions. A sign announces that David Crockett was a magistrate here in 1812. This is a resort area, with an admission fee.

The traveler southbound from Muscle Shoals may be startled to encounter the sign, "You are now entering the Free State of Winston * * *" It is a matter of much local pride that this county refused to secede from the Union in the War Between the States. It set up its own government, issued its own currency, and raised 5 companies of infantry for the Union Army. Its scenery is further cause for pride. A report by the Geological Survey of Alabama described it in these considered terms: "The topographical features are varied, grand, wild, and picturesque. It has abrupt chasms 200 to 300 feet below the general level of the county. These have perpendicular and overhanging rock cliffs 75 to 100 feet high * * *"

One of those "abrupt chasms" is traversed by the Natural Bridge of Alabama, claimed to be the longest rock span in the East. It is 10 miles south of Haleyville, on State 195. Fifty years ago excursion trains brought city folk from Birmingham and Sheffield to marvel at this natural wonder and to picnic in its shadow. People are still coming—but in automobiles. The bridge is privately owned and admission is charged.

There are 2 other natural bridges nearby. One is an 80-foot sandstone arch hidden in a heavily wooded area of Franklin County, 10 miles east of the town of Phil Campbell. The other is in the national forest, on Cheatham Road (State highway 36). This 70-foot span is suspended halfway up nearly vertical canyon walls.

To the dyed-in-the-wool nature lover, Bee Branch Scenic Area is the top attraction of the forest and the entire region. This deep box cayon, with vertical sandstone walls 60 to 125 feet high, shelters one of the last stands of virgin hardwood in Alabama. Its giant tulip trees, hemlocks and pines have been untouched by man or fire. The largest is a tulip tree 80 inches in diameter and 150 feet high. Roads and trails in the area are meager—by design. This 1,140-acre plot is to be preserved to show future generations a bit of genuine wilderness. The public is welcome but, as the local ranger puts it wryly, "Nothing is done to make access easy."

Brotherhood of Railroad Trainmen in California

EXTENSION OF REMARKS
OF
HON. GEORGE P. MILLER
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Monday, March 21, 1955

Mr. MILLER of California. Mr. Speaker, on Thursday of this week the Brotherhood of Railroad Trainmen in my State is having a unique celebration. And one of my best friends, a person I have been associated with over a period of years, is a major part of that celebration. He is Harry See, national legislative representative of the brotherhood in Washington, with offices just down the street in the Labor Building.

I have known Harry See for the past 20 years, having first met him when I was a member of the lower house of the California legislature. At that time he was the California legislative representative of the brotherhood.

On March 24 lodge 71 of the brotherhood, located in my Congressional District at Oakland, will celebrate the 70th anniversary of its institution. Simultaneously lodge 1019 of the brotherhood, located in San Francisco, will celebrate its 10th anniversary. To complete the tripartite nature of the commemoration, Harry See will have been a member of the brotherhood 40 years on the same date.

This is a "Harry See affair" in just about every respect, as I learn that he was initiated into the brotherhood by lodge 71, and holds his present membership in lodge 1019, which also bears his name. During the celebration officers of the brotherhood will present him with his 40-year continuous membership emblem.

It has been my pleasure to work with the brotherhood both in California and in Washington on matters of special interest to railroad workers and their families, and I do not hesitate to say that my entire association with the Brotherhood and its officers has been pleasant and fruitful. I think it fitting to pause for a moment to pay tribute to a truly great labor organization, and to one of its outstanding officers.

The Ostracism of Israel

EXTENSION OF REMARKS
OF
HON. EMANUEL CELLER
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Monday, March 21, 1955

Mr. CELLER. Mr. Speaker, with the conclusion of the Iraq-Turkey defense alliance, the weighting of the balance of the power in the Middle East area is now one longstep further in favor of the Arab nations. In the name of "impartiality," our State Department policy presently pursued has steadily pushed Israel into ostracism. If there is a defense alliance in that region which excludes Israel; if Egypt is to be permitted in defiance of international law to seal off the Suez Canal to Israeli ships; if the United States is to continue to ship arms to the Arab nations; if the Arab nations are to be permitted to refuse to move toward peace in that area; if the Arab nations, without criticism from this country or any other, are permitted to strangle Israel economically by its boycott; if, without reproach, the Arab nations are permitted to utter their war-whoops directed against Israel—then, I pray you, what manner of impartiality is this?

If the United States is to feed the strength of the hostile Arab nations who

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make no secret of their enmity toward Israel, then surely it is to the very best interests of the United States in avoiding the outbreak of war in the Middle East to preserve likewise, and to feed likewise the strength of the fledgling democratic state of Israel. Only preservation of balance can best serve the interests of the United States in that area.

Certainly it would be most desirable to keep shipments of arms out of that area. Certainly it would be most desirable that a Middle East defense pact be developed including Israel. Certainly it would be most desirable for the United States to throw all the weight of its prestige and power in the direction of influencing the Arab nations toward an acknowledgment and acceptance of Israel's existence. But since an affirmative policy has already been set by our State Department toward wooing Arab favor, throwing the scales of equity out of line, then counterpart action should follow to set those scales straight and right. The least, the very least, that the United States can do toward the restoration of balance would be: First guarantee the integrity of present Israeli borders; and second, remove the military disadvantage of Israel brought on by shipment of arms to Iraq.

It is not enough for our Department of State to say, as it keeps saying, "Israel has nothing to fear; the Arab nations will not attack." Without United States support of arms and without the United States policy now in vogue of soothing and smoothing the ruffled ego of the Arab nations, they did attack in 1948. With what powers of clairvoyance do our spokesmen now say so assertively and dogmatically that the Arab nations will not attack Israel? The hostile statements of Arab spokesmen continue without abatement. Only recently, Nuri Es Said, Prime Minister of Iraq, stated that his government considered that the Zionist danger takes precedence over the Communist danger. He also stated that he had called upon Pakistan to support the Arabs against Israel in the same kind of treaty Iraq had concluded with Turkey against communism.

It is to be remembered that with the conclusion of the Turkish-Iraqi pact, Iraq can call upon Turkey if she is subjected to aggression by external forces. Similarly, members of the Arab League can band together, weak and torn by strife and jealousies as they are today, to meet acts of aggression. Iraq now has specific affirmation of United States support in the matter of arms, yet the one country which has, within the United Nations and outside it, supported Western ideology, is left standing alone.

There are no treaties, either in the nature of the NATO treaty or the Manila Pact. There is only the tripartite declaration of 1951, which already has had so many of its paragraphs disregarded.

It would have been well if the United States had concentrated its energies upon, first, the fostering of the peace between Israel and the Arab nations; and, second, a program of meaningful impartiality in the encouragement of economic and social growth in both Israel and the Arab nations on the basis of equality.

In the censuring of Israel in the United Nations on former occasions we note the same irony. The steady infiltration across Arab borders into Israel, the senseless killings, 1 by 1, the slow drip of blood rasping the nerves of Israeli frontiersmen, the destruction of property, the thefts perpetrated by the Arab nations upon Israel, are not presented to the public conscience. The Israeli raids always are.

For months now, the tension between Israel and Egypt has been rising. On the Gaza frontier there have been many incidents involving theft and murder. There are few that know that between September 1 and January 31, the United Nations Mixed Armistice Commission censured Egypt 35 times and Israel 15 times for such incidents.

It is high time that our Department of State view this situation in the Middle East more realistically. The fears of Israel are further exacerbated by knowledge of its rejection, by the knowledge of the growing ostracism in which it is being placed. There is little reassurance to be found in the words of our Department of State that the Arabs will not attack. I repeat, a minimum of assurance lies in affirmative acts by the United States, in view of the major role of influence it is undertaking in the Middle East region, to guarantee the integrity of present Israeli borders and to remove the military disadvantage of Israel occasioned by shipment of arms to Iraq.

Postal Salaries

EXTENSION OF REMARKS
OF
HON. ELIZABETH KEE
OF WEST VIRGINIA
IN THE HOUSE OF REPRESENTATIVES
Monday, March 21, 1955

Mrs. KEE. Mr. Speaker, I realize that the committee of this still-new Congress have been demonstrating unusual speed and energy in meeting their legislative responsibilities, so that what I am about to say on the matter of postal salaries is not meant in criticism of the committees handling this legislation.

However, I would urge, Mr. Speaker, that the legislation be so drawn that the pay raises so long overdue are made retroactive—if not to the start of the fiscal year, at least to the start of this calendar year.

We must remember that there was practically no controversy here last year over the question of granting a raise in pay to the postal workers. The main issue, as you will recall, was whether such an increase should be made contingent upon an increase simultaneously in the first-class mail rate from 3 cents to 4 cents. A majority of us felt, Mr. Speaker, that these were distinctly separate matters and should not be tied together in the same bill. The President thought otherwise at the time, and so vetoed the legislation.

This was unfortunate from many standpoints. The leadership of the Congress at that time did not feel confident enough in the merits of the administration bill on postal rates to submit this legislation to the House on its merits, and so that question was never taken up. Thus, in view of the President's position, there was a stalemate on the question of postal pay.

Unless much better evidence is presented this year than was given to us last year on the question of postal rates, Mr. Speaker, it is highly doubtful that this Congress would vote to raise the cost of mailing a letter from 3 to 4 cents. The evidence last year clearly showed that this type of mail more than paid its own way and, in fact, returned something of a profit to the Post Office Department.

During the political campaign last fall, the President indicated to the postal workers of the country that regardless of which party won they could look forward to a well-deserved increase in pay. I am sure he did not mean that in any way as a device to confuse the postal employees.

In view of all of these factors, then, Mr. Speaker, I do again urge upon the appropriate committees of the Congress handling postal legislation that the proposed increase in postal pay be made retroactive, so that the pay increases will be of some consequence.

The postal worker has a tremendous range of friendship in the Congress for the reason that he is and always has been one of the most reliable, conscientious, loyal, and hard working of all public servants. Let us show our friendship, then, in a way that counts.

Ole! to the University of San Francisco "Dons"

EXTENSION OF REMARKS
OF
HON. JOHN F. SHELLEY
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Monday, March 21, 1955

Mr. SHELLEY. Mr. Speaker, last Saturday night was a great night for San Francisco, for devotees of the west coast brand of basketball, and for me personally when the University of San Francisco "Dons" sewed up the national collegiate basketball championship by winning the NCAA tournament finals at Kansas City by a handy margin. It was a great night for me because USF is my alma mater, and it was a great night for San Francisco and the west coast because a great team from a great little school of 2,500 enrollment showed that it could go all the way against the best brand of basketball the rest of the country had to offer. That is why I say "Ole! to the 'Dons' and to their great coach." The evening must have been particularly sweet to Coach Woolpert, since he himself was a star player on the USF team which won the national championship in 1949, the last previous basketball crown won by the "Dons."

Although the USF boys had ranked first in the national standings during the regular season, the NCAA crown was the

clincher which removed all doubt as to whether they were real champions, and the green and gold colors came through flying high. I am sure that all of my colleagues, be they from East, West, North, or South, will be glad to join me in congratulating the boys, the coach, and the school on their sweet victory.

This national championship is a fitting crown for the university, now about to celebrate its 100th anniversary. From little St. Ignatius College, founded in May 1855 by the Jesuits, the school has grown until it is now a splendid university. At the time I attended law school there the transition from college to university had just taken place, but even then we had a basketball team, on which I played, and we also played a little football. We did not win any national championships, but we had a lot of fun. As president of the student body in those days, I know what kind of a celebration we cooked up whenever we won a routine game. I can just imagine how bright the bonfires burned on the campus last Saturday night when the news of the final victory hit town. I only wish I had been there to throw another log on the fire and to join in a chorus of the USF victory song in my Irish tenor.

Mr. Speaker, I propose a toast to the University of San Francisco "Dons," national collegiate basketball champions for 1955. Long may they reign!

Improve Patent Laws and Procedure

EXTENSION OF REMARKS

OF

HON. CRAIG HOSMER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 21, 1955

Mr. HOSMER. Mr. Speaker, a few weeks ago I introduced H. R. 4267, a measure calling for the establishment of a nonpartisan commission to study our patent laws and procedures with the end in view of coming up with specific recommendations for improvements in both.

Patents are a technical subject, and although there are amongst us many men who are competent to deal with the subject, its time-consuming nature makes that a practical impossibility.

There are millions of inventors in this country and probably each one of them has some complaint or another about present patent system. Some of these complaints may not be justified, others may be. That is why there is a need for such a commission as I have proposed. It would have both the competence and the time to make a thorough study.

Needless to say, our patent system should be the most ideal that we can devise. The greatness of our country as respects to our industrial development has been founded on the inventiveness of our people. We must maintain the incentive for invention in this country that only a properly working patent system can sustain.

The following article appearing in Spotlight and written by H. J. Rand points up the problem:

AMERICA'S MOST PROFITABLE INVESTMENT—THE PATENT OFFICE—IS BEING OVERLOOKED

(By H. J. Rand)

The basis of the advance of the people of the United States, to the highest scale of living ever attained, is invention and new development, fostered since the time of Jefferson by our patent system.

Now, America's most promising domestic investment is being overlooked. The Patent Office, which is the life blood of invention and new development is being hamstrung through lack of funds. A few millions of dollars could change this picture dramatically, speed up the issuing of patents and give enormous impetus to the pent-up creativity of the American inventor.

The Patent Office in Washington is accurately described as "the nerve center of American free enterprise." Without the protection it gives to the fruits of creative ideas and costly and prolonged research, invention would languish. Progress as we have known it would slow down to a crawl. We Americans are reputed to be resourceful and inventive. Exercise of these qualities has been and still is discouraged by the neglect of Congress and of recent administrations to provide as they should for needs of the Patent Office. "The nerve center of American free enterprise" has been partially paralyzed.

Because of insufficient appropriations, the Patent Office is undermanned. Because of insufficient staff, the backlog of patent applications awaiting action has grown each year until now it is over 210,000, at least twice what it should be. In many instances, an inventor must wait nearly a year after he has filed his application before he receives an action from the Patent Office and well over a year for action on his responses.

The average time between application for a patent and final issue of the patent is 3 years and 7 months. The delay will not get less but will lengthen, if the legislators and the administration do not correct the situation.

The present waiting time is much greater than it should be. With a fully manned staff at work, less than 6 months should elapse before an inventor, after he has filed his application or replied to an Office action, hears from the Patent Office. Consider what a 3½-year delay means. Inventors are handicapped in marketing an invention and a manufacturer in buying it because of the long Patent Office delay, even though some take a gamble, without waiting for final action. The inventor suffers as do all American citizens who benefit by the new and improved and lower cost products that invention constantly brings. Add to this long waiting period of uncertainty a year and a half before the device may be manufactured and put on sale. That means a lapse of 5 years.

And what may happen during those 5 years? I know of inventors who were advised by conscientious patent attorneys not to apply for patents because their devices might be obsolete before they reached the market. Here let me pay tribute to the patent attorney profession. Long delays between filing and disposal of a patent application obviously mean higher fees. Yet, almost to a man, patent attorneys want to see greater speed in the Patent Office.

One great danger arising from long delay is the opportunity for copying and infringement of ideas contained in a patent application. The labels, "Patent applied for" and "Patent pending," are little protection for the average inventor, maker, or distributor of a new product. But corporations with huge research organizations, backed by platoons of patent experts, and covered by a blanket of patent applications covering every conceivable phase of a new device may, with reasonable safety, go into production even though patents are pending.

It is true that patent owners can stop infringement only after a patent has been granted, but it is also understandable why copiers think more than twice before they would appropriate ideas developed by some industrial giant.

Copiers and patent pirates are constantly on the watch for patents pending or applied for. Well aware of the limited protection which such labels give, they can appropriate an inventor's ideas for their own use. Counters of every hardware and specialty store across the country are loaded with ingenious kitchen and other household gadgets. Around these articles has grown an active new industry which is plagued by pirating and infringement.

Spokesmen for the gadget-making industry have told congressional Appropriations Committees of the almost daily occurrence of cases in which inventors and small manufacturers have found themselves almost powerless to get redress from those who have copied all or part of the patent-pending inventions.

Independent inventors and small-business men are severely handicapped if they must wait several years for a patent application to be finally decided. They can't afford to keep money tied up for years. If valid patents can't be issued with reasonable dispatch, they are without even the modest protection which enables them to compete with larger enterprises. Yet it is the efforts of inventors and the continuous advent of small firms which keeps the American economy flexible and free from stagnation.

The patent system plays a major part in the creation of new products and processes. These appear every year and stimulate new companies to produce them. But with long waiting periods, inventors and manufacturers are discouraged from creating or seeking new ideas. Fewer patents are issued today than 20 years ago. Any slowdown in the granting of patents slows down by so much research, development, and new employment. It affects the entire American economy.

Responsibility for this roadblock to scientific and technical progress does not rest with the United States Patent Office, for it is hard to see how it could do better with the reduced funds at its disposal. It is served by as able and devoted a staff as can be found in any Government service. It has been untouched by scandal. Political chair warmers can't hope to meet the exacting requirements for appointment as patent examiners.

Its Commissioners have never been party hacks; almost invariably, they have been outstanding patent attorneys. But the patent system, which has the honorable distinction of being superior to politics, is at the mercy—and the neglect—of politics, politicians and political compromise.

Although well aware that delays in handling patent applications can be corrected only by more personnel, the budget makers of the last 2 years clamped down further on Patent Office appropriations. Instead of the $12 million allowed a few years ago, this year's budget item for patents is $11.5 million. More applications, fewer examiners to handle them, longer search time—that's the crux of the Patent Office situation which is imposing uncertainty and delay upon inventive research and development. The amount requested for next year is only $12 million.

Nearly two-thirds of an examiner's time is spent in search of the 2,700,000 recorded patents to determine whether an applicant's claims are original. The examiner must also look through foreign patents and scientific literature, for one must be the first inventor anywhere to be awarded an American patent for a device or process. This search time increases with the years. Patent applications

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are much more complicated and bulky and require on the average half again as much search time as was called for 25 years ago.

One reason for the longer search time is that technological development and increased scientific knowledge has made a patent applicant's claims much more complex to examine and determine. Contrast today's radio and TV equipment with yesterday's crystal sets. Once gasoline was merely distilled from liquid petroleum; today it comes from complicated cracking processes. Back in the 1920's, the basis of comparison for a claim for a new automobile transmission was the simple gear shift; today, a whole series of patented automatic transmission systems must be examined.

All this complicates the classification and cross-indexing of patents. A device of, say 75 years ago could be cataloged in a small number of groups. But as inventions have become more intricate, what with developments in electronics and synthetics, their components touch many fields, and previous classification methods become obsolete. As a result, an application for a patent for a golf ball capable of floating in a water hazard required search and study of 360 different patents. By reclassification and regrouping, a search of only five patents is necessary.

Need for regrouping and reclassification is not new. Patent Commissioners have continually sought money for this work. But the situation has become more critical in recent years. Time after time, Appropriations Committees have admitted the need, but have either recommended piecemeal appropriation or postponed action in the belief that such expenditure would be deferred until later budgets. Less than 1 in 3 of the 2,700,000 patents has been reclassified recently and can be found by reasonable search.

Last year, a Senate appropriations subcommittee took note of the classification situation by directing the Commerce Department to undertake "aggressive and thorough investigation" to find whether patent search operations could be mechanized. An advisory committee headed by Dr. Vannevar Bush and including business machines experts studied the problem and reported that although mechanized search operations are possible, machines capable of the job have not yet been devised; and that even were such machines available, they could not accomplish much until all patents had been properly reclassified. So, another year has passed with reclassification virtually dormant, and delay in the issue of patents is becoming more critical.

Actually, the Patent Office costs the Government not $11.5 million but slightly more than $5 million a year. Its annual receipts of fees are some $6 million which is turned over to the Treasury's general fund. Until 1940, the patent office was almost self-sustaining; receipts from fees approached the amount of the budget. Later, with mandatory pay increases and with more intricate patents and complicated patent searches costs mounted.

Secretary of Commerce Weeks asked Congress for legislation authorizing fee increases so that the Patent Office might be on a more nearly self-sustaining basis. But it is obvious that even should fees be raised from the present $60 level to twice that amount, the ever-growing delay between patent application and final action would continue.

Whether fees should be raised is debatable. But whether or not they are increased, money must be appropriated; and without more money, the Patent Office people cannot give the service they wish to render American creative skill and industry. The Office would still be understaffed. With continued neglect of reclassification, examiners cannot reduce the backlog of pending applications.

Even should all its services be free, the patent system would pay for itself many times over. The royalties and licenses of patent owners are uncounted hundreds of millions a year—and the profits therefrom are taxed. Bureau of Internal Revenue reports of receipts do not distinguish between rents and royalties, so not even an approximate total is available for taxes paid by beneficiaries of the patent system.

It appears, however, that taxes upon patent royalties of a single American corporation like RCA would more than equal the net operating costs of the Patent Office. In its antitrust suit against the Radio Corporation of America, the Department of Justice estimated that RCA's current domestic patent royalties are well in excess of $20 million, and upon profits from these licenses RCA pays a 52 percent corporation profit tax.

Failure to increase the Patent Office budget is described as an economy move. Actually, it is an extravagance. A few millions additional, spread over the next 6 years, would complete classification work and provide for enough additional examiners to reduce the backlog by half. This would cut at least 2 years from today's average waiting time for final patent action.

As much as $4 billion a year is spent on scientific and industrial research and development. Whatever is new that has practical possibilities is written up in patent application claims and is filed at the Patent Office.

Congress has appropriated billions to restore and improve the economies of foreign countries, yet neglects the Patent Office which made possible the creation of much of our great national wealth, a creation which made those gifts possible. The delay in processing patents affects our national economy and deprives the National Government of much-needed immediate revenue.

As Dr. Vannevar Bush's committee well said, "The United States patent system is at the crossroads today. * * * The Patent Office, established to stimulate industrial progress, is now heavily burdened by the products of the inventive genius it has fostered and encouraged."

Although responsibility for this situation rests with the administration and Congress, part of the blame belongs elsewhere. Once its budget requests have been examined and pared by the Department of Commerce and the Bureau of the Budget, the Patent Office cannot go over these heads in direct appeal or protest to Congress.

But the true state of affairs is known by the entire profession of patent law. Its professional organizations and a couple of inventors' groups sent representatives to protest to congressional Appropriations Committees against these budget cuts. But the thousands of victims of the situation—inventors, research groups, small and large manufacturers—have been silent. As long as their voices are not heard, there is little chance of betterment.

Most of these victims are persons of standing in their congressional districts. When they speak, their representatives in Washington will listen. The time for them to speak is now. And they will be speaking not only for science and invention but on behalf of the dynamic expanding economy upon which the continued prosperity of our country depends.

Youth Aliyah

EXTENSION OF REMARKS
OF
HON. EMANUEL CELLER
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Monday, March 21, 1955

Mr. CELLER. Mr. Speaker, when I survey only the cold statistics of Youth Aliyah, 65,000 youths from 72 countries have been brought to Israel in the past 20 years by Youth Aliyah; 45,000 Youth Aliyah graduates have formed 40 new Kibbutzim during this time; 31,000 youths have been trained within the past 5 years; 13,000 are training this year; 500 children are being integrated each month; 235 Youth Aliyah centers educate, house, and prepare young people for life in Israel; 160 of these are agricultural settlements.

I repeat, when I view these cold statistics, there emerge from them 2 figures—one, the youth itself who, by virtue of these statistics, can throw off the shackles of the past to enter into a new life of promise and fulfillment; and the other of the giver whose vision and heart compel him to remember the preciousness and promise of youth. As youth is served, so shall youth serve.

Perhaps no one would blame us if the young ones entered into Israel to take their chances in finding a new way of life, not receiving the proper training; if, hit or miss, they struggled to adjust to the culture of Israel; if, untrained and uneducated, they turned haphazardly in any and all directions to make their way in life. But it was the same foresight, the same intensity of imagination that brought Israel into being that fathered the birth of Youth Aliyah 21 years ago. No country can reckon without its resources, and the youth of the country are the most valuable, the least expendable, the most significant, of a country's resources. How the country will fare ultimately, how a country looks toward peace, toward liberty, toward the welfare of its citizens depends on the quality of its youth.

Youth Aliyah is a dramatic concept, and those who share in its work are participants in a drama as large, as poignant, as significant, as life itself.

Let me illustrate. A few months ago, I returned from a trip to North Africa. Today about half of Youth Aliyah children come from North Africa. French Morocco has a population of 8,500,000. Of this number, roughly 214,000 are Jews. There are two divisions of Moroccan Jews: The Berbers, who live in the southern part of Morocco in the neighborhood of the Atlas Mountains, have been there for centuries—even before the Jews were banished from Spain. It is thought that they are the descendants of the Israelites driven out of Palestine by Joshua. The others are the Sephardim Jews—descendants of those who fled from Torquemada.

The Berber Jews are nomadic and live chiefly in Saharan mountain villages. They are conspicuous by their black cloaks, black skull caps, and round black hats. They hold steadfastly to the customs and faith of their ancestors.

In addition to these Jews, there are some tribal Jews, a fanatical sect who live deep in the Sahara Desert and in the Atlas Mountains. They are warlike and are a fierce-looking people, and are known as the fighting warrior Jews of Morocco. They are said to be able to trek for hours and hours across the Atlas Mountain ranges with their children strapped across the backs of their women.

There are also some albino Jews residing in the mountain fastnesses along the coast. They are blind as moles, with yellowish hair, pinkish eyes, and a reddish complexion.

The Sephardic Jews, to a great extent, live in the mellah or ghetto. A mellah is found in every Moroccan city—Casablanca, Rabat, Marakeesh. In the mellah, thousands of Jews have lived and suffered, persecuted for centuries. In the old days, they never ventured forth. To remain within the mellah was their best protection from the onslaughts of the Moors. The Jews have suffered and still suffer injury, misery, and humiliation. They are not even second-class citizens in Morocco. The very word, "mellah," means salt. The Moor Caid, in the old days, were wont to decapitate the "infidel" or "unfaithful," or non-Moor, and place the head upon a pike to be exhibited in the public square. The head, however, was first salted and pickled in vinegar. This was done by the Jewish butcher, and the word "mellah"—salt—was finally applied not only to the place or abode of the Jewish butcher, but to the ghetto where they all lived as well.

Algeria is a part of metropolitan France, and its inhabitants are citizens of France. Under the Cremieux decree, Jews have been citizens of France since 1870, and this includes the Algerian Jews. The protection of Jews in Algeria parallels the period during which France has been in possession. The French have had a protectorate over Morocco only since 1914, but they have been in Algeria since the early part of the 19th century, and in Tunisia since 1870. The longer the French have been in control the greater has been the security of the Jew.

The position of the Jews is strongest in Algeria and weakest in Morocco. There is little or no evidence of any independence movement in Algeria. There was a flareup of Fellaghas or outlaws, who operated in the southern part of Algeria—in the Province of Constantine, as well as in the western part of Tunisia. They seek independence for Tunisia and Algeria. As far as Algeria is concerned, the movement is quite negative.

There are about 140,000 Jews in Algeria, most of whom live in Algiers and are happy and contented. A small number have gone to Israel. The Jews in Algeria have great faith in the French.

Hence, these newcomers from North Africa have had very little, if any, opportunity for education or training. Beds, shoes, forks, books, schools, pajamas—all items which we ourselves take for granted, are alien to them.

I would say that in the main the oriental parents object to the education of the children. Into the sensitive area of familiar relationships. Youth Aliyah steps cautiously and constructively to win over the parents to these new concepts. Youth Aliyah, then, I shall say, is a magnificent act of husbandry, insuring the richest harvest for the future of Israel itself.

Which brings me to thoughts of Israel's future general. Israel today lives in military isolation, through no act, through no fault, through no desire of its own. Inclusion in the Middle East Defense Alliance has been denied her. Shipment of arms is denied her. Export licenses for the purchase of arms from the United States are denied her. Her avowed enemies, the Arab nations, are wooed and soothed by present administration policy. The only answer given to Israel's question is "You have nothing to fear," and all the while the arms are shipped to the hostile Iraqui Government, and all the while the economic boycott of Israel by the Arab nations continues, and all the while the infiltrations, the marauding, the thefts, and the murders continue on Israeli borders, and all the while the Arab nations will take not one little step forward toward peace with its democratic neighbor. "You have nothing to fear," say American policymakers, and yet will make no move to insure the territorial integrity of Israel's borders. What manner of answer is this, as Israel lives daily in a sea of hostility, outnumbered and without powerful friends. Even a child can understand that an equation of arms plus hatred equal disaster. The Arab nations are in possession of arms and are possessed with hatred. Is it, therefore, the conclusion of our policymakers that Israel is expendable? Are our policymakers subject to the blandishments of the Arab nations, who say, "Let mine enemies be thine enemies and we shall be friends"? Is this ever, in all the world's history, the base for any trustworthy friendship?

Let there be economic aid to both the Arabs and Israel. Let there be mutuality in a regional defense alliance based upon an earnest wish for peace. I have repeated again and again in previous statements, and I say it once more, if the United States is to feed the strength of the hostile Arab nations who make no secret of their enmity toward Israel, then surely it is to the very best interests of the United States in avoiding the outbreak of war in the Middle East to preserve likewise, and to feed likewise, the strength of the fledgling democratic State of Israel. Only preservation of balance can best serve the interests of the United States in that area.

Certainly it would be most desirable to keep shipments of arms out of that area. Certainly it would be most desirable that a Middle East defense pact be developed, including Israel. Certainly it would be most desirable for the United States to throw all the weight of its prestige and power in the direction of influencing the Arab nations toward an acknowledgment and acceptance of Israel's existence. But since an affirmative policy has already been set by our State Department toward wooing Arab favor, throwing the scales of equity out of line, then counterpart action should follow to set those scales straight and right. The least, the very least, that the United States can do toward the restoration of balance would be, first, guarantee the integrity of present Israeli borders; and second, remove the military disadvantage of Israel brought on by shipment of arms to Iraq.

I note that the Secretary of State indicated a few days ago at a press conference that the Gaza incident would delay new United States guaranties of Israel's integrity. The Tripartite Declaration of 1950, in which the United States, Britain, and France pledged themselves to avoid an arms race between Israel and her Arab neighbors and to uphold the status quo in the Middle East, it is apparent from Mr. Dulles' statement, has no meaning in law. Now, using the Gaza incident as a further excuse for delay, Mr. Dulles makes no mention of the bitter tensions in that area which led to that incident.

Egypt has been censured 35 times by the United Nations Mixed Armistice Commission for its activities on the Gaza frontier. These censures are blandly ignored in a press conference where it is made to appear that the whole burden of guilt rests on Israel. That the Arab nations will not make peace is not of sufficient importance for Mr. Dulles to note this in a press conference. Naturally, Mr. Dulles failed to state anything at all about Egypt's efforts to wreck the Turkey-Iraq Pact. Mr. Dulles knows as well as you and I know that the one, the only answer to the tension of the Middle East is the conclusion of a peace. He knows that sooner or later, in the best interests of the United States, such a peace must be established. He knows as well as you and I that the Arab nations will not make peace, and he knows as well as you and I that the United States will have to bend, ultimately, all its efforts in the direction of making that peace. There is no other answer.

Is it some fanciful wishful thinking that if the United States woos the Arab nations long enough, the Arabs will yield to the pleas for peace? Does he want to believe, as a child believes, that if he shuts his eyes to the unpleasantness the facts themselves will disappear? Does he wish to believe that the Arab nations, once cradled in the security of United States protection, will consent to a peace? If so, what is his estimate of time—a month? a year? 5 years? 10 years? a generation? a lifetime?

In the meantime, the tensions grow, the economy of Israel suffers, the democratic growth of Israel is impeded, the welfare of the Arab peoples themselves, diseased and poverty stricken as they are, is held back, the fires of hostility are fanned—and yet the United States confesses that it waits.

Our policy in the Middle East is at odds with history, is at odds with our own moral principles, and serves only the fitful winds of expediency, and, at that, an expediency that has never been thoroughly thought through nor dared to state toward what end it reaches.

But the people of America will not desert Israel; we see that daily. We see it in the work of all the friends of Israel, and we see it concretely in the work of Youth Aliyah, a work that projects itself into the future and harvests for Israel the potential of youth, its buoyancy, its vitality. Through and with its youth, Israel will endure.

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patent system would pay for itself many survey only the cold statistics of Youth women.

SENATE

TUESDAY, MARCH 22, 1955

(Legislative day of Thursday, March 10, 1955)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

Eternal Spirit, we pause with bowed heads in the midst of the day's demanding duties, lifting up our souls unto Thee, unto whom all hearts are open, and from whom no secrets are hid. Teach us to pray, for we are keenly conscious that the world in which our common days are spent is poor preparation for communion with Thee; yet we need Thee, every hour we need Thee.

We come disturbed by the public menace of our times, burdened by many anxieties; tempted to be cynical because of human evil, and of faint hope because of human folly; fretted by small problems and blown off our course by great storms that sweep the earth. We pray today for our divided and violent world and for ourselves, in the midst of it, that we may not increase its dissensions by our ill temper and prejudice, but may widen every area of good will our influence can reach. Give us the strength to carry on, whatever the future may hold, knowing that nothing can befall us, as a nation and as individuals, that we and Thou together cannot withstand and master. So make our hearts strong, in the spirit of Christ. Amen.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the reading of the Journal of the proceedings of Friday, March 18, 1955, was dispensed with.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that the President had approved and signed the following acts:

On March 14, 1955:

S. 829. An act to authorize personnel of the Armed Forces to train for, attend, and participate in the second pan-American games, the seventh Olympic winter games, games of the XVI Olympiad, future pan-American games and Olympic games, and certain other international amateur sports competitions, and for other purposes.

On March 16, 1955:

S. 456. An act relating to the regulation of nets in Alaska waters.

EXECUTIVE MESSAGES REFERRED

As in executive session,

The VICE PRESIDENT laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Maurer, its reading clerk, announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 2839. An act to amend the rice marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended;

H. R. 4356. An act to amend the Agricultural Adjustment Act of 1938, with respect to rice allotment history;

H. R. 4903. An act making supplemental appropriations for the fiscal year ending June 30, 1955, and for other purposes; and

H. R. 5046. An act making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1956, and for other purposes.

ENROLLED JOINT RESOLUTION SIGNED

The message also announced that the Speaker had affixed his signature to the enrolled joint resolution (H. J. Res. 250) to amend the joint resolution of March 25, 1953, relating to electrical or mechanical office equipment for the use of Members, officers, and committees of the House of Representatives, and it was signed by the Vice President.

The message further announced that the House had receded from its disagreement to the amendment of the Senate to line 7 of the bill (H. R. 2576) to further amend the Reorganization Act of 1949, as amended, so that such act will apply to reorganization plans transmitted to the Congress at any time before April 1, 1958, and concurred therein, with an amendment, in which it requested the concurrence of the Senate, and that the House receded from its disagreement to the amendment of the Senate to the title to said bill, and concurred therein, with an amendment, in which it requested the concurrence of the Senate.

HOUSE BILLS REFERRED

The following bills were severally read twice by their titles and referred as indicated:

H. R. 2839. An act to amend the rice marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended; and

H. R. 4356. An act to amend the Agricultural Adjustment Act of 1938, with respect to rice allotment history; to the Committee on Agriculture and Forestry.

H. R. 4903. An act making supplemental appropriations for the fiscal year ending June 30, 1955, and for other purposes; and

H. R. 5046. An act making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1956, and for other purposes; to the Committee on Appropriations.

COMMITTEE MEETINGS DURING SENATE SESSIONS

Mr. MCCLELLAN. Mr. President, I ask unanimous consent that the Permanent Investigating Subcommittee of the Committee on Government Operations be authorized to meet during the session of the Senate this afternoon and at any other time during this week when the Senate may be in session.

The VICE PRESIDENT. Without objection, it is so ordered.

ORDER FOR TRANSACTION OF ROUTINE BUSINESS

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that immediately following the quorum call there may be the customary morning hour for the transaction of routine business, with statements made in connection therewith limited to not exceeding 2 minutes.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. JOHNSON of of Texas. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The VICE PRESIDENT. Without objection, it is so ordered.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

SPECIAL PAY FOR CERTAIN RETIRED MEDICAL AND DENTAL OFFICERS OF THE ARMY AND NAVY

A letter from the Acting Secretary of the Navy, transmitting a draft of proposed legislation to authorize special pay for certain retired medical and dental officers of the Army and Navy who performed active duty during the period September 1, 1947, through September 30, 1949 (with an accompanying paper); to the Committee on Armed Services.

RETENTION OF MAJ. GEN. DAVID A. D. OGDEN AS DEPUTY GOVERNOR OF RYUKYU ISLANDS

A letter from the Chief of Legislative Liaison, Department of the Army, transmitting a letter from Eishin Yoshimoto, Representative of Mayors of Municipalities of the Ryukyu Islands, relating to the retention of Maj. Gen. David A. D. Ogden as Deputy Governor of the Ryukyu Islands (with accompanying papers); to the Commitee on Armed Services.

REPORT OF SMALL BUSINESS ADMINISTRATION

A letter from the Administrator, Small Business Administration, Washington, D. C., transmitting, pursuant to law, a report of that administration covering operations between August 1, 1954, and January 31, 1955 (with an accompanying report); to the Committee on Banking and Currency.

PROPOSED CONCESSION CONTRACT, ROCKY MOUNTAIN NATIONAL PARK, COLO.

A letter from the Assistant Secretary of the Interior, transmitting, pursuant to law, a proposed concession contract within Rocky Mountain National Park, Colo., (with an accompanying paper); to the Committee on Interior and Insular Affairs.

VIRGIN ISLANDS NATIONAL PARK

A letter from the Assistant Secretary of the Interior transmitting a draft of proposed legislation to authorize the establishment of the Virgin Islands National Park, and for other purposes (with an accompanying paper); to the Committee on Interior and Insular Affairs.

CERTAIN EARLY DISCHARGES OF ENLISTED PERSONNEL IN THE COAST GUARD

A letter from the Acting Secretary of the Treasury, transmitting a draft of proposed legislation to amend title 14, United States Code, entitled "Coast Guard," to authorize certain early discharges of enlisted personnel (with an accompanying paper); to the Committee on Interstate and Foreign Commerce.

RECENTLY ISSUED PUBLICATIONS OF FEDERAL POWER COMMISSION

A letter from the Chairman, Federal Power Commission, Washington, D. C., transmitting, for the information of the Senate, copies of that Commission's recently issued publications entitled "S-110, Production of Electric Energy and Capacity of Generating Plants, 1953"; "S-113, State Commission Jurisdiction and Regulation of Electric and Gas Utilities, 1954"; "S-114, Statistics of Natural Gas Companies, 1953"; and "P-28, Feasibility of Proposed Interconnection, Idaho Power Co. and Bonneville Power Administration" (with accompanying documents); to the Committee on Interstate and Foreign Commerce.

REPORT ON SETTLEMENT OF CLAIMS UNDER MILITARY PERSONNEL CLAIMS ACT OF 1945

A letter from the Acting Secretary, Department of Health, Education, and Welfare, transmitting, pursuant to law, a report on the settlement of claims made under the Military Personnel Claims Act of 1945, by that Department, for the calendar year 1954 (with an accompanying report); to the Committee on the Judiciary.

GRANTING OF APPLICATIONS FOR PERMANENT RESIDENCE FILED BY CERTAIN ALIENS

A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, copies of orders granting the applications for permanent residence filed by certain aliens, together with a statement of the facts and pertinent provisions of law as to each alien and the reasons for granting such applications (with accompanying papers); to the Committee on the Judiciary.

ADDITIONAL ASSISTANT SECRETARY IN DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

A letter from the Secretary, Department of Health, Education, and Welfare, transmitting a draft of proposed legislation to authorize an additional Assistant Secretary in the Department of Health, Education, and Welfare (with an accompanying paper); to the Committee on Labor and Public Welfare.

REPORT OF NATIONAL SOCIETY, DAUGHTERS OF AMERICAN REVOLUTION

A letter from the Secretary, Smithsonian Institution, Washington, D. C., transmitting, pursuant to law, a report of the National Society of the Daughters of the American Revolution, for the year ended April 1, 1954 (with an accompanying report); to the Committee on Rules and Administration.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the VICE PRESIDENT:

A joint resolution of the Legislature of the State of Nevada; to the Committee on Post Office and Civil Service:

"Senate Joint Resolution 11

"Joint resolution memorializing the President of the United States, the Postmaster General, and Congress to recognize officially the discovery of the Comstock Lode in 1859, and to issue a centennial stamp in commemoration thereof

"Whereas on January 28, 1859, four men began some chance new diggings in the vicinity of Gold Hill, Nev., and shortly thereafter Henry T. P. Comstock claimed the Ophir Discovery, which was originally thought merely to be heavy black dirt, but subsequently proved to be the astoundingly rich gold and silver ore which made Virginia City, Nev., the richest and most famous mining community of all time; and

"Whereas Nevada was virgin western country at this time and was not organized as a Territory until 1861, and was admitted to the Union as a State on October 31, 1864, at the height of the Civil War; and

"Whereas it was at the special instance and request of President Abraham Lincoln that statehood for Nevada was sought and pressed, so that throughout the great conflict between the States the producing treasure of Virginia City aided mightily the cause of the North in winning ultimate victory; and

"Whereas the revenues and riches attributable to the first discovery in 1859 not only enhanced greatly the victory in the Civil War, but also contributed immensely to the construction of San Francisco and the enrichment of California in general; and

"Whereas the Comstock was the first silver mining camp in the United States and its discovery brought a new era not only to California and Nevada, but to the entire West; and

"Whereas the bonanza days lifted California out of a disheartening depression and rejuvenated San Francisco, which in 1860 was but a ragged little town of 52,000 persons, and enabled the city in 1861 to build more fine, substantial brick buildings than in all of its previous years and thus start it on a growth that has never since ceased; and

"Whereas during the Civil War the production of the Comstock mines, of over $50 million, was of such aid to the National Government that in 1865 President Lincoln stated to United States Senator Stewart from Nevada the following:

"'We need as many loyal States as we can get, and the region you represent made it possible for the Government to maintain sufficient credit to continue this terrible war for the Union'; and

"Whereas the continued production from the Comstock Lode throughout the 1870's aided in the Nation's recovery and its great industrial expansion; and

"Whereas the epic story of the Comstock will never die and it is a symbol of the robust and optimistic people throughout our great country; and

"Whereas the golden memories and unforgettable history of the Comstock are deemed by the Legislature of the State of Nevada to be of sufficient importance to warrant commemoration by every possible means and consequently should be recognized in the year 1959 by the issuance of a Silver Centennial Commemorative Stamp by the Government of the United States: Now, therefore, be it

"Resolved by the Senate and Assembly of the State of Nevada (jointly), That the Governor of the State of Nevada be, and hereby is, requested to proclaim a time during the year 1959 for the celebration of the centennial of the discovery of silver, and the founding of the Comstock Lode in 1859, in what is now the State of Nevada; and be it further

"Resolved, That the President, Vice President, Postmaster General, and the Congress of the United States be, and hereby are, memorialized and urged to use their good offices to the end that a commemorative postage stamp recording this great and historical event shall be issued during the year 1959; and be it further

"Resolved, That the secretary of state of the State of Nevada be, and hereby is, directed to transmit certified copies of this resolution to the President, Vice President, Speaker of the House, and Postmaster General of the United States, the Governor of this State, the Nevada and California congressional delegations, and Mr. Albert J. Robertson, Assistant Postmaster General and Controlist, Washington, D. C."

A resolution of the Legislature of the State of Nebraska; to the Committee on Finance:

"Legislative Resolution 14

"Whereas farmers are watching their hogs sink to new price lows; and

"Whereas imports of canned hams imported from Communist Poland increased 55 percent over January 1954, or from 2,339,000 pounds to 3,627,000 pounds; and

"Whereas imports from the Red-dominated country during 1954 ran up to almost 20 million pounds; and

"Whereas it has been revealed that further tariff cuts on canned hams are under consideration: Now, therefore, be it

"Resolved, by the members of the Nebraska Legislature in 67th session assembled:

"1. That the Congress of the United States be urged to investigate the importing of canned ham from Communist-dominated countries and take immediate action that such imports be stopped.

"2. That copies of this resolution be transmitted by the clerk of the legislature to the Vice President of the United States as President of the Senate of the United States, to the Speaker of the House of Representatives of the United States, and to each Member from Nebraska in the Senate of the United States and in the House of Representatives of the United States.

"A. J. WARNER,
"President of the Legislature."

A joint resolution of the Legislature of the State of Washington; to the Committee on Finance:

"House Joint Memorial 14

"To the Honorable Dwight D. Eisenhower, President of the United States, and to the Senate and House of Representatives of the United States of America, in Congress assembled:

"We, your memorialists, the Senate and House of Representatives of the State of Washington, in legislative session assembled, respectfully represent and petition as follows:

"Whereas in foreign countries there exists a condition of substandard wages which substantially lessens the cost of certain agricultural products produced therein; and

"Whereas the American worker is the highest paid in the world which in turn substantially increases the cost of the same products in this country; and

"Whereas many producers are exploiting this substandard wage condition in foreign countries to secure an unfair competitive advantage over such producers in this country by producing such goods in foreign countries for sale in this country far below the cost of producing the same products in this country; and

"Whereas, unless fair competition exists between such products produced in this country, our domestic economy will be substantially injured; and

"Whereas a lower duty would not foster fair competition because of the great disparity in the cost of production; and

"Whereas cherries for brining purposes are commonly produced in some foreign countries under conditions which fail to meet standards of sanitation and inspection deemed necessary in this country to protect the public health: Now, therefore, be it

"Resolved, That we, the Senate and the House of Representatives of the State of Washington do hereby respectfully memorialize and petition the President of the United States of America and the Congress of the United States of America, to maintain the present duty on this import from foreign countries so that fair competition will

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continue to exist as to such products produced in this country; and be it further

"*Resolved*, That copies of this memorial be immediately transmitted to the President of the United States of America and to the Senate and House of Representatives of the United States of America, and to each Senator and Representative in Congress from the State of Washington.

"Passed the house February 21, 1955.

"JOHN L. O'BRIEN,
"*Speaker of the House.*

"Passed the senate March 7, 1955.

"EMMETT T. ANDERSON,
"*President of the Senate.*"

A joint resolution of the Legislature of the State of New Mexico; to the Committee on Interstate and Foreign Commerce:

"Senate Joint Memorial 8

"Joint memorial memorializing the Congress of the United States to enact legislation prohibiting the seeding of clouds or the use of other methods of inducing rain or snowfall until sufficient scientific data are collected to make other effective regulation possible

"Whereas the uncontrolled and indiscriminate efforts of many groups and persons to modify climates and induce changes in meteororogical causes and effects by the use of chemical and physical devices such as cloud-seeding has had unforeseen and adverse affects upon many localities; and

"Whereas there exists no legal, scientific, or physical means by which the effects of chemically or physically induced precipitation can be accurately gaged or controlled; and

"Whereas sought-for beneficial effects of such artificial rainmaking have often not materialized and the effects induced have often been prejudicial and harmful: Now, therefore, be it

"*Resolved by the Legislature of the State of New Mexico*, That the Congress of the United States be, and it hereby is, respectfully urged to enact legislation prohibiting the use of cloud-seeding or other techniques to induce precipitation by artificial means until such time as scientific data and the establishment of administrative controls permit the adequate regulation by Congress of various means of climate control; and be it further

"*Resolved*, That enrolled and engrossed copies of this memorial be transmitted to the President of the Senate and to the Speaker of th. House of Representatives of the Congress of the United States and to each Senator and Representative in Congress from New Mexico.

"JOE M. MONTOYA,
"*President, Senate.*
"EDWARD G. ROMERO,
"*Chief Clerk, Senate.*
"DONALD D. HALLAM,
"*Speaker, House of Representatives.*
"FLOYD CROSS,
"*Chief Clerk, House of Representatives.*

"Approved by me this 7th day of March 1955.

"JOHN F. SIMMS,
"*Governor, State of New Mexico.*"

A joint resolution of the Legislature of the State of California; to the Committee on Armed Services:

"Assembly Joint Resolution 24

"Joint resolution relative to the Panama Canal

"Whereas the economy of the Pacific coast area is largely dependent upon intercoastal and foreign shipping; and

"Whereas the proper allocation of costs of operation at the Panama Canal between the national defense features of the canal and commercial shippers have important effects upon tolls assessed against intercoastal and foreign cargoes transiting the canal; and

"Whereas the boards of State harbor commissioners of the ports of California believe that such toll burdens should be assessed equitably and fairly: Now, therefore, be it

"*Resolved by the Assembly and Senate of the State of California (jointly)*, That the Legislature of the State of California respectfully memorializes the administration and the Congress of the United States:

"1. To enact proper corrective legislation to modify the present fiscal and financial policies now employed at the canal in order to eliminate present unreasonable cost allocations which penalize commercial shippers of the canal through inequitable tolls; and

"2. To enact proper legislation which will recognize the national defense value of the canal in such cost allocations; and

"3. To enact corrective legislation with respect to interest charges, depreciation, Canal Zone government costs, and the annuities paid to the Republic of Panama to insure that commercial users of the canal will no longer be called upon to pay more than their share of these costs; and be it further

"*Resolved*, That the chief clerk of the assembly is hereby directed to transmit copies of this resolution to the President and Vice President of the United States, the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States."

A joint resolution of the Legislature of the State of California; to the Committee on the Judiciary:

"Assembly Joint Resolution 9

"Joint resolution relative to memorializing the Congress of the United States to take appropriate action to establish a separate Federal judicial district for the counties of San Diego and Imperial, with two resident Federal judges

"Whereas California's San Diego and Imperial Counties comprise one of the Nation's most rapidly growing areas. By 1958, it is reliably estimated that they will have a population in excess of 1 million; and

"Whereas because of their location (both counties border on Mexico), because of a tremendous increase in commercial and manufacturing activity, and because of a great concentration of military establishments, there has been a vast increase in the volume of federally cognizable cases, particularly of criminal cases, arising in these counties; and

"Whereas these counties presently comprise the southern division of the Southern District of California, to which is assigned but a single Federal judge; and

"Whereas the case load in this division has proven to be such that one judge cannot possibly cope with it. Since 1952, at practically all times, an additional Federal judge, either a visiting judge, or a judge assigned on a rotating basis from Los Angeles, has sat in San Diego. Cases which normally should have been tried in San Diego have been transferred for trial to judges sitting in Los Angeles; and

"Whereas none of these solutions have proven either adequate or satisfactory. The cost of assigning an extra judge, necessitating as it does the payment of per diem and travel expenses of not only the judge, but also his clerks and bailiffs, is more than twice the cost which would be required for an additional resident judge. The assigned judge is not conversant with local problems. There tends to be uncertainty in policy as to the sentencing of criminals and the administration of both civil and criminal matters. If the case is one which has been transferred to Los Angeles for trial, counsel, litigants, and witnesses are put to unnecessary and unjust inconvenience and expense; and

"Whereas construction of a new courtroom, which is to be undertaken this spring, will insure adequate facilities for a two-judge district court; and

"Whereas at the present time, all official court minutes, dockets of criminal and civil cases, as well as the alphabetical index of plaintiffs and defendants, both in criminal and civil matters, are kept in Los Angeles. Only in Los Angeles are indictments returned. All matters of policy and direction and much of the detailed work of the United States Attorney's office and the probation office are handled in Los Angeles; and

"Whereas both in matters of administration and enforcement, the delay and cost occasioned by the constant need to refer on even the most minute matters to Los Angeles is not in the best interests of either the Federal Government or San Diego and Imperial County counsel, litigants, defendants and witnesses; and

"Whereas San Diego and Imperial Counties are located more than 100 miles south of Los Angeles. They have their own separate economy and problems. The advantages of local control of the courts, the probation, marshal and United States Attorney's office far outweigh any possible advantage of centralized control in Los Angeles: Now, therefore, be it

"*Resolved by the Assembly and Senate of the State of California (jointly)*, That the Legislature of the State of California respectfully memorializes the Congress of the United States to establish a separate Federal judicial district for the California counties of San Diego and Imperial, with two resident judges, in order to provide for a more economical and efficient administration of justice; and be it further

"*Resolved*, That the chief clerk of the assembly is hereby directed to transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States."

A joint resolution of the Legislature of the Territory of Alaska; to the Committee on Appropriations:

"House Joint Memorial 11

"*To the Honorable Dwight D. Eisenhower, President of the United States of America; the United States Senate; the United States House of Representatives; the Secretary of the Interior; the Director, Bureau of the Budget; and the Honorable E. L. Bartlett, Delegate to Congress from Alaska:*

"Your memorialist, the Legislature of the Territory of Alaska, in 22d regular session assembled, respectfully submits that:

"Whereas the Federal Government is responsible for making the rectangular surveys of the public domain; and

"Whereas there is an urgent need for increased rectangular surveys in Alaska, and the lack of rectangular surveys in Alaska creates delay in issuance of land titles, and makes difficult the orderly and progressive development of Alaska; and

"Whereas only six-tenths of 1 percent of Alaska has been surveyed into townships and sections, and if surveys of Alaska are continued at the average rate of the last 50 years, the rectangular surveys will not be completed for 7,700 years, or until the year 9655 A. D.; and

"Whereas if surveys of Alaska are continued at the average rate of the last 10 years, the rectangular surveys will not be completed for 43,650 years, which evidences the fact that the rate of surveys in Alaska is increasingly neglected to an infinite degree; and

"Whereas oil and gas leases have been issued and applications are pending for millions of acres of unsurveyed land in Alaska, and no part of the revenue of such leases is credited to the permanent school fund because the land is not surveyed; and

"Whereas there is a great need to increase the permanent school fund, as provided for in the act of March 4, 1915 (48 U. S. C. 353), and large sums would accrue to this fund from revenues received from school lands, but such lands cannot be reserved or selected as school land until surveyed; and

"Whereas for the last 40 years only $55,892.43 has accumulated to the permanent school fund of Alaska chiefly by virtue of lack of surveys necessary to establish the reservation of school land.

"Now, therefore, your memorialist, the Legislature of the Territory of Alaska, in 22d regular session assembled, respectfully urges that at least $2 million per year for the next 5 years be made available for the sole purpose of extending the rectangular surveys of Alaska, to permit the settlement and development of Alaska to proceed in an orderly manner on the basis of such surveys, and to permit the public-school system to materially benefit from increased revenues from surveyed land which will become reserved for the support of the schools upon survey.

"And your memorialist will ever pray.

"Passed by the house March 4, 1955.

"WENDELL P. KAY,
"Speaker of the House.

"Attest:

"JOHN T. MCLAUGHLIN,
"Chief Clerk of the House.

"Passed by the senate March 10, 1955.

"JAMES NOLAN,
"President of the Senate.

"Attest:

"KATHERINE T. ALEXANDER,
"Secretary of the Senate."

A joint resolution of the Legislature of the Territory of Alaska; to the Committee on Interior and Insular Affairs:

"House Joint Memorial 13

"To the Honorable Dwight D. Eisenhower, President of the United States of America; the United States Senate; the United States House of Representatives; the Secretary of the Interior; the Director, Bureau of the Budget; and the Honorable E. L. Bartlett, delegate to Congress from Alaska:

"Your memorialist, the Legislature of the Territory of Alaska, in 22d regular session assembled, respectfully submits that:

"Whereas fishing is the main industry of Alaska; and

"Whereas water transportation is the chief method of serving the exports and imports of Alaska; and

"Whereas the use and occupancy of the tide and submerged land adjacent to the shores of navigable waters in Alaska is essential to its fishing and water transportation industries; and

"Whereas improvements valued in the millions of dollars have been constructed on the tide and submerged land of Alaska at all its coastal towns and outlying fishing establishments; and

"Whereas the tidelands of Alaska are held in trust by the Federal Government for the future State of Alaska; and

"Whereas the Federal Government has not by statute legalized the occupancy of tide and submerged land of Alaska; and

"Whereas the Federal Government has not fully administered the use made of tideflats, thus depriving the Territory of much revenue and also caused continuation of an unstable economic condition by not authorizing use or sale of tide and submerged lands; and

"Whereas proper administration of the tide and submerged lands by the Territory will encourage venture capital to invest in coastal industries.

"Now, therefore, your memorialist, the Legislature of the Territory of Alaska, in 22d regular session assembled, respectfully urges that the Federal Government grant the Territory the same right as has been granted other States under the Submerged Land Act of May 23, 1953 (61 Stat. 69) (43 U. S. C. 1301), and that section 2 of the act of May 14, 1898 (30 Stat. 409: 48 U. S. C. 411); section 26 of the act of June 6, 1900 (61 Stat. 916, 48 U. S. C. 381); and section 4 of the act of July 31, 1947 (64 Stat. 572, 43 U. S. C. 1188), be amended to conform to the grant of such right.

"And your memorialist will ever pray.

"Passed by the house, March 4, 1955.

"WENDELL P. KAY,
"Speaker of the House.

"Attest:

"JOHN T. MCLAUGHLIN,
"Chief Clerk of the House.

"Passed by the senate March 10, 1955.

"JAMES NOLAN,
"President of the Senate.

"Attest:

"KATHERINE T. ALEXANDER,
"Secretary of the Senate."

The petition of David Darrin, of Washington, D. C., praying for the issuance of a permanent injunction by the Supreme Court of the United States forbidding the practice of animal experimentation in the United States and its possessions; to the Committee on the Judiciary.

By Mr. EASTLAND:

A concurrent resolution of the Legislature of the State of Mississippi; to the Committee on the Judiciary:

"House Concurrent Resolution 26

"Concurrent resolution to commend President Eisenhower for the appointment of Honorable Ben F. Cameron of Meridian, Miss., to the United States Court of Appeals, fifth circuit

"Whereas President Eisenhower has appointed the Honorable Ben F. Cameron of Meridian, Miss., as circuit judge of the United States Court of Appeals, Fifth Circuit; and

"Whereas the Honorable Ben F. Cameron represents the highest type of American citizenship and has distinguished himself in his chosen field of law; and

"Whereas we believe that the Honorable Ben F. Cameron will acquit himself in such position with credit, integrity and honor to himself and to the public in general; and

"Whereas it is our desire to congratulate the Honorable Ben F. Cameron on his timely and well-deserved appointment and to comment the President for his recognition of the character, ability and accomplishments of this distinguished Mississippian by appointing him to such a high and exalted field of service: Now, therefore, be it

"Resolved by the House of Representatives of the State of Mississippi (the Senate concurring therein), That President Eisenhower be and he is hereby commended for his appointment of the Honorable Ben F. Cameron of Meridian, Miss., as circuit judge, United States Court of Appeals, Fifth Circuit, with full confidence that the said Honorable Ben F. Cameron in the discharge of his official duties will reflect credit and honor upon himself, his family, and his native Mississippi; be it further

"Resolved, That the clerk of the house of representatives furnish a copy of this resolution to President Eisenhower, United States Senator James O. Eastland, United States Senator John C. Stennis, members of the Mississippi delegation in Congress, Honorable Ben F. Cameron, and to members of the press.

"Adopted by the house of representatives March 10, 1955.

"WALTER SILLERS,
"Speaker of the House of Representatives.

"Adopted by the senate March 15, 1955.

"CARROLL GARTIN,
"President of the Senate."

PROMOTION OF THE GENERAL WELFARE—RESOLUTIONS OF GENERAL COURT OF MASSACHUSETTS

Mr. SALTONSTALL. Mr. President, on behalf of my colleague, the junior Senator from Massachusetts [Mr. KENNEDY], and myself, I present, for appropriate reference, and ask unanimous consent to have printed in the RECORD, resolutions from the General Court of Massachusetts, memorializing the Congress to enact certain legislation to promote the general welfare.

There being no objection, the resolutions were referred to the Committee on the Judiciary; and, under the rule, ordered to be printed in the RECORD, as follows:

Resolutions memorializing Congress to enact certain legislation to promote the general welfare

Resolved, That the General Court of Massachusetts hereby memorializes the Congress of the United States to take appropriate action to amend the Constitution of the United States so as to make citizens of the United States at birth eligible to the office of President, and to enact legislation to amend the Social Security Act so as to extend coverage under the old-age and survivors insurance program to physicians, lawyers, dentists, osteopaths, veterinarians, chiropractors, naturopaths, optometrists, and Christian Science practitioners, and to other classes of employment and workers now excluded from such coverage; to provide a pension of not less than $100 per month to all retired citizens at 65 years of age or over; to establish a new minimum wage of $1.25 per hour, and providing for the effective enforcement and administration of said minimum wage law; to increase personal exemptions under the Federal income tax laws by $200 the first year, and thereafter by $400 per year; to amend the Bankruptcy Act so that wages earned by any employee for vacation, whether by custom or under an agreement with an employer, shall be considered a preferred claim; to reduce the eligibility age of women under the social-security law from 65 to 60 years of age; to repeal the Immigration and Nationality Act of 1952, known as the McCarran-Walter law, and to pass an immigration act which eliminates the national origins quota system; to have national daylight saving time throughout the year; to enable veterans holding national service life insurance policies to exercise an option of receiving a cash dividend or to purchase additional insurance, thereby increasing the face amount of his policy; to provide for the payment by the Federal Government of an old-age pension to all persons who have attained age 60; to provide for 2 daily deliveries of mail to residences; to reduce the age at which persons shall be entitled to old-age assistance to 60 years; and to enact no legislation granting concessions on textile imports from foreign countries; and be it further

Resolved, That the General Court of Massachusetts respectfully urges the Congress of the United States to use its influence and to make every possible effort to effectuate the construction of Federal housing projects in the west, south, and north end sections of the city of Boston; to abrogate the present political division of Ireland, and to protest the presence of British troops in that country; to free the 13 members of the Armed Forces of the United States known to be unjustly imprisoned as spies by the Red Chinese Government, so called; to establish Bunker Hill Monument as a national shrine; instruct the delegates to the United Nations to propose measures whereby the people of Cyprus be granted the fundamental

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right of self-determination; to provide for the adoption of rules by the Federal Communications Commission to regulate the radio and television transmission of news events involving acts of crime and violence, and prohibiting the like transmisison of fictional programs containing elements of crime and violence; to cause the state of Egypt to lift its illegal blockade of the Suez Canal, and to cause the Arab state to lift their economic blockade of the State of Israel; and not grant arms to said Arab state until a permanent peace agreement is entered into between said Arab state and the State of Israel; to eliminate Federal income-tax exemptions on income from county and municipal securities issued and used for commercial and nonmunicipal purposes, such as the acquisition of sites or plants to be used in new industry; to adopt and maintain a vigorous and resolute, nonappeasement course of conduct and action against Russia, Red China, and satellite sympathizers of both Governments; to reject aspirations of Red China for admission to membership in the United Nations; to discontinue all trade and commercial enterprise with Russia and her satellites until all American prisoners of war are repatriated; to investigate the practice of awarding certificates of necessity, and the rapid tax amortization enjoyed thereunder, so as to stop the abuses thereunder resulting to industrial dislocation; and be it further

Resolved, That copies of these resolutions be transmitted forthwith by the secretary of the Commonwealth to the President of the United States, to the Presiding Officer of each branch of the Congress, and to the Members thereof from this Commonwealth.

The VICE PRESIDENT laid before the Senate resolutions of the General Court of the Commonwealth of Massachusetts, identical with the foregoing, which were referred to the Committee on the Judiciary.

HARVESTING OF UNLIMITED ACREAGES OF MIXED WHEAT AND OTHER GRAINS—RESOLUTION OF HOUSE OF REPRESENTATIVES OF MISSOURI

Mr. HENNINGS. Mr. President, on behalf of my colleague, the junior Senator from Missouri [Mr. SYMINGTON], and myself, I ask unanimous consent to have printed in the RECORD, as part of my remarks, a resolution adopted by the Missouri House of Representatives, which petitions the Secretary of Agriculture to take appropriate steps to alleviate the serious shortage in livestock feed which prevails throughout the State of Missouri. This resolution requests the Secretary to authorize Missouri farmers in areas recognized by the Department of Agriculture as drought disaster areas to seed and harvest unlimited acreages of mixed wheat and other small grains for livestock feed purposes. The additional mixed feed made available under the requested authority will go far toward relieving the prolonged grain shortage in Missouri and will not add to the national supply of commercial wheat.

The VICE PRESIDENT. The resolution will be received and, under the rule, will be printed in the RECORD.

The resolution presented by Mr. HENNINGS is as follows:

House Resolution 71

Whereas Missouri farmers should be permitted to harvest unlimited acreage of mixed wheat and other small grain without penalty; and

Whereas a majority of Missouri counties have been officially recognized as drought disaster areas by the United States Department of Agriculture; and

Whereas 3 years of drought has put many farmers in serious financial condition and restrictions on producing extra feed grain in the form of small grains mixed with wheat is placing restrictions on the farmer, so he cannot help himself; and

Whereas wheat has the highest feeding value of all small grains and makes excellent livestock feed in mixtures with other grains such as oats and rye; and

Whereas the past 3 years have disrupted many rotations, reduced the supply of feed grains and decreased the new and old acreage of grasses and legumes so important in land improvement and livestock production; and

Whereas there was a large acreage of wheat seeded in the fall of 1954 to help fill the need for pasture; and

Whereas, if the Secretary of Agriculture will exercise his existing powers and permit drought area farmers to seed oats and grass mixtures in this large wheat acreage seeded for pasture and harvest the mixed grain for livestock feed, a substantial contribution will have been made in helping the farmer help himself in this period of economic stress. This additional mixed feed will be fed on the many Missouri farms suffering from a prolonged grain shortage and will not add in any way to the national supply of commercial wheat: Now, therefore, be it

Resolved, That the members of the House of Representatives of the General Assembly of the State of Missouri request the Secretary of Agriculture to use the authority which Congress has given him to alleviate conditions in drought areas by permitting farmers to harvest mixed wheat and other small grains for feed purposes only; and furthermore be it

Resolved, That a committee of not over 10 Members of the House be appointed by the Speaker of the House to call upon the Secretary of Agriculture and Members of Congress, asking that the Secretary of Agriculture use the authority granted him by Congress to alleviate this serious situation in the State of Missouri; be it further

Resolved, That the travel and sustenance expense of the members of the committee be paid from the contingent fund of the House.

EARL A. BAER.
RALPH WIGFIELD.

TEMPORARY VISAS TO RUSSIAN AGRICULTURAL OBSERVERS — RESOLUTION

Mr. SALTONSTALL. Mr. President, on behalf of my colleague, the junior Senator from Massachusetts [Mr. KENNEDY], and myself, I present, for appropriate reference, and ask for unanimous consent to have printed in the RECORD, a resolution adopted by the City Council of the City of Boston, Mass., relative to the issuance of temporary visas to Russian agricultural observers.

There being no objection, the resolution was referred to the Committee on Foreign Relations, and ordered to be printed in the RECORD, as follows:

Resolved, That the Boston City Council, in meeting assembled, memorialize the United States State Department to refuse to issue temporary visas to Russian agricultural observers for the purpose of visiting this country to study farming methods; and be it further

Resolved, That if visas are granted to agricultural experts from the U. S. S. R. that the Boston City Council go on record as expressing the sentiments of a majority of the people of the city of Boston and the Commonwealth of Massachusetts that such experts are not welcome to walk the streets of Boston and the Commonwealth of Massachusetts; and be it further

Resolved, That the State Department send a strong note to the Russian Government demanding that Russia use its influence to see to it that American fliers taken prisoners in the Korean conflict be released immediately.

In city council March 14, 1955, adopted.
Attest:

WALTER J. MALLOY,
City Clerk.

THIRTY-SEVENTH ANNIVERSARY OF DECLARATION OF INDEPENDENCE BY PEOPLE OF LITHUANIA—RESOLUTION

Mr. SALTONSTALL. Mr. President, on behalf of my colleague, the junior Senator from Massachusetts [Mr. KENNEDY], and myself, I present, for appropriate reference, and ask unanimous consent to have printed in the RECORD, a resolution adopted at a meeting of patriotic Lithuanian Americans of the city of Norwood, Mass., in commemoration of the 37th anniversary of the declaration of independence by the people of Lithuania.

There being no objection, the resolution was referred to the Committee on Foreign Relations, and ordered to be printed in the RECORD, as follows:

Resolution unanimously voted, after due deliberation, by the American citizens of Lithuanian descent of the city of Norwood and State of Massachusetts, at the commemoration of the 37th anniversary of the Declaration of Independence by the People of Lithuania, held under the auspices of the local chapter of the Lithuanian American Council, on February 27, 1955:

"Whereas the international peace so ardently desired by all the people of the world is as far off as it was in 1939; and

"Whereas the Soviet Union, guilty of conquest and subjugation by naked aggression of the once free and independent nations of Lithuania, Latvia, and Estonia, managed to get control over many other countries now sealed off from the free world by the Iron Curtain; and

"Whereas the Kremlin conspirators are feverishly working to create confusion, unrest, and tension in the international relations, to destroy the unity among the democratic powers and to seduce the free world into agreements which would serve the interests of the world communism only; Now, therefore, be it

"*Resolved*, That this meeting of patriotic Lithuanian Americans of the city of Norwood, being firmly convinced that there can be no true peace as long as the Soviets hold captive nations in chains, urge the President, Secretary of State, and both Houses of Congress of the United States—

"To inaugurate, in the true American spirit, an aggressive and positive program of foreign policy to thwart the global and total Communist conspiracy:

"To provide a wise and coordinated leadership to the nations of the Western Hemisphere in their efforts to resist international communism; to formulate and submit to the United Nations a resolution based upon the findings of the recent investigation by the Select Committee on Communist Aggression of the Communist take-over of Lithuania and other formerly free countries, with the purpose of accusing the Soviet Union as an aggressor against all these nations;

"To continue the said investigation during the present Congress in order to complete

the picture of all phases and methods of Communist aggression in areas not yet covered by the Committee of the 23d Congress;

"To ratify the Genocide Convention designed to curb annihilation of the Soviet-enslaved people; be it further

"*Resolved*, That the Lithuanian Americans, gathered here today, reaffirming their adherence to the moral and political principles enunciated in the American Declaration of Independence and pledging their loyalty to the Federal Government, voice their heartfelt appreciation and gratitude to the administration and Congress of the United States for many past considerations in and sympathy with the cause of Lithuania's fight for her independence.

"JOHN M. PECHULIS,
"President.

"PAUL TYLER,
"Secretary."

NORWOOD, MASS., *February 27, 1955.*

RESOLUTIONS OF OREGON RURAL ELECTRIC COOPERATIVE ASSOCIATION, CORVALLIS, OREG.

Mr. NEUBERGER. Mr. President, the Oregon Rural Electric Cooperative Association has for many years provided leadership in the State of Oregon for the full development of our vital resources. This organization has shown great solidarity in advancing a beneficial program which has brought so many living comforts to farm families.

At its annual convention on December 4, 1954, the association adopted a series of resolutions relative to national and Pacific Northwest policy matters. These resolutions reflect the viewpoint of the rural residents of the great State of Oregon, and I ask unanimous consent that they be printed in the RECORD.

There being no objection, the resolutions were ordered to be printed in the RECORD, as follows:

RESOLUTIONS ADOPTED BY THE OREGON COOPERATIVE ASSOCIATION, DECEMBER, 14, 1954

Be it resolved, That the legislative program of the Oregon Rural Electric Cooperative be supplemented by the following policy statements:

"Resolution 3

"That we are opposed to the principles and implications of the Dixon-Yates contract.

"Resolution 4

"That we urge early enactment of legislation to authorize construction of Hells Canyon Dam.

"Resolution 5

"That we strongly urge Congress to appropriate funds for a new Federal start in the Pacific Northwest, preferably John Day Dam.

"Resolution 6

"That we express our lack of confidence in the so-called power partnership policy, and instead we urge a return to the letter and spirit of Federal legislation providing for the preference clause and maximum comprehensive development of our waterpower resources.

"Resolution 8

"That we deplore the policy of Secretary of the Interior Douglas McKay in opposition to public power."

Resolutions adopted.

AMENDMENT OF NATURAL GAS ACT — RESOLUTION OF CITY COUNCIL OF ST. PAUL, MINN.

Mr. THYE. Mr. President, I present, for appropriate reference, and ask unanimous consent to have printed in the RECORD, a resolution adopted by the City Council of the City of St. Paul, Minn., relating to Federal regulation and control of independent producers under the Natural Gas Act.

There being no objection, the resolution was referred to the Committee on Interstate and Foreign Commerce, and ordered to be printed in the RECORD, as follows:

Whereas the mayor and the city council of the city of St. Paul have been advised that the Interstate and Foreign Commerce Committee of the House of Representatives of the United States will hold meetings for the presentation of arguments, pro and con, on the merits of those bills already introduced in the House of Representatives directed toward certain proposed amendments in the Natural Gas Act of 1938, which bills are designed to amend the said Natural Gas Act to provide for the exemption, from the jurisdiction of Federal regulation and control, of the so-called independent producers in the natural gas field in connection with the transmission of gas in interstate commerce by interstate pipeline carriers, said bills being designated as H. R. 4675, H. R. 4560, H. R. 3703, H. R. 3902, H. R. 3941, H. R. 3940, H. R. 4168, and H. R. 4427; and

Whereas the State of Minnesota has no native sources of fuel and must rely upon fuels transported considerable distance into this area, making it inherently an area of high fuel prices; and

Whereas the citizens of St. Paul, Minn., are served in the supply of natural gas for home and industrial use by the Northern States Power Co., which purchases its supply of gas from that certain interstate pipeline carrier, the Northern Natural Gas Co.; and

Whereas the city of St. Paul has thus been served with natural gas for many years, and the use of natural gas for industrial and home consumption has grown to a point where the amount of natural gas used in this community is in the amount of 24,802,000 million cubic feet per annum; and

Whereas the mayor and city council of the city of St. Paul, upon the basis of finding advanced to them by their technical experts, are convinced that the passage of the legislation hereinbefore referred to, and the exemption of this segment of the industry, hereinbefore referred to, from Federal regulation and control can only lead, in the ultimate, to a higher cost of natural gas for industrial and home use to the local citizens and corporations resident in the city of St. Paul: Now, therefore, be it

Resolved by the Mayor and City Council of the City of St. Paul, Minn., speaking in behalf of the citizens of this municipality, That said governing body hereby expresses opposition to any proposed legislation in Congress seeking to exempt such independent producers from regulation and control by the Federal Government, said regulation to be imposed through the Federal Power Commission, and said Commission's regulation and control of interstate pipeline carriers carrying said natural gas in interstate commerce, the said bills having been specifically designated hereinabove; and be it further

Resolved, That the city clerk of St. Paul is hereby directed to dispatch copies of this resolution to the chairman of the House Interstate and Foreign Commerce Committee, the Honorable Senators of the State of Minnesota and to each of the Honorable Representatives of the State of Minnesota.

PENSIONS FOR WIDOWS OF VETERANS OF WORLD WAR II—RESOLUTION

Mr. HUMPHREY. Mr. President, I ask unanimous consent to have printed in the body of the RECORD, and appropriately referred, a resolution adopted by the All Veterans Council of Blue Earth County, Minn., at their regular meeting on March 7, 1955, with regard to the United States Senate passing legislation giving to widows and children of World War II and Korean Veterans the same rights to a pension as are now possessed by widows and children of World War I veterans.

There being no objection, the resolution was referred to the Committee on Finance, and ordered to be printed in the RECORD, as follows:

Whereas widows and children of World War II and Korean veterans are not entitled, under existing laws and regulations, to a pension from the United States Government unless the deceased veteran was suffering from a disability established as service-connected; and

Whereas, many widows and children of World War II and Korean Veterans are in need of this pension but because of existing laws and regulations their applications for such are denied forcing them to forego the necessities of life and accept public relief in order to exist; and

Whereas the people of this Nation through their elected representatives have granted the right to pension to widows and children of World War I veterans even though such deceased veterans did not protect the rights of their dependents by proving the existence of a service-connected disability: Now, therefore, be it

Resolved by the All Veterans Council, with an office in Mankato, Minn., representing all service organizations in Blue Earth County, Minn., That they favor and strongly urge that the Congress of the United States pass legislation giving to widows and children of World War II and Korean Veterans the same rights to a pension as are now possessed by widows and children of World War I veterans.

SIGURD M. HANSON,
Chairman.
JOHN P. DARAN,
Vice Chairman.
JEAN GILLUND,
Secretary.
MARIE SCHOETTLER,
Treasurer.

AMENDMENT OF NATURAL GAS ACT—RESOLUTIONS

Mr. HUMPHREY. Mr. President, I ask unanimous consent to have printed in the body of the RECORD and appropriately referred two resolutions which I have received in opposition to legislation which would limit the jurisdiction of the Federal Power Commission in its regulation of the production, gathering, processing, treating, compressing, and delivering of natural gas to pipeline companies. One of these resolutions, adopted March 11, 1955, is from the City Council of the City of Minneapolis. The other is a resolution of the City Council of the City of St. Paul, Minn., adopted on March 17, 1955.

These resolutions express the prevailing sentiment of the people of the State of Minnesota who fully appreciate that the absence of regulation will mean an increase in the price of gas to the consumers of America. They also appreciate that under existing laws the Federal Power Commission has the right and the responsibility to protect the consumer from unjustified price increases and that new legislation is designed to

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overrule the Supreme Court of the United States in its decision in the case of Phillips Petroleum Co. against State of Wisconsin.

The consumption of natural gas is important in my State because of the long and intensely cold winters we experience. The city of St. Paul is the largest customer of natural gas purchased from the Northern States Power Co. In Minneapolis alone, there are about 130,000 gas consumers, about 90,000 of whom use gas for home heating. These and other consumers have a direct stake in seeing to it that consumer gas rates remain reasonable and moderate. To exempt natural gas companies from the rate control of the Federal Power Commission would make it impossible for the Commission to protect consumers against unreasonable rates.

The Natural Gas Act was passed in 1938 after extensive hearings. It is based on the clear assumption that it is necessary in the public interest to regulate the transportation and sale of natural gas. To abandon this principle would cost the American consumers millions of dollars above reasonable rates. Reasonable and effective regulation at the same time requires that it begin at the point of production to the point where it reaches the ultimate consumer.

It is my hope that the Congress will see fit to protect the integrity of the Natural Gas Act and to oppose all efforts designed to bring about an increase in consumer rates.

There being no objection, the resolutions were referred to the Committee on Interstate and Foreign Commerce, and ordered to be printed in the RECORD, as follows:

Whereas the mayor and the City Council of the City of St. Paul have been advised that the Interstate and Foreign Commerce Committee of the House of Representatives of the United States will hold meetings for the presentation of arguments, pro and con, on the merits of those bills already introduced in the House of Representatives directed toward certain proposed amendments in the Natural Gas Act of 1938, which bills are designed to amend the said Natural Gas Act to provide for the exemption, from the jurisdiction of Federal regulation and control, of the so-called independent producers in the natural-gas field in connection with the transmission of gas in interstate commerce by interstate pipeline carriers, said bills being designated as H. R. 4675, H. R. 4560, H. R. 3703, H. R. 3902, H. R. 3941, H. R. 3940, H. R. 4168, and H. R. 4427; and

Whereas the State of Minnesota has no native sources of fuel and must rely upon fuels transported considerable distance into this area, making it inherently an area of high fuel prices; and

Whereas the citizens of St. Paul, Minn., are served in the supply of natural gas for home and industrial use by the Northern States Power Co., which purchases its supply of gas from that certain interstate pipeline carrier, the Northern Natural Gas Co.; and

Whereas the city of St. Paul has thus been served with natural gas for many years, and the use of natural gas for industrial and home consumption has grown to a point where the amount of natural gas used in this community is in the amount of 24,802,000 thousand cubic feet per annum; and

Whereas the mayor and City Council of the City of St. Paul, upon the basis of finding advanced to them by their technical experts, are convinced that the passage of the legislation hereinbefore referred to, and the exemption of this segment of the industry hereinbefore referred to, from Federal regulation and control can only lead, in the ultimate, to a higher cost of natural gas for industrial and home use to the local citizens and corporations resident in the city of St. Paul: Now, therefore, be it

Resolved by the mayor and City Council of the City of St. Paul, Minn., speaking in behalf of the citizens of this municipality, That said governing body hereby expresses opposition to any proposed legislation in Congress seeking to exempt such independent producers from regulation and control by the Federal Government, said regulation to be imposed through the Federal Power Commission, and said Commission's regulation and control of interstate pipeline carriers carrying said natural gas in interstate commerce, the said bills having been specifically designated herein above; and be it further

Resolved, That the city clerk of St. Paul is hereby directed to dispatch copies of this resolution to the chairman of the House Interstate and Foreign Commerce Committee, to the Honorable Senators of the State of Minnesota, and to each of the Honorable Representatives of the State of Minnesota.

Resolution opposing the passage of the so-called Harris bill (H. R. 4560) and requesting the Members in Congress from the State of Minnesota to use their utmost efforts to defeat this bill

Resolved by the City Council of the City of Minneapolis:

Whereas the City Council of the City of Minneapolis has under consideration the provisions of the so-called Harris bill (H. R. 4560); and

Whereas under the provisions of the Harris bill it is proposed to take away from the regulation of the Federal Power Commission of all production, gathering, processing, treating, compressing and delivering of natural gas to pipeline companies; and

Whereas by the provisions of said bill it is proposed to limit the jurisdiction of the Federal Power Commission to regulate natural gas to only such sales for resale as occur after the completion of all production, gathering, processing, treating, compressing, and delivery of such gas to pipeline companies; and

Whereas it is proposed by such legislation to limit sales of natural gas for resale to such sales in interstate commerce as occur after the commencement of the transportation of such gas in interstate commerce but which do not include any sales which occur in, or within the vicinity of, the field or fields where produced at or prior to the commencement of such transportation of natural gas in interstate commerce; and

Whereas it is further proposed by said Harris bill (H. R. 4560) to require the Federal Power Commission to fix a rate based on the fair field price of such natural gas; and

Whereas it is the opinion of the City Council that the passage of this bill, or any legislation similar in purpose or effect, will nullify the decision of the United States Supreme Court in the case of *Phillips Petroleum Co.* v. *State of Wisconsin* (347 U. S. 672; 74 S. Ct. 794 (1954)), which may result in substantial benefits to consumers of gas; and

Whereas the consumption of natural gas by domestic consumers in the city of Minneapolis is proportionately greater than most other large urban centers because of the long and intensely cold winter season, and therefore, the city of Minneapolis is vitally interested in any legislation which might tend to increase the price of gas to consumers; and

Whereas it is the opinion of the city council that passage of this bill, or any similar legislation which has for its object the removal from the jurisdiction of the Federal Power Commission all production, gathering, processing, treating, and compressing in the producing field or in the vicinity of the producing field of natural gas, may well result in increased cost burdens to consumers of gas in the city of Minneapolis for the reason, among others, that the producing States before such gas enters the pipelines, may levy substantial attribution and other charges, which charges may be included in the cost of gas to the consumers thereof; and

Whereas it is the opinion of the city council that requiring the Commission to fix a price according to the fair field formula may result in increased rates to consumers of natural gas in the city of Minneapolis; and

Whereas it is the opinion of the city council that the so-called Harris bill is not in the public interest: Now, therefore, be it

Resolved by the City Council of the City of Minneapolis, That it opposes the passage of the so-called Harris bill or any legislation having a similar object; be it further

Resolved, That the City Council of the City of Minneapolis requests the members in Congress from Minnesota to exert their utmost efforts to defeat this bill; be it further,

Resolved, That the city clerk be directed to submit forthwith a copy of this resolution to each Member of the United States Congress from the State of Minnesota.

Passed March 11, 1955.

EUGENE E. STOKOWSKI,
President of the Council.

Approved March 14, 1955.

ERIC G. HOYER,
Mayor.

Attest:

ARLENE R. FINKLE,
City Clerk.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. FREAR, from the Committee on Banking and Currency:

S. 691. A bill to amend the Rubber Producing Facilities Disposal Act of 1953, so as to permit the disposal thereunder of Plancor Numbered 877 at Baytown, Texas; with amendments (Report No. 116); and

S. Res. 79. Resolution disapproving the proposed sale of certain synthetic rubber facilities recommended by the Rubber Producing Facilities Disposal Commission report; reported adversely, without amendment (see Rept. No. 118 submitted by Mr. FREAR on S. Res. 78).

DISPOSAL OF CERTAIN RUBBER-PRODUCING FACILITIES — REPORTS OF A COMMITTEE

Mr. FREAR. Mr. President, I desire to report two resolutions.

Mr. JOHNSON of Texas. Mr. President, will the Senator from Delaware yield?

Mr. FREAR. I yield.

Mr. JOHNSON of Texas. Do the resolutions relate to the disposal of the rubber plants?

Mr. FEAR. The resolutions do relate to the disposal of the rubber plants.

Mr. JOHNSON of Texas. I should like to make a brief statement. It is my information that if the Senate is to take action under the law it must do so by Friday of this week. As the Senate has previously been informed, it was planned

to follow action on the cotton acreage bill with consideration of the postal and classified pay bills. But because of the provision in the statute that action on the disposal of the rubber plants, if action is to be taken, must come by Friday of this week, we should consider the resolutions between now and Friday. I shall talk to the minority leader about the matter. We have already had preliminary conferences.

An attempt will be made to work out an arrangement whereby unanimous consent may be obtained to limit debate on each side. It is my understanding that unless that is done there will be 10 hours needed for consideration of each of the resolutions, if we used the maximum time allowable, and we would have to proceed to their consideration very shortly.

Therefore I shall make an announcement either late today or early in the session tomorrow as to when a motion will be made to proceed to the consideration of the resolutions reported by the Senator from Delaware.

I thank the Senator from Delaware for yielding to me.

Mr. FREAR. Mr. President, from the Committee on Banking and Currency I report adversely Senate Resolution 76, together with a report thereon, with accompanying minority views. I request that the resolution be placed on the Senate calendar and that the report, together with the minority views, be printed.

Also, Mr. President, from the Committee on Banking and Currency I report adversely Senate Resolutions 78 and 79, together with reports thereon, with accompanying minority views. I request that the resolutions be placed on the Senate calendar and that the reports, together with the minority views, be printed.

The VICE PRESIDENT. The reports will be received and the resolutions will be placed on the calendar.

The reports submitted by Mr. FREAR, from the Committee on Banking and Currency, were received, and the resolutions were ordered to be placed on the calendar, as follows:

S. Res. 76. Resolution disapproving the sale of the rubber-producing facilities; reported adversely (with minority views) (S. Rept. No. 117); and

S. Res. 78. Resolution disapproving the sale of certain rubber-producing facilities in California; reported adversely (with minority views) (S. Rept. No. 118).

EXECUTIVE REPORTS OF COMMITTEES

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. JOHNSTON of South Carolina, from the Committee on Post Office and Civil Service:

Fifteen postmasters.

By Mr. GEORGE, from the Committee on Foreign Relations:

William S. B. Lacy, of Virginia, a Foreign Service Reserve officer of class 1, to be Ambassador Extraordinary and Plenipotentiary to the Republic of Korea;

Ellis O. Briggs, of Maine, a Foreign Service officer of the class of career minister, now Ambassador Extraordinary and Plenipotentiary to the Republic of Korea, to be Ambassador Extraordinary and Plenipotentiary to Peru;

John K. Emmerson, of Colorado, and sundry other persons, for appointment and promotion in the Foreign and Diplomatic Service;

E. Allan Lightner, Jr., of New Jersey, and sundry other persons, for appointment and promotion in the Foreign and Diplomatic Service; and

Wilson T. M. Beale, Jr., of the District of Columbia, and sundry other persons, for appointment and promotion in the Foreign and Diplomatic Service.

BILLS AND A JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time and, by unanimous consent, the second time, and referred as follows:

By Mr. JOHNSTON of South Carolina (by request):

S. 1507. A bill to authorize the furnishing of subsistence and quarters without charge to employees of the Corps of Engineers engaged on floating-plant operations; to the Committee on Post Office and Civil Service.

By Mr. JOHNSTON of South Carolina (for himself and Mrs. SMITH of Maine):

S. 1508. A bill to prohibit the transmittal of communistic propaganda matter in the United States mails or in interstate commerce for circulation or use in public schools, and for other purposes; to the Committee on Post Office and Civil Service.

(See the remarks of Mr. JOHNSTON of South Carolina when he introduced the above bill, which appear under a separate heading.)

By Mr. LANGER:

S. 1509. A bill to provide for payment on an annuity to widows of judges;

S. 1510. A bill for the relief of Savas Avgerinos and Afroditi Avgerinos (Anastasiades); and

S. 1511. A bill for the relief of Dean Wing Chin Wong; to the Committee on the Judiciary.

By Mr. HRUSKA (for himself and Mr. CURTIS):

S. 1512. A bill to amend section 107 of title 28 of the United States Code so as to eliminate separate divisions and reduce the number of places of holding regular terms of the United States District Court for the District of Nebraska; to the Committee on the Judiciary.

By Mr. WATKINS:

S. 1513. A bill for the relief of Kosmas Vassilios Fournarakis; to the Committee on the Judiciary.

By Mr. JACKSON:

S. 1514. A bill to authorize the Territory of Alaska to incur indebtedness, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. KUCHEL (for himself and Mr. KNOWLAND):

S. 1515. A bill to amend the Act of September 30, 1950 (64 Stat. 1096), to provide for the conveyance of certain real property to the City of Richmond, Calif.; to the Committee on Interstate and Foreign Commerce.

(See the remarks of Mr. KUCHEL when he introduced the above bill, which appear under a separate heading.)

By Mr. PASTORE (for himself, Mr. JOHNSTON of South Carolina, Mr. SCOTT, Mr. NEUBERGER, Mr. HENNINGS, Mr. LANGER, Mr. KILGORE, Mr. MONRONEY, and Mr. CASE of New Jersey):

S. 1516. A bill to provide retirement, clerical assistants, and free mailing privileges to former Presidents of the United States, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. EASTLAND:

S. 1517. A bill for the relief of Rosita A. Jocson; and

S. 1518. A bill for the relief of Amanda I. Love; to the Committee on the Judiciary.

By Mr. SMATHERS:

S. 1519. A bill to limit the use, by the Department of Defense and the military departments and agencies thereof, of the services of private contractors for certain purposes; to the Committee on Armed Services.

By Mr. FULBRIGHT:

S. 1520. A bill to provide for the establishment of a trout hatchery immediately below Norfolk Dam on North Fork River, Arkansas; to the Committee on Interstate and Foreign Commerce.

By Mr. O'MAHONEY:

S. 1521. A bill for the relief of Garabed Papazian; and

S. 1522. A bill for the relief of Lieselotte Brodzinski Gettman; to the Committee on the Judiciary.

By Mr. HOLLAND:

S. 1523. A bill to quiet title and possession with respect to certain real property in the city of Pensacola, Fla.; to the Committee on the Judiciary.

By Mr. LONG (for himself, Mr. CLEMENTS, Mr. DOUGLAS, Mr. EASTLAND, Mr. ELLENDER, Mr. HENNINGS, Mr. HILL, Mr. HUMPHREY, Mr. JACKSON, Mr. JOHNSTON of South Carolina, Mr. KEFAUVER, Mr. KERR, Mr. KILGORE, Mr. LANGER, Mr. MANSFIELD, Mr. MCNAMARA, Mr. MURRAY, Mr. NEELY, Mr. NEUBERGER, Mr. POTTER, Mr. SCOTT, Mr. SMATHERS, Mr. SPARKMAN, Mr. SYMINGTON, and Mr. YOUNG):

S. 1524. A bill to authorize the extension of credit to assist municipalities, or other political subdivisions of States, to finance vitally needed public works; to the Committee on Banking and Currency.

(See the remarks of Mr. LONG when he introduced the above bill, which appear under a separate heading.)

By Mr. LEHMAN:

S. 1525. A bill for the relief of Serojini Dongre Harris; to the Committee on the Judiciary.

By Mr. CLEMENTS (for Mr. MURRAY):

S. 1526. A bill to amend the National Labor Relations Act, as amended; to the Committee on Labor and Public Welfare.

(See the remarks of Mr. CLEMENTS when he introduced the above bill, which appear under a separate heading.)

By Mr. HUMPHREY (by request):

S. 1527. A bill to amend further the Federal Property and Administrative Services Act of 1949, as amended, to authorize the disposal of surplus property for civil-defense purposes; to the Committee on Government Operations.

(See the remarks of Mr. HUMPHREY when he introduced the above bill, which appear under a separate heading.)

By Mr. YOUNG:

S. 1528. A bill to authorize enrolled members of the Three Affiliated Tribes of the Fort Berthold Reservation, N. Dak., to acquire trust interests in tribal lands of the reservation, and for other purposes; and

S. 1529. A bill to revise the boundaries of the Theodore Roosevelt National Memorial Park, in the State of North Dakota, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. KEFAUVER:

S. J. Res. 57. Joint resolution to provide for the establishment and operation of an information booth in the rotunda of the Capitol; to the Committee on Rules and Administration.

(See the remarks of Mr. KEFAUVER when he introduced the above joint resolution, which appear under a separate heading.)

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PROHIBITION OF TRANSMISSION OF CERTAIN COMMUNISTIC PROPAGANDA IN INTERSTATE COMMERCE

Mr. JOHNSTON of South Carolina. Mr. President, on behalf of myself, and the Senator from Maine [Mrs. SMITH], I introduce, for appropriate reference, a bill to prohibit the transmittal of communistic propaganda matter in the United States mails or in interstate commerce for circulation in public schools and for other purposes. I ask that a copy of a letter which I addressed to the Postmaster General, and the Postmaster General's reply, be printed in the RECORD.

Mr. President, I think every Senator should pay close attention to this correspondence. It reveals among other things that the United States Government is subsidizing the delivery of the Communist sheet the Daily Worker in the amount of 40 thousand dollars annually.

The bill which I have just introduced will prohibit the transmittal of the Daily Worker through the United States mails, and I intend to ask the Senate Committee on Post Office and Civil Service to take immediate action on this bill.

The VICE PRESIDENT. The bill will be received and appropriately referred; and, without objection, the letters will be printed in the RECORD.

The bill (S. 1508) to prohibit the transmittal of communistic propaganda matter in the United States mails or in interstate commerce for circulation or use in public schools, and for other purposes, introduced by Mr. JOHNSTON of South Carolina (for himself and Mrs. SMITH of Maine), was received, read twice by its title, and referred to the Committee on Post Office and Civil Service.

The letters presented by Mr. JOHNSTON of South Carolina are as follows:

JANUARY 22, 1955.

Hon. ARTHUR E. SUMMERFIELD,
The Postmaster General,
Washington, D. C.

DEAR MR. SUMMERFIELD: I would like to ask a few questions with respect to the Communist publication, the Daily Worker.

Does this newspaper enjoy second-class mailing privileges? If so, do you have any knowledge as to how many copies are transmitted through the mails and how much it costs the Department in any 12-month period to handle this mailing?

With kind regards, I am,

Sincerely yours,

OLIN D. JOHNSTON,
Chairman, Post Office and Civil Service Committee.

OFFICE OF THE POSTMASTER GENERAL,
Washington, D. C., February 23, 1955.

Hon. OLIN D. JOHNSTON,
Chairman, Committee on Post Office and Civil Service, United States Senate, Washington, D. C.

DEAR SENATOR JOHNSTON: Referring again to your letter of January 22, 1955, I am pleased to furnish you below the information requested with respect to the Daily Worker.

The Daily Worker is published 5 days of the week, excluding Saturday and Sunday, and its companion publication, The Worker, is issued on Sunday only. The former has been entered as second-class matter since March 13, 1917, and the latter was entered on January 21, 1936.

As will be seen from the chart following, the total number of copies of both of the said papers mailed during the calendar year 1954 was 1,673,186. The revenue received as a result of postage paid thereon totals $3,653, while the estimated expense for carrying them in the mails amounts to $40,056. These figures include all domestic and foreign mailings made at the publisher's pound rates.

	The Daily Worker	The Worker (Sunday)	Both publications combined
Copies	930,894	742,292	1,673,186
Pieces	624,100	538,179	1,162,279
Pounds	63,178	102,341	165,519
Revenue	$1,913	$1,740	$3,653
Expense	$20,666	$19,390	$40,056
Average revenue per piece, cents	0.31	0.32	0.31
Average expense per piece, cents	3.31	3.60	3.45

The Solicitor informs me that there is presently under study, in conjunction with the Department of Justice, the question of whether the Daily Worker, the Worker, and similar publications are subject to the provisions of the Communist Control Act of 1954 (Public Law 637, 83d Cong., 2d sess.; 50 U. S. C. 841, et seq.) denying the Communist Party any of the "rights, privileges, and immunities which have heretofore been granted to said party or any subsidiary organization by reason of the laws of the United States or any political subdivision thereof."

We shall of course be happy to furnish you any further information you might desire concerning the above publications.

Sincerely yours,

ARTHUR E. SUMMERFIELD,
Postmaster General.

CONVEYANCE OF CERTAIN PROPERTY TO CITY OF RICHMOND, CALIF.

Mr. KUCHEL. Mr. President, on behalf of myself and my colleague, the distinguished senior Senator from California [Mr. KNOWLAND], I introduce, for appropriate reference, a bill to provide for the conveyance of a certain interest in property to the city of Richmond, Calif. The bill has the approval of the Department of Commerce, and the Bureau of the Budget has advised it will interpose no objection to it.

I ask unanimous consent to have printed in connection with the introduction of the bill a very short statement which I have prepared.

The VICE PRESIDENT. The bill will be received and appropriately referred; and, without objection, the statement will be printed in the RECORD.

The bill (S. 1515) to amend the act of September 30, 1950 (64 Stat. 1096) to provide for the conveyance of certain real property to the city of Richmond, Calif., introduced by Mr. KUCHEL (for himself and Mr. KNOWLAND), was received, read twice by its title, and referred to the Committee on Interstate and Foreign Commerce.

The statement presented by Mr. KUCHEL is as follows:

STATEMENT BY SENATOR KUCHEL

Public Law 872, 81st Congress, 2d session, signed September 30, 1950, transferred certain property in the city of Richmond from the Federal Government to the city.

The property was as follows:

1. A roadway about one-half mile long from an existing city road to the gate of the Maritime Administration Shipyard No. 3, and

2. A water main and a gas main underlying the road.

The roadway was constructed by the Government during World War II in order to provide access to the shipyard. The water and gas mains were laid at the same time. In order to avoid expenses of maintaining the road, the Government deeded the property to the city by means of the above public law.

The city is not in the water business and desires to transfer the water main to the East Bay Municipal Utility District, which serves the area. Such transfer is permitted under the above law. There are two conditions, however, which East Bay Municipal Utility District may not accept.

1. Failure of the city to maintain the property as a roadway will cause the property to revert to the United States.

2. A perpetual guaranty that water and gas will be served in such amounts and at such times as the shipyard may require.

East Bay plans to enlarge and improve the present water main but cannot do this so long as there is any possibility of reversion to the United States. Furthermore, they do not enter into contracts with water users to supply indefinite amounts of water.

This bill will involve no further transfer of Government property: It accomplishes two things:

1. It permits a perpetual easement to East Bay Municipal Utility District so that they may get at the water main for operation and maintenance even though the property may revert to the United States.

2. It requires of East Bay Municipal Utility District such services as may be required under the laws of the State of California.

This should be sufficient assurance to the Government of service of the type and in the amount which may be required by any eventuality as long as the yard is held by the Government.

PROPOSED PUBLIC FACILITIES LOAN ACT OF 1955

Mr. LONG. Mr. President, on behalf of myself, the Senator from Kentucky [Mr. CLEMENTS], the Senator from Illinois [Mr. DOUGLAS], the Senator from Mississippi [Mr. EASTLAND], my colleague, the senior Senator from Louisiana [Mr. ELLENDER], the senior Senator from Missouri [Mr. HENNINGS], the senior Senator from Alabama [Mr. HILL], the Senator from Minnesota [Mr. HUMPHREY], the Senator from Washington [Mr. JACKSON], the Senator from South Carolina [Mr. JOHNSTON], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Oklahoma [Mr. KERR], the senior Senator from West Virginia [Mr. KILGORE], the senior Senator from North Dakota [Mr. LANGER], the junior Senator from Montana [Mr. MANSFIELD], the junior Senator from Michigan [Mr. MCNAMARA], the senior Senator from Montana [Mr. MURRAY], the junior Senator from West Virginia [Mr. NEELY], the Senator from Oregon [Mr. NEUBERGER], the senior Senator from Michigan [Mr. POTTER], the Senator from North Carolina [Mr. SCOTT], the Senator from Florida [Mr. SMATHERS], the junior Senator from Alabama [Mr. SPARKMAN], the junior Senator from Missouri [Mr. SYMINGTON], and the junior Senator from North Dakota [Mr. YOUNG], I introduce, for appropriate reference, a bill which has been entitled "A bill to authorize the extension of credit to assist municipalities, or other political subdivisions of

States, to finance vitally needed public works."

The primary purpose of this bill is to assist municipalities in their efforts to provide public works and other facilities for their citizens. We have in mind particularly the needs of the smaller municipalities. Accordingly, the legislation provides that municipalities of under 10,000 population will receive priority in the administration of this program.

The procedure which is being proposed has been proved very successful in the past. A revolving fund is established by authorizing the Secretary of the Treasury to acquire stock in a Federal corporation up to the amount of $100 million. The corporation itself is authorized to issue an additional $400 million of its own securities.

Of course, these funds will not be drawn upon except as the program develops. In the operation of the program, the Corporation will acquire directly the municipal obligations which are issued to finance the construction or improvement of public works and facilities under the act. It will no longer be necessary for these local governing bodies to sell their obligations at large discounts in order to find a market for them.

I should like to point out that there is at least a chance that this program will not cost the Federal Government any money at all. The interest rate at which the Federal authorities can borrow money to start the revolving fund is less than the rate of interest which the municipal securities will bear. It is my hope that this difference in interest rates will be sufficient to cover the cost of the program. Nevertheless, it would be in the national interest to help the communities with this program; even if there should be some loss, the overall improvement in the health and sanitation of our citizens would more than offset any conceivable loss to the Federal Government.

It will be noted that the Corporation is to be headed by the Housing and Home Finance Administrator. A full-time deputy will be available to assist him in handling the program and it is intended that the field force of the various agencies already under the direction of the Housing and Home Finance Administrator will also be available to assist in the handling of this program. This should again result in very considerably reduced costs of administration.

The need for assistance in providing public works which are necessary for the health and sanitation of our citizens, Mr. President, is fully demonstrated by the list of sponsors of the measure. They come from every section of the country except the industrial East—from the far West, from the Northwest, from the Middle West, the Southwest, and especially from the South.

Speaking for my own State of Louisiana, I regret to state that over 90 percent of the communities with less than 2,500 population have no public sewerage systems. I have been advised that there are as many as 300 communities in Louisiana that should be eligible under the proposed program and which have urgent needs for these improvements.

It is my intention and that of the other sponsors that this measure be pressed vigorously toward enactment.

Mr. President, I ask unanimous consent that a brief explanatory memorandum, prepared by the legislative counsel's office, be inserted in the RECORD immediately following my remarks.

The VICE PRESIDENT. The bill will be received and appropriately referred; and, without objection, the memorandum will be printed in the RECORD.

The bill (S. 1524) to authorize the extension of credit to assist municipalities, or other political subdivisions of States, to finance vitally needed public works, introduced by Mr. LONG (for himself and other Senators) was received, read twice by its title, and referred to the Committee on Banking and Currency.

The memorandum presented by Mr. LONG is as follows:

MEMORANDUM BY LEGISLATIVE COUNSEL

The bill "to authorize the extension of credit to assist municipalities, or other political subdivisions of States, to finance vitally needed public works" establishes the Public Facilities Credit Corporation. The Corporation is to be headed by the Housing and Home Finance Administrator, assisted by a Deputy Administrator to be appointed by the President with the advice and consent of the Senate.

The Corporation is authorized to give financial assistance, by way of loans and the purchase of securities, to municipalities, political subdivisions of States, and State or municipal agencies, to assist in the financing of public projects. Such assistance is to be made available only if not otherwise obtainable on reasonable terms, and any loan or purchase made must be reasonably sound. Priority in the granting of assistance is to be accorded to communities having a population of less than 10,000 for the construction of basic public works (including works for the storage, treatment, purification, or distribution of water, sewage, sewage treatment, and sewer facilities; and gas distribution systems) for which there is a vital public need.

The Corporation will have an authorized capital stock of $100 million, to be subscribed by the Treasury, and is also authorized, in order to finance its activities, to issue to the Treasury its obligations in an amount not exceeding $500 million outstanding at any time. The proceeds from the sale of its stock and obligations will constitute a revolving fund from which the Corporation may draw to carry out its functions. The Corporation is specifically made subject to the Government Corporation Control Act.

The Corporation is given the usual corporate powers, is required to contribute to the civil-service retirement and disability fund, and the employees' compensation fund, and must report to Congress annually concerning its operations.

Finally, the bill repeals section 108 of the Reconstruction Finance Corporation Liquidation Act, which presently authorizes, on a temporary basis, the granting of financial assistance to States and municipalities. This authority would no longer be needed if the bill is enacted into law.

AMENDMENT OF NATIONAL LABOR RELATIONS ACT

Mr. CLEMENTS. Mr. President, on behalf of the senior Senator from Montana [Mr. MURRAY], I introduce for appropriate reference a bill to amend the National Labor Relations Act, as amended. I ask unanimous consent that a release issued by the office of the Senator from Montana be printed in the RECORD.

The VICE PRESIDENT. The bill will be received and appropriately referred; and, without objection, the release will be printed in the RECORD.

The bill (S. 1526) to amend the National Labor Relations Act, as amended, introduced by Mr. CLEMENTS (for Mr. MURRAY), was received, read twice by its title, and referred to the Committee on Labor and Public Welfare.

The release presented by Mr. CLEMENTS is as follows:

RELEASE PERTAINING TO SENATE BILL 1526

A bill to legalize the closed shop in the printing and publishing trades was introduced today by Senator JAMES E. MURRAY (Democrat, Montana).

The bill would also (1) define collective bargaining in such a way as to restore genuinely free bargaining and thus reverse the tendency of the National Labor Relations Board and Taft-Hartley Act to interfere in the process of collective bargaining; (2) permit secondary union action in all but a very limited number of cases, and legalize peaceful picketing under any circumstances; (3) eliminate the injunction provisions of the Taft-Hartley Act by repeal of sections 10 (j) and 10 (l).

Enactment of the closed-shop provision of the bill would, said Senator MURRAY, legalize actual practice in a large segment of the printing and publishing industries. Furthermore, he said, some publishers—as well as unions—have advocated the closed shop in their plants.

For example, said Senator MURRAY, the Chicago Tribune editorially advised against outlawing the closed shop, declaring that "we do so, among other reasons, because we know that the closed shop worked well in our own plant and had worked well for half a century or more."

An identical bill (S. 2503) was introduced by Senator MURRAY in 1952, and companion bills were introduced in the House at that time by Representative JOHN D. DINGELL, of Michigan (H. R. 6239) and Representative GEORGE M. RHODES, of Pennsylvania (H. R. 6250).

DISPOSAL OF SURPLUS PROPERTY FOR CIVIL DEFENSE PURPOSES

Mr. HUMPHREY. Mr. President, by request, I introduce, for appropriate reference, a bill to amend further the Federal Property and Administrative Services Act of 1949, as amended, to authorize the disposal of surplus property for civil-defense purposes. I ask unanimous consent that the bill, together with a letter signed by the Director of the Civil Defense Administration, Gov. Val Peterson, and a letter to Mr. Peterson from Rowland Hughes, Director of the Budget, be printed in the RECORD. These two particular letters explain the purpose of the bill and also the administration's support of the bill.

The VICE PRESIDENT. The bill will be received and appropriately referred; and, without objection, the bill and letters will be printed in the RECORD.

The bill (S. 1527) to amend further the Federal Property and Administrative Services Act of 1949, as amended, to authorize the disposal of surplus property for civil-defense purposes, introduced by Mr. HUMPHREY (by request), was received, read twice by its title, referred to the Committee on Government Operations, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That paragraph (1) of section 203 (j) of the Federal Property and Administrative Services Act of 1949, as

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on January 21, 1936.

from an existing city road to the gate of ... ties, or other political subdivisions of

amended (40 U. S. C. 484 (j)), is further amended to read as follows:

"(1) Under such regulations as he may prescribe, the Administrator is authorized in his discretion to donate for educational purposes, public health purposes, including research, or for civil defense purposes in the States, the District of Columbia, and the Territories and possessions of the United States without cost (except for costs of care and handling) such equipment, materials, books, or other supplies under the control of any executive agency as shall have been determined to be surplus property and which shall have been determined under paragraph (2), (3), or (4) of this subsection to be usable and necessary for educational purposes, public health purposes, including research, or for civil defense purposes."

SEC. 2. The parenthetical expression appearing in paragraph (2) of section 203 (j) of such act, is amended to read as follows: "(except surplus property donated in conformity with par. (3) or (4) of this subsection."

SEC. 3. The final sentence of paragraph (3) of section 203 (j) of such act is amended to read as follows: "If he shall determine that such property is not usable and necessary for such purposes, it may be disposed of in accordance with paragraph (2) or (4) of this subsection."

SEC. 4. Section 203 (j) of such act is amended by inserting at the end thereof the following new paragraph:

"(4) Determination whether such surplus property (except surplus property donated in conformity with paragraph (2) or (3) of this subsection) is usable and necessary for civil defense purposes shall be made by the Federal Civil Defense Administrator, who shall allocate such property on the basis of needs and utilization for transfer by the Administrator of General Services to civil defense organizations of the States, District of Columbia, Territories or possessions, political subdivisions and instrumentalities thereof, which are established by or pursuant to State law, except that in any State where another agency is designated by State law for such purpose such transfer shall be made to such other agency for such distribution within the State."

SEC. 5. Paragraph (2) of section 203 (k) of such act is amended by—

(a) deleting the comma following the words "armed forces" in subparagraph (D) thereof and inserting in lieu thereof a semicolon and the word "or"; and

(b) inserting, immediately after subparagraph (D) thereof, the following new subparagraph:

"(E) the Federal Civil Defense Administrator, in the case of property transferred pursuant to this act to civil defense organizations of the States, political subdivisions and instrumentalities thereof which are established by or pursuant to State law."

SEC. 6. In carrying out the responsibilities of the Federal Civil Defense Administrator under amendments made by this act, the provisions of sections 201 (b), 401 (c), 401 (e), and 405 of the Federal Civil Defense Act of 1950, as amended, shall apply.

The letters presented by Mr. HUMPHREY are as follows:

NATIONAL OFFICE,
FEDERAL CIVIL DEFENSE ADMINISTRATION,
Battle Creek, Mich., March 2, 1955.

Hon. RICHARD M. NIXON,
The President of the Senate,
United States Senate,
Washington, D. C.

DEAR MR. PRESIDENT: There is transmitted herewith a draft of a bill to further amend the Federal Property and Administrative Services Act of 1949, as amended, to authorize the disposal of surplus property for civil defense purposes, with a request that it be introduced in order that it may be considered for enactment.

The purpose of the bill is to provide for the donation by the General Services Administrator to the civil defense organizations of the States, political subdivisions and instrumentalities thereof, of surplus Federal property which shall have been determined by the Federal Civil Defense Administrator to be usable and necessary for civil defense purposes.

Under existing law the General Services Administrator is authorized in his discretion to donate to eligible institutions surplus property usable and necessary for educational and public-health purposes as determined by the Secretary, Department of Health, Education, and Welfare. The Secretary allocates such property on the basis of needs and utilization for transfer by the General Services Administrator to the eligible donees. Enactment of this proposal would provide for the transfer of surplus property by the General Services Administrator for civil defense purposes on a workable basis consistent with established procedures for disposal of such property and coordinated to the needs of interested agencies of the Government. The Federal Civil Defense Administrator would determine whether available surplus property is usable and necessary for civil-defense purposes, and would allocate such property on the basis of needs and utilization for transfer by the General Services Administrator. The proposal covers only surplus personal property and does not include real property.

Provision is made for the Federal Civil Defense Administrator to issue regulations relating to transfer of surplus property to eligible civil defense organizations, subject to the approval of the General Services Administrator, to assure maximum utilization of such property for civil defense purposes. It is also provided that in carrying out the responsibilities of the Federal Civil Defense Administrator under this proposal, certain provisions of the Federal Civil Defense Act shall apply. These require the Administrator to utilize, to the maximum extent possible, existing facilities and resources of the Federal Government and refrain from engaging in any form of activity which would duplicate or parallel activity of any other Federal department or agency.

It is contemplated that the procedures currently in effect with respect to the screening and donation of surplus property for health and educational purposes, would generally apply to donations of surplus property for civil defense purposes. Such procedures would provide for the screening of inventories of surplus property by the Federal Civil Defense Administrator at holding agencies and at GSA Regional Offices. The Federal Civil Defense Administrator would determine which of the property screened is usable and necessary for civil defense purposes and would submit notice of such determination to the appropriate GSA Regional Office for approval. If donation of the property covered by the determination is approved by GSA, the holding agency would be advised to hold such property for donation to eligible civil defense organizations.

In effecting an allocation of surplus property among the States, the procedures which have been worked out and found generally satisfactory by the Department of Health, Education, and Welfare in distributing surplus property for educational and public health purposes, would generally apply. Allocations of donable property would be made by the Federal Civil Defense Administrator on the basis of need and usability of the property. Factors such as the following would be taken into consideration in effecting an allocation of such property.

(a) States in greatest need for the type of property to be allocated.

(b) Location, condition, and transportability of property.

(c) Ability of the eligible applicant or State agency to meet transportation requirements for accepting the property.

(d) Availability of funds to the eligible applicant or State agency to accept, pick up, and transport the property, and in case of a State agency to warehouse, distribute, care for, and handle the property if necessary.

(e) The amount of property of a given type already available to an eligible applicant or State agency, as the case may be, as compared to the needs of other eligible applicants.

The terms and conditions of donations or transfers would generally provide that property acquired by an eligible donee would be used for civil-defense purposes. Donees would not, for a specified period of time, be authorized to sell, trade, lease, or otherwise dispose of or encumber such property without the prior approval of FCDA. Property thus acquired would be used in the civil-defense programs of the States, political subdivisions, and instrumentalities thereof, in accordance with plans developed jointly between the States and the FCDA regional administrators. It is our view that maximum utilization of such property would be made by civil-defense organizations and other institutions currently eligible to receive such property by donation, and that any conflicting interest among eligible donees with respect to particular types of property which could be utilized by civil-defense organizations and other eligible donees, would be reconciled at State and local levels.

The civil defense of the Nation needs a wide variety of property to meet the possibility of a mass enemy attack upon the United States. This requirement would be met in part by the enactment of this proposal. Some of the surplus property now being declared surplus by the Military Establishment is identical with, or a satisfactory substitute for, certain items in the long-range civil-defense contributions programs. It is anticipated that some items may be declared surplus that will serve to reduce the stockpiling program.

It will be the policy of this agency to approach the utilization of surplus property to supplement existing programs in a careful and highly selective manner, keeping in mind the fact that civil defense is a long-range program and that handling, transportation, and storage costs over a period of years should be kept to an absolute minimum consistent with the unquestioned need for specialized equipment in an emergency.

The advantages of providing usable and necessary equipment for civil-defense purposes to minimize the effects of a mass enemy attack on the United States will outweigh the financial advantages that might accrue to the Government if such property was disposed of by sale.

S. 272 and an identical bill, H. R. 4008, bills that would accomplish an identical purpose, were introduced in this session of Congress. While FCDA would recommend the enactment of S. 272 and H. R. 4008 into law, we would prefer to see enacted the enclosed proposed legislation which would further amend the Federal Property and Administrative Services Act of 1949, as amended. The Bureau of the Budget, in commenting on a proposed report by FCDA on S. 272, suggested that a copy of its comments accompany the draft of the bill, as well as a copy of the Bureau's comments on H. R. 3322, 84th Congress (similar bill, S. 1004). Accordingly, we enclose a copy of each.

For the foregoing reasons it is respectfully requested that the proposed legislation be introduced and considered for enactment as soon as possible.

Sincerely,

VAL PETERSON.

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D. C., February 23, 1955.

Hon. VAL PETERSON,
Administrator, Federal Civil Defense Administration,
Battle Creek, Mich.

MY DEAR MR. PETERSON: This is in response to the informal request from the Federal Civil Defense Administration for clearance of the proposed report to the Senate Armed Services Committee on S. 272, a bill to amend the Federal Civil Defense Act of 1950 to authorize the disposal of certain Federal surplus property to State and local units of the United States Civil Defense Corps.

There is no objection to the submission of the report which was prepared during the last session of the Congress in connection with S. 2074 which was a bill identical to the present S. 272. We agree with the position taken in that report that the objectives of this legislation should be accomplished by amendment to the Federal Property and Administrative Services Act of 1949, as amended, rather than by amendment to the Federal Civil Defense Act of 1950. If it is intended that the District of Columbia should be authorized to receive surplus property on the same basis as a State, however, appropriate additions to sections 1 and 4 of the draft bill appear necessary.

There is also no objection to the proposed substitute bill which accompanies the report subject to further consideration of several unresolved questions. Whether these are dealt with in the draft as presented to the Congress or during the course of congressional consideration is a matter on which we defer to your judgment. These questions are summarized below:

1. Both the Federal Civil Defense Administration and the Department of Health, Education, and Welfare would be responsible for determining that surplus property is usable and necessary for their respective State clienteles;

2. Both agencies would require and claim many of the same kinds of property;

3. Either a system of priorities, or some method of resolving conflicts when the same property is claimed by both agencies would appear to be desirable, if not absolutely necessary. This problem will become more complex if additional groups are authorized to receive surplus property as proposed in several pending bills. This problem should be resolved without increasing the expense and time required for disposal of surplus property.

4. The nature and extent of any continuing Federal controls over the sale or use of property after it has been donated probably will require further consideration in view of the attention this matter is receiving with respect to property donated for educational and public-health purposes.

We believe that the Congress may wish to have action on this bill coordinated with action on S. 1004 and H. R. 3322. Enclosed is a copy of our report on H. R. 3322. We suggest that this letter and the enclosed report accompany your report to the committee.

Sincerely yours,

HAROLD PEARSON,
Assistant Director.

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D. C., February 15, 1955.

Hon. WILLIM A. DAWSON,
Chairman, Committee on Government Operations,
House of Representatives,
Washington, D. C.

MY DEAR MR. CHAIRMAN: This is in reply to your letter of February 1, which requested a report and comments from the Bureau of the Budget on H. R. 3322, "To amend the Federal Property and Administrative Services Act of 1949 so as to improve the program for the utilization of surplus property for educational and public health purposes."

It appears that H. R. 3322 is intended primarily to settle the questions which have arisen as to whether surplus property carried in revolving stock funds is available for donation in the same manner as other personal property. Ordinarily the system of accounting for and managing property should not determine whether the property is eligible for donation. The Bureau recognizes, however, that the Department of Defense is required to attain improved management of its property through the use of revolving stock funds. The successful use of such funds depends in some degree on the extent to which their capital is maintained unimpaired. Since administrative reconciliation apparently cannot be achieved between the objectives of the donation program and the objectives of revolving stock funds, action by the Congress may be necesasry to clarify its intent on this issue.

Section 1 of the bill would prevent the Government from selling any of its surplus personal property until the Department of Health, Education, and Welfare had determined whether it was usable and necessary for educational or public health purposes. The bill would not require donation after such a determination had been made, however, and the language of this section fails to clarify the intent of the Congress with respect to the donability of stock fund property.

The Bureau is opposed to the provisions of this section as now written because it would complicate and delay the orderly disposal of all surplus property by requiring a prior review of all property regardless of whether it is usable and necessary for educational or public health purposes and regardless of whether it is carried in a working capital fund.

If we are correct in believing that H. R. 3322 is intended primarily to make clear that stock fund property is donable for educational and public health purposes, we believe this objective could be accomplished without disrupting the orderly disposal of all surplus property. As an alternative, we suggest that section 203 (j) (1) of the Federal Property and Administrative Services Act of 1949, as amended, be further amended by adding a sentence stating that surplus personal property capitalized in working capital funds shall be considered as donable on the same basis as other surplus personal property.

Section 2 of the bill would eliminate the authority of the Secretary of Health, Education, and Welfare to enforce compliance on the part of donees with restrictions placed on the use or sale of surplus personal property at the time of donation. We would endorse this provision of the bill provided it is made clear that the Secretary of the Department of Health, Education, and Welfare would continue to have (a) responsibility for determining the need for and usability of surplus property prior to its donation and (b) authority for taking steps to assure that State agencies have adequate and effective systems for distributing such property to qualified users.

Section 3 of the bill would authorize the Secretary of Health, Education, and Welfare to enter into cooperative agreements with the State agencies for carrying out the donation program. The language would permit employees of State agencies and those of the Department of Health, Education, and Welfare to perform each others duties. The Bureau does not object to cooperative agreements permitting cross servicing with respect to service functions and routine operations provided there are adequate fiscal controls. The Bureau is strongly opposed, however, to arrangements, which could be authorized by this section, permitting delegation to State agencies of basic Federal functions such as the allocation of property for donation, the determination of the need and usability of property for education or health purposes, or the performance of essential inspections and audits of State systems.

Section 4 which would continue exemptions specified in section 602 (d) of the Federal Property and Administrative Services Act of 1949, as amended, appears to be unnecessary but we do not object to it.

The effect of section 5 is to supplement the provisions under section 2 by placing a 1-year statute of limitations on the enforcement of restrictions upon the use of property previously donated. The purposes of this provision seem to us to be sound, but it should be amended so as not to affect criminal or civil judicial proceedings already commenced prior to enactment of the bill.

We are of the opinion that H. R. 3322 if amended by suggestions along the lines proposed above would clarify the question of applicability of the donable-property program to surplus property carried in working capital funds, and would provide other administrative improvements in the donable-property program.

Sincerely yours,

ROWLAND HUGHES,
Director.

INFORMATION BOOTH IN ROTUNDA OF THE CAPITOL

Mr. KEFAUVER. Mr. President, I introduce, for appropriate reference, a joint resolution to provide for the establishment and operation of an information booth in the rotunda of the Capitol. I ask unanimous consent that the joint resolution be printed in the RECORD at this point, as a part of my remarks.

The VICE PRESIDENT. The joint resolution will be received, appropriately referred, and, without objection, will be printed in the RECORD.

The joint resolution (S. J. Res. 57) to provide for the establishment and operation of an information booth in the rotunda of the Capitol, introduced by Mr. KEFAUVER, was received, read twice by its title, referred to the Committee on Rules and Administration, and ordered to be printed in the RECORD, as follows:

Whereas each year the United States Capitol is visited by an increasing number of high-school students from cities and towns throughout the Nation; and

Whereas these visits present opportunities for students to observe the functioning of their Government, to learn at first hand valuable lessons in citizenship, and to form impressions which will remain with them throughout their lives; and

Whereas it is important that accurate information concerning the Capitol, its history, and its place in our Government be made available to each of these students at the time of his visit to the Capitol: Therefore be it

Resolved, etc., That the Architect of the Capitol is authorized and directed (1) to provide in the rotunda of the Capitol a suitable information booth for the dissemination of information concerning the Capitol, its history, and its place in our Government, and (2) to cause to be prepared, under direction of the Joint Committee on the Library, an appropriate pamphlet or pamphlets containing such information for distribution at such booth to students and other visitors to the Capitol.

SEC. 2. The Secretary of Defense is authorized to assign one or more members of the Armed Forces of the United States to assist

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in the operation of the information booth provided for by this joint resolution.

SEC. 3. There are hereby authorized to be appropriated such sums, not to exceed $10,000 in any fiscal year, as may be necessary to carry out the provisions of this joint resolution.

Mr. KEFAUVER. Mr. President, under the joint resolution the Secretary of Defense would be authorized to assign one or more members of the Armed Forces to assist in the operation of the information booth.

My attention has been called to a recent incident of a reputed Communist sympathizer undertaking to address a number of high school students in the Capitol.

For a long time I have felt that we ought to have someone on the job to let these young folks know how welcome they are, and how much they and America mean to each other. Each year, beginning at about this time in spring, thousands of high school students visit the Nation's Capital. They are shown around the Capitol by Members of Congress and conducted on tours by guides. However, they are not given any effective or official welcome to the Capitol.

On their visit to Washington they are rushed through various public buildings, including the Capitol, and are treated as ordinary sightseers. At no point does the Government extend any official welcome to them or try to show them the bond of understanding and mutual interest that exists between them and their Government.

We want them to know how glad Congress is to have them visit Washington and how this Government belongs to them, that we are holding it in trust for them, and that tomorrow they will take over. We want them to know that all our hope and our trust are in them, because the kind of country we have tomorrow depends on the kind of good citizens these young people are learning to be today.

The joint resolution authorizes the appropriation of a sum of money not to exceed $10,000, to be expended by the Architect of the Capitol. The information would be prepared under the direction of the Joint Committee on the Library.

I believe such a program would be of great inspiration to our young people and would instill in them ideas of good citizenship.

EXTENSION OF TRADE AGREEMENTS ACT—AMENDMENT

Mr. BENNETT. Mr. President, on behalf of myself and the senior Senator from Idaho [Mr. DWORSHAK], I submit an amendment intended to be proposed by us, jointly, to House bill 1 to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes. Under the 2-minute rule, I desire to proceed to explain the reasons for submitting the amendment.

The VICE PRESIDENT. The Senator from Utah may proceed.

Mr. BENNETT. Mr. President, the purpose of the amendment is to accomplish the objectives stated by the President in his directive of August 20, 1954, which increased purchases of lead and zinc under the long-term stockpile program.

The President said his actions were intended to bring about the attainment of market prices for lead and zinc sufficient to maintain an adequate domestic mobilization base. The market price for current purchases of lead for the Government stockpile is 15 cents a pound. The corresponding price set for zinc to maintain the mobilization base is understood to be 13 cents a pound.

The President directed action to seek recognition by the foreign countries which are principal suppliers of lead and zinc that the "increased stockpile buying is designed to help domestic production and that they will not themselves seek to take any unfair advantage of it." The President's admonition to foreign suppliers seems to be more honored in the breach than to observance.

The output of lead and zinc from domestic mines is at 1931–34 depression lows, while the production of zinc from the domestic smelters is at record highs. This is because continued heavy imports of foreign ores and concentrates are crowding out the United States mines.

The President, in his letter of August 20, 1954, to the Senator from Colorado [Mr. MILLIKIN], the chairman of the Senate Finance Committee, and to Chairman REED, of the House Ways and Means Committee, recognized the unemployment for miners in some areas and the hardships for their families. He wrote:

> Some communities in mining States are distressed. An adequate mobilization base is not being maintained.

He said if the objectives we seek have not been accomplished, "I will be prepared early next year to consider even more far-reaching measures, and to make appropriate recommendations to the Congress."

The American mining industry experience is that stockpiling over the past six months has proven helpful, but of limited value to the lead-zinc mines of the United States. Domestic production still is decreasing. Lead and zinc producers throughout the world have greatly benefited by our stockpiling program. Quotations on the London Metal Exchange appear to have been more responsive to the stockpile purchases than the United States market.

The stockpile program is not able to accomplish its objective, because of the failure to provide any restraint on the large imports of lead and zinc ores which continue to flood our domestic market. Trade publications report that zinc is being offered at the current low price of 11½ cents a pound to June 30, and even for the third quarter of this year.

The amendment proposes an excise tax of 2 cents a pound on imports when they have the effect of forcing domestic prices below the level set by the Government to maintain a mobilization base for national defense and security. When the market is above this level, which the Government considers necessary to permit the mining industry to survive, the tax is suspended.

At this time the market price of lead is 15 cents a pound; consequently, at present lead will not be affected by the proposed excise tax. In the case of zinc, however, the tax of 2 cents a pound would apply until the market for zinc reached 13 cents a pound, the mobilization base price, and then the tax would be suspended.

In effect, the amendment imposes a penalty of 2 cents a pound of metal content on the imports of foreign suppliers who fail to recognize that the stockpile program is designed to help domestic production attain an adequate mobilization base. The amendment and the penalty to be imposed under it will apply only when they flood our market with excessive supplies destructive to the American mining industry.

At the mobilization base prices, the foreign producer would continue to market in this country just as he does now a portion of his production. But to the extent that the excise tax offers American mines any protection against lower world prices, the foreign producer could afford to pay the tax, and still net the same world price.

It is believed that adoption of the amendment will enable the stockpile program to accomplish the objectives of strengthening and protecting our mobilization base, as set forth by the President.

Mr. President, I ask unanimous consent that the text of the amendment be printed at this point in the body of the RECORD.

The VICE PRESIDENT. The amendment will be received, appropriately referred, and printed; and, without objection, will be printed in the RECORD.

The amendment submitted by Mr. BENNETT (for himself and Mr. DWORSHAK) was received, referred to the Committee on Finance, ordered to be printed, and to be printed in the RECORD, as follows:

At the end of the bill, insert the following:

"SEC. .(a) Chapter 38 of the Internal Revenue Code of 1954 (relating to import taxes) is hereby amended by adding at the end thereof a new subchapter as follows:

"'SUBCHAPTER H—LEAD AND ZINC

"'Part I. Lead.
"'Part II. Zinc.

"'PART I—LEAD

"'Sec. 4611. Imposition of tax.
"'Sec. 4612. Suspension.
"'Sec. 4613. Application to articles withdrawn from warehouse.

"'SEC. 4611. Imposition of tax.

"'In addition to any other tax or duty imposed by law, there is hereby imposed on articles imported into the United States which are dutiable under paragraph 72, 391, or 392 of the Tariff Act of 1930, a tax of 2 cents per pound on the lead contained therein, to be paid by the importer. For purposes of the tax imposed by this section, the term "United States" includes Puerto Rico.

"'SEC. 4612. Suspension.

"'(a) General rule.: The tax imposed by section 4611 shall not apply to articles imported during any week in which the domestic market price of common lead for such week exceeds the adjusted base price of common lead for such week.

"'(b) Definitions: For purposes of subsection (a)—

"'(1) Adjusted base price: The adjusted base price of common lead for any week shall be an amount which bears the same ratio to

15 cents as (A) the Bureau of Labor Statistics' index of wholesale prices for all commodities other than farm products and processed foods, for the first calendar month of the quarter preceding the quarter in which such week begins, bears to (B) such index for March 1955.

"'(2) Domestic market price: The domestic market price of common lead for any week shall be the average market price per pound, for the second preceding week, of common lead (in standard shapes and sizes) delivered at New York, N. Y. In determining the average market price of common lead for any week, the Secretary or his delegate is authorized to base his findings upon the average price of common lead (in standard shapes and sizes) delivered at New York, N. Y., for such week, reported by the Engineering and Mining Journal's "Metal and Mineral Markets."

"'(3) Week: The term "week" means a week as used in the Engineering and Mining Journal's "Metal and Mineral Markets," which begins and ends midnight Wednesday.

"'(4) Quarter: The term "quarter" means a calendar quarter beginning on the 1st day of January, April, July, or October, as the case may be.

"'(c) Determination and publication: The Secretary or his delegate shall determine and publish—

"'(1) not less than 10 days preceding the first day of each quarter, the adjusted base price of common lead for each week beginning in such quarter; and

"'(2) not less than 4 days preceding the first day of each week, the domestic market price of common lead for such week.

Determinations by the Secretary or his delegate under this subsection shall, for purposes of this section, be final and conclusive.

"'SEC. 4613. Application to articles withdrawn from warehouse.

"'Articles withdrawn from warehouse for consumption, regardless of when imported, shall be subject to the tax imposed by section 4611, unless such articles are withdrawn during a week in which such tax is suspended under section 4612.

"'PART II—ZINC

"'Sec. 4621. Imposition of tax.
"'Sec. 4622. Suspension.
"'Sec. 4623. Application to articles withdrawn from warehouse.

"'SEC. 4621. Imposition of tax.

"'In addition to any other tax or duty imposed by law, there is hereby imposed on articles imported into the United States which are dutiable under paragraph 77, 393, or 394 of the Tariff Act of 1930, a tax of 2 cents per pound on the zinc contained therein, to be paid by the importer. For purposes of the tax imposed by this section, the term 'United States' includes Puerto Rico.

"'SEC. 4622. Suspension.

"'(a) General rule: The tax imposed by section 4621 shall not apply to articles imported during any week in which the domestic market price of slab zinc for such week exceeds the adjusted base price of slab zinc for such week.

"'(b) Definitions: For purposes of subsection (a)—

"'(1) Adjusted base price: The adjusted base price of slab zinc for any week shall be an amount which bears the same ratio to 13 cents as (A) the Bureau of Labor Statistics' index of wholesale prices for all commodities other than farm products and processed foods, for the first calendar month of the quarter preceding the quarter in which such week begins, bears to (B) such index for March 1955.

"'(2) Domestic market price: The domestic market price of slab zinc for any week shall be the average market price per pound, for the second preceding week, of slab zinc (prime western, free on board, East St. Louis, Ill.). In determining the average market price of slab zinc for any week, the Secretary or his delegate is authorized to base his findings upon the average price of slab zinc (prime western, free on board, East St. Louis, Ill.) for such week, reported by the Engineering and Mining Journal's "Metal and Mineral Markets."

"'(3) Week: The term "week" means a week as used in the Engineering and Mining Journal's "Metal and Mineral Markets," which begins and ends midnight Wednesday.

"'(4) Quarter: The term "quarter" means a calendar quarter beginning on the first day of January, April, July, or October, as the case may be.

"'(c) Determination and publication: The Secretary or his delegate shall determine and publish —

"'(1) not less than 10 days preceding the first day of each quarter, the adjusted base price of slab zinc for each week beginning in such quarter; and

"'(2) not less than 4 days preceding the first day of each week, the domestic market price of slab zinc for such week.

Determinations by the Secretary or his delegate under this subsection shall, for purposes of this section, be final and conclusive.

"'SEC. 4623. Application to articles withdrawn from warehouse.

"'Articles withdrawn from warehouse for consumption, regardless of when imported, shall be subject to the tax imposed by section 4621, unless such articles are withdrawn during a week in which such tax is suspended under section 4622.'

"(b) The table of subchapters to chapter 38 of the Internal Revenue Code of 1954 is hereby amended by adding at the end thereof the following:

"'SUBCH. H. Lead and zinc.'

"(c) The amendments made by this section shall apply only with respect to (1) calendar quarters beginning on or after July 1, 1955, and (2) articles entered, or withdrawn from warehouse, for consumption on or after July 1, 1955."

AMENDMENT OF COTTON MARKETING QUOTA PROVISIONS OF AGRICULTURAL ADJUSTMENT ACT—AMENDMENT

Mr. DANIEL (for himself and Mr. JOHNSON of Texas) submitted an amendment, intended to be proposed by them, jointly, to the bill (H. R. 3952) to amend the cotton marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended, which was ordered to lie on the table and to be printed.

PRINTING OF REVIEW OF REPORT ON CROP DAMAGE AT MORGANZA FLOODWAY, LA. (S. DOC. NO. 15)

Mr. CHAVEZ. Mr. President, I present a letter from the Secretary of the Army, transmitting a report dated May-June 1953, from the Chief of Engineers, United States Army, together with accompanying papers and an illustration, on a review of the report on the crop damage from the use of herbicide 2, 4–D at Morganza Floodway, La., requested by a resolution of the Committee on Public Works dated July 30, 1953, and I ask unanimous consent that it may be printed as a Senate document, with an illustration, and referred to the Committee on Public Works.

The VICE PRESIDENT. Without objection, it is so ordered.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. SYMINGTON:

Address delivered by him before Dunklin County Teachers' Association, Kennett, Mo., Monday, March 14, 1955, on the subject Federal Aid for Elementary and Secondary Public School Construction.

By Mr. GREEN:

Address delivered by Senator PASTORE before the British Empire Club in Providence, R. I., on March 17, 1955.

By Mr. BENNETT:

Statement by Senator WATKINS before Senate Finance Committee with respect to his proposed amendment to H. R. 1.

By Mr. DANIEL:

Statement prepared by him relative to the fifth anniversary of the National Muscular Dystrophy Foundation.

By Mr. BRICKER:

Address entitled "The Uses of Fear," delivered by Representative JOHN M. VORYS, of Ohio, at the Ohio State University Convocation on March 18, 1955.

By Mr. WILEY:

Letter written by him and newspaper article dealing with Cpl. Michael Red Cloud, winner of the Medal of Honor.

NOTICE OF HEARINGS ON SUNDRY NOMINATIONS BY FOREIGN RELATIONS COMMITTEE

Mr. GEORGE. Mr. President, as chairman of the Committee on Foreign Relations, I desire to say that the Senate received today a list of 27 persons for appointment as Foreign Service officers of various classes. The list is printed elsewhere in the proceedings of today. Notice is hereby given that these nominations will be considered by the Committee on Foreign Relations, at the expiration of 6 days.

NOTICE OF HEARINGS ON S. 636, TO REVISE THE FEDERAL ELECTION LAWS

Mr. HENNINGS. Mr. President, I would like to announce to the Senate that the Senate Subcommittee on Privileges and Elections has scheduled hearings on S. 636, a bill to revise the Federal election laws, to prevent corrupt practices in elections, and for other purposes. The hearings on this proposed Federal Elections Act of 1955 will begin on April 12 and 13, and will continue until all interested persons and organizations have had an opportunity to appear and testify. I should like to invite any and every interested Member of Congress to appear at these hearings and express his opinion of this bill and this subject. I should like to extend an invitation to interested Members of Congress to submit statements to the subcommittee, if they cannot attend these hearings. All such statements will be incorporated in the record of the hearings, and will be seriously considered by the subcommittee. Any other interested citizens and organizations are invited to contact the subcommittee if they wish to make their views known.

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Mr. President, at the time I introduced this bill, which was cosponsored by the Senator from Arizona [Mr. HAYDEN], the Senator from Rhode Island [Mr. GREEN], and the Senator from Oklahoma [Mr. GORE], I made a statement in which I explained the principal features of the bill, and detailed our reasons for introducing it. That statement appears in the CONGRESSIONAL RECORD for January 21, pages 547–548. I urge all Members of Congress to consult that statement, because I feel that this bill is most important, and because, as I said at that time, this bill should be acted on this year, rather than postponed to an election year.

ISSUANCE OF COMMEMORATIVE STAMP TO HONOR AMELIA EARHART—ADDITIONAL COSPONSOR OF BILL

Mr. CARLSON. Mr. President, on January 6, 1955, I submitted S. 10, which provides for the issuance of a commemorative postage stamp in honor of Amelia Earhart, who became nationally and internationally known as a great aviatrix by reason of being the first woman to have flown the Atlantic Ocean.

Because many of her family live in Massachusetts, I ask unanimous consent that the distinguished senior Senator from Massachusetts [Mr. SALTONSTALL] may be added as a cosponsor of the bill.

The VICE PRESIDENT. Without objection, it is so ordered.

ELIMINATION OF OATH OF OFFICE OF SENATE EMPLOYEES IN CERTAIN CASES

Mr. GREEN. Mr. President, last February 21 the Senate passed a bill (S. 913) to eliminate the need for renewal of oaths of office upon change of status of employees of the Senate.

The bill went to the House. The House of Representatives decided it was so good it desired to have the proposed legislation apply to employees of the House also. So it changed the bill by adding the words "or House of Representatives" in two places. The House of Representatives passed the bill as thus amended, and the bill has now come back to the Senate.

Mr. President, I move that the Senate concur in the amendments of the House of Representatives.

The VICE PRESIDENT laid before the Senate the amendments of the House of Representatives to the bill (S. 913) to eliminate the need for renewal of oaths of office upon change of status of employees of the Senate, which were, in line 4, after "Senate", insert "or House of Representatives"; in line 8, after "Senate", insert "or House of Representatives"; and to amend the title so as to read "An act to eliminate the need for renewal of oaths of office upon change of status of employees of the Senate or House of Representatives."

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from Rhode Island [Mr. GREEN] that the Senate concur in the amendments of the House of Representatives.

The motion was agreed to.

AMENDMENT OF REORGANIZATION ACT OF 1949, RELATING TO CERTAIN REORGANIZATION PLANS

The VICE PRESIDENT laid before the Senate a message from the House of Representatives announcing its action on certain amendments of the Senate to House bill 2576, which was read as follows:

IN THE HOUSE OF REPRESENTATIVES, U. S.,
March 21, 1955.

Resolved, That the House recede from its disagreement to the amendment of the Senate to line 7 to the bill (H. R. 2576) entitled "An act to further amend the Reorganization Act of 1949, as amended, so that such act will apply to reorganization plans transmitted to the Congress at any time before April 1, 1958," and concur therein with an amendment, as follows: In lieu of the matter stricken out and inserted by said amendment, strike out of the engrossed bill "April 1, 1958" and insert in lieu thereof "June 1, 1957."

That the House recede from its disagreement to the amendment of the Senate to the title of said bill and concur therein with an amendment, as follows: In lieu of the matter proposed by said amendment, amend the title so as to read: "An act to further amend the Reorganization Act of 1949, as amended, so that such act will apply to reorganization plans transmitted to the Congress at any time before June 1, 1957."

Mr. McCLELLAN. I move that the Senate concur in the amendments of the House.

The motion was agreed to.

TRIBUTE TO WALTER WHITE

Mr. SMITH of New Jersey. Mr. President, in the newspapers this morning, I have noted with genuine sorrow the death of Walter White. Walter White was executive secretary of the National Association for the Advancement of Colored People. Whenever I have had the privilege of meeting individuals who were so devoted to the cause in which they believed that they were willing to give their all to those causes, I have felt the inspiration of such dedication. This was the case of Walter White. Because of the sufferings of his childhood, he was prepared to give everything he had, including life itself, to the cause of the people of his race.

In the New York Times of this morning there is a splendid article giving a summary of Mr. White's life. I feel it is appropriate that the article should appear in the CONGRESSIONAL RECORD, as a tribute to a great personality who gave all he had for the cause in which he believed.

Therefore, Mr. President, I ask unanimous consent that the article be printed at this point in the body of the RECORD, as a part of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times of March 22, 1955]

WALTER WHITE, 61, DIES IN HOME HERE—LEADER IN CIVIL RIGHTS FIGHT 37 YEARS; WAS EXECUTIVE SECRETARY OF NAACP—CHOSE TO BE A NEGRO—AUTHOR OF 5 BOOKS; ALSO WAS A GOVERNMENT ADVISER IN U. N. AND VIRGIN ISLANDS

Walter White, executive secretary of the National Association for the Advancement of Colored People, died last night at his home, 242 East 68th Street. He was 61 years old.

Last October he twice entered the New York Hospital for treatment for a heart ailment that had caused him to take a leave of absence from his duties.

Mr. White, the nearest approach to a national leader of American Negroes since Booker T. Washington, was a Negro by choice.

Only five-thirty-seconds of his ancestry was Negro. His skin was fair, his hair blond, his eyes blue, and his features Caucasian. He could easily have joined the 12,000 Negroes who pass the color line and disappear into the white majority every year in this country.

But he deliberately sacrificed his comfort to publicize himself as a Negro and to devote his entire adult life to completing the emancipation of his people.

In his autobiography, A Man Called White, published in 1948, Mr White told of one night of horror that helped him make up his mind. A race riot occurred in his native Atlanta, when he was 13.

As a mob of white men attacked the White home, Walter and his father, a postman, took positions at parlor windows with pistols, while Mrs. White and five daughters huddled in a rear room. A volley of shots from another Negro dwelling deflected the mob just in time.

JOINED NAACP EARLY

Walter Francis White was born July 1, 1893, 1 of 7 light-skinned children. Being bright and of a comparatively well-to-do family, he was able to attend Atlanta Preparatory School and Atlanta University. After graduation in 1916 he became an insurance salesman.

He became active in the local chapter of the National Association for the Advancement of Colored People a few years after its organization. James Weldon Johnson, then executive secretary of the NAACP, impressed by the young man, hired him in 1918 as assistant secretary and brought him to New York.

When Mr. Johnson retired in 1929, Mr. White succeeded him. From 1918 until 1929 the assistant secretary personally investigated 41 lynchings and 8 race riots.

Investigating the notorious race riots in Elaine, Ark., in 1919, in which 3 whites and 200 Negroes were killed, he posed as a reporter for the Chicago Daily News. He interviewed some of the 79 Negro men imprisoned, some lynchers, and even the Governor of the State, before escaping on a train one jump ahead of a mob that had discovered his identity.

As head of an organization of 580,000 Negroes and white sympathizers, and unofficial champion of 14 million Negroes, Mr. White was a powerful lobbyist for Federal antilynching, antipolltax, and antisegregation laws.

INFLUENCED PRESIDENTS

In 1938 he pushed a Federal antilynching bill nearer to passage than ever before in 20 years of effort. The bill was defeated only after 7 weeks of filibuster by southern Senators. In 1930 he blocked the confirmation of President Herbert Hoover's appointment of John J. Parker, of North Carolina, to the Supreme Court because of the judge's approval of racial segregation.

He was the author of President Franklin D. Roosevelt's Executive order on Fair Employment practices in war industry during World War II. And he was responsible for President Harry Truman's stand on civil rights that caused the Dixiecrat bolt from the Democrats in the 1948 campaign.

Mr. White traveled 1 million miles, including 2 trips around the world, lecturing and investigating racial discrimination. He made perhaps 10,000 public speeches, wrote 5 books (including 2 novels), a hundred articles for national magazines, and for years wrote 2 weekly columns, 1 syndicated in

Negro newspapers and the other in white papers.

During the Harlem race riot of August 1, 1943, he and Mayor Fiorello H. La Guardia toured the streets all night in a limousine calming the agitated throngs. In 1939 he staged an open-air concert by Marian Anderson in Washington that attracted 75,000 persons after the Daughters of the American Revolution had refused their hall to the Negro singer. From 1943 to 1945 he toured every war theater as a special correspondent for the New York Post.

He was on the Advisory Council for Government of the Virgin Islands in 1934 and 1935, consultant to the United States delegation at the organization meeting of the United Nations in San Francisco in 1945, and consultant to the delegation at the General Assembly meeting in Paris in 1948.

In 1922 Mr. White married Leah Powell, an NAACP secretary. They had two children, Jane, now an actress, and Walter C. D. White. That marriage ended in divorce. In 1949 Mr. White married Poppy Cannon.

Besides his second wife and his children, he leaves two sisters in Atlanta.

EIGHTIETH BIRTHDAY OF SYNGMAN RHEE

Mr. SMITH of New Jersey. Mr. President, I have had called to my attention the fact that on Saturday next, March 26, the Honorable Syngman Rhee, the President of the Republic of Korea, will celebrate his 80th birthday. Because of my warm personal friendship for President Rhee and my admiration for the wonderful courage and patriotism he has evidenced by his achievements for the Republic of Korea, I am happy to call this occasion to the attention of my colleagues in the Senate.

President Rhee is a great patriot and statesman. He has dedicated his life to the freeing of his country from alien rule; and because of his great devotion to this cause, he has suffered many hardships and privations. He has been the leading figure in the setting up of the Republic of a free Korea; and he is still looking forward to the time when his beloved country, both North and South, may be united and may take its place, as a symbol of freedom and independence, among the free nations of the world.

I know it is the sincere hope and prayer of all of us that Syngman Rhee may live to see the consummation of his life's dedication, namely, a united Korea, free and independent.

NOMINATION OF HON. HOMER FERGUSON TO BE AMBASSADOR TO THE PHILIPPINES

Mr. KNOWLAND. Mr. President, I have discussed this subject with the majority leader. As in executive session, at the request of the Senator from Georgia [Mr. GEORGE], chairman of the Foreign Relations Committee, I report unanimously favorably from that committee the nomination of our former colleague, Senator Homer Ferguson, of Michigan, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of the Philippines, vice Raymond Ames Spruance, resigned, and ask unanimous consent for its immediate consideration.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield.

Mr. JOHNSON of Texas. The distinguished minority leader consulted me with respect to the request he has just made. I am very glad that he is asking unanimous consent for the present consideration of the nomination. It will give the Senate another opportunity to express our high regard, respect, and affection for one of our former colleagues.

The VICE PRESIDENT. Is there objection to the present consideration of the nomination? The Chair hears none, and the nomination will be stated.

The Chief Clerk read the nomination of Homer Ferguson to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of the Philippines.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

Mr. KNOWLAND. Mr. President, I ask that the President be immediately notified.

The VICE PRESIDENT. Without objection, the President will be notified forthwith.

Mr. KNOWLAND. Mr. President, I am very happy, and I am sure Members of both sides of the aisle are happy, to have this opportunity to confirm the nomination of a former colleague, a very fine citizen of his own State of Michigan, and of the United States. He served ably in this body as a member of the Foreign Relations Committee. He is a man of the highest integrity and ability. I know that he will ably represent the Government and the people of the United States in his new post as Ambassador to the Philippines.

Mr. SMITH of New Jersey. Mr. President, I should like to say a word at this time with regard to the confirmation of the nomination of former Senator Ferguson to be Ambassador to the Philippines. As a warm, personal friend of his for many years, and also as a colleague of his in the Senate, I have come to know and respect his ability. I developed a great affection for him and for his wonderful wife, Myrtle.

I am happy to add this word so that we can send with Homer and Mrs. Ferguson, as they go to this very vital and important post in the Far East, our best wishes and warm regards.

MORE CARGO FOR AMERICAN SHIPPING

Mr. BUTLER. Mr. President, Public Law 664, known as the 50–50 law, intended to provide more cargo for American shipping, continues to be the subject of what I regard as wholly unjustified criticism. As one of the principal proponents of this legislation, these denouncements are completely beyond my grasp of comprehension and I am certain there are many, even here in the Congress, who find themselves in much the same quandry.

In peacetime, as well as in wartime, the American merchant marine, with its many corollary industries, constitutes a vital segment of our national economy and our national security. Certainly, the validity of this has been capably and effectively demonstrated.

I therefore ask unanimous consent to have printed in the body of the RECORD an editorial which appeared in the March 8, 1955, issue of the Northwestern Miller, published in Minneapolis, Minn.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

THE 50–50 LAW

There is a tendency in some quarters to look upon America's abundance of agricultural products as a curse rather than as a blessing. Yet to the world at large these surpluses are a blessing, indeed, for the administration is doing everything within its powers, and within the bounds of prudence, to see that needy people get them.

Part of the plan is that agricultural surpluses may be sold for foreign currency under the provisions of Public Law 480. Because of the inability to procure, or to spend dollars, such countries as Yugoslavia, Pakistan, Turkey, Chile, and Peru are benefiting. Others are listed as possible beneficiaries.

It seems hard to understand, therefore, why one small provision or condition of such deals should arouse bitter criticism abroad. The United States Attorney General, Herbert Brownell, Jr., ruled last December that half of the commodities sold for foreign currency must be moved in American ships under the provisions of the Butler-Tollefson Cargo Preference Act. Known as the 50–50 law, this legislation is aimed at providing business for American ships. American surpluses have made food available to foreigners. What is wrong with moving it in American vessels? The rule has done no harm to overseas maritime nations for the movement of surplus commodities has resulted in a major increase in freight rates. Because foreign companies operating costs are much lower than those of American firms, they make that much extra profit.

From the vehement protests uttered abroad one might imagine that the Americans are taking their customers for every penny they have. Admittedly, these customers are paying for the goods, but it is in their own national currencies and the American administration is committed to spending the cash take on projects abroad. Admittedly, again, these projects are aimed at strengthening world defense, itself an advantage to the United States. But they are also advantageous to the recipients in spheres apart from mutual defense. Money circulates more freely and the projects themselves are capital gains.

Even when the United States was giving freely and without charge large amounts for the economic rehabilitation of Europe in the early postwar years, there were squeals of protest at even the smallest stipulation imposed by the American administration. The removal of the provision that 25 percent of all wheat shipped under the aid scheme should be in the form of flour was sparked by the protestations of the beneficiaries.

The House Merchant Marine Committee has been hearing about the protests. The firm recommendation is that the Committee should not allow the administration to recognize them.

STUDY OF PROPOSALS TO MODIFY EXISTING INTERNATIONAL PEACE AND SECURITY ORGANIZATIONS

Mr. GEORGE. Mr. President, from the Committee on Foreign Relations, I report an original resolution and ask unanimous consent for its immediate consideration. It is a noncontroversial resolution. It merely increases the membership of the committee to study

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proposals relating to international peace and security organizations from 6 to 8. The appointments are in effect at this time. This resolution is necessary to straighten out the record.

The VICE PRESIDENT. The resolution will be read for the information of the Senate.

The resolution (S. Res. 83) was read, as follows:

Resolved, That section 1 of Senate Resolution 126, 83d Congress, 1st session, as amended, agreed to on July 28, 1953 (authorizing a complete study of proposals to amend or otherwise modify existing international peace and security organizations, including the United Nations), is amended by striking out the words "six members" and inserting in lieu thereof the words "eight members."

Mr. JOHNSON of Texas. Mr. President, the distinguished chairman advised me of his plan to ask for consideration of this resolution at this time. I have just informed the minority leader, and I am now in a position to say to the Senate that both of us are agreeable to its immediate consideration.

The VICE PRESIDENT. Is there objection to the present consideration of the resolution?

There being no objection, the resolution was considered and agreed to.

HEALTHFUL CLIMATE OF THE DAKOTAS

Mr. MUNDT. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a statement which I have prepared, together with a newspaper article, dealing with the healthful climate of the Dakotas.

There being no objection, the statement and article were ordered to be printed in the RECORD, as follows:

I should like to call the attention of this distinguished body to a little-known, but very important factor of American living. I am referring to the superb climate, the good schools and generally fine living conditions which have combined with sturdy Scandinavian and German ancestry to provide a superior type of citizen in my home State of South Dakota, and in the surrounding area of the North Central States.

Ordinarily, I would not presume to press these facts upon my distinguished colleagues from the other 47 States of this Nation, each of whom is rightfully convinced that his own home State is the very best.

However, some official statistics have recently come to my attention bearing out in detail my conviction of many years standing that the farms, small towns and cities—on the prairies, and in the rolling cattle country, and in the mountainous Black Hills of South Dakota—have provided America with the very best of sturdy citizens.

These statistics—furnished by officials of the Selective Service—point out that my home State of South Dakota was second lowest in the Nation, with only 22.3 percent, of its young manhood rejected in the draft.

Only our sister State of North Dakota had a lower rejection quota—by a few percentage points—while our adjoining States of Iowa had the third, and Minnesota the fourth lowest rates, with Wisconsin rating fifth.

These statistics bring forth the fact that our draft-age boys in South Dakota and the North Central States are generally healthier, taller and heavier than in most of the Nation. It is significant that an outstanding novel about South Dakota pioneer life was symbolically named "Giants in the Earth."

To my colleagues of the Senate, I should like to extend a personal invitation that they drop the cares of their duties when this session adjourns and come to the sovereign State of South Dakota for an exhilarating vacation where the healthful climate—that is producing the best of young America—will prove a veritable tonic for good living which I am sure my colleagues will enjoy.

RUGGED, HEALTHY CLIMATE OF DAKOTAS IS PRAISED BY ARMY

ST. PAUL, MINN.—The North Central States have generally the lowest draft rejection rate in the Nation and the primary reason is the rugged, healthy climate, state selective service directors said today.

Other factors cited by officials in the Dakotas, Minnesota, Iowa, and Wisconsin included better educational facilities; good economic conditions; and ancestry.

Col. L. E. Lilygren, Minnesota selective service director, said the national draft rejection rate is about 35 percent.

Here's what the rejection rate was in the North Central States between July 1950, and January 1950.

North Dakota was lowest with only 19.5 percent, South Dakota second with 22.3 percent, Iowa third with 22.9 percent, Minnesota fourth with 24.6 percent, and Wisconsin fifth with 28.4 percent.

Directors from the 5 States agree that north central area draft-age boys are generally healthier, taller, and heavier than in most of the Nation.

Maj. Gen. Herbert L. Edwards, North Dakota selective service director, said "I believe the healthy, rugged climate is the reason we have enjoyed the lowest draft rejection rate, even in World War II."

Col. John N. Green, chief of the Iowa military district, said, "People have more of a chance to grow up healthier in small towns and on farms than they do in areas dominated by big city life."

PUBLICATION OF YALTA DOCUMENTS

Mr. KNOWLAND. Mr. President, I ask unanimous consent that I may be permitted to insert certain documents in the body of the RECORD, and to make a brief statement not to exceed 3 minutes.

The VICE PRESIDENT. The Senator from California may proceed.

Mr. KNOWLAND. Mr. President, since the official State Department documents on the Yalta Conference were released last Wednesday, considerable discussion has been had in foreign capitals, the foreign press and newspapers at home relating to the advisibility of the publication of these documents at this time. In some quarters substantial criticisms have been raised that this action was ill-advised and intended to promote international disharmony and partisan advantage.

I believe that these charges will not be supported by the record and it becomes important to place the release of the Yalta documents in their proper perspective.

The Foreign Relations publication program started during Lincoln's first administration in 1861 and has continued since that time as the basic record of United States foreign policy. Until the first few years of the 20th century, the Foreign Relations volumes were published within a year or two after the events to which they related took place. However, as the complexity of our foreign relations increased, a considerable lag in the publication of these volumes has occurred to the extent that when this administration took office in 1953, the gap amounted to an 18-year lapse in publication time.

As of August 1953, the Foreign Relations volumes had been published through 1935. This great lapse in publishing important historical documents caused increasing concern among Members of Congress and students of international events who have come to rely on these reports for information of the factual role that the United States was playing in international developments.

In the supplemental hearings on the State Department's appropriations for 1954, pages 24–29, this matter was brought to the attention of the Senate Appropriations Committee. On page 25 of those hearings, the Assistant Secretary of State, Mr. Carl W. McCardle proposed a speeded-up publication program of; first, Foreign Relations volumes, second, the record of United States diplomacy with China during the years 1941–50; and, third, the World War II papers with particular reference to the wartime secret conferences. Mr. McCarle further indicated that the wartime secret conferences reports would be ready for publication sometime in 1954.

For the purposes of the record, I believe it should be shown that the appropriation hearings referred to here were held in May of 1953.

In the Senate Appropriations Committee's report on State Department Appropriations bill, the sense of the Senate Committee was expressed on behalf of speeding up the publication of these foreign relations volumes. This statement can be found in Senate Report No. 309, at pages 4–5, 83d Congress, 1st session.

On January 27, 1954, more than a year ago, State Department officials appeared before the House Appropriations Committee to present their testimony in justification of funds for fiscal 1955. On page 146 of those hearings, the statement is made by Mr. Joseph B. Phillips, Deputy Assistant Secretary for Public Affairs, that the compilation of all available papers on the Yalta and Potsdam Conferences would be completed shortly and be in the process of publication before the end of the fiscal year of 1954.

This statement, Mr. President, was made considerably more than a year ago, as I have previously said.

On April 20, 1954, State Department officials appeared before the Senate Appropriations Subcommittee and submitted a schedule for the compilation and publication of the foreign relations volumes. This schedule is to be found on page 812 of those hearings and indicates that the Yalta documents were to be completed for publication in fiscal 1955.

The Senate committee reiterated its firm conviction that the historical and documented record of our interfational relations should be made available as soon as possible and funds were provided for carrying out this specific recommendation. Reference to the committee's

action in this connection can be found on page 3, Senate Report No. 1541, 83d Congress, 2d session.

Mr. President, the events to which I have just alluded demonstrate clearly that for a 2-year period the Congress and other interested persons had public knowledge of the forthcoming publication of the Yalta documents and other documents relating to World War II secret conferences. Based on this record, any criticism that the publication of these documents was hasty, ill-advised, or for the purpose of serving any ulterior objective cannot be substantiated by the facts.

Mr. President, in conclusion I ask unanimous consent that a compilation of the material to which I have previously referred, including the report on the Yalta Conference made by President Roosevelt to a joint session of the two Houses of Congress on March 1, 1945, be printed in the RECORD at this point in my remarks.

There being no objection, the compilation and the report of President Roosevelt were ordered to be printed in the RECORD, as follows:

1. Supplemental Senate hearings on Departments of State, Justice, and Commerce appropriations for 1954, 83d Congress, 1st session, pages 24–29.

2. Departments of State, Justice, and Commerce appropriation bill, 1954, Senate Report No. 309, pages 4–5, 83d Congress, 1st session.

3. Departments of State, Justice, and Commerce appropriations for 1955, House hearings, 83d Congress, 2d session, page 146.

4. Departments of State, Justice, and Commerce appropriation for 1955, Senate hearings, 83d Congress, 2d session, pages 808–812.

5. Departments of State, Justice, and Commerce appropriation bill, 1955, 83d Congress, 2d session, Senate Report No. 1541, page 3.

6. Report on the Yalta Conference. Address of the President of the United States, March 1, 1945.

REPORT ON THE YALTA CONFERENCE

(Address of the President of the United States, delivered before a joint session of the Senate and House of Representatives on the subject of the Yalta Conference)

Mr. Vice President, Mr. Speaker, and Members of the Congress, I hope you will pardon me for the unusual posture of sitting down during the presentation of what I wish to say, but I know you will realize it makes it a lot easier for me in not having to carry about 10 pounds of steel around the bottom of my legs [laughter] and also because of the fact I have just completed a 14,000-mile trip. [Applause.]

First of all, I want to say that it is good to be home. It has been a long journey, and I hope you will also agree, so far, a fruitful one.

Speaking in all frankness, the question of whether it is entirely fruitful or not lies to a great extent in your hands, for unless you here in the Halls of the American Congress, with the support of the American people, concur in the general conclusions reached at that place called Yalta, and give them your active support, the meeting will not have produced lasting results. And that is why I have come before you at the earliest hour I could after my return. I want to make a personal report to you and, at the same time, to the people of the country.

Many months of earnest work are ahead of us all, and I should like to feel that when the last stone is laid on the structure of international peace it will be an achievement toward which all of us in America have worked steadfastly and unselfishly together.

I am returning from this trip that took me so far, refreshed and inspired. I was well the entire time. I was not ill for a second until I arrived back in Washington, and here I heard all of the rumors which had occurred in my absence. [Laughter.] Yes; I returned from the trip refreshed and inspired. The Roosevelts are not, as you may suspect, averse to travel [laughter]; we seem to thrive on it. [Applause.]

And far away as I was, I was kept constantly informed of affairs in the United States. The modern miracles of rapid communication have made this world very small. We must always bear in mind that fact when we speak or think of international relations. I received a steady stream of messages from Washington, I might say from not only the executive branch with all its departments, but also from the legislative branch in its two departments; and except where radio silence was necessary for security purposes I could continuously send messages any place in the world; and, of course, in a grave emergency we could even have risked the breaking of the security rule.

I come from the Crimean Conference with a firm belief that we have made a good start on the road to a world of peace. There were two main purposes in this Crimean Conference: The first was to bring defeat to Germany with the greatest possible speed and the smallest possible loss of Allied men. That purpose is now being carried out in great force. The German Army, the German people, are feeling the ever-increasing might of our fighting men and of the Allied armies; and every hour gives us added pride in the heroic advance of our troops in Germany on German soil toward a meeting with the gallant Red army.

The second purpose was to continue to build the foundation for an international accord that would bring order and security after the chaos of the war, that would give some assurance of lasting peace among the nations of the world. Toward that goal a tremendous stride was made.

At Teheran a little over a year ago there were long range military plans laid by the chiefs of staffs of the three most powerful nations. Among the civilian leaders at Teheran, however, at that time there were only exchanges of views and expressions of opinion. No political arrangements were made and none was attempted.

At the Crimean Conference, however, the time had come for getting down to specific cases in the political field.

There was on all sides at this conference an enthusiastic effort to reach an agreement. Since the time of Teheran, a year ago, there had developed among all of us—what shall I call it?—a greater facility in negotiating with each other that augurs well for the peace of the world; we know each other better.

I have never for an instant wavered in my belief that an agreement to insure world peace and security can be reached.

There were a number of things that we did that were concrete, that were definite; for instance, the lapse of time between Teheran and Yalta without conferences of representatives, of civilian representatives of the three major powers, has proved to be too long—14 months. During that long period local problems were permitted to become acute in places like Poland, Greece, Italy, and Yugoslavia.

Therefore, we decided at Yalta that even if circumstances made it impossible for the heads of the three Governments to meet more often in the future, we would make sure that there would be more frequent personal contacts for exchange of views between the Secretaries of State and the foreign ministers of these three powers.

We arranged for periodic meetings at intervals of 3 or 4 months. I feel very confident that under this arrangement there will be no recurrences of the incidents which this winter disturbed the friends of world-wide cooperation and collaboration.

When we met at Yalta, in addition to laying out strategic and tactical plans for the complete and final military victory over Germany, there were other problems of vital political consequence.

For instance, first there was the problem of the occupation and control of Germany after victory, the complete destruction of her military power, and the assurance that neither naziism nor Prussian militarism could again be revived to threaten the peace and civilization of the world. [Applause.]

Secondly, again for example, there was the settlement of the few differences that remained among us with respect to the International Security Organization after the Dumbarton Oaks Conference. As you remember, at that time and afterwards, I said we had agreed 90 percent. That is a pretty good percentage. I think the other 10 percent was ironed out at Yalta.

Thirdly, there were the general political and economic problems common to all of the areas that would be in the future, or which have been, liberated from the Nazi yoke. We over here find it very difficult to understand the ramifications of many of these problems in foreign lands, but we are trying to.

Fourth, there were the special problems created by Poland and Yugoslavia.

Days were spent in discussing these momentous matters, and we argued freely and frankly across the table. But at the end, on every point, unanimous agreement was reached. And, more important even than the agreement of words, I may say, we achieved a unity of thought and a way of getting along together. [Applause.]

We know, of course, that it was Hitler's hope and the German war lords' hope that we would not agree—that some slight crack might appear in the solid wall of allied unity, a crack that would give him and his fellow gangsters one last hope of escaping their just doom. That is the objective for which his propaganda machine has been working for many months.

But Hitler has failed. [Applause.]

Never before have the major Allies been more closely united—not only in their war aims, but also in their peace aims. And they are determined to continue to be united, to be united with each other—and with all peace-loving nations—so that the ideal of lasting peace will become a reality.

The Soviet, the British, and United States Chiefs of Staff held daily meetings with each other. They conferred frequently with Marshal Stalin, Prime Minister Churchill, and with me on the problem of coordinating the strategic and tactical efforts of the Allied Powers. They completed their plans for the final knock-out blows to Germany.

At the time of the Teheran Conference, the Russian front, for instance, was removed so far from the American and British fronts that, while certain long-range strategic cooperation was possible, there could be no tactical, day-by-day coordination. They were too far apart. But Russian troops have now crossed Poland. They are fighting on the eastern soil of Germany herself; British and American troops are now on German soil close to the Rhine River in the west. It is a different situation today from what it was 14 months ago. A closer tactical liaison has become possible for the first time in Europe. That was something else that was accomplished in the Crimean Conference.

Provision was made for daily exchange of information between the armies under the command of General Eisenhower on the western front and those armies under the command of the Soviet marshals on that long eastern front, and also with our armies in Italy—without the necessity of going

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through the Chiefs of Staff in Washington or London as in the past.

You have seen one result of this exchange of information in the recent bombings by American and English aircraft of points which are directly related to the Russian advance on Berlin.

From now on, American and British heavy bombers will be used in the day-by-day tactics of the war. We have begun to realize, I think, that there is all the difference in the world between tactics on the one side and strategy on the other—day-by-day tactical war in direct support of Soviet armies as well as in the support of our own on the western front.

They are now engaged in bombing and strafing in order to hamper the movement of German reserves, German materials to the eastern and western fronts from other parts of Germany or from Italy.

Arrangements have been made for the most effective distribution of all available material and transportation to the places where they can best be used in the combined war effort—American, British, and Russian.

The details of these plans and arrangements are military secrets, of course; but this tying of things in together is going to hasten the day of the final collapse of Germany. The Nazis are learning about some of them already, to their sorrow, and I think all three of us at the Conference felt that they will learn more about them tomorrow, and the next day, and the day after that. [Applause.]

There will be no respite from these attacks. We will not desist for one moment until unconditional surrender. [Applause.]

You know, I have always felt that common sense prevails in the long run—quiet, overnight thinking. I think that is true in Germany just as much as it is here. The German people as well as the German soldiers must realize that the sooner—the sooner they give up and surrender—surrender by groups or as individuals, the sooner their present agony will be over. They must realize that only with complete surrender can they begin to reestablish themselves as people whom the world might accept as decent neighbors.

We made it clear again at Yalta, and I now repeat, that unconditional surrender does not mean the destruction or enslavement of the German people. The Nazi leaders have deliberately withheld that part of the Yalta declaration from the German press and radio. They seek to convince the people of Germany that the Yalta declaration does mean slavery and destruction for them. They are working at it day and night, for that is how the Nazis hope to save their own skins—to deceive their people into continued and useless resistance.

We did, however, make it clear at the Conference just what unconditional surrender does mean for Germany.

It means the temporary control of Germany by Great Britain, Russia, France, and the United States. Each of these nations will occupy and control a separate zone of Germany—and the administration of the four zones will be coordinated—coordinated in Berlin by a Control Council composed of the representatives of the four nations.

Unconditional surrender means something else. It means the end of nazism. [Applause.] It means the end of the Nazi Party and all of its barbaric laws and institutions.

It means the termination of all militaristic influence in the public, private, and cultural life of Germany.

It means for the Nazi war criminals a punishment that is speedy and just—and severe.

It means the complete disarmament of Germany; the destruction of its militarism and its military equipment; the end of its production of armament; the dispersal of all of its armed forces; the permanent dismemberment of the German general staff which has so often shattered the peace of the world.

It means that Germany will have to make reparations—reparations in kind for the damage which it has done to the innocent victims of its aggression.

By compelling reparations in kind—in plants, in machinery, in rolling stock, in raw materials—we shall avoid the mistakes that we and other people—other nations—made after the last war, the demanding of reparations in the form of money which Germany could never pay.

We do not want the German people to starve, or to become a burden on the rest of the world.

Our objective in handling Germany is simple—it is to secure the peace of the rest of the world now and in the future. Too much experience has shown that that objective is impossible if Germany is allowed to retain any ability to wage aggressive warfare. [Applause.]

These objectives will not hurt the German people. On the contrary, they will protect them from a repetition of the fate which the general staff and kaiserism imposed on them before, and which Hitlerism is now imposing upon them again a hundredfold. It will be removing a cancer from the German body politic, which for generations has produced only misery, only pain for the whole world.

During my stay in Yalta, I saw the kind of reckless, senseless fury, and terrible destruction which comes out of German militarism. Yalta on the Black Sea had no military significance of any kind. It had no defense.

Before the last war, it had been a resort—a resort for people like the czars and princes and aristocracy and the hangers-on. However, after the war, after the Red revolution, and until the attack on the Soviet Union by Hitler a few years ago, the palaces and the villas of Yalta had been used as a rest and recreation center by the Russian people.

The Nazi officers took over the former palaces and villas for their own use. The only reason that the so-called palace of the former czar was still habitable when we got there was that it had been given or he thought it had been given—to a German general for his own property, and his own use. And when the rest of Yalta was destroyed, he kept soldiers there to protect what he thought had become his own personal villa. When the Red army forced the Nazis out of the Crimea almost a year ago last April, it was found that all of the palaces were looted by the Nazis, and then nearly all of them were destroyed by bombs placed on the inside. Even the humblest of the homes of Yalta were not spared.

There was little left of it except blank walls, ruins, and destruction.

Sevastopol—that was a fortified port about 40 or 50 miles away—there again was a scene of utter destruction of a large city and great navy yards and great fortifications. I think less than a dozen buildings were left intact in the entire city.

I had read about Warsaw and Lidice and Rotterdam and Coventry, but I saw Sevastopol and Yalta, and I know there is not room enough on earth for both German militarism and Christian decency.

But—to go on with the story, which I hope to do in under an hour—of equal importance with the military arrangements at the Crimean Conference were the agreements reached with respect to a general international organization for lasting world peace. The foundations were laid at Dumbarton Oaks. There was one point, however, on which agreement was not reached. It involved the procedure of voting—of voting in the Security Council. I want to try to make it clear by making it simple. It took me hours and hours to get the thing straight in my own mind—and many conferences.

At the Crimean Conference the Americans made a proposal—a proposal on the subject which, after full discussion, I am glad to say, was unanimously adopted by the other two nations.

It is not yet possible to announce the terms of it publicly, but it will be in a very short time.

When the conclusions reached with respect to voting are made known, I think and I hope that you will find them fair—that you will find them a fair solution of this complicated and difficult problem—I might almost say a legislative problem. They are founded in justice and will go far to insure international cooperation for the maintenance of peace.

There is going to be held, you know—after we have straightened that voting matter out—in San Francisco a meeting of all the United Nations of the world on the 25th of April. There, we all hope, and confidently expect, to execute a definite charter of organization under which the peace of the world will be preserved and the forces of aggression permanently outlawed.

This time we are not making the mistake of waiting until the end of the war to set up the machinery of peace. This time, as we fight together to win the war finally, we work together to keep it from happening again.

As you know I have always been a believer in the document called the Constitution. I spent a good deal of time in educating two other nations of the world with regard to the Constitution of the United States—that the charter has to be and should be approved by the Senate of the United States under the Constitution. I think the other nations of the world know it now. I am aware of the fact and now all the other nations are. And we hope the Senate will approve what is set forth as the Charter of the United Nations when they all come together in San Francisco next month.

The Senate of the United States, through its appropriate representatives, has been kept continuously advised of the program of this Government in the creation of the International Security Organization.

The Senate and the House will both be represented at the San Francisco Conference. The congressional delegates will consist of an equal number of Republican and Democratic Members. The American delegation is—in every sense of the word—bipartisan because world peace is not exactly a party question. I think that Republicans want peace just as much as Democrats. It is not a party question any more than is military victory—the winning of the war.

When the Republic was threatened, first by the Nazi clutch for world conquest back in 1939 and 1940, and then by the Japanese treachery in 1941, partisanship and politics were laid aside by nearly every American; and every resource was dedicated to our common safety. The same consecration to the cause of peace will be expected, I think, by every patriotic American—by every human soul overseas, too.

The structure of world peace cannot be the work of one man, or one party, or one nation. It cannot be just an American peace, or a British peace, or a Russian, French, or a Chinese peace. It cannot be a peace of large nation—or of small nations. It must be a peace which rests on the cooperative effort of the whole world.

It cannot be a structure complete. It cannot be what some people think—a structure of complete perfection at first. But it can be a peace—and it will be a peace—based on the sound and just principles of the Atlantic Charter—on the conception of the dignity of the human being—and on the guaranties of tolerance and freedom of religious worship.

As the Allied armies have marched to military victory, they have liberated peoples whose liberties had been crushed by the Nazis for 4 long years, and whose economy had been reduced to ruin by Nazi despoilers.

There have been instances of political confusion and unrest in these liberated areas—that is not unexpected—as in Greece, or in Poland, or in Yugoslavia, and there may be more. Worse than that, there actually began to grow up in some of these places queer ideas of, for instance, "spheres of influence" that were incompatible with the basic principles of international collaboration. If allowed to go on unchecked, these developments might have had tragic results.

It is fruitless to try to place blame for this situation on one particular nation or on another. It is the kind of development that is almost inevitable unless the major powers of the world continue without interruption to work together and assume joint responsibility for the solution of problems that may arise to endanger the peace of the world.

We met in the Crimea, determined to settle this matter of liberated areas. Things that might happen that we cannot foresee at this moment might happen suddenly—unexpectedly—next week or next month. And I am happy to confirm to the Congress that we did arrive at a settlement—and, incidentally, a unanimous settlement.

The three most powerful nations have agreed that the political and economic problems of any area liberated from the Nazi conquest, or of any former Nazi satellite, are a joint responsibility of all three Governments. They will join together, during the temporary period of instability after hostilities, to help the people of any liberated area, or of any former satellite state, to solve their own problems through firmly established democratic processes.

They will endeavor to see to it that interim governments—the people who carry on the interim governments between the occupation of Germany and the day of true independence—will be as representative as possible of all democratic elements in the population, and that free elections are held as soon as possible thereafter.

The responsibility for political conditions thousands of miles away can no longer be avoided, I think, by this great Nation. Certainly, I do not want to live to see another war. As I have said, the world is smaller—smaller every year. The United States now exerts a tremendous influence in the cause of peace. Whatever people over here think or talk in the interests of peace is, of course, known the world over. The slightest remark in either House of Congress is known all over the world the following day. We will continue to exert that influence only if we are willing to continue to share in the responsibility for keeping the peace. It will be our own tragic loss if we were to shirk that responsibility.

Final decisions in these areas are going to be made jointly and, therefore, they will often be the result of give-and-take compromise. The United States will not always have its way 100 percent—nor will Russia, nor Great Britain. We shall not always have ideal solutions to complicated international problems, even though we are determined continuously to strive toward that ideal. But I am sure that, under the agreement reached at Yalta, there will be a more stable political Europe than ever before.

Of course, once there has been a true expression of the people's will in any country, our immediate responsibility ends—with the exception only of such action as may be agreed upon by the International Security Organization we hope to set up.

The United Nations must also begin to help these liberated areas adequately to reconstruct their economy—I do not want them to starve to death—so that they are ready to resume their places in the world. The Nazi war machine has stripped them of raw materials, machine tools, trucks, locomotives, and things like that. They have left the industry of these places stagnant and much of the agricultural areas unproductive. The Nazis have left complete or partial ruin in their wake.

To start the wheels running again is not a mere matter of relief. It is to the national interest of all of us to see that these liberated areas are again made self-supporting and productive so that they do not need continuous relief from us. I should say that was an argument based upon commonsense.

One outstanding example of joint action by the three major allied powers was the solution reached on Poland. The whole Polish question was a potential source of trouble in postwar Europe, and we came to the Conference determined to find a common ground for its solution. We did. We know everybody does not agree with it—obviously.

Our objective was to help create a strong, independent, and prosperous nation—that is the thing we must all remember—those words agreed to by Russia, by Britain, and by me: the objective of making Poland a strong, independent, and prosperous nation with a government ultimately to be selected by the Polish people themselves.

To achieve this objective, it was necessary to provide for the formation of a new government much more representative than had been possible while Poland was enslaved. There are, you know, two governments: 1 in London, 1 in Lublin, practically in Russia.

Accordingly, steps were taken at Yalta to reorganize the existing provisional government in Poland on a broader democratic basis, so as to include democratic leaders now in Poland and those abroad. This new, reorganized government will be recognized by all of us as the temporary Government of Poland. Poland needs a temporary government in the worst way—an interim government is another way to put it. However, the new Polish Provisional Government of national unity will be pledged to holding a free election as soon as possible on the basis of universal suffrage and a secret ballot.

Throughout history Poland has been the corridor through which attacks on Russia have been made. Twice in this generation, Germany has struck at Russia through this corridor. To insure European security and world peace, a strong and independent Poland is necessary to prevent that from happening again.

The decisions with respect to the boundaries of Poland were frankly a compromise. I did not agree with all of it by any means. But we did not go as far as Britain wanted in certain areas; we did not go as far as Russia wanted in certain areas; and we did not go as far as I wanted in certain areas. It was a compromise.

While the decision is a compromise, it is one, however, under which the Poles will receive compensation in territory in the North and West in exchange for what they lose by the Curzon line in the East. The limits of the western border will be permanently fixed in the final peace conference. Roughly, this will include in the new, strong Poland quite a large slice of what is now called Germany. It was agreed also that the new Poland will have a large and long coastline and many new harbors; also that East Prussia—most of it—will go to Poland. A corner of it will go to Russia; also—what shall I call it—the anomaly of the Free State of Danzig—I think Danzig would be a lot better if it were Polish.

It is well known that the people east of the Curzon line—this is an example of why it is a compromise—the people east of the Curzon line are predominantly White Russians and Ukrainians—a very great majority—not Polish; and the people west of that line are predominantly Polish, except in that part of East Prussia and eastern Germany which would go to the new Poland. As far back as 1919, representatives of the Allies agreed that the Curzon line represented a fair boundary between the two peoples. You must remember also that there was no Poland or had not been any Polish Government before 1919 for a great many generations.

I am convinced that this agreement on Poland, under the circumstances, is the most hopeful agreement possible for a free, independent, and prosperous Polish State.

The Crimean Conference was a meeting of the three major military powers on whose shoulders rests the chief responsibility and burden of the war. Although, for this reason, another nation was not included—France was not a participant in the Conference—no one should detract from the recognition which was accorded there to her role in the future of Europe and the future of the world.

France has been invited to accept a zone of control in Germany, and to participate as a fourth member of the Allied Control Council on Germany.

She has been invited to join as a sponsor of the International Conference at San Francisco next month.

She will be a permanent member of the International Security Council, together with the other four major powers.

And, finally, we have asked France that she be associated with us in our joint responsibility over the liberated areas of Europe.

There were, of course, a number of smaller things I have not time to go into on which joint agreement was had. We hope things will straighten out.

Agreement was reached on Yugoslavia, as announced in the communique, and we hope that it is in process of fulfillment.

We have to remember that there are a great many prima donnas in the world all wishing to be heard before anything becomes final; so we may have a little delay while we listen to more prima donnas. [Laughter.]

Quite naturally, this Conference concerned itself only with the European war and with the political problems of Europe—and not with the Pacific war.

At Malta, however, our combined British and American staffs made their plans to increase their attack against Japan.

The Japanese war lords know that they are not being overlooked. They have felt the force of our B-29's, and our carrier planes; they have felt the naval might of the United States, and do not appear very anxious to come out and try it again.

The Japs know what it means to hear that the United States Marines have landed. [Applause.] And I think I may add, having Iwo Jima in mind, that "the situation is well in hand." [Applause.]

They also know what is in store for the homeland of Japan now that General MacArthur has completed his magnificent march back to Manila [applause] and with Admiral Nimitz establishing air bases right in their own backyard. [Applause.] But lest somebody lay off work in the United States I can repeat what I have said—a short sentence—even in my sleep: "We haven't won the wars yet," with an "s" on wars. It is a long tough road to Tokyo; it is longer to Tokyo than it is to Berlin in every sense of the word.

The defeat of Germany will not mean the end of the war against Japan; on the contrary, we must be prepared for a long and a costly struggle in the Pacific.

But the unconditional surrender of Japan is as essential as the defeat of Germany. [Applause.] I say that advisedly with the thought in mind that that is especially true if our plans for world peace are to succeed. For Japanese militarism must be wiped out as thoroughly as German militarism.

On the way back from the Crimea I made arrangements to meet personally King Farouk of Egypt, Haile Selassie, Emperor of Ethiopia, and King Ibn Saud of Saudi Arabia. Our conversations had to do with matters of common interest. They will be of great mutual advantage because they gave us an opportunity of meeting and talking face to face, and of exchanging views in personal conversation instead of formal correspondence. For instance, from Ibn Saud

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of Arabia I learned more of the whole problem of the Moslems and more about the Jewish problem in 5 minutes than I could have learned by the exchange of a dozen letters.

On my voyage I had the benefit of seeing the Army, the Navy, and the Air Force at work.

All Americans, I think, would feel as proud of our Armed Forces as I am if they could see and hear what I did.

Against the most efficient professional soldiers and sailors and airmen of all history, our men stood and fought—and won. [Applause.]

I think that this is our chance to see to it that the sons and grandsons of these gallant fighting men do not have to do it all over again in a few years.

The conference in the Crimea was a turning point, I hope, in our history and, therefore, in the history of the world. There will soon be presented to the Senate and to the American people a great decision that will determine the fate of the United States—and I think, therefore, the fate of the world—for generations to come.

There can be no middle ground here. We shall have to take the responsibility for world collaboration, or we shall have to bear the responsibility for another world conflict.

I know that the word "planning" is not looked upon with favor in some circles. In domestic affairs, tragic mistakes have been made by reason of lack of planning; and, on the other hand, many great improvements in living, and many benefits to the human race, have been accomplished as a result of adequate, intelligent planning—reclamation of desert areas, developments of whole river valleys, provision for adequate housing.

The same will be true in relations between nations. For the second time in the lives of most of us this generation is face to face with the objective of preventing wars. To meet that objective the nations of the world will either have a plan or they will not. The ground work of a plan has now been furnished and has been submitted to humanity for discussion and decision.

No plan is perfect. Whatever is adopted at San Francisco will doubtless have to be amended time and again over the years, just as our own Constitution has been. No one can say exactly how long any plan will last. Peace can endure only so long as humanity really insists upon it, and is willing to work for it—and sacrifice for it.

Twenty-five years ago American fighting men looked to the statesmen of the world to finish the work of peace for which they fought and suffered. We failed them. We failed them then. We cannot fail them again, and expect the world to survive.

I think the Crimean Conference was a successful effort by the three leading nations to find a common ground for peace. It spells—and it ought to spell—the end of the system of unilateral action, exclusive alliances, and spheres of influence, and balances of power, and all the other expedients which have been tried for centuries and have always failed.

We propose to substitute for all these a universal organization in which all peace-loving nations will finally have a chance to join.

I am confident that the Congress and the American people will acept the results of this conference as the beginnings of a permanent structure of peace upon which we can begin to build, under God, that better world into which our children and grandchildren—yours and mine, the children and grandchildren of the whole world—must live, and can live.

And that, my friends, is the only message I can give you. I feel it very deeply as I know that all of you are feeling it today and are going to feel it in the future. [Applause.]

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that I may proceed for not to exceed 3 minutes.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. JOHNSON of Texas. Mr. President, I hope that we shall not reach a point in the Senate, with the vital problems affecting this Nation, where, in addition to the regular morning hour, we have to pause in the day's occupation in order to debate the Yalta papers.

Personally, I have never been one to ignore the lessons of history. I think we can learn—and should learn—from the mistakes and the triumphs of men who have gone before us.

But I believe we would all do well to recall the warning of one of our great World War II leaders. At the beginning of that conflict, he admonished his people not to lose the future by quarreling over the past.

That advice is as valid today as it was in that dark hour.

The subject of the current debate is a set of papers.

They involve a conference between 3 men—2 of whom are now dead.

Their publication was bitterly protested by the one leading participant still alive.

According to an official spokesman, they were distributed without the knowledge—and presumably without the consent—of the President.

They reveal nothing new except the guarded comments of men who were trying to settle the problems of 1945—and not the elections of 1956.

On a Monday, the official custodian of the papers said their publication would adversely affect the Nation's security. By Wednesday, they were in the hands of one—I repeat, Mr. President—one newspaper under circumstances which strongly suggest official collusion.

By the following Monday, the ghost writers of a great political party were busily at work carefully culling individual excerpts from the papers to be used as ammunition—not against Communists but against fellow Americans.

Mr. President, is it too much to suggest that this form of activity is putting a strain on the unity of America and the unity of the free world?

I concede that these documents have great historical interest. I have no objection to their publication under proper circumstances. But there are few members of any political party who qualify as unbiased historians.

Personally, I think we would be well advised to leave history to the professional historians.

It has been my belief that the proper role of a public servant is to debate what can be done, rather than what cannot be undone. I also think that the American people share that belief.

I do not intend to spend hours on this floor probing for hidden meanings in the unguarded remarks made at Yalta.

I do not intend to search the minds and the hearts of men who are now dead and cannot speak for themselves.

I do not intend to debate endlessly the wisdom of decisions which cannot be changed; which even the President himself conceded at the beginning of his term cannot be changed.

There were probably mistakes made at Yalta. I doubt whether any group of men in history ever sat down at a conference and emerged without some mistakes.

But the mistakes—if such they were—appear to have been based upon the estimates and miscalculations of the military leaders in Europe and the Far East.

Those miscalculations, in my opinion, were honest. They were made by great men with enormous problems on their hands, men who were trying to save American lives.

I am very proud of the fact that no one on my side of the aisle has arisen to question the motives of those military men, whether they be General Eisenhower or General MacArthur who made miscalculations, if any were made.

Mr. President, we are living through one of the most perilous moments of our history. We are in a world where we must proceed day by day, seeking to find answers that will save our country and our way of life from the enemy of our freedoms.

Mr. President, I conclude with this statement:

I only hope that when the final chapter is written, it will look kindly upon the 84th Congress. I hope it will say that we boldly faced up to the problems of the present and did not confuse and divide our people by endless preoccupation with the dead past.

Mr. President, I should like to include in my remarks a statement which just came off the ticker. It reads:

LONDON.—Prime Minister Churchill said the United States Government agreed earlier this month not to publish the Yalta papers but then changed its mind.

A government which has been in effect for almost 27 months.

I read further:

Replying to Socialist questioners in Commons, Churchill said that on March 11 he received word from Washington agreeing with the British stand against publishing the Yalta documents.

However, 4 days later, on March 15, another message said the State Department was under pressure which could not be resisted any longer, he said.

Mr. CHAVEZ. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator from New Mexico will state it.

Mr. CHAVEZ. May I speak briefly in reply to the distinguished senior Senator from Texas?

The VICE PRESIDENT. The Senator from New Mexico may be recognized for 2 minutes.

Mr. CHAVEZ. I shall speak for only 2 minutes.

I agree generally with my good friend from Texas, the distinguished majority leader; but I cannot see anything improper in allowing the American people to be informed directly by the Government about the events of the past, instead of letting them learn about such events through the press 10 years later, or through the writing of a book by someone.

I am not condemning General Eisenhower, General MacArthur, Mr. Roosevelt, or Mr. Churchill; but why should not the American people, hundreds and thousands of whose sons and daughters died during the war because of what was done at Yalta, be advised of what the documents in question contain? Is there anything wrong with that? Or are the American mothers and fathers only to furnish the soldiers, without having the right, not to condemn, but merely to determine whether their leaders might have been mistaken?

I am not condemning the persons concerned or even saying that they were mistaken; but I think the more the American people can learn about events which have happened, the more likely they will be to stand behind our form of government.

Mr. President, that is one of the reasons why I am in favor of the Bricker amendment, and am ready to vote for it.

PROPOSED POSTAL PAY INCREASE BILL—STATEMENT BY SENATOR HENNINGS

Mr. HENNINGS. Mr. President, I ask unanimous consent to have printed at this point in the RECORD a statement which I have prepared on the proposed postal pay increase bill.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR HENNINGS

The Senate will soon be called upon to vote on S. 1, the bill which I sponsored in company with 20 other Members of the Senate, to provide a much needed and long overdue raise in salary for our Federal postal employees. As a member of the Senate Committee on Post Office and Civil Service, I urge the Senate to give this meritorious bill prompt approval, so that the badly damaged morale of the employees in the postal service may be restored.

I have been deeply disturbed over the administration's adamant demand that any raise—mind you, any raise—for postal workers, however token in character, must be accompanied by a compensatory upward adjustment in postal rates. The fact is that the increase recommended by the administration is woefully inadequate. It could not begin to cover the increase in living costs since 1951, the date of their last salary adjustment, which was already lagging by the time it was enacted.

The 1951 increase was based on a 1950 monthly average cost-of-living index of 102.8, which had already jumped to 111 by October 1951, and which, by the administration's own figures, was over 115 for many months last year and is still over 114.

To demand a postal-rate increase as a necessary condition for a salary increase is both unreasonable and illogical. That there is real justification for a postal-pay increase needs no elaborating. The thousands of letters I have received—and I am sure that we all have received—from postal employees, their wives, and yes, even their children, have made this abundantly clear. The administration has conceded that an increase is warranted and justified. In his message to Congress, the President said:

"An increase in the average wage of postal employees along with correction of serious inequities in the salary structure is an essential step in bringing the wage scale into line with nongovernmental standards and in furthering the progressive personnel program to which the administration is committed."

In view of the President's statement, and in view of the mounting index of the cost of living, his latest statement over the weekend which implied that he would veto any increase over 7.5 percent is clearly inconsistent.

I have heard no Member of the Senate deny the existence of the need. But there is no corresponding unanimity of conclusion that a postal-rate adjustment is either necessary or advisable. This is because of a basic and longstanding controversy over the nature of our postal service—whether it should be operated as a public service with any deficit paid out of general tax reveneus, or whether it should be operated on a profitable businesslike basis entirely sustained by postal revenue. The administration, of course, has placed itself squarely on the side of increased postal rates.

I earnestly hope that we will not have a repetition this session of the postal-pay fiasco of last year, when the President's pocket veto rendered an already badly emasculated pay raise a complete dud.

The Senate Post Office and Civil Service Committee has reported a bill to provide the necessary raise in pay of 10 percent for postal employees. Oh, I can foresee that those of us who sponsored and supported the bill will be charged with "fiscal irresponsibility"—that theme song seems to be No. 1 on the Republican hit parade—but we are prepared to sustain the wrath of the Secretary of the Treasury and the Postmaster General. I submit that as Members of the United States Congress we have an obligation to the employees in the Federal postal and civil service. First and foremost, we have a responsibility to see that employees of the United States Government are paid a decent living wage. We have a responsibility to maintain certain standards of employment in Government service—wages, hours, and working conditions which should serve, and properly so, as an example worthy of emulating in private industry. If the essence of sound labor-management relations in industry is conceived as a fair day's pay for a fair day's work—and is there anyone who would argue that this should not be the policy of the Federal Government—we are indeed falling short of this formula.

I submit that if we fail to enact a realistic cost-of-living salary adjustment for our postal and Government employees, we will be truly irresponsible.

THE ATOMIC-POWERED SUBMARINE "NAUTILUS"

Mr. ANDERSON. Mr. President, the atomic-powered submarine *Nautilus* has made a trip with members of a congressional delegation aboard.

Since it will take me more than the 2 minutes which would be allowed during the morning hours to describe the event, I ask unanimous consent that I may be permitted to proceed for 6 or 7 minutes and to place in the RECORD certain matters which I think belong there.

I am quite willing to conclude my remarks now, for the time; but at the close of the morning business, I should like to have the privilege of speaking longer, if I may.

Mr. SMITH of New Jersey. Mr. President, reserving the right to object, I am hopeful of obtaining the floor as soon as the morning business has been concluded. I have already agreed to yield to the Senator from Mississippi [Mr. STENNIS], who has a matter he wishes to bring up, but I prefer not to yield further, if I may be recognized at the conclusion of the morning business. I have discussed the matter with both the majority leader and the minority leader, and I hope to begin my remarks as soon as the morning business has been concluded.

The VICE PRESIDENT. The Senator from New Mexico may be recognized later.

AMENDMENT OF COTTON MARKETING QUOTA PROVISIONS

Mr. STENNIS. Mr. President, has the morning business been completed?

The VICE PRESIDENT. Is there further morning business? If not, the Chair lays before the Senate the unfinished business.

The Senate resumed the consideration of the bill (H. R. 3952) to amend the cotton marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended.

Mr. STENNIS. Mr. President, for myself and on behalf of the senior Senator from Arkansas [Mr. MCCLELLAN] and the junior Senator from Arkansas [Mr. FULBRIGHT], I desire to offer an amendment to the committee amendment to H. R. 3952.

The VICE PRESIDENT. Does the Senator from Mississippi desire to have the amendment treated as the pending amendment, or to have it lie on the table?

Mr. STENNIS. I desire to have it considered as the pending question.

The VICE PRESIDENT. The clerk will state the amendment.

The LEGISLATIVE CLERK. Beginning with line 10 on page 3, it is proposed to strike out through the period in line 3 on page 4 and insert in lieu thereof the following:

"(n) Notwithstanding any other provision of law the 1955 cotton-acreage allotment established for each State pursuant to the provisions of this section (excluding those States which received a minimum allotment under subsection (k)) shall be increased by 1¼ percent. The additional acreage made available to the States under the provisions of this subsection shall be used to increase each farm allotment to the smaller of (A) 4 acres, or (B) 75 percent of the highest number of acres planted to cotton on the farm in 1952, 1953, or 1954. If the additional acreage is insufficient to meet the total of the farm increases so computed, such farm increases shall be reduced pro rata to the additional acreage available to the State. If the additional acreage available to the State is in excess of the total of the farm increases so computed, the acreage remaining after making such farm increases shall be added to the State acreage reserve under subsection (e) of this section to be used by the State committee for any of the purposes specified therein.

Mr. STENNIS. Mr. President, I do not desire to be heard further at this time on

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the amendment, but I shall speak later. I yield the floor.

Mr. SMITH of New Jersey obtained the floor.

Mr. ANDERSON. Mr. President, will the Senator yield so that I may submit an amendment, which amendment should probably follow the amendment offered by the Senator from Mississippi?

Mr. SMITH of New Jersey. I am glad to yield for that purpose.

Mr. ANDERSON. Oh behalf of myself, the senior Senator from Arizona [Mr. HAYDEN], the Senator from New Mexico [Mr. CHAVEZ], the junior Senator from Arizona [Mr. GOLDWATER], the Senator from California [Mr. KUCHEL], and the Senator from Nevada [Mr. BIBLE], I submit an amendment, intended to be proposed by us, jointly, to House bill 3952, to amend the cotton-marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended. I ask unanimous consent that the amendment be printed in the RECORD as part of my remarks.

The VICE PRESIDENT. The amendment will be received, printed, and will lie on the table; and, without objection, will be printed in the RECORD.

The amendment submitted by Mr. ANDERSON (for himself and other Senators) was ordered to be printed in the RECORD, as follows:

On page 4, after line 15, add the following:

"In addition to cotton acreage allotments provided by this legislation and previous cotton acreage acts, the 1955 cotton acreage allotment heretofore established for Arizona, California, Illinois, Nevada, and New Mexico pursuant to the provisions of subsections (b) and (k) of this section shall be increased 2 percent of such allotment or to 3,500 acres, whichever results in the larger acreage, and the additional acreage so allotted to the State shall be apportioned to farms in the manner provided for above in this subsection: *Provided*, That in the case of Arizona, the additional acreage allotted to the State shall be apportioned so as to provide each farm for which a 1955 cotton acreage allotment has been established, as well as each farm which is eligible for a 1955 new farm allotment, a minimum allotment equal to 10 acres. If the additional acreage allotted to the State is insufficient to meet the total of the farm increases so computed, such farm increases shall be reduced pro rata to the additional acreage available to the State: *Provided further*, That in the case of New Mexico, the additional acreage allotted to the State shall be apportioned primarily to farms which the State committee determines are hardship cases due to reduced cotton production caused by adverse weather conditions in 1952, 1953, or 1954, so as to provide fair and reasonable allotments for such farms."

AMERICAN FOREIGN POLICY AND THE UNDERDEVELOPED COUNTRIES

Mr. SMITH of New Jersey. Mr. President, it is my privilege today to address the Senate on a matter concerning our foreign policy which I believe to be of immediate importance. The subject of my address is American Foreign Policy and the Underdeveloped Countries of the World.

Mr. President, since the end of the Second World War, circumstances have forced the United States, in conducting its foreign policy, to assume a predominantly defensive position in order to protect our country against aggression and armed attack. We have been placed in this defensive posture solely because of the insatiable lust of international communism to destroy the independence of free nations and to subvert them to its control and exploitation.

I. OUR MUTUAL DEFENSE SYSTEM

As a consequence, we have felt compelled to strengthen the security of the free world by building a network of mutual defense arrangements with other countries in the most critical regions. After consolidating the defense of this hemisphere by the Rio Treaty of 1947, we took the lead in developing NATO in Western Europe, strengthening its eastern flank by the addition of Greece and Turkey. We concluded mutual defense treaties with Japan, Australia, and New Zealand, the Philippines and Korea. Several weeks go, by an overwhelming vote, the Senate gave its advice and consent to the Southeast Asia Collective Defense Treaty which recently went into effect. In that treaty the governments of eight nations, including Thailand, the Philippines, and Pakistan, pledged their common faith in the ideals of freedom and in the dignity of the individual. Not long ago, our western Pacific security chain was completed when the Senate approved the Formosa Treaty and the Congress passed a formal resolution to defend that area against aggression.

With the development of this worldwide program of strength in the free world, initiated under the bipartisan leadership of both political parties, and brilliantly carried forward by President Eisenhower and Secretary Dulles, it seems to me that we are prepared to turn our attention to the next chapter in our foreign policy program, which can be the positive chapter in the war of ideas. In the battle for the minds of men which the Communists have been carrying on so effectively, we have up to date been the losers in certain areas. If this Communist advance is being halted in the countries that are more developed economically, as in Western Europe, it certainly is not being stopped in those areas to which we refer as the underedeveloped countries of the world. Many of us have become increasingly disturbed that in this cold war the Communists have been exerting every effort, with considerable success, particularly in the Far East. We have not been able sufficiently to expose as a fraud the appeal which Sino-Soviet communism seems to have among native populations.

The efforts we have expended on economic aid and in our information program have not up to this time been sufficient to assure eventual victory in the war of ideas.

Possibly this situation may be attributed to the fact that our policy, which I have supported and am supporting wholeheartedly, has until recently been directed by necessity at stopping Soviet and Chinese military expansion, rather than at developing, with the peoples of the less advanced countries, a positive, dynamic program that will spark their enthusiasm and determination to build their economies and societies on democratic foundations.

Such a preoccupation with defensive measures is truly strange to the American temperament. For while, as in football, defensive tactics may prevent the opposing team from scoring, our own team cannot make many first downs unless it starts carrying the ball. And we have tended to let the Communists do much of the carrying, instead of running with it ourselves.

LIMITATIONS OF OUR PRESENT POLICY

Mr. President, we have gone a long way militarily to awaken the weaker and less fortunate countries and to fortify their armed resistance to the Communist menace. And it is very important that we continue to develop our chain of military defenses, as Secretary Dulles has continuously urged. But we should realize that these military efforts and our pledge to resist aggression will not alone assure victory in this ideological contest, or secure the pinnacles of freedom. I do not mean to imply that we have followed a merely static policy in our nonmilitary efforts. However, I am suggesting that much more in the nonmilitary field must be accomplished.

These essentially nonmilitary measures must necessarily be determined by the particular situation confronting each area in peril. There is always a danger, Mr. President, that because of our experience in Europe we will attempt to fit policies applied there to areas for which they are unsuited. We must be careful to follow flexible policies which can be keenly attuned to the sensibilities and needs of respective native populations.

We rightfully can look upon our accomplishments in economically more advanced areas such as Western Europe with approval, but in the underdeveloped areas of the world there is as yet no equal progress. These are the areas which have become the key objective of the Communist advance in its unremitting campaign for world domination. If this vast area of the world were to disappear behind the Iron Curtain, the survival of the United States, even of western civilization itself, would be seriously jeopardized.

The physical extent of these underdeveloped areas is staggering, and their potential resources enormous. In any conflict they could tip the scales in favor of the other side. Mr. President, I ask unanimous consent to insert at this point in my remarks a table prepared by Prof. Eugene Staley, of Leland Stanford University, which appears in his recent book, the Future of Underdeveloped Countries.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

COUNTRIES GROUPED BY LEVEL OF ECONOMIC DEVELOPMENT

(Grouping based mainly on per capita national income, as of 1950, or thereabouts)

A. HIGHLY DEVELOPED

Americas: Canada, United States.

Europe: Belgium, Denmark, France, Germany, Netherlands, Norway, Sweden, Switzerland, United Kingdom.

Oceania: Australia, New Zealand.

B. INTERMEDIATE

Africa: Union of South Africa.

Americas: Argentina, Chile, Cuba, Puerto Rico, Uruguay, Venezuela.

Asia: Israel, Japan.

Europe: Austria, Czechoslovakia, Finland, Hungary, Ireland, Italy, Poland, Portugal, Spain.

Eurasia: U. S. S. R.

C. UNDERDEVELOPED

Africa: Algeria, Angola, Belgian Congo, Cameroons, Egypt, Ethiopia, French Equatorial Africa, French West Africa, Gold Coast, Kenya, Liberia, Libya, Madagascar, Morocco, Mozambique, Nigeria, Nyasaland, Northern Rhodesia, Southern Rhodesia, Ruanda-Urundi, Sudan, Sierra Leone, Tanganyika, Tunisia, Uganda

Americas: Bolivia, Brazil, British West Indies, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Haiti, Honduras, Mexico, Nicaragua, Paraguay, Peru.

Asia: Afghanistan, Borneo, Burma, Ceylon, China, Formosa, India, Indochina, Indonesia, Iran, Iraq, Jordan, Korea, Lebanon, Nepal, Malaya, New Guinea, Pakistan, Philippines, Saudi Arabia, Syria, Thailand, Turkey, Yemen.

Europe: Albania, Bulgaria, Greece, Rumania, Yugoslavia.

Mr. FLANDERS. Mr. President, will the Senator yield?

Mr. SMITH of New Jersey. I prefer to continue my address.

Mr. FLANDERS. I will say to the Senator that his address seems to be very important and worth continuing, but I am a little melancholy as I look about the Chamber and see the number of Senators who are listening, so I am wondering if the Senator will yield for a quorum call.

Mr. SMITH of New Jersey. I appreciate the Senator's remarks. I shall be very glad to yield for a quorum call, because I think the subject is of real importance.

Mr. FLANDERS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. SCOTT in the chair). The Secretary will call the roll.

The legislative clerk proceeded to call the roll.

Mr. FLANDERS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SMITH of New Jersey. Mr. President, just before the absence of a quorum was suggested, I had referred to a table prepared by Prof. Eugene Staley, of Leland Stanford University, which appears in his recent book, The Future of Underdeveloped Countries. The table classifies the countries of the world as highly developed, intermediate, or underdeveloped, mainly on the basis of per capita national income. An analysis of the population of these countries shows that two-thirds of the world's population of 2,400,000,000 live in the underdeveloped countries, a little more than one-sixth in countries of the intermediate range, and a little less than one-sixth in highly developed countries.

Thus we can see the importance of the underdeveloped countries which will be lost to the world unless we move forward with a dynamic and persuasive program which strikes a responsive chord in the hearts and minds of people in these areas.

We must offer such a dynamic and persuasive program, no matter what effort is required, if we are to convince the people of Asia to join voluntarily on the side of the forces which are striving for greater freedom, independence, self-determination, and material advancement. Only by extraordinary efforts, accompanied by constant military vigilance, may we hope to maintain peace in this turbulent region.

It is not enough that we ourselves are resolved to defend democracy and freedom. We must strive to convince the free peoples of Asia that we will work together as partners with them, and that our dealings with them are on the basis of mutual respect and mutual need, not mere sufferance or tolerance by necessity.

THE PACIFIC CHARTER

Mr. President, the Pacific Charter, adopted recently at Manila, marks an inspiring course which we should follow. It stands as a solemn affirmation of both our sympathy and our fellowship with the southeast Asian countries in their dedicated aspirations.

Mr. President, the charter was presented to the conference at Manila, last September, on which occasion I had the honor to be present with the Secretary of State and the junior Senator from Montana [Mr. MANSFIELD]. The Charter was presented to us by Mr. Magsaysay, President of the Philippine Republic; and it expresses in very eloquent terms the feeling of the people of that area for the freedom, independence, and self-determination about which I am speaking.

I believe this charter is one of the finest existing documents on the subject of human relations; and I ask unanimous consent, Mr. President, to insert it in the RECORD at this point in my remarks.

There being no objection, the Charter was ordered to be printed in the RECORD, as follows:

THE PACIFIC CHARTER

The Delegates of Australia, France, New Zealand, Pakistan, the Republic of the Philippines, the Kingdom of Thailand, the United Kingdom of Great Britain and Northern Ireland, and the United States of America desiring to establish a firm basis for common action to maintain peace and security in southeast Asia and the southwest Pacific; convinced that common action to this end, in order to be worthy and effective, must be inspired by the highest principles of justice and liberty; do hereby proclaim:

First, in accordance with the provisions of the United Nations Charter, they uphold the principle of equal rights and self-determination of peoples and they will earnestly strive by every peaceful means to promote self-government and to secure the independence of all countries whose peoples desire it and are able to understake its responsibilities;

Second, they are each prepared to continue taking effective practical measures to ensure conditions favorable to the orderly achievement of the foregoing purposes in accordance with their constitutional processes;

Third, they will continue to cooperate in the economic, social, and cultural fields in order to promote higher living standards, economic progress and social well-being in this region;

Fourth, as declared in the Southeast Asia Collective Defense Treaty, they are determined to prevent or counter by appropriate means any attempt in the treaty area to subvert their freedom or to destroy their sovereignty or territorial integrity.

Mr. SMITH of New Jersey. Mr. President, we must find a way to give a reality to the provisions of this inspiring document and a vitality to its spirit which will permeate every aspect of our relations with the underdeveloped countries. We cannot allow ourselves to be put in the position of supporting colonialism in one corner of the earth, while we espouse self-determination in another.

The problem we face is both regional and worldwide. Peace in Asia is bound up with political, social and economic factors that cannot be brushed aside.

THE FORMOSA ISSUE

The Formosa issue, which has been so prominently before us these last few weeks, and which is still presenting us with a red-hot problem, is definitely related to this world-wide picture and to the whole question of future peace in Asia. As a matter of fact, in my judgment the solution of the Asian problem and the bringing of the Asian people to the side of the forces which are fighting for freedom, independence and self-determination is the key to ultimate, lasting world peace.

It is in this worldwide setting that we must approach the consideration of these underdeveloped countries and the most effective way in which we can help them to help themselves to find equality, freedom, and independence.

II. THE CHALLENGE

Mr. President, I come now to the portion of my address to which I give the heading "The Challenge"—meaning the challenge to us.

The total population of the non-Communist world is estimated at 1,600,000,000, of whom two-thirds live in the underdeveloped countries. The future of this vast segment of humanity depends primarily on their efforts, but also to a great degree on our own actions today and tomorrow.

Which way will these people go? What verdict will history hand down as to our role in obtaining the answer to this question? In some future day will they say of us that this was the time when the western democracies, with their emphasis on military might and H-bombs, lost their faith in the values and ideals which once made them great, and watched from the sidelines while over half of the world slid right by them into the abyss of authoritarianism and bondage?

Or will these same future historians write with pride and admiration of this era as the golden age in which the western free nations, ever conscious of the ideals and principles of their heritage, worked in partnership to bring about a tremendous growth, not just in prosperity, but in freedom, independence, and self-determination for the millions of people in Asia, Africa, and Latin America?

The Communists have not underestimated the importance of these countries. Russia and Red China have been moving in on them with a cunning and versatile program designed to pull them into the Communist orbit. Before we consider how we may make our own policies more

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effective, I think it will be useful to review briefly the ways in which the Communists are accomplishing their objectives.

THE COMMUNIST STRATEGY

Our economic assistance and our psychological program have obviously been inadequate in comparison with the tremendous efforts of the Communists. For the pied piper of Moscow has been moving forward on a series of fronts with a bold campaign shrewdly planned to win the sympathies, support, and cooperation of the native populations.

1. SOVIET PROPAGANDA

We are all acquainted with the massive propaganda campaign which has been an essential feature of Soviet and Chinese foreign policy. Utilizing all possible media, the Soviet Government has been spending over $1 billion every year on its world information program, which is more than we have spent in the past 10 years put together. Recently, they have stepped up the emphasis on their Far Eastern program. Unceasingly their propaganda dins into the ears of the local citizenry that the United States is a materialistic, imperialistic nation, bent on exploiting and oppressing the underdeveloped countries. It strives to kindle hatred and distrust of us. It portrays us as inhuman monsters who resort to bacteriological weapons against helpless, less fortunate people. The Soviets—who all of a sudden appear on the side of the angels—are represented as forces of good which seek to block the colonial designs of America and England. Democratic slogans and Christian principles are stolen in the Red preachment of reform.

2. SOVIET EXCHANGE OF PERSONS

For years, the Soviets have promoted their own special brand of exchange of persons in the underdeveloped areas as a device for planting an ideology and for disrupting, dividing, and then controlling, human relationships.

Testimony before the Foreign Relations Committee indicated that in one year alone, some 1,700 Indonesian technicians had received training in Red China. Students and teachers, leaders of labor and political parties, have been invited from the target countries to Moscow and Peiping by the thousands with all expenses paid, for indoctrination in the strategy of revolution. Impressed with Soviet industrial progress, most return fulsome in its praise.

3. INCITEMENT OF CLASSES

Where great disparity exists between the dominant or landowner class and the peasantry, the Communists seek to heighten existing discontent by invoking the effective device of the class struggle. This serves the usfeul purpose of dividing a country internally.

4. ESPIONAGE AND SUBVERSION

A highly developed system of espionage and subversion carries the attack a further logical step. Trained revolutionaries are despatched from Russia and China into the underdeveloped areas to organize and direct the local populace, many of whom are unemployed. Eventually a discontented elite is welded into the spearhead of the next Communist advance.

5. SOVIET TECHNICAL ASSISTANCE

Quick to preceive the obvious merit in our own point 4 program, the Soviets were not long in taking over the idea, lock, stock and barrel—but for different purposes. They have been supplying steadily increased aid, grants, loans, and technical assistance to the more vulnerable nations of the Far East. India has been receiving equipment for the construction of steel plants. Along with this equipment go the technicians who must service it, thereby initiating a perpetuating process linked to maintenance and replacement parts. Soviet resources are being used in a rapid development program in Afghanistan, another strategic territory.

Although this aspect of Soviet activity is not greatly publicized, there are enough straws in the wind to spur us to greater effort. Not long ago the Soviet Union made its first contribution to the United Nations Technical Assistance program. Communist strategy and tactics compel us to judge this maneuver as a part of the Communist "peace offensive," and one from which they have made much effective propaganda.

6. SINO-SOVIET MILITARY POWER

Occupying a key position in the international Communist grand strategy is the military power of the Soviet and Chinese armies, which overcasts any major policy decision taken in the world today.

The Communist leaders are well aware how this show of power impresses the weaker peoples, as it tempers the policies of stronger nations.

Soviet—and increasingly, Chinese—armed might is the great bastion for Communist movements everywhere. Local revolutionaries rely upon it to move when circumstances are ripe. This is a technique we have seen in operation a number of times already; and once again it threatens what remains of Indochina and adjacent territory.

III. A NEW PARTNERSHIP APPROACH

I now pass to the third part of my address, which I have entitled "A New Partnership Approach." Having touched on the Soviet approach, let us consider what our own may be.

In the face of such relentless action by Soviet Russia and her satellites, we can hardly ignore the fact that the Communist peril in Asia remains nearly as great today as when we began our own efforts to reduce it. But the United States retains the God-given opportunity to turn to a policy that is more positive, constructive, and inspired than anything the Communists can offer. We should emphasize first, last, and always that our assistance must be on the basis of a partnership with these peoples to help them express their innermost yearnings for freedom, independence, and self-determination, and to assist them as far as we can, but without dictation, along the lines of free democratic institutions.

By helping the underdeveloped nations to advance their own agricultural, industrial, and general economic development, we have the best opportunity not only to blunt the appeal of communism, but also to increase their awareness of where their true interests lie. Unfortunately, however, we seem not to have achieved anything commensurate with our capabilities in this direction.

Sometimes the criticism heard is that we have been poor salesmen. Perhaps this is one of our greatest shortcomings. We have been trying to sell our way of life to those who have little understanding of it. Even during the earlier phases of our information program, a considerable effort was devoted to describing the material advantages of our western culture.

Instead, I believe we should be striving with all the resources we can muster for the economic and social progress of our Asian friends in a frank recognition that our destiny and theirs are inevitably linked; that as we assist them as partners to move forward from a darker era, we shall have progressively fewer qualms concerning their possible seduction by the most colossal swindle in history. Constructive action, not idle theorizing, is what is essential here.

MISTAKES TO AVOID

We have unquestionably made mistakes in what is a new area for us. There are pitfalls which we should have avoided. In our technical assistance efforts there have been occasions when, consciously or not, we seemed to concentrate our energies on building these underdeveloped countries in our own image.

From what I observed in my many trips to the Far East, this tendency is to be deplored. It cannot work. It makes enemies, not friends. Moreover, even though we may supply part of the money and the bulk of the know-how, all such assistance should be administered as a cooperative program.

We must proceed on the basis of a genuine partnership with the free Asians in helping and encouraging them to express and achieve their deepest yearnings for freedom, independence, and economic development.

Let them take the initiative. And let us keep within the framework of their social structure as we assist them. The mores of a given community may exclude what we regard as the most approved techniques. The pace may have to be irritatingly slow. It may, and often does, happen that the designated beneficiaries are not so receptive to our assistance as we might hope. This is particularly true when it is a program initiated, directed, and financed from the outside by a single power, rather than through international organizations such as the United Nations, or the International Bank.

Native leadership is prone to look with suspicion upon altruistic assistance, and even withhold that measure of complete cooperation which is indispensable to its success. Any program for underdeveloped countries should be presented on the basis that it is something which is mutually beneficial and advantageous to ourselves and to less fortunate peoples. While altruistic considerations are an important source of our motivation, we should not expect others to believe that

they are our sole motivation. What we are doing—and our friends should know it—is also in our own national interest and for the benefit of world peace. We should not be concerned with expectations of gratitude, nor should we foster the sentiment that the recipients of our assistance are indebted to us in some way for what we do. Such attitudes lead to resentment, and operate to nullify the very course we seek to follow.

This is one reason why, whenever conditions permit, it is probably preferable to administer aid projects on a business basis, utilizing low interest long-term loans. Unfortunately, as I shall emphasize later on, circumstances do not always permit this, and an alternative, cooperative method must be used. There is also no question about the correctness of an approach which, if properly administered, would aid people to help themselves. This we have tried to do through technical assistance programs, where we have had to learn through trial and error.

DISADVANTAGES OF THE WEST

Mr. President, as a western power we are laboring under certain disadvantages, and I shall try briefly to point out what some of them are.

In this conflict of social and spiritual philosophies, we may as well admit that history has placed us at a marked disadvantage. To the Asiatic peoples, conditioned by a deeply etched image of the West as imperialistic, Communist charges that we are now bent on new paths of domination may seem quite credible. The false label of "colonialism" which some on our side carry is not borne by the Soviets, who play this monotonous theme with telling variations. Suspicions are easily aroused toward the West because of this colonial tradition, because of memories of Western oppression and exploitation, and of an arrogant attitude of Western supremacy.

Yet, what many people in Asia fail to realize is that the Communists have been engaged in an ambitious and diabolical effort to conquer and colonize the entire world. It is obvious that while the Soviets and their satellites shout about Western colonialism, the Soviet brand of colonialism is endangering the freedom and the future not only of Asia, but of the whole free world.

To hungry and sick people, who desire to escape from an inferior status of the past, from colonialism and all it implies, we cannot sell democracy. But we can do something vastly more effective and practical. We can convince them that our basic desires and goals are the same as theirs, and that the democratic way is man's best hope for spiritual, intellectual, and material well-being. We can prove to them that their destiny lies with the free world rather than with atheistic communism.

THE RIGHTS AND GOALS OF MEN EVERYWHERE

We in America have a deep and abiding faith in the destiny of man. We believe that men everywhere are endowed with certain fundamental rights, and that these rights will eventually find their full expression in the life of each individual.

People in some lands are closer to achieving this common goal than are others. In this respect we are among the fortunate. For this we should be thankful; but we should also never lose sight of the fact that millions of people in the world are much farther from the complete fulfillment of those expectations than are we. This does not make us superior to them in any fundamental way. Nor does it mean that the people of Asia for instance, are backward as compared to us. Rather, if it be true that we are somewhat closer to those basic goals to which all men aspire than are most people in Asia or the Middle East, then we should be all the more anxious to speed their pursuit of these same goals. What we want and cherish for ourselves we want and cherish for others as well.

Man's deep yearning for a sense of security, of purpose, of freedom, of self-respect, of opportunity, and of status knows no geographic boundary. These factors constitute the spirit of man. They are even more important than are the more material desires to banish hunger, disease, and poverty. An individual may have succeeded in achieving the full dinner pail, but if he completely lacks the less tangible values I mentioned, he is only an animated machine, a mere shadow of complete fulfillment.

IV. RECOMMENDATIONS

Mr. President, I should like to make a few suggestions about what we might do and to indicate the direction in which we might move to meet these conditions.

Having reviewed what seems to me to be the essential approach of this positive program to aid the underdeveloped areas of the world; having pointed out the insidious way in which the Communist movement is infiltrating these countries and is traveling on the discontents that are almost universal; having indicated the kind of a partnership the United States might well adopt, I desire now to conclude these remarks with a summary of certain specific policies which I suggest should be initiated at once, and which would be a reappraisal of some of our experiments in the past and a new look at what may be the new partnership endeavor in the future.

By now, Mr. President, we should have sufficient experience to be able to regroup, to revise, innovate, and develop solutions best adapted to particular area problems. We must not permit ourselves to become bogged down in policies which offer no other promise than the maintenance of the status quo.

We must reject any notion that the entire job before us will be completed in a matter of a year or so, and that we can then go about our business. The Communists think in terms of decades, generations, and even centuries. Their plan has never been a short-term plan. Time means nothing to them. I emphasize this fact.

On the contrary, one of our great national characteristics is an impatience with delay, an almost neurotic compulsion to get things done in a hurry, immediately if not sooner. The Communists are counting on this impatience; they are undoubtedly anticipating that our dissatisfaction with results achieved from the effort and money we have expended, will lead us to abandon the effort; that our preoccupation with taxation, reduction of expenditures and the like will win this battle for them.

From what I have been emphasizing, it is apparent that we, too, Mr. President, must adjust our thinking, as reluctant as we may be, to a long-term operation.

Our approach to the whole problem of economic development must be reoriented. We must start thinking more in terms of results rather than months and years. And if good results in the underdeveloped areas are to be adequately assured, we must plan to expand our program of economic aid and technical assistance.

In developing with our friends and allies such a program, I suggest that the United States give immediate consideration to certain proposals. These proposals, which are not intended to be all inclusive, but rather to indicate the direction we should move, are: First, that the free Asian nations from India east to Japan, which make up the Colombo Plan group, be encouraged to take the initiative in calling an economic conference under the auspices of that plan to form a program of improved mutual trade; second, that the Congress and administration give careful consideration to the possibility of supporting an International Fund for Capital Development; third, that the Congress proceed to consider thoroughly all possible methods of increasing private investment in underdeveloped countries. We should support those proposals of the Randall Report which are likely to bring this about; fourth, that the Congress give its support to greatly expanded information and exchange of persons programs, especially in the Far East; and fifth, that the Congress give increased support to the technical assistance programs.

Mr. President, before discussing these proposals, I wish to make it clear that I am just as much concerned as is anyone else with balancing the national budget and with reducing our expenditures as far as possible. The question really is this: What other expenditures can we forego in order to meet this greater need—a need that is directly related to the problem of assuring peace? I also wish to make it clear that in urging increased programs of economic aid, technical assistance, and information, I do not mean to imply that we should not continue to press forward our programs of military aid wherever necessary and possible. These two problems go together.

We have a long, tough job before us. According to the best available information, the Soviet Union has sharply stepped up its activity in the Far East. We must be prepared to meet their challenge, not reduce our effort.

We must greatly expand the existing program for the Far East; but we must do more than that. We must also reexamine our administration of the aid we furnish these countries in order to insure that it accomplishes the maximum good in a given region.

At this point, Mr. President, I will discuss each of these proposals in more detail.

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1. A FAR EASTERN ECONOMIC CONFERENCE

Mr. President, we are all aware that the economic imbalance of the underdeveloped countries in the Far East is serious. It must be a cardinal goal of our policy in that area to stimulate trade among these countries, as well as to help build up their agricultural and productive capacity through capital investment both foreign and domestic. For example, the entire region of south and southeast Asia could constitute a market for Japanese goods, services, and equipment. Some way should be found to provide the Japanese with channels of trade for their industrial output, which, in turn, would be of great benefit to all the participating countries.

There are enormous potentialities of interchange between India and Japan, and Japan and Pakistan; between food-producing Burma, Thailand, and Southern Vietnam, and food-shy Japan, India, and Malaya. A similar trade potential exists between Japan and Indonesia, with its variety of natural wealth.

The argument with regard to Japan applies also to the other countries in the Colombo Plan group, and particularly to India, where the prospects for increased industrialization seem to be favorable.

All of these nations have basic production and trade problems which would seem susceptible to treatment on a common, international plane. For this reason, Mr. President, I believe that our Government should encourage the Far Eastern Colombo Plan powers to take the initiative in holding an economic conference for the purpose of working out a mutually satisfactory approach to their trade relations. Within the framework of such a conference bilateral trade treaties could be superimposed. Such a conference, if it does nothing else, may put into motion a process of economic cooperation which could go far in alleviating the more pressing Asiatic problems. It should be emphasized that this matter of increasing trade among the Far Eastern nations will require Asian initiative and concerted action on a regional basis.

2. AN INTERNATIONAL FUND FOR CAPITAL DEVELOPMENT

Until now the United States has not endorsed the creation of a Special United Nations Fund for Economic Development, known as SUNFED. Nevertheless, there is a rapidly increasing need for a multilateral fund to fill in the gaps in economic development programs now under way. Whether any such fund should be instituted under the United Nations is problematical; for should the Soviets participate in it, the objectives which they would inevitably pursue would counter our effort to strengthen the bulwark of freedom in those same underdeveloped areas. Soviet obstruction might render the entire project ineffectual.

But in any case, the Congress should give careful consideration to the desirability of some kind of international fund, whether within or without the framework of existing international organizations, which would be in keeping with the general purposes and objectives of regional programs already under way, such as the Colombo Plan. Such a fund would help finance non-self-liquidating investments in the economic and social structure of underdeveloped nations. The fund would help provide "social investment capital," by which I mean investments necessary for the promotion and development of health, education, housing—and in some instances, transportation, communications, and power facilities. Such projects are slow yielding; there is apt to be little immediate financial return on the capital invested. It is felt that private capital, which normally seeks a profit and a fairly definite return on investment will not be, and has not been, willing to finance initially this kind of social investment capital.

Hard-headed businessmen will never be enthusiastic over any proposition which offers disproportionate risks in comparison with the return on their investment. They will not be willing to turn to these underdeveloped far eastern countries until these social capital facilities are fairly well established. The lack of this social investment capital is thus an important obstacle to increase private investment and to further development in general. It would be the purpose of this fund to help overcome this obstacle.

A fund for capital development such as I have just proposed should not be confused with the so-called International Finance Corporation, which President Eisenhower has recently supported and which I, too, hope will be established. The IFC is designed to funnel private capital into the underdeveloped countries beyond the limitations of the international bank. IFC will be primarily effective in assisting private investors to stimulate the mobilization of capital in areas such as Latin America, where considerable economic development is already under way, and where private investment already exists. But in the less developed Asian countries, IFC is not expected to play a very important role at this time.

In regard to the financing of a fund for capital development as distinguished from IFC, I do not wish to enter the old argument of loans versus grants beyond observing that, in the case of some countries of Asia, unlike those of Europe, there may be no other alternative than to have recourse to grants. In these areas of Asia a fund based solely on loans would be self-defeating and might result in a stifling indebtedness and destruction of initiative. We should, therefore, recognize that any such fund as I have proposed will have to deal primarily in grants, in its initial stage, until existing obstacles to private investment in Asia are surmounted.

There are, however, a number of measures we can take to help overcome these obstacles. This leads me to my next recommendation.

3. SUPPORT ALL MEASURES DESIGNED TO STIMULATE PRIVATE INVESTMENT IN UNDERDEVELOPED AREAS

We should seek to obtain the cooperation of other governments in eliminating restrictive price, production, or marketing arrangements which stifle foreign investment. At the same time, all efforts should be made to attain gradually general currency convertibility.

We, for our part, can take steps at home to stimulate private investment abroad. The Randall Commission recommended, among other things, a reduction in the corporate tax rate on income from investments abroad; the removal of restrictions which now prevent a person who invests outside the United States from offsetting in full against his domestic tax, the appropriate foreign taxes; and certain amendments which would allow a United States corporation the option of treating foreign investment either as a branch or subsidiary for tax purposes, regardless of the form of corporate organization required by foreign law.

I support these recommendations. We, in the United States, can hardly persuade other governments to provide a more favorable climate for private investment, while retaining the hampering features of our own law. All these changes are unquestionably in the national interest.

IMPORTANCE OF EXPANDED WORLD TRADE

It should be noted, without going into details, that stimulating private investment abroad, as I have recommended, is only one facet of the general world-trade problem. A solution to this problem will require a complete reappraisal of all existing hindrances—both American and foreign—to expanded reciprocal trade. We must develop a stable trade policy designed to end economic warfare between friendly nations. Legislation designed to achieve this goal is now under consideration by the Congress, and should receive early approval.

4. GREATLY EXPANDED INFORMATION AND EXCHANGE OF PERSONS PROGRAMS IN THE FAR EAST AND MIDDLE EAST

We must inject a greater vitality in our information and exchange programs, if we are to have any hope of counteracting the depth of the barrage fired at us by communist propaganda. It is high time we stopped regarding our information program as a kind of grudgingly tolerated stepchild, and back it up with adequate support.

I believe we have failed to understand just how effective a weapon this may be. We should greatly expand the program, particularly in Asia and the Middle East, where it is vital that it be administered by the most experienced talent available. For a job which is enormous we have been following a pattern of annual appropriations for our information program of about $80 million, which in comparison with our military program seems wholly inadequate.

In our message to these areas, it is not enough that we take a negative approach against Soviet Russia. Stereotyped anticommunist propaganda is, to some extent, wasted on people who may have been hearing for years that communism would release them from colonialism.

I would suggest, especially in the fields of motion pictures, libraries, and cultural-information officers, that our efforts should be greatly increased. In some respects a redirection of present expenditures, from Europe and Scandinavia to Asia, is called for. At present

only about one-third of the total funds being spent abroad by USIA is being spent in the Near and Far East. This should be corrected.

EXCHANGE OF PERSONS

There is no question that our exchange of persons program is becoming the most effective method for getting our message to the people of Asia. Undoubtedly it is sounder for Asians to convince Asians of our good motives and objectives than to leave that job to Americans. This can only be accomplished by bringing, for example, to our shores many more Indians, Burmese, Thais, Indochinese, and others who are not familiar with our way of life. These young people thus may see at firsthand democracy in action, and have the opportunity to learn the technical and administrative skills so desperately needed in their own countries. Our experience with this program in the past has demonstrated conclusively how effective these people are in promoting mutual understanding and appreciation on their return to their homelands.

It is estimated in 1953 exchange visitors to the Soviet Union numbered about 10,000 persons. During that same year another 10,000 students from southeast Asia visited Communist China. In contrast, of the 36,000 students, leaders, technicians, and teachers we are bringing to America under various public and private programs in fiscal 1955, only about 4,000 are from Southeast Asia.

It is gratifying to see the favorable comparison in total figures, but disturbing to realize how far behind we are in terms of Southeast Asia.

The great majority of exchange visitors to America are under the auspices of private groups such as the foundations, and the labor and farmer organizations, whom I strongly commend for their outstanding work.

This entire exchange of persons operation, both public and private, which has been so successful, should be greatly expanded.

5. INCREASED SUPPORT FOR TECHNICAL ASSISTANCE—U. N. TECHNICAL AID

We have participated in the United Nations technical-assistance program, under which aid is rendered only to governments requesting it, and in a form acceptable to them. Seventy-one nations pledged contributions in 1954 to the U. N. program. In the past 4 years, U. N. technicians have worked on 900 projects in some 76 areas. Our support of the U. N. program has amounted to about $50 million in 4 years, or roughly only 10 percent of what Congress has appropriated since 1950 on our own bilateral technical aid effort.

I think it is almost unanimously agreed that this vital U. N. program has been most effective. However, it would be even more effective if its operations were not seriously handicapped by the fact that the United States has not yet found a way to make its contribution in time to permit efficient programing. If we are going to join in U. N. technical assistance—and I believe that we should—then let us not continue to hinder its efficiency by refusing to make our appropriations in advance.

BILATERAL TECHNICAL AID

The legislation under which our Government was first authorized to enter into bilateral agreements with underdeveloped countries—the 1950 Act for International Development—required the beneficiary government to pay a fair share of the cost of the program, to make effective use of its results, and to cooperate in the mutual exchange of technical knowledge and skills. We are now engaged in bilateral programs in 38 countries, for which $116 million were appropriated in fiscal 1955.

The operation of these programs is now undergoing a study by a subcommittee of the Foreign Relations Committee. Its findings will no doubt provide the basis for modifications and innovations in the administration of the program. It is to be hoped that the committee will recommend an expanded program in this field, especially in the Far East.

V. CONCLUSION

Mr. President, in these remarks, in which I have tried to outline a future development of our foreign policy, it has been my purpose to try to present what I consider to be the true spirit of America. I am enthusiastic over the magnificent leadership that is being given to us by the President and Secretary Dulles in interpreting to the world our determination to resist aggression and our resolve to contribute to other nations what we can of the privileges and opportunities we have enjoyed as a free country. This contribution is needed especially by the underdeveloped countries of the world, which are yearning for greater freedom, independence, and self-expression.

The key emphasis of our approach is on the dignity and value of the individual human being without regard to race, creed, or color. In this we differ fundamentally from the Communist, atheistic, material approach where the individual is made the slave of the state.

I wish constantly to emphasize the importance of the individual in our whole philosophy.

It is my conviction that this conception which the freedom-loving countries have developed comes to us directly from our spiritual heritage.

We, as a people, because of the "toil, sweat, and tears" of our ancestors believe in the reality of a divine guiding hand in the universe. We have built our concept of human freedoms and human relationships on the Ten Commandments and on the Sermon on the Mount.

This conception is large enough to include all the religions of the world and all races and nations. We see today in many parts of the world, and especially in the overcrowded parts of the Middle East and the Far East, the emergence of an eager yearning for freedom, independence, and self-determination about which I have been speaking.

This same yearning motivated our forebears in coming to this great continent of ours and building a new nation, as Abraham Lincoln said, "dedicated to the proposition that all men are created equal."

We have experimented successfully with a government of, by, and for the people, so checked and so balanced that the danger of totalitarianism has never threatened us.

We have fostered in our great country all those protections which have made it possible for the individual human being fully to release and express his or her creative energies. This gives us an enormous responsibility. It would be unthinkable that America, the hope for a century and a half of the downtrodden people in all parts of the earth, should deny a sharing of her blessings with those who are oppressed.

This responsibility, however difficult it may be, is also our great opportunity. We can and we must accept that opportunity because in helping to make men free we are pursuing the only course that can lead to an eventual and lasting peace.

Mr. LANGER. Mr. President, will the Senator yield for a question?

Mr. SMITH of New Jersey. I yield.

Mr. LANGER. First, as a member of the Committee on Foreign Relations and as one who is intimately acquainted with the excellent work which the distinguished senior Senator from New Jersey is doing, I desire to compliment him upon his speech.

Mr. SMITH of New Jersey. I thank the Senator from North Dakota.

Mr. LANGER. I do not know of any member of the committee who is better able to interpret the feelings of the people of foreign countries than is the Senator from New Jersey.

May I ask how often the Senator has visited various eastern countries?

Mr. SMITH of New Jersey. I think, all told, I have made 5 or 6 trips to the Far East. I have been in Western Europe a number of times, and have spent a brief time in the Middle East. I have spent time particularly in the Far East, however.

Mr. LANGER. I take it from conversations I have had with the distinguished Senator at different times that he feels the United States has made very substantial progress during the past few years in dealing with those peoples. Is that correct?

Mr. SMITH of New Jersey. I think we have made substantial progress; but I feel we have had so many preoccupations connected with the necessity of setting up defense mechanisms to prevent aggression that we have not fully opened our hearts to the yearnings for independence and freedom of expression of the people in those underdeveloped countries. I am urging that we now turn our attention to that particular approach.

Mr. LANGER. As I understand the philosophy of the distinguished Senator from New Jersey, it was his feeling that, many years ago, when the United States began to fight communism in the cold war, the Communists, through their propaganda, were telling the poor, undernourished people of the world that the Communists were their friends; that the only thing in which the Americans were interested was dollar diplomacy; that we were interested in getting their money and in taking possession of their land, and so forth.

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Mr. SMITH of New Jersey. That was and still is the propaganda of the Red forces.

Mr. LANGER. But, as I gather from what the Senator has said, the United States has been able to overcome much of that propaganda during the past few years.

Mr. SMITH of New Jersey. We have made progress in combating it; we have not been able to overcome it. It is still strong. I am still much concerned about the effects of Communist propaganda in Southeast Asia, especially Indochina, an area which I recently visited in connection with the negotiation of the defense pacts.

We are now trying to prevent aggression and to stop the Reds from taking over any more territory. We are attempting to make it clear to the people of the Far East that we want to be partners with them; that we want to help them in their efforts toward self-expression of their deepest yearnings for independence.

Mr. LANGER. Does the Senator from New Jersey think that the United States has received full value for the $16 billion it has spent in those countries?

Mr. SMITH of New Jersey. I believe so. Of course, some of the money in our program of foreign aid has been misspent; I would not argue that point for a moment. But the spirit and purpose of those expenditures has been sound. I want to have the program better administered. I myself am not averse to criticizing the administration of those expenditures. I think there has been too much insistence upon declarations to the effect that we are the great America, and that everyone else should be in our image. That is a false philosophy.

As a matter of fact, the cultures and philosophies of the Far East antedate our own by thousands of years. We have much to learn from the people of those areas.

I want the United States to become a partner with them and not only give them the know-how of western civilization, but also the spiritual inspirations which we have to offer in combination with the know-how. I look upon our relations with the people of foreign countries as a partnership proposition; that is the way we should treat them. That is the way we shall gain their confidence. That is the way, in my judgment, we will defeat the Russian misrepresentation of what we in America really believe.

Mr. LANGER. Would the Senator draw a comparison between conditions he saw the last time of his visit and the first time? Would the Senator say we have made very substantial progress?

Mr. SMITH of New Jersey. I think so. Of course, the first time I visited that area was before the Korean episode. Then I went there during the Korean conflict. I think in all of our work we are moving in the right direction. I wish to support the President and Secretary of State Dulles 100 percent in what they have done and in the policy they have pursued. I am suggesting that we implement what has been done with regard to military security, by extending our efforts to include help in the development of the spiritual aspirations of those people.

Mr. LANGER. I thank the Senator for his remarks.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. SMITH of New Jersey. I yield to the Senator from Louisiana.

Mr. ELLENDER. I notice the following statement appears on page 8 of the mimeographed copy of the Senator's address:

> Utilizing all possible media, the Soviet Government has been spending over $1 billion every year in its world information program, which is more than we have spent in the last 10 years put together.

Where does the Senator get his information with respect to the figure $1 billion?

Mr. SMITH of New Jersey. Of course, the best we could do was to get it from sources in the State Department and otherwise. All we can do is make the best surmise we can from the best information available to us.

Mr. ELLENDER. The Senator knows the Soviet press is owned by the Communist government. Does the estimate of $1 billion include the cost of operating all the newspapers which are printed within Russia?

Mr. SMITH of New Jersey. I could not say that. I do not know.

Mr. ELLENDER. The Senator could not say that?

Mr. SMITH of New Jersey. I would not know whether it included the cost of publishing the newspapers. The figures of the cost are based on the estimates of our own Government officials.

Mr. ELLENDER. I have seen the same figures in print somewhere else. I wondered what the sum total was. I should like to have a breakdown.

Mr. SMITH of New Jersey. I am informed that the figure includes the total cost of the operation. It includes the cost of publishing newspapers, as well as the other costs.

Mr. ELLENDER. So when the Senator refers to $1 billion, it includes every item of expenditure on the part of the Russians for propaganda at home as well as abroad.

Mr. SMITH of New Jersey. I think that is correct. That figure is based on last year's operation.

Mr. ELLENDER. The Senator seeks to make a comparison of our expenditures of from $80 million to $100 million with the amount spent by the Russians. If we added the cost of operating our own newspapers to the cost of the Government for propaganda, our expenditure would probably be a great deal more than the Senator has indicated.

Mr. SMITH of New Jersey. I would not object to that observation at all. I think it fair to say that the Russian propaganda and the whole program of the Russians is focused on certain definite objectives, whereas much of our publicity may not be directed to the same end.

Mr. KNOWLAND. Mr. President, will the Senator yield at that point?

Mr. SMITH of New Jersey. I am glad to yield to the Senator from California.

Mr. KNOWLAND. I believe I understand the point the Senator is making. At times I have seen the figure $1 billion used, and at times I have seen the figure $2 billion used, as the Soviet equivalent of the USIA expenditure, and so on. I think there is some merit in the contention of the Senator from Louisiana that the figure may include cost of propaganda within the Soviet Union as well as outside. So I had thought the Senator's figure $1 billion rather than $2 billion referred to the outside rather than the domestic phase of the Soviet propaganda cost.

I should like to say I do not think the Senator is quite correct in making a direct comparison, even assuming the cost of Soviet propaganda included the cost of operating Pravda and Izvestia, and the other Soviet newspapers and radio stations, and then saying that, if we included the cost of operating the privately owned newspapers and radio stations in this country, we would have a figure somewhat in line with Russia's cost, because under the totalitarian statism of the Soviet Union the people of that country get a controlled supply of information domestically.

While the Senator may differ with what is published in the American press from time to time, I think he will admit that it is not propaganda; it is coverage of the news of the world, including what is not found in the Soviet press, namely, criticism of the administration in power, whether it be Republican or Democratic. I defy him to find in Pravda or Izvestia any serious criticisms of the Government in power. I think such publications are primarily for the purpose of propagandizing the Soviet people.

Mr. ELLENDER. What I was saying was that if we added the vast sums spent in the operation of our own privately owned newspapers to the $80 million being spent by the Federal Government for propaganda overseas the total would, I am sure, compare favorably with the amount being spent by the Government of Russia, as indicated by the Senator from New Jersey. That is what I was trying to point out to him.

Mr. SMITH of New Jersey. The figure $1 billion I understand is the estimated cost of Russia's external propaganda only. It does not include the cost of internal propaganda.

Mr. ELLENDER. I thought the Senator from New Jersey said the estimate included the operation of domestic newspapers, and so forth.

Mr. SMITH of New Jersey. It does, insofar as domestic newspapers are used in external propaganda. I was not seeking to give exactly accurate information. I was trying to show that there was a great difference between the amount of money the Soviets are throwing into their propaganda machine and what we have spent in the effort to justify the position we have taken. We should be saying more, in a more careful, and better directed way. I have tried to lay the foundation for doing more in that field.

Mr. ELLENDER. The Senator from New Jersey has indicated he has traveled a great deal. In the countries he visited did he observe operations carried on by

the Russians and compare them with those carried on by our own Information Service?

Mr. SMITH of New Jersey. I have seen the mechanical way the Russians operate.

Mr. ELLENDER. Is it not true that the Russians handle their propaganda in various countries in such a way that they are able to get citizens of the countries wherein they operate to do their dirty work?

Mr. SMITH of New Jersey. I agree entirely with that statement of the Senator from Louisiana. They use the citizens of other countries to advocate Russian principles. I have previously said many times that instead of saying, "Voice of America," we might do well if we said, "The Voice of Free China," or "The Voice of Free Thailand," or the voice of some other country, in those cases where our broadcasts are precisely that. It would be more helpful.

Mr. ELLENDER. The Senator agrees, does he not, that most of the Russian propaganda directed at the peoples of France and Italy is done respectively by the French and Italian citizens?

Mr. SMITH of New Jersey. Yes, citizens of countries at which the propaganda is aimed are used. Russia does not risk its own boys. Russia uses the Red Chinese or the Red Koreans to do both the propaganda and the shooting for them.

Mr. ELLENDER. Would the Senator not agree that Russia uses natives altogether?

Mr. SMITH of New Jersey. I think that it is not an overstatement.

Mr. President, I yield the floor.

THE ATOMIC-POWERED SUBMARINE "NAUTILUS"

Mr. ANDERSON obtained the floor.

Mr. BIBLE. Mr. President——

Mr. KNOWLAND. Mr. President, if the Senator from New Mexico is about to speak on the subject matter on which I think he is going to speak, I should like to have him yield to me at this time, so that I may suggest the absence of a quorum, although, of course, I wish to have it understood that if the Senator from New Mexico yields for that purpose, he will not thereby lose his right to the floor.

Mr. ANDERSON. Under those circumstances, Mr. President, and for that purpose I am willing to yield.

Mr. KNOWLAND. Then, Mr. President, if there is no objection, I suggest the absence of a quorum.

The PRESIDING OFFICER. Without objection, it is so ordered; and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BIBLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ANDERSON. Mr. President, the members of the Joint Committee on Atomic Energy were the guests of the Navy during a very interesting weekend. I am very happy indeed that this event was made possible. I am very pleased that 12 members of the joint committee were able to participate in the cruise, and to see the operation of the first atomic-powered submarine.

I noted with interest that the newspapers seemed to find something noteworthy in the fact that the joint committee had a meeting well down into the ocean. Let me now call attention to a law passed at the second session of the 83d Congress, and to point out that section 204 of that law, which lists the powers of the Joint Committee on Atomic Energy, contains the following language:

> In carrying out its duties under this act, the joint committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings or investigation, to sit and act at such places and times—
>
> And so forth—
>
> as it deems advisable.

Therefore, when we were well beneath the surface of the sea, and when it seemed appropriate that there be a meeting of the joint committee, we decided that we could sit and act at a place which at that moment seemed desirable.

Mr. KNOWLAND. Mr. President, at this point will the Senator from New Mexico yield?

Mr. ANDERSON. I am happy to yield.

Mr. KNOWLAND. Although the meeting was held by the full committee, I think it might be correct to say it was a meeting of the "sub" committee. [Laughter.]

Mr. ANDERSON. "Sub" committee is correct; we did have a meeting of the "Sub" committee, all right—in a "sub."

Mr. LANGER. Mr. President, will the Senator from New Mexico yield to me?

Mr. ANDERSON. I yield.

Mr. LANGER. Were any stenographers present?

Mr. ANDERSON. We had a male recording secretary; we did not have stenographers present, in the ordinary meaning of that term. We did, however, call the roll.

Mr. HICKENLOOPER. Mr. President, will the Senator from New Mexico yield to me?

Mr. ANDERSON. I yield.

Mr. HICKENLOOPER. The Senator from New Mexico may have been going to call this matter to the attention of the Senate; but I might suggest that the joint committee, without too much debate, decided that when the meeting was being held beneath the surface of the sea, it was, indeed, a low-down committee. [Laughter.]

Mr. ANDERSON. It was, indeed, Mr. President.

Mr. GORE. Mr. President, will the Senator from New Mexico yield to me?

Mr. ANDERSON. I yield to the Senator from Tennessee.

Mr. GORE. I wish to make an official correction, Mr. President: It was a low-down committee meeting, rather than a meeting of a "low-down" committee. [Laughter.]

Mr. ANDERSON. Either way is satisfactory to me, Mr. President.

It seems appropriate at this time to place in the RECORD a brief statement regarding the development of a nuclear-powered submarine, the history of the submarine *Nautilus*, and perhaps a few words with reference to the significance of the *Nautilus*.

The idea for a nuclear-propelled submarine is actually the oldest idea for an application of nuclear energy of any kind. In the winter of 1939–40, immediately after the first discoveries that nuclear fission was possible, a group of men at Columbia University, who were doing basic work in this brandnew field, thought they saw an opportunity for the development of a nuclear-powered submarine.

That idea had to be laid aside during the rush to develop sufficient material for the bombs which were dropped on Hiroshima and Nagasaki. But in 1944 the work on that first idea began at Oak Ridge. By 1946 it was clear that this was a technically feasible project. Admiral Parsons, who had been in charge of the development of the qualities of the explosive bombs at Los Alamos, was assigned by the Navy to carry forward the Navy's interests in atomic development. His first job was to arrange for and conduct the tests at Bikini, in 1946. While this project was going forward, work also got underway on the idea of nuclear propulsion. Navy students were the first to be sent to Oak Ridge to learn how to live with atomic energy and to explore the possibilities of its use as a source of power. Adm. Earl W. Mills, Chief of the Navy Bureau of Ships, gave the project his full support. Admiral Rickover was in that first group. His first full report in June 1946 indicated that the project was feasible. A study at the Naval Research Laboratory reached the same conclusion.

By 1948, when the principal responsibility for reactor development was transferred from Oak Ridge to Argonne National Laboratory, the prospects for a nuclear powerplant for a submarine had already crystalized. The Oak Ridge designs were translated into preliminary blueprints at Argonne, and by January 1949 the Westinghouse Electric Co. had been given a contract to do the detailed engineering and construction of a prototype.

As Westinghouse began its work, an estimate was made as to when it could hope to achieve an operating submarine. The date set was early 1955. This estimate proved accurate, but only because of the almost superhuman efforts of every laboratory, every company, indeed every individual involved in the program. On March 31, 1953, a land-based prototype of the powerplant began to produce power at the National Reactor Testing Station in Idaho. From that moment on, there has never been any serious doubt that nuclear power could become the force which would revolutionize naval warfare. Without disclosing classified information, it is possible to say that the prototype in Idaho has already far exceeded all expectations, and indeed most hopes. It has served as a magnificent training tool for naval crews and has permitted the scientists and engineers to simplify and learn more about the powerplant. Even now, as the *Nautilus* is completing her trials, work continues on the prototype at

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Idaho. To the people who are responsible for this magnificent accomplishment, it is not enough that the *Nautilus* is performing well, they have already worked out modifications and advances in both structure and operating techniques which will make the *Nautilus* a steadily improved vessel throughout her life.

All of this has been done between the beginning of 1949 and the spring of 1955, scarcely more than 6 years, at a total cost of about $150 million. Considering the revolution which this project has brought to the Navy and our entire Defense Establishment, this is indeed a bargain.

SIGNIFICANCE OF "NAUTILUS"

Now let me say a few words concerning the meaning of the atomic submarine for military strategy and tactics.

To point out the obvious, the whole point of a submarine is to stay under water as long as possible, and to surface as infrequently as possible. The submarine's natural habitat is in the depths. On the surface of the ocean it can fall easy prey to enemy airplanes or destroyers.

Until the invention of the snorkel, submarines could cruise under water only for very limited periods, particularly at high speeds. After a short while, it was necessary for these boats to surface and recharge their batteries. And once they left the deep, they could become easy victims for surface craft and airplanes. The snorkel changed this situation, but only to a degree. So long as its snorkel, or breathing tube, remains above the surface, a craft equipped with this device can remain submerged for relatively long periods of time. However, the snorkel tube can itself be detected by an alert enemy.

There is only one submarine that can stay under water, at great depths, indefinitely, and that is the atomic submarine.

Yet another tremendous advantage of this boat is its speed. World War II submarines could keep up only with slow-moving merchant ships. All too often, World War II submarines could get only one shot at a ship, and, unless a hit was scored, the target would soon be out of range. Not so, however, for the atomic submarine. This craft can hit a convoy again and again.

I would be less than frank, however, if I did not express my concern with one aspect of the U. S. S. *Nautilus*. I refer to the armaments of this new submarine. It frankly strikes me as ironical that a vessel of this type, equipped with a revolutionary atomic powerplant, should be armed with conventional torpedoes, little improved over the torpedoes of World War II. To my way of thinking, this is comparable to designing a magnificent jet airplane and then loading it with conventional block-buster bombs.

An atomic submarine must have atomic armaments.

One possibility, of course, would be to produce torpedoes with nuclear warheads. Much more sensible, in my opinion, would be to design a true missile submarine—a craft specifically intended to fire atomic missiles while submerged. The military consequences of such an atomic missile submarine would be staggering. Even when far distant, it could destroy with one or two well-placed missiles with atomic or hydrogen warheads an entire convoy.

It seems to me self-evident that the atomic submarine will be the capital ship of the Navy of the future. It seems to me also self-evident that, a decade from now, the conventional submarines of today will be special-purpose craft, and that they will be replaced almost entirely by atomic submarines. It seems to me self-evident in addition that our Soviet rivals will do everything in their power to best us in the struggle for underwater supremacy—which means supremacy in atomic submarines.

The logic of this situation should be clear to all. It is to step up the tempo of our program for building atomic submarines, and to replace conventional craft with atomic-powered vessels as quickly as possible, so that the Navy of tomorrow will be here today.

Mr. President, I think it might be well to read the minutes of the meeting which was held under the sea. It was meeting No. 84–1–23, on March 20, 1955. The minutes read as follows:

CONGRESS OF THE UNITED STATES,
JOINT COMMITTEE ON ATOMIC ENERGY,
Aboard U. S. S. "Nautilus," March 20, 1955.

The Joint Committee on Atomic Energy met, pursuant to call, at 10:30 p. m. eastern standard time, aboard the *Nautilus* (SSN 571) at sea beyond the Continental Shelf at a depth in excess of 300 feet beneath the surface of the Atlantic Ocean.

Present were: Senators ANDERSON (chairman), PASTORE, GORE, HICKENLOOPER, and KNOWLAND; Representatives DURHAM, HOLIFIELD, PRICE, COLE, HINSHAW, VAN ZANDT, and PATTERSON.

Members of the committee staff: Corbin Allardice, executive director; Messrs. Walter Hamilton, Kenneth Mansfield, and Edward Heller.

The meeting was called to order by the chairman.

A motion was made by Representative PRICE that Rear Adm. H. G. Rickover be called before the committee to give information on the U. S. S. *Nautilus*. The motion was agreed to.

The chairman ordered that the record show that the joint committee participated in the 66th, 67th, and 68th dives of the U. S. S. *Nautilus*. Dive 66 was to a depth of 100 feet. Dive 67 was to a depth of 200 feet, and dive 68 was to a depth in excess of 300 feet.

Admiral Rickover discussed at great length the history and organizational structure of the submarine propulsion project.

In the course of his testimony Admiral Rickover suggested that the record show that during the course of the committee meeting, the *Nautilus* had operated longer at higher speeds submerged than any other operating submarine.

After Admiral Rickover's testimony, it was moved and agreed that the Subcommittee on Research and Development should explore with representatives of the Atomic Energy Commission and the Air Force to determine whether the organizational and management experience gained in building atomic submarines might not be applicable to the development of reactors for aircraft nuclear propulsion and other purposes.

It was moved by Representative PRICE that the Subcommittee on Security be asked to look into the problem of a more positive and aggressive declassification program by the Commission. This motion was discussed and agreed to.

The executive director read a suggested press statement (copy attached) which was approved by the committee.

Representative HINSHAW proposed that a suitable resolution be drawn up commending the captain and the crew of the *Nautilus* for their competence and their hospitality to the joint committee and that the resolution be suitably engraved and presented to Commander Wilkinson. The resolution was agreed to and the committee instructed the staff to prepare such a resolution.

At 12:05 a. m. on March 21, 1955, the *Nautilus* still being submerged but preparing to surface, the committee adjourned subject to the call of the Chair.

CORBIN ALLARDICE,
Executive Director.

Minutes approved:

CLINTON P. ANDERSON,
Chairman.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks the press release which was prepared by the executive director.

There being no objection, the press release was ordered to be printed in the RECORD, as follows:

[From the office of the Joint Committee on Atomic Energy, March 21, 1955]

"The development of atomic-powered submarines will, in our opinion, radically change naval strategy and tactics," 12 members of the Joint Committee on Atomic Energy said today upon returning from an overnight inspection and operational run aboard the U. S. S. *Nautilus*, the world's first atomic-powered submarine.

The 12 members of the joint committee who joined in the statement released in New London, Conn., today are: Senator CLINTON P. ANDERSON, of New Mexico, chairman; Representative CARL T. DURHAM, of North Carolina, vice chairman; Senator JOHN O. PASTORE, of Rhode Island; Senator ALBERT GORE, of Tennessee; Senator BOURKE B. HICKENLOOPER, of Iowa; Senator WILLIAM F. KNOWLAND, of California; Representative CHET HOLIFIELD, of California; Representative MELVIN PRICE, of Illinois; Representative STERLING COLE, of New York; Representative CARL HINSHAW, of California; Representative JAMES E. VAN ZANDT, of Pennsylvania; Representative JAMES T. PATTERSON, of Connecticut.

"Not only are we impressed by the performance of the *Nautilus* as an operating naval vessel, but we deeply believe her success marks the beginning of a new approach to naval warfare, and, indeed, of the ultimate replacement of conventionally fueled submarines and surface ships by ones driven by atomic energy," the committee members said.

"Security considerations do not allow us to reveal the details of the operational tests we witnessed, but we can state that the *Nautilus* operated perfectly both on and beneath the surface at all speeds and that several deep dives, some in excess of 300 feet, were made.

"Comdr. Eugene P. Wilkinson, skipper of the *Nautilus*, put his ship through her paces and we are enthusiastic about her performance. We were impressed with the fundamental simplicity of control of the nuclear reactor and with the very high speeds the *Nautilus* can maintain for unlimited times under sustained operating conditions. These very high speeds and unlimited endurance are possible only through the use of nuclear fuel. The *Nautilus* is the only submarine in the world that can completely circle the globe at full speed submerged.

"We congratulate the officers and men of the U. S. S. *Nautilus* as pioneers of the atomic Navy and we commend for his foresight and followthrough Rear Adm. H. G.

Rickover, who accompanied us on the inspection, to whom more than to any other person the success of the *Nautilus* is due."

Mr. ANDERSON. I also ask unanimous consent to have printed in the RECORD at this point a list showing the ship's personnel from States represented by embarked Members of Congress.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

SHIP'S PERSONNEL FROM STATES REPRESENTED BY EMBARKED MEMBERS OF CONGRESS

California: Ralph V. Foster, EN1, 840 17th Avenue, Santa Cruz; Glenn M. Gates, EN1, 10436 Grand View Drive, La Mesa; James C. Lacy, TM1, 1083 Mount View Avenue, Oxnard; Edward M. Lovejoy, ET1, Box 1023, Janesville; Merle E. Raimer, TM2, Route 3, Box 3671, Paradise; Comdr. Eugene P. Wilkinson, San Diego; Lt. William H. Layman, 4066 Coronado Avenue, San Diego; Lt. John H. Nicholson, 144 Monte Vista, Oakland; Lt. Kenneth M. Carr, 720 Orchid Drive, San Bernardino; Lt. (jg.) Davis S. Boyd, 726 San Ysidro Lane, Santa Barbara.

Connecticut: Robert E. Fuchs, MM1, 1699 Boulevard, West Hartford.

Illinois: James R. Herwig, EN3, 1201 North Mill Street, Pontiac; Leroy Ingles, TMC, Rushville; Lawrence L. Lawyer, ET1, Box 93, Media; Lt. John H. Ebersole, MC, 613 West Eighth Street, Sterling; Lt. (jg.) Raymond E. Engle, 6026 Ellis Avenue, Chicago.

Iowa: Wesley L. Headington, EMC, Decorah; Otto H. Welper, EN1, 1493 Sixth Avenue, Marion.

New Mexico: Fredo W. McFall, EM1, 1617 Severo Road SW., Albuquerque; Lt. Warren R. Cobean, Jr., 621 North Main, Roswell.

New York: James M. Curran, TM3, 326 East 49th Street, New York City; Edward D. Dunn, ET1, MD 16 Downing Avenue, Newburgh; Albert A. Ferris, RM1, 4112 Broadway, Long Island City; Robert C. Hughes, EN1, 535 Van Cortlandt, Park Avenue, Yonkers; John P. McGovern, EN1, 13448 97th Street, Ozone Park; Francis A. Picano, SN, 13024 Liberty Avenue, Richmond Hill; Elmer C. Dering, IC2, Spring Street, Cambridge; James J. Carrie, Jr., ET2, 94 East Genesee Street, Auburn; Lt. Edward O. Dietrich, 308 Summer Street, Buffalo; Frederick O'Brien, ET1, 770 Amsterdam Avenue, New York City.

North Carolina: Allan R. Lewis, EN3, Box 1137, Hendersonville; Ernest P. Resner, HMC, Box 391, Hillsboro.

Pennsylvania: George W. Fields, TM1, 30½ South Wolf Street, Manheim; Edward J. Brown, EM1, Progress, Harrisburg; Richard J. Hadley, QM3, 15 East Baltimore Avenue, Media; Robert F. Ringer, EN1, 413 Market Street, Rockwood; Edward J. Riordan, TM2, 12 East King Street, Littlestown; Francis R. Statzula, HMCA, Box 307, St. Michael; Albert A. Wood, Jr., CHELEC, 213 Spring Street, West Easton; William H. Williams, ET1, 646 Liberty Avenue, Carnegie.

Rhode Island: Robert E. Simonini, EN2, 31 Bach Avenue, Conimicut.

Tennessee: Shelley Cole, TN, 1032 Second Avenue, South, Nashville; Lt. Leslie D. Kelly, Jr., Blackburn Avenue, Nashville; James C. Marcom, ET1, R. F. D. No. 6, Brownsville.

Mr. LANGER. Can the Senator from New Mexico tell us the difference in cost between a first class submarine of the old type and the *Nautilus*?

Mr. ANDERSON. I am sorry to tell the Senator that such information is restricted. We tried to obtain permission to release that type of information, but there are certain reasons why it may not be released at this moment.

However, let me say that in my opinion—and I am expressing only my personal opinion—while the cost of the *Nautilus*-type submarine is greater, the operating efficiency is also much greater. Probably in terms of operating efficiency, the costs very nearly parallel, if the cost is measured from that point on. That does not mean the dollar costs. The dollar costs are far greater. There is a difference with respect to operating efficiency. Some persons believe that a submarine like the *Nautilus* is twice as efficient as the old type of submarine; some persons believe it is five times as efficient.

I am not trying to pin down the exact ratio, but in basing my opinion on my own observation of the technique as it has been developed, I believe that in terms of operating efficiency the cost is not greater than that of the conventional type of submarine. That, however, is a matter of discussion which others who are more competent to speak on that subject than I could well argue. It is a field to which the Appropriations Committees of the Senate and the House and the Armed Services Committees of the Senate and the House will wish to give their attention. I am convinced that the appropriate members of those committees will wish to call the matter to the attention of the membership generally.

Mr. KNOWLAND. Mr. President, will the Senator from New Mexico yield?

Mr. ANDERSON. I am happy to yield to the Senator from California. I should like to say first that when the *Nautilus* was at a very substantial depth beneath the surface and when the crew called upon members of the committee to undertake the management of the ship for a very short period of time, the Senator from California and the Senator from New Mexico held a very true and steady course. It is true that afterward the Senator from Iowa [Mr. HICKENLOOPER], the Senator from Tennessee [Mr. GORE], and other members also took over the management of the ship——

Mr. KNOWLAND. Also the Senator from Rhode Island [Mr. PASTORE].

Mr. ANDERSON. Yes; also the Senator from Rhode Island. He did a very good job, too. However, I must say that in the brief period the able Senator from California and I had control of the ship under the sea, I felt that I had never seen a ship so steady and so easily handled. I now yield to the distinguished Senator from California.

Mr. KNOWLAND. I should like to say that I have listened with a great deal of interest to the report of the chairman of the Joint Committee on Atomic Energy. I was tremendously impressed, as I believe all the other members of the committee were impressed; and I strongly urge that members of the Committee on Armed Services, who have a very deep interest in the subject of national defense, and the members of the Appropriations Committee, particularly those who are members of the subcommittee which deals with the armed services, at the very earliest opportunity have the experience we had in visiting the *Nautilus*.

I cannot help but believe that we saw and participated in the operation a vessel which is bound to have a tremendous effect on the United States Navy. I also wish to express the hope that in its wisdom the Defense Department and the Congress may find, after due deliberation and due consideration, it will be advisable to proceed at a more rapid rate in building perhaps improved versions of the *Nautilus*.

It seems to me that the subject matter should be gone into very thoroughly by the three committees which are directly concerned, namely, the Joint Committee on Atomic Energy, and the Armed Services and Appropriations Committees of the two Houses.

Mr. ANDERSON. I thank the Senator from California for his observation. I yield to the Senator from Rhode Island.

Mr. PASTORE. I should like to remind the Senator from New Mexico in connection with the remarkable experience we had that not only was the *Nautilus* propelled by atomic power, but those of us who used electric razors shaved by atomic power; the light in the submarine was generated by atomic power; the cooking on board was done by atomic power; and the water we used for washing was purified by atomic power.

Mr. ANDERSON. The entire ship was operated in that fashion. It is remarkable indeed. It is particularly significant that the management of the ship gave us a great deal of confidence. I am sure that every Member of Congress who was on the trip was impressed by the ability of the ship to meet whatever test was imposed upon it. It inspired in all of us a feeling of great promise for the future.

THE WHITE HOUSE SQUIRRELS—THEIR PRESERVATION IMPORTANT TO AMERICAN TRADITION

Mr. NEUBERGER. Mr. President, this is National Wildlife Week, and I rise to speak my piece in defense of a segment of wildlife which has deep roots in the hearts of the American people.

I refer to the White House squirrels.

The President of the United States, according to news dispatches, is having the White House squirrels caught in box traps and carted many miles away from the White House because they have been scratching his putting green.

I strenuously protest this undertaking. I urge the President of the United States to cease and desist, before he does permanent and irreparable damage to an American tradition—if the damage has not already been done.

Mr. President, the American people love animals because animals love us. Animals are not part of our quarrels and animosities and human pettiness.

The first time I saw the White House grounds, Franklin D. Roosevelt was President. Squirrels scampered across the lawns and up the trunks of trees. Children stood at the iron fences, thrusting peanuts to their squirrel friends through the bars.

When Dwight Eisenhower became President, I saw the same scene—squirrels pattering over the grass; squirrels running up the trees and along branches.

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Children fed the squirrels through the fences, as they had done before.

SQUIRRELS HAD HISTORIC ANCESTRY

The White House might be occupied by a liberal Democrat or by a conservative Republican, but the squirrels went on forever. Their ancestry stretched back to the era of John Quincy Adams, perhaps even earlier. Presidents might come and Presidents might go, but the White House squirrels presumably could go on forever.

That is, until they began scratching Dwight D. Eisenhower's favorite putting green.

Mr. President, I sympathize with the fondness of the President of the United States for the game of golf. I, too, am a golfer, of sorts. I am not one of those who begrudges the President of the United States his golf playing. He has an exacting job and he needs relaxation and diversion.

But, surely, a few squirrels on the White House lawn need not spoil the President's practice putts and pitch shots.

I play golf on a course near Portland, Oreg., where big gray squirrels with bushy tails are indispensable fixtures. I understand these Oregon squirrels are members of the same general family of wild creatures as the White House squirrels: sciurus carolinensis. Now, Mr. President, occasionally the hurried scampering up a douglas fir tree in Oregon of a member of the species sciurus carolinensis may have caused me to miss a crucial putt. But, in all candor, Mr. President, I probably would not have holed out the putt, anyway. I am not a particularly skillful putter, if the truth were known.

I cannot vouch for the putting of the President of the United States, but it is my general understanding that such great golfers as Ben Hogan, Byron Nelson, and Sammy Snead manage to make pretty fair golf scores on various golf courses without first having to have the entire squirrel population of that particular piece of landscape permanently deported.

Mr. President, when I decided to make this talk I asked the Library of Congress to obtain some information on squirrels. I wish the President shared the opinion of the distinguished biologists who do research for that great institution of information. In the memorandum prepared for me by the biologists I find a very pertinent quotation. I am very glad the distinguished junior Senator from Montana [Mr. MANSFIELD] is occupying the chair at this time. That great State, where Mrs. Neuberger and I have camped and hiked so many times, abounds, in its great mountain and scenic areas, in gray squirrels. This is what the Library of Congress says about our squirrels:

> Few native American mammals are better known or more beloved than the gray squirrels.

Oh, that the distinguished President of the United States would share the sentiments of the Library of Congress.

SQUIRREL FAMILIES BROKEN UP

In addition to the trapping operations, homes of squirrels in the White House trees are being broken up and removed. It seems likely, under this program of banishment, that many squirrel families are being torn apart—mothers and fathers separated from their offspring, brothers and sisters deported to unfamiliar surroundings in widely separated areas. [Laughter.]

Let me read several paragraphs from a United Press dispatch of recent date describing the outmigration of White House squirrels now being enforced by the President and his aides:

> So, box-type traps were baited and set around the golf green at night. The catch from each night's trapping is put into a truck and hauled miles into the woods where the squirrels are released.
>
> Squirrels are supposed to have poor homing instincts and the theory is that they will stay in the woods. Meanwhile, their nests in the White House trees are being removed.

I do not resent this as a United States Senator. I resent it as a plain, everyday, run-of-the-mill American citizen. A little piece of the White House belongs to me, as it does to every American. I do not want my piece of the White House to be without the White House squirrels.

I remember when there was a big uproar around the Nation because a previous President of the United States decided the rear of the White House needed a balcony for the comfort of his family and himself.

SQUIRREL REMOVAL ALTERS WHITE HOUSE

Mr. President, I may have an up-side-down sense of values but, to me, the White House has been a thousand times more altered through the harsh and arbitrary deportation of the White House squirrels than because of the addition of a few sticks of lumber to make a balcony.

The squirrels are flesh and blood, living and animate things, creatures which breathe and eat and reproduce and eventually die. A balcony is a board where folks can sit. Which means more to the people who own the White House?

My campaign for the Senate in 1954, Mr. President, was predicated largely on one central theme: conservation of our natural resources. These resources consisted of waterpower sites, oil reserves, timberlands, grazing meadows, scenic panoramas, and wildlife.

I emphasize the word "wildlife" because I found that wildlife has genuine meaning to vast numbers of Americans. In fact, throughout the Nation, this week is set aside as National Wildlife Week.

Mr. President, I submit that the White House squirrels are an indispensable part of the wildlife of America. Indeed, they are the one and only segment of our wildlife with lineage extending far back into that portion of America's real estate where lives the head of the United States Government. If the White House squirrels are banished from the White House grounds—and, alas, they may have been banished already—American wildlife loses its last roots at 1600 Pennsylvania Avenue.

Lest this question be taken lightly, I should like to point out that virtually every State has an official State animal. The Nation as a whole has the national bird, the eagle. Animals have deep-seated symbolism for Americans of every age, every creed, every religion, every political party, every faith.

TOLERANCE OF SQUIRRELS ASKED

I say to the distinguished and illustrious President of the United States: "Mr. President, please do not banish the White House squirrels. Tolerate a few scratches and bumps on your private putting green in order to continue the fine and colorful heritage of the White House squirrels."

Mr. BARKLEY. Mr. President, will the Senator from Oregon yield?

Mr. NEUBERGER. I yield to the distinguished Senator from Kentucky.

Mr. BARKLEY. Would it be inappropriate here to paraphrase a quotation from the Bible:

> Foxes have holes, the birds of the air have nests,
> But the son of man hath not where to putt.

[Laughter.]

Furthermore, while I am on my feet, would it be inappropriate to inquire of the Senator whether he thinks the banishment of these squirrels is altogether due to the mutilation of the White House lawn, or whether, according to their habit, they are seeking to bury some of the "nuts" which have been brought to Washington recently? [Laughter.]

Mr. NEUBERGER. I would say, Mr. President, first, that the Biblical quotation made by the distinguished Senator from Kentucky is certainly pertinent in this particular situation.

With regard to the question he has put to me, I should like to say that in my limited way I have done some research concerning squirrels, and I can find no partisan tinge to the White House squirrels.

Mr. BARKLEY. They are both black and gray, and, therefore, so far as the color line is concerned, they are utterly impartial.

Mr. NEUBERGER. Absolutely. They are completely universal.

Mr. BARKLEY. They will be taken out into the woods to be killed by dogs and subjected to all manner of cruelty, in spite of the fact that for a hundred years they have been the pets of the Nation.

Mr. NEUBERGER. That is true. For many years children have fed the White House squirrels through the fence. The squirrels are completely harmless, and they give visitors to the Nation's Capital a real and intimate tie with the White House, where the President lives, no matter who he might be.

I thank the distinguished Senator from Kentucky for his very helpful contribution to the discussion.

As a citizen who belongs to the Izaak Walton League, to the Wilderness Society, to the Grange, and to various other groups dedicated to conservation of our wildlife resources, I plead with the President for a reprieve for our White House squirrels.

On our beautiful capitol grounds at Salem, Oreg., hundreds of squirrels scamper about at will. They are as much a part of the State capitol landscape as the firs and cedars which have been growing there since the era of the frontiersmen and the pioneers. The people of Oregon would no more think of de-

porting the squirrels on our State capitol grounds than they would of uprooting the marvelous forest giants which grow there. It seems to me a similar attitude should prevail at the White House and among the people who live in our National Capital City.

SAVE-THE-SQUIRRELS FUND PROPOSED

Because I have tolerance for the President's status as a golf fan, I should like to make an offer. With $25 from my own pocket, I am starting a Save-the-White-House-Squirrels Fund. The money shall be used to install an aluminum-lock fence to protect the President's golf green from any ravages or depredations by marauding squirrels. I feel certain that other Americans, sharing my concern over the threatened disappearance of the White House squirrels, will help add enough to the fund to finance the necessary protective fencing for the President's putting green.

I shall ask distinguished retired officers of the Fish and Wildlife Service and of the United States Forest Service to administer the spending of the fund. This week—National Wildlife Week—seems an appropriate time to start the fund.

The only condition attached to my gift is this—that the trapping and deporting of the White House squirrels cease immediately. Too, if this operation has already proceeded so far that the White House is virtually depopulated of squirrels, then a box-trapping operation must be instituted at once in the realm where these squirrels were released, so that there will be a reasonable chance of returning to the White House the same squirrels which were deported from the White House during the past few weeks by order of the President, so that squirrel families can be brought together again in happy reunion. [Laughter.]

I hope and pray that our illustrious President will accept my offer. It is in the interest of a beloved American tradition that he do so.

As a Democrat, I take some pride in the fact that our former President, Harry S. Truman, appointed a little 5-year-old boy to act as official feeder of the White House squirrels back in 1949, so that these furry creatures would continue to inhabit the grounds of our Presidential estate.

Mr. President, I ask unanimous consent to include with my remarks a brief description of the biological subfamily of the Sciurinae—which we know as squirrels—which I have obtained from the Library of Congress, along with an article from the Washington Post and Times Herald about the present deportation of White House squirrels; an article from the New York Times of October 21, 1949, describing President Truman's defense of the White House squirrels; and an editorial from the New York Times of March 20, 1955, heralding National Wildlife Week for 1955.

There being no objection, the matters were ordered to be printed in the RECORD, as follows:

SQUIRRELS

Squirrel, a typical member of the rodent family, Sciuridae. The squirrels form the subfamily Sciurinae the members of which are of slender form and have long bushy tails. All squirrels have well-developed clavicles and the two bones of the lower leg well-developed and distinct; the premolar teeth are two above and one below, but the first upper one is small and usually deciduous; the molars, three in each jaw, broad, tuberculate and rooted; the incisor teeth are compressed and the palate broad. About 15 genera with very numerous species and subspecies are distributed throughout the world except in Australia. The typical species are diurnal and strictly aboreal, but some of the ground-dwelling species are transitional to the terrestrial and burrowing marmots (subfamily Arctomyinae), and some are nocturnal.

Squirrels are chiefly vegetarian, but differ much in the exact nature of their food; most of them partake more or less of an animal diet. In cold and temperate climates most species hibernate more or less completely and gather stores of nuts, grains, and other foods for the winter months. Some species are known to migrate occasionally in large numbers. The species are of small or moderate size, the largest equaling a cat and the smallest a mouse. Squirrels are adaptable creatures and live under a great variety of climates and conditions, the two principal centers of development being regions physically so different as the Malayan Islands and North America, in the latter of which 5 genera and 120 species occur. The typical genus Sciurus includes species mostly of proportionally large size with magnificent bushy tails, no cheek-pouches, the thumb rudimentary and without nail, and the first upper premolar absent or minute. Of the 75 species, approximately, of this genus, fully one-half are Oriental.

GRAY SQUIRREL GREATLY BELOVED

Few native American mammals are better known or more beloved than the gray squirrel (S. carolinensis), sometimes called the cat squirrel, and, in its melanistic phase, the black squirrel. It abounds in the hardwood forests from Canada to Florida and westward to Minnesota, and in the lowlands as well as the mountainous districts. As might be expected from this wide range, it splits into a number of distinct races. This species reaches a length of about 20 inches, of which the tail is nearly one-half and more rounded and bushy than in any other species. The eye is large, full and bright, the ears erect and pointed, but not tufted, and the color rusty gray above, more or less brown along the back and paler below. In the parks and more open parts of even large cities, wherever suitable trees supply a home and a refuge from cats and dogs, the gray squirrel has become semidomesticated.

Its active arboreal habits and sprightly appearance have done much to make the squirrel the admitted type of frolicsomeness and sport. The food consists of nuts, acorns, seeds, fruits, etc., and these animals evince economic and frugal habits, in that they accumulate during the autumn a store of provisions, which is deposited in the nooks and crannies of trees. The nest and dwelling-place consists of a spherical structure formed of intertwined twigs with attached leaves lined with leaves and bark and is generally placed in the fork of a bough, in an inaccessible situation in the top of a tall tree. Cavities in trees are similarly lined and serve as nurseries and shelters in which to hibernate.

The squirrels exhibit a great attachment for their respective nests, one pair generally occupying the same tree and nest for a long period. From 3 to 4 young are produced at a birth, usually in June, the young remaining in the parent nest until the following spring.

When engaged in eating, these animals grasp the nut or other food in their forepaws, sitting meanwhile on their haunches and gnawing off, by aid of their powerful teeth, the hard outer coverings, and even peeling the kernel before eating it. The bushy tail of the squirrel, besides serving, when folded around the body, to retain the heat, assists through its outspread hairs in supporting the animal in its aerial leaps, a function subserved in other squirrels by special developments of the skin.

SOME CONDEMN THE SHOOTING OF SQUIRRELS

Before the deforestation of this country had destroyed so many of its natural haunts this species was extremely abundant and not only sometimes raided cultivated fields to the great loss of the farmer, but occasionally migrated in great numbers, even crossing large rivers like the Ohio. Squirrel shooting is a favorite pastime with many, and, were it not for the destruction which it entails of such lovable and sprightly animals, could be commended as one of the pleasantest of sports, the pursuit of which takes one into forests of noble old trees in the most exhilarating season of the year. It necessitates long cross-country walks without the assistance of a dog, and requires a quick eye and steady hand to bring down the alternately appearing and disappearing game as it leaps and bounds among the topmost branches or projects itself through space from tree to tree. The practice of the Kentucky pioneers of "barking" squirrels has been too often graphically described by Audubon and others to require more than a passing comment.

[From the Washington Post and Times Herald]

WHITE HOUSE SQUIRRELS BEING DEPORTED FOR TAKING DIVOTS FROM PUTTING GREEN

(By Merriman Smith)

This is a warning to all squirrels—stay away from President Eisenhower's private putting green on the White House lawn or you'll find yourself shanghaied to some forest miles away from tourist peanuts and other easy pickings around 1600 Pennsylvania Avenue.

For some weeks, a secret "operation squirrel" has been at work.

It seems the President noticed squirrels were scratching up his velvet-smooth golf green which is just outside the southeast corner of his office. Steps to discourage the rodents were ordered.

First, an expert in electronics was called in. He suggested the use of extremely high-pitched sound which theoretically would annoy the squirrels and send them scampering. They didn't scamper.

Then the Army Signal Corps tried putting together a tape recording of sound allegedly offensive to squirrels and played it at the little nut-gatherers. But it turned out that the hundreds of squirrels around the White House have become rather conditioned to noises of all sorts.

So, box-type traps were baited and set around the golf green at night. The catch from each night's trapping is put into a truck and hauled miles into the woods where the squirrels are released.

Squirrels are supposed to have poor homing instincts and the theory is that they will stay in the woods. Meanwhile, their nests in the White House trees are being removed.

[From the New York Times of October 21, 1949]

With Congress barely adjourned, President Truman made a recess appointment today requiring no Senate confirmation. He appointed a squirrel feeder for the White House grounds.

The fellow who got the job is Master Richard Feeney, 5 years old. Richard is like the officer in the Army who complained about the food and was promptly assigned as mess officer.

The boy's father is Joseph Feeney, White House liaison man in Congress. Richard

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was visiting his dad and happened to encounter the President in the lobby of the executive offices. Mr. Truman wanted to know whose young man he was and Richard told him. Then he made a complaint.

"The squirrels in Lafayette Square have stomachs this big," said Richard, indicating with his hands. "But over here they're only this big." The leaner squirrels are those in the White House grounds, which tourists are forbidden to feed.

"Well, I'll put you in charge of feeding squirrels," said Mr. Truman. Richard will get no pay and he will have to furnish his own peanuts.

[From the New York Times of March 20, 1955]

NATIONAL WILDLIFE WEEK

The theme of National Wildlife Week, which begins today, is "Save America's Wetlands." Many people may wonder what wetlands—marshes, swamps, sloughs, bayous, etc.—have to do with any form of wildlife other than mosquitos. They may wonder what better use could be made of wetlands than to drain them. But the fact is that the wetlands are an indispensable part of our natural heritage. They help preserve vital water supplies; they provide essential habitat for myriad forms of plant and animal life; and their rapid disappearance through drainage or pollution is a national tragedy that must be stopped.

This is not to say that all drainage of potentially rich agricultural land is necessarily bad or uneconomic. It is to say that much drainage has been unnecessary and some of it—as in the Everglades—disastrous. It is to say that private and governmental promotion of drainage projects has too frequently ignored all other considerations save the immediate prospects of increased agricultural production, a particularly shortsighted policy in the face of already vast agricultural surpluses.

The Second World War and its aftermath provided through skyrocketing farm prices a great stimulus to the drainage of marginal land that never should have been put under the plow at all. Water tables have been lowered, with the result that damaging droughts are in some areas now more likely than ever. Federal agencies have long encouraged drainage projects, and Congress provides tax relief for it; but there are signs of an awakening to its frequently deleterious effects on water conservation, wildlife production, and public recreation.

AMENDMENT OF COTTON MARKETING QUOTA PROVISIONS

The Senate resumed the consideration of the bill (H. R. 3952) to amend the cotton marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended.

Mr. FULBRIGHT. Mr. President, I desire to make a short statement regarding the cotton allocation and cotton acreage bill, which is now before the Senate, since the matter is of vital importance to the farmers of Arkansas.

At the outset, I wish to state that I am opposed to the drastic reduction in both cotton and rice acreage which has been ordered by Secretary of Agriculture Benson.

Mr. KUCHEL. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield for a question.

Mr. KUCHEL. I am only acting as the minority leader, but I am inclined to think that a quorum call might be in order, if the Senator from Arkansas will agree to it, because I feel certain that some Senators on both sides of the aisle would be interested in the comments which the Senator from Arkansas is about to make on the bill which is the unfinished business.

The PRESIDING OFFICER. Does the Senator from Arkansas yield for that purpose?

Mr. FULBRIGHT. I yield for a quorum call, without prejudicing my right to the floor.

Mr. KUCHEL. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Flanders	McClellan
Allott	Frear	McNamara
Anderson	Fulbright	Millikin
Barkley	George	Monroney
Barrett	Gore	Mundt
Beall	Green	Neely
Bender	Hayden	Neuberger
Bennett	Hennings	O'Mahoney
Bible	Hickenlooper	Pastore
Bricker	Hill	Payne
Bridges	Holland	Potter
Bush	Hruska	Purtell
Butler	Humphrey	Robertson
Byrd	Ives	Saltonstall
Capehart	Jackson	Schoeppel
Carlson	Johnson, Tex.	Scott
Case, N. J.	Johnston, S. C.	Smathers
Case, S. Dak.	Kefauver	Smith, N. J.
Chavez	Kerr	Sparkman
Clements	Kilgore	Stennis
Cotton	Knowland	Symington
Curtis	Kuchel	Thurmond
Daniel	Langer	Thye
Dirksen	Lehman	Watkins
Douglas	Long	Wiley
Duff	Malone	Williams
Dworshak	Mansfield	Young
Eastland	Martin, Iowa	
Ellender	Martin, Pa.	

Mr. CLEMENTS. I announce that the Senator from North Carolina [Mr. ERVIN], the Senator from Washington [Mr. MAGNUSON], the Senator from Oregon [Mr. MORSE], the Senator from Montana [Mr. MURRAY], and the Senator from Georgia [Mr. RUSSELL] are absent on official business.

The Senator from Massachusetts [Mr. KENNEDY] is absent by leave of the Senate because of illness.

Mr. SALTONSTALL. I announce that the Senator from Arizona [Mr. GOLDWATER], the Senator from Indiana [Mr. JENNER], the Senator from Wisconsin [Mr. MCCARTHY], and the Senator from Idaho [Mr. WELKER] are necessarily absent.

I also announce that the Senator from Maine [Mrs. SMITH] is absent on official business.

The PRESIDING OFFICER (Mr. SPARKMAN in the chair). A quorum is present.

Mr. FULBRIGHT. Mr. President, I wish to make a statement regarding the pending bill on cotton acreage allocations, since it vitally affects the farmers of Arkansas.

At the outset, I should like to state that I have opposed the drastic reduction ordered by Secretary Benson in both cotton and rice acreage. I may say the senior Senator from Arkansas [Mr. MCCLELLAN] and I have conferred at length about this problem, and he agrees with me regarding my views.

In the last 4 years the cotton-producing areas have had to absorb a reduction in acreage planted in cotton from approximately 27 million acres in 1952 to an allotment of 18,183,000 for 1955. The cotton farmer has seen the national allotment reduced by Secretary Benson, first to 21,379,000 acres, in 1954; and then to 18,183,000, in 1955.

Mr. President, I may say that as a general proposition it seems to me the Secretary of Agriculture is insisting upon moving too rapidly to dispose of the accumulated surplus from the overproduction—or perhaps I should say the underconsumption—of the past few years. My main objection is as to the time legitimately taken in decreasing the surplus, in view of the fact that cotton is one of the crops which has not cost the Federal Treaury a great deal of money—which cannot be said for a number of other crops. So it seems to me we could well afford to take a little longer time, and not make the over-all reduction so drastic.

Mr. President, along with several other Senators, I have co-sponsored measures which would increase the national allotment to 19,500,000 acres, this year. These measures—S. 259 through S. 263—were introduced on January 10. All were designed to give relief with particular emphasis to small farmers, that is, those with farms under 5 acres in size. I believed then, and I still believe, that this administration has shown too little interest in the plight of our agricultural economy. The drastic acreage reductions, coupled with lower prices for agricultural commodities, will further aggravate the decline of our basic farm economy, and will increase the great disparity between the income of farmers and that of other segments of the economy.

Mr. President, I may say that in the recent hearings regarding the stock market, nearly every witness, many of whom represented the financial or the industrial life of the country, admitted—in fact, all of them admitted—that probably the "softest," most dangerous, or weakest segment of our economy at this time is agriculture, the prices of agricultural products, and the surpluses which threaten a revival of an adequate price level.

Because of the opposition of the Secretary of Agriculture, there appears to be no chance for legislation to bring the cotton allotment up to 19,500,000. The best legislation which appears to be attainable is a measure which would provide for a small number of additional acres to be used in alleviating hardships and inequities in the present allotments.

The pending bill, as passed by the House, was designed to relieve the small farmer and to take care of other hardship cases arising under the 1955 cotton acreage allotment. The House version provides for a flat increase of 3 percent in the assigned cotton acreage allotment for each State. In the House version, the method of apportionment of the additional acreage within the State was designed to provide a minimum allotment equal to either the smaller of 5 acres or the highest number of acres planted to cotton on the farm in 1952, 1953, or 1954.

The Senate committee amendment to the bill provides for the additional acreage necessary to increase each farm cot-

ton acreage allotment to the smaller of 4 acres or 75 percent of the highest number of acres planted to cotton on the farm in 1952, 1953, or 1954; and, in addition it provides for each State an allotment of one-half of 1 percent of the State's 1955 acreage allotment.

Mr. President, I realize that the Senate committee sought to find a measure which would satisfy the Department of Agriculture; and I think it is generally understood that unless that is done, the measure will meet with a veto.

However, the committee's recommendation is inadequate and, in comparison with the House version of the bill, is unfair to many cotton-producing areas. The pending proposal is designed almost entirely to take care of the hardships of the small farmer, which is, of course, a very worthy aim; but it also disregards another large segment of hardship cases in the cotton-producing States—namely, the tenant farmers. The small acreage increase going to the States for distribution will be wholly inadequate to alleviate the hardships of the tenant farmers. I think the provisions relating to the small farmer are desirable, and I support this objective wholeheartedly; but in order to relieve hardships for all cotton farmers, provision must be made for hardship relief in the case of larger farms also. Under the House version, the States would be required to take care of the small farms first, and then to use the remaining acreage for other hardship cases, of which there are many in my State, as well as elsewhere in the Cotton Belt. In the Senate committee proposal there will be only a pittance to be distributed to the hardship cases, other than small farmers.

The Senate committee version has the effect of favoring some cotton-producing States at the expense of others, in the distribution of the additional acreage allotment. The States having large percentage of farms under 4 acres would receive a much larger proportion of the additional acreage than would the States having fewer small farms. I do not have information on the percentage of farms, by State, under 4 acres; but the following examples of percentages of farms under 5 acres are indicative of the distribution under the Senate committee amendment:

[Farms under 5 acres]

	Percent
Virginia	92.3
Florida	78.9
North Carolina	57.7
Mississippi	24.9
Arkansas	10.0
California	3.9

The following is a comparison of the additional acreage allotted under the House version and under the Senate committee version of the bill:

State	Additional acreage, House version	Allotment, Senate committee version
Virginia	547	4,162
Florida	1,089	5,245
North Carolina	15,471	41,159
Mississippi	52,526	36,886
Arkansas	45,891	10,957
California	23,361	3,894

In the case of Virginia, Mr. President, the table shows that the Senate committee version of the bill provides for almost eight times as many additional acres.

On the other hand, the allotment for Mississippi would not be increased by the Senate committee version.

Under the Senate committee version, the allotment for Arkansas would be decreased to less than one-fourth.

In other words, the greatest inequity of the Senate committee amendment is that it would penalize the States which, by means of using their State and county reserves, undertook to relieve their hardship cases. I mean to say, those States would do so by using the acreage they already had, under the formula they had been allowed to use. On the other hand, the Senate committee amendment would reward the States which did not set aside a reserve for small farmers or for inequities or hardships. Arkansas is one of the States which used their State and county reserve acreage allotment for the small farmers and hardship cases. Mississippi, one of the States which stands to benefit the most under the bill, did not set aside any acreage in reserve for small farms, for hardship cases, or for new farms in that State. Ninety-seven percent of Mississippi's reserve was set aside for trends. It seems very unfair to me to penalize the States which have attempted to meet hardship problems with their acreage reserves. This certainly would be the result of the Senate committee amendment.

So, Mr. President, I cannot support the Senate committee version of the cotton-allotment bill.

Together with several other Senators, I am a cosponsor of the amendment which was submitted an hour or so ago by the junior Senator from Mississippi [Mr. STENNIS]. That amendment constitutes a great improvement over the Senate committee amendment.

As the Senator from Mississippi has stated, the amendment he has submitted calls for a straight 1½-percent increase, following the pattern, we might say, of the House version, although not on so large a scale.

Therefore Mr. President, if because of opposition on the part of the Department of Agriculture, we cannot have the House version, then I think at least the principle of the House version should be applied; and in that event I urge the Senate to support that amendment.

THE RECENTLY PUBLISHED YALTA PAPERS

Mr. LEHMAN. Mr. President, I address myself to the recently published Yalta papers.

The act of making these documents public at this time, including the record of intimate and informal discussions among the three chiefs of state, impresses me as misuse of high public trust to serve narrow partisan political purposes.

It is a perversion of the historical process in a manner designed to mislead the public, and to distract the public attention from pressing current problems.

Those responsible for this act must be exposed to a searching inquiry as to their motives.

The fact is that the secret Yalta papers were first made available to the Republican National Committee; then they were leaked to the New York Times. Finally they were made available to the press generally.

I, as a Member of the Senate, have not yet seen the full folio of papers and documents given to the press. Some Members of the Senate were supplied with copies. To others, they were denied. But I understand the Republican National Committee has a full and adequate supply for its speakers' bureau and speechwriting staff.

This paper bombshell has proved a dud from the viewpoint of making any shocking disclosures, but it has had the following effects:

First. It has raised a cloud of public dust, distracting the public's mind from the urgent questions and issues of the day;

Second. It has strained our relations with Britain and with Britain's Prime Minister Winston Churchill, one of the principals at Yalta, who had urgently requested that the papers not be published at this time;

Third. It has spattered mud on the prestige of the United States in France, Germany, and Japan, and other countries, by reopening old wounds, and making public casual remarks by President Roosevelt and Prime Minister Churchill, reflecting on the national pride of those countries.

The chief victim of this reprehensible act—the explosion of this dud—the publication of the Yalta papers—has been our own country. We have fouled our own nest.

These papers do not give a true historical picture. Their publication is, as I have already said, a perversion of history. These papers were published completely out of context, without reference to the events which preceded Yalta, the exchanges of diplomatic correspondence, and the military discussions and considerations which entered into the formulation of American positions at Yalta.

The Yalta papers are not only meaningless, but outright misleading, unless taken in context with the Atlantic Conference, the first Quebec Conference, the Casablanca Conference, the Cairo Conference, and the Teheran Conference, all of which preceded the Yalta Conference.

The Yalta discussions are historically misleading unless considered in context with the preceding meetings of the foreign ministers, such as the one at Moscow in 1943, and the one at Dumbarton Oaks in 1944.

Yalta cannot be understood except in the light of the decisions and recommendations of the Joint Chiefs of Staff, and of the combined Allied Chiefs of Staff. Yalta cannot be understood except in the light of the recommendations of the then Supreme Commander of the Allied Powers in Europe, Gen. Dwight D. Eisenhower, regarding the course of war against Germany, and of the recommendations of the Commander of Allied Forces in the Far East, Gen. Douglas

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MacArthur, regarding the course of war against Japan.

General MacArthur strongly favored and urgently recommended that Soviet Russia be involved in the war against Japan. It was estimated that an invasion of Japan proper would involve more than a million American casualties. To save American lives, it was deemed essential to get Russia into the war. That was the first object of our diplomacy in 1944, just as the first object of our diplomacy in 1942 and 1943 was to keep Russia in the war against Germany.

Mr. CASE of South Dakota. Mr. President, will the Senator yield?

Mr. LEHMAN. No; I would rather continue with my very brief statement, and then I shall be glad to yield to the Senator.

The PRESIDING OFFICER. The Senator from New York declines to yield.

Mr. LEHMAN. Mr. President, commitments made to Russia and to other allies of that day—it seems so long ago now—in 1942, 1943, and 1944 were designed to serve the chief objectives of that time.

I am not a historian, Mr. President. I am not sufficiently informed to pass final judgment on the concessions we made to Russia at Yalta, or the concessions we secured from Russia at Yalta—and we did get a great many concessions. I regret one of the many agreements reached at Yalta, namely, the agreement on Poland. I wish it could have been more favorable to Poland. I wish Russia had not cruelly and cynically violated both the spirit and the letter of that phase of the Yalta agreement. But we did get vital concessions at Yalta.

At Yalta Stalin finally agreed to the establishment of the United Nations—an American plan first proposed by Cordell Hull at the Moscow conference of foreign ministers in 1943, first given substance at the Dumbarton Oaks Conference in early 1944, and finally approved at Yalta in 1945.

At Yalta Stalin agreed to closer military cooperation with the United States in the final phases of the war against Germany; and to the establishment of American bases on Soviet-controlled territory and Soviet soil, in Europe and in Asia.

At Yalta Stalin agreed to a timetable for Russian entrance into the war against Japan.

These are some of the concessions we won at Yalta.

But, as I said, I shall not undertake to weigh the concessions we gained against those we gave. Hindsight gives a wonderful perspective for judgment, but its exercise should be limited to those who have all the facts, and who are qualified to weigh those facts. I make neither claim. None of us here possesses such knowledge.

But I can pass judgment on those in high places—on the Secretary of State, the President of the United States, and their advisors—who decided to publish these Yalta papers, out of all context, and with no respect for the requirements of either sound diplomacy or fair historical perspective.

My judgment, which I believe will be affirmed by the American people, as it has been generally affirmed by the press of our country, is one of condemnation.

They cannot justify, they cannot excuse this shameful act.

In this case, Mr. President, I believe there is a particularly cynical and devious motive in addition to pure partisanship.

In this case, one of the motives I attribute to this administration is a desire to divert the public attention from the crisis in the Formosa Straits and in the Far East generally.

I believe the intention is plain—to take the public's mind off the threat of war—of catastrophic total war—which this administration's policy has intensified by its blundering embrace of Chiang Kai-shek.

I believe that this administration wants us to discount, in advance, this administration's responsibility for the course of events in the Far East.

They want the American people to blame Roosevelt and the Democratic Party for the situation in the Formosa Straits; to blame Roosevelt and the Democratic Party for the tragic and worsening situation in Indochina; to blame Roosevelt and the Democratic Party for the fact that great coalition of free nations is in critical danger of collapse; to blame Roosevelt and the Democratic Party if the United States is forced into the wrong war, in the wrong place, at the wrong time, against the wrong enemy.

That is the motive behind the publication of the Yalta papers at this time. I so charge the administration. I would be glad to hear an answer of this charge.

Mr. CASE of South Dakota. Mr. President, will the Senator yield?

Mr. LEHMAN. I am glad to yield.

Mr. CASE of South Dakota. Let me say to my distinguished friend, the Senator from New York, that it does not happen to be the official responsibility of the junior Senator from South Dakota to respond to the challenge or charge he has made. However, I affirm for the RECORD that no such devious, cynical motives—to borrow the Senator's words—was behind the publication of the Yalta papers at this time or any other time. In fact, I think it has been definitely stated that the President himself had not read the papers, and that he had nothing to do with the decision to use them. Therefore, I should say that the Senator's remarks, to the effect that there was a deliberate, cynical, or devious intent on the part of the administration, falls of its own weight.

More than that, I would like to say to the distinguished Senator from New York that I believe history will charge the persons who participated in the conference at Yalta with ignoring the advice that was given to them by General Groves with respect to the development of the atomic bomb.

History will charge the persons who were responsible for confirming the promises of Yalta at Potsdam with again ignoring the advice that was given to them by the military with respect to conditions in Japan.

I myself know that in May, 1945, top officials of the Air Force were reporting to committees of Congress that the bombing attacks on Japan had riddled the five principal industrial cities of Japan. They were making that statement in committee at that time. They said that Japan could not mount another offensive, and that that was the situation regardless of the success of the development of the atomic bomb.

I know from my personal experience as a member of the Subcommittee on Armed Services of the Committee on Appropriations that, in the spring of 1945, when we were discussing the progress being made with the atomic bomb, we were told that it would be ready for testing probably in June or July of that year, and that not very long thereafter the bomb would be delivered. The Air Force felt it would not be necessary to use it.

Therefore, the figure of a million casualties was simply a figure which was publicly used but which did not represent the top thinking of the military or the top thinking of the Air Force at that time.

The promises which were made at Yalta, particularly the promise that we would set a date for the entry of Russia into the war against Japan and the denunciation by Russia of her treaty of amity and friendship with Japan, were confirmed at Potsdam.

Apparently the concern Stalin had at Yalta was that the promises might not be fulfilled. I believe the subsequent language used was that the Government of the United States would see that the promises made would unquestionably be fulfilled. "Unquestionably" is the key word which I draw to the Senator's attention. Therefore, the persons who were responsible for the decision at Yalta in February, 1945, and at Potsdam in June or July, that we would pay the price for Russia's entry into the war, reached that decision and made that promise even though the military advice and the advice of General Groves at that time was that the war would end relatively soon without Russia's participation.

Mr. LEHMAN. The distinguished Senator from South Dakota will recall the Yalta Conference was held in February, 4 months before even the tests of the atomic bomb were made. There was no certainty at that time that the atomic bomb would be effective. It was all speculation.

Certainly the feeling, as well as the testimony which was given many times, was to the effect that our casualties, if it was necessary for us to invade and conquer Japan alone, would run to at least 1 million.

The Senator from South Dakota has stated that the President of the United States did not know of the publication of the documents. I have heard that said. Certainly I will not question the word of the President of the United States, even though it was given indirectly through his press secretary. However, to me it is a most astounding situation that documents which have proved to be world-shaking, and which everyone must have known would be world shaking, were released by the Secretary of State without the knowledge

and consent of the President of the United States.

I have known a number of Presidents, and I have known a number of Secretaries of State. I have never believed it possible that documents of such importance, which affect the lives and security of a score of countries, would be released without the knowledge and consent of the Chief Executive of the country, the President of the United States. It is completely astounding and almost unbelievable.

Mr. CASE of South Dakota. Does not the Senator feel, if he is to charge the administration with a devious intent, he should be able to say that the release of the papers was the result of the decision of the President himself? The Senator has stated he does not question the fact that the President was not involved; yet earlier in his remarks he stated it was a cynical and devious intent on the part of the administration.

Mr. LEHMAN. I said it, and I repeat it.

Mr. CASE. Yet he dissociates the President from the act.

Mr. LEHMAN. Certainly the Secretary of State speaks for the President of the United States. It was the Secretary of State who authorized the publication of these papers. Whether the President gave his written consent to the publication of the papers makes no difference. The Secretary of State, within my knowledge and belief, has always represented the President of the United States in his dealings in diplomacy and in our relations with other countries.

Mr. CASE. Mr. President——

The PRESIDING OFFICER. Does the Senator from New York yield to the Senator from South Dakota?

Mr. CASE. I should like to be recognized in my own time.

Mr. LEHMAN. I shall be glad to answer any questions he may wish to put to me. If he wishes to be recognized in his own time, I am perfectly willing to yield the floor.

Mr. LONG. Mr. President, will the Senator from New York yield for a question?

Mr. LEHMAN. I am glad to yield.

Mr. LONG. Is the Senator from New York familiar with the speech the junior Senator from Wisconsin [Mr. McCARTHY] made on the floor of the Senate on March 16, in which the junior Senator from Wisconsin criticized the administration because it had failed to take certain steps with regard to the Yalta matter?

Mr. LEHMAN. I do not recall that speech.

Mr. LONG. I would be very curious to know the Senator's reaction to that speech. If the Senator should read the speech of the junior Senator from Wisconsin, I would appreciate it if he would let me know whether that speech might not have had something to do with the decision of the administration to release documents which have embarrassed our country in its relations with foreign countries.

Mr. LEHMAN. I shall be very glad to read the speech. I have no doubt that the inference which the Senator from Louisiana has drawn from that speech is an accurate one.

Mr. THURMOND obtained the floor.

Mr. CASE of South Dakota. Mr. President, will the Senator from South Carolina yield to me for 2 or 3 minutes?

Mr. THURMOND. I shall be very happy to yield.

Mr. CASE. Mr. President, as I stated, the junior Senator from South Dakota does not have official responsibility for responding to the vitriolic speech made by the distinguished junior Senator from New York [Mr. LEHMAN] with respect to the publication of the Yalta papers. The Senator from New York stated the publication of the papers was a direct challenge to the administration. I believe the RECORD should not be permitted to rest in that fashion without at least the statement being made firmly and definitely that there was no devious intent and no cynical intent on the part of the administration.

I have already pointed out that the President was not consulted or involved. It has already been stated in the press that the incident which led to the release of the papers was the fact that a copy of the papers had fallen into the hands of a reporter for the New York Times. Therefore it was impossible to keep them secret.

Furthermore, with reference to the publication of the papers and the effect on opinion at home and abroad, it ought to be pointed out that many memoirs have already been published at home and abroad. Those memoirs deal with the Yalta papers. Yalta is now 10 years past. How long should papers be kept secret when the information they contain relates to the security of our country and when they bear on policies which the Government may follow?

In my opinion sufficient time has elapsed, and world opinion should have the benefit of the truth as disclosed by official documents, without anyone getting too nervous or too jittery about it.

With further reference to the remarks of the distinguished Senator from New York, I should like to say something about the situation in Japan.

Mr. President, I see on the floor the distinguished Senator from Missouri [Mr. SYMINGTON], a former Secretary of the Air Force. I do not wish him to feel that he has to comment upon what I have to say. I am merely stating that in the spring of 1945, possibly in April, but, at least, by May, members of some of the committees of the Congress were being shown photographs of bombed Japanese cities. I remember the very definite statement being made that the five principal industrial cities of Japan had been bombed to the point of destruction, so that Japan could not again mount an effective offense. That information was available to the later President when he went to Potsdam, when the promises made at Yalta were confirmed.

I would also state of my own knowledge that the progress on the atomic bomb was made known to President Truman as it had been made known to President Roosevelt earlier. I think I saw some reference in the Yalta papers to the effect that a part of the published notes included a memorandum from General Groves to President Roosevelt concerning the progress being made on the atomic bomb at that time. So, I assert that it was not necessary in February to promise an exorbitant price to the Russians to come into the war against Japan. It certainly was not true in May or June or July that it was necessary to pay an exorbitant price to get Russia to go into the war against Japan.

Mr. SYMINGTON. Mr. President, will the distinguished Senator from South Dakota yield?

The PRESIDING OFFICER. The Senator from South Carolina has the floor.

Mr. SYMINGTON. Mr. President, will the Senator from South Carolina yield so that I may ask a question of the Senator from South Dakota?

Mr. THURMOND. I yield.

Mr. SYMINGTON. Mr. President, I did not intend to get into this discussion, but the distinguished junior Senator from South Dakota, for whom I have great admiration and respect, mentioned my name, and I would therefore like to ask him several questions.

Does the able Senator believe the released Yalta papers are important?

Mr. CASE of South Dakota. In response to the Senator's question, I will say that I think the Yalta papers provide interesting documentation of some rumors, stories, and reports which have been afloat for a long time.

Mr. SYMINGTON. In this grave age it would appear wise for us to have as many allies as may be possible. Since these papers are being publicly criticized by many of our allies, does not the distinguished Senator feel that this is a matter in which the President of the United States should be interested?

Mr. CASE of South Dakota. I have no doubt the President would have been interested had he been consulted. My understanding is that he was not consulted.

Mr. SYMINGTON. Is the distinguished Senator telling the Senate that the Secretary of State released these papers without consultation with the President of the United States?

Mr. CASE of South Dakota. That is my information. I have no official information. I know only what I have read in the newspapers and have heard on the radio.

Mr. SYMINGTON. Mr. President, I feel I can speak for many of my colleagues in saying that we would be glad to cooperate to prevent in the future a Cabinet officer from taking such summary action without the knowledge, and therefore without the approval, of the President.

Mr. CASE of South Dakota. Mr. President, I wish to thank the distinguished Senator from South Carolina [Mr. THURMOND] for yielding to me.

AMENDMENT OF COTTON MARKETING QUOTA PROVISIONS

The Senate resumed the consideration of the bill (H. R. 3952) to amend the cotton marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended.

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Mr. THURMOND. Mr. President, as one who is more especially interested in the welfare of the small farmers, I strongly favor the passage of a bill which would guarantee to them a minimum four-acre cotton allotment. Such a bill would help the small cotton growers without appreciably increasing cotton production and jeopardizing the present level of Government price supports for this basic commodity.

As Senators well know, cotton is the principal money crop of most farmers in the South. The reduction of cotton acreage from 27 million acres in 1953 to 18 million acres for 1955 has adversely affected a large number of our small farmers. Some have had their cotton acreage reduced below 4 acres, leaving them with an exceedingly small money crop. Even with the production of a bale to the acre, any farmer limited to less than 4 acres would not harvest much of a gross income from his cotton.

In South Carolina, and other parts of our country, our farmers have suffered severe setbacks in the past few years from the scorching drought that has burned up feed and other crops that are vital in maintaining farming operations. Farmers have been forced to buy livestock and feed because their homegrown supplies have been sharply reduced by the drought.

This, naturally, has raised operating expenses on our farms. But now, in addition to all this, the production of cotton, the principal money crop to many farmers, has been curtailed. This reduces farm income at a time when operating expenses are at a relatively high level.

In view of the hardships our farmers have faced for the past few years, I believe they deserve every possible consideration. What is now asked is but a small consideration to ask—a guarantee to be able to plant at least four acres of cotton. As I previously pointed out, this small increase in acreage allotments will have little, if any, effect on our overall cotton supplies.

Mr. President, I know that many of my colleagues are deeply concerned over this problem of cotton acreage allotments. In my opinion, all of us who are disturbed by this vital matter can help most at this time by supporting a bill that would guarantee a minimum four-acre cotton acreage allotment for our small farmers.

Mr. ELLENDER. Mr. President, except for the fact that many Senators, particularly those from the South, received letters urging that, for the benefit of the small farmer, the bill which is now before the Senate, should be passed, it would not have been considered. When the bill was introduced in the Senate and referred to the Committee on Agriculture and Forestry, under instruction from the committee, I selected a subcommittee to go into the matter in detail to the end that there should be reported to the Senate a bill which would provide sufficient acreage to give to all small farmers a minimum of 4 acres, which is the acreage my esteemed colleague, the Senator from South Carolina [Mr. THURMOND] has just advocated they should have.

The subcommittee took the matter up with the Department of Agriculture in the hope of obtaining sufficient evidence from the Department to indicate the number of farmers who were short of having 4 acres in cotton. After that was done, it was estimated that in order to take care of the small cotton farmers whose allotment was less than 4 acres, a total of 168,059.3 acres would be required.

So, Mr. President, in order to meet that situation, the subcommittee proceeded to allocate to the farmers of each State sufficient acreage so that each cotton farmer would be able to plant to cotton the smaller of 4 acres, or 75 percent of the highest acreage he had planted to cotton in 1952, 1953, or 1954.

The bill as reported to the Senate, I repeat, provides for an additional allotment to each State of, first, the acreage necessary to increase each farm allotment to the smaller of 4 acres or 75 percent of the highest acreage planted in 1952, 1953, or 1954, plus an amount equal to one-half percent of its present allotment.

The total additional acreage provided by the bill would be 258,625.3 acres, of which 168,059.3 acres would be apportioned to States under the small-farm provisions I have just described, and 90,566 acres would be apportioned under the one-half percent provision.

The additional acreage apportioned to each State under the bill would be used, first, to provide each farm with the smaller of 4 acres or 75 percent of the highest acreage planted in 1952, 1953, or 1954, and then to subserve any of the purposes for which the State reserved under section 244 (e) of the Agricultural Adjustment Act of 1938 could be used—in general, to correct inequities of one sort or another.

The additional acreage provided by the bill is applicable only to the 1955 allotment and would not be taken into account in determining future State, county, and farm acreage allotments.

When the bill was reported to the full committee by the subcommittee, it was carefully considered by the full committee. The bill as prepared by the subcommittee provided for a 1 percent additional allotment above that required for small farmers instead of the one-half percent which the bill as reported provides. The committee decided to reduce this 1 percent to one-half percent in order to bring the total increased acreage provided by the bill within the acreage which the committee thought would be acceptable to the Secretary of Agriculture and also to the White House.

The bill having been reported to the Senate for action, I understand that amendments will be offered. I have not studied the amendments carefully, but I am informed that they will change the manner and method in which the allocations are to be made. It seems that consideration will not be given to all the small farmers within a State. The amendments will allocate quite a large cotton acreage to the States which do not need it, in order to meet the problem of the small farmers.

My fear is that should the acreage be unduly increased, the result will be a Pyrrhic victory. Even though the Senate and House should pass the bill, it is my considered judgment that if it goes beyond taking care of the 4-acre farmers, the bill will receive a presidential veto.

The bill was carefully considered by the full committee and by a subcommittee of which the distinguished senior Senator from South Carolina [Mr. JOHNSTON] was the chairman. The subcommittee reported a bill which would take care of small farmers; and except for the hue and cry of the small farmers, the bill would not be before the Senate. Therefore, I urge that the Senate adopt the Senate bill.

Mr. HILL and Mr. JOHNSTON of South Carolina addressed the Chair.

The PRESIDING OFFICER (Mr. FREAR in the chair). The Chair recognizes the senior Senator from Alabama.

Mr. HILL. Mr. President, the Committee on Agriculture and Forestry is to be congratulated for adopting, in the bill before the Senate, a formula which will provide considerable relief in a very bad situation.

The bill embodies provisions of 1 of 5 bills which I and 5 of my colleagues introduced in January to increase the national cotton allotment by 1,400,000 acres and relieve hardships suffered by our cotton farmers. One of the bills which we introduced guaranteed that every small farmer would receive not less than the smaller of 5 acres or the highest acreage planted in the last 3 years.

Our cotton farmers have suffered drastic reductions in cotton acreage. The reduction have cut seriously into the ability of more than 200,000 subsistence-level cotton farmers to maintain even their former pitifully meager standards of living. They have been reduced below a 5-acre minimum each on which to grow cotton. Translated into income, this means reduction in incomes which are already at the $200 and $300 level and below.

I know of no Member of Congress who wants to do this. The problem has been to find a solution which would relieve these small disadvantaged farmers of as much of their extreme distress as possible without seriously impairing the effectiveness of our acreage control program.

The House of Representatives voted a flat 3 percent increase in cotton allotments to all the States. In some of the States this much additional acreage was not needed to relieve the distress of the small, subsistence farmers. In others, it was not enough. In all, the House solution would have added 543,234 acres to our total national cotton allotment of 18.1 million acres.

The administration flatly opposed any increase, and the power of veto lies in the President.

The Senate committee has substituted a formula which will give each State enough additional acreage to give every cotton farmer either 4 acres minimum, or 75 percent of his highest planted acreage in the past 3 years, whichever is lower. The committee has given each State an increase of one-half of 1 percent in its prior allotment to take care of extreme hardship cases beyond the 4-acre limit.

This has held the total acreage added to national cotton acreage allotment to 258,625 acres—about half of the House total. And it has brought from Mr. James A. McConnell, Assistant Secretary of Agriculture and head of the Commodity Credit Corporation, the statement:

I do not think the increase * * * will materially affect the long-term picture if it is stopped right there. (P. 21, hearings.)

Speed is of the essence in clearing this measure. Cotton planting is already under way in some areas. The bill must be passed—and signed—within a very few days if it is to accomplish its purpose of relieving the most extreme hardship of some 200,000 small farmers. In Alabama almost 40 percent of our cotton farmers are small, family-size farmers with cotton allotments of less than 5 acres. The small-farmer provision in the Committee-approved bill if enacted will provide desperately needed relief for small farmers.

It might be debated whether the Congress made an error in permitting the States to elect to distribute the 1955 cotton acreage allotments on a flat percentage basis, without first taking care of the 5-acre minimum group. Nevertheless, it would be impossible to go back and correct such error now as to the 1955 crop, with planting already under way. If Congress desires to make a correction as to the 1956 crop, that can be done later. The matter can be considered when the immediate urgency is over.

We are considering today a 1-year respite for extreme hardship cases—largely subsistence farmers at extremely low-income levels—which will be acceptable to Congress and the President and can become law without delay.

The Senate Agriculture Committee has provided at least a partial solution, and I hope that it will be enacted.

We are in reality dealing in this measure not with a proposal that will significantly affect our farm programs—the increased production involved is negligible and will not, in Mr. McConnell's words, "affect the long-term picture"—but with a measure to ease the extreme hardships of farm families which have had their acreage and their potential income cut far below the subsistence level.

I regret that the administration opposition to almost any increase in acreage makes it impossible to do more for cotton farmers at this time. It is unfortunate that the 5-acre minimum has had to be cut to 4 acres in an effort to assure enactment of the measure. It is unfortunate that we cannot do something for somewhat larger family farmers, whose acreage has been cut so drastically that, even with the application of the best farming practices, they will be unable to earn enough to meet debt payments, interest, taxes, and family living expenses this year.

Only 4 years ago our Government was urging farmers to produce more cotton, more peanuts, more corn, more wheat, more rice—more of everything—to meet national defense requirements. Our farmers, as always, responded patriotically. Cotton acreage was swelled to 27 million acres. The national defense emergency was met.

Then suddenly, the defense emergency ended. Cotton acreage has been cut back one-third—about 9 million acres—down to 18.1 million acres, in just 2 years. Cotton income has been cut from $3 billion in 1953 to a potential $1.7 billion this year, more than $1¼ billion down.

In the case of industry, we have paid out billions of dollars to indemnify proprietors for readjustment of production to peacetime levels. The Government has underwritten the whole bill for retirement of the costs of plant and equipment essential to war production but unneeded in the peacetime economy. But in the case of agriculture, the present administration has insisted not only upon a precipitous rather than a gradual reduction of production, but also on the imposition of flexible price supports.

Secretary of Agriculture Benson gave indication this week of what wheat and other farmers may look forward to when he told the press, as reported in the Washington Star Wednesday afternoon, that it will take 10 years of rigid production controls to bring wheat supplies down to a peacetime level, and that he will fight any efforts to restore 90-percent price support for farmers. Our wheat supplies, as a result of farmers' all-out, patriotic response to the war needs of the Nation, are the greatest in history. Wheat farmers have had to make the same sort of readjustment cotton farmers and industry have made. But, unlike big industries, the cotton farmers and the wheat farmers and the rest of the farmers of the Nation are expected to readjust their production from defense levels to peacetime levels without Government aid, and take drastic reductions in their price levels at the same time.

About a week ago the President of the United States issued an order permitting the importation of 51 million pounds of peanuts. Peanut growers in the United States were encouraged in every conceivable way during the war emergencies to increase their production. They attained an annual production well over a million tons a year. When the war ended, they were first to start acreage reduction. Last year, due to acreage reductions and drought, production plus carryover amounted to 652,000 tons of peanuts. Use has been estimated at between 615,000 and 635,000 tons. Supply and requirements were thus approximately in balance.

Fortunately for the peanut farmers, with their short supply and smaller quantity to sell, peanut prices rose to an average of 92 percent of parity on February 15 of this year. Some farmers stood a chance of getting 100 percent of parity—full parity—in the market place for their production.

But then on March 9 came the President's import order. It not only permits the importation of a large additional supply—25½ thousand tons—but it permits peanuts to come in, even with the special fee of 2 cents per pound imposed on the new imports, at a total cost to the big users which will be under the price of domestic peanuts.

I am advised that foreign peanuts have been bought for as low as 11 cents a pound delivered to the United States of America. The 7 cents regular tariff and 2 cents special fee will bring the cost to 20 cents a pound. Some domestic peanuts, shelled and cleaned on a comparable basis, have been moving at 26 cents a pound.

By its action the administration has rolled back the price of a basic commodity which had not attained even an average of parity in the market place. And the victims of this rollback are farmers who are staggering under drastic acreage reductions, low prices, and serious drought.

Farmers of every kind throughout the Nation ought to be concerned with the implications of the peanut import order.

Throughout the farm debates of the past 2 years we have been told that the longtime objective of administration farm policy is that some time down through the years—probably after many of today's farmers have gone bankrupt—farm prices would reach 100 percent of parity in the free market without Government supports.

Yet when one of our basic commodities, due to farm acreage reduction and drought, approached the parity level in the market place, section 22 of the Agricultural Adjustment Act was used by the administration not only to halt, but to roll back, the farmers' prices.

This can be done to wheat, to other grains, to feeds, to livestock, to dairy products, to cotton, to corn, and to every other farm commodity. If they approach 100 percent of parity in the market place as peanuts did, the import gates can be opened, and the farmers' price rolled back down far below 90 percent of parity, even though this was never intended under the Agricultural Adjustment Act or the Reciprocal Trade Act. Nor is it expected by friendly nations abroad. It has always been recognized that our trade policies, of necessity, must protect the workings of the farm programs.

It is time that the Congress take a clear view of the agricultural situation before a farm depression again leads this Nation into a general depression. The House Committee on Agriculture, in a recent report, advised:

These are some of the realities that confront us:

The average of farm prices is down 22 percent since February 1951.

Farm operating costs remain near their record level.

Net farm income in 1954 was 28 percent below 1947 and 10 percent below 1953. Further declines are in prospect for 1955 and 1956.

Farm debt is increasing.

The value of agricultural assets has declined $10.5 billion since January 1, 1952.

Farmers' purchasing power, in terms of 1935–39 dollars, is the lowest since 1940.

These are the statistics of economic catastrophe, but it appears to give little concern to the Secretary of Agriculture, who told the press this week that agriculture, on the whole, was in good condition.

The majority of the members of the Joint Committee on the Economic Report, participating in this year's study

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of the economy, add further facts and a warning to us about the situation of agriculture in their recent report to this Congress. They reported:

At the time the Economic Report was transmitted to the Congress, the agricultural parity ratio was 86, its lowest point since 1941. It has not changed since then. These changes in the parity prices have been reflected in farm incomes. Income of farm proprietors has declined from a postwar peak of $16.7 billion in 1948 to $14.2 billion in 1952, to $13.3 billion in 1953, and to a seasonally adjusted figure of about $11.1 billion in the fourth quarter of 1954. Moreover, there has been a continuing decline in the ratio of per capita income of the farm population from farm sources to the per capita income of the nonfarm population from nonfarm sources.

The official outlook reports of the Department of Agriculture for the year 1954 point to a net farm income this year slightly below the level of 1954. Testimony presented to the committee during its hearings confirmed expectations of a continuance of slowly declining aggregate farm income. In addition, large areas have suffered and are continuing to suffer because of severe drought thereby aggravating the weakened condition of farmers in these areas. * * *

The (President's) Economic Report contains only scattered reference to the farm situation, including a discussion of agricultural production in 1954 in a section relating to developments during the past year. In the face of evidence of continued agricultural distress, of falling farm income, and the existence of 2 million farm families suffering from underemployment and inadequate incomes, it is difficult to see how a thorough discussion of the farm problem, together with recommendations for programs to deal with it, could have been so completely minimized in the report.

If it is the position of the report that no recommendations are needed, and that present agricultural programs need no change nor additions to deal with the existing situation, then, indeed, it would have been far more appropriate for the report to have frankly faced facts and stated this position forthright, rather than to have neglected these problems altogether.

Mr. President, there are hundreds of thousands of farm families today living below minimum adequate standards. Even the Department of Agriculture admits, in its Outlook Reports, that—

There is little doubt that in many cases farmers are finding scheduled payments burdensome. This is particularly true in areas where drought has combined with lower prices to reduce farm income.

It should be clear to all of us who can remember the agricultural depression of the twenties, culminating in the great depression in the early thirties, that an imperative duty of this Congress is to reverse the present downward trend of agriculture; that we must give belated postwar readjustment assistance to the farm families of America if the Nation is to avoid a farm-led, farm-fed economic decline.

The measure before the Senate will have negligible effect on our cotton readjustment program, but it will permit tens of thousands of small-family farmers to earn another crust or two for themselves; to come a little closer to providing the possibility of their keeping body and soul together until some more adequate measure of relief can be provided for them.

I again congratulate the Committee on Agriculture and Forestry for adopting a formula which has a possibility of enactment and of being signed in time to provide the relief intended. I know that this great committee will, in the weeks just ahead, deal wisely with the broader, urgent problems of our depressed agriculture.

The farm problem today is far larger than just a farm problem. The situation is so serious that it is also a social problem, involving the welfare and minimum decent standards of living for millions of our citizens, and it is a national economic problem, involving the economic strength and well-being of the Nation and every one of us.

Mr. JOHNSTON of South Carolina. Mr. President, there is before the Senate a bill, H. R. 3952, which as it came from the House of Representatives carried a straight across-the-board 3-percent increase in acreage for each State.

In reference to the bill which came from the House, I am glad to say the chairman of the committee appointed a subcommittee to hold hearings. That cotton subcommittee, with the authority and at the direction of the Committee on Agriculture and Forestry, held hearings on Saturday, March 5, and Monday, March 7, 1955, to examine into the underlying factors which seemed to require legislation to increase the national cotton acreage allotment.

During the course of the hearings, the records of which are now on the desks of Senators, we had the opportunity of hearing many witnesses, including numerous Senators, Members of the House of Representatives, the Assistant Secretary of Agriculture, Mr. McConnell, the Director of the Cotton Division, Mr. Rhodes, and representatives of the Farm Bureau and the Farmers Union.

Hearings by the subcommittee were concluded only after there were no other witnesses to be heard. The subcommittee concluded its hearings and has reported back to the full committee.

With respect to the proposed legislation, I should like to call attention to the fact that the committee and the subcommittee desired to help the small cotton farmers throughout the country who were badly in need of additional small amounts of acreage, for in a great many instances they would have less than an acre on which to grow cotton.

This minimum proposed legislation, which the subcommittee strongly recommended to the full committee, and which the full committee then reported to the Senate, provides for a cotton acreage subsidy—that is what we must call it—or an emergency allotment, of only 258,625.3 acres, to be used in the alleviation of hardship cases and outstanding inequities.

The increase which the committee proposes in the allotment is about 300,000 acres less than the 553,234 acres proposed in the House bill.

We may just as well face facts. The administration has put its foot down, so to speak, on an increase of even the amount the subcommittee recommended. So we had to do the best we could.

Moreover, the increased acreage, which we suggest as reasonable, is apportioned among the States by a formula based on hardship, rather than an increase of 3-percent across-the-board, based on historical allotments, which the House approved.

I emphasize the fact that the bill would cut the increased allotment almost 300,000 acres below that passed by the House, and I emphasize that our bill is severely restricted to hardship cases in order that Senators may fully appreciate that we have considered, step by step, in our hearings and in our discussions the need to restrict cotton acreage and the need to reduce cotton surpluses.

When we are discussing cotton, we must bear in mind at all times that at present an enormous surplus is on hand.

Therefore, the cotton-acreage allotment we propose reflects the economic, the social, and the humanitarian needs of thousands of our farm population, and the amount of the increase is cut to the bare bone. Evidence of this is the fact that 182,847 farms will share an increase of only 168,059 acres—less than an average increase of 1 acre per farm. Moreover, the apportionment of the remaining 90,566 acre increase—to apply to hardship cases and inequities on other than the very smallest of farms—is equally as impressive, although the variations here do not readily lend themselves to a statistical presentation. For example, this particular increase might go to the farm with 10 tenant families, sharing an allotment which has been cut to as little as 30 or 40 acres of cotton.

Before I get too far along, let us see just what we do propose in the subcommittee's version of the bill:

First, we provide each farm a minimum allotment of the smaller of (a) 4 acres, or (b) 75 percent of the highest number of acres planted to cotton on the farm in 1952, 1953, and 1954. In some instances, the latter would result in a little less than four acres. This would require an increase of 166,059.3 acres in the national allotment. The House provides for the smaller of five acres or the highest planted in those years, and would require an increased allotment of 400,322.3 acres.

Second, in our version of the bill, we provide that each State shall receive an additional allotment of one-half of 1 percent of its State acreage allotment for 1955, which would require an increase of 90,566 acres. The House approved a 3 percent increase for each State.

Mr. President, at this point let me say that some States do not need to take care of inequities to anywhere near the same extent that other States need to. In the hearings we found such differences as between various of the States.

Third, we provide that this increased acreage shall not be used, or taken into account, in establishing future State, county, and farm acreage history. I wish to emphasize that point, because it has an effect in terms of the future, so far as the allotment of cotton acreage throughout the Nation is concerned. The House version of the bill permits the Nation's increased acreage to count in measuring history; but we feel that this is, in a way, a cotton-acreage subsidy, for the purpose is to help in the

case of inequities, and to wipe them out insofar as possible. Therefore, since the purpose is to meet a peculiar hardship need, we should not let the bill be used for historic purposes, to the detriment of counties and States which would not share proportionately.

The whole substance of this bill, as you see, Mr. President, is aimed at bringing some relief to the farmers in America's great Cotton Belt who now are threatened by severe hardships, and are suffering, due to the sharp reduction in the cotton acreage for the 1955 cotton crop.

How did these hardship cases develop? How did a farmer suffer such a sharp reduction if the law was administered properly? How can Congress justify giving some additional acreage to the small farmer if the Secretary of Agriculture failed to do it?

I assume that those are among the questions my colleagues have in mind, and I want to try to answer them.

First, I wish to point out that the head of the Cotton Division, Mr. Rhodes, testified before our subcommittee that the Secretary of Agriculture exerted every influence that he could, in interpreting the law, in order to make the original cotton allotments as high as he possibly could. He recognized that a cut of more than 3 million acres in 1 year was serious, and he was trying to stretch to the very limit. But in the process he completely exhausted the national allotment available to him, and nothing was left—no national reserve—to be applied to hardship cases. I do not think that he, or we, anticipated the situation that developed, and confronts us today.

Second—and this is relevant to my first point—this year cotton acreage was allocated on a new basis and under a new system. Ninety-two percent of the cotton-raising counties elected to apportion allotments for 1955 among the farms in the county on the historical basis, which, in itself, was a new system to administrative people, and was substantially different from the system heretofore used. As you know, Mr. President, heretofore cotton allotments in the counties have been apportioned to farmers primarily on the basis of the acreage of cropland on the farms, rather than on the basis of past acreages of cotton. Department personnel informed us that the adoption of this new system inevitably resulted in some hardship cases, if for no reason other than lack of experience in its application.

After the 1955 cottton allotments were made to the farms—and after the Secretary had apportioned all the acreage that he could, under the law—it was discovered that thousands of small farmers had their acreages cut to a point below an economic unit—to a point below even the means of earning a livelihood. It also became obvious that in certain cases other farmers—who plant greater acreages than the small farm owners do—had their acreages cut so severely that they could no longer offer a farm or a means of livelihood to their tenant farmers.

In either case, unless we take action, the result might well be the economic ruin of certain groups of cotton-farming families and the forcing of thousands of farm families off the land. Again I remind each of my colleagues that under our bill, 182,847 small farm owners would share 168,059 acres of cotton, or less than 1 acre apiece; whereas thousands of tenant farmers would benefit—they would be able to remain on the farm, this year—as a result of the 90,566-acre increase. The latter increase will also enable those in charge of administration to make substantial corrections in certain hardship cases, which this year resulted as a consequence of the new system of distributing allotments.

Mr. President, I wish to direct attention to the fact that under the provision of our bill which calls for the smaller of 4 acres or 75 percent of the highest planted, even the farmers who get some relief may take some reduction from recent plantings—thereby spreading to an even larger number of farmers than would the House version, the cut in the national allotment.

In the final analysis, the crux of the problem we face here today is simply whether we are going to ignore the needs of thousands of small farmers who have no other way to make a living and who cannot make a decent living under the present allotment, or whether we shall risk adding a few more bales to the existing cotton surplus. Frankly, I do not feel that the question of the surplus has any place in this discussion, for the objective of the legislation we have before us should be, and must be, the emergency relief of hardship cases among our cotton farmers. That is the great social and humanitarian issue. In my judgment, it is the first order of business.

When that is done, I will join with other Members of the Senate in efforts to draft legislation designed to move American cotton wherever it is needed in the world.

That is something we must do in the future in order to relieve the surplus of cotton. However, I feel that the small amount added under the terms of the bill would not cause very much damage. At the same time, it would afford great relief to many farm families throughout the cotton belt.

Mr. ELLENDER. Mr. President, will the Senator yield for a question?

Mr. JOHNSTON of South Carolina. I yield.

Mr. ELLENDER. The distinguished Senator from South Carolina headed the subcommittee which held hearings on the bill. Would he venture an opinion as to what the recommendation of the Department might be if the acreage were increased to a larger extent than is provided for in the pending measure?

Mr. JOHNSTON of South Carolina. Representatives of the Department never answered the question as to exactly how many acres of increased allotment would be acceptable, but they did leave the impression with the subcommittee that they would not object to relieving the small farmers. Questions were asked in regard to the increase in acreage which would be acceptable, and when figures between 250,000 and 300,000 acres were discussed, they did not tell us that such figures would be satisfactory. I think other members of the committee will agree with me that they left the impression that a figure within those limits would not be too objectionable.

Mr. EASTLAND. Mr. President, will the Senator allow me to make an observation in reply to the question just asked?

Mr. JOHNSTON of South Carolina. I yield.

Mr. EASTLAND. My information is that a bill which would increase the allotment above 250,000 or 275,000 acres would not be approved. Our information is that a bill within those limits would have a chance to be signed. However, there was no commitment that it would be signed.

Mr. JOHNSTON of South Carolina. I think the testimony led us to believe that.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. JOHNSTON of South Carolina. I yield.

Mr. ELLENDER. Did the subcommittee obtain any recommendations from the Department in writing, with respect to any of the bills which were before the subcommittee or the full committee?

Mr. JOHNSTON of South Carolina. We have no recommendations from the Department for any increased acreage.

Mr. ELLENDER. As a matter of fact, the Department is adverse to any increase in acreage; is it not? However, as the Senator stated, it might consider a slight acreage increase so as to take care of the small farmers. Is that a correct statement?

Mr. JOHNSTON of South Carolina. That is true.

Mr. MONRONEY. Mr. President, I rise in support of the House bill, which was carefully considered by the House of Representatives and passed, and which allows an increase for hardship cases of some 3 percent in the allotments over 1955. The Senate Subcommittee of the Committee on Agriculture and Forestry has reduced the amount which was voted by the House, which aggregated a total of 543,000 acres, to 258,625 acres. We are told that we must take this smaller amount or suffer a veto. We are told that in some way, through a crystal ball, someone has determined that the administration would welcome a bill for an increase of 258,625 acres, but would reject a bill carrying an increase of 543,000 acres.

I wonder if anyone in the Department of Agriculture is capable of forecasting the effects of drought and weather, the effects of insects, or of rainy seasons which may destroy our cotton crop, and calculating the result to such a fine point.

Bear in mind that the 1955 allotment of acreage to our States represents severe cuts which have been progressively made in our cotton economy. I think the original cotton allotment was about 29 million acres. It was cut to 28 million acres. The following year it was cut to 21 million acres. Now it is to be cut to 18 million acres. We are suffering a decrease of more than 3 million acres, in the face of the severe restrictions which have progressively been made,

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even as against that which was in force last year.

The House of Representatives, in its wisdom, in considering taking care of hardship cases, decided that if we were to relieve such cases each State should receive an equal amount of the increase, just as each State suffered an equal amount of reduction in cotton allowables over the years.

Now it is proposed to depart from the principle of equality as among the States. We are told that hardship cases are to be relieved in only a certain group of States. The States of Texas, Oklahoma, and Arkansas have already taken care of the small 4-acre farms out of the allotments to those States. Those farms were taken care of first. Now we are told that because we did so, because we followed the law and saw to it that the acreage was properly allocated, those three States are to be singled out for discrimination under the hardship provision. If we can afford to increase the cotton acreage by only 250,000 acres, it seems to me that all the cotton States are entitled to share-and-share-alike in connection with the increase to take care of hardship cases, just as we have had to share-and-share-alike in connection with the decreases.

I am eager to take care of every hardship case in the deep South, involving 4-acre farms, but why were they not taken care of out of the original cotton acreage allotments? Most of the States have a larger amount of acreage than has my State or the State of Arkansas.

Let us see how the special treatment would work, under the proposal of the Senate Committee on Agriculture and Forestry. Oklahoma has an allocation this year of 872,000 acres, and we would receive, under the Senate committee amendment, some 6,170 acres; yet we find that other States which have a smaller amount of allotment than we have—for example, South Carolina, with 773,945 acres—would receive almost three times the hardship adjustment that Oklahoma receives. South Carolina, for example, would receive 16,511 additional acres, under this bill.

Let us consider the State of Alabama, with slightly more cotton acreage than my State has. It has 1,101,804 acres, or approximately 225,000 acres more. Alabama will receive an allotment of 26,233 acres. My State will get 6,000.

Mr. EASTLAND. Mr. President, will the Senator yield for a question?

Mr. MONRONEY. I am glad to yield to the Senator from Mississippi.

Mr. EASTLAND. Is the Senator familiar with the fact that a few years ago wheat was planted in Oklahoma and it did not come up, and then cotton was planted, and the farmers got both a wheat allotment and a cotton allotment?

Mr. MONRONEY. I do not recall the amount of acreage. I do know some drought relief was provided.

Mr. EASTLAND. That is not what I am talking about. Does the Senator recall that wheat was planted, that the wheat did not come up and thereafter cotton was planted on the same land?

Mr. MONRONEY. Oklahoma happens to be in the peculiar status of having her cotton and wheat belts adjoin. There is an interminglement, which gives us a worse base for cotton and for wheat.

Mr. EASTLAND. As I understand, Oklahoma was given a double base. Is it not a fact that on that same land, the farmers in Oklahoma receive both a wheat allotment and a cotton allotment?

Mr. MONRONEY. I will say to the distinguished Senator from Mississippi that we cannot grow both in the same year. It is impossible to do that.

Mr. EASTLAND. I wish the Senator would answer my question, if he is able to do so. Is it not a fact that several years ago farmers in Oklahoma planted wheat, which failed to come up, and then they produced cotton on the same land? In other words, they planted wheat in the fall, and it did not come up. Then they planted cotton the next spring and made a crop. The farmers then received a cotton allotment and also a wheat allotment on that land. Does the Senator recall that situation?

Mr. MONRONEY. No; I do not recall it. I am sure we did not get a wheat allotment if the land was producing cotton that year.

Mr. EASTLAND. Does the Senator say it did not happen?

Mr. MONRONEY. I do not believe that we would have received a wheat allotment if the land was devoted to cotton. I may be wrong about the technical aspects of the situation, and I should like to look into the matter. I cannot answer the Senator's question at this time. I should like to ask the Senator, however, whether he is referring to a free year, when it was not necessary to observe acreage restrictions.

Mr. CHAVEZ. Mr. President, will the Senator yield?

Mr. MONRONEY. I should like to ask the Senator from Mississippi whether he is referring to one of the years when no acreage restrictions were in effect.

Mr. EASTLAND. I do not know what the facts are. I asked a question of the Senator from Oklahoma. I and other Senators in the Chamber understood that that acreage counted as a base for both wheat and cotton allotments. In other words, wheat was planted, and it did not come up; then cotton was produced on the same land.

Mr. MONRONEY. The Senator is a member of the Committee on Agriculture and Forestry, and he can——

Mr. EASTLAND. I do not know what the facts are. I asked a question of the Senator from Oklahoma.

Mr. MONRONEY. I am not certain about it, but I shall be very glad to check into the matter and advise the Senator later.

Mr. CHAVEZ. Mr. President, will the Senator yield?

Mr. MONRONEY. I yield.

Mr. CHAVEZ. I believe I can answer the question of the Senator from Mississippi. It is true that cotton was planted and did not grow. Then wheat was planted. That did not grow, either. That is all that happened, so far as western Oklahoma and eastern New Mexico were concerned. I know the facts, because our States adjoin. Neither crop grew. I do not know what the farmers got so far as allotments were concerned, but neither cotton nor wheat was grown.

Mr. MONRONEY. Mr. President, during the consideration of this bill there was a good deal of support for a measure which would have cut in half the House allotment and would have reduced the 3 percent provided to 1½ percent. That would have provided approximately the same number of acres as provided by the special allocation for hardship cases that is given to some of the States I have mentioned. It would treat all exactly alike. Oklahoma would be taken care of by increase for hardship cases of 1½ percent, the same as Arizona, Alabama, Florida, Louisiana, Mississippi, or any other State. It would seem to me that if we are to be in the same position when we reduce the acreage, we should be allowed to go in on the same uniform basis when the allotment is increased for hardship reasons.

Certainly I am in sympathy with the small farmers of the Deep South, but I know full well that the problem is not solely confined to those small farmers.

The man who has 30 or 40 acres of upland cotton in Oklahoma is in just as great a hardship position, because of drought, wind erosion, and other factors, as are the small farmers in other regions of the country. It would seem to me, if the Senate in its wisdom would take the House bill and adopt the 3-percent increase in the allotment, which would amount to an increase of only 250,000 acres above that which the Committee on Agriculture and Forestry recommends, we would certainly not go wild and produce too great an acreage of cotton.

If that should result in the risk of a veto, I think it is up to the Senate to risk a veto, in order to take care not only of the States that are in trouble with respect to 4 and 5 acres but also the other States that are in desperate need of relief with respect to 40, 50, or 60 acres, States whose farmers cannot otherwise get sufficient acreage to make their farms economic producers.

For that reason I intend to vote against the committee amendment and support the original House position, which would give more relief to the hardship cases in the Deep South than the committee amendment would. Moreover, it would preserve intact a principle which I believe must be maintained. In other words, if we are to have cotton-acreage allotments or wheat-acreage allotments, each State should be in the same position, and the States should go down together if they must accept drastic reductions; and if there is to be relief, they should go up together. We should not single out a few States for special treatment. We cannot afford to do that without running the danger of getting the whole program out of line, and doing a grave injustice to those States which are discriminated against under the plan proposed by the committee amendment.

Mr. CARLSON. Mr. President, will the Senator yield?

Mr. MONRONEY. I am glad to yield to the Senator from Kansas.

Mr. CARLSON. I wonder whether the Senator would permit me to speak in

behalf of the cotton growers of Kansas. They have a 35-acre allotment for 1955. Under the proposal they are getting an increase of 2.2 acres. I shall support the bill on the basis of the increase they would receive.

Mr. MONRONEY. I understand that the State of Nevada tops the State of Kansas. Under the bill, Nevada is given an increase of 12 acres. I am sure Nevada can relieve a great deal of hardship with those additional 12 acres.

Mr. President, I believe that the committee should have supported the House position and given the Senate a chance to pass on the 3-percent figure. In that way much hardship would have been relieved. Failing to do that, I believe the committee should have adopted the 1½ percent, or cut the House figure in half, and in that way done substantial justice in the allocations to the farmers who are in trouble, but who still do not suffer the serious discrimination to which the farmers in the States of Arkansas, Oklahoma, and Texas are subjected.

Mr. MONRONEY subsequently said: Mr. President, I ask unanimous consent that I may include in the RECORD as a part of my remarks a table containing cotton-acreage allotments in the United States.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Cotton acreage allotments

State	1955 allotments	House bill (3 percent of 1955 allotment)	Stennis amendment (1½ percent of 1955 allotment)	Senate committee amendment
Alabama	1,101,804	33,054	16,527	26,233.7
Arizona	333,933	10,018	5,009	1,804.5
Arkansas	1,529,704	45,891	22,946	10,957.7
California	778,686	23,361	11,680	3,894.0
Florida	36,283	1,089	544	5,245.6
Georgia	950,818	28,525	14,262	22,553.0
Illinois	3,056			90.5
Kansas	35			2.2
Kentucky	8,374	251	126	340.1
Louisiana	648,442	19,453	9,727	12,102.7
Mississippi	1,750,852	52,526	26,263	36,886.9
Missouri	399,627	11,989	5,994	3,060.0
Nevada	2,324			12.0
New Mexico	182,194	5,466	2,733	1,069.7
North Carolina	515,714	15,471	7,736	41,159.2
Oklahoma	872,532	26,176	13,198	6,170.5
South Carolina	773,945	23,218	11,609	16,511.3
Tennessee	593,868	17,816	8,898	17,243.7
Texas	7,612,779	228,383	114,192	49,125.5
Virginia	18,238	547	273	4,162.5
United States	18,113,208	543,234	271,612	258,625.3

THE PRESIDENT'S HIGHWAY PROGRAM

Mr. BYRD. Mr. President, I ask unanimous consent to have printed in the body of the RECORD some editorials in regard to the administration's road program.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Fort Worth (Tex.) Morning Star-Telegram of January 25, 1955]

FEDERAL ROAD FINANCING

Formidable opposition to the presidential highway committee's proposal for financing a national road program has been registered by Senator BYRD, who is the new chairman of the Senate Finance Committee and an influential figure in Congress.

The conservative Virginian branded the highway bond issue plan as being thoroughly unsound, violative of financing principles and evasive of Federal debt restrictions. The plan contemplates creation of a Federal corporation that would issue road bonds to be retired from motorist taxes.

Senator BYRD offers food for thought in contending that such bonds would be evasion of the national debt limit and that interest on the 30-year bonds would amount to $11.5 billion. The sponsors of the plan are hopeful that increased revenues from existing Federal tax rates would be sufficient to finance the bonds.

The issue confronting both the Federal Government and the States is whether an expanded and needed highway program shall be financed on the traditional pay-as-you-go policy or by debt-making or deficits of which bonds would be the medium. The pay-as-you-go policy would require higher taxes on motor fuel, as Governor Shivers realistically recognized in his first message to the 54th Legislature. Generally speaking, it is important to realize that deficit financing is the costly way for government, and the opposition by Senator BYRD could avert precipitate action which might later be regretted.

[From the Denison (Tex.) Herald of January 27, 1955]

HIGHWAY PROGRAM HITS ROCKY TRAVELING

President Eisenhower's vast new road-building program has encountered serious opposition in Congress even before its formal submission. One critic is Senator HARRY F. BYRD, Democrat, of Virginia, chairman of the Senate Finance Committee and economy "watchdog" of Capitol Hill.

As outlined in the report of the President's Advisory Committee on a National Highway Program submitted on January 11, the 10-year plan concentrates "on modernizing the key 40,000-mile national system of interstate highways." The Federal Government would continue for 10 years its regular aid to States, at the rate of about $600 million a year. The State and local governments would spend about $70 billion over the 10 years.

In addition to its regular contributions to State governments, the Federal Government would spend an additional $25 billion on interstate highways. Some $5 billion of this would come from licenses—filling stations, motels—on the rights-of-way. The remaining $20 billion would come from 30-year, 3 percent bonds issued by a Federal highway corporation.

These bonds, fully taxable, would be guaranteed by the United States Treasury, but the debt represented would not be included in the public debt under obligations guaranteed by the Government. Annual payments would be met by appropriations by Congress out of "the revenues which the Federal Government will derive from the motor vehicle fuel and lubricating oil taxes projected at the present rates."

The $20 billion bond plan, says Senator BYRD, would mean "operating the Government on 2 sets of books: 1 set for activities financed by borrowing outside the (public) debt and expenditures outside budgetary control, and the other set for activities financed by borrowing on the record and expenditures under budget control."

BYRD charges also that the bond plan would "dry up gasoline tax revenue for 20 years, from 1966 to 1987," although these revenues would not be specifically earmarked for debt retirement by Congress. And he points out that the aggregated interest charges on the bonds would run to more than $11.5 billion, or 55 cents on the dollar.

BYRD would reduce the present 2-cents-per-gallon Federal gasoline tax to ½-cent-per-gallon, enabling the States to impose higher taxes to take up the difference. Then, aside from continued regular Federal aid to the States on a matching basis, road construction would be a State responsibility. Thus, says BYRD:

"States would retain as much control over their roads as they had in the past; $11.5 billion interest would be saved for additional road construction; and road revenue would be evenly distributed over future years to keep highways modernized to meet changing conditions."

Whether the Federal or State governments are to bear the increased costs of an adequate highway system, our highways will have to carry some 80 million vehicles by 1974, according to the President's commission. Its chairman, Gen. Lucius D. Clay, told the national conference on highway financing of the United States Chamber of Commerce on January 13: "We are indeed caught in a traffic jam, nationwise."

[From the Beaumont (Tex.) Journal of January 12, 1955]

IKE'S ROAD PROGRAM

Even as President Eisenhower prepares his recommendations for a 10-year, $101 billion Federal-State road-building program for submission to Congress today, critics of the plan are attacking some of its basic provisions.

Senator HARRY F. BYRD, chairman of the Senate Finance Committee and economy watchdog on Capitol Hill, is critical of the manner in which the program will be financed.

As outlined in the report of the President's Advisory Committee on the national highway problem, the 10-year plan concentrates on modernizing the key 40,000-mile national system of interstate highways. The Federal Government would continue for 10 years its regular aid to States at the rate of about $600 million a year. The State and local governments would spend about $70 billion over the 10 years.

In addition to its regular contributions to the States, the Federal Government would spend $25 billion on interstate highways. Some $5 billion would come from licenses on filling stations and motels on the rights-of-way. The remaining $20 billion would come from 30-year, 3 percent bonds issued by a Federal highway corporation.

Senator BYRD contends that the $20-billion bond plan would mean operating the Government on 2 sets of books—1 for activities financed by borrowing outside the public debt and expenses outside budgetary control, and the other set for activities financed by borrowing on the record and expenditures under budget control.

The Senator suggests that the Government should reduce the formula to its simplest terms. He would reduce the present 2-cent per gallon Federal gasoline tax, enabling the States to impose higher gasoline taxes to take up the difference. Then, aside from regular Federal aid to States on a matching basis, road building would be a State responsibility.

There is considerable merit to this suggestion. First, it would save $11,500,000,000 in interest (on the 30-year bonds) which could be used for additional road construction. Secondly, road revenue would be evenly distributed over future years to keep highways modernized to meet changing conditions.

Sound thinking such as that expressed by Senator BYRD is an indication that the road program may become a reality before long.

[From the Austin (Tex.) American of January 29, 1955]

DEMOCRATS LEAD FIGHT ON FEDERAL ROAD AID

Just as the Texas Legislature looks at a $45 million a year increase in State highway money, President Eisenhower has submitted to Congress his plan for a $25 billion,

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10-year supplement to Federal for highways. This money would go to the building of an interstate system. Federal aid aggregating $6 billion in the 10 years would be continued for regular Federal-State matching.

Reports from Washington said the President's highway plan encountered strong congressional opposition from the time it was offered, and that recalcitrant Democratic Senator BYRD, of Virginia, Chairman of the Senate Finance Committee and economy watchdog of Capitol Hill, was among the foremost critics.

As outlined in the report of the President's advisory committee on a national highway program submitted on January 11, the 10-year plan concentrates "on modernizing the key 40,000-mile national system of interstate highways." The Federal Government would continue for 10 years its regular aid to States at the rate of about $600 million a year. The State and local governments would spend about $70 billion over the 10 years.

In addition to its regular contributions to State governments, the Federal Government would spend an additional $25 billion on interstate highways. About $5 billion of this would come from licenses—filling stations, motels—on the rights-of-way. The remaining $20 billion would come from 30-year, 3 percent bonds issued by a Federal highway corporation.

These bonds, fully taxable, would be guaranteed by the United States Treasury, but the debt represented would not be included in the public debt under obligations guaranteed by the Government. Annual payments would be met by appropriations by Congress out of the revenues which the Federal Government will derive from the motor vehicle fuel and lubricating oil taxes projected at the present rates.

The $20 billion bond plan, says Senator BYRD, would mean "operating the Government of 2 sets of books: 1 set for activities financed by borrowing outside the public debt and expenditures outside budgetary control, and the other set for activities financed by borrowing on the record and expenditures under budget control."

BYRD charges also that the bond plan would "dry up gasoline tax revenue for 20 years—from 1966 to 1987," although these revenues would not be specifically earmarked for debt retirement by Congress. And he points out that the aggregated interest charges on the bonds would run to more than $11.5 billion, or 55 cents on the dollar.

BYRD would reduce the present 2 cents per gallon Federal gasoline tax to one-half cent per gallon, enabling the States to impose higher taxes to take up the difference. Then, aside from continued regular Federal aid to the States on a matching basis, road construction would be a State responsibility.

Thus, says BYRD, "States would retain as much control over their roads as they have had in the past; $11.5 billion interest would be saved for additional road construction; and road revenue would be evenly distributed over future years to keep highways modernized to meet changing conditions."

Whether the Federal or State Governments are to bear the increased costs of an adequate highway system, highways will have to carry 80 million vehicles by 1974, according to the President's Commission. Its Chairman, Gen. Lucius D. Clay, told the national conference on highway financing of the United States Chamber of Commerce on January 13: "We are indeed caught in a traffic jam, nationwise."

[From the Abilene (Tex.) Evening Reporter News of January 19, 1955]

OPPOSES CLAY PLAN

Senator HARRY FLOOD BYRD, of Virginia, has made a career of riding herd on the Nation's finances. Since his advent in the Senate this office has seen more incoming mail bearing HARRY F. BYRD's frank than any Member of either branch of Congress, almost exclusively devoted to some aspect of the Nation's finances.

HARRY BYRD has lost some of his battles over finances, and he has won some. In the latest statement to reach this office from the Virginian he takes a fall out of the Clay Commission's highway report, got up at the request of President Eisenhower and designed to give Congress a working model of what the Federal road program should be in the next 10 years.

The Senator points out that the Clay plan calls for continuance of the Federal aid to the States for highway purposes at the rate of $623 million annually. On top of that it proposes to spend in the next 10 years an additional $25 billion for the so-called interstate highway system, bringing Federal spending on these 2 items to $31 billion for the next 10 years.

The committee estimates the $25 billion would construct 40,000 miles of road designated as interstate, but BYRD points out that this is little more than 1 percent of all public road mileage. It would amount to about 800 miles per State.

But what burns BYRD down is the committee's proposal to borrow $20 billion at 3 percent and to collect $5 billion in fees from filling stations, motels, etc., operating on the right-of-way.

He says these 30-year taxable bonds would cost taxpayers $11.5 billion.

And he's "agin" it. "Based on all recent Federal experience," he declares, "I submit it is a violent assumption to predict these bonds will be paid off at maturity. In effect, we have not paid off a single dollar of Federal debt in 25 years. Continuing increase in the Federal debt is in prospect for an indefinite period."

Obviously, the Clay plan will run into stiff opposition in the Senate, led by HARRY F. BYRD.

[From the Nashville (Tenn.) Banner of January 22, 1955]

LET'S LOOK BEFORE LEAPING

Before the Federal Government embarks on a grandiose highway construction program involving bond issues in the amount of $20 or $25 billion, it is well to examine closely the particulars of that financing scheme.

Before the State of Tennessee undertakes a $100-million bond issue for the same purpose within these boundaries, prudence demands a careful analysis of more than Highway Department blueprints.

Caution asks the question: Where is the money coming from?

Bond issues are money borrowed and owed, whether or not as in the Federal proposal, advanced by General Clay and his committee, trick bookkeeping enters them in a ledger outside the formal public debt. That is sheer evasion and subterfuge.

Moreover, the suggestion that a corporation be set up for this purpose does not subtract from its improprieties. It adds to them, for it is calculated to create an agency with the minimum of accountability to Congress. Like the enormous, separate unit of debt its financing would involve, it would outlive several Congresses, and be responsible to none.

It is possible that the specific program to be submitted by President Eisenhower next Thursday will not incorporate these hazardous aspects. The Clay proposals have aroused wide opposition in and out of Congress. Senator HARRY F. BYRD, for example, has put his finger on the glaring weaknesses of the plan, including its financial hocus-pocus, and question of constitutional evasions in the authority it would create.

To oppose a fantastic program subject to such doubts is not to belittle the importance of an adequate highway program. That is essential, and can be said for the State of Tennessee as well as for the Nation.

Stepping up such construction on a systematic, long-range basis does make sense. Formulating a pattern for it, planning it carefully with a view to future needs, and the public ability to pay, makes sense too. Coordinating State and Federal expenditures on interstate routes is a principle long and successfully followed; the Federal Government, like the States, has a responsibility in that.

But that does not justify a wild plunge of bureaucratic adventuring, impairing the Government's credit, and winding up with more agency and debt ad infinitum than roads.

Senator BYRD has an alternative plan. He would repeal the 2-cent Federal gas tax, allowing the States to reimpose it for their own highway work. Then he would use a Federal tax on lubricating oil and a new half-cent tax on gasoline to finance the present Federal aid program for roads.

That might take a little longer, but it would get the job done. It also would avoid the cumbersome addition to debt contemplated by these bond issues.

The Nation will await with interest the exact details of President Eisenhower's proposal. If it follows the Clay plan in the hazardous particulars pointed out, it should be rejected.

[From the Kingsport (Tenn.) Times of January 18, 1955]

NO KIDDING

The President's grand—perhaps we should say grandiose—plan for a vast network of new highways over the country to the tune of billions and billions seems to be headed for stormy weather with every prospect of being wrecked on the rocks of congressional disapproval. It is being attacked from two sides, one of which may seem a little surprising. That is the opposition of the American Automobile Association.

The AAA of course is not against building more roads; on the contrary it would welcome such a program and help push it if the details were right. It is the method of financing the scheme that makes the people of the association mad and gets their goat. It is the appearance of the little word "toll road" that they butt against.

This looks to the AAA a good deal like paying twice for the same package. The roads would be built by the money of the taxpayers, partly Federal and partly State, and then that part of the taxpayers who are motorists—a very large part—would pay for them again by toll charges and special taxes. The AAA wants roads, yes; but toll-less roads.

The spokesman for the association predicts that the plan will run into trouble in Congress. And since it is altogether likely that there are Members of Congress who will see things eye to eye with the AAA, the predicted trouble can be counted on to materialize.

But the plan runs into congressional trouble from another direction and for a different reason. Senator HARRY BYRD, who looks at all Government spending with a severely critical eye, looks even harder at any proposal for spending that is dolled up to look like it really was not spending.

With the national debt at its present size, so close to the limit, and with well-appreciated opposition to raising that limit, part of the plan proposed by the Clay Commission is the borrowing of a large number of billions through a special agency which would not be considered as part of the national debt because the loan would be paid back through special income, namely, the toll charges and gas taxes.

But Senator BYRD says in effect, "who are you trying to kid?" The Senator points out that if we can do a thing like this in order to get more roads we can do it for other

things too. But we are only fooling ourselves when we pretend that we are not increasing the national debt. Such a scheme, says the Senator, is an excellent way to break down the whole financial structure. It would make the figures of the national debt altogether meaningless.

It seems that what Senator BYRD says makes sense and is a sounder argument against the proposal than the arguments of the AAA. If this road program is essential and the need is immediate, then we should face up to the cost honestly and face the need for paying for it honestly. It is not financially healthy to be cute and cut corners. A debt is a debt is a debt!

There does not seem to be any question that this country needs more and better roads to keep up with the ever-increasing flood of cars that are being put on the roads. Recently we were told that the 3-year-old New Jersey Turnpike was already carrying the carload that the estimaters figured it would not get until 1981. So the road problem is real.

The trouble is that we need so much more of so many things that cost a great deal of money. We need many thousands of hospitals which will cost billions. We need many thousands of new schools which will cost some more billions. We need thousands of institutions and clinics for the care of the mentally ill. We need homes and recreational facilities to combat juvenile delinquency. There is a demand for Government financed plans to get more teachers, more doctors, more nurses, more engineers, and more scientists.

Meanwhile we have an annual budget, as of now, so high that it requires a tax rate under which the people groan, and a national debt that we cannot even hold down, much less cut down.

Therefore the simple question is how much are we willing to increase taxes or increase the national debt, which, unless it is repudiated, future generations must pay, in order to get what we want now? Certainly we cannot have our cake and eat it. And we do agree with Senator BYRD that we should avoid any camouflaged action that would give the impression that we are performing such a miracle.

[From the Johnson City (Tenn.) Press-Chronicle of January 18, 1955]

SENATOR BYRD PUTS A FINGER ON ROAD-FINANCE MUMBO-JUMBO

Whatever one may think of Senator BYRD—and there are many who do not like the Byrd machine—one will have to admit the Senator knows his finance.

So when the practical Virginian blasts the proposed multibillion-dollar Federal road program as thoroughly unsound he is entitled to a careful hearing.

Specifically this program, which bears the name of General Clay, would permit the Federal Government to lay out $25 billion for an interstate network of highways. A Federal corporation would raise $20 billion by floating bonds, and this debt would not be classed as part of the national budget. These bonds, says General Clay, would be retired from revenues from the 2-cents-a-gallon Federal gasoline tax. And as for the other $5 billion needed, it would be raised by fees (tolls) on highways.

Attacking this style of bookkeeping, by which the Government would pile another $25 billion on taxpayers but carefully keep it off the debt books, Senator BYRD has this to say:

"If they can set up a corporation to borrow money outside the budget and (outside) the debt limit to build roads, they can do anything."

The Senator then refers to the old RFC and the Commodity Credit Corporation: "At least, the RFC had loans and the Commodity Corporation had crops as assets."

The Clay plan, Senator BYRD insists, would mean operating the Government on 2 sets of books—1 set for activities financed by borrowing outside the debt and for expenditures outside budgetary control, and the other set for activities financed by borrowing on the record and for expenditures under budgetary control.

Then he adds this pithy observation:

"You cannot avoid financial responsibility by legerdemain, and you cannot evade debt by definition. The obligations of the Federal Government and all its citizens will still remain."

To be sure they will.

To put it simply, $25 billion is $25 billion. And if we owe it, we owe it.

Wouldn't it be fine if we as individual citizens could spend all our money, use up our entire limit of credit, but then borrow another fat chunk of dough with the explanation: "This amount is beside the point. We shan't add it to what we already owe. We shall tuck it away in a separate book somewhere and it won't hurt us. In fact, we shall pretend it isn't there."

Who is fooling whom, anyway?

And where will this kind of financial mumbo-jumbo end?

We note there is a growing movement for Federal aid to education. The representative assembly of Tennessee Education Association adopted a resolution only last week urging such—but with the usual stipulation that State and local control be maintained. Therein lies the rub, of course. How long would the Federal Government or anybody else parcel out money without insisting upon a say-so in how and for what it should be spent?

It becomes a matter, therefore, of determining to what extent we want the Federal Government to operate our schools.

It may be appropriate to ask, in this connection, where the deficit-ridden Federal Government would get the money to assume the educational responsibility. With a budget that hasn't been balanced in years, and probably will not be in many more years, how could the Federal Government rake up the new billions needed? Would it merely borrow them but keep them outside the regular bookkeeping entries, undertaking to eat cake and have it too, sort of? Probably it would.

[From the Spartanburg (S. C.) Herald of January 18, 1955]

THE ROADBUILDING PROGRAM

The report of President Eisenhower's National Advisory Committee for a National Highway program, has encountered opposition on the part of Senator HARRY F. BYRD, of Virginia. It is the financial phase of the program that does not appeal to Senator BYRD, rather than the purpose. In this paragraph of a statement issued the Senator condenses his concept of the committee's proposal:

"Under the Committee plan principal and interest payments on the $20 billion bond issue would dry up gasoline tax revenue for 20 years, from 1966 to 1987, with the exception of about $600 million which is committed to matching funds of States for their primary, secondary, and urban systems.

"In the next few days I will present on a yearly basis figures showing the plan I propose will result in more road development than can be accomplished under the Committee's plan; that it will avoid increasing the public debt, and that it will serve to preserve the soundness of the Federal budgetary system."

Declaring his recognition of the need of road improvement to meet the impact of modern-day traffic, Senator BYRD, outlines a substitute proposal he has in mind for the Committee's recommendations. And these are his views:

"1. That the 2-cent gasoline tax now being collected by the Federal Government be repealed, thus permitting the States to reimpose it.

"2. Present Federal aid to primary, secondary, and urban road systems which, for many years has been integrated with State highway systems, be continued on the long standing match basis. This amounts to $535 million.

"3. That the lubricating oil tax now collected by the Federal Government be continued.

"4. A one-half-cent-per-gallon Federal gasoline tax. Revenue from this tax plus the Federal lubricating-oil tax, according to estimates of increasing use, shortly will be sufficient to compensate the Federal Treasury for this Federal aid.

"Under such a plan States would retain as much control over their roads as they have had in the past; $11.5 billion interest would be saved for additional road construction; and road revenue would be evenly distributed over future years to keep highways modernized to meet changing conditions."

There will be those who will suggest that in the building of an interstate highway system, left to the States themselves, a highly controversial field will be entered.

Another question may be raised in the suggestion that the Federal gasoline tax of 2 cents be abandoned and to be reimposed by the States. Unless there is a discontinuance of the practice in many States of diverting funds from the gasoline tax to other purposes, that increase in State revenue from that source would not guarantee the increased revenue would reach the roads.

In the building of a system of national highways with the idea of defense involved, Federal authority should be recognized. The supervision of the United States Bureau of Roads in the building of Federal-aid roads has been helpful and aided State highway departments in making right decisions in the face of local pressure.

The highway problem is one that must be met and it is encouraging that the thought is of how it can be done and not that it is not to be done.

[From the Orangeburg (S. C.) Times and Democrat of January 21, 1955]

THE FEDERAL ROADS PROGRAM

The National Advisory Committee for a national highway program, appointed by President Eisenhower, has proposed that the Federal Government spend an additional $25 billion—over what is now being spent—in the next 10 years for an interstate highway system.

Since the Federal Government is already providing highway aid to the tune of $623 million, the expenditure of $25 billion in the 10-year period, added to 10 years of normal expenditures, would make the total spent on highways by the Federal Government in the next 10 years $31 billion.

The Committee proposes that the extra $25 billion would result in the construction of 40,000 road miles, or about 800 miles per State. The Committee would finance this project by borrowing $20 billion at 3-percent interest, while collecting $5 billion in fees from filling stations, motels, and so forth.

We are quite aware of the need for a better highway system in some States—perhaps all of them. The program, if the Government was operating on a balanced budget and did not have a huge national debt hanging over it, would be one which we would support heartily.

However, Senator HARRY F. BYRD, Virginia Democrat, has pointed out some of the dangers which such a program might entail. Once again, BYRD has ably presented the "other side" of the argument concerning a desirable program.

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First, BYRD points out that the 10-year program would result in an interstate highway system which would be little more than 1 percent of all public road mileage. Concerning the cost of this, if the 3-percent interest rate was paid on the borrowed $20 billion, the last bonds maturing in 1987, the interest in this period alone would cost taxpayers another $11.5 billion.

And, this would probably not be the end of the interest, since BYRD points out—very truly—that the history of our Government shows that bonds are hardly ever paid off according to schedule.

Thus the program would probably increase the debt, and increase the interest, and the roads would probably cost—after a few years—much more than they would cost if built under the normal system of matching funds, with the Federal Government paying 60 percent and the States 40 percent.

BYRD further points out that population shifts and the impact of road changes often changes the needs in a highway system, and there is no such thing as a permanent-road program, as a result. He also points out that the Federal Government would take over many functions of the States with this program, since the Federal Government would designate such things as the location of the road system, the number of access roads to it, the fees for activities such as filling stations, motels, restaurants, and so forth. These things have been handled by the States heretofore.

Moreover, BYRD questions the bookkeeping system proposed by the committee, and offers an alternative program: First, he would repeal the 2-cent gasoline tax now being collected by the Federal Government, with the idea that the States would impose it themselves to get revenue of their own road program. Second, he would continue the Federal-aid program as it is today to primary secondary urban road systems, on the long-standing matching basis.

Third, he would continue to collect the lubricating oil tax now collected by the Federal Government. And, fourth, he would put a one-half cent per gallon Federal tax on gasoline, and the revenue from this tax—plus the lubricating oil tax—would pay the Federal Government's way for the highway-aid program they would carry on.

We are strongly in favor of the Byrd program and hope that Congress will give it a trial before it sets up a vast Federal road bureaucracy, borrowing billions of dollars and paying billions in interest over the years, and which would probably not be able to pay off its loans any more in the coming years than the Government has been able to.

[From the Columbia (S. C.) State of January 19, 1955]

NEEDS A LOOK

Senator HARRY BYRD, of Virginia, who is recognized as a fiscal expert, declares that the proposed outsize Federal road-building program is unsound because every dollar spent would cost the taxpayers 55 cents in interest and the plan would destroy the Federal budget.

In this Senator BYRD supports our vague suspicions that the project seemed like a big mouthful to chew. Under it the Federal Government would lay out $25 billion over and beyond expenditures previously planned for an interstate network of superhighways. A Federal highway corporation would raise $20 billion of this sum by floating bonds, the debt to be classed as part of the Federal budget. The Presidential Commission, headed by General Clay, says the bonds would be retired by a 2-cents-a-gallon gasoline tax and proposed that the remainder of the fund would be raised by fees charged commercial travel enterprises along the highways.

Senator BYRD says that if a corporation is set up and given the power to borrow money outside the budget and beyond the debt limit it would be empowered to do anything, although it would have assets to put up as collateral against the bonds as has the Commodity Credit Corporation, and as was true of the Reconstruction Finance Corporation which had loans. We are inclined to agree with him.

Senator BYRD suggests instead that the 2-cent Federal gasoline tax be cut to half a cent and the States allowed to increase their tax accordingly while the Federal Government would finance its share of primary, secondary, and urban roads with its half cent and by continuing the lubricating oil tax. He claims that under his plan $11.5 billion would be saved in interest for additional roadbuilding and the States would retain control over their roads. And road revenue would be evently distributed over future years.

All this makes sense to us.

We believe in a return of power to the States and curtailing Federal authority. A continual expansion of Washington's control would reduce the States to virtual figureheads, and parasites.

We should like to see Senator BYRD's plan given full and careful consideration.

[From the Anderson (S. C.) Independent of January 20, 1955]

IKE'S "NEW SCHEME" REGIME'S PLAN FOR FINANCING HIGHWAYS RUFFLES BYRD

The Eisenhower administration's widely heralded highway construction plan has run afoul the shoals of Senator HARRY F. BYRD'S hardrock budgetary sensibilities.

The Virginia Senator is among the latest to join the mourner's bench after having supported the great crusade in 1952.

The latest proposal of the President's new scheme administration is that a special agency be set up outside the regular Government to borrow $25 billion for 30 years at 3 percent.

The new schemers figure this would be a clever way of hiding further increase in the public debt. It also would provide a tidy profit for the big money boys who buy the bonds.

Further, the individual States would have no say-so over where the money is spent and would have no control over the highways. But let Senator BYRD expose it:

"The committee (the President's special committee which came up with the idea) estimates the $25 billion would construct 40,000 road miles designated by the Federal Government as interstate highway.

"This would be little more than 1 percent of all public road mileage. The average would be about 800 miles per State. For this the committee recommends borrowing $20 billion at 3 percent interest and collection of $5 billion in fees from filling stations, motels, etc., operating on the rights-of-way.

"If," Senator BYRD warns, "the 30-year taxable bonds recommended by the committee can be sold at 3-percent interest, and if they are paid off on schedule—the last maturing in 1987—the interest would cost more than $11.5 billion. At this rate every dollar borrowed would cost taxpayers $1.55."

"Actually," he says, "the committee recommends that the Federal Government assume virtually the complete obligation for the so-called interstate highway system (abolishing the 60-40 Federal-State matching requirements in this program) and that it be financed by methods which are unique so far as I know, and thoroughly unsound."

A Federal corporation without assets or income would borrow the $20 billion. The Treasury would make a contract with the corporation to guarantee its bonds, but the debt would not be included in the record of obligations guaranted by the United States.

Yet demand for annual appropriations to meet principal and interest payments could not be refused or reduced by Congress if the faith and credit of the Government be upheld.

And if the corporation ran into trouble, it could make mandatory calls upon the Treasury for amounts up to $5 billion at any one time.

"Such procedures," BYRD asserts, "violate financing principles, defy budgetary control, and evade Federal debt law.

"If," he warns, "the Federal Government can properly borrow money for roads in this fashion without regarding it as a debt and spend it without budgetary control, it may be expected that similar proposals will be made for financing endless outlays which may be desirable for education, hospitals, public health, etc. In fact, I am informed that such a plan is now under consideration for school construction."

Senator BYRD proposes instead that the 2-cent Federal gasoline tax be repealed, thus permitting States to reimpose it. Present Federal aid to primary, secondary, and urban road systems, integrated with State highway systems as now, would be continued on the long-standing match basis.

"Under this plan," he says, "States would retain as much control over their roads as they have had in the past, $11.5 billion interest would be saved for additional road construction, and road revenue would be evenly distributed over future years to keep highways modernized to meet changing conditions."

The schemers' highway plan appears to be only a modification of the Dixon-Yates idea, whereby the taxpayers are called on to pay tribute to Wall Street. The only difference appears to be that they might own the highways built with the money, which is more than they will be able to say for the electric steamplant they may be forced to buy for the Dixon-Yates combine.

Each proposal in this direction opens broad vistas to those who always stand ready to turn a fast buck at the expense of the taxpayers. The temptations would prove too great; and if some of these deals go through, Ike's new-scheme administration will go down in the books as peer of even the Ulysses S. Grant era.

AMENDMENT OF COTTON MARKETING QUOTA PROVISIONS

The Senate resumed the consideration of the bill (H. R. 3952) to amend the cotton marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended.

Mr. KUCHEL. Mr. President, I shall be very brief. I do wish to participate in the passage of legislation which will be fair to the State from which I come and fair also to the other States which produce cotton.

Mr. President, cotton is the No. 1 agricultural crop in California. By reason of the requirements of law, a year and a half ago, the Department of Agriculture announced that California's cotton acreage was to be reduced, as I recall the figure, by 53 percent. That is what the law then required. California is grateful for the manner in which the Senate of the United States and the House of Representatives passed emergency legislation so that the cut in cotton acreage allotment to my State was made less severe and the situation was somewhat alleviated. I was a co-author of that legislation along with the Senator from New Mexico [Mr. ANDERSON] and the Senator from Mississippi [Mr. EASTLAND].

Much has been said, Mr. President, of the plight of the 4-acre farmer in the United States. Speaking for myself, I

recognize his plight. So, I am sure, does every other Member of the Senate, no matter on which side of the aisle he may sit.

I desire to participate in legislation which will assist the farmer. Let the RECORD be very clear, Mr. President, that each State to which acreage was allotted last year under the present law had the right, if it so desired, to make allocations to the 4-acre farmer. But that was not done in a number of States in the Cotton Belt. I do not quarrel with the decisions made in such States. As I sat in the Senate Committee on Agriculture and Forestry, I recognized that choices were available in the several States, under the law, as a basis upon which apportionments should be made, and that in some instances some States saw fit to make their own apportionments, under the law, not in favor of the 4-acre farmer, but in favor of the farmer with more acres devoted to cotton.

I do not quarrel with them. But they did it. A problem has resulted from the manner in which they discharged their responsibility. That is the reason why we sit here in judgment today upon what is urged as a piece of emergency legislation.

I observe, parenthetically, Mr. President, that the Department of Agriculture, on a number of occasions, has stated that it opposes any cotton acreage increase at this time. The present law impels such a position by the Department. I wish to recall, for the benefit of those who were not present when the Senate Committee on Agriculture and Forestry was considering this problem, that a distinguished citizen of the State of Alabama, the president of a great national farm organization, testified that his organization was opposed to any legislation on the subject, and that he was opposed to it personally as well. In spite of that, Mr. President, it seems to me that Members of the Senate may well undertake to consider the plight of any farmer in this country because of the effects of a law, or the effects of the administration of the law, in some of the States of the American Union.

But I think I have a right to point out that there is considerable hardship to a farmer who has 55 acres planted to cotton and who finds the law requires him now to plant no more than 17 acres to cotton. That is one of many such examples of hardship in California.

I believe I have a right to point out that an American citizen who happens to live in the State from which I come and who plants 54 acres and is told he is going to be cut to 15 acres, has a little bit of a plight, likewise, because, while he has more acres than has the 4-acre farmer in the South and presumptively can make more money, he can also lose more money. A reduction from 54 to 15 acres is a real hardship. That kind of a cut constitutes, I think, some basis upon which I may reasonably urge that those in the West where cotton results from the processes of irrigation have some logical ground to ask the Senate in fashioning cotton legislation now to consider the situation in the western irrigated States.

As I read the pending bill and as I have endeavored to understand it, I note that, aside from the acreage which is provided to benefit or to take care of the 4-acre farmer, one-half of 1 percent of the present allotment is made available to each State.

The distinguished Senator from Oklahoma [Mr. MONRONEY] read into the RECORD the effect it would have in his State. With some jocularity the Senator from Kansas [Mr. CARLSON] pointed out that his State would be benefited by a little more than 2 additional acres. My friends from Nevada are given some 12 acres by reason of the one-half of 1 percent figure.

California took a 34-percent cut last year, and now California will have remaining 778,680 acres under the 1955 allotment.

There are few 4-acre farmers in California, Arizona, New Mexico, or in the western part of Texas where irrigation prevails.

It seems to me, Mr. President, that reasonable persons might well urge that there is an element of unfairness in this proposed legislation which provides that one State shall receive a one-half percent increase and another State shall receive five times that much of an increase or upward of 2½ percent.

For that reason, Mr. President, I shall oppose the pending bill.

I wish to join the distinguished junior Senator from New Mexico [Mr. ANDERSON] when he submits for appropriate action his amendment to the pending bill.

Mr. KNOWLAND. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Frear	McCarthy
Allott	Fulbright	McClellan
Anderson	George	McNamara
Barkley	Goldwater	Millikin
Barrett	Gore	Monroney
Beall	Green	Mundt
Bender	Hayden	Neely
Bennett	Hennings	Neuberger
Bible	Hickenlooper	O'Mahoney
Bricker	Hill	Pastore
Bridges	Holland	Payne
Bush	Hruska	Potter
Butler	Humphrey	Purtell
Byrd	Ives	Robertson
Capehart	Jackson	Saltonstall
Carlson	Jenner	Schoeppel
Case, N. J.	Johnson, Tex.	Scott
Case, S. Dak.	Johnston, S. C.	Smathers
Chavez	Kefauver	Smith, N. J.
Clements	Kerr	Sparkman
Cotton	Kilgore	Stennis
Curtis	Knowland	Symington
Daniel	Kuchel	Thurmond
Dirksen	Langer	Thye
Douglas	Lehman	Watkins
Duff	Long	Welker
Dworshak	Malone	Wiley
Eastland	Mansfield	Williams
Ellender	Martin, Iowa	Young
Flanders	Martin, Pa.	

The PRESIDING OFFICER. A quorum is present.

The question is on agreeing to the amendment offered by the Senator from Mississippi [Mr. STENNIS], for himself and the Senators from Arkansas [Mr. MCCLELLAN and Mr. FULBRIGHT], as a substitute, beginning with line 10 on page 3, to strike out through the period in line 3 on page 4 and insert certain language in lieu thereof.

Mr. JOHNSON of Texas. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. ANDERSON. Mr. President, just a minute. May we have a little discussion on the amendment?

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. ANDERSON. Will the clerk restate the amendment, please.

The PRESIDING OFFICER. Without objection, the clerk will read the amendment.

The LEGISLATIVE CLERK. Beginning with line 10 on page 3, it is proposed to strike out through the period in line 3 on page 4 and insert in lieu thereof the following:

(n) Notwithstanding any other provision of law the 1955 cotton acreage allotment established for each State pursuant to the provisions of this section (excluding those States which received a minimum allotment under subsec. (k)) shall be increased by 1½ percent. The additional acreage made available to the States under the provisions of this subsection shall be used to increase each farm allotment to the smaller of (A) 4 acres, or (B) 75 percent of the highest number of acres planted to cotton on the farm in 1952, 1953, or 1954. If the additional acreage is insufficient to meet the total of the farm increases so computed, such farm increases shall be reduced pro rata to the additional acreage available to the State. If the additional acreage available to the State is in excess of the total of the farm increases so computed, the acreage remaining after making such farm increases shall be added to the State acreage reserve under subsection (e) of this section to be used by the State committee for any of the purposes specified therein.

Mr. MALONE and Mr. STENNIS addressed the Chair.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. MALONE. Mr. President, I yield to the Senator from Mississippi.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. STENNIS. Did the Senator from Nevada mean to yield the floor to the Senator from Mississippi?

Mr. MALONE. No; I merely wished to yield for any brief statement he wished to make.

Mr. STENNIS. I appreciate the Senator from Nevada's yielding to me for a brief statement.

There have been so many conferences with reference to the pending cotton bill, all of which have been in the utmost good faith, and so much has been said back and forth about one man's problem, and about one State's problem, and about this amendment and that amendment, and just how a certain amendment would affect a certain area of the Cotton Belt, that considerable confusion has arisen, and I think some misunderstanding, with reference to certain commitments which have been made. Therefore, I think there really should be time for a further conference among the various groups, all of whom are working in absolute good faith. Underlying this entire problem is the desire to do equity, justice, and right, without abusing the basic idea of holding down the cotton acreage.

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Though it is an unusual request at this late stage of the consideration of the bill, especially to come from the Senator from Mississippi, if I could address these remarks particularly to the majority floor leader and the majority assistant floor leader, as Senators who have been in a great number of such conferences, I should like to say I believe that perhaps something could be worked out if consideration of the bill were delayed until tomorrow morning.

If I may repeat that statement briefly for the benefit of the majority leader, whose attention was diverted, the Senator from Mississippi has referred to quite a number of conferences which have been had Friday and today. Certain representations have been made that have led to some confusion and also some misunderstanding as to what were thought to be commitments, and the Senator from Mississippi strongly believes that there is a chance for something to be worked out by having further conferences on this matter. If the leadership could consider letting the bill go over until after the morning hour tomorrow, I think such a delay in the consideration of the bill would be worth while.

Mr. JOHNSON of Texas. Mr. President, I have no disposition to attempt to force the taking of a vote on the measure this evening. Of course, that is a matter which always rests on the decision of a majority of the Senate.

If other Senators wish to discuss the bill this afternoon, I shall be glad to have them do so; and in that way perhaps we can arrange to have the vote taken at an early hour tomorrow.

I shall be glad to defer to the wishes of other Senators.

Mr. ELLENDER. Mr. President, will the Senator from Nevada yield to me?

The PRESIDING OFFICER (Mr. THURMOND in the chair). Does the Senator from Nevada yield to the Senator from Louisiana?

Mr. MALONE. Mr. President, I ask unanimous consent that I may yield to the Senator from Louisiana, without losing the floor.

The PRESIDING OFFICER. Is there objection? The Chair hears none.

Mr. ELLENDER. Mr. President, what about the Committee on Agriculture and Forestry? Why was not this matter taken up with the committee? Why have it handled off the floor? Our committee went into the matter in good faith, and unanimously reported the committee amendment which now is before the Senate. Do Senators now wish to sidetrack the committee's version of the bill?

Mr. JOHNSON of Texas. No, Mr. President; I do not wish to have anything sidetracked.

Mr. STENNIS. Mr. President, I desire to assure the Senator from Louisiana that there is no disposition to bypass the committee.

Mr. ELLENDER. But the Senator from Mississippi has been referring to conferences held off the floor.

The PRESIDING OFFICER. The Senator from Nevada [Mr. MALONE] has the floor? Does he yield?

Mr. MALONE. Mr. President, I have the floor; and I have yielded, by unanimous consent, to the Senator from Mississippi.

Mr. STENNIS. Mr. President, let me make it entirely clear that no attempt has been made to bypass the committee or to do anything of the sort. The conferences grew out of the fact that various areas of the cotton-growing belt are so diversely affected by even the smallest or simplest amendment. So all Senators who represent the areas which are affected can only attempt to get together and try to work out a satisfactory solution.

Mr. ANDERSON. Mr. President, will the Senator from Nevada yield to me?

Mr. MALONE. I yield, if I may have unanimous consent to do so.

Mr. ANDERSON. Does not the Senator from Mississippi think there is something to what the Senator from Louisiana [Mr. ELLENDER] has said? The bill with the committee amendment was unanimously voted to be reported, by the members of the Committee on Agriculture and Forestry who then were present. Let me say that I was not present in the committee when the bill with the committee amendment was voted to be reported; I missed being there by about 10 steps. If I had been there, the bill with the committee amendment would not have been reported unanimously.

Nevertheless, the Committee on Agriculture and Forestry did report its amendment in the nature of a substitute; whereas the amendment submitted by the Senator from Mississippi to the committee amendment would entirely destroy the committee amendment.

So I wonder why the Senator from Mississippi does not move to recommit the bill. Then the committee could consider the entire proposition, if that is his preference.

Mr. STENNIS. The point is that today is March 22, and this matter has been before the Congress since early in January. Something must be done at once. That is why I did not request that the bill be recommitted.

My amendment is the same as the House version of the bill, except my amendment cuts in half the acreage allotment.

Mr. ANDERSON. But the Senate Committee on Agriculture and Forestry turned down the House version of the bill.

Mr. STENNIS. Mr. President, I was giving a brief explanation.

Mr. HOLLAND. Mr. President, will the Senator from Nevada yield to me?

The PRESIDING OFFICER. The Senator from Nevada [Mr. MALONE] has the floor.

Mr. MALONE. Mr. President, if I do not thereby lose the floor, I shall be glad to yield to the distinguished Senator from Florida.

The PRESIDING OFFICER. Is there objection? The Chair hears none.

Mr. HOLLAND. Mr. President, I desire to call the attention of my distinguished friend, the Senator from Mississippi, to the fact that not only has this measure, after long study by an able subcommittee, been approved unanimously by all members of the Committee on Agriculture and Forestry who then were present, but it also approaches a solution of the matter on the basis of taking care of the problem, not at all by States, but from the point of view of the small farmer who has less than 4 acres of land to plant, with the result that his ability to live and to support his family is distressingly affected.

This measure was hailed as a relief bill to deal with such cases, and with such cases only. The one-half of 1 percent provided by the measure is to take care of exactly such cases, where tenant farmers or sharecroppers, rather than the farm owners themselves, are affected.

It may be that the method the senior Senator from Mississippi and his associates propose to have the Senate follow, by means of their amendment, is sound and is supportable; but I wished to call to the attention of the senior Senator from Mississippi the fact that his amendment departs completely from the committee's proposed method of approach, and substitutes another philosophy and another objective entirely. So far as I am concerned, it seems to me such procedure would be completely revolutionary and would upset the approach made by the Committee on Agriculture and Forestry, after long study on its part.

Mr. STENNIS. Mr. President, I totally disagree with the distinguished Senator from Florida when he says our amendment represents a total departure from the basis of the committee's amendment in the nature of a substitute. Under the 1½ percent allotment under my amendment, all the acreage, or virtually all of it, would in the case of almost every State, except the far Western States, be used in hardship cases, either for land owners or for tenants.

Under my amendment, Mississippi would receive 10,000 less acres—I repeat, 10,000 less acres—than Mississippi would receive under the provisions of the Senate committee amendment.

I have offered this amendment, not in an endeavor to obtain more acreage for Mississippi—for, in fact, under my amendment the acreage for Mississippi will be less—but as a more practical solution to this belt-wide problem; and I think the amendment will come nearer to meeting the requirements of the concept had of this matter by the entire Senate.

Mr. HOLLAND. Mr. President, will the Senator yield further to me?

Mr. STENNIS. First, Mr. President, I should like to finish my statement regarding the matter. It can be debated backward and forward, from many different angles.

No Senator has a complete solution for the problem, and no Senator has a proposed solution which will satisfy all Members of the Senate. But I believe there is a chance for us to get together on a proposal which perhaps will be more nearly equitable than either our amendment or the amendment reported by the committee; and thus we can permit the bill to go to conference; and there, in consultation, the two different

viewpoints can be brought out; and representatives of the Department of Agriculture can be called, and their advice and counsel can be sought.

Perhaps in that way we can obtain a bill of some kind which will be satisfactory to both the Senate and the House; and in that way—and that way alone—perhaps we can have a small amount of acreage allowed to a farmer who needs it, and perhaps that allowance can be made in time for him to use it.

That is why I think it is worthwhile to have the bill go over for a further conference.

Mr. ELLENDER. Mr. President, will the Senator yield to me?

Mr. HOLLAND. Mr. President, will the Senator yield to me?

Mr. LANGER. Mr. President——

Mr. MALONE. Mr. President, I am happy to yield for a further discussion, because it is directly along the line I intend to discuss, in connection with the bill. I shall do so very briefly; and during the discussion by other Senators, I shall have something more to say.

Mr. ELLENDER. Mr. President, if the Senator from Nevada will yield further to me, let me ask a question: Is it not a fact that the amendment of the Senator from Mississippi follows almost identically the language of the House version, except as to the percentage of the proposed allotment?

Mr. STENNIS. The amendment offered by me provides one-half the percentage voted by the House, and then ties down the acreage thus allotted in such a way that the small farmer can get the benefit of it. If there are a number of small farms in a State, they first have to be satisfied with the additional acreage, before it can be used over the State at large. In that way, we shall be adhering, to that extent, to the philosophy of the Senate committee's version of the bill.

Mr. LANGER. Mr. President, will the Senator from Nevada yield to me?

Mr. STENNIS. Mr. President, first, let me say that my amendment provides for only 271,000 acres, whereas the amendment reported by the Senate committee provides for 259,000 acres, or a difference of only 12,000 acres. So my proposal is not a runaway one.

Mr. ELLENDER. Mr. President——

Mr. STENNIS. Mr. President, I shall be glad to have the Senator from Louisiana speak. I merely wished to bring out those facts.

Mr. ELLENDER. Mr. President, if the Senator from Nevada will yield to me, let me say that the proposal envisioned by the amendment of the Senator from Mississippi could be worked out just as well, in conference between the two Houses; could it not?

Mr. STENNIS. Yes, I agree with the Senator from Louisiana that the matter could be worked out in conference; and I am primarily interested in getting a bill to conference.

Mr. HOLLAND. Mr. President, will the Senator from Nevada yield to me at this time?

Mr. STENNIS. Mr. President, if the Senator from Nevada will permit me to say a further word, let me state that I feel I have taken enough of the time of the Senator from Nevada.

Mr. ANDERSON. Mr. President, if the Senator from Nevada will yield to me, let me say to the Senator from Mississippi that I think most Members of the Senate recognize his very high intentions and the fine, honorable way in which he has gone about this matter. However, I believe that the point made by the Senator from Louisiana [Mr. ELLENDER] has some validity; and therefore I subscribe to the suggestion made by the Senator from Mississippi, namely, that perhaps this matter had better go over for a day, and meanwhile let us see whether all Senators concerned can find a better solution.

Mr. STENNIS. I thank the Senator from New Mexico. I wish to assure the Senator from Louisiana that there is no purpose here to bypass the Committee on Agriculture and Forestry.

Mr. KERR. Mr. President, will the Senator from Nevada yield to me?

Mr. LANGER. Mr. President——

Mr. MALONE. Mr. President, I am happy to yield to the distinguished Senator from Oklahoma, if I may do so by unanimous consent.

Mr. KERR. First, Mr. President, I wish to say that no Member of the Senate has a higher regard for the great and distinguished chairman of the Committee on Agriculture and Forestry, the senior Senator from Louisiana [Mr. ELLENDER] than do I. However, I hope he will understand that as I look at the measure now before the Senate—I refer to the committee amendment, as reported by the committee—I cannot be unaware of the fact, that Oklahoma would be one of the principal casualties of the amendment proposed by the committee to the bill.

I know that it is not the intention of Members of the Senate committee to be unfair to the great State of Oklahoma, any more than it was their intention to be unfair to the great State of Arkansas, which is our eastern neighbor, and which would be almost as much a casualty under this operation as would be the State of Oklahoma.

Mr. JOHNSON of Texas. Mr. President, while the Senator is talking about casualties, he might point out——

Mr. LANGER. Mr. President, I ask for the regular order.

The PRESIDING OFFICER. The Senator from Nevada has yielded the floor to the Senator from Oklahoma.

Mr. MALONE. I have not yielded the floor.

Mr. KERR. Mr. President, I asked unanimous consent that the Senator from Nevada might yield to me for some remarks. I understood that he did so. I did not hear any objection to it.

Mr. MALONE. That is correct.

Mr. KERR. Do I correctly understand the Senator from North Dakota to object?

Mr. LANGER. I want the RECORD to show that I tried to get an opportunity to talk. The Senator from Nevada would not yield to me, but he yielded to other Senators who rose after I did. I want the floor in my own right.

Mr. KERR. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. KERR. Does the Senator from Oklahoma have the floor by unanimous consent, having been yielded to by the Senator from Nevada?

The PRESIDING OFFICER. The Senator from Oklahoma has the floor by consent of the Senator from Nevada.

Mr. KERR. I thank the Chair.

Mr. MALONE. Mr. President, I did not yield the floor to the Senator from Oklahoma. I simply asked permission to yield to the Senator from Oklahoma for a statement without losing the floor.

Mr. KERR. That is the request which I made. That is the way I understood the situation.

Mr. MALONE. And there was no objection.

The PRESIDING OFFICER. The Chair understood that the Senator from Nevada had yielded the floor.

Mr. MALONE. I have not yielded the floor.

The PRESIDING OFFICER. Will the Senator yield it?

Mr. MALONE. No; I will not.

The PRESIDING OFFICER. The Senator from Nevada declines to yield the floor.

Mr. MALONE. I asked unanimous consent that I might yield to the Senator from Oklahoma for a statement without losing the floor.

Mr. KERR. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. KERR. Will the Senator from Nevada yield to the Senator from Oklahoma for a statement, without losing the floor, upon obtaining unanimous consent to do so?

Mr. MALONE. The Senator already has unanimous consent.

The PRESIDING OFFICER. The Senator from Nevada can do so unless some other Senator makes a point of order.

Mr. MALONE. No Senator objected. It has already been done.

Mr. KERR. I thank the Senator from North Dakota for asking for the regular order. I take my seat.

Mr. MALONE. Mr. President, I am sorry that this matter took the turn it did.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. MALONE. I am happy to yield to the Senator from North Dakota.

Mr. LANGER. I have no objection to the Senator from Oklahoma making his statement. He is perfectly welcome to make it. As a matter of fact, I should like to hear him.

Mr. MALONE. Mr. President, we have suddenly become very courteous to one another.

Mr. KERR. Mr. President, will the Senator yield?

Mr. MALONE. I am happy to yield to the distinguished Senator from Oklahoma for a statement.

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Mr. KERR. I ask unanimous consent that I may complete my statement without the Senator from Nevada losing the floor.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the Senator from Oklahoma may proceed.

Mr. KERR. I thank the Senator from North Dakota for withdrawing his objection.

What I was about to say was that, by action of the committee Oklahoma is one of the principal casualties. However, the committee was no respecter of persons. What the committee did to the great State of Texas commands my admiration from the standpoint of bravery, courage, and daring. However, I am compelled to invite the attention of Senators to the fact that the committee did almost as much mayhem to the great State of Texas as it did to the great State of Oklahoma.

I had hoped that members of the committee would not feel that we were in any way lacking in respect and esteem for them as we seek to find a way to improve the situation of the farmers in the States which we represent. For that reason, I should like to see the bill go over until tomorrow, in the hope that the committee will take the lead in rewording the allocation of acreage in such manner as to avoid great damage to a few of the States.

I believe my great friend from Louisiana knows that I would not make such a request out of any disrespect to him or to the committee. On that basis, I would hope that he might exert his marvelous leadership in seeking to find a different formula from that which is in the bill, and which, as I have said, would do such great damage to Oklahoma.

I thank the Senator from Nevada for yielding to me.

Mr. HOLLAND. Mr. President, will the Senator from Nevada yield to me for a brief statement?

Mr. MALONE. I am very glad to yield to the distinguished Senator from Florida for a brief statement, provided I do not lose the floor.

Mr. HOLLAND. Mr. President, I ask unanimous consent that the Senator from Nevada may yield for that purpose without losing the floor.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the Senator from Florida may proceed.

Mr. HOLLAND. Mr. President, I thank the distinguished Senator from Nevada.

Let me say, in the first instance, that I did not introduce any bill on this subject.

Let me say, in the second instance, that I did not serve on the subcommittee which so ably framed this bill.

Let me say, in the third instance, that when the committee reported the bill, I felt it had done a very fine job in an effort to meet a very acute problem. It was not a problem of logrolling as between the States. It was a problem of trying to take care of a great many thousand pitifully poor farmers, whose acreage was so small that they were being deprived of the opportunity to plant enough crop to support their families.

The whole bill, as reported by the Senate Committee on Agriculture and Forestry, hinges on that point. I thought the distinguished Senator from South Carolina [Mr. JOHNSTON] made it completely clear in his able presentation that this is a social question, a moral question, a question of decency. I dislike to see it become, on the floor of the Senate, a question of logrolling between States; and I will not be a party to that sort of approach to this question. I serve notice that I shall vigorously oppose any effort to make it a matter of logrolling between the States.

COTTON ACREAGE LIMITATION—QUOTAS AND SUPPORT PRICE—NEVADA BELOW ECONOMIC ACREAGE FOR COTTON GIN

Mr. MALONE. Mr. President, let me say at this point that I fully sympathize with the southern cotton planters over production of cotton in an area where crop rotation was unknown a comparatively short time ago. I have cooperated with them and supported their deep convictions on States rights—Senate cloture, and many other matters. The South and the West have many problems in common and will more fully realize that fact as time goes on.

A SOVEREIGN STATE

When I hear the distinguished Senator from Florida talk about assisting poor families, I want him to know that I am talking about the limited cotton acreage of a sovereign State, not one planter.

We have a State with 110,540 square miles. It is allocated 2,324 acres of cotton out of 18,113,208 acres in the United States.

NOT ENOUGH FOR A COTTON GIN

We do not have acreage enough to justify construction of a cotton gin, and as a result we truck the cotton nearly 300 miles over the Sierra Nevada Mountains to a California cotton gin. From the beginning the senior Senator from Nevada has vigorously protested the allocation of an acreage of cotton to a sovereign State below the economic amount to be handled expeditiously.

ONE FARM ALLOTTED ONE-HALF AS MUCH AS A SOVEREIGN STATE

There are many farms in the South which have more than half the acreage allotment of our entire State of Nevada, one of the 48 sovereign States, which is trying to round out its economy through a crop rotation. Our State has developed slowly because we must develop irrigation water for the purpose—and we do produce a very fine grade of cotton.

SIXTH LARGEST STATE

Our State of Nevada is the sixth largest State in the Union—roughly 600 miles long and 400 miles wide.

Southern Nevada is farther south than northern Alabama—it rarely frosts in a large area of southern Nevada.

They raise tomato plants to be shipped to the eastern colder States in the spring—and all kinds of early vegetables as the market develops.

CONTROLLED CROP-SLOWLY DEVELOPING AREA

I come from the West. Our area developed slowly because we had to dam our streams and drill our wells to reach the ground water for irrigation.

We are dealing with the distribution of acreage of a controlled crop which is supported by 90 percent of parity, with a quota limitation such that imports into the United States can practically be prevented.

ANOTHER ACT TO REGULATE AGRICULTURE AND INDUSTRY

Let me say in passing that we are considering another bill, involving the extension of the 1934 Trade Agreements Act. That bill is being considered in another committee.

I have been sitting there 8 to 10 hours a day. Last Friday I sat in the hearings from 10 o'clock in the morning until 12 o'clock at night, hearing witnesses testify with regard to the extension of an act which would allow the President of the United States to exercise the authority and responsibility which under our Constitution belong to the Congress and would continue his authority of life or death over almost every industry in this Nation.

TRANSFERRING CONGRESS CONSTITUTIONAL RESPONSIBILITY TO THE EXECUTIVE BRANCH

We talk about the manipulation of imports and exports. We talk about granting to the President the authority to increase imports of one commodity to increase the sale of another through the authority of world organizations, and we talk about lowering duties on American products to help a foreign nation—to transfer the jobs of American working men to foreign soil for industry, and an international political purpose entirely foreign to the orderly development of this country and contrary to the clear intent of the Constitution of the United States of America. Just how far away can we get from the foundation of our very existence—the common sense foundation set down by our Constitution and our Bill of Rights? All of it affects the problem under discussion here today.

I appeared before the Committee on Agriculture and Forestry on the pending measure.

Mr. President, I ask unanimous consent that entire testimony before the committee be printed in the RECORD at this point.

There being no objection, the testimony was ordered to be printed in the RECORD, as follows:

STATEMENT OF HON. GEORGE W. MALONE, A UNITED STATES SENATOR FROM NEVADA

Senator MALONE. Our State of Nevada ranks sixth in the Nation in area. Its 110,540 square miles rank it ahead of 42 other States in the Nation. It has more area than any cotton-growing State, except Texas, California, Arizona, and New Mexico. Yet under the Agriculture Adjustment Act of 1938, as amended from time to time, the whole State of Nevada for 1955 has a total cotton acreage allotment of 2,324 acres out of the national allotment of 18,113,208 acres.

According to the charts prepared by the United States Department of Agriculture giving the number of farms with allotments of 1,000 acres or more, there are 60 individual single farms in Arkansas that have an allotment half as large as the allotment for the whole State of Nevada. There are 80 farms in Mississippi, which have cotton acreage allotments half as large as the allotment for

the whole State of Nevada. And I believe that there are individual farms in Mississippi and elsewhere throughout the belt whose cotton acreage allotments exceed that for the whole State of Nevada.

And according to the law, as it now stands, the State of Nevada would never be able to plant 1 acre more than 2,324 as long as there were cotton allotments. That sovereign State would not be able to plant 1 acre more of cotton regardless of the fact that soil, water, and know-how are available. And I might say that the know-how for raising cotton is found in the skill and experience of the farmers from the Deep South who are coming into our State in ever-increasing numbers. Nevada welcomes them, but unfortunately according to the law, they cannot bring their cotton acreage history along with them.

Certain sections of the soil and climate of Nevada are known to be suitable for the growing of cotton. Cotton was just beginning to be developed in Nevada when the quota provisions of 1954 put the straitjacket on its growth. Under section 344–K of the Agricultural Adjustment Act of 1938, as amended, as long as there are quotas in effect on cotton, we can never plant more than 2,324 acres. Why? Not because we cannot grow it economically, but simply because we are developing a new State and do not happen to have 50 years of history in cotton growing.

I do not believe that it is fair or American or economically sound to stifle the economic growth of a growing State in this way, and I predict that those who would seek to maintain this economic straitjacket on western developing areas, on what you might call pioneer areas, those who seek to keep this straitjacket on, and to keep their high price supports and rigid quotas will find that the public and the Congress will sooner or later turn against the whole structure.

In the Pahump Valley in Nevada there are 2,324 fine acres of cotton. This valley has adequate water. It has 3 artesian wells and 1 free-flowing spring. The quality of the cotton produced and the productive process are both being improved each year.

In the nearby Armagosa Valley there are also land and water conditions suitable for the growing of cotton.

But these farmers in Nevada are forced to bale their cotton in a hay baler and truck it 287 miles over the mountains into California to the nearest gin. These are good farmers. They produce a good cotton, about a bale to the acre, but they have to truck their cotton 287 miles over mountain roads to the nearest gin in California where it is unbaled and then ginned. They have to do this because there is not enough cotton acreage in Nevada allowed under this unfair law to justify the construction of just one gin like those used in the West.

An average gin in the Western States can gin the cotton for 10 to 12 thousand acres. In the West, with our high labor costs and our long distances, it is not economical to build a gin for small acreages of cotton.

I hear a lot about States rights in the Senate and I have supported on many occasions those who have vigorously, and I feel properly defended States rights on a number of matters, but is that only a one-way street? Doesn't the State of Nevada have a sovereign State's right in the production of cotton and other crops necessary to maintain their economy? Must our cotton farmers in the whole State be limited to an acreage smaller than that of one grower in the area where a State's sovereign rights are considered an important matter? Must our growers in the future be forced to continue to hay bale their cotton and truck it 300 miles over the mountains to have it ginned because those who argue for States rights one day oppose our right in this matter the next day.

Our Nation has grown great because each section has been allowed to make its just and fair contribution and effort in our progress. The Eastern and Southern States have given us stability. They have given us a reservoir of pioneers who had courage and ability, and who came west and are still coming west to develop our frontiers.

The development is still going on. These opportunities still exist in the West. This is no time to stop that development by arbitrarily, and for no sound economic reason, limiting the great State of Nevada to 2,324 acres of cotton—not even enough to justify the existence of one gin.

I therefore suggest to this committee and offer for its consideration an amendment which would raise the minimum allotment for cotton for any one State to 10,000, and not limited to its highest planted acreage.

The amendment is as follows:

"Section 3–4–k of the Agricultural Adjustment Act of 1938, as amended, be amended to read as follows:

"'(k) Notwithstanding any other provision of this section, there shall be allotted to each State for which an allotment is made under this section, not less than 10,000 acres in any year in which allotments are made'."

I feel that any bill increasing the national cotton acreage allotments reported to the Senate should give consideration to the economic trend of cotton to Nevada and the western irrigated areas. The people, the consumers of this Nation, have the right to have cotton produced where it can be produced efficiently within the Nation. They should not be required to support the price of cotton through a Government subsidy that keeps cotton production out of efficient producing areas and forces it to stay in historic areas which might be better suited economically to other crops and enterprises.

Mr. Chairman, I want to say that the senior Senator from Arizona made some remarks that apparently cover most of the irrigated land acreage that these States are continually developing, and will be for quite a long number of years. They are newer States, and, naturally, for them to round out their economy it is necessary to balance their economy with a variety of crops.

Our State of Nevada is the sixth largest State in the Union. It has been allocated 2,324 acres, and that is not enough acres to justify even 1 cotton gin.

Now, it is necessary to truck this cotton 287 miles to a California cotton gin. I want to emphasize that point. This minimum acreage builds up a situation that is not economic for anybody in our area.

Now, there are many individual farms in the old cotton area allotted more than one-half of the acreage allocated to the whole State of Nevada. The additional acreage needed in our State is to balance the economy of the State and the area in which we are located, as it continues to grow.

STATE MINIMUM

Now, the whole sovereign State of Nevada is allocated 2,324 acres; it does seem that there should be some minimum allocated to a State, 1 of the 48 States, and in that connection, I will offer, when I complete my statement, an amendment that would do that; I do not think it was the intention of Congress to hold a sovereign State to an acreage that is not even economic to build a cotton gin, and I would like the committee to consider that angle of the situation.

Now, I will read a wire that I have received from the dean of agriculture of the University of Nevada. This is from Reno, Nev.

"It is understood that the Senate Agriculture Subcommitte is holding hearings on Saturday and Monday on Agricultural Adjustment Act provisions limiting cotton acreage. Nevada has a special problem related to the development of currently undeveloped lands fully adaptable to irrigation which deserves consideration by this subcommittee. Nevada, as a young and undeveloped agricultural State, should be given an opportunity to develop its agricultural lands. As the population of the United States increases, even during the next 20 years, this additional agricultural land will be exceedingly important to the population of the United States. When this undeveloped land is brought into production, and under irrigation, cotton will be an extremely important first crop in the southern part of Nevada."

Now, I believe, Mr. Chairman, that the senior Senator from Arizona [Mr. HAYDEN] made that very clear, that it is a first crop that you can raise almost immediately on new land, and there are not too many crops that will do that.

Continuing with the wire:

"At present, nearly all of Nevada's cotton allotment of 2,324 acres is needed by Pahrump Valley"—

Which is a very fertile valley with artesian water about 75 miles northwest of Las Vegas, Nev.—

"in southern Nye County. There is some additional acreage that should be brought under production in southern Nye County, and much additional Clark County acreage that should be developed. The amount of this acreage is not agreed upon other than in its minimum figure of some 80,000 acres. While the current allotment for Nevada is favorable to our present farmers, it is respectfully urged that some provision be made to permit, even to encourage, the development of our new lands adapted to the production of warm climate plants."

It is signed John R. Bertrand, dean of agriculture of the University of Nevada.

I also have here a communication that I sent to Minard Stout, president of the University of Nevada, which I will ask to be included in the record at this point as part of my statement.

Senator JOHNSTON. It will be so included.

(The document referred to follows:)

MARCH 2, 1955.

MINARD STOUT,
President, University of Nevada,
Reno, Nev.:

Allocation of cotton acreage under Agriculture Adjustment Act being 2,324 for 1955, Senate committee hearings will begin Saturday, March 5, and presumably close on Monday. I intend to appear before the Senate committee since it was rushed through the House without amendment and without opportunity for Nevada to be heard. Believe it imperative that representative of our college of agriculture, or representative of our State, or both, should be heard. Representatives of Pahrump Valley, also factual and potential cottongrowers in Pahrump Valley should be notified and representative urged to be here Monday, March 7. There is much potential cotton-growing acreage in our State, but Agricultural Adjustment Act absolutely precludes any new acreage. It is un-American and against the best interests of the country, in my opinion. These representatives should be prepared to give evidence and testimony on potential cotton acreage within our State. Please advise.

GEORGE W. MALONE,
United States Senator.

Senator MALONE. I would also like to have included in the record, unless it is already included—included in this portion of the record—the allocation to the various States and the record of the cotton allocation as it now exists.

Would the chairman think it would be advantageous to have this table in?

Senator JOHNSON. Yes; we will include that in the record.

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Upland cotton: Base acreages used in computing 1955 allotments, acreages in cultivation July 1, 1948–53 (excluding 1949) and 1954 and 1955 acreage allotment.

State	Acreage										1955 base acreage [5]	Acreage allotment (before reserve)		
	1948		1950		1951		1952		1953			1955	1954	
	Planted [1]	July 1	Planted [2]	July 1 [3]	Planted [1]	July 1	Planted [1]	July 1	Planted [4]	July 1			Original	Revised
	(1)		(2)		(3)		(4)		(5)		(6)	(7)	(8)	(9)
Alabama	1,650,000	1,637,000	1,294,315	1,314,000	1,530,000	1,499,000	1,605,000	1,591,000	1,652,980	1,630,000	1,546,459	1,101,804	1,139,121	1,346,401
Arizona	282,400	280,400	220,912	232,500	555,000	550,000	632,000	630,000	653,181	651,500	468,699	333,933	288,223	413,820
Arkansas	2,375,000	2,335,000	1,711,552	1,713,300	2,350,000	2,211,000	2,040,000	1,956,000	2,258,685	2,112,000	2,147,047	1,529,704	1,562,684	1,847,036
California	815,000	810,000	576,902	582,500	1,324,650	1,314,650	1,404,800	1,391,800	1,343,352	1,347,500	1,092,941	778,686	697,806	936,408
Florida	29,650	29,650	30,862	31,160	62,400	61,400	59,800	59,200	71,918	71,200	50,926	36,283	33,122	44,116
Georgia	1,304,640	1,294,640	1,052,346	1,041,300	1,434,840	1,423,850	1,479,880	1,469,900	1,400,992	1,382,000	1,334,540	950,818	1,005,862	1,188,894
Illinois	4,700	4,600	2,592	3,260	4,100	3,900	2,750	2,350	2,380	2,400	3,304	[6] 3,056	[6] 4,000	[6] 4,000
Kansas	50	50	116	140	80	40	35	20	29	28	62	[6] 35	[6] 80	[6] 80
Kentucky	13,300	13,100	10,078	10,510	13,900	13,100	10,500	10,300	10,988	10,400	11,753	8,374	9,136	10,799
Louisiana	915,000	896,000	734,657	733,000	970,000	949,000	910,000	899,000	1,021,011	967,000	910,134	648,442	634,906	750,436
Mississippi	2,595,000	2,583,000	2,067,591	2,049,000	2,490,000	2,463,000	2,465,000	2,440,000	2,669,634	2,554,000	2,457,445	1,750,852	1,759,641	2,079,833
Missouri	575,000	563,000	426,962	447,000	630,000	616,000	550,000	520,000	622,588	561,000	560,904	399,627	391,396	462,617
Nevada	110	110	110	110	1,400	1,300	1,950	1,800	2,324	2,300	1,179	[6] 2,324	[6] 2,289	[6] 2,289
New Mexico	217,200	214,200	153,088	156,000	306,000	299,000	288,000	283,000	314,321	302,900	255,722	182,194	167,243	218,942
North Carolina	745,000	742,000	594,599	598,000	725,000	711,000	765,000	753,000	789,606	782,000	723,841	515,714	528,638	624,831
Oklahoma	1,100,000	1,069,000	941,316	949,600	1,600,000	1,571,000	1,335,000	1,308,000	1,146,985	1,068,000	1,224,660	872,532	929,202	1,098,283
South Carolina	1,125,000	1,123,000	848,536	871,000	1,110,000	1,106,000	1,160,000	1,149,000	1,187,897	1,181,000	1,086,287	773,945	786,006	929,030
Tennessee	830,000	823,000	602,588	641,000	867,000	826,000	880,000	866,000	988,092	958,000	833,536	593,868	575,891	680,683
Texas	8,998,400	8,804,400	6,657,214	6,853,370	13,289,700	12,487,700	12,337,965	11,718,965 [7]	12,172,081	9,537,500	10,685,072	7,612,779	7,376,858	8,719,178
Virginia	26,000	26,000	21,788	22,400	22,000	21,000	27,000	26,000	31,208	30,000	25,599	18,238	18,344	21,682
United States	23,571,450	23,248,150	17,948,124	18,249,150	29,286,070	28,127,940	27,954,680	27,075,335	28,340,222	25,150,728	25,420,110	18,113,208	17,910,448	21,379,358

[1] AMS acreage in cultivation July 1 plus estimated abandonment prior to July 1.
[2] Cotton acreage measured by CSS under 1950 marketing quota program, adjusted in accordance with provisions of sec. 344 (f) (4) and (5), 344 (g) (3) and 344 (i) of the Agricultural Adjustment Act of 1938, as amended.
[3] Excludes acreages plowed up to meet PMA allotments.
[4] CSS measured acreage including adjustments, if any, for abnormal weather conditions.
[5] Average of 5 base years, 1948–53, excluding 1949.
[6] Minimum State acreage allotments determined in accordance with sec. 344 (k) of the Agricultural Adjustment Act of 1938, as amended.
[7] Includes adjustment for abnormal weather amounting to 1,548,030 acres.

NOTE.—Sealand cotton excluded from all acreages.

Prepared in the Production Programs Branch, Cotton Division, CSS.

Senator MALONE. The amendment that I proposed, and I will read, and I am suggesting it on account of lack of balanced economy in an area and in a State where so small an amount of acreage is allocated, and where it is impossible to build a cotton gin with the acreage allotted in that area, even if it were cotton acreage just across the State line, within an area contributory to the area here; that cotton gin could not be built, but you will understand in this mountainous area, in which there are valleys, and then there are mountain ranges intervening, that the reason it is 287 miles from Pahrump Valley to the first cotton gin in California is because you go over the Sierra Nevada mountains, which is a terrific trip, as my friend from California can testify.

So I suggest to this committee, and offer for its consideration an amendment which would raise the minimum allotment for cotton for any 1 State to 10,000 acres, and not limit it to its highest planted acreage. The amendment is as follows:

Section 344 (k) of the Agricultural Adjustment Act of 1938, as amended, be amended to read as follows:

"(k) Notwithstanding any other provision of this section, there shall be allotted to each State for which an allotment is made under this section, not less than 10,000 acres in any year in which allotments are made."

Mr. Chairman, for any crop control to be successful, it must meet practical situations.

I am sure that no Senator or interested person would want to force the producers in any area to truck their raw product 287 miles to a mill—in this case a cotton gin.

Mr. Chairman, I appreciate the opportunity to explain our situation in the cotton field.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. MALONE. I wish to say further that all that I asked for my State of Nevada was for a minimum acreage allotted to a sovereign State. I made the request before the committee.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. MALONE. I am very happy to yield.

Mr. ANDERSON. The Senator from Nevada will remember that in the cotton acreage law of 1949 a minimum acreage was provided for the State of Nevada. An attempt was made to provide a minimum of 4,000 acres. That was done solely because Nevada was entitled to have enough acreage to support a gin. In the bill which was reported by the committee, his State received an increase of 12 acres. It was actually 11½ acres originally, but the figure was rounded off to an even 12 acres.

DOES NOT DO CREDIT TO THE COMMITTEE

Mr. MALONE. If the Senator from New Mexico will permit me, I should like to say that the Senator from Nevada made the same argument at that time. Just what can a sovereign State do with that small acreage, and how long will the Congress stand for that kind of treatment meted out to the people of this Nation.

It would be funny if it were not tragic.

It does not do credit to the great Senate Agricultural and Forestry Committee.

Mr. ANDERSON. The Senator from Nevada understands, of course, that the acreage allotment for his State this year is 2,324 acres.

Mr. MALONE. That is correct.

Mr. ANDERSON. The amendment I have at the desk would bring that figure up to 3,500 acres. That increase is provided not for the purpose of trying to enlist his support—because I never mentioned it to him——

Mr. MALONE. That is correct.

Mr. ANDERSON. It is merely for the purpose of making it possible to maintain a gin in the State of Nevada. At the present time—and I believe I am correct in this statement—the farmers in Nevada are baling their cotton with an ordinary baling press, taking the cotton over the mountains, and having it ginned outside the State.

Mr. MALONE. I will say to my friend from New Mexico that they are baling their cotton and hauling it nearly 300 miles over one of the highest mountain ranges in the western country, and then disposing of the cotton in the best way they can. When people will do that, they really want to be in the cotton business.

Mr. ANDERSON. Does not the Senator from Nevada agree with me that when we talk about social values, we must take into consideration the social values of those people who are having to do that with their cotton?

Mr. MALONE. I wish to say to the Senator from New Mexico that there are many areas in his State—I know, because I have been in practically every part of his State—which are faced with the same situation.

We have many small valleys in our State; Pahump Valley, where cotton is now grown, is but one of them. It is little known to anyone outside the State. They have no railroad, and only 2 years ago we were successful in having a highway built into it from Las Vegas, 200 miles away. It is one of the most productive areas in Nevada. It enjoys a very fine climate and it is able to raise a very fine grade of cotton and other crops.

I wish to say to the distinguished Senator from New Mexico that in my humble opinion that is the way the United States of America was developed in the first place. People go into new areas, valleys like Pahump; they raise families and build schools, hospitals, and churches. They pay their taxes asking for nothing but a chance to work and support their families.

Probably none of the people in Pahump Valley have ever been to Washington, but just lately they have learned that Congress has passed a law which prevents them from making a living.

That is not the only thing we do in Washington which prevents those kind of people from making a living, raising a family and becoming good citizens.

I do hope that the suggestion of the Senator from Mississippi [Mr. STENNIS] will be acted on. To do so would be no reflection on the members of the Committee on Agriculture and Forestry.

Mr. LANGER. Mr. President, will the Senator from Nevada yield for a question?

Mr. MALONE. I am very happy to yield.

Mr. LANGER. The Senator from North Dakota is very much interested in the argument that has been made. I shall ask this in the form of a question. I rise to support the position of the junior Senator from Mississippi. I believe he is absolutely right. It is only a few years ago that in the delta of Mississippi farmers were raising fine cotton. That is in the area in which the senior Senator from Mississippi lives. Then, all of a sudden, they went into the production of wheat. They produced hundreds of thousands of bushels of wheat in Mississippi.

We in the State of North Dakota are very much interested. We believe that if Mississippi can raise wheat, North Dakota can undoubtedly raise cotton. Therefore, our experiment station has been experimenting with raising cotton, especially in the submarginal areas. We are very much interested in that subject.

I hope the matter will go over until tomorrow. I do not for a moment agree with the argument made by the Senator from Louisiana [Mr. ELLENDER]. He said no one appeared before the Committee on Agriculture and Forestry on the amendment proposed by the junior Senator from Mississippi.

Only last Friday the distinguished Senator from Louisiana, when the Senate was considering a Judiciary Committee matter, namely, whether an appropriation should be made for the subcommittee on juvenile delinquency, he made a motion that the appropriation be entirely wiped out. He never appeared before the Committee on the Judiciary to argue that the committee did not need the money. The Committee on the Judiciary holds a hearing every Monday, and every Senator is invited to appear before it. The Senator from Louisiana never appeared before the committee.

The State of North Dakota is vitally interested in this subject. I am sure the junior Senator from North Dakota [Mr. YOUNG] agrees with me. At the experiment station we raise peaches and cherries, and we have now concluded that it is advisable to experiment in the growing of cotton in North Dakota. If it is possible to raise wheat in Mississippi, we can certainly raise cotton in North Dakota.

Mr. CASE of South Dakota. Mr. President, will the Senator yield?

Mr. LANGER. So far as the argument of the distinguished Senator from Louisiana [Mr. ELLENDER] is concerned, if he wants to have a vote on the bill tonight on the ground that the distinguished Senator from Mississippi did not appear before his committee, his argument is entirely eliminated by the fact that only last Friday he did exactly the same thing, when he argued against appropriating any money for the subcommittee on juvenile delinquency of the Committee on the Judiciary.

I will put that in the form of a question: Is that not right?

Mr. MALONE. I am not a member of the Committee on the Judiciary, but I am willing to take the word of the former chairman of that committee.

Mr. CASE of South Dakota. Mr. President, will the Senator yield?

Mr. MALONE. I yield.

Mr. CASE of South Dakota. If the distinguished Senator from Nevada will permit me to address a question to another Senator, I should like to say to the Senator from North Dakota that if he knows of any other way of producing cotton except by raising it, I would appreciate his sending me a report on the project.

NEVADA CLIMATE LITTLE UNDERSTOOD

Mr. MALONE. All of this is very interesting. However, I should like to close my remarks by saying that the climate and topography of the State of Nevada is little understood. It is not generally known that southern Nevada is south of northern Alabama. That in that section of the State it rarely freezes. Therefore, the climate there is suited to cotton and other warm-weather crops.

If the committee will do what I hope it will do in a conference tonight, it will consider that the minimum allotment of a presently cotton-growing State, one of the 48 sovereign States, should not be less than 10,000 acres.

Mr. CARLSON. Mr. President, will the Senator from Nevada yield?

Mr. MALONE. In a moment. I wish to read my amendment, which provides that section 34 (k) of the Agricultural Adjustment Act of 1938, as amended, be amended as follows:

Subsection (k): Notwithstanding any other provision of this section, there shall be allotted to each State for which allotment is made under this section, not less than 10,000 acres in any year in which allotments are made.

Mr. President, I feel that any bill increasing the allotment should give consideration to the economic trend of cotton in the western irrigated acreage. The mere fact that the State of Nevada has never been allotted enough acreage for a cotton gin and that we have to truck cotton nearly 300 miles over a mountain range for that purpose indicates to me just how ridiculous it is to talk about regulating any crop to that extent, especially a crop which has a 90-percent price support, and a quota import system.

PROF. JOHN KENNETH GALBRAITH OF HARVARD UNIVERSITY

Mr. CAPEHART. Mr. President, friends of Prof. John Kenneth Galbraith, of Harvard, have suggested that I took two paragraphs out of context in quoting his praise of communism in a booklet entitled "Beyond the Marshall Plan," published February 1949, by the National Planning Association.

I am not particularly interested in Professor Galbraith. I am interested in the economic philosophy of the only witness called as an economist to testify in this supposedly nonpolitical and friendly investigation of the stock market.

To set the record straight, I ask unanimous consent to have printed in the body of the RECORD as a part of these remarks pages 18 through 21 of that booklet so that the full context in which the professor's statements appear may be available to the American people.

I leave it to the people to judge the professor's position and whether I gave an unfair characterization to what he said.

Mr. MONRONEY. Mr. President, reserving the right to object, I wonder if the Senator from Indiana would agree to have printed in the RECORD the entire pamphlet written by Professor Galbraith. I think it would be more informative to the Senate. I have not yet been able to obtain a copy. I should like to urge the Senator to incorporate in the RECORD the entire pamphlet.

Mr. CAPEHART. What I am asking is that the full chapter on Unification of Europe be printed in the RECORD. I would suggest that Senators secure the entire booklet and read it.

Mr. MONRONEY. That is what I was hoping the Senator would do, so that it would be available for a full study.

Mr. CAPEHART. I do not have the booklet here, but I have no objection to the Senator's placing the entire booklet in the RECORD if he cares to do so. It is the chapter on the Unification of Europe to which I referred and to which I intend to refer in the future.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

ECONOMIC UNIFICATION

It has not been fashionable in the United States in recent times to speak well of communism. Little, perhaps dangerous little, has therefore been said of the achievements of communism. These, as an adult people should realize, have been considerable, and they help to explain why some millions of alert and intelligent Europeans have embraced this faith, and why a fair minority of the more intelligent and aggressive among them are willing to devote their talents and their lives to advancing it.

One of these achievements is a reputation for sincerity in the promise to abate old grievances, whatever doubts there may be of Communist sincerity on other matters. A second and more important achievement is the development of an effective formula for solving the problem of nationalism. In fact the Communists, to date, are the sole possessors of a solution of this problem.

Europe is the birthplace of nationalism and on this comparatively minute section of the earth's surface it has been carried to a reductio ad absurdum. Nowhere else in the world do so many nationalist entities share such a small space. No one should minimize the social and cultural contribution of the small nation; it is quite possible that the world owes more of its civilized virtues to

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small countries than to large ones. But while cultural autonomy is one thing, economic autonomy is something else. In a day of expanding wants, widening markets and, in consequence, growing economic interdependence, a community of small nations each exercising absolute sovereignty in economic affairs is an anachronism.

The Communists deal with this problem by persuading individuals to abandon their allegiance to their own national state and to substitute allegiance to a second. The latter, once pictured as a supranational worker's state, has become identical with allegiance to the Soviet Union. The formula does not work perfectly. The break between Marshal Tito and the Kremlin seems to be traceable in the broadest sense to Yugoslav nationalism. There have been similar problems in the Thorez wing of the French Communist Party and in Poland. Nevertheless, communism has been widely and perhaps even brilliantly successful in its effort to overcome narrow nationalism.

On the desirability, in principle, of weaning Europe from its commitment to an anarchy of small and independent states there is agreement between Russia and the West. There is a marked difference, however, in attitude toward translating principle into practice. The Communists are at work on their task; there is little doubt that the more devout members expect, eventually, to succeed. The West has no clear vision of where it is going and no effective instrument for getting there. It has yet to carry the definition of its objective beyond the vague phrases of "increased economic collaboration"; its instruments for achieving the goals are limited to the still imperfectly functioning organization for European Economic Cooperation in Paris and the educational work of the groups working for European union. There is a paralyzing conviction that the whole idea is impractical. At the moment the race is a highly unequal one.

No one should assume that, without a great deal of effort, the race will become more nearly even as the result of the Marshall Plan. That European countries would enter upon close economic collaboration was explicit in the Marshall bargain. We must assume that this bargain was entered into in good faith. But until the phrase "economic collaboration" is given precise content the bargaining is very nearly meaningless. Clearly many Europeans do not imagine their side of the bargain to require surrender to a central body of any final authority over national economic policies. But nations cannot both retain full sovereignty and also endow a supranational body with real power. And if they have the power, governments will always take steps in defense of their own nationals in time of crisis. Some of the most promising lines of action, moreover, are those that export one country's misfortunes to another—that block the import of goods to maintain employment at home, depreciate exchanges to win a competitive advantage in exports or, as at the moment, limit accumulations of foreign currency to maintain a more nearly stable currency position.

Many Americans have also been looking at the wrong target when they have directed their attention toward economic unification of Western Europe. The latter has commonly been identified with a western European customs union, or a currency union, or, though less frequently, with some central control over capital investment—one for example that would integrate the steel industry of France with that of Belgium and Luxembourg.

None of these things is entirely unimportant. But a customs union between western European states, to take the most prominent symbol of economic unification, would be of little consequence now or in the future. Customs duties or tariffs are not now an important barrier to intra-European trade—after the war, several European countries waived customs duties on essential products. Trade can be free but goods will not cross frontiers if governments, in the exercise of their allocation powers, allot none for export. Or, if they do not issue import permits or allot foreign exchange for the purpose. Or, if the fiscal systems of the two countries are so different—a discovery the Benelux countries have made in the last couple of years—that the tax levies of one country render the products of another noncompetitive.

Under present circumstances, and so long as governments are assuming large responsibilities for economic welfare (which means, in all probability, for the foreseeable future), a customs union would merely cause government to give up one type of control over trade and substitute others. And the substitutes are extraordinarily plentiful.

It is easy to see where all this leads. A customs union is a self-denying ordinance by governments that have agreed to give up their sovereign power to levy customs duties. But to be effective, this ordinance must be extended to a great many other types of control, including some like taxation and currency regulation, which require a good deal of administration. If there is to be administration there must be an administrator, which means that if there is to be economic unity there must be a central executive body; in other words, a central government.

At this juncture it is sufficiently clear that economic unification of Western Europe will not be easy. It is easier to dismiss the goal as impractical—to consider it the kind of exercise in Utopia building to which Americans are peculiarly devoted. Unhappily, in this instance, Utopia seems to accord also with the practical necessities of the case. And it is well that we see the full difficulties of the solution. If we and the many western Europeans who cherish the goal of economic unification content ourselves with vague talk about collaboration or hold exaggerated notions of the good that would come from a customs union, we can be sure that the net accomplishment will be slight.

Mr. CAPEHART. Mr. President, I also ask unanimous consent to have printed in the body of the RECORD, as a part of these remarks, a telegram which I received Saturday, March 19, 1955, at 10:41 a. m. from the professor and which was sent by him in New York at 8:53 a. m. on the same day.

The television broadcast to which he refers was filmed and recorded from 9 a. m. to 9:30 a. m., that day, and the telegram did not reach me until after the program had been concluded.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

NEW YORK, N. Y., *March 19, 1955.*

Senator HOMER CAPEHART,

Senate Office Building:

A gentleman from your staff has just read me two paragraphs from a pamphlet written by me some years ago which stress the vigor and appeal of the Communist promises to relieve poverty and the important fact that it cuts across the ancient problem of many separate nationalities in Europe. These propositions still seem to me generally sound if not very original and most experts would agree. In using them and their relation to the stock market is not wholly clear to me. I am sure you will indicate perhaps using this telegram that they were written to emphasize the formidable threat of communism in Europe and the likelihood as I recall the pamphlet that it would survive the Marshall plan.

Faithfully yours,

J. K. GALBRAITH.

Mr. CAPEHART. Mr. President, I particularly wish to call attention to the fact that this telegram says—in March 1955 he is still saying—that the two paragraphs I quoted from his booklet "stress the vigor and appeal of the communistic promises to relieve poverty."

The telegram goes on to say:

The important fact (is) that it (communism) cuts across the ancient problem of many separate nationalities in Europe.

Mr. President, I do not understand the vigor or appeal of communism in relieving poverty.

Mr. MONRONEY. Mr. President, as I understand, Dr. Galbraith was referring to the propaganda promises made by the leaders in Russia that they would relieve poverty, that they would solve the ancient nationalistic problem which, of course, is nothing in the world but window dressing. The people realize that they have bought a false hope. As I understand what the Senator recently quoted, that is the effect of the writing of Dr. Galbraith in the brief paragraph which the Senator quoted.

Mr. CAPEHART. I have placed it in the RECORD, and if any Senator can read into the statement what the able Senator from Oklahoma has just said, I wish he would notify me, because if that be true, I cannot comprehend the English language.

Mr. President, the Communist-dominated nations are among the most poverty-stricken nations of the world, to the point where they are now seeking our aid in agriculture production to try to get enough to eat.

I wish to ask the professor what he considers the vigor and appeal of communism in promising to relieve poverty, and why he omitted to point out that our way of life has given us the highest standard of living ever achieved by any country in the history of the world.

I should also like to ask him whether it is important that communism "cuts across the ancient problem of many separate nationalities in Europe" by wiping out the independence and the freedom of the millions of unfortunate people now in prison beyond the Iron Curtain.

We can all agree with much that the professor said in the booklet to which I have referred.

He stresses the point that economic unification of the countries of Europe is desirable. We can all agree with that main theme. In fact, a resolution accompanying the booklet, approved by a number of distinguished people, says:

The committee finds itself in general agreement with the broad principles and objectives stated in the (Galbraith) report, without necessarily passing upon matters of detail.

One of the details was how this desirable unification of Europe was to be achieved.

Much as I want Europe unified, I rebel at the mere thought of its unification by military conquest, oppression, and slavery. The point I sought to make, and which has been lost upon a few people who read my remarks, is that Galbraith failed in his report to denounce the solution to European nationalism offered by the Russians, namely,

a solution based upon military conquest and slavery.

I still want to ask the professor what he regards as the "achievements of communism."

I still want to ask him why he thinks the "more intelligent Europeans" are willing to devote their talent and their lives to advancing communism.

I want to ask him by what standard he measures intelligence.

Were not the hosts of refugees, to whom real democracy appealed, and who emigrated to this country, among the "more intelligent?"

In passing, I am impressed by another statement of the professor, which is found on page 14:

> There is an ironic possibility that, since 1948, the Communist party the world over has won more supporters with promises of private ownership of land than the promises of social ownership of industry.

I note that he says this possibility is "ironic." But I am also impressed by the fact that he does not even comment on the fact that there is no such thing as "private ownership of land" under communism.

I urge every Member of the Senate to read the chapter from the professor's booklet which I have put in the RECORD. Better yet, I urge Senators to get the booklet itself and read the entire report.

They will find it inescapable that the professor's argument is that the most desirable solution of the problems of nationalism in Europe lies in the creation of centralized socialistic government.

I desire to make one more quotation from the professor's report. He says at page 17:

> In the competition for the support of such a citizen the struggle between a free community and a monolithic force such as communism can never be quite equal.

The professor is quite good in coining phrases and words. I continue to read:

> The individual Communist can live in Western Europe with some security.
>
> The individual non-Communist can face life under communism with no certainty of survival.

What does the professor mean? He means that the individual Communist in Western Europe—where we have spent so many billions to preserve freedom—can live with some security and that the individual non-Communist can face life with "no certainty of survival."

These remarks were made by the professor in connection with his description of communism as a "monolithic force"—that is describing communism as a monument or a pillar of strength.

Mr. President, "monolithic" means like a monument, or a pillar of strength. The remarks by the professor described communism as a "monolithic force." That is like describing communism as a monument or as a pillar of strength; or, as we used to say, like the Rock of Gibralter.

He even failed to make any mention of the fact that freedom is greater in this country than it is or ever has been in the history of the world.

Why does he omit from this report any mention of the strengths of the democratic way of life and its proven appeal to the peoples of the world ever since the founding of our Republic?

Does he feel that the American way of life can no longer be sold?

Does he feel our shortcomings are greater than our strengths?

In his conclusion is his only mention of our country.

He says:

> The unrelieved racial tensions of the American community and the instability of the American economy have become matters of concern to all the free countries of the world.

This, I submit, is an exaggerated and false picture of our country.

I think I shall read the last statement again. Professor Galbraith says:

> The unrelieved racial tensions of the American community and the instability of the American economy have become matters of concern to all the free countries of the world.

I did not know that there were any particular racial tensions in the United States. I have not been aware of any. I do not know why a person should say that the instability of the American economy has become a matter of concern to all the free countries of the world.

Mr. President, these fellows may be clever with words, but it is not very difficult to read their meaning into what they say.

The recurrent philosophy throughout the report is that of a man who is selling democracy short.

These, Mr. President, are a few of the things I will question the professor about when he is recalled before the Banking and Currency Committee.

From time to time I intend to bring to the attention of the Senate other subjects on which the professor has written.

Mr. MONRONEY. Mr. President, will the Senator from Indiana yield?

Mr. CAPEHART. I yield.

Mr. MONRONEY. Would the Senator be kind enough to favor the Senate with the names of the members of the committee which he mentioned?

Mr. CAPEHART. I do not have the names before me, but, as I recall Milton Eisenhower was one member.

Mr. MONRONEY. Will not the Senator place in the RECORD the names of all the members, for the benefit of the Senate?

Mr. CAPEHART. I shall be very happy to do so; that is perfectly agreeable to me. I do not have them before me now; but, as I recall, Milton Eisenhower was one, and Allen Dulles, the head of the Central Intelligence Agency, was another.

Mr. MONRONEY. I think it would be informative for the Senate to know the names of the persons who have given support to the writings to which the Senator has referred.

Mr. CAPEHART. They said they approved them in general.

Mr. MONRONEY. That is what I should like to have placed in the RECORD.

Mr. CAPEHART. I cannot be responsible for the fact that those persons approved what Professor Galbraith said.

Mr. MONRONEY. I am certain the Senator will agree that those men, with their standing and reputation, must have placed a little different interpretation on what they read from that which the Senator has placed on it.

Mr. CAPEHART. I do not intend to argue with the able Senator from Oklahoma. I placed the material in the RECORD. I am perfectly willing to have every Senator and all other Americans read it and be their own judges. I am not trying to place any thoughts or words in anybody else's mind or mouth. The only economist who was called before our committee in respect to the stock exchange investigation was Dr. Galbraith. I have given today some of this thoughts and philosophy; and there is much more that I shall bring out, and much more about which I shall question him.

One of Dr. Galbraith's own colleagues, a member of the American Economic Society, I believe it is, stated that, in his opinion, Dr. Galbraith was the greatest enemy of private enterprise and democracy now living. I do not have the book with me, but I can place it in the RECORD tomorrow.

Mr. MONRONEY. Does the Senator from Indiana share that viewpoint?

Mr. CAPEHART. I do not know.

Mr. MONRONEY. I do not understand whether the Senator from Indiana is saying that Dr. Galbraith is a fellow traveler or a member of the Communist front.

Mr. CAPEHART. The Senator from Oklahoma said that; I did not.

Mr. MONRONEY. I am asking the Senator a question.

Mr. CAPEHART. I have simply stated some of Dr. Galbraith's philosophy, and I intend to give more of it. He was the only economist called before the committee.

If the able Senator from Oklahoma gets any satisfaction out of defending and protecting the statements I have just read, or any satisfaction out of defending Dr. Galbraith, that is perfectly agreeable to me; I have no objection at all.

Mr. MONRONEY. Mr. President, will the Senator from Indiana further yield?

Mr. CAPEHART. I yield.

Mr. MONRONEY. Is it not a fact that Dr. Galbraith was one of the principal economists called to testify before the Joint Committee on the Economic Report when the Republican Party controlled Congress?

Mr. CAPEHART. That is correct; and it was the able senior Senator from Illinois [Mr. DOUGLAS] who suggested that Dr. Galbraith be called, because I think the Senator from Illinois was the ranking Democratic member of the Joint Committee on the Economic Report.

Dr. Galbraith was called again in January of this year by the able Senator from Illinois [Mr. DOUGLAS], who was then chairman of the committee.

The Senator from Oklahoma now has the reason why Dr. Galbraith was called.

Mr. MONRONEY. So Dr. Galbraith was called before the committee both when it was controlled by the Republicans and by the Democrats.

Mr. CAPEHART. Dr. Galbraith was a member of the OPA many years ago.

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I shall cover that phase of his activities later, and state what happened to him there.

PROGRAM FOR THE REMAINDER OF TODAY

Mr. JOHNSON of Texas. Mr. President, I desire to make a brief announcement. There will be no further action taken on the cotton bill this evening. When the Senate has concluded its business today, it is intended that a recess will be taken until 12 o'clock noon tomorrow.

APPOINTMENT OF HAROLD STASSEN AS SPECIAL ASSISTANT ON DISARMAMENT

Mr. WILEY. Mr. President, I believe that two splendid advances toward attainment of peace have just occurred. I refer to the welcome appointment of Harold Stassen to the position of Special Assistant to the President on Disarmament with the status of Cabinet rank, and to the proposal made by our esteemed colleague, the chairman of the Senate Foreign Relations Committee, the Senator from Georgia [Mr. GEORGE], for a high-level diplomatic conference with the Soviet Union.

With respect to the first action, I believe that Mr. Stassen's designation is one of the most promising actions taken by the President toward the attainment of world peace, which is his and our greatest objective. It may well be duplicated by other nations throughout the world in similar high-level appointments.

The appointment signifies drastically to all the world that the United States is now and has always been committed unalterably to the effort, on a sound basis, to arrest the ominous East-West arms race, involving ever mounting stockpiles of conventional and nuclear weapons.

The United States is thus unalterably committed to a sound, enforceable, ironclad, yet gradual program of international disarmament. Our purpose is of course to relieve the world of the dreadful menace of global conflagration, and to remove from the backs of the peoples of the world the staggering financial burden of excessive military outlay.

RIGHT MAN IN RIGHT JOB

The appointment of former Governor Stassen represents the designation of the right man at the right place at the right level at the right time.

We have had very able men work on U. N. disarmament problems, but the elevation of Mr. Stassen and his taking on of this assignment as his major responsibility, may help open a new chapter in the long effort to arrive at a workable agreement on disarmament.

No one realizes more clearly than the President, Secretary of State Dulles, and Mr. Stassen himself the pitfalls and obstacles ahead.

No one realizes better than they that the Soviet Union has consistently sabotaged every single effort at disarmament and has callously used disarmament meetings as a platform for vicious and false propaganda.

But no one realizes more than our high officials, that America will never—can never—abandon hope that somehow this great goal can be achieved.

SENATOR GEORGE'S PROPOSAL HELPFUL

Next, the recommendation by the Senator from Georgia [Mr. GEORGE] is one which I know will receive, as it is receiving, the most serious consideration of the statesmen of the world.

Since it would be President Eisenhower who would represent us at a meeting of the highest diplomatic level, we must necessarily leave to the President's personal judgment the determination as to when and under what circumstances he himself feels the situation is ripe for such a momentous conference.

As the Senator from Georgia is keenly aware, I am sure, we must strive to make sure that the Soviet Union does not attempt to misuse the possibility of such a conference as a device to cause more stalling of the remaining steps necessary for the bringing into being of the western European union.

As my distinguished colleague is likewise aware, I am sure, the complex problem of possibly meeting with Red China itself in order to help deter a rash and futile attack on Formosa must receive the most careful analysis from every standpoint by ourselves and our allies.

The Senator from Georgia has, however, spoken with characteristic frankness in making his able suggestion and is to be commended for his effort.

SECRETARY OF PEACE

Finally, returning to the matter of Mr. Stassen's appointment, I should like to point out that his designation has been noted by many newspapers as representing, in effect, the appointment of what might be called a secretary of peace.

I should like to cite the fact that, as far back as 12 years ago, I introduced proposed legislation for this very purpose, namely, the appointment of a Secretary of Peace to head a Cabinet Department of Peace, a small Department which, while working within the policy framework established by the President and the Secretary of State, would be relieved of day-to-day diplomatic chores and could concentrate all-out on the greatest goal of all—the maintenance of peace.

I send to the desk now the text of a background memorandum which I have prepared describing my previous efforts in this respect. I append to it the text of several editorials which have been published, commending the Stassen appointment as "Secretary of Peace." I ask unanimous consent that this material be printed at this point in the body of the RECORD.

There being no objection, the memorandum and editorials were ordered to be printed in the RECORD, as follows:

THE BACKGROUND OF SENATOR WILEY'S PEACE PROPOSALS

On July 7, 1943, I first spoke on the floor of the Senate in relation to establishing a Department of Peace.

I stated, as recorded in the CONGRESSIONAL RECORD, volume 89, part 6, page 7348 of the permanent bound edition of the RECORD:

"We can prevent world war III if we begin now to build the true foundations of international friendships * * *."

I stated that, to some, a Peace Department may sound like "another platitude—only a generality," but to me and possibly to millions of others, it represented the nucleus of a sound idea.

COMMENTS AFTER U. N. FOUNDING

Two years later occurred the famous San Francisco Conference, establishing the United Nations.

On June 26, 1945, speaking on the floor of the Senate, as recorded in the CONGRESSIONAL RECORD, volume 95, part 5, beginning on page 6785, I welcomed home Secretary of State Stettinius, Senator Vandenberg, and Senator Connally. I expressed the hope once again that there would be a Department of Peace in our United States Government.

I pointed out that the previous evening, in the Washington Star, the noted columnist, David Lawrence, had endorsed the idea of a Secretary of Peace.

Under the subhead "Senator WILEY's Idea," David Lawrence wrote:

"Senator WILEY, of Wisconsin, Republican, had a good idea about this and made a speech about it in the Senate a year ago. He suggested that a Department of Peace be established, to concentrate and specialize on the maintenance of peace. Nothing came of it because at the time American was engrossed in war. Now the United Nations has set up an organization and the time has come for America to take the lead in establishing a special department of government to carry on the all-important work of our participation in such a league."

On July 7, 1945, I said: "I crave for my Government the distinction of being the first government on earth to establish a Secretary of Peace."

ARTICLE ON PEACE DEPARTMENT

In September 1945, I wrote an article entitled "A Department of Peace for the American Government."

Our late colleague, Senator Kenneth S. Wherry, of Nebraska, reprinted the text of that article in the CONGRESSIONAL RECORD, volume 91, part 12, pages A3814–A3815.

That year, I introduced S. 1237 to create in the United States Government a Department of Peace to be headed by a Secretary of Peace, a man of Cabinet rank. I envisaged in this bill that the Secretary "would be assisted by an Under Secretary of Peace and by a small group of experts. With this staff he would cooperate with every other Cabinet department, the Department of State, the Treasury Department, Department of Commerce, and so on. He would also cooperate with every other international peacemaking group—private and governmental, for the Secretary of Peace would be ex officio, the American representative on the U. N. Security Council, and the chairman of the American delegation to the General Assembly."

I introduced in the Appendix of the CONGRESSIONAL RECORD, volume 91, part 13, page A5364, an article entitled "Do We Need a Peace Department?" in which an author had rounded up various separate proposals for a Peace Department, including my own, and one offered by former Congressman Jennings Randolph, of West Virginia, H. R. 3628.

On January 7, 1947, as recorded in the CONGRESSIONAL RECORD, volume 93, part 1, page 165, I reintroduced my Department of Peace bill, this time in the 80th Congress. The bill became S. 79. Like its predecessor, it was referred to the Committee on Expenditures in Executive Departments; but regretably no action occurred on it.

On numerous occasions in many public addresses, I had reiterated the idea, emphasizing that only when the promotion of peace was raised to a high enough status, i. e., at Cabinet rank, could there be sufficient world attention devoted to this task.

In the article which I wrote way back in September 1945, I pointed out that a Secretary of Peace "would signify our recognition

of the supreme necessity of preventing war from coming to our own and all other lands."

Very obviously a Department of Peace would carry on its duties within the overall framework established by the Secretary of State who necessarily must remain the spearhead of foreign policy under our Chief Executive. There would be and could be no duplication of authority or responsibility. But I stated in my article that appointment of a Secretary of Peace would signify "that we realize that the Department of State, with its day-to-day diplomatic chores, cannot be relied upon exclusively for so vast a job as the maintenance of peace."

Of course, these day-to-day chores are part and parcel of the maintenance of world stability. Nevertheless, it would be invaluable to have a group of top experts, relieved of day-to-day responsibilities, to keep their eyes fastened on the big objective—the achievement of world peace.

SHOULD STATE DEPARTMENT HAVE OPERATIONAL CHORES?

Secretary of State Dulles, in his own very skilled analysis of the problems of American diplomacy, has often stated the difficulty of performing his tremendous obligations in the face of the vast day-to-day operations which are thrust upon the State Department.

I might note that this issue lies behind the underlying question of precisely where the operation of a worldwide foreign-aid program and a worldwide foreign-information program should reside.

The Secretary has contended over many years that the Department might well be relieved of these farflung, day-to-day operating programs. Now, of course, this whole subject is in the process of reevaluation in view of the uncertain future of the Foreign Operations Administration.

I do not profess to have a final answer to the future location of FOA. The recommendations of the executive branch is awaited with deep interest for its consideration by the Congress.

But I do know that the elevation of the single most basic task of arresting the arms race and promoting peace through an office at Cabinet rank and its divorcement from day-to-day State Department responsibilities is a great contribution toward the realization of the great goal.

[From the New York Times]

SECRETARY FOR PEACE

President Eisenhower's unprecedented step in creating what might be called a Secretaryship for Peace in his Cabinet, and in naming Harold E. Stassen to fill this post, is an admission of failure as well as an expression of hope.

Since the end of the Second World War the world has made no progress whatever toward disarmament. The United Nations Charter instructed the Security Council, with the assistance of the Military Staff Committee, to study the regulations of armaments and possible disarmament. Nothing was done.

The Atomic Energy Commission, created in 1946, was directed to discuss disarmament in that field. Nothing was done.

A 12-nation disarmament commission was created by the United Nations Assembly in 1952, with Russia voting "no." Nothing was done.

Last year a 5-nation subcommittee, consisting of the leading atomic powers, Russia included, met for many months in London. There was no agreement and nothing was done.

Last November the United Nations Assembly asked the five leading atomic powers to make a new attempt to find a solution to the problem of atoms for peace. Representatives of these powers met in London in the last week of February. This has resulted, as the President said in announcing the appointment of Mr. Stassen, in no progress and no clear crystallization of thinking on this subject.

From this side of the Iron Curtain it is certainly crystal clear what the matter is. We have never been able to get from Russia any trustworthy guaranty that she would keep any promise to disarm. Russia has never been willing to accept any inspection system to back up such a promise. She would not agree to the Baruch plan—and now that plan is technically obsolete. She has more than once proposed limiting armaments, freezing armaments and armed forces at their present levels, and destroying all atomic weapons. The one thing she has not contributed to the discussion is evidence of good faith. At the present moment such evidence would be especially necessary, in view of the reminders we have just had of how much Russia promised at Yalta and how little she fulfilled of those promises.

We do, however, long passionately for peace. So, no doubt, do the Russian people. The difference is that neither this country nor any other democratic country would go to war to get anything it does not now have. The Russians, on the evidence of their own words, have no moral scruples against war if some of the things they want cannot be had without war. They would, however, prefer to carry out their program without fighting—let us give them credit for that.

This is the situation into which Mr. Stassen is precipitated as he takes over his new duties as Special Assistant on Disarmament. Let us not expect Mr. Stassen to work a magic. The most he can possibly do will be, first, to act as a clearinghouse for ideas and proposals having to do with world peace; second, to coordinate—or try to coordinate—our highly diversified, top-level thinking on the subject of disarmament.

Words alone will not suffice, nor will good intentions. Peace is indivisible. It comes out of our whole foreign policy, not any fraction of it. Peace deserves a building as big as the Pentagon, but if our policy were wholly clear and firm Mr. Stassen could do a good deal with a chair, a desk, and one stenographer.

Peace also demands cooperation from our opponents in today's great contest of ideologies and power. If there is a third world war it will not be caused by cannon—even by cannon firing shells with atomic warheads. It will be caused by disagreements which have not been resolved by due processes of diplomacy. Yet there ought not to be any such disagreements—surely even the most benighted of fanatics, the most power-hungry dictators, must see that the cost of victory would outrun many times over any possible gain.

But it is not naive to appoint a "Secretary for Peace." The noble dream of past generations has become a necessity for survival. The prayers of the Nation will be behind Mr. Stassen and the hope he stands for.

[From the New York World-Telegram and Sun]

SECRETARY OF PEACE

President Eisenhower's appointment of Harold E. Stassen to be "Secretary of Peace," in charge of disarmament problems, is to be commended.

This country is basically peaceful—Communist attempts to brand us warmongers notwithstanding.

But the struggle for peace, and to convince all people that peace is our major aim, should be relentless. It long has needed a man of cabinet rank to wage that struggle, just as other men struggle to keep us strong.

We hope Mr. Stassen's unofficial title—"Secretary of Peace"—will stick and ultimately replace the official one: Special Assistant to the President on Disarmament Problems.

"Secretary of Peace" has a simple meaning, close to the hearts of common men and women everywhere. It epitomizes all of America's hopes and dreams in one beautiful word—peace.

As Mr. Stassen starts his new job, we urge him to study the economic disarmament resolution—"butter over guns"—sponsored by Senator STUART SYMINGTON and 47 other Senators, and now before the Senate Foreign Relations Commitee.

It urges the President to ask the United Nations to explore the possibilities of an agreement to limit the proportion of each nation's key resources that could be used for arms. Thus, nations could produce more butter instead of guns.

The fact that the Soviets show no more willingness today than ever to agree to a practical disarmament plan in no way detracts from the importance of Mr. Stassen's mission. If anything, it makes it more important.

The current disarmament conference in London is failing because the Soviets used it to create propaganda, rather than agreements.

A new look must be taken at this important subject. And that is the objective of appointing Mr. Stassen to this new post—to develop "broad studies, investigations, and conclusions" for a disarmament policy.

Americans know they are peace-loving people, but their Government has not always succeeded in proving it to others.

PUBLICATION OF THE YALTA PAPERS

Mr. KNOWLAND. Mr. President, I personally notified the distinguished junior Senator from New York [Mr. LEHMAN] that I intended to discuss very briefly the speech he made in the Senate earlier in the day. I think a number of misstatements of fact occurred in his speech; and in fairness to the Senate and to the country, I desire to comment on his remarks.

I read from the speech of the Senator from New York the following:

> The fact is that the secret Yalta papers were first made available to the Republican National Committee.

Mr. President, I deny that. If the junior Senator from New York has any information to that effect—he says it is a fact—he owes it to the Senate to present that information.

The fact of the matter is that up until this afternoon, I am advised, the Republican National Committee did not have a copy of the releases given to the press, but it has in its files copies of the reports made in the New York Times and the Chicago Tribune, which, so far as I know, were the only two newspapers which published the complete text of the Yalta agreements.

If the Senator from New York says it is a fact, he should be in a position to demonstrate it to the Senate.

Mr. HUMPHREY. Mr. President, will the Senator from California yield for a question?

Mr. KNOWLAND. I shall yield as soon as I have completed my statement.

The Senator from New York also said, and I quote from his speech:

> But I understand the national committee has a full and adequate supply for its speakers' bureau and speechwriting staff.

Mr. President, I deny it, except insofar as are available to it copies which were published in the public press.

UNIVERSITY OF MICHIGAN LIBRARIES

Mr. President, the Senator from New York went on to say:

The Yalta papers are not only meaningless, but outright misleading, unless taken in context with the Atlantic Conference, the First Quebec Conference, the Casablanca Conference, the Cairo Conference, and the Teheran Conference, all of which preceded the Yalta Conference.

Mr. President, I do not deny that the American people, the Senate, and the Congress of the United States will not have the full facts until the records of all those Conferences are made available to the Congress and to the country. If the Senator from New York is saying that those records should be made available, I concur; but elsewhere in his speech the Senator seems to be complaining about the official records being made available.

The Atlantic Charter is not very long. Since the Senator mentioned it, I think I might read the charter to the Senate in order to see whether the agreements made at Yalta were in conformity with the Atlantic Charter of August 14, 1941. I read it for the information of the country and the information of the Senate:

Declaration of Principles, Known as the Atlantic Charter, by the President of the United States and the Prime Minister of the United Kingdom, August 14, 1941.

Listen well to the Atlantic Charter, since it has been mentioned by the Senator from New York:

Joint declaration of the President of the United States of America and the Prime Minister, Mr. Churchill, representing His Majesty's Government in the United Kingdom, being met together, deem it right to make known certain common principles in the national policies of the respective countries on which they base their hopes for a better future for the world.

First, their countries seek no aggrandizement, territorial or other;

Second, they desire to see no territorial changes that do not accord with the freely expressed wishes of the peoples concerned;

Third, they respect the right of all peoples to choose the form of government under which they will live; and they wish to see sovereign rights and self-government restored to those who have been forcibly deprived of them;

Fourth, they will endeavor, with due respect for their existing obligations, to further the enjoyment by all states, great or small, victor or vanquished, of access, on equal terms, to the trade and to the raw materials of the world which are needed for their economic prosperity;

Fifth, they desire to bring about the fullest collaboration between all nations in the economic field with the object of securing, for all, improved labor standards, economic advancement, and social security;

Sixth, after the final destruction of the Nazi tyranny, they hope to see established a peace which will afford to all nations the means of dwelling in safety within their own boundaries, and which will afford assurance that all the men in all the lands may live out their lives in freedom from fear and want;

Seventh, such a peace should enable all men to traverse the high seas and oceans without hindrance;

Eighth, they believe that all of the nations of the world, for realistic as well as spiritual reasons, must come to the abandonment of the use of force. Since no future peace can be maintained if land, sea, or air armaments continue to be employed by nations which threaten, or may threaten, aggression outside of their frontiers, they believe, pending the establishment of a wider and permanent system of general security, that the disarmament of such nations is essential. They will likewise aid and encourage all other practicable measures which will lighten for peace-loving peoples the crushing burden of armaments.

Mr. President, that is the Atlantic Charter. That is presumably the yardstick by which we were to measure our future conduct. That was the Atlantic Charter subscribed to in August 1941. Yet, 4 years later, at Yalta, the Government of the United States and the Government of Great Britain entered into agreements, as has now been disclosed in these papers, which led to the destruction of the free Government of Poland, the Government that had control over Poland at the time of the Nazi invasion, and the Government that was in control of the country at the time Great Britain felt, in her national honor, she should go to war in defense of Poland. The Lublin government was in control of Poland when that nation was stabbed in the back from the rear by Russia, in violation of a treaty of friendship, peace, and nonaggression which Russia had entered into with Poland.

In light of the Atlantic Charter, who can say the Poles were given the choice of the type of government they should have? Up until this very day the Poles have not had a chance to determine the type of government which should rule over them. There is in Poland a government in the form of an occupation, with a Soviet marshal in command of the Polish forces, which have temporary Soviet citizenship.

Poland was not a defeated ally. One might be able to argue that when a nation has taken up arms against the free world, as did Nazi Germany, the victors should have the power to impose a peace, as was done in the case of defeated Germany and Japan. But that was not the case with Poland. Poland was our ally. Poland was the victim of aggression. Yet there were Polish divisions in Italy and on the western front, who carried their share of the load, even though they had lost their own country. This was the Poland that was considered at Yalta.

What about China? China, we agreed under the Yalta agreements, was to give back to the Soviet Union certain rights China had in the Manchurian railroad and in other railroads in Manchuria. It was agreed to give back absolutely to Russia the ports of Port Arthur and Darien. Was that done with the knowledge and consent of our ally? China was not an enemy then. China had been our honored ally in World War I. She had been our honored ally in World War II.

The testimony is clear that time and time again approaches were made by the Imperial Japanese Government, offering terms that were rather inviting to the Republic of China if she would withdraw from the war, and thereby free millions of Japanese troops, who might be used against Australia, New Zealand, or even against Alaska or the Pacific coast of the United States. China did not do that. And yet at the Yalta conferences we said it would be the obligation of the President of the United States to see to it that the Soviet Union obtained its price, absolutely and without any question.

Mr. President, in conformity with the Atlantic Charter——

Mr. BRIDGES. Mr. President, will the Senator yield for a question at that point?

Mr. KNOWLAND. Yes.

Mr. BRIDGES. I have read the remarks which the Senator from New York [Mr. LEHMAN] made, and I now quote from them:

General MacArthur strongly favored and urgently recommended that Soviet Russia be involved in the war against Japan. It was estimated that an invasion of Japan proper would involve more than a million American casualties. To save American lives, it was deemed essential to get Russia into the war. That was the first object of our diplomacy in 1944, just as the first objective of our diplomacy in 1942 and 1943 was to keep Russia in the war against Germany.

I hold in my hand an International News Service dispatch from New York, reading in part as follows:

NEW YORK, March 18.—The top intelligence officer of Gen. Douglas MacArthur's wartime staff turned the confusion of Yalta into a first-class mystery today with these disclosures:

At least 2 months before the Big Three Yalta Conference, MacArthur and his staff concluded correctly that Japan was nearing collapse—and so informed Washington.

At least a month before Yalta, America's top command knew that the tottering Japanese had made frantic appeals to Moscow to step in as a "neutral" and end the Pacific war.

The authority for this information—Maj. Gen. Charles A. Willoughby, United States Army (retired), said the MacArthur staff concluded before Yalta that there was not the slightest reason for permitting Russia to sneak into the war at the last moment.

"Without Russia, even without the atom bomb, the Japanese were finished," Willoughby declared. "It was only a matter of how soon they would quit."

Why, then, did President Roosevelt make a series of major concessions to Premier Josef Stalin to bring the Red army into the Japanese war?

And why did the combined British and American Chiefs of Staff tell Roosevelt and Prime Minister Winston Churchill at Yalta that it would take 18 months after Germany's defeat to crush the Japanese—even with Russian help?

These are twin mysteries which the now-published Yalta Conference documents fail to answer.

The man who served as MacArthur's intelligence chief for 12 years has this explanation for the Russian enthusiasm to get into the Japanese conflict.

"Moscow drew realistic conclusions and smelled a cheap victory."

It was a shrewd Soviet maneuver—and to cap it, Stalin won from his confreres at Yalta concessions that established a firm Soviet Communist foothold on the Asian mainland and the doorstep of Japan.

As Willoughby reconstructs it, this was the picture:

Before going to Yalta, both Stalin and Soviet Foreign Minister V. M. Molotov knew that the Japanese were reeling under the impact of America's round-the-clock bombings and submarine attacks.

In January 1945—nearly a month before Yalta—the Japanese Ambassador to Moscow had been to Molotov pleading for Russia's intervention as a neutral to develop a basis for an armistice or peace with the United States.

All of this was known to Washington—and presumably to London—through intelligence channels. It also was known to the MacArthur staff, although the wartime communications channel between MacArthur and Washington did not always operate both ways.

Willoughby said the MacArthur staff could not explain or understand on what the Joint Chiefs of Staff based their estimate of the length of the Japanese war in their report to Roosevelt and Churchill.

Mr. President, I ask unanimous consent that the entire dispatch be printed at this point in the RECORD.

There being no objection, the dispatch was ordered to be printed in the RECORD, as follows:

(By Charles P. Arnot)

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Willoughby said the MacArthur staff could not explain or understand on what the joint chiefs of staff based their estimate of the length of the Japanese war in their report to Roosevelt and Churchill.

"We had urged Russian intervention in 1941 to draw the Japanese from their southward march and to keep them pinned down in Siberia," he recalled. "By 1945, such intervention had become superfluous.

"Captured documents dealing with a general conference of Japanese ordnance experts in October, 1944, clearly revealed a fatal degree of exhaustion of Japan's heavy and armaments industries.

"Concurrently, Washington was able to intercept the frantic appeals of the Japanese Ambassador to Moscow to the Soviet Foreign Ministry to have Russia intercede as a 'neutral' * * * there was an unmistakable note of shrill hystria and despair in Ambassador Sato's conversations with Molotov."

Willoughby further recalled that the views of MacArthur's staff at this point were substantially as follows:

1. Japan was ready for the coup de grace, and it could have been administered with conventional weapons.

2. There was not the slightest reason to let Russia into the war—barely a week before Japan's surrender.

"With Japan's weakness completely revealed, the employment of the atomic bomb had even less justification," Willoughby said.

"The fact is," the General added, "MacArthur himself did not ask for the atomic attack.

"He did not even know of the existence of this bomb until a few days before its public use. Actually, the General's (MacArthur's) planning proceeded without consideration for the atomic bomb or Russia's entry into the Pacific war."

Willoughby recounts his experiences as MacArthur's intelligence chief over a 10-year period in his book MacArthur: 1941–1951, published last October.

Mr. BRIDGES. Mr. President, I should like to point that out to the Senator from California [Mr. KNOWLAND] and the Senator from New York [Mr. LEHMAN], because it is by the highest intelligence officer on General MacArthur's staff, his chief of intelligence, who knew what was going on; and it completely, point by point, contradicts the statement made previously today in the Senate by the Senator from New York.

Mr. LEHMAN. Mr. President, will the Senator from California yield to me?

The PRESIDING OFFICER (Mr. BIBLE in the chair). Does the Senator from California yield to the Senator from New York?

Mr. KNOWLAND. I yield.

Mr. LEHMAN. I wish to take up these matters piecemeal.

First, I wish to reply to the Senator from New Hampshire [Mr. BRIDGES] regarding the importance of getting Russia into the war. In that connection, I wish to give certain quotations.

Unfortunately I do not have the very voluminous record of the hearings held in 1951, I believe, before both the Foreign Relations Committee and the Armed Services Committee, at which General MacArthur testified. But certainly I feel very confident that if those records were scrutinized, it would be found that there was a very definite feeling on the part of General MacArthur that the aid of Russia was necessary in order to bring the war in the East to a successful conclusion without sacrificing hundreds of thousands, if not millions of lives.

At this point I wish to give certain quotations.

The Joint Chiefs of Staff, in a memorandum to President Roosevelt on January 23, 1945—shortly before Yalta—wrote that:

> Russia's entry at as early a date as possible * * * is necessary to provide the maximum assistance to our Pacific operations.

Mr. KNOWLAND. Mr. President, let me say to the Senator from New York—although I shall permit him to proceed—that the point raised was not that there was not such a memorandum. I think we have read the memorandum, as set forth in the book we have here. The point was that the distinguished Senator from New York said General MacArthur had so indicated, and the very definite impression was left by the Senator from New York that under those circumstances General MacArthur also favored the type of agreement which was made at Yalta and the sacrificing of other nations as the price for the entrance of the Soviet Union into the war.

Having participated in the meeting at which General MacArthur testified—and of course my recollection of it will be subject to correction—I wish to say that I do not believe there was one iota of evidence there that General MacArthur was either consulted on or would have approved of the price being paid to the Soviet Union for its entry into the war, when on three separate occasions prior to Yalta the Russians had given their solemn word that they would come into the war when Nazi Germany was defeated.

So we bought the horse three times.

Mr. LEHMAN. Mr. President, will the Senator from California yield?

Mr. KNOWLAND. I yield.

Mr. LEHMAN. I have quoted General MacArthur; but, unfortunately, I do not have at hand the 4 or 5 volumes of the hearings. On the other hand, I am very confident that I can show beyond any question of doubt that the testimony of General MacArthur was to the effect that it was highly important that Russia be brought into the war at as early a date as possible.

I have also given a quotation showing that the Joint Chiefs of Staff recommended very strongly that course.

Mr. CASE of South Dakota. Mr. President——

Mr. LEHMAN. Mr. President, at this time I also wish to quote—for I believe it to be most important in connection with the consideration of this entire subject—Secretary of War Stimson. He made the following statement:

> I was informed that such operations [the invasion of Japan] might be expected to cost over a million casualties to American forces alone.

That statement is contained in the Stimson memoirs.

Now I wish to quote from the diary of the Secretary of Defense, James Forrestal, on page 31:

> General MacArthur then urged a Russian campaign in Manchuria "of such proportions as to pin down a very large part of the Japanese Army. He [MacArthur] expressed doubt

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that the use of anything less than 60 divisions by the Russians would be sufficient."

Mr. KNOWLAND. Mr. President, if the Senator from New York will yield at this point, let me ask a question: Was that any different from what the Russians had been urging us to do on the western front—in other words, to land there on D-day, in order to relieve the pressures on the eastern front? Did we ask for territorial aggrandizement contrary to the provision of the Atlantic Charter?

But the fact that, from a procedural point of view, General MacArthur might have seen the wisdom of having a Soviet ally interested in the defeat of both Nazi Germany and Imperial Japan, and suggested that the Soviet Union as an ally should enter the Manchurian war, does not carry with it the idea that he believed that, in violation of the Atlantic Charter, we should carve up—not our opponents in the war—but our friends and allies, and, as part of the price to be paid to the Soviet Union, should "take it out of the hide" of the Republic of China or of Poland. Under all the circumstances, I think there is a vast difference.

Mr. LEHMAN. Mr. President, will the Senator from California yield further to me?

Mr. KNOWLAND. Yes; I yield.

Mr. LEHMAN. In just a moment I shall answer the Senator's statement.

In the meantime, I wish to read from a statement by my colleague, the very able and highly respected senior Senator from Wisconsin [Mr. WILEY] who, in July 1945, wrote as follows:

> Why, then, should we [the United States] pussyfoot with our Russian ally and not declare * * * that we want them to make common cause in the Pacific? America has everything to gain and thousands of her boys' lives to lose unless Russia joins in the Pacific struggle.

The distinguished minority leader has referred to the Atlantic Charter. I am very glad he approves of that document, as I do. It was the work of the same Americans who agreed to the Yalta declaration.

Mr. KNOWLAND. Is the Senator saying, ipso facto, that because of the fact that the Yalta agreement repudiated the agreement of the North Atlantic Charter, therefore the Yalta agreement is good and the Atlantic Charter is bad?

Mr. LEHMAN. By no means.

Mr. KNOWLAND. What is the Senator's point? Certainly he does not claim that the Yalta agreement followed out the moral principles laid down in the Atlantic Charter.

Mr. LEHMAN. By no means. The junior Senator from New York does not contend that at all; but I maintain that there was nothing in the Atlantic Charter declaration, which was approved by Winston Churchill and our late beloved President, Franklin D. Roosevelt, one of the very great Presidents of this country, that is in any way contrary to the agreement reached at Yalta, an agreement reached in good faith, but which was later broken, unhappily, by the Russians.

Mr. KNOWLAND. The Senator——

Mr. LEHMAN. Wait a moment.

Mr. KNOWLAND. I have the floor.

Mr. LEHMAN. Yes; but——

Mr. KNOWLAND. The Senator will have ample time of his own to justify Yalta, if he wishes to do so, and to try to make the American people believe that the great principles—and they were great principles—which were laid down in the Atlantic Charter were followed in the Yalta agreement. In my judgment they were violated at Yalta. At Yalta there was discussion, not of the disposition of the territories of enemy states but of the territory and the people of Poland, which had been a free nation, which had been our ally during the war, which had been stabbed in the back by the Soviet Union, even though they had a treaty of peace, friendship, and nonaggression with Poland. She was stabbed in the back by the Soviet Union at the time Nazi Germany was attacking her from the other front. If the Senator wishes to justify taking the territory of Poland, taking the manpower of Poland, and sacrificing millions of souls, he may do so in his own time. I say that it was a moral violation of every principle which was supposed to be enunciated in the Atlantic Charter.

Mr. LEHMAN. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield.

Mr. LEHMAN. Will the Senator read that portion of the Yalta declaration dealing with Poland? In my opinion, the declaration is consistent with the Atlantic Charter, although I know that it was repudiated later by the actions of the Russians, at a time when Russia was already in full command of Poland and could not possibly have been dislodged, save by a general war. I do not believe that even the Senator from California, militant as he is at times, would have advocated such a course.

Mr. KNOWLAND. Is the distinguished Senator——

Mr. LEHMAN. Will the Senator read that portion of the agreement?

Mr. KNOWLAND. I have read the agreement, and I shall go into it in thorough detail. But does the Senator now enunciate the doctrine that because a bank robber has the loot, therefore he is to be given de facto recognition, as though he were entitled to the loot? That is a strange new doctrine for anyone who believes in the Anglo-Saxon background of justice and constitutional law. Certainly the Soviets were in possession; but we did not have to give our legal and moral blessing to such possession. There was a legal government of Poland in London, the so-called Polish Government in exile.

The original proposal which this Government had advocated was that there be free, supervised elections in which the Government of Free Poland in London and, if necessary, the Lublin government, might jointly operate to see that there was an honest and free election. But we abandoned that position. We pulled the rug out from under the free Government of Poland in exile in London, and recognized the Communist government which was created by the Soviet armies as they moved it to stab Poland in the back, in the rather naive belief that by adding a few—not that they would add equal numbers, not that they would add any particular percentage, but that they would add some representation to the Lublin government. Anyone who is aware of the manner in which the Soviet Government and Communist in general operate knows that that kind of commitment from the Communists was not worth the paper on which it was written. But the Senator will have ample time——

Mr. LEHMAN. Mr. President, will the Senator yield for one further question?

Mr. KNOWLAND. The Senator will have ample time to justify, if he wishes to justify, the betrayal of the Poles. I shall not do so. I believe that there was a betrayal of the Polish nation. When the Senator is prepared to debate this question further, I shall bring in the book of the American Ambassador, appointed by the same distinguished President of the United States to whom the Senator from New York has referred. The book is entitled "The Betrayal of Poland." Let the man who sat there and went through this entire period testify. He held high office under the administration to which the Senator from New York has referred.

Mr. LEHMAN. Mr. President, will the Senator yield for one more question?

Mr. KNOWLAND. But we shall have to do that at another time and under other circumstances, when we both have a little more time to do it.

Mr. LEHMAN. Mr. President, will the Senator yield for one further question?

Mr. CASE of South Dakota. Mr. President——

Mr. KNOWLAND. I yield briefly to the Senator from New York, and then I shall yield to the Senator from South Dakota.

Mr. LEHMAN. Is it not a fact that the provision for free, fair, and uncontrolled elections in Poland was in the Yalta contract?

Mr. KNOWLAND. No. I say that we relied on a Soviet agreement as to what they would consider a free and fair election in a territory which their armies controlled, without any supervision by the Government of the United States, by the United Nations group, or by a group of free nations of the world. We placed reliance on the Soviet Union, and I think they had demonstrated by that time that we could not place reliance upon them.

Mr. LEHMAN. However, it is in the agreement.

Mr. KNOWLAND. That question we could argue for a long time, and we probably shall do so.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. KNOWLAND. I wish to yield now to the Senator from South Dakota, and I shall complete my remarks within a few minutes.

Mr. CASE of South Dakota. Mr. President, it is my recollection that the second principle enunciated in the North Atlantic Charter was that there were to be no territorial changes which did not accord with the freely expressed wishes of the peoples concerned.

Mr. KNOWLAND. The Senator is correct. Let me read it again. It is

worth repeating, so that the public, the Senate, and the Nation may judge:

2. They desire to see no territorial changes that do not accord with the freely expressed wishes of the peoples concerned.

Mr. CASE of South Dakota. I should like to ask the distinguished Senator from California how in the world the Senator from New York or anyone else can square that with the expressions at Yalta with regard to China when China was not represented, when Chiang Kai-shek was not present, and when Stalin himself was so concerned that China would not give free consent to the territorial aggrandizement proposed that he insisted that the United States representatives should say that they would take the responsibility of seeing to it that the commitments of Yalta were unquestionably fulfilled. On the very face of it it is very clear that they did not accord with the freely expressed wishes of the Chinese people.

Mr. KNOWLAND. I think the Senator has raised a very important point. Like the Senator from South Dakota, I shall await with interest the remarks of the Senator from New York when he tries to square the two statements, particularly that dealing with the question of Poland and the question of China.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. KNOWLAND. I wish to conclude.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. KNOWLAND. Not at this time. I shall be glad to yield when I have completed my statement.

Mr. President, I believe a great purpose has been served by the publication of the Yalta papers. Earlier today I documented in the RECORD the history of the background for the publication of those papers. It is not something that was done precipitately, contrary to the misstatements of fact by the distinguished Senator from New York [Mr. LEHMAN]. The question came before the Committee on Appropriations in 1953 and 1954. Members of both the Republican and Democratic Parties sat on that committee. Reports were made. Hearings were held. Hearings were also held before the House committee. It was known that this program was scheduled. It was in keeping with the history of the publication of diplomatic documents since 1861, under both Republican and Democratic administrations.

For the most part, such papers had been published within 2 years of the event. Because of the increased responsibilities of this Nation, along about World War I and shortly thereafter, the publication of such documents was 10 years behind. By the end of World War II and at the beginning of 1953, the schedule was over 18 years behind.

It was at that point, when inquiry had been made as to why there had been a constant falling behind in the publication of the documents, the answer was given that the work was going on, and the reason the documents had not been published sooner was that there was a lack of congressional appropriations for their publication.

With the cooperation of Members of the Senate on both sides of the aisle, funds were provided to carry on what had been a historic policy of the Government of the United States.

Mr. President, although it may be repetitious, I wish to say again that I do not believe the Government and the people of the United States, or the coequal legislative arms of the Government, should be limited in getting information of what took place at wartime conferences 10 years ago by having to buy the memoirs of Sir Winston Churchill, of Mr. Stettinius, of Mr. Byrnes, or of Mr. Elliot Roosevelt, or the very good biography of Roosevelt and Hopkins of which Robert E. Sherwood was one of the authors.

Those books have been published, and others as well. I say this in no disparagement of any of those gentlemen.

I do not believe, however, that Congress should be put in that position. It is contrary to the established policy of this Government. Certainly no question should be raised about the publication 10 years after the event of papers which are important in the forming of our judgments.

In conclusion, I believe the publication of the Yalta papers has had a beneficial effect. I hope, in the orderly procedure, in accordance with the testimony which has been given before the Committee on Appropriations, the papers on the Teheran, Cairo, Casablanca, and other conferences, which have been mentioned by the Senator from New York [Mr. LEHMAN] will be promptly released and published, so that we may form our judgments based on what occurred at those conferences as well.

Finally, Mr. President, I believe it is advisable that the papers be published because it is important for the American people and Members of Congress to get a look inside some of those conferences and at what went on in the background thereof.

If we never have another conference such as the Yalta Conference, the United States will be better served, and I believe the free world will be better served.

I, for one, deny the right of any 3 or 4 nations, great though they may be, to sit around a table, like persons playing poker, and use as their chips not the territory of an enemy power, which had made war and had been defeated, but the territory and the populations of their allies.

I deny that any nations, including our own, have the moral right or the legal right to carve up the map of the world in such a way as to affect their friends and allies.

That was the fault of Munich. At Munich representatives of Great Britain and France sat down with representatives of Hitler's Germany and Mussolini's Italy, and those representatives decided, without giving the little country of Czechoslovakia the opportunity of being present, to carve the Sudetenland from Czechoslovakia and to turn that area and that population over to the tender mercies of Adolph Hitler, on his equally phony promise that once that had been done there would be no further territorial demands in Europe. It was equally immoral to turn over to the Soviet Union territory of the Republic of China, or the assets of the Republic of China, or territory of the little nation of Poland.

If the publication of the Yalta papers will prevent that type of high-power diplomacy from being played in the future, I thank God that the papers have been published. At least governments all over the world will know that the American people will not give their moral sanction to any such carving up of the territory of friends and allies.

Mr. MANSFIELD obtained the floor.

Mr. KERR. Mr. President, will the Senator from Montana yield so that I may ask a question of the Senator from California?

Mr. MANSFIELD. I shall be glad to yield for that purpose, provided I do not lose the floor.

The PRESIDING OFFICER. Without objection, the Senator from Montana yields with that understanding.

Mr. KERR. I have been impressed by the vigor of the statement by the distinguished Senator from California. I wonder whether he would care to enlighten us as to what happened to Indochina at Geneva?

Mr. KNOWLAND. I will say to the distinguished Senator from Oklahoma that at Geneva 15 million people, who had once been outside the Iron Curtain, were taken behind the Iron Curtain, and a substantial area of Vietnam passed behind the Communist Iron Curtain.

I did not defend Geneva, and I do not now defend Geneva. It so happens that we were not a principal at Geneva, although we had representatives present.

If the Senator from Oklahoma is leading up to it, I will tell him that I should like to see the documents on Geneva published as well, so that we might know what the background was and what pressures were brought by the Soviet Union and Communist China, and what deals were made at Geneva.

It is indeed sad that 15 million people in Vietnam should be passed behind the Iron Curtain. It is equally sad that many million people in China and millions of people in Poland should be passed behind the Iron Curtain.

The time has come when we had better stop paying international blackmail to the Communists, be they in the Soviet Union or in Red China.

Mr. KERR. I appreciate the Senator's saying that he thoroughly disagrees with what was done at Geneva.

Mr. MANSFIELD. Mr. President, I have listened to the debate with a great deal of interest. I believe we should keep in mind the fact that 10 years and one month and a half ago a conference was held at Yalta, on the Black Sea, in the area of the Soviet Union known as the Crimea. We should also keep in mind the fact that at that time the Soviet Union's armies were 40 miles from Berlin and that MacArthur's armies and the American Navy were storming the battlements of Manila.

At that time there was not any certainty that the atomic bomb would be developed and made use of. There was hope that it would be, and that there was a possibility that perhaps a 500-ton bomb would be ready sometime late in the

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summer. We know what happened. Instead of a 500-ton bomb, bombs equaling in destructive power fifteen or twenty thousand tons of TNT were dropped on Hiroshima and Nagasaki.

I think we should quit looking over our shoulders at things that happened more than 10 years ago. We should recognize the fact that we are living today with some very difficult problems. We should quit finding fault with one another and try to stick together and face the problems of today and tomorrow, so that we and the other peoples of the free world may survive.

We can make a case for Yalta either way——

Mr. CAPEHART. Mr. President, will the Senator from Montana yield?

Mr. MANSFIELD. Not at this time. We can make a case for Yalta either way if we wish to play politics; but I think we have reached the stage where we had better forget politics and think of our survival, and think not as Republicans or as Democrats, but as Americans, for a change. Let us quit finding fault with a Republican foreign policy or a Democratic foreign policy. Let us take a look at the map and see what the world looked like at the time of Yalta in 1945.

I repeat, Mr. President, that at that time the Russian armies were within 30 or 40 miles of Berlin. They controlled all Poland. There was a Polish government in exile, as the distinguished majority leader pointed out, a government which was the one with which we were most friendly.

The American Army, Navy, and Marines were trying to take the Philippines at that time. They were storming the walls of Manila. What did they have to look forward to? The eventual assault on the Japanese main islands. What, according to the Joint Chiefs of Staff, did that assault entail? It entailed 1 million casualties, 1 million American lives. What was President Roosevelt going to do when he went to the Crimea and met with Churchill and Stalin in an effort to find ways and means to bring the Soviet Union into the war against Japan in order that American lives might be saved? What did his Joint Chiefs of Staff tell him? What did military intelligence tell him? What did they say at that time, if they were in a position to say anything? They told him how great the cost in casualties would be if the war should be prolonged. They told the President it would take 18 months after the defeat of Germany to conquer Japan. Those who had experience in the Pacific know that the Japanese were extremely tough and dangerous fighters. They know, also, if they have studied history, that the Japanese were prepared for an assault on their main islands and that the cost of such an assault would be terrific—except for one unpredictable factor, namely, the final consummation of the atomic bomb.

In the Crimea, at Yalta, an agreement was made that in return for Russian participation in the war Russia would once again assume control of the ports of Dairen and Port Arthur which it lost in the Russo-Japanese War. It was agreed that Russia would take charge of the Manchurian Railway; that Russia could have the southern half of the island of Sakhalin which Russia had lost in the Russo-Japanese War. Russia was told that she could keep the Kurile Islands which had been a bone of contention for many years.

If there had been no Yalta agreement do not Senators think the Russians could have gone into Manchuria and taken everything which it was agreed at Yalta she could have? We thought there was a very strong Japanese Army, and that the best elements of the Japanese Army were in readiness, according to our military intelligence. Our military intelligence was wrong; but we had to proceed according to the intelligence at that time, because that is all we knew. The Japanese Army had been greatly reduced in numbers and effectiveness, because the war in the Pacific had thrown large elements of that army into the fight against our Armed Forces as they were moving from island to island.

When the Russians came into the war, they found their conquest easy because of the bombing of Hiroshima and Nagasaki, and because the Japanese Army was not nearly so strong as it was thought to be.

Suppose there had been no Yalta agreement. Do not Senators think Russia could have taken control of the Manchurian Railway and acquired Dairen and Port Arthur? How did Russia get the northern half of Korea? After the Yalta meeting, after the end of the war, it was agreed between the Americans and the Russians that Korea would be divided at the 38th parallel. What happened? The Russians took over that part of Korea down to the 38th parallel. Three weeks later American troops arrived to take over the southern half. Do not Senators think Russia could have taken all of Korea if she had so desired? Do not Senators think she could have taken the other half of the island of Sakhalin?

It may be that Yalta kept Russia from taking more than it did take.

Mr. President, I ask Senators to think as Americans and look at the map of the world and try to understand it from a bipartisan standpoint. I do not wish to place my country in jeopardy. Personally, I care not whether I am elected again to office, but I do care with all my heart and soul about the future, the welfare, and the security of my country. So long as I remain in the Senate I intend, not as a Democrat, but as an American, to do the best I can to safeguard the United States and to promote its interests, and I hope we shall all do likewise, because the stakes are high, and, if we are not successful, there will be terrible prices to pay in the future to obtain the same kind of liberties which we have come to regard as commonplace.

So, Mr. President, I urge Senators to look at the question as Americans, not as Democrats or as Republicans, and try to understand the fact that the Yalta conference happened 10 years and 1 month and a half ago; that we are living in the present with tremendous problems ahead of us and that we must face the future with courage and conviction. We cannot afford to act along political lines, because Mr. Eisenhower and Mr. Dulles have tough jobs, and I think we should help them as much as we can, especially in the field of foreign policy.

If we are always going to look back over our shoulders and always be "I-told-you-so" boys, then all I can say is, God help America.

Mr. CAPEHART. Mr. President, will the Senator from Montana yield?

Mr. MANSFIELD. I shall be delighted to yield.

Mr. CAPEHART. Mr. President, I certainly cannot quarrel with the Senator's sincerity, and I agree with much that he has said, but I should like to ask him a question. One of the reasons why I ask it is because I have been listening to the stock market hearings. Does the same plea which the Senator is making that we forget what happened 10½ years ago apply equally to 1929 and 1932? I have been in attendance on the hearings——

Mr. MANSFIELD. I do not get the connection as between Yalta and the stock market crash in 1929. I do not say we should forget these things. We should remember them and learn from them, but we should not use them for political purposes.

Mr. CAPEHART. I agree with the Senator, but I am wondering whether what is good for the goose is not also good for the gander, because every time I listen to Senators on the other side of the aisle with regard to economic questions, they bring up the subject of 1929 and say, "Look what happened at that time."

Many persons recently have been trying to prove that the same thing could happen to us again as happened in 1929. I simply wondered whether the able Senator from Montana thought his party should forget that.

Mr. MANSFIELD. No. All I say is that we should remember these things and learn from them.

Mr. KNOWLAND. Mr. President, before the Senate adjourns, I merely wish to say that I think all of us are mindful of our obligations as American citizens. I do not think any Member of the Senate would put his party ahead of his country. I make no exception of any Member on the Democratic side or on the Republican side.

However, I say that, as United States Senators, Members of an arm of the Government which, under the Constitution, is a coequal branch, we are serving the cause of our Nation, and it is not a narrow, partisan matter in the slightest degree. If the Senator has so interpreted the situation, he has misjudged the principle—and I think it is a great principle—which is involved.

The principle is this: Shall the legislative arm of the Government, whether it be under a Republican or a Democratic administration, or whatever type of administration there may be in the future, have access to information upon which to base its considered judgment in carrying out its constitutional obligations?

When information is denied to Congress, particularly in respect to the great

problems of foreign policy and defense policy, I think we are not serving the cause of our Nation if we remain silent.

In bringing up this matter, I can say that I supported former President Truman, when he took action with respect to Korea, because I felt it was necessary to resist Communist aggression at that time. I did not support the President on a hindsight basis, because, if the Senator will examine the RECORD, I spoke on the floor before the President announced his decision in the matter.

But I say that the legislative arm of the Government is entitled to have accurate information. We should not be placed in the position of having to get our information either by reading the daily press or by reading the memoirs of distinguished citizens, whether of this country or of foreign countries.

Mr. MANSFIELD. Mr. President, in response to the distinguished minority leader, I wish to say that I can find no fault with what he has just said. I should like to ask the minority leader a question.

During the past three or four decades of the Nation's history, what has been the lapse of time between an action and the release of documents pertaining thereto?

Mr. KNOWLAND. The information I have is that until the time of World War I, there was a timelag of only about 2 or 3 years.

Probably because of the expanded problems of the Nation in World War I, the timelag is extended to about 8 or 10 years.

Following World War II, and again partly because of the expanded responsibilities of the Government, the timelag increased to more than 18 years. The last document which had been published when the Senate Committee on Appropriations inquired into the matter in 1953 related to an action in 1935. This was the longest timelag which had ever occurred in the publication of official documents.

The matter was brought to the attention of members of the Committee on Appropriations, and undoubtedly to the attention of some members who served on the Committee on Foreign Relations at that time, by professors of history and others who had been concerned about the timelag.

When I made inquiries—and other Senators also had made inquiries—the reason given for the timelag was merely that Congress had not appropriated sufficient funds.

I do not believe the Senator from Montana was present earlier today when I made my statement. I did not intend to get into a debate on the subject, and it was only after the Senator from New York [Mr. LEHMAN], during my absence, happened to make some remarks which I felt were not in keeping with the facts that I resumed the debate tonight.

If the Senator from Montana will do me the honor of reading the statement I made this morning, in which I documented the hearings before the Committee on Appropriations in 1953 and 1954 with the entire history of this matter, I believe he will find that the publication of the Yalta papers was not precipitate action, and not action which was taken without the full knowledge of the members of the Committee on Apropriations from both sides of the aisle.

Mr. MANSFIELD. I appreciate the statement by the Senator from California. I always take the distinguished minority leader at his word, because he is a man of integrity, and he knows of my great admiration for him.

I feel certain the Senator will agree with me that it is the responsibility of the President and the Secretary of State to determine whether or not documents such as those under discussion should be released. It is for them to decide; it is not for us to decide. All that Congress can do is appropriate the funds. The Secretary of State, who is the servant of the President, will have to take into consideration the feelings of those who are implicated in the matter, both our allies and also our former enemies, whom we should like to have as allies today.

I did not like the manner in which the proposed initial distribution was to be made. Selected committee chairmen and selected committees were to be given access to some 30 or 40 copies. Then, when that proposal was refused by the chairmen of the committees, a copy got out, and the New York Times, in some way or other, was able to get, alone, at least initially, a copy of the Yalta papers.

I have not as yet seen a copy of the Yalta papers. I called the State Department Thursday last and was advised that they are at the Government Printing Office, and that the Department is trying to speed up their printing.

I should like to read the documents thoroughly. I have read excerpts from the New York Times, which through some feat of legerdemain was able to get an initial copy and to print the entire document in full.

A newspaper could get it, but a United States Senator, and a member of the Senate Committee on Foreign Relations could not get it. Something was wrong there.

I read in the newspapers that Secretary Dulles had come to the Capitol and had lunch with the distinguished minority leader and the chairman of the Republican policy committee, and was told by them that the New York Times had received a copy of the Yalta documents and intended to publish them. Mr. Dulles expressed astonishment at that. Evidently someone "pulled a fast one" somewhere, because that newspaper has all the information, while we who are supposed to pass on these questions do not have it, except as we can pick it up here and there.

I may say to the minority leader that there have been rumors to the effect that deletions have been made in the Yalta papers. Only today, a New Bedford, Mass., newspaper stated that certain parts are missing. Only last week, a distinguished Senator said that certain parts would be missing. On the radio last night a commentator, whose name I cannot recall, stated that the Russians have said the complete story was not given.

I agree with the minority leader that the papers should be printed in full, if they are to be printed. I think the responsibility for so doing lies with the State Department. I believe the American people and the United States Congress are entitled to the full truth, so that the myths and legends which have sprung up during the past 10 years can be shown up, by having all the facts laid out for all to see, because the truth never hurt anyone.

I hope that the Committee on Appropriations, of which the distinguished senior Senator from New Hampshire is the ranking Republican member, will this year make certain that sufficient money is appropriated to enable the release of all such documents as can be released—and remember, it is the responsibility of the Secretary of State to release them—so that the American people can know what has occurred, and so that Congress will be able to profit by the mistakes made in the past. Mistakes have been made in every conference held in history. One can go back and pick out mistakes that occurred at any time in history. Let us try to learn from what has happened in the past, so that we can do a better job in the future.

Mr. KNOWLAND. Mr. President, I certainly do not condone the letting of a single newspaper or a single wire service surreptitiously or otherwise get a copy, so that it can have an exclusive "scoop" on a matter of so far-reaching interest to the United States Congress and the Nation as an official document.

When the information came to my attention and the attention of the senior Senator from New Hampshire that a single newspaper had obtained such an exclusive document and was prepared to publish it, I stated that I believed the entire press of the Nation, all radio and television stations, and all other news media of the country, were entitled to receive it on a simultaneous basis.

I think it was a great mistake for any newspaper—regardless of whether it was the New York Times, which is one of the greatest newspapers of the world—to have received it on an exclusive basis. I think it was a great mistake to allow a document of this importance to get into the hands of a single publication, when even Members of Congress had not received copies.

In my opinion the Department of State would have been much better advised to have proceeded with the program as was indicated to the Committee on Appropriations and to have published the volumes as they were ready. Some of the documents are in manuscript form, some are in galley proof form, and some are in final form, ready for printing. When they have been printed, they should be made available to Members of Congress and released to the public at the same time, so that the entire press of the Nation will be on an equal footing.

Mr. MANSFIELD. I know that is the viewpoint of the Senator from California, and I want him to realize that I think he is always fair. I ask the Senator if he thinks there was any official collusion between the State Department

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and the New York Times in the distribution of the Yalta papers.

Mr. KNOWLAND. I will say to the Senator from Montana if I were in a position of responsibility in a certain department and knew someone in my department had been guilty of collusion, he would not be there the following day.

Mr. MANSFIELD. I am sure of that.

Mr. BRIDGES. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield to the Senator from New Hampshire.

Mr. BRIDGES. I wish to say to the Senator from Montana that my recollection of the situation about the release is as he described it and as the Senator from California has substantiated his statement. The position of the Senator from California is that if the papers were released to one newspaper, and that newspaper obtained them, then the only fair thing to do would be to release the papers immediately to everyone. That was the point made.

I should like to make one other point and say to the distinguished Senator from Montana that time after time in the Committee on Appropriations we made inquiry as to why these historical documents were not up to date and were not published. Time after time we were told that the Department did not have the money for that purpose. So in 1953 we thought we would put an end to that excuse for all time. We appropriated to that Department all the money it was said it needed. In 1954 we went even further and granted the Department further sums. The reason for doing so—I make no bones about it—was so these historical documents could be published. When we granted them certain amounts of money, we expected the documents were going to be published and that we would be kept up to date on them. So, having granted the money to assemble the documents, personally I felt the documents should be published, and I certainly expected they would be released when they were in shape.

Mr. MANSFIELD. I appreciate that. Can the Senator tell me when he expected them to be published?

Mr. BRIDGES. I expected them to be published as soon as they were printed and ready. I assumed some of them would be ready last year. I certainly thought they would be published this year.

Mr. HUMPHREY. Mr. President, will the Senator from Montana yield?

Mr. MANSFIELD. I yield to the Senator from Minnesota.

Mr. HUMPHREY. Since the Senator from Montana has asked, at least rhetorically, or in his quiet way, just who leaked these documents to the New York Times, I wonder what kind of security system we have in the State Department? Who is guilty of unauthorized disclosure of classified material? What is going on here? We have been worried about Alger Hiss and Canadian spies, but who is the spy in the State Department? This is unauthorized disclosure of classified material, and the junior Senator from Minnesota knows whereof he speaks.

Since Secretary of State Dulles was astonished on Tuesday at what had happened on Monday, he apparently could not have given clearance for, or declassified, the documents. According to Mr. Hagerty, at the White House, the President never even saw them. This is a remarkable situation. When anything goes wrong, the President knows nothing about it. The President did not declassfy them. Mr. Dulles is astonished at the fact that the New York Times has the classified documents.

The junior Senator from Minnesota wants to know who is guilty? Who disclosed unauthorized material? I think perhaps it might be well if my good friends, the Senator from California and the Senator from New Hampshire, joined with the Senator from Minnesota and the Senator from Montana in investigating the matter. We have had other committees go into similar matters.

Mr. BRIDGES. Mr. President, will the Senator from Montana yield?

Mr. MANSFIELD. I yield to the Senator from New Hampshire.

Mr. BRIDGES. I think the statement of the Senator from Minnesota about the President's knowing nothing about the Yalta papers and the Secretary of State's surprised astonishment is correct. That is certainly my impression. The Senator is also correct when he states there must have been some unauthorized leak of a classified document. So far as I am concerned, I should be delighted to have the person who made the leak ferreted out and to have action taken against him.

Mr. HUMPHREY. Mr. President, I know it is out of order at this time to make a motion to this effect, but we can always have a gentleman's agreement. I suggest the distinguished senior Senator from New Hampshire, the distinguished senior Senator from California, and the much less distinguished Senator from Minnesota—just the junior Senator from Minnesota—become a committee of three—we will give the minority side the majority—so we can investigate and ascertain who leaked these documents.

Mr. SPARKMAN. Mr. President, will the Senator from Montana yield?

Mr. MANSFIELD. I shall yield in a moment. First I should like to say there is a serious question involved. This episode does indicate a security leak in the Department. It is something which should be looked into, and I am surprised that Mr. Hagerty, of the White House, made a statement that the President had never seen the Yalta papers. The President is the boss of the Secretary of State. The Secretary of State is his creature. The President has charge of foreign relations and of the foreign policy of this country. Somebody should have shown the President the Yalta papers, or at least given him a briefing, before the papers were released to the New York Times and the Chicago Tribune.

Mr. KNOWLAND. Mr. President, will the Senator from Montana yield?

Mr. MANSFIELD. I yield to the Senator from California.

Mr. KNOWLAND. So far as I know, in the long history of the publication of state documents, the President of the United States has not undertaken to read through 2 or 3 or 4 volumes, as the case may be—in this case, 2 volumes about the size of a telephone directory. This has been a job for publication by the State Department. Certainly the President of the United States, whether Democratic or Republican, has plenty of responsibility without taking on the task of proofreading the historical papers that are put out by the Government of the United States. I am sure the Senator from Montana does not believe he should do so.

Mr. MANSFIELD. I certainly do not, but I think the President could have been briefed so he would have known what was involved in the document. After all, it is a very important document. We have been hearing about it for a long time. The publication of the document was bound to create some sort of sensation. The President should have been briefed on it, but evidently nothing had been told to the President about the document or what it contained.

Mr. KNOWLAND. Mr. President, will the Senator yield to me further?

Mr. MANSFIELD. I yield.

Mr. KNOWLAND. I will say to the Senator, as I said originally, I do not condone the release of the document to a newspaper. Personally, if I were the head of a department of Government, and a situation of this kind occurred, and I knew the person who was responsible for it, he would not remain in the department 24 hours. I will say to the Senator, however, that I think the document contains much information. I have not seen the dispatches to which the Senator referred, to the effect that certain documents relating to Alger Hiss had been eliminated. If that happened, that is a serious mistake, and, frankly, I would be greatly concerned. In that regard, I wish to call attention to galley proof No. 91, which appears respecting the conferences at Malta and Yalta. About in the middle of the page is this information, and I mention it because the Washington Post and Times Herald of several days ago stated that it was clear from the Yalta papers that Alger Hiss had not been the principal architect of the conference, and indicated that Hiss had done nothing more than perhaps to act as a messenger boy dealing with United Nations affairs. But I call attention to galley proof No. 91——

Mr. MANSFIELD. Which I have not seen.

Mr. KNOWLAND. I quote from it as follows:

At the Secretary's staff committee meeting of January 10, the Secretary asked that all memoranda for the President—

It does not say U. N. memoranda; it does not say only a part of the memoranda; it says "all memoranda for the President."

Parenthetically I say that means the President of the United States, not the president of a corporation or some other organization—

all memoranda for the President on topics to be discussed—

I emphasize that "topics to be discussed"—

at the meeting of the Big Three should be in the hands—

Of whom?—

of Mr. Alger Hiss.

All the documents to be discussed at the meeting of the Big Three were to be in the hands of Mr. Alger Hiss—

not later than Monday, January 15. These memoranda should go to Mr. Hiss through Mr. Yost.

Shades of the Yalta conference. In the light of subsequent developments, even before the President of the United States saw the briefing documents, even before he had a chance to discuss them with the Secretary of State of the United States, where did they go? All the memoranda dealing with the proposed Big Three meeting to take place between February 4 and February 11, 1945, were to go to Mr. Alger Hiss not later than January 15 of that year—just a month in advance of the conference. Was Mr. Alger Hiss only an errand boy? Under those circumstances, was he dealing only with United Nations affairs? He was not. He was a fountainhead through whom were to go all the papers relating to the participation of the Government of the United States in what perhaps was one of the most world-shaking conferences in which our Government has ever participated. Alger Hiss was to get all the papers—all of them were to pass through his tender hands—before even the President of the United States had a chance to get them.

If anyone—regardless of his position, whether it be high or low—has eliminated from those documents any information concerning the part played by Alger Hiss, I will join the Senator from Minnesota [Mr. HUMPHREY] and the Senator from Montana [Mr. MANSFIELD] in urging the most thorough type of investigation that has ever occurred in the history of the Government of the United States.

Mr. MANSFIELD. Mr. President, I am delighted to have that assurance from the Senator from California.

Mr. SPARKMAN. Mr. President——

Mr. MANSFIELD. Mr. President, at this time I yield to the Senator from Alabama [Mr. SPARKMAN].

Mr. SPARKMAN. Mr. President, I appreciate the courtesy of the Senator from Montana in yielding to me. So much has transpired since I first sought to have the Senator yield to me, that it may be a little difficult for me to point out the matter to which I wished to refer.

A few moments ago there was discussion of a so-called leak. It seems to me it was much more than a "leak"; it was a deliberate "plant." It seems to me there was some thinking along the line that when they sent the papers to Congress, there would be a "leak"; but it did not work out that way.

I think we should go into that matter most carefully, to ascertain what took place and why it took place in the particular manner in which we know it did.

Mr. MANSFIELD. Mr. President, the Senator from Alabama is correct.

Mr. HUMPHREY. Mr. President——

Mr. MANSFIELD. Mr. President, I yield to the Senator from Minnesota.

Mr. HUMPHREY. Mr. President, it is very pleasing that we now have the assurance of the distinguished minority leader and the assurance of the distinguished leader of the Republican conference that this "leak" should be looked into.

To be sure, back at the time of the Yalta conference, in the Crimea, there was Alger Hiss; at that time Alger Hiss got all the papers. But now the New York Times gets all the papers.

Mr. President, I do not draw any comparison in that connection; but I do say it is rather unusual. What is more important, Mr. President, is that all the fury and all the heat about what happened at Yalta have now been translated into a discussion of how the Yalta papers were disclosed. There is moral indignation, and I have heard expressions of great feeling as to the fact that we have moral responsibilities. But what morality is there in denying to the Senate of the United States copies of the Yalta agreement, but handing them to a daily newspaper, thus making an unauthorized disclosure of classified material.

I note that the Vice President of the United States, the President of the Senate, is with us at this time, paying rapt attention to our remarks. I commend him for it, and I thank him for his presence. It was he, the Vice President of the United States, who—when a Member of the House of Representatives—uncovered Alger Hiss. Now possibly we can have some cooperation in determing who "leaked" the Yalta papers, a classified document.

It appears to me that this is a serious matter, not one to be glossed over in a spirit of levity or as involving simply casual knowledge or information, because this matter goes to the heart of the integrity of the Government of the United States. We are discussing a classified document, which on Monday, last, the Secretary of State, the number one officer of the President of the United States, said was so important in terms of our national security and our relationship with our allies that it could not be released; he said that on Monday.

Mr. President, since the distinguished minority leader has opportunities to visit with the President of the United States, and since the distinguished minority leader undoubtedly has opportunities to visit with the Secretary of State, I ask the minority leader what happened between Monday and Wednesday to change the national security situation or to make our allies feel that it was entirely proper to release the Yalta papers? I think the Senate has a right to know. I ask the distinguished minority leader, what happened in those 48 hours?

Mr. KNOWLAND. Mr. President, since the Senator from Minnesota has asked the question, I will say that I do not happen to agree with the statement, which may have been issued by a spokesman for the State Department—regardless of who he may have been, that the national interest was jeopardized by the release of the Yalta papers or that it would be jeopardized by the release, subsequently, of the Potsdam papers or the Teheran papers or the Casablanca papers or the papers relating to any other conferences. After the matter had been presented to the proper committees, the Congress of the United States provided the funds and gave a directive for the publication of the Yalta papers; and to that extent—because the representations had been made to us to provide the funds—the Congress directed that the publication of those papers be proceeded with. So I think the Department had an obligation to the Congress to proceed with their publication as rapidly as possible and as soon as the material was ready for publication. That is my first point.

Second, I say to the Senator from Minnesota that I do not subscribe to the theory that a foreign country should have a veto right over the publication of the official history of American diplomacy. I do not happen to subscribe to that theory. I have read very carefully the very excellent memoirs of Sir Winston Churchill, in which he discloses a considerable amount of information regarding Yalta and Potsdam, the latter being the last of the conferences he attended. So far as I know—although I would not wish to state this categorically—I doubt whether the publication by him of those documents was cleared with our Department of State; and I do not say he had any obligation to do so. They may have been so cleared. .

But under all the circumstances, and considering that the date of his book is 10 years afterward, and considering what our historic policies have been, I believe we should not give any foreign nation an absolute veto on the publication of documents which the Congress of the United States is—at least, according to my belief—entitled to have.

Mr. HUMPHREY. Mr. President, will the Senator from Montana yield further to me?

Mr. MANSFIELD. I yield.

Mr. HUMPHREY. Will the Senator from Montana agree with me that in view of the comments made by the Senator from California to the effect that he does not believe there was in those documents anything which would affect the national security—I believe I am correct as to that, am I not?

Mr. KNOWLAND. That is my personal viewpoint.

Mr. HUMPHREY. And in view of the statement by the Senator from California that he does not believe we should clear the publication of those documents with our allies—and I believe I have made a fair statement of what the Senator from California said——

Mr. KNOWLAND. I said that I do not believe we should give an ally an absolute veto on the publication of such documents. I have no quarrel with advising with our allies about them, and, if there are any inaccuracies in the documents, to having them called to their attention, as well as to ours.

I say frankly I would welcome having the British publish a White Paper, or whatever they wish to call it, on the Yalta conference. I would also welcome having the Russians publish their version of what occurred at the Yalta conference.

As Mr. Churchill said today in the House of Commons, there may be a very honest difference of opinion as to what

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went on at those conferences; and perhaps after all the papers are made available, a historian may be able to put together the complete jigsaw puzzle of the picture regarding what took place.

That is not an unusual circumstance. Following World War I, I can recall when, at the University of California, I read the British White Paper and the French Yellow Paper and the paper the Belgians issued—whatever it may have been called—all giving the information each of them had regarding the outbreak of World War I, from the time of the assassination of Archduke Francis Ferdinand, of Austria, at Sarajevo, up to the invasion of Belgium. Each one of the allies had a somewhat different version, because the information each of them had was based on reports from its ambassadors, on conversations those ambassadors had had with the officials of Serbia or the officials of Austria-Hungary; and after all those documents were brought together, presumably the basic documents as to that historical event were then available to the historian or the student of government, so that he might learn of what had actually occurred.

Mr. HUMPHREY. Am I to understand, then, from the Senator from California, that nothing happened between Monday and Wednesday which should have changed the decision of Monday?

Mr. KNOWLAND. Oh, no.

Mr. HUMPHREY. What am I to understand the Senator to say?

Mr. KNOWLAND. The Senator must not put words into my mouth. The Senator from Montana [Mr. MANSFIELD] has already remarked on the fact that there had been what I felt was an unauthorized leak to the New York Times.

Mr. HUMPHREY. I understand that; but what about the national security? The Secretary was astonished by what the Senator knew. The President was uninformed; he did not know. The Senator from California knew. What I want to know is, What happened to the national security in those 2 days?

Mr. KNOWLAND. Personally, I do not subscribe to the idea that the national security was jeopardized on Monday or on Wednesday. I think that what happened was that at least the New York Times had a copy of the document. I think the Times was the only newspaper which had a copy, although I subsequently saw, from the Herald Tribune, that it may have had a copy, too, but apparently it did not publish the document in full it if had it, as did the New York Times. At that point the Senator from New Hampshire and the Senator from California both strongly urged that a document of this importance should not be allowed to be published exclusively by a single newspaper, but should be made available to the press of the country generally.

Mr. MANSFIELD. Could the minority leader and the chairman of the Republican policy committee tell the Senate where they got their information as to this leak? How were they able to be informed, so that they could pass the information on to Mr. Dulles?

Mr. BRIDGES. Mr. President, I shall be glad to answer as to how I got the information. I was informed by 2 newspapermen, or at least by 1 newspaperman, who told me, for himself and 1 other newspaper man, that 1 of their colleagues, operating a newspaper downtown, had obtained a copy of this document. He said to me, "If the New York Times or any other publication is getting it, why is it being denied to the other newspapers?" With that I agreed. The gentleman who gave me the information now sits in the Press Gallery. I see him there, so there is no question as to where I got my information.

Mr. MANSFIELD. I appreciate the Senator's frankness.

Mr. BENDER. Mr. President, will the Senator from Montana yield?

Mr. MANSFIELD. The Senator from Ohio has been on his feet for some time. I am glad to yield to him.

Mr. BENDER. I have been listening very attentively to the entire debate. The Senator from Montana referred to some mythical or legendary statements which had been made regarding the Yalta papers. As a matter of fact, whether there was a leak or a plant, the fact of the matter is that only last Sunday evening, on the Meet the Press television program, the distinguished chairman of the Foreign Relations Committee stated that recently he was offered the Yalta papers by the Secretary of State, and that he refused them. As I understand, these papers were available to members of the Foreign Relations Committee. Under the circumstances, whether there was a leak or a plant, we now have the papers, or most of them. The fact is that no one denies that this is an official document. No one denies that these were the papers which were made available to the distinguished chairman of the Foreign Relations Committee. The important thing is that, whether as the result of a plant or a leak, they are now available to the American people.

The most extravagant statement that has been made on this subject by any member of either the Republican or Democratic Party, be he responsible or irresponsible, could not be as bad as what was revealed in the contents of these papers. They tell of the betrayal of Poland, and the betrayal of China. They tell of making deals involving human beings. Those concerned with such deals forgot entirely the kind of country this is, and what animates our people in adopting the attitude of a Christian nation toward our fellow men. At Yalta all this was forgotten.

Mr. MANSFIELD. Mr. President——

Mr. BENDER. And we dealt out "pie." Obviously these documents have been made available. That is the important thing. The people of the United States are not concerned as to whether there was a leak or a plant. They are concerned about the facts, and they want to read the newspapers. They read in the newspapers that the Senator from Georgia was offered these documents, and that he refused them.

Mr. MANSFIELD. Will the Senator from Ohio tell the Senate what his first reaction was when these papers were released? What statement did he give to the press?

Mr. BENDER. I gave no statement to the press immediately. I started to read them, and I read them for 5 or 6 hours. I became tired and went to bed, and I resumed reading them the next day.

Mr. MANSFIELD. Did the Senator have a copy of the official agreements issued by the State Department?

Mr. BENDER. No one denied at any time that this publication in the New York Times was authentic.

Mr. MANSFIELD. That is the answer.

As I recall the press statements, the Senator was quoted as saying, when the New York Times released these papers, "There is nothing new in them."

Then the Senator had a second thought. He came back and said, "This is horrible. All the things we have said for the past 10 years are being revealed as true."

The Senator from Ohio mentioned the "sell-out"—I believe that was the term——

Mr. BENDER. The betrayal.

Mr. MANSFIELD. The betrayal of China. I think he should bring out—and I am sure the minority leader will agree with me—the fact that one of the things Mr. Roosevelt said was that he would have to get the assurance of Chiang Kai-shek that the Yalta agreement, as it affected him, would be adhered to. Furthermore, if my memory serves me correctly, in December 1945, an agreement was signed between the Republic of China, Chiang Kai-shek's government, and the Soviet Union, which in effect gave assent on the part of Chiang Kai-shek to the things which had been agreed to at Yalta.

So far as the betrayal of Poland is concerned——

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. MANSFIELD. In a moment.

So far as the betrayal of Poland is concerned, I agree with the Senator. But we did not betray Poland. The Soviet Union betrayed Poland, because it did not keep the solemn promise it made at Yalta for free elections in Poland. That is the rub. We did not betray the Poles. The Senator should not leave the impression that we are the ones who lost them. We never had them to lose. The Senator should not leave the impression that we betrayed Poland, or betrayed China, considering the position we were in at the time.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield to the minority leader.

Mr. KNOWLAND. Inasmuch as the Senator has raised the question regarding China, I think it is important to keep the record straight. I read now from page 20 of the official committee print entitled "World War II International Agreements and Understandings," printed on February 24, 1953 by the Committee on Foreign Relations of the United States Senate. This is a part of the agreement regarding Japan:

The leaders of the three great powers—the Soviet Union, the United States of America,

and Great Britain—have agreed that in 2 or 3 months after Germany has surrendered and the war in Europe has terminated the Soviet Union shall enter into the war against Japan on the side of the Allies—

Listen to this—

on condition that—

Parenthetically, let me say that this is despite the fact that the testimony of General Dean, Averell Harriman, and others, was that twice or three times before they had already agreed to enter the war against Japan. What were the conditions?—

on condition that:

1. The status quo in Outer Mongolia (the Mongolian People's Republic) shall be preserved;

2. The former rights of Russia violated by the treacherous attack of Japan in 1904 shall be restored, viz:

(a) The southern part of Sakhalin as well as all the islands adjacent to it shall be returned to the Soviet Union,

(b) The commercial port of Dairen shall be internationalized, the preeminent interests of the Soviet Union in this port being safeguarded and the lease of Port Arthur as a naval base of the U. S. S. R. restored.

(c) The Chinese-Eastern Railroad and the South Manchurian Railroad which provides an outlet to Dairen shall be jointly operated by the establishment of a joint Soviet-Chinese company, it being understood that the preeminent interests of the Soviet Union shall be safeguarded and that China shall retain full sovereignty in Manchuria.

3. The Kurile Islands shall be handed over to the Soviet Union.

Now comes the key part of the document relative to our dealings with our ally, the Republic of China, and its president, Generalissimo Chiang Kai-shek. I continue to quote:

It is understood that the agreement concerning Outer-Mongolia and the ports and railroads referred to above will require concurrence of Generalissimo Chiang Kai-shek.

I ask Senators to listen to the next sentence:

The President will take measures in order to obtain this concurrence on advice from Marshal Stalin.

It did not end there.

The heads of the three great powers—

The United States, Great Britain, and the Soviet Union—

have agreed that these claims of the Soviet Union shall be unquestionably fulfilled after Japan has been defeated.

That is an absolute blank check guaranty that, regardless of whether Chiang Kai-shek concurs, we pledge our sacred honor, through the President of the United States, that these demands will be unquestionably fulfilled. What kind of choice did the President of our ally, China, have?

Under those circumstances, when we say we will consult with the head of a friendly government, after having already agreed to carve up and give back to the Soviet Union certain rights in the railroad system which dominates the economy of Manchuria, and to give to the Soviet Union a naval base on the soil of a country which is our friend and ally, without consultation with that friend and ally, I say to my friend, the Senator from New York [Mr. LEHMAN], who was in the Chamber, and who I believe is still here——

Mr. LEHMAN. I am still here.

Mr. KNOWLAND. I say to him I would be delighted to have him square such an agreement with the Atlantic Charter statement:

Second, they desire to see no territorial changes that do not accord with the freely expressed wishes of the peoples concerned.

Mr. MANSFIELD. The minority leader has stated facts. That is all I have done. We will have to place our own interpretations on the agreements, which have been printed in the New York Times and in the Chicago Tribune, and will, I hope, be available soon to the Members of the Senate.

I now yield to the Senator from Alabama.

Mr. SPARKMAN. I should like to ask the distinguished Senator from Montana this question. Regardless of what our own feelings may be with reference to the provisions the Senator from California has read, with the benefit of hindsight, which all of us now possess, did any of the grants to Russia represent the taking away of something China had at that time or had at the beginning of World War II?

Mr. MANSFIELD. No; not one of them.

Mr. SPARKMAN. Did they not represent a restoration of the conditions that existed preceding the taking of those places from Russia by Japan?

Mr. MANSFIELD. That is correct, absolutely and historically.

Mr. SPARKMAN. I wish to ask the distinguished Senator from Montana another question. Probably he does not remember the MacArthur hearings because he was not a member of the Committee on Foreign Relations at the time, though perhaps he has read those hearings. If not, I commend them to his careful reading, as I commend them to the careful reading of all Members of the Senate. I have in mind the testimony of a man who was in that area during all that time, Lt. Gen. A. C. Wedemeyer, who, by the way, was not what one might call an administration witness.

General Wedemeyer testified that in the days preceding and during the Teheran and Yalta Conferences American officers used to sit around the fire of an evening and talk about what price Russia would demand for coming into the war. He testified that those who were there on the ground wanted very badly to see Russia come into the war. He said they agreed that Russia would demand 1 of 3 concessions: A warm-water route through the Dardanelles; a warm-water route through the Persian Gulf; or the concession of Port Arthur and Dairen; and the use of the Chinese Eastern Railroad. He numbered the concessions 1, 2, and 3. I asked this question of General Wedemeyer:

Have you numbered them in the order of importance as you people who were on the ground at the time saw them?

He said:

Yes.

I said:

Then the price paid was No. 3?

He said:

Yes. We marveled that Russia let her allies off so cheaply.

Mr. MANSFIELD. Is it not true that No. 1 and No. 2, referring to the Dardanelles and Iran, was asked for by the Soviet Union, according to the reports of the Yalta Conference, but the British and Americans turned down Russia's request?

Mr. SPARKMAN. I do not know. I have not seen a copy of the Yalta agreement. Has the Senator seen a copy of it?

Mr. MANSFIELD. According to the New York Times.

Mr. SPARKMAN. Has the Senator seen a copy of it?

Mr. MANSFIELD. Portions of it.

Mr. KNOWLAND. Mr. President, since it is desirable to have the record clear, I should like to say that at the conclusion of my remarks this morning I asked to have printed in the RECORD the complete report on the Yalta conference by the President of the United States. Although the report by the President appears in the permanent RECORD of March 1, 1945, a number of Senators and other persons have stated that they did not find the report readily available, and would like to have it in handy form. Therefore I put it into the RECORD this morning. I believe the background is very significant. Let me read from the President's report to a coequal branch of government. I now read from the CONGRESSIONAL RECORD of March 1, 1945, volume 91, part 2, page 1622. It is a verbatim quotation from the President of the United States in his report to Congress:

Quite naturally this conference concerned itself only with the European war and with the political problems of Europe, and not with the Pacific war.

I stated the other day, and I repeat now, that this comes as close to being a false official report to the legislative branch of the Government as we have ever had in the history of our country. It was very unfortunate. Certainly if there had been any security reason which prompted the President of the United States not to discuss a certain phase of the problem, it seems to me he could have come to Congress and said: "Gentlemen, in addition to the European problems, we discussed other areas of the world, but at the present time it is my judgment that it is not in the national interest to have a public disclosure of the matter."

If he had said nothing relative to any other area of the world, perhaps that would have been excusable in a time of war. But I do not believe he should have come before the Congress and make such a statement. I was not here at the time. I was serving overseas. Some of the present Members of the Senate were in the Senate at the time, and certainly they had to rely on the official report of the President of the United States.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. KNOWLAND. In a minute I shall be glad to yield. The President said:

Quite naturally, this conference concerned itself only with the European war and with

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the political problems of Europe, and not with the Pacific war.

Shortly after I came to the Senate, in August 1945, I made some inquiries about the agreements reached at Yalta, and I was told that the information was not available. It was not until a year or so after I came to the Senate that even the bare bones of the Yalta agreements were released. I talked with the late distinguished Senator from Michigan, Mr. Vandenberg, who used to sit in a chair to the rear of where I now sit, and he told me—I believe it was at the time of a certain release by the State Department—that a considerable period of time had elapsed and he had not seen the text of the Yalta agreements.

I say that is not good for our country. I do not believe the members of a coordinate branch of the Government should be deprived of such information. I certainly do not believe—and I say this most respectfully—that Congress should be misled.

Mr. SPARKMAN. Mr. President, will the Senator from Montana yield?

Mr. MANSFIELD. I yield.

Mr. SPARKMAN. Mr. President, let me read this sentence:

> At Malta, however, our combined British and American staff made their plans to increase their attack upon Japan.

The Malta Conference, immediately preceded the Yalta Conference, and is covered in a part of this very report.

It happened that I was in the House of Representatives on the day the President made his report on the Yalta Conference. I have not had time to read his entire report or to refresh my recollection about it, but I know I had a definite understanding, and I am certain the people of America had a definite understanding, that questions involving the conduct of the war in the Pacific were dealt with at the combined conferences of Malta and Yalta. I must submit to my friend from California that he should read carefully so to make certain not too greatly to narrow the meaning.

Mr. KNOWLAND. I have read it most carefully.

Mr. SPARKMAN. Mr. President, if the Senator from Montana will yield to me further——

Mr. MANSFIELD. For a question—in the form of a statement. [Laughter.]

Mr. SPARKMAN. Mr. President, I was a member of the Military Affairs Committee of the House of Representatives during World War II and for several years before that time. I was there when the first draft act was passed, and when the extension of it was passed by 1 vote 4 months before Pearl Harbor. I was there when the Lend-Lease Act was passed which got us ready for World War II, and I know something of the struggle we had.

I remember as clearly as I remember anything that at about the time of the Yalta conference, when our committee was called into executive session, the witnesses who appeared before us were the Secretary of War, the Honorable Henry L. Stimson, a great American and a fine patriot, and George C. Marshall, the Chief of Staff.

I remember the solemnity of the occasion. I remember the worry which was apparent on the part of those two men as they talked to us about the plans for the invasion of Japan. I remember very well General Marshall telling us that the finest elements of the Japanese Army had not been used in the war, that they were being held back, and that we would meet them when we hit the beaches of Japan. We were making our calculations based upon 1 million casualties.

They were not fooling us, Mr. President. We were making cold calculations. We were figuring ahead. Things were moving nicely in Europe, and we saw the war coming to an end there.

At about that time, or shortly thereafter, I remember going to the home State of the distinguished Senator from California, as a member of a subcommittee, to study the problems of transportation as we sought to move troops from the eastern seaboard to the western seaboard, getting ready to carry on the war in the Pacific. We were not waiting until things happened; we were trying to stand ready.

I know those two gentlemen, Henry Stimson and George Marshall, were not just giving us empty talk at that time. They were giving us cold facts as they saw them, based upon the best estimate at which the Chiefs of Staff could arrive.

Mr. President, I wish to say that all the statements made on the floor of the Senate this afternoon were gone over time after time. Something has been said about the President not knowing about what happened. He talked about Yalta in the 1952 campaign. It was stated that the Republicans were going to repudiate the Yalta agreement, but they have not done so yet, and they are not going to.

Mr. BRIDGES. Mr. President, will the Senator from Alabama yield?

Mr. SPARKMAN. The Senator from Montana has the floor, and he yielded to me.

Mr. BRIDGES. He yielded for a question. The Senator has said something about the President that is not true. I do not think he wishes to do that.

Mr. SPARKMAN. If I said something which is not true, I gladly withdraw it.

Mr. BRIDGES. The Senator said the President did not know anything about it. He said he did not know anything about the release or the leak of the Yalta papers to a newspaper.

Mr. SPARKMAN. I did not think it was narrowed down in that way. If that is so, I accept the Senator's correction. I thought the newspapers reported the President as saying he did not know anything about it. But be that as it may, it has all been talked over and over again. I do not see that it is helping us to drag it out again and again at a time when we need bipartisanship perhaps as badly as we ever needed it at any time in our history. I do not believe this discussion is serving any good purpose, 10 years after the fact, saying how we would have done it had we been running things at that time.

Mr. President, it is all right to deal in conjecture and speculation as to how we would have done it, but we need to surround ourselves with all the facts which prevailed at the time.

Mr. KNOWLAND. Mr. President, will the Senator from Montana yield?

Mr. MANSFIELD. I yield.

Mr. KNOWLAND. Mr. President, in the first place, this debate would not have been precipitated this afternoon had it not been for the speech of the distinguished Senator from New York [Mr. LEHMAN]. I make no complaint about it. He has a perfect right to speak on any subject at any time he may desire, but he made statements which I think the record does not support as being statements of fact. I tried to the best of my ability to clear up the record in that regard.

I say to the Senator that I think it is something which is pretty fundamental when documents are denied to the Congress, even to the Foreign Relations Committee, for a period of almost 18 months after the signatures were attached to the agreement at Yalta, and the members of the Foreign Relations Committee could not get copies of the document.

I was not a member of the Foreign Relations Committee at that time, but I tried to the best of my ability, as a fairly new Member of this body, to get a copy of the agreement and certain information regarding it. My files are rather full of denials of information from time to time as to this and other matters. I do not wish to see that repeated; I do not wish to see it repeated in a Republican administration or in a Democratic administration. I do not wish to see a President come before the Congress and say that nothing was taken up concerning the Pacific war when such a statement is not in keeping with the facts. The President was making his report on Yalta at that point. He said nothing concerning the Pacific was taken up. He could have said nothing, or he could have reserved his statement for a later date.

I think we have an obligation to the country to make that very clear. The Senator said a little earlier that perhaps I had not read the President's report to the Congress carefully. I wish to assure the Senator that I have read it not only once, but half a dozen times, and I was so shocked by what I found that I thought possibly in reading it, as we sometimes do, I had missed something, because I could not believe that that type of statement had been made to the two Houses of the Congress of the United States. So I asked my administrative assistant to reread the whole thing to see whether I had taken it out of context or if I had misunderstood it. But I was not satisfied with that. I asked a man in my other office to sit down and reread it very carefully, because I said, "I cannot believe it is true that the President deliberately said things were not discussed when we now know they were discussed." It was only after that type of careful checking and again reading it myself that I made the statement on the floor of the Senate and said I was shocked. I am shocked that such a false official report should be made to the Congress of the United States.

Mr. MANSFIELD. Mr. President, before concluding, I wish to make a few remarks. I cannot agree with the distinguished minority leader. I think he is straining at a gnat. He has used that expression approximately 10 times in the last 2 or 3 days. It appears to me that when a man gets into a ring with his opponent, he does not telegraph his punches.

I do not think the proper place to make known any indication or implication about plans in the Pacific was in an address to a joint session of Congress, which was being broadcast all over the Nation, and perhaps throughout the world. There are certain things which, during wartime, must be kept secret.

For the life of me, I cannot see the point the minority leader is trying to make—and he knows of my great admiration and respect for him—when he makes that particular accusation against a President of the United States.

Mr. BRIDGES. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. BRIDGES. If the Senator from Montana, under the same circumstances, and occupying the same position as did the President of the United States, had participated in a conference at which discussions of the affairs of Asia took place, I know him well enough to believe that he would not have returned to the United States and, in an address to a joint session of Congress, have stated that he never discussed the subject. He might not have mentioned anything about it; but I know the Senator from Montana well enough to believe that he would not have made such a statement.

Mr. MANSFIELD. I appreciate the statement of the Senator from New Hampshire. Perhaps I would not; perhaps I would. But I do know that I would not have telegraphed my punches, because if I had, my plans might have gone awry, and the Lord only knows what might have happened to the expectations which had been raised.

I sincerely hope that Members will look upon this matter in a way which will do credit to the Senate.

I hope, as does the minority leader, that the deletions will be brought to the surface, because I think, now that the documents have been released, all of them should have been released.

I should like to note, in addition to what I have already said today, that Mr. Churchill has said that the entire story of the Yalta agreements is not contained in the release by the Secretary of State.

So far as I am concerned, I stand behind the statement made by the distinguished majority leader today, in which I think he spoke for the Democratic Party and, I believe, for the American people, as well. It was a temperate statement, a statement which brought us, or should have brought us, face to face with reality, face to face with the facts of life as they now exist, not as they existed 10 years, 1 month, and 15 days ago; a statement which tried to put us on a bipartisan basis for what lies in the future.

Mr. BRIDGES. Mr. President, I desire to commend the statement of the Senator from Montana. I think the participation of Senators on both sides of the aisle in a debate which seeks unity with respect to the very serious problems of the future is highly to be desired.

But I also point out to the Senator that in order intelligently to participate in the problems of the future, one of the best guideposts is the lessons of history.

Mr. MANSFIELD. The Senator is correct.

Mr. BRIDGES. We cannot ignore the lessons of history. We have had some sad experiences, from which we should profit in the future.

Mr. MANSFIELD. No one could agree more heartily with the Senator from New Hampshire than I. It is true that we should learn from the events of the past. But while we remember them, it does not mean that we should make political issues out of them.

Mr. LEHMAN. Mr. President, I wish to reply briefly to a remark made by the distinguished minority leader [Mr. KNOWLAND], in which he attributed to me statements which were not borne out by the facts. I deny that. I think every statement I made in my remarks this afternoon was in exact accord with the facts.

I believe that in the heat of the discussion which has been carried on for the past 2 hours the Senate has lost track of what I think is the highly important part of the subject. The Yalta papers were made public more than 10 years after the event took place. They were made public apparently without the knowledge or the authority, so it is claimed, of the President of the United States. They were leaked to at least 1 great newspaper, possibly 2 or 3. They were not made available to the Members of Congress.

I recognize, of course, the very greatly superior position in the Senate of the minority leader and the chairman of the Committee on Foreign Relations, and possibly of others, but I, too, am a United States Senator. I have never seen this report or document, even though I made application to the Committee on Foreign Relations and the State Department for a copy. I was told that none was available.

I feel that the report was made public in the manner in which it was made public, more than 10 years after the facts, for reasons which I gave at the conclusion of my remarks, when I said:

> In this case one of the motives I attribute to this administration is a desire to divert the public attention from the crisis in the Formosa Straits and in the Far East generally.
>
> I believe the intention is plain—to take the public's mind off the threat of war—of catastrophic total war—which this administration's policy has intensified by its blundering embrace of Chiang Kia-shek.
>
> I believe that this administration wants us to discount in advance this administration's responsibility for the course of events in the Far East.

Even though I know those remarks do not meet with the approval of the distinguished minority leader, they represent my honest and sincere belief that the release of these documents was a diversionary device to take the minds of the American people off the highly critical situation in the Far East. I believe that that effort has succeeded, at least in great part, because today the problems which we are facing, which I believe are more dangerous and critical than any within my memory, at least, have been forgotten to a considerable extent, both by the newspapers and by the public. I resent that. I think it is wrong, and I have no hesitation in condemning it.

I do not withdraw a single statement which I made earlier today.

Mr. KNOWLAND. Mr. President, I shall not occupy the time of the Senate any longer tonight, but in answer to the distinguished junior Senator from New York, I wish to deny categorically that the papers were released as a diversionary tactic. I resent as deeply the Senator's statement to that effect as he may resent, in his own right, anything he wishes to resent.

I simply say that when he makes that statement, he casts reflection upon the Congress of the United States, which, by a vote of 409 to 3 in the House, and 85 to 3 in the Senate, agreed to the so-called Formosa resolution in support of the President's recommendation.

The junior Senator from New York had a perfect right to be 1 of 3 who voted against the resolution. It was not only his right but his obligation as a United States Senator to vote as he did if he felt that way.

The Senate, by an overwhelming vote, there being only six negative votes, ratified the treaty with the Republic of China. The junior Senator from New York now says the release of the documents is an effort—I do not wish to misquote the Senator; I have tried to quote him correctly—was a——

Mr. LEHMAN. A diversionary tactic.

Mr. KNOWLAND. A diversionary tactic, so that the attention of the public would be diverted from the serious problems in the Far East. I think the Senator, upon reflection, will not say that he believes any such thing; because certainly every Member of the Senate voted with full knowledge of the heavy responsibility resting upon his shoulders with respect to the treaty and the resolution, which were considered only in February of this year. I categorically deny the Senator's statement. The Senator is entitled to his own opinion.

Mr. LEHMAN. I will make but one short response; namely, that the resolution giving these broad powers to the President, and the ratification of the treaty with the Republic of China, do not, in my opinion—and it is my opinion—minimize the danger which is confronting the United States.

Mr. KERR. Mr. President, will the Senator from New York yield, so that I may ask a question of the Senator from California?

Mr. LEHMAN. I yield.

Mr. KERR. Does the Senator from California know who leaked the Yalta papers to the New York Times?

Mr. KNOWLAND. I do not. I have already expressed myself as to what I should do if I had the responsibility for operating the department concerned. I

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have indicated what my personal reaction would be.

Mr. KERR. Then the Senator from Oklahoma, with the preparatory statement that he neither approves nor disapproves of the conclusion of the Senator from New York as to why it was done, should like to ask the Senator from California a question, in view of the fact that the Senator from California does not have the least idea who did it. Will he tell the Senate how he knows what was in the mind of the person who did do it?

Mr. HUMPHREY. Mr. President, we have been here more than 2 hours discussing this subject, and I shall try to summarize my comments in a reasonably brief statement.

First of all, I wish to commend the Senator from Montana for what I thought was a statesmanlike message and statement as to what our objectives are and what our goals should be in the Congress, in light of the critical situation which faces the world.

I think one of our colleagues said, when he was asked what his reaction was to the release of the Yalta papers, something to the effect, "It is history. What do we do about the present?" And I might add, "What do we do about the future?"

What I have gathered out of this discussion so far is that the Republican Party is still running against Roosevelt. He licked the Republican Party four times, but the Republican Party did not lick him. If that is all the Republicans want to do, if they want to wage political warfare against a beloved President who is no longer with us, let them do so. I do not think it will yield them political results. We do not wage elections on that basis very successfully.

Mr. BRIDGES. Mr. President, will the Senator yield?

Mr. HUMPHREY. I do not wish to yield at the moment. I may say to my good friend from New Hampshire that I shall yield to him later.

My second point is that out of all this argument I sense there are certain understandings which have been arrived at. We seem to be agreed on some particulars. The first is we agree that the Yalta documents have not been published for 10 years. We agree the administration has been in power 27 months. As late as last Monday the responsible Secretary of State, who is the chief officer of the Government, next to the President of the United States, said the documents could not be released, in the interest of national security and our relationships with our allies.

Some clerk in the State Department did not say that, nor was it the one in the State Department who seems to be able to leak information. It was the Secretary of State, appointed by the President, the man responsible for our high diplomacy, under the general direction of the President.

That was Monday. I want my colleagues to know that the Secretary of State on Monday said that the release of these documents would injure our national security and our relationships with our allies. The next day the Secretary met with the distinguished Senator from California [Mr. KNOWLAND] and the distinguished Senator from New Hampshire [Mr. BRIDGES]. They appropriately said to the Secretary, and I commend them for it, "We understand the Yalta documents are in the hands of a newspaper. If that be the case, they ought to be published."

Is it not interesting that during the whole time, at least prior to the release to the newspapers, the Secretary was trying to get the Members of the Senate to take the documents, with limitations—not to let everybody have them, not to declassify, but to put them in the hands of the venerable Senator from Georgia [Mr. GEORGE]. The Senator from Georgia said no, he did not want these documents placed in his custody. He said to the Secretary, "They are your responsibility."

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. JOHNSON of Texas. I should like to suggest to the Senator from Minnesota that his statement should apply not only to the Senator from Georgia, the distinguished chairman of the Committee on Foreign Relations, but to the distinguished chairman of the Committee on Armed Services, the junior Senator from Georgia [Mr. RUSSELL], the distinguished chairman of the Committee on Appropriations, the Senator from Arizona [Mr. HAYDEN], and the majority leader, the senior Senator from Texas, as well as their counterparts on the other side of the aisle.

Mr. HUMPHREY. I thank the Senator for correcting the RECORD.

Mr. JOHNSON of Texas. Is it not somewhat amazing to have Senators debate at 5 minutes after 8 o'clock p. m. actions taken by a deceased Commander in Chief, and say they cannot understand such actions, and yet be so very understanding of their own Commander in Chief and their own Secretary of State, and their actions?

Mr. HUMPHREY. I think it is very interesting.

Mr. JOHNSON of Texas. I have not heard one word said about the Secretary of State and his performance between Monday and Wednesday.

Mr. HUMPHREY. The Secretary of State on Monday said he felt the release of these Yalta papers might jeopardize our national security, but after he listened to the eloquence of the Senator from California [Mr. KNOWLAND] and the Senator from New Hampshire [Mr. BRIDGES], the Secretary of State collapsed; he caved in; and Wednesday the documents were made available not to all Senators, but to some. I have not seen one. I have been here only a little more than 6 years. I have sought to find out what was contained in the Yalta agreement. I have listened to Republican speeches as to what was contained in the Yalta agreement. I would think the Republican Secretary of State would see to it that I got a copy.

We can gloss over the fact that was every bit as negligent and in violation of the law as Peterson was under the cryptography law, in which case Mr. Peterson passed information to a friendly ally government, the Dutch Government, which is as good a friend as we have. Mr. Peterson went to jail.

But the Secretary of State is astonished when the two distinguished Senators from California and New Hampshire told him that these documents, which on Monday were national secrets, were in the hands of the largest newspaper in the United States of America.

I did not hear 1 voice of anguish or 1 word of worry from all the spy hunters, all the people who have been going around like Fearless Fosdick and Sherlock Holmes. Yet I say classified material in this Government is classified, and the only person who can declassify it, outside of the President, is the department head. If Mr. Dulles declassified the material, why was he astonished on Tuesday?

Is it not interesting that the President was unaware the documents had been released? Is it not interesting to learn, at least according to the press, that the distinguished Senator from California has reported the President of the United States believes a big power conference at this time would be premature? The State Department has said that the proposal of the distinguished Senator from Georgia [Mr. GEORGE] is in line with foreign policy. The State Department has agreed with the Senator from Georgia. The President, according to the distinguished minority leader, stated that such a conference would be premature.

But, listen to this one: Mr. Hagerty says he sees no inconsistency between the position of the President and the State Department and that of the Senator from Georgia. Where are we going? What kind of responsibility is this? I take the word of our distinguished colleague from California. He talked with the President. He states the President fears such a conference would be premature. The State Department has announced that it agrees with the Senator from Georgia. After all, the State Department just got through agreeing with the Senator from California and the Senator from New Hampshire; it had to agree with one Democrat, so it agreed with the Senator from Georgia [Mr. GEORGE]. However, Mr. Hagerty—Mr. Fix-It—says he sees no inconsistency in the statements. Of course not. It is as clear as mud.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. JOHNSON of Texas. I should like to point out that the State Department originally agreed with the Senator from Georgia [Mr. GEORGE] prior to the conference between the Senator from California [Mr. KNOWLAND] and the President this morning. With all due respect to our great President and our great Secretary of State, we all know the persuasive ability of our delightful friend on the other side of the aisle; and if we have many such conferences between the majority leader and the President and the majority leader and the Secretary of State, how are we ever going to know what our foreign policy is?

Mr. HUMPHREY. Possibly the only way we shall get consistency—regardless of whether we agree with the policy—is to have the distinguished mi-

nority leader meet with both the President of the United States and the Secretary of State at the same time. [Laughter.] I think that will be a minimum criterion for the establishment of the foreign policy of the United States.

Mr. JOHNSON of Texas. Does not the Senator from Minnesota also wish to have Mr. Hagerty included, and——

Mr. HUMPHREY. Mr. Hagerty should be in, too, because he is the interpreter, and interpreters are important. [Laughter.]

Mr. JOHNSON of Texas. What about the fellow who "leaked the stuff" from the State Department?

Mr. HUMPHREY. Indeed, Mr. President, the Senator from New Hampshire, the Senator from California, and the Senator from Minnesota are going to look into that. After the Democrats have been accused of having their Hiss, I should like to know who not only "leaked" this out, but took it and literally put it on the desk of, not a public body, but a private institution.

By the way, let me make it quite clear that I think the Yalta papers will be very interesting reading. I have already read some of them as printed in the New York Times; but I have always believed that if there are official documents, they should be cleared officially. Not only that, Mr. President, but we have Executive Order No. 10450 in regard to the handling of security information, and we have the order in regard to classified information—one of the best orders any President or any Attorney General ever issued. If anyone does not believe it, let him ask them, and they will tell him so.

So there are the orders regarding the handling of classified material—in this case, top secret material, no longer any "stuff" to be found in a wastebasket, but top-secret material, which is not supposed to be disclosed unless there is a field investigation or at least a national agency check. Did the reporter of the New York Times have a field investigation or a national agency check?

Mr. President, let me say that I like the New York Times, and no doubt I would like the reporter who received the information. But that is not what should be done with the official documents of our country. If that is to be done with United States official documents which are 10 years old, what is to be done in the case of documents of the present time, including those relating to what Chiang Kai-shek said about the defense of the Matsus and the Quemoys and what the Secretary of State said about the defense of the Matsus and the Quemoys? Chiang Kai-shek knows what he said about that matter, and he has so stated. But what did the Secretary of State say about it? Does anyone know what he said about it? On the other hand, everyone knows what Chiang Kai-shek said about it; and he is an honorable man, and so is our Secretary of State an honorable man, and so is Chiang Kai-shek's foreign minister an honorable man. But I believe it is time we had a Hagerty to interpret them, so that we can find out what they said.

On the other hand, this time we know who said what to whom. Talk about the Yalta Conference, Mr. President. That was after 4 or 5 years of agonizing war; and we have been told how tired and how sick the late President Franklin Delano Roosevelt was then. That information we can accept. But I have been told that, on the contrary, the present administration is healthy, and exercises regularly, and knows what it is doing. I submit that very piece of information indicates there is a big difference between the cup and the lip, between which there is many a slip, and that there is a long way between publicity and diplomacy, and a long way between the word and the deed.

The opposition say the Yalta agreements are bad. Very well, Mr. President. I have the word of the Republican policy committee leader and the minority leader of the Senate about that. These two distinguished Senators have told us that. Do these two distinguished Senators say, in the name of their party, that they repudiate these agreements? I ask them to answer "Yes" or "No"; we need no speech on that point.

First of all, does the Senator from New Hampshire repudiate them? Let me say I will yield now only for a "Yes" or "No" answer or for a question.

Mr. BRIDGES. Mr. President, I thought the Senator could yield only for a question.

Mr. HUMPHREY. Very well. I yield for a question.

Mr. BRIDGES. Insofar as I am concerned, I would repudiate the Yalta agreements, yes; I will answer the question "Yes," forthrightly.

Mr. HUMPHREY. Does the Senator from California repudiate the Yalta agreement?

Mr. KNOWLAND. Mr. President, since the Senator from Minnesota has asked the question, I will say that not only would I repudiate the Yalta agreements, but certainly I consider that it would be morally indefensible to enter into such an agreement again.

Mr. HUMPHREY. Mr. President, the Senator from New Hampshire and the Senator from California are honorable men; and when they engage in debate with another Senator, he knows where they stand. I enjoy that kind of debate, even though sometimes it is a little difficult to answer, and sometimes it is a little difficult to "take." But I admire them as adversaries and proponents of their particular point of view.

Now we have it clear that those two leaders of the Republican Party repudiate the position taken by the President of the United States and by the Secretary of State. Mr. President, this is not a split; it is the Grand Canyon of politics. [Laughter.]

Foreign policy? Do we wish to know what the foreign policy is? The Eisenhower-Dulles policy is certainly "foreign" to the Knowland-Bridges policy; that is the "foreign" policy of this country. [Laughter.]

I repeat that the split in the Republican Party, between its responsible leaders—all of them are responsible men and good men, yes—it is as wide as the Grand Canyon itself. This is not one of the schisms that used to be talked about; this is, sir, a veritable gorge. [Laughter.]

Now we have found that the two leaders of the Republican Party in the Senate of the United States repudiate the very policy that the President of the United States and the Secretary of State do not repudiate, but apparently embrace. We find that these distinguished Senators knew about the "leak" of the Yalta papers, when the Secretary of State was "astonished." We find that these distinguished Senators knew about the papers when the President of the United States was "uninformed." We find that the State Department agrees with the Senator from Georgia [Mr. GEORGE]; and we find that the distinguished Senator from California [Mr. KNOWLAND] speaks with the President of the United States, and the President of the United States says it is "premature," but Mr. Hagerty says there is no conflict.

Mr. President, is there talk of political schizophrenia? In this case I do not know what the corresponding word would be for such a situation in the case of 3 personalities, but if this case is not one of 3 political personalities, I have never heard of one.

Finally, Mr. President, I wish to say that I have heard attempts made here today to indicate to the American people that the late President Franklin Delano Roosevelt betrayed Poland and China. Mr. President, the late President Franklin Delano Roosevelt did not betray the American people. He was heralded as the greatest Commander in Chief of all time. Gen. George Marshall was heralded by friend and foe—if there were any foes of his to be found in our country—as the genius of the American military, and his command during that war has been a matter of great pride to the Nation. The men who today are honored by the Republican Party were then working for that President, were appointed by that President, were chosen by that President, were assigned by that President, and were under the staff direction of that President and of his Chief of Staff, General Marshall.

Mr. President, let us make no mistake about it: The great Commander in Chief could not have been all wrong. General Eisenhower became what he was in that war as the great general—and a greater one we have never had—because Franklin Delano Roosevelt reached over the ranks and said, "This man I choose for Supreme Commander of the Allied Forces." Douglas MacArthur was assigned by Franklin Delano Roosevelt to be Commander in the Pacific; and other generals in that war were also assigned by Franklin Delano Roosevelt. So, Mr. President, it is time that the American people understood the responsibilities that great fallen leader—the late President Franklin Delano Roosevelt—had to undertake.

If my Republican friends want to try to prove to the American people that President Franklin Delano Roosevelt betrayed them, let them try to prove it. A more hopeless cause they will never embrace. If my Republican friends want to try to prove that greater victories than the victories in which that great, fallen leader led us have been won anywhere in the world, on any continent, let them

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try to prove it. Mr. President, greater victories were never won.

I say to you, Mr. President, that the effort to try to besmirch the memory of the late, fallen leader of this country, the great Franklin Delano Roosevelt, will come back to haunt those who attempt to do it. Why? Because not only was he a warrior great in battle, but he was great in the spirit of peace. While fighting that war with unbelievable burdens, while giving general direction to the Nation in a war which was fought on two fronts, and was fought against the most terrible enemy of all time, he still had the heart and the mind to think of the day when peace would come, and to think of a United Nations, with the nations living together in the world in a spirit of fraternity. His only crime, if there was a crime, was that he tried to believe in people—even those in the Kremlin.

We have read the documents of the Yalta agreement. Let us read the documents of Scripture. We are asked there to believe in our own, in God's children.

I submit that pursuance of the objective of trying to make political medicine out of the Yalta agreements will result in but two things. I warn my friends on the other side. This United States Senator does not intend to remain in this body and hear men of the stature of Roosevelt, Marshall, Bradley, and others repudiated or unfairly condemned and criticized for their actions when they were in the heat of battle, when the Nation was weary and blood-stained. I warn my friends on the other side, pursue this course long enough, and even those who want bipartisanship to the point where it hurts may find it difficult to get it. I warn them, pursue this subject far enough, and even friends like Winston Churchill, who loves this country second only to his England, will be driven from us. We are second to none. Even friends like Winston Churchill may be driven from our midst. After all, Mr. Churchill is Prime Minister of Great Britain. If Churchill and what he stands for fall, it will not be Attlee who will take his place, let me say to the minority leader. It will be Aneurin Bevan. I warn my friends on the other side of the aisle that they can build here a holocaust.

The thing that has shocked me about all this is not what it does to us temporary Democrats. What if some of us should be defeated? What if some of us should say the wrong thing? So what? We are not making all the important decisions. We are only advising and consenting on many of them. What is really tragic is that in the twilight of his life a grand old man, who only within the month has stood firm in the House of Commons on the subject of the hydrogen bomb, among a people who are frightened because of atomic bombs and hydrogen weapons, a Prime Minister who has stood firm with our policy in the Far East, as far as he could possibly go, even to the point of political weakness and political danger, this old gentleman who may be retiring in but a month or so, now finds that his friends from across the Atlantic could not wait to bring to the public and to the American people the little tidbits and details, the juicy little personal notes of the Yalta Conference. So now Mr. Churchill, instead of being able to dedicate his energies to possibly a four-power conference or a solution in Formosa, or to standing alongside our President in our foreign policies relating to Formosa—and this Senator voted for such policies; he resolved his doubts in favor of the Commander in Chief—today, instead of being able to spend his time working on high-level matters, is harassed by his critics, embarrassed by little personal innuendos and notes about Hong Kong. He finds himself not only in grave political trouble, but in personal humiliation—and all because of his friends.

I think we might well ask ourselves, If we pursue this much longer, whom shall we help? To whom shall we bring benefit? The Republicans can win elections without this issue, I hope, because if this is all they have with which to win elections, they are running against the wrong man. He is dead. Democrats can win elections without having to fight this battle, because, as the distinguished and scholarly Senator from Montana [Mr. MANSFIELD] has said—and I weigh my words carefully, because no Member of the Senate is better informed as to the history, economic development, and culture of the Far East than is the Senator from Montana—we are now at the point where we must make decisions for today and tomorrow. As he has pointed out, a case can be made on either side of the Yalta issue. I have talked with people who could prove that Napoleon could have won the Battle of Waterloo. Actually, if one of his men had only intercepted a message he was to have had, such might have been the result. I have read about the Battle of Waterloo a hundred times. I could draw for Senators a map showing the placement of the troops, the British squares, the Napoleonic flanks, and the Grenadiers. But why argue about that? That is gone.

To what purpose do we pursue this argument, unless it is merely to acquaint ourselves with history. Let me suggest that if there is need to acquaint ourselves with history, the Secretary of State should come before the responsible committees of the Congress and acquaint us with history. He ought to acquaint us with a good many things.

I agree with Senators who have said this afternoon that the legislative branch needs much more information. It needs to be taken into the confidence of whatever administration is in power. There is a natural tendency on the part of the Executive to hold back. But let me say one thing. If war plans are to be divulged to the legislative branch, I suggest that what happened at the Constitutional Convention should take place. Everyone should take an oath of silence and secrecy, and some should be followed to make sure that they are quiet. The Commander in Chief would be no Commander in Chief at all if he told us everything.

Mr. President, I have spoken longer than I intended. I appeal to my colleagues on the other side. In all frankness, there is one thing I enjoy about the Senator from California. I say that as a friend. Despite the vigor of my comment and his, I have admiration for the minority leader. He knows that.

Likewise, I say to the Senator from New Hampshire [Mr. BRIDGES], that I honestly believe that if we are to argue this question out we ought to stake out a certain period of time and argue it out, and not have the debate go on in perpetuity. If we allow it to proceed endlessly, we shall never get any information from the State Department about what is going on.

I think we have an obligation to the people to settle down to business. The Senator from California has his views about Roosevelt. I have mine. The Senator from California and the Senator from New Hampshire support the administration on some questions. They surely do not support it on certain foreign policy matters. That is perfectly obvious. But I will support the administration when they do not, and that will hold it up. We shall get some Democratic votes to do so.

In the meantime, let us dedicate the energies of the Nation against the common enemy, the international Communist conspiracy. Let us learn from the record. Let us make no undue concessions, but let us remember that it is the duty of statesmen to know how to bargain and how to survive, rather than be obstreperous to the point of annihilation. I shall never believe that freemen are not capable of protecting their liberties by competence of mind and statesmanship. Our task is to learn how to be competent, and how to be statesmen.

RECESS

Mr. JOHNSON of Texas. Mr. President, I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 8 o'clock and 29 minutes p. m.) the Senate took a recess until tomorrow, Wednesday, March 23, 1955, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate March 22 (legislative day of March 10), 1955:

The following-named persons for appointment as Foreign Service officers of class 2, consuls, and secretaries in the diplomatic service of the United States of America:

Andrew V. Corry, of Montana.
Edward C. Crouch, of the District of Columbia.
Paul B. Taylor, of the District of Columbia.
Orville H. Transtrum, of Idaho.

The following-named persons for appointment as Foreign Service officers of class 3, consuls, and secretaries in the diplomatic service of the United States of America:

Edward J. Bash, of Mississippi.
Gerald S. Bushnell, of Virginia.
Edwin J. Madill, of Michigan.
John W. Piercey, of Washington.
Robert L. Whitaker, of Oregon.
Alexander Yaney, Jr., of Virginia.

The following-named persons for appointment as Foreign Service officers of class 4, consuls and secretaries in the diplomatic service of the United States of America:

Anthony J. Dreape, of New Jersey.
Ernest J. Hortum, of Virginia.

Sanford Menter, of Texas.
Patrick O'Sheel, of West Virginia.
Charles J. Stanley, of Ohio.
Joseph A. Tambone, of New York.

The following-named persons for appointment as Foreign Service officers of class 5, vice consuls of career, and secretaries in the diplomatic service of the United States of America:

William G. Bowdler, of Virginia.
Miss Evlyn F. Brooks, of Virginia.
Miss Ollie G. Edmundson, of Missouri.
Edgar F. Garwood, Jr., of Florida.
Lyle R. Piepenburg, of Wisconsin.
Miss Ruth Schneider, of New York.
David Scott, of Maryland.

The following-named persons for appointment as Foreign Service officers of class 6, vice consuls of career, and secretaries in the diplomatic service of the United States of America:

James L. Carson, of Oregon.
Charles A. Kiselyak, of Washington.
Frank E. Schmelzer, Jr., of Massachusetts.

Nestor D. Sanchez, of New Mexico, a Foreign Service Reserve officer, to be a vice consul of the United States of America.

DEPARTMENT OF THE INTERIOR

J. Reuel Armstrong, of Wyoming, to be Solicitor for the Department of the Interior.

COLLECTOR OF CUSTOMS

Orley McGlothlin, of Colorado, to be collector of customs for customs collection district No. 47, with headquarters at Denver, Colo., in place of J. Chalmers Ewing, resigned.

IN THE NAVY

Rear Adm. Albert G. Mumma, United States Navy, to be Chief of the Bureau of Ships in the Department of the Navy for a term of 4 years.

CONFIRMATION

Executive nomination confirmed by the Senate March 22 (legislative day of March 10), 1955:

DIPLOMATIC AND FOREIGN SERVICE

Homer Ferguson, of Michigan, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of the Philippines.

HOUSE OF REPRESENTATIVES

TUESDAY, MARCH 22, 1955

The House met at 11 o'clock a. m.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

Almighty God, we are daily coming unto Thee in humility and penitence, compelled by many needs which Thou alone canst supply.

Give us a more vivid sense of Thy guiding spirit as we seek to find the right solution to the difficult problems of human relationships.

Grant that in all our endeavor to apply the principles of righteousness and justice we may have a faith that never wavers and a courage that never falters.

Help us to place our confidence in the glorious promise that Thou wilt keep us in perfect peace when our minds are stayed on Thee, and that no needed blessing will ever be withheld from us if we walk uprightly.

Hear us in Christ's name. Amen.

The Journal of the proceedings of yesterday was read and approved.

HOW OUR LAWS ARE MADE

Mr. HAYS of Ohio. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. HAYS of Ohio. Mr. Speaker, I have been asked to announce by the Committee on House Administration that House Concurrent Resolution 93 has passed the other body. It authorizes the printing of 100,000 copies of the booklet entitled "How Our Laws Are Made."

Quite a number of Members want to know if they can get additional copies at their own expense. This is to advise them that they may do that if they get their order in by Friday, the 25th of March, to the CONGRESSIONAL RECORD Clerk in Statuary Hall. These additional copies will cost the Members $45.42 per thousand.

CALL OF THE HOUSE

Mr. VINSON. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. VINSON. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 26]

Bailey	Cretella	Miller, N. Y.
Baker	Dawson, Ill.	Mollohan
Barrett	Dingell	Morrison
Bell	Eberharter	Moulder
Bolton, Oliver P.	Edmondson	Patterson
Boykin	Gregory	Prouty
Canfield	Hébert	Reece, Tenn.
Celler	Kearney	Velde
Chiperfield	Keating	Willis
Christopher	McDowell	Wolcott
	McIntire	Zelenko

The SPEAKER. On this rollcall 391 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

PRAYER ROOM

The SPEAKER. The Chair recognizes the gentleman from Arkansas [Mr. HAYS] to make an announcement.

Mr. HAYS of Arkansas. Mr. Speaker, I have been asked by many Members to give the location of the Prayer Room and I would like to give directions as to how to reach it: Turn left at the rotunda on this level, and the first door on the left as you go west from the rotunda opens into the Prayer Room. It is for inspection today and tomorrow by Members of the House and Senate only, but on Thursday, Friday, Saturday, and Sunday the Speaker has authorized me to say it may be seen by our friends and by the public. After that it will be used, of course, under the rules of the House by Members.

I know you are going to find it a very attractive room, furnished and decorated in accordance with the finest traditions of our country.

Mr. POWELL. Mr. Speaker, will the gentleman yield?

Mr. HAYS of Arkansas. If I have time I yield to the gentleman from New York.

Mr. POWELL. I wish to express my personal thanks and the thanks of this body for the splendid work the gentleman from Arkansas [Mr. HAYS] personally has done in bringing about this much-needed improvement in the life of the Members of the United States Congress.

"This Nation" can only prosper "under God." May this Prayer Room be the most important room in our legislative life.

Mr. HAYS of Arkansas. I thank the gentleman from New York very much.

It would be impossible, Mr. Speaker, to mention all who have had a part in this enterprise, which has been completely nonpartisan from its inception. Our distinguished former Speaker, the gentleman from Massachusetts [Mr. MARTIN], is due our thanks for choosing the location and making the space available. At his request the gentlewoman from New York [Mrs. ST. GEORGE] and the gentleman from Iowa [Mr. LECOMPTE] served with me as an unofficial committee to carry out the mandate of the Congress and assist the Architect in designing and furnishing the room. The present Architect, a former Member of the House, Mr. J. George Stewart, is faithfully meeting the obligations imposed upon him by the Prayer Room resolution. His predecessor, Mr. David Lynn, made the initial plans, and we are grateful to him. Our two Chaplains, Dr. Frederick Brown Harris and Dr. Bernard Braskamp, have enthusiastically participated in all the arrangements and I know they both derive great satisfaction from the Prayer Room's completion. The gentleman from California [Mr. HIESTAND] represented the anonymous donors of the magnificent stained glass window. Your committee deemed this an appropriate gift and accepted it on behalf of the Congress. Representatives of the press have at all stages cooperated in undertaking to interpret adequately the establishment of this room.

Among many items of interest which historical research has produced is that in the early days when there were few meeting houses in Washington, religious services were occasionally conducted in the Capitol. It was a wise decision, however, to limit the use of the chapel to individual meditation and prayer. It will meet a deeply felt need. It is this practical service that should have emphasis, though I do not disparage its value as a symbol of our Nation's faith. The manner in which it has been accomplished is of itself significant, for it has been in keeping with our greatest principles. It symbolizes our devotion to freedom of worship and the ideal of tolerance. The American doctrine, which has often been acclaimed in faraway places of the world, is not based upon indifference to religion. Our forefathers were men of great spiritual insight. While sectarianism sometimes found expression here, there was much that was held in common as the patterns of our Government were being fashioned. The founders of the Republic, for example, believed in God, in the

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dignity and worth of the individual, in the Golden Rule, in the spirit of brotherhood, and in justice and liberty as spiritual qualities in our common life. This faith is evident in our early documents—in the first words of the Mayflower Compact, "In the name of God, Amen;" in the thrilling words of the Declaration of Independence which avow that all men are created equal and endowed by their Creator with inalienable rights. And just 1 month ago today we heard read in this Chamber the Farewell Address of George Washington containing these words:

> Of all the dispositions and habits which lead to political prosperity, religion and morality are indispensable supports. In vain would that man claim the tribute of patriotism, who should labor to subvert these great pillars of human happiness, these firmest props of the duties of men and citizens. The mere politician, equally with the pious man, ought to respect and to cherish them.

It is fitting, Mr. Speaker, that the central figure in the chapel window is George Washington kneeling in prayer.

In an inconspicuous place is our Latin motto, "E pluribus unum." Its governmental significance was eloquently expressed by the great Hungarian patriot, Louis Kossuth, on his visit to our country in 1854:

> Happy your great land, Mr. President, to have been selected by the Almighty to prove the glorious practicality of federation, each State shining like a star in the luster of its own independence and self-government, but altogether forming one constellation on the canopy of mankind.

In its religious expression, moreover, it signifies that from many faiths we have one faith. Our differences are important, they are profound and fundamental, but in differing with our fellow Americans we respect each other. The one faith to which I have alluded sustains us in the present crisis. In our diversity there is unity, and it is found in our feeling that this Nation has a glorious destiny to serve. There will doubtless be prayers of thanksgiving for this truth in the petitions offered in the little room. They should be offered with humility and reverence. No plans can be laid within its walls for the dissemination throughout the world of this devotion to universal love and good will. But surely in myriad ways other peoples can find evidence that we have no purposes in the world to serve which conflict with their greatest and highest good.

One of my friends, Grove Patterson, editor of the Toledo Blade, says that each of us seeks two things: To be creative, to leave some impress upon the life that surrounds us; and to find peace of mind. We legislators might insist that in no other area are men driven so powerfully as in our profession. How well we do our job in the field of creativeness must be left to the judgment of our contemporaries and of history. But as creatures seeking peace of mind, we should use the facilities of meditation and prayer, with assurance that we will not be misjudged, that we will be permitted this aid to moral exercise, and that our private devotions will be respected. We are not the moral preceptors of this Nation; it is not altogether in our role of leadership that we seek retreat, though, to be sure, we could not honorably escape the burdens which leadership involves, even in periods of meditation. It is as human beings who aspire and suffer and who seek to endure. One of our high privileges will be to pray for self.

The story of the Prayer Room will be printed, and the official chapter of its establishment will be closed, but we trust that its contribution to our well-being and that of our beloved country will be a continuing one.

Finally, Mr. Speaker, I wish to express my profound gratitude to you for your wise counsel and assistance throughout the discussions which produced these happy results. Under leave to extend my remarks I include the following excerpts from the Architect's official announcement:

> Preparation of a prayer and meditation room for Members of the Senate and House of Representatives was authorized by House Concurrent Resolution 60, passed by the House of Representatives on July 17, 1953, and by the Senate on May 4, 1954.
>
> "HOUSE CONCURRENT RESOLUTION 60
>
> "*Resolved by the House of Representatives (the Senate concurring)*, That the Architect of the Capitol is hereby authorized and directed to make available a room, with facilities for prayer and meditation, for the use of Members of the Senate and the House of Representatives. The Architect shall maintain the Prayer Room for individual use rather than assemblies and he shall provide appropriate symbols of religious unity and freedom of worship."
>
> In order to insure that there would be in the chapel no symbol which would be inappropriate, the following gave their advice and criticism during the planning of the room: Rev. Frederick Brown Harris, Chaplain of the Senate; Rev. Bernard Braskamp, Chaplain of the House; Rabbi Norman Gerstenfeld, minister of the Washington Hebrew Congregation; Father Edward J. Hermann, assistant chancellor of the Archdiocese of Washington.
>
> For background material, see remarks of Representative HAYS of Arkansas, CONGRESSIONAL RECORD, July 17, 1953, volume 99, part 7, page 9073, and August 5, 1954, volume 100, part 10, page 13467; Senator MONRONEY, Appendix of the daily CONGRESSIONAL RECORD, November 16, 1954, page A6866.
>
> DESCRIPTION OF THE CHAPEL
>
> Delos H. Smith and Joseph W. Burcham, architects of Washington, D. C., were the consultants in designing and equipping the chapel.
>
> The room is done in tones of blue. The rug is dark blue; the simple arm chairs are upholstered in a lighter blue leather; the walls are of a pastel shade.
>
> On the altar made of white oak is an open Bible and, at the base of the window, two vases of freshly cut flowers from the Botanic Garden.
>
> The chapel is illuminated by shielded wall lights and two 7-pronged candelabra which are placed before the altar, one on each side.
>
> Directly in front of each candelabrum is a prie-dieu, also made of white oak.
>
> The American flag stands in one corner as a symbol of our freedom of worship.
>
> *The window*
>
> The central feature of the room, the stained glass window, was donated anonymously by a group of designers and craftsmen from a studio in California's 21st Congressional District. Their thought in designing and fabricating the window was "to give it as a thank offring to this country and to dedicate it to those men who have in the past sought God's guidance and to those who presently determine the destiny of this Nation by the inspiration of their decisions."
>
> In the center medallion, on a background of carefully selected ruby glass from England, France, and Germany, is the kneeling figure of George Washington, representing the people of the United States in fervent prayer. Etched behind the figure are the words of the 1st verse of the 16th Psalm, "Preserve me, O God, for in Thee do I put my trust." The main body of the window is composed of glass made in West Virginia and Indiana.
>
> The upper medallion represents the reverse side of the Great Seal of the United States on which appear the phrases annuit coeptis (God has favored our undertakings) and novus ordo seclorum (a new order of the ages is born); the obverse side of the Seal is represented in the lower medallion. Immediately below the upper medallion is the inscription, "This Nation under God."
>
> In the background are shown 13 stars and the names of the original States. The border has been formed of a laurel wreath with the names of the other States of the Union. Space has been left for one more State. Others can be added by cutting across the laurel border and inserting a nameplate.
>
> In the 2 corners are shown a book and a candle, representing the Holy Scriptures and the quotation of the 105th verse of the 119th Psalm, "Thy Word is a lamp unto my feet and a light unto my path."

PERMISSION TO SIT DURING SESSION OF HOUSE

Mr. GATHINGS. Mr. Speaker, I ask unanimous consent that the Subcommittee on Labor of the Committee on Agriculture be privileged to sit during the session of the House during general debate this afternoon.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

SPECIAL ORDER GRANTED

Mr. DODD asked and was given permission to address the House for 30 minutes today, following the legislative program and any special orders heretofore entered.

SALE OF RUBBER-PRODUCING FACILITIES

Mr. VINSON. Mr. Speaker, I call up privileged House Resolution 170, and I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of said resolution.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of House Resolution 170, with Mr. THORNBERRY in the chair.

The Clerk read the title of the resolution.

By unanimous consent, the first reading of the resolution was dispensed with.

The CHAIRMAN. Under the unanimous-consent agreement, the gentleman from Georgia [Mr. VINSON] will be recognized for 3 hours, and the gentleman from Texas [Mr. PATMAN] will be recognized for 3 hours.

Mr. VINSON. Mr. Chairman, I yield myself 55 minutes.

Mr. Chairman, I respectfully request the attention of the membership because this is a very important matter that each one of us will have to decide and that each one of us will have to vote on this afternoon.

Mr. Chairman, we are considering today a privileged resolution, House Resolution 170, which, if passed by the House would prevent the sales of the Government-owned synthetic-rubber facilities recommended by the Rubber Producing Disposal Commission.

The Committee on Armed Services conducted extensive hearings on this resolution, hearing direct testimony from 5 Members of the House, and a total of 18 witnesses. We took 707 pages of testimony. We have prepared an extensive report, which I hope every Member has had an opportunity to read.

On the basis of this extensive study, the Committee on Armed Services, by a vote of 27 to 3, recommends to the House of Representatives that it not pass House Resolution 170. We are opposed to the resolution.

Now, back in early 1942, when our supply of natural rubber was cut off by the Japanese, it became imperative that we find a substitute for natural rubber. Our stockpile of natural rubber was woefully inadequate and synthetic rubber was, relatively speaking, in its infancy. So the Government expended $700 million to build some 45 synthetic-rubber facilities. These included copolymer plants, alcohol-butadiene plants, petroleum-butadiene plants, styrene plants, and other types of chemical plants.

Now, the Government itself did not know how to build these plants. They did not have the patents or the know-how, nor did they have the skilled technicians necessary to run the plants. So they turned to private industry, and asked them to build the plants and to run them. They asked private industry to pool their patents and enter into cross-licensing agreements so that the Nation could have the combined knowledge of all of these large companies in producing a product essential for our victory in World War II.

Now I want to impress this fact upon you that industry constructed the plants, that industry provided the know-how, industry provided the patents, and industry provided the technicians. The Government provided the money. And industry, working under Government auspices, developed in this Nation a synthetic rubber industry that was eventually capable of producing over 1 million tons of synthetic rubber a year.

This was a fantastic achievement, and in my opinion, the second greatest accomplishment of World War II—only the development of nuclear power exceeds that of synthetic rubber.

This Nation was fortunate that we had companies in existence during World War II with the knowledge and ability to construct and operate these synthetic rubber facilities.

Now many of those same companies, who willingly pooled their patents, and who operated these facilities, are among the plant purchasers in this disposal program.

The Nation is indebted to them for what they have accomplished. I say this because they have been referred to by some as malefactors and law violators and it has been suggested that any company with a history of an antitrust violation should be denied the right to purchase any of these facilities.

Now, Mr. Chairman, the issue here is relatively simple. It is a question of whether or not we want to get the Government out of the rubber business.

Back in 1948 the Committee on Armed Services wrote what eventually became the Rubber Act of 1948. In section 2 of that act, Congress said:

> It is further declared to be the policy of the Congress that the security interests of the United States can and will best be served by the development within the United States of a free, competitive, synthetic rubber industry.

Again in 1953, in passing the Disposal Act, the Congress said in section 2 of that act:

> It is hereby declared that disposal of the Government-owned rubber producing facilities pursuant to the provisions of this act is consistent with the national security and will further effectuate the policy set forth in section 2 of the Rubber Act of 1948, as amended, with respect to the development within the United States of a free, competitive, synthetic rubber industry.

Now let me make one thing clear at the outset. This is not a political issue. President Truman, in 1950, recommended the sale of these facilities to private industry, and he reaffirmed that recommendation in 1952. And, in 1953, President Eisenhower recommended the sale of these facilities. Thus, on the basis of recommendations from both President Truman and President Eisenhower, the Disposal Act of 1953 was written. So there are no politics in this matter. This is a nonpolitical issue.

The basic question is, do we want the Government to stay in the rubber business, or do we want to get the Government out of the rubber business? Is this a legitimate enterprise for private industry, or is it an undertaking that must be maintained by the Federal Government?

Now, no one that I know of argues that the Government should stay in the synthetic rubber business. In fact, those Members of the House who appeared before our committee in opposition to the sale of these plants, stated that they believed the plants should be sold to private industry.

We all seem to agree on the basic philosophy, but not on the suggested solution.

Now it appears to me that there are three issues to be settled by the House:

First. Has full fair value been received for the plants?

Second. Is there adequate protection for small business users?

Third. Is there adequate protection against the creation of monopolies or combinations in restraint of trade?

In the opinion of the Committee on Armed Services, and in my opinion, the Government is receiving full fair value for these facilities, and small business is fully protected as to its source of supply of rubber, as I will later prove to a mathematical certainty. We have antitrust laws and if they are not adequate, then it is incumbent upon the Congress to make them adequate.

Now let us look at this full fair value proposition for just a moment.

The Rubber Disposal Commission has recommended the sale of 24 plants for a sales price of $285,465,000. This involves, 11 copolymer plants, 8 petroleum butadiene plants, 1 alcohol butadiene plant, 2 butyl plants, 1 styrene plant, 1 small DDM chemical plant.

The facilities that have not been recommended for sale include 2 copolymer plants, 1 alcohol butadiene plant, 448 tank cars.

Now the gross book values of all of these facilities amounts to $531,001,000. And on April 30, 1955, the contemplated transfer date, the reserve for depreciation will amount to $403,088,000. Now if you subtract $403,088,000 from $531,001,000 you will see that the book value of all of the facilities is $127,913,000.

Now this whole rubber program had an operating deficit of $194,806,000 on June 30, 1954. This figure includes heavy wartime costs, losses on the sale of facilities previously sold under other provisions of law, together with standby and reactivation costs.

Now the Government expects to make a profit of approximately $50 million between the period June 30, 1954, and April 30, 1955, so this will reduce the deficit as of April 30, 1955, to a total of $144,806,000. So if you add the total deficit of $144,806,000 to the net book value of $127,912,800 for all of the facilities you will see that the total unrecovered investment for the American people as of April 30, 1955, will amount to $272,718,800.

Now the Commission is going to sell the plants themselves, together with improvements that have been made since last August, for a total of $263,643,000, so in order to see where we stand we have to compare this return of $263,643,000 with the total unrecovered investment of $272,718,800. The difference is $9,075,800. That is the total net loss to the American people for the entire rubber program since its inception in 1941, including 4 years of operation during World War II.

Now these figures make no attempt to estimate the hundreds of millions of dollars that have been saved to the American people as the result of the existence of these plants during and after World War II. But just on cold dollars and cents, here is a program which has given the American people security in rubber for almost 13 years at a cost of $9,075,800.

This return to the taxpayers amounts to 96.6 percent of the unrecovered investment. But in addition, the Government will still retain ownership of 3 facilities and some miscellaneous equipment which have a net book value of $18,557,000 and if this amount is subtracted from the unrecovered investment, it can be readily seen that the recovery by the Commission for the facilities that are sold exceeds the unrecovered investment.

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Now in addition to that the purchasers will pay $22,122,000 for surplus raw materials and spare parts at the time the plants are transferred. And in addition the inventory of rubber on hand at the time the plants are sold will bring the Government an additional $24,800,000. Thus the total return from the sale of the plants to the Government amounts to $310,565,000.

Now let me reiterate.

The Government will receive $259,829,000 for the plants; $3,814,000 for additions or improvements that have been made to the plants since last August; $22,122,000 for the raw materials and spare parts; and $24,800,000 for the synthetic rubber on hand at the time of transfer. The total amount that the Government will receive amounts to $310,565,000.

Now let us compare what the Government will get for these facilities, with what the Government has received for other industrial plants that have been sold by the Federal Government. In this case, we have to compare gross book cost.

The Government will receive back from the sale of 11 copolymer plants, 8 petroleum butadiene plants, 1 styrene plant, 2 butyl plants, and 1 DDM chemical plant, a little over 62 cents for every dollar invested in the plants since the inception of the program.

Back in 1950 President Truman reported to Congress that 17 plants in the rubber program had been sold, including 4 styrene plants, 1 neoprene plant, 1 copolymer plant, 4 petroleum butadiene plants, and other miscellaneous plants, with a gross book value of $117,760,000, and for this the Government received $47,970,000, or a realization of 41 cents for each dollar invested.

Now, let us look at the record of the 13 plants that were constructed by the Federal Government which produced aluminum and aluminum products during World War II and shortly afterward were sold to Reynolds, Kaiser, and Alcoa. The report of the General Services Administration shows that these facilities, with a gross book cost of $300,956,000, were sold by the Federal Government for $110,218,000, or a realization of 37 cents on each dollar invested.

Now, this was a going business, and yet the Government was apparently satisfied when it received 37 cents on each dollar invested.

Now, let us look at another example—the Columbia Steel Company plant, constructed by the Federal Government, was sold to the Geneva Steel Co. for $47,175,000 at a time when the gross book cost amounted to $191,326,000, or a receipt of 25 cents on each dollar invested by the Federal Government.

In fact, the records of the General Services Administration show that Government surplus industrial property sold as of September 30, 1952, with a gross book cost of $3,741,500,000, was sold for $1,313,700,000, or 35 cents of each dollar invested. And the surplus industrial property sold by the Government since September 30, 1952, shows a gross book cost of $86,146,000, as against a realization of $27,736,000, or 32 cents on each dollar of Government investment.

Now, many of these facilities that were sold by the Government were sold without a national security clause or any contractual obligations.

So I say to you that a rate of 62 cents on each dollar of money invested in these facilities is a truly remarkable record, because every single one of these facilities has been sold subject to a 10-year national security clause. In other words, for the next 10 years these facilities must be maintained in such condition that they can manufacture synthetic rubber. I do not believe there is any record of sales of an operation of this size that can come anywhere near comparing with what the Government will realize from the sale of these facilities, and I attribute it to the safeguards that we placed in the 1953 Disposal Act that this House approved by a vote of 317 to 58.

Now, these plants have been making a profit under Government operation. They made a profit of $11,927,000 in fiscal 1951. They made a profit of $16,113,000 in fiscal 1952, a profit of $59,929,000 in fiscal 1953, a profit of $41,778,000 in fiscal 1954, and will realize a profit of approximately $50 million when the program terminates on April 30, 1955.

This has been offset, as I have mentioned previously, by an operating deficit which has accumulated over the years. And if the Government stayed in the rubber business for several years it could recover its total investment.

But when we compare these profits with those that might be made by industry we have to take into consideration Federal corporation taxes. So we can cut these Government profits in half to show their relationship to comparable industry profits. And any profits that are hereafter made by private industry on the operation of these plants will be subject to Federal corporation taxes.

In addition, the testimony revealed that these plants are going to be expanded. The purchasers are going to build more capacity and that means more production of synthetic rubber. In my opinion they are going to find many new uses for rubber and they are going to develop new types of rubber. That will mean more employment for the American people. It means more material benefits for the American people, and it means a greater tax revenue for the Federal Government.

Mr. Chairman, I say with all the sincerity that I possess, that I believe the Commission has done a truly remarkable job in recovering for the American people the full fair value of these facilities. From the facts and figures I have submitted to you, every Member of this House can see that this is no giveaway program.

Now let us look at this question of small business.

The distinguished gentleman from Illinois [Mr. YATES] appeared before our committee and speaking on behalf of the majority of the Small Business Committee stated:

> I should like to make it clear at the outset that our committee does not disapprove of the fundamental policy requiring the sale of the rubber facilities. We favor their disposal to private ownership, but under such terms and conditions as will assure the use of the facilities for the continued security of our Nation, the reimbursement of our taxpayers for the investment in the rubber facilities, the protection of all segments of our free enterprise economy, including the small-business men, and resistance to further enhancing the dominating position in their industries of giant corporations who have regarded the antitrust laws of the United States as trifling obstacles in their economic progress. In short, Mr. Chairman, we believe that the guaranties and safeguards established by the criteria set forth in the basic legislation have not been adequately observed by the Rubber Disposal Commission. It is for this reason we voice our objection to approval of the sales.

Now I am delighted to know that the gentleman from Illinois is in favor of the sale of these facilities to private industry. He seems to disagree, however, with the program recommended by the Commission.

Now the chairman of the Small Business Committee, the distinguished gentleman from Texas [Mr. PATMAN], who has had a long and brilliant career in the Congress, and particularly in the field of protecting small business, also testified that he was in favor of selling the plants to private industry. Here is what Mr. PATMAN said:

> Now the good thing about this is that you are disposing of the plants to private industry. I am for it. We are all for the private enterprise system. We want the profit system. We want to dispose of them. That part is good. But how the bad outweighs the good is the fact that you destroy the competitive market in rubber, and you create a monopoly if this disposal plan is approved.

So we have two members of the Small Business Committee who are in favor of selling the plants to private industry. But not to the people that are recommended as purchasers by the Disposal Commission.

As a matter of fact, Mr. PATMAN does not think that any executive branch of the Government should have any say in the sale of these plants. Mr. PATMAN said:

> Now the question of establishing these plants in the first place was a political question. In a democracy it is a political question. The question of disposal of the plants is a political question.

Instead, the gentleman from Texas [Mr. PATMAN] suggests:

> That this committee—

Meaning the Armed Services Committee—

> and the comparable committee in the Senate, get together and negotiate, themselves, for the disposal of these plants because it is a political question, and when you get ready to report a deal with small concerns, and if they are not able to supply the capital that is needed and necessary to make the purchase, recommend to Congress that the capital be supplied by the United States Government.

So what the distinguished gentleman from Texas would have us do, is to announce to any person in the United States who wants to buy one of these plants, that all he has to do is come to Washington, and sit down jointly with the representatives of the House Committee on Armed Services and the Senate Banking and Currency Committee and do a little negotiating. Do not worry

if you do not have the money because we will take care of that, too. We will loan you the money.

Now I understand there are about 800 consumers of rubber in this country, so can you not just see the Halls of Congress overflowing with prospective purchasers who have been told they can come to Washington and try to make a deal for a rubber plant. Do not worry if you have not got any money because the committees will take care of that too.

Well, I know that the gentleman from Texas means well. I know of his interest in small-business concerns throughout the Nation, and I know that he is sincere in his belief that we should make every effort to encourage small business, and I won't take issue with him on that because I believe in the same thing. But I think the gentleman from Texas overlooks a few major objections to his proposal.

In the first place, this is not a political question. The plants were originally constructed with money put up by the RFC in a company known as the Rubber Reserve Company, with the concurrence of the President. The Congress did not specify what kind of plants to build or where to build them.

I am afraid that what the gentleman suggests might well be an unconstitutional invasion of the power of the executive branch of the Government. The executive branch of the Government constructed these facilities, and in my opinion it was proper for the Congress to place in the hands of the executive branch, through a commission appointed by the President, the responsibility for recommending purchasers for the facilities.

A greater objection to the gentleman's suggestion is that there is not a committee in Congress, to my knowledge, equipped professionally to negotiate for the sale of these plants, taking into consideration all of the engineering, chemical, and financial knowledge that is necessary to come up with sensible answers.

No committees or subcommittees of the Congress would have the time to enter into these negotiations. And, if Congress has to put up the money for small business to buy these plants, why should not the Congress keep the Government in the rubber business. Why switch to the left hand something you are already doing with the right hand? I am afraid I can't see any merit in the suggestion of the gentleman from Texas.

And finally, the gentleman from Texas overlooks one very significant fact. The synthetic rubber business is not small business. It is big business. Now let me read to you for a moment what President Truman said back in 1950 about the synthetic rubber facilities when he recommended that the facilities be sold to private industry. He said, and I quote from his report to the Congress:

> In the first place the program involves facilities and operations of a magnitude which cannot usually be handled by firms ordinarily included in the definition of "small business."
>
> Operation of any of these facilities would require the assumption of sizable financial responsibilities, as well as substantial amounts of working capital. It is estimated that a working capital of approximately $1 million would be required to operate a butadiene plant of 55,000 short tons a year design capacity, while approximately $2½ million would be required to operate a GR–S or butyl plant with a design capacity of 30,000 long tons annually.

Mr. Chairman, this is big business. These sales involve in excess of $300 million. Small business could not possibly operate these plants, except by joining together and forming a corporation for the purchase of one or more of the facilities. And that is exactly what two of the purchasers have done. The American Synthetic Corp., one of the purchasers of a copolymer facility at Louisville, brought together 29 companies and formed a corporation to purchase and operate this facility. Some of the companies are big business, some of them are relatively small.

And the Copolymer Corp. was organized by seven relatively small tire manufacturers to purchase both a copolymer plant and a butadiene plant at Baton Rouge.

The president of the American Synthetic Corp. testified before the committee that he had solicited a large number of so-called small-business users in an effort to get them to join with him in forming a corporation to buy a copolymer plant. And that effort was widely publicized in letters to Members of Congress and in trade journals. So small business, using that term in a relative sense, has had ample opportunity to participate in the purchase of one of these facilities.

Now look at this small-business situation. Mr. Yates, the distinguished gentleman from Illinois, expressed concern over the small-business interests in the United States, as I have previously mentioned. He did not think that there was a sufficient availability of GR–S to satisfy the needs of small business and, as a matter of fact, he said that the way he figured it there would be only 88,000 tons available for small business.

We asked every single purchaser of a copolymer facility how much he was legally committed to make available to small business on the basis of the annual assigned capacity of his plant. We made each copolymer purchaser state in long tons the amount that he could make available to small business, and that total amounts to 152,520 long tons a year.

This is far in excess of the needs of small business. Mr. Yates claims that this is based upon capacity and not upon last year's actual production. Well, the answer to that is very simple. The only time a legal guaranty of availability for small business is necessary to protect the small business is when there is a large demand for synthetic rubber. And when there is a large demand for synthetic rubber the plants will be operating at capacity. That is when the legal commitments become effective for practical purposes.

Now in calendar year 1954 purchasers of GR–S other than those who are participating in the disposal program bought approximately 112,000 tons net of GR–S. In fiscal 1954 they bought approximately 127,000 tons net of GR–S. But the plants were not operating at capacity last year because the demand was not as great for synthetic rubber, and in addition the Federal Facilities Corporation was attempting to reduce its inventory—the stock—to a reasonable tonnage figure. As a matter of fact they have reduced their inventory from 72,000 tons to around 40,000 tons. Had there been a heavier demand for synthetic rubber, the facilities would have produced more rubber. It is as simple as that.

Now of course every time we get into the question of small business the problem arises as to what is small business. Well, the Disposal Act defines small business. It says that the term "small business enterprise" means "an enterprise independently owned and operated which is not dominant in its field of operation, due regard being given to the number of its employees and dollar volume of business." And the Disposal Act is part of every sales contract.

Now, note that the definition of small-business enterprise talks about an enterprise independently owned and operated, which is not dominant in its field of operation. Note that it must be independently owned and operated, and note that due regard shall be given to the number of its employees and dollar volume of business. Now, every single one of the copolymer purchasers was asked this question:

> Section 21h of the act defines the term "small business enterprise" as an enterprise independently owned and operated which is not dominant in its field of operation, due regard being given to the number of its employees and dollar volume of business. Do you agree that this would exclude a subsidiary company of a purchaser of a copolymer facility from participating in a share of GR–S to be made available to small business?

Every single copolymer plant purchaser answered in the affirmative and stated that it would exclude a subsidiary.

Now, what does "due regard being given to the number of its employees and dollar volume of business" mean? Well, President Truman referred to that subject in his report to the Congress in 1950. He said a business enterprise is considered to be "small business if, first, its position in the trade or industry in which it is a part is not dominant; second, the number of its employees does not exceed 500; and, third, it is independently owned and operated."

Now, there will always be room for argument as to who is and who is not small business, and I doubt whether anyone can ever define small business in such a way as to make it airtight in all respects. And particularly in this field where we are dealing not with one industry, as such, but with many industries, it would be practically impossible to come up with a strict definition of small business. But we know it does not apply to a subsidiary of any one of the purchasers; we know that it does not apply to any company that is dominant in its field; and we know that due regard can be given to the number of employees and dollar volume of business. We know that it does not apply to large rubber consumers such as General Tire & Rubber who are not participating in this program, or General Motors, or the Richardson Co. These

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3, in 1954, were among the 18 largest purchasers of synthetic rubber from the Government.

Now, the next question, then, is whether these commitments that are contained in every single sales contract for a copolymer or butyl facility are enforceable.

In that connection, we asked each purchaser of a copolymer and a butyl facility the following question:

> In the sales contract governing this facility you assume an obligation to make available a portion of your production to small-business users. Do you consider this obligation to be a legal obligation which is enforceable in the courts by small-business users, or in their behalf?

Every single purchaser of a copolymer or butyl facility answered in the affirmative. The purchasers of these facilities recognize the fact that they have assumed a legal and moral obligation to make available a portion of their production for small business, and as I have stated, that guaranteed availability, based on capacity, amounts to 152,520 long tons.

That figure was arrived at by asking each purchaser of a facility the following question:

> What percentage of your planned production expressed in long tons do you intend to make available to small business on a continuing basis?

The answers are in the report, but let me repeat them here:

Shell Chemical said 20,000 long tons.

Phillips Chemical said 40,320 long tons.

Texas-United States said 17,400 long tons.

Goodyear said 11,500 long tons.

Firestone said 26,000 long tons.

Copolymer Corp. said 4,900 long tons.

United States Rubber said 13,000 long tons.

American Synthetic said 4,400 long tons.

Goodrich Gulf said 15,000 long tons.

Total, 152,520 long tons.

Now, it is all well and good to talk about monopoly and industrial giants, antitrust violations, and malfactors; but where would this Nation be today, as far as rubber is concerned, if it were not for companies like United States Rubber, Goodrich, Shell Oil, Phillips Petroleum, Goodyear Tire & Rubber, Firestone Tire & Rubber, Hewett Robins, Dayton Tire & Rubber, Anaconda Wire & Cable, Phelps-Dodge Corp., Standard Oil Co. of New Jersey, Seiberling Rubber Co., Mansfield Tire & Rubber, Gates Rubber Co., Endicott-Johnson, Dewey & Almy Chemical Co., Raybestos-Manhattan Co., Thermoid Co., just to name some of the participants in this program?

Yes; many of these are big business, and some of them, in comparison with others, are relatively small, but they have all contributed to the greatness of this Nation; they employ thousands of American citizens; they are owned by thousands of stockholders; and if we cannot place our confidence in their ability to manufacture synthetic rubber and maintain competition in the rubber industry, if we cannot believe their recorded testimony, then this Nation is heading for serious trouble.

Mr. Chairman, let me say to you that, every Member of this House when he drives his automobile places his life daily in the hands of the manufacturer of tires, and undoubtedly the tires that you ride on are manufactured by one of these purchasers. If you can put your lives in their products, then you ought to have no hesitation to put confidence in their testimony. I do not know what else could have been done to make a better program.

Now, the Honorable EMANUEL CELLER, the distinguished chairman of the House Judiciary Committee, came before our committee and said:

> Many of these successful bidders are self-confessed law violators or have been found guilty before a judicial tribunal. They thus come before this tribunal with unclean hands. They are malefactors and should be treated as such. This Congress should not reward them by turning over to them valuable plants, no matter how convenient it might be to the Government or to the members of the Rubber Producing Facilities Disposal Commission.

And Mr. CELLER, further on in his testimony, said:

> We should separate the wheat from the chaff. Those who have not violated the law might well get the plants, but those who have violated the law should not receive these valuable plants from the Government with the tacit approval of this committee.

I say to the distinguished chairman of that great committee that what he says is the equivalent of a bill of attainder.

I will not defend these corporations who have violated the antitrust laws insofar as their practices are concerned; I do not condone law violators, but I recognize that many of these convictions involve pleas of nolo contendere, because it is cheaper to pay the fine than contest the case; and at the same time I recognize that some of them were outright violations.

But antitrust violations are not confined to the rubber, petroleum, and chemical business, and if we accept the condemnation proposed by the distinguished gentleman from New York, then we are in effect condemning a large portion of the industrial might of America.

We are not only indicting the corporations or imposing upon them a bill of attainder, we are also indicting their stockholders. Certainly in our system of justice, a man, when convicted of a crime, is not to be branded and never again allowed to raise his head in society.

If the laws are inadequate, I submit that it is the function of the House Judiciary Committee to make those laws effective. I hope they succeed in raising those fines to a point where they will carry with them a penalty that will hurt. Let the Antitrust Division bring suits for divestiture, bring in to play every single legal weapon available, but do not say to anyone in this Nation that because you have violated the antitrust law you will be branded forever.

If we carry the philosophy of the gentleman from New York to its ultimate, why should not we say that if they cannot buy the facility, neither can they engage in Government contracts.

And I would like to ask the gentleman from New York what would happen to our national-defense program if we should extend his philosophy to the point that any corporation ever convicted of violating the antitrust laws could not enter into contracts with the Federal Government. I dare say that our national-defense program would come to a halt.

I do not think that eternal damnation as punishment for offenses is a safeguard against their recurrence. After all, the antitrust laws are only regulatory laws.

We have not found it necessary to ban the sale of automobiles, nor to tear up our highways, because traffic laws are violated and many people injured, some killed. Our remedy is to improve enforcement and increase safety devices. We use the preventive means which are available to us. Has anyone yet thought that the answer to decreasing the toll of life and property on our highways is to require everyone to walk?

It has been inferred that in times of emergency these firms would hoard rubber. To begin with, we have the national-security clause in each of these contracts. We also have all of the power of the Federal Government to make critical materials available for our national needs. We are not stultified as a Government, no matter who owns properties needed in time of war or national emergency.

I do not believe that we should be overwhelmed by size nor dismayed by bigness to the point where we believe that, as a nation, we are no longer by law and regulation able to cope with the duty of protecting all the people. I am not willing to concede that our laws are ineffectual and that enforcement would be futile. We are not so impoverished yet.

Now, Mr. Chairman, we have shown that the Government is receiving full fair value for these facilities.

We have proved to a mathematical certainty that small business will be assured of more than an adequate supply of synthetic rubber.

We have proved that national security is protected.

We have answered the charges with regard to monopoly and combinations in restraint of trade.

That leaves only one last leg upon which the advocates of this resolution can try to stand, and that is the selling price of natural and synthetic rubber.

Now, Mr. Chairman, we hear dire predictions about what is going to happen to the price of rubber if these plants are sold. These predictions are based on the assumption that the tire companies, three large oil companies, and some other participants in this program are going to get together and force the price of rubber up. The prediction is that the price is going to go sky high.

Well, now, let us just look at the facts. Three of the purchasers of these facilities are nonfabricators; that is, 2 purchasers of copolymer facilities, Shell and Phillips, with a combined capacity of 152,000 long tons of GR–S, and Standard Oil Co., with a capacity of 90,000 tons of butyl, do not use rubber in anything they manufacture. They have to sell this rubber to sustain these operations. They are not buying these plants to close them down. They are buying the

plants to manufacture rubber and to sell rubber.

Now, we went into this question of price and availability of rubber very thoroughly during the hearing. Every single purchaser of a copolymer facility was asked this question:

At what price do you propose to sell GR–S hereafter manufactured in your own plant?

And here are the replies:

Shell: 23 cents f. o. b.

Phillips: 25 cents delivered.

Texas-United States: At competitive prices.

Goodyear: 23 cents.

Firestone: 23 cents.

Copolymer Corp.: At competitive prices.

United States Rubber: 25½ cents to 26½ cents a pound delivered for special types of rubber.

American Synthetic: 23 cents.

Goodrich-Gulf: 23 cents.

Phillips Chemical stated that they have already entered into 5-year contracts for synthetic rubber at 25 cents a pound delivered, subject to an escalator clause, based on labor costs and costs of raw materials.

Other companies have entered into contracts for the sale of GR–S for lesser periods of time. In the meantime, several of the purchasers plan to expand their facilities. And these companies are not going to extend their facilities just to see them stand there idle.

They are buying these plants and expanding these facilities to manufacture synthetic rubber.

The more they manufacture, the more competition there will be. The more competition there is, the lower the prices. It is as simple as that.

And the lower the price of synthetic, the lower the price of natural rubber.

Many of the purchasers of the copolymer facilities in this program are large purchasers of natural rubber, and as they increase their production and consumption of synthetic rubber, they will obviously decrease their purchases of natural rubber. As a result, the price of natural rubber will have to be lowered to be competitive.

Now, Mr. Chairman, I know that attacking big business is a popular thing to do, and it is easier to make dire predictions in an effort to support those attacks, but when all is said and done, in spite of all of these predictions that I have heard in the years gone by, and I will hear in the years ahead, the facts are we still live in the greatest Nation in the world; the facts are we still have the highest standard of living of any nation in the world; the facts are we are still making more progress in all endeavors than any nation in the world; the facts are we are still expanding our economy; the facts are we are still seeking greater material and spiritual wealth; and the facts are we are still a Nation established on the free-enterprise system and we are flourishing thereunder.

As for me, I have not lost confidence in the American free-enterprise system.

And I will not be stampeded into the nationalization of the rubber industry by fantastic predictions which have as their basis a complete lack of confidence in the system which made this Nation great.

DISPOSAL OF SYNTHETIC RUBBER PLANTS

Mr. PATMAN. Mr. Chairman, I yield myself 35 minutes.

Mr. Chairman, first of all I want to thank the distinguished chairman of the Committee on Armed Services for the very careful and very thorough consideration he gave to this resolution. I also desire to thank the members of the committee because they were very attentive and looked into the questions very carefully. I know that they are doing what they believe is right in the circumstances. The questions in dispute are few. There is no personal question involved. There is no partisan political question involved.

A DEMOCRACY IN A REPUBLIC

When I made the statement before the Committee on Armed Services that this was a political question, I also stated in a democracy questions of this type are necessarily political questions. We are not, as a form of government, necessarily a democracy. Neither are we necessarily a republic. I believe the correct definition of the type of government we have is a democracy in a republic. And I think that is the proper definition for the type of government we have. In this type of government, plants like this, which are built by the Congress become a political question. The disposition of those plants is a political question—not a partisan political question, but a political question—necessarily so. That is what I meant when I stated a political question before the Committee on Armed Services.

ECONOMIC QUESTION

The gentleman from Georgia is, I am afraid, looking at this too much as a question involving armed services and military affairs, and not looking at it enough from the standpoint of the economic questions involved. If he does that, it is perfectly natural. The other day the gentleman's committee submitted through the distinguished gentleman from Texas [Mr. KILDAY] a very complicated bill on increased pay for the armed services—a military bill. I did not know anything about that bill. I know there is not a single committee that I am on which would be capable of handling that bill because there are too many complicated questions involved, which we would not know anything about. I just wonder if the Committee on Armed Services has taken into consideration all the economic questions which the Committee on the Judiciary, or the Committee on Banking and Currency, would take into consideration. I assume they have. I know they honestly try, and I am not questioning their motives or their intentions, but I just wonder if they have been living with these questions like the other members of other committees have.

ORDER OF IMPORTANCE

As a somewhat convincing proof that the Committee on Armed Services' chairman does not look upon these questions as some of the rest of us do, I think he had the order of preference in the consideration of the disposal of these plants in reverse. He had first the consideration of the value of the plants—and what we were getting for them.

Then he had next, small-business protection. Then next, protection of the public against monopoly. I would put them in the reverse order. I would say the public interest comes first. Following that we should look at the question of monopoly, No. 1, make sure that the public is protected against monopoly. That is the principal question, not No. 3. No. 2 is small-business protection. Will there be insured protection of the competitive enterprise system in our country? No. 3, value. Value does not amount to a great deal when the question of monopoly is involved. The monopoly may continue for a hundred years. So that value is not the most important question here.

WHAT IS THE ALTERNATIVE?

I remember when a few Members of this House visited President Eisenhower. He was then General Eisenhower. We visited him in Paris. We asked him quite a few questions. As usual, he always gave us a good answer. When we would ask him a question that looked like there was a lot to be said on the other side, he would say, substantially: "Now that sounds plausible, but I have always said, What is the alternative?" Let us look and see what the alternative is. That is what I am asking the Members to do today, to see what the alternative is. I cannot help but believe if the gentleman from Georgia [Mr. VINSON], had spent as much time trying to find an alternative as he has spent in giving us careful consideration and showing us courtesies and defending his own position, which was well known before the hearing started, he would have come up with a good alternative, and something that would not be monopolistic and would not destroy small-business enterprises in this country.

Now, Mr. Chairman, the gentleman from Georgia [Mr. VINSON] said that small-business concerns will be protected, No. 1. There were no bids, as I said before the committee, except from the large concerns. The gentleman from Georgia said a while ago—he did not mention my name in connection with this, but evidently he was answering this—he said two of the groups who are purchasers were composed of small concerns: The American synthetic group was one, and the other was the Copolymer Corp. group at Louisville. Let us see how small they are. In the American synthetic group there are such concerns as the Anaconda Copper Mining Co., with $839 million of assets, and the American Cyanamid Co., with $443 million. They are the little fellows he was talking about. The other group, the Copolymer Corp. group, that is the Louisville group, includes such concerns as that great concern, Sears, Roebuck & Co., which had $1,400,000,000 assets. You can see they are not composed of all little fellows. The truth is a little man could not bid on this. There is a good reason why. Eventually we might be held responsible as Members of Congress for not making it possible for the little man to bid. Here is what the little man is faced with. First, he turned

to the Small Business Administration and discovered to his disappointment that the Small Business Administration cannot make a loan of over $150,000. In other words, it only helps little fellows to compete with little fellows. It does not help little fellows to compete with the big fellows. Therefore, there is no help there. Then he would go to the bank. The local bank goes to the large bank in New York. It takes a big bank to handle a deal like this. Finally, the application for a substantial loan goes to the directors of that big bank. And whom will he see sitting around the directors' table? People interested in these big rubber companies and big oil companies. Do you think they will make it possible for him to have a loan? Of course not. I have gone through cases exactly like this, involving a small steel plant in the district I have the honor to represent.

Then he will turn to the insurance company, the only other source that he has for funds. He goes to one substantial insurance company that is able to make him a loan. He finally winds up around the directors' table, and who does he find there considering his application? The same people that he found over at the bank. They are connected up with these different companies who are buying these plants. If you think he has a chance there you are mistaken; of course, he does not have a chance. Where is he going? He has no chance. What is he going to do? He is not going to say much about it; he probably is not going to wire you, but he expects you, though, to protect his interests. He is afraid to wire you. He is like a scared rabbit in a brush pile. He is afraid to draw his breath. He knows that if he complains his chance to get raw material to keep him in business, a little concern that is employing local people, his chances are not good; they will cut his supplies off. That is the reason he expects you to look after him.

MONOPOLY IS THE QUESTION

This is the first time since I have been a Member of this Congress—nearly 27 years—that I have ever known the question of monopoly to be presented directly to the Members of the House. Today we are voting on the question of monopoly. Do you favor monopoly? Are you in favor of the monopoly that now exists between the four rubber companies that produce and distribute 80 percent of the rubber tires in America? If you vote this down you vote in favor of a continuation of that trust. These four rubber companies control and distribute 80 percent of the rubber tires. So should you vote this down you would be voting not only to grant them a continuation of the 80 percent, but to give them an opportunity to get the remaining 20 percent. That is the question you are called upon to vote today, my friends; it is a question of monopoly.

Mr. HOFFMAN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Michigan.

Mr. HOFFMAN of Michigan. I can sympathize with this small man who has been going around to the banks and these insurance companies for a loan; but if he got the loan he wanted, would he not then be a big fellow?

Mr. PATMAN. The question of small business is a relative term. You know, people that are big in proportion to other businesses can be very small in that particular business. Take Studebaker and Packard, they are small business in comparison with General Motors, Ford, and Chrysler. It is a relative term; it is not a question of 500 employees or a million dollars; it depends on the business. That is what I mean.

Mr. HOFFMAN of Michigan. Will the gentleman yield further, Mr. Chairman?

Mr. PATMAN. I yield.

Mr. HOFFMAN of Michigan. The gentleman is making a very instructive statement so far as I am concerned, and I appreciate it. But as I understood the gentleman he was saying that he wanted to help the small-business man. The small-business man wanted to get a loan so he could compete with the big fellow. My point was that if he got the loan he was asking for he would then be a big fellow himself—would have to be in order to be able to compete.

Mr. PATMAN. In some instances that would be true.

Mr. HOFFMAN of Michigan. But in this particular instance?

Mr. PATMAN. No; I think he would be too small.

Mr. HOFFMAN of Michigan. Then does the gentleman disagree?

Mr. PATMAN. I do not care how much he received as a loan he would still be small in comparison with any one of the big four—relatively small.

Mr. HOFFMAN of Michigan. There is one thing I do not understand: In the gentleman's mind who can purchase these plants?

Mr. PATMAN. Only the big ones can as has been presented to us.

Mr. HOFFMAN of Michigan. How can the little fellow buy one?

Mr. PATMAN. How is that?

Mr. HOFFMAN of Michigan. How can the little fellow buy one of these plants?

Mr. PATMAN. As I have suggested. The chairman of the committee, of course, presented my plan in a somewhat cumbersome way, which is his privilege, but I still think that somewhere an opportunity should be given to little people over the country to purchase one of these plants or get the benefit of it.

I received a letter from Georgia just this morning. I will read it. It is from Gainesville, Ga., and is addressed to me:

> Why not try to save the rubber plants for all the people by forming a stock company and selling the stock to the public? This could be done by not permitting any person, corporation, or holding company or proxy holder voting more than 500 shares or owning more than this amount. Of course, the Government would keep control until it sold the stock. Possibly the writer would like to buy a hundred shares or more.
>
> Respectfully,
>
> C. F. SMITH,
> *108 East University Avenue.*

I think it would be possible for the Congress to set up an agency to make it possible for good people to be available to run these plants, set up in some way so that the little people could buy an interest in them and not turn them over to the big rubber companies. Monopoly is what I fear here. We will be faced with that proposition. These rubber companies are playing for keeps. Are they going to carry out these contracts? We do not know. I am sure they will carry out their written contracts, but they are so vague and indefinite. The contracts as written do not guarantee anything to the little man. Take it from me, the contracts as written do not guarantee anything for any particular little man. Nothing. I yield to anybody who disputes that statement.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. As I understand the gentleman, he is fighting to prevent greater monopoly as a result of which there are higher prices charged and the little man, the small, independent businessman, and the consumer suffers?

Mr. PATMAN. That is right.

Mr. ALBERT. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Oklahoma.

Mr. ALBERT. Just a question in connection with these questions that were asked about the various companies as to prices at which they would sell rubber, averaging about 23 cents a pound I believe, in accordance with the statement of the gentleman from Georgia [Mr. VINSON]. Was that a guarantee and, if so, how long was it to last?

Mr. PATMAN. There is no guarantee. There is no guarantee in the contract. There is nothing in the contract to guarantee it at all.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from New York.

Mr. KEATING. Does the gentleman know whether or not in the hearings before the Committee on Armed Services any representations were made by the smaller rubber companies as to a willingness or ability to purchase any of these plants?

Mr. PATMAN. I do not think they would dare show up because the situation is too dangerous for them. They know they do not have a reasonable chance of doing anything. The capital is not available. There is no place they can turn. They would be doing a very risky thing to stick their necks out in opposition to these big rubber companies when the big rubber companies will determine whether or not they get raw rubber or raw materials to continue operating their plants. It would not be good business on their part.

Mr. BROOKS of Louisiana. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Louisiana.

Mr. BROOKS of Louisiana. I have a file here in my hand submitted by the representative of the American Synthetic Rubber Co. that endeavored to organize a company of litle men, I mean men who would put in $1,000 to $5,000 or maybe $10,000.

Mr. PATMAN. That is the American Synthetic Rubber Corp.?

Mr. BROOKS of Louisiana. The American Synthetic Rubber Corp. I went through the private file which was submitted to me. I have a letter from one of them and here is what he says. I propose later in my speech to use a number of them.

> Although we do not operate a rubber plant that consumes a relatively small quantity of GRS, our principal interests are in the production and sale of bronze, iron, carbon, and corrosion resistant valves. Therefore we do not feel that we could justify our participation in the American Synthetic Rubber Corp.

There are a series of letters, giving different reasons.

Mr. PATMAN. The American synthetic group includes concerns with assets of nearly a billion dollars. They are not little fellows by any means. They would not be in here if they were little.

Mr. Chairman, the gentleman from Georgia makes a big point out of the fact that the contracts say they will help the little man. The strongest phrase in connection with that is from Firestone.

Firestone says that the purchaser proposes to make available approximately 15,000 long tons per year of GR–S tires of rubber produced at the facility at fair market prices to small business enterprises. All right. How are you going to carry that out? Supposing you are already using raw materials from this plant that Firestone is buying and you go to Firestone and you say, "You said you would let us have so much." They would say, "We will carry it out." Well, they may decide to select another customer. Suppose there are two customers in a town using the raw materials from this plant. There is nothing to keep Firestone from saying, "You have to close up. We are not going to furnish you, Mr. A; we are going to deal with Mr. B." Well, they would still be carrying out their agreement with the Government. They do not say, "We are going to furnish it to any particular person" and they do not say, "We are keeping these 800 existing plants in operation." There is no protection in the world. That is the construction to be placed on any one of these contracts.

Look at Goodrich-Gulf, Port Neches, contract. The purchaser proposes to make available approximately 15,000 long tons per year of GR–S type rubber produced at the facility for sale at fair market prices to small business enterprises. Do you have any binding contract on that? How would you enforce it? To whom would you complain, the manager of the plant? He would not tell you anything. Could you get the information? No, there is no way to get the information. You are at row's end, just like the small-business man trying to get money to bid on these plants. He has no place to turn. And, the Congress is likely to be held responsible for that condition.

Take the Goodyear, Akron, plant. The contract says that the purchaser intends that some substantial part of the synthetic rubber produced at the facility will be made generally available to small business enterprises. Is that a binding contract? Of course it is not. It is just the same as saying, "We will help the little fellow sometime, maybe." There is no specific obligation or responsibility here at all.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Illinois.

Mr. YATES. Mr. PHILBIN, a member of the Committee on Armed Services, asked Judge Barnes, of the Antitrust Division of the Attorney General's Office, this question:

> Mr. PHILBIN. Is it your opinion that an aggrieved small-business concern which did not get any portion of this production as provided for by these so-called warranties—would that concern have an action in court to sue directly or would he be remitted only to the remedy that he might have through Government action?
>
> Mr. BARNES. I doubt it very much, sir, if the small-business man has a direct remedy and I think from a practical standpoint it shouldn't be considered as very effective, because the small-business man that we are talking about there is of such limited financial means that he has difficulties in trying a case like that under any theory of third-party beneficiary, whatever it might be. I don't think it is a very practical remedy.
>
> Mr. PHILBIN. You don't think as a practical matter but as a legal matter he wouldn't have very much of an opportunity to get legal redress in any form?
>
> Mr. BARNES. I will answer it this way: As to a practical matter, no. As to a legal matter, I would want to think it over.

Here is the legal officer of the United States, who appeared before the Committee on Armed Services, who was not convinced that a small-business man would have any redress under these warranties.

VOTE AGAINST MONOPOLY

Mr. PATMAN. That is a good point. I repeat, you are voting on a question of monopoly here. A vote against this resolution is a vote for monopoly. You cannot construe it any other way. That is the only thing that is involved. Take the CONGRESSIONAL RECORD of yesterday, on page 3293, and you will find a résumé of all these contracts. I put them in the RECORD last night. And, every one of them is practically the same. They use a little different language, but their promises are just as vague and just as indefinite, and one of these days we might be called upon to say why we were willing to accept such vague and indefinite promises.

Mr. DURHAM. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from North Carolina.

Mr. DURHAM. Can the gentleman explain the difference between Government monopoly and private monopoly? Will not the gentleman admit that this is Government monopoly?

Mr. PATMAN. I do not want Government monopoly. The first thing I said was that I was in favor of disposing of these plants. But, I also say let us look at the alternative. The bad outweighs the good. We must find some way to dispose of them so that we will not create a monopoly and destroy the private enterprise system of this country that was built up and fostered by small concerns.

Mr. DURHAM. Again I ask the gentleman, is this not, in fact, a Government monopoly as it presently exists?

Mr. PATMAN. It is not a monopoly, because raw rubber is in there, all kinds of rubber. The gentleman mentioned rubber, brought up the rubber question. A year ago in February the price of synthetic was 23 cents a pound. It was Government fixed. It helped everybody, the little concern, the big concern, and all. Raw rubber began to go up. It went up in 1 year to 38 cents a pound. On February 16, for some unknown reason, a statement was given out by a department downtown, and raw rubber commenced going down to 30 cents. But it had gone up to 38 cents. That shows what it will do. If these companies put the price of synthetic up to just 38 cents, as it was February 16, they will make enough money in 1 year to get back all of this purchase price. There is no guaranty that they will not increase the price.

After the Korean war started, the price of rubber went up between 75 and 80 cents a pound, in just 30 days' time. If it goes up that way again, they would make as much in 3 months as the entire cost of all these plants.

The price, of course, is not the major consideration. It is a question of monopoly. It is also a question of protecting the small man.

One of these companies, in the Goodyear-Houston deal, said:

> The purchaser intends that some substantial part of the synthetic rubber produced at the facility will be made generally available for sale to users other than the Goodyear Tire & Rubber Co.

That is just about as vague as you can make it—"substantial part"—"generally available."

Suppose a constituent calls on me to explain, if I vote for this, "What did you mean by protecting me with that kind of a loose phrase?" What kind of a lawyer would it be who recommended to a client that he accept such a loose phrase in a contract? That is exactly what we are expected to do here. We are voting for the loosest kind of language that affords no protection to the little man in this country.

Let us turn to another one of these deals, the Phillips-Borger contract:

> Purchaser desires to sell the major portion of its production to such small-business enterprises—

"The purchaser desires." Is that a very positive phrase? You could not borrow any money on it if you depended on that phrase for protection, could you? If you had a little plant and you wanted to borrow money from your local bank, the local bank would say, "What assurance have you that you will get the raw rubber to continue the operation of your plant?" And the little customer would say, "Well, the Phillips Co. bought that plant and they say that they desire to sell me a portion of their production." But do you think the bank would let you have any money on that? Of course, they would not. But that is what we are expected to swallow here, because that is

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what we are expected to use as a guaranty to the small man who is to be protected.

Another deal is the United States Rubber contract:

> The purchaser is prepared to make available between 50 percent and 60 percent—

Available to whom? I challenge any member of this committee to cite me one word or phrase or paragraph that guarantees 1 pound of raw material in the form of rubber to any one of the 800 facilities that are considered little business in America today who employ 255,000 workers. I yield to any member of the committee who will stand up and say that there is a word in 1 of these contracts that guarantees to 1 of these 800 that he will continue to get his supply.

Mr. DURHAM. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. DURHAM. Can the gentleman point out——

Mr. PATMAN. I should like the gentleman to answer the question. I said that I would yield to any member of the committee that is prepared to point to a word, phrase, or paragraph that guarantees what I have just mentioned.

Mr. SHORT. Mr. Chairman, will the gentleman yield to me?

Mr. PATMAN. I yield to the gentleman.

Mr. SHORT. Every single witness for a proposed purchaser for these plants for sale stated that they were not only legally but morally bound to deliver a certain percentage of their product to small business.

On page 1133 of the hearings, Mr. Blandford, our counsel, asked this question:

> What percentage of your planned production, expressed in long tons, do you intend to make available to small business on a continuing basis?

Mr. Coe replied:

> May I read the commitment, Mr. Chairman?

Then Mr. Coe read:

> The purchaser is prepared to make available between 50 and 60 percent, up to 13,000 tons, of the tonnage of synthetic rubber annually produced at the facility, for sale to small-business enterprises as defined in section 21 (h) of the act and other users upon the terms and conditions prevailing on the open market.

Mr. Coe said:

> That is our commitment.

That is our comment, and that goes for every witness that appeared before our committee.

Mr. PATMAN. If I were a lawyer representing a client and I recommended to him to take that, I do not feel that I would be representing my client. But let me put this question again, and to the Chairman.

Mr. VINSON. Let me answer it.

Mr. PATMAN. I want to put the question so there will not be any ifs, ands, or buts about it; it will be a positive and direct question. I want language pointed out to me in any of these contracts that will assure or guarantee that any one of the 800 fabricators in America will continue to get the raw materials to continue their plants. Show me that language. That is what I am asking. Can the gentleman show it or not?

Mr. VINSON. Mr. Chairman, will the gentleman yield to me?

Mr. PATMAN. Of course I will.

Mr. VINSON. In response to the gentleman's inquiry, I respectfully invite the attention of every Member of the House to my answer. We propounded this question to every witness who bought a Government facility:

> What percentage of your planned production, expressed in long tons, do you intend to make available to small business on a continuing basis?

Each one of them stated the amount, to a grand total of 152,520 tons.

Question 8.

Mr. PATMAN. Wait just a minute there. You say, "do you intend." That word "intend" is a pretty loose word used in that sense. Their intentions can be quite good today, and after they get these plants they might change.

Mr. VINSON. Let us read this and let the Committee understand it. Here is the question:

> What percentage of your planned production, expressed in long tons, do you intend to make available to small business on a continuing basis?

The answer was, 152,520 long tons.

Mr. PATMAN. "Do you intend?" You should have added the phrase "at this time."

Mr. VINSON. I am sorry I differ with the great economist who is now addressing the House.

Mr. PATMAN. I do not know that I am an economist.

Mr. VINSON. The gentleman has challenged us.

Mr. PATMAN. You have not answered my challenge.

Mr. VINSON. I am sorry; I apologize. Listen to the next question:

> In the sales contract covering this facility you assume an obligation to make available a percentage of your production to small-business users. Do you consider this obligation to be a legal obligation which is enforcible in the courts by small-business users, or on their behalf?

And everyone——

Mr. SHORT. Read the answer, if the gentleman will yield.

Mr. VINSON. I will read the answer now.

Mr. PATMAN. Just wait; I have the floor, gentlemen.

Mr. VINSON. Let me answer.

Mr. PATMAN. I want the gentleman to answer my question. He has not answered it yet.

Mr. VINSON. I am answering it now.

Mr. PATMAN. The gentleman is always a very forthright person. He cannot be accused of dodging an issue. Therefore, I do not want him to dodge this issue. I am asking the chairman of this committee to cite me the language that will guarantee that any 1 or all of these 800 fabricators will get 1 pound of raw material to continue their operations.

Mr. VINSON. Here is the answer.

Mr. PATMAN. Read it; read the answer. The gentleman has not cited anything in these contracts that guarantees 1 of these 800 that he will continue to get his raw rubber. I want the answer to that.

Mr. VINSON. We will answer it.

Mr. PATMAN. All right; answer it.

Mr. VINSON. Every purchaser of a copolymer plant said that he considered it a legal and a moral obligation.

Mr. PATMAN. For small business generally, not a particular small business; not 1 or all of the 800 fabricators.

Mr. VINSON. Judge Barnes said he considered it enforcible. Here it is in his language.

Mr. PATMAN. A contract is no good that cannot be enforced, and who would enforce this contract?

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. YATES. I am asking the gentleman to yield to call the attention of the committee to the answer that Judge Barnes gave to that question. This is what Judge Barnes answered in respect to the very question which was asked, Judge Barnes being the representative of the Attorney General who attended the hearings at the invitation of the committee. Judge Barnes was asked how a complaint, based on alleged noncompliance with the small-business provisions of the contract would be adjudicated. He replied by saying:

> That the term "small business" has a statutory definition in the act which is not, perhaps, as complete as it might have to be in the event of litigation.

He continued:

> I think that the Rubber Commission would have authority to sue to enforce the contract, if it is found there was misrepresentation or failure to comply with the warranty expressed by the purchaser.

This brought the chairman up short. He said:

> But, Mr. Barnes, the Disposal Commission will cease to exist once the sale is consummated. Would it not be incumbent upon somebody, the Department of Justice, the Department itself or somebody—somebody to institute some kind of proceedings to carry out this warranty?

And the judge this time confesses unfamiliarity with the law and said he believed it would be.

Mr. PATMAN. Well, the gentleman, of course, cannot point out any specific provision. Suppose 3 of these 800 companies are in Macon, Ga., and they are employing, perhaps, several hundred people each making some type of rubber product which it gets out of the raw material. Now they are getting their materials regularly, but this company which is furnishing the materials is being bought by one of these concerns, and if two of those people are unable to get supplies, they will go to the distinguished Congressman from that district. Two of these fellows—small-business men—will come to the distinguished chairman of this committee and they say, "Why look here, here is the record, you told us we would be protected and we would get our share." Then the distinguished chairman will go before this fellow who testified before the committee here and will say, "What about this?

Two of my people are being squeezed out." Then the witness could say, "Well, I did not promise to give it to any certain three companies. I did not promise to let any of these 800 companies have these small-business supplies. I just said I would let small business generally have it, and I am going to let other small business concerns have it. I am going to let that 1 company have it all and squeeze these two out." What are you going to tell them, Mr. Chairman? What are you going to tell him? You would just have to tell him that he was not being looked after. You would just have to say he had no protection and you are sorry that you thought the witness meant when he said that they would be made generally available that he would be bound to it and that you thought that was binding.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. McCORMACK. As a matter of law, it is not what a witness says he intends to do, but it is what the contract itself says they will have to do.

Mr. PATMAN. Why certainly, these contracts furthermore are written well, they are carefully written. They are written as well as any Philadelphia lawyer could write a contract. They are written by the best lawyers in the United States.

Mr. VINSON. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. VINSON. In fact, let us see what it does say. I call the Committee's attention to this language. Here is American Synthetic, and this is a copolymer facility.

Mr. PATMAN. Yes, that is a little concern. That is a billion dollar concern, is it not?

Mr. VINSON. There are some big ones too. They say, "The purchaser will sell the balance of such end products of the facilities to small business." That is a binding obligation. This is a contract that the purchaser will make available 10 percent of such end products to small business.

Mr. PATMAN. To whom?

Mr. VINSON. Now, referring to the Firestone Co. The purchaser will sell 20 percent. That is written into the contract.

Mr. PATMAN. But not for the two people who are being squeezed out in your home town. They do not promise to sell to them. I am asking, and I will yield now to any member of the Committee on Armed Services or any Member of the House to point out to me any word, phrase or paragraph in these contracts that will guarantee to one—not to the 800 but just to one of the 800—the assurance that they will get any supplies under these contracts.

Mr. ARENDS. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. ARENDS. Let us approach this in another way. Assuming that the gentleman from Texas and I had a contract of some kind, and I asked the gentleman, "Do you feel legally and morally bound by this contract?" And the gentleman from Texas answers, "Yes." I at once then take the gentleman's word. I would feel exactly the same way about business—either big business, or little business. I still like to think when my fellowman says that he is legally and morally bound that I can believe him, and therefore I would believe you in the same way.

Mr. PATMAN. But the fellow who tells you that will not be the one who will deny you the supplies. It will be a different person. You are not dealing with individuals. You are dealing with the biggest corporations in the land and the smartest people in the country representing them. Money will hire brains, and they have hired the best brains in the country to write these contracts. You can rest assured that they are written so that they are not bound at all to furnish any particular small man any supplies.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. McCORMACK. Assuming the plants are sold, assuming later some small purchaser, who is one of the small-business men, wants to make a purchase, and suppose the big company will not sell it, how can they get into court under these contracts?

Mr. PATMAN. There is no way to get into court. In the first place, they could not get the information to get into court on. The big rubber company will say: "We are letting the little fellows have it." Your man would say: "Who are the little fellows who are getting it?" And they would say: "It is none of your business." So there is no way to find out. Is that the kind of a contract you want to make with these 800 fabricators?

Mr. BROOKS of Louisiana. Mr. Chairman, will the gentleman yield to me?

Mr. PATMAN. I yield to the gentleman from Louisiana.

Mr. BROOKS of Louisiana. I want to read into the RECORD at this point another statement made by Judge Barnes, Assistant Attorney General. Judge Barnes said, and it is quoted at page 1098 of the hearings:

> It is our conclusion, sir, not as part of this opinion, because we are not asked, as far as the Attorney General's opinion is concerned, as to the legality or binding nature of such contracts, but we have considered the question, though not exhaustively, and we believe that those representations are a binding part of the contracts for the sale of the copolymer plants.

Mr. PATMAN. The gentleman, as a lawyer, would not accept such language. The gentleman is too good a lawyer for that.

Mr. DORN of South Carolina. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. DORN of South Carolina. Would the gentleman say what he thinks the committee should do with reference to this matter?

Mr. PATMAN. Well, this is bad. It should be turned down. We are all in favor of disposing of the plants. No one objects to that. But look at the alternative, as President Eisenhower said. What is the alternative? The alternative is, first, monopoly; monopoly with all of its evils. Next is destruction of small business.

Mr. ARENDS. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Illinois.

Mr. ARENDS. I am a little disappointed in the fact that the gentleman apparently is proceeding under the assumption that, after all, these people who through regular procedure bid for and buy these plants are dishonest.

Mr. PATMAN. Oh, no, I am not. I am assuming they are good businessmen and will carry out their contracts, but they have not made any contracts that would keep them from closing up 2 out of the 3 little concerns in Macon, Ga.

I repeat that there is no language in these contracts that will give any protection to the 800 fabricators who will depend upon this concern for their supplies. There is not one syllable, not one word, or one paragraph that guarantees them any assurance. That alone is enough to cause this thing to be turned down, and I ask you to vote "Aye" on the resolution.

The CHAIRMAN. The time of the gentleman from Texas has again expired.

Mr. VINSON. Mr. Chairman, I yield 30 minutes to the distinguished gentleman from Missouri [Mr. SHORT].

Mr. SHORT. The story of the development of synthetic rubber is a very interesting and fascinating one. It is not altogether without its romance. Never will I forget the first day of September 1939 when I was stranded at Stockholm in Sweden, the day Hitler marched into Poland. At that time our Government wisely recognized the possibility that our source of supply of rubber might be cut off in case the war should spread, and we began immediately to build up a stockpile of natural rubber in this country.

The following year, 1940, President Roosevelt declared rubber to be a strategic and vital material, and there was created, after we had bartered 600,000 bales of cotton with Britain for 95,000 long tons of natural rubber, the Rubber Reserve Company which acted as an agency to purchase all the rubber it could get for both industry and Government.

The day of Pearl Harbor we had 505,000 long tons of natural rubber. When Singapore fell we had 630,000 long tons of rubber, although we consumed much more than that amount eating quickly, of course, into the reserves that we had at that time; in fact, we came dangerously near losing World War II when Singapore fell and 90 percent of the natural rubber in the world fell into Japanese hands.

I believe we will all agree that there are three ingredients essential to a modern war machine if you hope for victory: Steel, oil, and rubber. So after the Japs had sunk the two British battleships off Singapore and that source of natural rubber was cut off from the American market, the administration set to work to develop a synthetic rubber industry, and one of the wisest and best things President Roosevelt ever did was when he brought "Big Bill" Jeffers, former president of the Union Pacific Railroad, from Omaha—he died not long ago out in

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southern California—when he brought "Big Bill" Jeffers to Washington to bring order out of chaos. Of course he was a capitalist and a member of monopoly.

We set to work and from 1942 to 1946 we had built up a $700 million synthetic rubber industry in this country, making ourselves practically self-sufficient, because in the year 1944 we produced the amazing amount of more than 1 million long tons of synthetic rubber which for some uses, particularly such as tires and especially on heavy trucks, is better than natural rubber itself. But a year after V–E Day and V–J Day in 1946 our Government turned over to the Reconstruction Finance Corporation several of these synthetic plants. The chairman of the Armed Services Committee has pointed out to you how in some 18 facilities we disposed of having an approximate plant investment of $165 million the Government received only $57 million. Then in 1948 we passed the Rubber Act. Our late and lamented friend and colleague from Michigan, Hon. Paul Shafer, author of the act, earned his salary for a hundred years. The Nation is forever indebted to him. That was in the Republican-controlled 80th Congress, too. In 1948 we who believed so much in individual initiative and private enterprise were reluctant to dispose of the synthetic rubber industry because it had not yet reached the point of competition with natural rubber. This surprised many Members. Even Republicans can be liberal; with our own money and not the other fellow's.

In the Rubber Act of 1948, among other things we provided that there should be maintained at all times in the United States rubber-producing facilities having a ready production capacity of not less than 600,000 long tons and we required, in addition to that, 65,000 long tons of rubber for special purposes. At least 225,000 long tons of synthetic rubber had to be used along with the importation of natural rubber from the Far East, from Indonesia and Malaya. This was done, of course, with the idea of preserving this important synthetic rubber industry in this Nation.

We know that America is a land on wheels, that we run on tires, and that rubber, like oil and steel, is essential not only for a healthy peacetime economy but it is our lifeblood and absolutely indispensable in time of war. So we built up this great $700 million industry. But the Congress and the administration—Mr. Truman at that time was in the White House—thought that this industry should be turned back to private industry that had built the plants and had operated them in order that they might find new and additional uses for rubber and synthetic products and find new methods and techniques for its development.

So in 1950 we considered the disposal of these plants. But up until that time there had been very little interest, even among the private rubber industry, in purchasing these plants. In the act as we passed it in 1948 the President was required to make a report to the Congress not later than January 15, 1950, recommending a program for the disposal of these Government-owned plants. President Truman made that recommendation, but with the outbreak of hostilities in Korea the Congress, with the approval of the administration, again wisely, I think, postponed the sale of these plants, continued to have the companies operate them until the international situation was improved, or at least until the end of the Korean conflict was in sight.

In June 1953, on a rollcall vote in this House, by a vote of 317 to 58 on June 25, 1953, we passed the Rubber Producing Facilities Disposal Act creating a commission that would barter or negotiate and let out competitive bids to the companies that might show any interest.

On that Commission President Eisenhower, in August 1953, named Mr. Leslie A. Rounds, of Maine; Mr. Everett R. Cook, of Tennessee; and Mr. Holman D. Pettibone, of Illinois, with Mr. Pettibone acting as Chairman; and I want to say that the Commission's studies and report and their appearance before our committee thoroughly convinced us that they did a most marvelous job—in fact, if I had anything to sell, I would like to have them sell it for me because they actually negotiated in such fashion as to get $30 million more for these plants than the original contracts or agreements, or tentative contracts or agreements. I think that Commission did an outstanding job, with their rich background of experience, and that is one of the reasons that the House Committee on Armed Services, by a vote of 27 to 3, voted down the pending resolution before us now for consideration.

Now, then, the first interest that the Armed Services Committee has in this legislation is not the three factors named by the gentleman from Texas [Mr. PATMAN]. I would say that our first concern and our primary responsibility is the defense of this Nation and the security of our country. That is first and foremost—the transcendental condition for the sale of these plants—that the national security must not be impaired. After a careful study, I think our committee is convinced that not only will the national security be continued but it will be increased because under free competitive enterprise you are going to have increased production of rubber, of better quality, at a lower price, and you will have a stronger Nation.

I cannot share the apprehension that some Members seem to have about corruption of big business. I am rather proud and it makes me feel a lot safer and better that we have in this country companies like Firestone, United States Rubber, Goodyear, Goodrich, Phillips, and Shell. After all, those and other companies like them—General Motors, Ford, Chrysler, General Electric, Westinghouse, Boeing, Martin, Lockheed, and so forth—are the companies that have built America and made us great. It is big business, if you please, that has given us our automobiles and radios and televisions and diesel engines and airplanes and skyscrapers and all of the many other physical comforts that we have and that have made America the marvel of the 20th century. Where else in all the world can you find them? So, I think without these companies we could never have won World War II, and God knows we are going to need them and others like them if we get embroiled in another conflict. So, I have little sympathy and sometimes my patience is worn thin by hearing epithets hurled such as "malefactor," "corrupt," "law violators," speaking of these big companies as if they were all culprits and rotten to the core. I cannot have too much sympathy or patience with some people who constantly vomit their venom and vent their spleen on big business, because, after all, it is big business that has made us the greatest nation on earth, and it is under our fundamental economic philosophy of private enterprise and individual initiative that has made us the wonder of the world, and that is the reason every other nation is coming to Uncle Sam with hat in hand for a handout. Big business depends on little business and they sink or swim together.

Mr. AYRES. Mr. Chairman, will the gentleman yield?

Mr. SHORT. I yield to the gentleman from Ohio.

Mr. AYRES. I do not think the gentleman from Texas meant to infer that the leaders of the rubber industry are what he would term men that you cannot trust. However, he did leave the implication that if the plants were not sold by some other method that he did not come up with, we would perhaps be subject to a situation where small business would not be able to get rubber.

Representing the city of Akron, where three of the major Big Four rubber companies are located, I think the gentleman from Texas [Mr. PATMAN] should familiarize himself just a little more with the rubber industry before making such statements. There is not a more competitive industry in the world than the rubber industry. It is true that the gentlemen operating the rubber companies fight each other, but by that fight we get cheaper prices. Big business, as he spoke of it, was something bad. Actually, the rubber industry employs nearly 70,000 people and by this competitive spirit that exists in the industry those jobs are provided.

I should like to say to the gentleman from Missouri [Mr. SHORT] that in 1939 the 6.00 x 16 tire was standard equipment on the Chevrolet, Ford, and Plymouth and had a mileage expectancy of 26,500. It cost the consumer nearly 9 cents per 100 miles. In 1955 the new 6.17 x 15 tubeless tire, on the same make cars, have a mileage expectancy of 44,800 miles and cost the consumer 5.8 cents per 100 miles. And in terms of the 1939 dollar, it would be about 3 cents per 100 miles.

Mr. SHORT. We can buy a better tire at a lower price today than we could before the war. And it is about the only item that I can think of where that is true.

Mr. AYRES. And we get almost double the mileage. The gentleman from Texas, if he is really interested in little business, should be helping the research departments of these big industries, so that these little businesses will be able to buy the rubber we are going to be able to produce, because it is the consensus of those in the industry that

with the facilities we now have and the expansion of many plantations, we are going to have more rubber than we know what to do with in the event we do not get more uses for rubber.

Mr. SHORT. I believe it was the vice-president of the Shell Co. who told us that he would absolutely flood the whole western section of the United States, west of the Rocky Mountains, with the three plants that they will operate themselves. We will have rubber running out of our ears. It is not a question of a shortage, it is a question of finding a market for the rubber.

Mr. AYRES. The gentleman is correct. Here is one other thing the gentleman from Texas [Mr. PATMAN] did not dwell on. Prior to having the synthetic plants we had to count on the plantations and there are not any little rubber manufacturers or fabricators on any of those plantations.

Mr. SHORT. Of course not, because this is not little business. It is big business. It requires scientific knowledge and technical know-how as well as huge sums of money in order to operate. But do not think that there was not strong competitive bidding in the sale of these plants. The strange part of it is that 2 or 3 of the purchasers paid almost 3 to 4 times as much for some plants as was offered by other competitors.

Mr. FULTON. Mr. Chairman, will the gentleman yield?

Mr. SHORT. I yield to the gentleman from Pennsylvania.

Mr. FULTON. I agree with the gentleman's statement and I should like to add that actually we are increasing the base of the rubber industry by bringing in these other companies from allied fields, such as oil, coal, chemicals, who by purchasing these plants are getting into the rubber business. It will increase competition.

Mr. SHORT. I am glad the gentleman made that point. Let me say that today we have an absolute Government monopoly of the rubber industry. If you want to get rid of the monopoly, if you really want free, open competitive enterprises, vote down this resolution and turn these plants over to these competing companies who will expand the industry. And they will pay 52 percent in corporation taxes into the United States Treasury.

The sale of these plants, Mr. Chairman, will strengthen the security of the Nation, increase our defense, expand the industry, and give us a better product at a lower price. In addition to that, the Government will collect large sums in taxes.

Mr. DURHAM. Mr. Chairman, will the gentleman yield?

Mr. SHORT. I yield to the gentleman from North Carolina.

Mr. DURHAM. I might add also that not only would this plan mean that the operation would be in private industry but any private individual in this country who desires to do so may go out and build a rubber plant. He can build it today or after this bill is passed. This will in no way restrict private enterprise. In my opinion, it will become more highly competitive than it is under the existing monopoly.

Mr. SHORT. I do not think there is any question about it. We are getting back 96 cents on every dollar that the Government invested in these plants and facilities. We can get more money for them today than we will ever be able to get in the future. It is astounding that there should be opposition to the sale of these plants.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. SHORT. I yield to the gentleman from Illinois.

Mr. YATES. The gentleman said if we turn these plants over to private industry, we will be able to get income taxes into the Treasury. We are now getting $50 million a year in profit from operation of the plants. How much more in income taxes would we get?

Mr. SHORT. If the gentleman wants to nationalize the rubber industry, that is all right; he is entitled to that view. You might as well nationalize the railroads, you might as well nationalize the banking institutions, the coal industry, the steel industry, the communication industry—everything—if you want to go into nationalization. If I believed in it as strongly as some people, I would not stay in this country, I would go to England, where they have it. And they have failed.

Mr. YATES. The gentleman does not happen to believe in the nationalization of the rubber industry. I just happen to believe that the safeguards that were established in the basic law should be observed, and I do not think the Commission has done that. I favor sale of the facilities under proper safeguards, which are not present in this case.

Mr. SHORT. I do not think any piece of legislation was ever surrounded by so many safeguards as is the proposed sale of the synthetic-rubber industry. I want to point out to the Members that on pages 4 and 5 of the committee report it is stated that the act established seven criteria to be used by the Commission in arriving at its recommendation for disposal. What were these seven criteria? What rules did they have to abide by, and I think they have faithfully abided by every single one of them. Let us get this in the RECORD.

First, the program had to be designed to best afford small-business enterprises and users, other than the purchaser of a facility, the opportunity to obtain a fair share of the end products of the facilities sold, and at fair prices.

Not one single little-business man has protested to me. What is this fuss about?

Every single producer who appeared before our committee testified that he was not only legally but morally bound to furnish a certain percentage of his end product to small business. Anyone who has read the hearings knows that to be true. Do not distort the RECORD.

The second standard that had to be followed was that the purchaser must have the technical competence to operate a rubber facility.

The proponents of the resolution say they believe in individual initiative and private enterprise. Do they? Do they really and sincerely? They are in favor of disposing of these plants. But in the name of commonsense, who in this country could buy these plants if you are not going to sell them to the large companies, who are capable and with the experience and the know-how, that have already written the record? There are none. And you know it.

The third thing that guided the Commission was the recommended sales must provide for the development within the United States of a free, competitive synthetic rubber industry and not permit any person to possess unreasonable control over the manufacture of synthetic rubber or its component materials.

These plants are being sold to different companies that are highly competitive. They will tear out the guts of each other.

Fourth, the purchaser must actually intend to operate the facility or facilities for the purpose of manufacturing synthetic rubber. They are required to produce a certain amount, and not only to produce it, but to consume a certain amount of synthetic rubber for the next 10 years. That safeguard is in the bill. Why, oh why, are you crying?

Fifth, that full, fair value for the facilities be received.

The chairman pointed out that we are getting back almost 100 cents on the dollar. If you would include the 3 plants that the Government is holding back and not selling with the 24 plants we are selling, the Government would get more than 100 cents on the dollar return.

Your position is unsound because your argument is weak, and you do not have a leg to stand on.

The sixth criterion was whether the disposal of the facilities is consistent with national security, and I will put that first and foremost. We have answered that.

Seventh. That the facilities recommended for sale will in the aggregate be capable of annually producing not less than 500,000 long tons of general purpose synthetic rubber and not less than 43,000 long tons annually of butyl rubber, and 152,000 tons will be set aside for small industry, which is much more than small industry has ever been able to use.

Mr. DURHAM. Mr. Chairman, will the gentleman yield?

Mr. SHORT. I yield.

Mr. DURHAM. In other words, we are providing in this measure by our means of disposal to private enterprise and for the small businessman the opportunity of going in and purchasing rubber on a competitive market and a free market. What they are advocating if their proposal is adopted of inserting forcible language is to force these people to go into a rationing system or an OPA pricing system. That is exactly where we will land under their proposal of putting in language here which would force these companies to ration a certain number of pounds of rubber to individuals.

Mr. SHORT. I could not agree more wholeheartedly with the statement of the gentleman from North Carolina. I think that is exactly what would happen. God save us from another NRA or OPA.

Mr. FULTON. Mr. Chairman, will the gentleman yield?

Mr. SHORT. I yield.

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Mr. FULTON. It should be pointed out that when these plants are put back into private industry there are many facilities that are not wholly used so that the increase of use of those facilities, by private industry will provide more jobs, for example, in the Kobuta Rubber Plant at Kobuta, Pa., only 25 percent of the facilities are now being used, and we expect that Koppers Co. will expand that and make more jobs in western Pennsylvania so that there will be more taxes to the Government from the wages. I will say this further in answer to the gentleman from Texas about the ability to get rubber. I have been advised that the gentleman drives an Oldsmobile 98 which has a new set of white wall United States Rubber tires on it, and as far as I can see the United States Rubber Co. is already getting two plants under this bill and expanding its rubber facilities, and it has not in any way restricted them in getting rubber. I would imagine there is going to be more rubber for sale both to him and for the small-business man, if they expand their business at United States Rubber.

Mr. SHORT. Yes, each purchaser at those plants has already agreed that they would sell this rubber at present Government prices. The price cannot go up and it will, perhaps, come down and I believe it will when industry expands and they get into tough competition.

Mr. COLMER. Mr. Chairman, will the gentleman yield?

Mr. SHORT. I yield.

Mr. COLMER. Permit me to say I am in thorough accord with the objectives sought here. I certainly agree with the statement made that this is big business and it is not little business. It takes big business to handle this, and so on down the line. I agree with all that, but there is one thing that disturbs me about this proposition, and I thought, perhaps, the gentleman would throw some light on it. That is the question whether a bargain has been struck here.

Mr. SHORT. If the gentleman could have heard, I think, the three men on the Commission, particularly the chairman, Mr. Pettibone, he would find out that he is a hard driver. We have received our money's worth and perhaps more.

Mr. COLMER. I am just wondering about that in view of what the report shows, the report of the Rubber Producing Commission to the Congress and the committee's report. The report of the Commission on page 16 shows that every year, except during the war years, this business has made big profits. It was big business. Of course, we must bear in mind there were no taxes to be paid since it was a Government operation, and so on. But, still there was a big profit. For instance, last year this business made, according to the Commission's report, $59,929,609, or approximately $60 million. It is estimated by your committee, sir, on page 7, that you expect to make a profit of some $50 million from June 30, 1954, to April 30, 1955. So there is over $100 million in 2 years. If they make only $50 million a year, then in 5 years they will have gotten their purchase price back. What I am trying to say to the gentleman is this, it looks to me that the trouble may be that big business is not willing to pay enough of a big price.

Mr. SHORT. Remember what the chairman the gentleman from Georgia [Mr. VINSON] pointed out in his excellent statement; these plants are 10 or 12 years of age. They are not new, spick and span, and up to date. Some of them are becoming obsolescent if not obsolete. You have to bear in mind when you consider that they are paying almost 100 cents on the dollar for these plants, and I think we are getting full and fair value, and so does the Commission, those three men who have studied the problem so carefully over the past year and a half.

The CHAIRMAN. The time of the gentleman from Missouri has expired.

Mr. VINSON. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. BROOKS of Louisiana. Mr. Chairman, will the gentleman yield?

Mr. SHORT. I yield.

Mr. BROOKS of Louisiana. The gentleman from Mississippi [Mr. COLMER] is a very dear friend of mine and a very sincere gentlemen. He quotes from page 16 of the report of this Disposal Commission. However, the profit that he shows is before depreciation.

Mr. SHORT. That is right.

Mr. BROOKS of Louisiana. When you take into consideration depreciation, additional operating costs from 1942 to 1954, you actually show a deficit of $194 million. That is what you show. The $50 million profit is before any depreciation and before certain other costs.

Mr. MASON. If the gentleman will yield, I want to correct the gentleman from Mississippi in his figures. Suppose they make $50 million for the next 5 years, that would not do it, because over half of that would have to go to the Federal Government; so it would take 11 years, even at the gentleman's own figures, to pay for these plants.

Mr. SHORT. The gentleman is correct. Less any taxation, depreciation due to obsolescence, and operating costs, which should be figured in. I know the gentleman from Mississippi [Mr. COLMER] believes in the profit motive just as much as I do. When you cut the profit motive you cut the nerve of progress. I want someone to make money on these plants. They pay taxes and they give employment to people. Why should not they receive a fair return on a legitimate business?

Mr. COLMER. Mr. Chairman, will the gentleman yield?

Mr. SHORT. I yield.

Mr. COLMER. Of course the gentleman knows, and my record will disclose, that no one in this House believes more in the profit system than I do. But I do not believe that we should sacrifice the people's profits, and it seems to me there has not been sufficient bargaining here; that even with the taxes that will be paid, and so on, there are still enormous profits.

Mr. SHORT. I almost question the gentleman's sincerety. All I have to say is that this commission that was appointed in August 1953 has been studying it for all these months. Some of the members of the Committee on Armed Services have lived with this problem ever since the industry was started and developed, and after giving careful consideration and hearing all these witnesses we voted 27 to 3 in favor of this disposal.

Mr. Chairman, I cannot close my remarks without saying that Big Bill Jeffers who set up this program in the dark days of World War II when we were dangerously near losing it, and that my good personal friend, Paul Shafer, a Congressman from Michigan, did more than any other two men to save our necks. Our necks were saved. Only because of the constant care, avid diligence, and intrepid courage of Paul Shafer did we furnish the American people with this vital ingredient of war.

When the war closed, credit again must be given to my faithful, loyal and devoted friend, Paul Shafer, for having put forth such strenuous efforts in helping all the American people who ride on a tire, suck a bottle, or walk on a rug, in addition to so many other uses that rubber has contributed to our welfare.

I am confident that this House today, realizing that this program was approved by the Truman, as well as the Eisenhower administration will vote overwhelmingly for the approval of the stand taken impartially and unpolitically by the members of our Committee on Armed Services, who happen to know what they are talking about, and will defeat this resolution, perhaps by well intentioned but uninformed men.

Mr. Chairman, under leave to include an editorial I submit the following from the Journal of Commerce, New York, Tuesday, March 22, 1955:

COMPETITION IN RUBBER

It is odd that the House should again find itself debating the pros and cons of the Government's synthetic rubber plant disposal program today. Auction of these plants was largely completed several months ago. Moreover, it appeared to have been pretty well insulated not only against politics, but against controversy generally.

When Congress overwhelmingly voted 2 years ago to dispose of the war-created Federal monopoly on the production of synthetic rubber, it did so with relatively little controversy. Presidents Truman and Eisenhower both had supported the idea. Even the most doctrinaire liberals in Congress had made no attempt to smear the issue with the "giveaway" brush.

Congress itself, in fact, took steps to see that the program would be free of this sort of criticism. It laid down strict principles to protect the Government's position in the program, and even went so far as to put the Attorney General on the Independent Disposal Commission it ordered created for this particular job, and instructed him to spike any deal that smacked of monopoly. Moreover, it reserved to itself the right to veto any and all contracts negotiated by the Commission.

It was under these stern auspices that the Commission wound up its slow auction last December, with contracts in its pockets for 24 of the 27 facilities in the program. It's performance looked pretty good.

Prices to be paid for the plants would return to the Government 96.6 percent of their total unrecovered investment over the life of the program (it would have exceeded 100 percent if all 27 plants were sold). The contract prices also represented 99.2 percent

of the current replacement value, after making due allowance for deterioration, etc.

The congressional committees which recently reviewed the Commission's report found that the aggregate return—$401 million—does indeed represent full and fair value.

Nevertheless, the disposal program is being severely challenged in Congress. The challenge is coming principally from the House Small Business and Judiciary Committees, the congressional protectors of the interest of small business enterprises.

The chairman of the former group, Representative WRIGHT PATMAN, of Texas, has introduced a resolution to upset the entire slate of contracts, thus leaving the plants under Government ownership and operation until another try at disposal may be made—perhaps a few years hence. Both he and Chairman EMANUEL CELLER of the Judiciary Committee have charged that the rubber plants are being handed over to a group of monopolistic companies with long records of past antitrust law violations—the corporate giants of the rubber tire, petroleum, and chemicals industries. The House is to debate and vote on the Patman resolution today.

Congressman PATMAN and his colleagues have presented an extremely weak case. To be sure, many of the plants are to go to large corporations which have, in the past, been found guilty or pleaded nolo contendere in suits brought under the antitrust laws. But, Mr. PATMAN is barking up the wrong tree when he cites this fact as evidence that sale of the synthetic rubber plants inevitably will result in an immediate outbreak of price gouging and a concerted effort to refuse supplies to their smaller competitors in the rubber fabricating field.

In pressing this argument, he is ignoring the history of the disposal program. He is brushing aside all of the long and tedious work undertaken by his own colleagues, the Commission and the Attorney General in hammering out safeguards to preserve competition.

When it considered a disposal program 2 years ago, Congress was well aware that the most likely purchasers of the plants would be those same large firms which helped pioneer synthetics and had long operated the plants for the Government. Because of antitrust considerations Congress wrote conditions into the disposal law that each buyer agree to supply the needs of his small, nonintegrated competitors.

The Commission and the Attorney General also were to see to it that the plants be distributed in such a way that a number of strong, independent synthetic rubber enterprises would replace the Government's monopoly. Healthy competition, Congress felt, could come only from healthy competitors.

The Commission succeeded in its task of assuring strong competitive factors into the synthetic rubber industry. Small business is protected by set-aside warranties in each contract, under which a minimum of 152,000 tons—far in excess of present needs—must be made available for sale to smaller users each year. These are legally enforceable. Significantly, not a single small rubber company has joined Mr. PATMAN in rising to complain about the proposed disposal plan. Should they find cause for complaint in the future, they have the assurances of quick redress. The Justice Department has pledged close surveillance of the synthetic rubber industry for years to come.

Mr. PATMAN clearly is 2 years late with his objections. His colleagues can find full satisfaction in seeing to it that the conditions laid down for disposal have been met and they need look little farther than to the lopsided 27-to-3 vote by which their own Armed Services Committee recommended against approving the Patman resolution last week.

The CHAIRMAN. The time of the gentleman from Missouri has again expired.

Mr. PATMAN. Mr. Chairman, I yield 30 minutes to the gentleman from Illinois [Mr. YATES].

Mr. YATES. Mr. Chairman, I think at the outset we should correct an impression that the gentleman from Missouri [Mr. SHORT] left with the House in reply to a very good question propounded by the gentleman from Mississippi [Mr. COLMER] when he said that these plants are 10 years old, attempting to leave the impression that perhaps they are obsolescent if not obsolete.

Let me read what the Senate hearing says on this point, the testimony by Mr. Yohalem, Assistant Administrator of Plants:

Senator DOUGLAS. What is the general opinion of the Corporation concerning the physical condition of these plants now—whether or not they are falling behind in new improvements and processes?

In other words, are they technologically obsolete or up-to-date, or what is the physical condition of machinery and plants?

Mr. CRAVENS. I am going to have Mr. Yohalem address himself to that, but I may say first, I made a particular point of having 2 or 3 of my friends who are experts in the field—one of the best names, I think, in the petroleum business—look at these plants, and they told me they thought they were most modern in every respect.

I think Mr. Yohalem has been very close to the situation for the year.

Mr. YOHALEM. I am not an engineer, but I am an attorney. I have not seen all of the plants, but I have seen most of them. I have spoken to a great many people about the plants, and I have no hesitancy in saying that they certainly have a reputation for having them very well maintained, maintained to the highest ordinary standards of maintenance and, so far as I know, they are not obsolete in any major sense.

Mr. HOLIFIELD. Mr. Chairman, will the gentleman yield before he starts on his statement?

Mr. YATES. I shall be pleased to yield.

Mr. HOLIFIELD. I got the impression in listening to the gentleman from Missouri that the contract requires the sale of this rubber to small business at the Government price. I believe it was in an interchange. I have read the contract very carefully, and my impression is that the phrase "market price" was used; that they will sell it at the market price. Which impression is right?

Mr. YATES. There are two sources of information on that; the contracts are one source; another source is the series of questions propounded by the Chairman of the Armed Services Committee to each representative of a prospective purchaser as he came before the committee.

In most of the instances the witnesses stated that they believed they would continue to sell at the current market price, namely 23 cents a pound.

I gathered the impression from reading the testimony, however, that this was with respect to the inventory they had on hand, and that in respect to rubber made in the future no holds were barred. I assume they would charge whatever the market would bear.

Mr. HOLIFIELD. Where there is mention in the contract in regard to the sale in the future it plainly states that they will make available 10 percent, 20 percent, or whatever the percentage is in the individual contract at market value, at market price. In the large transaction that could make an important difference. If the market rose through natural demand or if it were manipulated the matter of price is a very important consideration. Suppose it were raised from 23 cents to 26 cents a pound?

Mr. YATES. As a matter of fact, in the Senate hearings to which I have just referred, Mr. Yohalem was asked his opinion as to whether the price would go up to private industry. In every response to the committee he said that in his judgment the price would go up to 26 cents a pound.

Mr. HOLIFIELD. That would amount to considerable on an order for 500,000 pounds.

Mr. YATES. It would be a very substantial difference.

Mr. DURHAM. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield.

Mr. DURHAM. I wish to call the attention of the gentleman from California to this point in the discussion of price. It appears that at the present time the Phillips Co., of California, is negotiating 5-year contracts at 23 cents a pound and is out trying to get all they can get at that price.

Mr. YATES. As a matter of fact, I will say to the gentleman from North Carolina that the Phillips company, in response to the question of the chairman of the Armed Services Committee, stated that their future price for GR-S would be 25 cents.

Mr. DURHAM. Twenty-five cents, f. o. b.; that is correct, which makes a difference.

Mr. FULTON. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield.

Mr. FULTON. One of the synthetic plants, a butadiene plant in Kobuta, Pa., is closed down. A thousand or twelve hundred men are out of work, and machines are idle; so I sound the warning that there is overproduction.

Mr. YATES. I spoke to the manager for the Phillips Corp., and he told me all his plants were going at full capacity because of the fact that the automobile industry is producing this year something like 8 million cars.

Mr. BROOKS of Louisiana. But if the gentleman will yield, I recall that butadiene plants are not running at full speed in other parts of the country, and some are not running. Let me say to those interested that from the testimony we had this gentleman in California had better look to the proposition of getting his plant down to operating at a reasonable capacity or they will get to the point where they may have to shut down.

In addition to that, I have the figures on Canadian production which is rising every year. It will not be too long before we will have to be asking some sort of duty against the import of synthetic rubber from Canada.

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Mr. YATES. I think we should face such a problem when it comes up. Today we have the problem of determining whether or not it is to the best interests of the people of the United States that these plants, now owned by the Federal Government, be turned over to private industry in accordance with contracts executed by the Rubber Producing Facilities Disposal Commission.

Mr. FULTON. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield to the gentleman from Pennsylvania.

Mr. FULTON. The question is on whether we are getting a good price in selling these plants at the present time. That brings up, of course, the point: Is there any one corporation or individual that will pay more for these plants in buying them from the Government? As I understand from the committee, there is no one who will pay a penny more. If there is, let us hear it.

Mr. YATES. This is not the place to conduct an auction. I do not know how you are going to get anybody in this Chamber to say: Let us hear whether you are going to offer more for these plants. I assume that the Commission advertised and sought bidders for these plants from all over the country, but I believe these are not the best deals we can get.

I would like to state that I think the gentleman from Mississippi [Mr. COLMER] put his finger on the most important point that faces this House today, and that is in respect to the adequacy of the price and the basis of valuation in accordance with the earning potentials of facilities in question. The gentleman from Georgia [Mr. VINSON] spoke about reproduction cost. He spoke about the Government's investment. He talked in terms of what the earnings have been for the last 5 years. He did not, however, indicate to the House—and he may not have this information—what the valuation of these plants is, based on a capitalization of earnings. I propose to go into that in my address.

The Committee on Armed Services has voted overwhelmingly to approve the proposed sale of the Government rubber facilities. In the face of this type of positive action, one does not ordinarily take the floor to suggest that the committee's decision is erroneous unless he is foolhardly or unless he is convinced he is right. I think in my case it is a combination of both. I am not sure which is greater.

I shall not make any dire predictions, as the chairman of the committee indicated that I might. I will attempt to give you facts. When I contemplate the necessity of taking issue with the very able and learned chairman of the Armed Services Committee, I have some trepidations because his vast background, his knowledge, his learning, has endeared him and has given every Member of the House an admiration for him. I have no desire to throw any stones at my friend, even though I feel like little David facing Goliath. The facts are on my side, I am quite sure, and that is what I propose to bring out to the House today.

At the outset, let me make it clear that those of us who favor the Patman resolution to reject this sale do not disapprove of the fundamental public policy which requires the sale of these plants to private enterprise. We do favor their sale to private ownership, but we favor their sale under the safeguards that were set out in the basic legislation, which were these: A continued use of the facilities for the security of our Nation; the repayment to our taxpayers of the fair value of these facilities; the protection of all segments of our free enterprise economy, including the little-business man; and resistance to further enhancing the already much too dominant position in their industry of giant corporations who apparently in the past have regarded the antitrust laws of the United States only as trifling obstacles in their path of economic progress. I think the taxpayers deserve a break, too.

The first of the safeguards established by the basic law is that of full fair value. The reports of the Commission and of the Armed Services Committee will tell you, and the chairman has said so this morning, that the taxpayers are recovering something like 96.4 percent of their total investment over a period of 10 years. They fail to emphasize, however, that if the Government retains these plants, in something like 5 years the taxpayers will have recovered their entire investment, 100 percent, if you please.

Mr. GAVIN. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield to the gentleman from Pennsylvania.

Mr. GAVIN. If the market went down, the Government might lose its entire investment. The gentleman is assuming that this market will continue to go up and up and up indefinitely. Suppose you go into a reverse and the production of rubber falls off and your profits decrease. Where are your profits then? You are assuming you are going to have a continued uptrend for rubber.

Mr. YATES. Rather than the gentleman's telling me what I am assuming, let me tell him. I am assuming the same things that the Commission assumed when it made this calculation, and that is an operation of the same type as we had last year. As a matter of fact, the experts who have testified in these cases say that the consumption of rubber will go up and that we will be in short supply, and I refer the gentleman particularly to the report of the Paley Commission. Returning to my remarks, the reports of the Commission to the committee also state that the proposed sale amounts to 100 percent of estimated replacement cost less depreciation and obsolescence. That may be true, Mr. Chairman, but it begs the most important point that is involved in this transaction.

The fundamental question that faces this House today is: What is the earning power of these facilities? What is the value of these facilities as a going business? I will yield to anybody on the committee who wants to tell me what the value of these facilities is as a going business. So far there has been nobody who stated the value of these plants based on potential earnings. Suppose the companies were the owners and wanted to sell the plants. Would they accept the same price that they are offering to the Government? I do not think so. Rather than taking the value on replacement cost or on book value, they would look first to the earnings of the facilities. What is the profit-making potential of the business? What will it earn? As a matter of fact, that is exactly what Congress intended should be done. This was emphasized in the Senate hearings—pages 179–181—and in the report of the Disposal Commission. Presumably, this is what the Commission said it was going to do, too, because on page 15 of their report they say that—

> The sale of these facilities should return to the Government a price that would truly reflect the value of the facilities as a going industry.

They say further that—

> While other standards, such as original cost, replacement cost, depreciated values, and the precedent of previous Government surplus property sales were considered, it was the decision of the Commission that because the disposal program made possible the purchase of a going profitable business, for negotiating purposes potential earning power should be the prime factor in the establishment of an appropriate price.

Now, read the Commission's report. There is only a perfunctory discussion of earnings. If earnings were the primary basis for the Commission's evaluation of the worth of the facilities, why did they not furnish the Congress with such evaluation? Why did they not show the Congress the data as to what their calculations were, based upon earnings rather than the sketchy presentation of book value and replacement cost?

We Members of Congress take pride in our hard-headed, businesslike approach to the affairs of Government. We insist that Federal agencies be run as much as possible on a businesslike basis. I believe that if we accept the deal offered us here today through the Disposal Commission, we will not be businessmen; we will be suckers. Of course, Mr. Chairman, if we take the position that we, the Congress, recognize a double standard of doing business; that there is one standard for deals between businessmen and another standard for deals between the Government and businessmen, we might as well close up shop and go on to the next order of business. But I cannot believe the Members of the House will take that attitude. I cannot believe they will let these sales go through virtually by default solely because the Government is the owner of these facilities. I cannot believe that the Members of this House will say to themselves, "We know the price is inadequate, but it is the best we can do and let us take it."

Mr. DEVEREUX. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield to the gentleman.

Mr. DEVEREUX. This question of earning ability of the plants, as I remember it, was brought out and it was used by Mr. Pettibone and his commission in negotiating the sales.

Does not the gentleman believe that the various companies that were in on the negotiations took into consideration

the earning power of these plants if they gained control of them?

Mr. YATES. I am sure that they did. But I say, too, in reply to the gentleman, that the Congress of the United States should take them into consideration as well. There is nothing in the report of the gentleman's committee, or in the report by the Commission, which indicates what the value of the business is, based upon such earnings.

Mr. DEVEREUX. I should like to call the gentleman's attention to a few examples——

Mr. YATES. I shall be glad to listen to the gentleman.

Mr. DEVEREUX. Indicating that there must have been some appraisal of the value of these plants. For example, on the sale of the Houston Butadiene Plant, the original proposal by the Food Machinery Co. was less than $11 million, and the final negotiated bid or proposal was in the neighborhood of $24,197,000. Let us bear in mind now that we had additional people negotiating. We had the Grace Co. and we had Sinclair Oil who made proposals and it was through the ability of this Commission that they were able to negotiate and have one company competing against the other so that in the long run we came out with a much better net result to the Federal Government. We have a number of examples of that same kind.

Mr. YATES. Can the gentleman point to any place in those hearings, or in the report of the Commission, or in the report of the committee which indicates the value of these facilities based upon earnings?

Mr. DEVEREUX. I am sorry to say that because I was not on that subcommittee that considered the matter, I do not have those at my fingertips.

Mr. YATES. I read all the reports, and I know that they do not contain the value of the facilities based on earning power.

Mr. DEVEREUX. I still maintain that that was a definite means of negotiating these people up from their original proposal to the final acceptable proposal which the Commission came up with.

Mr. YATES. I would agree with the gentleman, but the point I make is, does the gentleman know that the amount of their proposal is sufficient in light of the actual capitalized earnings of the plants? How does he know that amount is adequate if he does not know what the plants are worth?

Mr. DEVEREUX. Secondly, the Commission had the advice of very fine engineers on that problem.

Mr. YATES. But the gentleman does not know what that advice was. The Commission has not told the gentleman what the advice was. I say that it is the business of Congress to find out what that advice was and that we should be given that information.

Mr. GAVIN. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield.

Mr. GAVIN. I wish all the Members of this House would take a copy of the report, because this Commission established fair values by securing the best brains and ability they could secure to determine what was the worth of these plants. At pages 1191, 1192, and 1193 of the hearings, there is a full explanation of the initial bids and the final bids after months of negotiations. Then Members can determine in their own minds whether this Commission permitted these plants to go by default. In fact, some of them—and I am referring now to page 1191—in the case of the Firestone-Lake Charles plant, they started with an initial bid of $7.2 million and it was disposed of at $11,650,000.

Mr. YATES. Mr. Chairman, does the gentleman have a question he wishes to ask me?

Mr. GAVIN. The gentleman is making statements to the effect that little or no consideration was given by the Commission in the determination of values in the sale of these plants.

Mr. YATES. The gentleman is not stating my words correctly. I said that the Commission did not make available to the gentleman's committee, if he please, valuation based on earnings. And I challenge the statement and ask him to show me where the Commission made that information available.

Mr. GAVIN. That depends on how you are going to arrive at the true worth of the plants.

Mr. BROOKS of Louisiana. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield.

Mr. BROOKS of Louisiana. I want to cite the gentleman to page 29 of the committee report. This is a reply to a written question addressed by the chairman of the Committee on Armed Services to the Commission.

Mr. YATES. Is this the one that refers to question No. 7 and the Commission's reply to the committee?

Mr. BROOKS of Louisiana. It says:

> Studies by SEC, FTC, and private banks show a wide variation in average net profit over a period of recent years as a percent of total invested capital. Variation is found between different types of industries and between companies of one industry. Based on these studies, calculations were made on the basis of capitalizing estimated average future earnings at 12½ and 10 percent.
>
> In addition to estimated earning power, the Commission considered such other factors as the proposals received, replacement costs, depreciated values, justifiable deductions for excess wartime building costs, possible obsolescence, other miscellaneous pertinent items, and, finally, the important element of how much the buyer was willing to pay.
>
> The early acceptance of the Commission's views as to values by several of the buyers was useful in negotiating other initial bids upward. Finally, the differences between the buyer and seller were reconciled in the course of long negotiations by the element of give and take.

That is the way it was arrived at.

Mr. YATES. Can the gentleman tell me what valuation these facilities have, based on their earnings potential?

Mr. BROOKS of Louisiana. Yes; they have a valuation based on what they will bring at a free sale. This sale was advertised for 6 months, and it was then negotiated for 7 months.

Mr. YATES. The gentleman is not answering my question. I asked whether anybody could tell us whether there was a valuation given to your committee based on the capitalized earnings, the earnings potential of these plants. Nobody has come forward and stated that there was.

Let me tell the gentleman that because of this deficiency I went to the Library of Congress and had it done. I propose to go into that in a few minutes. I cannot believe the Members of this House will say, "We know the price is inadequate, but it is the best we can do, so let us take it."

As a matter of fact, Mr. Chairman, there are worse things that could happen to the taxpayers of this country than to be compelled for the time being to remain owners of a going business which is earning a profit of nearly $50 million a year. It seems to me we can afford not to rush into this deal. Nobody would be hurt during the relatively brief period during which another plan could be formulated.

When I appeared before the Committee on Armed Services to testify against the proposed sale, I pointed out that what was lacking more than anything else was necessary information to appraise this deal and determine whether the safeguards established by the basic law had been complied with. I criticized the Commission at that time for not furnishing the data which would show the emphasis which had been given to earning power. In reply the Commission said to your committee:

> We quite agree with Mr. YATES that earning power should be the prime factor in the establishment of the purchase price for these facilities.

The Commission, however, did not disclose its method of evaluating the rubber facilities on the basis of earnings. When it became clear that I could not obtain this information either from the committee or the Commission I submitted the information I had to the Library of Congress and asked its experts to get me a valuation based upon the earnings of the plants. Listen to the estimates that I received from the Library of Congress. These are estimates based upon earnings after taxes, and they are taken from the Commission's own figures.

This is what the Library told me: The total estimated net profit after taxes for the butadiene-petroleum, and copolymer plants is $32,505,186. If the sale value of the facilities were put at 10 times annual earnings, which is the amount of earnings the Commission took, the total sale value would be $325,051,860.

If the contract prices for the butyl plants and the butadiene-alcohol plant are added, the total would be $359,428,860. Parenthetically, I should state that the Commission's data did not disclose any earnings basis for the butyl, alcohol-butadiene, and the styrene plants, and for purposes of these computations I am, therefore adding only their contract price.

The negotiated price for all facilities as announced by the Commission, was $259,529,000 for assets as of August 31, 1954, plus $25,936,000 for work in process, plant additions, and raw materials, making a total of some $289 million.

If the price of copolymer were raised 1 cent from 23 cents to 24 cents, which

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is not beyond the realm of possibility, the increased annual profit, after taxes, would be $5,805,929. Its capitalized value would be $58,059,290. Let me point out further, in passing, that these computations are based on 80 percent of rated capacity. The chairman of the committee spoke earlier this morning of maximum capacity in terms of the amount of rubber which would be made available for small business. This is 80 percent of rated capacity, not 100 percent. Let us take a look at some more calculations on this same point.

It is anticipated upon the transfer to private ownership that the price will increase. Mr. Yohalem, then the Special Deputy for Rubber Facilities Disposal of the RFC, testified in the Senate hearings that the price would go up, in his judgment, by 3 cents. If the price goes up 1 cent the value of these plants, based upon the capitalization of its earnings, would be $417,488,150, and if the price of rubber per chance were to go up 3 cents, in accordance with the testimony of Mr. Yohalem, the value of those plants, based upon the capitalization of earnings would skyrocket to $533,606,730.

Mr. BROOKS of Louisiana. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield.

Mr. BROOKS of Louisiana. In arriving at those figures, did you take into consideration working capital?

Mr. YATES. I took into consideration the items that the Commission took into consideration in connection with these computations. These are not my calculations.

Mr. BROOKS of Louisiana. Will the gentleman put them in the RECORD?

Mr. YATES. I propose to put the whole report of the Library of Congress in the RECORD after my remarks. These are not my calculations, these are the calculations of the Library of Congress.

Mr. BROOKS of Louisiana. Will the gentleman read the items that you took into consideration?

Mr. YATES. I refer the gentleman, as did the Commission, to question number seven of the questions which were asked the Commission by the gentleman from Georgia [Mr. VINSON]. The Commission's reply to that question contains the data on which these computations were based.

Mr. BROOKS of Louisiana. I refer to the figures you use in arriving at that answer.

Mr. YATES. All I did was multiply all these figures, sir. You can do it as well as I can. All you have to do is to look at the answer to question number 7, use the Commission's data there, and you will come out with the same answers that I did unless I am a poor arithmetician or you are.

The chairman of the committee spoke earlier this morning about maximum capacity. So far we have talked only about what the estimates would be based upon 80 percent of maximum capacity. If the plants were operated at maximum capacity, and synthetic rubber were sold at its present price of 23 cents, the net annual profit after taxes for one year would be $41,047,330. Capitalizing those earnings figures at the rate of 10 times, which is the figure used by the Commission, the valuation of the plants would be $410,473,300 and if the price of synthetic rubber were raised 1 cent—not 3 cents, but 1 cent—the capitalized value would be increased to $468,532,590. If the price of synthetic rubber were increased by 3 cents in accordance with the testimony of Mr. Yohalem, the capitalized value of the plants would zoom to $584,651,170.

Mr. GAVIN. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield to the gentleman.

Mr. GAVIN. I asked the gentleman to yield at this particular point because I just want to call to his attention it works both ways. If the price goes down, it is a loss and if it goes up, it is a profit.

Under our system of free enterprise it might go up or down. You are always assuming it is going up. Some of us think it might go down.

Mr. YATES. Why did not the gentleman present his own computation based upon capital losses? The record of these facilities as presented to Congress by the Commission, is based on earnings. Therefore, I leave it to the gentleman and his own computation as to what might happen if an unforeseen event were to occur. From the figures we have been offered concerning probable demand for rubber in the next 10 years, however, I would consider any depression in earnings a very unlikely eventuality.

Mr. GAVIN. I regret I am not the mathematician the gentleman is.

Mr. YATES. I suggest to the gentleman that if he practiced he might be.

Mr. Chairman, there are some who say that the price of synthetic rubber after sale, will increase approximately by 6 cents reaching a level of 30 cents a pound. This may be true, but for the purposes of the calculations that have been made and are offered here today, we have attempted to be conservative. We have given you estimates based upon actual figures, on what would happen if the price went up 1 cent, and what would happen if the price went up 3 cents, based upon 80 percent of rated capacity and based upon maximum capacity. These are the values of the Government plants. These are the values which I received from the Library of Congress. These are the values that I asked the chairman to obtain, but apparently the information was not offered.

Now, comparing these with the offers that were made, I am sure the Members will see that this is a "sucker" deal.

Mr. GAVIN. Mr. Chairman, will the gentleman yield?

Mr. YATES. Yes, I yield.

Mr. GAVIN. You are talking about your ability as a mathematician, but you have to go to the Library of Congress to get your information. However, that is not what I wanted to talk about.

Mr. YATES. What would you like to talk about?

Mr. GAVIN. The question I want to pose is this: In your testimony that you submitted you were not so much concerned about the valuation of the plants, but you stressed the importance of the small-business man and how he was going to be hurt. You will find that there were some 800 small businesses, and when I asked you to submit evidence substantiating your complaint from small-business men, the only thing you could produce was one letter. What we would like to hear is, if the small-business man is going to be hurt so badly, why you did not submit some evidence from him as conclusive proof that he was going to be hurt. That is what you stressed before the committee, but today we have not heard you talk about the small-business man at all.

Mr. YATES. If the gentleman will permit me to use my own time, let me tell you what I told your committee.

Mr. GAVIN. Will the gentleman yield?

Mr. YATES. I will not yield further until I have had an opportunity to reply to that tirade. I refer the gentleman to my statement which I made before your committee. I would have thought that the gentleman might have paid enough attention to what I suggested the committee do. I said:

> And while the attention of our committee technically should not be devoted to the criterion as to whether the full fair value for the facilities has been received, our grave doubt that the sales prices approved by the Commission reflects the fair value of the facilities compels us to ask you to give that matter your particular consideration.

That was my statement to the committee. If it had been properly heeded, I would not be in the position of having to treat the problem myself at this time. Let me say further, in reply to the gentleman, that my limited references in this debate to the problems small business will face, should this sale be consummated, should not be taken as any change of heart on my part. Rather, in the confidence that this matter would be dealt with at length by some of my colleagues, I decided to place major emphasis on the question of "full, fair value."

Returning to my text, the chairman talked of the agreement of the purchasers to continue a price of 23 cents a pound. But, Mr. Speaker, how long must they continue to charge this price? There is no commitment on the part of these purchasers to keep on charging that price. As a matter of fact, everybody who is conversant with the business believes that the price is going up. So much for the question of fair value.

There are two other safeguards in the basic legislation which, in my judgment, the Commission has failed to meet.

First, the program had to be designed to insure to small-business manufacturers and users the opportunity to obtain a fair share of the end products of the facility at fair prices. Secondly, recommended sales must provide for the development within the United States of a free, competitive synthetic-rubber industry, and not permit any person to possess an unreasonable control over the manufacture of synthetic rubber or its component materials.

Mr. DEVEREUX. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield.

Mr. DEVEREUX. The gentleman made reference to a price of 23 cents a pound, I believe.

Mr. YATES. Yes.

Mr. DEVEREUX. Can the manufacturer feel that should the Government retain control of the operation of these plants, should the cost of the production of this rubber go up, the Government would then hold the price at 23 cents and subsidize the producer?

Mr. YATES. I think that is a very good question. The information I have, however, is that the price of 23 cents which is being charged by the Government is not the lowest price it could charge; that it had pegged the price at 23 cents in order to maintain a competitive position with natural rubber, and that it could lower the price and still operate at a profit. The fact that the Government is earning $50 million a year shows it could cut the price and still not subsidize the business.

Mr. DEVEREUX. I think that is probably a pretty good thing to say. Then you are in accord with allowing the market to operate naturally without any pegged prices, whether it goes up or down; in other words, you support the free enterprise competitive system.

Mr. YATES. Of course. At the very outset of my remarks I stated that I wanted to see private industry get these plants, but I want them sold with observance of the safeguards that were established in the basic law, and I do not think the Commission's proposals would do so.

Mr. DEVEREUX. Of course we differ on that.

Mr. YATES. That is the wonderful thing about America; we have the right to differ.

Mr. DURHAM. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield.

Mr. DURHAM. Following up a little further what the gentleman from Maryland said, if we pegged this price at 23 cents would we not necessarily also have to freeze labor costs? The gentleman certainly is not advocating that we freeze labor costs at the present time?

Mr. YATES. Of course not. As far as I know no one has suggested pegging the price. I certainly do not think the price should be pegged.

Mr. DURHAM. I understand the gentleman is dissatisfied because it might go up.

Mr. YATES. I did not say I was dissatisfied, sir. All I told the House was that it was liable to happen. I merely repeated what had been testified; some witnesses felt it was going up.

Mr. DURHAM. I understand the gentleman's main argument is that if the labor cost goes up the people are not going to make as much gross profit.

Mr. YATES. That is correct.

Mr. DURHAM. Does not the gentleman know that in American industry labor costs and such factors as that enter into the picture before a price goes up or down?

Mr. YATES. I may say to the gentleman from North Carolina that I have seen instances where prices have been raised without labor costs going up.

Mr. DURHAM. That is true.

Mr. YATES. The gentleman has just posed a question to me which I think necessarily implied that in order for a price to go up labor costs would have to increase.

Mr. DURHAM. There is reason to the gentleman's position.

Mr. YATES. The gentleman agrees there is reason to my position; and there is logic and reason that these companies are getting these plants for a song.

Mr. DURHAM. I certainly cannot agree with the gentleman on that.

Mr. YATES. As I stated before, I may say to the gentleman from North Carolina, this is an issue upon which reasonable men may differ. It is my contention that the price is drastically inadequate. I would like to see the Government get a fair price from its investment in these plants.

Now, Mr. Chairman, much has been said before the Armed Services Committee about the weaknesses of the Commission's plan with respect to the protection of small business, and I do not propose to labor the point. The Commission says that small business must be protected. I might say parenthetically that their idea of protection is that it be subject to the law of supply and demand in a period of slack production and of moderation in time of scarcity. But what happens when there is not a time of scarcity? What happens in an economy such as we have at the present time when the plans are operating at maximum capacity? Small business is going to have a difficult time. What, then, can small business do to obtain its proportionate share of the output of these plants? As the gentleman from Texas [Mr. PATMAN] stated earlier, there is no legal commitment that would entitle these small businesses to obtain rubber from big fabricators based upon commitments. For my authority I cite Judge Barnes in the office of the first legal officer of the United States, who stated that "the term 'small business' has a statutory definition in the act," which is perhaps not as complete as it might have to be in the event of litigation. I think, Judge Barnes continued, "that the Rubber Commission would have the authority to sue to enforce the contract if it found that there was a misrepresentation or a failure to comply with the warranty expressed by the purchasers."

When Chairman VINSON called attention to the fact that the Rubber Commission expired with the act, Mr. Barnes then said he supposed somebody would have the power of enforcing it. But then the gentleman from Massachusetts [Mr. PHILBIN] asked the specific question if a small business concern did not get any proportion of this production, would it have an action in court to sue directly, or would be remitted only to the remedy in other respects?

I want to repeat what Judge Barnes said in reply, because I think it is important. To my mind it shows that small business would not have the ghost of a chance of enforcing any of these commitments in court. Mr. Barnes said:

> I doubt it very much, sir, if the small-business man has a direct remedy and I think from a practical standpoint it shouldn't be considered as very effective, because the small-business man that we are talking about there is of such limited financial means that he has difficulties in trying a case like that under any theory of third-party beneficiary, whatever it might be. I don't think it is a very practical remedy.

That is what Judge Barnes said about the proposition that has been advanced by the committee.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield to the gentleman from Texas.

Mr. PATMAN. In the other body when this question was before the committee the following question was asked of legal counsel for one of these purchasers, the Shell Oil Co.:

> Who in the technical legal sense would be the real party in interest in a suit for the breach of the proposed agreement between your company and the Rubber Producing Facilities Disposal Commission? Fully understand that the question is one for the Congress to answer, but I want an expression of opinion by your company's legal staff.
>
> Answer. It is the opinion of our attorneys that the real party in interest would be the United States Government.
>
> What in the opinion of your legal staff would be the measure of damages in a civil action for the breach of the proposed agreement if it is consummated?
>
> Answer. The remedy would be by injunction rather than financial.

Mr. YATES. I thank the gentleman.

Mr. Chairman, it seems to me that throughout the consideration of this matter, the action of the Attorney General has been more toward a circumspect avoidance of committing himself to any opinion as to whether or not the antitrust laws have been violated, or whether small business would be protected, rather than to giving the Congress of the United States any kind of a constructive review and recommendation.

With respect to the third point, the development of a free, competitive synthetic-rubber industry, I shall not go into the detail that I did before the Armed Services Committee. I do hope that the Members of the House will read the hearings of that committee, pages 1036 to 1039, showing the results of the action by the Commission in selling the plants to most of the companies that they did, and thereby providing for a further entrenchment of these companies in the dominant position in their industry that they now occupy. I think we in approving this sale, in the event we do approve it, will have gone a long way along the road to blessing monopolistic growth in this country.

Mr. SAYLOR. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield to the gentleman from Pennsylvania.

Mr. SAYLOR. The opinion of the Attorney General which has been used by the committee does not, in my opinion, bear out what they try to make it. He says, "This is to advise you that on the basis of information furnished to me by the commission I do not view the proposed disposition as being a violation of the antitrust laws." That is not what the Congress in the enabling act asked the Attorney General to do.

Mr. YATES. That is correct. I think it was a circumspect avoidance of his responsibilities under the Disposal Act.

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To continue with my remarks, with these sales the Government of the United States will not be turning one company or two companies over to private industry. It will be turning an entire industry over to a few select companies. Can we say it will be a free competitive synthetic rubber industry as the law requires? I do not think so. With such interlocking and integrated patterns, I think it is rather silly to talk about free competition, and I think it is even more ridiculous to talk blandly about the protection of small business. To my mind, the Commission's report makes crystal clear that no serious study or attention has been given to the problem of small business. And, Mr. Chairman, one wonders whether by the bestowal of its blessings upon this merger movement, this Congress will not participate in the economic demise of many now-thriving small fabricators.

In closing, Mr. Chairman, let me stress that in determining what we shall do, we are called upon to balance two desirable public policies. The first is that the Federal Government should not engage in this type of business and, second, that while we favor the disposal of these facilities to private industry, we must be sure that the facilities will be operated under such terms and conditions as will reimburse our taxpayers for their investment, protect small business, and develop a free competitive synthetic-rubber industry. These principles of public policy are not necessarily in conflict with each other. Both are desirable and both can be achieved. In my judgment, however, the Commission's plan gives only token observance to the vital safeguards implicit in the second principle.

Mr. Chairman, there must be a better solution than the one proposed by the Commission, one which makes possible the effective operation of both principles. Although this matter has been pending for some time, there are still too many unknowns. The risk is too great for us to dismiss it by saying, "This is the best we can get; let us take it." It is not the best that we can get. If the sales were not approved, pending determination of a more appropriate proposal, our Nation would not suffer, and industry would not suffer. Industry is now operating the plants under a cost-plus-fixed-fee basis, and to date they have received over $140 million in fees for operating these plants. I think this is a feasible, practical basis for continued operation pending the achievement of a realistic and workable plan. I do not think anybody would be hurt in the relatively short period necessary for another plan to be formulated.

Mr. Chairman, there is more involved than the sale of a half-billion-dollar Government facility here. We are dealing with the more pertinent question of protecting the freedom of our entire business community by preventing its economic strangulation through an undesirable concentration of industrial power and wealth. We must keep our free enterprise system free.

STATEMENT PREPARED BY THE LEGISLATIVE REFERENCE SERVICE OF THE LIBRARY OF CONGRESS ON CERTAIN ASPECTS OF THE RUBBER FACILITIES DISPOSAL PRICE

The Commission indicates on page 1 of its answer to question 7 that prices in sales contracts of the rubber facilities were established in negotiations in which "primary reliance was placed on potential earning power of the facilities in arriving at * * * sales prices." Additional considerations entered into the Commission's negotiations. The Commission states on page 6 of the answer to question 7 that:

"In addition to estimated earning power, the Commission considered such other factors as the proposals received, replacement costs, depreciated values, justifiable deductions for excess wartime building costs, possible obsolescence, other miscellaneous pertinent items, and, finally, the important element of how much the buyer was willing to pay."

The first and the last of these additional considerations, namely proposals received and how much the buyer was willing to pay, are closely related.

The first consideration, that of potential earning power, would yield a fair valuation if it were multiplied by an appropriate capitalization factor. The Commission states that it made computations using 10 percent and 12½ percent, or 10 and 8 times estimated future average earnings.

The Commission's information on potential earning power of the facilities appears on page 3 of the answer to question 7. Computations are made for copolymer plants, indicating a net profit after taxes of 1.32 cents per pound; and for butadiene plants, indicating a net profit of 1.77 cents per pound. These estimates assume selling price of 23 cents per pound for copolymer output and 14 cents per pound for butadiene output. The costs are based on experience; and since the facilities have been privately operated in the past, with accounts kept on a commercial basis and subject to strict audit by GAO, and since the market for output already is established and there will be no competitive problem of breaking into that market, the costs and profits figures may be accepted as conservative. They would appear to be conservative from the point of view of a purchaser. It is conceivable that prices may be higher and costs lower when the Government is not liable for the costs and does not set the prices.

In order to use the information about net profit per pound, it is necessary to have an estimate of output. By combining data found in the Report to Congress, at pages 18 and 24, with estimates of rate of operations at page 5 of the answer to question 7, it will be seen that 934.4 million pounds of butadiene are estimated to be sold each year; and that copolymer sales are estimated at 1,295,966,400 pounds. The annual net profit after taxes would be $16,538,880 for butadiene plants and $15,966,306 for copolymer plants. For other plants, butyl and styrene, estimates of profit per unit were not made and total net profits could not be computed.

The total estimated net profit after taxes for the butadiene-petroleum and copolymer plants is $32,505,186. If the sale value of the facilities were put at 10 times annual earnings, the total sale value would be $325,051,860. If the contract price for the butyl plants and the butadiene-alcohol plant are added, the total would be $359,428,860. The negotiated price for all facilities, as announced by the Commission, was $259,529,000 for assets as of August 31, 1954, plus $25,936,000 for net additions to fixed assets and raw materials and work in process up to the time of sale.

If the price of copolymer output were raised 1 cent, profits would increase $5,805,929 and capitalized value would increase $58,059,290. Each cent price increase, with present costs, would make the same increase in profits. The cost data generally assume operation at 80 percent of capacity. That rate may be conservative in view of the proposed $101 billion highway program. Rubber demand might require a higher rate of output with resulting lower unit costs and greater profits and greater going business value of the facilities.

The second consideration in the negotiations—how much the buyer was willing to pay—suggests that the seller's reservation price was set by the buyer. That situation may have been implied in the statute, which set up the criterion "That full fair value for the facility or facilities will be received by the Government, taking into consideration the policy set forth in section 2 of this act"; and which also stated that "In arriving at its recommendations for the disposal of the facilities, the Commission shall use, as the basis for negotiating the sale of each facility the highest amount proposed to be paid for each facility, if, in the opinion of the Commission, the highest amount proposed to be paid was a bona fide proposal and was submitted by a person competent to operate a rubber-producing facility"; and that "It is declared the disposal of the Government-owned rubber-producing facilities pursuant to the provisions of this act is consistent with the national security and will further effectuate the policy * * * with respect to the development within the United States of a free, competitive, synthetic rubber industry." (U. S. C. Appendix, title 50, sec. 1941o, 1941n, 1941.)

If the statutory introductions had required the Commission to get a full and fair price or keep the facilities, the Commission could have set a reservation price of its own. Conceivably negotiations would have been entered into in a different spirit on the part of prospective buyers, as well as on the part of the Commission, under such a statutory directive.

Mr. VINSON. Mr. Chairman, I yield 21 minutes to the distinguished gentleman from Louisiana [Mr. BROOKS], a member of the Committee on Armed Services.

Mr. ARENDS. Mr. Chairman, will the gentleman yield to me briefly, so that I may obtain information concerning the program from the majority leader, now that H. R. 12 has been postponed?

Mr. VINSON. I yield to the gentleman 1 minute for that purpose.

PROGRAM FOR THE WEEK

Mr. McCORMACK. I am very glad to respond to the question of the gentleman and glad that he asked it.

H. R. 12, to amend the Agriculture Act of 1949, the support price bill, will not come up until after the Easter recess. That information was carried in the papers, and I meant to announce it officially to the House. No rule has been granted on it as yet. It will not be considered until after the Easter recess.

I hope to get permission for the House to meet tomorrow at 11 o'clock. The next order of business would be the other disapproving resolution. There is some talk of asking for 4 hours of general debate. I hope that amount of time may be reduced. I know the gentleman from Georgia [Mr. VINSON] is anxious to expedite that as much as possible.

Mr. VINSON. If the gentleman will yield to me for a moment, I trust that we can make an arrangement so that we may use less than 4 hours. I do not know exactly what will happen. I am going to ask the author of the resolution if he is not willing to cut down that time. If he wants 4 hours, we will have to give it to him.

Mr. McCORMACK. After that is disposed of, the next order of business will be a code of fair procedure for investigating committees.

If the bill increasing the penalties under the Sherman Antitrust Act is not reached before Friday—and it is difficult for me to see how it can be—then that will go over to next week.

There are two other bills on which rules were reported out today. One is the burley tobacco bill, on which there is some necessity for speed.

Then there is H. R. 4647, relating to the rice marketing quota provisions of the Agriculture Act. I am putting that down for this week in the hope that one or both of them may be brought up before the week is over. The Interior Department appropriation bill will definitely come up Thursday.

Mr. ARENDS. I thank the gentleman from Massachusetts.

Mr. BROOKS of Louisiana. Mr. Chairman, I rise to oppose the resolution of the gentleman from Texas [Mr. PATMAN]. I do so with the knowledge of the past history of this program and of the present program that is presented to us for approval.

These plants were built under the stress of war. They were built beginning in 1942. They were for the most part put into operation in the early part of 1943. Actually the United States Government has owned most of these plants for 12 or 13 years, not 10 years, as so many of my colleagues have said.

This is not the first time the matter has come to Congress. It is not the first time it has come before the Committee on Armed Services of the House and the Finance Committee of the Senate. On the contrary, this is the third time that our committee has had this proposition before it for disposal; and each time, after extensive hearings, we have postponed the ultimate date for the disposition of these plants.

Now to come to the direct proposition: Do you want to hold these plants or do you want to sell them? If you say you do not want to sell them, then what will you do? Will you take 2 more years to consider the matter, during which time the market for the sale of these plants may become much less desirable than it is at the present time? Or would you prefer to go on and operate these plants continuously and indefinitely?

I, for one, want to go on record positively against the nationalization of an industry. That is really what it would be. Since the year 1946 we have had before us the problem of the disposal of these plants. At one previous time, we sold some of these plants.

The Government has gotten out of other industries. I think the Government should get out of this industry. Now we have before us, certainly for the third time as far as our committee is concerned, the problem of disposing of the plants and getting the Government out of the business. I believe in private enterprise. We cannot continue to operate a huge block of these plants controlling the synthetic rubber industry, as a Government facility, and not turn them over to private business without being justly accused of nationalizing and socializing a great industry. I am against it.

It has been my privilege for many years to be a member of the Committee on Military Affairs, which was merged into the Committee on Armed Services. The gentleman from Texas [Mr. PATMAN], who has a distinguished career in the House and is an able and brilliant Member of the House of Representatives, I know is sincere in this instance in his advocacy of small business.

But I yield to no man and no Member in my interest in small business, also, and I would not support this disposal program if I had any thought that it would have an adverse effect on small business.

I believe in the free-enterprise system for I think that is what our country stands for. Liberty and freedom is not confined to freedom of speech or assembly. It also applies to the right to make a reasonable profit as the result of capital investment and business operation.

From a national-security viewpoint, this program is completely justified. From a small-business viewpoint this program is also completely justified. From a free competitive industry viewpoint, the program is fully justified. If it were not, I would not support the program today.

A great deal has been said about small business. A lot of us go up in the air sometimes when we argue small versus large business. I am told that during the calendar year 1954, the first 100 rubber companies of the entire rubber manufacturing industry consumed a total of 1,079,022 tons, a terrific percentage of the overall production of rubber in the United States, that is, both natural and synthetic rubber combined. Those 100 largest users of rubber accounted for 87.5 percent of the total industry. So if you want to get to small business in the rubber industry, you are going to have to start breaking down some big combinations and do it quickly, because under our present setup 87.5 percent of the total rubber consumed is consumed by the 100 largest companies which are now in existence and operating. All other rubber-manufacturing companies consume a total of 153,864 tons of new rubber—that is, natural and synthetic rubber combined—or to put it another way, they consume a total of 12.5 percent of the entire rubber available. So on the one hand under our present setup 87.5 percent of the rubber is consumed by the 100 largest companies and 12.5 percent is consumed by the remainder of the 800 operating companies in the United States.

In that connection, I am advised that the 13th ranking company on that list of 100 in the use of rubber consumes less than 1 percent of the industry's total consumption, and the 100th company on the list consumes six-tenths of 1 percent of the total rubber consumption, including both natural and synthetic rubber.

You can get a further idea from those figures about how the industry is presently situated. Thus when we talk about the small-business consumption, we are talking about a very small proportion of all the rubber consumed in this country; that is, 12.5 percent covers everything. And yet we want to fully protect even this small percentage for a future market. If we assume that as many companies use natural rubber exclusively as there are companies that use synthetic rubber exclusively, then the 12½ percent of the rubber consumed by all of the rubber companies other than the 100 largest consumers, when applied against the consumption of Government-produced GR–S, discloses that in 1952 those companies consumed—that is, all of the small companies except the first 100 large consumers—consumed 82,000 long tons of GR–S in 1952. In 1953, they consumed 76,000 long tons and in 1954, they had dropped the consumption down to 60,250 long tons. That is about the same amount of synthetic rubber as is produced in Canada. That is all these small-business people consumed—60,250 long tons, and that is really what we are talking about today. The disposal program recommended here guarantees the availability of 152,520 long tons as against the present consumption of those plants of 60,250 long tons. What I am trying to say is the demand of small business for synthetic rubber is quite small in comparison with the overall consumption.

Some companies buy all natural rubber. Some companies buy synthetic rubber only. Some companies will buy either natural or synthetic rubber or both, depending upon the price. But insofar as the small business is concerned, its consumption compared with the consumption of the largest 100 companies is a very, very small amount. The guaranteed availability under this disposal program is far in excess of small business needs, as shown by these figures.

Let us look at the picture in another way. The Disposal Commission said in the fiscal year 1954, all companies other than the purchasers under this program bought 127,000 long tons of GR–S from the Government Facilities Corporation, and in the calendar year 1954, they bought approximately 112,000 long tons of GR–S.

But as the report very clearly states, many of the companies which are included in these consumption figures are not participating in this program, and they are not small business—they are taking care of their needs elsewhere. I, for one, am not particularly concerned as to the source of supply of synthetic rubber for General Motors or the General Tire & Rubber Co. They can afford to build their own synthetic plants, if necessary. But, like the gentleman from Texas, I am concerned about the little fellow who cannot afford to build his own plant. That is why our Committee on Armed Services went into the question of availability of synthetic rubber for small business and left no question unsettled as to its availability for small consumers. Gentlemen of the Committee, I hold in my hand a file handed to me by the American Synthetic Co. That is one of the companies that had to raise capital from among 29 companies, some small, some big.

The witness who testified and gave me this file indicated that he had canvassed the whole country in an effort to raise funds for the purpose of financing this business exclusively by small-business people.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. BROOKS of Louisiana. I yield to the gentleman from Texas.

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Mr. PATMAN. The gentleman refers to the American Synthetic Group as being one of the small companies.

Mr. BROOKS of Louisiana. I did not intend to refer to them. I said the gentleman who handed me this file stated on the witness stand that he had combed the country in an effort to raise funds for the financing of a company with small business. In other words, people who could put up $5,000 or $10,000 in such an enterprise, or even less, and I asked him if he would give me that file. He gave me his confidential file. I do not have time to read it. This is his confidential file I hold in my hand, but I can tell you that I have gone through it and I have seen replies that he has received from all over this United States from small-business people exclusively, who have said they are not interested because they are being well taken care of for handling their needs. Many of them referred to one industry or another.

Mr. PATMAN. The gentleman said that 85 percent of the consumers of raw supplies——

Mr. BROOKS of Louisiana. One hundred percent of the large users.

Mr. PATMAN. I think that should be clarified. Does that mean among the 800 as large fabricators, or does that mean these thousands of small fabricators?

Mr. BROOKS of Louisiana. No. He took the Blue Book of the rubber consumers and picked out eight-hundred-and-some in that book which are listed as rubber consumers, and who are as a usual rule small-rubber consumers. He wrote those people and asked them if they were interested in going into the proposition of financing a company with a small amount of capital, and their reply was that they were not interested in it; that they were being well taken care of under their present arrangements. He had great difficulty in raising any money. As a matter of fact he did not raise the money that he needed for that purpose because of the lack of interest of the small-business men in going into this proposition, in financing their own venture.

There is another side of the picture which we do not want to overlook. Here we have an opportunity to get the Government out of the rubber business. If we do not, it means the Government will stay in the rubber business until March next year, and from here on out. If it stays in, it means 1 of 2 things, either the industry—and that will mean the largest of the large companies—will build their own facilities to supply their own needs for rubber, or else the Government will have to expand the facilities to meet increasing demands for synthetic rubber and develop new types of rubber. You and I know that the greatness of this country can be attributed to the rights of individuals to patent their own inventions. As far as I am concerned, if the Government stays in the rubber business, our progress will be relatively small, and I suspect that some other interests may seize the initiative and produce ever-increasing amounts and better types of synthetic rubber in an effort to take over our market.

You ladies and gentlemen of this House can look through the hearings, and you will note that in the course of the hearings one company after another referred to the necessity of remodeling and expanding the rubber plants that they expect to purchase.

I have personally visited some of these plants. Although I am not an industrialist and never have been in the rubber business and never expect to be, some of them looked rather rusty to me; looked like they needed some repairs and remodeling. If the Government remains in this business, you may as well face the picture that the Government is going to have to raise the money to put some of these plants in better shape than they are in now. You are going to have considerably more investment in these rubber plants in the future than you have at this time. If we refuse to sell these plants, if we keep this industry nationalized from now on, private industry will go ahead, and in the course of time will build its plants and meet the competition in the synthetic-rubber business. This will be its answer; that is, as far as the large people are concerned. The small man will have no alternative than to seek his recourse by purchasing from the Government in the future in that event or by making arrangements to buy from these large companies which have their finances and can finance these industries.

In that connection, Mr. Chairman, I am advised—and I want you to listen to this—I am advised that the Polymer Corp., Ltd., of Canada—this was something I learned very recently—which is a semi-Government operation, has increased its production of synthetic rubber from 45,000 tons a year in 1951 to 51,000 tons in 1952, and to 63,000 tons in 1953. I do not have the figures for 1954, but I daresay that this industry in Canada alone is producing enough of this synthetic rubber to take care of the needs of all of the so-called small industry of the United States.

From a national security viewpoint, and from a good sound American free enterprise viewpoint, I say, let us get the Government out of the rubber business. We are getting a very good price for these plants—240 percent of their net book value. We are getting the greatest recovery, in my opinion, ever obtained by a Government agency for an operation of this size. And—we are going to get more rubber, and better rubber. We are going to increase the tax revenues of the Federal Government and unless I am very much mistaken we are going to find new uses for rubber which will create new business in this Nation.

But even more significant, as far as I am concerned, is the fact that we will further our national security. These plants are going to be expanded and every time we add another ton of capacity, or we find a new method by which a synthetic rubber can be substituted for natural rubber, we are decreasing our dependence upon foreign sources for a product that is essential in time of war. You remember that the Germans had to bring rubber to their country by submarine during World War II, and we even went down to the Amazon and paid $1 a pound for natural rubber, because we had to have rubber. And now we are given an opportunity to turn these plants over to private enterprise, subject to a 10-year national security clause, that guarantees their readiness to produce synthetic rubber and still returns to the Federal Government 96.6 percent of the unrecovered investment in our rubber program.

Mr. Chairman, I could not profess to be an advocate of the free enterprise system if I voted for this resolution. There may be some Members of the House whose attitude toward big business is such that they cannot see their way clear to selling these plants as recommended by the Commission. Well, for practical purposes if we adopt that theory we will never sell the plants, because this is not like operating a grocery store, or a service station, or a lumber yard, or a small bank, or a fruit stand, or a nut and bolt factory. This is a business which knows what competition is. And it is a competitive business. This is a business in which you can lose your shirt if you don't know what you are doing. It is big business. It involves three types of industry: chemical, rubber and petroleum. It is not just a simple matter as the gentleman from the floor suggests, of sitting down and negotiating with hundreds of small purchasers, with the Government putting up the money.

Now I have seen predictions of things to come which suggest that the price of rubber will go to 80 cents a pound. Well, that just overlooks entirely the economic facts of life. Mr. Chairman, if we do not have any confidence in our free enterprise system; if we do not know how to make our antitrust laws work, if we have got to take everybody by the hand, get them raw materials and guarantee them a profit, at no risk to themselves, then we better admit here and now that the system that made this country great is dead. I for one am still confident in the American way of life. I think there is plenty of spark in the system that made this country the greatest in the world, and I will not deny that system its right to exist in this great Nation.

Mr. Chairman, I am opposed to the resolution and hope that it is resoundingly defeated by the House.

Mr. PATMAN. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. CELLER].

Mr. CELLER. Mr. Chairman, I was not in the Chamber when the distinguished chairman of the Armed Services Committee, my good friend the gentleman from Georgia [Mr. VINSON] laid some rather heavy strictures upon some remarks I made before his committee in opposition to the disposition of these plants to certain companies which I rated as habitual offenders against our antitrust laws.

We have certain provisions in this disposal act, among them that there was to be the continuing development of a free competitive synthetic rubber industry and that the Congress recommends its sale under such conditions as will guarantee a free competitive synthetic rubber industry, and so forth. I maintain that all you have in those words are mere pious, pontifical declarations. They are meaningless gestures.

The disposal of these plants does not comport even with those gestures or those declarations. There are no sanctions in the law—no teeth—merely a moral obligation. I defy the gentleman from Georgia to tell me how in thunder you could enforce any such provision. You cannot, indeed, enforce the moral admonition. If these purchasers mentioned will continue to flout the antitrust laws in the future as they have in the past, then the Lord help the little rubber fabricators. They will die on the vine. They would not have a chance for their white alley, using a term of common parlance. Why, we know that in other industries like aluminum, copper, steel—strategic materials, as is rubber—when the metals become scarce the big fellows withhold supplies from the little fellows. Usually the little fabricators must buy the raw material from the big producers, who in turn are fabricators. Thus the producers sell to their competitors. In times of stress and shortage the small manufacturers are compelled to truckle to the big producers and beg for supplies of raw metals, which the big producers sell to them most reluctantly. Just so the big four in rubber—Goodrich, Goodyear, United States Rubber, and Firestone—all manufacturers of the end products as well as manufacturers of raw rubber, in times of emergency or shortage, would leave the little fabricators high and dry. The small rubber industry would greatly suffer. The producers are going to husband unto themselves the entire supply.

Do you think that the rubber companies who have consistently violated the antitrust laws in the past are going to do anything different in the future?

Why, listen to the record: Each of the big 4 rubber companies, Goodyear, Goodrich, Firestone, United States Rubber, has lost 4 to 6 antitrust suits in this country and Canada since World War II. Does the gentleman from Georgia blind his eyes to those facts? Several of the other rubber and chemical companies participating in the proposed purchase also have been branded as offenders in one or more antitrust suits in recent years. Does the gentleman from Georgia close his eyes to such facts?

And, significantly, all but one of the oil companies involved in the purchase here, even currently, this very day, are defendants in a Federal antitrust suit, or in the State of Texas antitrust suit, or both. Several of the oil companies in addition have lost 1 or 2 other such suits in the past 20 years.

Think of it. They have the effrontery to violate our antitrust laws at this very moment when they are to receive these benefits from the Government. They bite the hand that feeds them.

Burke once said:

> There never was a bad man that had ability for good service.

I paraphrase what Burke said: "There never was a bad corporation that had ability for good service."

These are bad corporations, I say to the gentleman from Georgia, and there are no signs of regeneration.

These companies, with their wretched antitrust records, will not change their tactics. The leopard does not change his spots. They will continue to offend against our laws. Blessing these companies by bestowing these plants upon them at bargain-basement prices is as incongruous as a joke on a tombstone. The gentleman from Georgia [Mr. VINSON] is as wrong as a 2-foot yardstick.

In effect, the present disposal program would transfer almost the entire synthetic rubber industry to corporations which in the past have taken active steps to limit competition, to fix prices, to establish quotas—all to the detriment of a free enterprise system and to the detriment of small business and with a consumer-be-damned attitude.

One cannot easily swallow the Attorney General's opinion in approval of the disposal program that these companies will best foster the development of a free competitive synthetic rubber industry.

Let me point out specifically some of the cases brought by our Government against these companies which indicate that they have actively combined and conspired to restrict competition and to fix prices in rubber products and petroleum products and chemicals, and in such minor items as storage batteries, brake lining and peach-pitting machinery. One of the parent companies of the lesser participants stands accused in a pending suit monopolizing air transportation.

Here are some of the cases:

First. In United States against Rubber Manufacturers Association et al., the Big Four, Firestone, Goodrich, Goodyear, and United States Rubber Co., plus Dayton, Seiberling, and others, were charged with combination and conspiracy in restraint of trade in tires and tubes from 1935 to 1947. They pleaded nolo contendere, and were fined $5,000 each.

Second. In United States against the Metropolitan Leather & Findings Association, Inc., in 1948, Goodyear and others were charged with price fixing in rubber heels and soles and were fined.

Third. In United States against United States Rubber Co. et al., United States Rubber and Dunlop Rubber Co., Ltd., were charged in 1948 with illegal cartel arrangements in latex; they took a consent decree in 1954.

Fourth. In United States against Sears, Roebuck & Co. et al., filed in 1952, Sears and Goodrich were held to be in violation of the Clayton Act by having a common director. He later resigned from the board of Sears.

Fifth. In two 1950 cases, one civil, one criminal, both known as United States against Association of American Battery Manufacturers, Sears, Firestone, Goodrich, Goodyear, and others, were charged with price fixing and exercise of monopoly power to exclude competitors, among other things. They pleaded nolo contendere to one count in the criminal case and took a consent decree in the civil case.

Sixth. In United States against National City Lines, Inc., et al., also two cases filed in 1947, Firestone, Phillips, Standard Oil of California, and others were charged with conspiracy restraint, and monopolization of trade in the sale of buses, petroleum products, and tires and tubes. The charges went back to 1937. In the criminal case, the jury found them guilty on one count in 1949. The civil suit, involving injunctions against future violators, was still unsettled in 1954. Regulation of trade by lawsuit is sometimes a slow business.

Seventh. Three Canadian antitrust cases are very enlightening. These are: Regina against Goodyear Tire & Rubber Co. of Canada, Ltd., et al., mechanical goods; Regina against Firestone Tire & Rubber Co. of Canada, Ltd., et al., tires; and Regina against Dominion Rubber Co., Ltd., et al., rubber footwear. In the first case, Goodyear, Goodrich, Dominion—the Canadian subsidiary of United States Rubber—Dunlop, and one other, pleaded guilty to conspiring to prevent or lessen competition from 1936 to 1952, and were fined $10,000 each. In the tire case, Firestone, Goodrich, Goodyear, Dominion, Dunlop, and others pleaded guilty to charges covering the period 1937 to 1952. They were fined $10,000, the then maximum fine, which the judge noted was wholly inadequate. The prosecutor estimated the companies had illegally extracted $1,300,000 a year for the 15 years they admitted operating the tire combine. The companies are reported to have replied that they were forced to band together for mutual protection during the depression. Banding together for mutual protection could be much more profitable in the United States, particularly if they own the GR–S plants which they now seek.

Dominion and Goodrich, and others, pleaded guilty in the footwear case, and were fined $10,000. The charges included identical product specifications and identical prices.

Canada has now removed the top limit on antitrust fines, permitting the court to assess such fines as the cases warrant. This should be a much greater deterrent than our $5,000 maximum fine.

In the Regina against Firestone case, the Canadian High Court said as follows:

> Between the 1st day of January, 1937, and the 31st day of October, 1952, within the jurisdiction of this Honourable Court, they (the defendants) did unlawfully conspire, combine, agree or arrange together and with one another to unduly prevent or lessen competition in the production, manufacture, purchase, barter, sale, transportation or supply in * * * the province of Ontario * * * and elsewhere in Canada * * * of * * * rubber tires (casings) and rubber tubes for passenger vehicles, trucks and buses, agricultural and road implements and tractors and related products including tire and tube accessories, automotive accessories and tire repair and retread materials, and did thereby commit an indictable offence contrary to the provisions of the Criminal Code, section 498, subsection 1 (d).
>
> Each of the accused corporations entered a plea of guilty and thereupon evidence was presented by the Crown to establish in a general way the nature and extent of the operations of these companies which resulted in this prosecution.
>
> In the view I entertain the maximum penalty of $10,000 provided by the code is wholly inadequate to meet the ends of justice, even as a punishment to the least of these offenders. This law has been in force for over 50 years and its provisions are, or should be, well-known to the businessmen of this country. Their actions were cold-blooded, calculated and deliberate violations of the law of the land and call for as severe a penalty

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as can be imposed within legal limits, both to mark the Court's condemnation of the enormity of the offence from the standpoint of punishment, and for its deterrent effect upon other potential offenders. It is the sentence of this Court that each of the accused shall pay a fine of $10,000 and that they be condemned to pay the costs incurred in and about the prosecution and conviction for the offences of which they have been convicted, forthwith after taxation thereof.

In the case of Regina against Dominion Rubber Co., Ltd., et al the High Court of Ontario said:

There were countless meetings and agreements among representatives of the accused and their coconspirators at which an elaborate system of classifying their commodities was arranged, identifying them by common number. * * * A casual study of the analysis of common prices which resulted from these agreements, filed as exhibit A-3, will reveal how well they succeeded in maintaining an identical price level.

Now, let us take some of the cases against the oil companies who were successful bidders.

Standard Oil Company of New Jersey, which controls both Esso Standard Oil Co. and Humble, was charged in 1942 with conspiracy with I. G. Farbenindustrie in two cases involving synthetic rubber. They pleaded nolo contendere in one case and took a consent decree in the other.

Several oil companies involved in the bidding for the synthetic rubber plants were also involved in losing two cases filed in 1936. United States against Standard Oil Company of Indiana, a price-fixing case, was appealed to the Supreme Court under the name of United States against Socony-Vacuum Oil Co., et al., and conviction was sustrained as to Phillips, Continental, Shell Petroleum Corp., and Empire, the predecessor of Cities Service. Continental and Cities Service make up Petroleum Chemicals, Inc.

The other 1936 case, also called United States against Socony-Vacuum Oil Co., Inc., concerned fixing jobber margins. In 1941, nolo pleas were entered by Cities Service, and an officer each of Empire, Shell, and Continental.

Among the 38 defendants pleading nolo contendere in United States against General Petroleum Corporation of California et al., a 1939 case charging illegal price raising and price maintenance, were Shell Oil Co., Standard Oil Company of California, and the Texas Co. Fines were $4,000 for Texas, $4,500 for the other two.

Still pending is a suit brought by the present Attorney General, United States against Standard Oil Company of New Jersey et al. Standard, Gulf, the Texas Co., Standard of California, and one other, are charged with attempting to secure and exercise control over foreign production and supplies of petroleum and petroleum products, to regulate imports in order to maintain a level of domestic and world prices agreed upon by the defendants, and to divide world foreign producing and marketing territories.

The State of Texas has an antitrust suit in the State courts against 10 major oil companies, including Cities Service, Continental, Gulf, the Texas Co., Humble, Phillips, and Standard Oil Company of Texas, a subsidiary of Standard of California. This case was brought by PRICE DANIEL, then attorney general of Texas, now a Member of the Senate.

United States against Food Machinery & Chemical Corp. et al., involving monopoly of peach-pitting machinery, was settled by a consent decree last August.

Several of the companies which make up American Synthetic Rubber Corp. appear among the antitrust case losers. American Cyanamid Co., the largest stockholder in American Synthetic and scheduled to be its exclusive selling agent, has been in three cases. United States against Allied Chemical & Dye Corp., filed in 1942, and ended by nolo pleas in 1946, charged price fixing at exorbitant levels in dyestuffs. Cyanamid and one of its officers were each fined. A subsidiary, American Cyanamid & Chemical Corp., was a party to some chemical antitrust cases filed in 1942, and settled in 1945, by nolo pleas. The cases all charged price fixing. Cyanamid & Chemical was fined $7,500. In United States against Standard Ultramarine and Color Co. et al., American Cyanamid took a consent decree in October 1954, on charges of fixing and maintaining prices and allocating sales of ultramarine blue and laundry blue.

Anaconda Wire & Cable Co., a stockholder in American Synthetic, is a subsidiary of Anaconda Copper Mining Co. Two other Anaconda subsidiaries, Anaconda Sales Co., and Greene Cananea Copper Co., were named in United States against Climax Molybdenum Co. et al. in 1942, a price-fixing and competition-control case which ended in a consent decree.

General Cable Co. and Phelps Dodge Copper Products Corp. are stockholders in American Synthetic, and have been together before; they took a consent decree in 1948 in United States against General Cable Corp. et al., a cartel, price-fixing and development-suppression case.

Dewey & Almy Chemical Co. is a part of American Synthetic, and has recently been acquired by W. R. Grace & Co.; Pan American World Airways, Inc., and Pan American-Grace Airways, Inc., are defendants in a Sherman Act case filed in 1954, charging combination restricting competition and monopolizing air transportation between the United States and Latin American countries.

Raybestos-Manhattan, Inc., and Thermoid Co., both stockholders in American Synthetic, were also previously associated as nolo pleaders in 1948 in United States against Brake Lining Manufacturers Association, Inc. They were fined $5,000 each, on price-fixing charges.

Dunlop Tire & Rubber Co. is in American Synthetic; it is controlled by the British Dunlop, which was involved in the latex cartel case with United States Rubber.

It is only fair to add that some of the stockholders in American Synthetic Rubber Corp. have not been involved in antitrust suits.

The only plant, however, that would be sold to a company with no antitrust history is the Koppers Co. alcohol butadiene plant at Kobuta, Pa. Koppers Co., Inc., apparently did not want the whole plant, but took it just to get the powerplant and utilities.

The list of antitrust cases is long, and perhaps boring. It could be extended by referring to Federal Trade Commission cease-and-desist orders covering such rubber items as golf balls, rubber soles and heels, canvas and rubber footwear, bicycle accessories, as well as tires and tubes.

The conclusion to be drawn is that competition in the future is no more likely than in the past. Banding together for mutual protection can be highly profitable in the case of synthetic rubber and its component raw materials.

The Attorney General, in his formal statement approving the pattern of disposal, completely ignored the antitrust history of the successful bidders. This is the more surprising, since he settled 3 and brought 2 of these suits in the past 2 years. With this record in his own files, it is extremely difficult to understand how he can make a positive finding that the proposed sales of the plants "will best foster the development of a free competitive synthetic rubber industry."

Indeed, throughout his statement, the Attorney General stressed the lack of competing bids for the several plants. For 10 out of 11 GR–S plants—(GR–S is Government Rubber Styrene), mainly used for rubber in tires—for both the butyl plants—rubber used for tubes—for 3 out of 4 petroleum butadiene plants including the largest, and for the alcohol butadiene plant, only 1 bid was received. The Attorney General seems to consider this paucity of bids as conducive to future competition. To a Congressman such limited bidding might well suggest a lack of competition, that indeed, competition in the synthetic rubber industry is doomed from the start.

The cases that I have cited are mostly settled and thus legally dead. But for purposes of considering the disposal of these plants these cited cases are not dead, morally. Many of these successful bidders are self-confessed law violators or have been found guilty before a judicial tribunal. They thus come before this tribunal with unclean hands. They are malefactors and should be treated as such. This Congress should not reward them by turning over to them valuable plants, no matter how convenient it might be to the Government or to the members of the Rubber Producing Facilities Disposal Commission. These prospective purchasers have snapped their fingers at the laws we made. They have used inordinate power to ride roughshod over competitors. They even tried to cheat the Government by conspiring to present identical bids in their dealings with the Government. I refer to the case of United States against Cooper Corp., civil action No. 2–396, Southern District of New York, complaint filed February 20, 1939. The defendants in the case included the Dayton Rubber Manufacturing Co., the Dunlop Tire & Rubber Corp., the Firestone Tire & Rubber Co., the B. F. Goodrich Co., the Goodyear Tire & Rubber Co., the Seiberling Rubber Co., United States Rubber Products, Inc. This was a triple damage suit for conspiracy, brought by the Govern-

ment, to fix the prices of tires on sales to the United States Government. The case was dismissed on technical grounds because the United States was not a "person" within the meaning of Section 7 of the Sherman Act. The complaint, however, showed identical bids for tires submitted to the United States Government to three decimal points.

One would be naive, if not foolish, to believe that disposal of these plants to these companies would satisfy the sine qua non we laid down in section 3 (c) of the Disposal Act, namely, to secure a program that would best foster the development of a free competitive synthetic rubber industry.

Have these companies reformed? I see no signs of regeneration. They have habitually repeated their sins not only in the United States but in Canada. A leopard does not change its spots. Suppose you were a businessman, and your supplier attempted to cheat you. You caught him red-handed. You would be rather foolish to deal with him again. Frankly, you would boot him out. Well, these companies were guilty of wrongdoing against the United States. Shall the United States now reward them for their wrongdoing? The sales to any or all of these defendants in these antitrust suits should be canceled out. Otherwise we are guilty of double talk. We speak out of both sides of our mouths if we at one and the same time say we want free, open, competition and at the same time we say turn over these plants to antitrust violators.

Section 17, subsection (1) reads as follows:

> That the disposal program be designed best to afford small-business enterprises and users, other than the purchaser of a facility, the opportunity to obtain a fair share of the end products of the facilities sold and at fair prices.

Does anyone in his right senses say that these companies, if possessed of these plant, will help small business enterprises? Their record proves to the contrary. Take a look at the list of the successful bidders, on pages 8 and 9 of the report to Congress by the Rubber Producing Facilities Disposal Commission. With rare exceptions they are all huge companies. They are also huge users of synthetic rubber. They are going to supply themselves. They are not unselfishly going to cater to small business enterprises, that is, small rubber fabricators. If rubber gets scarce they are going to husband unto themselves all the rubber they can produce. They are going to feather their own nests. All manner and kinds of subterfuges will be used to deprive the small fellows of a fair share of rubber. The little fabricators and manufacturers will die on the vine.

As far as I can see, there is no implementation of the declaration contained in section 17, subdivision (1). It it simply a pontifical declaration, with no sanction for violation. There is no method of enforcement, it is simply a moral obligation. Anti-trust violators do not usually abide by morale declarations. Take another look at the list of prospective purchasers. You will see that KYS Corp. is the only purchaser that really contains small operators. All the others are large or monolithic operators. None of these conditions make for fair dealing with small business and small fabricators of rubber.

For these reasons I think this Congress should ponder long and well before granting any approval to the sale of these plants. Conversely, as the law requires, the sales should be balked. I hope that this Congress will negate the action of the Rubber Producing Facilities Disposal Commission.

Mr. VINSON. Mr. Chairman, I yield 20 minutes to the distinguished gentleman from Texas [Mr. KILDAY], a member of the Armed Services Committee.

Mr. KILDAY. Mr. Chairman, as preliminary to what I have to say, I do want to reiterate my opposition to the procedure of bringing back to the Congress the actions taken by the Executive Department. The fact that we are intruding upon the powers of the Executive Department in many instances began with the former Committee on Naval Affairs having real-estate acquisitions and disposals submitted to the committee; then it was extended to all of the armed services the law now provides that the committee and the departments must come into agreement on real-estate acquisitions and disposals; then it got into the lease-purchase bill where they must report back to the committee; then it got into the Atomic Energy Act amendments of 1954; it got into this act of 1953, and we find ourselves attempting to administer laws that we have passed, something that is totally impossible in our form of government. I sincerely hope that the unfortunate experience such as we have here, the great time-consuming procedures which come from these things, will finally convince us that we have plenty to do in the legislative field without undertaking to review and revise those things which properly belong in the executive field. We are not strengthening the manner in which the laws are executed, but we are relieving the Executive Departments of at least a portion of their responsibilities. Of course, the law is here and we must go through with this proceeding, but I sincerely trust that this trend will soon be stopped and that we will go back to taking care of legislative matters and let the Executive Departments take care of executive matters.

Mr. Chairman, I believe it has been made quite clear both before our Committee on Armed Services and on the floor of the House that actually there is only one issue involved here. The issue is whether we should have Government ownership of the rubber-producing facilities, whether we should have governmental monopoly or whether the Government should get out of the rubber business. All of the rest, all of the other things that are brought in here are for the purpose of window dressing. Now, the issue here is not whether we should be in the rubber business. In 1953 that question was before the Congress. Some of the same gentlemen who here today, attempting to keep the Government in the rubber business, opposed the bill that was passed here in 1953. They opposed the bill on some of the same grounds. The question today is not whether these plants should be sold or not. By an overwhelming vote in 1953 this Congress decided that the Government should get out of the rubber business; that the rubber-producing facilities should be sold. There was included this system of reporting it back for review as to whether the terms of sale were complied with. This matter was before the House on June 25, 1953. My colleague the gentleman from Texas [Mr. PATMAN] spoke on that bill at that time. The issue then was: Shall the rubber plants be sold or shall the Government continue to own and operate the rubber plants? That issue was before us in 1953. That issue was determined in 1953. My colleague, in referring to the address made here today by the chairman of my committee, laid particular emphasis upon placing first things first and disagreed with the order in which my chairman had stated the issues involved as if stating first one issue made it more important than stating it second or third. I am willing to accept that philosophy, and doing so I go back to the RECORD of June 25, 1953, when my colleague the gentleman from Texas [Mr. PATMAN] was addressing the House and stated:

> Mr. Speaker, I am opposed to this rule and and to the bill. The first reason why I am opposed to this rule and to the bill is because it is possible we will need these facilities again and we should not have them in hands where they will be out of our control. We have been embarrassed in the past by reason of the lack of production of rubber. We should not again place ourselves in a vulnerable position.

No. 2: The big rubber companies—there are just a few of them—would like to have these facilities disposed of now; and so on. That was elaborated to some extent.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. KILDAY. I yield.

Mr. PATMAN. Is it not a fact that the Korean war was going on at that very time?

Mr. KILDAY. In June 1953?

Mr. PATMAN. Yes.

Mr. KILDAY. That is last June; I do not think so.

Mr. PATMAN. June 1953; why, certainly.

Mr. KILDAY. The gentleman may be correct, I am not sure of the date.

Mr. PATMAN. And if the war was going on at that time, of course, we would need those facilities. We would need them today if we had a war going on.

Mr. KILDAY. The gentleman at that time offered a general motion to recommit, not with instructions, but a general motion to send the bill back to the committee without instructions. There was a rollcall vote on it at that time and the motion to recommit was defeated by a very substantial vote.

Mr. VINSON. Three hundred and seventeen to 58.

Mr. KILDAY. I accept those figures. But on the very issue as to whether or not the Government should continue to own and operate these plants, the question is raised here about the fact that rubber companies are acquiring rubber plants. I do not suppose that one would

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find a serious contention of that kind made anywhere but in a legislative body and it has been suggested here that our political futures are at stake in this matter. I do not know of anybody who guarantees us security of tenure here. Nobody has ever taken the position that there was security of tenure. Nobody has ever taken the position that this is not a job in which you must face responsibility.

One of the criteria for the disposition of these plants was that the prospective purchaser has the technical competence necessary to operate a rubber producing facility. It says, except that prior experience in operating a rubber-producing facility shall not be required as a basis for determining whether a prospective purchaser has the technical competence necessary to operate a rubber producing facility.

So we required that they have the competence. We did not say that if they had produced rubber they were disqualified. We made it clear, though, that they had to have the competency. And I take it that you acquire competency by having engaged in the activity as other bidders in this matter has engaged in the production of chemicals. And if we make it one of the criteria, we are faced with the proposition that that should be one of the reasons for rejecting the report which has been made.

There has been the question brought up here as to violations of the antitrust laws and the number of times that these people or some of them have been either charged with or convicted of violation of the antitrust laws. I know of nothing in the Anglo-Saxon system of jurisprudence which indulges the presumption, because there has once been a violation of the law by an individual, that there will again be or that it will be continued. I certainly know of nothing in the concept of the American system of government that the American Government is so impotent that it cannot enforce its criminal laws. I should hate to be a member of the legislative body of a nation that would say that this government is not competent, is not powerful enough, to enforce its criminal laws.

The gentleman who preceded me, the chairman of the Committee on the Judiciary, spoke with reference to antitrust law violations and about monopolies. I do not know how many of those convictions to which he referred were on a plea of nolo contendere or how many had come in and were willing not to contest the matter and accept a $5,000 fine. If our antitrust laws are in such condition that corporations or their officers and agents can violate the antitrust laws, or the criminal provisions thereof without fear of successful prosecution, then I take it that our antitrust laws are badly in need of revision and amendment. If I understand the rules of this House, all legislation on questions of the antitrust laws are committed to the committee of which the gentleman from New York [Mr. CELLER] is the chairman. If our antitrust laws are in position he has pictured them to be here, I would suggest that he devote a great deal of time to the consideration of the proper amendments of the antitrust laws of the United States.

This is solely and simply a question of whether you favor Government ownership, Government monopoly, of an industry which had its inception and grew up in time of war, and of necessity had to be built by the Government.

Mr. HOFFMAN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. KILDAY. I yield.

Mr. HOFFMAN of Michigan. Before the gentleman leaves that antitrust business, I want to ask a question. Are not our antitrust laws in somewhat the same state as the laws which have to do with the collection of taxes, in that no man can know for a certainty when he takes a particular action whether or not he is in violation of the law?

Mr. KILDAY. I am not an authority on that. If I had spent a good many years on the Committee on the Judiciary I would have attempted to become informed, but I have not had that opportunity.

Mr. CELLER. Mr. Chairman, will the gentleman yield?

Mr. KILDAY. I yield to the gentleman from New York.

Mr. CELLER. Will the gentleman agree, if we can amend the act providing for the disposal of these plants, to amend it so that small business can get a strictly enforceable provision that if the purchasers do not abide——

Mr. KILDAY. Does the gentleman mean in this proceeding?

Mr. CELLER. In this or any other proceeding.

Mr. KILDAY. I do not yield further. I want to answer. That, of course, cannot be done in this proceeding. I do not know what we are doing here. The point is, I do not know what this proceeding is. It is certainly not a legislative proceeding. Then why are we in session on it? I repeat what I said when I began my remarks, that I hope the time is not far distant that we quit intermeddling in the executive functions of the Government, and that we will devote our time to questions of legislation. We cannot legislate in this proceeding because of the manner in which it comes in. The time to have done that, may I say to the gentleman from New York, the chairman of the Committee on the Judiciary, was in June 1953, when the bill was here. I would refer the gentleman to his own speech on the floor of this House on the 25th day of June 1953 when he stated that the bill as originally drawn did not furnish the safeguards that he believed to be necessary; that he appeared before the Subcommittee on Armed Services, and that thereafter the subcommittee and the committee had made amendments, and that the gentleman was satisfied the provision of the law of 1953 was adequate and that those matters would be protected.

Mr. CELLER. I tried to get amendments in the subcommittee but woefully failed. I could not prevail upon you gentlemen to do so.

Mr. KILDAY. I was not on the subcommittee, may I say to the gentleman, but I will refer him to his remarks on the floor of the House on the 25th day of June 1953, at the time this bill was under consideration, in which he referred to the fact that he had been before the subcommittee, that he had raised questions that the provisions were not adequate from the standpoint of antitrust and small business, that the subcommittee had made changes and that he was satisfied that the provisions as changed were adequate. I cannot place my finger on the gentleman's remarks in the RECORD at this time; I did this morning. Does the gentleman deny that I have stated it in substance accurately?

Mr. CELLER. The substance is correct, but I relied on the Attorney General to abide by the import of the language we put in. However, the Attorney General has failed us and gone forward with his tongue in his cheek and said that these disposals would help small business. That is not the case.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. KILDAY. I yield.

Mr. HALLECK. I commend the gentleman for the splendid statement he has made. It is quite obvious from the history he has recited that by an overwhelming vote the House of Representatives, when we acted on this original measure, indicated we wanted those plants sold. I have sat here throughout most of the day listening to this debate, and I am convinced he is absolutely right when he says the fundamental question here, leaving out the shadowboxing, is whether we want the Government to continue in this business or whether we want to go along with the decision which we made previously to dispose of these plants. Personally, I think the Commission has done a good job and the Committee on Armed Services has done a good job.

Mr. KILDAY. That is the only question involved.

Mr. HALLECK. I hope today there will be an equally overwhelming vote approving what has been done.

Mr. KILDAY. Mr. Chairman, there has been a great deal said about the language used by the Attorney General in his report. I do not believe we should let the matter go, but I believe there were some big words used here—something like connivance by the gentleman from Illinois. But anyway it connoted that it was a deliberate attempt to deceive.

Mr. YATES. Did I allege something I should not have alleged?

Mr. KILDAY. I would not have done it.

Mr. YATES. Forgive me.

Mr. KILDAY. When the Attorney General stated on the basis of information submitted to him, I want to submit that that language is a paraphrase of the statute itself. In subsection D of section 3, it is provided: "before the submission of its proposed disposal report to the Congress, as provided for in section 9 of this act, the Commission shall submit it to the Attorney General who shall within a reasonable time," and so forth. Then the Attorney General stated on the basis of what was submitted to him. The law required it to be

submitted and the Attorney General replied on the basis of the submission.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. KILDAY. I yield.

Mr. YATES. I asked the gentleman to yield for the purpose of clarification. I thought I made clear in my remarks before that my criticism of the Attorney General was not directed exclusively to the letter which he wrote clearing the sale, but as well to the statements he made to your committee.

Mr. KILDAY. That is what I want to discuss.

Mr. YATES. It was not directed exclusively to the letter he wrote clearing the sale, but as well to the statements he made to your committee in response to questions which were asked by members of your committee.

Mr. KILDAY. That is what I want to discuss. I believe his language here has been misconstrued. He was asked as to small business or an individual being able to enforce that provision of the contract. He stated he felt any individual attempting to do so would be at a great disadvantage. I assume the gentleman, good lawyer that he is, realizes how difficult it always is in enforcing a contract for the benefit of a third party for that third party to go into court to enforce it. I think the gentleman will agree for an individual to go to court to seek damages which the law provides he may secure because of an injury he has sustained by violation of the antitrust law is generally, and most frequently—nearly always—beyond the ability of an individual to maintain his suit because it requires such a great amount of information and evidence and legal talent and time that an individual cannot do it. The next question was as to whether it could be enforced for him, and he said he would want to give that legal question additional thought.

Mr. YATES. That is correct.

Mr. KILDAY. I believe what he said as to an individual trying to secure relief in cases of this kind is that the individual is up against a very difficult practical question and one which he probably could not surmount. As to whether in a given case the Attorney General in a suit under the antitrust laws, in a suit, he said he wanted to give that particular question more thought. I believe the Attorney General has done what we demanded of him by law. I think Judge Barnes, who testified before us, was frank about it. I think if any lawyer had heard him say, "Oh, certainly, an individual can go out and enforce that contract," he would have no confidence in him and would not have believed a word he said about it.

Mr. YATES. Would the gentleman from Texas agree that Judge Barnes was not as certain of the rights of small business in enforcing these contracts as the chairman of the committee and other members of the committee have told the Congress they are?

Mr. KILDAY. I do not know just exactly what has been said here in the debate because the debate has been quite long today.

Mr. YATES. They talk of warranties and guaranties and about the rights of small business to go into court and get their fair share in accordance with these commitments. I am sure the gentleman will agree that Judge Barnes never committed himself to that.

Mr. KILDAY. No, I believe Judge Barnes committed himself that he was fully performing his duty as Chief of the Antitrust Division of the Department of Justice, and he would prosecute them. I do not have any doubt that when you start talking about a company deciding whether they are going to keep this one in business or get that one out of business, that Judge Barnes would be quite alive to that commitment. Yes, I believe the Department of Justice and the Antitrust Division would be in a position to do something.

I am going to close by saying that the issue which is sought to be brought here now is the issue which was determined in June 1953, that the Government shall get out of the rubber business; that it shall be disposed of to private enterprise; that the provisions of the act under which they were to proceed have been complied with, and if these dire results which it is said can come from a thing of this kind are in fact true, this is not the place to be talking about them, but we had better get busy with the Committee on the Judiciary and see to it that this great and powerful Nation is not impotent when it comes to prosecuting violators of the antitrust laws, and instead of talking about a $50,000 fine, give these officers and agents of corporations jail and they will no longer plead nolo contendere.

The CHAIRMAN. The time of the gentleman from Texas [Mr. KILDAY] has expired.

Mr. PATMAN. Mr. Chairman, I yield 8 minutes to the gentleman from Tennessee [Mr. EVINS].

Mr. EVINS. Mr. Chairman, the chairman of the House Small Business Committee [Mr. PATMAN] and those allied with him in the effort being made here today to secure approval of the pending resolution expressing disapproval of the sale of the synthetic rubber facilities until such time as adequate safeguards are assured by the Disposal Commission to protect the public interest are truly making a firm stand in the public interest.

Personally I am not opposed to and would not be opposed to the sale and disposal of synthetic rubber plants of the Government provided adequate assurances and adequate safeguards are assured—that the needs of the Government and public interest would be served and protected by such sale and disposal of these properties. I feel that these considerations are not fully assured at this time and, therefore, that the House should express its disapproval of the sale of these facilities at this time.

Rubber is an essential item for this Government and our Nation's defense because of a shortage of rubber supply and the possibility that the Nation's rubber supply might be cut off. The Government during World War II built these synthetic rubber plants at huge costs to taxpayers of the Nation. They served a useful purpose not only in supplying rubber for national defense but also in promoting competition and bringing down and keeping down the price of rubber to the consumers of the Nation. Now it is proposed that these plants be sold to a few large rubber companies of the Nation. We have no assurance that the products of these plants will not be again needed by our Government, and perhaps sooner than many anticipate. Well should we remember how in the early days of World War II the requirements of our Armed Forces for items made of rubber far exceeded the supply.

As has been pointed out we have no real assurance that the standards—the criteria set by the Congress in creating the Rubber Producing Facilities Disposal Commission are guaranteed.

Among the criteria which the plant Disposal Commission is required to meet include, first, that the disposal program be designed best to afford small business enterprisers and users the opportunity to obtain a fair share of the rubber supply and at a fair price. There is absolutely no guaranteed assurance that this criteria will be met.

An examination of some of the proposed contract clauses shows very weakly worded clauses, such as—the purchaser will sell approximately 20 percent of the rubber produced to small business enterprisers; such sales to be made at going prices; the fabricator, we should remember, sets the going price; and another provision provides that the purchaser will consider expansion of its facilities to take care of the small-business market.

Both of these stipulations are meaningless. The small-business man has no way of knowing that the supplier will live up to these proposals. They would have neither the means of getting information or the resources to sue for enforcement of these so-called contract provisions. There is no law which compels a supplier to sell to any particular buyer. The suppliers may choose their customers as they please and the big industries set the prices and are the leaders in the market.

So, Mr. Chairman, in this regard, it is evident that the Commission has in no wise provided any guaranty or assurance that small business enterprisers, the Government, consumers, and other users can obtain a fair share of the rubber from these plants and at fair prices.

Another criteria set by Congress was that the purchaser would agree to develop a competitive synthetic rubber industry and not permit any company or corporation to obtain unreasonable control over the manufacture of synthetic rubber. By the sale of these plants to the existing rubber producers, rubber manufacturing will be integrated into a small and very limited group of producers. Competition will not be promoted and fostered and, I fear, an unreasonable control of rubber supply will be obtained by the integrated rubber producers of the Nation. Those purchasing the plants control 80 percent of the rubber produced in this country today with this acquisition they will control 100 percent of rubber production in the

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United States. The Congress further charged the Commission to see to it that full fair value for the facilities are obtained. The Commission proposes to sell all of the plants for $260 million. The production record of these plants discloses that the plants made a profit of $130 million during the past 4 year. Another $135 million has been charged off to depreciation making a net return of $265 million after payment of all costs including substantial fees to the suppliers, the management and the payment of royalties for use of patents involved. These plants will more than pay for themselves within a period of 4 years on the basis of present year operations. Should the price of synthetic rubber be increased by only 5 cents a pound, there would be complete pay-out of the purchase price of the properties in less than 3 years. I do not feel, therefore, that the Commission has obtained for the Government full fair value of the facilities. At the price indicated consideration is not included for the value as a going concern and potential earning power of these facilities—vital as they are for consumer needs and for national defense purposes.

During the last session, the Congress approved the sale of aluminum plants owned by the Government. It was only after a fight put up in the House that some 10 or 12 amendments were adopted to the bill to protect the public interest. Like the aluminum property sale these properties should not be sold unless these guarantees are obtained and the public interest of the Nation assured. I repeat those who are fighting to achieve this purpose are serving the public interest.

With the sale of the Nation's aluminum plants and the synthetic rubber plants the next step no doubt will be the recommendation for the sale of the public power plants of the Nation, perhaps next the Post Office Department to the railway express company or some contract carrier. When these objectives are totally achieved, competition will be minimized, the consumers of the Nation will pay exorbitant prices and the Nation's defense will be weakened. Let us call a halt today to this trend in the public interest.

Mr. VINSON. Mr. Chairman, I yield 14 minutes to the distinguished gentleman from Illinois [Mr. ARENDS], a member of the Committee on the Armed Services.

Mr. ARENDS. Mr. Chairman, I do not know how much more the House can listen to in addition to what has already been said on this subject, but I have some notes here from which I would like to make a few observations in the hope I might add something to the support for the position taken by the Armed Services Committee.

It is quite evident from what has already been said by my distinguished chairman of the Armed Services Committee [Mr. VINSON] that the synthetic rubber plant disposal program presents many complexities. Our committee spent many days, mornings, and afternoons, in a most painstaking study of every phase of the program. We took over 700 pages of testimony in a detailed examination of the substantive, as well as procedural questions involved. No one raised a single question of any kind with respect to any aspect of this disposal program that was not carefully explored by our committee.

Our recommendation to the House that both these resolutions be rejected is not simply our best judgment. It is indeed our considered overwhelming, almost unanimous, judgment that the disposal program as reported to us by the Rubber Producing Facilities Disposal Commission is one of the finest ever developed. It meets every criteria, statutory, or otherwise.

I will say, and I think the majority of my committee colleagues will concur, that it would be more in keeping with the facts and our findings if we were to take up a resolution of commendation of the Commission instead of what we have pending. But in our overwhelming rejection of the pending resolutions the Armed Services Committee has expressed its commendation. I am sure the House will do likewise.

No Commission or agency of Government undertook a more difficult task than that undertaken by the Rubber Producing Facilities Disposal Commission appointed by the President less than a year ago pursuant to the provisions of the Disposal Act of 1953. I should like to express my personal respects, appreciation, and commendation to each and every member of the Commission, particularly to its chairman, Mr. Holman D. Pettibone. They have done a truly magnificent job on a truly difficult assignment.

The Rubber Producing Facilities Disposal Act of 1953 is part of the administration's program to get the Government out of business activities rightfully belonging to private enterprise. Of course, for those who believe in state socialism, as opposed to the free, competitive enterprise as the traditional American concept, this overall program is basically wrong. But the great majority of our people believe in free, competitive enterprise. They reject the doctrine of state socialism. They want the Government out of business activities rightfully belonging to private enterprise. And we expressed their wishes when we passed the Rubber Producing Facilities Disposal Act on June 25 last year by a vote of 317 to 58.

In recommending the enactment of the law, the President set forth three objectives: First, that the Government should realize the full fair value of the facilities; second, that the Government-owned plants should be disposed of in such a way as to assure our people the benefits of fair competition; and third, that they be sold on such terms and conditions as to insure the availability of synthetic rubber in the event of national emergency.

In keeping with those three general objectives we carefully set forth in the law seven specific criteria to be used by the Commission in arriving at its decision as to how and to whom the plants should be sold and under what terms. We did more than that to make certain the three general objectives were attained and seven specific criteria were followed. We stipulated that after a specified time for advertising for bids and a specified time for negotiation, the Commission should report to us. And we reserved the right to reject their recommendation. That is the question we have before us today.

If time permitted, we could take each and every recommendation of the Commission and apply it to each and every one of the seven criteria. That is hardly necessary, particularly in view of the care taken by our Armed Services Committee in this respect and the thorough presentation already made by our able chairman, the gentleman from Georgia [Mr. VINSON]. I shall simply confine myself to the Commission's recommendation in relation to the three objectives.

The first objective is to make certain that the Government, which really is the taxpayer who sustains the Government, receives a full, fair value for what is sold. That objective has been more than met. The Commission proposes to sell the plants involved for $263,643,000, or more than twice their net book value.

I have been hearing a great deal of talk in these past couple of years about a giveaway program. It has been just talk without foundation in fact. There is certainly nothing giveaway in this proposal of the Commission when the Government is to receive twice the net book value of what is sold.

In that connection I think we might make some comparisons. If I made them on a net book value basis, the comparisons would prove my point with shocking conclusiveness. But I never want to be in a position of using any comparison that may be said to be in any degree unfair or misleading.

Accordingly, we shall take the gross book value. By so doing we eliminate distinguishing factors and arrive at a common denominator for a truly fair comparison purpose. Our committee report shows that under the Commission's proposal the taxpayers will get 96.6 percent of the unrecovered investment, and in addition will retain three unsold facilities. If we take the estimated net book value of what is retained, deduct it from the value of what is being sold, you will find that the return is approximately $9 million greater.

But I propose to use a comparison that eliminates all contingencies and to which there can be no possible exception. We will take gross book value. Under the Commission's proposal the return to the Government amounts to 62 cents on each dollar invested. That is on gross book value: 62 cents on each dollar invested.

Some may say, that is giveaway. What nonsense. Now compare. Thirteen aluminum plants were sold to Reynolds, Kaiser, and Alcoa. And how much did we get for them? Thirty-seven cents on the dollar. And that was sold by a previous administration.

I will give you another comparison. The Columbia Steel Co., with a gross book cost of over $191 million was sold for 25 cents on the dollar. And that, too, was sold by a previous administration.

In fact, the General Services Administration records show that up to September 30, 1952, it sold Government sur-

pluses for $1 billion three-hundred-odd million that had a gross book value of three-billion-seven-hundred-odd-million dollars, or 32 cents on the dollar.

Thirty-seven cents on the dollar for aluminum plants, 25 cents on the dollar for a steel plant, 32 cents on the dollar for miscellaneous articles, and now there are those opposing the Commission's recommendation when they propose 62 cents on the dollar based on gross book cost.

By whatever comparison you wish and by whatever standard you may employ, the fact remains that the rubber plant disposal program suggested by the President's Commission more than meets the objective of fully fair value return to the Government and the American taxpayers.

The second objective as set forth by the President, and which we made specific in law, is that the disposal of the plants be in such manner as to insure small business an opportunity to a fair share of the product of synthetic rubber. The gentleman from Texas [Mr. PATMAN] introduced his resolution of rejection largely, if not wholly, on the grounds that the proposed sale program did not meet this objective or the statutory criteria with respect to it.

There are certain basic facts which those who raise this objection completely overlook. One is that the small rubber fabricators have always purchased, and are still purchasing, a large part of the rubber they use from the larger rubber companies.

This objection that the Commission's proposed disposal program does not meet the criteria that it afford small business enterprises and users a fair share of the end product is based on a wholly fallacious assumption. The capacity of the plants to be sold is substantially in excess of the present demand for synthetic rubber and in excess of any recent year's demand. The present production capacity is greater than the existing market.

As stated in our committee report, to assume that the purchasers of these plants will curtail production and not try to produce at capacity is to deny the economic facts of life. The plants are being purchased with a view to making a profit and the greater the production the greater the profit is likely to be. If we are to assume anything, we must necessarily assume that the producers will be constantly looking for new users. That is an economic fact of our free, competitive enterprise system that accounts for our productive growth in all fields of American enterprise.

In this connection it is worthy of note that the American Synthetic Rubber Co., which purchased the Louisville plant, made a strong effort to increase the number of its stockholders. For that purpose it approached 70 different rubber fabricators, but the maximum number that could be interested was only 28.

Our Committee on Armed Services explored thoroughly this whole question of availability of the end product to small business. From our examination of the facts there does not appear to our committee any possibility, not even the remotest, that small business will not be able to obtain a more than adequate amount of synthetic rubber for its needs. Even assuming that the plants are operating at capacity to meet a demand which does not presently exist, the sales contract to the producer carries a commitment that he will guarantee an amount or percentage of capacity for small business. And each proposed purchaser told our committee that this commitment was considered by him as both a legal and a moral obligation.

I might interject to say that I still like to believe what the average American tells me. When he says this is a normal or a legal obligation, then I want to take his word for it, and I am going to believe it until he proves otherwise. I think that is the position that the House should take this afternoon.

I will say categorically, as we stated in our committee report:

> It is difficult to perceive of any type of disposal program which could better assure a guaranteed source of synthetic rubber to small-business users.

The Commission's disposal program also meets the third major objective of the President, that it adequately provide for our national security. We want to be certain of the facilities being available for the production of synthetic rubber in the event of an emergency.

To meet this objective the Commission has made certain that every purchase contract includes a standard provision requiring the buyer to maintain for a period of 10 years a stipulated capacity to produce. The buyer is obliged to have the plant in condition to produce rubber or its component parts within a period of 180 days. This so-called national-security clause has been approved by both the Defense Department and the Attorney General. It is designed primarily to prevent reconstruction or conversion of the plant to another purpose.

As a matter of fact, I do not believe there need be the slightest concern about the national-security feature even if the clause were not included in the contracts. These plants are now producing about half of all the rubber used in this country. Natural rubber is not now being produced in sufficient quantity to take care of the world demand, including the United States. World usage of rubber is steadily increasing.

It seems to me quite apparent that in future years the American synthetic rubber industry will expand. In fact, it is expected that the American capacity for the manufacture of synthetic rubber will be increased very substantially during the next 5 years. This being the case, I think we can be quite certain that in the event of an emergency we will have available not only these plants at their present capacity, but probably even larger plants with greater capacity. And in the hands of private enterprise we can also be reasonably certain that the end product will constantly improve.

And so, Mr. Chairman, on every point, from every possible point of view, the program proposed by the Rubber Disposal Commission is excellent. It meets every objective and every criteria. It should have our overwhelming approval, and I urge the House to vote down these rejection resolutions.

Mr. FULTON. Mr. Chairman, will the gentleman yield?

Mr. ARENDS. I yield.

Mr. FULTON. There has been a statement made here on the floor, I believe by the gentleman from Illinois, that these plants were all operating at capacity. As a matter of fact, there are 2 butadiene plants not operating at all; one at Kobuta, Pa., and the other at Louisville, Ky. There is one copolymer plant not operating; that is at Institute, W. Va. As a matter of fact, I have talked with the Koppers Co., who have the styrene portion of the Kobuta plant and asked them if the butadiene section was operating as of this minute; and Mr. Van der Hoeven, the vice president, said, "It is as dead as a door nail."

So there is unused capacity. But I ask the gentleman to request of the gentleman from Texas [Mr. PATMAN] the answer to the question why the small purchaser is not protected under the Robinson-Patman Act because I understood that that act prevented discrimination amongst purchasers of any commodity as to price, terms, or anything else. I am surprised that the gentleman from Texas does not bring that out, because that is his own legislation. That is what protects the small purchaser as well as the big one in this country.

Mr. PATMAN. Does the gentleman desire me to answer that question?

The CHAIRMAN. The time of the gentleman from Illinois [Mr. ARENDS] has expired.

Mr. VINSON. Mr. Chairman, I yield the gentleman 1 minute to answer the question.

Mr. PATMAN. The answer is that they choose their own customers. Under the legislation they are only liable—that is, under the Robinson-Patman Act—if they discriminate amongst their own customers. They will not choose these customers because, when they get in charge of these plants they will not select these little fellows for their customers. Therefore, they cannot be charged with violating the law.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. ARENDS. I yield.

Mr. DONDERO. Mr. Chairman, I have been sitting here nearly all the afternoon listening rather attentively for someone to give one good reason why the Government should continue in competition with its own citizens.

Mr. ARENDS. There is no good reason, I may say, for the Government to continue to compete with its own citizens.

The CHAIRMAN. The time of the gentleman from Illinois has again expired.

Mr. PATMAN. Mr. Chairman, I yield 10 minutes to the gentleman from California [Mr. ROOSEVELT].

Mr. ROOSEVELT. Mr. Chairman, I have listened with great interest today to the debate and I think it has been very constructive, particularly the very fine address by the very able and distinguished chairman of the Committee on Armed Services, and that by the hard-fighting chairman of my Committee on

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Small Business, who, I think, has summarized already our feelings and our arguments.

However, in the course of the debate and particularly in the remarks of the gentleman from Texas [Mr. KILDAY], it was pointed out that the question here was whether or not we who are objecting to the immediate acceptance of these agreements are trying to force the Government to stay in the rubber business.

I want to emphasize again that it is not, I believe, the opinion of any of us that this Government should stay in the rubber business. However, I think that the vote of this House—and of course I was not a Member of the Congress at that time, in 1953—very clearly said that whatever agreements were arrived at should be resubmitted to the Congress for acceptance. That is all that is happening here today. We are trying to examine to see whether what this Congress said should be the conditions of this sale are being lived up to. If we do not make that examination and arrive at a conclusion that they are all being lived up to or are not, then we are not carrying out the vote that I believe was taken in 1953.

I think also it can be shown beyond any question of a doubt that these agreements are very clearly now limited to what might be called big business or those who are in a monopoly position within their own industry. The very distinguished chairman of the Committee on the Judiciary made the statement that we should look askance at those who have already violated the antitrust laws. The statement was made by the gentleman from Texas [Mr. KILDAY] that we should not hold it against somebody simply because he has once violated the law. However, I think it is well to point out, and I think you would accept it, that we do exactly that under the loyalty program of the present administration. We hold it against them if they have at any time transgressed either good judgment or the law. That is all we believe we should do here, that because these are gentlemen or companies who in the past have not always lived up to the law it is more than ever necessary to write adequate safeguards into these agreements.

We are trying to write agreements which will do two things: First, safeguards that will protect small business. I think that it is not unreasonable to say that the present agreements in no way guarantee that small business will have an absolutely sure opportunity of getting its natural supply. What we are asking here is that not just good intentions be stated, as were stated before the Committee on Armed Services, but that actually, in the words of the contract, these guaranties be made. They are not today written into these contracts.

Secondly, I think we want to be doubly sure that there will be no discrimination in prices against the small businesses by these big corporations. I think that we again have very definite reasons for suspecting that if we do not protect the price structure within this agreement these are the kinds of people who have practiced price discrimination in the past and may have such inclinations again. Take the Federal Trade Commission in its quantity-limit proceedings in the rubber tire industry. It pointed out that in that industry there has been and even today is being practiced on their customers, in violation of the law, price discrimination. For instance, buyers making yearly purchases under $100,000 were given a discount from the list price on passenger tires up to 16 percent. Those between $100,000 and $600,000 were given discounts of 18.5 percent; and so on all the way up to buyers who were making yearly purchases of $25 million to $50 million, and they got a discount of 30 percent. In other words, the little-business man is definitely going to have to face companies who have practiced discrimination against the little buyer.

Mr. FULTON. Mr. Chairman, will the gentleman yield?

Mr. ROOSEVELT. I yield to the gentleman from Pennsylvania.

Mr. FULTON. The question then is whether this is the place to make that policy effective or whether, as I have said previously, the Robinson-Patman Act against price discrimination is not the place or the legislation where broad rules should be laid down to take care of everybody instead of just this one little area of which the gentleman is speaking here.

Why not go to the Robinson-Patman Act and take that act and apply it against all discriminations so that the Attorney General will enforce such a general law.

Mr. ROOSEVELT. I think the answer to your question was very ably given by the gentleman from Texas [Mr. PATMAN] himself, when he stated that the Robinson-Patman Act did not cover particular customers of these people but their competitors, and it is that which we have to write into this law.

Mr. HOLIFIELD. Mr. Chairman, will the gentleman yield?

Mr. ROOSEVELT. I yield.

Mr. HOLIFIELD. It might be well to point out in reply to the point brought up by the gentleman from Pennsylvania [Mr. FULTON] that the obligation of the Congress rests in the fact that we are now selling a Government-owned plant. This is a contract between the Government and the private purchasers and the Robinson-Patman Act pertains as between private companies themselves. So the obligation cannot be escaped by the Congress postponing it or transferring it somewhere else. The obligation now rests upon the Congress to see that this monopoly which now exists in the hands of the Government is not transferred to private hands without the care which the Government is supposed to give to its citizens as regards fairness in allocation and fairness of pricing.

Mr. ROOSEVELT. I thank my colleague and I absolutely agree with him.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. ROOSEVELT. I yield.

Mr. DONDERO. Is any claim made that the small companies did not have an equal opportunity to bid on these plants with the large companies?

Mr. ROOSEVELT. I think the claim is made first of all that the small companies were not in a position to bid under existing circumstances.

Mr. VINSON. Mr. Chairman, will the gentleman yield?

Mr. ROOSEVELT. I am glad to yield to the gentleman.

Mr. VINSON. If I may clear up that question, as a matter of fact, the American Synthetic Co. is composed of a group of small companies and people who got together to organize that corporation. The Copolymer Corp. did the same thing. So small business had an ample opportunity to buy these facilities. But may I point out that President Truman said that this was not small business because it requires an operating capital of at least a million dollars plus the capital investment to run one of these plants.

Mr. ROOSEVELT. May I point out to the very distinguished chairman I am not talking about the opportunity to bid here to operate these plants, but I am talking about those who are going to have to use the products of these plants. I am interested particularly in their protection.

Mr. VINSON. In that connection, I hold in my hand the report which contains an extract of every contract and it states the percentage the small business people will get, which is written into the contract, and the figures in tonnages and in percentages by every purchaser.

Mr. ROOSEVELT. Mr. Chairman, would you say, for instance, that the words in the contract which deal with Firestone and Akron states specifically as follows:

> In the event demand exceeds 20 percent, the purchasers will consider expansion.

Is there anything very definite about the word "consider"?

Mr. VINSON. Let us talk about this expansion.

Mr. ROOSEVELT. There are many others that I could read also.

Mr. VINSON. Take the Firestone plant at Lake Charles, La. This is the language in the contract:

> The purchaser will sell approximately 20 percent of GR–S produced at the facility to small business enterprises as defined in section 21 of the act.

Mr. ROOSEVELT. Yes, sir, and then they go on to say that such sales are to be made at the going price on types of rubber generally accepted, and there is nothing, as you know, in this instance where they are integrated between themselves, which will keep Firestone from giving all of that 20 percent to the particular customer he wants to give it to, and you absolutely leave out everybody else.

May I say further, I believe we also must give very careful consideration to the legal position of these small users of these products and we must find a way to give them a legal protection which their own resources will not give them. Finally, let me say I think it is important that we not be rushed into this acceptance of these agreements on the ground that we must get the Government out of business immediately, this day, this week, or this month. There is no reason why we cannot take our people's money which built these plants and make very sure

that we are getting the right return for it before we give it away.

It has been said that we are getting back 64 percent of the fair book value on these plants. It has been said that this is somewhat better than was done in the case of aluminum and other plants.

Let me point out that in many instances it was feared by the buyers at that time that there would be a saturation in aluminum, and those people were willing to accept the lower figure. They could not afford to go into a business where the profit might very properly be seriously questioned. But in this instance we have an industry which is healthy, which is making a lot of money under Government control and where those people know they can continue to make a solid profit.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. ROOSEVELT. I yield to the distinguished majority leader.

Mr. McCORMACK. Outside of the able argument on the unfair results that might flow to small business, suppose we were at present engaged in an armed conflict in Formosa or Quemoy, does anyone think we would dispose of those plants under those conditions?

Mr. ROOSEVELT. I think the answer is that the Congress definitely would not.

Mr. McCORMACK. Can anyone say that a month from today or 6 weeks from today we might face just such a situation?

Mr. ROOSEVELT. I would say I am worried about another clause that is in here, protection of the national security interest. It has a clause written into it that the company agrees to substantially accept the amendment that was pointed out. When you say "substantially," I think these companies are able to interpret the word "substantially" to their own benefit.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. ROOSEVELT. I yield to the gentleman from Illinois.

Mr. YATES. I am glad the gentleman brought up the national security clause, because there is nothing in the clause which would give the Government the right to recapture these plants in the event of a conflict. The only right that the Government has is to insist that these plants be maintained in condition to operate at maximum capacity.

Mr. ROOSEVELT. That is correct.

Mr. RIVERS. Mr. Chairman, will the gentleman yield?

Mr. ROOSEVELT. I yield to the gentleman from South Carolina.

Mr. RIVERS. You will not need them, because you have a going industry, whereas in World War II we had no such plants. They will be like a sprawling steel mill. They will be going concerns. There will be no need to take them over. They will be part and parcel of our economic system. The gentleman knows that.

Mr. ROOSEVELT. I think the answer to the gentleman's statement is that we can hope so. I think there is more or less vague language in the contract that would lead us to that hope. But we want to tie it down specifically, and eliminate all vague language that exists throughout this entire contract.

Mr. RIVERS. Whenever this goes over to private industry, they are not going to be blown up or destroyed forever. They are a part of a going concern. We have 58 million automobiles in this country.

Mr. ROOSEVELT. May I ask the gentleman why it was that originally the Government had to do this job?

Mr. RIVERS. Because we did not have them. The gentleman was in the White House. He knows that. We had no priorities. We had no steel. We had no finances. We could not make people pool their assets. We could not get all of these things done. I remember when Mr. Jeffries came down here, he did not even have an office. We have 58 million automobiles in this country, 1 for every 3 people. Last year they went 600 round trips to the sun. We are a country on wheels. That goes for our military, too.

Mr. ROOSEVELT. I agree that we are a country on wheels. I do not know what that has to do with it.

Mr. RIVERS. As the gentleman has said, you are making an excellent speech. Incidentally, you are making one of the best speeches I have heard today, but you have not convinced me. But I want to say this, this is a part of our economic system. They are not going to be destroyed. We are just as interested in that as you are. If this thing is dishonest, our committee is dishonest. Certainly there must be some amongst us who do not come here without clean hands.

Mr. ROOSEVELT. I would say to the distinguished gentleman I do not think it follows at all, that if this is dishonest the committee is dishonest.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. ROOSEVELT. I yield.

Mr. McCORMACK. Following the reasoning of my friend from South Carolina, after we built these plants why did we not sell them then? We had to use them through World War II?

Mr. RIVERS. Why did we make that policy in 1953?

Mr. McCORMACK. What about World War II when they were built? If there were war now would the gentleman dispose of them?

Mr. RIVERS. I would put them in our economy as soon as possible.

Mr. McCORMACK. Would the gentleman dispose of them if we were at war today?

Mr. RIVERS. I would put them into our economy even if we were at war on yesterday.

Mr. ROOSEVELT. Let me say that in putting them into our economic system what we want to do is to be sure that we can do so without hurt to the rest of our economic system. I am sure you all realize that dictatorship fattens upon monopoly; so what we want to make sure is that in putting them into our economy we make sure that we do not do more damage than we do good to the entire economic system.

Mr. RIVERS. I think we are all marching toward the same objective.

Mr. ROOSEVELT. I hope I have convinced the gentleman; that is very encouraging.

I think the important thing to remember here is that the disposal act of 1953 provides that in the event this particular program is rejected or changed, the Rubber Act of 1948 is automatically extended to March 31, 1956. In other words, we would have 1 full year in which we could perfect these agreements and in which we could eliminate all of the things which bother so many of my fellow colleagues, and then we could go in and get all these plants taken into our economic system. I am sure I can speak on behalf of many of my colleagues in saying that if we support this resolution there will be legislation introduced immediately which would immediately have the effect of going forward and renegotiating these contracts in a reasonable way.

Mr. VINSON. Mr. Chairman, will the gentleman yield?

Mr. ROOSEVELT. I yield.

Mr. VINSON. There would be no need of that, because you have the statute of 1953, and it would run until 1956. There would be absolutely no need to do anything; they would be in Government operation until 1956.

Mr. ROOSEVELT. I thank the gentleman from Georgia for pointing that out. Therefore we can adopt this resolution and we would have full power to operate. However, I think it would be important to make very clear to the disposal commission what it is that the Congress objects to so that they could make the necessary changes to meet our objections.

Mr. VINSON. Of course, we can continue to keep the Government in business.

Mr. ROOSEVELT. One year.

Mr. VINSON. You can keep it longer than that if you want to.

Mr. ROOSEVELT. I see no reason to do that.

Mr. VINSON. Does my distinguished friend from California think he would have a change of view in 1956?

Mr. ROOSEVELT. Yes, sir; I assure the gentleman I speak for myself, and I think I can speak for many Members on this side and some members of the committee. I think that if these changes that we are talking about were made, we could wholeheartedly support the contracts.

Mr. VINSON. In connection with it the distinguished gentleman from Texas voted against it and voted to recommit it. So did the distinguished gentleman from Tennessee [Mr. EVINS], and so did another member of the Small Business Committee. I say that while all profess to be in favor of getting the Government out of business, I know of no better way to judge a tree than by the fruit it bears.

Mr. ROOSEVELT. I, of course, am not undertaking to speak for those gentlemen: I know they are well able to speak for themselves. But in speaking for myself and several others, I say that if these changes were made in the coming year we would vote to support the agreements.

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Mr. VINSON. Mr. Chairman, I yield 20 minutes to the distinguished gentleman from North Carolina [Mr. DURHAM], a member of the Committee on Armed Services.

Mr. DURHAM. Mr. Chairman, I rise in opposition to the resolution and in full and complete support of the action taken by the House Armed Services Committee.

Rubber is a critical and strategic material. It ranks with steel and oil among the three most important products in our economy in peace and in war. It was because of the importance of rubber that President Roosevelt declared it a critical and strategic material in June 1940, and created a Rubber Reserve Company to acquire a stockpile of natural rubber as soon as possible.

And it was because of our lack of natural rubber at the outbreak of World War II, among other items, that led the Congress to enact Public Law 520, known as the Strategic and Critical Materials Stockpiling Act. Under that act our Government has been buying many materials for stockpiling purposes, to be used in the event of war or national emergency.

I am happy to say to this House that we have achieved our objective in natural rubber. Our stockpile is adequate and provides a safeguard for the American people that is of incalculable value. Until this stockpile had been achieved, the Government had no choice but to remain in the rubber business—lock, stock, and barrel. But, since 1953, there has been no justification for the Government remaining in the rubber business.

Now, were it not for these synthetic-rubber plants that are under discussion here today, we would be strongly advocating a tremendous increase in our stockpile of natural rubber, but, fortunately, synthetic rubber can do many of the jobs that natural rubber can do, and in many instances can do an even better job.

I am advised that about 27 percent of the rubber consumed in this country is natural rubber for use in products where synthetic rubber will not fill the requirement. I am further advised that about 38 percent of the new rubber used is, by requirement, synthetic rubber, since synthetic rubber does the job better than natural rubber. The remaining 35 percent of the rubber consumed in this Nation can be either natural or synthetic, depending to a great extent upon cost differentials.

Now, the cost of natural rubber has probably undergone more drastic changes in the last 30 years than any item of general use. It has been over a dollar a pound, and it has been under 3 cents a pound. So, let us examine the price of natural rubber in relation to the disposal of these facilities. In January of 1952, with the war in Korea, the New York spot price for No. 1 ribbed smoked sheet was about 48 cents a pound, and after that declined continuously to 27 cents in October of 1952; it increased to 31 cents in December of 1952, declined until October 1953 to 21 cents a pound, and remained at this level until March of 1954. Thereafter it increased to 24 cents in September of 1954, increased sharply to 37⅞ cents on February 10, 1955, declined rapidly to 29⅜ cents on March 8, 1955, and is now selling for about 31 cents a pound.

Now, the price of natural rubber fluctuates according to the law of supply and demand, but it also fluctuates because of speculation, the political situation in the Far East, and to some extent because of necessary market operations by the General Services Administration, which replaces natural rubber in our stockpile by substituting new and higher grade stocks for equal quantities of old and lower grade rubber; this is necessary to keep it from deteriorating.

It would be impossible to correlate any action taken by the Congress in connection with the disposal program with the price of natural rubber. We do know that the producing countries have steadfastly maintained that the United States is operating a Government monopoly in synthetic rubber, and that there is no free competition between natural and synthetic rubber. But of even greater significance is their desire for some semblance of stability in the price of natural rubber. Obviously, the selling price of natural rubber will depend to a great extent upon the supply and demand situation. But as new types of rubber are discovered in the synthetic rubber process, as improved synthetic rubber is produced, and as production increases, it will affect the price of natural rubber. I believe, personally, that the price of natural rubber will eventually stabilize, more so than it ever has in the past, at less than 25 cents a pound, in order that it may be competitive with synthetic rubber.

Now, bear in mind that under this program two large oil companies will manufacture and sell synthetic rubber. Standard Oil will, through its subsidiaries, manufacture butyl rubber, and Shell and Phillips will manufacture GR–S. None of these companies are fabricators and thus have no requirement for the end products of rubber. These companies must find a market for their synthetic rubber, and that market, a large portion of which will be available for small business, I might add, will, in my opinion, tend to decrease the price of natural rubber. It will not be possible for the speculators to influence the market in natural rubber, since the manufacturers of synthetic rubber in this country will take over that market if the price of natural is too high.

In my opinion, once these synthetic plants are placed in the hands of private industry and production is increased and expanded, and new types and new uses for rubber are found, the price of natural rubber will stabilize competitively with synthetic rubber at less than 25 cents a pound. This will save the American consumers millions of dollars. It will also bring about a stability in the natural rubber market that will permit them to plan their replantings and tapping on a stable market basis, rather than force their trees because of high prices, or refrain from replanting when prices are too low. We must not just consider the stockpile of natural rubber in our stockpiling program. Every owner of an automobile with a spare tire is participating in our stockpiling program. Every owner of an automobile with a reasonably new set of tires is adding to our stockpile of natural rubber. And the amount of rubber involved in this type of a stockpile is tremendous—well in excess of 1 million tons.

And I want to say something else about this disposal program which has not heretofore been referred to, to my knowledge. So long as the Government is producing most of the GR–S sold in this country, and so long as there was no competition in the types produced by the Government, then there is no need for improved quality or for maintaining an inventory.

For practical purposes, the Federal Government has been maintaining an inventory of synthetic rubber for every consumer of rubber in this country. The manufacturers of tires or other rubber products did not have to carry an inventory, because they could always turn to the Government for their supply. Now, this is nice business if you can get it, but it does not encourage large inventories of your own. Once the plants are in the hands of private enterprise, the consumers of rubber, as well as the manufacturers of synthetic rubber, will begin to build up their own inventories, and this in itself will add considerably to our unallocated stockpile of rubber which may become of vital importance in the event of war.

Now, I am not going to discuss the antitrust features of this bill, except to say this—I am glad to see the Government, on its own initiative, break up on one of the largest monopolies in this ccuntry. I am speaking of the Government monopoly in synthetic rubber. If monopolies are wrong, and I certainly believe they are wrong, then it is just as wrong for the Government, even a benevolent government, to possess such a monopoly. If we all believe in fair competition, then here is an excellent opportunity to demonstrate that belief, for we are here eliminating a great Government monopoly. You might say that we are denationalizing the synthetic-rubber business. I cannot join in the feelings expressed by my distinguished colleague the gentleman from New York [Mr. CELLER] in his charge that the purchasers of these facilities in the most part are malefactors. The purchasers of these facilities are businessmen; they are people like your nextdoor neighbors, and your friends, and your constituents. They are people whose sons have been killed in war, or who are now serving in the armed services, or who will serve in the armed services. They are people who go to church, and send their children to school, and go to the theaters, and join the Elks, or the Moose, or the Knights of Columbus, or the Masons, just as millions of other Americans do. They are going to operate these plants to make a profit, naturally, but their interests in preserving America are just as great as yours and mine. If they run afoul of the law, as perhaps some of you have in one way or another, whether it be a speeding ticket or allowing a dog to run, they pay the penalty. But let us not condemn them for all of the future because of something that they might have done in the past. If

our laws are ineffective, let us make them effective. I refuse to believe that the Members of this House have so little confidence in their own ability to legislate effective laws that they must deny to many of the great companies of this Nation the right to extend the principles of free competition to a great, new industry.

It is my sincere hope that the foregoing presents a clear and concise picture of the reasons why I rise in opposition to the resolution. However, I would like to summarize briefly some of the highlights in the interest of an even better understanding of my position.

The contract sales price of the facilities is 99.2 percent of the replacement value of the facilities as determined by the Government's independent appraisal.

Under the sales contracts the Government will receive 96.6 percent of the unrecovered investment—including wartime losses—without considering the additional amount of approximately $138 million which it will recover from liquidation of inventories and other assets.

The contract sales prices of the facilities are 240 percent of the net depreciated book value of the facilities.

Most other Government-financed war-born facilities have been disposed of for a small fraction of their replacement value, and no other Government facility of this character has ever before been sold for anything approaching its total replacement value. As a matter of fact, the average recovery by the Government on industrial plants has been 35 cents on the dollar. In this case we will be receiving 62 cents on the dollar.

Although I have dealt to some extent with the subject before, I would like to dispel once and for all the bugaboo of big business as it relates to the disposal of these plants.

Facilities will be sold to both large and small companies.

All other purchasers have agreed to make available to small business enterprises certain specified percentages or amounts of their production.

Although, under private operation, costs will include the income tax burden not paid by the Government, the selling prices for synthetic rubber already announced by prospective plant purchasers are the same as those charged by the Government.

Again let me emphasize the kind of competition which will ensue as a result of the disposal of these plants.

The facilities will be sold to a considerable number of companies which will compete with one another in the sale of the production.

In addition, the synthetic rubber plants will face competition from natural rubber.

This competition will result in fair prices, will stimulate research and development, thus improving quality and reducing prices, and provide incentive for expansion of facilities. Already there are indications that some of the purchasers are planning to expand these facilities.

The program has been reviewed by the Attorney General, who has found that it will best foster the development of a competitive synthetic rubber industry and that it does not violate the antitrust laws.

And, our national security as it is affected by the availability of rubber makes these points important:

Each contract of sale contains a national security clause which assures full 10-year protection with regard to synthetic rubber supply.

The economic interests of the purchasers of the plants will require that they maintain and use the productive capacity of the plants to the fullest possible extent.

Competition will assure greater research and development, which will result in improved facilities, processes, and products.

The demand for synthetic rubber is expected to increase to such an extent that present facilities will be expanded and new facilities constructed.

Careful study of the Disposal Commission's report to Congress compels the conclusion that the commisison has performed an outstanding service for the American people.

The phenomenal progress of our country to a large degree has resulted from the forces of private competitive enterprise. The disposal program will end the Government monopoly in synthetic rubber and will return this industry to private competitive business. Also, the value of the facilities will be recovered, income tax revenues will be increased, and in all other ways the best interests of the American people will be promoted.

Now, who uses synthetic rubber? The women of this country use a tremendous amount of it in nylon stockings as well as other purposes, drug manufacturers and everybody else. Now, these plants, in my opinion, are probably in a good shape today. They have been pretty well kept up. We have not neglected them, I think for the simple reason that Congress had the responsibilty of building these plants for national security. I think that is important to us.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. DURHAM. I yield to the gentleman from Iowa.

Mr. GROSS. In the sale of these plants, what will be the unpaid obligation to the Government? Can the gentleman give us any idea?

Mr. DURHAM. Well, the figures have been given here today, and I do not want to look them up now, but the report, I think, is one of the best reports brought to the Congress since I have been here in 16 years. I do not think any report ever submitted to the House is as accurate as that report, and I have read many of them.

Mr. GROSS. I do not believe this figure has been given if the other has. Can the gentleman tell us what the interest rate will be on this unpaid obligation to the Government?

Mr. DURHAM. Four percent.

Mr. GROSS. That is cheap enough, is it not?

Mr. DURHAM. Well, it is enough, or I think it is. If I was sitting on a board of directors, as many of you have, I would not advise my company to buy a plant at twice its book value, and I do not believe any Member of Congress would do that. And that is exactly what we have before us here today, because the money value that we are getting for them is twice the book value. That is simple enough for anybody to understand. If that is a bargain, I do not understand it. And, it is not a giveaway, as was charged by some here today.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. DURHAM. I yield to the gentleman from Texas.

Mr. PATMAN. The gentleman is not valuing it as a going concern.

Mr. DURHAM. Yes, I am.

Mr. PATMAN. You are just taking depreciation.

Mr. DURHAM. I do not know about these fancy terms they use here.

Mr. PATMAN. You are just taking depreciation, getting about one-third or one-fourth of that.

Mr. DURHAM. No. What you are putting that on is some projected viewpoint of earnings in the future.

Mr. PATMAN. That is based upon what it has earned in the recent past.

Mr. DURHAM. I have had something to do, I think, with business, in a little way, at least, and I certainly would not sit on a board of directors, and I do not believe the gentleman from Texas would and tell his people, who have invested dollars in a bank, in a business, or anything else, "We are going to buy this plant over here, and we are going to pay twice the book value for it," a value that has been placed on it by the best-informed people of this country, people with 30 or 40 years in the real estate business, people with 30 or 40 years operating plants all over this country. I do not believe you can find a better set of people to make this assessment.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. DURHAM. I yield to the gentleman from Illinois.

Mr. YATES. If I sat on a board of directors and I saw the earning potential in a plant, I certainly would recommend the purchase of the plant at twice the book value, depending on what its potential was, and that is just exactly what the commission was supposed to do, and that is what it said it did do, was to use the prime factor of earnings.

Mr. DURHAM. The gentleman does not take into consideration many things that exist in business organizations. The gentleman is basing his statement entirely on what was earned last year, and you cannot tell me what rubber plant earnings will be next year as many factors control earnings such as change in labor cost and raw materials.

Mr. YATES. That was submitted by the commission, and it was on that basis that I submitted the computation to the House.

Mr. DURHAM. I agree with the gentleman from Texas [Mr. KILDAY] that Congress should never be put in this position of bringing in legislation and passing on a contract of this kind.

That is not good legislation. I do not care what anybody says. We should get out of this business, and that is exactly what we are trying to do. Here we are trying to pass on agreements, which is the business of the executive branch of

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the Government, which has the authority to do that. That should not be and cannot be done on the floor of the House properly.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. DURHAM. I yield.

Mr. YATES. I think the gentleman has a good point in that respect. Would the gentleman like to have seen on this disposal commission 3 Members of the House and 3 Members of the Senate to work with these experts in laying out a program for the disposal of these plants?

Mr. DURHAM. That might have been the wise thing, but we did not do it and here we are faced with a different situation today. The question is, are these agreements good for the country? Are they fair? Are they in the interest of the national security? Those are the main things we have got to consider.

A few minutes ago something was said by the majority leader of the House as to what would happen today if we had trouble in the Far East. What would happen today would be different from what happened in 1941, because this House and the Congress have been wise in providing a stockpile of rubber. It has been said that we run on rubber tires in this country. There are over a million tons of rubber today in automobile tires on the wheels of vehicles in this country. That is more rubber than we had in the entire country at the beginning of the last war, around 1939, 1940. But if something like that were to happen, our synthetic plants are going concerns. If we go on here for a year or two, there is nothing in the world to prevent these companies from going out and building synthetic rubber plants. We have already sold 17 of them in 1947. They can put up a styrene plant, they can put up a butadiene plant, they can put up a copolymer plant, and it can become an integrated unit. There is nothing in the world to prevent them from doing that today. If we permit ourselves to hang on here for an indefinite period, with this activity on our hands, we are going to wake up with white elephants on our hands. If we do not watch out, we are not going to recover $310 million but we will get something like what we got for a whole lot of the other surplus that we hung onto too long. That is a question to consider here.

The situation is entirely different from what it was in 1946 and 1947. We had priorities on all kinds of material, but today it is an entirely different situation.

Mr. JONAS. Mr. Chairman, will the gentleman yield?

Mr. DURHAM. I yield.

Mr. JONAS. To carry the argument to which the gentleman has just referred to its logical conclusion, in the event of an emergency, the Government would be expected to duplicate our textile plant, take over the railroads, and produce all the goods that we consume; is that not true?

Mr. DURHAM. That is true.

Mr. JONAS. The issue, then, is whether the Government should be in this business or whether it should be private enterprise.

Mr. DURHAM. I think the principal question is whether we are going to have a production capacity of synthetic rubber in this country. Are we going to have it in good shape? Is it going to be a going concern in case we have to use it? We are using a formula for tires of 70–30 synthetic rubber, when we had to go up to 60–40 on the other end in using synthetic rubber when we got into the emergency and did not have a stockpile of natural rubber.

Something was said here about the price of rubber today. Rubber back in the early days used to be sold for 3 or 4 or 5 cents a pound. The price has fluctuated, and it has been up as high as $1 a pound. I do not believe in the situation we are in today that we are going to have any great advance in rubber prices, and I will tell you why. We have a tremendous stockpile, and we can rotate it, about 400,000 tons a year. Under that process we keep an active stockpile all the time. We have to do that about every 4 or 5 years, rotate it. So that is the situation. If this Congress continues to be wise and keeps this thing going—I know that I am for that as long as I stay around here—we are not going to run into trouble, if we can keep a good synthetic production capacity in this country.

Mr. PATMAN. Mr. Chairman, I yield 10 minutes to the gentleman from California [Mr. DOYLE].

Mr. DOYLE. Mr. Chairman, I rise primarily at this late hour to briefly call attention of the committee because several Members have asked me about it, to my resolution—House Resolution 171—which is on the calendar for tomorrow. I have been asked to state its purport. The purport of House Resolution 171 is to disapprove the proposed sale of the three Los Angeles County rubber plants to the Shell Corporation.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. DOYLE. I yield.

Mr. PATMAN. That question will not come up if we are successful in passing this resolution

Mr. DOYLE. That is correct. I wish to call the attention of the House also to the minority report of the six members of the House Committee on Armed Services. There were six of us who joined in the minority report to disapprove the Shell sale on the grounds it violated the expressed intent of Congress. The distinguished Members, PHILBIN, PRICE, GREEN, MILLER, MOLLOHAN, and myself joined in this minority report, for it appeared as clear as crystal to us that there had been a substantial digression from the mandatory requirements of the law governing this sale.

I have been asked whether or not it was merely a technical argument which was coming on tomorrow. Of course, time does not permit me now to go into it in detail, but I will say to you I would not have been a party to authorizing a resolution merely founded on legal technicalities. It is a very substantial and mandatory section of the law which was not complied with. I was a member of the subcommittee that wrote this Public Law 205. I attended every session of the subcommittee. I traveled to the several States with other members of the subcommittee of the Armed Services Committee, and I believe I attended every hearing of the full Committee on Armed Services on the proposed disposal last week. I sincerely feel there was a very substantial digression and noncompliance with the intent of Congress in the report of the Disposal Commission. It is not a technicality that we are standing on—it is a defeat of the expressed intent of Congress as expressly stated in the law, Public Law 205. Because earlier in the debate the name of Mr. Barnes, the Deputy Attorney General, was brought into the picture and a couple of the Members knew that I sat through the hearings and questioned Mr. Barnes briefly, I want to read to you what he said in answer to a question by me about the proposed sale of these three plants or facilities to Shell. I refer you to page 1105 of the committee hearings. I asked the Deputy Attorney General with reference to the proposed sale of three plants to Shell. Here is my question to Mr. Barnes:

> Mr. DOYLE. That is right. But it is the total picture that I am calling your attention to. In other words, if Shell succeeds in buying these three plants as an integrated operation according to their statement, isn't it a fact that the wording of that intention by them as to 929 and 963 and 611 does not amount to any wording on which you can successfully sue?

And what did the Attorney General answer? His answer is as follows:

> Mr. BARNES. I think there is a good deal in what you say. But I point this out: You are correct, but I did emphasize that difference because I think it should be noted by you gentlemen.

So with reference to this Shell sale as reported by the Commission, he agreed with me in saying that he thought there was a good deal in what I said; to wit, that no suit could successfully be maintained on the commitment of the Shell Co., in a civil action for damages. And I compliment our distinguished chairman, Mr. VINSON, again on trying to get into the record of the hearings, something definite upon which a suit could be maintained by small business because certainly the Disposal Commission contained nothing to sufficiently commit legally, the bidders to be responsible in an action in civil court, if the Shell did not sell them what they needed. As I say, our distinguished chairman, the gentleman from Georgia [Mr. VINSON] early discovered that fact and lack in the Commission report, so he quite properly, and immediately, called before our full committee in our hearings the representatives of these great corporation bidders. Some were presidents, some were general managers. Mr. VINSON, in his able way, tried to get these gentlemen to make definite commitments as to exactly how many long tons of rubber they were promising to sell to small business, as defined in Public Law 205. He found it rather difficult in some cases, as the record will show. It was because these corporation officials probably realized they had no authority to bind their corporation and change the terms of their bid to purchase. But I submit to this House that even to the extent

which he succeeded—he had a little success, and I want to be fair, because he did put them on the spot; he tried to commit them to a specific amount and also to assume a moral obligation. Some assumed it, but I submit, Mr. Chairman, that no attempted commitment made by any of these representatives of any of the bidders before our committee last week at our committee hearings could not possibly and legally amount to a commitment by the corporation. You lawyers well know, that no officer of any of these bidder corporations could legally come before our committee and testify to anything that would change the written bid which they had submitted unless the board of directors had previously authorized him to come before the committee and change the terms of their bid as submitted to the Disposal Commission. There is no showing, neither did any of these witnesses claim before our committee, that they came with the authority of their bidder. They never even indirectly intimated that they had taken the matter up with their corporation board of directors or executive officers to see if they were authorized to come before our committee and make any statement which would result in a change in the terms of the bid of said corporation.

I call that to your attention because I know our distinguished chairman wanted to get a much more definite report on which we could act before this House than that which came before us from the Rubber Disposals Commission. But I submit he did not succeed in getting anything upon which a civil suit in damages would lie. He did not succeed in committing most of these corporation bidders to a specific long-ton quantity, for the legal reasons I have stated.

As I recall, I voted for this bill in June 1953. I voted for the passage of the bill and I voted to send the bill to the floor from our Committee on Armed Services; but I want to read what my position was and what my position today and tomorrow will necessarily be. I want to read from the CONGRESSIONAL RECORD of June 25, 1953: I stand firm for the rubber plant disposal to private industry when it is done so as to protect our free competitive economy and according to congressional intent.

Mr. DOYLE. May I make it crystal clear, however, that because today I support this bill, I want it understood that nevertheless, if any report comes back from the Disposal Commission which I feel does not fully and in utmost good faith and strictly carry out the objectives stated by the President of the United States, and is also not in strict accordance with the fundamental requirements of this bill, then I want the record now to show that I intend to then vigorously oppose any sale that is void of these fundamental requirements. I shall oppose such sale proposal just as vigorously as I now support the bill.

I have been asked what the proposal is in Public Law 205 that was violated and not complied with. I call your attention, therefore, to the committee report and the law. Section 7A, subsection (b), states:

Proposals shall be in writing and shall contain amongst other things—

And then I skip down to subsection (4), and here is the language that they do not comply with in their bid and which the Disposal Commission permitted to be disobeyed or did not require to be performed:

The amount proposed to be paid for each of the facilities, and if such amount is not to be paid in cash, then the principal terms of the financial arrangement proposed.

Our Armed Services Committee report itself shows that the Shell Co. did not make a bid on each of the facilities in their bid which my resolution complains of. Furthermore, they definitely declined to make a bid and frankly stated to the Commission that they were only interested in a package bid. Their written bid so states in clear language. Mr. Chairman, when we voted for Public Law 205, if it was the intent of Congress to permit a package bid we would have said so in that law. It would have been very simple to so state. We did not. We would not have commanded the Commission to get bids for each of the plants or facilities, would we? We would have allowed the Commission discretion. We allowed them no discretion on this point. We made it a mandatory requirement of sale.

Having sat on the subcommittee and helped write Public Law 205 and knowing what I intended the law to mean, I could not sit quiet and see the law digressed from and the intent of Congress ignored. On tomorrow I ask your earnest attention to the debate in which we will engage. I ask your favorable consideration of House Resolution 171. I thank you.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. PATMAN. Mr. Chairman, I yield 10 minutes to the gentleman from Illinois [Mr. PRICE].

Mr. PRICE. Mr. Chairman, first I want to congratulate the gentleman from California [Mr. DOYLE] on raising some points of law in connection with this plan which in my opinion had definitely not been complied with in the disposal sale by the Commission. The points he has raised are full justification on their own merits for support of the resolution pending here this afternoon, the resolution introduced by the gentleman from Texas [Mr. PATMAN]. If you support this resolution it will take care of the situation just described by the gentleman from California [Mr. DOYLE].

Mr. Chairman, about the only question which remains for discussion is whether the Disposal Commission did an acceptable job. Do we or do we not want to put our stamp of approval on what they have proposed, thereby exercising what has been called the additional safeguard? I repeat—we are not now here to discuss the broader questions of whether the Government should be in the synthetic rubber business. The 83d Congress in its wisdom decided that matter, providing a Commission to proceed with the setting up of a disposal program based on certain stated criteria. It also provided a final opportunity for either House of Congress to halt the disposal program, when it should be proposed, by timely disapproval. The 83d Congress was not the first to consider disposal, the question having been raised by the War Assets Administration as early as 1946, and three times thereafter Congress refused to set up a disposal program. Our problem is not whether the 83d Congress was wiser than those before it. Whether from a security standpoint disposal to private industry makes sense, particularly in our troubled world in which the major natural rubber areas of southeast Asia may be lost, is not our problem today. Our problem is whether the Commission proposal gives adequate consideration to the guidelines that were set up. I maintain that the proposal is so freewheeling, so disregards the criteria Congress set up, that it fully merits our disapproval.

Perhaps it should be pointed out that if the report of the Commission is disapproved by either House of Congress, as I hope it will be, nothing very dire happens. The result is merely that no further action may be taken by the Commission unless further authority is obtained from Congress. In other words, the rubber plants will still be there turning out tons of synthetic. Of course, the disposal problem would still be up in the air—but better continuing operation under the present arrangements than a sloppy disposal job.

The criteria to be used by the Commission in arriving at its recommendations for disposal, as stated by the law, are:

First. That the disposal program be designed best to afford small-business enterprises and users the opportunity to obtain a fair share of the end products of the facilities sold at fair prices;

Second. That the prospective purchaser has the necessary technical competence to operate the facility;

Third. That the recommended sales shall provide for development of a free, competitive, synthetic-rubber industry;

Fourth. That the prospective purchaser is acting in good faith and actually intends to operate the facilities for manufacturing synthetic rubber;

Fifth. That full fair value for the facility or facilities will be received by the Government;

Sixth. That disposal to the purchasers is consistent with national security; and

Seventh. That the facilities recommended for sale will in the aggregate be capable of annually producing not less than 500,000 long tons of general-purpose synthetic rubber and not less than 43,000 long tons annually of butyl rubber.

Of those several criteria, it seems to me that Nos. 1, 3, and 5 are most worthy of our consideration today. They are to be sure somewhat intertwined—if No. 3, which calls for the recommended sales to provide for the development of a free, competitive, synthetic rubber industry, has been adequately attended to in the best usages of those terms, then it would seem that the proposed program of disposal must in its very nature, be designed "best to afford small-business enterprises and users the opportunity to obtain a fair share of the end products of the facilities sold, at fair prices." But does it? Not so you can notice it. Or perhaps I should say, it superficially seems to do so, but when you look hard

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you begin to have doubts and your doubts are not cleared up by anything you find. Of course, I am not a lawyer, but it seems to me this ought to be something so clear and certain that even a layman can be sure its there in adequate form. Yes, I have noted that as I look over the bid proposals for the disposal of the plants that the purchaser will make available 10 to 20 percent of production to small business. In a few instances a specific number of tons is mentioned.

Or it may be stated in such form as the following:

> With regard to disposition of end product, it has been and will be X's policy to make available to small business, on a competitive basis, raw materials that we produce in our own facilities. * * *
>
> * * * * * *
>
> X's service to small business will be extended to cover general purpose synthetic rubber, providing it is a successful bidder on a copolymer plant. The prospective purchaser is most anxious to sell approximately 25 percent of its production to the small-rubber companies if the demand exists, such sales to be made at the going market price on types of rubber generally accepted. Should the demand become in excess of the above mentioned 25 percent we will consider the expansion of our facilities as we have done in the past with our other raw material facilities to take care of the added small-business market.[1]

In the case of the Shell Chemical Corp.'s purchase of the Los Angeles styrene works and butadiene plant, the percentage output to be available to small business is figured on the proportion of small-business demand compared to the whole market—whatever that means. I have looked in vain for a systematic, regularized procedure quickly enforceable, whereby small business, without fail, will receive its due share come tight supply or whatnot. It has been said that the 10 percent or 20 percent for small business would be made available to the free market. We can guess what that would mean in periods of insufficient supplies. It is not enough to say that "Well, the small, unorganized fabricators who depend on these supplies for their very lifeblood can go to court—or that the Attorney General will be duly vigilant. These small companies with rubber supplies cut off, can go broke in a matter of weeks, while legal technicalities are debated through one or more courts.

And what is a fair price to the small industrial user? It has already been suggested that it must be somewhat higher than the level which the Government has found profitable.

The Wall Street Journal reports that there has been much discussion pro and con as to whether private operators could profitably run the synthetic plants and maintain the present price, or whether private operations would necessitate a price increase of up to 30 cents per pound.—Wall Street Journal, March 11, 1954, page 10.

There is some indication that the rise in natural rubber price may have been tied in some degree to an expectation of higher synthetic prices after disposal of the facilities by the United States Government to private industry. At the very least, the price behavior of natural rubber has been what might be called highly peculiar during the period while disposal has been in sight.

In June 1952, the price of natural rubber was 38 cents per pound and the price of synthetic rubber was 23 cents per pound. The price of synthetic rubber continued stable from that time until the present time because of Government operations of the synthetic rubber plants. The price of natural rubber sank slowly from 38 cents until it reached 22.31 cents per pound by May 1954, for No. 1 ribbed smoked sheets. Since that time, however, the price of natural rubber has climbed rapidly until recently, the price has been back to 38 cents per pound, with a 15-cents-per-pound advantage over synthetic rubber.

There is the problem raised by item 3 of the guidelines. The extent to which most of the companies now to be favored as purchasers of these plants have been or even now are involved in antitrust cases is amazing. That matter has been so adequately covered by the gentleman from New York [Mr. CELLER] that I will repeat only that it is amazing that many of these successful bidders are self-confessed monopolists or have been found guilty before a judicial tribunal. What can we expect of them in the future when their interests no doubt will conflict with the interests of small industry depending on them as a raw material supply source? As has been well said, antitrust violators do not usually abide by moral declarations.

There is more than one way to reduce competition. It has already been suggested that the 77 different types of synthetic available from the Government may very well become a basis for restriction. Already some business magazines have concluded that obviously, no corporate buyer will attempt to make that many. What is likely to happen is that the new owners will work out among themselves the various types each will make. It looks like the small user of any specialized type might end up with only one source of supply available—take it or leave it. Some have suggested that the squeeze is already on—that the reserve of synthetic rubber is being allowed to drop to about half the normal level and that orders from small companies for March and April delivery exceed the scheduled production for those months.

Of the remaining questions, that most deserving of examination is whether the disposal, as proposed and recommended, would yield a fair price to the Federal Government. You, no doubt, have heard that the 24 plants included in this sale program cost the Government $488,584,000, and now have a net book value, after depreciation, of only $131,954,000. For that depleted investment the wonderful sale price is $285,564,000 for the plants, plus additional millions for equipment and inventories on hand, bringing the Federal Treasury a total of $310,565,000. It has even been proclaimed that this represents 96.6 percent of the taxpayers' unrecovered investment—a very high recovery indeed for war surplus, if indeed it were that rather than a thriving, modern industry, with a most promising future. Of course, the amount spent by the Government on research, and so forth, is not included. We do not expect to recover that. But, let us be fair—what is a fair value we as taxpayers should receive for this industry?

One method of arriving at a fair figure in this expanding industry would be to capitalize recent earnings of the facilities. A projection of the earnings of the last 2 years would provide a reasonable estimate. In fiscal year 1953, the earnings were about $60 million and in 1954 about $42 million. If these were capitalized at a conservative 10 times, the price would be at least $420 million. Need we guess that earnings will be even greater under the existing, and, I think valid, assumption that private enterprise operates more efficiently under private ownership and that market prices, when no longer restrained by the Government, will be significantly higher.

Mr. Chairman, I move that we give small industry and the public interest a real break by supporting this motion to disapprove the disposal program.

Mr. VINSON. Mr. Chairman, I yield 8 minutes to the gentleman from Texas [Mr. FISHER].

Mr. FISHER. Mr. Chairman, I will undertake to say what I have to say in a little less time. We have heard several hours of discussion of this issue here today. I cannot keep from feeling that some of the confusion which seems to prevail in some places here would not exist at all if more of the Members of the House could have been on the committee that conducted the hearings, if more of them could have heard the witnesses who knew about this subject more intimately and in more detail, and even if more could have studied and analyzed the hearings which are available here.

For example, the question was raised a moment ago by my good friend, the gentleman from California [Mr. DOYLE], about the propriety of the procedure, the legality of the procedure, in the disposal of the three plants out in Los Angeles to Shell. From what he and others said in that same connection, one might get considerable confusion out of it, as I see it, yet the brief and easy answer to that, as shown by the record, and as everyone knows who sat on the committee, is that the Comptroller General of the United States reviewed that proceeding and held it was legal and in conformity with the law. The Attorney General of the United States reviewed it and said it was legal and in conformity with the law. And yet we heard 10, 20, or 30 minutes of discussion on a subject that was completely settled so far as the legality of the procedure was concerned. I mention that only in passing.

Now, Mr. Chairman, I shall vote against the pending resolution and, therefore, in favor of the disposal of the Government synthetic-rubber facilities. To do otherwise would be to retard, as I see it, the progress of this rubber industry at a time when the demands of our economy, both civilian and military, for synthetic rubber are high and urgent. Moreover, to approve this resolution to-

[1] Rubber Producing Facilities Disposal Commission, Supplement: Report to Congress Recommending Disposal of Government-Owned Rubber Producing Facilities, p. 47 (May 26, 1954).

day would result in a tremendous loss in revenue to the Government by reduced value due to the progressive deterioration of the plants. And it would be manifestly unfair to small-business enterprises of this country which are, under the disposal program, assured an adequate supply of this rubber at fair and reasonable prices. And I say the record supports that statement.

My colleague, the gentleman from Texas [Mr. PATMAN], was undoubtedly prompted by the most laudable motives in offering this resolution to disapprove the sale of the Government plants to private industry at this time, but as was determined by testimony, following the introduction of his resolution and before, for that matter, before our committee, the claim that the sale of the facilities would deprive small business of the source of supply of this rubber at a fair price is completely unfounded. And again I say the record proves that.

Now let me refer for one moment to the record, if I may have your attention. We have heard hours of debate here today that small business is not going to get its fair share out of what some have seemed to think is a very limited amount of synthetic rubber available to the market in this country. As a matter of fact, there is a lot of synthetic rubber available. The real truth of the business is that they are around pleading now for customers. If any one of you knows of a single small-business fabricator who wants synthetic rubber in this country and wants to make a contract for it now at the going rate for the next 5 years, I think we can pick it up in a few minutes and solve that problem as far as any individual or any dozen or any 50 prospective customers are concerned.

Let me refer to the record and see what the evidence is in that regard, and we could spend a lot of time on that. I was running through the record after listening to all this talk around here, and I could not understand where they got it. Take page 1181 of the record. Here is Mr. Tracy speaking for the Enjay Co., an Esso-Standard Oil Company of New Jersey, subsidiary. This refers to butyl, but listen to what he said:

> We have written a letter to some 1,000 rubber companies, all that we could find names of, and have offered to sell them their requirements of butyl rubber at 23 cents per pound f. o. b. the plants. I would like for the record, if you will, to include this.

Referring to the letter, which is included.

They are looking for customers. They have written at great expense to 1,000 prospective customers wanting to sell some of this rubber that is running out of their ears.

Let us turn to 1 or 2 of the others, and we can cite scores of them of comparable import.

Let us look at 1 or 2 of these examples and perhaps we can dissipate some of this confusion that seems to prevail here in the minds of at least a few of the Members. I am referring now to page 1151 of the hearings. In this case it is the Phillips Co., which is one of the large purchasers. They are not a fabricator. They do not use it, they manufacture it to sell to anybody who wants to buy it. Let us see what that witness says. He is Mr. Cubbage:

> We do expect to sell about 30 percent of our estimated output to the small companies who are participating in American Synthetic and Copolymer Corp. The balance, 70 percent, will be sold to the nonintegrated companies; that is, companies that will not own an interest in a copolymer plant.

Mr. Blandford asked him the question:

> So we can say that for the purposes of production of Phillips, we can say that 40,000 tons will be available to nonintegrated units or small business, according to your definition?

Mr. Cubbage said:

> To be exact, 40,320 long tons.

Let us look at 1 or 2 more. I refer now to page 1154. The witness is the same. He says this:

> We have been out in the open market trying to sell the output of our plant since January 1954. Being without a captive market—

That is, they do not consume it themselves—

> we knew that we had to make these sales. As early as April 1954, we had contacted some 225 rubber fabricators in 17 or 18 States.

They were trying to find a market for it and he said, "If anybody knows of anyone who wants to buy synthetic rubber, please send them around. We want their address. We will send a salesman out to see them."

These gentlemen who are crying here about small business not getting a fair shake, I ask them: Do they know of anybody who wants to buy? I pause for an answer. Does anyone know of a single prospective customer that is having trouble today?

Mr. PATMAN. If the gentleman will yield to me, I have a number of telegrams I can give the gentleman, or give him their names.

Mr. FISHER. If the gentleman will read the record he will find the names of several companies who are ready to sell to them.

Mr. PATMAN. I hope the gentleman can deliver.

Mr. FISHER. I can assure the gentleman, if he will give me the telegrams, we can pass them on and they will be taken care of very shortly. If the gentleman had read the hearings he could have supplied that information without coming to me. He could have taken care of those people who wired him and have promptly met their request.

Mr. PATMAN. Of course, they cannot get any assurance that they will get the rubber continuously. They might get it today before this bill is passed, but after the bill is passed, they are apprehensive that they will not be able to get it.

Mr. FISHER. I hope the gentleman will undertake at least to allay their concern. The gentleman, I am afraid, is more apprehensive than they are. If the gentleman would study the record, he would find that they are begging for business and looking for contracts. They will contract to sell and to deliver at any time. That is the record. I am wondering if the gentleman from Texas [Mr. PATMAN] has actually read the hearings. If he had and others had, I think we could have settled this matter several hours ago and cleared up a great deal of the concern that has been expressed here.

Let me give you just one other example. At page 1162 of the hearings, Mr. McCurdy, speaking for Shell, stated:

> Our commitment under this contract, to paraphrase it, is to flood the whole western part of the United States with rubber, and we have about half again as much capacity as would be required to do that. We certainly are flooding it, and we are flooding it.
>
> We have already sold and are negotiating for approximately 18,000 tons of rubber outside of the 4 big rubber companies. We have sold 12,400 firms, and we are working on another 5,600 now.
>
> That is the result of a campaign that started quite a while ago. We sent out a sales force, and we located all of the rubber fabricators that we could find, and we turned up 190 of them, more or less.
>
> On the 27th of January this year, we wrote them a letter, and we told them we wanted their business; that our price would be 23 cents, and they wouldn't be charged an artificial freight like the Government has been charging them, and we would be around to see them.

Does that sound like such a critical shortage of synthetic rubber that has been talked about here all today? Shell and many others are out looking for business. Standard Oil refused to bid on a facility without assurance of a market for the product. Synthetic rubber has developed to the point where it is highly competitive, and production is sure to increase.

Mr. Chairman, 2 years ago the Congress made the policy decision to sell these plants. A disposal commission was created to do that job. A report was made to Congress, and we are now deciding whether to approve the disposal arrangements. Our committee, after careful hearings, is of the opinion the best possible arrangement has been worked out. The Commission's report shows that it was able to obtain $30 million more than the initial high bids. A total of $285,465,000 overall was obtained, and there are a few remnants to be sold. Thus the Government will be able to salvage its investment in this war-born industry.

The Commission in its sale contracts was able to obtain commitments for disposal of rubber to small business. Under that arrangement the most healthy use and distribution of synthetic rubber is assured, and the obligations can, if need be, enforced in courts of law.

What more can anyone ask? Everyone had the chance to bid. Everything was done aboveboard, in the finest traditions of competitive free enterprise.

Mr. Chairman, it is time for the Government to get out of the synthetic rubber business, get these plants—some of which are already obsolescent—into private hands and on the tax rolls. That is where they belong. Do we want to nationalize the synthetic-rubber industry in this country? A vote today in favor of this resolution would be a step in that direction.

Mr. PATMAN. I yield 7 minutes to the gentleman from California [Mr. HOLIFIELD].

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Mr. HOLIFIELD. Mr. Chairman, I have read the hearings and I have read the reports, both the majority and the minority reports. And although I am not a member of the committee, I feel constrained to speak for a few minutes at least on this subject. I was one of the 58 who voted to recommit the authorizing bill some 2 years ago. I have seen nothing to cause me to regret that vote. I took the position then that the gentleman from Texas [Mr. KILDAY] and the gentleman from North Carolina [Mr. DURHAM] took, although I believe they voted for the bill, but they took the position it was unwise for Congress to put itself in the position of functioning as part of the executive branch. I still think they were wise to take this position. I believe the contract that is before us today for our approval will erect a bar around the suits by small people having a third-interest position, for any inequity which may arise in the future.

The problem today is not whether we are for public monopoly or private monopoly, although I will say this, that in the case of Government monopoly of the synthetic business there is, or is supposed to be, a concern on the part of the Government monopoly to see that fair allocation and fair prices obtain and exorbitant profits are not charged, which is not a concern of a private monopoly or a private entrepreneur.

The thing I am concerned about is the vague language in the contract itself, not the testimony of these corporation witnesses. Any of us who have had experience know that witnesses can come before a committee and testify any way they want to testify, but when it comes down to a test of the law that was passed and a test of the contract that was signed, that is a different proposition. So all of these promises by these corporation witnesses that they will be good if you will just let them have these rubber plants are so much hogwash as far as I am concerned. It is not binding on the corporations, and the corporations themselves will consider the contract as the binding part.

When you go to study the contract you see they desire to sell to small business or they propose to make available to small business, using that sort of vague terms. That is not really a contract. No businessman I know of would sign that kind of contract and depend upon it.

We have heard a great deal of glorification of big business here on the floor today. The gentleman from Illinois [Mr. ARENDS] said he would take the word of big business. I would not take the word of big business or small business, either. That is why contracts are devised for use among businessmen. You agree and you shake hands with them, and you have it written into the contract if you are very smart. The necessary provisions to protect small business are not written into the contract. There is no guaranty of supply for present users. There is some vague language about supplying small business, but it does not give any rights to these 800 small-business men that are now getting the supply in the case of a tight supply of rubber in the future. I admit it does not concern us now when rubber is in plentiful supply, but in case of a tight supply they would find themselves without the protection they need.

There is no guaranty of reasonable prices. There has been some talk today about going back under OPA. That is not necessary. You can write into this contract very easily, if you want to protect the public against high prices, the protective clause that these companies should not be allowed to make but a certain percentage of profit. This is near enough to a monopoly franchise, in my opinion, by giving these facilities over to 4 or 5 big interlocking companies, that you might write a reasonable profit clause into the contract. This has not been done. This might give some guaranty against exorbitant profits.

This is a pretty sweet deal. I heard some talk today about book value, getting twice the book value. That is a mighty weak reed to lean upon. There are many corporations that carry their book value at a low value for purposes of taxation. The real valuation of a going business is its earning power. Everyone knows that. The book value is many times fictitious. It could be high if they want to sell additional stock or it could be low for the purposes of the tax assessor. So getting twice the book value means absolutely nothing.

Mr. SHORT. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I yield to the gentleman from Missouri.

Mr. SHORT. Of course my friend from California knows that there are no taxes paid today on these plants. They are all Government-owned.

Mr. HOLIFIELD. Certainly.

Mr. SHORT. It is a Government monopoly. If you want to get rid of monopoly, sell it to these competing plants and you will get more rubber and better rubber at a cheaper price.

Mr. HOLIFIELD. I realize this is a monopoly now, and I realize that they are not paying taxes, but I realize that they paid into the Treasury last year some $50 million in profits. I will ask the gentleman if these companies will pay taxes to the tune of $50 million after these plants are sold to them. The gentleman knows they will not pay that amount of taxes.

Mr. SHORT. I will say that they will pay 52 percent corporation tax, and that will be something, and they will also expand the industry.

Mr. HOLIFIELD. Of course they will expand the industry if they can make a profit by expanding it.

Mr. SHORT. The gentleman believes in a reasonable and fair profit obtained through legitimate business, does he not?

Mr. HOLIFIELD. Absolutely. I am a private businessman myself, and I believe in a fair profit; yes, sir.

Mr. SHORT. The gentleman would not deny that to anyone, would he?

Mr. HOLIFIELD. No, sir; no, sir. I should say they should have a fair profit if this is sold to private business, but I do say there should be some clause in this contract that they shall not have an exorbitant profit in view of the fact that they are being put into a monopoly position. I say some provision should be put into this contract to save the people from the effect of the patent pool which will be created by selling not only these plants but all the patents the Government owns that will go to these purchasers.

Mr. SHORT. But the private companies had the patents. They pooled the patents and all of the research on butyl plants has been paid for entirely by Standard Oil of New Jersey, and furthermore they are going to sell this rubber at the Government price.

Mr. HOLIFIELD. Does the gentleman mean to say that the Government has not paid for some of this research and development on synthetic rubber?

Mr. SHORT. No, no, Standard Oil of New Jersey has paid for all of it. I know the gentleman has been so busy because he is an important Member of the Congress, and I know how his time has been absorbed on other committees so that he has not had time to study this particular problem.

Mr. HOLIFIELD. I think I have studied the problem.

Mr. SHORT. Oh, no. But you do well.

Mr. HOLIFIELD. Page 31 of the Rubber Producing Facilities Disposal Commission's report to Congress is in part as follows:

> The Commission also agreed in the appendices to make available to purchasers the results of Government financed research in the synthetic rubber field. The patent agreements to which the Government was a party and the actions subsequently taken in this field by the Commission assure that adequate rights to patents and technical information are available to plant purchasers.

Mr. VINSON. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from Alabama [Mr. HUDDLESTON], a member of the Committee on Armed Services.

Mr. HUDDLESTON. Mr. Chairman, the hour is late. We have had a great deal of discussion on the pros and cons of this resolution. We have had many facts presented, represented, and presented again. We have had many arguments and opinions expressed here today. I am sure everyone has already made up his mind, and anything I could do or say would not change the situation in the slightest. However, I am constrained to express one opinion, and I assure you it will be brief. The issue in the debate on House Resolution 170 is whether we shall continue the Government ownership and operation of the synthetic rubber facilities or whether we shall sell those facilities in compliance with the Rubber Producing Facilities Act of 1953 to representatives of private enterprise. We have heard a great deal from the well of the House to the effect, "Well, let us delay for a year and see what else we can work out." But we have never heard any concrete proposal to do anything other than as is proposed in this report of the Facilities Disposal Commission to the Armed Services Committee and to the Congress. It seems to me that with all of this lengthy 6-hour debate, we would have had some other proposal made to us here in the Congress—some proposal which would

be just as concrete and just as equitable as the proposal that has been presented by the majority of the Committee on Armed Services. Our committee held hearings on this resolution. They were lengthy hearings. We went into every phase and aspect and facet of the bill. We heard every objection; we heard the objections of some of the members on the Committee of Small Business. We heard witnesses who testified on matters in answer to those objections. Twenty-seven of thirty members on the Committee on Armed Services believe sincerely and conscientiously the objections of the members of the Small Business Committee were unfounded and that those objections had been answered by other witnesses who testified before the committee. I wish it had been possible for every Member of the House to have heard the testimony of the witnesses who appeared before our committee. I am confident that if the testimony had been as readily available to every Member of the House as it was to the members of the Committee on Armed Services, there would not be this lengthy 6-hour debate on the question of whether we should go along with the House Committee on Armed Services and disapprove House Resolution 170 or go along with the resolution.

Mr. VINSON. Mr. Chairman, I yield 3 minutes to the gentleman from Texas [Mr. BROOKS].

Mr. BROOKS of Texas. Mr. Chairman, the House has taken up a matter which is of the utmost importance in southeast Texas—the proposed sale of Government-owned synthetic rubber producing facilities to private industry.

In the 83d Congress, we authorized the Rubber Producing Facilities Disposal Commission to accept appropriate bids for these 27 plants built during the World War II emergency. Three of these plants were built in Jefferson County, Tex., in the Second Congressional District.

Safeguards were given the Disposal Commission by the 83d Congress to be written into any proposed contracts in order that defense production capabilities might be maintained, that we taxpayers might receive a fair return on our initial investment, and that any sales might prove to be a stimulus to competition in the rubber industry under our system of free enterprise.

The Disposal Commission made its report in January of this year and on January 26 I issued a news release stating that I believed these requirements had been met by proposed contracts selling the three plants in the second district.

Each plant has been assigned an annual capacity which it must produce, or be prepared to produce, within 180 days after notice by the Government. This is consistent with our defense needs and should provide job security for the great number of Jefferson County families who are now employed at these plants—

The news release went on to say.

The sale is taking Government out of business competition with apparently maximum compensation to taxpayers who built the plants, with the assurance that the facilities will be available for any future emergency.

After personally contacting the presidents of the two companies tentatively awarded contracts for the three plants in Jefferson County, I issued another news release, on February 4, stating that I had received written assurance from both companies that the plants would not be moved to other locations.

The people of Jefferson County are solidly behind the sale of these three rubber plants. On May 27, 1954, I announced that it was my hope that no bid will be approved by Congress that does not require high production by these plants, both as a necessity to the economy of southeast Texas and as a bulwark against Communist domination of world rubber supplies. The people of my area believe, as I do, that the sale of the rubber plants will help give us that job stability and will continue to insure our country that we will have an adequate rubber supply.

Mr. Chairman, I offer for insertion in the RECORD the following editorials from newspapers in Jefferson County, along with parts of letters and telegrams from every segment of our industrial makeup in southeast Texas:

[From the Beaumont Enterprise of March 17, 1955]

Members of the Beaumont Chamber of Commerce are not afraid their rights will suffer if the rubber plants are sold to large rubber companies. Organized labor has worked long enough for these companies to know their labor policies are fair. Also, it may be assumed that organized labor in Beaumont agrees with the chamber of commerce that the Federal Government ought to get out of business that places the Government in competition with privately owned, taxpaying business concerns.

[From the Port Arthur News of March 13, 1955]

Firms like Gulf Oil and Texaco and Goodrich and U. S. Rubber, who are putting up many millions for the Port Neches plants, can speak for themselves. But we'll take the liberty of recalling that it was the know-how of such outfits as those which produced the fuel and rubber that helped us to win victory in World War II. The American consumer gets the best gasoline and lubricants and rubber in the world today, thanks in large measure to such companies.

[From the Port Neches Chronicle of February 3, 1955]

The sale of the plants to private industry * * * is an historic step, for the synthetic rubber industry has been one of the few complete Government industrial monopolies in the history of the United States. Sale of the plants to private industry will eliminate the monopoly. * * * This will mean better rubber for the thousands of rubber products used in everyday life. More efficient production, spurred by competition, will mean that the new types of rubber—in the long run—will be produced at the lowest possible cost to the American people.

MARCH 15, 1955.

We the Beaumont Building Trades Council with 19 affiliated crafts are asking the Representatives from our community to support the sale of rubber plants to private industry.

Sincerely,

J. E. FLOWERS,
Business Manager.

MARCH 16, 1955.

We request your support in the sale of the Government synthetic rubber plants at Port Neches. We represent hundreds of workers in these plants and feel their sale to private industry at this time is in the best interest of the workers, the community and the Nation.

L. L. CRANE,
Secretary-Treasury, Local 228, CIO.

MARCH 15, 1955.

We commend you for your action in supporting the program on disposal of synthetic rubber plants to private industry. Return of the rubber industry to private enterprise is in the best interest of the American people. Please continue to actively support this program.

(FROM 12 CITIZENS OF THE MID-JEFFERSON COUNTY AREA).

MARCH 11, 1955.

DEAR SIR: As an employee of the Government-owned synthetic rubber plant, I and all the rest of us are very concerned about the disposal of these plants. We surely would not want the Government to not get the most they possibly can in return for the taxpayers' money spent there, and as far as rubber production is concerned, the plants are worth more than they ever were; but we do want a dependable program, and it seems that selling the plants is the only way to get such a program. We have just ended a 6 months' period of a 50-percent cut in production. Now we are trying to make 50 percent more than the rated capacity of the plant.

Since we know of no safeguards that would protect the employees when the plants were sold, we were relieved when we found that our company had bought this plant. We feel that we will at least have a better chance of staying on our jobs. So, if politics is interfering with the sale of these plants to the present operators, then politics could be detrimental to the welfare of a large group of people in the area we work in.

Sincerely yours,

LEVI W. PARTIN,
Employee of B. F. Goodrich Chemical Co.

MARCH 15, 1955.

DEAR JACK: * * * The Beaumont Chamber of Commerce board of directors has had a policy for many years urging that Government get out of competition with private business.

This policy is particularly applicable in the case of our synthetic rubber industry. * * *

The people who live in this area are directly affected by Government ownership. We want these plants in the hands of private industry.

Sincerely,

E. C. RECHTIN,
President, Beaumont Chamber of Commerce.

MARCH 11, 1955.

DEAR CONGRESSMAN BROOKS: * * * The sale of our local rubber plants to companies that are now vitally interested in this area is best for the Government, the employees of these plants, and this community.

Your efforts to see that the sale goes through will be very much appreciated.

Yours very truly,

W. L. WEATHERALL,
President, First National Bank, Port Arthur, Tex.

MARCH 12, 1955.

MY DEAR MR. BROOKS: I hope you will use your influence to see that the sale of the rubber plants at Port Neches is not delayed.

From the standpoint of the United States as a whole, a very good price has been offered; in fact, a price that is considerably

above the Government book value of these plants. Proper safeguards have been taken to see that their capacity is maintained. The companies offering to buy these plants are strong, capable companies, able and willing to carry out their part of the contract.

From the standpoint of this community, this will turn these plants over to free enterprise, which has done so much toward the development and prosperity of this section of the country. The companies offering to buy these plants pay good wages and have progressive policies in their dealings with labor. There is every reason to believe that these companies will further develop these plants, and possibly locate tire factories here and other companies to manufacture the products of these plants. All of this means more taxes for the State of Texas and Jefferson County, and more employment.

Sincerely yours,

E. P. TUCKER,
President, Merchants National Bank of Port Arthur.

Mr. PATMAN. Mr. Chairman, I yield myself 5 minutes.

Mr. HOFFMAN of Michigan. Mr. Chairman, a parliamentary inquiry. Under the rules, how many times can a Member talk on the same thing and say the same thing?

The CHAIRMAN. As the gentleman from Michigan knows, the gentleman from Texas [Mr. PATMAN] has control of the time and can use it as he sees fit.

Mr. PATMAN. Mr. Chairman, a point of order. I hope this is not being taken out of my time.

Mr. VINSON. I trust the gentleman will not be technical, and let us proceed.

Mr. PATMAN. Mr. Chairman, I just want to summarize. The question of price came up. Standard & Poor's Industry Surveys in a recent analysis called Current Analysis, concerning the price of rubber, had this to say:

If the industry is transferred to private hands, an increase appears inevitable. Indeed, this is at least partially responsible for the rise in the price of natural crude rubber to an 11-cent premium over the 23-cent-a-pound price for general-purpose synthetic.

As I stated earlier today, a price of 23 cents had been fixed. About a year ago the price of raw rubber went up to 38 cents. Then, by reason of an announcement made downtown by one of the agencies, it came down to 30 cents; but with the 11-cent rise that is expected, that means that these plants will pay out in 2½ years. There is nothing to keep the rise from going twice 11 or 3 times 11.

One other concern about the small man in business, the independent merchant: Some of these purchasers have their own independent retail outlets right now; they have a great advantage over the local independent merchant, because if they want to destroy the business of an independent merchant all they have to do is to have the store across the street from this independent merchant sell below cost until that independent merchant throws up his hands. He is put out of business. But the big concern across the street is not hurt at all, because in making the income-tax return, the concern that owns this large national outlet gets a tax deduction for its loss in putting that little man out of business. The Government, therefore, is paying a premium on bonus to put the little man out of business. That is awfully hard competition.

If we vote this like it is proposed here we will put the double squeeze on that little man. It will not only permit the big national concern to continue to put him out of business through selling below cost, but the double squeeze will be that the big national concerns can cut off his supplies and put him out of business that way. They have two opportunities to destroy his business. We should not allow that.

Something was said about Firestone, that they agree they will put out 20 percent of their supply to small business. Yes, I am sure they will; I am sure they are telling the truth and that they will carry out every word of what they say. But there are 800 of these large fabricators who are independent, yet who are dependent upon these very rubber companies for their supplies. It has been testified that they will furnish 20 percent of their output, but is that going to specific small dealers or will it be put out to the trade generally? Say they have a hundred stores in the State and they do not want to make competition easy; they do not have to help the competing stores of these 100, get supplies. The natural thing for them to do would be to deny them supplies, and this would give them a double action, a double squeeze on them to put them out of business, not 1 squeeze, but 2, and the independents have no protection under the contracts as drawn.

I hope you will support this resolution. I am sure the able chairman of this committee will bring in a resolution either to have the present Commission or some other Commission take the debate we have had here today wherein we show conclusively without doubt that the little man has no protection whatsoever, and then they can rewrite these contracts and put words and phrases and paragraphs in them that will guarantee specific relief for specific people. It could be done. It has not been done. There is no assurance. These contracts state that this purchaser "proposes to make available"; the other one says "intends to let the small business fellows have a part," but those are loose words and loose phrases; there is nothing definite about it.

Let me tell you now, Mr. Chairman, this is simply a question of monopoly. If you vote against this resolution you are voting for 4 big rubber companies not only to have 80 percent of the rubber business—and your vote says you are in favor of it and in favor of a continuation of it, you ratify it, you sanction it, you confirm it—but in addition to that, Mr. Chairman, you are saying that you are willing for them to have the other 20 percent and give the small man no definite assurance of any kind.

I ask you to vote "aye" on the resolution.

DEPARTMENT OF JUSTICE,
Washington, March 21, 1955.

Hon. CARL VINSON,
Chairman, Committee on Armed Services, House of Representatives, Washington, D. C.

MY DEAR CHAIRMAN VINSON: This is in response to your letter of March 16, 1955, enclosing a letter from Congressman WRIGHT PATMAN, chairman of the House Select Committee on Small Business of the same date, and a list of 19 questions propounded by him, relating to the position of the Attorney General on the disposal of Government-owned synthetic-rubber facilities.

As you suggested, I have answered each question separately, in turn, before proceeding to the next. I hope that the answers to these questions will be of assistance to you and to the Congress in considering the disposal program.

As you requested, we are returning herewith all enclosures contained in your letter. If I can be of any further assistance to you in this matter please do not hesitate to call upon me.

Sincerely yours,

STANLEY N. BARNES,
Assistant Attorney General.

QUESTIONS PROPOUNDED TO JUDGE BARNES BY HON. WRIGHT PATMAN, OF TEXAS, IN A LETTER DATED MARCH 16, 1955, ADDRESSED TO CHAIRMAN VINSON

JUDGE BARNES: I would like to invite your comments on one broad, general question; then I have a few questions on specific points I would like to get cleared up.

The general question relates to the second paragraph of the Attorney General's letter of January 17. (It reads as follows:)

"This is to advise you that on the basis of the information furnished to me by the Commission I do not view the proposed dispositions as being in violation of the antitrust laws. I express no opinion, however, concerning the legality of any programs or activities in which the proposed purchasers may engage in the utilization of these properties, nor as to any matters other than whether or not the proposed dispositions violate the antitrust laws."

Now that statement contains two qualifications which I would like for you to examine. First, it contains the phrase "on the basis of the information furnished to me by the Commission" and says nothing about other information which the Department of Justice may have or could reasonably have gotten from other sources. Second, if I read the remainder of the statement correctly it says simply this: The Attorney General expresses the opinion that the proposed disposition of these plants, taken alone and quite apart from any other facts which he may or may not know to exist, will not violate the antitrust laws; but the Attorney General expressly reserves the opinion whether or not there would be a violation of the antitrust laws, taking account of the whole factual situation, the moment these plans are transferred.

Now, as I understand the antitrust laws, you frequently have situations where a particular competitive arrangement taken alone, out of context of the whole factual situation, is not violative of any laws, but when you add this competitive arrangement to the whole factual situation you have an unreasonable restraint of trade. Now, I am not talking about secret agreements or conspiracies or understandings among these proposed purchasers. I realize that there could be secret agreements, which you might not know about and might never know about even though you investigated diligently, so I am not talking about agreements or understandings which you may not know about, but this is the question I want to get clarified: Quite apart from any agreement which you do not know about, has the Department of Justice investigated and considered the whole factual situation insofar as it could reasonably ascertain the facts and satisfied itself that there will not be an unreasonable restraint of trade or other violation of the antitrust laws the moment these plants are transferred?

2. Now, the rest of my general question pertains to the analogy you have here with the Supreme Court's decision in the *Columbia Steel* case (*U. S. v. Columbia Steel Co., et al.* (334 U. S. 495, decided June 7, 1948)). The theory of the United States in bringing that suit was that the acquisition of Consolidated constituted an illegal restraint of interstate commerce because all manufacturers except United States Steel would be excluded from the business of supplying Consolidated's requirements of rolled steel products, and because competition then existing between Consolidated and United States Steel would be eliminated.

In addition, the Government alleged that the acquisition of Consolidated, viewed in the light of the previous series of acquisitions by United States Steel, constituted an attempt to monopolize the production and sale of fabricated steel products in the Consolidated market. That last aspect of the case was vigorously contested. The defense was predicated in a substantial way upon the fact that the United States Government had in 1947 sold to the United States Steel Corp. a large plant at Geneva, Utah, and that in that connection the Attorney General had concluded "that the proposed sale, as such, did not violate the antitrust laws."

You will also remember in that connection that the Supreme Court in disposing of that aspect of the case stated: "To show that specific intent, the Government recites the long history of acquisitions of United States Steel, and argues that the present acquisition when viewed in the light of that history demonstrates the existence of a specific intent to monopolize. * * * We look not only to those acquisitions, however, but also to the latest acquisition—the Government-owned plant at Geneva. We think that latest acquisition is of significance in ascertaining the intent of United States Steel in acquiring Consolidated." The Court then proceeded to dismiss the suit by a vote of 5 to 4.

Then the Court pointed out that when approval was given to the sale of the Geneva plant to United States Steel, the Government had reason to know that if United States Steel acquired the Geneva plant it would for "normal business purposes" either acquire or build finishing facilities to assure itself a market for the unfinished steel produced at the Geneva plant, and the Government made no objection. Now this raises a question. First, you are approving the sale of 31.8 percent of the butadiene capacity to one partnership company—the partnership being made up of 2 oil companies and 2 rubber companies.

Now, permit me to ask you this: If in the future you decided to proceed against one of the rubber companies under the Clayton Antitrust Act or the Sherman Act because of any proposal on their part to acquire smaller companies in order to balance their rubber capacity with their butadiene capacity, or to balance their butadiene capacity with their rubber capacity, or to balance their rubber-fabricating capacity with their rubber capacity, how could you distinguish as a matter of law such a situation from the situation disposed of by the Supreme Court in the Columbia Steel case and what different results could you expect to secure?

Now for my more specific questions:

3. It has been pointed out that according to this disposal plan, no one company will have more than 18.8 percent of the GR–S capacity. On the other hand, the disposal plan calls for one partnership company to have 31.8 percent of the butadiene capacity. The partnership company is made up of Gulf, Texas, United States Rubber, and Goodrich. These four companies together will have 29.1 percent of the GR–S capacity. Since these four companies will be a partnership in 31.8 percent of the butadiene capacity, would you see any substantial difference insofar as practical competition is concerned, if they formed a single partnership company to handle their 29.1 percent of the GR–S capacity?

4. I would like to ask you about the license agreements. The second paragraph of the Commission's statement on this subject (p. 31) indicates that the Commission has made available to prospective purchasers the patent agreements to which the Government is a party and that it has taken actions to assist prospective purchasers to obtain licenses to use patents to which the Government was not a party. I quote from the Commission report as follows: "The patent agreements to which the Government was a party and the actions subsequently taken in this field by the Commission assure that adequate rights to patents and technical information are available to plant purchasers." Beyond this however, the Commission has not told Congress what it has done; we don't know what these actions were, what the terms and conditions of the license agreements are, and I wonder if the Department has examined all of these license agreements and satisfied itself that none of the royalties are unreasonable and that there is nothing else in them which will unreasonably restrain competition.

5. What has been the Department's usual position with reference to patent pooling where the pool was restricted to members and not freely open to all newcomers?

6. The Attorney General's report has something to say about the patents and agreements covering butyl rubber, but it seems to be silent on this subject as regards the more important classes of rubber and feed stocks. Can you tell me where the provisions are in the contracts with the proposed purchasers of the rubber facilities, or elsewhere, which assure that the patent pool which will now be set up among the proposed purchasers wil be open to the other companies that might wish to enter some phase of the synthetic rubber business in the future?

7. The Commission's report contains this sentence: "in the appendix to each contract of sale, the Commission has agreed that, to the extent of the Government's powers under these agreements, it will assist purchasers in obtaining necessary rights"—speaking of patent rights, of course. Can you tell us whether or not the Government has sufficient powers under these agreements that it could, if it cared to do so, assure any and all possible purchasers the right to use all product and process patents now necessary for successful operation of the butadiene and GR–S rubber plants.

8. In view of the fact that when the Government-owned aluminum plants were sold, the Department of Justice insisted upon having, as a condition of the sale, a provision making licensing of patents at reasonable royalties compulsory, I am wondering why the Department has not insisted upon such a provision in the case of these rubber facilities.

9. The assurances that we have been offered that small rubber fabricators will have access to adequate supplies of rubber at fair prices rest in large part on the premise that the production of Shell on the west coast will all be put on the open market, since Shell is not a rubber fabricator. In this connection the Attorney General's report (p. 34) is to the effect that since the major tire companies will have copolymer plants on the gulf coast, they will supply their west coast tire plants from these. The Attorney General's report does not make it clear, however, how much surplus production these tire companies will have at their gulf coast plants after supplying the requirements of their more eastern markets, or why these major tire companies took 90 percent of the production of Shell's west coast plant in 1954. Could you enlighten us on this?

10. In considering the supplies which might be available to small fabricators, I wonder if you have taken into consideration these contracts which some of the oil companies seem to have with some of the rubber companies for promoting the sale of their tires through the retail filling stations. For example, on page 158 of the supplement of the Commission's report the proposed contract with Shell contains the following sentence: "Neither Shell Chemical Corp. nor the parent, Shell Oil Co., is engaged in the manufacture or sale of natural or synthetic rubber or products made therefrom, excepting that Shell Oil Co. has contracts with the Firestone Tire & Rubber Co. and with the Goodyear Tire & Rubber Co., Inc., which provide for the payment of a commission to Shell Oil Co. as compensation for Shell's assistance in promoting the sale of their products to Shell dealers, commission distributors, and jobbers." What effect do you think such contracts would have on the question whether Firestone and Goodyear would buy Shell's rubber, or refuse to buy Shell's rubber, and thus make it available for small business?

11. Judge Barnes, I would like to have your comments with reference to the agreements in the contracts with the proposed purchasers, where the purchasers say that they agree to make available certain specific percentage of their production to small business. How could the small fabricator who found that he could not obtain rubber find protection under these agreements? Specifically, the following questions occur to me:

Is the small-business man to bring private suits; and if so, under what theory of the law? And what is the likelihood that the courts will say to an individual businessman that he has a right to sue as a third-party beneficiary of the United States Government? Since no small-business man is mentioned in these contracts, but the Government merely purports to try to protect an indeterminate class in these contracts, can the indeterminate members of this class have any standing before the courts as third-party beneficiaries?

Then may I ask the question as to which of these proposed purchasers the small-business man would sue? Is there any mechanism by which he would know which of these companies were failing to sell their agreed proportion to small business? Is there any requirement that the proposed purchasers make public their sales and customers or open their books for inspection?

What specific rights does a fabricator have under this agreement? Would there be any difficulty arising from the lack of a definition of small business? And does a small fabricator have a right to demand that a particular rubber company sell him supplies, or does the rubber company have the right to choose its customers?

Assuming that the small-business man can sue, then, as a practical matter, how much would such a suit cost a small fabricator, and how long would it take to conclude the litigation, and what would be the prospects of his concluding the litigation before he has gone out of business?

On the other hand, if the Government is to police these agreements, who is to do the job and how will it be done? More specifically, let us consider the following questions:

Can the Government sue on the basis of damage for a breech of contract, since the Government will not have suffered any damage? Could the Government sue for specific performance of contract, and what State law would determine whether an action for specific performance could be brought? Would the right to sue differ according to where a plant is located, and would the Government have different rights under different laws in different States where the plants are located? If the Government is to police these agreements, what mechanism will it have for knowing whether or not the agreements are being lived up to, and what assurances are

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there that the Government will move promptly and that it can obtain relief before a substantial number of small-business men have gone bankrupt?

12. Judge Barnes, some of these so-called agreements in the contracts with the proposed purchasers are to the effect that the purchasers will make available certain specified percentages of rubber to small fabricators at competitive prices. I wonder whether to your mind this term "competitive prices" has any meaning other than that the integrated fabricator will make available to his small competitors rubber at the same prices and terms as he makes it available to himself.

13. Judge Barnes, I don't wish to go into the long list of past antitrust cases in which these big rubber companies and oil companies have repeatedly been found guilty or plead nolo contendere to charges of violating the antitrust laws, but I do want to ask you about a few of the recent and pending cases which seem to have a particular bearing on this disposal plan.

I am told that there is a case now pending in the courts of the District of Columbia involving the Federal Trade Commission and 20 big rubber and oil companies, and I am told that the proceedings arose because the FTC attempted to relieve pressure on small tire distributors resulting from the tire companies discriminating in prices among their different customers; I am also told that these proceedings were started in 1947, so that they are not concluded after 8 years of litigation. I wonder if you are familiar with this case?

Would you venture an estimate as to how long it will take before this case is ultimately concluded?

Do you know whether or not the discriminations complained of by the FTC are still being practiced by these companies pending the outcome of this litigation?

It is your opinion that the rubber and oil companies will be less likely to discriminate against these small competitors than they have been to discriminate among their own customers?

14. Now I want to refer you to a few cases in which the big rubber companies have pled nolo contendere to charges of violating the Sherman Act.

In the Rubber Manufacturers Association case, the big four rubber companies pled nolo contendere on October 21, 1948, to a charge of conspiracy and combination to restrain trade in tires and tubes lasting from 1935, to date of filing the complaint in 1947—in other words, approximately 12 years.

Five days after the plea was entered in the Rubber Manufacturers Association case, the Government filed a criminal indictment charging Goodyear and others with fixing prices of rubber heels and soles, and in 1949 pleas of nolo contendere were filed.

In 1950 Firestone, Goodrich, Goodyear, Sears, Roebuck, and others, were defendants in 2 actions, 1 civil and 1 criminal, which charged these companies with fixing prices and exercising monopoly power to exclude competitors in the sale of batteries.

Now my question is this: Before approving the Commission's disposal plan, did the Department of Justice make investigations to find out whether or not the practices which were admitted in these cases have been stopped and whether or not the court orders are being complied with?

15. Judge Barnes, I understand that the case of *U. S.* v. *National City Lines* is still pending—that in this case you charge Firestone, Phillips, and Standard of California with a combination and conspiracy to monopolize trade in the sale of both petroleum products and tires and tubes. Can you assure us this if you win that case you will effectively eliminate the trade restraints charged in this case?

16. Judge Barnes, I would like to ask you about another case which is still pending; this is *U. S.* v. *Standard Oil Company of California et al.*, in which the Standard California Co., the Shell Co., and the Texas Co. are charged with monopolizing the entire oil industry in the Pacific States area from point of production to point of retail distribution.

The complaint in this case alleges, in paragraphs 72 and 73, that a formal civil action filed in 1930, in which a consent judgment was entered, and a formal criminal indictment in 1939, to which pleas of nolo contendere were entered, were against the same defendants—Standard, Shell and Texas—but that these previous actions have been completely ineffective in preventing these companies from continuing to monopolize the oil industry of the Pacific coast area.

In paragraph 74 the Government further alleges that "defendants' domination and control of the petroleum industry in the Pacific States area, has become so entrenched and so overwhelmingly and generally accepted that it has persisted and will continue to persist and grow * * * and will continue to make it impossible for independents at any and all levels of the petroleum industry to compete effectively with defendant oil companies."

The same paragraph stated that the "business operations of defendant oil companies are conducted as if said oil companies were a single concern with single management."

(a) Now, first of all Judge Barnes, is not this an admission on the part of the Government that Texas, Shell, and Standard Oil of California have monopolized the petroleum industry since 1930, and that so far the Government has not been able to stop them even though it has been successful in two antitrust actions?

(b) Secondly, Judge Barnes, when the Government filed its complaint in the California case it in effect vouched for the truth of the charges made, did it not, so that even though there has been no final determination of the California case, the Department of Justice believes that the charges it made in its complaint are true?

(c) How does the Department of Justice therefore, Judge Barnes, reconcile its allegations made in the California case, with the assertions that the sale of the synthetic rubber plants to the defendants named in that case promotes free enterprise?

(d) Is it your personal opinion that if the allegations contained in the Government's complaint are true that the sale of the synthetic facilities to Standard of California, the Texas Co., and Shell will not enhance the monopoly position of these defendants and make it even more difficult for small independents to survive?

(e) Now check my memory on this: In the old Mother Hubbard case the Government had a similar charge against all of the major oil companies, concerning monopoly practices in markets all over the United States, and the Government dropped the Mother Hubbard case because it was too big to try—that is, there were too many companies to have in one suit; so it dropped that case with the intention of starting a series of smaller cases involving the separate regions of the United States, and this case of *U. S.* v. *Standard Oil of California et al.* was then filed as the first of a series of cases to replace the Mother Hubbard case. Can you put me straight on this?

17. Now about your current suit against the oil cartel. Four of the oil companies to which the Commission proposes to sell the rubber facilities are named as defendants in that suit—that is, Texas, Gulf, Standard (New Jersey), and Standard of California. I believe that a fifth oil company, Shell, is alleged to be a member of that cartel, although it is not named as a defendant. Now my question is this: Do you feel confident that you will successfully break up the restrictive features of that cartel, if any exists, and that the restrictions on competition between these companies alleged to exist as to the production and sale of petroleum and petroleum products will not spread to the production and sale of rubber and rubber products?

18. The Attorney General's report is silent on the background of cartel control over natural rubber; I would like to know if the Department took the cartel question into consideration and, if so, what conclusion it reached concerning probable future control over natural rubber by cartel action?

19. I now refer you to the announcement made by Attorney General Brownell on September 3, 1954, in which he expressed disapproval of the proposed merger of the Bethlehem Steel Co. and the Youngstown Sheet and Tube Co. and expressed the opinion that such merger would probably be in violation of the antitrust laws. In that announcement the Attorney General quoted with approval a statement in the report of the House Judiciary Committee on the Antimerger Act of 1950 concerning the meaning of an illegal effect upon competition, as follows: "such an effect may arise in various ways; such as an elimination in whole or in material part of the competitive activities of an enterprise which has been a substantial factor in competition; increase in the relative size of the enterprise making the acquisition to such a point that its advantage over its competitors threatens to be decisive, undue reduction in the number of competing enterprises or establishments of relationships between buyers and sellers which deprived their rivals of the same opportunity to compete."

I also point out that had the Bethlehem-Youngstown merger been consummated, Bethlehem would have then had approximately 30 percent of the steel capacity, although it would have still been the second largest steel company. In contrast, the Attorney General's letter has approved the sale of 31 percent of the country's butadiene capacity to a single company, and this will be the largest company in its industry.

In the light of the foregoing, I would like to know up what basis the Department of Justice foresees an unsatisfactory degree of competition in steel and a satisfactory degree of competition in butadiene?

ANSWER TO QUESTION 1

In complying with the Attorney General's responsibilities under section 3 (c) and (d) of the Disposal Act, the Department of Justice relied largely upon information submitted by the Rubber Disposal Commission, as well as data already available in Department files. Accordingly, the Attorney General's approval letter to Chairman Pettibone expressly notes "that on the basis of the information funished to me by the Commission, I do not view the proposed dispositions as being in violation of the antitrust laws." Such primary reliance on Commission data as well as Department data already gathered, it seems clear, was envisioned by Congress in the Disposal Act.

Initially, Disposal Act section 3 (c) expressly requires the Commission to supply the Attorney General with such information as he may deem requisite to enable him to provide the advice contemplated by this section. Section 4 further evinces congressional intent to make the Commission the prime data source. That section provides that the "Commission shall be furnished upon its request all available information concerning the Government-owned rubber-producing facilities in the possession of any department, agency, officer, Government corporation * * * concerned with Government-owned rubber-producing facilities." Because of these provisions, we were enabled to and did secure information we considered necessary to a determination through the Commission, from each of the companies submitting proposals.

This congressionally intended emphasis on Commission data seems firmly rooted in the realities of disposal negotiations. For it was the Commission, not the Department of Justice, that dealt directly with potential plant purchasers. Moreover, bidders were forced to submit to the Commission, before bids were approved, much of the data relevant to the Department's task.

Beyond these business realities, Congress—enacting the disposal law—well knew that the Department of Justice had no process to compel production of that data prerequisite to performance of our duties under section 3 (c) and (d). In addition, the congressional requirement in section 9 (a) of a January 31, 1955, deadline for submission of the Commission's disposal plan suggests Congress realized the Department would have little chance for a necessarily voluntary information search. Against this background, we conclude the congressional design was that this Department would meet its obligations under 3 (c) and (d), by reliance on Commission data, viewed in the context of a considerable knowledge and experience gained elsewhere.

To specifically answer your question then, as stated in the last sentence before question No. 2, we were satisfied that the recommended disposal program as such would not violate the antitrust laws, nor would there result an unreasonable restraint of trade or other violation of the antitrust laws, the moment these plants were transferred. It has not been our intent, however, in our letter of advice to the Commission, to go beyond the act of disposal, and for this reason we carefully stated that our approval was limited to this fact. Any antitrust violations which would thereafter occur will be dealt with vigorously under the antitrust laws (1) since section 3 (e) of the Disposal Act carefully provides that the antitrust laws are not impaired or modified in any way by reason of the proposed disposal, and (2) by virtue of the reservations contained in the letter of the Attorney General.

ANSWER TO QUESTION 2

In essence, question 2 asks whether *United States* v. *Columbia Steel Co.* (334 U. S. 495 (1948), would bar the Government's proceeding, under either Sherman Act section 1[1] or Clayton Act section 7, against future acquisition by synthetic rubber plant purchasers of added plants to round out, or fully integrate their facilities. To my view, this decision is no such bar.

In Columbia Steel there was no section 7 charge. The Government charged that acquisition by Columbia, a subsidiary of United States Steel, of Consolidated, a west coast fabricator, (1) restrained competition in the sale of rolled and fabricated steel products, and (2) constituted an "attempt to monopolize the market in fabricated steel products" (334 U. S. 495, 498–499). Rejecting these charges, the Supreme Court emphasized that the Attorney General had previously approved the sale of the Geneva rolled-steel plant to United States Steel, and there was evidence in the record (p. 506) that this plant was to be Consolidated's source of supply.

Columbia Steel, apart from its market analysis guides, is direct precedent under Sherman Act section 1—not under Clayton Act section 7. Beyond that, even under Sherman Act section 1, Columbia Steel would be inapposite in any future proceeding involving a rounding out acquisition by any surplus synthetic rubber plant purchaser.

In Columbia Steel, the court noted that United States Steel's negotiations for acquisition of Consolidated began before the Attorney General approved United States Steel's purchase of the Geneva plant (334 U. S. 495, 506–507). Nowhere does that court emphasize, moreover, that these negotiations took place in secret—without the knowledge of the Attorney General. Accordingly, it might be urged that United States Steel's purchase of Consolidated could have been envisioned by the Attorney General before the Geneva sale was approved.

Under the rubber disposal program, in sharp contrast, maintenance of certain purchasers' imbalance capacity was stipulated as crucial by the Department in approving disposal. Consider, for example, the disposal of the integrated west coast (GR–S facility to the Shell Chemical Corp. Approving this purchase, the Attorney General expressly noted that the "prospective purchaser will have capacity for the production of styrene considerably in excess of the requirements of the adjacent copolymer plant, also to be acquired by the same purchaser. Shell has indicated that such excess capacity will be available for sale to other styrene users, both on the west coast and gulf coast. The purchaser intends to maintain stocks in both such areas to serve styrene consumers, principally operators of GR–S plants. In addition, the sale adds a new source of styrene supply for users of this raw material in the manufacture of polystyrene plastic."

For further example, note the sale of the Borger, Tex., Plancor plant to Phillips Chemical Co. In its report to Congress, the Commission emphasizes that "Phillips has represented to the Commission" it deems its major market for the sale of copolymer to be the nonintegrated fabricators. Based on such representations, the Department of Justice granted antitrust approval. This virtual assurance not to integrate stands out in sharp contrast to the Columbia Steel-Consolidated negotiation prior to antitrust approval.

ANSWER TO QUESTION 3

There is an obvious distinction between the competitive importance of butadiene and GR–S. There are upwards of 800 rubber fabricators of various sizes, including a substantial number of small business enterprises in this Nation, dependent upon adequate supplies of rubber for their very existence. For practical purposes, the only source of synthetic rubber for these companies is found in the 11 copolymer plants to be disposed of under the proposed program. Within the limitations of transportation costs and similar factors, the potential operators of the 11 plants have a wide range of opportunity in which to dispose of their rubber production. On the other hand, the 8 butadiene plants and their respective operators will be substantially limited in their choice of customers in the field of synthetic rubber because of the location and close physical connection between each of the butadiene plants and adjacent copolymer plants. Circumstances will dictate that in normal situations the dominant portion of the butadiene production used in the manufacture of synthetic rubber will be sold to such adjacent copolymer plants. It is evident, therefore, so far as practical competition is concerned, that there is a substantial difference between a partnership operating 31.8 percent of the butadiene capacity and a partnership operating 29.1 percent of GR–S capacity.

There is also a practical difference from a competitive point of view, between four companies operating through a single partnership three plants, and four companies operating three plants separately as proposed under the program. To the extent that there is the opportunity to sever a plant into two or more productive units for individual competitive operation, competition would of course be fostered. The operation of the three GR–S plants to be purchased by Goodrich, Gulf, Texas, and United States Rubber by a single partnership when not dictated by practical considerations would not be in harmony with the best interests of competition.

Finally, the 31.8 percent of butadiene capacity was concentrated at Port Neches, Tex., at the time of that plant's construction during World War II for reasons of technical efficiencies in the interest of national defense. Again, the Congress foresaw this problem of concentration in the butadiene field at the time of its enactment of the Disposal Act, but in its wisdom did not require that this plant be divided for purposes of sale. I can assure you that the Commission, at our urging, used every effort to secure separate bidders for a divided Port Neches butadiene facility with the view toward broadening the competitive basis in the butadiene field. Failing in this, the Commission resorted to the sole opportunity presented to it to avoid vesting the entire productive capacity of this plant in the hands of a single company by recommending the disposal of the Port Neches butadiene facility on an "undivided one-half basis" with safeguards in the contract of sale to assure competition between each of the participating companies. The alternative to permitting four companies to operate the plant would have been to permit one company to so operate (an alternative which the Congress did not see fit to prevent), which, purely from the point of view of concentration, would involve placing 31.8 percent of domestic butadiene capacity into the hands of a single company rather than having it divided among four companies as presently proposed.

Moreover, the commitments required of the four companies participating in the Port Neches purchase that they make approximately 24 percent of the plant's capacity available for sale on the open market, has the effect of mitigating the adverse factor of having a comparatively large share of total domestic butadiene capacity in the hands of one group.

Although the practical problems presented by the Port Neches butadiene disposal were not susceptible to a theoretically perfect solution from an antitrust point of view, the solution recommended was consistent with the standards set forth in the Disposal Act.

ANSWER TO QUESTION 4

I refer you to the letter of Deputy Attorney General Rogers to Congressman YATES, chairman of Subcommittee No. 3, House of Representatives Small Business Committee, dated March 14, 1955 (a copy of which is attached hereto) in which he stated that purchasers were still negotiating for patent licenses and had not as yet submitted any such licenses to the Commission or to this Department. Accordingly, we have not had an opportunity to examine them. The Commission stands ready to aid these purchasers and, in fact, is presently assisting them in obtaining the licenses called for by the wartime patent agreements. These agreements bind the private parties thereto to make available on reasonable terms to plant purchasers, on request of the Government, the same licenses which the parties received. We understand that the procedure is for the purchasers to indicate to the Commission which licenses are desired, whereupon the Commission specifically requests the patent owners to grant such licenses as are required by the terms of the particular wartime agreements involved. In many cases, the purchasers will obtain licenses on their own initiative, or, as in the case of present plant operators, they may not need licenses.

[1] Because of the obviously different histories of the steel and synthetic rubber industries, I would consider Columbia Steel hardly relevant should an attempt to monopolize charge (sec. 2 of the Sherman Act) be leveled against any synthetic rubber surplus purchaser.

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MARCH 14, 1955.

Hon. SIDNEY R. YATES,
Chairman, Subcommittee No. 3,
House of Representatives Small
Business Committee,
Washington, D. C.

MY DEAR CONGRESSMAN YATES: This refers to your telegram of March 9, 1955, addressed to the Attorney General, requesting information concerning synthetic rubber patent licenses and agreements in connection with your study of the report to the Congress of the Rubber Producing Facilities Disposal Commission.

The Rubber Commission has assured plant purchasers that it will assist purchasers to obtain patent licenses as provided for under the basic wartime agreements to which the Government is a party (see par. 3 of the appendices to each contract of sale set forth in exhibit F of the supplement to the Rubber Commission report). We have been advised by the Commission, however, that, in the main, purchasers are working out their own arrangements. Negotiations are still going on and no licenses as yet have been submitted to the Commission or to this Department.

The basic wartime Government-sponsored patent agreements have substantially been terminated except that licenses granted under existing patents prior to termination continue for the life of the patents, and such agreements are also in effect with respect to assuring similar licenses to plant purchasers.

In the copolymer field, the agreement of December 19, 1941, as amended June 21, 1942, provides for a royalty-free exchange of licenses (except as to buna rubber, for which a royalty is provided) among the signatories covering patents and technology on inventions reduced to practice up to March 31, 1949. In addition, the standard form cross license agreements (buna rubber) provide for free licenses to parties as to patents issuing prior to March 2, 1946. The Government as a party to these agreements has the power to transfer similar licenses to plant purchasers.

In the styrene field, the agreement of March 4, 1942, permits the use by plant operators of styrene patents of the parties signatory thereto subject to a royalty to be paid by styrene suppliers to the patent owners. Plant purchasers may obtain a license under the agreement as to patents and technology necessary to operate the plants, with a specified maximum royalty.

In the butadiene field, the general butadiene agreement of February 5, 1942, and the oil industry process agreement of February 5, 1942, as amended October 12, 1942, provide for royalty-free exchanges of licenses among the parties for patents up to April 28, 1952, with an obligation to license plant purchasers, at reasonable royalties under the general butadiene agreement, and not to exceed a maximum royalty under the oil industry process agreement.

The above constitute the primary wartime agreements. In general, it may be said that these agreements continue to the extent that the parties thereto retain licenses under existing patents up to respective cutoff dates, and that the Government may insist that plant purchasers be given licenses on the same patents upon terms specified in the agreements. In addition to the specific agreements mentioned herein, the Government has a continuing right to designate licensees under various research contracts as to patents developed in the course thereof.

The Commission, in reply to our inquiry, informed us that, in its opinion, the several wartime patent agreements in the copolymer, butadiene, styrene, and butyl rubber fields, to which the Government and the various patent owners are parties, will make available to purchasers of the plants all patents, technical information, and know-how necessary to competitive operation of these plants under private ownership.

I trust that the foregoing will answer the questions raised in your telegram.

Sincerely yours,

WILLIAM P. ROGERS,
Deputy Attorney General.

ANSWER TO QUESTION 5

Under the rules laid down by the Supreme Court in the Oil Cracking case (*Standard Oil Co.* v. *United States* (283 U. S. 163, 171)), this Department has attacked so-called closed patent pools, i. e., those whose advantages are restricted to members and are not freely open to all newcomers, in cases where the parties thereto were dominant in any industry or where there was an intent to unlawfully restrain trade. Cf. *United States* v. *General Instrument Co.* (87 F. Supp. 157).

ANSWER TO QUESTION 6

Your question assumes that a "patent pool will now be set up among the proposed purchasers." We have no knowledge that this assumption is correct. The wartime pooling arrangements in the synthetic-rubber industry were dictated by national-defense considerations. We understand that, initially, all companies desiring to participate were invited to do so. The licenses given were on a nonexclusive basis and no party was prevented from granting licenses independently. Thus, the cross-licensing arrangements, in our view, should not be characterized as closed patent pools.

You may have in mind that plant purchasers automatically will become members of existing patent pools. We do not consider this will occur. The cross-licensing arrangements in general have now been terminated except that (a) the parties retain nonexclusive licenses under patents issued up to certain cutoff dates (usually related to the end of World War II), and (b) the parties have agreed to grant the same licenses on reasonable terms to plant purchasers at the request of the Government (see Deputy Attorney General Rogers' letter to Congressman YATES, dated March 19, 1955). Plant purchasers as a rule are not obligated to cross-license their own corresponding patents, although this is a condition to obtaining royalty free licenses under the Buna rubber agreements.

The research contracts between the Government and the various patent owners entitle the Government to designate nominees to receive free licenses and this is not limited to plant purchasers. The other (cross licensing) agreements do not specifically entitle others than plant purchasers to licenses under the patents covered, but, as has been mentioned, the individual patent owners are not precluded from granting licenses to others on their own patents. It should also be kept in mind that a great part of the technology in the synthetic rubber industry is now in the public domain.

We understand that many plant purchasers have been negotiating licenses with individual patent owners outside of the wartime agreements, and it would appear that newcomers could obtain similar licenses on the same terms. The Standard Oil Co. (New Jersey), major owner of the butyl patents, has indicated an express policy of licensing all applicants on reasonable terms. Many patents in this and other fields are also available by virtue of the antitrust decree in *United States* v. *Standard Oil Co. (New Jersey)* (Civil 2091, D. N. J.). If it should develop, however, that any dominant group of owners of significant patents in the synthetic rubber industry, whether or not they purport to act under wartime agreements, should, in concert, refuse to license others on reasonable terms while enjoying cross licenses themselves, the Department of Justice will take appropriate steps to remedy this situation.

ANSWER TO QUESTION 7

We can assure you an affirmative answer to this question. For example, we can specify "all product and process patents now necessary for successful operation" of the plants. The wartime patent cross-licensing agreements in the synthetic rubber field all contain provisions binding the parties to grant similar licenses to plant purchasers, and the Department does not have any doubt as to the enforceable nature of such commitments. From discussions with the Rubber Disposal Commission, it appears that technology now in the public domain, together with that available under the wartime agreements, will be sufficient for plant operation, if indeed that technology is actually necessary in the GR–S field.

ANSWER TO QUESTION 8

The situation with respect to the sale of aluminum plants was different in significant respects from the present sale of the synthetic rubber plants. The Aluminum Co. of America (Alcoa) had been practically the sole producer of aluminum ingot, and had been adjudged a monopolist in an antitrust suit (*United States* v. *Aluminum Co. of America* (148 F. 2d 416)). Furthermore, Alcoa offered to grant royalty-free licenses to plant purchasers only with respect to its alumina processing patents and this was conditioned upon the grant back of reciprocal licenses; as to other patents, it charged royalties. Presumably, Alcoa made the offer to license its patents with some view, at least, to forestalling divestiture or other action by the court in the antitrust suit since relief proceedings therein had been postponed pending disposal of the plants built in wartime. (See *United States* v. *Aluminum Co. of America* (91 F. Supp. 333, 405–414).) It has been noted above that free licenses may be obtained by plant purchasers or by others in the synthetic rubber industry as to patents developed under Government research contracts. Further, a free license may be obtained by a plant purchaser in the copolymer field under the buna rubber cross-licensing agreements although such purchaser must agree to license its own corresponding patents, if any.

ANSWER TO QUESTION 9

You inquired as to how much surplus production the major tire companies would have at their gulf-coast plants after supplying the requirements of their more eastern markets as a basis for determining whether the small rubber fabricators will have adequate supplies of rubber at fair prices. During the years 1952–54 inclusive, the four major rubber fabricators purchased from the Government a total of 376,100, 378,700, and 260,300 long tons. These purchases were for delivery to all of the fabricating plants of these companies wherever located.

Under the proposed disposal program, the total GR–S capacity to be purchased by the four major rubber fabricators is 444,600 long tons. In the extraordinarily high demand year of 1953, there was a GR–S demand of 658,000 long tons. This included a demand of 379,000 long tons on the part of the four major fabricator purchasers. Under the contracts of sale, these rubber companies are committed to make available to small business approximately 80,000 long tons, whenever production is as close to capacity as it was in 1953. This, of course, would reduce the amount of rubber available to the four majors from their own plants to 364,600 long tons. They would require from outside sources, therefore, only about 14,100 long tons in order to balance their historic demand. This amount may

come from Shell. In fact, it is very likely that in order to avoid the adverse freight factor involved in shipping rubber from the gulf coast to their west-coast plants, they may purchase more than this amount from Shell. However, should they do so, they would be releasing, for sale to others from their gulf-coast plants, an amount equal to every ton in excess of 14,100 tons which they take from Shell. The Shell capacity is 89,000 long tons. Thus, even in a peak demand year, based on historic consumption as shown by Government sales figures, there will be available to others than the Big Four, either from Shell, or on a matching basis from the Big Four, approximately 74,900 long tons.

Question 9 also asks for an explanation of why the major tire companies accounted for 90 percent of 1954 sales from the west-coast plant. With the program in Government hands, all production has been scheduled by the Government operating agency, all purchase orders have been filed in Washington, and all directions for shipments have originated in Washington. Because the Government applies a uniform freight charge to all purchases (which is an average programwide freight), the Government can order shipments from any plant in the program to any part of the country. The 90-percent figure in reference to the Shell plant includes shipments from that plant to eastern fabricating plants of the Big Four. Shipments to west-coast plants of the Big Four from the west-coast copolymer plant have averaged about 75 percent of that plant's production. This, too, however, was Government scheduling for Government convenience and cannot be relied upon as a guide for private distribution. As discussed above, should demand reach the high level it reached in 1953, the Big Four can be expected to require only about 16 percent of the capacity of the west-coast plant, and any amount which they may purchase in excess of this will release equal tonnages from their gulf-coast plants for sale to others.

ANSWER TO QUESTION 10

We are fully aware and have taken into consideration in our review of the proposed disposal program, the fact that certain of the major rubber fabricators who are prospective purchasers of the copolymer plants have contracts with petroleum companies relating to the distribution of rubber tires and tubes through petroleum company dealers and distributors. It is, of course, difficult to assess the effect of such contracts on other relations between these companies and whether such rubber fabricators would purchase rubber supplies from the petroleum company-owners of rubber producing facilities. You cite specifically the agreements between Shell Oil Co., the prospective purchaser of the Los Angeles copolymer plant, Plancor 611, and the Firestone Tire & Rubber Co., and the Goodyear Tire & Rubber Co., the prospective purchasers of copolymer plants in Ohio and on the gulf coast, discussed on page 158 of the supplement to the Rubber Commission's Report to the Congress.

Whether the existence of these contracts between rubber and petroleum companies relating to the distribution of rubber products through petroleum company dealers, commission distributors and jobbers will result in the major rubber fabricators buying synthetic rubber from a petroleum company to the detriment of small-business enterprises, is difficult to answer definitively, since much will depend upon market conditions as they will exist at the time the Government-owned plants are placed in private hands, and the extent to which the major rubber companies will get their own demand for GR–S from their own producing facilities. It is reasonable to assume that the major rubber fabricators will have their own GR–S facilities and supply their own needs rather than purchasing on the open market, particularly, in cases where GR–S rubber may be in short supply and may be selling at an inflated price, the type of circumstances wherein small nonintegrated rubber fabricators would be most apt to suffer. A GR–S rubber producer would not normally be expected to purchase GR–S on the open market or even from a producing company with whom it might have other contractual relations when there is available within its own integrated setup available capacity for GR–S production.

Figures available to us indicate that these two companies, whether considered together or individually, will have greater capacity for GR–S production if they become purchasers of the plants as proposed, than they consumed in the latest year for which figures were available. This fact coupled with the expressed intention of Firestone, Goodyear, and Shell to make available stated portions of their respective production to small business would appear to assure, as reasonably as can be expected, that small fabricators on the west coast will not suffer because of the existence of the agreements to which you referred. Moreover, Shell in the appendix to its contract of sale proposes to offer its entire production of GR–S rubber produced at Plancor 611 to consumers in the marketing area west of the Rocky Mountains on both contract and spot sale base, with excess production to be offered outside that area. Since it is logical to assume that Shell may have difficulty competing with the Gulf GR–S plants in areas east of the Rocky Mountains because of the differentials in transportation costs, Shell can be expected to attempt to initially dispose of its production in the Pacific coast area.

It was our expectation that the establishment of Shell (a nonrubber consuming, financially strong, integrated petroleum company), as a major producer of GR–S on the west coast would provide the predominant source of supply of GR–S for nonpurchasers of synthetic-rubber plants on the west coast, including the small rubber fabricators in that area, as well as to serve as a strong competitive factor to the major GR–S producers elsewhere against a rise in GR–S.

ANSWER TO QUESTION 11

Your question relates to the provisions of the contracts of sale between the proposed plant purchasers and the Rubber Commission concerning the availability of certain specific percentages of the production by these purchasers to be made available to small business, and you inquire generally and specifically as to the enforceability of these contracts and the rights of small business enterprises thereunder.

You will recall that the function of the Attorney General under the Disposal Act is limited to advising the Commission with respect to the antitrust considerations involved, and consequently it was not our purpose to, and we did not in fact, review each of these contracts as to legality other than from an antitrust point of view.

We of course did, however, have a major and direct interest in the provisions of these contracts, particularly those provisions in the appendix relating to the undertakings of the plant purchasers to make a portion of the plant product available to nonintegrated and small business enterprises as defined in section 21 (h) of the Disposal Act. We consulted with representatives of the Commission on several occasions with respect to these very provisions and were given an opportunity to examine samples of the language proposed to be inserted in the several appendices to the contracts. During these consultations we advised the Commission that while we were not in a position to determine which of the forms would be best in any or all cases, we felt that the language used should be as definite as possible to minimize the chance that a prospective purchaser would subsequently attempt to avoid performance on his undertaking. We also urged that with respect to the amount to be set aside in each case, that such amount be as high as could be obtained. We also suggested that since there was the possibility that a plant purchaser might produce only enough rubber to account for his own needs, thus by indirection depriving small business of a fair share of the plant capacity, that the Commission consider the advisability of basing the undertakings on plant capacity rather than on actual production.

It is our view that these commitments by the prospective purchasers were inducements of such a nature as to warrant both the Commission and the Attorney General to approve the sales in the manner proposed to the Congress. We feel that these representations constitute a material provision of the several contracts and from an antitrust point of view are vital to these agreements. The language is not that which we would have preferred in every case. The individual appendices were drafted to suit the circumstances presented and as a result, various interpretations are entirely possible. While we do not rule out the possibility of a suit by small-business enterprises as third-party beneficiaries against plant purchasers, we do recognize the difficulties, both practical and legal, that may be faced by injured business enterprises.

We also recognize the difficulties that may be made in attempting to determine which business enterprises fall within the classification of "small business enterprise" as defined in section 21 (h) of the Disposal Act. We called this deficiency to the the attention of the Congress during its consideration of the disposal legislation in June 1953, by raising the question of the adequacy of the definition, pointing out that in our view the definition as drafted was not sufficiently descriptive of the type of company to be included within its terms.

It is our considered view, however, that in spite of the above problems that may be presented, these contracts are enforceable against the plant purchasers for the benefit of the small business enterprises concerning whom they were drafted. It is our purpose to insure that the cognizant Government agency charged with the administration of these contracts guards the rights of the small business beneficiaries.

I might add in conclusion that the Commission has informed us that in their view these contracts are enforceable against the plant purchasers.

ANSWER TO QUESTIONS 13A, 13B, 13C, AND 13D

I am indeed familiar with the matter you describe. There are now pending in the District Court for the District of Columbia 20 suits for declaratory judgment and injunction against enforcement of the Federal Trade Commission's quantity-limit rule 203–1. Plaintiffs include 15 of the 21 manufacturers in the industry, 3 purchasers who buy tires on a cost-plus basis (Montgomery Ward, Western Auto, and American Oil), a farmer cooperative purchasing association, and a number of dealers who purchase on an annual volume basis.

The rule, which was issued pursuant to the quantity-limit proviso of section 2 (a) of the Clayton Act (15 U. S. C., sec. 13 (a)), provides, in effect, that the largest quantity discount that any seller of tires and tubes can grant is the one that he grants on a carload of tires and tubes. Its purpose is to aid independent dealers by abolishing the unjustly discriminatory volume discounts that have been granted a few large purchasers of tires for a number of years in the past.

The Commission initiated its investigation into quantity limits in the tire industry by

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resolution dated July 7, 1947, and held hearings on the proposed rule in February 1950. A suit by Goodyear Tire & Rubber Co. to enjoin the Commission from holding its hearings was dismissed by the District Court for the District of Columbia on the ground that the suit was premature because no quantity-limit rule had yet been issued (*The Goodyear Tire & Rubber Company, Inc.*, v. *Federal Trade Commission* (88 Fed. Supp. 789 (1950))).

The Commission issued its Quantity Limit Rule 203-1 on December 13, 1951. The complaints in these 20 suits for injunction against enforcement of the rule were filed between March and July of 1952. A motion by the Federal Trade Commission to dismiss the complaints for lack of jurisdiction over the subject matter was granted by the district court, but the order of dismissal was reversed on appeal. *American Oil Company* v. *Federal Trade Commission et al.* (208 Fed. 2d 829).

The Antitrust Division of the Department of Justice then took over the defense of the rule, under my direction. This was approximately a year ago. We answered the complaints in the 20 cases. In a serious effort to prevent delay, we were successful in having all 20 cases consolidated for purposes of pretrial and trial. We are now endeavoring to effect consolidation for purposes of a motion for summary judgment, which we have notified opposing counsel we intend to file shortly. If the motion is granted, the litigation in the district court should be terminated sometime this spring. However, if plaintiffs prevail in their contentions that there are genuine issues of material fact involved in the cases, they will go to trial this autumn, according to the best estimate of the clerk of the district court.

The discriminations complained of by the Federal Trade Commission are still being practiced in the industry, the effective date of the rule having been stayed by an order of the district court.

The discriminations at which Quantity Limit Rule 203-1 is directed are discriminations by manufacturers against small dealers and in favor of large-volume purchasers, all of whom are customers of the manufacturers.

It is anticipated that the rule will eliminate the discriminations at which it was aimed, but it has its limitations in that the quantity limit proviso authorizes the Commission to abolish, by establishing quantity limits, only those discriminations which are based on quantity.

ANSWER TO QUESTION 14

U. S. v. *Rubber Manufacturers Association, Inc., et al.* (Cr. 126-193 (S. D. N. Y.)), involving rubber tires and tubes; *U. S.* v. *The Metropolitan Leather and Findings Association Inc., et al.* (Cr. 128277 (S. D. N. Y.)), involving leather and shoe findings; and *U. S.* v. *Association of American Battery Manufacturers et al.* (Cr. 17652 (W. D. Mo.)), involving the distribution of used batteries were all criminal antitrust cases, and as such did not result in a court order which must be complied with by the defendants.

U. S. v. *Association of American Battery Manufacturers et al.* (Civil 6199 (W. D. Mo.)), was a civil case which charged the defendants with making illegal agreements involving the distribution of used batteries and lead salvage therefrom. Since there is little if any relationship between the field of synthetic rubber and that of the distribution of used lead batteries, we did not feel it requisite to determine whether the orders of the Court in this case were being complied with in connection with our consideration of the disposal program. We have, in fact, made no independent investigation to determine whether the practices admitted or found in the above cases have been stopped by the defendants. We have, however, maintained the same degree of surveillance over the civil judgment involved as we do over all other antitrust judgments and decrees enjoining the continuance of illegal activities concerning which we have instituted proceedings.

You understand, of course, that a determination whether the court's enjoinders are being complied with is a matter which would require extensive and comprehensive field investigation and which would encompass a substantial period of time generally in excess of that provided for our consideration of the rubber plant disposals.

I might also add that I do not share the view that because a company has been charged with violating the antitrust laws and has pleaded nolo, has been convicted, or suffers restraining enjoinders by court order, it is thereby ineligible to become a purchaser of Government property, including synthetic rubber plants. I believe that had the Congress intended that such proceedings and adjudications be a bar to purchase, that such a criterion would have been included as one of the provisions of the Disposal Act. This would appear to be particularly true since the Congress had placed before it for its deliberation the antitrust record of the anticipated bidders, including the major rubber companies, at the time it was considering disposal legislation.

ANSWER TO QUESTION 15

You inquired whether I can assure the Congress that in the event the Department wins the case of *U. S.* v. *National City Lines, Inc., et al.* (Civil 49C1364 (S. D. Cal)), (a case involving a conspiracy to acquire ownership and control of local transportation companies in various sections of the United States and an alleged attempt to restrain and monopolize interstate commerce in motorbuses, petroleum products, tires and tubes sold to local transportation companies), that the trade restraints charged in this proceeding will be effectively eliminated. As you, Mr. PATMAN, particularly well realize, it is impossible to assure that any defendants will abide by the antitrust laws, or the Government's interpretation of those laws, in any particular set of circumstances. In this case we prayed (1) that the court grant an injunction against the continuance of defendants' illegal practices, (2) for cancellation of the illegal supply contracts, (3) that supplier defendants be required to sell their stock in National City Lines and its affiliate companies, (4) for such divestiture of National's holdings in local transportation systems as is necessary to dissipate the effects of the illegal conspiracy, and (5) that the local transportation companies controlled by National City Lines buy their supplies by competitive bids.

As you are no doubt aware the Government is not always completely successful in securing all of the relief which it may request in a particular proceeding. The case to which you refer is, of course, still pending and I am unable at this time to assure you that the defendants will strictly adhere to such enjoinders as the court may grant, in the event the Government wins this case. I can assure you, however, that it is my purpose to be constantly vigilant in attempting to create and maintain a competitive economy in the fields covered by the *National City Lines* case.

ANSWER TO QUESTION 16

You ask about a pending antitrust case, *United States* v. *Standard Oil Co. of California, et al.* (Civil 11584-C, S. D. Cal.), which charges the major oil companies with a conspiracy to monopolize the production and transportation of crude oil and the production and distribution of petroleum products in the Pacific States area. I do not feel that it is proper for me to comment upon this pending case except to say that it is being actively prosecuted by the Department of Justice. It is for the court to pass upon this case after a full presentation of all of the evidence.

It is true that the so-called Mother Hubbard case (*United States* v. *American Petroleum Institute* (Civil 8524, D. C. for D. of C.)) was dismissed by the Government without prejudice in 1951 to be superseded by separate actions involving fewer defendants. The Standard Oil Co. of California case involves similar issues.

We did not believe that we should turn down prospective purchasers for synthetic rubber plants on the ground that the Government had charged them with monopoly. Presumably, if they are found in violation of law in the oil industry, the court will provide adequate relief to reestablish competitive conditions therein. If found in violation as charged, it will be up to the court to determine what the remedy should be.

ANSWER TO QUESTION 17

The same comments given in answer to question 16 are applicable to your question with respect to the pending International Oil Cartel case (*United States* v. *Standard Oil Co. (N. J.) et al.* (Civil 86-27, S. D. N. Y.)).

ANSWER TO QUESTION 18

In our consideration of the disposal program we were aware of the various international meetings, conferences, and conclaves held to discuss the world rubber situation. We have, in fact, met with representatives of the Department of State to explore some of the problems involved in this field. In addition to the question of whether activities abroad in this field violate the antitrust laws, it is needless to point out that this subject involves a complex of many factors, not the least of which involves serious problems of international relations, our domestic tariff policy, national defense, and others.

The record shows that the Department of Justice is actively engaged in enforcing our antitrust laws with respect to illegal activities in foreign trade coming within the jurisdiction of our courts. Of course, we cannot legislate competition in foreign markets but we can insure that the free play of the forces of competition in foreign trade will not be obstructed or restrained by illegal agreements.

ANSWER TO QUESTION 19

The implications suggested by this question, in my opinion, are based upon a misconception as to the ownership and manner of operation that is contemplated at the Port Neches butadiene facility. While it is true that these facilities represent approximately 31 percent of the capacity of the industry for the production of butadiene, the proposed program does not contemplate their being placed under the ownership or control of a single company. Rather, four financially strong, sound companies will participate in this operation. This alone is an important distinction between this situation and the Bethlehem-Youngstown proposal. We have been assured by the Rubber Commission that the method of operation of these facilities will be such as to creat competition between the participating companies with respect to the butadiene produced.

There is another important distinction between these two situations that should be mentioned. In the Bethlehem-Youngstown proposal there of course would be no competition between these two companies upon consummation of the merger proposal, whereas it is anticipated that competition between the two jointly owned companies participating in the Port Neches proposal will exist. The Commission believes that there will be genuine competition between them under the scheme of operations contemplated.

Further, the Port Neches situation involves facilities which, according to our information, cannot feasibly be physically divided. Thus, the alternative to permitting several companies to operate the Port Neches facility on a competitive basis would have been to permit 1 company to operate the plant, giving it approximately 31 percent of the total industry capacity. As we pointed out in a previous question, Congress was aware of this danger at the time the Disposal Act was enacted but gave no indication that a physical dissolution of these facilities was prerequisite to a sale. The Bethlehem-Youngstown situation, of course, involves numerous facilities not physically connected and not previously integrated, which would be brought under single ownership and control, a condition not found under the Port Neches proposal.

Mr. CUNNINGHAM. Mr. Chairman, the basic issue before us can be summed up in one question: "Should a major industry remain nationalized when there is a profitable opportunity to get the Government out of it?"

For almost 15 years, the manufacture of synthetic rubber has been a Government monopoly. There were good reasons for it after Pearl Harbor, but this is 1955, almost 10 years after World War II.

If you vote to keep the rubber plants under Government ownership, would you vote to take over the steel industry—the aluminum industry—or the coal mines? Of course you would not.

When we can recover over $310 million for the Federal Treasury by the sale of the plants, why are we hesitating?

Simply because advocates of public ownership are being heard again. Old arguments in new surroundings. They tell us we will be in the hands of big business monopolies. They ignore entirely the competitive aspects of American industry.

They suggest that the price of synthetic rubber will soar to fantastic figures under private ownership. What is keeping steel from going to $200 a ton? What is keeping a Ford car from going to $4,000? Every one in this chamber knows why.

If you think the buyers of these plants who are rubber manufacturers are so grasping, look at automobile tire prices and quality today. When has there been a better bargain—wear and dependability concerned—than in the modern automobile tire? The fact is that every country in the world would welcome the aggressive, hard hitting industrial marketing that we have throughout the length and breadth of this land.

I submit that the buyers of these plants will direct that same know-how and technical competence to the manufacture of synthetic rubber, when they acquire the plants. They testified that they were planning to spend millions of dollars to modernize these properties. These expenditures mean jobs. They mean building up the structure of American industry. They mean better products at lower cost.

Buyers of these plants can raise rubber prices only by restricting production. No industrialist that I ever heard of deliberately cut production to control price. He wants to run his plant at maximum capacity. These plant buyers have testified that they want to flood the market with rubber, and they have already started their salesmen out. They have solicited hundreds of small rubber fabricators for business at current prices charged by the Government.

Look at the automotive industry today—working around the clock, turning out millions of new cars, and carrying with it the steel and rubber industries at comparable production schedules. The lights burning in these plants 24 hours a day are the beacons of our national strength. Free competitive industry at work provides millions of jobs and billions of tax dollars for the Federal Treasury.

Now I do not presume to know—nor can anyone know—how much money the buyers of these plants will make. I hope they make some. If and when they do not, we are in a depression. Depressions do not come along when people are making money. I am satisfied that no unreasonable profits will be made at the expense of the rubber consumer, whether he be large or small. Competition will take care of that.

And do not forget that for every profit dollar, Uncle Sam takes 52 cents. There has been a lot of loose talk about the Government profits in the synthetic-rubber industry. Back in 1953, the Government did make about $60 million, but, of course, it paid no Federal taxes. Some people talk about that profit as an average profit. The Government has not attained that figure before or since.

As a matter of fact, the total deficit of the Government since the plants were built, as of June 30 last year, is $194 million. Add to this the net book value of the plants as they stand today, and you will find that the recommended sales of the Commission will recover 96.6 percent of the Government's investment in the entire rubber program since its inception. I call this achievement full, fair value.

And yet we are told: "Do not hurry. There is plenty of time to get the Government out of the rubber business."

When is a better time than now? When will the plants be worth more? When they are twice as old as they are now? They are already 13 years old.

If we pass up this opportunity to sell the plants, I can see no time in the foreseeable future when we can dispose of them so advantageously. I think the Commission has done a wonderful job. Consider the record and experience of its personnel.

Holman D. Pettibone of Chicago is chairman of the board of the Chicago Title & Trust Co. He has been with that company 44 years. He has appraised and sold millions of dollars of industrial property. As Chairman of the Commission, he applied the same standards to selling the Government properties as he has in private transfer of property.

Leslie R. Rounds, of New York, is a retired first vice president of the Federal Reserve Bank of New York. He has dealt with business problems and balance sheets all his life. As a banker, he knows something about plant values, fair return on investment and depreciation charges.

Everett R. Cook, of Memphis, is a cotton merchant and exporter. He has been a shrewd trader in that commodity all his life. During World War II, he served as an Air Force colonel in the European theater. He is now a brigadier general in the Air Force Reserve. He paid particular attention to the national-security aspects of sale of the rubber plants, and he concurs in the Commission's findings that the national-security clause in the sales contracts give the Nation ample protection for any emergency.

Under Public Law 205, these three gentlemen could have no recent experience or connections with the rubber, chemical, or petroleum industries. They approached their assignment as competent, experienced businessmen. They have been at their job for 16 months. They surrounded themselves with capable staff experts in engineering and production. They went into every phase of the problem.

They are typical of many business executives who have come to Washington at the call of their Government. They have completed their task. Early in their assignment, they publicly stated that they would not recommend a give-away program. They said they would recommend no sale rather than do that.

Their report—unanimously made—speaks for itself. At no time has the Government ever obtained anywhere near the prices for surplus plants that it has received for these rubber facilities. The Commission got $30 million more from the buyers than their original proposals offered. I call this astonishing negotiations.

Without exception, the buyers reached the appropriate prices that the Commission placed on the properties. Without exception, the plants went to the highest bidder.

In my opinion, the Commission met every criteria of the legislation which we passed in the 83d Congress. Full fair value, national security, establishment of a free, competitive industry, safeguards for adequate supplies of rubber for the small-business fabricator. All of these have been achieved as detailed in the Armed Services Committee report.

The Attorney General has approved the sales. His assistant, Judge Stanley Barnes, in charge of antitrust violations, has given his assurance that the least trace of monopoly practices will be a matter of immediate Government action. The Government has ample machinery to police the activities of business.

Industry alone built this country to its tremendous productive and economic power. Now we have the opportunity to turn loose competitive, creative, competent industries to the manufacture of synthetic rubber. Bear in mind, we are not talking about one industry. We are talking about three major industries as buyers of the plants—the rubber, chemical, and petroleum industries.

They are important contributors to our national wealth and welfare. They are guardians of our national defense. They have responded at every call our Government has sounded for assistance. They did, as a matter of record, develop the synthetic-rubber industry almost

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overnight with Government financing after Pearl Harbor.

They will continue to stand on guard, producing more and more of this vital rubber in the plants they will own and modernize. Their vast research programs foreshadow even more and better products. I say this disposal program is an evolutionary step in our economic progress in which this Congress should be proud to have played a part.

I hope the Patman resolution and the Doyle resolution to follow in discussion tomorrow will be overwhelmingly defeated.

I regret that every Member of this House has not had the opportunity to study the disposal program as have the members of the Armed Services Committee.

If they had that opportunity,. there would be no question of our decision.

Mr. PHILBIN. Mr. Chairman, I want to make my position on the question of disposal of the Government rubber plants very clear.

First, the paramount consideration in this proposal must be the national security.

Next, I believe we should insist upon an arrangement which will forbid monopoly control and anti-fair trade practices and which will insure to small fabricators and all small business requiring raw rubber an adequate supply at fair, reasonable prices.

Thirdly, we should have in mind the principle of free enterprise which underlies one great productive economic system to which I so wholeheartedly subscribe and which I have steadfastly upheld on this floor and in every other appropriate place. Under that principle the Government should not operate any business except in time of war or national emergency or unless private business is either unwilling or unable to conduct such business in the public interest.

For those reasons I strongly favor that these rubber plants should be owned and operated by private interests and private business provided a fair value can be received by the Government and proper safeguards are imposed to guarantee the national interest and protect small business.

I agree, therefore, with the important criteria which have been set forth in this matter. The trouble is that these criteria have not in my opinion been met. Neither as to fairness of price, protection against monopoly, protection of small business, protection of free competition have the criteria been satisfactorily observed.

The brilliant chairman of the committee has with great ability and force debated this question. He has made out a strong case for his point of view. He has labored tirelessly to put across this program.

But in the main I am not persuaded that the disposal at this time is free from serious objection. Many Members of the House have doubts about the program. They would like to see, as I would, stronger assurances written into the agreements giving parties aggrieved by any future anticompetitive practices by these big companies a definite legal remedy. As matters stand now, small business is without any real remedy in the courts to get redress against any violation of the terms of the agreements.

That was indicated by the able representative of the Attorney General's office, Judge Barnes, when he appeared before the committee.

It would be very easy indeed to write safeguards into these agreements that would meet all the vital criteria, insure operation by private industry, and at the same time give the small-business men of the country fair consideration, protection against possible monopoly and legal standing to enforce their rights. Obviously, mere gratuitous, pious statements of intent, or of promise, predicated upon asserted legal or moral obligation, but not incorporated expressly into the agreements with enforcement provisions, are not a secure legal basis upon which to rest the interests of smaller American businessmen in this field.

There are other serious objections. In one case the Commission did not comply with the statute requiring without any question that bids be submitted on each facility, but it permitted one bidder, as against all the others, to submit a lumpsum bid in the amount of $30 million for three plants. To my mind, this procedure was specifically contrary to the express, mandatory language of the statute which directly and explicitly required separate bids on each facility.

I am reluctant to vote against the disposal of these plants because I believe so sincerely that they should be operated by private industry.

However, there is no need for undue haste in the matter. Congress could easily pass legislation authorizing further negotiations based on truly protective agreements. No harm will ensue if the matter is delayed, yet great benefit can come by following that course.

If the Government is to divest itself of these plants—as I think it should—it is obvious that the plants should be sold only to interests with the financial capacity and technical competence to operate them efficiently. In these circumstances the field of prospective purchasers is definitely limited, but the Government is, I think, in a position to support its interest and the interests of smaller business and it should do so. There is need here for further deliberation in order to secure a fairer deal all around—for the Government, for the small fabricators and dealers, for the national security, for the consumers who in the long run could well be the real losers, if innocuous enterprise should turn into gouging monopoly and the prices of rubber products should be lifted unduly.

I think, therefore, that the Congress should pause awhile and consider more carefully perhaps the various factors involved in this issue. Time is not of the essence here and we should not seek to push this program through the House without insisting upon every safeguard that may be necessary to promote justice to everyone concerned.

Mr. VINSON. Mr. Chairman, I yield myself the balance of the time on this side.

Mr. Chairman, in closing this debate I want to say that the issue is simply this: If you want the Government to stay in the rubber business, then you vote for the Patman resolution and vote "yea." If you want the Government out of the rubber business, then you vote "nay."

The CHAIRMAN. All time has expired.

Mr. VINSON. Mr. Chairman, I move that the Committee do now rise and report House Resolution 170 back to the House with the recommendation that it be not agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. THORNBERRY, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration House Resolution 170, had directed him to report the resolution back to the House with the recommendation that it be not agreed to.

The SPEAKER. The question is on the resolution.

Mr. VINSON. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 132, nays 283, not voting 19, as follows:

[Roll No. 27]

YEAS—132

Addonizio	Forand	Metcalf
Albert	Frazier	Miller, Calif.
Anfuso	Friedel	Mollohan
Ashley	Garmatz	Morgan
Aspinall	Gordon	Moss
Bailey	Granahan	Multer
Barrett	Gray	Murray, Ill.
Bass, Tenn.	Green, Oreg.	Natcher
Blatnik	Green, Pa.	O'Brien, Ill.
Blitch	Griffiths	O'Hara, Ill.
Boland	Hagen	O'Neill
Bolling	Hays, Ark.	Patman
Bowler	Hays, Ohio	Perkins
Boyle	Hayworth	Pfost
Buchanan	Holifield	Philbin
Burdick	Holtzman	Poage
Burnside	Hull	Polk
Byrne, Pa.	Jennings	Powell
Cannon	Johnson, Wis.	Price
Carnahan	Jones, Ala.	Priest
Celler	Jones, Mo.	Quigley
Chelf	Karsten	Rabaut
Chudoff	Kee	Reuss
Colmer	Kelley, Pa.	Rhodes, Pa.
Cooper	Kelly, N. Y.	Rodino
Davidson	Keogh	Rogers, Tex.
Delaney	King, Calif.	Rooney
Denton	Kirwan	Roosevelt
Diggs	Klein	Shelley
Dingell	Kluczynski	Sisk
Dollinger	Knutson	Smith, Miss.
Donohue	Lane	Spence
Donovan	Lanham	Staggers
Dorn, S. C.	Lesinski	Steed
Doyle	Long	Sullivan
Edmondson	McCormack	Thornberry
Elliott	McDowell	Trimble
Engle	Macdonald	Tumulty
Evins	Machrowicz	Udall
Fascell	Mack, Ill.	Vanik
Feighan	Madden	Whitten
Fine	Magnuson	Wier
Flood	Mahon	Yates
Fogarty	Marshall	Zablocki

NAYS—283

Abbitt	Ashmore	Bennett, Mich.
Abernethy	Auchincloss	Bentley
Adair	Avery	Berry
Alexander	Ayres	Betts
Alger	Baldwin	Boggs
Allen, Calif.	Barden	Bolton,
Allen, Ill.	Bass, N. H.	Frances P.
Andersen,	Bates	Bonner
H. Carl	Baumhart	Bosch
Andresen,	Beamer	Bow
August H.	Becker	Boykin
Andrews	Belcher	Bray
Arends	Bennett, Fla.	Brooks, La.

Brooks, Tex.	Herlong	Prouty
Brown, Ga.	Heselton	Radwan
Brown, Ohio	Hess	Rains
Brownson	Hiestand	Ray
Broyhill	Hill	Reed, Ill.
Budge	Hillings	Reed, N. Y.
Burleson	Hinshaw	Rees, Kans.
Bush	Hoeven	Rhodes, Ariz.
Byrd	Hoffman, Ill.	Richards
Byrnes, Wis.	Hoffman, Mich.	Riehlman
Carlyle	Holmes	Riley
Carrigg	Holt	Rivers
Cederberg	Hope	Roberts
Chase	Horan	Robeson, Va.
Chatham	Hosmer	Robsion, Ky.
Chenoweth	Huddleston	Rogers, Colo.
Church	Hyde	Rogers, Fla.
Clark	Ikard	Rogers, Mass.
Clevenger	Jackson	Rutherford
Cole	Jarman	St. George
Cooley	Jenkins	Saylor
Coon	Jensen	Schenck
Corbett	Johansen	Schwengel
Coudert	Johnson, Calif.	Scott
Cramer	Jones	Scrivner
Cretella	Jones, N. C.	Scudder
Crumpacker	Judd	Seely-Brown
Cunningham	Kean	Selden
Curtis, Mass.	Kearns	Sheehan
Curtis, Mo.	Keating	Sheppard
Dague	Kilburn	Short
Davis, Ga.	Kilday	Shuford
Davis, Tenn.	Kilgore	Sieminski
Davis, Wis.	King, Pa.	Sikes
Dawson, Utah	Knox	Siler
Deane	Krueger	Simpson, Ill.
Dempsey	Laird	Simpson, Pa.
Derounian	Landrum	Smith, Kans.
Devereux	Lankford	Smith, Va.
Dies	Latham	Smith, Wis.
Dixon	LeCompte	Springer
Dodd	Lipscomb	Taber
Dolliver	Lovre	Talle
Dondero	McCarthy	Taylor
Dorn, N. Y.	McConnell	Teague, Calif.
Dowdy	McCulloch	Teague, Tex.
Durham	McDonough	Thomas
Ellsworth	McGregor	Thompson, La.
Fallon	McMillan	Thompson, Mich.
Fenton	McVey	Thompson, Tex.
Fernandez	Mack, Wash.	Thomson, Wyo.
Fino	Mailliard	Tollefson
Fisher	Martin	Tuck
Fjare	Mason	Utt
Flynt	Matthews	Van Pelt
Ford	Meader	Van Zandt
Forrester	Merrow	Vinson
Fountain	Miller, Md.	Vorys
Frelinghuysen	Miller, Nebr.	Vursell
Fulton	Miller, N. Y.	Wainright
Gamble	Mills	Walter
Gary	Minshall	Watts
Gathings	Morano	Weaver
Gavin	Morrison	Westland
Gentry	Mumma	Wharton
George	Murray, Tenn.	Wickersham
Grant	Nelson	Widnall
Gregory	Nicholson	Wigglesworth
Gross	Norblad	Williams, Miss.
Gubser	Norrell	Williams, N. J.
Gwinn	O'Brien, N. Y.	Williams, N. Y.
Hale	O'Hara, Minn.	Willis
Haley	O'Konski	Wilson, Calif.
Halleck	Osmers	Wilson, Ind.
Hand	Ostertag	Winstead
Harden	Passman	Withrow
Hardy	Patterson	Wolcott
Harris	Pelly	Wolverton
Harrison, Nebr.	Phillips	Wright
Harrison, Va.	Pilcher	Young
Harvey	Pillion	Younger
Hébert	Poff	
Henderson	Preston	

NOT VOTING—19

Baker	Christopher	Reece, Tenn.
Bell	Dawson, Ill.	Sadlak
Bolton, Oliver P.	Eberharter	Scherer
	James	Thompson, N. J.
Buckley	Kearney	Velde
Canfield	McIntire	Zelenko
Chiperfield	Moulder	

So the resolution was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Buckley for, with Mr. Scherer against.

Mr. Dawson of Illinois for, with Mr. Velde against.

Mr. Eberharter for, with Mr. Sadlak against.

Mr. Moulder for, with Mr. McIntire against.

Mr. Thompson of New Jersey for, with Mr. James against.

Mr. Zelenko for, with Mr. Kearney against.

Mr. Christopher for, with Mr. Chiperfield against.

Until further notice:

Mr. Bell with Mr. Canfield.

Mr. PRESTON and Mr. SAYLOR changed their vote from "yea" to "nay."

Mr. RHODES of Pennsylvania. Mr. Speaker, I understand the gentleman from Pennsylvania, Mr. EBERHARTER, is recorded as voting "nay." I believe there is some error in that he is not present.

The SPEAKER. The correction will be made.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

HOUR OF MEETING MARCH 23, 1955

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 11 o'clock tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

SALE OF RUBBER-PRODUCING FACILITIES

Mr. VINSON. Mr. Speaker, I ask unanimous consent that general debate on House Resolution 171 be fixed at 2 hours tomorrow, 1 hour to be controlled by the author of the resolution, the gentleman from California [Mr. DOYLE], and 1 hour by myself, chairman of the Committee on the Armed Services.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

CALL OF THE CONSENT AND PRIVATE CALENDARS ON MARCH 29

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that it may be in order for the bills on the Consent Calendar and the Private Calendar to be called on March 29.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

COMMITTEE ON WAYS AND MEANS

Mr. COOPER. Mr. Speaker, I ask unanimous consent that the Committee on Ways and Means may have until midnight tonight to file a report on the bill, H. R. 4725.

Mr. MARTIN. Mr. Speaker, reserving the right to object, I understand this is a unanimous report from the committee?

Mr. COOPER. It has a unanimous report from the Committee on Ways and Means.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

REDETERMINATION OF THE NATIONAL MARKETING QUOTA FOR BURLEY TOBACCO

Mr. THORNBERRY, from the Committee on Rules, reported the following privileged resolution (H. Res. 189, Rept. No. 291), which was referred to the House Calendar and ordered to be printed:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 4951) directing a redetermination of the national marketing quota for burley tobacco for the 1955–56 marketing year, and for other purposes. After general debate, which shall be confined to the bill, and shall continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Agriculture, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

AMENDING THE RICE MARKETING QUOTA PROVISIONS OF THE AGRICULTURAL ADJUSTMENT ACT

Mr. TRIMBLE, from the Committee on Rules, reported the following privileged resolution (H. Res. 190, Rept. No. 292), which was referred to the House Calendar and ordered to be printed:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 4647) to amend the rice marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended. After general debate, which shall be confined to the bill, and shall continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Agriculture, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

GENERAL LEAVE TO EXTEND REMARKS

Mr. BROOKS of Louisiana. Mr. Speaker, I ask unanimous consent that all Members may have the privilege of extending their remarks on House Resolution 170 just before the rollcall today.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

COMMITTEE ON MERCHANT MARINE AND FISHERIES

Mr. BONNER. Mr. Speaker, I ask unanimous consent that the Committee

UNIVERSITY OF MICHIGAN LIBRARIES

on Merchant Marine and Fisheries be allowed to sit tomorrow during general debate.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

NEED FOR IMPROVEMENTS AND CONSTRUCTION OF NEW BUILDINGS AT THE VETERANS' ADMINISTRATION CENTER, WOOD, WIS.

Mr. ZABLOCKI. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin.

There was no objection.

Mr. ZABLOCKI. Mr. Speaker, the House of Representatives Committee on Veterans' Affairs reported that many Veterans' Administration hospitals and domiciliary facilities are obsolete and badly neglected. The report showed that 56 out of VA's 172 hospitals are in need of major modernization, which would cost about $150 million. Nine million dollars are urgently needed for safety measures and fire prevention alone.

The committee report contains much valuable information about the conditions at Wood, Wis. A brief summary of this information is included below. It again points up the dire need of immediate congressional action on the bill I have introduced, H. R. 600, which provides for, first, construction of a new VA General Hospital at Wood; second, conversion of present hospital buildings into domiciliary facilities; and, third, abandonment of the obsolete, antiquated, and unsafe domiciliary buildings presently being used to house some of the 1,661 elder and disabled veterans living at Wood.

AGE OF BUILDINGS AT WOOD, WIS.

The survey conducted by the Veterans' Affairs Committee shows that 35 buildings at Wood, Wis., have been built prior to 1899—some as early as 1867. These buildings account for 528,000 square feet of space—more than one-half of the entire floor space at Wood.

The life expectancy of permanent-construction buildings on VA installations is 60–67 years. Judging by this yardstick, the 35 buildings at Wood are obsolete. Some of them are more antiquated than others, and are both inconvenient and hazardous. They ought to be replaced as promptly as possible.

URGENT IMPROVEMENT PROJECTS FOR WOOD

The following are the most urgent modernization and improvement projects needed at Wood, Wis., together with their estimated cost:

(1)	Incinerator, building No. 101	$60,500
(2)	Conversion from direct current to alternating current	224,400
(3)	Replacement of risky overhead steam lines with buried facilities	25,000
(4)	Construction of administration and clinical building	800,000
(5)	New 75-bed nurses' home	725,000
(6)	Second floor connecting corridor, wings E and F, building No. 70	$25,000
(7)	Modernization of building No. 2	50,000
(8)	Acoustical material for Annex 11, building No. 43	9,000
(9)	Electric passenger elevator, Company 8, building No. 6	28,000
(10)	Fence project	3,000
(11)	Alterations to Ward 5, Company 8, building No. 6	46,500
(12)	Irrigation project	3,400
(13)	Consolidation with Wood of the Milwaukee RO Medical Division, no estimated cost.	
(14)	Modernization program, no estimated cost.	

Many of the above-listed projects are essential and badly needed. Only the first two, however, have been programed for fiscal 1956 and fiscal 1957 by the VA central office. Budget limitations are given as the reason for this.

HOW CAN THIS PROBLEM BE SOLVED?

It should be noted that some of the large projects listed above would not be necessary if a new VA general hospital were built at Wood. The construction of such a hospital, proposed in my bill H. R. 600—and in similar bills which I introduced in earlier Congresses—would obviate the need for piecemeal patching up of the antiquated buildings at Wood and for the construction of separate new facilities mentioned in the above summary.

The entire staff at Wood, headed by Mr. D. C. Firmin, manager of the center, have been trying to do their best for our veterans under the limited facilities at their disposal. They should be commended for their splendid work and for their untiring efforts.

The following is what Mr. Firmin reported, in part, to the Veterans' Affairs Committee of the House of Representatives in describing the need for improvements at Wood—letter of February 11, 1955, to Chairman OLIN E. TEAGUE, Committee on Veterans' Affairs, House of Representatives:

Considerations of the betterment, improvement, and major maintenance plans for Wood are unavoidably influenced by the possibility that a replacement hospital may be built here in the near future. In the discussions concerning this proposed new building, it has been contemplated that the present domiciliary, with buildings dating back to 1867, would be abandoned. The present hospital buildings would then be converted to housing the 1,661 domiciliary beds. Obviously, it would be important in any definitive planning of major projects for Wood to ascertain at some early future date whether or not this proposed new hospital will be approved. It is assumed these considerations have influenced central office planning for Wood.

Mr. Firmin further advised the committee as follows—letter of February 25, 1955, addressed to Chairman TEAGUE:

One of the major factors affecting our need for rather large preventive maintenance expenditures is the fact that all buildings in our 1,661 bed domiciliary were constructed prior to 1900. It has been, and continues to be, difficult to place these buildings in first-class condition and keep them there within the fund limitations of our annual allocations.

In this connection, it is necessary to refer again to the proposed construction here of a replacement hospital of 1,500 beds (H. R. 600). Should this be done, the present domiciliary buildings would be abandoned and the beds moved into the present hospital buildings. A definite decision in Congress on this matter would greatly affect our planned maintenance program for the domiciliary buildings. In the event these old buildings are to remain in service, it is estimated that an additional $100,000 annually should be spent on their maintenance and repair.

PRESENT STATUS OF H. R. 600

H. R. 600, calling for the construction of a new hospital at Wood, is pending before the Veterans' Affairs Committee. The committee, acting on my request, has asked the Veterans' Administration to submit its recommendations on the bill. As soon as these recommendations are received, further action will be possible on H. R. 600.

I have been greatly encouraged in my efforts to improve the facilities at Wood, Wis., by the keen interest shown in H. R. 600 by various veterans' and civic groups, as well as by many individuals, in Milwaukee, in West Allis, and throughout our State. It is my hope that this interest will grow, and that other Members of our Wisconsin congressional delegation, and the members of the Veterans' Affairs Committee, will join me in supporting this legislation which will provide direly needed facilities for our veterans. I shall continue to work to this end.

PERSONAL ANNOUNCEMENT

Mr. FASCELL. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. FASCELL. Mr. Speaker, on Friday, March 18, 1955, I was in Miami, Fla., attending a hearing of the Subcommittee on the United Nations of the Senate Committee on Foreign Affairs. I attended this subcommittee hearing at the special invitation of the chairman-designate, the distinguished Senator from Florida, SPESSARD HOLLAND. The committee heard from many witnesses throughout the day regarding proposals to amend the Charter of the United Nations. I was privileged to sit with this committee and to get firsthand grass-roots testimony of the people in my district on this very vital question.

During my absence, the House took up for consideration H. R. 4903, the second supplemental appropriation bill of 1955—page 3190, CONGRESSIONAL RECORD, March 18, 1955. A separate vote was demanded on an amendment providing $4 million for the period through June 30, 1955, as the United States contribution to the United Nations expanded program of technical assistance—page 3206, CONGRESSIONAL RECORD, March 18, 1955.

Mr. Speaker, I believe that funds expended by our country for technical assistance are necessary not only for our mutual security, but vital in helping other countries to raise themselves to a sound economic level. Therefore, had I been present at the taking of roll No. 21, I would have voted "yea."

IN APPRECIATION OF A GRAND OLD GENTLEMAN

Mr. SIEMINSKI. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. SIEMINSKI. Mr. Speaker, it is with pleasure that I ask unanimous consent at this point in the RECORD to cite an appreciation of a grand old gentleman, who, on March 26 of this month, will be 80 years old, President Syngman Rhee, of the Republic of Korea.

Before listing below two items on the tribute to Mr. Rhee, I might add that it was my good fortune to see Mr. Rhee in action on several impressive occasions, the first of which was in October 1950 in Seoul, when General MacArthur turned the capital over to Mr. Rhee and the people of Korea.

The second occasion was in a town above the 38th parallel in November 1950. It was in Hamhung. I heard Mr. Rhee speak in his native tongue to some 700 men in a civic center there. With the words "the Communists know only two things—to take and torture," he brought forth thunderous applause from the vast audience of men who had lived under Red rule. Mr. Rhee spoke for about an hour. A more impassioned man for the cause of liberty I have never seen or heard. When the thunderous applause made the rafters ring, I asked an interpreter who stood next to me what it was that caused the outburst. He replied, in effect, "When people hear the truth, they react. These civilians know Red rule. When Mr. Rhee said that the Reds take and torture, he knew what he was talking about. Syngman Rhee was on fire. He was hot."

The third memorable occasion, among others of my seeing Mr. Rhee in Korea, was at his home one evening in the spring of 1952. We discussed many things.

Consequently, I feel rather close to the grand old gentleman, and trust that the membership of the House will forgive and allow this indulgence of praise on my part. Here follows a letter from the Korean Ambassador, Dr. Yang, and some remarks by him on the wisdom of a great President, scheduled for release in the press after March 23:

KOREAN EMBASSY,
Washington, D. C., March 18, 1954.

The Honorable ALFRED D. SIEMINSKI,
House of Representatives,
Washington, D. C.

DEAR ALFRED: You know Korea at first-hand the hard way so I take this opportunity to thank you again for the compassion and understanding you have shown our people in our struggle against aggressive communism.

I am enclosing an appreciation of our grand old gentleman, President Syngman Rhee, who on March 26 of this month will attain his 80th birthday. I hope you will have an opportunity to read it as it contains some facts not generally known.

With kindest personal regards, I remain,

Sincerely yours,

YOU CHAN YANG,
Korean Ambassador.

THE WISDOM OF A GREAT PRESIDENT

(By Dr. You Chan Yang, Ambassador to the United States from the Republic of Korea)

History has its milestones—some good, some bad. Men make those milestones, for men make history—some good, some bad.

And in this issue of a distinguished publication, the Diplomat, there is both gladness and sadness in my heart as I am permitted by the editor to pay respects to President Syngman Rhee of the Republic of Korea on the occasion this March—March 26 to be exact—of his 80th birthday. Syngman Rhee, in my opinion, has made as many good milestones as any man living today.

I have purposely used the words gladness and sadness. There is gladness within me when I think of the great, moral principles which has guided President Rhee's life. God has spared him to see most of them triumph. When nightfall comes and he kneels in prayer, as he always does, he truly can express gratitude to the Supreme Being. And there is sadness within me when I realize the tremendous sacrifices he has made in behalf of those principles. Most of his life has been that of an exile in loneliness. Banished from his native land, a price on his head, he was a wanderer every place on earth almost, for his homeland, his beloved Korea, was denied him.

Syngman Rhee was not an aimless wanderer, however, far from it. He had a goal. The goal was to redeem the liberty of the Korean nation. Hopeless? That's what nearly everyone thought, but never Dr. Rhee. He haunted America's State Department as well as the chancelleries of the great nations of Europe. No international conference of consequence was held, but that he was not on hand. On hand to plead the injustice done our ancient country. For more than half a century he fought that fight—virtually alone and unaided for Korea was a vast prison camp with no opportunity to contact the outside world. This meant he could expect no help from his home folks.

America, in February, has what I have referred to as your month of great men—Washington and Lincoln. March is the Korean month for a hero of our own, and March 26, 1875, is the birthdate of Syngman Rhee. That will be his first milestone as long as there is a Korean on earth. When he was born, Korea was the Hermit Kingdom. Who could have foreseen what this baby on that day, with a noble heritage, would contribute, as he has done, so much to civilization and decency in the years to come?

While still in his teens, his studies won recognition as one of our greatest Confucian scholars—also as a poet, with a foundation of philosophy that emanated only kindness, compassion, and understanding.

I shall paint with a broad brush from this point on, because dates are forgotten but events are not.

Syngman Rhee espoused Christianity in a Methodist Mission in Korea. He found no conflict between Christianity and Confucianism. Both, he has said, are codes of ethics and morals but in his opinion Christianity is nearer to God. I state this, because I think it is one of the great milestones of his life and his history.

Syngman Rhee, sensing the peril to Korea and the power of the Western world started the first daily newspaper in Korea. Its columns reflected what was to us a completely new order of civilization. He was imprisoned for his audacity and subjected to cruel treatment by his jailers. Yet, in the 7 years he spent in prison—nearly all of the first one in stocks—he managed to write, page by page, a book. These pages were smuggled out, one by one, but finally the book took form and was completed. Its title? "The Spirit of Independence." This, to me, is another milestone—not only for Korea, but for the entire world.

Then, as I have said, he became a wanderer upon the face of the globe, but always retaining the goal he had set for himself—freedom for Korea. That half century of effort on his part represents to me and my fellow countrymen almost a divine milestone, because, I am sure, his will to continue a hopeless crusade would have failed utterly, were it not for his belief in God and the spiritual strength this belief gave him.

Still another milestone: America's defeat of Japan's military might throughout the Pacific, America's occupation of half of Korea, and the fact that Syngman Rhee finally was permitted to go back home. Just imagine the situation in which he found himself. He was the lone occupant of a bench at Kimpo Airport at Seoul, but the Korean people have long memories for friends and foes, and when they learned that Yi Paksa (Yi, his family name; Paksa, the scholar) was back they greeted him by the thousands and tens of thousands with hearts full of gratitude.

Factors beyond his control have divided our ancient nation. The despised 38th parallel had been established. There was talk that if President Rhee would collaborate with the Communists a government might be formed. Rhee, however, had long since lowered the boom on communism. He had said that one cannot cooperate with smallpox. Little did those who were soft on communism at that time know of the inexorable spirit of a man who knew from a lifetime of experience the evils of communism. Syngman Rhee held fast to his belief in human decency and the rights of man. And why shouldn't he? He was getting on now in years, into the 70's, in fact. This circumstance, in my mind, is another milestone. It is one not only for Korea but for all the rest of the world this side of the Iron and Bamboo Curtains.

Syngman Rhee brought into being our Republic. He patterned it right after the United States of America. He knew that no country on the face of the earth had made the progress the United States has in its comparatively short life as a nation. He knew that those extraordinary, great men who fashioned the Declaration of Independence and the Constitution of the United States had pledged their faith and their sacred honor and had called for God's help in their hope that what they had done would help mankind. So, the Republic of Korea, under the tutelage of Syngman Rhee, is virtually a miniature of the United States. America came into being through 13 States. We in Korea—when we get our country reunited—will repossess our entire 13 Provinces. I have a feeling there is something symbolic about this because America was once divided, but America, not by outsiders as we are, achieved reunion, and how the country has gone on from there.

I wish to compare this with a personal note which I feel will be understood by the readers of this tribute to my great President. As a little boy I was taken by my parents to escape the militaristic tyranny of the Japanese to Hawaii. As a little boy I first met Syngman Rhee. He then was a much younger man than I am now. He had founded in Hawaii the Korean Christian Institute which served all Christian faiths.

Perhaps there are some who might disagree with me, but I think children have an intuitive understanding of older folks who like them and of older folks who are bothered by them. I well recall my first meeting with Dr. Rhee. He was the kind of man a little boy or girl would instinctively run to and feel safe. I cannot remember what he said to me but I do remember the kindness and the greatness and the understanding that flowed from him and which I sensed. At that age, I did not know what wisdom was. But in the years that since have

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passed, I have been able to recognize his possession of that gift, and his retention throughout all these long years of the other traits I have mentioned above.

Even before the turn of the century he warned the United States of Japanese aggression plans in the Pacific. Long before Pearl Harbor he again gave warning of the catastrophe that was to come. Today and ever since his return to Korea he has warned us of the perils of communism and has been the first Chief of State to lead his people in a war to the death rather than to accept enslavement by the Reds.

But the memory of him I shall forever keep is that to which I have referred above: a little boy and an older man and the little boy knowing the older man is his friend. I have mentioned the milestones of Syngman Rhee, but I am the proud possessor, too, of a milestone which I shall keep sacred in my heart as long as I live.

SPECIAL ORDER GRANTED

Mr. DODD asked and was given permission to address the House for 30 minutes tomorrow, following the legislative program and any special orders heretofore entered.

CHEMICAL SYNTHETIC SWEETENERS

The SPEAKER. Under previous order of the House, the gentleman from Louisiana [Mr. WILLIS] is recognized for 20 minutes.

Mr. WILLIS. Mr. Speaker, I want to call the attention of the House to a little-noticed report issued last fall by the Food and Nutrition Board of the National Research Council which sharply criticized the use of chemical synthetic sweeteners as a substitute for sugar in food and soft drinks.

Since that time, bills have been introduced by the distinguished chairman of the House Interstate and Foreign Commerce Committee, the Honorable J. PERCY PRIEST, and the able ranking minority member of that committee, the Honorable JOSEPH P. O'HARA, which bear upon this entire question of the use of chemicals in foods.

Broadly speaking, these pending bills would give the Food and Drug Administration the authority to prohibit the use of new chemical additives in foods and soft drinks unless the additives had been thoroughly tested for safety ahead of time. Today the Food and Drug Administration lacks that authority. It can ban a chemical if it can show that it is poisonous, but the burden of proof is on the Government.

Some chemicals are used in almost all foods, but within the last few years the practice of adding chemicals as a substitute for food itself has spread rapidly.

There is increasing substitution of chemical additives for fats and oils and for sugar. Potentially there is no limit to the field for substitution. The substitute chemicals simulate every quality of the displaced food save one—in almost every instance the chemicals have no nutritive value. And it some instances there are indications that some of the chemicals may be toxic.

I do not want my remarks to be interpreted as an attack upon the chemical industry, or of chemicals in food per se, or even of chemical additives as a group. Many chemicals are naturally present in food. Other chemicals improve foods by preserving or improving the quality of the product. I am not concerned with these instances, but with those cases where chemicals added to foods create a health hazard, as they fail to improve the quality of the product and many even lower that quality. I am concerned, in other words, with a situation where chemicals displace food.

So far as sugar is concerned, the chemicals which substitute for it are saccharin and Sucaryl.

In this connection, I would like to refer to the report of the Food and Nutrition Board, a board composed of a group of eminent scientists. The report said the safety of Sucaryl, a commonly used sugar substitute, could not be guaranteed for expected use levels "until its tolerance level is known."

Its characteristics—

The report said—

are such that its uncontrolled use might easily result in the exceeding of the tolerance level by many individuals. It is only one-thirteenth as sweet as saccharin, which means that concentration in foods in which it may be used as a sweetening agent is relatively large.

The report then listed experiments on animals in which Sucaryl had a toxic effect.

Yet the use of Sucaryl is rapidly growing, and it is being promoted in some instances as a health measure because it contains no calories, and the impression is created that its use as a substitute for sugar helps keep down weight.

This idea that overweight can be avoided through such illusory shortcuts is a fallacy. Sensibly enough, the report points this out. I think this section of the report is well worth quoting:

Regardless of viewpoint, the fact remains that sugar is a source of energy, whereas saccharin is not. There is no clear justification for the use of artificial sweeteners by the general public as a weight-reducing procedure, even though the benefit of sweet-tasting food is recognized as a psychological lift in many individuals, and even though the substitution of a non-nutritive sweetener for sugars does decrease the caloric content of the foods in question. It is emphasized strongly that the availability and consumption of artificially sweetened foodstuffs have no direct influence on body weight, nor are the foodstuffs in question of any importance in weight-reducing programs, except as they are used in feeding regimens in which there is supervision and control of the total caloric intake.

I have heard a saying that the best way to get fat and stay fat is to try one of the so-called short cuts or wonder diets. Actually, some slight variation of the normal eating pattern is the best way to gradually and sensibly lose excess weight. Sugar has a place in the diet of any normal person. Experiments at the Harvard School of Public Health by Dr. Fredrick J. Stare and his associates have shown that the hungry persons are the persons with a low blood sugar level. The judicious use of sugar before meals and during meals diminished hunger and prevented overeating. Sugar is a fine food and has its place in the diet along with other fine foods. Its consumption should not be threatened by chemical additives which may injure those who use them in quantity.

While saccharin was given clearance by the Food and Nutrition Board report so far as toxicity was concerned, the study stated that its indiscriminate use "on the grounds that less attention needs to be paid to the total caloric intake is wrong."

The Food and Nutrition Board made a series of recommendations with regard both to saccharin and Sucaryl. The use of the two should be restricted to special purpose foods; the use of Sucaryl, especially in soft drinks, should be limited because many individuals are likely to ingest Sucaryl in excess of safe limits; the dietetic foods containing saccharin and Sucaryl should be segregated in stores so customers will not mistake them for ordinary foods and, as a further precaution, the container size of the dietetic foods should be limited to avoid the danger of deceiving customers; and the comingling of the synthetics and sugar in foods should be banned. The report also recommended that the label show clearly the presence and amount of the artificial sweetening agent and include the statement that the food should be used only by those who must restrict their intake of sugar.

I am in hearty accord with these recommendations. At this point in my remarks, I ask permission to insert in the RECORD the official conclusions and recommendations of the Board. They were made, as I have stated, by a most distinguished group of scientists. This Board did not intrude itself into this situation. It was asked specifically by the Food and Drug Administration to make the study and report.

I am hopeful that any legislation on this subject at this or other sessions of Congress will include some of the recommendations made by the Food and Nutrition Board of the National Research Council.

Even though Sucaryl may be dangerous if used habitually and in any quantity, the Food and Drug Administration today lacks the authority to adequately control its use in food and soft drinks. This is the case with other chemicals, and in particular some of those being used as substitutes for fats and oils.

The economic aspect of this rivalry between chemicals and foods should not be overlooked. I have seen estimates that the potential displacement of fats and oils by the chemical additives, the so-called softeners or emulsifiers, ranges up to several hundred million pounds a year. The effect on those farmers who produce soybeans, peanuts, cottonseed, or other fats and oils could be very great. Already there is a chronic surplus of fats and oils, and support prices and other Government programs have been in effect for years.

As many of you know, the average housewife buys bread by its feel. If it is soft, she thinks it is fresh and will purchase it in preference to older bread, which is harsher to the touch. The addition of a chemical additive, the emulsifier, as a substitute for fat causes the bread to remain soft indefinitely. The housewife is deceived. Also, the syn-

thetics are cheaper than ordinary fat and easier to use.

A series of experiments by Dr. Robert S. Harris and Dr. Henry Sherman, of the Massachusetts Institute of Technology, and Dr. Walter W. Jetter, of the Boston University School of Medicine, a few years ago raised a serious question as to some of these emulsifiers. Used on rats, they produced sickness and death. Yet the Food and Drug Administration lacks the power to ban their use in quite a few foods.

It is my understanding that a standard for bread, approved by the Food and Drug Administration a year or two ago, did not include the use of the softeners. The emulsifiers are, however, not confined to bread alone, and the bread standard in time may be changed to permit the chemicals.

The use of synthetics as a substitute for sugar is increasing rapidly. The report of the National Research Council stated that 6 million cases of soft drinks were artificially sweetened in 1953, as were 2,083,000 cases of canned fruits. This may not seem to be much by comparison with the total output of soft drinks and canned fruits, but the report said indications were that the use of the synthetic sweeteners in soft drinks might rise tenfold in the next few years. The statement probably is true of canned fruits also.

If the chemicals referred to were foods, there might be an argument for their use, but they are not foods. They add nothing to the diet. They compete with and displace foods. Some of the chemicals used may be toxic. They are promoted as helping to keep down weight, and yet the report of the scientists points out that this is an illusion and a source of potential injury.

It is time that the Congress took up this problem of chemicals in food. I am in agreement with the scientists who recommended a sharp limitation on the use of the synthetics as a substitute for sugar. I suspect that similar limitations should apply to the use of chemical additives as substitutes for fats and oils, and the use of some other chemicals as a substitute for foods.

This matter requires careful study and consideration. I am glad that the gentleman from Tennessee [Mr. PRIEST] and the gentleman from Minnesota [Mr. O'HARA], both capable and devoted public servants, have introduced the bills I referred to previously. I propose to give them careful study and urge that other Members of the Congress do so.

If we are not careful, our sugar producers, fats and oils producers, and still other farmers may be driven out of their markets by the use of chemicals—chemicals which are nonnutritive and injurious to health. I think we should legislate to protect the legitimate interests of the farmers and the health of our people. I am sure such legislation will not injure or interfere with the great chemical industry.

APPENDIX NO. 1

REPORT OF AD HOC POLICY COMMITTEE ON ARTIFICIAL SWEETENERS, FOOD AND NUTRITION BOARD, NATIONAL RESEARCH COUNCIL

The ad hoc Policy Committee on Artificial Sweeteners was named to examine the reason for the expanding use of artificial sweeteners, to consider the magnitude of their present and expected use, to evaluate the nutritional and public-health aspects of the widespread consumption of artificially sweetened foods, and, finally, to recommend a policy with respect to these nonnutritive sweeteners that is based on the principles published by the Food Protection Committee of the Food and Nutrition Board and that has due regard for the Board's concept of sound nutritional practice.

Saccharin, the first of the nonnutritive sweeteners to gain acceptance, has been employed for over 50 years by diabetics as a food adjunct. Its use as a substitute for sugar by those who crave sweets and who must restrict their consumption of carbohydrates continues to be supported by physicians, most of whom agree that experience has demonstrated its safety as a chemical additive, and many of whom believe that it has served the useful dual function of giving pleasure to the afflicted and increasing the acceptability of nutritious food mixtures. In recent years many nondiabetic, obese individuals have joined the ranks of users of saccharin on the grounds that they, too, found it necessary to restrict their consumption of sugar. To these have now been added nondiabetic, nonobese persons who hope thereby the prevent gains in body weight.

In 1950, Sucaryl, much less sweet than saccharin, was introduced and was favored by many users because it was more stable and less subject to an objectionable aftertaste. The promotion of the use of the new sweetening agent by the manufacturer has coincided with the independent promotion of the advantages of leanness by public health workers, nutritionists, and physicians. As a result of either or of both campaigns the production and distribution of artificially sweetened foodstuffs have increased greatly (enclosure 1). It is significant that the advertising of Sucaryl has emphasized the low caloric nature of the foodstuffs to which it has been added and the value of such products in weight-reducing programs.

The maximum tolerance levels for saccharin and for Sucaryl are still under investigation. However, the average daily consumption of free sugars is the equivalent in sweetness of approximately 0.3 gram of saccharin and 4.3 grams of Sucaryl (enclosure 2). This amount of saccharin is well below the maximum tolerance level and its intense sweetness is a reasonably safe check on the use of excessive amounts of saccharin in foods.

The committee has sought an answer first to the question, "What would be the effect on nutrition and public health of the replacement of part or of all of the dietary sugars by an amount of a safe nonnutritive sweetener, such as saccharin, equivalent in sweetness to the sugars replaced?" What is the importance of free sugars in the dietary? Are there connotations of nutritional significance in the acceptance of saccharin as a legitimate substitute for sugar, wholly apart from its nontoxic character?

One must face the fact that there is divergence of opinion on this question. Apart from agricultural and economic aspects, opposing viewpoints may be expressed as follows: (1) Proponents of the use of free sugars as foodstuffs welcome the quick energy made available by their ingestion. Some authorities believe that the frequent eating of sugars in small amounts depresses appetite and the resultant consumption of foods in excessive amounts. Many doubt the reasonableness of the substitution of an intentional chemical additive, nonnutritive in character, for a naturally occurring foodstuff, even though technological methods of refinement have made the foodstuff solely a source of calories. The fact that sugars contribute desirable cooking characteristics in addition to sweetness is recognized (enclosure 3). (2) Opponents of the use of free sugars as foodstuffs decry the magnitude of these empty calories in the American dietary and urge their replacement by other foods that serve as sources of nutrients in addition to calories. Some authorities consider free sugars a potential hazard to the teeth. Many recognize the favorable cooking characteristics of sugars but believe these can be attained otherwise. Many condemn the deliberate development of a taste for sweets, especially in the very young, and would prefer avoidance of dietary sugars without replacement of their sweetening effect through use of saccharin.

It has not been possible for the committee to formulate a reasonable recommendation supporting either of these opposing viewpoints. It is recognized that this neutral position is subject to interpretation by some as advocacy of the addition of a coal-tar product to foods and by others as tacit encouragement of the unrestrained use of free sugars in the dietary. Regardless of viewpoint, the fact remains that sugar is a source of energy whereas saccharin is not. There is no clear justification for the use of artificial sweeteners by the general public as a weight-reducing procedure, even though the benefit of sweet-tasting food is recognized as a psychological lift in many individuals and even though the substitution of a nonnutritive sweetener for sugars does decrease the caloric content of the foods in question. It is emphasized strongly that the availability and consumption of artificially sweetened foodstuffs have no direct influence on body weight nor are the foodstuffs in question of any importance in weight-reducing programs except as they are used in feeding regimens in which there are supervision and control of the total caloric intake.

The primary use of sweeteners is by those who must restrict their intake of sugar, e. g., diabetics. There is no reasonable objection to the inclusion in this group of those who may require low-calorie diets and who may benefit from the use of artificially sweetened foods in a regimen having due regard for the overall diet. Indiscriminate use of saccharin, for example, on the assumption that less attention needs to be paid to the total caloric intake, is wrong. It is definitely improper if a buyer is unaware that a nonnutritive sweetener has been substituted for added sugars in a processed food with which the buyer has become familiar in its sugar-sweetened form. In this connection the committee finds a policy statement, previously accepted by the Food and Nutrition Board, especially pertinent: "The desirability of meeting the nutritional needs of the people by the use of natural foods as far as practicable is emphasized, and to that end education in the proper choice and preparation of foods and the betterment of food production, processing, storage, and distribution so as to provide more fully the essential nutrients native thereto are to be encouraged."

It is the opinion of the committee that the nutritional policies of the Board will be served best by the recognition of foods containing safe nonnutritive sweeteners as special-purpose foods. Their acceptance in this form will minimize nutritional problems that may arise from faulty labeling and distribution, will emphasize their proper role in the feeding of those who must restrict their consumption of sugar and at the same time will encourage the application of useful technological developments in the food industries.

RECOMMENDATIONS ON THE USE OF SACCHARIN

1. Because the evidence supports the conclusion that saccharin is a safe chemical additive and because the considered utilization of artificially sweetened foods may be of value to those who must restrict their intake of sugar, approval of the controlled preparation and distribution of saccharin-containing foods as special-purpose foods is recommended.

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2. Necessary restrictions and precautions governing the preparation and distribution of artificially sweetened special-purpose foods, as follows, should be formulated by the promugation of definitions and standards of identity, by the application of section 403 (j) of the Federal Food, Drug, and Cosmetic Act, or by additional regulations, as may be required:

(a) Designation as "Dietetic (name of food)."

(b) Labeling that shows clearly the presence and amount of the artificial sweetening agent.

(c) Inclusion of an appropriate proximate analysis on the label.

(d) Inclusion of the statement on the label that the food should be used only by those who must restrict their intake of sugar.

(e) Segregation of dietetic foods in places of distribution.

(f) Limitation of container size as a means of minimizing the misrepresented use of artificially sweetened foods in public eating places.

(g) Prohibition of sweetening of foods in part with added nutritive sweeteners and in part with added nonnutritive sweeteners.

SUCARYL

The consideration of the nutritional significance of the use of Sucaryl in foods is very different from that of the use of saccharin because the question of the safety of Sucaryl is controversial. Sucaryl may not be classified as an unsafe chemical on the basis of present evidence; nor can its safety for expected use levels be guaranteed until its tolerance level is known. Its characteristics are such that its uncontrolled use might easily result in the exceeding of the tolerance level by many individuals. It is only one-thirteenth as sweet as saccharin, which means that the concentration in foods in which it may be used as a sweetening agent is relatively large. Furthermore, its apparently superior characteristics as a sugar substitute increase the variety of foodstuffs in which it may be employed. Its greater consumer appeal must be recognized as one of the primary reasons for expanding production and sale of artificially sweetened foods. For this reason, it is all the more important to evaluate carefully the possibility of an increasing hazard to public health from excessive use in the future.

What has been stated concerning the relative merits of free sugars and of a sugar substitute such as saccharin applies also to Sucaryl. The considered and supervised utilization of Sucaryl-sweetened foods may have value to those who must restrict their intake of sugar, but it is reemphasized that Sucaryl-containing foods, like saccharine-containing foods, have no favorable influence per se on diabetics or on those in weight-reducing programs, except as the foods are used in feeding regimens in which there is control of the character or quantity, respectively, of the total food intake.

At this time the committee is impressed with the fact that Sucaryl has physiological activity in addition to its sweetening effect, that there is no prolonged experience with its use, and that little is known of the results of its continued ingestion in large amounts in a variety of situations in individuals of all ages and states of health. (The priority of public welfare over all other considerations precludes, therefore, the uncontrolled distribution of foodstuffs containing Sucaryl.) On the other hand, available data on the tolerance level of Sucaryl make it reasonably certain that no nutritional or public-health problem will result from the approval of the carefully regulated use of Sucaryl as a nonnutritive sweetener in special-purpose foods.

RECOMMENDATION ON THE USE OF SUCARYL

1. The evidence supports the conclusion that Sucaryl may be used safely in limited amounts as a nonnutritive substitute for sugar in special-purpose foods. Approval of such use is recommended, provided that the amount of Sucaryl likely to be consumed in such foods does not exceed safety tolerances.

2. The necessary restrictions and precautions governing the preparation and sale of artificially sweetened special-purpose foods, as described above for saccharine-sweetened foods, should apply also to Sucaryl-sweetened foods.

3. It is emphasized that the committee recognizes a distinction between the use of artificial sweeteners in special-purpose foods and in beverages because many individuals are likely to ingest Sucaryl in excess of safe limits by normal consumption of Sucaryl-sweetened soft drinks, whereas the danger of consuming excessive quantities of Sucaryl in artificially sweetened special-purpose foods is remote.

ENCLOSURE NO. 1

CURRENT PRODUCTION AND USE OF NONNUTRITIVE SWEETENERS

Saccharin and Sucaryl, individually or in combination, are used in place of added sugar or sirup in canned fruits, soft drinks, salad dressings, jellies, preserves, cookies, gelatin desserts, pudding powders, and frozen desserts, as well as in tablets for direct addition to beverages, cereals, fruits, etc. These products are available to young and old alike.

Estimates of the use of the two principal artificial sweeteners in 1953 are as follows (data provided by manufacturers):

	Sucaryl	Saccharin
Fruits and beverages..pounds..	210,000	21,000
Drug trade.....do....	210,000	460,000
Total.....	420,000	481,000
Glucose equivalents.....tons..	6,300	96,200

The total glucose equivalent, 102,500 tons, was about 1 percent of the total reported sugar consumption.

The proportions of artificially sweetened soft drinks and of canned fruits in the respective total packs in 1952 were as follows:

	Total pack	Artificially sweetened	Percent
Soft drinks....cases..	1,100,000,000	6,000,000	0.5
Canned fruits..do....	90,000,000	2,083,000	2.3

These data indicate the magnitude of the over-the-counter sale of saccharin and the relatively small use of artificially sweetened canned fruits and soft drinks. Nevertheless, the trend appears to be sharply upward and the committee was informed that the soft drink values might increase tenfold in the next few years.

ENCLOSURE NO. 2

ESTIMATION OF EXPECTED USE LEVELS OF SACCHARIN AND SUCARYL

I. Complete replacement of dietary sugars

	Refined sugar	Corn sugar	Corn sirup	Total
Apparent consumption per year, per capita [1]..pounds..	96.2	4.0	8.7	------
Sweeteners equivalent pounds..	96.2	1.1	5.7	103
Saccharin equivalent (1/400) per year.....pounds..	------	------	------	.26
Sucaryl equivalent (1/30) per year.....pounds..	------	------	------	3.43
Saccharin equivalent per day.....gram..	------	------	------	.32
Sucaryl equivalent per day gram..	------	------	------	4.26

[1] Preliminary 1953 figures from the National Food Situation, USDA, Agricultural Marketing Service NFS 67, Feb. 10, 1954, p. 4.

II. Replacement of sugars in commercially processed foods [1]

	Estimated sugar content of food per person per week, (pound)	Saccharin equivalent per person per day, (gram)	Sucaryl equivalent per person per day, (gram)
Sugar, all sources.....	1.57	0.26	3.40
Sugars and sirups.....	.91	.15	1.97
Other sources.....	.66	.11	1.43
Jellies, jams, etc..	.11	----------	----------
Candy.....	.05	----------	----------
Prepared desserts.....	.05	----------	----------
Soft drinks.....	.11	----------	----------
Ice cream and condensed milk.	.04	----------	----------
Salad dressing.....	.03	----------	----------
Bakery products..	.14	----------	----------
Canned fruits and vegetables..	.13	----------	----------

[1] Based on Commodity Summary No. 5, Sugars and Sweets in City Diets, USDA, F. E. 830, Washington, D. C., November 1949, p. 2.

ENCLOSURE NO 3

ROLE OF SUGARS IN BAKERY PRODUCTS

1. Flavor or sweetening value.

2. Dispersing effect on gluten, a tenderizing effect.

3. Raises coagulation temperature of egg, a tenderizing effect.

4. Gives desirable brownness, partly by reaction with protein and partly by carmelization.

5. Improve texture, due to incorporation of air during creaming of sugar and fat.

Mr. WILLIS. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

SUBMITTING EVIDENCE AGAINST COMMUNISM TO THE UNITED NATIONS

The SPEAKER pro tempore (Mr. FINE). Under previous order of the House, the gentleman from Indiana [Mr. MADDEN] is recognized for 30 minutes.

Mr. MADDEN. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. MADDEN. Mr. Speaker, the following is a joint statement made today by the members of the select committee which investigated Communist aggression in the last Congress:

JOINT STATEMENT OF CONGRESSMEN MADDEN, OF INDIANA; MACHROWICZ, OF MICHIGAN; FEIGHAN, OF OHIO; DODD, OF CONNECTICUT; BENTLEY, OF MICHIGAN; AND HILLINGS, OF CALIFORNIA, MEMBERS OF THE COMMITTEE WHICH INVESTIGATED COMMUNIST AGGRESSION IN THE 83D CONGRESS, WHO TODAY FILED IDENTICAL RESOLUTIONS REQUESTING THE SECRETARY OF STATE TO TAKE ACTION TO CARRY OUT CERTAIN RECOMMENDATIONS OF THE SELECT COMMITTEE ON COMMUNIST AGGRESSION, CONTAINED IN ITS REPORT MADE AT THE CLOSE OF THE 83D CONGRESS

Since the filing of our final report on December 31, 1954, numerous requests have been made for the same by foreign govern-

ments, organizations, libraries, universities, and thousands of individuals, all of whom are anxious to learn the true facts regarding Communist aggression. The testimony of 335 witnesses has been recorded under oath by the select committee authorized by the House of Representatives 2 years ago. We also have recorded in our files, numerous depositions, exhibits, documents, and other authoritative evidence which reveals officially for the first time, uncontroverted facts exposing the truth of the Communist conspiracy for world domination.

This committee has submitted facts and sworn testimony revealing the blueprint and pattern used by the Kremlin during the last 35 years to successfully place over 800 million human beings under Communist slavery. Every person who reads the report of the committee, will realize that the methods of the Communist leaders through their cold war, intrigues, deceptions, and broken agreements, have not changed one iota from the pattern which they used to enslave Poland, Hungary, Bulgaria, Rumania, Estonia, Latvia, Lithuania, North Caucasis, Byelorussia, Ukrania, Albania, Georgia, Armenia, Czechoslovakia, East Germany, and also the people of Russia.

The experience gone through by former leaders of the above-named nations is identical and exactly coincides with the aggressive blueprint the Kremlin is now using in China, the Near East, South and Central America and North Africa. Our testimony will reveal that the former leaders of the above countries spent years in a futile effort to carry on negotiations for peace with the Kremlin. Today representatives of free nations, including our own, are trying to pacify and negotiate with Communist leaders and their representatives in the same identical manner as the former leaders of nations now in Communist slavery. Most of these deposed leaders of former free countries testified before our committee, their statements are replete with warnings to the representatives of free nations that the Communist agreements and concessions are worthless. Ex-President Herbert Hoover testified before our group in New York and stated that the Communist leaders abrogated and broke 36 different treaties with the satellite nations between World War I and 1939. Never in the history of civilization has the world been called upon to combat a powerful force similar to modern day communism whose leaders do not possess a trace of honor or respect for humanity or international obligations.

The congressional Committee on Communist Aggression during the 83d Congress, held hearings in Washington and a number of other cities in this country and also in London and Europe. During the progress of these hearings, newspapers, radio, television and all news services, carried important information which was revealed by witnesses to all sections of the free world. For the first time, millions of people were informed of the methods and patterns used by the Kremlin leaders to secure control of the small nations now under their domination.

We firmly believe that as time goes on and millions of people, throughout the world learn the true facts concerning Communists and their methods, we will find that their strength will gradually diminish.

During the 82d Congress, the Select Committee to Investigate the Katyn Forest massacre was authorized and millions of people were again reminded of the barbaric methods and also of the criminal minds which are the guiding influence of the Communist conspiracy to dominate the world. Several weeks ago, an international syndicate writer revealed that the Communist membership in both France and Italy has decreased by almost 50 percent during the last 4 years. This decrease has been brought about because humanity is gradually learning the truth about Communists and their methods.

When this Congress created the Select Committee on Communist Aggression, and also the Katyn Forest Massacre Investigating Committee 4 years ago, it created two of our most effective weapons against the spread of communism. That weapon is the revealing under sworn testimony, the "real facts and truth about communism." We firmly believe the work of these two committees has been the most effective influence which has brought about the remarkable decrease in Communist membership in France and Italy.

Congress should act favorably and rapidly on the resolutions which were filed today. Our United States delegates to the United Nations should submit for early action, the facts which this select congressional committee has recorded and revealed about the Communist world conspiracy.

It is our earnest hope that every nation with representatives in the United Nations will have copies of our summary final report printed in the language of their countries and distributed to millions within their nation's borders as a defense against the well-organized propaganda program of Communist agitators throughout all the world. When communism in its true light is exposed, no Christian or liberty-loving country on the earth's surface will willingly submit or adopt its godless and tyrannical concepts. When our Ambassador and the United States delegates to the United Nations tell the results of our committee's investigation to all the United Nations delegates, the world will again be reminded and advised of the danger and threat to freedom and liberty.

The following is a copy of our committee's recommendations, filed in our summary report:

"RECOMMENDATIONS

"The committee rejects the current Communist propaganda campaign of peaceful coexistence between the nations of the free world and the Red regimes of the Communist empire as the only alternative to preventive war. It recommends rather that the Government of the United States immediately launch a positive, bipartisan, political offensive against the international Communist conspiracy and in behalf of the enslaved nations, and that the following steps be undertaken as part of such a program.

"1. The committee again recommends that the President of the United States take the initiative in convening an international conference of all free non-Communist nations for the following purposes:

"(a) To express formal recognition of the fact that the Communist governments, which now control over 800 million human beings, are not representative of the will of the people.

"(b) To seek agreement whereby the free non-Communist nations acting in concert will withdraw diplomatic recognition from all Moscow-controlled Communist governments.

"(c) To reaffirm the friendship and solidarity of the people of the free world with the people and nations enslaved by communism.

"(d) To develop a program for the rapid and complete termination of all commercial treaties and trade with Communist governments and the initiation of a program of trade among all non-Communist nations which will strengthen the security of the free world.

"(e) To develop an overall, dynamic program for the defeat of the international Communist conspiracy.

"2. That Congress establish a joint committee on all United States overseas information programs in order that maximum results may be assured in bringing the full force of truth to all the people of the free world and increased hope to the millions of people enslaved by communism.

"3. That Congress by appropriate action reiterate and make clear that the eventual liberation of all the nations enslaved within the Communist empire, together with unqualified support for the principle of national self-determination through free elections and the secret ballot, are firm and unchanging parts of our national policy.

"4. That in the advancement of the American program for world peace and freedom all efforts therein be measured against the criteria of whether they assist the captive peoples to hasten the day when they may achieve their liberation, and that all acts or omissions which tend to confirm their enslavement be rejected.

"5. That the spirit of resistance to Communist tyranny behind the Iron Curtain be encouraged and supported through the judicious use of funds already authorized by Congress for such purpose.

"6. That the appropriate agencies of the Government concerned with the threat of world communism give maximum opportunity to those private American organizations, groups, and individuals that have a natural bond with the enslaved nations and people, to play a major role in the restoration of freedom in the lands of their ancestry.

"7. That, as a demonstration of our genuine sympathy for the enslaved nations and people, and to weaken the will of the armies under Communist rule to fight and support the Kremlin's plan for world conquest, the President immediately direct the establishment of the national military units formed from escapees from the enslaved nations as authorized by section 101 (a) 1 of the Mutual Security Act of 1951, as amended, thus providing a concrete symbol of a genuine coexistence and unity between the nations and peoples on both sides of the Iron Curtain.

"8. That Congress at the next session enact H. R. 8000, known as the Political Asylum Act of 1954, to provide for the rapid and effective reestablishment of selected escapees from communism and to encourage the defection and escape of others.

"9. That the Congress give the United States Information Agency full support not only by way of an increase in funds but also by strengthening its role in our Government's political offensive. Similarly, foundations, private organizations, and individual citizens are urged to continue and increase their support to the Committee for Free Europe (Radio Free Europe).

"10. That an International Juridical Commission be established within the framework of the North Atlantic Treaty Organization so that Communist crimes perpetrated against humanity may be fully recorded and officially noted for prosecution.

"11. That the Department of State transmit copies of this report, together with all other reports of the committee to each member nation of the United Nations.

"12. That the Department of State formulate a resolution based upon the findings, conclusions, and recommendations of this report, branding the U. S. S. R. as an aggressor against all the nations enslaved by communism and that the United States delegation to the United Nations be instructed to take immediate steps to place this resolution on the agenda of the General Assembly for early action.

"13. That the work of this committee be continued in order to complete the investigation of all phases and techniques of Communist aggression in areas of the world not already covered by the committee, together with further inquiry into conditions of life within the Communist empire; a program that lack of time has thus far prevented."

Mr. Speaker, I ask unanimous consent to include with the joint statement a letter which I have this day received from the Honorable Charles J. Kersten,

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who was chairman of the Committee on Communist Aggression, in the last session of Congress. Mr. Kersten, as chairman did an outstanding work and devoted a great deal of time toward the success of the hearings of this select congressional committee. He also contributed a great deal of his time and efforts toward assembling and compiling the final report, and also the other numerous reports dealing with recorded testimony concerning the various countries now under Russian domination.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

(The letter referred to is as follows:)

MARCH 22, 1955.

Hon. RAY J. MADDEN,
New House Office Building,
Washington, D. C.

DEAR RAY: In support of the resolution to transmit to the U. N. the Communist Aggression Reports on the Captive Nations, I wish to say the following:

1. The committee reports clearly show that a growing cause of major war is the continued Communist occupation of the captive nations. The reports show that the present Moscow directed Communist aggression against every phase of life in the enslaved nations is a part of the sovietization process preparing these victim nations as bases for further aggression upon the free world.

Therefore since the main purpose of the U. N. is the avoidance of war and the removal of the causes of war it would seem obvious that it is incumbent upon us to bring these reports documenting this dangerous process presently occurring in the captive nations to the attention of the U. N.

2. At a time when the U. S. S. R. is stepping up the military and psychological consolidation of its power in the captive nations and is engaged in a campaign to convince the peoples of the captive nations that we have abandoned them to communism it would seem imperative that we do all we can to demonstrate that we have not abandoned them.

Therefore the passage by Congress as the representative of the American people of this resolution transmitting these reports documenting the true facts concerning the Communist takeover and occupation of the victim nations will be a powerful blow at Communist propaganda and will help to inform the captive nations that we have not abandoned them and have set the record straight on the unparalleled Soviet cruelties upon these millions of suffering people.

With best personal wishes,

CHARLES J. KERSTEN,
Former Chairman, Committee on Communist Aggression, 83d Congress.

Mr. MADDEN. Mr. Speaker, I ask unanimous consent to include a copy of the resolution filed today by each member of the committee which investigated Communist aggression.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

(The resolution referred to is as follows:)

Resolution requesting the Secretary of State to take action to carry out certain recommendations of the Select Committee on Communist Aggression, contained in its report made at the close of the 83d Congress.

Whereas pursuant to the authority contained in House Resolution 346 and House Resolution 438 of the 83d Congress, and after extensive hearings involving the oral testimony of 335 witnesses, including eyewitnesses and victims of Communist aggression, the study of many hundreds of depositions, exhibits, documents and the consideration of other authoritative evidence, the Select Committee on Communist Aggression submitted to the House on December 31, 1954, a summary report (H. Rept. No. 2684, pt. 16, 83d Cong.) containing findings, conclusions, and recommendations; and

Whereas the evidence is overwhelming and conclusive in establishing the U. S. S. R. as the ruthless and illegal occupant of the once free and independent nations now enslaved by communism; and

Whereas the continued military and political occupation of these nations by the U. S. S. R. is a major cause of the dangerous world tensions which now beset mankind and therefore constitutes a serious threat to peace; and

Whereas the select committee recommended "that the Government of the United States immediately launch a positive, bipartisan, political offensive against the international Communist conspiracy and in behalf of the enslaved nations"; and further recommended specific steps which should be taken as a part of such a program, including the recommendation that the Department of State take certain action substantially as set forth below: Therefore, be it

Resolved, That the Secretary of State is requested—

(1) to instruct the United States Representative to the United Nations to transmit to each member nation of the United Nations copies of the summary report of the Select Committee on Communist Aggression (H. Rept. No. 2684, pt. 16, 83d Cong.), as well as copies of all other reports submitted to the House by such select committee; and

(2) to formulate a resolution, based upon the findings, conclusions, and recommendations contained in such House Report No. 2684, part 16, 83d Congress, naming the U. S. S. R. as an aggressor against the nations enslaved by communism, and

(3) to instruct the United States Representative to the United Nations to take immediate steps to place such resolution on the agenda of the General Assembly for early action.

Mr. FEIGHAN. Mr. Speaker, will the gentleman yield?

Mr. MADDEN. I yield to the gentleman from Ohio.

Mr. FEIGHAN. Mr. Speaker, I want to commend my distinguished colleague, the gentleman from Indiana [Mr. MADDEN] for the initiative and leadership he has taken in the preparation of the resolution which he has so ably presented to the House today. As he has indicated, I am in complete support of that resolution.

The United Nations has been held up as a great symbol to all the people of the world who seek peace and justice. It was to be the means by which future wars of aggression could be stopped and the forum within which disagreements between nations could be resolved. I cannot help but recall that, in the old League of Nations, the member states lacked the moral courage to brand the aggressors for what they were at a time when such concerted action could have aroused world opinion and avoided World War II. There were those who felt such action would wreck the League of Nations, but, as it turned out, the League of Nations wrecked itself by failing to take action and thus fell into public discredit.

The Russian Communists have not hesitated to brand the United States as an aggressor nation and has had presented in the United Nations a resolution to that end. While that resolution was put up to ridicule because there were no facts or documented material to support it, the fact nevertheless remains that the Russians established a damaging propaganda platform against the interests of the United States and all free people. It would be no novelty, therefore, to have a resolution introduced in the United Nations branding one of the member states as an aggressor even though it possessed the power of veto.

There should be no hesitancy to present such a resolution before the United Nations because of the fear that we may not have sufficient valid and documented material on Communist aggression against all the nations now enslaved by Russian communism. The select committee has accumulated and published an abundance of evidence, the careful study of which leaves no doubt that the leaders of the Soviet Union are guilty of a long list of aggressions against nations and people.

Almost everyone is aware that there is a drift in world affairs today which seems headed for an unavoidable all-out conflict between the conspiracy of communism and the civilization of freemen. Communism boldly proclaims that it intends to dominate the entire world. All those who know the blessings of personal liberty are equally determined that they shall remain free and will support all others who seek that goal. If the present drift continues, the likelihood of all-out war is certain to increase. We must, therefore, do everything in our power to expose the Communist aggressors, to remedy those acts of Communist aggression, and to make it unprofitable for any acts of aggression in the future.

Some fears have been expressed that should the United States propose to the General Assembly of the United Nations such a resolution as today was introduced by the former members of the House Select Committee to Investigate Communist Aggression, we would be exposing ourselves to the possibility of being defeated in the United Nations General Assembly. Some say that the so-called neutral Nations would either vote against or abstain on such a resolution. Others claim there are some nations who would be in agreement with such a resolution, but who would fear to support it in the General Assembly of the United Nations. In my considered judgment, the time has arrived for the United States to know who its friends are throughout the world when it comes to protecting the sovereign interests of nations, large and small. The demands of the day require us to know which of the nations of the world are willing to stand up for what is right.

It is high time that we began to make our judgments for actions in the United Nations on the basis of what is right and what must be done if we are to avoid world war III. The question is not whether a sufficient number of nations will stand up to be counted in this crisis. The role of a leader in the affairs of nations must not be guided by the desire to win the popularity contest. Real leaders are seldom popular, but

real leaders are respected, both in the affairs of nations as well as in the affairs of men.

One of our primary tasks is to expose the conspiracy of communism for what it really is. We must tear away its carefully prepared camouflage so that all the people of the world may see its ugly and evil work. The select committee acquired voluminous records of these ugly and evil works. Most of them are compiled in its reports to the Congress. Warm credit must be given for the wonderful support provided the committee by the press, television, and radio facilities of the United States in putting the unvarnished truth concerning communism before greater numbers of people. The United States Information Agency has distributed the reports of the committee in all the countries in which it conducts programs, its Voice of America has made copious use of the evidence developed by the select committee, it has even produced a film related to the work of the committee. The Committee for Free Europe has also done great work in getting reports of the committee distributed abroad.

However, what is needed is a world forum in which the evidence concerning the ugly and evil works of communism can be put to the test of open debate. Such a debate would provide more than sufficient news for all the communication means of the entire world. Indeed, it would overtax those facilities. The Communists sitting in the United Nations will deny guilt in connection with their many crimes, but you may be sure that in the process, the truth concerning communism would get home to the common folks of the world. They are the world and you cannot fool them for very long.

I sincerely hope that every means will be taken to acquaint the American people with the purposes of this resolution, because I am sure the American people will then rise up to support it.

Mr. HILLINGS. Mr. Speaker, will the gentleman yield?

Mr. MADDEN. I yield to the gentleman from California.

Mr. HILLINGS. Mr. Speaker, I wish to join my colleagues who served on the House Select Committee on Communist Aggression during the 83d Congress in support of a resolution requesting the Secretary of State to take action to carry out certain recommendations of the committee. This resolution, which I have also introduced, requests the Secretary of State to instruct our representatives in the United Nations to submit copies of the summary report of the Select Committee on Communist Aggression to each member nation of the U. N. It also urges the branding of the U. S. S. R. as an aggressor against the nations enslaved in communism and instructs our representative in the U. N. to introduce a resolution toward that end.

The greatest problem before us today is the question of war or peace. If, as Members of Congress, we can individually or collectively make even a small contribution toward the preservation of peace, the prevention of additional aggression and the establishment of the right of all peoples to be free, our public service will have been worthwhile. Such was the goal of the House Select Committee on Communist Aggression during the 83d Congress. History will decide our success or failure, but in my opinion our committee did make a contribution. All of my colleagues on the committee are deserving of great credit, but I particularly wish to cite our former colleague from Wisconsin, Mr. Kersten, who labored long and hard as chairman. He was ably assisted by the then ranking minority member of the committee, the gentleman from Indiana [Mr. MADDEN], who has long been active in the field of exposing Communist tactics and aggressive intentions.

The gentleman from Indiana and others will touch on the importance of the resolution now being discussed. Some will object to its consideration and approval by this body on the grounds that many of the barbaric and inhuman actions of the Soviet Union occurred prior to the establishment of the United Nations in 1945. If such an argument be valid, and I do not concede that it is, there is still ample evidence of Communist wrongdoing subsequent to 1945. Our committee's records bulge with the testimony of scores of witnesses who can vouch for the fact that membership in the U. N. did not deter the rulers in the Kremlin from continuing their evil projects. They launched the cruel war in Korea. They helped establish a Communist dictatorship in Guatemala which was overthrown only last year. They have continued to persecute and murder thousands of people who opposed the Soviet regime on political, moral or religious grounds. All of these events have taken place since 1945.

If the United Nations is to be an effective instrument of world peace, it must expose and stop the aggressor whether he be a Communist or a Nazi.

Mr. Speaker, our committee's reports reveal a most significant fact which often has been overlooked by leaders in the United States and in friendly countries abroad. Some people have been wringing their hands over the terrible consequences which might follow if we do not give in from time to time to Communist extortion. The fact is that the power and strength of the Communist world has been vastly overrated. Like the Biblical statue which toppled because it had feet of clay, the Red world could collapse much quicker than many of us might expect.

Russia today is not capable of sustaining a major war. It is a fact that the satellite countries are even weaker than Russia. Red China for example, has virtually no munitions industry of its own and must depend almost entirely on military equipment from the Soviet transported across the vulnerable trans-Siberian railway. Would a first-class power be so concerned about one tanker of fuel for jet aircraft if such materiel were not in short supply?

Therefore, those who say that the U. N. should not act to declare Communist Russia an aggressor nation because it may provoke hostilities are operating from a defeatist assumption. They are overlooking this inherent weakness of the Soviet world and they have failed to recognize some of the greatest allies the free world has today in the millions of people living behind the Iron Curtain who know and hate communism. If there is just a spark of hope for freedom on the part of the millions of people in the satellite countries, they will rise up and throw off the shackles of their Communist leaders.

Mr. Speaker, at Yalta leaders of the free world made the terrible mistake of overemphasizing Soviet strength and the necessity of its use against Japan. That fatal error resulted in concessions to the Russians which are for the most part, responsible for the difficult world picture today. These concessions were directly responsible for the fact that millions of people live in slavery behind the Red Curtain at this moment. The United Nations must not repeat the mistake which was made at Yalta. It is imperative that the free nations in the U. N. have the courage and the foresight to face the realities of the present world picture. The U. N. can advance the cause of peace by following the recommendations contained in the committee's resolution.

Mr. MACHROWICZ. Mr. Speaker, will the gentleman yield?

Mr. MADDEN. I yield to the gentleman from Michigan.

Mr. MACHROWICZ. Mr. Speaker, I wish to associate myself wholeheartedly with the thoughts expressed by the gentleman from Indiana, and I want to point to this fact: The report and the recommendations of the committee were adopted unanimously by the committee. The nine members of the committee, of both parties, have considered carefully and at length the testimony taken and the evidence submitted to the committee and have come to the unanimous conclusion that certain recommendations should be made to the executive department of our Government and that certain actions should be taken before the United Nations to bring justice to those people who have been harmed by Communist aggression. I sincerely hope that the present Secretary of State will submit his recommendations, that this resolution will be adopted, and that the work of this committee will not be held for naught but be put into effect.

Mr. MADDEN. I thank the gentleman from Michigan. I might say that he was a member of the committee which, in the 82d Congress, investigated the Katyn Forest massacre. He contributed a great service to the success of that committee.

Mr. O'KONSKI. Mr. Speaker, will the gentleman yield?

Mr. MADDEN. I yield.

Mr. O'KONSKI. I commend the gentleman from Indiana for the presentation he has made. I had the pleasure of serving with him when he was the chairman of another very important committee, which dug out the facts concerning the massacre of some 15,000 allied officers during World War II. I cannot, however, share his enthusiasm for presenting anything to the thing in New York called the United Nations because he remembers that we presented our findings to the United Nations, and I doubt that any of the representatives, outside of the American representatives, even read them. As for the feeling that, well, they might concern themselves with atrocities committed after

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World War II or after 1945, I cannot share that enthusiasm because they cannot even free 13 American flyers who fought under the United Nations flag and who are presently being tortured in Communist China. They cannot even do anything about atrocities that are presently being committed by the Chinese Communists in Indochina; in other words, atrocities committed not 3, 4, 5, 6, or 8 years ago, but atrocities that are presently being committed by the Soviet Union and by the Communists, and the United Nations is turning its head the other way. I think what we ought to do is pass a resolution and condemn the United Nations for its inaction in this matter of atrocities. I thank the gentleman very much for yielding.

Mr. MADDEN. Mr. Speaker, the gentleman from Wisconsin [Mr. O'KONSKI] was also a member of the Katyn Forest Massacre Investigation Committee of the 82d Congress, and contributed outstanding service toward the success of that committee in assembling the evidence against the Communists, the Kremlin, Stalin, and his henchmen who committed that international crime in Katyn in the early part of World War II.

Mr. DODD. Mr. Speaker, will the gentleman yield?

Mr. MADDEN. I yield.

Mr. DODD. Mr. Speaker, I join the other members of this committee in congratulating the gentleman from Indiana for having prepared this resolution and having obtained this time to address us. It speaks well for the great diligence and skill with which he serves on the committee. It has always been my belief that the most important thing this committee could do, or did do, was of an educational nature. None of us ever expected that we could do much more than that, and the extent of our influence with respect to education and information will be certainly enhanced by the passage of this resolution because if this material and if these recommendations of our committee are forwarded to the United Nations that will attract attention and the people in other places, and in this country as well, will know more about the work of the committee, and therefore know more about the nature of the Communist conspiracy. I never assumed, and I am sure none of us did, that we were going to beat the Communists by conducting this kind of an investigation—and certainly not by that alone. But we did conduct that investigation and I will repeat there was a great need for accurate information about the nature of this conspiracy. I do not think it had ever been correlated or ever has been as well presented as it was presented by this committee. I have been interested in the remarks of my colleagues in reference to current events, and it occurred to me that the seamen on this little Finnish tanker taught the world a lesson, and certainly taught the leadership of the world a lesson a few days ago—as late as yesterday. While the leaders in this country and elsewhere in the world were apparently frustrated and floundering around trying to find some way to prevent the delivery of this highly important and valuable gasoline to the Communists of China, these simple, obscure citizens of Finland told us how to do it. They just said, "We will not go there." And that ended it. Which gives me an idea. An idea I have had for a long time, that the people of the world are ahead of the leadership of the world with respect to this problem which confronts us and we had better catch up with them or they will catch up with us. I hope the House passes this resolution and I think if it does it will have made a further contribution to the solution of this great problem.

Mr. MADDEN. Mr. Speaker, I yield to the gentleman from Michigan [Mr. BENTLEY].

Mr. BENTLEY. I have no statement at this time, Mr. Speaker. I wish, of course, to associate myself with the gentleman from Indiana and the other former members of the Select Congressional Committee on Communist Aggression who have spoken here; but I would like to ask the gentleman one or two questions. First of all, I would say that I commend the gentleman on his effort in preparing this resolution bringing it to the attention of the House, and I would like to ask the gentleman if this resolution does not call upon the Secretary of State to prepare for the United Nations a resolution which, in effect, qualifies the Soviet Union as an international aggressor.

Mr. MADDEN. Yes; it is stated in the recommendations that the committee agreed to, which were filed on December 31, 1954, in the closing days of the last Congress.

Mr. BENTLEY. Let me ask the gentleman from Indiana in connection with the idea of qualifying the Soviet Union as an international aggressor if it is not true that the United Nations already qualified North Korea and Communist China as Communist aggressors because of their participation in the Korean affair; is that correct?

Mr. MADDEN. That is my understanding.

Mr. BENTLEY. I would like to ask the gentleman further then, if it is not true that the Soviet Union even in the United Nations has openly flaunted the facts that it was an active participant in the Korean affair, that it supplied material to North Koreans and the Chinese Communist armies and played an active part in furthering the Communist war in Korea?

Mr. MADDEN. The gentleman is correct.

Mr. BENTLEY. Then I would ask the gentleman finally assuming the United Nations makes no distinction between a large power and a small power being an aggressor and disregarding the question of enslaved nations in eastern Europe, if the United Nations would not be correct in qualifying the Soviet Union as an international aggressor solely because of its participation in the so-called Korean affair?

Mr. MADDEN. I think the gentleman has made a very good point.

Mr. BENTLEY. I thank the gentleman.

Mr. MADDEN. Mr. Speaker, in connection with the remarks of my colleague the gentleman from Wisconsin [Mr. O'KONSKI] a few moments ago, I do believe that one of our greatest weapons against the spread of communism is to inform millions of people in the free world and also to bring facts to the people in slavery behind the Iron Curtain the methods and the international crimes which have been committed and are being committed by the Communist leaders in the Kremlin.

I firmly believe that by reason of the work of this committee in not only its hearings in this country but also in Europe and in England that millions of people in the free world and millions behind the Iron Curtain received information from the testimony that was rendered at the hearings of this committee, and I do believe that it has served a great purpose in curtailing communism in the last few years, that is, in diminishing its membership. There is no doubt but what its membership has been diminished a great deal in France, Italy and in other nations of western Europe.

I do think that if the Congress sees fit to send this resolution to the United Nations and the work of this committee is placed upon the floor of the United Nations by our delegate there for debate and consideration, it will not only bring to the minds again of millions of people in the free world including South America and Asia and North Africa what communism really is, but also I think it would help us in bringing into play one of our greatest weapons, and that is the real truth about communism.

Mr. FEIGHAN. Mr. Speaker, will the gentleman yield?

Mr. MADDEN. I yield to the gentleman from Ohio.

Mr. FEIGHAN. Mr. Speaker, the reports of the Kersten Committee To Investigate Communist Aggression has exploded the Communist myth that the U. S. S. R. is a monolithic state.

The Russian Federated Socialist Soviet Republics, of which Moscow is the historical Capital, is only one of the many nations enslaved within the U. S. S. R. The reports also did irreparable damage to the false propaganda campaign which has been waged against the American people in an effort to convince them that the U. S. S. R. is Russia and that all the people within the U. S. S. R. are Russians.

The U. S. S. R. is composed of 16 major nations of which the Russian Nation is only 1.

In addition, there are other smaller non-Russian nations enslaved within the U. S. S. R. which should be the equal concern of the American people.

Due to lack of time the committee was unable to make an investigation into the facts surrounding Communist aggression against these nations.

The Russian Federated Soviet Socialist Republics is in fact the Russian nation and comprises considerably less than one-half of the total population of the U. S. S. R.

It is about time we returned to support the principle of national self-determination which is the very cornerstone of American democracy.

The Revolutionary War was fought in behalf of this unalterable principle. President Wilson in 1918 made it clear to the world that the principle of national self-determination was the keystone of our foreign policy.

Imperialism is on the rampage in the world today. Colonialism remains as the greatest threat to human freedom. It is Red imperialism—Red colonialism which today enslaves large segments of mankind and seeks to dominate the world.

We must challenge the conspiracy of Russian Communist imperialism in the General Assembly of the United Nations or we will be engaged in an all-out war against it before very long.

Mr. O'KONSKI. Mr. Speaker, I hope that the gentleman from Indiana, my good friend and colleague, will not misunderstand my position. I commend him for the resolution, although I cannot share any enthusiasm that anything will be done once it is presented to the United Nations. I will go further than the gentleman from Indiana. I would add to that resolution the fact that if anybody by now does not know that Soviet Russia is an aggressor they never will know that. I would go further than the gentleman and put in as a part of the resolution that we ought to introduce a resolution and work together for the kicking out of the United Nations the Soviet Union as an aggressor. I commend the gentleman for the work he has done in this respect.

Mr. MADDEN. Mr. Speaker, 2 years ago I filed a resolution to convey the final report and the results of the Katyn Forest Massacre Committee's investigation to the United States delegates to the United Nations. Action was not taken by the Foreign Affairs Committee of the House because of reasons which the Department of State set out in a letter to me as chairman of the Katyn Forest Massacre Committee on May 14, 1953. None of the reasons set forth in that letter would apply to the present resolution recommending that the results of the Special Committee Investigating Communist Aggression be not presented to the United Nations for action.

DEPARTMENT OF STATE,
Washington, May 14, 1953.

The Honorable RAY J. MADDEN,
House Foreign Affairs Committee,
House of Representatives.

MY DEAR RAY: I am writing to you with reference to the request in your letter of May 5, 1953, for an opinion as to possible action by the Congress at this time on House Resolution 63 incorporating the recommendations of the Select Committee to Investigate the Katyn Forest Massacre.

House Resolution 63 recommends to the President the following courses of action:

"(1) to forward to the United States mission to the United Nations the testimony, evidence, and findings of the select committee, created by House Resolution 390, 82d Congress, to conduct an investigation and study the facts, evidence and circumstances of the Katyn Forest Massacre;

"(2) to instruct the United States mission to the United Nations to present the case of the Katyn Forest Massacre to the General Assembly of the United Nations;

"(3) to take such steps as may be necessary to express the desire of the United States that the General Assembly of the United Nations institute action before the International Court of Justice against the Union of Soviet Socialist Republics because of the commission of mass murder in the Katyn Forest, in violation of the general principles of law recognized by civilized nations; and

"(4) to instruct the United States mission to the United Nations to seek the establishment of an international commission to investigate other mass murders and crimes against humanity."

The foregoing recommendations center upon possible methods of utilizing the findings of the select committee concerning the Katyn atrocities within the framework of United Nations organs, particularly the General Assembly and the International Court of Justice. The State Department's comments on these recommendations, detailed below, represent many months of study within the Department as to the best ways of utilizing the valuable work of the select committee both within and outside of the United Nations. It is axiomatic that the best evidence of Soviet ruthlessness is precisely the kind of exhaustive documentation assembled by the select committee's findings to greatest advantage.

The Department's general conclusions have been that the facts about Katyn could be used to maximum advantage by getting them directly before the people of Europe, those behind the Iron Curtain as well as those menaced by the Soviet threat. Accordingly, the facts found by the select committee have been widely publicized through the distribution of pamphlets and through Voice of America broadcasts. Our reports from the field indicate that these activities of the International Information Administration have had telling effect.

These facts have also been brought to world attention in the United Nations General Assembly by Ambassador Lodge in a statement before the political committee on March 25, 1953. It is the intention of the Department to continue to utilize these facts as appropriate in the course of General Assembly discussions of more recent Soviet violations of human rights. Utilization of the Katyn material in debates on contemporary items has seemed more advantageous than an attempt to secure formal General Assembly action on the Katyn case itself. Many governments, as distinct from peoples, are reluctant to inquire too deeply into events which took place in wartime more than a decade ago (prior, indeed, to the establishment of the United Nations), and it is the view of the Department that hesitant United Nations endorsement of the select committee's findings could only serve to undermine the substantial impact those findings have heretofore had.

In the light of these general observations, I shall outline below the detailed comments of the Department on House Resolution 63. For the sake of convenience, I shall number these comments in sequence corresponding to the four numbered operative paragraphs of the draft resolution:

1. The testimony, evidence, and findings of the select committee have already been forwarded to the United States mission to the United Nations.

2. In accordance with the Department's instructions, Ambassador Lodge has formally requested the Secretary General of the United Nations to circulate copies of the select committee's interim report, which contains findings on Soviet responsibility for the Katyn Forest massacre, to all permanent representatives to the United Nations, and to make the seven volumes of the committee's record available to all interested representatives. The Secretary General has complied with this request.

Furthermore, as noted above, the findings of the select committee have been utilized in debate by Ambassador Lodge during the seventh session of the General Assembly.

3. With reference to the proposal that the General Assembly institute action against the Soviet Union in the International Court of Justice, the Department is reluctantly compelled to conclude that there is no jurisdictional basis for compulsory litigation of the case.

As you know, only those states which have accepted the compulsory jurisdiction of the Court can be compelled to come before the Court in answer to a complaint. The Soviet Union has never accepted the compulsory jurisdiction of the Court. It is true that the Soviet Union has signed the Genocide Convention, which might be construed as covering acts akin to the Katyn massacre, and it is also true that article IX of the Genocide Convention provides for submission to the International Court of disputes as to the "interpretation, application, or fulfillment" of the convention. However, in signing the convention the Soviet Union attached a specific reservation denying the compulsory jurisdiction asserted in article IX; in addition, the Soviet Union has not ratified the convention. It will be recalled that there are a number of states, including the United States, which have signed but not yet ratified the Genocide Convention.

With respect to this jurisdictional problem, the Department recognizes the theoretical possibility that the General Assembly could ask the International Court for an advisory opinion relating to the Katyn massacre. However, apart from the difficulty of getting General Assembly support for such a request, there is a very real possibility that the International Court, following the precedent of the Permanent Court of International Justice in the Status of Eastern Carelia, series B, No. 5 (PCIJ 1923) 28–29, might refuse to render an advisory opinion. Accordingly, the Department feels that the substantial chance of an unsatisfactory response either in the Assembly or in the Court overbalances any possible advantage which might be gained even if all went well.

4. The final operative paragraph of House Resolution 63 suggests that the United States Mission "seek the establishment of an international commission to investigate other mass murders and crimes against humanity."

To the extent that House Resolution 63 may contemplate the establishment of a full-fledged tribunal capable of passing judgment, the Department wishes to call the attention of the Foreign Affairs Committee to proposals now pending in the General Assembly for the establishment of an International Criminal Court. Its proponents believe that such a court could take appropriate action with respect to atrocities on the order of the Katyn Forest massacre. Since plans for an International Criminal Court are still in the process of formulation, the United States has not yet determined any final position with respect to these proposals.

To the extent that the commission contemplated by House Resolution 63 would be purely investigatory, the Department feels that the desirability of such a proposal should be given considerable study before final conclusions are reached. It is evident that it would in many ways be helpful to have in existence an international agency capable of inquiring into current crimes against humanity perpetrated by the members of the Soviet bloc. On the other hand, it can be anticipated that the procedures of such a body would be systematically and continuously abused by the Soviet bloc for the airing of false charges against the Western Powers and particularly the United States.

In summary, since the first and second recommendations of the committee have already been substantially implemented by the Department and since further action on the third and fourth recommendations seems undesirable for the reasons outlined above, it is the view of the Department that no useful purpose would be served by further action by the Congress on this subject at the present time. The select committee's contribution has been, and will continue to be, an extremely valuable part of the campaign of truth being waged inside and outside the United Nations to present to the world a vivid and accurate picture of Soviet tyranny.

Sincerely yours,

THRUSTON B. MORTON,
Assistant Secretary.

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Mr. MADDEN. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to include a letter which I received on May 14, 1953, from Thurston B. Morton, Assistant Secretary of State, regarding the Katyn Forest massacre resolution.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

THE DEFENSE RESERVE OF THE UNITED STATES

Mr. SIEMINSKI. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. SIEMINSKI. Mr. Speaker, the question is, are we ready for a name that will embrace the Defense Reserve of the United States?

At present, when one speaks of our military reserve, one is apt to mention a specific component like the Army, the Navy, the Air Force or the Marines. The overall concept of a Defense Reserve with a wallop is lacking.

Yet we say, "the Department of Defense."

Why cannot we say the Defense Reserve of the United States? Or, the United States Military Reserve?

It seems to me that with the name D. R.—Defense Reserve—we keep the door open for all comers, men, women, specialists, technicians, and so forth. Even retired officers would feel they were part of a going, growing, alert, on-the-ball outfit. Defense Reserve would not limit one's thinking to the drill field or the parade ground. Defense Reserve appears to give the widest latitude to the development and use of one's talents in the common cause of the survival of our Nation.

Defense Reserve is a better name, I think, than universal military training which conjures up ideas of the drill field, the parade ground and interrupted academic training. Defense Reserve, it appears, invites an individual to develop those talents through life best suited for survival in peace or war.

It would appear, Mr. Speaker, that we are ready for a name that will embrace the Defense Reserve of the United States.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks was granted to:

Mr. THOMPSON of New Jersey and to include extraneous matter.

Mr. KLEIN (at the request of Mr. TUMULTY) and to include extraneous matter.

Mr. O'HARA of Illinois and to include related matter.

Mr. BALDWIN and to include a letter and accompanying statement.

Mr. ZABLOCKI and to include extraneous matter.

Mr. MCDONOUGH and to include extraneous matter.

Mr. UTT and include extraneous matter.

Mr. LANE and to include extraneous matter.

Mr. WICKERSHAM and to include extraneous matter.

Mr. VANIK and to include extraneous matter.

Mr. PATMAN, the remarks he made in the Committee of the Whole today, and to include an opinion by Judge Barnes and other extraneous matter.

Mr. SHORT, the remarks he made in the Committee of the Whole today and to include extraneous matter.

Mr. CELLER in four instances.

Mr. DOYLE in two instances and to include extraneous matter.

Mr. FEIGHAN and to include extraneous matter.

Mr. YATES (at the request of Mr. MCCORMACK) the remarks he made in the Committee of the Whole and to include certain documents and extraneous matter.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. SCHERER, for March 28, 29, 30, and 31, 1955, on account of hearings of the Un-American Activities Committee in Milwaukee on those dates.

Mr. SADLAK (at the request of Mr. SEELY-BROWN), for the remaining part of the week, on account of the death of his mother.

JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. BURLESON, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, a joint resolution of the House of the following title:

H. J. Res. 250. Joint resolution to amend the joint resolution of March 25, 1953, relating to electrical or mechanical office equipment for the use of Members, officers, and committees of the House of Representatives.

ADJOURNMENT

Mrs. KNUTSON. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 32 minutes p. m.), the House, under its previous order, adjourned until tomorrow, Wednesday, March 23, 1955, at 11 o'clock a. m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

581. A letter from the Chairman, Federal Communications Commission, transmitting a draft of proposed legislation entitled "A bill to amend the Communications Act in regard to protests of grants of instruments of authorization without hearing"; to the Committee on Interstate and Foreign Commerce.

582. A letter from the Administrator, Housing and Home Finance Agency, transmitting the annual report with respect to tort claims paid within the Housing and Home Finance Agency by the Office of the Administrator and the constituent agencies, the Home Loan Bank Board, the Federal Housing Administration, and the Public Housing Administration for the calendar year 1954, pursuant to the Federal Tort Claims Act, Public Law 601, 79th Congress; to the Committee on the Judiciary.

583. A letter from the Secretary of the Interior, transmitting a report covering all tort claims paid by the Department of the Interior during fiscal year 1954, pursuant to the Federal Tort Claims Act (28 U. S. C., sec. 2673); to the Committee on the Judiciary.

584. A letter from the Acting Secretary of the Treasury, transmitting a draft of proposed legislation entitled "A bill to amend title 14, United States Code, entitled 'Coast Guard', to authorize certain early discharges of enlisted personnel"; to the Committee on Merchant Marine and Fisheries.

585. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting a list of names pertaining to certain cases involving the provisions of section 4 of the Displaced Persons Act of 1948, as amended, and requesting that they be withdrawn from those now before the Congress and returned to the jurisdiction of this Service; to the Committee on the Judiciary.

586. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, relative to the case of Lee Hai-Chow, No. A-6881711, involving the provisions of section 4 of the Displaced Persons Act of 1948, as amended, and requesting that it be withdrawn from those now before the Congress and returned to the jurisdiction of this Service; to the Committee on the Judiciary.

587. A letter from the President, Board of Commissioners, District of Columbia, transmitting a draft of proposed legislation entitled "A bill to consolidate and make uniform the laws relating to public assistance in the District of Columbia, and for other purposes"; to the Committee on the District of Columbia.

588. A letter from the Secretary of Health, Education, and Welfare, transmitting a draft of proposed legislation entitled "A bill to authorize an additional Assistant Secretary in the Department of Health, Education, and Welfare"; to the Committee on Interstate and Foreign Commerce.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. WILLIAMS of Mississippi: Committee on Interstate and Foreign Commerce. H. R. 2225. A bill to amend section 401 (e) (2) of the Civil Aeronautics Act, as amended; with amendment (Rept. No. 265). Referred to the Committee of the Whole House on the State of the Union.

Mr. COOLEY: Committee on Agriculture. H. R. 122. A bill to amend the Commodity Exchange Act; without amendment (Rept. No. 285). Referred to the Committee of the Whole House on the State of the Union.

Mr. LANE: Committee on the Judiciary. H. R. 3661. A bill to amend section 490 of title 14, United States Code, relating to the settlement of claims of military and civilian personnel of the Coast Guard, and for other purposes; without amendment (Rept. No. 286). Referred to the Committee of the Whole House on the State of the Union.

Mr. LANE: Committee on the Judiciary. H. R. 4051. A bill to provide for the relief of certain Army and Air Force nurses, and for other purposes; without amendment (Rept. No. 287). Referred to the Committee of the Whole House on the State of the Union.

Mr. LANE: Committee on the Judiciary. H. R. 3557. A bill to further amend the act

of July 3, 1943 (ch. 189, 57 Stat. 372), relating to the settlement of claims for damage to or loss or destruction of property or personal injury or death caused by military personnel or certain civilian employees of the United States, by removing certain limitations on the payment of such claims and the time within which such claims may be filed; without amendment (Rept. No. 288). Referred to the Committee of the Whole House on the State of the Union.

Mr. LANE: Committee on the Judiciary. H. R. 3561. A bill to further amend the act of January 2, 1942, entitled "An act to provide for the prompt settlement of claims for damages occasioned by Army, Navy, and Marine Corps forces in foreign countries"; without amendment (Rept. No. 289). Referred to the Committee of the Whole House on the State of the Union.

Mr. LANE: Committee on the Judiciary. H. R. 3956. A bill to further amend the Military Personnel Claims Act of 1945; without amendment (Rept. No. 290). Referred to the Committee of the Whole House on the State of the Union.

Mr. THORNBERRY: Committee on Rules. House Resolution 189. Resolution for consideration of H. R. 4951, a bill directing a redetermination of the national marketing quota for burley tobacco for the 1955–56 marketing year, and for other purposes; without amendment (Rept. No. 291). Referred to the House Calendar.

Mr. TRIMBLE: Committee on Rules. House Resolution 190. Resolution for consideration of H. R. 4647, a bill to amend the rice marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended; without amendment (Rept. No. 292). Referred to the House Calendar.

Mr. COOPER: Committee on Ways and Means. H. R. 4725. A bill to repeal sections 452 and 462 of the Internal Revenue Code of 1954; with amendment (Rept. No. 293). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. BURDICK: Committee on the Judiciary. House Resolution 93. Resolution providing that the bill, H. R. 1485, and all accompanying papers shall be referred to the United States Court of Claims; without amendment (Rept. No. 266). Referred to the Committee of the Whole House.

Mr. MILLER of New York: Committee on the Judiciary. H. R. 907. A bill for the relief of Justin G. Maile and Theodore R. Hilbig; without amendment (Rept. No. 267). Referred to the Committee of the Whole House.

Mr. BOYLE: Committee on the Judiciary. H. R. 1069. A bill for the relief of Hussein Kamel Moustafa; without amendment (Rept. No. 268). Referred to the Committee of the Whole House.

Mr. BOYLE: Committee on the Judiciary. H. R. 1146. A bill for the relief of the Pacific Music Supply Co.; without amendment (Rept. No. 269). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 4642. A bill for the relief of Mrs. Helen Aldridge; with amendment (Rept. No. 270). Referred to the Committee of the Whole House.

Mr. FEIGHAN: Committee on the Judiciary. H. R. 1044. A bill for the relief of Teresa Alice Townsend; without amendment (Rept. No. 271). Referred to the Committee of the Whole House.

Mr. FEIGHAN: Committee on the Judiciary. H. R. 1045. A bill for the relief of Rolf Peter Weber; with amendment (Rept. No. 272). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. H. R. 1062. A bill for the relief of Luigi Cianci; with amendment (Rept. No. 273). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. H. R. 1351. A bill for the relief of Mrs. Lottie Longo (formerly Lottie Guetler); with amendment (Rept. No. 274). Referred to the Committee of the Whole House.

Mr. HYDE: Committee on the Judiciary. H. R. 1360. A bill for the relief of Joaquin Rivademar; without amendment (Rept. No. 275). Referred to the Committee of the Whole House.

Mr. HYDE: Committee on the Judiciary. H. R. 1496. A bill for the relief of Leong Ding Foon Quon and Ken C. Quon; without amendment (Rept. No. 276). Referred to the Committee of the Whole House.

Mr. FEIGHAN: Committee on the Judiciary. H. R. 1501. A bill for the relief of Andrea Hernandes Montes Rocha; with amendment (Rept. No. 277). Referred to the Committee of the Whole House.

Mr. CHELF: Committee on the Judiciary. H. R. 1502. A bill for the relief of Elisabeth Thalhammer; with amendment (Rept. No. 278). Referred to the Committee of the Whole House.

Mr. FEIGHAN: Committee on the Judiciary. H. R. 2346. A bill for the relief of John P. Farrar; with amendment (Rept. No. 279). Referred to the Committee of the Whole House.

Miss THOMPSON of Michigan: Committee on the Judiciary. H. R. 2731. A bill for the relief of Sing Fong York; without amendment (Rept. No. 280). Referred to the Committee of the Whole House.

Miss THOMPSON of Michigan: Committee on the Judiciary. H. R. 2762. A bill for the relief of Bent Petersen; without amendment (Rept. No. 281). Referred to the Committee of the Whole House.

Miss THOMPSON of Michigan: Committee on the Judiciary. H. R. 2764. A bill for the relief of Victor and Irene-Wanda Goldstein; without amendment (Rept. No. 282). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. H. R. 2954. A bill for the relief of Mrs. Irene Emma Anderson; with amendment (Rept. No. 283). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. H. R. 4043. A bill for the relief of Rene Rachell Luyse Kubicek; without amendment (Rept. No. 284). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BENNETT of Florida:

H. R. 5129. A bill to amend the Longshoremen's and Harbor Workers' Compensation Act to authorize more effective use of the special fund provided for in section 44; to the Committee on Education and Labor.

By Mr. CHASE:

H. R. 5130. A bill to amend title 28 of the United States Code so as to eliminate the separate divisions within the judicial district of Nebraska; to the Committee on the Judiciary.

By Mr. ELLSWORTH:

H. R. 5131. A bill to amend the Internal Revenue Code of 1954; to the Committee on Ways and Means.

By Mr. FERNÓS-ISERN:

H. R. 5132. A bill to amend the first section of the act of October 19, 1949 (15 U. S. C., sec. 375), in order to assist Alaska, Hawaii, and the Commonwealth of Puerto Rico in collecting certain taxes on cigarettes; to the Committee on Ways and Means.

By Mrs. GREEN of Oregon:

H. R. 5133. A bill to amend the Fair Labor Standards Act of 1938 to establish a $1.25 minimum hourly wage, and for other purposes; to the Committee on Education and Labor.

By Mr. HUDDLESTON:

H. R. 5134. A bill to liberalize the definition of "widow of a World War I veteran" governing the payment of compensation or pension; to the Committee on Veterans' Affairs.

By Mr. JUDD:

H. R. 5135. A bill to amend the Immigration and Nationality Act to provide that any territory over which the United States has jurisdiction under a treaty shall be regarded as a separate quota area; to the Committee on the Judiciary.

By Mr. QUIGLEY:

H. R. 5136. A bill to provide for payment to farmers of the amount of tax paid on gasoline used by them in farming; to the Committee on Ways and Means.

By Mr. MILLER of Maryland:

H. R. 5137. A bill to amend title III of Public Law 815, 81st Congress, in order to prevent a reduction in payments on any application filed under such title on account of school-construction contracts entered into by the applicant after the final date for filing such application; to the Committee on Education and Labor.

By Mr. MOLLOHAN:

H. R. 5138. A bill to amend the Natural Gas Act; to the Committee on Interstate and Foreign Commerce.

By Mr. MOSS:

H. R. 5139. A bill to readjust postal classification on educational and cultural materials; to the Committee on Post Office and Civil Service.

By Mr. REUSS:

H. R. 5140. A bill to amend the Migratory Bird Hunting Stamp Act of March 16, 1934 (48 Stat. 451; 16 U. S. C. 718), as amended; to the Committee on Merchant Marine and Fisheries.

By Mr. RIVERS:

H. R. 5141. A bill to provide that the existing project at Charleston Harbor shall be modified to include the dredging of an additional portion of Shem Creek; to the Committee on Public Works.

By Mrs. ST. GEORGE:

H. R. 5142. A bill to readjust postal classification on educational and cultural materials; to the Committee on Post Office and Civil Service.

By Mr. UDALL:

H. R. 5143. A bill authorizing the construction, operation, and maintenance of the Buttes Dam and Reservoir and the Safford Valley improvements project on the Gila River, Ariz., and the Charleston Dam and the Tucson aqueduct on the San Pedro River, a tributary of the Gila River; to the Committee on Interior and Insular Affairs.

By Mr. WHITTEN:

H. R. 5144. A bill amending the Civil Service Retirement Act of May 29, 1930, as amended, providing setting out periods of service in the Federal Government for the purposes of said act; to the Committee on Post Office and Civil Service.

H. R. 5145. A bill directing that special consideration be given to excess agricultural commodities produced in the United States when entering into foreign-trade agreements under section 350 of the Tariff Act of 1930, as amended; to the Committee on Ways and Means.

By Mr. BONNER:

H. R. 5146. A bill to authorize the President to promote Paul A. Smith, a commissioned officer of the Coast and Geodetic Survey on the retired list, to the grade of rear admiral (lower half) in the Coast and Geodetic Survey, with entitlement to all benefits pertaining to any officer retired in such

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grade; to the Committee on Merchant Marine and Fisheries.

H. R. 5147. A bill to change the distribution of Coast and Geodetic Survey charts; to the Committee on Merchant Marine and Fisheries.

By Mrs. BUCHANAN:

H. R. 5148. A bill to amend the Railroad Retirement Act of 1937, as amended, and the Railroad Unemployment Insurance Act; to the Committee on Interstate and Foreign Commerce.

By Mr. DOLLINGER:

H. R. 5149. A bill to amend the Railroad Retirement Act of 1937, as amended, and the Railroad Unemployment Insurance Act; to the Committee on Interstate and Foreign Commerce.

By Mr. HARRIS:

H. R. 5150. A bill to provide that all United States currency shall bear the inscription "In God We Trust"; to the Committee on Banking and Currency.

By Mr. RAINS:

H. R. 5151. A bill to amend title II of the Social Security Act to provide a wage credit of $160 per month for active military or naval service during World War I; to the Committee on Ways and Means.

By Mr. THOMPSON of New Jersey:

H. R. 5152. A bill to amend the Internal Revenue Code of 1954 to provide a 30 percent credit against the individual income tax for amounts paid as tuition or fees to certain public and private institutions of higher education; to the Committee on Ways and Means.

By Mr. VAN PELT:

H. R. 5153. A bill to provide that compensation under the Federal Employees' Compensation Act may be paid to persons who, prior to January 1, 1940, suffered certain injuries resulting in permanent disability; to the Committee on Education and Labor.

By Mr. DODD:

H. Res. 183. Resolution requesting the Secretary of State to take action to carry out certain recommendations of the Select Committee on Communist Aggression, contained in its report made at the close of the 83d Congress; to the Committee on Foreign Affairs.

By Mr. MADDEN:

H. Res. 184. Resolution requesting the Secretary of State to take action to carry out certain recommendations of the Select Committee on Communist Aggression, contained in its report made at the close of the 83d Congress; to the Committee on Foreign Affairs.

By Mr. BENTLEY:

H. Res. 185. Resolution requesting the Secretary of State to take action to carry out certain recommendations of the Select Committee on Communist Aggression, contained in its report made at the close of the 83d Congress; to the Committee on Foreign Affairs.

By Mr. HILLINGS:

H. Res. 186. Resolution requesting the Secretary of State to take action to carry out certain recommendations of the Select Committee on Communist Aggression, contained in its report made at the close of the 83d Congress; to the Committee on Foreign Affairs.

By Mr. MACHROWICZ:

H. Res. 187. Resolution requesting the Secretary of State to take action to carry out certain recommendations of the Select Committee on Communist Aggression, contained in its report made at the close of the 83d Congress; to the Committee on Foreign Affairs.

By Mr. FEIGHAN:

H. Res. 188. Resolution requesting the Secretary of State to take action to carry out certain recommendations of the Select Committee on Communist Aggression, contained in its report made at the close of the 83d Congress; to the Committee on Foreign Affairs.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

By Mr. THOMPSON of New Jersey: Concurrent resolution of the New Jersey Legislature memorializing the Congress of the United States to revise and amend Federal laws regarding the regulation by the Interstate Commerce Commission of rates and facilities for mass passenger transportation in urban interstate commerce; to the Committee on Interstate and Foreign Commerce.

By Mr. UDALL: House memorial No. 1 of the 1st regular session, 22d Legislature of the State of Arizona; requesting Congress to create a program for the rehabilitation of the Papago Tribe of Indians for the protection of the better utilization of the resources of the tribe; to the Committee on Interior and Insular Affairs.

By Mr. YOUNG: Joint resolution of the Assembly of the State of Nevada, memorializing the Congress of the United States to expedite development of economic use of atomic energies with particular applicability to the State of Nevada; to the Joint Committee on Atomic Energy.

Also, joint resolution of the Senate of the State of Nevada, memorializing the President of the United States, the Postmaster General and the Congress to recognize officially the discovery of the Comstock Lode in 1859, and to issue a centennial stamp in commemoration thereof; to the Committee on Post Office and Civil Service.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. DOYLE:

H. R. 5154. A bill for the relief of Gholam Dargahi and wife, Rhodsi Iran Faghih Dargahi; to the Committee on the Judiciary.

By Mr. FRELINGHUYSEN:

H. R. 5155. A bill for the relief of Peder Strand; to the Committee on the Judiciary.

By Mr. HARRISON of Virginia (by request):

H. R. 5156. A bill for the relief of Kwei Man Wei; to the Committee on the Judiciary.

By Mr. LESINSKI:

H. R. 5157. A bill for the relief of Reiko Kurachi; to the Committee on the Judiciary.

By Mr. PELLY:

H. R. 5158. A bill for the relief of Macario G. Mendoza; to the Committee on the Judiciary.

By Mr. RABAUT:

H. R. 5159. A bill for the relief of Stavroula Nicholas Rupakias; to the Committee on the Judiciary.

By Mr. RIVERS:

H. R. 5160. A bill for the relief of Joelle Vincent; to the Committee on the Judiciary.

By Mrs. ST. GEORGE:

H. R. 5161. A bill for the relief of Mrs. Bitten Frandsen Bello; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

168. By Mr. BENTLEY: Resolution of the city of St. Johns, Mich., in support of proposed legislation to amend the Natural Gas Act of 1938 by removing from the jurisdiction of the Federal Power Commission regulatory powers over producers of natural gas; to the Committee on Interstate and Foreign Commerce.

169. By Mr. HARRISON of Virginia: Petition of Summit Congregation, Church of the Brethren, Bridgewater, Va., in opposition to conscriptive measures or compulsory National Reserve and/or training plans; to the Committee on Armed Services.

EXTENSIONS OF REMARKS

Yalta's Whole Story

EXTENSION OF REMARKS

OF

HON. FRANK THOMPSON, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 22, 1955

Mr. THOMPSON of New Jersey. Mr. Speaker, now that we have full documentation for the Yalta story, it is clear that Republican propaganda concerning President Roosevelt's alleged "sellout" to Stalin is 100 percent imagination. Though some mistakes were made at the Yalta Conference, these mistakes are much clearer in the light of subsequent history than they possibly could have been at that time. The one thing that is most evident from a reading of these documents is the belief of the Joint Chiefs of Staff in the necessity of Russia's entry into the war against Japan as soon as possible. It was felt that this entry might save millions of American lives in an invasion of Japan which was then seen as the only way of winning the war. The President took the strong advice of his military advisers and made certain concessions to Stalin to insure Russia's participation in the Pacific war once Germany had surrendered. Had he not done so, and had the war with Japan not ended so abruptly, I feel sure that today Republicans would be criticizing him for his failure to assure Russia's participation against the enemy.

That this interpretation of events is not a partisan Democratic view, but one which represents the objective view of thinking people throughout the Nation, may be shown by the editorial which appeared in the Trenton (N. J.) Evening Times on Friday, March 18, 1955, which follows:

YALTA'S WHOLE STORY

The whole story of the Yalta Conference now is told. In view of the bitter controversy its provisions have aroused over the years, the general reaction to the facts revealed is one of surprising moderation. Actually, the record does not alter substantially the impressions that have long been held. The agreements reached at Yalta do not reflect the ultimate in wisdom; but they were made, it must be remembered, on the basis of conditions as they existed at the time and without benefit of prophetic vision.

Criticisms of the Yalta agreements have centered principally upon the concessions made to Soviet Russia. There has been a widely held conviction that Stalin obtained all that he demanded and that Britain and the United States were outwitted by the saturnine master of the Kremlin. The facts do not sustain this theory.

Marshal Stalin sought concessions in Turkey and Iran, also substantial reparations from Germany, which he was denied. He received the Kuriles, southern Sakhalin, and concessions in China. In return, he granted what the United States and Great Britain most urgently desired—participation of Russia in the war against Japan, once Germany was conquered.

It was assumed at the time that Japan would have to be invaded. The atomic bomb was in the making; but that there was no certainty of its success. All preconceptions of the invasion of the Japanese Islands envisioned the most sanguinary military operation in history, one continuing about 18 months, with the possibility of a million casualties.

On the basis of these ominous expectations, the bargain made with Russia was good. And it was made in accordance with the judgment of responsible military leaders at a time when Germany, while facing inevitable defeat, still had millions of men under arms and when Japan possessed an enormous capacity for resistance.

If the war had not been ended by the atom bomb, the price paid for Russian intervention would not have been high. And if Russia had been faithful to the terms of the agreement, rather than treacherous, the fate of Poland would have been a different story.

The record refutes the theory that President Roosevelt and Prime Minister Churchill were less than realistic in their dealings with Stalin and were unaware of the danger of betrayal. There was a wholesome skepticism as to the good faith of the Soviet; but it was necessary to hold the wartime coalition together at all costs.

Errors were made at Yalta, and it is possible that some of them could have been avoided; but they were made under conditions of extreme stress and in accordance with what were, at the time, honest and sincere judgments.

The Uses of Fear

EXTENSION OF REMARKS
OF
HON. JOHN W. BRICKER
OF OHIO
IN THE SENATE OF THE UNITED STATES
Tuesday, March 22, 1955

Mr. BRICKER. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD an address on the subject, The Uses of Fear, delivered by Representative JOHN M. VORYS, of Ohio, at the Ohio State University convocation on March 18, 1955.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

THE USES OF FEAR

(By Representative JOHN M. VORYS, of Ohio, at Ohio State University convocation on March 18, 1955)

Midwinter seniors of 1955, I congratulate you upon your graduation. You have not finished your education. You will forget much you have learned and much of it is subject to change by new discoveries, by time and experience; but if you have truly learned to learn, you are ready for your life's work, and are needed.

You are graduating in a period of unparalleled prosperity in the richest country on earth in all history; but this is a time of fear. In 1943 I spoke here at a convocation in the middle of World War II. I said, "How can we win the war? * * * Who keeps score on who wins? We will know we have won, not on the day we march into Berlin and Tokyo, but on the day our troops march out of Berlin and Tokyo, for home, for good, knowing they will not have to return."

Today, 12 years later, our troops are still in Germany and Japan, and we are promising they will stay there, indefinitely. We have extended the draft again. Two-thirds of our Federal budget goes for military spending. The struggle against totalitarian aggression has not been won, and we live in an age of fear because of the threat of totalitarian communism.

The A-bomb and H-bomb have created a new kind of fear, that spreads and deepens as we learn more of the effects of nuclear warfare. I have seen an A-bomb explosion out at Yucca flats in Nevada. It was only a little one, of the size that took only 100,000 lives at Hiroshima. The yield of an H-bomb is far greater. The effects of high-yield nuclear weapons have been described and detailed so thoroughly in the press, the movies, over radio and television, that yield, blast and heat, radiation and fallout are words of common knowledge. Prime Minister Churchill says that by this knowledge "the entire foundation of human affairs was revolutionized and mankind placed in a position both measureless and laden with 'doom'." He said, "the hydrogen bomb has made an astounding incursion into the structure of our lives and thoughts. Its impact is prodigious and profound." The Soviets are making the most of this fear in planning their propaganda.

Another and entirely different kind of fear has been introduced into our lives by the Communist threat. Their conspiracy for overthrowing us from within, by propaganda, subversion, espionage and sabotage, and the necessary counter-measures we must take, cause us to fear each other as we have never done before. A newspaper tells of the nightmarish terror and emotional breakdowns suffered by persons feeling unjustly accused as security risks, as reported to the American Orthopsychiatric Association predicting that the extension of the security program will bring about a mental hygene problem of national proportions. This report has been criticized as exaggerated and unsound, but it calls attention to a new kind of fear in America. It says nothing of the deep, disturbing, well-founded fear of Communist infiltration which underlies our attempts to discover security risks and bar them from sensitive posts. These new fears, creating confusion and suspicion among us, are useful to the Communist conspiracy which is responsible for them.

The Communists have developed other techniques for using fear, improving on Nazi methods they took over after World War II. Ten years ago I saw an underground factory at Nordhausen, Germany, where 30,000 slave laborers were turning out V-2 rocket bombs. We used to believe that mass slave labor was only good for unskilled work. At Nordhausen, however, the Nazis, by a scientifically planned system of punishment and terror, were obtaining skillful, intricate, precision work from slaves motivated solely by fear. The Russians took over this factory and this system.

The Communists use fear, not only to direct men's acts, but to mould their words, their wills, their thoughts. The protracted, ingenious, efficient cruelty of brain-washing has been brought home to us in all its sickening horror by the treatment of Americans in the hands of the Chinese Reds.

These are some of the fears involved in the cold war and some of the uses of fear by the Communists. We have many problems not connected with communism that must be solved, involving hopes and fears, opportunities for success and failure. But fear is contagious, and in an age of fear there is a tendency, a temptation, to state all our problems in terms of fear so as to attract attention.

Widespread fear of mass unemployment of skilled workers due to "automation," the new word for the rapidly increasing use of so-called mechanical-brain machines, is being generated as a result of studies by certain labor groups and others.

On the other hand, there is fear that we do not have enough skilled workers. Secretary of Labor Mitchell said recently that the level of working skills has dropped so dangerously it poses a threat to the Nation's survival. The American Council on Education, advocating a tax credit for college tuition, says: "With national security resting in the balance, the United States is less strong than it might be because * * * the supply of college graduates to meet immediate needs is insufficient in the natural sciences, engineering, home economics, dentistry, medicine, nursing, school teaching and college teaching, and demands are increasing in social science and the humanities."

Sometimes graduating classes fear they cannot get jobs. According to this statement, you need have no such fears, but can help alleviate fears for our national security by accepting these positions that are immediately available.

In this age of fear it is sometimes hard to keep up with all the fears we are told we should have: Fears of no jobs for workers, no workers for jobs, depression and inflation, too much overwork, too much leisure, overweight, and malnutrition. How about lung cancer, tooth decay, halitosis? One antidote for fear is a sense of humor. In this age of fear we need young people who don't take things too seriously. But we cannot laugh off all our fears.

If the Communists can use fear for their ends, if American advertisers can use it, perhaps we need to analyze fear a little ourselves; its power for evil, its power for good.

We are not going to get rid of fear, or escape it, but we can overcome fear as a master, and use it, as Nature and God intended, as a warning, as a stimulus.

Men cannot escape fear for long. Alcohol, drugs, and pseudoreligious hypnosis will do it for a while, but the jitters that follow such jags involve a peculiarly degrading kind of fear that finally fails to respond to heavier doses of escape remedies.

Fear has its uses. Nature built fear into us as a warning system. The burnt child dreads the fire. Fear keeps us from being run over in traffic. The presence of danger brings the quick stop, the rapid mental reconnoiter, the increased heartbeat, the stimulus that is so useful in avoiding trouble or meeting it with skill and strength.

Fear can be trained. We can cultivate our useful fears. As Dr. Johnson said, "Fear is implanted in us as a preservative from evil." We can learn how to ignore useless fears. We can also learn how to resist and overcome real and deadly fears, when this is necessary, with courage.

I think courage is not a rare virtue; it is a God-given quality that is as instinctive and contagious as fear; it can be cultivated and developed, and is very useful. Fearless people, who have no fear at all, are about as scarce as complete cowards, who have no courage, and about as annoying and useless. Most of us have a healthy sense of fear, and also a healthy capacity for courage, which needs development right now, individually and collectively, for the H-bomb era.

Arnold Toynbee, in his study of history, points out that the development of a civilization depends upon challenge and response.

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When there is no challenge—where things are too easy, the civilization decays. Where the challenge is not met, the civilization is destroyed. It is when the mortal challenge evokes a worthy response that civilization flourishes. These are the virtues of adversity.

Your Government is planning measures to meet the Communist challenge on all fronts, military, diplomatic, economic, propaganda, civilian defense, internal security. As a Congressman working on legislation to implement these measures, I realize constantly that the success of all of them finally depends, not on Congress, not on the President, but on you who are not in government, your state of mind, your spirit. We hope that Soviet fear of our instant, devastating retaliation will deter them from nuclear warfare, but we cannot guarantee it. Should our policy depend on it?

Prime Minister Churchill, in his recent speech on this subject said, "I am anxious to repeat and emphasize the one word which is the theme of my remarks, namely 'deterrent'." After telling how the H-bomb increased the area of vulnerability to mortal danger, how this should certainly increase the deterrent upon Soviet Russia by increasing their fears, how he hopes this would lead to a top-level conference, he said, "Then it may well be that we shall, by a process of sublime irony, have reached a stage in this story where safety will be a sturdy child of terror, and survival the twin brother of annihilation."

I have studied this poetic, cryptic phrase. If it means that our only goal is to seek safety from terror by a Big Three conference on the pattern of Yalta and Potsdam, based on a sort of nuclear neutrality, born of mutual fears, then I cannot agree.

Our goal ought to be something more than a perpetual arms race, with the prize going to the side with the greatest scientific development of death-dealing, fear-breeding weapons. Our goal ought to be something more than a stalemate, a double deterrent, based on fear. Our goal ought to be based on doing what is right and just and honorable, undeterred by fear of anything except wrong and injustice and dishonor.

From now on we face an ultimate challenge, not of scientific ingenuity, but of human spirit; not of nuclear behavior, but of human behavior. So do our enemies. The issue will be decided, not in laboratories, in Congress, or on battlefields, but in men's minds, and hearts, and souls. As President Eisenhower said in his state of the Union message, "It is of the utmost importance, then, that each of us understand the true nature of the world struggle now taking place.

"It is not a struggle merely of economic theories, or forms of government, or of military power. The issue is the true nature of man. Either man is the creature whom the Psalmist described as a 'little lower than the angels,' crowned with glory and honor, holding 'dominion over the works' of his Creator; or man is a soulless animated machine to be enslaved, used, and consumed by the state for its own glorification.

"It is, therefore, a struggle which goes to the roots of the human spirit, and its shadow falls across the long sweep of man's destiny."

In these moving words, the President was speaking to the people, and for the people. A great spiritual awakening is going on in this country, a great religious revival. Church attendance and membership have increased. Religious books are best sellers. It is more than escapism from H-bomb terrors. In this age of fear we are learning how to live and how to die.

I have talked about new fears. Actually, fears of wholesale pain, torture, murder, annihilation, are as old as evil in the human race; and long ago we were told that if we dwelt, not in H-bomb shelters, but in the secret place of the Most High under the shadow of the Almighty, we need not be afraid for the terror by night; nor for the missile that flies by day; nor for the pestilence that spreads in darkness; nor for the destruction that blasts at noonday.

America has led the world in scientific development, material progress. Now the world needs spiritual development, moral progress, in a hurry. We led in the discovery of atomic secrets, and our enemies stole them. Can we discover the secret place of the Most High and tell the world the secret? If we did, what chance would there be for Godless, materialistic communism, in war or in peace?

We will need courage, and wisdom, but we are told that, not fear of the H-bomb, but "the fear of the Lord is the beginning of wisdom." Congress cannot repeal fear or enact faith by passing a law. Force will rule the world, but above military force, economic force, there is a moral force. Perhaps among you who are graduating today are those who will lead in discovering, developing, and exporting that kind of force for us, for the world.

Fifth Anniversary of the National Muscular Dystrophy Foundation

EXTENSION OF REMARKS
OF
HON. PRICE DANIEL
OF TEXAS
IN THE SENATE OF THE UNITED STATES
Tuesday, March 22, 1955

Mr. DANIEL. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD a statement I have prepared concerning the fifth anniversary of the National Muscular Dystrophy Foundation.

There being no objection the statement was ordered to be printed in the RECORD, as follows:

FIFTH ANNIVERSARY OF THE NATIONAL MUSCULAR DYSTROPHY FOUNDATION

(Statement by Senator DANIEL)

March 20 was the fifth anniversary of the organization of the National Muscular Dystrophy Research Foundation in my own home town of Liberty, Tex.

Since the Senate was not in session on the anniversary date, I take this, the first opportunity thereafter, to pay tribute to the organization and especially to its founders.

Two young women in Liberty, Tex., Sallie and Nadine Woods, who were afflicted with muscular dystrophy, resolved that they were going to do something about this mysterious crippler. Their sister, Dell, an invalid since childhood, caused them to know what could happen to them and to others stricken with this disease. On March 20, 1950, they founded the National Muscular Dystrophy Research Foundation. It was the first organized effort against the disease and the first national health organization chartered in the State of Texas.

During these 5 years the organization has grown and prospered, but always it has been under the influence and inspiration of its original founders, Sallie and Nadine Woods. Theirs is the story of 2 individuals—not healthy like most of us—but afflicted with a disease whose cause is unknown and for which no cure has been discovered. They are victims of muscular dystrophy, a disease which causes a progressive wasting away of muscle tissue resulting in complete invalidism and often death.

Five years ago doctors knew little about this disease which afflicts some 250,000 Americans. It was passed over in a few paragraphs in the medical books. Doctors were sympathetic but not encouraging. Sallie and Nadine were faced with a future which seemed to give them little hope. I am proud to say that these 2 girls from my home town wouldn't be stopped. Despite the fact that they grew weaker every day, they entered the battle against muscular dystrophy.

Five years later many research projects have been started to study the nature of this disease and to search for a cure. Thousands of victims have sent their case histories to Liberty. Mrs. Dwight D. Eisenhower is the foundation's national honorary president, and the committee of national sponsors includes Roy Rogers, Dale Evans, Ed Sullivan, and Gov. Allan Shivers.

Sallie and Nadine Woods have accomplished this by faith and sheer willpower. When the foundation began they did part-time secretarial work at home to pay for the postage. They talked to anyone who could be interested in helping and soon raised the funds to give the program a wider scope.

They have now helped Raymond Waller, foundation poster boy, to launch a drive for $1 million in research funds. I visited Raymond shortly after his 18th birthday. He weighs only 35 pounds. But if you could see him, you would agree with Mrs. Eisenhower that his courage is an example to each of us.

Raymond knows that any discovery will come too late to help him but he has asked that everyone send 18 cents or $18 to Raymond in care of the postmaster, Liberty, Tex. He knows these research funds will not come soon enough to save him, but he wants to erase the shadow of muscular dystrophy from the lives of future boys and girls.

The spirit displayed by Sallie and Nadine Woods and by Raymond Waller is an example to each of us. They have demonstrated how we, too, may help make things better for our fellow men. There is more hope in the world for the sick and afflicted because 5 years ago Sallie and Nadine Woods began their crusade against muscular dystrophy.

Regulation of Natural Gas Prices by the Federal Power Commission

EXTENSION OF REMARKS
OF
HON. CHARLES A. VANIK
OF OHIO
IN THE HOUSE OF REPRESENTATIVES
Tuesday, March 22, 1955

Mr. VANIK. Mr. Speaker, during the past 10 years the use of natural gas for space heat in the Greater Cleveland area has skyrocketed and at the present time approximately 80 percent of the homes in the Greater Cleveland area use natural gas for home heating purposes.

This tremendous natural gas consuming market must depend exclusively upon such gas supplies as are made available through the local distributing company which, in turn, looks to the great gas producing areas of the Southwest. Our people have no other alternative but to use the gas that is brought through the distributing pipelines of the Southwest and there is no other area for competitive gas.

The people of northeastern Ohio are very apprehensive and concerned that the exemption from the operations of the Natural Gas Act of the independent pro-

ducers and gatherers of natural gas who sell gas at wholesale to pipeline companies engaged in the transportation and sale in interstate commerce of natural gas for resale will only result in increasingly rising costs of natural gas. In addition, the vital industries of northeastern Ohio have a tremendous stake in the availability of low-cost gas so that they can reasonably compete with other industries which are located near other sources of energy.

The City Council of the City of Cleveland in recognition of the tremendous stake and interest of the citizens of Cleveland, on February 21, 1955, passed the following resolution memorializing the Congress of the United States to defeat legislation which proposes to amend the Natural Gas Act so as to exempt the production of natural gas sold in interstate commerce from regulation by the Federal Power Commission:

Resolution memorializing the Congress of the United States to defeat legislation which proposes to amend the Natural Gas Act so as to exempt the production of natural gas sold in interstate commerce from regulation by the Federal Power Commission

Whereas the Natural Gas Act was passed by the Congress in 1938 for the primary purpose of protecting natural gas consumers against exploitation at the hands of natural gas companies; and

Whereas the city of Cleveland took the lead among municipalities in obtaining passage of the National Gas Act; and

Whereas the city of Cleveland has a substantial interest in the price of natural gas as its inhabitants are paying approximately $35 million annually for this commodity and an increase of just 1 cent per thousand cubic feet in its price would mean an increase of about $600,000 annually; and

Whereas there is currently underway a heavily financial movement to prevail upon the Congress to amend the Natural Gas Act so as to exempt the production of natural gas sold in interstate commerce from Federal Power Commission regulation; and

Whereas the effect of such proposal would be exploitation of natural gas consumers throughout the Nation by a handful of large oil companies operating in southern oil and gas producing States; and

Whereas the city of Cleveland has in the past opposed similar legislation which proposed to exempt natural gas production from Federal Power Commission regulation, the last such legislation being the Kerr bill; and

Whereas on February 3 Mayor Celebrezze accepted membership on a steering committee to consider ways and means to present the municipal viewpoint on such legislation before the Congress and publicize this viewpoint, aforesaid committee being composed of mayors of such cities as Milwaukee, Detroit, Kansas City, Boston, Nashville, and New York; and

Whereas it is in the interest of the natural gas consumers in the city of Cleveland that the Natural Gas Act be not weakened by an amendment similar to that embodied in the Kerr bill; and

Whereas this resolution constitutes an emergency measure in that the same provides for the usual daily operation of a municipal department: Now, therefore, be it

Resolved by the Council of the City of Cleveland:

SECTION 1. That the Congress of the United States be and it is hereby respectfully memorialized not to enact into law any bill similar to the Kerr bill of the 81st Congress, which proposes to amend the Natural Gas Act so as to exempt the production of natural gas sold in interstate commerce from regulation by the Federal Power Commission.

SEC. 2. That the clerk of council be and he hereby is directed to transmit a certified copy of this resolution immediately upon its adoption thereof and the signing by the mayor to Senators JOHN W. BRICKER and GEORGE H. BENDER, Representatives FRANCES P. BOLTON, OLIVER P. BOLTON, MICHAEL A. FEIGHAN, WILLIAM E. MINSHALL, JR., CHARLES A. VANIK.

SEC. 3. That this resolution is hereby declared to be an emergency measure and, provided it receives the affirmative vote of two-thirds of all the members elected to council, it shall take effect and be in force immediately upon its adoption and approval by the mayor; otherwise it shall take effect and be in force from and after the earliest period allowed by law.

Adopted February 21, 1955.

JAMES DONNELLY,
President of Council.
THAD FUSCO,
Clerk of Council.

Approved February 24, 1955:

ANTHONY J. CELEBREZZE,
Mayor.

Over 50 Million Cars Need Highways

EXTENSION OF REMARKS
OF
HON. THOMAS J. LANE
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES
Tuesday, March 22, 1955

Mr. LANE. Mr. Speaker, under leave to extend my remarks, I wish to include the following radio address I delivered over WMEX, Boston, Mass., on Saturday, March 19, 1955:

There is one good thing about airplanes as a method of transportation—we don't have to build and maintain roads for them. The air on which they travel doesn't wear out.

We hope the day will never come when there will be as many planes in the air as there are cars on the ground, for then our present traffic problems would seem almost enjoyable by comparison. At least, cars do not break into your TV living room or make you worry about the strength of your ceiling.

But automobiles, while convenient for the individual and indispensable to the national economy, do create new problems as well as satisfactions.

Downtown areas of large cities are being ripped out to make room for cars that are moving and for cars that are standing still.

Among signs of the times, we observe that parking lots cover one-half of the midtown Detroit area. The city of Washington is putting in 3,000 new off-street parking places a year. Cars bed down on the residential streets at night and wall-in business streets during the day. The problem of the empty, waiting cars is a subject in itself.

Our present concern is with the cars that are in motion and how to make way for them before the production of automobiles which exceeds the birth rate leads to a congestion that would slow everything down to a walk.

Many of our streets and highways follow the original cowpaths.

They were built when the automobile was considered to be but a byproduct of our civilization and not one of the dominant factors which it is today.

Dad drives his car to work.

Mother would like to have one to do her shopping.

Junior makes no bones about it. He must have a car of his own to get to high school on time. Besides, who would ever think of asking a girl to walk to a dance.

There are so many cars battling for position on the highways that there are more people killed and injured annually than we suffered in combat casualties during any 1 year of World War II or in any war.

Now, this is not to blame the automobile, which simply does what it is directed to do. Mechanical failures are few. Human failures are many.

But our overstrained and antique highway systems, woefully behind in providing broad, safe, and well-surfaced highways for the mounting volume of traffic, must share some of the responsibility.

Automobiles were never designed to make their own trails like tanks or jeeps.

We must provide the arteries that will enable them to circulate freely, and this service cannot be provided without the expenditures of sizable sums of money.

The question is: Shall we consider this as a major problem, and tackle is accordingly, or permit economizing to freeze our power of decision and let this problem get completely out of hand?

Some people say that other problems deserve priority. Defense, veterans' programs, schools, subsidies to agriculture, etc.

They claim that we cannot do all things at once.

True, but the fact remains that highways demand an increasing share of our attention.

Because not one of these other problems is free from the impact of the automobile and the adjustments that must be made because of it.

What would industry do without parking lots for its workers, or schools without school buses, or agriculture without farm-to-market roads for trucks instead of horse-dawn wagons?

The problem has become so acute that the President deemed it necessary to deliver a special message to Congress calling for a rapid development of our interstate highways.

"Without the uniting force of communication and transportation," the President declared, our country "would be a mere alliance of many separate parts."

He proposed that by expenditures of 25 billion dollars over 10 years, to be financed by special bond issues and with the Federal Government assuming the principal responsibility, this vital connecting system would be brought up to date with the demands of present-day and future traffic.

This was no hasty conclusion.

The President's Advisory Committee on a National Highway Program, after earnest study, made its report to him in January.

Under the heading "Why the System Is Inadequate," it has this to say:

"Reduced to its simplest terms, the highway problem is this: Traffic has expanded sharply, without a corresponding expansion in capacity of roads and streets. As a result, a major portion of our facilities are seriously overcrowded. Moreover, this movement is faster and heavier than in previous years, and continues to increase.

"Simple arithmetic illustrates the dimensions of the task. We now have more than 58 million motor vehicles registered; one for every 700 feet of every lane in both directions on all streets and highways in the Nation. This gigantic fleet traveled an estimated 557 billion vehicle miles in 1954, much of it concentrated on main arteries in urban areas which have become the expensive, hazardous bottlenecks referred to by the President.

"The existing traffic jam is bad enough, but prospects for the future are even worse. Vehicle registrations are expected to continue their upward surge, reaching 81 million by 1965, an increase of 40 percent. Total highway travel of these vehicles will likewise continue to increase as we attempt

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to meet the transportation requirements of an expanding economy, probably to reach an estimated 814 billion vehicle-miles in 1965.

"This Committee believes that these forecasts, carefully projected on the basis of all available data, are soundly conservative and represent the foundation upon which the Nation's highway improvement programs should be planned. Our population is expected to exceed 180 million by 1965. Our gross national product, which was about 357 billion dollars in 1954, is estimated to reach 535 billion by 1965, an increase of almost 50 percent in the next decade, as recently reported by the Joint Congressional Committee on the Economic Report."

In its conclusion, the Committee states:

"We are indeed a nation on wheels and we cannot permit these wheels to slow down. Our mass industries must have moving supply lines to feed raw materials into our factories and moving distribution lines to carry the finished product to store or home. Moreover, the hands which produce these goods and the services which make them useful, must also move from home to factory to store to home.

"Our highway system has helped to make this possible. We have been able to disperse our factories, our stores, our people; in short, to create a revolution in living habits. Our cities have spread into suburbs, dependent on the automobile for their existence. The automobile has restored a way of life in which the individual may live in a friendly neighborhood, it has brought city and country closer together, it has made us one country and a united people.

"The proposed financing need not be inflationary since the financing is spread over a 10-year period and the program can be planned to fit in with general governmental fiscal policy. Bonds will be retired on schedules from general revenue to be specifically appropriated by the Congress in which the anticipated increase in the gasoline tax alone suffices to service the bond issue while continuing a substantial Federal-State cooperative program on other roads.

"Thus, we will accomplish the objective sought by the President for a grand plan for a properly articulated highway system that solves the problems of speedy, safe, transcontinental travel, intercity transportation, access highways, and farm-to-market movement, paying off in economic growth, and making a good start on the highways the country will need for a population of 200 million people."

This, in concentrated form, is the heart of the President's highway program.

We are grateful that he has met the issue and that he has asked for a bold attack to conquer the problem.

While agreeing with him in principle, the Democrats in Congress will differ as to the details, insisting upon direct and large-scale participation by the Federal Government.

Obviously, the States, the cities, and the towns, limited as the revenue they can raise and struggling with problems of their own, are in no position to carry their share of a big highway program.

And again, the financing method proposed by the President attempts to do the impossible, on the theory that it won't cost anything now.

Some Senate Democrats are thinking in terms of a compromise plan, providing for a sharp increase in the Federal Government's outlay for such a program, to be financed by an increase in Federal gasoline taxes.

Highway officials of 11 Eastern States have already asked for speedy completion of a program to provide a 40,000 network of interstate highways. There is an urgent need, they stated, to meet a growing traffic crush, to provide for military and civil defense, and for the economic advancement of the United States.

The people would rather see highway money go into the actual building of roads rather than interest charges.

If we are to meet the need squarely we must be prepared to pay the cost.

The motorists who use our highways and who want good ones for their own safety and convenience, as well as for the protection of their cars, might agree to a cent or two increase in the gas tax to finance this need on a pay-as-you-go basis.

In any event the issue is a live one and public opinion should act on it without delay.

Address of Robert B. Anderson, Deputy Secretary of Defense

EXTENSION OF REMARKS
OF

HON. VICTOR WICKERSHAM

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 22, 1955

Mr. WICKERSHAM. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address by Robert B. Anderson, Deputy Secretry of Defense, before the National Conference of Christians and Jews, Houston, Tex., March 10, 1955:

One of the most interesting people alive, Dr. Charles R. Kettering, once told of his experience in developing an automobile spring which would not break. His laboratory started to work on a simple flat spring which was found to break regularly when flexed about 2,000 times. In the process of their experimentation, he and his associates finally developed a process whereby the spring was given a surface treatment of heavy blasts of small steel shot.

In Dr. Kettering's words: "Somehow that punishment makes the molecules in the steel clutch each other with a new fervor, resulting in a tremendously greater overall toughness." The spring so treated was found to withstand over 2 million flexings without breaking.

How very much, indeed, do we stand in need of some such unifying action in human affairs—something which would lead the human molecules of our world society to "clutch each other with a new fervor." The great paradox of our time is that whereas the whole impetus of our science and technology lies in the direction of consolidating and unifying the world, the influence of many of our social and political undertakings seem largely directed toward breaking it apart, and the tragedy of it all is that so often the very things which might have united men have been wrongly understood and wrongly practiced and have thus served only to magnify and excerbate their differences.

I am not talking here about the particular conflict between the free and the Communist worlds, although that, of course, is a part and symptom of the general problem. I am referring to something far more basic and more enduring than any ephemeral manifestation of the international power struggle. I refer to the fact of the struggle itself and to the coming inability of differing peoples to live together in a stable and enduring order of international relationships.

An uncompromising geography has perhaps been the most conspicuous factor in developing the separateness of peoples. Little groups of people, cut off from one another as they were by time and space for thousands of years, tended to adopt patterns of living peculiar to themselves and to the locale in which they abided. Habits and actions hardened into customs and traditions, dialects into languages, theological concepts into formal religions, and the world became a patchwork of different culture patterns, each more or less compartmented from the others by the walls of its own language, customs, and traditions.

Within the past hundred years science and technology have battered down the barriers of time and space without perceptibly disturbing those of culture and tradition. These latter may also yield at some distant date, but it is beyond realism to expect that they may be softened or dissolved at any time in the foreseeable future. Yet we cannot afford to wait for the prospect of some remote and uncertain eventuality to redeem us from our present danger. We must proceed now to discover the common bases upon which a world of widely differentiated peoples can build a community of interest.

The political result need not be, and should not be a world government or a world state. One of the things which is needed, however, is the development of a capacity within people to see one another as they really are, and which will disclose to them the immense areas of common ideals, beliefs, and aspirations which they all share and support. It shall be my purpose this evening to review with you some of these great universals, these roots of understanding which are capable of breaking through the barriers of suspicion and fear and illwill, and which may provide the working hypothesis upon which any real international accord will have to depend.

I would say something by way of introduction to the general topic of universals. By their very nature they are the most powerful agents in the entire field of human motivation. Precisely because they are universals they at once tend both to unite and to divide the members of the human community. Our difficulty arises, I think, out of the fact that too often men seek their universal application without admitting the possibility of their universal interpretation. Thus different peoples may perceive the same reality in different terms because of their differing points of view. And if they happen to apprehend the reality in universal terms and attempt to impose such a reality upon their neighbors in colloquial terms the result may be discord and division stemming out of the very process which was supposed to unify.

So I think that one of the very first things which we must do if we would mitigate the harmful effects of these cultural differences is to recognize that differences do in fact exist, and that they will continue to exist despite the most persistent efforts to deny them. Notwithstanding the problems they create, these differences remain one of the most interesting and hopeful aspects of the whole human situation. They lie at the base of whatever progress we have managed to make over the past 10,000 years.

We must not be distressed at the fact that our world neighbors may prefer their own theology to ours, that they may remain relatively unimpressed by our cultural achievements, or that they may be reluctant to accept the forms of our political and economic institutions. Mr. Erwin D. Canham, editor of the Christian Science Monitor, has put it this way: "Our big job is to convince the people of the world that the system of which we are a part—the millenial system with roots back in Judea and in Christ's teaching and in Greece and Rome and Western Europe—this system has within it values which can be adapted to their needs and experiences and can bring them, too, into the light. One of the mistakes we have made is to assume that our system, both political and economic, can be exported as is. There is much that is universal in our experience. But what we have demonstrated is based upon our experience and our aptitude and our history and our conditions. What we can do today is the re-

sult of many centuries of struggle. Hard lessons were learned all along the way. Our precise formula would not work for any other people. The best we can do is to make available to them our example, so that they can choose and experiment for themselves. But we can cooperate in setting up the channels by which experience can flow from nation to nation."

We are thus concerned less with the form than with the substance of these values which we would share with other peoples, and which hold special meanings to the people of each society according to the manner in which they affect, benefit, or have consequences for its members. Our main concern is to find in them the largest possible area of agreement with the other peoples of the world, to the end that we may be united rather than set apart. We seek with a new fervor the roots of understanding which may give meaning and purpose to our common efforts.

First and foremost of these, so important that it might properly be called the taproot, is the subscription of the overwhelming majority of the world's people to some kind of transcendental religion. In whatever form and through whatever means they apprehend Him, most people acknowledge the existence of a spiritual God, all powerful and eternal, who manifests a benevolent concern for the human objects of His creation. And from this fundamental profession of faith there flow two assumptions upon which virtually all human activities in the non-Communist world are in some way based. First, there is the assertion of a Supreme Authority and an independent moral order above and beyond the pale of human affairs. Second, there is the belief in the spiritual identification with an eternal godhead of every human being as a unique and separate individual, which confers upon him a special worth and sacredness in his own right.

These common basic beliefs underlie virtually all the constructs which operate outside the Iron Curtain. They likewise reside in the hearts and minds of those behind the curtain whose social institutions are subordinated to the stultifying effects of Communist regimentation. They make possible the formulations of temporal and spiritual law, of theology and government, of justice and equity, or right and wrong, and the rights and responsibilities which inhere in the individual as a living soul.

From them the peoples of the world have developed their interminably varied social, religious, political, and economic institutions. They have done so imperfectly. They have invested them with the faults and contradictions which inhere in all human institutions and which have often set peoples against one another in the bitterest of idealogical conflicts. But the point to remember is that the fundamental propositions contained nothing in themselves which compelled such action by their separately organized votaries. In these basic considerations people are very much alike the world over. Their differences arise from other sources.

The laws of most peoples, for example, are based upon systems of moral absolutes, derived from the moral order of a willingly conceded Higher Authority. Generally, these absolutes will be found to be the same among people the world over. It is wrong to steal, to lie, to cheat, and to murder. It is right to speak the truth, to honor one's obligations, to be loyal to one's fellow beings. Moreover, these values, being rooted in the higher law, are held to be immutable. There is no place given to relativism here. Deeds are not sanctioned or censured according to whether they help or hurt the prospects of a party, program, or regime. In the profession of the group, as opposed to the practice of certain individuals, right is still right and wrong is still wrong, regardless of the immediate consequences of an act for the individual or the group concerned.

One of the most encouraging signs I know of is the great respect in which moral authority continues to be held in the world, even by its enemies. John Foster Dulles, out of his rich experience in international affairs, says he has noticed two impressive facts—first, the relatively small amount of moral authority available at any given point of time and in connection with any particular problem, and, secondly, the enormous influence which even a little moral authority can exercise, an influence out of all proportion to the number of persons who reflect it. In the United Nations, he has observed, "every nation there is afraid of being caught on the wrong side of a moral issue" and does everything it can to make whatever position it adopts seem morally correct.

Among the values which stem from and depend upon the thesis of the dignity and worth of the individual and his personal relationship of his Creator we find wide areas where differing peoples may find a basis of agreement. Among the most intense and persistent preoccupations of men of all colors and all ages has been the search for freedom and justice. Like other values, freedom and justice vary greatly in their meaning for different peoples. They appear in various places about the earth in all stages of evolution, from the relatively primitive to the relatively well developed. Their political aspects are much better understood and more generally practiced than those applying to economic or social phases. But throughout them all there runs the common thread of their exclusive identity with the divinely constituted human creature possessing an immortal soul.

If men were no more than an accident of the universe, a tiny speck of matter inhabiting one of the smaller planets, he would have little right to or need of freedom, and what we call justice would lack a standard of measurement either for conception or application. If he were only a creature of instinct, an inordinately well-evolved organism, as it were, he would have as little moral claim to such things as the freedom of conscience or the pursuit of happiness as the deer in the jungles of Africa that is attacked by a prowling lion. There would be no justice but that of fang and claw.

Again, if man were no more than a producing agent, a number in a regimented society, inhabiting the earth for a scant 70 or 80 years and then disappearing forever into dust, he could claim no rights which the community or the State might not at any moment take from him. If this were true, then the life of the individual, lasting less than a century, would be of less consequence than the existence of the state, which usually outlives the span of a single human generation. In this situation the individual could hardly claim to have rights which antedate and are superior to the state. His claim to freedom would lose much of its validity, and there would be no right to which he could appeal in the name of justice.

If, however, man is what the world's religions say he is, a moral being, with the responsibility for right conduct and a claim to immortality, then he has certain rights which he must be free to exercise in order to discharge his responsibility for right action. The dispensation of these rights constitutes the essence of justice, and their exercise the essence of freedom. As I have mentioned before, in both the concept and the application differ widely, but both remain deeply and ineradicably rooted in man's personal religion. For it is religion which keeps on insisting that man is more than a highly developed form of animal life, that he is more than the creature of the state; that he is, in fact, a moral and spiritual being with a destiny and with rights and responsibilities which lie beyond the reach of society and of the state. For precisely this reason every type of totalitarianism must by its very nature either eradicate religion or attempt to subvert moral truth to its own designs. As a consequence in such a climate all sense of justice vanishes. It is no longer derived from absolute principles of morality that operate independent of life in society.

The gentler values of tolerance, charity, mercy, and brotherhood, urged upon humanity by almost all the really great teachers and philosophers, and imperfectly practiced by most of the world's people, depend utterly upon this interpretation of the nature of man. As abstractions they are nothing. It is only when they are practiced in the human community that they acquire meaning and purpose.

These are some of the reasons which suggest to me that as a recipe for human society, communism will eventually fail. Its atheism constitutes a denial of most fundamental belief men hold about their place in the universe, and it must perforce deny all the constructs which flow from this belief. It thus places itself irreconcilably at odds with the deepest and most relevant insights men have been able to draw from their thousands of years of experience and reflection. For men do not live by bread alone. The deep and persistently held conviction that they are entitled to something better than the treatment given the beasts of the field will continue to manifest itself in thousands of ways in every land.

Men will insist upon worshiping God in accordance with the dictates of their conscience. They will insist upon thinking in accordance with the dictates of their reason. They will insist upon their rights to equal treatment under the law, to work productively and creatively, and to enjoy the fruits of their earnest efforts. They will insist upon being men.

These are the things that really matter: Freedom, justice, brotherhood, and a sense of the dignity, separateness, and sanctity of the individual. They are the values which all humanity generally accepts. They are the values whose practical extensions have accounted for the making of America, and which our Nation is peculiarly well suited to help make available to other peoples of the world. They are the roots of understanding which may some day support an enlightened, peaceful world.

The great need of our own time is for an atmosphere of honorable peace which would favor the translation of these values into practical, meaningful realities for the world's people. We seek to achieve this condition through such means as an enforceable disarmament, and an understanding acceptance of the diverse forms of society and government of all nations which contribute to our common goal of freedom.

I cannot bring myself to believe that an effective disarmament will stem alone from mere documentation, or that peace will result from the efficacy of words spelled out on parchment or paper.

Disarmament will most likely evolve from the desire—deeply embedded in the hearts of those responsible for the governments of the world who are willing to subordinate their national pride and world power objectives to the practical necessities of inspection and enforcement procedures which will touch many facets of their industrial, military, and political endeavors. A climate of trust, an atmosphere of hope, and acceptance of the universality of justice predicated on the rights of man must precede any documentation of commitments or undertakings.

World peace must be a practice, not a platitude or stated principle. A state of living is the resultant action of all the factors which influence it. Governments reflect the predominant desires of the governed or those who govern. International amity and understanding demand the same respect for the basic facts of truth, reason, justice, and

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man's immortality as does a comparable climate of a national society composed of differing races, colors, creeds, and cultural backgrounds.

Centuries of time and sufficient effort may leaven us all, but we do not have the time to wait. The possibilities of force for great evil press too closely upon us. Energy must be turned from channels of destruction and waste to the productive service of mankind. To this end the American people and their Government remain dedicated.

At the root of it all is man's acceptance of man—as he is—with all his faults, his own peculiar beliefs and theology—his own inheritance of culture and tradition, but with this basic concept: He is a man, and shorn of all the ornamentation that humanity has heaped upon him he differs little from all others whose hands stretch pleadingly toward the eternity which eludes only the living.

These basic beliefs are nowhere more clearly evident than here, in your great organization, your philosophy, and your work in demonstrating at a practical working level the soundness and enduring vitality of the concept that all men are brothers, loved alike of God, and equal in His sight. May He help us all to an increased understanding that we are all His children, created in His image, and first obligated to His plan of peace on earth, good will toward men.

Tariff Legislation

EXTENSION OF REMARKS
OF

HON. WALLACE F. BENNETT

OF UTAH

IN THE SENATE OF THE UNITED STATES

Tuesday, March 22, 1955

Mr. BENNETT. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD a statement prepared by my colleague, the distinguished senior Senator from Utah [Mr. WATKINS], with respect to his proposed amendment to H. R. 1.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF HON. ARTHUR V. WATKINS, OF UTAH, BEFORE THE SENATE FINANCE COMMITTEE

Mr. Chairman and members of the Committee on Finance of the United States Senate, I do appreciate the opportunity you have extended to me of making this statement here today in connection with H. R. 1. I shall try to make my comments brief and to the point.

Several decades ago when changes were needed in our tariff laws the Congress, under its constitutional authority "to lay and collect taxes, duties, imports, and excises," almost did the job unassisted by the executive branch of the Government.

As the economy grew and developed, it likewise produced a vast number of complex problems involving thousands of economic interest groups. Thus our complex society, as we are only too well aware, has been productive of an ever-increasing volume of legislative concern for the Congress. Limitations of time and the complexity of certain aspects of this legislative concern have in part necessarily forced the Congress to delegate some of its responsibilities to the executive branch of the Government. Tariffmaking, the subject matter of which involves schedules covering thousands upon thousands of products, was one such activity which, over a period of time, has progressively passed by delegation to the executive.

Exclusive tariffmaking by the Congress was plainly no longer tolerable by the time of the First World War, and, in 1916, the Congress created the United States Tariff Commission to assist the Congress. At that time the Commission's activities were limited to the continuous investigation of all economic matters which had a bearing upon tariff policy, and the reporting of its findings to the President and the Congress; it had no independent authority to make changes in the tariff laws or in their administration.

The Tariff Acts of 1922 and 1930, however, gave the United States Tariff Commission the authorization to investigate cost of production differences between domestic and foreign products and required it to recommend to the President, on the basis of its findings, specific increases or decreases in the appropriate tariff rates. The President, in turn, was given authority to readjust tariff rates either up or down within a range of 50 percent. The effect of these two acts was to provide the United States for the first time with a flexible tariff policy which enabled cost differentials between domestic and foreign production to be adjusted without awaiting the necessarily slow and very uncertain results of congressional attention and detailed legislation.

With the passage of the Reciprocal Trade Agreement Act in 1934, the Congress began the gradual disintegration of its control, except in theory, over the tariff-making procedure. The United States Tariff Commission in effect has been reduced to a presidential staff agency in the purest sense of the word "staff," for its administrative history indicates that it serves mainly as an informative and advisory agency, an agency whose recommendations are seldom followed. By 1945, trade agreements were in operation between the United States and 28 countries. The result of these agreements by 1945 was that the general tariff level had been reduced almost to that prevailing under the so-called Underwood Low Tariff Act of 1913. More recent extensions as you are aware have given the President added authority to reduce tariff rates still further.

With respect to present tariff rates, it is important to realize that the United States is not now a high-tariff country. Our average tariff rate, as measured by the percentage of customs receipts to total imports, is the lowest that it has been in this century, and there are indeed few Western European nations whose record is as good on this basis of calculations. As Dr. Jacob Viner, professor of economics, Princeton University, told the Joint Committee on the Economic Report: "In the past 20 years there have been substantial reductions in our tariff rates, and, because of inflation, there has been also a substantial reduction of the ad valorem equivalents of the specific duties of our tariff." (Hearings, p. 991.)

For example, the custom duty on zinc was one-third of the domestic price in 1930 when the Tariff Act of that year was enacted; today, it is only one-twentieth of the 1954 price.

However, in their endeavor to sell the American public a so-called liberal trade policy, low tariff advocates have made the tariff policy of the United States virtually a scapegoat for the economic troubles of the world. It is about time the nations of the world put a halt to the unjustified practice of making this Nation the world's economic whipping boy. Why? Because it is apparent, in light of the expert opinion which has been given this committee and its counterpart in the House of Representatives, as well as the Joint Committee on the Economic Report, that the world's economic ills will not be solved or even appreciably relieved by any conceivable tariff action which may be taken by the United States. Willard L. Thorp, former Assistant Secretary of State for Economic Affairs, and now director, Merrill Center for Economics, Amherst College, put it this way to the Joint Committee on the Economic Report a few weeks ago:

"I cannot feel that there would be major changes that would create a great volume of trade. The American economy will be one in which 90 percent, shall we say, of our goods and services will be produced within the United States." (Hearings, p. 883.)

Dr. Jacob Viner was even more adamant in stating to the Joint Committee on the Economic Report that:

"The amount of change that complete free trade would make in the American economy is not very large. I fear that the amount of gain the American economy can make out of free trade has fairly narrow limits. I 'fear' it only in this sense: The amount of good we can do to the rest of the world through free trade is limited, and the amount of good we can get for ourselves from that avenue, as against the benefits we can get from other avenues of good government, is also limited." (Hearings, p. 969.)

It should be evident that a reduction of American tariffs cannot bring about any spectacular increase of United States imports or be of decisive importance in the world economics picture. Greater United States imports, and successful entry into the American market requires in a great many cases that foreign countries redesign their products, if United States consumer preference is to be created; that they adjust and expand production facilities and establish warehousing and distribution and sales facilities in the United States. This is a cost of doing business. It is exactly the same problem that American exporters face. But even more important: if there is to be an appreciable increase in United States exports, it will depend upon the continued expansion of economic activity in this country. Specifically, what in the main will primarily determine the level of our imports will be technological change in production techniques and the general level of business activity—not the abolishment of tariff schedules.

Simultaneously with the reduction of United States tariff rates to about half of what they were in 1930 by the Executive under the trade-agreements program there arose a growing volume of protest from certain segments of American industry. The complaints have charged that such negotiated agreements contained tariff and other concessions which resulted not only in American producers losing domestic markets but also in the demise of American industries. And as the years have gone by this conflict has grown and magnified, producing in its wake voluminous but conflicting opinions and literature on the subject of trade agreements.

As I indicated in my remarks to the Senate on January 25, 1954, I am in general agreement with President Eisenhower's statement in his special message on foreign economic policy to the effect that all nations should mutually undertake the lowering of unjustified barriers to trade on a mutual basis so that the benefits can be shared by all. But, as I said on that occasion, the "all" must include those efficient domestic industries which are operating in the face of ruinous and disadvantageous competitive conditions with foreign imports.

A great number of these domestic industries are engaged in the production of raw materials, such as our metals, petroleum, and agricultural products, which must be processed. Yet it is exactly these types of commodities which make up the vast bulk of our imports. Is this connection, Mr. Nathaniel Knowles, Jr., Acting Deputy Director, Bureau of Foreign Commerce, Department of Commerce, told the Joint Committee on the Economic Report that—

"Some 70 percent of our exports consist of manufactured goods shipped in substan-

tially the forms in which they are finally utilized abroad. * * * Our imports, in contrast, to our exports, consist preponderantly of raw materials and crude foodstuff requiring extensive further processing before entering into consumption channels. * * * Less than one-fifth of our imports enter the country as substantially finished products." (Hearings, p. 930.)

Now, with these facts in mind, it is not difficult to see why the export-minded segments of our economy not only do not fear lower tariff rates on imports but actually favor them. First, foreign imports provide a cheap source of raw materials. Second, with our great advantage in the techniques of industrial production, they have little to fear from competitive imports.

As Dr. Arthur Upgren, dean, Amos Tuck School of Business Administration, Princeton University, told the Joint Committee on the Economic Report a few weeks ago:

"The barrier to a great inflow in imports is largely the $160 billion investment of American plant in new industry.

"With that huge investment American industry would generally meet the price conditions which would be imposed by tariff reduction. What I am saying here is that the proposal of trade, not aid, about a year or two ago, could not have accomplished but a very small amount of the achievement that was dramatized by the visit of two members of the British Cabinet. This was important, but we should not try to persuade the American people that we can do so much more than is possible." (Hearings, p. 891.)

Actually, one is led to suspect that this drive for a so-called trade-not-aid program is an argument that has been advanced not because it will cure the economic ills of the world, but because it serves better the interests of the export-minded segments of our domestic economy. Commodities which enjoy an appreciable export market, it would appear, are in a far better position to be considered for tariff reductions under the trade-agreements program. This would probably include, for example, automobiles and special high-grade production machine tools. Yet, the protection afforded to the steel and automobile industries by way of comparison with lead and zinc, a raw material, is relatively much greater.

I firmly believe that an American trade policy must embody those features that will work toward the enlargement of international trade but in a manner consistent with maintaining a sound domestic economy. Our experience to date, however, seems to indicate that certain revisions in the trade-agreements program are necessary if these two objectives are to be realized. It is evident, I believe, that the Congress must return to itself a larger share of the direct responsibility for tariff-making policy in those areas of intense conflict which has been generated by the trade-agreements program.

This is essential since, although the continued reduction of tariffs will not appreciably result in increased total imports, they can well result in the demise of many American industries. This is because, as Dr. Jacob Viner told the joint committee, "to a large extent the reductions in our tariff which would really lower the effective margin of tariff protection remain to be made." (Hearings, p. 991.)

Because the controversies over further tariff reductions under the trade-agreements program are undoubtedly going to have greater repercussions, it is imperative that the Congress return to itself a larger degree of control than it has had the past few years. Actually the pendulum of tariff-making authority has simply swung too far toward the expediency of administrative negotiation and execution by the executive branch. It has swung so far in fact that it would cause a reasonably prudent person to conclude, I am sure, that the Congress de facto has completely abdicated its constitutional authority in this field.

An analysis of escape-clause applications and their administrative disposal will make this quite clear. The escape clause, as you undoubtedly know, was not an original part of the Reciprocal Trade Agreements Act. Rather, it was the product of extensive liberality in granting tariff and other concessions by the executive branch under the trade-agreements program and the result of increasing protest by American industries adversely affected by excessive imports. The function of the escape clause is, of course, to compromise the conflict which arises between the need and desirability of freer international trade and the need for protecting defense and certain other industries fundamental to the economies of certain sections of the United States, the customs and traditions of our people, and for maintaining safeguards which protect wages, industry, and agriculture.

The early trade agreements negotiated under the Reciprocal Trade Agreements Act of 1934 contained no general means of providing realistic relief if a particular concession proved unexpectedly injurious to a domestic industry. Although escape clauses had been contained in bilateral trade agreements since 1941 and in the General Agreement on Tariffs and Trade since 1947, it remained for the Congress, because of the difficulty of foreseeing the contingencies that might arise, to make the inclusion of an escape clause in new trade agreements a statutory requirement. This was accomplished in 1951 by the passage of the Trade Agreements Extension Act.

The facts, however, indicate that the executive branch of the Federal Government and the United States Tariff Commission have not in general interpreted and administered the escape-clause provisions as the Congress so intended. It is interesting to note that of 56 applications, which were filed during the period 1948-54, the Commission recommended relief in only 12 instances, all but 2 of which involved only products of minor importance.

These 12 favorable recommendations were made with respect to—

1. Women's fur-felt hats and hat bodies (unanimous, September 25, 1950).
2. Hatters' fur (unanimous, November 9, 1951).
3. Garlic (4 to 2, June 6, 1952).
4. Watches, movements, and parts (first investigation, 4 to 2, June 14, 1953).
5. Dried figs (unanimous, July 24, 1952).
6. Tobacco pipes and bowls (unanimous, December 22, 1952).
7. Screen-printed silk scarves (unanimous, April 13, 1953).
8. Scissors and shears (4 to 2, March 12, 1954).
9. Ground fish fillets (second investigation, 3 to 2, May 7, 1954).
10. Watches, movements, and parts (second investigation, 4 to 2, May 21, 1954).
11. Lead and zinc (unanimous, May 21, 1954).
12. Alsike cloverseed (unanimous, May 21, 1954).

Rather an unimpressive list, is it not? But why only 12 favorable applications? In part, because the Congress has failed to establish definite criteria for the Commission to follow in arriving at decisions. But primarily it is because the Commission in considering the effect of increased imports on production, profits, and employment has consistently held that an industry is deemed to include, for purposes of escape-clause relief, all the operations of the constituent firm making the application, rather than only those operations that are directly related to the production of the product identified in the escape-clause application.

This interpretation has directly served to nullify the intent of the Congress to give needed tariff relief.

How close has the President followed what we must presume to be the expert recommendations of the Tariff Commission? Of the 12 favorable Commission recommendations I named a few moments ago, you will observe that:

1. Seven were unanimous decisions and included—
   (a) Women's fur-felt hats and hat bodies.
   (b) Hatters' fur.
   (c) Dried figs.
   (d) Tobacco pipes and bowls.
   (e) Screen-printed silk scarves.
   (f) Lead and zinc.
   (g) Alsike clover seed.
2. Four were 4-to-2 decisions and included—
   (a) Garlic.
   (b) Watches, movements, and parts (first investigation).
   (c) Watches, movements, and parts (second investigation).
   (d) Scissors and shears.
3. One was a 3-to-2 decision and was made with respect to groundfish fillets.

In only five instances did the President follow the recommendations of the United States Tariff Commission. These five favorable actions by the President involved the following:

1. Four products which the Commission unanimously believed needed relief. They included—
   (a) Women's fur-felt hats and hat bodies.
   (b) Hatters' fur.
   (c) Dried figs.
   (d) Alsike cloverseed.
2. The other product—watches, movements, and parts (second investigation)—involved a favorable recommendation decided by a 4-to-2 vote of the Commission.

In these other cases the President refused to grant relief even though by unanimous vote the Tariff Commission had recommended such action. These included—

(1) Tobacco pipes and bowls.
(2) Screen-printed silk scarves.
(3) Lead and zinc.

Likewise, he refused relief with respect to three 4-to-2 decisions and one 3-to-2 recommendation, which respectively involved—

(1) Garlic.
(2) Watches, movements, and parts (first investigation).
(3) Scissors and shears.
(4) Groundfish fillets (second investigation).

In these cases, despite the recommendation of the Tariff Commission, an expert body, the President held to the contrary, for reasons which seemed satisfactory to him, that serious injury to the domestic industry had not been established.

It is absolutely useless for the Congress of the United States to create an expert body that is largely investigational in nature and designed to lead to expert recommendation for administrative action in areas where it has delegated to the executive branch extensive authority, as it has done with respect to trade and tariff matters.

A typical case in which the effect is readily apparent of delegating to the Executive final decision with respect to escape-clause recommendations is well illustrated by the lead and zinc case.

During the Korean war foreign production was greatly increased through the support of American aid and by comparatively high domestic prices during a period when domestic production was restricted by price controls. After the war, as a result, excess foreign lead and zinc supplies have continued to flow into our domestic markets at prices well below the average cost of domestic production.

As Mr. Otto Herres, chairman of the National Lead and Zinc Committee, told this committee last week, "Such action has made marginal mines out of once prosperous properties." In the spring of 1953, the mining industry was advised to seek relief through the escape clause provisions of the

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Trade Agreements Act rather than by legislative means.

This committee, as well as the House Ways and Means Committee, were sufficiently impressed with the problems of the lead and zinc mining industry to direct the United States Tariff Commission, pursuant to the repective resolutions of July 27, 1953, and July 29, 1953, to initiate a general investigation of the industry, including the effect of imports of lead and zinc on the domestic prices and employment.

On May 21, 1954, the Tariff Commission unanimously reported to the President that the importation of lead and zinc was in such quantities as to cause serious injury to the domestic industry. In order to correct the problems, the Tariff Commission recommended that "the rates of duty 50 percent above the rates existing on January 1, 1945, * * * be imposed for an indefinite period."

The President, however, for what were sufficient reasons to him, did not follow the expert recommendations of the Tariff Commission. Instead, on August 20, 1954, the Government initiated a long-term stockpiling program for lead and zinc. And although, by this action, the President recognized in effect that the excessive importation of lead and zinc had injured the mining industry, the results to date indicate that it has not appreciably improved the situation.

Since August 1954, the price of zinc has advanced only one-half cent, from 11 cents per pound to the current quotation of 11½ cents. Why? Primarily, because unlimited imports of zinc and slab zinc have continued to flow into this country. As Mr. Otto Herres, chairman of the National Lead and Zinc Committee, told this committee.

"For the year 1954 on an average of 41,460 tons of zinc a month from foreign ores in addition to an average of 13,444 tons of imported slab zinc, a total of 54,904 tons, entered United States consumption while the output of the mines at home was dropping to an average of 38,750 tons.

"Excessive imports of foreign ores have been taking over a larger proportion of United States smelter production at the expense of the Nation's mines. Domestic mine output of zinc consequently has been reduced to less than 39,000 tons a month from an average of 60,000 tons a month in early 1952. Smelter production of zinc is at an all-time high while mine output of lead and zinc is the smallest since the depression years, 1931–34."

It is evident, I believe, that stockpiling is not accomplishing the purpose it was intended to achieve. To the extent that stockpiling does increase domestic prices of lead and zinc it only serves as a magnet to foreign imports in much the same way as does the price-support program on agricultural commodities. But whereas the American farmer can rely on section 22 to limit imports, the lead and zinc industries have had only the escape-clause provision, which the executive branch has declined to invoke for reasons which appear sufficient to them.

It is quite evident that the pendulum of responsibility for escape-clause actions must swing toward greater control by the Congress. This is a portion of its constitutional authority which should be recalled from the executive branch. At the same time, it should be made clear that we cannot, with respect to the general responsibility for negotiating trade and tariff matters, return to the cumbersome and slow procedure under which the Congress in the early 1900's sought to write detailed tariff legislation.

The amendments which I have proposed to the bill H. R. 1, to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, are designed to bring the tariff-making procedure of the United States back into equilibrium again. In brief, the proposed amendments are as follows:

1. Section 3 (a) and (c) of the proposed amendment, by extending the trade-agreements program, as requested by the President, would give authority to the President, for a 2-year period, to—

1. Reduce tariff rates on selected commodities by not more than 5 percent per year for 2 years.

2. Reduce any tariff rates in excess of 50 percent to that level over a 2-year period.

3. Reduce, by act more than one-half over a 2-year period, the tariff rates in effect on January 1, 1945, on articles which are not now being imported or which are being imported only in negligible quantities.

The administrative facilities and services of the executive branch of the Federal Government, under the direction of the President, would be continued for the negotiation of trade agreements. The fact remains that the actual negotiation with regard to the thousands of items covered by trade agreements and tariff legislation is better handled by the executive branch of the Federal Government than by the Congress.

2. Section 3 (d) of the proposed amendment would require the President to submit an annual report on the operation of the trade-agreements program to the Congress which must include—

1. Information regarding new negotiations.

2. Modifications made in duties and import restrictions of the United States.

3. Reciprocal concessions obtained.

4. Modifications of existing trade agreements in order to effectuate more fully the purposes of the trade-agreements legislation, including the incorporation therein of escape clauses.

5. Other pertinent information and data.

3. Section 5 (a) of the proposed amendment to H. R. 1 would require the United States Tariff Commission to submit a report to the Congress on all peril-point investigations.

The Trade Agreements Extension Act of 1951, as amended, requires the President, before entering into negotiations concerning any proposed foreign-trade agreement under section 350 of the Tariff Act of 1930, as amended, to furnish the United States Tariff Commission with a list of all articles imported into the United States. Upon receipt of this list, the Tariff Commission shall make a study and report to the President with respect to each article—

1. The limit to which such modification, imposition, or continuance may be extended without causing or threatening severe injury to the domestic industry producing like or directly competitive articles.

2. Whether or not increased duties or additional import restrictions are required to avoid serious injury to the domestic industry producing like or directly competitive articles and, if so, the minimum increases in duties or import restrictions required.

Section 5 would require the Tariff Commission to transmit such a report to the Congress as well as to the President.

4. The proposed amendment would amend section 6 (a) of the Trade Agreements Extension Act of 1951 so as to provide that no reduction of tariff rates or any other concession shall be permitted to continue in effect when—

1. Importation of increased quantities of any product upon which such a concession has been granted under a trade agreement causes or threatens serious import injury to the domestic industry producing either like or directly competing products.

Heretofore it has not been spelled out clearly that relief is to be granted from the effects of concessions given under trade agreements.

5. Section 7 (c), (f), and (l) of the proposed amendment directs that should the Tariff Commission find that the importation or prospective importation of any product, upon which a concession has been granted under a trade agreement, results in or threatens serious import injury to the domestic industry producing either like or directly competitive products, it shall find and declare the extent to which and the time for which the following actions are necessary in order to prevent or remedy such injury:

1. Permanent withdrawal of the concession shall be made;

2. Modification of the concession;

3. Suspension of the concession in whole or in part;

4. Limitation of the quantity of the product which may enter or withdraw from warehouse for consumption; or

5. Any combination of these four items.

The Tariff Commission's findings would be contained in a plan for their implementation which must be transmitted to both Houses of the Congress on the same day and while both are in session. The provisions of any plan transmitted shall take effect on the expiration of the first period of 60 days of continuous session of the Congress, following the date of transmittal and the expiration of the 60-day period, either House of the Congress, by affirmative vote of a majority of its authorized membership, passes a resolution stating that it does not favor the plan. An essential step in bringing the tariffmaking process back into equilibrium again is to reserve to the Congress, which is more representative of the will of the people, final decision in controversial areas of our national trade and tariff program.

After concluding its investigations and hearings, should the Tariff Commission find that relief is not necessary, it shall likewise make and transmit to the Congress a report of its findings and conclusions.

6. Specific criteria are established upon which the Tariff Commisison is to base its findings under escape-clause proceedings by section 7 (d) of the proposed amendment to H. R. 1.

The Tariff Commission is directed to consider any of the following factors as constituting import injury with respect to a domestic article when caused, or threatened to be caused, in whole or in part by the importation of competitive imported articles:

(1) Unemployment, layoffs, or curtailment of workweek;

(2) Reduction in actual or relative wages, including reduction of fringe benefits enjoyed in lieu of wages;

(3) Decline in prices or sales;

(4) Rising inventory;

(5) Decline in profits of, or operation at a loss by, the manufacturer, producer, grower, or wholesaler;

(6) In the case of an agricultural product, a return to the grower or producer below the established parity price for such product;

(7) Decline in flow of investment into plant expansion, new equipment, or other improvements;

(8) Decline in proportionate share of the domestic market enjoyed by the domestic article;

(9) Increase in the importation of like or directly competitive imported articles accompanied by unused, but available and suitable, capacity to produce, manufacture, or grow domestic articles;

(10) Inability to meet promotion, advertising, and customer services provided for a like or directly competitive imported article, to the extent that such inability is due to the lower landed costs of the imported article or to payments from foreign sources not included in the landed cost of the imported article; and

(11) In the case of any natural-resource industry or to any industry determined to be essential to the national security by the National Security Council, a productive ca-

pacity of the domestic industry which is less than the peacetime requirements of the domestic market for the article produced or manufactured by the domestic industry, plus a reasonable reserve over and above peacetime requirements for emergency use.

By providing such criteria, the Congress can insure that its policies with respect to escape-clause actions are carried out as intended.

7. For purposes of escape-clause proceedings a definition of an industry is provided by section 7 (e) of the proposed amendment to H. R. 1.

Where a particular business enterprise is engaged in operations involving more than one such industry, or more than one such segment of a single industry, the Commission shall distinguish or separate the respective operations of such business enterprise for the purpose of determining import injury.

A domestic industry is held to include only those operations that relate directly to the production of the products under investigations.

Need for Restoration of Appropriations for State Maritime Academies

EXTENSION OF REMARKS
OF

HON. JOHN F. BALDWIN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 22, 1955

Mr. BALDWIN. Mr. Speaker, in California, Maine, New York, and Massachusetts the State governments have been operating Maritime Academies for the training of Merchant Marine officers. The students have graduated with their papers as deck or engineer officers and have also in the past been commissioned in the U. S. Naval Reserve. On this basis the Congress has appropriated Federal contributions to the budgets of the academies since 1911. In fiscal year 1955 the amount for the four schools was $660,000. The budget as presented for fiscal 1956 contains nothing for this purpose.

Consequences of a serious nature could result from abandoning the program at this time. The international situation, which apparently will be tense for many years to come, emphasizes the importance of this resource for training officers. The enrollments in the academies at the end of the last school year were 495 at the New York academy; 224, Maine; 180, Massachusetts; and 130, California.

It would appear particularly inappropriate to terminate this program at a time when we are simultaneously considering an expansion of other Federal assistance to State educational programs. First consideration should logically be given to the continuance of existing programs. I most sincerely hope that the Appropriations Committee and this House will amend the budget to provide an appropriation of $660,000 for the support of these academies for fiscal year 1956.

In this connection, I have received the following letter from the chairman of the board of governors of the California Maritime Academy stressing the urgent need for restoration of this appropriation:

CRISIS—CALIFORNIA MARITIME ACADEMY
ACTION NEEDED—IMMEDIATE

CALIFORNIA MARITIME ACADEMY,
March 2, 1955.

Hon. JOHN F. BALDWIN, Jr.,
House Office Building,
Washington, D. C.

DEAR MR. BALDWIN: A serious crisis now exists at the California Maritime Academy which endangers its very existence, and your help is urgently needed.

The academy was founded in 1929 and is an educational institution of the State of California for educating young men to become merchant marine officers. There are three other State maritime academies: New York (founded in 1874), Massachusetts (founded in 1888); and Maine (founded in 1941).

Congress, in its wisdom and foresight, enacted a law in 1874 which, as amended, has been in effect ever since and which empowers and authorizes the Federal Government to aid States maintaining maritime academies.

In full reliance and solely upon this Federal law, the maritime academies were founded by the four States and, in continued reliance upon said law, have expended millions of dollars in maintaining these academies year after year and in the construction of facilities and buildings. At the California Maritime Academy right at this moment we are completing 2 new buildings at the sole cost to the State of approximately $750,000.

Total Federal aid last year to the four State academies was $660,000, of which California received the benefit of about $100,000. We have always received this Federal aid, year after year, and were informed on December 10, 1954, by the Maritime Administration, that the budget now being considered by Congress contained this sum of $660,000 for State aid. However, when the budget was submitted, all money for State aid of the academies had been eliminated. A representative of the Department of Commerce informed me personally that the Department had no objection to the restoration of these funds in the budget.

We have already prepared and submitted to the State legislature our budget for the year commencing July 1, 1955, which was prepared with the expectation of the usual Federal aid that had always been forthcoming.

Under our budget as submitted to the State legislature, and without the usual Federal aid, the California Maritime Academy cannot operate for the fiscal year starting July 1, 1955.

Attached hereto for your ready reference is a complete statement of the facts.

Will you please use every effort to get the appropriations for all State maritime academies restored to the budget?

Set forth below are the names and addresses of the other board members.

Anxiously awaiting your reply, I am,

Respectfully yours,

R. D. SWEENEY,
Chairman, Board of Governors, California Maritime Academy.

Senator Luther E. Gibson, 516 Marin Street, Vallejo, Calif.; Dr. J. Burton Vasche, department of education, Sacramento, Calif.; Mr. Hugh Gallagher, Matson Navigation Co., 215 Market Street, San Francisco, Calif.; Mr. Gene M. Harris, 1220½ State Street, Santa Barbara, Calif.

STATEMENT OF FACTS

The California Maritime Academy is an educational institution of the State of California and is located near Vallejo, Calif., on San Francisco Bay. It was founded by an act of the State legislature enacted in 1929.

The purpose of the academy is to train and educate young men for the ever-increasing technical and difficult profession of a merchant marine officer. It is the only educational institution west of the Atlantic coast devoted exclusively to the teaching of nautical sciences and marine engineering so as to afford within its confines all instruction necessary for a well qualified merchant marine officer.

Each graduate receives a B. S. degree and upon passing the required Coast Guard examination (which they all do) also receives either a license as a third mate or a third engineer officer, depending upon which branch the graduate has chosen. Those graduates who can pass the required physical examination also receive a commission as an ensign in the United States Naval Reserve. The Navy Department maintains naval personnel at the Academy for the purpose of instructing the students in allied naval sciences.

The academy and it graduates have an excellent standing and reputation with the maritime and shipping industry, the Propeller Club, American Legion, and other civic organizations.

Excellent and similar maritime academies are maintained by the States of New York (founded 1874), Massachusetts (founded 1888), and Maine (founded 1941).

These academies fulfill a great need to private industry and in the educational, economic, national and international life of this country, and students are accepted from any State in the Union.

Congress in its great wisdom and foresight enacted a law in 1874 which as amended has ever since been an honored law of this Nation (34 USCA 1121–1130) and which basically empowers and authorizes the Federal Government, in order to promote nautical education.

(a) To furnish a State a suitable vessel to be used for the benefit of any nautical school established in certain named ports upon condition that there shall be maintained a school for the instruction of youths in navigation, marine engineering, and all matters pertaining to the proper construction, equipment, and sailing of vessels or any particular branch thereof;

(b) To repair or recondition and equip said vessel;

(c) To detail naval officers as instructors to said schools.

The Federal law authorizes the appropriation of $50,000 annually by the Federal Government to each such State school for the purpose af aiding in the maintenance and support of such nautical school. Of this $50,000 up to $25,000 thereof is to be paid to each State if it admits students who are residents of other States, said payment to be on a per capita cost basis.

In full reliance and solely upon this Federal law and with the right to believe that the Government would abide by its own word as solemnly expressed in this law, the maritime academies were founded by the above four States and which States in continued reliance thereon have each expended millions of dollars in maintaining these academies year after year and in the construction of facilities and buildings. At the California Maritime Academy, right at this moment, we are just completing 2 new buildings at the sole cost to the State of approximately $750,000.

These four States have fulfilled all of the conditions of the Federal law entitling them to this aid which, because of the permanent character of the academies, is of a continuing nature.

Each year the Federal Government, except as hereinafter set forth, pursuant to said law, has furnished and still furnishes each of said States a ship and pays the annual overhaul thereof, which is paid direct by the Government to the private shipyard

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which performs the work. Each State provides the cost of and performs the usual routine maintenance and repair of these vessels which are kept in excellent operating condition and which otherwise would be rotting at anchor. Title to these ships remains vested in the United States.

Each year the Federal Government has appropriated and paid to each State the sum of $25,000 as authorized in said law and also the proportionate part of the additional $25,000, depending upon the number of out-of-State students and the per capita costs and also money toward subsistence, and an annual allowance of $200 each for uniforms and textbooks for a certain limited number of students.

This long course of conduct between the Federal Government and the States having maritime academies has construed the Federal law and the intent of the parties and has permitted each State to rely upon this aid.

For the fiscal year which ends June 30, 1955, the Federal Government, with respect to the California Maritime Academy, appropriated and will pay:

Annual overhaul of ship	$37,450
Annual grant	25,000
Toward subsistence	22,675
	85,125

The annual uniform and textbook allowance of $200 each to a limited number of students, which is paid direct to the student, will amount to about $20,000.

The total annual appropriation of all money by the Federal Government, with respect to all 4 State academies for the fiscal year ending June 30, 1955, is $660,000, which, I believe, is the same amount appropriated in the several previous years. There are a total of about 1,100 students in the 4 State academies, which is an annual cost to the Federal Government of about $600 per student, and this includes the costs of repairs by the Government to its own ship.

The inclusion of the above funds in the Federal budget for many years last past has been under and is the duty of the Maritime Administration of the Department of Commerce. Each year it has been included.

Suddenly, and without any notice or warning to the State academies, and for the first time that memory of man runneth not to the contrary, including depression years, and in complete disregard of the intent of Congress as expressed in its laws, the annual grants were entirely eliminated from the present Federal budget now under consideration by Congress.

Each year the State academies, as a matter of course and to be sure we are not forgotten, inquire of the Maritime Administration if the money for the State academies has been included in its budget. This we did this year on December 10, 1954, and were informed that the same amount, $660,000, for the State academies was in the budget as was in last year.

You can imagine our astonishment, indignation, and despair when we were informed for the first time by reading in the newspapers that the appropriations for the State academies had been eliminated from the President's budget and there were inferences that the President himself had done the eliminating. Of course, no President knows the detail of every item in the budget and it is not fair to place the stigma upon him of doing something contrary to the intent of Congress and its laws and of participating in misleading the States.

On January 26, 1955, I telephoned Mr. Louis S. Rothschild, the then Maritime Administrator, and he affirmed that the appropriation was in the budget when we inquired on December 10, 1954, but had been later taken out. He stated he was not at liberty to say why or by whom. He did say that he would have no objection whatsoever to have the appropriation restored to the budget and would not oppose any action by the State academies in so doing. He suggested that we request our Representatives in Congress to restore it to the budget.

If the appropriation of the $660,000 were in the budget, it would undoubtedly have passed without question. The Department of Commerce cut it out of the budget. The Department of Commerce now says it has no objection to its restoration. Hence, restoration should be simple with no Government opposition.

Our plight at the California Maritime Academy is very serious. We operate on a very tight budget. We have already prepared and submitted to the State legislature now in session our budget for the year commencing July 1, 1955. This was prepared with the expectation of the usual Federal aid which had been forthcoming for years.

Under our budget as submitted and without the usual Federal aid, the California Maritime Academy cannot operate for the fiscal year starting July 1, 1955.

We have kept faith with the Federal Government—we have fulfilled the conditions on our part to be performed under the Federal law entitling us to this aid.

If the appropriations are not restored to the budget for State academies, we feel that the Federal Government has not kept faith with us and our youth. It is needless to state the results which follow from such procedure.

As our chosen Representatives, who are our only salvation from wrongful governmental acts, we urgently request your assistance in getting the appropriation for State maritime academies restored to the budget.

Not only is our academy endangered, but so also is the soundest principle of good government—integrity and fairness in its dealings with its citizens.

This is a long letter, but the case is a hard one, and even more could be said.

Your help is anxiously awaited.

Sincerely yours,

R. D. SWEENEY,
Chairman, Board of Governors, California Maritime Academy.

Atomic Energy: A New Renaissance

EXTENSION OF REMARKS
OF

HON. THEODORE FRANCIS GREEN

OF RHODE ISLAND

IN THE SENATE OF THE UNITED STATES

Tuesday, March 22, 1955

Mr. GREEN. Mr. President, on St. Patrick's Day, before the British Empire Club—strange as that combination may seem—our esteemed colleague, the distinguished junior Senator from Rhode Island [Mr. PASTORE] delivered an address entitled "Atomic Energy: A New Renaissance." This address is of exceptional and timely interest, especially in view of the remarks on this subject which we have heard on the floor this afternoon.

I ask unanimous consent that the address be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ATOMIC ENERGY: A NEW RENAISSANCE

(Remarks of Senator PASTORE before the British Empire Club, in Providence, R. I.)

My fellow Americans, I deeply appreciate the invitation to spend this special night with the members of the British Empire Club. As one who can boast of being familiar with Providence and its amenities, I realize that it is rather difficult to distinguish whether you are being invited to the British Empire Club by Spencer Over, or being invited by Spencer Over through the British Empire Club. Whichever the case may be, and you may choose sides as you like, I am truly happy to be with you tonight.

I said this was a special night, and it may be likely that I am not being modest enough, but as you well know, one of the hardest things for a man in public life to do is to hide his day of nativity, and this happens to be mine.

Originally I had a notion that March 17 was a very exclusive and personal possession of my own; then I began to discover that I had to share it in large measure with my Irish playmates for ancient and honorable reasons connected with their race. Later, as I grew older, I learned that there was an annual friendly struggle between my Irish and Anglo friends, to prevent the Friendly Sons of Saint Patrick from having a monopoly on the 17th. And in time, too, I became familiar with the superfriendly spirit in which two great assemblies have exchanged felicitations on this memorable night.

Therefore, whether I spend this night with my Irish or British friends, we are all brought together by the same inspiration and example of St. Patrick—the one-time slave boy, claimed by many lands, whose fame rests on his conquest of Ireland—in peace and without bloodshed—to the greater glory of God and man.

That type of conquest seems to be a lost art in our day and age, for if we are indeed enjoying peace, it is a peace that leaves an uneasy feeling in the hearts of all men.

Here we are expected to gain a sense of security in rockets that can send out threats to their targets, even across thousands of miles of open sea, and in the same breath, that security and assurance is shaken by the undeniable fact that these same weapons in the hands of a barbarous and brutal enemy could, with one stroke, devastate 7,000 square miles of our own populace and prosperous America.

You, who know the dimensions of the British Isles, have been treated recently to a discussion of some of these dangers. But you, who also understand the human dimensions of the British people—the determination, the devotion, and dedication to destiny—are able to see all of this in the true perspective of history, and for this reason are not easy to despair.

I know that I know something of the dimensions of the danger, too. For it has been my senatorial privilege—arising from my membership on the Joint Committee on Atomic Energy—to witness and to study, and, I hope, to understand, some of the destructive might of this instrumentality which is only 10 years young—yet seems to be born almost daily with terrifying additions to its tremendous power.

But it has also been my privilege to know something of the benign and beneficent possibilities and achievements of atomic development. And for this reason it makes me a man of heart and hope.

It seems to me that the miracle of conquest, without bloodshed, is a little bit closer than we are able to see today. For today our vision is a little fogged with fear; and despair could interfere with our true sense of direction.

When we think the world is grasping for the depths of despair—who knows but that we may be really reaching for the heights of happiness.

The very power which could carry the seed of destruction for our civilization can, if man so wills it, be the source of the material improvement and the spiritual strength of all men—indeed, the means by which man would prefer to live at peace with

his neighbor and with the world—in an era of a new renaissance.

For in this I can see an economy of abundance for the whole world. I can see the extinction of labor slavery in all of its forms. Poverty and hunger, which now make men jealous of their neighbors, would become outmoded in a spirit of true charity and brotherhood.

This is not the pollyanna philosophy of a pacifist. It is the practical opinion of a man who doesn't believe that a nation is going to risk its life for a prize that it can gain more readily through peaceful progress—than it can hope for through the sweat and scars of war. Indeed, there are prizes that modern war, with its vigorous and vicious retaliations, would destroy for the aggressor whatever the event. The calculated risk would have to be, at best, victory without salvage. That could be no better than defeat, and utter destruction.

I take the premise that our rivals have in their mind, too, thought for their personal survival. I think they feel as we do, that we are at once the possessors and the prisoners of a destructive force so final that neither they nor we can afford to let it loose.

If my reasoning is wrong, then all logic must take wings. If we are going to use the products of our intelligence to destroy the civilization it has taken centuries for that intelligence to create, then I say, What price intelligence?

This is not an attitude that would neglect the cautions of a confident and competent country.

I do not mean that the Western Powers should take their policemen off the international streets. I certainly do not mean that we should let our guard down.

Tonight—on the British Isles—together with English forces—50,000 American airmen are at their posts. They are not daring any common enemy. Their only purpose for being there is to deter such an enemy from a hostile surprise blow. Our men have no chip upon their shoulder but, by the same token, they will not be a sitting target for treachery against their friends.

We mean no breach of international peace, but we do mean business. Our intentions are peaceful. We will keep them that way. But we can keep them that way at the moment only so long as our defenses are powerful.

And, at the same time, America does invite the world—the whole world—to peaceful development and exploitation of the possibilities of this atomic age. America points the way to a prosperous common possession of all the means to a peaceful living together.

America does not pretend to have a monopoly of nuclear wisdom and nuclear production. America does not want to have such a monopoly. We have already expressed our desire to share, to help, toward peace and plenty. Indeed we have written it into our law, and now we are only too eager to translate it into concrete, friendly acts.

Only last week it was my privilege and honor, as chairman of the Subcommittee on International Agreements of the Joint Committee on Atomic Energy, to meet and to break bread with 31 young scientists and physicists from foreign lands. These young men were invited here by the United States Government for a special advanced course in this important field of peaceful development of atomic energy.

The people of the world know—as well as we do—the miraculous benefits that can accrue from our nuclear progress. We want them to know. We want them to have these benefits for peaceful pursuits. We want these benefits for ourselves, too. But more than wanting them, we want them in peace, for ourselves and for the rest of the world.

This is not a field of power alone. By this time, all of us are fairly familiar with the promises of atomic power in peaceful industry. Uranium 235 is a familiar name of fissionable material. We know that the heat released from a pound of such uranium provides 2,600,000 times the heat produced by the burning of a pound of coal. That makes sense to us. That is something we can use.

Atomic power as energy in the field of every-day electricity is only a part of the possibilities. In agriculture, in medicine, in manufacture, in every facet of living, the processes that are the byproducts of our nuclear studies put us on the threshold of an existence that materially and spiritually can be the rebirth of the human race.

"Radioisotopes" is a difficult word—yet one that is becoming more and more familiar to all of us. These are the elementary materials made radioactive by exposure in an atomic reactor.

Only a few years ago these materials were limited to those of radium and its decay products. They were costly. Today, out of new processes and new materials we can produce for $10,000 what used to cost $100 million. We can understand those odds of 10,000 to 1. We certainly can use this kind of progress.

If I say we lead the world in atomic progress, it is not by way of boasting—but to state an acknowledged fact. Authorities readily admit that whatever superiority we have we owe to our enormous and industrial resources and to the immense effort exerted in devising ways of handling fissionable material on a colossal scale.

Yet—I say we owe it equally to the American state of mind, our principles, our policies, our democratic purposes.

We are not concerned with external plunder but with internal peace and progress. We wish the same for men of good will everywhere. The sheepherder of New Zealand has already benefited no less than the peanut grower of the Carolinas. When New Zealand flocks began to fail radioactive tracers were able to determine the element missing from the diet of the herds. Airplanes were called upon to dust the pastures with the needed cobalt, and because of this the flocks were restored to good health.

Here in America a million dollars a year were saved by peanut planters of the Carolinas when a blight was irradiated.

Last week the National Food Conference was told by Dr. Urbain, researcher for Swift & Co., that meat, bombarded with gamma rays from an atomic pile, will stay fresh indefinitely without refrigeration or any other form of expensive storage.

Potatoes will not sprout and will retain their freshness through 2 years of storage.

These may seem humble examples to us, but to industry it constitutes its lifeblood.

Soon the fishing fleets will no longer need countless tons of ice on their journey to the banks and back.

Fresh water will come from salt water—abundant foods from the plant life of the sea. What a boon to mankind.

This is not a dreamer's dream. All of these accomplishments are on the horizon, if some are not already in the full grasp of our scientists as I speak to you now.

A thousand new processes are born in industry from the uses of irradiation. New plastics are produced—new methods of vulcanizing rubber—new means of measurement and identification of materials—a whole new world of electronics.

Just as this new science has solved the mysteries of plant life—and just as it has solved the puzzles of animal ailments, so, too, the human medical field has made great strides through the use of radioactive materials. The attainments in goiter and cancer studies thrill and enthrall the student—and beckon him on to unmeasured accomplishment in putting atomic energy to use in the processes and problems of medicine.

Hours and hours would be required, just as books and books have already been written in the infancy of atomic progress, as a precursor of the promise of tomorrow's miracles.

We have been witnesses or students of great changes in the economic life of our country. We have seen periods when we seemed to have reached our topmost limit, and the only change could be downward. Then came man's invention: The automobile, the airplane, radio, and television. Each seemed to come at the right psychological moment to rescue man from economic doldrums, and to spur him on to the new heights of luxury and happiness.

If I say that the electronics age is yet another chapter, another step up the ladder for our American economy, I will not be expressing an original thought. It is already the promise of our scientists. It is already the expectation of our men of business.

But if we stop there, if this is to be purely a material gain, just an economic profit, just a lift up for luxurious America, the idea would be unworthy of us. It would be unworthy of our post and power in this hour of the world's existence. It would be unworthy of the hopes that the world has placed in us, whether we have sought the responsibility or not.

Today, in the Congress, we have reports from the world over—of the hunger of all peoples for this energy and progress in the medical and biological fields—so that plagues and famines will become unused words in any language. It is a hunger that will not be appeased with paper performances, but if we do not rise to our responsibilities, those people will get their help elsewhere. It may be from Europe. If Europe, too, fails, then it could be from Russia.

Let us not for a moment think that atomic discoveries have been exclusively American. On the contrary, we know that many of the great fundamental scientific revelations of the atomic age have come to us from minds that were born in the British Isles, France, Germany, Poland, Switzerland, Denmark, and Italy. What we have contributed, as I said before, in addition to our own great scientific minds, is our immense experimental effort through our superb and superior industrial resources.

There is an Achilles' heel, however, in our atomic progress.

Our development of scientists is not in keeping with our great American tradition and with our needs of tomorrow. I regret to say that, in my opinion, our human mental factor is not getting the attention it requires.

Last year, Russia graduated 54,000 engineers.

American schools graduated 20,000. The experts tell us we must resurvey our educational ideas.

On the high-school level, there must be teachers competent in the standards of this electronic age. There must be, above all, guidance and direction for those who have the talent to meet the challenge in this new field. We must find out why so many high-school graduates of college caliber never go to college. If it is our manpower policies, they must be restudied, also. If we are delinquent in giving direction to the studies and inspiration of youth, if we are not giving the dollars and the drive—to the promotion of this basic knowledge in our high schools, our colleges, and our universities—then this, too, needs to be corrected.

In our minds, our hearts, and our souls, we must be attuned to this great help and this great hope to the world.

As the deserts of the almost forsaken lands may be made to bloom again—so, too, the dreams of people in despair can be brought to life once more.

No small group of plotters can keep millions and millions of human beings chained forever to the pangs of hunger. No purge can drive them to the slaughter of distant battlefields, when peace and plenty can be theirs, instead.

"God is not dead in Russia"—is the simple phrase of a humble priest. The echo of this

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admonition brings the knowledge that men cannot drive an understanding of the Creator out of the souls of His creatures.

We know that man craves the dignity of his human nature—he craves all the freedoms that we have cataloged for hand and heart and mind. Man will have them. Man can have them.

These great powers that we extract from the atom today have always been there since the dawn of creation. Man adds nothing new to their substance. His great achievement has been that through his God-given genius and intelligence he has, in good time, succeeded in analyzing and devising and dividing the simplest elements of nature.

Our civilization is only entering upon its grandest era—a new Renaissance. This last half of the 20th century will be written in history as the age of the atom—that out of the smallest element we have drawn the formula for the world's biggest dream—man's happiness in a world of plenty, under an umbrella of God's peace.

Federal Aid to Education

EXTENSION OF REMARKS
OF

HON. STUART SYMINGTON

OF MISSOURI

IN THE SENATE OF THE UNITED STATES

Tuesday, March 22, 1955

Mr. SYMINGTON. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD an address delivered by me before the Dunklin County Teachers' Association, at Kennett, Mo., on Monday, March 14, 1955, on the subject of Federal aid for elementary and secondary school construction.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ADDRESS BEFORE THE DUNKLIN COUNTY TEACHERS ASSOCIATION, KENNETT, MO., MONDAY, MARCH 14, 1955

It is a great pleasure to be with you in Kennett today, and because this audience is one most interested in schools, I plan to discuss that problem from the standpoint of the Congress.

Federal aid to education is not new. It began with early land and monetary grants for the support of education in States formed from the public domain.

Antedating the Constitution, these grants were authorized in an ordinance adopted by the Congress of the Confederation, in 1785—the first Northwest Ordinance. The grants were used both for school construction and for maintenance and operation.

In his first annual message to the Congress, January 8, 1790, President Washington said:

"Knowledge is, in every country, the surest basis of public happiness. In one, in which the measures of government receive their impression so immediately from the sense of the community, as in ours, it is proportionately essential."

In recent years, the Federal Government has assisted in school construction, through WPA and PWA assistance during the depression, and in areas of intense defense activity during war and national emergency years.

The Federal Government has spent many billions of dollars since World War II for the education of its veterans. It now has thousands of research contracts with colleges and universities throughout the country.

The entire concept of public education, that is, free schools to be maintained at public expense, is founded on the belief that the cost should be allocated according to ability to pay. (The man without any children may, and often does, pay more than the man with 10 children—because all benefit from public education.)

When public schools were first established in this country, ability to pay was measured by ownership of real property—land and buildings.

At the time our Government was established, 94.9 percent of the people lived on the farms. In April 1954, only 13.5 percent lived on the farm.

With a great percentage of our Nation's wealth now in intangible property, real estate can no longer be expected to meet the mounting costs of education.

There is a large variation in the wealth in school districts. For example, Sugar Creek, a small school district in Jackson County, Mo., with a multi-million dollar oil refinery, has an assessed valuation of $26,000 behind each school child.

But an adjoining school district, Independence, a growing residential community, has an assessed valuation of only $4,000 per child.

By comparison, Kansas City has an assessed valuation of $12,000 per child.

It is small wonder that the Independence school district has a local tax rate over double that of Sugar Creek.

The State governments now pay 40 percent of the cost of maintenance and operation of school districts; but the cost of construction is still borne almost entirely by the local districts, through real-estate taxes.

In many school districts where the need is greatest for school buildings, nevertheless the districts in question have reached the constitutional limits on the amount of bonds that can be sold.

These districts go into debt—sell bonds—to build schools.

Is it unreasonable that the Federal Government should help out in such districts?

Factors such as the location of railroads, oil wells, industrial plants, slums, office buildings, housing developments, wastelands, etc., cause great variations in the ability of local districts to construct school buildings from taxes on real estate.

There is almost as much difference in the ability of States to pay for the costs of school construction as there is between individuals and school districts.

In 1953 income payments per capita of total population ranged from $834 in the poorest State to $2,304 in the richest State.

In 1952 income payments per child of school age (5 to 17 years) varied from $3,008 in the State having the least ability to support public education to $11,294 in the State having the greatest ability.

Elementary and secondary school enrollments this year total 30,200,000, an increase of 1,300,000 over last year.

There is a shortage today of 370,000 classrooms in the United States, and another 50,000 classrooms will be needed each year to take care of the growing school population resulting from unprecedented birth rates since the war.

But only 60,000 classrooms are scheduled for completion this year.

No one denies the need for additional school facilities.

In 1952 a nationwide survey by the Office of Education showed a shortage of 312,000 classrooms.

By 1954 this Department reported the need had grown to 370,000 classrooms, even though during those years the States and localities had spent nearly $4 billion on school construction.

The 1952 report estimated the cost of building the necessary classroom facilities at $10.6 billion, with local and State resources able to put up only $5.9 billion.

This left a deficit of $4.7 billion.

The 1954 cost of classrooms was placed at $12 billion, with $30 billion needed for the next 10 years.

During World War II many of our leaders in industry, the armed services, and in community life began to see the importance of schools more than ever before. Yet the shortage of classrooms has been increasing constantly.

Thomas Jefferson said:

"If a people expect to be both ignorant and free, they expect what never was and never will be."

During World War II, some 17 million men were examined under the Selective Service System. Of this number, 5 million were rejected as unfit for military service.

In 6 States, close to 50 percent of the draftees were rejected; and the highest rates of rejection occurred in States with the lowest per pupil expenditures for schools.

Where the public schools were strong and adequate, there was order in the community. Delinquency and crime were at a minimum. The children were under good supervision, even though their parents were busy at war work. Absenteeism at the plants was much less.

Where the public-school systems were weak, children were running the streets; and youthful misdemeanors and crimes rose to new heights.

Recently the United States Commissioner of Education reported to the Juvenile Delinquency Subcommittee of the Senate that there were 385,000 legally delinquent children in the United States in 1952—about 2 percent of all the children between the ages of 10 and 17. Of this group, 61 percent were not enrolled in any school, including 32,000 under the age of 14.

Experts in the field report it costs $3,000 a year to take care of each of these legally delinquent children, not including the thousands of emotionally disturbed children in institutions.

For less than $300 a year a child can be furnished an excellent education. As one Missouri county school superintendent recently reported, it costs much less to keep a child in school than to hire a babysitter.

The charge has been made that "much of the tax money for the support of Federal aid for school construction would be wasted on the way to and from Washington."

Actual cost of levying and collecting Federal taxes is only one-fifth as much as cost of levying and collecting real-estate taxes.

Another charge frequently made by opponents of this program is that "Federal aid to education would result in Federal control of education."

But the bill that would really result in Federal control is the now proposed bill of this administration. In fact, in it is so much control, and so little aid, that 42 of the 48 principal State school officers have publicly declared their opposition to the plan.

This administration advertises the program as a $7 billion one. Actually, it is $67 million a year for 3 years. The remainder is "State put up"—or lent at higher rates.

The other five bills now being considered by the Senate Labor and Public Welfare Committee specifically forbid Federal domination.

I believe especially in the Hill bill and the McClellan bill, 2 great school bills introduced by 2 great southern Senators.

Dr. Edgar Fuller, executive secretary of the Council of Chief State School Officers, has said: "There is no possibility whatever for Federal control of educational programs in these bills."

Under them, aid to school construction would be distributed by the Federal Department of Education to the State departments of education.

Dr. Fuller, a former administrative official in the United States Department of Education, is author of the statement that any

one of these five proposed laws could be administered by only a half dozen persons in the Department of Education.

The President's program, on the other hand, would:

1. Increase the cost of interest on school bonds from one-half to 1 percent in Missouri;

2. Freeze the burden on real estate;

3. Provide a maximum of $67 million a year for 3 years in Federal grants.

It would take at least 2 or 3 years before any school could even be built under its complex regulations.

Not a single one of the 48 chief State school officers has endorsed the President's program, because not a single one of them believes it would help build schools.

The Rhode Island chief State school officer even went so far as to say that the President's program is "abhorrent to American tradition."

Based on the number of children from 5 to 17 years of age, under the Hill plan, for a billion-dollar program, Missouri would pay in $24,630,000, and get back $24,080,000.

Pretty close to even.

Under such a plan, New York, at the top of the scale, would pay in $1.92 for each $1 received back. Mississippi would pay in 23 cents for each dollar it received back.

In recent years, generous Federal aid has been provided for unemployment compensation, social security, roadbuilding, agriculture—to mention only a few. But no comparable Federal aid is being provided for education—perhaps the most important of all requirements for the future security and well-being of our country.

As a result of the lack of any real program, only 8 cents of the total tax dollar—Federal, State, and county—is now being spent for public schools, as compared to 16 cents before World War II.

This country now has a population of about 160 million people. There are some 300 million modern slaves under control of the Communist leaders of Soviet Russia; and 600 million under control of the Communist leaders of China.

The future of the free world depends on the leadership and ability of these 160 million Americans—1 out of every 5 of whom are in our schools today, training for the future.

In all too many cases those schools are inadequate, poorly built, poorly financed, with underpaid teachers.

As the able commentator, Walter Lippmann, said recently:

"Our educational effort * * * has not yet been raised to the plateau of the age we live in. * * * We must measure educational effort as we do military effort, * * * not by what it would be easy and convenient to do but by what it is necessary to do in order that the Nation may survive and flourish. We have learned that we are quite rich enough to defend ourselves, whatever the cost. We must now learn that we are quite rich enough to educate ourselves as we need to be educated."

Winston Churchill has often referred to the period in which we live as "the terrible 20th century."

The first half of this century justified that designation.

What will the second half bring? That depends on whether we follow the guidance of those who believe money is more important than people, or those who believe our greatest obligation and potential asset, for the future, is the proper education of our children.

One real step forward to the goal of an adequate educational system which would measure up to the age in which we live would be the adoption of a sound Federal aid to school construction law in this Congress.

To that objective most of my Democratic colleagues are dedicated. We will see what we can pick up on the other side of the aisle.

The battle against Communist aggression will be fought by military preparedness, by production, and by ideas. In all of these fields the education of our youth is of vital importance.

We cannot ever hope to hold our own against the Communists on a quantitative basis. Our future security depends on the quality of our brainpower, the sincerity of our purpose, the devotion of our youth.

In each of these fields, our schools must play a leading role, supported by the American home, and our belief in God.

Yes; the quality, rather than the quantity, of our manpower will determine whether the second half of this century will be terrible or glorious.

Tribute to Congressional Medal of Honor Winner, Mitchell Red Cloud, Jr.

EXTENSION OF REMARKS

OF

HON. ALEXANDER WILEY

OF WISCONSIN

IN THE SENATE OF THE UNITED STATES

Tuesday, March 22, 1955

Mr. WILEY. Mr. President, this coming Saturday there will occur the reinterment of the mortal remains of Cpl. Mitchell Red Cloud, Jr., of Hatfield, Wis., who was awarded posthumously the Congressional Medal of Honor for gallantry on the field of action in Korea.

I send to the desk the text of a letter which I have addressed to the pastor of his church, along with the text of a newspaper article from the Milwaukee Journal on the award, and the official Army announcement.

I ask unanimous consent that this material be printed in the CONGRESSIONAL RECORD by way of my personal sincere tribute to this valiant American.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

UNITED STATES SENATE,
COMMITTEE ON FOREIGN RELATIONS,
March 22, 1955.

Pastor MITCHELL WHITERABBIT,
Winnebago Indian Mission Church,
Rural Route 5, Black River Falls,
Wis.

DEAR PASTOR WHITERABBIT: Thank you very much for your kind invitation to me to convey a communication which could be read at the burial ceremonies of Cpl. Mitchell Red Cloud, Jr., who will be reinterred this coming Saturday.

It is an honor for me to submit the enclosed message.

May I advise that it will be my privilege also to include the text of this letter to you, along with the official Army notice of Corporal Red Cloud's winning of the Congressional Medal of Honor and a newspaper writeup thereon, in the CONGRESSIONAL RECORD.

I only regret that the pressure of official duties prevents my being on hand in person to convey my own personal sincere respects to this great patriotic American.

With best wishes, I am,

Sincerely yours,

ALEXANDER WILEY.

A TRIBUTE TO MITCHELL RED CLOUD, JR.

No man can adequately do honor with mere words to what another man has achieved by unforgettable deeds, particularly a deed which has earned for a departed hero the Nation's highest military award.

The sacrifice which Mitchell Red Cloud, Jr., of Hatfield, Wis., made near hill 123 in Korea on November 5, 1950, is too great and too lasting for myself or any other man to attempt adequately to praise.

A mere recall of the facts regarding his actions against a numerically superior foe will convey to all who see or hear the epic gallantry of Mitchell Red Cloud.

This 28-year-old lad was the descendant of warriors of old who fought with courage in every fray in which they participated. Mitchell Red Cloud, Jr., was worthy of that unbroken tradition. He symbolizes the heroism of the innumerable Americans of Indian descent who have shed their blood and given of their lives in the service of native soil which they themselves had owned long before the coming of the white man, and to which they have, nonetheless, given their patriotic devotion ever since.

To the bereaved mother of this courageous boy, Wisconsin and the Nation convey deepest sympathy in her great loss. She may speak in the Winnebago tongue more readily than in English, but the deed which her son performed speaks with a universal eloquence which no man in any tongue can match.

It is a deed which confirms once again that the color of a man's skin, the accent of a man's tongue, or that of his family or of his loved ones or of his forebears, is meaningless beside the true quality of a man's heart and the grandeur of a man's eternal soul.

Mitchell Red Cloud, Jr., Wisconsin's most courageous modern Indian warrior, will be laid to rest in an ancient ceremonial ground among his ancestors. But in truth, he has consecrated too that far-distant spot in Korea where his lifeblood drained into the ground. And by that consecration he has signified to all free mankind that the sons of America, as dearly as they love their own land, have proven their willingness to die for a universal cause—peace and freedom—in lands far distant from their native shores.

It is the prayer and faith of free men everywhere that the selfless deed of Mitchell Red Cloud, Jr., and of 30,000 of his countrymen and of other boys under the United Nations banner who made the supreme sacrifice in Korea, will not have been in vain. May it have marked a turning point in the age-old quest of man for a world in which right makes might and in which aggression shall no more occur.

May Mitchell Red Cloud, Jr.'s final resting place be a shrine to patriotic Americans of our State and Nation; and may it serve as a shrine to all free men's dedication to a warless, slaveless world.

The noble red men who fought for freedom on this continent against any odds have had a proud descendant in this fighting marine and Army infantryman who breathed his last on a far-distant continent.

May his matchless deed be an inspiration to us all. Thus, whenever our spirits may flag, whenever we may become discouraged in the quest for peace, whenever voices of pessimists and mongers of gloom are heard throughout the land, may we remember the sight of Cpl. Mitchell Red Cloud, Jr., critically wounded near Chonghyon, Korea, pulling himself to his feet, using a tree for support, and continuing to fire to halt an onrushing enemy.

With that type of dauntless spirit, we cannot fail in our efforts, and we will be worthy of his eternal valor.

God rest his gallant soul.

MEDAL OF HONOR (POSTHUMOUS)

Cpl. Mitchell Red Cloud, Jr., Company E, 19th Infantry Regiment, distinguished himself by conspicuous gallantry and intrepidity

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above and beyond the call of duty in action against the enemy near Chonghyon, Korea, on November 5, 1950. From his position on the point of a ridge immediately in front of the company command post he was the first to detect the approach of the Chinese Communist forces and give the alarm as the enemy charged from a brush covered area less than 100 feet from him. Springing up he delivered devastating point blank automatic rifle fire into the advancing enemy. His accurate and intense fire checked this assault and gained time for the company to consolidate its defense. With utter fearlessness he maintained his firing position until severely wounded by enemy fire. Refusing assistance he pulled himself to his feet and wrapping his arm around a tree continued his deadly fire until again, and fatally, wounded. This heroic act stopped the enemy from overrunning his company's position and gained time for reorganization and evacuation of the wounded. Corporal Red Cloud's dauntless courage and gallant self-sacrifice reflects the highest credit upon himself and upholds the esteemed traditions of the Army of the United States.

Published in Department of Army General Order No. 26, April 25, 1951.

Date of award: February 19, 1951.

Place of birth: Hatfield, Wis.

Entered military service from Wisconsin.

Station: Chonghyon, Korea.

KIA November 5, 1950.

NOK: Mrs. Nellie Red Cloud (mother), Route No. 1, Merrillan, Wis.

[From the Milwaukee Journal of March 13, 1955]

CPL. RED CLOUD TO GET A WARRIOR'S FUNERAL—CONGRESSIONAL MEDAL WINNER WHO DIED IN BATTLE TO BE BURIED THIS MONTH

HATFIELD, WIS.—Wisconsin's most courageous modern Indian warrior will be laid to rest among his ancestors this month in a cemetery so ancient that some graves still have the ceremonial boxes from which tribal spirits were "fed."

The warrior was Cpl. Mitchell Red Cloud, Jr., cut down by Communist bullets on November 5, 1950, on a ridge near Chonghyon, Korea. For preventing the enemy from overrunning his company, he was posthumously awarded the Congressional Medal of Honor, the eighth man to win it in the Korean war.

The medal representing the Nation's highest military honor was bestowed upon the hero's graying mother in a solemn ceremony at the Pentagon in Washington, D. C., in 1951 by soft-spoken Gen. Omar Bradley. Some say she swept away a tear. She said later that Indians don't cry, but bear their grief better than that. She finds it easier to speak in the Winnebago tongue than English.

BORN AT HATFIELD

Mrs. Nellie Red Cloud, now near 60, bears her pride well, too. A faint smile slips across her face when honors are bestowed on her son, as many have been.

Already two veterans' organization posts have been named after him—the Veterans of Foreign Wars unit at Black River Falls and the American Legion post at Adams-Friendship. Mrs. Red Cloud has often spent winter months at Friendship.

Young Red Cloud, 28 when he died, was born near this Jackson County community, where the family has always owned its own home on Indian lands. He is the most distinguished alumnus of Black River Falls high school. A bronze wall plaque at the school pays tribute to his gallantry.

This descendant of warriors served in the Marine Corps for 4 years during World War II. He was one of Carlson's Raiders in the 1st Marine Division. He left Jackson County in 1941 as a junior in high school to fight at Midway and Guadalcanal. His father tried to follow him into the corps but was rejected. Mitchell, Sr., a World War I veteran and a writer, died in 1946.

LAID LOW BY MALARIA

Red Cloud was a match for the Japanese but not for malaria. He left Black River Falls weighing 195 but returned to the Indian mission near here at 115 pounds. He got his high-school diploma while in service. When he recovered his health, he joined the Army in 1948.

James Smoke, Tomah, of the Wisconsin Winnebago Veterans' Association, is not surprised at Red Cloud's valor. He says that the hero's great-grandfather was a fine soldier in the Civil War, and Red Cloud's relatives, not even citizens, fought in the Spanish-American War and World War I. Only one Winnebago mission youth was drafted in World War II, Smoke says, the rest volunteered.

On his mother's (Winneshiek) side, Chief Adam Thundercloud still has a silver medal presented to his ancestors (and Mitchell's) by George Washington in 1789, Smoke says.

STOOD IN BREACH ALONE

Red Cloud's rendezvous with death came in the first big battle between United States troops and Chinese Reds. His outfit was dug in near Hill 123 while the numerically superior enemy probed for a weak spot in its bridgehead.

At daybreak on November 5, 1950, the platoon commander, 1st Lt. John A. Anderson, Superior, heard Cpl. Red Cloud shout a warning and open fire on a large enemy force bearing down upon him. Then the corporal fell, critically wounded by burp gunfire, but pulled himself to his feet, wrapped his arm around a tree for support, and continued firing.

The enemy finally overran his lifeless body, but Red Cloud's company had been given time to reorganize. The Winnebago Indian's valor prevented heavy casualties. The enemy turned his body over to United Nations forces and it was buried at Sukchon, North Korea, prior to its return to the United States.

HONOR GUARD PLANNED

A military escort will bring his body from Oakland, Calif., to Black River Falls, arriving March 23. An honor guard of Winnebago Indians will remain with the casket at the Langlois-Galston funeral home there, where a short service will be held at 1:30 p. m., March 26. Services will be held at 2 p. m. at the Evangelical Reform Church at the Indian mission with the Reverend Mitchell Whiterabbit officiating.

The body will be interred near those of the hero's father and brother, Randolph, killed when only 18 on Army maneuvers near Fort Lewis, Wash., in 1949. Another brother, Merlin, of Black River Falls, will stand at his mother's side. He was a Navy Seabee in World War II.

The California Avocado Crop

EXTENSION OF REMARKS
OF
HON. JAMES B. UTT
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 22, 1955

Mr. UTT. Mr. Speaker, under leave to extend my remarks in the RECORD, I would like to advise that I have just received a report from the avocado growers of my congressional district in southern California, which indicates that this year's crop is reaching an all-time high in production. Ten to twelve carloads are being shipped to all parts of the United States each day. Prices are now 25 percent lower than last year's crops, and the quality is of the best. The avocado is appreciated not only for its wonderful flavor but for its practicability and high protein content. For economy and value, I am urging that Government agencies give consideration to purchasing avocados while they are so plentiful.

A Comparison of Armed Forces and Merchant Marine Personnel's Benefits Accrued During World War II

EXTENSION OF REMARKS
OF
HON. CLEMENT J. ZABLOCKI
OF WISCONSIN
IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 22, 1955

Mr. ZABLOCKI. Mr. Speaker, in the past, as well as during recent months, I received a number of inquiries about the compensation and benefits accrued to merchant marine personnel and to the personnel of our Armed Forces during World War II.

Information of this kind has not always been readily available in a summarized, convenient form. For that reason, I requested the Legislative Reference Service of the Library of Congress to prepare a memorandum on this subject.

The following study has been prepared by Mr. Julius W. Hobson, of the Economics Division of the Legislative Reference Service. I was very favorably impressed with the results of Mr. Hobson's work, and I wish to commend his report to the attention of my colleagues. Being desirous of sharing this information with the membership of this body, I am inserting the study in the RECORD. It will undoubtedly prove a valuable reference when pertinent legislation will be considered.

I should like to note at this point that the study does not purport to be all-embracing, because there are many other factors which enter into consideration when one wishes to compare the status and the benefits of merchant-marine personnel with that of our armed-services personnel during the war.

The major factor is, of course, that merchant-marine men were civilians. In general, they were given the opportunity to become members of our Regular Armed Forces. Many of them did not choose to avail themselves of this opportunity. As merchant-marine men, they were not subject to the same degree of strict military discipline which governed all the actions of military personnel. They had more liberal shore-leave rights. They could choose their ships, and sign on a different ship upon the completion of a given voyage. They received higher pay and various bonuses which were not given to members of the Regular Armed Forces.

These and other considerations were pointed out in the course of various hearings held during the past decade before the Committee on Merchant Marine and Fisheries. These factors do not take anything away from the vital service performed by the merchant marine during the war. They merely point out that, before comparing the compensation and benefits accrued during the war to

merchant-marine personnel and to the Armed Forces personnel, it should be borne in mind that the two did not have the same status—any more than did the defense workers in our factories who were essential to the war effort have the same status as the servicemen.

With these reservations, I am pleased to commend the Library of Congress study to the consideration of the membership of this House:

COMPARATIVE STATEMENTS ON COMPENSATION AND BENEFITS ACCRUED TO MERCHANT MARINE PERSONNEL AND PERSONNEL OF THE UNITED STATES ARMED FORCES DURING WORLD WAR II

(By Julius W. Hobson, Economics Division)

INTRODUCTION

Compensation to the Armed Forces personnel and veterans' benefits are not new either in theory or in practice. Since the early days of organized warfare, governments have made special grants of one kind or another to men and women who have performed honorable military service—not as pay, but in token of their fellow-citizens appreciation.

The people of the United States have been generous in this respect. They have recognized throughout the Nation's history that although military service in the defense of the country is an obligation, it calls forth a return obligation especially when the service has been rendered in time of war.

The men of the Merchant Marine have also earned the Nation's gratitude. In every war in the history of the country, merchant seamen have paid a heavy price. During World War II this Nation lost 1,554 merchant ships. Of the men who manned these and other ships, some 5,600 were listed as dead or missing, 500 were prisoners of war and an estimated 12,000 were injured at sea or wounded by enemy action.

Merchant marine personnel were paid on a civilian wage scale during World War II, while Armed Forces personnel received a much lower rate of pay for military service. However, benefits to veterans exceeded by far those extended to merchant seamen.

It is in the light of the comparable service rendered the country during World War II by the Armed Forces and the merchant marine that the controversy exists regarding the differences in compensations and benefits accrued that service.

The following is a comparison of these compensations and benefits:

PART I. MERCHANT MARINE PERSONNEL

1. Pensions to merchant personnel: No provision has been made by the Federal Government for the payment of pension benefits to merchant seamen with the exception of those men who suffered permanent total or permanent partial disability as the result of the risks of war or certain marine catastrophes involving their vessels. After exhaustion of the insurance benefits, which will be explained later, no provision existed for further payment, and in order to prevent these permanently disabled seamen from becoming public charges, the Congress enacted Public Law 449, 78th Congress, which amended Public Law 17, 78th Congress. The applicable provision of the former statute read as follows:

"The Administrator, War Shipping Administration, is also authorized to make payments, in accordance with rate schedules provided by the United States Employees' Compensation Act, to a master, officer, or member of the crew of, or any persons transported on, a vessel owned by or chartered to the Maritime Commission or the War Shipping Administration or operated by, or for the account of, or at the direction or under the control of the Commission or the Administration, for permanent total or partial disability as long as such disability resulting from causes related to the war effort whether heretofore or hereafter arising exists; such payments to commence if and when insurance benefits provided by the War Shipping Administration for such person shall have been exhausted."

Between the dates of October 1, 1941, and March 24, 1943, seamen employed on vessels owned by or under bareboat charter to the War Shipping Administration and/or United States Maritime Commission were eligible for benefits under the Federal Employees' Compensation Act of 1916, as amended, on account of injury or illness incurred in line of duty, and in the event of death due thereto, their dependents were entitled to benefits under that statute. Public Law 17, 78th Congress, which was approved on March 24, 1943, took these benefits away from the seaman and his dependents, and since that time no pension benefits have been payable to such dependents. The pertinent portion of this statute follows:

"That (a) officers and members of crews (hereinafter referred to as 'seamen') employed on United States or foreign-flag vessels as employees of the United States through the War Shipping Administration shall, with respect to (1) laws administered by the Public Health Service and the Social Security Act, as amended by subsection (b) (2) and (3) of this section; (2) death, injuries, illness, maintenance and cure, loss of effects, detention, or repatriation, or claims arising therefrom not covered by the foregoing clause (1); and (3) collection of wages and bonuses and making of allotments, have all of the rights, benefits, exemptions, privileges, and liabilities, under law applicable to citizens of the United States employed as seamen on privately owned and operated American vessels. Such seamen, because of the temporary wartime character of their employment by the War Shipping Administration, shall not be considered as officers or employees of the United States for the purposes of the United States Employees Compensation Act, as amended; the Civil Service Retirement Act, as amended; the act of Congress approved March 7, 1942 (Public Law 490, 77th Cong.); or the act entitled 'An act to provide benefits for the injury, disability, death, or detention of employees of contractors with the United States and certain other persons or reimbursement therefor,' approved December 2, 1942 (Public Law 784, 77th Cong.). Claims arising under clause (1) hereof shall be enforced in the same manner as such claims would be enforced if the seaman were employed on a privately owned and operated American vessel. Any claim referred to in clause (2) or (3) hereof shall, if administratively disallowed in whole or in part, be enforced pursuant to the provisions of the Suits in Admiralty Act, notwithstanding the vessel on which the seaman is employed is not a merchant vessel within the meaning of such act. Any claim, right, or cause of action of or in respect of any such seaman accruing on or after October 1, 1941, and prior to the date of enactment of this section may be enforced and upon the election of the seaman or his surviving dependent or beneficiary or his legal representative to do so shall be governed, as if this section had been in effect when such claim, right, or cause of action accrued, such election to be made in accordance with rules and regulations prescribed by the Administrator, War Shipping Administration."

War risk insurance was provided for merchant seamen and this matter will be covered under that caption. In addition to that insurance, seamen and their dependents have the right to bring suit for damages under the Jones Act (title 46, U. S. C., sec. 698). However, unless the negligence of the vessel can be established, no liability exists and accordingly no recovery can be had.

2. Education benefits: No provision has been made by the Federal Government for the granting of education benefits to former merchant seamen.

3. Any comparable housing benefits: No provision has been made by the Federal Government for housing benefits for merchant seamen.

4. Insurance benefits: In December 1941 meetings were held in Washington between representatives of the maritime industry, labor organizations, and the War Shipping Administration, and as a result of such meetings the President established the Maritime War Emergency Board. This Board promulgated the insurance coverage and forms of policy hereinafter described.

As a result of decisions of the Maritime War Emergency Board, and effective as of December 7, 1941, all seamen employed on vessels operated by or for account of the War Shipping Administration and/or United States Maritime Commission were protected in accordance with the provisions of the crew life and injury policy against the risks of war involving their vessels by insurance in the amount of $5,000. This insurance, which was furnished without cost to the seaman, covered loss of life, injury, and disability. The amounts payable for injury and disability are as follows:

"Schedule 2

"Injury: The assurer will pay, in case of loss, an amount to be determined by applying the percentage shown below to the principal sum for which the master, officer, or member of the crew is covered for loss of life under schedule 1.

	Percent
"Life	100
Both hands	100
Both arms	100
Both feet	100
Both legs	100
Both eyes	100
Hand	50
Arm	65
Foot	50
Leg	65
Eye	45
Total destruction of hearing	50

"The indemnities referred to above are payable, provided loss results directly and exclusively from bodily injuries, within 90 days from the date of accident. Loss shall mean, with regard to hands and feet, arms, and legs dismemberment by severance at or above wrist or ankle, knee, or elbow joints, or the complete and irrecoverable loss of function, with regard to eyes, complete and irrecoverable loss of sight. With regard to hearing, total and irrecoverable loss of hearing in both ears.

"Schedule 3

"Disability: For accidental bodily injury not described in schedule 2 which, within 90 days from date of accident from a cause hereinbefore set forth, results in total disability and which necessarily and continuously prevents the person injured from performing any and every kind of duty pertaining to such person's occupation, the assurer will pay compensation in monthly installments at the rate of 2 percent of the principal sum, beginning with the date of return to a port within the continental United States, during such time thereafter as the total disability persists or until such time as the total of compensation, so paid, shall amount to the principal sum provided for the injured person in schedule 1. This insurance, however, does not cover illness or disease of any kind (except pyogenic infections which shall occur through an accidental cut or wound), nor any disability due to or arising from mental and/or nervous disorders. Nothing herein shall be construed to cover claims by any member of the vessel's personnel arising from his own willful misconduct.

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"This policy is made and accepted subject to the foregoing stipulations and conditions and to the printed conditions on the following pages, which are hereby specially referred to and made a part of this policy, it being understood and agreed in the case of any conflict or inconsistency the foregoing shall prevail over those which follow.

"In witness whereof the War Shipping Administration has caused this policy to be signed by the Administrator, but it shall not be valid unless countersigned by or on behalf of the Director of Wartime Insurance."

Since this policy was limited to loss of life, injury, and disability, it was necessary to issue additional policies covering other obligations to the seamen, such as loss of personal effects, wages, and bonuses, after the casualty and until repatriation to the United States, and the furnishing of emergency clothing, medical and hospital expenses, housing and subsistence, and other incidental expenses incurred while awaiting repatriation. To provide the means of covering these obligations, the crew effects policy, wages, and bonus war risk policy, and the war risk protection and indemnity policy were issued.

It was found desirable to make certain changes in the insurance protection, and the above-mentioned policies were superseded by the second seamen's war risk policy, effective as of March 15, 1943, which was a part of decision 1A of the Maritime War Emergency Board.

This policy as originally written was limited to war risks, and effective as of April 24, 1943, it was amended to cover certain marine catastrophes; also to include any waterborne conveyance used to transport the seaman to and from the vessel on which he was employed, and any airborne conveyance used to transport him pursuant to instructions or permission of the War Shipping Administration or its agents.

The second seamen's war risk policy also included coverage of personal effects and the wages and bonuses due after the casualty.

One of the more important changes in this policy, as compared with the crew life and injury policy, was the provision in article 12 A (3) allowing an additional $2,500 in monthly payments in those cases where a seaman was disabled through an insured risk to the extent that he was incapable of performing, for remuneration or profit, any work or engaging in any business or occupation.[1]

During the period April 1943 to December 31, 1946, additional insurance covering loss of life only due to the risks and perils described in the second seamen's war risk policy, as amended, could be purchased for a nominal premium by the seamen protected by that policy. This additional insurance could be purchased in units of $1,000 up to $15,000.

At the present time, the collective bargaining agreements under which American-flag vessels are manned require that the crews of such vessels shall be protected by insurance in the form of the second seamen's war risk policy, as amended. While the face value of the policy is $5,000 the amount payable for loss of life and loss of personal effects in certain areas can be increased through collective bargaining.

5. Medical benefits: The following classes of seamen are entitled to the benefits and facilities of the United States Public Health Service without charge, provided they have had 60 days' employment abroad ship and apply for such benefits within 90 days after leaving their last vessel:

(a) Seamen employed on United States registered, enrolled, and licensed vessels, other than canal boats engaged in coasting trade.

(b) Seamen on State school ships or on vessels of the United States Government of more than 5 tons' burden.

(c) Cadets at State maritime academies or on State training ships.

(d) Seamen on vessels of the Mississippi River Commission, and upon application of their commanding officers, officers and crews of vessels of the Fish and Wildlife Service.

(e) Enrollees in the United States Maritime Service on active duty and members of the Merchant Marine Cadet Corps.

The seamen who were disabled during World War II are, therefore, precluded from the benefits of the Public Health Service. However, the Public Health Service will admit to their facilities, on a reimbursable basis, those seamen who are receiving disability benefits under the Maritime Administration's war-risk insurance program and Public Law 449, 78th Congress, upon presentation by them of a letter from this Division asking for the seamen's hospitalization and medical treatment and stating that the Maritime Administration will pay for such service. Other seamen who may have suffered an injury or disability during wartime employment but which is not compensable under the Maritime Administration's war-risk insurance program must bear their own medical expenses at private institutions.

Dependents of merchant seamen are not entitled to the benefits of the Public Health Service.

There are no institutions operated by the Federal Government to provide domiciliary care for disabled and aged merchant seamen.

6. Compensation during World War II: There were many factors determining the amount of compensation to merchant seamen during World War II. The following table is representative of the average monthly earnings of a crew of a commercially operated Liberty cargo vessel, Southwest Pacific area. These figures are also very close to the amounts received by merchant personnel serving in the Atlantic area.

Average monthly earnings of crew of commercially operated Liberty cargo vessel, southwest Pacific area (rounded to nearest dollar)

Department and rating	Number in rating	Wages	Bonus				Overtime	Total	
			Total	Voyage	Area	Attack		Each man	Each rating
Deck department:									
Master	1	$398	$406	$357	$43	$6	-------	$804	$804
First officer	1	231	252	203	43	6	$113	596	596
Second officer	1	202	224	175	43	6	95	521	521
Third officer	1	184	209	160	43	6	83	476	476
1st radio operator	1	175	201	152	43	6	14	390	390
2d radio operator	1	165	193	144	43	6	10	368	368
Purser-pharmacist mate	1	152	181	132	43	6	-------	333	333
Boatswain	1	113	147	98	43	6	59	319	319
Carpenter	1	113	147	98	43	6	53	313	313
Able seaman	6	100	137	88	43	6	51	288	1,728
Ordinary seaman	3	82	137	88	43	6	52	271	813
Cadet	1	82	137	88	43	6	-------	219	219
Engine department:									
Chief engineer	1	363	363	314	43	6	-------	726	726
1st assistant engineer	1	231	252	203	43	6	85	568	568
2d assistant engineer	1	202	224	175	43	6	80	506	506
3d assistant engineer	1	184	209	160	43	6	75	468	468
Deck engineer	1	120	151	102	43	6	25	296	296
Oiler	3	110	145	96	43	6	46	301	903
Fireman-watertender	3	110	145	96	43	6	44	299	897
Wiper	2	88	137	88	43	6	12	237	474
Cadet	1	82	137	88	43	6	-------	219	219
Stewards department:									
Chief steward	1	155	184	135	43	6	63	402	402
Chief cook	1	138	167	118	43	6	42	347	347
2d cook and baker	1	122	156	107	43	6	42	320	320
Night cook (3d cook)	1	138	167	118	43	6	20	325	325
Messman	4	88	137	88	43	6	33	258	1,032
Utilityman	2	88	137	88	43	6	30	255	510
Total	43	-------	-------	-------	-------	-------	-------	-------	14,873
Weighted average each man	-------	134	-------	-------	-------	-------	-------	-------	-------

Source. U. S. Congress. House. Hearings before the Committee on the Merchant Marine and Fisheries. U. S. House of Representatives, 79th Cong., 1st sess. Benefits to Merchant Seamen. Oct. 18–19, 1945, p. 262.

[1] ART. 12. Disability and dismemberment:

A. Disability: "Disability" as that term is used in this policy means incapacity because of injury proximately caused by the risks insured against herein which necessarily and continuously prevents the insured from performing any and every kind of duty pertaining to his occupation at the time of injury.

In the event the insured elects after such determination to accept payments for such disability under subdivision (2) (a) hereof and if when the total of $5,000 has been paid him as therein provided, the insured claims in writing, and establishes to the satisfaction of the Administrator, that because of the same injury he is incapable of performing, for remuneration or profit, any work or engaging in any business or occupation, then he shall be paid further benefits at the rate of $100 a month until the Administrator determines such incapacity has ceased or until a total of $2,500 is paid, whichever first occurs.

PART II. UNITED STATES ARMED FORCES PERSONNEL

The following is a brief comparable outline of the major benefits and compensations administered by the Veterans' Administration for World War II veterans, their dependents and beneficiaries in the United States, its possessions and Territories, and in foreign countries.

1. Pension to United States Armed Forces personnel

(a) Pension for service-connected disability—World War II veterans.

Basis of eligibility: Disability must result from disease or injury incurred in or aggravated by active military or naval service in line of duty, and discharge must be under other than dishonorable conditions.

Nature of benefit: Rates range, according to degree of disability from $17 for 10-percent disability to $181 per month for total disability. Additional amounts payable for specific conditions, such as $47 for the loss of foot, hand, eye or creative organ. Minimum rate for arrested tuberculosis $67 per month. Helplessness, blindness, multiple amputations, etc., carry rates from $279 to $420 per month. Additional amounts payable to veterans 50 percent or more disabled for wife, children, or dependent parents. Peacetime: All rates are 80 percent of the wartime rates for the same conditions.

(b) Pensions for non-service-connected disability—World War II veterans.

Basis of eligibility: Veteran must be permanently and totally disabled, credited with 90 days or more service, unless discharged sooner for line of duty disability, and dis-

charge must be under other than dishonorable conditions.

Nature of benefit: The rate is $66.15 per month, increased $78.75 on attainment of 65 years, or after continuous receipt for 10 years; regular aid and attendance, $135.45. Annual income over $1,400 is bar if veteran has no wife or minor children, otherwise $2,700 limitation.

2. Education benefits

(a) Education and training—World War II veterans (Public Law 346, 78th Cong., as amended).

Basis of eligibility: Ninety days' active service, some part of which must have taken place between September 16, 1940, and July 25, 1947. Less than 90 days if discharged for actual service-incurred disability. Discharge must be under conditions other than dishonorable. (The right to initiate a course of education or training under Public Law 346 lapsed for most persons on July 25, 1951.) Persons discharged from World War II service until 4 years after such discharge to commence a course. No training may be afforded beyond July 25, 1956.

Nature of benefit: One year of education or training plus the time the veteran was in the service between September 16, 1940, and July 25, 1947, up to 4 years maximum. All expenses of tuition, books, etc., paid at rate of $500 per year. Monthly subsistence allowances of $65 for the veteran without dependents or $90 for the veteran with dependents. For full-time institutional training—$75 if no dependents; $105 for 1 dependent, and $120 for more than 1 dependent. Lesser amounts for part-time training. Limitation on wages and subsistence under which the combined amounts cannot exceed $210 for the veteran without dependents, $270 for the veteran with 1 dependent, and $290 for the veteran with 2 or more dependents. In event these amounts are exceeded, a proportionate decrease in subsistence is made.

3. Housing benefits

a. Preference in housing purchase or rental—F. H. A.

Basis of Eligibility: (1) Public Low Rent Housing: Service in World War I or World War II or on or after June 27, 1950, and prior to date determined by President, with discharge or release under conditions other than dishonorable. (2) War and Veterans Housing (Lanham Act): Service in World War II or on or after June 27, 1950, and prior to date determined by President. (3) FHA-Aided Cooperative Housing: Service in World War II or on or after June 27, 1950, and prior to date determined by President.

Nature of Benefit: (1) Preference in occupancy of public low rent housing projects to families of veterans. (2) Preference in rental of certain housing transferred to non-Federal agencies and of rental or purchase of certain temporary housing available for long-term use. (3) Special mortgage insurance benefits for cooperatives having 65 percent veteran membership.

b. Special Housing—Veterans' Administration.

Basis of Eligibility: Service-connected disability due to war or peacetime service entitling veteran to compensation for permanent and total disability due to loss, or loss of use, by reason of amputation, ankylosis, progressive muscular dystrophies, or paralysis, of both lower extremities, such as to preclude locomotion without the aid of braces, crutches, canes, or a wheelchair.

Nature of benefit: Grant up to 50 percent of a suitably equipped housing unit and necessary land therefor. Grant may not exceed $10,000.

c. Loans guaranteed, insured, or made by Veterans' Administration.

Basis of eligibility: (1) World War II: 90 days' active service, some part of which must have taken place between September 16, 1940, and July 25, 1947. Less than 90 days if discharged for service-incurred disability. Guaranty available on loans made by July 25, 1957. Unremarried widow of eligible veteran who died of service-connected causes also eligible.

Nature of benefit: VA guarantees payment of loan made to eligible borrower by lender of own choice. Loans guaranteed if made for purchase or construction of homes, farms, or business property or farm or business equipment. VA will guarantee 60 percent of residential property loan (maximum guaranty $7,500); or 50 percent of other real-estate loans (maximum guaranty $4,000); or 50 percent of non-real-estate loans (maximum guaranty $2,000). Direct home or farmhouse loans not exceeding $10,000 by VA authorized until July 1, 1955, under certain conditions in areas where private capital unavailable.

4. Insurance benefits

a. National service life insurance.

Basis of eligibility: Insurance was granted to persons in active service after October 7, 1940, and prior to April 25, 1951. Also, prior to April 25, 1951, insurance was available to a person after separation from service if he had active service between October 8, 1940, and September 2, 1945, both dates inclusive. Lapsed insurance may be reinstated at any time upon payment of required premiums and submission of evidence of insurability. A term policy in force at the expiration of the term is automatically renewed for a successive 5-year period at the premium rate for the attained age. No new insurance issued after April 25, 1951, except to (1) persons who are thereafter released from active service, have a service-connected disability, do not have a non-service-connected disability that would render them uninsurable, and who apply within 1 year from VA finding of service connection; (2) persons ordered into active service for 31 days or more with service since June 27, 1950, who apply within 120 days after separation from such service; (3) persons who surrendered permanent plans of NSLI or USGLI while in active service after April 25, 1951, and who may reinstate or secure new insurance, under certain limitations, upon application within 120 days after separation from such service; and (4) persons whose NSLI or USGLI term policies expire while they are in active service after April 25, 1951, and who may apply within 120 days after separation from active service for term insurance in the same amount at a premium rate for the then attained age. Insurance under (1) and (2) is nonparticipating and involves new premium and annuity tables; insurance under (2) is renewable 5-year level premium term insurance.

Nature of benefit: Death benefits payable in 1 sum (policies maturing on or after August 1, 1946), or under monthly installment plans, as selected. Waiver of premiums during continuous total disability (commencing before insured's sixtieth birthday) which continues 6 or more consecutive months. For an additional premium, total disability income of $5 per month per $1,000 of insurance under certain conditions (not applicable to insurance referred to under (1) and (2) of "Basis of Eligibility" column).

5. Medical benefits

a. Types of medical benefits.

Hospitalization: World War II veterans, if discharged or separated under conditions other than dishonorable may be entitled to VA hospitalization under the following priority system:

First. Those needing hospitalization because of injuries or diseases incurred or aggravated in line of duty.

Second. Those with nonservice-connected disabilities who state under oath that they are financially unable to pay hospital charges elsewhere. These veterans must wait until a bed becomes available.

For purposes of hospitalization, World War II veterans who develop an active psychosis (mental illness) within 2 years from the date of their separation from active service are deemed to have incurred the disability in active service and fall under the first priority group above.

Patients requiring emergency medical treatment may be taken directly to the nearest VA hospital but, if possible, the veteran, or someone acting for the veteran, should communicate with VA by telephone or telegraph beforehand.

In all other cases, the veteran, his nearest relative or his guardian or representative should fill in the proper form for hospital care. These forms are available at any VA office.

If admission to a hospital has been approved for treatment of a service-connected disability, Government transportation may be provided to the hospital and, upon completion of treatment, to his or her home. This service may be provided for treatment of a non-service-connected disability if applicants state under oath they are financially unable to pay for the transportation.

Domiciliary care: Domiciliary care is designed to provide a "home" for those veterans who have disabilities which incapacitate them from earning a living and who require minimal attention.

Eligibility requirements for admission to a home are essentially the same as for hospital treatment. Transportation at Government expense, as a rule, is provided only for the initial admission.

The veteran or his nearest relative, guardian or representative should obtain preadmission approval from the nearest VA installation having facilities for domiciliary care.

Outpatient medical treatment: Outpatient medical care is available for veterans in need of treatment for service-connected disabilities.

Under this benefit, eligible veterans may receive treatment at VA outpatient clinics or from authorized private physicians. Each veteran's eligibility must be determined by VA before treatment of this type can be authorized.

Necessary drugs prescribed by the physician authorized to give outpatient treatment to the veteran may be obtained from "home town" druggists at Government expense.

Outpatient dental treatment: Outpatient dental care for veterans may be authorized by VA for three types of cases providing the application for dental treatment is filed within 1 year subsequent to enactment of Public Law 149, 83d Congress, approved July 27, 1953.

The three types of cases are:

1. Those having service-connected compensable dental conditions or disabilities.

2. Those having service-connected noncompensable dental conditions or disabilities where the dental condition or disability is shown to have existed at time of discharge; and,

3. Those having a dental condition whether or not service connected but medically determined to be aggravating a service-connected physical disability or injury.

The authorization for treatment may be rendered either by a fee basis "home town" participating dentist or in a VA dental clinic.

Outpatient treatment for presumed service-connected disabilities. Several laws provide for outpatient treatment of certain disabilities that are deemed or may be presumed to be service connected if they existed within a specified time after the veterans' discharge or separation from World War II service. These veterans must have been discharged or separated from such service under conditions other than dishonorable.

For active psychosis, the disability is deemed to be service connected if it existed within 2 years of the veteran's discharge.

For active tuberculosis, the disability may be presumed to be service connected within 3 years of the veteran's discharge, providing he had 90 days of active service.

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For multiple sclerosis, the disability may be presumed to be service connected within 2 years of the veteran's discharge, providing he had 90 days of service.

For all other disabilities resulting from chronic diseases, the disabilities may be presumed to be service connected within 1 year from the veteran's discharge or separation.

Those retired from the Armed Forces for disability and receiving disability-retirement pay from the Armed Forces must first elect to take compensation from VA before they become entitled to outpatient treatment.

Prosthetic service: A veteran's eligibility for prosthetic appliances may be established if (1) he has a service-connected or service-aggravated disability requiring an appliance, or (2) if an appliance is determined necessary as a part of hospital treatment or domiciliary care.

Complete information and necessary forms for procuring needed appliances, equipment and repairs are available at any VA office.

Examination: Freed medical examination, if required, will be given to veterans filing claims for compensation or pension.

Veterans needing a physical examination for Government life insurance purposes may receive a physical examination free of charge at any VA medical office.

Free medical examinations also are given at any VA clinic or hospital to veterans filing applicaiton for hospital treatment or domiciliary care.

6. Compensation of Armed Forces personnel during World War II

Since we dealt with the seagoing merchant marine personnel in the pay schedule of merchant seamen above, a comparable pay schedule for the same type of vessel operated by United States Navy personnel is presented below. This pay schedule can also be compared with the United States Army and United States Marine pay schedules. Personnel of the same rank in the armed services during World War II received approximately the same base pay as Navy personnel.

Monthly pay and average allotment of complement of Navy-operated Liberty cargo vessel

Branch and rating	Duties	Number in rating	Base pay	Base pay plus sea duty pay	Average allotment	Total	
						Each man	Each rating
Officers:							
Commander	Commanding	1	$292	$321		$321	$321
Lieutenant commander	Executive officer	1	250	275		275	275
Lieutenant	1st lieutenant	1	200	220		220	220
Do	Navigator	1	200	220		220	220
Do	Engineer officer	1	200	220		220	220
Lieutenant (jg.)	Gunnery officer	1	167	183		183	183
Do	Communications officer	1	167	183		183	183
Do	Watch and division officer	1	167	183		183	183
Lieutenant	Medical officer	1	200	220		220	220
Do	Supply officer	1	200	220		220	220
Boatswain	Assistant 1st lieutenant	1	150	180	$51	231	231
Machinist	Assistant to engineer officer	1	150	180	51	231	231
Pay clerk	Assistant for disbursing	1	150	180	51	231	231
Enlisted personnel:							
Seaman branch:							
Chief boatswain's mate		1	138	166	51	217	217
Boatswain's mate, 1st class		1	114	137	51	188	188
Boatswain's mate, 2d class		2	96	115	51	166	332
Coxswain		7	78	94	51	145	1,015
Gunner's mate, 1st class		1	114	137	51	188	188
Gunner's mate, 2d class		1	96	115	51	166	166
Gunner's mate, 3d class		1	78	94	51	145	145
Quartermaster, 1st class		1	114	137	51	188	188
Quartermaster, 3d class		1	78	94	51	145	145
Signalman, 2d class		1	96	115	51	166	166
Signalman, 3d class		1	78	94	51	145	145
Seaman, 1st class		30	66	79	51	130	3,900
Seaman, 2d class		32	54	65	51	116	3,712
Artificer branch:							
Radioman, 1st class		1	114	137	51	188	188
Radioman, 2d class		1	96	115	51	166	166
Radioman, 3d class		2	78	94	51	145	290
Radio technician, 1st class		1	114	137	51	188	188
Radarman, 2d class		1	96	115	51	166	166
Radarman, 3d class		2	78	94	51	145	290
Carpenter's mate, 1st class		1	114	137	51	188	188
Ship fitter, 2d class		1	96	115	51	166	166
Ship fitter, 3d class		1	78	94	51	145	145
Engine room:							
Chief machinist mate		3	138	166	51	217	651
Machinist mate, 1st class		3	114	137	51	188	564
Machinist mate, 2d class		3	96	115	51	166	498
Machinist mate, 3d class		4	78	94	51	145	580
Motor machinist's mate, 1st class		1	114	137	51	188	188
Motor machinist's mate, 2d class		1	96	115	51	166	166
Electrician's mate, 1st class		1	1,114	137	51	188	188
Electrician's mate, 2d class		1	96	115	51	166	166
Electrician's mate, 3d class		1	78	94	51	145	145
Chief water tender		1	138	166	51	217	217
Water tender, 1st class		2	114	137	51	188	376
Water tender, 2d class		2	96	115	51	166	332
Water tender, 3d class		2	78	94	51	145	290
Fireman, 1st class		7	78	94	51	145	1,015
Fireman, 2d class		8	66	79	51	130	1,040
Special branch:							
Yeoman, 1st class		1	114	137	51	188	188
Yeoman, 2d class		1	96	115	51	166	166
Yeoman, 3d class		1	78	94	51	145	145
Chief storekeeper		1	138	166	51	217	217
Storekeeper, 1st class		1	114	137	51	188	188
Storekeeper, 2d class		1	96	115	51	166	166
Storekeeper, 3d class		1	78	94	51	145	145
Chief pharmacist's mate		1	138	166	51	217	217
Pharmacist's mate, 2d class		1	96	115	51	166	166
Commissary:							
Chief commissary steward		1	138	166	51	217	217
Ship's cook, 1st class		1	114	137	51	188	188
Ship's cook, 2d class		1	96	115	51	166	166
Ship's cook, 3d class		1	78	94	51	145	145
Baker, 2d class		1	96	115	51	166	166
Steward's branch:							
Steward, 1st class		1	114	137	51	188	188
Steward, 2d class		1	96	115	51	166	166
Cook, 1st class		1	114	137	51	188	188
Cook, 2d class		1	96	115	51	166	166
Steward's mate, 1st class		2	78	94	51	145	290
Steward's mate, 2d class		3	66	79	51	130	390
Total		167					25,516
Weighted average each man				105			

Source: U. S. Congress. House. Hearings before the Committee on the Merchant Marine and Fisheries. U. S. House of Representatives, 79th Cong., 1st sess. Benefits to Merchant Seamen. Oct. 18-19, 1945, pp. 260-261.

SOURCES

1. United States Department of Commerce. Maritime Administration, Division of Insurance.
2. Veterans' Administration, Office of Legislation. World War II Fact Sheet, October 1, 1953.
3. Veterans' Administration, Office of Legislation. Federal Benefits Available to Veterans and Their Dependents as of November 1, 1954.
4. United States Congress. Hearings before the Committee on Merchant Marine and Fisheries. House of Representatives, 79th Congress, 1st session. Benefits to Merchant Seamen, October 18–19, 1945, part 1, pages 260–264.
5. United States Statutes, volume 56, page 359. Public Law 607.
6. United States Statutes, volume 58, page 648. Public Law 392.

What the Judge Said in the Recent Lightfoot Case at Chicago

EXTENSION OF REMARKS
OF
HON. CLYDE DOYLE
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 22, 1955

Mr. DOYLE. Mr. Speaker, by unanimous consent heretofore granted me so to do, I am pleased to be able to herewith call to your attention and every Member of this great legislative body the text of a recent decision by Hon. Philip L. Sullivan, judge of the United States district court, Chicago, Ill., in what is commonly known as the Lightfoot case.

As you know, I serve on the House Un-American Activities Committee as well as a member of the Armed Services Committee.

I, having read brief newspaper comment of this interesting and indicative decision, wrote the honorable judge for a copy thereof, and I herewith also present a copy of his letter to me enclosing the text of his memorandum in the Lightfoot case.

This case, and the decision therein, is of more than just ordinary interest because the defendant admitted and so did his legal counsel in the case that he was a member of the Communist Party. Not only was it admitted by the defendant himself and the legal counsel himself, but it was established by formal proof.

Also, Mr. Speaker, I especially call attention to the decision by the honorable judge of the United States Federal court, who forwarded me a copy of his decision, that said court made a finding "considering the documentary evidence, plus the testimony of the witnesses" that "there was evidence from which a reasonable mind could conclude beyond a reasonable doubt that the Communist Party was, during the indictment period, one which advocated the overthrow of the Government by force and violence as speedily as circumstances would permit."

Mr. Speaker, I especially call your attention to this paragraph of this significant decision for the reason, amongst others, that in my humble judgment most patriotic American citizens do not realize that there has frequently been uncontroverted evidence before our Federal courts in trials involving Communist Party members that said Communist Party in the United States was not only advocating the overthrow of government by force and violence but that there also has been ample evidence in many of these same trials make it crystal clear that this Communist Party in the United States not only advocated the overthrow of the Government by force and violence but advocated that this force and violence should be applied as speedily as circumstances would permit.

The letter and decision follow:

UNITED STATES DISTRICT COURT,
Chicago, February 28, 1955.

Congressman CLYDE DOYLE,
House of Representatives,
Washington, D. C.

DEAR CONGRESSMAN DOYLE: At your request I am mailing you a copy of my memorandum in the Lightfoot case.

With kind regards I am,
Sincerely yours,

PHILIP L. SULLIVAN.

DECISION OF JUDGE PHILIP L. SULLIVAN, UNITED STATES DISTRICT COURT, CHICAGO, IN THE LIGHTFOOT CASE

I have been keenly aware that this is not an ordinary criminal case; throughout the trial, I have been sensitive to the justice of defendant's contention that it would be difficult to secure a fair verdict on this issue; and I have been aware that many of us tend to discard our normal thinking and reactions when we hear the word "communism." For these reasons, I wish to make an exhaustive study of the evidence submitted, with a view to using my power under rule 29 of the Federal Rules of Criminal Procedure to direct a judgment of acquittal if it should appear that the verdict of the jury was not supported by evidence from which a reasonable mind could conclude guilt beyond a reasonable doubt.

This study has convinced me that the verdict of the jury was supported by the required evidence.

The defendant was indicted under section 2 of the Smith Act (title 18, U. S. C. A., sec. 2385) which provides:

"Whoever organizes or helps or attempts to organize any society, group or assembly of persons who teach, advocate, or encourage the overthrow or destruction of any such government by force or violence; or becomes or is a member of, or affiliates with, any such society, group or assembly of persons knowing the purposes thereof."

The indictment charges that from on or about July 25, 1945, and continuously thereafter, up to and including the date of the indictment (May 14, 1954), the Communist Party was a society of persons advocating the overthrow of the Government of the United States by force and violence as speedily as circumstances would permit; and that the defendant was a member of that organization during the same period, knowing these purposes, and intending to bring about such overthrow by force and violence as speedily as circumstances would permit.

That defendant was a member of the Communist Party was admitted by himself as well as by his counsel and established by formal proof.

The evidence of the Government tending to prove the advocacy of the party falls into several categories:

First. There was evidence tending to show that: The party has secret members; in schools conducted by it, training was uniform and according to an established pattern; it is a highly organized group, built on well-defined administrative levels and maintaining discipline within its ranks. This evidence was of course significant as showing the deviation of the Communist Party from normal political parties, and an inference may fairly be drawn from it that significant reasons for the deviation exist.

Second. There was evidence to show its teachings and beliefs. This evidence established that the Communist Party is a political party "basing itself on the principles of scientific socialism, Marxism-Leninism." To prove the meaning of this term, there have been introduced a number of extracts from the books which have been described as the classics of Marxism-Leninism. A few of these works, on which it was testified the Communist Party relies, are: Communist Manifesto; Stalin, Foundations of Leninism; Lenin, Left Wing Communism, An Infantile Disorder; Stalin, Problems of Leninism.

The extracts show that from a stated belief in the principles of Marxism-Leninism, a reasonable mind could conclude beyond a reasonable doubt a corresponding belief in the use of force and violence for the overthrow of the Government of the United States. In fact, many courts have apparently so construed them.

I find that, considering the documentary evidence, plus the testimony of the witnesses, there was evidence from which a reasonable mind could conclude beyond a reasonable doubt that the Communist Party was, during the indictment period, one which advocated the overthrow of the Government by force and violence as speedily as circumstances would permit.

Having found upon ample evidence that the advocacy of the party was of the use of force and violence for the purposes described, the jury could hardly have found that the defendant did not have knowledge of this advocacy. Considering his writing in evidence, which call for a dedication to Marxism-Leninism, and all the testimony of all the witnesses, I find that there was evidence from which a reasonable mind could conclude beyond a reasonable doubt that the defendant knew that the Communist Party advocated the overthrow of the Government of the United States by force and violence, and that he intended to bring about such overthrow by force and violence.

Bill Introduced Providing for Burial of the Six Participants in the Famous Iwo Jima Flag Raising Near Its Memorial

EXTENSION OF REMARKS
OF
HON. EMANUEL CELLER
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 22, 1955

Mr. CELLER. Mr. Speaker, I have this day introduced a bill to provide burial ground for the six valiant men who participated in the historic flag raising on Iwo Jima on February 23, 1945, close to the Marine Corps War Memorial. The magnificent photograph taken by an Associated Press photographer brought the courageous action of these men to the dramatic attention of every American, and epitomized the heroism and dauntless spirit of all the marines who ever fought in battle for our country. The Marine Corps War Memorial Foundation, through private subscription, raised the money to build this breathtaking monument and it seems both fitting and proper that the

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men whose images are emblazoned on it, should be permitted to lie forever within its sight. Three of the men lost their lives during the later phases of the battle, and the fourth passed away this year, after having found difficulty in postwar adjustment. Two are alive and well and we wish them every happiness that life can bring.

I hope this bill will find instant favor in the Congress; its purpose is clear and manifest.

Newsletter

EXTENSION OF REMARKS
OF

HON. ARTHUR G. KLEIN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 22, 1955

Mr. KLEIN. Mr. Speaker, under leave to extend my remarks, I enclose herewith a newsletter sent by me and published in the East Side News, a weekly newspaper published in my district:

Washington is a busy place these days. There is, of course, always the important and sometimes complex program of legislative action. There is also always and inevitably the clash of party politics. And as background to both, there is the still tense international situation and the concern that many of us feel about our internal affairs, particularly our internal economy.

One of the more ironic indications of party politics was the recent publication of the Yalta papers. There was a great deal of excitement about it, and a sly injection of political motives was apparent. The way I see it, the Republican administration once again yielded to the pressure of its extremist faction in the hope that the revelation of the Yalta diplomatic papers would be good grist for the political mill; and I am sorry to have to say that I think they did it without any regard to the effect of the publication of the papers upon our delicate international relations.

In all, I think their plan will backfire. There is nothing in the published correspondence that has not already been general public knowledge. There is nothing to show that this is anything more than the hindsight wisdom of Monday morning quarterbacks.

I don't think the American people can be fooled. Little by little, I am sure, they will realize that what the American delegation, headed by President Roosevelt, tried to do above all was to act on the unanimously given advice of the President's military advisers: That, at the time of the conference, there was no certainty of the effectiveness of superior weapons such as the atom bomb, that the invasion and defeat of Japan was likely to cost hundreds of thousands of American lives, and that it was, therefore, in the American interest to work out some deal that would save those lives. Surely it is ironical that an American President should be attacked posthumously for having done his level best to save American lives and to spare the agonies of hundreds of thousands of wounded soldiers, sailors, marines, and aviators, and the torments of their mothers, wives, sweethearts, and families.

If there were less of politics in our international affairs, the publication of the Yalta papers, no matter what is revealed by hindsight, should have evoked a solemn tribute to the American representatives for their concern with American lives.

One of the early acts of the Congress this session was to increase the pay of Federal judges, Senators, and Congressmen, and a few others in the Federal service. Here again is a case where there has been something of an artificial outcry, but the commonsense of the American voters will no doubt prevail in the long run. They realize, of course, that no matter how big American industry is, there is no business, none in the whole country, that is as important as the business of our Federal Government, and that its compensation must be somewhat in line with the payments in general industrial and mercantile life. No conscientious Congressman serves his constituency only because of congressional pay. But it would be an act of folly to penalize those public servants by compensation that is out of line with general practice. The plain fact is that every committee of inquiry has recognized the inadequacy of Federal pay and has recommended a substantial increase. Without such fair compensation the tendency would be to have as representatives only men of wealth who could afford the luxury of congressional service. And nothing could be more destructive of the American purpose to avoid rule by class than a procedure that would automatically make the men of wealth the only representatives of the people in the United States Congress.

Meanwhile, there is much that is still in the process of public discussion. The Democratic proposal for a $20 reduction to the small individual taxpayer was completely in the spirit of the Democratic Party's concern for the individual wage earner, small-business man, and farmer, as against the Republican Party's concern last year for the big corporation and the fortunate stockholder.

The senatorial inquiry into the stock market is another indication of the same broad concern for the general public. The last time that Wall Street was looked into was after the event when a crash had already impoverished millions of Americans. The Democratic purpose was to look into the situation in advance so as to have safeguards against such calamity.

The McCarran Act continues to plague us, as it should. A recent television program under the auspices of Edward Murrow brought out again the iniquities of that legislation. With these in mind, I introduced a bill to wipe the slate clean, to return to the state of affairs before the McCarran Act was passed, and to codify our immigration and naturalization procedures along sound and fair lines.

One thing must be clear in this regard: That the national origins quotas, used as the basis for our immigration, are indefensible. Whatever else may be valid about the bill, this aspect, basing our immigration on an archaic and racially minded national origin quota, must go. They are an affront to scores of millions of American citizens. I am sure that as they express themselves a change will be made, and I, for one, am ready to fight for such a change.

Recently I also introduced into the CONGRESSIONAL RECORD a statement expressing my concern at a report published in the New York Times that the United States might return the Nazi archives before a full study will have been made. In my remarks in Congress I said—and I stand by—the following:

I am, frankly, very much concerned with the subject with which that story deals. It seems to me that, if what it reports is accurate, it will mean that the United States will give up an invaluable resource in our knowledge of totalitarian conquest. If so, our present efforts to combat another version of totalitarianism, that of international communism, will be seriously handicapped and our intentions thwarted.

The German archives contain, no doubt, material that can shed a powerful light on the goals, methods, and processes of the Nazi conquest of one country, Germany; material about the unutterable plans for the destruction of what they called inferior people, first in their own land and then in neighboring countries. It, no doubt, sheds light on their Machiavellian propaganda techniques, including those by which they contemplated the division of our own country and the weakening of our material and moral strength to resist totalitarianism. Such material is of incalculable historical importance. It must not be jeopardized or lost to us by its casual return to a country where its nationalist forces may be disposed to destroy the full record or to conceal it forever from the scrutiny of the civilized world.

This record must be kept and, in due course, be made available to American scholarship as the all-important source material by which we can learn from the dread recent past and be strengthened by that knowledge to deal with problems that we may well have to meet in the imminent or far future.

I believe this subject is one that ought to be of great concern to all of us. I for one mean to explore it fully so that no step will be taken that will prevent American scholars and historians, the American universities, and the American people as a whole from having access to data that is so important for our understanding of recent world events, and so essential for our own strength in any trials that may lie ahead.

Minimum Wage

EXTENSION OF REMARKS
OF

HON. BARRATT O'HARA

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 22, 1955

Mr. O'HARA of Illinois. Mr. Speaker, by unanimous consent, I am extending my remarks to include the full text of fact sheet No. 2 on fair labor standards for American workers from the CIO committee on fair labor standards. It is deserving of place in the working files of all Members of this body and of all persons interested in a subject that strikes at the very foundations of our national welfare.

Perhaps more than any other Member of the Congress, I have a personal interest in the minimum wage stemming from associations and activities in the era of the legislative birth of the concept that the least of our workers in the quality of labor required was entitled to a minimum wage sufficient to meet the demands of keeping body and soul together. As late as 1913 this concept was bitterly fought and stubbornly resisted in legislative councils.

FIRST STATE MINIMUM WAGE LAWS

In 1913 it was my privilege to chairman a committee from the State Senate of Illinois that attracted wide national attention. The revelations of that committee of the low wages paid to workers in even the most prestiged establishments, running from a dollar and a half to $5 a week, aroused the conscience of the Nation, and resulted in the passage of the first State minimum-wage laws in our history.

In the 979-page report of the committee of which it was my privilege to be chairman, printed by the State of

Illinois in 1916, will be found the full text of the testimony of many of the largest employers of the period and of other witnesses; testimony that stirred the conscience of the Nation, enlisted the active support of President Woodrow Wilson and of the governors of 35 States, including the great Hiram Johnson, of California, and resulted in the enactment of 6 State minimum-wage laws in 1 year. On page 52 of this report appears the recommendation of the committee for the immediate enactment of a minimum-wage law prohibiting the payment of less than a living wage, and stating:

To remove the deficit between cost of living and income from service is in the power of the legislature. Until it is done and everyone who has to work is assured of the minimum of a reasonable living, the State not only has fallen far short of the legitimate demands of plain justice, but has failed to deal with a situation in economics interminably interwoven with deep moral problems. After nearly 3 years of study and inquiry, seeking statistics and viewpoints, reducing arguments to mathematics, applying accepted rules of economics and logic, your committee is arrived at the firm conclusion that the enactment of the proposed minimum-wage law is the essential initial step in the intelligent treatment of the problems under survey.

THREE DECADES LATER

More than three decades after those words were written and the start of the minimum-wage program on a State level which had resulted from the investigations and public hearings in 1913 of a select committee from the Senate of Illinois, there came to me the great satisfaction and privilege as a member of the 81st Congress to vote for a Federal minimum wage law assuring the least of our workers a wage not less than 75 cents an hour. Since that time the cost of living has increased greatly, and it is imperative that this Congress should increase the minimum wage to $1.25. There is now pending a bill to that effect. I am happy to be among its many cosponsors.

The statement from the CIO committee on fair labor standards follows:

FAIR LABOR STANDARDS FOR AMERICAN WORKERS

INDUSTRY ADJUSTED FAVORABLY TO HIGHER MINIMUM WAGE RATES 1933–35, 1939, 1941, 1950

1. Under the National Industrial Recovery Act industry successfully increased minimum wages and compensated for shortened workweek

Under the President's reemployment agreement, June to October 1933, workers in half the 159 industries for which data are available increased their hourly earnings from 7.5 to 20 percent. The lowest paying industries showed the highest increases in wages. Earnings increased by 50 percent in industries with average hourly earnings of 20 to 25 cents in June 1933; by 42.5 percent in industries with average hourly earnings of 25 to 30 cents; and by 30 percent in industries with average hourly earnings of 30 to 35 cents. Industries with the highest average hourly earnings, 75 to 80 cents, showed an increase in earnings of 8.8 percent.

In the code period from October 1933 through the first months of 1935, when the NRA was in effect, industries still further increased their wages as a result of improvements in the wage provisions of the codes. Again, the industries with the lowest wages made the greatest increases. Increases from 15 to 20 percent were recorded in the low-paying industries as compared with 5 percent in the highest paying group.

2. The 1938 act set a 30-cent minimum in 1939 directly affecting 6 percent of the American workers with constructive results

The actual distribution was as follows:

Workers under 30 cents—April 1939

Area	Number of employees earning less than 30 cents	Percent of employees	Percent of total employees covered earning less than 30 cents
Total	650,000	100	6
Southern States	427,200	66	12
Northern States	207,300	32	2
Western States	15,520	2	1
Industry:			
Manufacturing	460,000	71	6
Wholesale trade	79,000	12	5
Motor carriers	54,000	8	6
Railroads	19,000	3	2
Other nonmanufacturing industries	38,000	6	2

In fact, employment increased from October 1938 through May 1939 by 680,000 workers with the rise in the minimum to 25 cents.

Business failures were greater in number before the act became effective than later.

Highly competitive industries, such as cotton textiles, seamless hosiery, apparel, and paper products were stabilized and wage cutting as a competitive device was eliminated.

3. The 40-cent minimum became effective by end of 1941 long before the act was contemplated (October 1945)

In September 1938, some 13 percent of all employees covered by the Fair Labor Standards Act were earning less than 40 cents. By the end of 1941, this group had been reduced to minor proportions.

When the 40-cent wage orders were issued by the Administrator, 1.6 million were receiving less than 40 cents. The percentage of workers directly affected by all wage orders was as follows: under 5 percent, 8 wage orders; 5 to 10 percent, 15 wage orders; 10 to 20 percent, 10 wage orders; 20 to 30 percent, 19 wage orders; 30 to 40 percent, 7 wage orders; and 40 percent or more, 11 wage orders. Of the 55 minimum wage orders for which estimates are available on the direct increases in the wage bill effected by them, 9 effected less than a 1-percent increase; 7 effected an increase of 1 to 2 percent; 16 an increase of 2 to 3 percent; 8, 3 to 4 percent; 5, 4 to 5 percent; and 10 effected increases of 5 percent or more in the wage bill. In several instances the 40-cent orders applied to industries in which wages had been raised in 2, or sometimes 3, stages, so that the total increases amounted to more for them than for other industries. Three successive wage orders were applied to the textile and seamless hosiery industries.

These wage increases were made, industry absorbed them, and business prospered.

4. The 75-cent minimum wage absorbed with constructive effects in 1950

(a) Six percent, or 1.3 million, of the 21 million covered employees earned less than 75 cents at the time of the adoption of the 75-cent minimum. In manufacturing industries, there were 875,000 production workers earning less than 75 cents in November 1948, or 6.6 percent of the total employed.

(b) Increases in average hourly earnings in manufacturing industries were negligible. The rise from January through April 1950 was 1.6 cents.

Employment in manufacturing industries as a whole increased by 148,000 during this period, while total nonagricultural employment rose by 801,000.

(c) Manufacturing industries where increases in average hourly earnings, from January through April 1950, exceed 2 percent were 23 in number and employed approximately 2 million persons, or 14 percent of all manufacturing industries. (See table I for list of industries and percent increase in average earnings.) Total employment in this group of industries was quite stable in the period immediately after January 1950, and by January 1951 the number of production workers had increased by about 6 percent.

(d) Manufacturing industries in the following States showed increases in average hourly earnings in excess of 2 percent from January to April 1950:

State	Average hourly earnings		
	January 1950	April 1950	Percent increase
Alabama	$1.12	$1.17	4.5
Arkansas	.96	1.01	5.2
Florida	1.02	1.06	3.9
Georgia	1.03	1.07	3.9
Louisiana	1.20	1.25	4.2
Mississippi	.91	.96	5.5
Missouri	1.33	1.37	3.0
New Mexico	1.29	1.35	4.7
Tennessee	1.13	1.16	2.7
Texas	1.30	1.33	2.3
Vermont	1.16	1.19	2.6
Virginia	1.14	1.17	2.6

Total manufacturing employment in the above States increased by 5,000 between January and April 1950 in spite of a seasonal decline in Florida, which was the only one of these States recording a decline in manufacturing employment of as much as 2 percent. By January 1951, manufacturing employment in all these States had risen substantially and the total number employed had increased by 10 percent.

(e) The United States Department of Labor survey, Results of the Minimum Wage Increase of 1950, reports as follows:

1. The greatest effect of the 75-cent minimum was felt in the lowest-paying regions of the lowest-paying industries. Thus, in southern sawmilling, a 20-percent increase in average earnings was granted in the lowest-wage southeastern division as compared with a 5-percent increase in the highest wage border States.

2. The short-run effect of the 75-cent minimum in highly affected industries was to concentrate workers at the new minimum. Employers "did not try to maintain wage spreads between low-, middle- and high-wage occupations. These spreads were narrowed. * * * The short-run indirect effect of the amended minimum on wages already equal to or higher than 75 cents an hour * * * was not great."

3. The "75-cent rate appeared to have had only minor effects on such variables as employment, plant shut-downs, prices, technological change, hiring policies, and overtime work."

(f) In his Annual Report for 1950 the Secretary of Labor published the following findings on the effects of the 75-cent minimum:

1. "Effects on employment * * * a listing of the information available * * * suggests a probable maximum (effect) of very small dimensions. * * * Much of the unemployment reported appears to have been temporary in nature. In any case, the rising wage level already has tended to make the 75-cent minimum wage unimportant as a factor of any kind in most areas of the country, and negligible as a cause of unemployment. * * * Most of the layoffs were made by establishments that were affected by seasonal decreases in activities. A large proportion of those laid off were rehired when activities again increased."

2. "Effects on industry * * * not only were plant closing few in number, but any

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changes in competitive conditions and dislocations in industry that might have resulted proved very temporary in nature."

3. "Effects on prices * * * prices for products of low-wage industries affected substantially by the necessity for the payment of higher wages do not seem to have risen as a group any higher than prices of other products * * * prices were not as a rule immediately increased by passage of the 75-cent minimum wage rate. Increased efficiency of production, particularly through mechanization and high volume of operations * * * apparently absorbed much of the increased costs."

TABLE I.—*Manufacturing industries in which average hourly earnings increased by more than 2 percent between January and April 1950*

Industry	Average hourly earnings		Percent increase
	January 1950	April 1950	
Food and kindred products:			
Canning and preserving	$1.182	$1.221	3.3
Prepared animal feeds	1.196	1.232	3.0
Confectionery	1.074	1.106	3.0
Bottled soft drinks	1.098	1.127	2.6
Tobacco manufactures:			
Cigars	.911	.951	4.4
Tobacco and snuff	1.088	1.122	3.1
Tobacco stemming and redrying	.899	1.030	14.6
Textile mill products:			
Seamless hosiery	.907	.969	6.8
North	.944	.981	3.9
South	.900	.966	7.3
Knit outerwear	1.097	1.127	2.7
Apparel:			
Men's and boys' furnishings and work clothes	.929	.986	6.1
Women's household apparel	.894	.956	6.9
Women's and children's undergarments	.994	1.029	3.5
Children's outerwear	1.048	1.080	3.1
Lumber and wood products:			
Sawmills and planing mills:			
General	1.257	1.330	5.8
South	.864	.915	5.9
Millwork, plywood, and prefabricated structural wood products	1.324	1.372	3.6
Wooden containers	1.037	1.098	5.9
Miscellaneous wood products	1.088	1.111	2.1
Chemicals and allied products:			
Vegetables and animal oils and fats	1.057	1.164	10.1
Leather and leather products:			
Leather footwear	1.090	1.129	3.6
Leather products, excluding, leather footwear	1.108	1.140	2.9
Stone, clay, and glass products:			
Brick and hollow tile	1.166	1.212	3.9
Miscellaneous:			
Jewelry, silverware, and plated ware	1.325	1.363	2.9
Toys and sporting goods	1.223	1.250	2.2

Criticism of Report of Attorney General's Committee To Study Antitrust Laws

EXTENSION OF REMARKS
OF
HON. EMANUEL CELLER
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 22, 1955

Mr. CELLER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following statement:

Congressman EMANUEL CELLER, Democrat, New York, chairman of the Committee on the Judiciary, and also chairman of the committee's Antimonopoly Subcommittee, stated today that he is deeply concerned and disappointed with the report of the Attorney General's Committee To Study the Antitrust Laws.

"The conclusion is inescapable," Mr. CELLER said, "that the majority of the Attorney General's committee views with equanimity and complacency the serious threats to our competitive system that have developed in the past few years. With a few exceptions the report advocates a substantial weakening of the antitrust laws. These exceptions are recommendations to repeal the Federal fair trade acts and to permit the United States Government to recover damages in antitrust suits."

"One of the principal threats to our competitive system," Mr. CELLER said, "results from corporate mergers and acquisitions of firms engaged in healthy, profitable competition with each other. Passage of the Celler Antimerger Act in 1950 provided a powerful new weapon to prevent such unhealthy mergers and acquisitions. Notwithstanding this act, the Federal Trade Commission and the Department of Justice have done virtually nothing to prevent over 3,000 mergers and acquisitions that have taken place since 1950—a greater number than at any previous time in our history."

"Since 1950," said Mr. CELLER, "the Federal Trade Commission and the Department of Justice have instituted a grand total of five prosecutions to stem this wave of corporate mergers. Yet no mention is even made by the Attorney General's committee of almost complete failure by these agencies to enforce the law. Instead, the report endorses a Federal Trade Commission decision recently handed down which virtually nullifies the Celler Antimerger Act."

Commenting further on the report, Mr. CELLER stated that in instance after instance the committee recommends by implication further curtailing present inadequate enforcement authority of the antitrust agencies.

For example, one of the most effective deterrents to antitrust violations is the provision for mandatory treble damages to the injured party in private actions. Although no finding is made that this provision has had any adverse effect on the public interest, the report urges that the provision for treble damages be made discretionary rather than mandatory.

"I am also surprised," Mr. CELLER observed, "that the majority, at least in civil cases, in essence disapproved of a legal device inherited from the common law as being too extensive and untrammeled. I refer to the power to secure information by grand jury subpena. Its recommendation that in lieu thereof the Department of Justice be permitted to issue only a civil investigative demand, with power to demand documents but not testimony (except after court order requiring compliance) is but one of dozens of suggested changes which would hamper enforcement of the antitrust laws."

Mr. CELLER noted that one of the few effective methods available to dissipate the unlawful effects of a monopoly and restore competition has been divestiture. Almost since the passage of the Sherman Act in 1890, he declared, the courts have repeatedly recognized the efficacy of such "trust-busting." "It is unfortunate," Mr. CELLER stated, "that the Attorney General's Committee seems to think that this remedy is too harsh and should not be invoked except in the most extreme case."

"I am gratified," said Mr. CELLER, "that the committee recommends congressional repeal both of the Miller-Tydings amendment to the Sherman Act and the McGuire amendment to the Federal Trade Commission Act. I trust that a number of repealer bills will soon be introduced in the Congress and that they will be referred to the House Committee on the Judiciary. As chairman of that committee, I shall be happy to recommend speedy hearings on such bills and shall press for passage of appropriate legislation."

"I deplore," Mr. CELLER added, "the manner in which the report has been released. Copies of the final document seem to have been available for press comment to publications such as the Wall Street Journal and Business Week, yet we of the House Committee on the Judiciary who will handle the hearings and most of the legislation that may develop from this report received but one copy on Monday of this week. Since it is a legalistic document of 394 pages, none of us have been able to study it in detail. Its recommendations are not only numerous and obliquely worded, but obscure in their implications. So far as I can make out, nearly all of them represent but links in a chain designed to frustrate effective enforcement of the antitrust laws."

"The Subcommittee on Antitrust Matters of which I am chairman will closely examine this report and I anticipate early hearings will be held."

Worthington C. Miner To Be Awarded the Honor of Television Man of the Year

EXTENSION OF REMARKS
OF
HON. GORDON L. McDONOUGH
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 22, 1955

Mr. McDONOUGH. Mr. Speaker, at Los Angeles, Calif., on Monday, April 4, the board of directors of the new Mount Sinai Hospital and Clinic will officially honor Worthington C. Miner as the television man of the year.

Mr. Miner's selection for this singular honor is best described from an excerpt contained in the scroll he will receive:

For enlightenment in the field of medicine and surgery through the presentation of Medic of which he is the executive producer.

For 15 years of public service through the medium of television.

Worthington Miner is not only a distinguished Broadway producer and director, but one of the few men who can claim the honor of being the first to pioneer in television, which has become the greatest means of communication known to mankind in the entire history of the universe and a medium through which more people reached in every walk of life than are reached through the combined efforts of the printed page, the mails, motion pictures and radio.

To Worthington Miner belongs a good deal of the credit for the almost universal acceptance of television and the advantages now enjoyed by mankind because of it.

In 1939, when no one in the world outside the field of electronics owned a television receiving set, Worthington Miner and a group of inspired pioneers gave unselfishly of their time and their talents day in and day out, experimenting with every phase of television communications in a tiny studio located at 15 Vanderbilt Avenue, New York City. These men thought they had reached a singularly important milestone when in 1940

they successfully telecast a 15 minute dramatic playlet beamed from their Vanderbilt Avenue studios to the Chrysler Building 5 blocks away.

It was Worthington Miner who directed and produced this first telecast of a dramatic playlet in the history of the world. It was through the inspiration and success achieved in this original experimental studio that a similar one was established in the Hollywood hills that same year by Don Lee and another in Schenectady, N. Y., and at Pittsburgh, Pa.

When we consider that these sacrifices and experimentations on the part of Worthington Miner and the men associated with him in 1939 has given to America its tremendous network of television channels, its thousands of hours of free entertainment made available to millions of Americans and a medium through which the President of the United States can constantly be in face-to-face contact with his constituents, then certainly some recognition should be extended to Mr. Miner even beyond the important citation he is scheduled to receive next Monday.

Mount Sinai Hospital and Clinic where Mr. Miner will receive this award is the newest of Southern California hospitals to be constructed here and will officially open in June 1955. Though it borrows its identity from the mountain upon which Moses communed with God and so received the Ten Comandments, that govern the lives of all men of good will, as a hospital it will draw in true American fashion no discriminatory lines of race or creed.

Text of Opening Statement Announcing Subject of Investigation by Subcommittee Chairman Clyde Doyle, California, for Subcommittee Hearings of House Un-American Activities Committee in Milwaukee, Wis., in Accordance With Recently Announced House Resolution 151

EXTENSION OF REMARKS

OF

HON. CLYDE DOYLE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 22, 1955

Mr. DOYLE. Mr. Speaker, by unanimous consent heretofore granted me by this great legislative body so to do, I herewith present the text of remarks made by me at Milwaukee, Wis., on Monday, March 28, 1955, upon the opening of 3 days of public hearings by a subcommittee of the House Un-American Activities Committee. I believe it is especially pertinent that wording of my opening statement, as subcommittee chairman, be thus conveyed to you and all of my other colleagues by reason of the recent unanimous approval of House Resolution 151, wherein section 2 (i) reads, as follows:

> The chairman at an investigative hearing shall announce in an opening statement the subject of the investigation.

Having the responsibility and privilege of having House Resolution 151 bear my name, but without claiming any pride of authorship, or exclusive accomplishments in the submission of House Resolution 151 to the House Rules Committee and then the full House itself for consideration, I felt reasonably sure that this opening statement by me, as set forth in the following text thereof, would indicate to you and all my colleagues what I believe to be in accordance with the recently adopted House Resolution 151 in connection with the obligation therein stated that the chairman "shall announce in an opening statement the subject of the investigation." At these hearings at Milwaukee the other members of the subcommittee were my distinguished colleague the gentleman from Louisiana [Mr. WILLIS], and my distinguished colleague the gentleman from Ohio [Mr. SCHERER].

My two colleagues and I were necessarily and officially absent from the floor of the House of Representatives Monday, Tuesday, and Wednesday, March 28, 29, and 30, inclusive, in performance of our official committee duties.

Mr. Speaker, I state that I believe the hearings were productive of much of value to the House Committee on Un-American Activities in accordance with the requirements made of said committee under Public Law 601. Amongst other developments in Milwaukee, some of the 15 witnesses who appeared before us might be termed cooperative or friendly witnesses. They did not plead the fifth amendment, and while more than two-thirds of the witnesses did plead the fifth amendment, it is believed by we three subcommittee members that the Milwaukee hearings were well worth the time, effort, and cost expended to conduct them.

I wish to state that we felt throughout the 3 days of public hearings the public press and reporters and photographers were very cooperative in the observance of our required procedures.

The text of my announcement as the hearings opened was as follows:

OPENING STATEMENT BY MR. DOYLE, SUBCOMMITTEE CHAIRMAN

The subcommittee will please be in order. Let the record show that the Honorable FRANCIS E. WALTER, chairman of the Committee on Un-American Activities, House of Representatives, pursuant to the provisions of law, Public Law 601, enacted in 1946, establishing this committee, duly appointed Representatives EDWIN E. WILLIS, of Louisiana, GORDON H. SCHERER, of Ohio, with myself CLYDE DOYLE, of California, chairman, as a subcommittee to conduct these hearings in Milwaukee, Wis. The full membership of the subcommittee is present. Also present for 1 day is Hon. DONALD JACKSON, a member of the Committee on Un-American Activities. We are pleased he is present.

The Congress of the United States has imposed upon the Committee on Un-American Activities the duty to make investigations of "the extent, character, and objects of un-American propaganda activities in the United States, the diffusion within the United States of subversive and un-American propaganda that is instigated from foreign countries or of a domestic origin and attacks the principle of the form of government as guaranteed by our Constitution, and all other questions in relation thereto that would aid Congress in any necessary remedial legislation." This committee is not a court. Its duty is to investigate as an aid to Congress for purposes of more intelligently legislating.

This committee has devoted much time in the past years to the investigation of the subject of communism, and the committee has endeavored to keep Congress informed of the extent, character, and objects of the Communist conspiracy within this country. We have held investigations in many of the most vital manufacturing and industrial cities. In the performance of this huge task the committee, in its reports to Congress, has made 48 recommendations for new legislation or the strengthening of existing legislation designed to aid in the fight against communism. All but 4 of these recommendations, in 1 form or another, have been enacted into law by the Congress of the United States.

The committee wants it understood that in the conduct of this hearing it is not interested in any dispute between employers and employees or between one union and another. Neither is it interested in the internal affairs of any union. It proposes to follow and uncover, if it can, the Communist Party activities of any person as to whom reliable information indicates Communist Party affiliation, whether that be in the field of labor or any other field.

In pursuing these statutory objectives of the committee, as outlined above, former investigations have disclosed a concentration of Communist efforts in many of the strategic defense areas of the country. The city of Milwaukee, ranking eighth in size, as compared to the other great industrial cities of our Nation, having in its area more than 2,000 manufacturing plants representing 200 distinct lines of industry, and leading the whole world in the manufacture of heavy machinery and electrical controls, units and parts, is of great strategic importance to our beloved Nation as a whole, both in time of peace and in time of war.

The purpose of this present investigation starting this morning is to determine first whether there has been planned Communist activity in this important area, and if so, the nature, extent, character, and objects thereof. It is not limited to this, however. The committee is especially interested in ascertaining the methods used by the Communist Party of the United States in filtrating local industrial units, civic organizations, or other groups, and the extent of its influence in the economic and social phases of our society. Whatever information we obtain will better enable Congress to legislate more ably and comprehensively.

It is a standing rule of this committee that any person named in the course of committee hearings be given an early opportunity to appear before the committee, if he desires, for the purpose of denying or explaining any testimony adversely affecting him. This is the American way of doing. If this be his desire, of any person named during these 3 days, he should communicate immediately with legal counsel for the committee as soon as possible.

The committee is deeply appreciative of the action of the Immigration and Naturalization Service for changing the date of a hearing previously arranged by them to be conducted in this hearing room, in order that this congressional committee could have it available for these hearings. I desire to take this opportunity to thank Supt. E. A. Redlin, who is in charge of the Federal Building; United States Marshal Clemens S. Michalski; Chief of Police John W. Polcyn, and the capable members of their respective

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staffs for the important service they have rendered this committee in connection with this hearing. I desire also to thank Hon. Robert E. Tehan, United States district judge for the eastern district of Wisconsin, and his secretary, Miss Marion Lynch, for their splendid cooperation in making it possible for us to have the use of this hearing room.

Being just informed a few minutes ago the Milwaukee Bar Association, constituted by the membership of practicing attorneys in the city of Milwaukee, voluntarily and cordially named a panel of nine of its members to render advice to any witnesses appearing before this committee as to said witnesses' constitutional rights. On behalf of this subcommittee I compliment the Milwaukee Bar Association for offering to render this valuable service. Similar service by bar associations has previously been rendered in a few of the great metropolitan cities of our Nation and we recognize it as being in the best tradition of members of the bar to perform this valuable community service.

I would remind those present in this hearing room that we are here at the direction of the Congress of the United States, to discharge a duty and honorable, specific, official obligation that has been placed upon us by Public Law 601. You are here by the permission of the committee during these 3 days of hearings and I trust that throughout the hearings you will conduct yourselves as guests of the committee. A disturbance of any kind, or audible comment during the course of testimony, whether favorable or unfavorable to the committee or any witness appearing before it, will not be tolerated. For any infraction of this rule the offender will be immediately ejected from the hearing room. I trust it is only necessary to call this matter to your attention and that it will not be necessary that it be repeated.

The Committee on Un-American Activities consists of nine Members of the House of Representatives. Each member is also a member of one other major congressional committee. Since the workload of this committee is so constant and heavy, it has been found necessary to divide the committee into subcommittees of three members when the work takes attention away from Washington, D. C. This makes it so the committee members are away from the Capital on less occasions and is also in the interest of saving expense as well as facilitating the necessary work. On such occasions the House of Representatives officially excuses our absence from our other daily duties at the Capital.

If any person in or about Milwaukee desires to cooperate with the committee during our brief stay, we invite such person to promptly see our legal counsel or our investigator. They are both here in the room with us. In many cities where the House Un-American Activities Committee has held hearings former active members of the Communist Party have voluntarily come forward and, either in executive or public session of the committee, testified against the Communist conspiracy of which they were formerly unwitting or conscious members, and have thus given tangible evidence of the fact that they had had an experience in the Communist Party which convinced them that they had made a serious mistake in joining it, and also that they desired henceforth to place their abilities and energies out in front in support of making up, as far as they could, for their mistake in joining the Communist Party and help their neighbors to know the inherent dangers of this subversive Communist activity in their respective communities. I give this same invitation to any person disposed to do the same service while we are here these 3 days. And if there be such persons who do not get around to coming forward while we Congressmen are here in Milwaukee, we respectfully suggest that you communicate that you are desirous and willing to render the service to us at the House Office Building, Washington, D. C., and your communication will receive prompt attention.

Increase the Minimum Wage

EXTENSION OF REMARKS
OF

HON. EMANUEL CELLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 22, 1955

Mr. CELLER. Mr. Speaker, under leave granted to extend my remarks in the RECORD, I include the following statement made by me before the Retail, Wholesale, and Department Store Union.

INCREASE THE MINIMUM WAGE

(Statement of Representative EMANUEL CELLER, before the Retail, Wholesale, and Department Store Union, CIO, Washington Hotel, April 19)

By word and deed, the administration is making no bones of the fact that it wants to put the skids under labor. After many protestations concerning the liberalization of the Taft-Hartley Act, passed over President Truman's veto, no action has been taken.

The administration policy is to shift as much power as possible to the States. This abdication of Federal responsibility thus gives big business in the States greater opportunity to break the back of labor. As a result right-to-work laws have been passed in Arizona, Arkansas, Georgia, Iowa, Nebraska, North Carolina, North Dakota, South Dakota, Tennessee, Texas, and Virginia. Before the advent of the Eisenhower administration only one State—Florida—had passed such a statute. The election of a Republican administration in 1952 gave great strength to the antilabor forces. This is self-evident to labor, to business, and to the public. In essence, these right-to-work laws for practical purposes, forbid all forms of union security—the closed shop, the union shop, and any form of contract which would bind workers to the union for any period of time. These right-to-work laws are tantamount to a denial of the right to organize and bargain collectively. This is not freedom as the proponents glibly characterize the right-to-work laws. This is license for management to have its own way with the individual worker on terms of its own choosing, without need to answer to the collective protection of the labor union.

Some time back, Secretary of Labor Mitchell stated that he did not support these right-to-work laws. When questioned about Secretary Mitchell's statement, President Eisenhower said that this is merely an expression of personal opinion on the part of his Secretary and that he did not necessarily subscribe to nor deny Mr. Mitchell's thinking on the subject. To labor, this is a less than satisfactory reply because labor itself knows the issue is clear that right-to-work laws are antilabor laws. There can be no hedging on that.

Back in 1937 President Roosevelt, keenly aware of widespread wagecutting, increase of the workweek without overtime pay, asked that the Congress enact a Federal fair labor standards law. In doing so, he said: "A self-supporting and self-respecting democracy can plead no justification for chiseling workers' wages or stretching workers' hours. Our problem is to work out in practice those labor standards which will permit the maximum but prudent employment of our human resources to bring within the reach of the average man and woman a maximum of goods and of services conducive to the fulfillment of the promise of American life." This is the standard toward which all men must work, not for the sake alone of the individual laboring man and woman, which in and of itself is of prime importance, but for the sake of the country so that this country may march forward to the ideals proclaimed by the Roosevelt message.

In 1949 a Federal minimum wage of 75 cents an hour was established. It was inadequate then; it is shockingly inadequate now. Yesterday I introduced two bills: 1. Increasing the minimum wage to $1.25 an hour; 2. Removing the exemptions for retail establishments and processors of food and tobacco.

Why the increase to $1.25 per hour? Because:

1. Living costs have increased by 14 percent since January 1950, but since the lowest income group suffers the greatest price rise, for such group living costs have increased by at least 18 percent. Hence the 75 cents an hour is worth today only 65 cents an hour, or about $26 a week. In realizing the total picture, we must include not only the rise in prices but the rise in social security deductions since 1950 and the additional sales tax in many States.

2. While the 75-cent level has remained, productivity has increased at least 20 percent and the gap between what a man is paid and a man produces widens, and the glaring injustice of the 75-cent wage emerges from the gap.

3. Since January 1950 there have been five general wage increases in our major industries, ranging from some 39 to 53 cents per hour, of increase alone. This of course does not include fringe benefits, pensions, life insurance, sickness, and disability benefits which have been added to the payroll. There is a completely unrealistic relationship between the 75 cents an hour established by law and the existing wage structure of American industry.

It has been proven that even a working woman who lives with her family must have an hourly minimum wage of $1.22 according to the New York State Department of Labor, if the health, morale, and general economic welfare of the country are to be protected. Can the richest Nation in the world stand by and say it cannot afford a Federal hourly minimum of $1.25? Yet these are the facts. In 1953 we produced a record $365 billion worth of goods and services, yet 23 percent of all the families had total money incomes of less than $2,000.

The reasons for poverty are many—disability, old age—low rural incomes, prejudice and so forth. The fight against poverty must have many weapons, some of them subtle, some of them more direct; the most direct, the least complicated, the simplest to effectuate, would be to increase the Federal minimum wage to $1.25. An adequate minimum wage would not only affect the workers themselves but would raise the economic standard of the country generally. It means increased purchasing power, increased demands, from which inevitably all industry and all labor must benefit.

By extending coverage through the elimination of the exemptions for retail establishments and food and tobacco processors, such workers would no longer be in the position of job inferiority and would bring low wage areas into proper ability to compete with other areas with more than a living wage for the workers. Secretary of Labor Mitchell, in testifying before a Senate Labor subcommittee, went on to say that he knew of no sound reason why the minimum wage should not be extended to employees of chain stores, hotels and moving picture chains, including about two million in all. He said that of nearly 1,500,000 retail establishments, only 31,000 or 2 percent are in interstate commerce, but that the 2

percent employ 34 percent of those in business. "They are obviously," he said, "engaged in commerce affecting more States than one. Such commerce is appropriate for regulation by the Federal Government." I wonder if once again his remarks in testifying before a Senate Labor subcommittee will be characterized as personal?

We have witnessed in the past few years the springing up of ghost towns formerly inhabited by traditional business. The New England States and New York State particularly have been hard hit by the movement of industry out of these regions to the south.

I am giving you the facts, but you know them better than I do. You have lived with them in terms of bread and butter, and medical bills, shoes for the children, rent, and education. No amount of statistics can convince as can following the life of a single worker through a single day. No chart, no graph, no table of figures can convince as can the sight of a supper table of a worker and the sight of his clothes in the closet. America's lowest paid and neediest citizens are excluded from a proper share of this increase in the national wealth. This is wrong, cruelly wrong, and we cannot stop until these wrongs are righted. The American heritage belongs to all of us. The American dream belongs to all of us.

The Yalta Conference—Right or Wrong

EXTENSION OF REMARKS
OF
HON. MICHAEL A. FEIGHAN
OF OHIO
IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 22, 1955

Mr. FEIGHAN. Mr. Speaker, the public release of some papers and documents of the Yalta Conference has caused thinking people to reflect on the events of just a few short years ago. Ten years time is but a fleeting moment in the long history of mankind, but the events which the Yalta Conference caused or gave license to, represent the destruction of what man took centuries of great sacrifice to build. I speak of a civilization based upon morality and legal tenets predicated upon that morality. I speak of a civilization in which all nations, large and small, were regarded as having fundamental and natural rights.

All too frequently we hear the charge made that hindsight is cheap and a practice for those who are unwilling to actively participate in the shaping of future events. But studious hindsight can be of real benefit for those who honestly seek the right and just course for our national conduct. An excellent case in point is made by the Sunday Visitor in its editorial of March 27, 1955. In that editorial we can find some of the reasons which compel people who should know better to rise in fury against any action to open up the records of the past.

Among other things this editorial points out that in February 1945 Walter Lippmann, columnist on international affairs, was wildly enthusiastic if not fanatically blinded by the results of the Yalta Conference. He sought to equate the Vatican, the legitimate Polish Government in exile, and Germany, because all three failed to cheer wildly for the results of the Yalta Conference. Lippmann also assured his unsuspecting readers that Russia's aims in Europe were good aims by our standards.

The editorial from the Sunday Visitor follows:

RIGHT OR WRONG

It has always been our contention that the daily press is so influenced by advertisers, by politics, by current fads in the world of ideas, that it gives either a distorted or only a partial picture of the truth.

During the thirties and the forties, the days of the popular front with the commies, the secular press (with certain honorable exceptions) trailed right along, boosting the party line, following the fashion of the hour. That is why so many publications rise in fury against anyone who would turn over past records. That is why investigation is denounced—generally by those with a bad conscience. Any rattling of skeletons could only embarrass them.

Generally speaking, we Catholics have no cause to blush. Guided by fixed principles of right and wrong, we saw communism as infamous back in 1846 as well as in 1918, 1933, 1943, and right now in 1955. It made no difference to us that diplomatic recognition was tendered the U. S. S. R., that Communists became influential in our political and cultural life, that Hitler forced them into military alliance with us, that anti-Communist opinion was officially frowned on as divisive.

We weren't fooled. Communism was still wicked.

We are grateful then to The Josephinum Review for providing a sort of snapshot of editorial opinon back in 1945. Someone on the Review went to the trouble of looking up the files of Time and Life. The editors are discussing the Yalta Agreement. We Catholics have always denounced it as calamitous. In that, it is said that we are benefitting by hindsight. But a comparison of Our Sunday Visitor (and it is typical of the Catholic press 10 years ago) with the rest will refute that opinion:

Here is Time, February 19, 1945, page 15:

"By any standards, the Crimean Conference was a great achievement (see International). All doubts about the Big Three's ability to cooperate, in peace as well as war, seemed now to have been swept away. On the basis of the Big Three's communique, no citizen of the United States, the U. S. S. R., or Great Britain could complain that his country had been sold down the river.

"For Americans, there was a special recognition of certain precepts which Americans have always held dear, and which would reassure many a citizen that World War II was not being fought in vain.

"For one, the principle of 'free and unfettered elections' by universal suffrage and secret ballot was unequivocally stated. This was imbedded in the Crimean Charter specifically as to Poland, and generally for all liberated countries."

And on page 22, same issue, same magazine:

"If words meant anything, the Big Three did more for their nations and their world at Yalta than they did at Teheran. After their Persian meeting, they proclaimed agreement only in the broadest generalities. After their Crimean meeting, they not only proclaimed agreement on every point taken up in their announcement, but on the most difficult points broke down the agreement into hard specifics."

Life, in its editorial of February 26, 1945, page 24, wrote:

"Walter Lippmann said, 'There has been no more impressive international conference in our time.' The chief exceptions to the general joy were the Vatican, the London Poles, and, of course, the Germans, who called it 'an unlimited triumph for Stalin,' • • • As conferences go, this one was a success. • • •

"For the present Russia's aims in Europe are good aims by our standards—the demilitarization of Germany, self-determination and democracy for the rest of Europe's peoples, we need not be too afraid of differing over the meaning of those words, for Americans will be there to measure any gaps between the words and the practice • • •"

The New York Times, February 12, 1945:

"This Conference marks a milestone on the road to victory and peace."

Here is Our Sunday Visitor's comment, February 25, 1945, page 2:

"It looks as though Mr. Roosevelt has once more been outsmarted by the unscrupulous statesmen of Europe. Trampling on the issue which opened the war—Polish independence—and ignoring the sympathies and aspirations of the millions of Polish-Americans who helped elect him last November, he has consented to the donation to Russia of one-third of Polish territory, including the city of Lwow, which, as second largest city, is the Chicago of Poland.

"This division of Poland on which Russia has been insisting is that worked out in 1939 between Molotov and Hitler's Foreign Minister Joachim von Ribbentrop. For Poland it means not only the loss of Lwow, but also the sacrifice of her rich Galician oilfields and the mass transfer of 9 million of her population.

"This was the saddest day of the war. Our hearts are heavy. We have committed ourselves to a program which goes against principle and integrity.

"The whole war started, remember, because Poland refused to hand over territory to Hitler. England and France jumped to Poland's defense. Russia didn't. She was helping Hitler from behind. And after Hitler had conquered Poland he and Stalin split it between them. Mr. Roosevelt has just ratified this grab, except that the part formerly claimed by Hitler reverts to Poland.

"Russia has outplayed us. That's clear. Our bond money has helped to provide her with military equipment and funds for propagandizing in non-Communist areas. The Russian armies lay outside Warsaw and let the Nazis destroy the city.

"Don't feel reassured, either, about the promise of a free election in Poland. With Molotov holding a veto over the setup, all returns are bound to be favorable—to Russia."

This was written over 10 years ago. Hindsight?

Life magazine, in its issue of March 28, 1955, carried the following editorial entitled "The Source of Yalta's Tragedy":

THE SOURCE OF YALTA'S TRAGEDY

The full record of Yalta, which the State Department published last week contains many new sidelights but no real surprises for anyone who has read good histories of World War II, such as Churchill's (Life, November 9 and November 16, 1953) or Chester Wilmot's (Life, March 10, 1952). It does furnish the Republicans with more ammunition against the memory of Franklin Roosevelt. One blushes, for example, to learn how kittenish were his attempts to make friends with Stalin by means of cheap digs at the British behind Churchill's back. In a way the Yalta record is one long argument for greater Anglo-American unity, making Roosevelt's alternative "Grand Design" of Big Three unity seem as unrealistic then as now.

But that is not the whole story. Yalta is still one of history's major tragedies, and its full meaning calls for the full contemporary setting of February 1945: The Red army sweeping into Prussia, the Western allies just recovering from the setback of the Bulge, General Marshall estimating a million American casualties to conquer Japan without Russia, etc., etc. There was every excuse for Roosevelt and Churchill to make concessions to Stalin. The question is why they

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made the concessions they did, and how the wrongness of those concessions can be recognized in future situations of similar temptation and pressure.

The chief victims of Yalta were free Poland and free China, which went into Communist captivity as a direct or indirect result. Neither country was represented at Yalta. The atmosphere of Big Three arrogance in which their fate was decided is illustrated by a statement of Roosevelt's: "He did not attach any importance to the continuity or legality of any Polish Government, since he thought in some years there had been in reality no Polish government." Yet his own administration had all along backed the Polish Government in exile and had many signed agreements with it, including the Atlantic Charter. The same heady note was more bluntly struck by Stalin, who declared it "ridiculous to believe that Albania would have an equal voice with the three great powers who had won the war * * *". What could not live in such an atmosphere was not only the voice of small nations, but the voice of any general principles of law and conduct that are the only alternative, in international as in domestic affairs, to the rule of fear and force.

"In increasing disregard of the right of weaker nations"—that was the source of Yalta's tragedy, wrote Historian G. F. Hudson in Commentary nearly a year ago. "During the last 2 years of his life Roosevelt fell more and more under the spell of his vision of a world governed arbitrarily for its good by a conclave of three men. * * * But it was necessarily Russia, and not the Western Powers, that gained by Big Three dictatorship, for it implied principles of an authoritarian, and not of a democratic order. The democracies can never play the totalitarian game unless they themselves become totalitarian; their interest as democracies lies in a world of independent and freely associated nations large and small."

It will take years of a more principled foreign policy before the West can wholly live down Yalta and reestablish its own coherent system, in which order is a function of consent and power is "not the parent but the servant of the right to command." The lesson of Yalta for the powerful is to resist the temptation to appease communism with other people's freedom, be they Poles, Chinese, or the Albanians for whom Stalin expressed such scorn. Yalta's victims remain on the agenda of liberation. That is what we confront when we turn from recriminations over Yalta to the long task of expiating it.

Mr. Speaker, that editorial is both blunt and inspiring. It warns that "it will take years of a more principled foreign policy before the West can wholly live down Yalta and reestablish its own coherent system." It rightfully concludes that the period of recrimination must end by rectifying the terrible mistakes of Yalta and that the enslaved nations make up our agenda for liberation. Life is to be congratulated for this hard hitting and stimulating editorial.

Under leave to extend my remarks in the RECORD, I have inserted these editorials, and commend them to the reading of all Members of Congress.

Isolation of Israel

EXTENSION OF REMARKS
OF
HON. EMANUEL CELLER
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 22, 1955

Mr. CELLER. Mr. Speaker, our State Department is unfortunately and mistakenly bent at this time upon a policy of isolation of Israel. In doing so, the Department seems to protest to the world "not that we love Israel less but we love our defense pacts more." It does not seem to matter one whit to our policymakers that this infant nation, the standard bearer of democracy in the Middle East has, despite every manner and kind of obstacle placed before it, progressed toward maturity in wondrous contrast to the lack of progress, the illiteracy and the despairing population of the surrounding seven Arab nations. The attitude seems to be that Israel can take care of herself and hence all aid and comfort must be given to the Arab nations.

The question occurs to me whether, if Israel, with all its technological advantages, with its skilled labor force, with its strides in scientific achievement, with proven military skills, were to kick and to fuss against allying itself with the West, were to demand that she, too, be wooed and won, would she thus be dismissed and pressed into disregard? There is a considerable irony in the fact that Israel, being so definitely and conclusively oriented toward the West, should now be permitted to live in jeopardy by the very powers of the West. At Bandung, at the Asian-African Conference, Dr. Fadhill al-Jamali, Minister of State of Iraq and leader of the Iraqi delegation to the conference, named in the same breath colonialism, communism, and zionism as evils which disturb world peace and harmony. He calls zionism "the worst offspring of imperialism." He said he hoped the conference would brand Israel an illegitimate state and an aggressor and see to it that "Arab rights in their own home in Palestine are recognized and restored."

This man speaks for the nation to whom we are sending arms.

His associate, Premier Nuri Said, of Iraq, said only a little while ago that he considered the Zionist danger took precedence over the Communist danger.

Have we not here the evidence of a perspective in international affairs that spells danger to the interest of the United States?

It is tragic that this conceit of Arab policy is now to be spread through the Far East and Africa. The Premier of Iraq has called upon her new ally, Turkey, as well as Pakistan, to support the Arabs in a battle against Israel. There is none at the conference who will counter the spread of this antagonism into Asia and central Africa.

Sir Anthony Eden has given top priority to the search for a solution for Middle East tensions. It is an historical fact that world conflagrations start in areas that do not occupy great prominence on the map of the world. Hence, it is imperative that our State Department join in this search for solutions to bring peace to the Middle East. Every day of delay increases the danger. Only thus can the best interests of the United States be served, and we, as citizens of this beloved country, cannot silently acquiesce to a policy which cannot possibly enhance the search for peace.

SENATE

WEDNESDAY, MARCH 23, 1955

(Legislative day of Thursday, March 10, 1955)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

His Grace, the Right Reverend Athenagoras, of Boston, Mass., bishop of Elaia, Greek Orthodox Church of America, offered the following prayer:

Almighty and ever-living God, the source of all goodness, our refuge and protection, who in Thy providence hast made us heirs of this great and bountiful land of freedom, unto Thee we offer thanks.

As Thou hast condescended to send Thy Son, our Lord Jesus Christ, for us, so make us grateful recipients and worthy guardians of the teachings and ideals that He brought from above for our enlightenment and salvation.

As, under Thy guidance, our fathers retained their determination and sustained their courage, making our land free, so bless the glorious inheritance that we have received from their steadfastness and faith unto Thee.

As Thou hast made from one all nations of man to live on the face of the earth, so, O God of Nations, teach us to discover all nations' achievements and honor their contributions and sacrifices in the struggle for peace and freedom.

We thank Thee especially for the enlightening example in wisdom and bloody sacrifices for freedom of the gallant Greek Nation, whose day of independence we observe this week. We thank Thee for those defenders of honor, peace, and integrity who have sacrificed themselves for others; those who now strive to make us all understand our duties and appreciate our freedom and honor the traditions of our glorious land.

We beseech Thee, O Lord, grant that all those in authority prove themselves worthy of Thy people's trust. Bless all who work for peace and justice. Strengthen with Christian patience and true insight those who safeguard this blessed land from the threats of Thine enemies, the international assailants, the false preachers of nihilism and destruction.

Grant that this land may continue to grow in Thy sight, free and peace loving, a fortress of democracy, a sanctuary for the persecuted, always sharing its material and spiritual abundance with the needy of the world.

Fortify our ideals, O Lord, with Thy love, for where there is love there is no fear, no confusion. Pour unto our souls Thy peace which passeth all understanding, for only in Thee, the Father, the

Son, and the Holy Spirit, do we find that peace which the world cannot give, the true source of freedom, joy, and justice. Amen.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the reading of the Journal of the proceedings of Tuesday, March 22, 1955, was dispensed with.

MESSAGE FROM THE HOUSE— ENROLLED BILLS SIGNED

A message from the House of Representatives, by Mr. Bartlett, one of its clerks, announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

S. 913. An act to eliminate the need for renewal of oaths of office upon change of status of employees of the Senate or House of Representatives; and

H. R. 2576. An act to further amend the Reorganization Act of 1949, as amended, so that such act will apply to reorganization plans transmitted to the Congress at any time before June 1, 1957.

COMMITTEE MEETING DURING SENATE SESSION

On request of Mr. ELLENDER, and by unanimous consent, the Committee on Agriculture and Forestry was authorized to meet today during the session of the Senate.

ORDER OF BUSINESS

Mr. JOHNSON of Texas. Mr. President, I am about to suggest the absence of a quorum, in the hope that a large number of Senators will be present on the floor, and then I plan to propose a unanimous-consent agreement concerning laying the unfinished business aside and proceeding to the consideration of the resolutions reported by the Committee on Banking and Currency. Before I make that suggestion, I wish to have as many interested Senators as possible present on the floor, in order that they may know of the intended course of action.

I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The VICE PRESIDENT. Without objection, it is so ordered.

SALE OF RUBBER-PRODUCING FACILITIES — UNANIMOUS-CONSENT AGREEMENT

Mr. JOHNSON of Texas. Mr. President, I have conferred with the minority leader and with the distinguished chairman of the Committee on Agriculture and Forestry [Mr. ELLENDER]. It is my understanding that the Committee on Agriculture and Forestry will meet this afternoon, to give consideration to certain suggestions which have been made and which, we hope, will eliminate the controversy now extant in respect to the cotton situation.

In view of the fact that before Friday action must be taken on the rubber-plant disposal resolutions, which have been reported from the Committee on Banking and Currency, it is our thought that if we can obtain a unanimous agreement in regard to action on those resolutions, we shall move to lay aside temporarily the cotton-acreage bill, and have the Senate consider the rubber-plant disposal resolutions coming from the Banking and Currency Committee.

I have talked to the distinguished minority leader [Mr. KNOWLAND], and he is agreeable to the suggestion. I have discussed it with the chairman of the subcommittee handling the rubber-plant disposal measures, and he is agreeable to the suggestion. I have discussed it with the senior Senator from Oregon [Mr. MORSE], who has a resolution of disapproval; and he is agreeable to the suggestion.

Therefore, Mr. President, on behalf of the majority and minority leaders, I submit a proposed unanimous-consent agreement, which I send to the desk and ask to have stated.

The VICE PRESIDENT. The proposed agreement will be stated.

The legislative clerk read as follows:

Ordered, That when called up by the majority leader for consideration debate on the following bill and resolutions shall be limited as hereinafter indicated:

S. 691, a bill to amend the Rubber Producing Facilities Disposal Act of 1953, so as to permit the disposal thereunder of Plancor No. 877 at Baytown, Tex.;

Senate Resolution 76, resolution disapproving the sale of the rubber-producing facilities; and

Senate Resolution 78 and Senate Resolution 79, resolutions disapproving the sale of certain rubber-producing facilities in California.

On S. 691, debate shall be limited to not exceeding 2 hours, to be equally divided and controlled by the majority and minority leaders; and not to exceed 1 hour on any floor amendment, motion, or appeal in connection therewith, to be equally divided and controlled by the proposer of any such amendment, motion, or appeal and the majority leader: *Provided*, That in the event the majority leader is in favor of any such amendment or motion, the time in opposition thereto shall be controlled by the minority leader or some Senator designated by him: *Provided further*, That no amendment that is not germane to the provisions of the said bill shall be received.

On Senate Resolution 76, debate shall be limited to 6 hours, to be equally divided and controlled by the majority leader and the Senator from Oregon [Mr. MORSE].

On Senate Resolution 78 and Senate Resolution 79 (which shall be considered jointly), debate shall be limited to 4 hours, to be equally divided and controlled, respectively, by the majority and minority leaders.

The VICE PRESIDENT. Is there objection to the proposed unanimous-consent agreement? The Chair hears none, and the agreement is entered.

ORDER FOR TRANSACTION OF ROUTINE BUSINESS

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that at this time there may be the customary morning hour for the transaction of routine business, under the usual 2-minute limitation on speeches.

The VICE PRESIDENT. Without objection, it is so ordered.

EXECUTIVE COMMUNICATIONS

The VICE PRESIDENT laid before the Senate the following communications, which were referred as indicated:

PROPOSED SUPPLEMENTAL APPROPRIATION, DEPARTMENT OF COMMERCE (S. Doc. No. 17)

A communication from the President of the United States, transmitting a proposed supplemental appropriation for the Department of Commerce, in the amount of $110,854, for the fiscal year 1955 (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

PROPOSED SUPPLEMENTAL APPROPRIATION, DEPARTMENT OF JUSTICE (S. Doc. No. 18)

A communication from the President of the United States, transmitting a proposed supplemental appropriation, for the Department of Justice, in the amount of $300,000, for the fiscal year 1955 (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

PROPOSED SUPPLEMENTAL APPROPRIATIONS, FOR THE JUDICIARY (S. Doc. No. 19)

A communication from the President of the United States, transmitting proposed supplemental appropriations for the judiciary, in the amount of $877,800, for the fiscal year 1955 (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

PROPOSED SUPPLEMENTAL APPROPRIATION, DEPARTMENT OF LABOR (S. Doc. No. 20)

A communication from the President of the United States, transmitting a proposed supplemental appropriation for the Department of Labor, in the amount of $13,000,000, for the fiscal year 1955 (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

PROPOSED SUPPLEMENTAL APPROPRIATION, TAX COURT OF THE UNITED STATES (S. Doc. No. 21)

A communication from the President of the United States, transmitting a proposed supplemental appropriation for the Tax Court of the United States, in the amount of $63,000, for the fiscal year 1955 (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

PROPOSED SUPPLEMENTAL APPROPRIATIONS, FOR THE LEGISLATIVE BRANCH (S. Doc. No. 22)

A communication from the President of the United States, transmitting proposed supplemental appropriations for the legislative branch, in the amount of $438,233, for the fiscal year 1955 (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

PROPOSED PROVISION, DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE (S. Doc. No. 16)

A communication from the President of the United States, transmitting a proposed provision, for the fiscal year 1955, for the Department of Health, Education, and Welfare (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By Mr. LANGER (for himself and Mr. YOUNG):

A concurrent resolution of the Legislature of the State of North Dakota; to the

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Committee on Interstate and Foreign Commerce:

"House Concurrent Resolution V–1

"Concurrent resolution urging the Federal Power Commission to deny applications for the importation of foreign natural gas into the north central area while a surplus of gas exists in this area

"Whereas applications are now pending before the Federal Power Commission for the importation of foreign natural gas into North Dakota and other States of the north central area of the United States; and

"Whereas the importation of natural gas from foreign sources will retard and handicap the development of the natural resources of North Dakota and the north central area; and

"Whereas it is in the interest of the prosperity and development of the State of North Dakota that the natural resources of this State be used in an efficient and useful manner without unfair competition from foreign sources: Now, therefore, be it

"Resolved by the House of Representatives of the State of North Dakota (the Senate concurring therein), That this legislative assembly expresses its continuing concern over the granting of any applications for the importation into North Dakota of supplies of natural gas from foreign sources until such time as existing supplies of such products within the State of North Dakota and the north central area of the United States are being fully, safely, and adequately utilized as determined by the North Dakota Public Service Commission; and that this legislative assembly hereby urges and requests the Federal Power Commission to allow such importations only when the above conditions are met; be it further

"Resolved, That copies of this resolution be forwarded by the chief clerk of the house of representatives to the Federal Power Commission and to each member of the North Dakota congressional delegation, and to the North Dakota Public Service Commission.

"R. A. FITCH,
"Speaker of the House.
"KENNETH L. MORGAN,
"Chief Clerk of the House.
"C. R. DAHL,
"President of the Senate.
"EDWARD LENO,
"Secretary of the Senate."

A concurrent resolution of the legislature of the State of North Dakota; to the Committee on Interior and Insular Affairs:

"House Concurrent Resolution H–2

"Concurrent resolution urging Congress and the Bureau of Indian Affairs to establish tribal courts or courts of Indian offenses for the Fort Totten Indian Reservation

"Whereas the Federal Government has withdrawn from law enforcement activities upon the Fort Totten Indian Reservation; and

"Whereas the Supreme Court of the State of North Dakota has ruled that this State has no jurisdiction over such Indian lands; and

"Whereas there is presently no provision for any law enforcement whatsoever upon the Fort Totten Indian Reservation except for the 10 major crimes; Now, therefore, be it

"Resolved by the House of Representatives of the State of North Dakota (the Senate concurring therein), That the legislative assembly hereby urges and requests the Congress and the Bureau of Indian Affairs to provide for the establishment of tribal courts or courts of Indian offenses at Fort Totten Indian Reservation in order to maintain law and order on such Indian lands; and be it further

"Resolved, That copies of this resolution be forwarded by the chief clerk of the house of representatives to the the President of the United States, the Bureau of Indian Affairs, and to each Member of the North Dakota congressional delegation.

"K. A. FITCH,
"Speaker of the House.
"KENNETH L. MORGAN,
"Chief Clerk of the House.
"C. P. DAHL,
"President of the Senate.
"EDWARD LUCO,
"Secretary of the Senate."

AMENDMENT OF NATURAL GAS ACT—RESOLUTION OF CITY COUNCIL OF DULUTH, MINN.

Mr. THYE. Mr. President, within recent days, I have received copies of resolutions adopted by the city councils of Minneapolis and St. Paul, in which concern and opposition is expressed to pending legislation relating to the jurisdiction of the Federal Power Commission over the production and gathering of natural gas, and its sale to interstate pipeline companies. The text of these resolutions I have already called to the attention of the Senate through insertion in the RECORD.

Today I received a copy of another resolution, this being one considered and adopted by the City Council of the City of Duluth, Minn., on March 21, 1955.

Mr. President, I present the resolution, for appropriate reference and ask unanimous consent that it be printed in the RECORD.

There being no objection, the resolution was referred to the Committee on Interstate and Foreign Commerce, and ordered to be printed in the RECORD, as follows:

Whereas, under the provisions of the so-called Harris bill (H. R. 4560), it is proposed to take away from the regulation of the Federal Power Commission all production, gathering, processing, treating, compressing, and delivering of natural gas to pipeline companies; and

Whereas by the provisions of said bill it is proposed to limit the jurisdiction of the Federal Power Commission to regulate natural gas to only such sales for resale as occur after the completion of all production, gathering, processing, treating, compressing, and delivery of such gas to pipeline companies; and

Whereas it is proposed by such legislation to limit sales of natural gas for resale to such sales in interstate commerce as occur after the commencement of the transportation of such gas in interstate commerce but which do not include any sales which occur in, or within the vicinity of, the field or fields where produced at or prior to the commencement of such transportation of natural gas in interstate commerce; and

Whereas it is further proposed by said H. R. 4560 to require the Federal Power Commission to fix a rate based on the fair field price of such natural gas; and

Whereas it is the opinion of the city council that the passage of this bill, or any legislation similar in purpose or effect, will nullify the decision of the United States Supreme Court in the case of *Phillips Petroleum Co. v. State of Wisconsin* (347 U. S. 672, 74 S. Ct. 794 (1954)), thereby destroying the benefits to be derived from such decision; and

Whereas the consumption of natural gas by domestic consumers in the city of Duluth would be proportionately greater than most other large urban centers because of the long and intensely cold winter season, and, therefore, the city of Duluth is vitally interested in any legislation which might tend to increase the price of gas to consumers; and

Whereas it is the opinion of the city council that passage of this bill, or any similar legislation which has for its object the removal from the jurisdiction of the Federal Power Commission all production, gathering, processing, treating, and compressing in the producing field or in the vicinity of the producing field of natural gas, may well result in increased cost burdens to consumers of gas in the city of Duluth for the reason, among others, that the producing States, before such gas enters the pipelines, may levy substantial attribution and other charges, which charges may be included in the cost of gas to the consumers thereof; and

Whereas it is the opinion of the city council that requiring the Commission to fix a price according to the fair field formula may result in increased rates to consumers of natural gas in the city of Duluth; and

Whereas it is the opinion of the city council that the said H. R. 4560 is not in the public interest: Now, therefore, be it

Resolved, That the City Council of the City of Duluth opposes the passage of H. R. 4560, or any legislation having a similar object; and requests the Members in Congress from Minnesota to exert their utmost efforts to defeat such bill; further

Resolved, That the city clerk is hereby directed forthwith to mail a certified copy of this resolution to each Member of the United States Congress from the State of Minnesota.

Mr. HUMPHREY presented a resolution of the City Council of the City of Duluth, Minn., identical with the foregoing, which was referred to the Committee on Interstate and Foreign Commerce.

REPORT OF A COMMITTEE

The following report of a committee was submitted:

By Mr. AIKEN, from the Committee on Agriculture and Forestry:

S. 46. A bill to further amend the Agricultural Adjustment Act of 1938, as amended, to exempt certain wheat producers from liability under the act where all the wheat crop is fed or used for seed on the farm, and for other purposes; without amendment (Rept. No. 119).

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on today, March 23, 1955, he presented to the President of the United States the enrolled bill (S. 913) to eliminate the need for renewal of oaths of office upon change of status of employees of the Senate or House of Representatives.

BILLS AND A JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. YOUNG (for himself and Mr. LANGER):

S. 1530. A bill to change the name of the reservoir above Garrison Dam and known as Garrison Reservoir or Garrison Lake, to Lake Sakakawea; to the Committee on Public Works.

(See the remarks of Mr. YOUNG when he introduced the above bill, which appear under a separate heading.)

By Mr. WILEY:

S. 1531. A bill to authorize the construction of a new general medical-surgical hos-

pital at the Veterans' Administration Center, Wood, Wis., and for other purposes; to the Committee on Labor and Public Welfare.

(See the remarks of Mr. WILEY when he introduced the above bill, which appear under a separate heading.)

By Mr. JOHNSON of Texas:

S. 1532. A bill to provide for a preliminary examination and survey of the San Felipe Creek, Tex., for flood control and allied purposes; to the Committee on Public Works.

By Mr. CURTIS:

S. 1533. A bill for the relief of John Nicholas Christodoulias; to the Committee on the Judiciary.

By Mr. MANSFIELD (for Mr. MURRAY and himself):

S. 1534. A bill to facilitate the construction of drainage works and other minor items on Federal reclamation and like projects; and

S. 1535. A bill authorizing the issuance of patents to certain members of the Blackfeet Indian Tribe holding exchange assignments on tribal lands; to the Committee on Interior and Insular Affairs.

By Mr. WELKER:

S. 1536. A bill to provide for the relinquishment and disposal of farm labor camps under the jurisdiction of the United States Housing Authority; to the Committee on Banking and Currency.

By Mr. BUSH:

S. 1537. A bill for the relief of Carol Brandon (Valtrude Probst); to the Committee on the Judiciary.

By Mr. HUMPHREY (for himself and Mr. AIKEN):

S. 1538. A bill to amend the Commodity Exchange Act; to the Committee on Agriculture and Forestry.

(See the remarks of Mr. HUMPHREY when he introduced the above bill, which appear under a separate heading.)

By Mr. MARTIN of Iowa:

S. 1539. A bill for the relief of M. Sgt. Robert A. Espe; to the Committee on the Judiciary.

By Mr. IVES:

S. 1540. A bill for the relief of Edith Kahler; to the Committee on the Judiciary.

By Mr. DOUGLAS (for himself and Mr. HENNINGS):

S. 1541. A bill for the relief of Ernst Fraenkel and his wife, Hanna Fraenkel; to the Committee on the Judiciary.

By Mr. DANIEL:

S. J. Res. 58. Joint resolution to designate the 1st day of May 1955 as Loyalty Day; to the Committee on the Judiciary.

DESIGNATION OF LAKE CREATED BY GARRISON DAM IN NORTH DAKOTA AS "LAKE SAKAKAWEA"

Mr. YOUNG. Mr. President, on behalf of myself, and my colleague, the senior Senator from North Dakota [Mr. LANGER], I introduce, for appropriate reference, a bill to change the name of the reservoir above Garrison Dam and known as Garrison Reservoir or Garrison Lake, to Lake Sakakawea. I ask unanimous consent to make not more than a 2-minute statement regarding the bill.

The VICE PRESIDENT. The bill will be received and appropriately referred. Under the unanimous consent agreement, the Senator is entitled to 2 minutes.

The bill (S. 1530) to change the name of the reservoir above Garrison Dam and known as Garrison Reservoir or Garrison Lake, to Lake Sakakawea, introduced by Mr. YOUNG (for himself and Mr. LANGER), was received, read twice by its title, and referred to the Committee on Public Works.

Mr. YOUNG. Mr. President, I have just introduced, on behalf of my colleague, the senior Senator from North Dakota [Mr. LANGER] and myself, a bill which would designate the lake created by Garrison Dam in North Dakota as Lake Sakakawea. I ask the indulgence of the Senate for a moment or two to point out a few of the many great attributes that this Indian woman possessed.

Sakakawea, as a young Indian girl, was captured by an Indian war party and brought to the Indian camp which was located very near the present site of Garrison Dam. History indicates that she may have been a Shoshone Indian, since she was captured near Three Forks, Mont., where the Shoshones lived. However, the three affiliated tribes now residing on the Fort Berthold Reservation claim that Sakakawea was a member of one of their tribes, namely the Gros Ventre. I have every reason to believe that their historical records with respect to her heritage are correct.

It is believed she was approximately 12 years of age at the time she was captured, and a short time after her arrival in North Dakota, she met a man by the name of Charbonneau, a French trader residing at the Indian village, who later married her. The spelling of her name, as well as her heritage, is controversial, but the adopted usage of her name in North Dakota is the one which appears in my bill and is taken to mean "The Bird Woman."

When the Louis and Clark expedition reached the Indian village near the present site of the Fort Berthold Reservation in the early winter of 1804, they employed Charbonneau as an interpreter and agreed that his young wife would also accompany the expedition as it moved westward in the spring. In February of 1805, Sakakawea gave birth to an infant son, and with this added burden journeyed westward. She faced all of the hardships of the journey with staunch courage. In the records of this expedition, Louis and Clark pointed out many times that her cheerfulness and resourcefulness contributed a great deal to the success of their mission. While she did not serve as an official guide, existing records indicate that it was she who pointed out to Captain Clark the location of Bozeman Pass and other landmarks near the headwaters of the Missouri River, since she was very familiar with that portion of the route. When they reached the lands occupied by the Shoshone Indians, Sakakawea was successful in obtaining horses and other assistance from those Indians.

After the expedition had completed its trip to the Pacific, it returned to what is known as the Knife River villages, and Captain Clark, in an effort to repay Sakakawea for her invaluable service, offered to educate her son if he were placed under his care at St. Louis. It is estimated that Sakakawea died in 1812 at the age of 25. Here again another controversy exists as to her actual place of burial, which history has never completely resolved, due primarily to the lack of official documents.

Since our present civilization owes a great deal, in my opinion, to the well known and noted Indian leaders who in their own way played an important part in the settling of this Nation, I think it only fitting and proper that this lake being created on the Missouri River be named in memory of Sakakawea. She knew and understood the Missouri River from its headwaters to the present site of Garrison dam. Her ingenuity materially aided the exploration by Lewis and Clark of this river and northwest territory. Her memory is generally revered by all of the Indians who presently reside along the Missouri River.

I am hopeful that this Congress, in gratitude of her many contributions, will see fit to approve my bill, naming that impounded body of water created by Garrison Dam, Lake Sakakawea.

PROPOSED NEW VETERANS HOSPITAL AT WOOD, WIS.

Mr. WILEY. Mr. President, I introduce, for appropriate reference, a bill to authorize the construction of a new general medical-surgical hospital at the Veterans' Administration Center, Wood, Wis., and for other purposes. This bill is a companion measure to one introduced in the House of Representatives by my distinguished colleague, Representative CLEMENT ZABLOCKI, House bill 600, for the purpose of affording improved medical service to Wisconsin veterans, now serviced by the grossly inadequate facilities at the Veterans' Administration General Hospital and domiciliary facilities at Wood, Wis.

Representative ZABLOCKI has previously introduced important bills for this same purpose. Yesterday he commented anew on the floor of the House of Representatives, rightly pointing up the extremely inadequate condition of the present obsolete facilities at Wood.

I ask unanimous consent that a brief statement which I have prepared on this subject, together with appended materials, be printed in the RECORD.

The VICE PRESIDENT. The bill will be received and appropriately referred; and, without objection, the statement and other material will be printed in the RECORD.

The bill (S. 1531) to authorize the construction of a new general medical-surgical hospital at the Veterans' Administration Center, Wood, Wis., and for other purposes, introduced by Mr. WILEY, was received, read twice by its title, and referred to the Committee on Labor and Public Welfare.

The statement and related materials, presented by Mr. WILEY, are as follows:

STATEMENT BY SENATOR WILEY

THE NEED FOR NEW FACILITIES

From all over my State, I have heard from a great many veterans organizations which are deeply interested in strengthening of medical services to Wisconsin's ill and disabled veterans.

For that purpose, I am pleased to introduce this companion bill H. R. 600.

I believe as CLEM ZABLOCKI has believed—in his 3-year fight for this bill—that its passage would go a long way toward fulfilling of the Nation's debt to the veterans in my particular area.

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Let me say that it is, in my judgment, poor economy, indeed, it is pennywise and pound foolish, to deny adequate modern medical facilities to ill ex-servicemen.

When a man is restored to health or at least is given every medical service that modern science can provide, he is in a far better position to help himself and to contribute to his loved ones and to his Nation, than when he lies flat on his back because of receiving inadequate attention in an inadequate decrepit facility.

As for elderly veterans, there is no veteran so old that he cannot be helped to enjoy life more and to use his remaining years as constructively as possible.

It is good economy to serve the veteran's needs decently and efficiently and it is poor economy to serve them badly.

But, more important, there is a humanitarian issue involved, and there is a patriotic issue involving our Nation's obligations to those who saved it on the field of battle.

VA report to House committee

The VA itself has listed Wood as 1 of 56 hospitals which need complete renovation or modernization. More important, it is on a list of 16 hospitals included in a plan for eventual replacement. So, we might paraphrase the old advertisement, which read, "If eventually, why not now?"

Let us not wait needlessly. Let us have a new 1,500-bed hospital at Wood. Such a hospital would be magnificent news not only to our veterans but to the hard-working management headed by D. C. Firmin and his able staff at Wood which has to get along with pitifully ancient facilities. Medical science should not be denied what it needs.

So, let us not merely perform some patchwork on Wood—replacing one unit or piece of equipment here or there. Let us get a new hospital to house 1,661 domiciliary beds, thus replacing the present "dom" facilities, some of which date back as far as 1867. Let us plan well and comprehensively, rather than fumble along with halfway measures for those who, after all, did not give half of themselves but rather all of themselves in the service of our land.

Hope for favorable report

I hope therefore that our good friend, VA Administrator Harvey Higley will report favorably on this proposed legislation, so that it can be enacted separately or in an omnibus bill with reasonable speed. I know that there are other acute VA facility problems elsewhere in our Nation, but I feel that the situation at Wood is unique in many respects and should be promptly remedied.

There follow various expressions which I have received from Wisconsin veterans' groups and the text of an article which appears in the current issue of the Disabled American Veterans magazine in my State.

MILWAUKEE COUNTY CHAPTER,
CATHOLIC WAR VETERANS,
Milwaukee, Wis., March 8, 1955.

Hon. ALEXANDER WILEY,
United States Senate,
Washington, D. C.

DEAR MR. WILEY: The Milwaukee County chapter of the Catholic War Veterans of America, in meeting assembled February 28, 1955, wholeheartedly endorses the proposed bill in Congress, H. R. 600. We all know we cannot do enough for our disabled veterans, those who were injured while in the service of their country.

They deserve the proper hospitals and the proper care. They can receive this in good and modern VA hospitals. The waiting list is long. The need is great.

If, however, the hospitals throughout the country are in the shape that Wood, Wis., is in, they will never be taken care of. The "dorm" there is old, inadequate, and is a virtual firetrap. It is overcrowded, and the waiting list is a mile long.

Something must be done. H. R. 600 is a good start. Many of the men and women are getting treatment in poor and expensive places. Let us get them in a sound and proper VA program—the best that we can give them.

We are hoping the bill passes through the House quickly and that the Senate acts favorably upon it. We Catholic war veterans of Milwaukee strongly urge you and Senator MCCARTHY to support this bill and convince the others.

These veterans deserve all we can give them. We will do our American duty.

Thank you very much.

Sincerely yours,

ROGER PETERS,
Adjutant.

CHINA-BURMA-INDIA
VETERANS ASSOCIATION,
Milwaukee, Wis., March 15, 1955.

Hon. ALEXANDER WILEY,
United States Senator,
Senate Office Building,
Washington, D. C.

DEAR SENATOR WILEY: The Wisconsin department of the China-Burma-India Veterans Association respectfully requests your ardent support of H. R. 600 which provides, in effect an appropriation for the construction of new hospital buildings at Veterans' Administration Hospital, Wood, Wis.

Our veterans organization, after careful study and consideration, recently passed a resolution favoring this must needed project. The present domiciliary buildings at this soldiers' home are very old, unsanitary, obsolete, and are certainly considered to be fire hazards. Whatever you can do to expedite the passage of this legislative measure will be deeply appreciated, not only by the patients of this installation, but also by all veterans of this area.

Cordially yours,

LESTER J. DENCKER,
GEORGE DIETZ,
Resolutions Committee.

[From the Disabled American Veterans magazine for March 1955]

WISCONSIN DAV SPARKS DRIVE FOR NEW VA HOSPITAL AT WOOD

(By Lloyd B. (Wash) Cain)

Encouraged by the introduction of H. R. 600 in the House of Representatives, calling for the construction of a new general medical-surgical hospital at the VA Center at Wood, Wisconsin Department Commander Howard Fairbanks, his staff and other DAV leaders in the State, have launched an all-out campaign to bring this program to a successful conclusion.

The resolution, as introduced by Congressman CLEMENT J. ZABLOCKI, Democrat, Wisconsin, and now referred to the Committee on Veterans Affairs of the House of Representatives, reads as follows:

"A bill to authorize the construction of a new general medical-surgical hospital at the Veterans' Administration Center, Wood, Wis., and for other purposes

"Be it enacted, etc., That the Administrator of Veterans' Affairs is hereby authorized and directed to construct a new modern fireproof Veterans' Administration general medical and surgical hospital of 1,500 beds, with necessary auxiliary structures, on a suitable site at the Veterans' Administration Center, Wood, Wis.

"SEC. 2. The Administrator of Veterans' Affairs is further authorized and directed to convert the existing hospital buildings and facilities at the Veterans' Administration Center, Wood, Wis., for use as a domiciliary, to which, upon completion and opening of the new Veterans' Administration hospital herein authorized, or as soon thereafter as possible, shall be transferred all eligible veterans receiving domiciliary care at such center.

"SEC. 3. The Administrator of Veterans' Affairs is further authorized and directed to survey the existing domiciliary buildings and facilities at the Veterans' Administration Center, Wood, Wis., and, upon completion of the new hospital construction and conversion of the existing hospital to a domiciliary, herein authorized, to abandon and raze any or all of such existing domiciliary buildings and facilities as he finds to be obsolescent or inadaptable for further use.

"SEC. 4. There are hereby authorized such sums as may be necessary to carry out the purposes of this act."

In discussing this program with leaders over the weekend it was estimated that the new hospital would cost about $25 million, which would include modification of the present hospital facilities. A hospital of the type proposed would probably be a building about 18 stories in height.

If a new hospital were constructed, the domiciliary activities at Wood could be accommodated in the present hospital building. These latter buildings, while outmoded and very undesirable in many respects for hospital activities would be suited and easily adaptable for domiciliary activities. This would permit abandoning the old domiciliary buildings. These buildings were constructed during the period of 1867 through 1880, and have deteriorated to the extent that they have become fire hazards and a severe and very expensive maintenance problem. Moreover, the old structures do not provide any of the physical conveniences and facilities for standard care of the disabled veteran. This must be emphasized when considering the advancing age of all veterans.

Asked regarding the present population at the Wood Hospital, Mr. D. C. Firmin, manager, presented the following statistics:

Hospital patients: Korean veterans, 76; World War II veterans, 392; World War I veterans, 583; Spanish-American War veterans, 43; peacetime veterans, 7; and nonveterans, 7, for a total of 1,108.

Domiciliary members: Indian wars veterans, 3; retired Regular Army, 3; Spanish-American War veterans, 52; World War I veterans, 1,364; World War II veterans, 125; peacetime veterans, 23; Korean veterans, 0, for a total of 1,570.

The main hospital building at Wood was constructed in 1923. The building accommodating the NP service, which is apart from the main building was constructed in 1932. The main building was originally built as a TB hospital and later its use was converted to general medical and surgical. When these buildings were planned, the present active and dynamic medical program and its requirements were not anticipated. Following World War II, an overall change in the VA concept of a good medical program took place. There have been added various services as parts of the hospital team. Existing services have been expanded. There were absolute necessities to bring the medical and treatment standards for disabled veterans to the desired level. Attempt was made to crowd all these activities in the various wings of the hospital building, which never in any manner or fashion been designed to accommodate such services. Consequently, there resulted a crowded, inconvenient, inadequate, makeshift, and awkward arrangement. Much time and effort must be expended at great expense in the operation of the hospital, because of these inadequacies.

The construction of a new hospital would allow planning a combination of the hospital and RO outpatient services. This would result in eliminating duplication of effort and expense and would definitely improve the quality of service to the veteran.

Milwaukee is a logical site for such an outstanding VA medical center. Milwaukee

has one of the best medical schools, (Marquette University) in the country. Affiliation with the University Medical School and the availability of the most capable physicians on consultant basis assure the VA of the best possible medical practice in connection with the care of veterans. The Federal Government already owns sufficient land to undertake a construction program of this magnitude.

The present hospital bed capacity at Wood is 1,275. The Armed Forces have a current strength approaching 4 million. The increased potential veteran load is obvious. Therefore, the minimum size of a hospital of the general medical and surgical type for Wisconsin should at least approximate the present size.

A new hospital could be erected in an area adjacent to the existing hospital buildings in which the domiciliary activities would eventually be located. This would concentrate all the center medical activities (hospital, domiciliary, and outpatient service) in close proximity to each other, thereby greatly facilitating operation and resulting in tremendous savings in operating costs.

The VA center at Wood is a city in itself—a city of memory, a community of pain.

Its population is now about 2,780 men (and 10 women). They all served in the Armed Forces of the United States, and all are disabled or incapacitated in some way.

One ward of 30 beds, had been set aside for women veterans but because the demand has dwindled this has been reduced to an 18-bed ward. Currently only 210 women veterans are hospitalized.

Young men and old men alike live at Wood. The average age of the Spanish-American war veterans is about 76, compared with an average age of about 24 for the 76 hospitalized veterans of the Korean conflict.

The largest group at the center consists of World War I veterans, whose average age is now about 58. About 1,364 World War I men get domiciliary care at the center, and 583 are hospitalized.

The average daily hospital bed capacity is about 1,130.

World War II veterans, with an average age of 34, are the second largest group. About 392 World War II men are hospitalized, and 125 are receiving domiciliary care.

The center has a total of 2,936 beds in all categories. Of these, 1,275 are hospital beds and 1,661 are domiciliary-care beds.

The men in the domiciliary spend part of their time in arts and crafts activities, which include rug making, plastic work, leather work, wood work, and toy repairing. The 45 blind veterans are limited to rug making.

The center fronts on West National Avenue, between South 44th and South 54th Streets. It includes about 90 buildings located on 265 acres. Among the buildings are 4 hospitals, 10 domiciliary barracks, libraries, recreational buildings, theaters, a chapel, a laundry, supply warehouse, greenhouses, and quarters for personnel.

The Wood Center is the outgrowth of the efforts of Milwaukee women who met in a church basement on October 18, 1861, to organize an aid society for Civil War soldiers.

The society and other women's groups subsequently formed the Soldiers' Home Association and opened a home for Civil War veterans on March 31, 1864. One year later the Milwaukee organization turned over its funds to the Federal Government which opened a national soldiers' home in Milwaukee.

Shortly before World War I, the Government considered closing the home at Wood because the number of patients and residents had dwindled. But with the advent of World War I, the center was again needed. Congress appropriated $1,250,000 for additional buildings at Wood. Milwaukeeans donated furniture and equipment for the recreation rooms of a tuberculosis hospital which was opened in April 1923.

World War II was another milestone in the center's development. Congress appropriated a total of about $1,500,000 for additions and alterations to buildings at Wood.

A total of 1,700 full-time employes at the center care for the 2,780 men. About 375 men, mostly domiciliary patients, are employed as part-time workers.

The center operates on a budget of about $8,400,000 a year, plus about $125,000 for maintenance and repairs.

Under the direction of Commander Fairbanks, petitions already are being circulated among the DAV membership. Elsewhere in this edition is a suggested heading for a petition which should be circulated by DAV members in all sections of Wisconsin. Every DAV chapter and auxiliary member in the State should immediately contact his or her Congressman and urge his support for H. R. 600, providing for a new hospital at Wood.

AMENDMENT OF COMMODITY EXCHANGE ACT, SO AS TO INCLUDE ONIONS

Mr. HUMPHREY. Mr. President, on behalf of myself, and the Senator from Vermont [Mr. AIKEN], I introduce, for appropriate reference, a bill to amend the Commodity Exchange Act, to include onions among the commodities coming under the provisions of that act. I ask unanimous consent that the bill, together with a statement prepared by me, concerning the need for such legislation, be printed in the RECORD.

The VICE PRESIDENT. The bill will be received and appropriately referred; and, without objection, the bill and statement will be printed in the RECORD.

The bill (S. 1538) to amend the Commodity Exchange Act, introduced by Mr. HUMPHREY (for himself and Mr. AIKEN), was received, read twice by its title, referred to the Committee on Agriculture and Forestry, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That section 2 (a) of the Commodity Exchange Act, as amended (7 U. S. C. 2), is amended by inserting "onions," after "eggs", in the third sentence thereof, so that onions are added to the definition of the word "commodity" for the purposes of said act.

SEC. 2. This act shall take effect 60 days after the date of its enactment.

The statement presented by Mr. HUMPHREY is as follows:

STATEMENT BY SENATOR HUMPHREY

Onion producers and produce dealers of Minnesota are justly disturbed over the adverse effects of unregulated gambling in onion futures.

This bill would amend the Commodity Exchange Act by extending its provisions to onions, thus subjecting future trading in onions to regulation under the Commodity Exchange Act.

While it is recognized that regulations under the Commodity Exchange Act alone may not be able to prevent completely the wide seasonal price swings traditional in the marketing of onions, it should help.

Enactment of the bill would at least enable the Department of Agriculture to obtain the facts as to what takes place in the onion futures market and to deny trading privileges to any person found to have engaged in manipulative trading or other unlawful trade practices.

Also, information developed through investigations and reports required under authority of the Commodity Exchange Act could provide a factual basis for determining whether futures trading in onions serves the public interest, or whether the Congress should consider legislation looking to the drastic curtailment or prohibition of such trading.

Minnesota produced 32 million bushels of onions in 1954. It is a crop important to our agricultural economy. It is also an important crop in Wisconsin, Michigan, New York, Texas, and other States.

Producers in Minnesota claim trading on the Chicago Mercantile Exchange in "paper onions"—far more onions than physically exist—have been detrimental to those who are engaged in the legitimate handling of onions, resulting in disastrous price fluctuations.

Congress has already indicated its agreement that this onion trading should be brought under regulation. Both Houses last year adopted similar legislation, but the bill died in conference after a Senate amendment adding a similar provision for coffee.

Onion producers now urge their case be considered on its own merit, so some semblance of more orderly marketing can be provided.

DESIGNATION OF MAY 1, 1955, AS LOYALTY DAY

Mr. DANIEL. Mr. President, I introduce, for appropriate reference, a joint resolution to designate the 1st day of May 1955 as Loyalty Day.

The VICE PRESIDENT. The joint resolution will be received and appropriately referred.

The joint resolution (S. J. Res. 58) to designate the 1st day of May 1955 as Loyalty Day, introduced by Mr. DANIEL, was received, read twice by its title, and referred to the Committee on the Judiciary.

Mr. DANIEL. Mr. President, the purpose and background of this matter are covered by a statement by Mr. Omar B. Ketchum, director of the national legislative service of the Veterans of Foreign Wars. I ask unanimous consent that the statement by Mr. Ketchum be printed at this point in the body of the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY OMAR B. KETCHUM ON LOYALTY DAY

The idea for observance of Loyalty Day first came into being around 1929 when VFW leaders in the Boston-New Jersey-New York area decided that something should be done in the way of a counter offensive against the Communist May Day demonstrations, which had been attracting widespread attention for several years.

It was unthinkable to men who had served their country on foreign soil or in hostile waters, that mass demonstrations in American cities in support of the godless ideology of communism should go unchallenged. If the Communists could stage parades in support of this atheistic way of life, why couldn't patriotic and loyal Americans stage parades and demonstrations emphasizing our democratic processes and the American way of life.

As a result of this patriotism there came into being what is now widely known and heralded as Loyalty Day, when parades and other forms of observances are held in hundreds of cities to reaffirm and rededicate the love and devotion of our people for our American way of life.

Loyalty Day observance is nonpartisan and nonsectarian and all patriotic groups and organizations, including foreign language

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groups, are invited to participate. The VFW has acted, and acts, to provide the leadership where necessary and to serve as a coagulant in bringing the various groups together in the patriotic observance. The zeal and enthusiasm with which Loyalty Day observance has been undertaken in large eastern seaboard cities such as Boston, New York, and Philadelphia, has largely resulted in the gradual disintegration of Communist May Day demonstrations. While parades are held in scores of cities and towns each year, the largest Loyalty Day parades are held in New York, Jersey City, and Philadelphia with hundreds and thousands of persons participating while millions of spectators line the streets.

In small communities the Loyalty Day parades have become the outstanding event of the year. For example, noteworthy parades were held last year in Napa, Calif.; Moscow, Idaho; Griffin, Ga.; Middletown, Conn.; Ottumwa, Iowa; East Chicago, Ind.; and Eveleth, Minn. Major emphasis is placed upon participation by schoolchildren and foreign language groups, in Loyalty Day parades and other types of observance.

Since 1950 the governors of almost all States and the Territories have issued proclamations for Loyalty Day. Mayors of scores of cities have also issued Loyalty Day proclamations. It is hoped and expected that all States and Territories will issue Loyalty Day proclamations for 1955.

The Loyalty Day observance program headed by the Veterans of Foreign Wars has won successive awards for the past 4 years from Freedoms Foundation at Valley Forge, Pa. Last year Freedoms Foundation presented the VFW the Distinguished Service Award and Scroll for winning a Loyalty Day award for 4 consecutive years.

Recent national conventions of editors and publishers in Washington and New York indicate that the American press is fully cognizant of, and in accord with, the aims and objectives of Loyalty Day. This observance has received wide coverage in the press and from national radio and television commentators, as well as local stations and announcers.

There is evidence that this year, for the first time, the Ground Observer Corps of the Air Defense Command will cooperate in Loyalty Day observances in all cities where observances are held and where the Ground Observer Corps is operating. A directive has gone out from the Air Defense Command to all air defense forces commanders recommending that Ground Observer Corps exercises be held on Loyalty Day and that cooperation should be sought from other commands and from auxiliaries and associates such as the Air National Guard, Civil Air Patrol and the Flying Farmers, to have as many planes as possible routed over Ground Observer Corps observation posts.

Loyalty Day is an accomplished and growing institution. It has been recognized by all of our States and many of our cities. To make its acceptance complete it needs only recognition from the Congress for 1 year, May 1, 1955. From that point on Loyalty Day will become an established observance in the hearts and minds of the American people and will serve to deal a devastating but bloodless blow at the unthinking persons who would attempt to rally public opinion behind the false ideology of communism.

STUDY OF DISPERSAL AND RELOCATION OF CERTAIN INDUSTRIES IN CASE OF ATOMIC ATTACK

Mr. BARRETT submitted the following concurrent resolution (S. Con. Res. 19), which was referred to the Joint Committee on Atomic Energy:

Resolved by the Senate (the House of Representatives concurring), That the Joint Committee on Atomic Energy, or any duly authorized subcommittee thereof, is authorized and directed to conduct a full and complete study and investigation of means of securing dispersion and relocation of industries and facilities essential to the defense and security of the United States to locations in the interior of the country, particularly to the Rocky Mountain region, in order to reduce the vulnerability of such industries and facilities in the event of an attack upon the United States involving the use of atomic weapons. Such study and investigation shall include, but not be limited to, consideration of (1) direct action by the Government of the United States, in cooperation with the governments of the States and their local political subdivisions, to provide industrial sites, plants, and facilities in locations least vulnerable to atomic attack and (2) action by the United States, through the granting of tax incentives and otherwise, to encourage the voluntary dispersion and relocation of such industries and facilities.

SEC. 2. The joint committee shall report the results of the study and investigation conducted pursuant to this resolution, together with its recommendations, to the Senate and the House of Representatives not later than January 31, 1956.

SEC. 3. In carrying out its duties under this resolution, the joint committee is authorized to employ, on a temporary basis, such experts and consultants and such technical and clerical assistants as it deems necessary and advisable.

SEC. 4. The expenses of the joint committee under this resolution, which shall not exceed $50,000, shall be paid from the contingent fund of the Senate upon vouchers signed by the chairman.

PROPOSED ARMED SERVICES HOUSING INSURANCE ACT OF 1955—ADDITIONAL COSPONSORS OF BILL

Mr. CAPEHART. Mr. President, since the introduction of the bill (S. 1501) to amend the National Housing Act by adding a new title thereto providing additional authority for insurance of loans made for the construction of urgently needed housing for military personnel of the armed services, and pursuant to my previous request, the names of the following Senators have been added as additional cosponsors: Mr. PURTELL, Mr. SMATHERS, and Mr. JACKSON.

INCREASED COMPENSATION FOR POSTAL EMPLOYEES — AMENDMENT

Mr. BYRD submitted an amendment, intended to be proposed by him to the bill (S. 1) to increase the rates of basic compensation of officers and employees in the field service of the Post Office Department, which was ordered to lie on the table and to be printed.

INCREASED COMPENSATION FOR CERTAIN CLASSIFIED OFFICERS AND EMPLOYEES OF THE GOVERNMENT—AMENDMENTS

Mr. BYRD submitted amendments, intended to be proposed by him to the bill (S. 67) to adjust the rates of basic compensation of certain officers and employees of the Federal Government, and for other purposes, which were ordered to lie on the table and to be printed.

AMENDMENT OF CIVIL AERONAUTICS ACT OF 1938—AMENDMENTS

Mr. MAGNUSON submitted an amendment, intended to be proposed by him to the bill (S. 1119) to amend the Civil Aeronautics Act of 1938, as amended, and for other purposes, which was referred to the Committee on Interstate and Foreign Commerce, and ordered to be printed.

Mr. MAGNUSON, by request, submitted amendments, intended to be proposed by him to Senate bill 1119, supra, which were referred to the Committee on Interstate and Foreign Commerce, and ordered to be printed.

Mr. MAGNUSON. Mr. President, by request, I submit amendments, intended to be proposed by me, to Senate bill 1119, supra. The content of the amendments is controversial, to say the least. It relates to the right of entry to the air transportation business. This is a subject that should be discussed in committees and the Halls of Congress. It deals definitely with the air transportation policy, as formulated and enacted by the Congress.

At this point, I want to make it clear that I am not personally committed to either side of the issues raised by these proposals. I am submitting them, however, at this time to insure that the subject receives consideration in the Interstate and Foreign Commerce Committee, and that all parties at interest have an opportunity to present their views in that forum.

I ask unanimous consent that the amendments be printed in the RECORD, as part of my remarks.

The VICE PRESIDENT. The amendments will be received, printed, and appropriately referred; and, without objection, will be printed in the RECORD.

The amendments, submitted by Mr. MAGNUSON, by request, were referred to the Committee on Interstate and Foreign Commerce, as follows:

On page 7, strike out lines 5 and 6 and insert in lieu thereof the following:

"SEC. 12. (a) Paragraphs (a), (b), and (d) of section 2 of the Civil Aeronautics Act of 1938, as amended, are amended to read as follows:

"'(a) The encouragement and development of a competitive air transportation system properly adapted to the present and future needs of the foreign and domestic commerce of the United States, of the postal service and of the national defense.

"'(b) The regulation of air transportation in such manner as to recognize and preserve the inherent advantage of, assure the highest degree of safety in, and foster the growth and development of such transportation under sound competitive economic conditions; and to improve relations between and coordinate transportation, by air carriers.

"'(d) Competition to the maximum extent consistent with the economic characteristics of the industry giving full recognition to the benefits derived from the certification of new competitive carriers in promoting the sound development of an air transportation system meeting the needs of the traveling public.'

"(b) Section 2 of such act is further amended by striking out paragraphs (e) and."

On page 8, strike out lines 21 and 22 and insert in lieu thereof the following:

"SEC. 15. (a) Section 401 of the Civil Aeronautics Act of 1938, as amended, is

amended by striking out subsection (d) (1) and inserting in lieu thereof the following:

"'(d) (1) The Board shall issue a certificate authorizing the whole or any part of the transportation covered by the application unless it finds that the applicant is not fit, willing, and able to perform such transportation properly and to conform to the provisions of this act and requirements of the Board hereunder or that the public convenience and necessity will not be served thereby.'

"(b) Subsection (f) of such section 401 is amended by strik-."

EXTENSION OF TRADE AGREEMENTS ACT—AMENDMENT

Mr. PAYNE submitted an amendment, intended to be proposed by him to the bill (H. R. 1) to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes, which was referred to the Committee on Finance, and ordered to be printed.

CHANGE OF REFERENCE

Mr. JACKSON. Mr. President, on January 17 administration proposals to permit two retired military officers to accept civilian positions in the Department of Justice were received in the Senate and referred to the Committee on the Judiciary.

Senate bills 1271 and 1272 were introduced on March 2 to carry out the purposes contained in the administration requests. However, these bills were referred to the Committee on Armed Services.

In addition, S. 1272 is identical with a bill reported favorably during the closing days of the last Congress by the Committee on the Judiciary.

In view of those factors, Mr. President, unanimous consent is requested that the Committee on Armed Services be discharged from the further consideration of both bills, and that they be referred to the Committee on the Judiciary.

The VICE PRESIDENT. Is there objection to the request of the Senator from Washington? The Chair hears none, and it is so ordered.

The bills were referred to the Committee on the Judiciary, as follows:

S. 1271. A bill to authorize the appointment in a civilian position in the Department of Justice of Brig. Gen. Edwin B. Howard, United States Army, retired, and for other purposes; and

S. 1272. A bill to authorize the appointment in a civilian position in the Department of Justice of Maj. Gen. Frank H. Partridge, United States Army, retired, and for other purposes.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. O'MAHONEY:

Address delivered by Senator MCNAMARA at a meeting of the Friendly Sons of St. Patrick, at Providence, R. I., on March 17, 1955.

By Mr. SALTONSTALL:

Address entitled "Meeting the Communist Menace," delivered by Hon. Herbert Brownell, Jr., Attorney General of the United States, before the Greater Boston Chamber of Commerce, in Boston, Mass., on March 21, 1955.

By Mr. KEFAUVER:

Article entitled "Churchill Chides United States on Yalta Case," written by Drew Middleton, and published in the New York Times of March 23, 1955.

OPENING OF PRAYER ROOM FOR MEMBERS OF CONGRESS

Mr. MONRONEY. Mr. President, I announce that today the Prayer Room for Members of the House and Members of the Senate will be open for inspection by the Members of Congress. On Thursday, Friday, Saturday, and Sunday it will be open for inspection by the public generally, so that all may see this room, which we have provided for ourselves, for mediation and prayer.

After next Sunday, of course, the room will be reserved solely for use for the purpose for which it has been constructed. The room is just off the rotunda of the Capitol; it is the first room west from the middle of the rotunda.

GREEK INDEPENDENCE DAY

Mr. LEHMAN. Mr. President, on Friday we shall celebrate the anniversary of Greek independence from the rule of the Ottoman Empire. One hundred and thirty-four years ago, in 1821, the entire Western World was stirred by the valiant struggle for freedom waged by the liberty-loving people of Greece. The shades of ancient Greece—of Marathon and Thermopylae—were evoked as the courageous Greeks gathered to do battle for the cause of independence.

In 1821, as today, free men everywhere were aware of the great legacy inherited from the heroic achievements of the ancient Greeks. Lovers of freedom from many lands rallied to the fight for Greek independence. In the United States, President Monroe was moved to dispatch to the Congress a special message paying tribute to the Greek revolutionary forces.

In recent years, the Greek people were again required to defend their independence. As Director General of UNRRA, I was fortunately able to visit Greece in the early summer of 1945, a few weeks after the cessation of general hostilities in Europe. Although evidences of great privation and unrest, resulting from the long years of Nazi occupation, were everywhere at hand, I shall never forget my impression of the courage and determination of the Greek leaders to reconstruct and build anew their beloved homeland.

The unyielding determination to maintain and fight for freedom has marked the history of the Greek people down through the ages, to very current times.

Fortunately, the United States Government, under the leadership of former President Truman, was moved to extend economic and military aid to the Greek people in the years following World War II. That help was crucial. It saved Greece for the Greeks and for the free world.

There is one area in which the United States should do much more than it has done to help the Greek people. I refer to the need to liberalize our present immigration laws, which now cruelly and unfairly discriminate against Greece, bar the door to the admission of all but a handful of persons born in Greece. The number of persons born in Greece who can be admitted into the United States each year is the nominal figure of 308—a pitifully small quota.

Under the disgraceful national-origins quota system and the entire McCarran-Walter Act, a cold shoulder is now turned to those Greeks—and others—who should be permitted, in an orderly manner, to emigrate to the United States.

SALUTE TO GREECE

Mr. KEFAUVER. Mr. President, this morning I had the pleasure of visiting with His Grace, Bishop Athenagoras, of the New England diocese of the Greek Orthodox Church. Bishop Athenagoras, who is acting head of the church in America, delivered the invocation to the Senate today.

I invite the attention of Members of the Senate to the fact that this Friday, March 25, commemorates the 134th anniversary of Greek independence from the Ottoman Empire.

One hundred and thirty-four years ago this week, the courageous Greek people successfully lifted the yoke of Ottoman bondage that had weighed down on them since 1453. They did not gain their freedom easily, but with tremendous courage unique to all freedom-loving people and the knowledge of the successful revolutions in France and the United States before them, the Greeks kept at it, until on March 25, 1821, they announced to the world that they were a free and sovereign nation, their freedom symbolic. Greece had preached democracy to the world during the Golden Age of Greece when freedom was a byproduct of all their activities.

It seems that Greece has always fought for freedom. In ancient times they protected their advanced culture from ruin by Persian invasions. In 407, when the Goths overran Rome, Greek warriors were able to withstand the invasions of the Visigoths from the North and thereby preserve civilization until Rome was able to regain her freedom.

During World War I the Greeks protected the seas and the straits in the eastern Mediterranean, not an easy task with enemies on all sides.

In World War II, Greece had its finest hour when she successfully resisted the Fascist invasion of Mussolini and drove him back to the sea. Then Greece made the gallant stand against the Nazi invasion of Hitler, throwing off his invasion timetable and giving the Allies valuable time to prepare her defenses. Greece's noble fight against the Communist threat, after many years of torture and subjugation by the Nazis, was amazing and served as an example for other nations frightened by the successes of world communism. Again little Greece

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stood up to the task, and came away the victor, but not without paying a price for her victory both in the young men who lost their lives and the severe drain on a treasury already depleted by war and conquest.

Greece did not stop there. Having defeated the Communists on her own soil, Greece was willing to aid other countries in their fight. When the Korean war started, Greece was one of the first nations to send men to that cold, barren land.

Greece has always been a great friend and ally of the United States. She has always been appreciative of the aid that the United States afforded her. With this aid Greece was able to put her country on a sound financial basis after the disastrous financial plight caused by the invasions of the Nazis and the infiltration of the Communists which kept the country in a constant state of turmoil from 1940 through 1948.

America's warm regard for Greece was demonstrated on the occasion of the recent visit of King Paul and Queen Fredrika who completely captivated the American people.

To the nation that has through the centuries given to this world great elements of democracy, art, literature, science, medicine, education, philosophy, religion, and the noble spirit to fight for freedom despite the odds, to this country I say, "All honor to you and to your descendants; and may you always take pride in the glory that was Greece and the glory that is Greece today."

LETTER FROM AMERICAN LEGION DEPARTMENT COMMANDER IN FAVOR OF NATIONAL SECURITY TRAINING BILL

Mr. WILEY. Mr. President, I send to the desk the text of an important letter which I have received from James A. Martineau, department commander of the American Legion for the State of Wisconsin. Commander Martineau endorses S. 2 for a system of national security training.

The commander rightly begins his letter by stating that "it will come as no surprise" to me that the Legion is strongly advocating passage of this bill.

I have indeed been glad to hear, as I expected, from the ever alert Legion and other veterans' groups all over my State. I know that the support by the Legion of this bill is in conformity with its unbroken record of emphasizing adequate preparedness for our country.

I may say that had the Legion's general advice for overall preparedness been followed in times gone by, our beloved America would have been spared incalculable numbers of casualties in World War II and in Korea and incalculable grief.

It is an unfortunate fact that our country has never entered any of its wars adequately prepared and truly ready for emergency. Instead, we have always had to stumble along, experiencing frightful losses—in men, territory, and material—at the outset of all conflicts.

I believe that the current training bill should and will receive prompt review by the Senate and House of Representatives. There are numerous points in controversy which will definitely have to be resolved with all sides presenting their viewpoint.

While I am not a Member of the Senate Armed Services Committee, I shall be following its work closely. I hope it will be possible to have an early Senate vote on a bill, by which the young men of our Nation will be given the opportunity on a just, fair, sound basis, to bear arms in defense of their country and to be adequately prepared for whatever may come in this dangerous air-atomic age.

I ask unanimous consent that the text of Commander Martineau's letter, which represents the views of a great many Wisconsin veterans and their families, be printed at this point in the body of the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE AMERICAN LEGION,
DEPARTMENT OF WISCONSIN,
Milwaukee, Wis., March 21, 1955.

Hon. ALEXANDER WILEY,
United States Senate,
Senate Office Building,
Washington, D. C.

DEAR SENATOR WILEY: I'm sure it will come as no surprise to you that the American Legion is again strongly advocating passage of national security training legislation. As such we earnestly support S. 2, and hope that you will vote in its favor.

National security training legislation will provide at a minimum expense a ready reserve of trained manpower without the need of a huge standing army. It will equalize the present unfair method of selecting men for the Armed Forces, and make the privilege of military service available to all young men and not merely to those chosen by lot.

Since the highest obligation of citizenship is to bear arms in defense of one's country, the American Legion feels that such obligation must be met by all young men who are physically fit, rather than a small percentage, many of whom are compelled to serve in two or more wars.

I might point out that the will of the people unquestionably is to provide for national security training. Every public opinion poll—even one taken among youths themselves—has established this fact. Thus, instead of being politically risky, it is quite apparent that, except for certain minority groups, a vote for national security training is a vote for the public's wishes.

We will anxiously await any comments on this matter that you may wish to make.

With kindest personal regards, I remain,

Sincerely yours,

JAMES A. MARTINEAU,
Department Commander.

GREGOR MACPHERSON — GRAND MASTER OF MASONS IN THE DISTRICT OF COLUMBIA

Mr. BRICKER. Mr. President, I rise at this time to call attention to one of the men with whom we are daily associated in the Senate.

All business, particularly all public business, is dependent upon the keeping of accurate records. I think the system for the reporting of debates in the Senate is the very acme of the profession. Daily, we work with the men who sit at the table before us, and daily each of us has the opportunity to observe the accuracy of their reporting and the noble service which they render; but too often we do not know their other associations and activities.

I rise at this time to pay a special tribute and express congratulations to one member of the Corps of Official Reporters of Debates who daily works with us, and for whom we have come to have great affection.

Mr. Gregor Macpherson has labored with us throughout many years. We have all come to know and respect him for his professional ability.

Many Members of this body are also members of an organization which is not only nationwide, but worldwide. It is known as the Masonic fraternity. Many of its members have given of their services with unselfish purpose throughout the years. It is an order which is dedicated to community service, to the relief of our fellow men, to charity, and to the worship of Almighty God.

Mr. Gregor Macpherson has reached the highest office in that order in the District of Columbia. The head of a local Masonic lodge is known as the master of his lodge. The head of all the lodges in the District is known as the grand master of Masons in the District of Columbia. Very recently, Mr. Macpherson was elected to the high office of grand master of Masons in the District of Columbia.

I wish to compliment Mr. Macpherson on his election to that high office. I am confident that his service will be of the same high caliber as has characterized the service rendered by the Masonic fraternity to its members and to the community generally. Believing, as it does, in the system of government under which we live, it is a most patriotic order.

I wish to express my compliments and best wishes to Mr. Macpherson for his service throughout the year in the highest office of the Masonic fraternity in the District of Columbia.

DISAPPROVAL OF SALE OF CERTAIN RUBBER-PRODUCING AND SYNTHETIC RUBBER FACILITIES IN CALIFORNIA

Mr. JOHNSON of Texas. Mr. President, pursuant to the unanimous consent agreement entered into this afternoon, I call up Senate Resolutions 78 and 79, which are to be considered jointly. Both relate to the sale of rubber plants and facilities in California.

The PRESIDING OFFICER. The Secretary will state the resolutions by title for the information of the Senate.

The LEGISLATIVE CLERK. A resolution (S. Res. 78) disapproving the sale of certain rubber-producing facilities in California.

A resolution (S. Res. 79) disapproving the proposed sale of certain synthetic rubber facilities recommended by the Rubber Producing Facilities Disposal Commission report.

The PRESIDING OFFICER. The question is on agreeing to the resolutions.

The resolutions, respectively, are as follows:

Senate Resolution 78

Resolved, That the Senate does not favor the sale of the butadiene manufacturing facility at Torrance, Calif., Plancor 963; the styrene manufacturing facility at Los Angeles, Calif., Plancor, 929; and the synthetic rubber (GR–S) facility at Los Angeles, Calif., Plancor 611, as recommended in the report of the Rubber Producing Facilities Disposal Commission.

Senate Resolution 79

Whereas the Rubber Producing Facilities Disposal Act of 1953, Public Law 205, 83d Congress, provided for the disposal of the Government-owned rubber-producing facilities, pursuant to the provisions of said act; and

Whereas in the recommended sale of the butadiene manufacturing facility at Torrance, Calif., Plancor 963; the styrene manufacturing facility at Los Angeles, Calif., Plancor 929; and the synthetic rubber (GR–S) facility at Los Angeles, Calif., Plancor 611, the Rubber Producing Facilities Disposal Commission has not conformed to the provisions and procedures established by the said act; and

Whereas the said purported sale by the Rubber Producing Facilities Disposal Commission was in violation of the provisions and procedures established and required by Public Law 205, 83d Congress; and

Whereas section 23 (a) of the Rubber Producing Facilities Disposal Act of 1953 provides for the introduction of this form or resolution: Now, therefore, be it

Resolved, That the Senate does not favor the sale of the buatdiene manufacturing facility at Torrance, Calif., Plancor 963; the styrene manufacturing facility at Los Angeles, Calif., Plancor 929, and the synthetic rubber (GR–S) facility at Los Angeles, Calif., Plancor 611, as recommended in the report of the Rubber Producing Facilities Disposal Commission.

Mr. JOHNSON of Texas. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. JOHNSON of Texas. Under the unanimous-consent agreement entered into, how is the time divided on the two resolutions?

The PRESIDING OFFICER. One-half of the 4 hours will be controlled by the Senators from Minnesota, divided equally, 1 hour by each Senator from Minnesota. The remaining 2 hours will be controlled by the majority leader and the minority leader, divided equally, 1 hour by the majority leader, and 1 hour by the minority leader.

Mr. JOHNSON of Texas. That is an error, so far as the majority and the minority leader understood the purpose of the unanimous-consent agreement. I ask unanimous consent to amend the unanimous-consent agreement to provide that the time shall be controlled equally by the majority leader and the minority leader. In that way there will be no confusion.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request of the Senator from Texas that the time be divided equally and controlled by the majority leader and the minority leader?

The Chair hears none, and it is so ordered.

Mr. FREAR. Mr. President——

Mr. PAYNE. How much time does the Senator from Delaware wish to have yielded to him?

Mr. FREAR. Five minutes.

Mr. PAYNE. Mr. President, in the absence of the minority leader, I yield 5 minutes to the Senator from Delaware.

Mr. FREAR. Mr. President, approximately 2 years ago, Congress passed Public Law 205, to authorize the disposal of government-owned rubber-producing facilities, and for other purposes. The law created a Disposal Commission, composed of three persons, appointed by the President. The duty of the Commission was to secure bids for as great a price as was possible consistent with other criteria in the act and to dispose of the rubber-producing plants owned by the Government.

The President appointed the three members of the Commission, the chairman of which is Mr. Holman T. Pettibone. He is a banker from Chicago, being chairman of the board of the Chicago Title & Trust Co.

Another member is Gen. Everett R. Cook, of Memphis, Tenn., a cotton merchant. The third, who is vice chairman of the Commission, is Mr. Leslie R. Rounds, a vice president of the Federal Reserve Bank of New York. The three commissioners have worked very diligently and very faithfully in entering into negotiations and securing prices for the sale of the facilities. I wish to commend the action of the commissioners and their staff, because I think, personally, they have done a very outstanding job.

Previous to the action of the Commission, when the Government has offered its synthetic rubber-producing facilities for sale, the greatest recovery value has not in any instance been 50 percent. The Commission has secured bids and entered into negotiations subject only to final approval by the Congress of the United States.

The Commission has secured bids which are in excess of 99 percent of the estimated value placed upon the facilities by very competent engineers, in contrast to previous sales for less than 50 percent of estimated value. Many of them being as low as 25 and 30 percent. I think that is a notable accomplishment. The Commission submitted a complete and detailed report to the Congress on January 24, 1955, pursuant to the Disposal Act, justifying its recommendations for the sale of 24 plants including the three involved in S. Res. 78 and S. Res. 79. That report speaks for itself. I shall not take the time of the Senate to relate the report in detail. It fully sustains the legality and wisdom of the proposed sales.

Lengthy hearings have been held by the Subcommittee on Production and Stabilization of the Banking and Currency Committee on matters covered by these resolutions, and after due consideration the committee brings to the Senate an adverse report. The vote on these two resolutions disapproving certain of the proposed sales was 10 to 5. Senate report No. 118 sets forth in detail the committee's reason for reporting adversely on these two resolutions. I respectfully refer Senators to that five-page report, which is available in this Chamber.

I may say, Mr. President, that the resolutions by themselves, if agreed to, would not permit the Government to sell or to dispose of these properties, but would put them into mothballs, so to speak, for a period of 3 years. Additional legislation would be required to offer them for resale.

Senate Resolutions 78 and 79 pertain to the proposed sale to Shell Chemical Corp. of three plants located in Los Angeles County near Torrance, Calif. They are designated by the Commission as Plancors 611, 929, and 963. These plants have been and are now producing synthetic rubber, styrene, and butadiene, respectively.

After negotiations with the Commission, the Shell Chemical Corp. made a composite bid on these 3 Plancors of $30 million. That was the highest bid. It was higher than any combination of individual bids for the sale of the three plants.

The PRESIDING OFFICER. The time of the Senator from Delaware has expired.

Mr. FREAR. Mr. President, may I request 5 more minutes?

Mr. PAYNE. Mr. President, I yield to the Senator from Delaware 5 more minutes.

Mr. FREAR. Mr. President, after negotiation, the Commission secured bids of approximately $28 million on the 3 plants separately. They were from more than one corporation. The Shell Chemical Corp. offered a bid of $30 million, which is more than the total amount of any of the individual bids for the 3 Plancors.

In addition to these 3, 21 other facilities are offered for sale. I presume, a resolution, Senate Resolution 76, to follow the 2 now pending, will be offered to disapprove the sale of all the 24 plants.

It was brought out in the hearings that, technically, the sale of these 3 plants might not be in strict technical compliance with the statute which was passed 2 years ago. But on the question of the legality of the Shell bid, competent attorneys express different views on that question. It was the opinion of the majority of the members of the committee that the 3 plants in California should be sold along with the other 21, and, I may add, the committee unanimously favored offering for sale the Copolymer plant in Baytown, Tex., encompassed in Senate Resolution 691.

Mr. President, I believe the Commission has done an excellent job, and, in my opinion, the Government should sell these 3 Plancors along with the other 21.

We heard in testimony before the committee that the Government has made approximately $50 million in 1 year on the operation of this entire group of 27 Government-owned facilities. I do not know the breakdown which was given for the 3 facilities covered by the resolutions which are now before the Senate, but, no doubt, the profit made by the 3 facilities was a proportionate part of the total.

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Those who oppose the sale of these plants contend that the Government is in the business, is making money, and there is no reason why the plants should be sold. But I may say to the Members of the Senate that on the $50 million the Government paid no taxes.

It has also been stated in testimony that if these plants should be sold, the present price of synthetic rubber, which is 23 cents a pound, could and probably would be raised, thus increasing the income or profit from these 3 plants. For every dollar of profit made by the proposed buyer of these plants he would be subject to Federal and State corporate income taxes, whereas under Government operation no taxes are paid to the Treasury.

I sincerely hope the Senate will reject the resolutions.

Mr. GEORGE. Mr. President, will the distinguished Senator from Delaware yield for a question?

Mr. FREAR. I yield for a question.

Mr. GEORGE. Are these intended to be outright sales, as a result of which the purchaser will take title?

Mr. FREAR. These are to be outright sales. There is, of course, a national-security clause in the agreement of purchase for the purpose of requiring the plants to be placed in full operating capacity upon request of the Government.

Mr. GEORGE. Does the Senator have a copy of a recapture clause, so that it may be seen? Will he furnish a copy of it?

Mr. FREAR. It is not a recapture clause, but is in the form of a national-security clause, I may state to the Senator from Georgia.

Mr. GEORGE. Is recapture provided for at all, either at the price when sold or at the then price?

Mr. FREAR. There is no price stated since there is no recapture clause as such.

Mr. GEORGE. Does the Senator from Delaware mean to say that these plants would be sold and title passed, and that, while, of course, the Government could condemn them again, full value would have to be paid?

Mr. FREAR. Yes.

Mr. GEORGE. Are the contracts to be of that character?

Mr. FREAR. The contracts are to be of that character, I inform the Senator.

Mr. GEORGE. I thank the Senator from Delaware.

The PRESIDING OFFICER. The time of the Senator from Delaware has expired.

Mr. JOHNSON of Texas. Mr. President, I yield to the distinguished Senator from Arkansas [Mr. FULBRIGHT] such time as he may desire to use.

Mr. FULBRIGHT. I simply desire to say that I hold in my hand the report to Congress, which contains the national security clause. Would the Senator from Georgia like to have me read it into the RECORD?

Mr. GEORGE. I should be pleased to have the Senator place it in the RECORD.

Mr. FULBRIGHT. It is a little too long to read, but I will summarize it by saying that it provides for keeping or putting the plants in full operating condition. In case of recapture under another Federal law, the price to be paid will be what is then considered to be the fair market value; and since the price of rubber has gone up very substantially already——

Mr. GEORGE. That was the point in which I was interested.

Mr. FULBRIGHT. I think any reasonable person would say that the plants have already a substantially greater value than they had at the time the negotiations were undertaken.

Mr. President, I ask unanimous consent that the national security clause contained in the report be printed at this point in the RECORD.

There being no objection, the national security clause was ordered to be printed in the RECORD, as follows:

NATIONAL SECURITY CLAUSE

The purchaser accepts the terms, conditions, restrictions, and reservations contained in section 7 (h) of the act, and this sale is made expressly subject to, and the purchaser, for itself, its successors, and assigns, hereby agrees to purchase the facility subject to the following national security clause, which shall be effective for a period of 10 years from the time of transfer:

(a) The purchaser will maintain at all times in accordance with sound practice in the industry, normal wear and tear excepted, the facility, together with all replacements thereof and additions and improvements thereto, so that the same shall be, at all times during said 10-year period, either in a condition (1) currently to produce ------ at a rate of not less than ------ tons per year (assigned annual capacity), or (2) so that it can be placed in a condition to produce ------ at such rate of assigned annual capacity within a period of 180 days after written notice from the Government to activate the plant or to reconvert same, as the case may be: *Provided, however,* That such 180-day period shall be extended, upon written approval to the purchaser from the Government, for such additional period as shall be necessary in the event the purchaser is unable to comply therewith by reason of its inability to procure essential materials, unavailability of labor, act of God, fire, earthquake, flood, explosion, storm, strike, or other cause or causes reasonably beyond its control; and *Provided further,* That in the event of major damage to or complete destruction of the facility where the purchaser is without fault or negligence, the purchaser shall immediately notify the Government of the happening and of the cause or causes occasioning same, whereupon the Government will cause an examination to be made and will thereafter notify the purchaser promptly of the extent, if any, that restoration of the assigned annual capacity so destroyed or damaged must be made, such restoration to be effected at purchaser's expense within a reasonable period of time to be agreed upon between the purchaser and the Government. However, in any case where such restoration is so deemed necessary by the Government, the purchaser may elect to invoke the privilege of substituting new separate facilities pursuant to and in accordance with paragraph (g) or (h) of this section 24. Such restoration shall not be required in the event of major damage to or complete destruction of the facility caused directly or indirectly by (1) hostile or warlike action in time of peace or war, including action in hindering, combating or defending against an actual, impending, or expected attack, (i) by any government or sovereign power (de jure or de facto), or by any authority maintaining or using military, naval, or air forces; or (ii) by military, naval, or air forces; or (iii) by an agent of any such government, power, authority, or forces, it being understood that any discharge, explosion, or use of any weapon of war employing atomic fission or radioactive force shall be conclusively presumed to be such a hostile or warlike action by such a government, power, authority, or forces; (2) insurrection, rebellion, revolution, civil war, usurped power, or action taken by governmental authority in hindering, combating, or defending against such an occurrence.

(b) The Government shall have the right to conduct an inspection or survey of the facility at any time, subject to reasonable prior written notice thereof to the purchaser, for the purpose of determining whether the purchaser is in default under this section 24.

(c) Failure to maintain the facility as required above, or failure to observe any of the other conditions of this section 24, shall give the Government the unconditional right to immediate possession and use of the facility for the purpose of restoring it to a condition to produce at the rate of such assigned annual capacity, but all cost incidental to such restoration shall be borne exclusively by the purchaser.

(d) The purchaser will not sell, lease, mortgage, or otherwise encumber the facility without expressly making such sale, lease, mortgage, or encumbrance subject to the provisions of this section 24 for the remainder of its term. It is the express intention of both the purchaser and the Commission that the covenants herein contained shall be binding on subsequent owners or occupants of the facility, and that the purchaser shall remain liable for any violations of said covenants by such subsequent owners or occupants unless the purchaser shall have been expressly released in writing from such obligation by the Government.

(e) The Government in exercising its rights and in carrying out its obligations under this section 24 shall act through such officer, department, or agency of the Government as shall be designated by duly constituted authority.

(f) During the term of this section 24, the purchaser shall preserve the "asset property records" of the operating agency as of the time of transfer and shall maintain and keep current thereafter an adequate record of the fixed assets of the facility; the purchaser shall also preserve until the expiration of said term all drawings, tracings, prints, and other documents in its possession (hereinafter called documents) pertaining to the construction, modification, maintenance, or theory and method of operation of the facility. At any time within said term, upon request of the Government, the purchaser shall make available to the Government such of the aforesaid records, documents, or any designated portion thereof as shall be essential to the Government for the purposes of paragraphs (b) and (c) of this section 24 and shall upon request from time to time furnish copies thereof to the Government at the Government's expense. The Government will maintain confidential such documents and copies thereof as the purchaser shall designate, and, to the extent requested by the purchaser, shall examine them only at the facility. The purchaser may offer to the Government any of such records and documents that it considers to be obsolete, and the purchaser will be relieved of the obligation to preserve them if the Government accepts the offer or grants permission for destruction or other disposition.

(g) The purchaser may at any time during the term of this section 24 notify the Government in writing that it desires to substitute for all or any part of the facilities originally purchased from the Government, new separate facilities of equivalent productive capacity for the production of ------ or for the production of a different product which must be at least as satisfactory, and be generally acceptable for the same general uses and purposes as ------, and, upon receiving approval in writing thereto from the Government, may proceed to effect such sub-

stitution. In such event all of the terms and provisions of this section 24 shall apply with equal force and effect to such substituted facilities and shall no longer apply to the facilities to which they applied originally.

(h) In lieu of proceeding as permitted by paragraph (g) of this section 24, the purchaser may at any time during the term of this section 24 substitute for all or any part of the facilities originally purchased from the Government, new separate facilities of equivalent productive capacity for the production of ------, or for the production of a different product which must be at least as satisfactory, and be generally acceptable for the same general uses and purposes as ------. Sixty days after written notice by the purchaser to the Government of the completion of such new separate facilities, all of the terms and provisions of this section 24 shall apply with equal force and effect to such new separate facilities and shall no longer apply to facilities for which the new separate facilities are to be substituted, unless within such 60-day period the Government notifies the purchaser in writing that it disapproves the proposed substitution, in which event the terms and provisions of this section 24 shall remain applicable to the facilities to which they applied originally.

(i) Nothing in this section 24 shall be construed as affecting obligations of the purchaser under any other provision of this agreement, except that in any case of inconsistency or ambiguity, the provisions of this section 24 shall, to the extent that they impose greater obligations on the purchaser, be deemed controlling.

Mr. JOHNSON of Texas. Mr. President, I yield 10 minutes to the distinguished senior Senator from Minnesota.

Mr. THYE. Mr. President, I submitted Senate Resolution 78, which proposes to set aside a bid which has been made by the Shell Chemical Corp. in connection with the disposal of synthetic-rubber plants in California. The reason why I felt it necessary to offer the resolution was simply that the Minnesota Mining & Manufacturing Co. had been operating a synthetic plant in California since 1951. That company had operated a synthetic-rubber plant during the war years, and therefore had experience in this particular field.

When the bids were opened, it was found that Shell Chemical Corp. had bid a lump sum for the three plants in California. In my humble opinion, that bid was contrary to the provisions of the act itself. The act specifically states that bids shall be on individual plants. Therefore, I believed the bid of the Shell Chemical Corp. was irregular and should be set aside. I think possibly the Government would not receive the most competitive and most desirable bid by permitting bids to cover plants in a group, because small-business men or small-business establishments could not, in any sense, take part in competitive bidding on a block of plants, while they might be very strong bidders if they were permitted to bid on individual plants. That is the reason why, in my opinion, the particular bid of the Shell Chemical Corp. on the three plants in California should be rejected.

Minnesota Mining & Manufacturing Co., of Minnesota, has been in existence and doing business since 1902. It operated a synthetic-rubber plant during the war years, and has been successfully operating a plant in California, under a Government lease, since 1951. In the event the bid of Shell Oil Co. should be approved, and assuming that Shell Oil Co. saw fit to dismantle any of the three plants, thereby taking out of production and out of existence a particular synthetic-rubber plant, then, if a crisis should develop which would necessitate the reactivation of rubber plants for the national safety, any plants which had been dismantled could not be reactivated.

If Minnesota Mining & Manufacturing Co. were permitted to be a bidder on the plant it is now operating, it would be certain that that plant would continue to be operative in the event a crisis should develop in the Pacific which might possibly shut off our access to the natural-rubber supply. The United States would still be protected, because synthetic-rubber plants would be in existence in this country to furnish the rubber needs of the Nation.

These are some of the simple factors, as I recognize them, which makes undesirable the bid of the Shell Chemical Corp. on three plants located in California. I think the bid should be rejected, and that bidders should then be allowed to bid on the plants individually. If Shell Corp. desires to bid on individual plants, it can do so by bidding separately on the plants in question. If that be done, then the smaller companies of the United States likewise could bid specifically and individually on those plants. In that way there would be individual competitive bidding, which would assure the Government that the plants would be operated by the strongest and most desirable bidders; and certainly a plant which the Government might well want to have continue in operation for the security of the country, in the event a crisis in the world were such that our natural-rubber supply were cut off, would not become unavailable but would be ready for use.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. THYE. I yield.

Mr. LANGER. I wish to associate myself with the thoughts of the distinguished Senator from Minnesota. I think he is absolutely correct. I should like to ask him how it happened that these plants were offered for sale in a group rather than individually. Does the Senator know?

Mr. THYE. I cannot state why they were offered for sale in a group. I simply say that the bidder specified in his bid the 3 plants located in California, and lumped the amount in the bid to cover all 3 plants.

Mr. LANGER. When the distinguished Senator was Governor of Minnesota, did not his State sell tracts of land for mining purposes individually?

Mr. THYE. The State did not sell the land; it entered into leases for certain mineral deposits in the iron ore region. Those tracts were leased to the highest bidder, but the State was not in the business of selling land. The land was leased to the highest bidder, yes.

Mr. LANGER. When I was Governor of North Dakota, the State sold hundreds and hundreds of farms. Those farms were not sold in any other way than as individual sales.

I think the Senator is so right about the matter of the sale of the synthetic-rubber plants that if the people of the United States really understood exactly what was intended to be "put over" on them, they would not like it.

Mr. THYE. I am speaking on controlled time; therefore, I do not wish to yield to other Senators on my time. I have made my primary statement on the question, and I believe I have used most of the 10 minutes which were allotted to me.

Mr. FREAR. Mr. President, if the Senator from Minnesota has time remaining, will he yield?

Mr. THYE. If the Senator from Delaware wishes to ask me a question, I hope he will ask it on his own time, because he has time on which he can draw. I have only a limited time which has been allotted to me.

Mr. FREAR. Mr. President, will the Senator from Maine [Mr. PAYNE] yield 2 minutes to me, so that I may ask the Senator from Minnesota some questions?

Mr. LANGER. I do not know if the Senator from Maine has any time to yield or not, but I yield 2 minutes of my time.

The PRESIDING OFFICER. The Chair advises the Senator from North Dakota that he does not have time to yield.

Mr. FREAR. I should like to ask the Senator from Minnesota if all who cared to bid were not given the opportunity to bid on these three plants individually?

Mr. THYE. There is no question that they were given an opportunity to bid individually. What we are confronted with is that 1 company bid on 3 plants. It bid for them in a lump sum, and no administrator can determine whether so much was bid on 1 plant and so much on another. Therefore every other corporation is foreclosed from bidding on those 3 plants individually.

Mr. FREAR. I hope the Senator from Minnesota will not take too long in his answers, because I have a few more questions to ask him.

Mr. THYE. Very well. I shall be glad to let the Senator proceed.

Mr. FREAR. Is it not true that there were two other companies, or a combination of companies, in addition to Shell, which bid on all 3 plants collectively?

Mr. THYE. I would not endeavor to answer that question. I was not a member of the committee. The Senator from Delaware [Mr. FREAR] was subcommittee chairman and he has all the information at hand. He can very well advise the Senate of the facts because he was the chairman of the subcommittee.

Mr. FREAR. I should like to ask one final question. I realize that the committee reports and minority views on these resolutions have been in the hands of Senators only a few minutes, but I should like to ask the Senator if the Comptroller General did or did not say that the Commission's proposal was interpreted as offering to pay zero for each facility separately, and complied with the statute, even though it was a combination plant bid?

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Mr. THYE. The Comptroller General may have so held, but I believe it was the intent of Congress, as can be seen if one reads the law, to have individual bids. That is the manner in which the bids should be considered and submitted, in my opinion. That is why I offered the resolution.

The PRESIDING OFFICER (Mr. NEUBERGER in the chair). The 2 minutes yielded to the Senator from Delaware have expired.

Mr. DANIEL. Mr. President, will the Senator from Minnesota yield?

Mr. THYE. I have no time remaining to me.

Mr. JOHNSON of Texas. Mr. President, I yield to the Senator from Minnesota such time as he may desire.

Mr. THYE. I yield to the junior Senator from Texas [Mr. DANIEL].

Mr. DANIEL. Is it not true that bidders on other plants interpreted the law which the Congress passed as the Senator from Minnesota has interpreted it, namely, that there were to be separate bids for each individual plant?

Mr. THYE. That is correct.

Mr. DANIEL. Is it not true that all the other bids accepted by the Commission were made separately on each individual plant?

Mr. THYE. That is my contention, and that is why I submitted the resolution. I learned that the Minnesota Mining & Manufacturing Co., a very honorable business corporation of Minnesota, which has an excellent record of serving the Nation's needs during the war period, desired to bid on the plant which they have been operating ever since 1951. When the bids were opened, it was disclosed that the Shell Chemical Corp. had made a bid on all three of the plants, thereby foreclosing any other bid. No other bids were considered. That was contrary to the intent of Congress when it passed the original bill.

I have two other specific reasons in mind for presenting the resolution proposing to set the bid aside. One is that we should keep these plants in the hands of individual business corporations so far as it is possible to do so, for the reason that the plants should serve the Nation's economy. Secondly, we would be certain that an individual corporation which operated the plant since 1951, would continue to operate it, whereas if a corporation were successful in obtaining all 3 plants under contract, it might decide to dismantle 1 plant, and thereby not be able to help protect the national safety in the event of a crisis. If one of the synthetic rubber plants were abandoned, it would not be in existence to contribute to the production of synthetic rubber to meet the Nation's needs if the rubber supply were to be shut off in the Pacific.

It is for that reason that the Congress should concern itself with the question whether a large corporation should be permitted to make a lump-sum bid that would foreclose smaller corporations from an opportunity of bidding on the plants. If the sale of the Shell Corp. should be approved, certainly the Minnesota Mining & Manufacturing Co., which has operated one of the plants since 1951, would be forced to see another company take possession of the plant, unless the Minnesota Mining & Manufacturing Co. should negotiate a bid out of its own profits, or enter into a lease at the other company's pleasure.

Mr. DANIEL. Will the Senator from Minnesota yield further at that point?

Mr. THYE. I yield.

Mr. DANIEL. I simply wish to say that I agree with the interpretation of the Senator from Minnesota. It seems to me clear from the wording of the law that Congress intended that there should be separate bids on each plant.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. THYE. I am delighted to yield to the Senator from Texas.

Mr. JOHNSON of Texas. I agree with the understanding stated by the distinguished Senator from Minnesota. When the bill was before the Senate for action, the Senate was assured by the Senator from Indiana [Mr. CAPEHART], who was sponsoring the bill, that the sales would be made on a plant-by-plant basis.

Mr. THYE. That understanding was a part of the debate and the colloquy which took place on the Senate floor at the time there was under consideration the bill which proposed how the synthetic rubber plants would be disposed of.

Mr. JOHNSON of Texas. Will the Senator yield further?

Mr. THYE. Yes.

Mr. JOHNSON of Texas. At this point I should like to read from the colloquy which took place on the floor of the Senate while the Rubber Facilities Disposal Act of 1952 was under consideration:

> Mr. JOHNSON of Colorado. I wish to ask whether all the plants, other than the alcohol butadiene plants, will be sold in a single package, or whether they will be sold plant by plant on bids on a plant-by-plant basis.
>
> Mr. CAPEHART. They will be sold on the basis of plant-by-plant proposals, and the sales will be made plant by plant.

I ask the Senator, Has that been done in this instance?

Mr. THYE. It was not done, and it was for that reason that I submitted the resolution proposing to set aside the Shell company's bid on the three plants.

Mr. JOHNSON of Texas. I commend the Senator's position. I think the bid should be set aside. I think it represents a breach of faith with the Congress. When the Senate is told and assured by the Senator in charge of the proposed legislation that each plant will be sold on a plant-by-plant basis, and then a Commission located downtown sells three plants in one package, I think Congress has the right and the duty to disapprove such action. I hope it will do so. I commend the Senator for the action he has taken in the matter.

Mr. FREAR. Mr. President, will the Senator yield?

Mr. THYE. I am glad to yield to the Senator from Delaware.

Mr. FREAR. In reference to the statement just made by the Senator from Texas, the Senator from Indiana [Mr. CAPEHART] is not on the floor at this time. When he made the statement quoted, he meant that the 27 plants would not be sold as a package, not the 3 plants in California.

Mr. THYE. Mr. President, I was on the Senate floor at the time the question was debated, and at that time I thought, without a question, we were referring to individual plants, and individual plants being considered in bidding.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. THYE. I yield to the Senator from Texas.

Mr. JOHNSON of Texas. I am not going to attempt to search the mind and heart of the Senator from Indiana in his absence, as apparently my friend from Delaware chooses to do. I do not know what the Senator meant. I do know what the Senator said. I have just read into the RECORD what he said.

If I may, and if the Senator will indulge me for that purpose, I wish to read into the RECORD the colloquy between the Senator from Indiana, the author of the bill in the Senate, and Mr. McCurdy, president of the Shell Co., before the subcommittee of which the distinguished Senator from Delaware was chairman. I assume the Senator from Delaware heard this. It may shed some light on the question:

> Senator CAPEHART. But the rules and regulations and law said that you must bid on each individual plant.

Who is saying that? The Senator from Indiana [Mr. CAPEHART]. Where did he say it? He said it before the subcommittee of which the Senator from Delaware was chairman.

> Mr. MCCURDY. Well, Senator CAPEHART, our legal counsel do not believe that.

Whose legal counsel? The Shell Chemical Corp.'s, which make the package bid.

> Those for the Commission do not believe that. And those for the Comptroller General do not believe that.

While we are talking about the Senator from Indiana [Mr. CAPEHART], I invite the Senator's attention to this opinion:

> I was the author of the bill, and I believe it. I so gave my word on the floor of the United States Senate. Now, I do not mind telling you right now that that was my understanding then—

When the bill was passed—

> and it is my understanding now.

Mr. President, I do not think there is any question that that is what the Senate thought. I know I thought so, and I think every other Senator thought so. I would not presume to reflect upon the Senate by suggesting that it would ever pass a bill which meant all these plants should be sold on other than a plant-by-plant basis. If we now take action to the contrary, we shall be setting a precedent with which we shall have to live. If we allow the Shell Chemical Corp. to bid, not on a plant-by-plant basis, but on a lump-sum basis, we shall be doing several things. First, we shall prevent the small bidders from having a chance to bid on the plants on a plant-by-plant basis. In addition, we shall be giving one concern a place in that monopolistic picture; and those of us who have had some dealings with the synthetic rubber plants, such as has the able

Senator from Oregon [Mr. MORSE], know that a relatively few companies control all the synthetic rubber manufacturing facilities in the United States.

Mr. President, I do not want by my action to have a part in reversing the stand the Senate has already taken. It is one thing for a Senator to vote for a bill providing that a commission shall make a study and shall solicit bids on a plant-by-plant basis and shall make to Congress recommendations upon which Congress can act. It is another thing to embrace, put our arms around, approve, and stamp our seal of approval on a bid which involves three plants.

I think the constituents of the Senator from Minnesota have been mistreated; I think they have been done an injustice. I know how I would feel if, after the bill was passed with the understanding that the sale of the plants would be handled on a plant-by-plant basis, on the final day the statement were to be made, "No; we are going to sell all three of them together."

I think every company that submitted bids for the plants, submitted them on a plant-by-plant basis.

Mr. FREAR. No, that is not correct.

Mr. JOHNSON of Texas. If it is not correct, I should like to have the Senator from Delaware correct it.

Mr. FREAR. The Dow Chemical Co. and National Lead Co. did not.

Mr. JOHNSON of Texas. How many plants were proposed to be sold?

Mr. FREAR. Twenty-four.

Mr. JOHNSON of Texas. How many were on a plant-by-plant basis?

Mr. FREAR. To the successful bidder?

Mr. JOHNSON of Texas. Yes.

Mr. FREAR. Twenty-three.

Mr. JOHNSON of Texas. That is the exact statement I intended to make.

It is my understanding that every successful proposal to purchase the 24 plants is broken down on a plant-by-plant basis, except in the case of the Shell Co.

Mr. FREAR. Every successful proposal; that is correct.

Mr. JOHNSON of Texas. When the bill was under consideration, did the Senator from Delaware understand that under it, it would be possible to sell all these plants to one company?

Mr. FREAR. All three plants?

Mr. JOHNSON of Texas. No, all 27.

Mr. FREAR. No; and I still do not think so.

Mr. JOHNSON of Texas. Then where would the Senator from Delaware draw the line? They are either to be sold on a plant-by-plant basis or they are to be sold en bloc. If 3 of the plants can be sold together, 26 of them can be sold together.

Mr. FREAR. Does the Senator from Texas contend that 3 plants are 24 plants?

Mr. JOHNSON of Texas. No; but once the assurance that has been given—namely, that the plants will be sold on a plant-by-plant basis—is violated, and 3 of the plants are sold to 1 concern, there is nothing to prevent the selling of 6 plants to another concern.

Mr. FREAR. If 1 of the 3 plants was in California and 1 was in Texas and 1 was in Ohio, I think the contention of the Senator from Texas might have better backing, than in the case of the 3 plants we are discussing now. In this case, 3 plants are located across the street from each other, and all 3 of them constitute an integral unit in the production of synthetic rubber.

Let me ask a question of the Senator from Texas: Is not the proposed bid for the 3 plants higher than the total of individual bids for the 3 plants, both after negotiation and before negotiation?

Mr. JOHNSON of Texas. But let me point out that if this very unusual and unique proposal—contrary to the assurance we were given—is approved, I do not know what we can do about similar proposals in regard to some of the other plants. My information was that the bids would be taken on a plant-by-plant basis. That assurance was given to us. However, my understanding is that that has not been done.

Mr. FREAR. The Senator from Texas will recall that when the bill creating the Commission was before the Senate, approximately 1 year ago, there was colloquy between the Senator from Indiana [Mr. CAPEHART] and the then Senator Johnson of Colorado. I think the question asked by the Senator from Colorado, in response to which the answers were given by the Senator from Indiana, are significant in connection with the consideration of this matter at this time. The then Senator from Colorado was comparing a package sale of 27 plants originally offered for sale with a sale on a plant-by-plant basis. The sales actually recommended are not on a package basis for 24 plants recommended for sale; they are much closer to plant-by-plant disposals.

Mr. PAYNE. Mr. President, I yield myself 2 minutes.

The PRESIDING OFFICER (Mr. BIBLE in the chair). The Senator from Maine is recognized for 2 minutes.

Mr. PAYNE. Mr. President, in connection with the matter now under consideration by the Senate, I think the record should be perfectly clear in one respect, namely, whether the decision which is reached and the action taken by the Commission, were legal and in keeping with the law as enacted by the Congress.

I assure the distinguished majority leader that I, too, listened to the debate on the floor of the Senate last year, when the question was before us; and I, too, was concerned as to the meaning of the term "individual plant bids."

During the course of the proceedings of the Banking and Currency Committee, of which I am a member, I raised a question as to whether the proposal submitted by the Shell Chemical Corp., which was approved by the Disposal Commission, was legal and in keeping with the intent and purpose of the law. I was referred to the fact that the Comptroller General's Office had been requested to make a ruling on that point, and that that office—which, after all, is the agency which passes on the validity of the compliance with the acts passed by the Congress—gave an opinion to the effect that the proposal of the Shell Corp. was legal and was in keeping with the intent of the law as passed by the Congress.

Mr. JOHNSON of Texas. Mr. President, will the Senator from Maine yield to me?

Mr. PAYNE. I am very happy to yield to the distinguished Senator from Texas.

Mr. JOHNSON of Texas. Does the Senator from Maine think the Comptroller General is in a better position to interpret the intent of Congress than the chairman of the committee who handled the bill, namely, the Senator from Indiana [Mr. CAPEHART]? He has assured the Congress, both then and now, that he thought the plants had to be sold on a plant-by-plant basis.

The PRESIDING OFFICER. The time of the Senator from Maine has expired.

Mr. PAYNE. Mr. President, I yield myself 2 additional minutes.

The PRESIDING OFFICER. The Senator from Maine is recognized for 2 more minutes.

Mr. PAYNE. Of course, Mr. President, I cannot speak for the Senator from Indiana [Mr. CAPEHART], any more than can the Senator from Texas, who just said that he cannot, either. But I have sent word for the Senator from Indiana to come to the floor, if he can be located, in order that he may speak for himself on this particular question.

The Senator from Delaware [Mr. FREAR] has raised a point to the effect that the particular plants under discussion—namely, the three plants in California—are really an integral setup.

Mr. JOHNSON of Texas. Mr. President, will the Senator from Maine yield to me at this point?

Mr. PAYNE. Yes, I am glad to yield to the senior Senator from Texas.

Mr. JOHNSON of Texas. Was that the testimony of the Chairman of the Commission? Did he say there was 1 plant or that there were 3 plants or 4 plants?

Mr. PAYNE. Is the Senator from Texas referring to the statement made last year?

Mr. JOHNSON of Texas. I am referring to the statement made by the Chairman of the Commission before the Senator's committee. My understanding is that he testified that there is more than one plant.

Mr. PAYNE. I suggest that the chairman of the subcommittee might be better able to answer that question, because of the fact that I do not happen to be a member of that subcommittee.

Mr. FREAR. I did not hear the question.

Mr. JOHNSON of Texas. Did the Chairman of the Disposal Commission testify that there was more than one plant involved in the sale to the Shell Corp.?

Mr. FREAR. As to facilities, he said they were linked together for operating purposes, but there were three separate plants.

Mr. JOHNSON of Texas. I thank the Senator for finally answering my question. I hope the Senator from Maine will take notice of that answer.

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Mr. President, I do not propose to search what the Senator from Indiana [Mr. CAPEHART] meant when he made the statement I am about to read.

Mr. PAYNE. I think he can best speak for himself.

Mr. JOHNSON of Texas. The then Senator from Colorado, Mr. Johnson, asked this question:

> Senator JOHNSON of Colorado. I wish to ask whether all the plants, other than the three alcohol butadiene plants, will be sold in a single package, or whether they will be sold plant by plant, on bids on a plant-by-plant basis.

That question is pretty clear. It was asked by the distinguished present Governor of Colorado, the former senior Senator from Colorado, Mr. Edwin Johnson.

This is the reply of the Senator from Indiana [Mr. CAPEHART] in answer to that question:

> They will be sold on the basis of plant-by-plant proposals; and the sales will be made plant by plant.

The PRESIDING OFFICER. The time of the Senator from Maine has expired.

Mr. PAYNE. I yield such time as may be necessary to complete the discussion.

Mr. JOHNSON of Texas. It seems to me that is a statement which Congress should take at its face value, and I so take it.

Only last week before the committee the Senator from Indiana said:

> I was the author of the bill and I believe it. I gave my word on the floor of the Senate. Now, I do not mind telling you right now that was my understanding then and it is my understanding now.

The only point the Senator from Texas desires to make is that the chairman of the committee gave us that assurance. Perhaps we ourselves could better pass upon what we intended to do than could someone downtown.

Mr. PAYNE. I think the distinguished Senator from Texas will agree that someone in the Comptroller General's office will have to be the one who, in the final analysis, determines the validity of the transaction which takes place.

Mr. JOHNSON of Texas. I think we can determine it very shortly, when the time shall have expired, according to our own conscience and judgment. That is the purpose of these resolutions.

Mr. PAYNE. That is correct.

Mr. FREAR. Mr. President, I should like to say to the Senator from Maine, and for the attention of the Senator from Texas, that on page 8A of the Rubber Producing Facilities Disposal Commission report, there is found the following language:

> (b) Proposals shall be in writing, and shall contain, among other things:
>
> 2. The facility or facilities which are proposed to be purchased and the order of preference, if more than 1 facility is proposed to be purchased; or the order of preference if proposals are submitted on more than 1 facility, if only 1 facility is proposed to be purchased.

Authority was given to the Commission to accept proposals for more than 1 plant. They could sell a combination of plants as an economic operating facility. Is not that true?

Mr. JOHNSON of Texas. Does the Senator contend that the bids did not have to be separate?

Mr. FREAR. The Senator from Delaware is contending that the Commission's proposal to sell the 3 plants near Torrance, Calif., as 1 facility, as a combination of the 3 plants, is a bonafide action, and that they should be sold.

Mr. JOHNSON of Texas. The Senator from Texas so frequently finds himself in agreement with the Senator from Delaware that he deeply regrets, in the light of the assurances given the Congress, that he does not believe that to be the case.

Mr. FREAR. I assure the Senator from Texas that politically I am known as a Democrat, but in the sale of the plants, I do not wish to be known as a technocrat.

Mr. PAYNE. Mr. President, will the Senator from Delaware yield for a moment?

Mr. FREAR. The Senator from Maine has control of the time.

Mr. PAYNE. I have yielded such time as may be necessary.

I wish to ask the Senator from Delaware whether or not, after these bids were received, the Rubber Commission then entered into negotiations to see to it that the best interests of the public were protected, and that the interests of the Government were protected, in obtaining the largest price possible for the units involved in this case?

Mr. FREAR. The Senator is quite correct. The Commission entered into negotiations not only with the successful bidder, but with other bidders.

Mr. PAYNE. With every other bidder.

Mr. FREAR. Yes.

Mr. PAYNE In order to see whether they would come forth with a combination, or with 3 separate bids by 3 separate individuals, which would top the figure already received; or whether any one of them was willing to take the 3 plants together and submit a bid which would top the other bids.

Mr. FREAR. The Senator is entirely correct.

Mr. PAYNE. If my memory is correct, I think they were between $4 million and $6 million short of the proposal which had been made by the Shell Corp. for the combined plants.

Mr. FREAR. The final proposal by Shell Chemical Corp. was $30 million. The combination of the others, after negotiation, was $28 million. The original bid by the Shell Corp. was $27 million. After negotiation it went to $30 million. The total of the previous highest bids, without negotiation, for the 3 plants, was about $24 million.

Mr. PAYNE. There was an original difference of $6 million between the Shell bid and the best proposal the Commission could get from any of the concerns individually, or the concerns individually, working collectively toward a total figure.

Mr. FREAR. Originally.

Mr. PAYNE. In the final analysis, what was the difference?

Mr. FREAR. In the final analysis the difference was $2 million.

Mr. PAYNE. In the final analysis it was $2 million.

Mr. FREAR. Yes.

Mr. PAYNE. So the Government is better off by $2 million under this proposal for the sale of the plants than it would have been under any other proposal which was before it to entertain.

Mr. FREAR. Yes. I may say to the Senator that the Congress provided criteria to guide the Commission. Under those criteria the Commission was to accept the proposals which were in the best interests of the Government, and which would return to the Government the most for its own investment consistent with the other requirements of the act; and certainly $30 million is superior to $28 million.

Mr. JOHNSON of Texas. Mr. President, I yield 15 minutes to the distinguished Senator from Oregon [Mr. MORSE].

Mr. MORSE. Mr. President, when I look at the Senator from Texas I am looking at a man who, as chairman of the Preparedness Subcommittee of the Committee on Armed Services, back in 1946 and thereafter, saved the American taxpayers, through the work of that subcommittee, a minimum of $2 billion, in connection with the rubber program which was considered by the Armed Services Committee.

We had to fight the battle then to protect the taxpayers of the United States from the attempt on the part of great monopolistic combines to steal property of great value from the American people. I serve notice on the American taxpayers from this desk today that they are about to be robbed again if the pending resolutions are rejected and the sale to the Shell Chemical Corp. is thereby affirmed.

Unfortunately, because of the language of the original legislation we find ourselves in a rather difficult remedial position with respect to protecting the taxpayers. We can now see the unwisdom of certain sections of that legislation.

We have been maneuvered into a parliamentary position whereby we are limited in much the same fashion as when we have a conference report before us. We either adopt it in its entirety or reject it in its entirety.

The reason I shall speak at greater length this afternoon in connection with my own resolution is that I think we ought to reject the sale in its entirety so that new negotiations may be consummated and these plants can be sold in the public interest.

I wish to dwell momentarily on some of the discussion concerning the law in regard to the sale of these plants to the Shell Chemical Corp.

The comments of the Senator from Maine [Mr. PAYNE] to the effect that the Comptroller General, the Department of Justice, and other legal advisers of the administration have approved this sale do not make it legal, so far as I am concerned. I am satisfied that this is an illegal sale, and it is an illegal sale in my judgment, because the Shell Corp. did not meet the requirement of the law—that bids should be made on a plant-by-plant basis. It was required

by the law, I submit, that bids be made for each plant separately.

The Senator from Indiana [Mr. CAPEHART] was quite correct in his statement on the floor of the Senate while the original legislation was before us and the question was put to him by former Senator Johnson of Colorado as to whether or not the law would require a sale, plant by plant, when he said it would.

The other day in committee, he stated his position, and that position cannot be erased from the record, as the Senator from Texas has pointed out. At page 230 of the hearings I quote what the Senator from Indiana had to say about it:

Senator CAPEHART. But the rules and regulations and the law said that you must bid on each individual plant.

The spokesman for the Shell Chemical Corp., Mr. McCurdy, said:

Well, Senator CAPEHART, our legal counsel do not believe that. Those for the Commission do not believe that. And those for the Comptroller General do not believe that.

The author of the bill, the chairman of the committee at the time the bill was passed by the Senate, and the Senator in charge of the bill on the floor of the Senate, and who expressed the intent of the committee and of the bill said:

Senator CAPEHART. I was the author of the bill and I believe it. I so gave my word on the floor of the United States Senate. Now, I do not mind telling you right now that was my understanding then and it is my understanding now.

The Senator from Indiana is right about that.

Let us look at the policy of the Commission. When the Commission undertook to call for bids, it had the same understanding. It called for bids on a plant-by-plant basis. It called for bids on each one of the plants in California. When the Shell Chemical Corp. did not offer a bid on a plant-by-plant basis, what did the Commission do? It asked Shell to bid that way. What else did the Commission do? It gave each one of those plants an individual number. It prescribed separate specifications by number for each one of those plants. It made perfectly clear that at that time the policy of the Commission was to call for bids plant by plant.

In our minority views, at page 11, we say:

A most forceful argument for setting aside the proposed sale to the Shell Chemical Corp. (hereinafter referred to as "Shell") is that the requirements of the Disposal Act were not observed in the proposal submitted by Shell to the Disposal Commission.

Section 7 (b) of the Disposal Act plainly states: "Proposals shall be in writing, and shall contain, among other things * * * (4) the amount proposed to be paid for each of the facilities, * * *."

The proposal submitted by Shell failed to observe this requirement. Shell's initial proposal was to purchase the three plants for $27 million. Negotiations raised this to $30 million, for which the Disposal Commission proposes to sell all three of these plants to Shell. The proposal made no attempt to conform to the statutory requirement that the proposal specify the amount proposed to be paid for each of the facilities. In its proposal Shell stated:

"We do not state the amounts we propose to pay for any of the facilities on an individual basis as we do not propose to purchase individual facilities."

The Shell Corp., in submitting its bid, recognized these were not individual plants. It knew what it was bidding on. It knew it was submitting a package bid. It knew it was not bidding on 1 plant, or 1 facility, but on 3 plants combined.

I say the law is not met by that bid. I care not what the Attorney General of the United States may say about it. We happen to have a responsibility to satisfy ourselves with respect to the legislative intent and the meaning of the statute. We cannot justify substituting the opinion of the Attorney General for our opinion.

It is our legislative duty to make certain that the law is carried out in accordance with the legislative intent of the Senate at the time that it passed the bill which became the law. That legislative intent was made crystal clear by the Senator from Indiana. Senators relied upon his representation.

Now we have before us a proposal to sell, but not on the basis of plant by plant. The company itself frankly admitted that it did not want to bid on the basis of plant by plant.

In the minority views we say:

The Disposal Commission and Shell both testified that the Commission requested Shell to break down its proposed purchase price so that a portion thereof would be identified with each of the three plants. Shell declined to do so. In other words, Shell did not choose to abide by the statutory requirements quoted above.

Mr. President, while I am on that point I wish to correct what I believe is a matter that needs correction. The record as it now stands leaves the impression that it would have been impossible for the Government to get more than $30 million for the three combined facilities if the Commission had not in the first instance followed the course of calling for package bids.

I refer Senators to page 19 of the report on Calendar Nos. 118 and 119, Report No. 118. It quotes Mr. Edwin W. Pauley, one of the unsuccessful bidders on one of the plants:

I am confident that I, my associates, and others, will bid for the three plants a sum exceeding the Shell Chemical Corp.'s illegal lump-sum package proposal.

In other words, they are satisfied that it was an illegal bid. If new bids are called for, I am satisfied the Government will get more than $30 million.

The point I wish to make is that we have no right to accept this bid in view of the fact that the Shell Corp. deliberately and knowingly and intentionally refused to bid on a plant-by-plant basis.

Mr. HUMPHREY and Mr. FREAR addressed the Chair.

Mr. MORSE. I first yield to the Senator from Minnesota; then I shall yield to the Senator from Delaware.

Mr. HUMPHREY. I wish to say that the Senator from Oregon has clarified in part the point I wished to make. While it is perfectly true that the aggregate sum of money to be realized from the sale of facilities is important, the most important aspect is whether there is compliance with the law.

Mr. MORSE. That is correct.

Mr. HUMPHREY. The second important point is whether, in complying with the law, a competitive situation within the rubber industry is maintained.

Mr. MORSE. I am coming to that. I shall deal with it at some length this afternoon in speaking on my resolution.

Mr. HUMPHREY. Is it not true that the Shell Corp.'s bid completely ignores the law and the competitive situation?

Mr. MORSE. That is my argument.

Mr. HUMPHREY. In the view of the junior Senator from Minnesota the argument of the Senator from Oregon is not only cogent and logical, but is also based upon the legal premise accepted by the Senate. I submit to the Senator from Oregon that failure on the part of the Senate to repudiate the disposal agreement would be a breach of faith with the understanding which was reached and the pledge which was given to 96 Senators when the disposal act was considered.

Mr. MORSE. Let me say to the Senator from Minnesota that the argument I am now making is the argument of the Senator from Minnesota in his letter to the committee which I offered in the committee on his behalf. It is in opposition to the sale to Shell, because, as the Senator from Minnesota pointed out in support of his own resolution, it was a proposal for an illegal sale since it did not meet all the requirements of the statute.

I now yield to the Senator from Delaware.

Mr. FREAR. Mr. President, I should like to ask the Senator from Oregon if it is not true that during the negotiations the Commission did go to the bidders on each of the three individual plants to which he has referred, after the original bid of May 1, 1954.

Mr. MORSE. That is the next point I wish to develop. I am glad the Senator from Delaware has raised it by way of introduction. Let me say that negotiations following the consideration of an illegal bid were nothing but waste motion on the part of the Commission. It is not possible to justify a sale based upon negotiations with a company flowing from an illegal bid. The primary requirement of the law is that the bids shall be on a plant-by-plant basis. When the rubber commission proceeded to negotiate with Shell after the Commission had received an illegal bid, the negotiation was in a vacuum. The Commission had no right to negotiate with Shell on the basis of an illegal bid.

Under the law the first requirement that should have been enforced was that Shell comply with the law. When the Commission sat down with Shell, all it was doing was sitting down with an outlaw. The Commission was negotiating with an outlaw. It was negotiating with a company which had never met the requirements of the law. What kind of face-saving argument is it for the Commission now to say, "Oh, but we took their package bid, and then we proceeded to negotiate with them, and we got them up from $27 million to $30 million on the three plants combined"? The Commission never did get a bid on a plant-by-plant basis.

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Mr. FREAR. Mr. President, will the Senator from Oregon yield?

Mr. MORSE. I yield.

Mr. FREAR. The Senator says that the Shell bid was an illegal bid. Were there any lawful bids, in the Senator's opinion, which included the three plants?

Mr. MORSE. Any bid on a package basis was an illegal bid.

Mr. FREAR. That is not what I asked the Senator.

Mr. MORSE. I understood that was the Senator's question. What is the Senator's question?

Mr. FREAR. The Senator said the bid was illegal because it was on the three plants.

Mr. MORSE. That is correct.

Mr. FREAR. Will the Senator tell me whether there are any legal bids with reference to the three plants, not as a package bid, but individually?

Mr. MORSE. Whenever there was a bid on a plant-by-plant basis it was a legal bid.

Mr. FREAR. Was there any one company which bid on all three of the plants, on an individual basis?

Mr. MORSE. I do not recall from the record. It is irrelevant to my argument.

Mr. FREAR. It is not irrelevant to my question.

Mr. MORSE. Maybe the Senator's question is irrelevant. Let us hear it again.

Mr. FREAR. It was whether a company which bid on the plants individually was making a legal bid. Would the Senator consider it a legal bid?

Mr. MORSE. Each and every company that bid on the plants individually complied with the statute, and the bids were legal.

Mr. FREAR. Is it not true, may I ask the Senator, that the Commission did negotiate with a legal bidder in one case, namely the Standard Oil Co. of California?

Mr. MORSE. If that company made an individual bid and the Commission negotiated with the company, then it negotiated with a legal bidder.

Mr. FREAR. Then the Commission did not show any partiality in negotiating with Shell. It negotiated with other companies as well.

Mr. MORSE. The Commission sold or proposed to sell to Shell. Shell did not even get in under the legal tent.

Mr. FREAR. May I ask the Senator another question?

Mr. MORSE. Certainly.

Mr. FREAR. What would have happened had Standard Oil of California, in the process of negotiation, made a bid higher than the Shell bid?

Mr. MORSE. I do not know what would have happened. Does the Senator from Delaware know?

Mr. FREAR. Yes.

Mr. MORSE. What would have happened?

Mr. FREAR. I assume the Commission would have recommended the sale to the highest bidder, as long as the other requirements of the act were met.

Mr. MORSE. It was under no requirement to do so. This part of my argument goes to a question of the law, and I do not intend to join the Senator from Delaware in speculation as to what the Rubber Plant Disposal Commission might have done. I direct attention only to what it did do. It negotiated with a company which, under the law, never made a legal bid.

Mr. FREAR. But it also negotiated with companies which did make a legal bid.

Mr. MORSE. What has that got to do with Shell? Nothing. The business before the Senate is a resolution which would set aside a sale to Shell, and my argument is that they never complied with the law.

The PRESIDING OFFICER. The time of the Senator from Oregon has expired.

Mr. HUMPHREY. Mr. President, I yield 15 minutes additional time to the Senator from Oregon, and will yield more time if he needs it.

Mr. FREAR. May I ask the Senator from Oregon one more question?

Mr. MORSE. Certainly.

Mr. FREAR. I think the Senator from Oregon said the negotiation with Shell was illegal. Does he think the Commission's negotiation with the Standard Oil of California was illegal?

Mr. MORSE. Not if its bid was on a plant-by-plant basis. But it has nothing to do with the question which is before the Senate. The question is whether we are going to put our stamp of approval on what I consider to be an illegal sale to Shell.

Mr. HUMPHREY. Mr. President, will the Senator from Oregon yield?

Mr. MORSE. I gladly yield to the Senator from Minnesota.

Mr. HUMPHREY. It appears to me that the Rubber Plants Disposal Commission has compounded a felony. On the one hand, it had some legal bids, but, apparently, it must have set them aside in order to enter into illegal negotiations.

Mr. FREAR. Mr. President, will the Senator from Oregon yield?

Mr. MORSE. I yield.

Mr. FREAR. If I may disagree with my friend from Minnesota, the Commission thought that Shell's bid was a legal bid.

Mr. HUMPHREY. Whether they thought so or not, ignorance of the law is not a defense. If the Commission did not know the law it should have secured the services of an attorney who did know the law. Or the commissioners could have read the record, which is precise. It was developed in the Banking and Currency Committee. Ignorance of the law is hardly a defense for the Rubber Plants Disposal Commission.

Mr. FREAR. I respectfully submit that the Commission did have legal counsel and took advice of their legal counsel. I may be in disagreement with the Senator from Minnesota and the Senator from Oregon, but I think the Commission took the advice of competent legal counsel.

Mr. HUMPHREY. I know the Senator from Delaware holds his views very sincerely, but I ask him to read the law, not what some attorney said who may not have understood the law or was trying to find a trick way to get around it.

Section 7 (b) of the Disposal Act plainly states:

> The proposals shall be in writing and shall contain, among other things, the amount proposed to be paid for each of the facilities.

We do not need a lawyer to explain that language. We need only to have someone who can read and who has commonsense. Maybe it would have been better if the Commission had not had a lawyer in that situation.

Mr. MORSE. Mr. President, if the Senators will permit me, I shall finish my argument. I have been in enough of these Donnybrooks to know that I shall never finish my argument if I continue to yield to other Senators. So I shall complete my argument, and then yield.

Mr. FREAR rose.

Mr. MORSE. And that statement applies to the Senator from Delaware. [Laughter.] I shall yield to him later.

Mr. President, I wish to add this comment: It does not follow under the law that if the Commission deals with one person legally, by way of a legal bid, then as a Rubber Commission it is free to negotiate with anyone after that, whether he has made a bid or not. The Shell Co. never made a legal bid because it did not bid on a plant-by-plant basis. The argument is that the Commission should have been able to sit down and negotiate with them on the basis that some other company made a legal bid.

Let me give the Senate practical proof as to the custom in the industry. When trade matters arise in court, trade practices and customs become of assistance to the court in the interpretation of the law. It was recognized throughout the industry that these particular plants were to be considered individual facilities. Thus the Commission received bids, for example, in Texas, on a plant-by-plant basis, not on a package basis. There are 24 plants involved. Is it not interesting that in the submission of bids the industry generally recognized the fact that they should follow the specifications on the basis of plant-by-plant, just as the distinguished Senator from Indiana [Mr. CAPEHART] made it perfectly clear during the debate last year and again made clear to the committee, as appears from the quotation which has been read twice today? That was his understanding and the understanding of the committee at the time.

We are dealing with a situation in which the Rubber Plants Disposal Commission negotiated with a company that even refused to submit a bid on a plant-by-plant basis, after the Commission itself said, in effect, "You have submitted us a package bid. We want a bid on a plant-by-plant basis."

They said, "We are not interested in bidding on a plant-by-plant basis."

That is the record in this case.

Let us consider another argument which has been advanced both in committee and on the floor of the Senate today. What about these further bidders? They did not get hurt. Their bid was not near the Shell figure, anyway. What are they complaining about?

The fact is that every bidder is entitled to have the Government agency

follow the law. When the law is not followed, the bid should be set aside. Who knows what the situation will be if we set the Shell Co. bid aside and call for new bids?

Mr. Pauley says in the record that his company will give more than $30 million.

Possibly others will. But I will tell Senators another benefit to be derived from setting the bid aside. It will give the industry, the independent operators, and the people of the United States a chance to look and see; and we need time for that. We are under a time gun. We are once more dealing with the kind of legislation that has us under a time gun. As a general practice, I think that is a bad principle to follow. We have had a series of unfortunate experiences. We have a legislative pattern, and I think it is necessary to be on guard in the future so that the same mistake will not be made again. But we must deal with the problem now, because here it is.

I would like to make my second argument against the sale. A bid has been received from a foreign corporation. Oh, it has a Delaware front.

Mr. FREAR. Does not the Senator think that is very good?

Mr. MORSE. It is an American subsidiary, like Ford has a subsidiary in England, and some other companies have subsidiaries in France, and elsewhere throughout the world.

But let the American people know that this property is sought by a foreign corporation, 51 percent of it owned by the Dutch, and about 49 percent of it owned by the British.

One of the reasons why the Government of the United States had trouble during World War II and after World War II in regard to the rubber situation was that foreign interests got control of the raw rubber. They hijacked the United States in prices. The price of raw rubber went up to 80 cents a pound.

That is what I meant when I said the Senator from Texas [Mr. JOHNSON] as chairman of a subcommittee of the Committee on Armed Services, saved the American people a minimum of $2 billion by serving notice that this Government would not be hijacked by foreign corporations.

In connection with the sale of these synthetic-rubber-producing facilities it is in the national interest to give a greater opportunity to American corporations, to American investors, to American producers, by calling for new bids and for a second look at the situation. Why do I say that? Because we had better watch the world rubber situation. Southeast Asia is deteriorating day-by-day. Who knows how long it will be possible for the United States to get its raw rubber supply from southeast Asia? We are dealing with a question involving the national security. I think doubts should be resolved in favor of American companies. We should make doubly certain that the interests of the American people are being protected. Therefore, these doubts being in existence, the sale of the plants should be delayed until there can be further exploration as to how much can be obtained for them, and as to whether or not some independent companies in the United States might not have an opportunity to purchase them, if given sufficient encouragement to do so.

This takes me to my third major argument in opposition to the sale, an argument I shall develop in greater detail when, later today, I speak more at length in support of my resolution. It needs to be highlighted here, because it is vitally important, perhaps, to slow up the proposed sale to Shell Chemical Corp. This argument relates to the antitrust features, the monopolistic features.

Under this proposal, the Government will be selling to one of the "big boys." It will be selling to a company which has on its record antitrust violation after antitrust violation, settled by way of pleas of nolo contendre—"we do not defend." Why did not the company defend? Because it knew it was guilty. What penalty did it take? It voluntarily took, on the plea of nolo contendre, a $5,000 fine, because Congress has not revised the antitrust laws now in effect so as to put more teeth into them. We allow great monopolistic combines to outwit the American people and to mulct them of millions of dollars, and then we slap them on the wrist with a $5,000 fine. That is what it adds up to.

Consider what has happened to the small producers in the United States, who are becoming aware, day by day, of the great danger of the so-called rubber steal. They are pleading with us for protection, because there is no legal remedy in this contract for a single small producer in all America. The lawyers for the Shell Corp. admit that to be so.

I secured permission from the company to submit some written questions to their counsel, because I wanted their studied opinion; I did not want their oral testimony. I wanted to know what they actually, with pen in hand, would sit down and write. I shall develop that at greater length this afternoon, when I speak on my own resolution; but I will say this much about it at the present time. The answer is—and it is a true answer—that the small producers of the United States have absolutely no legal remedy under the contract. There is not a thing the small producer can do to guarantee that he will receive a supply of rubber which the "big boys" voluntarily are promising. Oh, they are talking big; they are purring like kittens. But they are like monopolistic tigers, waiting to pounce on the American people. I happen to be one who believes we should bring their operations into the open so that the American people can see what the predatory interests really are.

Look at the long list of violations of the antitrust laws; and then consider that it is proposed, in this contract, to turn the supply of American rubber over to the "big boys" with no precautionary checks to protect the little fellows.

Minnesota Mining & Manufacturing Co. is a little fellow. Minnesota Mining & Manufacturing happens to be one of the smaller producers and processors of the United States. Minnesota Mining & Manufacturing is scared to death of what will happen to it, so far as the supply of rubber is concerned, if this kind of sale is consummated.

Mr. THYE. Mr. President, will the Senator yield?

Mr. MORSE. Perhaps the Senator from Minnesota did not hear me say that I would not yield until I had finished. I want to yield, but I have refused to yield to my friend from Delaware. I will yield as soon as I complete my argument. I am almost finished.

I intend to develop these points in greater detail in connection with my own resolution later. I assure the Senator that I will ask for time to yield as soon as I have completed my statement.

The PRESIDING OFFICER (Mr. MCNAMARA in the chair). The Chair is advised that the Senator has 1 minute remaining.

Mr. MORSE. I ask for 5 additional minutes.

Mr. HUMPHREY. I yield 5 additional minutes to the Senator from Oregon.

Mr. MORSE. I wish to emphasize that in this contract, or in any other of the contracts involved, there is no protection for the little fellow. What are the little producers saying about this? I shall place in the RECORD later this afternoon correspondence and telegrams from them. I shall report on long distance telephone calls, because I wish to tell Senators something about them. Many of the little fellows are scared to death to go on record in black and white. They know that if they should put their protests down in black and white, disciplinary economic action would be taken against them in many instances. One of them, in Connecticut, called me. I wish Senators could have heard him. I wish Senators could have heard his voice as he pointed out how under these contracts, if they should be negotiated, he would be pushed to the wall. He said he could get no assurance of any delivery date; he could get no assurance of any particular amount of rubber. He said, "Under these contracts, I would be left high and dry."

So I insisted in committee, I am insisting now, and I shall argue later this afternoon in connection with my own resolution, that some guaranties should be written into the contracts. In order to assure the little producer that he will not have to rely upon unenforceable promises by the "big boys," there should be a remedy for breach of contract, and there should be a penalty the "big boys" would understand, a penalty of at least $50,000. It is necessary to talk to the big fellows in big terms, if we are really going to make them live up to the spirit, intent, and purpose of the antitrust laws. We should not allow great monopolies to take millions of dollars from the American people and as a penalty give them a mere slap on the wrist by imposing a fine of $5,000.

Lastly, the distinguished senior Senator from Georgia [Mr. GEORGE] put his finger on one of the most vital weaknesses in the whole transaction, namely, the recapture clause. Oh, it is said that the Government always can condemn

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the plants. The Government, under the Defense Security Act, always can get the property back. But at what price? Not at the price at which it was sold. The big corporate purchasers are going to breathe into these plants increased prices, and also, mark my words, quick increases in the prices of rubber. All they have to do is to up the price of synthetic rubber 5 cents a pound, and they will have paid for the entire investment in 2 years on the basis of present consumption.

Raw rubber has increased in price to 30 cents a pound. The Government has kept down the price of synthetic rubber to around 23 cents, and the plants have done very well. Even after taking into account the local property taxes, the expense of maintaining the standby plants, and the great sums of money which have been spent on basic research, the Government has made in the neighborhood of $40 to $50 million a year on the average, over the past 5 years.

The American people need to pause and consider the nature of the investment they are selling, without placing any checks or controls upon the purchasing companies.

Lastly, I want to say that the small oil distributors and service stations of my State have been wiring me in recent days informing me of the violations of the antitrust law by the Shell Oil Co. A group of independent stations have filed an action in the Federal district court at Portland, Oreg., against the Shell Oil Co. for these violations. I wish to say to these small oil producers and station operators in my State, that when I finish today, I will have done my best to warn the American people of the importance of their being protected from antitrust combines represented by the big oil and rubber companies, which will all be integrated in the process of producing rubber.

Mr. President, what we are discussing is a vertical monopoly. A vertical monopoly that starts with the petroleum stage of the rubber manufacturing process and goes right straight through to the Shell oil stations in my State and in every other State. The gas station dealer either complies with the "wishes" of the petroleum company or runs the risk of losing his lease. He knows that this has happened to many fellow operators. With a family to feed and no effective way to combat this pressure, he generally complies.

I do not intend to sit in the Senate and vote to strengthen the vertical monopoly under a contract in which is contained no recapture clause, or under a contract which provides no legal remedy for the small producer if the big producer does not keep his voluntary promise. Nor do I intend to vote for a contract which does not provide some penalty so that the American people will be protected.

There is one other condition which should be considered, namely some price protection. When one is dealing with monopolies it is essential to write into the contract some restraints on price fixing. Is it bad for the Government to fix prices, and not bad for monopoly to fix prices?

One of the greatest checks we need against monopolistic depredations at the present time is power on the part of the government to see to it that the big companies do not bleed the American consumer white. No effective check is now provided. So I say we had better set the bid aside, take a long look at it, call for new bids, and have new negotiations.

The PRESIDING OFFICER. The time of the Senator from Oregon has expired.

Mr. MORSE. Will the Senator from Minnesota yield me 2 additional minutes?

Mr. HUMPHREY. I yield the Senator from Oregon 3 additional minutes.

Mr. FREAR. Will the Senator yield for a question?

Mr. MORSE. I yield.

Mr. FREAR. Does the act preclude the selling of these plants to a foreign corporation?

Mr. MORSE. No, the act does not preclude the selling of the plants to a foreign corporation; but in the midst of a world situation such as that we now face, and in view of the Shell Co.'s conduct in connection with the raw rubber situation in the United States a few years ago, good common sense and sound public policy should dictate that the plants should not be sold to such a corporation.

Mr. THYE. Mr. President, will the Senator from Oregon yield to me?

Mr. MORSE. I yield to the Senator from Minnesota.

Mr. THYE. I have listened with much interest to the statements which the distinguished Senator from Oregon has made. He referred to the Minnesota Mining & Manufacturing Co., of St. Paul, Minn. That company has been in existence since 1902. It has grown gradually from a small corporation until it is now serving not only St. Paul, but every other community in this country. The company had a record of operating a synthetic rubber plant in the war years. Following the war the Minnesota Mining & Manufacturing Co. entered into a contract to operate the synthetic rubber plant at Los Angeles, Calif., and is operating it today. The company is foreclosed from bidding on the plant. We do not know how much that company would bid for the one plant in Los Angeles. It is for that reason that I submitted the resolution. I wish to commend the Senator from Oregon for his able statement on this entire question.

The Minnesota Mining & Manufacturing Co. desires to serve the Nation, but it will not have an opportunity to do so if the Shell Chemical Corp. is permitted to make a bid on 3 plants and thereby foreclose the Minnesota Mining & Manufacturing Co. from the right to bid on the 1 plant which it is now operating.

Mr. MORSE. I wish to thank the Senator from Minnesota for his remarks. The Minnesota Mining & Manufacturing Co. is a great organization. In fact, I took pride in the testimony of its general counsel, Mr. Connolly. He must not be blamed for it, but he at one time was a student of mine. I thought Mr. Connolly did a magnificent job before the committee in pointing out the legal rights to which Minnesota Mining & Manufacturing Co. was entitled under the law. As he pointed out, and as the Minnesota Mining & Manufacturing Co. points out, it takes great pride in the fact that it is one of the truly independent companies of the country. It is not one of the combines. The company has done a magnificent job in operating one of the synthetic rubber plants. I think it ought to have had a better break in bidding for the plant, under the processes of the law, rather than to have the plant taken out from under it, by what I am satisfied is an illegal bid.

Mr. FREAR. Mr. President, will either the Senator from Oregon or the Senator from Minnesota yield?

Mr. THYE. I shall gladly yield to the Senator from Delaware if he wishes to refer to the Minnesota Mining & Manufacturing Co.

Mr. MORSE. Before the Senator yields, I should like to supplement what the Senator from Minnesota has said. The senior Senator from Georgia listened to the Senator from Delaware. Then the Senator from Georgia asked the $64 question: "Does this contract contain a recapture clause?" The reply was that it did not. When the Senator asked that question, he pinned the contract to the mat. In my judgment, it was counted out.

Mr. FREAR. Mr. President, will the Senator from Minnesota yield?

Mr. THYE. I would be glad to yield, but I have not been allotted any time.

Mr. FREAR. If the Senator has not been allotted any time, perhaps he would yield to me, anyway.

Mr. THYE. Mr. President, I shall yield myself 5 minutes for any purpose, if the Senator from Delaware desires to ask me questions.

Mr. FREAR. I appreciate the courtesy of the senior Senator from Minnesota. I should like to make a comment before I ask a question. I think all of us have respect for the Minnesota Mining & Manufacturing Co. The Senator from Oregon just referred to it as the "little Minnesota company." I might say the "little Minnesota company" is a little million-dollar corporation. What are the assets of the Minnesota Mining & Manufacturing Co.?

Mr. THYE. Mr. President, the question which the junior Senator from Delaware asked as to the assets of the Minnesota Mining & Manufacturing Co. is immaterial. The firm commenced business, as a small company, in 1902. The growth of the Minnesota Mining & Manufacturing Co. has been steady. It has not in any sense become a corporation with headquarters in any State other than Minnesota. Therefore, whether the Minnesota Mining & Manufacturing Co. has been incorporated for $1 million or $10 million is immaterial to the question now before the Senate.

The address of the company is St. Paul, Minn.; and its home manufacturing plant is in St. Paul, Minn. Everything the company has developed and today has as its assets has been managed and controlled by business persons

and investors in the State of Minnesota. Therefore, the Senator's question about the amount for which this company is incorporated is immaterial. If he wishes to place that information in the RECORD, I shall be glad to have him do so in my time.

Mr. FREAR. Mr. President, will the Senator from Minnesota yield to me?

The PRESIDING OFFICER (Mr. MCNAMARA in the chair). Does the Senator from Minnesota yield to the Senator from Delaware?

Mr. THYE. I am glad to yield.

Mr. FREAR. Again I say I have great admiration for the company in the Senator's State of Minnesota. Let me say that I believe it is a Delaware corporation.

Mr. THYE. If so, it is only incorporated under the Delaware law, merely because the Delaware law was found to be better suited to a corporation of that type than the Minnesota law. But it is a Minnesota corporation. Its first operations were on the flat on the east side of St. Paul, Minn.

Mr. FREAR. I appreciate the Senator's statement very much. In fact, I think one of our fine Delaware corporations is very friendly to the Minnesota Mining Co.; and I appreciate the situation in that respect.

Mr. THYE. Many corporations are incorporated under the Delaware law, because of certain characteristics of that law.

Mr. FREAR. I may add that is another point in their favor; I think they are using excellent judgment.

Will the Senator from Minnesota yield for another question?

Mr. THYE. Certainly.

Mr. FREAR. Does the Senator from Minnesota know the amount of the bid of the Minnesota Mining & Manufacturing Co. for Plancor 611?

Mr. THYE. It is immaterial what the company's original bid was, because its bid was never considered, in view of the fact that the lump-sum bid of the Shell Chemical Corp. was the one that was accepted, and that foreclosed any opportunity for another company to bid on an individual plant or a specific plant.

Mr. FREAR. Let me respectfully disagree with my good friend, the Senator from Minnesota; I do not believe he will find that to be the case, for if he will refer to the record and the testimony, he will find that the Commission went back to the Minnesota Mining & Manufacturing Co., which raised its bid from $2,500,000 to $3 million. But even with the raised bid of $3 million, it was still $2 million less than the bid of the next higher bidder. That is my point.

Mr. THYE. I should like to ask a question of the junior Senator from Delaware, who was chairman of the subcommittee which made the study and conducted the hearings on this matter: Will he tell me the amount of the bid of the Shell Chemical Corp. on Plancor 611, the synthetic plant at Los Angeles? Will the Senator state the amount of the bil of the Shell Chemical Corp. on that one plant?

Mr. FREAR. The Shell Chemical Corp. bid $30 million, including the three California plants, Plancor 611, 929, and 963. It made no individual bid. I admit to the Senator from Minnesota that it made no individual bid.

Mr. THYE. Mr. President, that is another reason why I submitted my resolution. The Shell Chemical Corp. bid, on a lump-sum basis, on 3 plants, Plancors 611, 929, and 963. In view of the making of that lump-sum bid, the Commission considered only the lump-sum bid. No specific amount was designated for Plancor 611. Therefore, I contend that whatever Shell Chemical Corp. bid as a lump sum, had no relationship to what the Minnesota Mining & Manufacturing Corp. bid for Plancor 611, because there is no record to give us information as to whether Shell Chemical Corp.——

The PRESIDING OFFICER. The time of the Senator from Minnesota has expired.

Mr. THYE. Mr. President, I yield myself an additional 2 minutes.

I say that there is no record to give us information as to whether the Shell Chemical Corp. bid $1 or $1 million on Plancor 611.

If the Senator from Delaware is able to tell us what the Shell Chemical Corp. bid for Plancor 611, he will then be able to tell us what we cannot find in the record of the committee hearings.

Mr. FREAR. Let me say to the Senator from Minnesota, Mr. President, that if he would like me to supply that information, I shall reply by stating that the amount of the Shell Chemical Corp.'s bid for Plancor 611 was zero. But let me also inform the Senator from Minnesota that the amount of the bid of Standard Oil Company of California for Plancor 611 was $5 million, whereas the highest the Minnesota company would bid was $3 million.

Mr. THYE. Mr. President, I should like to ask the distinguished Senator from Delaware a question. What did he state was the amount of the bid of the Standard Oil Company of California for Plancor 611?

Mr. FREAR. Five million dollars.

Mr. THYE. What was the amount of the bid of Shell Chemical Corp. for the three plants?

Mr. FREAR. Thirty million dollars.

Mr. THYE. Can the junior Senator from Delaware tell me whether the $5-million bid for Plancor 611 was a good bid?

Mr. FREAR. I am afraid I am not an expert as to prices.

The PRESIDING OFFICER. The time of the Senator from Minnesota has again expired.

Mr. THYE. Mr. President, I yield myself an additional 5 minutes.

The PRESIDING OFFICER. The Senator from Minnesota is recognized for 5 more minutes.

Mr. THYE. Mr. President, the junior Senator from Delaware was chairman of the subcommittee which conducted the hearing and investigation; and if he failed to ascertain whether the $5 million bid by the Standard Oil Company of California was a good bid for Plancor 611, he was derelict in the performance of his duties as chairman of the subcommittee because he did not ascertain all the facts, in order that he could acquaint us with them, as we examine the record which he was supposed to develop on that subject.

Mr. FREAR. Mr. President, will the Senator from Minnesota yield to me, in order that I may reply?

Mr. THYE. Yes; I am happy to yield to the Senator from Delaware.

Mr. FREAR. It is true that the junior Senator from Delaware was chairman of the subcommittee, which had the duty of obtaining the facts. However, I understood the Senator from Minnesota to ask me a personal question; he asked me whether I considered the bid to be a good one. I did ascertain that information from what I considered to be competent authority. The Commission and its advisers thought that the $5 million bid was a pretty fair bid for it; but they did not think it was as good a bid as the $30 million bid for the 3 plants.

Mr. THYE. Then will the Senator from Delaware tell me whether there is any difference between the three plants which were involved in that bid? Does one plant have a greater value than the other because of its physical equipment? Are all three of the plants of the same capacity and size? Will the Senator from Delaware give us that information?

Mr. FREAR. They are not all of the same capacity, and they are not all of the same size, and each one of them manufactures a different product.

Mr. THYE. Then I believe there is before this legislative body positive evidence that the bid of the Shell Chemical Corp. for the 3 plants should be set aside, and new bids should be advertised for, because it is obvious that we do not have sufficient facts or sufficient information upon the basis of which to determine whether the Federal Government has gotten the best possible bids for this particular plant or the best possible bid for the 3 plants—particularly if individual bids had been submitted on each of the 3.

Mr. FREAR. Mr. President, I have great respect for the judgment and ability of my good friend, the Senator from Minnesota. But the committee disagreed with his conclusions, in the proportion of 10 to 5.

Mr. THYE. And that is why these resolutions are being debated on the floor of the Senate this afternoon.

Mr. HUMPHREY. Mr. President——

Mr. JOHNSON of Texas. Mr. President, I yield 10 minutes to the distinguished Senator from Minnesota.

The PRESIDING OFFICER. The Senator from Minnesota is recognized for 10 minutes.

Mr. HUMPHREY. Mr. President, later today we shall have an opportunity to discuss the resolution which has been submitted by the Senator from Oregon [Mr. MORSE]. At present, we are discussing Senate Resolution 78 and Senate Resolution 79, considered as one.

These resolutions relate to the so-called Shell Chemical Corp. contract. I shall confine my remarks to that particular aspect of the proposal which is before us.

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First of all, I was nothing short of chagrined, disappointed, and somewhat dismayed by the action of our committee in turning down what I consider to be a very legitimate request, namely, that the Shell Oil Co. bid be disallowed and denied because of its failure to comply with the law. We can argue here all afternoon as to whether or not the Standard Oil Co. submitted a better bid than Shell. We can argue as to whether or not the Gulf Oil Co.—if it were involved—submitted a better bid, or whether any other oil company submitted a better bid. That has nothing to do with the question. The dollars involved are secondary to the legal issue. I will not permit myself to be taken off into legislative back alleys, or down the highways and byways of diversion. There is one issue before the Senate. The only issue before the Senate is whether or not the Shell company bid was a legal bid, and therefore led to a legal contract.

What are the facts? The Senator from Oregon [Mr. MORSE] has in forceful language documented with detailed information, pointed out in substance what the facts are in this case. But, Mr. President, the facts which relate to this case were developed over a year ago on the floor of the Senate. For example, former Senator Johnson, of Colorado, one of the great men of the Senate, and greatly beloved by his colleagues, asked this question during the debate on the passage of the Rubber-Producing Facilities Disposal Act of 1953:

> I wish to ask whether all the plants, other than the three alcohol butadiene plants, will be sold in a single package, or whether they will be sold plant by plant on bids on a plant-by-plant basis.

The Senator from Indiana [Mr. CAPEHART], then chairman of the Banking and Currency Committee, answered as follows, in his role of responsibility as chairman of the committee handling this legislation on the floor of the Senate:

> They will be sold on the basis of plant-by-plant proposals; and the sales will be made plant by plant.

What clearer language could we have than that?

Mr. LANGER. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. LANGER. Is that the Senator from Indiana [Mr. CAPEHART]?

Mr. HUMPHREY. That is correct; the Senator from Indiana.

Section 7 (b) of the Disposal Act reads as follows:

> (b) Proposals shall be in writing, and shall contain, among other things:
> (4) The amount proposed to be paid for each of the facilities.

I ask any Member of the Senate, regardless of all the minutiae and the detail that could be mustered to try to bolster up any argument, one question. Did the Shell Oil Co. bid plant by plant? Of course the answer is so obvious that we ought not even to be debating this question in the Senate.

Mr. LONG. Mr. President, will the Senator yield?

Mr. HUMPHREY. Of course they did not bid plant by plant.

I should like to ask the distinguished Senator from Indiana [Mr. CAPEHART] this question: Did the Shell Oil Co. bid plant by plant upon the facilities which were finally awarded to it by the Disposal Commission? I yield to the Senator to answer that question.

Mr. CAPEHART. Mr. President, I shall speak in a few minutes on my own time and explain my full and complete understanding of this entire situation. I will say at the moment that this question has bothered me no end. I have gone into it very thoroughly. I shall explain my position in a moment, and I shall answer the Senator's question. Technically, of course, the answer is that they did not bid plant by plant. I shall give my reasons in a moment. I think the Commission did right by eventually selling the plants to the Shell Co.

Mr. HUMPHREY. I thank the Senator. As I have stated many times, the Senator from Indiana is an honorable man. He says that technically the Shell Co. did not bid plant by plant.

When we consider the law we are considering technical language. It is the technicalities of the law which are the letter of the law. If we were to give to the Rubber Disposal Facilities Commission the right to make any kind of good deal, if that is what we intended to do, we should have written it into the law. But we did not write it into the law. We did not say to the Commission, "The only thing you shall bear in mind is the best price you can get." We laid down in the law certain other provisions, such as provisions to preserve competition and provisions protecting the national interest. There were provisions requiring bidding on each proposal, plant by plant, and requiring written proposals, written offers. The word "shall" means exactly what it says. It does not mean "may." It means "shall." Despite all the legal talk to the contrary, the word "shall" is a mandate, an order.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield first to the Senator from Louisiana, and then I shall yield to the Senator from Oregon.

Mr. LONG. I believe the Senator from Minnesota recalls that the junior Senator from Louisiana offered an amendment which was agreed to last year. The basis of that amendment was that the Congress should have the right to reject the sale of any one of these plants without requiring that any other disposal plan be rejected. The Senator will recall that at that time the junior Senator from Louisiana argued that it might very well be that the Government might have arranged for the sale of some of the plants in the Government interest, but one individual plant might have been disposed of in a way not to the Government's best advantage. The purpose of that amendment could not have been carried out if the plants were to be disposed of in groups.

Mr. HUMPHREY. The Senator is correct. I remember vividly, and with accurate recollection, the Senator's proposal. I recall that it was what we thought would be one of the saving clauses in this particular legislation. It was hotly debated, and finally adopted.

Two things, it seems to me, have happened. First, if we permit these plants to be sold in groups, on the basis of 1 bid for 3 facilities, we shall have broken faith with our own contract among ourselves in this Chamber, because we agreed among ourselves as to what this legislation meant, and we spelled it out in formal language—not merely in a legislative record, but in formal language.

Secondly, if we are going to ignore the technicalities of the law, we shall not be permitting fair competition among those who are bidders for these facilities.

There is another issue, as to whether or not we should even sell these plants at this time. That is an issue which relates to the foreign situation and to our national security. But let us set that issue aside.

The first duty of the Government is to deal within the law. I do not propose to join in a proposal to allow a foreign-owned corporation to evade the law, to use legal trickery and legal subtlety and legal interpretation, despite the preciseness of the language of the law, to deny contracts on the basis of competitive bidding to those who wish to live within the spirit of the law.

Make no mistake about it. Every other bidder in the United States who bid knew what the law was, and bid according to the law. Perhaps they did not bid enough. Perhaps they did not do right in terms of the dollar amounts offered, but they bid within the spirit of the law.

What is the Commission permitting? The Commission is saying, "It is too bad you fellows were not smart enough to figure out a better deal. You should have seen us in the back room. You have submitted a bid plant by plant, and you are not going to get these particular facilities. If you had been shrewd and sharp, like the Shell Oil Co., and if you had put three of these facilities together in one package and submitted a big deal, with one package, on a one-shot basis, we might have done business with you."

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. HUMPHREY. I yield myself 5 additional minutes.

Mr. MORSE. Mr. President, will the Senator yield for a question?

Mr. HUMPHREY. If the United States Senate, which had a major part in writing this legislation and in writing what might be called the saving clause and the public-interest clauses, permits this situation to occur, it will give a go-ahead sign to every disposal commission in the Government to make the best kind of deal it can with the "favored boys," and let the public take the hindmost. The fact that the Government cannot even reclaim these facilities is bad enough. I think that in itself is a most serious matter; but again I say that I wish to stick to the point. I tried to develop that point with the chairman of the subcommittee and members of the subcommittee, including the Senator from Delaware [Mr. FREAR]. I ask unanimous consent to have my letter of March 16, 1955, to the Senator from

Delaware printed in the RECORD at this point as a part of my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

MARCH 16, 1955.

Hon. J. ALLEN FREAR,
Chairman, Subcommittee on Production and Stabilization, Committee on Banking and Currency, United States Senate.

DEAR ALLEN: As you know, on March 15 I introduced Senate Resolution 79, a copy of which is attached.

I have followed the proceedings of your subcommittee in considering the report of the Rubber Facilites Disposal Commission with great interest. Your committee has performed an outstanding service to the Senate in the thorough manner in which you have developed the facts concerning the disposal of the synthetic-rubber industry to private ownership.

It is abundantly clear from the evidence which your committee has developed that the Disposal Commission in recommending the sale of Plancor 611, a copolymer plant, Plancor 963, a butadiene plant, and Plancor 929, a styrene plant, all located at Los Angeles, Calif., failed to follow either the spirit, intent, or the letter of Public Law 205, as passed by the Congress of the United States.

I will not attempt to review the provisions of this law in detail as your able committee has spent many long hours in hearing it expounded and analyzed.

Section 7 (b) of the law is clear, unambiguous and mandatory. To say otherwise is to make a farce of the act and to completely emasculate it.

You, of course, are thoroughly familiar with the fact that section 7 (b) (4) of the act clearly states that proposals shall be in writing and shall contain the amount proposed to be paid for each of the facilities. Shell Chemical Corp. failed and refused to follow this requirement. The Disposal Commission failed to require Shell to follow this requirement. Every other successful bidder did follow this requirement to the letter.

The evidence shows, without dispute, that the Commission repeatedly requested Shell to break its lump-sum package bid down and assign an amount to each of the three specific plants as required by law and that Shell refused to do so.

This flaunting of the law by Shell rendered its proposal illegal and should have been thrown out. It gave Shell an advantage prohibited by law over both the Government and the other bidders for these plants.

The Commission had no discretion or authority to waive this vital requirement of the law. It might just as well have waived the requirement as to the national-security clause or the requirement as to the report of the Attorney General on the antitrust laws. Each of these requirements is couched in the same language in the act.

It is my sincere opinion that the Senate must not establish the dangerous precedent of permitting either public bodies or private industry to ignore its mandatory requirements in the disposal of vital Government property.

Inasmuch as section 9 (d) of Public Law 205 provides "no rubber producing facility shall be sold or leased except in accordance with this act * * *" and since the Shell proposal and the recommended sale are in direct violation of the provisions of the act, and in further view of the shortness of the time in which the Senate may consider this matter, I earnestly urge and request your subcommittee and the full Committee on Banking and Currency to approve Senate Resolution 79.

Sincerely,

HUBERT H. HUMPHREY.

Mr. HUMPHREY. I yield to the Senator from Oregon.

Mr. MORSE. Does the Senator agree with me that the bidding requirement of the statute was the primary requirement which the Rubber Plants Disposal Commission had to meet first, and that the Commission could not negotiate with any company until after it had first had a bid from that company?

Mr. HUMPHREY. Of course, that is correct. I may say to the Senator from Oregon that there are some other laws which compel those who come before an agency of the Government to act in accordance with the terms of a law. For example, there is the National Labor Relations Board. Unless certain requirements are fulfilled on the basis of a party being an employer or a union, the services of the Board are not available. I submit that the Shell Co. was not entitled to the services of the Disposal Commission once it ignored the law.

Mr. MORSE. That is a vital point. The Senator from Delaware [Mr. FREAR] has referred to the Shell Co. bidding zero. Does the Senator from Minnesota agree with me that the Shell Co. submitted no bid at all on a plant-by-plant basis? In other words, it refused to bid. A refusal to bid, therefore, does not mean a bid of zero. It means a refusal to bid, which in turn means that the Shell Co. did not comply with the law. Therefore, when the Rubber Plants Disposal Commission proceeded to negotiate with Shell, it was negotiating with a company which did not even come under the law. Is that not true?

Mr. HUMPHREY. The Senator from Oregon is eminently correct.

The final defense of the Shell Co. was that its attorney had interpreted the statute differently than the statute was written. Their second line of defense was that they did not quite agree that the word "shall" meant "shall." That is fine so far as the Shell Co. is concerned. However, I happen to know how to spell the word "shall," and I know what it means. We do not need a battery of New York or Philadelphia lawyers to tell us what the word "shall" means. The word "shall" does not mean that "Shell" may pull a fast deal. The word "shall" means that the public interest shall be protected.

Therefore I rest my case, not upon what I consider to be the monopoly aspect of the situation—although that is extremely serious, and the public will pay and pay and pay, and the public will shell out and shell out and shell out—I rest my case, not even on what I consider to be the vital question of national security in the field of synthetic rubber production, although it has been demonstrated how important synthetic-rubber plants are in both peace and war—but I and my senior colleague rest our case on the basis of the law. We certainly do not rest it on the basis of a particular company.

If the Senate of the United States is not going to be a respecter of the law we cannot expect large corporations to be respecters of the law. They sometimes have the idea that they can take all the market will bear.

We write the law. In this instance we are charged with the enforcement of the law. We are the body that said we wanted to relegate to ourselves the right of reviewing the enforcement of the law.

I hope we are not ready to say to those who are clever enough to skid by the law, "Go ahead, and do it, and run your show, regardless of the law."

The PRESIDING OFFICER. The time of the Senator from Minnesota has expired.

Mr. FREAR. Mr. President, will the Senator yield?

Mr. HUMPHREY. I shall be glad to yield on the Senator's time.

Mr. KNOWLAND. Mr. President, I yield 5 minutes to the Senator from Delaware, and additional time if he needs additional time.

Mr. FREAR. The Senator from Minnesota has stated that we write the laws. I should like to ask him to turn to page 8–A of the Commission's report. Public Law 205 of the 83d Congress, as quoted on page 8–A of the report, provides, under section 7 (b) (2), "the facility or facilities which are proposed to be purchased."

Therefore, the Shell bid was a bona fide bid.

Mr. HUMPHREY. I should like to ask the Senator from Delaware to turn to section 7 (b):

> Proposals shall be in writing, and shall contain, among other things—(4) the amount proposed to be paid for each of the facilities.

The word "each" is just as easily understood as the word "shall." It does not mean "leech." It says "each." I do not want anyone to try to rewrite the law on the floor of the Senate. If we insisted on the responsibility of enforcing the law, let us now enforce it. This Senator does not intend to permit a company, which has the audacity to say before the Commission, "Well, our attorney interpreted it that way," to change the law.

The attorney for the company interpreted the law in the way the company wanted it interpreted. Of course, the attorney interpreted it that way. If not, he would not have been hired in the first place.

Mr. FREAR. Will the Senator yield further on my time?

Mr. HUMPHREY. I am delighted to be debating with the Senator on his time.

Mr. FREAR. I enjoy it, too. It was not only the attorney for Shell who gave that opinion. It was also the Comptroller General and the attorneys working for the Commission who gave that opinion. Therefore it was not only the attorney for Shell who gave that opinion.

Mr. HUMPHREY. That only proves that we need a change in the Comptroller General and a change in the attorneys for the Commission.

Mr. FREAR. Does the Senator wish me to argue that point with him?

Mr. HUMPHREY. I will be delighted to have the Senator do so on his own time. I do not know what kind of Comptroller General would interpret the word "each" to mean more than one.

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I cannot figure that one out at all. I cannot understand how a Comptroller General can give multiplicity to the word "each," or change its singular character to a dual character.

Mr. FREAR. Mr. President, I cannot longer yield to the Senator from Minnesota. He will have to use his own time. I yield now to the Senator from Oregon.

Mr. MORSE. I say facetiously and good-naturedly, and somewhat irreverently and irrelevantly, that I do not like my friend from Delaware to cite as good legal authority men who in the next breath he would like to have removed. However, the question I should like to ask the Senator from Delaware is this. He quoted from the law the phrase "facility or facilities." The latter word is in the plural. In the Senator's opinion does the use of the word "facilities" in the plural have any bearing upon empowering a company to bid on a package basis?

Mr. FREAR. I believe I said in my opening remarks that the Shell Co. stated what the Senator from Oregon has stated the company had said.

Mr. MORSE. That the company was not bidding on an individual basis. Is that correct?

Mr. FREAR. That is correct.

Mr. MORSE. The only point I was raising was with reference to the legislative construction. The use of the word "facilities" in the plural in no way authorized Shell to bid on a package basis. Is that correct?

Mr. FREAR. No.

Mr. MORSE. It could buy more than one facility, but on an individual basis.

Mr. FREAR. It could bid on more than one facility.

Mr. MORSE. I agree, but it could not bid on a package basis.

Mr. HUMPHREY. Mr. President, I yield myself an additional 5 minutes on a matter which has been brought up and which deserves a little more attention.

The president of the Shell Chemical Corp. testified before the subcommittee. I believe he testified on Friday, March 11. At that time the distinguished Senator from Indiana [Mr. CAPEHART], the ranking Republican member of the committee and former chairman of the committee, inquired into certain aspects of the contract and bid. He made some very telling points. The Senator from Indiana is a businessman in his own right, and a man of competence and success. The name Capehart is a well-known household word to anyone who has a radio or television. The Senator from Indiana has had his own struggles with monopolistic tendencies and with those who engage in monopolistic practices.

Mr. FREAR. Mr. President, will the Senator permit me to interrupt him?

Mr. HUMPHREY. At this point I should like to develop my argument. While we may disagree at times with the Senator from Indiana on matters of politics, I think it is fair to say that we do not disagree with him on matters involving his word of honor. In this instance the Senator from Indiana really proved and demonstrated his knowledge of the subject we are discussing.

On page 490 of the committee record, the Senator from Indiana [Mr. CAPEHART] had this to say:

Senator CAPEHART. I want to know why did you not say, "I will give you X amount for one plant, X amount for another, and X amount for the other, and I will not buy any of them unless you will sell me all 3 of them, but if you will sell me all 3 of them I will give you this amount for this one, this amount for this one, and this amount for this one."

Mr. MCCURDY. I will give you that.

Senator CAPEHART. Why did you not do it?

Mr. MCCURDY. The reason we did not——

Senator CAPEHART. That would have been complying with the law.

Mr. MCCURDY. That is right. There are two reasons that we did not do that, and they agree with one another. First, our bid is in line with the law, and our counsel assured us that the bid was all right legally.

Senator CAPEHART. It would not have cost you a penny more to have stated some price on each of the three.

Mr. MCCURDY. No; but I am going to show you why it would have been against my conscience if I could.

Senator CAPEHART. Is it always against your conscience to comply with the law?

Mr. MCCURDY. We did comply with the law.

Now, I know you want to know why. Any number of people have asked me in the last 3 days, "Why in the name of everything didn't you just put three figures on this thing and stop all this business?" Well, the reason that we did not do that was because those figures would have been empty and misleading. Those figures, had I done it, would have had to have been set arbitrarily. We did not calculate figures for these three plants and then add them up. We figured the whole thing out as one piece.

Senator CAPEHART. But the rules and regulations and the law said that you must bid on each individual plant.

Mr. MCCURDY. Well, Senator CAPEHART, our legal counsel do not believe that. Those for the Commission do not believe that. And those for the Comptroller General do not believe that.

I know the distinguished Senator from Indiana, when he said this in the committee and when he said it to his beloved colleague on this side of the aisle, the Senator from Texas [Mr. JOHNSON], meant every word he said.

I read further:

Senator CAPEHART. I was the author of the bill and I believe it. I so gave my word on the floor of the United States Senate. Now, I do not mind telling you right now that was my understanding then and it is my understanding now.

Mr. MCCURDY. But you said, did you not, Senator CAPEHART, that they were going to be sold plant by plant?

Senator CAPEHART. Yes.

Mr. MCCURDY. Well, this is one plant.

Senator CAPEHART. Now, that is the question. If you prove to me——

Senator DOUGLAS. Mr. McCurdy——

Senator CAPEHART. If you can prove that to me——

Senator DOUGLAS. Mr. Pettibone testified here that there was no question but that they were different plants. You heard Mr. Pettibone testify to that effect—that they were separate plants. The record will show they are separate.

Senator CAPEHART. That does not hurt anybody's conscience.

Mr. MCCURDY. No; but in my opinion—and I am sure we will all agree—denationalizing the industry is a lot more intricate problem than selling something off. The intricacies of this problem in one of its most difficult cases caused us to come to this solution. I would really have been in a spot if my conscience had told me that I could not put those figures down and our lawyers had told me that I had to. Then I really would have been in a pickle. I would have had to choose between my conscience and my desire to bid, and that would not be fun.

Senator CAPEHART. This conscience of yours is not quite clear to me. You were willing to pay $30 million for the 3 plants, but you had a conscience against saying, "Well, the physical value of this one is 17 million; the physical value of this one is 12 million; the physical value of this one is 10 million; but I withdraw my bids for all 3 unless you sell me all 3."

In other words, Mr. President, what the distinguished Senator was saying was this: "Do not talk to me about conscience. You were willing to bid only if you could get all 3 plants."

Mr. President, that is not bidding plant by plant. I think the record is eminently clear, and I hope our good friend from Indiana will, in view of his controlling influence on this legislation—and it was controlling, I may say to him, and he knows it—speak further on this matter. The Senator from Texas [Mr. JOHNSON] asked him a question which was pointed and direct, and the Senator from Indiana answered it.

I think our task is to do just one thing, namely, to judge whether the law has been complied with. I think the Senator from Indiana has made it crystal clear that the law has not been complied with.

Mr. KNOWLAND. Mr. President, I yield 10 minutes of my time to the Senator from Indiana [Mr. CAPEHART].

Mr. CAPEHART. Mr. President, as I said a moment ago, I have had a great deal of difficulty with this problem. It has never been an easy one to decide in my own mind.

As the testimony shows, the able Senator from Minnesota having just read the colloquy between Mr. McCurdy and myself, I was doing everything possible to try to get the facts and the information from Mr. McCurdy, the head of the Shell Corp.

In fact, I was quite critical of him because as the author of the bill and the manager of the bill in the Senate when it was considered 2 years ago, one of the things we wished to be careful about was that the plants should not be sold to 2 or 3 or 4 or 5 corporations. We wished to make certain that there would be no monopoly created. We wished to make certain that small business would be attracted, and we wished to make several other things certain, including getting fair value.

We imposed on the Commission many rules and regulations, one of which was that the Commission should get the highest possible price. Another one was that it should not sell all the plants to one firm.

When this question came before the committee I was very critical of the Shell Corp.'s bid. I was not trying to influence any Senator one way or the other. I told those interested in the bid of the Minnesota Mining & Manufacturing Co., and others, that I felt that the law was specific, that the plants should be sold plant by plant. I was sincere and conscientious about it, just

as I was in questioning Mr. McCurdy. Unfortunately, I was not present on the day Mr. Pettibone, the head of the Commission, testified. I questioned Mr. McCurdy very critically, as the record will show. The testimony has been read by the able Senator from Minnesota [Mr. HUMPHREY]. I discussed the matter with Mr. Pauley, who was attorney for the Minnesota Mining & Manufacturing Co. I am frank to say that I had a difficult time making up my mind on the question.

The House agreed to the Shell sale. The general counsel for the House committee agreed to the sale. I ask unanimous consent that the opinion of the general counsel of the House committee be printed at this point in my remarks.

There being no objection, the opinion was ordered to be printed in the RECORD, as follows:

MEMORANDUM OPINION FOR HON. CARL VINSON, CHAIRMAN ARMED SERVICES COMMITTEE

PROTEST OF MINNESOTA MINING & MANUFACTURING CO. ON RPF DISPOSAL COMMISSION—RECOMMENDATION OF JANUARY 24, 1955

Minnesota Mining & Manufacturing Co., an unsuccessful bidder for copolymer plant at Los Angeles (Torrance), Calif., filed a letter of protest against the recommendation of the Disposal Commission to sell Plancor 611, a copolymer plant, to Shell Chemical Corp., along with Plancors 929 and 963; one a styrene, and the other a butadiene plant.

Minnesota Mining and a wholly owned subsidiary, Midland, bid on the copolymer plant only.

Shell Chemical Corp. bid on the three plants. Its bid did not specify the price for the individual plants. It stated that it would only purchase the three plants together.

Minnesota Mining cites Public Law 205, 83d Congress, section 7 (b) (4) that the bid documents:

"(b) * * * shall be in writing, and shall contain, among other things * * *"

"(4) the amount proposed to be paid for each of the facilities * * *."

In a release giving instructions and information to bidders, RPF Disposal Commission stated:

"4. Proposals shall state the amount proposed to be paid for each of the facilities * * *."

Shell Chemical Corp. submitted a proposal without giving the price assigned to each of the three plants:

"We do not state the amounts we propose to pay for any of the facilities on an individual basis as we do not propose to purchase individual facilities."

RPF Disposal Commission recommended acceptance of the combined bid of Shell Chemical and called attention to its proposal which stated that "its interest was only in the acquisition of all three plants for integrated operation," for which reason it "declined to assign figures to each of the three facilities." Shell Chemical Corp.'s bid was the highest of the aggregate bids for all three properties.

Minnesota Mining now contends that the bid is invalid because it did not comply with Section 7 (b) (4) nor instruction to bidders, Release No. 1, paragraph 4.

Minnesota Mining contends it is immaterial whether or not Shell Chemical's bid for the three plants was in the aggregate the highest. It also contends that the RPF Commission "gave Shell an undue advantage not permitted by law" and urges the rejection of the bid and legislation authorizing the Commission to negotiate new contracts for the sale of these plants.

Provisions of the act

I disagree with the contention of Minnesota Mining.

Section 7 (b) (4) is not to be read by itself. There must be read with it section 7 (b) (5) which is as follows:

"(5) The general terms and conditions which the prospective purchaser of a copolymer facility would be willing to accept in order to make the end product of such facility available for sale to small business enterprises, and the general terms and conditions which the prospective purchaser of a butadiene or styrene facility would be willing to accept in order to make the end product of such facility available for sale to purchasers of copolymer facilities."

Shell Chemical complies with this section.

There must also be considered section 2, the declared purpose of the act, which is to effectuate the policies set forth in the Rubber Act of 1948, as amended, for the development within the United States of a free, competitive, synthetic-rubber industry.

Likewise, section 3 (b) (3) authorizes the Commission "to take such action and exercise such powers as may be necessary or appropriate to effectuate the purposes of this act."

Section 7 (a), concerning advertisement for proposals states:

"The advertisement shall * * * contain such specifications and reservations * * * as the Commission in its discretion determines will best effectuate the purposes of this act."

Section 7 (b) which follows, merely directs that the proposals shall contain six enumerated items of information, "among other things—."

Thus the Commission is not limited to the six items enumerated in this section. The bid information is advisory only. The basic objective is to "effectuate the purposes of this act."

Section 16 does not limit negotiations to the highest bidder. Instead, negotiations are authorized with any person "at a price which is equal to, higher than, or lower than the highest amount proposed to be paid for each facility as the Commission determines will best effectuate the purposes of this act."

The sale criteria are set out in section 17:

"(1) to afford small business enterprises and users a fair share of the end products of the facilities sold and at fair prices;

"(2) technical competence of the purchaser;

"(3) development of a free competitive, synthetic-rubber industry;

"(4) purchase in good faith;

"(5) full fair value taking into consideration the policy established in the act;

"(6) disposal consistent with national security; and

"(7) that the purchasers will be able to produce not less than 500,000 long tons of general-purpose synthetic rubber, and not less than 43,000 long tons of butyl."

Section 21 (c) of the act defines "rubber-producing facilities" as "facilities, in whole or in part, for the manufacture of synthetic rubber and the components thereof * * *" and subsection (d) defines "component materials" as "material, raw, semifinished, and finished, necessary for the manufacture of synthetic rubber."

Under this definition a combination of styrene, butadiene, and copolymer plants in a single operation in my opinion complies with the definition of a "facility."

Argument on the objection

(a) Minnesota Mining apparently relies upon the word "shall" as being a mandate to the Commission requiring it to receive separate prices on each of the three plants in question. Such an interpretation of the word "shall" as being mandatory cannot be sustained because legislative intent governs at all times.

The rule of statutory construction cases of this kind is well settled. See *Triangle Candy Company* v. *U. S.*, 144 F. 2d 195 (C. C. A. 9th, 1944) holding that where the purpose of the law is protection of the Government by guidance of its officials rather than granting of rights to private citizens, the word "shall" is construed to be directory and not mandatory. Here the purpose of the section in question is only for guidance of the Commission to enable it to "effectuate the purposes of the act."

By no stretch of the imagination is any prospective bidder granted any rights in the act.

See also *Vaughn* v. *John C. Winston Co.* (83 2d 370 (C. C. A. 10, 1936)), holding that if the requirement is a procedural detail not going to the substance of the thing done or to be done, then it is directory.

Upon the authorities it is settled that subsection (4) of section 7 (b) is directory and not mandatory. The failure to fully comply with the procedural detail therein contained does not invalidate this transaction.

(b) It is to be noted that the legislative intent of this section is stated in House Report 593, accompanying Public Law 205. That report states that subsection (4) of section 7 (b) is mechanical in nature.

(c) The intent of the act is the disposal of rubber plants at full fair value while at the same time assuring, first, that small business will have a source of supply at fair prices; and, second, continued competition among rubber producers (sec. 17).

Shell Chemical Corp. undertakes to make the production of synthetic rubber from these three plants available for small business and for the general market. It does not consume, in its own business, the products of these three plants.

Thus, the purposes of the act are effectuated by:

1. Terms favorable to the Government (highest price);

2. Conditions of the sale which favor production for small business (products are to be sold to small business on open market);

3. Competition sought by the statute (certificate of Attorney General).

From the foregoing, it is my opinion:

1. That the recommendation of the Commission complies with the intent of the statute, to wit: sale at a favorable price; an assured market for small-business fabricators; and maintenance of competition.

2. Section 7 (b) (4), it is well settled, is directory, and not mandatory, upon the authorities cited. It is a procedural detail, mechanical in nature, not going to the substance of the thing to be done. This section is for the guidance of public officials and the protection of the Government, and grants no rights to private citizens.

3. Section 21, defining a facility, when read with section 7 (b) (5) (with which Shell complied), and section 16, on negotiations, plainly contemplates Commission action which will effectuate the purposes of the act, and, therefore, the procedural detail in other sections is for guidance to this end.

In my opinion, on the facts and on the law, the Commission is authorized by the act to make the recommendations contained in its report concerning Plancors 611, 929, and 963.

JOHN J. COURTNEY,
Special Counsel.

Dated: March 7, 1955.

Mr. CAPEHART. Mr. President, the Comptroller General of the United States rendered an opinion that the sale was legal, and I ask unanimous consent that his opinion may be printed at this point in the RECORD.

Mr. HUMPHREY. Mr. President, will the Senator identify the Comptroller General who rendered the opinion?

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Mr. CAPEHART. It was Joseph Campbell.

There being no objection, the opinion of the Comptroller General was ordered to be printed in the RECORD, as follows:

COMPTROLLER GENERAL
OF THE UNITED STATES,
Washington, March 8, 1955.

Hon. J. W. FULBRIGHT,
Chairman, Committee on Banking and Currency, United States Senate.

DEAR MR. CHAIRMAN: Reference is made to your letter of February 17, 1955, acknowledged by telephone, referring to the contracts executed by the Rubber Producing Facilities Disposal Commission for the sale of Government-owned synthetic rubber plants, particularly the bid and contract by which 3 facilities in the Los Angeles area would be sold to the Shell Chemical Corp., and requesting our views concerning their propriety under Public Law 205, 83d Congress.

Such examination of the Commission's report to the Congress, dated January 24, 1955, and of the contracts as set forth in the supplement thereto, as has been possible in the limited time available has not disclosed any failure to comply with the statutory conditions established by the Congress. The individual contracts have been reviewed briefly and appear to satisfy pertinent provisions of the statute. Our review was directed primarily toward ascertaining that the mechanics of the Commission's procedures complied with the law and that its report was accurately and fairly stated on the basis of records available to us.

The Shell Chemical Corp. offered, in its initial proposal dated May 26, 1954, to buy 3 plants as a unit. It quoted one amount, advising, in paragraph 10, that "We do not state the amounts we propose to pay for any of the facilities on an individual basis as we do not propose to purchase individual facilities." It has been asserted that such proposal was invalid and improperly considered by the Commission in view of subsection 7 (b) (4) of Public Law 205, which directs that basic proposals for purchase "shall contain * * * the amount proposed to be paid for each of the facilities." This provision, as explained in the House report (No. 593, 83d Cong., p. 9), was intended to require "the bidder to indicate the amount proposed to be paid for each of the facilities."

The Commission had occasion to construe this requirement in paragraph 4 of Release No. 1, dated November 25, 1953. Therein it stated, in part, that "Where a proposal contemplates acquisition of several facilities for integrated operation, it shall state separately the aggregate amount proposed to be paid for such facilities on such an integrated basis, and the amount otherwise proposed to be paid for each of the facilities in question on an individual basis." Application to the Shell Chemical Corporation case of subsection 7 (b) (4) and of the language in Release No. 1 also has been considered by the Commission in interpretations, copies of which it is understood were furnished to your committee. A position was taken that the Corporation's intent in bidding was fully stated without misrepresentation and in compliance with all requirements.

It is recognized that the Commission's position involves treating the requirement as meaning that there need be shown only the amount proposed to be paid on the basis of the smallest unit intended to be purchased, as distinguished from "each of the facilities" included in such unit. In this view the statutory direction would be complied with because there would be no offer to purchase an individual facility as such. In other words, the amount bid for each facility would be "zero." In this connection, it may be observed that, even if individual facility prices had been quoted, as they were in the case of the Copolymer Corporation's proposal for the two plants at Baton Rouge, La., since each amount would be contingent upon acceptance of the other, the actual amount offered for each would, in effect, be "zero." Apparently, the only other view possible is that proposals for combined facilities must show prices for individual units even though it not be intended to buy them. Such a view, however, not only would be illogical, but it might well involve misrepresentation on the part of a bidder. In any event, it is not apparent how individual amounts could be quoted in such circumstances or, if quoted, what practical use could be made of them.

Also, there is for consideration the fact that basic proposals were requested, not to become final contracts, but merely to establish a basis for further negotiations. In this connection, section 16 of the act provides, among other things, that—

"The Commission may negotiate with respect to any facility with any person who submitted a proposal on that or any similar facility and may recommend sale of any facility to any person who submitted a proposal on that or any similar facility at a price which is equal to, higher than, or lower than the highest amount proposed to be paid for each facility as the Commission determines will best effectuate the purposes of this act."

The fundamental issue presented for resolution thus appears to be as to whether the act contemplates that basic proposals submitted for the purchase of combined facilities, without showing amounts included for each facility, are required to be eliminated from the competition because not complying with the statutory direction. An examination of the legislative proceedings discloses no indication that rejection was intended. On the contrary, reference is made in several provisions of the act to "facilities" proposed to be purchased, and it is a fair inference that bids and awards for more than a single facility as a unit were contemplated. See, also, the discussion of competition under section 16 in the conference reports (p. 17 of H. Rept. No. 1055 and p. 15 of H. Rept. No. 999). There would appear to be no logical objection to recognition of bidders in this category for purposes of negotiating because, while they are not in competition for separate facilities as such, their bids readily could be compared with aggregate bids for the separate facilities involved, and the Government's advantage easily could be determined, whether at the outset or after subsequent negotiations. Clearly, also, the fact that proposals were not final—serving merely the purpose of establishing a floor for negotiation of final contracts—precluded any undue advantage over a competing bidder interested in a single facility. Finally, since the statute must be construed as a whole, each provision being given a meaning harmonious with all other provisions, it appears clear that the overall design and purpose was to bring all qualified bidders into the competition. Consequently, the requirement of subsection 7 (b) (4) should not be given a technical meaning which would restrict eligibility so as to exclude qualified purchasers interested only in integral groups of facilities, but a meaning, such as that adopted by the Commission, more consistent with the whole objective of the law. It is significant that proposals for combined units did not deprive any bidder of opportunity to participate in the negotiations for final contracts, that disposal of the facilities on a plant by plant basis was not precluded, and, as pointed out at page 28 of the Commission's report, that the price agreed upon with the corporation after negotiation "represents the greatest aggregate return to the Government for the three plants."

Hence, whether the Shell Chemical Corp. be regarded as bidding "zero" for "each of the facilities" or as not bidding at all for a single facility as such, it is believed that no legal requirement necessitated elimination of its proposal or precluded negotiation with it. Nor is there perceived any valid objection otherwise to consummation by the Commission of the negotiated sales contract with the corporation as found to be in the Government's interest under the remaining provisions of Public Law 205.

Sincerely yours,

JOSEPH CAMPBELL,
Comptroller General of the United States.

Mr. CAPEHART. Mr. President, the general counsel of the Commission approved the sale, and I ask unanimous consent that his opinion may be printed in the RECORD at this point in my remarks.

There being no objection, the opinion was ordered to be printed in the RECORD, as follows:

MEMORANDUM DISCUSSING OBJECTION BY MINNESOTA MINING AND MANUFACTURING CO. TO COMMISSION'S RECOMMENDED SALE OF THREE WEST COAST PLANTS TO SHELL CHEMICAL CORP.

Reference is made to the objection of the Minnesota Mining and Manufacturing Co., contending that the Shell Chemical Corp. proposal did not conform to the standards prescribed by the Congress in the Disposal Act, and therefore was improperly considered by the Commission.

Minnesota's bid was a joint bid in which the other participants were Midland Rubber Corp. (a wholly owned subsidiary of Minnesota) and Edwin W. Pauley, an individual. The bid proposed to purchase Plancor 611, the Los Angeles copolymer plant, at a price of $2,500,000. The bid was not dependent in any way upon the proposal filed by Edwin W. Pauley, as an individual, for the butadiene plant at Torrance (Plancor 963), for which the sum of $4 million was offered.

Minnesota, speaking for itself and Midland, requests that the recommended sale to Shell be disapproved and that legislation now be passed to enable the Commission to receive new proposals and negotiate new contracts for the sale of the 3 plants concerned under the same terms and conditions presently set out in the Disposal Act.

Shell's proposal called for the purchase of the foregoing copolymer and butadiene plants, plus the styrene plant at Los Angeles, for an integrated operation, at a price of $27 million. (The plants had been operated on such an integrated basis by the Government.) In its proposal, Shell made clear that it was interested only in acquisition of the 3 plants as a package and that it did not propose to purchase individual facilities.

Shell was declared eligible to negotiate for the purchase of the plants upon the basis of its proposal which was found to have met the requirements of the Act and the Commission's Instructions. Minnesota asserts that the failure to break down the bid into individual prices for the individual plants comprising the package is fatal.

The Commission cannot subscribe to this view. Section 7 (b) (4) of the Disposal Act provides that proposals shall contain "the amount proposed to be paid for each of the facilities, and, if such amount is not to be paid in cash, then the principal terms of the financing arrangement proposed." Broadly speaking, this section, procedural in nature, is designed to inform the Commission as to how much a bidder proposes to pay and how he proposes to pay it. The House report on

the Disposal Act described the section as follows:

"Paragraph 4 of subsection 7 (b) is mechanical in nature and requires the bidder to indicate the amount proposed to be paid for each of the facilities and the manner in which the facilities will be financed." (H. Rept. 593, 83d Cong., 1st sess., p. 9.)

Where a proposal covers more than one facility and the bidder desires to purchase any one separately if he cannot get the integrated whole, the proposal is expected to state the amount proposed to be paid for the facilities on an individual basis. This test did not apply in the Shell case. Where a bidder has no intent to purchase individual facilities a clear statement to that effect satisfies the statute by giving a negative answer to the question of section 7 (b) (4). Shell's proposal made clear that the bidder was uninterested in the individual purchase of one or two of the components of the whole. Shell's statement to that effect in its proposal satisfied the statute since it left no doubt that no amount was proposed to be paid for each of the facilities, because there was no intention to purchase each of the facilities individually. Any attempt by Shell to assign individual prices to the three plants would have been a misrepresentation. The Commission does not view this section of the statute as compelling absolute uniformity of intention of all bidders. The history of the statute is one of requiring full disclosure of individual intentions in regard to purchase to enable the Commission to evaluate the proposals it received. In view of the complexity of the disposal program, it was to be expected that many different methods of sale could be broached. The Commission welcomed them. In the light of Shell's explicit statement of intent, there can be no question that the Commission was offered a full disclosure of Shell's state of mind with respect to its participation in the disposal program.

Paragraph 4 of the Commission's release No. 1 restated the requirement of section 7 (b) (4) of the Disposal Act, calling for a statement of the price proposed to be paid for each facility. It added that where a proposal contemplated acquisition of several facilities for integrated operation, the proposal should state separately the aggregate amount proposed to be paid on the integrated basis, and the amount otherwise proposed to be paid on an individual basis. This language was designed to obtain for the Commission complete and accurate disclosure of all essential information in proposals to be filed with it. Because this section was a restatement, in the instructions, of the requirement of section 7 (b) (4) of the statute, the reasoning applicable in the discussion above pertaining to the statutory provision likewise applies here. Shell's proposal, clearly negativing interest, in anything but the entire package, made clear that there was no amount "otherwise to be paid" as to individual plants since no interest was present for the purchase of individual plants.

In net effect, Shell's proposal would have been no different had it, for solely formal reasons, assigned values to the individual plants but interconditioned the offers by a statement that Shell wished only to purchase all 3 and that, therefore, the purchase of any 1 plant was conditioned on the purchase of the other 2. Such a proposal would have differed from the one actually filed only in the price breakdown. But that would have in no way aided any other bidder in view of the Commission's general negotiating policy of not divulging bid amounts. Minnesota has not contended that conditioned proposals are invalid. In fact, in view of the geographical and technological factors favoring integrated purchases, they are to be expected. And many were received. The proposals of Copolymer Corp., Goodrich-Gulf, Texas-U. S., and Humble were all conditioned in one fashion or another. Conditioned bids being valid, there can be no objection to a package bid as, in ultimate effect, they are the same.

The act is not a strict high bid statute which would preclude the Commission from selling the plants in question on an integrated basis, even had the proposal spelled out individual prices for each plant in the group and the purchaser was not the high bidder on one of the plants. The Commission was explicitly permitted to sell for less than the high offer. This being so, and in light of what has been said above in reference to conditioned proposals, Minnesota could not have been prejudiced by Shell's failure to break down its proposal.

In the Shell case, the package offer (which during negotiations was increased from $27 million to $30 million) exceeded the sum of the individual high offers. The Commission was nowhere prohibited from obtaining the benefit of whatever additional price a buyer might be willing to pay for an integrated operation.

There can be no question of the bona fides of the Shell proposal. The plants were worth a certain sum to Shell on its premise, and the Commission would have been open to most serious objection had it, following the thesis of the objector, ruled the proposal ineligible. The question of obtaining the greatest financial return for the Government, consistent with the establishment of a competitive industry and the protection of the national security, was stressed by the Congress as of primary concern.

It would seem clear that the mere qualification of the proposal as eligible, was of itself in no sense prejudicial to other bidders for the plants comprising the complex. As the Commission's report to the Congress makes clear, Shell declined to break down its composite bid. The question, therefore, is whether continued negotiations on this basis prejudiced other bidders on the plants involved. The answer to this question is found in the negotiating procedure followed by the Commission. The Commission negotiated with bidders in the light of their offers and, finally, on the basis of the Commission's view of the appropriate price for each plant. Minnesota was told by the Commission that in the Commission's view the appropriate price for the Los Angeles copolymer plant was $3,500,000. Minnesota was fully negotiated with on this basis. Its original bid was finally increased to $3 million. This procedure was followed in other cases where, as here, there was more than one bidder for a facility. Examples are the Houston, Lake Charles, and Port Neches butadiene plants. In none of those cases was a package proposal involved. Yet the Commission's basic procedure, modified as to technique where required by special circumstances, was the same as that followed in regard to the Los Angeles copolymer plant. The Commission's idea of an appropriate price was set as a negotiating target. Therefore, any breakdown by Shell would have had no effect on the position of other west coast bidders. With no breakdown, the Commission followed its standard procedure. A breakdown would have made no difference. The Commission would have followed the same procedure.

The one change in west coast negotiating procedure involved fuller disclosure of the Commission's position and thus was an aid to bidders on those facilities. They were put on notice of the possible existence of package proposals and were told the procedure to be employed by the Commission in such situations. The Commission said that it would consider the total of the amounts which it would receive on an individual basis in relation to the amount represented by a package bid.

Furthermore, the Commission had a large number of individual bids on the styrene plant, and several bids on the butadiene and copolymer plants. It had, therefore, measures of value expressed by bidders with which to test prices. It negotiated with all bidders. At no time did Minnesota ever become high bidder, never reaching, for example, the initial proposal of Standard Oil Co. of California which offered $3,500,000 for the copolymer plant.

Minnesota was made fully aware, as were other bidders on the west coast plants, that the disposal of these plants presented one of the most difficult problems confronting the Commission. A principal concern to bidders on the copolymer plant was the absence of an assured market for its production. Standard of California made the assurance of such a market an absolute condition of its offer to purchase, and Minnesota suggested that to meet this problem the Commission should obtain an agreement from purchasers of other Government-owned rubber-producing facilities that they would, for a minimum of 5 years from the effective date of sale, purchase their west coast GR–S requirements from the Los Angeles copolymer plant at current market prices. This suggestion could not be complied with by the Commission. The question of finding markets was left entirely to the bidders. The Shell proposal was the only one which freely accepted this burden. Shell was willing to take its chances on finding and developing markets. This factor, therefore, loomed increasingly important in the Commission's thinking as the program progressed. As the Commission's report states, sale of the west coast plants was clearly necessary to safeguard the competitive position of west coast fabricators.

The vertical integration question posed by the Shell proposal was resolved by the Attorney General who approved the sales. The introduction of a strong company into the styrene business as a newcomer was thus regarded satisfactorily, as was entrance into the synthetic-rubber field of a company independent of connections with rubber fabrication. The needs of small rubber fabricators were protected.

In sum, in recommending the Shell sale, the Commission fulfilled its basic responsibilities by obtaining the maximum dollar return, while at the same time establishing genuine competition in both GR–S and styrene manufacture. At no time during the 7-month negotiating period did Minnesota object to the Commission's procedures, or indicate that it considered that it had not been treated fairly. It would accordingly seem that the protest now pending makes it incumbent upon Minnesota to demonstrate that it has in fact received such discriminatory treatment in violation of its substantial statutory rights as would justify the rejection of the recommended sale to Shell.

As stated in House Report No. 593, with respect to section 9 (b) of the act relating to congressional review of the disposal program:

"While it is not intended that this section will create a forum for rejected bidders to air their complaints, nevertheless, it will give the representatives of the American people an opportunity to pass upon and, if necessary, reject the proposed transfer of a great Government industry to the hands of private industry. The responsibility for Federal review of the proposed sales is placed in the hands of the Congress, where it rightfully belongs. If either House is of the opinion that national security will be endangered or full fair value will not be received, or a competitive pattern will not be created, it can reject the proposed sales, and the Rubber Act of 1948 will then be extended to March 31, 1956."

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Mr. CAPEHART. Mr. President, I ask unanimous consent to have printed in the RECORD at this point in my remarks my own explanation of the matter.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR CAPEHART

Upon reexamination of this question, I find that the Shell sale is not inconsistent with my original position. Reference to selling "plant by plant on the basis of plant-by-plant proposals" was intended to preclude sale of large dominant groups of plants to single purchasers.

1. In an economic sense, the 3 major facilities on the west coast are 1 operational unit, though on a purely physical basis they are 3 plants. Because of their isolated position, they are almost completely dependent on each other, much more so than other plants in the program. They are at a definite freight disadvantage in shipments in and shipments out of their area. For example: if a butadiene plant on the gulf coast, which was next to a copolymer plant, were to blow up, butadiene could, if available, be brought in from another gulf coast butadiene plant at very little added expense. But if the west coast butadiene plant exploded, the distance from other butadiene supply and, above all, the freight disadvantage would be virtually certain to shut down the west coast copolymer plant.

2. Industry, in its own working language, often refers to economicall, integrated units as one. Steel mills and rubber fabricating plants are often groupings of separate manufacturing entities but are frequently referred to as one unit.

3. The three west coast plants are a single economic unit. And, because of the freight disadvantage, it is only by the economies possible in integrated operation that west coast rubber can even hope to be competitive, outside its own contiguous area, with gulf coast rubber. Divided sale destroys these economies; an integrated (one unit) sale is economically the soundest.

4. No company has been hurt by the qualification as eligible of the Shell bid or by the Commission's procedures. Neither Minnesota nor Pauley ever reached the Commission's idea of full fair value. The Government obtained the most money and introduced competition in GR-S manufacture.

5. This is not a lawsuit on a technical point of law. The review procedure was set up for Congress to review the program as a whole, and the program meets all of the statutory criteria.

Mr. CAPEHART. Mr. President, I do not have the opinion of the Attorney General, but the Attorney General likewise approved the sale as being legal. I am not a lawyer. I am not capable of passing upon the legal aspects of the question. I certainly cannot qualify as a legal expert. I hope the Senators will take the whole question under consideration and render their own judgments. The general counsel of the Commission, the general counsel of the House committee, the Attorney General, the Comptroller General, and others, are in favor of the sale.

I had a long talk with the Commission, and this is what I found. The three facilities were offered for sale individually or separately. Bids were asked for the 3 plants, and bids were received for them—not 1 bid, but many. Among the bidders was Minnesota Mining & Manufacturing Co. But not a single bid was received for the individual facilities which did not have an "if" in it. "We will buy it if certain things can happen." "We will buy it if we can sell certain products." The bids were "if" this, "if" that, and "if" something else.

Likewise, none of the individual bids submitted by various companies totaled $30 million. There was nothing to have estopped Minnesota Mining & Manufacturing Co., or any of the other companies which bid—and Standard Oil Company of California and other companies bid—from bidding for the three plants.

Those, I think, are the facts. I believe them to be the facts. If I am wrong, I should like the RECORD to be corrected later.

Another matter which was called to my attention which I think should have some weight—it is not predominant, of course—is that the 3 plants in California, while I would not go so far as to say that they are 1 facility, are close together, no farther apart than the buildings of many other large corporations. One is a butadiene plant, another is a styrene plant, and the third is a rubber-making plant. It is a fact that they have connecting pipes. At least two of the facilities use the same powerplant, which means that both of them get their power from the same powerhouse. That in itself is not a predominant consideration, because the 3 facilities have in the past been operated by 3 different concerns. I think I am correct in that statement. Among them was, I believe, Minnesota Mining & Manufacturing Co., which operated one plant for the Government.

Mr. HUMPHREY. That is correct.

Mr. CAPEHART. One of the problems involved in the matter, purely from a practical business standpoint, is that there is not sufficient business on the Pacific coast to support any single plant. At least, that is what I have been told. I am not an expert in the rubber business, but I know something about business. I have been advised that all 3 plants should be operated as 1 facility to make butadiene, styrene, and rubber. I think it might well be said, without trying to read the minds of others, that those who know the business, including Minnesota Mining & Manufacturing Co., believed that it would be better to operate the three plants as a unit, because each one supports the others.

It was for that reason that the Shell Co. said it would not buy 1 plant unless it could buy all 3. Shell first said it would pay $27 million for all 3 plants. The Commission said it would not accept $27 million, but would accept $30 million.

I ascertained also that the commission itself asked the Shell Co. to designate what it would pay for each of the three plants, thereby recognizing the fact that there was some intention to have the plants sold separately. I want to be perfectly frank and honest in saying that I ascertained that information. However, Shell did not wish to do that, and did not do it. The reason they did not do so, as they stated, was that they simply did not want the plants at any price unless they could have all three.

The PRESIDING OFFICER. The time of the Senator from Indiana has expired.

Mr. CAPEHART. May I have more time?

Mr. BRICKER. How much time does the Senator desire?

Mr. CAPEHART. Five minutes.

Mr. BRICKER. I yield 5 minutes, or 10 minutes, if the Senator from Indiana can use that much time.

Mr. CAPEHART. Shell said they did not want to buy the property unless they could buy all three plants. The price they agreed to pay, $30 million, was greater than all the individual offers made by the other bidders—and the other offers had "ifs" attached to them.

The question is, as Mr. Pettibone, of the Commission, said to me, Would the Commission have been criticized on the floor of the Senate had it sold the plants individually for less money than could have been received for all three as a unit? Likewise, the Commission probably would have been in trouble with the Senate had the plants been sold for less than $30 million. The Commission had been told to get the highest price that could be received, and that is what it did. The three plants were sold as a unit.

Those are the facts. I am not trying to sell any Senator on the idea of voting in any direction on this matter. I am simply trying to be factual in stating what the Commission was faced with.

The Senate could, as the House refused to do, void the sale, I suppose, and order the Commission to sell the property again. I do not know what the end result might be. It might result in a higher price; it might result in a lower price. I believe the Commission has said the price might possibly be less.

In any event, there is no question that the Commission accepted the highest figure. There is no question that there is some merit to the contention that the property should be available as one facility. There is no question that, as a practical business matter, these facilities, to be operated successfully, should be operated as a unit because of the present limited market for rubber on the Pacific coast.

It is also known to be a fact that if styrene and other products manufactured at the three plants are to be shipped to the East, there will be a disadvantage in freight rates and a disadvantage from a competitive standpoint.

Those are the arguments and the facts. The House already has acted on the matter and has refused to void the sale. The Senate will have to be its own judge as to whether or not it thinks the Commission did the right and proper thing under existing circumstances.

I have tried to give the Senate all the facts in my possession. I may not have given all of them. If I have not, I should like to correct the RECORD later, or to have someone correct me at the moment on any of my statements.

As I have said previously, I have had a hard time with this matter. I answered former Senator Johnson of Colorado when he asked me several questions on the floor of the Senate. His first question was, Will the 29 plants be sold as a

package? He was interested in knowing whether or not all the plants might be sold to one corporation. My answer was, No; that they would be sold plant by plant. There can be no question that the facilities were offered plant by plant—even these three. Although they were offered plant by plant, the bids received, plant by plant, were not as high as the bid for the entire three faciilties as a unit.

It might well be asked if those who bid on the facilities plant by plant had an opportunity to bid upon them as a unit. The Commission has informed me that they did. There again, I accept the word of the Commission. I do not have any documented evidence, but only the word of the Commission.

So Senators will have to make up their own minds about the matter.

Mr. MORSE. Will the Senator yield?

Mr. CAPEHART. I yield to the Senator from Oregon.

Mr. MORSE. As a matter of information, it is my understanding that the Pauley interests and the Minnesota Mining & Manufacturing Co. interests testified to the effect that there is a great need for the use of the plant on which they were bidding for western trade; that the product of the plant would go to supply the needs of western trade. It does not follow, as the Senator from Indiana pointed out, that a single plant could not make use of its product in the western area of the United States. I think the Senator will find the Pauley group pointed out that they were the chief suppliers of a great many processors and producers in the West. Furthermore, I think the Senator will find, if he will examine into the question further, that a tremendous increase in west coast business and in business in the other Western States is expected, and in a short time it would not be possible for one plant to supply the needs of the West.

I brought that point out because I thought it should be developed in modification of the statement of the Senator from Indiana that there is not sufficient business in that area, which means I take it, the western purchasing area, including the Western States and the Coastal States, to support any single plant.

If the Senator will permit me to say so, it seems to me his argument was in line with the representations which he made on the floor of the Senate, about which he was perfectly sincere, and statements he made in the committee. The point is that counsel for some of the departments disagree with the Senator's conclusions about plant-by-plant sales; but the fact is that was the representation made. Reliance was placed on that representation. As the Senator will recall, and as stated in committee, there certainly cannot be any doubt that ambiguity does not do away with legislative intent.

Mr. CAPEHART. There were other criteria besides selling plant by plant. There was the requirement that the plants should be sold for the highest possible price.

Mr. MORSE. That was not mandatory.

Mr. CAPEHART. There is a question as to whether any of the criteria were mandatory.

Mr. MORSE. I think what has become mandatory is the legislative intent of the law which was enacted by Congress, and sponsored by the Senator from Indiana.

Mr. CAPEHART. Let me say that when I answered former Senator Johnson of Colorado I was sincere and conscientious in stating my opinion that it would not be the intention of the Government to sell the plants to one concern, and that there would be a sale plant by plant. It was our intention to eliminate monopoly. In questioning Mr. McCurdy in committee, I was trying to determine the intent from him, and I was very critical of him. Unfortunately I was not present when the Chairman of the Disposal Commission testified. I came in later. My opinion was made clear, both in the statement I made on the floor when the bill passed, and in committee in my questioning of Mr. McCurdy. I listened to representatives of the Commission. I studied what was said about it in the House. I studied what the Comptroller General and the Attorney General said. Today I am trying to be just as factual as I know how to be, and I am trying to give both sides of the story. As I have said, I am not trying to influence any Senator's vote one way or the other; I am trying merely to be factual. With that statement, I take my seat.

Mr. MORSE. Mr. President, will the Senator yield for a question?

Mr. CAPEHART. Yes.

Mr. MORSE. Does not the Senator from Indiana agree with me that the Rubber Disposal Commission had the discretion to set aside all the bids and call for new bids, because, for a variety of reasons, it might believe it was in the public interest to start all over again, and one of the reasons would be the mandatory provision that bids should be submitted plant by plant?

Mr. CAPEHART. Yes. That was done in Baytown, if the Senator will remember.

Mr. MORSE. That was not done in the instance of the plants now being discussed.

Mr. CAPEHART. The Senator is correct.

Mr. MORSE. That is the essence of our opposition, and our objection to what was done.

The PRESIDING OFFICER. The time of the Senator from Indiana has expired.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that I may suggest the absence of a quorum, the time to be charged to both sides.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. JOHNSON of Texas. I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JOHNSON of Texas. Mr. President, I am perfectly willing to yield back the remainder of the time available to this side, if the minority leader is willing to do the same for his side.

Mr. BRICKER. Mr. President, on behalf of this side, I am perfectly willing to have an immediate vote taken, if that is agreeable to the other side.

Mr. JOHNSON of Texas. Then, Mr. President, I now ask for the yeas and nays on this question.

The PRESIDING OFFICER. The question is on agreeing to Senate Resolutions 78 and 79, which, by unanimous consent, are being considered en bloc.

The yeas and nays have been demanded. Is there a sufficient second?

The yeas and nays were ordered.

Mr. JOHNSON of Texas. In order that Senators who are not in the Chamber at this time may be notified that we are prepared to vote on the pending question, I now suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	George	McClellan
Allott	Goldwater	McNamara
Anderson	Green	Millikin
Barkley	Hayden	Monroney
Barrett	Hennings	Morse
Beall	Hickenlooper	Mundt
Bender	Hill	Neely
Bennett	Holland	Neuberger
Bible	Hruska	O'Mahoney
Bricker	Humphrey	Pastore
Bush	Ives	Payne
Butler	Jackson	Potter
Byrd	Jenner	Purtell
Carlson	Johnson, Tex.	Robertson
Case, N. J.	Johnston, S. C.	Schoeppel
Case, S. Dak.	Kefauver	Scott
Clements	Kerr	Smathers
Cotton	Kilgore	Smith, Maine
Curtis	Knowland	Smith, N. J.
Daniel	Kuchel	Sparkman
Dirksen	Langer	Stennis
Douglas	Lehman	Symington
Dworshak	Long	Thurmond
Eastland	Magnuson	Thye
Ellender	Malone	Watkins
Ervin	Mansfield	Welker
Flanders	Martin, Iowa	Wiley
Frear	Martin, Pa.	Williams
Fulbright	McCarthy	Young

Mr. CLEMENTS. I announce that the Senator from Tennessee [Mr. GORE], the Senator from Montana [Mr. MURRAY], and the Senator from Georgia [Mr. RUSSELL] are absent on official business.

The Senator from New Mexico [Mr. CHAVEZ] is absent because of illness.

The Senator from Massachusetts [Mr. KENNEDY] is absent by leave of the Senate because of illness.

Mr. KNOWLAND. I announce that the Senator from New Hampshire [Mr BRIDGES], the Senator from Indiana [Mr. CAPEHART], and the Senator from Massachusetts [Mr. SALTONSTALL] are detained on official business.

I also announce that the Senator from Pennsylvania [Mr. DUFF] is absent on official business.

The PRESIDING OFFICER. A quorum is present.

Mr. JOHNSON of Texas. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

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Mr. JOHNSON of Texas. As I understand, Senators who favor disapproving the sale will vote "yea," and those who favor selling the facilities will vote "nay." Is that correct?

The PRESIDING OFFICER. The Senator is correct.

The question comes before the Senate by virtue of a resolution reported adversely from the Committee on Banking and Currency. Senators who are opposed to the sale will vote "yea" on the resolution. Senators who are in favor of the sale will vote "nay."

Mr. JOHNSON of Texas. I thank the Chair.

Mr. HUMPHREY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HUMPHREY. The pending resolution relates only and specifically to the so-called Shell Chemical Corp. bid, does it not?

The PRESIDING OFFICER. The resolution refers to the three facilities in California, which the Chair understands represent the bid of the Shell Co.

Mr. HUMPHREY. Mr. President, a further parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HUMPHREY. As I understand, this resolution does not affect the other bids which were entered and accepted.

The PRESIDING OFFICER. That is the understanding of the Chair.

Mr. BRICKER. Mr. President——

Mr. FREAR. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. FREAR. In answer to the question just asked by the Senator from Minnesota, if the resolution is agreed to, the prospective purchasers of the other plants will have 30 days within which to withdraw their bids.

Mr. BRICKER. I thank the Senator from Delaware. That is the question I wished to ask.

Mr. KNOWLAND. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. KNOWLAND. As I understand, a negative vote upholds the position of the committee which reported the resolutions adversely.

The PRESIDING OFFICER. The Senator is quite correct.

Mr. JOHNSON of Texas. Mr. President, have the yeas and nays been ordered?

The PRESIDING OFFICER. They have been ordered.

Mr. THYE. Mr. President——

The PRESIDING OFFICER. In order to make the parliamentary situation doubly clear, the Chair will read the resolution, which was originally submitted by the senior Senator from Minnesota [Mr. THYE], who now is asking for the attention of the Chair. A similar resolution was submitted by the junior Senator from Minnesota [Mr. HUMPHREY]. The resolving clause, which is identical in both resolutions, reads as follows:

Resolved, That the Senate does not favor the sale of the butadiene manufacturing facility at Torrance, Calif., Plancor 963; the styrene manufacturing facility at Los Angeles, Calif., Plancor 929; and the synthetic rubber (GR–S) facility at Los Angeles, Calif., Plancor 611, as recommended in the report of the Rubber Producing Facilities Disposal Commission.

The Committee on Banking and Currency, to which both resolutions were referred, reported them adversely.

The question is on agreeing to the resolutions, which, by unanimous consent, are being considered together. Senators in favor of the resolutions disapproving the sale of the facilities will vote in the affirmative as their names are called. Senators who oppose the adoption of the resolutions will vote in the negative. Senators who are against the sale will vote "yea"; those who are for the sale will vote "nay."

The clerk will call the roll.

The legislative clerk called the roll.

Mr. CLEMENTS. I announce that the Senator from Tennessee [Mr. GORE], the Senator from Montana [Mr. MURRAY], and the Senator from Georgia [Mr. RUSSELL] are absent on official business.

The Senator from New Mexico [Mr. CHAVEZ] is absent because of illness.

The Senator from Massachusetts [Mr. KENNEDY] is absent by leave of the Senate because of illness.

I further announce that on this vote the Senator from Tennessee [Mr. GORE], the Senator from Massachusetts [Mr. KENNEDY], and the Senator from Montana [Mr. MURRAY], if present and voting, would vote "yea."

Mr. KNOWLAND. I announce that the Senator from New Hampshire [Mr. BRIDGES], the Senator from Indiana [Mr. CAPEHART], and the Senator from Massachusetts [Mr. SALTONSTALL] are detained on official business.

The Senator from Pennsylvania [Mr. DUFF] is absent on official business.

If present and voting, the Senator from Massachusetts [Mr. SALTONSTALL] would vote "nay."

The result was announced—yeas 39, nays, 48, as follows:

YEAS—39

Anderson	Humphrey	Monroney
Barkley	Jackson	Morse
Bible	Johnson, Tex.	Neely
Clements	Johnston, S. C.	Neuberger
Daniel	Kefauver	O'Mahoney
Douglas	Kilgore	Pastore
Ervin	Langer	Scott
Fulbright	Lehman	Smathers
George	Long	Sparkman
Green	Magnuson	Symington
Hayden	Mansfield	Thurmond
Hennings	McClellan	Thye
Hill	McNamara	Young

NAYS—48

Aiken	Cotton	Jenner
Allott	Curtis	Kerr
Barrett	Dirksen	Knowland
Beall	Dworshak	Kuchel
Bender	Eastland	Malone
Bennett	Ellender	Martin, Iowa
Bricker	Flanders	Martin, Pa.
Bush	Frear	McCarthy
Butler	Goldwater	Millikin
Byrd	Hickenlooper	Mundt
Carlson	Holland	Payne
Case, N. J.	Hruska	Potter
Case, S. Dak.	Ives	Purtell
Robertson	Smith, N. J.	Welker
Schoeppel	Stennis	Wiley
Smith, Maine	Watkins	Williams

NOT VOTING—9

Bridges	Duff	Murray
Capehart	Gore	Russell
Chavez	Kennedy	Saltonstall

So the resolutions (S. Res. 78 and S. Res. 79) were not agreed to.

Mr. JOHNSON of Texas. Mr. President, I now call up Senate Resolution 76.

The PRESIDING OFFICER (Mr. O'MAHONEY in the chair). The Secretary will state the resolution.

The legislative clerk read the resolution, as follows:

Resolved, That the Senate does not favor sale of the facilities as recommended in the report of the Rubber Producing Facilities Disposal Commission.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

Mr. JOHNSON of Texas. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. JOHNSON of Texas. Under the unanimous-consent agreement, how much time is allotted to the majority leader and to the minority leader?

The PRESIDING OFFICER. Three hours of debate is allowed on each side.

Mr. JOHNSON of Texas. Mr. President, I yield 30 minutes to the Senator from Oregon [Mr. MORSE].

Mr. SYMINGTON. Mr. President, will the Senator yield?

Mr. MORSE. Because of the limitation of time—and I shall have to ask the majority leader for additional time—I must refrain from yielding now. I shall be glad to yield after I have concluded my remarks.

Mr. President, any appraisal of the situation confronting us would be inadequate if we failed to consider a statement attributed to an officer of one of the big rubber companies:

Production of any basic material is big business.

This quotation was taken from the Wall Street Journal of March 11, 1954.

Two things should be clear from this statement made by an expert in the field: One, we are dealing with an economic area in which only big business can operate readily—note that I do not say efficiently. It is an area in which a great capital investment is needed and only the big corporations have that capital readily available. Two, rubber is a basic material.

During the hearings on this rubber matter I have come to wonder if some of us really understand how basic a material rubber is. The most lucid short statement on this point that I have found comes from the report submitted by the Reconstruction Finance Corporation to the Senate Committee on Banking and Currency during the Committee's 1953 hearings on the Rubber Disposal Act. This same report contains an excellent summary of the history of the development of the synthetic rubber industry in this country. Let me quote parts of that report dealing with both these matters:

In the short span of 50 years, rubber has become one of the most vital raw materials

in the modern world, essential to the social and economic structures of all but the least developed nations. The easy mobility of people and materials, essential to the functioning of modern industrial economies, depends upon rubber. The flow of modern commerce would be impossible without rubber tires and tubes for automobiles, trucks, airplanes, buses, agricultural machinery, and even bicycles. Advanced experimentation in road-building using rubber compounds for surfacing promises another bulk use. Vital as mobility is to the civilian economy, it is the very foundation of our military might. In a day when modern warfare is keyed to speed and striking power, the rubber tire is as important an item of military inventory as the airplane, the tank or the gun.

Although more than two-thirds of the United States annual consumption of rubber is for transportation items, there are also a host of other vitally important products made in whole or in part of rubber. Conveyor belting, medical supplies, footwear, insulation for power and communication lines, rubber components of engines and machines are all indispensable in modern technology.

Now let us turn to the history of the development, Mr. President:

The facilities in the synthetic rubber program were built by the joint effort of the Government and private industry. Financing of the program, requiring a capital outlay of almost $700 million, was undertaken exclusively by the Government which provided also overall supervision, planning, coordination, and control. Design and construction of the individual plants was assigned to a number of rubber, petroleum and chemical companies who have, for the most part, continued to operate them for the Government's account on a fee basis. Agreements for patent pooling and the exchange of information were entered into so that the individual operators of the styrene, butadiene and copolymer facilities could have the benefit of all of the technological information and operating know-how developed throughout the program.

In all, 51 facilities were constructed. After the close of the war many of these * * * were sold; however, the basic facilities for the production of butyl, butadiene, and GR-S and 1 styrene plant were retained. Since the close of the war, major improvements have been made to the retained facilities, adapting them to process improvements and increasing their versatility and productive capacity. The rubber program today consists of 29 facilities * * *. They represent total annual capacities of 860,000 long tons of GR-S and 90,000 long tons of butyl rubber.

Mr. President, let me summarize some of the pertinent points contained in these statements just quoted: First, rubber is essential to the war- and peacetime functioning of our economy; second, the synthetic-rubber industry was developed through the splendid and efficient cooperative efforts of Government and private industry; third, the cost of developing this huge industry—$700 million—was borne by the taxpayer.

This, then, leads me to the next point that we must bear in mind in considering whether or not to vote favorably on the Rubber Facilities Disposal Commission's report. That point is that we are disposing of an asset created and always owned by the people of the United States. The people are selling their property. As their representatives, we enacted the Rubber Disposal Act of 1953, laying out in some detail the manner in which this asset should be sold. As the owners of the plants, the people had the right to determine the terms and conditions of the sale. I would remind each Member of this body, Mr. President, that, in casting his vote on this proposed sale, he has the duty to see that the terms and conditions that the people laid down are rigidly adhered to. Any doubt should be resolved in favor of the people.

The attitude that the action we are considering is merely a returning to private enterprise that which belonged to it in the first place has no applicability here. In committee, I gathered from the comments of some of my colleagues—Republican and Democratic—that the thing to do was to get out of the rubber business as quickly as possible, even though the present plan for selling the industry is not all that it might be. Let it be understood, Mr. President, that I, too, favor getting the Government out of the rubber business, but I do not favor giving Government the "business" in so doing.

I reiterate, we are selling a huge public business that is manufacturing a basic product upon which our Nation is utterly dependent. We must be absolutely certain that the payment received is adequate and that the sale will not create a situation which will later do the people great harm.

In order to be fully prepared to judge the merits of the report submitted by the Rubber Facilities Disposal Commission, we should understand some of the underlying ramifications involved in the decision of the people to sell their rubber plants. They are fully aware of the fact that they are selling an important, successful, and tremendously profitable business to private enterprise. They know that businessmen, big and little, have testified to the excellent job done by the Government in the synthetic-rubber field; that the quality of the product has been superior; that the supply has been well and fairly distributed; and that the price has been uniformly low.

But our long tradition of keeping Government out of business and the constantly repeated claims of private enterprise that it can do the job more efficently, in all ways, than the Government have caused the majority of our people to decide that the sale of their rubber plants would be a proper thing.

But remember that the history of Government operation of these plants stands as the yardstick against which the operation by private enterprise will always be judged.

What does all this mean to the Senate, Mr. President, and to those corporations seeking to buy these facilities? In very simple terms it means that both the Senate and the prospective purchasers had better keep faith with the people who have entrusted them with this important task.

If these plants are sold, and the private-enterprise operation of the rubber plants fails to measure up, there is trouble in store. The people are going to be stung only once in this type of transaction.

I would say to private industry: If you want to purchase other public assets, be certain that you play fair here. I would say to those who have a well-established practice of going about throwing the term "socialism" hither and yon as a substitute for trying to constructively resolve difficult economic problems, that they will be laying the cornerstone for real honest-to-goodness socialism—and not the semantical kind—if they do not see that the people's interests are protected here. Does anyone really think that our people will try such an experiment again if this one goes sour?

Mr. President, what I am saying will, of course, be little heeded by those always in a great rush to take care of the interests of the poor, struggling billion-dollar corporations that they so well represent. I repeat to them: If you really want to serve your corporate friends well, go easy here. Do not forget, the people of the United States own another great asset that private industry is casting covetous eyes upon—atomic energy. If the people, through their Government, decide to keep that asset public, because of the treatment accorded them after the sale of these rubber plants, you shortsighted defenders of what you think is private enterprise will have real cause to wail and gnash your teeth.

The production of synthetic rubber is a big and costly operation; it is big business. The Reconstruction Finance Corporation report from which I quoted previously makes this point very well and draws out all the implications that rise from it. I quote:

It must be recognized at the outset that small business, no matter how broadly that term may be construed, cannot be the instrument by which plant disposal will be effected or competition in the synthetic-rubber industry achieved. The size of the facilities alone would contribute to this result in several ways. Most obviously, capital commitments for plant acquisition would be large. Further, the working capital requirements would range from perhaps $1 million in a typical butadiene plant to perhaps $3 million for a copolymer facility, and the annual output of the plant would require sales in tens of millions. * * *

The most likely purchasers of the synthetic-rubber facilities are the rubber, petroleum, and chemical companies now operating them for the Government's account. Obviously, the desire of the rubber companies to control the source of their raw-material supply, and of the petroleum companies to maintain an outlet for their refinery products, provide an initial incentive to this result. Additionally, the present operators of these facilities have acquired a familiarity with management and operating problems that places them at an advantage over newcomers in the field.

To prove that the author of this RFC report was correct in analyzing what the purchase pattern would be, we need only look to the minority report on Senate Resolution 76, my resolution, and the Rubber Facilities Disposal Commission's report.

Mr. President, I should like to quote these facts from the minority report, and I ask unanimous consent to insert in my speech at this point a table setting out certain facts.

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There being no objection, the table was ordered to be printed in the RECORD, as follows:

Ownership	Capacity	Percentage of capacity
	Long tons	
Big Four rubber companies (Firestone, Goodrich, Goodyear, United States Rubber)	444,600	57
Other large users: (Armstrong Rubber, Dayton Rubber, Gates Rubber, Mansfield Rubber, Sears, Roebuck & Co., Seiberling Rubber, Dunlop Rubber, American Biltrite Rubber, Endicott Johnson, Goodall Rubber, and others)	93,000	12
Big oil companies (Shell, Phillips, and Standard of New Jersey)	242,000	31
Total	779,600	100

Thus approximately 88 percent of the GR–S and butyl capacity would be in the hands of four large rubber companies and three large oil companies, all of which either fabricate rubber or provide retail outlets for rubber products. The remainder, or approximately 12 percent of capacity, is in the hands of other relatively large rubber fabricators or users. It is from these sources that small-business men must obtain their supply of synthetic rubber.

Mr. MORSE. I wish to restate that for emphasis. The people of the United States should be forewarned that today Congress is selling 88 percent of the GR–S and butyl capacity to 4 large rubber companies and 3 large oil companies. In my dictionary, that spells monopoly. In my dictionary, that places a tremendous obligation on Congress to write into these contracts safeguards which will protect the people from the monopolistic practices of such combines, and insure the small dealers and small producers of the United States a fair share of the supply of the rubber which they need for their plants.

Not a single safeguard has been written into these contracts. That is why, in Senate Resolution 76, I am asking, in effect, for disapproval of the recommendations of the Rubber Commission until Congress lives up to its responsibility to the people of the United States and writes into the contracts the safeguards which will protect the American people from this monopolistic combine.

I say most respectfully that I think this is one of the most shocking pieces of legislation I have ever seen come to the floor of the Senate, from the standpoint of strengthening the grip of the monopolists upon the consumers of America.

I think Congress will betray the economic interests of the American people if it approves these contracts without the safeguards which I shall plead for throughout this speech.

It seems to me that we need not question the fact that most of the prospective purchasers are giant corporations. I mean giant. Billion-dollar corporations are big business by my definition. There are at least 4 corporations in the billion-dollar class represented in the list of purchasers, and another 4 have assets of about one-half billion dollars each.

Having demonstrated that the RFC was right in its prediction concerning the size of the corporations that would buy, let us examine the correctness of their prediction that the purchasers would come from the rubber, chemical, and petroleum industries, and that most of the purchasers would be in some way already connected with the operations of the plants to be sold. It is plain that most of the purchasers are rubber, chemical, or petroleum companies, or varied combinations of these 3. They are Firestone, Goodrich, Goodyear, U. S. Rubber, Shell, Phillips, and Standard Oil of New Jersey.

These are the great monopolistic combines of the United States, having records of antitrust violation after antitrust violation. That is the legal history of these rubber companies. On the record, they have a legal history of being combinations in restraint of trade. They have a legal history of proceeding to do tremendous damage to the economic interests of the American people.

Where are the safeguards in these contracts against these giant monopolies? There are none. I repeat: There are none. That is why we are hearing protests from the rubber producers of the United States. That is why we are hearing protests from increasing numbers of consumers in this country. I intend to place a group of these communications in the RECORD as I close my speech.

The sad fact is that Congress is not writing monopolistic controls and checks into these contracts to protect the consumers of the United States.

A quick survey of the Rubber Commission's report reveals that all but one of the copolymer facilities are being sold to companies presently operating them. In the exception, the Los Angeles plant, the world-encircling Shell Corp. takes over and squeezes out the relatively small Midland Rubber Corp. I ask unanimous consent to insert the Rubber Commission's own tables in the RECORD on this point.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

APPENDIX A

Copolymer (GR–S) plants

Purchaser	Present operator	Location	Price	Terms	Gross book value Aug. 31, 1954	Net book value Aug. 31, 1954	Assigned annual capacity	Product available to small business
							Long tons	
Copolymer Corp.	Same	Baton Rouge, La. (Plancor 876).	$5,000,000	25 percent on closing date.[1]	$9,268,331	$3,397,432	49,000	10 percent.
The Firestone Tire & Rubber Co.	Same	Akron, Ohio (Plancor 127).	2,250,000	25 percent on closing date, balance in 10 equal annual installments.	7,452,230	2,138,181	30,000	20 percent.
Do.	Same	Lake Charles, La. (Plancor 1056).	11,650,000	do.	16,427,973	6,794,918	99,600	Do.
Goodrich-Gulf Chemicals, Inc.	B. F. Goodrich Chemical Co.	Port Neches, Tex. (Plancor 983).	13,000,000	do.	22,049,192	8,034,950	90,000	Approximately 15,000 long tons per year.
Goodyear Synthetic Rubber Corp.	Same	Akron, Ohio (Plancor 126).	2,075,000	do.	7,964,319	3,076,797	15,200	10 percent.
Do.	Same	Houston, Tex. (Plancor 956).	11,889,000	do.	15,503,797	5,982,370	99,600	Do.
American Synthetic Rubber Corp.	Kentucky Synthetic Rubber Corp.	Louisville, Ky. (Plancor 1278).	2,340,000	25 percent on closing date.[3]	8,982,730	4,970,401	44,000	4,000 to 15,000 long tons per year.
Shell Chemical Corp.	Midland Rubber Corp.	Los Angeles, Calif. (Plancor 611).	(3)	25 percent on closing date, balance in 10 equal annual installments.	15,809,998	7,238,195	89,000	Percentage in line with proportion they represent of total market.
Phillips Chemical Co.	Same	Borger, Tex. (Plancor 982).	4,525,000	Cash	11,534,086	4,637,707	63,000	Major portion.
United States Rubber Co.		Naugatuck, Conn. (Plancor 129).	3,200,000	35 percent on closing date, balance in 10 equal annual installments.	10,403,505	3,328,285	22,200	50 to 60 percent to small-business enterprises and other users.
Texas-United States Chemical Co.	United States Rubber Co.	Port Neches, Tex. (Plancor 983A).	11,500,000	25 percent on closing date, balance in 10 equal annual installments.	14,778,074	6,558,312	88,000	20 percent.

[1] 3 percent 1st year, 3 percent 2d year, 7 percent 3d year, 8 percent 4th year, 10 percent 5th year, 12 percent 6th year, 14 percent 7th year, 14 percent 8th year, 14 percent 9th year, 15 percent 10th year.

[2] 2 percent 1st year, 2 percent 2d year, 2 percent 3d year, 8 percent 4th year, 8 percent 5th year, 15 percent 6th year, 15 percent 7th year, 16 percent 8th year, 16 percent 9th year, 16 percent 10th year.

[3] Price of $30 million includes this plant as well as styrene plant (Plancor 929) and butadiene plant (Plancor 963) at Los Angeles and Torrance, Calif., respectively.

APPENDIX A—Continued

Butyl rubber (GR–I) plants

Purchaser	Present operator	Plant location	Price	Terms	Gross book value Aug. 31, 1954	Net book value Aug. 31, 1954	Assigned annual capacity
							Long tons
Humble Oil & Refining Co.	Same	Baytown, Tex. (Plancor 1082)	$17,500,000	Cash	$24,518,422	$5,452,105	43,000
Esso Standard Oil Co.	do	Baton Rouge, La. (Plancor 572)	14,857,000	do	27,977,434	6,416,161	47,000

Butadiene plants—Petroleum

Purchaser	Present operator	Location	Price	Terms	Gross book value, Aug. 31, 1954	Net book value, Aug. 31, 1954	Assigned annual capacity	Disposition of product
							Short tons	
Petroleum Chemicals, Inc. (Cities Service Co. and Continental Oil Co.).	Cities Service Refining Corp.	Lake Charles, La. (Plancor 706).	$16,000,000	Cash	$18,702,207	$3,511,613	63,000	To adjacent copolymer plant.
Copolymer Corp.	Same	Baton Rouge, La. (Plancor 152).	5,000,000	25 percent on closing date.[1]	7,780,541	1,108,308	23,000	Do.
Humble Oil & Refining Co.	Same	Baytown, Tex. (Plancor 485).	8,886,000	Cash	19,288,496	3,248,449	46,000	80 percent to copolymer plants at Louisville and Baton Rouge.
Goodrich-Gulf Chemicals, Inc. (B. F. Goodrich Co. and Gulf Oil Corp.). Texas-U. S. Chemical Co. (the Texas Co. and U. S. Rubber Co.).	Neches Butane Products Co. (the Texas Co.; Gulf Oil Corp.; Atlantic Refining Corp.; Pure Oil Co.).	Port Neches, Tex. (Plancor 933).	[2] 53,000,000	25 percent on closing date, balance in 10 equal annual installments.	59,821,029	10,320,325	190,000	Approximately 43,000 short tons available on open market.
Phillips Chemical Co.	Same	Borger, Tex. (Plancor 484).	19,100,000	Cash	41,585,365	5,919,405	74,000	To adjacent copolymer plant.
Food Machinery & Chemical Corp.	Sinclair Rubber, Inc.	Houston, Tex. (Plancor 1063).	24,197,000	25 percent on closing date, balance in 10 equal annual installments.	31,879,360	6,607,873	90,000	Do.
Shell Chemical Corp.	Same	Torrance, Calif. (Plancor 963).	[3]	do	20,672,471	3,268,073	48,000	Do.
Standard Oil Co. of California	Same	El Segundo, Calif. (Plancor 1593).	1,500,000	Cash	7,832,371	715,488	[4] 50,000	Butadiene to copolymer plants or butadiene-butylene mixture to butadiene plants.

[1] 3 percent 1st year, 3 percent 2d year, 7 percent 3d year, 8 percent 4th year, 10 percent 5th year, 12 percent 6th year, 14 percent 7th year, 14 percent 8th year, 14 percent 9th year, 15 percent 10th year.

[2] Each purchaser is to pay 50 percent of this amount for undivided half interest.

[3] Price of $30 million includes this plant as well as styrene plant (Plancor 929) and copolymer plant (Plancor 611), Los Angeles, Calif.

[4] Equivalent butadiene (crude butadiene and normal butylenes).

Butadiene plant—Alcohol

Purchaser	Present operator	Plant location	Price	Terms	Gross book value, Aug. 31, 1954	Net book value, Aug. 31, 1954	Assigned annual capacity
							Short tons
Koppers Co., Inc.	Same	Kobuta, Pa. (Plancor 483).	$2,000,000	Cash	$45,584,297	$10,466,580	80,000

Styrene plant

Purchaser	Present operator	Plant location	Price	Terms	Gross book value, Aug. 31, 1954	Net book value, Aug. 31, 1954	Assigned annual capacity
							Short tons
Shell Chemical Corp.	Dow Chemical Co.	Los Angeles, Calif. (Plancor 929).	[1]	25 percent on closing date, balance in 10 equal annual installments.	$15,154,071	$3,315,119	62,500

[1] Price, $30 million, includes this plant as well as butadiene plant (Plancor 963) and copolymer plant (Plancor 611), Torrance, Calif., and Los Angeles, Calif., respectively

Dodecyl mercaptan plant

Purchaser	Present operator	Plant location	Price	Terms	Gross book value, Aug. 31, 1954	Net book value, Aug. 31, 1954	Assigned annual capacity
							Short tons
United States Rubber Co.	Same	Naugatuck, Conn. (Plancor 543).	$60,000	Cash	$383,304	$135,860	2,400

Miscellaneous facilities

Purchaser	Present operator	Location of facilities	Price	Terms	Gross book value, Aug. 31, 1954	Net book value, Aug. 31, 1954
Great Southern Chemical Corp.	None (in standby)	Corpus Christi, Tex.	$300,000	2 percent 1st year, balance over succeeding 9 years in equal quarterly installments.	$1,295,194	$932,131

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Mr. MORSE. Mr. President, in summary, then, we have this picture. A small group, 7 in number, of rubber, chemical, and petroleum companies will gain control of more than 88 percent of the synthetic rubber capacity offered for sale by the Rubber Commission. The remaining 12 percent is in the hands of multimillion dollar companies. It is small wonder to me, Mr. President, that the truly small-business man is worried. If my economic survival were absolutely dependent upon my getting an adequate supply of synthetic rubber at a fair price, this sale would worry me, too. I suggest that there is real cause for worry.

I say, Mr. President, that if absolutely nothing else in the Commission's report could be criticized, this concentration of synthetic rubber production in the hands of these few giants could and should be.

This concentration of and by itself should set us to wondering about the outcome of this sale. Wealth is power, and we know that such power has been used in the past and how it has been abused. How supporters of this proposed sale can look at the pattern that this sale makes and still envisage themselves as supporters of the public interest, in voting for the sale, is beyond me.

Let us assume for a moment that the bigness alone does not warrant my conclusion that we have cause for concern. Another element of this proposed sale, when added to the bigness aspect, should begin to cause some concern in most of our minds. My reference is to the vertical integration that will occur if we approve this transaction. Monopoly, vertical or horizontal, is forbidden by the Rubber Act of 1953.

SEC. 17 (3). * * * the recommended sales shall provide for the development within the United States of a free, competitive, synthetic rubber industry, and do not permit any person to possess unreasonable control over the manufacture of synthetic rubber or its component materials.

The intent of the law is quite clear.

Once again, I would turn to the RFC report—this time for a statement on why vertical integration is bound to be the result from this sale.

Following the RFC's comments that the oil, chemical, and rubber companies presently operating the plants would continue to do so come these words:

The likelihood that disposal will in large part follow this pattern is enhanced by the circumstance that many of the facilities are dependent for their efficient operation upon adjacent facilities owned by the present operators which were never part of the Government program. Such dependence rests upon feedstock supply in the case of the butyl facilities and several of the butadiene plants, and in some instances, upon the supply of essential utilities such as stream, electricity, or water.

A major problem in disposal will be the establishment of satisfactory arrangements between suppliers of butadiene and copolymer plant owners. While other large scale uses for butadiene may develop, should an adequate supply become available, thus far its only large scale use is in rubber synthesis. Thus, a butadiene plant will prove an attractive investment only if there is a copolymer plant outlet for its product; a copolymer plant, similarly, is valueless without a butadiene supply. It may be expected, therefore, that a purchaser would deem it a necessary prerequisite to a definitive commitment for the acquisition of either type of facility that he have an assured outlet or source of supply, as the case may be.

A butadiene plant is similarly dependent upon feedstocks, in this case butane or butylene, which are petroleum refinery products. Thus, a prospective purchaser of a butadiene facility must be assured of a butane or butylene supply to match any commitments which may have been made to supply butadiene, commitments which, it has been indicated, are likely to prove necessary if copolymer facilities are to be sold; for this reason, the purchaser interest for the major butadiene facilities will almost certainly be confined to petroleum refiners.

Disposal of the facilities, whether to present operators or others, is likely to have the effect, therefore, of fostering a tendency toward industrial integration. Moreover, the situation which has been outlined in regard to feed stocks may reinforce this tendency, and carry it a step further. Many of the butadiene facilities have as their logical market an adjacent copolymer facility, and the copolymer plant in turn is dependent for its operation upon a supply of butadiene which may best be assured from the adjacent butadiene facility. This mutual independence may, in certain instances, create an occasion for integration of both the butadiene and copolymer facilities with a rubber fabricator or, for that matter, with a petroleum enterprise.

The RFC predicated its assumption that industrial integration would result in the sale of the rubber plants upon the sound premise that integration was inherent in the nature of the industry.

I should like to develop that premise a little so that it will be quite clear. The petroleum and chemical industries are the suppliers of the materials that are used in making synthetic rubber. For example, and this is only meant to be illustrative and not exhaustive, butadiene is one of the major components used in making synthetic rubber. Butylene and butane are the feedstocks from which butadiene is produced. Butylene and butane are products of the petroleum-chemical industry. What would be more natural than for these companies to want to get into some phase of the rubber business?

Rather than recite who purchased which plants, I ask unanimous consent to insert in the RECORD a table showing those figures. As the table shows, there is formal vertical integration in five instances.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Copolymer plants (13 offered and 12 sold)

Plancor No.	Location	Annual capacity (long tons)	Purchaser	Remarks
126	Akron, Ohio	15,200	Goodyear Synthetic Rubber Corp. (present operator).	Also bought copolymer plant 956 in Houston, Tex.
127	do	30,000	Firestone Tire & Rubber Co. (present operator).	Also bought copolymer plant 1056 in Lake Charles, La.
129	Naugatuck, Conn	22,200	United States Rubber Co. (present operator).	Also bought copolymer 983-A in Port Neches, Tex., and DDM plant 543 in Naugatuck, Conn.
611	Los Angeles, Calif	89,000	Shell Chemical Corp	Best offer of both individual and combined bids for these 3 plants.
876	Baton Rouge, La	49,000	Copolymer Corp. (present operator).	Also bought butadiene plant (152) in Baton Rouge.
956	Houston, Tex	99,600	Goodyear Synthetic Rubber Corp. (present operator).	Also bought copolymer plant 126, in Akron, Ohio.
982	Borger, Tex	63,000	Phillips Chemical Co. (present operator).	Only offer for these 2 plants.
983	Port Neches, Tex	90,000	Goodrich-Gulf Chemical, Inc. (present operator-affiliate).	Also bought butadiene (petroleum plant 933 in Port Neches, Tex.).
983A	do	88,000	Texas Co. and United States Rubber Co. (present operator-affiliate).	Also bought copolymer plant 129 and DDM plant 543, both in Naugatuck, Conn.
1056	Lake Charles, La	99,600	Firestone Tire & Rubber Co. (present operator).	Also bought copolymer plant 127, in Akron, Ohio.
1278	Louisville, Ky	44,000	American Synthetic Rubber Corp.	Combination of 21 smaller companies, rubber users.
827	Baytown, Tex	122,000	General Tire & Rubber Co. (present operator).	
	Institute, W. Va	122,000		

Mr. MORSE. Mr. President, there are some other forms of vertical integration that I also want to bring to the attention of the Senate. To me, they represent one of the most serious aspects of this whole proposed sale.

The Commission's recommendation that Shell Chemical Co.'s offer for the three Los Angeles plants be accepted presents examples of formal and informal vertical integration. The formal integration lies in the fact that Shell Petroleum is the parent company of Shell Chemical. Shell Chemical purposes to purchase the only copolymer rubber plant west of Texas, a butadiene and a styrene plant.

The informal integration completes the picture started by the formal one. Shell Chemical has entered or is negotiating rubber sale contracts with Goodyear and Firestone tire companies which will fabricate that rubber in their west coast tire plants. Shell Petroleum Co. has entered still other agreements with the Goodyear and Firestone companies whereby they will pay Shell Petroleum a promotion fee—known as a good commission—for inducing the 22,700 gas-station dealers selling Shell Petroleum products to buy Firestone and/or Goodyear tires. And they had better buy them or get ready to go out of business. They had better buy them or get ready for this vertical monopolistic squeeze that is going to be put on them. They had better buy them or they will find themselves in the plight in which some of the dealers of my State have already found themselves. They had better buy them or get ready to fight Shell in the Federal courts in antitrust suits, and then find, after winning the case, that the company will end up with a $5,000 slap on the wrist, and that is all. The Congress should protect the people of the

country from monopolistic combines. The responsibility for this rests on the heads and shoulders of every Member of Congress. Until we get busy and perform our public duty of revising the antitrust laws, we really have no right to draw a contract. Certainly we have no right to do it until we at least write into the contract some protection to the little dealers, the little-business men in the towns of our States who are going to be caught in this monopolistic deal.

I speak advisedly when I say that this is a move toward economic fascism in America by big monopoly. I repeat it because I defy anyone to find a more descriptive term for what the Congress of the United States is approving today. It is economic fascism by American monopoly that the Congress is underwriting. What is the basic characteristic of fascism? Liquidate the little fellow. Liquidate the one who opposes those in power. This is economic fascism by American big business, and it is going to be underwritten by the Congress of the United States. It is going to take, I fear, a great amount of time for the American people to understand that, but when the American people come to understand what is written into these contracts, the Congress of the United States is going to hear from the American people, and it is well that it does.

I am shocked, Mr. President, by the failure of the Congress to write into these contracts any protection for the people of the country. As the distinguished Senator from Georgia [Mr. GEORGE] pointed out, the failure to put a recapture clause in the contract plays right in the hands of the "big boys." But there is no recapture clause contained in the contract. If one checks back, as the Senator from Georgia, with that penetrating mind of his, pointed out, he will find that the price by the "big boys" will be increased. They have told us frankly in the record they are going to increase the prices. They have only to increase the price by 5 cents a pound, and by that increase they will regain the full price in 2 years. And Congress is underwriting that.

The difficulty is that the question involves so many abstractions and so many economic problems that the man in the street is not going to understand it. He is not going to understand it until he is hurt. Then he is going to rebound with political reprisals. That is not good for the country, either. It is a situation which should be avoided and could be avoided if, in keeping with our clear duty, we wrote into the contract provisions that will protect the people of America.

It is quite plain to me that there is a chain from the petroleum-chemical end of this arrangement to the sale of the tires to the "independent" gas station dealers some of whom are today suing the Shell Co. in the District Court of Portland, Oreg., for discriminatory practices which are driving some small stations out of business.

The PRESIDING OFFICER. The time of the Senator from Oregon has expired.

Mr. MORSE. Mr. President, I ask for 20 additional minutes.

Mr. THURMOND. I yield the Senator time.

Mr. MORSE. I shall take 20 minutes.

Mr. President, Shell is not alone in its efforts to secure a captive market for its rubber. The Copolymer Corp., consisting of Sears, Roebuck, Armstrong Rubber Co., Armstrong Rubber & Manufacturing Co., and several other small rubber companies is doing about the same thing.

The sale, as presently proposed, allows United States Rubber and the Texas Co. to combine in the rubber field. Texas-United States Chemical Inc., is wholly owned, 50 percent each, by United States Rubber and the Texas Co. Dupont Corp. and General Motors control United States Rubber. United States Rubber, through the Atlas Supply Co., sells tires to Standard Oil stations.

That is why, as one drives his car into a Standard Oil station and asks to buy a tire, he is offered an Atlas tire. Those little Standard Oil stations had better offer its customers Atlas tires, because if they do not, they will soon find themselves without a lease to sell Standard gas. That is the way it works in the squeeze play. And we are doing nothing to give protection to the American people.

I want to say, Mr. President, that none of these three arrangements fits my idea of competition. It takes very little imagination to foresee some of the possible consequences of allowing these sales to go through.

It is not my intention to go into an elaborate discussion of the number of times that many of these corporations have been found guilty of antitrust violations for price fixing and other noncompetitive practices. I do want to say, though, that some of them have been violators many times over. We should take that history into cognizance in deciding upon whether or not such companies can be trusted in the future.

Judge them by the past, and, as far as the antitrust laws are concerned, their past record is that of an economic outlaw in the field of restraint of trade.

Their record is that of economic outlaws, time and time again injuring, by their monopolistic robbery, the economic welfare of the people of the Nation as a whole.

Mr. President, in these proposed contracts we are being asked to approve, on the recommendation of the Rubber Commission, we are simply strengthening the monopolistic stranglehold of these combines over the economy of the Nation. That is why I say it is a shocking and a sad thing. How sad it is that with the contracts before us the Congress does not figuratively pick up its pen and write the protections into the contracts.

As I was saying, Mr. President, we should take that history into cognizance in deciding whether such companies can be trusted in the future. In particular, can they be trusted when we are putting temptation before them in the form of permitting integration from raw material to retail outlet?

I suggest, Mr. President, that it should be clear to all that we are being asked to approve vertical integration of big businesses. I think there is little justification for so doing, for creating a monopoly situation, unless we are to have some control over it.

One of the statements I quoted from the RFC report made it clear that, in the opinion of the RFC, small business would not be able to take part in the disposal of the plants. I do not accept that point of view, for I feel that small business could have had a place in the disposal phase of the program. In fact, some small companies or investors, such as the Minnesota Mining Co. and Mr. Edwin Pauley, tried very hard to take part in the disposal phase, but they were forced to face an illegal Shell Corp. bid which put them in a very disadvantageous position.

Be that as it may, let us assume that RFC was right; and let us look at what it offered as an alternative to making it possible for small business to get into the actual production of synthetic rubber.

Following the segment of the report dealing with the fact that industrial integration was bound to result from the sale of these plants, is this statement:

> While such developments may not be consistent with popular conceptions of a desirable organization of industry, the hard fact remains that they would not form a new pattern in our economy but rather would conform to already clearly defined patterns. It would be difficult to name a single major industry in which we do not find comparable integration. Steel, copper, aluminum, automobiles, to name but a few, are thus characterized. On the other hand, it must be acknowledged that there have grown out of this pattern instances of trade practices detrimental to effective competition; therefore, while a disposal program may well follow this pattern of industrial organization, it must be fashioned with sensitive regard for these problems and provide safeguards against the difficulties of which we are forewarned.
>
> In the light of what has been said, it is apparent that, among others, two basic problems present themselves for solution if a climate for effective competition in the new industry is to be assured. The first is to assure such diffusion of capacity (butadiene, styrene, butyl, or copolymer) among a number of purchasers so that all may function efficiently and yet so that none of them stands in so strong a position as to dominate the field.
>
> A second basic problem is to develop, for rubber fabricators generally, a truly competitive source of synthetic rubber supply. This would not be provided if the pattern of disposal were so to allocate the plants that their output would be wholly captive to the demands of their owners, as fabricators, for synthetic rubber.

The Rubber Disposal Act of 1953 adopted the essence of RFC's views that I have just quoted. In an attempt to control monopoly at the production level, Congress enacted section 17 (3), which was designed to create a free competitive synthetic rubber industry in which no person would possess unreasonable control over the manufacture of synthetic rubber.

To achieve a truly competitive source of synthetic rubber supply, the second point made by the RFC, Congress passed section 17 (1) which, in substance, states that small-business enterprises and other users not purchasing any of the facilities should obtain a fair

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share of the end products of the facilities sold and at fair prices.

If I thought, Mr. President, that the Rubber Commission had achieved the intent of section 17 (3), I would not have voiced the fear that uncontrollable vertical integrations of giant corporations will result if we confirm this sale.

In fact, Mr. President, if I thought the Rubber Commission had achieved the intent of section 17 (1), I would be satisfied with the nature of the proposed sale itself. My point is this: If the sale, as recommended by the Rubber Commission, did assure that there would be a fair distribution of the synthetic rubber at prices that those not buying the facilities, or in no way connected with these buyers, could afford to pay, I would not be concerned over the monopoly inherent in the situation we are considering. Monopolies are effective in so long as they can control supply and/or price.

The blunt question we must consider is this: Will the rubber fabricator who does not purchase one of these plants be in a competitive position with the rubber-fabricating company which is connected, either directly or indirectly, with the purchaser of a rubber facility? My answer to that question is an unequivocal "No." I shall state my reasons for arriving at that answer.

Two elements are involved in that answer: One, the economic position of small-rubber fabricators, when considered in relation to that of the giants who are buying into the rubber business; two, the nature of the Rubber Act itself and of the contracts the Rubber Commission is asking us to approve.

In their telegrams or telephone calls to me, these small fabricators bring out these facts: Their main concern is that they will not be able to pay the price asked by the prospective rubber-plant purchasers and still stay in a competitive position with the big operators. As an example, suppose that X, a large rubber company, or one of its subsidiaries, makes overshoes; and suppose that Y, a small fabricator, does the same. Y must buy his rubber from X. He must pay X's price, or else go without rubber.

Y has only one point of profit, namely, when he sells his finished product to a wholesaler. But X has several points at which he can make a profit from his integrated operation. There is a possible profit in the raw materials that go into making, let us say, butadiene. A profit could be made on the butadiene when it is sold to the rubber plant part of the combine.

Mr. President, these boys are great fellows at selling to themselves; they engage in such economic sleight-of-hand performances. But a small operator pays not only the profit he has to pay in buying the end product, but also each of the other profits the big fellows charge for their operations leading up to the manufacture of the end product, in connection with their corporate structure. There could be profit on a sale of the rubber to the fabricating part of the integrated unit, and there is the chance for profit when the finished product is sold.

At any point, or several points in this line, X could forego a profit, and the end result would be that rubber could be sold at a lower price to the fabricating part of the combine than to Y. Therefore, says Y, the small fabricator, "I am not in a competitive position with X's fabricating unit. These contracts do not leave me in a competitive position."

But, Mr. President, one of the mandates of the law is that this operation shall promote competition, not stifle it.

Another serious disadvantage that the small fabricator suffers, in relation to the large company, is his lack of reserve capital. His operations are, of necessity, hand to mouth. He can only buy a small amount of rubber at a time. Generally, each month or so he goes to the warehouse for his rubber, and fabricates it immediately. With the money he gets from the finished product, he then buys more rubber. He is always operating on a slim margin, and he cannot withstand any long delay in getting his rubber, without going "broke."

But, Mr. President, you should listen to some of the telephone calls I receive these days, and you should read the telegrams I receive from the small fabricators. They telegraph to me that, "The 'squeeze' will be put upon us, in that we will not get the rubber during the small period of time in which we must get it if we are to remain in business."

The "big boys" know that, Mr. President; they know how to keep the little fellows shackled and yoked. They also know pretty well how to keep them silent. That is why so many call me and say, "I must talk with you, Senator, in the strictest confidence. Please do not mention my name on the floor of the Senate, because if you do, I will be squeezed out of business."

It is a frightening thing in America. It is economic fascism. It is the device of economic liquidation. It is the control of this sphere of the economy by monopoly. Are we to sit here and do nothing? We represent a free people who are entitled to the protection of their economic freedom of choice. Are we going to sit here and do nothing to protect them? If we follow that course of action, I pray that we hear from them in 1956 by the defeat of those who vote today in favor of vertical integration, who vote today for economic fascism in America by American monopoly.

We may as well "lay it on the line" in the days ahead, because one of the biggest issues of that campaign will be whether or not we are going to turn all the American economy over to the stranglehold of American big business, or whether we are going to protect our system of competitive enterprise for the small-business man and the consumers of this country.

Mark what I say today. This debate involves an abstract subject. This debate involves complex economic principles; but the people will come to understand what those principles mean when applied to their economic welfare. Here we have a series of contracts with no protection in them anywhere for competitive enterprise so far as the small fabricator is concerned. He is pleading with us in the hope that it is not too late for us to rise to our responsibilities and write into these contracts some protection for the small fabricator.

The small fabricators are very much worried by another situation. They tell me that the prospective purchasers of the Government's rubber plants will not make any commitments as to the price, amount, place or time of delivery of the rubber that will be produced after they take over the plants. One small operator called me and implored me to try to do something about this problem. He told me that a delay of 6 weeks in his rubber supply would bankrupt him, even if the price did not rise. And he has already been told, by the representatives of the big rubber companies that there will be a price rise. Even before they get the plants in their hands they are telling the little fellow, "We are going to increase your price." He is not told, however, what the amount of the increase will be.

Mr. President, we simply must try to do something to protect these small businesses. They are basic to our economy. We could not have such a fine economic system if they did not exist. Would it be so unthinkable to delay this sale, temporarily, until we make changes in the law or the contracts of sale to protect these deserving people. These men are free enterprisers, too. They have every right to share in the benefits as well as the burdens of this disposal program. Their taxes helped build the synthetic-rubber industry. Has the day come when they do not count? I say to my friends across the aisle, what will you do for these businessmen? If the Republican Party is not the party of big business, its representatives in the Senate should have no qualms about supporting these small-business men.

Free enterprise does not mean freedom for the great capital aggregations to snuff out the small-business man. Competition presupposes the physical ability to compete. It may be romantic to think in terms of the small man fighting his way to the top, but it is unrealistic in the present context.

Mergers are the order of our day. There has been a greater trend toward monopoly in America during the past 2 years than during any other 2-year period in the past half century. We need to ponder that statement. Do Senators think I am not talking about a real threat to economic threat in America? Take a look at the growing merger trend. Take a look at the growing monopolistic control in America during the past 2 years, the like of which has not been seen in any other 2-year period in the past half century. That is what we are talking about today. We are trying to give substance and form to a protective resolution which seeks to prevent the sale of these rubber plants to the detriment of small fabricators, until we can write into the contracts protective safeguards, in support of which I raise my voice today.

We lose more and more independent businessmen every day. The only pile that the majority of these small rubber fabricators will get to the top of, if we allow this sale, in its present form to

go through, will be the rapidly growing scrap pile of bankrupted small businesses.

Mr. President, I now turn to the reasons why the contracts negotiated by the Rubber Commission do not protect the interests of those rubber users not buying into the rubber business, or the interests of the country.

The contracts contain this general notion: The rubber plant buyers state that they will sell a certain stated percentage of rubber, at a competitive price, to rubber users not buying plants. Let us assume for the moment that these statements are firm commitments. Let us further assume that they are clear and definite enough to be meaningfully interpreted in a court of law. I hasten to add that I do not believe either assumption is valid. Where do these assumptions leave us, though?

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. MORSE. Mr. President, I ask for 10 more minutes.

Mr. THURMOND. I yield 10 more minutes to the Senator from Oregon.

Mr. MORSE. A contract is nothing but a lot of empty words unless someone can enforce it. Who could enforce the contracts which it is proposed we ratify? Could a small-business man sue under them? It is my opinion that he could not. It is the opinion of the legal staff of the Shell Corporation that he could not.

I should particularly like to have the attention of the three able lawyers in the front row, the Senator from Georgia [Mr. GEORGE], the Senator from Louisiana [Mr. LONG], and the Senator from South Carolina [Mr. THURMOND]. I think I am now putting my finger on one of the worst features of these contracts. Could a small-business man sue under them? It is my opinion that he could not. It is the opinion of the legal staff of the Shell Corporation that he could not. It is the opinion of other legal experts that he could not.

To sue under a contract, one must be a party to the contract, or a third party beneficiary of that contract. The small rubber fabricators do not fit into either category. They have no peg upon which they could hang a suit. The Shell Co.'s legal staff makes this quite clear when, in answer to my question on this point, they said that the only possible action by anyone was an action for an injunction by the United States Government.

Though I am not quite sure what it is that the United States Government could specifically seek to enjoin under these contracts, suppose that it were possible to get a general injunction against the breach of the contracts. Of what value would that injunction be to the small rubber users? After the big company discrimination in the price or supply of rubber had bankrupted him, I am very sure that the small rubber user would be happy to know that the big bad company was to be stopped from doing it again.

If the United States were to sue in behalf of a small business there would be difficulty in proving any priority and, thereby, damages. I point out, Mr. President, that I fully agree with the Shell legal staff when they say that no action for damages could be maintained by anyone. It is idle speculation to talk about the possibility of the Government suing for the small-business man.

It is my opinion, therefore, that we must change either the act or contracts making it possible for any small rubber fabricator to sue if he is injured by the failure of the plant buyers to give him a fair supply of rubber at a fair price. Without a right to sue, other rubber users are left without effective recourse.

Since the United States Government cannot maintain an action for the breach of the parts of these contracts which deal with the regulations between the plant buyers and the other rubber users, we should amend the act or the contracts to provide for a minimum penalty of $50,000 in the event that these contracts are breached.

To prove one's point in a law case one must have facts. One of the great difficulties in the past in suing these giant corporations, whether the suit was by the Government or by the corporation's own stockholders, has been to get enough facts upon which to base a case. To that end, I believe that we should enact legislation which will make it mandatory that these plant buyers make available their corporate books, insofar as those books are related to the production, price, and sale of rubber, for inspection by a duly constituted Government official.

I ask this so that it will be possible for us to check on what is being done by these companies and so that we do not have to go through years-long lawsuits to get a final determination of what the facts are.

Mr. President, it is my belief that if we enact these simple precautions we will go a long way toward assuring continuation of a healthy, competitive synthetic rubber industry. We will have gotten the Government out of the synthetic rubber industry and turned it over to private enterprise. But we will not be putting the consumers of this country at the mercy of corporations that have in the past proved their inability to recognize a public trust. We will also have afforded some measure of protection to those users of synthetic rubber who have not purchased any of these plants. As I have stated before, they have a very definite place in our economic sun. It is my intention to see that they are not placed under a cloud and forgotten.

I think that the past history of some of the corporations with which we are proposing to do business very definitely warrants our taking these precautions on behalf of consumers and of small rubber fabricators. At this point, Mr. President, I would ask unanimous consent to insert in the RECORD some material compiled by Congressman EMANUEL CELLER showing the antitrust action history that some of these corporations have.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

There are some antitrust and small business facets in the rubber-producing facilities disposal program which I should like to comment upon.

1. In *United States* v. *Rubber Manufacturers Association et al.*, the Big Four, Firestone, Goodrich, Goodyear, and United States Rubber Co., plus Dayton, Seiberling, and others, were charged with combination and conspiracy in restraint of trade in tires and tubes, from 1935 to 1947. They pleaded nolo contendere, and were fined $5,000 each.

2. In *United States* v. *The Metropolitan Leather & Findings Association, Inc.*, in 1948, Goodyear and others were charged with price fixing in rubber heels and soles, and were fined.

3. In *United States* v. *United States Rubber Co. et al.*, U. S. Rubber and Dunlop Rubber Co., Ltd. were charged in 1948 with illegal cartel arrangements in latex; they took a consent decree in 1954.

4. In *United States* v. *Sears, Roebuck & Co., et al.*, filed in 1952, Sears and Goodrich were held to be in violation of the Clayton Act by having a common director; he later resigned from the board of Sears.

5. In two 1950 cases, one civil, one criminal, both known as *United States* v. *Association of American Battery Manufacturers*, Sears, Firestone, Goodrich, Goodyear, and others, were charged with price fixing and exercise of monopoly power to exclude competitors, among other things. They pleaded nolo contendere to one count in the criminal case, and took a consent decree in the civil case.

6. In *United States* v. *National City Lines, Inc., et al.*, also two cases filed in 1947, Firestone, Phillips, Standard Oil of California, and others, were charged with conspiracy, restraint, and monopolization of trade in the sale of buses, petroleum products, and tires and tubes. The charges went back to 1937. In the criminal case, the jury found them guilty on one count in 1949. The civil suit, involving injunctions against future violators, was still unsettld in 1954. Regulation of trade by lawsuit is sometimes a slow business.

7. Three Canadian antitrust cases are very enlightening. These are:

Regina v. *Goodyear Tire & Rubber Co. of Canada, Ltd. et al.* (mechanical goods);

Regina v. *Firestone Tire & Rubber Co. of Canada, Ltd. et al.* (tires); and

Regina v. *Dominion Rubber Co., Ltd. et al.* (rubber footwear).

In the first case, Goodyear, Goodrich, Dominion (the Canadian subsidiary of United States Rubber), Dunlop, and one other, pleaded guilty to conspiring to prevent or lessen competition from 1936 to 1952, and were fined $10,000 each. In the tire case, Firestone, Goodrich, Goodyear, Dominion, Dunlop, and others, pleaded guilty to charges covering the period 1937 to 1952. They were fined $10,000, the then maximum fine, which the judge noted was wholly inadequate. The prosecutor estimated the companies had illegally extracted $1,300,000 a year for the 15 years they admitted operating the tire combine. The companies are reported to have replied that they were forced to band together for mutual protection during the depression. Banding together for mutual protection could be much more profitable in the United States, particularly if they own the GR–S plants which they now seek.

Dominion and Goodrich and others pleaded guilty in the footwear case and were fined $10,000. The charges included identical product specifications and identical prices.

Canada has now removed the top limit on antitrust fines, permitting the court to assess such fines as the cases warrant. This should be a much greater deterrent than our $5,000 maximum fine.

In the *Regina* v. *Firestone* case, the Canadian High Court said as follows:

"Between the 1st day of January 1937 and the 31st day of October 1952, within the jurisdiction of this honorable court, they" (the defendants) "did unlawfully conspire, combine, agree, or arrange together and with one another to unduly prevent or

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lessen competition in the production, manufacture, purchase, barter, sale, transportation, or supply in * * * the Province of Ontario * * * and elsewhere in Canada * * * of * * * rubber tires (casings) and rubber tubes for passenger vehicles, trucks, and buses, agricultural and road implements, and tractors and related products including tire and tube accessories, automotive accessories, and tire repair and retread materials, and did thereby commit an indictable offense contrary to the provisions of the Criminal Code, section 498, subsection 1 (d).

"Each of the accused corporations entered a plea of guilty and thereupon evidence was presented by the Crown to establish in a general way the nature and extent of the operations of these companies which resulted in this prosecution.

"In the view I entertain the maximum penalty of $10,000 provided by the code is wholly inadequate to meet the ends of justice, even as a punishment to the least of these offenders. This law has been in force for over 50 years and its provisions are, or should be, well known to the businessmen of this country. Their actions were cold-blooded, calculated, and deliberate violations of the law of the land and call for as severe a penalty as can be imposed within legal limits, both to mark the Court's condemnation of the enormity of the offense from the standpoint of punishment, and for its deterrent effect upon other potential offenders. It is the sentence of this Court that each of the accused shall pay a fine of $10,000 and that they be condemned to pay the costs incurred in and about the prosecution and conviction for the offenses of which they have been convicted, forthwith after taxation thereof."

In the case of *Regina* v. *Dominion Rubber Company, Ltd. et al.*, the High Court of Ontario said:

"There were countless meetings and agreements among representatives of the accused and their coconspirators at which an elaborate system of classifying their commodities was arranged, identifying them by common number. * * * A casual study of the analysis of common prices which resulted from these agreements, filed as exhibit A-3, will reveal how well they succeeded in maintaining an identical price level."

Now, let us take some of the cases against the oil companies who were successful bidders.

Standard Oil Company of New Jersey, which controls both Esso Standard Oil Co. and Humble, was charged in 1942 with conspiracy with I. G. Farbenindustrie in two cases involving synthetic rubber. They pleaded nolo contendere in one case and took a consent decree in the other.

Several oil companies involved in the bidding for the synthetic rubber plants were also involved in losing two cases filed in 1936. *United States* v. *Standard Oil Co. (Indiana)*, a price-fixing case, was appealed to the Supreme Court under the name of *United States* v. *Socony-Vacuum Oil Co. et al.*, and conviction was sustained as to Phillips, Continental, Shell Petroleum Corp., and Empire (the predecessor of Cities Service). Continental and Cities Service make up Petroleum Chemicals, Inc.

The other 1936 case, also called *United States* v. *Socony-Vacuum Oil Co., Inc.*, concerned fixing jobber margins. In 1941, nolo pleas were entered by Cities Service, and an officer each of Empire, Shell, and Continental.

Among the 38 defendants pleading nolo contendere in *United States* v. *General Petroleum Corporation of California et al.*, a 1939 case charging illegal price raising and price maintenance, were Shell Oil Co., Standard Oil Company of California, and the Texas Co. Fines were $4,000 for Texas, $4,500 for the other 2.

Still pending is a suit brought by the present Attorney General, *United States* v. *Standard Oil Co. (New Jersey) et al.*. Standard, Gulf, The Texas Co., Standard of California, and one other, are charged with attempting to secure and exercise control over foreign production and supplies of petroleum and petroleum products, to regulate imports in order to maintain a level of domestic and world prices agreed upon by the defendants, and to divide world foreign producing and marketing territories.

The State of Texas has an anti-trust suit in the State courts against 10 major oil companies, including Cities Service, Continental, Gulf, The Texas Co., Humble, Phillips, and Standard Oil Co. of Texas (a subsidiary of Standard of California). This case was brought by Price Daniel, then Attorney General of Texas, now a Member of the Senate.

United States v. *Food Machinery and Chemical Corporation et al.*, involving monopoly of peach-pitting machinery, was settled by a consent decree last August.

Several of the companies which make up American Synthetic Rubber Corporation appear among the anti-trust case losers. American Cyanamid Co., the largest stockholder in American Synthetic and scheduled to be its exclusive selling agent, has been in three cases. *United States* v. *Allied Chemical & Dye Corp.*, filed in 1942, and ended by nolo pleas in 1946, charged price fixing at exorbitant levels in dyestuffs. Cyanamid and one of its officers were each fined. A subsidiary, American Cyanamid & Chemical Corp., was a party to some chemical anti-trust cases filed in 1942, and settled in 1945, by nolo pleas. The cases all charged price fixing. Cyanamid & Chemical was fined $7,500. In *United States* v. *Standard Ultramarine and Color Co. et al.*, American Cyanamid took a consent decree in October 1954, on charges of fixing and maintaining prices and allocating sales of ultramarine blue and laundry blue.

Anaconda Wire & Cable Co., a stockholder in American Synthetic, is a subsidiary of Anaconda Copper Mining Co. Two other Anaconda subsidiaries, Anaconda Sales Co., and Greene Cananea Copper Co., were named in *United States* v. *Climax Molybdenum Co. et al.* in 1942, a price-fixing and competition-control case which ended in a consent decree.

General Cable Co. and Phelps Dodge Copper Products Corp. are stockholders in American Synthetic, and have been together before; they took a consent decree in 1948 in *United States* v. *General Cable Corp. et al.*, a cartel, price-fixing and development-suppression case.

Dewey & Almy Chemical Co. is a part of American Synthetic, and has recently been acquired by W. R. Grace & Co.; Grace, Pan American World Airways, Inc., and Pan American Grace Airways, Inc., are defendants in a Sherman Act case filed in 1954, charging combination restricting competition and monopolizing air transportation between the United States and Latin American countries.

Raybestos-Manhattan, Inc., and Thermoid Co., both stockholders in American Synthetic were also previously associated as nolo pleaders in 1948 in *United States* v. *Brake Lining Manufacturers Association, Inc.* They were fined $5,000 each, on price-fixing charges.

Dunlop Tire & Rubber Co. is in American Synthetic; it is controlled by the British Dunlop, which was involved in the latex cartel case with United States Rubber.

It is only fair to add that some of the stockholders in American Synthetic Rubber Corp. have not been involved in anti-trust suits.

The only plant, however, that would be sold to a company with no antitrust history is the Koppers Co. alcohol butadine plant at Kobuta, Pa. Koppers Co., Inc., apparently didn't want the whole plant, but took it just to get the powerplant and utilities.

Mr. MORSE. Mr. President, another factor that has coused me serious concern in this whole transaction has been the attitude taken by Mr. Brownell. The opinion that he transmitted to us concerning the issue of whether or not these proposed sales are violative of the anti-trust laws was about as nice a piece of meaningless double talk as has been my occasion to read. What Mr. Brownell said leaves me completely unsatisfied. I would like to point out, though, Mr. President, that I do not extend my criticism to the testimony given us by Judge Barnes, head of the Antitrust Division, Department of Justice. It was not possible for us to fully investigate all the possible antitrust ramifications of this proposed sale when we questioned Mr. Barnes. Therefore, I ask unanimous consent to have printed in the RECORD the same questions that Congressman PATMAN sent to the Justice Department concerning the antitrust aspects of this sale.

There being no objection, the questions of the Honorable WRIGHT PATMAN were ordered to be printed in the RECORD, as follows:

QUESTIONS PROPOUNDED TO JUDGE BARNES BY HON. WRIGHT PATMAN, OF TEXAS, IN A LETTER DATED MARCH 16, 1955, ADDRESSED TO CHAIRMAN VINSON

JUDGE BARNES: I would like to invite your comments on one broad, general question; then I have a few questions on specific points I would like to get cleared up.

The general question relates to the second paragraph of the Attorney General's letter of January 17. (It reads as follows:)

"This is to advise you that on the basis of the information furnished to me by the Commission I do not view the proposed dispositions as being in violation of the anti-trust laws. I express no opinion, however, concerning the legality of any programs or activities in which the proposed purchasers may engage in the utilization of these properties, nor as to any matters other than whether or not the proposed dispositions violate the antitrust laws."

Now that statement contains two qualifications which I would like for you to examine. First, it contains the phrase "on the basis of the information furnished to me by the Commission" and says nothing about other information which the Department of Justice may have or could reasonably have gotten from other sources. Second, if I read the remainder of the statement correctly it says simply this: The Attorney General expresses the opinion that the proposed disposition of these plants, taken alone and quite apart from any other facts which he may or may not know to exist, will not violate the antitrust laws; but the Attorney General expressly reserves the opinion whether or not there would be a violation of the antitrust laws, taking account of the whole factual situation, the moment these plans are transferred.

Now, as I understand the antitrust laws, you frequently have situations where a particular competitive arrangement taken alone, out of context of the whole factual situation, is not violative of any laws, but when you add this competitive arrangement to the whole factual situation you have an unreasonable restraint of trade. Now, I am not talking about secret agreements or conspiracies or understandings among these proposed purchasers. I realize that there could be secret agreements, which you might not know about and might never know about even though you investigated diligently, so I am not talking about agreements or understandings which you may not know about, but this is the question I want to get clarified: Quite apart from any agreement which you

do not know about, has the Department of Justice investigated and considered the whole factual situation insofar as it could reasonably ascertain the facts and satisfied itself that there will not be an unreasonable restraint of trade or other violation of the antitrust laws the moment these plants are transferred?

2. Now, the rest of my general question pertains to the analogy you have here with the Supreme Court's decision in the *Columbia Steel* case (*U. S. v. Columbia Steel Co., et al.* (334 U. S. 495, decided June 7, 1948)). The theory of the United States in bringing that suit was that the acquisition of Consolidated constituted an illegal restraint of interstate commerce because all manufacturers except United States Steel would be excluded from the business of supplying Consolidated's requirements of rolled steel products, and because competition then existing between Consolidated and United States Steel would be eliminated.

In addition, the Government alleged that the acquisition of Consolidated, viewed in the light of the previous series of acquisitions by United States Steel, constituted an attempt to monopolize the production and sale of fabricated steel products in the Consolidated market. That last aspect of the case was vigorously contested. The defense was predicated in a substantial way upon the fact that the United States Government had in 1947 sold to the United States Steel Corp. a large plant at Geneva, Utah, and that in that connection the Attorney General had concluded "that the proposed sale, as such, did not violate the antitrust laws."

You will also remember in that connection that the Supreme Court in disposing of that aspect of the case stated: "To show that specific intent, the Government recites the long history of acquisitions of United States Steel, and argues that the present acquisition when viewed in the light of that history demonstrates the existence of a specific intent to monopolize. * * * We look not only to those acquisitions, however, but also to the latest acquisition—the Government-owned plant at Geneva. We think that latest acquisition is of significance in ascertaining the intent of United States Steel in acquiring Consolidated." The court then proceeded to dismiss the suit by a vote of 5 to 4.

Then the Court pointed out that when approval was given to the sale of the Geneva plant to United States Steel, the Government had reason to know that if United States Steel acquired the Geneva plant it would for "normal business purposes" either acquire or build finishing facilities to assure itself a market for the unfinished steel produced at the Geneva plant, and the Government made no objection. Now this raises a question. First, you are approving the sale of 31.8 percent of the butadiene capacity to one partnership company—the partnership being made up of 2 oil companies and 2 rubber companies.

Now, permit me to ask you this: If in the future you decided to proceed against one of the rubber companies under the Clayton Antitrust Act or the Sherman Act because of any proposal on their part to acquire smaller companies in order to balance their rubber capacity with their butadiene capacity, or to balance their butadiene capacity with their rubber capacity, or to balance their rubber-fabricating capacity with their rubber capacity, how could you distinguish as a matter of law such a situation from the situation disposed of by the Supreme Court in the Columbia Steel case and what different results could you expect to secure?

Now for my more specific questions:

3. It has been pointed out that according to this disposal plan, no one company will have more than 18.2 percent of the GR–S capacity. On the other hand, the disposal plan calls for one parnership company to have 31.8 percent of the butadiene capacity. The partnership company is made up of Gulf, Texas, United States Rubber, and Goodrich. These four companies together will have 29.1 percent of the GR–S capacity. Since these four companies will be a partnership in 31.8 percent of the butadiene capacity, would you see any substantial difference insofar as practical competition is concerned, if they formed a single partnership company to handle their 29.1 percent of the GR–S capacity?

4. I would like to ask you about the license agreements. The second paragraph of the Commission's statement on this subject (p. 31) indicates that the Commission has made available to prospective purchasers the patent agreements to which the Government is a party and that it has taken actions to assist prospective purchasers to obtain licenses to use patents to which the Government was not a party. I quote from the Commission report as follows: "The patent agreements to which the Government was a party and the actions subsequently taken in this field by the Commission assure that adequate rights to patents and technical information are available to plant purchasers." Beyond this, however, the Commission has not told Congress what it has done; we don't know what these actions were, what the terms and conditions of the license agreements are, and I wonder if the Department has examined all of these license agreements and satisfied itself that none of the royalties are unreasonable and that there is nothing else in them which will unreasonably restrain competition.

5. What has been the Department's usual position with reference to patent pooling where the pool was restricted to members and not freely open to all newcomers?

6. The Attorney General's report has something to say about the patents and agreements covering butyl rubber, but it seems to be silent on this subject as regards the more important classes of rubber and feed stocks. Can you tell me where the provisions are in the contracts with the proposed purchasers of the rubber facilities, or elsewhere, which assure that the patent pool which will now be set up among the proposed purchasers will be open to the other companies that might wish to enter some phase of the synthetic rubber business in the future?

7. The Commission's report contains this sentence: "In the appendix to each contract of sale, the Commission has agreed that, to the extent of the Government's powers under these agreements, it will assist purchasers in obtaining necessary rights"—speaking of patent rights, of course. Can you tell us whether or not the Government has sufficient powers under these agreements that it could, if it cared to do so, assure any and all possible purchasers the right to use all product and process patents now necessary for successful operation of the butadiene and GR–S rubber plants.

8. In view of the fact that when the Government-owned aluminum plants were sold, the Department of Justice insisted upon having, as a condition of the sale, a provision making licensing of patents at reasonable royalties compulsory, I am wondering why the Department has not insisted upon such a provision in the case of these rubber facilities.

9. The assurances that we have been offered that small rubber fabricators will have access to adequate supplies of rubber at fair prices rest in large part on the premise that the production of Shell on the west coast will all be put on the open market, since Shell is not a rubber fabricator. In this connection the Atorney General's report (p. 34) is to the effect that since the major tire companies will have copolymer plants on the gulf coast, they will supply their west coast tire plants from these. The Attorney General's report does not make it clear, however, how much surplus production these tire companies will have at their gulf coast plants after supplying the requirements of their more eastern markets, or why these major tire companies took 90 percent of the production of Shell's west coast plant in 1954. Could you enlighten us on this?

10. In considering the supplies which might be available to small fabricators, I wonder if you have taken into consideration these contracts which some of the oil companies seem to have with some of the rubber companies for promoting the sale of their tires through the retail filling stations. For example, on page 158 of the supplement of the Commission's report the proposed contract with Shell contains the following sentence: "Neither Shell Chemical Corp. nor the parent, Shell Oil Co., is engaged in the manufacture or sale of natural or synthetic rubber or products made therefrom, excepting that Shell Oil Co. has contracts with the Firestone Tire & Rubber Co. and with the Goodyear Tire & Rubber Co., Inc., which provide for the payment of a commission to Shell Oil Co. as compensation for Shell's assistance in promoting the sale of their products to Shell dealers, commission distributors, and jobbers." What effect do you think such contracts would have on the question whether Firestone and Goodyear would buy Shell's rubber, or refuse to buy Shell's rubber, and thus make it available for small business?

11. Judge Barnes, I would like to have your comments with reference to the agreements in the contracts with the proposed purchasers, where the purchasers say that they agree to make available certain specific percentage of their production to small business. How could the small fabricator who found that he could not obtain rubber find protection under these agreements? Specifically, the following questions occur to me:

Is the small-business man to bring private suits; and if so, under what theory of the law? And what is the likelihood that the courts will say to an individual businessman that he has a right to sue as a third-party beneficiary of the United States Government? Since no small-business man is mentioned in these contracts, but the Government merely purports to try to protect an indeterminate class in these contracts, can the indeterminate members of this class have any standing before the courts as third-party beneficiaries?

Then may I ask the question as to which of these proposed purchasers the small-business man would sue? Is there any mechanism by which he would know which of these companies were failing to sell their agreed proportion to small business? Is there any requirement that the proposed purchasers make public their sales and customers or open their books for inspection?

What specific rights does a fabricator have under this agreement? Would there be any difficulty arising from the lack of a definition of "small business"? And does a small fabricator have a right to demand that a particular rubber company sell him supplies, or does the rubber company have the right to choose its customers?

Assuming that the small-business man can sue, then, as a practical matter, how much would such a suit cost a small fabricator, and how long would it take to conclude the litigation, and what would be the prospects of his concluding the litigation before he has gone out of business?

On the other hand, if the Government is to police these agreements, who is to do the job and how will it be done? More specifically, let us consider the following questions:

Can the Government sue on the basis of damage for a breech of contract, since the Government will not have suffered any damage? Could the Government sue for specific performance of contract, and what State law

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would determine whether an action for specific performance could be brought? Would the right to sue differ according to where a plant is located, and would the Government have different rights under different laws in different States where the plants are located? If the Government is to police these agreements, what mechanism will it have for knowing whether or not the agreements are being lived up to, and what assurances are there that the Government will move promptly and that it can obtain relief before a substantial number of small-business men have gone bankrupt?

12. Judge Barnes, some of these so-called agreements in the contracts with the proposed purchasers are to the effect that the purchasers will make available certain specified percentages of rubber to small fabricators at competitive prices. I wonder whether to your mind this term "competitive prices" has any meaning other than that the integrated fabricator will make available to his small competitors rubber at the same prices and terms as he makes it available to himself.

13. Judge Barnes, I don't wish to go into the long list of past antitrust cases in which these big rubber companies and oil companies have repeatedly been found guilty or plead nolo contendere to charges of violating the antitrust laws, but I want to ask you about a few of the recent and pending cases which seem to have a particular bearing on this disposal plan.

I am told that there is a case now pending in the courts of the District of Columbia involving the Federal Trade Commission and 20 big rubber and oil companies, and I am told that the proceedings arose because the FTC attempted to relieve pressure on small tire distributors resulting from the tire companies discriminating in prices among their different customers; I am also told that these proceedings were started in 1947, so that they are not concluded after 8 years of litigation. I wonder if you are familiar with this case?

Would you venture an estimate as to how long it will take before this case is ultimately concluded?

Do you know whether or not the discriminations complained of by the FTC are still being practiced by these companies pending the outcome of this litigation?

It is your opinion that the rubber and oil companies will be less likely to discriminate against these small competitors than they have been to discriminate among their own customers?

14. Now I want to refer you to a few cases in which the big rubber companies have plead nolo contendere to charges of violating the Sherman Act.

In the Rubber Manufacturers Association case, the Big Four rubber companies pled nolo contendere on October 21, 1948, to a charge of conspiracy and combination to restrain trade in tires and tubes lasting from 1935, to date of filing the complaint in 1947—in other words, approximately 12 years.

Five days after the plea was entered in the Rubber Manufacturers Association case, the Government filed a criminal indictment charging Goodyear and others with fixing prices of rubber heels and soles, and in 1949 pleas of nolo contendere were filed.

In 1950 Firestone, Goodrich, Goodyear, Sears, Roebuck, and others, were defendants in 2 actions, 1 civil and 1 criminal, which charged these companies with fixing prices and exercising monopoly power to exclude competitors in the sale of batteries.

Now my question is this: Before approving the Commission's disposal plan, did the Department of Justice make investigations to find out whether or not the practices which were admitted in these cases have been stopped and whether or not the court orders are being complied with?

15. Judge Barnes, I understand that the case of *U. S.* v. *National City Lines* is still pending—that in this case you charge Firestone, Phillips, and Standard of California with a combination and conspiracy to monopolize trade in the sale of both petroleum products and tires and tubes. Can you assure us this, if you win that case you will effectively eliminate the trade restraints charged in this case?

16. Judge Barnes, I would like to ask you about another case which is still pending; this is *U. S.* v. *Standard Oil Company of California et al.*, in which the Standard California Co., the Shell Co., and the Texas Co. are charged with monopolizing the entire oil industry in the Pacific States area from point of production to point of retail distribution.

The complaint in this case alleges, in paragraphs 72 and 73, that a formal civil action filed in 1930, in which a consent judgment was entered, and a formal criminal indictment in 1939, to which pleas of nolo contendere were entered, were against the same defendants—Standard, Shell and Texas—but that these previous actions have been completely ineffective in preventing these companies from continuing to monopolize the oil industry of the Pacific coast area.

In paragraph 74 the Government further alleges that "defendants' domination and control of the petroleum industry in the Pacific States area, has become so entrenched and so overwhelmingly and generally accepted that it has persisted and will continue to persist and grow * * * and will continue to make it impossible for independents at any and all levels of the petroleum industry to compete effectively with defendant oil companies."

The same paragraph stated that the "business operations of defendant oil companies are conducted as if said oil companies were a single concern with single management."

(a) Now, first of all Judge Barnes, is not this an admission on the part of the Government that Texas, Shell, and Standard Oil of California have monopolized the petroleum industry since 1930, and that so far the Government has not been able to stop them even though it has been successful in two antitrust actions?

(b) Secondly, Judge Barnes, when the Government filed its complaint in the California case it in effect vouched for the truth of the charges made, did it not, so that even though there has been no final determination of the California case, the Department of Justice believes that the charges it made in its complaint are true?

(c) How does the Department of Justice therefore, Judge Barnes, reconcile its allegations made in the California case, with the assertions that the sale of the synthetic rubber plants to the defendants named in that case promotes free enterprise?

(d) Is it your personal opinion that if the allegations contained in the Government's complaint are true that the sale of the synthetic facilities to Standard of California, the Texas Co., and Shell will not enhance the monopoly position of these defendants and make it even more difficult for small independents to survive?

(e) Now check my memory on this: In the old Mother Hubbard case the Government had a similar charge against all of the major oil companies, concerning monopoly practices in markets all over the United States, and the Government dropped the Mother Hubbard case because it was too big to try—that is, there were too many companies to have in one suit; so it dropped that case with the intention of starting a series of smaller cases involving the separate regions of the United States, and this case of *U. S.* v. *Standard Oil of California et al.* was then filed as the first of a series of cases to replace the Mother Hubbard case. Can you put me straight on this?

17. Now about your current suit against the oil cartel. Four of the oil companies to which the Commission proposes to sell the rubber facilities are named as defendants in that suit—that is, Texas, Gulf, Standard (New Jersey), and Standard of California. I believe that a fifth oil company, Shell, is alleged to be a member of that cartel, although it is not named as a defendant. Now my question is this: Do you feel confident that you will successfully break up the restrictive features of that cartel, if any exists, and that the restrictions on competition between these companies alleged to exist as to the production and sale of petroleum and petroleum products will not spread to the production and sale of rubber and rubber products?

18. The Attorney General's report is silent on the background of cartel control over natural rubber; I would like to know if the Department took the cartel question into consideration and, if so, what conclusion it reached concerning probable future control over natural rubber by cartel action?

19. I now refer you to the announcement made by Attorney General Brownell on September 3, 1954, in which he expressed disapproval of the proposed merger of the Bethlehem Steel Co. and the Youngstown Sheet & Tube Co. and expressed the opinion that such merger would probably be in violation of the antitrust laws. In that announcement the Attorney General quoted with approval a statement in the report of the House Judiciary Committee on the Antimerger Act of 1950 concerning the meaning of an illegal effect upon competition as follows: "such an effect may arise in various ways; such as an elimination in whole or in material part of the competitive activities of an enterprise which has been a substantial factor in competition; increase in the relative size of the enterprise making the acquisition to such a point that its advantage over its competitors threatens to be decisive, undue reduction in the number of competing enterprises or establishments of relationships between buyers and sellers which deprived their rivals of the same opportunity to compete."

I also point out that had the Bethlehem-Youngstown merger been consummated, Bethlehem would have then had approximately 30 percent of the steel capacity, although it would have still been the second largest steel company. In contrast, the Attorney General's letter has approved the sale of 31 percent of the country's butadiene capacity to a single company, and this will be the largest company in its industry.

In the light of the foregoing, I would like to know upon what basis the Department of Justice foresees an unsatisfactory degree of competition in steel and a satisfactory degree of competition in butadiene?

ANSWER TO QUESTION 1

In complying with the Attorney General's responsibilities under section 3 (c) and (d) of the Disposal Act, the Department of Justice relied largely upon information submitted by the Rubber Disposal Commission, as well as data already available in Department files. Accordingly, the Attorney General's approval letter to Chairman Pettibone expressly notes "that on the basis of the information furnished to me by the Commission, I do not view the proposed dispositions as being in violation of the antitrust laws." Such primary reliance on Commission data as well as Department data already gathered, it seems clear, was envisioned by Congress in the Disposal Act.

Initially, Disposal Act section 3 (c) expressly requires the Commission to supply the Attorney General with such information as he may deem requisite to enable him to provide the advice contemplated by this section. Section 4 further evinces congressional intent to make the Commission the prime data source. That section provides that the "Commisison shall be furnished upon its request all available information concerning the Government-owned rubber-producing facilities in the possession of any

department, agency, officer, Government corporation * * * concerned with Government-owned rubber-producing facilities." Because of these provisions, we were enabled to and did secure information we considered necessary to a determination through the Commission, from each of the companies submitting proposals.

This congressionally intended emphasis on Commission data seems firmly rooted in the realities of disposal negotiations. For it was the Commission, not the Department of Justice, that dealt directly with potential plant purchasers. Moreover, bidders were forced to submit to the Commission, before bids were approved, much of the data relevant to the Department's task.

Beyond these business realities, Congress—enacting the disposal law—well knew that the Department of Justice had no process to compel production of that data prerequisite to performance of our duties under section 3 (c) and (d). In addition, the congressional requirement in section 9 (a) of a January 31, 1955, deadline for submisison of the Commission's disposal plan suggests Congress realized the Department would have little chance for a necessarily voluntary information search. Against this background, we conclude the congressional design was that this Department would meet its obligations under 3 (c) and (d), by reliance on Commission data, viewed in the context of a considerable knowledge and experience gained elsewhere.

To specifically answer your question then, as stated in the last sentence before question No. 2, we were satisfied that the recommended disposal program as such would not violate the antitrust laws, nor would there result an unreasonable restraint of trade or other violation of the antitrust laws, the moment these plants were transferred. It has not been our intent, however, in our letter of advice to the Commission, to go beyond the act of disposal, and for this reason we carefully stated that our approval was limited to this fact. Any antitrust violations which would thereafter occur will be dealt with vigorously under the antitrust laws (1) since section 3 (e) of the Disposal Act carefully provides that the antitrust laws are not impaired or modified in any way by reason of the proposed disposal, and (2) by virtue of the reservations contained in the letter of the Attorney General.

Answer to Question 2

In essence, question 2 asks whether *United States* v. *Columbia Steel Co.* (334 U. S. 495 (1948), would bar the Government's proceeding, under either Sherman Act section 1[1] or Clayton Act section 7, against future acquisition by synthetic-rubber plant purchasers of added plants to round out, or fully integrate their facilities. To my view, this decision is no such bar.

In Columbia Steel there was no section 7 charge. The Government charged that acquisition by Columbia, a subsidiary of United States Steel, of Consolidated, a west coast fabricator, (1) restrained competition in the sale of rolled and fabricated steel products, and (2) constituted an "attempt to monopolize the market in fabricated steel products" (334 U. S. 495, 498–499). Rejecting these charges, the Supreme Court emphasized that the Attorney General had previously approved the sale of the Geneva rolled-steel plant to United States Steel, and there was evidence in the record (p. 506) that this plant was to be Consolidated's source of supply.

Columbia Steel, apart from its market analysis guides, is direct precedent under Sherman Act section 1—not under Clayton Act section 7. Beyond that, even under Sherman Act section 1, Columbia Steel would be inapposite in any future proceeding involving a rounding out acquisition by any surplus synthetic rubber plant purchaser.

In Columbia Steel, the court noted that United States Steel's negotiations for acquisition of Consolidated began before the Attorney General approved United States Steel's purchase of the Geneva plant (334 U. S. 495, 506–507). Nowhere does that court emphasize, moreover, that these negotiations took place in secret—without the knowledge of the Attorney General. Accordingly, it might be urged that United States Steel's purchase of Consolidated could have been envisioned by the Attorney General before the Geneva sale was approved.

Under the rubber disposal program, in sharp contrast, maintenance of certain purchasers' imbalance capacity was stipulated as cruicial by the Department in approving disposal. Consider, for example, the disposal of the integrated west coast (GR–S) facility to the Shell Chemical Corp. Approving this purchase, the Attorney General expressly noted that the "prospective purchaser will have capacity for the production of styrene considerably in excess of the requirements of the adjacent copolymer plant, also to be acquired by the same purchaser. Shell has indicated that such excess capacity will be available for sale to other styrene users, both on the west coast and gulf coast. The purchaser intends to maintain stocks in both such areas to serve styrene consumers, principally operators of GR–S plants. In addition, the sale adds a new source of styrene supply for users of this raw material in the manufacture of polystyrene plastic."

For further example, note the sale of the Borger, Tex., plancor plant to Phillips Chemical Co. In its report to Congress, the Commission emphasizes that "Phillips has represented to the Commission" it deems its major market for the sale of copolymer to be the nonintegrated fabricators. Based on such representations, the Department of Justice granted antitrust approval. This virtual assurance not to integrate stands out in sharp contrast to the Columbia Steel-Consolidated negotiation prior to antitrust approval.

Answer to Question 3

There is an obvious distinction between the competitive importance of butadiene and GR–S. There are upward of 800 rubber fabricators of various sizes, including a substantial number of small-business enterprises in this Nation, dependent upon adequate supplies of rubber for their very existence. For practical purposes, the only source of synthetic rubber for these companies is found in the 11 copolymer plants to be disposed of under the proposed program. Within the limitations of transportation costs and similar factors, the potential operators of the 11 plants have a wide range of opportunity in which to dispose of their rubber production. On the other hand, the eight butadiene plants and their respective operators will be substantially limited in their choice of customers in the field of synthetic rubber because of the location and close physical connection between each of the butadiene plants and adjacent copolymer plants. Circumstances will dictate that in normal situations the dominant portion of the butadiene production used in the manufacture of synthetic rubber will be sold to such adjacent copolymer plants. It is evident, therefore, so far as practical competition is concerned, that there is a substantial difference between a partnership operating 31.8 percent of the butadiene capacity and a partnership operating 29.1 percent of GR–S capacity.

There is also a practical difference from a competitive point of view, between 4 companies operating through a single partnership 3 plants, and 4 companies operating 3 plants separately as proposed under the program. To the extent that there is the opportunity to sever a plant into two or more productive units for individual competitive operation, competition would of course be fostered. The operation of the three GR–S plants to be purchased by Goodrich, Gulf, Texas, and United States Rubber by a single partnership when not dictated by practical considerations would not be in harmony with the best interests of competition.

Finally, the 31.8 percent of butadiene capacity was concentrated at Port Neches, Tex., at the time of that plant's construction during World War II for reasons of technical efficiencies in the interest of national defense. Again, the Congress foresaw this problem of concentration in the butadiene field at the time of its enactment of the Disposal Act, but in its wisdom did not require that this plant be divided for purposes of sale. I can assure you that the Commission, at our urging, used every effort to secure separate bidders for a divided Port Neches butadiene facility with the view toward broadening the competitive basis in the butadiene field. Failing in this, the Commission resorted to the sole opportunity presented to it to avoid vesting the entire productive capacity of this plant in the hands of a single company by recommending the disposal of the Port Neches butadiene facility on an "undivided one-half basis" with safeguards in the contract of sale to assure competition between each of the participating companies. The alternative to permitting 4 companies to operate the plant would have been to permit 1 company to so operate (an alternative which the Congress did not see fit to prevent), which, purely from the point of view of concentration, would involve placing 31.8 percent of domestic butadiene capacity into the hands of a single company rather than having it divided among 4 companies as presently proposed.

Moreover, the commitments required of the 4 companies participating in the Port Neches purchase that they make approximately 24 percent of the plant's capacity available for sale on the open market, has the effect of mitigating the adverse factor of having a comparatively large share of total domestic butadiene capacity in the hands of 1 group.

Although the practical problems presented by the Port Neches butadiene disposal were not susceptible to a theoretically perfect solution from an antitrust point of view, the solution recommended was consistent with the standards set forth in the Disposal Act.

Answer to Question 4

I refer you to the letter of Deputy Attorney General Rogers to Congressman YATES, chairman of Subcommittee No. 3, House of Representatives Small Business Committee, dated March 14, 1955 (a copy of which is attached hereto) in which he stated that purchasers were still negotiating for patent licenses and had not as yet submitted any such licenses to the Commission or to this Department. Accordingly, we have not had an opportunity to examine them. The Commission stands ready to aid these purchasers and, in fact, is presently assisting them in obtaining the licenses called for by the wartime patent agreements. These agreements bind the private parties thereto to make available on reasonable terms to plant purchasers, on request of the Government, the same licenses which the parties received. We understand that the procedure is for the purchasers to indicate to the Commission which licenses are desired, whereupon the Commission specifically requests the patent

[1] Because of the obviously different histories of the steel and synthetic-rubber industries, I would consider Columbia Steel hardly relevant should an attempt to monopolize charge (sec. 2 of the Sherman Act) be leveled against any synthetic-rubber surplus purchaser.

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owners to grant such licenses as are required by the terms of the particular wartime agreements involved. In many cases, the purchasers will obtain licenses on their own initiative, or, as in the case of present plant operators, they may not need licenses.

MARCH 14, 1955.

Hon. SIDNEY R. YATES,
Chairman, Subcommittee No. 3,
House of Representatives Small Business Committee,
Washington, D. C.

MY DEAR CONGRESSMAN YATES: This refers to your telegram of March 9, 1955, addressed to the Attorney General, requesting information concerning synthetic rubber patent licenses and agreements in connection with your study of the report to the Congress of the Rubber Producing Facilities Disposal Commission.

The Rubber Commission has assured plant purchasers that it will assist purchasers to obtain patent licenses as provided for under the basic wartime agreements to which the Government is a party (see par. 3 of the appendices to each contract of sale set forth in exhibit F of the supplement to the Rubber Commission report). We have been advised by the Commission, however, that, in the main, purchasers are working out their own arrangements. Negotiations are still going on and no licenses as yet have been submitted to the Commission or to this Department.

The basic wartime Government-sponsored patent agreements have substantially been terminated except that licenses granted under existing patents prior to termination continue for the life of the patents, and such agreements are also in effect with respect to assuring similar licenses to plant purchasers.

In the copolymer field, the agreement of December 19, 1941, as amended June 21, 1942, provides for a royalty-free exchange of licenses (except as to buna rubber, for which a royalty is provided) among the signatories covering patents and technology on inventions reduced to practice up to March 31, 1949. In addition, the standard form cross license agreements (buna rubber) provide for free licenses to parties as to patents issuing prior to March 2, 1946. The Government as a party to these agreements has the power to transfer similar licenses to plant purchasers.

In the styrene field, the agreement of March 4, 1942, permits the use by plant operators of styrene patents of the parties signatory thereto subject to a royalty to be paid by styrene suppliers to the patent owners. Plant purchasers may obtain a license under the agreement as to patents and technology necessary to operate the plants, with a specified maximum royalty.

In the butadiene field, the general butadiene agreement of February 5, 1942, and the oil industry process agreement of February 5, 1942, as amended October 12, 1942, provide for royalty-free exchanges of licenses among the parties for patents up to April 28, 1952, with an obligation to license plant purchasers, at reasonable royalties under the general butadiene agreement, and not to exceed a maximum royalty under the oil industry process agreement.

The above constitute the primary wartime agreements. In general, it may be said that these agreements continue to the extent that the parties thereto retain licenses under existing patents up to respective cutoff dates, and that the Government may insist that plant purchasers be given licenses on the same patents upon terms specified in the agreements. In addition to the specific agreements mentioned herein, the Government has a continuing right to designate licensees under various research contracts as to patents developed in the course thereof.

The Commission, in reply to our inquiry, informed us that, in its opinion, the several wartime patent agreements in the copolymer, butadiene, styrene, and butyl rubber fields, to which the Government and the various patent owners are parties, will make available to purchasers of the plants all patents, technical information, and know-how necessary to competitive operation of these plants under private ownership.

I trust that the foregoing will answer the questions raised in your telegram.

Sincerely yours,

WILLIAM P. ROGERS,
Deputy Attorney General.

ANSWER TO QUESTION 5

Under the rules laid down by the Supreme Court in the Oil Cracking case (*Standard Oil Co.* v. *United States* (283 U. S. 163, 171)), this Department has attacked so-called closed patent pools, i. e., those whose advantages are restricted to members and are not freely open to all newcomers, in cases where the parties thereto were dominant in any industry or where there was an intent to unlawfully restrain trade. Cf. *United States* v. *General Instrument Co.* (87 F. Supp. 157).

ANSWER TO QUESTION 6

Your question assumes that a "patent pool will now be set up among the proposed purchasers." We have no knowledge that this assumption is correct. The wartime pooling arrangements in the synthetic-rubber industry were dictated by national-defense considerations. We understand that, initially, all companies desiring to participate were invited to do so. The licenses given were on a nonexclusive basis and no party was prevented from granting licenses independently. Thus, the cross-licensing arrangements, in our view, should not be characterized as closed patent pools.

You may have in mind that plant purchasers automatically will become members of existing patent pools. We do not consider this will occur. The cross-licensing arrangements in general have now been terminated except that (a) the parties retain nonexclusive licenses under patents issued up to certain cutoff dates (usually related to the end of World War II), and (b) the parties have agreed to grant the same licenses on reasonable terms to plant purchasers at the request of the Government (see Deputy Attorney General Rogers' letter to Congressman YATES, dated March 19, 1955). Plant purchasers as a rule are not obligated to cross-license their own corresponding patents, although this is a condition to obtaining royalty free licenses under the Buna rubber agreements.

The research contracts between the Government and the various patent owners entitle the Government to designate nominees to receive free licenses and this is not limited to plant purchasers. The other (cross-licensing) agreements do not specifically entitle others than plant purchasers to licenses under the patents covered, but, as has been mentioned, the individual patent owners are not precluded from granting licenses to others on their own patents. It should also be kept in mind that a great part of the technology in the synthetic-rubber industry is now in the public domain.

We understand that many plant purchasers have been negotiating licenses with individual patent owners outside of the wartime agreements, and it would appear that newcomers could obtain similar licenses on the same terms. The Standard Oil Co. (New Jersey), major owner of the butyl patents, has indicated an express policy of licensing all applicants on reasonable terms. Many patents in this and other fields are also available by virtue of the antitrust decree in *United States* v. *Standard Oil Co. (New Jersey)* (Civil 2091, D N. J.). If it should develop, however, that any dominant group of owners of significant patents in the synthetic-rubber industry, whether or not they purport to act under wartime agreements, should, in concert, refuse to license others on reasonable terms while enjoying cross-licenses themselves, the Department of Justice will take appropriate steps to remedy this situation.

ANSWER TO QUESTION 7

We can assure you an affirmative answer to this question. For example, we can specify "all product and process patents now necessary for successful operation" of the plants. The wartime patent cross-licensing agreements in the synthetic-rubber field all contain provisions binding the parties to grant similar licenses to plant purchasers, and the Department does not have any doubt as to the enforceable nature of such commitments. From discussions with the Rubber Disposal Commission, it appears that technology now in the public domain, together with that available under the wartime agreements, will be sufficient for plant operation, if indeed that technology is actually necessary in the GR–S field.

ANSWER TO QUESTION 8

The situation with respect to the sale of aluminum plants was different in significant respects from the present sale of the synthetic-rubber plants. The Aluminum Co. of America (Alcoa) had been practically the sole producer of aluminum ingot, and had been adjudged a monopolist in an antitrust suit (*United States* v. *Aluminum Co. of America* (148 F. 2d 416)). Furthermore, Alcoa offered to grant royalty-free licenses to plant purchasers only with respect to its alumina processing patents and this was conditioned upon the grant back of reciprocal licenses; as to other patents, it charged royalties. Presumably Alcoa made the offer to license its patents with some view, at least, to forestalling divestiture or other action by the court in the antitrust suit since relief proceedings therein had been postponed pending disposal of the plants built in wartime. (See *United States* v. *Aluminum Co. of America* (91 F. Supp. 333, 405–414)). It has been noted above that free licenses may be obtained by plant purchasers or by others in the synthetic-rubber industry as to patents developed under Government research contracts. Further, a free license may be obtained by a plant purchaser in the copolymer field under the buna rubber cross-licensing agreements although such purchaser must agree to license its own corresponding patents, if any.

ANSWER TO QUESTION 9

You inquired as to how much surplus production the major tire companies would have at their gulf-coast plants after supplying the requirements of their more eastern markets as a basis for determining whether the small rubber fabricators will have adequate supplies of rubber at fair prices. During the years 1952–54 inclusive, the four major rubber fabricators purchased from the Government a total of 376,100, 378,700, and 260,300 long tons. These purchases were for delivery to all of the fabricating plants of these companies wherever located.

Under the proposed disposal program, the total GR–S capacity to be purchased by the four major rubber fabricators is 444,600 long tons. In the extraordinarily high demand year of 1953, there was a GR–S demand of 658,000 long tons. This included a demand of 379,000 long tons on the part of the four major fabricator purchasers. Under the contracts of sale, these rubber companies are committed to make available to small business approximately 80,000 long tons, whenever production is as close to capacity as it was in 1953. This, of course, would reduce the amount of rubber available to the four majors from their own plants to 364,600 long tons. They would require from outside sources, therefore, only about 14,100 long

tons in order to balance their historic demand. This amount may come from Shell. In fact, it is very likely that in order to avoid the adverse freight factor involved in shipping rubber from the gulf coast to their west-coast plants, they may purchase more than this amount from Shell. However, should they do so, they would be releasing for sale to others from their gulf-coast plants, an amount equal to every ton in excess of 14,100 tons which they take from Shell. The Shell capacity is 89,000 long tons. Thus, even in a peak demand year, based on historic consumption as shown by Government sales figures, there will be available to others than the Big Four, either from Shell or on a matching basis from the Big Four, approximately 74,900 long tons.

Question 9 also asks for an explanation of why the major tire companies accounted for 90 percent of 1954 sales from the west-coast plant. With the program in Government hands, all production has been scheduled by the Government operating agency, all purchase orders have been filed in Washington, and all directions for shipments have originated in Washington. Because the Government applies a uniform freight charge to all purchases (which is an average programwide freight), the Government can order shipments from any plant in the program to any part of the country. The 90-percent figure in reference to the Shell plant includes shipments from that plant to eastern fabricating plants of the Big Four. Shipments to west-coast plants of the Big Four from the west-coast copolymer plant have averaged about 75 percent of that plant's production. This, too, however, was Government scheduling for Government convenience and cannot be relied upon as a guide for private distribution. As discussed above, should demand reach the high level it reached in 1953; the Big Four can be expected to require only about 16 percent of the capacity of the west-coast plant, and any amount which they may purchase in excess of this will release equal tonnages from their gulf-coast plants for sale to others.

ANSWER TO QUESTION 10

We are fully aware and have taken into consideration in our review of the proposed disposal program, the fact that certain of the major rubber fabricators who are prospective purchasers of the copolymer plants have contracts with petroleum companies relating to the distribution of rubber tires and tubes through petroleum company dealers and distributors. It is, of course, difficult to assess the effect of such contracts on other relations between these companies and whether such rubber fabricators would purchase rubber supplies from the petroleum company owners of rubber-producing facilities. You cite specifically the agreements between Shell Oil Co., the prospective purchaser of the Los Angeles copolymer plant, Plancor 611, and the Firestone Tire & Rubber Co., and the Goodyear Tire & Rubber Co., the prospective purchasers of copolymer plants in Ohio and on the gulf coast, discussed on page 158 of the supplement to the Rubber Commission's report to the Congress.

Whether the existence of these contracts between rubber and petroleum companies relating to the distribution of rubber products through petroleum company dealers, commission distributors and jobbers will result in the major rubber fabricators buying synthetic rubber from a petroleum company to the detriment of small-business enterprises, is difficult to answer definitely, since much will depend upon market conditions as they will exist at the time the Government-owned plants are placed in private hands, and the extent to which the major rubber companies will get their own demand for GR–S from their own producing facilities. It is reasonable to assume that the major rubber fabricators will have their own GR–S facilities and supply their own needs rather than purchasing on the open market, particularly in cases where GR–S rubber may be in short supply and may be selling at an inflated price, the type of circumstances wherein small nonintegrated rubber fabricators would be most apt to suffer. A GR–S rubber producer would not normally be expected to purchase GR–S on the open market or even from a producing company with whom it might have other contractual relations when there is available within its own integrated setup available capacity for GR–S production.

Figures available to us indicate that these two companies, whether considered together or individually, will have greater capacity for GR–S production if they become purchasers of the plants as proposed, than they consumed in the latest year for which figures were available. This fact coupled with the expressed intention of Firestone, Goodyear, and Shell to make available stated portions of their respective production to small business would appear to assure, as reasonably as can be expected, that small fabricators on the west coast will not suffer because of the existence of the agreements to which you referred. Moreover, Shell in the appendix to its contract of sale proposes to offer its entire production of GR–S rubber produced at Plancor 611 to consumers in the marketing area west of the Rocky Mountains on both contract and spot sale base, with excess production to be offered outside that area. Since it is logical to assume that Shell may have difficulty competing with the Gulf GR–S plants in areas east of the Rocky Mountains because of the differentials in transportation costs, Shell can be expected to attempt to initially dispose of its production in the Pacific coast area.

It was our expectation that the establishment of Shell (a nonrubber consuming, financially strong, integrated petroleum company), as a major producer of GR–S on the west coast would provide the predominant source of supply of GR–S for nonpurchasers of synthetic-rubber plants on the west coast, including the small rubber fabricators in that area, as well as to serve as a strong competitive factor to the major GR–S producers elsewhere against a rise in GR–S.

ANSWER TO QUESTION 11

Your question relates to the provisions of the contracts of sale between the proposed plant purchasers and the Rubber Commission concerning the availability of certain specific percentages of the production by these purchasers to be made available to small business, and you inquire generally and specifically as to the enforceability of these contracts and the rights of small business enterprises thereunder.

You will recall that the function of the Attorney General under the Disposal Act is limited to advising the Commission with respect to the antitrust considerations involved, and consequently it was not our purpose to, and we did not in fact, review each of these contracts as to legality other than from an antitrust point of view.

We of course did, however, have a major and direct interest in the provisions of these contracts, particularly those provisions in the appendix relating to the undertakings of the plant purchasers to make a portion of the plant product available to nonintegrated and small-business enterprises as defined in section 21 (h) of the Disposal Act. We consulted with representatives of the Commission on several occasions with respect to these very provisions and were given an opportunity to examine samples of the language proposed to be inserted in the several appendices to the contracts. During these consultations we advised the Commission that while we were not in a position to determine which of the forms would be best in any or all cases, we felt that the language used should be as definite as possible to minimize the chance that a prospective purchaser would subsequently attempt to avoid performance on his undertaking. We also urged that with respect to the amount to be set aside in each case, that such amount be as high as could be obtained. We also suggested that since there was the possibility that a plant purchaser might produce only enough rubber to account for his own needs, thus by indirection depriving small business of a fair share of the plant capacity, that the Commission consider the advisability of basing the undertakings on plant capacity rather than on actual production.

It is our view that these commitments by the prospective purchasers were inducements of such a nature as to warrant both the Commission and the Attorney General to approve the sales in the manner proposed to the Congress. We feel that these representations constitute a material provision of the several contracts and from an antitrust point of view are vital to these agreements. The language is not that which we would have preferred in every case. The individual appendices were drafted to suit the circumstances presented and as a result, various interpretations are entirely possible. While we do not rule out the possibility of a suit by small-business enterprises as third-party beneficiaries against plant purchasers, we do recognize the difficulties, both practical and legal, that may be faced by injured business enterprises.

We also recognize the difficulties that may be made in attempting to determine which business enterprises fall within the classification of "small-business enterprise" as defined in section 21 (h) of the Disposal Act. We called this deficiency to the attention of the Congress during its consideration of the disposal legislation in June 1953, by raising the question of the adequacy of the definition, pointing out that in our view the definition as drafted was not sufficiently descriptive of the type of company to be included within its terms.

It is our considered view, however, that in spite of the above problems that may be presented, these contracts are enforceable against the plant purchasers for the benefit of the small-business enterprises concerning whom they were drafted. It is our purpose to insure that the cognizant Government agency charged with the administration of these contracts guards the rights of the small-business beneficiaries.

I might add in conclusion that the Commission has informed us that in their view these contracts are enforceable against the plant purchasers.

ANSWER TO QUESTION 12

In our view the term "competitive price" would signify that price that would result from the forces of competition exerted by arm's-length competitors in the market place. It is our hope that the 9 companies who it is proposed are to purchase the 11 copolymer plants will provide a sufficiently broad competitive base to encourage such competition concurrently with the commencement of private operation of the plants. Out of this competition it would be expected that a market price would result which could be denominated a "competitive price" and which would be determinative of the price which the major integrated rubber fabricators would charge themselves, their subsidiaries or divisions. I realize that inherent in this situation is the possibility that the price that the integrated fabricators may charge themselves may in fact become the price that will be used in the marketplace. This, of course, would not constitute the "competitive price" contemplated by the provisions of the sales contract.

I am also cognizant of the dangers that are inherent in a situation where a substantial part of the GR–S capacity comes within

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the control of integrated rubber fabricators with only an insubstantial amount free to be sold on the open market. Such a situation would provide an environment conducive to illegal manipulation of the market price. Should the integrated rubber companies utilize most of their output in their own integrated operations, they may exert only a limited influence in the determination of the market price, leaving the nonintegrated sellers of GR–S to exert the primary influence. It is this factor that makes the commitments on behalf of the plant purchasers that they will offer a specified percentage or amount of their production to small-business enterprises so important.

I might also point out, however, that the fact that there is a difference between the price that the integrated rubber fabricators charge themselves for GR–S rubber and the price that will be found on the open market would not alone signify that the former is not a "competitive price." The price that the integrated rubber companies charge themselves will of course depend upon the manner in which those companies maintain their accounts, i. e., whether the GR–S consumed is to be entered upon the books at cost, at the prevailing market price, or in accordance with any one of the several other accounting methods available.

ANSWER TO QUESTIONS 13A, 13B, 13C, AND 13D

I am indeed familiar with the matter you describe. There are now pending in the District Court for the District of Columbia 20 suits for declaratory judgment and injunction against enforcement of the Federal Trade Commission's quantity-limit rule 203–1. Plaintiffs include 15 of the 21 manufacturers in the industry, 3 purchasers who buy tires on a cost-plus basis (Montgomery Ward, Western Auto, and American Oil), a farmer cooperative purchasing association, and a number of dealers who purchase on an annual volume basis.

The rule, which was issued pursuant to the quantity-limit proviso of section 2 (a) of the Clayton Act (15 U. S. C., sec. 13 (a)), provides, in effect, that the largest quantity discount that any seller of tires and tubes can grant is the one that he grants on a carload of tires and tubes. Its purpose is to aid independent dealers by abolishing the unjustly discriminatory volume discounts that have been granted a few large purchasers of tires for a number of years in the past.

The Commission initiated its investigation into quantity limits in the tire industry by resolution dated July 7, 1947, and held hearings on the proposed rule in February 1950. A suit by Goodyear Tire & Rubber Co. to enjoin the Commission from holding its hearings was dismissed by the District Court for the District of Columbia on the ground that the suit was premature because no quantity-limit rule had yet been issued (*The Goodyear Tire & Rubber Company, Inc.*, v. *Federal Trade Commission* (88 Fed. Supp. 789 (1950))).

The Commission issued its Quantity Limit Rule 203–1 on December 13, 1951. The complaints in these 20 suits for injunction against enforcement of the rule were filed between March and July of 1952. A motion by the Federal Trade Commission to dismiss the complaints for lack of jurisdiction over the subject matter was granted by the district court, but the order of dismissal was reversed on appeal. *American Oil Company* v. *Federal Trade Commission et al.* (208 Fed. 2d 829).

The Antitrust Division of the Department of Justice then took over the defense of the rule, under my direction. This was approximately a year ago. We answered the complaints in the 20 cases. In a serious effort to prevent delay we were successful in having all 20 cases consolidated for purposes of pretrial and trial. We are now endeavoring to effect consolidation for purposes of a motion for summary judgment, which we have notified opposing counsel we intend to file shortly. If the motion is granted, the litigation in the district court should be terminated sometime this spring. However, if plaintiffs prevail in their contentions that there are genuine issues of material fact involved in the cases, they will go to trial this autumn, according to the best estimate of the clerk of the district court.

The discriminations complained of by the Federal Trade Commission are still being practiced in the industry, the effective date of the rule having been stayed by an order of the district court.

The discriminations at which Quantity Limit Rule 203–1 is directed are discriminations by manufacturers against small dealers and in favor of large-volume purchasers, all of whom are customers of the manufacturers.

It is anticipated that the rule will eliminate the discriminations at which it was aimed, but it has its limitations in that the quantity limit proviso authorizes the Commission to abolish, by establishing quantity limits, only those discriminations which are based on quantity.

ANSWER TO QUESTION 14

U. S. v. *Rubber Manufacturers Association, Inc., et al.* (Cr. 126–193 (S. D. N. Y.)), involving rubber tires and tubes; *U. S.* v. *The Metropolitan Leather and Findings Association, Inc., et al.* (Cr. 128277 (S. D. N. Y.)), involving leather and shoe findings; and *U. S.* v. *Association of American Battery Manufacturers et al.* (Cr. 17652 (W. D. Mo.)), involving the distribution of used batteries were all criminal antitrust cases, and as such did not result in a court order which must be complied with by the defendants.

U. S. v. *Association of American Battery Manufacturers et al.* (Civil 6199 (W. D. Mo.)), was a civil case which charged the defendants with making illegal agreements involving the distribution of used batteries and lead salvage therefrom. Since there is little if any relationship between the field of synthetic rubber and that of the distribution of used lead batteries, we did not feel it requisite to determine whether the orders of the court in this case were being complied with in connection with our consideration of the disposal program. We have, in fact, made no independent investigation to determine whether the practices admitted or found in the above cases have been stopped by the defendants. We have, however, maintained the same degree of surveillance over the civil judgment involved as we do over all other antitrust judgments and decrees enjoining the continuance of illegal activities concerning which we have instituted proceedings.

You understand, of course, that a determination whether the court's enjoinders are being complied with is a matter which would require extensive and comprehensive field investigation and which would encompass a substantial period of time generally in excess of that provided for our consideration of the rubber plant disposals.

I might also add that I do not share the view that because a company has been charged with violating the antitrust laws and has pleaded nolo, has been convicted, or suffers restraining enjoinders by court order, it is thereby ineligible to become a purchaser of Government property, including synthetic rubber plants. I believe that had the Congress intended that such proceedings and adjudications be a bar to purchase, that such a criterion would have been included as one of the provisions of the Disposal Act. This would appear to be particularly true since the Congress had placed before it for its deliberation the antitrust record of the anticipated bidders, including the major rubber companies, at the time it was considering disposal legislation.

ANSWER TO QUESTION 15

You inquired whether I can assure the Congress that in the event the Department wins the case of *U. S.* v. *National City Lines, Inc., et al.* (Civil 49C1364 (S. D. Cal)), (a case involving a conspiracy to acquire ownership and control of local transportation companies in various sections of the United States and an alleged attempt to restrain and monopolize interstate commerce in motorbuses, petroleum products, tires and tubes sold to local transportation companies), that the trade restraints charged in this proceeding will be effectively eliminated. As you, Mr. PATMAN, particularly well realize, it is impossible to assure that any defendants will abide by the antitrust laws, or the Government's interpretation of those laws, in any particular set of circumstances. In this case we prayed (1) that the court grant an injunction against the continuance of defendants illegal practices, (2) for cancellation of the illegal supply contracts, (3) that supplier defendants be required to sell their stock in National City Lines and its affiliate companies, (4) for such divestiture of National's holdings in local transportation systems as is necessary to dissipate the effects of the illegal conspiracy, and (5) that the local transportation companies controlled by National City Lines buy their supplies by competitive bids.

As you are no doubt aware the Government is not always completely successful in securing all of the relief which it may request in a particular proceeding. The case to which you refer is, of course, still pending and I am unable at this time to assure you that the defendants will strictly adhere to such enjoinders as the court may grant, in the event the Government wins this case. I can assure you, however, that it is my purpose to be constantly vigilant in attempting to create and maintain a competitive economy in the fields covered by the National City Lines case.

ANSWER TO QUESTION 16

You ask about a pending antitrust case, *United States* v. *Standard Oil Co. of California, et al.* (Civil 11584–C, S. D. Cal.), which charges the major oil companies with a conspiracy to monopolize the production and transportation of crude oil and the production and distribution of petroleum products in the Pacific States area. I do not feel that it is proper for me to comment upon this pending case except to say that it is being actively prosecuted by the Department of Justice. It is for the court to pass upon this case after a full presentation of all of the evidence.

It is true that the so-called Mother Hubbard case (*United States* v. *American Petroleum Institute* (Civil 8524, D. C. for D. C.)) was dismissed by the Government without prejudice in 1951 to be superseded by separate actions involving fewer defendants. The Standard Oil Co. of California case involves similar issues.

We did not believe that we should turn down prospective purchasers for synthetic rubber plants on the ground that the Government had charged them with monopoly. Presumably, if they are found in violation of law in the oil industry, the court will provide adequate relief to reestablish competitive conditions therein. If found in violation as charged, it will be up to the court to determine what the remedy should be.

ANSWER TO QUESTION 17

The same comments given in answer to question 16 are applicable to your question with respect to the pending International Oil Cartel case (*United States* v. *Standard Oil Co. (N. J.) et al.* (Civil 86–27, S. D. N. Y.)).

ANSWER TO QUESTION 18

In our consideration of the disposal program we were aware of the various international meetings, conferences, and conclaves held to discuss the world rubber situation. We have, in fact, met with representatives of the Department of State to explore some of the problems involved in this field. In addition to the question of whether activities abroad in this field violate the antitrust laws, it is needless to point out that this subject involves a complex of many factors, not the least of which involves serious problems of international relations, our domestic tariff policy, national defense, and others.

The record shows that the Department of Justice is actively engaged in enforcing our antitrust laws with respect to illegal activities in foreign trade coming within the jurisdiction of our courts. Of course, we cannot legislate competition in foreign markets but we can insure that the free play of the forces of competition in foreign trade will not be obstructed or restrained by illegal agreements.

ANSWER TO QUESTION 19

The implications suggested by this question, in my opinion, are based upon a misconception as to the ownership and manner of operation that is contemplated at the Port Neches butadiene facility. While it is true that these facilities represent approximately 31 percent of the capacity of the industry for the production of butadiene, the proposed program does not contemplate their being placed under the ownership or control of a single company. Rather, four financially strong, sound companies will participate in this operation. This alone is an important distinction between this situation and the Bethlehem-Youngstown proposal. We have been assured by the Rubber Commission that the method of operation of these facilities will be such as to create competition between the participating companies with respect to the butadiene produced.

There is another important distinction between these two situations that should be mentioned. In the Bethlehem-Youngstown proposal there of course would be no competition between these two companies upon consummation of the merger proposal, whereas it is anticipated that competition between the two jointly owned companies participating in the Port Neches proposal will exist. The Commission believes that there will be genuine competition between them under the scheme of operations contemplated.

Further, the Port Neches situation involves facilities which, according to our information, cannot feasibly be physically divided. Thus, the alternative to permitting several companies to operate the Port Neches facility on a competitive basis would have been to permit 1 company to operate the plant, giving it approximately 31 percent of the total industry capacity. As we pointed out in a previous question, Congress was aware of this danger at the time the Disposal Act was enacted but gave no indication that a physical dissolution of these facilities was prerequisite to a sale. The Bethlehem-Youngstown situation, of course, involves numerous facilities not physically connected and not previously integrated, which would be brought under single ownership and control, a condition not found under the Port Neches proposal.

Mr. MORSE. Mr. President, I would like to bring up another aspect of this sale that disturbs me. I am thoroughly dissatisfied with the national-defense clause that is incorporated in the present contract. It seems to me that we should add some provisions to that clause. One of the basic changes that must be made in it, in my opinion, involves the question of what price the Government will have to pay for rubber in the event that another national emergency requires great military consumption of synthetic rubber.

The last item about this entire deal that I want to discuss is the sale price we are getting for these facilities. The Commission may add all kinds of figures and come up with a grand total of some $400 million as a sale price, but the hard fact remains that the actual price we are getting for these plants falls about $150 million short of that tidy sum. Even if the rubber manufacturers ask only the price that has been asked by the Government, they stand to make a profit—after taxes—that, at the very least, would amount to $25 million a year, and Senators can believe me when I say that that is a very conservative estimate. One immediate item of profit that they are going to receive, which the Government did not, is the 1-cent-a-pound fee that the Government paid them for producing rubber while these plants were under the Government. If we multiply 1 cent a pound times something like six or seven hundred thousand long tons of synthetic rubber that can be produced we have a tidy sum.

I want to make it clear, Mr. [illegible]ent, that my figure of profit for p[illegible]e industry does not include what would be their profit if they adopted a rapid rate of depreciation on these plants or raised the price of rubber. Remember, they have said that they will raise it.

In closing, Mr. President, I want to make it clear that I am for the sale of these facilities. But we are selling something that belongs to the people of the United States. We are selling something that they paid for and took the risk upon. We are selling it at a time when it is returning something like $50 million a year profit, on the average, over the last 4 or 5 years. Even after taxes, it is $25 million.

The Senate of the United States, as the representative of the interests of a people selling a tremendously profitable asset, does not have to go, hat in hand, begging these giant corporations for a fair sale price; nor does the Senate of the United States have to kindly ask these companies if they will please be real nice and not monopolize the synthetic-rubber industry of the United States.

It is our duty to tell them what the people want in the way of price and protection. This is our last chance to do it. It is our duty to tell them that we are going to write into the contracts protection against vertical monopolization of the rubber industry in this country. It is our duty to tell them that we are going to put a check on the trend toward economic fascism in this country on monopolistic control of our economy by big business.

I pray—and this is something that we should pray for—I pray that the Senate will come to its senses before it is too late, and reject the report of the Rubber Commission, and then proceed to live up to its clear duty of writing protection into these contracts along the line I have argued for this afternoon, in order to protect the people of this country.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point telegrams and letters I have received on this subject.

There being no objection, the telegrams and letters were ordered to be printed in the RECORD, as follows:

NASHUA, N. H., *March 16, 1955.*

Hon. WAYNE MORSE,
United States Senate,
Washington, D. C.:

Object to synthetic disposal program. Feel that it would jeopardize future of small rubber companies.

BEEBE RUBBER CO.,
E. COLEMAN BEEBE.

GETTYSBURG, PENN., *March 17, 1955.*

Hon. WAYNE MORSE,
Senate Office Building,
Washington, D. C.:

We oppose the sale of synthetic rubber plants to private industry on information obtained as it will be detrimental to the independent rubber manufacturers of rubber commodities.

VICTOR PRODUCTS CORP. OF PENNSYLVANIA,
JOHN L. MILLARD, *President.*

DOYLESTOWN, OHIO, *March 14, 1955.*

Hon. WAYNE MORSE,
United States Senator From Oregon,
Senate Office Building, Washington, D. C.

DEAR SENATOR: As one who spent over 30 years of management in the rubber industry, I am writing to urge you and encourage you in your efforts to stop the sale of our (the peoples') synthetic rubber facilities, built by the sweat of taxpayers and blood of fighting men, when the present bids are for monopoly or control of the industry and mean our dependency on big capital at big profits in another emergency. Certainly this sale is not in the national health, safety, or interest, and as what looks like "a big steal" should be stopped before real damage is done, and it is too late. Republicans, flush with victory, are making a Democrat out of me too.

Sincerely,

E. P. WECKESSER.

PORTLAND, OREG., *March 8, 1955.*

The Honorable WAYNE MORSE,
United States Senate,
Washington, D. C.:

We protest the sale of our synthetic rubber plants to private enterprise at giveaway prices.

J. W. GILLESPIE.

PORTLAND, OREG., *March 7, 1955.*

Senator MORSE.

DEAR SIR: I am enclosing a clipping from the paper and am asking you to give it your consideration, if it is possible.

To me this appears to be some more of the present administration's giveaway policy. I would like to hear your views on this.

Sincerely yours,

PALMER ROBERTSON.

ALOHA, OREG., *March 9, 1955.*

Senator WAYNE MORSE,
Washington, D. C.

DEAR SENATOR: I am deeply concerned about an article in the Oregon Journal, March 7, which I am sending you and hope you will do something to remedy the situation.

I admire your sound judgment and the courage to stand by your convictions, so I know that you will take a hand in this sellout.

Most sincerely.

MAUDE E. MILSTEAD.

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SOUTH PASADENA, CALIF., *March 11, 1955.*

DEAR SENATOR MORSE: We spent 2 days this week with friends from Oregon. A portion of the time was spent in trying to convince them it was necessary these days to read and study all the facts concerning our national interests instead of accepting one train of thought. If they did, they wouldn't vote just because it is Ike running.

Hope you receive some cooperation from them and their group.

Another reason I'm writing is our great concern about release of rubber factories to the various tire companies at such low figures. With the uncertain world conditions we face today, with the date of March 26 as deadline, if Congress doesn't act at once, another big-business grab is in the making.

I know you are well aware of this and the pressure of many other situations like it.

But we just want you to know we, too, are interested.

Wish you the best of luck always.

Sincerely,

Mr. and Mrs. H. B. KREBS.

MONROVIA, MD., *March 11, 1955.*

Hon. WAYNE MORSE,
United States Senate,
Washington, D. C.

MY DEAR SENATOR: Enclosed is a clipping from today's Washington Post. Of course, I know that Drew Pearson has to grind out a column every day, but somehow, there seems to be substance to his story. I commend it to your attention as fides defendor.

I was fortunate enough to be present at George Washington University on Wednesday evening and was much impressed by your enunciation of standards of integrity in government and your belief in them.

Sincerely yours,

M. F. KAHN.

PORTLAND, OREG., *March 9, 1955.*

Senator WAYNE MORSE,
United States Senate,
Washington, D. C.

DEAR SENATOR: In yesterday's Portland (Oreg.) Journal, Drew Pearson wrote about the giveaway proposal of the Nation's rubber plants, even citing that in 1954 they earned $73 million profit, yet are being offered in total for $260 million, and while you undoubtedly know about this, as a taxpayer, I wish to urge your immediate attention in checking into the matter.

I am a registered Republican, but it seems to me that the big idea with the Interior Department and others in the Cabinet as well as a lot of Congressmen is to try to make the big boys bigger, and this at the expense of the taxpayer.

Appreciating your attention, I am,

Sincerely yours,

CARL J. BAILER.

LITITZ, PA., *March 12, 1955.*

Senator WAYNE MORSE,
Washington, D. C.

DEAR SENATOR: I see by the papers, Drew Pearson's column as of March 11, that unless Congress acts to block it before March 26, the synthetic rubber plants will virtually be given to private interests. Mr. Pearson figured at about 15 cents on the dollar. What is the matter with Eisenhower? He should have his head examined.

May I urge you to oppose this treacherous motion with all the vigor that lies within you. Eisenhower must be stopped before he strips the country of its resources.

Then, too, I think we are meddling too much in Asia. Chiang Kai-shek does not deserve our support when it may ultimately drag us into a war that might destroy all civilization.

Thank you for the invaluable services you have rendered our country, and your bold and fearless opposition against all forces of evil. I am eternally grateful to you for that.

JEROME K. GREINER.

SCRANTON, PA., *March 12, 1955.*

Senator WAYNE MORSE,
United States Senate,
Washington, D. C.

DEAR SENATOR: I am troubling you because I feel sure our two Senators from Pennsylvania are not in favor of my idea. I think we should keep the synthetic rubber plants. To me it seems that we are making a present of these plants to a few companies. I understand that the production has been cut down thus creating a shortage in rubber.

Mighty nice for those taking over these plants. I remain,

Yours truly,

WILLIAM BARTLEY.

USEPPA ISLAND CLUB,
Boca Grande, Fla., March 11, 1955.

DEAR SENATOR: I like to think of you in a national crisis, or scandal, or gyp, and so I turn to you as a last resort, it is getting late. Our synthetic-rubber plants are to be handed over—lock, stock, and barrel—to the big rubber interests on March 26 (on a golden platter). Two hundred million dollars for all that investment; the plants bring in a profit of more than that in 4 years. In the final, the plants won't cost 'em anything, scot free. Gad, Wayne, don't let it happen. Make 'em pay a reasonable price and take all of them, not just the cream, it would be wise for the Government to retain 'em, the way the Commies are closing in, in the Far East. Please get in there and block this lousy deal, for God sake—if you can. If you start the ball rolling you will have help surely.

C. E. JEWELL.

PORTLAND, OREG., *March 8, 1955.*

Senator WAYNE MORSE,
Washington, D. C.

DEAR SENATOR MORSE: We wish you to know that we are very opposed to the Government selling the rubber plants to private industry as these plants are much too necessary in case of war. Private industry would only increase the price of rubber and make profits for a few.

There is too much talk of the partnership plan—when that plan is only to help the rich become richer.

We appreciate your efforts in trying to work for the good interest of our State and our country.

Sincerely,

JEAN MCNEEL.
J. C. MCNEEL.

SCOTTSBLUFF, NEBR., *March 14, 1955.*

Senator WAYNE MORSE,
Senate Office Building,
Washington, D. C.

DEAR MR. SENATOR: We wish to commend you on your efforts to promote publicly produced power projects, most economically, as in the current Hells Canyon controversy. I am not familiar enough with the two possibilities to know exactly but it seems you are urging the better project, in that private power interests will not have the advantage.

Also just as difficult is to check the turning over of publicly built synthetic rubber plants to three or four private companies. While the Senate haggles over a $20-plus cut in income tax, the rubber users, which include us all, may lose thousands of dollars every year in increased cost of rubber and associated products. It is a critical time to lose our partial control of that important commodity.

God bless your work in behalf of people in general.

Yours respectfully,

ELIZABETH GROSS.
R. G. GROSS.

SANTA BARBARA, CALIF., *March 8, 1955.*

Senator WAYNE MORSE,
Senate Building,
Washington, D. C.

DEAR SIR: Surely the Senate will not let the President give away our synthetic rubber plants when they have made about $78 million profit the last year and when the Communists are pushing closer and closer to the rubber producing part of the world. I hope you will oppose this giveaway.

I would also like to know why the United States has refused to let about 2,000 Chinese students go home who have been trying to get the permission to go for a year or more? We have raised a great hullabaloo about 20 Americans being held by the Chinese Communists. Seems rather inconsistent does it not? Maybe if we would play the game they might also.

I understand this will be done March 21.

Yours truly,

HARLAN R. STONE.

MARCH 14, 1955.

Senator WAYNE MORSE:

We are utterly opposed to the Government sale of synthetic rubber plants. Thus far we could get no positive assurance from prospective purchasers as to deliveries or price and we are afraid this will eventually put us out of business. Please do your best to prevent the sale.

BRADSTONE RUBBER CO.,
I. V. STONE, *President.*

TROY, PA., *March 14, 1955.*

Hon. WAYNE MORSE,
Senator, Senate Office Building,
Washington, D. C.

DEAR SENATOR MORSE: Since I have more confidence in you than any other Member of Congress, I seem to trouble you most with the things over which I feel concern about in the Government.

Perhaps you read Drew Pearson's column Synthetic Rubber Already Short as United States Sells Plants, in which he said that unless Congress acts to prevent it, the plants will be sold by March 26 to private companies for a price just four times the annual profit average of these plants. It seems absolutely tragic to us, that this, and other Government projects or property, in which the taxpayers' money was invested, should be turned over to private interests to take the profit on the investment which rightfully should go back to the United States Treasury in order to lessen the burden of taxation, especially for the lower income group who need a subtantial tax break so much. ($20 per person is inadequate at present prices and $10 isn't a drop in the bucket—the whole $10 could be spent at one time just for groceries alone, and still not have more than a market basket full.)

Besides, with a constant threat of war facing the United States, the Government may need these rubber factories at any time, for war supplies. Why should the Government be allowed to sell them to private companies and then have to buy the rubber from them at a much higher cost to the taxpayers?

It just sends my blood pressure soaring every time I think of the way President Eisenhower and his Cabinet have been turning over publicly owned Federal property to private interests without the knowledge or consent of the public, whose money was invested in these projects and who should receive the benefit of the returns on these investments, instead of some selfish private concern being allowed to take over and reap all the profit from the public's investment.

I know that you have already fought hard and long to prevent the "giveaways" and to protect the public interest; and I truly hope that you have not become too exhausted or discouraged from it to fight some more to prevent all present and future giveaway

plans of this administration. (How we wish that you were the President of the United States—I am sure that there is no one better qualified or more deserving of it than you. The Democrats should be flattered to have you join their party and since you have, I plan to suggest your name for the Presidency to the Democratic National Committee.)

Hope you are successful in your efforts to secure Federal construction of Hells Canyon Dam.

Is it not possible to rally enough public-minded Congressman to act before March 26 and prevent the administration from turning the Government rubber plants over to private companies? I truly hope so, for I am deeply disturbed over the loss it would mean to the public.

We have always felt deeply grateful to you for sacrificing your time and energy to make the long speeches which you did in Congress to alert the public and prevent other giveaway plans of this administration. It is an excellent way to attract the attention of the public; since many people do not pay much attention to what occurs in the Government unless it is making headline news.

While writing, I wish to say that we fully supported your stand on the Formosa resolution, too. We certainly hope that enough Members of Congress will exert as much influence as possible to prevent the administration from making any aggressive moves which would involve us in a war with Red China; or would cause American lives to be sacrificed for any of the coastal islands, including Quemoy and Matsu. We believe that Formosa should be protected from Communist aggression, but it should be a U. N. action, and not undertaken by the United States alone.

It is our understanding that the people of China starved by the millions under Chiang's rulership, and that they did not like Chiang—the reason they turned to the Communist leader and drove Chiang out. It seems to us that Chiang should be grateful enough that the United States allowed him to take refuge on Formosa without asking anything more of the United States, and we think that the American taxpayers have done enough for Chiang's benefit, both before he was chased out of China, and since; without having to sacrifice any lives just to save his wounded pride, or to pay off someone's personal obligations to the China lobby.

We do not understand how the President can expect to get a cease-fire agreement from the Red Chinese, while he allows Chiang to blockade their coast and make aggressive attacks on them. It seems to us, that the best way to obtain a cease-fire would be to force Chiang to abandon the coastal islands, cease all aggressive moves, and withdraw to Formosa and the Pescadores; then enlist the support of our allies in issuing an ultimatum to the Red Chinese to leave Formosa alone or risk retaliation from our allies, as well as from the United States. If you approve this policy, could you not do something to help bring it about and prevent our involvement in another war, please? We think the honorable thing for the United States to do would be to make Formosa a U. N. trusteeship with provision for free elections. This would probably eliminate Chiang and his unreasonable demands of the United States.

Respectfully yours,

(Mrs.) L. W. Prentice.

Rogue River, Oreg., *March 12, 1955.*

Dear Mr. Wayne Morse, esteemed Senator and fellow Democrat from Oregon: Am one among hundreds of men and women in our State that commend you in your sincere and deep thinking and decision in joining our great Democratic party. More power to you in your efforts in all the tasks that confront you in your daily duty as our Senator from our great State.

I for one heard your wonderful talk in Medford, your last appearance there, and thoroughly enjoyed every bit of it.

When you and I shook hands and greeted each other that day I asked you what about an inquiry to you from any of us taxpayers on subjects that might be bothering us and you said to write you at any time and you would sure answer it. You no doubt have seen the enclosed clipping from the Portland, Oregon Journal.

This along with all the other giveaway deals like tideland oil, timberlands, now our rubber industries, and what next? Guess the Republicans would sell the White House too if they thought they'd get by, by so doing.

I truly hope that the efforts of our great Democratic Party in November 1956 will make a picture of success and victory that will be stamped in everyone's memory from now on.

With all success and victory to you in your efforts for our benefit and in general for our U. S. A. I am with you 100 percent and more people are doing the same as I.

We are having Democratic meetings now and intend to until November 1956 which I am sure will see a Democratic victory hands down.

I am,

Very respectfully yours,

Mr. C. J. Babb,
A long-time Democrat.

Oswego, Oreg., *March 11, 1955.*

The Honorable Wayne Morse,
United States Senator.

Dear Sir: I am writing you for an opinion on something I've been kicking around in my mind. Isn't there some way to tax advertising, I mean big advertising at its source? It would seem to me that the billions of dollars that are paid out practically indiscriminately should be taxed and heavily after a reasonable fixed amount has been exempted. It gripes me to think that the full bill, including all entertainment can be written off as a legitimate business expense, while I could not even write off a funeral.

I should like to hear from you on this as I value your opinions. Also I hope to hear from you, Dick Neuberger and Herbert Lehman and a lot more of you I hope on the following items: The proposed sale of Government-owned synthetic rubber factories, the $20 per person tax cut, and the public power issue. With felicitations to you and yours, I am

Respectfully yours,

Prentiss Baker.

P. S.—I am also writing to my friend Richard Neuberger on this—may you both have lots of luck.

P. B.

Portland, Oreg., *March 17, 1955.*

Senator Wayne Morse,
United States Senate,
Washington, D. C.

Dear Sir: It has come to our attention that the Government is about to sell the synthetic rubber plant built with tax money, to the large rubber companies at a very low percentage-on-the-dollar cost.

These plants are showing a good profit to the Government. It is also contended that the large companies intend to hold production low enough that the small companies will be unable to buy rubber from them.

This certainly stinks. We have too much of this squeezing the little guy. If big business cannot hold its own against small business, we had better go back to small business again.

We understand that March 26 is the deadline at which time the sale is consummated, unless Congress intervenes.

We are a small group of engineers working for a large chain store. We are 100 percent behind you and Senator Neuberger in your championship of the little guy.

As our representative, please give this matter your attention. We would like to have an answer.

Respectfully yours,

Frank Burlingame,
Daryl Sundby,
Aloha, Oreg.
Lyle K. Huntington,
Portland, Oreg.
R. A. Hamel,
Milwaukie, Oreg.

Seal Rock, Oreg.

Senator Wayne Morris.

Sir: I have been reading Drew Pearson on the synthetic rubber plant giveaway.

He only had two different pieces in the Portland Journal.

It seems funny that we must go to a news commentator to see what is going on as we have never heard about it from any other source that I know of.

The whole thing adds up to this as I see it if the big rubber plants are so crazy to buy them why in the world don't they put the price where it belongs.

Seems like they spend so much time trying to beat us out of a little relief in taxes, and getting themselves a great big raise in pay that something like giving plants worth billions away for two or three hundred million is not to be noticed or are they afraid they will hurt themselves with the administration. I didn't write sooner, for I wanted to see what others had to say about it.

But, sorry to say, that seems to be the only times it has ever been mentioned that I can find.

Drew Pearson said or I mean wrote that if something wasn't done before the last days of the month the sale would automatically go through.

As a taxpayer I feel that I am a part owner in them, so to speak, and if they are going to sell them, looks to me like they wou'd get as much as they are worth then take that away from the original cost and even that much would help a lot.

Drew Pearson wrote that everyone was so busy trying to beat the $10 tax cut as far as he knew only one Senator was working against it, why is it so hush hush?

Seems like the American people would have some say in the sale of Government property, for they are the ones that own it and not only the President and a few of his special chosen men, giving it away.

Seems like if they sold the plants for what they were worth, they could give us the cut in taxes out of the difference in what they want to sell it for and what it is worth.

They are making money now, then why give them away for a little?

Well, I won't keep boring you with any more of this for I believe you know about it anyway.

If I am wrong in this, I would like to know it, but I will ask, what is to be done in this matter?

Sincerely,

Augustus S. Bosley.

P. S.—You are the only one I feel free to write to.

Portland, Oreg., *March 13, 1955.*

United States Senator Wayne Morse,
Of Oregon.

Dear Senator: In the newspapers I read many things that happen in the Government which are quite disturbing to me.

According to my information the Government is going to give away all our synthetic rubber plants but one, to the big rubber and oil companies—or I should say "practically give away." The one exception is a plant which is not wanted by any of these rubber and oil companies. This giveaway is going

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to take place on the 26th of this month, unless someone in Congress puts a stop to it.

How about it, Senator?

Yours truly,

J. BREVET.

OREGON CITY, OREG., *March 11, 1955.*

DEAR SENATOR: Something should be done if possible to block the sale of the Government synthetic rubber plants on March 26. Drew Pearson has the information on this.

Yours very truly,

MARTIN L. COWHERD.

GRESHAM, OREG., *March 21, 1955.*

Senator WAYNE MORSE,
Washington, D. C.

DEAR SENATOR MORSE: I certainly am opposed to this giveaway program of the President. The taxpayers bought these synthetic rubber plants, and why shouldn't we have a voice concerning the disposal of them? I am really disappointed in our President. It seems he is really letting big business take over.

I heard someone remark the other day that "Senator WAYNE MORSE is presidential timber."

I am enclosing three clippings which I trust will interest you.

Respectfully yours,

Mrs. P. O. RILEY.

[From the Gresham (Oreg.) Outlook of March 10, 1955]

WHO ARE WE?

To the OUTLOOK:

In the February 17 issue of the Outlook there appears a paragraph in the editorial column that I feel needs either clarifying or modification. I quote:

"Interesting to note that national commentators on the political scene all agree that the placing of Senator NEUBERGER and Representative EDITH GREEN on three committees each was done more to curry favor with the voters than to honor these new Members of Congress or to recognize in them particular talents for the assignments."

It so happens that I follow the daily comments of Drew Pearson and Roscoe Drummond and a dozen other commentators whose writings appear in weekly magazines and papers, and yet I cannot recall reading a derogatory remark about either Senator NEUBERGER or Mrs. GREEN. And goodness me, if anyone is adept at dragging out skeletons and rattling them, or at rigging up dirt, it's Drew Pearson.

What do you mean by the term "all?" All the Republicans, or all the commentators whose opinions coincide with yours?

You must remember that Senator NEUBERGER has been an author of articles and books for several years and no doubt many people all over the country have become acquainted with him through his writings. He also traveled a good deal.

As for EDITH GREEN—there is a saying that after 40 we are responsible for our face. And so, anyone who has seen EDITH GREEN or even her picture, will see in her the embodiment of high moral standards and honesty and kindness. She will never become well known by endorsing "Four Roses" or "always milder, better tasting," or by appearing before various men's organizations in a Bikini bathing suit. But I feel she will have the backing of men and women with children, or grandchildren, who want Government officials with adherence to the old-fashioned morals and Christian principles.

And this reminds me of an anecdote. Last summer when Mrs. Floyd Davis, of Gresham, was touring New England with her daughter from Pittsburgh, they eventually arrived in Washington, D. C.

An elderly, retired Army officer agreed to escort them around the city and give them the historical data.

When they arrived at the Senate Building, the guide pointed to a certain place and said, "That's where Senator MORSE stood and gave his 22½-hour (?) speech." Whereupon Mrs. Davis told the guide she was from Oregon and began apologizing. The guide then said, "Oh, don't apologize for him, we're mighty proud of the Senator here." (He didn't explain who the "we" is.)

Don't you think it would be a good idea if we took off our glasses and wiped off the political mud so that we might give a fair chance to those that are chosen by a majority of the people?

Mrs. ARTHUR DEMING,

TROUTDALE, OREG.

[From the Oregonian of March 8, 1955]

IS THIS FREEDOM?

To the EDITOR:

Some years ago De Tocqueville, of France, visited America and remarked: "I know of no country in which there is so little independence of mind and real freedom of discussion as in America."

Lord Northcliffe: "America is the home of the brave and the land of the free where each man does as he likes, and if he doesn't you make him."

One merely wonders what these two thinkers would have said had they been able to see us today when we have a license, a fee, a required permit, etc., to hunt, fish, park a car, to drive one, to own one, to be a citizen, to build a house, to lay bricks, to work, to conduct auction sales, to teach, to preach, and if things continue, there might be a required license to breathe and live.

As for taxes, never has history seen the like—excise, sur, Federal, State, county, city (is there a tax on taxes yet?), etc. I've barely mentioned some of the hedges, curbs, restrictions, checks, etc., that modern man is subject to. Perhaps, a great many more of these will be added in order to make it possible to live on such standards as we do. The big question, of course, arises, Is this freedom? Or the abuse of freedom?

One is reminded of the statement made during the French Revolution: "Oh, Liberty, what crimes are committed in thy name." Or of what Napoleon once did in a rescript he issued: "I give you perfect liberty, but he who disobeys these rules will be summarily shot."

PAUL BRINKMAN, Jr.

[From the Oregonian]

TOO MUCH POWER

To the EDITOR:

I note that a bill has been introduced in the House of Representatives to abolish the State board of control and to put its institution-directing powers in the hands of the governor. Several of the sponsors of the bill are men of highest standing.

For some time, a bill has been pending in the California Legislature to abolish the treasurer, the controller, and those who have charge of the income-tax division and all offices relating to finance. Their bill, like this one proposed in Oregon, seems to have the purpose of throwing practically all the important matters of the State of California into one giant structure with the governor the supreme commander. He would make all appointments in the departments that would be merged into his keeping, with the accompaniment of power and patronage. If that measure passes it will give California a virtual one-man government.

We, in Oregon, are not too far removed from the pioneer state when men and women, too, were individually strong. When they laid the basis for our government, they certainly never envisioned any such plan as that proposed in this measure.

If one is looking for complete efficiency, the only way to achieve it is to vote ourselves into the Russian system where the ruler is in supreme command and the rest of the people don't have to bother about choosing their candidates or voicing any opinions.

If a majority of our legislators will pause and look at this proposed plan objectively, I think they will realize that, while we have a beneficent ruler in our governor now, there is no assurance that we will have that kind of person in the future. It would make the office of Governor of Oregon extremely attractive—to those who would abuse its power.

I plead earnestly with the able men and women in our Oregon Legislature who are intensely patriotic, who believe in the 2-party system, who believe in the system of checks and balances, to hold fast to the present board of control made up of the secretary of state, the State treasurer, and the governor.

Mrs. GEORGE GERLINGER.

COTTAGE GROVE, OREG., *March 18, 1955.*

Senator WAYNE MORSE,
Washington, D. C.

DEAR SENATOR: Enclosed is article by Drew Pearson I removed from the March 18 issue of the Portland (Oreg.) Journal.

The article is self-explanatory and my reason for forwarding same to you is that I, as a log trucker, am directly affected.

In the past 3 months, truck tires have had two 5-percent increases, and a tire salesman tells me that another raise is expected in a week or 10 days.

Do hope that you will be able to dig into this and see if it is possible to stop these increases.

Respectfully yours,

RAY NEVIN.

PORTLAND, OREG., *March 15, 1955.*

Senator MORSE.

DEAR SIR: In reading Drew Pearson's article about giving the rubber plants away, I am wondering if the Congress is going to permit it to pass on March 26. We sure hope not.

Yours truly,

Mr. and Mrs. RALPH L. CARSON.

WEST LINN, OREG., *March 14, 1955.*

Senator WAYNE L. MORSE.

MY DEAR SENATOR: I admire the things you and Senator NEUBERGER are trying to do for Oregon as a State and for the small taxpayers in general. Therefore, I feel compelled to call to your attention the enclosed clipping and implore you to bring it to the attention of other representatives of the taxpayers.

Can't something be done about so many giveaways?

Yours for success,

Mr. and Mrs. EARL HEREFORD.

BIG RUBBER PLANT DEAL NEAR CLOSE

(By Drew Pearson)

WASHINGTON.—It has been ignored in the congressional hoopla over pay raises and tax cuts, but the Nation's rubber tycoons are quietly waiting for another type of windfall from Uncle Sam—all wrapped up and ready for delivery in 20 days.

The prize is 11 synthetic rubber plants, built by the Government at tremendous expense during World War II, but now about to be sold to private industry for a song.

For some time the rubber companies have cast a covetous eye on these profitable plants owned by the taxpayers. But now they won't have to wait much longer—due to a quirk of law and the anxiety of the Eisenhower administration to "get the Government out of business."

In 3 weeks—on March 27—the synthetic plants will be sold at bargain prices to a group of private companies unless Congress intervenes to stop the transaction. Strangest aspect of the deal is that a great majority of Senators and Representatives, busily

occupied with the tax and pay-raise battles, is completely unaware of what is going on.

However, here are the facts:

The Rubber Producing Facilities Disposal Commission, appointed by President Eisenhower to sell the Government's synthetic rubber plants, sent a letter to Congress on January 27 outlining the bill of sale to Firestone, Goodyear, United States Rubber Co. (subsidiary of General Motors), Goodrich, Shell Oil, Phillips Petroleum, and others.

Under the law the deal goes through 60 days later, or on March 27, unless either House of Congress adopts a disapproving resolution before the deadline. The proposed sale price for the 11 synthetic plants—about $260 million—is far out of line with either their original cost or their current worth.

These factories made a profit of $73 million for Uncle Sam a year ago, and with the Communists now in virtual control of Indochina and inching rapidly down toward the vital rubber areas of southeast Asia, many military men feel this is no time for the Government to abandon its rubber factories.

Incidentally, not one single small-business concern is among the preferred purchasers selected by the Rubber Producing Facilities Disposal Commission to take over these plants. Besides the big rubber companies, the list includes Sears, Roebuck, Texas Oil, Armstrong Rubber, Anaconda Copper, Endicott Johnson, and the American subsidiary of Dunlop Tires, Ltd., of Great Britain.

SID YATES, Democrat, of Illinois, a member of the House Small Business Committee, is making last-minute moves to stop the sale.

LYONS, OREG., *March 21, 1955.*

The Honorable WAYNE MORSE,
United States Senate,
Washington, D. C.

DEAR SIR: Why haven't we heard your voice in protest about the sale of these United States owned synthetic rubber plants?

Yours very truly,

EDWARD E. CRUSON.
FRANCIS G. CRUSON.

MICHIGAN COLLEGE OF MINING AND TECHNOLOGY,
Sault Ste. Marie, Mich., March 19, 1955.

Hon. WAYNE MORSE,
United States Senate,
Washington, D. C.

DEAR SENATOR MORSE: May we express our full sympathy and appreciation to you for your efforts in behalf of the people's interest and investment in the synthetic rubber plants, and the opposition to their sale to the already monopoly sized rubber corporations.

We regret likewise the limited support which your efforts received, but it does put "on the record" the facts and information of trends and actions by these interests. And we hope these facts can be still marshalled for more effective opposition in the future.

Very truly yours,

Prof. MILTON E. SCHERER,
Chairman, Social Science Department,
M. C. M. T.

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum, and ask unanimous consent that the time taken in the call of the quorum be not charged to either side.

The PRESIDING OFFICER (Mr. PASTORE in the chair). Is there objection? The Chair hears none, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. PASTORE in the chair). Without objection, it is so ordered.

Mr. JOHNSON of Texas. Mr. President, I yield 5 minutes to the distinguished Senator from Utah [Mr. WATKINS].

COLORADO RIVER STORAGE PROJECT AND PARTICIPATING PROJECTS

Mr. WATKINS. Mr. President, it is my extreme pleasure to announce to this body that the Congress of Industrial Organizations has now joined forces with the 3 million residents of Colorado, New Mexico, Utah, and Wyoming who are actively supporting S. 500, a bill to authorize the Colorado River storage project and participating projects.

This action is especially gratifying to me, because this great water development project is of primary interest to all of those who work in the 4-State Upper Basin and who would like to see that area expand industrially and economically to provide jobs to support the inevitable population growth of the future. It is a forward-looking economically sound program that all labor unions and anyone else interested in the welfare and security of America can support with full confidence.

The CIO news release announced that it had reversed its previous stand of opposition to the Echo Park unit of this great project. This indicates that another organization which has publicly opposed the project, because of misleading information issued by the southern California water lobby and by certain self-styled spokesmen for conservation groups, has now taken a look at all the facts and concluded that it can support the project without reservation. More will do that between now and the time when the implementing measure comes before the Congress for a vote later this session.

I will have more to say in a day or two about the misstatements and misconceptions that have been deliberately fostered by people who would like to deprive 3 million people now living, and their descendants for untold generations to come, of vitally needed water.

Meanwhile, a grass roots citizens' group in our area has just compiled a list of statements by wildlife and conservation experts which indicate that this project already has generated considerable support from such individuals and groups throughout the country. I request unanimous consent to have these statements printed at this point in the RECORD as a part of these remarks.

There being no objection, the statements were ordered to be printed in the RECORD, as follows:

CIO VOICES SUPPORT FOR CONSTRUCTION OF ECHO PARK DAM IN COLORADO

CIO support for the construction of the Echo Park Dam in Echo Park, Colo., as part of the upper Colorado River storage project, has been voted by the CIO Committee on Power, Atomic Energy, and Resources Development, it was announced today by Chairman O. A. Knight.

Mr. Knight, who heads the CIO Oil, Chemical, and Atomic Workers International Union, said the decision followed an extensive meeting of the committee in Denver late last month.

In reversing its previous stand of opposition to the dam, Mr. Knight said the committee now supports the dam project as a means of securing maximum benefits of water for irrigation and municipal purposes, as well as the development of electric power for expansion of the upper Colorado Basin area.

Mr. Knight's statement:

"From a careful study of the facts which have been presented to me and my committee, I am persuaded that the maximum benefit to mankind will result from the earliest possible completion of the upper Colorado storage project including Echo Park Dam. The engineering prospects provide facilities for recreation for those now interested in the scenery and wildlife aspects of this area, as well as substantial regulation of the water flow in the river and a head of water for the production of electric power. This power is needed for the expanding population and industrial growth in the Mountain States. Salt Lake City, Utah, and Denver, Colo., and the total area between these two growing cities will greatly benefit from the earliest possible development of the total upper Colorado storage project."

HOW CONSERVATIONISTS FEEL

Here is what conservationists who are informed and acquainted with the area affected say about this proposed project.

The following resolution was adopted by the 11-State Western Association of State Game and Fish Commissioners, May 5, 1954:

"Whereas President Franklin D. Roosevelt, in his proclamation enlarging the Dinosaur National Monument, published in the Federal Register of July 20, 1938, specifically stipulated that 'the administration of the monument shall be subject to the reclamation withdrawal of October 17, 1904 * * * in connection with the Green River project,' and

"Whereas the post-project wildlife and recreational values of the upper Colorado River project will be far greater than the undeveloped river now possesses: Now, therefore, be it

"*Resolved*, That the Western Association of State Game and Fish Commissioners go on record as approving the report of the Secretary of the Interior, recommending the development of the upper Colorado River storage project, including the construction of Echo Park Dam; and be it further

"*Resolved*, That a copy of this resolution be sent to the Budget Director and to the appropriate congressional committee."

Seth Gordon, California: Noteworthy at this 11-State meeting was the stand of the California representative, Seth Gordon. Mr. Gordon, one of the foremost conservation experts in the United States, not only voted for the Echo resolution but was instrumental in strengthening the original language.

"I know I'll get a lot of abuse from the Sierra Club out home in California," Mr. Gordon said. "However, when a thing is right, it is right and I have to stand up for it—abuse or no abuse.

"When Dinosaur Monument was enlarged, it was promised that it would not interfere with future water and power development and we cannot go back on a bargain."

Herbert F. Smart, Utah: Mr. Smart, secretary and former president of the Utah Wildlife Federation, Finance Commissioner of the State of Utah, and member of the Land Policy Committee of National Wildlife Federation, says:

"The Echo Park Reservoir will greatly enhance the wildlife and fisheries resources of Colorado, Utah, and Wyoming. It will improve our fisheries resources, aid our waterfowl population, increase our upland bird population when new irrigated lands are put

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under cultivation, and will not be detrimental to our big game. Conservationwise, construction of Echo Park Dam means that we will drown a few rocks in the lower levels of these high canyons (for which the country was named because of its superabundance of rocks) and by so doing materially increase our wildlife resources in a desert land."

Thomas L. Kimball, Colorado: After having biologists of the Colorado Game and Fish Department make an extensive study of post-project benefits from the construction of the Echo Park Dam, Thomas L. Kimball, director of Colorado Game and Fish Department, found the post-project fisheries benefits in the affected areas would be more than 50 times those found in the river in its present condition. He therefore concludes: "There can be no other conclusion drawn than the fact that the construction of Echo Park Dam would provide significant enhancement to the region from the fisheries standpoint." He further found there would be no material adverse effect on game and game birds and a probable great increase in waterfowl development.

Lester Bagley, Wyoming: Mr. Bagley, Game and Fish Director of the State of Wyoming, says: "I am firmly convinced that the area as it now stands is so inaccessible and will always remain so unless large sums of money are spent for roads—that wildlife potential would be increased many fold if these proposed dams were constructed."

J. Parry Egan, Utah: The director of Utah's Fish and Game Department, after study of the proposed project found a fisheries benefit many times in excess of what presently exists and no adverse effects on other wildlife. He is an enthusiastic supporter of the project from a conservation standpoint.

Leo Young, West Virginia: Editor, Wild Life Notes, the official publication of West Virginia's Sportsmen Limited, Inc., says, after running an article favorable to the project: "Remember, those people who live out West know what they want."

Roy Despain, veteran professional Colorado River runner, makes this corroborative statement: "The proposed Echo Park Dam in Whirlpool Canyon would stop my river trips and my desire to have my posterity have this experience would be denied. Yet with this loss I feel that this project would create more beauty than it would destroy. Where in the world could a clear blue lake extending up this majestic gorge be duplicated? The possibility of adventure by boat on this body of water is exciting.

"Considering the limited number who are now able to take this river trip, as compared to the thousands who could enjoy it if it were developed, and considering the danger presently involved, I feel that if I were to oppose this dam I would be selfish and narrow minded. So I wish to add my support to this project and request that you do all in your power to assure the building of this dam."

Harry Aleson, Colorado River boatman, who knows the area like the palm of his hand, says:

"This Colorado River boatman has gained a little knowledge in the rugged domain where he earns his livelihood.

"Yet he feels that to fight against the building of dams, reservoirs, powerplants, irrigation projects, recreational areas would be highly unintelligent, even if for purely selfish reasons.

"To those who know, the building of an Echo Park Reservoir would inundate perhaps one-one hundredth part of the beauty of Dinosaur National Monument. It would spoil river running in the area for a handful of adventurers. On the other hand, within comparatively few years, the visitor count into the new recreational area would mount into the hundreds of thousands. These many persons would have ready access by lake and roads to this great beauty, where but a small handful visit now by river boats."

Mr. and Mrs. G. E. Untermann have been closely associated with the area for more than 30 years. They have mapped the geology of the entire area.

Mr. Untermann served as ranger-naturalist at Dinosaur National Monument for many years. At present, he is director of the Utah Field House of Natural History at Vernal, Utah. He says:

"Our lives have been devoted to conservation, and we see the need for the proposed project. We know the area and realize that its beauty won't be destroyed."

Mr. Untermann pointed out that the proposed project will not inundate dinosaur beds, despite the statements of some opponents of the project.

"The dinosaur quarry is miles downstream from the damsite and high above the river bed," according to Mr. Untermann. Actually, most fossils have been removed and placed in museums. About all that is left is a hole in the ground from where they came.

"It's amazing to me how irresponsible, misguided and uninformed some people are about this area," Mr. Untermann said.

"If this upper Colorado River situation could be resolved on a basis of merit, right, and justice, it would be materially simplified."

Speaking just before going to Washington to appear before the House Committee studying the upper Colorado River project, Mr. Untermann added:

"The task of obtaining approval of the project has become unnecessarily difficult because of the legal shenanigans, economic dishonesty, and emotional fantasies created by misguided 'conservationists.'"

"We will do all we can to contribute our wee mite to the clarification of this stupid hullabaloo and get a bit of realism into the whole thing," he said.

Finis Mitchell, explorer and photographer, said he decided to photograph Lodore Canyon "because I read so much of how construction of the Echo Dam would forever flood and destroy the Dinosaur National Monument.

"I found such reports were utterly false and completely and deliberately misleading. Construction of the Echo Park Dam would merely make it possible for people to travel the canyon by boat in safety and view the entire monument. In other words, this dam would simply develop this monument to a point where people would have something to enjoy.

"From 2,000 to 2,600 feet of the canyon always will remain untouched, for people to view and enjoy, after the dams are built.

"The problem is to tell our story to the people of the United States."

George Harris, New Mexico: In letters to the editor, Deseret News, July 31, 1954, George Harris, of Albuquerque, N. Mex., writes:

"For several years I have been interested in the Echo Park Dam controversy, mainly siding with the 'conservationists,' although without too strong a conviction either way.

"During the past summer I visited this area again and included a trip down the Yampa from Lily Park to Echo Park, and I believe many of the arguments against the building of this dam are without a solid basis.

"The area involved in Dinosaur National Monument is classed as semidesert, with its accompaniment of deep dry gorges, a scrub type of vegetation, and comparatively little water. The dam itself would be confined, in the main, to a very narrow gorge, not much wider than the present river, and would still be below the rim of the confining canyon walls. The bulk of the monument would still be as inaccessible as it is today."

William E. Scheele, naturalist, Cleveland, accompanied a party of Clevelanders representing the Cleveland Museum of Natural History, and visited Dinosaur National Monument in search for dinosaur fossils in the summer of 1954. Writing for the Cleveland Post about their findings, Mr. Scheele (who is director of the Cleveland Museum) said:

"As we learned more about this country (Dinosaur National Monument), we became aware of a very deep current of feeling among the residents about the proposed Echo Park Dam. We were questioned within the Park and in Vernal by many citizens who felt that since we represented the Natural History Museum we must be against the proposed dam.

"I must admit that I had written so previously, but I must also admit that I was wrong in doing so. Seeing the country in which the canyon waters will be impounded we also saw the good that such stored waters could do this arid but fertile region.

"It was proven to us beyond doubt that many of the arguments that had been advanced by conservation groups opposing the dam were without basis in fact and the opposition unjustified.

"The Dinosaur Monument and adjacent beauty spots will not be spoiled by this dam and its impounded waters. In fact, the development of this lake will make the area 100 times more accessible to those who would like to see it, and the water will cover only 500 feet of a dangerous canyon bottom that is more than 2,700 feet deep.

"It seems as though 3 or 4 Far Western States are confusing the issue in their efforts to permit more water from the upper Colorado River to reach their own home States before it is distributed."

Dr. J. Leroy Kay, Pittsburgh, curator of vertebrate paleontology, Carnegie Museum, Pittsburgh, Pa. (who spent 8 years excavating dinosaurs in Dinosaur National Monument):

"I feel sure that the building of Echo Park and Split Mountain dams and the reliefing of the dinosaur bones at the Dinosaur quarry will make the Dinosaur National Monument one of the outstanding attractions of our national parks and monuments."

Wildlife conservation organizations of Arizona, New Mexico, Utah, and Wyoming have unanimously endorsed the Echo Park Dam. Other wildlife conservations groups of the mountain west have withdrawn their opposition.

The above statements from experts who know the proposed project or have visited it cover but one phase of the subject. Other benefits too numerous to mention here await the west and the Nation if Echo Park Dam and related projects in the upper Colorado River storage plan become realities.

Dr. Kay's complete testimony relative to Echo Park Dam before the 1954 Senate hearings is appended herewith.

STATEMENT OF DR. J. LEROY KAY, CURATOR OF VERTEBRATE PALEONTOLOGY, CARNEGIE MUSEUM, PITTSBURGH, PA., BEFORE SENATE IRRIGATION AND RECLAMATION SUBCOMMITTEE, 1954 SENATE HEARINGS

Mr. KAY. Mr. Chairman and members of the committee, I am very grateful to you for calling me at this time so that I might catch my plane for Butte, Mont. I have commitments on the 1st with a party from Princeton University and one from the American Museum in New York to gather some data for the Geological Society of America. I cannot very well delay the arrival.

Senator WATKINS. You tell us who you are, I assume, in your statement.

Mr. KAY. I am J. LeRoy Kay, curator of vertebrate paleontology at the Carnegie Museum, in Pittsburgh, Pa. I spent 8 years excavating dinosaurs at the Dinosaur National Monument—1915–23—and several summers in the area since that time.

There has been considerable controversy in regard to the benefits and damage to the Dinosaur National Monument by the construction of Echo Park Dam within the con-

fines of the monument. I have read with much interest the pros and cons of this controversy as I have a deep personal interest in the matter, having spent many years in the area as a paleontologist. During this time I visited by boat, horseback, and on foot most all of the present accessible places in the study of the natural history of the area.

In the early days of the controversy the opponents of the dam maintained that the backed-up waters would cover the dinosaur beds for which the monument was primarily established. This argument is no longer used as it is well known that the waters from the Echo Park Dam will not cover the dinosaur beds.

Senator WATKINS. How about the Split Mountain Dam? Will that cover them?

Mr. KAY. No. Now the argument seems to be that it will establish a precedent for invading other monuments and parks and will distract too much from the natural beauty of the area. The opponents suggest other dam sites to replace the one at Echo Park.

When the President, by proclamation, enlarged the original Dinosaur National Monument to take in the Green and Yampa River Canyons and adjacent areas, he reserved the right for the Reclamation Service to build a dam, called the Brown's Park Dam site, within the confines of the monument area. This dam site is on the Green River below Brown's Park and would flood the upper part of the canyon and Brown's Park. So, in building the Echo Park Dam it would only mean building it at a more strategic spot but in no way establishing more of a precedent than at the Brown's Park site. Actually, reclamation has priority over monument rights in the area.

At the present time the only way to visit the canyons of the Green and Yampa Rivers is by boat and only by experienced river boatmen, so the only safe way for the tourist or vacationist to do this is to hire a boatman at considerable expense to take them through parts of the canyons, some parts not being safe for even an experienced boatman.

Senator WATKINS. May I ask you a question to qualify your testimony? Have you visited the Echo Park area?

Mr. KAY. Yes.

Senator WATKINS. More than once?

Mr. KAY. Many times.

Senator WATKINS. You were working in that area for how many years?

Mr. KAY. I was working there for 8 years steady and then I have been back nearly every summer since 1923.

Senator WATKINS. Are you a naturalist?

Mr. KAY. Yes.

Senator WATKINS. You may proceed.

Mr. KAY. It is true that trails, or even roads, could be constructed to the canyon rims where people could view the canyons at a distance but few would ever see many miles of the canyon walls close up where they could study the geological structures and fauna and flora, both living and extinct. A number of people have gone through the canyons of Lodore, Yampa, Whirlpool, and Split Mountain by boat and a few have lost their lives in the attempt. Which is the better judgment—to preserve these canyons as they are for a few daredevils to have the thrill of shooting the rapids or thousands of people visting these canyons by boat on still water?

One only needs to compare the additional number of visitors that each year visit the areas of the Hoover Dam in Nevada, the Roosevelt Dam in Arizona, the Grand Coulee Dam in Washington, or the Fort Peck Dam in Montana, to mention a few, to see what the results will be at the Dinosaur National Monument if the Echo Park Dam is built.

The alternate dams proposed by the opponents of the Echo Park Dam would not control a considerable amount of tributary water which empties into the Green and Yampa Rivers between these and Echo Park Dam site. From a naturalist's standpoint, the rocks covered by the waters from the Echo Park Dam are of less importance than those that would be covered by the alternate dams. The waters from the Echo Park Dam would cover, for the most part, the lower section of the Lodore formation—a nonfossiliferous Paleozoic formation which occurs and is much more accessible outside the monument. The waters from the Cross Mountain and Brown's Park Dams would cover most of the Brown's Park formation, which is not known at any other place. Such vertebrate fossils as proboscideans, rhinoceroses, camels, and carnivores of Upper Miocene and Lower Miocene age have been collected from the Brown's Park formation.

Senator WATKINS. That is the site where it is claimed that the President reserved a right to build a reclamation dam is it not?

Mr. KAY. Yes.

Senator WATKINS. And where the opponents say they would not object to us now building a dam?

Mr. KAY. The opponents, yes, sir. Being the youngest consolidated sediments in the area the Brown's Park beds are an important key to the geological history of the area.

There are many unique natural resources in the upper Colorado drainage area which need electric power and water for development and some of these are strategic minerals.

Senator WATKINS. May I ask you this question: You heard the propositions for alternate dams. Suppose these alternates would be of equal value as far as the production of power and the saving of water is concerned to Echo Park. What would you, as a naturalist, do? Would you be willing to take the alternate dams or what would be your judgment as to what should be done under those circumstances?

Mr. KAY. I would not take the alternate dams against the Echo Park Dam.

Senator WATKINS. Why?

Mr. KAY. Because the Echo Park Dam in my estimation is the only way, or dams within the park, to make traffic on still water for the many people that might visit the park possible, and the alternate dams outside the park would leave the tremendous burden on the national-park service which they wouldn't be able to meet; they don't have enough money to build roads, trails, or in any other way make the area, which is a beautiful area, accessible to a great many people.

Senator WATKINS. You have been at the dam site proposed for Echo Park?

Mr. KAY. Yes.

Senator WATKINS. What would be the situation there or what would it look like—I suppose you can project your mind to cover the situation—if the water were 525 feet deep at that point? What would happen to the scenery there?

Mr. KAY. The water impounded there, I think, would be about 500 feet. The dam is something like 525 or 550 feet high. There would be about four-fifths of the canyons as they are now still above the water if you built the Echo Park Dam and dammed the water to 500 feet. It would take 500 feet away from way over 2,000 feet at the dam site. And as it went up the river it would keep lowering on account of the stream, until when you got to the upper reaches of the stream, there would be a smaller amount of water.

Senator WATKINS. And the Lodore Canyon?

Mr. KAY. It would be 50 feet or so.

Senator WATKINS. Describe the canyon walls above it at that point.

Mr. KAY. It would be more than 2,000 feet above the water. Probably about 2,500 feet.

Senator WATKINS. What is the condition of the canyon floor at the present time from the standpoint of the scenic value?

Mr. KAY. There is one place where, as I stated, the Lodore formation which the Echo Park Dam would cover is better developed outside the monument than it is within the monument. We know nothing about it. It is nonfossiliferous. It would not cover all of the Lodore formation. It would cover about a third of it. There would be two-thirds of it above the water for future geologists to study. But the importance of the history of the area is found in the rocks above that. As the rocks of the earth's crust have been upheaved into a fold, which caused the Uintah Mountains, and by the way the only large mountain in the Western Hemisphere that runs east and west, it has thrown those rocks up and the last rocks deposited, whether they have been tilted or whether they have not been tilted, whether there is an unconformity between those and the rocks below, is the key to the history of when all of this upheaval took place.

So the rocks of the Brown's Park beds which the alternate beds would cover, is the key rock to the geology of the area.

Senator WATKINS. In other words, they ought to be trying to protect Brown's Park area rather than Echo Park?

Mr. KAY. That is why if I had the say-so, I wouldn't take the alternate dams in preference to Echo Park or Cross Mountain Dams.

Senator WATKINS. What vegetation grows on the canyon floor through the Echo Park area?

Mr. KAY. There are cottonwood all along the Colorado River. Along the sides there are some junipers, some bush brush, 1 or 2 berry bushes, like the buffalo berry bush, usually called the mulberry, and a few things like that.

Senator WATKINS. There are thousands of places in the West like that, are there not?

Mr. KAY. Yes; and within other parts of the monument that will not be covered by the water.

Senator WATKINS. What about the condition of the water through the area called Echo Park? I think that is a misnomer. I think it is a handicap the Reclamation has to overcome. The idea of many people is that Echo Park must be a park. That is just a geological name, is it not?

Mr. KAY. That is the name of that little area where the dam will be built.

Senator WATKINS. And was given to it by the first settlers, was it not?

Mr. KAY. Yes; given to it by the various first settlers. A lot of the area was named by Powell when he went down on his trip to the Colorado.

Senator WATKINS. What about the water with respect to carrying silt at that point?

Mr. KAY. Carrying silt? The USGS has been making estimates. I can remember when they were studying the silts in the water as far back as 1917. And they have been making studies since that time, about the silt. Of course, any obstruction that you put in there will retard the silt carried down the river.

Senator WATKINS. There is a naturalist in my own State, named Mark Anderson of Provo, Utah, who was a great conservationist. He described the river at that point as belching red mud. Would that be a correct description of it?

Mr. KAY. The river at that point, for most all of the year, is very heavily silted, and especially during high water. It sort of rolls instead of flows. But later on it clears up some in low water but never entirely. It carries a lot of silt. Naturally any stream that is with a gradient that great will carry silt.

Senator WATKINS. You may proceed with your statement.

Mr. KAY. There are millions of tons of hydrocarbons such as gilsonite, wurtzilite, nigrite, tabbyite, lusterite, ozokerite.

That is the only place they are found in commercial quantities.

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Senator WATKINS. You are talking about the area and not the canyon?

Mr. KAY. Most of those are found within a short distance of Echo Park.

Senator WATKINS. How far away?

Mr. KAY. As the crow flies, 15 or 20 miles.

Senator WATKINS. You are not indicating that any of these would be covered by water, are you?

Mr. KAY. No; they would not be covered by the water. It needs the water and the power for the development of those.

Senator WATKINS. They exist in the area 15 to 20 miles away from there?

Mr. KAY. Yes, Some of them are 75 miles away.

Senator ANDERSON. So that actually the construction of this dam will greatly assist in the development of strategic minerals?

Mr. KAY. It is the only way they can develop them. Not entirely because they need water for the milling of these, but they need water for the people who would develop them. I think my next statement will answer that.

It is estimated that at 1 place 800 million tons of bituminous sandstone occurs and there are many such outcrops of this material in the area. There are mountains of phosphate, iron, and large deposits of coal, copper, silver, lead, zinc, uranium, etc. Aside from the electric power that is needed for the development of these resources, many of the areas lack enough water for every culinary use, to say nothing of water for other uses for the development of these resources.

I think Senator WATKINS knows that for many years some of those towns have been hauling water in tanks drawn by horses for culinary purposes, and now some of them are hauling it by truck. Now the water for drilling and so on is hauled by trucks, for great distances at great expense. Many of the towns have reached the peak of development due to the lack of water. The only practical way for many of these areas to acquire water for their future growth is from the development of the waters of the upper Colorado River.

It is estimated by the engineers of the United States Reclamation Service that the increased evaporation from the widespread waters of the alternate dams as against the narrow strips of water in the canyons from the Echo Park Dam would be considerable and while water is at a premium why waste it for sentimental reasons.

Probably 1,000 people have visited parts of the canyon areas of Dinosaur National Monument since the National Park Service took over and by far the majority, from various nature groups, visited there last year so they could say, for argument's sake, they had visited the area.

It is true that flooding the bottoms of the Green and Yampa River Canyons will change their appearance to some extent but there will still be a minimum of four-fifths of the canyon walls above the water, which will distract very little from the beauty of the area that is so glowingly described by the opponents of Echo Park Dam. To me there seems only one practical way to make an attractive area of Dinosaur National Monument so that it can be safely visited by the greatest number of people and that is to cover the present rapids with still water for safe boating.

If there are a few who would like the thrills of shooting the rapids let them try going through the Cross and Split Mountain Canyons and if they survive they will have something to tell their grandchildren.

Of course, the cost of building these dams would be prohibitive for the development of the monument for its scenic and eductional values alone, but so long as it is practical to build the dams for irrigation, power, and conservation of water, and the power will pay most of the cost, why not build the dams where they will do the most good?

Senator WATKINS. When you say the most good, to what do you refer?

Mr. KAY. The development of the Dinosaur National Monument as well as for power and water which the district needs.

Senator WATKINS. And for the purpose of making it available to the millions of people instead of a few thousand.

Mr. KAY. Millions instead of a few hundred. I might state that for the last 2 years I have been through the gates of the canyon north of Helena, Mont., in a boat. They built a dam at Wolf Creek, at the lower end of the canyon, and flooded it with about 50 to 75 feet of water. The canyons are less than one-third the height of what the canyons would be, say Whirlpool Canyon or Lodore and Yampa, if the dams are built in the park, and yet last year, on Sunday that I was there, there were more people that went down that canyon to view those walls which are a few hundred feet to maybe at the most a thousand feet high, there are more people that went on that Sunday than have gone through the Whirlpool, Yampa, and Lodore Canyons in its entire history and it wasn't built for that purpose.

I feel sure that the building of Echo Park Dam and Split Mountain Dam, and the reliefing of the Dinosaur bones at the Dinosour Quarry will make the Dinosaur National Monument one of the most outstanding attractions of our national parks and monuments, and that this can be accomplished in no other way.

Senator WATKINS. Any questions?

Thank you, Dr. Kay.

SALE OF RUBBER-PRODUCING FACILITIES

The Senate resumed the consideration of the resolution (S. Res. 76) disapproving the sale of the rubber-producing facilities.

Mr. JOHNSON of Texas. Mr. President, I yield to the Senator from Illinois [Mr. DIRKSEN], 5 minutes.

Mr. DIRKSEN. Mr. President, I am not disposed to detain the Senate very long. It occurs to me, however, that the basic issue involved here can be summed up in about one question, namely, whether a major industry should remain nationalized when there is a profitable opportunity to get the Government out of it.

Mr. President, I ask unanimous consent to submit the remainder of my remarks for inclusion in the RECORD at this point.

There being no objection, the remainder of of Mr. DIRKSEN's remarks were ordered to be printed in the RECORD, as follows:

For almost 15 years, the manufacture of synthetic rubber has been a Government monopoly. There were good reasons for it after Pearl Harbor, but this is 1955, almost 10 years after World War II.

If you vote to keep the rubber plants under Government ownership, would you vote to take over the steel industry, the aluminum industry, or the coal mines? Of course you wouldn't.

When we can recover over $400 million for the Federal Treasury by the sale of the rubber plants, why are we hesitating?

Simply because advocates of public ownership are being heard again. Old arguments in new surroundings. They tell us we will be in the hands of big business monopolies. They ignore entirely the competitive aspects of American industry.

They suggest that the price of synthetic rubber will soar to fantastic figures under private ownership. What is keeping steel from going to $200 a ton? What is keeping a Ford car from going to $4,000? The answers are obvious.

The fact is that every country in the world would welcome the aggressive, hard-hitting competitive marketing that we have throughout the length and breadth of this land.

I submit that the buyers of these plants will direct that same knowhow and technical competence to the manufacture of synthetic rubber, when they acquire the plants. They testified that they were planning to spend millions of dollars to modernize these properties. These expenditures mean jobs. They mean building up the structure of American industry. They mean better products at lower cost.

No industrialist I ever heard of deliberately cut production to control price. He wants to run his plant at maximum capacity. These plant buyers have testified that they want to flood the market with rubber, and they have already started their salesmen out. They have solicited hundreds of small rubber fabricators for business at current prices charged by the Government.

I do not presume to know, nor can anyone know, how much money the buyers of these plants will make. I hope they make some. If and when they do not, we are in a depression. Depressions do not come along when people are making money. I am satisfied that no unreasonable profits will be made at the expense of the rubber consumer, whether he be large or small. Competition will take care of that.

And do not forget that for every profit dollar, Uncle Sam takes 52 cents. There has been a lot of loose talk about the Government profits in the synthetic rubber industry. Back in 1953, the Government did make about $60 million, but of course it paid no Federal taxes. Neither did the Government pay its full share of local taxes to local tax authorities. Some people talk about $60 million as an average profit. The Government has not come close to that figure before or since.

As a matter of fact, the total deficit of the Government since the plants were built, as of June 30 last year, is $194 million. Add to this the net book value of the plants as they stand today, and it will be found that the recommended sales of the Commission will recover 96.6 percent of the Government's investment in the entire rubber program since its inception. I call this achievement "full fair value."

And yet we are told: "Do not hurry. There is plenty of time to get the Government out of the rubber business."

When is a better time than now? When will the plants be worth more? When they are twice as old as they are now? They are already 13 years old.

If we pass up this opportunity to sell the plants, I can see no time in the foreseeable future when we can dispose of them so advantageously. I think the Commission has done a wonderful job. Consider the record and experience of its personnel.

Holman D. Pettibone, of Chicago, is chairman of the Board of the Chicago Title & Trust Co. He has been with that company 44 years. He has sold millions of dollars of industrial property. As the Chairman of the Commission, he applied the same standards to selling the Government properties as he has in private transfer of property.

Leslie R. Rounds of New York is a retired First Vice President of the Federal Reserve Bank of New York. He has dealt with business problems and balance sheets all his life. As a banker, he knows something about plant values, fair return on investment and depreciation charges.

Everett R. Cook of Memphis is a cotton merchant and exporter. He has been a shrewd trader in that commodity all his life. During World War II, he served as an Air Force colonel in the European theater. He

is now a brigadier general in the Air Force Reserve. He paid particular attention to the national security aspects of sale of the rubber plants, and he concurs in the Commission's findings that the national security clause in the sales contracts give the Nation ample protection for any emergency.

Under Public Law 205, these three gentlemen could have no recent experience or connections with the rubber, chemical, or petroleum industries. They approached their assignment as competent, experienced business men. They have been at their job for 16 months. They surrounded themselves with capable experts in engineering and production. They went into every phase of the problem.

They are typical of many business executives who have come to Washington at the call of their Government. They have completed their task. Early in their assignment, they publicly stated that they would not recommend a "giveaway" program. They said they would recommend no sale rather than do that.

Their report—unanimously made—speaks for itself. At no time has the Government ever obtained anywhere near the prices for surplus plants that it has received for these rubber facilities. The Commission got $30 million more from the buyers than their original proposals offered. I call this astonishing negotiations.

Without exception, the plants went to the highest bidder.

In my opinion, the Commission met every criteria of the legislation which we passed in the 83d Congress. Full fair value, national security, establishment of a free, competitive industry, safeguards for adequate supplies of rubber for the small-business fabricator—all of these have been achieved as detailed in the Armed Services Committee report.

The Attorney General has approved the sales. His assistant, Judge Stanley Barnes, in charge of antitrust violations, has given his assurance that the least trace of monopoly practices will be a matter of immediate Government action. The Government has ample machinery to police the activities of business.

Industry alone built this country to its tremendous productive and economic power. Now we have the opportunity to turn loose competitive, creative, competent industries to the manufacture of synthetic rubber. Bear in mind, we are not talking about one industry. We are talking about three major industries as buyers of the plants—the rubber, chemical, and petroleum industries.

They are important contributors to our national wealth and welfare. They are guardians of our national defense. They have responded at every call our Government has sounded for assistance. They did, as a matter of record, develop the synthetic-rubber industry almost overnight with Government financing after Pearl Harbor.

They will continue to stand on guard, producing more and more of this vital rubber in the plants they will own and modernize. Their vast research programs foreshadow even more and better products. I say this disposal program is an evolutionary step in our economic progress in which this Congress should be proud to have played a part.

Mr. JOHNSON of Texas. Mr. President, I yield 5 minutes to the Senator from Minnesota [Mr. HUMPHREY].

Mr. HUMPHREY. Mr. President, there has been brought to my attention today a statement which has been made before the House Armed Services Committee concerning the proposed sale of synthetic rubber plants to private owners. This statement was made by Mr. George J. Burger, vice president of the National Federation of Independent Business, the largest organization of its kind in the United States. Mr. Burger is also the Washington representative of that organization of established independent business houses throughout the United States.

Mr. President, I ask unanimous consent to have Mr. Burger's statement printed in the RECORD at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

NATIONAL FEDERATION OF INDEPENDENT BUSINESS,
Washington, D. C., March 21, 1955.

Hon. HUBERT H. HUMPHREY,
United States Senate, Washington, D. C.

MY DEAR SENATOR: I believe it would be worth your while to review the attached.

Sincerely yours,

GEORGE J. BURGER,
Vice President.

BURGER URGES CAUTION IN PLANT DISPOSAL PROGRAM—ASKS WHO WILL ASSURE ADEQUATE SUPPLIES AT FAIR PRICES TO SMALLS—NOTES DANGER OF INFLUENCE BY INTERNATIONAL RUBBER GROWERS

WASHINGTON, D. C., March 15.—Following is the text of a statement by George Burger, submitted today to Representative CARL VINSON, chairman, House Armed Services Committee, on the proposed sale of synthetic plants to private owners:

"In lieu of personal appearance before your committee now considering the disposal of Government-owned synthetic rubber plants, will you kindly read this statement into the record of the hearings, and have it made a part of the permanent record?

"We support all action to get the Government out of business in competition with private industry. However, with respect to this particular action, the Government operation has never been in competition with private industry, namely, in the overall production of synthetic rubber. The Government only moved in during the critical days of World War II, and through the action of the Government established definitely the productive satisfactory use of synthetic rubber.

"We believe in view of this that the Congress should move very cautiously from a national security standpoint before releasing these plants to private industry. We repeat, the Congress should move very cautiously.

"The writer has been an independent member of the rubber industry for close to 50 years, and is well acquainted with the actions of certain big interests in that industry to monopolize all segments of that industry. The Congress should be very careful of no "squeeze play" taking place which would bring about no real competition in the sale of synthetic versus crude rubber. If this should happen the public would be the victim of unfair practices.

"Who is going to control the distribution of synthetic rubber should the plants be sold to private industry, to see that the small factors in that industry will, at all times, get their equal share of synthetic rubber at the same price as the larger factors of the industry?

"Small business is concerned, and rightfully so, as to whether so-called cartels or international price fixing on crude rubber will be utilized by private industry if they should become owners of the Government plants. This could happen unless proper safeguards are initiated by Congressional action.

"Due to the splendid results obtained through the Government-owned and operated synthetic rubber plants, the Government should continue its control of synthetic rubber insofar as research and development is concerned, so that all factors in the industry may have advantage of any progress made in these developments. This would be a very definite protection to the Nation as a whole and to small factors in the rubber industry.

"Our first interest is national security, and secondly, for small business.

"GEORGE J. BURGER."

Mr. HUMPHREY. Mr. President, I should like to invite especial attention to 1 or 2 points which Mr. Burger raises in his comments concerning the proposed sale of these rubber plants at this particular time. He states:

We support all action to get the Government out of business in competition with private industry. However, with respect to this particular action, the Government operation has never been in competition with private industry, namely, in the overall production of synthetic rubber. The Government only moved in during the critical days of World War II, and through the action of the Government established definitely the productive satisfactory use of synthetic rubber.

We believe in view of this that the Congress should move very cautiously from a national security standpoint before releasing these plants to private industry. We repeat, that Congress should move very cautiously.

Then he goes on to say:

The writer has been an independent member of the rubber industry for close to 50 years, and is well acquainted with the actions of certain big interests in that industry to monopolize all segments of that industry. The Congress should be very careful of any "squeeze play" taking place which would bring about no real competition in the sale of synthetic versus crude rubber. If this should happen the public would be the victim of unfair practices.

Since the entire statement has been incorporated in the RECORD, Mr. President, I do not intend to read the remainder of it. I do, however, wish to make 1 or 2 points:

First, it was considered desirable and was resolved by the Congress to dispose of these plants to private industry, in full knowledge of the very efficient manner in which the plants were being operated by the Government. I feel that we have to take into consideration two important factors.

First, the national security interests of our country. I wish I could get some assurance from the executive branch of the Government that all is going well in the Far East. I wish I could get some assurance that Indochina, Malaya, and Indonesia will not fall into the hands of the Communist conspiracy. I wish I could get some assurance about anything from the executive branch of the Government with reference to our international policy, and particularly as it relates to southeast Asia. Then I think the question should be looked into, as on other occasions, as to what might happen to our country if this area of the world to which I have referred, the southeast Asian area, should fall into enemy hands.

If we now turn these rubber plants over to private industry, does the Government have any assurance that we shall not be gouged in price? I do not think so. As a matter of fact, had it not

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been for the Senate Subcommittee on Preparedness, headed by our able and distinguished majority leader [Mr. JOHNSON of Texas], the Government of the United States in the Korean action would have had to pay hundreds of millions of dollars more for crude rubber than it did pay. It took a committee of the Congress, Mr. President, to save the taxpayers hundreds of millions of dollars, and it also took the synthetic-rubber plants in Government operation to act as a yardstick and as a regulatory agency to see that the taxpayers of America were not literally fleeced out of hundreds of millions of dollars.

Mr. President, I only remind my colleagues that at times we become very much concerned about waste, inefficiency, corruption, and large expenditures by the Government. The money of the citizen can be taken just as easily by private industry as it can be taken by Government, unless there is fair play.

There are two ways of regulating business. One is by Government and the other is by competition. We are going to see to it that Government does not regulate, and we are not going to provide any competition——

The PRESIDING OFFICER. The time of the Senator from Minnesota has expired.

Mr. HUMPHREY. Mr. President, may I have an additional 5 minutes of time?

Mr. JOHNSON of Texas. Mr. President, I yield 5 minutes additional to the Senator from Minnesota.

Mr. HUMPHREY. I thank the majority leader.

Mr. President, I am not laboring under the delusion that we are going to be able to prevail in this debate. I am not even of the mind that we are going to change any votes, but I will wager anything anyone wants to wager that in 1 or 2 years the action which we are about to take will cost the American people hundreds of millions of dollars. I predict that within a year the rubber industry will be raising prices to pay for all the plants they are now buying, and they will have the plants—lock, stock, and barrel.

Is it not interesting that under the Surplus Property Act we turned over a hangar at an airport to a city, and there is a recapture clause, providing the Government can take it back? Is it not interesting that although the Government may have built an airport during World War II, when it is disposed of under the Surplus Disposal Act the Government has a right to reclaim it and take it away from the municipality at any time it so desires?

Is it not interesting that in the particular contract now being considered, the Government has no rights whatsoever?

All we are doing is this: Having perfected, first, scientific processes for synthetic rubber production; having built plants which are operative and efficient; having proved that the plants will make money; having perfected the plant management, scientific processes, distribution, and everything else that goes with the manufacture of synthetic rubber, we now propose to turn the plants over to private industry, not competitive industry. We propose to turn them over, as the Senator from Oregon [Mr. MORSE] has documented in the RECORD, to people who have been guilty of the violation of Federal statutes.

I have heard many pious speeches made in the Senate about corruption and statements made to the effect that the Government should not be doing business with these nefarious characters. What is the difference between violating one Federal law and violating another? Apparently it is becoming commonplace to violate the Sherman Antitrust Act, apparently it is good morals to violate the Clayton Act, because the rubber companies are perpetual violators of Federal law.

How do we punish the violators? We reward them by selling them rubber plants. We reward four large companies by giving them, for all practical purposes, a full monopoly of the rubber production facilities of the United States.

I suppose it has become a principle that the way in which one is benefited by the Government is by proving that he is a Federal violator. Make no mistake about it. The record is replete with cases of violations of Federal Statutes by the companies involved.

Finally, I would say that if we want to have a competitive enterprise, we should adhere to the idea of competitive enterprise. I wholly support the resolution of the Senator from Oregon because I am of the opinion that the national security is not being properly cared for in the disposal of these plants. I am of the opinion that the price of rubber will rise drastically, and I predict that it will.

I predict also that the Government will by this action supplement and encourage monopoly. Of course, this is nothing new. There have been more mergers in the past 2 years than in the preceding 20. Monopolies continue to grow stronger and stronger, while from the White House and the Department of Justice the talk is of free enterprise. It is neither free nor enterprise; it is becoming more monopolistic by the hour.

I, for one, will not contribute to what I consider to be the growth of monopoly.

Mr. JOHNSON of Texas. Mr. President, I yield 1 minute to the distinguished junior Senator from New York.

Mr. LEHMAN. Mr. President, I have prepared a statement giving my views on this subject and explaining why I am unwilling to turn over to private enterprise these very valuable and important synthetic rubber resources which are now owned by the Government. I think we shall be making a very great mistake in doing so.

But I do not wish to take up the time of the Senate unnecessarily. I know that we who oppose the sale will not be able to prevail. However, I desire that my views be known, because I believe that history will record that we have made a mistake.

Therefore, I ask unanimous consent to have printed at this point in the RECORD a statement which I have prepared on the subject.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR LEHMAN

What in the world situation today so encourages us that we should consider a proposal to divest the United States Government of control of strategic facilities vital to our defense—facilities so necessary to our economic well-being and to our military strength that their alienation might conceivably mean industrial and defense paralysis for our country.

Our military machine rolls on rubber. Without a supply of rubber, either natural or synthetic, our military forces would be critically handicapped.

What do we hear of the situation in the Far East, in Malaya, Indonesia, Thailand, or Indochina which encourages us to believe that our supply of natural rubber, which for the most part comes from those four countries I have named, might not be suddenly cut off? I am most hopeful that we will not become embroiled in a far eastern conflict, but if we do, the countries which provide us with natural rubber will be most likely cut off from us and we will be denied natural rubber.

The synthetic plants which are proposed to be sold would, I assume, remain in operation under private ownership, if the sale is consummated, and should produce approximately the same amount of synthetic rubber as they do today under Government ownership. But the Government would have no control over these plants. Moreover, there might well be a disruption accompanying the change in ownership. This is no time to take that risk. The Government should and must have complete control over these facilities in these crucial times.

More important, however, is the question of cost. I am willing to predict that if these plants are sold now, there will be an increase in the price of synthetic rubber, even without the pressure of a possible emergency. In the event we do have an emergency, the Government will not be able to clamp price controls on quickly enough to prevent a substantial rise in the price of synthetic rubber. We do not even have a price-control law on our statute books.

Nearly a year ago an official of the Natural Rubber Bureau in Washington, D. C., was quoted to the effect that Federal taxes and additional costs of advertising or a sales organization would result in an increase of 5 to 7 cents a pound in the price of general-purpose synthetic rubber if the plants were privately operated. Although the price of natural rubber has fluctuated widely, it has been running recently between 30 and 32 cents per pound. The price of synthetic rubber is 23 cents per pound. Over the past few years fabricators have developed means and methods of using synthetic rubber so that at the present time a large percentage of the United States demand for rubber can be met interchangeably by either synthetic or natural rubber. As a matter of fact, new rubber now being used in the United States is about half natural and half synthetic. All this, of course, indicates that there is a basic relationship between the price of natural rubber and that of the synthetic product. I am convinced that the Government's price of 23 cents a pound for synthetic has been an important factor in keeping down the price of natural rubber.

When we talk about rubber prices we refer to price per pound. But when we talk about use for stockpiling we talk about long tons, or, in some cases, thousands of long tons. Thus, if the price of synthetic rubber increases 5 cents per pound we must multiply that 5 cents by 2,240 pounds per long ton and then by the number of long tons consumed in the United States. In

1953 we consumed 1,338,000 long tons. This increase of 5 cents per pound in the price of synthetic rubber would, on the basis of the above figures, mean an added annual cost to the consumers of America of $149,856,000. We will be paying $150 million in price premium—on a price rise of 5 cents per pound—as the first cost of selling these plants to private industry. Much of that would be paid by the Government, one of the major purchasers of rubber in this country.

According to RFC reports, the Government made a handsome profit on these plants on a price of 23 cents per pound. In 1954 that profit was $42.1 million plus $29.7 million for depreciation of capital investment, or a total of $71.8 million—and 1954 was the second best year. The same figures for 1953 show a total profit of $91.3 million.

It can be shown that in the past 4 years the Government has received in profits and recovery of capital more than the proposed sale would bring. It is fair to assume that operation in the next 4 years, under Government control and at the present price, would again provide more in profits than would be realized from the sale of these facilities.

Important as is the price consideration, while important, I feel that it is a secondary consideration. The real question in my mind is one of self-protection. Why should the Federal Government sell control of a vital weapon in its arsenal at a time when everyone recognizes our need for strength?

At this moment the warships of the 7th Fleet are patrolling the Strait of Formosa. What are our chances of avoiding some kind of conflict in Southeast Asia? Who is willing to guess at Russian intentions if we become involved with Communist China? How long will it be before the Reds have digested northern Indochina and start on a second course?

Is this the time to give up Government ownership and control of our synthetic-rubber industry?

I do not know what the prospects for peace are. I certainly cannot predict the future actions of the Communists, and neither can anyone else.

Even though we have a thriving synthetic rubber industry, we still imported 596,900 tons of natural rubber in 1954. Obviously, if this supply were cut off, there would be a greatly increased demand for synthetic and an increase in price. It is true that the Federal Government could place rubber under price control even if it were in private hands, but how quickly and effectively could this be done?

Let's look at the record. Immediately prior to June 25, 1950, natural rubber was selling at about 30 cents per pound. When the Korean war began on June 25, 1950, the price of natural rubber zoomed upward. It was not until January of 1951 that the Federal Government placed price controls on rubber. By this time the price of natural rubber had risen to over 70 cents a pound.

If we would avoid a duplication of this experience at great cost to the taxpayers and consumers of America, let us keep control of these plants so vital to our national security.

The pending proposal to sell these plants is unjustified. It is unwise. Those responsible for it will have an accounting to make with the public. It fits in with the pattern of the giveaway.

The present administration has sometimes been characterized as a "business administration," and certainly we now have a more than generous recruitment of businessmen in the Federal Government. But if this proposed sale is a sample of good business judgment on the part of businessmen who are now running things for the Federal Government, I can say only that business judgment is not what it used to be when I was in business.

INSTALLATION OF MILK VENDING MACHINES IN THE SENATE OFFICE BUILDING

Mr. PURTELL. Mr. President, I yield 3 minutes to the distinguished Senator from Vermont.

Mr. AIKEN. Mr. President, some 2 or 3 weeks ago I wrote a letter to the Senate Committee on Rules and Administration, urging that milk vending machines be installed in the Senate Office Building for the convenience of Senators and their staffs. I called attention to the benefits which would be derived by having milk readily available through the installation of such machines.

I called attention to the fact that, according to the press, the Arthur Murray Dancing Studio provided milk "breaks," and also that the House of Representatives now has milk conveniently available for Members of that honorable body.

I was therefore keenly disappointed to learn that my request, which had been approved by others, had been rejected this morning by the Committee on Rules and Administration.

The disappointment, however, was tempered somewhat by the fact that today the Republican Policy Committee of the Senate unanimously voted to request the Senate Committee on Rules and Administration to install milk-vending machines in the Senate Office Building and the Capitol, where milk will be readily available for persons who work or visit here.

I hope the Senate Committee on Rules and Administration will reconsider its decision not to permit milk to be sold through vending machines in the Senate Office Building and the Capitol, and I hope that the Senate as a whole will be as much concerned about milk for human beings as apparently it is about nuts for the White House squirrels.

RESOLUTION DISAPPROVING THE SALE OF RUBBER-PRODUCING FACILITIES

The Senate resumed the consideration of the resolution (S. Res. 76) disapproving the sale of the rubber-producing facilities.

Mr. JOHNSON of Texas. Mr. President, I yield 5 minutes to the distinguished junior Senator from Arkansas.

Mr. FULBRIGHT. Mr. President, the Federal Government now owns a modern, profitable synthetic rubber industry in good repair. Two years ago the Congress voted to dispose of this industry provided that certain criteria were followed in the disposal plan. The Rubber Producing Facilities Disposal Commission was established to do this job. The Commission has completed its work and has reported its recommendations to the Congress. Senate Resolution 76 requests the Senate to disapprove the sales plan; and I speak in favor of Senate Resolution 76.

I am opposed to the sale of the Government-owned rubber producing facilities under the terms and conditions recommended by the Disposal Commission. I believe that the Commission's plan is deficient in the following respects: It fails, first, to return full fair value to the Government; second, to assure small-business men a fair share of synthetic rubber at fair prices; third, to foster development of a competitive synthetic rubber industry; and fourth, to adequately protect the national security.

All these items were specific criteria in the law under which the Commission operated. While I do not question the Commission's diligence or good intentions, I am convinced that the sale of these plants to the proposed purchasers, at the proposed prices, and under existing contract provisions, is not in the public interest at the present time. I think that given a little more time, and a little more specific congressional guidance, a more acceptable sales program could be worked out. In this hope, I favor the passage of Senate Resolution 76. For passage of this resolution is the only way to gain the time necessary to negotiate sales contracts which meet the criteria of the law.

Let us look at the Commission's plan from the standpoint of the four criteria I have mentioned. The first item is "full fair value." Section 17 (5) of Public Law 205 required the Commission to obtain full fair value for the facilities to be sold. The record is fairly clear as to the meaning of this term and the Commission's report expresses this meaning quite well. Page 17 of the report states, in part:

> It was the decision of the Commission that because the disposal program made possible the purchase of a going profitable business, for negotiating purposes potential earning power should be the prime factor in the establishment of an appropriate price.

So we see that "earning power" should be the basis of "full fair value." A determination of earning power depends upon certain assumptions regarding volume of production, sales price of end products, costs of production and distribution, amortization of investment for tax purposes, amount of Federal income tax, fire and hazard insurance, and other factors. The Commission's assumptions on some of these factors are as follows: First, selling price of GR–S and butyl rubber, 23 cents per pound; second, depreciation rates, 7½ to 10 percent; third, Federal income-tax rates, 47 to 52 percent; fourth, volume of production, 67.4 to 100 percent of rated capacity—all but 1 GR–S rubber plant and both butyl rubber plants were rated at 80 percent of capacity; fifth, costs of administration, selling, research, and development, 3½ to 8 percent of sales; and, sixth, working capital, 12 to 24 percent of sales.

Most of these assumptions may be sound. It is my opinion, however, that it was most fanciful to assume that the selling price of synthetic rubber would remain at 23 cents per pound—the present price charged by the Government. Why, even during the hearings in 1953, a competent witness testified that the price would probably move immediately to around 26 cents per pound. Furthermore, we all know that the only effective ceiling on the price of synthetic rubber at present is the price and availability of natural rubber. Natural rubber is now selling at about 30 cents per pound.

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I think it would have been more reasonable to assume that some of this price gap would be closed by a rise in the selling price of synthetic.

Using the commission's assumptions down the line, the purchasers can expect a profit after taxes of about $25 million per year and a capital return through depreciation of from $20 million to $26 million per year. Thus, even at a 23-cent selling price, total capital investment can be recovered in from 5 to 6 years, which is not unreasonable. I can think of no comparable industry which is selling today on our major markets on any such basis as this. I also may say that it is very likely that the price of rubber may go far higher than 5 cents a pound if the developments in southeast Asia continue to be as unsatisfactory as they have been in the last year. If we assume a price rise of 5 cents a pound for synthetic rubber, which is not unreasonable, complete recovery of investment could occur in less than 3 years of operation.

Now, if other assumptions of the commission are as unrealistic as I believe its synthetic rubber price to be, the prospect for "full fair value" becomes even more doubtful.

The Government is not selling a white elephant. We are selling a thriving, profitable industry. What risk are these purchasers assuming? The market for synthetic rubber is certain and is rising. The ability of these plants to produce at a profit has been demonstrated by the Government. The possibility that some other product will emerge to take the place of present types of synthetic rubber is very remote. The only question facing these purchasers, as far as I can tell, is "how much more profit can we make than the Government is making?" From the purchasers' standpoint, this is a very happy outlook.

I believe that this industry is worth more money, and that further negotiations could result in more reasonable selling prices.

The second criterion I mentioned is protection for small-business men. Section 17 (1) of Public Law 205 requires that the disposal program be designed best to afford small-business enterprises and users an opportunity to obtain a fair share of synthetic rubber and at fair prices. Here is how the commission proposes to satisfy this criterion.

In the first place, all synthetic rubber output will be placed in the hands of large rubber fabricators, or large retailers of rubber products, or both. Thus the small-business man must obtain his supply of synthetic rubber from producers who are also his competitors. That is not a pleasant situation for the little fellow.

Think about this for a moment. The small manufacturer of rubber goods must obtain his rubber supply from companies which compete with him in the manufacture and sale of the same products. The Disposal Commission was apparently well aware of the untenable position of the small user of synthetic rubber. But look what the Commission did to resolve this problem.

The sales contracts contain clauses which represent and warrant that percentages of output will be available to small users at going prices, or market prices, or fair prices. This is all the small-business man has—a warranty to the Government that uncertain quanties will be available at uncertain prices. How can a small-business man derive any practical benefit from such flimsy protection? Can he sue one of the producers? This is doubtful; but even if he can, which producer should he sue? How can he know which producer is not selling the required quantity to small users?

Can he persuade the Government to enforce the contracts? Perhaps; but what can the Government achieve? Probably only an injunction to restrain future actions in violation of the contracts.

It is my opinion that the small-business man will not be able to survive the economic squeeze involved in the inevitable delay which enforcement of these contracts would require. Public Law 205 certainly contemplated something better than this. I believe that with time for further negotiation, something better can be achieved.

The third criterion concerns the development of a competitive synthetic rubber industry. The Commission was charged to sell these plants in a manner which would foster competition. This is the record.

The proposed sales plan contemplates that 88 percent of the synthetic rubber capacity sold will be controlled, individually or jointly, by United States Rubber Co., Goodyear Rubber Co., Firestone Rubber Co., Goodrich Rubber Co., Shell Oil Co., Standard Oil Co. of New Jersey, Texas Oil Co., Gulf Oil Co., and Phillips Oil Co. The remaining 12 percent of synthetic rubber capacity will be sold to combinations of other relatively large rubber fabricators, users, or retailers of rubber products. The overwhelming majority of these prospective purchasers are now, or recently have been, involved in antitrust suits brought by the Government. The usual outcome of such suits, after lengthy litigation, is a finding or an admission of guilt or a plea of no contest—resulting in a relatively insignificant fine.

Can we expect purchasers with such a record to conduct the synthetic rubber industry any more competitively than they have conducted their other enterprises? I see no evidence to support such an expectation. Can we expect the antitrust laws, in their present form, to be a more effective deterrent in the future than they have in the past? I confess to some skepticism on this point.

If the sales of these plants must vest ownership in these companies, and perhaps this may be inevitable, then I believe that the disposal law, or the contracts, or both, must contain additional safeguards against the possibility of monopolistic practices in the synthetic rubber industry. These safeguards can be achieved only by disapproving the recommended sales program and by negotiating new contracts.

The fourth criterion is to my mind the most significant of all. We must not sell out the national security. This Nation has two primary sources of rubber—natural rubber from southeast Asia and these synthetic rubber plants. We have absolutely no control over the natural rubber supply. It comes from an area which was quickly lost in World War II, and which is now in danger of further aggression. This danger is much greater than it was in 1953, and we cannot overlook it in considering this sales program.

Rubber is indispensable to the national defense. In the face of this fact and of the critical situation in southeast Asia, the negotiated contracts offer this protection. The plants must be kept in condition to produce at rated capacity within 6 months after notice by the Government. If such condition is satisfied, there are no provisions for recapture by the Government, for prices the Government would pay for rubber, or any other provisions designed to protect the public interest in time of emergency. Are such contracts consistent with national security in view of present world conditions? I do not believe so.

The PRESIDING OFFICER (Mr. HOLLAND in the chair). The time of the Senator from Arkansas has expired.

Mr. FULBRIGHT. Mr. President, I request 4 additional minutes.

Mr. JOHNSON of Texas. I yield 4 additional minutes to the Senator from Arkansas.

Mr. FULBRIGHT. Mr. President, the Senate has an obligation to the public to be very deliberate in this matter of national security. The synthetic rubber industry is a vital part of our defense. We should not permit the sale of the plants unless we are sure that the sales are consistent with national security. I am not sure; and I am convinced that more assurance should and can be achieved by further negotiation.

Let me assure my colleagues that I am not opposed to the sale of these plants under the proper terms and conditions. I think such proper terms and conditions can be worked out. Since the only way to do it is to disapprove the recommended sales program, I am in favor of disapproval. I hope that a majority of the Senate will share this view. If so, I hope we can then take the action necessary to enable the negotiation of contracts more consistent with the public interest.

Mr. President, I urge the Senate to adopt the resolution disapproving the sale of the rubber plants. I yield back the remainder of my time.

The PRESIDING OFFICER. The Senator from Arkansas has yielded back the time remaining to him.

Mr. FREAR. Mr. President——

The PRESIDING OFFICER. The Senator from Delaware.

Mr. JOHNSON of Texas. I yield the Senator from Delaware such time as he may desire.

Mr. FREAR. I thank the Senator from Texas.

The PRESIDING OFFICER. The Senator from Delaware is recognized.

Mr. FREAR. Mr. President, I shall be brief.

The Senate Committee on Banking and Currency has studied the Commission's report, has examined the report in light of Public Law 205, and has held hearings to elicit both favorable and unfavorable reaction to the work of the Commission. After thorough consideration of the law, the report, and testimony of public and private witnesses, the committee believes that the Commission has complied substantially with Public Law 205, 83d Congress, and can see no reason to disapprove the entire recommended sales program.

The law under which the Commission worked contained four major criteria:

First. That the disposal program be designed best to afford small-business enterprises and users the opportunity to obtain a fair share of the end products of the facilities sold and at fair prices.

Second. That the sales program provide for the development of a free, competitive synthetic-rubber industry.

Third. That full fair value be obtained for the facilities sold.

Fourth. That the disposal plan be consistent with the national security.

Those criteria were observed by the Commission in recommending to the Congress the sale of 24 synthetic rubber-producing facilities.

The committee voted 10 to 5 in adversely reporting the resolution, and I sincerely hope that action will be upheld by the Senate.

Mr. JOHNSON of Texas. Mr. President, I yield 10 minutes to the distinguished Senator from Illinois.

The PRESIDING OFFICER. The Senator from Illinois is recognized for 10 minutes.

Mr. DOUGLAS. Mr. President, I certainly do not favor Government ownership of rubber plants as a permanent measure. I would like to see the Government rubber plants owned instead by a series of small, medium, or moderately large businesses, so that there might be full and free competition in the rubber industry, as there should be in other industries.

Such an arrangement as that, which we designate as free enterprise would, by competition, tend to keep down the price of the synthetic rubber to the processors and to the ultimate consumers. Had we had such a system as that in the rubber industry, we would also have had more competitive bidding for the plants themselves, and the Government would leave secured better prices on the sale.

LITTLE COMPETITION IN BIDDING ON PLANTS

I think I am right in saying that every copolymer plant, which is the plant which ultimately produces GR–S synthetic rubber, but one, was bought through negotiations with one bidder. The one exception was the copolymer plant out on the Pacific coast, at Los Angeles. Each butyl rubber plant, moreover, was bought through a single bidder. In other words, there was almost no competitive bidding.

I wish to say that this was not the fault of the Commission in any respect. I think the Commission worked honestly and tried to protect the public interest, but the difficulty arose from the inherent nature of the rubber industry and the past record of the combination between the rubber companies, which I believe continues to the present. So in practice there was no competitive bidding for the rubber plants, with the exception of what was termed the "California complex" outside of Los Angeles.

BIG RUBBER AND OIL COMPANIES WILL DOMINATE RUBBER INDUSTRY

There are only four major rubber companies which dominate the industry, namely, Goodrich, Goodyear, Firestone, and the Du Pont satellite, United States Rubber, and which, with General Rubber, are in a supreme position in the rubber industry. The big four rubber companies and the big oil companies which will get most of these copolymer and butyl plants will have, as I understand it, approximately 87 percent of the productive capacity.

It may well be that the introduction of Shell into the picture will bring an added element of competition. I hope that may be so. But it is also true that the rubber companies and the oil companies are tied to each other, to a large degree, in that some of the rubber companies have agreements with the oil companies whereby the tires the rubber companies make shall be sold in the gas stations under the direction of the oil companies. So that the industry is interlocked as between rubber and oil. Certainly in the field of rubber the record of the industry is an almost continuous one of antitrust suits filed by the Department of Justice, in which violations of antitrust laws were either admitted by the rubber companies, or judgments were obtained against them. The record of antitrust proceedings against the oil companies, as submitted by Judge Barnes, of the Department of Justice, is also a long one.

So, Mr. President, what we have is not a free, competitive enterprise system for the rubber industry. The proposal before us really means the substitution, instead, of a monopolistic or quasi-monopolistic control in place of Government ownership. Even that might be waived in ordinary times. I was disposed to favor the objectives of the sales program when it was proposed 2 years ago, although I doubted the adequacy of the safeguards against monopoly.

NATURAL RUBBER SUPPLIES ENDANGERED BY WORSENED SITUATION IN SOUTHEAST ASIA

But what has happened in the last 2 years has been a deterioration in the situation in Southeast Asia, from which almost our entire supply of natural rubber is obtained. Since then the northern portion of Indochina has gone into the Communist realm. The southern portion of Indochina is also in a very ticklish position, with internal dissension. The Communist movement is spreading inside of Indonesia. Malaya may be caught between Communist Indonesia from the south, and Communist Indochina from the north.

Under those circumstances it is quite possible that we will find the supply of natural rubber either shut off or greatly curtailed in the event of an emergency, and the prospect of such a reduction in the supply of natural rubber would, of course, send up the price of rubber by a large proportion.

So what I am afraid we are likely to face is a great increase in the price of natural rubber. In that event, what will happen to the price of artificial rubber or synthetic rubber?

SYNTHETIC RUBBER PRICE RISE PROBABLE BY COLLUSIVE ACTION EVEN UNDER PRESENT CONDITIONS

At the present time the facts, as I understand them, are approximately as follows: Yesterday, the price of natural rubber in New York City was 30½ cents a pound. Although the Government has not actually operated its synthetic rubber plants, it has controlled their price policies, and has fixed the price of synthetic rubber at 23 cents a pound. That includes a management fee of approximately 1 cent a pound and a profit which the year before last was $60 million; last year, approximately $40 million; and for the current year, would be at the rate of approximately $46 million.

So, as I understand it, the profit on each pound of artificial rubber has been approximately 3 cents. With a 23-cents-a-pound selling price, from which are deducted a 1-cent-a-pound management fee and a 3-cents-a-pound profit ratio, that means that the production costs of artificial rubber under the present plan are approximately 19 cents a pound. In other words, artificial rubber can be produced at a cost of approximately 11 cents a pound less than natural rubber is now selling for in New York. Possibly that differential may actually be 12 cents a pound or something more than that.

With the past record of combination of the rubber companies and the disparity between the price of artificial rubber and the price of natural rubber, which now is 7½ cents a pound and which in the future is likely to increase rather than to diminish, what are the rubber companies likely to do? In view of their past record of combination, and, I say, collusion, I submit that in all probability they will combine, and will increase the price of artificial rubber.

If conditions do not worsen, and if the price of natural rubber remains at approximately 30½ cents a pound, I would certainly expect some increase in the price—possibly as much as 5 cents a pound. If the increase were only 5 cents a pound, that would mean an added profit of close to $75 million a year, which added to the present profit of $45 million a year, would make a profit of approximately $120 million a year, on a purchase price of between, on one basis, $260 million and, on another basis, approximately $300 million. That would be a tremendous rate of return. Although one cannot prophesy the future precisely, I would expect that something like that would happen if we approve the proposed sale.

TREMENDOUS PROFITS WILL BE MADE AT EXPENSE OF AMERICAN PEOPLE IF SOUTHEAST ASIA SITUATION DETERIORATES FURTHER

But if the military situation in southeast Asia were to deteriorate further, and if the price of natural rubber were to rise to 35, 40, 45, or 50 cents a pound—and, as everyone knows, the price of rubber is a very volatile affair, with tremendous fluctuations—if we were as I say to have

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such a rise in the price of natural rubber, just think of the tremendous profits which could be made by raising the price of artificial rubber.

I know it may be asked, "Why would it be any worse if these companies controlled the output and price of the synthetic rubber? Cannot they fix the price of the finished product, anyway? Therefore, what incentive will there be for them to raise the price of the raw material."

The answer is that they sell approximately one-third to one-fourth—I am dealing only in round numbers—of their output to the small processors, who are scattered all over the country; I refer to those who make rubber heels, rubber boots, rubber coats, rubber gloves, rubber mats, industrial belting and hundreds of such products. By raising the price of artificial rubber to the small processors, the manufacturers of artificial rubber, namely the Big Four and the big oil companies, would make enormous sums of money. Therefore, Mr. President, the transaction will not be merely a bookkeeping one. It will raise the costs of the small processors. The public will ultimately pay.

I have hesitated a long time in deciding how I should vote on this matter. But Mr. President, I cannot bring myself to vote for the transfer of these properties, under these conditions, and with the possibility and, indeed, the probability that the American people will "pay through the nose," thus making it possible for enormous profits to be made by the Big Four and by the big oil companies as a result of the transfer of these assets.

Furthermore, if the price of natural rubber skyrockets—as will most certainly happen if conditions in southeast Asia worsen to such an extent that the supply from that area is reduced or shut off—the Members of Congress who vote for these transfers will have a heavy burden upon their consciences.

I do not wish to have that load upon my conscience. I do not want to see the American people and the United States Government forced to pay enormous prices for a material which will be vitally needed in time of war, when survival itself may be at stake.

RECAPTURE OF PLANTS IN EMERGENCY MAY COST FAR IN EXCESS OF PRESENT SALE PRICE

I know it may be said that if war were to break out, we could recapture these plants. I suppose it is possible that we could commandeer them. However, the question is, At what price would that be? We have embodied—properly—in our Constitution the provision that property shall not be taken without due process of law; and therefore a fair price must be paid. If we turn over these plants to these companies now, and if the companies make very large profits, they will be entitled—and justly so, under the law, I believe—to exact a very high price for the properties. As a result, we may find that we are selling properties at this time for $260 million, which in the course of a few years we shall be compelled to buy back for $500 million or $750 million or $1 billion.

The PRESIDING OFFICER. The time allotted the Senator from Illinois has expired.

Mr. DOUGLAS. Mr. President, I should like to have an additional minute, if that will be satisfactory.

Mr. JOHNSON of Texas. Mr. President, I yield 1 more minute to the Senator from Illinois.

The PRESIDING OFFICER. The Senator from Illinois is recognized for an additional minute.

Mr. DOUGLAS. I thank the Senator from Texas.

So, Mr. President, I conclude by saying that I believe that these considerations should make us pause; and I believe that when we closely examine them they should make us decide to vote against turning over these plants, at this time and on the proposed terms, and to vote in favor of agreeing to the resolution submitted by the Senator from Oregon [Mr. MORSE].

LEGISLATIVE PROGRAM

Mr. JOHNSON of Texas. Mr. President, I desire to make a brief announcement; and for that purpose I yield to myself whatever time I may consume.

The PRESIDING OFFICER. The Senator from Texas is recognized.

Mr. JOHNSON of Texas. Mr. President, on next Monday, it is planned to have a call of the calendar. I have already made an announcement to that effect, and I make it again, and call it to the attention of both the majority and the minority calendar committees.

We also plan to consider at the earliest possible date on which we can sandwich them in the following measures: Calendar No. 107, Senate bill 1325, to amend the tobacco marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended; Calendar No. 108, Senate bill 1326, a similar bill; Calendar No. 109, Senate bill 1327, a similar bill; Calendar No. 110, Senate bill 1436, to preserve the tobacco acreage history of farms which voluntarily withdraw from the production of tobacco, and for other purposes; and Calendar No. 111, Senate bill 1457, to redetermine the national marketing quotas for burley tobacco for the 1955–56 marketing year, and for other purposes.

I understand that there is little, if any, opposition to four of those bills. As I have indicated, they propose amendments to the Tobacco Marketing Act. I understand there will be opposition to perhaps one of those bills.

We hope that if we can obtain a vote on the resolution now before the Senate we shall be able to take up tonight Calendar No. 116, Senate bill 691, to amend the Rubber Producing Facilities Disposal Act of 1953, so as to permit the disposal thereunder of Plancor No. 877 at Baytown, Tex. That is the bill introduced by the Senator from Texas [Mr. DANIEL] and myself, providing for the sale of a plant at Baytown, Tex. So far as I know, there is no opposition to that bill.

Next, it is our present plan to return to the consideration of the cotton acreage allotment bill tomorrow, and, if we can dispose of it, to take up the postal pay bill.

RESOLUTION DISAPPROVING SALE OF RUBBER-PRODUCING FACILITIES

The Senate resumed the consideration of the resolution (S. Res. 76) disapproving the sale of the rubber-producing facilities.

Mr. JOHNSON of Texas. Mr. President, I have no further request for time on this side.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield 1 minute to the Senator from Oregon.

Mr. MORSE. Since I spoke this afternoon about the great danger of vertical integration and the monopolistic danger to be created by the proposed sale, my attention has been called to a direct example of what I spoke about, involving the United States Rubber Co. I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks an explanation, as further proof of my claim that we must be on guard against the monopolistic dangers of this particular report of the Rubber Plants Disposal Commission.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

I should like to discuss what this sale of our rubber plants to the rubber and oil monopoly in this country is likely to have in the way of effects upon United States Government purchases of rubber items. As we all know, the United States Government is the largest single purchaser of many items sold and consumed. Particularly is that true with respect to items that are usable in defense and in preparation for the defense of our country. Well do we remember how in the early days of World War II the requirements of our Armed Forces for items made of rubber exceeded the supply.

In my opinion, it is a sad mistake to place any such supply in the hands of a few big rubber companies and a few big oil companies. We spend millions of dollars each year opposing monopoly and the tendencies toward monopoly. To dispose of the synthetic-rubber plants in the manner in which the present administration proposes will enhance the degree of monopoly that presently exists in the rubber industry and, in my opinion, will result in higher prices that will be paid by the taxpayers for rubber items purchased by the United States Government. That is the result that history teaches us inevitably is reaped when we have monopoly control. When we have a monopoly situation, we cannot expect anything except trade restraints.

Heretofore the taxpayers have suffered from the trade restraining activities of the big rubber companies. In that connection, I cite you to the case of *United States* v. *the Cooper Corporation* (Civ. 2–396 S. D. N. Y. 442). (See also CONGRESSIONAL RECORD of Mar. 21, 1955, p. 3296.) Now, that case involved a proceeding by the United States Government against the Cooper Corp. and a number of the large rubber companies to secure for the taxpayers of the United States penalties as damages for the injuries which had been suffered as a result of the agreements which had been entered into by these large rubber companies in fixing the prices at which the United States Government made purchases from them. While the Government proved its case in that instance, it lost the decision on a technicality. The Supreme Court held that under the existing antitrust laws the Government is not a person within the meaning of the antitrust laws and, therefore, cannot sue for the damages it suffers

as a result of violations of the antitrust laws. We hope that in the future Congress will amend the laws in that respect. However, the point that I am making now is simply this: We should not approve the disposal of our rubber plants to a known monopoly and thereby probably increase the cost to our taxpayers for all of the rubber items purchased by the Government.

Now, another instance has just been called to my attention involving what appears to be a trade-restraining practice on the part of the United States Rubber Co. respecting the sale of rubber cushions to be used as carpet underlay. I was amazed when I learned of this situation. I know it will surprise the other Members to learn today that one of the big rubber companies to whom the present administration proposes to hand over our synthetic-rubber plants has treated the taxpayers in the manner it did a few days ago. The facts regarding the rubber cushion carpet underlay to which I refer were as follows:

In November of 1954 the General Services Administration issued invitations for bids on what was known as item 27C–3867–30, class 27, part I, floor coverings, in seeking supplies of rubber cushion carpet underlay, as will be required by the Federal Government for the period from March 15, 1955, through March 14, 1956. Only a few bids were submitted in response to that invitation. The bids were opened about 3 weeks ago. The bidders included dealers who distribute the products of these major rubber manufacturing companies. Two of the bidders were dealers distributing products of the United States Rubber Co. One of those bid $1.69 per square yard. The other bid $1.55 per square yard. The latter was the low bidder. Both of those bidders had bid upon a United States Rubber Co. product. However, the award was not made to the low bidder in that instance. The award was made to the high bidder. It was made to the high bidder because the United States Rubber Co. has a practice whereby it has not sold this product to or through any distributor for resale to the United States Government, but has sold it only to a single distributor located in New York City which submitted the high bid in that instance. Now, a little investigation has disclosed that the high bidder in that instance is not one of our best citizens, but he is good enough for United States Rubber to use as a factor in this arrangement. According to a report prepared by Dun & Bradstreet, Inc., dated March 14, 1955, this successful bidder is Carpet Distributors Corp., room 801, 247 Park Avenue, New York, N. Y. Now, the name Carpet Distributors Corp. is the corporate veil under which a man by the name of Leonard Rosenblatt does business. He organized that corporation in May of 1953 immediately after he had paid a fine on April 2, 1953, because he had been convicted for having used a previous corporation, namely Contract Carpet Corp., as a device for making false and fraudulent statements on invoices he submitted to various Government departments. There were 17 counts in the indictment in that case. On March 24, 1953, Rosenblatt entered a plea of guilty to that indictment before Judge Noonan, according to the records of the United States District Court for the Southern District of New York.

In closing, I would like to refer to another aspect of this synthetic rubber plant proposal. As you know, for the last several years our Government has operated these synthetic rubber plants in partnership with members of private industry. Private industry not only appeared willing but anxious to engage in that partnership. Please do not misunderstand me—I am not complaining that they failed to handle their end of that bargain in an efficient manner. What I desire to do at this time is to call your attention to how this partnership is being closed out. It is being liquidated by the private industry members of the partnership taking over all of the public's assets. No longer will the Government be in partnership with private industry.

Mr. JOHNSON of Texas. Mr. President, I have no further requests for time, and I am informed that the minority leader has no further requests for time. If it is agreeable to him, we will both yield back our remaining time, and proceed to a quorum call and then a vote.

Mr. KNOWLAND. Mr. President, I am prepared to yield back my remaining time under those conditions.

The PRESIDING OFFICER. All remaining time is yielded back.

Mr. JOHNSON of Texas. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to Senate Resolution 76, disapproving the sale of the rubber-producing facilities.

Mr. JOHNSON of Texas. Mr. President, I ask for the yeas and nays.

Mr. KNOWLAND. Mr. President, I join in that request.

The yeas and nays were ordered.

Mr. JOHNSON of Texas. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. JOHNSON of Texas. Will the Chair state the pending question?

The PRESIDING OFFICER. The question is on agreeing to Senate Resolution 76, disapproving the sale of the rubber-producing facilities. A vote of "yea" is a vote in opposition to the sale, and a vote of "nay" is a vote in favor of the sale.

Mr. JOHNSON of Texas. If a Senator is opposed to the sale he will vote "yea," and if he favors the sale he will vote "nay."

The PRESIDING OFFICER. The Senator is correct.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. CLEMENTS. I announce that the Senator from Tennessee [Mr. GORE], the Senator from Arizona [Mr. HAYDEN], the Senator from Montana [Mr. MURRAY], and the Senator from Georgia [Mr. RUSSELL] are absent on official business.

The Senator from New Mexico [Mr. CHAVEZ] is absent because of illness.

The Senator from Massachusetts [Mr. KENNEDY] is absent by leave of the Senate because of illness.

I further announce that on this vote the Senator from Tennessee [Mr. GORE], the Senator from Arizona [Mr. HAYDEN], the Senator from Massachusetts [Mr. KENNEDY], and the Senator from Montana [Mr. MURRAY], if present and voting, would vote "yea."

Mr. SALTONSTALL. I announce that the Senator from Maryland [Mr. BUTLER] and the Senator from Pennsylvania [Mr. DUFF] are absent on official business.

The Senator from Delaware [Mr. WILLIAMS] is necessarily absent.

If present and voting, the Senator from Maryland [Mr. BUTLER] and the Senator from Delaware [Mr. WILLIAMS] would each vote "nay."

The result was announced—yeas 31, nays 56, as follows:

YEAS—31

Anderson	Jackson	Morse
Barkley	Johnson, Tex.	Neely
Clements	Johnston, S. C.	Neuberger
Douglas	Kefauver	O'Mahoney
Ervin	Kilgore	Pastore
Fulbright	Langer	Scott
George	Lehman	Smathers
Green	Magnuson	Sparkman
Hennings	Mansfield	Symington
Hill	McClellan	
Humphrey	McNamara	

NAYS—56

Aiken	Dworshak	Millikin
Allott	Eastland	Monroney
Barrett	Ellender	Mundt
Beall	Flanders	Payne
Bender	Frear	Potter
Bennett	Goldwater	Purtell
Bible	Hickenlooper	Robertson
Bricker	Holland	Saltonstall
Bridges	Hruska	Schoeppel
Bush	Ives	Smith, Maine
Byrd	Jenner	Smith, N. J.
Capehart	Kerr	Stennis
Carlson	Knowland	Thurmond
Case, N. J.	Kuchel	Thye
Case, S. Dak.	Long	Watkins
Cotton	Malone	Welker
Curtis	Martin, Iowa	Wiley
Daniel	Martin, Pa.	Young
Dirksen	McCarthy	

NOT VOTING—9

Butler	Gore	Murray
Chavez	Hayden	Russell
Duff	Kennedy	Williams

So the resolution (S. Res. 76) was not agreed to.

DISPOSAL OF BAYTOWN, TEX., COPOLYMER PLANT

Mr. JOHNSON of Texas. Mr. President, I now call up Senate bill 691.

The PRESIDING OFFICER. The clerk will state the bill by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 691) to amend the Rubber-Producing Facilities Disposal Act of 1953, so as to permit the disposal thereunder of Plancor No. 877 at Baytown, Tex.

The Senate therefore proceeded to consider the bill (S. 691) to amend the Rubber Producing Facilities Disposal Act of 1953, so as to permit the disposal thereunder of Plancor No. 877 at Baytown, Tex. which had been reported from the Committee on Banking and Currency with amendments on page 2, line 8, after the word "exceed", to strike out "30" and insert "60"; in line 10, after the word "the", to strike out "expiration", and insert "termination"; in line 11, after the word "the", to strike out "30 day" and insert "actual negotiation"; in line 12, after the word "to", to insert "the"; in line 15, after the numeral "(1)", to strike out the comma and "(2), and (3)", and insert "to (5), inclusive, and paragraph (8)"; in line 17, after the word "of", to insert "the"; and in line 25, after the word "period", to insert "The failure to complete transfer of possession within 30 days after the expiration of the period for congressional review shall not give rise to or be the basis of rescission of the contract of sale."

On page 3, after line 3, to strike out:

(d) Section 23 shall apply to resolutions disapproving a sale recommended in the report submitted under this section.

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(e) Section 24 shall not apply in the event of the disapproval by either House of Congress of a sale recommended in a report submitted under this section.

After line 9, to insert:

(d) If, upon termination of the transfer period provided for in subsection (c), no contract for the sale of Plancor No. 877 has become effective, the operating agency last designated by the President shall, as promptly as possible consistent with sound operating procedures, take said Plancor out of production and place it in adequate standby condition under the provisions of section 8 of the Rubber Producing Facilities Disposal Act of 1953: *Provided*, That the provisions in said section relating to the time for placing facilities in standby condition shall not apply to Plancor No. 877.

After line 20, to insert:

SEC. 2. Notwithstanding the provisions of section 3 (d) of the Rubber Producing Facilities Disposal Act of 1953, the Rubber Producing Facilities Disposal Commission (hereinafter referred to as the "Commission"), before submission to the Congress of its report relative to Plancor No. 877, shall submit it to the Attorney General, who shall, within 7 days after receiving the report, advise the Commission whether, in his opinion, the proposed disposition, if carried out, will violate the antitrust laws.

On page 4, after line 4, to insert:

SEC. 3. Notwithstanding the provisions of sections 14 and 22 of the Rubber Producing Facilities Disposal Act of 1953, the Rubber Act of 1948, as amended, is hereby extended with respect to the rubber-producing facilities covered by this act to the close of the day of transfer of possession of Plancor No. 877 to a purchaser in accordance with the provisions of section 25 of the Rubber Producing Facilities Disposal Act: *Provided*, That if no such transfer is made, the Rubber Act of 1948, as amended, is hereby extended to the close of the day upon which Plancor No. 877 is placed in standby condition pursuant to the provisions of this act.

After line 16, to insert:

SEC. 4. Notwithstanding the provisions of section 20 of the Rubber Producing Facilities Disposal Act of 1953, the Commission established by that act shall cease to exist at the close of the 30th day following the termination of the transfer period provided for in section 25 (c) of that act, unless no sale of Plancor No. 877 is recommended by the Commission pursuant to section 25 (c) of that act, in which event the Commission shall cease to exist at the close of the 130th day following the date of enactment of this act.

On page 5, after line 2, to insert:

SEC. 5. Except as otherwise provided in this act, disposal of Plancor No. 877 shall be fully subject to all the provisions of the Rubber Producing Facilities Disposal Act of 1953 and such criteria as have been established by the Commission in handling disposal of other Government-owned rubber producing facilities under that act: *Provided*, That the provisions of sections 7 (j), 7 (k), 9 (d), 9 (f), 10, 11, 15, and 24 of that act shall not apply to the disposal of Plancor No. 877. As promptly as practicable following the date of transfer of possession of Plancor No. 877 to a purchaser under this act, the operating agency last designated by the President shall offer for sale to such purchaser the end products produced at such plant and held in inventory for Government account on the day of such transfer of possession, together with the feedstocks then located at such plant or purchased by the operating agency for use at such plant. Sale of such end products shall be made at the Government sales price prevailing on the business day next preceding the date of transfer of possession of such plant. Sale of such feedstocks shall be made at not less than their cost to the Government. In the event the purchaser declines to purchase such end products or feedstocks when first offered to it by the operating agency, they may be thereafter disposed of in such manner as the operating agency deems advisable. In the event Plancor No. 877 is not sold under the provisions of this act, any end products produced at such plant and held in inventory for Government account on the day such plant is placed in standby condition pursuant to section 25 (d) of the Rubber Producing Facilities Disposal Act of 1953, as added by this act, and any feedstocks then located at such plant or purchased by the operating agency for use at such plant shall be disposed of in such manner as the operating agency deems advisable, at the prevailing market price for such end products and feedstocks.

On page 6, after line 13, to insert:

SEC. 6. Notwithstanding any provision of the Rubber Producing Facilities Disposal Act of 1953 and notwithstanding any other provision of this act, the Commission or, after it ceases to exist, such agency of the Government as the President may designate, may, after securing the advice of the Attorney General as to whether the proposed lease or sale would tend to create or maintain a situation inconsistent with the antitrust laws, enter into leases or contracts of sale for all or any number of 448 pressure tank cars (ICC classification ICC–104AW) for which the Commission invited proposals to purchase pursuant to that act. Each such lease may be for such duration and each such lease or contract of sale may be made on such terms (including type of use) as the Commission or such other agency deems advisable in the public interest: *Provided*, That each such lease or contract of sale shall contain, among other provisions, a national security clause, and each such lease shall contain provisions for the recapture of the tank cars leased by the Government and the termination of the lease, if the President determines that the national interest so requires. The rental or price for any such tank car or cars shall be an amount which the Commission or such agency determines to be the maximum amount obtainable in the public interest, but not less than fair value as determined by the Commission. Any of such tank cars not under lease or contract of sale to non-Federal lessees or purchasers may be transferred without charge by the Commission or such agency to any Government department or agency upon request for such use as the Commission or such agency deems advisable and subject to national security and recapture provisions of the type hereinabove provided for in this section running in favor of the Commission or other agency transferring the tank car or cars. Any of such tank cars not sold or under lease or transferred as hereinabove provided shall be placed and maintained in adequate standby condition pursuant to the provisions of section 8 of the Rubber Producing Facilities Disposal Act of 1953.

And at the top of page 8, to insert:

SEC. 7. The provisions of this act shall not be applicable to the disposal of any Government-owned rubber-producing facilities other than Plancor No. 877 and 488 pressure tank cars (ICC Classification–ICC 104AW); and all action taken pursuant to the provisions of the Rubber Producing Facilities Disposal Act of 1953 prior to the enactment of this act shall be governed by the provisions of that act as it existed prior to the enactment of this act and shall have the same force and effect as if this act had not been enacted.

So as to make the bill read:

Be it enacted, etc., That the Rubber Producing Facilities Disposal Act of 1953 is amended by adding at the end thereof the following new section:

"SEC. 25. (a) Notwithstanding the second sentence of section 7 (a), the period for receipt of proposals for the purchase of the Government-owned rubber-producing facility at Baytown, Tex., known as Plancor No. 877, shall not expire until the end of the 30-day period which begins on the date of the enactment of this section.

"(b) If one or more proposals are received for the purchase of Plancor No. 877 within the time period specified in subsection (a), the Commission, notwithstanding the expiration of the period for negotiation specified in section 7 (f), shall negotiate with those submitting the proposals for a period of not to exceed 60 days for the purpose of entering into a definitive contract of sale.

"(c) Within 10 days after the termination of the actual negotiation period referred to in subsection (b), the Commission shall prepare and submit to the Congress a report containing, with respect to the disposal under this section of Plancor No. 877, the information described in paragraphs (1) to (5), inclusive, and paragraph (8) of section 9 (a). Unless the contract is disapproved by either House of the Congress by a resolution prior to the expiration of 30 days of continuous session (as defined in section 9 (c)) of the Congress following the date upon which the report is submitted to it, upon the expiration of such 30-day period the contract shall become fully effective and the Commission shall proceed to carry it out, and transfer of possession of the facility sold shall be made as soon as practicable but in any event within 30 days after the expiration of such 30-day period. The failure to complete transfer of possession within 30 days after the expiration of the period for congressional review shall not give rise to or be the basis of rescission of the contract of sale.

"(d) If, upon termination of the transfer period provided for in subsection (c), no contract for the sale of Plancor No. 877 has become effective, the operating agency last designated by the President shall, as promptly as possible consistent with sound operating procedures, take said Plancor out of production and place it in adequate standby condition under the provisions of section 8 of the Rubber Producing Facilities Disposal Act of 1953: *Provided*, That the provisions in said section relating to the time for placing facilities in standby condition shall not apply to Plancor No. 877."

SEC. 2. Notwithstanding the provisions of section 3 (d) of the Rubber Producing Facilities Disposal Act of 1953, the Rubber Producing Facilities Disposal Commission (hereinafter referred to as the "Commission") before submission to the Congress of its report relative to Plancor No. 877, shall submit it to the Attorney General, who shall, within 7 days after receiving the report, advise the Commission whether, in his opinion, the proposed disposition, if carried out, will violate the antitrust laws.

SEC. 3. Notwithstanding the provisions of sections 14 and 22 of the Rubber Producing Facilities Disposal Act of 1953, the Rubber Act of 1948, as amended, is hereby extended with respect to the rubber-producing facilities covered by this act, to the close of the day of transfer of possession of Plancor No. 877 to a purchaser in accordance with the provisions of section 25 of the Rubber Producing Facilities Disposal Act: *Provided*, That if no such transfer is made, the Rubber Act of 1948, as amended, is hereby extended to the close of the day upon which Plancor No. 877

is placed in standby condition pursuant to the provisions of this act.

SEC. 4. Notwithstanding the provisions of section 20 of the Rubber Producing Facilities Disposal Act of 1953, the Commission established by that act shall cease to exist at the close of the 30th day following the termination of the transfer period provided for in section 25 (c) of that act, unless no sale of Plancor No. 877 is recommended by the Commission pursuant to section 25 (c) of that act, in which event the Commission shall cease to exist at the close of the 130th day following the date of enactment of this act.

SEC. 5. Except as otherwise provided in this act, disposal of Plancor No. 877 shall be fully subject to all the provisions of the Rubber Producing Facilities Disposal Act of 1953 and such criteria as have been established by the Commission in handling disposal of other Government-owned rubber producing facilities under that act: *Provided*, That the provisions of sections 7 (j), 7 (k), 9 (d), 9 (f), 10, 11, 15, and 24 of that act shall not apply to the disposal of Plancor No. 877. As promptly as practicable following the date of transfer of possession of Plancor No. 877 to a purchaser under this act, the operating agency last designated by the President shall offer for sale to such purchaser the end products produced at such plant and held in inventory for Government account on the day of such transfer of possession, together with the feedstocks then located at such plant or purchased by the operating agency for use at such plant. Sale of such end products shall be made at the Government sales price prevailing on the business day next preceding the date of transfer of possession of such plant. Sale of such feedstocks shall be made at not less than their cost to the Government. In the event the purchaser declines to purchase such end products or feedstocks when first offered to it by the operating agency, they may be thereafter disposed of in such manner as the operating agency deems advisable. In the event Plancor No. 877 is not sold under the provisions of this act, any end products produced at such plant and held in inventory for Government account on the day such plant is placed in standby condition pursuant to section 25 (d) of the Rubber Producing Facilities Disposal Act of 1953, as added by this act, and any feedstocks then located at such plant or purchased by the operating agency for use at such plant shall be disposed of in such manner as the operating agency deems advisable, at the prevailing market price for such end products and feedstocks.

SEC. 6. Notwithstanding any provision of the Rubber Producing Facilities Disposal Act of 1953 and notwithstanding any other provision of this act, the Commission or, after it ceases to exist, such agency of the Government as the President may designate, may, after securing the advice of the Attorney General as to whether the proposed lease or sale would tend to create or maintain a situation inconsistent with the antitrust laws, enter into leases or contracts of sale for all or any number of 448 pressure tank cars (ICC Classification ICC–104AW) for which the Commission invited proposals to purchase pursuant to that act. Each such lease may be for such duration and each such lease or contract of sale may be made on such terms (including type of use) as the Commission or such other agency deems advisable in the public interest: *Provided*, That each such lease or contract of sale shall contain, among other provisions, a national security clause, and each such lease shall contain provisions for the recapture of the tank cars leased by the Government and the termination of the lease, if the President determines that the national interest so requires. The rental or price for any such tank car or cars shall be an amount which the Commission or such agency determines to be the maximum amount obtainable in the public interest, but not less than fair value as determined by the Commission. Any of such tank cars not under lease or contract of sale to non-Federal lessees or purchasers may be transferred without charge by the Commission or such agency to any Government department or agency upon request, for such use as the Commission or such agency deems advisable and subject to national security and recapture provisions of the type hereinabove provided for in this section running in favor of the Commission or other agency transferring the tank car or cars. Any of such tank cars not sold or under lease or transferred as hereinabove provided shall be placed and maintained in adequate standby condition pursuant to the provisions of section 8 of the Rubber Producing Facilities Disposal Act of 1953.

SEC. 7. The provisions of this act shall not be applicable to the disposal of any Government-owned rubber-producing facilities other than Plancor No. 877 and 448 pressure tank cars (ICC Classification–ICC 104AW); and all action taken pursuant to the provisions of the Rubber Producing Facilities Disposal Act of 1953 prior to the enactment of this act shall be governed by the provisions of that act as it existed prior to the enactment of this act and shall have the same force and effect as if this act had not been enacted.

The PRESIDING OFFICER. The question is on agreeing to the amendments reported by the Committee on Banking and Currency.

The amendments were agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. CASE of South Dakota. Mr. President, I should like to have a statement from the author of the bill or from a member of the committee as to why we are considering this proposed legislation, in view of the fact that there was general legislation. Why was this plant not included in the general legislation which previously came up for consideration?

Mr. FREAR. Mr. President, the report of the Commission was that in the case of this particular copolymer plant at Baytown, Tex., it did not think the bid was sufficiently high to be accepted.

Mr. CAPEHART. Mr. President, will the Senator from South Dakota yield?

Mr. CASE of South Dakota. I yield to the Senator from Indiana.

Mr. CAPEHART. Mr. President, the Commission refused to sell the plant at the amount offered, and this proposed legislation would give the Commission the right to make another effort within 30 days' time under exactly the same terms and conditions as provided for in the original act. The bill was unanimously approved by the committee.

Mr. CASE of South Dakota. Will it permit the sale of the plant without competitive bid?

Mr. CAPEHART. No.

Mr. CASE of South Dakota. When the plant was offered for sale previously, was there more than one bid?

Mr. CAPEHART. There was not.

Mr. JOHNSON of Texas. Mr. President, will the Senator from South Dakota yield?

Mr. CASE of South Dakota. I yield.

Mr. JOHNSON of Texas. The bid was too low and it was rejected. This bill gives authority to the Commission to renegotiate and to sell this plant if it can secure a bid which the Commission believe is sufficient.

Mr. CASE of South Dakota. If the Commission can secure a proper bid. Does the bill require that more than one bid shall be received?

Mr. JOHNSON of Texas. I do not think so.

Mr. CAPEHART. Mr. President, will the Senator from South Dakota yield?

Mr. CASE of South Dakota. I yield.

Mr. CAPEHART. All we are doing is extending the time for 30 days under exactly the same conditions, the same disposal law procedures, and the same regulations as were provided for in the original act.

Mr. CASE of South Dakota. I may have been misled, but I was somewhat mystified by noting the vote on the adoption of the resolution previously considered. As I understand, that resolution would have prevented the sale of the plants. The vote of some of the Members in favor of the resolution misled me.

Mr. FREAR. Mr. President, I may say to the Senator from South Dakota that the vote on the previous resolution did not include this plant.

Mr. CASE of South Dakota. If it was good business to vote for the previous resolution and to kill all authority to dispose of any plants, why should it be good legislation to pass this bill?

Mr. FREAR. I think the previous vote is an indication that we should permit the 25th plant to be sold.

Mr. CASE of South Dakota. If we make 24 mistakes, we may as well make 25?

Mr. FREAR. I do not agree with that.

Mr. CAPEHART. Mr. President, a few moments ago I referred to 30 days. I meant, not to exceed 60 days for negotiation. Under the original act this plant, not having been sold, would go into standby status for 3 years. It is the desire of the committee that the Commission be given an opportunity to dispose of this plant, and it is given not to exceed 60 days of negotiation within which to do so, under generally the same terms and conditions as those provided for by the original Disposal Act.

Mr. CASE of South Dakota. If the Commission receives some bids for this plant and recommends sale, will its approval be required, or will there be opportunity for disapproval by the Congress?

Mr. CAPEHART. It will come back to the Congress for consideration.

Mr. CASE of South Dakota. Mr. President, I thank the Senator from Indiana, and I have no further questions.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill to amend the Rubber Producing Facilities Disposal Act of 1953, so as to

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permit the disposal thereunder of Plancor No. 877 at Baytown, Tex., and certain tank cars."

AMENDMENT OF COTTON MARKETING QUOTA PROVISIONS

The Senate resumed the consideration of the bill (H. R. 3952) to amend the cotton marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended.

Mr. JOHNSON of Texas. Mr. President, since we are back to the consideration of the cotton bill, I should like to announce to the Senate that we do not expect to have a vote on the bill this evening. I wish to give all Senators an opportunity to make any statements or any insertions in the RECORD they may desire to make before I suggest a recess. We will resume consideration of the bill tomorrow as soon as the morning hour is concluded.

Mr. ANDERSON. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. ANDERSON. What is the question which is actually before the Senate at this time.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Mississippi [Mr. STENNIS] for himself and other Senators to the amendment reported by the committee.

Mr. ANDERSON. May I inquire whether the yeas and nays have been ordered on the question?

The PRESIDING OFFICER. The yeas and nays have been ordered.

Mr. ANDERSON. The yeas and nays having been ordered, will it be possible to vacate the order except by unanimous consent?

The PRESIDING OFFICER. It would require unanimous consent to rescind the order for the yeas and nays.

Mr. ANDERSON. I wonder if I may have the assurance of the majority leader that no such request will be acted upon without a quorum call?

Mr. JOHNSON of Texas. If any Senator makes such a request the majority leader will see to it, if he is present, that there will be a quorum call; and if he is called out of the Chamber, he will ask whoever occupies his seat to suggest the absence of a quorum.

I am very anxious to have the yeas and nays on this particular amendment. I am glad to hear the distinguished Senator from New Mexico join in the request. We have had at least one conversion overnight. Perhaps if we can have more tomorrow, the cotton bill can be disposed of.

Mr. ANDERSON. Mr. President, I ask unanimous consent to have printed in the RECORD a table showing the allotted acreage for 1955; a table showing the number of acres which would be allotted under the action taken by the Committee on Agriculture and Forestry this afternoon; and a table showing the effect of the amendment offered by the distinguished junior Senator from Mississippi [Mr. STENNIS].

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

1955 State acreage allotments

State	1955 State allotment (1)	Acreage required to increase each farm allotment to smaller of 4 acres or 75 percent of highest acreage planted in 1952, 1953, or 1954 plus extra for Nevada and Illinois (2)	Stennis amendment (1½ percent of 1955 allotment) (3)
Alabama	1,101,804	20,724.7	16,527
Arizona	333,933	134.5	5,009
Arkansas	1,529,704	3,309.7	22,946
California	778,686	0	11,680
Florida	36,283	5,064.6	544
Georgia	950,818	17,799.0	14,262
Illinois	3,056	444.0	-------
Kansas	35	2.2	-------
Kentucky	8,374	298.1	126
Louisiana	648,442	8,860.7	9,727
Mississippi	1,750,852	28,132.9	26,263
Missouri	399,627	1,062.0	5,994
Nevada	2,324	1,176.0	-------
New Mexico	182,194	158.7	2,733
North Carolina	515,714	38,580.2	7,736
Oklahoma	872,532	1,807.5	13,198
South Carolina	773,945	12,641.3	11,609
Tennessee	593,868	14,274.7	8,898
Texas	7,612,779	11,061.5	114,192
Virginia	18,238	4,071.5	273
United States	18,113,208	169,679.3	271,612

Mr. HENNINGS. Mr. President, I ask unanimous consent to have printed at this point in the body of the RECORD a statement which I have prepared relative to the committee amendment to the cotton acreage bill.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR HENNINGS

I am opposed to the committee amendment on cotton acreage and I would like to make clear the reasons for my opposition.

I have studied the Senate report very carefully. I have also studied the House-passed bill and report. There is no question in my mind that the amendment of the Senate committee, which is in the nature of a substitute, would penalize the cotton producers in Missouri and would do so in order to provide a premium to cotton producers in some of the other States which have made no effort to take care of their small cotton farmers out of their reserve acreage.

In Missouri the State allotment has been used to bring most of our small cotton farmers up to the 5-acre minimum, or to the maximum amount they had ever planted, and the remainder has been divided on a percentage basis. Some other States made no provision for bringing small farmers up to the minimum and divided their allotment on a percentage basis. Now, Missouri farmers are being asked, under the amendment of the Senate committee, to sacrifice a part of any additional allotments in order to provide for the small cotton producers in other States who have previously been ignored. I think we should do everything possible to alleviate the hardship of the small producers by increasing their acreage, but not by this means, and I think the bill approved by the House provides a far more equitable way of doing it.

Moreover, the House bill retains the policy of the 5-acre farm, whereas the amendment of the Senate committee would permit a reduction to 4 acres, which, I am advised, is too small for efficient and economical operation.

Under the proposal of the committee, my State of Missouri would lose almost 9,000 acres, as compared with other States that would stand to gain substantial acreage at our expense. I believe this is an injustice to the cotton producers of my State.

APPOINTMENT OF HAROLD STASSEN AS SPECIAL ASSISTANT FOR DISARMAMENT POLICY

Mr. SYMINGTON. Mr. President, I ask unanimous consent to have printed in the body of the RECORD an editorial entitled "Secretary for Peace," published in the St. Louis Post-Dispatch of March 20, 1955.

The editorial relates to the appointment of former Governor Stassen to his new position and also to the economic disarmament plan, as provided for in Senate Resolution 71, which has been referred to the Committee on Foreign Relations.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the St. Louis Post-Dispatch of March 20, 1955]

SECRETARY FOR PEACE

The deep public yearning for some escape from the blind alley of the atomic arms race received recognition when President Eisenhower appointed Harold Stassen a special assistant for disarmament policy.

Mr. Stassen evidently will be free to make his new job pretty much what he wants it to be. We trust he makes it a big one—that he becomes, in effect, the first "secretary for peace." As an American delegate to the San Francisco conference which wrote the United Nations Charter 10 years ago, he should be well qualified.

One of the first things on Mr. Stassen's desk probably will be Senator SYMINGTON'S resolution on economic disarmament, which has now attracted more than half the Members of the Senate to its list of sponsors. It urges limitations on the proportion of each nation's key resources devoted to military purposes.

In setting such ceilings, allowance would be made for the special economic needs of each nation. Not all nations, that is, would be held to the same percentage of military potential. One main problem, of course, would be to reach agreement on the proper percentages. Another would be to agree on a system of foolproof inspection, which Senator SYMINGTON rightly considers essential.

At bottom the proposal is not so much a disarmament plan as it is one of several methods for checking up to insure compliance with a plan. As Senator SYMINGTON has told the Senate, "economic disarmament" should be regarded as an integral part of broader arrangements for balanced, enforceable reduction of all arms, atomic and conventional alike.

To us the significance of the Symington resolution is that it expresses a belief on the part of its many sponsors that disarmament is, despite much talk to the contrary, technically and practically feasible.

Because hydrogen bombs might be hidden from inspection, it is sometimes said, any disarmament agreement would be basically unenforceable and hence would involve a foolhardy risk. But Senator SYMINGTON and his more than 50 cosponsors evidently do not agree.

As the Senator says, once a nation has committed its resources to peaceful uses, a significant length of time must elapse before they

can be converted to war. This conversion time would become a sort of "time lock," which would have to be broken open before a nation's resources could be shifted to war-like purposes—and that interval would give other nations time to prepare for self defense.

So, as a statement of faith that disarmament can be achieved where the will to achieve it exists, the Symington resolution deserves applause and commendation. But there remains the problem of creating a truly powerful will to achieve disarmament. Mr. Stassen might give himself that assignment, among others.

EXECUTIVE SESSION

Mr. JOHNSON of Texas. I move that the Senate proceed to the consideration of executive business, for the consideration of new reports.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

The PRESIDING OFFICER. If there be no reports of committees, the nominations on the Executive Calendar under the heading "New Reports" are in order. The clerk will state the first nomination.

DIPLOMATIC AND FOREIGN SERVICE

The Chief Clerk read the nomination of Ellis O. Briggs, of Maine, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Peru.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of William S. B. Lacy, of Virginia, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Korea.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

ROUTINE DIPLOMATIC AND FOREIGN SERVICE

The Chief Clerk proceeded to read sundry nominations in the routine Diplomatic and Foreign Service.

Mr. JOHNSON of Texas. Mr. President, I ask that the nominations in the routine Diplomatic and Foreign Service be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations in the routine Diplomatic and Foreign Service are confirmed en bloc.

POSTMASTERS

The Chief Clerk proceeded to read sundry nominations of postmasters.

Mr. JOHNSON of Texas. Mr. President, I ask that the nominations of postmasters be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations of postmasters are confirmed en bloc.

Mr. JOHNSON of Texas. I ask that the President be immediately notified of all nominations confirmed this day.

The PRESIDING OFFICER. Without objection, the President will be immediately notified.

LEGISLATIVE SESSION

Mr. JOHNSON of Texas. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

RECESS

Mr. JOHNSON of Texas. Mr. President, I move that the Senate stand in recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 56 minutes p. m.) the Senate took a recess until tomorrow, Thursday, March 24, 1955, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate March 23 (legislative day of March 10), 1955:

DIPLOMATIC AND FOREIGN SERVICE

Ellis O. Briggs, of Maine, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Peru.

William S. B. Lacy, of Virginia, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Korea.

ROUTINE DIPLOMATIC AND FOREIGN SERVICE

To be consul general

E. Allan Lightner, Jr. of New Jersey.

To be Foreign Service officers of class 2, consuls, and secretaries in the diplomatic service

Sidney B. Jacques, of New York.
Jeremiah J. O'Connor, of the District of Columbia.

To be Foreign Service officers of class 3, consuls, and secretaries in the diplomatic service

John S. Barry, of California.
Joseph T. Bartos, of Colorado.
Edward W. Harding, of New York.
A. Guy Hope, of Virginia.
Cass A. Kendzie, of Michigan.
Homer W. Lanford, of Alabama.
Henry F. Nichol, of Virginia.
Philip D. Sumner, of Maryland.

To be Foreign Service officers of class 4, consuls, and secretaries in the diplomatic service

Willis B. Collins, Jr., of Alabama.
John E. Crawford, of Minnesota.
Charles W. Falkner, of Oregon.
Miss Sofia P. Kearney, of the Commonwealth of Puerto Rico.
Kenneth A. Kerst, of Wisconsin.
Paul D. McCusker, of Colorado.
Franklin H. Murrell, of California.
G. Etzel Pearcy, of California.
Harold D. Pease, of California.
William A. Root, of Maryland.
Frederick L. Royt, of Wisconsin.
Robert R. Schott, of Oregon.
Charles C. Sundell, of Minnesota.
Maurice E. Trout, of Michigan.
Donald L. Woolf, of California.
Henry D. Wyner, of Virginia.

To be a Foreign Service officer of class 5, consul, and secretary in the diplomatic service

J. H. Cameron Peake, of New York.

To be Foreign Service officers of class 5, vice consuls of career, and secretaries in the diplomatic service

Henry T. Andersen, of Connecticut.
John G. Bacon, of Washington.
William E. Berry, Jr., of Virginia.
William W. Blackerby, of Texas.
Walter S. Burke, of California.
Wallace Clarke, of California.
Miss Alice M. Connolly, of Washington.
Miss Virginia I. Cullen, of Pennsylvania.
Charles W. Davis, of Virginia.
Robert E. Dowland, of Tennessee.
William B. Dozier, of South Carolina.
Xavier W. Eilers, of Minnesota.
Miss Shirley M. Green, of Missouri.
Oscar H. Guerra, of Texas.
Ernest B. Gutierrez, of New Mexico.
Malcolm P. Hallam, of South Dakota.
George A. Hays, of Pennsylvania.
Roy R. hermesman, of Pennsylvania.
Miss Margaret Hussman, of Idaho.
Samuel M. Janney, Jr., of Virginia.
Miss Thelma M. Jennssen, of Minnesota.
Robert S. Johnson, of Michigan.
Hugh D. Kessler, of Florida.
Arthur C. Lillig, of Oregon.
Edwin H. Moot, Jr., of Illinois.
John A. Moran III, of New Jersey.
John Patrick Mulligan, of Colorado.
Robert C. Ode, of Michigan.
Glen S. Olsen, of Utah.
Robert H. Rose, of Utah.
James T. Rousseau, of Florida.
Irving I. Schiffman, of Virginia.
Robert W. Skiff, of Florida.
Robert T. Wallace, of Michigan.
Robert A. Wooldridge, of Indiana.

To be Foreign Service officers of class 6, vice consuls of career, and secretaries in the diplomatic service

Francis L. Foley, of Colorado.
William T. Keough, of Pennsylvania.

To be secretary in the diplomatic service

Alfred C. Ulmer, Jr., of Florida.

To be vice consul

Charles P. Kiteley, of Tennessee.

To be Foreign Service officers of class 2, consuls, and secretaries in the diplomatic service

Wilson T. M. Beale, Jr., of the District of Columbia.
Samuel D. Boykin, of Alabama.
Bernard A. Bramson, of New York.
Edward G. Cale, of Maryland.
William W. Chapman, Jr., of Maryland.
W. Pierce MacCoy, of Virginia.
Harold W. Moseley, of Massachusetts.
Donald L. Nicholson, of Pennsylvania.
Walter K. Schwinn, of Connecticut.

To be Foreign Service officers of class 3, consuls, and secretaries in the diplomatic service

John A. Birch, of Maryland.
Lee B. Blanchard, of Oklahoma.
Perry H. Culley, of California.
Edgar A. Dorman, of the District of Columbia.
Edwin M. Duerbeck, of Virginia.
Coulter D. Huyler, Jr., of Connecticut.
Donald B. McCue, of Virginia.
Charles J. Merritt, Jr., of Massachusetts.
Jack B. Minor, of New Jersey.
Thomas G. Murdock, of North Carolina.
Albert Post, of the District of Columbia.
John T. Sinclair, of Maryland.
Edward J. Thomas, of Ohio.
Alfred E. Wellons, of Maryland.

To be Foreign Service officers of class 4, consuls, and secretaries in the diplomatic service

Sverre M. Backe, of California.
LeRoy E. Colby, of Maryland.
James A. Dibrell, of Texas.
Michael J. Dux, of Florida.
Nels E. Erickson, of Virginia.
Robert C. F. Gordon, of California.
Miss Betty C. Gough, of Maryland.
Homer C. Kaye, of Missouri.
Emery R. Kiraly, of Maryland.
Joseph B. Kyle, of Virginia.
Seymour Levenson, of California.
Ralph K. Lewis, of California.
William P. McEneaney, of Michigan.
Bruce H. Millen, of Louisiana.

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Joseph F. Proff, of California.
Miss Marie E. Richardson, of Arkansas.
Earle J. Richey, of Kansas.
Norman V. Schute, of California.
Charles H. Taliaferro, of Virginia.
Miss Ruth J. Torrance, of Virginia.
Joseph E. Wiedenmayer, of New Jersey.

To be Foreign Service officers of class 5, vice consuls of career, and secretaries in the diplomatic service

Robert A. Brown, of California.
Harrison W. Burgess, of Virginia.
Stephen A. Dobrenchuk, of Massachusetts.
Miss Dorothy J. Dugan, of New Jersey.
James J. Ferretti, of Connecticut.
William H. Gleysteen, Jr., of Pennsylvania.
Leaman R. Hunt, of Oklahoma.
Alexander C. Mancheski, of Wisconsin.
Louis B. Marr, of Pennsylvania.
William M. Olive, of Missouri.
William W. Sabbagh, of Maryland.
Ree C. Shannon, of North Carolina.
George W. Small, of West Virginia.
J. Harlan Southerland, of the District of Columbia.
Robert N. Wellman, of Ohio.

To be Foreign Service officers of class 6, vice consuls of career, and secretaries in the diplomatic service

John T. Bennett, of California.
G. Ryder Forbes, of Virginia.
Elmer G. Kryza, of Michigan.
Miss Mary Manchester, of Texas.
James D. Mason, of Indiana.
Miss Nancy V. Rawls, of Georgia.
Robert P. Smith, of Texas.

The following-named Foreign Service officers for promotion from class 2 to grade indicated:

To class 1

John K. Emmerson, of Colorado.
Edward S. Maney, of Texas.
Gordon H. Mattison, of Ohio.
George A. Morgan, of the District of Columbia.
Woodruff Wallner, of New York.

The following-named Foreign Service officers for appointment to grade indicated:

To class 1, consul, and secretary in the diplomatic service

George H. Emery, of North Carolina.

The following-named Foreign Service officers for promotion from class 3 to grade indicated:

To class 2

R. Austin Acly, of Massachusetts.
N. Spencer Barnes, of California.
Leo J. Callanan, of Massachusetts.
Sterling J. Cottrell, of California.
Robert C. Creel, of New York.
Fulton Freeman, of California.
Edward L. Freers, of California.
Richard D. Gatewood, of California.
Wesley C. Haraldson, of Virginia.
Landreth M. Harrison, of Minnesota.
Owen T. Jones, of Ohio.
Sidney K. Lafoon, of Virginia.
John M. McSweeney, of Massachusetts.
John Ordway, of the District of Columbia.
Walter W. Orebaugh, of Oregon.
John M. Steeves, of the District of Columbia.
Robert C. Strong, of Wisconsin.
Alfred T. Wellborn, of Louisiana.
H. Bartlett Wells, of New Jersey.
Eric C. Wendelin, of Massachusetts.

The following-named persons for appointment as Foreign Service officers in the grade indicated:

To class 2, consuls, and secretaries in the diplomatic service

Bernhard G. Bechhoefer, of the District of Columbia.
William I. Cargo, of Maryland.
Sam P. Gilstrap, of Oklahoma.
John W. Jago, of California.
Charles H. Mace, of Ohio.
Alfred Puhan, of Wisconsin.
Joseph W. Scott, of Texas.
Richard S. Wheeler, of Michigan.
William D. Wright, of the District of Columbia.

To be consul general

Gerald Warner, of Massachusetts.

The following-named Foreign Service officers for promotion from class 4 to grade indicated:

To class 3

James M. Byrne, of New York.
Keld Christensen, of Iowa.
Clyde L. Clark, of Iowa.
Merritt N. Cootes, of Virginia.
Roy T. Davis, Jr., of Maryland.
Juan de Zengotita, of Pennsylvania.
Donald P. Downs, of Nevada.
Philip F. Dur, of Massachusetts.
James R. Gustin, of Wisconsin.
David H. Henry 2d, of New York.
William P. Hudson, of North Carolina.
William E. Knight 2d, of Connecticut.
Roswell D. McClelland, of Connecticut.
William D. Moreland, Jr., of Oregon.
Clinton L. Olson, of California.
Norman K. Pratt, of Pennsylvania.
Robert Rossow, Jr., of Indiana.
John H. Stutesman, Jr., of New Jersey.
Cyril L. F. Thiel, of Illinois.
Edward L. Waggoner, of Ohio.
Joseph J. Wagner, of New York.

The following-named persons for appointment as Foreign Service officers in the grade indicated:

To class 3, consul, and secretary in the diplomatic service

George H. Alexander, of Maryland.
Morton Bach, of Minnesota.
Edward P. Dobyns, of Virginia.
Bryan R. Frisbie, of Arizona.
Robert A. Hancock, of Michigan.
John E. Hargrove, of Mississippi.
Marshall P. Jones, of Maryland.
Warren H. McKenney, of Florida.
Robert M. Marr, of Ohio.
Howard Meyers, of Maryland.
Trevanion H. E. Nesbitt, of Maryland.
Nils William Olsson, of Illinois.
Nestor C. Ortiz, of Virginia.
Lawrence A. Phillips, of Maryland.
Arthur J. Waterman, Jr., of Virginia.

The following-named Foreign Service officers for promotion from class 5 to grade indicated:

To class 4

Robert B. Dreessen, of Missouri.
Harry F. Pfeiffer, Jr., of Maryland.

To class 4 and consul

Theo C. Adams, of Texas.
Willard Allan, of Colorado.
John Q. Blodgett, of the District of Columbia.
Archer K. Blood, of Virginia.
Robert W. Dean, of Illinois.
Richard H. Donald, of Connecticut.
Adolph Dubs, of Illinois.
John W. Fisher, of Montana.
Wayne W. Fisher, of Iowa.
John I. Getz, of Illinois.
Robert S. Henderson, of New Jersey.
Edward W. Holmes, of Washington.
Thomas D. Kingsley, of Maryland.
Herbert B. Leggett, of Ohio.
Edward V. Lindberg, of New York.
Edward T. Long, of Illinois.
James A. May, of California.
Cleo A. Noel, Jr., of Missouri.
LeRoy F. Percival, Jr., of Connecticut.
Jordan T. Rogers, of South Carolina.
John A. Sabini, of the District of Columbia.
Dwight E. Scarbrough, of Minnesota.
John P. Shaw, of Minnesota.
Francis T. Underhill, Jr., of New Jersey.
Milton C. Walstrom, of the Territory of Hawaii.
Park F. Wollam, of California.
Parker D. Wyman, of Illinois.
Sam L. Yates, Jr., of California.

The following-named persons for appointment as Foreign Service officers in the grade indicated:

To class 4, consuls and secretaries in the diplomatic service

Paul C. Campbell, of Pennsylvania.
Roger P. Carlson, of Minnesota.
Antonio Certosimo, of California.
Asa L. Evans, of South Carolina.
Mrs. Florence H. Finne, of California.
Harry George French, of Wisconsin.
Harrison M. Holland, of Washington.
William S. Krason, of New York.
Frederick D. Leatherman, of Ohio.
Allen F. Manning, of Maryland.
Ralph J. Ribble, of Texas.
Charles M. Rice, Jr., of Montana.
Robert M. Schneider, of Iowa.
Peter J. Skoufis, of Maine.
Harry R. Stritman, of California.

The following-named Foreign Service officers for promotion from class 6 to grade indicated:

To class 5

Richard H. Adams, of Texas.
William G. Allen, of Vermont.
Robert J. Ballantyne, of Massachusetts.
William R. Beckett, of Michigan.
William D. Broderick, of Michigan.
North C. Burn, of Washington.
Alan L. Campbell, Jr., of North Carolina.
Frederic L. Chapin, of the District of Columbia.
Maxwell Chaplin, of California.
Edward R. Cheney, of Vermont.
James D. Crane, of Virginia.
Franklin J. Crawford, of Ohio.
John E. Cunningham, of Pennsylvania.
David Dean, of New York.
François M. Dickman, of Wyoming.
James B. Freeman, of Ohio.
Alexander S. C. Fuller, of Connecticut.
James Robert Greene, of California.
Herbert M. Hutchinson, of New Jersey.
Kempton B. Jenkins, of the District of Columbia.
Richard E. Johnson, of Illinois.
George R. Kenney, of Illinois.
Lucien L. Kinsolving, of New York.
John F. Knowles, of New Jersey.
Henry Lee, Jr., of Massachusetts.
William W. Lehfeldt, of California.
Harry R. Melone, Jr., of New York.
Thomas N. Metcalf, Jr., of Massachusetts.
George C. Moore, of California.
Benjamin R. Moser, of Virginia.
Harvey F. Nelson, Jr., of California.
Richard D. Nethercut, of Wisconsin.
G. Edward Reynolds, of New York.
Ralph W. Richardson, of California.
William E. Schaufele, Jr., of Ohio.
Kennedy B. Schmertz, of Pennsylvania.
Talcott W. Seelye, of Massachusetts.
William C. Sherman, of Illinois.
Robert K. Sherwood, of Nebraska.
Christopher A. Squire, of Virginia.
Heywood H. Stackhouse, of Virginia.
William W. Thomas, Jr., of North Carolina.
Lewis R. Townsend, of New Jersey.
Charles L. Widney, Jr., of Tennessee.
Frank S. Wile, of Michigan.
William D. Wolle, of Iowa.
Chester R. Yowell, of Missouri.

The following-named persons for appointment as Foreign Service officers in the grade indicated:

To class 5, vice consuls of career, and secretaries in the diplomatic service

Robert Anderson, of Massachusetts.
Miss Mildred J. Baer, of Maryland.
Miss Edna H. Barr, of Ohio.
Miss Dorothy V. Broussard, of Texas.
M. Lee Cotterman, of Ohio.
Ray H. Crane, of Utah.
A. Hugh Douglas, Jr., of Rhode Island.
Elden B. Erickson, of Kansas.
Richard V. Fischer, of Minnesota.
Ralph C. Fratzke, of Iowa.
John H. Hermanson, of Massachusetts.

Miss Olive M. Jensen, of Iowa.
Richard N. Kirby, of Ohio.
Nicholas S. Lakas, of Connecticut.
Kenneth W. Linde, of Connecticut.
Charles G. Mueller, of Montana.
Virgil E. Prichard, of Oklahoma.
Joseph H. Quintanilla, of Texas.
Miss Martha Jean Richardson, of Illinois.
Robert F. Slutz, Jr., of Maryland.
Miss Violet Smith, of New York.
Miss LaVerne L. Thomsen, of Washington.
Paul E. Woodward of Pennsylvania.

To Class 6, vice consuls of career, and secretaries in the diplomatic service

Robert J. Allen, Jr., of the District of Columbia.
Harvey J. Cash, of Texas.
Brewster R. Hemenway, of New York.
Adolph W. Jones, of Tennessee.
William H. McLean, of Kentucky.
Paul J. Plenni, of West Virginia.
Miss Elizabeth J. Rex, of Pennsylvania.
Miss Betty A. Robertson, of Pennsylvania.
Carl G. Seasword, Jr., of Michigan.
Miss Alice M. Smith, of North Carolina.
Nicholas A. Veliotes, of California.

The following-named Foreign Service staff officers to the grade indicated:

To be consuls

John A. Birch, of Maryland.
Gordon Dale King, of Texas.
James P. Parker, of Connecticut.

POSTMASTERS

ARKANSAS

Richard E. Williams, Rogers.

CALIFORNIA

Evelyn O. Lesley, Mount Baldy.
Burnice C. Wellband, Pine Valley.

DELAWARE

Clarence A. Willis, Jr., Laurel.
David W. Steele, Ocean View.

IOWA

Doris M. Beaman, Mondamin.

LOUISIANA

Melva E. Robinson, Mandeville.

NORTH CAROLINA

Harry C. Robbins, Blowing Rock.
James L. Chestnutt, Edenton.
Lee G. Phipps, Grassy Creek.
Victor F. Harris, Harrisburg.
Kathryn H. Perry, Kitty Hawk.
James L. Oakley, Providence.
James D. Glisson, Stokes.
Iris S. Powell, Wentworth.

HOUSE OF REPRESENTATIVES

WEDNESDAY, MARCH 23, 1955

The House met at 11 o'clock a. m.

His Grace Athenagoras, bishop of the Greek Orthodox Church in America, offered the following prayer:

Almighty and ever-living God, King of the universe, in gratitude we turn our hearts unto Thee for the priceless gifts that Thou hast bestowed upon us, Thy faithful people.

For a rich and bountiful land whose blessings reach across the wide seas to enrich others.

For the freedom to live and work and worship under the dictates of conscience and not of tyrants.

For a way of life that acknowledges first the dignity of the human entity.

For a pattern of living that offers endless opportunities for many who have talents and faith.

For all that makes us a great nation not in wealth nor in power but great with the greatness of humility and the willingness to share our blessings with those in need and suffering all over the world.

We thank Thee for the great achievements of all the nations that offer under Thy sight enlightenment and example unto us and especially for the gallant Greek nation in the struggle of liberation and freedom.

As we observe this nation's day of independence this week we beseech Thee, O Lord of all nations, to strengthen all those who fight for peace and freedom, grant to the oppressed hope and courage, and, to those who live in the bondage of fear, faith and patience to preserve their integrity and keep intact the treasure of human dignity.

Bless, O Lord, the leaders of this our Nation and all those unto whom Thy faithful people have entrusted the protection of their freedom and rights.

Guide the leaders of all the nations and enrich their minds and hearts with the spirit of the Gospel of Thy Son, our Lord, who liveth and reigneth with Thee and Thy Holy Spirit, now and ever. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Ast, one of its clerks, announced that the Senate agrees to the amendments of the House to a bill of the Senate of the following title:

S. 913. An act to eliminate the need for renewal of oaths of office upon change of status of employees of the Senate or House of Representatives.

The message also announced that the Senate agrees to the amendment of the House of Representatives to the amendment of the Senate in line 7 of the bill (H. R. 2576) entitled "An act to further amend the Reorganization Act of 1949, as amended, so that such act will apply to reorganization plans transmitted to the Congress at any time before April 1, 1958."

The message also announced that the Senate agrees to the amendment of the House to the amendment of the Senate to the title of the above-entitled bill.

ANNIVERSARY OF GREEK INDEPENDENCE

Mr. FERNANDEZ. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New Mexico?

There was no objection.

Mr. FERNANDEZ. Mr. Speaker, we reverently listened, as the session opened this day, to the prayer by His Grace, Bishop Athenagoras, of Boston, Mass., the spiritual leader of the Greek Orthodox faithful in New England, who said the invocation at the invitation of our beloved Chaplain, Dr. Bernard Braskamp.

It is a coincidence, but in a sense an appropriate one, for this week, March 25 to be exact, marks the anniversary of the independence of Greece in 1821 from the powerful Ottoman Empire after 400 years of subjugation.

For centuries and centuries since ancient times Greece had been a free democracy. During the golden age of the Greek people, democracy flourished, and our civilization borrowed much from their experience and teachings. That democracy and the love of freedom has been carried through the years in the Western World and is still with us today in this great country of ours and in many other free nations.

The Greek people also gave us of the arts, the sciences, medicine, architecture, and other attributes to our civilization. This and much more we owe to Greece.

The aggressive Ottoman rule left her impoverished but with spirit unbroken, and so it came to pass that in the present era, this little nation of 7 million people dared to fight back a Mussolini, a Hitler, and a Stalin in rapid succession. From this example others took courage and the tide of nazism and communism was stemmed.

In the process, the Greek people suffered great losses in lives and blood, it suffered from want, disease, and economic disaster as the result of its heroic stand. It was well that our own America was in position to repay Greece by coming to its aid financially. They responded to that aid by restoring their economy to a sounder basis. No greater appreciation of that financial aid could be shown than to use it wisely and well. This they have done.

American descendants of this great Greek Nation have watched with loving concern her struggle to remain and retain the proud place in the family of nations to which her heritage and valor entitles her. On this anniversary of their independence, we pay tribute to the heroic people of Greece.

UNEMPLOYMENT IN COAL FIELDS OF PENNSYLVANIA

Mr. FLOOD. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. FLOOD. Mr. Speaker, yesterday for 6 hours this House discussed an important matter dealing with national security, the disposal of rubber plants. Today we will discuss for 2 hours a resolution dealing with the same matter. That is as it should be, and the House will decide.

I see where employment is at a very high scale in America. Commerce and business is increasing, and the goose hangs high. I do not like to be an unpleasant relative to my colleagues, but may I direct your attention again to the coalfields of Pennsylvania, where there is a serious and distressed economic condition affecting the welfare of millions of American citizens. In my district

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there are 25,000 unemployed men, 15.5 percent of the total population.

You can speak well, and I am sorry I bring these unpleasant things to your attention, but it is my duty in your gay and happy mood to tell you this is a serious blight upon the economy of this Nation, a reflection upon this Congress and upon this Government. When will the time come that we will discuss other than foreign welfare? What about the welfare of the coal industry, as much a part of national security as the rubber industry—and coal is not a synthetic, but a gift from God to this Nation—and like so many things God has given us we have failed miserably to help and aid this treasure. Why do you refuse to believe that thousands of American citizens in the coalfields of Pennsylvania at this very moment must live on public assistance and eat Federal surplus food to stay alive? Do you not like to hear this? This House can no longer pretend this is not so. This Government must stop its ostrichlike performance with reference to the terrible unemployment in the coalfields. What do you want these Americans to do—drop dead and thus solve your problem. We do not want charity or the dole—we want jobs—jobs—jobs. Talk of your rubber, cotton, tariff treaties—but what about your coal—coal—coal—coal—coal—coal—coal—coal.

CRY OF FREEDOM

Mr. GARY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Virginia.

There was no objection.

Mr. GARY. Mr. Speaker, fourscore and 100 years ago today a great Virginian stood in a pew in a small church in my native city of Richmond, Va., and made a speech which will never be forgotten as long as freedom is secure in the world. In St. John's Church, which still stands, Patrick Henry proclaimed:

I know not what course others may take; but as for me, give me liberty or give me death.

That proclamation became the foreword of our early Republic and is today an accepted tenet of our political faith.

The premier performance of the play Cry of Freedom, based on the remarkable career of this great American, will be given next Monday evening at the Lisner Auditorium, here in Washington, under the sponsorship of the District of Columbia Department of the American Legion.

Today, in commemoration of the 180th anniversary of Patrick Henry's famous speech, Mr. Benjamin E. Hinden, coauthor of the play, will deliver an address over radio station WOL.

I take pleasure in inserting Mr. Hinden's speech at this point in the RECORD:

CRY OF FREEDOM

For many years millions of patriotic Americans have been greatly disturbed about the international Communist threat to freedom and the future of our country. Robert Clark and I decided that something must be done to counteract the poisonous lies being spread by brutal dictatorship and godless tyranny. We are convinced that we have undertaken a project which will prove highly beneficial to all who share America's cause in the battle for the minds of men, a battle we are forced to fight.

As writers, we turned to authentic sources for research and information about these United States—the history book, the National Archives, and the Library of Congress. We searched for an answer to this question: What started our country on the road to freedom? As we progressed, we confided to each other a slight feeling of shame at reaching this stage of our lives, living here in our Nation's Capital, among the very symbols of America's struggle for freedom, and understanding so little of the dramatic story behind these United States.

We soon became conscious that our Founding Fathers furnished a light to guide us. That light was sparked through the efforts of a man determined to be free—a man who inspired his countrymen to rise above subjugation, to assure Americans, then and now, the God-given rights of freeborn people. How many people realize that it was the pioneering work of this man, almost alone, who started the movement for freedom that brought about these United States? That man was Patrick Henry, of Virginia.

Patrick Henry had to battle his own friends in the House of Burgesses, against his contemporaries whom he admired and respected. They agreed the tyrannical rule of King George III must cease, but they disagreed violently in debate as to what course to pursue. During his first term in the Virginia House of Burgesses, Patrick Henry astounded the colonial leaders of his day with resolutions to the King, demanding termination of the infringements of the rights of freeborn British subjects in the Virginia colony. For 10 long years he led his fight calling for action against ever-increasing violations by the British of their own constitution, designed to protect the liberties of British subjects. His popularity spread like wildfire, not only through the colony of Virginia, but throughout the other 12 colonies as well. He was their champion, their spokesman for what was just and right, a man of action, a true leader.

We set out to tell this story in a way that would be most noticed, because this is a story of supreme importance to all Americans, and to all freedom-loving people. All who are truly interested in the fundamental principles of our Government and its dramatic origin, sooner or later, visit the Nation's Capital. The play, therefore, will be staged in Washington, D. C., not only because it ties in directly with the historic sites of this area, but because it also vividly demonstrates the reasons behind the marble and bronze statues that mark the landscape of the Nation's Capital.

For more than 2 years we continued our effort—research, writing, more research, more writing, inserting, cutting the script. We knew we had to have the best play possible for the American public. If it were less than the best, we would be letting down the public, as well as the very people whose lives we were endeavoring to portray in dramatic fashion. At last we had the script. It was warm and human; it was strong with the fierce conflict of debate, enriched with humor—with the tenderest love story ever told. And Patrick Henry is given his due credit at long last.

This play Cry of Freedom will move audiences. Its strong emotional appeal, its deep conflicts, and, most of all, its patriotic inspiration for each of us today will be long remembered.

The script was finished and we searched for a competent director. Many applicants were considered. The best was selected—a man who has directed outstanding stage plays, as well as acted in them, and who realized the challenge presented by the dynamic theme of Cry of Freedom. He is John X. Ward, creator of the role of Patrick Henry in the production presented in Washington a few years ago—Faith of Our Fathers. We have an excellent cast of actors and actresses with professional experience, including such players as James Ward and Theodore Zarpas, who are TV directors; Edgar Ford, radio and television; and Mary Ford, performer on the Olney Theater stage; and an excellent choir under the direction of Eleanor Starr. Miss Starr has written an original composition called The Ballad of Patrick Henry, especially for this production, and previews of the song indicate that it may catch on as the Ballad of Davy Crockett has captured the American public.

The opening night performance is sponsored by the District of Columbia Department of the American Legion who will receive the entire net proceeds of this performance. Our cast, the director, the stage manager, the authors, the sponsors, are all confident that we are working on a project of importance as a means of entertainment and that it is a device for carrying the patriotic message.

Cry of Freedom was the cry of Patrick Henry and the colonists against tyranny. It will be shown at Lisner Auditorium, opening on Monday, March 28. This patriotic theme based upon the American precedent becomes more and more important and timely. The Communist conspiracy with which we are now forced to grapple desires to humble us in a cold war. This play will fortify the minds that are politically immature to clearly understand the true meaning of our heritage and inspire greater devotion to the fundamental principles of our Government.

BRITAIN SUFFERING FROM FRUITS OF PROSPERITY

Mr. GROSS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. GROSS. Mr. Speaker, buried on an inside page of the Washington Post and Times Herald of last Friday is a news item. It reads as follows:

PROSPERITY IS CHIEF ILL, BRITONS TOLD

LONDON, March 17.—Chancellor of the Exchequer R. A. Butler told members of his own Conservative Party today that Britain's only economic trouble is having too many of the good things of life.

"If I were to have any anxiety at present it would be due to the idea that we are suffering in some ways from the fruits of prosperity," he said.

Mr. Speaker, the foreign giveaway bill will come before us in a few weeks, and I suppose it will be in order to pour out some more offshore procurement contracts for the British to build some more warplanes for us and so on and so forth, and I suppose it would be rude at this time to ask Sir Winston Churchill to return a few million of the billions of dollars that we have given them over the past few years.

SPECIAL ORDER GRANTED

Mr. POWELL (at the request of Mr. MCCORMACK) was given permission to address the House for 1 hour on March 31, following the legislative program of the day and the conclusion of any special orders heretofore entered.

CALL OF THE HOUSE

Mr. VINSON. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 28]

Barrett	Dawson, Ill.	Sadlak
Bell	Eberharter	Shelley
Bolton,	McIntire	Vursell
Oliver P.	Morrison	Withrow
Byrd	Moulder	Yates
Canfield	Preston	Zelenko
Chiperfield	Prouty	
Christopher	Reece, Tenn.	

The SPEAKER. On this rollcall 418 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

ITALY

Mr. ADDONIZIO. Mr. Speaker, I ask unanimous consent to extend my remarks at this point.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. ADDONIZIO. Mr. Speaker, among the voices that have stood resolutely forth in the political struggle in which the nations of the world are now engaged, have been those of the postwar leaders of the Republic of Italy. In the perilous condition of world affairs, that Government has affirmed time and time again, in ringing tones, its support of the democratic ideal. And the fulfillment of these affirmations may be noted today by the interested observer within Italy itself, and in the spirit with which Italy links herself to other free nations.

Within Italy the task of fostering the democratic ideal of the dignity and equality of every citizen has not been easily accomplished. It has not been easy—partly because life itself is not always easy in Italy and partly because a strong diabolical force directed from outside Italy is constantly at work there—attempting to win that country away from its democratic principles.

The large population of Italy is one of the elements that makes it difficult to earn a livelihood in Italy. There are more people who need jobs than there are jobs to be had; there is more land that is useless than there is land that can be tilled and made to yield food. The mountain dweller who must break rocks in order to plant a small field, the tenant farmer of Tuscany, the shepherd of Sardinia who shares the solitary and nomadic life of his flocks—these people by necessity give the overwhelming portion of their time and energy to the gaining of bread for themselves and their families. In their preoccupation with this struggle to obtain a livelihood, some of these people have at times fallen prey to the Communists' persuasion and their beguiling by hypocritical promises of a better life. Indeed the Communists have made inroads into Italian life and politics; they have taken advantage of the economic weakness of the country; they have sought to undermine the programs for land development and land reform put forward by the Government, and at the same time they have tried to steal the credit for the reforms that have been the most successful.

In spite of all these hardships and the heavy opposition, the democratic government of Italy has been one of the most stable in Europe and democratic institutions continue to grow stronger. Credit for this hard-won progress in Italy goes, on the one hand, to the strong dedicated leaders of post-war Italy, whose first concern has been the over-all good of their country and of the free world, and, on the other hand, to the Italian people themselves. Even in the face of great social and economic hardship, Italy's standard of living is slowly but continuously rising and the whole economic picture is improving.

In the broader picture of international affairs, the leaders and the people of Italy have guided Italy into a new and stronger relationship with the family of Western nations. Italy is an enthusiastic supporter of European integration and of the Atlantic Community. In the spring of last year, Italy held the record for trade liberalization in Europe. A member of the Coal and Steel Community. Italy also favors European agricultural integration and the development of the European Political Community. Last fall, after the collapse of international plans to form a European Defense Community, the country joined in the nine-power agreement for bringing the Federal Republic of Germany into the Western Defense system.

Of the many impressive leaders which Western Europe has given to the free world since World War II, surely those of Italy have been outstanding. Our own city has the honor to welcome to our shores this week, Mario Scelba, Premier of Italy. We are especially happy for this opportunity to be able to pay our deepest respect to this man who has given so unstintingly of his energy and talent for the welfare and safety of his country. Specifically, Scelba has met head-on the challenge of Communist subversion in Italy; he is developing programs for public works, housing and new tax enforcement laws. These programs are not easily carried out because Scelba has had to face strong opposition from both the right and left.

The achievements of Italy have by no means been limited to the domestic scene. One of the recent impressive achievements in Europe in international relations during recent months has been the peaceful settlement that has been reached by Italy and Yugoslavia with regard to Trieste. By the use of the processes of negotiation and diplomacy, both countries exercised moderation in the interest of agreement. Not only did Italy and Yugoslavia gain peace, but the whole southern European area is gaining thereby in unity and strength. The Trieste settlement may pave the way for the development of a new partnership of collective security in this area of the world.

We welcome Premier Mario Scelba to the United States. May this visit renew in our minds the impulse which draws us together—the impulse toward freedom in cooperation. Italy and America—whose close friendship springs from their common ideals will not allow themselves to be driven apart. For if the well-springs of our deep common purpose be dried up and if this bond is threatened with rupture—the very foundations of our democratic way of life may be seriously threatened. Certainly it is upon these common foundations which have already been established between free nations that the future security and well-being of our civilization will be established.

SALE OF RUBBER-PRODUCING FACILITIES

Mr. VINSON. Mr. Speaker, I call up the privileged resolution (H. Res. 171) to disapprove proposed sale to Shell Oil Co. of certain synthetic rubber facilities as recommended by the Rubber Producing Facilities Disposal Commission report, and move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the resolution.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of House Resolution 171, with Mr. DODD in the chair.

The Clerk read the title of the resolution.

By unanimous consent, the first reading of the resolution was dispensed with.

Mr. VINSON. Mr. Chairman, I yield myself 30 minutes.

Mr. Chairman, if the Committee will indulge me, I will try to briefly state the issue involved in House Resolution 171, which is submitted by the gentleman from California [Mr. DOYLE], a member of the Committee on Armed Services. This resolution is somewhat different from the one we considered yesterday. The gentleman from California is clearly within his rights in filing this resolution in opposition to the disposal of three facilities in the State of California. Those facilities are a copolymer plant, a butadiene plant, and a styrene plant. The contention of my good friend the gentleman from California is that the Commission did not follow the law in accepting the bid. The contention is that a different procedure was followed with reference to the sale in California than was used with other plants. Let me respectfully ask your indulgence while I try to make the case as clear as I am able to.

Mr. Chairman, the Committee on Armed Services by a vote of 28 to 4 recommends that House Resolution 171 not pass.

Now the question involved in this resolution is a very simple one. Should the House reject the sale of three facilities located in California, because the recommended purchaser submitted a package bid?

The Shell Chemical Corp. offered to buy a styrene plant, a butadiene plant, and a copolymer plant, if they could buy all three, but they did not propose to buy any one of the three facilities separately. And the question is whether or not the Congress should approve that sale.

Now section 7 (b) (4) of the Disposal Act states that proposals shall be in writing and shall contain, among other things:

> The amount proposed to be paid for each of the facilities, and, if such amount is not to be paid in cash, then the principal terms of the financial arrangement proposed.

Shell Chemical Corp. did not propose to pay anything for the copolymer plant by itself; nor did they propose to pay anything for the styrene plant by itself; and likewise they did not propose to pay anything for the butadiene plant by itself; but they did offer to pay $27 million for all three.

Now you will hear a great deal of discussion about the word "shall." You will hear that the law says the Commission shall do thus and so; and the Attorney General shall do that, so the advocates of this resolution say that the whole bid is illegal because Shell Chemical Corp. did not name a specific amount for each facility.

They concede that if Shell Chemical Corp. had bid $1 for each facility, then the bid would have been legal, but they contend that since Shell bid nothing for each separate facility, that the bid for all three is illegal.

Now remember that under the Disposal Act this entire program had to come to the Congress for examination. Therefore, it is Congress who shall decide whether or not the proposal submitted by the Shell Chemical Corp., is sound and proper.

Now who are the complainants in this matter?

Well, they are Mr. Edwin Pauley and the Minnesota Mining Co. Now let us see what this boils down to insofar as the Congress is concerned and insofar as the taxpayers are concerned.

The Minnesota Mining & Manufacturing Co. proposed to pay $2½ million for a copolymer plant that the Commission valued at $3½ millon. During negotiations Minnesota Mining Co. raised their offer to $3 million, but never went beyond that. And Mr. Pauley, in his own right, offered to pay $4 million for a butadiene plant that the Commission thought was worth $7 million.

Thus, Minnesota Mining and Edwin Pauley offered $7 million maximum, for two plants that in the Commission's opinion were worth $10½ million.

Several bids were submitted for the styrene plant alone, starting at $3,900,000, and eventually being negotiated upward to $18 million. Insofar as Mr. Pauley is concerned, the Standard Oil Co. offered to pay more for the butadiene plant than Mr. Pauley, and in addition the Standard Oil Company of California offered to pay more for the GR–S plant than the combined bid of Minnesota Mining Co. and Mr. Pauley.

Now the contention is made that the sale to Shell should be disapproved because Shell did not submit the separate amount for each facility.

Mr. Chairman, the objective of the Disposal Act was to sell the plants for their full fair value, establish a competitive pattern, provide for the needs of small business, and protect the national security.

The Commission accepted the Shell proposal in the best interests of the Government. They succeeded in raising Shell's final offering from $27 million to $30 million.

Now consider this $30 million for a moment. The aggregate amount offered separately for the three facilities by bidders other than Shell amount to $24 million. Dow Chemical offered $18 million for the styrene plant alone, but was disqualified by the Attorney General, since this would have given Dow too great a portion of the styrene production in the United States. Pauley offered $4 million for the butadiene plant, and Midland offered $3 million for the copolymer plant. Other proposals were made based upon guaranteed markets and were not considered as legitimate bids.

Thus the aggregate total of the acceptable bids offered for the facilities separately amounted to $24 million. Shell offered $27 million and were negotiated upward to a final figure of $30 million.

The Commission knew that the program would have to be submitted to the Congress. The Commission was not entering into contracts that were final and binding until Congress had an opportunity to pass upon them. And therefore I say it is up to the Congress to decide whether the Shell bid is in the best interests of the taxpayers, the small businessman, the national security, and the establishment of competition in the synthetic rubber business.

Now Shell Chemical Corp., operating as an integrated unit will make a large supply of synthetic rubber, some 20,000 tons annually based upon capacity, available to small business. This is far in excess of the needs of small business in the west coast area, and in addition will be an assured source of supply for small business.

Now I ask you, is it in the best interests of the taxpayers for the Congress to approve a sale that will make available a large supply of rubber to small business on the west coast? I think so.

I ask you, is it in the best interests of taxpayers that the Commission enter into a contract with a company that will provide the largest amount of money in the aggregate for all three plants? I think so.

I ask you, is it in the interest of national security that these plants be sold to a company that has had experience in the synthetic rubber field? I think so.

I ask you, is it in the best interests of free competition that a large integrated operation be sold to a company that does not use the end product of GR–S rubber and thus will be available on the market in competition with the purchasers of facilities who do use their own product? I think so.

Now the Armed Services Committee is not alone in approving this sale to the Shell Chemical Corp. The Comptroller General stated in effect that any other conclusion would be absurd; and the Comptroller General says that the sale meets the requirements of the Disposal Act.

The question of whether or not "shall" is directory or mandatory is, in the long run, of little importance.

What is important is that the framers of this law insisted that the program be submitted to the Congress for examination before it went into effect. So the Congress will decide whether the sale shall be made. The Congress is the final authority on this subject. And I say that this sale to Shell Chemical Corp. is in the best interests of the Government.

I say that it complies with the objectives of the Disposal Act, and with all the criteria established by that act.

The one important provision in the law that controls this whole argument is that provision which says that the Disposal Commission shall submit the recommended sales program to the Congress and that the Congress shall have 60 days in which to examine the program to decide whether or not they wish to disapprove all or any part of the program. That is the "shall" that controls.

Supposing Shell had bid $1 for each facility and finally had been negotiated up to the $30 million sales price they agreed to. What difference would it have made to any other bidder?

Minnesota Mining and Ed Pauley had their chance and they did not bid enough.

Are we to throw out this transaction now, which is in the best interests of the Government, and let these plants close down on the west coast with the hope that Congress will pass new legislation authorizing new proposals to be received.

During this period of shutdown—for remember that under the law these plants will shut down if this resolution is adopted—where will small business on the west coast obtain their rubber? Where will the employees now working in the copolymer plant, and the butadiene plant, and the styrene plant find employment?

Mr. Chairman, since the Congress is the final arbiter on this matter, and since the Congress will decide whether or not this sale will be approved, I say that we must look at it on its merits, and on the basis of what is best for the taxpayers, and the country.

In my opinion, the sale to the Shell Chemical Corp. of these three plants is in the best interests of the American people.

I hope the resolution will be overwhelmingly defeated.

Now, I will be glad to answer questions.

Mr. SHORT. Mr. Chairman, will the gentleman yield?

Mr. VINSON. I yield to the gentleman from Missouri.

Mr. SHORT. In many instances they got much higher prices than the original bids?

Mr. VINSON. Certainly. In that connection, as a result of these negotiations that went on for a period of 7 months the Commission was able to get $30 million more for these facilities than was originally bid. You would be astonished, and I will repeat the case in a minute, to show the great advantage that we wrote in the law requiring the negotiations to extend over a period of 7 months. These people are like anybody

else, they naturally wanted to buy these facilities as cheaply as they could. If we had a Commission that did not have backbone, probably they would have obtained them for a great deal less than they finally did.

Mr. SHORT. Mr. Chairman, will the gentleman yield?

Mr. VINSON. I yield.

Mr. SHORT. Are not these three plants in California so interrelated and interconnected and interlocked, integrated, that it would be very unwise to try to sell them separately?

Mr. VINSON. The gentleman from Missouri is absolutely correct.

Mr. SHORT. It would be like having an automobile in perfect condition except that it lacks a battery or a gas tank.

Mr. VINSON. Or a steering wheel or something else. It is an integral unit.

Mr. ARENDS. Mr. Chairman, will the gentleman yield?

Mr. VINSON. With pleasure.

Mr. ARENDS. Would the gentleman state by what vote the committee decided this was the proper procedure?

Mr. VINSON. By a vote of 28 to 4. Some members of our committee filed a minority report. They are splitting hairs about the word "shall." It is up to the Members of the House, in the final analysis, to say whether the bid submitted by Shell was fair and in the best interests of the Government.

Mr. PRICE. Mr. Chairman, will the gentleman yield?

Mr. VINSON. I yield to my colleague on the committee.

Mr. PRICE. Actually, the vote of the committee is not indicative of the full opposition to the sale.

Mr. VINSON. No. I stated that there was a minority report, which is signed by the gentleman from California [Mr. DOYLE] by Mr. MILLER, by the distinguished gentleman from Illinois [Mr. PRICE] by Mr. GREEN of Pennsylvania, Mr. PHILBIN, of Massachusetts, and by Mr. MOLLOHAN, of West Virginia.

Mr. PRICE. Would the gentleman agree with me that we are not exactly splitting hairs over the word "shall," for this reason. Serving on that committee as we do, when we bring out a selective-service bill we understand what the word "shall" means. I think the members who serve on that committee regard "shall" in this instance in the same way as we regard it when we bring out a selective-service bill.

Mr. VINSON. When the gentleman from Illinois [Mr. PRICE] and the gentleman from California [Mr. MILLER] present their views, the only thing they are going to talk about is the word "shall." The law says that the Commission shall do so and so.

Mr. DINGELL. Mr. Chairman, will the gentleman yield?

Mr. VINSON. With pleasure.

Mr. DINGELL. Should the House sustain the committee by positive action, am I correct in assuming that the word "shall" virtually and automatically becomes "must"?

Mr. VINSON. If the House sustains the committee, the result will be that the House will have considered, irrespective of the word "shall," that this is the proper thing to do under the facts and circumstances, and that the Government should go ahead and negotiate the contract with Shell.

Mr. DINGELL. But I want to get this straight. I want to be sure that if the House sustains the position of the committee, that any action on the part of the Commission will become a mandatory action under direction of the Congress. In other words, they will have to sell it for the top dollar.

Mr. VINSON. That is exactly right; of course, they will have to sell it for the $30 million. And they are to be commended in approaching this matter in this way instead of selling to Mr. Pauley for $4 million and the Minnesota Mining Co. for $3,500,000.

What happens if it does not sell? Let us assume that the House rejects this proposal. What does the law provide? The law provides that where the facility is not sold, it is put in a standby condition. It cannot be operated by the Government and cannot be sold within 3 years.

What effect is it going to have upon small industries, who are looking for 20,000 tons from this plant? What effect is it going to have on the employees on the west coast in the three great plants? Out of jobs they go.

That is what happens under the law, the law that you passed by 317 to 58. If you approve this resolution, these plants are put in a standby condition, and under the law that you wrote cannot be sold for 3 years and cannot be operated.

That is the very reason why next week we are going to bring a resolution in here dealing with a plant down in Texas, because we are worried about the situation in that plant, not having a purchaser.

Mr. HOLIFIELD. Mr. Chairman, will the gentleman yield?

Mr. VINSON. Always a pleasure.

Mr. HOLIFIELD. Is that plant in Texas the so-called Baytown plant?

Mr. VINSON. That is correct.

Mr. HOLIFIELD. Has that been offered for sale and withdrawal?

Mr. VINSON. Yes; that was offered for sale, and the Commission could not get a good price for it, and it did the right and proper thing not to sell it.

Mr. HOLIFIELD. So the committee is planning to bring in a special bill to obviate the mothballing of this plant; is that true?

Mr. VINSON. No. The committee is planning to bring in a bill to breathe life into the Commission so that they can stay in existence and see if they can dispose of this facility. Then it has to come back here just like this one.

Mr. HOLIFIELD. Exactly. And they can do the same thing on the California plant, can they not?

Mr. VINSON. I do not know whether they can or not. Passing bills through Congress is not as easy as some of you think it is. I have been here a long time, and I know what it takes. If you are a friend of small business in fact and deed, here is an opportunity to show you are a friend of small business by giving them the privilege of having a place to get GR–S.

Mr. KELLEY of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. VINSON. I yield.

Mr. KELLEY of Pennsylvania. The gentleman from Georgia said there would be 20,000 tons of rubber available for the market.

Mr. VINSON. From this plant, for small business.

Mr. KELLEY of Pennsylvania. Yes. It would be interesting to know who owns the Shell Oil Co. and controls it. Where is this 20,000 tons going?

Mr. VINSON. I do not know who owns the Shell Oil Co., but I know one thing: Shell has to pay for it in United States currency.

Mr. Chairman, I ask the Members to vote "no" on this resolution and approve this sale, because it is fair, and it is right. I am not going to be splitting hairs here about "shall" or "shall not." I know we have to pass a resolution, and you alone are to determine whether or not this is a good trade.

Mr. DURHAM. Mr. Chairman, will the gentleman yield?

Mr. VINSON. I yield to the gentleman from North Carolina.

Mr. DURHAM. I do not believe that the gentleman from Georgia pointed out one condition that is important in connection with the sale of these plants. I recall the statement made by the Commission that all of the bidders on these plants except Shell had a condition in their proposals that they wanted a guaranteed market for the end products, synthetic rubber.

Mr. VINSON. I am glad my distinguished colleague called attention to that. Even if they had been the high bidder, it would not have been right for the Commission to accept. It would not have been right for the Commission to accept it because in the very heart of their bid, they said they wanted a guaranteed market before they bought these plants.

Mr. DOYLE. Mr. Chairman, will the gentleman yield?

Mr. VINSON. I yield.

Mr. DOYLE. I think at this point I want to challenge, with all due respect, the observation made by the gentleman from North Carolina [Mr. DURHAM], because I think it is not a matter of fact. I invite the gentleman from North Carolina to point that out in the RECORD. All of the bidders except Shell put a provision on their bids, and it does not apply to the 2 bidders for the 3 California plants, as I recall.

Mr. VINSON. I think my colleague from California is in error. I pointed out and I read it in the RECORD. One of the conditions in the bids of some of them out in California was that they wanted a guaranteed market.

Mr. RIVERS. I wish our chairman would point out the position of the Comptroller General who says this is a legal contract.

Mr. VINSON. This contract was referred, by Senator FULBRIGHT, to the Comptroller General. We had the Comptroller before us, at least we had his representative, and we had a letter from the Comptroller. The Comptroller General held, and it is in the RECORD, that this contract, this package sale to

Shell, is in accordance with the Disposal Act.

In conclusion, I want to say I have high regard for my two good friends from California. They are most distinguished Members and work hard and they are very capable on all matters coming before the Committee on Armed Services, but nevertheless I am going to ask all of my other colleagues in the House to vote "no" on this resolution and extract my colleagues from the hole that they are in.

Mr. DOYLE. Mr. Chairman, I yield myself 25 minutes.

Mr. Chairman, I am certainly proud to be a native son of California, where these three plants are located in my home county of Los Angeles. I very much appreciate the generous and gracious suggestion by the distinguished gentleman from Georgia [Mr. VINSON], chairman of the Committee on Armed Services, that he is going to try to extract the two California Representatives from a hole. Of course, the hole, if there is one, is so shallow it would not take any part of his strength to lift us out of it. I am not aware of any hole but I appreciate his cordial suggestion.

This is the first time that I have appeared on the floor of the House in opposition to any bill which has come from the Committee on Armed Services of which I am happy to have been a member during part of the five terms I have been here. But in this case, I feel it is incumbent upon me, as a Member of the House, and if you please as a member of the subcommittee that wrote this bill, to urge H. Res. 171. I was also on the subcommittee which wrote the bill and I traveled to the several States with the committee and inspected all these plants and sat in on the briefings which we received from the great corporation executives. Then, too, I was present at every meeting of that subcommittee and present at every meeting of the later subcommittee when we were hearing the report of the Disposal Commission. As I say, I feel it is incumbent upon myself to propose this resolution, because I believe so sincerely the proposed sale to Shell of these three plants in Los Angeles County contravenes the clear intent of this House, as set forth in Public Law 205.

Mr. Chairman, this is not a technical matter as has been claimed by the distinguished committee chairman. In my esteem it is a question of whether or not we in Congress had an intention that was undisclosed by the wording of the act we passed when we passed Public Law 205. I use that expression whether or not we had an intention that was undisclosed, because not only in common parlance, not only according to Mr. Webster, but also according to the great bulk of American law, relating to statutory enactment such as this one before us, it is as clear as crystal, from the great bulk of American court decisions, that under such circumstances, the word "shall" is mandatory; and, that no discretion can be exercised. When the words "shall" and "may" are both used in the same statute—and there are many cases in the statutes similar to Public Law 205 where the words "shall" and "may" are used in the same paragraph—I need not argue to the lawyers who are Members of this great legislative body that "shall" means "mandatory" in such circumstances.

Now, may I lay down just two fundamental premises and propositions to touch on during my brief debate? First, the distinguished chairman has laid down the premise, and in part the burden of most of his argument was that because we will get six, seven, or eight million dollars more from Shell than we would from the other bidders for these three plants therefore we should accept it and not hold for a strict construction of the statute passed. I want to say, Mr. Chairman, that as I view the intent of Congress in such statutory enactments as this one, Public Law 205, the making of money does not justify us in violating the clear as crystal intent of our own statutes. May I repeat to you, therefore, that I do not think the gain of four, five, six, or seven million dollars which manifestly we could make if we ratify the Shell sale, is any justification for this Congress violating its own intent, by approving the Commission's reported sale to Shell Oil—money is not that important, ever.

Mr. DINGELL. Mr. Chairman, will the gentleman yield?

Mr. DOYLE. I yield to the gentleman from Michigan.

Mr. DINGELL. What I would like to know in addition to the question I asked of the chairman is whether in the gentleman's estimation the sale of these three distinctly different plants to Shell alone under the bulk bid or package bid, will further create a monopoly to the detriment of small business?

Mr. DOYLE. I may say to the gentleman from Michigan that when this bill was originally on the floor, the Rubber Disposal Act, I voted for the bill; I voted against the motion to recommit. I want that clear.

Mr. DINGELL. But that does not answer my question. Will it stimulate monopoly?

Mr. DOYLE. I felt that when the time came that these rubber plants could be legally and properly and at a reasonable figure and in the interest of competitive free enterprise and under such conditions of sale that the Government's interest would be protected, I felt then it would be timely to dispose of these Government-owned rubber facilities. I still feel that way, I may say to the gentleman from Michigan, but I do not feel that under this proposed disposal those elements are sufficiently present. I favor private industry—but never illegal monopoly.

Mr. DINGELL. But that still does not answer my question, I will say to my friend from California. What I am fearful of is that when these large corporations grab in a package grab three distinct types of plants producing synthetic rubber, whether this will create an artificial rubber monopoly. Six million dollars difference in cash means nothing, of course.

Mr. DOYLE. The Attorney General of the United States said in his judgment it would not, but I am not sure the Attorney General had all the facts presented to him when he wrote a letter saying he was thus basing his opinion.

Mr. DINGELL. What is the gentleman's opinion?

Mr. DOYLE. I would like to finish my statement, if the gentleman does not mind.

Mr. DINGELL. Would not the gentleman give me the benefit of his opinion?

Mr. DOYLE. My opinion is that the sale to Shell under these conditions would logically lead to monopoly for practically every long ton of rubber west of the Mississippi River unless Shell most exactly and scrupulously tries to not grow into monopolistic practices.

Mr. BYRNES of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. DOYLE. No; I have only 20 minutes, and I wish to proceed with my statement.

Apropos of the chairman's statement, I call the gentleman's attention to section 8 on page 4 of the act. It states this:

> No facilities shall thereafter be operated as a rubber-producing facility for the account of or by the Government except pursuant to further act of Congress.

So this act, 205, expressly took into account the fact that some of these plants and facilities might not be disposed of by this Commission. They made special provision that Congress could enact legislation to protect such a situation and keep the plants going. I may say that at my request the distinguished lawyer for the Armed Services Committee, Mr. Smart, our chief counsel, has prepared such a resolution for me. If this sale to Shell is disapproved today I intend to file this resolution in the House to take care of this emergency immediately. It will not take the Chairman of Armed Services many hours to push it through if he wants to do so.

A bill has also been filed by the gentleman from Texas [Mr. THOMAS] to take care of a similar situation in Texas. So that you already have such a resolution filed in the House regarding the Texas plants that were not sold. I will file another to take care of the Shell situation.

Mr. Chairman, I want the RECORD to show that I began to express my interest in the question of the sale to any California bidders of the three Shell plants in my home county of Los Angeles on February 7, 1955, which was several weeks before anyone came to Washington so far as I know in connection with the sale. I have a letter here from the Rubber Disposal Commission signed by their general counsel, Harold W. Sheehan, answering a written communication which I sent to the Commission on February 8, 1955, inquiring as to this sort of situation.

As long as the distinguished chairman of the Committee on the Armed Services has dwelt so much on the fact that he thought we would keep talking about the word "shall" only, I shall disappoint him.

May I call your attention to section 7 (b) (4). Among the six requirements,

the "shall" requirements that the Commission must follow, section (4) says:

Proposals shall be in writing and shall contain among other things (4) the amount proposed to be paid for each of the facilities.

Did you intend, when you voted for this law last time, that the Commission should be required to demand bids on each plant and facility? I certainly did not intend, as a Member of Congress, to allow the Commission any discretion on this point. I certainly intended that they should get bids on each facility to help them in their negotiations to know what a fair price for each plant was. And I think you intended the same thing when you voted for the law. I am quite sure you did. You knew the difference between "shall" and "may" in statutory construction, and when you voted for this law you took it for granted that your understanding of the difference between "shall" and "may" obtained in this statute. I believe you then believed "shall" did mean it was mandatory. The Commission must follow these six requirements as set forth on pages 2 and 3 of the act. They had no discretion as to these. There were also other mandatory provisions.

There is no question, in my judgment, but that the word "shall" is mandatory as used by us in the Public Law 205, and that the Commission violated the intent of Congress when it did not require separate bids from Shell.

May I state, too, that the Commission itself at all times recognized that subdivision (4) was mandatory. They recognized that in their public release No. 1; their first advertisement for bids for all the plants. The Commission adopted the exact language of subdivision (4) in its first public advertisement for bids. Listen to what they publicized in the ads. If they did not think that it was mandatory on them to demand separate bids on each plant, why did they include it in their notice of bids? That was on November 25, 1953. Here it is in their own report to this Congress.

Then what happened? They, the second time, gave public notice they would require that the bids be on each plant or facility.

On March 16, 1954, listen to what the Commission again said; again quoting the exact law as we wrote it to all possible bidders. Here is the wording applicable:

The proposal shall state the amount proposed to be paid for each of the facilities.

They again adopted the exact language of the statute. If they had intended to vary from that or, if they had intended to construe that to mean that they had any discretion or that they had the right to accept a one-package bid, why did they not say so in their advertisements for bid proposals? You cannot find 1 word or 1 sentence in the hearings or in the Commission report either where they ever indicated to the bidders, in writing, at least, that they were going to claim the exercise of their discretion and accept a one-package bid such as Shell made. You cannot find a single notice to any of the bidders from the Commission at any time that they intended to make a one-package transaction to Shell. All other bidders for the other plants bid on each plant as required in the law.

Then, on the third public advertisement they did not change the text or intent of their previous two advertisements in which they specified what bidders must do.

Now, I am not going into the question of law at great length. I do not have time. There are a great number of high court decisions. I just want to read 1 or 2. In the case of *Vaughan* v. *Winston* (82 F. 2d, 370), the court said:

Whether a statutory requirement is mandatory in the sense that failure to comply therewith vitiates the action taken, or directory, can only be determined by ascertaining the legislative intent. If a requirement is so essential a part of the plan that the legislative intent would be frustrated by a noncompliance, then it is mandatory.

I quote *Ballou* v. *Kemp* (92 F. 2d, 556):

The word "shall" in its ordinary sense is imperative. When the word "shall" is used in a statute, and a right or benefit to any one depends upon giving it an imperative construction, then that word is to be regarded as peremptory.

Finally, the last I will refer to is *Escoe* v. *Verbst* (295 U. S. 490):

Statutes are not directory when to put them in that category would result in serious impairment of the public or the private interest that they were intended to protect.

So, we find that the Commission in all their printed statements referred to or relied on subdivision 4 which said that they must obtain bids on each facility.

Then you take the Shafer committee report on June 17, 1953, page 11 thereof, and here is what it says:

Bidders, however, shall be permitted to submit whatever bids for each facility—

This showed our congressional intent in 1953. We are still bound by intent when we passed the law.

Then, in the full hearings before our committee just the other day, I was questioning the president of the Shell Corp., Mr. McCurdy. I did not feel I had all the time I would have liked to have taken, but the chairman was very gracious, I will say, as he always is; I would like to have taken more time, but it is not exactly a comfortable position, and you know it is not, for a member of a committee to sit on a great committee like the Armed Services and find himself in a position where it might be taken by some that he is cross-examining the witness. I never feel comfortable in that relationship; but that was the position I was beginning to feel I was getting into with Mr. McCurdy. I read to you from page 1160. Here is what Mr. McCurdy, the president of Shell, testified in this matter. I asked him in the committee hearings as follows:

Mr. DOYLE. You mean, then, when the Commission called you in, they hadn't noticed that, is that correct?

And then the Commission called you in, did it not?

Mr. MCCURDY. They did.

Mr. DOYLE. And what did the Commission tell you about your one-package bid?

Mr. MCCURDY. They asked us to break our bid down.

Do you get it? The Commission officially asked Shell to bid on each facility. This is after Shell had bid, and the Disposal Commission had received it. Why did the Commission ask him to break down the bid if it was not necessary? Mr. McCurdy, the president of Shell, further said in answer to one of my questions:

They asked us to break our bid down.

Why did they ask them to break it down if they felt a one-package bid was O. K.? So, the record shows, instead of breaking their bid down as the law required, Shell raised its bid by $3 million.

Mr. MCCURDY. I believe that the Commission thought that we had indeed formed this bid by adding up three numbers and they said, in effect: "Look, tell us what these numbers are," and we said, "There are no numbers." They didn't believe me, I am quite sure.

Mr. DOYLE. Well, the document showed there were no numbers, didn't it, on its face? The Commission had your bid before it. It showed that there were no figures except a total bid, didn't it?

Mr. MCCURDY. It did; that is right.

Mr. DOYLE. You mean, then, when the Commission called you in, they hadn't noticed that; is that correct?

Mr. MCCURDY. Of course they noticed it. They wanted me to break it down.

There you have it, right up to the last minute the Commission called them in and said, "We want you to break it down." Why did they say that? Because they knew that if they accepted the one-package bid, they would be taking a chance of having that sale not confirmed by Congress. So they let Shell raise their bid by $3 million and took the chance of having their whole disposal program confirmed. I quote further:

Mr. DOYLE. Well, did you break it down?

Mr. MCCURDY. No.

Mr. DOYLE. They told you, then, that they wanted you to break it down. They told you why, didn't they?

Mr. MCCURDY. Yes.

I want you, Mr. Chairman and my colleagues, to notice his answer.

Mr. DOYLE. What did they tell you?

Mr. MCCURDY. They told me it would be helpful if these figures could be broken down.

Mr. DOYLE. Well, they not only told you it would be helpful if you would break the figures down, but they told you that is what the law required, didn't they, and they showed you the section of the law?

That was purely a fishing expedition on my part. I had no idea whether they had showed him the law or not.

Mr. DOYLE. Well, they told you, though, didn't they?

Mr. MCCURDY. They told me that it would be helpful, but on the understanding that the figures would mean something.

Mr. DOYLE. Well, did they tell you why it would be helpful?

Notice his answer, if you please. This president of this great corporation was being called in by the Commission, less than a year ago for the express purpose of discussing their one-package bid. Remember, he had told me previously,

a few minutes before, twice that they had told him it would be helpful. Then I asked him this question:

Mr. DOYLE. Well, did they tell you why it would be helpful?

And here was the gentleman's surprising answer:

Mr. MCCURDY. I don't remember that they told me why.

Think of it. Here Mr. McCurdy positively contradicted himself on a very material point:

Mr. DOYLE. You don't remember?
Mr. MCCURDY. No.

That answer, that he did not remember, was surprising and disappointing to me. If you please, I think it was also surprising and contradictory to some of the rest of the members of the committee. I cannot believe he had such a failing memory.

Mr. DOYLE. I don't make my question clear, apparently. I am not asking you what they thought. I am asking you what they told you. Why did they tell you it would be helpful for them to break down your bid?

Mr. MCCURDY. I don't know, actually, that they did tell me it would be helpful.

There you have it again, all within the same 1 minute or so from the Shell president. Twice he told me, and I have read you his answers, they told him it would be helpful. Then he said:

I don't know, actually, that they did tell me it would be helpful.

This Congress is, of course, no court of law, but if I were before a jury I think the jury would question the gentleman's recollection at least. His testimony before our committee gave no evidences of failure of memory on other points.

Mr. COLE. Mr. Chairman, will the gentleman yield?

Mr. DOYLE. I yield to the distinguished gentleman from New York.

Mr. COLE. I am wondering if the gentleman would agree with the position taken by the counsel to the Minnesota-Ed Pauley group when he admitted that if the Shell people had bid $1 for each of these three plants and $27 million and $3 for the total of the three plants, that would have complied with the provisions of the law.

Mr. DOYLE. Of course not. I recall the gentleman asked the attorney that question in committee. Such a bid would have been facetious and not in good faith.

Mr. COLE. The gentleman also recalls that the counsel to this group admitted that in his opinion it would have qualified it.

Mr. DOYLE. He is not my counsel and I have no connection with him. I do not agree with him.

Furthermore, every bidder except Shell observed subdivision 4 and bid on each facility separately. Every bidder in connection with every other sale bid on each facility and each plant except in the case of the Shell transaction. I would like to refer to this quickly because there are several other Members who want to speak in support of the resolution.

I call your attention to page 584 of the transcript of the committee hearings. May I say to my chairman, I am not referring to the printed copy of the hearings but to the transcript. In this connection, I have asked Mr. Blandford, one of our distinguished counsel, to find for me the reference in the printed hearings where it was stated that the Shell bid or the Pauley or the Minnesota Mining bids were conditional bids. Mr. Blandford read it and I now want to read the language to you. I refer to page 130 of the Commission's supplemental report, the last paragraph, No. 7. Mind you, it had been stated in the committee hearings that the Minnesota Mining Co. and the Pauley bid and other bids on these three plants except in the case of Shell were conditional bids. In other words, unless certain provisions were fulfilled, they should not be considered as bids. Notice this language. Here are the terms of the bid by Minnesota Mining. Here was their statement which was interpreted in the hearings as a condition and to which, I think, my distinguished colleague, the gentleman from North Carolina [Mr. DURHAM] referred.

Mr. DURHAM. Mr. Chairman, will the gentleman yield?

Mr. DOYLE. I yield.

Mr. DURHAM. My reference was not only to the Minnesota Mining Co. bid, but it also was to other bidders who placed conditional bids.

Mr. DOYLE. Here is the kind of thing that was construed as a conditional bid. This is the kind of thing that was construed by some as a condition. I ask you if it was a condition:

Offeror respectfully suggests to the Commission that in disposing of the other Government-owned rubber-producing facilities that each of the ultimate purchasers who operate a plant west of the Rocky Mountains * * * should agree as a condition of acquiring such other facilities that it will for a minimum period of 5 years from the effective date of sale purchase the requirement for such west coast plants GR–S from the facility in question at current market prices.

I submit first that that is not a condition at all. I state it was no condition. It expressly shows it was merely a suggestion. It said "it respectfully suggests."

Mr. DURHAM. Mr. Chairman, will the gentleman yield?

Mr. DOYLE. I yield.

Mr. DURHAM. How does the gentleman interpret the word "should"?

Mr. DOYLE. It is a recommendation.

Mr. DURHAM. I should say it is a directive.

Mr. DOYLE. Let us go get the definition from Mr. Webster and see what he says.

Mr. MASON. Mr. Chairman, will the gentleman yield?

Mr. DOYLE. I yield.

Mr. MASON. The definition by Webster is that the words "should" and "shall" are the same, only the one is a different tense than the other, they both mean exactly the same. So if you insist upon "shall" you must insist upon "should."

Mr. DOYLE. I know that the gentleman was a high-school teacher at one time and no doubt he remembers all the definitions by Mr. Webster; he may be right but I am referring now to page 584. This is in the committee hearings. It is the report by Mr. Pettibone, Chairman of the Disposal Commission. When I read this, this is my own explanation of the only reason in the world I think the Commission made this sort of a disposal report to Shell in violation of the intent of Congress. Here is what Mr. Pettibone said. This is Mr. Pettibone, Chairman of the Commission, reporting to the Committee on Armed Services and to the Congress. Notice this carefully, I quote Mr. Pettibone:

Here is the Commission finding itself in mid-December uncertain as to whether there would be any program they could recommend to the Congress. Some bidders were not bidding enough. One matter seemed very clear to the Commission, a program which would put the four California facilities in standby would not be acceptable to either the Commission or to the Congress.

It is, then, no accident that our first sales contract was signed with Shell.

There you have it. That was not until December 16. The final date for signing with Shell and the others was December 27.

The report shows that the contracts with the Big Four bidders were signed on the following dates: Goodrich on December 17; United States Rubber, December 17; Goodyear, December 22; Firestone, December 22; Standard of California signed on the last day, December 27. So, Mr. Chairman, with the utmost respect to the Commission, the way I interpret what they did with Shell and the reason they did it is that it was a matter of convenience in trying to close a sales program on time. Their letter I just read frankly said so. They needed to sell the three Los Angeles plants before the 27th. They wanted to make the best showing possible. That was natural.

Mr. DINGELL. Mr. Chairman, will the gentleman yield to me for an important question relating to taxes?

Mr. DOYLE. I yield.

Mr. DINGELL. I should like to know, and it is mighty important, whether under these terms of sale proposed here before the House under the bill, whether it is possible for Shell under this package deal later to sell a plant for $29 million and say that is the amount they valued that particular plant at and made no profit on it because that is what they considered the purchase price, and holding the two other plants ad infinitum? In such case the Government would be deprived of its share of revenue on the particular sale and the particular plant.

Does the gentleman understand that it is possible to conceal the profit on the sale of one of these plants? That is more important than the immediate $6 million profit?

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. VINSON. Mr. Chairman, we have but one more speaker on this side. Will the gentleman from California consume the balance of his time?

Mr. DOYLE. I will; yes. We have several requests for time and will require all of our time.

I yield 10 minutes to the gentleman from California [Mr. MILLER].

Mr. MILLER of California. Mr. Chairman, I rise in support of the resolution and I do so because I believe there was a direct violation of the law, at least the spirit of the law was not adhered to in this case. But before getting into that, because it has been pretty well discussed, I want to comment on the statement made by our distinguished colleague from Texas [Mr. KILDAY] yesterday when in his opening remarks he said:

> I want to reiterate my opposition to the procedure of bringing back to Congress the actions taken by the executive department.

He expresses a thought that has concerned many of us.

Frankly, in these cases the Congress is encroaching on the powers properly assigned to the executive department.

Mr. BROOKS of Louisiana. Mr. Chairman, will the gentleman yield?

Mr. MILLER of California. I yield briefly.

Mr. BROOKS of Louisiana. I will say to the gentleman from California that when this came before the Congress 2 years ago I took the floor and spoke out openly against the proceeding whereby on the one hand we sent something to the executive department to be solved and then retained it with the other hand and asked that it be brought back for us to pass upon. We are not competent as a legislative body to perform efficiently the details of the executive department of the Government; and I hope the process is not repeated in the future.

I say this now because I made the same statement when this came up originally. I saw what was going to happen.

Mr. MILLER of California. Thank you. This is the position in which we find ourselves in today when without the facilities or the time to go into the problems and the ramifications of the problems such as are presented here we try, as a legislative body, to execute our own law. That is what we are doing in these cases. I hope that we soon learn "to render unto Caesar the things that are Caesar's." We would be better off if we practice that Biblical admonition in our work.

Mr. Chairman, I am not a lawyer and I cannot skillfully discuss before you the ramifications of the law as it appears in this case, including the fine distinctions between "shall" as being mandatory or "shall" as being discretionary. I remember when this bill was before the Armed Services Committee last year, when it was reported out it was my thinking at that time that we were requiring each plant to be sold and to be bid individually. Maybe my thinking was not that of the majority of the committee, but I am satisfied that at that time had the committee been polled each man would have given it that interpretation. Now we come in with some fine nebulous definitions of "shall."

In order to support this case for "shall," we have to go to sections of the law where no directive language is used but where the plural of "facility" is used. We take the plural of that word and through some fancy trick known only to lawyers we tie it all together in a sweet "forget-me-not bow" in order to rationalize and bring out the fact that where the law is apparently directive and says "Each plant shall be bid individually" we say, "This means a package of certain facilities."

The courts, over the years, have established precedents. If we are going to keep up the practice of acting as an executive as well as a legislative branch of Government, the Congress had best start establishing a complicated set of precedents for the people's guidance as well as its own.

Mr. Chairman, this House is going to be asked to pass a resolution or a bill breathing life into the Commission for the purpose of handling the Baytown plant. There is no reason that that particular bill cannot be amended or the one that the gentleman from California [Mr. DOYLE] proposes bringing in cannot be passed, giving it additional life to renegotiate the sale of these plants. Nowhere that I can find in the hearings and nowhere was it brought out, to my satisfaction, that the Commission had ever dealt with any other bidder on the matter of the package deal for these three facilities.

If this package deal is so good, and if this package deal is justified in law, then, certainly, the other bidders for these Plancors should be in a position to bid on a package basis for them. If they are worth $30 million to Shell today, they will be worth $30 million to Shell a month from now. Midland or any of the others mentioned here should be given the right to organize groups or syndicates to bid on these three plants as a package. That would be equitable and fair and to the interest of the Government. If they must be operated as a package, then we have lost nothing and we might get more money for them. Who knows?

Mr. BATES. Mr. Chairman, will the gentleman yield?

Mr. MILLER of California. I yield to the gentleman from Massachusetts.

Mr. BATES. Is the gentleman suggesting that no package deal was made?

Mr. MILLER of California. No; I did not say there were no package awards. I said that there were no package invitations with respect to these three plants. There was a package. Shell came in and said, "We come in as a package." The other people came in individually. Now, the other people were put on notice that they would bid as a package deal. It makes a lot of difference, because these are integrated plants.

Mr. BATES. The gentleman knows that a package deal was made.

Mr. MILLER of California. I am not talking about the package deals in other than the California area.

Mr. McCARTHY. Mr. Chairman, will the gentleman yield?

Mr. MILLER of California. I yield to the gentleman from Minnesota.

Mr. McCARTHY. Is it not correct, too, that when other bidders did include more than one facility in a package bid they specified to them that they were bidding for each unit in the package?

Mr. MILLER of California. Certainly they did, and if this fine fiction that they have tried to draw for us here were put into effect and Shell came in and said, "We will bid $27 million for one plant and $1 for a second plant and $1 for a third plant," those of you who believe in the money matter advantage to the Government would have been in a position to say to the Commission, "Accept the $27 million for the one plant and turn them down on the other two plants," and we would have been money ahead. So, that does not hold water.

Now, it is just a matter of where you are going to go.

Somebody asked about the genealogy of the Shell Chemical Co. It is interesting and I will put it in the RECORD. This data is taken from page 156 of the supplemental report to Congress recommending disposal of Government-owned rubber producing facilities. It is in the blue book.

> IDENTIFICATION OF PROSPECTIVE PURCHASER
>
> Shell Chemical Corp., a Delaware corporation is a 100 percent subsidiary of Shell Oil Co., also a Delaware corporation. A controlling interest (65.44 percent) of the stock of Shell Oil Co. is beneficially owned by Shell Caribbean Petroleum Co., a New Jersey corporation which, in turn, is beneficially owned by Canadian Shell Limited, an Ontario company. Canadian Shell Limited is beneficially owned by the Batavian Petroleum Co., a Netherlands corporation, which is owned 60 percent by Royal Dutch Petroleum Co., a Netherlands corporation, and 40 percent by the Shell Transport & Trading Co., Ltd., a British corporation.

Mr. KELLEY of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. MILLER of California. I yield to the gentleman from Pennsylvania.

Mr. KELLEY of Pennsylvania. I asked the distinguished chairman for that information, and I did not get it.

Mr. MILLER of California. It is in the blue book. I do not think the distinguished chairman withheld that information for any particular reason, but I wanted to put it in.

Mr. DOYLE. Mr. Chairman, I yield 3 minutes to the gentleman from California [Mr. SISK].

Mr. SISK. Mr. Chairman, I rise in support of the resolution offered by the distinguished gentleman from California, and I would like particularly to commend him on his excellent presentation of the points of law that we are concerned with in the consideration of this particular sale. I am aware that the gentleman from California [Mr. DOYLE] is an excellent attorney, and I do not propose to belabor the points of law but rather to cite the attitude in this case of the proposed purchasers as reflected in their own statements. Now, this is found in the supplemental report of the Disposal Commission on page 157. This is quoting the Shell people:

> We do not state the amounts we propose to pay for any of the facilities on an individual basis as we do not propose to purchase individual facilities.

Now, after listening with a great deal of interest to the things that were said on this floor yesterday, it seems to me that the thing we are concerned with, or certainly should be concerned with, is whether or not we wish to help, aid, and abet, monopolies in this country.

It appears to me that by the action of this body yesterday in voting down a resolution to forbid those proposed sales, this Congress has placed its stamp of approval on monopoly domination of our rubber industry.

I voted in favor of the resolution yesterday, and I shall vote in favor of the resolution before us because certainly, the very attitude, the very arrogance, of this particular purchaser shows that what we are doing is simply helping to place our supplies of rubber in the hands of a monopoly. It seems to me that it was the intent of the Congress in passing Public Law 205 to make it impossible that a monopoly be brought about.

I may not have correctly understood our distinguished chairman, the gentleman from Georgia [Mr. VINSON], but it seemed to me that in part of his discussion he was putting more importance on the dollar sign than in protecting our moral obligation to discourage monopolies in this country.

Mr. DOYLE. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from California [Mr. HOLIFIELD].

Mr. HOLIFIELD. Mr. Chairman, we have a very simple proposal before us today. That is whether we will, as a legislative body, make a decision on what the words in a contract mean. It all hinges upon two words. I quote to you the first line in section 7 (b):

> Proposals shall be in writing and shall contain among other things—

Then I get down to section 4:

> The amount proposed to be bid for each of the facilities—

The key word in that language is the word "each." You do not have to be a Philadelphia lawyer to know what the meaning of the word "shall" is. And you do not have to be a Philadelphia lawyer to know what the word "each" means. If I say there are three apples on the table and ask each of you to come up and take one of those apples, you know that you are not to take all of them. That is all there is to it.

Today we had a marvelous demonstration by the distinguished chairman of the Committee on Armed Services of how he can adroitly twist the meaning of the word "shall" into "maybe." "Shall" now becomes "maybe" in the vocabulary of the gentleman from Georgia, and in proposed legislation in the future which he will offer I expect that any time he writes the word "shall" we may just substitute the word "maybe."

Then when we get to the word "each," in legislation which the gentleman may bring out, we will understand that he means "all." I have a great admiration for the gentleman and a personal liking for him. There is no man in the House who is more adroit than he is, who is more personable on the floor or who has a greater personal appeal to the membership.

But the contract says that the bid to be proposed shall be for each of the facilities. It has not been argued that there are not three facilities here. The gentleman from Georgia [Mr. VINSON] wants us to believe that the word "each" means "all"; all of the facilities. I submit to the membership of this House that the Shell Co., a foreign-owned company, bidding against American bidders, did not comply with the terms of the bid. They did not propose a separate price for each of the facilities. They proposed a lump price for all of the facilities. I should be glad to yield to the gentleman from Georgia [Mr. VINSON] if he does not believe that his interpretation of this language means that the word "shall" becomes "maybe" and the word "each" becomes "all."

Mr. BROOKS of Louisiana. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. Is the gentleman speaking for the gentleman from Georgia or in his own right?

Mr. BROOKS of Louisiana. In my own right.

Mr. HOLIFIELD. The gentleman from Georgia apparently does not want to contest the meaning of the word "shall" and the word "each."

Mr. BROOKS of Louisiana. May I say this to my distinguished colleague from California, who, by the way, was born in Kentucky and lived in Arkansas, so he has a colloquial interest in the things we represent.

Mr. HOLIFIELD. That is right.

Mr. BROOKS of Louisiana. This morning in the committee I was attending the question of the meaning of the words "shall" and "may" came up. They produced several lawyers to give legal interpretations showing that in legal matters "shall" very often is considered to mean "may." I give that to the gentleman for what it is worth.

Mr. HOLIFIELD. I read the testimony and I read the reports, and I also read the minority report by the gentleman from California. Anyone can read that minority report and see the cases he has cited, which clearly prove that the word "shall" is mandatory. If you will just take the common, ordinary meaning of the word "shall" in the dictionary, you must concede that it is mandatory and not discretionary.

Mr. BROOKS of Louisiana. My colleague the gentleman from Illinois [Mr. PRICE] was sitting in the committee and we discussed it at that time.

Mr. HOLIFIELD. I have a great deal of respect for the gentleman from Louisiana and the gentleman from Illinois [Mr. PRICE] as well, but this involves the meaning of language. When the word "shall" is used it is mandatory and does not mean "maybe." When the word "each" is used it does not mean "all." The whole argument for the sale of these plants to this foreign-owned corporation bidding against American companies is on the meaning of the word "shall" and the word "each." The contention of the gentleman from Georgia is that they mean maybe and all. I trust the Members will vote to pass the resolution of the able gentleman from California [Mr. DOYLE].

This will make it possible for American bidders to consider the purchase of these rubber plants on the same terms as has been given to the Shell Co.

Mr. VINSON. Mr. Chairman, I yield 5 minutes to the gentleman from Louisiana [Mr. BROOKS].

Mr. BROOKS of Louisiana. Mr. Chairman, I want this time to remind some of our legal experts here on the floor of the interpretation of the type of agreement we entered into in this matter. We said by law in 1953 that this entire matter should be brought back to the Congress, and at this later date we should try to review the actions of the executive branch of the Government in executing the law. If they executed it according to our ideas, we would approve it. If they did not execute it according to our ideas, we would disapprove it. That is the condition today.

On June 25, in the course of that debate I brought this special provision to the attention of the House. I think this is bad law, and I said so on June 25, in the CONGRESSIONAL RECORD, volume 99, part 6, page 7324. I concluded my remarks with these words:

> As I say, I voted for the bill in the committee, but I question the wisdom of saying to the executive department: "You make a mistake; that is all right; Congress will backstop you, and we will catch your mistakes, and we will correct everything in a 30-day period of time." That is an executive function; it is not a legislative function. We are attempting to assume an executive function.

Those are only a few sentences from the remarks I made at that time. We did make a mistake in asking that this sort of matter be brought back to the Congress. We are not competent as a legislative body to pass judgment upon the advisability of the execution of a law such as this that deals with large sums of money and technical contracts involving the operation of a huge industry.

Mr. HOLIFIELD. Mr. Chairman, will the gentleman yield?

Mr. BROOKS of Lousiana. I yield to my distinguished friend.

Mr. HOLIFIELD. I compliment the gentleman on his statement and want to say that I took exactly the same position, which the gentleman from Texas [Mr. KILDAY] took on that point and I voted against the bill for that very reason.

Mr. BROOKS of Louisiana. At that time we had very few friends with that viewpoint. I think most of us today would have followed him in that viewpoint.

Mr. DOYLE. Mr. Chairman, will the gentleman yield?

Mr. BROOKS of Louisiana. I yield to my distinguished colleague from California.

Mr. DOYLE. I thank the distinguished gentleman. Of course, Congress, in answer to your objection as to Congress considering this section 2 of the act, Public Law 205, declared that the disposal of rubber-producing facilities pursuant to the provisions of this act is consistent with national security and will further effectuate the purpose with respect to the development within the United States of a free, competitive synthetic-rubber industry.

May I say to the gentleman, the reason this bill is here, remembering what I do, having been a member of the Subcommittee on Armed Services, is that we all agreed, and so did the full Committee on Armed Services agree, that it

was important that it come back to this Congress in order that we could protect and would protect the free, competitive enterprise of our Nation in the synthetic industry.

Mr. BROOKS of Louisiana. If I may answer my distinguished friend from California, it is all right for us to establish policies; certainly it is right that we follow through on national defense policies and see that our land is properly protected from invasion and from foreign foes; but so far as attempting to write out a program for the sale of three or four hundred million dollars of synthetic rubber plants, we are not in shape as a legislative body to take that kind of action. I, for one, hope that we do not continue on that course.

Now coming back in the few moments that I have remaining to this particular feature of the case—on page 1156 of the hearings, we find the contracts set forth. Mr. Blandford read the contract into the record, and this contract protects small business on the west coast. I asked Mr. McCurdy, president of this company, what action he was going to take with respect to small business. His answer is on page 1167 of the record, that he had set aside 20,000 tons to take care of small business west of the Rockies, and that he estimated small business would require only 9,000 or 10,000 tons. He has a productive capacity of 89,000 tons, and he is taking out 20,000 tons to take care of small business. He produced his own record and I went through his files because he handed his files to me concerning his efforts with one-hundred-ninety-odd companies to obtain orders for the production so that he could operate his plant at maximum capacity. What he is worried about is not in getting orders, and he uses the word "blanket" that he will blanket the west coast with synthetic rubber so there will be no scarcity of this commodity to anyone, big or small, on the Pacific coast.

Mr. DOYLE. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from Mississippi [Mr. COLMER].

Mr. COLMER. Mr. Chairman, I think I find myself in the same position here that many of the Members of the House find themselves. In other words, we are called upon to ratify or pass upon a contract involving millions of dollars of the assets of the people without being in a position to intelligently pass upon that question. Yesterday I voted against the ratification of that proposal because from the cursory examination I had an opportunity to make, it appeared to me, as I stated on the floor, that here was a series of plants which would make over $100 million in 2 years and we were selling them for $259 million. It seems to me that it was an inadequate consideration for so much property.

Today I have been unable to get any facts on this proposition. I do not know whether it is a good proposition or a bad proposition. I would like to know. I seriously doubt that there is a single Member outside of the committee who is competent to pass on it. Frankly, in my present attitude, I feel more like voting "Present" than for or against, because I do not feel competent, and voting "present" is a thing I have never done. I want someone to give me in the limited time that we have here something regarding the adequacy of the consideration for this sale. That is the only question which concerns me.

Mr. VINSON. Mr. Chairman, will the gentleman yield?

Mr. COLMER. I yield.

Mr. VINSON. I am glad the distinguished gentleman from Mississippi has raised that question. Yesterday he propounded the same line of thought to someone who was addressing the Committee.

Mr. COLMER. The gentleman from Missouri [Mr. SHORT].

Mr. VINSON. The gentleman left an impression in my mind; and may I say we are not worrying because of the fact that these plants are making money. He pointed out that the plant was going to make $50 million this year. The inference I drew from his line of reasoning was: Why should the Government sell the plants if they are making money?

I followed that line of thought and said probably the gentleman from Mississippi might be in favor of selling them if they were not making money, but since he has the record and since it is publicly known, and since we have stated that they are making the $50 million he was a little puzzled about selling them. So I was a little disturbed about the line of reasoning running in the mind of my good conservative friend yesterday.

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

Mr. VINSON. Mr. Chairman, I yield the gentleman 4 additional minutes.

Now the gentleman asks a question today as to adequacy. This Commission was composed of three distinguished businessmen. The record shows they employed some of the greatest engineering firms of the country. They recognized the fact that it was a going business when they evaluated the plants; and then they proceeded to sell these plants out individually and then as a group as referred to in this resolution.

Should they conclude taking all the factors into consideration, taking into consideration that the plants are 12 years old, taking into consideration that $400 million is set aside for depreciation, that what they will receive, which is a total of $25 million, is a fair and adequate price?

We did not, of course, go down there. I cannot say whether it is or not; I have got to rely on facts and figures. The record shows to me, my mind is clear, the mind of 27 other members of the committee was clear from the testimony, Mr. Chairman, that this was one of the best deals the Federal Government has ever made.

From a dollar viewpoint, we are collecting about 62 percent in comparison with going concerns that we sold to Kaiser and some other people for which we got about 32 cents on the dollar.

I have done the best I could to answer my friend's question.

Mr. COLMER. I hope the gentleman from Mississippi has disabused the mind of the distinguished gentleman from Georgia that what motivated his question was not the fact that the Government was making money, but whether the Government was getting adequate consideration for a concern which was making that much money.

Mr. VINSON. I am glad I am in error, but the inference was left in my mind that because the Government was making money it should not sell.

Mr. COLMER. I am asking the gentleman if I have disabused his mind on that?

Mr. VINSON. I am responding to the gentleman; he had doubt about selling them if the Government was making money on them, but the inference was that if the Government was not making money he would then get the Government out of business.

Mr. COLMER. The question bothering me, sir, may I repeat, is whether the Government is getting dollar value by the sale of this property; and as I said yesterday, the only question that concerned me was this, Mr. Chairman: What did this series of plants make last year or what do they propose to make this year from their operations?

Mr. VINSON. That is not broken down into testimony because all of them are a unit operation and there is no record how much this copolymer plant makes or how much the other one made under Government ownership or what that might be. The Government has a monopoly. We are trying to break the Government monopoly up and put these in 24 competing hands.

Mr. COLMER. Let me say again to the gentleman that I do not favor Government ownership in principle. The only thing I want to see is that the taxpayer gets a dollar back for every dollar spent. I must confess I am still in the dark.

Mr. DOYLE. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from Illinois [Mr. PRICE].

Mr. PRICE. Mr. Chairman, I have only one reason for opposing the California sale and for supporting the resolution of the gentleman from California. It is based strictly on my belief that the Commission in this instance was not in compliance with the law in making the package sale. I do not think that any Member of this House would have given his approval to a sale by the Commission of all the facilities involved in this matter to any one company. They would have deplored such a package sale. I see no provision in the law giving the Commission any authority to make a package deal.

Mr. Chairman, we rely a lot on legislative intent in determining the legality of this sale. We talk a lot about legislative intent when we try to interpret the meaning of statutes. The Supreme Court at times has rendered decisions based on legislative intent. The legislative intent in this case has been set forth in a House report that was introduced at the time the disposal bill was considered by the House in June of 1953. Further than that it was made known to every Member of both bodies of the Congress during the debate on the disposal bill and it was strongly discussed in the other body of this Congress at the time of the debate on the disposal plan.

Only recently in the consideration of this particular sale one of the authors of this bill thoroughly indicated that he gave assurances to the Congress that these facilities would be bid upon and proposals would be submitted on the basis of each individual facility. There is no question in my mind but that legislative intent was that in the effort to fulfill one of the criteria here in order to spread these plants into a competitive market was the obtaining of more bidders for them and that they would be considered on an individual basis. There was no authority given for a package sale. There were no regulations set up for a package sale. The Commission itself, in making its first announcement in its first release, indicated all proposals would be on an individual-facility basis.

Mr. DOYLE. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. KING].

Mr. KING of California. Mr. Chairman, I hesitate to venture into this discussion, and I do so briefly because the plants in question are in the district that I represent. I think I could venture to say here that there are definite differences of opinion within the committee and within the membership of the House, and I cannot see why it will not be possible, and I think highly cogent, to adopt the resolution offered by the gentleman from California [Mr. DOYLE] and allow these interested parties to again come in strictly in accordance with the statute and acquire, if that is the will of the Commission, these properties without leaving the ground for recrimination, giveaway, and all that sort of thing that is now in the air. I do not know of one good, valid reason, in view of the wide divergence of opinion here as to whether or not the law was complied with, that it cannot be set aside, redone in proper fashion, and make for happiness all over the field. That is all I have to say.

Mr. GAVIN. Mr. Chairman, will the gentleman yield?

Mr. KING of California. I yield to the gentleman from Pennsylvania.

Mr. GAVIN. The inference has been made here that possibly these people who bid on these facilities were not aware that the Commission was considering a package deal. Now, here is a statement from the Commission, a memorandum discussing objections by Minnesota Mining & Manufacturing Co. to Commission's recommended sale of the three west coast plants to Shell Chemical Corp. They say:

> The one change in west coast negotiating procedure involved fuller disclosure of the Commission's position, and thus was an aid to the bidders on those facilities. They were put on notice of the possible existence of package proposals. They were told the procedure to be employed by the Commission in such situations. The Commission said that it would consider the total of the amounts which it would receive on an individual basis in relation to the amounts represented by a package bid.

So, evidently all bidders had some knowledge or were aware of the fact that the Commission was considering a package bid.

Mr. DOYLE. Mr. Chairman, will the gentleman yield?

Mr. KING of California. I yield to the gentleman from California.

Mr. DOYLE. May I briefly state my interpretation of the act? I interpret Public Law 205 requiring that if the Commission was going to claim they had discretion to change the fundamental requirements of subdivision 4, they then had to do it in writing. In other words, the law requires express terms for advertisements for bids. Certainly there is no claim here that the Commission in writing ever gave notice in writing to any bidders that they were going to use their discretion and allow bids for one package sales. I recognize the statement of the gentleman from Pennsylvania that Mr. Pettibone said that they were put on notice, but the only way they could have been put on legal notice under the intent of the act was for the Commission itself to again give written notice of the fact that it was going to allow one-package bids, in spite of the fact that the law required under subdivision 4 bids on each facility. There is no evidence any place in the record that there was ever any legal notice given in terms of changing or intending to change the bid or conditions of subdivision 4 requiring bids on each plant or facility.

Mr. HOLIFIELD. Mr. Chairman, will the gentleman yield?

Mr. KING of California. Yes.

Mr. HOLIFIELD. Is it not entirely possible that if this resolution of the gentleman from California [Mr. DOYLE] is voted favorably, these American companies that desired to acquire these facilities separately would be able to come in now with separate bids, which possibly might result in the Government's obtaining a higher total price than $30 million which they are expecting to receive from the Shell Co.?

Mr. KING of California. I think that is quite possible.

Mr. HOLIFIELD. Because this is a desirable property. It is very much needed in the West. Its operation is needed. It seems to me that the best interests of the Government could well be served by prolonging this negotiation for another 6 months.

Mr. VINSON. Mr. Chairman, will the gentleman yield?

Mr. KING of California. I yield.

Mr. VINSON. Then will the gentleman tell us why they did not do it in the first instance? Why did Mr. Pauley offer only $4 million for a plant that the Commission told him was worth $7 million?

The CHAIRMAN. The time of the gentleman from California [Mr. KING] has expired.

Mr. DOYLE. Mr. Chairman, I yield 1 minute to the gentleman from Illinois [Mr. PRICE].

Mr. PRICE. Mr. Chairman, I think the answer to the question raised by the distinguished chairman of our Committee on Armed Services is the key to this present situation. Under the package deal, the successful bidder submitted no offer for individual plants. There was no figure that the other bidders, who bid in compliance with the law, were bidding against. Had they submitted a proposal, as they should have done under the provisions of the law, they would have been negotiating against a certain figure set for each facility. I think that is why these other bidders did not go any higher than they did. They did not have any goal to exceed. The weakness in the position of the Commission is that they were not negotiating with prospective buyers of each facility.

Mr. COLE. Mr. Chairman, will the gentleman yield?

Mr. PRICE. I yield.

Mr. COLE. The gentleman from California [Mr. KING] indicated that those who opposed the package sale were guilty of participating in a giveaway operation.

Mr. PRICE. Of course, I do not share that view. I think this is a matter of compliance or noncompliance with the law. I do not think the gentleman from California [Mr. KING] said that.

Mr. COLE. It is difficult to reason how you are giving away property of the Government when you are advocating a proposal which brings into the Treasury a substantial percentage more than the alternative proposal.

Mr. PRICE. I did not understand the gentleman from California [Mr. KING] to have made that remark. If he did, I do not think he intended it to be interpreted in that manner.

The CHAIRMAN. The time of the gentleman from Illinois [Mr. PRICE] has expired.

Mr. DOYLE. Mr. Chairman, I yield 1 minute to the gentleman from California [Mr. KING].

Mr. KING of California. Mr. Chairman, I must say to the gentleman from New York [Mr. COLE] that if what I said could have been taken to mean what he indicated, that if that is the way he understood it, I was certainly misunderstood. What I meant to do was to get this message over. I did not want to have charges leveled in the event that this sale were consummated that there was good ground, in view of the wide divergence of opinion as to what was or was not complied with, for believing that improper operations or giveaways were again being allowed to take place.

Mr. DOYLE. Mr. Chairman, I yield 2 minutes to the gentleman from Minnesota [Mr. MCCARTHY].

Mr. MCCARTHY. Mr. Chairman, I was surprised to find the gentleman from Georgia [Mr. VINSON] advocating a new kind of trickle-down theory. The gentleman is an ardent supporter of the small farmer and of the small-business man. But in the last 2 days he has been arguing that we give these rubber facilities to the big rubber companies, and then he has told us that this would be good for the small-business man because eventually the small-business man will get some of the rubber. That may be true, but it sounds to me like an application of the trickle-down theory.

The gentleman from Georgia [Mr. VINSON] has made the argument that we ought to oppose this resolution because the Armed Services Committee vote was 28 to 4 against it. That seems a strange argument, since this proposal has come back to us as the result of legislation which was, I believe, unanimously supported by the Committee on Armed Serv-

ices, and which proposed that once these sales had been arranged Congress should examine them again. One or two members of the committee have said that Congress is not competent to examine a question as technical as this. The gentleman from Georgia [Mr. VINSON] has said that Congress should examine it, and then has said, "Do not really examine it, but do what the committee says because we voted 28 to 4." Those of us who have had the opportunity to observe the operations of the Committee on Armed Services know that in almost every case its recommendations are unanimous. When there is one vote in the committee against a bill one should be suspicious. When there are two votes against, one should inquire carefully. I suggest that when four members of the committee vote against a measure we probably ought to reject the recommendation of the committee altogether.

In the 81st Congress a pay bill was brought in, I believe it was unanimously recommended by the Armed Services Committee. The House recommitted it by a vote of 227 to 163.

In the 82d Congress the Armed Services Committee recommended a manpower bill. The committee vote was 27 to 7. Congress recommitted that by a vote of 236 to 162.

Let me make one more point, namely, that Minnesota Mining will not get, on the basis of its present bid, these facilities. Minnesota Mining has raised a question about the legality of these contracts; let us not be misled by the argument that the Minnesota Mining bid was low, because that is completely irrelevant.

Postponement of sale of the Los Angeles facilities will not prevent Shell Oil Co. from bidding on separate facilities as part of a package bid as other companies did bid. It will permit other companies to place their bids in competition. Minnesota Mining & Manufacturing Co. is, insofar as I can determine, asking no more than this.

Mr. KILDAY. Mr. Chairman, I ask unanimous consent that the gentleman from California [Mr. JOHNSON] may extend his remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. JOHNSON of California. Mr. Chairman, I listened to practically all the testimony regarding the proposed sale of a large part of the synthetic rubber plants which the Government owns and which the Commission recommends be sold.

The Rubber Producing Facilities Disposal Act of 1953—Public Law 205, 83d Congress—provided for a Commission of 3 persons who were to dispose of these plants in accordance with section 9 (a) of the above act.

The members of this Commission proved to be exceptional men and the recommendations they made were excellent and also very profitable to the Government.

The bill very wisely provided that notices for bids on these plants should be given 6 months before the bids were to be opened and then gave the Commission 7 months for negotiation. The latter provision enabled the Commission to obtain $30 million more than the bids which were originally submitted.

The total amount recovered for these plants is far in excess in percentage over the sales of surplus property by the General Services Administration.

Also the transfer of these plants to private industry was a good step which had been recommended by President Truman and others.

The objections voiced in Resolutions 170 and 171 have been conclusively answered in the debate in several of the many excellent speeches on the bill.

The transfer of these plants to private enterprise will enable the industry to take good care of the need for rubber and rubber products. In fact, the plea that small business was not given a chance is not a true appraisal of the evidence submitted by the Commission.

The chairman and our counsel made a record which shows that the successful bidders will produce 50 percent more than the proponents of small business said was required. Also the questions and answers on this phase of the hearings show that the successful purchasers of the plants are, in fact, committed to furnish the amounts of tonnage which they gave in the hearings to small purchasers.

The simple question is this: Do we wish to support the Commission which determined by the criteria of the laws involved in their finding of the fair value for the facilities sold? A reading of the testimony of the chairman would convince any unbiased person that the Commission received an excellent price for the facilities.

The record is full of evidence that the only sensible thing to do is to accept the bids recommended by the Commission and reject Resolutions 170 and 171. Thus the rubber situation will be improved and we may look for competition to bring down the prices to the great advantage of the consumer.

Mr. VINSON. Mr. Chairman, I yield the remainder of my time to the distinguished gentleman from Texas [Mr. KILDAY], a member of the Committee on Armed Services, to close debate for the committee.

Mr. KILDAY. Mr. Chairman, I find myself in complete sympathy with the gentleman from Mississippi [Mr. COLMER] in his inability to analyze the proposals that have been made and then brought back to us. Of course, it goes back to what I had to say yesterday about the intermeddling of the legislative branch in the affairs of the executive branch of Government.

We were organized and through the years our rules and procedures have been designed and perfected to make us efficient as legislators, but we do not have the equipment, the staff, or the ability to execute the laws we pass. Under the Constitution, of course, that is committed to the executive branch of Government. So it is only natural that we are not in a position to examine into the costs, the financial structures, the engineering data, and things of that kind in connection with these matters. It only emphasizes what has been said here by a number of Members as to the procedure we have fallen into in recent years of bringing things back from the executive department to go over them again.

However, today we find ourselves not only intermeddling in the affairs of the executive branch but attempting to apply the laws we have passed and to construe them, a field which is very definitely committed to the judicial branch of our Government. We have arguments come up as to whether "shall" could be "may" and "may" could be "shall."

All of those who have had any experience with statutory construction know that is nothing new. Maybe that is a device lawyers have of making sure that nobody but lawyers can understand what we are talking about. But that also emphasizes the fact that we ought not to be intermeddling in the affairs of the judicial branch; and as to the legal effect of the application of the law to the facts, that belongs to the judicial branch. It is not a question of what the man in the street may have thought "may" and "shall" meant.

I believe it is reasonable to assume that people going into bids of this magnitude are represented by about the most able counsel available.

Now we find ourselves again in something we are not capable of handling because it is out of our line. We have no legal adviser as does the executive department. The executive department has the Attorney General who is by law the legal adviser of the executive department. The only officer we have who could be comparable to that, of course, is the Comptroller General. The Comptroller General is an agent of the Congress. He is our lawyer and accountant insofar as he can function in that field. As to whether it was proper to accept a proposal—not a bid—for the three plants in California in a package, the Comptroller General has written a letter which was addressed to the committee having jurisdiction in the other body of which Senator FULBRIGHT is the chairman, the Committee on Banking and Currency, which handles that problem in that body. The Comptroller General went into this in very considerable detail, and he says that this is a legal proposal. He is our legal adviser so far as we have one. He analyzed it out saying that the bidder proposed to buy three plants for a given amount of money and that it is equivalent of having bid zero on each plant separately, but $27 million if they got the package. I assume they wanted to be self-sufficient. Perhaps the things we heard here yesterday were in their minds. Some of the big boys were getting into this thing with other plants and they wanted to be self-sufficient and that they would pay $27 million for three plants but they would not give a dime for two plants or for one plant. They negotiated that up to $30 million. This was analyzed out before our committee with charts showing the bids made and how high they were on negotiation with the Commission, and it is clear that this was by far more money than was offered in the total of any other proposal for these plants. So they did get the best amount which was available, and I think

they did a very good job on the total amount. But the bare question of law would probably not control in the courts. You would have to show some injury. If the proposition is made that they had no opportunity to negotiate up, that is not correct. The record shows that the bid was submitted for $3 million and by negotiation went as high as $3½ million. So they did have an opportunity to negotiate.

The next point which we heard such a great deal about and spent so much time on yesterday is small business. Where are our small business defenders today? Where are those who took so much time here yesterday on the question of small business? They have not even spoken here today.

What is the situation now with reference to small business in this connection? Complaint was made yesterday that the Big Four—the four big rubber companies—each bought themselves a plant and that they had placed themselves in a position where they would get their rubber and use it all and small business would be left out. Now we come in with a plant being sold to Shell which fabricates no rubber, not 1 ounce of rubber, and they are going to have 40,000 tons of raw rubber on their hands, and it does no fabrication and it has no way to use it, and has to get rid of it. The argument was made yesterday that the Big Four were taking care of themselves with plants so that the Big Four will not get this rubber. I assume that is true of these 40,000 tons and it is true of the production that Phillips is buying. This is one of the major protections for small business that you have—40,000 tons of raw rubber in the hands of a company which makes nothing out of rubber, but produces raw rubber to be sold to fabricators of rubber. So here are 40,000 tons to be made available to small business. A representative of Shell testified before us it was his intention to saturate the west coast with the rubber he produces in this plant so that it will be available to small business. The Commission was created to analyze the situation and has reported back and not one fact has been brought out to the contrary of this being in the very best interest of all concerned and in accordance with the Disposal Act.

I yield to the gentleman from New York.

Mr. MULTER. May I suggest to the gentleman that the Small Business Committee, which voted in favor of the resolution yesterday against disposal of these rubber plants, assumes the same position with reference to this resolution today and advocates its adoption.

Mr. KILDAY. That the Government keep the plants?

Mr. MULTER. Not that the Government keep the plants, but that this method of disposal be rejected by the Congress. I call the gentleman's attention to the fact that many members of the committee have been on the floor, spoke yesterday during the debate, and felt there was no need to repeat the arguments today.

Mr. KILDAY. Mr. Chairman, I yield no further. The next best thing to stopping the sale is to delay selling them as long as possible, hoping something might happen.

Mr. TUMULTY. Mr. Chairman, will the gentleman yield?

Mr. KILDAY. I yield to the gentleman from New Jersey.

Mr. TUMULTY. In this debate thus far I have not heard what happens to the public employees who are in these plants when the plants are sold.

Mr. KILDAY. There are no public employees. The plants are being operated by rubber and chemical companies under contract with the Government, and these are employees of the contractors. By refusing to sell them the plants will be closed and they will be out of work.

Mr. MURRAY of Illinois. Mr. Chairman, will the gentleman yield?

Mr. KILDAY. I yield.

Mr. MURRAY of Illinois. As I recall the cases on the meaning of the words "may" and "shall," "may" means "shall"; and "shall" means "may" when there is something in the expressed statutory language indicating the legislative intent for the meaning. Is there anything in this statute which indicates a legislative intent that the word "may" shall mean "shall" or that the word "shall" shall mean "may"?

Mr. KILDAY. As I say, that is a question of the application of the law. The Comptroller General has held that there is, and that this bid for the 3 plants in a package is in accordance with the law, and that it is in accordance with the request for proposals.

Mr. MORANO. Mr. Chairman, will the gentleman yield?

Mr. KILDAY. I yield.

Mr. MORANO. If this resolution is rejected what then happens to these plants and to the small fabricators who are waiting for rubber to keep them in business?

Mr. KILDAY. These plants will be closed down in March 1956 and they will go into mothballs. The small fabricators I suppose will go to the big four for rubber, because this 40,000 tons will be out of production, it will not be available to the small fabricators of rubber. There will be that much lost for them; the plants will be idle and placed in mothballs.

Mr. BROOKS of Louisiana. Mr. Chairman, will the gentleman yield?

Mr. KILDAY. I yield.

Mr. BROOKS of Louisiana. It is interesting to observe that one of the applicants who was a bidder but who did not get a separate plant was contacted by the representatives of the Shell Co. and it has been stated, according to the record, that this bidder has placed an order for 1,700 tons of synthetic rubber to be obtained from the Shell Co. when it becomes the producer.

Mr. KILDAY. That is correct, the Minnesota Mining & Manufacturing Co. has ordered 1,700 tons of rubber from Shell when they go into production.

Mr. MURRAY of Illinois. Mr. Chairman, will the gentleman yield further?

Mr. KILDAY. I yield.

Mr. MURRAY of Illinois. Is there anything in the Comptroller General's opinion disclosing language in this law indicating that the word "shall" shall mean "may" or that the word "each" shall mean "all"?

Mr. KILDAY. It does not go into a construction of the words. It applied also to the proposal submitted yesterday and was to the effect that the proposed action of the Commission is in accordance with the law.

Mr. VINSON. Mr. Chairman, will the gentleman yield?

Mr. KILDAY. I yield.

Mr. VINSON. The issue boils down now to this: Those in favor of the Government keeping those plants vote "yea"; those in favor of the Government getting out of the rubber business when their names are called will vote "nay."

Mr. KILDAY. I thank the gentleman from Georgia. I now yield to the gentleman from California [Mr. DOYLE].

Mr. DOYLE. If the distinguished gentleman from Texas will read the third and fourth lines of the letter from the Assistant Attorney General for the Comptroller General I think he will find where he purports to give a legal opinion he apologizes for the fact and explains that he has had very little time to consider it. I think if the gentleman will read those lines he will see that he said he had little time to consider it.

Mr. KILDAY. The gentleman must be speaking of another document; I do not think that is in this document.

Mr. DOYLE. No; in the gentleman's legal opinion.

The other question is: Is it not true that under the act we expressly provided that the Attorney General should be a legal counselor of the Commission?

Mr. KILDAY. Of the Commission, yes.

Mr. DOYLE. There is no place in the record where it is claimed by anyone that the Attorney General was asked for an opinion on the Shell transaction.

Mr. KILDAY. I do not know whether he was ever asked. I have seen no opinion by the Attorney General on that question.

Mr. DOYLE. Neither have I.

Mr. KILDAY. The Congress does not ask the Attorney General, or has no right to ask the Attorney General, for an opinion as to the law of the case. The Comptroller General was asked and the Comptroller General responded. The Comptroller General is an agent of the Congress and he held that the proposal was in accordance with the statute.

Mr. PRICE. Mr. Chairman, will the gentleman yield?

Mr. KILDAY. I yield to the gentleman from Illinois.

Mr. PRICE. I wonder if the gentleman from Texas would not agree with me that in a legislative act where both the words "may" and "shall" are used, when the word "shall" is used it is taken and considered as mandatory?

Mr. KILDAY. I think that would be the one thing to be inquired into when you are inquiring into the statute to determine what it meant, whether "shall" meant "may" or "may" mean "shall." Then you would go to the context of the statute for the purpose of determining the legislative intent. In that instance, the thing to be accomplished would be the controlling factor, I believe. So that I reiterate that you are

never going to settle the application of a statute on a given state of facts in a legislative body. It should not have been brought here. It is here. The only legal advisers we have say it is legal. I do not think the man in the street or a Member of Congress is going to be able to determine it. If the position taken by you gentlemen who are opposing this is correct that the bids as made are not in accordance with the advertisement and were accepted notwithstanding that, it will wind up in the courts, then you will get your decision.

Mr. PRICE. The Congress is the best agency to express its own intent. At the time of the passage of this law the intent was frequently expressed.

Mr. KILDAY. I do not know about that.

The CHAIRMAN. All time has expired. The Clerk will read the resolution.

The Clerk read as follows:

Whereas the Rubber Producing Facilities Disposal Act of 1953, Public Law 205, 83d Congress, provided for the disposal of the Government-owned rubber-producing facilities, pursuant to the provisions of said act; and

Whereas in the recommended sale of the butadiene-manufacturing facility at Torrance, Calif., Plancor 963; the styrene-manufacturing facility at Los Angeles, Calif., Plancor 929; and the synthetic-rubber (GR–S) facility at Los Angeles, Calif., Plancor 611, the Rubber Producing Facilities Disposal Commission has not conformed to the provisions and procedures established by the said act; and

Whereas the said purported sale by the Rubber Producing Facilities Disposal Commission was in violation of the provisions and procedures established and required by Public Law 205, 83d Congress; and

Whereas section 23 (a) of the Rubber Producing Facilities Disposal Act of 1953, provides for the introduction of this form or resolution: Now, therefore, be it

Resolved, That the House does not favor the sale of the butadiene-manufacturing facility at Torrance, Calif., Plancor 963; the styrene-manufacturing facility at Los Angeles, Calif., Plancor 929; and the synthetic-rubber (GR–S) facility at Los Angeles, Calif., Plancor 611, as recommended in the report of the Rubber Producing Facilities Disposal Commission.

Mr. VINSON. Mr. Chairman, I move that the Committee do now rise and report the resolution back to the House with the recommendation that it be not agreed to.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. DODD, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration House Resolution 171, had directed him to report the same back to the House with the recommendation that it be not agreed to.

The SPEAKER. The question is on the resolution.

Mr. VINSON. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 137, nays 276, not voting 21, as follows:

[Roll No. 29]

YEAS—137

Addonizio	Flood	Marshall
Albert	Fogarty	Metcalf
Andresen, August H.	Forand	Miller, Calif.
Anfuso	Frazier	Mollohan
Ashley	Friedel	Morgan
Aspinall	Garmatz	Moss
Bailey	Gordon	Multer
Barrett	Granahan	Murray, Ill.
Bass, Tenn.	Gray	Natcher
Blatnik	Green, Oreg.	O'Brien, Ill.
Blitch	Green, Pa.	O'Hara, Ill.
Bolling	Griffiths	O'Neill
Bowler	Gross	Patman
Boyle	Hagen	Perkins
Buchanan	Hays, Ark.	Pfost
Buckley	Hays, Ohio	Philbin
Burdick	Hayworth	Poage
Burnside	Holifield	Polk
Byrne, Pa.	Holtzman	Powell
Cannon	Hull	Price
Carnahan	Hyde	Priest
Celler	Jennings	Quigley
Chelf	Johnson, Wis.	Rabaut
Chudoff	Jones, Ala.	Reuss
Clark	Jones, Mo.	Rhodes, Pa.
Colmer	Karsten	Rodino
Cooper	Kee	Rogers, Colo.
Davidson	Kelley, Pa.	Rogers, Tex.
Delaney	Kelly, N. Y.	Rooney
Denton	Keogh	Roosevelt
Diggs	King, Calif.	Saylor
Dingell	Kirwan	Shelley
Dodd	Klein	Sisk
Dollinger	Kluczynski	Spence
Donohue	Knutson	Staggers
Donovan	Lane	Steed
Dorn, S. C.	Lesinski	Sullivan
Doyle	McCarthy	Thompson, N. J.
Edmondson	McCormack	Thornberry
Elliott	McDowell	Trimble
Engle	Macdonald	Tumulty
Evins	Machrowicz	Udall
Fascell	Mack, Ill.	Vanik
Feighan	Madden	Whitten
Fine	Magnuson	Wier
	Mahon	Zablocki

NAYS—276

Abbitt	Chase	Grant
Abernethy	Chatham	Gregory
Adair	Chenoweth	Gubser
Alexander	Church	Gwinn
Alger	Clevenger	Hale
Allen, Calif.	Cole	Haley
Allen, Ill.	Cooley	Halleck
Andersen, H. Carl	Coon	Hand
Andrews	Corbett	Harden
Arends	Coudert	Hardy
Ashmore	Cramer	Harris
Auchincloss	Cretella	Harrison, Nebr.
Avery	Crumpacker	Harrison, Va.
Ayres	Cunningham	Harvey
Baker	Curtis, Mass.	Hébert
Baldwin	Curtis, Mo.	Herlong
Barden	Dague	Heselton
Bass, N. H.	Davis, Ga.	Hess
Bates	Davis, Tenn.	Hiestand
Baumhart	Davis, Wis.	Hill
Beamer	Dawson, Utah	Hillings
Becker	Deane	Hinshaw
Belcher	Dempsey	Hoeven
Bennett, Fla.	Derounian	Hoffman, Ill.
Bennett, Mich.	Devereux	Holmes
Bentley	Dies	Holt
Berry	Dixon	Hope
Betts	Dolliver	Horan
Boggs	Dondero	Hosmer
Boland	Dorn, N. Y.	Huddleston
Bolton, Frances P.	Dowdy	Ikard
Bonner	Durham	Jackson
Bosch	Ellsworth	James
Bow	Fallon	Jarman
Boykin	Fenton	Jenkins
Bray	Fernandez	Jensen
Brooks, La.	Fino	Johansen
Brooks, Tex.	Fisher	Johnson, Calif.
Brown, Ga.	Fjare	Jonas
Brown, Ohio	Flynt	Jones, N. C.
Brownson	Ford	Judd
Broyhill	Forrester	Kean
Budge	Fountain	Kearney
Burleson	Frelinghuysen	Kearns
Bush	Fulton	Keating
Byrnes, Wis.	Gamble	Kilburn
Carlyle	Gary	Kilday
Carrigg	Gathings	Kilgore
Cederberg	Gavin	King, Pa.
	Gentry	Knox
	George	Laird
	Landrum	Pilcher
	Lanham	Pillion
	Lankford	Poff
	Latham	Prouty
	LeCompte	Radwan
	Lipscomb	Rains
	Long	Ray
	Lovre	Reed, Ill.
	McConnell	Reed, N. Y.
	McCulloch	Rees, Kans.
	McDonough	Rhodes, Ariz.
	McGregor	Richards
	McMillan	Riehlman
	McVey	Riley
	Mack, Wash.	Rivers
	Mailliard	Roberts
	Martin	Robeson, Va.
	Mason	Robsion, Ky.
	Matthews	Rogers, Fla.
	Meader	Rogers, Mass.
	Merrow	Rutherford
	Miller, Md.	St. George
	Miller, Nebr.	Schenck
	Miller, N. Y.	Scherer
	Mills	Schwengel
	Minshall	Scott
	Morano	Scrivner
	Morrison	Scudder
	Mumma	Seely-Brown
	Murray, Tenn.	Selden
	Nelson	Sheehan
	Nicholson	Short
	Norblad	Shuford
	O'Brien, N. Y.	Sieminski
	O'Hara, Minn.	Sikes
	O'Konski	Siler
	Osmers	Simpson, Ill.
	Ostertag	Simpson, Pa.
	Passman	Smith, Kans.
	Patterson	Smith, Va.
	Pelly	Smith, Wis.
	Phillips	Springer
		Taber
		Talle
		Taylor
		Teague, Calif.
		Teague, Tex.
		Thomas
		Thompson, La.
		Thompson, Mich.
		Thompson, Tex.
		Thomson, Wyo.
		Tollefson
		Tuck
		Utt
		Van Pelt
		Van Zandt
		Velde
		Vinson
		Vorys
		Vursell
		Wainright
		Walter
		Watts
		Weaver
		Westland
		Wharton
		Wickersham
		Widnall
		Wigglesworth
		Williams, Miss.
		Williams, N. J.
		Williams, N. Y.
		Willis
		Wilson, Calif.
		Wilson, Ind.
		Winstead
		Withrow
		Wolcott
		Wolverton
		Wright
		Young
		Younger

NOT VOTING—21

Bell	Eberharter	Reece, Tenn.
Bolton, Oliver P.	Henderson	Sadlak
Byrd	Hoffman, Mich.	Sheppard
Canfield	Krueger	Smith, Miss.
Chiperfield	McIntire	Yates
Christopher	Moulder	Zelenko
Dawson, Ill.	Norrell	
	Preston	

So the resolution was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Zelenko for, with Mr. McIntire against.

Mr. Eberharter for, with Mr. Chiperfield against.

Mr. Dawson of Illinois for, with Mr. Reece of Tennessee against.

Mr. Yates for, with Mr. Norrell against.

Mr. Smith of Mississippi for, with Mr. Preston against.

Mr. Moulder for, with Mr. Hoffman of Michigan against.

Mr. Christopher for, with Mr. Sadlak against.

Until further notice:

Mr. Sheppard with Mr. Oliver P. Bolton.

Mr. Byrd with Mr. Canfield.

Mr. Bell with Mr. Krueger.

Mr. RICHARDS and Mr. DEMPSEY changed their vote from "yea" to "nay."

Mr. LESINSKI changed his vote from "nay" to "yea."

The result of the vote was announced as above recorded.

GENERAL LEAVE TO EXTEND REMARKS

Mr. DOYLE. Mr. Speaker, I ask unanimous consent that all Members of the House who desire to do so may have the privilege of extending their remarks in the RECORD just before the rollcall on House Resolution 171.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

HOUR OF MEETING TOMORROW

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 11 o'clock on tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

Mr. BAILEY. Mr. Speaker, reserving the right to object, how long are we going to interfere with the normal duties of standing committees?

Mr. McCORMACK. Mr. Speaker, the hope is that if we dispose of the legislative calendar in order for tomorrow, I shall ask unanimous consent to adjourn over until Monday. Members are busy and will have plenty of work to do on Friday.

Mr. BAILEY. Mr. Speaker, I withdraw my reservation of objection, but I shall protest if the practice is continued.

Mr. CELLER. Mr. Speaker, reserving the right to object, may I ask the majority leader when he intends to take up the increased penalties bill for antitrust violations?

Mr. McCORMACK. I intend, if possible, to bring that bill up tomorrow. If not, I have an understanding with the gentleman to bring it up next week.

Mr. CELLER. That is correct.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

FOREIGN SERVICE ACT AMENDMENTS OF 1955

Mr. TRIMBLE. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 181 and ask for its immediate consideration.

The Clerk read as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 4941) to amend the Foreign Service Act of 1946, as amended, and for other purposes. After general debate, which shall be confined to the bill, and shall continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Foreign Affairs, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion, except one motion to recommit.

Mr. TRIMBLE. Mr. Speaker, I yield 30 minutes of my time to the gentleman from Ohio [Mr. BROWN], and at this time I yield myself such time as I may consume.

Mr. Speaker, this resolution makes in order consideration of the bill (H. R. 4941) to amend the Foreign Service Act of 1946, as amended, and for other purposes. The resolution was reported unanimously by the Committee on Rules. It has primarily to do with the integration of certain categories of those in the Foreign Service with the idea in view of improving the service and thereby making it more attractive to efficient personnel My recollection is that about 1,250 employees are involved. I know of no opposition to this rule.

Mr. BROWN of Ohio. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, as the gentleman from Arkansas has stated, House Resolution 181 makes in order the consideration of the bill H. R. 4941, and provides for 1 hour of general debate, to be followed by the reading of the bill under the 5-minute rule in the Committee of the Whole. This bill has been unanimously reported by the Committee on Foreign Affairs.

The measure made in order by this House resolution would amend the Foreign Service Act of 1946 and provide certain compensation and other privileges for Foreign Service officers to meet that which is now being received by military and naval attachés and other representatives of the Federal Government assigned to diplomatic missions abroad.

The Rules Committee went into this measure rather exhaustively, and heard considerable testimony following which the Committee on Rules unanimously reported the rule.

Mr. Speaker, I have no further requests for time on this side.

Mr. TRIMBLE. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

Mr. RICHARDS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H R. 4941) to amend the Foreign Service Act of 1946, as amended, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 4941, with Mr. ENGLE in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. RICHARDS. Mr. Chairman, I yield myself 15 minutes.

Mr. Chairman, this bill to amend the Foreign Service Act of 1946, as amended, has been favorably and unanimously reported out by the Committee on Foreign Affairs. Members of that committee have often brought to this House bills that carry large sums for foreigners. Today we are presenting a bill that helps some of our own citizens who serve their country abroad.

Last fall the gentleman from Ohio [Mr. VORYS] and I traveled through the Far East, south Asia, and the Near East. We did not visit every place where our Foreign Service people are stationed. Those places we visited were usually the more important centers like the capital cities. But we soon recognized that living and working even in the best of those places is a far cry from living and working in this country. We found none of the fancy living that is sometimes attributed to our people overseas. The Forein Service officers are a loyal and devoted group of public servants who have chosen a career that keeps them away from the United States for most of their adult life.

I wish more Members of Congress would travel around the world to some of the remote places. It gives you an insight into the problems our people face in a way that hearings and speeches cannot portray adequately. Every American owes these men and women a debt of gratitude.

About a month ago Secretary of State Dulles was in south Asia and the Far East. When he returned, he made this comment about our Foreign Service people:

> I want to pay tribute to the Foreign Service and other representatives of the United States in the area I visited. Oftentimes they work under most difficult physical conditions. They do so without complaint and with a great sense of dedication to the service of our country. They are our first line of defense against an external peril which is perhaps the greatest our Nation ever faced. They deserve the respect and thanks of the American people.

I concur in that tribute.

The Foreign Service Act of 1946 was passed only after lengthy consideration by the Committee on Foreign Affairs and the Congress. It took as its basis the better features of earlier laws and added a number of improvements. The principles of that act are worth noting because this bill reaffirms them and, in my judgment, strengthens them. They are: A professional service, disciplined and mobile, serving without political influence, and adequately compensated.

The Foreign Service is a career service that a man enters at the bottom and works his way up. When the Committee on Foreign Affairs wrote the Foreign Service Act of 1946 which the Congress adopted, that principle was stressed. But we recognized that the immediate needs of the Foreign Service could only be met by adding people at the intermediate and upper levels. So we put in a provision to allow qualified individuals to transfer from the State Department and the Foreign Service reserve and staff to the Foreign Service officer corps. This is called lateral entry.

Since that act was passed, a number of commissions and committees have recommended that this lateral entry provision be used to enlarge the Foreign Service officer corps by bringing many of the State Department officers into the Foreign Service. That was the recommendation of the Hoover Commission in 1949, of the Secretary of State's Advisory Committee on Personnel in 1950, of the Brookings Institution in 1951, and of the committee appointed last year by Secretary Dulles, referred to as the Wriston committee.

Before I get into an explanation of what is involved in this transfer process, I want to inform the House who was on the Wriston committee. There were eight members. Four of them came from business, industry or finance. These were John A. McCone, president, Joshua Hendy Corp., Los Angeles; More-

head Patterson, chairman and president, American Machine & Foundry Co., New York; Charles E. Saltzman, partner, Henry Sears & Co., New York; and John Hay Whitney, partner, J. H. Whitney & Co., New York. Two members have had distinguished careers in the Foreign Service, namely, Norman Armour, an Ambassador, retired Foreign Service officer, and a former Assistant Secretary of State; and Robert Murphy, Deputy Under Secretary of State. The other two came from the field of education. Donald Russell is president of the University of South Carolina and a former Assistant Secretary of State, and Henry M. Wriston, president of Brown University. Mr. Wriston was chairman of the committee. There are only two educators in this group. I know of the fine reputation of the chairman and I can testify from personal knowledge of the splendid ability, character, and dedication to public service of Mr. Russell.

This Wriston committee recommended that there be integration of State Department people into the Foreign Service. That word integration is a fancy bureaucratic term. All it means is the transfer of State Department desk officers and other personnel—except clerical and specialists—and of senior State Department people overseas into the Foreign Service officer corps. That committee estimated that there were 1,300 in the Foreign Service in early 1954. That number would be tripled by adding about 1,300 from the State Department and 1,300 from the Foreign Service reserve and staff.

What is the reason for all these commissions and committees recommending this buildup of the Foreign Service officer corps? There are some mighty good reasons. A lot of these people in Washington are making and directing foreign policy, but they do not have the experience of overseas service. And that experience is important if they are to make correct analyses. They simply have to get the feel of the problems they deal with. It is just as important that our people overseas come back to this country more often. A representative of this country who loses touch with developments at home becomes a less effective spokesman for us. Last year the Wriston committee found that 43 percent of our Foreign Service officers had less than 1 year in the United States. One Foreign Service officer with 29 years' service had only 8 months at home.

There is another good reason why this transfer ought to take place. The Department of State is different from most other Government departments. It has two employment systems under the Secretary and each of them is pretty watertight. The people in Washington are under civil service, including its retirement system, they serve only in Washington, their pay scale is set by civil service, and they receive no allowances. On the other hand, the Foreign Service officers are appointed under the Foreign Service Act requirements, they have a more favorable retirement system, they spend most of their life abroad with only occasional tours in Washington, their pay scale is set by the Foreign Service Act and is different from the civil service, and, finally, when they are abroad they receive allowances depending upon the post and the responsibilities of the officer. In each of these two groups there is a lot of talent that our Government needs. But the Secretary cannot get the maximum use of it because some can only serve at home and some can only serve abroad. By requiring them to serve at home and abroad it would be possible to use their specialized knowledge wherever it is needed.

Let me make plain to the House that this integration will not add people to the payroll. It is essentially a transfer from the civil service system to the Foreign Service system, not of everybody in the State Department, but of about 1,300 out of about 5,000 and of another 1,300 in the Foreign Service staff and reserve who are now abroad but are not in the Foreign Service officer corps. This provision of the bill, similar in some ways to the one the last Congress passed, does not create more jobs in foreign countries nor does it increase American personnel abroad. It simply makes available a larger pool of qualified personnel for assignment abroad on a rotation basis.

One of the principal features of this bill is to encourage this integration or the transfer of State Department people to the Foreign Service officer corps. It is rather technical but I think the House ought to know what we are doing and how we are doing it. A man in the civil service of the Department who wants to transfer is reluctant to take a salary reduction. That is understandable. When he is transferred to the Foreign Service, one of the problems is to give him a salary that most nearly equals what he is receiving. Since the two salary scales are different, he cannot get exactly the amount he is receiving under civil service. Either he has to get a little more or a little less. The 1946 act allows him to receive only the minimum for the Foreign Service class to which he was appointed. Thus a man who was in a civil service grade for several years and had received several "in grade" salary increases would have to drop back to take the lowest salary for the Foreign Service class he was entering. In almost every case this meant a salary reduction of several hundred dollars and, in extreme cases, as much as $1,600. I am including in my remarks at this point a table of the different salary scales so that Members may see how they compare with each other:

Foreign Service officers (FSO)		Civil Service (GS grades)				Foreign Service staff officers (FSS)			
Class	Salary	Grade	Salary	Grade	Salary	Class	Salary	Class	Salary
6	$3,993					11	$3,927		
							4,047		
	4,193	7	$4,205				4,167		
	4,393		4,330				4,287	10	$4,323
			4,455				4,407		4,443
	4,593						4,527		4,563
			4,580	8	$4,620		4,647		4,683
	4,793		4,705		4,745	9	4,719		
			4,830		4,870		4,899		4,863
	4,993		4,955		4,995				
	5,093	9	5,060		5,120		5,079		5,043
			5,185		5,245		5,259		5,223
5	5,313		5,310		5,370			8	5,313
			5,435				5,439		5,493
	5,513		5,560	10	5,500				
			5,685		5,625		5,619		5,673
	5,713				5,750				
			5,810		5,875				5,853
	5,913	11	5,940			7	5,907		
					6,000		6,087		6,033
			6,140		6,125				
	6,113				6,250		6,267		6,213
	6,313		6,340				6,447		
	6,513		6,540					6	6,501
	6,713		6,740				6,627		6,681
4	6,963		6,940				6,807		6,861
		12	7,040			5	7,095		7,041
	7,263		7,240				7,275		7,221
	7,563		7,440				7,455		7,401
			7,640				7,635	4	7,689
	7,863		7,840				7,875		
			8,040						7,929
	8,163						8,115		8,169
		13	8,360						

Foreign Service officers (FSO)		Civil Service (GS grades)				Foreign Service staff officers (FSS)			
Class	Salary	Grade	Salary	Grade	Salary	Class	Salary	Class	Salary
4	$8,463					3	$8,481		$8,409
			$8,560						8,649
	8,763		8,760				8,721		
	8,863		8,960				8,961		
3	9,130		9,160				9,201	2	9,250
	9,430		9,360				9,441		9,470
		14	9,600						
	9,730								9,710
			9,800						
	10,030		10,000			1	9,950		9,950
			10,200				10,250		10,250
	10,330		10,400				10,550		
	10,630		10,600						
	10,930	15	10,800				10,850		
	11,030		11,050				11,130		
2	11,130								
	11,150		11,300						
	11,500		11,550						
	11,850		11,800						
	12,200	16	12,000						
			12,200						
	12,500		12,400						
	12,700		12,600						
1	12,800		12,800						
		17	13,000						
	13,200		13,200						
			13,400						
	13,600		13,600						
			13,800						
	14,000								
	14,300								
	14,300								
		18[1]	14,800						

[1] Career minister.

Last year Congress gave the Department some relief by allowing up to 500 State Department people to be appointed to the Foreign Service at other than the lowest salary for the Foreign Service class. We set a deadline of March 31, 1955, on those appointments so we could have a look at how the Department was doing. We find it is going along satisfactorily, and we support the Department's view that it be continued.

This bill affects the continuation of the integration program in two ways. In section 2 it removes the requirement that every lateral entry receive only the lowest salary for the class to which he is appointed. It allows the Secretary to decide what salary within the class he will receive. In section 4 we limit the number of lateral entries to 1,250, but we do not set a deadline.

I want to explain that figure 1,250. It is on page 3, line 3, of the bill. If you look down to line 5 of that page you will note that it reads "not more than 40," and then goes on to state some special provisions about those 40. What we are doing is dividing the 1,250 into 2 groups—1,210 and 40.

The 1,210 who may enter the Foreign Service laterally must be people who pass the examinations provided in this section and who have had the required number of years of employment in the Department or the Foreign Service, or both. More important, they must have been on the Department of State payroll on March 1, 1955. The reason for that provision is simple. If we did not have that requirement it would make it possible for a lot of other Government employees to enter. We want to make sure that the Department gives its full attention to finishing up the transfer of its own people before it considers people from other Government departments and agencies. Mr. Henderson, the Deputy Under Secretary for Administration of the Department of State, who will administer this act, estimated that that would be the number of lateral entrants who could be examined and appointed by early 1957. If that does not finish the job, the Department can come back then and ask for further relief.

May I say here that the man who has been brought in from the Foreign Service to carry out this integration program is Mr. Loy Henderson, a distinguished career Minister with many years of Foreign Service. He has just finished serving as Ambassador to India and Iran. He is honest, able, and, I believe, unusually selfless. I am convinced that he will never play politics with the personnel of either the State Department or the Foreign Service.

Now, let me explain about these 40 others who may enter laterally. Under exising law an outsider may become a Foreign Service officer only if he serves 3 or 4 years as a Reserve or staff officer or in the Department. Moreover, he must be in one of those categories at the time he is appointed a Foreign Service officer. The Department has occasion to need the services of a few specialists from outside the Department. We do not want to be so rigid that we deny our Government the right to employ unusually qualified individuals. In this bill, by allowing a little leeway, we let the Secretary add a few individuals who for the most part will be employed before their appointment in other Government agencies and meet all the other requirements. Originally the committee set the number of such individuals at 25. But Mr. Henderson explained a problem the Department had. In 1951 there were about 26 State Department people who were eligible for lateral entry who had applied. The Department moved slowly then, and before they could be examined they were transferred to FOA or USIA. Included in this 26 are 6 USIA employees who have reemployment rights in the State Department. The Department feels, and the committee supports this view, that there is a moral obligation to these people who were caught in a reorganization move. So we raised the number of what some may call exceptions to 40. The Department does not know how many of the 26 are still interested or how many will pass the examinations. In any case, if they do qualify, they will be counted against the 40.

The Wriston committee also recommended that the Foreign Service be improved and strengthened so that it can recruit and, equally important, retain qualified individuals. The other sections of this bill aim to do just that. I should say at this point that many of the specific recommendations made by the Wriston committee do not require additional authorization. They can be carried out administratively by the Department of State. Some of them may require more money, but that is a matter of appropriations, and not authorization.

As I stated earlier in my remarks, section 2 will allow the Secretary to appoint an individual who has transferred from the Department at his approximate salary. This will mean salary adjustments to fit in with the Foreign Service salary scale. We also include a provision, section 3, for payment of hardship post differentials to Foreign Service officers and Reserve officers. Under existing law this payment is limited only to Foreign Staff officers. Thus, the Foreign Service officers and Reserve officers are the only civilian employees serving overseas who receive no extra compensation when they serve at a hardship post.

This bill authorizes the payment of a home service transfer allowance when an officer is assigned to a tour of duty in the United States between tours of duty abroad. Such an allowance is already provided when the officer is transferred abroad. In a career service like the Foreign Service a tour of duty in Washington is just another transfer. It costs the officer as much, possibly more, to set up a temporary home here as it does abroad. Abroad he would receive various allowances to help him out; in Washington he does not. Once the integration program is completed the Department expects that an officer would serve about 4 years out of each 10 in Washington or one tour of duty. Thus, this allowance would be payable to an officer about once every 10 years.

The Department submitted draft language for an education allowance. We thought it was too loose and might lead to abuse in its administration. So our committee rewrote that provision and tightened it up. We started with three premises: First, the Government does not assume the responsibility for providing adequate education for Foreign Service children while overseas; second, a Foreign Service officer ought not to suffer financial hardship in providing for the education of his children while he is serving abroad; and, third, the parent should be free to determine the kind of education he wants to give his children.

We started with the standard of what educational services he would get free of charge if he sent his child to a public school in the United States. By serving abroad where he has to pay for these usual services he does incur an extraordinary and necessary expense. The yardstick set by this bill against which an officer may be reimbursed is what services are ordinarily provided without charge in our public schools. If he must pay for these when abroad he may be reimbursed. For example, public schools do not charge tuition fees for the usual courses. If the officer has to pay such fees, he can be reimbursed up to the amount set for that post.

In our committee report, we spell out the three types of allowance that may be set up for each post for primary and secondary education. No child could qualify for more than one such allowance.

(1) One allowance may be established for educating children at the nearest adequate school. This allowance may not exceed tuition and any other charges which must be paid to obtain services provided free by public schools in the United States plus board and room and periodic transportation between the post and the place where the school is located.

(2) A second allowance may be established for personnel who choose to send their children to a local school even though such local school is inadequate, provided the charges for this local school are less than the allowance for the nearest adequate school.

(3) A third allowance may be established for the post of personnel who wish to educate their children by the use of correspondence courses if the necessary costs involved in the use of this type of instruction are less than the allowance for the nearest adequate school.

Section 11 covers educational travel allowances. We want to encourage children of Foreign Service people to have some opportunity for an American education. But we cannot support a bill that would have the Government pay all the costs. This section provides that the Government will pay one round trip between the post where the parents are stationed and the United States for the purpose of attending high school and college. But no officer who receives a travel allowance can receive an educational allowance. If he sends his child to high school in the United States, he may collect the post allowance for secondary education, but he will have to pay his own travel expenses. This bill makes no provision for an educational allowance for college. All the officer can receive is the cost of one round trip for his dependent who is going to college.

Finally, in section 12 we authorize the department to give dependents medical

examinations and inoculations and vaccinations. Although the department estimates that this will cost $28,000 a year, I prefer to regard it as a provision that will save the Government money in the long run. A medical examination of dependents will often reveal symptoms that will not only permit the individual to be treated immediately but also determine whether an officer can be sent to a particular post. Let me give just one illustration. After a Foreign Service officer and his family arrived at a Far East post, it was discovered that his wife had tuberculosis. It was necessary to bring the family home. The estimated cost to the Government was $5,000.

A person entering the Foreign Service is required to join the Foreign Service retirement and disability system. He may only obtain credit toward retirement for prior military service if he contributes 5 percent of his annual salary for each year of service for which credit is sought. People in civil service are given credit for such service without cost. Section 8 simply extends the benefits of civil service retirement to the Foreign Service officers.

One question the House is interested in is how much is all this going to cost. Based on the best estimates we could get the total annual cost would be less than $1.3 million. By sections the costs are estimated as follows:

Salary adjustment for lateral entrants (sec. 2)	$75,000
Hardship post differential (sec. 3)	480,000
Home service transfer (sec. 10a)	200,000
Education allowance (sec. 10b)	442,000
Medical examinations (sec. 12)	28,000
Military retirement credit (sec. 8)	67,000
Total	1,292,000

The refund provided for those who bought their military retirement credit after April 1, 1948, would be about $110,000. But that is a one-shot payment and not an annual charge.

Finally, there are provisions in this bill that will permit the Secretary to make administrative improvements in his department in the interest of more efficient operations. I want to touch those briefly.

Section 6 permits the Secretary of State to extend the 4-year limit on the assignment of Foreign Service personnel to duty in the United States to an additional 4 years. It also authorizes the Secretary to make arrangements with other Government agencies for reimbursement of Foreign Service personnel detailed to those agencies.

Section 5 increases the maximum duration of Foreign Service Reserve appointments from 4 years to 5 years. The department asked for this authority because of the difficulty of working out two tours of duty of 2 years each with an intervening home leave during a 4-year period.

Section 7 extends selection out to Foreign Service officers of class 1. Under existing law officers in classes below 1 can be selected out. This is necessary to prune the deadwood and allow the more capable younger men to move ahead. In the same section the amount of retirement benefits paid to class 4 and 5 Foreign Service officers who are selected out is limited to a maximum of 1 year in lieu of the present law that gives such an officer one-twelfth of his current salary rate for each year of service without limit as to the number of years. The department estimates that this provision will result in a saving of about $28,000 a year.

This is a better bill than the department sent up. The committee closed some loopholes and set up more rigid conditions for lateral entry. The first job of the department is to complete its internal reorganization. This bill forces it to do just that. At the same time we are anxious to raise the morale of the service. The few benefits extended by this bill, in my judgment, will help. If an officer is burdened by financial problems, he can not do a proper job. In this bill we give some measure of relief. If it helps to keep capable people in Government service, it will be worthwhile use of Government funds.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. RICHARDS. I yield to the gentleman from Iowa.

Mr. GROSS. What does this mean percentagewise by way of an increase in pay?

Mr. RICHARDS. I will say right now that it does not increase any pay, and it does not add anybody to the Foreign Service. It does a few other things in regard to educational allowances, retirement benefits, military credits, and so forth.

Mr. SCHWENGEL. Mr. Chairman, will the gentleman yield?

Mr. RICHARDS. I yield.

Mr. SCHWENGEL. I would like to preface my remarks by saying to the gentleman, I agree with his philosophy, and I think it is a move in the direction which we should go as far as the Congress is concerned with reference to these employees. But, as I read this bill, this comes to my attention. On page 2, beginning on line 13, through the page to line 9 on page 3, in reference to who is eligible to serve out of this great group, you have set aside 40 employees, you say, who may be employed by the Department who happen to have these qualifications. The qualifications are 4 years' experience under 31 and 2 years' experience over 31. As I read this, had the Department hired these 40, you with your broad experience, should your administration sometime win, which we do not hope to see on this side, but you with all your broad experience could not be appointed by the State Department; is that correct?

Mr. RICHARDS. Under the planned integration program, about 2,600 people could be transferred. This bill provides for only 1,250. We want that done gradually and then have the Department come back to the Congress to ask for further authority if it needs it. They will still have about 1,400 who are eligible for transfer. With reference to the 40 in this bill, 26 are people who were in the Department in 1951 and filed an application for transfer. Before they were examined, they had been transferred to another Government agency as part of the reorganization plans. We felt it would be an injustice to them, because they had been transferred somewhere else not to allow them to be eligible. If they had remained in the Department, as they wanted to, they would have continued their eligibility. That leaves about 14 who could enter, provided they had previously held some responsible Government position. It so happens that the Foreign Service needs specialists from time to time. There may be just a few such qualified men appointed. We want just a few, because we do not want any political element to enter the picture. But we felt that the Secretary of State should have some latitude to take in 14 or so people, if he had to have, let us say, an industrialist or an engineer or an economist. That is the reason the 40 figure is there—first, to take care of the 26 and the balance to permit the appointment of qualified specialists. The general rule is that the individual must be in the Department of State or the Foreign Service reserve or staff for 3 years. That still holds, except for the 40.

Mr. SCHWENGEL. One further question: In determining who are to have this privilege, or this advantage, the gentleman states the qualification is they must have served in positions of responsibility in the Department. My question is, Who determines whether they have served in positions of responsibility?

Mr. RICHARDS. There you get down to something you cannot get away from. I do not care who is in charge. As a matter of fact, the Secretary of State will decide that.

Mr. VORYS. Mr. Chairman, I yield myself 10 minutes.

The CHAIRMAN. The gentleman from Ohio is recognized.

Mr. VORYS. Mr. Chairman, the purpose of this bill, as the chairman of our committee has so ably stated, is to improve and strengthen our Foreign Service.

Mr. Chairman, our foreign relations nowadays involve the whole planet, all the time. Our Secretary of State has traveled 250,000 miles since he took office. Congressional committees probably have covered an equal mileage during that period. I know that the gentleman from South Carolina, Chairman RICHARDS and I traveled over 28,000 miles last last year visiting 20 countries. I think such travel is extremely valuable to give Congress and the Executive first-hand, on-the-spot information and background about the countries and peoples of the world, but such travel is no substitute in forming foreign policy for the organized, daily observation and reporting of our Foreign Service officers as they go about their duties of looking after the interests of the country and our citizens in 244 posts in 113 countries, colonies, protectorates, and so forth, abroad.

Our President has stayed close at home. He understands organization and teamwork, staff work, as few if any of his predecessors have. He is profoundly aware of his own heavy individual responsibility in foreign affairs under our Constitution, but has not gone in for personal diplomacy, and I am glad he has not.

The recent publication of the Yalta papers should remind us of the disastrous results that can come from secret, high level, international conferences. I hope we have learned our lesson. I have the highest confidence in President Eisenhower and Secretary of State Dulles, but the success of any international conference in which we participate will depend on careful preparation, organization, and staff work before and during the conference and should not be based on personal diplomacy by our chief representative, whoever he may be.

This requires a well-organized State Department and a strong, able, and devoted Foreign Service.

Secretary Dulles recently paid this tribute to our Foreign Service:

> I find them a most devoted, loyal, and capable group of people, many of them functioning under conditions of real hardship.

That is the kind of Foreign Service we have now. It needs improvement. If it were perfect we would not need this bill.

This legislation is necessary, first, to build the Service up to strength by lateral entry, as described by our chairman; second, to make sure we not only attract but hold our best personnel; and, third, to get rid of the deadwood by a better system of selection out.

Mr. MEADER. Mr. Chairman, will the gentleman yield?

Mr. VORYS. I yield.

Mr. MEADER. I notice the gentleman mentioned his visits abroad in 20 countries. It happens that I had the privilege of visiting with several of the younger Foreign Service officers last fall. I may say to the gentleman that I was surprised at the concern they showed over the implementation of the Wriston report through the lateral entry from the State Department of Foreign Service Staff people into the Foreign Service, above the heads of the younger Foreign Service officers who had to take a rigorous examination before they got their positions. They were disturbed that their prospects of promotion would be retarded because of these lateral entrants who did not go through the rigorous examination process Foreign Service officers have to go through. Can the gentleman assure me this bill does not put the stamp of approval on those objectionable features of what was done under the Wriston report?

Mr. VORYS. I think I can assure the gentleman in a couple of ways. Based on what the departmental officers have done so far, and an analysis of that is shown in our report, they have not picked out all the good jobs and given them to lateral entrants. They have spread them through the Service. Eighty-five percent have entered classes 3, 4 or 5, the intermediate classes of the Foreign Service. Five percent have entered class 6 at the bottom. Only 10 percent entered classes 1 and 2 at the top.

Furthermore, the increase in the Foreign Service itself which is contemplated by this bill, which does not add additional Federal employees at all but transfers up to 1,250 into the Foreign Service, that expansion of the Foreign Service gives more opportunities for advancement.

I may say that in our travels and during the course of our hearings we heard of some misgivings by younger Foreign Service officers and others. However, we have a study and questionnaire conducted by Senator WILEY, of the other body, of over a hundred Foreign Service officers in the European area. The compilation is there at the committee desk. It shows that by and large a substantial majority of the Foreign Service officers were in favor of the implementation of the Wriston report.

I can give the gentleman one other line of assurance. This program is going to be administered by George Wilson, Assistant Controler for Personnel in the State Department, under the direction of Loy Henderson, Deputy Under Secretary of State. The fact that Mr. Henderson has had long experience and has proven his devotion to the Foreign Service as an organization and as a career I am sure is insurance to those in the Foreign Service that their interests will be protected, that they will not be crowded out by premature promotions.

Mr. MEADER. I share the gentleman's admiration for Mr. Henderson, and I believe he can do as much as any man could to alleviate the friction and uncertainty that results from a rapid integration of this character; but I wonder if the gentleman feels as I do that the morale of the existing Foreign Service has been materially affected by the rapid integration of persons from other branches of the State Department service?

Mr. VORYS. No. I will answer the gentleman in this way: I do not think that the integration of the 500 under the Wriston program has undermined the morale or prestige of the Foreign Service. I think that something which is still unfinished business has undermined the morale and prestige of the Foreign Service.

We have approximately 6,700 in FOA and about a thousand in USIA, serving here and abroad, who are not in the Foreign Service. Many of them receive pay and prerequisites that are not comparable to those in the Foreign Service. I think that one of the first chores that lies ahead for the Committee on Foreign Affairs, to be attended to before we adjourn this year, is the problem of organization and personnel when FOA goes out of existence as provided by law on next June 30, and the determination of how to integrate them into existing departments as provided by law.

Our committee felt that since the provisions of this act had received long study, it would be extremely important to enact them on their own merits. But, as has been stated by our chairman, the committee decided that not more than 50 could come by lateral transfer from FAO or other organizations outside the State Department at this time and under this legislation. The reason for any deadline or speed in this legislation is that the provision for the 500 lateral entries expires March 31, so that it is important to have continuing machinery for integration under the Wriston report, at least to the extent of 1,250. But, we have some chores with reference to personnel and organization of those serving abroad now in FAO and other organizations which will have to be faced by Congress before we adjourn this year. We expect to bring that up later. What we do and how we do it will involve the morale and prestige of the Foreign Service.

Mr. BOW. Mr. Chairman, will the gentleman yield?

Mr. VORYS. I yield to the gentleman from Ohio.

Mr. BOW. The gentleman from Michigan has referred to the Foreign Service officers. Can the gentleman from Ohio tell me what has been done so far as foreign staff officers are concerned who are overage and perhaps not eligible to entry into the Foreign Service through lateral entry? Have they been protected so that their years of service will be recognized?

Mr. VORYS. Well, they have their own retirement system.

Mr. BOW. Some are not ready for retirement and want to continue in service.

Mr. VORYS. There is still to be a Foreign Service staff, but the service is to integrate and amalgamate those who are capable of serving as foreign staff officers from the staff and the reserve and the Departments into the Foreign Service officers' branch. The staff will still remain and is not to be liquidated by this act. Certainly it could not be under the provisions that we have adopted so far, and those persons that you have mentioned will be protected by their retirement system.

Mr. BOW. I am speaking of the staff officers abroad who are now overage. Would they not be eliminated from advancement? They are not particularly interested in retirement; they are interested in remaining in the service. Would they not, because of this bill, be eliminated from further advancement in the service and the country deprived of their services in the future?

Mr. VORYS. No, not if they have still advancement availability under the present staff provisions. However, one of the things we have to guard against is loading up the Foreign Service with a lot of overage staff or civil-service personnel who would be seeking service merely for retirement privileges. Certainly, with overage staff officers, it is not expected that they would be transferred to the Foreign Service in order to take advantage of the retirement provision.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. VORYS. I yield to the gentleman from Minnesota.

Mr. JUDD. Will not the gentleman agree that those Foreign Service staff officers will be no worse off under this bill than they are under existing law?

Mr. VORYS. That is correct.

Mr. JUDD. Their positions and privileges will continue as they are now. The bill does not deny them anything they have. Some of them will not be eligible for integration into the Foreign Service.

Mr. VORYS. That is correct.

Mr. MORANO. Mr. Chairman, will the gentleman yield?

Mr. VORYS. I yield to the gentleman from Connecticut.

Mr. MORANO. I wish to refer to the concern expressed by the gentleman from Michigan regarding the morale of the Foreign Service. This bill is designed to bolster the morale of the Foreign Service by the very provisions in it, is that not correct?

Mr. VORYS. Only one provision has to do with facilitating lateral entry. The other provisions have to do with retention of personnel, bolstering their morale, through improved conditions of service.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. VORYS. I yield to the gentleman from Iowa.

Mr. GROSS. Does this mean an increase in the number of personnel in the Foreign Service?

Mr. VORYS. Yes; there has been an increase. The service dropped down after the war to, I think, about 1,297 in 1954. There has been or will be an increase of 500 under the existing lateral entry law. But the Wriston committee and the Department contemplate that they need about 3,900 Foreign Service officers to staff these posts that I have mentioned.

Now, one other word. The Foreign Service must compete with other Government agencies and with private business both in this country and abroad in maintaining the quality and the quantity of its personnel. An interagency committee studied 16 private companies operating overseas back in 1952. Their report, which is contained on page 126 of the basic information document, says:

> Retention rather than recruitment is a primary reason for offering extra incentive for overseas service.

If that is true in private employment it is equally true in the Foreign Service of the United States. This bill is based on the theory that if conditions are such as to retain the best, this will help us to recruit the best. I hope the bill is adopted.

Mr. RICHARDS. Mr. Chairman, I yield 5 minutes to the gentleman from North Carolina [Mr. CHATHAM].

Mr. CHATHAM. Mr. Chairman, I have for the last several years traveled rather extensively and have been amazed and distressed at the situation in our Foreign Service. I would say that by and large the Army and Navy follow where our diplomats lead. We have a Foreign Service that, of course, is loyal and hardworking and of very high caliber. We are losing rather than gaining.

I have been in business all my life. The purpose of a committee in business is to strengthen every department of that business. There is not a Member of this House who is not personally and through his district intimately and vitally interested in our Foreign Service. Negotiations of the most delicate character are carried out throughout the world in matters of defense, trade agreements, the handling of our exports, and other matters, every day. But we are losing out by not bringing strong, young men into the Service.

I would like to say to the gentleman from Michigan [Mr. MEADER] that I think this bill will do more to help bring in young men and help lift their morale. We are integrating into the Foreign Service people who are already in the State Department under civil service doing certain jobs. We have really two Foreign Services. We have the Foreign Service that goes abroad and then comes back here, and we have the civil-service people who are doing foreign-service jobs here in Washington. That is aside from staff and aside from reserves. If we can bring them all under one roof, we will not be adding anybody to the payroll. But we will be providing a pool that can be sent anywhere in the world. A young man may come in and get these better educational allowances. He may see the chance of advancement. He may see that he will not be held down because these people here are already above him doing these jobs in Washington. There are so many jobs to be done.

One of the objects of this bill is to bring in young men whom we are not now getting. The gentleman says that it will hurt the morale of the people in class 6 and class 5. I would say that it will help the morale of those people because I have talked to them. I have seen them, certainly throughout Europe for the last 6 or 7 years, and their morale is bad and resignations are coming in at an alarming rate.

Mr. MEADER. Mr. Chairman, will the gentleman yield?

Mr. CHATHAM. I am glad to yield.

Mr. MEADER. I call the attention of the gentleman to page 5 of the hearings. Mr. Henderson of the State Department testified concerning the transfer of civil-service employees of the State Department into the Foreign Service. He recommended an elimination of the requirement that they enter the Foreign Service at the lowest grade in the class, saying that they would have to sacrifice $1,900 a year if the provisions of the present law were applied. It seems to me that illustrates graphically the complaint of these young Foreign Service officers who complained to me, namely, that the civil service salary rates were so much higher than they were in the Foreign Service that these civil-service officers were transferred into the Foreign Service above them. Thus, their possibilities of promotion were retarded. I was assured that this situation was affecting the morale among the lower-rank Foreign Service officers all over the world. That is what has disturbed me.

Mr. CHATHAM. It does not disturb me at all, because I do not believe the civil service rates for the same work are higher. But he has to go down to the lower part of the class. He will be doing work higher in the class but he has to go to the lower part, and he can lose up to $1,600, as I remember. Of course, they are not going to do it.

If I were a young man—and I have a son that I personally hope is going into the Foreign Service—I would believe that under this bill, under this lateral entry, bringing these people into the Foreign Service and getting all under one roof, as I would say, I would feel I had a better chance of advancement through one unit like the Army or the Navy, where I could be sent anywhere and where adequate personnel would be there, and proper personnel. We are trying to get better personnel.

You cannot have a youngster of 26 do the job of a man of 35 who has had 5 or 6 or 7 years of experience here in Washington on a desk handling the affairs of, say, one country like the Argentine or Great Britain.

Mr. FULTON. Mr. Chairman, will the gentleman yield?

Mr. CHATHAM. I yield to the gentleman from Pennsylvania.

Mr. FULTON. In further answer to the gentleman from Michigan as to the requirement of mental examination for people who come in by lateral entry on this integration program, the committee on pages 8 and 9 of the report has specifically required that there be a comprehensive mental examination for these people. We have felt that the Department procedure was insufficient, just in line with the gentleman's question, and I believe we have completely corrected it.

Mr. VORYS. Mr. Chairman, I yield 7 minutes to the gentleman from Michigan [Mr. BENTLEY].

Mr. BENTLEY. Mr. Chairman, it is with many varying memories that I take the floor on this occasion to speak in support of H. R. 4941, memories of my own 9 years in the Foreign Service with which this bill is concerned. The memories of those 9 years abroad are sometimes pleasant and sometimes not so pleasant, but underlying all of them is a deep admiration and respect for the men and women who serve our country throughout the four corners of the globe. There have been and probably will continue to be individual undesirables and misfits, just as in any similar organization, whether Government or private, but I can tell you from my own personal and intimate knowledge that this country possesses a Foreign Service of which it can be justly proud.

I do not intend to make a section-by-section analysis of this bill but shall leave that to other members of the committee who I feel sure will do a thorough and adequate job. I should like to tell you of some of the current problems of the service, problems which this bill attempts to meet, problems with which I had a close degree of familiarity.

In the first place, let us remember one thing—we are dealing with the Foreign Service of the United States, not the Foreign Service of the State Department or any other Government agency. The officers of the Foreign Service are commissioned by the President of the United States and they take great pride in this fact. Indeed, one of the most important duties of Congress in this matter should be to preserve that spirit of pride in the career service which our diplomatic and consular personnel enjoy at the present time. This pride should be every bit as great as that which an officer of the armed services has in his particular branch, whether it is the Army, Navy, or Air Force. It is with the idea of strengthening this sense of pride and improving the morale of the officers and employees of the Foreign Service that our committee is bringing this bill to the floor today.

One of the great criticisms which many Americans have had of the service

is that its members seem to have lost the viewpoints and opinions of their own countrymen back home. It has been said in the past that a foreign service officer tends to so thoroughly identify himself with the people and the customs of the particular country to which he may be assigned that he loses his American contacts and sometimes becomes almost un-American in his thinking and feelings. That criticism does not lack a certain amount of justification and the foreign service people themselves would be the first to admit it. What is the answer? It means that not only do we have to recruit our foreign service people in this country even on a broader basis than in the past but also that once they are sent abroad, we have to bring them back to this country as often as budgetary and other limitations will permit.

All foreign service personnel of my own knowledge welcome and, indeed, anticipate the opportunity to return stateside, whether for assignment in Washington, for home leave or for temporary detail elsewhere in this country. But if a man is brought home for anything more than a few weeks he has got to be replaced in the field. You cannot bring him home for a longer period, no matter how desirable his services may be in Washington, until a replacement is available. Therefore, the State Department, following the recommendations of the Wriston committee, has been in the process of integrating many of its people with the foreign service so that a man or woman can be interchanged between Washington and the field with greater freedom and flexibility, so that we can get more of our State Department people and so that more of our foreign service people can come home, not only for purposes of service in Washington, but also to better acquaint themselves and keep in closer touch with the American scene. The continuation of this process of integration is 1 of the 2 main purposes of H. R. 4941, and one of the many reasons why this bill should receive the overwhelming support of the Committee of the Whole House and later of the House itself.

In order to attract into the service even a higher type of American than we find today and in order to keep the fine men and women that we have there at the present time, there must be an improvement in the conditions of employment in certain respects. Such an improvement is the second main purpose of H. R. 4941, and I wish to devote the balance of my remarks to this theme.

Mr. Chairman, I think it is obvious that we want to encourage and assist our Foreign Service personnel to be able to raise and bring up their families in a truly American way. But the problems faced in this respect are perhaps among the most difficult which our foreign representatives face today. Again I speak from personal experience because I remember the problems encountered by my three children when I was serving overseas.

Foreign travel and education in foreign countries is in many ways a broadening experience for a child and can certainly be listed as a desirable asset for children of Foreign Service families. But, in my opinion, the drawbacks certainly equal the advantages. Imagine the problems of raising children who never have a permanent fixed home and who lack the security that goes with such a home. Think of the youngsters whose folks have to pack them up every 2 or 3 years and move them, along with all the rest of the bag and baggage, from some place say, like Reykjavik in Iceland to perhaps Leopoldville in the Belgian Congo in the heart of Africa. How much chance does a child like that have to acquire an American background when he or she has to spend perhaps 12 out of the first 15 years in foreign countries?

A Foreign Service youngster who grows up speaking Spanish or Polish or Arabic better than his own tongue is going to have an awful lot of adjustment to make when he finally gets back to the States. And then, too, there are many overseas posts where anything like decent educational facilities are nonexistent. Take our people who serve behind the Iron Curtain, for example. They cannot send their kids to public schools and have them educated into little Communists. If the posts are small, as most of them are there, there are not enough families to form a school of their own. At the present time, the Foreign Service officer with a family who is assigned to that area has to send his children at his own expense to some school in a free country or just give up 2 years of their education. That is not a fair or equitable burden to ask our Foreign Service people or their children to assume. But that is exactly what is happening today—it happened in my own case and I know it is happening in the case of a great many others.

Our Foreign Service people are proud of being Americans and they want their children to be educated in the best American tradition even if they have to be sent back to America for this purpose. It is hard enough to be separated from your own children for a couple of years or more but our Foreign Service people are willing to make this sacrifice. But sometimes it is impossible from a financial standpoint even to do this. Sometimes our people have to keep their children in these foreign lands because they just do not have the money to send them back home. The bill, H. R. 4941, which the committee has before it, is an attempt to at least partially correct this situation and to provide some financial assistance for the Foreign Service family who want to see their children brought up in American schools with an American educational background but who find this impossible because of money difficulties at present.

There are other similar attractions in this bill such as the extension of salary differentials for service at hardship posts that I will not go into now. But let us get one thing straight. The Foreign Service has been attacked in the past for being snobbish, for putting on airs, for being narrow-minded and restricted to high-income groups, for being a bunch of cookie-pushers and teacup jugglers and for being addicted to cocktail parties and striped pants. It has been criticized, in effect, for being a rich man's club. Now some of this criticism may be justified, most of it is not. But I can tell you that the surest and best way to remove such a label from the Foreign Service is to make it attractive enough so that a man or woman can come in without having outside means or an independent income and once in that he or she will want to stay in. It is the same type of problem we in Congress faced with regard to ourselves a few weeks ago and it should be solved generally in a similar way.

In the past Congress has not dealt especially kindly with the Foreign Service, with the outstanding exception of the Foreign Service Act of 1946. The service itself is somewhat to blame for this. At this point, Mr. Chairman, I ask permission to insert at the conclusion of my remarks the text of an article which I wrote for the July 1954 number of the Foreign Service Journal and which touches on some of the problems which have arisen in the past between Congress and the Foreign Service. However, I believe that these problems are disappearing to a large extent.

The men and women of the Foreign Service, our Foreign Service, are called on to face many hardships and dangers during their Government careers. They face them cheerfully and willingly as they keep our flag flying in all parts of the world. Because of the duties and responsibilities they undertake, because of the services they render to American individuals and American business interests, because of their vital role in the conduct of our foreign policy, we in the Congress should demand that the service be attractive enough to get the highest type of American men and women into its ranks. I myself am proud to have served in that organization and I want to see it continue its splendid record of service in the past on to the future. For that reason, and because I believe that this bill contains improvements which are vital to the continued welfare of our Foreign Service, I urge the adoption of H. R. 4941.

At this point, Mr. Chairman, I include the text of an article which I wrote for the July 1954 number of the Foreign Service Journal which touches on some of these problems:

CONGRESS AND THE FOREIGN SERVICE

As a former member of the Foreign Service and now occupying the unique (for an ex-FSO) position of a Member of Congress, I have had many occasions to come into contact with my former colleagues during the past year of congressional service. Membership on the House Foreign Affairs Committee and its subcommittee on State Department Organization and Personnel has perhaps given me more opportunity for such contacts than the average Congressman possesses, to say nothing of the advantages offered to a trip to Western Europe last October with the Merrow study mission.

On the other side of the fence I have discussed problems of the State Department and the Foreign Service with a large number of my congressional colleagues as well as others prominent in the Eisenhower administration. As evidence of my continuing interest in the service, I cite my introduction, during the last session of Congress, of H. R. 4538, a bill to make certain increases in the annuities of annuitants under the Foreign Service retirement and disability system.

As far as the American public is concerned in the last few years, the Foreign Service has received an extremely bad press, due perhaps more to ignorance than any other single reason. The uncovery of the presence of a relatively small number of undesirables, both from loyalty and security standpoints, within the Service and the widespread publicity which has consequently resulted has also been a contributing factor. It is a very real pity that steps cannot be taken to bring the Service and its splendid record of achievements more into direct public focus, such as, for example, is done with the armed services, the Federal Bureau of Investigation or even the agents of the Treasury Department.

When American diplomatic or consular officers are characterized in any form of entertainment media, whether radio, television, films or the legitimate stage, or even newspaper comic strips, the overwhelming impressions are, at best, those of cautious and timid individuals. Such persons always give the appearance of being hopelessly ensnarled in redtape and are usually attempting to hinder and frustrate others in the same way.

This public impression of the Foreign Service is most important for the Service itself to realize. As in so many other examples, public impression is transmitted from the people to their elected representatives in Washington. In other words, if the average voter or constituent has a fixed opinion of our diplomats and consuls, there are few Congressmen who are willing to take the time and trouble (and risk) to change this opinion. The best way to influence the Congress in a favorable manner is to work on the folks back home.

Continuing to speak frankly, there is another matter which should be brought to the attention of the Service, especially those in the field. There is a very definite impression among some members of the present administration, and concurred in by many members of the majority party in Congress, that officers and employees of the Service are by and large sympathetic to the programs and aims of the previous administration. There is no thought of criticizing any officer or employee for his personal political beliefs and this is not a subject for my discussion. But if an officer or employee should permit these personal beliefs or opinions to influence his own work, it is another matter. He should also remember that, when he is representing his Government abroad and when he discusses the American political scene with foreigners, even in private conversation, his words are given much more weight than he might generally believe.

It might only seem natural to criticize investigative individuals and methods of the Congress, especially where they have touched upon the Service itself. But in doing so, the Foreign Service officer runs the risk of committing two grave errors. In the first place, he is leaving the impression with his foreign listener that the American people as a whole are condemnatory of such individuals and methods, which is not at all the case. In the second place, he is merely building a case for those persons of extreme partisan nature who attempt to make a spoils system out of the entire Service and who would like to replace many of our trained diplomats and consuls with faithful party workers.

This is a matter of real concern to me since I have heard it voiced in high-placed circles within our Government and by individuals who are truly objective in their thinking. The administration is not demanding the votes of the Foreign Service but it is demanding its complete and unquestioning loyalty. For this reason, officers and their families should be extremely careful when discussing political developments in this country, especially, for obvious reasons, at social gatherings.

There is no desire within the Congress to cripple or emasculate the Service, not even on the part of Senator McCarthy. On the contrary, there is a very real feeling that it should and must be strengthened, especially in view of our responsibility as the leader of the free world, a responsibility which we did not seek but which we have willingly assumed.

One more word of caution to my former colleagues who are in the field. You have been and will be visited by many congressional committees and study missions in your posts. Social functions are pleasant and sometimes have a certain value but they are often fatiguing to a person who is honestly trying to acquire a large amount of varied information within a short space of time. A Congressman worth his salt is trying to meet and talk with as large a number of people as possible and not just those on a certain social level. If you will put yourself in the position of a campaign manager and pretend they are running for office in your area, you will understand what I mean. I am now talking about the average hard-working, sincere Representative or Senator and not those misplaced individuals who give the word "junket" the unfortunate connotation it has today.

I sincerely trust that my former colleagues will take these suggestions in the same frank spirit with which they have been offered. There are many of us who really want to reinforce and improve the Service but who are constantly forced to battle its critics. To the extent that your own conduct will assist us to meet this criticism, to that extent will we be able to help you in turn. We are all of us interested in upholding the prestige and maintaining the security of the United States. The more that Congress and the Service can cooperate toward these objectives, the more certain they will be of continued fulfillment.

Mr. MORANO. Mr. Chairman, will the gentleman yield?

Mr. BENTLEY. I yield to the gentleman from Connecticut.

Mr. MORANO. The distinguished gentleman from Michigan has made a very fine statement. He has completely reflected my views on this measure.

Mr. BENTLEY. I thank the gentleman.

Mr. RICHARDS. Mr. Chairman, I yield 5 minutes to the gentlewoman from New York [Mrs. Kelly].

Mrs. KELLY of New York. Mr. Chairman, this is a bill long overdue.

Before I discuss some of its provisions, I, along with my colleague [Mr. Bentley], want to pay a tribute to the men and women in the Foreign Service of the United States. They are a devoted group of public servants whose work is often carried on under the most adverse conditions. They have been much misunderstood and even ridiculed by those who do not understand the nature of their work and of their responsibilities.

This bill aims to strengthen the Foreign Service. It should do much to raise morale and improve its administration.

Our hearings on this bill were lengthy. We were particularly concerned that, in continuing the transfer of individuals into the Foreign Service, the merit principle be left untouched. I think the provisions in section 4 give an assurance to the career officers that they will not be flooded with individuals whose qualifications are anything but professional in character. We specifically limit the transfer of 1,210 out of 1,250 to those who, on March 1, 1955, are on the payroll of the State Department. That means that any individuals from other departments or agencies can only come in, if at all, under the small margin of 40 we left. And that 40, as the committee report states, is to take care of some individuals who were caught in the reorganization and would otherwise have qualified. I can assure the Members of this House that all of these carefully phrased sentences in section 4 have one purpose—to preserve the merit system.

The other provisions of this bill have a general purpose—to provide more adequate incentives not only to recruit capable young men and women but, even more important, to hold them after they are employed.

Mr. Chairman, I have only the strongest admiration for the wife of the Foreign Service officer who is trying to carry out her responsibilities as a wife and a mother in a strange land. She often has to serve as a teacher for her children who may have no adequate school to attend.

In this bill we provide a small measure of relief by granting an educational allowance for primary and secondary school. It is not a luxury item—and the amount is intended merely to supplement the cost of education abroad. I want to make clear that it does not provide a finishing school education for the children. Section 10 (b) is so worded that the test of payment for educational allowance is how many services the public schools of the United States provide without charge. If those are available locally, the officer receives no reimbursement. If they are charged for, then the officer may be compensated.

In the case of secondary and college education the bill permits the officer to be reimbursed for one round trip between his post and the United States for each kind of education. But I want to point out that when that travel is paid for, the officer does not receive the costs of the education. In other words, he gets either the cost of travel or the post allowance for education—which, of course, will be far less than the cost of keeping his child in the United States.

I sincerely hope that the passage of this bill will result in the correction of certain undesirable aspects of administration of the Foreign Service. In its hearings on the bill, the committee encountered at least two instances in which the elementary principles of sound personnel administration were being disregarded. In one instance this involved a disregard of a specific provision of law.

The Foreign Service Act rightly provides firm requirements for the selection out of Foreign Service officers who do not measure up. Such a process is essential to the operation of a career service. It is necessary that no one appointed to the Foreign Service feels that he is guaranteed a job for the rest of his life regardless of his performance. It is essential also that the higher ranks should not become filled up with people who are merely trying to get by until they can retire.

No one can disagree with the objectives of the selection-out system. Nevertheless, there are two features of its operation which I believe call for improvement.

The first has to do with the right of a Foreign Service officer to see the efficiency reports which his superiors make with regard to his performance. The Foreign Service Act of 1946—section 612—dealt with this problem by requiring that "under such regulations as the Secretary may prescribe and in the interest of efficient personnel administration the whole or any portion of an efficiency record shall, upon written request, be divulged to the officer or employee to whom such record relates."

The reasons for this requirement are obvious. These efficiency ratings can either make or break a Foreign Service officer. There is always a danger that personal antagonisms and petty gossip may be reflected in such reports and the person affected may have no opportunity to refute unfavorable comments about him. If a superior officer is not willing to acknowledge and defend his evaluation of a subordinate, he should not be given such responsibility.

In spite of the administrative soundness of this requirement that a Foreign Service officer should be shown the efficiency reports about him and in spite of the provision of the law which I have read, the committee found that the State Department has been refusing to show Foreign Service officers such reports. Instead a summary of such reports has been shown. There is no way the officer can tell what has been omitted from such a summary or how accurate it may be.

I want to emphasize the statement made in the committee report on this bill which says:

> The committee can see no justification for this disregard of the explicit provision of law. It expects the law to be implemented.

There is one further problem which I want to refer to. This involves the situation of the Foreign Service officer who finds that he has been selected out. Under present practice, he is given no right to appeal.

I recognize that no person believes that he is justly being selected out and that there are many complaints which are not justified. Nevertheless, you are dealing in such cases with human beings and human weaknesses. The United States has many small posts where there are only 2 or 3 persons. People are assigned ordinarily for a minimum of 2 years. A man may have a very bad efficiency rating in such a post which reflects personal friction rather than poor work.

It seems to me there should be some sort of appeal procedure which will make sure that no one is selected out unless his performance record clearly justifies such action.

I am sure that this bill gives the Secretary of State the opportunity and the authority to build a strong Foreign Service which will represent the United States in the way in which this great Nation should be represented overseas. I am confident that effective use will be made of this opportunity.

Mr. Chairman, I trust this bill will be unanimously approved by the House.

Mr. VORYS. Mr. Chairman, I yield 5 minutes to the gentleman from Minnesota [Mr. JUDD].

Mr. JUDD. Mr. Chairman, this bill has many provisions. The main ones have been described and all are fully explained in the very excellent committee report. May I take time only for a few general observations?

The first responsibility of a good government is to safeguard the security of the nation. The first line of defense in achieving this first objective of a good government is our diplomatic corps and those who direct and back it up in the Department of State. That simple truth is demonstrated by the fact that the highest post in the President's Cabinet is that of Secretary of State.

It is recognized that all of our accomplishments here at home will stand or fall in the end on whether or not we are secure in our relations with other countries around the world.

Just recently we passed a bill providing greater benefits and inducements for men to enter the armed services, to become better trained professionally, and then to stay in the armed services. Some 3 million men in our Armed Forces may never be required to go into battle if we succeed in our first line of defense, the skillful handling of our diplomatic, political, economic, military, and other relations with the rest of the world. There was only one vote against that bill to expand the benefits and provide greater inducements for first-class men to go into the armed services and to make it their career by staying in the armed services.

Mr. Chairman, this bill provides for those in our Foreign Service in approximately the same way as that bill provided for those in our armed services. It gives extra allowances and educational benefits for hardship posts, gives retirement credit for military service, and a half-dozen similar fringe benefits. It brings into one corps those who are doing essentially the same work. If we do for the some 3,000 who are our first line of defense, the kind of thing we are doing for the 3 million in our armed services, we may never have to use—I certainly hope we will not have to use—the latter in armed conflict. To send the 3 million into battle not only costs billions more in money but a lot of them lose their lives.

I do not know of any legislation that is of greater importance to us in the present dangerous state of the world than to do everything reasonably possible to expand our Foreign Service in a proper way, to integrate the elements in it, to strengthen it, to improve its morale, and to make possible its most effective functioning.

I hope there will be the same support for this bill as there was for the bill to strengthen our Armed Forces, and to give greater inducement for men to become career soldiers.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. JUDD. I yield to the gentleman from Iowa.

Mr. GROSS. After listening to the gentleman, and looking at two members of the Armed Services Committee who are present, I am wondering whether we need an Armed Services Committee or an Army if our security depends entirely on the State Department?

Mr. JUDD. I did not say "entirely." I said "our diplomatic corps is the first line of defense." We have to use the Armed Forces only when we fail to resolve our difficulties by nonmilitary measures. That is, war is like the ambulances, the fire trucks, and the police cars running down the road, upsetting traffic and endangering lives in an effort to retrieve something out of the disaster it was the business of diplomacy to prevent.

Mr. GROSS. I really rose to ask the gentleman what is the meaning of section 571 on page 3 of the bill. Why delegate that kind of power to the Secretary of State?

Mr. JUDD. Because of special needs and situations. A man is assigned to a special task for 4 years. Perhaps he is carrying on a research program or an administrative reorganization or a special project that has to do with estimating the capabilities of a potential enemy or of an ally, or something of that sort. His term expires in the middle of the project. Obviously it is advantageous to extend the assignment.

Mr. GROSS. But you do not limit it to technicians or specialists. This can cover anyone in the Foreign Service.

Mr. JUDD. Yes, but the language "except that under special circumstances, the Secretary may extend this 4-year period for not more than 4 additional years," means that the Secretary has got to make a finding that there are special circumstances which require such action by him. I cannot feel that the authority is going to be carelessly used. One of the major difficulties in handling our Foreign Service is that there has not been a big enough pool of officers to permit bringing them home more frequently and for longer periods of service here. We have erred in keeping them abroad too long instead of keeping them at home for too extended periods.

Mr. GROSS. They can be detailed to any Government agency. This is not confined to merely bringing them home. They can be detailed to any Government agency.

Mr. JUDD. Yes, by the Secretary at the request of that Government agency. Sometimes some other agency needs an expert on a particular country or area, or in a particular field and such an expert is available only in the Foreign Service. Under this authorization the Secretary may, in his discretion, detail that expert, an officer or employee of the Foreign Service, to the FOA, or the armed services, or the National Security Council, or the CIA, or the Department of Agriculture, or the Treasury Department to help with specific problems, at their request only.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. JUDD. I yield to the gentleman from Ohio.

Mr. VORYS. Is it not true that this provision for assignment to other branches of the Government has been in the law for many years?

Mr. JUDD. Yes, that is true.

Mr. VORYS. The only new thing was to put in that under special circumstances the period may be increased, and the section on the next page providing for reimbursement for the persons so assigned.

Mr. JUDD. That is right.

Mr. RICHARDS. Mr. Chairman, I yield such time as he may desire to the gentleman from Illinois [Mr. GORDON].

Mr. GORDON. Mr. Chairman, I am pleased to support H. R. 4941, the Foreign Service Act Amendments of 1955. The House Foreign Affairs Committee considered this measure very thoroughly after exhaustive hearings. Since a substantial part of the drafting of the Foreign Service Act of 1946 was done by the Committee, it was in good position to consider amendments to that act designed to bring it up to date.

I have constantly supported the foreign aid program of the United States because I felt it was vital to our own national security and best interests, but I must say here that in my opinion, an efficient Foreign Service corps, well manned, and adequately compensated and with good morale, is more important for our security and best interests than a foreign aid program. I do not intend to minimize our foreign aid program, but rather to emphasize the importance of our representatives overseas upon whom we depend so much for our day-to-day negotiations and contact with foreign countries.

I believe this bill will have a profound effect on the vitality and efficiency of the Department of State as the Foreign Office of the United States. Through the integration of Department of State personnel into the Foreign Service, which is authorized by this bill, a larger pool of qualified personnel for assignment abroad on a rotation basis will be made available. No longer will we have a situation where a desk officer in the Department of State is passing on matters affecting a country with which he is not personally and directly familiar. No longer will we have two personnel systems administered by the Department of State, one for those individuals serving at home and another for those serving abroad. The mechanism of integration authorized by the bill should give us the type of mobile force which is needed in a world of fast moving events.

I have had many occasions to speak to Foreign Service officers with respect to their problems and their desire to do the best possible job unhampered by inequitable personal expenses, and afforded treatment equal to that given to other categories of overseas United States personnel. Under section 3 of the bill, payment of salary differentials for service at hardship posts, now limited to Foreign Service staff personnel, is extended to Foreign Service officers. Under section 9 of the bill, a Foreign Service officer serving in an unhealthful post will be given the choice of accepting a salary differential for service at such post, or one and one-half years' credit for each year of service at such post toward retirement.

In section 10 of the bill, the committee has removed one of the major obstacles to Foreign Service morale. At present, a considerable number of Foreign Service personnel find themselves with a financial burden confronting them in educating their children. The cases of such financial burdens described on page 15 of the committee report amply demonstrate this morale factor. I believe that we have met this problem fairly and justly by authorizing the payment of educational allowances to cover expenses incurred by Foreign Service personnel in obtaining educational services which are ordinarily provided without charge by public schools in the United States.

One other provision in the bill, which is particularly important, is contained in section 8, which permits participants in the Foreign Service retirement and disability system to receive credit for their military service without making special contributions, which contributions are required under present law. Section 8 removes a source of discrimination, since civil-service employees who have had military service have been given retirement credit for such military service without cost to them.

There are other provisions in the bill which strengthen the Foreign Service Corps and which will make possible a greater degree of morale in our first line of defense.

Truly, the Foreign Service of the United States constitutes our best investment abroad. Let us protect it.

Mr. RICHARDS. Mr. Chairman, I yield myself the balance of the time.

Mr. Chairman, the gentleman from Ohio said just now:

> The recent publication of the Yalta papers should remind us of the disastrous results that can come from secret high-level international conferences. I hope we have learned our lesson.

Now, I do not know where Yalta comes into this, but I am not going to let the gentleman get by with that statement without comment. May I add this: Referring to the remarks of the gentleman from Ohio, the manner and timing of the release of the Yalta papers should also remind us of the disastrous results that might come both in the field of bipartisanship here at home and in international relations abroad from such ill-considered and devious action by the State Department in this connection.

Mr. VORYS. Mr. Chairman, I only rise to say that, looking toward the future, I hope we can join in bipartisan support of this measure to strengthen our Foreign Service and our foreign relations and to help implement our foreign policy.

Mr. ZABLOCKI. Mr. Chairman, I am pleased to join with my distinguished colleagues in urging favorable action on H. R. 4941, a bill to amend the Foreign Service Act of 1946.

This measure embodies the first major overhaul of the Foreign Service Act of 1946. As such, it has been needed for some time, and it constitutes a step in the right direction. The bill, when approved by this body, will go a long way in strengthening and revitalizing our foreign service.

For a number of years, I have had many contacts with our foreign service personnel. While I have had deep respect for our foreign service, I have felt that it could be greatly improved. We needed a broader base for our staff, consular and diplomatic personnel. The foreign service needs more recruits, drawn from all sections of our country, and from different backgrounds and environments. They need men with broader training in the field to which they are devoting their lives.

For this reason, I have repeatedly proposed the establishment of a foreign service academy, which would give our country a plentiful reserve of young, able, and well-trained people who could serve our Government in various capacities both abroad and in Washington. It is my hope that the academy will become a reality in the future. Until that happens, however, I feel that we should continue to exert every effort to better our foreign service through measures such as H. R. 4941.

The bill before us, based on the recommendations of the Wriston committee, will enable the Department of State to continue the integration of its personnel into the foreign service. Further, it will improve the conditions of employment of Foreign Service personnel so that qualified individuals will make it a career.

This legislation will not create any new jobs, it will not increase the salaries of Foreign Service personnel, and it will not add anyone to the Federal payroll. It will, however, strengthen and revitalize the Foreign Service by transferring into it individuals already employed by the State Department.

I have attended hearings on this legislation, and studied it very carefully. In my humble opinion, this is a sound, constructive bill, and it merits overwhelming support. It is my hope that the bill will receive such support from this body.

The CHAIRMAN. All the time has expired.

The Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted, etc., That this act may be cited as the "Foreign Service Act Amendments of 1955."

SEC. 2. Section 413 of the Foreign Service Act of 1946, as amended, is amended to read as follows:

"SEC. 413. A person appointed as a Foreign Service officer shall receive basic salary at one of the rates of the class to which he is appointed which the Secretary shall, taking into consideration his age, qualifications, and experience, determine to be appropriate for him to receive."

SEC. 3. Section 443 of such act is amended to read as follows:

"SEC. 443. The President may, under such regulations as he may prescribe, establish rates of salary differential, not exceeding 25 percent of basic salary, for Foreign Service officers, Reserve officers, and staff officers

and employees assigned to posts involving extraordinarily difficult living conditions, excessive physical hardship, or notably unhealthful conditions. The Secretary shall prepare and maintain a list of such posts."

Mr. GROSS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I am not impressed with arguments made here today that the Foreign Service requires front-line duty; that it is as hazardous as the service of a doughboy in the Armed Forces. We have had quite a dose of that here this afternoon in an effort to build up this bill on the basis that there is something tremendously hazardous in the Foreign Service. What was the rate of attrition of diplomats in Korea, for instance? I do not know of any diplomat who lost his life in the war in Korea, but it will be recalled that we had 35,000 dead American soldiers in that conflict. It is my observation that diplomats die in bed.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield.

Mr. JUDD. I do not know anybody who has suggested that the life of a diplomat, on the average, is as hazardous as that of a doughboy. What I did suggest was that if we have as effective and efficient a Foreign Service as we ought to have and want to have, the doughboy may not have to go abroad in his obviously more hazardous occupation.

Mr. GROSS. I am still not impressed, I may say to the gentleman from Minnesota [Mr. JUDD]. I rose to ask whether section 443 in this bill is new or old. It says:

The President may, under such regulations as he may prescribe, establish rates of salary differential, not exceeding 25 percentum of basic salary, for Foreign Service officers, Reserve officers—

And so forth. Is this new or old, or what? When I last made inquiry I was greeted with the answer that it is something that has been in the law. But is this new or is it old?

Mr. JUDD. Mr. Chairman, if the gentleman is yielding to me to answer that question, this provision authorizes allowances for posts considered unhealthful and extrahazardous. Such provisions already exist for people who serve abroad in FOA, or under the Agriculture Department, the Commerce Department, or various other agencies. They are already available to other employees of the Department of State, who are under civil service, or in the foreign staff—stenographers, technicians, and so forth. But such allowances are not now authorized for Foreign Service officers. This section merely extends to the Foreign Service officer the same allowances for extrahazardous posts as now are authorized for persons who go abroad in service for other agencies of the Government. That is approximately the situation created by this section.

Mr. GROSS. Here again is a new delegation of power to the President, any President, to increase certain salaries by 25 percent; is that correct?

Mr. JUDD. No; it only applies where certain posts are designated as unhealthful or extraordinarily hazardous.

Mr. GROSS. I said "certain salaries." Will not the gentleman agree with me that that is sufficient to cover it?

Mr. JUDD. I should have said salaries for certain posts which are designated to be unhealthful and hazardous. Suppose, for example, someone is to be sent to Saigon, which is certainly considered a very dangerous post. In the first place, there is a good deal of guerrilla activity there. Second, there is the question of the climate; excessive heat and heavy rains 5 months of the year. Third, housing; it is almost impossible to find housing that is satisfactory. There is no hot running water, and so forth.

Mr. GROSS. Will the gentleman now agree with me that this is a further delegation of power to the President?

Mr. JUDD. Certainly, it is a delegation for this group of power that he already has for other groups. We want him to have that power for the Foreign Service officers as well. They have cholera, typhoid, malaria, dysentery, dengue fever, smallpox, and other diseases at many of these posts, and the people occupying them are in considerably greater hazard than we in this Chamber or the officers in the Department face.

Mr. GROSS. Why does not the committee establish or decide which are hazardous posts?

Mr. JUDD. For the very same reason which was discussed in the discussion of the rubber plant bill earlier this afternoon. I do not think this legislative body, and I do not think the Committee on Foreign Affairs of the House is in a position to go through all of these hundreds of posts and designate that this one shall have a 10-percent hardship allowance, another one should have a 15-percent allowance, and still another one a 25-percent allowance. That has to be an administrative decision within the Department of State.

Mr. GROSS. Let me ask the gentleman this question. By how much has the personnel in the Department of State been reduced since January of 1953?

Mr. JUDD. The Foreign Service staff——

Mr. GROSS. I am asking now about the Department of State.

Mr. JUDD. I could not offhand give the gentleman the figures on that. I think they are to be found in the hearings somewhere. This bill does not deal with the Department of State.

Mr. GROSS. Why does it not?

Mr. JUDD. Because this is a bill dealing only with the Foreign Service.

Mr. GROSS. The Secretary of State can assign a man in the Foreign Service to any Government agency?

Mr. JUDD. Yes.

Mr. GROSS. Why does it not deal with the State Department? Any of the personnel can be assigned to work in the State Department if the Secretary so chooses.

I think the gentleman will agree with me that the personnel of the State Department has been increased since 1953 despite the fact that the gentleman and others came before the Congress back in 1953 and got a new Under Secretary of State or Assistant Secretary of State for the express purpose of reducing personnel in the State Department. The Assistant or Under Secretary of State did not reduce the personnel of the State Department. Is not that correct?

Mr. JUDD. I do not have the figures on that. Does the gentleman have the figures on it?

Mr. GROSS. No, I do not.

Mr. JUDD. When the bill that deals with number of employees comes before the Congress from the subcommittee that handles appropriations for the State Department it will have those facts. This is a bill to amend the Foreign Service Act. It deals with only that one corps within our whole diplomatic establishment.

Mr. NICHOLSON. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentlemen from Massachusetts.

Mr. NICHOLSON. I think the gentleman from Ohio said they were going to put 500 more on this year.

Mr. VORYS. We are in the process of putting 500 more, by March 31, into the Foreign Service through lateral entry from other Federal employees in the State Department. The personnel of the State Department as a whole has been reduced through reduction in appropriations, I understand, in the past 2 years. However, the number in the Foreign Service and the State Department combined will not be increased by virtue of this legislation.

Mr. GROSS. Did not the gentleman from Ohio in his remarks here say that in order to adequately staff the Foreign Service it would require 3,000 additional employees?

Mr. VORYS. No, I did not. If I did, it was an inadvertence. We will have about 3,000 Foreign Service officers after the completion of the program authorized by this bill. The Wriston committee recommended that there be 3,900 Foreign Service officers, and that that increase would be taken care of through lateral entry. Neither the Wriston committee nor this bill increases the total number in the State Department and the Foreign Service, because the whole program so far is by lateral entry.

Mr. GROSS. Will the gentleman answer this question: By transferring 500 people from the classified civil service, will 500 people be added to the classified civil service?

Mr. VORYS. No. The way the Wriston committee recommendations work out is by designating dual-service desks. That is the departmentese phrase for picking out positions in the State Department that could be served either by a civil-service employee or a Foreign Service officer. That is the only way to get Foreign Service officers home for home duty without increasing the total numbers in the State Department and Foreign Service. Therefore, they have designated a series of approximately 2,600 dual-service positions in the Department of State which could be filled by either Foreign Service officers or departmental people. It is contemplated that those places will be ultimately filled by Foreign Service officers during their tour of duty at home. Three thousand of the proposed 3,900 for the Foreign Serv-

ice could be filled under the provisions of this legislation in addition to legislation already on the books.

Mr. HARDY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I have listened to this debate with a great deal of interest. I am particularly interested in the objectives of this legislation, as I understand them to be. I understand this legislation is intended to alleviate hardship on the part of the Foreign Service personnel and to lift the morale of that personnel and to provide, perhaps, some incentive to improve the caliber of that personnel and increase its effectiveness. Am I about right in that general interpretation? Well, I certainly want to subscribe to those objectives. There are, however, a few questions that came to my mind as I listened to the debate, and I would appreciate it very much if the chairman of the committee would be good enough to assist me by answering those questions. There has been some reference made to the FOA. I would like to know, first of all, the extent to which this bill will permit the integration into the Foreign Service of FOA personnel.

Mr. RICHARDS. This bill could conceivably admit 40 people from FOA. In other words, there are only 40 who can be brought in from other than the State Department. Of that 40, there are 26 who have been in the State Department heretofore, and who will be eligible. Therefore, 14 would be the most that could be brought in from FOA. There will certainly not be any grand slam of the FOA going into the State Department or the Foreign Service.

Mr. HARDY. I am glad to hear that there will be no grand slam here, but we have a problem involved in this FOA proposition. I presume the functions of the FOA would be continued, or at least a great part of them. The FOA personnel will continue to represent this Nation of ours. If that is the case, I would like to know who is going to direct the policies? Will it be tied down to the Secretary of State or how is it going to be done so that we can be reasonably assured of a satisfactory representation on the part of those people?

Mr. RICHARDS. The gentleman has asked the $64 question. I have been trying for 3 months to find that out. Perhaps the President who comes from the other side could tell us. From what I hear, it is going to be proposed this year that the FOA personnel and the FOA operations be turned over to the State Department. The FOA, under existing law, dies on June 30 of this year.

Mr. HARDY. I call the gentleman's attention to the fact that the Committee on Foreign Affairs certainly has some responsibility in connection with this matter. I wonder if you are going to wait for the recommendation of the President or does the Committee on Foreign Affairs have any inclination to take any steps in this matter.

Mr. RICHARDS. We do have some responsibility certainly in the field of implementation of our foreign policy, but it is the custom here on the Hill, either under a Democratic or a Republican administration to await the recommendations of the executive department in this field because the executive department has the responsibility. We are still waiting and have been waiting for 3 months.

Mr. HARDY. I understood that that was the position but I just wanted to hear the gentleman confirm his attitude in that respect.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. HARDY. I yield.

Mr. VORYS. As our distinguished chairman says, we have been ready, willing, and able to receive any executive recommendations along this line. I read in the papers recently that this question was going to be left to the Congress. I hope we do not have an Alphonse and Gaston act where both the executive and the legislative branches say, "You first, my dear Gaston," up until June 30. I think that what will probably happen is that we will receive the recommendations of the executive branch when we return here after the Easter recess and as our chairman sometimes says, "The Executive proposes and the Congress disposes."

Mr. HARDY. I hope the gentleman will not take all of my time, and I wish to thank him for his answer, but it surprises me a little here to hear this inference from the gentleman who is so close to the President and the Department of State that he depends upon the newspapers for his information. I hope the gentleman can provide us with something that is more authentic than that.

Mr. RICHARDS. Mr. Chairman, will the gentleman yield?

Mr. HARDY. I yield.

Mr. RICHARDS. This is an important question. We have not heard from the executive department. They have taken their time, and I want to assure the House that the Committee on Foreign Affairs is going to take its time when it comes up here.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. HARDY. I am delighted to yield to the gentleman from Minnesota.

Mr. JUDD. The delay described by my friend is not an unusual problem. Under other administrations we have not had recommendations for FOA come from the executive branch to the Foreign Affairs Committee until May.

Everybody knows the President called back from private life Mr. Joseph M. Dodge, of Detroit, to make a study of precisely this problem and a number of others in order to integrate all these activities we are carrying on abroad and to have them operated under one foreign policy. He has a terrific job, but I am sure recommendations will come from him soon to help me in this matter.

Mr. HARDY. I appreciate the gentleman's contribution.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. The time of the gentleman from Virginia has expired.

(On request of Mr. GROSS and by unanimous consent, Mr. HARDY was allowed to proceed for 3 additional minutes.)

Mr. HARDY. Before I yield to the gentleman from Iowa I would like to make this observation concerning the comments of my friend from Minnesota. I never thought the shortcomings of a previous administration would be frankly admitted in this way, and used to justify the shortcomings of this administration.

Mr. JUDD. We inherited so much trouble from our predecessors that it is taking quite a while to fix everything up.

Mr. HARDY. I yield to the gentleman from Iowa.

Mr. GROSS. Let me see if I understand what this bill is about. It is designed, it seems, to pick up some 40 employees out of the Foreign Operations Administration, which presumably is going out of existence.

Mr. HARDY. As I understand, this bill apparently is designed to pick up 12 employees from FOA and a total of 40 from all agencies, which leads me to my next question.

I am and have been greatly concerned with the type of representation our Nation has overseas. I have been aware of the fact that not all of the people representing our Government are Foreign Service personnel nor State Department personnel, but there are representatives of various agencies overseas. I wonder if the gentleman could tell us how many such representatives other than those who depend upon direction from the State Department are operating in other countries.

Mr. RICHARDS. In reply to the question, I do not know whether you would call them representatives or not, but we have overseas in the neighborhood of 200,000 people employed by agencies of the United States Government. About 53 percent are aliens.

So far as people in the Foreign Service and State Department are concerned, we have 5,200 people employed overseas, and 9,300 aliens. I believe that is correct.

Mr. HARDY. I shall try to point out the problem I have in mind and enlist the assistance of the Foreign Affairs Committee in trying to see whether we can find something to correct the situation. It has been my observation that we have officials of every conceivable agency of the Government expressing themselves rather profusely overseas without any very coordinated policy direction from back home. It seems to me that that has gotten us into a good bit of trouble. It has the potentiality of getting us into a great deal more trouble. I hope the Foreign Affairs Committee can provide some integration in this matter.

Mr. RICHARDS. The gentleman knows the Foreign Affairs Committee has given a great deal of consideration to the matter. A lot of those employees are civilian employees from other departments of the Government such as the Defense Department, Commerce Department, and others. I assure the gentleman, so far as the Foreign Affairs Committee is concerned, we will try to do as good a job on that as we think we have done on this.

Mr. HARDY. I desire to express my appreciation to the gentleman.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. HARDY. I yield.

Mr. JUDD. Let me call the gentleman's attention to the fact that last year this Congress took the attachés of Agriculture out from under the State Department against my judgment. And the same was proposed for Labor and Commerce attachés.

Mr. HARDY. It seems to me that this has complicated the problem.

The CHAIRMAN. The time of the gentleman from Virginia has again expired. The Clerk will read.

Mr. RICHARDS. Mr. Chairman, I ask unanimous consent that the balance of the bill be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

(The balance of the bill reads as follows:)

SEC. 4. Section 517 of such act is amended by striking out the first sentence and inserting in lieu thereof the following: "A person who has not served in class 6 shall not be eligible for appointment as a Foreign Service officer of classes 1 to 5, inclusive, unless he has passed comprehensive mental and physical examinations prescribed by the Board of Examiners for the Foreign Service to determine his fitness and aptitude for the work of the Service; demonstrated his loyalty to the Government of the United States and his attachment to the principles of the Constiution; and rendered at least 4 years of actual service prior to appointment in a position of responsibility in the service of a Government agency, or agencies, except that, if he has reached the age of 31 years, the requirement as to service may be reduced to 3 years. After the date of enactment of the Foreign Service Act Amendments of 1955 and until otherwise provided by act of Congress, not more than 1,250 persons who have not served in class 6 may be appointed to classes 1 to 5, inclusive; of such persons, not more than 40 may be appointed who were not employed on March 1, 1955, in the Department, including its Foreign Service Reserve and Foreign Service Staff personnel, and who have not also served in a position of responsibility in the Department, or the Service, or both, for the required period prior to appointment."

SEC. 5. Section 522 of such act is amended by striking out in paragraphs (1) and (2) the word "four" wherever it appears therein and inserting the word "five" in lieu thereof; and by striking out in paragraph (1) the phrase "of a specialized character."

SEC. 6. (a) Section 571 (a) of such act is amended to read as follows:

"SEC. 571. (a) Any officer or employee of the Service may, in the discretion of the Secretary, be assigned or detailed for duty in any Government agency, such an assignment or combination of assignments to be for a period of not more than 4 years, except that under special circumstances the Secretary may extend this 4-year period for not more than 4 additional years."

(b) Section 571 is further amended by adding at the end thereof a new subsection (e) which shall read as follows:

"(e) The salary of an officer or employee assigned pursuant to the terms of this section shall be paid from appropriations made available for the payment of salaries of officers and employees of the Service. Such appropriations may be reimbursed, however, when the Secretary enters into reimbursement agreements with heads of Government agencies for all or any part of the salaries of officers or employees assigned to such agencies and payment is received pursuant thereto, or when an officer or employee of the Service is assigned to a position the salary of which is payable from other funds available to the Department."

SEC. 7. Sections 633 and 634 of such act, and the headings thereto under "Part D," are hereby repealed and the following headings and sections are hereby enacted in lieu thereof:

"SELECTION-OUT

"SEC. 633. (a) The Secretary shall prescribe regulations concerning—

"(1) the maximum period during which any Foreign Service officer below the class of career minister shall be permitted to remain in class without promotion; and

"(2) the standard of performance which any such officer must maintain to remain in the Service.

"(b) Any Foreign Service officer below the class of career minister who does not receive a promotion to a higher class within the specified period or who fails to meet the standard of performance required of officers of his class shall be retired from the Service and receive benefits in accordance with the provisions of section 634.

"SELECTION-OUT BENEFITS

"SEC. 634. (a) Any Foreign Service officer in classes 1, 2, or 3 who is retired from the Service in accordance with the provisions of section 633 shall receive retirement benefits in accordance with the provisions of section 821.

"(b) Any Foreign Service officer in classes 4 or 5 who is retired from the Service in accordance with the provisions of section 633 shall receive—

"(1) one-twelfth of a year's salary at his then current salary rate for each year of service and proportionately for a fraction of a year, but not exceeding a total of 1 year's salary at his then current salary rate, payable without interest, in 3 equal installments on the 1st day of January following the officer's retirement and on the 2 anniversaries of this date immediately following; and

"(2) a refund of the contributions made to the Foreign Service Retirement and Disability Fund, with interest thereon at 4 per cent, compounded annually, except that in lieu of such refund such officer may elect to receive retirement benefits on reaching the age of 62, in accordance with the provisions of section 821. In the event that an officer who was separated from class 4 and who has elected to receive retirement benefits dies before reaching the age of 62, his death shall be considered a death in service within the meaning of section 832. In the event that an officer who was separated from class 5 and who has elected to receive retirement benefits dies before reaching the age of 62, the total amount of his contributions made to the Foreign Service Retirement and Disability Fund, with interest thereon at 4 percent, compounded annually, shall be paid in accordance with the provisions of section 841.

"(c) Notwithstanding the provisions of section 3477 of the Revised Statutes, as amended (31 U. S. C. 203) for the provisions of any other law, a Foreign Service officer who is retired in accordance with the provisions of section 633 shall have the right to assign to any person or corporation the whole or any part of the benefits receivable by him pursuant to paragraph (b) (1) of this section. Any such assignment shall be on a form approved by the Secretary of the Treasury and a copy therof shall be deposited with the Secretary of the Treasury by the officer executing the assignment."

SEC. 8. (a) Section 852 (a) (2) of such act is amended by inserting "Air Force," after "Marine Corps,".

(b) Section 852 (b) of such act is amended by deleting the period at the end of the first sentence thereof and adding the following: ", except that no special contributions shall be required for periods of active military or naval service in the Army, Navy, Marine Corps, Air Force, or Coast Guard of the United States prior to becoming a participant.".

(c) A special contribution to the Foreign Service Retirement and Disability Fund made by any participant on or after April 1, 1948, for the purpose of obtaining service credit in accordance with the provisions of section 852 (a) (2) of the Foreign Service Act of 1946 for periods of active military or naval service in the Army, Navy, Marine Corps, Air Force, or Coast Guard of the United States shall be refunded. Such refund shall not include any interest covering the period such special contribution, or any part thereof, was on deposit in the fund.

SEC. 9. (a) Section 853 of such act is amended by striking out the period at the end of the first sentence thereof and adding the following clause: ", but no such extra credit for service at such unhealthful posts shall be credited to any participant who shall have been paid a salary differential in accordance with section 443, as amended, for such service performed subsequent to the date of enactment of the Foreign Service Act Amendments of 1955."

(b) Section 853 is further amended by striking out the last sentence of that section.

SEC. 10. (a) Section 901 (2) of such act is amended by striking out the phrase "his post of assignment" at the end of paragraph (ii) of that section and substituting in lieu thereof the phrase "any post of assignment abroad or at a post of assignment in the continental United States between assignments to posts abroad."

(b) Section 901 (2) is further amended by adding at the end thereof a new paragraph (iv) which shall read as follows:

"(iv) that extraordinary and necessary expenses, not otherwise compensated for, must be incurred by an officer or employee of the Service, by reason of his service abroad, in providing for adequate elementary and secondary education for his dependents; allowances under this subparagraph for any post shall not exceed the cost of obtaining such educational services as are ordinarily provided without charge by the public schools of the United States plus, in those cases where adequate schools are not available at the post, board and room, and periodic transportation between the post and the nearest locality where adequate schools are available; if any such officer or employee employs a less expensive method of providing such education, any allowance paid to him shall be reduced accordingly; no allowance shall be paid under this subparagraph for a dependent for whom a travel allowance has been paid under section 911 (9);".

SEC. 11. Section 911 of such act is amended by changing the period in paragraph (8) to a semicolon and by adding at the end of the section the following new paragraph:

"(9) the travel expenses incurred by an officer or employee of the Service who is assigned to a foreign post, in transporting dependents to and from United States ports of entry designated by the Secretary, to obtain an American secondary or college education, not to exceed one trip each way for each dependent for the purpose of obtaining each type of education."

SEC. 12. Section 943 of such act is amended by adding the phrase ", and their dependents" after the words "United States" and before the comma, and again at the end of the section immediately before the period.

SEC. 13. Sections 432 (c), 804, and 864 of such act are amended respectively as follows:

(1) Section 432 (c) is amended by striking out the phrase "or 634" in the third sentence thereof.

(2) Section 804 is amended by striking out "633,".

(3) Section 864 is amended by striking out "634 (b)" at the end of the section and inserting "634 (c)" in lieu thereof.

SEC. 14. Notwithstanding the provisions of this act, existing rules, regulations of or applicable to the Foreign Service of the United States shall remain in effect until revoked or rescinded or until modified or

superseded by regulations made in accordance with the provisions of this act, unless clearly inconsistent with the provisions of this act.

Mr. SIEMINSKI. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I think this is a good bill but I would like to ask one question, the answer to which I think could add considerably to the morale of our forces in the State Department at home and abroad.

Does this bill contain any provision for funds that would be adequate to give each of our stations overseas, or offices, adequate stenographic help?

Mr. RICHARDS. I may say that with respect to those folks on the Foreign Service staffs, it does not add anything to their present help or to their present emoluments.

Mr. SIEMINSKI. If I may take the time of the House, I simply wish to voice a concern in that direction. One of the things I deeply regret is the fact that a Foreign Service officer may submit a report today and 10 years later be in jeopardy for his prior ideas. I wonder if we cannot in the Congress get known to the people of America that when a man submits a report during the year 1955, voicing whatever observations he has made, based on good faith, that his efficiency report at the end of that year is an indication by the Secretary of State that the prevailing opinion of the time states that the man has an efficiency rating based on the judgments then in being in the country. If a man's efficiency report is made during a time of opinion on an issue in a particular year, O. K.'d by the Secretary of State, say in 1955, a man in the Foreign Service should then be able to rest assured or in peace in 1965 that you will not go back and impugn his motives or say that he was in 1955 a Fascist or an ism because of ideas then expressed, or a Communist because he might have said China was going under the hammer and sickle, or that China could be saved from Reds but wasn't. If we have adequate stenographic help, and Foreign Service officers' remarks, like ours in the House, and like ours in committee, were recorded for all to read particularly as related to key issues and conferences, then it would seem to me that the cause of peace and harmony and of personal security and confidence in being able to do a first-rate job in diplomacy and in Government is enhanced. This would force Monday morning quarterbacks to show how they were recorded, if at all, on an issue when it was hot and debate on it prevailed.

Had the Yalta reports, for example, been released in 1945 or 1946, open and prompt disclosure might have exerted fierce pressures for the Soviets to keep commitments made at that time. In 1945 and 1946 the Soviets were extremely sensitive to world opinion. Then, too, if it was known that the Yalta reports would be disclosed in 1945 or 1946, perhaps in them, more morality or greater regard for political sensibilities might have prevailed.

But here, 10 years later, in the Yalta reports, we reveal something that lacks with it the prevailing climate of opinion of the times with its concepts of strategy for the future peace of Europe, Asia and the world. Then, men, money, and materials were moved like pawns across the board. Strategic considerations seemed to permeate political thinking. The peace appears to have been a peace based on the principle of stalemate and checkmate which appears only now, in 1955, to have come about in Europe with the signing of the Paris Pacts, and in Asia, with Korea, Indochina, and Formosa in the deep freeze, political sensibilities notwithstanding. On that analysis, perhaps one could say that the Yalta reports were promptly published, or published when due, let the chips fall where they may.

Presumably, the Appropriations Committee made no provision then (1945), nor has it now, for automatically putting these Yalta or conference or diplomatic type reports out. Nor is there the provision even today for the prompt publication of United States foreign affairs data as there is for us in the printing of our committee hearings or the CONGRESSIONAL RECORD, two items that do much to give us sleepful nights and to help save our scalps come election every 2 years. The Foreign Service officer has no such automatic aids, other than his efficiency report which to date has had scant effect in his behalf when the heat was on, especially in ex post facto.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. SIEMINSKI. I yield to the gentleman from Ohio.

Mr. VORYS. In our report, on pages 12 and 13, the gentleman will find a reference to the provision of law which permits Foreign Service officers to see their efficiency reports, and a regulation which we felt prevented the carrying out of the law. The gentleman will find on page 13 that we said:

> The committee can see no justification for this disregard of the explicit provision of law. It expects the law to be implemented.

That is a partial answer to the gentleman's question.

Mr. SIEMINSKI. In closing, may I say that there are some who, though they could swim in money, say that foreign service officer morale could be improved if only we could avoid the very un-American approaches to each other that have been made on certain things that were submitted years ago in reports; that even 10 or 15 years from now, unless we do, foreign service officers could be shamed, under present procedures, for what they are reporting or in fear of reporting.

It would seem to me that an efficiency report rendered in 1955, signed or approved by the Secretary of State on behalf of his Foreign Service officers, should be valid in 1965. On it, the books should be closed; else the unsatisfactory man should be promptly retired. This procedure allows the public, it seems to me, to cast its ballot in every election, on the issues, be they foreign or domestic, with motives not impugned.

If we do not have ready information, if, as a matter of record, we do not make known our position at the time events shape up and reports are made, then, it seems to me, we have slept on our obligations and are in default. In democracy, I presume that is what is meant by the expression, "eternal vigilance is the price of liberty."

Quarterbacking is a great American pastime. It is constructive when it points to winning next week's game; otherwise, over our shoulders, we strike at windmills or go mad, and, like a certain animal, chew ourselves to death.

Mr. MEADER. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, I take this time to ask the chairman of the committee if he will attempt to clarify my understanding of the last section in the bill, section 14 on page 10 which reads:

> SEC. 14. Notwithstanding the provisions of this act, existing rules, regulations of or applicable to the Foreign Service of the United States shall remain in effect until revoked or rescinded or until modified or superseded by regulations made in accordance with the provisions of this act, unless clearly inconsistent with the provisions of this act.

Now, just what is the meaning of that section?

Mr. RICHARDS. The gentleman is talking about section 14?

Mr. MEADER. Yes.

Mr. RICHARDS. That simply means that the correct rules and regulations not changed by this legislation or not requiring change by this legislation will be in force and effect in the implementation of the resolution we have introduced here, and those regulations were made by the State Department itself.

Mr. MEADER. In other words, what I was trying to get at was this. A year or so ago the so-called Wriston committee was established within the State Department——

Mr. RICHARDS. No; by the State Department.

Mr. MEADER. By the State Department. They had public members, and so on. The committee on which I served in the last Congress, the International Operations Subcommittee of the House Government Operations Committee, got out a report last December challenging some of the actions taken as the result of the Wriston committee report on the ground that they stretched, if not violated, existing law. Now, does section 14 put the stamp of congressional approval and ratification upon all the regulations issued by the State Department as the result of the Wriston committee report?

Mr. RICHARDS. No; it does not. It says that insofar as this legislation is concerned, no rules and regulations are changed or modified by this measure; that the existing regulations will be changed. That is all.

Mr. MEADER. This section, in the chairman's opinion, then, would not make legal a regulation which the State Department issued which was otherwise illegal?

Mr. RICHARDS. It certainly would not. There is no doubt about that.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. MEADER. I yield to the gentleman from Ohio.

Mr. VORYS. This is, I think, taken verbatim from section 1135 of the Foreign Service Act of 1946 and is sort of a transition section. It is certainly not

intended to give the Department any such authority as the gentleman contends. And, I might mention to the gentleman that in at least one instance which has already been mentioned some suggestions of the Wriston committee which were found to be in violation of past law were changed administratively, so that I know at the present time of no regulations that are at present in violation of law with the possible exception of the one to which I just called attention, and that is the right of a Foreign Service officer to take a look at his own efficiency report.

Mr. MEADER. Then, the gentleman agrees with the gentleman from South Carolina?

Mr. VORYS. I do.

Mr. MEADER. That nothing in the bill we are acting on today would make legal any regulation concerning which there was a question about its validity or illegality?

Mr. VORYS. I thoroughly agree.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. ENGLE, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 4941) to amend the Foreign Service Act of 1946, as amended, and for other purposes, pursuant to House Resolution 181, he reported the bill back to the House.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. RICHARDS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days to extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

UNEMPLOYMENT DUE TO IMPORTS OF RESIDUAL FUEL OIL

Mr. SAYOR. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. SAYLOR. Mr. Speaker, on Monday of this week the Secretary of Labor was asked at a press conference whether or not he had any comment on unemployment brought about because of competition from foreign products, and he replied that any such job displacement was negligible. A reporter next asked—and I quote:

> Are you familiar with the recent testimony before Congress on the trouble in the coal industry?

Secretary Mitchell responded:

> I am not familiar with that.

As representative of a congressional district which has long felt the disastrous effects of residual oil imported into the United States coal industry's legitimate markets, I should like to call the Secretary's attention to a table prepared for me on March 8 by the United States Department of Labor, Bureau of Labor, Division of Manpower and Employment Statistics. It covers the employment situation in the Johnstown metropolitan area, which includes Cambria and Somerset Counties, Pa.

This table discloses that unemployment rose from 15,500 in January 1950 to 18,200 in January 1955, and that unemployment is now 17.9 percent of our civilian labor force. Assuming that the Secretary will concede that there is nothing negligible about 18 thousand American citizens unable to find work, let us look at the major reason for this inexcusable situation.

The number of wage and salary workers employed in the mining industry dropped from 20,900 in January 1950 to 12,200 in January of this year—a loss of 8,700 jobs. Had the mining industry maintained its 1950 level of employment, our area would now show a 6,000-man gain instead of a 2,700-man loss in that 5-year period.

For the Secretary's further information, I state without equivocation that the principal reason for so much unemployment in the coal industry of my district is residual oil imports. Central Pennsylvania's mines are within easy access to east coast fuel markets, and our coal people would be glad to pinpoint—at the Secretary's request—some of the power companies and industrial plants which have switched from coal to foreign oil in the past several years. By going back beyond 1950 to the time when alien residual oil first began to encroach upon our markets, we can produce even more startling statistics than those shown on the Department of Labor table to which I have referred.

On January 26 of this year the Acting Commissioner of Labor Statistics told a committee of Congress that the Department of Labor is planning to expand its program of current statistical reports and studies of the unemployed. He said:

> We need more information from time to time on where unemployment is developing, and what locations and from what industries.

Let me say that unemployment has already developed in my district. We have the location and we have the industry where the greatest losses have been felt. The Secretary of Labor, before he entered Government service, was an executive of a large department store in New York. If that firm's shoe department suddenly found that it was necessary to lay off some of its clerks because another outfit was selling foreign-made shoes at half the cost of American products of similar quality, I do not think it would require an investigation by a battery of economic analysts to determine the cause of the layoffs. It is as simple as that in regard to our lost coal business, too. Our mines have closed and our men are out of work because so much of our east coast industrial business has been taken over by foreign residual oil that is underselling our domestically produced fuel.

I might add, Mr. Speaker, that I can understand how easy it would be for the Secretary to become confused about our foreign trade policy and its implications. So many conflicting figures are bandied by the free-trade element that one gets the impression that computations are drawn up on a trampoline—foreign made. I trust, however, that the Secretary is willing to take the figures of his own Department regarding unemployment in our area. If he is, then I feel sure that he will not repeat the erroneous replies made at this press conference on Monday.

Johnstown metropolitan area (Cambria and Somerset Counties)—Number of wage and salary workers, January 1950 to January 1955

Industry	January 1955	January 1954	January 1953	January 1952	January 1951	January 1950
Nonagricultural, total	70,350	76,900	81,650	82,250	82,650	76,100
Mining	12,200	15,900	18,500	20,300	21,100	20,900
Contract construction	1,800	1,400	1,900	2,900	1,800	1,250
Transportation and public utilities	4,950	5,100	5,500	5,400	5,000	4,500
Wholesale and retail trade	13,200	13,300	13,900	14,800	14,500	14,150
Finance, insurance, and real estate	1,450	1,450	1,450	1,450	1,450	1,400
Service and miscellaneous	11,450	11,100	10,700	10,900	10,400	9,900
Government	2,500	2,500	2,500	2,500	2,500	2,450
Manufacturing	22,800	26,150	27,150	27,000	25,900	21,550
Durable goods industries:						
Lumber and furniture products	950	1,150	1,200	1,100	900	800
Stone, clay, and glass products	700	700	900	950	850	700
Primary metals	(1)	(1)	(1)	(1)	(1)	(1)
Fabricated metals	650	550	550	650	750	600
Machinery and transportation equipment	300	500	400	500	350	300
Nondurable goods industries:						
Food products	1,150	1,200	1,150	1,100	1,150	1,150
Apparel	3,900	3,700	3,450	3,000	2,900	2,600
Paper and printing	600	600	600	550	550	500
All other manufacturing industries	200	200	250	350	350	500
Unemployment	18,200	12,300	7,500	4,750	6,600	15,500
Unemployment as a percent of civilian labor force	17.9	12.1	7.3	4.6	6.4	14.8

[1] Omitted to avoid disclosure of individual company figures.

Source: U. S. Department of Labor, Bureau of Employment Security.
Prepared by U. S. Department of Labor, Bureau of Labor Statistics, Division of Manpower and Employment Statistics, Mar. 8, 1955.

AMENDING THE RULES OF THE HOUSE OF REPRESENTATIVES

Mr. SMITH of Virginia. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 151 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That rule XI 25 (a) of the Rules of the House of Representatives is amended to read:

"25. (a) The Rules of the House are the rules of its committees so far as possible, except that a motion to recess from day to day is a motion of high privilege in committees. Committees may adopt additional rules not inconsistent therewith."

SEC. 2. Rule XI (25) is further amended by adding at the end thereof:

"(h) Each committee may fix the number of its members to constitute a quorum for taking testimony and receiving evidence, which shall be not less than two.

"(i) The chairman at an investigative hearing shall announce in an opening statement the subject of the investigation.

"(j) A copy of the committee rules, if any, and paragraph 25 of rule XI of the House of Representatives shall be made available to the witness.

"(k) Witnesses may be accompanied by their own counsel for the purpose of advising them concerning their constitutional rights.

"(l) The chairman may punish breaches of order and decorum, and of professional ethics on the part of counsel, by censure and exclusion from the hearings; and the committee may cite the offender to the House for contempt.

"(m) If the committee determines that evidence or testimony at an investigative hearing may tend to defame, degrade, or incriminate any person, it shall—

"(1) receive such evidence or testimony in executive session;

"(2) afford such person an opportunity voluntarily to appear as a witness; and

"(3) receive and dispose of requests from such person to subpena additional witnesses.

"(n) Except as provided in paragraph (m), the chairman shall receive and the committee shall dispose of requests to subpena additional witnesses.

"(o) No evidence or testimony taken in executive session may be released or used in public sessions without the consent of the committee.

"(p) In the discretion of the committee, witnesses may submit brief and pertinent sworn statements in writing for inclusion in the record. The committee is the sole judge of the pertinency of testimony and evidence adduced at its hearing.

"(q) Upon payment of the cost thereof, a witness may obtain a transcript copy of his testimony given at a public session or, if given at an executive session, when authorized by the committee."

Mr. SMITH of Virginia. Mr. Speaker, I yield 30 minutes to the gentleman from Ohio [Mr. BROWN].

Mr. Speaker, at this time I offer a committee amendment.

The Clerk read as follows:

Committee amendment offered by Mr. SMITH of Virginia: On page 1, line 4, after the word "as", strike out the word "possible" and insert in lieu thereof "applicable."

The committee amendment was agreed to.

Mr. SMITH of Virginia. Mr. Speaker, I offer another committee amendment.

The Clerk read as follows:

Committee amendment offered by Mr. SMITH of Virginia: On page 2, line 7, after the word "witnesses", insert "at investigative hearings."

Mr. SMITH of Virginia. Mr. Speaker, I think I should say a word in explanation of that amendment. The bill reads:

Witnesses may be accompanied by their own counsel for the purpose of advising them concerning their constitutional rights.

The real purpose of this bill has to do with investigative committees and not legislative committees. This amendment simply makes that clear, that it applies not to the legislative committees.

The SPEAKER. The question is on the committee amendment offered by the gentleman from Virginia [Mr. SMITH].

The committee amendment was agreed to.

Mr. SMITH of Virginia. Mr. Speaker, this resolution is a resolution reported by the Committee on Rules as a general guide for committees in the conduct of their hearings. As you know, there has been a lot of publicity and there has been some criticism about the conduct of hearings, particularly in investigative committees. The purpose here is to lay down a general framework or guide for the use of all legislative committees and may be supplemented by those committees from time to time as the exigencies require, so long as they do not conflict with the general purposes of this. This resolution is intended to lay down the general groundwork that will, perhaps, avoid some of the criticism that has taken place in the past.

There are two items that I think I should call particular attention to. One is the proviso that no subcommittee shall consist of less than two members. In other words, that abolishes the custom of one-man subcommittees.

The other is that when a person is named in a committee hearing and his good reputation besmirched, he shall have a prompt opportunity to appear and refute the charges.

I think those are the main things in the bill, except the provision that any witness that is called by an investigative committee shall have the right to have counsel to advise him as to his constitutional rights.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Virginia. I yield to the gentleman from Iowa.

Mr. GROSS. It is still left within the discretion of the Speaker of the House as to whether there will be television or radio broadcasting of these hearings?

Mr. SMITH of Virginia. This does not touch that subject.

Mr. MEADER. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Virginia. I yield to the gentleman from Michigan.

Mr. MEADER. May I call the gentleman's attention to the first provision on page 2 relating to the statement by the chairman of the subject matter of the investigation. I would like to ask the gentleman three questions with respect to that provision: Does this deprive the committee of the power to determine the scope of its inquiry by requiring the chairman to state the subject of the investigation?

Mr. SMITH of Virginia. Not at all, no. All that requires is that a general statement shall be made of what a particular hearing is all about.

Mr. MEADER. Second, under court decisions questions in a committee hearing must be pertinent to the inquiry. Would questions not relevant under the statement as made by the chairman but relevant under the committee's investigative jurisdiction have to be answered, or could the witness refuse to answer with impunity?

Mr. SMITH of Virginia. No. The relevancy is determined by the resolution creating the special committee or the provision of the rules defining the jurisdiction of the standing committee.

Mr. MEADER. A third question is, May the statement of the subject matter required to be made by the chairman be in broad terms or must it be detailed?

Mr. SMITH of Virginia. Merely in broad terms, just a general statement of the subject matter of the inquiry.

Mr. MEADER. May I draw the gentleman's attention to the provisions of paragraph (k) on that same page, lines 7, 8, and 9, relating to the right of witnesses to have counsel present at hearings. My question is, Would the absence of counsel where a witness demands the right to have counsel present vitiate the legal status of the inquiry?

Mr. SMITH of Virginia. By no means. This is merely a privilege given to him. If he does not choose to exercise that privilege of having counsel, that is his fault.

Mr. MEADER. If he should demand that he be permitted to have counsel but there was no counsel present, would the committee be unable to proceed until counsel was present?

Mr. SMITH of Virginia. If he does not have his counsel, of course he cannot obstruct justice by using that sort of subterfuge. I have no doubt that any committee would be reasonable with him by reason of the sickness of his counsel.

Mr. MEADER. But the committee has not lost control over the proceeding because of this provision?

Mr. SMITH of Virginia. Not by any means.

Mr. MEADER. I think the gentleman may remember that Henry Grunewald and his counsel, William Power Maloney, delayed the King Subcommittee of the Ways and Means Committee for 6 hours with obstructionist tactics. Grunewald refused to testify because the committee finally ejected Maloney and he did not have any counsel there.

Mr. SMITH of Virginia. That could not occur under this rule.

Mr. SCOTT. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Virginia. I yield to the gentleman from Pennsylvania.

Mr. SCOTT. Will the gentleman from Virginia advise us whether this resolution which is proposed today is in part an outgrowth of the colloquy which I had with the gentleman on the opening day of the session at the time when I proposed the desirability of some revision of the rules?

Mr. SMITH of Virginia. Yes. I might say that the resolution was given thorough consideration by the committee which formed this resolution.

Mr. SCOTT. That was not my question.

Mr. SMITH of Virginia. I beg the gentleman's pardon.

Mr. SCOTT. My question was whether or not the decision to come in with some revision of the rules is in part an outgrowth of the suggestion I made on the first day of this session at the time the rules were adopted.

Mr. SMITH of Virginia. I am still not sure that I understand what the gentleman is trying to get at.

Mr. SCOTT. The gentleman will recall the point on the first day of the session at which the adoption of the rules was to be moved.

Mr. SMITH of Virginia. I recall it.

Mr. SCOTT. I addressed the gentleman and at that time suggested the desirability of certain revisions of the rules. My question is whether this proposed resolution is in part an outgrowth of the colloquy I had with the gentleman at the time.

Mr. SMITH of Virginia. Of course, the gentleman is very much aware that throughout the last session of Congress we gave extended consideration to it by a subcommittee of the Rules Committee of which the gentleman from Pennsylvania was the chairman, and that resolution was used in connection with other resolutions in formulating this resolution.

Mr. SCOTT. Aside from the reference to the two-man quorum, is there anything in this resolution which is not already in the discretion of the chairman of the investigating committee?

Mr. SMITH of Virginia. I think there is a good deal that will be helpful.

Mr. SCOTT. I hope the gentleman will be able to find it.

Mr. KEATING. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Virginia. I yield.

Mr. KEATING. In subdivision (i) at the top of page 2, where it says:

> The chairman at an investigative hearing shall announce in an opening statement the subject of the investigation.

My understanding is that the resolution authorizing any investigation covers the general subject, and it is the intention of that section to mean he shall announce the subject of the particular hearing which is then about to take place. If that is the understanding, I would think the substitution of the word "hearing" for "investigation" would be helpful.

Mr. SMITH of Virginia. I think they mean the same thing. I believe you are correct in the statement you have made.

Mr. KEATING. In subsection (m), it provides that if the committee determines that evidence or testimony at an investigative hearing may tend to defame, degrade, or incriminate any person, the committee shall receive and dispose of requests from such person to subpena additional witnesses.

In the next section, it provides that except as above provided, the chairman shall receive and the committee shall dispose of requests to subpena additional witnesses. There is a difference in the language used there. Could the gentleman point out the significance of that or the reason why the different language is used?

Mr. SMITH of Virginia. It is a very slight difference. You will find that the clause you refer to (3), comes under subsection (m). That is one of the things that apply under subsection (m) where a person is defamed. Subsection (n) is one that does not pertain to that particular section relative to defamation.

Mr. KEATING. I realize that is the language of the resolution, but I wonder why the requests for the issuance of subpenas are differently dealt with. It seems to me that the same considerations should apply in each instance.

Mr. SMITH of Virginia. I do think they are substantially the same.

Mr. GROSS. Mr. Speaker, will the gentleman yield for an additional question.

Mr. SMITH of Virginia. I yield.

Mr. GROSS. Under section 2, subsection (h) each committee may fix the number of its members to constitute a quorum for taking testimony and receiving evidence, which shall be not less than two. Does this mean in the absence of the adoption of rules that every committee, or that a standing committee such as the Committee on the Post Office and Civil Service could proceed with only two members constituting a quorum?

Mr. SMITH of Virginia. Yes; I think that any subcommittee constituted of two members is sufficient.

Mr. GROSS. That is with reference to subcommittees, then rule 11 deals with subcommittees, is that correct?

Mr. SMITH of Virginia. To what rule does the gentleman refer?

Mr. GROSS. Rule 11 section 2 (25). Does it deal only with subcommittees?

Mr. SMITH of Virginia. It deals with all committees.

Mr. Speaker, I yield 5 minutes to the gentleman from Louisiana [Mr. WILLIS].

Mr. WILLIS. Mr. Speaker, a group of us collaborated with the gentleman from California [Mr. DOYLE] in the preparation of House Resolution 151. I was a member of that group. During the course of its consideration I will be glad to try to answer pertinent questions as to the details of the resolution. For the moment, however, I think it would be well for me to discuss the background and the broad outline of the proposal.

The most important thing to keep in mind is that the resolution simply sets forth minimum standards of conduct, particularly with reference to investigative hearings. Thus the very first paragraph of the resolution provides, "Committees may adopt additional rules not inconsistent herewith." Some committees may want to spell out their rules in greater detail. As a matter of fact, the rules of the House Committee on Un-American Activities are broader than the resolution presently before the House for consideration, but the point is that this particular committee and the other committees which may presently spell out their rules in broader terms than provided in House Resolution 151 could change their rules. Here we are amending the rules of the House itself. Since the rules of the House are binding on its committees, the net result is that the minimum standards of conduct set forth in House Resolution 151 will have to be respected by the committees. In other words, committee rules can provide for more but not less than the requirements set forth in this resolution.

Let me hasten to say that this resolution is not intended as a criticism of the committees of the House nor of individual Members.

I personally think that our experience in the last few years requires the careful consideration and adoption of the pending proposal.

This matter has been the subject of discussion by responsible newspaper people and columnists. It has been aired over the radio waves and visually over television sets. It has been debated in public forums. It has been critically analyzed by bar associations and law journals.

And finally, it is my opinion that the ruling of the Supreme Court in the Christoffel case makes it absolutely necessary for us to act upon House Resolution 151. This decision has been the subject of much discussion and profound confusion. I am not defending it. In fact, I disagree with it, but this is no reason for misunderstanding it or stretching it beyond justification. I expect we will hear a great deal about it during the course of debates on the pending resolution and I would like to explain my understanding of its significance.

Mr. MEADER. Mr. Speaker, will the gentleman yield at that point?

Mr. WILLIS. I yield to the gentleman.

Mr. MEADER. How does the gentleman interpret the Christoffel decision?

Mr. WILLIS. I am coming to a discussion of that right now.

Remember first that this was a criminal case, which always involves strict interpretation of law under our jurisprudence. Christoffel was prosecuted for perjury committed before a committee of Congress. The statute under which he was prosecuted defined two essential elements of the crime of perjury. The first element was that the lying had to be committed under oath and that it must occur "before a competent tribunal." Lying on the street would not be a punishable offense, first because it would not be under oath, and even if under oath it would not be before a competent tribunal.

Now Christoffel lied under oath about his communistic affiliation. This met the first element of the crime. He lied before a committee of Congress, and the single question before the court was whether that committee of Congress at the time of the lying was a competent tribunal. There was evidence which indicated that when Christoffel lied a quorum of the committee was not present, and the charge of the Federal judge was to the effect that it was not necessary to show that a quorum was present at the time of the lying. And the evidence indicating that a quorum was not present was, therefore, disregarded as a matter of law.

The Supreme Court held that in a criminal case all elements of the crime must be proven. The Court, of course,

recognized the force of the constitutional provision to the effect that—

> Each House may determine the rules of the proceedings.

But accentuating the fact that this was a criminal prosecution, the Court said:

> Congressional practice in the transaction of ordinary legislative business is, of course, none of our concern.

I have heard an interpretation of this decision to the effect that the Supreme Court freed Christoffel. That is not true. The Court in effect simply remanded the case to the lower court for admission of evidence as to whether or not a quorum of the committee was present at the time of the perjury. Such evidence was admitted and it was established that a quorum was present. Christoffel was convicted. In fact, he is now serving a term in the Federal Penitentiary at Terre Haute, Ind.

I call to your particular attention the following hint the Supreme Court gave to Congress. In the course of the decision, the Court said:

> It—
>
> The Congress—
>
> of course has the power to define what tribunal is competent to exact testimony and the conditions that establish its competency to do so.

Following that broad hint, the other body amended its rules to provide that at an investigative hearing testimony may be received by one member. Stated differently, the Senate rules now provide that a single member constitutes a quorum.

In a case subsequent to the Christoffel decision, a person was prosecuted for perjury committed before a committee of Congress presided over by one individual. The conviction was tested on appeal, and the Supreme Court refused certiorari. This means that the Supreme Court respects the constitutional provision to the effect "that each House may determine the rules of its proceedings."

But while the other body amended its rules, we did not. Accordingly, one of the provisions of House Resolution 151 provides as follows:

> Each committee may fix the number of its members to constitute a quorum for taking testimony and receiving evidence, which shall be not less than two.

I repeat that it is necessary for us to adopt a rule along this line in order to meet the decision of the Supreme Court in the Christoffel case. And I submit that at an investigative hearing a quorum should be not less than two. Of course, even after the passage of this resolution, a particular committe may require a greater number to constitute a quorum, but under the minimum standards of conduct which this resolution imposes, the quorum in no event can be less than two.

I submit that this is a sensible rule, as are all others embodied in the resolution. I personally oppose a one-man hearing. I think fair play requires that not less than two members should be present. This conforms more closely to our notions of fair proceedings.

But there is another reason why I think at least two members should be present at all times for taking testimony and receiving evidence. Forget the honest and cooperative witnesses for the moment. They never cause trouble to anyone and, of course, all committees bend backward to protect them. I have in mind the usual witnesses who appear before investigative committees such as the Committee on Un-American Activities of which I have the honor and privilege to be a member. These witnesses are tough. They are resourceful. They are sharp and smart. There is nothing they like better than to precipitate an argument with the presiding member. Yes, they are cunning. They are offensive and sometimes they are downright insulting. The presiding member must be on his toes and he is required to make quick and delicate rulings. Two heads are better than one in situations of this kind.

And so I am opposed to a one-man hearing, not only for the protection of the witness but more importantly for the preservation of orderly proceedings and the dignity of the committee of Congress.

I repeat that the whole idea of this resolution is to set general guideposts and to require minimum standards. It was well thought out and I urge its approval. We have deliberately tried to avoid unduly tying the hands of the committees, while at the same time spelling out rules of fair play. I would not bargain for less, and I fear that if we buy more we might be inadvertently doing violence to the dignity and the effectiveness of our committees.

Mr. BROWN of Ohio. Mr. Speaker, I yield myself 10 minutes.

Mr. Speaker, House Resolution 151, which is now before us, is the result of the work of at least one special subcommittee of the Rules Committee as well as the work, intention, and investigation of a number of other Members of the House. It will be recalled that in the 83d Congress the gentleman from Illinois [Mr. ALLEN], chairman of the Rules Committee, appointed a subcommittee made up of the gentleman from Pennsylvania [Mr. SCOTT], the gentleman from Colorado [Mr. CHENOWETH], and the gentleman from Virginia [Mr. SMITH], to make a study of the various proposals which had been presented at different times to perhaps extend a little greater protection to those who appeared before investigating committees and to rather write in plain terms what the rights and privileges of such investigating committees were and also what rights and privileges the witnesses called before such committees should have.

That particular subcommittee, the so-called Scott subcommittee of the Rules Committee, held a great many hearings. It studied the procedure which had been adopted by various legislative committees and investigative committees of the House and prepared quite a comprehensive report.

In my honest opinion, by reason of the procedure that has been followed in most of the committees of the House—in fact, I know of none in which any great public clamor has arisen as the result of mistreatment of witnesses—most or practically all of the committee investigations and hearings of the House have been conducted in a very fine and splendid order, and if there have been any general public complaints as to any violation of individual or civil rights by any congressional committee, they have not, certainly, been directed in any volume toward the work of the House committees.

The gentleman from New York [Mr. KEATING] was the head of a special committee or a subcommittee of the Committee on the Judiciary, and has done a great deal of work on this particular type of legislation regarding amendments to the rules of the House. The gentleman from California [Mr. DOYLE], who is the author of this particular resolution, has also devoted a great deal of attention to the matter and, as a member of the House Committee on Un-American Activities, helped prepare and adopt in that committee a very good code of procedure, in addition to the general rules of the House, for the action of that particular committee. Then the gentleman from Michigan [Mr. MEADER], a member of the Committee on Government Operations, has taken an active part in studying this whole problem. The gentleman from Ohio [Mr. HESS], and the gentleman from Louisiana [Mr. HÉBERT], members of the Committee on Armed Services, have also rendered very valuable assistance.

Now, if I may, I shall try to the best of my ability, to explain in a few very short sentences just what this resolution does. I think the primary object that is accomplished or will be accomplished by the adoption of this resolution is that it does fix definitely in the rules that you cannot have 1-man subcommittees and that any subcommittee taking evidence officially must consist of at least 2 members. Now, it does leave with the legislative committees the power and the authority to expand the rules of the House; in other words, under the present arrangement, each legislative committee, investigative committee, or special committee, is bound by the rules of the House and must follow the rules of the House. But, in addition, the committees now have the right and the authority to adopt additional rules for their own conduct if they so desire. In some instances we have had, more in another legislative body than in this one, subcommittees made up of only one person conducting the hearings. So, this resolution states very plainly in section 2 that each committee may fix the number of its members to constitute a quorum for taking testimony and receiving evidence, which shall be not less than two.

In other words, the House under its general rules, by the adoption of this resolution, will say that you can fix any number of members on a committee or subcommittee as a quorum, provided you do not go below two; there must be at least two there, and that meets, as the gentleman who just preceded me explained, some of the legal questions that have arisen as the result of the cases taken to the Supreme Court. It cures that.

Then it goes further. Remember this deals almost primarily with investigative committees and the conduct of investigations by such committees. It says that the chairman of the committee at the beginning of an investigation shall announce in general terms in an open statement what the subject of the investigation is; in other words, you are looking into the stock market or you are looking into consumer prices or into the necessity for school construction or whatever it may be. It does not mean that you have to pinpoint every single question that you are going to ask, by any means. It also provides that a witness who is called before that committee, either by subpena or who comes voluntarily, is entitled to receive a copy of the committee rules, if he so desires. Certainly that is a fair provision.

The next provision provides for witnesses at investigative hearings—that does not mean ordinary legislative hearings where they are discussing a bill, such as a public-works project or an authorization bill, but where a committee is holding investigative hearings—that witnesses have the right to be accompanied by their own counsel, and that counsel shall have the privilege of advising them concerning their constitutional rights.

That does not mean that the lawyer may sit there and answer every question of fact for the witness. But he may advise him as to his constitutional rights, whether he may plead the fifth amendment or refuse to answer on some other ground if he thinks his constitutional rights are being violated.

Then it spells out into law again what I believe the chairman of the committee already has, the power to punish breaches of order and decorum and of professional ethics on the part of counsel, by censure and exclusion from the hearings.

That legalizes, and it does away with any doubt as to the right of a chairman, in a case like that of Henry Grunewald, which was mentioned a moment ago, to say, "You are violating the rules of this committee, you are out." And he will tell the witness to get another lawyer. And the committee may cite such an offender to the House for contempt. If a lawyer simply does not obey the orders of the chairman, if he creates a disturbance, if he refuses to leave, and the situation becomes serious such that the committee wants to recommend that he be cited by the House for contempt, then that may be done and it is up to the House to take action as it sees fit.

Then if the committee determines that evidence or testimony at an investigative hearing may tend to defame, degrade, or incriminate any person, this resolution provides that it shall receive such testimony in executive session; that is, if it is possible to do so, they may go immediately into executive session. They shall afford such person an opportunity voluntarily to appear as a witness to refute such statements or testimony against him; and it shall receive and dispose of requests from such a person to subpena additional witnesses. Those rights are given to the witness.

Then there is a general provision, not just when some person makes a defamatory statement, but generally and in regard to other matters, the chairman shall receive requests for subpenaing additional witnesses.

It also provides that no evidence or testimony taken in executive session may be released or used in public sessions without the consent of the committee. That means, of course, a majority of the committee.

It also provides that in the discretion of the committee witnesses may submit brief and pertinent sworn statements in writing for inclusion in the record. Members of the House know how much time that can save.

The committee is the sole judge of the pertinency of the testimony and evidence adduced at its hearing.

I think they have that right now.

Finally, the witness is given the right, upon payment of the cost thereof, to obtain a transcript copy of his testimony given at a public session or, if given at an executive session, when authorized by the committee.

In other words, if he wants to know what he said, if he is being cited for contempt, he may get a copy of the transcript so that he may be prepared if he has to go to court.

Mr. MURRAY of Illinois. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield.

Mr. MURRAY of Illinois. We had considerable discussion when another bill was up today concerning the meaning of the words "shall" and "may." I notice in line 16 on page 2, it says with reference to testimony that may tend to defame, degrade, or incriminate a person that the committee shall do so and so. Is that mandatory or is it permissive?

Mr. BROWN of Ohio. Where it finds that it may tend to defame, degrade, or incriminate a person, it shall do so and so; it shall receive such evidence and testimony until it satisfies itself whether it is true.

Mr. MURRAY of Illinois. Is that mandatory?

Mr. BROWN of Ohio. Yes, that is mandatory, in my opinion. They shall afford such person who has been defamed the right voluntarily to come before the committee and refute it, which is a fair thing and a procedure which practically all the committees of the House now follow.

Mr. HARDY. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman from Virginia.

Mr. HARDY. On that particular point, the discussion centers around whether or not the testimony would tend to degrade or intimidate the witness. That is what the section says.

Mr. BROWN of Ohio. The gentleman reads into it something that is not in there. It says "degrade any person."

Mr. HARDY. That is exactly my point. It would mean, then, that if a committee held an executive session and determined that they were going to receive testimony which would indicate that an individual not the witness had misappropriated Government property, for instance, under this language it could not hold that testimony in open session.

Mr. BROWN of Ohio. That is right. If I charge you with being a thief, the committee goes into executive session to explore as to whether or not I have any justification for that charge and you have the right to answer it. Then, if they determine that there is some ground for my charge against you, they can have all the open sessions they want to have.

Mr. HARDY. Is there anything in here that shows that you can open that hearing up?

Mr. BROWN of Ohio. Certainly, because it provides only the two things they shall do in such circumstances.

Mr. WILLIS. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman from Louisiana.

Mr. WILLIS. That provision under discussion refers to a person not on the stand?

Mr. BROWN of Ohio. That is right.

Mr. WILLIS. It refers to defaming third parties, not the man on the stand?

Mr. BROWN of Ohio. That is right.

Mr. HARDY. I understand that, but suppose you have a situation that clearly shows that there has been abuse?

Mr. BROWN of Ohio. What does it say here? They consider that in executive session, then they come back into open session after they have got the information and, if they decide there is some substance to your charge, or my charge against you, then they can go ahead and have all the open hearings they want.

Mr. HARDY. They can have all the open hearings they want, then.

Mr. WILLIS. I think this is important. The controlling part of that particular section is that "If the committee determines," then such and such happens.

Mr. BROWN of Ohio. That is right.

Mr. WILLIS. But the determination must be made first.

Mr. BROWN of Ohio. It rests entirely with the committee.

Mr. HARDY. The gentleman is absolutely correct. It is only where the person is brought up for the first time and when the committee determines that the matter should be gone into; then you can have all the public hearings you want.

Mr. BROWN of Ohio. If they think the man has been defamed. If I say you are a Communist and the evidence shows you are not, then I have not told the truth. The committee determines whether or not you have been defamed.

Mr. HARDY. That is exactly right. Then you can have all the public hearings you want.

Mr. SMITH of Virginia. Mr. Speaker, I yield 5 minutes to the gentleman from Georgia [Mr. FORRESTER].

Mr. FORRESTER. Mr. Speaker, I had a small part in collaborating with some of the gentlemen who prepared this resolution, and I have listened with interest to some of the things that have been said. I believe there are a few observations I might make which may be of interest to the House.

With regard to the particular portion which was inquired about by the gentleman from Virginia [Mr. HARDY], the answer given by the gentleman from Ohio [Mr. BROWN] is absolutely correct. All on earth this provision does is that if a man's name is brought up before a committee for the first time, you go into executive session and you somewhat simulate the action of a grand jury. That is a fair provision.

Mr. MILLER of Maryland. Mr. Speaker, will the gentleman yield?

Mr. FORRESTER. I yield.

Mr. MILLER of Maryland. I share the view of the gentleman from Virginia that that may be the intention, but certainly the language here does not indicate how it would be possible to bring out evidence that you knew was going to degrade somebody except in executive session. I do not see any language here that permits that.

Mr. FORRESTER. No matter where it is brought out, if it is in executive session, then, of course, you can deal with it, but if it is in public session, then you simply suspend and go into executive session and determine whether or not there is a reason to expose that man's name publicly. That is a right which the Congress should be the first to concede to any person.

We worked for some several days in the preparation of this bill. I think the efficacy of this bill lies in its limitation. To draw up an elaborate bill on matters of this kind would put you in trouble. In other words, we have brought out what we think is a minimum. It is not a bill to kowtow to anyone but simply to try to measure up to the responsibility that is imposed on the Congress. Let me show you gentlemen how hard it is to try to make some sort of provisions on rules of this kind. Take this particular rule of the 2-man committee. We wanted to write into that bill, and it is the sense of those who drew up the bill that where there is a committee of two, they shall be nonpartisan—one shall be a Democrat and one shall be a Republican. If you put that into the bill, and of course, we would like to have the Congress observe that, but if you put it into the bill, suppose you are out in California with a 2-man committee and suppose one of the members absented himself or suppose he was sick. Of course, you can see that there they are out in California and they are completely stymied. We did not put it in the bill, but we do think that is a rule that ought to be observed.

Mr. KEATING. Mr. Speaker, will the gentleman yield on that point?

Mr. FORRESTER. I yield.

Mr. KEATING. With reference to that very provision, is it not the intention of the framers of this resolution that this should apply only to investigative hearings, because, certainly, there are many informal hearings by legislative committees where they take evidence with only one person sitting. It would greatly impede the work of those committees if, in a legislative committee, they were to require, always and without exception, more than one person.

Mr. FORRESTER. Of course, that is the answer to that.

Mr. KEATING. I do not think so because, if I may pursue the question, in other provisions of the bill there is reference to investigative hearings for investigative procedures. It would seem to me, therefore, that in paragraph (h) there should also be included a limitation of investigative hearings. That seems to me one respect where this resolution goes too far and might hamper the work.

Mr. FORRESTER. The gentleman refers to section 2, paragraph (h)?

Mr. KEATING. Yes.

Mr. FORRESTER. No, sir; that does not absolutely mean investigative committees. I think that was explained here before.

I think this is the result of a serious study on the part of these gentlemen, and I think you had better take it as it is. If you try to amend this bill on the floor, you are fixing to get into trouble.

Mr. HARDY. Mr. Speaker, will the gentleman yield?

Mr. FORRESTER. I yield.

Mr. HARDY. I am in complete accord with the objectives of the committee, and I congratulate the committee on attempting to deal with a very difficult problem. However, I think that subsection (m), as now written, will hamper every investigation that is ever undertaken.

Mr. FORRESTER. I do not think so.

The SPEAKER. The time of the gentleman from Georgia has expired.

Mr. BROWN of Ohio. Mr. Speaker, I yield 5 minutes to the gentleman from Pennsylvania [Mr. SCOTT].

Mr. SCOTT. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentlemand from Pennsylvania?

There was no objection.

Mr. SCOTT. Mr. Speaker, I regret I will not be able to yield, because I have but 5 minutes and I want to discuss the legislative massacre directed against 2 years' careful work of the Subcommittee on Legislative Procedure which last year recommended extensive revision of the House rules.

I wish I could say that this bill went so far as to come out in favor of a white Christmas, but it does not even do that except in the discretion of the chairman. It does come out in favor of good order and decorum and of the widest possible discretion in committee chairmen—and also of no interference with the present rules of the House.

This resolution is a triumph of innocuous inconsequence.

The suggestions made heretofere in my resolutions have provided for a situation where the quorum applicable could be reduced to one except for a provision that no witness should be compelled to give oral testimony before less than two members, if prior to testifying the witness so demanded.

As has already been pretty generally admitted, the Doyle resolution does not do anything which was not already in the discretion of committee chairmen, that I can see, except as to the two-man quorum, and that is bad.

This resolution does not contain any of the provisons, although it adopts some of the wordage of House Resolution 447, nor does it contain the effective provisions of House Resolution 61 of this Congress, a resolution which was referred to the Subcommittee on Legislative Procedure of which the gentleman from Virginia, the gentleman from Colorado [Mr. CHENOWETH], and myself, were members.

The Doyle resolution is totally inadequate to curb the abuses of congressional investigating committees. Far from being the conscience of the House it is a sop designed to head off effective legislation.

The Doyle resolution contents itself with half a dozen rules. It provides for two-man hearings, it gives witnesses the right to be accompanied by counsel, which they have anyway under the rules of the House. It requires that defamatory testimony shall first be heard in executive session, and it allows a person defamed at a public hearing the right to appear as a witness in his own behalf. It would be difficult to find anything else in the resolution which is not already permitted by the rules of the House.

The Doyle resolution does not even afford the minimum protection of the resolution reported favorably last year by a subcommittee of the House Rules Committee consisting of the gentleman from Virginia [Mr. SMITH], the gentleman from Colorado [Mr. CHENOWETH], and myself. It cannot even be compared with the comprehensive code recommended by the house of delegates of the American Bar Association or that sponsored last year by 18 Members of the other body, nor with the resolution of the Senator from Connecticut [Mr. BUSH].

The pitifully inadequate Doyle resolution is powerless to prevent any of the following abuses, all of which have been the subject of widespread criticism:

First. It would allow a committee to circulate "derogatory information" from its confidential files without notice to the individuals concerned and without giving him an opportunity to explain or deny the defamatory material.

Second. It would allow a committee to make public defamatory testimony given at an executive session without notice of hearing to the person defamed.

Third. It would allow a committee to issue a public report defaming individuals or groups without notice or hearing.

Fourth. It would allow a committee chairman to initiate an investigation, schedule hearings and subpena witnesses without consulting the full committee.

Fifth. It would allow a committee chairman or member publicly to defame a witness or a person under investigation.

Sixth. It would not allow a person under investigation to cross-examine a witness accusing him at a public hearing.

Seventh. It would not entitle a witness to even 24 hours advance notice of a hearing at which his career or reputation would be at stake.

Eighth. It would not protect a witness from distraction, harrassment, or nervousness caused by radio, TV, and motion picture coverage of hearing. This, however, is adequately taken care of for the present session by the ruling of the Speaker.

Ninth. It contains no provision for enforcement of its prohibitions or for supervision of committee operations.

Tenth. Finally, and most important, it would not prevent the committee from sitting as a legislative court, trying guilt or innocence of individuals, or inquiring into matters wholly unrelated to any function or activity of the United States Government.

The Doyle resolution will only create false hopes and divert attention from the pressing problem of committee reform. It should be decisively rejected by the House of Representatives, and really effective rules changes, such as House Resolution 447 of the 83d Congress, or House Resolution 61 of this Congress substituted for it. The Doyle resolution, however well-intentioned, can only have the effect of a pious imposition upon Members and public, both of which groups deserve more effective constructive action than this hasty sop to public opinion.

Under permission previously granted me, I include herewith the text of House Resolution 447, to amend the rules of the House with respect to investigative procedure introduced by myself:

House Resolution 447

Resolved, That paragraph 25 of rule XI of the Rules of the House of Representatives is amended to read as follows:

"25. (a) The rules of the House are hereby made the rules of its committees so far as applicable, except that a motion to recess from day to day is hereby made a motion of high privilege in said committees. The rules of committees are hereby made the rules of subcommittees so far as applicable. Committees and subcommittees may adopt additional rules not inconsistent with the rules of the House.

"(b) Each committee shall keep a complete record of all committee action; such record shall include a record of the votes on any question on which a record vote is demanded.

"(c) Unless otherwise provided, committee action shall be by vote of a majority of the full membership of the committee; powers of the committee chairman may be exercised by an acting chairman or presiding Member.

"(d) All committee hearings, records, data, charts, and files shall be kept separate and distinct from the congressional office records of the Member serving as chairman of the committee; and such records shall be the property of the House and all Members of the House shall have access to such records. Each committee is authorized to have printed and bound testimony and other data presented at hearings held by the committee.

"(e) It shall be the duty of the chairman of each committee to report or cause to be reported promptly to the House any measure approved by his committee and to take or cause to be taken necessary steps to bring the matter to a vote.

"(f) No measure, finding or recommendation shall be reported to the House from any committee unless a majority of the committee were actually present and approved the same."

SEC. 2. Paragraph 26 of rule XI of the Rules of the House of Representatives is amended to read as follows:

"26 (a) To assist the House in appraising the administration of the laws and in developing such amendments or related legislation as it may deem necessary, each standing committee of the House shall exercise continuous watchfulness of the execution by the administrative agencies concerned of any laws, the subject matter of which is within the jurisdiction of such committee; and, for that purpose, shall study all pertinent reports and data submitted to the House by the agencies in the executive branch of the Government. All committees may conduct investigations into questions and matters within their jurisdiction.

"(b) All questions of jurisdiction, order, decorum, or right and all alleged violations of this rule arising in the conduct of investigations may be referred by any Member to the Committee on Rules, except that such reference concerning investigations by the Committee on Rules may be made to the Committee on House Administration. Questions and allegations not disposed of upon such reference may be referred to the House for opinion or, if the case requires it, for censure or such punishment or other action as the House may deem proper.

"(c) No committee staff member shall be assigned to investigative activities until approved by the committee for such assignment.

"(d) Subpenas to require the attendance of witnesses, the giving of testimony, and the production of books, papers, and documents shall be issued only by authority of the committee, shall be signed by the chairman or any Member designated by the chairman, and may be served by any person designated by the committee, the chairman or the signing Member.

"(e) Each committee shall, so far as practicable, require all witnesses appearing before it to file in advance written statements of their proposed testimony, and to limit their oral presentation to brief summaries of their argument. The staff of each committee shall prepare digests of such statements for the use of committee members.

"(f) All hearings conducted by committees shall be open to the public, except executive sessions for marking up bills or for voting or where the committee orders an executive session. No witness shall be compelled to give oral testimony before an executive session if, prior to testifying, he demands to be heard in public.

"(g) No witness shall be compelled to give oral testimony for broadcast, or for direct reproduction by motion picture photography, recording, or otherwise in news and entertainment media if, prior to testifying, he demands to be heard without such coverage; nor shall any witness be subjected to harassment or undue distraction from any cause while testifying under compulsion.

"(h) Oaths may be administered and hearings may be conducted and presided over by the chairman or any Member designated by the chairman, who shall constitute a quorum for the receipt of evidence and the taking of testimony unless the committee otherwise provides.

"(i) Witnesses shall be permitted to be advised by counsel of their legal rights while giving testimony, and to be accompanied by counsel at the stand unless the chairman otherwise directs.

"(j) Witnesses, counsel, and other persons present at committee hearings shall maintain proper order and decorum; counsel shall observe the standards of ethics and deportment generally required of attorneys at law. The chairman may punish breaches of this provision by censure or by exclusion from the committee's hearings, and the committee may punish by citation to the House as for contempt.

"(k) Whenever any testimony relating to a question under inquiry may tend to defame, degrade or incriminate persons called as witnesses therein, the committee shall observe the following additional procedures, so far as may be practicable and necessary for the protection of such persons:

"(i) The subject of each hearing shall be clearly stated at the outset thereof, and evidence sought to be elicited shall be pertinent to the subject as so stated.

"(ii) Preliminary staff inquiries may be directed by the chairman, but no major phase of the investigation shall be developed by calling witnesses until approved by the committee.

"(iii) All testimony, whether compelled or volunteered, shall be given under oath.

"(iv) Counsel for witnesses shall be permitted, as justice may require, to address the chairman briefly on points of right and procedure, to examine their clients briefly for purposes of amplification and clarification, and to address pertinent questions to other witnesses whose testimony pertains to their clients, by written interrogatories submitted to the chairman or by cross examination.

"(v) Testimony shall be heard in executive session, the witness willing, when necessary to shield the witness or other persons about whom he may testify.

"(vi) The secrecy of executive sessions and of all matters and material not expressly released by the committee shall be rigorously enforced; violations of this provision by non-Members may be punished by citation to the House as for contempt, and unauthorized disclosures by Members shall be censurable or punishable as the House may deem proper.

"(vii) Witnesses shall be permitted brief explanations of affirmative or negative responses, and may submit concise, pertinent statements, orally or in writing, for inclusion in the record at the opening or close of their testimony.

"(viii) An accurate verbatim transcript shall be made of all testimony, and no alterations of meaning shall be permitted therein for any purpose whatsoever.

"(ix) Each witness may obtain transcript copies of his testimony given publicly by paying the cost thereof; copies of his testimony given in executive session shall be furnished the witness at cost if the testimony has been released or publicly disclosed, or if the chairman so orders.

"(x) No testimony given in executive session shall be publicly disclosed in part only, and if such partial disclosure is made, the committee shall promptly release such other parts as may be necessary to prevent distortion of the true import thereof.

"(l) Whenever any testimony, statement, release, or other utterance relating to a question under inquiry may tend to defame, degrade, or incriminate persons who are not witnesses, the committee shall observe the following additional procedures, so far as may be practicable and necessary for the protection of such persons:

"(i) Persons so affected shall be notified of the existence or pendency of such adverse utterance.

"(ii) Opportunity shall be afforded such persons to appear as witnesses, promptly and at the same place if possible, and under subpena if they so elect. Testimony relating to the adverse utterance shall be subject to applicable provisions of part (k) of this rule.

"(iii) Each such person may, in lieu of appearing as a witness, submit a concise, pertinent sworn statement which shall be incorporated in the record of the hearing to which the adverse utterance relates.

"(m) The chairman or a Member shall consult with appropriate Federal law-en-

forcement agencies with respect to any phase of an investigation which may result in evidence exposing the commission of Federal crimes, and the results of such consultation shall be reported to the committee before witnesses are called to testify therein.

"(n) Requests to subpena additional witnesses shall be received and considered by the chairman in any investigation in which witnesses have been subpenaed. Any such request received from a witness or other person entitled to the protections afforded by parts (k) or (l) of this rule shall be considered and disposed of by the committee.

"(o) Each committee conducting investigations shall make available to interested persons copies of the rules applicable therein.

"(p) All rules relating to the conduct of investigations shall be liberally interpreted and applied, to the ends that justice shall be done, that committee business may be facilitated, and that the rights and interests of individuals shall be fully protected to an extent not inconsistent with the powers of the House in the premises."

SEC. 3. (a) Clauses 2 (b), 8 (d), and 17 (b) of rule XI of the Rules of the House of Representatives are each amended by striking out everything after "or has adjourned" and inserting a period in lieu thereof.

(b) Paragraph 16 of such rule is amended by relettering clause (c) as clause (d) and by inserting after clause (b) the following new clause:

"(c) Matters relating to the conduct of investigations."

(c) Paragraph 20 of such rule is amended by striking out "and order of business" and inserting in lieu thereof the following: "The order of business, and the conduct of investigations."

SEC. 4. Rule XXII of the Rules of the House of Representatives is amended by adding at the end thereof the following new paragraph:

"7. All bills and resolutions to authorize the investigation of particular subject matter shall define such subject matter clearly, and shall state the need for such investigation and the general objects thereof."

I also include the text of House Resolution 61, likewise introduced by myself:

House Resolution 61

Resolved, That paragraph 25 (a) of rule XI of the Rules of the House of Representatives is amended by striking out "standing" and by adding at the end thereof the following: "The rules of committees are hereby made the rules of subcommittees so far as applicable. Committees and subcommittees may adopt additional rules not inconsistent with the Rules of the House."

SEC. 2. Paragraph 25 (e) of such rule is amended by inserting ", finding," after "measure."

SEC. 3. Paragraph 25 (g) of such rule is amended by striking out "standing committees or their subcommittees" and inserting in lieu thereof "committees."

SEC. 4. Paragraph 25 of such rule is amended by adding at the end thereof the following new subsection:

"(h) Unless otherwise provided, committee action shall be by vote of a majority of a quorum."

SEC. 5. (a) Paragraph 26 of rule XI of the Rules of the House of Representatives is amended by inserting "(a)" after "26." and by adding at the end thereof the following new subsections:

"(b) No person shall be employed for or assigned to investigative activities until approved by the committee.

"(c) Unless otherwise provided, subpenas to require the attendance of witnesses, the giving of testimony, and the production of books, papers, or other evidence shall be issued only by authority of the committee, shall be signed by the chairman or any member designated by the chairman, and may be served by any person designated by the committee, the chairman, or the signing member.

"(d) No witness shall be compelled to give oral testimony for broadcast, or for direct reproduction by motion-picture photography, recording, or otherwise in news and entertainment media if he objects.

"(e) Oaths may be administered and hearings may be conducted and presided over by the chairman or any member designated by the chairman. Unless the committee otherwise provides, 1 member shall constitute a quorum for the receipt of evidence and the taking of testimony; but no witness shall be compelled to give oral testimony before less than 2 members if, prior to testifying, he objects.

"(f) Witnesses shall be permitted to be advised by counsel of their legal rights while giving testimony, and unless the presiding member otherwise directs, to be accompanied by counsel at the stand.

"(g) Witnesses, counsel, and other persons present at committee hearings shall maintain proper order and decorum; counsel shall observe the standards of ethics and deportment generally required of attorneys at law. The chairman may punish breaches of this provision by censure or by exclusion from the committee's hearings, and the committee may punish by citation to the House as for contempt.

"(h) Whenever the committee determines that evidence relating to a question under inquiry may tend to defame, degrade, or incriminate persons called as witnesses therein, the committee shall observe the following additional procedures, so far as may be practicable and necessary for the protection of such persons:

"(1) The subject of each hearing shall be clearly stated at the outset thereof, and evidence sought to be elicited shall be pertinent to the subject as so stated.

"(2) Preliminary staff inquiries may be directed by the chairman, but no major phase of the investigation shall be developed by calling witnesses until approved by the committee.

"(3) All testimony, whether compelled or volunteered, shall be given under oath.

"(4) Counsel for witnesses may be permitted, in the discretion of the presiding member and as justice may require, to be heard briefly on points of right and procedure, to examine their clients briefly for purposes of amplification and clarification, and to address pertinent questions by written interrogatory to other witnesses whose testimony pertains to their clients.

"(5) Testimony shall be heard in executive session, the witness willing, when necessary to shield the witness or other persons about whom he may testify.

"(6) The secrecy of executive sessions and of all matters and material not expressly released by the committee shall be rigorously enforced.

"(7) Witnesses shall be permitted brief explanations of affirmative or negative responses, and may submit concise, pertinent statements, orally or in writing, for inclusion in the record at the opening or close of their testimony.

"(8) An accurate verbatim transcript shall be made of all testimony, and no alterations of meaning shall be permitted therein.

"(9) Each witness may obtain transcript copies of his testimony given publicly by paying the cost thereof; copies of his testimony given in executive session shall be furnished the witness at cost if the testimony has been released or publicly disclosed, or if the chairman so orders.

"(10) No testimony given in executive session shall be publicly disclosed in part only.

"(i) Whenever the committee determines that any testimony, statement, release, or other evidence or utterance relating to a question under inquiry may tend to defame, degrade, or incriminate persons who are not witnesses, the committee shall observe the following additional procedures, so far as may be practicable and necessary for the protection of such persons:

"(1) Persons so affected shall be afforded an opportunity to appear as witnesses, promptly and at the same place, if possible, and under subpena if they so elect. Testimony relating to the adverse evidence or utterance shall be subject to applicable provisions of part (h) of this rule.

"(2) Each such person may, in lieu of appearing as a witness, submit a concise, pertinent, sworn statement which shall be incorporated in the record of the hearing to which the adverse evidence or utterance relates.

"(j) The chairman or a member shall when practicable consult with appropriate Federal law-enforcement agencies with respect to any phase of an investigation which may result in evidence exposing the commission of Federal crimes, and the results of such consultation shall be reported to the committee before witnesses are called to testify therein.

"(l) Requests to subpena additional witnesses hall be received and considered by the chairman in any investigation in which witnesses have been subpenaed. Any such request received from a witness or other person entitled to the protections afforded by part (h) or (i) of this rule shall be considered and disposed of by the committee.

"(m) Each committee conducting investigations shall make available to interested persons copies of the rules applicable therein."

SEC. 6. Rule XXII of the Rules of the House of Representatives is amended by adding at the end thereof the following new paragraph:

"7. All bills and resolutions to authorize the investigation of particular subject matter shall define such subject matter clearly, and shall state the need for such investigation and the general objects thereof."

I submit any of the other resolutions on this subject deserve more careful consideration and more favorable action than this one.

I also append an article published in the Virginia Law Review, as follows:

RULES FOR CONGRESSIONAL COMMITTEES: AN ANALYSIS OF HOUSE RESOLUTION 447

(By HUGH SCOTT* and Rufus King**)

The broad power of Congress to gather facts has been taken for granted ever since the Constitution became the supreme law of our land.[1] The power grounds in implication only,[2] but its justifications are compelling. Legislators cannot be expected to meet their responsibilities without free access to facts. Manifestly, the enactment of wise laws will be assured only if Congress has

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[1] See McGeary, Congressional Investigations: Historical Development, 18 University of Chicago Law Review 425 (1951); The Constitution of the United States of America, S. Doc. No. 170, 82d Cong. 2d sess. 82 (Corwin ed. 1953); Congressional Power of Investigation, S. Doc. No. 99, 83d Cong., 2d sess. (1954).

[2] The Constitution simply vests "All legislative powers herein granted" in Congress. United States Constitution, art. I, sec. 1. The right to conduct inquiries is an "appropriate adjunct" to this power (*McGrain* v. *Daugherty* (273 U. S. 135 (1927)).

unlimited authority to inquire about the objects of its lawmaking efforts.

Moreover, Congress' authority in this respect should not be subjected to external limitations from any source less exalted than the Constitution itself, for whoever sets bounds on what Congress may know would thereby circumscribe what Congress could do in matters otherwise within its proper reach. On the one hand it seems plain, therefore, that the congressional power of inquiry will admit of no burdensome restrictions. This is almost universally conceded; no responsible observer has so much as suggested hobbling Congress in its fact-seeking activities.[3]

Yet on the other hand it is also widely conceded by responsible persons that the investigative processes have been abused of late,[4] at least in a few instances.[5] And very considerable pressures have been generated for appropriate reforms. The subject of this discussion, House Resolution 447,[6] is the latest in a long series of remedial measures, developed in and out of Congress,[7] with such reforms in view. The authors respectfully acknowledge that House Resolution 447 reflects many virtues from its numerous and worthy forbears.[8]

There is nothing wrong with the basic structure in which our Founding Fathers mounted the congressional power of inquiry. Congress has always been amenable to constitutional limitations, interpreted and enforced by the courts. All the protections of the Bill of Rights apply fully, and the judicial arm on occasion has undertaken—albeit somewhat gingerly—to determine where the power must yield to constitutional prohibitions when it meets them in direct conflict.[9] At any rate, Congress has never shown any inclination to perpetuate enduring or widespread abuses. The flagrant cases, spread over the years, are anything but alarming in number or degree.

Actually, the trouble is of a much lower order. It is due to the fact that the investigative power must, as a practical necessity, be delegated internally by each House of Congress to its committees, subcommittees, or even sometimes to individual Members. Thus the power comes to be centered in the hands of very small groups of men whose only common background is success in the arena of partisan politics. Some are lawyers and skilled parliamentarians; some are not. Some are wise and temperate; others incline overly to the ambitions, prejudices, and passions that are as ubiquitous as human nature itself. Small wonder, then, that fact-seeking activities are complained of from time to time. Besides, astonishingly, this vast power has been doled out year after year with almost no limitations in the way of procedural requirements governing its exercise.[10]

Such was not the intent of the Founding Fathers—or at least they made ample provisions for a contrary practice. The Constitution specifies that "Each House may determine the rules of its proceedings [and] punish its Members for disorderly behavior."[11] Thus Congress' own rulemaking prerogatives are expressly grounded in the Constitution, dispelling any doubt as to their availability for the purpose of curbing the exercise of other constitutionally conferred powers by Members of either House. The prerogatives are transcendent: no enacted statute, no joint Senate-House agreement, nor even a prior rule laid down by either body can restrain what a majority of the Senate or House wishes to do, at any time, about its own procedures.[12] And within this Olympian preserve, the courts have no claim to any authority or jurisdiction.[13]

House Resolution 447 is proposed as an exercise of the rule-making prerogatives of the House of Representatives. If so passed it would have as much force as anything short of a direct amendment to the Constitution. It would, to the extent that any House rule is enforceable, be absolutely binding on committees and individual members. Yet at the same time it would remain subject to change or repeal at will by the House itself.[14] So, in net effect, what are fairly designated rules of procedure for investigative bodies, acting by authority of the House, can never amount to more than mere affirmations of self-restraining principles for the parent body. This qualification the authors find acceptable and proper.[15]

Before launching into the text-and-commentary presentation of House Resolution

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[3] For a statement of opposition to all procedural rules, as undesirably restrictive, see Meader, Limitations on Congressional Investigations, 47 Michigan Law Review 775 (1949), and Congressional Investigations: Importance of the Fact-Finding Process, 18 University of Chicago Law Review 449 (1951). The author is now a Member of Congress, representing the Second District of Michigan.

[4] See, e. g., Keating, Legislative Investigations: Proposed Remedial Legislation, 29 Notre Dame Law. 212 (1954); Keating, Code for Congressional Inquiries, New York Times Magazine, April 5, 1953, p. 10; Frelinghuysen, A G. O. P. Congressman's Views on Security Investigations, the Reporter, March 16, 1954, p. 23; Javits, Some Queensberry Rules for Congressional Investigators, the Reporter, Sept. 1, 1953, p. 23; Garrison, Congressional Investigations: Are They a Threat to Civil Liberties? 40 ABAJ 125 (1954). Messrs. Keating, Frelinghuysen, and Javits are Members of Congress; Mr. Garrison is a former dean of the University of Wisconsin School of Law. As this article goes to press, complaints are again being aired on the floor of both Houses and elsewhere. (CONGRESSIONAL RECORD, vol. 100, pt. 1, p. 1086, and pt. 2, pp. 2205 and 2294); see Fortas, Legislative Investigations: Abusive Practices of Investigating Committees, 29 Notre Dame Law, 192 (1954).)

[5] It must not be forgotten that the investigations which arouse controversy are an insignificant number in relation to the whole: every year the nearly 50 active committees of the two Houses address themselves, in more or less formal hearings, to several hundred subjects of inquiry. Amounts appropriated and spent by congressional committees must be strictly accounted to the Secretary of the Senate, or Clerk of the House, as the case may be. Such information is published at least once every six months in the Congressional Directory. See 60 Stat. 812, 832 (1946). A balanced and scholarly study by Judge Wyzanski, reprinted from the March 1948 Record of the Association of the Bar of the City of New York, in the CONGRESSIONAL RECORD, volume 94, part 10, page A1547, places the entire problem—and the need for remedial action—impeccably in its proper context.

[6] 83d Cong., 2d sess., Feb. 17, 1954.

[7] Committee on Bill of Rights, Association Bar City of New York, Report on Congressional Investigations (1948); Special Committee Bar Association District of Columbia, Rules of Procedure for Congressional Hearings, 20 JBADC 354 (1953); Commission on Law and Social Action, American Jewish Congress, A Model Code of Fair Procedure for Congressional Investigating Committees (1954). Measures pending in the 83d Congress to date and variously related to the subject are, besides H. Res. 447; S. Res. 65 (Gillette); S. Res. 83 (Morse and Lehman); S. Con. Res. 10 and 11 (Kefauver); S. Con. Res. 64 (Morse and Lehman); H. R. 2270 and 4123 (Javits); H. Res 29 (Keating); H. Res. 86 (Celler); H. Res. 173 (Burleson); H. Res. 178 (Klein); H. J. Res. 11 (Boggs); H. Con. Res. 131 (Dies); and H. Con. Res. 186 (Heller). Earliest of these in point of time was Mr. KEATING'S, who sponsored similar measures in the 81st Congress, H. Res. 40 (1949) and in the 82d Congress, H. Res. 27 (1951).

[8] A special Subcommittee on Legislative Procedure, of the House Rules Committee, has been holding hearings since July 1953 on various rules proposals. The hearings were concluded March 9, 1954, and should soon be printed and available as a House document. It should be stressed that none of the pending proposals, including H. Res. 447, is in any sense the "last word" on the subject. Clarifications and improvements are likely to be incorporated at many points as the measures are considered further.

[9] *United States* v. *Rumeley* (345 U. S. 41 (1953)), *Sinclair* v. *United States* (279 U. S. 263 (1929); *McGrain* v. *Daugherty* (273 U. S. 135 (1927)); *Hale* v. *Henkel* (201 U. S. 43 (1906)); *Kilbourn* v. *Thompson* (103 U. S. 168 (1884)). McGreary, The Development of Congressional Investigative Power 106 (1940).

[10] Some committees have filled the void by adopting rules for themselves, e. g., the Senate and House Committees on Government Operations, the House Committee on Un-American Activities, the Senate Judiciary Committee's Subcommittee on Internal Security, the House Ways and Means Committee's Subcommittee on the Administration of the Internal Revenue Laws, and the House Judiciary Committee's Subcommittee to Investigate the Department of Justice. It is noteworthy that the last named subcommittee's authorizing resolutions (H. Res. 95, 82d Cong., 1st sess. (1951); H. Res. 50, 83d Cong., 1st sess (1953)) were limited by a specific injunction "to conduct an inquiry * * * relating to and limited to specific allegations and complaints based upon credible evidence determined by the subcommittee and not based on mere suspicion and rumor, to the end that the investigation shall be nonpolitical and nondiscursive."

[11] Art. I, sec. 5, par. 2.

[12] 1 Hinds' Precedents of the House of Representatives, secs. 82, 187, 210, 245 (1907); 4 id., secs. 3298, 3579; 5 Cannon's Precedents of the House of Representatives, secs. 6002, 6743–6747, 6765–6766 (1936). The House, not being a continuing body like the Senate, actually readopts its rules by resolution at the opening of each new Congress. See, e. g., H. Res. 5, 83d Cong., 1st sess. (1953).

[13] *Barksy* v. *United States* (167 Fed. 241 (D. C. Cir.), certiorari denied, 334 U. S. 843 (1948)); *Hearst* v. *Black* (87 F. 2d 68 (D. C. Cir. 1936)). Courts will, however, take cognizance of congressional rules where private rights are affected. *United States* v. *Christoffel* (338 U. S. 84 (1949)); *United States v. Smith* (286 U. S. 6 (1932)).

[14] It would be hoped, of course, that parallel rules might be adopted by the Senate; the existing rules of the two Houses are similar in most important particulars. A number of the features of H. Res. 447 are already provided in the Senate's procedures. The Legislative Reorganization Act of 1946 (60 Stat. 812, 831 (1946)) confers investigative powers on all standing committees of the Senate, and provides for the settlement of jurisdictional disputes, etc. See, Senate Manual, S. Doc. No. 10, 83d Cong., 1st sess., 60–62 (1953).

[15] It is helpful to bear in mind that rules governing committees have two distinguishable levels of effectiveness, while rules for the conduct of hearings have three: upon the House itself they bind as mere principles and precedents, entitled to observance and until changed; upon members they would weigh as heavily as the House presses them, by means of its internal sanctions of censure, punishment, and expulsion; but upon committees vis-a-vis witnesses they might sometimes be relied on as measures of private right, within the orbit of the Smith and Christoffel cases. Enactment of a court-enforcement measure (see H. R. 4975, note 25, infra) would tend to emphasize the last noted result.

447 which follows, it is appropriate to stress that every effort has been made to adapt both the form and substance of the resolution to the existing Rules of the House of Representatives. These rules[16] have been developed by slow accretion since 1789. It must be borne in mind that all of them are affirmations of principle—and not statutes. Where the drafter of statutes must strive constantly for precision and inclusiveness, the rulemaker has wide latitude. Statutes measure power; rules such as these merely offer flexible guides for its orderly exercise. Most of the vagaries and imprecisions in the structure of House Resolution 447 were put there knowingly; it was not deemed wise to use forms suggesting absolute right and duty when the force intended was something less.[17] Internally, the House will have no need of elaborate specifications if it wishes to censure abuses by a Member. Externally, in their relations with recusant witnesses and contentious counsel, congressional committees should not be hamstrung by unqualified precepts inviting captious arguments and table pounding.[18]

And besides, as has already been suggested, there are scores of investigations quietly run off with with no need for rules, to offset every one that provokes questions or criticism. It would be folly to burden all of the day-to-day business of Congress with unyielding restraints designed only for the rare exception where restraints are justified.

The rules of the House of Representatives are now 42 in number. They govern everything from important matters like the duties of the Speaker and House officers to trivia like, "during the session of the House no Member shall wear his hat," and "Neither shall any person be allowed to smoke upon the floor of the House at any time." Two rules, X and XI, deal with committees. Rule X governs the appointment of standing committees (now 19 in number) and select committees. Rule XI, titled "Powers and Duties of Committees," is a catchall for the miscellany which the rules now contain on the subject of committee organization and procedures. Of its 29 numbered paragraphs, 2 paragraphs 25 and 26, contain all of the provisions governing committee proceedings and the conduct of hearings.

House Resolution 447 is addressed principally to expanding and revising the contents of these 2 paragraphs, XI–25 and XI–26. In the following analysis, each clause of the proposed resolution will be set out in full,[19] and then commented on in detail.

RULE XI–25: COMMITTEE RULES, RECORDS, AND VOTES

General comment: Provisions of present rule XI–25 appear, as noted hereafter, in clauses (a), (b), (c), (d), (e), and (f) of paragraph 25 of House Resolution 447, and in clauses (e) and (f) of paragraph 26 thereof. No liberties have been taken with any of the existing text,[20] except to broaden its application and make mechanical adjustments where necessary. The rearrangement was required, in part, by a regrouping of provisions from both paragraphs so as to include all those relating to committee business in general within paragraph 25, and all those relating to committee hearings within paragraph 26.

"*Resolved*, That paragraph 25 of rule XI of the rules of the House of Representatives is amended to read as follows:

"'25 (a). The rules of the House are hereby made the rules of its committees so far as applicable, except that a motion to recess from day to day is hereby made a motion of high privilege in said committees. The rules of committees are hereby made the rules of subcommittees so far as applicable. Committees and subcommittees may adopt additional rules not inconsistent with the rules of the House.'."

25 (a). The first sentence consists of the present clause (a) of paragraph 25 in its entirety. The second sentence is new, inserted to assure the application of the rules to subcommittees, and to avoid repeated references thereafter wherever the word "committee" stands alone.[21] The latter includes both standing and select committees.[22] The last sentence is also new, added to make certain that committees will not be dissuaded from making such additional rules as may prove necessary in particular situations—so long as the same are "not inconsistent" with the instant provisions.

"'(b) Each committee shall keep a complete record of all committee action. Such record shall include a record of the votes on any question on which a record vote is demanded'."

25 (b) is identical with its present counterpart.

"'(c) Unless otherwise provided, committee action shall be by vote of a majority of the full membership of the committee; powers of the committee chairman may be exercised by an acting chairman or presiding Member.'."

25 (c) is new, intended to create the safeguard—"unless otherwise provided"—of requiring majority approval of all actions formerly taken by the committee.[23] The second clause is added merely to avoid repeating the proposition it contains elsewhere in the rules.

"'(d) All committee hearings, records, data, charts, and files shall be kept separate and distinct from the congressional office records of the Member serving as chairman of the committee; and such records shall be the property of the House and all Members of the House shall have access to such records. Each committee is authorized to have printed and bound testimony and other data presented at hearings held by the committee.

"'(e) It shall be the duty of the chairman of each committee to report or cause to be reported promptly to the House any measure approved by his committee and to take or cause to be taken necessary steps to bring the matter to a vote.

25 (d) and (e) are identical with clauses (c) and (d) of paragraph 25 of the present rule.

"'(f) No measure, finding, or recommendation shall be reported to the House from any committee unless a majority of the committee were actually present and approved the same.'"

25 (f) is the present clause (d) of paragraph 25 with the word "finding" and the phrase "and approved the same" added. The former addition is for an editorial purpose which is clear from its context; the latter is intended to tighten the present rule slightly.[24]

RULE XI–26: INVESTIGATIVE FUNCTIONS AND CONDUCT OF HEARINGS

General comment. In the proposed rule XI–26 are gathered all rules pertaining both to the investigative functions of committees and to the conduct of hearings. But within this paragraph there is a further division, between general provisions which relate to all investigations and special rules applicable only to the small class of proceedings in which witnesses and other persons may be degraded, defamed, or incriminated. The latter special rules (which are contained in the long clauses (k) and (l) come into play only when degradation, defamation, or incrimination are threatened, and then only "so far as may be practicable and necessary." The intent is to avoid burdening ordinary hearings with any of these cumbersome special requirements, yet to make them available—and at least arguably applicable[25]—in all cases where they may be

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[16] Printed for use in the 83d Cong. as H. Doc. No. 564, 82d Cong., 2d sess. (1953).

[17] In the entire text of H. Res. 447, only 3 rights are directly conferred on individuals without qualification: to elect to be heard publicly rather than in executive session (par. 26 (f)); to testify without broadcasting reproduction, if timely protest is made, and without "harassment or undue distraction" (par. 26 (g)); and to be advised by counsel (par. 26 (i)). All the others are diluted with an element of discretion vested in the committee or the chairman.

[18] It is believed and intended that these diluted rights would not be imposed as rigid measures of due process by the courts—nor would provisions operating solely on committees' internal workings be likely to be applied for the benefit of outsiders. The Christoffel case is distinguishable, for the Court there had before it a technical statutory definition (of "competent tribunal," as used in D. C. Code, title 22, sec. 2501 (1951)). The Christoffel dissent, 338 U. S. 90, is in point. Compare, *United States* v. *Bryan* (339 U. S. 323 (1950)).

[19] Read consecutively, the indented matter in the text constitutes the entire body of H. Res. 447.

[20] All but the first clause of paragraph 25 and all of paragraph 26 of the present rule XI were incorporated into the rules from the Legislative Reorganization Act of 1946, secs. 133, 136, 202. 60 Stat. 831, 832, 834 (1946).

[21] It is noteworthy that H. Res. 447 imposes no limits on the creation or composition of subcommittees. Universal practice is to appoint at least 3 members for any work of importance, yet situations are possible where a subcommitee of 1 or 2 might suffice and be entirely unobjectionable. Moreover, no restrictions on the right of committees and subcommittees to delegate the power to conduct hearings would be workable, and this is the only power at stake in the current controversy about "one-man committees." The latter phenomenon is discussed and dealt with in connection with clause (h) of paragraph 26, infra. See also note 23, infra.

[22] Members of joint committees are subject to the rules of their respective Houses unless they adopt additional rules jointly. No such committee can be bound, per se, by rules adopted unilaterally by either House.

[23] It is intended, as indicated in paragraph 25 (a), that all rules shall apply fully and directly to subcommittees, as far as possible. Thus here, for instance, subcommittee action would require approval from a majority of the subcommittee, and not from the full committee. The word "action" is believed to be broad enough to permit majority control over any activity where the committee wishes to share in the decisions of its chairman or any single member.

[24] Requiring majority approval is more than requiring mere presence—i. e., a quorum. The new rule is consistent with the new terms of 25 (c); it would also tend to protect minorities in the filing of dissents. This is deemed sufficient without any more particular specification, e. g., that dissenting views must be filed simultaneously, etc. Note that irregularities on account of this rule would be waived if not raised before the House begins debate on the matter. 8 Cannon's Precedents, sec. 2223 (1936).

[25] A measure initiated by Representative KEATING, H. R. 4975, 83d Cong., 1st sess. (1953), would give congressional committees the same right of recourse to Federal courts now enjoyed by a dozen or so independent executive agencies, namely, the right to invoke court aid promptly in the enforcement of committee orders. See e. g., 15 U. S. C. sec. 79r (d) (1946) (SEC); 15 U. S. C. sec. 49 (1946) (FTC); 29 U. S. C. sec. 161 (2) (1946) (NLRB). This is a good proposal. Presently the only sanction available to committees, as a practical matter,

needed. Clauses (k) and (l) are substantially the whole body of inovations usually proposed by advocates of procedural reform in congressional hearings.[26]

(SEC. 2.) Paragraph 26 of rule XI of the Rules of the House of Representatives is amended to read as follows:

"26 (a). To assist the House in appraising the administration of the laws and in developing such amendments or related legislation as it may deem necessary, each standing committee of the House shall exercise continuous watchfulness of the execution by the administrative agencies concerned of any laws, the subject matter of which is within the jurisdiction of such committee; and, for that purpose, shall study all pertinent reports and data submitted to the House by the agencies in the executive branch of the Government. All committees may conduct investigations into questions and matters within their jurisdiction."

26 (a). The first sentence consists of the full text of the present rule XI–26. The second sentence, which is new, confers investigative powers generally upon all committees and subcommittees.[27] In theory, broad powers of inquiry are available to only three standing House committees in whom they have been specifically vested.[28] In practice, however, such powers may be had for the asking by any committee requesting them from the House in connection with a proposed line of inquiry. It is therefore proposed to confer the powers generally, bringing the rules into line with current practice, with the result that no special grants need hereafter me made—but with the additional result that extraordinary grants, departing from the pattern established by the rules, would be harder to obtain from the House:

"(b) All questions of jurisdiction, order, decorum, or right and all alleged violations of this rule arising in the conduct of investigations may be referred by any member to the Committee on Rules, except that such reference concerning investigations by the Committee on Rules may be made to the Committee on House Administration. Questions and allegations not disposed of upon such reference may be referred to the House for opinion or, if the case requires it, for censure or such punishment or other action as the House may deem proper."

26 (b). This is an attempt to suggest a flexible appeals procedure for rule enforcement. The problem is difficult, for machinery too rigid in its operation and applications would be wholly undesirable. Provision is made for an initial reference of any question or complaint to the Committee on Rules,[29] with the patently necessary addition that matters affecting the Rules Committee itself shall be referred to the Committee on House Administration instead. Reference may be made only by a Member, for it is felt that any grievance which does not enlist the sympathies of a single Member (of the entire House) would be unlikely to merit review in any case.

By way of further appeal it is provided that any question or allegation not disposed of on reference to the Rules Committee may thereafter be referred directly to the House. Here also the language used is general. For example, it does not specify what the Committee on Rules must do upon receipt of a complaint, nor is the power of appeal to the House given exclusively to either the complaining member or the committee. Any Member may, of course, lodge a complaint with the Rules Committee presently, quite apart from any such rule as this, and any Member is at liberty to address the House to advise it of a grievance. The procedure suggested merely tends to emphasize that supervisory rule enforcement, by the House itself acting through its Rules Committee or otherwise, is intended to be available in flagrant cases where such action might really prove necessary:

"(c) No committee staff member shall be assigned to investigative activities until approved by the committee for such assignment."

26 (c). This new clause takes special account of a matter which has recently been the subject of public controversy, namely, the chairman's authority to assign staff members to investigative activities. It is felt that the committee should have a veto power, for use in the rare instances when it becomes important:[30]

"(d) Subpenas to require the attendance of witnesses, the giving of testimony, and the production of books, papers, and documents shall be issued only by authority of the committee, shall be signed by the chairman or any member designated by the chairman, and may be served by any person designated by the committee, the chairman or the signing member."

26 (d) is paraphrased from the special provisions giving investigative power to three standing committees only.[31] In requiring that subpenas shall be issued "only by authority of the commitee," it is contemplated that such authority will normally be delegated to the chairman. As in the preceding clause, it is simply desirable to have the restraining principle enunciated for use in the rare cases when it might become important.[32] The provision authorizing service of subpenas by any designated agent is intended to eliminate attacks on Congress' contempt powers based on hypertechnical claims of irregularity in the service of subpenas:[33]

"(e) Each committee shall, so far as practicable, require all witnesses appearing before it to file in advance written statements of their proposed testimony, and to limit their oral presentation to brief summaries of their argument. The staff of each committee shall prepare digests of such statements for the use of committee members."

26 (e) is identical with the present text of clause (f) of paragraph 25:

"(f) All hearings conducted by committees shall be open to the public, except executive sessions for marking up bills or for voting or where the committee orders an executive session. No witness shall be compelled to give oral testimony before an executive session if, prior to testifying, he demands to be heard in public."

26 (f). The first sentence is a paraphrase of the present text of clause (g) of paragraph 25, with changes intended only to broaden its application to all committees. The second sentence, a new addition, embraces the important principle that no witness can be forced to give testimony in an executive session if he demands to be heard publicly. Attitudes concerning the use of executive sessions to hear witnesses in secret run the whole gamut, from stout defense to violent disapproval, and this is understandable because abuses are possible at

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is punishment for the statutory offense of contempt, in the normal channels of prosecution long after the fact. See 2 U. S. C. secs. 192, 194 (1946). Under H. R. 4975, if the committee's claim is proper, its authority will be backed immediately by the court's own contempt powers. If on the other hand the committee is pressing an improper claim, the court could promptly vindicate the person resisting it, by withholding the order sought. How far rules such as those proposed in H. Res. 447 would be applied in this new enforcement process is left undetermined at present. H. R. 4975 could be amended to provide that a committee applying for aid must show compliance with its own rules; or H. Res. 447 might specify that no one affected by a serious violation of the committee's rules could be punished for defying it on that account. See, e. g., American Jewish Congress Model Code, sec. 14, supra note 7. But maximum flexibility is deemed esential until both the bill and the new rules have been given a trial. It may well suffice to let the rules stand qualified as they are, as mere measures of fair play, for application as measures of right only where, in the view of the court, some existing principle of due process is outraged.

[26] Perhaps, looking toward a court-enforcement device such as H. R. 4975, note 25, supra, some minimum outlines of rules of evidence and substantive right should be added; e. g., a statement that hearsay shall be admissible, that rules of competency are (or are not) applicable, and that privileges such as attorney-client, husband and wife, etc., shall be respected. These have not been dealt with in H. Res. 447; to date, most committees have had no difficulty applying such concepts where they were reasonably required. And constitutionally grounded privileges like the privilege against self-incrimination need no restatement, of course.

[27] Subcommittees are included by virtue of the general provision already noted in par. 25 (a). The truly important control over investigative activities, the power to give or withhold funds, is normally available to parent committees vis-a-vis their subcommitees, and is always available to the House. This power, contained in pars. 27 and 28 of the present rule XI, is untouched by H. Res. 447.

[28] See note 31, infra.

[29] Among existing House committees, the Committee on Rules is admirably constituted and empowered for this informal primary jurisdiction. It has special authority to sit, whether or not the House is in session [rule XI–16 (c)]; it may interrupt other business to make reports to the House [rule XI–20]; its reports are entitled to priority in consideration [rule XI–21]; and its general authority over committee assignments could conceivably be exercised, in extreme cases, to recommend the demotion of a chairman or the reassignment of a member who has abused his prerogatives.

[30] Regular professional staff members of standing committees may now be hired and fired only by majority action (rule XI–27 (a)); the new provision would thus merely broaden an established requirement, with regard to investigative assignments. Where the author of a special resolution calling for an investigating committee becomes the committee's chairman, as is commonly permitted, he is likely to have some preconceived "slant"; under such circumstances, restraint on his selection and assignment of staff members is of particular importance.

[31] Rule XI–2 (b) (Committee on Appropriations); rule XI–8 (d) (Committee on Government Operations); and rule XI–17 (b) (Committee on Un-American Activities), quoted in note 56 infra.

[32] Another possible restraint, unused to date and illustrating the flexibility of the present rules, is the requirement (rule I–4) that "all * * * subpenas of, or issued by order of, the House" must be signed by the Speaker. The subpenas of committees and subcommittees are of course subpenas "of * * * the House." Thus all could probably be required, if necessary, to be cleared through the Speaker himself.

[33] *Cf. United States* v. *Fleischman* (339 U. S. 349 (1950)); *United States* v. *Josephson* (165 F. 2d 82 (2d Cir. 1947), cert. denied, 333 U. S. 838 (1948)). A few years ago an effort was made to meet this problem, in part, by a proposed statute, S. 2057, 82d Cong., 1st sess. (1951), which died in committee. Note that House Rule I–4, supra note 32, perhaps invites such attack; subpenas likely to be challenged probably should be countersigned by the Speaker in every case, as a precautionary measure.

both ends of the scale. If the committee anticipates recklessly hurtful testimony or inferences, it may be preferable not to conduct the interrogation in public. Under such circumstances a hearing in executive session would be clearly indicated and desirable.

Yet under nearly similar circumstances, if the witness himself is in danger of being recklessly hurt by a committee trying to "get" him, the executive session is potentially a device of oppression. It can be used purely as a dress rehearsal for an ensuing public spectacle. In secret the witness may be pounded to pieces by lengthy and intensive grilling—with every reply given under oath and recorded against him—until whatever charge the committee is trying to develop has been woven into the record in its worst light. Then the curtain is raised and the witness is put through the same process again, bound now, at the risk of perjuring himself, to stick by his earlier replies, but under the terrible disadvantage of having only the most damning and accusatory lines of his earlier testimony brought out again. Or the committee may, at its election, merely release the secret transcript.[34]

In balance, it was felt that potential abuses of the executive hearing as a star chamber outweigh in gravity the possible dangers of reckless testimony elicited in public. The right to insist on a public hearing would obviously not be resorted to by friendly witnesses, so in all but the rare case the rule would be unimportant; where it becomes so, it should be available: [35]

"(g) No witness shall be compelled to give oral testimony for broadcast, or for direct reproduction by motion-picture photography, recording, or otherwise in news and entertainment media if, prior to testifying, he demands to be heard without such coverage; nor shall any witness be subjected to harassment or undue distraction from any cause while testifying under compulsion."

26 (g) contains a middle-of-the-road provision on the subject of radio and television coverage. A substantial body of opinion, both within and outside of Congress, holds that no direct reproduction of committee proceedings should be permitted under any circumstances.[36] This conservatism grounds partly in the analogy to judicial proceedings,[37] but also, in part, in technical difficulties which are susceptible of correction. Great strides have been made in reducing camera noise and diminishing the illumination requirements for adequate television coverage; problems of taste and propriety in the matter of sponsorship, and timing in relation to fair and full presentation, may yield to further study and cooperation with the broadcasting industry.[38]

Certainly it is potentially wholesome to allow the public occasionally to look and listen in directly on Congress at work. But in any case, it is strongly felt that no witness should be compelled to participate in any kind of broadcast unwillingly. Therefore, the proposed rule creates an absolute right of refusal in each person called upon to testify.[39] Note that the right must be asserted "prior to testifying"—otherwise it, like the right to be heard in public, granted in clause (f), above, will be lost.

The final clause is intended to protect the involuntary witness from other distractions, such as commotion in the hearing room, the continuous discharge of flashbulbs, and so forth, while he is testifying:

"(h) Oaths may be administered and hearings may be conducted and presided over by the chairman or any member designated by the chairman, who shall constitute a quorum for the receipt of evidence and the taking of testimony unless the committee otherwise provides."

26 (h) incorporates into the rules an existing statutory provision authorizing the administration of oaths [40] and establishes one-man quorums to conduct hearings "unless the committee otherwise provides." The latter measure is believed to be sufficient to counteract such technical difficulties as were raised against a perjury indictment in *Christoffel* v. *United States*.[41] In that case, a conviction for perjury before a House committee was reversed because a quorum under the House rules was not present, and therefore the committee was not a "competent tribunal" within the meaning of the perjury statutes:

"(i) Witnesses shall be permitted to be advised by counsel of their legal rights while giving testimony, and to be accompanied by counsel at the stand unless the chairman otherwise directs."

26 (i) confers upon all witnesses the right to be advised "of their legal rights" while giving testimony. This right is almost universally accorded, but it has never been formally enunciated, either by Congress or by the courts. Note that the right to be advised by counsel is expressed as an absolute, while the right to be accompanied by counsel at the stand is subject to modification by the chairman. This reflects the conviction that the witness should be permitted to have legal advice under all circumstances, in executive as well as open sessions, even though his advisers might, in certain cases, be compelled to sit apart or even be excluded from the hearing room. Even then the witness should still be permitted such consultation as might prove necessary.

The phrase "legal rights" has been inserted to differentiate the objectionable practice of coaching by counsel; the committee has a right to testimony from the witness, and not merely to parroted responses originating with his advisers:

"(j) Witnesses, counsel, and other persons present at committee hearings shall maintain proper order and decorum; counsel shall observe the standards of ethics and deportment generally required of attorneys at law. The chairman may punish breaches of this provision by censure or by exclusion from the committee's hearings, and the committee may punish by citation to the House as for contempt."

26 (j) establishes general standards of behavior to give each committee a formal basis for the protection of its own proceedings and the dignity of the House.[42]

Safeguarding Personal Reputations

26 (k) is the first of two lengthy clauses designed to come into play only when committee proceedings approach subject matter that threatens special injury to individuals' reputations, etc. Clause (k) contains 10 provisions developed for the protection of witnesses. Clause (1) deals with protections for nonwitnesses. Nearly all of these provisions have been tested and found workable in actual investiagtions of the types toward which they are here directed.[43] Persons seeking to avail themselves of clauses (k) or (l) have the burden of showing their applicability, i. e., that the inquiry "may tend to defame, degrade, or incriminate"; thereafter, the committee is obliged to follow the clauses only to an extent "practicable and necessary." They are thus exhortatory, and fully acknowledged to be such.

But, if their contents are accepted as no more than standards of fair play, exhortatory force may be enough. Merely stating them formally will give the committees a rule of thumb to apply, and will clarify the position of persons affected by the proceedings. It will serve to guide any reviewing authority—a supervisory committee, the full House membership, a judicial forum, or the general public—to which appeals or protests may ultimately find their way. Scarcely more could be expected of any set of precepts, however rigidly formulated, in this context:

"(k) Whenever any testimony relating to a question under inquiry may tend to defame, degrade, or incriminate persons called as witnesses therein, the committee shall observe the following additional procedures, so far as may be practicable and necessary for the protection of such persons:

"[k] (i) The subject of each hearing shall be clearly stated at the outset thereof, and evidence sought to be elicited shall be pertinent to the subject as so stated."

26 (k) (i) requires the subject matter of each hearing to be stated at the outset, so that all interested parties may know generally what to expect,[44] and imposes a formal test of pertinency [45] on evidence sought to be elicited by the committee:

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[34] In this latter connection, see also pt. (x) of clause (k) of par. 26, infra.

[35] In last analysis, the committee would still retain control, through its power to hold the witness to responsive answers plus its absolute right to govern the course of the questioning.

[36] See, e. g., committee on bill of rights, Association Bar City of New York, Report on Congressional Investigations 8 (1948).

[37] Compare American Bar Association, Canons of Judicial Ethics, Canon 35.

[38] See, Senate Crime Committee, final report, S. Rept. No. 725, 82d Cong., 1st sess. 99 (1951), for a discussion and proposed model code on the subject of television, newsreel, and radio coverage.

[39] Cf. *United States* v. *Kleinman* (107 F. Supp. 407 (D. D. C. 1952)).

[40] 2 U. S. C. sec. 191 (1946); see, 3 Hinds' Precedents, secs. 1823, 1824, 2079 (1906).

[41] 338 U. S. 84 (1949); cf., Senate rule XXV–3 (b). Even apart from the Christoffel problem, it would be unwise to restrict the right of single members to hear testimony, beyond giving the committee power to alter the one-man quorum rule in special circumstances. A one-man quorum is not a one-man committee; often it is convenient and eminently proper for one member to conduct hearings. And where complaints are heard, they arise because additional members do not sit—not because they cannot. See note 49, infra.

[42] General powers of this nature, inhering in the House, have always been implied, and have been called into play when necessary. Under rule IX, questions "affecting the rights of the House collectively, its safety, dignity, and the integrity of its proceedings" are accorded the highest privilege. See 2 Hinds' Precedents, secs. 1599–1640; 3 id. secs. 1666–1724; *cf., Marshall* v. *Gordon* (243 U. S. 521 (1917)) *in re Chapman* (66 U. S. 661 (1897)) An important ommission is proposed to be remedied by H. R. 7955, 83d Cong., 2d sess., secs. 102, 104 (1954), by Mr. Scott, which would add "misbehavior" (the term of art for contempt "in the presence") to the offense of contempt of Congress now punishable under the terms of 2 U. S. C., sec. 192 (1946).

[43] See note 10, supra.

[44] Various more stringent notice requirements have been suggested, e. g., that subpenas should recite the subject matter about which the witness is to be queried, and that they must be served, or notice given, a fixed period such as 24 hours before any hearing. Some such protection against surprise, preferably cast in general terms ("notice reasonably in advance," for instance), might well be added at this point.

[45] "Pertinent" is used throughout in lieu of other similar adjectives because of its use in 2 U. S. C., secs. 192, 194 (1946), the congressional contempt statute. A general test of pertinency will seemingly be imposed by the courts independently of Congress' own rules. See *United States* v. *Rumely*, (345 U. S. 41 (1953)); *McGrain* v. *Daugherty* (273 U. S. 135 (1927)).

"[k] (ii) Preliminary staff inquiries may be directed by the chairman, but no major phase of the investigation shall be developed by calling witnesses until approved by the committee."

26 (k) (ii) provides that no line of inquiry may be pressed to the point of calling witnesses (which would perhaps not be regarded as "action" under clause (c), above) without formal approval from a majority of the committee.

"[k] (iii) All testimony, whether compelled or volunteered, shall be given under oath."

26 (k) (iii) establishes a principle which has proved desirable in avoiding embarrassment to the committee, as well as to protect others: that all persons, with no exceptions, shall be required to testify under oath in hearings of the type governed by this clause.

"[k] (iv). Counsel for witnesses shall be permitted, as justice may require, to address the chairman briefly on points of right and procedure, to examine their clients briefly for purposes of amplification and clarification, and to address pertinent questions to other witnesses whose testimony pertains to their clients, by written interrogatories submitted to the chairman or by cross examination."

26 (k) (iv) confers substantial rights on counsel [46] for witnesses appearing in such proceedings, available "as justice may require." Counsel may state questions and objections briefly for the record as in a court proceeding, may make a brief examination of his own client, and may examine other witnesses by written interrogatories or by cross-examination:[47]

"[k] (v). Testimony shall be heard in executive session, the witness willing, when necessary to shield the witness or other persons about whom he may testify."

26(k)(v) deals with the converse of the proposition contained in clause (f), above. It is here provided that where necessary, and if the witness does not object, executive sessions shall be used to shield the witness and other persons about whom he may testify from reckless charges and loose inferences:

"[k](vi). The secrecy of executive sessions and of all matters and material not expressly released by the committee shall be rigorously enforced; violations of this provision by non-Members may be punished by citation to the House as for contempt, and unauthorized disclosures by Members shall be censurable or punishable as the House may deem proper."

26(k)(vi) relates to enforcing the secrecy of executive sessions; the difficulty in this respect is not usually attributable to staff members or outsiders,[48] but arises, more often than not, from leaks intentionally or inadvertently permitted by Members themselves. It should be of at least some benefit to have a formal statement of the duty of Members [49] as well as others in this regard:

"[k] (vii). Witnesses shall be permitted brief explanations of affirmative or negative responses, and may submit concise, pertinent statements, orally or in writing, for inclusion in the record at the opening or close of their testimony."

26 (k) (vii) is in part a right which should clearly be permitted to hostile witnesses in order to prevent their being unfairly exploited by too narrow a use of the "yes or no" device, and in part a formalization of what is the usual practice—permitting a brief statement to be submitted by the witness for inclusion in the record of the hearing:

"[k] (viii). An accurate verbatim transcript shall be made of all testimony, and no alterations of meaning shall be permitted therein for any purpose whatsoever.

"[k] (ix). Each witness may obtain transcript copies of his testimony given publicly by paying the cost thereof; copies of his testimony given in executive session shall be furnished the witness at cost if the testimony has been released or publicly disclosed, or if the chairman so orders."

26 (k) (viii) and (ix) require an accurate transcript (which is usually kept but which could be omitted, to the witness' great prejudice, under circumstances conceivably arising without such a requirement), enjoin alterations of meaning (which reportedly have occurred in the guise of editing, to the witnesses' prejudice), and assure the right to transcript copies of the witness' own testimony at cost.

Under normal circumstances typed transcript copies are available from the reporter within a day or two after each session. The rule relates to these; [50] important things are almost always printed and distributed without charge a few weeks or months after their completion. Transcript copies of testimony given in executive session should also be available when the testimony has subsequently been either "leaked" or formally made public.

"[k] (x) No testimony given in executive session shall be publicly disclosed in part only, and if such partial disclosure is made, the committee shall promptly release such other parts as may be necessary to prevent distortion of the true import thereof."

26 (k) (x) given special protection against the injustices inherent in partial disclosures of what a witness has said in executive session.

Protections for nonwitnesses

26 (l), the next full clause, contains three provisions designed to give special protection to persons who are threatened with injury or incrimination without being directly involved in the proceedings as witnesses. Mechanisms for the protection of such persons have been one of the chief focal points of interest in recent studies of congressional committee procedures.[51] The authors are entirely in sympathy with this emphasis, and feel that the importance of the protections in clause (l) cannot be overstressed. Nonetheless, it contains the same limitation imposed in clause (k), tending to reduce it to exhortatory force only.

"(l) Whenever any testimony, statement, release, or other utterance relating to a question under inquiry may tend to defame, degrade or incriminate persons who are not witnesses, the committee shall observe the following additional procedures, so far as may be practicable and necessary for the protection of such persons:

"[l] (i) Persons so affected shall be notified of the existence or pendency of such adverse utterance."

26 (l) (i) requires the committee to give notice if possible, and in advance when possible,[52] to any person who is likely to be injured by testimony or other utterances emanating from the committee: [53]

"[l] (ii) Opportunity shall be afforded such persons to appear as witnesses, promptly and at the same place if possible, and under subpena if they so elect. Testimony relating to the adverse utterance shall be subject to applicable provisions of part (k) of this rule."

26 (l) (ii) gives such persons an opportunity to appear as witnesses before the committee if they wish to do so, "promptly and at the same place if possible." [54] Persons so electing to testify may do so under subpena, if they choose, for the simple reason that only thus do they become eligible for travel allowances and witness fees. All the

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[46] It is intended—and possibly should be specified—that persons appearing without counsel should have such rights themselves, in similar circumstances.

[47] It is sometimes complained that committees have to put up with abuses, too. For a reductio ad absurdum of one committee's attempt to confer on counsel rights similar to these, see Hearings before Special Subcommittee of House Committee on the Judiciary on H. Res. 50, 83d Cong., 1st sess., serial No. 2, pt. 1, 285, 292–293 (1953).

[48] Congress' right to keep its proceedings secret is acknowledged in the Constitution itself, art. I, sec. 5 (permitting secrecy with respect to the Journals of each House); violations of the ban of secrecy by outsiders is punishable as contempt, and if the theft of documents is involved, probably indictable under 62 Stat. 795 (1948), 18 U. S. C., sec. 2071 (Supp. 1952). *Cf. United States* v. *Brennan*, Criminal No. 1816, D. D. C.), January 23, 1953, where a reporter was indicted for posing as a congressional committee staff member to obtain secret transcripts. The case is now on appeal from a dismissal order.

[49] Jefferson's Manual of Parliamentary Practice, H. R. Doc. No. 564, 82d Cong., 2d sess. 115, 187 (1953), second only in authority to each House's own Standing Rules, specifies: "Any Member of the House may be present at any select committee, but can not vote, and must give place to all of the committee, and sit below them." This would seem to establish than any Member may attend executive as well as open sessions. In short, there is apparently no way, beyond internal sanctions within each House, that Members can be held to injunctions of secrecy, or that committee proceedings could be closed to interested Members.

[50] Perhaps another even more fundamental and generally accorded privilege—to inspect one's own testimony in transcript form—might also be spelled out in connection with this rule.

[51] The problem of the innocent and unknowing bystander who may be irreparably "smeared" is the one which has caused the most widespread concern; it is acknowledged in all the works and proposals cited in note 4 supra, and is covered by special rules of 3 of the 6 committees named in note 10 supra. The possibility of restricting witnesses' immunity from civil liability or criminal libel prosecutions as a restraint on irresponsible charges has been carefully weighed, but in view of the absolute privilege conferred in court proceedings, this approach has been at least tentatively rejected.

[52] It has been urged that some adverb such as "promptly" should be inserted in the mark-up of this provision. A requirement of promptness was surely intended, and such an addition would clarify the intent. But to go further and impose notice to affected persons as a specific condition precedent to disclosure would be unduly restrictive. The origin of the provision is rule X (A) of the House Committee on Un-American Activities, which requires notice to be sent by registered mail a "reasonable time" after a person has been publicly named as subversive, etc. Clarification might also be achieved by substituting "impendency" for "pendency," to avoid the ambiguity of the latter word.

[53] One practice, sometimes objected to, which is intended to be included within the compass of subparagraph (l), is the release of derogatory material collected in a committee's files. Persons injured thereby would clearly be entitled to the remedies conferred herein. But no preventive restriction could be directly imposed because of the present terms of rule XI–25 (c), carried forward into H. Res. 447 as 25 (d), which specifies that all "hearings, records, data, charts, and files * * * shall be the property of the House and all Members of the House shall have access" thereto.

[54] Where, for instance, hearings are held in some community remote from Washington, it is of little value to local citizens involved while local interest is at its height to be permitted a rebuttal days or weeks later after the committee returns to the Capitol.

protections enumerated in clause (k) are made available to persons choosing to testify under clause (l):

"[l] (iii) Each such person may, in lieu of appearing as a witness, submit a concise, pertinent sworn statement which shall be incorporated in the record of the hearing to which the adverse utterance relates."

26 (l) (iii) gives any person subject to the clause an alternative right, to submit in lieu of personal testimony a "concise, pertinent" sworn statement, for incorporation in the record.

"(m) The chairman or a member shall consult with appropriate Federal law-enforcement agencies with respect to any phase of an investigation which may result in evidence exposing the commission of Federal crimes, and the results of such consultation shall be reported to the committee before witnesses are called to testify therein."

26 (m) is a slight innovation. The authors hold firmly to the principle that congressional committees should never invade the domain of law-enforcement agencies to the extent of making cases against individuals, nor the domain of the courts to the extent of trying the individual guilt or innocence of anyone. Yet certain lines of inquiry may legitimately approach these areas. In such circumstances it has sometimes happened that a committee, ignorant of what is afoot in the Department of Justice, the Treasury Department, or some other enforcement or prosecutive agency, will utterly destroy a case being prepared there.[55] Clause (m) merely requires that a representative of the committee shall "consult" with the agencies that might be active in an area where the committee plans to operate, and that the results of such consultation shall be reported back to the committee for its consideration.

"(n) Requests to subpena additional witnesses shall be received and considered by the chairman in any investigation in which witnesses have been subpenaed. Any such request received from a witness or other person entitled to the protections afforded by parts (k) or (l) of this rule shall be considered and disposed of by the committee."

26 (n). In connection with the safeguards incorporated in clauses (k) and (l), it has been urged that witnesses and other persons affected by committee proceedings should have rights similar to those conferred on litigants and defendants in the courts, to cause persons to be subpenaed and interrogated at their insistence and for their protection. Such a privilege conferred without qualification would be impractical and subject to abuse. Nonetheless, in certain circumstances nothing short of calling additional witnesses might give adequate protection to a person embroiled in committee proceedings. So clause (n) is worded to suggest that anyone may request additional witnesses, and that requests from persons described in clauses (k) and (l) should receive consideration from the full committee:

"(o) Each committee conducting investigations shall make available to interested persons copies of the rules applicable therein."

26 (o) is intended to encourage wider adoption of a practice pioneered last year with great success by the House Committee on Un-American Activities. The committee's own rules of procedure, printed in a small booklet, are given out to all persons subpenaed as witnesses, to their counsel, and to other interested parties. Most committees would have no need for special rules, but perhaps general provisions might be printed for distribution through all committees, as may prove necessary. In any case, the principle that witnesses should have free access to whatever rules apply seems worthy of affirmation:

"(p) All rules relating to the conduct of investigations shall be liberally interpreted and applied, to the ends that justice shall be done, that committee business may be facilitated, and that the rights and interests of individuals shall be fully protected to an extent not inconsistent with the powers of the House in the premises."

26 (p) is merely a broad statement of policy. Except for the imperative, "justice shall be done," the statement directs fully as much attention to the importance of committee business and the overriding rights of the House as to the rights and interests of individuals.

MECHANICAL CHANGES

The third section of House Resolution 447 accomplishes certain mechanical changes within rule XI necessary to repeal the special investigative prerogatives of the three committees that now enjoy them by direct grant,[56] and to expand the jurisdiction of the Rules Committee appropriately to implement the authority conferred upon it herein:

"[SEC. 3.] (a) Clauses 2 (b), 8 (d), and 17 (b) of rule XI of the Rules of the House of Representatives are each amended by striking out everything after "or has adjourned" and inserting a period in lieu thereof.

"(b) Paragraph 16 of such rule is amended by relettering clause (c) as clause (d) and by inserting after clause (b) the following new clause:

"'(c) Matters relating to the conduct of investigations.'

"(c) Paragraph 20 of such rule is amended by striking out 'and order of business' and inserting in lieu thereof the following: 'The order of business, and conduct of investigations'."

The fourth and final section of House Resolution 447 contains an addition to rule XXII, the rule (entitled "Of Petitions, Memorials, Bills, and Resolutions") which governs the form and content of matters formally submitted by Members of the House of Representatives. The new paragraph suggests slightly greater responsibility, self-imposed by the House in the matter of authorizing investigations into matters dubiously within the proper scope of congressional inquiry. It would simply require that special bills and resolutions calling for Congressional investigations shall hereafter give a clear definition of what is intended to be investigated, as well as an indication of the need for such investigation and the results hoped to be accomplished thereby:

"[SEC. 4.] Rule XXII of the Rules of the House of Representatives is amended by adding at the end thereof the following new paragraph:

"7. All bills and resolutions to authorize the investigation of particular subject matter shall define such subject matter clearly, and shall state the need for such investigation and the general objects thereof."

Mr. BROWN of Ohio. Mr. Speaker, I yield 5 minutes to the gentleman from New York [Mr. KEATING].

Mr. KEATING. Mr. Speaker, it is gratifying to see the House at last addressing itself to a proposal for rules of fair play governing the conduct of investigations by our committees and subcommittees. I have worked toward this ever since I came to Washington, quite a few years ago. It is only because of some considerable misunderstanding of the problem that we have not brought ourselves to act in this area long ago.

Several Members of the House have diligently studied this problem over a period of years. I believe they could make significant contributions toward working out a fair solution which would adequately protect the congressional committees and the witnesses who appear before them. That objective this resolution does not achieve.

Yet we have here the spectacle of the Rules Committee attempting to impose a gag on the consideration of any language which might improve this resolution. This increasing trend toward bringing legislation before us on a take-it-or-leave-it basis represents, in my judgment, a serious evil. It is not in what I have always been led to believe is the liberal tradition. All the wisdom in these matters, and in other matters, does not reside in the members of any specific committee, including my own.

This resolution should be opened to amendment, with a view toward clarifying and improving it. It is loosely drawn and if we do not amend it now, we shall have to do so later.

Nevertheless, it is at least a step in the right direction, even though watered down and confusing. If there is no opportunity to amend it, I shall support it on the theory that half a loaf is better than none.

I believe the investigating powers of this body, developed by implication from our constitutional duty to make laws and oversee the operation of existing Federal laws, are absolutely essential to the proper conduct of the business of the House. I would be the very last to tolerate any suggestion that the powers should be limited by crippling procedures or restrictions. That is not the point of our efforts, and it has never been the object of any responsible proponent of such rules of procedure. I hope we shall be able in this debate to lay at rest such specters as that once and for all. Rules of procedure, or rules of fair play are not going to interfere with our fact-finding powers.

But the Founding Fathers themselves conferred upon each House of Congress another plenary power, not inconsistent with the function of lawmaking, which

[55] This is most likely in connection with the detection and prosecution of elaborate conspiracies, as under the Smith Act, 54 Stat. 670 (1940), 18 U. S. C. 2385 (Supp. 1952), or complex offenses like restrains of trade and tax evasion.

[56] See note 31, supra. The amendatory text, sec. 3 (a), fails of its purpose in leaving a dangling "such" in all three clauses which will have to be corrected in the markup by reinserting the stricken phrase, "as it deems necessary." The text to be amended, as quoted from the final paragraph of clause 17 (b) pertaining to the House Committee on Un-American Activities, and substantially the same as language pertaining to the Committee on Appropriations and the Committee on Government Operations, is as follows: "For the purpose of any such investigation, the Committee on Un-American Activities, or any subcommittee thereof, is authorized to sit and act at such times and places within the United States, whether or not the House is sitting, has recessed, or has adjourned, to hold such hearings, to require the attendance of such witnesses and the production of such books, papers, and documents, and to take such testimony, as it deems necessary. Supenas may be issued under the signature of the chairman of the committee or any subcommittee, or by any member designated by any such chairman, and may be served by any person designated by any such chairman or member."

we have been astonishingly timid about using. The second paragraph of section 5 of article 1 states:

> Each House may determine the rules of its proceedings.

The omniscient men who wrote the Constitution, which I consider to be the most inspired political document of all times, saw perfectly well that no power in the whole structure of the Government could be placed above the legislative prerogatives given to us, including our power to go forth and seek facts upon which to shape the operation of the laws we pass.

No one can dictate to us in this area, no spokesmen for the judiciary or the executive branch, nor even our coordinate branch over on the other side of the Capitol. "Each House may determine the rules of its proceedings"—and the only qualifications and limitations are those which we find in the Constitution itself.

Why, then, have we been so slow to make some reasonable rules for our own guidance? Why have we even tempted the courts to intrude upon our domain by filling the vacuum, in the guise of statutory and constitutional interpretation?

The Christoffel case, in which a perjury conviction was overturned because the Senate was then operating under a restrictive quorum rule, contains not the slightest suggestion that the same result would have been reached if the rule had been more comprehensive and effective—and in fact, the Senate has long since remedied that particular difficulty. What we establish for our own guidance need not create rights in any outsider. We have only to choose the words with care and limit their operation as we wish.

On the other hand, in practice, we have long conceded that outsiders, appearing as witnesses before our committees, should be accorded certain rights. There is no specific basis for the right of a witness to be accompanied and advised by his counsel, nor for recognition of the traditional privileges of lawyer and client, doctor and patient, priest and penitent, and the like. But they are so universally accorded, and so deeply woven into our traditions of fairness and due process that they perhaps should be specified for the advice and comfort of all those who are called to testify. It is, as I said, only a matter of drawing the lines clearly and precisely where we wish them to lie.

Now, turning to the instant resolution which is before us, I must confess that I am disappointed in what it contains. I shall not hold forth at length upon the great volume of effort and thoughtful scholarship which has been addressed to problems in this field. I hope that Members who are as seriously interested as I feel all of us should be will examine some of the recent available material on this subject—the extensive hearings in 1954, held by a subcommittee of the Committee on Rules of the House and a subcommittee of the Committee on Rules and Administration of the Senate, together with the exhaustive report of the latter; and the scholarly study and recommendations of the special committee of the American Bar Association on individual rights as affected by national security, submitted to the American Bar Association house of delegates and made public last summer. With such a wealth of background, I feel that House Resolution 151 could well have been something more than a faint first gesture in the direction of rules of fair play, and I fear that, in fact, it is little more than such a gesture when it is subjected to careful analysis.

Indeed, I am fearful that the drafters of this resolution have, in one particular, imposed precisely the kind of limitation toward which I expressed unalterable opposition a few moments ago. That is at lines 10 through 12, on page 1, in the provision which allows and requires each committee to fix a number of its members to constitute a quorum, which number shall not be less than 2. This would be an unreasonable handicap and would expose the workings of our committee to exactly the vulnerability which was capitalized upon in the Christoffel case to defeat an otherwise valid perjury conviction.

The Senate rule on the same subject, adopted after that case to meet the problem, reads as follows:

> Each standing committee, and each subcommittee of any such committee, is authorized to fix a lesser number than one-third of its entire membership who shall constitute a quorum thereof for the purpose of taking sworn testimony.

You will note that in all cases, under the Senate rule, one-third of a committee or subcommittee, including 1 member of a 3-man subcommittee, shall be a quorum for the purpose of taking sworn testimony, and that each committee and subcommittee is expressly authorized to vest this authority in a lesser number if it so wishes. This rule properly protects the committee and vests rights in it without suggesting any crippling restrictions in the event that the committee or subcommittee finds itself dealing with a perjurer.

The difficulty pointed out in the Christoffel case was that one can only commit perjury before a competent tribunal and the court held that a congressional committee consisting of less than a quorum was not such a tribunal. Even the Senate's one-third rule might give rise to difficulties since it is usual during protracted hearings for individual members to enter and leave the hearing room so long as someone is present and presiding. So the Senate made it possible for its committees, in any case where perjury might be an issue, to authorize a single member to take the testimony and therefore to prevent any recurrence of the Christoffel result.

The provision in House Resolution 151 which I am discussing does just the opposite; it leaves in doubt what a quorum for the purpose of taking testimony might be in case the committee or subcommittee happens to overlook the formality of prescribing one—and it requires, arbitrarily, at all times and in all cases, that testimony must be taken with at least two members present. I have served as chairman of one of these investigating committees, and I know from personal experience how very difficult it is to keep a multiple quorum in the hearing room and to try to reflect accurately in the record that more than one member is present at all times. We tried, for a while, to have the reporter indicate on the record something like "at this point Mr. So and So left the hearing room," "at this point Mr. So and So reentered the hearing room," and so forth. It just will not work. And if you did not do something like that in a subsequent perjury case long after the facts, the actual physical presence of at least two members would be open to challenge and a necessary subject of proof in court.

The momentary furor stirred up last year over the subject of so-called one-man committees never impressed me very much. If any abuses were actually attributable to this situation, they were the fault not so much of the one man who ran the hearings, but of the others who, for one reason or another, were not present. In at least 99 out of 100 cases where testimony is to be taken from friendly and cooperative witnesses, it would be a terrible burden and disadvantage to require more than one member attend to build a record of the same; in the 100th case, requiring the presence of two members would not make a great deal of difference anyway. I am strongly opposed to this provision, and, if afforded the opportunity I shall propose an amendment to delete it and offer a substitute.

In the alternative, if it is the sense of a majority that some protection should be accorded witnesses who are threatened with abuse at the hands of a single member conducting a hearing to take sworn testimony, I would favor the approach recommended by Mr. Scott's subcommittee last year, namely, that such testimony could be taken in all cases by a single member unless the witness himself demanded to be heard by two or more members. Since the whole thing is only for the witness' protection, it makes good sense to let him make the demand if he wishes, and to regard it as waived otherwise.

On page 2, at line 3, the drafters of House Resolution 151 have seemingly chosen the wrong word. It is not important for the chairman to advise those present of the subject to which an investigation is being addressed. That is the subject specified in the committee's authorizing resolution and is known to everybody from the very outset. What is frequently helpful, and might well be required, is a statement of the subject matter of the particular hearing which is about to be commenced. A statement of the latter will advise the witness and his counsel of the specific grounds which the committee proposes to explore, and thus avoid surprise or misunderstanding with respect to the lines of questioning to which the witness is likely to be subjected. I shall propose substituting the word "hearing" for the word "investigation" at line 3 on page 2, accordingly.

At lines 7 through 9 on page 2, I am troubled with the language chosen by the draftsmen, and wonder if it is exactly what was intended. Does this wording include an absolute right to be

present in the event that a witness is heard in an executive session? Does it mean merely to be present in the room or to accompany the witness when he takes the stand, and if the latter, does it create a right to consult and confer without limitation during the course of the examination? Does the limitation, "concerning their constitutional rights" mean that counsel would be limited, in conferring with his client, to a discussion of the first or fifth amendments, which are the only constitutional provisions likely to be involved at any time, under normal circumstances? May counsel not perform the usual and proper services of explanation and advice with respect to all the rights and duties pertaining to the status of the witness before the committee? I have no substitute revised version of this subparagraph to propose, but I direct the attention of the House to what may be a need for further study of the language used. I am sure it can be improved.

I am also puzzled and troubled a little about subparagraph (m) and the way it is intended to work. In the first place, it specifies that "if the committee determines" that certain evidence or testimony is defamatory, degrading, or incriminating, it must then hear the same in executive session—but in order for the committee to make such a determination it would appear that some consideration of the evidence or testimony would already have to have taken place. So I wonder if the requirement is not self-defeating, in that the harm would be done before the committee would ever be in a position to provide the intended protection.

In passing, I should also like to raise a grave question about this matter of excutive sessions. Undoubtedly, it is a good and desirable thing to create a right, at least in limited circumstances, for a person who is likely to be injured by testimony to have the testimony taken at a secret hearing. I favor that, if some practical way to accord it without tying the committee's hands can be worked out.

But I am also persuaded that there is, as a practical possibility at least, a considerable danger of abuse in the other direction, namely, a danger that the secret hearing may also be used as a truly terrible reincarnation of the star chamber. If a hostile and unwilling witness is forced to submit to lengthy examination, under oath and on record, in a secret session, he can be put at a terrible disadvantage when the committee later raises the curtain and conducts the interrogation again publicly. He is bound to everything he said, at the peril of imminent prosecution for perjury, and his interrogators are able to pick and choose from only the most damaging concessions and exactions. In some of the drafts last year this matter was handled by creating, in the witness, a right to insist upon being heard publicly if he feared the secret session. There are some possible difficulties with this, although the hostile witness who invokes such a right would probably be of little legitimate value to the committee in any case. Here also, I make no amendatory proposal, but wish to raise this serious question for further consideration.

Addressing myself to the last provision in subparagraph (m) and the language of subparagraph (n), I am also puzzled about what is sought to be accomplished. Under (m) the request of a person who is threatened with defamation, and so forth, in case he wishes to have the committee subpena witnesses to appear in his behalf, is to be received and considered and disposed of by the committee. Under (n) the similar request of anybody else, who thinks a witness ought to be subpenaed, may be received by the chairman but will be absolutely identically considered and disposed of by the committee. I do not see any difference, and I wonder why the distinction was made at all?

Subparagraph (p), at lines 4 through 8 on page 3, is also a little puzzling as to just what was intended to be accomplished. Paragraph 25 (f) of the existing rules, in the same paragraph to which House Resolution 151 proposes these additions, now reads as follows:

(m) Each committee shall, so far as practicable, require all witnesses appearing before it to file in advance written statements of their proposed testimony and to limit their argument.

If paragraph (p) is intended to broaden the discretion of the committee, or to make the existing rule apply only to sworn statements, or to expand in some way the present powers of the committee to rule upon pertinency, these things should properly be done by amending the existing paragraph (f), and not by creating an apparent conflict between the new language and the old.

Mr. Speaker, if there is no chance to propose seriously needed improvements in this resolution, I shall support it out of deference to the proposition that half a loaf is better than none. But this seems indeed to be a poor half loaf, and I should like to call attention to a resolution which, notwithstanding my deep concern with getting something done in an area where we have maintained a vacuum for far too long, I think might be the wiser approach. House Resolution 78, introduced by me on January 10 of this year and also pending before the Committee on Rules, proposes a final, comprehensive and inclusive study of this matter, by a select committee drawn from the membership of the three standing committees directly concerned, namely, Rules, House Administration, and Judiciary, with reference to the proper content of a full set of rules, and simultaneously to the problems of enforcing subpenas and committee orders and of providing sanctions to compel observance of rules of procedure by Members and employees of the House. I would be inclined to favor that approach, set forth in House Resolution 78, as the wisest and most desirable. Failing that, I would give support to any one of a number of substitute measures which have already been worked out and which seem to me to be both clearer and more effective than the one which is before us. But for the moment I shall content myself with proposing four specific amendments to House Resolution 151:

First, delete paragraph (h) at lines 10 through 12 on page 1, and substitute therefor:

(h) Oaths may be administered and hearings may be conducted and presided over by the chairman or any member designated by the chairman, who shall constitute a quorum for the receipt of evidence and the taking of testimony unless the committee otherwise provides.

Second, delete the word "investigation" at line 3 on page 2, and substitute therefore the word "hearing."

Third, delete paragraph (k) at lines 7 through 9 on page 2, and substitute therefor:

(k) Witnesses shall be permitted to be advised by counsel of their legal rights while giving testimony, and to be accompanied by counsel at the stand unless the chairman otherwise directs.

Fourth, delete subparagraph (3) of paragraph (m) at lines 21 through 22 on page 2.

Fifth, delete "Except as provided in paragraph (m)" in line 23 on page 2.

In conclusion, besides these specific changes, I direct the attention of the House to two additional matters which perhaps ought properly to be considered and included in connection with this resolution. One is the matter of our policy with respect to the admission of radio and television broadcasters to hearing rooms during the course of committee investigations, and the other is the extent to which privileges ordinarily accorded witnesses in our courts of law are to be recognized and respected in committee proceedings. I think it might be salutary to spell out the basic privileges which we wish all committees, under all circumstances, to respect, and to put this in the rules where everyone can have notice in advance about it.

But the only way by which such amendments and others which may be propounded can be considered is by voting down the previous question. I hope the House will see fit to do that and then proceed to the perfecting of this resolution, the purpose and objective of which is undoubtedly desirable.

Mr. BROWN of Ohio. Mr. Speaker, I yield 5 minutes to the gentleman from Michigan [Mr. MEADER].

Mr. MEADER. Mr. Speaker, I notice that House Resolution 151, unlike the resolution I proposed, House Resolution 99, does not expressly empower committees to create subcommittees. May I ask the gentleman from Virginia whether he believes that under the existing rules of the House, committees do have the power to create subcommittees?

Mr. SMITH of Virginia. I think so. I do not know whether there is any specific rule for it.

Mr. MEADER. I think the gentleman will find that there is no express language in the rules of the House which authorizes committees to create subcommittees but that the precedents establish that power.

Now, I may say that House Resolution 151, in my judgment, ought to be open to amendment, and I hope either that the chairman of the committee having the time will yield for the purpose of

amendment or that the House will vote down the previous question so that the resolution can be perfected.

Earlier in the debate this afternoon the gentleman from Virginia was kind enough to yield to me to ask certain questions which clarified what I regarded as dangerous provisions to include in the rules of the House. I hope that that colloquy will prevent witnesses or others desiring to obstruct committees in the future from taking advantage of those provisions to interfere with and obstruct a committee inquiry.

Aside from the provision for the quorum rule, as my colleague from Pennsylvania has pointed out, House Resolution 151 actually contains no new compulsory material. All of the provisions that are of any importance at all are permissive and discretionary with the committees. I would hope that the rules of the House would not be cluttered up with oratory and meaningless phrases. They are difficult enough to interpret for many Members of the House already, and to include a lot of language which does not really affect the legal structure of the House or its committees, it seems to me, is unwise.

Now, there is one other feature of House Resolution 151 to which I wish to call attention. It is completely silent on the problem which has arisen in this Congress as to whether or not committees have the power to authorize the telecasting and broadcasting of their public hearings. I think the Members of the House ought to have a right to vote on the record whether they believe the public is entitled to use these new instruments of television and radio broadcasting to observe the public business. But if you do not vote down the previous question, and you vote only on the present provisions of House Resolution 151, you will never have an opportunity clearly to express your view on that very important public question.

Mr. SMITH of Virginia. Mr. Speaker, will the gentleman yield?

Mr. MEADER. I yield to the gentleman from Virginia.

Mr. SMITH of Virginia. I hope that the gentleman will not seek to deprive the House of what most of us think is rather constructive legislation in order to accomplish his purpose for television. I want to say to the gentleman that he can easily have that question tested in the House by having another resolution offered for that purpose.

Mr. MEADER. Would the gentleman be willing to yield to me to offer that amendment to this resolution?

Mr. SMITH of Virginia. Not on this resolution, because I think if it were adopted, it might jeopardize the whole procedure which we regard as of some importance.

Mr. SCOTT. Mr. Speaker, will the gentleman yield?

Mr. MEADER. I yield to the gentleman from Pennsylvania.

Mr. SCOTT. Does not the gentleman agree that the only way by which you can offer any perfecting amendment or improving amendment to this resolution is by voting down the previous question?

Mr. MEADER. In view of the gentleman from Virginia not yielding to me for the purpose of offering this amendment to this resolution, the only recourse left open to the Members of the House to pass on this question is to vote down the previous question. I can introduce another resolution, but it will never come out of the Committee on Rules.

Mr. BROWNSON. Mr. Speaker, will the gentleman yield?

Mr. MEADER. I yield.

Mr. BROWNSON. Does not the gentleman agree that we are being asked to vote on this resolution today and there are not even reports available in the Chamber on the basis of which Members may reach a decision as to what action to take on the recommendations of the committee?

Mr. MEADER. The gentleman is correct. But I think that is the general practice of the Committee on Rules. They do not have a stenographic record made of the testimony taken before them. As far as I know, there was no record taken here. The report is only about three lines in length.

The SPEAKER. The time of the gentleman from Michigan [Mr. MEADER] has expired.

Mr. BROWN of Ohio. Mr. Speaker, I yield myself the time remaining on this side.

I do so for the purpose of expressing the hope that the House will not vote down the previous question.

This resolution which is now before us is the best possible type of resolution providing for amendments to the rules that can be worked out by the Committee on Rules. It was adopted unanimously by all of the Republicans and the Democrats on that committee after listening to the discussion and to the testimony of the gentlemen who just asked the Members to vote down the previous question.

Of course, they would like to have the previous question voted down for the purpose of amending this resolution and getting into the rules of the House certain measures of their own which were considered fully, after listening to hours of discussion, but were not included in this resolution.

So I am asking that the membership of this body support the Committee on Rules in bringing this matter to a prompt vote, because it is a very forward step.

Mr. SMITH of Virginia. Mr. Speaker, I yield the remaining time on this side to the gentleman from California, the author of the resolution [Mr. DOYLE].

Mr. DOYLE. Mr. Speaker, I should have preferred not to appear before this august deliberative body twice on the same day, on two resolutions authored by myself. But the calendar just worked out that way.

I want to thank the Committee on Rules for calling this matter up now, because in a few days I have to leave Washington as chairman of a subcommittee of the Committee on Un-American Activities on official work in Wisconsin.

Manifestly House Resolution 151 is not intended to cover the whole gamut of the subject matter being considered by the House.

May I state again here as I did in my extension of remarks several days ago, that I claim no exclusive authorship of the procedures expressed in House Resolution 151. There were several gentlemen who worked on this matter. We worked hard together. I thank them. The gentleman from Georgia, Mr. FORRESTER; the gentleman from Illinois, Mr. DAWSON; the gentleman from Louisiana, Mr. WILLIS; the gentleman from Pennsylvania, Mr. WALTER, as well as others, worked with us on this matter. We cordially cooperated to submit you something of real foundation value.

We were trying to find some foundation requirements for committees which might be considered amongst other resolutions by the Committee on Rules as a minimum requirement rather than to include all possible areas of committee responsibilities. Therefore, this resolution was submitted. The House very, very seldom amends its own rules. It expects each committee to be fair and prudent and protect the House reputation and dignity.

May I say, with all due respect to the gentlemen who have today raised the question whether or not this resolution should be adopted, that I am quite sure I was present in the Committee on Rules when each and every one of them, on the present minority side, appeared before the Committee on Rules of the House and urged their own individual resolution be adopted. I am sure that some of them were asked by the Committee on Rules to furnish to that committee written statements of objections, if they had any, to House Resolution 151. I do not know, of course, what written analyses or objections any of the gentlemen who have spoken against my resolution today furnished to the Committee on Rules. I never saw them; but I surmise that that suggestion was complied with. I heard the Rules Committee chairman, Mr. SMITH of Virginia, urge them to do so. He said the Rules Committee wished to have all the proposed resolutions clearly before them.

Mr. MEADER. Mr. Speaker, will the gentleman yield?

Mr. DOYLE. I yield to the gentleman from Michigan.

Mr. MEADER. The objections which I submitted to the Rules Committee on the technical phases of the gentleman's resolution are contained on page 3297 and following of the CONGRESSIONAL RECORD for Monday of this week.

Mr. DOYLE. I noticed that in the gentleman's remarks he stated very frankly that he intended to vote for House Resolution 151 and gave two reasons why he intended to vote for it. The gentleman may not recall that, but if he will read his statement he will see that he did within the last few days.

Mr. MEADER. I said I intended to vote for House Resoution 151 because of the quorum rule, but I think it should be perfected, and I think we would be much happier if we had a chance to perfect it.

Mr. DOYLE. To proceed, I am quite sure that the several years I have been on the House Committee on Un-American Activities have convinced me that we need basic House rules below which House committees cannot go. That is all this is intended to be. There is an express statement in House Resolution 151 that House committees can make

any rules they want as long as they are not inconsistent with this basic foundation. They are simple statements, that is true; they are as short as could be, yet very clear. They are minimum, that is true; but we felt this was a basic foundation for the House to rely upon and to require of the House committees.

May I say to the gentlemen on my left who have spoken on this resolution and who filed resolutions of their own before the Rules Committee that it was my great pleasure and to my great benefit to study carefully all those resolutions. I want to compliment the gentlemen who proposed amendments to the House rules on their splendid work. It was splendid.

I remember that in the 83d Congress I had the pleasure and benefit of appearing before the Scott committee, and I appreciated its courtesy. But I think at that time I testified from my experience as a member of the House Committee on Un-American Activities differently than other members of the same committee testified before the Scott Resolutions Committee.

Mr. SCOTT. Mr. Speaker, will the gentleman yield?

Mr. DOYLE. I yield to the gentleman from Pennsylvania.

Mr. SCOTT. I would like to pay tribute to the very helpful testimony that the gentleman gave. However, the gentleman does recall that his resolution of last year was far more elaborate and contained a great many more things than this resolution contains.

Mr. DOYLE. I remember that, and I thank the gentleman for calling attention to that.

Mr. DIES. Mr. Speaker, will the gentleman yield?

Mr. DOYLE. I yield to the gentleman from Texas.

Mr. DIES. I introduced a resolution, but I gladly accept this resolution. I think you have gone as far as you can safely go without hamstringing the effectiveness of investigating committees. If nothing else was in this resolution, the provision which will enable a committee to hold in contempt those who adopt disruptive tactics, which has been the practice in the past, would recommend this resolution to me. I hope the House will pass it.

Mr. DOYLE. I thank the gentleman from Texas. Of course, he has had a wide and varied experience in connection with the subjects treated in these rules and as a member years ago of the House Committee on Un-American Activities.

Mr. Speaker, my time has expired. I respectfully submit House Resolution 151 for your approval. No set of rules will make Congressmen conduct hearings perfectly. This is a matter of personal conduct and activity. But my resolution sets forth a short standard of conduct which it is believed will be helpful and fair to all.

Mr. SMITH of Virginia. Mr. Speaker, I move the previous question on the resolution.

The SPEAKER. Without objection, the previous question is ordered.

Mr. KEATING. I object, Mr. Speaker.

The SPEAKER. The question is on ordering the previous question.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

AMENDING AGRICULTURAL ADJUSTMENT ACT OF 1938

Mr. TRIMBLE. Mr. Speaker, by direction of the Committee on Rules, I call up the resolution (H. Res. 190) providing for the consideration of H. R. 4647, a bill to amend the rice marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 4647) to amend the rice marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended. After general debate, which shall be confined to the bill, and shall continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Agriculture, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. TRIMBLE. I yield.

Mr. McCORMACK. Mr. Speaker, I desire to inform my colleagues that this bill will be the final business today. Tomorrow we meet at 11 o'clock on the Interior Department appropriation bill. Then we will consider the bill from the Committee on Ways and Means repealing certain sections of the Revenue Act of last year and also the Burley Tobacco bill. If they are disposed of tomorrow, we will go over until Monday. As I said, however, this is the last legislative business tonight.

Mr. TRIMBLE. Mr. Speaker, I yield 30 minutes to the gentleman from Ohio [Mr. BROWN] and yield myself such time as I may consume.

Mr. Speaker, this resolution (H. Res. 190) makes in order the consideration of the bill (H. R. 4647) to amend the rice-marketing-quota provisions of the Agricultural Adjustment Act of 1938, as amended. The resolution was reported unanimously by the Committee on Rules and was also reported unanimously by the Committee on Agriculture. It simply refers to the order by the Secretary of Agriculture which incidently seems to be the common practice of all the Secretaries in late years of cutting down the quotas. In this instance, the quotas were cut 25 percent and this bill will add 5 percent to the quota of each State which will result in a cut of 20 percent instead of 25 percent for each State.

Mr. Speaker, I know of no objection to the rule.

Mr. BROWN of Ohio. Mr. Speaker, as has been explained by the gentleman from Ar-Kansas, House Resolution 190 makes in order the consideration of H. R. 4647 under an open rule. This measure will amend the rice-marketing-quota provisions of the Agricultural Adjustment Act of 1938. It was reported unanimously by the Committee on Agriculture. The rule was adopted unanimously by the House Committee on Rules. It seemingly is not a controversial measure. I have no requests for time and I yield back the balance of my time.

Mr. TRIMBLE. Mr. Speaker, my good friend and colleague from Ohio has not violated the rules of the House, but he has violated the laws of the State of Arkansas when he refers to me as the gentleman from Ar-Kansas.

Mr. BROWN of Ohio. If the gentleman will yield, if it were proper, I could make quite a long speech on the great State of Arkansas, but since it would be quite long and since the gentleman may have heard it, I will not do so.

Mr. TRIMBLE. Mr. Speaker, I move the previous question on the resolution.

The resolution was agreed to.

Mr. THOMPSON of Texas. Mr. Speaker, I ask unanimous consent that the bill (H. R. 4647) to amend the rice-marketing-quota provisions of the Agricultural Adjustment Act of 1938, as amended, be considered in the House as in Committee of the Whole.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That section 353 of the Agricultural Adjustment Act of 1938, as amended, is amended by adding a new paragraph (3) to subsection (c) thereof, reading as follows:

"(3) Each of the State acreage allotments for 1955 heretofore proclaimed by the Secretary shall be increased by 5 percent. In any State having county acreage allotments for 1955 the increase in the State allotment shall be apportioned among counties in the State on the same basis as the State allotment was heretofore apportioned among the counties, but without regard to adjustments for trends in acreage. The increases in the county acreage allotments and the increases in the State allotments, where county allotments are not determined, shall be used to establish farm acreage allotments which are fair and reasonable in relation to the applicable allotment factors specified in subsection (b) of this section and to correct inequities and prevent hardships."

With the following committee amendments:

Page 1, lines 4 and 5, strike out "a new paragraph (3)."

Page 1, line 5, after the word "thereof", insert "two new paragraphs."

Page 2, line 10, after the word "prevent", strike out "hardships." " and insert "hardships."

Page 2, line 12, insert the following:

"(4) The reserve acreage made available for 1955 in any State for apportionment to farms operated by persons who have not produced rice during the preceding 5 years or on which rice has not been planted in the preceding 5 years shall not be less than 500 acres; and the additional acreage necessary to provide such minimum reserve acreages

shall be in addition to the National and State acreage allotments."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. WICKERSHAM. Mr. Speaker, I wish to compliment the Members of the House Committee on Agriculture, the gentleman from Texas [Mr. THOMPSON] and the members of his subcommittee as well as the Democratic whip, Congressman CARL ALBERT, of Oklahoma, for the excellent work they have done in presenting this worthwhile bill which has passed the House of Representatives today. This measure will correct several inequities and will give the State of Oklahoma a new quota of 500 acres for the growth of rice.

Early in February State Senator Charles Wilson advised me that two farmers in my district—Mr. Cletis Killian and Mr. Homer Holcomb, of Beckham County—were anxious to grow rice in Leflore County, Okla. This measure will make this possible. This is another new crop for Oklahoma. Another crop which should be greatly expanded is mung beans. About 95 percent of the mung beans grown in Oklahoma are grown in the Sixth Congressional District.

GENERAL LEAVE TO EXTEND

Mr. THOMPSON of Texas. Mr. Speaker, I ask unanimous consent that all Members may have the right to extend their remarks in the RECORD following the vote on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

SPECIAL ORDER TRANSFERRED

Mr. BAILEY. Mr. Speaker, I ask unanimous consent that the special order entered for me today be transferred to Monday next, at the close of the legislative business of the day and other special orders heretofore entered.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

REPEALING SECTIONS 452 AND 462 OF THE INTERNAL REVENUE CODE OF 1954

Mr. COLMER, from the Committee on Rules, reported the following privileged resolution (H. Res. 191, Rept. No. 294), which was referred to the House Calendar and ordered to be printed:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 4725) to repeal sections 452 and 462 of the Internal Revenue Code of 1954, and all points of order against said bill are hereby waived. That after general debate, which shall be confined to the bill, and shall continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means, the bill shall be considered as having been read for amendment. No amendment shall be in order to said bill except amendments offered by direction of the Committee on Ways and Means, and said amendments shall be in order, any rule of the House to the contrary notwithstanding. Amendments offered by direction of the Committee on Ways and Means may be offered to any section of the bill at the conclusion of the general debate, but said amendments shall not be subject to amendment. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion, except one motion to recommit.

AMERICAN COMMITTEE FOR PROTECTION OF THE FOREIGN BORN

Mr. WALTER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. WALTER. Mr. Speaker, many members of the Communist Party are coming to Washington, D. C., this Sunday and Monday. They are not coming under their banner of red, but they are coming under the banner of yellow. They are coming under the title of the American Committee for Protection of the Foreign Born. They will not come under their real designation, namely, the Communist Party.

Why are they coming here? Not to be a part of the Cherry Blossom Festival, but, rather, to present to this Congress and Members of the House and Senate, petitions for the repeal of the Walter-McCarran law. They also plan to personally call upon Members and dictate what they, the Communist Party, demand in the way of amendments to the Walter-McCarran law.

Mr. Speaker, the American Committee for Protection of the Foreign Born was formed by the Communist Party around the year 1935. It was formed for the purpose for which it is being used today, the protection of Communists who have become involved in violation of the immigration laws. Today, they attack the Walter-McCarran law; yesterday it was some other law or official who was proceeding against members of the Communist Party. This committee is run today by its executive secretary, Abner Green. Green, who has always run the organization, irrespective of the names placed on their letterhead, is the same Abner Green who was a trustee of the Communist bail bond fund. In 1951, he and the other trustees were sentenced to jail for contempt of court for refusing to divulge the source of the bail fund. Not only does Green front for the Communist Party, but he is or has been a member of the nationality commission of the Communist Party.

Sworn testimony has been received to the effect that the nationality commission of the Communist Party meets and decides the policy of the American Committee for Protection of the Foreign Born. Little wonder that this organization is always found to be interested in only the immigration problems of members of the Communist Party.

This gathering to be held in Washington, named a legislative conference by one segment of the American committee and more properly named a nationwide lobby by the Michigan committee, was decided upon by the Communist Party as the most effective way of blackmailing the Congress. The kickoff took place at a meeting of the New York committee as announced in the Daily Worker of January 9. This meeting, which was addressed by Communists such as the convicted Carl Marzani, set the stage. The printed petitions, which we shall receive next Monday, were distributed.

Through this meeting the American committee put forth the demands of the Communist Party as amendments to the Walter-McCarran law. These amendments are in the main: Citizenship for aliens after 2 years' United States residence; no deportation for any reason if an alien has lived in the United States for at least 5 years; and no denaturalization action unless citizenship was obtained by fraud. Except for the faster citizenship, these recommendations cannot benefit the loyal and desirable alien. They can be of aid only to the disloyal, Communists, and criminals alike.

Following the New York kickoff, the other State committees for protection of the foreign born took their cue. In Philadelphia, Chicago, and Detroit, to name a few, the Pennsylvania, Illinois, and Michigan committees started their propaganda machines. Michigan called a State conference to repeal the Walter-McCarran Act. At this conference, they lined up their Communists to make the trip to Washington. They lined up their propaganda and petitions for the Michigan delegation in Congress. Michigan differed from the meetings held in other localities only in the names of the people fronting for the Communist Party. The boss was here again another top functionary of the Communist Party. He is the executive secretary of the Michigan Committee for Protection of the Foreign Born. He is Saul Grossman, and he is personally known to this Congress. He refused to answer as to his Communist Party membership while a witness before the Committee on Un-American Activities in 1952. He was cited for contempt of the Congress for his refusal to produce the books and records of this same Michigan committee. He has been found guilty and is presently free on bail, from a year's sentence for this contempt.

These are the people who will call upon us next Monday. These are the people who claim to represent that which is best for America.

At their meeting in New York, they claimed that the 59 Communist deportation and denaturalization cases which they represented were 59 reasons to repeal the Walter-McCarran law. In Michigan, they claim to represent 100 cases. Not one of these cases represents an individual not connected with the Communist Party.

I have followed the cases handled by the American Committee for Protection of the Foreign Born and its State committees for these last 20 years. Like their current cases, their previous cases have been in behalf of members of the Communist Party. I have been unable to find one case handled by them where the defendant was not associated with the Communist Party. Perhaps the delegates calling upon House Members will be able to name one, although I doubt it.

TVA'S YARDSTICK IS DEAD

The SPEAKER. Under the previous order of the House, the gentleman from Michigan [Mr. DONDERO] is recognized for 20 minutes.

Mr. DONDERO. Mr. Speaker, some 20 years ago when the Halls of Congress echoed with the debate on a bill to establish the all-powerful Tennessee Valley Authority, the New Deal wordmongers coined the magic phrase "yardstick" to rationalize a Government TVA scheme for going into an out-and-out business operation.

Faint though the voices of opposition were in those days, there could be no denial of their contention that it was not in the American pattern that the sovereign Government should enter into competition with its own private citizens in a legitimate business venture—hence this notion that the Government would only be setting an example so that private industry could see how cheaply electricity and fertilizer could be manufactured by a nontaxpaying Government authority.

And so, midst these hectic times, the Tennessee Valley Authority Act was finally passed under the guise of a vast natural resources development—including flood control, soil conservation, navigation improvement—all established functions of Government—with the incidental business of generating and distributing electric power greatly soft-pedalled.

As the years went by and the TVA officials began their annual pilgrimages to Washington seeking appropriations to expand their power empire, the yardstick argument came more and more in evidence to support their requests. We were told that private enterprise, though it was in business to make a profit—necessarily a publicly regulated and limited profit in the field of electric-power production—and obliged to pay taxes both Federal and local, nevertheless must be subject to so-called yardstick competition.

THE BILLION-DOLLAR CATCHWORD

This catch phrase "yardstick" caught on. And year after year the Congress poured Federal Treasury money into the Tennessee Valley to the extent that now the power investment alone totals $1,109,220,992. This all-inclusive term seemingly served to brush aside logical argument which questioned the advisability of financing Government further in this gigantic business venture.

Once having exhausted the water-power potential of the Tennessee River Valley, national defense arguments and the need to firm up uncertain water-power served as new plausible reasons to justify TVA's entrance into the Simon-pure business operation of building and operating steam generating electric power plants.

Thus slowly and steadily the percentage of steam capacity in the TVA's so-called hydroelectric system has grown through the years.

In 1938 it was but 14.5 percent of the total installed capacity.

In 1941 it edged up to 21.3 percent.

In 1952 steam power was up to 28.2 percent.

By 1953 it was 42.6 percent; in 1954, 49.9 percent; and at the end of fiscal 1955 it will be 66.5 percent. And we are also officially informed that when all presently authorized generating capacity is completed the great Tennessee River Valley hydroelectric system will have 75-percent steam capacity and 25-percent hydro capacity.

Who has been financing this steam-power giant? Why, the people of every State in the Union.

Where is now the justification for further development of the great river valley along the lines of flood control, navigation, and the like? This has all been done. Any further expansion of the TVA must come under the category of financing a hard-boiled steam electric business operation with the American people picking up the tab—and getting virtually no return on their investment.

TVA TAKES FREE RIDE

Proponents of the TVA have long answered the charge that TVA pays no interest and no taxes with the argument that the Federal Treasury was being reimbursed for its investment and that TVA was indeed paying amounts to local governments in lieu of taxes. Let us look at the record, which will show that the TVA has at no time repaid more than 1.4 percent of its total investment in any 1 year.

In 1949, on $291,198,000 of interest-free appropriated funds, TVA paid the United States Treasury from power revenues $3 million, or 1 percent.

In 1950, $2,500,000 was paid on $320,-638,000. That is 0.8 percent.

In 1951, $4 million was paid on $423,-280,000. That is 0.9 percent.

In 1952, $7 million was paid on $616,-123,000. That is 1.1 percent.

In 1953, $10 million was paid on $800,-490,000. That is 1.2 percent.

And in 1954, $15 million was paid on $1,055,446,000. That is 1.4 percent.

Where now is that business yardstick about which we have heard so much through the years? The figures I have just mentioned, and many others which show the lack of interest payment, no Federal taxes, and token amounts paid to the States and the communities, reveal the cold, stark truth of the matter. In short, by good business standards with which TVA originally sought to compare its operations, the TVA yardstick is now about 17⅜ inches long. The rest is Government subsidy and privilege. And it is most interesting to note that in the past few years, while the Congress has become increasingly reluctant to issue any more blank checks for TVA steam-power expansion, we have heard less and less of the "yardstick" term.

THE FACTS ARE COMING OUT

Can it be that now that the public, heretofore blissfully ignorant of the goings on in the TVA, is becoming aware of the real facts behind this magnificent experiment—can it be that for this reason the many benefits of TVA and the yardstick concept are suddenly being low-pressured?

There is evidence of this right from the valley in the wake of the raging debate on the so-called Dixon-Yates contract. No less an authority than the Knoxville Journal, in the heart of Tennessee, commented recently that the "politicians and the political organization known as Citizens for TVA, Inc., may in fact be hastening the end of the power project which they are ostensibly trying to preserve."

The Tennessee paper adds:

> This may well come about through familiarizing the people all over the Nation with the financial details of TVA's operations and the favored spot occupied by all its power users.

The Journal continued with the observation that there once was a period when little was said about the financial operational basis of TVA and that under a spiritual cover the fact that—

> The biggest power empire in the world was being built with Federal funds was completely ignored.

Then came the Dixon-Yates debate.

> Thinking only of the political hay they felt they could harvest here in the State—

The editorial stated—

> a large assortment of saviors of TVA made their appearance, including the Citizens group.
>
> The result has been an unparalleled concentration of attention on the power costs under TVA, with special pleading even outside the State that our area be allowed to maintain its favored position.

The Journal then observes:

> The bad part of it is that other United States citizens now know, as a result of all the speeches and newspaper interviews, that these rates do not stem from any mystic TVA formula but straight from the Federal Treasury.

TVA APOLOGISTS BLUNDER

The Knoxville paper concludes with the observation that the opponents of the Dixon-Yates contract have let the cat out of the bag, defying the rule, old as the human race, that if you have a good thing it is best to be quiet about it.

The Knoxville Journal conclusions are indeed well founded, for up and down the breadth of the land on every front page the activities of the TVA are being brought to the attention of the public—in many areas for the first time.

Typical of such reaction is that of the Prescott Arizona Courier, which on last December 29, under the title "TVA Power Controversy Backfires," had this to say editorially:

> The controversy raised by congressional supporters of the TVA over the Dixon-Yates power contract has backfired on them by turning the national spotlight on the workings of the TVA.

The TVA was inspired and backed by those who believe in state socialism, and until recently, most of the TVA supporters felt it was an outstanding example of what state socialism really can do. The TVA was promoted and eventually established to show how much better a Federal authority, using taxpayers' money, could develop a region than the free competitive enterprise system which has made America what it is today.

The editorial goes on to show how the TVA, through its power contracts with various municipalities, has expanded its power by inserting in these contracts clauses which make it the sole supplier of electric energy, and which preclude these cities and towns from building any additional generating facilities for their own use.

CITIES ARE CAPTIVES BY CONTRACT

This voice from Arizona continues:

This monopolistic TVA power contract has been abused to the point where every city and rural electric cooperative which uses TVA power has become an economic captive of the Board of Directors of TVA.

And it concludes:

Further it should be remembered that amid all the charges flying about that the last Congress was a giveaway Congress, the advocates of TVA expansion are hopeful of committing the Treasury to further giveaways of millions and millions of dollars for the benefit of one section of the Nation.

This means that the farmers, the retailers, and all forms of business in other parts of the Nation would be required to put up their tax dollars for the benefit of the TVA region.

In addition it would be well to remember that if all business were operated as TVA operates, there would be no Federal tax dollars to build TVA or anything else, as TVA pays no Federal taxes.

In the same vein there is also comment from a labor union newspaper in Jefferson City, Mo., the Central Missouri Labor News, which recently discussed the Dixon-Yates contract under the heading "Some Sense About Dixon-Yates and Labor."

Having discussed the contract, the editorial goes on to say:

This brings us to the main issue of the controversy. As everyone should know by now, TVA sells power to its consumers at a lower rate than the privately owned electric utilities in other parts of the country for two reasons: One is that the TVA pays no taxes or other charges on a scale comparable to those paid by the private companies. And the other is that TVA pays little or no interest on capital costs, which are met from the United States Treasury.

These factors, reduced to their lowest common denominator, mean that the Nation as a whole is helping pay the electric-power bills of power consumers in the Tennessee Valley.

The fact that TVA electricity is virtually tax free means that the taxes paid by all the rest of us are a little bit higher.

TVA SPENDING INFLATIONARY

And the TVA's call upon Government financing can be costly, too. Because it helps raise our national debt, it has an inflationary effect that reduces the value of our money, our savings, and our wage dollar.

The editorial went on to quote a letter of President Eisenhower in November to the chairman of the Joint Congressional Committee on Atomic Energy in which he pointed out that—

If the Federal Government assumes responsibility in perpetuity for providing the TVA area with all the power it can accept, generated by any means whatsoever, it has a similar responsibility with respect to every other area and region and corner of the United States of America.

I am also reminded of what another great Republican, Abraham Lincoln, said:

The Government should do only for the people what they cannot do for themselves.

Yes, like a piece of wet yardgoods now hanging in the hot sun of public scrutiny, the yardstick is shrinking, shrinking, and shrinking. Only after a thorough airing will we come to know the extent of its fraudulence.

CHILDISH TO DENY IT'S SOCIALISM

And to those who say that the public ownership scheme of TVA is not anti-free enterprise, is not a segment of socialism, I refer them to that sincere apologist for and apostle of the political philosophy of Karl Marx, Norman Thomas.

This perennial presidential candidate of American socialism, recently wrote:

The advocacy of public power does not of itself make a Socialist, or the practice of it constitute a full program of socialism. But, of course, the principle behind public development of power is socialistic, and it is rather childish to deny it.

Norman Thomas is a forthright Socialist and as such has been a thorn in the side of the Fabian group who believe in pretense and hypocrisy as means to the end. The Fabians seek to work from within rather than to meet the issue head on at the polls. Norman Thomas scorned such catchwords as yardstick. In fact it was he who first dispelled the hypocritical aura of "yardstick" when he said that the Tennessee Valley Authority was a "Socialist flower in a garden of New Deal weeds."

The shoddy shibboleth of "yardstick" contributed heavily to the extraction of eleven hundred million dollars in appropriations for the state socialism of TVA. Now, as the fiscal and physical realities become more and more apparent, this catch phrase is being quietly buried without ceremonial obsequies in an unmarked grave for outworn words.

ETHICAL FINANCIAL PRACTICES

The SPEAKER. Under the previous order of the House, the gentleman from Connecticut [Mr. DODD] is recognized for 30 minutes.

Mr. DODD. Mr. Speaker, I have today introduced a bill for the establishment of a Commission on Ethical Financial Practices.

I have introduced this measure because I have become increasingly concerned about the rising wave of business raids to acquire control of industrial companies—particularly those having national-defense importance.

In some cases the raiders' names are not known; nor the original sources of the equity capital; nor the extent to which these raids are financed through the cooperation of banks.

In the interests of a stable economic situation and in the interest of our national defense and security, this Congress should make a full and complete investigation of this increasingly dangerous practice of raiding established businesses in the United States.

The sinister aspects of the raiding and the raiders are cause for concern throughout the land.

Certainly it is not asking too much that the Congress require full and complete information about the individuals concerned in those cases where industries are heavily engaged in national-defense work.

Raiding corporations has a tremendous effect on the economy of this country.

Liquidation of well-established industries is frightening to contemplate with respect to our national security.

The effect of liquidation and of "milking" is felt by employees, their families, and members of the entire community in the area where the industry is located.

In the interest of our general welfare, Congress cannot sit supinely by and ignore this type of financial hooliganism.

An early and flagrant case of the modern version of these raids was the purchase of Panhandle Producing & Refinery Corp. by Serge Rubinstein and Associates during World War II. That was a wartime producer of crude oil and refiner of aviation gasoline. After several lawsuits on the matter, it is clear that Rubinstein was milking this company heavily—to the detriment of other shareholders.

In the postwar years, there has been a plague of such assaults upon well-established and well-recognized management.

In some cases this has taken the form of a proxy fight which unseated the management. In other cases it has taken the form of private purchases of the controlling stock interest. Frequently liquidation of the company or a serious deterioration of its assets has followed.

One of the inducements to raids of the kind I have been describing is the lack of real risk. The raiders' buying can drive up the price of the stock. In a good stock market—one at reasonable levels—it is not difficult for them to find some bank or financial institution, or even in some cases the trustees of a pension fund, willing to finance further purchases.

Even if they fail to win control, the raiders frequently wind up with a substantial block of stock currently quoted at prices considerably higher than when the raid started. This was true in the case of Colt's Manufacturing Co. of Hartford, Conn.

In 1948 and 1949, a New York group made heavy acquisitions of Colt's stock. Five who appear to have been members of the group were elected to the Board of Directors. A year later, March 29, 1950, the Directors approved a plan to accept tenders on the outstanding $25 par stock at prices not to exceed $53 per share and with the overall cost not to exceed $7 million. When the offer closed 3 weeks later on April 21, 1950, payments of $6,543,780 had been made at an average price of $52.423 per share. The net current assets of the company went down from $10,320,582 as of December 31, 1949,

to $4,510,371 as of December 31, 1950. The company's financial strength—needed to modernize its operations and spark its research—had been dissipated.

Thus, although the raiders failed to take over the company, they were in a position to walk away with a handsome capital gain. And this old reliable and respected firearms company has been substantially weakened. Many longtime, highly skilled workers and their families are in jeopardy, and from a defense production standpoint every citizen in the United States has been affected.

In the last 2 years the Congress has heard heavy criticisms of two other transactions: that of the Richmond group in acquiring assets of the Follansbee Steel Corp., of Follansbee, W. Va., and that of the Wolfson group in acquiring the Capital Transit Co., of Washington, D. C.

As a result of congressional and other criticisms, the Follansbee dismantling plan, one which would have created a ghost town in West Virginia, was materially changed. A Senate subcommittee was most critical of the Wolfson group's activities in the Capital Transit Co. In a report issued May 2, 1954, it declared that the Wolfson management had followed "a course of action wholly inconsiderate of the public interest, wholly inconsistent with the philosophy of fair and reasonable returns to the owners of a regulated utility, and wholly inconsistent with the stated intentions of the Wolfson group before the Interstate Commerce Commission."

The report added that the Wolfson group's operations "clearly indicate that they place their own private financial interests above those of the public. This attitude has given credulity to the widespread public belief that the Wolfson group is milking the Capital Transit Co. preparatory to dumping the system on the Government. Whether this is the intent of the group the subcommittee cannot, of course, conclusively determine; there are strong indications that this may be their ultimate goal."

At the present time there are at least 2 similar raids in process, 1 on the A. M. Byers Co., of Pittsburgh, Pa., the Nation's only major producer of wrought iron pipe; the other 1 on the Niles-Bement-Pond Co., of West Hartford, Conn. The Byers' case is perhaps typical of what faces management and stockholders in these raids.

Unbelievable though it may sound, the management, other stockholders and the directors do not know who is attempting to seize control of this company. Only a few isolated names are known; the rest of the stock is held by brokers, bank and other nominees. So far practically all of the raiding activities are being conducted by intermediaries who refuse to name the real principal.

One stockholder who voted with the opposition was represented in negotiations with the company by Stanley T. Stanley.

It may be of interest to point out that Stanley T. Stanley was purportedly a close friend and business associate of Serge Rubinstein. He and Vergil Dardi, formerly of Blair Holdings Corp., were charged some years ago with conspiring with Rubinstein to gain controlling seats on the board of Stanwell Oil & Gas, Ltd., of Toronto, Canada. These suits are still pending. Perhaps by coincidence, this is the same Vergil Dardi who has been associated with Leopold Silverstein and the Penn-Texas Co.—the ones who are conducting the current raid on the Niles-Bement-Pond Co.

Niles-Bement-Pond Co. is one of the finest industries in the United States of America. It is located in the Congressional District which I have the great honor to represent.

This raiding activity has resulted in litigation which affects the welfare of 5,000 Niles-Bement-Pond employees and 4,500 stockholders.

Of more direct interest to Congress, this situation is also delaying the carrying out of a contract which, I am advised, would hasten the development of new products in the vital areas of jet aircraft, guided missiles, and automation.

Niles-Bement-Pond, which has its principal office and plant in West Hartford, was founded in 1860. The company is perhaps best known by the names of its divisions. These include Pratt and Whitney, which manufactures precision machine tools, cutting tools and gages and aircraft landing gear; Chandler-Evans, which produces aircraft engine accessories, including fuel regulators for jet engines; and Potter & Johnston, which produces high-speed automatic turret lathes necessary to work the special materials used in jet engines and guided missiles.

Niles-Bement-Pond is headed by men well and favorably known in the aviation industry and to the Defense Department. Mr. C. W. Deeds, who has been associated with the company directly or indirectly for 30 years, is chairman of the board. Mr. A. H. d'Arcambal, a widely respected metallurgical engineer, is president. Mr. R. W. Banfield, long prominent in the machine-tool industry, is executive vice president. Mr. Sidney A. Steward, prominent in the aircraft industry, is the vice president in charge of the Chandler-Evans division.

Penn-Texas Corp., which began buying up Niles-Bement-Pond stock last year, has headquarters in New York City. Penn-Texas, as such, was founded in 1954 as an amalgamation of several companies chiefly built around the Pennsylvania Coal & Coke Corp. Penn-Texas now holds control, largely by stock transactions, of 10 companies operating in such miscellaneous fields as oil and gas leases, coal mining, uranium exploration, industrial lifts and cranes, truck shovels, the operation of an industrial water terminal in Bayway, N. J., and the acquisition of war-surplus ships.

Penn-Texas is headed by Mr. Leopold D. Silberstein. Associated with Penn-Texas and Mr. Silberstein in various capacities are Oscar Chapman, former Secretary of the Interior; Virgil D. Dardi, formerly of Blair Holding Corp.; and David Subin, a Pennsylvania hosiery manufacturer.

Niles-Bement-Pond has approximately 870,000 shares issued and outstanding. In 1953 the directors requested and obtained approval from the stockholders to increase the number of authorized shares to 1,500,000. As explained in the proxy statement, the additional shares were sought as a means of affiliating, by an exchange of stock, with another company or companies whose activities might dovetail with those of Niles-Bement-Pond or permit it to diversify operations. During 1953 and 1954 the officers and directors of Niles-Bement-Pond investigated several such possibilities.

Early in 1954 the stock of Niles-Bement-Pond began to show a remarkable rise. Previously ranging between $16 and $21 a share, it moved steadily up, and many shares were traded, reaching $30 in late September. At about this time Mr. Silberstein suddenly notified Mr. Deeds that Penn-Texas had acquired at least 10 percent of the stock then outstanding; claimed that either directly or indirectly it controlled around 25 percent and demanded the right to name five men on the board of directors. This the board refused.

Not long thereafter the officers of Niles-Bement-Pond learned of the possibility of working out an affiliation with Bell Aircraft Corp. Bell Aircraft is a leading producer of helicopters, jet aircraft, and guided missiles. It was thus a natural ally.

On January 12, 1955, a contract was signed providing for the exchange of approximately 630,000 previously unissued shares of Niles-Bement-Pond for 1,020,000 shares of Bell and $636,000 in cash. Reviewing the contract with stockholders, Mr. Deeds said:

> The combined experience of the two companies should result in the rapid development of new products vital to the defense program.

Since the contract was signed Bell stock has risen 12 points, representing a potential gain to Niles-Bement-Pond stockholders of more than $12 million.

Mr. Silberstein reacted violently. One effect of the exchange was, by enlarging the number of shares outstanding, to reduce the percentage of interest held by Penn-Texas, and thereby diminish any chance it had of gaining control. Mr. Silberstein wrote a letter to the shareholders in which he denounced the action of the Niles directors and officers as "high-handed, unlawful, immoral, and un-American." He immediately went to court. By filing numerous affidavits charging what its lawyer described as a squeeze-out, Penn-Texas succeeded in obtaining a temporary injunction holding up the contract until the court can hear evidence. No date for trial has yet been set. But the Bell group has taken advantage of the litigation to withdraw.

It seems to me that this is precisely the kind of case Congress should investigate. All the disturbing elements are present—secret buying of the stock; a quick and unexplained rise in the price of a normally quiet stock; the sudden demand for a change in the make-up of the Board of Directors; hurried resort to the courts. These are actions we associate more with the buccaneering days of the 19th century—of Drew, Fisk, and

Could—than with modern methods of building up sound companies. Nor is this an isolated case. The newspapers and the business magazines have reported a dozen like it within the past few months.

If the actions of any one on either side were in any sense immoral or un-American I would say that Congress should interest itself in the matter, particularly in view of the fact that it touches the national security. Concerning cases of this kind, I think it would also be useful to know about the source of some of the large sums of money involved and more about the backgrounds of the persons involved.

I have looked briefly at the published statements of each company. I can follow the Niles-Bement-Pond statement although corporate accounting is seldom easy. The Penn-Texas statement, however, raises more questions in my mind than it answers. But, if this company is preparing to inherit defense contracts or subcontracts held by Niles-Bement-Pond, I believe we should scrutinize the accounts of both companies with great care.

Concerning the background of the personalities involved, we do know this about the principal figures in each company:

First. Mr. Deeds was born in Niagara Falls, N. Y., in 1902. He has been engaged in the management of manufacturing companies in the aircraft and machine tool industries since 1925 and is a member of the boards of directors of several important companies. He has made useful contributions of several sorts ot the technical development and improvement of his industry.

Second. Mr. Silberstein, I am informed, was born in Berlin, Germany. He has stated in his application to the SEC for a broker-dealer license that he was interned by the British Government during the war and sent to Australia. Subsequently he appeared in Shanghai and obtained a Portugese passport. He apparently got back to England during the war and in 1948 came to this country under the Portugese quota and on July 9, 1954, became a naturalized American citizen.

Let me make perfectly clear that I state these few available facts only to demonstrate that there is an obscurity about this situation. The fact that this man was naturalized only last year has no other bearing on the case. If he was naturalized yesterday or today, he is entitled, of course, to all of the rights and privileges of citizenship.

I believe the Congress should know more about this matter. I suggest that a good place to begin would be to invite both Mr. Deeds and Mr. Silberstein to come to Washington, establish their respective qualifications to pass judgment on immoral and un-American conduct, and each contribute what he can to clearing up the many questions left unanswered by the record as it appears to date.

I insist that it is important that the Congress look into these matters. I would raise one caution, however. We must endeavor to draw a line between those cases which represent the normal pushing and hauling among financial interests with perfectly legitimate and constructive purposes—as against the vulture-like raids which are made to milk a company or to cause its liquidation.

I would not subscribe to the theory that our Federal Government should restrain the normal forces of financial competition—so long as the action is moral and the objective constructive. For to regulate closely every such transaction would be to place a financial mortmain on our land.

On the other hand, the Congress would not be fulfilling its responsibilities were it to let financial capriciousness deprive pensioners of their security and workmen of their jobs.

Therefore, I suggest to the House the following lines of inquiry:

First, the Congress should investigate the character of the persons staging and joining such raids. Who are they? What is their past history? What are their motives? What bonanzas do they anticipate?

Second, since these companies have defense importance, the Congress should know the source of the funds with which these raids are being staged. Is there unsavory money behind these activities? Is there foreign money? If so, is it from the free world?

Third, if credit is used by these raiders, what banks or other financial institutions are supplying the loans with which these stock purchases are financed? The Federal Reserve Board has instituted a 60-percent-margin requirement, but is this being adhered to? The Wall Street financing institutions should be asked for a full reporting on the loans supplied to these raiders. Do these loans represent a practical and moral—even if not an illegal—violation of the Federal Reserve Board's margin regulations? Are these lending institutions looking into the characters of these borrowers? Do they know those to whom they are lending? Are they, in fact, adequately protecting their depositors? Are the Federal bank examining agencies aware of the situation?

Fourth, the Securities and Exchange Commission was established by the Congress as its policemen and for many years was a crusading agency. What is it doing in these matters? Is it no longer in 1955 attempting to protect the small stockholder against predatory financial operators? Why too is the New York Stock Exchange not taking action against these raiders?

Fifth, the outstanding financial experts in the Nation should be brought in to make recommendations of standards which would prevent vicious raids in the future—and segregate constructive and fair capitalism from pure buccaneering.

Were the Congress to achieve wise decisions in these matters, it will have made a great contribution to the future economic well-being of our splendid democracy.

Mr. Speaker, I have introduced a resolution today calling for a complete investigation of this entire situation.

I urge my colleagues to join me in his effort.

This afternoon I have received a telegram from the Penn-Texas Corp. As a matter of fairness to all parties, I am making it a part of my remarks and inserting it at this point in the RECORD:

NEW YORK, N. Y., *March 23, 1955.*

The Honorable THOMAS DODD,
The House of Representatives,
Washington, D. C.:

A copy of the telegram sent to you asking for an investigation of the present proxy fight of Niles-Bement-Pond Co. has been shown to us. Further, a copy of this telegram is now being used by our opposition in the fight by circularizing among all Niles stockholders.

We feel that you should know the following important facts: The matter of our rights as a stockholder of the Niles Co., as well as the rights of other stockholders holding approximately 155,000 shares of stock, was presented to the Superior Court of New Jersey, chancery division, Essex County. This matter first was brought to the attention of the court when we moved to restrain the present directors of Niles and enjoin them from issuing all of its authorized but unissued stock, every share of it, to Belco, Inc., a subsidiary of Equity Corp., thereby transferring control to the latter company. The court stopped the present directors from doing this in the suit which we entered, ordering a temporary injunction.

At the same time that these directors tried to transfer control by issuing all of the unissued stock of Niles to the Equity Corp. subsidiary, they at the same time took action to keep themselves in office beyond their term by postponing the annual meeting of stockholders.

For a second time Penn-Texas Corp. went into the Superior Court of New Jersey, chancery division, to enjoin such illegal action. Judge Mark Sullivan, who made the first decision in the matter, also entered the order declaring the postponement of the annual meeting illegal and void, and directed that the meeting should be held as originally fixed.

We shall send you a full copy of Judge Sullivan's first and last opinions because we think that you should have all the facts before you. In part, Judge Sullivan said:

"In the present situation the directors have attempted to set the next annual stockholders meeting and election for a date some 13 months and 4 days subsequent to the last annual meeting. Obviously, the attempted change disregards the mandate for annual elections. Another effect of the directors' act is to lengthen their own term of office to 13 months and 4 days despite the fact that the statute says, and they were elected for, a term of 1 year. Similar action by a board of directors has been struck down by the courts of this State. * * * No one would argue that an elected public official should be permitted to extend his own term of office. The same reasoning applies to a corporate director who is also an elected official and a servant of the corporate electorate. It would be against public policy to vest in the directors the power to continue themselves in office beyond their statutory term of office. The legislative purpose in requiring annual elections of directors is for the protection not only of the stockholders but also of the corporation's creditors and the public who deal with it so that if the corporation's affairs are not being properly administered by its directors, they may be replaced at the end of their term."

So the court has spoken. An appeal from this order was taken by the present Niles management, but an application to advance the time for the argument of the appeal, so that it could be heard before the date of the annual meeting, namely, April 6, was summarily denied by the appellate court from the bench.

The New Jersey courts decided that it was illegal for these directors to try to keep themselves in office beyond their term. Now, that they face sure defeat and their term of office will be ended by an overwhelming stockholders' vote against them, they seek congressional intervention.

We know what your answer will be to their request for an investigation. But we do not wish to let the matter rest there. We have confidence and respect for the decisions of our courts, and we think that you will support our view in such regard. We deeply feel that it is just as inappropriate for this recalcitrant and spiteful group of directors led by Mr. Deeds to seek your help as it is for them to try to inflame the public mind by resorting to the type of smear campaign which they have engendered against us; a company under whose present management, has flourished, grown, and afforded fair employment to so many thousands.

I know that you, not so much as a legislator, but as an upright individual, will join us in resenting the attacks upon our president, Leopold D. Silberstein—attacks based on the fact that he does not happen to be native born and because of the length of his residence within our borders.

All of us here, in this country, with the exception possibly of the native-born Indian, were once immigrants and we all sought out this land of opportunity, and we feel that publicly you should give the lie to the charge or inference or implication that one who is not native born is by that reason alone unworthy of respect, or because of his racial, national, or religious difference should be discriminated against or made the butt of a vigorous but improper attack.

PENN-TEXAS CORP,
By SEYMOUR M. HEILBRON,
Secretary.

SPECIAL ORDER GRANTED

Mr. LANKFORD asked and was given permission to address the House for 15 minutes tomorrow, following the legislative business of the day and the conclusion of any special orders heretofore entered.

SUBCOMMITTEE NO. 1, COMMITTEE ON ARMED SERVICES

Mr. BROOKS of Louisiana. Mr. Speaker, I ask unanimous consent that subcommittee number one of the Committee on Armed Services may sit tomorrow during general debate.

The SPEAKER pro tempore (Mr. ALBERT). Is there objection to the request of the gentleman from Louisiana?

There was no objection.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. TRIMBLE.

Mr. FLOOD in two instances and to include extraneous matter.

Mr. DIXON and to include a speech.

Mr. FRELINGHUYSEN and to include extraneous matter.

Mr. RODINO (at the request of Mr. MCCORMACK).

Mr. JOHNSON of California and to include an editorial.

Mr. OSTERTAG.

Mr. ELLSWORTH and to include a magazine article.

Mr. WILLIS in two instances and to include extraneous matter.

Mr. RABAUT.

Mr. CRETELLA in two instances and to include extraneous matter.

Mr. ABBITT and to include extraneous matter.

Mr. JONES of Missouri and to include a letter.

Mr. THOMPSON of Texas in two instances, in each to include extraneous matter.

Mr. BROOKS of Louisiana and to include extraneous matter.

ENROLLED BILLS SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H. R. 2576. An act to further amend the Reorganization Act of 1949, as amended, so that such act will apply to reorganization plans transmitted to the Congress at any time before June 1, 1957.

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 913. An act to eliminate the need for renewal of oaths of office upon change of status of employees of the Senate or House of Representatives.

BILLS PRESENTED TO THE PRESIDENT

Mr. BURLESON, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, a bill of the House of the following title:

H. R. 2576. An act to further amend the Reorganization Act of 1949, as amended, so that such act will apply to reorganization plans transmitted to the Congress at any time before June 1, 1957.

ADJOURNMENT

Mr. HALEY. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 41 minutes p. m.), under its previous order, the House adjourned until tomorrow, Thursday, March 24, 1955, at 11 o'clock a. m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

589. A letter from the Comptroller General of the United States, transmitting the report on the audit of the Veterans' Canteen Service for the fiscal year ended June 30, 1954, pursuant to the act of August 7, 1946 (38 U. S. C. 13f) (H. Doc. No. 115); to the Committee on Government Operations and ordered to be printed.

590. A letter from the Acting Director, Bureau of the Budget, Executive Office of the President, transmitting a report that the appropriation to the Tax Court of the United States for "Salaries and expenses" for the fiscal year 1955 has been apportioned on a basis which indicates a necessity for a supplemental estimate of appropriation, pursuant to paragraph 2 of subsection (e) of section 3679 of the Revised Statutes, as amended; to the Committee on Appropriations.

591. A letter from the Assistant Secretary of the Interior, transmitting a report certifying that an adequate soil survey and land classification has been made of the lands to be benefited by the Helena Valley unit, and that the lands to be irrigated are susceptible to the production of agricultural crops by means of irrigation, pursuant to Public Law 172, 83d Congress; to the Committee on Appropriations.

592. A letter from the Secretary of the Army, transmitting a draft of proposed legislation entitled "A bill to increase the number of cadets that the President may personally select for appointment to the United States Military Academy and the United States Air Force Academy"; to the Committee on Armed Services.

593. A letter from the Secretary of the Air Force, transmitting a draft of proposed legislation entitled "A bill to repeal two provisions of law requiring that certain military personnel shall be paid monthly"; to the Committee on Armed Services.

594. A letter from the Secretary of State, transmitting a draft of proposed legislation entitled "A bill to amend the act of June 28, 1935, entitled 'An act to authorize participation by the United States in the Interparliamentary Union'"; to the Committee on Foreign Affairs.

595. A letter from the Chairman, Civil Aeronautics Board, transmitting a draft of proposed legislation entitled "A bill to amend the Civil Aeronautics Act of 1938, as amended, so as to authorize the imposition of civil penalties in certain cases"; to the Committee on Interstate and Foreign Commerce.

596. A letter from the Secretary of Commerce, transmitting a draft of proposed legislation entitled "A bill to increase the efficiency of the Coast and Geodetic Survey, and for other purposes"; to the Committee on Merchant Marine and Fisheries.

597. A letter from the director, the American Legion, transmitting the final financial statement of the American Legion up to and including the period ending December 31, 1954, pursuant to Public Law 47, 66th Congress; to the Committee on Veterans' Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. COLMER: Committee on Rules. House Resolution 191. Resolution for consideration of H. R. 4725, a bill to repeal sections 452 and 462 of the Internal Revenue Code of 1954; without amendment (Rept. No. 294). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. PATMAN:

H. R. 5162. A bill to amend the act entitled "An act to fix a reasonable definition and standard of identity of certain dry-milk solids" (21 U. S. C. sec 321c); to the Committee on Interstate and Foreign Commerce.

By Mr. ADDONIZIO:

H. R. 5163. A bill to amend the Fair Labor Standards Act of 1938 so as to increase the minimum hourly wage; to the Committee on Education and Labor.

By Mr. ASHMORE:

H. R. 5164. A bill to provide for the transfer of certain surplus Federal real property to the city of Greenville, S. C., for park and

recreational purposes; to the Committee on Government Operations.

By Mr. AVERY:

H. R. 5165. A bill to amend the Servicemen's Readjustment Act of 1944, so as to authorize loans for farm housing to be guaranteed or insured under the same terms and conditions as apply to residential housing; to the Committee on Veterans' Affairs.

By Mr. BARTLETT:

H. R. 5166. A bill relating to a constitutional convention in Alaska; to the Committee on Interior and Insular Affairs.

By Mr. COLE:

H. R. 5167. A bill to amend the Atomic Energy Act of 1954, and for other purposes; to the Joint Committee on Atomic Energy.

By Mr. COOLEY:

H. R. 5168. A bill to provide for retirement of the Government capital in certain institutions operating under the supervision of the Farm Credit Administration; to increase borrower participation in the management and control of the Federal farm credit system; and for other purposes; to the Committee on Agriculture.

By Mr. DEMPSEY:

H. R. 5169. A bill to repeal clause (d) of the proviso contained in the act of August 2, 1937, as amended, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. HÉBERT:

H. R. 5170. A bill to provide for the conveyance of Jackson Barracks, La., to the State of Louisiana, and for other purposes; to the Committee on Armed Services.

H. R. 5171. A bill to incorporate the American Shut-In Entertainers, Inc.; to the Committee on the Judiciary.

By Mr. HYDE:

H. R. 5172. A bill to amend the act of May 29, 1944, providing for the recognition of the services of the civilian officials and employees, citizens of the United States, engaged in and about the construction of the Panama Canal; to the Committee on Merchant Marine and Fisheries.

By Mr. KLEIN:

H. R. 5173. A bill to amend the Railroad Retirement Act of 1937, as amended, and the Railroad Unemployment Insurance Act; to the Committee on Interstate and Foreign Commerce.

By Mr. McDOWELL:

H. R. 5174. A bill making an appropriation for the prosecution of the Delaware River channel-deepening project, as heretofore authorized by law; to the Committee on Appropriations.

By Mr. MILLER of Maryland:

H. R. 5175. A bill to incorporate the American Association of Firemen; to the Committee on the Judiciary.

By Mr. RADWAN:

H. R. 5176. A bill to provide for the recruitment and training of Foreign Service officers; to the Committee on Foreign Affairs.

By Mr. RILEY:

H. R. 5177. A bill to authorize the Administrator of Veterans' Affairs to reconvey to Richland County, S. C., a portion of the Veterans' Administration Hospital reservation, Columbia, S. C.; to the Committee on Veterans' Affairs.

By Mr. RODINO:

H. R. 5178. A bill to authorize the Public Housing Commissioner to enter into agreements with local public housing authorities for the admission of single persons, in hardship cases, to federally assisted low-rent housing projects; to the Committee on Banking and Currency.

By Mrs. ROGERS of Massachusetts:

H. R. 5179. A bill relating to the restoration of rank and precedence in the case of certain naval and Marine Corps officers who were formerly designated for limited duty; to the Committee on Armed Services.

By Mr. SCOTT:

H. R. 5180. A bill to amend Public Law 587 by permitting the withholding by the Federal Government from wages of employees certain taxes imposed by municipalities; to the Committee on Ways and Means.

By Mr. SILER:

H. R. 5181. A bill to amend the Tennessee Valley Authority Act of 1933 so as to provide that TVA power sold to churches shall be sold at residential rates; to the Committee on Public Works.

By Mrs. SULLIVAN:

H. R. 5182. A bill to amend the Railroad Retirement Act of 1937, as amended, and the Railroad Unemployment Insurance Act; to the Committee on Interstate and Foreign Commerce.

By Mr. ABBITT:

H. R. 5183. A bill to prohibit the publication by the Government of the United States of any prediction with respect to apple prices; to the Committee on Agriculture.

By Mr. BOGGS:

H. R. 5184. A bill to grant an additional income-tax exemption to a taxpayer supporting a dependent who is blind or otherwise permanently and totally disabled; to the Committee on Ways and Means.

H. R. 5185. A bill to amend title II of the Social Security Act to provide for the payment of child's insurance benefits to certain individuals who are over the age of 18 but who are unable to engage in any regular employment by reason of permanent physical or mental disability; to the Committee on Ways and Means.

By Mr. CRETELLA:

H. R. 5186. A bill to permit certain repatriated citizens of the United States to obtain certified proof or documentation of their repatriation; to the Committee on the Judiciary.

By Mr. DODD:

H. R. 5187. A bill for the establishment of the Commission on Ethical Financial Practices; to the Committee on Interstate and Foreign Commerce.

By Mr. HARRISON of Virginia:

H. R. 5188. A bill to prohibit publication by the Government of the United States of any prediction with respect to apple prices; to the Committee on Agriculture.

By Mr. RABAUT:

H. R. 5189. A bill to provide for the distribution of certain surplus food commodities to needy persons in the United States, by use of a food stamp plan; to the Committee on Agriculture.

By Mr. HESS:

H. J. Res. 259. Joint resolution designating the 7-day period beginning October 23, 1955, as Cleaner Air Week; to the Committee on the Judiciary.

By Mr. KEARNEY:

H. J. Res. 260. Joint resolution to provide for the establishment and operation of an information booth in the rotunda of the Capitol; to the Committee on House Administration.

By Mr. RIVERS:

H. J. Res. 261. Joint resolution authorizing the Secretary of the Army to make such donations as may be available to The Citadel, Charleston, S. C.; to the Committee on Armed Services.

By Mr. DODD:

H. Res. 192. Resolution to authorize the Committee on Banking and Currency to investigate and study the "raiding" of established business enterprises; to the Committee on Rules.

MEMORIALS

Under clause 4 of rue XXII, memorials were presented and referred as follows:

By Mr. HESELTON: Resolutions of the General Court of the Commonwealth of Massachusetts memorializing Congress in favor of the immediate passage of legislation for the development of fine-arts programs and projects; to the Committee on Education and Labor.

By Mrs. ROGERS of Massachusetts: Resolutions of the General Court of Massachusetts in favor of the immediate passage of legislation for the development of fine-arts programs and projects; to the Committee on Education and Labor.

By the SPEAKER: Memorial of the Legislature of the State of Massachusetts, memorializing the President and the Congress of the United States relative to being in favor of the immediate passage of legislation for the development of fine-arts programs and projects; to the Committee on Education and Labor.

Also, memorial of the Legislature of the State of New Mexico, memorializing the President and the Congress of the United States to authorize the Colorado River storage project; to the Committee on Interior and Insular Affairs.

Also, memorial of the Legislature of the State of West Virginia, memorializing the President and the Congress of the United States to give favorable consideration to the passage of legislation that would establish Blennerhassett Island as a national monument, and which would include the reconstruction of the Blennerhassett Mansion and build an adequate approach to the island by bridge or ferry; to the Committee on Interior and Insular Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ADDONIZIO:

H. R. 5190. A bill for the relief of Velia Sacco; to the Committee on the Judiciary.

By Mr. ASHMORE:

H. R. 5191. A bill for the relief of Charles D. West; to the Committee on the Judiciary.

By Mr. DIGGS:

H. R. 5192. A bill for the relief of Katherine Pui King Loo (Feun), Lindson Feun, Lindgoy Feun, and Amie Feun; to the Committee on the Judiciary.

By Mr. DORN of New York:

H. R. 5193. A bill for the relief of Renee Schinazi; to the Committee on the Judiciary.

By Mr. HOLT (by request):

H. R. 5194. A bill for the relief of Beatrice De Pra Iannantuono; to the Committee on the Judiciary.

By Mr. KILDAY:

H. R. 5195. A bill for the relief of T. W. Wheeler, lessee, L. M. Robertson, doing business as Robertson Auto Transport Co.; to the Committee on the Judiciary.

By Mr. McCORMACK:

H. R. 5196. A bill for the relief of the Overseas Navigation Corp.; to the Committee on the Judiciary.

By Mr. OSMERS:

H. R. 5197. A bill for the relief of Helene Kaljuse; to the Committee on the Judiciary.

By Mr. SHELLEY:

H. R. 5198. A bill for the relief of Mrs. Mary De Battista; to the Committee on the Judiciary.

By Mr. STEED:

H. R. 5199. A bill relating to the conveyance of certain property in Shawnee, Okla., by quitclaim deed, to Alfred F. Hunter; to the Committee on the Judiciary.

By Mr. WILLIAMS of New York:

H. R. 5200. A bill for the relief of Maj. Joseph R. L. Miller; to the Committee on the Judiciary.

By Mr. ZELENKO:

H. R. 5201. A bill for the relief of Omar Faruk Baturay and wife, Suad Esin Baturay; to the Committee on the Judiciary.

H. R. 5202. A bill for the relief of Robert Grunwald; to the Committee on the Judiciary.

By Mr. WALTER:

H. Con. Res. 98. Concurrent resolution approving the granting of the status of permanent residence to certain aliens; to the Committee on the Judiciary.

H. Con. Res. 99. Concurrent resolution favoring the granting of the status of permanent residence to certain aliens; to the Committee on the Judiciary.

By Mr. LANE:

H. Res. 193. Resolution providing that the bill, H. R. 2266, and all accompanying papers shall be referred to the United States Court of Claims; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

170. By Mr. O'HARA of Minnesota: Petition of A. W. Eckblom and 436 others, St. Paul, Minn., favoring the enactment of H. R. 3087 and H. R. 757; to the Committee on Interstate and Foreign Commerce.

171. By the SPEAKER: Petition of George L. Eifel and others, Chicago, Ill., relative to requesting passage of H. R. 3087 and H. R. 757; to the Committee on Interstate and Foreign Commerce.

172. Also, petition of the president, Baltic Student Federation, Bronx, N. Y., relative to condemning the unlawful occupation of Estonia, Latvia, and Lithuania, etc.; to the Committee on Foreign Affairs.

173. Also, petition of the president, M. I. S. Veterans, Honolulu, T. H., endorsing favorable action on H. R. 588; to the Committee on Veterans' Affairs.

174. Also, petition of the manager, Columbus Chamber of Commerce, Columbus, Ga., relative to stating that "rather than focus attention to the tariff 'bogeyman', United States foreign-trade policy should recognize the real causes of such world trade money controls, embargoes and similar barriers to commerce that are diverting textiles and other essential goods from the peoples and regions in greatest need"; to the Committee on Ways and Means.

EXTENSIONS OF REMARKS

Meeting the Communist Menace

EXTENSION OF REMARKS
OF

HON. LEVERETT SALTONSTALL

OF MASSACHUSETTS

IN THE SENATE OF THE UNITED STATES

Wednesday, March 23, 1955

Mr. SALTONSTALL. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD an address entitled "Meeting the Communist Menace," delivered by Hon. Herbert Brownell, Jr., Attorney General of the United States, before the Greater Boston Chamber of Commerce, in Boston, Mass., on March 21, 1955. The address is a fine exposition of what his Department and the Government are doing with relation to that problem.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

MEETING THE COMMUNIST MENACE

(Address by Hon. Herbert Brownell, Jr., Attorney General of the United States, before the Greater Boston Chamber of Commerce, Boston, Mass., on March 21, 1955)

Nearly a year ago, at President Eisenhower's request, I reported to the American people on the threat of Communist infiltration here at home and what the Federal Government is doing about it. I said that the menace of communism was very real; that it would be foolhardy to minimize the dangers it posed; that we should not have exaggerated fears of those dangers; that our Government was well aware of them and was meeting them in an orderly and effective way.

We have made a great deal of progress in the past year—progress which I shall outline to you today along with new problems which have arisen. But it is clear from the intelligence information provided to me by the FBI that we cannot lower our guard. We cannot relax our vigilance. The dangers—even many of the same problems—still exist, because of the very nature of the Communist conspiracy. It is a worldwide plot, directed by scheming, ruthless men who would bend the whole world to their selfish will. They cannot rest, they cannot succeed, until they have enslaved all the world. When repulsed in one area, they try another. When one plot is exposed, they hatch another.

The hard core of Communists in this country are cast in the same mold. They are willing to devote their lives to destroying in this country the very freedoms which allow them to speak and write and act.

The Communist Party, U. S. A., is like an iceberg. Only a small part can be seen, but the bulk is beneath the surface. The exposed part of the Communist conspiracy in this country is shrinking but there continues to be much activity beneath the surface. The members of the Communist Party resort to secret meeting places, secret schools, even secret symbols or numbers in place of names. They use an Aesopian language in describing their aims and functions, an admittedly protective form of expression which most of us consider just plain doubletalk.

The Communist Party line has not varied much in the past year. The Communists still use any available issue or incident to vilify the United States and glorify the Soviet Union. They oppose rearming West Germany; they advocate admission of Red China to the United Nations. At home, they seek repeal of the Smith Act, the Internal Security Act of 1950, and the Communist Control Act of 1954. They advocate merger of Communist-dominated unions with others affiliated with the CIO or A. F. of L. Stress is laid on infiltrating non-Communist groups to advance Communist objectives, on penetrating basic industries and on recruiting members, particularly Negroes, youths, and industrial workers. They have attempted to step up Red propaganda. Last fall, for example, they distributed more than half a million copies of a pamphlet carrying the party program. That pamphlet was entitled innocently enough. It was called the American Way to Jobs, Peace, and Democracy.

But I can report to you that the Communists are having their troubles, too. They are not having much luck recruiting, or even maintaining their membership. We know their fund-raising drives are falling short. They are hard pressed to keep an active leadership intact and functioning in the face of Government actions. They have set up their own internal security apparatus to offset infiltration by the FBI. That apparatus has not only been ineffectual, it has spread fear and distrust within Communist ranks, and created disorder in party communications. The party's schooling program is dwindling. Its largest school, the Jefferson School of Social Science in New York, has been disrupted by the Subversive Activities Control Board hearings. These have resulted in a recommendation the school be required to register as a Communist front.

The SACB hearing examiner held that the school was established by the Communists to teach both Communist ideas and work. The school trustees have been trusted party members. The Communist organization supplied funds to run the school and provided quotas of students. Instruction ranged from Marxist theory to such more practical subjects as recruiting party members.

Similarly, proceedings brought before the Board of the Department of Justice against the Labor Youth League has hampered Communist efforts to recruit members and spread hate propaganda among our youth. After other lengthy hearings, the Board has ordered the Labor Youth League to register with the Attorney General as a Communist front, so the public may know its officers, its financial support, and the objects to which its resources are devoted.

Evidence shows that the Labor Youth League has never deviated from the Communist Party line. It can't, because it has been supported financially and otherwise by the Communist Party; persons who directed and led youth activities of the party became the leaders and officers of the league. The evidence showed that these persons were subject to Communist discipline and that the league personnel and funds have been devoted consistently to furthering the aims of the Communist Party.

Meanwhile, we have continued to strike at the Communist conspirators with a number of other legal weapons. Another 250 subversive aliens have been deported or ordered deported since last April 9. Six persons have been convicted of lying to the Government about their Communist affiliations and another six indicted for the same offense. Four persons were convicted of harboring fugitive Communist Party leader Robert Thompson, who was himself jailed with an extra penalty for jumping bond.

The Smith Act, which makes it a crime to advocate the violent overthrow of the Government, remains a most effective legal weapon to strike at the leadership. Nine party leaders and organizers were convicted at Philadelphia and five others at St. Louis in the past year. Seven were indicted at Denver, eight at New Haven, and eleven in Puerto Rico. Four leaders have been apprehended on indictments under the membership count of the Smith Act. One of these four has become the first person to be convicted for membership in the party, knowing that its aim was overthrow of the Government. He was Claude Lightfoot, of Chicago.

Lightfoot, as our evidence showed, was a member and leader of the Communist Party for 20 years. In recent years he had joined other leaders in the party underground. He was indicted last May 14, apprehended by vigilant agents of the FBI in June, tried and convicted in January, and sentenced in February to 5 years in jail. At his trial, his own counsel conceded that Lightfoot was a member of the party; conceded that Lightfoot had held offices ranging from local organizer to alternate member of the national committee, the Communists'

highest governing body. He conceded that Lightfoot understands communism and has taught its meanings in classes and in writings. Lightfoot told students in a secret party school in 1947 that the party would spill blood, if necessary, in carrying out its objective of overthrowing our Government.

Two new laws are added deterrents to those who would play the Communists' game.

The first of these is the so-called immunity statute. One case under it already is before the courts. It involves William Ullman, a man identified in sworn testimony before a congressional committee as a member of a World War II Communist spy ring. Ullman was called before a grand jury and refused to testify. Under the new law, a Federal judge was asked to grant him immunity from self-incrimination and order him to testify. The judge did so, but Ullman persisted in his refusal. The judge sentenced him to 6 months in jail for contempt of court. Ullman has served notice of appeal.

The second tool comes in the Communist Control Act of 1954. It utilizes machinery of the Subversive Activities Control Board to determine if Communists have subverted a legitimate business or labor organization and to enable members to free themselves from such domination.

It is no secret that the Department of Justice is reviewing and updating files on various unions which were thrown out of the CIO some time ago on the ground that they had fallen under Communist domination. When those reviews are complete, we will bring whatever proceedings are warranted by current facts.

Meanwhile, some of the unions which might be involved have made moves to do 1 or more of 3 things:

1. Take action to cleanse themselves of Communist domination, which is exactly what Congress wants them to do.

2. Attempt to conceal such domination.

3. Seek affiliation with other unions which which are members of the A. F. of L. or CIO and thus gain exemption from the act. This, recall, is one of the new facets of the Communist line and responsible leaders of the major unions have warned their member unions to look very cautiously at such affiliation proposals and to insist on certain safeguards to insure that they will not be allowing themselves to be infiltrated through affiliation.

Perhaps the heaviest blow which this administration has dealt the Communist conspiracy has been to dry up sources and potential sources of information in Government, to virtually eliminate the opportunity of setting up a fifth column within the Government. This has been done by establishing a realistic employee security program.

The Civil Service Act of 1912 established minimum procedures for dismissal of permanent employees for the good of the service, but left much discretion to agency heads.

During the early years of World War II several attempts were made by Congress to obtain better security precautions in the executive branch. Summary removal powers for national security purposes were enacted late in 1942.

Then, in 1947, Executive Order 9835 initiated an employee loyalty program. But only when an employee was held to be currently disloyal was any action generally taken under that order until 1951 when it was broadened to include reasonable doubt of an employee's loyalty. It made no allowance for the fact a person might be a risk to our national security even though his loyalty was unassailable.

Congress, in 1950, passed Public Law 733, after pointing out that persons subject to blackmail, those who talked too much and those with unsatisfactory associations or habits, could constitute a serious security danger as well as traitors. During hearings, one high official testified that a single act of a disloyal person and a single act of an indiscreet employee can do equal damage to our security.

When President Eisenhower took office, he established the present employee-security program to carry out the purposes of the 1950 law enacted so overwhelmingly by Congress. As the law demands, the head of each department or agency is made responsible for effective security within his department or agency. The order requires investigation, in varying degrees, of all appointees to Federal positions. It establishes criteria for judging whether employment is consistent with security. It requires suspension and, after review, termination of employment of those deemed security risks. And, right here, let me quote a little of Public Law 733. It says:

"To the extent that such agency head determines that the interests of the national security permit, the employee concerned shall be notified of the reasons for his suspension and within 30 days after such notification any such person shall have an opportunity to submit any statements or affidavits to the official designated by the head of the agency concerned to show why he should be reinstated or restored to duty.

"The agency head concerned may, following such investigation and review as he deems necessary, terminate the employment of such suspended civilian officer or employee whenever he shall determine such termination necessary or advisable in the interest of the national security of the United States, and such determination by the agency head concerned shall be conclusive and final."

The law, and the machinery under the order, provide for written statements of charges to suspended employees, an opportunity for them to answer, a hearing upon the employee's request, a review of the case by the agency head or his representative, and a written statement of final decision.

An example of the effectiveness of the employee security program is the case of Joseph Sidney Petersen, Jr. He was a trusted employee of the National Security Agency, one of our most sensitive agencies. In the course of a security check, allegations arose which could have led to his dismissal under the Executive order. In the ensuing investigation, information was obtained indicating Petersen might have illegally in his possession certain highly classified documents. Under the order, the investigation immediately was referred to the FBI. Petersen admitted having stored such documents in his apartment, where they were recovered, and also admitted furnishing contents of the documents to representatives of another government. He was arrested and indicted on three counts of the espionage laws. He finally entered a plea of guilty to one count and was sentenced to 7 years in prison.

The tremendous job of checking the 2,300,000 Federal workers is almost completed. Ahead, then, the big task will be only to screen applicants for Government jobs. This administration is dedicated to a policy not only of getting security risks out of Government, but also we propose to keep them out of the Government as long as we are in office.

As a result of all this progress in the fight against communism, resulting from our new Internal Security Division under Assistant Attorney General William F. Tompkins, the Communists themselves have recently made a major shift in the emphasis they place on their various programs. It is becoming increasingly clear that the current violent attack against Government witnesses and against the FBI's confidential sources of information has many of its roots in a Communist effort to stem the successful campaign against subversion.

The Communist Party has sought for years to uncover, to smear, to destroy the informant system of the Federal Bureau of Investigation. Communists call the FBI the enemy. The party's Manual of Organization, published in 1935, discussed how to "safeguard the party organization against stool pigeons" and "how to expose stool pigeons." Those "stool pigeons," included anybody who worked for the FBI, who provided information to the FBI, or who testified in court against the Communist Party. Other articles in Communist publications have repeated this attack year after year.

A young man named Harvey Matusow has become the current focal point of the attack. Harvey Matusow testified for the Government in two criminal prosecutions. He also appeared before the SACB and before congressional committees.

Matusow now claims that virtually everything he said in those appearances was a lie. The Department of Justice, 2 Federal courts, a grand jury and a Senate committee have been investigating and 1 case has come to a conclusion which I believe is well worth reporting today.

Fourteen months ago, Clinton E. Jencks, an official of the International Union of Mine, Mill, and Smelter Workers, was convicted of filing a false affidavit to the National Labor Relations Board in that he denied being a member of the Communist Party. Seven witnesses, including Matusow, testified concerning Jenck's Communist connections. Jencks himself, when confronted with Matusow's testimony by a Senate committee, invoked the fifth amendment and to this day has not denied, under oath, any of Matusow's testimony.

Despite this, Matusow filed an affidavit in the United States district court at El Paso, Tex., where Jencks was convicted. Matusow claimed in that affidavit that his original testimony was false. Jencks simultaneously filed a motion for a new trial, based on the affidavit.

District Judge Robert E. Thomason, who had presided over the original trial, held hearings for a week on the Jencks' motion.

Presented in evidence at the hearing was a tape recording made by the publisher of Matusow's recent book of a conversation between himself and Matusow. In that conversation, Matusow declared of his original testimony:

"I knew Jencks was a party member and I said so."

Then Matusow added:

"I can't say here that Jencks wasn't a party member after he signed the affidavit (to the NLRB) because I know that he was."

And yet Matusow went into court and tried to convince the Judge that Jencks was not a Communist. Evidence also showed that the original book outline prepared by Matusow did not even mention Jencks, the El Paso trial or false testimony in any criminal prosecution. The Government showed that material prepared by Matusow differed markedly with the finally published version in other respects and that the mine-mill union of which Jencks was an official advanced several thousand dollars to the publishing house in connection with the book, some of which in turn was advanced to Matusow, before and after he signed his affidavit claiming he had lied.

Judge Thomason denied a new trial, stating that "there has been nothing developed" in the hearing "in the way of evidence or testimony that has caused the Court to have any doubt" that Jencks was guilty as charged.

The judge then ordered Matusow before him and declared:

"By recanting your former testimony, given in this court, which I believe in substance was true, you have, in my opinion, deliberately, designedly, and maliciously attempted to obstruct the justice of this court."

Judge Thomason found Matusow in contempt of court. Last Wednesday, he sentenced Matusow to 3 years in jail. I think

the statement Judge Thomason made at that time sums up that phase of the Matusow case as well as is possible at this time. Let me read it to you:

"I am firmly convinced from the evidence of the witnesses, including that of Matusow, not only that the evidence offered, in support of the motion, is not worthy of belief, but that Matusow alone or with others, willfully and nefariously and for the purpose of defrauding this court and subverting the true course of the administration of justice and obstructing justice, schemed to and actually used this court of law as a forum for the purpose of calling public attention to a book, purportedly written by Matusow, entitled 'False Witness.'

"This court finds the fact to be that as early as September 21, 1954, responsible officials of the IUMMSW under the guise of seeking evidence in Jencks' behalf, subsidized the writing and publication of this book by authorizing the expenditure of union funds for that purpose. This at a time when, from the evidence, Matusow had no intention of writing any such book as was here exhibited or of changing his testimony given in the Jencks trial. I find that this subsidization was deliberately done the more easily to persuade Matusow to lend himself to the perpetration of a fraud on this court by means of the filing of his recanting affidavit and his testimony given herein. I find that Matusow willfully and with full knowledge of the consequences, lent himself to this evil scheme for money and for notoriety. "It is my firm conviction, moreover, that this hearing was deliberately brought on for the purpose of attacking the judgment of this court, attacking the Federal Bureau of Investigation and the Justice Department, in a carefully thought out scheme to generally discredit by these means the testimony of undercover agents and former Communist Party members who give evidence against the Communist Party of the United States and its adherents. Matusow, by his action, conduct, and testimony, had, and done in my presence during this period, obviously made an effort to convert these proceedings into a trial of the Department of Justice rather than of the issues before this court. Nothing that Matusow has offered in his defense has persuaded me otherwise."

As you see, while the fight against communism goes on, the tactics of these diabolical conspirators change. But the important thing is that we are making great progress in our fight against them.

Release of the Yalta Papers

EXTENSION OF REMARKS
OF
HON. ESTES KEFAUVER
OF TENNESSEE
IN THE SENATE OF THE UNITED STATES
Wednesday, March 23, 1955

Mr. KEFAUVER. Mr. President, in the New York Times of today there appears a most revealing story by Drew Middleton as to the manner in which the State Department dealt with the British Government in regard to the release of the Yalta papers.

It has been said here that Sir Winston Churchill reluctantly and finally agreed to the publication of these documents. If Mr. Middleton's dispatch is accurate, and we can hardly doubt that it is, we are forced to place a new interpretation on the word "agreement."

Mr. Middleton refers to revelations by Sir Winston in the House of Commons as to his part in the matter. Sir Winston informed the Commons that on February 11 the British Government had been informed by the Department of State that our Government had decided not to publish the documents. Four days later, the Prime Minister said, "we were told publication could not be resisted any longer."

I submit that being told that publication could be resisted no longer is vastly different from being asked to agree to publication.

It must have come as something of a shock to the British Prime Minister to learn later than the State Department had been forced to release the Yalta documents because this same State Department had deliberately leaked the full text of the documents to the New York Times.

This, it seems to me, is duplicity compounded. And when the victim of this duplicity happens to be our most important ally, it becomes all the more shocking.

I ask that the full text of the article in the New York Times be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

CHURCHILL CHIDES UNITED STATES ON YALTA CASE—SAYS PUBLICATION OF PAPERS WAS UNTIMELY—VANDALS SMEAR ROOSEVELT STATUE

(By Drew Middleton)

LONDON, March 22.—The United States Government changed its mind over the untimely publication of the Yalta Conference documents, Price Minister Churchill told the House of Commons today.

The British Government was informed March 11 that the administration in Washington had decided not to publish its record of the Three-Power meeting, Sir Winston said. Four days later "we were told publication could not be resisted any longer," he added.

The concern of both the Conservative and Labor members of Parliament over the publication of the Yalta papers was emphasized by the cries of astonishment and dismay that greeted Sir Winston's statement.

In the view of Government and opposition spokesmen, the release of the papers may prevent a meeting between the Soviet Union and the Western powers. By giving the Russians a pretext to make the proposed meeting a platform for their propaganda, publication of the Yalta documents may impede any real progress toward a relaxation of the tension between the East and West, these sources say.

BRITISH PUBLICATION OPPOSED

British opinion in the highest circles is opposed to the publication by this country of its record of the Yalta meeting. These sources are critical of the United States plans to release the minutes of the Potsdam and Teheran conferences.

"Where will publication end?" a senior British official inquired today.

"Won't the Republicans now ask for the minutes of the secret sessions of the Council of Foreign Ministers since the war and if these provide no ammunition for the minutes of all other meetings we have held with the Russians or even among ourselves?

"Do they really believe in Washington that the United States can negotiate with any country successfully if everything said in private meetings is to be thrown open to public?" the source added.

The British policy, as put forward by one of the Nation's most respected statesmen, is: Open covenants secretly arrived at.

Sir Winston's distaste for the whole affair, obvious to anyone in the Commons, was heightened by news that the words "Traitor of Yalta," had been scrawled across the base of the statue of President Roosevelt in Grosvenor Square.

The writing was in red oxide paint, and, according to official of the Ministry of Works, it may do irreparable harm.

The statue was erected as a memorial to Roosevelt "as a great war leader, a great man of peace, and a great citizen of the world." It was unveiled by Mrs. Roosevelt in April 1948 in the presence of King George VI and Queen Elizabeth, the present Queen Mother.

At the time of the Yalta conference, Churchill doubted the wisdom of Roosevelt's policies, and he does today. But these doubts do not outweigh in his mind the debt of gratitude owed to Roosevelt for his help in 1940 and 1941.

Although there is much criticism of the issuance of the Yalta documents there is little of Roosevelt in this country. The defacing of the statue introduced a note of blind hatred that is alien to public opinion here.

The Prime Minister gave the Commons a detailed account of the exchanges between his government and the administration in Washington about the Yalta documents.

These began last summer when the British were informed of the administration's wish to publish papers relating to the big power conferences at Yalta and Potsdam and the United States-British meeting at Malta that preceded the Yalta Conference.

GALLEY PROOFS SENT TO BRITISH

The British received galley proofs of the Yalta documents in December. But Sir Winston said sharply it was not the duty of the British Prime Minister or his Foreign Secretary to read through such a vast amount of material about the past.

"I was consulted on a few points of detail," Sir Winston conceded.

Sir Anthony Eden, the Foreign Secretary, with the Prime Minister's agreement, sent a message to Washington deprecating on general grounds a detailed record of important international documents being published so soon after the event.

The Foreign Secretary told Secretary of State Dulles, January 12, that while he did not suggest the abandonment of publication he thought it most undesirable at present, the Prime Minister added.

"On March 11 the United States Government informed us they had decided not to publish," Sir Winston continued. "But on March 15 we were told publication could not be resisted any longer. Twenty-four hours later it occurred.

"The British Government has not decided whether to publish its own reports of plenary meetings and the foreign ministers conferences at Yalta," Sir Winston declared. "These reports are being carefully examined to see whether publication is necessary," he added.

The Prime Minister said that, although in his opinion the British representatives—that is he and Sir Anthony—came out of the Yalta report very well, this did not alter his conviction that publication was untimely.

Taxed by a Laborite member about a remark attributed to him in the documents to the effect that he did not like the Poles, Sir Winston said he did not remember having made any such remark and "if so, it must have been completely out of context."

Anyone who cares to read the documents can see how "again and again I fought for the interests and rights of Poland at Yalta and Potsdam," Sir Winston asserted.

Clement R. Attlee, opposition leader, asked Sir Winston to negotiate an agreement with the United States to prevent the release of documents on future international meetings.

Sir Winston replied that the Yalta documents might have been influenced by accidental circumstances and their release should not be judged as definite United States policy.

Other ministers and senior civil servants fear the United States Government, at the request of the Republican right-wing Senators, will continue to issue documents on international conferences. They believe that, as a result, the prospects of talks with the Soviet Union or any sort of serious diplomatic negotiation will be reduced.

Address by Hon. Pat McNamara, of Michigan, to the Friendly Sons of St. Patrick

EXTENSION OF REMARKS
OF
HON. JOSEPH C. O'MAHONEY
OF WYOMING
IN THE SENATE OF THE UNITED STATES
Wednesday, March 23, 1955

Mr. O'MAHONEY. Mr. President, the Friendly Sons of St. Patrick, of Rhode Island, had the rare privilege and opportunity on St. Patrick's Day of hearing a speech by the distinguished junior Senator from Michigan [Mr. MCNAMARA], who now occupies the chair, and thus is presiding over the Senate at this moment. I ask unanimous consent that the speech made by him on that occasion be printed in the CONGRESSIONAL RECORD, because of the rare vision and spirit of prophecy and understanding it displays.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ADDRESS BY SENATOR PAT MCNAMARA BEFORE THE FRIENDLY SONS OF ST. PATRICK, PROVIDENCE, R. I., MARCH 17, 1955

I feel truly privileged to have been chosen to reply to the toast to the United States. And to respond to that particular toast here in Rhode Island is a real challenge, for it was in these parts that so much of American history was made.

I pride myself on the fact that I was born and grew to manhood in New England. And I am made happy by the fact that today, as a Senator for the State of Michigan, I feel myself at home, really at home, whether I am in Michigan or here. Maybe I should add, at this point, that if ever I feel as much at home in Washington as I do here, why, that really will be something.

We have come here tonight to honor the land of our fathers and the patron saint whose kindness and wisdom shone like a beacon light through the pagan atmosphere of early Ireland. It was the good St. Patrick whose deeds and example have done so much to make the Irish into the militantly kindly people that one associates with Ireland. I do not know whether I have the skill or anyone else has the insight to put into words the deep feelings that move us on St. Patrick's Day. It might sound a little like a paradox if put into words—at least, it might to anyone who has no Irish blood. But anyway, let me say it plainly—we all feel somehow that what is truly Irish is truly American. I am sure we don't feel that this is just an accident of history. I think we feel that America is good fruit of the Irish spirit just as the Irish spirit has always had in it a yearning of which America is the best expression.

I think we are proud of our ancestry, but we really did not come here tonight just to glory in it. I do not think the true American lives or wants to live in the shadow of his forebears. I say to you tonight as I would say to any American worthy of his citizenship: "Never mind who your grandparents were—that does not prove you are a good American. Think of what your grandchildren will be—there is the test of your Americanism. You have earned no credit for your grandparents, for who can choose his ancestors? But you do have it in your power to deserve credit for your grandchildren.

I cannot help but think of the great faith of the men and women who put their imprint on America, and through America—on the world of today and of tomorrow. They were prophets, as was St. Patrick, who transformed a hundred pagan tribes into a great people. You know, we often misunderstand the function of the prophet. The true prophet is not one who foretells the future as by magic or through a crystal ball. The prophet is not the man who foretells the future—he is the man who makes the future.

It is easy to have the gift of hindsight. Who among us is not sure that, listening to a St. Patrick, he would have forsaken the heathen idols of his fathers and embraced the true faith? Who among us is not sure that, faced with the challenge of the Revolution, he would have rallied to the call of the Continental Congress and offered his life that a new nation might be born?

But let us consider the times and the circumstances of the rebellion which brought forth the United States of America. If you or I had then lived, could anyone have blamed us if we had said: What kind of delusion are you trying to sell the colonists? You are asking them to rebel against constituted authority for the pursuit of life, liberty, happiness, democracy, and equality. But is it equality which denies the vote to anyone who is not a property owner? Is it democracy which denies to the women of America the right to vote? Is it liberty which denies the slave or the bondsman the right to be free? Is it life or happiness which conceives it to be the duty of government to stand aside while the strong devour the weak?

Such questions would have been honest questions. They would have been pertinent questions in that day. Indeed, we are still in the process of finding the answers to some of these questions.

But if one knew enough about the American people—if one were wise enough to realize that America was more than just the defined quantity—if one understood the yearnings of the American people, the silent philosophy of the Catholic, the Protestant, the Jew, the longings of the Negro and the white, the worker and the farmer, he would have anticipated the answer to these questions.

He would have known that in every society, as in every individual, there is a gap between the self-expressed ideal and the reality. He would have known that progress is the process of closing that gap. He would have known that within a few years the franchise would be extended to all men. He would have known that four score years after the Declaration of Independence a bitter and bloody civil war would be fought to free slaves. He would have known that a century and a quarter after the adoption of the Constitution women would get their vote. He would have known that the time would come through a century and a half of slow progress after the Revolution that first one great political party, and then by precept and example another great political party, would accept the idea that it is not the proper role of government just to act as an umpire, or to stand with folded hands at one side while vast parts of the Nation live in misery.

But to know all this he would have needed faith, faith in the ideals of America and faith in the upward thrust of the American people toward the realization of those ideals. He would have needed faith, not just faith in the Colonies as they were at the time of the Revolution, but faith in America for what she would become if enough Americans had faith.

When you stop to think of it, wasn't this just what St. Patrick started going in Ireland? Isn't this the Irish spirit? This was the Irish spirit—and this is the American spirit.

So it seems to me that the lesson of this day for all of us may well be—that America is a land in the making. That America will always be a land in the making. A land in which the noblest flowering of the human spirit will find finer expression than ever before. A land with a constant challenge—the challenge of better living and a measure of basic security for more and more people; the challenge of translating into reality the teaching of all the saints whose destiny it has been and always will be, to mold a better world. And the greatest challenge of all—the challenge of that great faith in mankind, which, as age follows age, hammers the world into the prophetic concept of the Kingdom of God.

My friends—this is my reply to the toast to the United States: Let us strive to make the world all the things our hearts desire.

New Story of Masaryk's Fall Again Denies Suicide Version

EXTENSION OF REMARKS
OF
HON. DANIEL J. FLOOD
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, March 23, 1955

Mr. FLOOD. Mr. Speaker, on March 20, 1955, the Baltimore Sun published a remarkable story about the death of Jan Masaryk, in which the Communist version of Masaryk's suicide was denied according to a new evidence which came from the intelligence sources of the Slovak underground.

In the cold war which is being waged between the East and West the underground intelligence is to us of inestimable value. Due to its day-by-day knowledge of what the Communists did in the past or what the Communists are doing and planning now, it serves us, the people of the West and many times it gives us an efficient weapon or instrument to refute the big Communist lie. Would we support the underground intelligence more fully it could very well be one of the decisive factors in preserving freedom and peace in our world. Reds comes from various sources. It is only at the end of the line that all bits of information are pieced together into a comprehensive picture and then coordinated and evaluated. This is necessary because the underground intelligence is not one, but several networks which work independently. In the Slovak underground intelligence, certainly one of the best behind the Iron Curtain, there are some networks whose operations were conducted with the neatness and finesse

of a highly successful and well-organized group. Their deep knowledge of everything connected with the Communist domination of their homeland makes these networks or the men who head them an asset on our side of that cold war. One such network was that of Dr. Michal Zibrin or that of Col. J. Muran, and more recently the group headed by Capt. M. Baar or the one of Col. Jan Bukar. It is safe to mention at least these few as concrete examples because the Reds in their native Slovakia know about them and it cannot harm them any more since other Slovak patriots are carrying on the work started by these active opponents of communism.

The denial of Masaryk's suicide published by the Baltimore Sun is a good illustration of the value of the underground intelligence. Knowing the truth about Masaryk's death is not only important to us here in the West, but more so to those who are still oppressed, because knowing the truth gives them one more reason to defy their masters who deprived them not only of freedom and prosperity, but who—for obvious reason—perverted even the meaning of the truth itself.

The article referred to is as follows:

NEW STORY OF MASARYK'S FALL AGAIN DENIES SUICIDE VERSION

WASHINGTON, March 19.—On this ninth anniversary of Jan Masaryk's death a local outpost in Czechoslovakia's anti-Communist underground released today a new version of it, contesting the Prague regime's report of suicide.

Almost simultaneously, American authorities here made available a study of how the Communists, having got rid of Czechoslovakia's last anti-Communist Foreign Minister, have since been striving to eradicate both him and his father, the late Thomas G. Masaryk, from the memories of Czechoslovak peoples.

This has involved them in, among other things, a repudiation of pledges they made immediately after their February 25, 1948, coup d'état, the study showed.

MASARYK'S STATE

It noted that shortly thereafter—on the 98th anniversary of the elder Masaryk's birth—the late Klement Gottwald, then premier of the Communist regime, laid a wreath on the grave of the Czechoslovak Republic's founder and Vice Premier Nejedly, also a Communist, broadcast on that same occasion this assurance to the Czechoslovaks:

"Today's republic is Masaryk's state and, in regard to safeguarding his great liberation, it is even much more protected now than before. * * * If anyone claims that the present people's democracy is not Masaryk's, it is an insult * * * to Masaryk, the founder of this state and one of the last great democrats of the Old World."

NO SUCH CEREMONIES NOW

There were no similar ceremonies in honor of the elder Masaryk this month and none in honor of his son who was found dead beneath the windows of his suite in Prague 12 days after his father's rites in 1948.

The only comparable event the Communist regime has celebrated was the second anniversary on March 14 of the death of Gottwald, billed in its memorial preachments as our first workers' president.

The new account of how the younger Masaryk died was made available by V. Stefan Krajcovic, local representative of the National Committee for Liberation of Slovakia.

Slovaks have a special interest in the Masaryka, for, though Masaryk père was a Czech, he was born near the edge of Slovakia and, beside speaking a dialect close to Slovak, was so sympathetic as to be called the lonely Slovak at Prague.

The gist of Krajcovic's report is that the younger Masaryk did not commit suicide but, instead, was "killed by a Major Sram" of the Communists' State Security Police and that Sram was "himself liquidated" 2 months later. The report, relayed from a spot on the Iron Curtain's fringe, is the work, Krajcovic attested, of two of his committee's "experts on Communist methods."

Most of its circumstantial details are of a physiological and unprintable nature.

TESTIFIED FOR UNITED STATES COMMITTEE

Krajcovic identified the reports' authors as Col. Jan Bukar, who testified before a congressional committee here in May, 1953, and Stefan G. Lukats, who, he said, is now in Munich but coming to Washington next month.

According to their report, a Dr. Teply, the first police surgeon to reach the spot where Masaryk's body lay, made findings that controverted those of a Dr. Hajek, who performed the subsequent autopsy on which the Communists' suicide charge was based.

The Bukar-Lukats report says Dr. Teply found that Masaryk had died hours before the 6 a. m., discovery of his body plus multiple evidence that he had not jumped from a palace window but, instead, had been clinging desperately to its ledge before he finally fell, feet first, to the ground.

DOCTOR CALLED SUICIDE

It also says that Dr. Teply stuck by his findings in opposition to the Communist verdict and committed suicide on Christmas, 1948.

It adds that Dr. Hajek, who underwrote the Communist verdict, had previously been imprisoned by the Russians for serving the Nazis on the international commission they organized to investigate the so-called Katyn massacre of Polish officers by the U. S. S. R.

The Bukar-Lukats report asserts, in addition, that whereas other Communist officials hastily summoned to the Masaryk death scene were so roughly clothed as to indicate they had been roused from bed, Vlado Clementis, who was Masaryk's deputy and became his successor as foreign minister, showed up not only promptly but impeccably dressed.

SAYS CALLS WERE TRANSFERRED

It assertes, too, that Clementis, who was later involved in the Slansky espionage trial and executed by his Communist confreres, had ordered all Masaryk's calls transferred to him during the night that ended in Masaryk's death.

The foreign ministry's day book showed that, the report says.

The study by American authorities of how the Communists have been going about eradicating memories of Masaryk among their subjects links their efforts to the U. S. S. R.'s "hate Americans" campaign and notes that those efforts extend to more than tearing down all statues commemorative of "Masaryk's state."

ELDER MASARYK ACCUSED

They have extended, instead, the study says, to the issuance of a book Masaryk's Antipopular Policies, in which the Czechoslovak Republic's first President is accused of:

1. Plotting to murder Lenin.
2. Warmongering against the U. S. S. R.
3. Selling his country to American, English, and French imperialism.
4. Wallowing in a mud of lies, larceny, and corruption.

"Documents allegedly found in Masaryk's archives are published to back the charges, but," the study says, "they are so flimsy as to suggest that those responsible for the book may have had in mind sabotaging the endeavor.

"If they meant what they said, they have committed a despicable act of national self-abasement.

"They have committed it in their desire to kowtow before the Kremlin and to inveigle the young generation by painting the Masaryk republic in the blackest black and the Communist era in the purest white."

The 5,250-word study, from which the above is quoted and which is attributable only to American authorities, undertakes to dissect and disprove seriatim each charge the official Communist publication has made in derogation of the Masaryk who, born in 1850, died in 1937.

Opining that "Masaryk's American connection may have heightened the desirability of removing him from his pedestal, literally and figuratively," it notes that "he married an American girl and used her maiden name—Garrique—as his middle name" and adds: "The hate-America campaign in the Soviet world has thus engulfed even a Czech hero because of his relatives."

Newsprint From Bagasse

EXTENSION OF REMARKS
OF

HON. EDWIN E. WILLIS

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 23, 1955

Mr. WILLIS. Mr. Speaker, I take this opportunity to hail a new era in the industrial development of Louisiana and in the production and processing of sugar cane, one of our major crops.

As Representative in Congress from Louisiana's famed Sugar Belt, I am particularly pleased to call attention to the fact that 25 weekly and daily newspapers in my home State recently joined in issuing their publications on newsprint made from bagasse, heretofore generally considered a waste product of the sugar mills, but which now offers unlimited possibilities.

The Valentine Pulp & Paper Co.'s plant at Lockport, La., becomes the first in the world to use both the pith and the fiber of sugarcane to make paper. This outstanding achievement climaxes a research and experimental program which Valentine began in the 1930's and which has been watched with intense interest by the publishers of newspapers and the printing industry as a whole.

In addition to the new product, the Valentine plant produces fine writing paper, book paper, mimeograph paper, and tablet paper. A large part of the company's output is sold to the United States Government. The $4½ million facility at Lockport was completed last year.

Having been in close touch with the progress of the research and experimental program, I am especially pleased and gratified over the successful culmination of the efforts expended by those who have worked so hard to make the production of paper from bagasse a reality. The action of 25 newspapers in using the newsprint obtained in this process is a fitting tribute to those who have pioneered in this movement, as well as a practical demonstration of the project's value.

The successful use of bagasse in the production of newsprint is of tremendous and vital importance to the sugarcane industry which centers in the Third Congressional District of Louisiana—the Sugar Bowl. This development has brought enthusiastic comment from public officials and leaders in the industry who see a far-reaching effect on the future welfare of this phase of agriculture and upon the economy of the entire State of Louisiana.

The fine plant at Lockport was constructed and engineered by Brown & Root, Inc., of Houston, Tex. The Valentine Pulp & Paper Co. was formed by Brown & Root, and the Valite Corp. of Lockport and New Orleans. Will J. Gibbens, Jr., president of the corporation, has been a pioneer in the utilization of bagasse in the manufacture of a variety of products. For instance, Valite produces industrial synthetic resins from bagasse. These resins are widely used by the major domestic phonograph record companies and are used in Europe, Australia, and South America.

Board members of the new paper company are Mr. Gibbens and T. M. Barker, the latter of Lockport; Herman Brown, George R. Brown and Herbert J. Frensley, all of Houston. The executive vice president and general manager of the company is W. A. Zonner, a nationally known and widely experienced figure in paper-mill operations. W. L. Hendrix, formerly general superintendent of Herty Laboratory in Savannah, is general superintendent. Consulting engineers are Edwin L. Powell, of Chattanooga, and Thomas R. McElhinney, vice president and technical director of Valite, an affiliated company of Valentine Sugars, Inc. of Lockport.

Valite revealed just a few years ago that it had patents pending on a process of making pulp from bagasse. Tests were proven to be very satisfactory and this was verified by independent observers. Mr. McElhinney played a leading part in developing the Valite process. In 1948 the paper engineering firm of Merritt-Chapman & Scott investigated the process and declared that it was economically feasible. Following the Korean war the program was accelerated and the company firmly established the fact that economical white, unbleached pulp could be made from bagasse.

In 1953, Brown & Root, Inc., and Valite announced formation of the Valentine Pulp & Paper Co., to build a paper mill at Lockport capable of manufacturing 50 tons of finished paper products daily. Fine grade writing paper, newsprint, mimeograph paper and book paper were produced by the plant, and the Government contract secured. The demand for paper products was such that the company has revealed it is launching an expansion program that will increase the capacity to 80 tons daily.

Sugar cane has now created year-round employment in the Lockport area of Louisiana and we can forecast the apparent development that will follow in other parts of the 18 sugar-producing parishes—counties—of Louisiana which together produce 800,000 tons of bone dry bagasse, less than 40 percent of which is now used for industrial purposes.

The paper mill at Valentine employs 180 persons. During the regular harvest season an additional 200 persons are employed in the sugar factory.

To me the brightest and most important aspects of this new industry are twofold. First, it was conceived, developed and financed through private sources under our system of free enterprise. And second, this new outlet for bagasse, a by-product of sugarcane, is an argument which speaks with more force than mere words in favor of the adoption of an amendment to the Sugar Act to increase the mainland area sugarcane quota.

Elsewhere in today's RECORD I have exposed the propaganda by paid Cuban-minded lobbyists who would deprive our domestic sugar industry of the right to a fair share of our expanding domestic sugar market, due to yearly population increase. No one should hesitate to encourage an industry which has shown not only willingness but ability to increase and expand its efficiency; and to those who put out such propaganda I say, "Look at the new plant at Valentine and think twice before you presume to speak against the best interests of our farmers."

The Louisiana newspapers which have so well demonstrated the value of bagasse newsprint by printing on this product include the Abbeville Meridional, Bastrop Daily Enterprise, Bunkie Record, Clinton Citizen-Watchman, Colfax Chronicle, Coushatta Citizen, Denham Springs News, DeRidder Beauregard News, Donaldsonville Chief, Eunice News, Franklin Banner-Tribune, Houma Courier, Jena Times, Jefferson Parish Times, Morgan City Review, Napoleonvillion Assumption Pioner, New Iberia Daily Iberian, Opelusas Daily World, Port Allen West Side Journal, Ruston Daily Leader, St. Martinville Teche News, Sulphur Southwest Builder, Thibodaux Lafourche Comet, Ville Platte Gazette, White Castle Iberville Parish Times.

The cooperative project of these newspapers in making use of the newsprint produced from bagasse has received widespread publicity in their columns and in other publications. Among editorials summarizing the outstanding effects of this development and the great future it forecasts are the following from three of the participating newspapers published in the Third Congressional District of Louisiana, in their issues of February 24, 1955:

[From the Franklin (La.) Banner-Tribute]

THE SUGAR BELT MAKES HISTORY TODAY

Thursday, February 24, 1955, will go down in history as one of the most momentous days in the economic revolution that is taking place in the Sugar Belt of Louisiana.

All over the 18-parish area in which sugarcane is grown, and even in some sections of Louisiana that do not cultivate and harvest the tall, sweet grass, small-town weekly and daily newspapers are going to press today with a special type of newsprint.

The cooperating publications are publishing their regular editions on paper that has been made from Louisiana sugarcane bagasse by the Valentine Pulp & Paper Co., of Lockport, La.

This significant announcement means that at long last a byproduct of the principal crop grown in southern Louisiana is being put to use for the manufacture of one of the most important commodities consumed in a free country. Over one-half of the 700,000 tons of bone-dry bagasse that has been produced in the State has largely gone to waste. Now it is going into newsprint and other paper products to help to satisfy the needs of a dynamic, growing population.

There are many far-reaching aspects to this official announcement. For one thing, it means that now the sugarcane farmer will be growing a crop that will be used in its entirety. It marks the beginning of an era when year-around employment will be realized in the cane patch, supplanting the uncertainty of the seasonal cane grinding. The Valentine properties at Lockport substantiate this statement. The new paper mill adjoins the sugar factory, canefields, and research department of the company. There are jobs to be had in the sugar mill and the fields and in the laboratory, and now there are 180 more men and women employed in the paper mill.

This has resulted in a boom in the Lockport community and throughout the parish of LaFourche. A big new housing development is now going into Lockport, and the new payrolls will mean new families and new homes and a higher standard of living and a bigger and better town.

What the smokestacks of Valentine have done for that area will be accomplished throughout the sugarcane-growing part of the State just as sure as night follows day. St. Mary and her sister parishes are bound to benefit from this program.

This is a rich and diversified agricultural area but cane is king in the land. The farmer can grow sugarcane better than he can grow any other kind of crop. He has proven this for over a century now, overcoming every conceivable type of obstacle from disease to world politics. He has developed new varieties of sugarcane and by sound farm practices he has been able to realize a higher yield per acre with each passing year. Now he will be growing cane for sugar, sirup, molasses, feed—and paper.

It there has even been any doubt in the mind of the cane planter about the value of research the Valentine mill should erase it forever. This new development was due to hours and months and years of patient, painstaking work and experimentation in the laboratory of the Valite Corp., an affiliate research company of Valentine's. The work began back in the 1930's and was accelerated after the Korean war. In 1952 newsprint was made from 100-percent bagasse by the company on an experimental basis at the Herty Laboratory in Savannah, Ga.

After economic feasibility was established Valentine interests banded together with Brown & Root, one of the world's greatest construction firms, to form the Valentine Pulp & Paper Co. A mill capable of producing 50 tons of paper products daily was built at Lockport. The success of this mill is attested to by the fact that hardly had it been completed but what the company announced that it was being expanded into a $4½ million facility capable of manufacturing 80 tons of paper a day, including newsprint.

Small town newspapers in Louisiana and all over the Nation have been confronted with a problem that parallels the problem of the cane farmer in magnitude. Newsprint has been a scarce and expensive commodity. Most of it had to be imported. Financially unable to build their own mills or even enter into long-range contracts the small newspapers have had to fight for newsprint in the open market on a catch-as-catch-can basis. During wartime the situation had been particularly acute and the black-market operators thrived.

The newsprint market has improved considerably, but the future for the small town newspaper had been in doubt. Now, with the mill at Lockport able to supplement established sources the nonmetropolitan press can face the future with confidence. Newsprint is the basic commodity on which the free press is printed and if it is cut off the real victims will be the American people because without the newspaper for the dissemination of news and advertising freedom would die on the vine.

Member newspapers of the Louisiana Press Association look on the mill at Lockport as "their mill" because for almost 4 years now the LPA has been working hand-in-hand with the Valentine company on this project. The ultimate benefit to the economy of the State of Louisiana is beyond the imagination.

There is one last conclusion that can be drawn from this development. The Farm Bureau of Louisiana, the American Sugar Cane League, Louisiana Congressmen, and other agencies have fought a hard but discouraging fight for an increase in the mainland quota of sugarcane. If there had been any hesitation on the part of the Congress or the national administration to justify this increase that question should now be resolved in favor of the increase. There are about 120 small town newspapers in Louisiana and over 8,000 in America. They won't all use bagasse newsprint but this new source may one day mean the difference between success or failure to many of them.

This story is being told in Louisiana today, but in a few days it will be known all over America and in most foreign countries. Great industries are built over a long period of time. The south Louisiana paper manufacturing industry will be built around bagasse. The only way to insure its full growth is with an ever-increasing supply of sugarcane now and in the years that lie ahead. The only safe and sure way to obtain the product needed by the American farmer and American publisher is to have it grown on the same ground that gave birth to the red, white, and blue.

[From the Lafourche Comet, of Thibodaux, La.]

SUGAR HAS NEW ALLIES

Along with the accolades which will pour into the office of the Valentine Pulp and Paper Co. this week, we, of course, want to offer ours.

Out of the expressions of congratulations and best wishes which will be given to the company, we sincerely hope there will come the real recognition of the tremendous accomplishment of the men who had the courage to carry out an idea.

The $4,500,000 paper mill built in Lafourche Parish is an important addition to the industry of our locale, but its true significance can only be measured in what it has done for two major industries in the United States. It has brought together for the first time the mainland sugar industry and the paper industry. It has also brought the Nation's greatest disseminators of news, the weekly and daily newspapers to the side of the sugar growers and processors.

Through their foresight, the men who built the Valentine paper mill, have given the sugar people powerful allies which must stand alongside them in the fight for the continued expansion of the mainland sugar crop.

Just a few months ago the newspaper publishers of this country were at the mercy of the Canadian paper manufacturers and just a few years ago all paper manufacturers felt the pinch of a serious paper shortage. With this country continually at odds with an ever more powerful Red menace, it is not too hard to conceive of other periods of paper shortage unless we take advantage of the important development in the use of bagasse by Valentine.

We know the wood pulp paper manufacturers are always confronted with a lengthy growing period ranging from 12 to 40 years for their main ingredient but with the use of bagasse, this country can have an inexhaustable supply of pulp for its paper.

Today the 18 sugar producing parishes of Louisiana produce approximately 800,000 tons of dry bagasse annually. Of this amount about 35 percent is purchased for the manufacture of wall board, fertilizer, and feeds.

While Valentine will not use the balance of the bagasse available this year, or the next, it is not beyond the realm of belief that other paper mills similar to Valentine will be built in just a few years in Louisiana, in Florida, and possibly in Cuba and Puerto Rico. A half dozen more mills like Valentine Pulp & Paper Co. will soon put bagasse in short supply.

Action in Congress this year can provide for the future. Congressional action in amending the Sugar Act to increase the mainland quota by 100,000 tons this year will not only aid the sugar farmers but will protect the tremendously important paper industry.

An increase of 100,000 tons of sugar over the regular quota will give the industry an additional 150,000 tons of dry bagasse annually. And bagasse properly stored does not spoil.

The mainland sugar quota of 500,000 tons has been in effect for a number of years. Even though the sugar industry has spent thousands of dollars perfecting improved varieties of sugarcane for greater productivity, Congress has continually curtailed the growth of the industry by the flexible quota.

Today this country uses in excess of 8 million tons of sugar annually and during the past 5 years the population of the country has grown substantially. However, the sugar quota for the mainland producers has been at a stalemate. No consideration has been given to population growth, nor to improved productivity in the industry.

This week, through the use of bagasse newsprint by some 25 Louisiana weekly and small daily newspapers in Louisiana, it becomes apparent that our mainland sugar crop is tremendously important to not only a small area in Louisiana and Florida but to the entire Nation, and it must be allowed to expand.

[From the Daily Iberian, of New Iberia, La.]

BAGASSE NEWSPRINT A REALITY

Today's issue of the Daily Iberian and Jeanerette Enterprise are printed on a new kind of newsprint, produced from sugar cane waste known as bagasse, and made at Lockport, La., by the Valentine Pulp & Paper Co.

Production of this fine quality newsprint from a fiber that has experienced difficulty in being utilized, may well lift the economy of the mainland sugar-producing States to a higher level.

Sugar cane farmers will welcome this new product that makes a brand-new industry for Louisiana which means additional employment and the utilization of a raw material into finished product.

Member newspapers of the Louisiana Press Association have played a big part in keeping alive the interest in developing a newsprint plant for Louisiana to help break the stranglehold that Canada has always had on the manufacture of newsprint.

Newspaper publishers can well remember how the price of newsprint zoomed upward from $40 per ton before the First World War to the present level of $130. The same publishers can recall during the war that they often had to buy newsprint on the black market which cost as high as $300 per ton.

The use of bagasse will have a tremendous effect in keeping Canadian mills in line, if nothing else.

Since it opens up new opportunities for employment, it is highly possible that Secretary Benson, and Congress, will listen with a sympathetic ear to the pleas of sugar farmers for an increase in the mainland quota.

As the market for the bagasse paper continues to grow, it will need larger and larger amounts of bagasse, which means more and more sugarcane.

It is only reasonable to assume that as the bagasse newsprint catches on that additional mills will be built. One of the additional mills could conceivably locate in Iberia Parish where there is an abundance of sugarcane bagasse. This would give mill operators and eventually farmers more return for their sugarcane.

We salute this new industry and the courageous and pioneering executive and owners of the Valentine Pulp & Paper Co.

Louisianians will live to see the day when most of her vast supply of natural resources will be processed here as finished products and build the economy to its rightful position.

Admitting Hardship Cases of Single Persons To Public Housing Projects—What Hardship Really Means

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EXTENSION OF REMARKS

OF

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 23, 1955

Mr. RODINO. Mr. Speaker, it is hard for a person who is well-fed, well-housed, and in comfortable circumstances, as most of us are today, to realize what the grim tragedy of inadequate housing means in old age, especially in obtaining decent housing at a price you can afford to pay. Sometimes this lack means the difference between continuing living and almost committing suicide.

So, before I comment upon a bill that I wish to present to this body on the vital question of admitting aged single persons in hardship cases to low-rental, federally aided housing projects, I would like to indicate briefly, the importance of this matter by giving you a dramatic case in point. It is nothing unusual, and could be duplicated many times during my terms in office, and I assure you each one is always a heart-rending experience.

I shall clothe the name of my constituent in anonymity to spare his feelings by merely calling him Mr. Smith. For many years Mr. Smith and his wife lived comfortably in a modest home until the years crept up upon both of them. Then, after a prolonged illness and great medical expense, she died and Mr. Smith was left all alone, an old, forlorn householder.

Their home was now too large, and it was beyond his economical and physical abilities to maintain. Nevertheless, it was rich with memories. Every piece of furniture and each object in the household was clothed with loving memories that recalled the many happy years they

lived together. Gradually, work fell off, his income dropped, and he no longer could afford to keep up their former home. For months on end, he continued the long and dreamy rounds of seeking, through the newspapers and the real-estate offices, a simple place where he could move to and live with some of his cherished household effects and their treasured memories. It was in vain. The rents were all prohibitive.

So he turned to me as the Representative from his district and begged me to see if I could not possibly help him to get into a public-housing project. It was a forlorn, dejected, and desperate man who pleaded with me. I was visibly moved.

I approached our Public Housing Administration and was advised that under the present law only couples could be housed in low rent public-housing projects that were aided by the Federal Government. They were right. The present law leaves them no other alternative.

When I gave Mr. Smith that tragic news, it was mere chance that kept him from taking his life. I resolved from that day forward that the same law which was designed to help families of low income should also assist aged persons who are the helpless victims of circumstances and cannot afford to pay the high existing rentals from private landlords.

Are we to cast them out upon the streets? Are we not all concerned as our brother's keeper in providing decent housing for the aged, and handicapped, the crippled, the disabled veteran, the widower, at a price that they can afford to pay? How can we hold our heads high when we attempt to rehabilitate the decrepit shacks and villages in South Korea, in Japan, or Indochina at the same time that we neglect our aged at home, who, unlike these Asiatics are able and willing to pay rents within their financial means?

While the original purpose of the Federal Public Housing Act was to provide decent housing in a good environment so that the families and children could get out of the slums and live in healthy surroundings, there is no logical reason why this same philosophy should not be extended to aged people who by chance or circumstances now find themselves unable to pay the high prevailing, existing, private rentals. Under the general-welfare clause of our Constitution we are trying to promote a form of Government which advances the general welfare of all the people. This means not only those who can afford it but those of lesser means as well. Assuredly, this concept of promoting the general welfare includes the aged and the less fortunate in our midst.

Moreover, aged couples now commonly occupy units in the low-rent federally aided public housing projects. Shall we deny to an aged, single person that which now is afforded to those who are couples? By what form of twisted logic are the benefits to be withheld from a handicapped or elderly person merely because his spouse is no longer alive?

Actually, in many public housing projects throughout the Nation, it is now the policy of the administration to permit the remaining spouse to live in such property where the other one passes on. So the reality is that such elderly persons are actually now living alone in such housing.

Shall we again draw a distorted distinction between an elderly single person who remains in public housing because he or she formerly had a spouse, and a similar person who is trying to get in there in the first place?

Moreover, the most compelling reason of all why a single person in hardship cases should be admitted to low-rent housing projects is to be found in the fact that under the existing law enacted by Congress in the last session, tenants displaced from slum clearance projects have first priority to public housing. Likewise, they cannot be displaced from their present slum residences until such public housing is provided for them. As a result, in large cities like New York and Chicago, single persons are now obtaining first priority, in federally aided, low income housing projects. This should be precedent enough for my bill which provides similar opportunities for other elderly hardship cases.

All of these facts and precedents point to one inescapable conclusion, sound public policy requires that we treat all aged hardship cases alike. This is simple justice to the individual and to the community in which he lives. To this end, I have this day introduced a bill which will authorize the Federal Public Housing Administration in its dealings with the local public housing authorities, to permit, in hardship cases, elderly single persons and related hardship cases to be admitted to federally aided low-rent housing projects.

St. Jude's Parish Federal Credit Union: A Study in Self-Help

EXTENSION OF REMARKS
OF
HON. LOUIS C. RABAUT
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES
Wednesday, March 23, 1955

Mr. RABAUT. Mr. Speaker, under leave to extend my remarks in the RECORD I should like to report a visit I made recently to the St. Jude Parish Credit Union of East Side Detroit, Mich. I was very impressed by the spirit and cooperative attitude of the members of this organization and the financial institution they have organized for their mutual self-help. It reemphasized the Latin proverb "Multae manus onus levius faciunt"—many hands make the burden light. So it is with the community-spirited parishioners at St. Jude's, a cooperative enterprise designed to lighten the financial burdens of its faithful. The following is a short history of this organization's development and a description of its method of operation.

The St. Jude credit union is the first parish credit union on the east side of Detroit to operate on a full-time basis and in January of last year opened an office to serve its members. The credit union has a membership potential of 3,000 and is presently serving over a third of this group with loans, a shares depository and free credit life insurance. Since its inception 4 years ago with paid-in share holdings of $1,700, the credit union has made 1,038 loans for $539,043.13 and has presently on its books $210,240.58 in loans and $182,240.62 in shares deposits.

On the occasion of my visit to this fine organization, I presented the first claim paid under the credit unions free credit life-insurance program with the Credit Union National Association mutual life-insurance program. Under this program all loans and shares deposits up to $1,000 are insured free to members, and the premiums are paid by the credit union. I presented Mr. John Jacobs a check for $500, which represented the amount equal to the shares deposited with the credit union by his mother, Mrs. Rose Jacobs, deceased.

The credit union is under the general auspices of Father J. J. Ording, pastor of St. Jude parish, and the business management is attended to by an able board of lay parishioners having a president, vice president and treasurer. All administrative offices of the organization are elective and for a term of 1 year. This permits greater group participation and serves to make a greater number of the community familiar with domestic problems of finance and credit. At present the credit committee members are making a study of the differences between Federal and State regulated credit unions which should be very helpful to all legislators concerned with such problems.

Secretary for Peace

EXTENSION OF REMARKS
OF
HON. HAROLD C. OSTERTAG
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Wednesday, March 23, 1955

Mr. OSTERTAG. Mr. Speaker, when President Eisenhower assumed office, Frank E. Gannett, president of the Gannett newspapers, wrote him urging that he establish a Department of Peace. For more than 20 years, Mr. Gannett has advocated such a step in newspaper editorials and public addresses. Peace, he has pointed out many times, is not merely the absence of war; it is the presence of justice. Nations sometimes blunder their way into war; they cannot blunder their way into peace. It must be planned for, nurtured, promoted, and everlastingly protected.

In urging the creation of a Department of Peace, Mr. Gannett was, of course, giving voice to thoughts which have been shared by millions of people. The Reverend David Rhys Williams, of Rochester, N. Y., foresaw, with prophetic vision, that such a dream might mate-

rialize under President Eisenhower. In a sermon during the Christmas season of 1952, Dr. Williams said:

Some day, some soldier of commanding genius is going to have the imagination to test the Christian principle of overcoming evil with good on a grand enough scale to succeed.

Could it be that President-elect Eisenhower has come to power to play some such prophetic role for our time? Having reached the pinnacle of fame in the field of war with no further military luster to gain that could be greater than what is already his, could it be that he has undertaken the arduous and exacting responsibilities of the Presidency to see what he can do to establish some measure of peace among all nations?

Mr. Speaker, President Eisenhower has indeed played such a prophetic role, ever since he assumed office. With firmness, with dedication, with restraint, he has labored patiently but resolutely to foster peace among the nations. This week he took the further dramatic step of appointing FOA Administrator Harold E. Stassen as, in effect, Secretary for Peace, a post with Cabinet rank.

Mr. Stassen's task is of enormous dimensions. So also are his opportunities. There is no more vital work to be done in the world today than that of halting the current deadly arms race, and replacing it with a truly just and lasting peace, a dynamic peace that will channel men's minds and energies into the building of a better world.

It is an undertaking that will capture the imagination of all mankind. Certainly it will be welcomed by those like Frank Gannett and Dr. Williams who have yearned for, and prepared the ground for, such an eventuality. Mr. Stassen's appointment, and the considerations which led up to it, may prove to be one of the most historically significant events of our time.

Modesto and Turlock Irrigation Districts Oppose Engle Bill, H. R. 2388

EXTENSION OF REMARKS
OF
HON. LEROY JOHNSON
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, March 23, 1955

Mr. JOHNSON of California. Mr. Speaker, in 1913 a very important bill was passed through the Congress which became known as the Raker Act. The law gave San Francisco certain rights-of-way in the Yosemite National Park and permitted the city and county of San Francisco to construct dams and appurtenant works on the Tuolumne River. The reservoirs which impounded the water behind these dams are known as Lake Eleanor and Hetch Hetchy Reservoirs.

The Raker Act recognized the prior rights to water under California law. This recognized the rights of both districts to 2,350 second-feet of water and 4,000 second-feet after April 15. This represented from 600,000 to 1,200,000 acre-feet a year.

From the revenue from this power and by direct taxation, the districts became two of the most successful in California. Practically all of the bonded debt of both districts has been paid off.

The result of these operations was also to furnish water at a very cheap rate to the irrigators—perhaps the cheapest rate of any of the irrigation districts in California where we have over 150 irrigation districts.

The Turlock Irrigation District and the Modesto Irrigation District and the city and county of San Francisco entered into an agreement in 1949 with the Federal Government to operate their reservoirs on the Tuolumne for flood control, the Federal Government to pay for flood-control benefits only.

These districts not only developed the water resources for their members of the districts who were irrigators but they also developed an electric system which provided cheap electricity for the area served by the districts.

These irrigations districts, as well as their officers and members, are practically all in my congressional district—the 11th District of California.

The leading newspaper in the area comprising these districts is the Modesto Bee, a McClatchy newspaper. It is an aggressive and intelligent publicity organ and in a recent issue of the paper summed up the case in its editorial columns very well.

Under leave to extend my remarks, I am including this editorial, which follows:

DISTRICTS ACT WISELY IN OPPOSING ENGLE BILL

The Modesto and Turlock Irrigation Districts have set forth clearly the seriousness of attempts being made to amend the Raker act, national legislation which protects Tuolumne River water and power rights of the districts and the city of San Francisco.

In a well worded resolution, the irrigation districts have declared themselves unalterably opposed to any such proposition as is being made by Congressman CLAIR ENGLE, Democrat, of the Sierra and Mother Lode Counties. ENGLE wants to take from the city of San Francisco a power site which it owns and give it to another agency.

Such action would cut to the heart of the cooperative use of Tuolumne River power and water resources by the districts and San Francisco. Already $250 million has been spent on this highly beneficial development.

If this program is jeopardized it will have a lasting detrimental effect upon the irrigation and electrical operations of the two districts.

Recognizing this threat, the boards of directors of the two irrigation districts have instructed a delegation to go to the Nation's Capital to press the fight against it.

With them will go the resolution which outlines the basic arguments of the irrigation districts.

The Modesto and Turlock Irrigation Districts, which even now are using privately generated power because the Tuolumne generating capacity is used up, have an urgent need for all the electrical energy which can be manufactured at power sites now under consideration.

In order to guarantee satisfactory irrigation conditions for every year regardless of drought, the two irrigation districts need increased holdover storage capacity which can be realized only through the construction of the greater Don Pedro Dam. Should this power site be taken from the city of San Francisco, the districts declare "the entire program or plan for the construction of new Don Pedro Reservoir will be greatly delayed, if not abrogated, and the districts will be deprived of the great benefits resulting to them in the form of increased holdover storage and the additional quantities of electrical power that would otherwise be made available."

And finally in fairness, the districts argue, that the city of San Francisco should not be deprived of the site which is of value only because of the city's $20 million investment in the Hetch Hetchy Reservoir a short distance upriver from the disputed site.

Tampering with the Raker Act is dangerous under any circumstances and the proposition now being considered poses a special threat to the irrigation districts.

It is well that officials of the two districts are aware of the hazard and are carrying their fight against modification of the Raker Act to every battlefield necessary.

The fight must be fought with all the vigor the districts can muster. Loss of water or power rights would mean a loss of the lifeblood of the region which has made it one of the Nation's richest agricultural areas.

Sugar Quotas

EXTENSION OF REMARKS
OF
HON. EDWIN E. WILLIS
OF LOUISIANA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, March 23, 1955

Mr. WILLIS. Mr. Speaker, we have under consideration a proposal to renew the Sugar Act and at the same time to amend it so as to increase domestic sugar quotas.

Let me hasten to point out that the proposed amendment will simply permit domestic producers to participate in our expanded sugar market in the United States as our population increases in the future. In other words, under the proposed amendment Cuba, in the future, will not receive a pound of sugar less than she received in the past.

To understand this we must realize that under the present law Cuba gets a regular quota; then she gets 96 percent of the unused quotas of other areas, and finally she gets 96 percent of the annual increase of domestic sugar consumption. Our population increases by approximately 2,500,000 every year, and as a consequence our annual consumption increases by about 125,000 tons of sugar every year; and Cuba has been receiving 96 percent of this windfall. Thus in the last 10 years Cuba has received at least 1,250,000 tons of sugar, over and above her regular quota, under the formula of the Sugar Act, and over and above her lion's share—96 percent—of the unused quotas of other areas.

On the other hand, under the terms of the Sugar Act, the domestic sugar quotas are rigid, the mainland area cane quota being fixed at 500,000 tons per year. But that is not all. While the mainland area arcreage has not varied over 2 percent in the last 5 years, greater yields have been achieved due to better farming and milling practices, under the guidance and encouragement of the Department of Agriculture. And instead of being rewarded for good performance,

the farmers' acreage was cut on an average of 10 percent in 1954 and an additional 8 percent has been ordered for 1955. Therefore, while Cuba has been enjoying an annual increase from our consumption, our farmers have been suffering a cutback. This, in short, is what the current proposed amendments seek to correct, by devoting to our own farmers a fair share of the annual increased amount of sugar it takes to feed our own babies, without deducting from or taking away a pound of Cuba's present quota. What is wrong with that?

Any fairminded person will admit that the proposal under consideration is fair and equitable. Since a just cause cannot be fairly combated, paid Cuban-minded lobbyists have resorted to propaganda. I brought this out in a speech on the floor recently and I pointed out that these lobbyists had resorted to veiled subtle threats and big talk. Now I find that they have been trying to use the poor-mouth strategy, by means of a letter inserted in Investor's Reader, a publication of Merrill, Lynch, Pierce, Fenner, & Beane. As a complete answer to this poor-mouth strategy, I wish to call to your attention the reply of a group of responsible people engaged in the domestic sugar industry. The people who signed this reply represent the beet-sugar industry, but their problems are common to the domestic sugarcane industry in Louisiana and Florida. Their reply, which appeared in the March 9, 1955, issue of Investor's Reader, follows:

GENTLEMEN: In your issue of January 26, space was given to the publication of a letter from a paid publicity man for certain Cuban sugar interests. This being so, we assume that you will give at least equal prominence to this letter from us.

Part of the Cuban sugar industry has set itself against any consideration of changes in the Cuban share of the United States market decreed by existing law. To accomplish this objective it is part of the Cuban strategy to talk poor mouth.

For example, the writer of the letter which you published complains that Cuba no longer can fill the Philippine sugar quota in this market, a backhanded protest against the rehabilitation of the Philippine sugar industry. Cuba knew that the privilege given her of filling the Philippine deficit was only temporary and that she could not hope permanently to augment her output at the expense of the Philippine industry.

Cuba protests that out of her quota some relatively small increases in the shares in the United States market of Peru, the Dominican Republic, and Puerto Rico were made in 1951. What was done was approved, in fact, initiated by the State Department. It comes with poor grace for Cuba to protest any transfer to other foreign countries, many of whom are also friends of the United States and numbered among its best customers. That Cuba today receives approximately 96 percent of the entire share of the United States market set aside for foreign suppliers shows how generous the present situation is to her. That large percentage also explains why other sugar-producing countries to the south of us have initiated a determined claim to part of Cuba's share.

The present law was enacted in 1947. From that year to 1954, United States annual consumption has increased over 1 million tons. Neither the domestic beet industry, the mainland cane industry, or the Hawaiian industry received 1 ounce of this large increase in consumption. Not only that, but the way the law was framed and stands today, foreign suppliers, with Cuba getting 96 percent, will continue to get the entire and complete benefit of the increase in consumption sure to take place in the future. The domestic industries complain that they should not be foreclosed from a share in the growth and progress of this country. They are helping to make this growth possible. Actually, Cuba's basic quota—disregarding deficits—increased between 1948 and 1954 from 26.7 to 33 percent of the total quotas of all areas supplying sugar for United States consumption. The fixed-tonnage quota of the domestic industry obviously results in gradually reducing the percentage of the expanding United States market which the domestic industry is permitted to supply. The domestic beet-sugar quota, for example, was 25 percent of the total quotas in 1948, and now is less than 22 percent.

The sugar brought by consumers from the domestic area is produced with less manpower and greater efficiency than that which reaches us from foreign sources. Finally, it takes fewer minutes of the average workingman's employed time to buy a pound of sugar in the United States today than at any other time in history or in any other place in the world today.

Very truly yours,

J. A. SUMMERTON, *President,*
American Crystal Sugar Co.
FRANK A. KEMP, *President,*
The Great Western Sugar Co.
MERRILL E. SHOUP, *President,*
Holly Sugar Corp.
DOUGLAS SCALLEY,
Executive Vice President,
Utah-Idaho Sugar Co.

Elsewhere in today's RECORD I commented on the fact that 25 weekly and daily newspapers in my home State of Louisiana recently joined in issuing their publications on newsprint made from bagasse, heretofore generally considered a waste product of sugarcane, but which now offers unlimited possibilities. The story of the Valentine Pulp & Paper Co.'s plant at Lockport, La., as unfolded elsewhere in today's RECORD, is a tribute not only to our free-enterprise system but is an argument in favor of the proposed amendment to the Sugar Act, as a well-earned encouragement to an industry which has shown itself capable of ever-increasing efficiency.

Silly, Isn't It?

EXTENSION OF REMARKS
OF
HON. PAUL C. JONES
OF MISSOURI
IN THE HOUSE OF REPRESENTATIVES
Wednesday, March 23, 1955

Mr. JONES of Missouri. Mr. Speaker, because I think the following letter from my good friend Art Wallhausen, editor, owner, and publisher of the Enterprise-Courier, a newspaper printed and published at Charleston, Mo., sets forth very clearly the desirability, if not the necessity for a change in our postal law, I am inserting it in the CONGRESSIONAL RECORD. We all remember that some time ago, many of us supported legislation which we thought was in the general public interest, and which especially would help employees of the Railway Express Co. to maintain their jobs only to find that the express company immediately knocked out any advantage that they might have had from this legislation by immediately increasing rates to drive this business away.

Experience has taught us that the legislation which was passed and which became Public Law 199 was not in the interest of the general public, and that it should be repealed as quickly as possible. Mr. Wallhausen's letter calls attention to the silly procedures which are being followed now, and I hope the members of the Committee on Post Office and Civil Service, as well as those officials in the Post Office Department, who make recommendations for changes, will read this letter.

I have been disappointed to learn that no hearings have been scheduled on bills which would restore some sanity and commonsense to the operation of the Post Office Department, but still have hopes that the chairman and other leaders will soon realize that it is time that Congress acknowledge the mistake it made during the 82d Congress. What seemed to make sense at that time has certainly proved to be asinine.

The above-mentioned letter follows:

THE ENTERPRISE-COURIER,
Charleston, Mo., March 14, 1955.

Representative PAUL C. JONES,
House Office Building,
Washington, D. C.

DEAR PAUL: Now that you folks have managed to raise your salaries sufficiently to make your work worth your time expended, you might settle down and unpass a bit of legislation which has caused no end of trouble and confusion in business circles.

I have reference to Public Law 199.

This law, passed specifically for the Railway Express boys, places an arbitrary and silly limitation on weight and size of parcel-post packages mailed between post offices of the first class.

So what happens?

Yesterday one of my customers, for instance, hauled his printed matter from Charleston to East Prairie in order to mail the stuff. His postage bill was $115.

Then what happened?

A star-route truck picked up the packages (which had originated in Charleston) in East Prairie, hauled them back over the same route, deposited them on the back porch of the Charleston post office, from which place they were dispatched to Chicago, New York, and elsewhere.

Same silly routine is repeated over and over again. We carry our oversize packages to Wyatt or Bertrand or to East Prairie. Then the Government hauls it back to Charleston and redispatches the items. Same holds true of incoming mail.

Not long ago a customer of mine from Wyatt came storming into my office carrying a large parcel. It was a banjo or mandolin which he had ordered from a Chicago mail-order house. It was large and bulky. He had received it via parcel post. (Chicago can mail anything, any size, to Wyatt, which is a third-class post office.

He did not like the instrument, and had driven to Charleston where the said instrument was wrapped and packaged for him. He took it to the Charleston post office, where he was blandly informed that the package was too bulky to be mailed.

Naturally the man was mad and confused. I don't blame him.

After an hour or so of trying to explain this goofed Public Law 199 to this gentleman, he calmed down, hauled it back home and mailed it from Wyatt.

A few hours later a star-route carrier picked up the Wyatt mail, carted it into

Charleston, and the same banjo was dispatched from Charleston, which happens to be a central distribution point.

It just doesn't make sense.

It does mean that the Postoffice Department is being deprived of much business it is geared up to handle, and under the present system it means double handling, and useless handling of many items. It would be a great convenience, which almost amounts to necessity, for most businesses to restore regulations in force prior to the enactment of Public Law 199.

If you, my good friend, would concern yourself with this down-to-earth problem, and would get the job done, it would amount to a damn sight more good than a lot of the social "do-gooder" legislation with which Congress is constantly meddling.

Yours very truly,

ART L. WALLHAUSEN.

Partnership in Power and the Public Interest

EXTENSION OF REMARKS
OF
HON. HARRIS ELLSWORTH
OF OREGON
IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 23, 1955

Mr. ELLSWORTH. Mr. Speaker, political opponents of the administration proposal for expediting the construction of badly needed multiple-purpose river development projects which include power by permitting local participation have distorted the meaning and intent of the partnership plan. In an effort to set the record straight on this important subject, I prepared an article which was printed in a recent issue of the Reporter magazine. Under leave to extend my remarks, I include the article which follows:

PARTNERSHIP IN POWER AND THE PUBLIC INTEREST

(By Representative HARRIS ELLSWORTH)

In an attack on the Eisenhower administration's partnership policy which appeared in the Reporter of February 24, Senator RICHARD NEUBERGER of my home State, Oregon, closed with the sentence: "The public good must come first."

I agree.

But what is the public good?

For power development in the Pacific Northwest, the public good is to get the job done—so that the people and industries of that rapidly growing area will have the electrical energy they need when and on the scale they must have it and at a cost they regard as fair. The Pacific Northwest has only one-tenth of the land area of the United States and only one-thirtieth of its total population, but it possesses 40 percent of the Nation's hydroelectric power potential—and only one-seventh of this has been developed so far. The potential of the Columbia River system alone is about 34 million kilowatts, of which more than two-thirds remains to be developed.

Even though much has already been accomplished, all agree that the abundant remaining water resources of this region must be harnessed to human use. The remaining question is how we are going to do it.

ACTION VERSUS NO ACTION

For 20 years the Federal Government has been in the field of power development on a large scale, and there are those, Senator NEUBERGER among them, who claim that only the Federal Government can do this enormous job. But what is the record?

History demonstrates that exclusive reliance on the Federal Government for the development of power resources has too often meant no development at all. The Government just does not have the tax money to develop all the projects that have been proposed for all the rivers of our land and do the other things it must. In a number of instances Congress has been unable in good conscience to authorize or to appropriate money for new power development around the country. As a consequence, the result in particular regions has frequently been no action at all.

The problems inherent in exclusive development by the Federal Government are emphasized by the fact that the projected power needs for the Pacific Northwest during the next 10 years will require an investment in the Columbia River Basin area alone of roughly $2 billion. Even though the Northwest has received a most generous share of total appropriations for public works, it would require new funds out of all proportion to past appropriations to meet the future power-development needs of the Pacific Northwest area alone. We, in the Northwest, cannot be so foolish as to sit back and make plans for the future in the hope that Federal appropriations will be forthcoming on such a lopsided scale.

Thus we are presented with a clear choice between a serious slackening of industrial development or the rapid evolution of a dynamic new program realistically designed to meet projected power needs.

Faced with the stark reality of this situation, the men in the Pacific Northwest began to explore the possibilities of local interests cooperating with the Federal Government in financing multiple-purpose projects. This was the germ of the partnership idea.

THE PARTNERSHIP POLICY

In August 1953 the Eisenhower administration formally set forth a new, constructive, forward-looking policy of partnership in power development. This policy was designed to promote the fullest possible local participation in power development. Only by bringing every possible resource to bear, private and governmental, can we expect to accomplish the job that has to be done. The policy is also advocated by the President because, as he has said, partnership will permit the American people in their communities and homes throughout the Nation to "reserve to themselves as many of the basic decisions as possible. In this way, our people will remain free to carve out their destinies as their predecessors did."

The partnership idea of power development means people working together. It means that local interests will be encouraged by the Federal Government to go ahead with necessary power projects on their own. It means further that the Federal Government will continue to sponsor those projects which because of their scope and cost cannot be undertaken locally. It means also that in certain instances, where feasible, the Government will share the cost of a project with local interests.

In other words, the Eisenhower policy means that no method of supplying the power needs of the Nation will be arbitrarily eliminated; it means that all sources of financing will be utilized—private, State, and Federal—to meet this enormous challenge. It means, finally, that we shall not have to rely solely on the Federal Government, which, as history demonstrates, is too often without tax money for allocation to this purpose.

When President Eisenhower dedicated McNary Dam in the Pacific Northwest last fall, he said: "Where local enterprise can shoulder the burden, it will be encouraged and supported in doing so. But where local action cannot or should not fully meet the need, we shall have Federal action." We can therefore be assured that the Federal Government will continue its active participation in the development of our water resources.

There is a complete determination on the part of the Eisenhower administration to boost power development in accordance with the Nation's requirements. By encouraging the maximum possible local cooperation and partnership with the Federal Government, the vast amount of work that remains to be done will be most rapidly accomplished.

ALTERING COUGAR DAM

To illustrate concretely how this policy is working, Congress, some time ago, authorized the construction in the district I represent, of the Cougar Dam for flood control. By altering the design of the dam slightly and increasing its height, it was found that 37,000 kilowatts of power could be produced in addition to the millions of dollars that would be saved in flood damage to farmlands and buildings in the area. Congress, accordingly, modified the authorization to include construction of these power features at an additional cost of $11 million. The Eugene Water and Electric Board, a publicly owned electric utility system operated by the city of Eugene, Oreg., finding itself in need of additional generating capacity, offered to construct the power part of the Cougar project and thus obtain the power it needs for the people it serves.

Under the partnership legislation introduced last year, the city of Eugene proposes to pay the entire $11 million cost of the power facilities, and in addition, to contribute $500,000 toward constructing the flood-control part of the dam. Further, it would pay 15 percent of the cost of operating the flood-control portion of the project throughout the 50-year life of its license with the Federal Power Commission. That payment will total another million dollars.

The water board believes this to be a good proposition because its system will acquire an additional 37,000 kilowatts of power which it needs. The cost of construction per kilowatt will be about on a par with its other capital investment for such facilities and the type of power generated can be integrated into the rest of its system.

This partnership project will also be of distinct advantage to the Federal Government. The people will get the flood control and power they need, but the cost of installing and maintaining the power facilities will not be an unnecessary burden upon the Federal taxpayer.

All partnership proposals have the same purpose—to get additional power as quickly as possible and at the least possible expense to the Federal Government.

And how is the Eisenhower administration's partnership policy working out? Is it getting the job done? Results to date have been eminently rewarding. They indicate conclusively that industry and local government are more than willing to assume their share of the responsibility. Since the administration's announcement of its partnership program, the kilowatt capacity represented by applications made to the Federal Power Commission has increased by 50 percent.

The President, in his Economic Report to the Congress this year, said: "During the last 2 years applications to the Federal Power Commission for permits to survey potential hydroelectric developments represented a larger total of kilowatts than was covered by the applications during the prior 7 years." He went on to say: "At the end of last year the volume of such permits outstanding was by far the greatest in the history of the Commission. The workings of the partnership policy are also illustrated by six multipurpose projects for which provision has already been made or is contemplated in the coming fiscal year. It is estimated that these projects will result in a Federal expenditure af about $200 million, while an

additional $800 million may be expended by local interests, private or public."

Fourteen Federal Power Commission license applications by local interests plus another project to be built on a partnership basis would mean an additional 4 million kilowatts for the Pacific Northwest.

This would be the equivalent of two Grand Coulee Dams and would mean an investment approaching $2 billion, not supplied unnecessarily by Federal taxpayers but by private savings.

Illustrative of savings produced by the partnership approach are four projects which would have cost the taxpayer $575 million if authorization for their construction by the Federal Government had not been withdrawn. Private and local government development of these projects will not only relieve the United States taxpayer of the burden of their initial cost, but as to those projects constructed by private industry, it will mean additional tax revenue and thus a corresponding lightening of the citizens' tax burden. These economies are another example of the broad benefits that result from the application of the Eisenhower partnership policy.

One of the four projects is the Alabama-Coosa River project, authorized for Federal construction in 1945 under legislation sponsored by Senators JOHN SPARKMAN and LISTER HILL of Alabama. During the next 9 years, however, no funds for the project were appropriated by Congress. Last year Senators SPARKMAN and HILL supported new legislation which took the Federal Government out of the picture. The Federal Power Commission has already granted a preliminary permit to the Alabama Power Co. to build a 239,500-kilowatt project. The Federal project would have developed only 200,000 kilowatts and would have cost the Federal Government $114 million which it was apparently unable to make available.

REVIVAL OF INITIATIVE

One of the most heartening developments that the President's partnership policy has produced is a noticeable improvement in attitude. No longer are our local people, whether in private or public activities, waiting for the Federal Government to take care of their needs and spoon out power to them.

Renewed vigor and initiative are now abroad in the land. Local groups interested in power are exhibiting a new independence, a willingness to provide for themselves. They see now that only in this way can they get what they need, when they need it, and on their own terms. Eloquent testimony to this fact can be found in the recent action of the Oregon Legislature memorializing Congress to approve three partnership projects.

Another important point that must not be overlooked is that the savings made possible by the partnership power policy will make money available for other pressing responsibilities of the Federal Government for which there are no alternative sources of funds.

In his article Senator NEUBERGER made the rather startling observation that partnership over the years will deny to the Treasury hundreds of millions of dollars. Apparently he assumes that once the cost of a project has been paid the Government will maintain rates at the same levels and thus produce a profit for the Treasury.

Nowhere in any act of Congress, however, is there any general authorization for the Federal Government to go into or conduct a power business as such. The Bonneville Power Administration in the Department of the Interior, for example, operates the great Bonneville system into which power from all Northwest projects is fed. It sells the power at wholesale to publicly and privately owned distributing systems. The Bonneville Act of 1937 spells out how the rates shall be made: "Rate schedules shall be drawn having regard to the recovery of the cost of producing and transmitting such electric energy, including the amortization of the capital investment over a reasonable period of years."

There is no provision in that law for the Government to make a profit for the Treasury from the Bonneville system. After the people who use the power have paid for the system, they may and probably will enjoy a reduction in rates when the amortization charge ends. The Treasury gets its money back with interest. That is all. Thus, unless Senator NEUBERGER proposes that the power business be socialized and turned into a profit-making enterprise for the Federal Government, his assumption that the partnership program will "deny the Treasury hundreds of millions of dollars" is palpably false.

The Senator also makes the strange argument that the Federal Government under the partnership plan will be "saddled with the apparatus that returns no cash dividends—locks and fish ladders." He neglects to mention that his apparatus has long been considered a Federal obligation and that even the TVA specifically excludes these costs in determining its power rates. Does the Senator want only the people of Oregon and the other Northwestern States to pay for flood control and navigation in their electric bills? His comparison to the department store with its revolving doors and sales counters is cute but misleading.

Remember also that where power is developed by private companies the public interest is always fully protected. Private and local power projects must be licensed by the Federal Power Commission, and before the Commission grants a license it must see evidence that the project makes maximum use of the developed resources. And, as President Eisenhower has made clear, when a project is licensed it is not removed from public control. Rates and services remain under regulation, State and Federal. Moreover, as Senator NEUBERGER has failed to mention despite his burning interest in adding to Federal revenues, every privately operated electrical utility, like any other corporation, pays a corporate income tax of 52 percent if it earns a net income. In the year 1953 the Federal treasury collected $875 million in income taxes paid by electrical utilities.

STEVENSON, SPARKMAN, AND HILL

But let us get back to the fundamental issue that is involved here: The problem of meeting the enormous and increasing power needs of our growing Nation.

The real question is whether we are going to use every available resource, private, State, and Federal, to get a job done that has to be done, or are we going to flounder around, moving at reduced speed, because some dogmatically insist, with Senator NEUBERGER that water resources should remain undeveloped unless the Federal Government does it alone?

The answer, it seems to me, is clear. It is also clear to many others, I submit, regardless of party lines. For example, two leading Democrats, Senators SPARKMAN and HILL, of Alabama, have recognized that Federal spending alone is not the answer. And in Portland, Oreg., in May of 1952, Adlai Stevenson, later leader of the Democratic Party and its chief spokesman, said, "Where private enterprise can and is willing to do the job, I think it should be left free to do so. It seems to me that Government enterprise should be primarily addressed to the maintenance and enforcement of competition in our economic life, not its destruction."

Senator NEUBERGER, on the other hand, prefers to take his stand with the past and with former Secretary of the Interior Harold L. Ickes, who in 1941 predicted that the Pacific Northwest would in due course be a public power domain.

On the strength of these facts, I am compelled to conclude that Senator NEUBERGER is out of step with the new needs and conditions of our times and with the leadership and other important members of his own party. The evidence equally compels me to suggest that Senator NEUBERGER, liberal though he may claim to be, is certainly, on this issue at least, a reactionary.

Greek Independence Day, March 25

EXTENSION OF REMARKS
OF
HON. DANIEL J. FLOOD
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, March 23, 1955

Mr. FLOOD. Mr. Speaker, the celebration of Greek Independence Day is of especial significance for a number of reasons. In the first place, the ancient Greeks, who are renowned for the very high premium they placed on freedom and independence, were, in a sense, the first citizens of the West. They showed the world that they preferred to fight for the preservation of their independence rather than willingly submit to conquering oppressors. In the second place, when eventually they were forced to submit to alien tyrants, the Greeks proudly maintained their spiritual independence for many centuries. Finally, in 1821, when they saw a chance of regaining their national independence, they staged a revolt, which in the course of several years of warfare led to the birth of modern Greece.

In that year, when Archbishop Germanos raised the standard of the cross in his monastery at Patras, few people outside Greece realized that the insurrection started by this intrepid church leader was to bring about complete political independence. But as Greeks of all classes closed their ranks and rallied to the cause of their freedom the world began to see the dawning of a new day in Greece, that cradle of western civilization.

At times the course of the struggle seemed uncertain. Even with considerable outside aid the cause of Greece suffered some setbacks. But as these brave Greeks braced themselves in a do-or-die fight, and as the amount of outside aid was increased, doubts as to the outcome vanished. In October of 1827 when the enemy's fleet was destroyed at the naval battle of Navarino, Greece's independence was assured.

It is simple enough for us to relate in a few sentences what the Greek warriors accomplished in the course of a strenuous and bloody decade. It is easy for us to view those events from a distance and marvel at the brave deeds of those Greeks against their oppressors. But the few words we say here cannot do them adequate justice. Neither time nor distance can dim the admiration with which we regard everything the Greeks did for the realization of their national dream, for the attainment of their national political independence.

In recent years Greek independence has been seriously endangered by aggressors or other evil forces. The memories of World War II and postwar events

are still fresh in our minds. If we have learned a lesson from those tragic events, it is that national independence demands constant national vigilance, and it entails supreme sacrifices from all. The Greeks of 134 years ago, as well as those of our own day have proved equal to the task at hand. They have made a remarkable record for themselves by the courageous defense of their national independence. They will deserve the overflowing benefits which hard-won freedom bestows.

I am glad that we in the United States have been in a position to help the Greeks in their ceaseless fight against forces of tyranny and oppression. We are now closely linked to the Greek people in a common defense system, and they can be sure that we will do our utmost to support and protect their freedom. In this fraternal spirit we salute our allies and happily join in the celebration of Greek Independence Day.

Prizewinners

EXTENSION OF REMARKS
OF
HON. JAMES W. TRIMBLE
OF ARKANSAS
IN THE HOUSE OF REPRESENTATIVES
Wednesday, March 23, 1955

Mr. TRIMBLE. Mr. Speaker, on the 8th of March we had a group of young people from Arkansas visit Washington on their way to the Columbia Scholastic Press Association meeting at Columbia University, New York City. Included in the group were Patty Bonds, Carolyn Clark, Carole Crockett, Jane Davidson, Jane Donovan, Bettye Fleming, Drew Flora, Richard Forster III, Shirley Gibbs, Margie Giblon, Carol Griffee, Richie Hobbs, Richard Jones, Jr., Mary Elizabeth Lewis, Lucy Ann McAlister, Bob McHenry, Virginia Moellers, James E. Newton, Kay Norman, Syble Owen, Larry Randolph, Vonda Robinson, Ralph Starr, Kathryn Stewart, Chrissy Trusler, Louise Turner, Rose Ann Valenti, Ann Voss, Jerry Voss, Jo Wilbourn, and Mary Youmans. Their sponsor was Miss Hazel Presson. Also accompanying them were Mrs. G. L. Presson and Mrs. Guy Dean.

The Grizzly, newspaper of the Fort Smith (Ark.) High School, won first prize in its class. During the meeting at Columbia University, Miss Carol Griffee, editor of the Grizzly, conducted a student roundtable on Making News Interesting. Drew Flora, who is president of the Arkansas High School Press Association, was chairman of one of the group sessions. Miss Presson spoke at a sectional meeting on Ways To Avoid a Gossip Column.

Carol Griffee and Drew Flora were invited to appear on Dave Garroway's television program. Along with Larry Randolph, they were invited to have lunch in the press bar at the United Nations.

Miss Presson was named a charter member of the National Council of Scholastic Press Associations. This organization is being formed to coordinate the work of scholastic press associations.

Washington was one of the points of interest on the group's trip. It was a pleasure to have them here. They are a credit to all America.

Tabulation of Questionnaire

EXTENSION OF REMARKS
OF
HON. PETER FRELINGHUYSEN, JR.
OF NEW JERSEY
IN THE HOUSE OF REPRESENTATIVES
Wednesday, March 23, 1955

Mr. FRELINGHUYSEN. Mr. Speaker, early in January of this year, I mailed out a questionnaire to approximately 100,000 of my constituents seeking their views on major national issues. Approximately 9,000 questionnaires have been returned. These have been tabulated for me by the International Business Machines Corp. Under leave to extend my remarks, I should like to include the complete questionnaire and the tabulated returns:

TABULATION OF REPRESENTATIVE FRELINGHUYSEN'S QUESTIONNAIRE

I. Do you favor granting Federal financial assistance to the States for school construction?

Yes, 72.7 percent; no, 22.9 percent; no opinion, 4.4 percent.

II. A citizen's Commission has recommended major salary increases for Congressmen, Supreme Court Justices, other Federal judges, the Speaker of the House of Representatives, and the Vice President. Would you vote for legislation favoring such increases?

Yes, 57.0 percent; no, 33.2 percent, no opinion, 9.8 percent.

III. The administration has announced support of a pay increase for Federal employees, including military personnel. Do you think this is a good idea?

Yes, 72.0 percent; no, 18.7 percent; no opinion, 9.3 percent.

IV. Do you favor continuing the selective-service program as long as there are not enough volunteers to meet quotas of the armed services?

Yes, 87.1 percent; no, 8.9 percent; no opinion, 4.0 percent.

V. Do you favor universal military train-

Yes, 76.3 percent; no, 18.8 percent; no opinion, 4.9 percent.

VI. The following have been cited by various persons as threats to the security of the United States. Please check the answer which best describes your opinion of each:

Armed attack by an enemy: Extreme threat, 35 percent; unlikely threat, 53.4 percent; no opinion, 11.6 percent.

Internal subversion and sabotage: Extreme threat, 60.2 percent; unlikely threat, 30.5 percent; no opinion, 9.3 percent.

Curtailment of civil liberties through efforts to prevent subversion: Extreme threat, 31.4 percent; unlikely threat, 53.0 percent; no opinion, 15.6 percent.

Regimentation of the United States economy by excessive expansion of the Federal Government: Extreme threat, 35.6 percent; unlikely threat, 48.0 percent; no opinion, 16.4 percent.

Economic depression: Extreme threat, 15.8 percent; unlikely threat, 72.3 percent; no opinion, 11.9 percent.

Inflation resulting from an unbalanced budget: Extreme threat, 35 percent; unlikely threat, 51.2 percent; no opinion, 13.8 percent.

VII. Which of the following best expresses your view as to what United States trade policy should be? Please check one:

We should lower our tariffs and trade barriers in order to increase world trade and strengthen the economies of our friends abroad. Trade, not aid, is a good policy, 70.6 percent.

We should raise our trade barriers in order to protect our industries from foreign competition, 18.6 percent.

No opinion, 10.8 percent.

VIII. Which of the following viewpoints best expresses your views on immigration policy? Please check one:

Congress should modify the McCarran-Walter immigration law along the lines suggested by President Eisenhower during the 1952 campaign, and increase the number of people who can settle in the United States, 35.8 percent.

Congress should make our immigration laws more strict and reduce the number of immigrants allowed to enter this country, 30.5 percent.

Congress should leave our immigration laws pretty much as they are, 27.7 percent.

No opinion, 6 percent,

IX. Which of the following viewpoints expresses your views regarding the Taft-Hartley law? Please check one:

The Taft-Hartley law is a slave-labor law which is unfair to unions and the average workingman. Congress should repeal it or completely amend it, 9.5 percent.

The Taft-Hartley law is not strict enough in prohibiting monopolistic, unjust, and dangerous practices by unions. Its provisions regulating union practices should be made even tougher, 19.7 percent.

Experience has shown the Taft-Hartley law to be fair and just. It has contributed to the improvement of labor-management relations. The law may need some amendments, but from an overall standpoint, it is a good law, 62.6 percent.

No opinion, 8.2 percent.

X. (a) Do you favor further tax reductions?

Yes, 52.2 percent; no, 37 percent; no opinion, 10.8 percent.

(b) If your answer to (a) is "yes," how far would you go to reduce taxes?

Would you cut the military budget? Yes, 22.9 percent; no, 58.4 percent; no opinion, 18.7 percent.

Would you oppose increasing dollar aid to Asia? Yes, 72.7 percent; no, 16.6 percent; no opinion, 10.7 percent.

Would you continue a deficit in the Federal budget? Yes, 22.1 percent; no, 54.1 percent; no opinion, 23.8 percent.

Number of questionnaires mailed, 100,000.

Number of questionnaires returned, 8,959.

Panama Canal: The Crack on Contractors Hill

EXTENSION OF REMARKS
OF
HON. CLARK W. THOMPSON
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES
Wednesday, March 23, 1955

Mr. THOMPSON of Texas. Mr. Speaker, in a significant statement in the CONGRESSIONAL RECORD, volume 95, part 13, page A2228, the late distinguished chairman of the House Committee on Merchant Marine and Fisheries, Hon. Schuyler Otis Bland, of Virginia, commented at some length on Slide Problems of the Panama Canal and quoted a technical discussion by Dr.

A. Casagrande. Judge Bland stressed the most treacherous formation in Isthmian terrain as of "sinister fame"—Cucaracha.

At that time, however, neither the Congress nor the American public knew of the existence of a crack in Contractors Hill that had been discovered in 1938. Nor had this crack been mentioned in any of the published sections of the annual reports of the Governor of the Canal Zone.

The dramatic disclosure early in 1954 of this crack as indicating a grave hazard to the security of transit produced a national sensation and, for a time, attracted world attention. Panama Canal administrators thereupon took action to meet the threat of closure. Notwithstanding these measures, the fact remains that remedial action was not initiated until the situation had reached critical proportions.

The entire record of the crack in Contractors Hill further emphasized the point stressed by Judge Bland, and other congressional leaders, of the importance of thorough, up-to-date, and objective study and review of all aspects of the canal question before making final decisions on Isthmian policy. The recommendations for constructing a new Panama Canal of sea-level design contained in the 1947 report under Public Law 280, 79th Congress, which was prepared under the direction of routine administrative officials with what appear to have been predetermined objectives, clearly calls for a reassessment in the light of subsequent developments including the H-bomb. The previous failure of the 1931 and 1939 studies on the Panama Canal, which also were prepared under the direction of routine administrators, is conclusive evidence of the necessity for an independent investigation under congressional authorization.

Such an inquiry, it is submitted, can be accomplished only by a broadly based and independent Interoceanic Canals Commission, composed of men of the highest qualifications and character who may not be dominated by administrative controls and who can view all the aspects involved in a purely objective manner. That type of organization does not now exist. To provide one, Hon. THOMAS E. MARTIN and I, early in the present session, introduced identical measures, S. 766 and H. R. 3335, 84th Congress. It is a matter of grave regret that such a body had not been created and in operation before the recent treaty negotiation with Panama was concluded. Had such been the case, the Congress and the executive branch of our Government might have had a wealth of information for use in and about the formulation and approval of the new treaty.

A summary of the present status of the Contractors Hill situation by Charles McG. Brandl was published in the March–April issue of the Military Engineer, volume XLVII, page 93. The issue contains the following sketch of its author's engineering experience:

Charles McG. Brandl, the assistance project engineer for the Contractors Hill project, is superintendent of Maintenance and Construction for the Southern District of the Maintenance Division of the Panama Canal Company. He has had wide engineering experience in Panama and is a frequent contributor to the Military Engineer. He is a native of North Carolina and a registered engineer in that State.

To make Mr. Brandl's article available to the Congress and other agencies of the Federal Government, under leave accorded, I include its text:

THE CRACK ON CONTRACTORS HILL

(By Charles McG. Brandl)

When DeLesseps and the French began their attempt at building the Panama Canal, they chose the low point in the Continental Divide as the place to dig through. This location, while a natural one which was later used successfully by the Americans, was chosen apparently without very extensive knowledge of the geology of the area. The low point, which is a saddle between the hills now known as Gold (elevation 650 feet) on the east and Contractors (elevation 410 feet) on the west, is in, and is a part of, an unstable soil area. It is surrounded by the treacherous cucaracha formation, a material so unstable that it has many times closed the Canal channel. This mixture, of weak clay shales, sandstone agglomerate, conglomerate, welded tuff ash flow, and other volcanic ejections, is interspersed with an appreciable percentage of bentonitic matter which, when wet and exposed to air, swells and flows freely on slopes steeper than 3 to 1. Embedded in and supported by this cucaracha are the rock masses of the two hills. Although basically both are apparently stable, a part of Contractors Hill recently endangered the Canal.

In 1938 a survey party discovered in the tall grass covering the top of the hill a slight crack or fissure. It was noted, and monuments for checking future movement were set astride the crack. In 1939 they showed a total movement toward the Canal of 0.06 foot. This was considered unimportant and no further measurements were made until 1949. Through the years the crack had grown and widened, so in 1949 a schedule of monthly readings was established. These were continued and in the early part of 1953 it was observed that the crack was extending in both directions and additional check monuments were established. By early 1954 the action and development of the crack had progressed to such a stage that the stability of the hill was questionable and the future safety of the Canal became of grave concern.

Earlier survey work establishing points in the canal's triangulation system had, fortunately, located two control points on Contractors Hill. By using these and other check measurements, it was readily determined that the hill had an irregular crack or split over 8 inches wide along its face. Soundings indicated that the crack was nearly 600 feet deep. It was definitely proven that the mass breaking away was the smaller part of the hill to the east of the crack, moving toward the waters of the canal. (The mass was estimated to be about 4 million tons.) This was found out at about the start of the rainy season. With the coming of the rains a curious action of this free mass was noticed. When water partially filled the crack there was an immediate further movement toward the canal, roughly proportionate to the depth of water. When the rain ceased the water drained away and the free mass moved back toward the main hill. But always the return movement was less than the original outward one so that the cumulative effect of the rains was to push the free mass farther toward the canal. Meanwhile, the canal authorities had begun core drilling to ascertain the exact size and nature of the hill itself. Experts in the fields of geology and soil mechanics were assembled by Gov. John S. Seybold to study the conditions and make recommendations. While the watchers above probed and studied, the commerce-laden vessels of the world's maritime nations passed serenely below them in the calm waters of the canal, unconcerned about the looming rock mass above.

Yet, if this mass were suddenly to slide or fall into the narrow Gaillard (Culebra) Cut, it would so dam the canal that months of marine drilling, blasting, and dredging would be required to clear it. And there would be no short cut for ships—only the long voyage around the Horn, costly in time and money. The serious effects of a forced closing of the canal from the military standpoint are obvious.

From the reports of the experts, the engineers developed a plan for removing as much of the rock mass of the hill as was deemed threatening. This plan was sketchy in detail as it had to be, considering the relatively limited data available at that time. Final plans called for the removal of the rock in a series of steps or benches 40 feet high rising up from the 150-foot elevation (the water of the canal is approximately 86 feet) to the crest of the hill which would be cut off to elevation 390 feet on the north end, and to 350 feet on the south end. To be included would be the removal of a certain amount of the shale or cucaracha formation at the north and south ends of the hill.

Since the time element was vital, the canal authorities resorted to limited bidding rather than the usual contractural procedures. Accordingly, some of the outstanding construction firms in the United States and Panama were invited to send representatives to inspect the site and to submit proposals for the removal of the requisite amounts of rock and cucaracha. These proposals were to indicate a bid price for the items based on different quantities which it would be the option of the Government to stipulate; were to include a mobilization schedule for placing men and equipment at work on the site; and were to indicate a method of removal. The Government reserved the right to accept the proposal which it deemed best suited for the successful completion of the project. The initial contract called for the removal of 2 million cubic yards of rock and 350,000 cubic yards of shale. These figures were later amended and, as of February 1, 1955, call for the removal of 1,700,000 cubic yards of rock and 350,000 cubic yards of cucaracha. The contract was awarded in the latter part of May 1954 and by the middle of July equipment was on the site.

Prior to the arrival of the equipment, two items were added to the contract by supplemental agreement: the construction of a crack inspection and drainage tunnel and the removal of a commemorative memorial plaque. The tunnel, a 5-foot by 7-foot arched roof section, approximately 120 feet long, started on elevation 92 feet at the face of the cliff near the canal prism line and ran approximately perpendicular to the canal axis and cliff face of the hill until it intersected the crack. Here an inspection gallery and pumproom were to be built and check points located for measuring any movement in the hill mass after the excavation on top had destroyed the original check points.

The commemorative plaque is the 9-foot by 11-foot bas relief bronze sculpture, weighing 1 ton, which was installed in the face of the cliff about 103 feet above the canal waters at the time Culebra cut was renamed in memory of Lt. Col. David D. Gaillard, the engineer in charge of the excavation there from 1907 to 1913. The plaque will probably be reinstalled on the regraded face of Contractors Hill.

Work on the supplemental items proceeded at once and was satisfactorily completed well ahead of schedule. The effectiveness of the tunnel as a drainage facility was such that

no pumping or other disposal of the water in the pit floor was required throughout the rainy season. The water seeped through the crack into the tunnel and out into the canal. The removal of the hydrostatic pressure eliminated this force from further adverse pressure against the broken rock.

The actual work of rock removal started ahead of schedule and has proceeded without major interruption following a fixed routine of drilling, loading, firing, and excavating 20 hours a day 6 days a week. The 4-hour interval between the two 10-hour shifts daily is used to check and service equipment as is all the daylight shift on Sunday. As of the 1st of February, the contractor was nearly 2 months ahead of schedule, and barring unforeseen events, should have the 1,700,000 cubic yards of rock and 350,000 cubic yards of cucaracha removed by August 1955. However, the routine nature of the operation was not achieved without careful planning and constant vigilance.

The nature of the rock and its proximity to the narrow cut precluded the taking of any chances. Each blast had to be planned; each element had to be coordinated with the special and peculiar conditions of the exact area or pattern. Each fracture in the rock either natural (the whole hill mass is proving to be a heterogeneous crazy quilt of seams and fissures, or those caused or enlarged by blasting, must be studied and evaluated in relation to the diameter of the hole, its depth, the kind and amount of dynamite in it, the detonator sequence (millisecond delays are used almost exclusively) and these data considered for each of the 20 to 150 charges which may constitute a pattern. When blasting astride the crack or between the crack and the cliff face, additional elements of safety must be considered. For example, nothing is allowed to delay or cause alarm to the ships that pass below. No rock must fly when a ship is close nor can any blast, no matter how carefully planned, be fired until any approaching ship has cleared the cut. There must be no possibility of an accidental dislodgment of rock falling into this narrow passage ahead of an oncoming ship. These factors place the operation in a unique and special field of interest and concern. There cannot be, and there have not been, any attempts to make short cuts in the elemental safety of the procedures. The contractors' forces have been as careful in this respect as have the Government personnel. Together they are bringing to a successful conclusion an enterprise which will be a credit to American construction skill and a fitting supplement to the similar work done long ago in the same location by the original Canal builders. The material now removed, more than 900,000 cubic yards, has so lessened the upper burden of the rock mass as practically to insure the overall stability of the mass until the job is completed.

To make the texts of the bills, which are identical, readily available to the Congress in connection with the study of Isthmian Canal Policy by its various committees, I quote H. R. 3335:

Be it enacted, etc., That this act may be cited as the "Interoceanic Canals Commission Act of 1955."

SEC. 2. (a) A commission is hereby created, to be known as the "Interoceanic Canals Commission" (hereinafter referred to as the "Commission"), and to be composed of 11 members to be appointed by the President, by and with the advice and consent of the Senate, as follows: One member shall be a commissioned officer of the line (active or retired) of the United States Army; 1 member shall be a commissioned officer of the line (active or retired) of the United States Navy; 1 member shall be a commissioned officer of the line (active or retired) of the United States Air Force; and 8 members from civil life, 4 of whom shall be persons learned and skilled in the science of engineering. The President shall designate 1 of the members from civil life as chairman, and shall fill all vacancies on the Commission in the same manner as are made the original appointments. The Commission shall cease to exist upon the completion of its work hereunder.

(b) The Chairman of the Commission shall receive compensation at the rate of $20,000 per annum, and the other members shall receive compensation at the rate of $18,000 per annum, each; but the members appointed from the Army, Navy, and Air Force shall receive only such compensation, in addition to their pay and allowances, as will make their total compensation from the United States $18,000 each.

SEC. 3. The Commission is authorized and directed to make and conduct a comprehensive investigation and study of all problems involved or arising in connection with plans or proposals for—

(a) an increase in the capacity and operational efficiency of the present Panama Canal through the adaption of the Third Locks Project (53 Stat. 1409) to provide a summit-level terminal lake anchorage in the Pacific end of the canal to correspond with that in the Atlantic end, or by other modification or design of the existing facilities;

(b) the construction of a new Panama Canal of sea-level design, or any modification thereof;

(c) the construction and ownership, by the United States, of another canal or canals connecting the Atlantic and Pacific Oceans;

(d) the operation, maintenance, and protection of the Panama Canal, and of any other canal or canals which may be recommended by the Commission;

(e) treaty and territorial rights which may be deemed essential hereunder; and

(f) estimates of the respective costs of the undertakings herein enumerated.

SEC. 4. For the purpose of conducting all inquiries and investigations deemed necessary by the Commission in carrying out the provisions of this act, the Commission is authorized to utilize any official reports, documents, data, and papers in the possession of the United States Government and its officials; and the Commission is given power to designate and authorize any member, or other officer, of the Commission, to administer oaths and affirmations, subpena witnesses, take evidence, procure information and data, and require the production of any books, papers, or other documents and records which the Commission may deem relevant or material for the purposes herein named. Such attendance of witnesses, and the production of documentary evidence, may be required from any place in the United States, or any Territory, or any other area under the control or jurisdiction of the United States, including the Canal Zone.

SEC. 5. The Commission shall submit to the President and the Congress, not later than 2 years after the date of the enactment hereof, a final report containing the results and conclusions of its investigations and studies hereunder, with recommendations; and may, in its discretion, submit interim reports to the President and the Congress concerning the progress of its work. Such final report shall contain—

(a) the recommendations of the Commission with respect to the Panama Canal, and to any new interoceanic canal or canals which the Commission may consider feasible or desirable for the United States to construct, own, maintain, and operate;

(b) the estimates of the Commission as regards the approximate cost of carrying out its recommendations; and like estimates of cost as to the respective proposals and plans considered by the Commission and embraced in its final report; and

(c) such information as the Commission may have been able to obtain with respect to the necessity for the acquisition, by the United States, of new, or additional, rights, privileges, and concessions, by means of treaties or agreements with foreign nations, before there may be made the execution of any plans or projects recommended by the Commission.

SEC. 6. The Commission shall appoint a secretary, who shall receive compensation fixed in accordance with the Classification Act of 1949, as amended, and shall serve at the pleasure of the Commission.

SEC. 7. The Commission is hereby authorized to appoint and fix the compensation of such engineers, surveyors, experts, or advisers deemed by the Commission necessary hereunder, as limited by the provisions in title 5, United States Code, section 55a (1946 edition); and may make such expenditures—including those for actual travel and subsistence of members of the Commission and its employees—not exceeding $13 for subsistence expense for any one person for any calendar day; for rent of quarters at the seat of government, or elsewhere; for personal services at the seat of government, or elsewhere; and for printing and binding necessary for the efficient and adequate functions of the Commission hereunder. All expenses of the Commission shall be allowed and paid upon the presentation of itemized vouchers therefor approved by the Chairman of the Commission, or such other official of the Commission as the Commission may designate.

SEC. 8. There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions and purposes of this act.

The Horizons Beyond in Agriculture

EXTENSION OF REMARKS
OF
HON. HENRY ALDOUS DIXON
OF UTAH
IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 23, 1955

Mr. DIXON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following speech by the Honorable Ezra Taft Benson, Secretary of Agriculture, entitled, "Horizons Beyond in Agriculture" before the Pacific Dairy and Poultry Association, Salt Lake City, Utah, on March 19, 1955:

THE HORIZONS BEYOND IN AGRICULTURE

I deeply appreciate this opportunity to appear before this 31st annual convention of the Pacific Dairy and Poultry Association. It is always a real pleasure for me to come home to Utah. This visit is doubly enjoyable because so many of my friends in the dairy and poultry industries are here for these sessions.

It seems to me most appropriate that you have selected as the theme for this year's convention "Horizons Beyond." Truly agriculture's horizons of today hold great promise for our farm people and, indeed, for everyone. The forward strides we have made in the broad fields of agricultural research, education, marketing, and technology are unmatched in any other nation. Output per man-hour on our farms nearly doubled in the last two decades as agriculture adopted new and vastly more efficient production methods.

Yet in some new developments, such as the application of nuclear science to farming, we have barely scratched the surface. As we add to our fast-growing fund of agricultural knowledge we become even more acutely aware of the fact that there is still so much that is not known.

It is this constant challenge of the unknown which spurs man ever onward toward these horizons beyond. And however far he travels he finds that there are still new horizons.

The future of American agriculture is closely linked to the future of the Nation itself. I find it impossible to believe that future can be anything but bright.

As all of you know, both the dairy and poultry industries have been going through a rather painful period of readjustment. In both instances, major troubles developed when production outran effective consumer demands. There is another and happier parallel. The dairy and poultry situations both have shown sharp improvement recently. Not all of our problems are behind us yet, but we are headed in the right direction—toward better balance between production and demand and toward the greater price stability which such a balance insures.

It is encouraging to note that the dairy and poultry industries have shouldered the responsibility for making the necessary production adjustments. At the same time they have done an outstanding job of expanding consumption through better merchandising and vigorous promotional campaigns. The evidence of this lies in the fact that consumption of poultry and eggs has been running at record levels while there has also been a marked upturn in the use of most dairy products.

All of this has been accomplished without Government production controls of any kind. In the case of the poultry industry, it has been done without resort to price supports. In fact, the poultry industry rejected Government assistance programs last fall even when prices were at their lowest levels. The wisdom of this decision is confirmed, I believe, by the rapid improvement in the overall situation.

The dairy picture is immeasurably better today than it was a year ago. Here again I believe this improvement has largely come about because both the industry and the Government chose to face the facts. An unrealistic level of price support was adjusted almost 1 year ago. Despite some dire predictions that this move would bankrupt dairymen, there is enough evidence now at hand to prove that the action was fundamentally sound and in the real long-term interests of the industry.

Sometimes we have to look back to see how far we have come. A year ago the Government was getting into the dairy business at an unprecedented rate. Milk production was booming to new seasonal highs month after month. Consumption, particularly of butter, was moving lower, while huge surpluses of dairy products continued to pile up in Government hands.

All of this was happening under a program of price supports at 90 percent of parity. Obviously the continuation of the very program which had helped to get us into this situation would never get us out of it. Supports at 75 percent of parity for the new marketing year which began last April 1 were set in accordance with the law which directs the Secretary of Agriculture to fix supports at a level that will assure an adequate supply of dairy products. This adjustment was designed to help to close the gap between production and consumption of dairy products.

Now, nearly 1 year later, we are in position to evaluate the results. To me the most significant thing is that dairy production has leveled off, while consumption has been steadily increasing. Government purchase of dairy products are down sharply and, at the same time, we have been able to move large quantities of previously acquired surpluses into channels of consumption.

Milk production in January and again in February of 1955 was slightly below that for the same 2 months of 1954. This was the first time since 1952 that January and February milk production had failed to show an increase over the previous year. Milk production in December of 1954 was also below the corresponding month for a year earlier. This leveling off indicates that milk production during the current year will be about the same as in 1954—around 123.5 billion pounds.

This conclusion gains further support from the fact that the number of milk cows 2 years old and over on January 1, 1955, was 1 percent less than for a year earlier. Numbers of young stock, however, remain large in relation to numbers of mature cows, with heifer calves showing a 1 percent increase over the preceding year on January 1, 1955. More milk cows were culled from the Nation's dairy herds during 1954 than in any year since 1948—both in actual numbers and in relation to the number of cows on farms. This is concrete evidence that the intensive culling program sponsored by the industry, with the cooperation of the Department of Agriculture, has strongly taken hold.

Now that we are on the right road, I sincerely hope that dairymen will not relax in this campaign to rid their herds of poor producing cows—the "boarders" which do not pay their keep. Even though average milk production per cow reached an all-time record of 5,512 pounds per year in 1954, this figure falls far short of the output achieved on our better dairy farms. We still have far too many 3,000-, 4,000-, and even 5,000-pound producers which place a heavy drain upon the farmer's resources and time and which contribute nothing to his profits. This same uneconomic production, however, is a major cause of our surplus-milk problem.

In the last two decades, average milk production per cow has increased by about 1,500 pounds—more than one-third. The increase has been substantially greater for cows under test in dairy herd improvement associations. With present known breeding, feeding, and handling techniques, the average milk output per cow could conceivably be doubled over a period of time. Right now California dairy cows are producing well over 50 percent more milk, on an average, than those for the Nation as a whole.

No one can say just what the new developments of tomorrow will add to efficiency in dairying. But certainly there are "horizons beyond." I am convinced that the great gains in the dairy industry tomorrow will come, as they have in the past, through research and education and improved production and marketing methods.

Although milk production today has leveled off at a high point, we are closing the gap between output and consumption. And I know that all of you in this great industry would infinitely prefer to see a balance attained in this way, rather than through a distasteful system of production controls which would have been inevitable had price supports been continued at unrealistic levels.

Per capita consumption of fluid milk during 1954 increased by 2 pounds over the preceding year. We anticipate a further upturn in 1955. Coupled with this is the fact that the population of the United States is increasing by about 2.7 million persons each year. This annual growth alone supplies a new market for nearly 2 billion pounds of milk every year.

The special school-lunch program, now operating in all of the 48 States and the District of Columbia, has been especially helpful in expanding milk consumption where it is most needed—among our younger people. By mid-February nearly 46,000 of the 160,000 schools in the Nation had been approved for participation in this project and this total will increase further. Preliminary reports show that schools operating under the program had increased milk use by about 58 percent over normal monthly consumption. In some States the increase was more than 100 percent—indicating what I have long believed: that if milk is made easily available, people will drink it in much larger quantities.

We have yet to see the full effects of the vigorous promotional campaign which the dairy industry launched last year in an all-out effort to spur increased consumption of the healthful dairy products. Through every advertising medium the public is being told the story of milk—that it not only tastes good but that it is good. Here we have had the finest beverage in the world, but until recently we haven't been trying to sell it. Instead we have been depending upon the consumer to acquaint himself with its merits. In this competitive age, the market goes to the man who creates a demand for his product and then aggressively merchandises it. I am happy to see the dairy industry adopting some of the techniques of its competitors.

Until a few months ago, except at certain hours in the cafeterias, it was impossible to buy a drink of milk in the Department of Agriculture buildings in Washington. Vending machines there are now doing a thriving business. And virtually all of these sales represent additional consumption.

Only a few days ago I observed with considerable interest that milk vending machines had been installed in the cloakrooms of the House of Representatives in Washington. In those very rooms through the years the problems of the dairy industry must have been discussed upon thousands of occasions. Now Congressmen have the means of attacking the dairy surplus problem through consumption as well as legislation.

I am told that there were approximately 16,000 milk vending machines operated in the United States last year. That represents only 1 machine for every 10,000 people. In contrast there were 210,000 chewing gum machines and 695,000 soft drink vending machines in this country last year.

Saleswise, vending machines handled $65 million worth of coffee, $210 million worth of candy, $393 million worth of soft drinks, and $690 million worth of cigarettes and—get this—only a little more than $22 million worth of milk. Now I do not contend that milk vending machines alone are the answer to all of the dairyman's problems. But the figures I have just cited do illustrate the possibilities of market expansion in a field which has barely been tapped by the dairy industry. Personally, I am not going to be satisfied until I read that sales of milk through mechanical vendors are approaching the totals recorded for competing beverages. We can reach this goal if we have the will to do it.

I believe most of us agree that increased consumption of fluid milk offers the best hope for a thriving, prosperous dairy industry. We must not leave unexplored any avenue which will lead to this objective. We need to know more about what can be done to increase sales through use of larger milk containers and through additional price incentives to the consumer who takes an extra quart or two at the doorstep or at the store. Perhaps we need to reexamine some of the restrictive marketing practices which bar outside milk from certain areas under arbitrary health regulations. Certainly we must constantly strive for the increased efficiency which stimulates increased milk consumption through the factor of price.

Meanwhile, per capita consumption of some other dairy products has been trending higher during the last year. Reversing the long-time downward move, butter sales during 1954 were some 5 to 6 percent higher than for the preceding year. The average American also consumed a little more cheese and nonfat dry milk last year than he did in 1953. On the other hand, consumption of condensed, evaporated, and dry whole milk declined to the lowest per capita rate during the postwar period. Ice cream consumption was slightly lower, too.

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Nevertheless, the constantly improving balance between milk supply and demand is indicated by the fact that recent Commodity Credit Corporation purchases of dairy products have been far below those of a year ago—after being much higher in the first months of the new marketing year. During the first 11 months of the current marketing year, we bought only about half as much butter as we did during the full 1953–54 marketing year. We bought only one-third as much cheese and about three-fourths as much dry milk in those 11 months as in the preceding 12 months.

Government purchases of dairy products dropped substantially by mid-summer of 1954 and the downward trend continued throughout the year. During the month of December 1954 we bought not a single pound of butter. With the flush production season ahead of us, we may reasonably expect to purchase substantial quantities of dairy products again, though at a far lower rate than a year earlier.

For the calendar year 1954, the surplus production which found its way into Government hands in the form of various dairy products amounted to the equivalent of 9.1 billion pounds of milk—about 7.4 percent of the total production. Nevertheless, this meant that CCC became the owner of 22 percent of all creamery butter produced in the United States in 1954, 35 percent of the cheese production and 50 percent of the nonfat dry milk output. This illustrates how the Government becomes the market for processed dairy products when milk production moves up or demand moves down by only a few percentage points.

Increasing consumption of fluid milk has, of course, resulted in reduced production of butter and cheese during recent months. As I indicated a few months age, we must continue to emphasize this approach as the only effective solution to the dairy problem.

We have made real progress in moving dairy products from CCC inventories into channels of consumption, both at home and abroad, through a variety of methods including commercial sales, welfare donations, and school-lunch programs. At the beginning of this month we had on hand 253 million pounds of butter. Seven months earlier we owned 466 million pounds of it.

Unsold cheese inventories of CCC have declined from 435 million pounds at the end of last September to 334 million at the beginning of this month. Last April we had 600 million pounds of nonfat dry milk on hand. That had been reduced to 72 million pounds by March 1. Altogether, CCC has disposed of more than 1.6 billion pounds of these products during the last 11 months.

These sales and donations involved substantial losses, in most instances. But the products were moved from storage into channels of consumption.

Pricewise the improving dairy situation is illustrated by the fact that for several months the average wholesale price received by farmers for all milk has been ranging between 84 and 86 percent of parity. Just 1 year ago, when dairy supports were still at 90 percent, the average price received by farmers for all milk was 86 percent of parity.

I am convinced that there are better days ahead for the dairy industry. The many encouraging signs unmistakably point up this fact. It would be most unwise at this juncture—when production and consumption are moving toward a balance—to increase dairy price supports by legislative action. Many of the impressive gains of the past year would be swept away almost overnight. We would only be postponing until another day the readjustment which the industry inevitably had to make—a readjustment which is now well on the way to completion.

It is gratifying to me that the Nation's vast poultry industry, in which so many of you have a direct interest, is also emerging from the price problems which plagued it for many months. Despite the rapid recovery in egg and poultry prices, I would strongly urge the industry to move with some caution at this point. As was demonstrated so emphatically last year, even the broad and constantly expanding market which the industry has built will not absorb at profitable prices the entire output of eggs and poultry which existing facilities are capable of producing.

Producers must voluntarily exercise some restraint upon overexpansion and excessive production if we are to have a stable and prosperous poultry industry. We must seek to avoid the violent ups and downs which have too often characterized the egg and poultry markets in the past.

As you know, the current upturn in egg prices began about 2 months ago at a time when production was increasing seasonally, although egg receipts at terminal markets were declining. Egg production estimates for January and February showed a 3-percent increase over a year earlier for the country as a whole. There were weather factors, perhaps, plus stronger consumer demand stemming from improving general business conditions, which tended to offset this.

Another underlying source of strength in the market—and it may be the most important one of all—is the general belief that there will be a smaller supply of eggs later this year. In each of the last 5 months, fewer pullets were started for laying-flock replacements than for the corresponding months a year earlier. As of Febuary 1, farmers indicated intentions of buying 18 percent fewer chicks for laying replacements than last year. Stronger egg prices may lead farmers to purchase more replacements than they had originally planned. This could have later repercussions.

With the number of layers on farms March 1 slightly above the same date for last year, egg production also may be expected to run a little higher than a year ago during the next 2 or 3 months. The rate of lay per bird is expected to be about the same as in 1954 for April and May.

Broiler prices into March continued high enough to induce increased placements. The broiler-feed price ratio in mid-February stood at 4.9, as compared with an average of 4.3 for 1954. Chick replacements and eggs set in incubators in specialized broiler areas during recent weeks have been almost up to the levels of a year ago. And all of us remember the broiler industry got into serious price troubles in 1954.

The Department of Agriculture has already asked turkey growers to reconsider their production plans for 1955. As you know, an 11-percent reduction in light-breed turkeys had been indicated for this year by producers. On the other hand, intentions were to produce about the same number of heavy turkeys as last year. If these plans are followed through, the total tonnage of all turkeys in 1955 would be reduced by only about 1.5 percent below the record output of 1954.

While I have expressed some concern here over what could happen to poultry and egg markets if production gets too far out of line, I realize that this entire problem is foremost in your minds, too. In similar situations in the past, the poultry industry has moved effectively to avert further overexpansion. I am confident the industry again will act with foresight and resolution.

The poultry industry has made outstanding progress in recent years. The heavy emphasis upon greater production and marketing efficiency has brought poultry and egg consumption in the United States to new record levels through the years. I firmly believe this trend will continue, as a result of these constant efforts. Great as the record of the industry has been, there are still horizons beyond.

Now I should like to turn to a matter which concerns not only the poultry and dairy industries but all of agriculture and, in fact, all of the people of this Nation. That is the basic question of what kind of a farm program we are to have. Shall we move forward in our efforts to establish a soundly conceived, long-range program designed to bring about better-balanced agricultural production, broader financial stability, and greater freedom for farmers? Or shall we continue the unrealistic, stopgap, emergency program of high, rigid price supports which has already demonstrated its inability to cope with the problems of a peacetime agricultural economy?

Congress clearly rejected this second approach only a few short months ago when it adopted the Agriculture Act of 1954 and voted to permit flexible price supports for the basic commodities to become effective, as scheduled, in 1955. Now the whole issue has been revived. The House Committee on Agriculture has reported favorably a bill which would, among other things, continue rigid price supports at 90 percent of parity for the basic commodities for 3 more years.

The principal argument put forward by the proponents of this measure is that it will halt the steady decline in farm income which has been underway since 1947. What they fail to mention is that this entire reduction has come about while we had rigid 90 percent supports for the basic commodities. What they are recommending, in effect, is another dose of the same medicine that has made the patient progressively sicker.

The fixed price support advocates, reinforced by labor leaders turned farm experts, are shouting from the rooftops that farm prices are being wrecked by flexible supports. It just isn't so. Not 1 bale of cotton, not 1 bushel of corn or wheat, not 1 sack of rice, not 1 pound of peanuts has yet been placed under loan or sold to the Government at less than 90 percent of parity. Flexible price supports don't become operative until the 1955 harvests—still several months away—and even then the levels of support will be unchanged for some commodities and most modest for others, in line with President Eisenhower's recommendation for gradual adjustments.

The attempt to saddle the failures of the old program upon a new one which hasn't even been tested yet is unlikely to meet with very broad acceptance among farmers who know the facts. The issues at stake are of such great importance to every farmer, however, that I believe the record must be set straight for all to see.

Flexible price supports have been a part of our bipartisan farm programs for many years. They have been endorsed at one time or another by every Secretary of Agriculture for the past 20 years and by every major farm organization. They were advocated in the platforms of both major parties during 1948 and by the then occupant of the White House.

In fact, it was from this unanimity of opinion that the Agricultural Acts of 1948 and 1949 were distilled. Both of these measures called for flexible price supports for basic commodities. The effective date of the flexible program was repeatedly postponed, however, the last time until 1955. This year we are finally scheduled to employ the flexible price support provisions which almost everybody once agreed were essential to the effective operation of a long-range, peacetime agricultural program.

For some time now, many would-be political leaders have been using high, fixed price supports as a smokescreen to cover up one indisputable fact—the fact that it was the unprecedented demands of war, together with inflation, that kept farm prices high during the 10 years following Pearl Harbor. The parity ratio averaged between 100 and 115 during those years. Actually, it was

ceilings fixed by law at the top—not the 90 percent floor below—which set farm prices. Every farmer knows he would have received even more for his products during this period had there been neither ceilings nor price supports.

Mounting surpluses, increasing costs and declining farm prices are evidence enough that high, rigid, emergency supports offer no solution to our peacetime agricultural problems. If they were the solution, there would be no problems. Even though farm prices have declined under the program which we inherited from the preceding administration, this administration is willing to assume its share of the responsibility. But let me make it very clear just what our share is.

Between February 1951 and January 1953, when this administration assumed office, the parity ratio tumbled from 113 to 94. This is a downward plunge of 19 points. Since January 1953 the parity ratio has declined from 94 to a current level of 87—a change of 7 points. It has averaged about 90 over the last 2 years.

Thus, it will be seen that nearly three-fourths of the drop in farm prices which has occurred since the Korean war peak in 1951 came under the preceding administration. So, as I have said, we are willing to assume our share of the responsibility. Let our predecessors face up to theirs.

Today it seems to me that the situation which has developed with respect to wheat pinpoints the major fallacies and contradictions of high, rigid price supports. Wheat is a most important crop not only in this area but over much of the United States. And wheat is also the Government's biggest problem in the field of price supports. Here is a commodity which actually has been supported at about 105 percent of modernized parity. And still it is in worse trouble than any other crop.

The United States had on hand for the current marketing year an all-time record supply of 1,878,000,000 bushels of wheat. At the present rate of disappearance, this unprecedented supply is enough to meet all of our domestic and export requirements for more than 2 full years.

The Commodity Credit Corporation today has investment in more than 1 billion bushels of wheat—660 million bushels owned outright in inventory and the rest held as security against price support loans. This involves a commitment of approximately $2,700,000,000 of CCC funds. It represents well over one-third of the CCC funds now invested in all price support activities.

For 1955, the national wheat acreage allotment has been reduced to 55 million acres, the minimum provided by law. This compares with a 1954 allotment of 62 million acres and represents a cut of 30 percent from 1953, when no acreage allotments were in effect. Without the minimum amount provided by law, the allotment for 1955 would have been sharply below the 55 million total. In view of the record supplies of wheat on hand for this year, the formula in the law called for a national allotment of only about 19 million acres if no minimum had been provided.

The very substantial cut in our national wheat acreage creates serious operating problems for many farmers. Even after this sharp reduction for 1955, the minimum national acreage will, with average yields, produce almost as much wheat as we are now moving into domestic consumption and foreign markets in a year. Insofar as exports are concerned, we need to keep in mind that at our present level of price support, wheat shipments to foreign countries are made possible only by active programs of United States assistance. United States sales of wheat abroad will involve subsidies of at least $175 million for the current crop year.

One fact that stands out is that this Nation's carryover of wheat next July 1 will be larger than it was a year earlier despite everything we are trying to do to bring about a reduction. Although we have succeeded in boosting wheat exports somewhat during the current crop year, there are limitations upon what the world markets will take even at the Wheat Agreement price or under the new program which permits sales abroad for foreign currencies. There are legal restrictions upon selling wheat in the domestic market at less than 105 percent of parity, plus carrying charges.

With total wheat supplies increasing in spite of production controls last year, it now appears that our carryover in 1955 will approach 1 billion bushels, for a new all-time record. It is expected that CCC will own some 850 million bushels of this vast surplus. The yearly storage charges alone on this inventory, not counting interest or deterioration, will be near the $140 million mark.

In talking about this wheat-surplus problem, we lump all wheat together—spring and winter, hard and soft, red and white, high protein and low protein. Yet farmers know there can be at least as great a difference between different types of wheat as there is between Holstein and Hereford cattle.

At a time when we have a record-breaking surplus of wheat in the United States, there is an acute shortage of durum wheat and a tight situation with respect to high-protein milling wheat. Flour has been selling at the highest prices since 1920.

Farmers in some parts of the country have been concentrating upon exceptionally high-yielding wheat, rather than upon quality wheat. Since the grain is produced for sale to the Government at a fixed, guaranteed price, rather than for conversion into bread, the sole objective is to grow as many bushels as possible on the allotted acreage.

Unrealistic price supports have brought about a sharp rise in wheat production outside the area we normally think of as the commercial wheat country. The Corn Belt has become the source of more wheat. So have the grasslands of the southern Great Plains and the dairy regions of the Northeast.

In Illinois the 1953 wheat acreage was 51 percent above the 10-year average. In Michigan it was up 46 percent. Even in New York the increase was 36 percent. One Dust Bowl county of eastern Colorado, which reported a mere 5,000 acres of wheat in 1939, had 365,000 acres in this 1 crop by 1952 as the "suitcase" farmers and speculators moved in.

Now, farmers in the low-cost areas where most of our wheat has been produced in recent decades find themselves in the same production strait-jacket as growers in States less favorably suited to efficient wheat production. The man who has been growing quality wheat for the market gets cut back on the same basis as the man who grows wheat for the Government loan.

I would like to see us produce wheat in the regions where it can be grown most efficiently. Many of these areas are not well adapted to the production of profitable crops other than wheat.

Wheat growers understandably are dissatisfied with the conditions which have been forced upon them under this system of high, rigid supports. Perhaps more than any other major producer group they are actively seeking a new approach to the whole problem. They want a program which will give them greater freedom, a chance to utilize more fully the potential of their land.

I am sympathetic to those wishes. Recently I requested the National Agricultural Advisory Commission to review the entire wheat situation, giving special attention to possible means of expanding consumption, as well as to grades and classes of wheat and land-use programs. The study will also be directed toward the merits of production controls established on a bushel rather than an acreage basis.

I believe the flexible price-support program which becomes effective with this year's harvest will help to bring wheat supplies and utilization into better balance. But it is going to take the time because of the mountainous surplus built up under high, rigid supports.

Certainly agriculture has had its problems during this period of adjustment from war to a peacetime economy. Yet it is also true that we are making the changeover this time with far less hardship than farmers experienced in the years following the First World War.

The flexible price support provisions of the Agricultural Act of 1954 can be of real assistance in making an orderly transition from an emergency program to a permanent, peacetime farm plan. Let us not turn back the clock at this point. Instead, let us give the new program a fair chance to operate.

Let us work toward a well-balanced agriculture—one in which farmers themselves will make most of the management decisions right on their own farms. Let us seek to build a thriving farm economy in which dairymen, poultrymen, and all other segments of agriculture will share fairly and fully.

Our national economy is sound and prosperous. That, in the long run, is the best guaranty of a brighter tomorrow for American agriculture.

Let us push toward those "horizons beyond."

Let us continue resolutely to work toward a stable, prosperous, and free agriculture here in this choice land which God has blessed above all others.

Isthmian Canal Policy of the United States—Documentation

EXTENSION OF REMARKS
OF

HON. CLARK W. THOMPSON

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 23, 1955

Mr. THOMPSON of Texas. Mr. Speaker, since the modification, by order of the Secretary of War—now Army—in May 1942 of the additional facilities for the Panama Canal authorized under Public Law 391, 76th Congress, approved August 11, 1939—Fifty-third Statutes at Large, page 1409—all construction toward the modernization of that waterway has been in abeyance. Meanwhile, the broader problem of Isthmian Canal policy has become a matter of a growing public interest and congressional concern.

Discussion of the entire question of interoceanic canals received a great impetus on December 1, 1947, when the President transmitted to the Congress a report of the Governor of the Panama Canal—now Canal Zone—under Public Law 280, 79th Congress. This report recommended only the so-called sea-level project for major canal construction at Panama.

Significantly, the report was forwarded without Presidential approval, comment or recommendation. The Congress took no action thereon and the report was not published. Congressional leaders, however, recognized the issues presented by its recommendations as affecting policies of the highest national and international

importance, with grave implications for the future welfare of the United States.

The first step in the congressional consideration of the canal problem was the passage on February 28, 1949, of House Resolution 44, 81st Congress, authorizing a full and complete study by the Committee on Merchant Marine and Fisheries of the financial operation of the Panama Canal.

For this task, its distinguished chairman, the late Honorable Schuyler Otis Bland, of Virginia, designated a special subcommittee, of which I was chairman and Representatives Tom B. Fugate, of Virginia, and Edward T. Miller, of Maryland, were members.

After an extended investigation, which included numerous consultations with officials of the Panama Canal, Army, Navy, and merchant marine, and a visitation in the Canal Zone, April 18 to 22, 1949, it became apparent to the subcommittee that the adequate resolution of the canal question could not be limited to statistical studies but would ultimately require consideration of all phases of Isthmian Canal policy. Its studies and recommendations eventually led to the reorganization of the entire canal enterprise under Public Law 841, 81st Congress—the first basic improvement in the administrative setup in the Canal Zone since the Panama Canal Act of 1912.

The subcommittee realized, however, that this administrative improvement was only preliminary to the resolution of more fundamental elements in Isthmian Canal policy that still remain to be redetermined. As an aid in that direction, I prepared a selected bibliography on this policy, which was published in the CONGRESSIONAL RECORD—81st Congress, 1st session, volume 95, part 16, pages A5580–5583. The subsequent publication of much additional information requires that this list be revised.

First in importance are the writings of recognized authorities on the Panama Canal. Among these are:

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DuVal, Miles P.:

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Goethals, George W., et al. The Panama Canal: An Engineering Treatise. New York: McGraw-Hill Co., 1916 (2 volumes.).

Johnson, Emory R.: The Panama Canal. New York: D. Appleton & Co., 1916.

Sibert, William L. and John F. Stevens: The Construction of the Panama Canal. New York: D. Appleton & Co., 1915.

The great constructive engineering contributions of General Abbot, Chairman, 1907, and chief engineer, 1905–07; John F. Stevens, of the Isthmian Canal Commission; General Sibert, Chairman and chief engineer, 1907–14; and first Governor of the Panama Canal, 1914–16, George W. Goethals; the well-known historical and marine operational studies of Captain DuVal; and the original and fundamental economic studies of interoceanic commerce of Prof. Emory R. Johnson, entitle the writings of these authorities to universal consideration by both professional interests and the general public.

The principal governmental documentation of the Panama Canal, 1901 to 1954, is as follows:

LAWS AUTHORIZING ACQUISITION OF CANAL ZONE, CONSTRUCTION AND OPERATION, OF THE PANAMA CANAL, 1902–12

Act to provide for the construction of a canal connecting the waters of the Atlantic and Pacific Oceans. Approved June 28, 1902 (Spooner Act).

Act to provide for construction of a lock canal connecting the waters of the Atlantic and Pacific Oceans, and the method of construction. Approved June 29, 1906.

Act to provide for the opening, maintenance, protection, and operation of the Panama Canal, and the sanitation and government of the Canal Zone. Approved August 24, 1912 (Panama Canal Act).

CANAL TREATIES AND CONVENTIONS, 1901–36

Treaty between the United States and Great Britain to facilitate the construction of a ship canal of November 18, 1901 (Hay-Pauncefote Treaty).

Treaty between the United States and the Republic of Panama of November 18, 1903 (Hay-Bunau-Varilla Treaty).

Boundary convention between the United States and Republic of Panama of September 2, 1914 (Price-Lefevre convention).

Treaty between the United States and Republic of Colombia of April 6, 1914, proclaimed March 30, 1922 (Thomson-Urrutia Treaty).

General treaty of friendship and cooperation between the United States and Republic of Panama of March 2, 1936, proclaimed July 27, 1939 (Hull-Alfaro Treaty).

United States Army Interoceanic Canal Board, investigation and survey, 1929–31: Public Resolution 99 (S. J. Res. 117), 70th Congress. Approved March 2, 1921.

Report of the Chief of Engineers and United States Army Interoceanic Canal Board, 1931 (H. Doc. 139, 72d Cong.).

Third locks project for increasing canal facilities, 1939–42: Public Resolution 85 (H. J. Res. 412), 74th Congress, authorizing and directing the Governor of the Panama Canal to investigate the means of increasing its capacity for future needs of interoceanic shipping. Approved May 1, 1936.

Report on Panama Canal for future needs of interoceanic shipping (H. Doc. 210, 76th Cong.).

House Committee on Merchant Marine and Fisheries: Hearings on H. R. 180, H. R. 201, H. R. 202, H. R. 2667, and House Joint Resolution 112, 76th Congress, on March 14, 15, and 16, 1939, concerning additional interoceanic canal facilities.

Senate Committee on Interoceanic Canals: Hearings on S. 2229 and H. R. 5129, 76th Congress, on July 20 and August 3, 1939, concerning additional facilities for the Panama Canal Zone.

Public Law 391, 76th Congress, authorizing construction of additional facilities for the Panama Canal substantially in accordance with plans set forth in a report of the Governor dated February 24, 1939, and published as House Document 210, 76th Congress. Approved August 11, 1939.

Secretary of War's letter of May 23, 1942, directing modification (suspension) of third locks project.

ISTHMIAN CANAL STUDIES UNDER PUBLIC LAW 280, 79TH CONGRESS, 1946–47

House Committee on Merchant Marine and Fisheries: Executive hearings on H. R. 4480, 79th Congress, on November 15, 1945, concerning investigation of additional Panama Canal facilities.

House report on study of additional Panama Canal facilities, November 16, 1945 (H. Rept. 1213, 79th Cong.).

Senate report on study of additional Panama Canal facilities, December 19, 1943 (S. Rept. 862, 79th Cong.).

Public Law 280, 79th Congress, authorizing the Governor of the Panama Canal to investigate the means of increasing its capacity and security to meet future needs of interoceanic commerce and national defense. Approved December 28, 1945.

House Resolution 36, 80th Congress, passed February 10, 1947, authorizing continuation of investigation by Committee on Merchant Marine and Fisheries begun under House Resolution 281, 77th Congress.

House Committee on Merchant Marine and Fisheries: Report on Operations and Future of Panama Canal, July 2, 1947 (H. Rept. 781, 80th Cong.).

Report of the Governor of the Panama Canal under Public Law 280, 79th Congress, transmitted by the President to the Congress, December 1, 1947, without Presidential approval, comment, or recommendation.

INVESTIGATION OF FINANCIAL OPERATIONS AND REORGANIZATION, PANAMA CANAL, 1949–50

House Resolution 44, 81st Congress, passed February 28, 1949, authorizing an investigation of the financial operations of the Panama Canal by the Committee on Merchant Marine and Fisheries, and submission of a report by June 30, 1949.

House Resolution 337, 81st Congress, extending time for submission of the report under House Resolution 44 to January 31, 1950.

House Committee on Merchant Marine and Fisheries: Hearings before Special Subcommittee To Investigate Panama Canal Tolls, under House Resolution 44, 81st Congress on March 14, April 6 and 19, May 23, and June 6 and 14, 1949.

House Committee on Merchant Marine and Fisheries:

Interim Report on Investigation of Panama Canal Tolls, August 23, 1949 (H. Rept. 1304, 81st Cong.).

Second Interim Report, March 2, 1950 (H. Rept. 1728, 81st Cong.).

Third Interim Report, August 25, 1950 (H. Rept. 2993, 81st Cong.).

President of the United States: Report and Recommendations on Organization and Operation of Panama Canal and Panama Railroad, January 31, 1950 (H. Doc. 460, 81st Congress).

House Committee on Merchant Marine and Fisheries: Report on Reconstitution of Panama Canal, August 16, 1950 (H. Rept. 2935, 81st Congress).

Senate Committee on Armed Services. Report on Reconstitution of Panama Canal, September 8, 1950 (S. Rept. 2531, 81st Congress).

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OPERATION OF PANAMA CANAL UNDER CORPORATE ORGANIZATION, 1951–54

Comptroller General of the United States: Audit report. Fiscal year, 1952 (H. Doc. 207, 83d Congress).

Comptroller General of the United States: Audit report. Fiscal year, 1953 (H. Doc. 473, 83d Congress).

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House Committee on Merchant Marine and Fisheries: Interim Report on Operation of the Panama Canal under Public Law 841, 81st Congress, August 4, 1954. CONGRESSIONAL RECORD (83d Cong., 2d sess.), volume 100, part 10, page 13367.

The principal articles published since 1945 that are applicable or pertinent to the Panama Canal specifically, interoceanic canals generally, and other aspects of Isthmian Canal policy, some of which have been included in extensions of remarks of distinguished Members of Congress, are listed in a form convenient for reference, as follows:

ISTHMIAN CANAL POLICY

ALLEN, Hon. JOHN J., JR.:

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Bennett, Ira E.:

Panama Canal Must Remain American. National Republic (Washington), XL (June 1952), 17.

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Bowles, James T. B., et al.:

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DuVal, Capt. Miles P.:

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KEOGH, Hon. EUGENE J.:

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Panama Canal: Today and Tomorrow. Extension of remarks quoting an article by Ira E. Bennett in National Republic, August 1953. CONGRESSIONAL RECORD (83d Cong., 1st sess.), volume 99, part 12, page A4857.

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Panama Canal: Operations or Engineering?—Discussion. USNI proceedings (Annapolis), volume 74 (July 1948), page 894.

MARTIN, Hon. THOMAS E.:

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SMITH, Hon. LAWRENCE H: Panama Canal: A Much Neglected Waterway. Extension of remarks quoting a memorandum to the Congress published in Civil Engineering, July 1954. Daily CONGRESSIONAL RECORD (83d Cong., 2d sess.), August 10, 1954, page A5912.

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Mr. Speaker, as emphasized in the first report of the Special Subcommittee on the Panama Canal under House Resolution 44, 81st Congress, House report 1304, the history of that waterway has been featured by a series of crises. These, at times, have required vigorous interventions by the Congress and the President. On those occasions, the Government had the benefit of advice by independent canal commissions not dominated by routine administrative agencies. The Panama Canal is now in another critical period in which the toll question and the physical form of the future canal are definitely linked.

In line with historical precedent and to provide the Congress with the best means for obtaining disinterested advice on the gravely important questions of Isthmian Canal policy, Representative THOMAS E. MARTIN—now junior Senator from Iowa—and I introduced or supported measures in both the 82d and 83d Congresses to create an independent Interoceanic Canals Commission. Like measures—S. 766 and H. R. 3335—are now pending before the 84th Congress.

A Tribute to Hamden (Conn.) High School

EXTENSION OF REMARKS
OF
HON. ALBERT W. CRETELLA
OF CONNECTICUT
IN THE HOUSE OF REPRESENTATIVES
Wednesday, March 23, 1955

Mr. CRETELLA. Mr. Speaker, it is with great pride that I point out the magnificent victory of the Hamden (Conn.) High School hockey team in winning the New England high-school championship for the second successive year at the Rhode Island State Auditorium at Providence on March 19. Following are excerpts of an article from the New Haven Evening Register:

The Hamden win was a team effort, although sparked by the boys who have been performing in an outstanding fashion all season. Butch Ives played terrific hockey in the final game to come back, despite his injuries, to play the type of hockey he had exhibited all year in Connecticut. Joe Barile turned in a tremendous performance throughout the playoffs, as did Paul Gauthier in the Hamden goal. Don Goldberg was a key figure on defense and his partner, Dick Kennedy, was an iron man, playing through the tourney without rest. Ives was voted the most valuable player of the tourney award, and he and Barile were unanimous selections for the all-tourney team.

Congratulations are also very much in order for team members Doherty, Dietter, Ferrie, Batson, and Molloy, for their efforts in this game against St. Dominics, of Lewiston, Maine.

The Hamden High School, in the Third District of Connecticut, which I represent, has come to turn out perennially powerful and formidable hockey teams in the last several years. I commend the spirit displayed by the team, as well as their fine sportsmanship and the strong support given by the student body of Hamden, the citizens of the area, and all those who have taken a part in making this hockey team the best in the New England high-school circuit.

Camp Pickett, Va.

EXTENSION OF REMARKS
OF
HON. WATKINS M. ABBITT
OF VIRGINIA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, March 23, 1955

Mr. ABBITT. Mr. Speaker, several days ago I called to the attention of the House a number of typical comments which were being made by editors of newspapers in Virginia relative to the proposal to dispose of Government holdings at Camp Pickett, Va. These views, in my opinion, represent the overwhelming majority of the people of Virginia who feel that the Government is unjustly disturbing the economy of Southside, Va., by its continued uncertainty as to the future of Camp Pickett.

The Army has taken the position that Camp Pickett represents one of the best training areas available to the Army and yet, on a number of recent occasions when the necessity arose for the expansion of training facilities or the utilization of existing facilities, Camp Pickett was bypassed in favor of other camps in various parts of the country. I refer particularly to recent notices in the press regarding the utilization of facilities at Camp Breckinridge, Ky., and announcements concerning the use of certain other areas for National Guard training.

As I have previously called to the attention of the House, Camp Pickett is presently lying dormant, slowly rotting away and, in the meantime, the economy of a large section of southside Virginia is suffering immeasurably by this uncertainty. I do not feel it incumbent upon myself to dictate to the Army or any agency of the Government as to the use it intends to make of any Government facility. I do not propose to offer the suggestion that one single soldier be sent to Camp Pickett merely for the purpose of strengthening the economy of a civilian community. I do feel, however, that the Army and the Department of Defense owes it to the civilian communities surrounding Camp Pickett to make it clear once and for all what use, if any, it is contemplating for Camp Pickett in the foreseeable future. As the situation now exists, there is gross uncertainty on the part of all of the business interests of the entire Southside, Va., area, due to the fact that the Army says one day that Camp Pickett is the best military training camp it has and the next day that they foresee no immediate use of these facilities.

The Members of the House are certainly familiar enough with the military situation to know that we must maintain a strong reserve position in order to protect the future of our county. I feel that in the case of Camp Pickett or any other camp that the Government should take it upon itself to specifically and expressly advise the governing officials of these communities adjacent to military camps exactly what they can look forward to in the way of military activities in the future. It is not fair to the economy of any community to not know from one day to the next whether they will be flooded by the emergence of military personnel or whether their economy is to be drained by periodic deactivations.

Camp Pickett has been opened and closed three times within the past 8 years and I feel very strongly that unless the defense officials can make an announcement with some degree of certainty that Camp Pickett will be utilized in the foreseeable future; then, I feel it only fair, just, and proper that the Army get out and stay out of Pickett so that the economic blight hovering over this great section can be removed, our people allowed to work out their own economy and once again have growing and strong communities as we had before Pickett.

To support this view, I wish to insert a splendid article prepared by Mr. A. L. Singleton, Jr., for the Progress-Index of Petersburg, Va., which appeared on Sunday, March 20, accompanied by illustrations of the many facilities at Camp Pickett:

BLACKSTONE AREA LEADERS CONTINUE CAMPAIGN TO MAKE PERMANENT, PRODUCTIVE USE OF CAMP PICKETT SITE

(By A. L. Singleton, Jr.)

There's a "ghost town" in Southside Virginia, and a number of residents are trying to do something about it.

One mile from Blackstone, concrete and macadam roads run in neat patterns through an area covered with buildings, including:

Some 500 houses, mostly pre-fabs; 35 warehouses, with railway sidings and unloading ramps at the end of spur tracks; several libraries and club houses; 6 fire stations; a bakery; a laundry plant capable of han-

dling 100,000 pieces of clothing daily; 3 10-ton incinerators; 13 chapels; 7 movie theaters; a bus terminal; an outdoor amphitheater (seating capacity 8,000); an indoor arena (capacity, 5,000); a sewage disposal plant; a refrigeration plant; motor repair shops; a 2,050-bed hospital; and an airport with control tower and 4 runways 5,300 feet long and 300 feet wide.

Most of the facilities were heated by a giant central plant, supplied electricity through a Virginia Electric and Power Company substation and gas by underground distribution, given telephone service through an exchange handling 2,000 dial phones; and provided water out of storage tanks holding 900 million gallons and purified by a filtration plant with a daily capacity of 6 million gallons.

Today, the buildings are unoccupied, few vehicles move along the streets, and motors and engines are idle.

Around this developed area, thousands of acres of land lie fallow. The total acreage of the tract is 46,000.

This is what is left at Camp Pickett, 3 times a booming Army post, and 3 times a ghost town. It originally was 503 separate tracts, covering 6,500 acres of Brunswick County, 15,116 acres of Dinwiddie County, 50 acres of Lunenburg County, 24,438 acres of Nottoway County, and 269 acres of Blackstone.

The camp was first occupied in 1942 (to house about 80,000 troops). It was deactivated in 1946; reactivated in June 1948; deactivated 10 months later; reactivated in August 1950; and deactivated last year.

Government and business leaders of Blackstone and the four neighboring counties protested often to Federal authorities that the openings and closings of Camp Pickett severely damaged the economy of their communities. After the third closing, they launched a campaign.

R. D. Maben, Jr., town manager of Blackstone, and a leader in the campaign, said it started in earnest January 22, 1954, a date he remembers well.

"It was my 12th anniversary as town manager, we had a terrible snow and sleet storm, and we got the news that Camp Pickett was closing for the third time."

Blackstone area people want the Defense Department to reactivate the camp or sell it as surplus property. Fourth District Representative WATKINS M. ABBITT is sponsoring a bill to that effect before the Congress, and the State legislature already has approved a measure permitting establishment of area redevelopment authorities, which could buy and use inactive military reservations for commercial, industrial, agricultural, or institutional purposes.

"Here we have a self-supporting place equal to a city to take care of 15,000 people. If the Federal Government does not want it, why shouldn't the State of Virginia or a civilian agency be able to use it?", Maben asked last week.

A tall, agile, energetic man, he summed up his case for utilization of Camp Pickett last April before members of the Senate Armed Services Committee in Washington. Among those present, were Senators Flanders of Vermont, Margaret Chase Smith of Maine, and Byrd; Maben, Blackstone's Mayor W. I. Moncure; and Secretaries of the Army, Stevens, and Air Force, Talbott.

"We never solicited the camp, we never opposed it, we are not opposing it now," declared Maben, "but we are opposing, and think we are justified in opposing, the constant opening and closing, boom and bust, tail-tied-to-the-kite idea. No community can stand it indefinitely."

Secretary Stevens commented that Camp Pickett had to be held by the Army on standby basis because 10 percent of the potential mobilization force of 375,000 men could be trained there, and because the National Guard needed it, Maben recalled.

Now, the Blackstone manager pointed out, "they are planning to cut the Army in size, and the National Guard is being encamped at Breckinridge, Ky., and Indiantown Gap, Pa."

This indicates to Maben that Secretary Stevens' reasons for holding on to Pickett no longer are sound. Other indications, he explained, are plans for disposing of housing units there. This month, 238 prefab dwellings are to be sold on the site, and 250 others soon are to be moved west to Indian reservations under control of the Department of Health, Education and Welfare, according to Maben.

"That's a vicious part of this thing," he said. "If they don't need the housing, why do they need the camp?"

For months, Maben has visited officials of State organizations, seeking reaction to Federal handling of Pickett. He reported that county boards of supervisors, town and city councils, fraternal and civic groups throughout southside Virginia have passed resolutions urging the sale or reactivation of Pickett. The latest resolution came Thursday from the Virginia Ports Authority.

Maben said he hopes the camp will be declared surplus property and sold for $1,183,000—the sum the Federal Government paid for the land—or less.

"Of course the land has been developed by the Army," he declared, "but when the Government bought it, farmers in the area moved out," and Blackstone and nearby communities thereby suffered severe losses agriculturally.

He also pointed out that private investments of more than $5 million and capital outlays of some $1,500,000 (by Blackstone) had been necessary to provide services for an expanding population resulting from activation of the camp.

(In 1940, Blackstone's population was 2,700; now it is more than 7,000.)

Maben revealed last week that two small industries had moved into the Blackstone area to take up some of the slack from the latest Pickett closing, but he said that did not alter the area's major problem.

He recently told the State capital outlay study commission that Virginia could realize a 20-percent saving if it obtained some of the Pickett land for institutional use, because streets, water and sewer lines, railway spur tracks, and land already are provided.

"What North Carolina did with Camp Butner, Virginia could do with Pickett," he said.

Camp Butner, about 15 miles from Durham, was acquired as surplus property by the State of North Carolina in 1947. The property encompasses some 41,000 acres, 5,000 fewer than Pickett.

In operation now on the Butner site are 4 State institutions—a mental hospital, an alcoholic rehabilitation center, a youth center (reformatory), and a school for feebleminded adults and childrens—employing some 750 persons, and 5 industries with about 450 on payrolls.

Maben has reminded Virginia authorities that recommendations for new mental hospitals, penal institutions, and other public service facilities are being considered by the capital outlay study commission.

Maben, Mayor Moncure, and other Blackstone area citizens are pleased with the support for their campaign pledged by people and organizations in other parts of Virginia.

They had special praise last week for Virginia legislators—in the Congress and the general assembly—who have proposed or supported bills to solve their economic problem.

Representative ABBITT'S bill is still before the House Armed Services Committee. If approved there and finally enacted, the State law permitting establishment of an area redevelopment authority could go into effect. The authority would be composed of one representative each of Blackstone and the counties of Nottoway, Dinwiddie, Brunswick, and Lunenburg, and two at-large members.

Blackstone's Manager Maben, speaking for the southside groups hoping the campsite will be used, said:

"The Army does not intend to use it, but they are fighting against turning it loose. They fought turning loose (Camp) Butner, too. But we do not intend giving up our fight, either."

Bossier City Post Office

EXTENSION OF REMARKS
OF

HON. OVERTON BROOKS

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 23, 1955

Mr. BROOKS of Louisiana. Mr. Speaker, an ugly situation is developing in the city of Bossier City, La., regarding the post office. The people in this great and growing community feel they are entitled to a separate post office. I have felt this way for a number of years; and I have been working steadily toward this end.

On June 20, 1953, I received a letter from Assistant Postmaster General Abrams, which was in response to my letter to the Postmaster General, which I read herewith:

JUNE 18, 1953.

Hon. OVERTON BROOKS,
House of Representatives.

DEAR CONGRESSMAN BROOKS: Further reference is made to your interest in postal facilities for Bossier City, La.

A thorough investigation of this matter has been completed which discloses that no improvement in postal service would result if an independent post office were established at Bossier City.

As the present quarters occupied by the Bossier City branch are inadequate, the matter of a new location at a more central point with respect to the business interests and population to be served is now under consideration.

With regard to complaints of inconvenience in obtaining internal-revenue documentary stamps, delay in delivery of special-delivery matter, and evening collection of mail in the business area at too early an hour, these matters are being given attention with a view to taking corrective action.

No special advantages would be offered for the receipt and dispatch of mails in the event of establishment of an independent post office. In fact, a disadvantage would result in the delivery of special-delivery mail arriving on late evening trains and airmail flights if a later evening collection is furnished Bossier City.

As there are no railroad stations within the city limits of Bossier City and as no trains are scheduled to stop, additional expense would be involved in transporting mail between railroad stations and the postal transportation terminal.

The report discloses that sentiment for an independent post office is not unanimous. A representative of the Department contacted the heads of several concerns, many of which are heavy mailers, and such concerns were very much against the establishment of an independent post office requiring that they change their mail address.

The cost of operation of the present classified branch is approximately $113,035.87 per annum as compared with an estimated cost of $132,247.02 for operation of an independent post office, or a net increase of $19,211.15 per annum.

In view of your interest, it is regretted that due to the additional expense involved with perhaps some disadvantages rather

than any service advantages which may result, it is believed inadvisable to authorize an independent post office in Bossier City at this time.

Sincerely yours,

N. R. ABRAMS,
Assistant Postmaster General.

This rejection on the part of the Post Office Department of the application of the people of Bossier for a separate office has not been quietly accepted by them however. They still feel, and justly so, that they are entitled to separate and independent facilities for Bossier City. I know of no city anywhere that has the population and volume of business without an independent post office, and this community should have this particular service.

To show you something of the attitude of the people of Bossier City, which has a population of some 40,000 people, I reproduce herewith an editorial taken from the Sunday, March 20, 1955, issue of the Bossier Tribune entitled "Recuse 'Mr. Prejudice' ":

RECUSE "MR. PREJUDICE"

There come times in the course of human affairs when long sufferance loses its dignity and patience ceases to be a virtue. That time has arrived in Bossier City and Bossier parish in the matter of postal services.

When a people in the just exercise of appeal for redress of wrongs find that those in authority to hear their cause are unwilling to lay aside prejudice and listen with open minds to facts and reason, then common decency demands that they address themselves to whatever just action their sacred rights require.

It is a common concept of American justice that no person called upon to decide the fate of any human right shall preside in that office with prejudice. The people in Bossier City have recently and on former occasions appealed to proper authorities for rectification of certain intolerable conditions arising over the present deplorable postal service. In this matter they were entitled to and hoped for a hearing by an authority not bound by preconceived views. In this right and hope they have been woefully denied.

Last Tuesday in the formality of responding to this appeal Mr. E. W. Roderick, district manager of the Dallas Post Office District, came to Bossier City for the purported duty of hearing evidence and arguments in support of these claims. Instead of attending to these duties according to the concept of American justice, Mr. Roderick by design, word, and action cast aside reasonable procedure and reduced the so-called hearing to a hollow mockery. Even before any evidence had been offered to him in support of the position of the people, Mr. Roderick took the floor and indicated strongly that he came not to hear but to be heard; not consider but to force his preconceived views upon the appellants.

In view of this tack the people were forced to present their case amid an atmosphere hostile to their cause and marked by bureaucratic condescension.

But despite his previously expressed hostile attitude, Mr. Roderick gave repeated avowals at the close of the so-called hearing that he would not give a hasty decision but would keep an open mind. He kept this promise no longer than he could cross over the river. Whereupon he opened his mouth, closed his mind and confirmed the fact that he had come to the hearing with prejudiced views.

Listen to these words of his interview with a Shreveport newspaper:

"I am convinced that the people of Bossier City can get better service by being a part of the Shreveport post office, but I haven't been able to convince them."

Are those the words of an official who came to hear or consider? No, they are not. They are the confession of a prejudiced mind.

The lowliest person and the humblest cause of the people have a right to fair consideration and when this privilege is denied the hearing is reduced to mockery of justice and a nullity. In view of this fatal error Mr. Roderick no longer represents proper authority in this case and his connection therewith endangers the rights of the appellants to fair consideration. His continuation to serve in the matter establishes a block upon human justice.

There is but one just and proper course for the people of Bossier City to follow, and that is to demand that Mr. Roderick be recused because of prejudice and unfitness; and that the matter be reopened and a real hearing be held by impartial authority. These demands should go to Postmaster General Summerfield and to our representatives in Congress.

We are advising these officials of our attitude.

THE BOSSIER TRIBUNE,
RUPERT PEYTON, *Editor.*

I also add to this statement the news article taken from the same issue of this paper in Bossier:

POST OFFICE HEARING IS REDUCED TO A NULLITY—RODERICK'S ASSURANCE OF FAIR-MINDEDNESS BROKEN

After he had given emphatic avowal of no hasty decision and assurance of an open mind on the matter to a Bossier City delegation of citizens Emory W. Roderick, of Dallas, district manager for the Post Office Department, proceeded to Shreveport where he gave an interview to a Shreveport newspaper declaring opposition to petitions for a separate first-class post office here.

Mr. Roderick held a so-called hearing at the city hall chamber Tuesday afternoon at which these assurances were given to the group. The following morning in Shreveport Mr. Roderick said in part to a reporter for the Shreveport Journal:

"I am convinced that the people in Bossier City can be better served by being a part of the Shreveport post office, but I haven't been able to convince them."

Although Mr. Roderick's quick change of tack came as a disappointment, it did not actually surprise many. He was unable to conceal his preconceived opinions, despite his pledges of impartiality. Even before the people had a chance to present one bit of evidence or argument to support their petitions, Mr. Roderick made opening remarks which revealed that he had come not to hear but to be heard.

However, after he had aired his prejudiced views, Mr. Roderick politely heard the people present their facts and arguments. He even expressed amazement at the disclosures made of the poor mail services received here, giving encouragement to some. However, he pointed out that most of the complaints could be adjusted with Bossier City still a branch office of the Shreveport office.

The people's side of the case was opened by J. Murray Durham, president of the chamber of commerce, which, along with the Doty-Sumner Post of the American Legion, initiated the movement. In a letter to the manager, Dr. Durham set forth 14 points why Bossier should have a separate first-class post office. In support of his contentions, several citizens in attendance spoke, pointing out instances of poor services.

Among the amazing disclosures made were that Bossier City is not even listed in the post office directories; that Pineville and West Monroe, smaller cities than Bossier City and existing adjacent to a large city, have been granted first-class separate post offices; that important mail and in one case some important film addressed to Bossier City had been returned to addressors marked "No such post office."

Other arguments were made against the fact that box mail is picked up in Bossier City, sent to Shreveport, and then mailed back or subjected to other delays. One citizen reported that he had mailed letters to his son from Bossier City and Shreveport the same day. There was a 30-hour delay in the letter mailed at Bossier City.

The Tribune editor pointed out that mail service between Bossier City and Beton required more time than to get mail from New York to San Francisco. "We are farther from our parish seat, 13 miles away," he said, "than we are from Chicago in mail time."

At the end of the hearing, Mr. Roderick arose, asserted that he would make no hasty decision, and would keep an open mind in the matter. He repeated these assurances. The following afternoon, under the headline "Inspector Gives Views—Separate Post Office for Bossier City Is Opposed," the following appeared:

"Emory W. Roderick, manager of the Dallas district of the Post Office Department, said Wednesday he was opposed to creating a new first-class post office for Bossier.

"It will cost $30,000 more than the facility we have there now to operate an independent post office," he said, "and I am opposed to spending an additional $30,000 unless we can provide better service, and in my opinion, we can't."

Roderick said he was "convinced that the people of Bossier City can get better service by being a part of the Shreveport post office, but I haven't been able to convince them."

Along with the letter Mr. Durham set forth that there were petitions containing about 1,400 names asking for the separate first-class post office as well as resolutions from 8 local civic clubs.

Briefly the 14 reasons set forth by Mr. Durham are as follows:

1. Bossier City is rapidly reaching the 20,000 mark, with an aggregate adjacent population which would bring the total to 33,370.

2. Bossier City residents are paying for a first-class postal installation and service but has received neither.

3. We would have our own carriers to meet trains and planes, resulting in the mail being in Bossier City hours sooner.

4. Mail from Bossier City would be dispatched earlier.

5. We would have our own post mark.

6. Mail in Bossier City drops would be brought to the Bossier City post office and worked locally.

7. Parcel post and special deliveries would be earlier.

8. Parcel post and other mail would be picked up in Bossier City instead of Shreveport in emergencies.

9. All postal claims could be checked through the local office.

10. Lockboxes, which are safer, would be available.

11. We can handle our own postal-savings accounts.

12. Undeliverable special-delivery mail would be speeded up.

13. Mailing permits would be available locally for second- and third-class matter, as well as precanceled stamps.

14. To be classified as a first-class post office the receipts must be in excess of $60,000 per annum. The past year the branch office, exclusive of the Big Chain Center and Barksdale Air Force Base, had receipts of $78,000.

BACK DOOR SERVICE FOR BOSSIER CHURCHES AND OTHERS NOW ON

From now on Bossier City churches, the Bossier Chamber of Commerce, and other organizations having large mailing lists to which they send out bulletins under non-

metered permits without stamps affixed, must discontinue dropping such mail in the Bossier branch office but deliver it to the rear platform of the Shreveport office under an order received from Arthur L. Layton, acting postmaster of the Shreveport post office.

Hard hit by this new post office procedure ruling, which comes on the heels of Mr. E. W. Roderick's farcical hearing in Bossier City, will be the larger churches. At least two churches, the First Baptist and the Barksdale Baptist Church, will be affected and others are thought to be affected.

The chamber of commerce received its notice Friday. Bob Croft, manager, reported that the chamber sends out from 350 to 700 pieces of bulletin mail each month, and that he had been depositing such mail at the local post office. A report from the First Baptist Church was that such mail was handled in the same manner.

The bulletin from Layton reads as follows:

"NOTICE TO PERMIT MAILERS—MATTER WITHOUT STAMPS AFFIXED

"Under revised postal procedures you will receive a receipt for mailings made under your nonmeter permit only if you request receipt and furnish an additional copy of Form 3602, Statement of Mailing, which the weigher will verify, initial, and deliver to you.

"Under the new postal procedures instructions the permit holder must deliver his permit imprint mail at the place where the ledger records or permit accounts are maintained. Those records are maintained only at the rear platform, main post office.

"ARTHUR L. LAYTON,
"Acting Postmaster."

This is only one of a number of strong articles written by the press of Bossier City indicating the interest which these people have in a separate office. The Planters Press in Bossier City has been very active on behalf of a separate and independent office. A number of articles have appeared in this fine paper aggressively demanding that the people be given proper recognition of their application for a separate and independent Bossier City office. I do not have these articles before me for use at the present time but at some later date I will have an opportunity to give these articles to the Congress.

I can see no reason why there should not be an independent post office for Bossier. Not only is Bossier the seventh largest city in Louisiana in population but it also originates a tremendous amount of postal business. A separate office will give this community the pride which should properly be theirs in having a post office named for this great center. The cost of the office will add nothing to the postal deficit. It can be done and handled in such a way as to cost practically no additional amount.

I think the Post Office Department has been inactive long enough. Some action is due and the plea of these people, who contribute so heavily to our Government, should not be overlooked or cast aside. I hope the Postmaster General will personally see this insertion in the RECORD and will act immediately in approving a separate and independent office for Bossier City.

Expatriated Citizens

EXTENSION OF REMARKS
OF
HON. ALBERT W. CRETELLA
OF CONNECTICUT
IN THE HOUSE OF REPRESENTATIVES
Wednesday, March 23, 1955

Mr. CRETELLA. Mr. Speaker, I have introduced H. R. 5186, which provides for certified copies of citizenship to be furnished to repatriated American citizens who voted in an Italian election or plebiscite during the years 1946 and 1948.

Under the provisions of the McCarran-Walter Act, those citizens who so voted may be repatriated under certain conditions, but under the provisions of law they are not entitled to certified copies of their citizenship once repatriated. There are now thousands of persons awaiting this documentation which would enable them to be registered voters, or to qualify for employment where citizenship is essential, and for countless other activities in which positive American citizenship must be established.

There appears to me to be excellent justification and a basis for this legislation caused by the recollection that great numbers of prominent and nationally known groups and civic organizations put on a tremendous campaign between 1946 and 1948, for American citizens in Italy, to cast a vote against the Communist candidates in these elections and plebiscites.

Through the dissemination of millions of letters, telegrams and circulars and other material to Italy, the Christian Democrat Party led by Alcide de Gasperi was able to defeat the Communist and other radical left wing parties in the opposition and preserve Italy to the free world. One such organization in the United States, the Order Sons of Italy, during its annual convention in California in 1946, was one of the spearheads in the nationwide efforts to defeat the Italian Communists. Many thousands of dollars contributed by this organization and its members were used during these 2 years to contact friends, relatives, and countrymen and urge them to cast a vote against the Communist candidate.

There were also many broadcasts made to Italy during this time as a direct appeal to Americans to vote in the elections. Certain officials of the United States Government did, in fact, appear on these broadcasts in strong support of this move.

Following such action, those who had participated in these elections lost their American rights but they were later repatriated by legislative action. My bill would enable repatriated citizens to obtain upon request, an exact copy of the certificates of citizenship which are supplied to the Department of Justice and State Department. This would end a great deal of confusion which exists today for these people, and would entitle them upon request to immediate documentary proof furnished by our Government of their American nationality.

I trust that the appropriate committee to which this legislation will be referred will take immediate action and that this legislation will receive the wholehearted support of my colleagues.

SENATE

THURSDAY, MARCH 24, 1955

(Legislative day of Thursday, March 10, 1955)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

God of all grace and glory, in these days thrilling and throbbing with the loveliness of spring, we thank Thee for every sacrament of beauty of which our enraptured senses drink as we bend in wonder at the petaled cups held up by bushes aflame with Thee. May the glory of the earth be but a parable of the things that are excellent, blooming in our risen lives.

Lead us out of the bondage of fear and hate into Thy new day when earth's wildernesses shall blossom as the rose and when, in a better order of human society, pity and plenty and laughter shall return to the common ways of man.

"God, the All-righteous One, man hath defied Thee;
Yet to eternity standeth Thy word;
Falsehood and wrong shall not tarry beside Thee;
Give to us peace in our time, O Lord!"

Amen.

DESIGNATION OF ACTING PRESIDENT PRO TEMPORE

The legislative clerk read the following letter:

UNITED STATES SENATE,
PRESIDENT PRO TEMPORE,
Washington, D. C., March 24, 1955.

To the Senate:

Being temporarily absent from the Senate, I appoint Hon. A. S. MIKE MONRONEY, a Senator from the State of Oklahoma, to perform the duties of the Chair during my absence.

WALTER F. GEORGE,
President pro tempore.

Mr. MONRONEY thereupon took the chair as Acting President pro tempore.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the reading of the Journal of the proceedings of Wednesday, March 23, 1955, was dispensed with.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILI

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that on March 23, 1955, the President had approved and signed the act (S. 942)

to repeal Public Law 820, 80th Congress (62 Stat. 1098), entitled "An act to provide a revolving fund for the purchase of agricultural commodities and raw materials to be processed in occupied areas and sold."

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, its reading clerk, announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 4647. An act to amend the rice marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended; and

H. R. 4941. An act to amend the Foreign Service Act of 1946, as amended, and for other purposes.

HOUSE BILLS REFERRED

The following bills were each read twice by their titles and referred as indicated:

H. R. 4647. An act to amend the rice marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended; to the Committee on Agriculture and Forestry.

H. R. 4941. An act to amend the Foreign Service Act of 1946, as amended, and for other purposes; to the Committee on Foreign Relations.

COMMITTEE MEETINGS DURING SENATE SESSIONS

On request of Mr. JOHNSON of Texas, and by unanimous consent, the Internal Security Subcommittee was authorized to meet during the session of the Senate today.

On request of Mr. JOHNSON of Texas, and by unanimous consent, the Subcommittee on Welfare and Pension Funds was authorized to meet during the sessions of the Senate today and tomorrow.

CALL OF THE ROLL

Mr. JOHNSON of Texas. I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The Secretary will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER FOR TRANSACTION OF ROUTINE BUSINESS

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that there may be the customary morning hour for the transaction of routine business, under the usual 2-minute limitation on speeches.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

EXECUTIVE COMMUNICATIONS, ETC.

The ACTING PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

REPORT ON APPORTIONMENT OF APPROPRIATION FOR TAX COURT

A letter from the Acting Director, Bureau of the Budget, Executive Office of the President, Washington, D. C., reporting that the appropriation to the Tax Court of the United States for "Salaries and expenses" for the fiscal year 1955 has been apportioned on a basis which indicates a necessity for a supplemental estimate of appropriation (with an accompanying paper); to the Committee on Appropriations.

ADMISSION OF DISPLACED PERSONS—WITHDRAWAL OF NAMES

Two letters from the Commissioner, Immigration and Naturalization Service, Department of Justice, withdrawing the names of several displaced persons from reports heretofore transmitted to the Senate, pursuant to section 4 of the Displaced Persons Act of 1948, as amended, with a view to the adjustment of their immigration status (with accompanying papers); to the Committee on the Judiciary.

AUDIT REPORT ON VETERANS' CANTEEN SERVICE

A letter from the Comptroller General of the United States, transmitting, pursuant to law, an audit report on the Veterans' Canteen Service, Veterans' Administration, for the fiscal year ended June 30, 1954 (with an accompanying report); to the Committee on Government Operations.

FINANCIAL STATEMENT OF THE AMERICAN LEGION

A letter from the director, the American Legion, Washington, D. C., transmitting, pursuant to law, a financial statement of the Legion, for the period ended December 31, 1954 (with an accompanying paper); to the Committee on Finance.

REPORT ON TORT CLAIMS PAID BY DEPARTMENT OF THE INTERIOR

A letter from the Secretary of the Interior, transmitting, pursuant to law, a report on tort claims paid by that Department, for the fiscal year 1954 (with an accompanying report); to the Committee on the Judiciary.

REPORT ON TORT CLAIMS PAID BY HOUSING AND HOME FINANCE AGENCY

A letter from the Administrator, Housing and Home Finance Agency, Washington, D. C., reporting, pursuant to law, on tort claims paid by that Agency, and constituent agencies, the Home Loan Bank Board, the Federal Housing Administration, and the Public Housing Administration, for the calendar year 1954; to the Committee on the Judiciary.

AMENDMENT OF COMMUNICATIONS ACT RELATING TO PROTESTS OF GRANTS OF INSTRUMENTS OF AUTHORIZATION WITHOUT HEARING

A letter from the Chairman, Federal Communications Commission, transmitting a draft of proposed legislation to amend the Communications Act in regard to protests of grants of instruments of authorization without hearing (with accompanying papers); to the Committee on Interstate and Foreign Commerce.

INCREASED CONTRIBUTION TO BUREAU OF INTERPARLIAMENTARY UNION FOR PROMOTION OF INTERNATIONAL ARBITRATION

A letter from the Secretary of State, transmitting a draft of proposed legislation to amend the act of June 28, 1935, entitled "An act to authorize participation by the United States in the Interparliamentary Union" (with an accompanying paper); to the Committee on Foreign Relations.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the ACTING PRESIDENT pro tempore:

A concurrent resolution of the Legislature of the State of West Virginia; to the Committee on Interior and Insular Affairs:

"House Concurrent Resolution 19

"Concurrent resolution memorializing the Congress of the United States to establish a national monument on Blennerhassett Island

"Whereas Blennerhassett Island in the Ohio River near Parkersburg, W. Va., is a place of historic interest in that it played an important part in the life and intrigues of Aaron Burr, former Vice President of the United States, and is a place of scenic beauty; and

"Whereas the island is now in private hands with little or nothing being done to preserve it as a permanent place of historic interest for future generations of Americans, but is in danger of losing its identity as a historic site: Now, therefore, be it

"*Resolved by the house of delegates (the senate concurring therein)*, That the Congress of the United States is hereby requested to give favorable consideration to the passage of legislation that would establish Blennerhassett Island as a national monument, and which would include the reconstruction of the Blennerhassett Mansion and build an adequate approach to the island by bridge or ferry; and be it further

"*Resolved*, That the secretary of state is hereby directed to forward attested copies of this concurrent resolution to the President and Secretary of the United States Senate, and Speaker and Clerk of the House of Representatives, and to each Member of the West Virginia delegation in the Congress of the United States."

Resolutions of the General Court of the Commonwealth of Massachusetts; to the Committee on Labor and Public Welfare:

"Resolutions memorializing Congress in favor of the immediate passage of legislation for the development of fine arts programs and projects

"Whereas there is now pending before the Congress of the United States a bill to provide for the establishment of a program of Federal grants for the devolpment of fine arts programs and projects; and

"Whereas the enactment of such legislation would be to the advantage of this Commonwealth: Therefore be it

"*Resolved*, That the General Court of Massachusetts respectfully urges the Congress of the United States to enact legislation providing for the establishment of a program of Federal grants for the development of fine arts programs and projects; and be it further

"*Resolved*, That copies of these resolutions be sent forthwith by the secretary of the Commonwealth to the President of the United States, to the presiding officer of each branch of Congress and to each Member thereof from this Commonwealth."

A joint resolution of the Legislature of the State of Utah; to the Committee on the Judiciary:

"Senate Joint Resolution 8

"Joint resolution reaffirming equal rights of all citizens of the United States and of Utah and congratulating President Dwight David Eisenhower and Congress and the Supreme Court for accomplishments upon this subject

"*Be it resolved by the Legislature of the State of Utah:*

"Whereas the Government of the United States, through its legislative, judicial, and

executive departments, is making great strides toward the fulfillment of the American dream that equal rights be accorded to all citizens of the United States; and

"Whereas citizens of so-called minority groups have and are continuing to distinguish themselves in all fields of endeavor, and especially in Government, science, art, music, the theater, industry, and in athletic efforts; and

"Whereas the principles of equal rights, which are declared to be self-evidence in our Declaration of Independence, and which are guaranteed by the Constitution of this great country, and which are also stated in the Constitution of our own State; and

"Whereas America's future greatness may depend in part upon the ability of all of her citizens to harmoniously live and work and fight together to meet the challenges of any foe or adversary, from within or without our shores: Now, therefore, be it

"*Resolved*, That the people of Utah, through their legislature, in session assembled, be cognizant and mindful of the fundamental rights and privileges guaranteed to all citizens of this great State; and be it further

"*Resolved*, That President Dwight David Eisenhower, the Congress, and the Supreme Court be complemented for the progress which has been realized during the past 2 years to help guarantee and perpetuate, to all citizens, equal rights in life, liberty, and the pursuit of happiness; be it further

"*Resolved*, That certified copies hereof be transmitted by the Secretary of State to the President and Vice President of the United States of America, the Chief Justice of the Supreme Court of the United States, the Speaker of the House of Representatives of said Congress, and the four members of the congressional delegation from Utah."

A resolution adopted by the 48th annual meeting of the National Association of Attorneys General, favoring the enactment of legislation which will secure to the States the power and right to levy and collect any nondiscriminatory tax imposed under the protection and authority of the law of any State, Territory, or possession; to the Committee on Finance.

A letter in the nature of a memorial from the Louisiana Department of Public Welfare, Baton Rouge, La., signed by Edward P. Dameron, commissioner of public welfare, remonstrating against certain proposed amendments to the social-security laws; to the Committee on Finance.

A letter in the nature of a petition from the Veterans of Military Intelligence Service, Honolulu, T. H., signed by Daniel T. Nishimura, president, enclosing a resolution adopted by that organization, favoring the enactment of House bill 588, to establish an educational-assistance program for children of servicemen who died as a result of a disability incurred in line of duty during World War II or the Korean service period in combat or from an instrumentality of war (with an accompanying paper); to the Committee on Labor and Public Welfare.

A letter in the nature of a petition from the Asociacion Pro Proteccion de la Ninez, of Ponce, Puerto Rico, signed by Ismaro Torruella, president, praying for the enactment of legislation to combat juvenile delinquency; to the Committee on Labor and Public Welfare.

A letter in the nature of a petition from the Harbor Commission of the Port of San Diego, Calif., signed by John Bate, port director, enclosing a resolution adopted by that commission, relating to maintenance of navigable waterways and harbors; to the Committee on Public Works.

A resolution adopted by the Board of Supervisors of Niagara County, N. Y., protesting against a revision of the plan of the Corps of Engineers for the redevelopment of power from the waters of the Niagara River; to the Committee on Public Works.

By Mr. CHAVEZ:

A joint resolution of the Legislature of the State of New Mexico; to the Committee on Interstate and Foreign Commerce:

"Senate Joint Memorial 8

"Joint memorial memorializing the Congress of the United States to enact legislation prohibiting the seeding of clouds or the use of other methods of inducing rain or snowfall until sufficient scientific data are collected to make other effective regulation possible

"Whereas the uncontrolled and indiscriminate efforts of many groups and persons to modify climates and induce changes in meteorological causes and effects by the use of chemical and physical devices such as cloud-seeding has had unforeseen and adverse effects upon many localities; and

"Whereas there exists no legal, scientific, or physical means by which the effects of chemically or physically induced precipitation, can be accurately gaged or controlled; and

"Whereas sought-for beneficial effects of such artificial rain-making have often not materialized and the effects induced have often been prejudicial and harmful: Now, therefore, be it

"*Resolved by the Legislature of the State of New Mexico*, That the Congress of the United States be and it hereby is respectfully urged to enact legislation prohibiting the use of cloud-seeding or other techniques to induce precipitation by artificial means until such time as scientific data and the establishment of administrative controls permit the adequate regulation by Congress of various means of climate control; and be it further

"*Resolved*, That enrolled and engrossed copies of this memorial be transmitted to the President of the Senate and to the Speaker of the House of Representatives of the Congress of the United States and to each Senator and Representative in Congress from New Mexico.

"JOE M. MONTOYA,
"President, Senate.
"EDWARD G. ROMERO,
"Chief Clerk, Senate.
"DONALD D. HALLAM,
"Speaker, House of Representatives.
"FLOYD CROSS,
"Chief Clerk, House of Representatives.

"Approved by me this 7th day of March 1955.

"JOHN F. SIMMS,
"Governor, State of New Mexico."

A joint resolution of the Legislature of the State of New Mexico; to the Committee on Interior and Insular Affairs:

"Senate Joint Memorial 14

"Joint memorial memorializing the Senate and House of Representatives of the Congress of the United States to commend by joint resolution the purposes of the memorial to the American Indian Foundation in establishing a national living memorial to the American Indian in the State of New Mexico

"Whereas there is at the present time no national living memorial to the American Indian commensurate with the great debt our Nation owes to the first inhabitants of this great Nation; and

"Whereas there has been chartered by the State of Michigan a nonprofit corporation named the Memorial to the American Indian Foundation, for the purposes of constructing such a memorial as conceived by sculptor E. Harlan Daniels; and

"Whereas the memorial, so conceived, shall forever acknowledge the contribution made to our Nation by these first American citizens, shall enlighten the American people on a civilization that is basic to our American heritage, and shall foster the collection and preservation of relics, artifacts, and documented knowledge of the Indian race in America; and

"Whereas the board of trustees of the Memorial to the American Indian Foundation has by resolution dedicated the foundation to the placement of the memorial in the State of New Mexico, and has received assurances of support from various prominent citizens and civic organizations in said State: Now, therefore be it

"*Resolved by the Legislature of the State of New Mexico*, That the Congress of the United States be and is hereby respectfully memorialized and urged to enact a joint resolution commending the purposes of the memorial to the American Indian Foundation in the furtherance of this great project; and be it further

"*Resolved*, That copies of this memorial be sent to each Senator and Member of the House of Representatives from New Mexico.

"JOE M. MONTOYA,
"President, Senate.
"EDWARD G. ROMERO,
"Chief Clerk, Senate.
"DONALD D. HALLAM,
"Speaker, House of Representatives.
"FLOYD CROSS,
"Chief Clerk, House of Representatives.

"Approved by me this 16th day of March, 1955.

"JOHN F. SIMMS,
"Governor, State of New Mexico."

A resolution of the House of Representatives of the State of New Mexico; to the Committee on Interior and Insular Affairs:

"House Resolution 2

"Resolution of the House of Representatives of the 22d Legislature of the State of New Mexico, memorializing the Congress of the United States to authorize the Colorado River storage project

"*Be it resolved by the Legislature of the State of New Mexico (the Governor concurring herein)*:

"Whereas the waters of the Colorado River and its tributaries have by compact, approved by the Legislatures of the State of Arizona, California, Utah, Colorado, New Mexico, Nevada, and Wyoming, been allocated to these several States, and said compact having been approved by the Congress of the United States in 1922; and

"Whereas the upper basin States, consisting of Colorado, New Mexico, Utah, and Wyoming, through the Upper Colorado River Commission and the legislatures of said States and with the approval of Congress, have allocated their proportionate share of the water of said river among themselves; and

"Whereas the conservation and wise use of water of the Colorado River can only be made possible by the construction of strategic storage facilities on said river and its tributaries; and

"Whereas the conservation and wise use of water is of foremost importance to the future agricultural and economic development and the general welfare of the Western United States and of the United States; and

"Whereas the Upper Colorado River Commission, working in conjunction with the Federal Bureau of Reclamation, has developed a plan, known as the Colorado River storage project, to permit the conservation and wise use of the waters of the Colorado River in the upper basin States; and

"Whereas said Colorado River storage project has been developed after many years of investigation, planning, and on-the-ground surveys of the storage facilities of the upper Colorado River and its tributaries; and

"Whereas said Colorado River storage project has been determined to be the most economical and feasible method of storing

and using said waters for the benefit of both the upper and lower basin States; and

"Whereas the storage of water as proposed in the Colorado River storage project is vital to permit the upper basin States to meet their commitments to the lower basin States under the compact of 1922, and to have available the upper basin States' allotment of water as provided in said compact; and

"Whereas to carry out the intent and purposes of the several compacts approved by the legislatures of the several States concerned, and to carry out the purposes and intent of said compacts as approved by Congresses of the United States, the authorization of the Colorado River storage project by the 84th Congress of the United States is imperative: Now, therefore, be it

"Resolved by the 22d Legislature of the State of New Mexico (the Governor concurring herein), That the 84th Congress of the United States of America be and it is hereby memorialized to and requested to give the utmost consideration to, and favorable action on, legislation to authorize the Colorado River storage project, including construction of the Echo Park Dam; and be it further

"Resolved, That certified copies hereof be promptly transmitted to the President and Vice President of the United States, the Speaker of the House of Representatives of the Congress, United States Senator Dennis Chavez, United States Senator Clinton P. Anderson, Representative John J. Dempsey, Representative Antonio Fernandez, to the Secretary of the Interior, Douglas McKay, to the Commissioner of Reclamation, the Upper Colorado River Compact Commission, and to the Governors and legislatures of the following States: Arizona, Colorado, New Mexico, and Wyoming.

"DONALD D. HALLAM,
"Speaker, House of Representatives.
"FLOYD CROSS,
"Chief Clerk.

"Approved by me this 7th day of March 1955.

"JOHN F. SIMMS,
"Governor, State of New Mexico."

DINOSAUR NATIONAL MONUMENT—RESOLUTION OF MADISON (WIS.) GEOLOGICAL SOCIETY

Mr. WILEY. Mr. President, I present a letter which I have received from B. D. Leith, secretary of the Madison Geological Society, who expresses the judgment of that organization on behalf of more and better national parks and recreational areas, rather than interference with existing national monuments and regions.

I ask unanimous consent that Mr. Leith's important message be printed in the RECORD at this point and be thereafter appropriately referred to the Senate Committee on Interior and Insular Affairs.

There being no objection, the letter was referred to the Committee on Interior and Insular Affairs, and ordered to be printed in the RECORD, as follows:

MADISON GEOLOGICAL SOCIETY,
Madison, Wis., March 18, 1955.

Hon. ALEXANDER WILEY,
United States Senate,
Washington, D. C.

DEAR SENATOR WILEY: The Madison Geological Society of Madison, Wis., herewith wishes to enter a plea in favor of more and better parks and recreational spots in these United States. In this connection we wish to express ourselves on the Dinosaur National Monument in the Utah-Colorado area.

In reviewing the literature on the subject, we note that a site for a unique national park is being endangered by plans for an unnecessary dam and reservoir. Competent engineers state that satisfactory alternate reservoir sites are available; that there is no cause for haste in deciding on a location; and this area is such an excellent one for a national park that it would be a grave error to forever spoil the canyon which is its outstanding feature.

Here in Wisconsin we support any move for more national-park sites in the interest of much-needed facilities for public recreation.

B. D. LEITH,
Secretary.

REPORTS OF A COMMITTEE

The following reports of a committee were submitted:

By Mr. GREEN, from the Committee on Rules and Administration, without amendment:

S. 1413. A bill to amend the act establishing a Commission of Fine Arts (Rept. No. 120).

By Mr. GREEN, from the Committee on Rules and Administration, with an amendment:

S. Res. 72. Resolution authorizing expenditures for hearings and investigations by the Committee on Armed Services (Rept. No. 121).

By Mr. GREEN, from the Committee on Rules and Administration, with amendments:

H. Con. Res. 85. Concurrent resolution authorizing the printing as a House document the pamphlet, Our American Government: What Is It? How Does It Function?

EXECUTIVE REPORTS OF COMMITTEES

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. MAGNUSON, from the Committee on Interstate and Foreign Commerce:

Riley J. Sipe, and sundry other officers, for permanent appointment in the Coast and Geodetic Survey.

By Mr. STENNIS from the Committee on Armed Services:

Maj. Gen. Silas Beach Hays, Medical Corps, United States Army, for appointment as The Surgeon General, United States Army;

Lt. Gen. Lyman Louis Lemnitzer, Army of the United States (major general, U. S. Army), for appointment as commanding general, Army Forces Far East and Eighth Army, with the rank of general, and as general in the Army of the United States;

Maj. Gen. James Maurice Gavin, Army of the United States (brigadier general, U. S. Army), for appointment as Deputy Chief of Staff for Plans and Research, United States Army, with the rank of lieutenant general, and as lieutenant general in the Army of the United States;

Capt. Amos A. Jordan, Jr., for appointment as professor of social science, United States Military Academy;

John J. Powell, and sundry other persons, for appointment in the Regular Army of the United States; and

Robert Wesley Tindall, and sundry other officers, for promotion in the Regular Air Force.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. JOHNSTON of South Carolina:

S. 1542. A bill to authorize an allowance for civilian officers and employees of the Government who are notaries public; to the Committee on Post Office and Civil Service.

By Mr. SCOTT (for himself and Mr. MURRAY):

S. 1543. A bill to amend the Domestic Minerals Program Extension Act of 1953 in order to strengthen national defense and to further extend the program to encourage the discovery, development, and production of certain domestic minerals; to the Committee on Interior and Insular Affairs.

By Mr. JENNER:

S. 1544. A bill for the relief of Maria Guadaloupe Schockley and her minor daughter, Evangeline Vega Schockley; to the Committee on the Judiciary.

By Mr. PAYNE:

S. 1545. A bill for the relief of Henry Wong; to the Committee on the Judiciary.

By Mr. GOLDWATER (for himself and Mr. HAYDEN):

S. 1546. A bill to authorize the Secretary of the Air Force to convey certain land to the city of Tucson, Ariz.; to the Committee on Armed Services.

By Mr. MAGNUSON (by request):

S. 1547. A bill to amend title 14, United States Code, entitled "Coast Guard," to authorize certain early discharges of enlisted personnel;

S. 1548. A bill to authorize the President to promote Paul A. Smith, a commissioned officer of the Coast and Geodetic Survey on the retired list, to the grade of rear admiral (lower half) in the Coast and Geodetic Survey, with entitlement to all benefits pertaining to any officer retired in such grade; and

S. 1549. A bill to amend the Communications Act of 1934 so as to authorize the imposition of administrative fines by the Federal Commnications Commission for violations of its rules and regulations, and to authorize the remission or mitigation of such fines by the Commission; to the Committee on Interstate and Foreign Commerce.

(See the remarks of Mr. MAGNUSON when he introduced the last above-mentioned bill, which appear under a separate heading.)

By Mrs. SMITH of Maine:

S. 1550. A bill authorizing the State Highway Commission of the State of Maine to construct, maintain, and operate a free highway bridge across the St. Croix River between Calais, Maine, and St. Stephen, New Brunswick, Dominion of Canada; and

S. 1551. A bill to authorize a preliminary examination and survey of the Short Sands section of York Beach, York County, Maine; to the Committee on Public Works.

By Mr. SMITH of New Jersey:

S. J. Res. 59. Joint resolution proposing an amendment to the Constitution of the United States providing for the election of electors of President and Vice President in the several States, for the election of President and Vice President by such electors, and, in certain cases, for the election of President and Vice President by the joint membership of the Senate and House of Representatives; to the Committee on the Judiciary.

(See the remarks of Mr. SMITH of New Jersey when he introduced the above joint resolution, which appear under a separate heading.)

AMENDMENT OF COMMUNICATIONS ACT OF 1934, RELATING TO THE IMPOSITION OF FINES IN CERTAIN CASES

Mr. MAGNUSON. Mr. President, at the request of the Federal Communications Commission, I introduce, for appropriate reference, a bill to amend the Communications Act of 1934 so as to authorize the imposition of administrative fines by the Federal Communica-

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tions Commission for violations of its rules and regulations, and to authorize the remission or mitigation of such fines by the Commission. I ask unanimous consent that there be printed in the RECORD, at this point, a letter from the Federal Communications Commission explaining the purpose of the amendments it is proposing.

The ACTING PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the letter will be printed in the RECORD.

The bill (S. 1549) to amend the Communications Act of 1934 so as to authorize the imposition of administrative fines by the Federal Communications Commission for violations of its rules and regulations, and to authorize the remission or mitigation of such fines by the Commission, introduced by Mr. MAGNUSON (by request), was received, read twice by its title, and referred to the Committee on Interstate and Foreign Commerce.

The letter presented by Mr. MAGNUSON, is as follows:

FEDERAL COMMUNICATIONS COMMISSION,
Washington, D. C., March 8, 1955.

THE VICE PRESIDENT,
United States Senate,
Washington, D. C.

DEAR MR. VICE PRESIDENT: The Commission wishes to recommend at this time for the consideration of the Senate the enactment of legislation amending the Communications Act of 1934, as amended, to provide a small civil penalty for violation of the rules and regulations of the Commission applicable to all radio stations other than those in the broadcast services, and to further provide for remission or mitigation thereof by the Commission. This same request has been submitted by the Commission to previous Congresses, but the provision has not been enacted into law. However, the problems which originally prompted the Commission to request this authority have assumed such proportions and such seriousness that the Commission believes that the enactment of this proposal is absolutely essential in order to insure the continued orderly functioning of the nonbroadcast radio services, particularly those which have a direct impact on the protection of life and property.

There has been a rapid and phenomenal expansion in the nonbroadcast radio services since World War II, due largely to the development of new equipment and utilization of new portions of the frequency spectrum. Many small companies have been licensed to operate radio stations as specialized common carriers, particularly in the mobile common carrier services established in 1946. An even greater expansion has taken place in what are known as the safety and special radio services where radio is employed for numerous diverse purposes by large groups of users such as the maritime and aviation interests, police and fire departments, electric and gas companies, forestry agencies, taxicab companies, highway truck and bus companies, etc. As of January 1, 1954, the number of radio stations in the safety and special radio services alone, exclusive of amateur and disaster communications stations, has risen to 145,975, an increase of over 100,000 stations since 1947.

One result of the extensive increase in licensed stations in recent years has been a marked increase in the number of violations of the Commission's technical rules and regulations. This is particularly true in some of the newer private services where radio is not the principal activity of the licensee but is utilized as an adjunct to his primary business activities, and the station operators are accordingly less concerned with the necessity for adhering to the technical rules governing the use of radio. Most of the offenses are, taken individually, of a comparatively minor nature. Collectively, however, because of their number and variety they represent a very real menace to the orderly use of the radio spectrum and to efficient and effective regulation by the Commission. In addition, these violations result in a serious menace to life and property in those services, such as maritime and aviation, where radio serves as a vital and necessary safety device. Thus, a special survey conducted for a limited period during 1950 revealed that 75 percent of the ship radio stations inspected aboard small vessels failed to comply with one or more of the rules governing the ship service.

The seriousness and magnitude of the problems presented can best be illustrated by the situation that now prevails with respect to small boats equipped for radiotelephone communications and operating in the 2–3-megacycle band. Over the past few years there has been an increase of approximately 400 percent in the number of such small boats equipped for radiotelephone communications. This increase has, in turn, increased the problems of enforcing the Commission's rules.

With respect to the small boats, one of the focal points of the Commission's difficulties is the fishing fleets operating of the coasts of the gulf States and in Mexican territorial waters. In this area the Commission has been plagued by a constantly increasing number of violations of its rules, involving transmissions on unauthorized frequencies, malicious jamming of channels, and the transmission of profane language. For example, in April 1954 two Commission field engineers conducted monitoring operations for 12 days while aboard a fishing boat off the Mexican coast. During that period they observed a total of 291 violations of the Commission's rules.

Most serious of the violations occurring in the gulf area is the widespread misuse of the frequency 2182 kilocycles, which has been designated by international treaty to be a distress frequency. It is essential, of course, that a distress frequency be kept clear of all routine communications. However, in the gulf area the frequency 2182 has been misused for nonessential communications to such a degree that it has been rendered practically useless for safety purposes. Instances have occurred when ships and the Coast Guard have been unable to receive emergency distress calls on 2182 kilocycles because of the volume of illegal transmissions on the channel.

The Commission believes that this situation presents a definite menace to the safety of life and property, and one which is steadily growing worse. Moreover, situations of a similarly serious nature are occurring in other parts of the safety and special radio service, such as the aeronautical service. Unfortunately, however, the Commission does not presently have available any adequate sanction for dealing effectively with this mass of rule violations in the nonbroadcast services. The Commission is authorized to revoke the licenses of stations willfully or repeatedly violating the rules, but even where the seriousness of a particular offense or the substantial number of separate offenses might otherwise warrant resort to this extreme sanction, it will often be particularly inappropriate in the nonbroadcasting services where, as in the case of a ship or plane station, the effect of the revocation would be to deprive the licensee of essential safety equipment or, in the case of a common carrier, to deprive the community of much needed communications service. Similarly, the Commission is authorized to refer aggravated cases of willful or knowing violations of its rules to the Department of Justice for criminal prosecution as a misdemeanor. But, especially since most of the minor violations result from negligence and disinterest rather than willful disregard for the Commission's rules, resort to the criminal sanction can only hope to be of limited value in the Commission's overall enforcement program.

During the 82d Congress, there was enacted a series of amendments to the Communications Act of 1934, including a provision, incorporated in the act as section 312 (b), authorizing the Commission to issue cease and desist orders directed against any person violating the act or the Commission's rules and regulations. And the grant of this additional authority to the Commission was advanced by the conferees on this bill as the reason for their elimination of a provision, applicable to all radio services, permitting the imposition of forfeitures of up to $500 for violation of the act or the Commission's rules which had been included in the House version of the bill. But while the new cease and desist authority has proven of real value in certain areas of the Commission's enforcement program our experience indicates that the cease and desist procedure is ill-adapted to dealing with the great increase in minor technical violations of the Commission's rules in the common carrier and safety and special radio services.

Our records indicate that violations on the part of a particular operator may be many and varied and may occur over a considerable period of time. Generally, these violations are clearly established and present no dispute as to the facts or law. The cease and desist procedure, which is most useful when directed to a single or continuing situation or practice concerning which there may be disagreement as to facts or interpretation of rule or statute, would appear to be ill-adapted as a means of discouraging such clear-cut violations. Moreover, a cease and desist order is directed only at a particular violation, and, while possibly effective in causing the particular operator to strive to avoid repetition of that particular violation, would not, it is believed, be of any lasting value in stimulating the operator to live up to the Commission's rules in all aspects of his operations. On the other hand, it is thought that knowledge on the part of the licensees that any violation could lead to the prompt imposition of a money penalty, even though it be a small one, would be quite effective in creating an attitude of responsibility for compliance with all regulations.

The cease and desist procedure is also believed to be too cumbersome and time-consuming for the quick and efficient enforcement procedures desired in dealing with the multitudinous violations occurring in the non-broadcast services. Even where the offense is clearly willful, or involves questions of "public health, interest, or safety," so as to make unnecessary the requirement of section 312 (d) of the act of first calling the offense to the attention of the licensee and affording him an opportunity to comply with the particular provision of law which has been violated, a show cause order must first be issued affording the licensee involved a period of at least 30 days from the time of receipt in which to reply and, if desired, request a hearing. Furthermore, the ultimate penalties which must be relied on to make the cease and desist orders effective remain either license revocation or criminal prosecution, which, as has been pointed out, are usually inappropriate for the types of violation by radio licensees found in the common carrier and safety and special radio services.

A study has been conducted of enforcement methods utilized by the Coast Guard and Civil Aeronautics Administration, both of which have regulatory jurisdiction over large groups of persons involving the "traffic law" type of violations which are so common in the nonbroadcast services administered by this Commission. Both the Coast Guard and the CAA are authorized

to impose, administratively, a civil penalty with further authority to remit, mitigate, or compromise the amount of such penalty. If payment is not made, the matter is referred to the Attorney General for collection in a noncriminal proceeding. Both agencies have had considerable success for many years in employing this method to secure compliance with their respective regulations. Information obtained from these agencies indicates that comparatively small individual average amounts of civil penalties are assessed, and that in only a small number of instances has it been found necessary to call upon the Attorney General for collection.

It is the opinion of the Commission that similar enforcement procedure shall be made available for use in the nonbroadcast services. A like procedure now exists under title III, part II of the Communications Act with respect to the larger oceangoing vessels subject to those provisions. This procedure has proven to be most successful with respect to enforcing the provisions of the Commission's rules applicable to such vessels. Extension of such a procedure to all nonbroadcast licensees would, it is believed, aid greatly in the task of regulating the many thousands of such licensees.

While the provisions applicable to vessels provide for a forfeiture of $500 for each day during which a vessel is navigated in violation of law, the Commission believes that the sum of $100—noncumulative—for any violation of the Commission's rules in the common carrier and safety and special services field would be sufficient to accomplish the purpose for which it is intended. The mitigation and collection provisions applicable under title III, part II, of the Communications Act would, however, be equally applicable to the new forfeitures. Upon discovery of a violation, the licensee would be notified of the forfeiture incurred because of such violation and of his rights to apply to the Commission for remission or mitigation or to refuse to pay and be brought into court for a judicial determination of his liability. Any forfeitures collected by the Commission would be payable into the Treasury of the United States as provided by section 504 (a) of the Communications Act. It is believed that the ability of the Commission to mitigate the forfeiture would, in these cases as it does in the ship cases, encourage payment without the necessity of the Attorney General bringing a judicial proceeding for recovery.

It is, therefore, recommended that the Communications Act be amended as follows:

1. Under title V change subtitle "Forfeiture in Cases of Rebates and Offsets" to read "Forfeiture in Cases of Rebates and Offsets and Violations of Rules and Regulations."

2. Redesignate section 503 as section 503 (a) and insert a new subsection (b) to read as follows:

"(b) Any person who violates any rule or regulation made by the Commission under this act to govern any radio station, except licensed radio stations in the broadcast services, and the licensee of any such radio station at which such violation occurs, shall, in addition to any other penalty prescribed by law, each forfeit to the United States the sum of $100."

3. Amend section 504 (b) by revising the phrase in the first sentence thereof "The forfeitures imposed by part II of title III and section 507 of this act "to include a reference to section 503 (b) so that it would read as follows:

"The forfeitures imposed by part II of title III, section 503 (b), and section 507 of this act shall be subject to remission or mitigation by the Commission, upon application therefor, under such regulations and methods of ascertaining the facts as may seem to it advisable; and, if suit has been instituted, the Attorney General, upon request of the Commission, shall direct the discontinuance of any prosecution to recover such forfeitures: *Provided, however,* That no forfeiture shall be remitted or mitigated after determination by a court of competent jurisdiction."

The Commission considers the enactment of this legislation to be of the utmost importance for the proper enforcement of the Commission's rules and regulations, and to insure that radio can continue to serve effectively as a vital means of protecting life and property. It is, therefore, hoped that this proposal will receive early and favorable consideration by the Senate. The Commission will be glad to furnish any additional information that may be desired by the Senate or by any committee to which this proposal is referred. The Bureau of the Budget has advised the Commission that it has no objection to the submission of this letter.

GEORGE C. MCCONNAUGHEY,
Chairman
(By direction of the Commission).

PROPOSED CHANGES IN METHOD OF ELECTING THE PRESIDENT AND VICE PRESIDENT OF THE UNITED STATES

Mr. SMITH of New Jersey. Mr. President, it has come to my attention that the Subcommittee on Constitutional Amendments of the Senate Committee on the Judiciary has been holding hearings on proposals for changing the method of electing the President and Vice President of the United States. The next of these scheduled hearings is, I understand, to be held on tomorrow, March 25, 1955.

In the 82d Congress, I was a cosponsor of the so-called Lodge resolution on this subject. That measure was agreed to by the Senate. In the last Congress, after extensive consultation with the Princeton department of politics and with Mr. Lucius Wilmerding, Jr., an expert in this field, I introduced Senate Joint Resolution 100, which would retain the electoral college, but would provide for the election of electors by districts, except for two in each State, who, like Senators, would be elected at large. In the event of the failure of any candidate to receive the vote of at least 40 percent of the whole number of electors, provision is made for election by the Congress, sitting in joint session, and voting by heads rather than by States.

I, personally, am convinced that the provisions of Senate Joint Resolution 100, 83d Congress, are more desirable than those of any of the other pending measures on the subject. I, therefore, introduce a joint resolution identical with the former Senate Joint Resolution 100, and ask that it be appropriately referred.

The ACTING PRESIDENT pro tempore. The joint resolution will be received and appropriately referred.

The joint resolution (S. J. Res. 59) proposing an amendment to the Constitution of the United States providing for the election of electors of President and Vice President in the several States, for the election of President and Vice President by such electors, and, in certain cases, for the election of President and Vice President by the joint membership of the Senate and House of Representatives, introduced by Mr. SMITH of New Jersey, was received, read twice by its title, and referred to the Committee on the Judiciary.

Mr. SMITH of New Jersey. Mr. President, I introduce the joint resolution, not out of a sense of competition, but to the end that the Judiciary Committee may have before it as many reasonable ideas as possible. Indeed, it is my understanding that Mr. Wilmerding testified before the subcommittee last week and made extensive reference to the proposals contained in the joint resolution I am now reintroducing.

When I introduced Senate Joint Resolution 100 in the last Congress, the American Law Division of the Legislative Reference Service, at my request, prepared a very useful memorandum on the provisions of the joint resolution and on the problem in general. I ask unanimous consent that the memorandum be printed at this point in the RECORD.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

ANALYSIS OF JOINT RESOLUTION

Section 1 provides that for the purposes of choosing the President and Vice President each State shall be divided into such number of districts as the State has Representatives in Congress. The State legislature in each case is to make the division, but districts must be composed of contiguous and compact territory, and contain as nearly as practicable an equal number of inhabitants. Once districts are established they may not be altered until another census has been taken. It is to be assumed, of course, that reference here is to the decennial Federal census, although the States did at one time, and a few still do, conduct a census.

The language used in section 1 to define the districts to be created by the State legislatures from which electors are to be chosen is the same language used by Congress in describing congressional districts in the reapportionment acts under the 12th (1900) and 13th censuses, the words "and compact" being added under the latter apportionment. (Jan. 16, 1901, secs. 3, 4, ch. 93, 31 Stat. 733, 734; and Aug. 8, 1911, secs. 3, 4, ch. 5, 37 Stat. 13, 14.) Although there is no such requirement in the existing apportionment act (2 U. S. C. 2a–2b), two States have provisions in their constitutions making it mandatory that congressional districts be of contiguous and compact territory. (Virginia constitution (1902) sec. 55 and West Virginia constitution (1872) art. I, sec. 4.)

The idea of division of the States into districts for the purpose of selecting presidential electors is not novel. Following adoption of the Constitution, and beginning in 1788, several of the States voluntarily adopted the district method of electing presidential electors. The method, however, was generally abandoned by the States following the election of 1832. It was taken up again by Michigan in 1892 (laws 1891, No. 50) and is presently used in only one State. This State, Louisiana, requires that presidential electors be chosen from districts, that is, 1 from each congressional district and 2 at large (La., Rev. Stat. (1950) title 18, secs., 1381–1382). The law of this State goes even further and requires that the elector chosen from a district must be a qualified voter in the particular district from which chosen:

"Every qualified voter in the State shall vote for presidential electors as follows: 2 persons shall be selected from the State

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at large, and 1 person shall be chosen from each congressional district in the State" (sec. 1381).

"No person is a qualified presidential elector who is not a qualified voter in the district for which he is chosen, or if selected for the State at large, then of some parish of the State" (sec. 1382).

The legislative history of various attempts to get legislation through Congress requiring that electors be chosen by districts are discussed in *McPherson* v. *Blacker* ((1892) 146 U. S. 1). For discussion of reasons for discontinuance of the district system, see Message of Governor Rich to the Michigan Legislature on January 5, 1893, asking for repeal of the Miner law. The Senate Committee on Privileges and Elections in 1874 was of the opinion Congress had no such authority, indicating a constitutional amendment in the nature of the one submitted by you would be necessary to effect the desired result (S. Rept. No. 395, 43d Cong., 1st sess.).

Section 2 of the amendment submitted provides that the inhabitants of each district created pursuant to section 1 shall be entitled to appoint one elector of President and Vice President. Two additional electors shall be appointed from the State at large by the inhabitants of the State. Section 2 would, of course, nullify that portion of clause 2 of section 1 of article II of the Constitution now permitting a State to appoint its electors "in such manner as the legislature thereof may direct."

Section 2 adopts the language now used in the Constitution in connection with election of Senators (amendment XVII) and Representatives (art. I, sec. 2, clause 3) in Congress by stating that persons voting for presidential electors "shall have the qualifications requisite for electors of the most numerous branch of the State legislatures." Such qualifications, therefore, that a State imposed on persons for voting for State officers, that is, for members of the State's legislature (most numerous branch) would also apply to persons voting for presidential electors as such qualifications now apply to those voting for Senators and Representatives in Congress. Section 2 does impose the additional qualification of being from the particular district, in voting for the district elector, but there is no requirement set forth in the section that the elector so chosen must be an inhabitant or resident of the particular district from which he is chosen.

The word "appoint" used in section 2 in connection with choosing of electors would not necessarily mean "elect," although it would permit election. The inhabitants of a district, or of the State as the case may be, could choose some method other than an election to choose the presidential electors. For instance, the provision of the Constitution (art. II, sec. 1, clause 2), now allowing a State to appoint its electors "in such manner as the legislature thereof may direct" has been construed by the United States Supreme Court as "leaving it to the State legislatures to appoint directly by joint ballot or concurrent separate action, or through popular election by districts or by general ticket, or as otherwise might be directed." *McPherson* v. *Blacker* ((1892) 146 U. S. 1, 28) declaring valid the so-called Miner law of Michigan (laws 1891, No. 50) providing for the election of presidential electors by districts in a manner proposed by the amendment submitted.

Sections 1 and 2 of the amendment submitted would not change the number of electors to which each State is presently entitled pursuant to clause 2 of section 1 of article II, that is, one for each Senator and Representative in Congress. Also the provision in section 2 of the amendment submitted that "No Senator or Representative or person holding an office of trust or profit under the United States, shall be appointed an elector" is identical with language presently appearing in clause 2.

Section 3 relates to the meeting of the electors in their respective States, the casting of their ballots for President and Vice President, and the transmittal of the report of the vote of the presidential electors (the electoral college) to the seat of government of the United States. Section 3 is in identical language to that presently employed in the 12th amendment except for a minor grammatical change.

Section 4 relates to the counting of the electoral votes. Presently under the 12th amendment the person having the greatest number of votes for President, if a majority, is elected President, but if no person has such majority, the House of Representatives chooses the President by ballot from the three highest. Similarly the 12th amendment provides that the person having the greatest number of votes for Vice President, if a majority, is elected Vice President, but if no person has a majority, the Senate chooses the Vice President from the two highest. Instead of a majority of the votes cast, section 4 of the amendment submitted, however, would permit a person having the greatest number of votes, providing it be at least 40 percent of the whole number of electoral votes, to be elected President or Vice President as the case may be.

Section 4 would also provide for two contingencies. One, if on either the list of persons voted for as President or on the list of persons voted for as Vice President, there are two candidates having the required percentage but are tied for electoral votes, then the Senate and House of Representatives in joint meeting would immediately by ballot choose one of them for President or Vice President, as the case may be. Second, if on either list no person shall have received the required 40 percent; then from the three highest on the list the Senate and House would in like manner choose the President and Vice President.

Under section 4 of the amendment submitted, when the choice devolves upon the Congress to select either a President or Vice President, the votes shall be taken by heads and not by States, and a majority of the combined authorized membership of the Senate and House shall be necessary to a choice. Since there are 435 Representatives and 96 Senators, or a combined total of 531, this majority would be at least 266. This is actually a majority of the whole number of electors appointed and is the same majority numerically now required to elect under the present system. Presently, under the 12th amendment, when no candidate for President has received a majority of the vote of the whole number of electors, the House of Representatives ballots for President, their choice being confined to the persons not exceeding three who have received the highest electoral vote. The votes in the House are taken by States, the representation from each State having one vote. A quorum of the House for this purpose consists of a Member or Members from two-thirds of the States, and a majority of all the States shall be necessary to a choice. The vote of at least 25 of the States is now required in case of such a contingency to elect the President. The vote of the delegation of each State is taken separately, and the person receiving a majority of the votes given by the Representatives from the State receives the vote of that State. If the vote of the delegation is divided, the vote of the State does not count. (For election of President by the House, see Annals, 7th Cong., 1st sess., pp. 1010, 1022–1028 (1801); and after the 12th amendment, see Congressional Debates, vol. 1, 18th Cong., 2d sess., pp. 361–363, 515.) This method of choosing the President and Vice President by the House and Senate, would in effect be substituting Members of the House and Senate for the electoral college since numerically each group combined contains 531 Members. Such a method, eliminating voting by State and substituting a per capita vote, would eliminate the advantage now enjoyed by the smaller States when an election is thrown into the House.

Section 5 of the amendment submitted is entirely new and reads as follows:

"SEC. 5. The legislature of each State may specify the places of holding elections for electors, prescribe the manner of voting, and provide for the appointment of proper persons to conduct such elections with authority to declare definitely the result thereof, but the Congress may by law make or alter such regulations. If the legislature of any State fails to divide the State into districts as provided in this article, the Congress may lay off such State into districts for the election of electors."

This section applied to presidential electors is similar to present article I, section 4, clause 1, when applied to election of Senators and Representatives, but is more far reaching. The proposed section 5 would allow the States to specify the places of holding the elections for electors and prescribe the manner of voting. The States would also appoint the officials to conduct the elections and have authority to declare who was elected. However, the power would be reserved to the Congress to make or alter any such regulations made by the States. Although the proposed article of amendment does not declare that presidential electors are Federal officers, the fact that their appointment or election is rather extensively regulated would indicate that they are to be considered Federal officers. See *In re Green* ((1890), 134 U. S. 377), holding that presently electors are not Federal officers.

In addition, section 5, specifically stating that Congress has the power to divide a State into districts for election of electors upon failure of a State to so act, seems to be a mere restatement of a power Congress would automatically have upon adoption of the rest of the amendment. By way of analogy, Congress presently has the power to require that the States elect Representatives from districts (and it has at times exercised this power) or the Congress may actually do the dividing itself. This power is derived from section 4 of article 1 of the Constitution authorizing it to regulate the places and manner of holding elections for Representatives. Under clause 18, section 8, article 1, Congress has the power to make all laws necessary and proper for carrying into execution the foregoing power. See 42 Harvard Law Review 1017, note 4, and *Colegrove* v. *Green* ((1945), 328 U. S. 549, 555).

The amendment submitted does not alter the present constitutional and statutory provisions relating to the time of choosing electors found in article II, section 1, clause 4, and 48 Statutes 879, codified 62 Statutes 672 as United States Code, section 1.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. MCNAMARA:

Statement prepared by him on the 134th anniversary of Greek independence.

By Mr. BIBLE:

Article entitled "More Shipbuilding on West Coast Is Predicted by Senate Leader," published in the New York Times of March 23, 1955, and having reference to an address delivered by Senator MAGNUSON before the Western States Council at San Francisco, Calif.

NOTICE OF HEARINGS ON CERTAIN NOMINATIONS BY COMMITTEE ON FOREIGN RELATIONS

Mr. GEORGE. Mr. President, the Senate received today the following nominations: Joseph E. Jacobs, of South Carolina, a Foreign Service officer of the class of career Minister, to be Ambassador of the United States to Poland, John M. Allison, of Nebraska, Ambassador to Japan, to serve concurrently and without additional compensation as the Representative of the United States to the 11th session of the Economic Commission for Asia and the Far East of the Economic and Social Council of the United Nations, and Joseph C. Satterthwaite, of Michigan, a Foreign Service officer of class 1, to be Ambassador of the United States to Burma, vice William J. Sebald, resigned. I desire to give notice that these nominations will be considered by the Committee on Foreign Relations at the expiration of 6 days.

THE LATE WALTER WHITE

Mr. LEHMAN. Mr. President, at this very moment, funeral services are being held in New York for a very great American, Mr. Walter White, who died last Monday.

I had the honor of Walter White's friendship for more than 30 years, during all of which I was associated with him as a director of the National Association for the Advancement of Colored People. Walter White was an unusually courageous and farsighted leader who helped mold a small group of people—the founders and early members of the NAACP—into an influential, effective and highly respected organization. He was a great and unflinching fighter for freedom and justice. It is noteworthy that his efforts were directed to securing and maintaining civil rights and liberties, justice, and equality for not only the people of his own race, but for all the people of our country and, in fact, for all the people of the world. He was utterly selfless in his devotion, and gave of himself without stint or fear to the causes he served so long and so well. I mourn his passing as a close and dear friend and as a well-nigh irretrievable loss to the cause of freedom and equality to which he had devoted his life.

Mr. President, there have appeared yesterday and today in many of the newspapers, editorials eulogizing Walter White. These editorials, moving as they are, inevitably inadequately describe the qualities of heart and mind of this great man. His deeds and his principles speak for themselves, and will long be remembered. I ask unanimous consent to have printed at this point in the RECORD, as a part of my remarks, editorials which appeared in the New York Times, the New York Herald Tribune, the New York Post, and the Washington Post and Times Herald.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the New York Times of March 23, 1955]

WALTER WHITE

Walter White was the adviser of statesmen and soldiers, in peace and war. His work for the Negro was enormously effective over more than three decades. That he was the author of President Roosevelt's Executive order on fair employment practices in war industries is but one evidence out of many of the weight of his counsel and his vision. In his post of executive secretary of the National Association for the Advancement of Colored People he was at the center of the conflict between bigotry and democracy which the so-called race question involves. Considerable progress has been made, in recent times here, in resolving this conflict. A great deal of what has been achieved can be directly traced to his influence.

Blue-eyed and fair of color, Walter White did not need to identify himself as a Negro. He did so deliberately and in its way this act made a special mockery of race discrimination.

[From the New York Herald Tribune of March 23, 1955]

WALTER WHITE

Walter White was one of the most important leaders in one of the most important struggles of his day. As executive secretary of the National Association for the Advancement of Colored People, he was regarded as a leader and spokesman for the American Negro, a man who had long ago earned the affection of his own people and the respect of others.

In his long service to the Negro, Mr. White had seen the virtual elimination of lynching, the enactment of fair employment laws, the reduction of discrimination, the outlawing of segregation in the Armed Forces, the approach, heralded by the Supreme Court decision, of racial integration in the Nation's schools. For all these objectives he had labored zealously and devotedly; he crusaded not by inflaming passions or by preaching violence, but by putting his faith in democratic ways and the conscience of his fellow citizens. And he lived to see his faith and hope justified.

Walter White might have led a different life, apart from racial strife. He was but one-sixty-fourth Negro and could have, if he had chosen, remained a white man to the world. But his people needed him and perhaps he, too, needed them. With their help and the help of other friends, he accomplished much. If, when he died, much still remained to do, none knew better than Walter White that freedom is a never-ending job.

[From the New York Post of March 23, 1955]

THE BURDEN OF WALTER WHITE

The perpetual irony in the story of Walter White, who served so long and well as executive secretary of the National Association for the Advancement of Colored People, was that his complexion was white. This accident of life dramatized better than any phrase the irrationality of racial prejudice. He could have been spared the casual rebuffs and systematic cruelties inflicted on Negroes; yet he felt a profound impulse to proclaim his racial identity.

What fascinated him was the way social attitudes could be altered by his simple announcement to almost any company of strangers that White was black. After all he was still the same man who had been greeted with cordiality just a moment before; why was there sudden embarrassment, hostility and aloofness as soon as he called himself Negro?

Thus he went through life zestfully parodying all the myths of racial supremacy and valiantly battling for a world which would be truly color blind. As long as there were bigots, he preferred to be among the hated rather than the haters; as long as any men were to be judged by their skin, he chose to be among the condemned.

Though he fought a thousand good fights for human equality and simple decency, Walter White remained remarkably devoid of bitterness. In the worst moments he may have been sustained by the cosmic joke which he had been fortuitously enabled to play on the intolerant men whose faces were no whiter than his own.

[From the Washington Post and Times Herald of March 24, 1955]

WALTER WHITE

It was given to Walter White to enter and experience much of the promised land to which he led his people. As a boy in Atlanta, Ga., he knew at first hand the horror of race rioting and the ugliness of a lynch mob. He lived through racial discrimination in housing and schooling and recreation. But before his death the pattern of race relations in the United States had undergone a tremendous transformation. Violence against the Negro had virtually disappeared from the South. And segregation in public facilities had been declared by the courts of the land to be in contravention of the Constitution.

As executive secretary of the National Association for the Advancement of Colored People, Walter White played a dynamic part in effecting this change. And as a man, Nordic in appearance and predominantly of Caucasian ancestry, who chose freely to identify himself as a Negro, he played a dramatic part in helping his fellow Americans to understand the folly of race prejudice. He gave his life to a heroic cause now well on its way to triumph.

Mr. SMITH of New Jersey. Mr. President, I am glad to associate myself with the remarks made by the Senator from New York [Mr. LEHMAN] regarding the late Walter White. A few days ago, when notice of Mr. White's death appeared in the newspapers, I made a brief statement on the floor of the Senate; and at this time I am glad to renew that statement, in behalf of that great American.

THE POSTAL PAY BILL—NOTICE OF SPEECH

Mr. ROBERTSON. Mr. President, I understand that when the Senate concludes action on the cotton bill, it will take up the postal pay increase bill. Therefore, I desire to announce that after the chairman of the committee has explained that bill, and after the ranking Republican member of the committee, the Senator from Kansas [Mr. CARLSON], has submitted his substitute, I shall seek recognition, to explain and discuss what will then be before the Senate. I shall deal primarily with the history of the Post Office Department.

The Post Office Department has been in operation now nearly 166 years. While it is a vast establishment, as compared with what Benjamin Franklin had 166 years ago, I think it would be helpful to us, in legislating on postal rates and the pay of postal employees, and as a guide to what we should do, to refresh

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our memories regarding what those who started this experiment in socialism, if you please, namely, government control of a monopoly, had in mind, and how they operated it.

I recognize that the burdens of all Members of the Senate have become so onerous in our $60 billion government that not many Members can remain on the floor to hear the debate, no matter how vital it may be. Therefore, I make this announcement in the hope that before we vote on the postal pay, some Members, at least, will take the time to review in the RECORD what I have to say about the bill, as a guide, perhaps, for our future policy.

I wish to say that I do not propose to make a lengthy speech; and I shall not vary from manuscript, because I shall have no manuscript.

SOME TREATIES AND AGREEMENTS BROKEN BY SOVIET RUSSIA

Mr. KNOWLAND. Mr. President, in recent days there have been some discussions regarding the possibility of a 4-power meeting by the heads of states, whether such a meeting would be advisable, what preliminary steps should be taken, and what consideration should be given as to whether the Soviet Union should be expected to perform by deeds, rather than by words.

Mr. President, for the information of the Senate and the country, and lest anyone believes that a mere meeting of the heads of states would solve the problem, I think we should consider what has happened to other agreements the Soviet Union has entered into.

The following treaties and agreements concluded by the U. S. S. R. were broken when Soviet Russia occupied eastern Poland at the beginning of World War II; imposed the Mutual Assistance Pacts upon Estonia, Latvia, and Lithuania in October 1939; invaded Finland in November 1939; and absorbed the three Baltic States, Bessarabia, and northern Bukovina in 1940:

First. Peace treaties, 1920 to 1921: These peace treaties concluded between Soviet Russia and Finland, Estonia, Latvia, Lithuania, and Poland contained the principle of respecting one another's territorial integrity. In a protocol agreed to at the Warsaw conference of March 1922, the sanctity of the peace treaties was affirmed by Finland, Estonia, Latvia, Poland, and Soviet Russia.

Second. The Litvinov Protocol, February 1929: This protocol was a declaration of adherence to the Treaty of Paris, or the Kellogg-Briand Pact, outlawing war as an instrument of national policy. It was signed by Estonia, Latvia, Lithuania, Poland, and Rumania. Finland adhered to the Treaty of Paris.

Third. Convention defining an aggressor, July 1933: Article II of the convention laid down various conditions in which aggression would be regarded as occurring. Article III stated that:

No political, military, economic, or other considerations may serve as an excuse or justification for the aggression referred to in article II.

Among the signatories to this Convention were Estonia, Latvia, Lithuania, Poland, Finland, U. S. S. R., and Rumania.

Fourth. Pacts of nonaggression: Among the nations with which the Soviet Union concluded nonaggression pacts were Lithuania, 1926; Finland, 1932; Latvia, 1932; Estonia, 1932; and Poland, 1932.

Fifth. Pacts of mutual assistance, October 1939: These pacts were forcibly imposed upon Latvia, Lithuania, and Estonia. The imposition of these pacts did in fact violate previous Soviet promises to respect the territorial integrity and national sovereignty of the Baltic States. Moreover, each pact contained a clause reaffirming previous Soviet treaty obligations to the Baltic States. Thus, in addition to all other treaties concluded with the Soviet Union, the Pacts of Mutual Assistance were also broken when the three Baltic states were incorporated into the U. S. S. R. in 1940.

Sixth. Covenant of the League of Nations: When Soviet Russia invaded Finland in November 1940, the League of Nations formally condemned the aggressive action and expelled the Soviet Union from the League.

Among the treaties and agreements concluded with and broken by the Soviet Union since World War II are: Yalta agreement; Potsdam agreement; armistice agreement relating to the function of the Allied Control Commission in Hungary, Bulgaria, and Rumania; peace treaties with Hungary, Bulgaria, and Rumania; Cairo declaration, reaffirmed at Potsdam and subscribed to by the Soviet Union; the Soviet-Iranian Treaty of Friendship of 1921; Declaration of Teheran; Potsdam declaration defining terms for Japanese surrender; and the Sino-Soviet treaty and agreements of August 14, 1945. For an analysis of Soviet violations of these treaties and agreements, see United States Congress, House Committee on Foreign Affairs, Background Information on the Soviet Union in International Relations, 81st Congress, second session, Washington, United States Government Printing Office, 1950.

In addition to the above violations of agreements and treaties, there are the instances in which the Soviet Union has broken its pledges made to the United States in the exchange of letters of November 1933, which resulted in recognition, relating to noninterference in American affairs. In 1935, the American Government dispatched a vigorous protest against Soviet violations of this particular pledge of noninterference on the occasion when American Communist leaders gave progress reports of the revolutionary movement in the United States at the Seventh Congress of the Third International which convened in Moscow in July 1935.

I ask to have printed in the RECORD at this point as a part of my remarks certain material from House Report No. 3135, 81st Congress, 2d session, entitled "Background Information on the Soviet Union in International Relations." It is a report of the House Committee on Foreign Affairs pursuant to House Resolution 206, and it lists the Soviet violations of treaty obligations. The material begins on page 1 and extends through page 23.

There being no objection, the material referred to was ordered to be printed in the RECORD, as follows:

BACKGROUND INFORMATION ON THE SOVIET UNION IN INTERNATIONAL RELATIONS

COMMITTEE ON FOREIGN AFFAIRS,
August 25, 1950.

(Foreword)

Following is a compilation of material, based on published documents, on the record of the Soviet Union in international relations. This data has been prepared, on my instructions, by Mr. Sheldon Z. Kaplan and Mr. George Lee Millikan, consultants on the staff of the Committee on Foreign Affairs. The material assembled herein indicates some of the main currents of Soviet policy, such as treaty violations, obstructionism in the solution of international problems, and territorial expansion.

It is hoped that this compilation will serve as background information on the trends of the Soviet Union in international relations.

JOHN KEE,
Chairman.

I. SOVIET VIOLATIONS OF TREATY OBLIGATIONS

A. Germany

AGREEMENTS

1. Final delimitation of German-Polish frontier should await the peace settlement (Potsdam protocol, VIII, B, August 2, 1945).

2. Payment of reparations to leave enough resources to enable German people to subsist without external assistance. Reparation claims of U. S. S. R. to be met by removals of capital goods and appropriation of external assets. Economic controls in Germany to be limited to those essential to curb German war potential and insure equitable distribution of essential goods among zones (Potsdam protocol, II, B, 15, 19; III, 1).

3. Germany to be treated as a single economic unit (Potsdam protocol, II, B, 14).

I. SOVIET VIOLATIONS OF TREATY OBLIGATIONS

A. Germany

VIOLATIONS

1. U. S. S. R. has repeatedly maintained that the Oder-Neisse line constitutes the definitive German-Polish frontier and has approved incorporation of territory east of this line into Poland. On July 6, 1950, the Soviet-controlled Governments of Poland and Eastern Germany signed an agreement to this effect.

2. U. S. S. R. has taken large amounts of reparations from current production, has absorbed a substantial part of German industry in Soviet zone into Soviet state-owned concerns, and has otherwise exploited and drained German resources in a manner not authorized by Potsdam protocol or other agreements.

U. S. S. R. has refused to submit detailed report on any reparation removals from its zone.

3. U. S. S. R. has consistently obstructed all attempts to implement this principle. It has followed a unilateral economic policy in its own zone. In particular it has refused to cooperate in establishing a common export-import program for Germany as a whole, and in permitting "equitable distribution of

AGREEMENTS	VIOLATIONS
4. All democratic political parties to be allowed and encouraged throughout Germany (Potsdam protocol, II, A, 9).	essential commodities between the several zones so as to produce a balanced economy through Germany and reduce the need for imports." 4. Soviet authorities have restricted freedom of action of non-Communist parties by depriving them of facilities equal with the Communist-dominated Socialist Unity Party (SED); by interfering in their internal affairs, coercing their leaders, and dictating party actions; and in general by denying them the autonomy essential to democratic political organizations. The Social Democratic Party has been denied the right to operate in the Soviet zone as an independent organization.
5. Control Council agreed to prevent German political leaders or the press from making statements criticizing allied decisions or aimed at disrupting allied unity or creating hostile German attitude toward any occupying powers (Control Council Directive No. 40, October 12, 1946). 6. Allied Control Authority authorized free exchange of printed matter and films in the different zones and Berlin (Control Council Directive No. 55, June 25, 1947). 7. Freedom of speech and press are guaranteed (Potsdam protocol, II, A, 10). Germany is to be prepared for eventual reconstruction of political life on democratic basis (Potsdam protocol, II, A, 3).	5. Soviet authorities have permitted and encouraged scurrilous propagandistic campaigns by the Soviet zone press and political leaders directed against the western powers, and particularly the United States. 6. Soviet authorities have repeatedly barred from the Soviet zone or Soviet sector of Berlin such materials originating in other zones. 7. Soviet authorities have nullified any genuine freedom of speech and press through a system of suppression, intimidation and terrorism by military, police, and party authorities. A totalitarian police system is being built up which suppresses basic human rights and legal processes and indulges in arbitrary seizures of property, arrests, detentions, deportation, forced labor, and other practices contrary to democratic principles.
8. German external assets in Finland, eastern Austria, Hungary, Bulgaria, and Rumania, to be vested in the German External Property Commission (Control Council Law No. 5, October 30, 1945). 9. Quadripartite legislation has been enacted to provide tax uniformity and stabilization of wages in all zones (Control Council Laws Nos. 12, February 11, 1946, and 61, December 19, 1947; Control Council Directive No. 14, October 12, 1945).	8. U. S. S. R. has directly appropriated German external assets in these countries without unvesting and assignment by the German External Property Commission as required by Control Council Law No. 5. 9. Soviet authorities have permitted the land governments of Bradenburg and Saxony-Anhalt to grant partial tax exemptions to large groups of wage and salary earners in violation of this legislation. This move is intended to stop the exodus of skilled workers to the western zones, to encourage qualified workers to take jobs in Soviet-owned factories, and to make propaganda for improving the living standards of Soviet-zone workers.
10. All German prisoners of war to be repatriated by December 31, 1948 (Council of Foreign Ministers, Moscow, March 10–April 24, 1947).	10. U. S. S. R. did not return all German prisoners of war by this date but announced a new deadline—January 1, 1950. On May 4, 1950, U. S. S. R. declared in a Tass announcement that all German PW's had been repatriated—although large numbers still remain in the U. S. S. R.
11. By Four-Power agreement supreme authority was to be exercised by an Allied Control Council, consisting of the four commanders in chief (statement on control machinery, June 5, 1945).	11. On March 20, 1948, the Soviet commander unilaterally adjourned a meeting of the council and abruptly walked out, thereby precipitating a rupture of its operations.
12. By Four-Power agreement administration of Berlin was to be conducted by a four-power Kommandatura, consisting of the city's four commandants (statement on control machinery).	12. On June 16, 1948, the Soviet representative walked out of a meeting of the Kommandatura. On July 1, 1948, Soviet authorities announced that they would no longer participate in any meetings. These acts finally destroyed the quadripartite control machinery of Berlin. The Berlin blockade, which became total on July 2, 1948, and was not lifted until May 12, 1949, was a further effort to destroy the quadripartite status of the city.
13. Each occupying power shall insure the normal functioning of transport between Berlin and the zones as well as between the Soviet and western zones (par. 5, Paris CFM communique, June 20, 1949).	13. Since January 13, 1950, the Soviet authorities have intermittently interfered with traffic between Berlin and West Germany.
14. On repeated occasions during and after the war, U. S. S. R. agreed that demilitarization of Germany should be one of the cardinal aims of the occupation. (Crimea Conference, February 11, 1945; Berlin, June 5, 1945; Potsdam protocol, Four Power agreement on additional requirements to be imposed on Germany, September 20, 1945; Control Council Law No. 34, Dissolution of the Wehrmacht, August 20, 1946, etc.)	14. U. S. S. R. has created in Eastern Germany a police force of approximately 50,000. Because of its training and equipment, this force is actually military in character.

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B. Austria

1. Obligation of Allied Council (United States, United Kingdom, France and U. S. S. R., the occupying powers) to insure the removal of all restrictions on movement within Austria of persons, goods, or other traffic; economic unity to be promoted (new control agreement of June 28, 1946, art. 4, a).

2. Obligation to open the way for the Austrian people to find economic security (Moscow declaration, November 1, 1943). Obligation of Allied Council to assist Austrian Government to recreate a sound national life based on stable economic and financial conditions; to assist Austrian Government to assume full control of affairs of state in Austria; to facilitate full exercise of Austrian Government's authority equally in all zones; to promote the economic unity of Austria (new control agreement, arts. 3, c; 3, d; and 4, a).

4. Obligations with respect to stable economic and financial conditions, free movement within Austria as a whole, and economic unity (new control agreement, arts. 3, c; 4, a).

5. Obligation to assist Austrian Government to recreate a sound and democratic national life based on respect for law and order (new control agreement, art. 3, c).

6. Obligations with respect to law and order, assumption by Austrian Government of full control of affairs of state, full exercise of Austrian Government's authority equally in all zones (new control agreement, arts. 3, c; 3, d; and 4, a).

7. Obligation with respect to full exercise of Austrian Government's authority equally in all zones (new control agreement, art. 4, a).

C. Eastern and southeastern Poland

1. Poland

"This Polish Provisional Government of National Unity shall be pledged to the holding of free and unfettered elections as soon as possible on the basis of universal suffrage and secret ballot. In these selections all democratic and anti-Nazi parties shall have the right to take part and to put forward candidates" (Crimean Conference, February 11, 1945).

"The three powers note that the Polish Provisional Government in accordance with the decisions of the Crimea Conference has agreed to the holding of free and unfettered elections as soon as possible on the basis of universal suffrage and secret ballot in which all democratic and anti-Nazi parties shall have the right to take part and to put forward candidates * * *." (Potsdam agreement, Aug. 2, 1945).

2. Hungary

1. Under the armistice agreement an Allied Control Commission was established under the chairmanship of the U. S. S. R. and with participation of the United States and United Kingdom (armistice agreement, January 1945, art. 18 and annex F).

2. The 3 heads of the Governments of the Union of Soviet Socialist Republics, the United States, and United Kingdom declared their mutual agreement "to concert during

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VIOLATIONS

B. Austria

1. Soviet-instituted system of licensing specified categories of goods for shipment from eastern to other zones (December 1947) impedes free movement of goods and traffic throughout Austria as a whole.

2. Properties seized by the Soviets such as oil, land, and industrial plants are in excess of what might reasonably be construed as legitimate German assets under the Potsdam protocol. Removals of equipment and materials have been made under the guise of German assets and war booty. Soviet authorities are engaging in economic practices having a deleterious effect on the Austrian economy and which are outside the application of Austrian law.

4. Soviet authorities designate certain rolling stock as "war booty," prohibit its movement from Soviet to other zones, and propose that Austrians "repurchase" this equipment.

5. Soviets interfere with Austrian efforts to maintain law and order through arbitrary arrest or abduction of Austrians.

6. Soviet authorities in the eastern zone and in the Soviet sector of Vienna have confiscated Austrian publications and threatened the distributors of publications.

7. Soviet authorities have sought to intimidate the Austrian authorities by issuing prohibitions against the holding of local elections.

C. Eastern and southeastern Europe

1. Poland

On several occasions prior to the elections and following persistent reports of reprehensible methods employed by the government against the democratic opposition, the United States and Great Britain reminded the Polish Provisional Government of its obligations. On January 5, 1947, the British and Soviet Governments were asked to join the United States in approaching the Poles on this subject. The British Government made similar representations to the Soviet Government for Soviet support in calling for a strict fulfillment of Poland's obligations. The Soviet Government refused to participate. The British and American representations were summarily rejected by the Polish Government as "unde interference" in the internal affairs of Poland.

Of the 444 deputies elected to the Parliament in the elections of January 19, 1947, the Polish Peasant Party (reported to represent a large majority of the population) obtained only 28 places, thus demonstrating the efficiency with which the government had prepared the ground. On January 28, the Department of State issued a press release stating that reports received from our Embassy in Poland immediately before and after the elections, based upon the observations of American officials, confirmed the fears this Government had expressed that the election would not be free.

2. Hungary

1. The Soviet representative on the ACC for Hungary consistently acted unilaterally in the name of the ACC without consultation or notice to his American and British colleagues, thus denying them any semblance of effective participation in the work of the ACC.

2. Contrary to the agreement, the U. S. S. R., acting through the Hungarian Communist Party and its own agencies and armed forces in Hungary, unilaterally subverted the will of the Hungarian people to totalitarianism in negation of fundamental freedoms. For example:

(a) General Sviridov, Deputy Soviet Chairman of the ACC, without consulting the United States and United Kingdom ACC representatives, dissolved Catholic youth organizations, June 1946.

(b) Soviet armed forces arrested Bela Kovacs, member of Parliament and former secretary general of Smallholders Party, February 1947.

(c) General Sviridov precipitated a political crisis enabling the Communist minority to force the resignation of Prime Minister Nagy, May–June 1947.

(d) The Soviet Government refused repeated United States proposals to join in tripartite examination of Hungary's economic situation to assist Hungary to solve its pressing economic problems, 1946.

(e) Discriminatory economic agreements were forced upon Hungary, including the establishment of joint Soviet-Hungarian companies, 1945–1947.

(f) The Soviet ACC representative contended that only the occupational forces which control the airfields can permit the Hungarian Government to negotiate air agreements. Notwithstanding, Soviet authorities formed a Hungarian-Soviet civil air transport company. The Hungarian Government was also permitted to negotiate agreements with certain other countries but not with the United States or Britain.

3. Despite repeated requests, the U. S. S. R. declined to discuss the revision of procedures for the Control Commissions as agreed at Potsdam. Instead, it continued to act unilaterally in the name of the Commissions in matters of substance without consultation with, or notice to, the United States and United Kingdom members. For example:

(a) Instructions were issued by the Soviet High Command regarding the size of the Hungarian Army without consulting the British or United States representatives.

(b) Without the knowledge of the United States the Soviet deputy chairman of the ACC ordered the Hungarian Government to disband certain Catholic youth organizations in June–July 1946. He also recommended dismissal of certain government officials.

(c) In the fall of 1946 and without consulting the Americans or British, the Soviet element of the ACC gave permission to form the Hungarian Freedom Party.

(d) Early in 1947 the Hungarian police were ordered by the Soviet chairman in the name of the Allied Control Commission to suppress the publication of Count Ciano's diary.

(e) In early 1947 the Soviet chairman stated he had personally given approval to the Hungarian Government to resume diplomatic relations with certain countries in the name of the Allied Control Commission and without prior discussion with the British or Americans.

(f) In May 1947 the ACC chairman refused the United States permission to visit Hungarian Army units.

(g) Soviet authorities refused to permit free movement of the American element of the Allied Control Commission (also applicable to Bulgaria).

(h) The Soviets refused to transmit to the American representative data on the arrest of Bela Kovacs by the Soviet Army.

3. Bulgaria

1. The Soviet chairman of the ACC repeatedly took unilateral action in the name of the ACC and without consultation with his United States or United Kingdom colleagues, thus effectively negating United States and United Kingdom participation.

2. The U. S. S. R. has aided and abetted the Bulgarian Government's failure in varying degrees, to fulfill these provisions of the

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the temporary period of instability in liberated Europe the policies of their 3 Governments in assisting the peoples liberated from the domination of Nazi Germany and the peoples of the former Axis satellite states of Europe to solve by democratic means their pressing political and economic problems" (Yalta agreement, February 1945).

3. Upon the cessation of hostilities, it was agreed at Potsdam that the United States, United Kingdom, and U. S. S. R. would consult to revise the procedures of the Allied Control Commissions for Rumania, Bulgaria, and Hungary to provide for effective participation by the United States and United Kingdom in the work of those bodies (Potsdam protocol XI, August 1945).

3. Bulgaria

1. The armistice agreement established an Allied Control Commission under Soviet direction during the period of hostilities but with United States and United Kingdom participation (armistice agreement, October 1944, art. XVIII).

2. Bulgaria was obligated to restore United Nations property, to make reparation for war damage as later determined, to restore all

AGREEMENTS

United Nations rights and interests, and to make available to Greece and Yugoslavia immediately on reparation account foodstuffs in quantities to be agreed by the United States, United Kingdom, and Union of Socialist Soviet Republics (armistice agreement, October 1944, arts. IX, X, XI, and par. I of protocol).

3. The three heads of the Governments of the Union of Soviet Socialist Republics, the United States, and United Kingdom declared their agreement to concert during the temporary period of instability in liberated Europe their policies in assisting the liberated peoples to solve their political and economic problems by democratic means. (Yalta Agreement on Liberated Europe, February 1945).

4. The United Kingdom, United States, and U. S. S. R. stated they had no doubt that representatives of the allied press would enjoy full freedom to report to the world upon developments in Bulgaria (Potsdam communiqué X, August 1945).

5. The Potsdam agreement provided that upon the termination of hostilities, consultations should be held to revise the procedures of the Allied Control Commissions for Rumania, Bulgaria, and Hungary to provide for effective three-power participation in the Commissions (Potsdam protocol XI, August 1945).

6. The U. S. S. R. undertook to give friendly advice to the Bulgarian Government regarding the desirability of including in the Government two representatives of democratic groups, "who (a) are truly representative of the groups of the parties which are not participating in the Government, and (b) are really suitable and will work loyally with the Government" (Moscow Conference, December 1945).

4. Rumania

1. The three heads of the governments of the Union of Soviet Socialist Republics, the United States, and United Kingdom declared "their mutual agreement to concert during the temporary period of instability in liberated Europe the policies of their three governments in assisting the peoples liberated from the domination of Nazi Germany and the peoples of the former Axis satellite states of Europe to solve by democratic means their pressing political and economic problems." (Yalta agreement on liberated Europe, February 1945.)

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armistice. The Soviets have refused to consider with the United States and United Kingdom Bulgaria's obligation to restore and restitute United Nations property and interests. While deliveries of foodstuffs were made to the Yugoslavs unilaterally, the U. S. S. R. has blocked three-power consideration of amounts to be shipped to Greece. None has been shipped to that country.

3. The Soviet Government has consistently refused to agree with the United States and United Kingdom on policies to assist the people of Bulgaria to solve their political and economic problems democratically. On the contrary, the Soviet Government, through the local Communist Party, has unilaterally subverted representative democratic processes in Bulgaria and assisted in denying the Bulgarian people the exercise of fundamental freedoms. For example, in 1945 Soviet authorities unilaterally interfered in the internal affairs of Bulgaria's largest political party by demanding and obtaining the replacement of Dr. G. M. Dimitrov as Secretary General of the Agrarian Union.

4. The Soviet Chairman of the ACC consistently thwarted American press coverage of Bulgarian developments by negative or extremely dilatory action on United States Government requests for entry permits for reputable American correspondents. However, representatives of the Daily Worker and other left-wing periodicals were permitted to enter Bulgaria without difficulties.

5. The Soviet Government refused repeated United States and United Kingdom requests to consult as agreed. It continued to operate the Allied Control Commissions unilaterally without effective participation of or even, on occasion, knowledge of the United States and United Kingdom members.

6. The Soviet authorities, despite the Moscow agreement, sided with and abetted a minority Bulgarian Communist regime in thwarting the implementation of that agreement and prevented the broadening of the Bulgarian Government.

4. Rumania

1. Contrary to its agreement the U. S. S. R., acting through the Rumanian Communist Party and its own agencies and armed forces in Rumania, systematically and unilaterally subverted the democratic will of the Rumanian people to totalitarianism in negation of their fundamental freedoms. Major examples are as follows:

(a) By unilateral intervention Soviet occupation authorities and Vishinsky (February–March 1945) effected the overthrow of Premier Radescu's interim representative government and installed a Communist-controlled regime.

(b) Unilateral support of Premier Groza's retention of office in defiance of the king's demand for his resignation and the United States request for tripartite consultation in response to the king's appeal (August 1945).

(c) Direct and indirect unilateral interference by the Soviet occupation authorities in the election campaign of 1946, including the use of Soviet troops to break up meetings of the opposition, and arbitrary exercise of censorship.

(d) Preclusive exploitation of the Rumanian economy, from 1944 onward, through (1) armistice extractions many times in excess of the requirements of the armistice agreement and in large measure unauthorized by that agreement, (2) the establishment of Soviet-controlled joint companies covering the principal economic activities of Rumania, and (3) commercial agreements the knowledge of whose terms was repeatedly refused to the other two Yalta powers.

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2. Agreed at Potsdam that the Allied Control Commission procedure should be revised to provide for effective United States and United Kingdom participation in the work of those bodies (Potsdam protocol XI, revised Allied Control Commission procedure in Rumania, Bulgaria, and Hungary).

3. The three Governments stated that they had no doubt that, in view of the changed conditions resulting from the termination of the war in Europe, representatives of the allied press would enjoy full freedom to report to the world upon developments in Rumania.

5. The peace treaties

Upon the ratification of the treaties of peace with Hungary, Bulgaria, and Rumania on September 15, 1947, the armistice period and the authority of the Allied Control Commissions came to an end. On this date the treaties entered into force and the three Governments regained a type of nominal sovereignty. In fact, however, the U. S. S. R. continued to exercise tutelary powers over them. In consequence the implementation of the treaties was characterized by subservient fulfillment of obligations toward the U. S. S. R., but by evasion, delay, and

(A) Hungary

Direct responsibility

Under article 40 of the "Treaty of Peace" any dispute over the execution of the treaty, not settled by diplomatic negotiations should be referred to the heads of the United States, United Kingdom, and U. S. S. R. missions in Budapest.

Indirect responsibility

1. Under article 2 of the peace treaty the Hungarian Government has undertaken to guarantee the enjoyment of human rights and of the fundamental freedoms, including freedom of expression, of press and publication, of religious worship, of political opinion, and of public meeting.

VIOLATIONS

(e) Rejection of a proposal by the United States and United Kingdom in December 1946 to set up a joint commission to study the economic situation in Rumania.

(f) Unilateral intervention, from March 1945 onward, in Rumanian commercial negotiations with countries outside the Soviet orbit.

2. Despite repeated requests, the U. S. S. R. refused to consult on the procedural revision and continued unilaterally throughout the armistice period to operate the ACC in Rumania without effective participation by the United States and United Kingdom. Examples are as follows:

(a) Issuance of directives to Rumanian authorities by Soviet element of ACC without agreement of United States and United Kingdom representatives, sometimes in the face of United States and United Kingdom protests, and often without notification or discussion. Many of these directives were prejudicial to United States interests.

(b) Obstructive handling of clearances to enter Rumania for official United States personnel and aircraft.

3. In contravention of this agreement, the Soviet Chairman of the ACC by the usurpation of authority, delayed and withheld entry permits to Rumania for accredited United States correspondents, ejected several correspondents from that country on fabricated charges, and censored United States press dispatches. These obstructive tactics, which continued throughout the armistice period, were particularly in evidence prior to the Rumanian elections of November 1946.

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violations of obligations to the western allies. The Soviet Union condoned and in many cases abetted these infringements and, as the tutelary power, must bear responsibility for them. As a result of this peculiar relationship between the U. S. S. R. and these Governments, it will be necessary to distinguish between treaty violations, for which the U. S. S. R. bears direct responsibility, and other infringements, committed by the Soviet-sponsored governments but for which indirect responsibility must be ascribed to the Soviet Government.

(A) Hungary

Direct responsibility

On May 31, 1949, the United States requested the United Kingdom and U. S. S. R. to hold a meeting of the 3 heads of mission in Budapest to settle the dispute over Hungarian noncompliance with article 2 of the treaty—the so-called human-rights clause. The Soviet Union, in its note of June 11, 1949, refused to participate in the meeting. A second United States note, delivered on June 30, 1949, expressed regret for the Soviet Union's disregard for the provisions of the treaty, and asserted that the existence of a dispute between the United States and Hungary could not be questioned. In a memorandum dated July 19, 1949, the Soviet Union reaffirmed its contention that no basis existed for a meeting of the 3 heads of mission. Since that time the Soviet Union has consistently refused to participate in such a meeting.

Indirect responsibility

1. (a) Freedom of expression, and of press and publication, no longer exist. All nonconformist and oppositionist press organizations have been suppressed or terrorized; editors and publishers have been imprisoned or driven into exile; foreign correspondents have been expelled; hundreds of arrests and convictions have taken place on charges of spreading information prejudicial to the government.

(b) Freedom of worship has been interfered with time and again, either through

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2. Under article 10 of the treaty Hungary undertook to honor its prewar bilateral treaties with the allied and associated powers, provided that the other contracting party, within a period of 6 months from the coming into force of the treaty, notified the Hungarian Government of its desire to keep in force or revive the bilateral treaty in question.

3. Under article 23 of the treaty Hungary undertook to pay $100 million as reparations to Czechoslovakia and Yugoslavia.

4. Under article 26 of the treaty Hungary undertook to restore all legal rights and interest of the United Nations and their nationals as they existed on September 1, 1939, and to compensate such persons for property loss and war damage.

5. Where a dispute arose between Hungary and another contracting party over interpretation of the execution of the treaty, which was not resolved by the three heads of mission in Budapest, Hungary, undertook in article 40 of the treaty to appoint a delegate to a three-member commission composed of one representative of each party and a third member selected by mutual agreement by nationals of a third party.

(B) Bulgaria

Direct responsibility

Under article 36 of the peace treaty with Bulgaria any dispute on the interpretation or execution of the treaty not settled by direct diplomatic negotiations, should be referred to the three heads of mission in Sofia.

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such subtle methods as the substitution of collaborationist for existing church leaders or through such drastic procedures as those which resulted in the imprisonment of Lutheran Bishop Lajos Ordass (September 1948), Jozsef Cardinal Mindszenty (February 1949), and hundreds of Catholic priests.

(c) Freedom of political opinion has been violated in Hungary by the forceful elimination of the entire Hungarian political opposition to the Communist-controlled government.

(d) After a process of gradual extermination freedom of public meeting totally disappeared almost simultaneously with the entry into force of the treaty. Since 1948 no political party outside the Communist-dominated coalition has been allowed to hold public meetings anywhere in Hungary.

(e) The judiciary has been subverted and now serves only the group in power. Through the establishment of the so-called people's and workers' courts, the resuscitation of summary courts, the abolition of existing courts, and the abrogation of the right of free choice of legal counsel, both Hungarians and foreigners have been deprived of the due process of law. Imprisonment, torture, deportation, and forced labor have become common practice.

2. Among the prewar treaties coming under the provisions of this article was the Treaty of Friendship, Commerce, and Navigation of 1925 between the United States and Hungary. Although the United States Government duly notified Hungary within the prescribed 6-month period that it desired to keep in force this bilateral treaty, the Hungarian Government has evaded and refused to fulfill its obligations in at least two instances. It seized United States property. It arrested two United States citizens, Vogeler and Jacobson, and held them incommunicado without access to United States consular officers.

3. On February 27, 1949, the Yugoslav Minister to Hungary delivered a note to the United States Legation in Budapest stating that the Hungarian Government had failed to abide by article 23 of the treaty and that, as a result of the ill will of the Hungarian Government the enforcement of article 23 could not be carried out by direct negotiations between the two governments. The Hungarian Government has to this day failed to comply with article 23 of the treaty. The Soviet Government has refused to participate in a meeting of the three heads of mission in Budapest, as provided by article 40 of the treaty.

4. The Hungarian Government has given no indication that it intends to compensate American citizens for property loss and war damage. On November 8, 1949, the United States Legation in Budapest transmitted to the Hungarian Minister for Foreign Affairs 4 new claims and additional evidence on 116 previous claims. Although receipt of the note was acknowledged, no action has been taken by the Hungarian Government to fulfill the 120 claims.

5. On August 1, 1949, and on January 5, 1950, the United States Government requested the Hungarian Government to designate its representative to a commission to be established for the settlement of a dispute arising under article 2 (the human-rights clause) of the treaty. On January 17, 1950, the Hungarian Government declared the formation of a commission to be unfounded and unnecessary.

(B) Bulgaria

Direct responsibility

On May 31, 1949, the United States requested the United Kingdom and the U. S. S. R. to convene a meeting of the three heads of missions in Sofia to settle the dispute over Bulgarian noncompliance with article 2 of the peace treaty. The Soviet Union in its note of June 11, 1949, refused

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Indirect responsibility

1. Under article 2 of the peace treaty, the Bulgarian Government has undertaken to guarantee the enjoyment of human rights and of the fundamental freedoms.

2. By the terms of the peace treaty with Bulgaria the armed forces of the Bulgarians are limited to 55,000 land troops, including frontier troops, 1,800 antiaircraft personnel, 90 aircraft including reserves of which not more than 70 may be combat types, with a total personnel strength of 5,200. Bulgaria is prohibited from acquiring any aircraft designed primarily as bombers with internal bomb-carrying facilities. Also personnel in excess of these provisions must be disbanded within a period of 6 months after the treaty enters into effect. Personnel not included in the Army, Navy, or Air Force shall not receive any form of military, naval, or military training. Construction to the north of the Greco-Bulgarian frontier of permanent fortifications where weapons capable of firing into Greek territory can be emplaced is forbidden. Construction of permanent military installations capable of being used to direct or conduct fire into Greek territory is also forbidden. (Arts. 9, 10, 11, 12, pt. III, section, Treaty of Peace With Bulgaria.)

(C) Rumania

Direct responsibility

Articles 37 and 38 of the Rumanian Peace Treaty provided that the "Heads of the diplomatic missions in Bucharest of the Soviet Union, the United Kingdom, and the United States of America, acting in concert, will represent the Allied and Associated Powers in dealing with the Rumanian Government in all matters concerning the execution and interpretation of the present treaty" and that "any dispute concerning the interpretation or execution of the treaty which is not settled by diplomatic negotiations shall be referred to the three heads of the mission."

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to convene the three heads of mission on the grounds that it "did not see any grounds for convening." The U. S. S. R. in the same note declared that "not only are the measures (of the Bulgarian Government) concerning which the United States of America has expressed its dissatisfaction not only not a violation of the peace treaty, but on the contrary are directed toward the fulfillment of the said treaties which obligate the said countries to combat organizations of the Fascist type." The United States note of June 30, 1949, confirmed the existence of a dispute between Bulgaria and the United States over the peace treaty. The Soviet memorandum of July 19, 1919, reaffirmed the Soviet contention that no basis for a meeting existed. The Soviet Union has consistently maintained its obduracy on this matter.

Indirect responsibility

1. The U. S. S. R. has aided and abetted the Bulgarian Government in failing to fulfill article 2 of the peace treaty. In its note of June 11, 1949, Bulgaria specifically violated article 36 of the peace treaty by refusing to convene the three heads of mission to discuss the problem and work out a solution on the grounds that the "U. S. S. R. does not see any grounds for convening." The U. S. S. R., in its note of June 11, 1949, declared "that not only are the measures (of the Bulgarian Government) concerning which the Government of the United States of America expressed its dissatisfaction not only not a violation of the peace treaty, but on the contrary, are directed toward the fulfillment of said treaties which obligate the said countries to combat organizations of the Fascist type."

2. The U. S. S. R. has openly aided and abetted the Bulgarian Government in failing to fulfill completely and in completely ignoring these provisions of the peace treaty (arts. 9, 10, 11, and 12) in various ways.

The Soviet Union has openly aided and encouraged the Bulgarian Government to ignore the numerical limitations on the Bulgarian armed forces by supplying arms, ammunition, and equipment in excess of that needed for the force established by the treaty. In addition, the U. S. S. R. has by negative and extremely dilatory acts tolerated Bulgarian failure to disband these forces as required by article 10 of the peace treaty. The U. S. S. R., by the use of negative and obstructionist tactics aided and abetted the Bulgarian Government in the formation, maintenance, and training of para-military organizations, i. e., the militia, and the use of these organizations by the Bulgarians to violate both the spirit and the letter of article 2. The Soviet Government has also refused to participate in any conventions provided for in article 36 of the peace treaty to settle disputes over the interpretation or execution of the treaty. When the United States Government requested information on the Bulgarian armed forces (Note 263, March 5, 1948), the Bulgarian Government, with the tacit consent of the Soviet Union, was encouraged to deny the information. This was a violation of the right of the United States and United Kingdom under the treaty to request the information and confirm it by investigation. The Soviet note (No. 056 of February 16, 1948) declining the United States-United Kingdom invitation for a Soviet representative to participate in a proposed survey of the Greco-Bulgarian border is further evidence on this point. Moreover, the Bulgarian Government was encouraged by the Soviet Union to reply that, under the terms of the peace treaty, the matter should be referred to the United States, United Kingdom, and U. S. S. R. diplomatic missions.

(C) Rumania

Direct responsibility

Contrary to these provisions, the Soviet Government has consistently refused to co-

AGREEMENTS

Indirect responsibility

Under article 3 of the Peace Treaty the Rumanian Government has undertaken to guarantee the enjoyment of human rights and the fundamental freedoms, including freedom of expression, of press and publication, of religious worship, political opinion, and public meeting.

(D) Korea

1. In the Cairo Declaration of December 1943, the United States, the United Kingdom, and China pledged their determination that Korea would "in due course" become free and independent. This pledge was reaffirmed in the Potsdam Declaration of July 26, 1945, and was subscribed to by the Soviet Union when it declared war against Japan on August 8, 1945. The defeat of Japan made it possible for Korea to look forward to independence.

2. The Soviet Union and the United States agreed to reestablish movement of persons, motor, rail transport, and coastwise shipping between the zones of North and South Korea (agreement of Joint United States and Union of Soviet Socialist Republics Conference, January–February 1946).

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operate with the American and British chiefs of mission in Bucharest and has in consequence reduced the treaty, repeatedly violated by the Rumanian Government, to a dead letter.

On May 4, 1948, the American Minister to Bucharest requested that an early meeting of the heads of the diplomatic missions in Bucharest be arranged to consider the implementation of the military clauses of the Treaty of Peace with Rumania. Both the Soviet and British chiefs of mission agreed to the meeting, which was scheduled for May 18, 1948. However, the Soviet Ambassador canceled the scheduled meeting because he was indisposed. On May 26, 1948, he informed the American Minister that there was no necessity for the proposed meeting and no grounds for putting the proposal into effect.

Indirect responsibility

On April 2, 1949, the United States charged Rumania with a violation of article 3 of the peace treaty. As Rumania denied that it had violated the treaty and indicated its unwillingness to adopt the requested remedial measures, the United States informed Rumania that in its view a dispute had arisen over the interpretation and execution of the peace treaty. The United States invoked article 38 of the treaty providing for the settlement of such disputes by the heads of the diplomatic missions of the United States, United Kingdom, and the Soviet Union. On May 31, 1949, the United States chief of mission in Bucharest requested his Soviet and British colleagues to meet with him to consider the dispute. In a note of June 11 to the United States, the Soviet Union declined to authorize its representative to discuss the matter, stating that Rumania was fulfilling exactly its treaty obligations and that the United States was attempting to interfere in the internal affairs of Rumania. On June 30 the United States sent a further note to the Soviet Government declaring that the attitude of the Soviet Government showed its unwillingness to act in accordance with treaty procedures and represented an obstacle to the settlement of dispute. It asked the Soviet Government for reconsideration. In a note dated July 19, the Soviet Government refused to reconsider its position.

The Soviet Government refused to cooperate in the execution of the Peace Treaty and even encouraged Rumania to defy America in its requests for the implementation of the treaty. Thus, the Rumanian Government has systematically and willfully violated nearly all articles of the treaty, especially those dealing with human rights and military matters.

(D) Korea

1. Every effort to give effect to this provision has been thwarted by the U. S. S. R. North of the 38th parallel, which has become a part of the Iron Curtain, the Soviet Union established a Communist regime. The formal creation of this regime, the so-called Democratic People's Republic of Korea," claiming jurisdiction over the entire country, was proclaimed on September 9, 1948. This aggressor regime has lived, as it was created, in complete defiance of the United Nations.[1]

2. The Soviet command in North Korea has since 1946 refused to discuss or implement the agreements reached on these matters, resisting efforts toward reestablishing the natural economic unity of the country. Concessions to economic coordination have been made only on a barter basis. No regularized movement of persons or transport has been established beyond that allowing th· limited supply by the United States of its outposts accessible only by roads through Soviet-occupied territory.

[1] A full account of this situation will be found in the report of the House Foreign Affairs Committee, Background Information on Korea (H. Rept. 2495, 81st Cong.).

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3. The Moscow agreement provided for consultation by the Joint United States and Unio· of Soviet Socialist Republics Commission with "Korean democratic parties and social organizations" in the preparation of proposals for the formation of a provisional Korean government (Moscow agreement, December 27, 1945, III, 2).

4. The Joint United States and U. S. S. R. Commission agreed to consult with political groups "truly democratic in their aims and methods," who would declare their willingness to "uphold the aims of the Moscow decision," "abide by the decisions of the Joint Commission in * * * the formation of a provisional Korean government * * *." (Joint Commission communiqué No. 5, April 18, 1946).

5. A signature of communiqué No. 5 (later included in decision No. 12) will be accepted as a declaration of good faith with respect to upholding fully the Moscow agreement and will make the signatory party or organization eligible for consultation by the Joint Commissions. Such signatories who, after signing the communiqué, foment or instigate active opposition to the Joint Commission, the two powers, or the Moscow agreement, can be declared ineligible for consultation only by mutual agreement of the two delegations on the Joint Commission (exchange of letters between Secretary Marshall and Foreign Minister Molotov, May 2 through May 12, 1947, citing the November 26, 1946, December 24, 1946, exchange of letters between the Soviet and American commanders).

(E) Iran

1. Article IV of the 1921 Soviet-Iranian Treaty of Friendship stated: "In consideration of the fact that each nation has the right to determine freely its political destiny, each of the two contracting parties formally expresses its desire to abstain from any intervention in the internal affairs of the other."

2. Article IV of the 1942 Union of Soviet Socialist Republics-United Kingdom-Iran Tripartite Treaty of Alliance stated: "It is understood that the presence of these forces [Soviet and British] on Iranian territory does not constitute a military occupation and will disturb as little as possible the administration and security forces of Iran, the economic life of the country, the normal movements of the populations, and the application of Iranian laws and regulations."

3. The Declaration of Teheran of December 1, 1943, stated: "The Governments of the United States, the Union of Soviet Socialist Republics, and the United Kingdom are at one with the Government of Iran in their desire for the maintenance of the independence, sovereignty, and territorial integrity of Iran."

4. United Nations Charter, article 2, paragraph 4, states: "All members shall refrain in their international relations from the threat or use of force against the territorial integrity or political independence of any state, or in any manner inconsistent with the purposes of the United Nations."

5. Article II of the 1927 Soviet-Iranian Treaty of Friendship stated: "Each of the high contracting parties undertakes to refrain from any aggression and from any hostile acts directed against the other party, and not to introduce its military forces into the territory of the other party."

6. In article IV of the same treaty it stated that the U. S. S. R. and Iran undertook: "not to encourage or to allow in their respective territories the formation or activities of: (1) organizations or groups of any description whatever, whose object is to overthrow the government of the other contracting party by means of violence, insurrection, or outrage; (2) organizations or groups usurping the office of the government of the other country or of part of its territory, also hav-

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3. The U. S. S. R. delegation on the Joint Commission consistently refused to allow such consultation except under unilateral interpretations of the phrase "democratic parties and social organizations," which, in each case, would exclude all but pro-Soviet political groups.

4. The U. S. S. R. delegation refused to consult with groups adhering to communiqué No. 5 if the representatives of the group had ever expressed opposition to the provision for placing Korea under the period of trusteeship envisaged in the Moscow agreement.

5. The U. S. S. R. delegation refused to adhere to the agreement when an attempt was made to schedule the party consultations. Despite the signature of communiqué No. 5, assurances of cooperation with the Commission, and a pledge to refrain from fomenting or instigating active opposition, the U. S. S. R. delegation unilaterally asserted that the members of a so-called antitrusteeship committee could not be consulted by the Joint Commission.

(E) Iran

1. The Soviet Government admitted in a note to the United States on November 29, 1945, that Soviet forces in Iran had prevented Iranian troops from taking action after the outbreak against the Iranian Government in northern Iran. This action constituted at least indirect Soviet aid to the Azerbaijan separatists and interference in the internal affairs of Iran.

2. Under the terms of the tripartite treaty, the U. S. S. R. pledged itself to respect the territorial integrity, sovereignty, and political independence of Iran, and to disturb as little as possible the administration and the security forces of Iran, the economic life of the country, and the application of Iranian laws and regulations. Violations of these pledges occurred both before and after the end of hostilities.

3. The U. S. S. R. expressed a desire in the Tehran Declaration for the maintenance of the independence, sovereignty, and territorial integrity of Iran in accordance with the principles of the Atlantic Charter. By supporting the Azerbaijan separatists, while occupying Iran, and by its refusal to evacuate its troops except under United Nations pressure, the U. S. S. R. violated its commitment.

4. The Iranian appeal to the Security Council in January 1946 was based upon charges of Soviet interference in the internal affairs of Iran.

5. The U. S. S. R. has on repeated occasions violated this article by sending Soviet armed forces into Iranian territory.

6. Soviet broadcasts to Iran have repeatedly attacked the Iranian Government on false grounds, incited the Iranian people to violent action against it, and supported the illegal Tudeh Party.

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ing as their object the subversion of the government of the other contracting party by the above-mentioned means, a breach of its peace and security, or an infringement of its territorial integrity."	
(F) Japan	(F) Japan
1. Potsdam declaration defining terms for Japanese surrender (July 26, 1945). The Potsdam declaration stipulates that "Japanese military forces, after being completely disarmed, shall be permitted to return to their homes with an opportunity to lead peaceful productive lives." 2. Geneva Prisoners of War Convention signed on December 8, 1949, by U. S. S. R. This convention sets forth the rights and obligations of countries holding prisoners of war.	On April 22, 1950, Tass announced that the Soviet Government had completed the repatriation of Japanese "prisoners of war" from its territories, except for 2,467 men charged with war crimes or under medical treatment. However, Supreme Commander Allied Powers (SCAP) and Japanese Government figures show that as of that date 369,382 Japanese prisoners of war and civilians remained under Soviet control still unrepatriated or unaccounted for. The discrepancy is explicable either by continued detention of Japanese prisoners or an abnormally high death rate.
(G) Manchuria	(G) Manchuria
1. "The high contracting parties agree to render each other every possible economic assistance in the postwar period with a view to facilitating and accelerating reconstruction in both countries and to contributing to the cause of world prosperity" (Sino-Soviet Treaty and agreements of August 14, 1945, art. VI).	1. Department of State press release No. 907 of December 13, 1946, citing Pauley report, stated that "Industry * * * (in the three eastern provinces, also known as Manchuria) * * * was directly damaged to the extent of $858,000,000 during Soviet occupancy * * *. The greatest part of the damage to the Manchurian industrial complex * * * was primarily due to Soviet removals of equipment."
2. "* * * In accordance with the spirit of the aforementioned treaty, and in order to put into effect its aims and purposes, the Government of the U. S. S. R. agrees to render to China moral support and aid in military supplies and other material resources, such support and aid to be entirely given to the National Government as the Central Government of China. * * * "In the course of conversations * * * the Government of the U. S. S. R. regarded the three eastern provinces (i. e., Manchuria) as part of China" (note of V. M. Molotov, August 14, 1945, relating to the treaty of friendship and alliance).	2. The Chinese Government failed to receive from the U. S. S. R. the promised military supplies and other material resources called for by the treaty of 1945. On the other hand when Soviet troops left Manchuria, there is strong evidence that they allowed the Chinese Communists to take over substantial quantities of Japanese arms and assume control over the area. Chinese Government troops attempting to enter Manchuria subsequent to the Japanese surrender were denied the right to land at Dairen by the Soviet authorities there and were forced to use less advantageous landing points.
3. "The administration of Dairen shall belong to China" (agreement concerning Dairen of August 14, 1945).	3. Due in large part to Soviet obstructionism, China was unable to establish a government administration at Dairen.

Mr. KNOWLAND. In weighing judgments as to the advisability of any meeting at the summit without a demonstration by deeds rather than by words, I think it will be of interest to the Senate and to the country to note the consistent record of violations by the Soviet Union of all agreements entered into by it.

TRIBUTE TO THE LATE ANDREW W. MELLON

Mr. MARTIN of Pennsylvania. Mr. President, 100 years ago today Andrew W. Mellon was born in the city of Pittsburgh, Pa.

I call this centennial anniversary to the attention of my colleagues in order to pay tribute to the greatness of this distinguished American and to recall his outstanding service to the United States and the world.

Andrew Mellon was a builder who worked constantly and courageously to create a better, happier, and more prosperous America. His father, Thomas Mellon, was a poor Scotch-Irish immigrant. He had no social or economic background when he came to America, but he had other assets of great value. He brought courage, honesty, integrity, strength of character, and the will to work.

He cherished the principles of America, individual freedom and opportunity. The same fine characteristics descended to his four sons.

From his early youth, Andrew Mellon prepared for a life of usefulness. He regarded the fortune committed to his care as a tool with which to expand industrial enterprise, to create new products for the benefit of mankind, to broaden employment opportunities for our working men and women, and to make a richer, fuller life for the community and the Nation.

He was a courageous pioneer of the industrial frontier. He had the vision to appreciate the tremendous opportunities and the rich rewards that were possible under the American system of free enterprise.

His genius contributed to the growth and development of many basic industries, such as oil, steel, chemicals, coal, and aluminum—all of them adding to the material strength of our Nation and the prosperity of our people.

Closely associated with Andrew Mellon in the rise of the family industrial and banking interests was his younger brother, Richard B. Mellon, who also found time in his busy life for participation in public affairs, in educational activities, and in the church.

Today the honorable traditions and the responsibilities of the Mellon family are carried forward by Gen. Richard K. Mellon, able and public-spirited son of Richard B. Mellon.

Andrew Mellon presided over a widespread industrial empire, but I would place greater emphasis on another phase of his long and honorable career. I would express deeper and more grateful appreciation of his vast contribution to the spiritual and cultural progress of the United States.

He was a modest man. Personal publicity was distasteful to him. In this connection I recall an incident that occurred when he was planning to make a princely gift to the people of the United States.

Several years before he announced his intention to build a magnificent center of art here in Washington he revealed his plan to me.

I congratulated Mr. Mellon and remarked that the Mellon Gallery of Art would be an everlasting monument to his memory as well as a source of cultural inspiration for generations far into the future.

But Mr. Mellon shook his head. He said he would not permit his name to be applied to the project he had in mind. He would prefer—in fact he would make it a condition of his gift—that it be designated as the National Gallery of Art, in order that others might contribute their art treasures to make the gallery truly national in character.

This unselfish desire on the part of Mr. Mellon has been fulfilled in the priceless collections that have been added, including those of Samuel H. Kress, Joseph H. Widener, Chester Dale, the Lessing J. Rosenwald collection of prints, and gifts of painting and sculpture from many other donors.

Mr. Mellon's interest in beauty extended to the city of Washington and he pushed forward with his accustomed vigor a plan to make it one of the most impressive and most beautiful capitals of the world.

His plan contemplated the erection of monumental buildings and broad avenues to make Washington a center of pride and patriotism. It was Andrew Mellon's urging that prompted President Coolidge to include in his last annual message to Congress a plea for a more beautiful Capital City. In that message President Coolidge said:

> If our country wishes to compete with others, let it not be in the support of armaments, but in the making of a beautiful Capital City. Let it express the soul of America. Whenever an American is at the seat of his Government, however traveled or cultured he may be, he ought to find a city of stately proportions, symmetrically laid out and adorned with the best there is in architecture which would arouse his imagination and stir his patriotic pride.

Congress authorized the program and appropriated the necessary funds, placing the responsibility for its execution in the hands of Mr. Mellon as Secretary of the Treasury. The Nation owes a debt of gratitude to Andrew Mellon for the dignity and beauty that is now the pride of every American who visits the Nation's Capital.

Mr. Mellon's distinguished public service as Secretary of the Treasury under three Presidents began in 1921, at a time when great financial problems were pressing upon the Nation.

UNIVERSITY OF MICHIGAN LIBRARIES

We had just emerged from World War I. War expenditures had pushed the national debt up to $24 billion, the highest level up to that time in our history. Taxes were at the highest point ever levied by any nation.

It is interesting to note that the cost of operating the Federal Government in 1921 was about $5 billion. This brought a warning from Secretary Mellon.

"The Nation cannot continue to spend at this shocking rate," he declared. "The Nation's finances are sound and its credit is the best in the world," he continued, "but it cannot afford reckless or wasteful expenditures."

Andrew Mellon applied to public finance the same sound principles which had been so successful in his private business. By prudent management the budget was balanced and high wartime taxes were reduced. Year after year during Secretary Mellon's tenure in office saw a reduction in the national debt, from $24 billion in 1921 to less than $17 billion in 1931.

His career in public service was brought to a climax by his appointment by President Hoover as Ambassador to Great Britain, a post in which he served with honor and distinction.

But the work instituted by Andrew Mellon and other members of his family continues to benefit mankind through their generous gifts for the advancement of education and scientific research having a direct relationship to human welfare.

Outstanding among these are the Mellon Institute in the city of Pittsburgh, founded by Andrew Mellon and his brother, Richard B. Mellon, as a memorial to their father, and the A. W. Mellon Education and Charitable Trust, established in 1930.

Andrew W. Mellon passed away on August 27, 1937, in his 82d year. His memory should be honored by all Americans in recognition of his brilliant record of achievement, his unselfish devotion to the public good, his unfailing adherence to sound principles in government, and his outstanding place as a benefactor of mankind.

COMPLETING THE GREAT LAKES ST. LAWRENCE SEAWAY

Mr. WILEY. Mr. President, I was pleased to read in the winter, 1955, issue of the Heartland magazine, published by the Great Lakes-St. Lawrence Association, three important comments on issues involving the future of the Great Lakes-St. Lawrence Seaway.

The first was an editorial, soundly emphasizing the importance of expanding the capacity of the Welland Canal. This editorial also stressed the vital significance of deepening the Great Lakes connecting channels, an objective for which, I for one, am striving in the form of my bill, S. 171, now pending before the Senate Public Works Committee.

Elsewhere in that issue was a fine article by Mr. F. Hugh Burns indicating the role of the connecting channels in realizing the full potentialities of the seaway.

Finally, there is an important statement by Dr. N. R. Danielian, editor and publisher of the Heartland, which expertly describes seaway traffic potentialities.

I send to the desk the text of the material which I believe represents most helpful contributions to the seaway's future, under the Wiley law, Public Law 358, of the 83d Congress. I ask unanimous consent that these items be printed in the body of the RECORD at this point.

There being no objection, the items were ordered to be printed in the RECORD, as follows:

THE FINISHING TOUCHES

The surveys for the seaway have been made, engineers have been sounding the river bottoms, and the first cofferdams have been put in place. The St. Lawrence Seaway dream is beginning to be realized.

Before the full results of the seaway can be achieved, however, there is work to be done.

The problem of the Welland Canal deserves attention. For all States west of Lake Ontario the capacity of the seaway is limited by the capacity of the Welland. Present estimates indicate that because of these limitations, only an additional 5 to 6 million tons of general cargo traffic will be available for division among all the ports—both Canadian and American—on Lakes Erie, Huron, Superior, and Michigan. In other words, the much-hoped-for boom in the export-import trade to and from Great Lakes ports will be of minor proportions. It is our hope, therefore, that the Canadian Government can be persuaded to consider, in the not too distant future, the duplication of the single locks in the Welland Canal.

It would be possible to wait before definite steps are taken concerning this expansion if only commercial considerations were involved. From the point of view of national security of both countries, however, this problem may have to be confronted earlier. Should a national emergency develop, Great Lakes steel mills might be forced to step up shipments of Labrador ore even beyond the capacity of the present Welland Canal.

There is another bit of unfinished business which will be before the Congress of the United States, and that is the deepening of the connecting channels, so that 27-foot navigation can be brought to Michigan, Indiana, Illinois, Wisconsin, and Minnesota, as well as the Canadian cities in western Ontario. The present navigation channels are restricted to 21 feet upbound and 25 feet downbound in the Detroit, St. Clair, and Sault Ste. Marie Rivers.

This problem is of interest to all the Great Lakes ports. It is our impression that the extent of service and the number of ships that will be willing to use the seaway, and the number of ports that will be serviced directly, will depend upon the capacity of these ships to go into any of the major Great Lakes ports for available business without undue inconvenience. Thus, by supporting the deepening of these channels, all Great Lakes ports can assist in increasing the volume and diversity of foreign shipping involved in lake trade.

These problems deserve the close attention and support of all seaway enthusiasts.

COMPLETING THE SEAWAY

(By F. Hugh Burns)

In the spring 1954 issue of the Heartland, Vice Adm. Lyndon Spencer, United States Coast Guard, retired, and president of the Lake Carriers Association, Cleveland, Ohio, described in graphic terms the vital importance of the Great Lakes connecting channels not only to the Great Lakes region but to the country as a whole.

At that time, a new survey and up-to-date cost estimate by the Corps of Engineers to deepen and improve these channels was in its final phase in the office of the district engineer at Detroit. Since then, a favorable report, giving ample economic justification for this project, has been rendered by Col. Arthur C. Nauman, district engineer, approved by Col. Wendell P. Trower, division engineer at Chicago, and forwarded to the Chief of Engineers. He, in turn, submitted it to the Board of Engineers for Rivers and Harbors.

This Board unanimously approved it at a meeting on January 20, 1955, including the alternate plan for the cut-off channel in Canada at the southeast bend of the St. Clair River. It also approved, in addition, the improving of the south canal's westerly approach to the locks at St. Mary's, and an increase in its depth of 1 foot at an estimated cost of $1,300,000. As finally approved by the Board of Engineers for Rivers and Harbors, the total estimated cost of this improvement project will be:

Main project for deeping and improving	$109,027,000
Alternate proposal, SE. bend St. Clair River	5,615,000
Additional improving and deepening at St. Marys	1,300,000
Total estimated cost	115,942,000

The report will now be sent to the Governors of the affected States, viz, Minnesota, Wisconsin, Illinois, Michigan, Indiana, Ohio, Pennsylvania, and New York, as well as to any Government agencies, that may have an interest. They are permitted a period of 90 days in which to make such suggestions or comment as they may deem necessary. Upon receipt of their replies, it then goes to the Chief of Engineers for his action, endorsement and transmittal to the 84th Congress.

The study recommends that the existing project for the Great Lakes connecting channels be modified to provide for deepening and improving the channels in St. Mary's River, Straits of Mackinac, St. Clair River, Lake St. Clair, and the Detroit River, to provide for increasing the controlling depths in the upbound and downbound channels, which are now 21 feet and 25 feet, respectively, to 27 feet.

The plan for improvement of these channels includes deepening the westerly 300 feet of the 500-foot upbound Middle Neebish Channel in the St. Marys River to a minimum depth of 27 feet; also the deepening of the westerly 300 feet of the Amherstburg Channel in the Detroit River from the presently authorized but unconstructed depth of 27 feet to 27.5 and 28.5 feet for various reaches. The deepening to 27.5 feet will be for the full channel width of the upper portion of the Amherstburg Channel, where cross currents create a serious navigation problem.

The total cost of this improvement is estimated at $109,027,000.

The report also recommends that the alternate plan for the cut-off channel in Canada at the Southheast Bend, St. Clair River, be authorized for construction in lieu of further improvement of the existing river channel. This would involve an additional cost of $5,615,000 over that for deepening the existing river channel included in the plan of improvement above. If this further recommendation is accepted, it would make the total cost of the project $114,642,000.

If the plan recommended is approved and authorized, the controlling depths of the Great Lakes connecting channels will then be commensurate with the 27-foot depth project authorized for the St. Lawrence Seaway from Montreal to Lake Erie, thus bringing the new deep water channel through to the head of the lakes at Duluth.

The engineers' study of the economic benefits to be derived from this improvement reveals some interesting facts which serve to

emphasize the vital importance and need for the authorization of the project at this time.

In 1953 the total tonnage of all Great Lakes traffic amounted to 242,612,000 tons. Of this total, 32,855,000 tons were imports and exports (mostly involving Canada) and the remaining 209,757,000 tons were domestic.

Prospective commerce through the connecting channels has been estimated as follows:

	Tons
Iron ore	82,000,000
Coal	66,000,000
Grain	5,800,000
Stone	35,000,000
Petroleum	3,900,000
Total	192,700,000

The engineers found that the estimated annual charges, based on a 2½ percent interest rate and sinking fund amortization over a period of 50 years would be $4,250,000.

These channel improvements will bring a reduction in per ton transportation costs of bulk carriers from $1.02 at present to 87 cents, a saving of 15 cents, or approximately 15 percent; on self-unloaders from 81 cents to 63 cents, a saving of 18 cents, or approximately 22 percent. It has been further estimated that the annual operating cost of the entire fleet, with a capacity of 178,700,000 tons, would be reduced from $176,600,000 to $149,100,000.

Total transportation savings over a 50-year period are estimated at $279,800,000. The total annual equivalent of transportation savings over the economic life of the project is estimated at $9,868,000. Of this amount, 77 percent, or $7,600,000, can be credited to the proposed improvement of the channels as set forth in the report. This is equivalent to a benefit-cost ratio of 1.78 to 1, or $1.78 in benefits for every dollar of annual cost.

Welland's Capacity

(By N. R. Danielian)

I shall address myself to two questions: How much more in shipping can you expect as a result of the St. Lawrence Seaway project; and how different will it be in comparison with present traffic and types of ships? The waterborne commerce on the Great Lakes was 256 million tons in the 1953 navigation season. Will this waterborne commerce increase in tonnage specifically as a result of the St. Lawrence Seaway project, and, if so, by how much and in what period of time?

An analysis of the Great Lakes commerce indicates that, with the exception of some 500,000 tons of export-import business to overseas points, which is but one-fifth of 1 percent of the total waterborne commerce of the Great Lakes, most of the rest of this business was in bulk industrial commodities such as iron ore, coal, gravel, oil, and grain products.

I know of no way of projecting, with any exactitude, the year-by-year raw material requirements of an expanding industry in the Great Lakes area. You will just have to keep an ear close to the ground and watch the trends of industrial concentration. You can anticipate a trend in favor of the Great Lakes area, but you cannot measure its future magnitude. A good deal will depend upon the initiative of the people in the various communities in making this area attractive to industrial expansion. Any so-called economist that tells you otherwise is kidding the unwary.

As to what form of shipping this expansion may require, I think, by and large, it is safe to say that present-type lake shipping will be the backbone of this business insofar as Canadian and United States sources both in the Northeast and the Northwest are the origin of the raw materials. There will be perhaps a greater use of ocean shipping to bring such raw materials where African, South American, or even perhaps east coast United States sources of supply, such as phosphate from Florida, may be brought in for local industry.

Whether this Great Lakes trade will cause the design and construction of a new-type ship which will be just as economical on the Great Lakes during the open season of navigation and just as seaworthy on the high seas all year round, I leave it to you gentlemen to decise.

It appears, therefore, that the demand for raw material transportation facilities will grow gradually, in the natural course of industrial development, but that, by and large, this will not create a revolutionary change in the types of ships and the port facilities that will be required.

There is one type of business that will be new to the Great Lakes area, both in quantity and in the type of ships that will ply these waters. That is the export-import trade in general cargo. It is true that we now have ships of small size drawing at full load 19 feet of water, restricted to about 250 feet in length and 42 feet in width which pick up cargo on the Great Lakes up to about 1,500 tons and go down the St. Lawrence canals drawing 14 feet of water. These will be replaced in time by larger ships, depending on the particular routes and types of cargoes for which these are built, carrying 7,000 to 10,000 tons. You are aware that some foreign shipping lines are already constructing boats adapted to this traffic, and I am informed that American Shipping Lines have design of ships for this trade under consideration.

I think you can expect this trade to grow with the opening of the seaway. Again, it will take time to make all the adjustments of services, facilities, and shipping, but it is likely to grow, perhaps within our own generation, from the present 520,000 tons a year to possibly 5 million tons a year—a tenfold growth, which is the Canadian Government's estimate.

When this will come is hard to tell. Some estimates put it at within 5 years of the opening of the seaway. This trade, however, will be carried on during a season of 244 days, on the average, through all the ports of the Great Lakes area. Compare it with an annual export-import figure in general cargo other than bulk commodities from New York harbor alone, which in 1953 was 13,519,975 tons.

This business will definitely be incremental new business. It will probably involve new types of ships, in addition to those already mentioned, such as the proposed roll-on, roll-off type ships which the Defense Department and the Maritime Administration have under design for transport of automotive equipment. Five million tons is not large, but it is 10 times as large as what we have at present.

AMENDMENT OF COTTON-MARKETING QUOTA PROVISIONS

The Senate resumed the consideration of the bill (H. R. 3952) to amend the cotton-marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the amendment proposed by the Senator from Mississippi [Mr. STENNIS] for himself, the senior Senator from Arkansas [Mr. McCLELLAN], and the junior Senator from Arkansas [Mr. FULBRIGHT], as a substitute for the language beginning on page 3, line 10, and extending down to and including the word "therein" on page 4, line 3. This amendment, under Senate procedure, is in the first degree.

Mr. ELLENDER. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The Secretary will call the roll.

The legislative clerk proceeded to call the roll.

Mr. STENNIS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. JOHNSTON of South Carolina rose.

Mr. STENNIS. Mr. President, I may say to the Senator from South Carolina [Mr. JOHNSTON] that the amendment I have offered is under the present parliamentary situation, the pending question, and I wish to make a very brief factual statement.

The amendment provides an increase of 271,000 acres. The Senate committee amendment as originally reported carries 258,000 acres. So that the acreage is almost the same.

The Senate committee amendment to be proposed today will carry 168,000 acres, while the House bill carries an additional acreage of 544,000.

Mr. President, I wish to point out the distressing situation and the need for some acreage relief which has been recognized by the Department of Agriculture. It has also been recognized by the House of Representatives and by the Senate Committee on Agriculture and Forestry. The only difference is as to the method of meeting distress cases and to what extent we should go.

In view of those facts, Mr. President, I am willing to have the question voted on after a brief factual statement or such statement as the chairman of the Committee on Agriculture and Forestry may wish to make. I think orderly procedure, as well as the merits of the case, commends the idea of getting the facts and then letting every Senator vote as he sees fit.

Mr. President, I yield the floor.

Mr. JOHNSTON of South Carolina. Mr. President, I send to the desk an amendment which is reported by the Committee on Agriculture and Forestry.

The ACTING PRESIDENT pro tempore. The clerk will state the amendment offered by the Senator from South Carolina.

The LEGISLATIVE CLERK. On page 3, beginning in line 17, with the word "further", it is proposed to strike out through the word "subsection" in line 20, and to insert the following: "such further additional acreage, in the case of Illinois and Nevada, as may be necessary to increase the allotment of each such State to 3,500 acres."

On page 4, after line 15, it is proposed to insert the following:

(c) Whenever it is determined by the Secretary of Agriculture that because of drought or other abnormal weather conditions, any part of a cotton-acreage allotment for any farm cannot be planted to cotton in 1955, such acreage allotment may in accordance with regulations prescribed by the Secretary be transferred by the owner or operator of such farm to another farm where water or moisture is available and which has been owned or leased and operated by such owner or operator for a period of 1 year

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prior to the transfer of the allotment: *Provided, however,* That no such transfer shall be made from a dryland farm to an irrigated farm. Any allotment transferred under this provision and planted to cotton on another farm shall be regarded for the purposes of subsection 344 as having been planted to cotton on the farm from which such allotment was transferred rather than to the farm to which the allotment is transferred.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the amendment to the committee amendment offered by the Senator from South Carolina.

Mr. JOHNSTON of South Carolina. Mr. President, the amendment which I have offered has been proposed by the Committee on Agriculture and Forestry. The committee met yesterday after the matter had been discussed on the Senate floor. The amendment was adopted by the committee by a vote of 9 to 1. It strikes out a provision increasing each State allotment by one-half of 1 percent. It increases the allotments of Illinois and Nevada to 3,500 acres, and adds to the committee amendment the amendment which was intended to be proposed by the Senators from Texas because of the drought situation there. It does not increase the allotment which was originally proposed by the Department of Agriculture. It would permit a producer who, because of drought or other abnormal weather condition, cannot plant his 1955 allotment to transfer his allotment to another farm owned or operated by him where moisture is available, no such transfer to be made from a dryland farm to an irrigated farm.

The total additional acreage provided by the bill as amended by this amendment would be 169,603.8 acres. This is the amount shown in the committee report for each State, except Illinois and Nevada, as being required to increase each farm allotment to the smaller of 4 acres, or 75 percent of the highest acreage planted in 1952, 1953, or 1954; 444 acres in the case of Illinois and 1,176 acres in the case of Nevada.

We think it provides sufficient acreage so that they may have a cotton gin.

I believe the committee voted unanimously for those particular items.

If there are any questions regarding the amendment, I shall be glad to answer them.

Mr. KUCHEL. Mr. President, will the Senator from South Carolina yield?

Mr. JOHNSTON of South Carolina. I yield.

Mr. KUCHEL. I learned only a little while ago that the committee had acted and had recommended an additional amendment to the bill under consideration. Is it the intention of the Senator from South Carolina to call up the amendment first and have a vote on it?

Mr. JOHNSTON of South Carolina. It comes up first. The committee has proposed an amendment to perfect the Senate committee amendment.

Mr. KUCHEL. I came late to the floor because I have been in attendance on a meeting of a Subcommittee on Interior and Insular Affairs. May I ask the Senator if he has an extra copy of his amendment, so that I may look at it?

The ACTING PRESIDENT pro tempore. The Chair will advise the Senator from California that the parliamentary procedure is that since the amendment offered by the Senator from Mississippi seeks to strike out and insert, and the amendment offered by the Senator from South Carolina proposes merely to perfect language now contained in the committee amendment, under rule XVIII the perfecting language takes precedence, and the vote, when it occurs, will be first on the amendment offered by the Senator from South Carolina before the amendment offered by the Senator from Mississippi can be acted upon.

Mr. JOHNSTON of South Carolina. Action on the amendment I have offered will not prevent an amendment to the bill later.

Mr. KUCHEL. I now have a typewritten copy of the statement explaining the proposed amendment. The Senator from South Carolina suggests, first, that the amendment would strike out the provision increasing each State allotment by one-half of 1 percent.

If I understand correctly the intendment of that particular part of the new amendment, it would eliminate column 3 of the table set forth on page 2 of the report of the committee dated March 8, 1955.

Mr. JOHNSTON of South Carolina. In effect, it simply eliminates the one-half of 1 percent provision and substitutes in lieu thereof what is proposed in perfecting the amendment.

Mr. KUCHEL. Second, the amendment would increase the allotment of Illinois and Nevada to 3,500 acres each.

Mr. JOHNSTON of South Carolina. That is so.

Mr. KUCHEL. Unless the second provision in the perfecting amendment were included, Illinois and Nevada would receive only 15 acres and 12 acres, respectively, would they not?

Mr. JOHNSTON of South Carolina. That is true. The committee felt that these two States should have a sufficient amount to provide for a cotton gin. Illinois now has 3,056 acres. As the Senator will notice, 444 acres would be added to the Illinois acreage.

The additional amount allotted to Nevada is 1,156 acres.

Mr. KUCHEL. With respect to the third recommended change, I again refer to the typewritten explanation, which reads:

> Add to the committee amendment the amendment which was intended to be proposed by the Senators from Texas, which would permit a producer who cannot plant his 1955 allotment because of drought or other abnormal weather conditions to transfer his allotment to another farm owned or operated by him where moisture is available, no such transfer to be made from a dry-land farm to an irrigated farm.

Mr. JOHNSTON of South Carolina. That gives to no State any additional acreage; but if a farmer owns two different farms, he can transfer from one to the other, but not from a dry-land farm to an irrigated farm, or from an irrigated farm to a dry-land farm.

Mr. KUCHEL. May I ask the Senator from South Carolina if there is any provision as to the length of time which a farmer would be required to own the property, in order to be eligible under the amendment?

Mr. JOHNSTON of South Carolina. He must have owned it for 1 year prior to the request being made.

Mr. KUCHEL. Specifically, would one of the effects of the amendment be to eliminate the State of California from any additional acreage?

Mr. JOHNSTON of South Carolina. Not if California comes under the proposal. Of course, all States are treated on the same basis. I do not believe California would get any additional acreage.

Mr. KUCHEL. What other States would be in a position similar to that of California under the amendment which has been offered this morning?

Mr. JOHNSTON of South Carolina. I do not think any other State would be in a position similar to that of California.

Mr. ELLENDER. Mr. President, there would be no other State in the position of California.

Mr. KUCHEL. Do I understand correctly that California is the only State whose acreage is reduced to zero?

Mr. ELLENDER. The reason for that is that California has no small farms of this size needing relief; according to my information all the farms in California are larger farms than those receiving additional acreage under the committee amendment now pending before the Senate.

Mr. KUCHEL. Why are Illinois and Nevada being increased to 3,500 acres each?

Mr. JOHNSTON of South Carolina. The only reason is to provide them with a sufficient amount of acreage to enable them to have cotton gins.

Mr. KUCHEL. I thank the Senator from South Carolina for answering my questions. I desire to have an opportunity to study the text of the amendment, although now I think I recognize its implications. Later this afternoon I should like to discuss the matter at greater length.

Mr. ELLENDER. Mr. President——

The PRESIDING OFFICER. Does the Senator from South Carolina relinquish the floor?

Mr. JOHNSTON of South Carolina. I relinquish the floor.

Mr. ELLENDER. Mr. President, yesterday the Committee on Agriculture and Forestry met for the purpose of trying to draft a provision which would be acceptable to all the cotton-producing States. Soon after our meeting, it was apparent that this could not be done.

What the committee finally agreed to do was what the Senator from South Carolina has just stated, namely, to take care of small farmers only.

As I stated previously, were it not for the fact that the committee finds it necessary to provide sufficient acreage to take care of 182,847 distressed small farmers, the bill would not be before the Senate.

The bill when it was originally reported to the Senate provided, as the Senator from South Carolina has just stated, additional allotments for small farmers plus one-half of one percent of each State's allotment, so as to make available to all the cotton-producing States a certain fixed acreage in proportion to the present 1955 allotment of each State. When the committee met

yesterday, it decided to provide only the acres necessary in order to take care of the 182,847 distressed small farmers. We voted to confine the relief to bona fide hardship cases.

If the bill is enacted, it will mean that the small farmer, be he in the West, the South, or the Southwest, will receive the smaller of 4 acres, or 75 percent of the highest number of acres he planted in any one of the years 1952, 1953, or 1954. The purpose of the bill is simply and solely to take care of the 182,847 small cotton farmers of this Nation.

It is true that under the law some of the States which did not do so could have provided relief for their small farmers. Many States did their best to provide for all their small farmers; but, because of the acreage limitation, they found the number of allotted acres to be inadequate to take care of them. All that the bill seeks to do is to correct that situation.

It is also true that in several States some of the committees did not set aside even 1 acre in order to take care of small farmers. But let us not blame the small farmers for that; they are not responsible; they should not be punished.

It strikes me that what Congress should do, and soon, is to force the States to make the allocations provided for in the present law, rather than to allow the allocations to be more or less optional. If such a mandatory provision were now in the law, the pending bill might not be before the Senate today, except for the necessity of providing such additional acreage as may be necessary—and that is what we are now asking for—to enable each farmer to have a minimum of 4 acres, or 75 percent of the highest acreage he planted in either 1952, 1953, or 1954.

I think the bill is fair and just. I am satisfied that if a bill of this character were passed by the Senate, the President, and also, I feel certain, the Department of Agriculture, would favor it, because its purpose is to take care of a real hardship problem.

It is my hope that the Senate will stand back of the recommendations made after careful study by the Committee on Agriculture and Forestry.

Mr. President, time is running out, and unless we act today, it may be too late no matter what the Senate does, because in many of the States farmers have already started planting cotton. Yesterday we were notified by Mr. Rhodes, of the Department of Agriculture, that any allocations other than those necessary to take care of the small farmers would require from 4 to 5 weeks before the calculations could be made and the acreage allotted to farmers. But as to the allocations for the small farmers, numbering 182,847, the calculations could be completed within 10 days. So, Mr. President, I urge the Senate to act on the amendment favorably, and without delay.

When the Senate passes the bill, as every Senator knows, it will have to go to conference with the House. How long it will take to complete work on the bill, I do not know, but I feel confident we may have a battle on hand, because our bill seeks to protect the small farmers only, whereas the House bill seeks to give to each State 3 percent of its allotment, with only a few exceptions.

I urge the Senate to follow the recommendations made by the Committee on Agriculture and Forestry.

Mr. KUCHEL. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. COTTON in the chair). Does the Senator from Louisiana yield to the Senator from California?

Mr. ELLENDER. I yield.

Mr. KUCHEL. First of all, I should like to have the Senator tell the Senate on what theory he originally recommended, as a part of the bill, that an increase of one-half percent of the present allotment be given to several cotton-growing States.

Mr. ELLENDER. The subcommittee made a recommendation of 1 percent, and the full committee made it one-half percent. To be frank with the Senator, some members of the committee had in mind that by providing some acreage for the States in addition to that required for small farms, further support might be obtained for the bill.

Mr. KUCHEL. In other words, the Senator is suggesting that the bill was originally reported by the committee to the Senate in such a way that others might be attracted to its cause, so that it might be adopted by the Senate, is he not?

Mr. ELLENDER. That is my statement as a Senator. I do not wish to impugn the good faith of any Senator, but I think Senators who were there will bear me out that many of us preferred to allocate the acreage in order to take care of the small farmers only, and we reached that decision because of the reaction the subcommittee had when it took the matter up with the Department of Agriculture. In conversation with the representatives of the Department we were informed there would be no serious opposition from the Department if the bill provided only for a sufficient number of acres to take care of the small farmers. Because of that fact, we met again yesterday. What prompted the change, and probably the attitude of some Senators, was the fact that time is growing late. As a matter of fact, some Senators had several conversations with representatives of the Department of Agriculture, and were informed that if any additional acreage were provided to take care of farmers other than small farmers, it would require from 4 to 5 weeks before the size of the additional allotments to be granted to the various States could be ascertained, whereas in the case of the allotments to the small farmers it would require only 10 days. It may be that is what prompted many of the Senators to favor a bill providing relief only for the small farmers.

I repeat what I said yesterday and today, that except for the necessity of relieving bona fide hardship cases, and in order to assist our distressed small farmers, the bill would not be before the Senate today.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. JOHNSTON of South Carolina. Is it not also true that when the subcommittee reported the bill with a 1-percent provision, many of the Senators on the committee took the position that, with in excess of 250,000 acres provided for in the bill, there might be opposition from the Department?

Mr. ELLENDER. I heard mentioned the figure 250,000 acres and I heard the figure 200,000 acres. That, added to the other factors, made some of us take the position that the acreage should be reduced to such a point that, if the bill were submitted to the Department, it would receive the approval of the Department, and in turn the signature of the President.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. HOLLAND. The Senator from Louisiana referred to the fact that several Senators who were members of the committee called Department personnel regarding the time and detail which would be involved in order to put the measure into effect. I was one of those Senators. In substance, the information we received was that if the relief—and this is a relief bill—as reported by the committee—was confined entirely to farmers who were in the 4-acre category, or, if their maximum planting for the last 3 years had been less than 4 acres, then 75 percent of their largest planting, calculations could be started at once. The States would be notified and then the counties. The data could be prepared at once, and the calculations would not be difficult. In the meantime, the new regulations could be formulated and published, just as speedily as possible, in the Federal Register. The whole matter could be moving in 10 days to 2 weeks.

On the other hand, if any other provisions were contained in the bill, such as a provision for an additional one-half percent, 1 percent, 1½ percent, or 3 percent, as proposed by the House bill, in the acreage for each State, the work would involve a much longer process, in that each State would have to be advised, and would have to report back to Washington as to how the acreage would be broken down, and the final action of the Department would have to await the completion of those reports. The time required would be doubled, or possibly a great deal more than doubled by reason of that fact. If the desire was to afford relief, it was not only apparent that the simple process of aiding only the very small farmers would bring quick relief, but that any other method would defeat quick relief. That was the substance of the statement made to me by the appropriate official of the Department of Agriculture.

Mr. KUCHEL. Mr. President, will the Senator from Louisiana yield to me?

Mr. ELLENDER. I yield to the Senator from California.

Mr. KUCHEL. What was the purpose of including the 3,500-acre provision, bringing up the allotments for Illinois and Nevada?

Mr. ELLENDER. As was stated by the Senator from South Carolina, and as was stated by some other committee

members, the main purpose of that increase was to provide enough cotton production in Nevada to maintain a cotton gin.

Mr. KUCHEL. Did the Senator consider that an urgent situation?

Mr. ELLENDER. We were told that if that were not done, any cotton produced in Nevada would probably have to be transported to California, a distance of more than 300 miles over rugged mountain roads. That is what prompted the committee to act as it did on that particular provision, and there was no other reason for it.

Mr. KUCHEL. Let me ask the distinguished Senator from Louisiana, the chairman of the committee, whether I correctly understood his statement. Did he say that under the present law, last year each State could have made its allocations to the 4-acre farms if it wished to do so?

Mr. ELLENDER. No; I do not say that.

Mr. KUCHEL. What did the Senator from Louisiana say?

Mr. ELLENDER. I said most States made special allocations to the small farms, but some States did not have sufficient acreage to allot each farmer the minimum of 4 acres or 75 percent of the 3 last years' plantings.

Mr. KUCHEL. I think the Senator from Louisiana will recall that during the subcommittee hearings the statement was made that in some States there was maladministration.

Mr. ELLENDER. I do not know about maladministration; but there were some States—I think California was one of them—which made no provision for small farms, and I presume that is because those States do not have any small farms. I think the State of Mississippi made no such provision. But that is not the point. The point I am making to my good friend, the Senator from California, is this: why should the small farmers be blamed and even penalized because the administrators of the law do not carry it out as it should have been carried out? It strikes me, as I said a while ago, that what the committee should do—and I propose to try to do it in the immediate future—is to make the administrators carry out the law in the spirit in which it was intended.

Mr. KUCHEL. Let me say, first of all, that California made complete provision for the small farmers.

Mr. ELLENDER. In this statement I have from the Department, that is not reflected.

Mr. ANDERSON. Mr. President, will the Senator from Louisiana yield to me at this point?

Mr. ELLENDER. I yield.

Mr. ANDERSON. Does not the statement reveal that California set aside 10 percent of its reserves for small farms, which was adequate for its small farms?

Mr. ELLENDER. No.

Mr. ANDERSON. The statement does not reveal that? Then what does it reveal?

Mr. ELLENDER. I am quoting the statement in regard to 4-acre farms. It may be that California considers a 50-acre or 100-acre farm a small one. But in the 4-acre size we are trying to help, a 50- or 100-acre farm is a large one. As the Senator from New Mexico knows, 4-acre farms are prevalent in the South, although that situation does not prevail in California or New Mexico. I assume that accounts for the fact that in the table appearing on page 2 of the committee report there is a big zero opposite California, as to 4-acre farms.

Mr. ANDERSON. Yes; as to 4-acre farms.

Mr. ELLENDER. Yes. That is what I am talking about.

Mr. ANDERSON. But the testimony was that California had set aside for small farms 10 percent of its State reserve, and had allotted it to small farms, and that it was adequate for the purpose.

Mr. LANGER. Mr. President, will the Senator from Louisiana yield to me?

Mr. ELLENDER. I yield.

Mr. LANGER. As the distinguished Senator from Louisiana knows, not much cotton is raised in North Dakota. However, I am interested in knowing whether the Senator from Louisiana would apply the same formula to wheat. For example, in North Dakota a small farmer may have 160 acres of wheat; but under the allotment plan, he might be allowed to seed only 30, 31, or 32 acres of it.

Mr. ELLENDER. The bill does not deal with that subject.

Mr. LANGER. However, if the Senators from North Dakota were to introduce such a bill, would the Senator from Louisiana be willing to say that the small farmer, having 160 acres, should not have his allocation reduced?

Mr. ELLENDER. Of course it would depend on the facts developed. I assure the Senator from North Dakota that if such a bill were introduced, I would certainly appoint a subcommittee—if I were instructed to do so—to hold hearings in the same manner that the subcommittee proceeded to hold hearings on the bill dealing with cotton farmers. If justification were shown for the enactment of such a bill, I am sure the Committee on Agriculture and Forestry would give the bill adequate consideration.

Mr. ANDERSON. Mr. President, I believe this measure is an extremely important piece of proposed legislation, which ought to have very careful consideration by the Congress.

I believe that the action taken on yesterday by the Committee on Agriculture and Forestry, revising its amendment and in trying to limit the relief it gives to the areas east of the Mississippi River, with the small exception of a few acres allocated to Nevada—which I heartily concur—was improper. I believe I should say frankly that I was the only member of the committee who voted against it; for the vote was 9 to 1.

I hope the Members of the Senate will take a good look at the table which I inserted at page 3536 of yesterday's CONGRESSIONAL RECORD. It shows that the great State of California, which steadily runs a close competition with the State of Iowa as to being the greatest agricultural State in the Union, would get exactly zero acres by the action of the committee, because California could not come down to a 4-acre formula and be able to show 4-acre farms still needing help.

It happens that we must consider the type of agriculture which exists in the particular areas with which we are concerned. In an irrigated section it is not possible to operate a 4-acre farm with any possibility of success, insofar as cotton production is concerned, because cotton farming in California, Arizona, New Mexico, and the western part of Texas is mechanized. One cannot afford to buy a flamethrower or a 4-row cultivator, or a diesel tractor to pull that equipment, and operate with only 4 acres of cotton. So one who says the only measure of hardship he will consider is whether a farmer has or does not have 4 acres, is admitting in the beginning that he wishes to be unfair.

Mr. President, what happened at the meeting of the Committee on Agriculture and Forestry? The committee decided that certain States would have their acreage increased; for instance, Florida, 15 percent; Illinois, 14 percent, and, incidentally, that increase amounts to only 400 acres; Kansas, 5 percent, which amounts to about 2 acres; Kentucky, 4 percent, which is less than 300 acres; Nevada, 50 percent, for the laudable purpose of trying to make it possible for the cotton farmers in that State to have a gin; North Carolina, 8 percent; Tennessee, 3 percent; Virginia, 22 percent; and a whole group of States, including Alabama, Georgia, Louisiana, Mississippi, and South Carolina, would receive approximately a 2-percent increase.

How did it work out? The great State of Arkansas has its 1955 planting quota allotted on an acreage of 1,529,000; but under the action of the committee, Arkansas would receive 3,300 acres, to take care of small farms.

But the State of North Carolina, with one-third the cotton acreage of Arkansas—or 515,000 acres—would receive 38,000 acres. What had happened? The State of Arkansas had made its allocation for small farms. Forty-one and eight tenths percent of all the acreage reserved by the State of Arkansas was used for small farms.

Mr. President, how much do you suppose the State of North Carolina used for small farms from its State reserve? It used absolutely nothing—zero; not 1 acre of the State reserve was, in the case of North Carolina, used for small farms.

The State of Arkansas used 41.8 percent of its acreage for small farms. It solved its small-farm problem; and, therefore, when Arkansas comes to consider the committee's proposal, Arkansas finds that, by action of the committee, because Arkansas did what the cotton law of 1949 said she should do, because Arkansas set up a reserve for its small farmers, Arkansas will, under the committee proposal, get 3,000 acres, on a base of 1,500,000 acres, whereas the State of North Carolina will get 38,588 acres on a base of one-third that much, or 515,000 acres.

Mr. MONRONEY. Mr. President, will the Senator from New Mexico yield?

Mr. ANDERSON. I am happy to yield to the Senator from Oklahoma.

Mr. MONRONEY. I agree entirely with the distinguished Senator from New Mexico as to the inequitable way in which

this program would work against State committees which have made allocations for small farms. If we now give preference to States which did not make their allocations to take care of small farms, will not other cotton producing States next year probably disregard the problem of taking care of the small farms, if they find themselves the victims of having followed the spirit of the law in that regard?

Mr. ANDERSON. The Senator from Oklahoma is entirely correct. There will not be a State in the Union which will make a reservation of a single acre for small farms, because the State will have been notified, if this action stands, that the way to get acreage is to gut the small farmer. Then it can come back and say, "Now the small farmer is in distress. We have successfully gutted him. Now we want some acreage to help him out."

Mr. ERVIN. Mr. President, will the Senator yield?

Mr. ANDERSON. I am glad to yield to the Senator from North Carolina?

Mr. ERVIN. Assuming that the Senator from New Mexico is correct in saying that those in charge in my State of North Carolina made an improper allocation, the Senator from New Mexico is now advocating that we compound a wrong by taking away from the farmer who has 4 acres or less the only method he has of making a living and giving it to those who are able to raise cotton by machinery on broad acres. In other words, he says that we should follow the Scriptures and give to him who hath, and take away from him who hath not.

Mr. ANDERSON. That is an interesting question. I do not regard it as much of a question, except that it is in no way a correct interpretation of what I said. It is completely erroneous.

Mr. ERVIN. The Senator from New Mexico says the Senate should do wrong——

Mr. ANDERSON. I do not.

Mr. ERVIN. From my standpoint. The Senator from New Mexico says we ought not to give to the small cotton farmers as much as 4 acres, or 75 percent, if they farm less than 4 acres.

Mr. ANDERSON. I invite the Senator to read what I have been saying. He will find that I have made no such suggestion. I am merely suggesting to those who brought in the report that if it is all right to do justice to the farmer of North Carolina, it is not exactly a penitentiary offense to do justice to the farmer in Oklahoma or Arkansas.

Mr. ERVIN. I understood the Senator from New Mexico—and he can correct me if I am mistaken—to say that he is opposed to a bill which would enable a farmer in North Carolina—who knows no other way of making a living except growing cotton, as much as 4 acres, or a lesser amount if he has had a lesser allotment.

Mr. ANDERSON. The Senator can assume what he wishes, but he has not heard me say anything like that.

Mr. ERVIN. Then is the Senator in favor of the bill against which he is speaking? Am I justified in drawing that inference?

Mr. ANDERSON. I do not think the Senator is justified in making that assumption. I did not oppose the bill which was reported, which was designed to give some relief. I tried to get the Senate Committee on Agriculture and Forestry to realize that relief is just as important to a man who is starving on a 20-acre piece of cotton as to a man who is starving on a 3½-acre piece of cotton. The degree to which the starvation takes place does not matter, if it takes place at all.

Mr. ERVIN. The Senator is probably correct. The agony of the man starving to death on 20 acres or 100 acres would probably be greater than that of the man on 4 acres or less, because it would take him longer to starve to death.

Mr. ANDERSON. I believe it would be helpful if the Senator were to try to find out what happens when a man makes a large investment in a farm, and borrows money from a bank.

There sits in the Chamber at this moment a very distinguished member of the Senate Committee on Agriculture and Forestry who, not long ago, was discussing the difference in farming in his State at present, as compared with the situation when he was younger. He reminded us that when he started to farm one could obtain a small piece of ground and a team and go to work. However, his sons must have $10,000 worth of equipment to start. That is why, when we reduce the acreage in each State to a great degree we put that young man in jeopardy, because he owes $10,000 to a bank. He must make payments on it. It does not soften the blow to any extent to say that he is not a small farmer if he has 160 acres. He has a big problem. I had hoped that the Committee on Agriculture and Forestry would look at the problem in terms of distress.

Consider the situation in the State of Oklahoma. The State of Oklahoma has a base of 872,000 acres. Under this bill the State of Oklahoma would get the magnificent sum—and I hope the senior Senator from Oklahoma has paid attention—of 1,807 acres, out of 872,000.

Mr. MONRONEY. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. MONRONEY. By comparison, it is interesting to note that the State of Florida has a total cotton allotment of 36,282 acres, which is somewhat less than 5 percent of the cotton acreage to which Oklahoma has been entitled by reason of historical factors. Florida, with less than 5 percent of that acreage, receives in excess of 500 percent more relief under this bill than does the State of Oklahoma. On a base of 872,000 acres, we receive only 1,807 acres. Florida, with a base of 36,282 acres, receives 5,064 acres. If we are to share in the hardship, there is not a cotton farm in the United States which has had to come down in the ratio of 28 million to 18 million, which is the national ratio, which is not in hardship.

I agree with the Senator from New Mexico that, much as we desire to help the 4-acre farmers, those who are having a most difficult time on 40 acres are in just as great jeopardy. Certainly any bill designed to alleviate the hardship should not be written on the theory that the hardship exists in only a very few of the cotton-producing States.

Mr. ANDERSON. The Senator is absolutely correct. It is true that, because of the topography of Oklahoma, and because of the rainfall in certain sections of Oklahoma, a man does not try to farm 3½ acres of cotton, as he might do in North Carolina, which is blessed by providence to a greater extent so far as concerns the character of the soil and the amount of rainfall.

Mr. ERVIN. And the number of children.

Mr. ANDERSON. And the number of children.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. ANDERSON. I shall be glad to yield in a moment.

The farmer on 35 acres has the same problem. The principle of justice in the bill which was reported by the Committee on Agriculture and Forestry yesterday—with respect to which I say again that I am happy I cast the only vote in opposition—is that we shall give exceptional acreages where the pattern of agriculture is of one type, but we shall give no relief whatever, even though the people are in just as deep distress in another part of the country, if they live in a part of the country where the acreage of farms is a little greater.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. HOLLAND. I ask the attention of the distinguished Senator from Oklahoma. I hope he will look at the chart which he was holding in his hand a moment ago. If he does, and if he looks at the figures opposite the names of Florida and Oklahoma, he will find that the State of Florida used 60 percent of its total State reserve to aid farmers with small acreages. He will find that in the case of Oklahoma less than 15 percent of the State reserve was used to aid the small farmers. Here are the figures: In the case of the State of Florida the total State reserve was 3,628 acres, of which 1,995 acres were used to alleviate the problems of the small farmer. In the case of Oklahoma the State reserve was 130,880 acres, and the amount of acreage used to alleviate the problems of the small farmers was 17,851.

Mr. MONRONEY. Mr. President, will the Senator yield further?

Mr. HOLLAND. If the Senator from New Mexico will do the same thing with reference to the figures of his State, he will find that those who did the apportioning in his State used the 18,219 total State reserve in such a way that only 3,831 acres went to alleviating the condition of the small farmer. It indicates rather clearly that Florida has gone all out in trying to help the small farmer.

Let me say, incidentally, that I had no part in drafting the bill and did not offer a bill; I was not a member of the subcommittee which drafted the bill, but was glad when the subcommittee recognized the fact that the small farmers with 4 acres or less could not be expected to make a living on such a small acreage, and was therefore glad that the subcommittee adopted the approach it did. If the Senator from New Mexico

will look further he will find from the second compilation that all of the 5,064 acres which would be allotted to the State of Florida would go to 4,458 farms. That is a little more than 1 acre for each farm.

While I in no sense question the sincerity of any Senator in this matter, I hope all Senators will realize that what the committee is trying to do is to give relief to the small farmers who are being deprived of the opportunity to meet the obligation to support their families.

If we should undertake to give heavy acreage relief to farmers who are able to buy tractors and who are able to have broad acres, we would not have any bill whatever.

I am sure Senators will realize that we should not approach this question from the standpoint of States, but from the standpoint of attempting to give relief to very poor people. Those poor people do need relief. They have a right to look to Congress to give them that relief.

The Senators from New Mexico and Oklahoma, as I have said, are completely sincere in their approach. I hope they will get away from the idea of arraying one State against another State. What the commitee has tried to do is to recognize the abject poverty that exists. For example, in the State of Florida most of the cotton farmers are very poor. Most of them are colored people. They live on a very small parcel of land, and too often they live in shacks which would not be recognized as proper habitations for human beings in some other States. I am sorry that they must live as they do. I am sorry that any Senators see fit to take issue with the effort to give relief where relief is very badly needed.

Mr. MONRONEY. Mr. President, will the Senator from New Mexico yield?

Mr. ANDERSON. I am very glad to yield.

Mr. MONRONEY. In answer to the distinguished and able Senator from Florida, I should like to say that in quoting the statistics of Oklahoma as to its allocation to the 4-acre farms, the Senator does not mean, I am sure, to convey the impression to the Senate that our 4-acre farms have not been taken care of. They have been taken care of fully.

He may agree that 4 acres in Florida will produce more lint than 10 acres in Oklahoma. We have thin land. We have drought conditions. We do not have the rich delta land that Florida has. Although Oklahoma used to be the second largest cotton-producing State in the Union, it is a fact that as progressive cuts have been made in cotton acreage cotton production has consistently declined.

We have taken care of the small hardship farmers, but I call the Senator's attention to the fact that there can be hardship on a large farm, too, and that the hardship of one of the larger Oklahoma farmers, can be as great as that of a farmer in the State so ably represented by the Senator from Florida. We are only asking that, based on the allotments the States have earned under the historic plan, all the cotton-producing States shall share and share alike.

If Senators wish to make the allotment 3 percent, as provided in the House bill, I am in favor of it. If Senators wish to make it 1½ percent, as provided in the Stennis amendment, I am in favor of that. However, I do not like favoritism shown in the allocation of hardship acreage, because hardship exists in every cotton-producing area of the country.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. ANDERSON. I should like to say a word with reference to what the Senator from Oklahoma has been saying. In his State, out of 48,000 farms, only 3,000 are farms of 5 acres and less. Therefore it would take only a very small number of acres to take care of the situation in Oklahoma. The State of Oklahoma used 13.6 percent of its State reserve to take care of the small farmers, and those small farms were taken care of adequately.

The bill came to Congress in the first instance because some States did not make any reservation for small farms. They allotted all the acreage, and then said, "Distress conditions exist in our States, and we want you to do something about it."

We cannot get away from the fact that the State of Oklahoma has 872,000 acres allotted to it in 1955. The bill reported by the Committee on Agriculture and Forestry gives it the magnificent total of 1,800 acres, whereas the State of North Carolina, with 515,000 acres, gets 38,000 acres to take care of its problems.

Mr. KERR and Mr. ELLENDER addressed the Chair.

Mr. ANDERSON. I yield first to the Senator from Oklahoma.

Mr. KERR. Mr. President, I appreciate very much what the Senator from New Mexico is saying. I appreciate also what the Senator from Florida has said.

Speaking now for the junior Senator from Oklahoma and the senior Senator from Oklahoma, I want all Senators to know that in our efforts to bring about a different allocation than that provided for in the bill reported by the committee, we do not have anything against any other State. It so happens that we were elected to represent the State of Oklahoma. I take it that the distinguished Senator from New Mexico was elected to represent the State of New Mexico and the farmers of New Mexico. If there is to be a bill providing 169,000 or 170,000 additional acreage for cotton—I believe that is what the bill provides——

Mr. ANDERSON. One hundred and sixty-nine thousand acres.

Mr. KERR. If that is the case, we believe that an allocation of 158 acres to the State of New Mexico and an allocation of 1,807 acres to Oklahoma would hardly be consistent with any conceivable formula for determining how the additional acreage should be distributed.

Mr. ANDERSON. The decision of the Committee on Agriculture and Forestry was that, to the State of California, even though that State is one of the largest agricultural empires of the country, not one acre would go under the bill.

As to the State of Texas, so ably represented, in part, by the majority leader, about one-tenth of 1 percent would go to Texas under the bill.

Apparently a Senator should not become majority leader or minority leader. By doing so he gets his throat cut in the Committee on Agriculture and Forestry. That is exactly what happened to the two leaders in the Senate.

Florida gets 15 percent; North Carolina gets 8 percent; Virginia gets 22 percent. I merely point out that Arizona has some rights in this matter. It, too, has distress, even though it is not measured by 3 or 4 acres.

In the western part of the great State of Oklahoma, as the able Senator from Oklahoma well knows because he has campaigned throughout the State very thoroughly, in the area around Guymon, a man who has 3 acres of cotton would not be refused an allocation by the State committee; he would be committed to the insane asylum for trying to make a living on such an acreage of land. A cotton farmer in that State must spread out because of drought and other bad conditions, and he must take 100 acres or so, and on those acres he must try to scratch out a living. However, the Committee on Agriculture and Forestry said, "Oh, no, you don't; even if your children are in rags, as long as you are not a 4-acre planter, you cannot get any relief under our bill."

Mr. KERR. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. KERR. Is it not possible that a farmer with 15 acres of thin upland would be in worse shape than a farmer with 5 acres of good bottomland which had ample water?

Mr. ANDERSON. Of course, that is true. Distress cannot be measured by acreage.

Mr. KERR. Mr. President, will the Senator yield further?

Mr. ANDERSON. I yield.

Mr. KERR. Is it not true that a relief formula which provides for allocations, regardless of the quality of land or the location of the land, only to those farmers who have been allocated less than 5 acres is a mockery as a general relief measure?

Mr. ANDERSON. It is nothing else but that. That is what I tried to say to the committee. As I said to the Senator from Oklahoma, I was the only one who voted as I did. Perhaps it should be stated that perhaps I was voting to take care of my own State. However, it so happens that I am the only representative on that committee from the entire arid section of the United States, comprising the States of Oklahoma, New Mexico, Arizona, California, and the western part of Texas.

I felt that the people who were in trouble there had a right to get relief such as was given in the State of Mississippi where the State looked at the problem and said, "We will give the acreage to the people who have large farms," and they did not set 1 acre of land aside from the State reserve for the small farms. When they got into trouble, they said, "We have a distress problem because of the big people taking all the acreage. The small farmer is in distress, and, therefore, Congress should give some relief."

Mr. KERR. Will the Senator from New Mexico join with me in saying that we have no purpose whatever to give to

those in distress in some States less relief, but to make it possible that whatever relief is provided shall be given on an equitable basis in distress cases in all the cotton-producing States?

Mr. ANDERSON. Precisely. I have been trying to get something of that nature done. I did not wish to disturb what had been worked out carefully by the committee, but I do not think it is right to base it on the size of a farm. The able chairman of the committee asked me what I was objecting to, and I think I made it plain that I was not objecting to the figures in the first column; but State relief can be just as acutely needed for an area where the acreage is greater as for an area where the acreage is smaller. I pointed out that the State of Arkansas had 1,529,000 acres which it had earned, by history, and it got the grand sum of 3,309 acres. But the State of North Carolina, with one-third the acreage, got 38,000 acres. I say it is entirely possible that the farmer in Arkansas needed relief even if his farm was actually greater. The committee might have done a better job.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator from New Mexico yield?

Mr. ANDERSON. I yield.

Mr. JOHNSTON of South Carolina. Is it not true that the State of South Carolina needs greater acreage to take care of the situation? Is it not true that in some counties in South Carolina, Mississippi, and North Carolina it would have been impossible to have given all the relief required?

Mr. ANDERSON. I do not quarrel with the able Senator from South Carolina on that point. His State set aside 46.7 percent.

Mr. JOHNSTON of South Carolina. And how much did Arkansas set aside?

Mr. ANDERSON. Arkansas set aside 41.8 percent of its reserve. If the Senator will take the time to look at the statistics he will find that the 41.8 percent in Arkansas came closer to relieving the small farmers than did the 46 percent in South Carolina.

Mr. McCLELLAN. Mr. President, will the Senator from New Mexico yield?

Mr. ANDERSON. I yield.

Mr. McCLELLAN. The State of Arkansas undertook to conform to the intent of the law and to protect the small farmer and made its allocation on that basis. It now finds that in a measure which purports to do justice to some small farmers in other States where the State boards failed to set aside sufficient acreage to take care of the small farmers, it is penalized because it tried to do the right and wise thing when it had the opportunity.

Mr. ANDERSON. I could not agree more with the Senator. That is the tragedy of the situation.

Mr. President, I wish to explain why I am concerned about this situation. I wrote a great deal of the Agriculture Act of 1949. My name is on it. It was based upon the experiences I had in the Department of Agriculture when we found we could not control the cotton situation.

We could not shrink the cotton acreage below 27 million acres. So we tried year after year to get someone to propose an agricultural bill which would bring cotton under control. In the Control Act, which I sponsored as soon as I became a Member of the Senate, we recognized the situation. We recognized the desirability of what the State of Arkansas has done. It set aside enough of its acreage for trend and enough of its acreage for small farms. It did a job to serve the small farmers of that State. When it has done it, we say, "We will now penalize you in comparison with States which have not done that." I think that is wrong.

Mr. ELLENDER. Mr. President, will the Senator from New Mexico yield?

Mr. ANDERSON. I yield.

Mr. ELLENDER. I am sure my good friend from New Mexico wants to be fair about it.

Mr. ANDERSON. I think I have said that.

Mr. ELLENDER. Notwithstanding the fact that the State of Arkansas has done all the Senator says it has done, it was 3,309 acres shy in making available to the farmers of that State the minimum provided for in the bill. Take the State of Oklahoma. Oklahoma set aside a sufficient amount to take care of the 4-acre farmer, but it was short some acreage. This bill provides for the deficiency.

If the Senator will look at column 6 and column 7 he will notice——

Mr. ANDERSON. Column 6 and column 7 of what?

Mr. ELLENDER. Of this table, which I thought the Senator had before him. He will notice that the number of acres allotted to each State is in some cases a little bit more than in others, but it does not average more than about 1 acre, because, in order to make it possible for the small farmers who have less than 4 acres or 75 percent of their highest planting in 1952, 1953, and 1954——

Mr. ANDERSON. I am not questioning that. I am pointing out that the State of Arkansas has 6,400 small cotton farms and it did a pretty good job. The statistics carried in the Senator's hearings break down only to 5 acres and not to 4 acres.

Mr. ELLENDER. The point I wish to make, and I am sure the Senator will agree with me, is that in Alabama, although Alabama made an effort to take care of the situation about which complaint is made, they were 20,724.7 acres short of being able to take care of all their farmers.

Mr. ANDERSON. I have not questioned that. I have not said they should not try to take care of the farmers in Alabama. I say, if the committee has such a strong desire to take care of distress in Alabama, why does it say it will not take care of distress in Arkansas?

Mr. ELLENDER. We do, on the same basis as in Alabama.

Mr. ANDERSON. I made a motion that there be allocated enough acreage, 3,600 acres, to take care of one distress situation in New Mexico, and approximately 5,000 acres to take care of the Welton-Mohawk situation in Arizona, where the distress is as great as it is in any other State.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. ELLENDER. A moment ago, when I was discussing the matter with the Senator from New Mexico, I referred to a table indicating the number of acres allotted to various farms in the country and the number of farms affected.

Mr. President, I ask unanimous consent that the table may be printed in the RECORD at the point where the discussion took place.

Mr. ANDERSON. I appreciate the chairman of the committee offering the table. I wish that it might be placed in the RECORD at that point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

1955 upland cotton allotments: Additional acreage allotments required and number of farms affected in providing minimum farm allotments on basis of specified proposals [1]

State	Smaller of 5 acres or largest planted acreage [2]		Smaller of 4 acres or largest planted acreage [2]		Smaller of 4 acres or 75 percent of largest planted acreage [2]	
	Additional allotments required	Farms affected	Additional allotments required	Farms affected	Additional allotments required	Farms affected
(1)	(2)	(3)	(4)	(5)	(6)	(7)
	Acres	*Number*	*Acres*	*Number*	*Acres*	*Number*
Alabama	52,284.7	40,386	32,243.4	27,840	20,724.7	21,930
Arizona	233.3	98	152.1	82	134.5	78
Arkansas	8,465.5	6,598	5,054.7	4,252	3,309.7	3,041
California	0	0	0	0	0	0
Florida	10,152.4	5,975	6,886.9	4,860	5,064.6	4,458
Georgia	41,776.4	28,124	24,701.6	19,594	17,799.0	16,502
Illinois	207.6	183	144.1	147	75.5	83
Kansas	3.8	2	2.2	1	2.2	1
Kentucky	608.0	599	449.9	519	298.1	427
Louisiana	20,101.6	14,234	13,221.2	10,354	8,860.7	8,602
Mississippi	68,497.4	47,164	44,410.4	36,934	28,132.9	32,588
Missouri	3,048.3	2,480	1,665.0	1,492	1,062.0	1,139
Nevada	0	0	0	0	0	0
New Mexico	292.8	149	175.8	100	158.7	93
North Carolina	86,023.7	59,523	61,374.4	51,071	38,580.2	47,470
Oklahoma	3,525.7	1,968	1,986.2	1,357	1,807.5	1,293
South Carolina	36,042.5	33,072	21,262.0	20,681	12,641.3	13,079
Tennessee	34,806.4	27,791	22,351.1	20,909	14,274.7	16,712
Texas	25,971.1	18,873	15,299.7	12,666	11,061.5	9,967
Virginia	8,281.1	5,882	6,464.2	5,525	4,071.5	5,379
United States	400,322.3	293,101	257,844.9	218,384	168,059.3	182,847

[1] These data subject to further refinement.
[2] Largest planted acreage during 3-year period 1952, 1953, and 1954.

Mr. ANDERSON. Mr. President, how many votes did we receive on my relief proposal in the whole Committee on Agriculture and Forestry? One—my own. It seems that distress depends upon where one lives.

The farmers in Arizona, who have just as much distress, including a group of veterans who have gone into the Welton-Mohawk project, as the Senators from Arizona well know, are in just as much trouble making their payments to the bank and trying to live as are some of the persons who are talking about 3-, 4-, and 5-acre farms.

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield to the able Senator from Arizona. Have I misstated the situation as to Arizona?

Mr. GOLDWATER. The Senator from New Mexico has stated the situation exactly. I wish to reiterate what the Senator has said, in that he believes, and I agree with him, that the matter of difference in farm economics must be taken into consideration.

In my State of Arizona, a cotton farmer cannot get along with any acreage under 10 acres. So anything under 10 acres in Arizona is a small farm.

I think the Senator from New Mexico will agree with me that while in Arizona only 152 acres are needed to take care of 4-acre farms, we are getting today 134 acres under the committee bill. That is not of great concern to our economy, because in the West and Southwest 10 acres is pretty generally the smallest economically sound farm unit.

I also call attention to what the Senator from New Mexico has related with regard to hardship cases in the Welton-Mohawk area.

In 1947, by the good judgment of Congress, a national reclamation project was started there. Veterans all over the United States were told that if they could go to that area with reasonable credit, amounting to about $3,000, they could go into the farming business by drawing for land. They were told by the United States Government that they should go there.

They are in the process of developing 74,000 acres of rich soil which now has Colorado River water on it. It has cost the young veterans an average of $177 an acre merely to develop the land. The only way they can get a cash crop is by growing cotton, which they are now denied.

Does the Senator from Mexico realize that out of 74,000 acres Welton-Mohawk farmers will be able to plant less than 5,000 acres in cotton in the coming year?

Mr. ANDERSON. That means absolute financial suicide. Yet when an amendment was presented to the Committee on Agriculture and Forestry, couched in the very language the able senior Senator from Arizona [Mr. HAYDEN] had requested, an amendment in language which he had devised to take care of the specific problem of Arizona, not one member, other than the junior Senator from New Mexico, thought it was reasonable to give relief to Arizona.

Yes, it is said, give 20,000 or 30,000 acres, or give 15,000 acres, but keep it all east of the Mississippi River. I do not think that is right. There is an entirely different type of agriculture in the West and Southwest.

I hope that my membership on the Committee on Agriculture and Forestry helps me to understand that wholly different problems exist in different parts of the country, and that a problem existing in one section must be met just as fully as any other problem.

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. GOLDWATER. I appreciate fully the activities of the distinguished junior Senator from New Mexico on behalf of agriculture, not only in the West, but all over the United States. I believe he realizes, probably better than any other person among the leaders in agriculture, the fact that the agricultural economy of the United States is changing; that cotton is bound to move to the west, and cattle to the east. There are other changes taking place also. But the Senator from New Mexico long ago recognized these facts.

Does the Senator from New Mexico realize that of the 515 new farms in Arizona last year, 350 were in the Yuma County area where we find the Welton-Mohawk project?

In addition to asking the question, I should like to make the statement that those 350 farms are almost entirely hardship cases. Yet they are not 4-acre or 5-acre farms; they are farms of 10, 40, 60, or 160 acres. Those who acquired those farms are losing not merely what they need to make their acres productive, but they are losing their life savings, by not being allowed to plant not 2, 3, or 4 acres, but their allotment is zero acres.

Mr. ANDERSON. I have received some letters which I hope to introduce into the RECORD that relate to New Mexico farms in the dust bowl area. The Government recognized that they are in sufficient distress to give them feed enough to take care of an area which has been drought-stricken throughout the years. Because they could not plant for three consecutive years, they lost their history. When we asked for relief for them, we got not a vote from the members of the Committee on Agriculture and Forestry for them. I say that is wrong.

I want to plead my case by saying that I have tried to recognize distress for a long time. In 1949, when the cotton acreage law was being drafted the able senior Senator from Oklahoma [Mr. KERR] pointed out to me that because of peculiar circumstances in Oklahoma, the cotton acreage allocation provided in the bill would do Oklahoma a great injustice. He pointed out that the agriculture was shifting in parts of the State, and that the area where cotton had been grown no longer had its history. He asked if something could not be done to take care of Oklahoma.

The bill was drawn so as to waive applying the rule strictly. What was done in the case of Oklahoma was a help. We wrote this into the bill:

> The average of the planted acreages, including acreage regarded as planted under the provisions of Public Law 12, 79th Congress, in the States for the years 1945, 1946, 1947, and 1948, shall constitute the national base.

Then we included this language:

> Except that in the case of any State having a 1948 planted cotton acreage of over 1 million acres and less than 50 percent of the 1943 allotment average of acreage planted for the years 1944, 1945, 1946, 1947, and 1948, shall constitute the base for such State.

How many States could qualify under that definition? One State. Just Oklahoma.

But we recognized then that Oklahoma had a problem, and we tried to meet it.

I say that today problems exist in the Western States of Oklahoma, New Mexico, Arizona, and California. It is not right to treat those States as if they had suddenly dropped out of the Union.

Mr. ELLENDER. I should like to remind my good friend from Arizona that we realize, of course, the situation in his State. But I say to the Senator from Arizona that even if the veterans had come to Louisiana or Mississippi without cotton acreage, they would be in the same situation as though they went to Arizona, under the present law. They are new farmers. The law would have to be changed entirely in order to take care of the situation of which the Senator complains.

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. ELLENDER. I do not have the floor.

Mr. ANDERSON. I yield to the Senator from Arizona for a question.

Mr. GOLDWATER. In answer to the remarks of the Senator from Louisiana, I should like to state that the Wellton-Mohawk project was begun in 1947, before allocations were started. The veterans were promised the land on which to grow cotton. They went to the project, expecting to be able to grow cotton.

I believe there is some moral responsibility involved. I realize the problem confronting the Senator from Louisiana in his State, but I have been trying to bring out the same point which the Senator from New Mexico has tried to bring out; that whereas the Senator from Louisiana refers to a problem involving 4-acre or 5-acre farms, the same problem confronting the farmers of Arizona involves the economy of 10-acre farms.

Mr. KERR. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. KERR. I wish to express appreciation again to the distinguished Senator from New Mexico for the work he did for Oklahoma a few years ago. I hope that he will be equally successful in 1955 in his efforts to bring about a more equitable allocation of distress acreage than has been provided by the committee.

Mr. ANDERSON. I was not a member of the subcommittee and had no opportunity to participate in its deliberations; but had I been given an opportunity, I would have tried to make certain that the State of Oklahoma would get the same relief in those areas which lie across the State line from New

Mexico, where I know personally that drought conditions are severe. I would have been glad to receive the testimony of the Senator from Oklahoma as to what was needed in other parts of his State, because I feel certain that the distress is just as prevalent there.

Mr. President, I wish to place in the RECORD a few letters and telegrams which I have received. I think it is unfortunate that the impression should be left that only the small farmers are in trouble.

I have received a letter from the editor of the Portales Daily News, of Portales, Roosevelt County, N. Mex. In the letter the fine editor, Gordon K. Greaves, whom I have known since he was a boy, makes some appeals for assistance. He pointed out that the cotton allotment was some 17,000 acres. They used to have 40,000 acres in cotton. But there had been a drought, which made it difficult for the farmers to plant.

The local committees were in real trouble. They asked the Secretary of Agriculture if he might recognize the drought as an abnormal condition.

So I offered an amendment which, as I have said, did not receive much consideration yesterday. I thought there was a possibility that a drought threat, when the Federal Government has year after year proclaimed land as in a drought area, might be considered.

Mr. President, I ask unanimous consent that the letter from the editor of the Portales Daily News be printed in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE PORTALES DAILY NEWS,
Portales, N. Mex., November 18, 1954.

Senator CLINTON P. ANDERSON,
United States Senate,
Washington, D. C.

DEAR SENATOR: I suspect that you had an idea we would be needing some help in our 1955 cotton allotments, when you last talked to me. We only found out this past week that we are up against another problem.

I understand that each county's acreage allotment is based on their acreage for the years 1948, 1950, 1951, 1952, and 1953. The application of this formula to Roosevelt County has resulted in our obtaining a total acreage for 1955 of 17,644, after all the extra allowances for which our county is entitled have been included. This is a reduction from our 1954 allowable acreage of 10,468, or about 37 percent. The local ASC office reports that only around 22,000 acres were actually seeded to cotton this year, and slightly more than 17,000 were standing at the time the cotton was measured. This sharp decrease, of course, was due entirely to the drought.

Acreages for individual farmers are computed on the basis of the average of the acreages for 1953, 53 and 54, and the factor is 47.7 percent. In other words, a farmer who had 100 acres for each of these years, would be entitled to 47.7 acres for 1955. And the way the program works out, if he was unable to plant for 1 or 2 of those years, he would be allowed only 47.7 percent of the total for the 3 years, divided by three. You can readily understand what this has done to a cotton grower like Mr. Killion at Causey, who had a 500-acre allotment on his dryland farm this year, but was unable to plant because of drought. Actually, his acreage for 1955 will be around 79 acres because he has been able to plant cotton in only 1 of the 3 specified years. There are a number of dryland farmers who have been unable to plant cotton in any of the past 3 years, and therefore they are out of the picture entirely, except for what nominal acreage they might be able to obtain as a new grower.

I believe Roosevelt County is the only one in New Mexico where this problem exists, because it is due entirely to the dual nature of our farming. We have only around 40,000 under irrigation, and well over 200,000 in so-called dryland cultivation. The failure of our dryland farmers to plant their allotments reduces our base acreage, and is reflected back to our irrigated farmers.

Our county ASC committee explains that although the law permits them to give a farmer credit for acreage he did not plant due to abnormal weather conditions, that it would not have been fair to our irrigation farmers to have done this, because, since the county's total acreage would not have been increased by this practice, they simply would have divided the inadequate acreage among more farmers.

I met with a group of 20 of these farmers last night, and with the county ASC committee, and it was agreed that the county committee would make every effort to gain some relief and extra acreage from the State. However, we recognized this isn't likely to be very helpful for the reason the State committee has already allocated all the acreage to which the State is entitled.

We have hashed this problem over at length, and have tried to come up with some simple formula, similar to the "60–40–40" formula that helped so much last year. Some farmers think that the answer would be to allow them to use the best 3 out of 5 years to arrive at their base, but I am fairly sure that this would raise the Nation's cotton acreage unduly on a national scale, and would defeat the very purpose of the curtailment in acreage.

One suggestion, made by Morton Gragg, who you will remember as one of the group which met with you last winter, seems to me to have possibilities. He believes that if it were possible to provide that no farmer's acreage would be reduced by more than 20 percent of his 1954 allotment, that our problem would be solved. This has the merit of at once taking care of our "abnormal weather" angle, and at the same time limiting our acreage below the national average.

The trouble is that at the moment none of us know what can be done, through administrative orders by the Secretary of Agriculture, or State authorities, and what would require new legislation. Arthur Jones thinks we should have a copy of the original law to see if we can find a loophole for ourselves.

At any rate, I am taking the liberty of telling you of our problem, and will appreciate any advice you can offer.

I am enclosing clippings of recent stories bearing on the point.

Sincerely,

GORDON K. GREAVES.

Mr. ANDERSON. I ask unanimous consent that three articles dealing with the cotton-acreage bill may be printed in the RECORD at this point.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

COTTONGROWERS HERE FACE 50 PERCENT ACREAGE CUT—ONE-THIRD OF STATE'S TOTAL TRIMMED HERE

Roosevelt County's 1955 cotton-acreage allotment has been reduced by 10,468 acres, or 37 percent under the allotment for this year, while the State's total acreage has been reduced by only 35,748 acres, and only 15 percent, figures from the county ASC office showed today.

The county's acreage allotment was revealed by the county ASC committee yesterday. The total cotton acreage which may be planted in Roosevelt County for 1955 is 17,644. For the current season, the county's total acreage allotment was 28,217, but drought conditions trimmed the amount actually harvested to less than 17,000 acres.

Elward Combs, the county ASC office manager, said today that individual acreage allotments for the 842 farms with a cotton history in the county are being computed now in the local office. He said that the regulations required that the acreage for these individual farms for the past 3 years be used as a base period. The allotment will be 47.7 percent of that 3-year average.

This method of computation, as well as the sharp reduction in the county's total acreage, are expected to be protested vigorously by local cottongrowers and their friends.

These cotton growers point out that again the Department of Agriculture has failed to take into account the abnormal weather conditions, which has resulted in a negligible amount of dryland cotton being grown during the past 3 years.

Combs said today that any farmer who has failed to plant cotton during any of the past 3 years, would not be eligible to share in the county's acreage quota this year, but he said that a 1,400-acre reserve has been set up to take care of these farmers on the basis of new growers.

Combs reported that for this season, only 22,671 acres were planted to cotton, and only 17,731 acres were still standing when the crop was officially measured. This acreage was further reduced by dry weather during the growing season, but no accurate estimate is yet available of the total harvested acreage.

Combs also explained that the county's cotton acreage history for the past 5 years, excluding 1949, was used as the base on which the county's total acreage was arrived at. He pointed out that the use of these years for the base is required by the law.

Next year's base acreage, Combs said, was 15,959, and the county received an additional 608 acres for the "adjustment for trend," 75 extra acres for "reserve for small farms" and 1,002 from the State reserve "for hardship and inequities."

The total of all these amounts is 17,644 acres, but Combs explains that the county is required to set aside 1,400 acres as a pool for adjustment of hardship cases leaving 16,244 acres to be distributed among eligible growers.

While the county's acreage allocation for next season probably equals the acreage actually harvested this season, the fact that this acreage must be distributed among all those who have cotton history during any one of the past 3 years will drastically reduce the acreage of individual farmers. Combs estimates that farmers will find their 1955 acreage reduced by about half of what it was this year.

Although it is too early to get the reaction of farmers to this reduction, it appeared today that another effort, of the same sort that was successfully undertaken last year, will be necessary.

At that time, however, the problem was a faulty law, which required a farm's cotton acreage to be based on the total cultivated acreage, regardless of any cotton history. This was remedied only by a special act of Congress, providing alternate methods of computing acreages.

This year, it appears the problem is due to the failure of State authorities to take into consideration the abnormal weather which has resulted in almost no dryland cotton being planted for 3 years.

On December 14 the Nation's cotton farmers will again vote in a referendum to determine whether marketing quotas will be operative for the 1955 crop.

[From the Portales News of December 1, 1954]

COTTONGROWERS PREPARE APPEAL

Around 800 Roosevelt County cotton farmers will receive notice today of their acreage

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allotments for 1955, as a committee of growers prepare to carry to the State ASC, and Washington, a plea for credit for cotton history lost due to the drought.

Roosevelt County's total acreage will be reduced by 10,984 acres next season—more than any other county in New Mexico. Most of the reduction is attributed to the county's loss of credit in Department of Agriculture records for farms where no cotton was planted because of the drought.

In an all-day session yesterday, this committee of cottongrowers, headed by Robert Compton, Jr., sought a formula that could be made a part of the Nation's agricultural law, that would prevent growers in any one section from sustaining more than their fair share of the Nation's acreage reduction.

Compton left early today for Albuquerque to attend the State Farm Bureau convention, and hoped to present a resolution on the subject to that group. He also hoped that a meeting could be arranged with the State ASC committee, and possibly with Senator CLINTON ANDERSON.

Those working with Compton on the committee yesterday were I. D. Bigler and Dick Martin, of Floyd; Vernon Watson, of Rogers; Kenneth Victor and Dude Harvey, of Dora; and W. G. Vinzant, the county agent. Several other members of the committee who weren't able to be present yesterday planned to attend the State Farm Bureau meeting and any special meetings that are arranged in Albuquerque.

Out of this meeting yesterday came 2 proposals, 1 as a permanent amendment to the Nation's agricultural law, and the other as a policy change to be applied to the 1955 program.

The proposed amendment: "*Resolved*, That the percentage decrease in the individual farm cotton allotment cannot exceed the percentage decrease in the State cotton allotment by more than 2 percent in any 1 year in which cotton acreage allotments are in effect."

Compton explained that the purpose of this proposed amendment is to have a permanent buffer written into the law that will prevent undue hardships on any cotton-producing area, and thus avoid the annual necessity for committees to carry appeals to the State and National authorities.

For the immediate relief of cottongrowers this year, the committee drafted a second proposal, which is to be submitted to the State ASC committee, with an appeal that the State group help press for relief through the Department of Agriculture.

Here is the second proposal:

"To give recognition to individual farms for drought in 1952 and 1954, allowing an adjusted 3-year acreage for computing the 1955 base history, this additional acreage being supplied by the Department of Agriculture in addition to the county's computed acreage.

"Further, individual farms which have been severely cut in their acreage allotment should be readjusted so that their 1955 acreage allotment should be equal to 65 percent of the average of their 1952, 1953, 1954 planted acres; or 80 percent of their 1954 allotted acres, whichever is the highest, not to exceed 50 percent of their tillable cropland."

Compton explained the reason for the second proposal is to give relief to farmers whose cotton acreage has been reduced under the present formula.

This formula simply takes into account the planted acreages in 1952, 1953, and 1954, takes the average, and the 1955 allotment is calculated on the basis of 47.7 percent of that average.

Compton explained that simply looking at the county's total acreages for those years gives an inaccurate picture of the problem. In 1952, the records show there were 31,418 acres planted; 36,167.8 in 1953, and 21,893.3 acres in 1954. Compton said that these figures would indicate that a normal acreage had been planted during the 3 years, but he points out that a check of the individual acreages on the farms listing sheets show a wide variation in the planted acreage from farm to farm, and from year to year.

Scores of farmers were not able to plant cotton in 1952 and 1954 because of the lack of moisture at planting time.

Also, Compton explained, unless a farmer planted cotton in at least 1 of the past 3 years, he is not eligible for an acreage allotment for 1955. Many farmers, he said, because of the dry weather did not get to plant in any of these past 3 years, and thus have gone out of the picture as far as acreage history is concerned under present regulations.

"Some way will have to be found to allow these farmers a share of the cotton acreage without penalizing those who did grow cotton during those years," he said.

He pointed out, however, that unless the State gets extra acreage from the national cotton pool to take care of these drought conditions, a mere distribution of the available acreage among all farmers would penalize the irrigated cotton farmer.

This is the reason, he said, that it will be necessary to carry this problem to Washington, so that extra acreage can be allotted to New Mexico to take care of this inequity.

[From the Roswell Record of December 3, 1954]

ROOSEVELT COUNTY COTTON MEN SEEK RELIEF FROM ACREAGE CUTS

PORTALES.—Roosevelt County cottongrowers, some of whose acreage for 1955 has been reduced by as much as 50 percent because they lost acreage history during the base period due to dry weather, will seek relief both at the State and national level spokesmen here said today.

Robert Compton, Jr., chairman of a special committee of growers which last year carried a similar fight to Senator CLINTON P. ANDERSON, and obtained extra acreage through an act of Congress, says two proposals have been drafted to prevent individual cotton farmers from having to accept a larger percentage reduction in their acreage than other areas.

First, he says, they hope to have the Agricultural Act, under which acreage reductions are ordered, amended to protect the farmer against wide variations.

This amendment would provide that a farmer's acreage allowance could not be reduced in any one year by more than 2 percent in excess of the percentage reduction ordered for the State as a whole.

Second, Compton proposes that acreage reductions this year be computed on the basis of 65 percent of the 3-year base average, or 85 percent of the 1954 allotted acreage, whichever is the greater, so long as no more than 50 percent of a farmer's tillable acreage is in cotton.

Roosevelt County's cotton acreage for 1955 has been reduced by nearly 11,000 acres from the 1954 allowance, which is a 35-percent reduction. The State's acreage was reduced by around 37,000 acres, which is around 15 percent. Compton explained that this loss in acreage is due entirely to the failure of Department of Agriculture authorities to take into account acreage lost due to the drought. He said the only practical way to give the farmers of Roosevelt County the acreage they need to be on a par with the rest of the State is for Washington to allot additional acreage for this purpose.

Mr. ANDERSON. Mr. President, I received a letter from a farmer which reads as follows:

I am enclosing newspaper articles about the cut in our cotton acreage which explains our troubles. It seems to me to be very unfair that we take a 50-percent acreage cut on cotton.

There is no suggestion that any of the other farmers are taking 50 percent cuts. That is why I say to the Senators from Arizona and Oklahoma they had better vote down the amendment offered by the Senator from South Carolina [Mr. JOHNSTON], so they may have a chance to vote on the amendment of the Senator from Mississippi [Mr. STENNIS]. The latter amendment is not perfect, but it is a paragon of loveliness compared to the pending amendment and it would do to the farmers.

The proposal by the committee would give the State of California not 1 acre. I think the Senators from California should vote against the amendment. The proposal would give the State of Arizona about 150 acres. I think the Senators from the State of Arizona had better vote against it. The State of Texas historically has earned nearly 50 percent of all the cotton acreage in this country. Texas did not steal the acreage; it got it honorably, by planting to cotton over a long period of years. Texas has a base of 7,600,000 acres. If there were equity in the bill, Texas would get 114,000 acres. But under the proposal what would it get? Eleven thousand acres. Personally, I do not think Texas needs 114,000 acres to serve its population, but the bill would not give Texas a chance to take care of its trouble wherever trouble exists. Therefore, I think a more equitable allotment should have been made to Texas, as in many other places, so I believe the Senators from Texas had better vote down the amendment now pending and support the Stennis amendment.

Mr. President, I continue to read from the letter dated November 18, 1954:

It was so dry this year we didn't even get to plant our acreage allotment; we certainly shouldn't be penalized for that.

This letter was written November 18, 1954.

In fact out of the last 5 years it has been so dry in this country that us dryland farmers have only been able to raise cotton 2 years. Then it was no bumper crop—and didn't add to the surplus.

We can't make the payments on our place if we can't have some rain and more cotton acreage. We appreciate what you have done for us and hope you will help us dryland farmers out again.

Sincerely,

FRANK GREATHOUSE, Jr.

ROGERS, N. MEX.

I think that letter is typical of a whole stream of these letters. They do not all have to be put into the RECORD, but one by one they tell the story of distress.

I hope the Senate will proceed to vote down the pending amendment, and, then will adopt the Stennis amendment, and send the bill to conference, in order to see if we can do justice to such States as Arkansas, Oklahoma, Arizona, Texas, and even New Mexico.

Mr. KUCHEL. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield to the Senator from California.

Mr. KUCHEL. First of all, I wish to say to the Senator from New Mexico how proud I am to be able to call him my

friend and to have listened to the argument against the pending amendment, which is shocking and completely unfair.

The Senator has indicated his long and deep interest in the subject of agriculture. He did not mention the splendid record he made when he served in the Cabinet of the President of the United States as Secretary of Agriculture.

I wish to recall to the Senator the testimony which was adduced before the subcommittee of the Committee on Agriculture and Forestry, and ask him if it is not a fact that the president of the American Farm Bureau Federation, a citizen of Alabama, advised the committee to adopt no legislation whatsoever on this problem.

Mr. ANDERSON. Yes. That is the position of the American Farm Bureau and the position of the Department of Agriculture. So far as I know, it is the position of everyone who has made a study of the situation.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point a tabulation showing a record of 47 farms dropped from the 1955 listing sheet.

There being no objection, the tabulation was ordered to be printed in the RECORD, as follows:

Total of 47 farms were dropped from the 1955 listing sheet. Of these 47 farms, 15 surrendered their 1954 allotment. These farms and the additional 32 farms were omitted from the 1955 listing sheet because they did not have history for 1952–53 or 1954. These farms constituted a loss of 1,400 acres to the county.

Illustration from specific farms

	Acres
R. O. Peterson, farm serial No. 55–54:	
Total cropland	982
Cotton acreage:	
1951	600
1952	100
1953	0
1954	0
1955 allotment:	
Factored allotment	15.9
Adjustment for hardship	4
1955 allotment, total	19.9
John Creek, farm serial No. 7179:	
Total cropland	180
Cotton acreage:	
1951	68
1952	65
1953	0
1954	0
1955 allotment:	
Factored allotment	10.4
Adjustment	4.7
1955 allotment, total	15.1

Mr. ANDERSON. Mr. President, I believe I shall not place in the RECORD a summary of the precipitation data, I merely state that it shows one of the problems which confront the farmers.

Mr. President, I now ask unanimous consent to have printed in the RECORD a letter from the Roosevelt County Farm Bureau Cotton Committee, of Portales, N. Mex., enclosing a memorandum of agricultural information from Roosevelt County, N. Mex.

There being no objection, the letter and memorandum were ordered to be printed in the RECORD, as follows:

THE FIRST NATIONAL BANK,
Portales, N. Mex., February 5, 1955.

Senator CLINTON P. ANDERSON,
Washington, D. C.

DEAR SENATOR ANDERSON: We are pleased to enclose in this letter a memo giving agricultural information in regard to Roosevelt County and the cotton allotment granted to this county for 1955.

We feel that if there is a county in the United States that has hardship cases, it is this county, which, as you know, has had a severe drought during the past 3 years, which drought has eliminated the planting of cotton on our dry land farms for either one or more of those 3 years, on which our cotton allotment is based.

We are therefore writing to ask your help in bringing this matter before the Senate Agricultural Committee and especially the subcommittee which we see by the papers has been appointed by Senator ELLENDER to take up with the Department of Agriculture the possibility of increasing the total cotton acreage some 200,000 to 300,000 acres to take care of hardship cases.

We have included in this memo the number of farmers who have allotments of less than 5 acres, which we certainly consider a hardship and an unprofitable acreage; however, it will take only some approximately 300 acres to bring those 140 farmers up to a 5-acre planting.

We certainly will appreciate any help that you can give us. Our income from cotton from the county is one of the greatest sources of income the county has and the continued decrease in acreage, coupled with the drought, is playing havoc with the welfare of this county.

We certainly hope, therefore, that Senator ELLENDER's recommendation will be followed and that you will be able to get the committee to allot a reasonable proportion for New Mexico and to be used in the drought-stricken areas.

Yours very truly,

Robert Compton, Jr., Chairman; Emil Bigler, H. B. Duncan, John F. Morgan, Jr., Ishmel D. Bigbe, L. C. Morrison, R. O. Peterson, J. T. Laxson, Roosevelt County Farm Bureau Cotton Committee.

AGRICULTURAL INFORMATION FROM ROOSEVELT COUNTY, N. MEX.

Roosevelt County has a total of approximately 1,600,000 acres of land, of which some 400,000 acres is in cultivation. The county has 1,700 farmers, of which 840 grow cotton.

The cotton allotment for 1954 for this county was approximately 28,000 acres. For 1955, the allotment is 16,560 plus 1,200 acres additional allotment granted by the State committee for upward trend, making a total allotment of 17,760 acres, or a decrease from last year of approximately 35 percent. The average cotton allotment per grower for the county is 20 acres. Included in that is 145 farms with an allotment of 5 acres or less. The 840 farmers in the county who grow cotton have a total of 142,890 acres in cultivation, which gives an average of about 15 percent of the cultivated acres for growing cotton.

We need at least 5,000 acres additional allotment for Roosevelt County to take care of urgent hardship cases, including a small number of acres to bring the 145 farmers who have an allotment of 5 acres or less, up to 5 acres. The urgent hardship cases are dry land farmers in this drought disaster area, a great majority of whom, during the past 3 years, haven't had sufficient rain either in one or two of the past 3 years to plant cotton at all. So that in figuring the individual farm allotment of cotton for 1955 for this county, which allotment is based on the past 3-year average, when there is no credit given for the drought years when the farmers tried or wanted to plant and couldn't, for 1 or 2 of those years, gives the farmer such a low average that when you take 47 percent, the county factor, of that 3-year average, it cuts the average county farm allotment 35 to 40 percent and in many cases a great deal larger cut than that. The cut in these allotments for cotton and other crops is making it practically an impossibility for the small farmers to more than pay expenses and therefore not profitable to continue to operate under these conditions.

Mr. ANDERSON. Mr. President, if the Senator from California had not reminded me, I might have forgotten to mention that the Farm Bureau Federation has been beseeching Congress not to pass the bill now pending.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield to the distinguished minority leader.

Mr. KNOWLAND. I merely should like to say I join with my colleague from California in commending the distinguished Senator from New Mexico, who is a former Secretary of Agriculture, for the deep interest he has taken in the subject of agriculture.

I certainly think that any legislation which is enacted should be equitable to all the States which engage in the production of a particular commodity. I believe the amendment reported by the committee is not equitable. I hope it will be defeated. I hope the position being taken by the Senator from New Mexico, the Senator from Arizona, and other Senators will be supported by the Senate. I certainly take the same position.

I would take the same position if there were pending discriminatory proposed legislation adversely affecting the great States of the South. When the Senate legislates, I believe it ought to legislate, insofar as men can, on a basis which is equitable to the entire Nation.

Mr. ANDERSON. I thank the minority leader for his remarks. Along the line he just took, I should like to say that when the durum wheat amendment was before the Senate, it was my pleasure to support the Senator from North Dakota, because farmers in his State needed help. The adoption of that amendment could have hurt, slightly, the wheat farmers of eastern New Mexico. It might have hurt, slightly, the farmers in the western area of Texas, but if it did hurt them, it could not have hurt them as much as it greatly benefited the farmers of North Dakota. We wish to continue to legislate in that fashion.

Mr. ERVIN. Mr. President——

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. ERVIN. Mr. President, I was very much pleased when my distinguished friend from New Mexico and my distinguished friend from Oklahoma admitted that with regard to the pending bill they were representing their constituents. I think it is very interesting to see who their constituents are and who my constituents are. I am frank to admit that I am representing my constituents.

The question occurs, Who are our constituents?

The distinguished senior Senator from Oklahoma represents 1,293 small farmers. The distinguished Senator from New Mexico represents 93 small farmers. The distinguished junior Senator from Arizona represents 78 small farmers.

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I know that there are more than 78 farms in Arizona. I know there are more than 93 farms in New Mexico. I know there are more than 1,293 farms in Oklahoma.

I should like the Senator to hear whom I represent. I represent 47,475 small farmers who have practically no way to make a living except by farming cotton.

If the Johnston amendment is not accepted, it will mean that many small farmers in my State will not be able to farm. They do not have farms which are irrigated. Although the good Lord ought to look more favorably upon North Carolina than upon any other place on earth, we have suffered from drought for 3 years almost as badly as have the farmers of the States in the irrigated areas of the country. The farmers in my State have no irrigation to supply water when it is needed.

The Johnston amendment is not designed to provide relief for men who are troubled about bank loans. It is designed to furnish relief for men who never have been able to get bank loans, and who will never be able to get bank loans. It is designed to aid men who can earn their own bread in the sweat of their own brows only by farming cotton. Under the bill, if it is passed, most of them will receive 1 acre or less.

Mr. President, this is a relief bill, not a bill to make permanent cotton allotments. It is a relief bill to aid small farmers who do not farm with tractors, and who have 4 acres or less. The purpose of the bill is to give them an opportunity to make a livelihood.

If we have to make a choice between having people unable to meet the interest on their bank loans and letting children go hungry, I think we had better take our stand on the side of alleviating hunger. In the last analysis, that is what the pending proposal is. I do not think we should legislate on the basis of States. My friends who represent so many big farmers, and so few small farmers, continue to talk about States. It seems to me, Mr. President, that the Senate of the United States should be concerned with human beings, rather than with property or with States.

Mr. KUCHEL. Mr. President, will the Senator from North Carolina yield at this point?

The PRESIDING OFFICER (Mr. MANSFIELD in the chair). Does the Senator from North Carolina yield to the Senator from California?

Mr. ERVIN. I yield.

Mr. KUCHEL. Is it not a fact that if the State committees in any of these States had been concerned with human beings and the 4-acre farmers, they could have utilized their States' acreage, last year, in behalf of such farmers?

Mr. ERVIN. That would not have taken care of the entire situation in the State of North Carolina.

Mr. ANDERSON. But, Mr. President, will not the Senator from North Carolina concede that his State did not devote to the small farmers a single acre of its State reserve?

Mr. ERVIN. Mr. President, if the North Carolina officials who made the allotments did wrong, that is all the more reason why the Senate of the United States should do right, and should write a bill which will compel the allotment of this acreage to those who have been mistreated.

Some say that those persons should continue to be mistreated. However, Mr. President, if North Carolina made wrong allotments, the Senate should have enough fairness to see to it that a correction of that situation is made by means of a law, such as the Johnston amendment, which will compel all the States of the Union to make fair and just allotments to the small farmers.

Mr. KUCHEL. Mr. President, will the Senator from North Carolina yield at this point?

Mr. ERVIN. I yield.

Mr. KUCHEL. If it be true that a State could have taken care of its 4-acre farmers, but did not do so, then obviously the State allocations went to those having more than 4 acres on their farms. Is not that true?

Mr. ERVIN. Not necessarily, because many of the States did not have allotments large enough to take care of all their small farmers, even if they had used all the acreage allocated to them.

Furthermore, the Senator from California is advocating the very thing he complains about. He complains that some of the States did wrong, but now he urges that another wrong be done. Two wrongs will not make one right.

Mr. KERR. Mr. President, I wish to say to the Senator from North Carolina that I have the deepest respect and greatest admiration for him generally, and certainly for the manner in which he represents his State. However, I wish to correct what I believe to be an erroneous impression which may have been created by one statement the Senator from North Carolina made. He indicated that the Senators from Oklahoma were speaking for only 1,293 small farmers. Mr. President, we are speaking for nearly 50,000 farmers.

The distinguished Senator from North Carolina said that in the event a State committee failed to allot sufficient acreage to take care of the small farmers within the State, the Senate would do a second wrong if it also failed to provide sufficient acreage so as to make it possible for the minimum acreage to be alloted to each and every farmer.

Let me remind the Senator from North Carolina that his State received as much of an original allotment, on the basis of its history, as did the State of Oklahoma; and, as a result, North Carolina received an allotment of a far greater number of acres than Oklahoma received. The committee in his State could have set aside sufficient acreage to take care of the minimum farmer, the same as was done in many of the other States.

Mr. President, if it were to become known that a State committee could refuse to set aside, for the purpose of taking care of its small farmers, any of the acreage allotted to the State, and that such failure would be followed by action by the Congress of the United States in then giving the State an additional allotment of acres with which to care for such farmers, it might be possible that no State would set aside enough of its original allotment to take care of the minimum farmers within the State.

Furthermore, I remind my friend, the Senator from North Carolina, that if the Senate were asked to right a wrong which was done when a State committee failed to allocate sufficient of the State's acreage allotment, in order to take care of its minimum farmers, the Congress would be confronted with the necessity of passing a law to compel each State to set aside enough of the acreage given it, to take care of its small farmers.

Mr. ERVIN. Mr. President——

Mr. KERR. Mr. President, does the Senator from North Carolina wish to ask a question?

Mr. ERVIN. I wish to ask whether the Senator from Oklahoma recognizes that is, in effect, what the Johnston amendment would do—namely, compel them to do right.

Mr. KERR. No; the intent of the Johnston amendment is to this effect: "We recognize that some of the States did not set aside enough acreage, and we will not compel them to do what is right, but we will mistreat every State which did set aside enough acreage to take care of its small farmers; we will mistreat those States by denying them sufficient acreage, but at the same time we will give additional acreage to States which did not set aside any acreage for that purpose, so that enough acreage will be available to the small farmers of those States—not at the expense of those States, but at the expense of all the cotton farmers of the United States."

Therefore, Mr. President, my colleague and I speak for the nearly 50,000 farmers of Oklahoma whose allotments are what they are today, and are as small as they are today, because a great amount of the initial allotment to the State of Oklahoma was used to do the job for the less than 4-acre farmers in our State—the job which now is sought to be done for the less than 4-acre farmers in the States whose committees did not take care of them.

Therefore, Mr. President, I wish to say that while I admire and respect any Senator who does what is best for his State, I am aware of the fact that we have an overall duty to do justice by all the States; and that when we face the problem of doing equity and serving justice we fail to solve it when we do that which relieves distress in only about one-fourth of the area, all of which is distressed.

I submit there is just as much distress in Oklahoma, Arkansas, New Mexico, Texas, and the other States concerned in this matter, and which are entitled to be considered by the Senate, as there is in the States which would be taken care of by the Johnston amendment.

So, Mr. President, I join my colleagues who seek to defeat the Johnston amendment; and I ask unanimous consent that my distinguished colleague, the junior Senator from Oklahoma [Mr. MONRONEY] and myself be shown as joint sponsors of the Stennis amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JOHNSON of Texas. Mr. President, at this time——

Mr. HOLLAND. Mr. President——

Mr. JOHNSON of Texas. Mr. President, does the Senator from Florida desire to speak at this time? I was about to suggest the absence of a quorum.

Mr. HOLLAND. Mr. President, I do desire to speak.

The PRESIDING OFFICER. The Senator from Florida is recognized.

Mr. HOLLAND. Mr. President, a great deal of heat has been engendered by the discussion today—perhaps necessarily—but I think we need to give a little patient consideration to the question of just what this bill is supposed to do, and whether it will accomplish the objective.

I reiterate what I have already said in this debate prior to this time, to the effect that I offered no legislation in this field. I did not serve on the subcommittee which reported the bill. I had no thought of serving people in my State differently or better than those in any other State or area are served.

The senior Senator from Florida regards this bill as a relief bill, based upon humanitarian principles. It is not justified on any other basis of approach. He commends strongly the distinguished Senator from South Carolina [Mr. JOHNSTON] and the other members of the subcommittee for having cleared away all the other attempts to depart from the rather strict provisions of existing law relative to the allotment of acreage—that is, all attempts except those which have to do with giving some relief to farmers who, with less than 4 acres of cotton farm, are now being subjected to conditions under which their existence is imperiled.

That is what the bill does. It does not give any great amount of acreage to anyone. The exhibit already placed in the RECORD shows that the 168,000 acres involved in the Johnston amendment, other than the minor amount of acreage to Nevada and Illinois, which has already been explained, will go to 182,847 different farmers, which means that on the average each of them will receive less than 1 acre to add to the allotment which he has been given.

Obviously, and on the face of it, this is a relief measure. It cannot be regarded as anything else. The senior Senator from Florida thinks it is a great mistake to array State against State, or the problems of much bigger growers, wherever they may be—whether in the West, the South, or anywhere else—against the problems of the pitifully small growers who are the only ones who are affected by the committee amendment.

I invite the attention of every Senator from a cotton-producing State, as well as the Senators from other States, to the fact that in every State which has a larger number of small farmers who would be benefited by the bill, there are also growers having larger acreages who have exactly the same problems as are faced by farmers who have larger acreages in other areas of the Nation.

This is not the type of bill designed to give relief to all farmers. It is a bill under which those who are in pitifully poor circumstances are singled out for some relief. I do not think the States which happen to have sizable numbers of pitifully poor cotton farmers are to be blamed because the bill happens to apply to those people in their States. Instead, they are to be sympathized with, because, as a matter of fact, it is in the areas where the small farms exist that the problem is most acute. We cannot wish it away.

I desire to reiterate the point just made. In Florida, Georgia, Alabama, Mississippi, South Carolina, Oklahoma, Arkansas, Texas, and every other State, aside from the irrigated Western States, there are tens of thousands of farmers, in the aggregate, who are not brought into the field of this proposed relief. We do not propose to give them any relief. We would be on unsound ground if we did propose to give them any relief. But I think we are on very sound ground in recognizing the manifest fact that there is a great group of small farmers—and I repeat the figure, 182,847—who have less than 4 acres under the allotment, and who, on the average, will receive less than an acre apiece under the committee proposal.

If that is being unfair to anyone, if that is giving relief where relief is not needed, if that is withholding relief from places where it is needed, then I completely misunderstand the nature of the proposed legislation.

I have seen a great many crocodile tears shed on the floor of the Senate in the time I have been here, but I have never seen quite so many shed as in the discussion of this bill. Senators weep for folks who have 60-acre fields, 80-acre fields, or 160-acre fields, who are able to have diesel plants, great tractors, and so forth, to cultivate their fields. They must have them if they are to cultivate their large farms. Yet Senators seek to place them in the same category with farmers who have less than 4 acres to cultivate, and who must look to the proceeds of that tiny cultivation to meet the needs of their families.

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield.

Mr. GOLDWATER. I should like to correct an impression which I think exists in the Senator's mind with respect to what Senators from the irrigated States have been talking about.

We agree that the Senator's State has a problem with its 4-acre farms. It probably should be taken care of, we feel, by the State committees under the State allocations. We are talking about our small farmer. Our small farmer is not a 4-acre farmer. He is a 10-acre farmer. We are not crying about the 60-, 80-, or 160-acre farmer.

Mr. HOLLAND. The Senator did not hear the able address of the distinguished Senator from New Mexico [Mr. ANDERSON].

Mr. GOLDWATER. I was present during most of it. I did not hear him crying for the large farmer. I heard him crying for the small farmer in the West, who is not a 4-acre farmer, but a 10-acre farmer. The Senator ably brought out that there is a difference in the economic units. We in the West recognize that. We want justice done to our small farmer, who is not a 4-acre farmer; but is a 10-acre farmer.

Mr. HOLLAND. There are several incorrect premises in the remarks of the distinguished Senator from Arizona. The first is his feeling that all the States in which there have been shown to be large numbers of small farmers have not done their best for those small farmers. To the contrary, as I read the record, except in two States, which it is not necessary to mention again, the States have made every effort to take care of their small farmers. That certainly was done in my State. There was not enough in the State reserve acreage to begin to take care of the problems of the small farmers.

If the Senator will look at the figures for the State of Alabama, he will see that nearly all the State reserve was dedicated to small farmers, and that notwithstanding that fact, there is great need for additional acreage in order to provide the relief which is sought to be provided by this bill. That is one of the unsound premises which the Senator has evidently entertained.

Another premise which seems to be entertained by various Senators is that there is something regional or sectional involved in this question. The senior Senator from Florida has voted gladly for the reclamation projects of the West. He is glad that relatively large farmers are moving in to develop those areas. They are making contributions to the wealth of the Nation. While this measure was being considered by the committee, the Senator from Florida was working pretty hard on 2 measures which happened to vitally affect the State of California, for which he has a considerable affection, despite the well-known rivalry between the 2 States.

I do not think the Senators from California knew, until they were advised by the Senator from Florida, that at my insistent urging the Department of Agriculture had finally ruled that prunes and dried raisins were declared to be surplus, and allowed them to be traded in under the provisions of Public Law 480. I have no apology to make for having engaged in that effort. I was working for the grapefruit growers of my own State at the same time. My file indicates—whether the Senators from California know it or not—that a great many of the good people in their State feel rather kindly toward the Senator from Florida for having engaged in that enterprise.

During the discussion of this bill, the Senator from Florida has been engaged in a very extensive hearing in which it is being sought to build up the export business generally of the fruitgrowers of the Nation. The Senator from Florida sees on the floor his distinguished friend, the senior Senator from Kansas [Mr. SCHOEPPEL], who is also engaged in the long hearings on that subject. I believe the distinguished Senator from Kansas would be the first to say that the Senator from Florida has never for a moment forgotten, in the course of those hearings, to mention that one of his particular objectives was to take as much care

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as he could through this effort, of the fruit and vegetable producers of the State of California, where the production far exceeds the aggregate production of his own State, so far as the value is concerned.

Therefore, Mr. President, suggestions, particularly when they come from the Senators from California, as they have come, that there is something regional or sectional in this matter, would be irritating but for the fact that the Senator from Florida does not believe they understand what is sought to be done under this bill.

Mr. KUCHEL. Mr. President, will the Senator yield?

Mr. HOLLAND. I shall be glad to yield in a moment. The fact is that in all the areas where the small growers are in such critical condition, there are also larger growers, who have their own problems. In most States the larger growers have given gladly of their reserves to the small growers, in an effort to help the small growers. In Florida, about 60 percent of the reserve acreage was assigned directly to them, and the rest of it was used to take care of inequities. The Senator from Florida is pleased to note that it has gone to the small growers, and he recognizes the effort of the large growers to take care of the problems of those who cannot take care of themselves.

Mr. President, we believe we are not in the category of fighting for something exclusively for ourselves and our own people. Certainly the Senator from Florida does not want to be placed in that category. The total number of poor cotton farmers in his State aggregates 4,458, out of a total of 182,847 who are involved. We will be able to get by somehow. But I would not feel I were doing the right thing if I stood on the floor of the Senate and supported a measure which did not take care of those small farmers.

With reference to the amendment which will come up after the pending amendment is disposed of, although it was not so designed, and even though the Senators who have offered it say it will take care of the situation, in my opinion, instead of giving about an acre to each of the small farmers in my State, it will give about one-eighth of an acre or less to each of the small farmers in my State. It will give that small amount to the poor farmers of my State who are in such pitiful circumstances.

It is a fact that the proposed amendment does not take care of the situation.

The sole objective of the subcommittee of the Committee on Agriculture and Forestry has been to take care of the pitifully small operations, which in nearly every case are carried on by families whose ability to continue to exist, even on the low standard of living which now prevails, is being terribly shaken by the administration of the legislation which has been passed, in the wisdom of Congress, for the benefit of a great and important industry which does need Government regulation and assistance.

At this time I wish to pay tribute to the distinguished Senator from New Mexico, who, as Secretary of Agriculture and as a great Senator, has fearlessly tried to have enacted legislation which would cut down overproduction and bring about some degree of balance and some degree of prosperity, on a continuing basis, for the cotton farmers of this Nation.

The Senator from Florida has been a party to that effort and a member of the subcommittee that brought out the Anderson bill, which in part reflects his thinking. He has been a party to the doctrine which was embodied in the bill Congress passed last year and which is now the Federal law on this subject. He does not yield even to his distinguished friend from New Mexico in his desire to bring order out of chaos in the field of agriculture.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield.

Mr. ANDERSON. I would not want the record to stand without admitting that the Senator from Florida has been very effective in all his work on agricultural legislation. It has been my great privilege to stand beside him in that effort.

Mr. HOLLAND. I thank the distinguished Senator from New Mexico. Perhaps we are beginning to get together and get back to normality, where we can consider this question as it is.

The pending bill seeks to give relief where relief is very badly needed. We know full well that if we should undertake in the bill to provide much larger acreage figures—and I wish we could write some of the larger figures into the bill—we would be doomed to disappointment in having the measure become law.

Cotton is already being planted in my State. Whatever we do here will be inadequate, I fear, to accomplish very much good there. I hope it will be something which will place first the problem of the small farmer who has less than 4 acres in his cotton farm.

I do not believe we need apologize to each other or to the public or to anyone else in singling out for direct relief, just as we do in other measures in various other fields, that class of cotton growers who, above all others, require some little help at the hands of Congress. There is no other place for them to turn.

I concur entirely with the position taken by my esteemed friend from North Carolina [Mr. ERVIN] that the mere fact that in two States the control committees did not handle the State reserve to the best interests of solving this question should not relieve the Senate from the responsibility of doing its job now. It happens that in my State the committee did serve well and did do its job well. There was simply not enough acreage to take care of the small growers.

Mr. GORE. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield.

Mr. GORE. As I understand, there is no need for additional cotton production. Is that correct?

Mr. HOLLAND. None at all.

Mr. GORE. Then the only justification for this proposed legislation is to correct or to ameliorate or to mitigate hardship conditions. Is that correct?

Mr. HOLLAND. The Senator is right. He is saying in a few words what I have been saying at some length. There is no justification for any increase in the acreage, except to bring relief to that segment of the industry that needs it most.

Mr. LONG. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield.

Mr. LONG. Am I correct in understanding that this bill does not intend at all to prejudice the production history of any of the States insofar as future legislation is concerned?

Mr. HOLLAND. The Senator is correct. The additional little bit of acreage which is given—and it is only a pittance—is on a 1-year basis, with the specific provision that it shall not add to the basis of apportionment or allotment in the future.

Mr. LONG. Mr. President, will the Senator yield further?

Mr. HOLLAND. I yield.

Mr. LONG. I assume the Senator knows that in a State like Louisiana large farmers would not benefit, and it would be only the small farmers who could receive the benefit from such legislation as this.

Mr. HOLLAND. The Senator is correct. Insofar as the State of Louisiana is concerned, it is not one of those States which have not tried to take care of its own problems. The figures show that it has tried to do so.

It has not been able to do so. In spite of all it has done, there are still 8,602 small farmers in the State of Louisiana who under this measure would receive the grand total of 8,860.7 acres, or a small fraction more than 1 acre each, in an effort to try to build them up to 4 acres. Some would get less, but they would receive an average of 1 acre apiece in the effort of Congress to bring some relief to the pitiful situation which exists under present circumstances.

Mr. LONG. Inasmuch as the large farmers of a State like Louisiana would not be able to benefit from the legislation, would it not be difficult to explain to our large farmers why we undertook to give more acreage to large farmers in other States in a bill which is designed to take care of the small farmer?

Mr. HOLLAND. It would be difficult. In many States where there are a great many small farmers there are also large farmers, and those large farmers would not get anything under this bill, although they would like to get something.

The Senator's file, no doubt, is full of letters from people who complain that their acreage has been cut down from 120 to 70 acres or less, or something of that sort, and they would like to get relief, too. For us to give relief to farmers in that classification in other States and withhold it from our own farmers would be obviously wrong.

Mr. JOHNSTON of South Carolina. Mr. President, I wish to bring to the attention of the Senate the fact that the amendment which I had previously offered, I now withdraw, and submit it as a modification of the committee substitute, which has been approved and authorized by the committee.

The PRESIDING OFFICER. The question therefore is on agreeing to the Stennis amendment to the committee substitute as modified.

Mr. HOLLAND. I thank the Senator for his observation.

Mr. President, I yield the floor.

Mr. KUCHEL. Mr. President, it is somewhat difficult for some of us to follow the recommended legislation regarding cotton. The House of Representatives, on the theory that it was doing equity and justice and alleviating hardship, passed a bill which provided for an increase of 3 percent in the 1954 allotment for each State in the Cotton Belt. The Senate committee saw fit to report to the Senate several days ago a new and different measure under which some 168,000 acres would be allocated or apportioned to the several States.

Mr. KNOWLAND. Mr. President, I wonder if my colleague will yield at this time, because I must temporarily leave the floor.

Mr. KUCHEL. I yield.

Mr. KNOWLAND. Mr. President, I understand the yeas and nays have not been ordered on the committee amendment, and I should like to ask for the yeas and nays on that amendment.

The PRESIDING OFFICER. The yeas and nays have not been ordered on the Johnston amendment because he submitted it as a modification of the committee amendment.

Mr. ANDERSON. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. ANDERSON. Did the Chair say that the yeas and nays have been ordered on the Stennis amendment?

The PRESIDING OFFICER. It is the understanding of the Chair that the yeas and nays have been ordered on the Stennis amendment.

Mr. ANDERSON. It is going to be accepted without a yea-and-nay vote? The committee reported a bill.

The PRESIDING OFFICER. That is correct; and the committee voted to modify it by the amendment offered by the Senator from South Carolina [Mr. JOHNSTON], which, therefore, makes the question on the Stennis amendment to the committee amendment as modified by the amendment originally offered by the Senator from South Carolina.

Mr. KNOWLAND. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. KNOWLAND. Then the vote will be on the Stennis amendment as modified, which is, in effect, a committee amendment as reported by the Senator from South Carolina [Mr. JOHNSTON] today.

The PRESIDING OFFICER. That is correct. The Chair will say that the vote will be on the amendment offered by the Senator from Mississippi to the committee amendment as modified by the amendment of the Senator from South Carolina; and the yeas and nays have been ordered.

Mr. ANDERSON. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. ANDERSON. Then, the vote will come first on the Stennis amendment?

The PRESIDING OFFICER. The Chair so understands. The Chair will state that the vote will be on the amendment to the committee amendment, as modified.

Mr. ANDERSON. As modified?

Mr. KUCHEL. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. KUCHEL. Does the Committee on Agriculture and Forestry have the right to determine what is a perfecting amendment, or may a Senator have the right to raise a question as to whether or not it is a perfecting amendment?

The PRESIDING OFFICER. The Chair understands that the committee has a right to modify its amendment until the yeas and nays are ordered.

Mr. KNOWLAND. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. KNOWLAND. Were not the yeas and nays ordered on the Stennis amendment prior to the amendment offered by the Senator from South Carolina?

The PRESIDING OFFICER. Not on the committee substitute, the Chair will state.

Mr. ANDERSON. Mr. President, I hope the Chair will listen to the question of the Senator from California. He asked, "Were the yeas and nays not ordered on the Stennis amendment before the Johnston amendment?" The answer, of course, is "Yes."

The PRESIDING OFFICER. But that was on the amendment offered by the Senator from Mississippi, and not on the committee substitute. It would not have any effect on the statement made by the Chair. The yeas and nays have been ordered.

Mr. JOHNSTON of South Carolina. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. JOHNSTON of South Carolina. Mr. President, I think the situation at this time is as follows——

Mr. KUCHEL. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from South Carolina was propounding a parliamentary inquiry.

Mr. JOHNSTON of South Carolina. Mr. President, the situation in which we find ourselves is that the committee offers a modification, which it has a right to do. Then any Senator on the floor has a right to move to amend. That is my understanding of the situation at the present time. The Senator from Mississippi has an amendment pending, which amends the bill.

Mr. HAYDEN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HAYDEN. Mr. President, I desire to offer a perfecting amendment. I do not wish to lose the right to make the motion with respect to my amendment. When can I make it?

The PRESIDING OFFICER. The Chair will state that it is in order at this time.

Mr. HAYDEN. Mr. President, I offer an amendment to the Stennis amendment. My amendment is to perfect the Stennis amendment, and I wish to have it voted on at this time.

The PRESIDING OFFICER. The clerk will state the amendment offered by the Senator from Arizona.

The LEGISLATIVE CLERK. At the end of the amendment of Mr. STENNIS, it is proposed to insert the following:

In addition to cotton-acreage allotments provided by this legislation and previous Cotton Acreage Acts, the 1955 cotton-acreage allotment heretofore established for Illinois and Nevada, pursuant to the provisions of subsections (b) and (k) of this section shall be increased to 3,500 acres, and the additional acreage so allotted to the State shall be apportioned to farms in the manner provided for above in this section: *Provided*, That in the case of Arizona, the additional acreage allotted to the State shall be apportioned so as to provide each farm for which a 1955 cotton-acreage allotment has been established, as well as each farm which is eligible for a 1955 new-farm allotment, a minimum allotment equal to 10 acres. If the additional acreage allotted to the State is insufficient to meet the total of the farm increases so computed, such farm increases shall be reduced pro rata to the additional acreage available to the State: *Provided further*, That in the case of New Mexico, the additional acreage allotted to the State shall be apportioned primarily to farms which the State committee determines are hardship cases, due to reduced cotton production caused by adverse weather conditions in 1952, 1953, or 1954, so as to provide fair and reasonable allotments for such farms.

Mr. HAYDEN. Mr. President, the amendment I have offered does not add a single acre to the allotment which would be received by Arizona or New Mexico under the Stennis amendment; the acreage remains exactly the same.

However, the amendment provides that when acreage is allotted to Arizona, that State shall provide for its distribution in a manner satisfactory to the people of Arizona; and in the case of New Mexico its acreage can be disposed of in a manner that suits the people of that State. That is all the amendment does with respect to Arizona and New Mexico.

The amendment also adds 440 acres for Illinois and 1,176 acres for Nevada. In the case of Nevada the principal reason for the addition is to provide sufficient acreage to enable the use of a cotton gin in that State.

SEVERAL SENATORS. Vote! Vote!

Mr. KUCHEL. Mr. President, I have been informed by my colleague, the distinguished senior Senator from California [Mr. KNOWLAND], that there is no objection to the amendment of the Senator from Arizona and that it can be agreed to. If that be the fact, I ask unanimous consent that the vote may be taken on the amendment without my losing the floor.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Arizona to the amendment offered by the Senator from Mississippi [Mr. STENNIS], for himself and other Senators.

The amendment to the amendment was agreed to.

Mr. KUCHEL. Mr. President, in the form in which the Senate committee originally reported the cotton bill, about

168,000 acres were allocated to the States of the Cotton Belt, so that the 1955 allotment in those States would be increased for the benefit of small, 4-acre farms.

In addition, one-half percent of the 1955 allotment was given to each State in the Cotton Belt.

By the amendment which was agreed to by the committee last night, the one-half percent of the present allotment to each State was eliminated. That is the effect of the perfecting amendment offered by the Senator from South Carolina [Mr. JOHNSTON].

I wish to refer very briefly to the testimony of the President of the American Farm Bureau, a constituent of the distinguished junior Senator from Alabama [Mr. SPARKMAN], who now occupies the Chair. He stated before a Senate subcommittee that it had been the consistent position of the American Farm Bureau that the law should contain a mandatory provision that the small farmer be taken care of. No consideration favorable to that recommendation by Mr. Randolph was given by any committee of Congress or by the Congress, and no provision of that kind was written into the law. So each State, with respect to its 1955 allotment, had a right to make its allotment in any fashion it desired.

The Senator from New Mexico [Mr. ANDERSON] has graphically stated that some States first made their allocations in favor of the small-acreage farmer, while other States did not.

The State of the distinguished junior Senator from Alabama devoted a great amount of its 1955 allotment to the alleviation of the situation of the small, 4-acre farmers.

So I think it can be said that the proposed legislation now being considered on the floor would be exceedingly unfair if it were grounded on the theory that States that have done what justice and common decency dictate should be penalized, and that an additional allocation, provided by emergency legislation, should be given only to those States which did not follow equity and justice in their allocation and distribution of the acreage.

For those reasons, and because I do not wish to take more of the time of the Senate, I sincerely hope that the amendment offered by the Senator from South Carolina [Mr. JOHNSTON], which gives California zero acres, will be rejected when the vote is taken on it.

Mr. JOHNSON of Texas. I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. SPARKMAN in the chair). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. AIKEN. Mr. President, I am sure all Senators realize the importance of the cotton crop to the agricultural economy, and to the general economy of the Nation, as well. We all realize, too, the plight of a considerable number of the small farmers in a few States who, without appropriate legislative action, will be unable to plant enough cotton to make a decent crop this year. It was in recognition of this situation that I agreed to the reporting of the pending bill by the committee, reserving the right to oppose any amendments, or the bill itself.

Mr. President, I believe we should consider briefly what the cotton situation is. We know what happened in the case of potatoes, when we induced the production of huge quantities of potatoes which the market would not take, which the consumer would not eat. There are now on hand hundreds of millions of bushels of wheat, of low-milling quality, because we have encouraged the production of that grade of wheat.

There is also a large quantity of cotton on hand, a good deal of it of such quality that the buyers do not dare to buy cotton far into the future for fear that some low-grade material will be delivered to them. The effect has been to lower the price not only in the United States, but to hurt the situation in the foreign market for cotton.

As I have said, Mr. President, I believe there are 180,000 small farmers who, under the present law, as it has been applied in the different States, will be unable to plant even 4 acres of cotton on each farm. I am sorry to say that some States apparently allocated their cotton acreage without regard to bringing the small farmers up to the 4-acre minimum, and now they find themselves short of acreage for the current crop. They have come to Congress to ask for the allotment of a sufficient number of acres to bring the small farms up to the acreage which they should have been given in the first place.

Mr. President, I am sorry the situation is such, but we must realize that if this year a State concludes to proceed contrary to the regulations and the intent of Congress, and if then it can come back to Congress and say, "We want acres enough to take care of the situation as it should have been handled in the first place," and we grant that request, next year there will not be any reason for any State allocating the acreage as intended by the Congress.

The bill before the Senate would increase the cotton production of the country, not largely, but at the same time it would increase the yield the coming year somewhat.

If the market is not good, if we do not recover the foreign markets which our program has in effect, turned over to foreign countries, if the mills continue to convert synthetic fiber into cloth, then we are likely to have controls over the cotton crop for years to come.

We must recognize the situation as it is. I had hoped a fair bill could be worked out between the time of action by the committee and the passage of the bill by the Senate. I had hoped against hope, apparently, that that could be done. I have come to the conclusion that we are not going to get a fair bill, regardless of what amendments may be agreed to.

Therefore, Mr. President, I have decided to vote against all the amendments and against the bill.

Mr. HOLLAND. Mr. President, I hope that Senators who are now on the floor will pay attention to the one point I am going to make in concluding.

I thought the pending amendment was a bad one from every point of view before it had been amended, but it has now been amended, by vote of the Senate, under the sponsorship of the Senator from Arizona [Mr. HAYDEN], to include in it a provision which I think will be wholly intolerable to any Senator who represents a State in which cotton is produced on dry farms. I read the provision to which I refer:

> *Provided*, That in the case of Arizona, the additional acreage allotted to the State shall be apportioned so as to provide each farm for which the 1955 cotton-acreage allotment has been established, as well as each farm which is eligible for a 1955 new farm allotment, a minimum allotment equal to 10 acres.

Mr. President, every Senator on the floor of the Senate who knows anything about cotton production knows that the reclaimed areas in the West produce 2, or even 3 bales to the acre. They know that a 10-acre minimum allotment means a license to produce about 30 bales of cotton as the minimum to be given under this provision, in 1 of our States.

Mr. President, those of us who represent thousands of small farmers from dry-land-farm States know that what we are working for is to build up to 4 acres or less the acreage of 182,847 farmers whose acreage is under 4 acres. We produce something like half a bale of cotton to the acre.

Mr. President, will it be said that the Senate gets into the field of relief legislation in such a way that it appears with 1 hand to grant relief to over 180,000 pitiably poor farmers who are hoping to get 4 acres, or near that, out of this very simple proposed legislation, whereas in another part of the Nation, by the very terms of the bill itself, we fix 10 acres as the minimum number of acres for farmers who are producing on reclaimed acreage, made available to them by Federal appropriation, acreage which produces in the neighborhood of 6 times the amount of cotton an acre? Such a proposal is so absurd that it seems to me it does not need to be stated other than in the few words I have mentioned it.

I hope the Senate will vote down the amendment, as amended, and will proceed to pass the committee bill.

Mr. HAYDEN. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield to the Senator from Arizona.

Mr. HAYDEN. I think the Senator from Florida did not make clear that no farmer in my State who has been growing cotton can get any acreage, and that the amendment would apply only to new land which is now being brought under cultivation.

Under the circumstances, I say that veterans and others who have taken up the new land, and have been put to the expense of clearing it, ought to be able to raise cash crops. Cotton is the only crop they will be able to grow. Those farmers cannot grow wheat, barley, or vegetables,

because there are no nutrients or nitrogen in the soil; but cotton can be grown on that land. When a person has made a heavy investment in the land, any action taken that will enable him to make a profit on 10 acres will do him more good than will any other aid.

Mr. HOLLAND. Mr. President, I appreciate the comment the distinguished Senator from Arizona has made. However, if he will reread his amendment to the Stennis amendment, I think he will find that it applies not only to new farms, but also to all farms that are entitled to acreage allotments.

I read again from the amendment:

Provided, That in the case of Arizona, the additional acreage allotted to the State shall be apportioned so as to permit each farm for which a 1955 cotton acreage allotment has been established, as well as each farm which is eligible for a 1955 new farm allotment, a minimum allotment equal to 10 acres.

I do not see how it could be more clearly stated.

Mr. HAYDEN. It is perfectly clear to me that there are not more than 305 new farms in Arizona. In order to comply with the law, Arizona was given a minimum allotment. That is all there is to it.

Mr. HOLLAND. But the Senator from Arizona is not arguing, is he, that he does not propose to have a minimum allotment of 10 acres of reclaimed land set up for the number of farms he mentioned, or whatever other number is covered by the cottongrower group in his State?

Mr. HAYDEN. There are 305 new cotton farms in Arizona since 1954, and that is all the provision could apply to.

As the bill was passed by the House, under the allotment provided, 236 acres could be applied to 4-acre farms. To that extent, if a farmer in Arizona had a 4-acre farm, he could get 10 acres.

Mr. STENNIS. Mr. President, will the Senator from Florida yield to me?

Mr. HOLLAND. I yield.

Mr. STENNIS. The Senator from Florida agrees, does he not, that the so-called 4-acre amendment will not increase the acreage allowed to Arizona; its allotment will continue to be the same. Is not that correct?

Mr. HOLLAND. I agree that the acreage provided for by the so-called Stennis amendment, which calls for 1½ percent, will not be increased by the Hayden amendment; but the amount of acreage going to Arizona will be materially increased by the Stennis amendment.

Furthermore, the Stennis amendment provides for a situation under which each of the 4,458 small growers in Florida who need some acreage if they are even to approach the 4-acre figure, would receive less than one-eighth of an acre each, as compared to a little more than 1 acre each which they would receive under the committee amendment. Mr. President, we are talking about pitifully poor people; and it makes a great deal of difference to them whether they receive one-eighth of an acre less, instead of a full acre, as an addition to their poor plant.

Mr. STENNIS. But in the case of Arizona, only 4,000 acres are involved under the proposed amendment for Arizona; and the Hayden amendment will not increase that acreage, but merely will permit Arizona to use the acreage in any way it sees fit. Is not that correct?

Mr. HOLLAND. I understand that under the so-called Stennis amendment, on the basis of 1½ percent, the Arizona increased allocation would be 4,500 acres, whereas under the other amendment, namely, the committee amendment, I understand that the figure for Arizona would be much less than that.

Mr. STENNIS. That is true.

Mr. HOLLAND. In fact, it would be 134.5 acres. So the Stennis amendment does very greatly and very liberally increase the acreage for the State of Arizona, which, in turn, by means of the so-called Hayden amendment, would proceed to fix a minimum allotment of 10 acres per farm in the State of Arizona.

Mr. President, I hope the amendment will be rejected.

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JOHNSON of Texas. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Texas will state it.

Mr. JOHNSON of Texas. Is not the pending question on agreeing to the Stennis amendment? Will the vote be taken on the Stennis amendment, as modified by the Hayden amendment?

The PRESIDING OFFICER. The Senator from Texas is correct.

Mr. THURMOND. Mr. President, I shall occupy only about 3 minutes. The pending cotton acreage allotment bill is of great concern to the small cotton farmer.

The committee bill was considered by the Committee on Agriculture and Forestry, composed of both Democrats and Republicans, and was reported unanimously, with one exception—I believe the senior Senator from New Mexico [Mr. ANDERSON].

The bill would give the small farmer 4 acres, or a minimum of 75 percent of the past 3 years' allotments of cotton acreage.

A great many small cotton farmers are going to hold on to their farms, which they have rented, regardless of how much their acreage is cut, or regardless of the size of the allotment they have. They are a part of those farms. They have been born and raised in their respective communities. I hope the Senate will vote to help the small farmers.

I know of no man for whom I have a higher respect than I have for the distinguished junior Senator from Mississippi [Mr. STENNIS]. However, the Stennis amendment provides for a general increase of 1½ percent overall. I do not believe the administration or the Agriculture Department would favor such an amendment. Under the circumstances, I do not believe it is a wise amendment.

The purpose of the bill, as I apprehend it, is not to provide a general increase in cotton allotments, but to alleviate the suffering of the small farmers who are living on farms of four acres or less.

I hope the Senate will approve the committee amendment and reject the Stennis amendment, and thus help the small farmers of the United States.

Mr. ANDERSON. Mr. President, I have no intention of detaining the Senate, except to say that cotton legislation, if it is to last, must be framed on a basis of fairness. This is not a fair bill, when it cuts out entirely the great State of California, the State of Arizona, and the State of New Mexico; when it cuts Texas far below its requirements, and when it chops at Oklahoma and Arkansas, although the State committee in Arkansas did a good job.

I believe that cotton legislation will serve its purpose only when it is based upon a decent consideration. That is why I shall support the Stennis amendment. I think a good job has been done in considering this question. I think the committee worked pretty hard, but we are now in a situation in which I think the Stennis amendment should be adopted, if cotton legislation is to stand where it should stand. I intend to vote for the Stennis amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment, as amended, offered by the Senator from Mississippi [Mr. STENNIS], for himself and other Senators to the committee amendment as modified, beginning on page 3, line 10.

On this question, the yeas and nays have been ordered, and the Secretary will call the roll.

The legislative clerk called the roll.

Mr. CLEMENTS. I announce that the Senator from West Virginia [Mr. KILGORE], the Senator from Montana [Mr. MURRAY], and the Senator from Georgia [Mr. RUSSELL] are absent on official business.

The Senator from New Mexico [Mr. CHAVEZ] is absent because of illness.

The Senator from Massachusetts [Mr. KENNEDY] is absent by leave of the Senate because of illness.

I further announce that on this vote the Senator from New Mexico [Mr. CHAVEZ] is paired with the Senator from Massachusetts [Mr. KENNEDY]. If present and voting, the Senator from New Mexico would vote "yea" and the Senator from Massachusetts would vote "nay."

Mr. SALTONSTALL. I announce that the Senator from Vermont [Mr. FLANDERS] is detained on official business, and, if present and voting, he would vote "nay."

The result was announced—yeas 51, nays 39, as follows:

YEAS—51

Anderson	Case, N. J.	Goldwater
Barrett	Case, S. Dak.	Hayden
Beall	Cotton	Hennings
Bender	Curtis	Hickenlooper
Bible	Daniel	Hruska
Bricker	Dirksen	Jackson
Bridges	Duff	Jenner
Butler	Frear	Johnson, Tex.
Capehart	Fulbright	Kerr

Knowland	McClellan	Smith, Maine
Kuchel	Millikin	Smith, N. J.
Lehman	Monroney	Stennis
Magnuson	Morse	Symington
Malone	Neely	Thye
Martin, Iowa	Payne	Watkins
Martin, Pa.	Purtell	Welker
McCarthy	Saltonstall	Wiley

NAYS—39

Aiken	George	Mundt
Allott	Gore	Neuberger
Barkley	Green	O'Mahoney
Bennett	Hill	Pastore
Bush	Holland	Potter
Byrd	Humphrey	Robertson
Carlson	Ives	Schoeppel
Clements	Johnston, S. C.	Scott
Douglas	Kefauver	Smathers
Dworshak	Langer	Sparkman
Eastland	Long	Thurmond
Ellender	Mansfield	Young
Ervin	McNamara	Williams

NOT VOTING—6

Chavez	Kennedy	Murray
Flanders	Kilgore	Russell

So the Stennis amendment to the committee amendment, as amended, was agreed to.

Mr. JOHNSON of Texas. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER (Mr. SPARKMAN in the chair). The Senator will state it.

Mr. JOHNSON of Texas. Am I correct in understanding that the question now is on agreeing to committee amendment as amended?

The PRESIDING OFFICER. The Senator is correct.

SEVERAL SENATORS. Vote! Vote!

Mr. CASE of South Dakota. Mr. President, on behalf of myself and the Senator from North Dakota [Mr. YOUNG] I offer an amendment which I desire to have stated.

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. At the appropriate place in the bill, it is proposed to insert a new paragraph, as follows:

(o) Notwithstanding any other provision of law the 1955 wheat acreage allotment established for each State pursuant to the provisions of this section (excluding those States which received a minimum allotment under subsection (k)) shall be increased by 1½ percent. The additional acreage made available to the States under the provisions of this subsection shall be used to increase each farm allotment to the smaller of (A) 30 acres, or (B) 75 percent of the highest number of acres planted to wheat on the farm in 1952, 1953, or 1954. If the additional acreage is insufficient to meet the total of the farm increases so computed, such farm increases shall be reduced pro rata to the additional acreage available to the State. If the additional acreage available to the State is in excess of the total of the farm increases so computed, the acreage remaining after making such farm increases shall be added to the State acreage reserve under subsection (e) of this section to be used by the State committee for any of the purposes specified therein.

The PRESIDING OFFICER. The Senator from South Dakota.

Mr. KNOWLAND. Mr. President, will the Senator from South Dakota yield for a parliamentary inquiry?

Mr. CASE of South Dakota. I yield.

Mr. KNOWLAND. Mr. President, I have no desire to interfere with the distinguished Senator from South Dakota in making his presentation of the amendment, but my parliamentary inquiry is—and I make it because I have had some requests for information—would it be possible now to have an understanding that the yeas and nays are ordered on the final passage of the bill itself, without foreclosing amendments being offered such as the amendment now offered by the Senator from South Dakota, so that we can have that point definitely established?

The PRESIDING OFFICER. Any Member of the Senate has the right to ask for the yeas and nays on the final passage of the bill.

Mr. KNOWLAND. And that would not foreclose the Senator from South Dakota in presenting his amendment?

Mr. CASE of South Dakota. Or in asking for the yeas and nays on my amendment.

Mr. KNOWLAND. Or in asking for the yeas and nays on the Senator's amendment.

The PRESIDING OFFICER. That is correct.

Mr. KNOWLAND. Mr. President, I ask that the yeas and nays be ordered on the final passage of the bill.

The yeas and nays were ordered.

Mr. CASE of South Dakota. Mr. President, I ask for the yeas and nays on the amendment which I have offered.

The PRESIDING OFFICER. There is not a sufficient second.

Mr. CASE of South Dakota. Mr. President, will the Chair count again?

The PRESIDING OFFICER. The Senator from South Dakota has offered an amendment and is requesting the yeas and nays on his amendment. Let there be a show of hands as to the sufficiency of a second. [After a pause.] There is a sufficient second, and the yeas and nays are ordered.

Mr. THURMOND. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. Does the Senator from South Dakota yield to the Senator from South Carolina for a parliamentary inquiry?

Mr. CASE of South Dakota. I yield, if I shall not thereby lose my right to the floor.

Mr. THURMOND. Mr. President, is the amendment offered by the Senator from South Dakota germane to the bill?

The PRESIDING OFFICER. The Chair will state that the rule of germaneness does not apply to this particular type of legislation.

Mr. CASE of South Dakota. Mr. President, I do not think it will take me more than 2 minutes to state the proposition, and then we can immediately vote on my amendment.

My amendment simply proposes to do for the wheat farmer what it has already been indicated will be done for the cotton farmer; namely, to take care of the small wheat farmer. It covers a minimum of 30 acres, or 75 percent of the wheat production of the farm, or a 1½-percent increase in the State allotment.

Mr. President, a great many young farmers who came back from Korea found that under the acreage cut, which has ranged up to 30 percent in some counties, they simply did not have enough free acres last year to yield them sufficient income to pay the interest on the loans they had made. Thirty acres in wheat is comparable to 4 acres in cotton. What is good for the small marginal producer of cotton ought to be good and fair for the small marginal producer of wheat.

Therefore, Mr. President, I ask for a favorable vote on my amendment.

Mr. ELLENDER. Mr. President, will the Senator from South Dakota yield?

Mr. CASE of South Dakota. I yield.

Mr. ELLENDER. As I understand, the distinguished Senator from South Dakota has used the same language in his amendment as that written into the Stennis amendment, except that he has stricken out the word "cotton" and placed in lieu thereof "wheat" and he has also modified the acreage provision of the Stennis amendment.

Mr. CASE of South Dakota. Exactly. I took a copy of the Stennis amendment and wrote my amendment from it.

Mr. ELLENDER. What is the size of the farms to which the Senator's amendment will be applicable?

Mr. CASE of South Dakota. I used 30 acres, in consultation with the Senator from North Dakota [Mr. YOUNG], and we thought that would be comparable to 4 acres in cotton. The language is the same with the exception of substituting "wheat" for "cotton" and 30 acres in place of 4 acres.

Mr. AIKEN. Mr. President, will the Senator from South Dakota yield?

Mr. CASE of South Dakota. I yield.

Mr. AIKEN. Can the Senator estimate the number of acres that would be added to the amount already allocated?

Mr. CASE of South Dakota. I have not had an opportunity to make the computation, but 1½ percent could not amount to very much.

Mr. AIKEN. The Senator realizes, does he not, that the acreage allocated to wheat would be 55 million acres in any case.

Mr. CASE of South Dakota. But that is on a State basis. It may not work out that way.

Mr. AIKEN. Would the amendment have the result of taking acreage away from large farms and giving it to small farms?

Mr. CASE of South Dakota. That would be governed by the language in the Stennis amendment.

Mr. ELLENDER. The 1½ percent is over and above the present wheat allotment, to each State; is it not?

Mr. CASE of South Dakota. Yes.

Mr. President, if there are no further questions, I ask for a vote.

Mr. YOUNG. Mr. President, I rise to support the amendment offered by the Senator from South Dakota. I was perfectly willing to go along with the cotton amendment so long as it provided acreage for people who had an earned base. The committee bill applies to farmers who have less than 4 acres. That is a social problem. They needed help badly. But when we amend the bill as it has now been amended I am sure the Department of Agriculture will disapprove it, and it will be vetoed. I do not see how we can go to the extent of providing additional acres to cotton farmers who

have not earned them, and then expect the wheat farmers to go without any additional acres. We have many real hardship cases among wheat farmers. The Senator from South Dakota has pointed out that World War veterans are in bad shape.

If we are going to give help to the larger cotton farmers, I do not see how we can disapprove of giving a little help to relieve the real hardship cases among wheat farmers.

Mr. DWORSHAK. Mr. President, will the Senator from North Dakota yield?

Mr. YOUNG. I yield.

Mr. DWORSHAK. What effect would this amendment have on the acreage allotment for hard wheat?

Mr. YOUNG. It would add 1½ percent to the national allotment. There are thousands of hardship cases. It would help farmers who produce 30 acres or less. A farmer who produces 30 acres or less is indeed a small farmer.

Mr. LANGER. Mr. President, will my colleague yield?

Mr. YOUNG. I yield.

Mr. LANGER. There are instances in which a man has a quarter section of land and at the present time can seed only 32 acres.

Mr. CASE of South Dakota. I know of some farmers who have 2,200 acres and seed only approximately 24 acres.

Mr. YOUNG. The South where cotton is produced has 90 percent of parity supports for rice, peanuts, tobacco, cotton, and naval stores—resin and turpentine. The Republican farming area of this Nation—the Midwest and Northwest—has not one crop which is afforded 90 percent supports under the Benson plan.

Mr. ELLENDER. Mr. President, I shall vote against the pending amendment. Should the amendment prevail it is my intention to vote against the bill on final passage.

As I stated in my opening remarks, the bill should be limited to cotton acreage allotments as they affect small farmers. We need no increase in wheat or cotton production and the only justification for any Senator supporting the bill as modified by the committee is to alleviate the plight of over 160,000 small farmers scattered all over the cotton area of our country, particularly the South.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from South Dakota to the committee amendment. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The Chief Clerk called the roll.

Mr. CLEMENTS. I announce that the Senator from West Virginia [Mr. KILGORE], the Senator from Montana [Mr. MURRAY], the Senator from Oregon [Mr. NEUBERGER], and the Senator from Georgia [Mr. RUSSELL] are absent on official business.

The Senator from New Mexico [Mr. CHAVEZ] is absent because of illness.

The Senator from Massachusetts [Mr. KENNEDY] is absent by leave of the Senate because of illness.

I announce further that on this vote the Senator from New Mexico [Mr. CHAVEZ] is paired with the Senator from Massachusetts [Mr. KENNEDY]. If present and voting, the Senator from New Mexico would vote "Yea" and the Senator from Massachusetts would vote "Nay."

I also announce that on this vote the Senator from Oregon [Mr. NEUBERGER], if present and voting, would vote "Yea."

The result was announced—yeas 47, nays 43, as follows:

YEAS—47

Allott	Hennings	Monroney
Anderson	Hruska	Morse
Barrett	Humphrey	Mundt
Bender	Jackson	Neely
Bible	Jenner	O'Mahoney
Bricker	Johnson, Tex.	Saltonstall
Capehart	Kerr	Scott
Carlson	Langer	Sparkman
Case, S. Dak.	Lehman	Stennis
Curtis	Magnuson	Symington
Daniel	Mansfield	Thurmond
Douglas	Martin, Pa.	Thye
Dworshak	McCarthy	Welker
Eastland	McClellan	Wiley
George	McNamara	Young
Hayden	Millikin	

NAYS—43

Aiken	Flanders	Malone
Barkley	Frear	Martin, Iowa
Beall	Fulbright	Pastore
Bennett	Goldwater	Payne
Bridges	Gore	Potter
Bush	Green	Purtell
Butler	Hickenlooper	Robertson
Byrd	Hill	Schoeppel
Case, N. J.	Holland	Smathers
Clements	Ives	Smith, Maine
Cotton	Johnston, S. C.	Smith, N. J.
Dirksen	Kefauver	Watkins
Duff	Knowland	Williams
Ellender	Kuchel	
Ervin	Long	

NOT VOTING—6

Chavez	Kilgore	Neuberger
Kennedy	Murray	Russell

So the amendment offered by Mr. CASE of South Dakota for himself and Mr. YOUNG to the committee amendment, as amended, was agreed to.

Mr. CASE of South Dakota. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. YOUNG. I move to lay on the table the motion of the Senator from South Dakota.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from North Dakota to lay on the table.

The motion to lay on the table was agreed to.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Tribbe, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Bartlett, one of its clerks, announced that the House had passed, without amendment, the bill (S. 691) to amend the Rubber Producing Facilities Disposal Act of 1953, so as to permit the disposal thereunder of Plancor No. 877, at Baytown, Tex., and certain tank cars.

DEATH OF HON. PAUL V. McNUTT

Mr. CAPEHART. Mr. President, it it my sad duty to inform the Senate of the death of one of the outstanding citizens of Indiana, former Gov. Paul V. McNutt.

Since his retirement from a long and distinguished career of public service, Mr. McNutt had been a practicing attorney with a clientele which took him to many parts of the world.

It was on one of his frequent trips in connection with his law practice that Mr. McNutt was stricken only a few days ago. He was rushed back to New York where his condition improved for a time but became much worse in the last few days.

Mr. President, Paul V. McNutt was truly a distinguished Hoosier. He was a distinguished lawyer, educator, soldier, political leader, and public administrator.

He served as professor and dean of the Indiana University Law School. He was Indiana State and national commander of the American Legion. He served with distinction as Indiana's Governor, Federal War Manpower Commissioner, Federal Security Administrator, High Commissioner to the Philippine Islands, and in many wartime emergency posts to which his Government called him.

Indiana is proud to have been the birthplace of Paul V. McNutt. I am sure that many Members of the Senate knew Paul McNutt, as I did, and that they join with me in expressing to Mrs. McNutt and their daughter our sorrow at his passing.

Mr. JENNER. Mr. President, I have just learned of the passing of former Governor of Indiana, Paul McNutt. Paul McNutt was a distinguished son of Indiana, and with the people of Indiana I mourn the death of one of our ablest citizens.

Paul McNutt was a man of the highest intellect, a man of character and patriotism, who lent his talents to the public service in many fields. It was typical of his American enterprise that he achieved distinction as dean of the school of law of Indiana University, as Governor, as High Commissioner to the Philippines, in war service in the Federal Government, and in the private practice of law. Throughout his life he worked with many private agencies in education, the law, and public welfare.

PAY INCREASE FOR FEDERAL GOVERNMENT EMPLOYEES

Mr. CAPEHART. Mr. President, I rise to express my own concern, and that of many thousands of Federal employees who have written to me, about the urgency of providing a realistic pay increase for the men and women who so faithfully serve our Government.

I believe there can be no effective argument against the proposition that these fine citizens—postal workers, civil-service employees generally, and other Government workers—have a long overdue increase coming to them to keep their incomes in line with the cost of living.

President Eisenhower has recognized the necessity of such an increase. Postmaster General Summerfield likewise has recommended that the pay schedules of postal workers be readjusted upward. I know of nobody in the administration who disputes the fact that the Government owes a pay raise to its workers.

Committees of both the Senate and the House of Representatives have recognized the need. I was impressed, for instance, with the statement in the report of our own Senate Committee on Post Office and Civil Service that "the need for proper salary adjustments in the postal service is a desperate need—one which calls for immediate action."

The only question which remains, then, and the only disagreement which exists is just how best and most equitably to provide such an increase.

That is a task at which both the Senate and House of Representatives committees are hard at work. I am certain they will arrive at an agreement which will be acceptable to both Houses of the Congress. Certainly, I hope so.

There are basic disagreements among the various groups of Government employees themselves on the best and most equitable method of providing an increase.

But I am sure that these Government employees themselves want to be fair about the matter. That is the impression I have gained from the hundreds with whom I have discussed the problem. They are fine, intelligent people and they want only what is coming to them.

So, Mr. President, I hope that we in the Congress will measure up to our responsibility in this matter and reach agreement quickly so that this long overdue pay adjustment does not get bogged down and thus be lost to the hundreds of thousands who so richly deserve it.

ADDITIONAL 1955 COTTON ALLOTMENT

The Senate resumed the consideration of the bill (H. R. 3952) to amend the cotton marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended.

The PRESIDING OFFICER. The question now is on agreeing to the committee amendment, as amended. The yeas and nays have been ordered.

The Chair was in error in stating that the yeas and nays have been ordered on the amendment; they were ordered on the final passage of the bill.

Mr. KNOWLAND. Mr. President, I was about to make a parliamentary inquiry in that regard. My understanding was that the yeas and nays have been ordered on the final passage of the bill.

The PRESIDING OFICER. The Senator from California is correct.

Mr. AIKEN. Mr. President, I should like to say that our Government at present has about $8½ billion invested in surplus commodities. By next winter the amount will rise to about $10 billion. If the pending bill passes, it looks now as if the administration and the Department of Agriculture will have to ask Congress to raise the borrowing authority of the Commodity Credit Corporation to possibly $15 billion. In the meantime every billion dollars worth of commodities that piles up depresses the market at home and abroad.

The pending bill is a cotton bill. The foreign cotton market has been depressed now for some time, simply because foreign countries do not know what the United States is going to do with surplus cotton, much of it of low quality.

Markets both at home and abroad feel the effect of excessive surpluses. I do not mean reasonable surpluses; I mean excessive surpluses. The last word I have received is that up to now, as I have said, the Government has about $8½ billion invested in commodities.

I agree that if Congress is going to permit a considerable expansion of cotton acreage in violation of the intent of Congress, we should also permit an increase in wheat acreage. We must be prepared to meet conditions which are bound to arise if the pending bill is enacted into law.

I assume the senior Senator from Virginia [Mr. BYRD] is ready to raise the debt limit substantially. I hear no affirmative answer from him, Mr. President; I assume he is. But I think we ought to know where we are going.

I hope the bill will be defeated.

Mr. YOUNG. Mr. President, I could not let the statement made by my friend, the Senator from Vermont, go unchallenged. The Agriculture Department does not have surplus agricultural commodities amounting to $8 billion. All the holdings of the Commodity Credit Corporation plus all of the loans they have made on commodities would not reach that amount. I do not believe most of these loans are bad loans——

Mr. JOHNSON of Texas. Mr. President, may we have order?

The PRESIDING OFFICER. Will the Senator suspend until the Senate is in order? Let there be order. Those wishing to converse will please retire from the Chamber.

Mr. YOUNG. Mr. President, wheat is probably in the worst surplus situation of the major crops, but as late as 1952 the Federal Government asked the farmers to increase wheat production. There was a carryover that year of only 250 million bushels.

Last year, at the request of the Government, wheat farmers, by an overwhelming majority, voted to accept a 22½-percent cut in their acreage. As a result of the reduction in acreage, wheat production this year just about held even with the sales and the use of wheat in this country together with exports. To be exact, I think the carryover this year was increased by about 59 million bushels.

This year, 1955, farmers are taking another reduction in wheat acreage, which will mean, even if crop conditions are good, that they will produce far less wheat than we can expect to use in the United States and export. Wheat farmers are taking a terrific licking. The income of the farmers of this Nation has declined 22 percent since February 1951.

The pending bill would give relief to only a very small percentage of the small farmers of the United States. Under the cotton bill, as it would be finally amended, the total increased acreage which would be allotted would not be very much. I was hoping the Senate would sustain the committee action, which would add only about 170,000 acres. It would not help a single farmer who had more than 4 acres of cotton, other than a small allotment for Nevada and Illinois. Since the bill was changed to help the larger cotton farmers, certainly no Senator representing a wheat State could stand idly by and not make some attempt to help the wheat farmers of his State, many of whom are veterans.

The total cost to the Government would be very small indeed—maybe less than the cost to political subdivisions if these small farmers are forced off the land and into the cities.

Mr. ANDERSON. Mr. President, I do not intend to take the time of the Senate except to say there is a great deal of solemn truth in what the Senator from North Dakota has said. This bill would add a small amount of cotton acreage, but if that amount of good could be done for the farmers I think some of the cotton might start to flow to the old markets which had been the markets of the American cotton farmer.

Mr. AIKEN. Mr. President, I agree there is considerable truth in what the Senator from North Dakota [Mr. YOUNG] has said. The wheat farmer is in bad shape today. The shape he is in could be stated in 30 seconds, but it would be very hard to say how to get him out of it. When the books are checked, it will be found that my estimate that there is approximately $8½ billion invested in surplus crops is correct.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment, as amended.

The committee amendment, as amended, was agreed to.

The PRESIDING OFFICER. The question now is on the engrossment of the amendment, and the third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

The PRESIDING OFFICER. The question now is on the final passage of the bill. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CLEMENTS. I announce that the Senator from West Virginia [Mr. KILGORE], the Senator from Montana [Mr. MURRAY], the Senator from Oregon [Mr. NEUBERGER], and the Senator from Georgia [Mr. RUSSELL] are absent on official business.

The Senator from New Mexico [Mr. CHAVEZ] is absent because of illness.

The Senator from Massachusetts [Mr. KENNEDY] is absent by leave of the Senate because of illness.

I announce further that on this vote the Senator from New Mexico [Mr.

CHAVEZ] is paired with the Senator from Massachusetts [Mr. KENNEDY]. If present and voting, the Senator from New Mexico would vote "yea," and the Senator from Massachusets would vote "nay."

I also announce that on this vote the Senator from Oregon [Mr. NEUBERGER], if present and voting, would vote "yea."

The result was announced—yeas 39, nays 51, as follows:

YEAS—39

Anderson	Hennings	McCarthy
Barkley	Hill	McClellan
Bible	Humphrey	Monroney
Carlson	Jackson	Morse
Case, S. Dak.	Johnson, Tex.	Mundt
Clements	Johnston, S. C.	Neely
Daniel	Kerr	O'Mahoney
Douglas	Langer	Sparkman
Eastland	Lehman	Stennis
Fulbright	Long	Symington
George	Magnuson	Thurmond
Goldwater	Malone	Thye
Hayden	Mansfield	Young

NAYS—51

Aiken	Dworshak	McNamara
Allott	Ellender	Millikin
Barrett	Ervin	Pastore
Beall	Flanders	Payne
Bender	Frear	Potter
Bennett	Gore	Purtell
Bricker	Green	Robertson
Bridges	Hickenlooper	Saltonstall
Bush	Holland	Schoeppel
Butler	Hruska	Scott
Byrd	Ives	Smathers
Capehart	Jenner	Smith, Maine
Case, N. J.	Kefauver	Smith, N. J.
Cotton	Knowland	Watkins
Curtis	Kuchel	Welker
Dirksen	Martin, Iowa	Wiley
Duff	Martin, Pa.	Williams

NOT VOTING—6

Chavez	Kilgore	Neuberger
Kennedy	Murray	Russell

So the bill (H. R. 3952) was not passed.

Mr. AIKEN. Mr. President, I move that the Senate reconsider the vote by which the bill failed to pass.

Mr. HOLLAND. Mr. President, I move to lay on the table the motion to reconsider.

Mr. KNOWLAND. Mr. President, I also move to lay on the table the motion to reconsider.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the motion to reconsider.

The motion to lay on the table was agreed to.

INCREASE IN RATES OF COMPENSATION FOR EMPLOYEES IN THE FIELD SERVICE, POST OFFICE DEPARTMENT

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of Senate bill 1, Calendar 44, the so-called postal pay bill.

The PRESIDING OFFICER. The bill will be stated by title, for the information of the Senate.

The CHIEF CLERK. A bill (S. 1) to increase the rates of basic compensation of officers and employees in the field service of the Post Office Department.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas.

The motion was agreed to; and the Senate proceeded to consider the bill (S. 1), which had been reported from the Committee on Post Office and Civil Service with an amendment to strike out all after the enacting clause, and insert:

That (a) except as provided in subsection (b), the rates of basic compensation, other than rates referred to in section 2 of this act, of postmasters, officers, and employees in the postal service whose rates of compensation are prescribed by the act entitled "An act to reclassify the salaries of postmasters, officers, and employees of the Postal Service; to establish uniform procedures for computing compensation; and for other purposes", approved July 6, 1945, as amended, are hereby increased by 10 percent or $400 per annum, whichever is the greater.

(b) Each of the rates increased by subsection (a) shall then be adjusted to the nearest multiple of $100, but in any case in which adjustment to the nearest multiple of $100 would result in an increase under this section of less than $400, such adjustment shall be to the next higher multiple of $100.

SEC. 2. (a) The rates of fixed compensation per annum of carriers in the rural delivery service are hereby increased by $430 per annum.

(b) Section 8 (a) of the act entitled "An act to reclassify the salaries of postmasters, officers, and employees of the Postal Service; to establish uniform procedures for computing compensation; and for other purposes", approved July 6, 1945, as amended, is amended by striking out the table relating to post offices of the fourth class and inserting in lieu thereof the following:

"Post offices of the 4th class

"Gross receipts	Grades and salaries of postmasters						
	1	2	3	4	5	6	7
$1,300 to $1,499.99	$2,870	$2,955	$3,040	$3,125	$3,210	$3,295	$3,380
$1,100 to $1,299.99	2,740	2,820	2,900	2,980	3,060	3,140	3,220
$1,000 to $1,099.99	2,550	2,635	2,710	2,785	2,860	2,935	3,010
$900 to $999.99	2,390	2,460	2,530	2,600	2,670	2,740	2,810
$800 to $899.99	2,240	2,305	2,370	2,435	2,500	2,565	2,630
$700 to $799.99	2,100	2,160	2,220	2,280	2,340	2,400	2,460
$600 to $699.99	1,930	1,985	2,040	2,095	2,150	2,205	2,260
$500 to $599.99	1,740	1,790	1,840	1,890	1,940	1,990	2,040
$450 to $499.99	1,580	1,625	1,670	1,715	1,760	1,805	1,850
$400 to $449.99	1,460	1,500	1,540	1,580	1,620	1,660	1,700
$350 to $399.99	1,340	1,375	1,410	1,445	1,480	1,515	1,550
$300 to $349.99	1,220	1,250	1,280	1,310	1,340	1,370	1,400
$250 to $299.99	1,070	1,095	1,120	1,145	1,170	1,195	1,220
$200 to $249.99	930	950	970	990	1,010	1,030	1,050
$150 to $199.99	750	765	780	795	810	825	840
$100 to $149.99	570	580	590	600	610	620	630
Less than $100	350	355	360	365	370	375	380

"Each postmaster at an office of the fourth class shall be placed in grade 1 and shall be entitled to be advanced 1 grade for each year's satisfactory service performed subsequent to the effective date of this paragraph, as a postmaster in an office of the fourth class or as a postmaster or supervisor subject to the provisions of section 10, until he reaches grade 7. Such advancement shall take effect at the beginning of the first quarter following the completion of the year's service upon which it is based except that if it is based entirely upon prior service, it shall take effect upon the date of commencement of the most recent period of service as a postmaster at an office of the fourth class."

(c) The rates of basic compensation of employees of the postal service paid on an hourly or part-time basis are hereby increased by 20 cents per hour.

SEC. 3. Such act of July 6, 1945, as amended, is amended by inserting after section 9 a new section as follows:

"SEC. 10. (a) Each postmaster (other than a postmaster at an office of the fourth class), and each supervisor whose compensation is fixed in accordance with section 8 (a), 9, 13 (a), 14 (a), 15 (a), 16 (a), 18 (a), or 19 (b) of this act, shall be entitled to receive additional basic compensation at the rate of $100 per annum for each year's satisfactory service, whether continuous or intermittent, performed subsequent to the effective date of this section as such a postmaster or supervisor or as a postmaster at an office of the fourth class.

"(b) Additional basic compensation under this section shall become payable at the beginning of the first quarter following the completion of the year's service upon which it is based. In determining length of service for the purposes of this section, all service, whether continuous or intermittent, in a position the compensation for which is fixed pursuant to any of the provisions referred to in subsection (a) shall be included. No postmaster or supervisor shall receive more than six increases in basic compensation under this section."

SEC. 4. This act shall not apply to skilled-trades employees of the mail-equipment shops, job cleaners in first- and second-class post offices, and employees who are paid on a fee or contract basis.

SEC. 5. (a) In the exercise of the authority granted by section 81 of title 2 of the Canal Zone Code, as amended, the Governor of the Canal Zone is authorized and directed to grant, as of the effective date of this act, additional compensation to postal employees of the Canal Zone Government, based on the additional compensation granted by this act to similar employees in the field service of the Post Office Department of the United States.

(b) This act shall have the same force and effect within Guam as within other possessions of the United States.

SEC. 6. Notwithstanding any other provision of this act, no rate of compensation which is $14,800 or more per annum shall be increased by this act or pursuant to any amendment made by this act, and no rate of compensation shall be increased by this act or pursuant to any such amendment to an amount in excess of $14,800 per annum.

SEC. 7. (a) This act shall become effective as of the first day of the first pay period which began after December 31, 1954.

(b) Retroactive compensation or salary shall be paid under this act only in the case of an individual in the service of the United States (including service in the Armed Forces of the United States) or of the municipal government of the District of Columbia on the date of enactment of this act, except that such retroactive compensation or salary shall be paid a retired postmaster, officer, or employee for services rendered during the period beginning on the first day of the first pay period which began after December 31, 1954, and ending with the date of his retirement, or in accordance with the provisions of the act of August 3, 1950, for services rendered by a deceased postmaster, officer, or employee during the period beginning on the first day of the first pay period which began after December

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31, 1954, and ending with the date of his death.

(c) In the case of any postmaster, officer, or employee who entered the field service of the Post Office Department after the first day of the first pay period which began after December 31, 1954, and prior to, or on, the date of enactment of this act, the term "effective date," as used in this act, means the day of entry of such postmaster, officer, or employee into the field service.

Mr. JOHNSTON of South Carolina obtained the floor.

Mr. MALONE. Mr. President, will the Senator from South Carolina yield to me?

Mr. JOHNSTON of South Carolina. I yield to the Senator from Nevada.

POSTAL PAY RAISE LONG OVERDUE EQUAL INFLATION

Mr. MALONE. Mr. President, the proposed pay raise for the carriers, clerks, postal transport, and motor vehicle employees is long overdue. The ultimate effect of the deliberate inflation over two decades has finally caught up with the Congress. The chickens have come home to roost, as a result of unbalanced budgets and cheapening money.

TWO WAYS TO REDUCE WAGES

There are two ways to reduce wages. One long recognized way was simply to reduce the pay. The more subtle method, which has become customary over two decades, is to cheapen the value of money, resulting in higher prices.

The subtle method of inflation has cast less immediate blame on Congress and has always put the postal workers behind, and they never catch up. The increase proposed by the pending legislation is long overdue.

ANALYSIS OF HOUSE BILL 4644

Mr. President, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks a table showing an analysis of House bill 4644.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Analysis of H. R. 4644

Classification	Proposed level	Number of employees	Present salary	Proposed salary	Ultimate dollar increase	Ultimate percentage increase	Immediate dollar increase	Immediate percentage increase	Years to reach top grade	Amount of yearly step increases
1. Janitor	1	3,202	$2,870- $3,270	$2,870- $3,470	$200	6.1	$200	6.1		
2. Elevator operator	2	1,166	2,970- 3,370	3,080- 3,710	340	10.0	235	6.9	1	$105
3. Order filler	2	212	2,950- 3,430	3,080- 3,710	280	8.1	280	8.1		
4. Clerks, 3d-class post office	2	19,651	2,770- 3,070	3,080- 3,710	640	20.8	230	6.4	4	105
5. Guard	3	650	3,170- 3,570	3,330- 3,990	420	11.7	310	8.6	1	110
6. File clerk	3	1,250	3,270- 4,070	3,330- 3,990	−80	−10.9				
7. Typist	3	125	3,270- 4,070	3,330- 3,990	−80	−10.9				
8. Mail handler	3	25,712	3,170- 3,470	3,330- 3,990	520	15.0	300	8.6	2	110
9. Garageman	3	624	3,170- 3,470	3,330- 3,990	520	15.0	300	8.6	2	110
10. Special-delivery messengers	4	4,533	3,170- 3,770	3,590- 4,280	510	13.5	280	7.3	2	115
11. Motor vehicle operator	5	4,160	3,270- 4,070	3,640- 4,360	290	7.1	290	7.1		
12. City carriers	5	121,731	3,270- 4,070	3,640- 4,360	290	7.1	290	7.1		
13. Distribution clerk	5	113,890	3,270- 4,070	3,640- 4,360	290	7.1	290	7.1		
14. Window clerks	5	64,750	3,270- 4,070	3,640- 4,360	290	7.1	290	7.1		
15. Automotive mechanics	6	1,192	3,270- 4,070	3,880- 4,630	560	13.7	310	7.8	2	125
16. Transfer clerk	6	1,459	3,470- 4,270	3,880- 4,630	360	8.4	360	8.4		
17. Distribution clerk, railway post office	6	17,107	3,470- 4,270	3,880- 4,630	360	8.4	360	8.4		
18. Claims clerk, post office	6	54	3,270- 4,070	3,880- 4,630	560	13.7	260	6.3	5	125
19. Postmaster, small, third-class office	6	102	2,883- 3,645	3,880- 4,630	985	27.7	235	6.3	6	125
20. Claims clerk	7	165	3,470- 4,070	4,190- 5,030	960	23.5	260	6.3	5	140
21. Postmaster, third-class post office	7	8,005	2,883- 4,298	4,190- 5,030	732	16.9	452	10.5	2	140
22. Foreman, mails	8	564	4,787- 4,896	4,530- 5,460	564	11.5	409	8.3	1	155
23. Postmaster, third-class post office	8	1,162	3,781- 4,298	4,530- 5,460	1,162	27.0	387	9.0	5	155
24. General foreman, Railway Post Office	9	640	5,114- 5,270	4,890- 5,910	640	12.1	470	8.9	1	170
25. Assistant postmaster, first class	9	940	4,896- 4,970	4,890- 5,910	940	18.1	430	8.4	3	170
26. Postmaster, second-class post office	9	840	4,770- 5,070	4,890- 5,910	840	16.5	330	6.5	3	170
27. General foreman, mails	10	1,020	5,005- 5,370	5,280- 6,390	1,020	18.9	465	8.6	3	185
28. Postmaster, small first-class post office	10	2,639	5,370- 5,570	5,280- 6,390	820	14.7	450	8.0	2	185
29. Building superintendent	11	7	5,970- 6,270	5,800- 7,000	730	11.6	530	8.4	1	200
30. Postmaster, first-class post office	11	1,663	5,670- 6,170	5,800- 7,000	830	13.4	430	6.9	2	200
31. Tour superintendent	12	175	5,270- 5,670	6,380- 7,700	2,030	35.8	710	12.5	6	220
32. Postmaster, 1st-class post office	12	865	6,370- 7,070	6,380- 7,700	630	8.9	630	8.9		
33. Postal inspector	13	385	5,970- 6,770	7,020- 8,460	1,690	24.9	490	7.2	6	240
34. Postmaster, 1st-class post office	13	122	6,570- 7,370	7,020- 8,460	1,090	14.7	610	8.2	2	240
35. Station superintendent	14	15	6,470	7,730- 9,290	2,820	43.5	1,260	19.4	6	260
36. Assistant postmaster, 1st-class post office	14	54	6,070	7,730- 9,290	3,220	53.0	1,660	27.3	6	260
37. Postmaster, 1st-class post office	14	120	7,370- 7,770	7,730- 9,290	1,520	19.5	480	6.18	4	260
38. Assistant postmaster, 1st-class post office	15	44	6,270- 6,870	8,500- 10,180	3,310	48.1	1,630	26.0	6	280
39. Postmaster, 1st-class post office	15	54	7,770- 8,770	8,500- 10,180	1,410	16.0	570	6.5	3	280
40. Assistant postmaster, 1st-class post office	16	15	7,070	9,350- 11,150	4,080	57.7	2,280	32.2	6	300
41. Postmaster, 1st-class post office	16	34	8,770- 9,770	9,350- 11,150	1,380	14.1	780	7.9	2	300
42. General superintendent, PTS Division	17	9	8,470	10,300- 12,220	3,750	44.3	1,830	21.6	6	320
43. Assistant postmaster	17	10	7,970- 8,470	10,300- 12,220	3,750	44.3	1,830	21.6	6	320
44. Postmaster, 1st-class post office	17	10	10,770	10,300- 12,220	1,450	13.5	810	7.5	2	320
45. General superintendent, PTS Division	18	3	8,470	11,400- 13,440	4,970	58.7	2,930	34.6	6	340
46. Assistant postmaster, largest 1st-class post office	18	2	8,470	11,400- 13,440	4,970	58.7	2,930	34.6	6	340
47. Postmaster, 1st-class post office	18	15	11,770	11,400- 13,440	1,670	14.2	990	8.5	2	340
48. Postmaster, 1st-class post office	19	10	12,770- 13,770	12,500- 14,660	890	6.5	890	6.03		
49. Postmaster, largest 1st-class post office	20	2	13,770	13,600- 14,800	1,030	7.5	1,030	7.5		
50. Regional director	21	15	12,000- 12,800	14,800	2,000	15.6	2,000	15.6		

BREAKDOWN ON POSTAL PAY

Mr. MALONE. I also ask unanimous consent to have printed in the RECORD at this point, as a part of my remarks, a table which breaks down the 234,562 regular carriers, clerks, and postal transport employees in level 5, and the motor vehicle employees.

Of 234,562 regular carriers, clerks, and postal transport employees in level 5, and motor vehicle employees in level 5, 213,121 would receive increases of less than $300 under House bill 4644. 180,086 employees would receive increases of less than 7 percent.

The table shows the number of employees in each of the present pay grades in the classifications enumerated in this paragraph, the actual dollar amount they would receive and the percentage pay increase they would receive under House bill 4644.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Present grade	Number of employees	Dollar increase	Percent increase
1	1,492	$370	11.3
2	2,684	270	8.0
3	12,683	290	8.3
4	7,121	310	8.68
5	12,828	330	8.9
6	23,906	230	6.1
7	20,583	250	6.4
8	13,715	270	6.8
9	17,668	290	7.1
9A	39,517	290	6.9
9B	30,723	290	6.7
9C	51,642	290	6.6

RAISE OVERDUE AND SHOULD PASS

Mr. MALONE. Mr. President, the proposed 10 percent increase for postal workers at this time is little enough. The bill should pass.

Mr. JOHNSTON of South Carolina. Mr. President, I greatly appreciate this opportunity to discuss with Members of the Senate the bill (S. 1) which I, with 20 other Senators, introduced, and which was approved recently by the Committee on Post Office and Civil Service. I sincerely hope that we can give prompt and favorable consideration to this very important and long-overdue measure. Attesting to its significance are the number of Senators who joined in its sponsorship, and did so with such dispatch that it was the first bill introduced in the

Senate in the opening session of the 84th Congress.

Speaking of the amounts called for by S. 1, personally I think they are small enough. I want that understood in the beginning.

My colleagues on both sides of the aisle who were present here last year need not be reminded that the 83d Congress enacted pay legislation which many of us believed was long overdue even at that time. I did not find many Members of the House or of the Senate at that time who disagreed with the proposal that Federal employees should have had the increase then. When we know that employees of the Government should have their salaries increased. I have never believed that such increase should depend on some other proposal such as an increase in the first class mail rate from 3 cents to 4 cents.

My distinguished colleague, the junior Senator from Kansas [Mr. CARLSON], is to be commended upon his able leadership, understanding of the plight and problems of the rank-and-file postal worker, and his diligence in guiding the legislation to passage last year. The task he accomplished was neither easy nor pleasant, for that bill, like S. 1, the bill now being considered, did not embrace the administration's job reclassification plan. Time has proved that he was right in not bringing before the Senate and supporting the administration's quickly conceived and ill-advised reclassification plan, but chose instead to support a straight pay bill similar to S. 1, the bill we are now considering.

I do not doubt that after passage of the pay bill sponsored by the Senator from Kansas [Mr. CARLSON], the then chairman of the Post Office and Civil Service Committee, our postal workers believed with reasonable justification that an immediate increase in their pay was assured. Unfortunately, however, the increase voted by the 83d Congress were not enacted into law, and thus the hopes of these workers were dashed. It is to the everlasting credit of these good and faithful postal employees that their understandable disappointment was not reflected in the performance of their daily duties and service to the individuals, institutions, and businesses that make up this great Nation of ours.

S. 1, as amended, is based on many of the same factors which justified favorable congressional action last year. The economic plight of postal workers was brought out in the hearings then, and emphasized in even more vivid terms this year. An increase in the pay and a job reclassification plan for postal workers has been recommended by the administration, the Post Office Department, the Bureau of the Budget, and the Civil Service Commission. The committee heard a long list of witnesses, including officials of the several postal employee organizations, individual employees, and private citizens. On one thing there seems to be rather complete agreement, namely, that a pay raise is urgently needed and completely justified. As evidenced by the minority views, there is a difference of opinion: first, as to how the raises should be accomplished; and, second, with respect to the amount of the increases; and, finally, the cost involved. These are matters worthy of our most careful consideration. For that reason, I should like, first, to discuss briefly the bill as approved by the committee, and then these differences:

Section 1 (a) provides an increase of 10 percent, or $400, whichever is greater, to the main body of postal employees. That is to say, those employees who need it most would receive at least a $400 increase in their salaries. Employees whose pay is not raised in accordance with this general formula are provided for in an equitable manner under other sections of the bill.

Section 1 (b) provides for the adjustment of pay rates to the nearest multiple of $100, except that where the adjustment results in an increase of less than $400 it shall be made to the next higher multiple of $100.

Section 2 provides increases to the groups of employees not included under section 1. Under subsection (a) rural carriers are given flat increases of $430, to correspond with the average increase received by clerks and city carriers. Subsection (b) establishes a new table of rates of basic compensation of fourth-class postmasters. This table represents current rates plus 10 percent, adjusted to the nearest lower multiple of $10, with additional grades in each rate to provide 6 annual increases in even amounts per rate, ranging from $5 a year in the lowest to $85 a year in the highest grade in the schedule. Subsection (c) of section 2 gives hourly employees an increase of 20 cents an hour, an amount equivalent to a $400 annual increase.

Section 3 provides 6 annual increases of $100 each for postmasters in the first-, second-, and third-class offices, and for supervisors in every area of the postal service who do not now have such increases.

In order to keep the record straight, it should be noted that an inadvertent error occurs on page 11 of Report No. 41. This paragraph indicates that certain officers and supervisors in the postal service are excluded from the periodic step-increase provisions of S. 1. Every officer and supervisor enumerated in this paragraph as being excluded is, in fact, specifically included.

Other provisions of the bill establish a ceiling of $14,800 on salaries to conform to the limit under the Classification Act; set the effective date of the increases back to the beginning of the first pay period commencing in 1955; extend the increases to employees in the Canal Zone and Guam; and set forth how adjustments are to be made and the bill is to be administered.

Mr. President, as I stated earlier, there appears to be rather complete agreement that a pay raise for postal workers and other Federal employees is well deserved and amply justified. The differences of view in regard to postal raises are:

First. The major differences between S. 1 and S. 773 occur with respect to how the raises are to be applied. S. 773 contains the Department's highly publicized classification plan, which is held out as the cure to all ills existing in the postal service. Actually, it has created a serious employee morale problem, even though it has not even been enacted. The problem I refer to is the split right down the middle it has wrought between supervision, on the one hand, and the rank and file postal worker, on the other hand. I am confident the open warfare that has raged for well over a year has taken a toll running into untold millions of dollars because of the adverse effect on morale and efficiency. In my opinion, it is high time that the struggle be ended without loss of dignity to either side. That is possible through the prompt passage of S. 1, which is now before the Senate. Why is it possible? Because under S. 1, both sides win an honorable victory.

S. 1 accepts one of the basic elements of a sound classification system by establishing and extending periodic pay increases to postmasters and supervisors in all areas of the postal service. This establishes the foundation upon which to erect other improvements in the near future. Herein lies the victory for the proponents of job classification represented by the postmasters and the supervisors.

S. 1 provides for decent pay increases from top to bottom. Herein lies the victory for the rank-and-file worker. This is because under S. 1 the low-paid worker—the rank-and-file employee—the person who moves the mail from sender to recipient—gets a greater and fairer proportion of the total increase.

Mr. NEELY. Mr. President, will the Senator yield?

Mr. JOHNSTON of South Carolina. I yield.

Mr. NEELY. I inquire of the able Senator from South Carolina, who has long and faithfully worked on the problem, whether there has been any indication from the postal employees of a preference for S. 1 or the recommendations of the Postmaster General.

Mr. JOHNSTON of South Carolina. I would say that witnesses, representing 80 percent of the postal employees, who appeared before our committee opposed the Postmaster General's reclassification plan.

Mr. NEELY. Was not that fact established by testimony given by the heads of the organizations of letter carriers, post-office clerks and others?

Mr. JOHNSTON of South Carolina. That is true.

Mr. NEELY. In other words, for every 1 in favor of the Postmaster General's plan of reclassification, 4 postal employees are against it. Is that correct?

Mr. JOHNSTON of South Carolina. At least that many.

Mr. President, the second difference is in regard to the amount of the raises. S. 1 provides for an increase of 10 percent, or $400, whichever is greater. Contrasted with this is the so-called 6½ percent average increase provided in S. 773, the administration proposal. As we all know, figures can be misleading, particularly so when the word "average" creeps in. Use of the word "average" in connection with S. 773 reminds me of how the word "average" was used by an old and dear friend of mine to hide an

embarrassing condition existing in his school class. He would brag that the average intelligence of his class was above that of the other classes in the school, and he was right. But the whole town knew that his class consisted of just two children—one of whom was a dunce and the other of whom was a genius—yet, the average intelligence of his class was above average.

So, let us not be confused by the use of fancy terms in our consideration of S. 1 and S. 773. Rather, let us consider exactly what each bill does.

S. 1 provides for a general increase of 10 percent, or $400, whichever is greater. There is no ambiguity here nor is there doubt as to what employees will get in the way of a pay increase under S. 1.

Mr. NEELY. Mr. President, will the Senator from South Carolina yield?

Mr. JOHNSTON of South Carolina. I yield to the Senator from West Virginia.

Mr. NEELY. Will the Senator state for the record whether the increase provided by Senate bill 1 for the postal workers is greater or less percentagewise than the increase which Congress has recently voted for its Members and for the judiciary?

Mr. JOHNSTON of South Carolina. I did not mean to bring up that question, but since the Senator has raised it, of course, I must answer his question. Congress has voted itself an increase of 50 percent. The increase provided in S. 1 is 10 percent.

Mr. NEELY. Does the Senator believe that Congress can consistently vote for less than a 10-percent increase for postal workers, after having voted an increase of 50 percent for its own Members?

Mr. JOHNSTON of South Carolina. I did not vote for the 50-percent increase for myself, but I shall vote for the 10-percent increase in the salaries of postal workers.

Mr. NEELY. I did not vote for the 50-percent increase, but I certainly intend to vote for the 10-percent increase in the salaries of postal employees.

Mr. JOHNSTON of South Carolina. The Senator from West Virginia voted just as I did, and as I shall vote in this instance.

Mr. NEELY. The Senator can rest assured that I shall vote for the increase proposed by the pending bill.

Mr. JOHNSTON of South Carolina. Mr. President, let us see what S. 773 would do for the postal worker.

First. The 15 directors of the newly created regional office would get increases of from 15.6 percent to 23.3 percent, amounting to from $2,000 to $2,800 a year each. These are completely new jobs just created by the Postmaster General under somewhat doubtful legal authority, and the cost to the taxpayers is an additional $5 million.

Mr. PASTORE. Mr. President, will the Senator from South Carolina yield?

Mr. JOHNSTON of South Carolina. I yield.

Mr. PASTORE. With reference to the point the Senator has just raised, I read a very large headline in a newspaper yesterday which said that a bill which was recently voted upon in the House, I think H. R. 4644, provided an increase of 7.6 percent. That is the average increase, and it includes very large increases for those in the top brackets.

Mr. JOHNSTON of South Carolina. That is correct.

Mr. PASTORE. I have before me an analysis of H. R. 4644. The general superintendent of the Transport Service Division has a present salary of $8,470 a year. The new salary would be from $11,400 to $13,440. That is an increase of 58.7 percent.

Mr. JOHNSTON of South Carolina. That was one of the groups helping to make up the 20 percent of the postal groups supporting the Postmaster General's plan.

Mr. PASTORE. The increase in this category is included in the 7.6 percent about which we are speaking generally.

Mr. JOHNSTON of South Carolina. That is true. That is the reason why I stressed the average increase a few moments ago.

Mr. PASTORE. What increase would a letter carrier receive under H. R. 4644? Would it be 7.6 percent, or lower than that amount?

Mr. JOHNSTON of South Carolina. My information is that it would be lower.

Mr. PASTORE. Therefore, it is a fact that the great majority of the employees of the Post Office Department, would not be given a 7.6 percent increase in salary. By and large, most of them would receive less than a 7.6 percent increase.

Mr. JOHNSTON of South Carolina. That is true.

Mr. PASTORE. But only because some others in the same department would get a 53 percent increase——

Mr. JOHNSTON of South Carolina. Of course, that greatly increases the average. If we provide peanuts for the rank and file who need an increase the most and gravy for the few at the top, the average increase is somewhat distorted.

Second. Excluding the 12 largest cities, 355 postmasters in the next largest offices will get immediate and eventual increases of from 13.4 to 27 percent, amounting to from $1,450 to $2,410 a year each.

Third. The assistant postmasters in the 125 largest first-class offices will get immediate and eventual increases of from 53 to 62.2 percent, amounting to from $3,220 to $4,970 a year, each. Mr. President, I repeat, if you please, under S. 773, 125 assistant postmasters will get immediate and eventual increases of from 53 to 62.2 percent amounting to, in some cases, $4,970 a year each.

Fourth. To go further, 199 superintendents will get immediate and eventual increases of from 43 to 44 percent, amounting to $2,430 to $3,750 a year each.

By this time it should be clear that if those at the top get increases of 30, 40, or 50 percent and higher, someone along the line will not get very much. And that, Mr. President, is exactly the case. The rank-and-file postal worker will get a pitiful small increase. So that there may be no misunderstanding, let me be specific. The some 65,000 window clerks who sell stamps, insure packages, and serve us in a hundred other ways; the over 110,000 distribution clerks who sort outgoing mail for dispatch and incoming mail for delivery; and, the over 120,000 city carriers who lug the mail on their backs to your very doorstep will get immediate and eventual increases of form $210 to $320 a year each. Yes; under S. 773 the average may be 6.5 percent; but, like the product we obtain from good Jersey cows, S. 773 is rich with butterfat, but the cream is at the top.

Mr. President, the third and final major difference is with respect to the matter of cost. It is a rather common practice to refer to the cost of one measure as amounting to X number of dollars, and another measure as costing Y number of dollars. Let me assure you, my friends, that the real cost of any measure is to a great extent determined by the effect it has on the spirit of an organization.

I want that to sink in. A pay measure, though lower in initial payroll cost, which does not raise the morale of our postal workers will prove costly to the Government.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. JOHNSTON of South Carolina. I yield.

Mr. PASTORE. Does the Senator from South Carolina believe that if the postal and civil service employees of the United States are given an average increase in pay of only 7.6 percent, the budget will be balanced?

Mr. JOHNSTON of South Carolina. Of course, the budget will not be balanced.

Mr. PASTORE. If they are given a 10 percent increase, will the budget be balanced?

Mr. JOHNSTON of South Carolina. It will not be balanced, but I think the overall cost will be less.

Mr. PASTORE. The budget will be out of balance anyway, will it not?

Mr. JOHNSTON of South Carolina. The budget is now out of balance, and will stay out of balance for a while, unless the Government stops giving away so many billions of dollars to foreign countries. That is where our money goes—and it goes in the billions of dollars, not in such small amounts as are proposed in the postal pay bill.

On the other hand, a pay measure, though perhaps higher in initial payroll costs, which raises the morale of our postal workers will prove to be the cheapest to the Government in the long run.

Enactment of S. 1 will cause, according to Post Office Department estimates, an initial payroll adjustment amounting to approximately $220 million. Spokesmen for the administration indicated in the hearings that one-third of the cost of legislation to increase the salaries of Federal employees would be absorbed. This would cut the actual figure to something in the neighborhood of $145 million to $150 million. Taking into account the extra amount of Federal income taxes that would be collected, the net cost to the Government would be some $120 million.

In comparing costs of one bill against another, it is well to keep in mind that initial figures do not always tell the complete story. Pay bills are somewhat like automobiles, in that the upkeep must be considered along with the initial cost before a wise decision can be made as to which car is the cheapest to own. In this respect I note that the upkeep of the administration's pay plan is far greater than that of S. 1. Whereas, under S. 1, all postmasters and supervisors would receive annual increases of $100, under the administration's plan they would receive annual increases of up to $400. To be specific, an employee starting out in a position in level 19 at a salary of $12,500 would, after only 6 years, receive $14,660 a year under the administration bill; or, put another way, his pay would increase by $2,160 a year, or 17.2 percent, solely by virtue of his having served in the position for a period of 6 years.

The Postmaster General in a press release dated October 31, 1954, claims to have saved $101 million during the fiscal year 1954 through economy and efficiency.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. JOHNSTON of South Carolina. I yield to the majority leader.

Mr. JOHNSON of Texas. I wonder if the Senator from South Carolina will yield to permit me to suggest the absence of a quorum in order that I thereafter may propose a unanimous-consent agreement to vote on the bill at a specified time.

Mr. JOHNSTON of South Carolina. I shall be glad to yield, although I will be finished in a minute.

Mr. JOHNSON of Texas. Very well.

Mr. JOHNSTON of South Carolina. It seems to me that this is a good start, which should be continued; and if continued, the Post Office Department could absorb much of the cost of the bill.

In closing, I remind Senators that the administration's classification plan, which has shattered the morale of postal workers in their home towns and mine, was received with such doubt that it was rejected in the House by an overwhelming majority only a few days ago.

Mr. President, a vote for S. 1 will be a vote on the side of improved employee morale, increased production, and greater efficiency in our postal service. It will be a vote on the side of the rank and file of our postal employees.

A 10-percent increase as provided in S. 1, in my opinion, is the smallest increase Congress should provide at the present time.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. JOHNSTON of South Carolina. I yield.

Mr. ELLENDER. I did not wish to interrupt the Senator a moment ago; but, as I understand the bill, if the income tax payments to be made by the recipients of the proposed increased are deducted, the total cost to the Government will be $120 million. Is that correct?

Mr. JOHNSTON of South Carolina. It would be approximately $120 million; after tax returns and at least a one-third absorption.

Mr. ELLENDER. Does the Senator think it would be consistent for Senators who recently voted a 50 percent pay increase for themselves to deny a 10 percent increase to the postal workers?

Mr. JOHNSTON of South Carolina. I cannot see, to save my life, how Senators who voted for a 50-percent increase in pay for themselves could now turn around and not vote a 10-percent increase for the postal workers.

Mr. ELLENDER. I may say to the Senator from South Carolina that I shall support the bill whole-heartedly.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. JOHNSTON of South Carolina. I yield.

Mr. LANGER. In view of what the distinguished Senator from Louisiana has said, would it not be more consistent to vote for a 50-percent increase in pay for Government employees?

Mr. JOHNSTON of South Carolina. It is important that the Federal employees be granted an adequate increase; and the hearings brough out that a 10-percent increase was reasonable.

Mr. LANGER. The distinguished Senator from South Carolina knows, does he not, that the hearings developed that if the postal workers received a 15-percent increase, they would not have any more take-home pay than they had in 1939?

Mr. JOHNSTON of South Carolina. I am glad the Senator from North Dakota has raised the question of take-home pay. When we consider the living costs in 1939 and the living costs today, frequently we fail to take into consideration that in 1939 it was necessary for Federal employees to pay only a very small income tax; yet now the average return to the Government in Federal income tax is over 20 percent.

Mr. LANGER. Mr. President, will the Senator further yield.

Mr. JOHNSTON of South Carolina. I yield.

Mr. LANGER. I wish to state that the proposed 10-percent increase is entirely inadequate. I want to go on record with that statement. I think the increase should be at least 15 percent, in order to give the Federal employees the same amount of take-home pay as they had in 1939.

Furthermore, it was undisputed at the hearings, which I attended, that the increase ought to be 25 percent, in order to place the postal workers on a par with industrial workers.

In the opinion of the senior Senator from North Dakota, this miserable, lousy 10 percent increase is entirely inadequate.

Mr. JOHNSTON of South Carolina. I will agree with the senior Senator from North Dakota to that extent, because if the employees were given a 15-percent increase they would not be paid any more than what they were receiving in 1939, when take-home pay is taken into consideration.

Mr. LANGER. Why should not the employees receive a 15-percent increase?

Mr. JOHNSTON of South Carolina. The committee has studied the matter and has come to the conclusion that a 10-percent increase is the amount which should be requested in the bill. The Senator from North Dakota knows I am chairman of the committee, and the Senator from North Dakota helped report the bill. The committee desires to have the Senate pass the bill containing a 10-percent increase, so the bill will go to the House, and action may be taken on it.

Mr. CARLSON. Mr. President, will the Senator yield?

Mr. JOHNSTON of South Carolina. I yield to the Senator from Kansas.

Mr. CARLSON. As we begin the debate on the postal pay increase bill, I do not want to let the opportunity pass without paying tribute to the chairman of the committee. For years he has worked consistently to bring about an increase in the pay of postal and classified employees. I regret that on this occasion we are not together on the amounts of the proposed increase, but I think both he and I will agree that we are anxious to get a pay increase for Federal employees.

Mr. JOHNSTON of South Carolina. I thank the Senator from Kansas for his remarks. He, as the ranking minority member of the committee, has been most helpful, and even though he has disagreed with us, he has not tried to prohibit action desired by the majority.

PROPOSED UNANIMOUS-CONSENT AGREEMENT

Mr. JOHNSON of Texas. Mr. President, will the Senator yield to me for a brief statement, with the understanding he will not lose the floor?

Mr. JOHNSTON of South Carolina. I yield for that purpose.

Mr. JOHNSON of Texas. Mr. President, I have discussed a proposed unanimous-consent agreement with the chairman of the committee, with the ranking minority member of the committee, and with the distinguished minority leader. There were delays in taking up this bill because of the necessity for the consideration of the proposed cotton legislation and the resolutions pertaining to the disposal of the rubber plants, which had to be acted on within a time limit. It appears that if action is to be had on the pay bill this week it will be necessary for the Senate to meet at 10 o'clock tomorrow morning, and, if possible, to operate under a unanimous-consent agreement limiting the time for debate.

A proposed agreement has been worked out which appears to be satisfactory to the Senators I have mentioned. The agreement provides that—

During the further consideration of the bill (S. 1) to increase the rates of basic compensation of officers and employees in the field service of the Post Office Department, debate on any amendment or motion proposed to the committee substitute, or any appeal arising in connection therewith, shall be limited to 1 hour and 30 minutes—

That is 1 hour and 30 minutes for each amendment, each motion, and each appeal—

to be equally divided and controlled by the proposer of any such amendment or proposal

(including appeals) and the majority leader: *Provided*, That if the majority leader is in favor of any such motion or amendment, the time in opposition thereto shall be controlled by the minority leader: *Provided further*, That no amendment or motion that is not germane to the provisions of the bill shall be received.

Provided further, That debate on the final passage of the bill shall be limited to 2 hours, to be equally controlled by the majority and minority leaders.

Mr. ROBERTSON. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. If the Senator will allow me to make one more statement, I shall yield for any questions which Senators may desire to ask.

If the proposed unanimous-consent agreement is entered into, it is expected to have the Senate meet at 10 o'clock tomorrow morning, and it is hoped that the Senate can finish voting on the bill by 5 o'clock tomorrow evening.

I now yield to the Senator from Virginia.

Mr. ROBERTSON. If the unanimous consent agreement is entered into, is it to become effective immediately, or when the Senate meets tomorrow morning?

Mr. JOHNSON of Texas. At the conclusion of the morning hour tomorrow.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield to the Senator from Rhode Island.

Mr. PASTORE. Does not the Senator from Texas feel he has been a little too generous with the time provided? I think if we could cut the time allowed by 15 minutes on each side, we would be better off.

Mr. JOHNSON of Texas. I will say to the Senator that I suggested 1 hour. I could not get an agreement on that time. This is the best agreement I could get. However, if any time on the amendment is not used, the time can be yielded back. The Senator from Virginia has an amendment, and it is expected some of the time on it will be yielded back. I may say it is not planned to have a vote after 5 o'clock tomorrow.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield to the Senator from North Dakota.

Mr. LANGER. How much time would be allowed on each amendment?

Mr. JOHNSON of Texas. An hour and a half, to be equally divided.

Mr. LANGER. On each amendment?

Mr. JOHNSON of Texas. Yes.

Mr. LANGER. I have no objection.

Mr. HENNINGS. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield to the Senator from Missouri.

Mr. HENNINGS. I should like to ask the Senator from Texas whether the understanding would be that the unanimous-consent agreement would take effect at 10 o'clock tomorrow morning.

Mr. JOHNSON of Texas. No; at the conclusion of the morning hour, with the hope that the morning hour would be concluded at 10:20 or 10:30 o'clock a. m.

Mr. HENNINGS. I wish to say I am a member of the committee, and one of the cosponsors of the bill (S. 1). I have a long-standing engagement to address the bar association at Chicago, Ill., which will require my leaving here tomorrow afternoon at 2:30. I expect to support the bill, and I hope the debate may be so limited as to give me an opportunity to vote for it. If that is not possible, of course, I still should like to see the unanimous-consent agreement entered into.

Mr. JOHNSON of Texas. The Senator from Texas had in mind the engagement of the Senator from Missouri, and obligations of other Senators. That was the reason for my statement.

Mr. CARLSON. Mr. President, I wish to say I think the majorty leader has worked out a most generous agreement. I sincerely hope we will not have to use as much time as has been covered by the agreement. I hope the Senate will get to a vote on the bill early.

Mr. JOHNSTON of South Carolina. I may say to the majority leader that I believe time on the amendments, and probably on the bill, too, can be cut down so far as the committee is concerned.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senator from South Carolina may yield to me so that I may suggest the absence of a quorum, in order that the unanimous-consent agreement may be proposed.

Mr. JOHNSTON of South Carolina. I yield for that purpose.

Mr. JOHNSON of Texas. I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. McNAMARA in the chair). Without objection, it is so ordered.

ORDER FOR RECESS UNTIL 10 A. M. TOMORROW

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that when the Senate concludes its business for today, it stand in recess until 10 o'clock tomorrow morning.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

INCREASE IN RATES OF COMPENSATION FOR EMPLOYEES IN THE FIELD SERVICE, POST OFFICE DEPARTMENT

The Senate resumed the consideration of the bill (S. 1) to increase the rates of basic compensation of officers and employees in the field service of the Post Office Department.

UNANIMOUS-CONSENT AGREEMENT

Mr. JOHNSON of Texas. Mr. President, on behalf of myself and the distinguished minority leader [Mr. KNOWLAND], I submit the proposed unanimous-consent agreement which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The proposed unanimous-consent agreement will be stated.

The legislative clerk read as follows:

UNANIMOUS-CONSENT AGREEMENT

Ordered, That, effective after morning business on March 25, 1955, during the further consideration of the bill (S. 1) to increase the rates of basic compensation of officers and employees in the field service of the Post Office Department, debate on any amendment or motion proposed to the committee substitute, or any appeal arising in connection therewith, shall be limited to 1 hour and 30 minutes, to be equally divided and controlled by the proposer of any such amendment or motion (including appeals) and the majority leader: *Provided*, That if the majority leader is in favor of any such motion or amendment, the time in opposition thereto shall be controlled by the minority leader: *Provided further*, That no amendment or motion that is not germane to the provisions of the bill shall be received.

Ordered further, That debate on the question of final passage of the bill shall be limited to 2 hours, to be equally divided and controlled by the majority and minority leaders.

The PRESIDING OFFICER. Is there objection to the proposed unanimous-consent agreement? The Chair hears none, and the agreement is entered.

Mr. JOHNSON of Texas. Mr. President, I think I should repeat for the RECORD what I previously said, namely, that we shall begin the session on tomorrow at 10 a. m., and shall have the usual morning business under the 2-minute limitation on statements. Perhaps we shall not have a quorum call, but shall let this notice show in the RECORD that we shall commence the session at 10 a. m., so that we shall be able to conclude the morning business and begin at an early hour to proceed under the provisions of the unanimous-consent agreement which now has been entered.

I should like all Members to know that if the number of motions or appeals which may be made should prevent the Senate from concluding its action on the bill by 5 o'clock tomorrow afternoon, no votes will be taken on the bill on tomorrow after that time.

Mr. KNOWLAND. Mr. President, will the Senator from Texas yield to me?

Mr. JOHNSON of Texas. I yield.

Mr. KNOWLAND. Of course, I desire to concur in the unanimous-consent agreement which has been entered, and which was submitted on behalf of the majority leader and the minority leader. I also wish to concur in expressing hope that Members on both sides of the aisle will be in the Chamber promptly at 10 o'clock tomorrow if they have any matters to submit under the head of morning business.

Furthermore, in order to cooperate with the majority leader, I shall ask the secretary for the minority to notify all Senators on our side of the aisle to be in the Chamber promptly at 10 a. m., so that we shall be able to avoid the necessity of having a quorum call at that time.

I express the hope that on tomorrow we can complete action on the postal pay bill.

Mr. JOHNSON of Texas. We on this side of the aisle shall follow the same procedure, and all Senators on this side of the aisle will be notified.

I do not wish this opportunity to pass without expressing my deepest appreciation and thanks to the distinguished minority leader and the distinguished ranking minority member of the committee for their always excellent cooperation.

Mr. ROBERTSON. Mr. President, in one of my favorite poems, Robert Browning says:

> Man's reach should exceed his grasp,
> Or what's a heaven for?

That illustrates the philosophy of a good motive—urging a man always to try to be a little bit better than he has been in the past.

In friendship, of course, motive is an essential. I refer to that fact because between good friends of the postal workers there will develop a difference of opinion as to the best way to help them.

In 1935, when a Member of the House of Representatives, I was assigned to the House Committee on Post Office. I served for 2 years on that committee, and during that time became very much interested in the work. I learned a good deal about the operations of the Post Office Department. I met many postal workers and the officials of their State and national organizations.

I learned what a fine group they are—far above the average and patriotic citizens all. This week I asked the Postmaster General whether he had ever found a Communist in the ranks of the postal workers. He had to admit that no one proven to be a Communist had ever been found in the Postal Service, although a very few were questioned for security reasons.

Mr. President, I also learned how appreciative the postal workers are of those who take an interest in their welfare and try to help them. It is no wonder that in the Congress they have many friends.

All the worth-while legislation to improve the status of the postal workers has been enacted since I became a member of the House Committee on Post Office, in 1935. During the ensuing 20 years, we have brought about advances in working conditions, classifications, and salaries which have brought the postal workers up to their present status.

I refer to that fact because during those 20 years, I have supported every bill in favor of the postal workers which has been enacted into law.

Mr. President, as I approach the making of a decision as to what bill I shall favor, I think the many friends I have in Virginia among the postal workers will realize that when I say I honestly believe it will be best for me to support Senate bill 1489, the Carlson bill, which in due time will be offered as a substitute for Senate bill 1, they will know I am sincere in taking that position; and that if I make a mistake, it will be a mistake of the head, not of the heart.

I had planned to discuss—and I hoped very briefly—my reasons for supporting the substitute, but before I do so I feel that it would be helpful to the Senate in passing on this proposed legislation, in passing on pending bills to increase postal revenues—and certainly we should take such action—and in the consideration of future legislation with respect to the operation of the Post Office Department and the pay and working conditions of the employees, briefly to review the history of the Department.

Many American citizens, knowing how deeply imbued with the spirit of private enterprise were the distinguished delegates to the Constitutional Convention who gathered in Philadelphia in the summer of 1787, have often wondered why they injected one little dose of socialism into an organic law designed to establish a better union on the basis of private enterprise. I will tell the Senate why, but before I do so let me say that later I shall insert all the available statistics of receipts and disbursements of the Post Office Department for 118 years. That is as far back as the records are available. Those statistics will indicate that in 118 years the Post Office Department operated in the red 100 times, a fact which should cause us to be happy that the Founding Fathers decided to have only one socialistic operation in the Government. The reason they decided to do that was that they inherited the postal system from Great Britain, and did not know how to get rid of it.

In colonial days the right to handle the mails belonged to the Crown. The King controlled that function. That is the situation in Europe today. All the monarchies, and all the republics which were formerly monarchies, have government control of the post office. But they do not stop there. They have control of the railroads, telegraph communications, and many other things. But the Crown had control of handling the mails, and that was a source of revenue to the Crown in colonial days.

There were few things that irritated the Colonists more than the exorbitant charge for carrying the mails. With all due deference to that venerable and great statesman, Benjamin Franklin, who for a number of years held the exclusive right to establish post offices and carry the mail for all the colonies, he was bitterly criticized both for the cost of the service and for its inefficiency.

I am reminded of the plan of the Roman emperors, after Julius Caesar had conquered Palestine. They wanted to collect revenue from the conquered province, which was far removed from Rome, so they invited Jews to make bids on the revenue they would collect, and the contract went to the highest bidder. Then he had to go home and collect the amount of his bid, and, in addition, whatever he could collect for his own compensation.

Those tax collectors were called publicans, and their operations were so distasteful to their fellow citizens that two classes of undesirable citizens were designated in Palestine, namely, publicans and sinners; and publicans rated No. 1.

In Colonial days those who were gouging the people for handling the mail under a monopoly were very unpopular. I must give the venerable Benjamin Franklin credit for one thing. He had a frank, which was very valuable to him, because he could frank Poor Richard's Almanac all over the country free of mailing charges. That was quite a source of revenue in itself. It put him ahead of his competitors. No doubt his successor, the Saturday Evening Post, would very much enjoy such a privilege today. But when the Colonies started stirring for independence, Benjamin Franklin, to his credit, changed the wording of his frank. The stamp, which he gave to all his postmasters, read "Franking Privilege—Free—B. Franklin." He changed it to read "Be Free—Franklin." That got back to King George, who said, "You are fired." So Franklin lost his contract.

Several others had contracts, but when the Continental Congress met in the summer of 1776 in Philadelphia, everyone was complaining about the mail service, so Benjamin Franklin was named the first Postmaster of the Federation, and the rates which should be paid were fixed. He served for quite a while, but not until the new United States Congress came into being.

I have examined very carefully the debates of the Philadelphia Constitutional Convention of 1787 to see what was said about a postal department. I examined three different plans. All of them contained the power of the legislature to establish post offices.

There was not a word of debate in the Constitutional Convention on that subject. Not even Madison, who kept pretty full notes, had anything to say except with respect to the vote. There was no contest whatever over that provision of the Constitution. It is now found in clause 7 of section 8 of article I, which enumerates various powers of the Congress, and provides that the Congress shall have power to establish post offices and post roads. Madison does refer to the fact that Benjamin Franklin offered an amendment to "post offices" so as to add "and post roads." That amendment carried by a vote of 6 States to 5, which was pretty close. The Founding Fathers did not want Congress to get into road building, but they let that provision get by.

James Madison then offered another amendment, to add the words "and canals when deemed necessary." That received the votes of only two States, so it lost.

So we inherited a socialistic enterprise, but it was supposed to be a revenue producer—and it was a revenue producer. Then we come to the first session of the First Congress. This is what was enacted into law on the 22d of September 1799, when the President approved the following bill, which had been passed by the First Congress of the United States:

> That there shall be appointed a Postmaster General; his powers and his salary, (b) and the compensation to the assistant or a clerk and deputies which he may appoint, and the regulations of the Post Office shall be the same as they last were under the resolutions and ordinances of the late Congress. The Postmaster General to be subject

to the direction of the President of the United States in performing the duties of his office, and in forming contracts for the transportation of the mail.

The rates which were put into effect represented a tremendous reduction from what they had been. This was in 1789. The rates were as follows: Up to 30 miles, 6 cents; 30 to 80 miles, 10 cents; 80 to 150 miles, 12 cents per sheet; 150 to 400 miles, $18\frac{3}{4}$ cents; over 400 miles, 25 cents. That is the way postal rates started out.

It was not long before question arose as to what the power to establish post offices meant and question also arose as to what the power to establish post roads meant.

I turned to the annotated Constitution to find how many decisions had been made under this section of the Constitution. If I recall, there were only three of them.

One dealt with the right of Congress to appropriate funds to that section of the Cumberland toll road in Pennsylvania which was used as a post road. The Court upheld that appropriation.

The next one arose over an effort by Congress to build a bridge on a toll road. The Court turned that effort down. The Court held that Congress did not have the right to build a bridge.

Today we are spending hundreds of millions of dollars on roads, and we are being asked to undertake a $101 billion road-building program. All of it dates back to that one decision dealing with the Cumberland toll road under the constitutional authority establishing post offices and post roads. Under that decision, Congress was authorized to contribute to the upkeep of a toll road in Pennsylvania. That is the only constitutional authority for the road building we have done since and are planning to do today.

Then the question arose as to whether Congress could actually build a post office. The Government started condemnation proceedings in Cincinnati, Ohio. A man by the name of Kohl objected. That case was decided in *Kohl* v. *U. S.* (91 U. S. 367). It was decided in 1876. The court held that Congress had the right to condemn land and to build post offices. That principle has not been challenged since that time.

It was not until 1845 that Congress found it needed to protect the postal revenue by declaring a monopoly over first-class mail. Other people were cutting in, and were delivering mail in cities for very much less than the Government was charging. That practice was reducing the Government's revenue, and, so, in 1845 Congress passed a law which declared that practice to be illegal.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point a statement dealing with section 9 of the act of March 3, 1845.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

On September 22, 1789, the President approved the following bill which had been passed by the First Congress of the United States:

"That there shall be appointed a Postmaster General; his powers and salary, (b) and the compensation to the assistant or clerk and deputies which he may appoint, and the regulations of the post office shall be the same as they last were under the resolutions and ordinances of the late Congress. The Postmaster General to be subject to the direction of the President of the United States in performing the duties of his office, and in forming contracts for the transportation of the mail.

"SEC. 2. *And be it further enacted*, That this act shall continue in force until the end of the next session of Congress, and no longer."

It was not until March 3, 1845, that the President approved an act of Congress, the title of which was: "An act to reduce the rates of postage, to limit the use and correct the abuse of the franking privilege, and for the prevention of frauds on the revenues of the Post Office Department." Section 9 of that act, which for the first time by legislative action gave the Government a legal monopoly of carrying the mails, reads as follows:

"SEC. 9. *And be it further enacted*, That it shall not be lawful for any person or persons to establish any private express or expresses for the conveyance, nor in any manner to cause to be conveyed, or provide for the conveyance or transportation by regular trips, or at stated periods or intervals, from one city, town, or other place, to any other city, town, or place in the United States, between and from and to which cities, towns, or other places the United States mail is regularly transported, under the authority of the Post Office Department, of any letters, packets, or packages of letters, or other matter properly transmittable in the United States mail, except newspapers, pamphlets, magazines, and periodicals; and each and every person offending against this provision, or aiding and assisting therein, or acting as such private express, shall, for each time any letter or letters, packet or packages, or other matter properly transmittable by mail, except newspapers, pamphlets, magazines, periodicals, shall or may be, by him, her, or them, or through his, her, or their means or instrumentality, in whole or in part, conveyed or transported, contrary to the true intent, spirit, and meaning of this section, forfeit and pay the sum of $150."

Mr. ROBERTSON. Mr. President, I have mentioned the fact that when the postal service was started in this country it was started for the purpose of producing revenue. I regret that we do not have statistics prior to 1837. There are several departmental reports stating that there was a surplus, but the reports do not state how large the surplus was. No figures are available.

Then Congress decided that it was not the purpose to operate the Post Office Department in order to obtain revenue. The purpose, it was said, was to have the post office pay its own way. That was the theory. It was to pay its own way.

A significant fact is that in the first year for which we have figures the Post Office produced a large revenue.

I ask unanimous consent to have inserted in the RECORD at this point the statistics for the past 118 years of receipts and disbursements of the Post Office Department.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Post Office Department—Postal deficit since 1837

Fiscal year	Revenues	Expenses	Surplus	Deficit	Fiscal year	Revenues	Expenses	Surplus	Deficit
1837	$4,101,703	$3,288,319	$813,384		1869	$17,314,176	$23,677,913		$6,363,737
1838	4,238,733	4,430,662		$191,929	1870	18,879,537	23,977,391		5,097,854
1839	4,484,657	4,636,536		151,879	1871	20,037,045	24,395,798		4,358,753
1840	4,543,522	4,718,236		174,714	1872	21,915,426	26,664,520		4,749,094
1841	4,407,726	4,499,687		91,961	1873	22,996,742	29,125,635		6,128,893
1842	4,546,850	5,671,063		1,124,213	1874	26,471,072	32,228,980		5,757,908
1843	4,296,225	4,374,845		78,620	1875	26,791,314	33,611,634		6,820,320
1844	4,237,288	4,298,628		61,340	1876	28,644,198	33,291,451		4,647,253
1845	4,289,842	4,326,692		36,850	1877	27,531,585	33,658,941		6,127,356
1846	3,487,199	4,120,518		633,319	1878	29,277,517	34,182,546		4,905,029
1847	3,880,309	4,081,128		200,819	1879	30,041,983	33,457,915		3,415,932
1848	4,555,211	4,380,459	174,752		1880	33,315,479	36,537,433		3,221,954
1849	4,705,176	4,477,664	227,512		1881	36,785,398	39,607,357		2,821,959
1850	5,499,985	5,213,244	286,741		1882	41,876,410	40,622,486	$1,253,924	
1851	6,410,604	6,278,710	131,894		1883	45,508,693	43,327,340	2,181,353	
1852	5,184,527	7,107,550		1,923,023	1884	43,325,959	47,233,016		3,907,057
1853	5,240,725	7,983,090		2,742,365	1885	42,560,844	50,042,254		7,481,410
1854	6,255,586	8,608,286		2,352,700	1886	43,948,423	51,016,918		7,068,495
1855	6,642,136	9,968,992		3,326,856	1887	48,837,609	52,982,627		4,145,018
1856	6,920,822	10,407,868		3,487,046	1888	52,695,177	56,467,643		3,772,466
1857	7,353,952	11,507,670		4,153,718	1889	56,175,611	62,344,715		6,169,104
1858	7,486,793	12,721,637		5,234,844	1890	60,882,098	66,282,863		5,400,765
1859	7,968,484	11,457,513		3,489,029	1891	65,931,786	73,082,395		7,150,609
1860	8,518,067	19,170,606		10,652,539	1892	70,930,476	77,041,452		6,110,976
1861	8,349,296	13,601,263		5,251,967	1893	75,896,933	81,613,722		5,716,789
1862	8,299,821	11,125,965		2,826,144	1894	75,080,479	85,057,995		9,977,516
1863	11,163,790	11,306,415		142,625	1895	76,983,128	87,213,570		10,230,442
1864	12,438,254	12,843,068		404,814	1896	82,499,208	90,943,410		8,444,202
1865	14,556,159	13,638,909	917,250		1897	82,665,463	94,097,042		11,431,579
1866	14,386,986	15,320,837		933,851	1898	89,012,619	98,067,171		9,054,552
1867	15,237,027	19,209,378		3,972,351	1899	95,021,384	101,651,520		6,630,136
1868	16,292,601	22,837,949		6,545,348	1900	102,354,579	107,764,937		5,410,358

Post Office Department—Postal deficit since 1837—Continued

Fiscal year	Revenues	Expenses	Surplus	Deficit
1901	$111,631,193	$115,612,714		$3,981,521
1902	121,848,047	124,809,217		2,961,170
1903	134,224,443	138,811,420		4,586,977
1904	143,582,624	152,395,394		8,812,770
1905	152,826,585	167,420,972		14,594,387
1906	167,932,783	178,475,725		10,542,942
1907	183,585,006	190,277,037		6,692,031
1908	191,478,663	208,388,942		16,910,279
1909	203,502,383	221,042,154		17,479,771
1910	224,128,658	230,010,140		5,881,482
1911	237,878,824	237,660,706	$219,118	
1912	246,744,016	248,529,539		1,785,523
1913	266,619,526	262,108,874	4,510,652	
1914	287,934,506	283,558,102	4,376,464	
1915	287,248,165	298,581,474		11,333,309
1916	312,057,689	306,228,453	5,829,236	
1917	329,726,116	319,889,904	9,836,212	
1918	383,975,962	324,849,188	64,126,774	
1919	436,239,126	362,504,275	73,734,851	
1920	437,150,212	454,420,695		17,270,483
1921	463,491,275	621,008,963		157,517,688
1922	484,853,741	545,668,942		60,815,401
1923	532,827,925	556,893,128		24,065,203
1924	572,948,778	587,412,755		14,463,977
1925	599,591,478	639,336,505		39,745,027
1926	659,819,801	679,792,180		19,972,379
1927	683,121,989	714,628,189		31,506,200
1928	693,633,921	725,755,017		32,121,096
1929	696,947,578	782,408,754		85,461,176
1930	705,484,098	803,700,085		98,215,987
1931	$656,463,383	$802,529,573		$146,066,190
1932	588,171,923	793,722,534		205,550,611
1933	587,631,364	700,006,256		112,374,892
1934	586,733,166	630,767,001		44,033,835
1935	630,795,302	696,603,253		65,807,951
1936	665,343,357	753,659,681		88,316,324
1937	726,201,110	772,815,842		46,614,732
1938	728,634,051	772,445,607		43,811,556
1939	745,955,075	784,646,939		38,691,864
1940	766,948,627	807,732,866		40,784,239
1941	812,827,736	836,945,548		24,117,812
1942	859,817,491	873,956,528		14,139,037
1943	966,227,289	952,535,379	$13,691,910	
1944	1,112,877,174	1,068,985,619	43,891,555	
1945	1,314,240,132	1,145,101,185	169,138,947	
1946	1,224,572,173	1,372,655,008		148,082,835
1947	1,299,141,041	1,574,008,073		274,867,032
1948	1,410,971,284	1,754,893,289		343,922,005
1949	1,571,851,202	2,163,380,730		591,529,528
1950	1,677,486,967	2,267,069,182		589,582,215
1951	1,776,816,354	2,328,327,570		551,511,216
1952	1,947,316,280	2,674,366,498		727,050,218
1953	2,091,714,112	2,710,225,753		618,511,641
1954	2,268,516,717	2,667,663,483		399,146,766
Cumulative surplus or deficit			395,342,529	6,043,932,258
Net cumulative deficit				5,648,589,729

NOTE.—Expenses, 1946 to date, are obligations chargeable to those years, including adjustments for retroactive rate increases to railroads for fiscal years 1947 through 1951. Expenses shown prior to 1946 are expenditures made during those years and include some expenditures chargeable to other years.

Mr. ROBERTSON. Mr. President, I wish to call attention to several significant facts in the statement I have inserted in the RECORD. In 1837 the receipts of the Post Office Department amounted to about 16 percent of the total receipts of the Government, which were only $25 million. In that year the Government spent $37 million and had a deficit of $12 million. Yet the Post Office Department showed a surplus of $813,384.

The Post Office Department not only operated the postal service, but supplied about 6 percent of all the money expended by the Government, except by the Army and the Navy. Those were big dollars in those days, Mr. President. It is said to be a dollar of that kind that George Washington threw across the Potomac. We are told a dollar went further in those days. It was a big dollar. The total revenue received by the Government was $25 million, and the Post Office Department produced 16 percent of it.

Then the receipts started to go down, or rather, I should say, the costs started to go up. The costs started to go up much faster than the receipts. In 1848, 1849, and 1850 the Post Office Department had tremendous surpluses. In the last year of the War Between the States the surplus was $917,250. Soldiers were writing home and everybody was writing to the soldiers, and there was a large surplus produced by first-class mail. That is always a revenue-producing service. It is producing a handsome profit now. The heavy loss comes on second-class mail, on junk mail, and, to some extent, on fourth-class mail, which is parcel post, although the loss from that category has been reduced.

I wish to call attention to the statistics I have inserted in the RECORD by pointing out that the large postal deficits started in fiscal 1946. In fiscal 1945, which was a war year, the surplus was $169,138,947. The next year the deficit was $148 million-plus. The deficit continued to rise until fiscal 1952, when it reached the enormous sum of $727,050,218.

The cumulative deficit of a Government monopoly, which had been established to make a profit, is today $5,648,589,729.

Mr. CARLSON. Mr. President, will the Senator yield?

Mr. ROBERTSON. I yield.

Mr. CARLSON. The distinguished junior Senator from Virginia is a member of the subcommittee of the Appropriations Committee which considers post-office appropriations. The Senate and the Post Office Department are fortunate that he is in that position, because he has profound knowledge of postal matters, as is evidenced by his very fine statement.

I wish to ask the Senator to tell us, if he can, what the anticipated deficit of the Post Office Department will be at the end of fiscal 1955.

Mr. ROBERTSON. The Postmaster General testified before the subcommittee this week that, on the basis of the passage of a 7.6-percent salary bill, the deficit would be $455 million, and on the basis of a 10-percent salary bill, the deficit would be $505 million. We should bear in mind the fact that we must temper our love and affection and generosity for our postal workers with a sense of justice to those who must pay the bills. Every dollar of pay raise will have to be paid in borrowed dollars, on which the taxpayers must pay interest for an indefinite period.

Mr. CARLSON. Mr. President, will the Senator yield further?

Mr. ROBERTSON. I yield.

Mr. CARLSON. I am sure that the distinguished junior Senator from Virginia entertains the same view I do with respect to the postal deficit. We are concerned about it, and we are concerned about its continued growth. I firmly believe that the Post Office Department is a service organization, and therefore a certain percent of the cost should be borne by the taxpayers. However, when that figure begins to exceed $150 million or $200 million, we are getting to the point where the users of the postal service should at least carry the cost.

Mr. ROBERTSON. The junior Senator from Virginia believes that, while we need not put such a provision in this bill, we should certainly at this session take action in compliance wtih the President's very urgent request in his budget message of last January, when he asked us to provide $400 million of additional revenue for the Post Office Department. He said if we did that, the deficit of the Post Office Department for the next fiscal year would amount to $25 million.

Of course, Mr. President, the deficit includes many subsidies. Let us be frank. We carry mail free for the blind—and I am glad of that—and we give to religious and fraternal orders a cut rate on their literature, books, and what not. There are many subsidies involved. I suppose they should be identified, but, in any event, we should try to balance each year the budget of the Post Office Department. It was never intended to be an instrumentality for a broad program of subsidization or to be operated, merely because it was a function performed by the Government, without regard to the cost.

Mr. CARLSON. Mr. President, will the Senator from Virginia yield?

Mr. ROBERTSON. I yield.

Mr. CARLSON. The Senator will well remember that last year a postal pay increase bill was passed by both Houses, but was vetoed by the President because he felt at that time that provision for postal rate increases should be a part of that particular piece of legislation. I did not share that view. I do not think the salaries of postal employees should be determined by the Post Office deficit, but, on the other hand, I do not think we can continue to build up postal deficits.

Mr. ROBERTSON. I voted for the 5-percent increase and regretted that the President vetoed the bill. It now ap-

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pears, hindsight being a little better than foresight, that that bill would have been cheaper than is the one we are now considering.

Mr. CARLSON. That bill would have cost $130 million, and I think the bill before the Senate at this time will cost $160 million. The Senate bill does not contain provisions for reclassification. If it did, it would cost many more millions of dollars.

Mr. ROBERTSON. Mr. President, but for the lateness of the hour I should like to go into further detail regarding the history of the Post Office Department, but I must hurry on to a discussion of the measure on which we are going to vote.

There are two proposals. One provides a 10-percent increase for all postal workers, to be followed by a similar increase, as I understand, for all classified civil-service workers.

We have, also, the Carlson bill. I wish to mention reclassification, because it gave me considerable concern until I found out the facts. I received many letters protesting against it, and reached the conclusion that it must be pretty bad because the great majority of the writers opposed it. A few favored it. I found out in reading the debate on the House side on a bill which is the same as the Carlson bill that there had been attached to that bill 20 amendments which eliminated all the bona fide and serious objections.

Can we reclassify an employee and cut his salary? We cannot do so and make him like it. He can appeal to the Civil Service Commission, and its decision is final and binding on the Post Office Department.

For fear that the Post Office Department might turn things topsy-turvy, the bill authorizes the reclassification of approximately 10 percent of the postal employees. There is no doubt that reclassification is overdue. There are 20 safeguards. I do not have time to mention all 20 of them, but they have been thrown around reclassification. I am satisfied that if the persons who have written me had it explained to them, they would withdraw their objections to reclassification.

That brings us, Mr. President, to the final decision as to what percentage of increase we should support. I have been for 22 years a consistent friend of the postal workers. I should like to give them as much as we can afford to give them, but I am firmly convinced that if we go above 7.6 percent the President will veto the bill. If he should veto it, I could hold out to my friends in Virginia no assurance that when they asked me for bread I did not give them a stone in voting for a 10 percent bill. I could give them no assurance whatever that the President's veto of a 10 percent bill could be overridden in both branches of the Congress.

We have an unbalanced budget, which gives me grave concern, and there is a growing trend toward inflation which Mr. Bernard Baruch expressed so potently before our committee last Wednesday, when he said, "Above everything else, if you want to control the stock market, have a sound fiscal policy, and control inflation."

Mr. President, I asked the Postmaster General to give me statistics analyzing the Carlson bill. I have his reply which was sent by special messenger today. I ask unanimous consent to have printed in the RECORD at this point the statistics furnished to me by the Post Office Department.

There being no objection, the statement of statistics was ordered to be printed in the RECORD, as follows:

Here are the facts:

Since 1945, the cost of living has advanced 48.6 percent.

Since 1945, the starting salary for clerks and letter carriers has been increased by 92 percent, from $1,700 in 1945 to $3,270 at present. S. 1489 would make this increase 114 percent ($3,640).

Since 1945, the top salary for clerks and carriers has increased by 94 percent, from $2,100 to $4,070. (This does not include longevity payments of $100 each at the end of 13, 18 and 25 years of service.) S. 1489 would increase the top rate to $4,360, or 108 percent.

The clerk or carrier working for the Department in 1945 at $1,700 will earn $4,360 upon passage of S. 1489, an increase in basic salary of 156 percent.

Since July 1951, when clerks and letter carriers were given a salary increase of $400 a year, the cost of living has increased slightly more than 3 percent. The salary increase provided in S. 1489 averages 7½ percent, with a minimum increase of 6 percent.

Upon approval of a supplemental appropriation now pending in the Congress, letter carriers will also receive a $100 tax-free uniform allowance.

According to the BLS Occupational Wage Survey, 1954, a class A accounting clerk in private industry earns $3,432 in Boston and $4,290 in Cleveland. If this position were in the postal field service it would be allocated to salary level 6 in S. 1489, and would pay $3,880 to $4,630 a year.

A truckdriver in Boston, according to the same survey, is paid $3,390 per year; in Atlanta and Memphis he is paid $2,558; in Cleveland he is paid $4,243. Under S. 1489 he would be paid $3,640 to $4,360.

A janitor in Boston in private industry earns $2,683 a year; in Memphis he receives $2,018; in Cleveland and Chicago he receives $3,182. S. 1489 will pay janitors $2,870 to $3,470 a year.

A guard or watchman in a private industrial plant in New York in 1954 was earning $2,870 to $3,245. The Post Office Department will pay its guards and watchmen under S. 1489 from $3,330 to $3,990 a year.

According to the Municipal Yearbook, 1954, a truckdriver working for the city government is paid $3,744 in Philadelphia and $4,243 in Milwaukee. The Post Office Department under S. 1489 would pay $3,640 to $4,360.

An automobile mechanic receives $4,098 from the city of Philadelphia, $4,576 in Milwaukee, and $4,909 in San Francisco. S. 1489 would pay $3,880 to $4,630.

A junior clerk-typist receives $2,723 from the city of Philadelphia, $3,360 in Milwaukee, and $3,840 in San Francisco. S. 1489 would pay $3,330 to $3,990.

The Carlson substitute bill would give an increase to city letter carriers averaging 8.2 percent—and to the lowest grade letter carriers of 11.3 percent.

Mr. ROBERTSON. Mr. President, when the Members of Congress read this statistical analysis showing how the increases are to be made and then compare the increases, as the Postmaster General did, with wages paid in comparable employment in private industry, I do not see how anyone can say that we are being unfair to the postal employees. Of course, we are not so generous as we would be if we gave them a 10 percent increase in salaries.

For the reasons I have enumerated, Mr. President, and because the hour is growing late and I do not wish unduly to detain my colleagues, especially the very distinguished colleague from New York [Mr. LEHMAN] who is scheduled to speak after I have concluded, I wish to say, in conclusion, that it is my honest opinion that Congress would be well advised for the time being to support the Carlson proposal of a 7.6 percent increase, with reclassification, and then next year, if we shall be in better fiscal shape, if the Congress thinks there should be another increase of 2 or 3 percent, we can grant it then. But for the time being I say I cannot feel that I should go further than the 7.6 percent increase, and I honestly think I have taken a position best calculated to put some actual cash into the pockets of those who need it.

I yield the floor, Mr. President.

PROPOSED PEACE CODE FOR THE MIDDLE EAST

Mr. LEHMAN. Mr. President, I have read, with appreciation and approval, of the proposal by the Government of Israel, through Ambassador Abba Eban in the Security Council, that Egypt join with Israel in a peace code for the Middle East.

I consider this to be the first constructive proposal I have heard in many months to deal frontally with the tragic tensions which now exist between Israel and her Arab neighbors.

The American people desire, above all, to see the Middle Eastern tensions allayed. They desire to see constructive steps taken in the direction of peace, understanding, and cooperation between Israel and her neighbors. We are as concerned with the welfare of the people of Egypt as we are with that of the inhabitants of Israel. The welfare of both peoples can best be served—can be served only—by settlements and understandings which will facilitate common and cooperative efforts to resolve the political and economic problems of the Middle East.

If the Egyptian Government would agree to give sober and sympathetic consideration to the Israeli proposals and enter into negotiations concerning them—as was envisioned in the Rhodes Agreements of 1949—the free world will have reason to rejoice.

I am convinced that the people of both Israel and Egypt desire an end to the tragic incidents of recent months, and the threat to world peace which those incidents—all of them collectively—continue to pose.

The Government of Egypt can assume its rightful role of leadership among the Arab peoples, by giving concrete evidence that Egypt accepts the existence of Israel within her present boundaries and is prepared to move forward to a

normalization of relations between Egypt and Israel. Such a step would help, in my judgment, to break the unhappy stalemate which now exists in that area. It would, of course, bring an end to the violent incidents—to the raids and killings—which now occur almost daily along the Egyptian-Israeli border.

Thirty killings occurring over a period of weeks are no less tragic than a similar number occurring in one bloody clash.

Even while the Security Council is weighing Egyptian charges against Israel, the press reports a new condemnation of Egypt by the mixed armistice commission, on the basis of a violation of the Israeli borders by Egypt.

I ask unanimous consent that a press report of the incident I have just referred to be printed in the RECORD at this point in my remarks.

There being no objection the article was ordered to be printed in the RECORD, as follows:

ARMISTICE UNIT BLAMES EGYPT

JERUSALEM, March 23.—The Egyptian-Israeli Mixed Armistice Commission placed on Egypt today the responsibility for blowing up an Israeli command car close to the Gaza Strip last Friday night.

The commission adopted an Israeli resolution with these findings:

Two trained men crossed during the night from Egyptian-held territory into Israel and planted a mine on a track used by routine security patrols of Israel.

As a result a command car in which 4 Israeli soldiers were riding was blown up, lightly wounding the soldiers and knocking parts of the vehicle 75 yards away.

Egypt was called upon to terminate immediately all aggressive acts against Israel.

Meanwhile Edward B. Lawson, the United States Ambassador, assured two leaders of the Rabbinical Council of America that the United States would never tolerate any violation of the integrity of the current boundaries of Israel.

The two religious heads were Rabbis David B. Hollander, president of the Rabbinical Council, and Hershel Schachter, chairman of the Israeli committee of the council.

Mr. LEHMAN. Mr. President, we all recognize that there are many difficulties in the way of a settlement of all outstanding problems between Egypt and Israel. These difficulties must be surmounted, one by one. The separate points of tension and controversy need to be resolved, each on its own merits.

There is the problem of the refugees, many of whom are now quartered, inadequately and unhappily, in the Gaza Strip in Egypt. There is the matter of the Suez Canal and the right of Israeli vessels to transit the canal without interruption.

These are but a few of the problems existing between Egypt and Israel.

Both Egypt and Israel must be willing to meet each other half way, to negotiate, and to reach agreements. I feel certain Israel is so disposed. I hope that Egypt will be likewise disposed.

Surely all the nations of the free world, including the United States, would be ready to contribute to the resolution of as many of these problems as possible. It is to the essential interest of the free world that peace be established and maintained in the Middle East.

The United States Government, for its part, must and should give its full support to the Israeli proposal for a peace code. The United States Government should use all its persuasive power upon Egypt to accept this proposal as a basis for negotiation.

Our Government can do a great deal which it is not now doing. Our Government should be moving with full force and vigor to rescue Israel from the isolation which now engulfs her in the Middle East. We should be pushing the excellent Johnson plan for the joint development and use of the Jordan River basin. By bringing the nations—all the nations—in the Middle East together, by helping to establish a common front among them, to the maximum extent possible, we shall thereby advance the cause of Middle Eastern security, and consequently, of free world security.

The peace and security of the free world are, of course, the highest goals of American foreign policy.

The bringing of peace to the troubled Middle East would constitute one of the greatest achievements of our diplomacy. We must exert our utmost effort to accomplish it.

Mr. President, I ask unanimous consent to have printed in the RECORD, at this point in my remarks, a news article appearing in this morning's New York Times, reporting the Israeli proposal of a peace code with Egypt.

There being no objection the article was ordered to be printed in the RECORD, as follows:

ISRAEL BIDS EGYPT JOIN IN PEACE CODE—EBAN ASKS FOR RENUNCIATION OF "USELESS HOSTILITY" IN SECURITY COUNCIL TALK

(By Kathleen Teltsch)

UNITED NATIONS, N. Y., March 23.—Israel asked Egypt today to renounce "useless hostility" and join her in a code for peace in the Middle East.

The Israeli Government, Abba Eban declared in the Security Council, stands ready to give "an assurance that if no hostile act is carried out by Egypt against Israel, then no hostile act of any kind will be carried out by Israel against Egypt."

The offer was made in Israel's first answer to Egypt's demands that Israel be condemned and punished for launching an attack last month near Gaza. Thirty-eight Egyptians and 8 Israelis were slain in the clash. Israel has insisted—and Mr. Eban today stressed this stand—that for months before the Gaza episode, Egypt stepped up assaults across the border, sabotage, spying and infiltration.

There was no reply from Omar Loutfi, Egypt's delegate, to Israel's invitation. Instead, he reiterated Egypt's argument that Israel sought to "drown out" the Gaza incident by bringing in a flood of countercharges.

The Egyptian spokesman briefly took issue with the report made last week by the United Nations' Palestine truce chief. In a restrained tone, he objected that Maj. Gen. E. L. M. Burns had gone "far beyond" his instructions to report on the Gaza case.

General Burns had informed the council that Israel was blamed for opening an attack on Egyptian military installations. However, he had said also that increased infiltration from Egypt had been "one of the main causes" of increased border tensions.

Mr. Eban, in setting out Israel's case, made only passing reference to the Gaza clash, observing that "regrettable serious loss of life" had occurred. He did not mention Israel's original argument that Egypt had opened fire on Israel and that in the skirmish Israeli forces had crossed the border.

The Israeli delegate charged, however, that Egyptian aims to wrest the Negev from Israel were at the root of Egypt's stepped-up policy by harassment of Israeli pioneer settlements in the Negev area.

"Let me say that Egypt or any other Arab state will not get the Negev, nor is our territory available for bargaining," he declared, in a reference to a recent Egyptian statement indicating the return of the Negev might be the price for Cairo's joining in a Middle East pact.

Mr. Eban, in his hour-long speech, ignored Egypt's demand last week that the council invoke sanctions against Israel—an unlikely prospect, it is agreed here—and also ask reparations for the loss of life and damage at Gaza. He dwelt mainly on a recital of border violations by Egypt—he enumerated 21 in detail—and on the offer for a peace code.

KEYSTONE OF MIDEAST PEACE

By cooperation, he insisted, Egypt and Israel could become the keystone of Middle East peace.

As steps toward this end, he urged that Cairo agree to proclaim the abolition of the state of war and to uphold the 1949 armistice agreement signed by both sides on the island of Rhodes.

The Egyptian delegate charged that the Israeli statement was full of "omissions, and inaccuracies" and had avoided mentioning the "brutal Gaza attack." His theme was that Israel's countercharges were mainly a recital of minor frontier troubles that, unlike the Gaza case, did not threaten peace in the Middle East.

He held also that the Burns report indicated that conditions along the border had been tranquil and that this disproved Israel's claim of a crisis created by Egypt.

The time has come, he declared, for the Council to heed its responsibility and see that no similar aggression by Israel occurs again. Egypt and all Arab states, he added, await this action.

THE PASSING OF PAUL V. McNUTT AND JOHN W. DAVIS

Mr. JOHNSON of Texas. Mr. President, this has been a melancholy day for America, a day on which we lost two of our great statesmen.

The wires have just carried the sad news of the death of John W. Davis, my party's candidate for the presidency in 1924. Earlier in the day we learned of the passing of Paul V. McNutt, who headed the World War II Manpower Commission and served both as High Commissioner to the Philippines and as Ambassador to the Philippines.

The loss of either of these men would be a sad blow to any country. The loss of both is more than doubly distressing.

In recent years they have been living almost in retirement. But they were available with wise counsel and advice whenever they were called upon.

I was a friend of Paul V. McNutt, who was somewhat nearer my generation. I had many contacts with him during World War II, and my association and friendship were rewarding.

John William Davis was raised in the great American legal tradition. He was one of our most distinguished legal minds, and his contributions to American thought were direct and significant.

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Death has ended two distinguished careers—political, diplomatic, and legal. But their families can rest secure in the thought that they have left behind them enduring monuments that will strengthen America throughout the ages.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer (Mr. MCNAMARA in the chair) laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

RECESS TO 10 A. M. TOMORROW

Mr. JOHNSON of Texas. Mr. President, under the order previously agreed to by the Senate, I now move that the Senate stand in recess until 10 o'clock tomorrow morning.

The motion was agreed to; and (at 5 o'clock and 57 minutes p. m.) the Senate took a recess, the recess being under the order previously entered, until tomorrow, Friday, March 25, 1955, at 10 o'clock a. m.

NOMINATIONS

Executive nominations received by the Senate March 24 (legislative day of March 10), 1955:

DIPLOMATIC AND FOREIGN SERVICE

Joseph C. Satterthwaite, of Michigan, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Burma, vice William J. Sebald, resigned.

Joseph E. Jacobs, of South Carolina, a Foreign Service officer of the class of career minister, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Poland.

UNITED NATIONS

John M. Allison, of Nebraska, Ambassador Extraordinary and Plenipotentiary to Japan, to serve concurrently and without additional compensation as the representative of the United States of America to the 11th session of the Economic Commission for Asia and the Far East of the Economic and Social Council of the United Nations.

COUNCIL OF ECONOMIC ADVISERS

Joseph S. Davis, of California, to be a member of the Council of Economic Advisers.

Raymond J. Saulnier, of New York, to be a member of the Council of Economic Advisers.

HOUSE OF REPRESENTATIVES

THURSDAY, MARCH 24, 1955

The House met at 11 o'clock a. m., and was called to order by Mr. COOPER, Speaker pro tempore.

The SPEAKER pro tempore (Mr. COOPER). The Chair lays before the House the following communication.

The clerk read as follows:

MARCH 24, 1955.

I hereby designate the Honorable JERE COOPER to act as Speaker pro tempore today.

SAM RAYBURN,
Speaker of the House of Representatives.

PRAYER

Rev. Albert P. Shirkey, D. D., minister, Mount Vernon Place Methodist Church, Washington, D. C., offered the following prayer:

Eternal God, our Father, we are thankful indeed that we are a part of this great and mighty Nation upheld by Thee, conceived in liberty, and dedicated to the proposition that all men are created equal.

Teach us how to erase from our national life the feeling that some men, because of their race, color, class, condition, or creed, are looked upon as superior while other men are counted inferior.

Bless our labors in the fields of religion and education, in health and welfare, in business and political life so that equal opportunities shall be extended to all.

Above our Nation is the flag our fathers, by great sacrifice, have raised up. Through zeal and devotion may we, their sons, keep it up.

God bless our President, our Congress, our judges, and every citizen so that, walking forward against all tyranny with faith in God and confidence in each other, we shall help to usher in a true and lasting peace and build a brotherhood of which we shall not be ashamed. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Carrell, one of its clerks, announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 691. An act to amend the Rubber Producing Facilities Disposal Act of 1953, so as to permit the disposal thereunder of Plancor No. 877 at Baytown, Tex., and certain tank cars.

DEPARTMENT OF AGRICULTURE APPROPRIATION BILL

Mr. WHITTEN. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations may have until midnight Friday to file a privileged report on the appropriation bill for the Department of Agriculture for the fiscal year 1956.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. H. CARL ANDERSEN. Mr. Speaker, I reserve all points of order on the bill.

INDEPENDENT OFFICES APPROPRIATION BILL, 1956

Mr. EVINS. Mr. Speaker, on behalf of the chairman of the Subcommittee on Independent Offices Appropriations, I ask unanimous consent that the Committee on Appropriations have until midnight Saturday to file a privileged report on the independent offices appropriation bill for the fiscal year 1956.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Tennessee [Mr. EVINS]?

There was no objection.

Mr. PHILLIPS. Mr. Speaker, I reserve all points of order on the bill.

IN MEMORY AND HONOR OF MITCHELL RED CLOUD, JR.

Mr. JOHNSON of Wisconsin. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. JOHNSON of Wisconsin. Mr. Speaker, on Saturday afternoon, March 26, the body of a gallant American soldier will be interred in the soil of his native land. Final burial services will be held on this date for Army Cpl. Mitchell Red Cloud, Jr., in the Decorah Cemetery near Black River Falls, Wis.

It is with a sense of deep humility that I pay respects to the memory of Mitchell Red Cloud, Jr., who was killed in action in Korea in 1950. He was a great soldier as the citation testifies in his posthumous award of the Congressional Medal of Honor. He served our country with honor and distinction in two wars.

Mitchell left high school as a junior in 1941 to enlist in the Marine Corps. During World War II he fought in the Battles of Midway and Guadalcanal. He also served with the famed Carlson's Raiders of the 1st Marine Division.

The strapping young Winnebago Indian who left Jackson County weighing 195 pounds returned to the Indian mission a mere 115 pounds. His impairment in health came about as a result of contracting malaria during his service in the South Pacific. After he recovered his health, he joined the Army in 1948.

When the Korean crisis came to a head on June 25, 1950, with the invasion of South Korea by North Korean troops and our country spearheaded U. N. defense of South Korea, Mitchell Red Cloud's unit was one of those assigned to Korea. Less than 5 months after the outbreak of the Korean war he was killed in action near Chonghyon, Korea, on November 5, 1950.

The official Army citation for the Congressional Medal of Honor—which was posthumously presented by Gen. Omar Bradley to Mitchell's mother, Mrs. Nellie Red Cloud, at the Pentagon on April 3, 1951—eloquently tells the story of Mitchell's bravery on November 5, 1950. Here is the story of this gallant Winnebago Indian's heroism as chronicled in the citation:

Cpl. Mitchell Red Cloud, Jr., Company E, 19th Infantry Regiment, 24th Infantry Division, distinguished himself by conspicuous gallantry and intrepidity above and beyond the call of duty in action against the enemy near Chonghyon, Korea, on November 5, 1950. From his position on the point of a ridge immediately in front of the company command post he was the first to detect the approach of the Chinese Communist forces and give the alarm as the enemy charged from a brush-covered area less than 100 feet from him. Springing up he delivered devastating point-blank automatic rifle fire

into the advancing enemy. His accurate and intense fire checked this assault and gained time for the company to consolidate its defense. With utter fearlessness he maintained his firing position until severely wounded by enemy fire. Refusing assistance he pulled himself to his feet and wrapping his arm around a tree continued his deadly fire until again, and fatally, wounded. Cpl. Red Cloud's dauntless courage and gallant self-sacrifice reflects the highest credit upon himself and upholds the esteemed traditions of the Army of the United States.

Mitchell Red Cloud's body will now rest in land long held by his Winnebago ancestors. He was a credit to our Army, to his race, and to his family. Mitchell's valorous action—which brought death to him in the prime of his life at the age of 28 years—was in keeping with the tradition of his ancestor soldiers.

Mitchell's great grandfather was a fine soldier in the Civil War. His relatives, even though they were not citizens, fought in the Spanish-American War. His father, Mitchell, Sr., was a veteran of World War I, attempted to enlist in the Nation's Armed Forces at the outbreak of World War II. He was rejected because of his age. One of Mitchell's brothers, Randall, was killed during Army maneuvers in 1948. On his mother's side, Mitchell's family has military decorations given to his ancestors by George Washington in 1789.

Mitchell Red Cloud, who gave his life for our country, was the eighth man to be awarded the Congressional Medal of Honor in the Korean war. His name will be forever enshrined in the memory and records of two Wisconsin counties, Jackson and Adams, because two veterans' organization posts have been named after him in his honor.

The United States is free because young men like Mitchell Red Cloud bought our freedom with their lives. It is our duty to make certain that their sacrifices were not in vain.

SPECIAL ORDER GRANTED

Mr. FLOOD. Mr. Speaker, I ask unanimous consent that I may address the House for 60 minutes on Tuesday, March 29, following the legislative business of the day and any special orders heretofore entered.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

THE CHEESE INDUSTRY OF THE UNITED STATES

Mr. LAIRD. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. LAIRD. Mr. Speaker, the great cheese industry of the United States should be commended for their positive program of promoting the sale and consumption of American cheese. Cheese is the best food bargain in America today. This important food is being produced under the strictest of sanitary regulations promulgated by the United States Department of Agriculture and the Pure Food and Drug Administration of the Department of Health, Education, and Welfare. The American cheddar, swiss, blue, brick, cottage, cream, gouda, limburger, parmesan, provolone, and all the other varieties of cheese produced in this country have been perfected to the point where they lead the world in taste and quality.

The American cheese industry has embarked on a progressive publicity program to help educate the American consumer to buy from the standpoint of quality. American cheese producers have the best raw materials and production facilities in the world. We must break down the fallacious belief that a trip across the ocean by a piece of cheese in some mysterious way insures a better product than our own country can produce.

The American cheese producers are in favor of, and will continue to promote, the passage of H. R. 252, which provides that no imported cheese would be allowed into this country unless it was produced under the same health and sanitation standards which are required of American farmers and American cheese producers. This legislation is needed to protect the American public from the imports of cheese from abroad produced under unsanitary conditions. I have visited some of these cheese factories abroad and some of the farms where the milk has been produced. I must report that many of these foreign producers would not be allowed to keep their doors open for 5 minutes in this country because they would in no way meet our sanitary requirements.

It is my hope that the cheese industry in the publicity program it has recently embarked upon, will clearly label their cheese as American produced so that our consumers will know that it has been produced under the health and sanitation standards required by the United States Department of Agriculture and the Department of Health, Education, and Welfare. The producers of American-made cheese who try to mimic the foreign wrappings, even to the point of spelling blue cheese "bleu," instead of "blue," are not capitalizing on the high production standards of this country and the superiority of the American product.

The basic fundamentals of blue cheese manufacture are essentially the same in all countries. But there is one large difference, the primary achievement in American production methods has been a quality-control program which assures uniformity in flavor and texture of the domestic product.

So let us not fool ourselves. In the production of the fine cheeses it is not necessary to take a back seat to any country. So why not identify them for what they are—American made, domestic, products produced under all the best advantages of our free-enterprise system.

For if our cheese industry is to progress, it must do so under its own name. And surely the identification of any product labeled "American" insures the potential purchaser of a product of the highest quality made under the highest standards in the world today.

PHILIP W. PORTER PREDICTS EISENHOWER NOMINATIONS BY ACCLAMATION AND LANDSLIDE VICTORY IN 1956

Mrs. FRANCES P. BOLTON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks and include a newspaper article.

The SPEAKER. Is there objection to the request of the gentlewoman from Ohio?

There was no objection.

Mrs. FRANCES P. BOLTON. Mr. Speaker, we have in Cleveland a very fine newspaper, the Cleveland Plain Dealer. It has a very large circulation through our part of Ohio, in fact all through Ohio and the northern section of the country. One of its best reporters—and they are all good ones—Philip W. Porter, is a former political editor and presently Sunday editor of the well-known and widely circulated Cleveland Plain Dealer. During the war he was a lieutenant colonel in the Air Force and served in Africa, England, and France.

In 1950 Mr. Porter was one of the first writers to predict the Republican nomination and election of President Eisenhower. His splendid column of evaluation which appeared in the Plain Dealer of February 26 is so worth reading that I insert it herewith:

PORTER ON EISENHOWER—WRITER IS HAPPY TO SEE ANALYSIS OF IKE AS PRESIDENT HAS PROVED SO RIGHT

(By Philip W. Porter)

An objection often heard in 1950 and 1951, when Ike Eisenhower was first suggested for President, was, "We don't want a general in the White House." The implication was that such a type might rush us into war and would surely favor the expensive military point of view over the civilian. Events have proved such objectors couldn't have been more wrong.

I well remember telling them they underestimated the man, that though he wore five stars he did not think like a military brass hat and was not an unbending hardnose; that he had remarkable qualities as a diplomatic coordinator of rival, jealous forces; and extraordinary perception of the right thing for the public, because he was human and reasonable.

He might have trouble being nominated, I said, because others wanted it badly and they couldn't see that he would have a superpartisan appeal, cutting across party lines and winning the confidence of seldom interested independents. But further, I contended, once elected, he'd be an even better President than a candidate, would know instinctively how to deal with the cold war and stop inflation, and be a unique political figure.

OVERRULED RIDGWAY

I'm happy to see that this analysis proved so right. It was never better illustrated than in the last few months. He kept us out of that trap in Indochina. He stopped the fighting in Korea. He kept his shirt on about the Russians, but insisted that Western Europe get together for defense. He maintained our military strength at a high level, but cut the Army down a little in numbers. He refused to panic into a spending spree when some unemployment developed last year.

Perhaps the best illustration of his attitude as a president came when he overruled his old friend, Gen. Matt Ridgway, by saying Ridgway represented a special or parochial point

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of view about the number of troops necessary, but the President had to look at the overall picture. Had he been the "general" type he'd have given Ridgway the moon.

The fact is that ex-General Ike is determined to keep this country out of war and to try to lessen the tensions that sometimes build up toward a war. No President could prevent war, of course, if the Russians or Chinese should insanely attempt another Pearl Harbor on us, but it takes a pretty wild imagination to figure them doing that, when you consider what would happen to them. His attitude is to remain strong, not take any shoving around, but try to face reality.

Some thoughtless jingo types appear to want us to fight an offensive war in behalf of Chiang Kai-shek or Syngman Rhee, when both obviously represent lost causes. A big majority of people here want no part of that.

Ike's popularity has never seriously slipped, though it went down a few notches last summer and fall when the recession was hurting in some areas. But when he pitched into the congressional campaign, he cut the normal off-year losses to a minimum. And today his Gallup poll rating is higher than when he beat Adlai Stevenson in a landslide.

DOUBTS ADLAI WILL TRY

About as close as you can come to a sure thing is that Ike will be nominated by acclamation for a second term and will feel it his duty to accept, and that the Democrats will simply choose another victim. For that reason, I have serious doubts that Stevenson will sacrifice himself again, he can afford to wait until 1960, when Ike won't be in the picture, and the Democrats have a good chance of winning. Let a minor-league publicity seeker take the beating in 1956.

Only a serious depression could change this picture, and who sees that in the next 18 months? An unexpected big war could also louse things up, but that, too, seems unlikely, despite the growling of the Communists for local consumption.

A good guess is that Ike will continue to the end of his tenure of office at a high level of popularity, as Franklin D. Roosevelt did, keeping the opposition off balance, winning close ones whenever he chooses to go to the people and being generally beloved till the last. Politicians, both Republican and Democrat, will never completely understand him, for his political sense is instinctive and intuitive, and he never pretends to be other than himself.

THE INDEPENDENCE DAY OF THE GREEKS

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. McCORMACK. Mr. Speaker, to the men of the West and to free men everywhere Greece stands for a number of things. We all generally consider her not only the birthplace and the cradle of western civilization but in Greece the ideas of freedom, liberty, and independence were thought out, formulated, and widely applied in practice more than 2,000 years ago. The Greeks were among the first of the ancients to appreciate the real worth of these ideas and to fight bravely for their realization.

In the course of time, however, the ancient Greek states proved unable to preserve their independence against overwhelming odds and by stages they were conquered by the Romans. Eventually, in the 15th century, Greece fell to the Turks. Thus, by the beginning of the modern period in world history, while many of the noble Greek concepts of political life and philosophy had taken firm roots in European thought, Greece, herself, was trampled under the conqueror's heel. All Greece, including Athens and Constantinople, was overrun and the people were subjected to the harsh rule of the Turks. The Greeks tried to shake off the foreigner's yoke and regain their freedom, but they were not successful in their attempts. For more than 400 years, until the early twenties of the 19th century, they had to wait for the opportunity which was to bring them freedom and national independence.

The Greek Independence Day, whose 134th anniversary is being observed today, not only recalls to our minds the achievement of Greek national freedom, but it also reminds us of the great political and philosophical ideas contributed by the Greeks of old which have since become part and parcel of our western heritage. We in this country sometimes take for granted the fact that freedom and liberty are man's birthright and he cannot and should not be deprived of them. But that is not so in many other countries of the world even today. It was not so in many parts of the world when, almost a century and a half ago, a group of brave and patriotic Greeks unfurled the flag of revolt on the shores of Northwestern Greece and followed their intrepid bishop in his defiance of the Ottoman Turks.

That daring deed by a handful of patriots was the beginning of a series of historic events which culminated in the independence of Greece. Today in commemorating that great event, we pay tribute to the memory of all those who gave their lives gladly for the cause of Greek independence. I hope that the hard won and bravely defended national independence of Greece will endure in peace and prosperity.

CALL OF THE HOUSE

Mr. GROSS. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER pro tempore. Obviously a quorum is not present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 30]

Bell	Dawson, Ill.	Mailliard
Bolton, Oliver P.	Diggs	Moulder
Boykin	Dingell	Powell
Byrd	Eberharter	Preston
Canfield	Green, Pa.	Prouty
Cannon	Gubser	Sadlak
Celler	Hébert	Shelley
Chiperfield	Hess	Udall
Christopher	Knutson	Yates
Coudert	McDowell	
	Madden	

The SPEAKER pro tempore. On this rollcall 394 Members have answered to their names. A quorum is present.

By unanimous consent, further proceedings under the call were dispensed with.

SPECIAL ORDERS GRANTED

Mr. PRICE asked and was given permission to address the House for 15 minutes on Monday next, following the legislative business of the day and any special orders heretofore entered.

Mr. McCONNELL asked and was given permission to address the House today for 15 minutes, following the legislative business of the day and any special orders heretofore entered.

DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATION BILL, 1956

Mr. KIRWAN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 5085) making appropriations for the Department of the Interior and related agencies for the fiscal year ending June 30, 1956, and for other purposes.

Pending that I ask unanimous consent that general debate be limited to one hour and a half, the time to be equally divided and controlled by myself and the gentleman from Iowa [Mr. JENSEN].

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 5085, with Mr. MILLS in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the consent agreement, the gentleman from Ohio [Mr. KIRWAN] will be recognized for 45 minutes and the gentleman from Iowa [Mr. JENSEN] for 45 minutes.

Mr. KIRWAN. Mr. Chairman, I yield myself 20 minutes.

The CHAIRMAN. The gentleman from Ohio is recognized.

Mr. KIRWAN. Mr. Chairman, this bill was reported to the full committee this week. It was a unanimous report. It was thoroughly discussed and considered in the committee.

Last year I said that if in the next bill they cut any more money out of the Interior Department there would be no Interior Department. They have now taken power and reclamation out of this bill and out of this subcommittee. There is not much left in it. I am glad to see that power and reclamation are in the proper subcommittee, Public Works.

The budget asked for $313,353,056.

The total appropriations as recommended by the committee are $298,271,246. The cut is $15,081,810, which is about 4.8 percent.

As shown on page 2 of the report the revenues of the Department in 1956 will exceed the total of the appropriations recommended in this bill by over $17 million. So I am asking today that no attempt be made to do any cutting.

I am also able to report here today, I think for the first time since this Government was founded, that we have finally gotten around to keeping our word with the Indians, the true Americans, let us put it that way. In the hearings on this bill the head of the Indian Bureau said they would put every Indian child that wants to go, into school this year. I am happy to make that report to the Congress.

We have about 400 ironclad contracts and agreements with the Indians, and I think this is the first time in 150 years that we have fulfilled those on schooling.

The health activities for the Indians have been transferred over to the proper department, the Department of Health, Education, and Welfare.

So, there is nothing much left in the bill except the forests and the soil. But that is America, that is where our wealth lies. It lies in the soil and on the soil of this great country of ours. I would like to see one or two billion dollars more in this bill to be spent for a nation we have robbed for the past 300 years, while we have spent very little in return.

You can get on a train at the Union Station down here and after you pass Silver Spring you will come to the farms, and you will notice the erosion, the creeks, the water taking the topsoil, rushing it down into the Potomac River and on to the ocean. When I say that exists here, you will find that in almost every part of the country.

We are spending only a fraction of a penny per acre to help save our great land from going into the ocean—that is, a fraction of a penny per acre of land that the United States owns.

There is only $298 million in this bill. Very little was cut out of the bill. We did not even cut out one automobile. We did take $15 million out of construction programs, particularly Alaska, not that we deprived them of anything, but they had obligated balances of $19 million in the public-works program, for example, and we told them to spend some of that and not come in asking for any more. But the bill, as I stated, has not been cut to any extent. I again repeat, my only regret is that they did not come in and ask for a couple of billion dollars to be spent on this country.

Mr. Chairman, that is all I care to say about this bill. I hope it passes.

Mr. BAILEY. Mr. Chairman, will the gentleman yield?

Mr. KIRWAN. I yield to the gentleman from West Virginia.

Mr. BAILEY. Mr. Chairman, I would like to express my appreciation and gratitude to the subcommittee for an item appearing on page 9, where the budget proposed to cut the appropriation for fire control on State-owned and privately owned forests. I want to commend the comittee for restoration of that fund back to the same amount it was for the past fiscal year.

May I say to the gentleman and to the committee that this section of the country has been plagued for some 3 or 4 years with long continued droughts. The 1954 report shows that 315,000 acres of privately owned and State owned lands were burned over. These State-owned and privately owned forests surround the great Monongahela National and George Washington forests and any extensive fires in those privately owned forests constitutes a great hazard to a very valuable asset of our Government, which is a forest 50 or 60 years old. It is quite valuable.

So I want to commend the committee for restoration of those funds to match the funds of private individuals and the several States in controlling forest fires on privately owned and State owned forest lands.

Mr. KIRWAN. I thank the gentleman.

Mr. HARRIS. Mr. Chairman, will the gentleman yield?

Mr. KIRWAN. I yield to the gentleman from Arkansas.

Mr. HARRIS. I should like to refer to page 8 of the report with reference to the Forestry Service. I notice in the report it is stated:

> Within the budget estimates increases have been provided as follows:
>
> (1) $800,000 for increasing timber sales which will result in estimated revenue increases of $10 million during the fiscal year 1956.

This $800,000 additional funds is for the particular purpose of increasing timber sales within the Forest Service, is that right?

Mr. KIRWAN. Yes.

Mr. HARRIS. What is the total amount available in the budget for this purpose?

Mr. KIRWAN. I will let the gentleman from New Jersey answer that.

Mr. SIEMINSKI. Thirty-one million dollars.

Mr. HARRIS. I notice the entire budget is only $49 million. Do you mean by that that $31 million of the total is for marketing timber?

Mr. SIEMINSKI. For the management of timber, we have $6,800,000.

Mr. HARRIS. But the point I wanted to make here is that this is an additional increase.

Mr. KIRWAN. The gentleman is interested in timber, and timber alone; the cutting of timber?

Mr. HARRIS. At this particular point, and the point I wanted to make is by appropriating $800,000 we bring into the Treasury of the United States an additional $10 million. Is that not right?

Mr. KIRWAN. That is right.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. KIRWAN. I yield to the gentleman from Michigan.

Mr. DONDERO. On page 6 of the report there is an item of $6,650,000 for the management of fish and wildlife. Is there anything in that $6.5 million to study the question of the elimination and destruction of fish in the Great Lakes?

Mr. KIRWAN. The lamprey eel?

Mr. DONDERO. Yes.

Mr. KIRWAN. Yes; there is $150,000. It was $350,000 last year. Now, the Department in its wisdom cut it down to $150,000, because they are working on an agreement with Canada that has been submitted to the Senate that they think will be considered about the first of April. They have come to a complete understanding. Then they will know what to do with the bill when it goes over to the Senate, when they have their hearings.

Mr. DONDERO. Does Canada come in and contribute an equal portion of the money to study this question with the United States?

Mr. KIRWAN. That is a study going on with Canada now in regard to the Great Lakes to help eliminate the lamprey eel.

Mr. DONDERO. I am very greatly interested in that subject, because the fish in the Great Lakes are being destroyed.

Mr. KIRWAN. They are. Like the gentleman, I am also interested in destroying the lamprey eel.

Mrs. CHURCH. Mr. Chairman, will the gentleman yield?

Mr. KIRWAN. I yield to the gentlewoman from Illinois.

Mrs. CHURCH. The gentleman will remember I had the privilege of appearing before his subcommittee in behalf of the control of the lamprey eel. I know the gentleman has been as historically concerned with that problem as have I. Might I ask the gentleman if the gentleman is thoroughly satisfied that attention will be paid to this problem in the Senate and that the item will be put in the appropriation at that time?

Mr. KIRWAN. If they do not pay any attention to it in the Senate, I can tell the gentlewoman right now that I will make the request personally and take it in myself.

Mr. RAYBURN. Mr. Chairman, will the gentleman yield?

Mr. KIRWAN. I yield to our distinguished friend from Texas.

Mr. RAYBURN. It appears that for the first time I have seen the Forest Service in an appropriation for the Department of the Interior. Is that correct?

Mr. KIRWAN. That is correct.

Mr. RAYBURN. Well, I was wondering if in somebody's mind this is an entering wedge to transfer the Forest Service from Agriculture to Interior. If it is, I certainly would regret it deeply, because I think this is a function of the Department of Agriculture and not a function of the Department of the Interior to look after our Forest Service.

Mr. KIRWAN. All I know, may I say to the gentleman, is that appropriations for the Park Service, Land Management, and the Forest Service should all be together. That is the only way you are going to find out if there is any overlapping between the agencies administering our public lands.

Mr. RAYBURN. I am interested in seeing that the Forest Service is not transferred from Agriculture to Interior.

Mr. HARRIS. Mr. Chairman, if the gentleman will yield, I am wondering if there is probably not a misunderstanding. The gentleman does not mean that the Forest Service has been taken from the jurisdiction of the Department of Agriculture and placed in the jurisdiction of the Department of the Interior. It is only within the appropriation organization here, is it not?

Mr. KIRWAN. Yes. We are appropriating both for the Department of the Interior and for other related agencies,

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including the Forest Service of the Department of Agriculture.

Mr. HARRIS. If the gentleman will yield further, does the gentleman mean by that that the Subcommittee on Appropriations for the Department of the Interior now has jurisdiction over the appropriations for the Forest Service?

Mr. KIRWAN. Yes.

Mr. HARRIS. But the administration of the Forest Service is still in the Department of Agriculture.

Mr. KIRWAN. Yes, but we are just talking about the appropriation for the Forest Service now.

Mr. EDMONDSON. Mr. Chairman, will the gentleman yield?

Mr. KIRWAN. I yield.

Mr. EDMONDSON. As I read the item on page 3 of the report, Education and Welfare Services, Bureau of Indian Affairs, the question arises in my mind as to whether or not this item will take care of the contract obligations of the United States Government under the Johnson-O'Malley Act.

Mr. KIRWAN. It is expected that it will take care of them all.

Mr. EDMONDSON. It will take care of them fully in the States?

Mr. KIRWAN. Yes.

Mr. EDMONDSON. May I say that I deeply appreciate the language here indicating that substantially all of the Indian children in continental United States who are eligible and willing to avail themselves of schooling will be in school during the fiscal year 1956, if this money is appropriated.

Mr. KIRWAN. That is correct.

Mr. EDMONDSON. That is certainly a matter to which I think Congress should devote its attention and interest, and I am glad to see this expression of the committee as well as the funds that are provided for that purpose. I congratulate the committee upon its concern with this urgent problem of education of our Indian children.

Mr. KIRWAN. I thank the gentleman from Oklahoma.

Mr. METCALF. Mr. Chairman, will the gentleman yield?

Mr. KIRWAN. I yield.

Mr. METCALF. I, too, want to add my commendation to that of the gentleman from Oklahoma [Mr. EDMONDSON] for the splendid work that this committee has done on behalf of the Indians.

However, I wish to pursue the question raised by our distinguished Speaker and by the gentleman from Arkansas [Mr. HARRIS] as to the effect of this transfer of the Forest Service appropriation to the Interior subcommittee. As I understand, that is merely a means by which the Committee on Appropriations can handle the appropriation and is not an entering wedge for the transfer of the Forest Service itself to the Department of the Interior in the executive branch.

Mr. KIRWAN. That is correct.

Mr. EDMONDSON. I should like to ask further how the appropriation request is submitted by the administrative agency. Does the Forest Service have to go through the Secretary of the Interior to submit the request to the Interior subcommittee, or do they submit their request through the Secretary of Agriculture?

Mr. KIRWAN. They submit their request through the Secretary of Agriculture and the Bureau of the Budget.

Mr. HARRIS. Mr. Chairman, will the gentleman yield on that point?

Mr. KIRWAN. I yield.

Mr. HARRIS. That is what was confusing to me. I had understood, when our beloved Speaker raised the question a few moments ago, that this was a bill making appropriations for the Department of the Interior. But I notice that it says also "and related agencies." Does the gentleman and his committee bring to the House the idea that the Forest Service of the Department of Agriculture is a related agency to the Department of the Interior?

Mr. KIRWAN. That is correct. The gentleman from Ohio is not taking anything away from the Department of Agriculture.

Mr. HARRIS. I appreciate that. I should like to say that on page 28 of the bill there is the item of appropriation for the Forest Service, and it comes under the head of the Department of Agriculture and not the Department of the Interior; that is correct, is it not?

Mr. KIRWAN. That is correct.

Mr. METCALF. If the gentleman will yield for a moment, then it goes directly to the Department of Agriculture and does not have to be administered through the Department of the Interior.

Mr. KIRWAN. It goes directly to the Forest Service.

Mr. MAGNUSON. Mr. Chairman, will the gentleman yield?

Mr. KIRWAN. I yield.

Mr. MAGNUSON. To answer the gentleman from Montana [Mr. METCALF] I would say that the appropriation proposals for the Forest Service do not come through the Department of the Interior. The Forest Service at the top was represented at the hearing by an Assistant Secretary of Agriculture. I am sure that the Forest Service requests are not channeled through the Department of the Interior in any way. The reason this committee held hearing on and considered the appropriation for the Forest Service was that that function was assigned to it by the chairman of the Committee on Appropriations with the concurrence of the committee itself.

Mr. METCALF. I thank the gentleman.

Mr. KIRWAN. The Department of Agriculture had nothing to do with it.

Mr. ALBERT. Mr. Chairman, will the gentleman yield?

Mr. KIRWAN. I yield.

Mr. ALBERT. I want to join my colleague, the gentleman from Oklahoma [Mr. EDMONDSON] in commending the committee on what it has done in the field of Indian education and to add that it would have been done a long time ago had it been left to the gentleman from Ohio [Mr. KIRWAN] who has consistently been one of the best friends in America of the original American.

Mr. KIRWAN. I thank the gentleman.

Mr. FENTON. Mr. Chairman, will the gentleman yield?

Mr. KIRWAN. I yield to the gentleman from Pennsylvania.

Mr. FENTON. In justice to the very distinguished chairman of our subcommittee, the gentleman from Ohio [Mr. KIRWAN], I would like this body to understand that he certainly did not seek to have jurisdiction over appropriations for the Forest Service in our committee. It was handed to him and he had to take it.

There are a lot of things going on around here that do not meet with the approval of a good many. For instance, in the revamping of the jurisdiction of the various subcommittees of the Appropriations Committee we had Bonneville power taken from us, we had the Southeastern and Southwestern Power Administrations taken from us, we had the great Reclamation Bureau taken from us. If it were not that the Forest Service had been placed under our jurisdiction, I do not know what we would have had to take care of.

We appreciate the Forest Service coming to us. It is a very fine service. The presentation to our committee was very fine both from the administration downtown and the various Members of Congress. We had a very fine hearing. Our only hope is that we may prove just as fair in our dealings with the Forest Service and to the Members as the other committee was that had it previously.

Mr. JOHNSON of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. KIRWAN. I yield.

Mr. JOHNSON of Wisconsin. We heard quite a little in the last session of Congress in regard to the $2 duck stamp money. I believe the extra dollar was supposed to go for refuge purposes. There was complaint a year ago that most of this money was used for enforcement, and would be used in the Department for enforcement, which left no money to be used for the purpose of refuges. Is that matter taken care of better in this bill than a year ago?

Mr. MAGNUSON. If the gentleman will yield, I understand that about $11 million was taken in through receipts from the duck stamp fund, part of which would be used for refuges.

Mr. JOHNSON of Wisconsin. There was complaint a year ago, and I think the gentleman from Montana [Mr. METCALF] endeavored to increase the appropriation for enforcement. Is that not true?

Mr. METCALF. A year ago I attempted to secure an amendment to provide that all of the duck stamp money from the increase of the duck stamp from 1 to 2 dollars would be used for the purpose for which it was originally designed, that is, the purchase of wild fowl refuges, and not used for administration. The gentleman from Wisconsin [Mr. JOHNSON] has a bill in the Marine and Fisheries Committee to earmark these funds and accomplish the purpose I sought last year. I requested that this body increase the appropriation for administration, which should be paid out of the regular taxpayers' revenue. I have examined this bill and I feel that this bill in making the appropriation has followed out the intent and

purpose of the Duck Stamp Act to set aside adequate money for the purchase of wild fowl refuges and at the same time make sufficient appropriations for the administration in the Department. The specific legislation to earmark these funds should be enacted to permanently provide that the funds be used for the purpose for which the law was enacted.

Mr. KIRWAN. I thank the gentleman.

Mr. RHODES of Arizona. Mr. Chairman, will the gentleman yield?

Mr. KIRWAN. I yield.

Mr. RHODES of Arizona. As the gentleman is aware, there has been a program whereby Indians in reservation who desired to relocate to get jobs in industry were given some aid by the Indian Service. Is this program to be continued, and how much money is appropriated for it?

Mr. KIRWAN. The service is going to be continued.

Mr. RHODES of Arizona. There was sufficient money appropriated?

Mr. KIRWAN. Yes.

Mr. RHODES of Arizona. I compliment this committee on its interest in the problems of the Indians, particularly as regards the education of the Indians. I notice that a considerable amount of money in excess of the amount appropriated before is now appropriated. I assume that will also take care of the project involved near the Navaho Reservation for educating Indian children in the communities surrounding the Navaho Reservation.

Mr. KIRWAN. It will be done.

Mr. DONDERO. Where did these items go which were taken away from your subcommittee? To what committee have these agencies gone?

Mr. KIRWAN. To the Public Works Subcommittee.

Mr. DONDERO. That is, the gentleman means, the committee handling appropriations for civil functions and public works.

Mr. KIRWAN. Yes, and for power and reclamation.

Mr. CARNAHAN. There is an increase of $750,000 for fire protection in certain selected forests, and there is a reduction of $750,000 in the emergency fire fighting fund. What is the justification for moving that appropriation from the general emergency fund over to certain selected forest areas?

Mr. KIRWAN. They try to put the money there where it can be used in the best way by the people who know best about it. That is all set forth in the hearings. Sometimes they come in for a supplemental appropriation. They just do not know how much money will be needed for that work.

Mr. CARNAHAN. Then those in charge of the emergency fund can come back for a supplemental appropriation and ask for an additional amount?

Mr. KIRWAN. Yes, they can ask for money to carry on their work.

Mr. MAGNUSON. Mr. Chairman, will the gentleman yield?

Mr. KIRWAN. I yield.

Mr. MAGNUSON. This increase of $750,000 for fire prevention is in a sense supplemental in that it will be used in fire prevention work as contrasted to fire fighting. As I recall, there are nine specific national forests to which it will be applied in the hope that they can improve their techniques and in the belief that they can save more by preventing fires than by fighting fires after they have started.

Mr. ASPINALL. Mr. Chairman, will the gentleman yield?

Mr. KIRWAN. I yield.

Mr. ASPINALL. I, too, wish to join my colleagues in commending the chairman and his committee for the fine work they have done, and I especially wish to join with the chairman in his wish that we might have more funds to spend in conservation work, protection, and development of our natural resources. I have one question, Mr. Chairman, and that has to do with the appropriation made for the Bureau of Mines in its synthetic fuels program. As I understand the appropriations provided in this bill, there is no appropriation for the continuance of the work at the oil shale demonstration plant at Rifle, Colo.

Mr. KIRWAN. The Department proposed in the budget that the Rifle plant be shut down, but I think now they are discussing whether they will continue it and ask for a supplemental. Since the hearings, they have had a cave-in in the mine out there, and they have learned something about it and are going to take their information either to the other body or take it up in a supplemental appropriation.

Mr. ASPINALL. In other words, this new development at the place of operations will more than likely mean that the whole problem will be considered later.

Mr. KIRWAN. Yes, the new development will probably be taken up in the bill.

Mr. SISK. Mr. Chairman, will the gentleman yield?

Mr. KIRWAN. I yield.

Mr. SISK. Mr. Chairman, I wish to commend the gentleman from Ohio. I particularly want to call attention to the item of $200,000 for watershed protection and research work and $200,000 additional for sanitary facilities. I feel that these are sums which are certainly needed, particularly in areas in my State. I wish to commend the committee on adding those items.

Mr. KIRWAN. I thank the gentleman.

Mr. KNOX. Mr. Chairman, will the gentleman yield?

Mr. KIRWAN. I yield.

Mr. KNOX. Would the gentleman enlighten us as to what program the Fish and Wildlife Service has for control of the lamprey eel with the $150,000 which is in the budget today?

Mr. KIRWAN. They are going to maintain the program with the $150,000. I know that they will continue to try to get rid of the eel somehow. I stated, when I started to talk, that they cut it from $350,000 down to $150,000. That was the budget request. That is until they have this agreement with Canada and then they will continue as usual to find the best ways and means to get rid of the lamprey eel.

Mr. KNOX. I understood the $150,000 was to continue the control program without any expansion, and that was dependent upon the possibility of a compact between Canada and the United States, joining in one effort.

Mr. KIRWAN. Yes.

Mr. KNOX. That will have some consideration when the other body considers the bill?

Mr. KIRWAN. Yes. Mr. Chairman, in closing I want to say that the public as well as the Members of Congress have displayed a great deal of interest in this appropriation bill as is evidenced by the questions they have asked.

Mr. JENSEN. Mr. Chairman, I yield myself 20 minutes.

Our committee recommends appropriations for a score of very important Government functions. For instance, research in utilization of saline waters. This is the third year we have appropriated for this purpose the sum of $400,000 each year. That is to make research into desalting and demineralizing water. Many towns, in fact most every town in the country, are interested in the demineralization of water. Many towns along the seaboard are very much interested in the desalting of sea water for commercial and home consumption.

I am happy to report that great progress is being made in this program. I predict that within a few years we will have perfected a process which will desalt ocean water economically for commercial and home use, and for demineralizing brackish water for home consumption, and to make it more suitable even for irrigation.

Mr. ASPINALL. Mr. Chairman, will the gentleman yield?

Mr. JENSEN. I will be glad to yield to the gentleman from Colorado.

Mr. ASPINALL. I wish to commend the gentleman and the members of the committee for the statements made relative to the research program, in trying to make potable waters out of brack and saline waters. The committee having jurisdiction of the authorizing legislation has again heard from those who have been doing the work, and they feel that the work that has been done has been very successful to date. There will be a request to continue the authorizing legislation for a few more years. To know that the committee that does the appropriating feels kindly to the work and that there may be results that will be beneficial for the whole Nation, is certainly gratifying to the committee of which I am a member.

Mr. JENSEN. I thank the gentleman.

Then we are here today appropriating for the Office of Mineral Mobilization and for the Bureau of Land Management. We have an increase above the current year for the Bureau of Land Management in the amount of $1,137,000, which will permit the Bureau of Land Management to expend more money for soil and moisture conservation on our public domain which is so sorely needed to protect our priceless topsoil on which we and coming generations must depend to produce an adequate supply of food, feed, and fiber.

I have for many, many years urged the Department of the Interior to request more funds for soil and moisture

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conservation on our public domain, because the great destruction that is being wreaked by wind and floods, because of the lack of proper funds to conserve our soil and our forests is nothing less than criminal. This committee generally allows more money than the budget requests for this purpose. We did not do it this year, because not only the Bureau of Land Management, but also the Indian Service, have requested more funds than they have had in previous years. The Indian Bureau requested $1 million more for soil and moisture conservation. So we did not raise the budget request in this bill.

Now, I want to talk a little about the Bureau of Indian Affairs. Two years ago Glenn Emmons, of Gallup, N. Mex., was made Chief of the Bureau of Indian Affairs, a man very familiar with the Indian problem, since he has lived among them most of his life. He came before our committee last year and said: "If you will give me what I ask in the way of appropriations"—and they were not at all out of line—"I will put all of the more than 14,000 Navajo Indian children of school age who had never been in school, in school in the next 2 years." We did not believe anyone could do that, because the job had been messed up so badly for a hundred years, or thereabouts. Every chief of the Bureau of Indian Affairs, up until Mr. Emmons, would ask Congress for more and more appropriations each year to put these children in school, only to have the condition get worse and worse as time went on. This year, Mr. Emmons is putting over 8,000 of these Navajo children in school and he will finish the job this coming year, one of the finest records ever made by a public servant; and he is doing it for about one-third the cost of what the former bureau chiefs said it could be done for. I am very proud of him, every member of the committee is proud of Mr. Emmons. He deserves much commendation.

Then we have the Geological Survey, which is another important branch of the Interior Department. It also is being run in a businesslike manner. We have high regard for the officials of that Bureau. The Geological Survey offices are scattered in about 20 buildings throughout Washington with all their important papers, important maps, and valuable machinery housed in firetraps. We have included in this bill $200,000 for plans and specifications for a new building for the Geological Survey, which is badly needed.

The Bureau of Mines is an important branch of government. The gentleman from Pennsylvania [Mr. FENTON], has been very active in seeing that the Bureau of Mines is properly administered with the funds Congress appropriates.

The committee is in agreement as to the amount of funds requested in this bill. In my opinion, the committee has done a good job. This is a very interesting committee of the Congress because, we appropriate only for America, we appropriate for those things that makes America a pleasant and wonderful place in which to live, by the conservation of our God given natural resources.

Let me refer for a moment to the National Park Service. I am sure many of you read an article by a man named Stevenson which appeared in one of our leading magazines some time ago in which he told all about the conditions that exist in our national parks. He made the Congress look pretty bad in that article. The facts are that the Congress has in the past 10 years appropriated about 4 times as much money for the national parks than we did 10 years ago. He did not tell the whole story as to why these concessions and facilities in the various parks were in the condition they are. Facts are they are not quite as bad as he would lead you to believe, but I will admit they can stand a lot of improvement.

A few years ago we had an Assistant Secretary of the Interior in charge of parks who had a great scheme by which he proposed to finally take all of the private concessionaires' business away from them and make them all Government-owned. He scared the concessionaires to death. Many of them have millions of their own dollars invested in the facilities in our national parks. Their season lasts only 4 months a year. You wonder how they can make both ends meet. What happened? Naturally these concessionaires dared not expend a lot of their money to improve the facilities in the parks in face of a threat that their property would be taken away from them. So they quit spending money for improvements. That is one thing Mr. Stevenson failed to mention in his article. I am happy to report today that the National Park Service of the Department of the Interior is now making long term contracts with concessionaires, and the concessionaires who have signed these contracts with the National Park Service have agreed to make extensive improvements and to expand their facilities to the degree that the business will warrant.

Mr. Chairman, I give you facts because that story, while to a very great extent it was correct, it did not tell the whole story. I want the Congress and the country to know the facts and the whole story. Forest Service, I have previously spoken on that subject.

Mr. SCUDDER. Mr. Chairman, will the gentleman yield?

Mr. JENSEN. I yield to the gentleman from California.

Mr. SCUDDER. The gentleman made a very fine statement regarding the work of his committee in developing a proper budget for the encouragement of the harvesting of some of our over-ripe timber. On page 8 of the report I see where you augment the amount for increasing timber sales as set forth in the budget by $800,000. I appreciate that very much, because I know of the undercutting of our national forests to a sustained yield limit, and by this act you are saving the Federal Government some $10 million, at least, in stepping up the sale of Federal timberlands. I appreciate very much, coming from a timber country, the fine job you have done in this committee in speeding up the sale of this Federal timberland which is putting money into the Federal Treasury in doing so.

Mr. JENSEN. I thank the gentleman. I can assure him we are taking great interest in the matter.

Mr. TEAGUE of California. Mr. Chairman, will the gentleman yield?

Mr. JENSEN. I am pleased to yield to the gentleman from California.

Mr. TEAGUE of California. I would like to express my appreciation on behalf of the district I represent in California for the item relating to the continuation of $400,000 to be spent on desiltation. That is extremely important. I have 400 miles of coastline bordering an area which is seriously short of water. This is a most worthwhile bit of development and research, and I know great progress has been made, and I am hopeful that more will be.

Mr. JENSEN. I thank the gentleman.

Mr. WIER. Mr. Chairman, will the gentleman yield?

Mr. JENSEN. I yield to the gentleman from Minnesota.

Mr. WIER. I have listened with interest to your remarks in regard to the deterioration, as has been charged, of our National Park Service. The gentleman dwelt at considerable length on the concessions in our national parks. It has come to my attention, in three different parks that I visited the last few years, that that was not what seemed, apparently, the worst evil that existed in the national parks. The thing that was pointed out to me was that rather serious damage was being done because of the cutback a few years ago in the ranger service, in the guide service, that protected the property, and the facilities, like restaurants, and all of that were cut to a great degree.

Mr. JENSEN. At that time America was at war, and first things must come first. Of course, the committee and the Congress and every thinking person in America would like to spend a lot more money for a lot of different things to make things more comfortable and a little more convenient for the people of America, but there are times when we simply cannot spend as much money for such things as we would like. We had over 12 million Americans in uniform. We were spending billions to win the war, and we have spent billions every year since then to make sure we are strong militarily. So, naturally we cannot spend all the money you want to spend for many purposes. I ask you, "Where are we going to get the money?"

Mr. AVERY. Mr. Chairman, will the gentleman yield?

Mr. JENSEN. I yield to the gentleman from Kansas.

Mr. AVERY. Referring back to the appropriation for the Bureau of Land Management, just by way of clarification, as I understand this would be just to implement the conservation measures on the public domain.

Mr. JENSEN. That is right.

Mr. AVERY. It would not in any way interfere with the administration of the Soil Conservation Service?

Mr. JENSEN. Oh, no. They work in complete and full cooperation with the Soil Conservation Service.

Mr. AVERY. I am very happy to hear that, and I would like to commend the committee. For those of us who have been trying to sell soil-conservation programs on the farm, it has been kind of hard to make it stick, and we look at the national domain that is probably eroded and has been neglected longer than any other. I think it certainly is a step in the right direction.

Mr. JENSEN. I thank the gentleman.

Now I want to talk about the Victory Monument at Yorktown, Va. I think it was in 1942, when lightning struck that monument. The figure on top of the shaft was destroyed and the shaft was badly damaged also.

A contract was let to one of the greatest sculptors in America, Oskar Hanson, for a new beautiful appropriate figure. Last year Congress appropriated $15,000 for the National Park Service to hire competent engineers to determine whether or not the shaft was strong enough and safe to support the new figure which weighs many tons. The engineers made their report. They found that the shaft was in an unsafe condition, without considerable reinforcement from top to bottom. Also there is a controversy between the Park Service and the sculptor as to the amount the sculptor should be allowed for the new figure. The first contract called for a figure smaller than the one that the sculptor was finally asked to make, but he did not get an amended contract in writing. I hope the Park Service and Mr. Hanson will be able to agree and that a satisfactory price adjustment will be agreed on, the figure put in place, and Mr. Hanson treated equitably and fairly by his Uncle Sam.

The new figure for that great historical landmark at Yorktown is a beautiful figure. I have seen it. It is one we will all be proud of. Now they are talking about running a cable down from the top of the figure and anchoring it in the ground, in an effort to hold the old shaft together. I wish more people would interest themselves in our wonderful historical landmarks.

Mr. HOEVEN. Mr. Chairman, will the gentleman yield?

Mr. JENSEN. I yield.

Mr. HOEVEN. I note on page 9 of the committee report an appropriation of $10,686,690 for State and private forestry cooperation. That is an increase of $1,083,690 above the budget request.

Mr. JENSEN. Yes.

Mr. HOEVEN. Is any part of that money earmarked for specific States, or does it have general application to all the States?

Mr. JENSEN. There are States that have earmarked funds, but those States are the so-called forest States. We allow this overall fund that we appropriate each year from which an allocation of funds is made to the different States, according to need, by the Forest Service.

Mr. HOEVEN. And under that provision the State of Iowa will receive its proportionately full share of the appropriation?

Mr. JENSEN. I am sure it will, and if it does not I think both the gentleman and I and the rest of the Iowa delegation will have something to say about it.

Mr. WOLVERTON. Mr. Chairman, will the gentleman yield?

Mr. JENSEN. I yield.

Mr. WOLVERTON. I wish to take this opportunity of commending the gentleman and the members of the committee for the very great care and consideration they have given to the several matters that came to their attention in the consideration of the appropriations in this bill. Some were large and some were small. Southern New Jersey agriculturists were interested in a rather small matter from a comparative standpoint but yet an exceedingly important matter, it was given consideration by the committee. The committee has been very helpful, and I wish to commend the committee for the attention that they gave.

A situation exists in southern New Jersey and the State of Delaware along the Delaware River that is extremely serious in its effect upon the farmers of that area. It arises from the great number of blackbirds which infest the area at certain seasons of the year. The flocks are so great it darkens the sky at times. I understand the figure would run into the thousands and, in fact, it would seem millions of these birds concentrate in this area. They settle on the crops, particularly corn, of the farmers in this area and destroy them. Committees have been appointed and efforts have been made to remedy the situation, but it cannot be done by local sources alone. It requires Federal aid.

Last year provision was made by this committee to have the Fish and Wildlife Service attack the problem. The wildlife service has rendered assistance and so has the State. I greatly appreciate the interest in the matter that has been taken by this committee in providing an appropriation of $10,000 for continuing this work.

Congressman JENSEN is familiar with the situation because last year he was able to help us get aid through the Fish and Wildlife Service. Our farmers and agricultural interests are desperately in need of a continuation of the study. They need help. I am certain the Fish and Wildlife Service will confirm all that I have said as to the great damage that is being done, both on the New Jersey and Delaware sides of the river.

As part of my remarks I wish to include a report of investigations of corn depredations by Blackbirds in the lower Delaware River Valley during 1954. This report was prepared by Robert T. Mitchell and John T. Linehan of the United States Fish and Wildlife Service.

It reads as follows:

INVESTIGATIONS ON CORN DEPREDATIONS BY BLACKBIRDS IN THE LOWER DELAWARE RIVER VALLEY DURING 1954

(By Robert T. Mitchell and John T. Linehan, U. S. Fish and Wildlife Service)

INTRODUCTION

This report primarily covers results of research on the blackbird problem during the period July to December 1954. Limited reference is made, however, to research findings of the United States Fish and Wildlife Service, obtained during the growing season of 1953 and to life history information obtained by bird observers in the past.

The area subject to serious blackbird attack includes much of southern New Jersey, Delaware, and the Eastern Shore of Maryland. These investigations have been restricted to the portion of this area bordering the Delaware Bay and lower Delaware River. Studies in Delaware have been made from Little Creek, Kent County, north to Wilmington, New Castle County, and in New Jersey from the southwestern tip of Gloucester County through Salem and Cumberland Counties to the northwestern corner of Cape May County.

BIRDS INVOLVED AND THEIR MOVEMENTS

Blackbird species doing the greatest damage to corn are the eastern redwing, purple grackle (crow-black), and cowbird. Damage by the bobolink (reedbird), also a blackbird, is negligible.

Redwings are present in this area throughout the year. Records kept for many years by bird observers show that males arrive at nesting grounds late in February and early March, several weeks before females, and that nesting occurs in May and June, most of the young being out of nests by mid-July. Surveys of marshlands throughout the area from July 8 to 22 revealed that most redwings still on breeding grounds at that time were in family groups, and that practically all of the young had left their nests. Before the middle of July, large flocks, mostly of adult males become evident. These first flocks feed mainly in recently harvested grain fields, since only the earliest sweet corn plantings have reached a vulnerable stage at that time. Recovery records of banded birds indicate that some of these redwings have moved in from northern New Jersey, New York, and New England. As summer progresses, females and young join the flocks. During August and September redwings are present by the hundreds of thousands, and later their numbers diminish to an overwintering population which apparently varies from year to year.

Summer roosting areas of redwings are usually extensive growths of reeds (Phragmites), although wildrice (wild oats), saltmarsh cordgrass, or other marsh plants are sometimes used. Early each morning the birds leave the roost in several different directions. Feeding grounds may be a considerable distance from roosts; one summer evening in 1953, a flock of redwings was followed 12 miles to its roost site.

Records on grackles by bird observers show that overwintering populations of these birds also vary from year to year, and that northward migration may begin by mid-February. Nesting precedes that of redwings by about a month. On May 12, 1954, in Salem County, some nests contained eggs and many grackles were seen carrying food to nestlings. Grackle nests are most commonly located in large shade trees near farmhouses.

Grackle roosting has been observed in reeds, giant cordgrass (Spartina cynosuroides), and shade trees. When roosting with redwings, which they seem to do when summer concentrations first form, they are interspersed among the redwings in flights to and from feeding grounds. Later in the summer, however, grackles tend to segregate from other blackbirds. They leave the roost in a large flock and may remain together for the entire day, invading one field after another. Observations during both 1953 and 1954 indicate that summer aggregations of grackles leave the area in September.

Cowbirds resemble redwings in overwintering, roosting, and flight habits, and in nature of attack upon corn. Though less abundant than redwings, they are sufficiently numerous to cause considerable damage to maturing corn.

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Bobolinks rarely breed in this area. Even when abundant, from the latter part of August to mid-September, they feed mostly on wildrice and do little damage to corn.

ROOSTING AREAS

The two largest summer roosts in 1953 and 1954 were located in extensive stands of reed at the Killcohook Refuge, Salem County, N. J., and along the Chesapeake-Delaware Canal (from State pond, west of St. Georges, to Delaware City, near the mouth of the canal) in New Castle County, Del. Two other reed areas used for roosting have been located near the mouth of Oldman's Creek between Salem and Gloucester Counties and along the Cohansey River in Cumberland County, N. J.

Five areas of wildrice serving as roosting sites were found. They were in the Maurice and Cohansey Rivers in Cumberland County, N. J., Mill Creek in Salem County near the Killcohook reed roost, and Cedar Creek north of Delaware City. These areas were used primarily by redwings and cowbirds. They were abandoned as the wildrice season progressed and when the plants no longer stood erect.

An area of giant cordgrass and hightide-bush along Green Creek, a tidal stream near Leipsic, Del., served as a roost in 1954 for both red-wings and grackles. Although these birds shared the area, they were inclined to use separate sections of it.

EXTENT AND NATURE OF DAMAGE

Sprout pulling

Complaints on sprout pulling of corn by birds in this area were unusually numerous during the spring of 1954. In some instances crows were responsible; in others, red-wings were blamed; but most sprout pulling was attributed to grackles. Cool and wet weather during most of May was not conducive to good growth and made sprouts vulnerable to damage for a long time. However, in many instances birds were blamed for poor stands of corn which may have resulted instead from adverse ground and weather conditions.

Damage to maturing corn

In a survey of corn damage in New Jersey conducted by Charles Wright, of the New Jersey Fish and Game Commission in 1953, it was ascertained that in Salem and Cumberland Counties an average of 11 percent of sweet corn ears was attacked. Damage to field corn in those 2 counties and also in Gloucester County averaged 17 percent. Damage to sweet corn ranged from 0 to 74 percent and to field corn 0 to 96 percent.

In New Castle, Del., 11 sweet corn fields surveyed by the senior author showed damage averaging 15 percent attacked ears and ranging from 0 to 67 percent. In New Castle and Salem Counties, damage in 33 fields of poorly protected field corn averaged 38 percent attacked ears, ranging from 8 to 98 percent.

The most valid method of determining annual variations and longer range trends in intensity of the blackbird problem is by comparing damage in the same fields from year to year. Because of many variables, such as crop rotation, varieties of corn grown, changes in planting date, and methods used to protect crops, and extremes in weather conditions, all of which affect damage, the same fields are not necessarily comparable from one year to the next. Of the 52 fields of field corn surveyed for damage in 1954 only 8 were sufficiently similar to those that were surveyed in 1953 to be used for comparison. The average number of ears attacked in these 8 fields was 30 percent in 1953 and 33 percent in 1954. These data indicate a damage increase of 10 percent to field corn in 1954. Since the 1954 crop was greatly inferior, some of this additional damage might be attributed to the use of less protection.

Damage expressed in terms of attacked ears provides a general indication of extent of damage, but does not represent the total extent of crop losses. An opened ear of sweet corn intended for fresh market is unsalable and therefore a total loss whereas, when corn is processed part of an opened ear may be used provided it has not soured. Field corn ears that have been attacked by birds are likely to mold or sprout in wet weather, especially if the ears were opened at an early stage of development.

A field test demonstrated definite relationship between extent of bird attack to an ear and amount of mold. Among ears which had been less than 10 percent destroyed, 50 percent showed slight mold and none had heavy mold. Half of the ears which had been more than 10 percent destroyed also had slight mold, but an additional 25 percent had heavy mold. Over half of the ears that were very moldy had germinating kernels. Thus a grower's actual loss from mold depends not only on the number of ears attacked but also on how severely they are attacked. Weather conditions in 1954 doubtlessly produced excessive mold, since late summer and early fall were unusually damp, whereas during the same period in 1953 the weather was very dry.

Extent of damage in relation to proximity of crop fields to marshland

Of the three factors which were determined in 1954 to affect extent of damage, namely, variety of corn grown, nature of crop protection and proximity of marshland, the latter proved to be the most significant. Fifteen percent of the corn was destroyed (in terms of total damage, except by mold, to all ears) in 16 fields adjacent to marshland, whereas only 5 percent was destroyed in 16 fields farther from marshland, but comparable in respect to variety and protection provided.

Extent of corn damage in relation to variety grown

A good opportunity to test relative susceptibility of certain varieties of field corn to bird damage was presented through demonstration plantings by county agricultural agents. These plantings were located in the center section of a larger cornfield and consisted of a few rows of each variety planted perpendicular to the road. Therefore exposure to bird attack should have been approximately the same for each variety.

A planting of 2 rows each of 12 varieties in Salem County in 1954 was surveyed for damage on September 15. In table 1 data from this census is combined with corn production information obtained from the assistant county agent.

TABLE 1.—*Relationship of variety to extent of loss and production*

Variety	Percent corn destroyed	Percent ears attacked	Bushels per acre produced	Bushels per acre destroyed
W5307 [1]	0.1	1.6	33.24	0.03
Pioneer 8907	.1	2.8	64.54	.09
Pioneer 312A	.2	5.6	61.54	.14
C5311 [1]	.3	3.0	34.40	.11
Conn. 870	1.3	19.4	45.48	.60
Funk G-91	1.4	13.8	54.18	.76
Funk G-99	1.6	20.2	51.84	.85
DeKalb 837	1.9	14.2	63.70	1.20
N. J. 8	2.1	15.8	46.30	.95
DeKalb 850	9.0	36.6	28.02	2.52
N. J. 7	11.9	34.8	38.31	4.57
Conn. 554	15.0	32.6	35.91	5.40

[1] These 2 varieties were bred specifically for resistance to blackbirds by Dr. G. H. Stringfield, research agronomist, Ohio Agricultural Experiment Station. Seed for field testing was provided through the courtesy of the Ohio Hybrid Seed Corn Co.

A statistical analysis based on corn destroyed of each variety indicates that the only significant difference shown is in the superiority of the first 9 varieties over the last 3. The order of listing of the first nine varieties is not intended to represent ranking according to susceptibility.

Two demonstration plantings were surveyed in 1953—1 in Cumberland County on September 11 and 1 in Salem County on September 24. Seven varieties present in all 3 plantings showed damage as summarized in table 2.

TABLE 2.—*Comparison of attack among 7 varieties in 2 counties, 1953 and 1954*

Corn variety	Percent of ears attacked			
	Cumberland County 1953	Salem County 1953	Salem County 1954	Average
Pioneer 8907	3	12	3	6
N. J. 8	21	20	16	19
Conn. 870	29	19	19	22
Funk G-91	33	35	14	27
DeKalb 850	41	22	37	33
N. J. 7	36	34	35	35
Conn. 554	58	37	33	43
Average	32	26	22	

A difference between any 2 varieties that amounts to less than about 13 percent should not be considered as representating a demonstrated difference; thus, New Jersey 8 should be considered as about the same as Connecticut 870 and Funk G-91, but more resistant than DeKalb 850.

Since all plantings were made during the last week of May the results can only be valid for plantings on a similar date and, of course, in the same general area. The same varieties of corn planted at an earlier or later date might show a different order of rank.

In fields surveyed for damage in 1954, 13 percent of the corn was destroyed in 16 fields planted with varieties considered low in resistance to bird damage, whereas only 8 percent was destroyed in 16 fields with varieties regarded as resistant. These two sets of fields were approximately the same in respect to amount of protection given and location of nearest marsh.

Extent of damage in relation to proximity of crop fields to roosts

Sixteen fields that were an average distance of 2.3 miles from the nearest known roosting area were compared with 16 fields averaging 8.9 miles from the nearest roost. The amount of corn destroyed by birds in the 2 sets of fields was remarkably similar, the difference being only 0.2 percent; 6.9 percent of the corn in fields nearer the roosts was destroyed compared to 6.7 percent of the corn in fields farther away.

Extent of damage in relation to size of ear

Data derived from an experiment to determine this relationship indicated that more large ears are attacked than small ones. Of ears attacked, however, small ones suffer heavier damage.

Extent of damage in relation to time of planting

Because the redwing prefers wildrice to corn, there is a period of natural protection when the redwing feeds extensively in wildrice marshes rather than in cornfields. Grackles and cowbirds, however, feed on corn throughout the season. By timing planting so that the corn is in the milk or dough stage when wildrice becomes available to redwings, a considerable amount of corn damage can be avoided. Indications are that the most advantageous planting time for corn in this area is during the last week in May and the first week in June (see table 3).

TABLE 3.—*Relationship of time of planting to extent of attack in 33 unprotected or poorly protected fields of field corn in Salem and New Castle Counties in 1953*

Planting dates	Number of fields	Range in percent of attacked ears	Average percent of attacked ears
Apr. 28 to May 12	7	61 to 96	80
May 13 to May 20	4	17 to 63	41
May 21 to May 28	4	12 to 23	16
May 29 to June 6	9	8 to 98	28
June 7 to June 22	9	33 to 90	55

Observations on wildrice show that its time of development varies from one locality to another. Seven stands of wildrice have been under observation at the following locations: the Maurice and Cohansey Rivers in Cumberland County, the Salem River in Salem County, and the Christina River and Red Lion, Cedar, and Appoquinimink Creeks in New Castle County. In both years the development for any one locality has been the same and the calendar dates on peak of use by redwings have been similar. The peak of feeding on wildrice in the Salem River occurs from the second to third week in August. Wildrice in the New Castle County locations is about a week behind that in the Salem River, while the peak of feeding in the Maurice and Cohansey Rivers does not occur until mid-September.

Since rate of wildrice development varies with locality, the optimum planting date for corn will need to be adapted accordingly. The best time depends also upon the rate of development of the corn, which differs according to variety, weather conditions, and cultural practices. Assuming that the period including the last week in May and the first week in June is the most favorable for planting the commonly grown varieties in Salem and New Castle Counties, planting in Cumberland County should be delayed until the second week in June. Corn planted that late in the other two counties is likely to be attacked heavily by redwings after wildrice has been consumed. However, further study will be needed before best planting dates can be recommended with confidence.

CROP PROTECTION BY ROPE FIRECRACKERS

Salute type of rope firecracker

In 1953, evaluations were made on the relative effectiveness of various frightening methods used for protecting maturing corn. Of the devices used, rope firecrackers containing salutes proved to be best. The salute most widely used that year was the bulldog type containing 18 grains of explosive.

According to New Jersey Department of Labor regulations effective during the 1954 growing season, firecrackers containing more than 12 grains cannot be used for agricultural purposes. A determination of the difference of effectiveness between 18-grain and 12-grain salutes was therefore desirable.

In order to make this evaluation under field conditions, 6 assemblies, 3 containing salutes with 18 grains of explosive material and 3 with 12-grain salutes were placed at regular intervals throughout a 21-acre sweet-corn field being attacked by red-wings. The assemblies were approximately 400 feet apart, a distance which was considered greater than the effective range of the 18-grain salutes as ascertained from 1953 studies. The rope firecrackers were operated for 3 days. On the fourth day, damage counts were made from the same 24 sampling stations where pretreatment damage appraisals had been made. The counts showed that no appreciable increase in damage had occurred in any portion of the field and the slight increases did not occur any more frequently in the area around the assemblies with the 12-grain salutes than around those of the 18-grain salutes. It could be concluded that under these conditions the 12-grain salutes were capable of protecting an area of approximately 3½ acres. If this finding holds true, then either the range of effectiveness of the 18-grain salute has been underestimated or otherwise the 12-grain salute functioned more effectively in the drought-stunted corn.

Two-shot repeating bomb

A type of aerial bomb known as the 2-shot repeating bomb was developed especially for crop protection. It consists of two upright bombs mounted on a wooden block and connected by a fast fuse. Each set is wax-coated for water repellency. A series of these can be placed at intervals along a cotton fuse rope by threading the fuse of each set between the rope strands. The entire assembly is operated from a specially designed rack. As a bomb ignites, a small cartridge is blown about 20 feet into the air where it explodes with great intensity. This is followed in 5 or 6 seconds by a similar ejection and blast of the second bomb. Specifications on this device are available upon request to the United States Fish and Wildlife Service, Laurel, Md.

Effectiveness of the repeating bomb was tested in a 58-acre sweet-corn field near Leipsic, Del. This field was difficult to protect because of differences in maturity of the corn, proximity of the field to marshland, which served as a blackbird roost, and presence of an attractive wild-cherry hedgerow and peach orchard adjoining one side of the field.

The experimental field was divided into three sections, representing differences in maturity of the corn and a bomb assembly was operated near the middle of each section. When bombing operations commenced, sampling stations were established at 150-foot intervals along a line from the assembly location to each corner of the section and damage estimates were made of 100-ear samples near each station. Operations were halted when harvest of each section was begun and at that time damage counts were again made at each station.

In the 27-acre central section, 249 repeating bombs were used over the 7½-day period prior to harvest. In the 16- and 15-acre north and south sections, 207 and 164 bombs were used in 6 and 5 days, respectively. The bombs were operated in the central section alone for 3 days. On the following 3 days they were run in both the central and north sections. For 1½ days they were functioning in all 3 sections. Over an additional 1½ days they were operated in the north and south sections, and for 2 more days they were run only in the south section.

Increase in amount of damage associated with distance from site of the bomb assembly is more pronounced beyond 300 feet. Seventy-nine percent less damage occurred at 150 feet than at 6000 feet, 67 percent less occurred at 300 feet than at 600 feet, and 30 percent less occurred at 450 feet than at 600 feet. Relationship between damage and adjacent vegetation is also demonstrated.

With distance from the assemblies equivalent, damage toward field edges possessing attractive natural food and cover for birds was significantly greater than toward open edges.

Since explosions at 5-minute intervals were considered desirable in the early morning operations, 18 inches of faster-burning cotton fuse rope (one-fourth inch in diameter) was spliced to 2½ feet of the commonly used five-sixteenths-inch rope and ignited in the morning. For afternoon and evening operations, only five-sixteenths-inch fuse rope was used.

The cost of materials for protecting 1 acre per day by 2-shot repeating bombs spaced at 900-foot intervals and with daily loads of 40 bombs amounts to about 35 cents.

Overhead stand

Since the use of repeating bombs is prohibited by law in New Jersey maximum results must be obtained from the type of firecracker available to growers there.

Sound carries much farther above the level of dense field crops, so some farmers hoist rope-firecrackers by a pulley arrangement to the top of a 15- to 20-foot pole. From here the ignited firecrackers drop into a strong wire basket or onto a wooden platform above the height of the corn.

Improvements have also been made in designing apparatus to assure successful operation of rope-firecrackers during stormy or windy weather. The most satisfactory model to date is the overhead rope-firecracker stand (fig. 2). It consists of two 2-foot sections of galvanized stove pipe, 6 inches in diameter, topped by a terminal elbow. A small block of wood containing a hook is fastened to the upper inside surface of the elbow joint and the rope-firecrackers are suspended from this hook. At the lower end of the stovepipe sections a strong wire basket is attached to catch the firecrackers as they drop. Lightweight hardware cloth used for such baskets must be replaced frequently. Fourteen gage one-third-inch mesh screening forms a much more resistant surface for exploding salutes. The stove pipe and basket assembly is mounted at the end of a 12 foot, 2-inch by 2-inch pole, which in turn is held erect by strong rustproof, flexible wires binding the pole within the right angle of a 5-foot steel fencepost.

This overhead rope-firecracker stand not only provides protection from wind and rain but is light enough to be readily portable.

BLACKBIRD POPULATION REDUCTION

The sweet-corn harvest presented an excellent opportunity for experiments on reduction of blackbirds by poisoning. Mechanical picking, together with the practice of cutting up and plowing under plant residues before drying, afforded favorable conditions for effective and safe poisoning operations. Blackbirds attracted in large numbers to mangled ears strewn upon the ground readily consumed poisoned grain scattered through the field. Game species were not immediately attracted to fields in this condition and the poisoned grain was allowed to remain on the ground for only a few days.

In 1953, strychnine-poisoning tests were performed in harvested sweet-corn fields with oats as the bait medium. In 1954, various dosages of strychnine were tried preliminarily with different bait mediums in different habitats as a step toward determining safe and effective poisoning techniques. No attempt was made to regulate the quantity of bait used per unit of ground area, nor were the treated fields searched systematically for recovery of dead birds.

One test was performed in a stubble field used as an assembly point by birds just prior to roosting. The bait consisted of mixed oats and cracked corn treated with 1 ounce of strychnine sulfate to 10 quarts of grain. Over a 7-day observation period, only 21 cowbirds and 2 redwings were found dead in this field. This recovery was unexpectedly low in view of the large flocks of birds that assembled each evening in this field. Further tests will be made at assembly points.

The results of five tests conducted in standing field corn were likewise disappointing, even in fields under heavy attack. Only one of these was reasonably successful. The bait consisted of 1 ounce of strychnine to 6.5 quarts of wheat. Operation of rope-firecrackers on the third day of the test halted poisoning experimentation. In those 3 days, 305 red-wings and 2 mourning doves were recovered. This field was very well cultivated and the distance between corn plants was greater than usual. The exceptionally good visibility of bait and high dosage of poison used may have caused a concentration of the kill to the immediate vicinity of the bait.

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A large kill resulted from a test with bait consisting of 1 ounce of strychnine to 10 quarts of mixed oats and cracked corn spread in a newly mowed soybean field. Observations were made over a 7-day period, and in that time 2,204 red-wings, 1,668 cowbirds, and 9 grackles were recovered. The total kill of blackbirds in this field test was estimated to be 8,000.

From these poisoning tests the following conclusions can be drawn: (1) Poisoned baits are usually more effective when used where blackbirds are already feeding on the ground; (2) standing field corn is generally unsatisfactory location for poisoning operations; (3) poisoned bait exposed in standing field corn killed a few mourning doves even when the dosage of poison was as little as 1 ounce to 20 quarts of grain; (4) grackles were especially difficult to attract to poison bait.

Mr. Chairman, I am certain this report justifies the action of the committee in approving an appropriation for the further study of the matter to the end that a remedy may be found for the distressing condition that exists.

Mr. JENSEN. I thank the gentleman. The gentleman from New Jersey [Mr. WOLVERTON] is so modest in his requests for dollars out of the taxpayers' pockets that it is difficult to turn the gentleman down. He never asks for anything that is not fair and proper and very necessary.

Mr. THOMSON of Wyoming. Mr. Chairman, will the gentleman yield?

Mr. JENSEN. I yield.

Mr. THOMSON of Wyoming. I notice on page 5 of the committee report, dealing with the maintenace and construction program for utilities and facilities in the parks, that $1 million has been taken from the budget estimate. In connection with this the committee report mentions unobligated balances, funds on hand, and that the rate of expenditure in the past with regard to them should not curtail any part of the program the committee approves.

In connection with this program we are quite concerned because Congress has blandly created parks and monuments and there does not seem to be the proper support for them. We are alarmed because Yellowstone Park, instead of being one of our best advertisements of America, is becoming one of the poorest advertisements in our area. Included with this is a very modest amount for utilities in the Canyon area and for water facilities, and also facilities at Fishing Bridge. This has been a matter of concern to us. I wonder if the committee can assure us money will be available for this purpose in Yellowstone and other parks so as to make them usable by the citizens.

Mr. JENSEN. The committee cannot say definitely where certain amount of funds is going to be spent for a specific thing unless it is so earmarked in the bill, but certainly the money is going to be spent for the purposes for which we appropriate it. It is the responsibility of the National Park Service to spend the money where it should be spent. We always question them each year quite at length as to what they spend the money for. Of course, we want to know that they spend it where it is most needed.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. JENSEN. I yield to the gentleman from Iowa.

Mr. GROSS. Does not the gentleman agree with me that we might have more of these conveniences in the national parks if we did not spend so many billions in giveaway programs all over the world?

Mr. JENSEN. Naturally.

We also appropriate for the Fish and Wildlife Service, which is another very important branch of Government; also Territories of Hawaii, Alaska, the Virgin Islands, and the Trust Islands in the Pacific. The Commission of Fine Arts, the Forest Service, the Indian Claims Commission, the National Capital Planning Commission, the Smithsonian Institution, the National Gallery of Art, and many other functions of Government for which this committee recommends appropriations to the Congress.

I am happy and honored to be a member of this committee and to serve on it with the fine gentlemen from both sides of the aisle. I hope we can pass this bill as it comes to the floor and that in future years every department of Government and the American people will see to it that our priceless natural resources are properly conserved. Let us remember, always, that a nation is no stronger than its soil and natural resources and its people are productive. Thank you.

Mr. KIRWAN. Mr. Chairman, I yield 5 minutes to the gentleman from New Jersey [Mr. SIEMINSKI].

Mr. SIEMINSKI. Mr. Chairman, the State of New Jersey is grateful for the funds voted by the committee to insure better fire control of its woodlands and for the funds that will do much to help control the blackbird pest that has annoyed south Jersey in particular. It will please our Governor, the Honorable Robert B. Meyner to know that his plea on this behalf for the people of New Jersey has been so speedily answered. We thank the committee.

To Mr. KIRWAN, our committee chairman, special thanks are given. He conducted the hearings in a manner that gave all a chance to explore the fullest possibilities of every issue.

This is my first year on this committee. It deals with the wealth of America. I trust that we on the committee have done our part in conserving that wealth now and for the future by insuring its productive use by all.

Mr. KIRWAN. Mr. Chairman, I yield 10 minutes to the Delegate from Alaska [Mr. BARTLETT].

Mr. BARTLETT. Mr. Chairman, certain drastic cuts proposed in the pending bill vitally affect Alaska, the Alaska construction industry, and the Alaska economy. It is on this point that I rise to address the Committee today.

In its report, the Committee on Appropriations has reduced the amount requested for the Alaska Road Commission by $3 million. And it has eliminated the entire amount requested for Alaska public works, or $5 million.

These 2 cuts total $8 million, which represents nearly 29 percent of the total requested for the Office of Territories. Indeed, the entire bill applying to the Interior Department was reduced by slightly more than $15 million below the Budget Bureau estimates. Of this total reduction, more than $9 million was taken from the Office of Territories.

I should think it would be hard to deny that this is brutal treatment of what is merely a small part of the Interior Department activities. Too, it seems remarkable that Alaska is to bear a cut of 29 percent in the Office of Territories appropriation while the departmental bill was reduced overall by less than 5 percent.

If I may say so, it illustrates again why the overwhelming majority of Alaskans desperately want and need statehood, and the voting representation in Congress incident thereto.

Alaskans have long realized that only through statehood will they be able to combat situations of this kind on an equal footing with their fellow Americans with whom they share the expenses and the responsibilities of citizenship.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. BARTLETT. I yield.

Mr. AUGUST H. ANDRESEN. The gentleman referred to a cut in the appropriations, and an item occurs to me that I want to ask the gentleman a question about. I have received several letters in regard to appropriated funds for a sanitarium or hospital in the community, which I take it is named after the gentleman, Bartlett, Alaska?

Mr. BARTLETT. I am delighted to say the gentleman is correct.

Mr. AUGUST H. ANDRESEN. Could the gentleman explain the situation there? It seems that certain ladies are writing to us about getting funds for this hospital and are concerned over the situation there. What is the situation?

Mr. BARTLETT. I will be very glad to explain that to the gentleman. Until this year, the appropriation request for that sanitarium and other sanitariums in Alaska for treating tuberculosis patients was in this bill. Now, it is transferred over to the Department of Health bill. When that was passed just the other day by the House of Representatives it contained sufficient money, as I was assured on the basis of questions I asked from the floor, that the beds of this particular institution, to which the gentleman from Minnesota refers, could be filled together with other institutions operating in the Territory of Alaska.

Mr. AUGUST H. ANDRESEN. Then, we can say that this matter has been taken care of in an adequate manner so that the people in need, the sick people and the tuberculosis patients and others, will be fully taken care of.

Mr. BARTLETT. I think we can make a categorical statement to that effect. I can also say, and I want to say, that when these health funds were in this particular bill previously, this subcommittee was most kind and generous always to give us funds for combating tuberculosis which, as the gentleman

knows, is a very grave disease in Alaska and presents a greater problem than in many other places.

Mr. AUGUST H. ANDRESEN. May I ask the gentleman then how this story started that adequate funds were not being provided?

Mr. BARRETT. Well, adequate funds were not being provided in this sense, that the hospital had been filled with three classes of patients—first, the beneficiaries of the Alaskan Native Service, an operating arm of the Bureau of Indian Affairs of the Department of the Interior; second, beneficiaries of the Alaska Health Department; and third, beneficiaries of the Veterans' Administration.

The situation with respect to the last two categories is now such that there are not so many patients coming in so this sanitarium has about 31 beds vacant. Of course, the staff remains the same size and the heating costs are the same so we want to get the institution filled up again, as we will now I am assured, at the beginning of the fiscal year.

Mr. AUGUST H. ANDRESEN. I thank the gentleman.

Mr. BARTLETT. According to its report, the Appropriations Committee has refused to approve funds in the amounts requested for the two Alaska programs I have mentioned because of the supposed existence of carryover balances from prior years.

When I learned of the committee's action I asked the Department for an explanation of the unexpended balances cited in the report. Information which I have received convinces me that the committee's action was based on a misunderstanding or a misconception of a number of basic factors involved.

In its accounting at the end of the last fiscal year, I am informed, the Alaska Road Commission did show a balance of $5,490,000, but $2,400,000 of this sum was being held for a specific project, awaiting an appropriation in the current year of $700,000 to provide the amount necessary to assure completion of the project.

Last July, 6 days after the 1955 appropriation bill became law, the entire contract was let, including the supposed carryover of $2,400,000. Because of the care exercised by the road commission, it knew when it let the contract it had the money to complete the job.

Instead of being penalized for thus prudently handling Federal funds, in my opinion, the commission should be praised. Too often Congress has been called upon to appropriate money to finish work for which funds were exhausted while the work was in progress.

As to the remaining $3 million of the road commission's so-called carryover, I am informed that this money was fully earmarked to cover contingencies and the cost of administering construction contracts in progress totaling $10,686,000. While not obligated in an accounting sense until salaries are actually paid, supplies are bought and other administrative bills fall due, this money is obligated in the sense that the Government has undertaken the contracts approved by Congress in the past and must perforce oversee their completion.

The end result of this is that the $3 million taken out of the road commission budget for 1956 will reduce by that amount the ability of the road commission to finance projects in its 1956 program which was wholly approved by the committee.

Now, turning to the Alaska public works program, the committee has again fully approved the projects suggested for 1956 but, in this case, disallowed the entire request for funds with which to carry them out. The report states that unobligated balances from previously appropriated funds should be sufficient to finance the new projects.

This, it seems to me, overlooks the very important fact that sums appropriated in the past were approved for specific projects. Applying the money to those projects as directed by Congress can mean only that there will be no funds for the 1956 program. Or if the 1956 program is undertaken, some projects which have previously been approved must now be dropped.

The action by the committee was evidently based upon the fact that there was carried over into this fiscal year a balance of approximately $12,500,000. With the $9,500,000 appropriated for 1955, the amount available for expenditure this year comes to $22 million.

I am informed that a considerable portion of the $12,500,000 carryover was attributable to delays resulting from a general review of all Government construction programs at the time of the change in administration, plus a reorganization and strengthening of the staff in the Juneau office of Alaska public works.

I am sure this Committee will be pleased to learn that the delays are now behind us and that the main contracts for projects provided for in this accumulated carryover are rapidly being awarded.

For example, it is significant that $7 million of the $22 million has already been committed under contract for the forthcoming building season.

Dates have been set and bids will be opened in time to let the contracts for another $8 million before next June 30. This work will also be underway during the 1955 building season.

That represents $15 million of the $22 million.

The remaining $7 million can be quickly accounted for.

A total of $3,500,000 is represented by equipment which must be bought to go into the structures once they are completed. Schools must have desks, chairs, and so forth. Hospitals must have beds and medical equipment. Other types of structures require fixtures and other internal equipment for completion.

The contracts for the structures that will house this equipment have been let or will be let within the next 3 months. Yet to let the contracts for purchase of the equipment at the same time the foundations are being dug would be to saddle the taxpayers with added expense for deferred orders or for storage upon delivery. Nevertheless this money must be regarded as committed as effectively as though the purchase orders had been signed.

Another $2 million of the $7 million is earmarked for a new high school at Juneau, a project previously approved by the Congress. The people of Juneau have experienced some difficulty in deciding upon a school site and this has delayed preparation of final plans. It is anticipated that work on the site will begin during this summer and that the building contract will be let prior to the start of the 1956 construction season.

Finally, there is left out of the $7 million a sum of $1,500,000 to meet contingencies. In view of the scope and size of the program, this certainly cannot be considered exorbitant.

In every well-planned public works program there must be a prudent amount included to meet unforeseen and unforeseeable circumstances. Here it should be noted that the Department has never requested, nor is it likely to request, any additional money to complete any project presented. That is the purpose of the contingent fund.

But the point that I want to emphasize is that the latter amount—$1,500,000—is really all the carryover there is in the Alaska public works program.

And, further, I would be remiss in my duty to the people of Alaska and my colleagues in the House if I failed to point out that if no money for this program is included in the pending bill, the Juneau high school project that I have mentioned will be the only new construction started under the program in 1956.

The sudden drying up of apropriations for Alaska public works, if even for a year, will be a shock to the Alaska economy and a heavy blow to the Alaska building industry. A sharp reduction, such as is proposed, in the Road Commission funds will likewise harm the commerce of the Territory and retard its development.

Contractors with vast sums invested in equipment must make use of the equipment or face severe financial hardship. Working people need jobs to sustain them. That the Alaska population as a whole needs more and more roads hardly needs arguing.

Equally pressing is the need for the valuable community improvements such as have been provided by the Alaska public works program.

With these factors in mind, I hope the request of the Department of the Interior for funds necessary to permit it to continue its work in Alaska will be honored.

Mr. FENTON. Mr. Chairman, I yield myself such time as I may use.

Mr. Chairman, the gentleman from Ohio [Mr. KIRWAN] and the gentleman from Iowa [Mr. JENSEN] have given such a fine explanation of this bill that it is unnecessary for me to go into many other details.

With the convening of the 84th Congress, we found that the chairman of the Appropriations Committee, the gentleman from Missouri [Mr. CANNON], had revamped the subcommittees and in the case of the Interior Department Subcommittee on Appropriations had removed from its jurisdiction the appro-

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priations for the Reclamation Bureau, the Bonneville Power Administration and Southeastern and Southwestern Power Administrations. Whether or not that was a good move remains to be seen. Personally, I regret that those four agencies were removed from the jurisdiction of our subcommittee but since our leadership has acquiesced we will have to put up with it.

In the place of the four-power agencies our committee was given the Forest Service which as you know is an agency of the Agriculture Department. We were also given several commissions, namely the Indian Claims Commission, the Jamestown-Williamsburg-Yorktown Celebration Commission, the National Capital Planning Commission, and the Woodrow Wilson Centennial Celebration Commission.

We also acquired jurisdiction for appropriations for the Smithsonian Institution and the National Gallery of Art.

I might say that those additional agencies which we acquired are very interesting indeed and we certainly hope that we will be considered as fair in our dealings with them as their former committees were.

H. H. 5085 is composed of three titles with the following appropriations:

Title 1, Department of the Interior, $207,025,856.

Title 2, related agencies, $90,855,390.

Title 3, Virgin Island Corporation, $390,000.

TITLE 1

The appropriations $207,025,856 for the Interior Department in this bill is around $4 million less than the current fiscal year and $15,708,500 less than the budget estimate. Most of these decreases are in holdover construction money; that is, unobligated balances of previously appropriated funds.

The work being done by the various bureaus of the Interior Department is very satisfactory.

GEOLOGICAL SURVEY

The committee recommends the full budget estimate of $26,285,000 for Geological Survey. Of this amount, $11,320,000 is for topographic surveys and mapping; $5,430,000 for geological and mineral resource surveys and mapping; $6,700,000 for water resources investigations; $100,000 for soil and moisture conservation; $410,000 classification of lands; $1,300,000 for supervision of mining and oil and gas leases; $750,000 for general administration; and $275,000 for plans and specifications for a special purpose building for the Survey.

We are all cognizant of the importance of this agency of the Department of the Interior. Upon it depends our various mapping with all of its implications.

In the field of natural resources the National Government has basic and primary continuing responsibilities, particularly in the field of general welfare, national defense, and interstate commerce. Because of these responsibilities a Government-supported nationwide appraisal of mineral and water resources must be maintained on a current basis. The Geological Survey's activities are directed toward that objective.

As far as topographic mapping is concerned, the areas selected, except those where financing is on a cooperative basis, priority is given to mapping those projects most directly connected with the immediate and long-range economic development and security of the Nation. This involves the mapping of areas for: First, military defense requirements; second, the search for and development of mineral resources, including fissionable materials; third, development of water resources; reclamation of land for agriculture; and fourth, development of transportation and other industrial activities.

The geologic and mineral resource surveys and mapping is to my mind very important. Upon the surveys' data in this field depends the Federal Government's ability to appraise our resources needed in making sound and effective policies regarding all our resources. Much can be said of this particular service in the geological survey agency.

The water resources investigations is one of the most important items today. With the mounting requirements for water there is a great need for reliable information concerning our water resources.

Because of the multiplicity of problems related to water and its use, a complete understanding of the occurrence and behavior of water and its changing conditions as development takes place is of vital importance. Too often water development projects are planned and initiated without adequate knowledge of the total water resources of the area or region concerned.

Far surpassing any other resource and probably equaling the importance of all others combined, water has now become the center of immense conservation activity and rapidly mounting expenditure. (From statement by J. R. Mahoney, senior specialist in natural resources, Legislative Reference Service, Library of Congress, in a report, the Physical and Economic Foundation of Natural Resources, pt. II.)

It is admitted by everyone connected with resource conservation that water has become our No. 1 problem and that we are woefully lacking in our investigational program. The Geological Surveys program is insufficient for the increasing demands made upon it because of lack of sufficient funds.

President Eisenhower, in the announcement of his new Cabinet Committee on Water Resources said:

I have become convinced that before very long America will almost unanimously look upon water as its single greatest resource.

It is therefore advisable in my opinion to accelerate this program.

BUREAU OF MINES

The committee allowed $18,863,000 for the Bureau of Mines for fiscal year 1956. This is a decrease of $6,637,000 from the current fiscal year of $25,500,000.

These decreases are due to a construction item being carried over from this year and for which $6 million had been appropriated. Also $30,000 less for general administrative expenses and $607,000 less for mineral resources and conservation.

The committee allowed $5 million for the Health and Safety Division, which is the same as this year's appropriations.

The program of the Bureau of Mines in research work has progressed to the point where there is no money requested for continuing the Rifle, Colo., oil and shale plant.

INDIAN BUREAU

The one large and important item missing from the Interior Department appropriations for the Indian Bureau for 1956 is the item for Indian health.

On July 1, with the beginning of the 1956 fiscal year the function of health for the Indian Bureau will be taken over by the United States Public Health Service under Public Law 568 of the 83d Congress.

I am personally pleased that the United States Public Health Service will be responsible for the health of the Indians. I have preached this for years and now that it is about to come to pass I feel sure that it will be a great improvement over the old system. It will be interesting to note what progress is made in the next few years.

It is also gratifying to note the great improvement in the number of Indian children of school age now being given the opportunity of going to school.

The results in the past few years have been remarkable. You will recall that each time this Interior appropriations bill came up for consideration that we always had to report that fifteen to twenty thousand Indian children had never seen the inside of a school.

So it is indeed gratifying to note that it is anticipated that in fiscal year 1956 that all Indian children in the United States who are eligible and willing to avail themselves of schooling will have that opportunity. Otherwise the Indian Bureau receives about $1,260,710 more for fiscal 1956 than for the current year.

NATIONAL PARKS

Much could be said about our parks. We have wonderful natural scenery and our park executives and employees are very proud of them.

Much criticism has been directed at our park management through magazines, and so forth, but as I sit across the table each year and listen to their plea for money to carry out their responsibilities I must say that they are not to blame for the defects as publicized.

They are doing a splendid job with the amount of money given them. However, I do believe that the time has come when the rehabilitation necessary to preserve our parks must take place and the facilities necessary for safety constructed.

Our committee allowed $43,650,000 for fiscal year 1956 as against $32,825,590 for the current year.

TITLE 2. RELATED AGENCIES

First. Forest Service is by far the agency requiring the greatest appropriation in this bill. It exceeds the amount appropriated in this bill to the Indian Bureau by over $18 million.

The amount recommended by the committee for fiscal 1956 is $84,536,690,

which is $130,000 more than the current year and $1,083,690 more than the budget estimate.

Since this item belongs in the Agriculture Department and is a new program for this subcommittee, I can only say that I was greatly impressed by testimony of those from the Department that came before us.

Great interest was also shown by the Members of the House who appeared before us for this item and I believe we were justified in increasing the amount of money allowed by the budget, particularly the amount for fighting forest fires.

Second. The Smithsonian Institute is another new item given this subcommittee.

Since this is the first time that we have had to consider this agency of our Government, I can also say that I was greatly impressed by those who appeared in justification for the appropriation. We can be proud of this institution and we allowed the entire amount asked for, $5,355,000, which is an increase of $1,055,000 over the current year.

Third. The National Capital Planning Commission is another new item for this subcommittee. Until there is more agreement in the planning for redevelopment of the southwest area of Washington, the committee believes that the amount of money allowed for fiscal 1956 is sufficient.

The budget estimate was $1,100,000 and the committee allowed $643,000.

The CHAIRMAN. Does the gentleman from Pennsylvania desire to yield further time?

Mr. FENTON. Mr. Chairman, I yield 5 minutes to the gentleman from South Dakota [Mr. BERRY].

Mr. BERRY. Mr. Chairman, I simply want to take a minute to commend the committee on inserting the item set out on pages 8 and 9 of the bill, making available $56,500 for settlement with the Yankton Sioux Tribe in South Dakota.

As the committee knows, we have a vast development program in the upper Missouri Basin, and several of these dams cover land on at least five Indian reservations in South Dakota. One of the settlements is made in this bill.

Last year Congress passed an authorization act for settlement with the Indians on the Cheyenne River Reservation for about $10,500,000. The Indians have held their election; they have ratified the authorization; the ballots have been sent to Washington to be checked by the Commissioner of Indian Affairs. Before it is complete, the Secretary of the Interior must issue a certificate that the election was held and that everything is regular and in due form. Because of the delay in getting the reports and the ballots in to the Washington office, the Secretary has not yet had an opportunity to issue such a certificate.

This certificate will include a statement that the Federal Government has offered a settlement through the passage of this authorizing legislation and that it has been accepted by the Indians of the Cheyenne Indian Reservation through an affrmative vote of more than two-thirds of the enrolled adult Indians and that the contract for settlement is ratified and approved.

When such a certificate has been issued then Congress will be obligated to appropriate the money to carry out the terms of this settlement contract.

I appreciate that it is not possible to offer an amendment to this bill today providing for such appropriation since all procedures have not yet been cleared by the Secretary of Interior and his certificate issued. I did wish, however, to mention it at this point in order to appraise the membership of the House as to the current situation with regard to this appropriation. I am hopeful that the Appropriation Committee will see fit to include this item in the first supplemental appropriation bill so that full and final settlement can be made with the Cheyenne Indian Tribe and Reservation and that they can begin at once to effect their settlements with the landowners and begin their program of rehabilitation on the reservation.

Mr. JENSEN. Mr. Chairman, I yield such time as he may desire to the gentleman from Wyoming [Mr. THOMSON].

Mr. THOMSON of Wyoming. Mr. Chairman, I wish to commend the House Appropriations Committee and that group's subcommittees for their monumental endeavor in readying money bills for House consideration.

While I am just completing my third month in Congress, it already is evident to me that the Appropriations Committee members face a seemingly insurmountable chore when they begin hearings upon one of these bills. In view of the tremendous job it entails, I believe they are to be highly complimented upon the efficient functioning of their committee, justly executed.

I wish to commend the committee for one particular item in the bill for the Interior Department and related agencies. This item is found under the "Cooperative range improvements" heading of the Forest Service appropriation, which the committee increased from the requested $280,000 to $400,000. The latter figure continued the range-improvements program at the same level as for the current fiscal year.

It was my privilege to appear before the Appropriations Subcommittee concerning this item, and I am gratified to note that the funds were restored to their present level. I feel, however, that the committee could and should have gone one step further and recommended a figure in keeping with what generally is regarded as a Federal obligation under existing law.

I am referring to the Granger Act of 1950, which provides that specified portions of grazing fees charged livestock producers who use forest ranges are to be devoted to range-improvement activities. The act specifies that 10 cents per cow-month and 2 cents per sheep-month of the grazing fees are to be earmarked for this purpose. Best available estimates indicate that during the next year this would mean that some $700,000 should be provided instead of $400,000 as the committee recommended.

I most certainly am glad that the committee did not go along with the lower figure, but I am of the opinion that the committee should have honored the terms of existing law and recommended the full amount obligated.

Most livestock men who use the forests contribute more than their share of private funds to range improvement in their areas, and I feel that they have the right to expect the Federal Government to live up to its legally constituted agreement to contribute the specified portion of grazing fees. Further, the funds for this purpose originally are collected from these same livestock men with the understanding that a portion of the fee will be returned in the form of range-improvement effort. The money does not come from tax funds; it is collected entirely outside the normal tax structure.

In view of this set of circumstances, Mr. Chairman, I feel I should call attention to this obvious deficiency in the bill as reported to the House. I am confident this Congress wants to meet its contractual obligations to its citizens. I am confident we do not want to invite justified criticism that we are not putting back a proper amount to preserve some of our most valuable resources in our national forests.

Mr. JENSEN. Mr. Chairman, I have no further requests for time.

Mr. KIRWAN. Mr. Chairman, I yield such time as he may desire to the gentleman from California [Mr. ROOSEVELT].

Mr. ROOSEVELT. Mr. Chairman, under title 1, Office of the Secretary, research in the utilization of Saline Water, I wish to draw attention to the extreme importance of these studies for which this bill appropriates $400,000.

It is my understanding from the testimony before the committee that the success of these studies is approaching a point where it is highly likely that supplemental appropriations will be asked.

There is at the present time much discussion and dissension between various States concerning the division of Colorado River water. Colorado River water is, of course, the lifeblood of the people and industries of southern California and the part of the city of Los Angeles and Culver City, which I have the honor to represent.

The success of the experiments for conversion of saline water for beneficial consumptive uses would mean an end to much of the present dissension, would ease the anxiety that now rightly exists in southern California, would benefit thousands of other communities, not only along our coastlines but in the interior of the country, and would assure sufficient water supplies for the natural growth of our great country.

I am taking steps to urge the fullest cooperation of the city and county of Los Angeles and the appropriate public and private bodies with this program of the Department of the Interior while, at the same time, making full use of such power developments as may be possible through the perfection of atomic energy. This is one expenditure of public funds which most certainly will bring vast benefits to the people of our country.

Mr. KIRWAN. Mr. Chairman, I yield such time as he may desire to the gentleman from Montana [Mr. METCALF].

Mr. METCALF. Mr. Chairman, the members of the committee are to be congratulated for restoring an administra-

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tion cut of $1,083,690, from the $9,449,500 fiscal 1955 appropriation for cooperation in forest-fire control under State and private forestry cooperation.

Early in 1913 Montana entered into an agreement with the Forest Service under the Clarke-McNary Act. This agreement made us partners in the job of providing good forest-fire protection to the forests and watersheds on State and private lands.

Progress was slow at first, but by 1931 all the area now considered as being in need of protection had organized protection. In 1931 the burn was 51,000 acres. This has been reduced periodically until in 1953 the burn was only 796 acres.

In 1915, Montana spent about $9,000 for protection of its forests. The Federal portion at that time was $3,400. This has increased consistently until in 1954 the expenditure was $278,000 of which $63,000 was from the Federal Clarke-McNary, section 2, appropriations.

During these periods our protection associations have been of great help financially and otherwise to the development of the program. We are protecting values which cannot be computed in dollars and cents at this time. I am thinking of the value of the water from our protected watersheds to faraway States. The value of primary forest products in 1951 was over $26 million in Montana. In addition, there are other intangible values of recreation, game, and fish which are an important source of income to the State.

The administration-proposed reduction of C–M 2 funds would have had an adverse effect on Montana as well as most other States. This reduction would have meant a loss of only about $8,000 to Montana but even such a reduction would have been serious because it would have resulted in the lowering of the level of protection. It would have been serious, too, as an indication of a lack of interest on our part in a Federal-State program which has been successful over the past 44 years. As I understand it, this administration wants more local participation in Federal-State enterprise. This cooperative program could be held up as a glowing example of what such policy contemplates—the States have continually strengthened their participation until now the Federal contribution is only a fraction of the total funds expended in the country on State and private land fire control.

As a Nation we have a real interest in the protection of timber and water resources. Interstate travel of water is well known and, as mentioned before, is of more value to a State other than the source of the water. Timber also is used by many States other than where produced. We should continue our national interest with substantial financial assistance.

Also under this general heading is $632,429, exactly the same as this year's appropriation for cooperation in forest management and processing.

This is the item under which the United States Forest Service cooperates with 38 States in giving advice and assistance in forest management to owners of small woodland properties. These small owners are made up of over 4 million farmers, schoolteachers, local merchants, housewives, and others who do not have the technical skill necessary to manage their forests for continuous crops of trees. Most of them do not have enough timber individually to make it practical to hire a forester even on a part-time basis. And these small owners control over 57 percent of all the commercial forest land in the United States and over 75 percent of the commercial forest land in private ownership. In Montana, 8,145 owners have 1,855,000 acres of these small forests, 47 percent of the privately owned commercial woodland in my State. Throughout the West, more than half of all the privately owned forests is in these small holdings. Many of these woodlands have been improperly cut over the years and only through the advice of a farm forester can they be made and kept productive.

There has been no increase of Federal funds for this cooperative farm forestry work since the Cooperative Forest Management Act was passed in 1950. Prior to this legislation the work was carried on in a limited way under the Norris-Doxey Cooperative Farm Forestry Act of 1937.

It was in 1940 that Montana began cooperating in this program, under which Federal-State farm foresters give in-the-woods technical forest management advice and assistance to small forest owners, both farm and nonfarm, many of whom are soil conservation district cooperators.

Montana discontinued cooperation in this program in 1949, when the State was unable to obtain funds required to match the Federal allotment. Montana now is planning to rejoin in this cooperative program if Federal matching funds are available. I know that other States are planning to come into this fine cooperative endeavor. The present Federal appropriation, however, is not sufficient to provide all the farm foresters needed in the 38 cooperating States where some 275 farm foresters are now at work. I believe these men are covering projects involving about 1,200 or 1,300 counties with small woodlands. Another 1,000 counties with small woodlands are still without the services of these farm foresters to advise the small woodland owner. Little or nothing has been done in carrying out the provisions of the act to advise the small mill operators to do a better job of cutting the timber from these small properties.

A small increase is urgently needed in this item to permit this worthwhile cooperation with the States to be extended. The authorization in the basic legislation for this cooperative work is $2,500,000 annually. An increase of $100,000 would be just 16 percent over the present appropriation of $632,429 and would still be less than one-third of the amount anticipated by the act. The cooperating States are now expending over $1.2 million annually in this cooperative endeavor. More farm foresters are urgently needed throughout the Nation. The Federal part of this work has been woefully underfinanced since the act was passed in 1950.

TOPOGRAPHIC MAPPING

Among other things, this bill provides funds for topographic mapping, a program of particular interest to Montanans. Although the committee approved the full amount requested in the budget it is not enough to do the job. I hope that next year additional funds will be requested by the administration to carrying on this important work.

The budget request was $11,320,000, the same as for this fiscal year.

Topographic maps are used by many industries, including mining, lumbering, and the development of oil-bearing areas. They are invaluable in developing land and water resources. They are essential in locating rights-of-way for telephone, telegraph, and rural electrification lines, highways, railways and pipelines, and in planning the operation and management of both State and national agricultural, grazing and forest lands.

Following is a letter on behalf of this item from Dr. J. R. Van Pelt, of Butte, director, Montana Bureau of Mines and Geology:

MONTANA BUREAU OF MINES
AND GEOLOGY,
MONTANA SCHOOL OF MINES,
Butte, Mont., February 22, 1955.

Hon. LEE METCALF,
House Office Building,
Washington, D. C.

DEAR MR. METCALF: You have undoubtedly heard that the Montana Legislature Assembly passed House Joint Memorial No. 6 requesting increased Federal appropriations for topographic mapping of the State of Montana. This mapping is done by the United States Geological Survey and additional funds, if approved by the Congress, should appear in the Geological Survey budget.

For your information I enclose herewith a copy of the report which has been prepared by the Interdepartmental Advisory Council on Natural Resources. This report shows the vast unmapped areas of the State and the relatively modest request for the coming year. But even this request is several times larger than the United States Geological Survey will be able to meet with its present funds.

I am sure I need not go into detail on the extreme importance of good mapping. Every kind of activity involving land depends on availability of adequate surveys including those showing the topography of the ground. I hope you will agree with the need for much more rapid prosecution of the map program in Montana.

Sincerely yours,

J. R. VAN PELT,
Director.

COOPERATIVE WATER RESOURCES INVESTIGATIONS

Another item covered by this appropriation, which is of special importance to Montana, is the cooperative water resources investigations.

Here again the committee approved a budget request which is considered inadequate. The budget request was $4 million, an increase of $200,000 from this year.

For many years the Geological Survey has carried out cooperative investigations with States and subordinate government agencies whenever the joint interests warrant such joint participation. Whenever funds permit and the programs proposed are acceptable, it has

been the practice to participate on a 50–50 basis. By law, the Survey is prohibited from providing more than 50 percent to any cooperative project.

Under this form of joint venture and because of the continually increasing need for water facts, the Survey's cooperative program of water-resources investigations has grown rapidly. With few exceptions, the actual acceptable offerings of cooperation have proved to be greater than the estimates of them at the time of the preparation of the budget. In 12 of the past 26 years, the Survey has had insufficient funds to meet, on a full matching basis, all acceptable cooperative offerings. In several years, deficiency appropriations have provided funds to provide for full 50–50 matching of State offerings.

The current budget provides for $4 million for cooperative water resources investigations. Current estimates of acceptable offerings for cooperation exceed that by about $700,000.

The Montana Bureau of Mines and Geology has been working for more than a year on plans for studies of ground-water resources of various critical areas in the State. As in 43 other States, we in Montana hope to make this a cooperative project with the Survey, which has on its staff most of the first-class ground-water experts in the country.

The Montana Legislative Assembly, which met this year, agreed fully with the need for such studies and authorized State-matching funds in the amount of $14,000 per year for the next 2 years, with the understanding that it would be spent on a 50–50 basis with the Federal Government.

This proposed additional cooperation would increase to $714,000, the amount by which offerings of cooperation exceed the $4 million budgeted for fiscal 1956.

I understand that even should Congress appropriate the full $4 million, it still will be necessary for the Survey to forego acceptance of additional amounts of cooperative offerings in 1956 or match these offerings on a basis substantially less than 50–50.

Because this program is brandnew in Montana, and because it is so greatly needed, it would be most unfortunate if we had to postpone it because the Federal funds were not available.

The needs for more water-resources investigations are real and pressing. These needs are stimulated in part by drought conditions during the past years, but more particularly by the greatly increased uses and the realization, as in Montana, that water is a vital and limited resource, to be wisely used.

NATIONAL FOREST PROTECTION AND MANAGEMENT

The total $32,411,500 for national forest protection and management is an increase of $1,875,000 in three items of importance to Montana.

The $800,000 increase for timber resource management is of significant importance. It will provide men and facilities for marking more timber for sale. I understand that through the increased timber sales this item will provide many communities will benefit. It will put more loggers and timbermen to work.

It will bring money into local communities, and, of course, the increased receipts to the United States Treasury will be far in excess of the $800,000 increase asked for timber resource management. Receipts from the sale of timber last year were more than $67 million. This does not include receipts from grazing, minerals, and other resources of the forest.

The small increase of $200,000 for sanitation and care of public campgrounds is important. It is far below what is needed to do the job of maintaining the national forest campgrounds in a sanitary condition for public use. It will help, however.

The forest fire protection item of $875,000 offsets a decrease in the appropriation shown on page 359 of the budget for fighting forest fires on the national forests.

FOREST RESEARCH

The Forest Service budget for fiscal year 1956 includes a $200,000 increase for research. This increase is intended for watershed management studies at some 15 locations over the country. New studies will be started at locations where the need for information is most urgent; at other locations studies now under way will be strengthened to provide more nearly adequate research programs.

The northern Rocky Mountains in Montana make up the headwaters of important streams tributary to the Missouri and Columbia rivers. Water from these high mountain sources furnishes domestic supplies for numerous communities and provides the needs for thousands of acres of irrigated farmland to the east and west of the mountain range. These uses require well-regulated yields of silt-free water. This area is also a major timber-producing region and furnishes forage for domestic livestock, and for deer, elk and other big game animals.

No watershed studies are under way in the northern Rocky Mountain area. And yet there is an urgent need for information as to how these forested areas can be logged without accelerating run-off and erosion rates with resulting damage to the water resource. Studies are needed to furnish the guidelines for timber removal consistent with watershed protection. Additional studies are needed to point the way toward the proper integration of watershed management and range management practices so as to insure stable yields of good quality water and, at the same time, provide continued production of forage.

FOREST ROADS AND TRAILS

I am delighted that the committee increased the budget request for this item by $1.5 million to $24 million, the total amount authorized.

There is a matter, however, regarding forest roads and trails which concerns me very much. I believe my colleague will be interested because it involves millions of sportsmen, hunters, campers, and fishermen.

Most forest road money is spent for roads over which to haul inaccessible national forest timber that has been cut by private operators. This is good business, since mature timber needs to be harvested from remote areas before it is destroyed by forest pests or disease. However, many of the forest roads and trails used by sportsmen are in bad shape and need rebuilding or extensive maintenance. Also, new roads are needed to accommodate the influx of millions of people using the forests since the close of World War II. Many such roads and trails are needed in the West and also in the national forests of the East where, I understand from colleagues in Congress, that use is heavy.

In Montana we need several roads solely for the people coming to the forests for recreation. Since road funds earmarked for building timber access roads should not be diverted to building roads for recreational needs, attention should be given to an appropriation of some 3 or 4 million dollars a year to be spent on building recreation roads in the next few years. This money will come back to us many times over.

Each year additional millions of people are coming into the national forests to camp, hunt, and fish. We have neglected to provide safe, passable roads. In many areas there are not adequate roads for the use of these people. How much longer this need can be overlooked is a question we must soon face. Somehow, we must provide for improving at least two-thirds of the existing 20,000 miles of recreation roads in the national forests as well as building another 12,000 miles of new recreation roads to meet the ever-expanding pressure of people coming into the forests.

These recreation roads at the end of the highways are a magnet which draws sportsmen into our forests and dollars into State and Federal treasuries. The 40 million people who go into our forests for recreation each year spend millions in gasoline taxes alone, and probably make a forest road a better revenue-producer than a turnpike.

For example, take an 8-mile stretch of recreation road 40 miles from a town in Montana. People drive 40 miles to reach that forest road, 8 miles along it, then 40 miles back to town, paying gasoline taxes on an 88 mile drive that they would not have taken if it were not for that 8 miles recreation road.

COOPERATIVE RANGE IMPROVEMENTS

I was gratified to learn that the committee had increased the fiscal 1956 appropriation for this item by $120,000 from the budget request of $280,000 to a new total of $400,000, the same as provided this fiscal year.

The case for this appropriation is well stated by a letter from Mr. Ralph Miracle, of Helena, secretary, Montana Stockgrowers Association, which follows:

DEAR MR. METCALF: You have done some checking in the past in connection with the appropriation of the full amounts authorized by section 12 of the Granger-Thye Act of 1950 for range improvements on national forests.

It would be appreciated if you would advise us if there is any chance of securing this full authorization. In itself, by the time it is apportioned, it is still inadequate as far as Montana forests are concerned, but it would be fulfillment of the intent of the act.

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Listed below by years are comparisons of previous appropriation and authorized amounts for Montana forests:

	1952	1953	1954	1955
Cooperative range improvement funds appropriated by Congress distributed to Montana forests by fiscal years	$56,610	$25,969	$44,704	$33,759
Granger-Thye Act (Public Law 478) authorizations based on preceding years receipt from grazing fees	72,305	73,016	73,605	73,133

Our Montana forests have 1,626.2 miles of drift, boundary, and division fences; 318.5 miles of stock driveways, and 1,847 water developments, all essential to good range management and deteriorating from lack of proper maintenance under present finances. Other improvements are badly needed. Some are being made by permittees at their own expense, but under present status this is hardly justified. Thanks for any assistance you can give on this matter.

Very truly yours,

RALPH MIRACLE,
Secretary.

Now $400,000 is a long way from the full amount authorized, which would be more than $700,000. But it is $120,000 more than the budget request for what is certainly the right approach to this problem.

The American people own thousands of acres of range that are administered by the Forest Service. Our Federal Government, acting as the landlord, must shoulder its responsibility for needed improvements.

Mr. KIRWAN. Mr. Chairman, I yield 5 minutes to the gentleman from Virginia [Mr. JENNINGS].

Mr. JENNINGS. Mr. Chairman, I merely want to call attention to the fact that the Cumberland Gap National Historical Park has been created and the land is in process of being turned over to the National Park Service of the Interior Department.

Mr. Chairman, Virginia appropriated approximately $300,000 for the acquisition of land; Tennessee appropriated between $75,000 and $100,000 for the acquisition of land; and Kentucky appropriated over $1 million for the acquisition of some 20,000 acres to create this park. Due to the fact that the hearings before the subcommittee were already in process, it was too late to make a request this year for an appropriation in this House bill. Consequently, a group of interested Congressmen and others appeared before the Senate Committee on Appropriations, after having received from the National Park Service an estimate of the amount it would take for construction of the minimum facilities after this land is turned over to the Department of the Interior in 1956. We asked for an additional appropriation of $112,000. I hope this will be agreed to in the Senate and that the conferees will give this every possible consideration because it is very worthwhile, very deserving and very much needed in this section of our country.

I should also like to take this opportunity to commend the committee for the fine work it has done, especially as it affects our National Forest Service. In my district we have a large acreage of National Forest Service land that will be affected directly by this appropriation.

I also would like to commend the committee for the appropriation for the Geological Survey and the Bureau of Mines, especially as it pertains to the health and safety program which maintains headquarters in Norton in my district. I respectfully request that consideration be given to the additional appropriation of $112,000 for the Cumberland Gap National Historical Park.

Mr. JENSEN. Mr. Chairman, I yield such time as he may desire to the gentleman from Utah [Mr. DAWSON].

Mr. DAWSON of Utah. Mr. Chairman, I just want to take this occasion to commend the committee, particularly the chairman thereof, the gentleman from Ohio [Mr. KIRWAN], for the forthright attitude that he has shown in connection with this measure, particularly as it relates to the Forest Service and the cadastral surveys by the Bureau of Land Management.

When my State of Utah was granted statehood we were given 4 sections out of each township for the support of our schools; but we could never get those lands until they were surveyed. As a result, we have been going all these years without sufficient appropriations to have the land surveyed. I therefore want to thank the committee for continuing the appropriation that was started last year to speed up the surveys in order to permit the land to be given to the State, which was promised to us a good many years ago.

I also want to commend the committee for the appropriation it has made for forest trails and for additional money to support our national parks. It is an easy matter for people to come in and say that they want to set aside areas for a national monument or a national park, and leave it sitting there. I think this committee has appropriated enough money this year to see that the parks are better taken care of than they have been before.

I therefore take this occasion to commend that committee for what it has done.

The CHAIRMAN. If there are no further requests for time, the Clerk will read the bill for amendment.

The Clerk read the bill.

Mr. KIRWAN (interrupting reading of the bill). Mr. Chairman, I ask unanimous consent that the balance of the bill be considered as read and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The CHAIRMAN. Are there any points of order to be made before amendments are considered? [After a pause.] The Chair hears none.

Mr. CHELF. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CHELF: On page 16, line 7, strike out "$20,000,000" and the remainder of line 7 and line 8, and insert in lieu thereof: "$19,654,300, to remain available until expended: *Provided*, That no part of this appropriation bill shall be used at any time to plan, map, build or construct a new roadway or highway to Mammoth Cave National Park leading from U. S. Highway No. 31W between Cave City and Park City, Ky."

Mr. KIRWAN. Mr. Chairman, will the gentleman yield?

Mr. CHELF. I am happy to yield to the gentleman from Ohio.

Mr. KIRWAN. Mr. Chairman, the gentleman from Iowa [Mr. JENSEN], and I have agreed to accept this amendment. I want to read why. I received this letter this morning from the Department of the Interior, and among other things it says:

Since our appearance before your committee in support of the National Park Service 1956 appropriations, we have made an adjustment in the roads program about which I feel you should be informed.

We have eliminated the $345,700 road contractual authorization item for Mammoth Cave National Park, and have assigned these funds in other projects of the National Park Service. This reassignment will allow the National Park Service to bring roads already started to completion at an earlier date.

I therefore accept the amendment, Mr. Chairman.

Mr. CHELF. I thank the gentleman, and I certainly do appreciate it very much. I will say that you gentlemen of the committee have been very kind and fair to me, and I thank you from the bottom of my heart on behalf of my people.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kentucky.

The amendment was agreed to.

Mr. GAVIN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GAVIN: On page 34, line 20, strike out "$10,683,690" and insert "$11,083,690."

Mr. GAVIN. Mr. Chairman, I ask unanimous consent to revise and extend my remarks and to proceed for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. GAVIN. Mr. Chairman, I at this time want to say that when this discussion came up this morning as to the transfer of appropriation consideration of the Forest Service to the Department of the Interior, I was unable to learn who was responsible for the transfer. But, I do want to say that I think the transfer to the subcommittee now handling the appropriations is an excellent one. My great friend, the chairman of the subcommittee, the gentleman from Ohio [Mr. KIRWAN], and his committee are all great conservationists, and I want to say that they are eminently qualified to handle the appropriation matters, particularly as it pertains to the Forest Service.

Mr. Chairman, my amendment today calls for an increase of $400,000 in the seedling program which comes under section 4 of the Clarke-McNary Act. Each year an annual appropriation of some $450,000, $447,061, to be exact, is

allowed for cooperation with the States in this very worthy project. I might call the attention of the Members to the fact that the States themselves contributed $1.6 million. In 1954 half a million acres were planted to forest trees under this program. Now, this might sound like a tremendous accomplishment. However, it is small when we consider there are approximately 60 million acres of private and non-Federal public forest lands in need of planting to restore productivity for future timber needs. While the budget allows the same amount for this program as the Appropriation Act included last year, I believe it would be good business to consider bringing this cooperative tree-planting program up to the full measure of activity which Congress provided for in the Clarke-McNary Act, which was $2.5 million a year.

Mr. COLMER. Mr. Chairman, would the gentleman yield?

Mr. GAVIN. I am glad to yield.

Mr. COLMER. First I should like to compliment the gentleman from Pennsylvania [Mr. GAVIN] who is himself a great conservationist, upon the splendid statement he is making. Secondly, I should like to concur in that portion of the gentleman's remarks concerning this transfer. I should like to say in that connection that some of my forestry people were very much concerned about this transfer from the Department of Agriculture to the Department of the Interior. I am glad publicly to attest that they have no reason to be concerned, because I agree with the gentleman that the transfer has certainly not been to the injury of the Forest Service. I thank the gentleman.

Mr. GAVIN. I thank the gentleman for his contribution. I want to point out that we have these 60 million acres of land, Federal and private. If we plant on the basis of a half a million per year, it is going to take us 60 years to rebuild these great forest areas. I visited several foreign countries last fall and I saw at first hand the terrible results of permitting land to become denuded and the soil to wash away, to erode, and go into the rivers and streams; lost forever. It is too late in many of these countries to do anything about it. We have poured millions of American dollars into tree-planting programs far removed from our own shores, and it is about time that we do something about this unproductive land we have and plant these millions of acres in order to make them productive so that the generations that follow us will have the same opportunities that had been given to us.

I can take anyone up through my State of Pennsylvania in certain areas where they ruthlessly slaughtered the forests and there have been over the years tremendous runoffs and great soil erosion. This neglect has been devastating. We should now rehabilitate, protect, and reforest our nonproductive land so that future generations will be able to carry on. On a recent visit to the countries of Europe I saw it first hand these denuded, barren hills, the eroded lands, the worn-out soil, I thought at the time that this, too, can happen to America. Today we must be thinking of the generations that will follow us and give our forest soils and waters the protection necessary for them to carry on. One very important feature of this whole conservation program is planting trees to stop these recurring devastating floods that are periodically visited upon us every spring and fall, to stop this terrible and devastating land erosion.

Here we come along with a small appropriation of less than $500,000 for this most essential and necessary program. The States are putting up $1,600,000. We appropriate $447,000. To me the production of trees to grow timber for future generations is one of the most important things for this House to consider, however. Nobody seems to be much concerned about it. I had two volumes that just came across my desk recently from the Foreign Operations Administration on the development of a country in South America. As I looked them over I was concerned why we do not have an American Operations Administration to make a study of our own problems that concern the future growth, development, welfare, and progress of this great country of ours.

This appropriation is only a very small amount, $447,000. It does not even match what the States are doing, $1,600,000. However, I felt that in requesting a $400,000 increase, it would be a step in the right direction. I sincerely hope that the Members of this House will favor the amendment to increase this appropriation at least to the amount that I have suggested.

The CHAIRMAN. The time of the gentleman from Pennsylvania [Mr. GAVIN] has expired.

Mr. GAVIN. Mr. Chairman, I ask unanimous consent to proceed for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. WIER. Mr. Chairman, will the gentleman yield?

Mr. GAVIN. I yield.

Mr. WIER. On behalf of the State of Minnesota, I should like to say that we have exactly the conditions the gentleman has described today. We are trying to do something about it, by setting up our own seedling activities through State institutions. I want to associate myself in this great work to which the gentleman from Pennsylvania [Mr. GAVIN] has devoted so many of his years of service.

Mr. GAVIN. I ask you today to seriously consider this amendment for an additional $400,000 for this program. It is a small amount of money, considering our national budget of some sixty or more billion dollars. Let us think about planting trees to produce timber so that the boys and girls that come after us in the next 50 or 75 years will have an opportunity to have timber to meet the needs of our economic life and the demands that will be made upon them for the tremendous increase in our population over the years.

I think this is a very worthy amendment, an appropriation that will give us the desired resules, not that we will benefit by it, but the Nation will benefit by it, and the generations of tomorrow will profit by the action that you take here in the House today.

Mr. FENTON. Mr. Chairman, will the gentleman yield?

Mr. GAVIN. I yield to the gentleman from Pennsylvania.

Mr. FENTON. Does the $400,000 the gentleman seeks to have added to this bill include the whole country or just Pennsylvania?

Mr. GAVIN. I might say to my very good and able friend from Pennsylvania that it includes the whole country. I also want to state at this time that the people of the 12th District of Pennsylvania are most fortunate in having my colleague, the gentleman from Pennsylvania [Mr. FENTON], to represent them in the Congress.

The only appropriation you have in the bill is for $447,000. The Clarke-McNary Act permits us to spend up to $2,500,000, which the Bureau of the Budget has never recommended, and nobody seems to be concerned to have the Bureau of the Budget to recommend it. I trust this amendment will pass.

Mr. KIRWAN. Mr. Chairman, I rise in opposition to the amendment, although I do not like to do it to my good friend and colleague from Pennsylvania. He appeared before the committee. We were very generous with him. He was listed for 10 minutes and we gave him 45 minutes of time; and I think he got his money's worth that morning.

After we listened to him we granted him 2 of the 3 things he spoke about. We restored $1,083,690 that the budget had taken out for fire suppression. Then we earmarked $330,000 for blister rust control. We doubled what they asked. But I do not think we should give this amount he is requesting today. I am for trees all over this country. I love to see them. As I said when I started speaking here, you can get on the train at the Union Station and get out as far as Silver Spring and there you will see the destruction the American people have done to this fine land.

Mr. WIER. Mr. Chairman, will the gentleman yield?

Mr. KIRWAN. I yield to the gentleman from Minnesota.

Mr. WIER. There is a tendency in the Congress to say that whatever help is asked of the Federal Government the States themselves ought to initiate a similar program and participate with some finances of their own. I am sure, as the gentleman from Pennsylvania stated, that Pennsylvania has done that.

Mr. KIRWAN. They ought to do it.

Mr. WIER. Minnesota has also subscribed to the reforestation program. We have thousands and thousands of acres of cutover land lying there useless. We are attempting to do just what I tried to describe, start a program to raise some of our own funds and then ask the Government for help, and the Government after all is greatly responsible for this tree cutting in days gone by.

If Minnesota wants to spend another $2 million, is it the position of your committee as representing the Department here that there is only so much that the Department here will approve

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with matching funds in spite of what the State of Minnesota will do, or the State of Pennsylvania will do in reforestation?

Mr. KIRWAN. I am for what the gentleman from Minnesota is talking about. I have been for the 13 years I have been in Congress. I have always maintained that this bill should be for $2 billions. But 2 of the 3 things the gentleman asked for were beyond the budget. We allowed the full budget estimate. I am for spending a billion dollars for America, for every bit of it, whether it is for Ohio, Pennsylvania, Minnesota, or any other State. We tried to give every dollar the budget asked for on this particular item. That is why I am asking you this afternoon to defeat this amendment. My good friend from Pennsylvania appeared in behalf of a number of items. We granted two of them. We are beyond the budget right now. I ask you to let us forget this one.

Mr. GAVIN. Mr. Chairman, will the gentleman yield?

Mr. KIRWAN. I yield.

Mr. GAVIN. In my opening remarks I expressed my gratitude for the consideration that had been given me when I recently appeared before the committee, I certainly want to pay tribute to the gentleman as a great conservationist and also to say that the committee is also eminently qualified to handle the appropriations for the Forest Service. I am very appreciative of the consideration which was given to me when I appeared, and I am most pleased with the action taken by the committee and subcommittee. However, this is one item, this seedling program which year after year has been given little consideration. I do not intend to pursue the matter further, but I do want to call the attention of the House to the fact that this particular matter does need to be revalued and more consideration given in the future than it has been in the past. The committee, I might say, have reported a splendid bill and deserve our hearty commendations for their fine work.

Mr. KIRWAN. I must say that when it comes to trees, streams, and other conservation measures, there is no better man in America and in the Congress than the gentleman from Pennsylvania [Mr. GAVIN].

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. GAVIN].

The amendment was rejected.

Mr. METCALF. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD with reference to the administrative provisions on page 12 and the Forest Service on page 28 of the bill.

The CHAIRMAN. Is there objection to the request of the gentleman from Montana?

There was no objection.

Mr. KIRWAN. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with an amendment, with the recommendation that the amendment be agreed to, and that the bill, as amended, do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. MILLS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 5085) making appropriations for the Department of the Interior and related agencies for the fiscal year ending June 30, 1956, and for other purposes, directed him to report the bill back to the House with an amendment with the recommendation that the amendment be agreed to and that the bill, as amended, do pass.

Mr. KIRWAN. Mr. Speaker, I move the previous question on the bill and the amendment thereto to final passage.

The previous question was ordered.

The SPEAKER. The question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

REPEALING SECTIONS 452 AND 462, INTERNAL REVENUE CODE OF 1954

Mr. COLMER. Mr. Speaker, by direction of the Committee on Rules, I call up the resolution (H. Res. 191) providing for the consideration of H. R. 4725, a bill to repeal sections 452 and 462 of the Internal Revenue Code of 1954, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 4725) to repeal sections 452 and 462 of the Internal Revenue Code of 1954, and all points of order against said bill are hereby waived. That after general debate, which shall be confined to the bill, and shall continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means, the bill shall be considered as having been read for amendment. No amendment shall be in order to said bill except amendments offered by direction of the Committee on Ways and Means, and said amendments shall be in order, any rule of the House to the contrary notwithstanding. Amendments offered by direction of the Committee on Ways and Means may be offered to any section of the bill at the conclusion of the general debate, but said amendments shall not be subject to amendment. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion, except one motion to recommit.

Mr. COLMER. Mr. Speaker, I yield 30 minutes to the gentleman from Illinois [Mr. ALLEN].

Pending that, I yield myself such time as I may consume.

Mr. Speaker, this is a closed rule for the consideration of the bill (H. R. 4725), a bill of a very highly technical nature, which seeks to correct certain frailties in the tax bill, whereby certain taxpayers are receiving unexpected windfalls.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. COLMER. I yield.

Mr. McCORMACK. The gentleman means the tax bill of 1954?

Mr. COLMER. I thank my friend for calling attention to that. It is the tax bill of 1954.

Mr. Speaker, if closed rules are ever justified I assume this is certainly an occasion when they are, because this bill specifically sets out to do one thing, that is, to correct a situation that has developed and has been brought to light in the administration of the tax bill of 1954.

Mr. Speaker, the bill will be explained by the distinguished chairman of the Committee on Ways and Means, the gentleman from Tennessee [Mr. COOPER] and the ranking minority member, the gentleman from New York [Mr. REED] and other members of the great Committee on Ways and Means, and I shall not attempt to explain it myself.

Mr. ALLEN of Illinois. Mr. Speaker, will the gentleman yield?

Mr. COLMER. I yield.

Mr. ALLEN of Illinois. This was reported unanimously by the Committee on Ways and Means?

Mr. COLMER. That was the testimony before the Committee on Rules.

Mr. ALLEN of Illinois. And the Treasury Department agreed?

Mr. COLMER. That is correct. In fact, the Treasury recommended the enactment of this bill.

Mr. ALLEN of Illinois. Mr. Speaker, I have no requests for time on this side.

Mr. COLMER. Mr. Speaker, I have no requests for time, and I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. COOPER. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 4725) to repeal sections 452 and 462 of the Internal Revenue Code of 1954.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 4725, with Mr. ASPINALL in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from Tennessee [Mr. COOPER] will be recognized for 1 hour, and the gentleman from New York [Mr. REED] will be recognized for 1 hour.

The Chair now recognizes the gentleman from Tennessee [Mr. COOPER].

Mr. COOPER. Mr. Chairman, I ask unanimous consent that all Members desiring to do so may have permission

to extend their remarks at the close of the general debate on the pending bill.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. COOPER. Mr. Chairman, I yield myself 15 minutes.

Mr. Chairman, the pending bill was unanimously reported by the Committee on Ways and Means.

I introduced this bill to carry out the recommendations of the Secretary of the Treasury which are contained in a letter addressed to me, dated March 7, 1955, which reads as follows:

MY DEAR MR. CHAIRMAN: This supplements my letter of March 3 concerning the operation of the two new accounting provisions covering deferred income and reserves for estimated expenses (secs. 452 and 462 of the Internal Revenue Code of 1954). Our studies now have proceeded far enough to indicate clearly that many taxpayers are planning to use these provisions to defer income and create deductions in excess of anything contemplated at the time they were proposed.

The objective of these sections was simply to conform tax bookkeeping with business bookkeeping. They never were intended to cover innumerable items some taxpayers apparently intend to claim. If permitted to remain in the law, they will cause a greater loss in revenue than estimated and cause considerable litigation. We are not able to adequately correct this by regulation. Accordingly I recommend that the two provisions cited above immediately be repealed retroactively to their original effective dates.

Our report and recommendations on various other technical corrections in the 1954 code will be ready soon.

Sincerely yours,

G. M. HUMPHREY.

So far as I know, no one disputes the equity of the principles involved in these provisions. It is my recollection that they were unanimously agreed to when our committee considered them last year. However, this was done with the understanding that the loss of revenue involved in all of the accounting provision changes which were being made by the House bill—of which these two provisions were only a part—would only be $45 million. As the bill became law, it was estimated that this revenue loss would be $47 million.

As the Secretary's letter points out, this loss was considerably underestimated. From the incomplete information now available, it appears that the loss from these two provisions alone may well exceed $1 billion.

Our committee held 4 days of hearings on this bill, and many witnesses urged that instead of repealing the provisions outright, they be amended so as to cushion the impact on the revenues. We carefully considered these recommendations, and decided that even though the principles involved in these provisions are sound, it will take considerable study before they can be worked out so as to avoid the transitional revenue loss.

The committee did instruct the staffs of the Treasury Department and the Joint Committee on Internal Revenue Taxation to study these provisions and to report back to the committee as soon as feasible. These instructions are contained in the committee report and also in a resolution offered by the gentleman from New York [Mr. REED], which was unanimously adopted by the committee.

For the information of the Members, I will discuss briefly the sections of the bill and under permission to revise and extend my remarks, I shall include in the RECORD a detailed discussion of the sections of the bill.

SECTION 1

Section 1 of the bill is the fundamental section. It is this section which repeals the two accounting sections—section 452 of the 1954 code dealing with prepaid income and section 462, dealing with reserves for estimated expenses.

Section 462 of the Internal Revenue Code of 1954 was designed to permit a taxpayer on the accrual basis to take a deduction for reasonable additions to a reserve for estimated expenses. That section allowed taxpayers deductions for additions to reserves for estimated future expenses which are related to the income reported in the current year. The additions to the reserves were deductible under that section only if the expenses were for regular deductible items and if the Treasury Department was satisfied the reserve item was a type which could be reasonably estimated. The section also continued the provisions of the 1939 code which allowed in the first year of the change deduction for expenses actually paid in the current year although they relate to income reported in earlier years.

An illustration will indicate the operation of this section 462. Assume that a company manufacturing appliances guarantees the satisfactory operation of its product for 1 year. Assume also that it sells one of its appliances for $50 in December 1954 and that based on its previous experience it has found that it takes an average of $2 for each appliance to keep it in satisfactory operation for a year. Section 462 in this case would permit a taxpayer to deduct in 1954 the $2 expense which it expects to incur in 1955. Also, in 1954, the taxpayer is entitled to take a $2 deduction for the amount actually paid in 1954 to repair an appliance sold in 1953.

Thus in 1954 a taxpayer is entitled to a $4 deduction, consisting of a $2 addition to reserves for estimated expenses and the $2 for expense actually incurred in that year. Under the 1939 code he was entitled to a deduction for only $2 of expense actually incurred in that year.

The objective of this section was very sound, that is, of timing the deduction of the expense so that it could be taken in the year in which the income was received. At the time of the enactment of the 1954 code it was estimated that the revenue loss involved would be less than $50 million. However, it now appears that under the wording of the section taxpayers are claiming innumerable items as estimated expenses and that the section if left in the law will result in a substantial loss of revenue during a period when the Government is operating at a deficit. From the preliminary data now available it appears that the loss may well exceed $1 billion.

Because of the general language of the section it is believed that many taxpayers will seize the opportunity to claim estimated expenses far beyond what was contemplated at the time the Congress adopted the section. The result will necessarily be protracted and costly litigation. In fact the committee's attention was called by the Treasury to the figures of several very large corporations where their net income would be either eliminated or greatly reduced because of this provision. The Treasury is of the opinion that serious deficiencies exist in the provision which cannot be corrected by administrative action and that it will take considerable study and analysis before a satisfacory solution can be developed. For this reason I feel that prompt repeal of this section is necessary to guard against unintended and unexpected revenue loss. The Committee has instructed the staff of the Treasury and the staff of the Joint Committee on Internal Revenue Taxation to study this provision and report back with a solution overcoming the large revenue loss which the section as now written would produce.

Section 1 of the bill also repeals section 452 of the code which allows accrual basis taxpayers to postpone the reporting as income, payments received in the taxable year for work or services to be performed in later years which for accounting purposes should be matched with the expenses of later years. However, under the section the income could not be spread over more than the next 5 years and if taxpayer dies the full amount of the payments must immediately be reported as income.

For example, if a club received $24 of dues from a member on December 1, 1954, for the period from December 1, 1954, to November 30, 1955, under the law before the 1954 code the club would have to report the entire $24 as income in the calendar year 1954. Under section 452 of the 1954 code the club could report just one-twelfth of the dues, or $2, as income in 1954 and could postpone until 1955 the reporting of the remaining eleven-twelfths of the dues, namely, the $22. Section 1 of the bill before you repeals this 1954 code provision and restores prior law.

The committee also believed that section 452 had a great deal of merit in attempting to conform to sound accounting principles. However, the Treasury in recommending the repeal of section 462 also stated it was necessary at the same time to repeal section 452. It was pointed out to our committee that taxpayers who would normally use section 462 could in the absence of section 462 accomplish the same result in many cases under section 452 by merely changing the form of the transaction. For example, under section 462 it is possible to set up a reserve for estimated expenses attributable to fulfilling obligations of servicing and repairs under a product guaranty. If section 462 only were repealed, these taxpayers simply by changing the form of the transaction could defer under section 452 that portion of the income from the sale of the product which is attributable to the liability for future servicing and repairs under the guaranty. Moreover, the Treasury pointed out that under section 452 while a large portion of the income could be deferred the full expense could still be

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deducted in the year in which all the income was received. For example, assume corporation X, a real-estate company in the rental business, rented on January 1, 1954, a house for $200 a year for a period of 5 years, all of the rent to be paid in advance. Under the contract the company received $1,000 in rent during the calendar year 1954. Under section 452 this rent could be spread over a period of 5 years and, therefore, the company would only have to report $200 rent for each of the 5 years commencing with 1954. If the commissions and expenses of negotiating the lease amounted to $200, all of this expense could be applied under this section against the $200 rent reported in 1954 and thus eliminate the rental income for that year. This result might have a serious effect upon the revenue. Accordingly, the committee believed it important to repeal section 452 as well as section 462 and instructed the Treasury and joint committee staffs to make a study of this section with the possibility of bringing in corrective suggestions.

SECTION 2

Section 2 of the bill contains only technical amendments necessary to conform other parts of the code to the repeal of the two accounting provisions.

SECTION 3

Section 3 of the bill contains the effective date. It provides that the two accounting provisions are to be repealed as of the date they were first made effective in the 1954 legislation. Thus sections 452 and 462 of the 1954 code are repealed for taxable years beginning after December 31, 1953, and ending after August 16, 1954, the effective date of the 1954 code.

SECTION 4

Section 4 of the bill contains what are called savings provisions, that is, provisions designed to place taxpayers as nearly as possible in the position they would have been in if the two accounting provisions had never been made a part of the 1954 code.

Subsections (a) and (b) of section 4 provide that in the case of taxpayers who have claimed—either on their returns already filed or on their books—items in reliance on sections 452 and 462, no interest or additions to tax will be chargeable as a result of the repeal of these sections if on or before September 15, 1955, they file a statement reporting such additional amount.

For example, assume a corporation on a calendar-year basis had filed a return requiring the payment of a $10 tax and completed the payment of this amount by June 15. If the corporation's tax was increased by the repeal of these accounting provisions to $12, it would have through September 15 to file a statement and pay the additional $2 of tax. If payment was made by that date, no interest would be charged on this $2 underpayment. If the payment is not made by September 15, interest would have to be paid on it from the date of passage of this bill. No interest will be chargeable on such amounts for the period prior to this bill's passage.

Provision is also made that no additions to tax or civil penalties are to be payable if the extra $2 tax liability is paid by September 15, 1955.

Subsections (a) and (b) of section 4 also contain a loophole-closing provision which I believe can best be explained in terms of an example. Suppose that the taxpayer's return was not due until June 30, long after I hope this bill is enacted. He might be interested in postponing the payment of as much of his tax as possible so long as he does not have to pay interest. With section 462 in the law his tax liability as I indicated before might be $10. With the repeal of this section his tax liability might be $12. However, by setting up all kinds of fictitious reserves not permitted by section 462 he might claim his tax liability was only $5. Then by September 15, he might plan to wipe out any interest and penalties by paying the $7 he still owed—the difference between the amount paid and the $12 due because of the repeal of section 462. However, a provision in this bill provides that the interest is to be due on the total amount payable unless the taxpayer establishes to the satisfaction of the Treasury Department that his claiming his tax liability to be $5 instead of $10 was based on a reasonable interpretation of sections 452 and 462.

Subsection (c) of section 4 contains other provisions designed to place the taxpayer who files the statement and pays his addiitonal tax by September 15 in the position he would have been in if sections 452 and 462 had never been a part of the law. The most important of these provisions is contained in paragraph (3).

This paragraph provides that if the taxpayer is required to make a payment to anyone else as a result of the passage of this bill, and the 1954 code provides that the payment is to be made within a certain period if it is to be claimed as a deduction or exclusion in computing taxable income, then the taxpayer may claim the deduction or exclusion if he makes the payment by September 15, 1955.

For example, assume a corporation is required to make a payment of $10 into a profit-sharing trust. This payment is deductible in computing the taxpayer's net income only if paid on or before the date prescribed for filing the taxpayer's return. This date has expired. The $10 payment is computed according to a certain percentage of the net earnings of the corporation. As a result of the repeal of sections 452 and 462 the net earnings of the corporation are increased and the required payment will be increased from $10 to $12. The bill authorizes the deductibility of the extra $2 if paid into the fund on or before September 15, 1955.

Subsection (c) also contains a provision which provides that the repeal of sections 452 and 462 are to be ignored in determining whether penalties or interest is to be imposed with respect to the payments of estimated tax provided for under the declaration system.

In repealing sections 452 and 462, the committee believes it important to continue in effect certain rulings of the Treasury permitting accrual of vacation pay under certain circumstances. It also does not desire to disturb rulings under the 1939 code as they affected permissible accrual accounting provisions for tax purposes, including the treatment of of prepaid newspaper subscriptions. In this connection, I wish to quote the following letter from the Secretary of the Treasury, dated March 22, 1955:

MY DEAR MR. CHAIRMAN: This letter will confirm the statements made to you today by Treasury representatives.

I assure your committee that if H. R. 4725, as reported out by your committee, is enacted, as I earnestly hope it will be, the Treasury Department will apply revenue ruling 54-608 (relating to the accrual of vacation pay) only to taxable years ending after December 31, 1955.

Furthermore, the Treasury Department will not consider the repeal of section 452 as any indication of congressional intent as to the proper treatment of prepaid subscriptions and other items of prepaid income, either under prior law or under other provisions of the 1954 code. In other words, the repeal of section 452 will not be considered by the Department as either the acceptance or the rejection by Congress of the decision in *Beacon Publishing Co.* v. *Commissioner* (218 F. (2d) 697, C. A. 10, 1955) or any other judicial decision.

It is my understanding that the foregoing is consistent with the desire of your committee, with which I agree, that the repeal of sections 452 and 462 should operate simply to reestablish the principles of law which would have been applicable if sections 452 and 462 had never been enacted.

Sincerely yours,

G. M. HUMPHREY,
Secretary of the Treasury.

I urge the passage of the pending bill.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. COOPER. I yield to the gentleman from Texas.

Mr. PATMAN. Will the gentleman explain to us about the repeal of the narcotic peddlers' penalty section in H. R. 8300 that passed last year? It is my understanding that it passed so hurriedly and so quickly that the penalty was inadvertently repealed, and after a long period of time there was no penalty against narcotic peddlers in this country because of that.

Mr. COOPER. The situation is this: In the undue haste of considering and passing the bill H. R. 8300 last year, which became the Internal Revenue Code of 1954, the penalties for certain narcotic violations were left out.

The result was that for a period of 20 days—from January 1 of this year to January 20—these penalties for certain narcotic violations were not included in the law.

The Treasury Department finally discovered the mistake and, as I understand, brought it to the attention of the distinguished gentleman from New York [Mr. REED], who was chairman of the Committee on Ways and Means during the last Congress. But it was, I believe, in the month of October; Congress was not in session; there was nothing he could do about it. Immediately upon the convening of this Congress, therefore, in January of this year, the Treasury Department brought the matter to my attention as the new chairman of the Committee on Ways and Means, urging that this mistake be corrected. I promptly called a meeting of the Committee on Ways and Means which was

the first meeting held by the committee during this Congress and submitted the matter to the committee with the representatives of the Treasury Department there. The committee authorized me to introduce and secure the passage of a bill to correct that mistake. The result was that I did introduce and secure the passage of the bill by unanimous consent, I believe in less than 10 minutes' time, to correct a mistake which was brought about by the passage of the Revenue Act of 1954 which, by reason of this mistake, left out any penalties for certain narcotic violations.

Mr. JENKINS. Mr. Chairman, will the gentleman yield?

Mr. COOPER. I yield to the gentleman from Ohio.

Mr. JENKINS. Being a member of the committee, as far as I know we had no information that anybody took advantage of that oversight and we lost no revenue, so far as any information that came to our committee is concerned. We did not lose a dime by reason of it.

Mr. COOPER. It was not a question of losing revenue. It was a question of the entire narcotic underworld of the United States being turned loose without fear of any criminal penalties for certain narcotic violations.

Mr. PATMAN. Is it not a fact that any indictments that were presented during that period of time, of course, would have to be quashed because the law was not effective?

Mr. COOPER. That is correct. If there was no law in existence, you could not prosecute anybody for violating a law that did not exist.

Mr. BYRNES of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. COOPER. I yield to the gentleman from Wisconsin.

Mr. BYRNES of Wisconsin. The penalty did not lapse until the first of the year; in other words, the old law did not expire until the first of this year. There was this brief period of about 15 or 20 days or so before we finally acted on it. The narcotics people were familiar with this situation. Nobody was prosecuted or arrested, as far as that is concerned, for anything that occurred in that brief period of time, but they waited until they did something subsequent to that time or caught them for an additional offense.

Mr. COOPER. I thank the gentleman for his contribution.

Mr. MILLS. Mr. Chairman, will the gentleman yield?

Mr. COOPER. I yield to the gentleman from Arkansas.

Mr. MILLS. I think it important myself that the chairman of the committee make it clear in the RECORD in addition to the statement of the Secretary of the Treasury that it is the intention of the committee to reestablish the principles of law which would have been applicable if sections 452 and 462 had never been enacted. That is exactly what the committee was endeavoring to do, and that is the intention of the committee, is it not?

Mr. COOPER. The gentleman is correct, and our report on the pending bill, at pages 4 and 5, clearly states that.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. COOPER. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. I was out of the Chamber for a few minutes, and I wonder if the gentleman made any statement as to the effect of this bill one way or another on revenue.

Mr. COOPER. I will say to the distinguished gentleman from Massachusets that your committee tried diligently to secure estimates from the Treasury Department and from the staff of the Joint Committee on Internal Revenue Taxation and were unable to get any definite estimates of the effect on the revenue. However, it is my frank opinion out of my years of experience in dealing with these matters that the loss of revenue will run into billions of dollars.

Mr. BOGGS. Mr. Chairman, will the gentleman yield?

Mr. COOPER. I yield to the gentleman from Louisiana.

Mr. BOGGS. Several days ago when the representatives of the Treasury Department were before the committee we attempted to ascertain what the loss might be.

Mr. COOPER. The gentleman from Louisiana asked a number of questions on that subject.

Mr. BOGGS. It was impossible to get any estimate, but I might point out that some of the representatives of business who testified at the open hearings of the committee estimated that the loss would be not less than a billion dollars. I think you can assume that they were making conservative estimates.

Mr. COOPER. We can all make a fairly reasonable estimate on a matter of this kind when sufficient data is available. When you allow business to take 2 years of expense in 1 year, just multiply that by all the businesses of this country and the volume of items some thought were covered by these provisions, and anybody knows that the loss of revenue is bound to be a tremendous amount.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. COOPER. I yield to the gentleman from Minnesota.

Mr. JUDD. When the committee last year was considering the provisions which this bill will repeal, was the potential or probable loss of revenue pointed out? I do not recall that during the debate on the tax bill, it was pointed out that this condition would develop as it has.

Mr. COOPER. As the gentleman may recall, as he was a distinguished Member of this House during the last Congress as he has been for several Congresses, during the consideration of the bill H. R. 8300 last year the Democratic members of the Committee on Ways and Means, who were then in the minority, pointed out in the report and I stated in my speech in the House that the bill was considered with such haste and such inadequate and insufficient consideration was given to it that there was no doubt that many mistakes were included in it and it would take a long time to correct all of those mistakes in the future. In addition to the mistake made with respect to narcotics, which was mentioned awhile ago, and the mistake that is here sought to be corrected, that could result in a loss of billions of dollars of revenue, the Treasury Department now tells us that they have already discovered 70 mistakes, some clerical and some substantive, in the bill passed last year. In a letter I read from the Secretary of the Treasury dated March 7, his last sentence is:

> Our report and recommendations on various other technical corrections in the 1954 code will be ready soon.

Mr. JUDD. But it is true that this particular mistake was not recognized by any of us until after the bill was passed; is that not correct?

Mr. COOPER. When we made inquiries in committee as to the effect on revenue of these accounting provisions, we were told that all the accounting provisions recommended and urged by the Treasury Department would lose about $45 million revenue. After the bill went to the other body, some additions were made and it was then estimated that it would result in a loss of $47 million. That is the picture that was presented to us. Now it is realized that the losses will run into the billions of dollars.

Mr. BOGGS. Mr. Chairman, will the gentleman yield?

Mr. COOPER. I yield.

Mr. BOGGS. As a matter of fact, the $47 million estimate included items over and beyond these items. In a breakdown we received several days ago, the estimate for sections 452 and 462 was set at about $35 million, is that not correct?

Mr. COOPER. That is correct.

Mr. REED of New York. Mr. Chairman, I yield myself 15 minutes.

Mr. REED of New York. Mr. Chairman, the bill which is now before us was approved by the unanimous vote of the Committee on Ways and Means. I introduced an identical bill, H. R. 4726, on the same day as did the distinguished chairman of our committee, Mr. COOPER. As a result this technical correction of the Internal Revenue Code of 1954 is a bipartisan matter, recommended by the Treasury.

I shall not offer a technical explanation of this legislation. My distinguished chairman has already presented an accurate and detailed explanation which I could not improve upon.

There has been a lot of talk to the effect that our action last year in approving these two sections which we now seek to repeal was simply to grant a windfall to business taxpayers. In that connection, I would like to point out that only last Tuesday the Committee on Ways and Means unanimously went on record to reaffirm its belief in the soundness of the general objective which we sought to achieve last year. Our committee took this action pursuant to a resolution which I offered.

The resolution is as follows:

> Whereas tax accounting does not in many cases conform to generally accepted principles of business accounting; and
>
> Whereas the law in effect prior to the Internal Revenue Code of 1954 resulted in discriminatory tax accounting treatment between different taxpayers which repeal of

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sections 452 and 462 will leave uncorrected; and

Whereas the revenue and other relevant considerations permitting, tax accounting should be brought into harmony with generally accepted principles of business accounting when the latter more accurately reflects the receipt of income and the incurring of expenses: Be it

Resolved, therefore, That the chairman request the staff of the Treasury and of the Joint Committee on Internal Revenue Taxation to undertake a study of this problem, including the feasibility of achieving the above objective and methods of accomplishing the same, the staffs to report back to the committee the results of their study as soon as practicable.

Mr. Chairman, there are some who have seized upon this particular problem as a means of casting uncertainty and suspicion upon the entire tax-revision project enacted last year, represented by the Internal Revenue Code of 1954. These attacks are part and parcel of a concerted plan to create fear and uncertainty and to undermine confidence of the American people in the soundness of our economy.

I am not one of those who claim that the product of their labors is always perfect. I think we all realized last year when we undertook the tremendous task of tax revision—the first such undertaking in over 75 years—that we would make mistakes and that we would have to reconsider some of the technical problems from time to time. The new tax law covers almost 1,000 pages. It represents thousands of changes in the old law. Obviously, it was unavoidable that problems would arise which would require further consideration.

Mr. Chairman, when one of our great automobile producers builds a new car he tests it for many thousands of miles under actual road conditions. In this way, he turns up the bugs in his product. That is what we are doing now. The great new Internal Revenue Code of 1954 is having its road test. That is the only practical way that we can find out where the law is not working properly.

I have asked the Secretary of the Treasury to furnish us with a list of all other problems which have come to his attention in the operation of the new law. We understand that there are a number of items which need correction. Most of these are of a clerical nature, with absolutely no revenue significance. Those who talk so freely about loopholes in the new law should remember that that law closed some 50 loopholes which had existed in the old tax law. Therefore, I say to you—do not be misled into overlooking the tremendous accomplishment represented by the new tax law. It is truly a monument to all who participated in its development. Whatever its imperfections may be, it has been acclaimed throughout the country as a tremendous improvement over the old law.

Mr. Chairman, we have been hearing a lot of talk about the new tax law being a rich man's tax bill. I suppose that there are some who sincerely believe that there is some political advantage in spreading this type of misrepresentation. I am going to set the record straight once and for all on this matter. Of course, the tax-revision bill was not designed primarily as a tax-reduction measure. Its major objective was to correct inequities which had existed under the old law. In so doing, there was an incidental reduction of individual income taxes amounting to $827 million. In addition to this, the bill included tax reductions for corporations estimated at $536 million. That is the first fact to get straight—of the total tax reduction contained in the tax-revision bill, about 60 percent went to individuals and only about 40 percent went to corporations.

Now, let us see how the $827 million individual income-tax reduction was distributed between the different income groups. It is estimated that approximately 40 percent of that relief was for the benefit of taxpayers with incomes below $5,000 and that about 60 percent of the relief went to individuals with incomes above that amount. There is no substantial disagreement with these figures.

It is, of course, true, Mr. Chairman, that some of the particular relief provisions were more to the benefit of one group than another. For example, I recognize that a substantial portion of the tax reduction on dividends is for the benefit of those with incomes above $5,000. On the other hand, almost the entire $130 million provided for working-mother child care is estimated to go to those with incomes below $5,000. In addition, approximately two-thirds of the tax relief for retired people goes to those below $5,000. These two provisions alone provide together about $50 million more tax relief for those with incomes below $5,000 than does the entire dividend provision provide with respect to those with incomes above $5,000.

Therefore, those who seek to create the impression that the Internal Revenue Code of 1954 provides little or no relief for small taxpayers are simply not telling the truth.

I have stated that about 40 percent of the individual income tax relief contained in the tax-revision bill went to those with incomes below $5,000. Perhaps there are some who will say that this proportion represents an improper and inequitable distribution of the tax relief. In that connection, let me point out this fact—taxpayers with incomes below $5,000 today bear about 29 percent of the total individual income-tax burden. Therefore, the tax-revision bill gave 40 percent of the individual income tax relief to those who bear 29 percent of the existing burden. On the other hand, the same bill provided 60 percent of the individual income tax relief to those who bear 71 percent of the burden. I would never for a moment deny that taxpayers of small incomes are hard pressed by present taxes. Those taxes must be reduced at the earliest possible time. But let us be fair in this matter. Let us not seek to create the false impression that people with incomes above $5,000 are somehow escaping taxation. Let us not be carried away by demagogery.

Let us turn now for a moment to the 10-percent reduction in individual income taxes which took effect a year ago last January 1. We are apt to overlook the fact that that individual income tax reduction totaling $3 billion many times outweighed the relatively small tax relief to be found in the revision bill. The $3 billion tax reduction amounted to about 10 percent for those in the lower brackets and ranged down to a reduction of only about 1 percent in the upper brackets. That was no rich man's tax bill. Some of my friends on the other side of the aisle have said that the increase in social-security tax more than offset the income-tax reduction in the case of some lower bracket taxpayers. That was true. However, you know and I know and the workers of America know that the social-security tax is a contribution toward the workers' own retirement system. The increased tax was simply an increased investment by our working people in their own retirement security and in the survivorship protection for their wives and children. The American people will receive back that increased contribution in the form of future social-security benefits. I point this fact out because I do not think it fair to confuse the income-tax reduction effective January 1, 1954, with the social-security tax increase which took effect at the same time.

The total $3 billion individual income tax reduction was distributed by income groups as follows: 31 percent of the relief went to individuals with incomes below $5,000 and 69 percent of the relief went to those above $5,000. Approximately 25 percent of the reduction went to those with incomes between $5,000 and $10,000. As a result, more than half of the relief went to those with incomes below $10,000. Again, I would like to point out that this distribution of the relief almost exactly paralleled the existing distribution of the total income-tax burden. Moreover, the 1954 tax reduction was distributed in almost exactly the same manner in which the 1951 tax increase had been distributed. Under the 1951 Revenue Act, almost 70 percent of the tax increase was imposed upon those with incomes above $5,000. It seemed only fair that we should reduce taxes in the same manner by which we had previously increased them.

It can properly be pointed out that the $3 billion tax reduction which took effect January 1, 1954, had been written into the law by a Democratic Congress. Of course, that reduction could never have been given reality had not the Republican Party succeeded in slashing at least $11 billion from the Democratic spending program. But, to be fair, the law was written by the Democrats. Now let me remind you that that tax cut, designed by the Democrats, gave only 31 percent of the relief to those with incomes below $5,000. The Republican tax-revision bill, on the other hand, gave 40 percent of the relief to this same group—almost half again as much.

Personally, I regret exceedingly this continued Democratic emphasis on income classes. I was brought up in the tradition that we did not have classes, as such, in this great country of ours. I was taught that every American stood as an equal among his fellow Americans. I still believe that this principle is basic to our way of life. I have demonstrated

that the continued Democratic efforts to label the Republican tax program as a rich man's program and as discriminating against the little taxpayer are without any foundation in fact. Such political propaganda adopts the theory of class struggle which is foreign to everything for which America stands.

Mr. Chairman, only the day before yesterday, the Department of Commerce reported that some 41 percent of American families have incomes of $5,000 a year or more. Fifty-five percent receive incomes of more than $4,000 a year. More and more, we are becoming a Nation of middle-income people. As a result, I have been shocked at the persistent campaign of slander and villification directed at this great group of Americans. I do not think that it is even good politics. I believe that this propaganda will be repudiated by the great majority of independent-thinking citizens.

Mr. Chairman, I have been increasingly astonished and alarmed at the pattern of Democratic tax philosophy as it has unfolded within the last year. Let us look at the record.

First, my friends on the other side of the aisle proposed a $100 increase in exemptions. Under other circumstances, this might have been a perfectly reasonable approach had not budget considerations prohibited its adoption. However, it was soon realized that such an exemption would give more relief to the upper-bracket taxpayer. The millionaire paying over $800,000 in taxes annually would receive $87 of tax relief while the small taxpayer would only receive a $20 reduction. So this year the exemption approach was abandoned and a $20 tax credit substituted to insure that everyone would receive exactly the same tax relief, completely ignoring the highly progressive nature of our present tax structure. But, Mr. Chairman, even this approach was soon abandoned, apparently on the ground that $20 was too great a reduction for the upper brackets. In the other body, a plan was proposed which would in effect have denied any tax relief whatsoever to American families with incomes of $5,000 or more. In other words, the 41 percent of American families who bear about 70 percent of the entire income-tax burden were to get no relief whatsoever.

Mr. Chairman, that was class legislation with a vengeance. I wonder what the next move in this program will be. The only step which would seem logically to remain is for the Democratic Party to recommend increasing the taxes on families with incomes of over $5,000.

Mr. Chairman, I want to say a few words at this point. I do not think that anyone in his right senses can criticize the work that the Committee on Ways and Means did last year in formulating this revision. We heard over 500 witnesses. We had the use of about 500,000 man-hours of experts on this bill. It was a job that had to be done then. Nobody knew when it could be undertaken again.

We have heard here from the distinguished chairman that there are other corrections to be made. Of course, there are. While they have enumerated some seventy, I asked the question, How many of those were clerical? They said about 30 of those were matters of commas, semicolons, and just clerical errors. There will be those, of course, in correcting this great bill of 1,000 pages. It is a wonderful piece of work, and the marvelous thing about it is that during all this time, outside of these criticisms here, it has received commendations from one end of this country to the other by the leading tax lawyers and experts of this country. Now, everyone of us dedicated his time to sit there and hear these 500 witnesses and try to get down to the bottom of this thing. And, I will say for the distinguished chairman, he never missed a meeting. He was there every day. And we were running these hearings many times until midnight, and when we did, without asking one of our experts or the stenographers—and we had many of them—stay from 5 o'clock until midnight, each one of them was there when we adjourned. Every person engaged in this work dedicated himself to this task for the good of his country and for no other reason. I have no patience with those who, for political reasons, now want to try to emasculate this bill and condemn it from one end to the other.

Mr. COOPER. Mr. Chairman, I yield 10 minutes to the gentleman from Louisiana [Mr. BOGGS].

Mr. BOGGS. Mr. Chairman, my distinguished friend and former chairman of the Committee on Ways and Means a moment ago talked about those who wanted to emasculate the new code and implied that this was a political move. But what are the facts? We are here today repealing two sections of that code at the request of the Republican Secretary of the Treasury, Mr. Humphrey. As a matter of fact, he came before the committee in quite a hurry and said that we must do this post haste. This was, of course, the second time that he or one of his representatives had been before the committee.

He first came shortly after this Congress convened when the Treasury Department realized that they left out all of the penalty provisions in the narcotic section. I believe that we can expect rather than political emasculation, as my good friend from New York [Mr. REED] says, that the Treasury Department will be back before the committee asking us to adopt other amendments.

You will be interested in knowing that on day before yesterday Mr. Williams, of the Treasury Department, said that as of this time he knew of approximately 70 corrections which have to be made in the revenue code of 1954. Now, if blame attaches here, where does it attach?

I was quite interested in hearing the distinguished Secretary of the Treasury making statements before the Committee on Ways and Means that the members of the committee had to bear the responsibility for the $47-million estimate which has turned out to be an error of at least $953 million, if not a great deal more. Well, now, that is an interesting assumption. If the time comes when the Committee on Ways and Means of the House of Representatives and the Finance Committee of the other body cannot rely upon the estimates of the Treasury Department of the United States, then on whom can we rely? We relied upon the $47-million estimate, although I must say in fairness to the then minority members of that committee that we anticipated difficulties and we probably understated the case. I read from page B6 of the report on H. R. 8300, the Internal Revenue Code of 1954 where the minority said this:

> The staffs of the Joint Committee on Internal Revenue Taxation and the Treasury Department together have spent over 2 years preparing recommendations for this bill. Extensive hearings were held, and some 15,000 replies to questionnaires were reviewed, preparatory to making recommendations to be included in the bill.
>
> In contrast, the committee deliberated on this bill for only one month and a half. In our opinion, such a complete overhauling as this, involving the most complicated laws which the Congress has ever written, would require at least 1 year to fully understand the changes proposed and to intelligently approve existing law as being as nearly perfect as it can be made.
>
> We frankly admit that we do not fully understand or comprehend many of the changes proposed in the bill. Many tax lawyers spend their entire lives keeping posted on certain narrow fields of taxes. In many instances, we were not even given a draft of the proposed changes in the law until the committee began considering them.
>
> We fear that, in the hasty manner in which this most complicated legislation has been handled, we will have to spend many weeks straightening out the law in the future, if the bill becomes law. In the short time which we have had to review the bill—and we were only given a completed committee print a week ago—we have found certain changes which are being proposed which we question. The fact that we have not commented on other changes in the bill does not necessarily mean that we approve them.

I do not think one had to be prophetic to write that section of the report. Nevertheless, it is quite astonishing that the Treasury Department was not able to anticipate the tremendous amount of money involved in these provisions. On the item of vacation pay alone it is not improbable that the amount involved could run as high as a billion dollars. I say this on the basis of some of the returns which have already been made. A few examples show one corporation claiming $23 million, another $35 million, $10 million, $3½ million and so on.

I might point out in connection with the so-called allegations of fairness to business that we have put some of these very reliable business firms in a straitjacket, in a very bad situation. Some of them, acting on the basis of this law had already filed their reports for the year 1954, had already declared their earnings and paid their dividends. Now those same responsible firms must go back and recalculate their taxes under the law as it existed prior to August 1954. I might say this, too, that we wonder how much certainty these corporations feel at this moment with the representatives of the Treasury Department coming before our committee and saying to us that a rather cursory examination of the code now reveals to them at least 70 corrections which must be made in the relatively near future. I would suggest that the lawyers and the corpora-

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tion officials and the business executives, must have a feeling of insecurity about what their tax liability may ultimately be for 1954 and 1955.

So it seems to me, Mr. Chairman, just a little bit out of keeping, just a little bit out of place, to be talking about political attacks on H. R. 8300 and using all kinds of names in describing the proposals which have been consistently made by the now majority of this body.

The fact remains that these provisions which we are now repealing were written in at the insistence of the Treasury Department of the United States, and that the Treasury Department did not discover the mistake but it was discovered either by the gentleman from Arkansas [Mr. MILLS] or the gentleman from New York [Mr. ZELENKO]. Even after they discovered it and as of this very moment the responsible fiscal agency of the United States, the Treasury Department, either refuses to or dares not come before this body and make an estimate on the amount of money involved. I have an idea why they will not do it. It is because it is just so big, it is just so much, that they do not want to admit it.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. BOGGS. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. What about the staff of the Joint Committee on Internal Revenue Taxation? They are supposed to be independent, and to advise the committee. Cannot they give a figure? They are not supposed to be owned by the Treasury Department.

Mr. BOGGS. I agree with the gentleman completely.

Mr. McCORMACK. I mean the committee whose chief of staff is Mr. Stam, the Joint Committee on Internal Revenue Taxation.

Mr. BOGGS. It so happened that on this particular section the staff of the Joint Committee on Internal Revenue Taxation did not give an estimate. They were not called upon to give an estimate when the 1954 code was being drafted.

Mr. BYRNES of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. BOGGS. I yield.

Mr. BYRNES of Wisconsin. Why does not the gentleman tell the majority leader exactly what the chief of staff of the Joint Committee on Internal Revenue Taxation told us?

Mr. BOGGS. He told us that he had not given an estimate.

Mr. BYRNES of Wisconsin. He told us that it was impossible to make an accurate estimate; the same language used by the estimators down at the Treasury.

Mr. BOGGS. Let us look at that for a moment. We put the estimator from the Treasury on the stand the other day and we got to asking him a few questions. I have no fault to find with him. His estimates were based upon the data which were given to him. The trouble was that the information given to him was inadequate.

Mr. BYRNES of Wisconsin. As I understood the majority leader, he was talking about the estimated revenue loss that is actually going to result now from what we understand industry might take advantage of under these two sections, what they now figure the revenue loss will be. My point is that the chief of staff of the Joint Committee on Internal Revenue Taxation said that it is impossible to make that estimate with any degree of certainty, the same answer that the Treasury gave.

Mr. COOPER. Mr. Chairman, will the gentleman yield?

Mr. BOGGS. I yield to the gentleman from Tennessee.

Mr. COOPER. I can give the gentleman from Wisconsin this statement which was furnished by Mr. Stam and included in the report accompanying the pending bill:

> From incomplete information now available, it appears that the loss from these 2 provisions alone may well exceed $1 billion.

Mr. BOGGS. There is an estimate from Mr. Stam.

Mr. BYRNES of Wisconsin. Is not that the same thing the Treasury has been telling you, but they cannot get it down to any definite figure? They said it would be a billion dollars approximately, more or less.

Mr. BOGGS. That is not my recollection. Mr. Smith was before the committee. I believe it was the day before yesterday, and he would not estimate anything and he would not give us any figure.

Mr. McCORMACK. I saw in the paper where the gentleman from Arkansas [Mr. MILLS] said some time ago that there would be a billion dollar loss. And in a letter to the gentleman from Tennessee [Mr. COOPER] the chairman, and I want to be corrected if I am incorrect, in the first letter which the chairman received Secretary Humphrey indicated there would have to be some provisions repealed but he said the amount stated is grossly exaggerated. Is my memory correct on that?

Mr. BOGGS. If my distinguished chairman has the letter, he can quote from it.

Mr. COOPER. I have the letter here from the Secretary of the Treasury, addressed to me as chairman of the Committee on Ways and Means, dated March 3, 1955, and I will quote from it:

> Although the studies made thus far are not finished, it seems clear that some of the recent reports on the revenue loss involved are grossly exaggerated.

Mr. BOGGS. And the disturbing thing about it is that other provisions in the bill, possibly some of these 70 to which I have referred, were subject to the same type of estimates. We do not know what the losses may run to under this bill. It was estimated last year that it would run to $1,400,000,000 and on this one item alone it would run well over $1 billion.

When the Secretary of the Treasury was before the committee, the gentleman from Arkansas and I asked a series of questions about other provisions of the bill, and whether or not we can rely upon those estimates. In no case did we get a categorical "Yes" or "No" answer. There was a great deal of conversation about the depreciation provisions in the bill when we were debating the extension of the excise and corporate tax rates a few weeks ago. At that time I quoted from an article which appeared in the New York Times in which an economist estimated that that loss alone would be over $1 billion in this fiscal year. So that I suspect whether we like it or not we are going to spend a lot of time this year rewriting H. R. 8300.

Mr. Chairman, I yield back the balance of my time.

Mr. REED of New York. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from Ohio [Mr. JENKINS].

Mr. JENKINS. Mr. Chairman, I cannot quite understand what these Democratic Members on my right are going to do. They unanimously recommended the passage of this bill. I wonder what they are going to do. Are they going to vote for it? Yesterday they were unanimously for it. What is the matter with it today? Is it all gone to seed and all gone to pieces? I just wonder what they are going to do. Of course they are going to vote for it. Then why do they spend so much time in condemning it? I tell you that when this piece of legislation was being written last year, and when we were getting ready the year before to write it, it was something that every man on the Ways and Means Committee was proud of. They were proud of the work as it was being done and they were proud of the work that was done. Of course, some inconsistencies and some errors have been developed. But who developed them? Let me ask my Democratic friends, Did you develop any of them? You did not develop any of them. They were developed by Mr. Humphrey, of the Treasury. Mr. Humphrey came right up before the Ways and Means Committee as soon as he knew about them and told us about them. I never did see a witness come before the Committee on Ways and Means who took better care of himself than did Mr. Humphrey. I think the Democratic Members will agree with me when I say that was the case. What are we going to do about this bill today? We are going to vote for it, of course we are. We know that just within the last 2 or 3 days the Committee on Ways and Means has instructed all of the experts of the committee to go ahead and keep up the work and come back with more corrections. I am the first one, I think, on the committee who asked anybody how many errors they had found. I sat there months and months and helped to write this bill. I do not think anybody was so timid and so inexperienced to think that a great piece of work like a tax bill would come out without some errors.

I asked a question some weeks ago of one of our experts as to how many errors they had discovered. He answered that there will be about 40 mistakes. It is the most gigantic piece of legislature work we have had during my day in this Congress. Many of these Members who are criticizing it today were proud to say that they participated in drawing the biggest and most potent and most satisfactory tax bill that was ever drawn.

So what are they going to do now? Of course they are going to vote for it. Why? They know that even though there are mistakes in it this is a good bill.

We may have lost some tax money by reason of this error. We are not going to lose the money we did not get. Nobody has stolen anything. Nobody is accusing anybody of dishonesty. They paid whatever taxes they owed. You could not expect them to pay more than the law provided. Just as Mr. Humphrey said to some of these critics, "Why did you not correct some of these errors yourselves? Where were you when you were writing the bill? He said he did not write the bill. You folks—meaning the members of the Ways and Means Committee—wrote it. Why didn't you see to it that it did not have any mistakes in it?"

That is the way I look at this. I look at this, and I am speaking in behalf of you who are not members of the Committee on Ways and Means. I am sure you do not understand all the details connected with this legislation. I know some of the members of the Committee on Ways and Means who do not understand them too well themselves. I am one of those. It is a big piece of legislation. So far nobody has shown any dishonesty about it. It is a big, growing piece of legislation that is going to get bigger and better by reason of the fact that we are going to find mistakes in it. I am going to vote for this bill. I am going to help Mr. Humphrey whenever he comes up with any mistakes.

I say to you that everybody who knows anything about it will say that Mr. Stamm, the chief of the staff of experts who wrote this law, is the most capable tax man in America. His staff is the most capable staff anywhere. I heard our good chairman compliment Mr. Williams, the chief of the staff representing the Treasury. I heard him compliment him the other day as one of the fairest witnesses we had ever had before us. I will say for Mr. Williams, that he is also one of the finest tax experts I have ever seen. The Congress should feel safe with men of the caliber of Mr. Stamm and Mr. Williams looking after the drawing of tax bills.

This is a tough job. Those of you who have not had a chance to study this bill, do not be too anxious to get into the study of it, because there is no end to it.

I want to leave this one conclusion with you, that nobody has voiced any criticism against anybody's character or anybody's honesty. But this is a great big growing thing and we are trying to make the best we can out of it.

Mr. BAILEY. Mr. Chairman, will the gentleman yield?

Mr. JENKINS. I yield to the gentleman from West Virginia.

Mr. BAILEY. Was not this a piece of legislation that came out under a closed rule? Had we had an open rule we might have found a lot of these loopholes.

Mr. JENKINS. I cannot agree with the gentleman that the whole House could have written a better bill than the Ways and Means Committee and their experts.

The CHAIRMAN. The time of the gentleman from Ohio has again expired.

Mr. REED of New York. Mr. Chairman, I yield 20 minutes to the gentleman from Missouri [Mr. CURTIS].

Mr. CURTIS of Missouri. Mr. Chairman, first I want to say that I think the report of the committee on this bill was excellent and well stated, and I believe if the membership will refer to the weighed language of the report they will get the real facts of the case and perhaps some of this oratory will not have too much influence.

Let me say in behalf of the work the Ways and Means Committee did on H. R. 8300, that the work in my opinion was excellent and I think most of the Members felt so at the time. It is perfectly true that a month and a half of actual committee executive sessions on a bill a thousand pages in length could have been extended. It is a difficult thing in the first comprehensive tax code revision made in 75 years to make no mistakes even with all the work we have done, even though the groundwork has been laid 4 years ahead of time, at least with the studies accountants, lawyers, interested citizens, and so forth, had been making, culminating in the study of the Treasury staff, and the joint committee, the Ways and Means Committee staffs.

I want, and I think properly, to call attention to the part that even with the limitation of time spent, I think in fairness, those who criticize should point out that there was no specific time during our executive sessions and during the consideration and writing up of the bill, that they said: "Now, let us pause here and dig into this particular thing a little more." I think we all recognize that the executive sessions on the writing of this bill could have been extended a very great deal, and I think that is true whenever the House or Senate undertakes to revise a code extensively.

I might say to the gentleman from Louisiana, regarding his particular remarks about the cursory examination of the code by the Treasury revealing 70 changes that should be made: The use of the adjective "cursory" is hardly justified in the light of the testimony we received. It was a very extensive examination looking at every "i" and every "t" to be sure they were properly dotted and crossed, and began back in October and continued to date. Furthermore, I think the evidence is clear that the Treasury had caught this particular error that we are now trying to correct, or began to worry about it back in October, and it did not require a recent speech or publicity on the part of 1 or 2 Members to call it to their attention. As a matter of fact, they had been making a very extensive study of this very thing.

Mr. MILLS. Mr. Chairman, will the gentleman yield?

Mr. CURTIS of Missouri. I yield.

Mr. MILLS. It is true, as I understand the situation, that the people in the Treasury Department began to wonder whether or not they could take care of this situation by regulation back in October.

Mr. CURTIS of Missouri. That is correct.

Mr. MILLS. But is it not also true that those same individuals did not call the matter to the attention of the Secretary of the Treasury until February of this year?

Mr. CURTIS of Missouri. At the date of the hearing when the gentleman asked the question; that is very true. The Secretary of the Treasury did not know about it personally, but I think the gentleman will recall in the testimony that the people in the Treasury pointed out they had just about that time completed the survey they were making and then referred it to him.

Mr. MILLS. Yes. It was about that time that the people under the Secretary of the Treasury's study decided that they could not correct it by regulation.

Mr. CURTIS of Missouri. Yes, and also had finished their samplings as to the possible effect.

I heard the statement the gentleman from Louisiana [Mr. BOGGS] made about losses and the statement the chairman made. I listened very carefully to a rereading of the letter of the Secretary of the Treasury, and it is very clear to me that Secretary Humphreys was not referring to Mr. MILLS' estimate of a possible billion-dollar loss, because I read in the newspapers about that time several statements to the effect that it was $5 billion loss, and I think that was what the Secretary was referring to and that in my judgment is exaggeration.

As a matter of fact, in testimony before the committee, the gentleman speaking for the Public Accounting Association testified that in his judgment which he stated was at best a guess the figure was around half a billion. I do not know where it will be, and I want to emphasize this that the reason Mr. Stamm, head of the Joint Committee on Taxation, and the Treasury cannot give us an estimate is because of the uncertainty of how far-reaching the language is, and it is not because of not wanting to do so; it is because their samplings cannot be that extensive. Actually, as they pointed out to us, the estimates may be high; the figure could be more or less.

Certainly, in regard to the vacation pay item, which the gentleman from Louisiana pointed out as one of the big items, and it is, that was written into the law gack in 1939. Under the law of 1939 the companies could set themselves up to take advantage of that accrued method of accounting without the necessity of these sections we are now repealing and probably many of them would have done so had we not put these sections in. So that the major item of revenue loss is actually going to face us regardless of what we do here.

Mr. BYRNES of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. CURTIS of Missouri. I yield to the gentleman from Wisconsin.

Mr. BYRNES of Wisconsin. I think it is also a question of the fact that the taxpayers themselves have the right to elect whether they use it or not. From their samplings so far they have found some taxpayers who could avail themselves of it possibly to their temporary advantage but they have not elected to use these two sections.

Mr. CURTIS of Missouri. That is true. That is true of a lot of these accounting procedures. It is a matter of election, therefore the uncertainty of the estimate

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of the revenue loss and what it might be comes from that. Some of them may elect, some may not. It is not an overall revenue loss, nor is it taking a double deduction. You only get the same amount of tax reduction over the lifetime of the company. The timing is the troublesome thing and the fact in this particular year they may double up on exemptions for the same type of thing. But they would lose that exemption when that corporation went out of existence so there is no overall loss.

Mr. SCHENCK. Mr. Chairman, will the gentleman yield?

Mr. CURTIS of Missouri. I yield to the gentleman from Ohio.

Mr. SCHENCK. I would like to ask the gentleman a question on a specific point. An insurance agent who sells a casualty policy to operate over a period of 3 or 5 years collects, of course, the premium and his commission for that total contract. He cannot very well assume he has earned his entire commission until the contract has been completed, because in the meantime if the property on which the insurance has been issued is sold, then the owner will request a refund of the premium he has paid for the unearned time. Many insurance agents, therefore, have placed their future earnings in a sort of trust fund and not handled it as income during the current year. I understand that that situation might have been possible under these two sections.

Mr. CURTIS of Missouri. As a matter of fact, the example the gentleman gives is exactly the kind of thing we were trying to take care of. That is good business accounting which really reflects the situation. The business accounting, however, has not been in accordance with tax accounting. The result has been we have been requiring our people to have 2 sets of books, one for their own purposes to run their business properly and the other to conform to our tax system. That is one of the things we had hoped to correct and the committee very positively has stated unanimously we still hope we can go on and correct it so that we may conform our tax accounting to good business accounting.

Mr. MILLS. Mr. Chairman, will the gentleman yield?

Mr. CURTIS of Missouri. I yield to the gentleman from Arkansas.

Mr. MILLS. The situation described by the gentleman from Ohio would be included under section 452, it is true, but we do not repeal section 452 because of any objection to that particular operation of a spreading of income in that particular case. We are repealing it, or suggesting that the Congress repeal it today, because there are other situations which are included under 452 that we have some question about. Is that not true?

Mr. CURTIS of Missouri. That is true and I thank the gentleman and emphasize that that is true. Actually we wish we could keep section 452, but it was pointed out that the two sections worked together. If we left in 452 people could set up their books not under 462 but in a way where they could avail themselves of 452 and we would still have the same problem. That is exactly why this committee has unanimously requested both the Treasury Department and our own staff to dig into these matters so that we can come up and do what we had hoped we were doing when we originally passed the law.

Incidentally, I want to say that the significant statement of the Secretary of the Treasury, Mr. Humphrey, before our committee was this. He said:

> Gentlemen, I do not believe we could have discovered our errors unless we had actually gone ahead and put this into operation.

It was the putting of it into operation that brought to our attention the extensiveness of the matter. I think it is frequently the case when we go ahead with new legislation which is very comprehensive that things do arise that we do not anticipate, but we never would have advanced to the point of realizing it if we had not tried it. The test of good legislating, in my judgment, and the attitude toward the legislation is being on the lookout for your errors and being ready to move in to correct them just as soon as you discover them. I think that is what we are doing in this instance.

Mr. SCHENCK. Just this one further point. As I understand from both the statement of the distinguished chairman of the committee [Mr. COOPER] and also from the report, the fact that these two sections are repealed makes the whole situation revert to the position it was before these sections were enacted. Is that correct?

Mr. CURTIS of Missouri. That is correct, and that is stated in the letter that Chairman COOPER requested of the Secretary of the Treasury to send to us so that it could be included in the report; so that businessmen and taxpayers and the courts would realize it.

Mr. MILLS. Mr. Chairman, if the gentleman will yield, I would like to say that that is not only the thought of the Secretary, but it is the thought of the committee as to the intent.

Mr. CURTIS of Missouri. Yes.

Mr. MILLS. That is exactly what the committee intends.

Mr. CURTIS of Missouri. Yes. And that is the reason the chairman requested the Secretary of the Treasury to send the letter so it could be put in the report.

Mr. SCHENCK. Therefore, in this instance, if the insurance agent had reported his total income on this long-term contract as of the year in which he earned or in which he received it, and he later finds that he has to refund part of it, then he can take that refunded part as a deduction from his income tax at that time.

Mr. CURTIS of Missouri. That is correct. At that time.

Mr. SCHENCK. I thank the gentleman very much.

Mrs. ST. GEORGE. Mr. Chairman, will the gentleman yield?

Mr. CURTIS of Missouri. I yield to the gentlewoman from New York.

Mrs. ST. GEORGE. I have no quarrel with this bill, not being a taxpayer, merely one of the vast majority of the American people who deplore both debt and taxation. But I would like to ask the gentleman what, in his opinion, would be the effect if this were not made retroactive. I have a letter here from one of the large companies in this country, and they state—and I can well sympathize with their position:

> We do indicate that a retroactive change in the code with respect to these sections will have most serious repercussions and for small business as well as some large business drastically upsets their economics of business planning for 1955.

Does the gentleman feel that that is being unduly apprehensive?

Mr. CURTIS of Missouri. Yes. We have tried to take individual specific cases in our hearings and follow through on some of the specific complaints of industry, and it is my judgment, and I think certainly the judgment of most of the committee, that the claims are exaggerated; that pain and hurt have been exaggerated. There is no minimizing the fact that we are doing some damage, but the damage in not making it retroactive would be a great deal more than what we are doing here.

Mr. COOPER. Mr. Chairman, will the gentleman yield?

Mr. CURTIS of Missouri. I yield to the gentleman from Tennessee.

Mr. COOPER. I may point out to the distinguished gentlewoman from New York the main difficulty we are trying to correct is because of the loss of revenue, and the loss of revenue will occur unless it is made retroactive. That is the most impelling part of the problem that we have, is that we have to make it retroactive to prevent the great loss of revenue that would be sustained.

Mrs. ST. GEORGE. Could the distinguished chairman tell me what that loss of revenue would be if it were not retroactive? Has any estimate of that been made?

Mr. COOPER. The Treasury Department is not able to give any estimate. I will give the gentlewoman the best estimate I can.

Mrs. ST. GEORGE. That will be very satisfactory, may I tell the gentleman.

Mr. COOPER. I think it will run to several billion dollars.

Mrs. ST. GEORGE. I thank the gentleman.

Mr. CURTIS of Missouri. I should like to say this to the gentlewoman from New York, that the committee in our studies and when we wrote this legislation had certain specific things in mind that we thought we were covering by these sections. The hearings were made public and were very well covered in the press. We had in mind certain specific inequities we were going to cover. One of them, incidentally, was vacation pay, which we knew about, but we knew also that we had already on our books the privilege of accruing vacation pay. So business, through their accountants and lawyers, were pretty familiar with what our committee was trying to do and what the Treasury was trying to do in this bill.

The difficulties in revenue loss do not arise—unanticipated revenue loss—do not lie in those fields. They lie primarily in the fields where the various

businesses and their accountants—and it is their prerogative—have gone ahead under the particular provisions to apply it to other things that we had not contemplated and did not realize would be used. As far as the injustice to them is concerned, I think that is somewhat minimized, because they were going a little bit ahead of us. I am not too sympathetic with them in those particular fields, although I am deeply sympathetic with them in certain fields that I know about where the damage we have caused or are causing is something that we can not easily repair.

Mrs. ST. GEORGE. I thank the gentleman.

Mr. LOVRE. Mr. Chairman, will the gentleman yield?

Mr. CURTIS of Missouri. I am glad to yield.

Mr. LOVRE. I want to commend the gentleman and his committee for their desire to retain section 452 if it were possible, because it is my understanding that section 452 is good accounting practice as well as in accordance with good business principles. Am I correct in that assumption?

Mr. CURTIS of Missouri. It permits the use of good accounting practice as applied to tax accounting; yes.

Mr. LOVRE. For the purpose of clarification, am I correct in my assumption that prior to the 1954 law a newspaper organization for tax purposes could prorate subscription income over the life of a subscription if the organization receiving a ruling from the Internal Revenue Service? Am I correct in that understanding?

Mr. CURTIS of Missouri. I believe that is correct. I want to call the attention of the gentleman to some of the language in the committee report that has to do with the newspaper accounting situation, which is at page 5, and also specifically in the letter that the Secretary of the Treasury wrote to the committee which is included in this report.

Mr. MILLS. Mr. Chairman, will the gentleman yield?

Mr. CURTIS of Missouri. I am glad to yield.

Mr. MILLS. I realize that the gentleman from Missouri [Mr. CURTIS] cannot give the gentleman from South Dakota [Mr. LOVRE] a positive answer because there are many factors involved under the old law as to whether or not a subscription could be spread over a 12-month period. One of the things involved was, did the company do it in 1940? If it did it in 1940 and some other conditions could be met, under the old law, then it could spread that subscription over the life of the subscription. About 95 percent of the publishing companies, I understand, did receive the benefit of the spread under the old law.

Mr. LOVRE. I have been told that there has been litigation involving this point and the courts have held in favor of the publishing companies.

Mr. MILLS. Mr. Chairman, will the gentleman yield further?

Mr. CURTIS of Missouri. Yes.

Mr. MILLS. That is the Beacon case. The court took into consideration the fact that the Congress had passed section 452. What the court would have decided in the Beacon case if Congress had not enacted section 452, none of us knows.

Mr. LOVRE. That being true, then there is an inequity and discrimination between the various publishing companies under the old law.

Mr. MILLS. There may well be.

Mr. CURTIS of Missouri. Under the new?

Mr. LOVRE. Under the old.

Mr. CURTIS of Missouri. Yes; that is my understanding.

Mr. LOVRE. I thank the gentleman and I hope that this inequity can be erased shortly and may be in the Senate when this bill reaches that body.

Mr. RHODES of Arizona. Mr. Chairman, will the gentleman yield?

Mr. CURTIS of Missouri. I yield.

Mr. RHODES of Arizona. May I ask the gentleman from Missouri if he feels there may possibly be some action on the part of the Congress or the Secretary of the Treasury to take care of certain situations in which some little people are being hurt by the enactment of this measure, beyond their control? I have particular reference to a situation which occurred in my district, in which some people who owned a piece of property leased it for 5 years, and took another piece of property as rent for the 5 years. Now they are in the position of having to raise the money to pay the income tax on that involving 1 year. They are not wealthy people and they probably will have a very difficult time raising the money.

Mr. CURTIS of Missouri. The gentleman has pointed out one of the specific cases where a real inequity occurs, but I do not know what we can do about it other than this: I know the chairman of our committee has instructed our staff and the Treasury staff to see what can be done. I am sure that specific situation and others will be taken under consideration. Whether anything can be done, I do not know.

I have one additional collateral matter I wish to bring to the attention of the membership. It has to do with some public misunderstanding of Secretary of the Treasury Humphrey's testimony before our committee on the bill before us.

On March 16, 1955, I inserted into the RECORD, on pages 3085–3086, an editorial appearing in the St. Louis Post-Dispatch on March 13, 1955, entitled "Mr. Humphrey's Blooper" and accompanying this editorial I included a copy of a letter I wrote to the St. Louis Post-Dispatch calling to their attention that the editorial was an extreme case of quoting a public official out of context.

I am happy to advise the House that on March 17, 1955, the St. Louis Post-Dispatch published an editorial entitled "What Secretary Humphrey Said," which very graciously corrects and explains the error of their previous editorial. I am inserting into the RECORD a copy of this editorial.

In spite of the material placed into the RECORD on March 16, 1955, appearing on pages 3085–3086, and in spite of the March 17, 1955, editorial of the St. Louis Post-Dispatch, on Monday, March 21, 1955, the gentleman from Illinois [Mr. PRICE] refers to the original incorrect editorial of the St. Louis Post-Dispatch and then goes on to commit the very same error of grossly quoting out of context the remarks of the Secretary of the Treasury. Obviously my colleague the gentleman from Illinois [Mr. PRICE] had neither seen nor read the material on pages 3085–3086 of the RECORD 5 days before or the correcting editorial of the St. Louis Post-Dispatch appearing 4 days before his remarks. Furthermore, he had obviously not read or discussed with any of his colleagues on the Ways and Means Committee the actual testimony of the Secretary of the Treasury Humphrey. Now that this has been called to his attention I hope that he will be as gracious as the St. Louis Post-Dispatch was and correct his remarks appearing on page 3305 of the RECORD of Monday, March 21, 1955.

That leaves only one further matter to be done. To find out who was responsible for the AP story upon which the Post-Dispatch based its editorial. Any news reporter in attendance at the hearings could have had no misunderstanding that Secretary Humphrey was assuming his share of any blame there might be for the mistake in writing sections 452 and 462 into the Internal Revenue Code revision of 1954 and yet the AP report, according to the editors of the St. Louis Post-Dispatch quoted the Secretary so out of context that the opposite of what he did say was reported. There was no question the day Secretary Humphrey testified there was a concerted move to attack him. This was evidenced not only by the questions and procedure followed by our committee, but was also evidenced by a rash of unfriendly articles by news commentators and columnists immediately following.

It is important for both political parties and for the preservation of our system of government that there he honest public discussion. Honest public discussion can only flourish where there is honest reporting. The hearings before the Ways and Means Committee on March 11, 1955, when Secretary Humphrey testified in other respects have not been accurately reported. From a practical standpoint it is too late to do anything about it now, but it is not too late to start from that point to begin a movement to bring about fairer and more accurate reporting. The reporting profession is an honorable one and there should be no place in it for politicians hiding under the guise of being reporters.

I am hopeful of one thing, that there will not be a constant referral back to the misrepresentation of what Secretary Humphrey did say in future news articles, public comments, and speeches on the floor of the House. I have observed over a period of years that the technique has been used to quote, or misquote, a public official out of context and even when the error has been shown and corrected to continue to refer back to the misquotation as if it were true and fair. The case of Secretary Wilson's statement about the welfare of our country and the welfare of General Motors is a case in point. I finally took the floor of the House on this matter last session to try to keep the floor clear of compounding

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this injustice. Although that seemed to end the matter for last session, no sooner had this session started when a Member of the House made a reference to this false quotation. I challenged him and even though he refused to correct himself I am hopeful that we will have no further misquotations on this point this session.

The specific cases I have referred to happen to involve Republicans. I want to make it very clear that I am talking about all quotations out of context or misquotations. I am hardly so naive as to believe that any 1 group or any 1 political party has a monopoly on this technique. I am saying that we all, that is we all who believe in the need for honest public discussion and debate, must fight these techniques whenever and wherever they occur.

Mr. COOPER. Mr. Chairman, I yield myself 1 minute.

Mr. Chairman, I would like to state that our distinguished colleague from New York [Mr. ZELENKO] was the first Member to introduce a bill dealing with the subject now under consideration in the pending bill. He introduced a bill to repeal section 462 of the Internal Revenue Code. He has done a great deal of work on this subject and deserves a great deal of credit for the splendid contribution he has made. He spoke on this subject during the consideration of the tax bill here in the House. I want to give him full credit for the splendid contribution he has made and to acknowledge a debt of gratitude to him for the assistance he has given in meeting and dealing with this problem.

Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. ZELENKO].

Mr. ZELENKO. Mr. Chairman, before I begin my statement I wish to thank Chairman COOPER for his gracious remarks and hope that I shall be able to continue to assist him in the future.

Mr. Chairman, on February 24, 1955, on the floor of this House, I had the opportunity to bring to the attention of the people of the United States an imminent danger to the financial structure of the Government, contained in a recently enacted section of the 1954 Revenue Code, which would have involved loss of billions of dollars of needed revenue.

On that day there had been much opposition to a plan to provide the average and low earning citizen of this country some needed tax relief in the amount of at least $20 per person.

It was my intention at that time to attempt to rescind a section of the law which was about to present an outright gift of billions to big business, and upon precluding the loss of this revenue to be able to provide the relief required for the average citizen.

At first the Treasury Department either ignored or refused to believe the facts concerning the amount of the prospective loss as I outlined them on this floor.

It is to the everlasting credit of the Democratic leadership that it set about at once to rectify this horrendous inequity.

Although there have been, there are, and there will continue to be differences on many subjects between both parties, it has always been the American way that when a real danger, of whatever nature, confronts the United States we stand together, and so I commend the Republicans who after careful study, finding that the facts were substantially as I outlined, have joined with us in urging the immediate repeal of section 462 of the Revenue Act. The Treasury Department now has admitted also that this was not merely a "bookkeeping adjustment" as it contended when it urged the insertion of this section in the act of 1954. It admits that the effects of the section would be disastrous and dangerous to the welfare of this country and joins in urging its retroactive repeal.

Despite the unanimity of opinion of all branches of the Government that the interest of the United States would best be served by repealing this section, the recipients of this multibillion dollar gift, namely big business, have continued through their special pleaders to cry for its retention or amendment in whatever form. They acknowledge the facts; they acknowledge the detriment of this law to the Government; they accuse the Government, however, of being a spoilsport, they refuse to accept in good grace the idea that what is good for the Government is good for business; that the welfare of the Government is paramount.

On this day, March 24, 1955, 1 month after I made the initial disclosure I am happy that this portion of the revenue law is about to be repealed.

To those who oppose such repeal, I can best express my thoughts in the words of one of America's greatest Presidents, Andrew Jackson, who in a message sent to the Senate on July 10, 1832, said in part:

> It is to be regretted that the rich and powerful too often bend the acts of government to their selfish purposes. Distinction in society will always exist under every just government. Equality of talents, of education, or of wealth cannot be produced by human institutions. In the full enjoyment of the gifts of Heaven, and the fruits of superior industry, economy and virtue, every man is equally entitled to protection by law; but when the laws undertake to add to those natural and just advantages artificial distinctions, to grant titles, gratuities and exclusive privileges, to make the rich richer and the potent more powerful, the humble members of society—the farmers, mechanics, and laborers—who have neither the time, nor the means of securing like favors to themselves, have a right to complain of the injustices of their Government. * * * There are no necessary evils in government, its evils exist only in its abuses.
>
> If it would confine itself to equal protection, and as Heaven does its rain, shower its favors alike on high and low, the rich and poor, it would be an unqualified blessing.
>
> Many of our rich men have not been content with equal protection and equal benefits, but have besought us to make them richer by act of Congress.

I urge the passage of H. R. 4725.

Mr. BOW. Mr. Chairman, although I intend to vote for the pending measure to repeal sections 452 and 462 of the Internal Revenue Code of 1954, I do so reluctantly and only because we cannot afford the loss of revenue that might occur under the present language of these sections.

It is my understanding that these sections were incorporated into the internal revenue law in order to bring tax accounting into line with the methods of accounting used by business for all other purposes. This is a sound and worthwhile purpose. It was sound when the Congress accepted it last summer, and it is still sound today. There is no reason to require a corporation to maintain one set of books and system of accounts for the Federal revenue service, and another for regular business operations, yet this is what the antiquated laws of former years forced upon our business community.

It comes as a surprise to all of us to learn that the actual language employed in the law was susceptible of a far broader interpretation than had been intended by either the Congress or the administration. Not only would the immediate revenue loss be larger than anticipated, but the Secretary of the Treasury has explained that future litigation might result in greater losses. This we can ill afford.

I am very much impressed with the arguments that complete repeal is not the best answer to the problem, but that we should try instead to rewrite the sections so that our sound and worthwhile purpose may be accomplished without a large loss of revenue in any one tax year. I note it is suggested that the transition to the new system of tax accounting might be accomplished over a period of 3 to 10 years, thus reducing the revenue loss in any 1 year. It has been suggested also with regard to section 462 that the language of the law be made more specific, defining as did the committee report the type of expense for which a reserve may be established.

While I now accept the recommendation of the Secretary and the Ways and Means Committee, I sincerely hope that this will not be the end of the matter. If there was not time to study clarification and amendment this spring, certainly that is no reason to abandon the sound principle underlying these sections. I trust that the Secretary in the very near future will be ready to recommend new and more satisfactory amendments to modernize tax accounting. I feel confident that the staff of the Ways and Means Committe is also studying this problem.

Lastly, Mr. Chairman, may I comment briefly on some of the criticism that has been levelled against the administration and the 83d Congress because of the interpretation placed upon these sections. I noted in one antiadministration paper a lead story charging that a loophole had been planned deliberately to give a multibillion-dollar windfall to big business. This kind of irresponsibility merits censure. The Internal Revenue Code of 1954 was a great legislative achievement and a milestone in tax law. In so tremendous an undertaking, it is remarkable to me that we have as yet found only 1 or 2 errors, and it is further a mark of the sincerity of the administration and Congress that we have moved quickly to correct these errors.

Mr. REED of New York. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. The gentleman from New York yields back the balance of his time.

Mr. COOPER. Mr. Chairman, I yield the remainder of the time on this side to the gentleman from Massachusetts [Mr. McCORMACK].

Mr. McCORMACK. Mr. Chairman, the record clearly shows that this bill is before this body today as the result of Democratic leadership. The chairman of the Committee on Ways and Means, the gentleman from Tennessee [Mr. COOPER], and the Democratic members of that committee—and, of course, the Republicans following and concurring because they had nothing else to do—have brought in this bill. Prior to that, as a result of the discerning minds of the gentleman from New York [Mr. ZELENKO] and the gentleman from Arkansas [Mr. MILLS]—I remember reading in the newspapers, long before I heard of Secretary Humphrey being aware of section 462, statements made by the gentleman from Arkansas [Mr. MILLS] that section 462 alone would result in the loss of revenue of at least $1 billion. Prior to that, the gentleman from New York [Mr. ZELENKO], in debate on the tax bill on the floor, said it would result in a loss of $5 billion. Prior to that, in talking with the gentleman from New York [Mr. ZELENKO] at lunch several weeks prior—I remember the gentleman from Pennsylvania [Mr. WALTER] was present at the same time because only a few moments ago he told me he was there—the gentleman from New York [Mr. ZELENKO] told us what I think he termed at that time—and properly so—that this was a legalized legislative steal. So the record clearly shows where the mistake was made and how the correction is brought about.

My dear friend the gentleman from New York [Mr. REED] says this is a "technical correction of the 1954 act." He made that statement in his very clever political speech. It may be technical language, but there is no technicality about it because we are undertaking to recover several billions of dollars that would be lost to the Treasury and to our Government if section 462 remained in the law.

My good friend also said there are "some who made the contention that section 462 would be a windfall" to corporations and to business, particularly big corporations. Well, the fact is it would be a windfall. Whether one contended it was such, the fact is that section 462 would be a windfall of several billion dollars. It was a windfall that none of us knew about when the Internal Revenue Act of 1954 was before this Congress.

My good friend from New York also said budget considerations prohibited the adoption last year of the $100 increase in personal exemption for the individual taxpayer designed to benefit primarily the low-income groups and try and rectify the injustice of the Republican Internal Revenue Act of last year. But it is all right when we give this windfall of several billions of dollars to corporations, particularly big ones. We heard no words of condemnation about that. But when we try to help the low-income groups we then hear the cry "Politics" and "Inflation." When we try to give them tax benefits of about $800 million in the coming year and $1.6 million or $1.7 billion in the complete year it is politics and it is inflation. But when we give $3 billion tax reduction to 10 percent of the people and to the big corporations, it is statesmanship. Then when we give those extra billions that no one knew were there, the plea of confusion and avoidance and the remarks of apology are made by our Republican colleagues. My good friend the gentleman from New York [Mr. REED], said that the $20 tax credit—and mark this—was "class legislation with a vengeance." I wonder what he thinks section 462 is? He is trying now to repeal it; and, by the way, as the gentleman from Louisiana [Mr. BOGGS], the gentlewoman from New York [Mrs. ST. GEORGE], my friend the gentleman from Missouri [Mr. CURTIS] well said in their remarks, some corporations and some businesses are put in a financial trap as a result first of the recommending and passage of section 462 into law; and, second, in its outright repeal. I am for outright repeal, but I recognize that many corporations are going to be put in a bad financial position as a result of it. The only thing I can suggest to the officials of those corporations is that they become Democrats in the future, because we Democrats do not make mistakes of that kind.

Mr. MASON. Mr. Chairman, will the gentleman yield right there?

Mr. McCORMACK. Just a minute my friend. Apparently there are more officials of the big corporations losing faith in the present administration than is realized.

Before I yield to my friend let me say that I have here the Washington Bulletin. That is the official publication of the National Association of Manufacturers. This issue is dated March 15, 1955. What does it say?

The adoption of these two sections (long advocated by the NAM)—

And I call attention to the parentheses and want them included—

was recommended last year by the administration. The National Association of Manufacturers long recommended it to the administration.

That is their official publication, not picked out of the air. I am quoting from the official publication of the National Association of Manufacturers.

Does my friend deny that?

Mr. MASON. No; I am not denying what the National Association of Manufacturers said, nor am I responsible for what they did.

Mr. McCORMACK. That is true, the latter part of it, but I think you might deny the first part.

Mr. MASON. Oh, no.

Mr. McCORMACK. In all good conscience you do not want to say that the National Association of Manufacturers wrote 462 and 452 for you, do you?

Mr. MASON. They did not.

Mr. McCORMACK. No; I knew my friend would deny that.

Mr. MASON. Recommending and writing are two different things.

Mr. McCORMACK. I am simply trying to save my friend from himself.

Mr. MASON. Your friend has taken care of himself for 70 years and perhaps can the balance of the time allotted to him.

Mr. McCORMACK. Yes. I admire you and I respect you. I want the world to know it. I may disagree with you.

Mr. MASON. Oh, yes.

Mr. McCORMACK. But I still respect you.

Mr. MASON. I expect so. I want the gentleman to realize that when he said the Democratic administration never made mistakes like this, that the Democratic administration from 1933 to 1953, under New Deal leadership, increased taxes from $2 billion in 1933 to $65 billion in 1953, up and up and up and up; then the Republicans came in just twice during that time and cut down the tax bill.

Mr. McCORMACK. Yes, my very dear friend, and let me see if my memory is correct. In 1930, 1931, and 1932 there were twelve to fifteen million people out of employment, there was bankruptcy all around, $38 billion was the national income, over $3 billion lost by corporations. Yes. And when the Democrats got through we had gone up to $378 billion of national income. We saved the country in a depression and under the leadership of the Democratic Party this country was saved from Hitler. When the people get back to normalcy again and put the country back under the Democratic Party, this country will be saved from international communism.

Let me go one step further. Here is a publication of the National Association of Manufacturers of only a few days ago. I thought Secretary Humphrey recommended this repeal after the Democrats exposed it. However, the NAM says:

The New Deal Democrats have injected politics into the situation. The New Dealers contend that these two sections constitute a windfall to business and that the revenue loss will run as high as $5 billion a year.

Reluctantly he has forced himself into the category of being a New Dealer, and I refer to Secretary of the Treasury Humphrey, according to the NAM. So, we have the record clear. It is politics, it is inflation, it is demagoguery, to try to do something for the lower income groups of America. The backbone of our country are these groups. These individuals, these Americans, these American families, constitute the backbone of America. We Democrats have always fought for them and on this record of today we indict the Republican Party as being the party of the select few.

The CHAIRMAN. All time has expired. Under the rule, the bill is considered as having been read for amendment. No amendments are in order to the bill except amendments of the Committee on Ways and Means.

The bill is as follows:

Be it enacted, etc.—

SECTION 1. Repeal of sections 452 and 462.

(a) Prepaid income: Section 452 of the Internal Revenue Code of 1954 is hereby repealed.

(b) Reserves for estimated expenses, etc.: Section 462 of the Internal Revenue Code of 1954 is hereby repealed.

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SEC. 2. Technical amendments.

The following provision of the Internal Revenue Code of 1954 are hereby amended as follows:

(1) Subsection (c) of section 381 is amended by striking out paragraph (7) (relating to carryover of prepaid income in certain corporate acquistions).

(2) The table of sections for subpart B of part II of subchapter E of chapter 1 (relating to taxable year for which items of gross income included) is amended by striking out—

"Sec. 452. Prepaid income."

(3) The table of sections for subpart C of such part II (relating to taxable year for which deductions are taken) is amended by striking out—

"Sec. 462. Reserves for estimated expenses, etc."

SEC. 3. Effective date.

The amendments made by this act shall apply with respect to taxable years beginning after December 31, 1953, and ending after August 16, 1954.

The CHAIRMAN. The Clerk will report the committee amendment.

The Clerk read as follows:

Committee amendment. Page 2, line 15, insert:

"SEC. 4. Saving provisions.

"(a) Filing of statement: If—

"(1) the amount of any tax required to be paid for any taxable year is increased by reason of the enactment of this act, and

"(2) the last date prescribed for payment of such tax (or any installment thereof) is before September 15, 1955,

then the taxpayer shall, on or before September 15, 1955, file a statement which shows the increase in the amount of such tax required to be paid by reason of the enactment of this act.

"(b) Form and effect of statement:

"(1) Form of statement, etc.: The statement required by subsection (a) shall be filed at the place fixed for filing the return. Such statement shall be in such form, and shall include such information necessary or appropriate to show the increase in the amount of the tax required to be paid for the taxable year by reason of the enactment of this act, as the Secretary of the Treasury or his delegate shall by regulations prescribe.

"(2) Treatment as amount shown on return: The amount shown on a statement filed under subsection (a) as the increase in the amount of the tax required to be paid for the taxable year by reason of the enactment of this act shall, for all purposes of the internal revenue laws, be treated as tax shown on the return.

"(3) Waiver of interest in case of payment on or before September 15, 1955: If the taxpayer, on or before September 15, 1955, files the statement referred to in subsection (a) and pays in full that portion of the amount shown thereon for which the last date prescribed for payment is before September 15, 1955, then for purposes of computing interest (other than interest on overpayments) such portion shall be treated as having been paid on the last date prescribed for payment. This paragraph shall not apply if the amount shown on the statement as the increase in the amount of the tax required to be paid for the taxable year by reason of the enactment of this act is greater than the actual increase unless the taxpayer establishes, to the satisfaction of the Secretary of the Treasury or his delegate, that his computation of the greater amount was based upon a reasonable interpretation and application of sections 452 and 462 of the Internal Revenue Code of 1954, as those sections existed before the enactment of this act.

"(c) Special rules:

"(1) Interest for period before enactment.—Interest shall not be imposed on the amount of any increase in tax resulting from the enactment of this act for any period before the day after the date of the enactment of this act.

"(2) Estimated tax: Any addition to the tax under section 294 (d) of the Internal Revenue Code of 1939 shall be computed as if this act had not been enacted. In the case of any installment for which the last date prescribed for payment is before September 15, 1955, any addition to the tax under section 6654 of the Internal Revenue Code of 1954 shall be computed as if this act had not been enacted.

"(3) Treatment of certain payments which taxpayer is required to make: If—

"(A) the taxpayer is required to make a payment (or an additional payment) to another person by reason of the enactment of this act, and

"(B) the Internal Revenue Code of 1954 prescribes a period, which expires after the close of the taxable year, within which the taxpayer must make such payment (or additional payment) if the amount thereof is to be taken into account (as a deduction or otherwise) in computing taxable income for such taxable year,

then, subject to such regulations as the Secretary of the Treasury or his delegate may prescribe, if such payment (or additional payment) is made on or before September 15, 1955, it shall be treated as having been made within the period prescribed by such Code.

"(4) Determination of date prescribed: For purposes of this section, the determination of the last date prescribed for payment or for filing a return shall be made without regard to any extension of time therefor and without regard to any provision of this section.

"(5) Regulations: For requirement that the Secretary of the Treasury or his delegate shall prescribe all rules and regulations as may be necessary by reason of the enactment of this act, see section 7805 (a) of the Internal Revenue Code of 1954."

Mr. MILLS (interrupting reading of committee amendment). Mr. Chairman, I ask unanimous consent that the committee amendment be considered as read.

The CHAIRMAN. Is there objection to the request of the gentleman from Arkansas?

Mr. COOPER. Mr. Chairman, reserving the right to object, and, of course, I do not intend to object, I ask unanimous consent that a purely typographical error appearing in the bill be corrected. It is a printing error of the Government Printing Office. I refer to page 5, line 18, where a parenthesis is inserted and is not closed, purely a printing error.

Mr. HALLECK. Mr. Chairman, I reserve the right to object.

The CHAIRMAN. The gentleman from Tennessee has reserved the right to object.

Mr. HALLECK. Mr. Chairman, I understand the gentleman was putting a unanimous-consent request.

Mr. COOPER. That is right.

Mr. HALLECK. Certainly I can reserve the right to object.

The CHAIRMAN. The Chair understands he cannot receive that until we get the request of the gentleman from Arkansas taken care of. Is there objection to the request of the gentleman from Arkansas [Mr. MILLS], that the committee amendment be considered as read?

Mr. COOPER. Mr. Chairman, further reserving the right to object, the reason I am making the request now is because this printing error appears in the committee amendment.

The CHAIRMAN. The Chair understands that, but the request of the gentleman from Arkansas will have to be taken care of before the gentleman from Tennessee can make his request.

Mr. HALLECK. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HALLECK. If the unanimous-consent request of the gentleman from Tennessee to make the correction he refers to is granted, will the committee amendment which is now being reported be before the committee for consideration and debate?

The CHAIRMAN. That is correct.

Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. COOPER. Mr. Chairman, I ask unanimous consent that a printing error appearing on page 5, line 18, where the parenthesis appears, be stricken from the bill.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. MILLS. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, as the bill was originally introduced by the chairman of the committee and the gentleman from New York [Mr. REED], it did not provide the savings provisions that are now proposed in this amendment. In other words, it was questionable whether these taxpayers would have been able to avoid the payment of the additional tax that might be due as a result of the repeal. Also, everyone agreed that they should not have to pay interest on these additional amounts of tax that they might owe as the result of the repeal of these sections retroactively.

Now, it should be borne in mind and everyone should clearly understand that what the Committee on Ways and Means is proposing to do is simply to restore the law to the status it occupied before sections 452 and 462 were enacted. It is certainly the desire of the committee that we not take away, and it is not intended that we take anything away, from the taxpayers that they could have enjoyed under the Internal Revenue Code of 1939 and the Treasury rulings written and prepared in accordance with that code. There may be some question subsequently raised as to the legality of that position, but certainly there can be no misunderstanding of the intention of this amendment and this bill to do exactly that. The chairman indicated this in his speech very clearly.

Now, certainly in fairness and equity the House is justified in adopting the amendment, because we are providing in the amendment that no penalties, or interest, will be assessed against a taxpayer who, acting in accordance with sections 462 and 452, paid a lower amount of tax then he would now be called upon, with these sections repealed, to pay.

I want to say this, Mr. Chairman, aside from the amendment, the gentleman from New York [Mr. REED] has suggested that the bill passed last year—H. R. 8300—is good. The gentleman from Tennessee [Mr. COOPER] and the gentleman from Louisiana [Mr. BOGGS] have pointed out that we called the attention of the House to our fears and misgivings that problems such as the one that faces us today would occur. I do not want to criticize the gentleman's work of last year. It was good, yes, in part. It was bad in part, we thought, on the Democratic side. On balance we voted against it. But I think that we have sufficient evidence, and I believe the gentleman from New York ought to agree that we have sufficient evidence in these two situations that have been described, the one today and the one last January, plus the fact that there are some 70 other mistakes that have to be corrected, to justify a complete review of the Internal Revenue Code of 1954 by the Committee on Ways and Means. I think altogether we have enough evidence to justify a complete review by the Committee on Ways and Means or a subcommittee of our committee of the provisions of H. R. 8300 of last year. This Congress, I am certain, wants somebody in the Congress, and in particular the members of the Committee on Ways and Means, to know what we did last year in the bill that we passed. I daresay that we do not know yet. I dareseay that the Treasury itself does not completely understand what is in some of the provisions of that bill. I know with respect to the sections dealing with corporation reorganization there is unlimited confusion in the minds of tax lawyers, accountants, and people within the Treasury—so I am advised—as to what the provisions really mean.

I do think it is our responsibility under the Legislative Reorganization Act to go back and find out about not only the mistakes pointed out by the Secretary of the Treasury and his people and Mr. Stam and his staff and correct them, but we ought to go back and look at this as legislators charged with the responsibility to do so. We should see if there are other mistakes that have not been uncovered by these experts that could be uncovered by the committee working with them in sessions of the Committee on Ways and Means.

Mr. REED of New York. Mr. Chairman, will the gentleman yield?

Mr. MILLS. I yield.

Mr. REED of New York. I have said repeatedly that we were not infallible.

Mr. MILLS. I know the gentleman has said that and I know the gentleman would be the first to agree with me that he would be willing, in view of the fact that we are not infallible, to go back and conduct this study that I am suggesting here today.

Mr. REED of New York. Certainly we are not infallible. I know that in a bill of that size, even though we drew upon the best experts in this country, and devoted all the time we could, day after day until midnight, knowing that the job had to be done, there were bound to be some mistakes. What we have to do now, when a situation develops, is to correct it, just as we correct a fault in an automobile when it develops.

Mr. MILLS. The gentleman from New York [Mr. REED], I know, is a very able legislator. I daresay that he would rather the mistakes did not have to be called to his attention by the Secretary of the Treasury or somebody in the executive department. I know he is the type of legislator who would really like to go back and go through this matter himself—and I hope he will join in such a movement—to discover what mistakes there are in the Internal Revenue Code of 1954.

Mr. HALLECK. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, we have had a very entertaining afternoon. We have had another application of the type of politics that some of my good friends on my right think at the moment may be helpful to their cause. But before I say anything else in respect to that, let me say this much, that here we are undertaking to correct a provision, the objective of which everyone agrees is good but which in application and after experience is found to be something that should be changed. No one has all the responsibility for the language that was written into the bill. That should be constantly before us.

I served on legislative committees when we undertook to rewrite the Pure Food and Drugs Act and the Transportation Act. I have served here long enough to know that situations develop that were not foreseen and when they did develop, we would go ahead and correct them and not try to make a lot of political capital out of them.

The gentleman from Massachusetts [Mr. MCCORMACK] talks about this provision being a legalized legislative steal. We have heard a lot in recent weeks and months about strong words and strong language. I say there is absolutely no justification for that characterization of this provision in the law.

The gentleman talks about windfalls. We discovered some windfalls that came about under FHA Act not so long ago. I do not know who takes all the responsibility for writing that act, but there were windfalls. And so when the gentleman suggests that legislation the Democrats wrote never developed any windfalls, I am quite sure that he would be ready now to take that back.

It is quite evident to me that he and some others with him are in a great dilemma coming up to 1956. They know that the people of this country believe in the Eisenhower Republican program, because it is a good program. In the face of that the gentleman from Massachusetts, and others with him, are searching around for issues. At times it seems they are even trying to manufacture them.

It was not so long ago that an attempt was made to make the President's wife's health a great issue. In the last few days the squirrels in the White House yard have been a great issue. Today the correction of a mistake to which I say everyone contributed is to be the big issue. The gentleman from Massachusetts calls such an inadvertence a legislative steal. That means evil intent and everyone knows there was no such intent. So another manufactured issue falls flat.

Let me say to my friend from Massachusetts, if you cannot do any better than that, President Eisenhower and the Republican Congress will roar again to victory in 1956, just as sure as we are in this Chamber.

Again may I say, referring to this Republican-Eisenhower program, we were elected in 1952 to get the war stopped in Korea, and that we have done. It was a grinding, stalemated, treadmill kind of war.

We were elected to build an adequate national defense without bankruptcy, to develop a firm, strong foreign policy, which we have done; to cut the costs of Government, which we have done; to reduce the people's taxes, which we have done; to halt inflation which was robbing the people of their savings, and that we have done; to have in the White House a President who is President of all the people, and that we have done. To put an end to corruption, that we have done. To put an end to Government restrictions and controls, that we have done. To get the Government out of business in competition with the people, yesterday we moved to do more of that.

So I could go on down the list. It is a program so sound, so forward looking, with such real appeal to all the people of the country that, of course, the Democrats are concerned as you come up to 1956. Hence you try desperately to build a molehill into a mountain in your frantic search for an issue for 1956.

Let me say to you, Do not underestimate the intelligence of the voters of this country. They know what the score is. They are going to want more of the same sort of good, helpful, efficient, sane, and sound government the President and we are giving them. They are not going back to what they had before.

Again may I say if you are so concerned to pick up every little thing that you can without regard to its consequences or its real justification in fact, the American people are not going to be fooled. They are going to understand such an operation for just what it is.

You can go on and argue through 1956 about what the tax bill did and whom it benefited, but the people of this country already know that the tax program of the Republican 83d Congress is benefiting all of the people and particularly the people in the lower brackets. It helped tremendously to avoid the recession that was so freely predicted by some of you people a short time ago. Why, the citizens of this country recognize that we are successfully accomplishing the transition from war to peace, and somehow or other you seem to be disturbed even about that.

Fortunately, such an attitude is not shared by the overwhelming majority of Americans, because they understand and appreciate the magnificent record of good government that has been written by Republicans since early 1953.

The CHAIRMAN. All time has expired.

Mr. RAYBURN. Mr. Chairman, are any other amendments in order?

The CHAIRMAN. No other amendments to this amendment are in order.

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Mr. RAYBURN. Mr. Chairman, I ask unanimous consent to address the House for 2 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

Mr. MARTIN. I dislike very much to object to our good friend's having time, Mr. Chairman, but it is contrary to the rules.

Mr. RAYBURN. It is contrary to the rules, and I withdraw the request.

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. ASPINALL, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 4725) to repeal sections 452 and 462 of the Internal Revenue Code of 1954, pursuant to House Resolution 191, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is considered as ordered on the bill and amendment thereto to final passage.

The question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

THE LATE PAUL V. McNUTT

The SPEAKER. The Chair recognizes the gentleman from Indiana [Mr. DENTON].

Mr. DENTON. Mr. Speaker, I have just heard that an old friend of mine, Paul V. McNutt, has passed away. I knew him best when he was Governor of the State of Indiana. He was a graduate of Indiana University and Harvard Law School, and then was professor and dean of law at Indiana University. He had been national commander of the American Legion before coming to the governorship.

When he was elected Governor, he led a group of young men that took over the government of the State of Indiana. His administration was extremely progressive. Indiana was one of the first States in the Union to enact laws to bring the State within the social-security system. I believe that Indiana, under Governor McNutt's administration, was the second State among the 48 to pass unemployment insurance laws, and among the first to set up an old-age assistance program. He had detailed knowledge of all the affairs of the State of Indiana while Governor, and was a great executive.

His legislative program was prepared by experts before the legislature assembled, and submitted to the legislature and passed in very short order. Governor McNutt found the State of Indiana in a rather deplorable financial condition. But he established a sound fiscal program so that the State's debts were paid, and when he left office there was a large surplus built up in the treasury of the State, even in those depression years.

Upon leaving the Governor's office, he was named High Commissioner to the Philippines and then Administrator of the Federal Security Agency here in Washington. He was the first United States Ambassador to the Philippines after they were granted their independence in 1946.

He was a great orator, of majestic appearance, and dynamic personality. He was mentioned a number of times for the Presidency and Vice Presidency of the United States. His friends have known for some time of his illness, but are shocked to know now that he will be with us no more.

As a young man, he was somewhat my ideal, and I can assure you I will always cherish his friendship.

Mr. HALLECK. Mr. Speaker, will the gentleman yield?

Mr. DENTON. I yield.

Mr. HALLECK. Mr. Speaker, I cannot let this sad occasion pass without speaking a few words of my own about Paul V. McNutt. As everyone will readily recognize from what the gentleman from Indiana [Mr. DENTON] has just said, Paul V. McNutt and I were not of the same political faith, but we were nevertheless friends. I came to know him first when I was a student at the University of Indiana. He was teaching there in the law school and I was a student. He subsequently became dean of the law school. He was a great teacher under whom I learned a great deal, certainly as much as my capacities would permit me to learn. I recall so well many hours spent in his office after classes were over, talking with him about all manner of things. I counted him my friend, although not my political friend, as you will understand from the gentleman's reference to the time when he knew him as governor. Paul V. McNutt was Governor of the State of Indiana when I was first elected to Congress, and I think it is entirely fair to say that he did not do anything to promote my election and probably the contrary is true. But, through it all, we maintained a cordial relationship which I valued highly and the memory of which I will continue to treasure in the years to come. It is, indeed, with sincere sorrow that I have learned of his passing.

AMENDING RUBBER PRODUCING FACILITIES DISPOSAL ACT OF 1953

Mr. VINSON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 691) to amend the Rubber Producing Facilities Disposal Act of 1953, so as to permit the disposal thereunder of Plancor No. 877 at Baytown, Tex., and certain tank cars, and ask for its immediate consideration.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

Mr. ARENDS. Mr. Speaker, reserving the right to object and, of course, I have no objection to the bill because I know what the purpose of the bill is, I wonder if the gentleman could not in one sentence inform the House what the situation is.

Mr. ARENDS. Mr. Speaker, reservpose of S. 691 is to authorize the Rubber Facilities Disposal Commission to accept proposals for the purchase of the copolymer plant, located at Baytown, Tex., for a period of 30 days after the enactment of this bill. In addition, the Rubber Disposal Commission, after the 30-day bidding period has expired, will negotiate with those who have submitted proposals for this sale for a period of not to exceed 60 days following the end of the bidding period.

Within 10 days after the negotiation period has terminated, the Commission is required to submit to the Congress a report with respect to the disposal of this copolymer plant and unless the proposed contract is disapproved by either House, by a resolution, prior to the expiration of 30 days of continuous session, the contract shall become effective and the Commission shall transfer the facility to the successful purchaser as soon as practicable, but in any event, within 30 days after the expiration of the period of congressional review. If the plant is not sold, the operating agency shall place the plant in standby and thereafter it may not be operated for or on account of the Government without further act of Congress; nor may it be sold for a period of 3 years.

S. 691 also requires the Commission, before submission of its report to the Congress, to submit the report to the Attorney General, "who shall, within 7 days after receiving the report, advise the Commission whether, in his opinion, the proposed disposition, if carried out, will violate the antitrust laws."

S. 691 also provides authority for the Government to continue the operation of the copolymer plant at Baytown, Tex., until the plant is transferred to a purchaser or, if no sale is approved with regard to this copolymer plant the Government is authorized to continue to operate the copolymer plant at Baytown until the plant is placed in standby in accordance with the Rubber Producing Facilities Disposal Act.

S. 691 continues the life of the Disposal Commission until the 130th day following the termination of the transfer period previously mentioned. If no sale for the copolymer plant at Baytown is recommended by the Commission then the Commission will cease to exist at the close of the 130th day following the date of enactment of S. 691.

S. 691 also provides that all of the criteria with regard to the previous sales that have now been approved by the Congress shall be applicable in the case of the copolymer plant at Baytown, except for the provisions of the Disposal Act which would otherwise preclude the

Government from selling synthetic rubber manufactured at the Baytown plant; the provision with respect to the inventory on hand at the Baytown plant, and other purely technical provisions.

The purchaser of the Baytown copolymer plant is authorized to purchase the inventory of any end products, together with raw materials that are available at the Baytown plant, at the time of the transfer. If the purchaser does not care to purchase such end products, then the Commission may sell the end products or feed stocks "in such manner as the operating agency deems advisable." Likewise, if the Baytown facility is not sold at all then the inventory and feed stocks will be sold "as the operating agency deems advisable, at the prevailing market price for such end products and feed stocks."

S. 691 also authorizes the Disposal Commission or, after it ceases to exist, such agency of the Government as the President may designate, after securing the views of the Attorney General as to whether the proposed lease or sale would tend to create or maintain a situation inconsistent with the antitrust laws, to enter into leases or contracts of sale for all or any number of the 448 pressure tank cars which the Commission heretofore has been unable to sell.

Any lease or sale of the tank cars shall contain a national security clause, although such a clause will obviously have to be less restrictive than that applied to the sale of rubber plants in view of the age and condition of the tank cars. Any lease for tank cars shall contain a provision for the recapture of the tank cars leased by the Government and for the termination of the lease if the President determines the national interests so require. Tank cars not leased or sold may be transferred without charge by the Commission or its successor to any other Government agency, subject to national security and recapture provisions. Those not leased or sold or transferred will be maintained in adequate standby. The sale or lease of the tank cars does not require review by the Congress.

The final section of S. 691 is to the effect that the provisions of S. 691 shall not be applicable to the disposal of any Government-owned rubber-producing facilities except the Baytown copolymer facility and the 448 pressure tank cars previously mentioned. Thus the enactment of this bill will in no way effect the other sales previously approved by the Congress.

In summary, therefore, S. 691 continues the life of the Rubber Facilities Disposal Commission for a sufficient period of time so that it may receive proposals for a 30-day period for the sale of the 44,000 long ton GR–S capacity copolymer plant at Baytown, Tex. After the proposals have been received the Commission shall negotiate with those submitting proposals for a period of not more than 60 days and within 10 days after the termination of the negotiation period, the report will be submitted to the Congress where either House may disapprove the proposed sale for a 30-day period of continuous session. Prior to submitting the report to the Congress the Commission shall submit it to the Attorney General who, within 7 days after receiving the report, shall advise the Commission whether, in his opinion, the proposed disposition will violate the antitrust laws.

The Government is authorized to continue to operate the GR–S facility at Baytown until the plant is sold or until it is placed in standby in accordance with the Disposal Act. The Commission is also authorized to lease or sell the tank cars that they have thus far been unable to sell. All of the criteria, except certain technical provisions which could not be applied to the proposed sale of the copolymer facility, will apply in the case of the proposed sale of the Baytown facility.

The enactment of S. 691 will have no effect whatsoever upon all of the other rubber facilities, the sales of which have been approved by the Congress.

Mr. ARENDS. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Georgia [Mr. VINSON]?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Rubber Producing Facilities Disposal Act of 1953 is amended by adding at the end thereof the following new section:

"SEC. 25. (a) Notwithstanding the second sentence of section 7 (a), the period for receipt of proposals for the purchase of the Government-owned rubber-producing facility at Baytown, Tex., known as Plancor No. 877, shall not expire until the end of the 30-day period which begins on the date of the enactment of this section.

"(b) If one or more proposals are received for the purchase of Plancor No. 877 within the time period specified in subsection (a), the Commission, notwithstanding the expiration of the period for negotiation specified in section 7 (f), shall negotiate with those submitting the proposals for a period of not to exceed 60 days for the purpose of entering into a definitive contract of sale.

"(c) Within 10 days after the termination of the actual negotiation period referred to in subsection (b), the Commission shall prepare and submit to the Congress a report containing, with respect to the disposal under this section of Plancor No. 877, the information described in paragraphs (1) to (5), inclusive, and paragraph (8) of section 9 (a). Unless the contract is disapproved by either House of the Congress by a resolution prior to the expiration of 30 days of continuous session (as defined in section 9 (c)) of the Congress following the date upon which the report is submitted to it, upon the expiration of such 30-day period the contract shall become fully effective and the Commission shall proceed to carry it out, and transfer of possession of the facility sold shall be made as soon as practicable but in any event within 30 days after the expiration of such 30-day period. The failure to complete transfer of possession within 30 days after the expiration of the period for congressional review shall not give rise to or be the basis of rescission of the contract of sale.

"(d) If, upon termination of the transfer period provided for in subsection (c), no contract for the sale of Plancor No. 877 has become effective, the operating agency last designated by the President shall, as promptly as possible consistent with sound operating procedures, take said Plancor out of production and place it in adequate standby condition under the provisions of section 8 of the Rubber Producing Facilities Disposal Act of 1953: *Provided*, That the provisions in said section relating to the time for placing facilities in standby condition shall not apply to Plancor No. 877."

SEC. 2. Notwithstanding the provisions of section 3 (d) of the Rubber Producing Facilities Disposal Act of 1953, the Rubber Producing Facilities Disposal Commission (hereinafter referred to as the "Commission") before submission to the Congress of its report relative to Plancor No. 877, shall submit it to the Attorney General, who shall, within 7 days after receiving the report, advise the Commission whether, in his opinion, the proposed disposition, if carried out, will violate the antitrust laws.

SEC. 3. Notwithstanding the provisions of sections 14 and 22 of the Rubber Producing Facilities Disposal Act of 1953, the Rubber Act of 1948, as amended, is hereby extended with respect to the rubber-producing facilities covered by this act, to the close of the day of transfer of possession of Plancor No. 877 to a purchaser in accordance with the provisions of section 25 of the Rubber Producing Facilities Disposal Act: *Provided*, That if no such transfer is made, the Rubber Act of 1948, as amended, is hereby extended to the close of the day upon which Plancor No. 877 is placed in standby condition pursuant to the provisions of this act.

SEC. 4. Notwithstanding the provisions of section 20 of the Rubber Producing Facilities Disposal Act of 1953, the Commission established by that act shall cease to exist at the close of the 30th day following the termination of the transfer period provided for in section 25 (c) of that act, unless no sale of Plancor No. 877 is recommended by the Commission pursuant to section 25 (c) of that act, in which event the Commission shall cease to exist at the close of the 130th day following the date of enactment of this act.

SEC. 5. Except as otherwise provided in this act, disposal of Plancor No. 877 shall be fully subject to all the provisions of the Rubber Producing Facilities Disposal Act of 1953 and such criteria as have been established by the Commission in handling disposal of other Government-owned rubber-producing facilities under that act: *Provided*, That the provisions of sections 7 (j), 7 (k), 9 (d), 9 (f), 10, 11, 15, and 24 of that act shall not apply to the disposal of Plancor No. 877. As promptly as practicable following the date of transfer of possession of Plancor No. 877 to a purchaser under this act, the operating agency last designated by the President shall offer for sale to such purchaser the end products produced at such plant and held in inventory for Government account on the day of such transfer of possession, together with the feedstocks then located at such plant or purchased by the operating agency for use at such plant. Sale of such end products shall be made at the Government sales price prevailing on the busines day next preceding the date of transfer of possession of such plant. Sale of such feedstocks shall be made at not less than their cost to the Government. In the event the purchaser declines to purchase such end products or feedstocks when first offered to it by the operating agency, they may be thereafter disposed of in such manner as the operating agency deems advisable. In the event Plancor No. 877 is not sold under the provisions of this act, any end products produced at such plant and held in inventory for Government account on the day such plant is placed in standby condition pursuant to section 25 (d) of the Rubber Producing Facilities Disposal Act of 1953, as added by this act, and any feedstocks then located at such plant or purchased by the operating agency for use at such plant shall be disposed of in such manner as the operating agency deems advisable, at the prevailing market price for such end products and feedstocks.

SEC. 6. Notwithstanding any provision of the Rubber Producing Facilities Disposal Act of 1953 and notwithstanding any other pro-

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vision of this act, the Commission or, after it ceases to exist, such agency of the Government as the President may designate, may, after securing the advice of the Attorney General as to whether the proposed lease or sale would tend to create or maintain a situation inconsistent with the antitrust laws, enter into leases or contracts of sale for all or any number of 448 pressure tank cars (ICC Classification ICC–104AW) for which the Commission invited proposals to purchase pursuant to that act. Each such lease may be for such duration and each such lease or contract of sale may be made on such terms (including type of use) as the Commission or such other agency deems advisable in the public interest: *Provided*, That each such lease or contract of sale shall contain, among other provisions, a national security clause, and each such lease shall contain provisions for the recapture of the tank cars leased by the Government and the termination of the lease, if the President determines that the national interest so requires. The rental or price for any such tank car or cars shall be an amount which the Commission or such agency determines to be the maximum amount obtainable in the public interest, but not less than fair value as determined by the Commission. Any of such tank cars not under lease or contract of sale to non-Federal lessees or purchasers may be transferred without charge by the Commission or such agency to any Government department or agency upon request, for such use as the Commission or such agency deems advisable and subject to national security and recapture provisions of the type hereinabove provided for in this section running in favor of the Commission or other agency transferring the tank car or cars. Any of such tank cars not sold or under lease or transferred as hereinabove provided shall be placed and maintained in adequate standby condition pursuant to the provisions of section 8 of the Rubber Producing Facilities Disposal Act of 1953.

SEC. 7. The provisions of this act shall not be applicable to the disposal of any Government-owned rubber-producing facilities other than Plancor No. 877 and 448 pressure tank cars (ICC Classification–ICC 104AW); and all action taken pursuant to the provisions of the Rubber Producing Facilities Disposal Act of 1953 prior to the enactment of this act shall be governed by the provisions of that act as it existed prior to the enactment of this act and shall have the same force and effect as if this act had not been enacted.

The SPEAKER. The question is on the third reading of the Senate bill.

The bill was ordered to be read the third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

BURLEY TOBACCO ACREAGE ALLOTMENTS AND MARKETING QUOTAS

Mr. THORNBERRY. Mr. Speaker, by direction of the Committee on Rules, I call up the resolution (H. Res. 189) and ask for its immediate consideration.

The Clerk read as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 4951) directing a redetermination of the national marketing quota for burley tobacco for the 1955–56 marketing year, and for other purposes. After general debate, which shall be confined to the bill, and shall continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Agriculture, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion, except one motion to recommit.

Mr. THORNBERRY. Mr. Speaker, I yield myself such time as I may require, and later I shall yield 30 minutes to the gentleman from Illinois [Mr. ALLEN].

Mr. Speaker, House Resolution 189 will make in order the consideration of the bill (H. R. 4951) directing a redetermination of the national marketing quota for burley tobacco for the 1955–56 marketing year, and for other purposes.

This resolution provides an open rule, with 1 hour general debate. As far as I know, there is no opposition on this side to the adoption of the rule.

I yield 30 minutes to the gentleman from Illinois.

Mr. ALLEN of Illinois. Mr. Speaker, I reserve the time.

Mr. THORNBERRY. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. COOLEY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 4951) directing a redetermination of the national marketing quota for burley tobacco for the 1955–56 marketing year, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 4951, with Mr. SIEMINSKI in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from North Carolina [Mr. COOLEY] will be recognized for 30 minutes, and the gentleman from Kansas [Mr. HOPE] will be recognized for 30 minutes.

The Chair now recognizes the gentleman from North Carolina [Mr. COOLEY].

Mr. COOLEY. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, this is the identical bill that we had before the House on Monday, at which time we attempted to suspend the rules and pass the bill. I am sure you will recall that there will be no controversy about any section of the bill other than the one section which provides for a reduction in the minimum acreage allotment which is now in the law. The minimum acreage allotment now is seven-tenths of an acre.

This bill authorizes the Secretary of Agriculture to lower that seven-tenths of 1 acre by one-tenth of an acre during the current year 1955, and an additional one-tenth of an acre in the crop year 1956. I shall not attempt to discuss the bill but will yield to the chairman of the subcommittee to which the bill was referred, the gentleman from Virginia, Mr. ABBITT, and I am sure those Members who represent areas in which burley tobacco is grown will discuss the bill and its details. I do, however, want to call attention to the very serious situation which exists with reference to burley tobacco. All of the tobacco programs have been very successful through the years, but unfortunately we have accumulated an enormous supply of burley tobacco.

We now have on hand 370 million pounds. The Government has an investment in this tobacco of $220 million. About one-third of the burley crop of 1954 went into Government loan.

If we are to save this program and make it a success, it appears that it will be necessary for us to follow the advice of the Secretary of Agriculture and the experts in his Department. It was the Secretary himself who called this serious situation to our attention. Personally I dislike the idea, of course, of reducing the minimum acreage, but I believe that we should be willing to reduce the acreage to the extent necessary to save the program, and for that reason I feel that I must stand by the subcommittee headed by the gentleman from Virginia [Mr. ABBITT] and to ask the House to pass the bill just as we have presented it without attempting to amend it in any way.

In conclusion, I want to say that time is very important, for soon the farmers will be planting tobacco. I believe that the farmers will in the referendum approve the program as it will be presented by Secretary Benson after this bill has been enacted into law.

Mr. RIVERS. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. RIVERS. Does the gentleman believe that anybody with an acre of tobacco or less should suffer any reduction?

Mr. COOLEY. The situation is that about 64 percent of the producers of burley tobacco have less than seven-tenths of an acre. Is that right, I ask the gentleman from Virginia?

Mr. ABBITT. Yes.

Mr. COOLEY. The situation is entirely different in the flue-cured area. In the flue-cured area we have no minimum at all, the big grower and the little grower are treated exactly alike, but in the case of burley tobacco 64 percent is raised by men who grow under an acre of tobacco. I regret the necessity of having to reduce the minimum, but if we do not do it we may have to do away with the program entirely.

Mr. PERKINS. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. PERKINS. I wonder if the chairman can tell the Committee what percentage of the total burley produced is grown by the 64 percent of the growers?

Mr. COOLEY. As I say, on account of my laryngitis I do not want to burden myself or the House with an effort to

speak, but refer the matter to the gentleman from Virginia [Mr. ABBITT], chairman of the subcommittee; and I will yield to him now.

Mr. PERKINS. Sixty-four percent of the growers produce less than 30 percent of the crop. Is that correct?

Mr. COOLEY. I am not in a position to argue with the gentleman about it but I will yield to the gentleman from Virginia [Mr. ABBITT].

I yield 5 minutes to the gentleman from Virginia [Mr. ABBITT].

Mr. ABBITT. Mr. Chairman, for sometime—in fact, since its inception—we have been very proud, indeed, of our tobacco problem. It has worked well because the growers have been willing and anxious to follow the recommendations of the Department as to production. They have acreage allotments and marketing quotas. They have at all times in the burley tobacco, flue-cured tobacco, and dark fired type governed themselves according to the marketing quotas and acreage allotments in line with the recommendations of the Department and because they have kept their supply in line with the needs, the program has worked well. But for the past several years the production of burley tobacco per acre has increased tremendously. The farmers, by very careful planning and following the advice of experts, have increased their yield. We find that last year, in the fall, when the Department of Agriculture estimated the supply of burley tobacco, they were wrong by a considerable percent. They estimated that we would have a production of approximately 582 million pounds, but when the crop was sold it was actually 670 million pounds. So we find that we now have a carryover of a 3½-year supply.

Mr. PERKINS. What is the normal supply?

Mr. ABBITT. Heretofore, before now, the normal supply was 2.6 years; but we find now that the disappearance is not nearly as much as over the 5-year period. Due to our good doctor friends, our ladies, and perhaps some others, not as much tobacco is being consumed now as in the past.

Mr. BURNSIDE. Mr. Chairman, will the gentleman yield?

Mr. ABBITT. I yield to the gentleman from West Virginia.

Mr. BURNSIDE. Is it not true that at this time there are 3.5 years' usings based on current levels of disappearance according to the Department of Agriculture 1954 statement—Commodity Stabilization Service, Tobacco Division—which would be seven-tenths of a year above desired level, or 2.8 years.

Mr. ABBITT. That is if you went by the old disappearance formula, but if you go by the true disappearance formula, the actual disappearance formula, you have far more than that on hand. What we have to do is face realities.

Mr. BURNSIDE. The gentleman will recognize that according to the statement of the Department of Agriculture at this time there is seven-tenths of a year's supply on hand?

Mr. ABBITT. Is the gentleman saying that we should not have any reduction in our tobacco quota?

Mr. BURNSIDE. No. I am basing it on the statement that the Department of Agriculture has put out.

Mr. ABBITT. I do not controvert what the gentleman says. I would like to know whether he says we should have any reduction?

Mr. BURNSIDE. Yes; I agree with the reduction. As a matter of fact, I agree with every recommendation that the eight State committee reported, but they do not recommend getting under seven-tenths or six-tenths.

Mr. ABBITT. The gentleman was in favor of increasing the minimum to 1 acre and introduced a bill to that effect.

Mr. BURNSIDE. At one time, that is true.

Mr. ABBITT. Does the gentleman think that is wrong?

Mr. BURNSIDE. I would like to see it at 1 acre because our small farmers have so little to live on, but we have to face facts.

Mr. ABBITT. I wish we could have 2½ acres or more. What I am saying here is that if we want to continue any program, if we want to have a burley-tobacco program, if we believe in a farm program, we have to have this bill, in my opinion.

It does a number of things. We find that in the burley-tobacco sections, as well as possibly some other sections, more tobacco is being raised by the farmers than they were allotted. When they sell this excess tobacco, they pay under the present law a 50-percent penalty, but they get credit in their history and in establishing future allotments for this excessive tobacco. So, the Department at the beginning of the year, when they found out that they had underestimated the supply, held meetings in the burley-tobacco section and tried to ascertain what could be done to improve the program. They held two such meetings. Then word came to our subcommittee that something needed to be done for the tobacco program. We called a meeting of our subcommittee and called the Department officials down, and they made five recommendations.

One was that the act be amended to permit the Department to make a redetermination of the allotments for 1955. Under the present law, once the allotment has been announced, it cannot be cut. So, if we are to have a redetermination, we have got to have this act, and apparently everybody agrees that we have to have a redetermination if we are going to keep our program.

In addition to that, they recommended that the penalty on excess tobacco be raised from 50 percent to 75 percent. That is in this bill, and apparently everybody agrees on that.

They also recommended that no longer could any excess tobacco harvested be counted in future history. This bill takes care of that, and apparently everybody agrees on those three features.

Now, the controversial provision was explained by our able chairman, who knows the tobacco program so well. In the burley-type program we have minimum allotments. The minimum is seven-tenths of an acre. That means a vast number of growers, when the others take cuts, cannot take any. The Department pointed out to us that this was one of the big problems, and it was suggested by a number of people—as a matter of fact, the majority of those who testified—that we eliminate the minimum acreage-allotment provision. As a matter of compromise, this bill drops the minimum acreage from seven-tenths of an acre to five-tenths, and that is the controversy.

Now, in addition to that, here is the crux of the matter as I see it. This bill provides that if it goes into law, after the Secretary makes a redetermination of the allotment and after the new allotment has been announced—and, by the way, the bill also limits it to 25 percent—after the allotment has been announced, then the growers are given the privilege and opportunity of voting as to whether or not they will accept the allotment as announced by the Secretary, and with one exception all of the growers that appeared before our subcommittee approved that proposal.

I hope that you will save our tobacco program and go along with the committee on this bill.

Mr. HOPE. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania [Mr. KING].

Mr. KING of Pennsylvania. Mr. Chairman, as many of you know, I am opposed to the general principle of rigid price supports with the many restrictions and regulations necessitated by price supports. However, I am not opposed to this bill, because it merely provides for the restrictions necessary to keep the Government from loading up its storages with more tobacco.

It merely tightens the monopoly. I am sure it must be apparent to anyone who examines the complete tobacco program that it constitutes a tight monopoly legalized and supervised by the Government. If any group of producers in any other segment of our economy attempted the same thing, all of the principals would be promptly thrown in jail. In the field of agriculture, however, the antitrust laws are of no effect and force because so many Members of this Congress in the past have felt that agriculture was a peculiar segment of our economy which could not be operated on a free-enterprise basis with the law of supply and demand functioning.

Some feel that the law of supply and demand cannot work in agriculture, and yet in concocting the schemes of arbitrary control, they cannot ignore the fact that in the long run supply and demand must be balanced, regardless of Government action.

So here, now, we have recognition on the part of rigid price supporters that the tobacco program, which has been their pride and joy, has to have authority for more severe restrictions to keep the supply in hand. On this point I agree with them. In the remainder of our price-support programs, we have glaring evidence that our committee and this Congress has never had the nerve to impose restrictions severe enough to make the programs work. The fathers of this tobacco monopoly are smart enough to know, that, if they let tobacco accumulate in Government warehouses like the other surplus commodities, their

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deal might collapse from too much criticism.

I favor this bill for the very simple reason that, as long as we preserve rigid price supports, we must give the managers of the program authority to cut production to a point of positive adjustment with consumption. Even in Government-managed production programs the law of supply and demand does work and cannot be ignored.

Mr. COOLEY. Mr. Chairman, I yield 5 minutes to the gentleman from West Virginia [Mr. BURNSIDE].

Mr. BURNSIDE. Mr. Chairman, later I shall introduce an amendment that will take care of part of the trouble that we are faced with here.

I have here with me at this time the recommendations from all of the tobacco leaders of the United States. They did not make one single iota of recommendation to cut to five-tenths. They have made some very good recommendations. I want to read them. They are splendid recommendations which come from the leaders of all the tobacco growers of the United States.

This is to the Secretary of Agriculture:

The Eight State Burley Tobacco Committee recommends and respectfully requests you to recommend to the Congress that legislation to be enacted—

A. To discourage production of excess tobacco:

1. Provide that production of nonquota tobacco shall not give any entitlement to a quota.

2. Provide that excess production by an allotment producer shall result in a penalty of allotment reduction in an amount equal to the excess production in a prior year.

3. Provide for a civil penalty that will constitute—

I want to compliment the gentleman for the statements he made a few moments ago. This will do something toward correcting the type of things he wants to see corrected.

3. Provide for a civil penalty that will constitute a more effective deterrent to excess production.

One of the reasons why we are in this trouble, this serious trouble, is that a few people started taking over excessive amounts of acreage in the last few years by paying the penalty. The farmers realized that so they are increasing the penalty, as is indicated further on in this statement.

a. Increase the penalty on marketing excess tobacco to 75 percent of the previous year's average market price.

That is a very good suggestion.

Mr. FORRESTER. Mr. Chairman, will the gentleman yield?

Mr. BURNSIDE. I yield to the gentleman from Georgia.

Mr. FORRESTER. I would like to ask the gentleman what would be the case if the penalty were 100 percent?

Mr. BURNSIDE. It would be even better.

Mr. FORRESTER. What would that do toward solving the excess-tobacco problem?

Mr. BURNSIDE. It would keep them from taking the penalty for a few years and then going on and producing a large acreage.

Mr. FORRESTER. But would that not materially reduced this surplus tobacco of which the gentleman is speaking?

Mr. BURNSIDE. It would do this. Each year we found a few people dropping tobacco. It would take care of part of it in that way. This is not the whole answer. I will give some other suggestions to take care of the situation.

To improve measurement by statutory provision for it with standards and penalties clearly defined.

One of the troubles we had was actually having overacreage by the old methods, and by improper methods of checking.

Require aerial surveys annually.

That is another way to check it, to see that they will not overproduce.

Eliminate tolerance in calculations of acreage.

That is another way to cut down on it, to eliminate tolerances in calculations of acreage.

Provide for criminal punishment as a misdemeanor of not more than 1 year or not more than $10,000 or both for willful inaccurate measurement, making the penalty cover the Government employee only.

To amend title 7, United States Code Annotated, section 1315, to establish a minimum allotment of 10 percent rather than 25 percent of the cropland.

This is another way we can cut down this excess. I know some cases where a fellow will plant in his backyard, have a half acre in his backyard in a city or town or village. He is certainly no farmer, but he has been sponging on the farmers. So that, too, will cut down on this acreage.

To provide that whenever there is an increase in quota, the increase shall be shared only by those having taken a decrease in quota in a prior year until all decreases have been restored. As far as the foreseeable future is concerned, this would benefit only those growers who have taken curtailments within the past two crop years, but, in any event, every segment of the industry ought to recognize that restoration of cuts should be shared only by those who have suffered cuts until original quotas have been fully restored.

To authorize the Secretary of Agriculture to redetermine and set marketing quotas for 1955.

This is respectfully submitted by the Eight-State Burley Tobacco Committee, and is signed by John M. Barry, chairman.

Mr. Chairman, I call attention to this fact, which many of you do not realize, that 1,850 farmers, that is, five-tenths of 1 percent of them, produced 27,500 acres of tobacco. That is more acreage than the gentleman from Ohio has in the entire State of Ohio. That is more acreage than the gentleman from Virginia has in his entire acreage. That is more acreage than the gentleman from North Carolina has in his entire acreage, just in that five-tenths of 1 percent of the tobacco farmers about as many acres as all of these States put together.

Listen to these figures. They are startling when you start to look into them, when you start crying about these big tobacco farmers that have over 100 acres, when we are worrying about five-tenths, so a man can buy his food and his clothes.

From 20 to 50 acres, there are 400 of them, and that is only one-tenth in percentage of the tobacco farmers, and they produce 14,000 acres, more than the entire State of Ohio, more than the entire State of West Virginia, and many of the other States like Georgia, Arkansas, and all those thrown in together.

Three one-thousandths, mind you, produce 1,500 acres of tobacco. One farmer with about 350 acres, 9 other farmers with over 100 acres of tobacco. And then we cry crocodile tears about some of these big boys.

I want to tell you this: It is not their tenants they are worrying about, because in the last few years—and I have gone through the tobacco country for a number of years—they have been consolidating and telling their tenants to go find a job somewhere else in some city. They have been concentrating these acreages.

I am reading from the official tobacco report that I got from Mr. WATTS.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. BURNSIDE. I yield.

Mr. COOLEY. The gentleman made a statement that there were 1,000 farmers in America farming 100 acres of burley tobacco.

Mr. BURNSIDE. No; if I made that statement it is in error.

Mr. COOLEY. That is what the gentleman said. I have it right here on this paper.

Mr. BURNSIDE. There are 1,850 tobacco farmers, five-tenths of 1 percent of the farmers, that produced 27,550 acres.

Mr. COOLEY. The gentleman said there were 1,000 farmers who had 100 acres of burley tobacco each.

Mr. BURNSIDE. If I said that, I am mistaken. But I did say this, and I will repeat it again if the gentleman will permit me to go on. I will explain it to you again and I am glad to go over it because I want the Members of Congress to know what is happening under this law.

Mr. COOLEY. Will not the gentleman yield for a correction? According to the paper which has been handed to me, there are only 10 in the United States.

Mr. BURNSIDE. I will go back over it and I will state further that if I made a mistake, I will be glad for it to be corrected. I will give you this information. One tobacco farmer produced about 350 acres. Then 9, I think I used the figure 9, others which represents only three one-thousandths of the tobacco farmers who produced 1,500 acres of tobacco. That is the statement I thought I made.

Mr. COOLEY. I know the gentleman wants to be fair. Do you not know that no one man cultivates that tobacco, but that it is divided among the tenant farmers and this would be putting the tenant farmers out on the road.

Mr. BURNSIDE. If the gentleman will wait just a moment, I will explain that situation. You know and I know that due to new methods, they have been reducing the number of tenant farmers and sending the others to the cities. I

know it because I have seen it. I have seen it happen over and over again.

Mr. COOLEY. How many acres of tobacco do you think one man can cultivate and harvest?

Mr. BURNSIDE. At least 8 or 9 acres.

Mr. COOLEY. Well, then, they must be better in West Virginia than they are down in North Carolina.

Mr. BURNSIDE. They are much better because of these modern methods. As a matter of fact, they have a new method of catching the tobacco bugs which produce the worms. They are using a sonic method to catch the tobacco bugs. You know that and I know that. That was a source of great trouble a few years ago to the tobacco farmers and required a tremendous amount of labor.

But let us go on with these questions. Here is the problem that we are facing. I want to read to you a telegram which I received from the tobacco farmers of West Virginia:

March 21, 1955. the burley tobacco growers of West Virginia are opposed to reducing minimum allotments below seven-tenths of an acre. We fear that program will be voted out in referendum if minimum is reduced. Red-card tobacco creation surplus. Your support requested.

All of you in the other tobacco programs do not want to see it voted out, and they tell me positively they are going to vote it out. They have met this week and they say they are going to vote it out.

This telegram is signed by Clayton Stanley, secretary of the West Virginia Burley Tobacco Grower's Association. I want to say, the gentleman who signed it produces 1.4 acres and he will be cut, and he knows it is necessary to keep from cutting the lower producing farmer. Why? Because they would have these mountain farmers, as you have had the other small farmers, living on less than $300 per year.

Mr. HOPE. Mr. Chairman, I yield 5 minutes to the gentleman from Kentucky [Mr. CHELF].

Mr. CHELF. Mr. Chairman, first I wish to thank the gentleman and my good friend [Mr. HOPE] from Kansas for his kindness.

We have a situation that calls for drastic action, because we are in a drastic situation.

To begin with, let me give you a little history of our problem that we face today. Many years ago our farmers throughout the country, particularly in Kentucky, the tobacco growers, were disheartened, disillusioned, disorganized and disappointed. Every time they came to the warehouse to sell their entire year's crop it was practically stolen from them. They were given 3, 4, or 5 cents a pound. They just could not make it with these horrible bids from these big tobacco companies. Imagine. A whole year's hard labor in the heat and cold—all for absolutely nothing.

If you will pardon a personal reference, raising tobacco is a tough job. I am not a farmer myself. I am an attorney, but I was born and raised on a farm. What time I did not spend in an orphanage I worked on a farm and I know something about the trials and tribulations and hardships and miseries that these good people are subjected to. When you are out in the hot sun working "suckering" tobacco there is what is known as tobacco gum that gets all over you. It is a sticky substance. As a young hired farm hand I have sat down to eat supper with that gum on my overalls, and when I got up, the chair came up with me. If I leaned against the wall the wallpaper would come off with me. It is really like glue.

The difference between tobacco under no program, is 3 cents to 5 cents a pound, whereas under the program we have now it is between 45 and 60 cents a pound. That is what we are fighting for today, to preserve our entire tobacco program which is our economic lifeblood in the form of our cash crop.

There is a little story down home about an old farmer during the days when the Big Four tobacco companies were stealing the tobacco from our farmers. After they had weighed his wagonload of tobacco and figured the warehouse charges and storage charges they told this poor old farmer that he owed them 50 cents. He says, "I haven't got it. What am I going to do?" The warehouseman said: "The next time you come in, bring me an old red rooster." Two or three weeks later, the good farmer came in and he had two old red roosters. The warehouseman said, "What is the idea of bringing me two red roosters?" The poor old farmer replied, "I brought you another load of tobacco."

It may be funny now but it was not funny then and it is not going to be funny in the future because my folks down home, in the 4th district, together with the great 6th Congressional District which adjoins us, produces 75 percent of the burley tobacco in the great commonwealth of Kentucky.

I have been home. I have telegrams. I have letters. But I went home last week and talked to the folks. I walked out in the fields and I saw them burning their tobacco beds and I saw the big ones and the little ones and the middle-sized tobacco farmers. I asked them all just how they felt about this grave crisis and I said, "What do you want me to do? I am your Representative and I need to know your thinking about this cut in our tobacco program." I told them all that I was worried because I realized that overproduction was about to ruin us.

They said, "Is the cut necessary?" I answered, "The tobacco branch of the Department of Agriculture, together with our growers, warehousemen, and all other interested friendly experts say that the cut is imperative." They said, "Do those fellows in Washington tell you the truth?" And I told them I believed they did because one of our Fourth District boys headed the division—Clarence Miller, of Shelbyville, Ky. I then said that I was reliably informed that we had 3½ years of surplus tobacco on hand now when a 2-year tobacco surplus was the red light—or danger signal. They said, "Do we have to be cut? We don't want to be cut any more than we want leprosy. We don't want it any more than we want to sleep with a rattlesnake. We don't want it any more than we want a hole in the head, but if it is necessary to have it, let us have it across the board. Take the little ones and the big ones, and make everybody take the cut."

That is what I am for, and I hope you will support this legislation on that basis. In my humble and honest opinion—that is the fair and equitable way to do the job. Make the cut across the board applying to everybody alike. Then let the farmers vote on it in a referendum.

I see my friend PERKINS here. I love him. He said the other day he was worried about his 4,000 little farmers. Well, I have 40,000 little farmers and I am worried about them just as much as he is. In fact, I am 10 times more worried than he is. My friend BURNSIDE of West Virginia, says that we are going to take the shoes off of his little fellows.

Let me tell you right now that you are fixing to take the socks off them, take their pants right off the back of their laps, take the food off their table, and take the shingles right off their roof. It reminds me of the story of the old colored preacher when he said they were going to have a baptism Sunday afternoon at 3 o'clock, that they were going to baptize the men at the north end of the church, the women at the south end, and the babies at both ends. Buddy, if this tobacco program goes down the drain, you are going to baptize all of us at both ends. But let me get back to our problem. If you are going to cut my farmers, that is all right, but cut everybody, the big ones, the little ones, the middle-sized ones. I hate to see any cut at all but we have no choice. We simply cannot have our cake and eat it too. Let us be fair about this thing. Vote down these amendments please and then vote for the bill and I just know that the good Lord will bless you all.

Mr. COOLEY. Mr. Chairman, I yield 2 minutes to the gentleman from Oklahoma [Mr. ALBERT].

Mr. ALBERT. Mr. Chairman, I have no tobacco growers in my district, big or little, but I agree with those who have pointed out that if we are going to have any kind of farm program we must bring production and consumption somewhat into line. In this connection I would like to comment briefly upon the remarks of my good and able friend, the gentleman from Pennsylvania [Mr. KING]. I think his argument, in part at least, is indicative of a fallacy which is being repeated over and over again with respect to the farm program and is coming repeatedly out of the Department of Agriculture these days. The fallacy is that high, rigid, price supports are responsible for agricultural controls and for our present surpluses. I do not think my good friend the gentleman from Pennsylvania believes that, because I know that he knows that if you support any of the basic commodities at 90 percent of parity, at 75 percent of parity, or at any point between 75 and 90 percent of parity, and do not control production, you are going to overflow the warehouses of the Commodity Credit Corporation.

It is not the fixed price-support program that is the cause of the surpluses;

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it is the failure to adjust production over the years.

We cannot have any program unless we have one based upon the willingness of farmers to adjust their acreage regardless of the point at which we support the price of agricultural products.

Mr. HOPE. Mr. Chairman, will the gentleman yield?

Mr. ALBERT. I yield.

Mr. HOPE. Is not the problem right now due basically to the fact that during the war when we needed greater production the farmers of this country were urged to expand their production. They did it to the extent of 47 percent above prewar. Now, since the war, our export markets have dwindled and we cannot absorb the production we built up.

Reducing farm production is a pretty difficult thing at any time and particularly under present conditions. It is not at all a matter of the level of price supports, in my opinion; it is a matter of finding a way to adjust supply to demand, and so far no one has come up with a more effective method as far as the basic commodities are concerned than acreage allotments and marketing quotas.

Mr. ALBERT. The gentleman has made the point I tried to much better than I could. I thank him for his contribution.

Mr. HOPE. Mr. Chairman, I yield 10 minutes to the gentleman from Kentucky [Mr. WATTS].

Mr. WATTS. Mr. Chairman, I want to discuss this bill with the committee from a factual standpoint and try to leave with the membership a knowledge of what this controversy is about.

Early this year the Department of Agriculture called our attention to the critical condition in which burley tobacco found itself. Our subcommittee on tobacco asked them to come before our committee and make certain recommendations to cure the situation insofar as it could be cured. They came before our committee and they made certain recommendations. Those recommendations of the Department of Agriculture are embodied in this bill as it is brought on the floor here today.

We brought growers in from every State of the Union. We had big growers, we had little growers, we had associations, we had dealers, we had warehousemen. We heard from all segments of the economy. It became very apparent to our subcommittee that it was not a question of this minimum or that minimum or the other minimum. The real question in issue was whether we were going to have a tobacco program. Because of the shape it had gotten itself into the tobacco program was going to collapse from its own weight. This bill, as I said, embodies all those recommendations.

There is one feature of the bill in controversy and only one. The bill provides that all growers shall take a 25-percent cut on the 1955 crop. The Department told us at that time that it was going to be necessary for them to impose a further 25-percent cut next year. This would make a total reduction in tobacco acreage of 50 percent over the 2-year period. Everybody said it was all right and fair to take those cuts.

So we agreed to this bill with a proviso in it that, after we passed the bill, it would be sent back to the growers in the various districts and that they, before May 1, would have a referendum among themselves to determine whether or not they favored what we had done. Mind you, before this support program goes into effect as modified, 66⅔ percent of those growers have to O. K. it. If that is not good democratic legislation, I do not know what is.

Now, to get down to the point in which we are in disagreement. When we had these people before our committee, they said, "Yes, the cuts must be made if the program is going to be saved." But, that is where we fell out. Everybody wants the program saved, but they want the other fellow to save it. Now, contrary to what anybody might tell you, the burley tobacco bases, industrywide and category by category, are so pitifully small that they are almost infinitesimal.

I want to cite you how the tobacco bases are broken down. Sixty-four percent of them are seven-tenths of an acre or less. Eighty-one percent of them are 1½ acres or less. Ninety and twenty-three one-hundredths percent of them are 2½ acres or less. Ninety-six and seventy-two one-hundredths percent of them are 4 acres or less. Bases of 10 acres or more amount to only seven-tenths of 1 percent.

Now, when the grower came in with the eight-tenths of an acre or nine-tenths of an acre, an acre or 1½ acres or 2½ acres, he says, "I will take this cut, but if I am going to be cut half in two, I think the little seven-tenths protected man ought to suffer some in order to save the program; if I am going to be cut from 1½ acres down to seven-tenths, he ought to be willing to make some small contribution toward saving the program." Most of the little growers that came before us said, "Yes, the cuts ought to be invoked, but they ought to be invoked on the fellow with the big basis." Well, when he is talking about a man with a big basis, he is talking about the 1½- and the 2-acre man. Of course, there are a few men with 5,000 or 6,000 acres of land, 10 in the United States, so I am advised, that have 100 acres, but that is a drop in the bucket when you consider that there is something in the neighborhood of 400,000 acres of tobacco raised.

Now, this bill that we have before us we feel is fair. As I said, you have 64 percent of the growers in the seven-tenths class now. When this 25-percent cut goes on, you are going to have 75 percent of the growers in the protected class. With the 25 percent that the Department spoke about for next year, you are going to have 81.57 percent of the growers in this class. It is not right and fair to the man that has 1½ acres or 1¼ acres or 2 acres to have his base cut half in two and the other fellow not suffer any inconvenience at all.

I want to show you what has happened since 1946. Now, mind you, nobody with seven-tenths of an acre tobacco base or less has taken a single cut or a single one of these cuts that I am going to talk about. In 1946 the growers who had a tobacco base of over seven-tenths took a 10-percent cut. In 1947 those growers who had a base of over seven-tenths took a 19.4-percent cut. In 1948 those growers who had a base of over seven-tenths took a 2.2-percent cut. In 1950 those same growers took a 15-percent cut. In 1953 they took a 10-percent cut. In 1954 they took an 8-percent cut. Altogether, while the fellow with the seven-tenths base was protected, everybody whose base was above seven-tenths has been cut 70 percent already, and the Department says it is going to be necessary to cut them another 50 percent, and all we are asking in this bill is that the 64 percent of the growers who have small bases make some little contribution toward saving the program.

I regret that this piece of legislation which was started for the purpose of saving the tobacco program has developed into a fight over minimum acreage. I have little growers and I have big growers; and in view of the fact that up to this time the big growers—that is, if you want to call them big; most of them fall to under 2½ acres—have already suffered a 70-percent cut and are faced with another 50-percent cut. It seems only fair to me that the fellow with seven-tenths ought to be willing to yield one-tenth as a contribution to saving the program, in view of the fact that the fellow above him has already made a 70-percent sacrifice and is faced with a further 50-percent sacrifice.

Mr. BAILEY. Mr. Chairman, will the gentleman yield?

Mr. WATTS. I yield.

Mr. BAILEY. Did I understand the gentleman to say that the farmers with minimum allotments of seven-tenths of an acre have not been reduced? Were they not reduced from nine-tenths to seven-tenths in the last 2 years?

Mr. WATTS. No minimum acreage of seven-tenths has ever been cut.

Mr. BAILEY. They were dropped from some higher percentage, were they not?

Mr. WATTS. Certainly. They were brought down and so was the 2-acre man who is down to less than an acre today. But the man with the seven-tenths base has never shared one single, solitary cut. Of course, many of them who had an acre or an acre and a quarter have now been dropped down to the seven-tenths-acre group.

The CHAIRMAN. The time of the gentleman from Kentucky has expired.

Mr. COOLEY. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. WATTS. You are going to wind up with a situation where a fellow with four-tenths or five-tenths acres, whose tobacco is more or less a supplement to his income—many of these small bases are town lots where a fellow plants a little tobacco, who has other sources of income—you are going to wind up where the fellow with a thousand acres of land and a great deal invested is going to have the same size base as the fellow with a very few acres.

I do not want to cut anybody's tobacco base. It is the most unpopular thing in

the world to talk about cutting tobacco bases. But since the cut must come, let us have some semblance of fairness in the situation. Let us treat everybody alike.

I realize that you cannot cut these minimum bases too much. It would work too great a hardship. This bill does not do that. This bill was a compromise from the start. The bigger growers did not want any minimum base. The little growers did not want to be cut at all. The Department of Agriculture recommended five-tenths and your committee set it at five-tenths. That means that the big grower—and I am talking about a man with an acre and a half or with 2 acres—is going to get whacked half in two and all that they ask the seven-tenths man to do this year is to yield one-tenth in order to save the program.

Mr. BAILEY. Mr. Chairman, will the gentleman yield?

Mr. WATTS. I yield.

Mr. BAILEY. The trouble is that when the allotment program was set up, as I recall back in 1946, the argument was made that some groups of burley tobacco growers were getting a higher acreage allotment than they were entitled to. Let me get across to the gentleman the idea that these small burley tobacco growers in West Virginia have been complaining about the acreage allotment since it was set up, saying that they were not accorded sufficient acreage in proportion to that which had been given to other burley tobacco growers. That has been the condition and that has been the argument through the years.

Mr. WATTS. If the gentleman will permit me to reply to that, I will say that I have never seen a burley tobacco farmer yet who was not complaining, whether he had one-tenth, five-tenths, or an acre. They all want more. I was not here at the time, but the gentleman told me he was, when the law was passed. But when we set up this quota program, they took the immediately preceding 5 years of production, added them together, divided by 5, and that was your tobacco base.

The CHAIRMAN. The time of the gentleman from Kentucky [Mr. WATTS] has again expired.

Mr. HOPE. Mr. Chairman, I yield 3 minutes to the gentleman from Kentucky [Mr. PERKINS].

Mr. COOLEY. Mr. Chairman, I yield 2 minutes to the gentleman from Kentucky.

Mr. PERKINS. Mr. Chairman, I certainly will support any bill this committee finally approves because we must have the tobacco program. I hope the bill is amended to let the present law of seven-tenths of an acre minimum stand.

I regret that so much has been said that if the minimum is cut we will have no tobacco program. I just do not go along with that because I do not believe it.

Today I received a letter from Salyersville, Ky., dated March 23, 1955, from B. F. Adams. How much of an allotment did he have in 1952? He had a 1-acre allotment. If this bill goes through this House without amendment, next year how much will he have? He will have one-half an acre. He says:

> In 1952 I had a 1-acre base; in 1953 a nine-tenths acre base; in 1954 an eight-tenths acre base, in 1955 a seven-tenths acre base, which they propose to reduce to six-tenths or a loss of 40 percent in 3 years.
>
> The chiseling is what's ruining the tobacco business, raising extra tobacco on a remote part of their farms and selling it on their regular white card.

Then he goes ahead and offers suggestions.

There have been a lot of figures quoted. In Kentucky alone we grow about 70 percent of the supply of burley tobacco in this Nation. In Kentucky alone we have 244,000 base acres of burley tobacco. How is that 244,000 acres divided up? Let us look. These are Department of Agriculture figures. We have in Kentucky 79,300 small producers, more than half of the farmers, that have a tobacco allotment with a base of seven-tenths or less. The other 78,000 have 199,000 acres. It averages 2.6 acres per farm.

Many of you have grown tobacco. In the Bluegrass, Mr. WATTS' district, it averages 1,800 or 2,000 pounds to the acre and averages 50 or 55 cents a pound.

I believe sincerely that the chairman of this committee does not strenuously object to maintaining a minimum-acreage program. The question here is whether we are going to maintain a minimum-acreage program. That is the question. This is a move to destroy the minimum-acreage program. Here is a small farmer in Magoffin County, Ky., where tobacco has been grown for 75 years. If we cut him down, next year he will be down to five-tenths of an acre. Where are we going to establish this minimum? That is the question. I believe sincerely that the gentleman from North Carolina and the gentleman from Virginia [Mr. ABBITT] well realize that putting this little farmer down to five-tenths of an acre next year is going to destroy the minimum-acreage basis.

Mr. Chairman, referring to the group that we ordinarily describe as the large growers, I want you to know that in Kentucky alone 78,000 of them cultivated approximately 199,000 acres, and the other 79,000 cultivated approximately 45,000 acres. Everybody is willing to accept a cut. But these farmers have accepted a cut all through the years. Two years ago the minimum was established as seven-tenths of an acre.

Mr. WATTS. Mr. Chairman, will the gentleman yield?

Mr. PERKINS. I yield.

Mr. WATTS. Has any man with a seven-tenths-acre base ever suffered a cut?

Mr. PERKINS. No; the minimum in 1952 was nine-tenths of an acre. But if your bill passes the eight-tenths-of-an-acre man of last year will grow six-tenths of an acre this year, which is a cut of 25 percent, and be cut down to five-tenths of an acre next year. I ask the gentleman if that is not the provision of your bill?

Mr. WATTS. The bill would certainly call for a further cut. But I would like to point out to the gentleman that while the eight-tenths-of-an-acre man is taking that same cut, the acre man is taking the same proportion of a cut, and the 2-acre man and the fellow who already had a 70-percent cut is also going to have his base cut half in two. The gentleman will agree with me that that is correct; will he not?

Mr. PERKINS. It gets back to the question of equity again. Are we going to have a minimum-acreage program? Seven-tenths of an acre today will produce about $450. If we intend to take that away from these farmers who have been raising tobacco in an area for 75 or 100 years, you are going to destroy the program then—that is when you are going to destroy this program.

The 79,000 Kentucky burley growers with base allotments of seven-tenths of an acre or less include less than 50,000 that are at the minimum of seven-tenths of an acre. The majority of these were reduced to this point when the minimum of nine-tenths was reduced to seven-tenths of an acre in 1952. If each of these small producers is reduced to the five-tenths minimum, even though many of them originally had more than one-tenth acre base, the total acreage involved would be something less than 10,000 acres; or only 5 percent of the total base of all the Kentucky growers with base allotments of eight-tenths of an acre or more.

To insist that the program would be destroyed unless this 10,000 acres is taken from the combined base allotment of the little growers is the height of folly. It is also highly questionable in my mind if we actually face a reduction of 25 percent in 1955 and another 25 percent in 1956. In fact, if I can understand production figures, the actual reduction will not be 25 percent in 1955, and if it is as much as 25 percent in 1955, in my judgment, there is no probability of a further cut in 1956. It is more likely that the 10-percent reduction from the current base allotments will start reducing the carry-over that is now only slightly larger than necessary to allow burley tobacco to age sufficiently to make it usable.

Production of burley tobacco approached its current level in 1944 when the crop was approximately 590 million pounds. In 1946 it was 614 million pounds followed by a drop in 1947 of 485 million pounds. The next year it was 603 million pounds, back down again in 1950 to 499 million pounds, followed by an upward trend to reach a peak production of 650 million pounds in 1952, followed by 564 million pounds in 1953. The 1954 crop may exceed 640 million pounds, nearing the all-time peak record of 1952.

The fact that the crop averaged between 1944 and 1949 better than 575 million pounds per year without creating any problems of a surplus indicates that very little reduction from the current level is in order. In fact, one bad crop year which we have periodically in the burley tobacco belt of Kentucky would solve all our surplus problems.

If we are that near a solution of a surplus in burley tobacco, why are the larger producers yelling about the dan-

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ger of a 25-percent cut this year to be followed by an additional 25-percent cut next year? It is my considered opinion that most of the noise is the result of an attempt to eliminate the minimum. Every Member of this body that comes from a burley tobacco-producing area is in favor of the program. It is simply a question of what is the most equitable plan for its operation.

Mr. COOLEY. Mr. Chairman, I yield the remaining time to the gentleman from Virginia [Mr. JENNINGS].

Mr. JENNINGS. Mr. Chairman, I have listened with great patience to the discussion of this program, and while I am a newcomer to the Congress, there is one thing that worries me just a little and that is why are the little farmers in trouble, because everyone seems to be for the little farmers. I cannot understand for the life of me how they get into such predicaments because everyone seems to be for them. The truth of the matter is that I served on this subcommittee and I attended every single meeting. It was a real pleasure for me to serve with this distinguished body and I went into the burley matter in great detail. I feel, as some of my distinguished colleagues here feel, that to take a cut under this program is going to be disastrous to the little farmer.

Mr. PERKINS. Mr. Chairman, will the gentleman yield?

Mr. JENNINGS. I yield.

Mr. PERKINS. I am sure the gentleman from Virginia would be glad to go along if an amendment is offered for seven-tenths and I know you will support the six-tenths of an acre, if the seven-tenths amendment should fail.

Mr. JENNINGS. I will go along with anything that I think will save this program. I believe your amendment will do it. and I will go along with it.

As I stated, I attended every one of these subcommittee meetings. I was pretty well convinced that to reduce this program would be disastrous until I went down and talked to some of my farmers. I went down with the Department of Agriculture officials and we held meetings. My big farmers and my little farmers told me to do what was necessary to save this program.

I think it is necessary to save this program for the big man, and the little man as well.

There is something that has disturbed me and my growers. That is the fact that we have a large group of after 4 o'clock and Saturday farmers who are in competition with the people who grow this tobacco. We have a group of people who work in factories and industrial plants and after 4 o'clock and on Saturdays they, together with their wives and children raise burley tobacco. It is in competition with the farmer who has to depend solely upon the income from his tobacco for his entire livelihood.

There is a great deal of dissatisfaction among the farmers about the administration of this program, but the committee has talked to the people in the Agriculture Department who are charged with the enforcement and they agree that the administration can be tightened and that they can help in any inequities that exist.

I introduced a bill and it was reported out of the subcommittee, to take care of what I think to be one of the flagrant violations. That is, the growing of an excess or red tag tobacco. This bill provides that a 75-percent penalty will be placed on all excess or red tag tobacco. I think that will go a long way in helping to reduce the excess.

The real trouble with this program is just this: In 1940 we were raising 11,305,000 pounds of tobacco in Virginia. We have taken all these cuts down through the years. We have reduced the big farmer and we have reduced the little farmer until in 1954, while we were raising 11,305,000 pounds of tobacco in 1940, we are now raising more than twice that amount of tobacco, 24,975,000 pounds. The trouble is we are putting manure and fertilizer on this smaller acreage and we are growing a higher nicotine tobacco and what we are going to have to do is to raise a better quality tobacco or some "de-cancer" tobacco.

Let us do whatever it takes to save this program. That is what I want. That is what my farmers want, and that is what the people want—to save this program.

The CHAIRMAN. The time of the gentleman has expired. All time has expired.

The Clerk will read.

The Clerk read as follows:

Be it enacted, etc., That notwithstanding any other provision of law—

(1) the Secretary of Agriculture shall, within 10 days after enactment of this Act, redetermine the national marketing quota for burley tobacco for the 1955–1956 marketing year on the basis of the latest available statistics of the Federal Government, apportion such quota among States, convert the State quotas to State acreage allotments, and allot the same among farms pursuant to and in accordance with applicable provisions of law: *Provided* That burley tobacco marketing quotas and acreage allotments heretofore established for the 1955–1956 marketing year shall not be effective, but the preliminary burley tobacco acreage allotment for any farm determined under section 725.616 of the burley and flue-cured tobacco marketing quota regulations, 1955–1956 marketing year, issued by the Secretary of Agriculture (19 Federal Register 3549), shall not be reduced by more than 25 percent (except for reductions under section 725.619 of said regulations);

(2) burley tobacco farm acreage allotments of seven-tenths of an acre or less heretofore determined for the 1955–1956 marketing year when redetermined pursuant to paragraph (1) of this act may be reduced but not more than one-tenth acre: *Provided, however,* That no allotment of five-tenths of an acre or less shall be reduced under this section;

(3) Within 20 days after the issuance of the proclamation of the national marketing quota for burley tobacco for the 1955–1956 marketing year as redetermined pursuant to paragraph (1) of this act, the Secretary of Agriculture shall conduct a referendum of farmers who were engaged in the production of the 1954 crop of burley tobacco to determine whether such farmers are in favor of or opposed to such redetermined quota. If more than one-third of the farmers voting in the referendum oppose such redetermined quota, the Secretary of Agriculture shall, within 30 days after the date of the referendum, proclaim the result of the referendum and (1) no quota for burley tobacco for the 1955–1956 marketing year shall be effective thereafter, and (2) no price support shall be made available on the 1955 crop of burley tobacco; and (4) Public Law 528, 82d Congress (66 Stat. 597), is hereby amended, effective for the 1956 and subsequent crops of burley tobacco, to read as follows: "The farm acreage allotment for burley tobacco for any year shall not be less than the smallest of (1) the allotment established for the farm for the immediately preceding year, (2) five-tenths of an acre, or (3) 10 percent of the cropland: *Provided, however,* That no allotment of seven-tenths of an acre or less shall be reduced more than one-tenth of an acre in any one year. The additional acreage required under this act shall be in addition to the State acreage allotments and the production on such acreage shall be in addition to the national marketing quota."

With the following committee amendments:

On page 1, line 4, strike "the" and insert "The."

The committee amendment was agreed to.

Committee amendment: On page 2, line 16, strike "burley" and insert "Burley."

The committee amendment was agreed to.

Committee amendment: Page 3, line 14, strike "tobacco; and" and insert "tobacco."

The committee amendment was agreed to.

Committee amendment: Page 3, line 15, strike "(4)" and insert "SEC. 2."

The committee amendment was agreed to.

Committee amendment: Page 4, line 4, insert the following:

"SEC. 3. Section 313 (g) of the Agricultural Adjustment Act of 1938, as amended, is amended by adding immediately after the first sentence thereof a new sentence to read as follows: 'Any acreage of tobacco harvested in excess of the farm acreage allotment for the year 1955, or any subsequent crop shall not be taken into account in establishing State and farm acreage allotments.'

"SEC. 4. The last sentence of section 313 (g) of the Agricultural Adjustment Act of 1938, as amended, is amended by adding in the last sentence thereof immediately following the language 'if proof of the disposition of any amount of tobacco is not furnished as required by the Secretary' the language 'or if any producer on the farm files, or aids or acquiesces in the filing of, any false report with respect to the acreage of tobacco grown on the farm required by regulations issued pursuant to this act.'

"SEC. 5. Section 314 (a) of the Agricultural Adjustment Act of 1938, as amended, is hereby amended, effective July 1, 1955, with respect to flue-cured tobacco, and October 1, 1955, with respect to other kinds of tobacco, by striking out the figure '50' therein and inserting in lieu thereof the figure '75'."

The committee amendment was agreed to.

Mr. BURNSIDE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BURNSIDE:

On page 2, strike out lines 16 to 22, inclusive, and insert:

"(2) No burley tobacco farm acreage allotment of seven-tenths of an acre or less shall be reduced under this section;

On page 3, strike out line 15 and all that follows down through line 3 on page 4.

Mr. BURNSIDE. Mr. Chairman, as I stated before, the tobacco program requires 2.8 years for determining. We

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have now 3½ years' supply, so these recommendations that are made would take care of most of this.

Mr. Chairman, I have often heard one of our colleagues from North Carolina use for an illustration a catfish story. He said, "Now, catfish, hold still, I ain't going to hurt ya! I'se just going to gut ya." Well, the mountain farmers are in a position like the catfish, but they have never been known to take a gutting lying down. There is quite a contrast between that lush bluegrass country and the living conditions of our mountain farmers.

In the bluegrass country where they have large tobacco acreages of over a hundred acres per farm and where they raise—maybe I should use the cultural term of "rearing"—splendid racehorses, what more beautiful picture do you want than these gorgeously groomed animals prancing on luscious bluegrass. It seems to me to be a shame not to grow bluegrass. Not only do racehorses love it, but cows think it the ultimate in contentment. Now, these wealthy racehorse folks have been more and more adding to their poundage of tobacco. They are producing about three times as much per acre as some years back. They use that stable manure from these thoroughbreds and make tobacco grow like these horses run.

Really, friends, what chance do our little cabin farmers on a mountainside in West Virginia, South Carolina, North Carolina, Georgia, Virginia, Kentucky, and Tennessee have against such luscious mint julep surroundings.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. BURNSIDE. I yield for a brief question.

Mr. COOLEY. I think that the average acre yield in North Carolina is greatly in excess of that for Kentucky that the gentleman has mentioned.

Mr. BURNSIDE. The burley yield is greater. Kentucky produces over 75 percent.

Mr. COOLEY. The per acre yield?

Mr. BURNSIDE. I do not know about that particular point, but it is certainly true that 50 percent of the burley producers in Kentucky produce 16 percent of the tobacco. The lush yield the gentleman from Kentucky was talking about a few minutes ago I think must be in those areas where they use this thoroughbred manure. I do not have time to yield further.

Let us look at how the nine-tenths to the seven-tenths burley farmer has been gutted in the last 2 years. The small burley producers suffered a cut of over 22 percent of their acreage. According to figures published by the Department of Agriculture in their annual report 1944–54, the big burley farmer took only a cut of 10 percent in 1953 and a cut of 8 percent of the balance in 1954. This would add up to approximately a 17 percent cut for the 2 years. In the case of a 50-acre allotment farm, there would have been a 17.2 percent cut. Now, remember colleagues that the nine-tenths to seven-tenths farmer took over a 22 percent cut. Now, with both figures in percentages we can see that in our last cut the small burley producer was hit much harder than the large producer. There is a differential of almost 5 percent. Remember, now, that the cash received for their tobacco crop is the only money earned by many of these mountain folk in the Allegheny region. At five-tenths of an acre, these people would have less than $300 cash net per family. This House allowed inequities in the last cut. I am here to ask that no further inequities be dignified by law. Not only should we refrain, gentlemen, from giving the big burley producer the legislative breaks as has been done in the last 2 years, but we must consider the personal needs of the thousands of families all over the mountain area who will suffer terribly if prevented by the House from making a decent living by passing additional cuts in their acreage. The 10- to 20-acre farmers have about as much acreage as the State of West Virginia, Missouri, Georgia, Kentucky, Arkansas, Alabama, Indiana, and North Carolina combined.

I also notice in checking the 1955 burley acreage allotments that there are 40 farmers in the United States who produce more tobacco than is produced in the entire State of West Virginia. I notice that there are 10 farmers who produce more than one-third of the entire acreage of the State of West Virginia. I also notice that there are 400 farmers who are producing over 20 to 50 acres which, would run many times the allotments in the State of Ohio and in the State of West Virginia put together.

Gentlemen, anyone can see that cutting from nine-tenths to five-tenths acreage in 4 years is such a drastic blow, for it reduces these farmers to a $300 cash income a year per family. I feel positive that most of the people here do not want to put additional families on relief. If this bill is not amended, that is exactly what we would be doing. Do you think, gentlemen, that after we raised our own salaries, that we can in good conscience cut these little farmers' incomes from $500 to $300 per family per year? I am leaving this to your conscience.

Mr. JENKINS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, everybody recognizes the fact—we have proven it in the United States—that crop controls are necessary both in quality and in acreage. But the thing might develop into a real serious proposition if we get to the place where the big tobacco growers all speak on one side and the little tobacco growers speak on the other side. That is where we have come today. We ought to be careful, because when we put in crop control it was not intended that the little fellow be run out.

Let me give you some experience. You talk about a 10-percent reduction. Whenever you cut this little fellow, that is down to seven-tenths of 1 acre now, down to where he is going to have three-tenths, he will quit. On the other end of it, you have the big fellow who will not quit. You cut him 20 percent, or whatever you want to, and he will not quit. But you are going to cut our little fellow down to where we are going to quit. We are going to have to quit.

In my State we do not have any big producers. We have some maybe with 10 or 15 acres. I do not know of anybody in my district producing much tobacco, perhaps two or three hundred along the river across the great State of Kentucky. But we do not have any big tobacco farmers like they have in the Bluegrass section. I implore you Bluegrass people to have some compassion on our little fellows in the hill country. That is where we get our money to feed our children.

Let us not carry this thing so far that you are going to put a burden on a fellow that cannot carry the burden. Do not take all of my tobacco people and put them out of business. You have to be careful. I am no expert on this and I do not claim to be, but I just know that the little fellow in my section just cannot stand very much more.

I have been very proud of one thing in connection with the tobacco business, and that is the way the Government runs it. We have a big warehouse in Huntington, W. Va. The farmers take their crop over there. There is also a warehouse down in Maysville, Ky. The farmers take their crop down there. The Government has a man there whom they can appeal to. He inspects the quality. He keeps them from being run over. They do not get squeezed out.

Here today I implore you not to squeeze the little fellows out. Why do you want to worry about seven-tenths or six-tenths? It does not mean much to you big fellows, but it does mean a lot to the little fellows. If you cut him down to five about half of my people are going to quit.

Mr. Chairman, I shall vote for the pending amendment.

Mr. BAILEY. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, you will recall that some 2 or 3 days ago this same question came up under suspension of the rules of the House for action, which was refused. So my colleague from West Virginia and the gentleman from Ohio who has just addressed you and others who are interested in the distribution of allotment acreage of burley tobacco really have a problem. It was enough of a problem to prevent the suspension of the rules. Now we are here trying to improve it in the form of an adjustment, in the form of an amendment. I understand that the gentleman from Tennessee will follow the amendment of the gentleman from West Virginia [Mr. BURNSIDE] should it lose, with another amendment proposing to fix the minimum acreage at six-tenths of an acre.

There was no reason why there could not have been, and I thought there was to be, a compromise here so that this floor fight could have been avoided. Now, if we cannot have seven-tenths of an acre minimum base, then we will be willing to take six-tenths, since the argument is that we have to have a reduction and it must apply to all categories in the burley field. We feel that the seven-tenths existing minimum is the deadline below which no reduction should be made, because these little fellows, let me say to you, my colleagues, are the fellows that have been struggling along with this small allotment.

Let me remind you that today no State in the Union is in worse economic condition than the State of West Virginia. In our State the big industry is coal, and it is practically dead. We have no income, and you are proposing to reduce the income of some 2,000 or 3,000, maybe 2,400, small tobacco growers in this same area where the Government is already feeding 75 percent of the people with surplus food.

Nothing should be done that would further reduce the income of the people in that section.

Mr. ABBITT. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I realize that the time is getting late, and I do not want to trespass on the time of the members of this Committee, but this is a vital question. I feel if this amendment is adopted, it will be useless to pass this bill, and I am serious about that. There will be no prospect of correcting our program. Now, if you members want to wreck the program of the burley tobacco growers, if you want to vote out quotas and have no protection, no support price, the best way I know to do it is to vote for this amendment.

Now, these gentlemen from West Virginia are complaining, and I know they are in bad condition out there, but they are far better off than we are in Virginia. In Virginia we have 13,000 acres of tobacco and 18,000 growers. In West Virginia they have 3,000 acres of tobacco and probably 4,800 growers. So, you see they are in far better condition than we are. And I have yet to hear a single tobacco grower in Virginia that is objecting to this proposal, because they feel it is necessary that something be done to save the program. We are either going to save it, or else we will have no tobacco program. I will tell you that if the burley tobacco program goes down, the dark-fired and the flue-cured will go down and all the others.

Mr. CHELF. Mr. Chairman, if the gentleman will yield, and if this bill does not pass, we will spill our economic lifeblood all over the place. You talk about troubles. We will have troubles.

Mr. ABBITT. Yes. And they are raising more tobacco on the five-tenths now than they used to on an acre.

Mr. Chairman, I have a letter from Mr. McConnell, Assistant Secretary, who recommends that we pass this bill as is and submit to the growers of burley tobacco the question of whether or not they want to accept the allotments as redetermined by the Secretary of Agriculture.

Mr. COOLEY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I agree with the statement just made by the gentleman from Virginia [Mr. ABBITT]. This is the vital and the important part of the bill. If we are going to control the production of tobacco so as to keep production in line with reasonable consumer demand, it is necessary for the Secretary of Agriculture to have authority to make necessary reductions in acreage allotments, and this he cannot do unless the provision for minimum allotments is changed, or unless the minimum allotment is repealed.

I am somewhat surprised at my distinguished friend from Ohio speaking in opposition to the views of the great Secretary of Agriculture, Mr Benson. This is one instance in which I am willing to follow Mr. Benson's recommendation because I think it is an intelligent recommendation.

Mr. JENKINS. If the gentleman will yield, he does not come from Ohio.

Mr. COOLEY. I know he does not. I can easily understand how all these Members from the burley areas are disturbed over the little grower. Certainly it is not a pleasure for us to advocate a reduction of a minimum acreage. But the fact remains that in my area where flue-cured tobacco is grown we do not have a minimum. We did have a minimum in the cotton bill and we found out it would not work. I think it is a matter of time when we will have to do away with this minimum completely.

I urge the Members of the House to vote against the pending amendment and to stand by this subcommittee on tobacco and approve this bill just as it was brought to the House.

Mr. WATTS. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I apologize for rising again so soon. But it is my recollection that I have taken more time on the floor today than I have since I became a Member in 1951.

Your committee realized what this problem was, they realized that there was a problem. As I pointed out to most of the Members a few minutes ago, the average burley tobacco base is only 1.1 acres. Sixty-four percent of those bases are seven-tenths of an acre or less. The Secretary of Agriculture told us we were going to have to reduce our acreage 50 percent. We called in the growers. They said, "We recognize we are in trouble. We know we are going to have to take a cut and we are willing to accept a 50 percent cut. But we think in all fairness that since we have taken a 70 percent cut in the last 6 years and we are going to have to take a 50 percent additional cut in the next 2 years, those fellows in the seven-tenths group ought to make some infinitesimal gesture toward carrying their fair share of the load."

The Secretary of Agriculture recognized that. Our committee recognized it. We had two groups who testified. One said it is necessary to wipe out the minimum. The other said, "No, you cannot touch the seven-tenths man. You have to go back and take this 50 percent off of the eight-tenths man, the nine-tenths man, the 1 acre man, the acre and a quarter man and the acre and a half man. We are a sacred group. We should let you save the program. We realize the cuts must come. We want it saved, but we want you to save it. We do not want to make a small contribution toward saving it."

Our committee did not hurt them very much, not half as much as the ones above them. They merely said, "While the other fellow above you is getting his base cut half in two, we ask you to make some small gesture and surrender some of your base in behalf of saving the program."

I will say today that if this minimum is not reduced and the other growers—and they represent 50 percent or more of the vote, even though there are not as many of them, because in this program every man and his wife, every tenant and his wife, and their sons all vote. And even though they own 36 percent of the bases above the minimum, counting the tenants and their wives—and an average farm that has a 2-acre tobacco base has tenants on it—when you break it up among tenants, it is not seven-tenths apiece for the folks that grow it; but they want some gesture made by the little man to help save the program. Goodness knows, I do not want to hurt anyone, but the growers will vote this program out just as surely as it is put to a vote, if the cuts are not fair.

I realize if we cut the little man too much they will vote it out. I realize if we do not make some gesture toward letting the seven-tenths man, who has being protected throughout the years, make some contribution to this program, the larger growers will vote it out. If you adopt this amendment, all you are doing is saying to the acre man, the acre-and-a-quarter man, the acre-and-a-half man, "Yes, I know your back is sore, you have taken a 70-percent cut already, but we are going to put the whole 50 percent on you. We are not going to require the other fellow to share any part of it."

I ask you in all fairness, and in order to save this program, please do not support this amendment.

Mr. CHELF. Mr. Chairman, will the gentleman yield?

Mr. WATTS. I yield to the gentleman from Kentucky.

Mr. CHELF. I might say that I know how the gentleman feels. I know certainly how I feel about my folks. This is the first time I have ever come before the House and asked them to hurt my folks, but we have got to be hurt or we are going to be killed in this thing. It is like taking a big dose of castor oil, we have to hold our nose and take it down whether we like it or not, because the program is at stake and our lifeblood is at stake.

Mr. WIER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I am not going to take the 5 minutes, but because of the patience I have had in trying to give the little fellow a vote around here, I think I ought to try to make some contribution and I do want to make that contribution by saying this: Whatever happens to this bill, after what I have heard here this afternoon about my chewing tobacco, you are going to lose one of the best customers tobacco has.

The CHAIRMAN. The question is on the amendment offered by the gentleman from West Virginia [Mr. BURNSIDE].

The question was taken; and on a division [demanded by Mr. BURNSIDE] there were—ayes 30, noes 54.

So the amendment was rejected.

Mr. BASS of Tennessee. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BASS of Tennessee: On page 2, line 21, strike out "five-tenths" and insert "six-tenths."

Mr. BASS of Tennessee. Mr. Chairman, my good friend and colleague from Kentucky [Mr. CHELF] has been saying all afternoon, "Hurt me a little bit, cut me a little bit, but do not kill me." Now I am giving him his opportunity. This will allow the cut, it will reduce the minimum acreage from seven-tenths of an acre as it is now to six-tenths of an acre, but it will not kill the little man, it will not destroy the program. It is a compromise. We have to do that many times in legislative matters. In fact, this was discussed in the subcommittee of which I am a member, that is the tobacco subcommittee. We called a representative from the burley tobacco area and gave them an opportunity to come before the committee. The question was put before the committee, "Would you agree to a six-tenths amendment?" Every person there, including the nonmembers of the committee who were from the burley belt, agreed except one. All except one agreed to the six-tenths amendment in the committee meeting. I find no serious objection to it anywhere. I would like to tell you this one thing. Just about a month ago we came before this body and we asked for more cotton acreage allotments. We do not need any cotton, we have cotton coming out of our ears in the warehouses. We have all the cotton we could possibly need, but we came before the House and pleaded with this body for an additional 3 percent allotment to be added to the quota which was established for 1955. Now why did we do that? We did it because we said that we had created a social problem because the little cotton farmer could not make a living. What brought that about was prior to last year we had a minimum acreage requirement in the cotton law. The little cotton farmer was allowed to raise cotton. But we eliminated that minimum. We created a situation where we had to come back this year and ask for more cotton acreage in order to take care of the little man. Let us not do that with tobacco. Let us not have to come back here and say, "We have all the tobacco we can possibly use anywhere in the world, but if we reduce the acreage and continue to reduce the minimum acreage, we will create a serious social problem whereby we will be forced to ask this body to vote additional acreage which we do not need, just in order to take care of those people who absolutely must be allowed to make a living if any marketable program and quota program is allowed to exist."

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. BASS of Tennessee. I am glad to yield to my distinguished chairman.

Mr. COOLEY. It is a fact that after the bill had been considered by the subcommittee of which the gentleman from Tennessee was a member, and it was reported to the full committee, when the final vote came in the full committee, there was only one dissenting voice in opposition to the bill which we now have before us in the form in which it was presented by the committee?

Mr. BASS of Tennessee. The chairman is an able gentleman.

Mr. COOLEY. That is right, is it not?

Mr. BASS of Tennessee. That is absolutely so, Mr. Chairman. That is true, but I would also like to call your attention to the fact that when that bill was brought to the floor by my distinguished chairman a few days ago, there was quite a bit of objection to it, it did not pass, and there was more than one dissenter at that time. I believe there are more dissenters here this afternoon than there were at that time. This amendment of mine is nothing but a compromise amendment. I would like to see the 0.7 amendment passed. I was for the other amendment. I did not say a word on it. I did not come down to the well of the House and ask you to vote for it, because we realize we must have some cut. I am for the cut. I have worked and helped to prepare the very bill which is before this Committee today. I have attended the hearings and I have done everything I possibly could. We realize we must have a cut in tobacco acreage, but certainly you can compromise and at least let the 0.6 of an acre man continue to grow tobacco. That is all I ask. Nobody is going to get hurt. If we approve this amendment, it is not going to destroy the tobacco program. Nobody can say that and be truthful about it. It is just not going to do it because in the case of the little man the minimum acreage requirement is not what has caused the trouble in the tobacco program. When the Secretary of Agriculture sent his representatives before the committee hearings originally, they did not recommend reducing the minimum acreage. They said take a look at it, but they did not say that is what is wrong with the program. They told us what was wrong with the program and then later on after the bill had been introduced, and after the subcommittee hearings were held and recommendations had been made, they did approve it.

Mr. HOPE. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, we have to be realistic about this matter. If we are realistic we cannot overlook the fact that while it is true the minimum acreage has been cut from time to time, and it may seem small at present, it is a fact also that the yield per acre in the last 10 years has almost doubled. So that when you say a producer has been cut down in his production, you are not stating the fact. The cut has been in his acreage. But it is not acreage that we are dealing with; it is production which causes the surpluses.

We are also dealing with a type of agriculture where almost everybody is a small farmer. No one wants to hurt the small farmer, of course; but here you have a type of agriculture that is composed mainly of small producers. Further than that a very large proportion of them are people who are engaged only partially in agriculture. Many are part-time farmers. Others depend largely on other crops or livestock. Everyone knows that on seven-tenths of an acre or half of an acre of tobacco you cannot make a living. Anybody who grows tobacco on such a small acreage obviously must have some other source of income. So whatever you do in dealing with the minimum you are not depriving any farmer of his main source of living.

Mr. PERKINS. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I will yield later if I have time. I have not had very much to say on this bill and I would like to proceed uninterruptedly for a moment or two.

I am in favor of a minimum. I want to keep a minimum allotment. But when five-tenths of an acre is producing almost as much as an acre would produce 10 years ago, and when production is exceeding consumption, everyone, I think, is going to have to take some reduction if a practical program is to be maintained.

The CHAIRMAN. The time of the gentleman from Kansas has expired.

Mr. ABBITT. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I concur in what the gentleman from Kansas [Mr. HOPE] has said, but since this bill has been reported from the committee the Department of Agriculture has had its representatives in every State and every section where burley tobacco is grown. I hold in my hand telegrams from those field representatives. I will not take the time to read them, but the large sentiment is that the growers are willing to go along and do whatever is necessary to carry on this program.

We thrashed out in our subcommittee this question of five-tenths or seven-tenths. A number of our people wanted to cut out the minimum entirely. Some thought it should be seven-tenths. Then, as a compromise matter, I proposed a five-tenths percent and that the seven-tenths be cut one-tenth of an acre per year. That was finally adopted with but one dissenting voice. I hope the Members of the House will stay by this bill because, as was pointed out by the gentleman from Kansas [Mr. HOPE], a man who has a five-tenths of an acre crop today is producing more than he was 10 years ago.

Mr. BURNSIDE. Mr. Chairman, will the gentleman yield for a correction?

Mr. ABBITT. I yield.

Mr. BURNSIDE. There was a meeting after the vote on the floor, and 15 or 16 Congressmen were at that meeting and only 2 voted against the six-tenths of 1 percent minimum and the rest voted for it.

Mr. CHELF. Do not include me, because I was not there.

Mr. ABBITT. I desire to express my appreciation for the fine work that the gentleman from Virginia [Mr. JENNINGS] has done in behalf of the burley tobacco growers. He has worked constantly on their problem and has been a real asset to our subcommittee. I know his growers will benefit from his fine work.

The CHAIRMAN. The time of the gentleman from Virginia has expired.

Mr. WATTS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I will not belabor the committee on anything except to say that the same argument I made in regard

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to the other amendment applies to this one.

There are about 50 Members of Congress who represent the burley industry. There was a meeting constituted mostly of those who were opposed to reducing the minimum. I think the committee heard all of the evidence. I was there. I heard it.

This committee followed the advice of the Department of Agriculture. If you want a sound tobacco program—and it is very seldom that you ever hear a commodity coming to this floor and asking for a reduction. I know other commodities have said they needed a larger base.

We have brought to you the very best bill we could in the light of all the circumstances. We compromised as between the two groups. One is asking to maintain the 0.7 of an acre; the other wanted to wipe it out. I think the bill is fair; I think it has had due consideration and I hope the committee will support it.

Mr. CHELF. Mr. Chairman, will the gentleman yield?

Mr. WATTS. I yield.

Mr. CHELF. Let me say this, Mr. Chairman, this is one piece of legislation that has absolutely not cost the Federal Government one cent. The fact of the matter is the tobacco program has turned money into the Treasury.

Mr. PERKINS. Mr. Chairman, I move to strike out the last word.

Mr. ABBITT. Mr. Chairman, will the gentleman yield for a consent request?

Mr. PERKINS. I yield.

Mr. ABBITT. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close at the end of the statement to be made by the gentleman from Kentucky [Mr. PERKINS].

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. PERKINS. Mr. Chairman, I certainly will not consume but a couple of minutes at this late hour. Personally, I regret that the bill was called up this time of the day, and on a Thursday afternoon.

Answering the gentleman from Kansas [Mr. HOPE], it is true that many of these small farmers raise other crops and livestock to supplement their income. These are the more fortunate ones. Many of them have no other income except from their tobacco crop, but generally raise livestock for their own personal use. The whole northern part of the district that I represent has a tobacco economy. Over a period of years these growers have built up their farms, and elevated their standard of living. The same thing holds true in many counties all through Kentucky.

No individual wants to do any harm to our tobacco program which means so much not only to Kentucky but to the Nation. The only question here is one of equity. I feel that it is unjust for the small grower to take the cut provided for in this bill. I was glad to support the amendment offered by the gentleman from West Virginia [Mr. BURNSIDE]. Since the Burnside amendment has been defeated, I urged the Members to support the amendment offered by the gentleman from Tennessee [Mr. BASS].

Mr. JENNINGS. Mr. Chairman, will the gentleman yield?

Mr. PERKINS. I yield to the gentleman from Virginia.

Mr. JENNINGS. I want to point out, as I stated a while ago, that I am interested in saving the program. The acreage has got to be cut and I still think it can be. I am going to vote for this six-tenths of an acre.

Mr. PERKINS. The gentleman thinks this amendment should be adopted?

Mr. JENNINGS. Yes.

Mr. PERKINS. I certainly want to thank the gentleman from Virginia [Mr. JENNINGS] for the contribution he has made in behalf of the small grower. He has worked diligently for a sound minimum acreage program.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Tennessee.

The question was taken; and the Chair being in doubt, the Committee divided and there were—ayes 44, noes 71.

So the amendment was rejected.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. SIEMINSKI, Chairman of the Committee on the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 4951) directing a redetermination of the national marketing quota for burley tobacco for the 1955–56 marketing year, and for other purposes, pursuant to House Resolution 189, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

Mr. KILBURN. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. KILBURN. I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. KILBURN moves that the bill be recommitted to the Committee on Agriculture.

The SPEAKER. The question is on the motion to recommit.

The motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

The bill was passed and a motion to reconsider was laid on the table.

THE LATE JOHN W. DAVIS

Mr. BAILEY. Mr. Speaker, I ask unanimous consent to address the House and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. BAILEY. Mr. Speaker, a disagreeable task faces me at this time. The ticker has just announced the death of John W. Davis, in a hospital at Charleston, S. C., from a sudden attack of pneumonia.

Mr. Davis, one of West Virginia's best known citizens and one of the Nation's outstanding legal minds, it will be recalled, served West Virginia and the particular district I have the honor to represent at the present time in the Congress of the United States, from 1910 until some time in 1913, when the late President Woodrow Wilson appointed him Solicitor General of the United States, in which capacity he served with great brilliance.

Mr. Davis, it will be recalled, was the Democratic nominee for President in 1924. He will also be remembered in more recent days—and I am sure somebody else will want to pay tribute to him for this service—as representing the State of South Carolina in the recent case in the United States Supreme Court on the question of segregation. May I say that it is unfortunate that this matter was just now brought to my attention, because I know there are many of his friends who served with him years ago in Government who would want to pay tribute to him.

Mr. Speaker, I ask unanimous consent that all Members who desire to do so may have the privilege of extending their remarks on the death of John W. Davis at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. RIVERS. Mr. Speaker, will the gentleman yield?

Mr. BAILEY. I yield to the gentleman from South Carolina.

Mr. RIVERS. Mr. Speaker, of course, the people of South Carolina are deeply distressed to learn of the untimely death of our adopted citizen, the great and eminent and constitutional giant, John W. Davis. He had been making my native city of Charleston his winter home for a number of years. He was stricken just recently. We adopted him because we loved him. He represented my district in the segregation case before that body known as the Supreme Court. He spoke to that outfit at a strange time, because he knew something of the Constitution. Of course, they did not understand him. He addressed his remarks to the record and to the Constitution and, of course, they rendered a decision inconsistent with the evidence and inconsistent with the testimony in the lower court. They rendered a decision inconsistent with common sense, because that is the language John Davis talked. We are distressed, of course, that he should die. Of course, we are distressed in our native city, but my city is a greater city because he kind of adopted it. My district is a greater district because he carried our constitutional question in a constitutional way to the Supreme Court. It was not his

fault that they did not understand him. They do not understand any man who talks precedent and constitutionality. John W. Davis did not live to see his position vindicated, but the years will prove him right, as it will prove my people right in this fight for tradition and constitutionality.

Mr. BAILEY. I deeply appreciate the comments made by the gentleman from South Carolina on West Virginia's outstanding citizen.

Mr. HARRISON of Virginia. Mr. Speaker, will the gentleman yield?

Mr. BAILEY. I yield to the gentleman from Virginia.

Mr. HARRISON of Virginia. Mr. Speaker, John W. Davis was one of the greatest, if not the greatest, of our contemporary men. He was possessed of a marvelous intellect; a fine man and a man of great character. He was born in the State of West Virginia, was educated at the Washington University in Virginia, and went on from there to a great career in this body, Ambassador to the Court of St. James, and was the Democratic nominee for President of the United States. His passing is a tremendous loss to the country.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. BAILEY. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. Mr. Speaker, the life of John W. Davis is an inspiration for all to follow. His was a constructive life; a man whose nobility of character was a symbol for all to follow. He led a full life; and he led a good life and a noble life. He leaves behind him a heritage that will take its place among the prominent pages of American history.

Mrs. ROGERS of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. BAILEY. I yield to the gentlewoman from Massachusetts.

Mrs. ROGERS of Massachusetts. I am deeply sorry to learn of the passing of John W. Davis. My husband and I saw him and his wonderful wife very, very often here in Washington. We always felt that he would have made a very wonderful President of the United States. He had a brilliant mind, was a great lawyer, and a man of splendid character. Everything he did he did well. He performed a great service for his country; a great service for humanity.

Mr. BAILEY. I sincerely thank the gentlewoman from Massachusetts.

Mr. Speaker, it is with sincere regret that the news announcing the death of John W. Davis reached the floor of the House late today. This has precluded many of his friends and admirers from paying tribute to this truly great American.

Mr. Davis was hospitalized 2 weeks ago after he suffered his third pneumonia attack of the winter at Yeaman's Hall, a resort near Charleston, S. C. Earlier in the week he was thought to be recovering and had expressed a desire to return home from the hospital. He suffered a relapse, however, and died Thursday, March 24.

John W. Davis was born on what is now Washington Avenue, Clarksburg, and the Davis home was later on Lee Avenue. He was born April 13, 1873, a son of the late John J. and Anna Kennedy Davis.

He was admitted to the bar in 1895 and in the year 1896–97 was assistant professor of law at Washington and Lee University. In 1897 he began the practice of law in Clarksburg in partnership with his father, the late John J. Davis.

Voters in 1899 chose Mr. Davis as a member of the West Virginia House of Delegates, a post that started a political career which was to result in his nomination of the Presidency in 1924.

He was a delegate to the Democratic Convention in St. Louis in 1904, and he was elected to the 62d and 63d Congresses. In 1913 the late President Woodrow Wilson named John W. Davis as Solicitor General of the United States and he remained in that office until 1918. His service as Solicitor General resulted in many appearances before the United States Supreme Court, where he was also to practice frequently in the later years of his life.

John Davis was a member of the American delegation to a conference with Germany at Bern, Switzerland, in 1918, on treatment and exchange of prisoners in World War I, then in progress. While he was there, William Hines Page resigned as Ambassador to Great Britain and President Wilson appointed Mr. Davis to that most important diplomatic post.

Returning to this country in 1921, he returned to private practice to recoup his personal fortune.

In one of his last appearances before the Supreme Court, Mr. Davis represented the State of South Carolina in the public school segregation case. The court rejected his arguments for continuing segregation under the separate-but-equal doctrine. Davis would accept no fee for his services in the school case. The South Carolina General Assembly authorized purchase of a silver tea service for him, and his long-time friend, former Gov. James F. Byrnes, went to New York to present it to him.

Mr. Davis' nomination for President came in New York at the longest convention ever held. William Gibbs McAdoo and Gov. Alfred E. Smith remained deadlocked through many ballots. Finally they released their delegates, and Mr. Davis was chosen on the 103d ballot.

The country was enjoying unprecedented prosperity under President Coolidge, and Davis' vigorous campaign was in vain. Coolidge won all States except the 12 of the solid south and Wisconsin, which voted for a third party ticket, and he was continued in office.

Mr. Davis' legal career covered a wide range of cases. As a young man he defended "Mother" Mary Jones, a labor organizer, and Eugene V. Debs, Socialist leader, against charges of inciting to riot growing out of a strike of West Virginia coal miners.

Later he represented financier J. P. Morgan and some of the country's largest corporations. As Solicitor General he successfully defended constitutionality of the Federal Reserve Act, the income tax, the Adamson eight-hour law for railroads and the World War I draft law.

In 1952 the steel industry retained Mr. Davis to argue before the Supreme Court against President Harry S. Truman's seizure of the steel mills in an effort to stave off a strike. He won his case.

Mr. Davis had degrees from Washington and Lee University, West Virginia University, and the University of Birmingham, England.

Mr. Davis was president of the West Virginia Bar Association in 1906. He was a 32d degree Mason and he returned to Clarksburg a few years ago for a program honoring him at the time he completed fifty years as a Mason. He was a charter member of Clarksburg lodge No. 482, Benevolent and Protective Order of Elks.

After Mr. Davis was nominated for the presidency in 1924 Clarksburg put on a homecoming celebration for him. The official notification and acceptance addresses were given there. Dignitaries from throughout the Nation were among the tens of thousands who turned out for Davis' acceptance address delivered in Goff Plaza. The crowd was one of the largest ever assembled in Clarksburg.

He represented the Associated Press in an attack on the Wagner Labor Relations Act, terming the law a direct and palpable invasion of the freedom of the press. The Supreme Court upheld the Wagner Act, 5 to 4.

There are other things that thousands will remember today about John W. Davis beside the fact that once upon a time he ran for the highest office in the land. He was a gentleman in the sense that Confucius used that much-abused word—a superior man—with a courtliness that came from a fine intellect and a warm heart and a gentle manner. In whatever circle he moved, there was none other who seemed so fitted to be at the head of the table. To that place his fellows instinctively beckoned him. Nobody can say what kind of a President he would have made, but one can say with confidence that John W. Davis had a sense of statesmanship.

Mr. Davis owed a great deal to his West Virginia origins as well as to his own natural gifts, and those who came to see him in his elegantly appointed Wall Street Office were confronted by his father's shingle prominently displayed on his desk: "Jno. J. Davis." Mr. Davis was an American in the grand manner.

Mr. TUCK. Mr. Speaker, will the gentleman yield?

Mr. BAILEY. I yield to the gentleman from Virginia.

Mr. TUCK. Mr. Speaker, under the circumstances it is impractical for me to attempt to deal justly with so great a subject, and yet I cannot allow this occasion to pass without paying a brief tribute to the life and character and public services of so great a man as the late Honorable John W. Davis, who died in South Carolina today.

I had the privilege of graduating in law from Washington and Lee University which is the same university where he received his training. I had the pleasure of meeting him on the campus of that university in 1923, where he served

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for so long as chairman of the board of trustees.

I embrace his philosophy of government, and I endorse his public career and the things for which he stood. He will be greatly missed in America because of his wise counsel and his leadership and his devotion to the fundamental principles upon which this Government was established.

I had the pleasure of seeing him for the last time in October 1953, when he and I both were honored with the 33d degree of Masonry here in Washington. He called my office early that day and requested that I come to his room and accompany him through the ceremonies because of the fact that he was then quite advanced in years and somewhat feeble. It was a great experience to know him, and I shall ever cherish the memory and the privilege of that close association with such an illustrious American who was a giant in intellect and a great man in every way. Virginia regarded him as one of her sons because of the fact that he was trained at Washington and Lee University.

Mr. BAILEY. Mr. Speaker, speaking for myself and the Members of the West Virginia delegation and I am sure every living West Virginian, I should like to say that we deeply appreciate the very fine remarks of the distinguished gentleman from Virginia [Mr. TUCK].

Mr. Speaker, at this time I ask permission to revise and extend my remarks, because there is very much more that I would like to say in tribute to one of the greatest West Virginians, and certainly one of the outstanding Americans of the past century.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

LEGISLATIVE PROGRAM

Mr. HOPE. Mr. Speaker, I yield such time as he may desire to the gentleman from Illinois [Mr. ARENDS].

Mr. ARENDS. Mr. Speaker, I take this time to ask the majority leader if he will kindly inform us as to the legislative program for next week.

Mr. McCORMACK. I will be very glad to do so. But, first Mr. Speaker, I ask unanimous consent that this colloquy be placed in the RECORD at the end of the proceedings in the Committee of the Whole.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. McCORMACK. Mr. Speaker, on Monday, we will take up the agricultural appropriation bill for 1956. If we finish with that in time, we will consider the bill, H. R. 3659, to increase penalties under the Sherman Antitrust Act.

I understand that will not take long. There is just one amendment.

If not, that will go over until Tuesday.

Tuesday is Consent Calendar and Private Calendar.

On Wednesday the independent offices appropriation bill, 1956.

Thursday and Friday are undetermined.

If the conference report on H. R. 4259 is filed, it will not be brought up before Tuesday. If a rule is reported and other conditions permit, the postal pay raise bill will be brought up during the week.

I might also say that I have an agreement with the leadership on the other side that if there is any rollcall on Monday it will be put over until Tuesday.

Mr. ARENDS. I thank the majority leader.

ADJOURNMENT OVER

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that Calendar Wednesday business of next week be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

AUTHORITY TO RECEIVE MESSAGES AND TO SIGN ENROLLED BILLS, ETC.

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that, notwithstanding the adjournment of the House until Monday next, the Clerk be authorized to receive messages from the Senate and that the Speaker be authorized to sign any enrolled bills and joint resolutions duly passed by the two Houses and found truly enrolled.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

RECEIVING HIS EXCELLENCY MARIO SCELBA, PRIME MINISTER OF ITALY

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that it may be in order for the Speaker at any time on Wednesday next to declare a recess of the House for the purpose of receiving His Excellency Mario Scelba, Prime Minister of Italy.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

THE LATE PAUL V. McNUTT

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I rise to pay tribute and express my deep sorrow at the passing of the late Paul V. McNutt. He and his handsome wife and beautiful daughter were my neighbors at the Shoreham Hotel. I saw them often and admired them all very much.

He occupied many high positions, including Governor of Indiana, Governor of the Philippines, head of the Federal Security Agency, and national commander of the American Legion. He was a fine soldier, patriot, and statesman.

THE HOOVER COMMISSION

The SPEAKER. Under previous order of the House, the gentleman from Texas [Mr. PATMAN] is recognized for 30 minutes.

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PATMAN. Mr. Speaker, I desire to speak about the Hoover Commission. It expires May 31, 1955. We should not permit it to be extended.

NOT BIPARTISAN

I believe it was the understanding of Congress when this Commission was created that it was a bipartisan commission. It has been discovered recently, at least I discovered it recently, that it is not a bipartisan Commission at all. When the resolution passed in the House in 1953 creating the new Commission and it went to the Senate the word "bipartisan" that had appeared in the resolution creating the first Commission was stricken out. Therefore, it is a partisan commission, and I think it should be recognized as a partisan commission.

IS IT LEGALLY CONSTITUTED?

Further, the law creating this commission contained language to the effect that "the Commission shall elect a chairman and a vice chairman from among its members." A vice chairman has never been appointed or selected by the Commission. As to whether or not this was permitted for the purpose of giving the chairman the sole and exclusive power to control the Commission without any interference by even the vice chairman I do not know, but that part of the law has not been carried out.

Furthermore, the Commission has been exceeding its authority. It has gone way beyond the powers and duties granted to it by the Congress. In addition to that, it has caused to be created a big lobbying organization headed by Mr. Hoover, the chairman.

Mr. ALBERT. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. ALBERT. The gentleman was a Member of Congress when the Hoover Commission was created, was he not?

Mr. PATMAN. That is right.

Mr. ALBERT. Is it not true that the Hoover Commission was created mainly to suggest procedural changes in the government and not substantive changes which, of course, is within the province of the Congress.

Mr. PATMAN. That is right. The Commission was formed to suggest them.

Mr. ALBERT. And that refers to suggesting procedural and not substantive changes.

Mr. PATMAN. The gentleman is exactly right. Instead of that the Commission has gone way beyond the power granted to it by the Congress and is taking over a lot of legislative duties which belong to the Congress of the United States, the elected representatives of the people. Newsweek magazine of October 18, 1954, contains an article about the Hoover Commission, and this article which was circulated widely just before the election in November 1954 contains this paragraph at the end:

> But the Commission's work will only be a starter in the tremendous task of setting the Federal bureaucracy in order. Inertia and special interest will be stumbling blocks but a counter pressure will work for enactment of the Commission's recommendations.

THE CITIZENS COMMITTEE FOR THE HOOVER REPORT

> This pressure group to end pressure groups has been systematically mobilizing public opinion and it will fight tenaciously for the kind of good government which it believes big government precludes.

ILLEGALLY OPERATING WITHOUT REGISTERING

Let us read over just one statement there. It says this pressure group to end pressure groups—in other words that is an admission that the group—Citizens for the Hoover Commission Report—is a pressure group, even though without that admission we know that it is. It is a pressure group. So then the question comes to our mind as to whether or not Congress should inspire an outside group to pressure Congress to do something when this outside group is composed of people engaged in certain business interests that have contracts and business in conflict with the Government. It would probably seem to some people it is possible that the Congress wants certain things done which we know the Hoover Commission will recommend and that we are not frowning upon or opposing any pressure which is exerted upon us to do the things they want done representing as they do these special interests, the biggest interests in the Nation. Now I am not opposed to a business interest just because it is big. That is not the question at all. But it is the way they use their bigness. So here is a pressure group which the Hoover Commission admits is a pressure group: This article which was sent out by the Citizens for the Hoover Report, shows that it is the biggest pressure group of all times. Therefore, this pressure group being a lobbying group should be registered as lobbyists. Investigation I have made so far fails to disclose that the group has registered as a lobby organization. I think that should be looked into by the Attorney General to find out whether this greatest lobby of all times is going to continue to evade the law and pay no attention to the law and get by with it, without any action being taken by the Attorney General.

WHAT MR. HOOVER ADMITS

JANUARY 19, 1955.

Hon. HERBERT HOOVER,
Chairman, Commission on Organization of the Executive Branch of the Government, General Accounting Office Building, Washington, D. C.

DEAR MR. HOOVER: After reading your progress report of December 31, 1954, filed with the Congress, I would like to have the following information:

1. Why has a vice chairman not been selected? This question is asked because I am a great believer in congressional mandates being carried out, and, further, the failure to select a vice chairman possibly places your Commission in the category of not being legally constituted.

2. Do you consider the present Commission a bipartisan Commission? The information I have seen as put out on the citizens for the Hoover report and information I have read emanating from you discloses that it must be a bipartisan Commission, but I would like to have reassurance from you if you agree that it is.

3. My attention was attracted to the statement that your Commission is now considering policymaking matters. I would like to know by what authority the Commission is considering policymaking matters?

If you will give me the answers to these questions at your convenience, it will be appreciated very much.

Sincerely yours,

WRIGHT PATMAN.

COMMISSION ON ORGANIZATION OF THE EXECUTIVE BRANCH OF THE GOVERNMENT,
Washington, D. C., January 22, 1955.

Hon. WRIGHT PATMAN,
United States House of Representatives, Washington, D. C.

DEAR MR. PATMAN: I acknowledge receipt of your letter of January 19. The following replies to your requests for information are numbered to correspond with the numbers in your letter:

1. You will have to poll the members of the Commission to get the answer. Since the Commission began its work, I have presided at all its meetings and have given an average of 70 to 80 hours per week to its activities. Perhaps the Commission feels that no vice chairman is needed for the time being.

I do not feel qualified to pass on the question of whether the Commission is legally constituted. You might ask the Attorney General for an opinion on the subject. As you probably know, he is a member of the Commission and should be well qualified to give you an answer.

2. Public Law 162 of the 80th Congress, which established the first Commission on Organization of the Executive Branch of the Government, provided in section 2 for a bipartisan Commission. This word was left out of section 2 of Public Law 108 of the 83d Congress, which established the present Commission.

To date there has not been any evidence of political partisanship in the deliberations of the Commission, and I anticipate none. I have never questioned any of the members as to party affiliation. Senator Ferguson and Congressman Brown were elected to the Congress as Republicans and Senator McClellan and Congressman Holifield were elected as Democrats. I assume that Messrs. Brownell and Flemming are Republicans, and it is generally supposed that Messrs. Farley and Kennedy, having served in high positions under Democratic administrations, are Democrats. I am a Republican.

You are familiar with the seven headings set out in section 1 of our act of establishment (Public Law 108) which direct our attention in general to bringing about economy and efficiency in Government. We have assumed from the beginning that in many cases these goals may well be achieved through policy changes and we have, therefore, decided that we are authorized to make recommendations with respect to questions of policy.

Faithfully,

HERBERT HOOVER,
Chairman.

JANUARY 29, 1955.

Hon. HERBERT HOOVER,
Chairman, Commission on Organization of the Executive Branch of the Government, General Accounting Office Building, Washington, D. C.

DEAR MR. HOOVER: In your reply of January 22 to my letter concerning the selection of a Vice Chairman for the Commission, you stated that I will have to poll the members of the Commission to get the answer to the question as to why a Vice Chairman was not selected.

When the first Commission was organized in 1947, it is my understanding that immediately after you assumed the position as Chairman, you presented to the Commission as the first order of business the selection of a Vice Chairman. A Vice Chairman was selected. During the existence of the Commission there was a vacancy, and the vacancy was filled.

What I cannot understand is why you did not make the first order of business the selection of a Vice Chairman when you became Chairman in 1953 under the present act. It occurs to me that it is a matter entirely up to you as Chairman. The law is rather plain on the subject. It says:

"ORGANIZATION OF THE COMMISSION

"SEC. 4. The Commission shall elect a Chairman and a Vice Chairman from among its members."

Since this is the plain letter of the law, I cannot understand why a Vice Chairman is not selected. The Congress has spoken and the language represents a legislative mandate. This would possibly seem like a minor question to a lot of people—possibly to you—but it is not a minor question to me. I think it is a matter of major concern when the plain language of the law is ignored. To ignore the law over a period of time will probably be considered open defiance of the law. Oftentimes the question of the spirit of the law can be debated and honest people differ about it; but on the plain letter of the law, I don't think there should be any debate, as there is not but one side to the question.

Considering this matter a serious one, Mr. Hoover, I sincerely hope that you will yet comply with the law and present the selection of a Vice Chairman to the Commission in order that one may be selected and the law complied with.

Sincerely yours,

WRIGHT PATMAN.

COMMISSION ON ORGANIZATION OF THE EXECUTIVE BRANCH OF THE GOVERNMENT,
Washington, D. C., February 5, 1955.

The Honorable WRIGHT PATMAN,
House of Representatives, Washington, D. C.

DEAR CONGRESSMAN PATMAN: I acknowledge receipt of your letter of January 29 last. I am afraid there is little to add to my letter to you of January 22.

You seem disturbed about the possible legality of our Commission because no Vice Chairman has yet been appointed. I suggest that you ask the Attorney General for a ruling on this subject.

Yours faithfully,

HERBERT HOOVER,
Chairman.

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FEBRUARY 7, 1955.

Hon. HERBERT HOOVER,
Chairman, Commission on Organization of Executive Branch of the Government, General Accounting Office Building, Washington, D. C.

DEAR MR. HOOVER: In your letter of February 5, you state, "You seem disturbed about the possible legality of our Commission because no Vice Chairman has yet been appointed. I suggest that you ask the Attorney General for a ruling on this subject."

The real concern I have, Mr. Hoover, is the fact that a former President, and one who holds a high position that you now hold, would ignore the plain letter of the law, and thereby defy the Congress of the United States, the body that created your Commission.

I am greatly disturbed about people in high places ignoring any law, regardless of how insignificant the law appears to be to them. After all, according to the legislative mandate that created the Commission that you are Chairman of, it is just as important to have a Vice Chairman as a Chairman; the phrase "shall select" applies to both Chairman and Vice Chairman.

I cannot help but believe that the forces in our country who would like to lead us down the road to a dictatorship in any form—particularly fascism—receive great comfort and satisfaction from any Government official ignoring any law. I am sure that you remember that both Hitler and Mussolini started their respective Fascist movements in Germany and Italy by ignoring laws. In a democracy, where officeholders are servants of the people, this should not be tolerated.

Out West—in Iowa, Texas, and California—where people are very plain spoken, anyone who deliberately violates a law, or ignores the plain letter of the law, is referred to as an outlaw. You certainly do not want your organization to be referred to as an outlaw organization.

Regardless of what the Attorney General might say about the legality of your action, good citizens who understand plain English and the plain letter of the law would, doubtless, still believe that the law should be complied with as written by Congress.

Sincerely yours,

WRIGHT PATMAN.

VETERANS AROUSED

Mr. Speaker, I am inserting herewith an editorial from Disabled American Veterans of March 15, 1955:

THE HOOVER REPORT

Again the Hoover Commission in a report to Congress, has viciously attacked the Veterans' Administration and the medical program for the treatment and hospital care of America's wartime disabled and all veterans.

The report does not confine itself to the medical program provided by law, but assails the payment of compensation to the wartime disabled and the payment of pensions to the totally and permanently disabled wartime veterans as well.

The Hoover Commission Report on Federal Health and Medical Services and its brutal, unprincipled, and sinister assault on the veterans of America's wars is perhaps the most reprehensible document filed in the Congress of the United States in a long, long time.

It is brutal because of its complete disregard of the damage and hurt that it is doing to thousands of men and their families—the very men whose sacrifices have saved the members of this Commission from being vassals of a foreign dictator.

It is unprincipled, unworthy, and an insult to the statesman whose name it hides behind because it is filled with untruths and exaggerations by the score—untruths that are worse by far than direct and recognizable falsehoods.

It is sinister because, through its pages, the Hoover Commission in a base and evil manner, and apparently with utter disregard to the harm and hatred it engenders, uses its power, its prestige, and its position in an effort to malign the sick, the halt, the lame, and the blind, and to tear down and destroy the noble work of those American citizens who recognized the debt they owe and will ever owe to this Nation's wartime defenders.

The whole report bears the fingerprints of the money changers in the temple—of selfish, ungenerous, and mercenary individuals who have lost all sense of gratitude in their self-centered and greedy world.

These are not the findings or recommendations of a fair, impartial, just, and equitable tribunal. It will fail because its findings and recommendations are untrue, misleading, and cannot be sustained.

The Hoover Commission report on Federal Health and Medical Services is an indictment against the Veterans' Administration and the former members of the armed services who have been granted certain benefits by a grateful and humane government.

But the report is also an indictment against the Congress of the United States which has granted these benefits because they were carrying out the wishes of the people of the United States—and then, only after long and countless hours and days of study and reflection.

The Congress of the United States created the Hoover Commission. Is it now possible that the Hoover Commission believes itself more powerful and more representative of the people of the United States than our Congress?

Let's ask our Congressmen.

HOOVER TASK FORCES

Mr. Speaker, the first Hoover Commission created in 1947 was considered a bipartisan commission. President Truman in order to impress the people of the country of its bipartisanship selected former President Herbert Hoover for its chairman. The second Hoover Commission was created in 1953 for the purpose of finishing up the work of the first commission. It, too, was represented to be a bipartisan commission. Its appearance as a bipartisan group would have been strengthened if President Eisenhower had selected an outstanding person from the Democratic Party as chairman. It now appears that the present commission is intended to be partisan.

VETERANS BEFORE HOOVER GROUPS

The veterans organizations including the American Legion, Veterans of Foreign Wars, Disabled American Veterans, AMVETS, and others, have had their representatives appearing before task forces of the Hoover Commission. This does not seem right to me. Veterans should not be required to go through some outside group in order to get their views to their Congressmen. At the hearing of a Hoover Task Force the persons conducting the hearing are not elected officials of our Government; they owe no direct responsibility to the people; they have not even been appointed to the task force by anyone who was elected by the people. These task force members do not occupy the same position that a Member of Congress occupies, neither do they have the duties or responsibilities that Members of Congress have, and certainly they cannot be impeached for failure to perform their duties properly, and since they do not run for public office, and do not hold public office, they cannot be defeated by the people. Imagine a task force of 15 members conducting such a hearing for Congress. Although occupying positions as Members of Congress in the hearing they have their own ideas and convictions by reason of their long experiences in certain types of private businesses. Congressmen are prohibited by law from being personally interested in Government contracts and restricted in many ways. But these task force members are not so restrained. There is nothing to prevent them from using their influence in any certain direction. Yet war veterans are required to present their views and make appeals for the passage of legislation to them instead of to a congressional committee. I believe that well informed veterans will agree that the Hoover Commission has not been too anxious to be helpful in getting the constructive proposals of the veterans organizations carried out. In fact I think it would be generally agreed that the Hoover Commission has been pretty hard on the veterans particularly on medical care and hospitalization.

Former President Hoover has demonstrated his antagonistic feelings toward veterans of wars. He is not expected to help war veterans. It is the duty of Congress and the President to see that he is not permitted to unduly harm them.

CONGRESS RECEIVES MORE MESSAGES FROM HOOVER THAN FROM THE PRESIDENT

Mr. Speaker, it is no wonder that there is confusion in Congress. Who is running the executive branch? Congress gets more recommendations from Mr. Hoover than from President Eisenhower.

The following article recently appeared in a Washington, D. C. paper:

HOOVER COMES BACK STRONG—EX-PRESIDENT SEEN INSTRUMENTAL IN MOVE TO RETURN CONTROL OF CREDIT TO NATION'S BANKING INDUSTRY

(By Thomas L. Stokes)

It is doubtful if the American people understand or properly assess the powerful influence that Herbert Hoover exerts on the Eisenhower administration, which is, as we know, the first Republican administration since Mr. Hoover's own which had to devote itself chiefly to wrestling with the depression that broke only 6 months after it began.

Mr. Hoover had to wait a long time for a Republican administration after his own was repudiated so overwhelmingly at the polls in the 1932 election. But he has come back strong. He offers his advice in many fields to the Eisenhower regime, though his impact is directed through the Commission on Reorganization of the Government of which he is Chairman, and Chairman in fact as well as name.

The former President was, as you recall, brought back into public service by ex-President Truman to head the Commission. Then, however, the Commission was limited to recommending ways to make the Government more efficient and less wasteful by eliminating duplication of services and functions, overlapping, and such.

In the Eisenhower administration, however, the Hoover Commission was given authority to invade the field of policy in many areas of Government and this Mr. Hoover has set out religiously to accomplish. You can imagine he is directing this with some relish; for the policy chiefly affected is that

body of laws and principles passed and established in the 20 and more years since Mr. Hoover left the White House—the New Deal which he so vigorously assails from time to time.

This will become clear with the release shortly of the Hoover Commission report on Federal lending agencies, and some time hence in the report on water resources. If the recommendations of these should be approved by Congress, we would get a revision of the aims of many New Deal reforms, as well as some dating back beyond that, and even beyond Mr. Hoover's ill-starred administration. The forthcoming reports are worth careful public scrutiny; for nothing like the drastic policy revision urged was before the people in the candidacy of General Eisenhower in 1952.

If carried out, the recommendations in the Hoover report on Federal lending agencies would turn back credit control, with a nice profit, to the bankers. That would wipe out the victory, won at much cost and culminating in the Roosevelt administration, which gave the people through their Government control over money and credit. Or, as the late Franklin D. Roosevelt put it, "moved the money capital of the United States from Wall Street to Washington"; or, as he stated his aim more dramatically in his first inaugural, "to drive the money changers from the temple."

More and more this administration is taking on the colors and contours of a bankers' administration. The bankers and big finance have been moving into position, as is manifest in such operations as bonds for schools, bonds for roads, as well as in the Hoover proposals.

Under the latter, loans for farmers, for veterans, for homeowners, for small business, for rural electric cooperatives, and the like, would be removed from Government agencies and institutions and, by one device and another, turned back to private bankers. The result would be higher interest rates and higher fees of all sorts.

It is hard to imagine that the many groups affected would take this lying down, especially farmers, small-business men, and veterans. One of the greatest economic battles of our time, and it was bitter, was the struggle of the farmers to free themselves of banker control so they could get reasonable interest rates. It was this battle that William Jennings Bryan led around the turn of the century; that Woodrow Wilson joined in his time and which resulted during his administration in new credit facilities for farmers and small-business men; that flared up again in the Harding administration, with its brief postwar depression, to bring additional credit facilities for farmers, and which finally ended with basic banking and credit reforms in the Franklin D. Roosevelt administration.

It is possible that Herbert Hoover finally has handed the Democrats the issue for which they have been seeking.

They have made him an issue ever since 1932; but it had been wearing thin the last couple of elections.

Now he is asking for it.

PERTAINING TO DUTIES ON SWISS WATCH IMPORTS

The SPEAKER. Under previous order of the House, the gentleman from Maryland [Mr. LANKFORD] is recognized for 15 minutes.

Mr. LANKFORD. Mr. Speaker, with the problem of extension of the reciprocal trade program now before the Congress, all of us have been besieged with arguments that tariffs must be raised on a wide variety of products in order to protect industries whose skills and facilities are supposedly essential for national defense.

This defense-essentiality argument was first propounded by the four domestic manufacturers of jeweled watches, who have thereby succeeded in obtaining a 50-percent increase in duties plus other drastic actions against watch importers. Impressed with the success of the four watch producers, many other industries are now rushing to get under the defense umbrella, thus threatening to undermine basic United States policy aimed at encouraging an increased volume of international trade.

My interest and concern with this situation, Mr. Speaker, stems from the fact that the Swiss are the largest purchasers of high-grade Maryland export tobacco which is grown in the Fifth Congressional District of Maryland, which I have the honor to represent. If the Swiss cannot sell their watches in the United States because of unduly high tariff rates, then they will not have the money with which to purchase Maryland tobacco, as well as the many other items we sell them.

As many of you know, the Office of Defense Mobilization issued a report last June, finding that four jeweled watch companies were essential to national security. Since that time, there has been so much talk about the precision skills of these companies and their alleged importance to defense that it has been generally assumed that this represented the official position of the Defense Department and all branches of the armed services. Certainly, I assumed that this was true, and I presume that other members of Congress understood that the Defense Department felt these four firms possessed unique and vital skills.

It now appears, however, that we have been subjected to a gigantic hoax, a deception perpetrated by those persons inside and outside the Government who are interested in fostering a protectionist policy in the United States.

The true facts, as revealed only within the last few days, are that the Defense Department advised ODM last year that these four companies were in no way essential to national security and that "no special nor preferential treatment for the industry is necessary."

Last year, at the request of ODM, the Defense Department conducted what was described as "one of the most complete studies made of end item full mobilization requirements for a single industry." Mr. C. S. Thomas, who was then Assistant Secretary of Defense in charge of supply and logistics and is now Secretary of the Navy, stated:

> In its preparation and review, the report has had the benefit of the most thorough examination by technical experts of the three military departments. The conclusions have been reached after careful consideration by cognizant officials of the Department.

What the Defense Department told ODM was this:

First. The timing devices used in the ammunition program were produced by the jeweled watch manufacturers, nonjeweled watch and clock manufacturers, and others completely outside the horological group. There does not appear to be any part of the manufacture or assembly or mechanical time fuses that is peculiar only to the jeweled watch industry.

Second. Only 11 percent of the total mobilization requirement—for all timing devices—planned with industry, is with the jeweled watch industry.

Third. There is in no way a unique requirement for it—the jeweled watch industry—in the fuse program. Many manufacturers outside the jeweled watch industry are capable of producing mechanical time fuses and rear fitting safety devices. Every part is being produced by some company other than a jeweled watch firm.

Fourth. Mobilization requirements of the Defense Department for jeweled watches and chronometers are nominal, far below World War II levels. Sufficient capacity will remain and can be used for current procurement needs and be the basis for supplying the mobilization requirements. If in the future, it should become apparent that sufficient capacity will not be maintained and available, the Defense Department can then procure all of its requirements of jeweled movements for the mobilization reserve—that is, can easily be stockpiled.

Fifth. The needs of the Defense Department for industrial capacity clearly demonstrate that no special nor preferential treatment for the jeweled watch industry is essential.

It is apparent that this report, which Secretary Thomas said represents the position of the Department of Defense, settles once and for all the fact that there is nothing unique about the four jeweled watch companies, so far as national security is concerned.

Why the ODM committee reached an opposite conclusion in the face of the opinion from the highest authority on defense requirement, is a mystery which I believe should be investigated.

I would also be interested in determining why this valuable report was kept classified secret for such a long time. Could it be that those in the Commerce Department and elsewhere in the administration, who are attempting to sway this Government toward a high-tariff policy, were aware of the fact that their efforts would be thoroughly demolished when the true facts reached the light of day?

In any event, Mr. Speaker, I think all of us will agree that there is nothing more important these days than the security of the United States; I am acutely aware of the vital role which industry plays in maintaining our defense readiness.

However, it is my conviction that we must be very cautious in accepting alleged arguments of defense essentiality as the basis for invoking escape-clause actions which are certain to have far-reaching repercussions throughout the free world. Unilateral actions of this magnitude should be taken only after the most thorough investigation has determined: First, that an industry is absolutely vital to our security; and, second, that there are no alternative methods of preserving its skills and facilities.

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In the case of the four domestic watch producers, it is obvious that neither of these tests was met.

Because the watch action represented the first use of the escape clause affecting a major concession in a trade agreement, and because this action also established a potential precedent for other industries to obtain tariff relief on the basis of alleged essentiality to defense, I think all Members of Congress will be interested in reading the full text of the Defense Department's report debunking the claim that these companies have unique skills and facilities which must be preserved.

Mr. Speaker, under unanimous consent, I ask to have the recently declassified Defense Department report included as part of my statement. I also include as part of my statement a letter I wrote to the President, March 22, 1955, pertaining to this same subject:

ASSISTANT SECRETARY OF DEFENSE,
Washington, D. C., April 29, 1954.

Hon. ARTHUR S. FLEMMING,
Director, Office of Defense Mobilization, Washington, D. C.

DEAR DR. FLEMMING: The enclosed report represents the position of the Department of Defense on the essentiality of the domestic jeweled watch manufacturing industry. In its preparation and review, the report has had the benefit of the most thorough examination by technical experts of the three military departments. The conclusions have been reached after careful consideration by cognizant officials of the Department.

We fully appreciate the importance of the report to industry. Therefore, it has been prepared in such a fashion that you may, if you wish, furnish copies of the text, without the enclosures, to properly cleared officials of the companies and the union concerned, when the President's Committee has concluded its review of the problem. In addition, if you decide there is a need for a news release to the general public on the major conclusions, my staff will make themselves available to assist in the preparation of a press release for this purpose.

Twenty numbered copies of this report have been transmitted under separate cover to your Mr. John Hilliard, Deputy Assistant Director for Manpower and Personnel. He will be responsible for distribution of the report to the members of the committee.

Sincerely yours,

C. S. THOMAS.

DEPARTMENT OF DEFENSE REPORT ON THE ESSENTIALITY OF THE JEWELED WATCH INDUSTRY

OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE,
Washington, D. C.

(The text contained in the original April 26 1954 report has been declassified as of February 28, 1955, except for par. III. B. 2. A summary declassified paragraph has been substituted in this report for the original paragraph. All enclosures to the report retain their original classification and will be published, together with the original par. III. B. 2., in a separate classified supplement for the benefit of staff having need of these data.)

The classified report, Office of the Assistant Secretary of Defense (Supply and Logistics) dated April 26, 1954, entitled "Department of Defense Report on the Essentiality of the Jeweled Watch Industry," is rescinded and will be destroyed in accordance with the security regulations of your department or agency.

(Adjusted for declassification February 28, 1955.)

I. INTRODUCTION

The President of the United States requested the Director, Office of Defense Mobilization, to establish a current government position on the essentiality of the domestic jeweled watch industry to the Nation for purpose of defense. The Office of Defense Mobilization reactivated the interdepartmental committee under the chairmanship of the Assistant Director of Defense Mobilization. This includes representatives of the Departments of State, Treasury, Defense, Commerce, and Labor. The Department of Defense was asked to evaluate its need for the output of the industry for the purpose of producing military equipment to support a mobilization. The domestic jeweled watch manufacturing industry is composed of Bulova Watch Co., Elgin National Watch Co., Hamilton Watch Co., and Waltham Watch Co.

Since almost any type of industrial capacity for manufacturing defense products is generally essential in an all-out mobilization effort, this study, therefore, had to consider the degree of the essentiality of this industry to defense production.

II. DEPARTMENT OF DEFENSE PROCEDURE

A Department of Defense task group, composed of representatives of the military departments and the Offices of the Assistant Secretaries of Defense (Supply and Logistics) and (Manpower and Personnel) was established. This task group formulated the methods of approach to the problem; determined the types and scope of the data required from the military departments; reviewed and evaluated these data; conducted as Department of Defense teams, field surveys of industrial facilities; and served generally as a focal point for coordinating the activities of this study.

In order to make the study as complete as possible, coverage includes mobilization requirements for jeweled movements, timing mechanisms for the ammunition program, and the interrelationship of subcontracting and parts production for other manufacturers of military equipment. The horological industry and nonhorological firms producing the same types of products were considered. Attention has been given to current production and inventories (enclosure 1). All of the jeweled watch companies, and 27 other manufacturers producing military equipment and procuring parts from the jeweled watch industry, were visited by Department of Defense staff in the course of this study (enclosure 2). Order boards were obtained from the jeweled watch companies and staff members were sent to the prime and other contractors to study the dependency of these firms upon the jeweled watch companies.

Regarding research and development work, it was found that the jeweled watch industry as a whole participated relatively little in this Defense Department activity, though they are capable of doing more and appear to be proceeding in that direction.

III. MOBILIZATION REQUIREMENTS AND ANALYSIS

No effort has been spared in the task group's review of the data for this report. Mobilization requirements data were computed by the military departments and then carefully checked and rechecked by separate staff elements of the Assistant Secretary of Defense (Supply and Logistics) with staff of the military departments. The Assistant Secretary of Defense (Supply and Logistics) and key staff held a final review with technical experts of the military departments to insure that the data were accurate and the report factual. Mobilization requirements of timing devices for the ammunition program were computed from overall Department of Defense strategic guidance and were checked against similar requirements developed from departmental plans, to be certain that they were of the proper order of magnitude. Differences did not exceed 10 percent of the total requirements.

A. Jeweled movements

1. Manufacture: It is clear that the jeweled-watch industry affords some of the finest manufacturing facilities and technical abilities in the country for small, close tolerance work. The tool and die making facilities for small parts are perhaps unsurpassed. The fabrication of parts, together with technical knowledge of mechanical transmission of movement within precise and steady time limits and confined spaces, is the basis of their ability to manufacture jeweled movements.

2. Requirements: Enclosure 3 represents the Department of Defense combined Army, Navy, and Air Force mobilization requirements of jeweled movements, including watches, clocks, and chronometers. For the 3-year mobilization period, a total of 747,670 [1] jeweled movements are required. This figure contrasts sharply with peak 3-year World War II deliveries, when over 3 million jeweled movements in the form of watches, clocks, and chronometers were delivered to the military, excluding post exchanges and ships service stores. Three major policies of the armed services are responsible for the reduced requirement. First, issue rates to troops have been drastically reduced because of World War II experience of overprocurement and unnecessary issue of watches. Second, a nonjeweled watch has been developed by a nonjeweled watch manufacturer and accepted by the Army to replace the 7-jewel watch requirement (grade III) of about 1 million movements. Total production for the military of wrist watches and other jeweled movements in World War II may be noted in enclosure 7. Reference to the Department of the Army position on nonjeweled watches is noted in Army Ordnance Technical Committee actions of July 17, 1952, (OCM 34354). Obviously, there would be a corresponding substantial increased requirement for nonjeweled watches, the suppliers for which could include the four-jeweled watch producers. Third, one service has combined the elapsed-time and the standard clock into 1 time piece in order to conserve space on the instrument panel, thereby reducing the requirement sharply.

In the jeweled watch category alone, only 244,845 [2] are shown as required for the 3-year period. The jeweled watch requirements represent procurement by the Department of Defense for military needs only. It does not include watches nor chronometers purchased by military personnel at post exchanges and ships stores for personal use and gifts.

The Department of the Navy advises that it has sizable stocks of ships chronometers on hand. Since these chronometers are generally not consumed or replaced, but are in a revolving pool to which they are returned for overhaul and reissue, there is a lessened requirement for these items from new production.

B. Mechanical time fuses and rear fitting safety devices

1. Manufacture: The timing devices used in the ammunition program are produced by the jeweled watch manufacturers, nonjeweled watch and clock manufacturers, and others completely outside the horological group. There does not appear to be any part of the manufacture or assembly of mechanical time fuses that is peculiar only to the jeweled watch industry.

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[1] Further use of the nonjeweled watch may reduce this requirement by 79,391 movements.

[2] See footnote 1.

2. Requirements: [3]

NOTE.—In order that this report may be made available to the public, this classified paragraph has been revised and summarized as follows (February 28, 1955):

Over 51 percent of the mobilization requirements for all timing devices used in the ammunition program have been scheduled with industry under the production allocation planning program. Only 11 percent of the total mobilization requirement planned with industry is with the jeweled watch industry. Forty percent is with the balance of the horological group and the nonhorological firms. Many proven World War II producers of timing mechanisms have not been scheduled as yet.

C. Subcontracting within the jeweled watch industry

Subcontracting in the mechanical time-fuze programs (including the rear fitting safety devices) is of considerable magnitude at the present time, and in the event of mobilization would substantially increase. The order boards of the four domestic producers of jeweled watches were obtained and carefully reviewed for the period covering the outbreak of hostilities in Korea to mid 1953. The jeweled watch industry provided substantial amounts of defense related parts to approximately 100 contractors. Survey teams visited 27 of these plants to interview management on the degree of dependency of that company on the jeweled watch industry as a source of supply for its military end item production.

These survey reports indicate that there is no particular item or product which is not being made or procured outside of the jeweled watch industry. In most cases, the reasons given for purchasing parts or products from the jeweled watch manufacturers were that the watch companies represented an excellent and dependable existing source with favorable cost relationship. Many contractors indicated that they could produce the parts which they were procuring from the watch industry if necessary, but since the facilities of the watch manufacturers have been available to date, there has been no incentive to investigate or pursue the matter further.

If it were desirable to single out one item in the mechanical time fuze program for which the jeweled watch industry is most insistent that it qualifies as a single source producer, it would be the escapement spring used in most types of mechanical time fuze mechanisms. This spring is closely related to the hair and main springs used in watches. There is a certain amount of secrecy surrounding the production of the alloy used in the spring itself, together with the manufacturing processes employed in actually rolling and producing the part. However, sources outside the jeweled watch industry at the present time have produced this part. It may be generally stated that the balance of the components, including the pinions, gears, and plates, are readily within the production capabilities of most of the facilities engaged in clock or watch manufacturing and many instrument manufacturers. Sources such as Eastman Kodak, King-Seeley, or Eclipse Machine have consistently produced satisfactory mechanical time fuzes for the Department of Defense.

IV. CONCLUSIONS

While the jeweled watch facilities visited clearly represent excellent and desirable capacity, the needs of the Department of Defense for industrial capacity clearly demonstrate that no special nor preferential treatment for the industry is necessary. It is true that no other industry can show conclusively its ability to produce jeweled watches or chronometers, but these requirements to the Department of Defense are nominal. The Defense Department can, therefore, at this time, reasonably assume that sufficient capacity will remain and can be used for current procurement needs and be the basis for supplying the mobilization requirements. If in the future it should become apparent that sufficient capacity will not be maintained and available, the Defense Department can then procure all of its requirements of jeweled movements for the mobilization reserve.

From the list of planned producers and current production sources, it is apparent that manufacturers outside the jeweled watch industry, or even the horological group, are capable of producing the mechanical time fuses and rear fitting safety devices. Every part is being produced by some company other than a jeweled watch firm. Therefore, while the jeweled watch industry constitutes unusual ability, there is in no way a unique requirement for it in the fuse program.

The requirement for the timing mechanism in the event of mobilization is a large one. While other companies unquestionably can meet the demand, the jeweled watch industry could also be used if it were available during a period of mobilization.

WARREN WEBSTER, Jr.,
Director of Procurement and Production Policies.

(The original classified report, Office of the Assistant Secretary of Defense (Supply and Logistics) dated April 26, 1954, entitled "Department of Defense Report on the Essentiality of the Jeweled Watch Industry," is rescinded and will be destroyed in accordance with the security regulations of your department or agency.)

[3] The figures in this section are related by percentages to the total number of timing mechanisms used in the ammunition program. The actual figures are included in enclosures 4, 5, and 6, but *not* here, so that this text can eventually be given to selected representatives of the industry.

ENCLOSURE 2

COMPANIES VISITED BY DEFENSE TEAMS (IN ADDITION TO THE FOUR-JEWELED WATCH MANUFACTURERS)

Allied Control Co., Inc., New York, N. Y.
Aviation engineering division, Avien-Knickerbocker, Inc., Woodside, Long Island, N. Y.
The Liquidometer Corp., Long Island City, N. Y.
Sperry Gyroscope Co., division of the Sperry Corp., Great Neck, Long Island, N. Y.
Thomas A. Edison, Inc., West Orange, N. J.
Eclipse pioneer division, Bendix Aviation Corp., Teterboro, N. J.
Utica division, Bendix Aviation Corp., Utica, N. Y.
Eclipse machine division, Bendix Aviation Corp., Elmira, N. Y.
Eastman Kodak Co., Rochester, N. Y.
Friez instrument division, Bendix Aviation Corp., Baltimore 4, Md.
Frankford Arsenal, Philadelphia, Pa.
U. S. Time Corp., Waterbury, Conn.
The E. Ingraham Co., Bristol, Conn.
The Raytheon Manufacturing Co., Waltham, Mass.
Howard Clock Products, Inc., Waltham, Mass.
Farrington Manufacturing Co., Boston, Mass.
National Pneumatic Co., Inc., Boston, Mass.
Marine Compass Co., Pembroke, Mass.
Meter and instrument department, General Electric Co., Lynn, Mass.
Chelsea Clock Co., Chelsea, Mass.
The Gruen Watch Co., Cincinnati, Ohio.
King-Seeley Corp., Ann Arbor, Mich.
A. C. spark plug division, General Motors Corp., Flint, Mich.
F. L. Jacobs Co. (ASPPO), Detroit, Mich.
The Borg Corp., Delavan, Wis.
Minneapolis-Honeywell Regulator Co., Minneapolis, Minn.
Westclox division, General Time Instruments Corp., La Salle, Ill.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C., March 22, 1955.

The Honorable DWIGHT D. EISENHOWER,
The President of the United States,
The White House, Washington, D. C.

DEAR MR. PRESIDENT: On July 27, 1954, you authorized increases up to 50 percent on certain imported Swiss watch movements. You said at the time that you were taking this action because "preservation of the skills of the American jeweled watch industry is essential to the national security." You indicated that you would keep this situation under constant review.

This morning's press quotes a Defense Department study of the defense essentiality of the domestic watch industry completed in April 1954, as follows: "The needs of the Department of Defense for industrial capacity clearly demonstrates that no special nor preferential treatment for the industry is necessary."

In the light of this conclusion by the Department of Defense, and your stated intention of keeping the matter under constant review, do you contemplate in the near future the recission of your order increasing tariffs on Swiss watches?

I would greatly appreciate this information because the continued importation of Swiss watch movements is of vital interest to the tobacco farmers of my district.

Respectfully yours,

RICHARD E. LANKFORD,
Member of Congress.

PRELIMINARY INVESTIGATION OF WELFARE AND PENSION FUNDS

The SPEAKER. Under previous order of the House, the gentleman from Pennsylvania [Mr. MCCONNELL] is recognized for 15 minutes.

Mr. MCCONNELL. Mr. Speaker, increased attention has been attracted to the problems of health, old age, and other phases of welfare. The social-security program, military and civil-service retirement and disability benefits, railway workers' unemployment and death benefits, and the Federal Employees Group Life Insurance Act, are examples where Federal legislation embraces a number of these problems. Various State and local governments have also established programs granting benefits to their employees. Also, a number of employers have voluntarily sponsored plans to afford life insurance, health, and retirement benefits to their workers. However, one of the most recent developments along these lines is the establishment of health, welfare, and pension plans through the process of collective bargaining between labor and management.

A growing demand for union-management health and welfare plans began during World War II, when restrictions were placed on wage increases by the Stabilization Act of 1942 and its accompanying regulations. The Director of Economic Stabilization in 1944, however, issued a regulation excluding premiums paid by an employer for no cash-surrender value group life insurance and group health and accident insurance covering his employees from the category of wages. Then in 1949, after the enactment of the Taft-Hartley Act, which permitted employers to pay into a jointly administered trust fund for the

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benefit of his employees and their families, the decisions of the National Labor Relations Board, upheld by the courts, established that such plans are within the mandatory area of collective bargaining—being included in the terms "wages" and "conditions of employment." This was followed by permitting employer payments into employee health and welfare funds in lieu of wage increases under a ruling by the Wage Stabilization Board in its administration of wage controls during the Korean war. Therefore, beginning in 1951 more and more demands were made for payments into these funds until it is now estimated they constitute a total of between $17 and $18 billion.

For several years there has been considerable agitation for the regulation and supervision of these welfare and pension funds in order to assure the beneficiaries—the wage earners and their families—that the funds and the benefits will be available when they need them. Consequently, in November of 1953, a special subcommittee of the Committee on Education and Labor held hearings in Detroit, Mich., which disclosed the need for a thorough and complete investigation of the manner in which employee health, welfare, and pension programs are being handled. Then, in his legislative recommendations on labor-management relations on January 11, 1954, President Eisenhower expressed the need for such a survey. The President stated that the standards of existing law are not adequate to protect and conserve these funds and recommended that "Congress initiate a thorough study of welfare and pension funds covered by collective bargaining agreements, with a view of enacting such legislation as will protect and conserve these funds for the millions of working men and women who are the beneficiaries." On February 17, 1954, the Committee on Education and Labor authorized the appointment of a subcommittee to conduct a thorough study and investigation of welfare and pension funds.

Investigation to date leads to the belief that existing Federal and State laws do not adequately guard welfare and pension funds from abuses. For all practical purposes, statutory regulation or control does not exist. The Labor-Management Relations Act of 1947 merely requires that employees and employers be equally represented in the administration of specified benefit funds to which employers contribute. Federal tax statutes prescribe certain minimum standards which must be met in order that contributions to these funds may gain a tax-exempt status. State insurance laws, as now written, seem to have little, if any, effect on the welfare and pension picture. Other State statutes, in their present form, do not reach the abuses which this subcommittee has found. During the past year, the State of New York has authorized a periodic inspection of welfare and pension funds in that State. There has been insufficient experience to warrant any judgment of the effectiveness of such a law at the present time.

Although the subcommittee was authorized to examine both welfare and pension plans, the latter subject has not been dealt with extensively due to the lack of time needed for investigation. In fact, much work remains to be done in both areas.

Broadly speaking, the term "pension plans" can be applied to programs under which employees will be paid specified or determinable sums of money during their retirement years. The term "welfare" or "health and welfare" is ordinarily used to indicate that employees—and at times their dependents—are presently covered by any or all of such protections as accident and sickness payments, medical and surgical payments, hospitalization payments, burial-expense payments, and lump-sum payments to beneficiaries in case of death.

Methods vary in the management and financing of both welfare and pension programs under collective bargaining. Some are insured; others self-administered. Some are paid by employers; others by both employers and employees. In practically all cases to which the subcommittee has thus far directed its attention, we have found that, first, the employer makes the payments; and, second, such payments were negotiated in lieu of wages which would otherwise have been paid directly to each employee.

Needless to say, a majority of these welfare and pension plans are administered as they should be—as a sacred trust on behalf of the beneficiaries. However, information obtained and reported by our subcommittee indicates a wide range of questionable practices by union officials, employers, insurance companies, brokers, administrators, and trustees connected with health and welfare funds.

This obviously does not imply that every person in these categories is guilty of some wrongdoing. Neither does it suggest that these are the only places where wrongdoing prevails. But, having devoted a major effort to the study of health and welfare funds, it finds that the record points clearly to these notable abuses:

First. Employer lack of interest and fear to assert prerogatives, evidenced by failure to actively assume the duties of trusteeship, and in some instances abdicating responsibilities entirely;

Second. Some contributions negotiated by threats and violence; union domination of trustees' actions by reprisals or threats of reprisals against individual employer trustees;

Third. Irregular practices by some insurance companies, including high operating—retention—charges, high commission payments, loose and careless handling of funds to suit the whims of certain brokers and union officials who control the placement of the insurance, collusive advance opening of bids to secure an improper competitive advantage, and a tendency to charge whatever premium price it is possible to collect;

Fourth. Irregular conduct by insurance brokers and consultants, including collusive arrangements with insurance companies and union officials to obtain business; the charging of excessive fees, and the payment of so-called commissions to union officials in connection with the placement of insurance;

Fifth. Trustee conduct ranging from laxity to breach of faith, including a refusal to accept responsibility, and a failure to disclose personal dealings for profit in matters directly related to the trust funds;

Sixth. Squandering of assets by administrators of so-called self-administered—noninsured—funds, including payments to union officials;

Seventh. Discrimination against nonunion employees through the requirement that eligibility for benefits is invariably conditioned on being a union member in good standing.

EMPLOYER ATTITUDES

Our subcommittee investigation shows that employers have too often failed to meet their responsibilities in the establishment and management of health and welfare plans. Several factors contribute to this situation, including lack of interest in the whole matter, and at times a real fear that assertion of management views might bring quick retaliation in the form of strikes or other labor difficulties.

Typifying lack of interest was the comment of an employer who suggested that since welfare-fund payments were made in lieu of wages, the money thus became union money, and the union should be permitted to do what they want with the funds. The same witness also told the subcommittee that employers in his group agreed to joint trusteeship only under threat of a strike which would have shut down their whole industry.

Other employers apparently disregarded their own views, and felt obliged to confirm the union's choice of a full-time administrator for one welfare fund. To have done otherwise, it was testified, would have meant strikes, trouble with the unions, and possible recrimination. In one instance an employer reported that because of a strike and its attendant violence, he agreed to a welfare plan proposed by the union, to be administered by the union where no one would have anything to do with it, except the union. He said union officials would not permit him to furnish identical benefits for his own employees, even though his cost would have been less, and his employees—all members of the union—had approved his plan.

Some employers apparently felt it was not important to know how their fund was functioning, or whether their employees were being paid for claims. Another employer group completely ignored the law's directive, failed to appoint management trustees, and simply paid the full cost of the fund, leaving its administration entirely in union hands.

UNION ATTITUDES

Contributions to health and welfare funds are in most instances the direct result of collective bargaining. An employer and a union in negotiating, say, a 12-cent hourly increase, might agree to 7 cents an hour in extra take-home pay, with the other 5 cents an hour being paid directly into a jointly administered health and welfare program. Thus, we

find two leading claims illustrated: First, the assertion that the whole cost is paid by employers; and, second, the contention that it should be considered a union fund because it represents workers' wages. It is obvious that neither claim is fully justified. Perhaps a more accurate appraisal would suggest that a share in the fund belongs to each individual for whom a payment is made, and that the union and the employer have a joint duty to plan, invest, protect, and administer the fund carefully for the individual's best interest. That such is too often not the case is illustrated in this investigation to date.

There has been picketing and threats of violence used in an effort to exact payments from an employer whose workers were not eligible under the terms of the trust fund. The same tactics have been used to force employer contributions to a fund even though his own employees had voted against the plan. Where an employer group offered one plan, a union insisted on a different plan, and the negotiations resulted in criminal convictions in local courts.

In addition to evidence of negotiation by threats, fear, and actual violence, some union officers have conducted themselves as if the welfare of workers is something to be exploited for personal gain.

INSURANCE PRACTICES

The insurance industry has no reason to be proud of the performance of some of the companies whose activities have come under subcommittee scrutiny. In some companies we have found a marked tendency to get welfare fund business at any price.

In this quest for business, several patterns of conduct have emerged. One company evidently felt much of its business depended on the goodwill of a certain union official. This union officer was not a trustee and had no formal connection with the welfare fund which was insured by this company. However, testimony shows that he dominated all the trustees, and in fact controlled the fund. This was obviously an important consideration for the insurance company, because when it drew a $16,000 refund check payable to the trustees, it sent the check to this union official. When asked why this was done, a company official explained, "It just seemed like a convenient way to get it where we wanted it to be."

Another company not only charged a high retention fee, but also sought the favor of a broker who wielded much influence among important union officials. Through this broker, a welfare fund policy was negotiated, on which the company and the broker divided 37½ percent of the premium payments. This 37½ percent, called the retention rate, covered sales commission at 17½ percent and other company costs at 20 percent. This left 62½ percent of the premiums available to pay claims under the policy. However, this case enjoyed a good experience rating, and the claims of employees fell far below the 62½ percent. But did the company refund this unexpected saving to the policyholder? No, indeed. It split it with the broker, in what it called a retrospective commission arrangement.

Everything, of course, depended on getting the business, and this same company and its favorite influential broker were disposed to take no chances on competition from other insurance carriers. When welfare fund trustees sought bids on a proposed insurance program, this company had an ingenious approach. It did not submit its bid to the trustees as other carriers had done. Instead, one of the union trustees took the other bids to his home in advance of the regular time for opening all bids. A private meeting was held in this union trustee's home, at which the broker and an official of this company were present. The other bids were then prematurely opened and examined. Then, armed with the knowledge of its competition, this company filed its papers. It was, of course, the successful bidder, and a handsome profit followed at the expense of the employees for whose benefit the insurance premiums were supposedly paid.

BROKERS, AGENTS, CONSULTANTS

Nearly all the criticism directed at insurance companies can be applied with equal force to a number of brokers, agents, and so-called welfare-fund consultants. Wherever the subcommittee learned of a questionable practice by an insurance company, we invariably found a broker or sales agent or a consultant near the scene. It has also learned of the close tie between certain union officials and the same brokers and consultants. This condition is reflected in high fees, the payment of commissions to union officers, elimination of real competition among insurance carriers, and a resultant reduction in the amount of benefits available to employees under health and welfare programs.

TRUSTEE CONDUCT

Several references have been made above to actions indicating a lack of interest and a shirking of responsibility by employer trustees. This pattern, while not a universal habit, nevertheless has occurred so often it suggests that joint trusteeship over welfare funds does not in fact exist as Congress intended.

Subcommittee records also disclose instances where union trustees have failed to conform to the high ethical standards normally expected of those acting in a fiduciary capacity.

Two situations have been disclosed where union trustees failed to inform fellow trustees of financial dealings in matters directly related to funds under their trusteeship. In one such case a welfare fund invested a quarter million dollars in preferred stock of an insurance company. A second welfare fund was insured by this same insurance company. One union official had a controlling interest in the welfare fund which made the investment; he also served as a trustee on the second fund. He did not inform his cotrustees of the quarter-million-dollar investment, thus denying them the chance to judge for themselves whether his decisions in insurance matters might be influenced by his separate financial interest in that insurance company. In the second case the union trustee was president of his union and chairman of the joint board of trustees. The welfare funds were not insured in this situation, but were operated by an administrator who was paid by the trustees on a fee basis. This union trustee failed to inform his cotrustees that he was receiving money payments from the administrator. In return for these payments, he was supposedly using influence to bring more welfare funds under the management of this administrator.

ADMINISTRATORS

Many funds, insured and noninsured, use the services of administrators to handle their day-to-day operations such as the collection and banking of employer's contributions, the maintenance of necessary records, the investigation and payment of claims, and so forth. Some administrators are salaried and work for one fund on a full-time basis; others may work for one or several funds on a fee basis, and have other business interests at the same time. Some act as administrators, and also serve as insurance consultants and brokers.

Obviously, many administrators perform their duties in a skilled and efficient manner. However, this survey indicates a pattern of conduct among some administrators which ranges from incompetence to questionable business practices. In one case, the committee received testimony indicating that the administrators were handpicked by the union, and the employers either were allowed no voice or failed to assert any voice in their selection. Other testimony reflected that administrators have paid benefit claims on a wholesale basis with little or no evidence to determine whether any claimants were actually eligible under the terms of the trust agreement. In one fund claims were improperly paid to employers—who had no valid claim to eligibility—and in another fund a periodic audit showed that 40 percent of the claims were paid to ineligible individuals. In the latter case the trustees fired the auditor who uncovered and reported the improper payments.

The subcommittee has also examined funds where the administrator maintained records in such a manner that it was impossible to make a businesslike analysis of the operation of the funds involved. Testimony also showed money payments by an administrator to 2 union officials, 1 of whom served as chairman of the board of trustees for several welfare funds, the other having no official connection with any funds. These payments, which were charged by the administrator against his cost of doing business, were admittedly made to buy the influence of these two union officers.

DISCRIMINATION

The investigation to date indicates that union membership in good standing is invariably a prerequisite to eligibility for welfare-fund benefits. Our study has shown few exceptions to this condition. In many cases the insurance policies specify that all employees shall be eligible. But the trust agreement often defines an eligible employee as a union member in good standing. It was found

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that the parties generally interpret such a trust provision to override the terms of the insurance policy. The result, of course, can deny benefits to a nonunion employee for whom welfare contributions were made in lieu of wages. There is, therefore, great compulsion to join a union and remain in good standing, even where a worker does not wish to do so, when his welfare and pension rights depend upon his union standing. Also important in the consideration of eligibility is the plight of the transient employee who is often faced with requirements which make it practically impossible for him to qualify for benefits, although payments to a fund are being made as part of his wages.

As I have pointed out, only a small segment of the vast field of health, welfare, and pension funds has been explored and much more remains to be done before any comprehensive conclusions regarding possible legislation can be reached. It is for that reason the subcommittee, of which I was chairman, was in unanimous accord in recommending that the Committee on Education and Labor continue this important study in the 84th Congress with a view to legislative action. The subcommittee has also suggested that the States take the initiative in determining the situation existing within their boundaries and in enacting legislation where it is needed; and the cooperation of the Governors and legislatures of the States is invited in suggesting Federal laws which might be enacted in addition to their State statutes.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. HÉBERT, for Thursday and Friday, March 24 and 25, on account of official committee (Armed Services) business.

Mr. COUDERT (at the request of Mr. ARENDS), on account of illness in the family.

Mr. DONOVAN, Mr. SELDEN, Mr. HAYS of Ohio, from March 28 to April 13, on account of official business.

Mr. DOYLE, for 4 days, beginning Monday, March 28, 1955, on account of official subcommittee public hearings of Subcommittee of House Un-American Activities Committee at Milwaukee, Wis.

Mr. HESS (at the request of Mr. HÉBERT), for Thursday and Friday, March 24 and 25, on account of official committee (Armed Services) business.

A HEARTENING EXAMPLE

The SPEAKER. Under previous order of the House, the gentleman from Pennsylvania [Mr. MCCONNELL] is recognized.

Mr. MCCONNELL. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and insert an article by the Journal of American Medical Association.

The SPEAKER. Is there objection?

There was no objection.

Mr. MCCONNELL. Mr. Speaker, it is a genuine personal pleasure to present a very fine example of cooperation between two groups who have joined together to advance the welfare of human beings. In an era of distrust and friction in many spheres of activity it is most heartening to observe a joint undertaking which has shown steady progress, better understanding and mutual respect.

Many families have tangible reasons to be thankful for the splendid spirit of these two cooperating organizations.

[From the American Medical Association Journal of December 11, 1954]

A HEARTENING EXAMPLE

The relationship between the medical profession and the United Mine Workers of America Welfare and Retirement Fund provides a heartening example of how labor and medicine, when each side is presented by medical leaders sincerely devoted to high standards and imbued with a desire for mutual understanding, can work together amicably and effectively in a program to improve medical care for workers. A striking spirit of good will and cooperation dominated the third conference on medical care in the bituminous coal mine area, held recently in Huntington, W. Va., and reported on page 1408 of this issue of The Journal. The atmosphere this year was in marked contrast to that of the first conference 2 years ago, when the air was charged with complaints, fears, and sharp disagreements.

The intervening 2 years have brought great improvement not only in liaison and mutual understanding but also in medical facilities and the quality of medical service. At Huntington, where the delegates voted unanimously to meet again next year, the concensus was that the annual conferences sponsored by the American Medical Association have helped to widen the areas of agreement, narrow the areas of disagreement, and clear the air of antagonisms and distrust. The key to this progress probably is the fact that the United Mine Workers' medical program has been directed by outstanding physicians with a respect for the traditions of American medicine. Dr. John D. Winebrenner, of Knoxville, Tenn., an area medical administrator for the UMWA, expressed it this way in his report at the Huntington conference: "Five years ago a great labor union placed its confidence in the medical profession to inaugurate a program of medical care that has been an innovation to organized medicine in the coal bearing regions as well as on a State and national level. Experimentation has been necessary, but at no time has it been questioned that it was a professional responsibility to blueprint and develop the program. During this time the professional relations have been governed by professional hands. The successes and failures have been, at least, joint responsibilities of the fund medical officers and the participating profession."

Another pertinent comment on this relationship was made during a recent radio interview by Dr. Warren F. Draper, of Washington, D. C., executive medical officer of the UMWA welfare and retirement fund. Answering the question, "How does the American Medical Association react to your program?" Dr. Draper replied: "The American Medical Association, through its national and constituent bodies, and liaison committees created for the purpose, has provided invaluable assistance. I know of no other agency that would be in a position to appoint a survey team of competent neutral observers to go into some of the coal mining areas, explain their purpose to the presidents and other officers of the State and local medical societies, and in company with them visit the problem areas and obtain first-hand knowledge of the conditions of medical practice and the steps and measures necessary to bring about improvements. I know of no other agency that would then arrange a conference in the heart of a coal mining area, comprised of representatives of the State and local medical societies concerned, the medical administrators of the UMWA welfare and retirement fund, the State commissioners of health and deans of the State university medical colleges, for joint consideration of these problems and the working out of a course of action upon which all could agree, to be put into effect at each appropriate level."

The text of that radio statement was sent to the AMA council on medical service in a letter that Dr. Draper concluded by saying: "When I read in the papers and elsewhere some of the things that various labor people, the American Legion and the like are saying about the American Medical Association, it seems to me that our position and relationship are rather unique and possibly you might like to tell the world how we feel about it."

The American Medical Association is more than happy to tell the world about it, for the story reflects credit on all concerned. Labor leaders, labor union medical administrators, and physicians everywhere can learn valuable lessons from the way in which organized medicine and the United Mine Workers have sat down together to iron out a host of difficult problems.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. FORAND.

Mr. FLOOD and to include extraneous matter.

Mr. ZELENKO and include remarks on Greek Independence Day.

Mr. YOUNG and include extraneous matter.

Mr. HILL and to include two editorials.

Mr. MULTER.

Mr. FERNANDEZ and to include extraneous material.

Mr. HOLTZMAN.

Mr. VAN ZANDT (at the request of Mr. ARENDS) and to include extraneous matter.

Mr. GARMATZ (at the request of Mr. MCCORMACK) in nine instances and to include extraneous matter.

Mr. HERLONG.

Mr. BROWNSON and to include extraneous matter.

ADJOURNMENT

Mr. ALBERT. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 4 minutes p. m.), under its previous order, the House adjourned until Monday, March 28, 1955, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

598. A letter from the Assistant Comptroller General of the United States, transmitting a report on the audit of Export-Import Bank of Washington for the fiscal year ended June 30, 1954, pursuant to the Government Corporation Control Act (31 U. S. C. 841) (H. Doc. No. 116); to the Committee on Government Operations and ordered to be printed.

599. A letter from the Assistant Secretary of the Navy (Financial Management), transmitting a draft of proposed legislation

entitled "A bill to amend section 303 of the Career Compensation Act of 1949 to authorize the payment of mileage allowances for overland travel by private conveyance outside the continental limits of the United States"; to the Committee on Armed Services.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. VORYS: Committee on Foreign Affairs. Report pursuant to rule XI of the Rules of the House pertaining to a report of the survey mission to the Far East, South Asia and the Middle East (Rept. No. 295). Referred to the Committee of the Whole House on the State of the Union.

Mr. LONG: Joint Committee on the Disposition of Executive Papers. House Report No. 296. Report on the disposition of certain papers of sundry executive departments. Ordered to be printed.

Mr. TEAGUE of Texas: Committee on Veterans' Affairs. H. R. 5089. A bill to extend the time for filing application by certain disabled veterans for payment on the purchase price of an automobile or other conveyance, to authorize assistance in acquiring automobiles or other conveyances to certain disabled persons who have not been separated from the active service, and for other purposes; without amendment (Rept. No. 297). Referred to the Committee of the Whole House on the State of the Union.

Mr. TEAGUE of Texas: Committee on Veterans' Affairs. H. R. 5100. A bill to amend Veterans Regulation No. 7 (a) to clarify the entitlement of veterans to outpatient dental care; with amendment (Rept. No. 298). Referred to the Committee of the Whole House on the State of the Union.

Mr. TEAGUE of Texas: Committee on Veterans' Affairs. H. R. 5106. A bill to amend the Servicemen's Readjustment Act of 1944, so as to authorize loans for farm housing to be guaranteed or insured under the same terms and conditions as apply to residential housing; without amendment (Rept. No. 299). Referred to the Committee of the Whole House on the State of the Union.

Mr. TEAGUE of Texas: Committee on Veterans' Affairs. H. R. 5177. A bill to authorize the Administrator of Veterans' Affairs to reconvey to Richland County, S. C., a portion of the Veterans' Administration hospital reservation, Columbia, S. C.; without amendment (Rept. No. 300). Referred to the Committee of the Whole House on the State of the Union.

Mr. TEAGUE of Texas: Committee on Veterans' Affairs. H. R. 735. A bill to increase the rate of special pension payable to certain persons awarded the Medal of Honor; with amendment (Rept. No. 301). Referred to the Committee of the Whole House on the State of the Union.

Mr. WILLIS: Committee on the Judiciary. H. R. 4221. A bill to amend section 4004, title 18, United States Code, relating to administering oaths and taking acknowledgments by officials of Federal penal and correctional institutions; with amendment (Rept. No. 302). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ABBITT:

H. R. 5203. A bill to provide for the disposition of Camp Pickett, Va.; to the Committee on Armed Services.

By Mr. ASHLEY:

H. R. 5204. A bill relating to withholding on the compensation of Federal employees for purposes of the income taxes imposed by certain incorporated political subdivisions of States and Territories; to the Committee on Ways and Means.

By Mr. CELLER:

H. R. 5205. A bill to extend to uniformed members of the Armed Forces the same protection against bodily attack as is now granted to personnel of the Coast Guard; to the Committee on the Judiciary.

By Mr. DINGELL:

H. R. 5206. A bill to authorize the Secretary of the Treasury to prescribe regulations relating to qualifications of persons who assist taxpayers in the determination of their Federal tax liabilities, and for other purposes; to the Committee on Ways and Means.

By Mr. HILL:

H. R. 5207. A bill to amend the Small Business Act of 1953; to the Committee on Banking and Currency.

By Mr. JOHNSON of California:

H. R. 5208. A bill to authorize donations of surplus agricultural commodities to penal institutions where such donations will directly reduce expenditures from public funds; to the Committee on Agriculture.

By Mr. JONES of Alabama:

H. R. 5209. A bill to amend the Servicemen's Readjustment Act of 1944, so as to authorize loans for farm housing to be guaranteed or insured under the same terms and conditions as apply to residential housing; to the Committee on Veterans' Affairs.

By Mr. KEARNS:

H. R. 5210. A bill to amend the Internal Revenue Code of 1954 so as to promote diversified ownership of domestic corporations by encouraging small investors to buy stock and reinvest their dividends; to the Committee on Ways and Means.

H. R. 5211. A bill to exempt from Federal income tax dividends paid by regulated investment companies whose income is derived entirely from tax-exempt Government obligations; to the Committee on Ways and Means.

H. R. 5212. A bill to encourage investment in school bonds and other tax-exempt Government obligations by authorizing Federal Reserve member banks to deal in securities of regulated investment companies which invest solely in such obligations; to the Committee on Banking and Currency.

By Mr. KEOGH:

H. R. 5213. A bill to amend the act of October 15, 1914, commonly known as the Robinson-Patman Act, to make it applicable to sales of commodities made to governmental agencies for resale; to the Committee on the Judiciary.

By Mr. KRUEGER:

H. R. 5214. A bill to provide for the reconveyance of oil and gas interests in a portion of the lands, including Indian tribal lands, acquired for the Garrison Dam and Reservoir project to the former owners thereof, and for other purposes; to the Committee on Public Works.

By Mr. LATHAM:

H. R. 5215. A bill to increase from $1,200 to $2,000 the amount which may be taken into account in computing the retirement income credit under section 37 of the Internal Revenue Code of 1954; to the Committee on Ways and Means.

By Mr. REUSS:

H. R. 5216. A bill to amend part VIII of Veterans Regulation No. 1 (a) to extend by 2 years the period within which education and training may be furnished under such part to certain veterans; to the Committee on Veterans' Affairs.

By Mr. TEAGUE of Texas:

H. R. 5217. A bill to provide for the promotion and elimination of women officers of the Naval and Marine Corps Reserve on the same basis as male officers of the Naval and Marine Corps Reserve; to the Committee on Armed Services.

By Mr. ZELENKO:

H. R. 5218. A bill to amend the Railroad Retirement Act of 1937 to provide that an individual with 30 years of service may retire regardless of age, and that any other insured individual may retire at age 60; to the Committee on Interstate and Foreign Commerce.

By Mr. ADDONIZIO:

H. R. 5219. A bill to repeal title III of the Defense Production Act Amendments of 1952; to the Committee on Banking and Currency.

By Mr. BLATNIK:

H. R. 5220. A bill to amend the joint resolution of May 17, 1938, to provide for the construction and maintenance of a National Collection of Fine Arts Museum on the site set aside for an art gallery thereunder, and for other purposes; to the Committee on Public Works.

H. R. 5221. A bill to encourage the discovery, development, and production of manganese-bearing ores and concentrates in the United States, its Territories and possessions, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. KLEIN:

H. R. 5222. A bill to amend the Flammable Fabrics Act to exempt from its application scarves which do not present an unusual hazard; to the Committee on Interstate and Foreign Commerce.

By Mr. McCARTHY:

H. R. 5223. A bill to continue until the close of June 30, 1956, the suspension of duties and import taxes on metal scrap, and for other purposes; to the Committee on Ways and Means.

By Mr. BONNER:

H. R. 5224. A bill to amend title 14, United States Code, entitled "Coast Guard," to authorize certain early discharges of enlisted personnel; to the Committee on Merchant Marine and Fisheries.

By Mr. McGREGOR:

H. R. 5225. A bill providing for the extension of rural delivery mail service; to the Committee on Post Office and Civil Service.

By Mr. MACK of Washington:

H. R. 5226. A bill to increase, in the case of children who are attending school, from 18 to 21 years the age until which child's insurance benefits may be received under title II of the Social Security Act; to the Committee on Ways and Means.

By Mr. TEAGUE of Texas:

H. J. Res. 262. Joint resolution to designate Mrs. Neva Keebaugh as America's GI Mother; to the Committee on Veterans' Affairs.

By Mr. MORANO:

H. Con. Res. 100. Concurrent resolution requesting the United States mission to the United Nations to take all possible steps expeditiously to bring about consideration by the United Nations of the question of self-determination of the population of Cyprus; to the Committee on Foreign Affairs.

By Mr. PATMAN:

H. Con. Res. 101. Concurrent resolution authorizing the Joint Committee on Printing to arrange for the preparation and printing of a consolidated index of the CONGRESSIONAL RECORD covering the 59th and subsequent Congresses; to the Committee on House Administration.

By Mr. ROGERS of Florida:

H. Res 194. Resolution to amend the Rules of the House of Representatives, so as to permit two or more Members to introduce jointly any public bill, memorial, or resolution; to the Committee on Rules.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

By Mr. YOUNG: Joint resolution of the Nevada Assembly memorializing the United

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States Post Office Department and the General Services Administration to allow the placement of the historical V. & T. Railroad engine and mailcar on the premises of the post office building in Carson City; to the Committee on Post Office and Civil Service.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BERRY:

H. R. 5227. A bill authorizing the issuance of a patent in fee to Nellie V. Compton (nee Not Stampeded); to the Committee on Interior and Insular Affairs.

By Mr. GRANAHAN:

H. R. 5228. A bill for the relief of Mrs. Catherine I. Goughan; to the Committee on the Judiciary.

By Mr. HESELTON:

H. R. 5229. A bill for the relief of Rosa Mazzolini; to the Committee on the Judiciary.

By Mr. KEAN:

H. R. 5230. A bill for the relief of Mrs. Betty Barad Strul and Anna Strul; to the Committee on the Judiciary.

By Mr. LATHAM:

H. R. 5231. A bill for the relief of Carmen Cruz-Sexton; to the Committee on the Judiciary.

By Mr. MACK of Washington:

H. R. 5232. A bill for the relief of Iva Druzianich (Iva Druzianic); to the Committee on the Judiciary.

By Mr. MAILLIARD:

H. R. 5233. A bill for relief of Lurline Jackson and Mrs. Mable D. Minott; to the Committee on the Judiciary.

By Mr. MOLLOHAN:

H. R. 5234. A bill for the relief of Raymond D. Beckner and Lula Stanley Beckner; to the Committee on the Judiciary.

By Mrs. ST. GEORGE:

H. R. 5235. A bill for the relief of Mrs. Johanna Maier Rose; to the Committee on the Judiciary.

By Mr. SCRIVNER:

H. R. 5236. A bill for the relief of Vilma Ramuscak; to the Committee on the Judiciary.

By Mr. WICKERSHAM:

H. R. 5237. A bill for the relief of Mrs. Ella Madden; to the Committee on the Judiciary.

By Mr. ZELENKO:

H. R. 5238. A bill for the relief of Arturo Ruiz Calderon; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII,

175. The SPEAKER presented a petition of the secretariat, the National Association of Attorneys General, Chicago, Ill., petitioning consideration of their resolution with reference to tax immunity, adopted at the 48th annual meeting of the National Association of Attorneys General, which was referred to the Committee on Ways and Means.

EXTENSIONS OF REMARKS

Stop Driving Our Best Soldiers Out of Service

EXTENSION OF REMARKS
OF

HON. CLIFTON (CLIFF) YOUNG

OF NEVADA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 24, 1955

Mr. YOUNG. Mr. Speaker, it was recently my good fortune, although perhaps not entirely my pleasure, to spend some time at the Naval Medical Center at Bethesda, Md. During my confinement there, I was impressed with the quality of medical care and overall excellence of this outstanding institution. It reflects favorably on the men in charge and is a credit to our naval forces.

While such care is partly the result of fine facilities, it also depends upon the skill and training of the personnel involved. Evidence of these qualities, I might say, was manifest at all levels—doctors, nurses, and corpsmen. As I observed some of the more highly trained experts performing their duties, several questions came to mind. What are the attractions of military service for such well-trained men who could obviously receive more remuneration in a civilian status? Are we losing the services of such men at a dangerous rate? What needs to be done, if anything, to improve their position and insure a sufficient number of such personnel in the future?

Upon several occasions I talked with some of these men to determine their attitudes on a military career. It was pointed out to me that already some of the highly trained medical personnel have left the service and that others are dissatisfied with their present status and military hopes for the future. While the dissatisfaction results in part from the pay differential, this is not the entire story.

During my study of this problem, I encountered an article by Col. Oliver G. Haywood, Jr., which appeared in This Week magazine on March 28, 1954. This article very forcefully presents reasons why some of our best soldiers are leaving the services. With world conditions so unsettled, the need of highly trained personnel in the armed services, not only in our medical centers but in other units, is extremely important. While the House of Representatives has recently taken steps to raise the pay of military personnel, there are other aspects of this problem which merit attention. I commend this stimulating article to those who are interested in maintaining the strength and efficiency of our national security program.

STOP DRIVING OUR BEST SOLDIERS OUT OF SERVICE

(By Col. Oliver G. Haywood, Jr.)

I have recently resigned my commission in the United States Air Force because I believe this Nation is imposing conditions of second-class citizenship on its professional military force.

My resignation was not prompted by any feeling of personal hardship. It was one individual's protest against policies which I consider a threat to the safety of every American. Now that my lips are no longer sealed by military regulations, I am free to speak of these policies of expediency, indifference, and discriminatory legislation which are making military careers less and less attractive when our Nation most needs top-caliber leadership.

It is my deep conviction that if present trends continue our country will enter any future conflict with a second-class Army, Navy, and Air Force, regardless of how many billions we pour into defense. And may God protect the Nation. The Armed Forces will not be able to.

My resignation from the military—an act by which I chose to forfeit all retirement pay and other benefits—follows 22 years of service. It was a hard decision, for my military service has been interesting and varied. I graduated from West Point in 1936. I have known the life of a line officer, having served as a company and battalion commander. I have soldiered in places as far apart as Germany and Bikini. In the scientific line, I have had tours of duty working on atomic-energy problems at the Los Alamos Laboratories and in the Manhattan engineer project.

I resigned not because I was personally dissatisfied but, as I wrote in my letter of resignation, because, "As a senior officer I must impose on able and patriotic subordinates conditions of second-class citizenship. * * * The degradation of military status must lead to a decline in the quality of our Military Establishment."

SERVICE CAREERS FALLING OFF

I believe that to remain in such a career merely helps to conceal a condition more dangerous to the future security of our Nation than any number of Russian bombs. This is the declining attractiveness of the military career—a situation which is causing trained officers and men to leave the service and forcing young men to refuse service careers.

I intend to document here some ways in which this Nation has whittled away at military careers. But I'd like to emphasize that no single example is in itself decisive. Each example is important only as a development in a general trend. Soldiers are aware that as times change certain traditional advantages may be taken away.

But if the services are to represent careers that will attract and hold capable young men instead of mediocrities, the loss of certain benefits should be compensated by the creation of some new ones. The last 20 years have certainly seen a substantial increase in the standard of living of the civilian population. But for the military—and this is provable statistically or any way you want—the last two decades have seen all the major advantages of military service reduced or eliminated.

Let's take the question of retirements. It is a good example of the way Congress has repeatedly welshed on its agreements with the military. When I came into the service, one of the advantages of a military career was the promise that officers could retire with a pension after 30 years' service, enlisted men after 20. Recently Congress began a series of changes in retirement regulations that were so bewildering that it has become impossible to plan for the future.

For instance, Congress decided 2 years ago that no officer could draw retirement pay even after 30 years' service unless he had also reached his 60th birthday. Under this provision a man like Gen. Lucius D. Clay, former military governor of Germany who retired at 52 years of age, would have left the service without benefit of pension.

There were a number of exceptions to this ruling. One exception provided that a 30-year man could retire with full pay even if

he was still under 60 years of age—providing he had proved himself an incompetent officer. In other words, if an officer does his work poorly enough to be judged incompetent he receives retirement pay for life. It is only those who do their work well who are released with nothing.

NO CHOICE

In my letter of resignation I observed that loyalty should go down as well as up, and it's an important principle to me. The soldier has no choice but to live up to his end of the contract with Uncle Sam. Why should Uncle Sam be entitled to break his promises once the soldier is committed to a military career?

In civilian life, a man can quit or go to court if his boss violates his contract. In the military there have been periods when you couldn't even resign your commission. My own resignation was in process exactly 1 year. At the time I submitted it, military authorities were not accepting resignations of regular officers except in hardship cases. After many months and a change of policy my resignation was accepted. But I know several officers whose resignations have been summarily rejected. For these men military life has become involuntary servitude of indefinite duration.

Congress has over past years been making frequent assaults on so-called fringe benefits—commissaries, post exchanges, dependent medical care, etc.—which in effect formed part of military pay. Because military pay has always been low in comparison with civilian salaries the Nation traditionally has tried to bridge part of the difference by providing essentials such as staple foods, drugs, etc., at virtually cost prices.

ITS OWN COMMUNITY

Also, because soldiers are frequently transferred from area to area—and this is particularly true of combat pilots in such vital duties as the Strategic Air Command—officers and men rarely have opportunity to adjust to the community around them. In fact communities have been known to be mighty hostile to a sudden influx of military personnel. So the military tries to create on its military posts its own community—its own clubs, doctors, food stores, theaters, etc.

Let's take the fate of the commissaries—food stores which primarily benefit married enlisted men. Yielding to lobbying by retail-store associations, Congress passed legislation intended to close down the majority of these stores. By so yielding to the pressure of the retailers the Congress made plain its willingness to aid civilian merchants at the expense of individuals in the military service.

Since I entered the service, this congressional attitude has taken many forms. The post exchanges—which have always been operated without expense to the taxpayer—have become of little value because outside pressure has reduced the variety and quantity of goods available. In line with this trend the quality of military housing has declined; retired pay for the physically handicapped has been reduced; recreational and social facilities on military bases have been curtailed, and dependent medical care has been made uncertain.

The impact of all of this is clearer if you look closely at military salaries. A second lieutenant graduating from West Point receives $338.58 a month, including all allowances. This is a little more than base pay of an able-bodied deckhand. An Air Force captain with 8 years' experience, including Korea jets, draws $593.25 a month. An airline pilot with 8 years' seniority averages over $1,000.

The take-home pay of an Air Force major general is less, dollar for dollar, than it was 30 years ago. Let me repeat, in dollars—with no adjustment for the way dollars have shrunk to a fraction of their former value. Income taxes and lowering of flight pay have taken away far more of the general's salary than has been provided by infrequent pay raises.

In fact, if you adjust for the cost-of-living index, the modern-day Air Force general has less than a third of the purchasing power possessed by his counterpart of 30 years ago. And he has no expense account. Is such a statement true for the top leadership of any other profession?

ARBITRARY CHANGES

There is an interesting test of congressional attitude when you compare Uncle Sam's treatment of his soldier employee and civilian employee. Concerning the very vital matter of pay, civil-service employees back in 1951 were granted a 10-percent increase, with retroactive features. A year later Congress gave the military an increase averaging 5 percent and with no retroactive provisions. Thus the benefits granted the civilians averaged just about double those granted the men in uniform.

Sudden arbitrary changes in regulations can hurt officers and their families in ways that would probably surprise civilians not accustomed to the hazards of a profession which as part of its duty must move long distances from post to post. (In my 17 years as an officer my family moved 11 times.) Consider the impact of the recent ruling reducing from 12,000 to 9,000 pounds the amount of household furniture a senior officer and his family could transport at Government expense. Nine thousand pounds constitutes 4 rooms of furniture, and not even that if you include a refrigerator, a home freezer, or a piano.

Look what happened to the military personnel in Japan who were on duty in 1950, the year the war in Korea exploded. All the families had traveled to the Orient under the old regulations permitting the transfer of 12,000 pounds of furniture. Then in 1952, when many of the officers were fighting for their lives and ours in Korea, the weight allowances were arbitrarily reduced. On transfer back to the United States these officers had to sell their excess goods locally or bring them back at their own expense, in either case at a substantial loss.

This business of always getting the short end of the stick is probably most irritating when it results from the indifference of your own military leadership or of the Defense Department. I am thinking of an incident in my last 2 years of service when I was Chief of the Air Force Office of Scientific Research.

MATTER OF POLICY

I selected three young officers to go to Belgium for some scientific work. There was transport available to take their families, and housing was available at their destination. But my requests for orders for their families were denied. Now it is my firm belief that individuals are entitled to dignified and considerate treatment, even though they are in the uniform of their country. I, like many others in the service, like to assist my wife in the complicated business of breaking up one home and moving to the next. So I offered to delay the orders of the three officers until their families could go with them. But the Pentagon said it was a matter of policy that families could not travel as units. The husband went first and the family followed after—often long after. Why? We could never figure it out. For in the same period State Department and other Government officials were having no difficulty traveling to overseas posts with their families.

Because of prolonged overseas assignments without families, the divorce rate in the Strategic Air Command recently shot up to a record of 1 breakup in every 3 marriages. Surely there is enough separation of military families in war and cold war without inflicting it on them unnecessarily and in peacetime.

I hope that in outlining some of the grievances of the military I have not sounded petulant or one-sided. I certainly have no personal axe to grind, as I could not go back into the regular service even if I wanted to. But it is my belief that the justified problems of a military career have not been clearly placed before the American public, and that this is one reason the grievances remain. What it all comes down to is this: a profession either attracts competent people by offering a respected and worthwhile life or an attractive salary, or the promise of great reward to the successful few who reach the top. Today the military offers none of these advantages.

ARMY OF EXPERTS

Just what is the role of the professional soldier? As distinguished from the man who obtains a commission during an emergency or for a specific assignment, the professional or regular military man devotes the prime of his life and skill to preparing for the day of crisis. Today the breadth of knowledge these professionals must possess is unprecedented. They must be experts in science, management, procurement, public relations, budget, atomic energy jet engines, psychological warfare, etc.

As we learned during the occupation of both Germany and Japan, today's officers must know not only military strategy but must understand economics, the structure of government, and political theory. Remember that one of our greatest soldiers, Gen. George S. Patton, was relieved of his command in Germany not because of a military blunder but because in a thoughtless moment he commented that, "This Nazi thing—it's just like a Democratic-Republican election fight." General Patton stubbed his toe on political theory.

The importance of America's corps of regulars was pointed up in World War II. In that era just over 11,000 Regular Army officers developed a ground force that successfully fought the Germans and the Japanese on many fronts. This small nucleus of professionals trained, administered, supplied, and deployed a mammoth army that eventually totaled 930,000 officers and 12 million men.

Although public ignorance and national apathy are partly responsibile for the state of affairs in the professional Military Establishment, Congress obviously cannot escape a large share of the blame. The open hostility of Congress to the regular-officer personnel has been expressed in speeches, press releases and in legislation such as I have described. There have been many instances when discriminatory legislation was voted into law without reference to the congressional committee that the Congress itself had set up for the purpose. Congressional hostility in itself would have been enough to make me desire to leave the service.

Although the congressional speechmakers invariably mention the so-called "brass"—that is, the generals and the admirals—much of the discriminatory legislation hits hardest at the young officers and enlisted men. A rider in the 1952 appropriations bill was announced to the press and public as slowing down the promotions of the "military brass."

BLAMED THE PENTAGON

The rider was so ill-conceived and poorly worded as to have little effect on senior officers, but it made a drastic impact on promotion opportunities of young officers. Several thousand Navy lieutenants would have had to be demoted if the next session of Congress had not taken prompt action to correct the more glaring errors in the original wording. But the Congressman who authored this "rider" was not at all embarrassed by his error. He blamed the Pentagon. He felt the Pentagon should have told him how to word his rider so that it would hurt only the "brass," as he had intended.

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Now, as this Nation faces new crises, what are the overall effects of a policy of constantly whittling away at the military profession?

Here are some statistics that help to tell the tale.

Resignations of cadets at West Point reached 109 in 1952 and 95 in 1953, with many youngsters frankly stating that they were leaving because of better career opportunities in civilian life.

The Air Force is having difficulty retaining its skilled technicians. These airmen, who are expensively trained and invaluable in the jet age, are turning down offers of reenlistment at the rate of 200,000 a year.

Another spectacular example of young Americans' attitudes toward professional military careers is afforded by the Navy's Holloway plan. Under the plan the Navy provides financial assistance and naval training to selected college students in return for the pledge by these students to serve for 2 years after graduation, as Reserve officers. After the 2 years of Reserve training are over, the students are offered commissions in the Regular Navy. A year ago the first group of 800 Holloway plan officers completed their required 2 years. Nearly 90 percent rejected careers as Regular officers in the Navy.

The question before Congress and the people, as I see it, is whether this is the time to subtract additional prerogatives and prestige from the Regular Military Establishments, or whether the time has come to make military careers more attractive than ever.

Can we risk the kind of Military Establishment that for want of better must take in a large proportion of mediocrities?

Does America want its military leadership of tomorrow to come from the bargain basement?

The 134th Anniversary of Greek Independence

EXTENSION OF REMARKS
OF
HON. PAT McNAMARA
OF MICHIGAN
IN THE SENATE OF THE UNITED STATES
Thursday, March 24, 1955

Mr. McNAMARA. Mr. President, I ask unanimous consent that a statement prepared by me on the 134th anniversary of Greek independence be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF SENATOR MCNAMARA

Tomorrow will be the 134th anniversary of Greek independence. It was on March 25, 1821, that the Greek people began their struggle for freedom in the modern world. As His Excellency, the Ambassador of Greece to the United States, George V. Melas, said just a few days ago, "The 25th of March could readily be compared with that other great date in history, the Fourth of July. For similar ideals, that same craving for liberty, that same yearning for independence, that same determined love of democratic institutions have been the bases of the erection of both countries, America and Greece, into independent states."

The contributions Greece has made to the pattern of western civilization cannot be overestimated. Plato and Aristotle in the world of philosophy, Homer and Sophocles in the realm of literature, Phidias in the field of architecture, Euclid in science and Pericles in the field of statecraft are only a few of the examples of Hellenic influence on our history.

As the Greek people fought against tyranny in the 19th century, so too in this country, they battled courageously against Communist attacks in Korea. As an American I am proud that our country, at the initiative of President Truman in 1947, sent military and economic aid to help the Greeks in their struggle to recover liberty for themselves. I am glad to recognize Greece as our staunch ally in the Mediterranean region and as a member of NATO.

Here in the United States, Americans of Greek birth and blood have continued their heritage of leadership and have enriched our Nation by their activities both as individual citizens and through their great fraternal organization, the Order of Ahepa.

I am sure that we are all glad to join the valiant Greek nation and people of Hellenic origin everywhere in the celebration of Greek Independence Day.

More Shipbuilding on West Coast

EXTENSION OF REMARKS
OF
HON. ALAN BIBLE
OF NEVADA
IN THE SENATE OF THE UNITED STATES
Thursday, March 24, 1955

Mr. BIBLE. Mr. President, on March 22, the Senator from Washington [Mr. MAGNUSON], chairman of the Senate Interstate and Foreign Commerce Committee, delivered a very informative and factual address to the Western States Council at San Francisco, Calif. I ask unanimous consent to have a report on this address, which appeared in the New York Times, March 23, 1955, printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

MORE SHIPBUILDING ON WEST COAST IS PREDICTED BY A SENATE LEADER—MAGNUSON TELLS 11-STATE COUNCIL HE IS "VERY HOPEFUL" THE ADMINISTRATION WILL REVISE POLICY NOW FAVORING THE EAST

(By Lawrence E. Davies)

SAN FRANCISCO, March 22.—Senator WARREN G. MAGNUSON, Democrat, of Washington, predicted today a brighter era for west coast shipbuilding.

The chairman of the Senate Interstate and Foreign Commerce Committee told the Western States Council he was "very hopeful" the Administration would revise its present policy and give the West greater opportunities.

This would be done, he said, by allocation of a specific number of vessels in any Government-financed shipbuilding program to the Pacific Coast, to be bid upon by West Coast yards.

"At present," he asserted, "we are penalized 15 to 16 percent of the cost of ships, in bidding against East Coast yards, because of labor and materials prices."

Senator MAGNUSON forecast the construction on this coast of 3 to 4 big new tankers. They would be part of a program of 10 to 12 tankers soon to be authorized by the Federal Maritime Board, he said. They would be built for private operators, with the Government insuring up to 100 percent of 87½ percent of the cost and retaining the right to buy them back in 10 years.

His committee, the Senator announced, would report out tomorrow or Thursday, bills to provide:

That the Civil Aeronautics Board give permanent certification to feeder air lines, most of them west of the Mississippi River. Thirteen of them, he said, now are operating under three-year permits, giving them no opportunity for permanent planning.

That the Civil Aeronautics Board have jurisdiction over what airlines will fly to United States Territories. This would deprive the President of the right of veto over Board decisions in this respect.

EASING OF PROBLEMS SEEN

Senator MAGNUSON said the White House welcomed this prospective legislation because of the headaches it would save President Eisenhower. Pressures were tremendous, he indicated, prior to recent issuance of Presidential directives as to what lines should fly to Hawaii and Alaska. Actually, the present law was not intended to give the President the right to say what lines should operate to our Territories, but only to foreign countries, he said.

The Senator defended subsidies, both for steamship and airlines. Total subsidies to the whole American merchant marine this year, including some back obligations, did not exceed $60 million. He said, adding:

"That literally is less than the subsidy we pay for peanuts."

He told the council members, who include executives of State, county, and local chambers of commerce of the 11 Western States, that unpublished census figures he had just seen in Washington gave these estimates:

A present population of 23,400,000 for the Western States, compared with 19,600,000 in 1950. This 19 percent increase is more than double the national growth rate.

A population in 1960 of 30 million, or a gain of more than 28 percent in the next 5 years. This would be double the estimated national rate of growth, he said.

TRANSPORT CRISIS CITED

"The East is in a deep freeze on transportation problems," Mr. MAGNUSON declared. "We can't afford to let that happen to us, with these great problems we face accompanying enormous population gains. We ought to have a political-economic revolt on questions affecting us in a nonpartisan way."

The council adopted resolutions reiterating its positions on shipbuilding, mining, air transportation and other matters after hearing testimony on these subjects.

Greek Independence Day

EXTENSION OF REMARKS
OF
HON. AIME J. FORAND
OF RHODE ISLAND
IN THE HOUSE OF REPRESENTATIVES
Thursday, March 24, 1955

Mr. FORAND. Mr. Speaker, I am happy to join with my colleagues to once again, on Greek Independence Day, pay a tribute to a gallant people.

Tomorrow, March 25, is the 134th anniversary of Greek independence. The great Hellenic culture has had a profound and lasting effect on the freedom-loving nations of the Western World. The Greeks, as did the Americans, fought hard and long for their independence, and they are ready and willing to fight just as hard and long to retain it. We Americans are proud to have the Greek Nation as a true and stanch ally in the continuing struggle for freedom for all peace-loving people throughout the world.

The history of the valiant Greek Nation reveals that its life has not been

any easy one. Greece maintained its freedom from foreign domination from 1827 to 1941, and the world will not soon forget the heroic struggles of the Greek people against fascism, and how they overcame great odds in driving back Mussolini's army in 1940. When the Nazis joined the fray, however, the Greek Nation was overwhelmed, its people subjugated, its earth scorched, and its economic resources systematically destroyed by Hitler's hordes.

The Greek Nation was once again liberated, through the assistance of the British in 1944, but over 400,000 Greeks died of starvation during the period of this ruthless occupation.

After World War II, liberated Greece found its chief ports in ruins, three-fourths of its merchant fleet destroyed, the vital Corinth Canal blocked by mines, major rail lines torn up, and with more than 1,500 villages and towns destroyed. Thousands of people were homeless, and living standards reached an almost impossible low level.

It was in this moment of Greek national weakness that the Communists struck. Unable to win a strong voice in the Greek Government, the Reds formed guerrilla bands, to terrorize the villagers and to prevent them from carrying on their essential task of rehabilitation. This Communist move was intended to deal a death blow to the war-torn economy of Greece and to force the country to accept its orders from the Kremlin.

Early in March of 1947 the Greek Government appealed to the United States for assistance. With a great example of courage and foresight, and in full recognition of not only the humanitarian needs of the Greek people, but also of the danger of international communism to the security of the free world, and to the United States, President Truman responded boldly, with the initiation of what is now known as the Truman Doctrine for Greece and Turkey.

The President then secured from Congress his initial request for $300 million which went into guns and equipment for the Greek army, as well as foodstuffs and other necessities for the population, and the Greek people were again on the way to the establishment of decency and freedom.

Aided by an American military mission, a revitalized Greek army defeated the Communists and established peace and order in October of 1949. Continued United States aid has helped rebuild Greece's economy and has enabled the Greek people to strengthen their army against another Communist attempt to seize power.

It is also significant that the Greeks, having defeated the Communists at home, had a military unit fighting with other United Nations forces in Korea.

Greece and the United States share defense responsibilities as NATO partners. With some 200,000 men under arms, Greece has a larger percentage of its population in active military service than any other European NATO nation, and this force, we are told, can be doubled on short notice.

Today Greece stands as a fortress of freedom in the Mediterranean. She is of great importance, strategically and geographically, to our own national defense and security. She is a true and staunch ally, and the investments of the United States in this cradle of western civilization were wise and judicious. Our firm stand and financial assistance to Greece has resulted in uniting Greece, not only internally but also with other freedom loving countries in their stand against aggressor forces.

Here, in our own country, the Greek-American community has made a great contribution to our culture, to our economy, and to our democratic spirit. We owe a great debt to the Greek mind and to the Greek spirit.

On this 134th anniversary of the independence of Greece, we join in its celebration and hope that this anniversary will always be celebrated in peace and freedom.

Comments by Hon. John J. Dempsey, of New Mexico

EXTENSION OF REMARKS
OF
HON. ANTONIO M. FERNANDEZ
OF NEW MEXICO
IN THE HOUSE OF REPRESENTATIVES
Thursday, March 24, 1955

Mr. FERNANDEZ. Mr. Speaker, by unanimous consent, I insert in the CONGRESSIONAL RECORD comments of my colleague, the Honorable JOHN J. DEMPSEY, in his weekly newsletter for release to the press tomorrow on the subject of the Yalta documents:

NEWS AND VIEWS FROM YOUR NATION'S CAPITOL
(By JOHN J. DEMPSEY, Congressman from New Mexico)

WASHINGTON, March 24.—Nearly three centuries ago one William Shakespeare provided the most fitting title for the now subsiding Yalta papers episode in the Nation's Capital—Much Ado About Nothing—at least about nothing new. It is a combined comedy and tragedy. The bungling, inept handling of the whole affair by the State Department, coupled with the all too apparent political motive which inspired it, has backfired as far as American public opinion is concerned. Only the political alarmists sought to blow up the revelations to elephantine proportions. Their efforts have been providing the comedy but have resulted also in tragedy insofar as this Nation's world relationships are concerned. There is no question, in my opinion, but what our diplomacy has suffered a serious setback.

Secretary of State Dulles, who admits there is nothing new in the disclosures, allowed himself to be maneuvered into a leak of the Yalta records—somewhat expurgated, he explains—to a New York newspaper. He could not have been naive enough to believe, having ordered dozens of copies of the 500,000-word Yalta dossier runoff for confidential distribution, that such a leak would not occur. If he was he should not be Secretary of State of our great Nation. He knew it would leak and that the demands of his political cohorts would be satisfied.

What the Secretary of State, of all men in our public life, did not appear to foresee was the worldwide repercussions that would follow. Sir Winston Churchill and the British people in particular waxed angry. They had a right to do so. The loss of confidence we have suffered in Britain alone may well be incalculable. The facts of the Yalta agreement were known to the British, as well as to our own people, but the informal—and admittedly rather tactless—discussions among the Big Three leaders at Yalta were not common property. Making them so accomplishes no peace-advancing purpose. It has nullified in no small part the friendships we have been spending billions of dollars to build up in all of the free nations.

Sir Winston also charges that the released Yalta papers are erroneous in many instances. That is understandable in view of the admitted fact that they are not stenographic transcripts, but rewrites from hurriedly made notes and jottings from memory—a very fallible source. Their value, therefore, is dubious.

The grins in the Kremlin are wide, indeed, over the loss of face America has suffered by this diplomatic faux pas. The Communists are enjoying the comedy and chortling over the new strain we have placed on our free-world relationships, not to mention the threat to congressional bipartisan accord on foreign affairs. My own conclusion is that Mr. Dulles' State Department efforts could be better devoted to keeping alive the spark of international peace rather than snuffing it out in the ashes of the dead past.

There Is Widespread Sentiment Among Members of the Legal Profession in Favor of the Van Zandt Bill (H. R. 855) Designed To Extend Coverage Under the Social Security Act to Lawyers

EXTENSION OF REMARKS
OF
HON. JAMES E. VAN ZANDT
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Thursday, March 24, 1955

Mr. VAN ZANDT. Mr. Speaker, because of the numerous requests I received from lawyers in the State of Pennsylvania that members of their profession be included for coverage under the Social Security Act, I introduced H. R. 855 on January 5, 1955, when the 84th Congress convened.

Since the introduction of H. R. 855, which is now pending before the House Ways and Means Committee, I am amazed at the many letters I have received from attorneys in various States expressing warm approval of my legislative proposal. In addition to individual communications, I have received favorable letters and copies of resolutions adopted by county bar associations and State bar associations in the several States which disclose that there is a lively interest on the part of lawyers throughout the Nation that social security coverage be extended to members of their profession.

At this point in my remarks, I should like to call attention to the provisions of H. R. 855, which reads as follows:

H. R. 855

A bill to extend the Federal old-age and Survivors insurance system to individuals engaged in the practice of law.

Be it enacted, etc., That section 211 (c) (5) of the Social Security Act and section 1402

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(c) (5) of the Internal Revenue Code of 1954 are each amended by striking out "lawyer,".

SEC. 2. The amendments made by the first section of this act shall be applicable only with respect to taxable years ending after 1954. For purposes of section 203 of the Social Security Act the amendment made by the first section of this act to section 211 (c) (5) of the Social Security Act shall be effective with respect to net earnings from self-employment derived after 1954; and the amount of net earnings from self-employment derived during any taxable year ending in, and not with the close of, 1955, shall be credited equally to the calendar quarter in which such taxable year ends and to each of the three or fewer preceding quarters any part of which is in such taxable year. Net earnings from self-employment so credited to calendar quarters in 1955 shall be deemed to have been derived after 1954.

As stated previously, H. R. 855 is pending before the House Ways and Means Committee and because of the keen interest manifested by lawyers in securing its approval, I am hopeful that the legislation will be scheduled for early consideration.

The Independence Day of Byelorussia

EXTENSION OF REMARKS

OF

HON. DANIEL J. FLOOD

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 24, 1955

Mr. FLOOD. Mr. Speaker, on March 25, 1955, Americans of Byelorussian origin and Byelorussian immigrants in the United States are solemnly celebrating the 37th anniversary of the proclamation of the independence of the Byelorussian National Republic.

Byelorussia, a country of 250,000 square miles and 18 million population, is situated in eastern part of Europe, between Poland and Russia—Ukraine, Lithuania, and Latvia. Byelorussia has become better known to the West as Byelorussian Soviet Socialist Republic, a charter member of the United Nations since 1945.

In the past Byelorussia was an independent nation and played a great part in the medieval history of eastern Europe. Under the conditions of the time Byelorussia appeared under the name of Kryvia and later on—the 13th century—it was known as a Grand Duchy of Lithuania; since 1795 forcibly incorporated into imperial Russia.

For several times Byelorussians have tried to reestablish their sovereignty; in 1912 with the help of Napoleon, in 1831 and 1863 by armed uprising in alliance with Polish insurgents. With the start of the First World War Byelorussians again took the opportunity to liberate themselves from the Russian slavery. Through the coordinated effort of all Byelorussian organizations a general national representation, consisting of 1,167 delegates from all the corners of the country, gathered in Minsk on December 14, 1917. This first all Byelorussian Congress became the actual constituent assembly of Byelorussia, it elected the Rada—Council—and its Presidium as its executive bodies, which have assumed the responsibility for the fate of the nation.

On March 25, 1918, Rada of the Byelorussian National Republic solemnly proclaimed the independence of Byelorussia and published its third constitutional act containing the official text of the proclamation. That was the birthday of the new Byelorussian State under the name of Byelorussian National Republic.

Byelorussian Government quickly set to work to expand its activities in all fields of the national life. In spite of great difficulties connected with the war and the devastation of the country the Government made significant advances in the fields of economy, defense, education, culture, social protection, etc. Byelorussian National Republic was recognized de jure by Austria, Czechoslovakia, Estonia, Finland, Georgia, Latvia, Lithuania, Poland, and Ukraine and de facto by Bulgaria, Denmark, France, and Yugoslavia.

The new republic could not resist for too long a time the pressure of Russian imperialism without any help from outside and soon fell the victim of new occupation, this time by Red army. It was finally liquidated by the Riga Treaty of March 1921, and its territory divided between Poland and U. S. S. R.

The Russian sponsored B. S. S. R. took her place, created on January 1, 1919, in Smolensk as a Communist counterweight to the democratic republic established in Minsk in 1918. This union republic with its puppet government is still in existence within the structure of the Soviet Union.

Ever since the Russian Communists took over the country its population has been subjected to a violent and ruthless persecution for its unabating love of freedom—in soviet official language, "national-democratic" deviation—in addition to the "normal," social, and economic experimentation and irresponsible manipulation with people's property and life by Communists. But in spite of this, and in spite of thwarted uprisings, trials, shootings and deportations, the people of Byelorussia did not accept the government forced upon them, they still resist it.

The legal Government of Byelorussian National Republic was compelled to go into exile in order to continue the struggle against communism for restoration of the Byelorussian democratic independent state. After 34 years of difficult life the Government is still in existence and leads the best forces of the nation in the fight for freedom and justice.

One Hundred and Thirty-fourth Anniversary of Greek Independence

EXTENSION OF REMARKS

OF

HON. LESTER HOLTZMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 24, 1955

Mr. HOLTZMAN. Mr. Speaker, March 25 will mark the 134th anniversary of Greek independence.

Over a century ago the Greek people recovered their freedom and emerged once again an independent nation.

We here in America are happy to pay tribute to this great country and to her courageous people. Ancient Greece was the cradle of democracy and her culture formed the cornerstone of our western civilization. We know from history of the past glories and achievements of Greece; and we are forever indebted to her for the heritage she has handed down to us—love of liberty and concern for our fellowmen.

Since her reestablishment among the community of free nations, Greece has been beset by many enemies. In spite of those difficulties she has contributed far more than her share to the cause of world peace by her magnificent participation in World War II and in the recent Korean conflict.

Her determined opposition to nazism and communism, despite the sufferings and persecution of her people, has demonstrated to all how much freedom means to her. We have been proud to have the Greeks as our allies in the past, and we shall consider it an honor and a privilege to continue our associations with her in the future as guardians of democracy.

Greek Independence Day

EXTENSION OF REMARKS

OF

HON. HERBERT ZELENKO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 24, 1955

Mr. ZELENKO. Mr. Speaker, on the occasion of Greek Independence Day, March 25, it is well that we salute our many great Americans of Greek origin and to point out that the United States of America and Greece have always been closely bound by ideals of liberty, freedom, and democracy.

When Congress assembled in December 1823, President Monroe made the revolution in Greece the topic of a paragraph in his annual message, and, on December 8, Daniel Webster moved, in the House of Representatives, the following resolution:

Resolved, That provision ought to be made, by law, for defraying the expense incident to the appointment of an agent or commissioner to Greece, whenever the President shall deem it expedient to make such appointment.

Our Nation, and particularly this House of Representatives, can take pride in the fact that these were the first official expressions by any government supporting the independence of Greece and that these few official words contributed immensely in creating a feeling throughout the civilized world which led eventually to the liberation of a portion of Greece from Turkish domination.

On January 19, 1824, this House of Representatives resolved itself into a Committee of the Whole, took the above resolution into consideration and listened to a speech by Daniel Webster on the resolution and the revolution in

Greece. That speech contained many remarks apropos today.

Webster's interest in the revolution of Greece was motivated not by the glories of ancient Greece but rather as an American question. He said:

> What I have to say of Greece, therefore, concerns the modern, not the ancient; the living and not the dead. It regards her, not as she exists in history, triumphant over time, and tyranny, and ignorance; but as she now is, contending, against fearful odds, for being, and for the common privileges of human nature.
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> We are called upon, by considerations of great weight and moment, to express our opinions upon it. These considerations, I think, spring from a sense of our own duty, our character, and our own interest. • • • Let this be, then • • • purely an American discussion; but let it embrace, nevertheless, everything that fairly concerns America. Let it comprehend, not merely her present advantage, but her permanent interest, her elevated character as one of the free states of the world, and her duty toward those great principles which have hitherto maintained the relative independence of nations, and which have, more especially, made her what she is.

The self-interest Webster spoke of is strikingly similar to that of our own age, the contest between absolute and regulated governments. At that time the continental European powers were reiterating the divine right of kings theory and advocating a forcible maintenance of the status quo, including denouncements of the Greek revolt against Turkish oppression.

The force of Webster's speech is felt even today, for our official statements of support in 1823 have brought us dividends of the highest order. Greece's entry into World War I in 1917 with Greek troops winning an important victory on the Balkan front helped speed the end of that war; her defeat of Mussolini's troops for 7 months in the winter of 1940–41 necessitating Hitler's sending in panzer divisions to subdue the Greeks fired the imagination of the free world and is cited by many military analysts as the key to the eventual defeat of the Axis; and most recently Greece, in defeating Communist aggression in a bitter war, again dealt tyranny and governments based on absolute power a severe blow. It should be noted that this was the first and only time the Communists have been completely defeated by force of arms.

The history of Modern Greece is the history of the gradual liberation of Greek inhabited territories. For example, the Ionian Islands were ceded by Great Britain to Greece in 1864 after a prolonged period of constant struggle; Crete and the Aegean Islands were liberated from Turkish yoke after the victorious Balkan Wars, 1912–13. The Dodecanese were ceded by Italy after World War II and the currently publicized struggle on Cyprus dates back to the days of the Turkish occupation. Today Cyprus represents the only Greek island still not free. Webster, in his speech, actually commented on the Turkish massacres in Cyprus in which the ranking members of the Greek community were executed on the charge of conspiring with the insurgents in Greece.

American-Greek relations from the 1820's until the present have been of the highest order. The principles of our own revolution and its flames were carried over into Greece and she is today one of our most ardent champions on the Continent. This also explains her disbelief in our failure to support the principle of self-determination for Cyprus and the ensuing demonstrations.

The United States can look back on 1823 as an act of statesmanship which has brought us great dividends from a moral as well as a realistic viewpoint. Today the United States has a continuing interest in the future of modern Greece. As a military bastion of NATO and as the pivot in the Balkan alliance, Greece is our one tried and true ally in the eastern Mediterranean. As the only nation to have defeated the Communists by force of arms, she stands on Russia's doorstep as a symbol of freedom and determination.

It is only natural that the United States salute the freedom-conscious people of Greece on this occasion. We join with them in celebrating their independence and we are not only aware of Greece's ancient glories but we recognize her contemporary importance to a free world. Greece has influenced all aspects of civilization and she has been a brave and noble ally. She adds proof to the contention that the support of free institutions can hold us in good stead today.

Chief Judge Albert Conway

EXTENSION OF REMARKS
OF
HON. ABRAHAM J. MULTER
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES

Thursday, March 24, 1955

Mr. MULTER. Mr. Speaker, on February 17, 1955, the Brooklyn Lawyers Club of the Federation of Jewish Philanthropies honored one of Brooklyn's—no—one of New York's greatest citizens, the Honorable Albert Conway. My first contact with the distinguished gentleman was when I sat at his feet as a student in classes taught by him at the Brooklyn Law School. I soon learned to respect and admire him as a fine teacher, an excellent lawyer, a truly high-minded public servant, but most of all as a real friend.

He has served with distinction as a district attorney, State superintendent of insurance, county court judge, supreme court justice, associate judge of the court of appeals, and now as chief judge of that court, the highest in the State of New York.

Despite the heavy demands upon his time by official duties, he has always found time to devote to every worthwhile civic and charitable endeavor of our community.

Little wonder then, that among the many fine tributes to him that night were the following communications from the highest and most respected of our public officials:

THE WHITE HOUSE,
Washington, D. C.

DONALD FREUND,
President, Brooklyn Lawyers Club:

Please convey my congratulations to the Honorable Albert Conway on the honor which the Brooklyn Lawyers Club extends to him on February 17. To all his friends who thus join in tribute to an eminent jurist, I send best wishes.

DWIGHT D. EISENHOWER.

WASHINGTON, D. C.

DONALD FREUND,
26 Court Street:

May I tell you again how deeply sorry I am that official engagements of long-standing have made it impossible for me to attend the dinner in honor of Judge Conway at Union Temple. It would have given me the keenest pleasure to have joined his many other friends in this well-deserved tribute to Judge Conway, for whom I have great admiration and affection. I have known Albert Conway for more than a quarter century, and had the great privilege of appointing him to the court of appeals in 1940. He has made a wonderful record and I rejoice that he is now serving as chief judge, the highest judicial post in the State of New York. Will you please give Albert my congratulations and my affectionate regards?

HERBERT H. LEHMAN.

UNITED STATES SENATE,
Washington, D. C., January 26, 1955.

DONALD FREUND, Esq.,
President of Brooklyn Lawyers Club,
Brooklyn, N. Y.

DEAR PRESIDENT FREUND: I greatly appreciate your thought of me in connection with the testimonial dinner, which is being given in honor of Judge Albert Conway, on the evening of Thursday, February 17, at Union Temple. Because of my great admiration and high regard for the guest of honor, I should like very much to be present and thus to pay tribute to him in person. Unfortunately for me a long-standing engagement for that same evening, which I shall be obliged to keep if possible, is going to prevent me from being in New York at that time.

Please convey to Judge Conway my deep regret that I cannot be on hand. His has been an unusual, long, and distinguished career in his noble profession and in public service. No one more than he deserves the tribute being paid to him by the Brooklyn Lawyers Club. Please express to him my hearty congratulations upon a tribute so richly deserved and my every good wish for all that is best in health, happiness, and success in the years ahead.

Again thanking you for inviting me to be present, I am

Sincerely yours,

IRVING M. IVES.

ALBANY, N. Y.

DONALD FREUND, Esq.,
President, Brooklyn Lawyers Club:

My warmest greetings to the Brooklyn Lawyers Club and to the renowned jurist, Albert Conway, whom you are honoring this evening. I deeply regret my inability to join personally in the tributes being paid to Chief Judge Conway, for his many years of service to the State and his contributions in the field of jurisprudence. All good wishes for the continuing and increasing vigor of the charitable, communal and civil activities of the Brooklyn Lawyers Club.

AVERELL HARRIMAN.

Judge Conway's remarks that evening have important significance and though addressed to a lawyers group, would be

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as apropos if delivered to a group of legislators. I, therefore, commend them to the attention of our colleagues.

They follow:

THE OBLIGATION OF THE LAWYER

(Address by Hon. Albert Conway, Chief Judge of the New York Court of Appeals on February 17, 1955, before the Brooklyn Lawyers Club)

I must tell you, first and foremost, how much I appreciate the thoughtfulness and kindness of the Brooklyn Lawyers Club of the Jewish Federation of Philanthropies in tendering this dinner in my honor as chief judge. I appreciate that you are honoring both the office and me but I, as a Brooklynite, shall treasure the memory of it. I have lived here in Brooklyn all my life and practiced law here all of my life as a lawyer. I believe that it is much easier to be well-liked and acclaimed in cities away from one's neighbors and so I have always wished to be liked in my borough among the people with whom I have grown up and with whom I have lived. Thus, I especially appreciate this dinner and thank you for it.

I should like to leave one thought with you this evening. I shall take as my text words of wisdom uttered by Mr. Bernard Baruch last year at a dedication ceremony:

"Government is only an instrument for regulating society. A limited democracy—the political form we live under—is bound to have its faults since none of us who make up this democracy is perfect. But this democracy has given each of us the opportunity to better his own condition by his own striving—and more than that no government can give us. • • •

"We in this country have succeeded because we have made Americanization synonymous with expanded opportunity. We have sought our goal of equality for all not by pulling everyone down to the same level, as has happened elsewhere, but by giving everyone the opportunity to rise."

In a measure, lawyers are set apart as members of a learned profession. I have always looked upon them as trustees of the rights of the residents of their communities. Those rights are life, liberty, the pursuit of happiness and the opportunity to rise commensurate with one's capacity and capability as received from his Creator. The correlative duties of such residents are to be good citizens, to see that justice under law prevails, and to support all worthwhile projects contributing to the good of their communities. Lawyers are thus as a group set apart. There is no other group which is the trustee of our community rights and must step forward to protect those rights when to fail to do so would be injurious. The people look to us in addition for leadership. If you will consider for a moment you will realize that the people continually display not only their acceptance of the fact that we supply the leadership but also their expectation that we will live up to our heritage in that respect for in this country we have supplied the leadership since the days of the Founding Fathers. That entails more obligations than those of any other profession. A profession, as we know, is not a business. It is only for high minded individuals of character who work assiduously, not only in their preparation for a degree and for a license to practice but also for their clients during the balance of their lives as practicing lawyers. The old adage tells us that the law is a jealous mistress. Indeed, the practice of the law takes precedence even over family obligations if the rights of a client hang in the balance.

Again, if you will consider, you will realize that there is no other profession where the people in every community, whenever any worthwhile endeavor is to be initiated, require that there be a member of our profession on the executive board, by whatever name it may be called. We are the uncommon men from whom those in our community demand service, far and beyond that which they require of business men or of men in any other profession except that of religion. When I speak of the uncommon men I refer to those men to whom much knowledge and ability has been granted and, therefore, men from whom much is to be expected and by whom much must be returned to their neighbors. It is not enough, however, that we as lawyers be trustees of the rights of our neighbors and that we as organized groups, such as this, are ready to spring to our neighbor's aid when his rights are in danger. Take freedom, for instance, freedom is the most important of our possessions and one easily lost. The Chinese have a proverb to the effect that when a man losses his freedom he has nothing else to lose. Mr. John Lord O'Brian, of Washington, a distinguished lawyer, speaking in December last put it clearly when he said:

"All of us agree that freedom for the individual is the most important and precious of our possessions. What we often forget, however, is that freedom cannot be created by law. All that the law can accomplish is to protect the rights of the individual from interference either by other individuals or by government. As Justice Brandeis once observed, the American Constitution 'conferred, as against the government, the right to be let alone—the most comprehensive of rights and the one most valued by civilized man.' In America we constantly advocate respect for the dignity of man and the sanctity of the individual. But dignity cannot be conferred upon the citizen by law. The qualities that give dignity to the individual and sanctity to his personal beliefs are qualities that must be developed within the inner life of the individual himself."

While then we are trustees of the rights of those who reside in our respective communities, we can accomplish little unless those residents fully understand the fact that our government is unique in the history of mankind. The great contribution of America has been to make law the sovereign by means of a written constitution binding equally the government and the governed. Also, we can make little progress if it be not understood that freedom is not created by law. Laws are not self-executing. The public opinion which is the great law enforcer can come only from those who understand the problems which the specific law, whether common law or statute law, was meant and intended to solve. Education then in the philosophical theory of and basis for our government and education is the meaning of freedom under law, since freedom presupposes law, must also come from the organized bar, whether it be the Lawyers' Club, such as this, or a bar association. You have a double duty, but it should not be too difficult if you teach it at your community level and thus make it leaven. It seems to me to be your duty as lawyers and mine as a judge to endeavor to do this to the best of our ability and thus to justify the confidence which has been reposed in you and me by our respective communities.

Damage to the Total Economy

EXTENSION OF REMARKS

OF

HON. A. S. HERLONG, JR.

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 24, 1955

Mr. HERLONG. Mr. Speaker, high, rigid price supports for farm products help create unemployment.

Under rigid 90 percent price supports surpluses have been created, markets have been destroyed, resulting in the loss of net farm income. Since 1947, net farm income has shrunk from $16.5 billion to $12.5 billion in 1954. The main reason for the shrinkage is the loss of markets and the taking of 38 million acres out of production.

With smaller production and smaller markets farmers have less to spend, which means less opportunity for employment for laboring men. The road to full employment is an expanding, dynamic, competitive economy with improvements in production and expansion of markets by the device of lowering prices.

High, rigid price supports in themselves create unemployment. They shrink business activities in the rural villages and towns. The effects reach back into manufacturing centers and all through the economy.

When a large part of farm production is closed down it not only cuts farm profits but damages all those dependent upon agriculture for employment and business.

Some 53 to 40 million acres of the Nation's highest profit crops have been cut back under the conditions created by high, rigid 90 percent price supports. These include some of the most fertile and productive lands.

It will tend to slow down the expansion of the total economy. That is why leaders in all 48 States share the concern about this great problem.

There will be less profits for farmers.

All those who sell to, or serve farmers, will transact less business—sell less farm machinery, fertilizers, chemicals, gas and oil, and all other supplies and services that are required to keep farms in full production.

There will be less for labor to do—less crop work, harvesting, processing, transportation, storage, and sales.

Prices have been supported at artificially high levels in cotton. There may be a direct connection between this fact and the fact that in 1948 there were 1,387,000 persons employed in textile mills and on January 1, 1955, textile mill employment was only 1,079,000. Likewise, flour prices have been held at artificially high levels. Employment in flour mills in 1947 was over 39,000, and in 1953 it had dropped to 31,000.

Similarly, with from 35 to 40 million less acres devoted to the high-profit crops, all farm machinery manufacture has declined proportionately.

This has all occurred under 90-percent price supports and reasonably explains why we have less employment in industry.

Just the opposite has happened in Florida in the case of oranges. We have expanded production, kept price low—often 50 percent below parity, and expanded consumption which has resulted in more employment. We did not have price supports for the citrus industry. The consumption of frozen orange juice has increased from less than 1 pound per person in 1935–39, to about 7.5 pounds per person in 1954.

To the extent farm production is cut back and restricted, it tends to weaken the consumer demand and national

prosperity on which profitable farm markets depend.

Agriculture should be making its full contribution to the future national welfare. Farmers are greatly dependent upon full employment, and a vigorous, productive, and prosperous America. The degree to which we have such is to no small extent dependent upon the rate at which farms produce.

Operation of the high, rigid price-support laws has diverted more than mere acres.

It is diverting a big capital investment in farmland, buildings, machinery, and equipment to a lower level of use or to idleness.

It is diverting and disrupting crop rotation and proper land use.

It is reducing farm family labor to less profitable employment and in some cases partial idleness.

It is diverting employed farm workers and laborers in industries to other jobs or less employment.

It is cutting business for those who sell to or buy from farmers—and from all those who share in the business generated by production from the farms of the Nation.

To get more farm profits there must be increasing production and increasing consumption. Beware of the philosophy of scarcity. Agriculture must produce—and produce in large volume to be most profitable.

Labor, too, must have full employment in productive enterprises. Full agricultural production helps maintain full employment. When workers have good incomes it helps insure strong markets for farm products.

America did not become great on an economy of scarcity—nor will it remain great under such an approach. Restricted production is not the road to prosperity over the long pull. As we have learned through the years, a dynamic economy requires increased production and increased consumption. This is the way to more enjoyment of the better things of life by more people—the way to maintain a high level of living.

House Member Says Pentagon Knifes Reserves

EXTENSION OF REMARKS

OF

HON. CHARLES B. BROWNSON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 24, 1955

Mr. BROWNSON. Mr. Speaker, shortly, Members of the House will be asked to consider the national Reserve plan advocated by the Department of Defense.

This plan or any other military manpower proposal cannot and should not be considered except in the overall concept of effective manpower utilization. In that connection a thoughtful observer is bound to ask, What is the matter with our present Reserve program? Why do the very generals charged with responsibility for the success of the Reserve program spend hours testifying that it is a virtual failure?

My distinguished colleague from Missouri [Mr. CURTIS] has a direct and forthright way of thinking which often cuts through extraneous matter and arrives at sound, if unconventional, conclusions. His thinking on military problems dates back to his not inconsiderable World War II experience and his careful observation of present-day events. Under unanimous consent, I include an account in the Daily Oklahoman of Saturday, March 19, of a speech and interview given by the gentleman from Missouri [Mr. CURTIS] at the Oklahoma City Life Underwriters in the RECORD.

HOUSE MEMBER SAYS PENTAGON KNIFES RESERVES—CONGRESSMAN SAYS LEADERS WANT ONLY BIG STANDING ARMY

(By Elwin Hatfield)

The Nation's high military leaders are sabotaging congressional efforts to develop a workable Reserve program in favor of a large standing Army, a United States Congressman charged here Friday.

"The Military Establishment," Representative THOMAS CURTIS, Republican, of Missouri, said, "is determined that no Reserve program will work." CURTIS, here to address a meeting of the Oklahoma City Life Underwriters, made his statement on the Reserve program in an interview.

A member of the powerful House Ways and Means Committee, Representative CURTIS said that "until the Military Establishment determines to make a Reserve system work, it won't matter at all what laws Congress makes."

These leaders, Representative CURTIS said, "don't want the National Guard to be made attractive" or, for that matter, any organization which isn't a part of the regular, active duty establishment.

SEVERAL PLANS CONSIDERED

Congress now is trying to write a Reserve program which will correct inequities of present and past systems. Several have been proposed and are now under consideration.

At the same time, Congress is writing the next 2-year budget which, in concert with presidential recommendations, would cut the size of the Army and other services. This has brought testimony from the Army Chief of Staff, General Matthew Ridgway, that if anything, the Army must be increased.

Representative CURTIS, though, believes the armed services should be cut down to a fighting force by turning over housekeeping-type services to private industry.

"Why should we send mechanics in uniform to Panama when we can hire mechanics there who are just as well trained?" he asked.

ONLY 20 PERCENT FIGHTS

That such functions as auto maintenance, kitchen duty, and barracks scrubbing can be better and more cheaply performed by local civilians and local industry has been proven, he pointed out, in Japan and elsewhere.

Representative CURTIS, a Navy lieutenant commander during World War II, estimated that during that war only 20 percent of the total Armed Forces personnel were used in combat while the remaining 80 percent performed duties which could have been better handled by civilians and private industry.

"It's that 20 percent which they use to sell us on a large standing Military Establishment," he said.

"The men in the fighting forces should be trained and trained better than we have been training them," he said.

SYSTEM HURTS ECONOMY

"If we can get these admirals and generals out of the coffee-roasting business and the optical business," he continued, the Nation can give that training under a budget it can stand.

The economy of the country can't stand the present system he said, nor, he added, can military efficiency stand it.

The Seabees of World War II had the right idea, he said.

Those units—Navy construction battalions—hired men already trained to do civilian-type jobs in combat.

"If they wanted a bulldozer operator, they didn't call up a kid and send him to boot camp and then to bulldozer school."

OLD METHODS RETURN

"Instead they hired a bulldozer operator and put him to work."

The Seabees had to fight to be permitted to do that, he said. And now that the Regulars are back in control the old system is also back in effect.

CURTIS also charged Armed Forces leaders will destroy anything in the way of a reserve program that looks good.

He said he and two other World War II veterans in the House proposed a reserve training program based on extension of high-school Reserve Officers' Training Corps program.

"We used the Army's own statements about the worth of the high-school ROTC to present our program," he said.

"Right after that, funds for the high-school ROTC program were cut.

"The conclusion is rather obvious—anything that looks good, they'll destroy. The high-school ROTC, the National Guard, or what have you."

The Port of Baltimore—A Truly Outstanding Magazine Report by the Baltimore Sunday Sun on the Second Busiest Port in America

EXTENSION OF REMARKS

OF

HON. EDWARD A. GARMATZ

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 24, 1955

Mr. GARMATZ. Mr. Speaker, one of the finest magazine-publishing efforts I have seen in a long time was accomplished recently by one of our Baltimore daily newspapers, the Baltimore Sun, in its Sunday magazine of January 9. The entire issue of this "metrogravure" section was devoted to the great port of Baltimore, and it was, as I said, a truly outstanding job.

It described in remarkable photographs and interesting, comprehensive fact-filled special articles the history, the work and the workers of the port of Baltimore, and did so in such a way that the true scope and impressive magnitude of our great port were finally and dramatically brought home to even the most casual reader.

While all of us in Baltimore know thoroughly well that our port is, as Miss Helen Delich described it in 1 of the 5 outstanding feature articles she wrote for the Sun magazine "the heart and the lifeblood of the city of Baltimore," the facts as they are developed in this excellent special report give a rounded picture of Baltimore's port which impressed every one familiar with the story. And for those who are not already aware of Baltimore's position as second most active port in the Nation and of the great

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advantages it provides for shippers, the Sun magazine tells a startling and convincing story.

Because of these attributes, many of the articles in the Sun magazine of January 9, deserve to be placed in the CONGRESSIONAL RECORD for the attention of all of those citizens and officials of the Nation interested in maritime matters.

I only wish it were possible to incorporate in the RECORD some of the great photographs also contained in the Sun magazine, particularly the fine shots of the port and of its workers, taken by A. Aubrey Bodine and Hans Mark, the Baltimore Sun magazine's photographers. Unfortunately, that is not possible. But I do hope that those shipper and maritime executives who find themselves newly impressed by the advantages of Baltimore's port as a result of reading some of these articles in the CONGRESSIONAL RECORD will arrange to see and read the magazine in which they appeared originally, for the cold type of the CONGRESSIONAL RECORD cannot begin to reflect the dramatic effect of the magazine itself.

For myself, I want to congratulate the Baltimore Sunday Sun, its editors, and advertising staff for the excellent job they combined together to accomplish in putting out this outstanding magazine, and also all of those staff members who had any part in preparing the magazine. Miss Helen Delich, who regularly reports marine news for the Sun papers, and is one of the best maritime reporters in the Nation, deserves special praise for the five articles in the magazine which carry her byline.

Every article and every photograph in the section are excellent, from the opening article by Richard K. Tucker entitled "Baltimore's Giant—Our Port Sprawls Along 40 Miles of Patapsco River Shoreline," to the historical piece by Miss Delich at the end entitled "Baltimore's Growth as Port Began in 1706," which traces the port's days from clipper ships, through steamboat service, and the ever-changing years of the past century as Baltimore's port, at the beginning of the atomic age, prepares for new improvements and the challenge of tomorrow.

The Port of Baltimore, No. 2—Colorful Article, "Baltimore's Giant," by Richard K. Tucker, in Special Baltimore Sunday Sun Magazine, Recreates the Atmosphere of a Great Port

EXTENSION OF REMARKS
OF
HON. EDWARD A. GARMATZ
OF MARYLAND
IN THE HOUSE OF REPRESENTATIVES
Thursday, March 24, 1955

Mr. GARMATZ. Mr. Speaker, the first article in the Baltimore Sunday Sun magazine of January 9 devoted to the Port of Baltimore captures the scene, the color, and atmosphere of the giant which is a port named Baltimore, which, as Richard K. Tucker wrote it, "sprawls along 40 miles of Patapsco tidewater shoreline, fed by all the seas of the world. He is sometimes untidy, sometimes rough, but he is rich."

Under unanimous consent of the House, I include the text of that article, as follows:

BALTIMORE'S GIANT—OUR PORT SPRAWLS ALONG 40 MILES OF PATAPSCO RIVER SHORELINE

(By Richard K. Tucker)

Sometimes, in an early morning fog, the giant lies misty and half hidden. At first there is only the gray-green of the water, the flash of a light, the warning sound of a bell.

Then, beyond the thin curl of foam at the bow, beyond the stolid white seabird that perches on the close red channel marker, the giant rises slowly, and sprawls against the sky and shakes the smoky mist from his limbs.

He has visitors today, as every day; visitors from Japan and Malaya and the South China Sea; from Africa and the Mediterranean; from the storied Gulf of Persia and the ancient waterways of northern Europe.

The giant who feeds on saltwater does not rise sparkling and clean limbed to greet them. He shows them what they need. He shows great black smokestacks, huge gray elevators, weathered buildings. He shows soot and black tar and rust and a jumbled, crowded shoreline where dirty weeds sometimes struggle for survival. He smells of chemicals and fertilizer.

But he is also fragrant with spices from the Indies and with freshly roasted coffee. If he churns smoke at one point, he pours bright golden streams of wheat at another.

With one great rusty arm he operates a mammoth junk yard, and with another builds the newest and biggest oil tankers afloat. While dirty weeds may tangle one leg, a national shrine green with well-kept grass surrounds another.

There is the harsh clank and crash of freight-car couplings as the giant comes to life; and the groan of winches and the savage roar of faster machinery.

But there is also the soft sound of a concertina, and there are the songs of the Italian, the Greek, the Frenchman; and the quiet Mohammedan rites of a Turk thousands of miles from the mosques of home.

The giant is a port named Baltimore. He sprawls along 40 miles of Patapsco tidewater shoreline, fed by all the seas of the world. He is sometimes untidy, sometimes rough, but he is rich.

He greets no movie stars arriving from Paris. Except when they need him in dire emergency, no luxury liners seek his aid. The fancy ships with the names of queens sometimes come to him only once—to die in a scrap yard.

He greets men who work. And he greets instead of perfumed ladies in mink, great cargoes of ore, oil, chemicals and lumber. He gives back coal and wheat and machinery, a tractor for a field in France, an automobile for an executive in Venezuela. He also gives weapons for the survival of freedom.

In the evening, as the men walk from the great ships into a tangle of water-front streets, the city sees the dusky Lascar, the quiet Oriental, the Frenchman in his beret, the sturdy, pink-cheeked Scandinavian, the Englishman whose ancestors may have sailed with Drake.

More often it sees the sailor from Maine or California, or the young man from Nebraska who never smelled sea water until he was 20 years old.

Where do they come from, these sailormen whose uniforms range from sweaters and berets, to navy blue, to dungarees, to gray flannel suits? Or that skipper in sturdy dark wool and gold watch chain, looking not unlike a Peoria railroad man?

Well, they are in from Mombasa, Lulea, La Guaira, Karachi, Demarara, Tarafa, Lobito, Izmir, Mena al Ahmadi and Las Piedras.

Or they may have sailed from Oran, Bangkok, Calcutta, Cebu, Liverpool, or Halifax. Or, maybe, just from Houston, Tex.

Some have drunk sake in Yokohoma, or sat in the teahouses of Osaka a few weeks ago; they have tasted the wines of Marseilles and the pastas of Italy, and heard temple bells in Malaya. Or maybe the last time ashore was Chester, Pa.

When they have had their beer, and their steaks, and danced with a girl or two, or maybe only after they have been to the YMCA, or the union hall, they will go back to the ships, and back to the sea.

But the giant port is more than sailors from faraway places with strange-sounding names. It is the husky muscle of the longshoreman who perhaps never travels beyond Highlandtown; the sweat of the man who makes steel at Sparrows Point, and the man who builds great ships.

It is the chemist in his laboratory, the shipping executive in his uptown suite; the trucker, the railroad man, the Coast Guardsman, the customs man.

It is the tugboat man on the sturdy little boat with a name like Elmer or Justine, and the man who operates a piledriver with the unlikely name of Mary. It is the pilot waving farewell as he drops off a ship into a small boat after his trip up from the Capes, and the fireboat man pouring streams of water from big brass nozzles on red boats called Torrent and Cataract.

Sometimes it is grim-faced men in police boats grappling for a body beneath the gray surface of tides that suck and whirl around old bulkheads.

To some, it is the boatman from Virginia or the Eastern Shore, tied up along Pratt Street, with oysters in December and watermelons in July. Or, nearby, the trim ships that are whiter than gulls, unloading bananas from Central America.

The giant that feeds on salt water, and on coal and iron ore and oil, has something for everyone. Although he would cost more than $400 milion to recreate tomorrow, he keeps growing. His work is never done.

He is always busy—but sometimes in the dusk of a summer's day the giant relaxes and watches the gay lights of an excursion boat headed for the bay. Sometimes at noon he pauses to chuckle at the joke of a dockhand, and sometimes of an evening he dreams a little to the sound of a Spanish guitar.

And, always, he carries bright flags in his hands and wears white seabirds on his shoulders.

The Port of Baltimore, No. 3—Baltimore Sunday Sun Magazine Article "The Port is the Lifeblood of the City," by Miss Helen Delich, Tells What Baltimore's Port Means to Baltimore, to Maryland, and the Nation.

EXTENSION OF REMARKS
OF
HON. EDWARD A. GARMATZ
OF MARYLAND
IN THE HOUSE OF REPRESENTATIVES
Thursday, March 24, 1955

Mr. GARMATZ. Mr. Speaker, the first of five outstanding articles under the byline of Miss Helen Delich in the Baltimore Sunday Sun magazine of January 9 devoted to the port of Baltimore tell how the port "accounts for the biggest wedge of Baltimore's economic pie."

The port is responsible for the employment of 90,000 persons in the Baltimore metropolitan area and, indirectly, for the

sibility for the success of the Reserve

the optical business," he continued, the Na-

tive port in the Nation and of the great

employment of an estimated 400,000 throughout the State.

She reports.

About 40,000 of these people earn their daily bread at jobs connected with the movement of ships and cargoes—longshoremen, shipyard workers, tugboat operators, lighterage men, chandlers, agents, and surveyers. The other thousands work in chemical plants which are here because the port supplies their raw materials; for the railroads, whose 500 acres of Baltimore yards serve the port; in steel mills, served by the ore piers; in tire plants, such as one in Cumberland, which depends upon Baltimore to supply its East Indian rubber. * * *

Indirectly dependent on the port are, for example, the canneries of the State; they use tin that comes to Baltimore factories from Bolivia. Soft-drink producers depend upon Puerto Rican sugar for their pop—and upon Portuguese cork to line the bottle caps.

The full text of this article is as follows:

THE PORT IS THE LIFEBLOOD OF THE CITY—IT GIVES JOBS TO 90,000 HERE, INDIRECTLY TO 400,000 OVER THE STATE

(By Helen Delich)

The port of Baltimore is the heart and the lifeblood of the city of Baltimore.

The second busiest port in America, it is the thing that has made Baltimore the Nation's sixth largest city. To it, from world ports, come ships laden with the thousand raw materials that feed mills, furnaces, and factories. From it the ships sail away with American goods, American grain and coal, for the markets of the world.

The business of the port accounts for the biggest wedge of Baltimore's economic pie. Almost 70 cents of every dollar spent in Baltimore can be traced back to port activity—and so can 60 cents of every dollar spent in the State of Maryland. The industries dependent upon the port spend a little more than 25 percent of the State's buying income every year. That is about $825 million.

Those figures do not include the ocean freight revenue to steamship lines, which, in turn, is distributed here, or the rail and truck freight income, or the wages of ships' crews, or the amount gained through the manufacture of the items.

What makes the port big business? It's copra from the Philippines, raw sugar from Cuba. It's iron ore from Liberia, chrome from Turkey, potash from Spain, perch fillets from Germany. It's a mountain of manufactured items ranging from Japanese binoculars to Calcutta cloth to English sports cars. It's the shipping out of the wealth of America's farms and forests and mines—and of Baltimore's factories, too.

Tied up in it though they are, an amazing number of Baltimoreans are unaware of the magnitude and the importance of the port. They do not realize, for example, that the port is the city's biggest single industry. They think of it, rather, as a few banana boats tied up along Pratt Street, or an occasional rusting freighter glimpsed beneath the Bay Bridge.

A few boats? Some 400 ships move up the Patapsco every month to unload cargoes along the Baltimore waterfront—a waterfront which is 40 miles long and contains 270 berths, capable of handling everything from a Chesapeake bugeye to a 63,000-ton ore carrier.

It includes such facilities as four giant ore discharging piers, which supply steel mills in Youngstown and Chicago as well as in Baltimore; grain elevators which can hold 12 million bushels of midwestern and Canadian grain until ships come to carry it to such places as Yugoslavia and Germany and India; three intricate automatic coal piers that load coal for the free world and the vast industries that the port built in Baltimore.

These industries include the Nation's largest copper refinery, its largest alcohol plant, its largest tidewater steel mill, its largest straw hat manufacturer—and a dozen other operations that demand superlatives to describe their size and scope.

But one of the adjectives that port experts like to use is "diversification," and indeed the industries supplied by the port are nothing if not diversified. Television set manufacturers are on the list; so are soap factories, umbrella makers, broom plants, tin decorating establishments, spice packagers, oil refineries.

In terms of people, that adds up. The port is responsible for the employment of 90,000 persons in the Baltimore metropolitan area and, indirectly, for the employment of an estimated 400,000 throughout the State.

About 40,000 of these people earn their daily bread at jobs connected with the movement of ships and cargoes—longshoremen, shipyard workers, tugboat operators, lighterage men, chandlers, agents and surveyors. The other thousands work in chemical plants which are here because the port supplies their raw materials for the railroads, whose 500 acres of Baltimore yards serve the port; in steel mills, served by the ore piers; in tire plants, such as one in Cumberland, which depends upon Baltimore to supply its East Indian rubber.

And that Cumberland plant, significantly, exports finished tires through the port, typifying the two-way aspect of the traffic. A pump manufacturer in Salisbury exports pumps, too, and a leading paper straw producer in Prince Georges County ships all over the Caribbean through Baltimore. Countless more examples could be drawn from about the State.

For instance, paints, manufactured spices, portable electric tools, military equipment, automobiles, sulfuric acid, glass bottles, steel switch boxes and covers, oak lumber, scrap brass and scrap iron, electrical insulators—all these things are exported.

Indirectly dependent on the port are, for example, the canneries of the State; they use tin that comes to Baltimore can factories from Bolivia. Soft drink producers depend upon Puerto Rican sugar for their pop—and upon Portuguese cork to line the bottle caps, which, to add another link to the chain, are made in a Baltimore factory.

So the port of Baltimore, a reality because of one of the world's greatest natural harbors, is more than a few graceful ships glimpsed during a Sunday drive. It is a web of railroads, fleets of trucks, a forest of smokestacks, a growing city with 1 million population.

Without the port, Baltimore probably would be about the size of Frostburg, Md.

The Port of Baltimore, No. 4—Labor Peace, Rail Facilities, Frequent Sailings Win Favor for the Port, According to Reports From New York, Chicago, and Pittsburgh Field Offices

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EXTENSION OF REMARKS

OF

HON. EDWARD A. GARMATZ

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 24, 1955

Mr. GARMATZ. Mr. Speaker, under unanimous consent I include in the RECORD another of the outstanding articles contained in the special Baltimore Sunday Sun magazine of January 9, devoted to the port of Baltimore. This article, entitled "Seeing Ourselves As Others See Us," contains a factual appraisal by officials of the port of Baltimore's field offices in Pittsburgh, New York, and Chicago on the factors which impress shippers in the Midwest with the port of Baltimore's tremendous advantages over other ports.

The field office officials were instructed to "please omit the booster stuff" and provide the facts as seen by "outside interests who have no local ax to grind or no local sentimentality." The result—and this is true of every article in the Sunday Sun magazine on the port—is an impressive story of Baltimore's maritime position.

The full text of the article is as follows:

SEEING OURSELVES AS OTHERS SEE US—LABOR PEACE, RAIL FACILITIES, FREQUENT SAILINGS WIN FAVOR FOR THE PORT

What does the Midwest shipper think about the port of Baltimore?

To get the answer, the association of commerce asked its three port of Baltimore field offices, located in New York, Chicago, and Pittsburgh, to sound out interior shippers, on an entirely objective basis.

"Please omit the booster stuff," the association told its field-office managers. "What we want is a factual appraisal of the port from outside interests, who have no local ax to grind or no local sentimentality."

The three field offices, as well as solicitation in Washington and nearby areas, are operated as a part of the port-promotion program of the association's export and import bureau.

That bureau is a direct descendant of the export and import board of trade formed here in 1919 to promote the port in the long-range planning program for Baltimore's economic development which was set up following World War I.

In the 35 years since, the port work has had only four directors—the late William M. Brittain, G. H. Pouder, Joseph L. Stanton, and the present director, Stacey Bender, Jr. The late Austin McLanahan was the first chairman of the port program, and the late Van Lear Black was the first chairman of its finance committee.

PITTSBURGH

"I tried to give it the hard-boiled approach," said Harry R. Capps of the Pittsburgh office, "and made a close check with some of the larger shippers in this teeming Pittsburgh-Cleveland area. These included new shipper accounts we have secured in the last year or two, as well as some of the older ones.

"Undoubtedly the first and foremost reason prominent traffic men are turning to the port of Baltimore is the wonderful labor record that we have established.

"They tell me it would now be downright silly to trust some of the other North Atlantic ports, which seem to be always on strike, with the responsibility that is involved in the handling of a large export order. They know full well that a prolonged port tieup spells disaster for any company whose cargo is involved.

"The next most important reason for an obvious trend toward Baltimore by the export traffic managers is the practical one of savings in freight rates from the Pennsylvania and Ohio territories. While these savings have been in effect a long time, some of the larger shippers are just beginning to pay attention to them as competition becomes tighter.

"I am told that even though the freight-rate saving does not in many cases reflect a

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greater profit for the shipper, it does tend to make a satisfied customer when the freight-rate saving is turned back to the consignee.

"Another thing I want to stress is the shippers' feeling that the honest, friendly, cooperative services rendered by the Baltimore forwarders are unparalleled. This has proved to be a factor in many cases. There are no hidden charges and every case is open and aboveboard.

"The ability to load directly from open-top cars to the vessel at Baltimore's piers, with the absolute minimum of damage, is another important point out here. To this I might add that our shippers have noticed the sharp absence of pilferage in Baltimore as compared to some competing ports.

"While it may sound like an overstatement, I have been told by some shippers recently that the only reason the port of Baltimore was not used in all cases was due to circumstances beyond the shipper's control.

"All this, of course, does not mean that we can take anything for granted. We have our work cut out in this vital territory, which is a natural for the port of Baltimore. The squeeze of competition is growing all the time. However, we were in on the ground floor in Pittsburgh and that has counted for a lot."

NEW YORK

"Up here on the opposition's grounds," reported Charles C. Rock from the New York office, "and in a place where so much shipper control is located, it has been a tough job to combat the New York fixation. We have had to sell the Baltimore port efficiency and economy idea hard, and to try to get it into the minds of management's new cost consciousness.

"The idea that labor is on the port of Baltimore team has been the biggest factor here in gaining confidence for our port's handling of New York-controlled cargoes. There has been plenty of skepticism to overcome in this field, too, with the port labor troubles here still fresh in everybody's mind.

"Many New York traffic managers now tell me that the port of Baltimore is their choice because it offers savings that cannot be found at any other port on the eastern seaboard.

"One traffic manager stated a few days ago that the considerable savings experienced by his company since diverting cargo to Baltimore are so compelling that they cannot do otherwise than continue.

"He gave me the following rundown of Baltimore's port advantages, as he sees them:

"1. Direct loading of cargo from railroad cars to ships' holds.

"2. Excellent geographical location of the port, with freight differentials giving savings of 60 cents per ton or more.

"3. Absence of cartage charges within the port, and heavy lift charges.

"4. Free dockage for ships calling at Baltimore, affording shippers assurance of frequent and dependable steamship service.

"5. Efficiency in cargo handling, which eliminates unreasonable handling costs and possibility of damage.

"6. Availability of three trunkline railroads and a terminal railroad, affording expeditious and dependable freight service to and from the interior.

"I guess the majority opinion in the New York area, in respect to use of the port of Baltimore, can be summed up in our stable labor force and the above-listed advantages. Together they spell 'economy.' These two factors form the most attractive asset which our port has to advertise."

CHICAGO

"Increased steamship sailings from Baltimore, both by the long-established lines and those which recently have entered the port, represent the strongest appeal to shippers in this area," said A. LeRoy Johnson of the Chicago office.

"Don't let's forget that the impressive increase in the production of semi-finished and manufactured products within the greater Baltimore region, for which worldwide markets exist, has played a large part in bringing these increased sailings to the port, and making it profitable for ships to call at Baltimore to handle shipments of these home territory industries.

"The resulting increased sailings and services have importantly heightened the interest in Baltimore of central western shippers, to whom sailing frequency is a vital consideration.

"I am trying to say that the industrial expansion in the port of Baltimore and its surrounding region in recent years has been a major key factor in augmenting the export and import tonnages being handled through our port for the account of international traders in the Central West territory.

"I checked back on our sailing schedules for 1946, when this office was established, and compared them with current 1954 schedules. The contrast was amazing. This, after all, is the best evidence of the reaction of shippers and receivers of foreign cargo to Baltimore's overall port promotion. Port steamship service is the magic word out here.

"I should like to mention the pool-car operations now offered between the Midwest and the port of Baltimore, some of which use our port exclusively, as well as the growing list of freight forwarders. Somebody has to create the offerings of cargo and the railroads and forwarders are key factors in that job. The old word-of-mouth method has contributed immensely to the Baltimore port job in this territory."

While Baltimore did not actually pioneer in the establishment of field offices for port promotion, only a very few were in existence when Baltimore's were opened. Subsequently, there has been a great rush in this direction. Chicago offices now include New Orleans, New York, Mobile, Charleston, Portland (Oreg.), San Francisco, Philadelphia, and Hampton Roads.

In addition to day-to-day solicitation of cargo, both general and bulk, the offices function as information centers on Baltimore. The association credits them with producing 500,000 tons of new port cargo in 1953 and predicts as much or more in 1954 when the figures are in.

However, the association does not like to make too many claims in this respect. The work of the offices is naturally confidential, for competitive reasons, and it is therefore difficult to give a satisfactory picture of results.

In any case, the field offices keep the port up to concert pitch.

The Port of Baltimore, No. 5—Baltimore Offers Midwest Shippers Savings Running as High as 8 Cents per 100 Pounds

EXTENSION OF REMARKS

OF

HON. EDWARD A. GARMATZ

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 24, 1955

Mr. GARMATZ. Mr. Speaker, the background of Baltimore's advantages as a port also explains why some other port cities are carrying on a relentless drive to break the freight differential which favors Baltimore.

The following article Lower Freight Rates a Port Advantage, by Helen Delich, traces the development of Baltimore's special shipping advantages as "the most western of the eastern seaports, and the most southern of the northern ports, and the most northern of the southern outlets to the Atlantic Ocean," and is another of the excellent reports on Baltimore's port contained in the Baltimore Sunday Sun magazine of January 9:

LOWER FREIGHT RATES A PORT ADVANTAGE—BALTIMORE OFFERS MIDWEST SHIPPERS SAVINGS RUNNING AS HIGH AS 8 CENTS PER 100 POUNDS

(By Helen Delich)

The port of Baltimore is often described as the most western of the eastern seaports, the most southern of the northern ports, and the most northern of the southern outlets to the Atlantic Ocean.

At other times it is referred to as "the port for Pittsburgh," and "the port of Akron," and the port of other industrial centers in the Midwest, because it is the closest port to them and handles the majority of their ore imports and their heavy steel and machinery exports.

Because of its location in relation to the Midwest, this port has been able to offer cheaper freight rates on all commodities that are both exported and imported. Some of the rates are from 1 to 8 cents per 100 pounds cheaper on general-cargo items than Philadelphia or New York can quote. And on bulk cargoes, the freight rates are 20 to 60 cents a ton cheaper through Baltimore.

In the highly competitive picture today, every cent saved is important to a traffic manager, so the port of Baltimore means more to him than ever.

For example, this port, as compared to Philadelphia, represents a saving of at least $2,000 in freight rates alone on 10,000 tons of manganese ore moving to Pittsburgh, or $3,000 if it is going to Marietta, Ohio.

Fifty carloads of tinplate can be exported from Steubenville, Ohio, with a $500 saving on freight rates if handled through Baltimore instead of Philadelphia, and a $2,000 saving over New York.

This does not take into consideration the money saved through more efficient longshore operations and faster turnaround of ships.

It is no wonder, therefore, that the rival ports want to take this important asset away from Baltimore and are fighting harder now than at any time since 1877, when the present lower freight rates first went into effect.

The most recent step to break the differential was inaugurated by Philadelphia and the Pennsylvania Railroad about 3 years ago on import iron ore moving to 17 points west of Pittsburgh. Philadelphia's victory inspired Boston and New York to seek the same rates.

The case now is in the hands of the Interstate Commerce Commission, with Baltimore not only defending itself against New York and Boston, but also trying to have the ICC remove the parity from Philadelphia and recreate the differential between this port and that one.

The principal fear in Baltimore waterfront circles is that once a break is made in the freight-rate differential, more will follow until the entire differential collapses.

Actually the equalization of the import iron ore rate with Philadelphia has already made a difference in the movement of that commodity through this port for considerable tonnage bound for the Midwest has passed through Philadelphia since parity became effective.

The only other loss this port has suffered on its differential concerns ex-lake grain (grain moved from the Midwest across the Great Lakes by boat and then shipped to the Atlantic Ocean by railroad for export).

For many years Baltimore shared the lowest rate on this particular grain only with Philadelphia, but finally Albany, New York,

Boston, and Portland succeeded in having the difference of one-half cent per 100 bushels removed. Although the ex-lake grain rate is not considered too important to the port tonnagewise, the principle of a dent in the differential is of the utmost importance.

For this reason, many local businesses and industries have united to help fight the import iron ore case before the ICC.

As G. H. Pouder, executive vice president of the Baltimore Association of Commerce, says:

"No more vital issue confronts the port of Baltimore than the preservation of its differential freight-rate structure. Based on our primary port asset of location, it is a basic advantage which through the years has been of immense importance in building and sustaining the business of the harbor.

"Rival ports have launched attack after attack on this rate pattern in the last half century, but the Interstate Commerce Commission has always reaffirmed its validity and the attacks failed. Our competitors consider this a very juicy morsel.

"They are now gathering their forces for another major effort, one phase of which is the current ore case, and Baltimore is fighting back with all of its resources. Our economic future will be profoundly influenced by the results.

"The preservation of our port rate advantages should enlist the interest of every citizen and the support of all fields of business as well as of the city and State. It calls for our best skills and most concentrated effort."

Maintenance of the freight rate differential on foreign-trade cargo is considered of particular importance now that the St. Lawrence Seaway is to become a reality in 6 or more years. At that time, 27-foot-draft oceangoing ships will be able to sail into the Midwest from which Baltimore now draws quantities of its commerce.

Ships going all the way into the Midwestern ports will take several weeks longer than if discharging in Baltimore, but this factor alone is not expected to particularly deter shippers of bulk items like grain and ore.

Therefore, local port interests are concentrating on general-cargo movements, particularly on exports because their producers can be contacted so easily and emphasis placed on the money-saving use of the port of Baltimore.

The seaway may help Baltimore in another way—by making shippers more conscious of cheaper costs once they use a seaway port; they may be shocked at the difference between New York and the budding Midwest "ocean" ports. Therefore, they will search for the cheapest North Atlantic port during the winter months when the seaway will be frozen over. Naturally, Baltimore will rank high in consideration because its overall costs already are cheaper than New York's.

Actually, the seaway's effects are so uncertain that no experts will hazard a prediction. Some persons believe that the increased foreign trade of the Nation on the whole will provide enough business for all ports, and so none will feel any detrimental effects of the inland waterway.

The construction of the seaway doubly emphasizes the importance of maintaining the freight differential, which can be traced back to 1869, when the railroads granted a 10-cent advantage to Baltimore due to its proximity to the West. The next year this was reduced to 5 cents per 100 pounds of grain.

In 1876 the railroads decided to adopt a tariff based upon the relative distance of the Atlantic ports from western points, rather than base the rates upon those of New York. The 13 percent advantage to Baltimore and 10 percent to Philadelphia from Chicago lasted only 6 weeks; then a rate war was begun by the New York railroads.

Prospects of bankruptcy within a few months resulted in the differential rate agreement of April 5, 1877, between the trunkline railroads themselves. On eastbound freight to Baltimore, there was a differential of 3 cents on all classes, and on westbound freight a differential of 8 cents on the first 2 classes and 3 cents on the others.

Along with the struggle to maintain the hold on midwestern business, local port interests are watching the expansion of southern ports as the industrial boom in the South broadens, calling for more waterfront facilities in the Carolinas, Georgia, and Florida, and along the gulf coast. Because southern rail rates are cheaper, some ports there already have the same freight rates to the Midwest as Baltimore on certain commodities.

The leading local interests are also alert to the widespread promotion programs which New York, Hampton Roads, and Philadelphia are engaged in.

These combined pressures upon the port, Maryland's most important asset, have resulted in the city and State supplying funds for an up-to-date study of port needs.

This survey is expected to call for the establishment of a Port Authority of Maryland, with the legislation being introduced in the current session of the general assembly.

In the meantime, the local interests are rallying to obtain deeper channels into the port to accommodate the mammoth ore carriers and tankers being constructed around the world, and fighting to widen and deepen the Chesapeake and Delaware Canal. Congress has authorized the latter project, but has not yet provided funds.

When these channel changes are completed Baltimore will have two unbeatable connections to the Atlantic Ocean—an asset no other North American port can claim.

The Port of Baltimore, No. 6—Helen Delich Article in Baltimore Sunday Sun Magazine Tells About Baltimore's Longshoremen "Noted for Fast, Efficient Work"

EXTENSION OF REMARKS
OF

HON. EDWARD A. GARMATZ

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 24, 1955

Mr. GARMATZ. Mr. Speaker, longshoring is one of Baltimore's biggest industries. It is also a hazardous occupation. In the Baltimore Sunday Sun Magazine of January 9, Helen Delich reports on the methods used by Baltimore's stevedores—that is, waterfront employers—and longshoremen to give Baltimore's port such an outstanding international reputation for efficiency of loading and unloading operations.

This article represents the findings of one of the outstanding maritime correspondents in the country into a calm and peaceful field of management-labor relations in Baltimore which, in some areas of the country, is extremely controversial, explosive, and unstable. The text of the article is as follows:

NOTED FOR FAST, EFFICIENT WORK—BALTIMORE SYSTEM OF OPERATING IS TERMED IDEAL FOR ALL PORTS

(By Helen Delich)

The port of Baltimore's international reputation for no corruption, no wildcat strikes, and no constant work stoppages, but for efficient, fast cargo handling is credited to its longshoremen and stevedores.

The 3,400 longshoremen and 20 stevedores have done their job here so well that favorable word is broadcast throughout the world by steamship executives and such groups as the Senate Interstate and Foreign Commerce Subcommittee investigating waterfront rackets, the New York Anticrime Commission and the Waterfront Commission of New York.

In fact, these groups, after considerable study of the subject, look upon the Baltimore system as the ideal one for all ports.

The activities of the Baltimore longshoremen caused the Senate subcommittee to say it "was favorably impressed with the Baltimore system and its apparent benefits. Its chief advantage seems to be that it gives the stevedore—employer—a direct voice in the selection of his employee, while at the same time providing a system where integrity and efficiency among the men are encouraged, recognized, and rewarded.

"Conscientious members of the labor force appear to have substantial job security, and the system has eliminated the goons and racketeers, as well as the incompetent loafers, who are so much in evidence elsewhere."

Testimony presented to the Senators described the Baltimore longshoreman as hard-working, a family man, a homeowner, and one proud to bring home a pay envelope every week. His family and home traits were held to be among the principal reasons he towers far above the New York longshoreman and is not interested in conniving and racketeering.

Most persons erroneously use the words stevedore and longshoreman interchangeably. The stevedore is the employer, the owner of the company. The longshoreman is the workingman.

The longshoreman's occupation is listed by insurance companies as the most hazardous in the Nation, but still many sons follow in their father's footsteps. The men range in age from 17 to 75. Some of the older ones decline to stop working even though a pension system has been worked out between the International Longshoremen's Association and the Steamship Trade Association.

In Baltimore, three-fourths of the longshoremen are Negroes; the rest are principally of Polish and Irish extraction. All work under a system of gangs.

Sixteen men form the basic gang. Headed by a gang carrier, the others are a deckman, 2 winchmen, 8 hold men, and 4 wharfingers. The same men compose the same gang year in and year out.

The gang carrier is the leader of the group; he has been given that position because the 15 men under him signed a paper petitioning that he be. Their request has to be approved at a general union meeting.

The deckman signals the winchmen, who operate the mechanical winches that lift and lower cargo. The safety of the men in the hold and on the dock depends on the deckman's accurate signaling; a wrong move by him could plant tons of cargo right on top of a man. The hold men hold and discharge the pallets inside the vessel's cargo holds, and the wharfingers perform the same task on the pier.

On certain cargoes, designated in the contract, a gang must get extra men. Some of the extras belong to no gang at all, while some are members of gangs not working on that particular day.

The longshoreman's work is sporadic.

He may go days without a job because shipping is slow, and then he may work 16 hours a day for several days in a row.

Every morning he goes to the union hall with the rest of his gang, hoping that his gang carrier's name will be called out, for that means at least 4 hours' work that day. However, he is seldom certain when he leaves home whether it will be.

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Often, under the present method of operation, his gang is placed "on the hill"—told to stand by—the evening before by a stevedore, but that doesn't guarantee him work the next morning—the ship may fail to arrive or bad weather may prevent work.

Even though it is "on the hill," the gang has to go to the union hall the next morning for confirmation of the order for that day. Sometimes it loses the opportunity of working for another stevedore by standing by for one whose ship didn't show up.

Perhaps the standby gang will only begin working at 1 p. m. that day for the original stevedore, which means it will have sat around the union hall 5 hours until the ship was ready.

In 1954, out of 3,200 men who had more than 700 hours of work, 1,800 put in more than 1,200 hours or averaged 30 hours or more a week.

The hiring of longshoremen in Baltimore by the gang system dates back to 1913, when the ILA was first formed. The Polish longshoremen who formed the majority of the water-front labor at that time inaugurated this system by selecting certain men they wanted to lead them.

Most of the time a gang works for the same company, which has first choice on that gang. However, when that stevedore doesn't have any work the gang works elsewhere, or it may split up and work as extra men with other gangs.

But as soon as the original steamship line has work again, it uses its priority and takes its gangs back. The company port captain calls up the union hall, designates the gang by giving the name of the carrier, the number of tractor drivers and usually their names, and the number of extra men needed.

The union delegates pass on the orders over loudspeakers in the hall by calling, "Phillip's gang, pier 8, Port Covington, United States Lines"; "Eady's gang, pier 6, Locust Point, Ramsay, Scarlett with four extra men; tractor drivers Sam, Jones, and Petey"; "Bender, pier 5, Port Covington, Robert C. Herd"; "Hurd, with eight extra men, Sparrows Point High Pier, for Rukert Terminals."

Gang Carrier Steve Phillip has been longshoring for about 30 years, Howard Eady for 28 years, and Harm Hurd for 50 years, specializing in steel. William Bender, after 50 years, is breaking his son in as a deckman in his gang. Then there are "Big Jeep," "Little Jeep," S. O. Thomas and Gus Price. Altogether there are 137 gangs in the port—32 belonging to local 829, the white local, and 105 to local 858, the Negro local.

Not all longshoremen are engaged in the actual loading and discharging of cargo on ships, and not all belong to gangs.

These exceptions include the foremen, who help supervise the gangs for the companies; the checks and tally men, who count the goods going on and off the ships; the stowage planners, who lay out the cargo plans; the gearmen, who take care of all the equipment in the shanties; the carpenters, who build bins in grain ships and short heavy pieces of machinery in position in the holds; and the line handlers, who help dock and undock ships.

Then there are the specialized gangs engaged only in the trimming of grain and coal in ships' holds, and those used in cleanholds and ships.

Each longshoreman in Baltimore is issued a number by which he works and which is engraved on a brass check, which must be shown whenever he goes to work and gets paid. This prevents a man from assuming 2 or 3 names and working under them for several companies—as the longshoremen in New York have been doing. Also, he cannot draw unemployment compensation under one name while working under a different one.

Hurd and Bender can both remember when a longshoreman's wage was about 25 cents an hour.

Today the wage is $2.35 an hour, with pension and welfare benefits.

The wages and the number of hours for which a man is paid are the same all along the North Atlantic coast, so Baltimore is no worse or better off on these issues.

As for the excellence of their work, the local longshoremen are said to be able to handle general cargo nearly three times as fast as others, even though bulk cargo is supposed to be their real field.

One stevedore executive recently remarked that in New York the longshoremen move only 14 tons of cargo an hour, compared to 40 tons an hour of the same type cargo in Baltimore.

The excellence of the work continuity in Baltimore speaks for itself from the records.

In 1953, New York had 152 wildcat strikes—typical of that port. The 1954 record was not far behind.

Philadelphia has averaged three port tieups annually in the last several years.

An unwritten agreement between union and management here helps prevent pilferage on a major scale. The union does not condone it any more than does the steamship agent or owner or railroad at whose terminal the ships dock and the cargo is worked. In fact, in several instances locally, the union leaders have permitted stevedores to refuse to work a gang because of stealing. Usually the other men in the gang then force the return of the goods.

But in New York pilferage takes place on a grand scale.

Both management and labor also are credited for the healthy local situation along these salient points:

1. The local longshore leaders—August Idzik, William Haile, Stephen Mach, John Barry, Mickey Hughes, Tom Wilkerson, Andy Lutz, and Edward Jones—have refused to follow the racketeering pattern of New York.

2. The longshoremen have perpetuated the long-established stability by refusing to strike.

3. A longshoreman can work only by turning in a brass check number designated by the Steamship Trade, and almost all payments are by check.

4. Truck drivers and their helpers are permitted to do their own loading and unloading, and call for assistance only when needed. This caused the Senate committee to say: "Baltimare is free of the vicious extortions of the public loaders."

5. The use of union halls for hiring men here eliminates the dock payoffs that existed in New York previously, and the expensive (paid for indirectly by the shipper) Waterfront Commission hiring halls, the present rule-of-the-day in that racket-ridden port.

A close alliance has always existed between the union and the Steamship Trade to which most of the employers belong, as well as the few other companies which negotiate individual contracts with the ILA.

The Steamship Trade Association of Baltimore is composed of steamship agents, maintenance concerns, stevedoring companies, watchmen and ship ceilers. That organization acts as the management and makes all the contracts with labor for them. Ten other companies negotiate privately with the union, following the pattern set by the STA.

It is a combination of all these circumstances, with the longshoremen serving as the hub, that has given Baltimore its place as the second busiest port in the country, along with labor stability and efficiency.

Actually, longshoring—the lifeblood of the port—is one of Baltimore's biggest industries. As many men are engaged directly in it as are employed by the Baltimore Transit Co., or are engaged in shipbuilding, repairing, and scrapping.

The Port of Baltimore, No. 7—Baltimore Sunday Sun Magazine Picture Story Tells of Port's Preeminence in Building, Repairing, Scrapping Ships

EXTENSION OF REMARKS
OF
HON. EDWARD A. GARMATZ
OF MARYLAND
IN THE HOUSE OF REPRESENTATIVES
Thursday, March 24, 1955

Mr. GARMATZ. Mr. Speaker, in another of the excellent illustrated stories of Baltimore's great port in the Baltimore Sunday Sun magazine of January 9, the article We Build Ships, Repair Them, Scrap Them, by Helen Delich, reports on Baltimore's preeminence in these three fields. From the Revolutionary War until the present day, Baltimore's shipyards have been vital to the Nation's defense in turning out the vessels which have been the backbone of our merchant marine, as well as many naval combat ships.

The Nation's first steam tanker, the world's first submarine, 49 ships used in World War I, and the largest number from any one port—609—were built for World War II, at Baltimore's facilities.

Miss Delich tells this story, and also the story of the great ships scrapped at Baltimore, in the article which follows:

WE BUILD SHIPS, REPAIR THEM, SCRAP THEM—BALTIMORE TODAY IS A WORLD CENTER OF ALL THREE OF THESE ACTIVITIES

(By Helen Delich)

Maryland has been a shipbuilding center ever since the colonists found abundant stands of virgin timber to use in building wooden vessels and copper ore for sheathing the bottoms. Oxford and Grays Inn Creek were among the Chesapeake Bay towns that vied with Fells Point to produce the best ships.

As the industry gradually concentrated in the Baltimore area, repair yards sprang up, and later dismantling facilities, so that today Baltimore is a world center of all three of these activities.

From their earliest beginnings, Baltimore shipbuilding and repair yards have achieved countless firsts to establish all kinds of worldwide records—for total tonnage produced, for new types of ships, for largest ships and for fastest ships.

Baltimore led the Nation in construction from the mid-18th century through the Civil War, and as recently as 1953 the Sparrows Point yard led the world in the production of new ships, delivering 10 with a total deadweight tonnage of 216,138.

Shipbuilding in Maryland was begun on Kent Island, in 1634, by Capt. William Claiborne, who needed pinnaces and shallops for his bay trading activities. In 1662 it was begun at Baltimore by Abraham Clark, who settled in the area of Fells Point. But it was not until nearly 80 years later, when William Fell became interested in shipping, that there was planted the real seed of "Baltimore—World Shipbuilding Center."

Fells Point was ideal for producing log canoes, brigs, brigantines, and barkentines, for yellow pine and oak could easily be brought from the Carolinas and Georgia by water and Maryland itself had white oak, locust, and red cedar. The State's numerous iron works supplied metal for guns and ship parts. Also Baltimore was easily accessible to the linseed-oil manufacturers and the cordage and naval stores suppliers.

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The pride of workmanship has been evident throughout the entire 200 years of major shipbuilding—since 1752, when the brig *Philip and James* became the first square-rigger to be built here.

"Maryland started out right and it has been on the right path ever since as far as shipbuilding is concerned," says an international maritime executive. "The people engaged in the industry in this area seem to have a natural talent and the inclination to produce a superior job.

"Only the most skilled immigrants and shipyard workers seem to come here."

Baltimore's shipbuilding reputation first came from the rakish topsail schooner that was developed in the last quarter of the 18th century and that was a big factor in the outcome of the Revolutionary War and the War of 1812. During the Revolution 248 vessels, most of them built at Fells Point, sailed from Baltimore, and in 1812 Baltimore produced 126 speedy privateers.

In 1832 the renowned *Ann McKim* marked the end of the Baltimore clipper age and the advent of the clipper ships—the principal difference between the two types is that the latter were bigger; they could carry more than 600 tons of cargo.

The California gold rush motivated Baltimore yards to produce clipper ships still more rapidly; the most famous of these were the *Seaman* and *Seaman's Bride*. Then came the *Mary Whitridge*, which completed a trip to Liverpool in 13 days 7 hours.

With the outbreak of the Civil War shipbuilding dwindled. However, ship repairing—of both foreign oceangoing vessels and domestic paddle-wheelers—mounted in importance. Columbia Iron Works was founded. Its $375,000 graving dock, large enough to accommodate a ship 470 feet long, was a far cry from the screw dock erected in 1828 on Mr. Ramsay's wharf.

Three large Navy craft—the gunboat *Petrel* and cruisers *Montgomery* and *Detroit*—were built there, as was the Nation's first steam tanker, the *Maverick*.

But the Columbia yard went into receivership in 1899. A group of prominent Baltimoreans formed the Baltimore Shipbuilding & Drydock Co., in an effort to save the port's reputation and finish the leftover construction on the ways. When that company, in turn, was forced into receivership in 1904, the century-old William Skinner firm bought it and combined the two properties.

During this period the world's first submarine, the *Argonaut*, was built at the foot of Federal Hill, a rival commercial shipyard at Sparrows Point was progressing, and the United States Coast Guard selected Curtis Bay as the site of its only shipbuilding yard.

While it was owned by the Maryland Steel Co., Sparrows Point's most spectacular achievement was constructing the floating drydock *Dewey*—500 feet long, 99 feet wide, and 30 feet deep—for the Navy in 1905. The *Dewey* was towed 13,000 miles to the Philippine Islands in what was described as the greatest feat ever attempted up to that time in transoceanic navigation.

Most of the ships built around Baltimore before World War I were Navy destroyers and ferry boats. By the time the United States was involved in the war, Bethlehem Steel had brought Sparrows Point. It contributed 49 ships for World War I use.

With passage of the 1936 Merchant Marine Act calling for a strong American-flag fleet, the local yards were expanding and modernizing just in time to supply 609 major ships—the largest number from any one port—to help win World War II. Of these, 101 were specialized types, ranging from troop transports to team combat vessels, built at Sparrows Point. The 508 others were Libertys, Victorys, and LST's, built at the Bethlehem yard at Fairfield.

This outstanding record of production was achieved by J. M. (Jack) Willis, who has launched more than 1,000 ships and is considered the Nation's foremost shipbuilder. At present he is general manager in charge of shipyards for Bethlehem in the Baltimore district.

Sparrows Point produced the world's first supertanker in 1948, the 18,000-ton *World Peace*, and in 1953 established a world record for overall production. Now it is preparing to construct three 32,000-ton tankers—each of these larger than the total registered tonnage of this port a century ago.

Each of these mammoth ships will provide about 850,000 man-hours of employment for shipyard workers and 1,700,000 more in supply industries. Today when a ship is built at Sparrows Point, the entire Nation is involved in its production.

It takes about 5 months from the time a keel is laid for a ship to reach the launching stage. Even before the keel-laying mold loft workers and patternmakers have laid out the templates and made life-size wooden patterns of every section of the vessel.

And at the launching only the vessel's outer steel structure and 10 percent of her engines and insides go down the ways. Tugs tow the powerless hull to the fitting-out dock where her engines, turbines, electrical wiring, furnishings, and navigational gear are installed during another 5-month period.

Both the construction and repair yards here get some foreign-flag work, but this Nation's higher standard of living and naturally higher costs tend to route foreign owners to yards where labor is cheaper.

The port's two principal repair yards are Maryland Drydock and Bethlehem-Key Highway, whose keen rivalry has built them up to the topmost level of ability and now induces many ships to come to Baltimore in ballast just for their repairs.

Smaller local yards are General Ship Repair, Baltimore Marine Works, Chesapeake Marine Railway, and Booz Bros., the last named still operating under the name it started with nearly a century ago.

In 1922 Maryland Drydock replaced the 2-year-old Globe Shipbuilding & Drydock Co. During the last war, this yard performed endless mammoth conversions for the Navy and Maritime Commission on all types of vessels, repaired tankers with half of their sides torpedoed out. Later, it converted five 12,000-ton general-cargo carriers into Great Lakes ore ships.

Recently, Maryland became the first commercial yard to be awarded a contract for applying a special type of plastic coating (saran) to all tank surfaces of a gasoline-carrying tanker.

Under the supervision of President George H. French, Maryland Drydock is countering the general downward trend in ship repairing by resorting to industrial production in order to keep its skilled workmen and yard shops busy. It is producing things for the power, petroleum, and chemical industries.

The Key Highway yard grew out of the old Skinner yard, which followed its predecessor into receivership and was bought by Bethlehem from the Baltimore Drydock and Shipbuilding Co.

Now Key Highway—which initiated the construction of Great Lakes ore carriers outside the Lakes—is experimenting for the Maritime Administration to see whether the World War II Liberty can be transformed into a desirable fast ship.

At the present time, both major yards are dependent somewhat on the emergency repair and conversion of Government ships to help keep their facilities and drydocks—10 are available in this port—in operation and to prevent their skilled men from turning to other crafts. Because it takes at least 10 years for a man to become a top-scale, skilled shipyard worker, the yards feel they cannot afford to lose many.

The scrapping of ships is related to the building of them and, surprisingly, requires special knowledge. The scrapping must be done piece by piece in reverse procedure from shipbuilding. All of the interior fixtures are removed and then gradually the vessel is cut down, deckhouse by deckhouse, and on down to the keel plates.

Boston Metals Co. and the Patapsco Scrap Corp. are Baltimore's scrapping yards. Smaller ones have folded up because of the sharp drop in scrap steel prices.

Started in 1904 by Morris Shapiro, a young immigrant who could hardly afford to feed himself when he started to gather junk iron and sell it, Boston Metals has destroyed almost as many famous ships as the local shipyards have built or repaired.

The vessels which ultimately helped make Mr. Shapiro into a multimillionaire and racetrack owner include the *Kron Prinz Wilhelm II, George Washington,* and *Kron Prinzessin Cecilie,* the aircraft carriers *Wake Island, Attu,* and *Reprisal,* and the *Pennsylvania.*

In 1925 this yard won international acclaim for Baltimore by being the only one to make a bid to scrap 200 War Shipping Board vessels, at a price of $1,370,000.

Patapsco Scrap was created by Bethlehem after World War II on the old Fairfield building site, and has demolished many destroyers and old cruisers, along with ferryboats and merchant ships, including the liner *Veendam.*

The 3 shipyard industries, which at their peak employed about 80,000 people in this area, now are down to about 5,000. The building and repair yards particularly are arguing for an American merchant marine to help preserve their own status as well as that of the Nation.

They firmly believe that American-flag ships—built in Baltimore or any other port—are vital as the Nation's fourth arm of defense, besides being paramount to United States industry.

And new construction naturally would make more old ships available for the scrap yards and conversion into new steel for the modern craft.

The Port of Baltimore, No. 8—The Fascination of Baltimore's Great Port to Those Who Watch Its Teeming Activities

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EXTENSION OF REMARKS
OF

HON. EDWARD A. GARMATZ

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 24, 1955

Mr. GARMATZ. Mr. Speaker, in putting together the excellent magazine of January 9 devoted to the port of Baltimore, the Sunday Sun included a curious camera feature devoted to interviews with various Marylanders who were asked "What do you find most interesting about the port?"

These answers, I think, go far toward demonstrating the fascinating attraction which the port of Baltimore holds for all of us in Baltimore and for our friends in neighboring communities. They speak of the romance of the place, the excitement, and the interesting atmosphere. One Baltimorean sums up the magnitude of the port's commerce with the provocative question, "Who eats all the bananas that come in?"

These thumbnail impressions of a great port and of its tremendously varied

sounds, sights, smells, and activities follow:

CURIOUS CAMERA

Question: "What do you find most interesting about the port?"

Mr. Norman Ruckert, Jr., Catonsville, Md.: "I've been around the port for 24 years and every job is different; that's what makes it interesting. That's also what keeps men around the water. I've done everything from crating firebrick to grinding and bagging fish scrap."

Mrs. Irene Spatafore, 7445 Edsworth Road: "The big boats are fascinating. I never realized they were so huge until I went down to Pratt Street. There is a certain romance about foreign ships, and the passing thought of traveling to foreign ports upon them."

Mr. Willis B. Hedges, Essex, Md.: "I find the great variety of commodities that enter the port of Baltimore most interesting. I'm around the water every day and have seen chestnuts from Turkey, broom corn from Greece, and horseradish from Germany. Every ship brings some strange cargo."

Mrs. Mable Altmeyer, 7507 Lange Street: "The unloading of boats is probably the most interesting thing. There's so much activity that you think of ants swarming over a box, each carrying away his share. It also amazes me to think who eats all the bananas that come in."

Mr. Charles C. Schroeder, 1615 North Milton Avenue: "The most interesting sight is the large ships arriving so low in the water that their Plimsoll marks are on the waterline. That means the ships are loaded to capacity and there'll be lots of work for everyone connected with the port."

The Port of Baltimore, No. 9—Some Figures on Baltimore Exports and Imports

EXTENSION OF REMARKS

OF

HON. EDWARD A. GARMATZ

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 24, 1955

Mr. GARMATZ. Mr. Speaker, the Baltimore Sunday Sun, in pictures and text, told the exciting and impressive story of Baltimore's great port in its metrogravure magazine section of January 9. As impressive as anything in that magazine were the somewhat dry but convincing statistics on the port's commerce reported in the following article, Some Figures:

SOME FIGURES

The value of exports handled through Baltimore annually has increased 215 times since 1790, the first year for which complete statistics are available.

The 1790 exports were valued at $2,027,000; they included 223,062 bushels of wheat, 127,234 barrels of flour, 5,533 barrels of bread and thousands of pounds of tobacco.

The 1953 exports were worth $430 million; these included 70,773,693 bushels of grain and 1,486,127 tons of coal. The remainder were fertilizer and chemicals, steel and heavy machinery, and general cargo.

The total foreign tonnage of 21,420,300 shipped from this port in 1953 was valued at $913,400,000.

Other interesting old figures contained in various historical sources show that in 1689, when Joppa was a leading Maryland port, 25,000 hogsheads of tobacco were transported to England. Tobacco was the most important commodity this State exported until 1750, when grain began entering the picture.

In 1761 Baltimore's tobacco shipments were valued at £140,000, and all the other exports at £80,000.

In 1799, as the third commercial port of the country, Baltimore saw its exports rise to a value of $16,610,000. Imports had not yet become a prime factor in the picture.

Through the years, the value of cargo increased along with tonnage. In 1853 the total tonnage was 262,685; of this, 143,596 was exports and the remainder imports.

The 1873 tonnage jumped to 411,161 in exports and 397,167 in imports. By 1877 the value of the port's foreign commerce was $62,025,641—a rise from $17,381,591 since 1872.

In 1883 imports overtook exports, with 795,524 tons, compared to 662,542. And within a decade the total foreign tonnage had risen nearly fourfold to 4,607,176 as Baltimore expanded industrially and its ties spread to more corners of the world.

The 1913 total foreign tonnage of 5,408,544 was valued at $149,369,677; in 1923, 6,620,691 tons were valued at $185,272,267; in 1933, 3,634,878 at $71,516,060; in 1943, 4,202,742 tons at $902,254,000.

The port's record tonnage was made in 1947, when it led the Nation with 24,611,490, most of which was coal. The value of that huge quantity, however, was only $737,631,998, because of the low value attached to the bulk coal.

The value of an average ton of exports last year was $89, compared to $29 for the average ton of imports. About half of the imports were ores, which have a low value.

In 1860 the value of a ton of imports had been $47 and of exports $50.

Baltimore's lead as a grain-exporting port for many years is further emphasized by the fact that in 1879, nearly 60,000,000 bushels were shipped out of here to foreign points. This figure is only 10,773,693 bushels less than the port's total in 1953.

The Port of Baltimore, No. 10—Helen Delich Tells How Baltimore's Fine Natural Harbor Gave It Ascendancy

EXTENSION OF REMARKS

OF

HON. EDWARD A. GARMATZ

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 24, 1955

Mr. GARMATZ. Mr. Speaker, the final article in the Baltimore Sunday Sun magazine of January 9 devoted to the port of Baltimore is another in the fine series written for this section by Helen Delich, and portrays the historical development of the port from the time when Capt. John Smith first visited the Patapsco, which he called the River Bolus.

A great port long before that day in September 1814 when our national anthem was inspired by the defense of Fort McHenry, Baltimore's growth as a port began, as this article reports, in 1706, with steamboat service beginning in 1813.

How the people of Baltimore, the railroads, the merchant leaders, and men of vision down through the years joined in building up the port of Baltimore to its present position of leadership, is told in this article, as follows:

BALTIMORE'S GROWTH AS PORT BEGAN IN 1706—OUR FINE NATURAL HARBOR GAVE US ASCENDANCY OVER ALL RIVALS IN THIS AREA

(By Helen Delich)

Five ports once flourished simultaneously within the boundaries of what is now the port of Baltimore.

Humphreys Creek, Whetstone Point, Jones Town, Baltimore Town and the town of Fells Point—all within a 4-mile radius—competed with one another for trade during the early 18th century.

Then there were also the old, established ports of Annapolis on the Severn River and Joppa on the small, winding Bush River.

The trade of all these small colonial ports was exclusively with England.

Ironically, Baltimore Town, which because of its extremely shallow harbor was engaged in less actual shipping than any of its rival ports, was destined to absorb its four closest neighbors, prosper far beyond the others and two and a half centuries later rank as a major factor in world commerce.

The history of the port of Baltimore begins with Capt. John Smith, the first white man to set foot on the shores of the Patapsco, or River Bolus, as he named it. One of his souvenirs was said to have been a sample of red iron ore, which was plentiful on the virgin shores; that ore one day was to become the area's largest import.

Midway in the 17th century, David Jones was among the few white settlers along the Patapsco River. He built in the area later called Jones Town. And Thomas Cole obtained a warrant for 550 acres which he called Coles Harbor. Sixty-one years later part of that land was designated Baltimore Town.

However, most of the activity of that period was taking place elsewhere in Maryland: the *Ark* and *Dove* had landed the first real Maryland settlers at St. Marys.

Joppa Town and Humphreys Creek—the latter near the present Sparrows Point—were made ports of entry in 1683. But the broader and deeper Patapsco soon proved to be a better natural harbor than the silting-in Bush River, and trade moved down to it.

Whetstone Point, now known as Locust Point, was officially recognized as a second port in 1706. Because the first two attempts—one in Dorchester County and the other near Joppa—to honor Lord Baltimore by naming a town after him had failed, his name was selected in 1729 when the General Assembly provided $600 to buy 60 acres on the north side of the Patapsco in Baltimore County and named it Baltimore Town.

In the beginning, Baltimore Town served chiefly as an industrial site; the shipping centers were Jones Town, Gwynns Falls and the newly founded Fells Point. For in 1730 William Fell, a ship carpenter, arrived from England, built a home at the foot of Lancaster Street and opened a store. Before long, however, he began building bay craft.

With every farm put to producing tobacco, the earliest exports from the area consisted principally of this product.

Ships with imported cargoes provided the earliest stores by anchoring out in the harbor and advertising their wares along the shores by word of mouth.

Baltimore Town mushroomed to 113 acres by merging with Jones Town in 1745, the same year Irish-born Drs. John and Henry Stevenson settled in the area.

At that time, there was a shipyard on Jones Falls at the location Mercy Hospital now occupies.

While his brother Henry established the Nation's first smallpox hospital here, Dr. John Stevenson abandoned medicine and concentrated on the port's trade potentials. He foresaw the value of the Patapsco River

branches, and he inaugurated grain exporting and brick importing.

He persuaded some of his Irish friends to send a ship here in 1750 for a cargo of wheat. The venture resulted in a handsome profit and a new trade had started—the first of the big bulk movements for which the port was to become famous.

Finally some Baltimoreans owned vessels and could begin trading elsewhere than in England. The West Indies and other Colonial seaboard cities received most of the early trade.

Just before the Revolutionary War, Fells Point was absorbed by Baltimore Town. Because this port was never blockaded by the British, a considerable amount of Annapolis' trade was diverted here permanently, and Baltimoreans were able to build and produce ships to help fight the war.

Afterward—the events came within a few years of each other—John O'Donnell bought and established Canton, nine port wardens were appointed to ascertain the depth and course of the channel, the first marine-insurance company boomed, wealthy Baltimoreans formed the Charitable Marine Society to provide a rest home for their hardy seamen, and in 1797 Baltimore was incorporated as a city.

Soon after the advent of the famous Baltimore clippers the United States again went to war with Great Britain. Baltimore's greatest moment in this conflict came September 14, 1814, when Francis Scott Key was inspired to write the Star-Spangled Banner by the British bombardment of Fort McHenry.

Some historians believe that the Baltimore clippers can be credited to a great extent with the defeat of the British on the seas, for over half of the American-used ships were constructed here.

While the War of 1812 was in progress the first steamboat to operate out of Baltimore—the *Chesapeake*—inaugurated a service to Frenchtown. That was in 1813. A few years later the Weems Line placed five side-wheelers in service.

After the war Baltimore spent time reestablishing its trade routes. Then, in 1827, the railroad train Tom Thumb was invented as a defense for this port against the Erie Canal and other proposed canals leading from the West to rival eastern seaports. Baltimoreans felt that they had to have a real connection to the West or they would lose their trade of coffee, grain, and tobacco.

In 1828 a company was formed to make a screw dock—the first version of a floating drydock—for the repairing of ships' bottoms here; this was erected on Mr. Ramsay's wharf. The Canton Co. was formed by Peter Cooper to build up the eastern adjunct to Baltimore.

The lack of cargo space in the Baltimore clippers resulted in an innovation in these sleek, fast vessels, and the *Ann McKim* was established in the China trade. She is said to have been the last of the Baltimore clippers and the first of the clipper ships, which had cargo space as well as speed. Some Baltimore clippers were sent to South America to help those countries free themselves.

For the next three decades Baltimore, New York, and New Orleans vied for first position in the Nation for overall tonnage handled across the piers.

In 1840 the Baltimore Steam Packet Line, more popularly known as the Old Bay Line, began operating down Chesapeake Bay; today it is the only overnight steamboat line in the Nation. In 1854 the Merchants & Miners Transportation Co. started a coastwise service that was popular until the beginning of World War II.

The Baltimore & Ohio Railroad was developing the Locust Point terminals by this time as an outlet for its western freight.

Channel depths and widths became extremely important when the larger steam vessels came into use. Although some dredging around the wharves had been going on for decades and a main channel 12 feet deep had been dredged from the inner basin past Fort McHenry, it was not until 1858 that deep-draft vessels could enter the harbor.

The first Federal Government channel authorization, granted in 1836, did not become a reality until 1866, when work was started on the Craighill Channel; it was enlarged to 24-foot depth and 250-foot width at a cost of $400,000.

The famous cigar ship of Ross and Thomas Winans was built in 1858, at a $2 million loss.

Next, the port became embroiled in the Civil War, with trade coming to a virtual standstill. The armor for the Monitor was forged at the Abbott Iron Works in Canton.

It was several years after the Civil War ended before Baltimore's trade approached its normal activity. However, in the meantime the Union Railroad had built tracks from Relay to the Canton waterfront, because the Northern Central was never able to complete its Canton extension.

The Baltimore & Ohio Railroad, not satisfied with operating marine terminals, purchased three wooden propeller ships for use in ocean trade. But these ships could not compete with foreign lines, and soon the B. & O. negotiated with the North German Lloyd to bring its ships into Locust Point. Other foreign lines started regular routes to Baltimore, and this once again became a big port.

In 1873, the Pennsylvania Railroad bought the controlling stock of the Northern Central, and thus began its association with Baltimore in the Canton area.

Baltimore's standing as a principal grain and flour exporting center was regained in the 1870's, when the B. & O. and the Union Grain Elevator Co. constructed grain elevators.

Sugar was lost as an import when four local refineries went bankrupt in 1879, and did not become a major factor again until 1922.

In 1887, the Maryand Steel Co. located at Sparrows Point, began the importation of iron ore from Cuba.

In the 1880's, the cruisers *Montgomery* and *Detroit* were built at the Columbia Iron Works, located between Fort McHenry and the B. & O.'s Locust Point. The first marine hospital for seamen was established in Wyman's Park, and the city replaced the port wardens with a harbor board.

By this time immigrants began pouring in through Baltimore at the rate of nearly 50,000 a year, to reach a total of 1,542,000 by 1938.

Ferries and small bridges connected the various sections of the harbor; the channel was deepened to 30 feet, and the first submarine, the *Argonaut*, was built here.

At the turn of the 20th century, the Pennsylvania Railroad built piers 6 and 7 in Canton, and the Western Maryland Railway—which had stretched westward to West Virginia and Pennsylvania—began building up Port Covington to extend its railroad across the seas.

Passenger lines connected Baltimore with many foreign lands, steamers sailed out of here for all of the Chesapeake Bay tributaries and other United States seaports.

By the time this Nation was involved in World War I, the Bethlehem Steel Co. had purchased the Sparrows Point plant, the three railroads were building modern coal piers, and the Western Maryland had set the pace for a multimillion bushel grain elevator, to be followed by the other two railroads.

The port flourished during the war, helping to supply the Armed Forces abroad and also building large ships.

The Port Development Act was passed in 1920, with $50 million made available. The only major user of this loan has been the Western Maryland Railway, which built the port's most modern general cargo facilities at Port Covington in 1928.

Also between the two World Wars, the Canton Railroad constructed its pier 11 and later leased it to the Pennsylvania, and the Pennsylvania built pier 1. The Maryland Drydock Co. bought out the 2-year-old Globe Shipbuilding & Drydock Co., and the Bethlehem interests absorbed several small uptown shipyards. These two together have given Baltimore the reputation of having the best ship repairing facilities in the Nation.

The Export and Import Board of Trade was established to stimulate commercial growth of the port, and Rukert Terminals Corp. became an important factor as the port's independent operation.

The port's leading export in 1934 was scrap metal to Japan. Now truck freight was beginning to change the complexion of port operation.

And then for the first 10 months of World War II this port was virtually starving because the military would not send any freight through here.

Loud and hungry wails reversed this situation, and before long the piers were jammed with cargoes of all types. This port led the Nation in shipbuilding, with 542 vessels turned out by the Bethlehem interests at Fairfield and Sparrows Point. All of the repair yards were busy working on torpedoed tankers and freighters. New industries sprang up.

Right after peace returned, 11 Liberty ships loaded with heavy equipment—turbogenerators, dam sluices, blast-furnace parts—sailed out of Baltimore for Russia.

Shipbuilding dropped to almost nothing, and soon foreign-flag ships once again began taking over most of the cargoes in and out of the port.

A survey of the port's needs was made by an outside engineering firm in 1949. As a result, the Port of Baltimore Commission was inaugurated and various facilities have been modernized.

In 1953 the Bethlehem-Sparrows Point Shipyard led the world in production, and Baltimore led in ore importation and grain exportation.

And now, at the beginning of the atomic age, the port of Baltimore is undergoing another survey, with discussion centering on improved general cargo facilities and a port authority.

H. R. 12

EXTENSION OF REMARKS
OF

HON. WILLIAM S. HILL

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 24, 1955

Mr. HILL. Mr. Speaker, after our Easter recess the House will have before it for consideration H. R. 12, a bill reported out of the Committee on Agriculture, which would rescind the action of the 83d Congress wherein a system of sliding-scale parity was written into the Agriculture Act of 1949, as amended.

The reasons advanced by the majority committee report for taking this action are based on the relatively low level of farm income. Farm costs remain high.

The inconsistency in the reasoning of the majority report accompanying H. R. 12 should be obvious. The restoration of the 90 percent of parity, as H. R. 12 seeks to do, would perpetuate the situation which has led to present difficulties.

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No system of supports for agricultural products can operate successfully without accompanying controls. The higher the support the more rigid the controls. We have already seen this type of support program sag of its own weight. Diminishing returns to the farmer, mounting surpluses and continued high cost of food to the consumer have been to a large extent due to the present price-support programs.

It is my opinion, Mr. Speaker, that the answer lies not in continued high rigid supports, but in better distribution and merchandising of our farm products to the consuming public which provides the farmer his fair share of the cost of his product without Federal subsidies. A better job of selling can help the farmer. Rigid supports mean rigid production controls and the little farmer is all too often forced to reduce his operation to one of unsound economic practice. The sliding scale of supports adopted last year may not be the complete or final answer, but does it make sense to discard it before it has even had a chance to operate for one crop season?

Mr. Speaker, under unanimous consent, I insert an editorial on this subject from the New York Times of March 13, entitled "Farm Surpluses":

FARM SURPLUSES

The magnitude of the problem faced by Washington in dealing with farm surpluses is revealed in the latest figures on Government-owned farm products. At the end of 1954 the Government held title to some $4,230,000,000 worth of farm surplus food and fiber and was incurring a daily bill of $700,000 to store them. Moreover, there was almost $3 billion outstanding in farm product loans. Thus more than $7 billion in Federal funds was committed to the farm-price-support program and this figure represented an increase of $1,500,000,000 in 1 year. Put another way, each American had a $44.50 stake in the farm problem by the end of last year.

The present administration has made strenuous efforts to reduce the staggering surplus inventory, but so far has been able to dispose of only relatively small amounts. The Government's disposal program has been slowed by the necessity to avoid depressing farm product prices in the world market since this would alienate friendly nations who must sell their own agricultural products abroad. An attempt is being made to open and to develop new markets for our surpluses, but this at best is a difficult, long-range project. Meanwhile, it is anticipated that the Government will have to take over many of the agricultural products on which it has granted loans, and that its total investment will run to $9 billion before any leveling off begins.

Clearly, farm surpluses remain one of our major domestic problems. Lower price supports becoming effective this year and increased Government disposal activities should tend to check our mounting storage of crops. However, it is plain that the farm-price-support program will burden the American taxpayer for years to come.

SENATE

FRIDAY, MARCH 25, 1955

(Legislative day of Thursday, March 10, 1955)

The Senate met at 10 o'clock a. m., on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

Our Father, God, whose mercy and love are from everlasting to everlasting: Coming from all the tangled paths our weary feet are treading, with so much that is unpredictable and unsure, we would be sure of Thee even amid the flood of mortal ills prevailing. Preserve us, O God, for in Thee do we put our trust. We would have the divine real to us, dominant in us, controlling us, comforting us, stabilizing and sustaining us. To this end, we lay our burdens and tasks before Thee, not that we may leave them here—they are our responsibility, and we would carry them with gallant hearts—but that having seen them in the light of Thy grace and power, having received, for the carrying of them, new strength and courage, we may find that even weights may be changed to wings and statutes to songs, as we run and are not weary and as we walk and do not faint. We ask it in the Redeemer's name. Amen.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the reading of the Journal of the proceedings of Thursday, March 24, 1955, was dispensed with.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Miller, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Bartlett, one of its clerks, announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 4725. An act to repeal sections 452 and 462 of the Internal Revenue Code of 1954;

H. R. 4951. An act directing a redetermination of the national marketing quota for burley tobacco for the 1955–56 marketing year, and for other purposes; and

H. R. 5085. An act making appropriations for the Department of the Interior and related agencies for the fiscal year ending June 30, 1956, and for other purposes.

HOUSE BILLS REFERRED OR PLACED ON CALENDAR

The following bills were severally read twice by their titles and referred, or placed on the calendar, as indicated:

H. R. 4725. An act to repeal sections 452 and 462 of the Internal Revenue Code of 1954; to the Committee on Finance.

H. R. 4951. An act directing a redetermination of the national marketing quota for burley tobacco for the 1955–56 marketing year, and for other purposes; placed on the calendar.

H. R. 5085. An act making appropriations for the Department of the Interior and related agencies for the fiscal year ending June 30, 1956, and for other purposes; to the Committee on Appropriations.

EXECUTIVE SESSION

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of executive business, so that the Senate may consider certain noncontroversial nominations on the Executive Calendar.

The motion was agreed to; and the Senate proceeded to consider executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the Committee on Armed Services.

(For nominations this day received, see the end of Senate proceedings.)

The PRESIDENT pro tempore. If there be no reports of committees, the clerk will state the nominations on the Executive Calendar under "New Reports."

COAST AND GEODETIC SURVEY

The Chief Clerk proceeded to read sundry nominations in the Coast and Geodetic Survey.

Mr. JOHNSON of Texas. Mr. President, I ask that the nominations in the Coast and Geodetic Survey be confirmed en bloc.

The PRESIDENT pro tempore. Without objection, the nominations in the Coast and Geodetic Survey are confirmed en bloc.

IN THE ARMY

The Chief Clerk proceeded to read sundry nominations in the Army.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the nominations in the Army be confirmed en bloc.

The PRESIDENT pro tempore. Without objection, the nominations in the Army are confirmed en bloc.

PROMOTIONS IN THE AIR FORCE

The Chief Clerk proceeded to read sundry nominations for promotions in the Air Force.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the nominations for promotions in the Air Force be confirmed en bloc.

The PRESIDENT pro tempore. Without objection, the nominations for promotions in the Air Force are confirmed en bloc.

That completes the Executive Calendar.

Mr. JOHNSON of Texas. Mr. President, I ask that the President be notified forthwith of all nominations today confirmed.

The PRESIDENT pro tempore. Without objection, the President will be notified forthwith.

LEGISLATIVE SESSION

Mr. JOHNSON of Texas. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

ORDER FOR TRANSACTION OF ROUTINE BUSINESS

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that there may be the customary morning hour for the transaction of routine business, under the usual 2-minute limitation on speeches.

The PRESIDENT pro tempore. Without objection, it is so ordered.

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

REPEAL OF CERTAIN PROVISIONS OF LAW RELATING TO MONTHLY PAYMENT OF MILITARY PERSONNEL

A letter from the Secretary, Department of the Air Force, transmitting a draft of proposed legislation to repeal two provisions of law requiring that certain military personnel shall be paid monthly (with an accompanying paper); to the Committee on Armed Services.

AMENDMENT OF CAREER COMPENSATION ACT OF 1949, RELATING TO THE PAYMENT OF CERTAIN MILEAGE ALLOWANCES

A letter from the Assistant Secretary of the Navy, transmitting a draft of proposed legislation to amend section 303 of the Career Compensation Act of 1949 to authorize the payment of mileage allowances for overland travel by private conveyance outside the continental limits of the United States (with an accompanying paper); to the Committee on Armed Services.

AUDIT REPORT ON EXPORT-IMPORT BANK OF WASHINGTON

A letter from the Assistant Comptroller General of the United States, transmitting, pursuant to law, an audit report on the Export-Import Bank of Washington, for the fiscal year ended June 30, 1954 (with an accompanying report); to the Committee on Government Operations.

CERTIFICATION OF SOIL SURVEY AND LAND CLASSIFICATION

A letter from the Assistant Secretary of the Interior, certifying, pursuant to law, that an adequate soil survey and land classification has been made of the lands to be benefited by the Helena Valley unit, and that the lands to be irrigated are susceptible to the production of agricultural crops by means of irrigation (with an accompanying paper); to the Committee on Interior and Insular Affairs.

INCREASE OF EFFICIENCY OF COAST AND GEODETIC SURVEY

A letter from the Secretary of Commerce, transmitting a draft of proposed legislation to increase the efficiency of the Coast and Geodetic Survey, and for other purposes (with accompanying papers); to the Committee on Interstate and Foreign Commerce.

AMENDMENT OF CIVIL AERONAUTICS ACT OF 1938, RELATING TO THE IMPOSITION OF CIVIL PENALTIES IN CERTAIN CASES

A letter from the Chairman, Civil Aeronautics Board, Washington, D. C., transmitting a draft of proposed legislation to amend the Civil Aeronautics Act of 1938, as amended, so as to authorize the imposition of civil penalties in certain cases (with accompanying papers); to the Committee on Interstate and Foreign Commerce.

DISPOSITION OF EXECUTIVE PAPERS

A letter from the Acting Archivist of the United States, transmitting, pursuant to law, a list of papers and documents on the files of several departments and agencies of the Government which are not needed in the conduct of business and have no permanent value or historical interest, and requesting action looking to their disposition (with accompanying papers); to a Joint Select Committee on the Disposition of Papers in the Executive Departments.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the PRESIDENT pro tempore:

A resolution of the House of Representatives of the State of New Mexico, relating to the authorization of the Colorado River storage project, which was referred to the Committee on Interior and Insular Affairs.

(See resolution printed in full when presented by Mr. CHAVEZ on March 24, 1955, p. 3621, CONGRESSIONAL RECORD.)

By Mr. McCLELLAN:

A resolution of the House of Representatives of the State of Arkansas; to the Committee on Appropriations:

"House Concurrent Resolution 28

"Whereas the flood-control program of the United States has saved much of the land in various areas for productive purposes; and

"Whereas said flood-control program has also greatly aided in the elimination of the dangers of overflow and the destruction of crops and various other properties in such areas, thereby increasing the productiveness of such areas and protecting the welfare of the United States; and

"Whereas there is great need for additional electrical power in the vicinity of the Greers Ferry and for the expansion of existing facilities for distribution of such power; and

"Whereas there has been considerable progress made in the development of the White River Basin; and

"Whereas additional dams are needed for the development of the White River Basin; and

"Whereas the general comprehensive plan for flood control and other purposes for the White River Basin, approved by the Flood Control Act of June 28, 1938, as amended, was modified to provide for the generation of power in conjunction with flood control at the Greers Ferry Reservoir; and

"Whereas Greers Ferry Reservoir has been approved by the Congress of the United States as recommended by the United States Engineers; and

"Whereas there was $30,000 included in the President's budget message for planning for the Greers Ferry project: Now, therefore, be it

"*Resolved by the House of Representatives of the 60th General Assembly of the State of Arkansas (the Senate concurring therein)*:

"SECTION 1. That we urge the Congress of the United States to give careful consideration to the importance of the Greers Ferry project.

"SEC. 2. That the Congress of the United States be and is hereby respectfully requested to provide sufficient appropriation to initiate the construction of Greers Ferry Dam and Reservoir.

"SEC. 3. That a copy of this resolution be forwarded, or delivered by an official representative, to the President of the United States, the President of the Senate, the Speaker of the House of Representatives, and to each Member of the House of Representatives and the Senate of the United States representing the State of Arkansas.

"CARL W. WHILLOCK.
"WINFORD B. LOGAN."

(The PRESIDENT pro tempore laid before the Senate a resolution of the House of Representatives of the State of Arkansas, identical with the foregoing, which was referred to the Committee on Appropriations.)

A resolution of the House of Representatives of the State of Arkansas; to the Committee on Public Works:

"House Concurrent Resolution 10

"Whereas there is an immediate need for dual-purpose dams on many of the mountain streams of Arkansas and whereas such need is increasing yearly for the purpose of both flood control and cheaper power; and

"Whereas the present formula of estimating the cost of such projects virtually prohibits the construction of any more of such structures in this State; and

"Whereas there is now pending in the Congress of the United States House Resolution 851, which was introduced by the Honorable J. W. TRIMBLE, Congressman from the Third Arkansas District, that would correct this unreasonable injustice and permit the further construction of these meritorious projects: Now, therefore, the house of representatives of the 60th Arkansas General Assembly (the Senate concurring therein), does, by this resolution, endorse said House Resolution 851, and urge the immediate passage of the same; be it further

"*Resolved*, That when this resolution has passed both houses of this 60th general assembly, the chief clerk of the house of representatives is hereby instructed to immediately transmit a copy of same to each of the very able Members of Congress of Arkansas.

"GORDON STANLEY."

By Mr. SALTONSTALL (for himself and Mr. KENNEDY):

Resolutions of the General Court of the Commonwealth of Massachusetts; to the Committee on Rules and Administration:

"Resolutions memorializing Congress in favor of the immediate passage of legislation for the development of fine arts programs and projects

"Whereas there is now pending before the Congress of the United States a bill to provide for the establishment of a program of Federal grants for the development of fine arts programs and projects; and

Whereas the enactment of such legislation would be to the advantage of this Commonwealth: Therefore, be it

"*Resolved*, That the General Court of Massachusetts respectfully urges the Congress of the United States to enact legislation providing for the establishment of a program of Federal grants for the development of fine arts programs and projects; and be it further

"*Resolved*, That copies of these resolutions be sent forthwith by the Secretary of the Commonwealth to the President of the United States, to the presiding officer of each branch of Congress and to each Member thereof from this Commonwealth."

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. SCHOEPPEL:

S. 1552. A bill for the relief of Mikie Woodard; to the Committee on the Judiciary.

By Mr. ERVIN (for himself and Mr. SCOTT):

S. 1553. A bill authorizing an appropriation of $5 million to repair hurricane damage along the coast of North Carolina; to the Committee on Public Works.

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By Mr. WILEY:

S. 1554. A bill to amend title 18, United States Code, chapter 79, to add a new section, 1623, to extend the law relating to perjury to the willful giving of contradictory statements under oath; to the Committee on the Judiciary.

(See the remarks of Mr. WILEY when he introduced the above bill, which appear under a separate heading.)

By Mr. MURRAY:

S. 1555. A bill authorizing the restoration to tribal ownership of certain lands upon the Crow Indian Reservation, Mont., and for other purposes; and

S. 1556. A bill to grant minerals, including oil and gas on certain lands in the Crow Indian Reservation, Mont., to certain Indians, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. HUMPHREY (for himself and Mr. DOUGLAS):

S. 1557. A bill to amend section 9 (h) of the National Labor Relations Act, as amended; to the Committee on Labor and Public Welfare.

(See the remarks of Mr. HUMPHREY when he introduced the above bill, which appear under a separate heading.)

EXTENSION OF LAW RELATING TO PERJURY

Mr. WILEY. Mr. President, one of the unfortunate features of present laws relating to proof of perjury is a requirement that where two individuals have made contradictory statements under oath, a person may not be convicted for perjury unless the indictment charges, and the Government proves, which of the two statements is false. This requirement is wholly unnecessary, in my judgment, since one of the statements must, of necessity, be false.

I introduce, for appropriate reference, a bill to amend title 18, United States Code, chapter 79, to add a new section, 1623, to extend the law relating to perjury to the willful giving of contradictory statements under oath, on the sound recommendation of Attorney General Herbert Brownell, for the purpose of eliminating this unnecessary requirement. I should like to point out, however, that all other necessary protections for defendants would remain in the law. I trust there will be early action on the bill. I ask unanimous consent that the bill may be printed in the RECORD, together with the letter sent by the Attorney General to the Vice President, recommending its passage.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the bill and letter will be printed in the RECORD.

The bill (S. 1554) to amend title 18, United States Code, chapter 79, to add a new section, 1623, to extend the law relating to perjury to the willful giving of contradictory statements under oath, introduced by Mr. WILEY, was received read twice by its title, referred to the Committee on the Judiciary, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That title 18, United States Code, chapter 79, is amended by adding immediately after section 1622 the following:

"§ 1623. Contradictory statements

"Whoever willfully makes oath or affirmation to a statement on a material matter before a grand jury, during the trial of a case, or before either House of Congress or a congressional committee or subcommittee, and does within any 3-year period willfully make oath or affirmation to a contradictory statement on a material matter before a grand jury, during the trial of a case, or before either House of Congress or a congressional committee or subcommittee, is guilty of perjury, and shall be punished as provided in Section 1621. Such perjury may be established by proof of the willful making of such contradictory statements without alleging or proving which one thereof is false."

SEC. 2. The analysis of chapter 79 of title 18, United States Code, immediately preceding section 1621 of such title, is amended by adding the following new item:

"1623. Contradictory statements."

The letter presented by Mr. WILEY is as follows:

MARCH 4, 1955.

THE VICE PRESIDENT,
United States Senate,
Washington, D. C.

DEAR MR. VICE PRESIDENT: I proposed to the 83d Congress the enactment of legislation to amend chapter 79 of title 18, United States Code, so as to extend the law relating to perjury to the willful giving of contradictory statements under oath. Unfortunately, such legislation was not enacted despite the fact that it is greatly needed. I respectfully urge the early enactment of the enclosed bill in this session of the Congress.

Under existing law, a person may not be convicted of perjury for making contradictory statements under oath unless the indictment charges and the Government proves which of the statements is false. The falsity of an allegedly perjurious statement must be established by two independent witnesses or by one witness and corroborative circumstances.

The proposed amendment of the law relatign to perjury will provide that proof of the contradictory nature of two willfully made statements would alone support a perjury conviction. This seems to me to be a sensible and warranted change. It in no way reduces the protection afforded defendants by the two-witness rule mentioned above, nor does it shift from the prosecution the burden of proof incident to criminal cases. It merely eliminates what appears to be a ridiculous requirement that proof be adduced as to which of two statements is false when one of such statements must, of necessity, be so.

You will note that to support a conviction the statements must have been made within a period of 3 years of one another, and they must have been made willfully, on oath or affirmation, on material matters, and in proceedings before grand juries, courts, or congressional bodies.

I would be most appreciative of the prompt introduction of this proposal and its consideration by the Congress.

The Bureau of the Budget has advised that there is no objection to the submission of this recommendation.

Sincerely,

HERBERT BROWNELL, Jr.,
Attorney General.

AMENDMENT OF SECTION 9 (h) OF NATIONAL LABOR RELATIONS ACT

Mr. HUMPHREY. Mr. President, on behalf of myself, and the Senator from Illinois [Mr. DOUGLAS], I introduce, for appropriate reference, a bill to amend section 9 (h) of the National Labor Relations Act, as amended. I ask unanimous consent that a statement prepared by me, together with an editorial from the Washington Evening Star of February 22, 1955, and an excerpt of the subcommittee report, which became Document No. 26, of the 83d Congress, be printed in the RECORD.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the editorial and excerpt will be printed in the RECORD.

The bill (S. 1557) to amend section 9 (h) of the National Labor Relations Act, as amended, introduced by Mr. HUMPHREY (for himself and Mr. DOUGLAS), was received, read twice by its title, and referred to the Committee on Labor and Public Welfare.

The statement presented by Mr. HUMPHREY is as follows:

STATEMENT BY SENATOR HUMPHREY

On behalf of the senior Senator from Illinois [Mr. DOUGLAS] and myself, I have introduced a bill to amend section 9 (h) of the National Labor Relations Act as amended, in order to strengthen the anti-Communist provisions of existing law and I ask that the bill be appropriately referred.

This bill was introduced during the 83d Congress and not acted upon by the Senate Labor and Public Welfare Committee. I regret this lack of action by the committee because it has resulted in the National Labor Relations Board continuing to face the difficulty in its effort to enforce the intent of Congress and to prevent Communist-dominated unions from using the facilities of the NLRB. In this connection, I ask unanimous consent to have printed in the RECORD at this point an editorial from the Washington Star of February 22, 1955, which describes the difficulty being faced by the Board in the case of the International Fur and Leather Workers.

(See exhibit A.)

The non-Communist affidavit in our labor-management law cannot in fact be fully effective so long as the Board is powerless to face up to the falsity of an affidavit when it is false and to hold that a union is not in compliance with the requirements of law if its officers file false affidavits. In the most recent case, Mr. Ben Gold was convicted in April 1954 of signing a false affidavit in 1950 that he was not a Communist. Following that conviction, he was reelected as an officer of his union and filed another non-Communist affidavit. The Board rejected his 1954 affidavit on the assumption that it was false in view of the earlier conviction for filing a false affidavit. The courts held that until Congress acts to disqualify a union because an officer filed a false affidavit, the Board cannot act to reach that result.

Our bill provides that the National Labor Relations Board has the power to declare that a non-Communist affidavit signed by a union officer does not satisfy the requirements of the law if that official refuses to testify under oath whether he signed the affidavit, or whether it is a true statement of fact, or if the union officer has been convicted of perjury in executing the affidavit.

Members of the Senate will recall that during the 82d Congress the senior Senator from Illinois and I had the honor of serving on the Senate Subcommittee on Labor and Labor-Management Relations. It was my privilege to be the chairman of the subcommittee. We held extensive hearings and made thorough studies of public policy and Communist domination of certain unions. It was our belief that the National Labor Relations Board has authority under existing law to protect its own processes from abuses. A recent decision of the Supreme Court, however, has now finally ruled that under existing law the National Labor Relations Board is powerless to deal with the most flagrant abuses of the non-Communist affidavit. It

is to correct that imperfection that we introduce our bill. Our bill is not hastily drawn or conceived. It reflects more than 2 years of investigations, hearings, and study. Our final report lists 11 findings and recommendations. Our bill is designed to carry out one of those recommendations.

At this point I ask unanimous consent to have printed at the conclusion of these remarks the section of our subcommittee report which became Senate Document No. 26 of the 83d Congress, 1st session. I refer the Senate's attention specifically to our recommendation No. 5.

(See exhibit B.)

The enactment of our proposal is essential if the National Labor Relations Board is to be more than a filing cabinet of non-Communist affidavits under existing law. It has never been our feeling that the Board should be empowered to conduct wholesale investigations as to the validity of non-Communist affidavits. We agree with the framers of the National Labor Relations Act in this regard. The Board does not have the experience, the competence, or the personnel to carry out that function. This is the function of the Department of Justice. We believe, however, that where gross abuses of the affidavit processes exist the Board should be permitted to act and recognize the facts for what they are. Where a union officer refuses to say whether he signed the affidavit or refuses to reaffirm its validity, or has in fact been convicted of perjury in connection with the affidavit, it is clear the Board should have the power to declare that there has not been compliance with the act.

In other words, the union which is in question through the malfeasance of its officers is not to be permitted to have the benefits or the privileges prescribed under the Labor Management Relations Act.

It is important, however, that even if we recognize these facts and correct the inadequacy of existing law we guard lest we penalize innocent victims. We do not wish to penalize individual union members who could have had no way of knowing whether an affidavit was signed in good faith or not in the absence of a ruling from an appropriate body. Therefore, we propose that instead of immediately revoking compliance the Board be directed to notify the particular union that compliance will be revoked unless the union officer is unseated from his position within a 30-day period. This period of 30 days' notice is adequate in our judgment to safeguard the innocent from abuses.

Members of the Senate will recall that our subcommittee's recommendations urged more vigilant activity by the Department of Justice in connection with the non-Communist affidavit.

I digress for a moment to say that at the time we were holding hearings we quizzed the representatives of the Justice Department extensively as to what they were doing in the way of examining into the validity of non-Communist affidavits. I regret to say that at the time we were searching in this area we found that the Justice Department was doing very little. I assure the Senate that we informed the Justice Department, as a committee, and I, as chairman of the committee, that we expected very careful scrutiny of such affidavits. I am happy to report that as a result of those hearings and that interrogation, the Justice Department started looking into the validity of the so-called non-Communist affidavits, and there have been prosecutions following this change of policy.

We introduce our bill in the hope that it will close a loophole in existing law. We urge its favorable consideration by the Senate Labor and Public Welfare Committee.

The editorial and excerpt presented by Mr. HUMPHREY are as follows:

EXHIBIT A

[From the Washington Star of February 22, 1955]

UP TO CONGRESS

There is no doubt that Congress, in adopting the Communist affidavit provisions of the Taft-Hartley Act, hoped to prevent Communist-dominated unions from using the facilities of the National Labor Relations Board. Consequently, the recent ruling by the court of appeals in the case of the International Fur and Leather Workers may come as a surprise to some people.

This union is headed by Ben Gold, convicted in April 1954 of filing a false affidavit in 1950 that he was not a Communist. In May 1954, after Gold had been reelected by the union despite his conviction, he submitted another non-Communist affidavit to the Labor Board. Because of the conviction, the Board rejected this 1954 application on the assumption that it, too, was false. It held that the union membership knew the affidavit was false, and concluded that, since the affidavit had been rejected, the union was not in compliance with the Taft-Hartley requirement that all officers must file such affidavits.

The appellate court, quite rightly, held that the Board had no authority to do this. The act provides for criminal prosecution of anyone who files a false affidavit, and Congress probably thought this would force Communist union officers to give up their posts. But the law does not provide for disqualifying a union because an officer files a false affidavit. If Congress wants to reach this result, it can do so by changing the law. But the Labor Board should not be permitted to take over the function of Congress in this respect.

EXHIBIT B

FINDINGS AND RECOMMENDATIONS

Under this heading we want to set down some judgments about this problem which we believe are reasonably warranted by the facts.

1. Nobody has suggested to our subcommittee that our security machinery is not equipped to deal effectively with the protection of facilities and information in sensitive industries, from acts of sabotage or espionage; or at least as effective as it is humanly possible to be. The subcommittee did not have the resources to conduct an independent investigation of whether in fact the security agencies were taking all the precautions they could against Communist subversion. This matter should be fully studied and the facts made available to the Congress. Special attention should be paid by the Government in supervising its contractors and subcontractors engaged in defense work to see that all appropriate safeguards against Communist infiltration are utilized.

2. One of the great assets, if not the greatest, which a democracy has in combating the threat of Communist penetration is an intelligent awareness of the threat and a desire to do something about it. No law, however intelligently framed, is a substitute for this asset.

We must in all candor recognize that an employer who sees rivalry between a Communist union and a non- or, indeed, anti-Communist union as simply ordinary trade-union competitiveness is lacking in the insight and perspective which we need to rely on so heavily.

We do not suggest, it should be made clear, that the employer favor one union as against another, or do anything else which would be contrary to law, when he is confronted with a rival union situation involving a Communist-controlled union and a non-Communist union. We do suggest, however, that an employer who takes advantage of such a situation to engage in decisive strategy is making no contribution to the common welfare.

The International Union of Electrical Workers (CIO) has charged that the General Electric Corp. has favored the United Electrical Workers (independent) since expelled from the CIO on grounds of Communist domination. The General Electric Corp., speaking through Mr. Boulware, has vigorously denied this charge. We do not feel that we would be justified in making a definite finding on this issue in controversy, one way or the other.

We feel justified, however, in commenting on an attitude reflected in certain statements issued by the General Electrical Corp. on the theme of a "Plague on both your houses" (hearings, p. 450 ff.). The essence of the theme is that there is little to choose from between leftwingers and rightwingers. The reference is to the UE and the IUE, respectively.

"We believe—the General Electric Corp. has said—they have in the end the same objectives. We believe that what each side advocates would result, in the long run, in substantially the same thing for our employees, our company, and our country." (Hearings, p. 451.)

This is an amazing statement and shows little comprehension of the forces at work in this world, in the year 1952. It is this attitude on the part of some employers which has made the opposition to the real Communists in the unions very difficult and explains in large part why the Communists have been able to retain as much as they have. If an employer says, in effect, there is no difference between a Communist union and an anti-Communist union, it is understandable why many workers may not pay too much attention to a valid charge that a union is Communist-controlled.

We need to recall Professor Seidman's critical differentiation between Communist unionism and other liberal or radical groups in the American labor movement.

"From the point of view of the other liberal or radical groups, a union is a primary institution that the group seeks to build and make strong, with the objective of winning benefits for the members and for workers in general.

"The policy of such unions is determined by an analysis of the needs of the workers who are employed in the industries in which those unions operate. Such other liberal or radical groups may be critical of employers, of the existing economic system, of Government policy; they may in a particular case be opposed to a war in which this Government is engaged, or even opposed to all wars; and yet I would sharply distinguish between such groups and the Communist Party on the ground that the Communist Party seeks control of unions not primarily to benefit the workers involved, but primarily because the unions then can be manipulated to further a party line which is in turn determined with reference to the interests of the U. S. S. R." (Hearings, p. 148).

Not to make this distinction, as apparently General Electric and other employers have not, is to play the Communist theme song, that an attack on Communists is an attack on all liberal ideas. We deny that it is impossible to distinguish between Communists and genuine supporters of liberal or unorthodox ideas. The Communists are spokesmen for a conspiratorial system of power deriving its prime motivation from the needs of the U. S. S. R. We do not have to agree, necessarily, as many of us do not, with the program of free reform groups, to insist that the American tradition and constitutional system gives these groups every right to exist and to pursue every lawful means to propagate their ideas.

3. The issue which needs to be resolved is whether Communist-dominated unions pose

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a sufficiently serious threat to our security to warrant Government action. We believe that Communist-dominated unions do pose such a threat, and the Government has taken effective steps to protect the national security against these threats. In this report we recommend additional steps that can be taken.

We do not accept the proposition urged upon us that a private group has an inherent immunity from public regulation on this point. This goes for both employers and unions. It happens that this committee has reported out legislation designed to end discrimination in employment based on race, color, creed, or national ancestry. If this legislation were passed no private group, employers, employment agencies, or unions would be permitted to carry on its activities in a way to run counter to the requirements of this policy.

The same principle applies to the question of Communist-dominated unions. The unions have no inherent immunity from regulation on this point. The decisive question is: Will this be a wise and democratic exercise of public authority?

4. The free labor movement must accept the responsibilities which go with its contention that it can handle the Communist problem in the unions on its own. Racketeering, discriminatory practices, exist in a few union situations. Where these unsavory practices exist they are breeding grounds for Communist penetration. They provide a cover for the real purposes of the Communists in the unions. The labor movement must decontaminate itself of these unhealthy influences.

The free unions have done more to isolate and destroy the staging points of Communist unionism than any other single force in American life. It is one thing to require a non-Communist oath as a condition of using the NLRB's facilities. But the critical anti-Communist pressure is exerted when the free unions expel Communist-dominated unions from their midst and then proceed to take their members away. This is anticommunism where it hurts the Communists the most. But, as we have seen, there are still pockets of Communist domination and the free unions must expend added power and resourcefulness in eliminating these Communist pockets.

We commend, too, the action which the American labor movement has taken to combat international communism. The fact that free labor movements all over the world are effectively fighting Communist aggression is in small part due to the economic and moral aid rendered by the American labor movement.

5. The National Labor Relations Board has authority under existing law (in its own words) "to protect its own processes from abuse." If it should develop that the Board does not have this authority, we urge that legislation be enacted to carry out the intent of this recommendation. We recommend that the NLRB in the exercise of such authority under existing law take judicial notice of three kinds of circumstances, as reflecting adversely on the good faith of an affiant of a non-Communist affidavit:

1. The refusal to testify under oath before a judicial body, grand jury, or legislative committee whether the non-Communist affidavit was signed by the affiant.

2. The refusal to testify under oath before a judicial body, grand jury, or legislative committee whether the affiant is a member of the Communist Party.

3. A conviction for false swearing in a non-Communist affidavit.

If the Board finds that there is a reasonable doubt as to the truth and validity of the affidavits, as a result of the failure to testify, or as a result of the conviction for false swearing as outlined above, it shall give the union in question 30 days within which to purge itself of the officers whose affidavits have been found lacking in good faith. If the union submits proof that it has complied with the order of the Board it shall be considered as having remained in compliance with section 9 (h). If in the judgment of the Board the union has not purged itself of the officers whose affidavits have been found to be lacking in good faith, then the Board shall declare that the union is not in compliance with section 9 (h).

Our reasons for this recommendation are as follows:

(a) Whatever reservations we may have about the efficacy of section 9 (h), we ought not to embark on additional or more dubious legislation until we have exhausted the lawful remedies under existing legislation. With all of its one-sidedness, section 9 (h) of the Labor-Management Relations Act of 1947 has served to point up the issue and may, with appropriate implementation, yet help to identify the Communist-dominated unions. In our judgment, it should not be taken from the law until all Communist domination has disappeared from unions, at least in vital industries, or until, as implemented, it is proven ineffective and other preferable provisions are adopted.

(b) We believe that the NLRB can lawfully apply these recommendations without additional legislation. To be sure, as has been pointed out, Congress did not intend for the Board to conduct an independent investigation on the merits as to whether a particular 9 (h) affiant is or is not a Communist. What we are recommending here, and which in large part the Board has already done, is to protect its processes from obvious abuse. It is our judgment that the three types of circumstances cited above constitute obvious abuse and ought not to be tolerated without question.

(c) We are not insensitive to the implications which our recommendations have for the constitutional protection against self-incrimination. But, it seems to us that the constitutional protection ought not to become an immunity for Communist union officers from the consequences of bad faith in filing non-Communist affidavits. And in any case the loss suffered by such officers is a disqualification from serving as officers of a union which wishes to utilize the procedures of the law. That the unavailability of the Board's processes is something less than catastrophic is attested to by the fact that two large and powerful unions (and anti-Communist unions, by the way) have been able to exist for 5 years without access to NLRB procedures.

(d) The recommendation for a 30-day period of grace within which a union may remove the cloud of doubt prevailing with respect to 9 (h) compliance is motivated by a consideration that innocent victims of bad-faith filing ought not to be penalized for the acts of particular officers. All the members and non-Communist officers of the union could know, for sure, was that an affidavit was on file. They could not be expected to know beyond a reasonable doubt that the affidavit was executed in bad faith, in the absence of an authoritative declaration to that effect.

Therefore, to revoke compliance status retroactively would penalize union members and employers as well for acts over which they had no control. Legal logic may be on the side of retroactivity in this sort of situation but the facts of industrial relations are not.

A refusal of the union members to remove officers after their affidavits have been found defective in an authoritative determination by the NLRB puts the problem in a different posture. They can remove the officers or accept the consequences of noncompliance. But under our recommendation the alternatives are identifiable.

6. The Department of Justice should establish a special unit to deal with cases arising out of alleged violations of section 9 (h) with effective liaison relationships to the NLRB and the legislative committees engaged in Communist investigations.

7. To the extent necessary, the Munitions Board, the Atomic Energy Commission, the Federal Bureau of Investigation, and other agencies concerned with security problems should develop specialized competence in dealing with security implications of Communist-dominated unions. The Bureau of the Budget should undertake to study how the various Federal responsibilities in this field can be sensibly coordinated. The President, through the Bureau of the Budget, should also consider the development of in-service training programs for these various agencies on the goals and purposes of Communists in unions and how to distinguish the bona fide militant unionist from the Communist agent. It is a distinction which is not infrequently blurred, but as we have said, a very crucial distinction.

8. We do not believe that the National Labor Relations Board has the statutory authority or that Congress intended it to conduct an independent, de novo investigation of whether, in fact, an affiant is a Communist. Moreover, Mr. Herzog's analysis of this proposal we find very persuasive. Identifying Communists is a special form of expertise which the Board does not now have. Moreover, it would have the effect of delaying the processing of the cases of non-Communist unions.

9. We reserve judgment at this time on proposals that new agencies other than the NLRB be given authority to find Communist domination. The reasons for our reservations may be summarized as follows:

(a) The resources of Government agencies charged with security functions, strengthened as necessary, appear to be adequate at this time to deal with hazard of sabotage and espionage.

(b) The practical advantages of these proposals in removing the security hazard of Communist control are questionable if the time consumed by the Subversive Activities Control Board in its proceedings against the Communist Party, is any guide. The advantage of operating efficiency is on the side of the agencies like the FBI.

(c) The resultant penalties such as disestablishment of Communist unions would in part fall on the Communists but in greater part on the innocent victims, the union members, in the Communist unions who, it is clearly established, are overwhelmingly unsympathetic to the political aims of their leaders.

(d) This ideological testing of a union's right to survive is foreign to our tradition of a free labor movement.

If, however, our relationships with Soviet Russia deteriorate even further, these proposals should be reconsidered in the light of the new circumstances.

10. It is recommended that encouragement be given to unions to clean their own ranks of Communist influence by amending the law to permit a waiving of the affidavit requirement for those unions which incorporate a ban on the holding of office by Communists and enforce the ban in good faith. Such a provision would have the additional effect of cutting down the sizable clerical task of keeping track of thousands of affidavits.

11. The proposal that employers and their representatives be required to take non-Communist oaths as a condition for utilizing the facilities of the National Labor Relations Board has equity on its side to recommend it. The argument runs that union people will not resent the application of the affidavit requirement if they feel that they are not being singled out for special treatment as potential subversives. Measured against the standards of speed in processing cases, however, the advantage of this proposal seems to be dubious.

REPORT ON DEPLETION OF SURFACE WATER SUPPLIES OF COLORADO WEST OF CONTINENTAL DIVIDE (S. DOC. NO. 23)

Mr. ANDERSON. Mr. President, I submit a report on the depletion of surface water supplies of Colorado west of the Continental Divide, and ask unanimous consent that it may be printed as a Senate document, with illustrations.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from New Mexico? The Chair hears none, and it is so ordered.

THREE HUNDRED AND TWENTY-FIRST ANNIVERSARY OF THE FOUNDING OF MARYLAND

Mr. BEALL. Mr. President, today the Free State of Maryland celebrates the 321st anniversary of its founding.

Three hundred and twenty-one years ago today two small ships anchored in the Potomac. Aboard were, in the words of Lord Baltimore, "20 gentlemen of very good fashion, and 300 laboring men well provided in all things." History does not record the number of women. Forced to wade ashore—the water was too shallow for the small boats of the *Ark* and the *Dove*—those on board the ships arrived in the promised land wet, bedraggled, and muddy.

But we are to be eternally grateful to those 320 weary men and their courageous women who dragged themselves ashore at St. Clements Island, for they created the spirit and the legal basis for the religious freedom now enjoyed by 160 million people of this country.

The group included both Catholics and Protestants, who had fled England and fought the wild Atlantic for almost 6 months to find a place in the New World where they could worship as they pleased. In the colony they established, a man was free to worship as his conscience dictated. This religious freedom under the Terria Mariae—Maryland—Charter granted to Lord Baltimore by King James was later to be written into the Constitution of this great Nation.

That was the Free State's first contribution to America, but it was only the beginning.

Maryland was 1 of the 7 colonies that took the first long step toward union 22 years before the signing of the Declaration of Independence.

On July 10, 1754, its delegates cast their votes for an American confederacy—the forerunner to our Constitution.

On the field of battle, the bravery and determination inherited from the founders by their sons may well have saved the Nation from destruction—not once, but twice.

The first occasion was at the Battle of Brooklyn. General Washington's army was facing a rout by the British, but a small battalion of Marylanders acting as a rear guard stanchly held off the Redcoats until General Washington could evacuate his troops and regroup them. Had they failed, it is almost certain that the colonists would have lost the Revolutionary War then and there.

The second was the famous defense of Baltimore against a 3-day amphibian attack in September 1814, in which the British were repulsed. An historian calls this "one of the most decisive battles of the modern world."

When a Marylander visits the church of his choice to worship, he can well feel a sense of thankfulness to the forbears who made it possible.

When he sees his flag, bearing the Calvert and Crossland arms quartered and the golden Bottony cross firmly affixed to the staff as required by the State constitution, he can well feel a sense of pride.

When a Marylander is cheered by the bright black and orange splendor of a Baltimore Oriole on the wing, or the pertness of a black-eyed Susan notifying him of the advent of spring, he can well feel a sense of happiness in the natural beauties of his State.

I am a Marylander. And I am thankful, proud, and happy to call the Free State my home.

ONE HUNDRED AND THIRTY-FOURTH ANNIVERSARY OF GREEK INDEPENDENCE

Mr. SALTONSTALL. Mr. President, I ask unanimous consent to have printed in the body of the RECORD at this point as a part of my remarks a very brief statement which I have prepared concerning the 134th anniversary of the independence of Greece.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR SALTONSTALL

This week commemorates the 134th anniversary of the independence of Greece. Through the ages the people of Greece have stood as one of the finest examples of the determination of a free people to remain free. We in America, who cherish our own Inpendence Day, fully realize what independence means to a nation. Liberty—the determination of a free people to remain free, and union—the coordinated efforts of a people to stand strongly united behind their nation at all times—are two words of special significance to all freedom-loving and peace-loving nations of the world.

The people of Greece have together, in their firm stand against the tyranny of communism, not only inspired the free world but have encouraged us to look for growing resistance and revolt against international communism. The Greek people are practical idealists in the best sense. They know the realities we all face and are prepared to meet those realities with sound common sense. At the same time they are keeping glowingly alive, as they have always done, that spirit of freedom and of individual dignity without which existence is worth nothing at all.

We congratulate the Greek people upon this anniversary occasion. We look to them with admiration and high regard for the splendid example they have set us through the ages.

Mr. IVES. Mr. President, I have also prepared a statement in connection with the 134th anniversary of Greek independence. I ask unanimous consent that it be printed in the RECORD at this point as a part of my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR IVES

On the 134th anniversary of Greek independence, I join with my fellow citizens of Greek descent in commemorating this memorable occasion.

The 25th of March 1821, is a day to be remembered by all freedom-loving people. On that day, 134 years ago, the Greek heritage of liberty took on added stature with the uprising of the Greek patriots against their Turkish rulers.

Greece remains one of our stanchest friends and allies. The people of Greece are passionately devoted to the cause of peace and freedom; they are true partners in the free world's battle against Soviet aggression.

The ties which bind the United States and Greece are based on enduring friendship and understanding. May they continue to grow ever stronger.

TRAPPING OF SQUIRRELS AT THE WHITE HOUSE

Mr. NEUBERGER. Mr. President, I have just been advised by the press that the White House has announced there will be no more trapping of squirrels on the White House grounds. However, the statement by Mr. Hagerty, the Secretary of the President, still leaves several questions unanswered.

One, Mr. President, is, Who ordered the trapping of the squirrels? Was it gremlins? I have just discovered that the District of Columbia code contains a provision regarding this matter, and I now read very briefly from the code of the District of Columbia:

No person shall at any time or at any place in the District of Columbia trap, catch, kill, injure, pursue, or attempt to trap, catch, kill, injure, or pursue any squirrel or any chipmunk, or shall shoot or hunt with a gun any rabbit or other wild animal without a special written permit to do so from such officer as the Commissioners of the District of Columbia may, by regulation or order, from time to time charged with that duty, under a penalty of $5 or imprisonment in the workhouse for not more than 30 days, or both, for each squirrel or chipmunk trapped, caught, killed, injured, or pursued, or for each rabbit or other animal killed as aforesaid.

I cite the law only because I am concerned about the danger of the efficiency of the Executive Office being impaired by the unscheduled absence of any of its key personnel. Who may have to serve the 90 days in the workhouse for the 3 squirrels which, Mr. Hagerty confesses, have been trapped? And no mention was made of those squirrels which were pursued and not trapped. By admission of the Secretary of the President, the District of Columbia law was violated.

I should like to declare, in conclusion, that I am extremely gratified the White House has formally announced that the trapping of the animals, which have become a tradition and an institution on the White House lawn for over a century, is to cease.

I should also like to announce that all funds collected, and there have been funds collected from all over the country, will be given to the Wildlife Man-

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agement Institute, an able organization which is devoted to the preservation of all animals, including squirrels, even squirrels on the White House lawn.

POSTAL PAY BILL OF 1955

The PRESIDENT pro tempore. Is there any morning business? If not, the Chair lays before the Senate the unfinished business, which the clerk will state by title.

The LEGISLATIVE CLERK. A bill (S. 1) to increase the rates of basic compensation of officers and employees in the field service of the Post Office Department.

The Senate resumed the consideration of the bill (S. 1) to increase the rates of basic compensation of officers and employees in the field service of the Post Office Department.

The PRESIDENT pro tempore. The question is on agreeing to the committee amendment in the nature of a substitute.

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The Secretary will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. SALTONSTALL. Mr. President, is there to be a morning hour?

Mr. JOHNSON of Texas. Mr. President, we have already had a morning hour.

I have asked the Senator from Virginia [Mr. BYRD] to offer his amendment at this time. After that is done, there may be an opportunity for the making of further insertions in the RECORD.

Mr. BYRD. Mr. President, to the committee amendment I offer the amendment, which I send to the desk, and ask to have stated. It has already been printed.

The PRESIDENT pro tempore. The amendment to the committee amendment will be stated.

The LEGISLATIVE CLERK. In the committee amendment, on page 7, beginning with line 23, it is proposed to strike out through line 24, on page 8, and insert in lieu thereof the following:

SEC. 7. This act shall become effective on the first day of the first pay period which begins after the date of its enactment.

Mr. BYRD. Mr. President, the amendment I offer to the committee amendment is a very simple one and it will take me only a moment to explain it.

Instead of having the bill provide that the pay increase shall be retroactive, my amendment to the committee amendment provides that the increase shall not become effective until the first day of the first pay period after the date of enactment of the bill. For instance, as I understand, the pay periods are on the 1st and the 15th of each month.

Mr. President, I think it would be a very bad practice for us to make retroactive any pay bills which may be passed. A number of such bills will come before the Senate, one of which will relate to the military service. In the military service there are now approximately 3 million persons. If that bill is made retroactive, of course, the other bills will follow the same line. I am advised by the chairman of the Senate Committee on Armed Services, the distinguished junior Senator from Georgia [Mr. RUSSELL], that it will be nearly impossible to work out the details of a retroactive pay increase for the 3 million persons in the armed services.

My amendment to the committee amendment simply provides that, if the bill shall be enacted, the pay increases will not be effective on a retroactive basis, but, instead, will be effective on the first day of the first pay period following the enactment of the bill.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from Virginia [Mr. BYRD] to the committee amendment.

Mr. MORSE. Mr. President——

The PRESIDENT pro tempore. The time is controlled under the provisions of the unanimous-consent agreement.

What Senators are in control of the time on the amendment of the Senator from Virginia to the committee amendment?

Mr. JOHNSON of Texas. Mr. President, it is my understanding that the Senator from Virginia will control the time of the proponents, and that the distinguished minority leader, the senior Senator from California [Mr. KNOWLAND], will control the time of the opponents, inasmuch as I favor the amendment of the Senator from Virginia.

Mr. KNOWLAND. Mr. President, let me ask whether there are Senators who desire to speak in opposition to the amendment.

Mr. MORSE. I desire to have 2 minutes to speak in opposition, Mr. President.

Mr. KNOWLAND. Mr. President, although I control the time for the opposition to the amendment, I am actually in favor of the amendment. However, I shall yield time to Senators who may desire to oppose the amendment.

At this time I yield 2 minutes to the Senator from Oregon [Mr. MORSE].

The PRESIDENT pro tempore. The Senator from Oregon is recognized for 2 minutes.

Mr. MORSE. Mr. President, there is another side to the medal, in the case of the amendment the Senator from Virginia has offered. I think a great injustice was done at the last session of Congress, when the pay increase which was deserved was not accorded; and I believe that our failure to do justice then places upon us now the duty of going back and correcting that wrong.

Mr. President, I am not greatly moved by the statement about the auditing, bookkeeping, and accounting which will be necessary in order to do justice. The Senator from Virginia has spoken about a bad precedent. I also wish to speak about a bad precedent. I think it would be a rather bad precedent for us to take the position today that we are not going to right the wrongs which we ought to have corrected months ago.

Let us examine the record of months ago and read the remarks of some of the Members of the Senate who realized that in the closing hours of that session the wrong which had been done was not going to be righted. It was argued that we could do it later, and that we could make it retroactive. Of course, all Senators who made that statement were speaking in the speculative and in the prospective; but that is the kind of argument which is made in the closing days of a session, when we wish to postpone action, by saying "We will do it at the next session, and then we will make it retroactive."

The time has come to make the increases retroactive. The Federal employees concerned have been wronged for a long enough time. We ought to correct the wrong now by making the increases retroactive to the time when we should have corrected the wrong in the first place.

Mr. KNOWLAND. Mr. President, I yield 3 minutes to the Senator from South Carolina.

Mr. JOHNSTON of South Carolina. Mr. President, we all know that pay rates of the Federal employees we are discussing at this time, namely, the postal employees, have not been increased since July 1, 1951. I invite the attention of the Senator from Virginia to the fact that when we passed that pay increase bill, in October 1951, we made it retroactive to July 1. So if we enact an increase at this time, 2 or 3 months after the first of the year, and make it retroactive to the first pay period after January 1, we shall be doing the same thing we did previously when we passed the pay act in October 1951.

The question is whether or not the Federal employees should have an increase in pay from January 1. That is the question which I think is before the Senate, and not the question as to whether or not it would cost the Government a little money to audit the books and arrange for the payment of these employees. The question is whether or not the Federal employees are entitled to a pay increase from January 1, 1955, as I see it.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. JOHNSTON of South Carolina. I yield.

Mr. PASTORE. Is it not a fact that at the time of the consideration of the bill the committee was very conscious of the precedent we might be setting, but that the reason why we entertained the idea of retroactive effectiveness of the bill was the fact that we voted the Federal employees a raise last year, and through no fault of theirs or ours, that raise was not granted?

Mr. JOHNSTON of South Carolina. That is correct.

Mr. PASTORE. We took that fact into consideration, and we moved the date up to January 1, as of the time when the veto message was sent to Congress.

Mr. JOHNSTON of South Carolina. That is true. The original bill called for the increases to become effective as of the time of the veto of the bill we passed last year. Witnesses came before the committee and testified that it would

not throw everything out of gear if we started the pay increase at the first pay period after January 1. That is the evidence before the committee. We were told, "If you are going to make it retroactive, that date can be used without causing a great deal of trouble."

I ask Senators whether they think the Federal employees are entitled to a pay increase since January 1.

Mr. PASTORE. Mr. President, will the Senator yield for another question?

Mr. JOHNSTON of South Carolina. I yield.

Mr. PASTORE. Is there not a distinct difference between the Military Establishment and the employees whose compensation we are now discussing? They are not precisely in the same position. We did not vote any pay increase for military personnel, but we did for these employees. Through no fault of theirs, the increase was not granted. Therefore there is at least a moral obligation to make the pay increase retroactive with respect to these employees, because of the situation which I have mentioned.

Mr. JOHNSTON of South Carolina. I think the Senator from Rhode Island is entirely correct. He has mentioned the Military Establishment. We find military personnel scattered all over the world. A great many more difficulties would be encountered in making retroactive a pay increase for military personnel than would be encountered in the case of postal workers.

The PRESIDENT pro tempore. The time of the Senator has expired.

Mr. JOHNSON of Texas. Mr. President, if there are no further requests for time, I wonder if the Senator from Virginia [Mr. BYRD] and the minority leader will agree to yield back their time, so that we may have a vote on the pending amendment?

Mr. BYRD. I agree to yield back my time.

Mr. KNOWLAND. If there are no other speakers on this particular amendment, I agree to yield back my time.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Virginia [Mr. BYRD] to the committee amendment in the nature of a substitute.

The amendment to the amendment was agreed to.

The PRESIDENT pro tempore. The committee amendment, as amended, is open to further amendment.

Mr. CARLSON. Mr. President, I offer an amendment in the nature of a substitute for the committee amendment as reported. The substitute is Senate bill 1489, a bill to increase the rates of basic salary of postmasters, officers, supervisors, and employees in the postal field service, to eliminate certain salary inequities, and for other purposes.

The PRESIDENT pro tempore. Does the Senator desire to have the substitute read in full, or printed in the RECORD?

Mr. CARLSON. I ask unanimous consent that it may be incorporated in the RECORD by reference, as a bill introduced by me on March 18, 1955.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Kansas to the committee amendment as amended.

Under the unanimous-consent agreement the time is limited to an hour and 30 minutes, one-half of that time to be controlled by the Senator from Kansas and the other half by the majority leader [Mr. JOHNSON of Texas].

Mr. CARLSON. I yield myself 20 minutes.

Mr. President, I am offering, as a substitute for Senate bill No. 1 the text of Senate bill No. 1489.

I regret sincerely that I am unable to support Senate bill No. 1, which was reported by a majority of the members of the Senate Post Office and Civil Service Committee.

I think I have demonstrated my interest in behalf of our Federal employees, both from the standpoint of securing a substantial wage increase and fringe benefits, which are essential in modern-day employment.

I feel, however, that today we are confronted with a very realistic problem, and that the action taken by the Senate should be in accordance with the recommendations of the President in his message of January 11 to the Congress, in which he recommended legislation incorporating a modern and equitable salary plan for the postal service.

The President's proposal provides a substantial increase in the average wage of postal employees, along with a correction of serious inequities in the salary structure.

Mr. President, I ask unanimous consent that the President's message of January 11, 1955, may be printed in the RECORD as a part of my remarks at this point.

There being no objection, the message was ordered to be printed in the RECORD, as follows:

To the Congress of the United States:

The Post Office Department, in its daily operations, affects the entire life of the Republic, from the family home to the great industry. A vast business-type enterprise within Government, the Post Office Department, consequently, requires a continuing vigilance that its methods, practices, and policies assure the most efficient possible service to the public. The measures recommended in this message are designed to that end.

Last August 23, in announcing my disapproval of H. R. 7774, an act to increase the rates of compensation of classified, postal, and other employees of the Government, and for other purposes, I expressed a purpose to continue to encourage the enactment of legislation to correct obvious distortions in the pay scales of the postal service and to provide for a more proper and effective relationship between pay and work performed.

I also pointed out the necessity of adequate postage rates in order to check a deficit in the operation of the Post Office Department which since World War II has reached the staggering total of more than $4 billion.

An increase in the average wage of postal employees, along with correction of the serious inequities in the salary structure, is an essential step in bringing the wage scale into line with nongovernmental standards and in furthering the progressive personnel program to which the administration is committed. The increase must be accompanied by a salary plan which will place the wages for postal-service positions in proper relationship to each other so that inequities will be eliminated, incentive for advancement offered, and the principle of higher pay for more difficult and responsible work followed.

In order to accomplish these objectives, the Postmaster General will submit to the Congress a new postal-salary plan along with a 5-percent increase in basic-salary rates. This plan will include reasonably detailed descriptions of the series of key positions to which the great majority of postal employees are assigned. A rate range for each of these positions will be recommended and, together, this series of rate ranges will make up a related, uniform, and equitable salary schedule.

The Congress will be asked to include the key-position descriptions and their appropriate salary ranges in the legislation, thus assigning specific wage rates to the bulk of the positions common to all offices of the postal service.

The Post Office Department should then be granted the authority to allocate the remaining positions held by the relatively few employees whose work is not covered by a key position to the proper level in the salary schedule on the basis of a comparison of the duties and responsibilities of these positions with the duties and responsibilities of the key positions.

In the allocation of the positions other than the key positions to the proper salary level an appeal procedure will be provided. Further, to insure that the salary plan will not work to the disadvantage of any employee, the legislation proposed will incorporate a guaranty against reduction of salary so long as the employee occupies the same or a position comparable to that which he held at the time of the installation of the plan.

This legislation would eliminate the inequities inherent in the present inflexible system which requires assignment of all employees to a limited number of job titles, in many cases having no relation to the work actually performed. The present practice of paying salaries to some employees on the basis of the number of cubic feet in the area they supervise, or solely in relation to the number of employees under their direction, would be replaced by a system requiring that salaries be based on the actual duties and responsibilities of the position.

Under this plan, postmasters of the Nation would receive salaries commensurate with the volume of work and the level of the responsibility of their offices rather than solely on the basis of cash receipts which presently govern their compensation. This practice results in discrimination against those holding offices where incoming mail represents most of the business volume.

The total cost of wage adjustments in the postal service is estimated at $129 million a year. I recommend adoption of legislation incorporating these proposals.

The 83d Congress authorized appropriations to be made for the furnishing of uniforms or the payment of an annual allowance to employees, including those of the Post Office Department, required by law or regulation to wear a prescribed uniform while on official duty. This measure, when Congress makes funds available, will benefit post-office employees by an estimated $13,500,000 a year.

I am recommending in another special message today a health-insurance plan to round out the Federal personnel benefits program enacted by the 83d Congress. This program already has provided group life insurance, unemployment compensation, elimination of restrictions on permanent promotions and reinstatements, adjustment of the statutory limit on the number of career employees, elimination of arbitrary restrictions on accumulation of annual leave, and a liberalized incentive awards system.

I wish to reaffirm my position that sound fiscal management requires consideration of revenues as well as costs. To this end, I am

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requesting that Congress also consider legislation to adjust postal rates to provide needed revenue.

The combined postal deficits of the 156 years of our history as a nation, up to 1945, are far less than the losses sustained in the last 9 years. The anomaly of this situation is that the period which has witnessed this recordbreaking deficit in the operations of the postal service has also been a decade of unprecedented national prosperity. Employment, production, and use of the mails have been at an all-time high and yet postal deficits have occurred year after year. Clearly it is time to reaffirm the need for sound fiscal management of the Post Office Department and to develop a positive program toward this end.

In fiscal 1954 the Post Office Department received revenues of $2,268 million for services performed at a cost of $2,667 million, thus leaving a deficit of $399 million in its operation. The services performed by the Post Office Department are of measurable value to the recipients. When the rates of postal services fail to provide sufficient revenues to meet the total cost of the service, the difference must be made up by general tax revenues.

A practice of this kind is neither equitable nor reasonable; it is neither good business nor good government. Even if a case could be made for regarding the postal patron and the taxpayer as one and the same, prudence and good sense would compel us to face the fact that it is far more efficient to collect the necessary revenues in direct exchange for services at the post-office window than by the more costly methods of general taxation.

The Post Office is constantly working to reduce the deficit by improving the efficiency of its operations. During the last 2 years substantial progress has been made in organization, mail handling, transportation, mechanization, recordkeeping, and accounting methods. The Postmaster General has also taken the initiative in increasing rates and fees within his jurisdiction.

As a result of these measures there has been a recent reversal of the postwar trend of ever-increasing postal deficits. These are the operating deficits for each of the last 5 years:

Fiscal year:	*Operating deficit*
1950	$589,500,000
1951	551,500,000
1952	727,000,000
1953	618,800,000
1954	399,100,000

The large deficits in the postwar years are, in part, a direct consequence of the same inflationary increases in costs which all business operations have faced. Private business has increased prices of goods and services to offset increased costs of production. The Post Office operates in the same economic climate as private business. It must meet rising costs in very much the same way.

Since 1945, the largest part of the increase in postal expenditures is accounted for by salary increases legislated by Congress as follows:

Date	Public Law	Annual increase in cost to Post Office Department
July 1, 1945	134	$178,767,000
Do	106	786,000
Jan. 1, 1946	381	190,631,000
July 1, 1946	390	684,000
Nov. 1, 1949	428 500	112,489,000
Do	429	278,000
July 1, 1951	204	248,600,000
July 8, 1951	201	1,100,000

These wage adjustments, combined with an expansion in the number of postal employees necessary to handle the greater volume of mail, have resulted in an increase in total salary costs from $858 million in 1945 to $2,002 million in the last fiscal year.

The increases in wages and other costs since the end of World War II have affected all classes of mail. It is desirable that the rates governing each class of mail be advanced in fair proportion. The committees of Congress responsible for postal-rate legislation will, of course, want to consider carefully the specific rates for each class of mail. The Postmaster General will soon submit to Congress, in addition to his views on increases in postal pay, detailed recommendations for raising postal rates to more reasanable levels. I wish to emphasize at this time a few of the major considerations which seem to me important in raising rates.

1. First-class mail has always provided by far the greater part of postal revenues. In 1933 the revenue contribution of first-class mail was more than 55 percent of total Post Office revenues. In the last fiscal year first-class mail provided only 40 percent of such revenues although the proportion of first-class volume to the total volume was only 3 percentage points lower than in the earlier year. The failure of this type mail to maintain its revenue contribution is a major factor in the present postal deficit. There is, therefore, an urgent need to increase the rate of postage of first-class mail.

Postal rates are payments made by users of the mails for services received. The rate established for each service should reflect the value of that service in terms of speed, priority of handling, and the privileges incorporated in each class of mail. If these factors are taken into consideration in ratemaking, the revenue contribution of first-class mail is clearly inadequate.

The privacy, security, and swift dispatch of letter mail; the priority of service at all times, in all places; and the intrinsic value of such mail are factors which are pertinent to postal ratemaking in addition to the cost factor.

But the present 3-cent rate for first-class letter mail has not been increased in almost a quarter of a century. During this period the costs of all goods and services have almost doubled. I am convinced that the American people will understand, appreciate, respect, and support congressional action to provide for a long-overdue rate increase on letter mail which will go far toward balancing the postal budget.

2. The revenues derived from second-class mail are clearly inadequate. These rates which apply to newspapers and magazines should be increased until such matter makes a fair and reasonable contribution to postal revenues. The Postmaster General will recommend a two-step increase in second-class rates which will enable publishers to adjust more readily to the proposed rate changes.

3. Third-class mail consists largely of advertising matter. In fiscal year 1954 the revenue contribution of such mail fell substantially below the cost of providing service and was a major factor contributing to the postal deficit. The rates of postage on such matter should be increased so that the users of this class of mail pay a proportionately fair share of postal revenues.

In view of the recurring fiscal problems of the Post Office Department, and of the heavy burden which postal deficits continue to impose on the Federal Treasury, I strongly recommend to Congress the formal adoption of a policy which will insure that in the future the Post Office Department will be essentially self-supporting.

Certain services which are performed by the Post Office, such as those for the blind, are a part of general welfare services. The cost of such services should not be borne by users of the mails. Expenditures for them, and for services performed for the Government, should be identified and met by direct appropriation.

If the Post Office is successfully to meet the challenge of the future its prices must be sufficiently flexible to reflect changes in costs and the developing needs of a dynamic economy. It is my belief that an independent commission entrusted with the authority to establish and maintain fair and equitable postal rates can best provide this needed flexibility.

There are also other advantages. Such a commission, guided by policies laid down by the Congress, would have the time and facilities to make thorough analytical studies before prescribing rate changes. A commission well versed in the economics of modern pricing practices can continuously appraise and reappraise the soundness of the postal-rate structure. Legislation to secure these ends should be enacted by Congress.

With these views in mind I recommend to Congress the adoption of a temporary increase in postal rates as an interim measure, and the establishment and activation within the interim period of a permanent commission to prescribe future rate adjustments under broad policy guidance of Congress.

Let me reiterate—the financial problems of the postal service result, in large measure, from lack of a positive program leading toward a well-defined fiscal goal. I am, therefore, recommending to Congress the following 5-point program for the Post Office Department:

1. Approval of the new salary plan and a 5-percent increase in basic salary rates.

2. Adoption by Congress of the policy that henceforth the Post Office Department shall be self-supporting.

3. Separation of those postal costs to be paid by the patron from those costs which should be paid by general taxation.

4. Establishment by Congress of a permanent Commission authorized to prescribe postal-rate adjustments under policy guidance of Congress.

5. Enactment by Congress of an interim rate bill which will, pending activation of the Rate Commission, provide immediate revenue to meet proposed pay increases and reduce the postal deficit.

Approval of this program will be in the public interest for it will further assure efficient service by the Post Office Department.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, *January 11, 1955.*

POSTAL SALARIES

Mr. CARLSON. Mr. President, the salary plan proposed by the President in his January 11 message would place the wages for postal-service positions in proper relationship to each other, and would give effect to the principle of equal pay for equal work.

Senate bill 1489, which I offer as a substitute, embodies the essential features of the President's recommendations, and is identical with H. R. 4644, which was reported to the House by a bipartisan majority of 17 to 6 in the House Committee on Post Office and Civil Service, except that the salary schedule for rural carriers is adjusted so as to maintain the present relationship with the salaries for city carriers. That is the only variation in the substitute.

The substitute provides a general increase in salary for all postal field service employees, averaging 7.6 percent. For example, the present salary range for letter carriers and clerks, who make up 300,000 of the 500,000 employees of the postal field service, is $3,270 to $4,070 per annum. Under Senate bill 1489, which I offer as a substitute for S. 1, the range would become $3,640 to $4,360 per annum.

It is estimated that the total annual cost of the salary increases provided by the substitute would be $161,582,000.

POSTAL SALARY FACTS

Mr. President, I think we must keep certain facts in mind regarding postal employees and postal salaries. Prior to 1945 the range per annum was from $1,700 to $2,100. In 1951 the range was from $3,270 to $4,070. In other words, from 1945 to 1951 the annual basic salaries were increased from $1,700 to $3,270.

If my amendment is adopted, the basic salaries in 1955 will be increased from $3,270 to $3,640 and the range limit will be lifted from $4,070 in 1951 to $4,360. It seems to me that is a very substantial increase.

Postal employees enjoy some other benefits which I believe should be mentioned at this time. For instance, the employees of the Post Office Department have liberal vacations, ranging from a minimum of 13 working days for new employees to 26 days, or more than 5 weeks, for employees with 15 years or more of service. They have earned those benefits, but I believe it is important to keep that fact in mind when we consider pay classifications.

Postal employees also have 13 days of paid sick leave each year, which is cumulative if not used during the year. They have a 40-hour workweek. They have civil-service status and retirement benefits. Beginning this year, as a result of action taken at the last session of Congress, they will receive a tax-free uniform allowance of $100.

It seems to me those facts should be taken into account.

COST-OF-LIVING COMPARISONS

Since 1945 the cost of living has advanced 48.6 percent. During the same period the starting salary for clerks and letter carriers has been increased by 92 percent, from $1,700 in 1945 to $3,270 at the present time. Senate bill 1489, my substitute, would increase the starting salary to $3,640, or by 114 percent, as compared to 1945.

Since 1945 the top salary for clerks and carriers has increased by 94 percent, from $2,100 to $4,070. This does not include longevity payments of $100 each at the end of 13, 18, and 25 years of service. Senate bill 1489, which I am offering as a substitute, would increase the top rate to $4,360, or an increase of 108 percent, as compared to 1945.

The clerk or carrier working for the Department in 1945 at $1,700 will earn $4,360 upon passage of Senate bill 1489, an increase in basic salary of 156 percent.

ELIMINATES INEQUITIES

The substitute amendment establishes carefully developed schedules of compensation for each level of work, and these levels are interrelated so that employees who are performing duties which are similar or comparable from the standpoint of difficulty will be paid the same; those who are doing work of a higher level will be paid at commensurately higher rates. Thus, present serious inequities would be eliminated. No longer would some supervisor salaries be set on the sole basis of cubic feet supervised, or number of employees supervised, but rather on the sound basis of duties and responsibilities.

The substitute contains 50 key position descriptions, to which 90 percent of the postal employees are assigned. The salary level for each key position is set forth in the substitute. The 50 key positions are assigned to the schedule in their ascending importance. Thus, the key position of janitor is in salary level 1, that of regional director is assigned to the top salary level 21.

APPEAL RIGHTS PROVIDED

The positions occupied by the relatively few employees who are not in one of the 50 key positions will be ranked by the Post Office Department in relation to the key positions, and placed in the proper salary level of the schedule by the Department. Appeal rights to the Civil Service Commission are provided for the employee who feels that his position has been assigned to the wrong salary level.

As an employee's duties change, or as new positions are created because of technological improvements in the movement of mail, the Department will be able to assign the position to its proper salary level, and pay the employee accordingly. Under present law, the Department has been limited by the job titles set forth in Public Law 134, and the pay rates established for those job titles.

In addition to the postal field service compensation schedule with its 21 salary levels, the substitute provides separate compensation schedules adapted to their conditions of service for rural carriers and postmasters of fourth-class offices. The schedule for fourth-class-office postmasters contains 8 categories of annual receipts, instead of the 17 now provided. This means that slight changes in cash receipts will not so readily change the postmaster's compensation.

ELIMINATES DISCRIMINATION

The substitute provides a seven-step range of pay rates for each employee, so that he may advance in pay each year until he reaches the top step for his range. Under present law, postmasters and supervisors are paid at single rates and may not advance in the same job; rank-and-file employees have varying ranges of steps or grades through which they automatically advance. There is no valid reason for this discrimination.

The substitute provides that when an employee is promoted to a position in a higher salary level, he will receive a substantial guaranteed increase, in contrast to the present system which frequently involves a token increase or no increase at all.

The substitute also permits an increase to $9 in the present per diem allowance of $6 for railway post office clerks while in travel status.

The substitute provides longevity increases for substitutes and hourly rate employees for the first time. This is particularly important to the many substitutes in third-class offices, whose opportunities for conversion to regular status are seriously limited.

The substitute relaxes the ratio of classified substitutes to regular employees from the present ratio of 1 classified substitute for every 6 regulars to 1 for 5. This will permit the conversion of several thousand substitutes from indefinite or temporary tenure to career tenure.

BIWEEKLY PAY PERIODS

The substitute provides biweekly pay periods in place of the present semimonthly pay periods. This will permit standardization of the payday so that it will occur on the same day of each alternate week throughout the year. It will also serve to give employees an extra day's pay during the year.

The substitute provides new promotion opportunities for postal employees, by the creation of salary levels which permit for the first time the recognition of more responsible duties.

The substitute contains safeguards to employees, in the form of appeal rights, prohibition of reduction of present salaries plus 6 percent, and protection of the employee's salary plus the 6 percent even if it exceeds the normal range for his position.

SUMMARY

In summary, the substitute:

First. Provides an average increase of 7.6 percent along with an equitable basis for compensating postal employees, not only in terms of their own job requirements but also in relation to the duties and compensation of all other postal employees.

Second. It establishes salary levels which are proper in relation to each other and in relation to the wage standards of nongovernmental enterprises.

Third. It provides a number of supplemental benefits to employees, such as the longevity increases for substitutes, and the biweekly pay period.

Fourth. It affords safeguards to employees so that no one may be injured by its provisions.

Fifth. The cost is estimated at $161,582,000 a year.

And while removing present inequities, and preventing the introduction of new inequities, it also provides a pay structure which will encourage incentive for advancement and for improvement in the postal service.

Mr. President, I sincerely hope the Senate will consider seriously the amendment I have offered. I have offered it in the hope, in fact, with the knowledge, that if it is adopted it will become law within a reasonable time and that the employees will receive an increase to which they are not only entitled, but which they should justly have. The action of the Congress will determine how soon they may receive that increase.

Mr. PASTORE. Mr. President, will the Senator from Kansas yield?

Mr. CARLSON. I yield.

Mr. PASTORE. I wish to corroborate at the very outset the statement made by the distinguished Senator from Kansas. I believe no Member of the Senate has worked harder for the welfare of the employees than has the distinguished Senator from Kansas. But the question I should like to ask is this: Is not his amendment in the form of a substitute identical with H. R. 4644, which was repudiated by the House only last week?

Mr. CARLSON. Before answering the Senator's question, I wish to say that I

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appreciate his very kind remarks concerning my work. It is a pleasure to work with the distinguished Senator from Rhode Island on the committee. He has been very zealous in developing the proper base of compensation for postal employees. I know he and I have the same thought regarding the question.

My substitute is exactly the same as H. R. 4644, with one exception. That exception is with reference to the rural carriers of the Nation. They are granted the same step increase which was given the postal clerks in the House bill. Therefore, in my amendment the clerks and the rural carriers are all on the same basis.

Mr. PASTORE. Will the Senator not agree that that is a very small part of the amendment?

Mr. CARLSON. I think it is rather important, if I may say so to the distinguished Senator from Rhode Island.

Mr. PASTORE. The Senator has said that he has every confidence that if his substitute is passed it will be enacted into law. In view of the very large vote in opposition to the bill in the House, what disturbs me is how, from a practical point of view, the Senator can justify his very optimistic prediction. I am afraid that if we send the bill to the House amended as suggested by the Senator, the House will do precisely what it did last week to an identical bill.

Mr. CARLSON. It was my privilege to serve in the House of Representatives for 12 years. As the Senator knows, the occasion on which the House voted on H. R. 4644, the bill was considered under a suspension of the rules, which requires a two-thirds vote and places a limitation on debate of 20 minutes to a side. I have reasons to believe that many votes cast against the bill were cast against it because of the method by which it was brought before the House. Many Members wished to speak and to offer amendments. I think the vote in the House was not altogether based on the percentage points in either S. 1489 or in any other bill.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from Kansas.

Mr. JOHNSTON of South Carolina. Mr. President——

Mr. JOHNSON of Texas. Mr. President, I yield to the Senator from South Carolina such time as he may require.

The PRESIDENT pro tempore. The Senator from South Carolina is recognized.

Mr. JOHNSTON of South Carolina. Mr. President, I wish to bring to the attention of the Senate again some facts which I submitted yesterday.

Some features of the reclassification plan give me great concern, and also give a number of members of the Committee on Post Office and Civil Service much concern. I am reluctant to place in the hands of one man, however firm and competent he may be, the reins of control of persons who have career status in the postal service.

Please bear in mind that heretofore these employees have looked to Congress to see that they received just consideration in all matters affecting their work. If the Summerfield reclassification plan should go into effect and be incorporated into law, all the safeguards which we have heretofore had will be out the window, and Mr. Summerfield will be allowed to reclassify employees as he may see fit.

I am hesitant to buy a sealed package. The Postmaster General does not tell us what he is going to do, but if we read the administration bill we shall see that everything is dumped into his hands. So far as I am concerned, what is going to take place in the future in this regard is a mystery.

Specifically, under the Summerfield reclassification plan, I have been unable to ascertain what will happen in a great many cases. For example, in many offices will the positions of assistant postmasters be abolished? I should like to have someone answer that question. If those positions should be abolished, would the assistant postmasters now holding the jobs be dismissed, after having served for 15, 20, or 30 years? Would the Senate no longer have the power to confirm the nominations of postmasters in third-class offices, because the receipts of the offices did not come up to a level to be set by someone in the Department? Under the substitute, the Postmaster General would be given the right to determine that.

So if Senators vote for the amendment, they will be turning over such appointments to the Postmaster General, lock, stock, and barrel.

I do not believe the problems which we are facing today should be solved in this manner. The Committee on Post Office and Civil Service, considering reclassification, held long hearings and decided what should be done.

Senators should also remember that if they give to the Postmaster General the right of reclassification and the handling of these other matters, they should not come back and complain about it in the future, for they will have given the Postmaster General that right.

Therefore, I plead with Senators to adopt S. 1 as reported by the committee after holding extended hearings. That bill does not change everything; it simply increases the salaries. It does not give to one class of postal employees preference over another. It does not give some employees as much as a 63-percent increase in pay, and others as little as a 2-percent increase. Oh, Mr. President, the word "average" is a very important one. When we hear about the "average" in the Summerfield bill, we are not told about some of the smaller salaries which would be affected very little. Neither are we told that the pay of some employees would be increased 60 percent or more. It is my purpose to give the facts as they are, and then to let Senators be the judges of what they want done in regard to the matter.

As I see it, the postal service employees are entitled to a 10-percent pay raise. This should not be a reclassification bill; and certainly not a bill giving to the Postmaster General the power of reclassification. That kind of proposal should be thoroughly investigated and reported upon by the committee, and not be acted upon ab initio on floor.

Mr. PASTORE. Mr. President, will the Senator yield for a question?

Mr. JOHNSTON of South Carolina. I yield.

Mr. PASTORE. Would the Senator from South Carolina be interested to know precisely what would be the weekly increase in the salaries of 300,000 employees of the postal service, who constitute 66 percent of the entire personnel, as between a 7.6-percent increase, which we are told the President of the United States will endorse, and the 10-percent increase under S. 1, which is advocated by the Senate Committee on Post Office and Civil Service?

Mr. JOHNSTON of South Carolina. I think it would be enlightening to the Senate to have such information.

Mr. PASTORE. The increase under Senate bill 1 would be only $3.50 a week over that provided in the administration bill. If the point is being reached where the President of the United States will be irritated so much by an increase of $3.50 a week to a faithful Federal employee that he will endorse one bill but will veto the other, then I fear we have reached a sad day in the Government.

Mr. JOHNSTON of South Carolina. I am glad to have the remarks of the distinguished Senator from Rhode Island.

I have been receiving letters from various persons in regard to the situation. Although the postmasters of the United States endorsed the bill sponsored by the Postmaster General, I have found that some of them did not know what they were doing at the time they endorsed it. I have received a letter from the vice president of the National Association of Postmasters of the United States, whose office is in Greensboro, N. C. This is what he has to say:

DEAR SENATOR JOHNSTON: On behalf of the North Carolina postmasters, I want to thank you for the courageous stand you are taking relative to our legislation.

I have had very nice letters from Senator LANGER and Senator NEUBERGER relative to my stand on legislation. Why some of the Members of the House can't see the danger in H. R. 2987 is hard for me to see.

As our association endorsed the bill wholeheartedly, with the exception of my late opposition, I suppose we are to be blamed for not understanding the difficulties that could develop should H. R. 2987 be passed.

I hope that you and your committee will hold out for automatic promotion in all cases, rather than leaving it to the Department. It appears to me that there is enough classification in the amended S. 1 to satisfy everyone if they are fairminded about this whole matter.

There are a large number of postmasters and supervisors who would like to support your bill but are afraid of the consequences if they do.

Mr. President, there is much food for thought in that little sentence.

Hoping that I will have the opportunity of seeing you before so long, and with kindest regards and best wishes always,

Sincerely,

J. TRACY MOORE,
Vice President.

Do Senators know that the Postmaster General even tells the Postmasters' Association whom to invite to their national conventions? If they want to invite someone who is not favorable to the

Postmaster General, he tells them not to invite that person. That is how he controls the Postmasters' Association. If anyone doubts that statement, I can verify the statement that he controls the association. I have read the letter of one person who is willing to state the facts and tell how he feels about conditions.

We are now considering an amendment which is sponsored by the Postmaster General. I, for one, wish to go on record as strongly as I possibly can against it, and to warn the Senate that if we pass at this time the bill desired by the Postmaster General—the administration bill, so to speak—we shall have trouble in the future. There will be those working in the Post Office Department throughout the United States—city carriers and rural carriers, especially—who will be dissatisfied with such legislation. They have gone so far as to testify before the committee in opposition to the amendment. Rather than to have the kind of legislation represented by the amendment, they would prefer not to have an increase in pay. That shows how fearful they are of the proposed legislation which is endorsed by the Postmaster General and is now offered as an amendment to S. 1, the bill reported by the Committee on Post Office and Civil Service.

Mr. PASTORE. Mr. President, will the Senator yield for a question?

Mr. JOHNSTON of South Carolina. I yield for a question.

Mr. PASTORE. Is the Senator from South Carolina familiar with the fact that under the amendment in the nature of a substitute, individuals in certain positions ultimately, within perhaps a period of 7 years, would receive a $4,900 increase, as against the weekly increase of $3.50 for letter carriers, about which we are speaking?

Mr. JOHNSTON of South Carolina. That is true. That is why I am against the amendment in the nature of a substitute. It is not equitable to the postal workers throughout the United States.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD the letter I received from Mr. Moore, dated March 7, 1955, which I just read; and I shall read a statement from Mr. Moore, dated March 16, 1955.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

NATIONAL ASSOCIATION OF POSTMASTERS OF THE UNITED STATES,
Greensboro, N. C., March 7, 1955.

Hon. OLIN D. JOHNSTON,
Senate Office Building,
Washington, D. C.

DEAR SENATOR JOHNSTON: On behalf of the North Carolina postmasters I want to thank you for the courageous stand you are taking relative to our legislation.

I have had very nice letters from Senator LANGER and Senator NEUBERGER relative to my stand on legislation. Why some of the Members of the House can't see the danger in H. R. 2987 is hard for me to see.

As our association endorsed the bill wholeheartedly, with the exception of my late opposition, I suppose we are to be blamed for not understanding the difficulties that could develop should H. R. 2987 be passed.

I hope that you and your committee will hold out for automatic promotion in all cases, rather than leaving it to the Department. It appears to me that there is enough classification in the amended S. 1 to satisfy everyone if they are fair-minded about this whole matter.

There are a large number of postmasters and supervisors who would like to support your bill but are afraid of the consequences if they do.

Hoping that I will have the opportunity of seeing you before so long and with kindest personal regards and best wishes always,

Sincerely,

TRACY
J. Tracy Moore,
Vice President.

Mr. JOHNSTON of South Carolina. Mr. President, I find that Mr. Moore wrote as follows in his statement to which I have just referred:

As National Vice President John Fixa, a candidate for national president of our organization, has thought it wise to bring to the attention of our members information relative to the endorsement of H. R. 2987, I wish to make the following statement: I have no criticism to make of any member of the executive committee who feels that he or she was qualified to pass upon legislation affecting vitally every postmaster in the United States. I attended every meeting and even though our January 27 Postmasters News Flash states, "In executive session now underway in Washington our national officers and executive committee members have given time and serious attention to a close analysis of its provisions" (H. R. 2987), no copy or draft of the 109-page document was available when the vote of endorsement was taken. We did later receive a copy of the bill as presented but if anyone present studied the bill, other than those who had previously assured us of its desirability, the fact is not known to me.

In reply to Mr. Fixa's statement that questions could have been asked, it would have been impossible to ask an intelligent question about a bill which one had not read and which was evidently not understood by those who stated they helped draft the bill and sent a flash to our membership whereby no mention was made of the controversial features, such as section 501, paragraph B, re advancement on the basis of superior performance; section 604, on page 15, of the March 1955 Tarheel Postmaster; section 605, dual employment; and section 802, assignment of employees for a period not to exceed 1 year. (It must be remembered, as shown on page 11 of the Tarheel Postmaster that employee includes postmasters and other personnel.) I have called this to the attention of the members of the Post Office and Civil Service Committees and some of these items have been clarified or eliminated. If, as indicated in the last page of the February 11 NAPUS association News Flash, a second-class postmaster will not necessarily be in level 8, there is sufficient leeway in this bill for the Department to make different levels and steps applicable to postmasters or supervisors than appear applicable in the bill.

If that be so, if a Senator were a supervisor or postmaster, would he not be almost afraid to open his mouth?

I continue to read from the statement:

If H. R. 4644 is fair to all postmasters, what explanation is there that a postmaster, with no employees under his supervision, with receipts of $1,500 will get $4,630 at the end of the seventh step while the postmaster under the same bill with $1,499 in receipts will get $3,018, a difference of $1,612?

A second-class postmaster with $8,000 receipts and one with $39,999.99 would both receive the same salary, $5,910, at the end of the seventh step which would not appear to be "equal pay for equal responsibility." If H. R. 4644 is so written that this is not the case, it is subject to great variance in interpretation and no postmaster could know which of the several factors specified in the key positions was responsible for the salary he would receive. Amended S. 1 would not be subject to various interpretations.

A representative of the NAPUS, in testifying before the Post Office and Civil Service Committee of the House of Representatives on February 2, made the following statement: "Section 403 of H. R. 2987 not only guarantees that every fourth-class postmaster shall have an immediate 5-percent increase over his present salary, but that he will enjoy the same seven-step increases provided for postmasters of the larger class offices." This has been confusing to some postmasters as the number of steps of fourth-class postmasters ranges from 2 to 7.

If such a complete study of the bill was made by all responsible, why did the association, on the last page of the February 11 Flash state that "postmasters in level 10 or above will advance in the same manner to step 5," when the facts are they would advance into only step 4. Beyond this, the advance will only be made upon superior performance.

And who decides that? The postmasters do.

I continue with the statement:

In the fourth paragraph of Mr. John Fixa's letter, the following quotation is given verbatim:

"As one of your elected representatives to the national office, I am morally obliged to abide by the decision of the majority which it sincerely believes will accomplish the greatest good for the greatest number. Furthermore, it is a fundamental principle of parliamentary procedure, amply supported by legal precedent, that a majority decision is binding upon all and each is honorbound to abide by it. To do otherwise is to invite chaos, confusion, and misunderstanding. Evidence thereof is indicated in the March 1955 issue of North Carolina's Tarheel Postmaster which gives a partial schedule of salaries for fourth-class postmasters in the provisions of H. R. 2987 as originally proposed."

The schedule Mr. Fixa enclosed is most interesting as fourth-class postmasters now receiving $1,128, $1,327, and $1,441 will all receive at the seventh step $1,761, which further shows that fourth-class postmasters will receive from 10.2 to 54.2 percent increase, the highest increase in the lowest grade which is rapidly being eliminated.

Upon having my attention drawn to what were considered inequities in H. R. 2987, a long-distance call was made to our national president, Raymond V. McNamara, who had labored long and hard in trying to get a satisfactory bill, and I was told that he was unable to effect changes in the matters I considered possible of misinterpretation or that could be used to the detriment of postmasters, in effect weakening the civil-service law, of which we are so proud.

It was regretted, as stated, that it was necessary, in my opinion, to fulfill my obligation to those whose trust and confidence caused my election, to point out to those responsible for recommending this legislation to the Houses of Congress these inequities. As a past member of my State general assembly, I have had some experience in parliamentary law. In answer to Mr. Fixa's statement, it is a well-known fact that when one has voted while under a misapprehension, a correction is in order, and no one can truthfully state that these inequities were brought to the attention of the executive committee.

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To all those who feel that the decisions made by the executive committee were then and still are in the best interest of all concerned, I have no fault to find. In a democratic organization it is certainly the privilege of any individual or officer to express his individual opinion, officially or otherwise, and I have asked no member of the executive committee to change his stand but I feel that they are entitled to know my reason for the position that was taken. Many postmasters have written expressing the thought that more beneficial legislation will be the eventual result by a freer discussion of the pros and cons of the legislation considered at this time. As a candidate for national president, I realized that my action would not be popular with some sources. I grant that there are those who would have reason to prefer H. R. 2987 or the amended bill, H. R. 4644, to the amended S. 1, which as yet has not been shown to be unfair to any postal personnel.

All postmasters, except fourth-class postmasters, under the amended S. 1 will receive a minimum of $400 upon the effective date and $100 annually for 6 years, giving all these postmasters and supervisors at least $600 more than other employees at the end of the 6 years. This should be classification enough for the satisfaction of all those feeling a difference between employees, supervisors, and postmasters is needed.

This is written for publication in the Tarheel Postmaster as the North Carolina chapter, through its executive committee, unanimously endorsed S. 1 and is entitled to this information. All members of the executive committee and all State presidents, secretaries, and editors are on the Tarheel Postmaster mailing list.

Mr. LANGER. Mr. President, will the Senator from South Carolina yield for a question?

Mr. JOHNSTON of South Carolina I yield.

Mr. LANGER. I notice that only postmasters have been mentioned. What about the salaries of clerks and mail handlers?

Mr. JOHNSTON of South Carolina. I am trying to illustrate that the increases in salaries of such employees will be a meager amount.

Mr. LANGER. Will the Senator yield further?

Mr. JOHNSTON of South Carolina. Yes.

Mr. LANGER. As I understand, 4 or 5 years ago mail handlers at the bottom of the list were receiving a salary of $1,950. Veterans who had wives and children were supposed to live on a salary of $1,950. Congress raised the salaries for such employees about $400, with a provision that if the employees worked hard, they would get a $100 increment every year.

Does not the Senator think it is unfair to consider the percentage of proposed increases for mail handlers in view of the very low salaries such employees were getting about 5 years ago?

Mr. JOHNSTON of South Carolina. I think the Senator is entirely correct, especially when the increases in living costs are considered. Everyone has to eat, and sometimes the man receiving the lowest salary works harder and has to eat a little more than others.

Mr. LANGER. I believe the distinguished Senator was present at the time there was a hearing at which were present witnesses who testified that wives of some of the letter carriers had made their dresses out of uniforms which letter carriers had discarded. The letter carriers could not use the uniforms, because they were so worn and dilapidated, so the wives made dresses for themselves and clothes for their children out of them.

Mr. JOHNSTON of South Carolina. I remember that incident. I think the Senator was a member of the committee at that time.

Mr. LANGER. Is it not also true that at that time it was shown that a very large percentage of the clerks, letter carriers, and mail handlers, and some of the other postal employees received such low salaries that in many cases their wives had to take jobs, too?

Mr. JOHNSTON of South Carolina. That is true.

Mr. LANGER. And that as a result, there was delinquency among the children? Is not that true?

Mr. JOHNSTON of South Carolina. That is true.

Mr. LANGER. And that some of the men had to take two jobs?

Mr. JOHNSTON of South Carolina. That is also true in some instances.

Mr. LANGER. Is it not true at the present time?

Mr. JOHNSTON of South Carolina. Yes.

Mr. LANGER. Perhaps some of them have to drive cabs at night, in order to make both ends meet. Is not that true?

Mr. JOHNSTON of South Carolina. Yes. Furthermore, when they work such long hours, they come to work for the Government half worn out, already, and probably cannot give the kind of service they normally would give if they were paid decent wages and could devote their working hours to the Government, instead of working on the outside, as well.

Mr. LANGER. Is it not also true that when the Langer-Chavez retirement bill was passed, Congress barred from the provisions of that measure all the widows—some 5,000, who were receiving only $50 a month—and the act never was made retroactive, and even today those 5,000 widows are trying to get along on $50 a month?

Mr. JOHNSTON of South Carolina. That is true.

Mr. LANGER. Has not the distinguished Senator from South Carolina introduced a bill—a measure which I, together with other Senators, have had the pleasure of cosponsoring—in an effort to take care of the 5,000 widows who today are almost starving, because they are trying to live on $50 a month?

Mr. JOHNSTON of South Carolina. That is true.

Mr. LANGER. At the hearings, did not witness after witness testify that letter carriers, mail clerks, and other postal employees did not have enough money properly to educate their children?

Mr. JOHNSTON of South Carolina. Yes. In some instances it was brought out that they did not have enough money to educate their children—especially not enough money to send their children to college; and in some instances they had to take their children out of high school, and put them to work.

Mr. LANGER. We found instances, did we not, especially in the case of larger families, where boys 16 years of age had to be taken out of school, and put to work, in order to support the family?

Mr. JOHNSTON of South Carolina. That is true.

Mr. LANGER. Mr. President, let me add that the distinguished senior Senator from South Carolina [Mr. JOHNSTON] has done yeoman service in connection with this matter; and I think he understands it as well as does any other Member of the Senate. So let me ask him a further question, if he will yield further: Even if the 10-percent-pay-increase bill is enacted, will the take-home pay, as we discussed it yesterday, be equal to the take-home pay these Government employees received in 1939?

Mr. JOHNSTON of South Carolina. The take-home pay will still be less than what they received in 1939. Furthermore, we must also take into consideration the increase in the cost of living.

Mr. JOHNSON of Texas. Mr. President, will the Senator from South Carolina yield briefly to me?

Mr. JOHNSTON of South Carolina. I yield.

Mr. JOHNSON of Texas. I should like to inquire how much time remains to either side.

The PRESIDENT pro tempore. The Chair is advised that the Senator from Kansas [Mr. CARLSON] has 24 minutes remaining, and the Senator from Texas [Mr. JOHNSON] has 19 minutes remaining.

Mr. JOHNSON of Texas. Mr. President, does the Senator from South Carolina desire to take additional time now?

Mr. JOHNSTON of South Carolina. I should like to have about 3 more minutes.

Mr. JOHNSON of Texas. Then, Mr. President, I yield 3 more minutes to the Senator from South Carolina.

The PRESIDENT pro tempore. The Senator from South Carolina is recognized for 3 minutes more.

Mr. LEHMAN. Mr. President, will the Senator from South Carolina yield to me for a question?

Mr. JOHNSTON of South Carolina. I yield to the Senator from New York for a question.

Mr. LEHMAN. Will the chairman of the committee inform me when the last pay raise was given the postal workers?

Mr. JOHNSTON of South Carolina. On July 1, 1951.

Mr. LEHMAN. That was about 4 years ago, was it not?

Mr. JOHNSTON of South Carolina. Yes. Of course, the Senate already today has voted not to make the proposed pay increase retroactive. But in 1951, the pay increase bill was passed in October, as I recall; and we made it retroactive to July 1.

Mr. LEHMAN. I was very sorry that the Senate this morning voted down the provision of the pending bill which would have made this pay increase retroactive.

Mr. President, will the Senator from South Carolina yield for several other questions?

Mr. JOHNSTON of South Carolina. Yes, I yield.

Mr. LEHMAN. It has been approximately 4 years since the last pay increase was given the postal workers. Does the Senator from South Carolina know of many industries, or, in fact, of any industry in the country whose workers have not received some pay increase during the past 4 years?

Mr. JOHNSTON of South Carolina. I can truthfully say that I am not aware of any corporation in the United States that has not granted a pay increase to its employees during that period of time. Of course, there may be some corporations that have not granted pay increases in that period of time; I am not acquainted with all United States corporations; but I do not know of any that have not granted an increase in that period.

Mr. LEHMAN. I do not know of any, either.

Let me say that I have, of course, not analyzed the technical features of the bill as closely as the members of the committee have; but I understand that the beginning pay for truck drivers would be $3,590, in the postal service.

I wonder whether the Senator from South Carolina is familiar with a table prepared by the Bureau of Labor Statistics, which shows that whereas the starting salary of postal truck drivers is $3,590, the average salary of truck drivers in New York City is $4,118; in Cleveland, $4,243; and in San Francisco, $4,472. I know of no class of people who work harder than the postal employees do, or are more deserving of adequate pay.

The PRESIDENT pro tempore. The time allotted the Senator from South Carolina has expired.

Is there further yielding of time?

Mr. JOHNSON of Texas. Mr. President, does the Senator from South Carolina desire to have me yield him additional time?

Mr. JOHNSTON of South Carolina. Yes, if the Senator from New York wishes to ask me further questions.

Mr. LEHMAN. Yes; I should like to continue my questions.

Mr. JOHNSON of Texas. Then I yield 2 additional minutes to the Senator from South Carolina.

The PRESIDENT pro tempore. The Senator from South Carolina is recognized for 2 minutes more.

Mr. LEHMAN. Mr. President, if the Senator from South Carolina will yield further to me, let me say I know of no class of workers who work harder than do the postal employees. Yet, as a result of the proposed substitute bill, very wide discrepancies would appear. I believe that all categories of the postal workers are entitled to a 10-percent pay raise, and I shall strongly support that view and gladly vote for S. 1. It is in my opinion a fair and equitable bill.

Mr. JOHNSTON of South Carolina. Mr. President, I am glad to hear the Senator from New York make that statement. The position he takes on that matter is also my position, and of course it was the position of the committee.

We thought that our bill, which is easily understood—it provides for a 10-percent increase straight across the board—should be passed, rather than a bill calling for a 63-percent increase for some employees, a measly 7 percent or less for other employees.

Mr. BARKLEY. Mr. President, will the Senator from South Carolina yield to me?

Mr. JOHNSTON of South Carolina. I yield.

Mr. BARKLEY. What was the amount of the increase in 1951?

Mr. JOHNSTON of South Carolina. I do not have the figure before me; but so far as I recall, it was approximately 8 percent. I believe that is correct.

Mr. PASTORE. Mr. President, I rise to propound a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator from Rhode Island will state it.

Mr. PASTORE. If a motion is made to lay on the table the amendment in the nature of a substitute, will the Senator who makes the motion be entitled to 45 minutes?

The PRESIDENT pro tempore. Yes; under the unanimous-consent agreement.

Mr. PASTORE. I thank the Chair.

Mr. JOHNSTON of South Carolina. Mr. President, I yield the floor.

Mr. LANGER. Mr. President, I desire to serve notice now that at the proper time I shall move that the Senate reconsider the vote by which the amendment of the Senator from Virginia [Mr. BYRD] to the committee amendment was agreed to. When the vote on that amendment was taken and the amendment was agreed to, I was absent from the floor; and I wish to move that the Senate reconsider the vote by which the Byrd amendment to the committee amendment was agreed to.

Mr. CARLSON. Mr. President——

The PRESIDENT pro tempore. The Senator from Kansas is recognized.

Mr. PASTORE. Mr. President——

Mr. CARLSON. Mr. President, does the Senator from Rhode Island wish to speak at this time?

Mr. PASTORE. Mr. President, I would not wish to impose on the Senator from Kansas by speaking on his time against his amendment. I would prefer to have time yielded to me by the chairman of the committee, unless the Senator from Kansas has ample time to spare.

Mr. CARLSON. Inasmuch as 1 hour is available on the bill, even though that time might ordinarily be used immediately preceding the vote on the question of final passage, I suppose some of that time could be used now, if that would be agreeable to both sides. I should like to keep the time available to me, if the Senator from Rhode Island will permit me to do so.

Mr. PASTORE. Mr. President, a further parliamentary inquiry.

The PRESIDENT pro tempore. The Senator from Rhode Island will state it.

Mr. PASTORE. At this time, what Senators are in charge of the time?

The PRESIDENT pro tempore. The Senator from Kansas [Mr. CARLSON] and the majority leader [Mr. JOHNSON of Texas] are in charge of the time.

Mr. PASTORE. Mr. President, will the majority leader yield 5 minutes to me?

Mr. JOHNSON of Texas. Mr. President, in view of the time limitation, perhaps it will be agreeable to the Senator from Rhode Island to permit the Senator from Kansas [Mr. CARLSON] to speak at this time.

Mr. PASTORE. Very well.

Mr. CARLSON. Mr. President, there has been considerable discussion during the preceding debate concerning the power of the Postmaster General under the reclassification features of Senate bill 1489. I think there are some facts which should be placed in the RECORD.

Under Senate bill 1489, 92 percent of the jobs in the Post Office Department, or 456,365 of the 500,000 employees, would fall in the set levels of this bill which legislatively establish their job status. That leaves 8 percent yet to be determined which level they are to be placed.

It has been stated, with respect to these particular positions, that the Postmaster General has too much authority to grade these jobs. I should like to call attention to some amendments which have been placed in this bill to limit such authority. I will say, frankly, that I would insist on such amendments in the bill.

Section 202 of the bill authorizes an employee to appeal to the Civil Service Commission from any action taken by the Post Office Department in the assignment of a job to a key position or to a salary level. It also makes the decision of the Civil Service Commission mandatory on the Postmaster General. In other words, the Department could not in any way override the decision of the Civil Service Commission once the employee, feeling that he had been unfairly or unjustly treated, had made his appeal and the Commission had rendered a decision. It seems to me that is one thing which really protects the employee. Section 201 deals with that particular subject.

There are many other provisions in the bill. In fact, 20 amendments were offered to tighten it. Sections 201, 202, 203, 301, 302, 303, and 504 of H. R. 4644 would establish by law the grade and salary of more than 90 percent of the positions, and provide a mandatory procedure for establishing the salary level of all others. All these provisions are tightened as much as possible in this bill.

It has been mentioned that the increases are not in the 6-, 7-, or 8-percent bracket for some employees. Based upon a statement which has been submitted to me by the Post Office Department, the minimum increase for any one particular section or group in Senate bill 1489 is 6.1 percent, and that is for post-office supervisors. Clerks and mail handlers in second-class offices would receive 8 percent; clerks in third-class offices would receive 9.4 percent;

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city carriers would receive 8.2 percent, and so on down the list. The average is 7.6 percent.

I ask unanimous consent that the table to which I have been referring may be printed in the RECORD at this point as a part of my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Analysis of estimated additional annual cost of postal field salary bill, H. R. 4644 [1]

Account	Base increase	Percent increase	Conversion to schedule	Percent increase	Total annual cost	Percent increase
Post office inspectors	$400,200	6.0	$186,000	2.8	586,200	8.8
Clerks, inspection service	113,400	5.9	37,100	2.0	150,500	7.9
Postmasters	8,197,800	6.0	2,033,700	1.5	10,231,500	7.4
Post office supervisors	6,495,100	5.8	317,500	.3	6,812,600	6.1
Clerks and mail handlers, 1st- and 2d-class offices	45,553,000	5.9	16,246,100	2.1	61,799,100	8.0
Clerks, 3d-class offices	1,793,000	6.0	1,038,900	3.4	2,831,900	9.4
City carriers	30,134,500	5.9	11,579,100	2.3	41,713,600	8.2
Special delivery messengers	1,242,500	5.9	69,900	.3	1,312,400	6.3
Rural carriers	8,818,500	5.9	481,500	.3	9,300,000	6.2
Custodial service	3,358,700	5.9	541,300	1.0	3,900,000	6.9
Postal transportation service	10,226,500	5.9	1,473,500	.9	11,700,000	6.8
Stamped envelope agency	1,600	5.7	400	1.4	2,000	7.1
Vehicle service	1,964,900	6.0	415,100	1.3	2,380,000	7.3
Mechanicians and examiners	7,400	5.6	3,800	2.9	11,200	8.5
Equipment shops	49,200	6.5	1,800	.2	51,000	6.7
Total conversion cost for Public Law 134 employees	118,356,300	5.9	34,425,700	1.7	152,782,000	7.6
Regional employees (Classification Act)					1,000,000	7.5
Longevity increases for substitutes					1,000,000	
Substitute rural carriers pay on 312-day basis					2,000,000	
Total increase for personal services					156,782,000	7.8
Increase in travel cost for postal transportation service employees					3,600,000	
Total					160,382,000	

[1] Percentage increases are based on estimated salary costs, fiscal year 1955, including overtime, nightwork differential, terminal leave payments, and territorial cost of living allowances and longevity.

Mr. CARLSON. Mr. President, I think we need reclassification in the Post Office Department. Public Law 134, under which the Department has been operating for many years, has been amended and supplemented more than 160 times. We have passed pay bills with a minimum standard of $400, $300, and $200, and I have participated in securing their approval. But I think the time has come—in fact, I think it is past due—to write reclassification legislation which will bring about some order and system in the Post Office Department, in the interest of the employees. There may be some provisions of the particular bill which I have offered as an amendment which involves reclassification features. It may be that further study will indicate that certain changes should be made. I do not know of any. But if and when the bill goes to conference, if there are such items, I shall be the first to make every effort to correct them.

Mr. President, this is a step in building a modern post-office service. I want Members of the Senate to know that in my firm opinion the legislation proposed by amendment should be supported, and that the amendment should not be rejected merely because someone says there are a great many "bugs" in it, and that it is not workable. I believe it is. I believe it is necessary, and I sincerely hope the Senate will adopt this amendment.

Mr. PASTORE. Mr. President, will the Senator from South Carolina yield me 10 minutes?

Mr. JOHNSTON of South Carolina. I yield 10 minutes to the Senator from Rhode Island.

Mr. PASTORE. Mr. President, I shall vote against the amendment in the nature of a substitute, and I intend to vote for Senate bill 1. I shall vote for Senate bill 1 because it provides for a 10-percent increase across the board, with a floor of $400 in the event that the 10-percent increase does not equal $400 in certain categories. I feel that a 10-percent increase at this time is equitable, and that it is a fair solution of the problem of pay increases for the faithful employees of the Post Office Department.

The last time we gave heed to this great problem was almost 4 years ago. At that time, as most Senators will recall, we went through very much the same situation we are going through now. We were told time and time again, statistically, how much money the proposed increase would cost the American taxpayers, although at the same time, and in the same session, we were giving away billions of dollars to people all over the world without blinking an eyelash.

Now we are being told that the reason why the President would veto the committee bill, if it were enacted into law, is that it would cost $50 million more than would the amendment proposed by the distinguished Senator from Kansas.

Inasmuch as we are getting into the field of statistics, perhaps it would be well to recite some of the statistics which are involved in both these proposals.

If Senate bill 1 is enacted, the clerks and carriers of the Postal Department in the first grade will receive an annual increase of $430. If the amendment proposed by the distinguished Senator from Kansas [Mr. CARLSON] is adopted, they will receive $370 a year, which is a difference of $60. We are told on the floor of the Senate that if we give carriers in the first grade an increase of $60 more than is proposed by the amendment of the Senator from Kansas, the President of the United States will veto the bill. Sixty dollars a year is about $1.50 a week. So, a dollar and a half a week is going to irritate the White House to the extent that the bill will be vetoed.

Let us go from grade 1 to grade 2. Under the terms of the amendment proposed by the distinguished Senator from Kansas, employees in grade 2 would receive an increase of $270 a year, whereas under Senate bill 1, they would receive $430, or a difference of $160. We are being told that if we pass Senate bill 1, it will be vetoed, but that if we pass the bill in the form proposed by the Senator from Kansas, it will be approved by the White House. In the second example I have used, the difference would be $3 a week.

I realize that the budget is not balanced. I realize that no matter which of the two solutions the Senate adopts today, the budget will still be out of balance, not by millions of dollars but by billions of dollars. Whether we pass one proposal or the other, we shall still be handing out billions of dollars to people all over the world. Yet we are being told that we are so poor that we cannot give a letter carrier an increase in his compensation of $1.50 a week. If that is justifiable irritation, if that is justification for a veto, then I say we are wasting our time arguing one way or another on the proposed legislation.

We have gone through this argument time and time again. Last year we were told we could not afford a 5-percent increase unless we made the 3-cent stamp into a 4-cent stamp. We were told on this floor that if we did not raise the postal rate, we could not raise the salary of a letter carrier. I did not think those who said it meant it, but it seems they did mean it, for the bill was vetoed.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator yield?

Mr. PASTORE. I yield.

Mr. JOHNSTON of South Carolina. Is it not also true that in the field of classified employees, who were not affected by the postal rates, the bill for the classified workers was also vetoed?

Mr. PASTORE. Certainly. That shows how fallacious was their logic. They told us if we did not raise the price of a stamp, we could not increase the salary of a stenographer in a department of the Government not at all connected with the Post Office Department.

As Senators know, the argument which was made was that we could not afford it. Every time we talk about raising the salaries of Federal employees, we are told the Government cannot afford to raise them. Yet the same persons who make that argument tell us that we must be very generous in giving the money of American taxpayers to people all over the world.

Mr. President, I am not opposed to mutual assistance. I am not opposed to the Marshall plan; I am not opposed to foreign aid; but at the same time I am in favor of domestic aid. I am for the Federal employees, too. I am for the letter carriers, who make only a meager salary. In many instances their wives have to go to work in order to keep their families together. I have not seen a letter carrier riding around in a Cadillac.

Most of the letter carriers buy bread with their money. They buy food for their families. They try to send their children to college. I say to the Members of the Senate that unless we take measures to raise the wages of these employees and improve their morale, I am afraid we are going to demoralize the entire governmental structure.

What is involved here is a small amount. I realize that when we talk about millions of dollars it sounds like a great deal of money. However, we are talking also about a half million people. There are almost 500,000 men and women who work for the Post Office Department.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator yield?

Mr. PASTORE. I yield.

Mr. JOHNSTON of South Carolina. Is it not also true that out of any raise we give them approximately 20 percent or 25 percent will be deducted each month or every 2 weeks for income taxes?

Mr. PASTORE. I do not think there is an exemption given to anyone so far as income taxes are concerned, under either the amendment or the bill itself. Of course they will pay taxes, just as everybody else pays taxes.

Mr. JOHNSTON of South Carolina. Is it not also true that whatever increase the postal employees receive, the money will be put back into circulation, because they will buy bread and clothes and the necessities of life? In that way the money will be put back into circulation. That means that the money will turn over. That in itself will help to bring in additional income to the United States. Is that not correct?

Mr. PASTORE. The Senator is absolutely correct.

I wish to make one more argument before I take my seat. We are told in one breath we cannot afford to give the postal employees the increase provided by the committee bill. In the next breath we are told that in the schedule listed in the substitute amendment there are certain categories in which the pay raise, in a period of 6 years, will go up almost $5,000.

After all, Mr. President, about whom are we concerned? We are concerned with the little people. Every time we talk about a pay raise for these poor people, we are given a lot of statistics. Mr. President, let us forget statistics when we deal with human beings. We are dealing with governmental employees, who do not make a great deal of money.

Whatever form the increase takes it will not break the American bank. Between the bill and the substitute there may be a difference of $50 million one way or another. However, let us remember that in the Senate we have been getting into the habit of talking in terms of billions of dollars. I say to the Members of the Senate it is regrettable that $1.50 a week, or $3 a week, should constitute the difference between approving a piece of legislation and vetoing.

I tell Senators frankly that 10 percent is a fair amount. This bill should not be compromised on the floor of the Senate. We must go to conference with it. The House of Representatives has already rejected by a vote of 302 to 120 a bill which provided specifically and precisely what is provided in the amendment in the form of a substitute.

If we must compromise the bill, I say to the Members of the Senate that we should first pass S. 1. Let us get it into conference, and let us give the postal employees a raise before it is too late.

Mr. CARLSON. Mr. President, I yield myself 2 minutes.

The distinguished Senator from Rhode Island has made a very impassioned plea. It is a plea with which I should like very much to go along. However, I want to say that the vote we will cast today will not be a vote merely to increase the salaries of our postal workers. If we vote a 10-percent increase for postal workers, it will amount to a total of $220 million. If we do that, we will also have to provide—and we should—a 10-percent increase for classified workers, and that will aggregate $500 million. We will also have to vote an increase in salary for all those in the Military Establishment—and we should of course if we raise all other Government salaries—and that will total over a billion dollars.

Therefore, $1,750,000,000 is involved in the action the Senate takes today. It is not merely $40 million or $50 million, as the distinguished Senator from Rhode Island has stated.

So, Mr. President, I sincerely hope the Senate will consider seriously the position of the President of the United States. He has an obligation and a duty in connection with this matter. It is up to him to preserve and protect and keep strong and sound the fiscal position and policies of the United States. He has so stated. He came to Congress with a message. He wants to give the workers of the Government—postal, classified, and military—an increase in pay. He wants to give them a fair increase in pay. He is willing to accede to a 7.6-percent increase for the postal group.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. CARLSON. I shall yield later. Here we are about to vote a 10-percent pay increase for the postal workers. I cannot see how the President can do anything but veto a bill providing such an increase. If we vote a 10-percent increase for postal workers, it is obvious that we will vote a 10-percent increase for classified workers and a 10-percent increase for those in the Military Establishment.

I say very honestly that I have not discussed the 7.6-percent proposal with the President, but I have every assurance that he will sign a bill carrying a 7.6-percent increase. When he does so, the postal workers can have a salary increase next week.

The PRESIDENT pro tempore. The time of the Senator from Kansas has expired.

Mr. CARLSON. I yield myself an additional 2 minutes. When the President signs such a bill, the postal employees will have an increase in salary, the classified workers will have their increase in salary, and those serving in the military forces will have an increase in salary.

Why are we not practical in this body, instead of trying to engage in shadowboxing about what we would like to have? I, too, would like to have what the Senator from Rhode Island wants to have. However, I want our Federal workers to have a pay increase.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. CARLSON. I yield.

Mr. PASTORE. Will the Senator from Kansas deny the fact that ultimately the bill the Senate passes will have to go to conference? Will the Senator from Kansas deny that originally, when the President suggested an increase of 5 percent across the board, we were told that if we made it in excess of that amount the President would veto the bill? After some more thought the White House raised the amount to 7.6 percent. Who knows, by the time we get to conference the President may be willing to go along with 9 percent. If he is, I will accept it. That will be satisfactory to me. However, unless we pass a bill that will give us an opportunity to discuss the matter in conference, I am afraid we may end up without a bill.

Mr. CARLSON. I participated in securing an added increase of 1 percent. The bill I introduced originally carried an increase of 6 percent. I had considerable discussion with the executive branch of the Government looking toward getting the 1-percent increase. In other words I have already secured an additional $20 million through considerable effort and suasion. I know positively that we cannot increase it any more without running into difficulty.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator from Kansas yield?

Mr. CARLSON. I yield.

Mr. JOHNSTON of South Carolina. Under Senate bill 1, everyone knows exactly what a postmaster's increase in salary will be. Is not that correct?

Mr. CARLSON. Yes.

Mr. JOHNSTON of South Carolina. Can the Senator give me the name of one postmaster in the United States and tell me what his salary would be if his amendment should be adopted?

The PRESIDENT pro tempore. The time of the Senator from Kansas has expired.

Mr. CARLSON. Mr. President, I yield myself 1 more minute.

There are standards established which provide specific salaries. There should be no difficulty about that; there will be no problem.

Mr. JOHNSTON of South Carolina. Where in the Senator's amendment are they to be found?

Mr. CARLSON. They are in the amendment; there is no question about it.

Mr. JOHNSTON of South Carolina. A second-class postmaster at the present time is paid $4,770. Under Senate bill 1 we know what his salary will be. Under the administration bill, what will his salary be? I am objecting because we are asked to vote for a "pig in a poke," so to speak, and I should like to know what I am voting for.

Mr. CARLSON. The Senator is more familiar with the subject than I am. The

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receipts of a post office must be considered before the salary of any particular postmaster can be determined. My time is running out. The amendment is specific.

Mr. LANGER. Mr. President, I wish to offer an amendment to the bill.

The PRESIDENT pro tempore. No amendment is in order until the time has expired. The Senate is operating under extremely limited time. Does any Senator in control of the time yield to the Senator from North Dakota?

Mr. JOHNSTON of South Carolina. Mr. President, I yield 2 minutes to the Senator from North Dakota.

Mr. LANGER. Mr. President, all I wish to do is to submit an amendment to the substitute amendment of the Senator from Kansas [Mr. CARLSON]. My amendment is to strike out all of section 710, beginning on line 11, page 109, and extending down to line 15, on page 110, and to insert the following:

The provisions of this bill shall take effect on September 1, 1954.

The PRESIDENT pro tempore. The Senator cannot offer the amendment until the time has expired.

Mr. LANGER. I have offered it at this time.

The PRESIDENT pro tempore. The amendment is out of order.

Mr. CARLSON. Mr. President, how much time have I?

The PRESIDENT pro tempore. The Senator from Kansas has 7 minutes.

Mr. CARLSON. Mr. President, I yield 3 minutes to the Senator from New Jersey [Mr. CASE].

The PRESIDENT pro tempore. The Senator from New Jersey is recognized for 3 minutes.

Mr. CASE of New Jersey. Mr. President, S. 1 makes no provision for reclassification in the postal field service. For that reason, to my mind, it is an inadequate piece of legislation. Last year the President vetoed a postal salary bill which failed to provide for reclassification.

The original bill introduced by the Senator from Kansas and several colleagues, S. 773, provided for reclassification of the postal field service. I know the Senator from Kansas had in mind that S. 773 contained provisions which might require revision so far as reclassification was concerned, and I know he welcomed, as we all welcomed, the House committee's action in making such revisions. In Senate bill 1489, which the Senator from Kansas has offered as a substitute, provisions for reclassification thus modified are included.

The latter bill also provides for an across-the-board salary increase of 6 percent, and, with the reclassification provisions, it gives an average increase in the postal field service of approximately 7.6 percent. It seems to me it would be reasonable to increase it by, roughly, one more percentage point, selectively applied. I understand, however, it is the administration's firm position that the rate should not be increased. I understand its position to be very firm.

Therefore, Mr. President, I shall not, as I had once intended to, offer an amendment to raise certain of the rates provided by the Carlson substitute. I am very anxious that legislation should be passed reclassifying the postal field service and also giving a much needed and very greatly justified salary increase in the postal service, as well as the classified service, and the military. Nonetheless, I do not wish to present the President with something which he feels he must veto.

I shall not vote against the substitute; I shall vote for it.

Mr. KNOWLAND. Mr. President, will the Senator from Kansas yield me 1 minute?

Mr. CARLSON. I yield 1 minute to the minority leader.

Mr. KNOWLAND. Mr. President, I intend to support the substitute offered by the distinguished Senator from Kansas, former chairman of the Post Office and Civil Service Committee. I believe it is a step in the right direction. I believe reclassification is a necessary part of any postal legislation which may be passed. I believe the Congress should be interested in passing a bill which will benefit the postal workers and which will not be merely an empty gesture by failing to become the law of the land.

I believe the terms of the substitute offered by the Senator from Kansas are equitable. I do not believe the misgivings which some have expressed regarding reclassification have any foundation in fact. Over the course of many years the Congress of the United States has shown an interest in the postal workers. Should anyone in the executive branch of the Government or the Post Office Department abuse his powers under the Reclassification Act, the Congress of the United States can be advised of it and, at a subsequent session, can make such necessary amendments as might be necessary.

I do not believe that either the President of the United States or the Postmaster General wishes to do any injustice to a single postal worker. I do not believe the dire problems which have been mentioned in connection with reclassification will arise.

The PRESIDENT pro tempore. The time of the Senator has expired.

Mr. KNOWLAND. Mr. President, will the Senator from Kansas yield me 1 more minute?

Mr. CARLSON. Mr. President, I yield 1 more minute to the Senator from California.

Mr. KNOWLAND. I believe the amendment of the Senator from Kansas can become the law of the land, and the postal workers can receive the increases indicated.

Mr. President, I ask to have printed at this point in the RECORD, as a part of my remarks, a statement showing pay received by persons doing comparable work. The Carlson amendment in the nature of a substitute will, in fact, provide an equitable increase. Since 1945 the cost of living has increased, according to the Bureau of Labor Satistics, 48.6 percent. Under the Carlson substitute, the salary increases in the same 10-year period will show a substantial increase over that amount.

Up to the present time, the starting salaries of postal clerks and letter carriers have already been increased 92 percent in the same period.

Under the Carlson substitute, as I understand, the 10-year pay increase will be brought up to over 100 percent.

The PRESIDENT pro tempore. Without objection, the statement will be printed in the RECORD.

The statement follows:

STATEMENT BY SENATOR KNOWLAND

The objection has been raised that the Carlson substitute, which is the same as H. R. 4644, does not give the postal workers of this country a sufficient increase in salary to keep pace with the increase in the cost of living.

All of us want to do what is fair and equitable, so I have made some comparisons which I think will be of interest to the Senate.

Since 1945 the cost of living has increased, according to the Bureau of Labor Statistics, 48.6 percent.

The starting salaries of postal clerks and letter carriers have already been increased 92 percent in that same period.

The Carlson amendment in the nature of a substitute would raise that increase to 114 percent, from $1,700 in 1945 to $3,640 in 1955, much more than double the figure of 10 years ago.

A man or woman who was earning a starting salary of $1,700 in 1945 will receive, under the Carlson amendment, an increase in income of 156 percent.

As for a comparison with industry in general, I should like to cite the following figures:

According to the BLS Occupational Wage Survey, 1954, a class A accounting clerk in private industry earns $3,432 in Boston and $4,290 in Cleveland. If this position were in the postal field service it would be allocated to salary level 6 in H. R. 4644, and would pay $3,880 to $4,630 a year.

A truckdriver in Boston, according to the same survey, is paid $3,390 per year; in Atlanta and Memphis he is paid $2,558; in Cleveland he is paid $4,243. Under H. R. 4644 he would be paid $3,640 to $4,360.

A janitor in Boston in private industry earns $2,683 a year; in Memphis he receives $2,018; in Cleveland and Chicago he receives $3,182. H. R. 4644 will pay janitors $2,870 to $3,470 a year.

A guard or watchman in a private industrial plant in New York in 1954 was earning $2,870 to $3,245. The Post Office Department will pay its guards and watchmen under H. R. 4644 from $3,330 to $3,990 a year.

According to the Municipal Year Book, 1954, a truckdriver working for the city government is paid $3,744 in Philadelphia and $4,243 in Milwaukee. The Post Office Department under H. R. 4644 would pay $3,640 to $4,360.

An automobile mechanic receives $4,098 from the city of Philadelphia, $4,576 in Milwaukee, and $4,909 in San Francisco; H. R. 4644 would pay $3,880 to $4,630.

A junior clerk-typist receives $2,723 from the city of Philadelphia, $3,360 in Milwaukee, and $3,840 in San Francisco. H. R. 4644 would pay $3,330 to $3,990.

We all want to see the postal employee get a fair increase in salary, but we must be reasonable about this. If a flat 10-percent increase is passed, as provided in S. 1, postal salaries would be thrown out of all proportion insofar as private industry is concerned, and a series of inflationary increases would be started over the country, which would seriously imperil the economy.

S. 1 would cost $218 million, and would not solve a single problem in the present pay structure.

Mr. JOHNSON of Texas. Mr. President, I have no further requests for time.

Mr. LANGER. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator from North Dakota will state it.

Mr. LANGER. Has all time expired?

The PRESIDENT pro tempore. It has not expired.

Mr. JOHNSON of Texas. I suggest the absence of a quorum.

The PRESIDENT pro tempore. To whom is the time for a quorum call to be charged, all time not having expired?

Mr. JOHNSON of Texas. As I understand, the time for a quorum call preceding a vote is not chargeable to either side.

The PRESIDENT pro tempore. Until the time has expired, the time for a quorum call is chargeable to one side or the other. If the Senator from Texas desires to use his time for a quorum call, he may do so.

Mr. JOHNSON of Texas. I ask unanimous consent that there may be a quorum call, without the time for the quorum call being charged to either side.

The PRESIDENT pro tempore. Is there objection to the unanimous-consent request of the majority leader. The Chair hears none, and the clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Frear	McClellan
Allott	Fulbright	McNamara
Anderson	George	Millikin
Barkley	Goldwater	Monroney
Barrett	Gore	Morse
Beall	Green	Mundt
Bender	Hayden	Murray
Bennett	Hennings	Neely
Bible	Hickenlooper	Neuberger
Bricker	Hill	O'Mahoney
Bridges	Holland	Pastore
Bush	Hruska	Payne
Butler	Humphrey	Potter
Byrd	Ives	Purtell
Capehart	Jackson	Robertson
Carlson	Jenner	Saltonstall
Case, N. J.	Johnson, Tex.	Schoeppel
Case, S. Dak.	Johnston, S. C.	Scott
Chavez	Kefauver	Smathers
Clements	Kerr	Smith, Maine
Cotton	Knowland	Smith, N. J.
Curtis	Kuchel	Sparkman
Daniel	Langer	Stennis
Dirksen	Lehman	Symington
Douglas	Long	Thurmond
Duff	Magnuson	Thye
Dworshak	Malone	Watkins
Eastland	Mansfield	Welker
Ellender	Martin, Iowa	Wiley
Ervin	Martin, Pa.	Williams
Flanders	McCarthy	Young

Mr. CLEMENTS. I announce that the Senator from West Virginia [Mr. KILGORE], and the Senator from Georgia [Mr. RUSSELL] are absent on official business.

The Senator from Massachusetts [Mr. KENNEDY] is absent by leave of the Senate because of illness.

The PRESIDENT pro tempore. A quorum is present.

The Senator from Kansas has 3 minutes remaining to him, and the Senator from Texas has 4 minutes remaining to him.

Mr. CARLSON. Mr. President, I yield myself 3 minutes.

The PRESIDENT pro tempore. The Senator from Kansas is recognized for 3 minutes.

Mr. CARLSON. Mr. President, we are about to vote on proposed legislation which would provide pay increases for 500,000 postal employees. There are just two issues before the Senate at the present time. I have offered Senate bill 1489, which provides for an average 7.6 percent increase across the board for the postal workers of this Nation, as a substitute for Senate bill 1, which provides for a 10-percent increase across the board. As a matter of fact, it provides for a minimum increase of $400, which raises the percentage, but let us say 10 percent.

I wish to say very sincerely I would have liked very much to support the bill providing for a 10-percent increase; but above and beyond that, I want very much to secure a pay raise for the postal workers of the Nation. When we vote for a pay raise for the postal workers we will also vote to increase the salaries of classified Government workers and the salaries of military personnel.

I say very sincerely that, in my opinion, if we pass a bill providing an increase of 10 percent, none of the groups I have mentioned will get a pay increase. The Senate has an opportunity this morning to render a service to 500,000 employees in the postal service, 1½ million employees in the classified service, and 3 million persons in the military service, by keeping the proposed pay increase within the bounds the President has recommended.

I mentioned a few minutes earlier today that the issue is not whether or not the President would veto a bill providing for an additional expenditure of $20 million or $40 million. That is not the issue. The President has the responsibility of seeing to it that the Nation's fiscal policy is sound. If the Senate should vote for a 10-percent increase for the postal workers, it will have to vote for a 10-percent increase for the classified employees. The Senate should do so, and I would favor it. The Senate would then have to vote for a 10 percent pay increase for military personnel. The total cost of such an increase would be $1,476,000,000.

The President sent a message to Congress agreeing to salary increases which would cost about $1 billion in the three groups I have mentioned.

Why can we not be realistic and vote for the increase provided in the pending amendment, which proposal, in my opinion, would go to the House of Representatives and be accepted, and within 30 days postal workers and other employees could have their pay increases?

If we do not do that, there is grave danger that a pay increase may be delayed, not only for the present, but for this year.

I urged last year that a pay increase should be granted, but the Federal employees did not get it. I think they are entitled to a pay increase. I believe we should vote for a bill which would enable the employees I have mentioned to obtain an increase. Employees of the Government are becoming very much disturbed. I should like to read from a telegram I just received:

Federal employees pay raise becoming political football. Suggest you support less than 10 percent. Avoid Presidential veto.

This is what Federal employees are thinking throughout the country. Therefore I urge that the Senate vote for the substitute I have offered.

The PRESIDENT pro tempore. The time of the Senator from Kansas has expired.

Mr. JOHNSON of Texas. Mr. President, I yield my remaining time to the Senator from South Carolina [Mr. JOHNSTON].

The PRESIDENT pro tempore. The Senator from South Carolina is recognized for 4 minutes.

Mr. JOHNSTON of South Carolina. Mr. President, I wish to call the attention of the Senate to the fact that the question now before it is whether it is in favor of a 10-percent increase in pay for Federal employees, or a 6-percent increase, on a sliding scale, up to 63 percent for employees in the higher pay categories.

Another thing which I should like to call to the Senate's attention is the fact that not very long ago Senators voted for themselves an increase in pay of 50 percent, or $7,500 apiece. Now, when the postal employees come to this body and ask for an increase of 10 percent, some Senators wish to reduce the increase to 6 percent for the employees in the lower pay categories, and have a sliding scale upward for those in the higher categories.

When proponents of the amendment talk about a 7.6-percent increase, they do not mention the fact that that is the average pay increase proposed. That is not the percentage of increase proposed for the majority of the employees, but only for a minority of the employees, those who are in the higher pay brackets.

I believe there has been a little awakening since last year, because some Senators now suggest that the pay increase should be an average of 7.6 percent, when last year a 5-percent pay increase was voted for. I do not believe the mistake will again be made of vetoing a pay increase for many Federal employees who have nothing to do with the Post Office Department. Last year the pay increase involved 70 or 80 percent of Federal employees whose salaries were not affected by postal rates and whether the first-class postage rate should be increased from 3 to 4 cents.

With the various provisions in the amendment, including the sliding scales here and there, I have asked the author of the amendment to tell me what pay the various grades of postmasters would receive. But he does not know; he cannot say. He does not know what interpretations would be placed upon this measure if it were put into effect.

The PRESIDENT pro tempore. The time of the Senator from South Carolina has expired. All time on the amendment of the Senator from Kansas has expired.

Mr. JOHNSON of Texas. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator from Texas will state it.

Mr. JOHNSON of Texas. Is a motion to lay on the table the substitute of the Senator from Kansas now in order?

The PRESIDENT pro tempore. It is.

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Mr. JOHNSON of Texas. Then, Mr. President, I move to lay on the table the substitute offered by the Senator from Kansas [Mr. CARLSON].

The PRESIDENT pro tempore. The question is on agreeing to the motion to lay on the table the substitute submitted by the Senator from Kansas.

On this question, each side has 45 minutes.

Mr. JOHNSON of Texas. Mr. President, I understand that under the unanimous-consent agreement, each side has 45 minutes, even on the question of agreeing to the motion to lay on the table. I am prepared to waive the 45 minutes available to this side, if it will be agreeable to the Senator from Kansas to waive the time available to his side; and then I am prepared to request the yeas and nays on the question of agreeing to the motion to lay on the table.

Mr. CARLSON. I have no objection to having that done, if the yeas and nays are ordered.

Mr. JOHNSON of Texas. Then, Mr. President, I ask for the yeas and nays on the question of agreeing to my motion to lay on the table the substitute of the Senator from Kansas.

The yeas and nays were ordered.

Mr. JOHNSON of Texas. Mr. President, I now yield back the time available to my side.

Mr. CARLSON. Mr. President, I yield back the time available to my side.

The PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from Texas [Mr. JOHNSON] to lay on the table the substitute of the Senator from Kansas [Mr. CARLSON]. All time has been yielded back.

Mr. JOHNSON of Texas. Mr. President, I now suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Frear	McClellan
Allott	Fulbright	McNamara
Anderson	George	Millikin
Barkley	Goldwater	Monroney
Barrett	Gore	Morse
Beall	Green	Mundt
Bender	Hayden	Murray
Bennett	Hennings	Neely
Bible	Hickenlooper	Neuberger
Bricker	Hill	O'Mahoney
Bridges	Holland	Pastore
Bush	Hruska	Payne
Butler	Humphrey	Potter
Byrd	Ives	Purtell
Capehart	Jackson	Robertson
Carlson	Jenner	Saltonstall
Case, N. J.	Johnson, Tex.	Schoeppel
Case, S Dak.	Johnston, S. C.	Scott
Chavez	Kefauver	Smathers
Clements	Kerr	Smith, Maine
Cotton	Knowland	Smith, N. J.
Curtis	Kuchel	Sparkman
Daniel	Langer	Stennis
Dirksen	Lehman	Symington
Douglas	Long	Thurmond
Duff	Magnuson	Thye
Dworshak	Malone	Watkins
Eastland	Mansfield	Welker
Ellender	Martin, Iowa	Wiley
Ervin	Martin, Pa.	Williams
Flanders	McCarthy	Young

The PRESIDENT pro tempore. A quorum is present.

The question is on agreeing to the motion of the Senator from Texas [Mr. JOHNSON] to lay on the table the substitute offered by the Senator from Kansas [Mr. CARLSON].

On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CLEMENTS. I announce that the Senator from West Virginia [Mr. KILGORE] and the Senator from Georgia [Mr. RUSSELL] are absent on official business.

The Senator from Massachusetts [Mr. KENNEDY] is absent by leave of the Senate because of illness.

I further announce that on this vote the Senator from Massachusetts [Mr. KENNEDY] and the Senator from West Virginia [Mr. KILGORE], if present and voting, would vote "yea."

The yeas and nays resulted—yeas 52, nays 41, as follows:

YEAS—52

Anderson	Hennings	McClellan
Barkley	Hill	McNamara
Beall	Holland	Monroney
Bible	Humphrey	Morse
Butler	Ives	Murray
Chavez	Jackson	Neely
Clements	Johnson, Tex.	Neuberger
Daniel	Johnston, S. C.	O'Mahoney
Douglas	Kefauver	Pastore
Duff	Kerr	Scott
Ellender	Kuchel	Smathers
Ervin	Langer	Sparkman
Frear	Lehman	Stennis
Fulbright	Long	Symington
George	Magnuson	Thurmond
Gore	Malone	Young
Green	Mansfield	
Hayden	McCarthy	

NAYS—41

Aiken	Curtis	Payne
Allott	Dirksen	Potter
Barrett	Dworshak	Purtell
Bender	Eastland	Robertson
Bennett	Flanders	Saltonstall
Bricker	Goldwater	Schoeppel
Bridges	Hickenlooper	Smith, Maine
Bush	Hruska	Smith, N. J.
Byrd	Jenner	Thye
Capehart	Knowland	Watkins
Carlson	Martin, Iowa	Welker
Case, N. J.	Martin, Pa.	Wiley
Case, S Dak.	Millikin	Williams
Cotton	Mundt	

NOT VOTING—3

Kennedy	Kilgore	Russell

Mr. BARKLEY. Mr. President, how am I recorded?

The PRESDIENT pro tempore. The Senator from Kentucky is recorded as having voted in the affirmative.

Mr. MAGNUSON. Mr. President, how am I recorded?

The PRESIDENT pro tempore. The Senator from Washington is recorded as having voted in the affirmative.

Mr. BUTLER. Mr. President, how am I recorded?

The PRESIDENT pro tempore. The Senator from Maryland is recorded as having voted in the affirmative.

On this question, the yeas are 52 and the nays are 41; and the motion to lay on the table is agreed to.

Mr. LANGER. Mr. President, I now call up my motion to reconsider the vote by which the so-called Byrd amendment was agreed to during my absence. I ask that the Byrd amendment be read.

The PRESIDENT pro tempore. Without objection, the clerk will read the amendment.

The CHIEF CLERK. On page 7, beginning with line 23, it is proposed to strike out through line 24 on page 8, and to insert in lieu thereof the following:

SEC. 7. This act shall become effective on the first day of the first pay period which begins after the date of its enactment.

Mr. LANGER. Mr. President, if the motion to reconsider is agreed to, I intend to offer an amendment to date the increase back to the time the bill was vetoed by a pocket veto of the President last September. I think these employees are entitled to have a Senate vote on that question.

The PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from North Dakota. Does the Senator from North Dakota wish to yield time?

Mr. LANGER. Mr. President, I yield back my time.

Mr. JOHNSON of Texas. Mr. President, I yield back my time.

The PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from North Dakota to reconsider the vote by which the so-called Byrd amendment was agreed to. [Putting the question.]

Mr. MORSE. Mr. President, I ask for the yeas and nays.

The yeas and nays were not ordered.

The PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from North Dakota.

The motion was rejected.

The PRESIDENT pro tempore. The question now is on agreeing to the committee amendment in the nature of a substitute, as amended.

Mr. KNOWLAND. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. KNOWLAND. I wish to make sure that there will be a yea-and-nay vote on final passage of the bill. I wonder, from a parliamentary point of view, whether or not the yeas and nays could be now ordered on final passage of the bill, so that Senators will be on notice, without foreclosing the right to offer amendments.

I ask for the yeas and nays on final passage of the bill.

The yeas and nays were ordered.

The PRESIDENT pro tempore. The question is on agreeing to the committee amendment in the nature of a substitute, as amended.

Mr. CARLSON. Mr. President, I should like to ask the distinguished minority leader if he will yield 3 minutes to the distinguished Senator from Iowa [Mr. HICKENLOOPER], who desired to have me yield some time to him when I did not have it.

Mr. KNOWLAND. I am glad to yield 3 minutes to the Senator from Iowa [Mr. HICKENLOOPER].

The PRESIDENT pro tempore. The Senator from Iowa is recognized for 3 minutes.

Mr. HICKENLOOPER. I thank the minority leader.

Mr. President, in all the years I have been in the Senate I have supported every measure providing a salary increase for postal workers that has come before the Senate. I believe the postal workers should have an increase. I am also thoroughly convinced that if the 10-percent increase is voted, since the House has already acted on that question, there will be nothing to consider in conference. If a 10-percent bill is passed by Congress, I am convinced it

will be vetoed by the President. I am also convinced that such a veto cannot be overridden in Congress. I am speaking for no one except myself. I speak my own conviction.

I believe postal workers should have an increase, but, in my opinion, Senators who are supporting the 10-percent increase are unwittingly, unintentionally, but nevertheless factually creating a situation in which the postal workers will not receive an increase this year. I would support a 7.6-percent increase because I want the postal workers to get at least that much. I would support a greater increase if I thought it had a chance of final adoption. I am convinced it has no chance.

I shall not support a bill merely as a gesture and for the looks of the thing, knowing that in the end it cannot become a law. The postal employees deserve an increase, and they should actually get it. I would support more than a 7-percent increase if I thought there was the least chance of the postal workers getting it. I say that the postal workers themselves—not the lobbyists but the postal workers—should be put in a position where they will get at least a 7.6-percent increase. We should not go through what might be interpreted as a political manipulation for the sake of the record, with the post office employees at long last ending up with no increase at all, but with political ammunition being made available for use in the following campaign.

I am for the postal workers getting an increase. I want to look at the matter from a practical and a commonsense standpoint. I believe they can get a 7.6-percent increase, and I know they deserve it. I would support a greater increase, but I also want to be practical about this matter. That is my position.

SEVERAL SENATORS. Vote! Vote! Vote!

Mr. KNOWLAND. Mr. President, I yield myself 2 minutes.

Mr. President, I shall vote against the bill on final passage, now that the Carlson substitute has been tabled and any possibility of amending the substitute has been foreclosed by the motion to table.

Mr. President, if the bill passes the Senate, as I believe it will, it will go to the President carrying a 10-percent increase, with no reclassification features. It is my belief it will be an empty gesture. If a bill in that form goes to the President for his signature, it will mean——

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. KNOWLAND. Not at this point.

Mr. JOHNSON of Texas. I am willing to yield the Senator some of my time if he will yield to answer a question on the point he has just raised.

Mr. KNOWLAND. I shall be glad to yield later.

It is my belief that a bill calling for a 10-percent increase in the salaries of postal workers and having no reclassification provisions will not become law. If the bill is vetoed—and it is my belief it will be—I doubt very much that the veto will be overridden.

The Carlson substitute was a fair and equitable proposal to obtain reclassification and to obtain a salary increase for the postal workers. Such a bill could have been enacted into law. As the Senator from Iowa [Mr. HICKENLOOPER] has pointed out, to pass the bill proposing a 10-percent increase will be an empty gesture. Furthermore, we will not have passed a reclassification bill, although most of those who have observed the operation of the Post Office Department for many years believe reclassification is necessary and desirable.

SEVERAL SENATORS. Vote! Vote!

Mr. CAPEHART. Mr. President, will the Senator yield me 1 minute?

Mr. KNOWLAND. I yield 1 minute to the Senator from Indiana.

Mr. CAPEHART. I shall vote for the bill, because I believe the postal workers should have a salary increase. I would have preferred to have the matter worked out on a compromise basis of possibly 8 percent or 8½ percent. However, that seems to be out of the question now as a result of the last vote. Therefore, I shall vote for the bill, hoping that there will be enacted some beneficial legislation, because the postal workers deserve an increase. I should like to have had an opportunity to help in working out a compromise so that everybody could have been happy.

Mr. KNOWLAND. Mr. President, I yield 1 minute to the Senator from Illinois.

Mr. DIRKSEN. Mr. President, inasmuch as all time is controlled under the unanimous-consent agreement, an opportunity cannot be afforded to every Senator to express himself on the question. Therefore, I ask unanimous consent that I may insert at this point in the RECORD my prepared observations on the bill.

There being no objection, Mr. DIRKSEN's statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR DIRKSEN

On the pending measure I am moved by only one desire and that is to make certain that this time there will be a pay raise for postal employees and for all other classified employees in the Federal service. But very frankly it appears to me that we are confronted by the same situation which was before us on August 20, 1954, the last day of the 2d session of the 83d Congress.

Members of the Senate will remember that late in the afternoon, when the resolution to adjourn had already been adopted, the bill providing a 5-percent pay increase for postal workers was under consideration on the floor. The then majority leader, the Senator from California [Mr. KNOWLAND], offered the administration proposals for an increase in postal rates and graciously warned the Members that if the rate increase was not adopted the bill might encounter a veto. The warning was not heeded. In fact, there was a good deal of polite scoffing and the senior Senator from California was subjected to a rather spirited attack because he uttered the warning.

The best evidence will be found in reading the debate on that afternoon in August of 1954. The postal rate increase amendments were rejected by a vote of 55 to 16 and the bill, without further amendment, then passed by a vote of 69 to 4. At the hour of 10:50 that night, the Senate went home. Three days later, the bill was vetoed by a pocket veto, and the hopes of hundreds of thousands of employees were dashed.

Now it is 8 months later. In the House a bill is pending which provides on the basis of averages a pay increase of about 7.6 percent and contains reclassification features. This bill would be certain to have the approval of the President. That same bill in the form of a substitute which the Senator from Kansas [Mr. CARLSON] has placed before the Senate would by the same token merit approval. So much of the debate as I have been able to hear is a repetition of what occurred on August 20, 1954. The primary question, therefore, is, Shall we enact a pay bill that can be signed into law? There is virtual unanimity that there should be increases in pay and that they should be as generous as can reasonably be achieved. So the only question, therefore, is, What kind of a bill?

The administration position on this issue is very clear in the testimony which it presented to the committees both in the House and Senate. Those who formulated the bill took into account the overall cost, the effect on the Federal budget, the cost-of-living index, the comparable rates in industry, and the fringe benefits which have already been provided.

On the reclassification issue it has been made quite clear that the principle of equal pay for equal work should be preserved and that higher pay for increased responsibilities and higher qualifications should be observed as the very essence of the career system.

There has been spirited opposition in some quarters to the reclassification features in the House bill which are also carried in the Carlson substitute. The Senate bill carries no such provisions, and I think it is informative to go back to the Classification Act itself. It became law on October 28, 1949. It was enacted in the 81st Congress. There was no record vote either in the House or the Senate, and there appeared to be no opposition whatsoever. That was enacted long before President Eisenhower and Postmaster General Summerfield came upon the scene. That bill became law by the signature of President Truman.

Now let me point out that the first section of the act of 1949 reads as follows:

"It is the purpose of this chapter to provide a plan for classification of positions and for rates of basic compensation whereby (1) in determining the rate of basic compensation which an officer or employee shall receive (A) the principle of equal pay for substantially equal work shall be followed and (B) variations in the rates of basic compensation paid to different officers and employees shall be in proportion to substantial differences in difficulty, responsibility, and qualification requirements of work performed and to the contributions of officers and employees to efficiency and economy in the service."

The President did not write that on the statute books. The Postmaster General did not write that on the statute books. It was done by the two Houses of Congress and, to be exact, by Members presently serving in both the Senate and the House of Representatives.

Nor is that provision discretionary. The law provides that the above-stated principles "shall be followed." The President is responsible for the execution of the law. Congress directed him what to do, and he is doing it. It is now proposed in the bill before us that his recommendation for carrying out the provisions of the Classification Act should be rebuffed.

It may be said that it has not been enforced heretofore. That is scarcely an answer; nor is there anything in the committee bill which repeals the declaration of policy in the Classification Act. If there is, I could not find it; nor is there anything in the committee bill which relieves the President of the mandate which the law places upon him. If there are classification inequities in existing law, the committee bill does not remedy them. If the career principle is to be observed, the committee bill

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does not eliminate such inequities and provides no remedy. The act of 1949 has been on the statute books for 5½ years and the question is whether these inequities shall persist year after year or whether we shall remedy them now. It would almost appear to me under this mandate upon the President that he would be compelled to veto a measure which did not remedy the classification inequities.

The pay features have been generously discussed and there is little that I can add. The President has made it quite clear how far budget considerations would permit him to go, and so I can only conclude that the enactment of S. 1 would invite a veto, even as the bill which was passed on the 20th of August 1954 brought forth a veto which could not be considered since Congress adjourned on that day.

I reaffirm my primary and basic interest in the matter and that is to get a reasonably generous pay bill and to do so without delay. It seems to me, therefore, that the logical course to pursue is to support the Carlson substitute and, if that fails, to oppose the committee bill because it is fair to assume from the action taken by the House earlier this week that they might readily concur in S. 1 and thereby invite Executive action which will but delay the pay increases which the postal workers so richly deserve.

I can only add to this the context of the telegram which came to my desk on March 22 and reads as follows:

WASHINGTON, D. C., *March 22, 1955.*

Senator EVERETT M. DIRKSEN,
Senate Office Building,
Washington, D. C.:

We, the undersigned, representing the postmasters, supervisors, rural letter carriers, and special delivery messengers strongly urge you to vote to substitute Senator CARLSON'S S. 1489 for S. 1. The substitute bill would give all employees an equitable raise immediately and would promote the morale and efficiency of the postal service. We believe any other action will delay indefinitely or deprive 500,000 postal employees of a seriously needed salary increase.

NATIONAL RURAL LETTER CARRIERS ASSOCIATION,
WARREN B. BLEDSOE, *President.*
NATIONAL ASSOCIATION OF SPECIAL DELIVERY MESSENGERS,
GEORGE L. WARFEL, *President.*
NATIONAL ASSOCIATION OF POSTAL SUPERVISORS,
MICHAEL C. NAVE, *President.*
NATIONAL LEAGUE OF POSTMASTERS,
C. B. GRAVITT, JR., *Executive Secretary.*
NATIONAL ASSOCIATION OF POSTMASTERS OF THE UNITED STATES,
RAYMOND V. MCNAMARA, *President.*

This expresses a realistic view and I can only hope that such a view will prevail in the interest of expeditious action which will actually get a pay bill without delay.

Mr. BENDER. Mr. President, will the Senator from California yield?

Mr. KNOWLAND. I yield 1 minute to the Senator from Ohio.

Mr. BENDER. Mr. President, I should like to have the same privilege extended to me that was extended to the Senator from Illinois, to insert a statement in the RECORD at this point.

There being no objection, Mr. BENDER'S statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR BENDER

I have voted in opposition to the proposal to table the 7.6 percent postal pay raise because I wish to have the opportunity of supporting a compromise suggestion authorizing an 8.6 percent raise for postal workers.

It has always been my conviction that Government employees should be encouraged to remain in our service through the payment of attractive wages. We should strive for efficiency in our Federal departments by eliminating unnecessary workers, but those who are employed should be given every incentive to remain so long as they do their work efficiently and sincerely.

Our postal employees are people whom we have retained in service largely by reason of what was once considered an adequate retirement program. Today, this has lost much of its appeal because of rising living costs. We owe it to the thousands of people who are dependent upon their salaries in the postal service to give them every possible opportunity. I think that the proposed 8.6 percent postal raise can be provided within the framework of our Government's program of economy and I hope that it will be enacted by the Congress and approved by the President.

Mr. JOHNSON of Texas. Mr. President, I have one request from a Senator to speak for 1 minute. I am prepared to yield back all my time except 1 minute, if that is agreeable to the minority leader.

Mr. SALTONSTALL. Mr. President, I should like to speak for 1 minute.

Mr. JOHNSON of Texas. If the Senator from California is prepared to yield back all time except 1 minute, I am prepared to do likewise.

Mr. KNOWLAND. I should like to inquire whether any other Senators desire me to yield time to them. I understand the Senator from Wyoming [Mr. BARRETT], the Senator from Massachusetts [Mr. SALTONSTALL], and the Senator from Connecticut [Mr. PURTELL], each would like to speak for 1 minute. I first yield 1 minute to the Senator from Massachusetts.

Mr. SALTONSTALL. Mr. President, the Senator from Iowa [Mr. HICKENLOOPER] has very well expressed my feeling in regard to the pending legislation. I wish to make the additional point that there is now before the Armed Services Committee a bill to increase the pay of those in the Armed Services by approximately 6.7 percent. That bill has been approved by the House. There is also before the Senate a bill to raise the pay of the classified employees. If the postal pay bill is vetoed, as it has been suggested it may be, the postal emloyees will be without an increase in pay, at a time when the classified workers and those in the Armed Services will be receiving a pay increase. Therefore the postal employees will be at a disadvantage with the other Government employees, including members of the Armed Services.

Mr. BARRETT. Mr. President, will the Senator from California yield me 1 minute?

Mr. KNOWLAND. I yield 1 minute to the Senator from Wyoming.

Mr. BARRETT. Mr. President, I also wish to join in the sentiments expressed so ably by the Senator from Iowa [Mr. HICKENLOOPER]. I am sorry that we find ourselves in a predicament whereby it is certainly possible, if not probable, that legislation granting salary increases to postal employees will not become law at this session. I am certain that the 10-percent bill, S. 1, will be vetoed by the President.

I shall vote for S. 1, in the hope that the House will stand by its bill and that in conference a figure may be agreed upon which will be satisfactory to the administration. I am sorry that an amendment providing for an increase of 8.6 percent was not offered to S. 1, as I would have supported such a provision. I wish to say, Mr. President, that should S. 1 pass in its present form, and if the Chief Executive disapproves the bill, I shall not vote to override the President's veto.

Mr. JOHNSON of Texas. Mr. President, if the Senator from California is prepared to yield back the remainder of his time, I shall be glad to yield back all of my time except 2 minutes.

Mr. KNOWLAND. I understand that the Senator from Connecticut [Mr. PURTELL] does not desire to speak. I have no further requests for time, and therefore I am prepared to yield back the remainder of my time, in order that the Senate may vote.

Mr. JOHNSON of Texas. Mr. President, I yield back all my time, except 2 minutes which I yield to the Senator from Oklahoma [Mr. MONRONEY].

Mr. MONRONEY. Mr. President, the postal pay bill has not passed the House of Representatives. The House a few days ago refused to be gagged and compelled to rubber-stamp an administration bill. The bill is now pending before the Rules Committee by a two-thirds vote of the House, because they did not wish the bill of the Postmaster General to be rammed down their throats, and did not want to be dictated to by the Postmaster General. He attempted to dictate to us last year, and his action contributed toward bringing about a Presidential veto, in the face of the President's statement that the postal workers were entitled to a pay increase. But the President vetoed the bill, and for many months the postal workers have been denied the pay raise which the Congress by an overwhelming vote had given to them.

I feel that we must stand on our feet and pass the kind of legislation which is necessary to meet the conditions we face, and not be confronted every inch of the way, as we have been in the committee and on the floor, with the statement that we shall have a Presidential veto thrown at us—not by the President but by Mr. Summerfield, the Postmaster General.

Mr. President, I am becoming tired of being confronted with situations of that kind.

Mr. NEUBERGER subsequently said: Mr. President, I ask unanimous consent that a statement prepared by me, dealing with the 10-percent pay increase for postal employees, be printed in the RECORD, together with an article dealing with the same subject, written by William C. Doherty, president, National Association of Letter Carriers.

There being no objection, the statement and article were ordered to be printed in the RECORD, as follows:

TEN-PERCENT PAY INCREASE FOR POSTAL EMPLOYEES IS MERITED

As a member of the Committee on Post Office and Civil Service, I have had the opportunity to follow closely the testimony which

has been given on the alternative proposals for pay increases for the field service of the Post Office Department. I am convinced that anything less than the 10-percent raise provided by S. 1, of which I am a cosponsor, would be inadequate.

VETO OF PAY BILL DESTROYED EMPLOYEE MORALE

When President Eisenhower last summer vetoed the salary increase then adopted by the 83d Congress—which was under the leadership of his own party—it was a bitter disappointment to hundreds of thousands of postal employees and their families. The president of the National Association of Letter Carriers, in his testimony before our committee, said that the morale of the postal service reached an all-time low on August 23, 1954, when the President vetoed the bill known as H. R. 7774. I can say from my own experience—and I am sure the experience of other Senators agrees with mine—that this was indeed the case. Scores of individual clerks, mail handlers, and letter carriers told me last fall, and hundreds have written me since I have come to the Senate, of the unfairness which they feel has characterized the personnel policies of the present administration.

Now the administration has introduced a proposal, S. 1489, which, among other provisions, offers the postal employees a pay increase of 6 percent or, with certain adjustments in pay grades, 7½ percent. And we have again heard suggestions from the White House that any increase larger than that voted by the House Post Office and Civil Service Committee—this includes the increase contemplated by S. 1, for example—may again be vetoed by President Eisenhower.

I think that this attitude of the administration is completely unjustified. The administration took a long time to recommend even the modest increases of S. 773. As the distinguished Senator from Rhode Island [Mr. PASTORE] pointed out to the Postmaster General during the committee hearings, they were almost a year in recommending a 5-percent raise, and that year is past without any pay raise; yet there is no allowance for making up the loss to the postal employees.

Let us hope, at least, that the President has given up the quaint notion that those Federal employees who work in the post offices cannot get fair salaries until they produce sufficient postal revenues to pay for themselves. Let us hope that he has had some second thoughts since last August, when he vetoed the 1954 pay-raise bill because it did not include rate increases to bring the necessary additional revenue into the Post Office.

I should like to point out the great danger posed to our rural people by the claim that the Post Office should make a profit. Only about 6 percent of the 40,000 post offices in America pay their own way. Naturally, the post offices which lose the most money are in remote agricultural regions, where R. F. D. routes are long and expensive, and the population is comparatively small. To insist that the postal operation be on a money-making basis might lead to the elimination of many rural postal services. Yet these services are absolutely essential to maintain a sound agricultural economy and to provide necessary communication between our farm people and the rest of the population.

POST OFFICE IS A PUBLIC SERVICE, NOT A BUSINESS

The function of the postal service is what the name implies—service to the public. It is not a profit-seeking enterprise. If it were a profitable business, no doubt we should very soon hear that its continued operation by the Government is creeping socialism, and that the Government should get out of the mail business and turn it back to private enterprise. But it is not meant to be a business—it is a public service.

We do not increase the charges for passports and visas before giving the immigration service a pay boost. When we lower our tariffs under a reciprocal trade agreement, we do not cut the salaries of our customs officers. If each of our Federal services had to pay its way, the FBI and our armed services would disappear, including the generals. We would soon have nothing left but the Internal Revenue Service, which of course would be due for very substantial salary increases.

The absurdity of this position was plain last summer, and I trust it has been abandoned now. The determination of proper postal rates requires separate consideration and judgment on its own merits. But an increase in the compensation of the men and women who serve the public in the Nation's post office is long overdue. The need has been established and is now recognized even by the administration, albeit inadequately. I therefore support enactment of S. 1 as reported by the Committee on Post Office and Civil Service.

[From the American Federationist for April 1955]

STOP KICKING THE POSTAL WORKERS AROUND

(By William C. Doherty, president, National Association of Letter Carriers)

For those in private industry whose wages and working conditions are determined by collective bargaining processes, the procedure for establishing Federal salaries presents somewhat of a mystery. A man from Mars would probably be no more at a loss to understand governmental procedures than the average outside observer from our own planet.

This observation will be more easily accepted once it is understood that adjustment of Federal salaries does not generally follow the pattern of accepted economic standards or practices.

For example, the income needs of Government workers as measured against prices, living standards, and other accepted economic factors in wage disputes are almost entirely neglected. It is not that these needs are unacknowledged and then simply ignored for the most part. A classic example is to be found in the testimony of two responsible administration spokesmen before congressional committees in the 1951 wage hearings.

Both the Chairman of the Civil Service Commission and the Postmaster General at that time told Congress a minimum increase of 21 percent was required to restore 1939 purchasing power to the postal employees. This testimony certainly acknowledged the economic distress of the postal employees. However, having bowed in the direction of the facts in the case, these same spokesmen actually recommended less than 7 percent.

Another peculiarity of government is the absence of the human factor in wage negotiations. It is readily conceded this same void too often exists in salary determinations in private industry. However, the absence of the profit factor in government has the tendency to eliminate the human factor and substitute political considerations. A corporation showing high profits is more inclined to pay better wages, if not because of human impulses, at least in recognition of the fact that continued profits and high production depend in a large degree on satisfied employees. Government seemingly believes it is not necessary to follow this pattern, although it would be an equally effective self-serving device to its operation.

The monopolistic features of government make it virtually impossible to place a market value on the skills of an employee as can be done in a vigorously competitive industry.

Let us take a corporation which embarks on an expansion program. In the process more goods are finished and sold. The result is generally higher profits. The employee whose livelihood depends on how the market prices his labor can reasonably expect to participate in the company's increased profits in the form of better wages.

Paradoxical as it may seem, the opposite is true in government. Our Federal Government continues to grow. More and more services are made available to business, farmers, and other segments of our citizenry. The bigger our Federal system grows, the greater is the tendency to meet the cost of expansion from the employees' payroll.

In recent years a new type of thinking has permeated Government spending. It's the businessman's outlook. He both likes and dislikes Government spending. He likes it when it directly or indirectly enables business interests to progress, profits to increase, and dividends to multiply. But he is the first to label it "ruinous" when the knife cuts the other way, that is, when the conditions of organized labor and others who work for a living are improved.

Everybody remembers when the excess profits tax was ended. The move was hailed far and wide by big business. What it did to the Public Treasury and the already unbalanced budget was lost in the scramble to clip coupons and otherwise reap the windfall that came from increased corporation dividends. That was the kind of government action that "made sense" to businessmen in Government.

About the same time, postal and other Government workers were striving to secure a modest pay increase. No adjustment in wages had been made in almost 4 years, despite mounting prices and shrinking purchasing power. The Postmaster General, Mr. Summerfield, had the answer when the knife began to cut the other way.

The employees' request, piously proclaimed Mr. Summerfield, was nothing more than a "raid of the Treasury." That was the forerunner of this year's charge of "fiscal irresponsibility" pinned on the proposal to reduce personal income taxes by $20.

Practically every consideration of postal wages since the days of Ben Franklin has been saddled with the so-called postal deficit. Probably no other phase of government has been so widely publicized and so misunderstood as the cost of operating the postal establishment.

Postal deficits are composed of many things, not insufficient postage rates alone as some would have us believe. Not the least of the various contributing factors is the tremendous operating loss incurred in maintaining postal service wherever there are mail users. There are over 40,000 post offices, of which probably not more than 6 percent pay their way. It is not difficult to imagine how long private enterprise would maintain a like number of nonprofit branch offices. No small portion of the remaining annual cost results from public service policies approved by Congress. These consist of free and less-than-cost items carried as a matter of public service and in the general interest of all citizens.

Whether these policies shall be continued or eliminated should have no influence on employee wages. In the absence of any resolution of this age-old controversy, the employees should not be asked or expected to underwrite a portion of operating costs out of their wages.

There are those who use the specious argument that employee wages cannot be adjusted because the postal service already costs taxpayers too much money. It will no doubt come as a surprise to this group to learn that several functions and departments of Government are more costly than the Post Office Department. Proof of this statement will be found in the 1956 budget figures recently sent to Congress.

Table 7, on page A–14 of the Budget for Fiscal Year 1956, shows for the first time a comparison of the cost of the Federal Gov-

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ernment's benefits to business, labor, farmers, veterans, and other groups in the economy. The figures are quite revealing.

Heading the list are the veterans' benefits, which cost the Government approximately $4½ billion each year. Next come the farmers, who receive from $750 million to $1 billion annually, depending on the level of price supports. Business is listed as receiving benefits totaling $900 million. Included in this figure is the postal deficit charged to business because it presumably arises from losses sustained in handling the various classes of mail.

Our particular interest, however, was focused on the figures described by the imposing title, "Applicable Receipts of Public Enterprise Funds and Their Effect on Budget Expenditures." Reduced to simple language, these figures disclosed how much money each function and agency of Government received through general appropriations, the amount of receipts derived from outside Government sources, and the resulting net budget expenditure for each agency.

The figures for fiscal years 1954 and 1955 are shown in the table reproduced at the bottom of this page.

It requires no more than a cursory study of these figures to discover that only 2 agencies cost less than the Post Office Department in fiscal 1954; in fiscal 1955 the number was 3. Taking 1954 as a typical year, it will be found that postal operations resulted in only 0.4 percent of the $67.7 billion net budget expenditures.

In other words, postal revenue almost matched costs. Compare this 0.4 percent cost with other agencies: Independent offices, 9.5 percent; General services, 1.1 percent; House and Home Finance, 0.9 percent; Agriculture, 4.3 percent; Commerce, 1.4 percent; Defense (military functions), 59.5 percent; Defense (civil functions), 0.8 percent; Health, Education, and Welfare, 2.9 percent; Interior, 0.7 percent; Justice, 0.2 percent; Labor, 0.5 percent; State, 0.2 percent; Treasury, 10.8 percent.

A logical conclusion to the argument that wages should depend on income would mean the end of most Government functions and agencies. The appropriation for the legislative branch in fiscal 1954, for example, amounted to $58.9 million. No receipts are shown as public enterprise funds, so that the entire appropriation was a net budget expenditure.

Does this mean Congress should be dissolved because it is not paying its way? That would be senseless. No one in his right mind would even suggest the thought.

Does it mean Senators and House Members should not be paid a fair salary because the legislative branch does not pay its way? Of course it does not mean that. As a matter of fact, congressional wages were increased to $22,500 a few days ago. The approval was made on the basis of fairness and equity and not solely on living costs. There was no reference to income expenditures of the legislative branch or the existence of a deficit in its operations.

Agency	1954			1955		
	Gross budget expenditures	Applicable receipts	Net budget expenditures	Gross budget expenditures	Applicable receipts	Net budget expenditures
Independent offices	$9,950,288,256	$3,477,478,076	$6,472,810,180	$9,647,449,839	$2,559,257,179	$7,088,192,660
General Services Administration	808,228,980	2,692,389	805,536,591	1,173,501,645	4,322,112	1,169,179,533
Housing and Home Finance Agency	1,440,178,631	2,054,772,590	614,593,959	1,666,817,211	1,481,465,471	185,351,740
Department of Agriculture	5,963,486,471	3,048,016,548	2,915,469,923	7,364,748,085	3,940,614,232	3,424,133,853
Department of Commerce	1,083,467,296	83,580,113	999,887,183	1,179,577,228	19,069,318	1,160,507,910
Department of Defense:						
Military functions	40,336,252,986	479,753	40,335,773,233	34,375,430,700	430,700	34,375,000,000
Civil functions	707,809,290	102,725,752	605,083,538	624,092,895	92,650,681	531,442,214
Department of Health, Education, and Welfare	1,982,518,859	1,488,797	1,981,030,062	2,042,096,626	1,731,567	2,040,365,059
Department of the Interior	570,551,588	35,412,011	535,139,577	594,495,367	31,682,392	562,812,975
Department of Justice	182,643,091		182,643,091	185,379,295		185,379,295
Department of Labor	356,527,622	2,013,344	354,514,278	432,656,103	1,098,000	431,467,103
Post Office Department	2,686,297,013	2,374,591,710	311,705,303	2,740,605,808	2,472,951,701	267,654,107
Department of State	156,465,826		156,465,826	137,917,329		139,917,329
Treasury Department	7,339,117,951	366,990	7,338,750,961	7,732,406,717	608,410,087	7,123,996,630

A similar situation exists with respect to the judiciary. The appropriation was $28.3 million in fiscal 1954. No applicable receipts are listed. Should this mean the dissolution of the judiciary? Should it mean underpaid judges in our Federal courts? We think the answer is obvious on both counts. The Department of Defense, for both military and civil functions, accounted for more than 60 percent of the net expenditures shown. Should military pay be based on income? Certainly not, no more than a city government is expected to pay policemen and firemen on the basis of income realized by the police and fire departments.

Historically, postal wages have been considered in the light of postal deficits and to a lesser degree living costs. Invariably there is a generous mixture of political expediency involved. This approach to the wage problem is neither in accord with historic experience nor the laws of economics.

Wages are not quite so simple a problem; they are a complex of competitive forces, cost of living, productivity of the national economy, productivity of the individual firm and worker, collective bargaining, the American goal of a constantly rising standard of living and the demands of an economy predicated on mass production for a market through mass consumption. We find it impossible to adopt the simple and untenable theory of wages voiced by those who neglect increased productivity. Management has ever been vociferous in proclaiming that wages (in given wage disputes) could not be raised without a corresponding rise in productivity. Clearly, if wages are kept down because of inadequate productivity, they should be raised in accord with adequate and increased productivity.

It is a statistical fact that the postal service performs a variety of vital economic functions. A Senate study in 1954 made the following findings:

"Over the years postal revenues have tended to move with the total volume of goods and services the Nation produces. Both have risen, with postal revenues advancing faster.

"During World War II the Nation increased its per capita output more than 50 percent, and the post office gross per capita income advanced fully 75 percent. Since 1946, gains in postal revenues have continued to outstrip the increases in production."

"In 1938 pieces handled per man-year were 84.3 thousands; in 1952 they were 101.4 thousands."

"The overall picture, comparing 1938 to 1952, has been one of increased employment, increased volume, and increased productivity. From 1938 to 1952, employment increased 59 percent, while volume in pieces went up 92 percent. The great increase in volume handled over employment meant that a single employee handled 20 percent more mail per year in 1952 than in 1938."

This very thorough Senate investigation demonstrated the unmistakable role played by postal workers in both the increased productivity of the Nation and the postal service since 1938. Yet this is being completely ignored. The result is the worker is deprived of his historical participation in increased productivity.

There are those, too, who call on postal and other Federal employees to accept inadequate wages in the name of patriotism. This has been an infrequent suggestion, to be sure, but occasionally it is advanced.

Government workers are no different than other wage earners in shops, offices, and factories wherever located. They have no magic formulas or hidden tricks by which they can defy or even suspend the normal laws of economics.

By the same token, it is not profaning patriotism to insist that pious platitudes are no substitute for income. Statistics are not exchangeable for rent, food, and necessary personal services. There is nothing except income that a wage earner can use to purchase food, warmth, shelter, to say nothing of recreation and the health and education of his children. The presence of these conditions is the thing which converts existence into living. The absence of adequate income can only mean one or more of these must suffer. The inevitable result is an economically ill family.

Postal employees and other Government workers have had no wage adjustment since July 1951. Congress did approve a modest salary increase last year, only to have the President disapprove it by means of a pocket veto. In refusing to sign the bill, President Eisenhower stated, in part: "It ignores the necessity of revenue to pay for salary increase." Reference here was to the disinclination of Congress to tie in a postage-rate-increase bill.

The veto message did not concern itself about the need of a wage increase. There was no rebuttal to the justification for an adequate income. Again it was a case of using the postal operating deficit as a "whipping boy." The political overtones in reference to the failure to increase postage rates should not be overlooked.

Federal employees again are asking Congress to approve salary legislation. The executive council of the American Federation of Labor has unanimously endorsed bills pending before Congress to provide a 10-percent increase. This is described by the council as a "minimum amount due Government personnel."

The council's statement called on Congress and the executive branch of Government to take a constructive and nonpolitical view of the need for adequate salaries. Declared the council:

"The cost of government is properly the concern of each of us. No one advocates useless spending or the waste of our Public Treasury. However, in the matter of wages for Federal employees, there is involved a very human question as well as a moral obligation on the part of those responsible for determining salaries. The human question can be satisfied only if the worker is given a wage that will enable him to provide decent and adequate care for his family. A moral responsibility exists as long as Federal employees do not have collective-bargaining rights and in the absence of economic privileges accorded workers in private industry in a given wage dispute."

To those who refuse to recognize this human equation and moral obligation and to those who say it will not work, the cynical postal employee might say what George

Bernard Shaw once said of Christianity: "The only trouble with it is that it has never been tried."

The PRESIDENT pro tempore. The question is on agreeing to the committee amendment, as amended.

The committee amendment, as amended, was agreed to.

The PRESIDENT pro tempore. The question now is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

The PRESIDENT pro tempore. The bill having been read the third time, the question is, Shall it pass? On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CLEMENTS. I announce that the Senator from West Virginia [Mr. KILGORE] and the Senator from Georgia [Mr. RUSSELL] are absent on official business.

The Senator from Massachusetts [Mr. KENNEDY] is absent by leave of the Senate because of illness.

I further announce that on this vote the Senator from Massachusetts [Mr. KENNEDY] and the Senator from West Virginia [Mr. KILGORE], if present and voting, would vote "yea."

The result was announced—yeas 72, nays 21, as follows:

YEAS—72

Aiken	Fulbright	McClellan
Allott	George	McNamara
Anderson	Goldwater	Monroney
Barkley	Gore	Morse
Barrett	Green	Mundt
Beall	Hayden	Murray
Bender	Hennings	Neely
Bennett	Hill	Neuberger
Bible	Holland	O'Mahoney
Bush	Humphrey	Pastore
Butler	Ives	Payne
Capehart	Jackson	Potter
Case, N. J.	Johnson, Tex.	Purtell
Case, S Dak.	Johnston, S. C.	Scott
Chavez	Kefauver	Smathers
Clements	Kerr	Smith, Maine
Cotton	Kuchel	Sparkman
Daniel	Langer	Stennis
Douglas	Lehman	Symington
Duff	Long	Thurmond
Eastland	Magnuson	Thye
Ellender	Malone	Welker
Ervin	Mansfield	Wiley
Frear	McCarthy	Young

NAYS—21

Bricker	Flanders	Millikin
Bridges	Hickenlooper	Robertson
Byrd	Hruska	Saltonstall
Carlson	Jenner	Schoeppel
Curtis	Knowland	Smith, N. J.
Dirksen	Martin, Iowa	Watkins
Dworshak	Martin, Pa.	Williams

NOT VOTING—3

Kennedy	Kilgore	Russell

So the bill (S. 1) was passed.

Mr. JOHNSON of Texas. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. JOHNSTON of South Carolina. I move to lay on the table the motion of the Senator from Texas.

The PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from South Carolina to lay on the table the motion to reconsider.

The motion to lay on the table was agreed to.

FEDERAL EMPLOYEES PAY BILL, 1955

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 61, Senate bill 67, known as the classified employees pay bill.

The PRESIDENT pro tempore. The clerk will state the bill by title.

The LEGISLATIVE CLERK. A bill (S. 67) to adjust the rates of basic compensation of certain officers and employees of the Federal Government, and for other purposes.

The PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from Texas.

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Committee on Post Office and Civil Service with an amendment, to strike out all after the enacting clause, and insert:

That (a) section 603 (b) and section 603 (c) of the Classification Act of 1949, as amended, are amended to read as follows:

"(b) The compensation schedule for the general schedule shall be as follows:

"Grade	Per annum rates					
1	$2,700	$2,800	$2,900	$3,000	$3,100	$3,200	$3,300
2	3,050	3,150	3,250	3,350	3,450	3,550	3,650
3	3,300	3,400	3,500	3,600	3,700	3,800	3,900
4	3,575	3,675	3,775	3,875	3,975	4,075	4,175
5	3,850	4,000	4,150	4,300	4,450	4,600	4,750
6	4,275	4,425	4,575	4,725	4,875	5,025	5,175
7	4,725	4,875	5,025	5,175	5,325	5,475	5,625
8	5,175	5,325	5,475	5,625	5,775	5,925	6,075
9	5,650	5,800	5,950	6,100	6,250	6,400	6,550
10	6,125	6,275	6,425	6,575	6,725	6,875	7,025
11	6,600	6,825	7,050	7,275	7,500	7,725	
12	7,800	8,050	8,300	8,550	8,800	9,050	
13	9,100	9,350	9,600	9,850	10,100	10,350	
14	10,400	10,650	10,900	11,150	11,400	11,650	
15	11,700	11,950	12,200	12,450	12,700		
16	13,000	13,250	13,500	13,750	14,000		
17	14,100	14,350	14,600				
18	14,800						

"(c) (1) The compensation schedule for the crafts, protective, and custodial schedule shall be as follows:

"Grade	Per annum rates					
1	$1,900	$1,970	$2,040	$2,110	$2,180	$2,250	$2,320
2	2,550	2,630	2,710	2,790	2,870	2,950	2,030
3	2,700	2,800	2,900	3,000	3,100	3,200	3,300
4	3,050	3,150	3,250	3,350	3,450	3,550	3,650
5	3,300	3,400	3,500	3,600	3,700	3,800	3,900
6	3,575	3,675	3,775	3,875	3,975	4,075	4,175
7	3,850	4,000	4,150	4,300	4,450	4,600	4,750
8	4,275	4,425	4,575	4,725	4,875	5,025	5,175
9	4,725	4,875	5,025	5,175	5,325	5,475	5,625
10	5,175	5,325	5,475	5,625	5,775	5,925	6,075

"(2) Charwomen working part time shall be paid at the rate of $2,870 per annum, and head charwomen working part time at the rate of $3,030 per annum."

(b) The rates of basic compensation of officers and employees to whom this section applies shall be initially adjusted as follows:

(1) If the officer or employee is receiving basic compensation immediately prior to the effective date of this section at one of the scheduled or longevity rates provided by the Classification Act of 1949, as amended, he shall receive a rate of basic compensation at the corresponding scheduled or longevity rate in effect on and after such date;

(2) If the officer or employee is receiving basic compensation immediately prior to the effective date of this section at a rate between 2 scheduled or 2 longevity rates, or between a scheduled rate and a longevity rate, provided by the Classification Act of 1949, as amended, he shall receive a rate of basic compensation at the higher of the 2 corresponding rates in effect on and after such date;

(3) If his rate immediately prior to the effective date of this act was in excess of the maximum longevity rate of the grade, he shall be paid at a rate equal to the rate at which he was paid immediately prior to such date, increased by an amount equal to the amount of the increase made by this act in such maximum longevity rate;

(4) If he is a part-time char employee and his rate immediately prior to the effective date of this act was in excess of the rate provided for his position under section 603 (c) (2) of the Classification Act of 1949, as amended, he shall be paid at a rate equal to the rate at which he was paid immediately prior to such effective date, increased by an amount equal to the amount of the increase made by this act in the rate for like positions under such section;

(5) If the officer or employee, immediately prior to the effective date of this section, is in a position in grade 16 or 17 of the general schedule, and is receiving a rate of basic compensation in excess of the maximum scheduled rate of his grade as provided in this section, he shall continue to receive basic compensation without change in rate until (A) he leaves such position or (B) he is entitled to receive basic compensation at a higher rate by reason of the operation of the Classification Act of 1949, as amended; but when such position becomes vacant, the rate of basic compensation of any subsequent appointee shall be fixed in accordance with such act, as amended.

(c) Each officer or employee (1) who with his position has been transferred from the crafts, protective, and custodial schedule or the general schedule to a prevailing rate schedule pursuant to title I of the act of September 1, 1954 (Public Law 763, 83d Cong.), prior to the effective date of this section, (2) who is on such effective date being compensated under such prevailing rate schedule, and (3) whose rate of basic compensation is less on the effective date of this section than the rate to which he would have been entitled on such effective date if such transfer had not occurred (unless he is receiving such lesser rate by reason of an adverse personnel action resulting from his own fault), shall be paid basic compensation at a rate equal to the rate which he would have been receiving on such effective date (including compensation for each within-grade and longevity step increase, which he would have earned) if such transfer had not occurred until the day immediately following such effective date, until (A) he leaves the position which he holds on such effective date, or (B) he is entitled to receive basic compensation at a higher rate under prevailing rate schedules; but when such position becomes vacant, the rate of basic compensation of any subsequent appointee thereto shall be fixed in accordance with such prevailing rate schedules.

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SEC. 2. The Civil Service Commission shall make (1) a study of the effects and desirability of eliminating present grades 6, 8, and 10 of the General Schedule of the Classification Act of 1949, as amended, including the desirability of changes in the salary ranges of the remaining grades of the General Schedule that should accompany the elimination of grades 6, 8, and 10, and (2) a study of the effects and desirability of establishing for supervisors whose compensation is fixed under the Classification Act of 1949, as amended, and who regularly have responsibility for the supervision of employees whose compensation is fixed and adjusted in accordance with prevailing rates, rates of compensation not less than 5 percent above the highest rate of basic compensation being paid to any such prevailing rate employee regularly supervised. The Commission shall submit a report to the Post Office and Civil Service Committee of the Senate at the earliest possible date, setting forh its findings and such recommendations as it may deem advisable.

SEC. 3. (a) The rates of basic compensation of officers and employees in or under the judicial branch of the Government whose rates of compensation are fixed pursuant to section 62 (2) of the Bankruptcy Act (11 U. S. C. 102 (a) (2)), section 3656 of title 18 of the United States Code, the second and third sentences of section 603, section 604 (5), or sections 672 to 675, inclusive, of title 28 of the United States Code, or who are appointed pursuant to section 792 (b) of title 28 of the United States Code, are hereby increased by 10 percent or $200 per annum, whichever is greater.

(b) The limitations of $10,560 and $14,355 with respect to the aggregate salaries payable to secretaries and law clerks of circuit and district judges, contained in the paragraph under the heading "Salaries of Supporting Personnel" in the Judiciary Appropriation Act, 1955 (Public Law 470, 83d Cong.), or in any subsequent appropriation act, shall be increased by the amounts necessary to pay the additional basic compensation provided by this act.

(c) Section 753 (e) of title 28 of the United States Code (relating to the compensation of court reporters for district courts) is amended by striking out "$6,000" and inserting in lieu thereof "$6,600."

SEC. 4. (a) Each officer and employee in or under the legislative branch of the Government (other than an employee in the office of a Senator) whose rate of compensation is increased by section 5 of the Federal Employees Pay Act of 1946 shall be paid additional compensation at the rate of 10 percent of the aggregate rate of his basic compensation and the rate of the additional compensation received by him under sections 501 and 502 of the Federal Employees Pay Act of 1945, as amended, section 301 of the Postal Rate Revision and Federal Employees Salary Act of 1948, the provisions under the heading "Increased pay for legislative employees" in the Second Supplemental Appropriation Act, 1950, and the act of October 24, 1951 (Public Law 201, 82d Cong.), except that no such officer or employee shall be paid additional compensation at a rate less than $200 per annum.

(b) Section 2 (b) of the act of October 24, 1951 (Public Law 201, 82d Cong.), is amended by striking out "$11,646" and inserting in lieu thereof "$12,810."

(c) (1) The aggregate amount of the basic compensation authorized to be paid for administrative and clerical assistance and messenger service in the offices of Senators is hereby increaed by—

(A) $5,220 in the case of Senators from States the population of which is less than 3 million;

(B) $6,120 in the case of Senators from States the population of which is 3 million or more but less than 5 million;

(C) $6,960 in the case of Senators from States the population of which is 5 million or more but less than 10 million; and

(D) $7,080 in the case of Senators from States the population of which is 10 million or more.

(2) The second proviso in the paragraph relating to the authority of Senators to rearrange the basic salaries of employees in their respective offices, which appears in the Legislative Branch Appropriation Act, 1947, as amended (2 U. S. C. 60f), is amended by striking out "$5,880" and inserting in lieu thereof "$6,540"; by striking out "$7,320" and inserting in lieu thereof "$8,160"; and by striking out "$8,400" and inserting in lieu thereof "$9,180."

(3) Notwithstanding the third proviso in such paragraph, any increase in the compensation of an employee in a Senator's office shall take effect on the effective date of this act or on the date such employee became employed, whichever is later, if (A) the certification filed by such Senator under such proviso so provides, (B) such certification is filed in the disbursing office of the Senate not later than 15 days following the date of enactment of this act, and (C) the amount of such increase does not exceed the amount of the increase which would be payable in the case of such employee if he were subject to the provisions of subsection (a) of this section plus any additional amount which may result from fixing the rate of basic ocmpensation at the lowest multiple of $60 which will result in an increase not less than the amount of such increase which would be payable under subsection (a).

(d) The rates of basic compensation of each of the elected officers of the Senate and the House of Representatives (not including the presiding officers of the two Houses), the Parliamentarian of the Senate, the Parliamentarian of the House of Representatives, the legislative counsel of the Senate, the legislative counsel of the House of Representatives, and the coordinator of information of the House of Representatives are hereby increased by 10 percent.

(e) The provisions of subsection (a) shall not apply to employees whose compensation is paid from the appropriation contained in the paragraph designated "Folding documents" under the heading "Contingent expenses of the Senate," or the appropriation contained in the paragraph designated "Folding documents" under the heading "Contingent expenses of the House," in the Legislative Appropriation Act, 1955 (Public Law 470, 83d Cong.). The limitations contained in such paragraphs are hereby increased by 10 percent.

(f) The Official Reporters of Proceedings and Debates of the Senate and their employees shall be considered to be officers or employees in or under the legislative branch of the Government within the meaning of subsection (a) and the provisions of law referred to in such subsection.

(g) The additional compensation provided by subsection (a) and the provisions of law referred to in such subsection shall be considered a part of basic compensation for the purposes of the Civil Service Retirement Act of May 29, 1930, as amended.

SEC. 5. Section 66 of the Farm Credit Act of 1933 (48 Stat. 269) is hereby amended to read as follows:

"SEC. 66. No director, officer, or employee of the Central Bank for Cooperatives, or of any production credit corporation, production credit association, or bank for cooperatives shall be paid compensation at a rate in excess of $14,800 per annum."

SEC. 6. (a) The rates of basic cocpensation of officers and employees in the Department of Medicine and Surgery in the Veterans' Administration whose rates of basic compensation are provided by Public Law 293, 79th Congress, approved January 3, 1946, as amended, are hereby increased by 10 percent or $200 per annum, whichever is greater.

(b) Section 8 (d) of Public Law 293, 79th Congress, as amended, is amended by striking out "$12,800" and inserting in lieu thereof "$14,080."

SEC. 7. The rates of basic compensation provided by sections 412 and 415 of the Foreign Service Act of 1946, as amended, are hereby increased by 10 percent or $200 per annum, whichever is greater.

SEC. 8. Notwithstanding any other provision of this act, no rate of compensation which is $14,800 or more per annum shall be increased by this act, and no rate of compensation shall be increased by this act to an amount in excess of $14,800 per annum.

SEC. 9. (a) This act shall become effective as of the first day of the first pay period which begins after December 31, 1954, but no payment shall be required to be made under this act before the first day of the first pay period which begins more than 60 days after enactment.

(b) Retroactive compensation under this act shall be paid only in case of an individual in the service of the United States (including service in the Armed Forces of the United States) or of the municipal government of the District of Columbia on the date of enactment of this act, except that such retroactive compensation or salary shall be paid a retired officer or employee for services rendered during the period beginning with the effective date of the act and ending with the date of his retirement, or for service rendered by a deceased officer or employee during the period beginning with the effective date of this act and ending with the date of his death.

(c) Pay increases comparable to those provided by this act but granted by administrative action pursuant to law may be made retroactively effective on the same basis as if they had been provided by this act.

(d) The rate of compensation of any employee who was changed from a position, the compensation of which was fixed and adjusted from time to time as nearly as is consistent with the public interest in accordance with prevailing rates, to a position under the Classification Act of 1949, as amended, and placed in the appropriate step of the grade during the period beginning with the effective date of this act and ending with the first day of the first pay period for which payment is made under this act, shall be adjusted retroactively in accordance with the new rate provided by this act for the step in which he was placed at the time of such assignment.

(e) The rate of compensation of any employee who was promoted from one grade under the Classification Act of 1949, as amended, to another such grade and placed in the appropriate step of the grade during the period beginning with the effective date of this act and ending with the first day of the first pay period for which payment is made under this act shall be adjusted retroactively in accordance with the new rate provided by this act for the step in which he was placed at the time of such assignment.

(f) The retroactive salary increase payable under the provisions of this act to any employee who transfers from one establishment of the Government to another between the effective date of this act and the first day of the first pay period for which payment is made under this act shall be chargeable to the appropriation or funds of the establishment from which the employee transferred for the period from the effective date of this act to the date of such transfer.

(g) For the purpose of determining the amount of insurance for which an individual is eligible under the Federal Employees' Group Life Insurance Act of 1954, changes in the rates of compensation which result from the enactment of this act shall be deemed to be effective as of the first day of the first pay period which begins on or after the date of such enactment.

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ORDER OF BUSINESS

Mr. JOHNSON of Texas. Mr. President, for the information of the Senate, it is planned to consider the classified pay bill, and, if possible, to take action on it this afternoon.

If the Senate completes action on the classified pay bill today, the able senior Senator from Virginia [Mr. BYRD] plans to present the conference report on the tax bill, which it is hoped can be agreed to. It is then proposed to have the Senate recess until Monday.

ILLEGALLY HELD PRISONERS OF WAR—RESOLUTION BY LOS ANGELES COUNTY (CALIF.) COUNCIL OF THE AMERICAN LEGION

Mr. KNOWLAND. Mr. President, I desire to call the attention of the Senate to a resolution passed by the Los Angeles County Council of the American Legion, Department of California, which reads as follows:

RESOLUTION ON ILLEGALLY HELD PRISONERS OF WAR

Whereas the People's Republic of China, known as Red China, in a reply to an invitation to discuss the Formosan situation before the United Nations, replied in substance, as follows:

1. Red China would agree to send a representative only after Nationalist China "has been driven out from the Security Council" and Red China seated in its stead.

2. Even if the Council expelled Nationalist China, Red China would send a representative "only for the purpose of discussing the resolution of the Soviet Union" which condemns United States aggression in the Formosa area; and

Whereas besides the 11 admitted United States military personnel now in Chinese prisons, there are upward of 800 United States military personnel held in prison on the pretext that Red China was not a party in and to the so-called Korean police action; and

Whereas the facts are that these United States military personnel should have been treated as prisoners of war and thus been released at the exchange of prisoners of war at Panmunjom; and

Whereas any move to meet with Red China should only be after Red China had released these illegally held United States military personnel; and

Whereas the failure to do so would result in once more placing us on the defensive and once more proving that the umbrella-waving Munich type of peace at any price results only in more and more aggressive and arrogant moves from totalitarian dictatorships: Now, therefore, be it

Resolved by the Los Angeles County Council of the American Legion, Department of California, in regular meeting held February 4, 1955, That the United States of America take a forthright and aggressive stand on this matter and not permit itself to be swayed by actions predicated upon timidity and subordination of national honor which will result only in failure, loss of position, and so-called loss of face or prestige, all of which will not result in the release of our military prisoners of war; be it further

Resolved, That a copy of this resolution be sent to the President of the United States, to the presiding officers of the Senate and the Congress of the United States, to the two California Senators, and to all local newspapers.

Mr. KNOWLAND. Mr. President, I again wish to call the attention of the Senate to the fact that the airmen referred to in the resolution I have just read have been held as prisoners by the Chinese Communists since they were shot down over Korea prior to the Korean Armistice, which was on or about January 12, 1953.

Mr. Hammarskjold's mission to Peiping was in January 1955. There have been no affirmative reports of any improvement in the situation, and there is no indication that the United Nations mission has succeeded, or that there is any prospect of its succeeding.

I urge that the United States representative to the United Nations be called upon to obtain from Mr. Hammarskjold a final report on what, if anything, he has been able to accomplish in this regard. Then I think the Government of the United States must determine what steps, if any, it is prepared to take relative to the release of the 15 American airmen wearing the uniform of the United States, who are being held illegally by the Chinese Communists, in violation of the Korean Armistice.

The PRESIDENT pro tempore. The resolution will be received and appropriately referred.

The resolution was received and referred to the Committee on Foreign Relations.

BASIC SECURITY OF THE UNITED STATES—ADDRESS BY SECRETARY OF THE AIR FORCE TALBOTT

Mrs. SMITH of Maine. Mr. President, early this week a great Secretary of the Air Force, the Honorable Harold E. Talbott, made an excellent address in my home State of Maine—sometimes considered 1 great big air base, since we have 5 major air installations in Maine, the northernmost outpost of the United States.

Because what the Secretary said merits the most serious consideration of each Member of this body, in that it concerns the very key to the basic security of our country, I ask unanimous consent that the address be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ADDRESS BY THE HONORABLE HAROLD E. TALBOTT, SECRETARY OF THE AIR FORCE, BEFORE THE PRESQUE ISLE CHAMBER OF COMMERCE, MARCH 22, 1955

It is always a privilege and a pleasure to visit a community in which the Air Force and civilian interests are tied so closely together. I want to congratulate all of you for the spirit of cooperation that I find here. I am sure that each of you is vitally interested in the activities of the Air Force. You all have your ideas as to what your Air Force stands for in providing for our country's security. However, after serving for 2 years as your Secretary, I would like to give you my own feelings as to the importance of the Air Force.

I need not tell you of the ever-constant threat to our country, to the free world, and to our way of life. The only real protection against this threat is strength. In our strength lies our security. Any drop in our strength would be an open invitation to the Communists to increase the pressure of their constant aggression.

You might ask how large should the Armed Forces be, or how large should the Air Force be to give us proper strength. Let me speak of the Air Force. There is no absolute measure of strength. We can only build our forces to meet the strength of our possible enemies. We must constantly evaluate and change our forces to match any increases or the possible decreases in the strength of the enemy.

During this period as your Secretary of the Air Force, one observation has struck me. Your Air Force is truly dedicated to peace. I have been impressed by the determination of the professional airman, the professional soldier, to avoid war. Many of them have gone through three great conflicts during their period of service, and they all tell how suicidal and how terrible a future war might be. These men, who know only too well the ravages and devastation that follows war, are truly determined to do everything in their power to insure against further war. They know, however, that the military forces in a democracy can only be as strong as the citizen, the voter, the taxpayer, desire it to be. It is for that reason I am telling you tonight that although we are not in a shooting war, the potential threat to our security has never been greater. Our security truly depends on keeping our country strong, both militarily and economically.

On the military side of the ledger our country is strong, probably stronger than we have been at any time in our history. We intend to keep it strong, and to make it stronger. Your Air Force, the keystone upon which the Armed Forces in the United States is based, gets stronger every day. Perhaps I am biased, but I believe that your Air Force today represents the most powerful and best-trained military force the world has ever known. You can well be proud of it.

On the economic side we have had a phenomenon happening during the last 10 years. During World War II this country had to choose between butter and bullets—we chose bullets. At the opening of the Korean war we found again there were shortages in certain critical materials and in our ability to produce, and we were again forced to maintain certain restrictions to our civilian economy. Today, however, shortages have been eliminated, both in terms of critical materials and our ability to produce. Today we have a total economy made up of a war economy, plus a peace economy.

To do this our industries have been expanded so that they can accommodate both the requirement of an ever-expanding civilian populace with an ever-growing standard of living, and the requirements of the largest peacetime military force ever maintained in our history.

In view of the continued threat to our security these military forces will be maintained indefinitely. Consequently, we can see that our total production for a good many years to come will include not only the requirement for our peacetime living, but the requirement to keep our military forces always equipped with the best that our science and technology can produce. Quality, and not size, will be the measure of success in a future war.

I would like to tell you of our biggest problems in the Air Force. It is a problem of people. It is a problem that must be solved if we are to maintain and increase the capability of the Air Force. Your Air Force has expanded since 1950 from a strength of 48 wings and 411,000 people to a present strength of 121 wings and some 950,000 people. The enlisted ranks of the Air Force are made up of volunteers. Since the Air Force cannot go out and hire trained and skilled personnel to maintain its valuable and highly intricate equipment, we must train each new man to do a job. In the tremendous buildup that followed the outbreak of the Korean war we trained hundreds of thousands of young men to do the many jobs that are required to keep our airplanes flying and our equipment working. Our problem is that we have not been able to make the

Air Force career sufficiently attractive to keep enough of these young men who have done such a fine job for us in the service. This year, for instance, we will lose $2¼ billion worth of trained personnel. We know that if we make the Air Force career sufficiently attractive, more of these fine young men will stay with us. Consequently, we have undertaken a campaign to correct many of the problems and to make the Air Force career competitive with careers in civilian life.

The biggest problem we found was pay. As a result of a long program to emphasize the need and advantages of proper pay to our service personnel, it appears that Congress will this year pass a new pay bill. This bill will give selected pay raises to individuals in the armed services and should go a long way to making our service career more attractive.

The second problem which affects the decision of our personnel, especially the trained veterans whom we need desperately, is housing. The Air Force therefore is turning its principal attention from pay to housing. I am personally concerned over this problem of obtaining family housing of proper standards and within the proper rental brackets for the men in the Air Force.

To tell you the magnitude of this problem we estimate that the Air Force has some 300,000 families that are not properly housed. The Air Force has obtained a considerable quantity of housing. The housing inventory has gone from the World War II level of about 2,500 sets to a present 68,000. In addition, many communities have assisted by making rental property available to our people. Many of the units which we list as available housing, however, are below the standards which you and I would consider attractive and comfortable enough for our own families. I would cite some of the housing available here at Presque Isle, which I looked at today, as being in this category. Unless we can provide reasonable housing for our personnel, they just refuse to stay in the service. Neither you nor I can blame them for it.

We have two ways of replacing this housing. The first method is for the Government to come in and put up the money and build housing on the base. The second is to depend on private funds to provide housing we need. The Air Force is in favor of any measure that will give us additional housing. I would be delighted if we could work it out with private interests in your community to provide rental housing of a proper standard and at a reasonable cost for our personnel. I say rental housing because I do not feel it is good to force military personnel whose tours of duty will normally not exceed 3 or 4 years at any one base to buy a house. Unless they plan to settle in a community, they must then resell it on a possible changed market at the end of their tour. I am firmly convinced that the Air Force owes it to its people to protect them against such requirements. If any of you have any ideas on housing, please contact me or Colonel O'Connor, the local base commander. We will certainly cooperate with you to the maximum extent.

When I observe the activities of your community, I cannot help but note the progress you have made in the civilian defense field. Since the Ground Observer Corps is an important augmentation of our air defense activities, I want to pay special tribute to those of you who have and are contributing to this program. Such a program, especially in this area, is a valuable augmentation to our air defense capability.

Before I close I want to make one other observation. I have been a businessman all of my life. It has never been my privilege to associate closely with military men until these last 2 years. However, I have never associated with a finer body of men than those who make up your Armed Forces. They come from every walk of life just as you and I do. On them we have placed great responsibility for our security which demands that they be ready for war at any moment of the day or night, year after year. It is a great strain on them. They have dedicated themselves to this life willingly and are doing a tremendous job for us. They are men of whom we should be justly proud. I would encourage all of you to express your appreciation and understanding for the job they are doing. Your encouragement will mean much to them.

I want to thank all of you from Presque Isle and from the surrounding communities for the friendship you have shown to our Air Force family. I know that it has taken many adjustments to align yourselves to the presence of a large group of men in uniform and their families in your community. I know that you have enlarged your schools, absorbed our men into your churches, and welcomed them into your community life. From all I have seen you have done well, and I think both the military and the civilian community are enjoying a better life because of your associations.

Thank you.

IMPORTANCE OF A BIPARTISAN UNITED STATES FOREIGN POLICY

Mr. BENDER. Mr. President, one of the saddest reflections we can make on the Yalta disclosures is the realization that the Wilsonian ideal of "open covenants openly arrived at" is just as remote today as it was in 1918. The Yalta, Potsdam, and Teheran conferences were about as partisan as they could be, on the American side. Mr. Atlee was taken along to Potsdam by the British, who anticipated the possibility of Mr. Churchill's defeat at that time. But if any Republicans were within gunshot of Yalta, Potsdam, or Teheran, they must have sneaked through the barbed wire.

Certainly, by this time in our history, we should know that everything comes out in the long run. Today's newsmen have made that long run much shorter than it used to be. Their ability to dig out the news is phenomenal; and secrets, whether they be labeled top, middle, or bottom, do not remain secrets very long.

In the light of these facts, it ought to be elementary—and mandatory—that both political parties be represented by high-ranking members at every international conference. Our foreign policy can become truly bipartisan only when this happens.

FEDERAL EMPLOYEES PAY BILL, 1955

The Senate resumed the consideration of the bill (S. 67) to adjust the rates of basic compensation of certain officers and employees of the Federal Government, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

Mr. BYRD. Mr. President, I call up my amendments 3/23/55–B, and ask that they be read.

The PRESIDENT pro tempore. The clerk will state the amendments offered by the Senator from Virginia to the committee amendment.

The LEGISLATIVE CLERK. On page 19, beginning with line 11, it is proposed to strike out through line 2, on page 20.

On page 22, beginning with line 13, to strike out through line 19, on page 24, and to insert in lieu thereof the following:

SEC. 9. This act shall become effective on the first day of the first pay period which begins after the date of its enactment.

Mr. BYRD. Mr. President, these are the same amendments that were agreed to when offered to the postal employees' pay bill. They make the effective date of the bill the first day of the first pay period which begins after the date of enactment.

Mr. JOHNSTON of South Carolina. Mr. President, I accept the amendments.

The PRESIDENT pro tempore. The question is on agreeing to the amendments, en bloc, offered by the senior Senator from Virginia to the committee amendment.

The amendments to the amendment were agreed to.

The PRESIDENT pro tempore. The question is on agreeing to the committee amendment, as amended.

The amendment, as amended, was agreed to.

Mr. CARLSON. Mr. President, may I inquire what the parliamentary situation is, and what action was taken on the committee amendment?

The PRESIDENT pro tempore. The committee amendment, as amended, was agreed to.

Mr. DIRKSEN. Mr. President, my attention was distracted, and I did not hear the President pro tempore put the question on the committee amendment as amended. I have been waiting to offer an amendment. I ask now for the reconsideration of the action taken on the committee amendment, so that an amendment I have discussed with the chairman of the Committee on Post Office and Civil Service can be considered.

The PRESIDENT pro tempore. Without objection, the vote by which the committee amendment, as amended, was agreed to will be reconsidered.

Mr. DIRKSEN. Mr. President, I offer the amendment, which I send to the desk and ask to have printed in the RECORD.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and the amendment will be printed in the RECORD.

The amendment offered by Mr. DIRKSEN is as follows:

On page 21, after line 8, insert the following new subsections:

"(h) (1) The provisions under the heading 'Increased Pay for Legislative Employees' in the Second Supplemental Appropriation Act, 1950, section 2 (a) of the act of October 24, 1951 (Public Law 201, 82d Cong.), and section 4 (a) of this act are hereby amended by striking out '(other than an employee in the office of a Senator).'

"(2) The basic compensation of each employee in the office of a Senator on the effective date of this subsection is hereby adjusted to the lowest multiple of $60 which will provide basic compensation, plus additional compensation payable under subsection (a) and the provisions of law referred to in subsection (a), not less than the amount of basic compensation, plus additional compensation under the provisions of sections 501 and 502 of the Federal Employees' Pay Act of 1945, as amended, and

section 301 of the Postal Rate Revision and Federal Employees' Salary Act of 1948, which he is receiving on the effective date of this subsection.

"(i) The aggregate amount of the basic compensation authorized to be paid for administrative and clerical assistance and messenger service in the office of each Senator shall be the amount authorized under provisions of law in effect immediately prior to the enactment of this act for Senators from States the population of which is less than 3,000,000 increased as follows:

"States having a population of:	*Amount of increase*
Less than 3,000,000	$6,000
3,000,000 but less than 4,000,000	9,000
4,000,000 but less than 5,000,000	12,000
5,000,000 but less than 7,000,000	15,000
7,000,000 but less than 9,000,000	18,000
9,000,000 but less than 11,000,000	21,000
11,000,000 but less than 12,000,000	24,000
Over 13,000,000	27,000"

On page 22, line 13, after "act", insert "except subsections (h) and (i) of section 4."

On page 22, after the period in line 17, insert a new sentence, as follows:

"Subsections (h) and (i) of section 4 shall become effective on July 1, 1955."

Mr. DIRKSEN. Mr. President, I have discussed the amendment with the chairman of the Committee on Post Office and Civil Service. I am not disposed to discuss it at length at this time, but I should merely like to say that it is an effort to iron out the differences which exist between the House and the Senate with reference to legislative employees, the ceilings which have been imposed on employees, and other difficulties, and, in addition thereto, the allocation of clerical assistance on the basis which presently obtains, which provides for a certain amount for States having a population less than 3 million, another for States having a population from 3 to 5 million, another for States having a population up to 10 million, and another for States having a population of over 10 million.

For a number of years there has been considerable discussion about the inequities involved in this arrangement. I respectfully request the chairman of the committee to take my amendment to conference. It may need a little more explanation than could be made on the Senate floor. The amendment has had a great deal of attention on the part of committee staffs and senatorial assistants in senatorial offices. I think 7 or 8 Senators have cosponsored the amendment, which indicates some interest in it. If the distinguished chairman of the committee will take the amendment to conference, I am quite sure, if difficulties are involved, they can be ironed out. The amendment is a little complicated, and difficult to explain.

Mr. JOHNSTON of South Carolina. Mr. President, this matter has been before the committee and has been discussed. As the Senator from Illinois knows, there is a variance of opinion in the Senate. Some Senators oppose and others favor what the Senator has proposed in his amendment. I am sure members of the committee know what I am talking about at the present time. At the same time, however, there are some inequities which should be corrected. I shall be glad to take the amendment to conference, but I wish the Senator to know the amendment will be taken to conference for the purpose of study, and that the committee will be under no obligation to insist on its being adopted, or any part of it.

I think the ceilings should be lifted on the compensation of a number of assistants in Senators' offices. Some Senators desire to have two assistants in their offices. However, the matter should be studied, and for that reason, and that reason only, I am perfectly willing to take the amendment to conference. I am not saying that the committee will stand in favor of it. I do not say what I shall do.

Mr. MONRONEY. Mr. President, I realize the need for additional clerical assistants for Senators who come from the larger States and I am of the opinion that, after study and under proper conditions, Senators should have a right to organize their own offices, within the allowances they receive, and compensate their employees in a proper manner.

What worries me about the bill as reported by the committee is that the bill now deals with every employee in the classified service alike. It provides for a 10-percent across-the-board pay increase, without giving any particular or special emphasis to salary increases for employees of the legislative branch.

Frankly, I think the proposal of the Senator from Illinois has merit. However, we are considering basic pay increases for classified employees. Without further consideration of the picture of congressional needs, I would not want anyone to get the idea that we are doing for our own employees what we are refusing to do for the million and a half classified workers.

I think the morale of the classified employees is important. If classified employees can see that they are being treated on a share and share alike basis, it will be a great morale factor; whereas if we raise the limits on legislative committee staffs and employees alone, it may not be considered equitable.

If we raise the allowance for administrative assistants, I believe we might be accused of doing more for ourselves in this bill than we are willing to do for employees in the classified service. I think this matter may well be met by permitting Senators to rearrange pay scales. If they need two top men of equal competence, the legislative subcommittee of the Committee on Appropriations will be able to take care of that need. I will say to the distinguished Senator from Illinois, who served, so ably in the reorganization of Congress, that before we give carte blanche to Senators to grant raises to their employees and committee staffs, I think the Senate should make a study to see if we cannot arrange to have the staff directors of committees compensated at the highest level under the civil service system if we wish, so that they, as the ones in charge of the operation of the committees, could have a $14,800 annual salary, while the other staff experts could enjoy the 10 percent increase which is provided in the bill, and which I believe would bring their salaries up to a sum in the neighborhood of $12,800 annually.

I feel that to do that in this bill would destroy the uniformity of the bill. Although I do not wish to see us foreclosed in any degree from acting in accordance with the need to adjust this matter to fit the requirements of various Senators, in view of the workload imposed upon them because of the populations of their States, I do not believe it is wise to have two different sets of pay increases provided in the same bill.

So far as concerns taking the amendment to conference, let me say we know that if we take it to conference, the conferees on the part of the House will not raise a single question as to the pay of the Senate staffs, for the question of pay for employees of the respective Houses is a matter which historically has been left to each House to determine.

Mr. JOHNSTON of South Carolina. Mr. President, let me say that I have just learned that the amendment does not cover committee staff employees.

Mr. MONRONEY. Mr. President, I had before me a copy of the printed Dirksen amendment, but of course the amendment was not read in full. I have been referring to the printed amendment which I presumed we were discussing. However, I now understand that the amendment increases only the amount available for Senators from the larger States, and that the amendment is limited to that one item.

Mr. DIRKSEN. That is correct; the amendment has nothing to do with the salaries paid to a Senator's staff.

Mr. MONRONEY. Then that completely eliminates any question I had in mind. I knew the printed amendment had been placed on the desks of Senators.

Mr. DIRKSEN. That is correct.

Mr. MONRONEY. Certainly I shall be delighted to consider the amendment in conference, because, coming as I do from a State with a smaller population, I realize that the demands on my office staff are insignificant as compared with the demands on the office staffs of Senators who represent the States with large populations.

Mr. President, I yield the floor.

Mr. SPARKMAN. Mr. President, I should like to ask a question of the Senator from Oklahoma, the Senator from Illinois, or some other Senator: Under the amendment offered by the Senator from Illinois [Mr. DIRKSEN], on behalf of himself and certain other Senators, there will simply be an increase in the allowance for the offices of Senators, graduated according to the population of the States, and without any change in the limitation which now is imposed as to the maximum which can be paid to staff members; is that correct?

Mr. DIRKSEN. No; the amendment includes a provision repealing the language of existing law so as to place them on the same basis as everyone else. That is one of the things to which the Senator from South Carolina took some objection. I said I was not wedded to it, as such, and consequently he can take it to conference and can work his will upon it. But, of course, the important thing is the allocations as between the various States. That matter has been pending year after year before the Ap-

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propriations Committee, and I thought that somewhere along the line it should be adjusted.

Mr. SPARKMAN. I recognize the difficulty, and I wanted to have clearly in mind the limitation on the maximum amount we can pay our help. For instance, under existing law our administrative assistant is payable at the maximum amount of $11,646, I believe; that is the gross pay. Our chief secretary can be paid at the rate of approximately $10,646, or something of the sort. Does this amendment maintain that differential; or does it remove that limitation, and make the limitation that which is applicable to the classified employees generally?

Mr. DIRKSEN. This amendment includes a provision which would virtually repeal that limitation, and would permit each Member of the Senate to determine the matter for himself.

Mr. SPARKMAN. Then the ceiling would be that within the classified service, would it?

Mr. DIRKSEN. That is correct. But I indicated to the Senator from South Carolina that I had no particular pride of authorship, and that it was a matter they could determine, if they so desired.

Mr. JOHNSTON of South Carolina. I think there should be some limitation in the case of each office.

Mr. DIRKSEN. Mr. President, perhaps some amplification of this proposal is desirable, although I was not inclined to delay Senate action on the bill now pending.

The amendment in question actually deals with three matters. The first is the amount which a Senator can pay to members of his staff. The bill places a ceiling of $12,810 as against $11,646, which is the present ceiling. However, under existing law salaries are divided into 3 categories and the top amount can be paid to only 1 person. By repealing the portion beginning in line 7 on page 19 and down through line 10, this would permit a Member of the Senate to set ceiling for any of his employees within the ceilings provided by the bill.

The second part of the amendment makes possible the use of the so-called blue table in calculating salaries for members employed in senatorial offices. At the present time two tables are used in calculating compensation. The blue table is used for all employees other than those in offices of Senators and the white table only for employees in senatorial offices. There is a substantial difference in the two tables, but the use of the blue table to calculate total compensation will make it possible for Senators to pay compensation now in effect at a lower base.

Perhaps an example will suffice. The blue table which applies to all except employees in senatorial offices for a base of $5,100 per year would provide total compensation of $8,644. This would be applicable to all Senate employees except those in senatorial offices. The white table for a base of $5,100 would provide total compensation of only $7,484.07. If, therefore, the present salary level in the office of a Senator were maintained, the base amount would be reduced accordingly and out of it he could add to his staff if he so desired.

The third part of the amendment deals with allocation of the aggregate amount which is available, depending on the population of the State. There has been considerable interest in this matter because of the disparities which now exist. As an example, the State of Nevada, with a population of 218,000 as of July 1, 1954, is entitled for each senator to a basic clerk hire allowance of $42,240. This spells out to a little more than 19 cents per capita. Then consider the State of Ohio, with a population of 8,554,000, for which the basic clerk hire allowance is $55,740. This spells out to $0.006 per capita. This means that in the case of Nevada the allowance is 31 times more per capita than in the case of Ohio. Other large States are similarly circumstanced. This matter has been under discussion for a long time, and the amendment suggested would establish an increased base for States with a population of less than 3 million, and then increase the amount for each million jump in population until a population of 5 million is reached. After that it jumps on the basis of an increase of each 2 million of population.

The bill as it came from the committee increase these allowances somewhat, but did not change the formula to eliminate the disparities and make it more equitable. Moreover, if the proposal submitted in this amendment is adopted it will become effective only after July 1, 1955, and would replace the provisions now carried in the bill.

So to summarize, the amendment in effect does increase clerk hire funds without requiring that any Senator spend them if he does not need them; makes every Senator the sole judge of the number of employees on his roll and their rate of compensation except that the limit carried in the bill is preserved; makes possible the use of the blue table instead of the present white table in determining actual compensation per annum; and finally, would change the present formula with respect to the aggregate amount of clerk hire made available to each Senator and eliminates the inequities in the formula.

Mr. CHAVEZ. Mr. President, I am not quite oriented as to the meaning of the amendment. As I understand the amendment of the Senator from Illinois, it would raise the ceiling in the case of the lump sum allowed to each senatorial office. Is that correct?

Mr. JOHNSTON of South Carolina. That is true.

Mr. CHAVEZ. Then each Senator would be allowed to determine what he would pay his secretary, so long as he did not exceed the present ceiling. Is that correct?

Mr. JOHNSTON of South Carolina. That is true.

Mr. CHAVEZ. Mr. President, I have no objection to that provision, and I thank the chairman of the committee for the explanation. Let me say that he has a fine committee which renders excellent service and gives great help not only to the Government employees in Washington and throughout the Nation, but also to the Members of the Senate.

I would not want any Senator to have classified employees in his offce. I would be willing to have the individual Senator allowed to determine whom he thinks can best serve him, irrespective of classification, so long as he is allowed to give a certain amount of pay.

Mr. President, I should like to discuss one other matter. Although it cannot be taken care of at this time, I hope it will be properly taken care of in the future. We worry about the salaries of senatorial staff members or committee staff members. Such staff members are here by the hundreds; they are practically in each other's way. Possibly we also worry about our administrative assistants, although generally they can take care of themselves.

However, we worry very little about the employees who actually do the work; we give very little thought either to their salaries or to their other working conditions. I hope that sometime the committee will give attention to that matter. I shall take it up in the Appropriations Committee when the bill comes before the committee.

In short, Mr. President, what Senator does not take 1, 2, or 3 of his clerical help to his home State, to work there during the summer? Do we ever stop to think that, with the small wages they are receiving, they have to pay their railroad fare, and they may have to get new homes?

I wish there were now in the bill some provision to take care of that situation. Although I would not wish to interfere with the handling of this bill, legislatively, for I wish the bill to proceed in the way the comittee desires to have it proceed, so as to provide an increase in the salaries of Federal employees in Washington and elsewhere, yet I hope that at least we can take care of the railroad fare or the bus fare of some poor girl who is getting a small salary. We should give some consideration to the status of those employees, rather than be worried so constantly about the salaries of the so-called experts. The average committee is loaded with so-called experts who have very little work to do. But the employees who do the work in our home States do not even receive their railroad fare, much less a proper salary.

I thank the Senator from South Carolina.

Mr. JOHNSTON of South Carolina. Mr. President, I agree with the Senator from New Mexico. Certainly we must give consideration to the point he has raised. All of us realize that when we return to our home States, we must have a secretary there; but no provision whatever is made for paying that secretary's transportation to and from Washington.

The PRESIDING OFFICER (Mr. NEUBERGER in the chair). The question is on agreeing to the amendment submitted by the Senator from Illinois [Mr. DIRKSEN].

The amendment was agreed to.

Mr. JOHNSTON of South Carolina. Mr. President, I offer a perfecting amendment to correct a typographical error, on page 13, in the last column of the tables appearing after line 2, to strike out "$2,030" and insert in lieu thereof "$3,030."

The PRESIDENT pro tempore. The amendment offered by the Senator from South Carolina will be stated.

The CHIEF CLERK. On page 13, in the committee amendment, in the last column of the table appearing after line 2, it is proposed to strike out "$2,030" and insert in lieu thereof "$3,030."

The PRESIDENT pro tempore. Without objection, the amendment to the committee amendment is agreed to.

Mr. CARLSON. Mr. President, I offer an amendment in the nature of a substitute for the language proposed to be inserted by the committee amendment, as amended.

The PRESIDENT pro tempore. Does the Senator desire to have the amendment to the amendment read at this time?

Mr. CARLSON. No.

The PRESIDENT pro tempore. Without objection, the amendment to the amendment will be printed in the RECORD at this point.

The amendment offered by Mr. CARLSON in the nature of a substitute for the amendment of the committee, as amended, is as follows:

Strike out all after the enacting clause and insert:

"That this act may be cited as the 'Federal Employees Pay Act of 1955.'

"SEC. 2. (a) Section 603 (b) and section 603 (c) of the Classification Act of 1949, as amended, are amended to read as follows:

"'(b) The compensation schedule for the General Schedule shall be as follows:

"'Grade	Per annum rates						
GS-1	$2,645	$2,725	$2,805	$2,885	$2,965	$3,045	$3,125
GS-2	2,915	2,995	3,075	3,155	3,235	3,315	3,395
GS-3	3,130	3,210	3,290	3,370	3,450	3,530	3,610
GS-4	3,365	3,445	3,525	3,605	3,685	3,765	3,845
GS-5	3,615	3,740	3,865	3,990	4,115	4,240	4,365
GS-6	4,025	4,150	4,275	4,400	4,525	4,650	4,775
GS-7	4,460	4,585	4,710	4,835	4,960	5,085	5,210
GS-8	4,900	5,025	5,150	5,275	5,400	5,525	5,650
GS-9	5,365	5,490	5,615	5,740	5,865	5,990	6,115
GS-10	5,830	5,955	6,080	6,205	6,330	6,455	6,580
GS-11	6,295	6,405	6,595	6,895	7,095	7,295	
GS-12	7,465	7,665	7,865	8,065	8,265	8,465	
GS-13	8,860	9,060	9,260	9,460	9,660	9,860	
GS-14	10,175	10,375	10,575	10,775	10,975	11,175	
GS-15	11,450	11,700	11,950	12,200	12,450		
GS-16	12,720	12,920	13,120	13,320	13,520		
GS-17	13,780	13,980	14,180	14,380	14,580		
GS-18	14,800						

"(c) (1) The compensation schedule for the crafts, protective, and custodial schedule shall be as follows:

"'Grade	Per annum rates						
CPC-1	$1,920	$1,980	$2,040	$2,100	$2,160	$2,220	$2,280
CPC-2	2,565	2,635	2,705	2,775	2,845	2,915	2,985
CPC-3	2,707	2,787	2,867	2,947	3,027	3,107	3,187
CPC-4	2,915	2,995	3,075	3,155	3,235	3,315	3,395
CPC-5	3,154	3,234	3,314	3,394	3,474	3,554	3,634
CPC-6	3,390	3,470	3,550	3,630	3,710	3,790	3,870
CPC-7	3,640	3,740	3,840	3,940	4,040	4,140	4,240
CPC-8	3,965	4,090	4,215	4,340	4,465	4,590	4,715
CPC-9	4,400	4,525	4,650	4,775	4,900	5,025	5,150
CPC-10	4,840	4,965	5,090	5,215	5,340	5,465	5,590

"'(2) Charwomen working part time shall be paid at the rate of $2,845 per annum, and head charwomen working part time shall be paid at the rate of $2,985 per annum.'

"(b) The rates of basic compensation of officers and employees to whom this section applies shall be initially adjusted as follows:

"(1) If the officer or employee is receiving basic compensation immediately prior to the effective date of this section at one of the scheduled or longevity rates of a grade in the General Schedule or the Crafts, Protective, and Custodial Schedule of the Classification Act of 1949, as amended, he shall receive a rate of basic compensation at the corresponding scheduled or longevity rate in effect on and after such date;

"(2) If the officer or employee is receiving basic compensation immediately prior to the effective date of this section at a rate between 2 scheduled or 2 longevity rates, or between a scheduled and a longevity rate, of a grade in the General Schedule or the Crafts, Protective, and Custodial Schedule, he shall receive a rate of basic compensation at the higher of the two corresponding rates in effect on and after such date;

"(3) If the officer or employee, immediately prior to the effective date of this section, is in a position in any 1 of the first 15 grades of the General Schedule or any 1 of the grades of the Crafts, Protective, and Custodial Schedule and is receiving basic compensation at a rate which is in excess of the maximum longevity rate of his grade at such time, (A) he shall receive basic compensation at the maximum longevity rate of his grade as provided in this section or (B) if the rate of basic compensation which he is receiving immediately prior to the effective date of this section is higher than the maximum longevity rate of his grade as provided in this section, he shall continue to receive such higher rate of basic compensation until (i) he leaves such position or (ii) he is entitled to receive basic compensation at a higher rate by reason of the operation of the Classification Act of 1949, as amended; but when such position becomes vacant, the rate of basic compensation of any subsequent appointee thereto shall be fixed in accordance with such act, as amended; or

"(4) If the officer or employee, immediately prior to the effective date of this section, is in a position in grade 16 or 17 of the General Schedule and is receiving basic compensation at a rate which is in excess of the maximum scheduled rate of his grade at such time, (A) he shall receive basic compensation at the maximum scheduled rate of his grade as provided in this section, or (B) if the rate of basic compensation which he is receiving immediately prior to the effective date of this section is higher than the maximum scheduled rate of his grade as provided in this section, he shall continue to receive such higher rate of basic compensation until (i) he leaves such position or (ii) he is entitled to receive basic compensation at a higher rate by reason of the operation of the Classification Act of 1949, as amended; but when such position becomes vacant, the rate of basic compensation of any subsequent appointee thereto shall be fixed in accordance with such act, as amended.

"(c) Each officer or employee (1) who, on the effective date of this section, is in a position which has been transferred prior to such effective date pursuant to title I of the act of September 1, 1954 (Public Law 763, 83d Cong.), to one of the classes of positions described in section 202 (7) of the Classification Act of 1949, as amended, or, on such effective date, is in another position in one of such classes, (2) who, at the time of such transfer, held such position so transferred and, at all times subsequent to such transfer, either held such transferred position or held another position in one of such classes, or both, and (3) whose rate of basic compensation is less on the effective date of this section than the rate to which he would have been entitled on such effective date if such transfer had not occurred (unless he is receiving such lesser rate by reason of an adverse personnel action resulting from his own fault), shall be paid basic compensation at a rate equal to the rate which he would have been receiving on such effective date (including compensation for each within-grade and longevity step-increase which he would have earned) if such transfer had not occurred until the date immediately following such effective date, until (A) he leaves the position which he holds on such effective date, or (B) he is entitled to receive basic compensation at a higher rate under the prevailing wage policy system; but when such position becomes vacant, the rate of basic compensation of any subsequent appointee thereto shall be fixed in accordance with such prevailing wage policy system.

"SEC. 3. (a) The rates of basic compensation of officers and employees in or under the judicial branch of the Government whose rates of compensation are fixed pursuant to paragraph (2) of subdivision (a) of section 62 of the Bankruptcy Act (11 U. S. C., sec. 102 (a) (2)), section 3656 of title 18 of the United States Code, the second and third sentences of section 603, section 604 (a) (5), or sections 672 to 675, inclusive, of title 28 of the United States Code are hereby increased by amounts equal to the increases provided by section 2 of this act in corresponding rates of compensation paid to officers and employees subject to the Classification Act of 1949, as amended.

"(b) The limitations of $10,560 and $14,355 with respect to the aggregate salaries payable to secretaries and law clerks of circuit and district judges, contained in the paragraph under the heading "Salaries of Supporting Personnel" in the Judiciary Appropriation Act, 1955, or in any subsequent appropriation act, shall be increased by the amounts necessary to pay the additional basic compensation provided by this act.

"SEC. 4. (a) Each officer and employee in or under the legislative branch of the Government whose rate of compensation is increased by section 5 of the Federal Employees Pay Act of 1946 shall be paid additional compensation at the rate of 6 percent of the aggregate rate of his rate of basic compensation and the rate of the additional compensation received by him under sections 501 and 502 of the Federal Employees Pay Act of 1945, as amended, section 301 of the Postal Rate Revision and Federal Employees Salary Act of 1948, the provisions under the heading "Increased pay for legislative employees" in the Second Supplemental Appropriation Act, 1950, and the act of October 24, 1951 (Public Law 201, 82d Cong.). The additional compensation provided for by this subsection shall not be taken into account in determining whether any amount expended for administrative and clerical assistance and messenger service is within any limit now prescribed by law.

"(b) Section 2 (b) of the act of October 24, 1951 (Public Law 201, 82d Cong.), is amended by striking out '$11,646' and inserting in lieu thereof '$12,345'.

"(c) The rates of basic compensation of each of the elected officers of the Senate and the House of Representatives (not including the presiding officers of the two Houses), the

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Parliamentarian of the Senate, the Parliamentarian of the House of Representatives, the Legislative Counsel of the Senate, the Legislative Counsel of the House of Representatives, and the Coordinator of Information of the House of Representatives are hereby increased by 6 percent.

"(d) The limitations in the paragraph designated 'Folding documents' under the heading 'Contingent expenses of the House' in the Legislative Appropriation Act, 1955 (Public Law 470, 83d Cong.), are hereby increased by 6 percent.

"SEC. 5. Section 66 of the Farm Credit Act of 1933 (48 Stat. 269) is hereby amended to read as follows:

" 'SEC. 66. No director, officer, or employee of the Central Bank for Cooperatives or of any Production Credit Corporation, Production Credit Association, or Bank for Cooperatives shall be paid compensation at a rate in excess of $14,580 per annum.'

"SEC. 6. (a) The rates of basic compensation of officers and employees in the Department of Medicine and Surgery in the Veterans' Administration whose rates of basic compensation are provided by the act of January 3, 1946 (Public Law 293, 79th Cong.), as amended, are hereby increased by 6 percent.

"(b) Section 8 (d) of such act of January 3, 1946 (Public Law 293, 79th Cong.), as amended, is amended by striking out '$12,800' and inserting in lieu thereof '$13,520'.

"SEC. 7. (a) Notwithstanding section 3679 of the Revised Statutes, as amended (31 U. S. C., sec. 665), the rates of compensation of officers and employees of the Federal Government and of the municipal government of the District of Columbia whose rates of compensation are fixed by administrative action pursuant to law are hereby authorized to be increased, effective on or after the effective date of this act, by amounts not to exceed the increases provided by this act for corresponding rates of compensation.

"(b) Nothing in this section shall be deemed to authorize any increase in the rates of compensation of officers and employees whose rates of compensation are fixed and adjusted from time to time as nearly as is consistent with the public interest in accordance with prevailing rates or practices.

"SEC. 8. The rates of basic compensation provided by sections 412 and 415 of the Foreign Service Act of 1946, as amended, are hereby increased by 6 percent.

"SEC. 9. This act shall take effect on the 1st day of the 1st pay period which begins after the date of enactment of this act."

Mr. CARLSON. Mr. President, I shall not consume any great length of time. I should like to speak for 2 or 3 minutes on the substitute which I have offered. It provides for an average 6 percent across-the-board increase for classified workers of the Federal Government. It would affect one and a half million of them, and it would cost approximately $240 million. It is consistent with the substitute which I offered to S. 1.

I do not see the need of debating the issue at this time. The Senate has acted on one bill providing salary increases. I offer this amendment for the record. I shall vote for it, but I fully appreciate the sentiment of the Senate on this issue. I am therefore ready to vote.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Kansas [Mr. CARLSON] in the nature of a substitute for the language proposed to be inserted by the committee amendment, as amended.

Mr. MONRONEY. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MONRONEY. I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. MONRONEY. Mr. President, I strongly oppose the Carlson substitute on the basis of the Senate's action with regard to postal workers. The Senate has voted to give them an increase of approximately 10 percent, to which they are entitled, of course. There are approximately a million and a half classified workers in the Government.

It has been the custom and the tradition to carry forward pay increases on as uniform basis as possible. To do otherwise would lead to a great disparity between these groups of workers. What the Senate has done is to give the postal workers a 10 percent increase. To pass the Carlson substitute would give the classified workers 4 percent less.

I see no justification for treating one group of employees one way and another group of employees another way. There are approximately 600,000 employees in the Post Office Department, and about a million and a half classified employees. The committee has worked hard to maintain uniformity between these two pay scales. I urge the Senate not to approve the Carlson substitute.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Kansas [Mr. CARLSON], in the nature of a substitute for the language proposed to be inserted by the committee amendment.

The amendment to the amendment was rejected.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment, as amended.

Mr. JOHNSTON of South Carolina. Mr. President, in order to conserve time, I ask unanimous consent to have printed in the RECORD a brief statement I have prepared on the bill S. 67.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR JOHNSTON OF SOUTH CAROLINA

I appreciate greatly this opportunity to discuss with the Members of the Senate the bill (S. 67) which was approved recently by the Committee on Post Office and Civil Service. The Federal Employees' Pay Act of 1955 (S. 67) is the companion to the postal-pay bill (S. 1) acted upon recently by the Senate and is designed to provide an increase in pay of approximately 10 percent, but not less than $200—with a few minor exceptions—to the over 1 million employees in the legislative, judicial, and executive branches of the Government.

The bill covers, among others, scientific, professional, administrative, and clerical personnel in all three branches of the Government. Less than 20 percent of these employees work in the Washington area, while over 80 percent work in every State of the Union and many distant outposts of the world.

The bill extends to these employees increases in rates of basic compensation comparable to those the Senate just voted the half million postal employees. Similarly, the raises are retroactive to the first pay period commencing in 1955, and the ceiling of $14,800 above which no salary may be raised is maintained.

An increase in pay for these employees has been recommended by the administration, the Bureau of the Budget, and the Civil Service Commission. The committee listened to representatives of employee organizations, many individual employees, and a number of private citizens plead for early and favorable action in this matter. The committee, of which I have the honor to be chairman, is of the belief that prompt enactment of S. 67 is appropriate and well justified.

Many of us are well aware of the vast sums of money required to carry out the various programs and perform the multitude of essential functions of our Federal Government. For my part, I am ever on the alert for ways of reducing these large expenditures when it can be done through the curtailment of waste and inefficiency or through the elimination of useless giveaway programs and other completely nonessential activities. By such steps we can accomplish real economy and worthwhile reductions in the Federal budget. In spite of my awareness of costs, I do not believe it is a good management practice to use the size of the budget as a weight to hold down the salaries of the rank and file of our Federal employees below a justifiable and decent level.

While on the subject of costs, it should be noted that the committee was neither impressed nor helped by the accuracy, quality, or timeliness of the Civil Service Commission's report on this bill. Of even greater significance is the fact that the report has the appearance of being worded in a manner designed to deliberately deceive the Congress in its consideration of this important measure.

As an example, the second sentence in the third paragraph of the Commission report states, "We estimate that these increases would cost the Government about $506,305,000 annually." The next paragraph states, "To this extremely high cost of $506 million must be added upward of $194 million to cover the retroactive period from August 23, 1954, to the date of enactment, thus, S. 67 would cost $700 million * * *."

I ask, if the cost is $506 million annually, as indicated by the Commission, would not the cost from August 23, 1954, through June 30, 1955—a period of 10 months plus—amount to ten-twelfths of $506 million, or $425 million instead of the $700 million claimed by the Commission? The report contains other statements equally misleading, devoid of fact, and obviously warped against S. 67 in favor of the administration's proposal. In this instance, as it turns out, the figures referred to no longer have any real significance for the reason that S. 1 as reported differs in many respects from the bill upon which the Commission commented. What is important and disturbing is that the Commission would trifle so with the facts. Surely, the Congress is entitled to expect accurate and reliable reports from the Civil Service Commission on matters of this kind.

I believe the raises provided in S. 67 are justified. I believe S. 67 is a good bill and should be enacted promptly.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment, as amended.

The amendment, as amended, was agreed to.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

THE HIGHWAY PROGRAM

Mr. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD at this point several editorials dealing with the administration's highway program.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Spokane (Wash.) Spokesman-Review of January 17, 1955]

HIGHWAY FINANCE PLAN SUBJECT TO QUESTION

President Eisenhower has yet to submit to Congress the administration's specific recommendations on the proposed multi-billion-dollar program to bring America's highways up to date.

But if the suggestions advanced by a special study commission headed by Gen. Lucius D. Clay are accepted, the financial aspects of this plan are certainly subject to question on the part of everyone who is concerned with the Government's fiscal stability and the vast public debt.

In brief, this plan calls for the Federal Government to raise about $20 billion of the total estimated cost of $101 billion by floating bonds, but the debt to be incurred would not be recognized in the Federal budget and would not be classed as a part of the total Federal debt.

Last week, Senator HARRY BYRD, chairman of the Senate Finance Committee, raised his voice in opposition to the idea. He said it would "destroy the budget and the Federal debt limitation."

"If they can set up a corporation to borrow money outside the budget and the debt limit to build roads, they can do anything," BYRD said. His main criticism was based on the fact the Government would not own the assets and would have no security behind the highway bonds, aside from the anticipated revenue from the Federal gas tax.

There have been various plans put forward for trick Federal financing of various needed projects. Some of these look good on the surface. But when a man like Senator BYRD adds a word of warning against such devices for the Government to fool itself and invite inflation and possible repudiation of all debts, that word of warning is worth some heed.

[From the Parkersburg (W. Va.) News of January 21, 1955]

BYRD QUESTION WORTH CONSIDERATION

Alluring as is the prospect of all of those roads envisioned in the administration's hundred-billion-dollar highway program, thoughtful minds cannot dismiss lightly the objections to the financing plan raised by Senator HARRY BYRD, Democrat, of Virginia.

As projected by Gen. Lucius Clay, Chairman of the Commission which worked up the program, the Government, in addition to the money regularly spent in Federal road aid to the States, would provide $25 billion for an interstate network of highways. The money for this would come from revenue bonds to be financed by the present 2-cent Federal gasoline tax, and rental fees from filling stations, motels, etc., along the new highways. The whole thing would be handled by a Federal highway corporation, thus taking the operation outside the regular Federal budget.

BYRD's objection is based not only on his assertion that every dollar spent in this manner would cost the taxpayers 55 cents in interest, but on the argument that to take this step would destroy the Federal budget. As BYRD expresses it, "If they can set up a corporation to borrow money outside the budget and the debt limit to build roads, they can do anything. This corporation would not own any roads or have any assets."

As an alternative, BYRD proposes that Congress reduce the gasoline tax from 2 cents to one-half cent, thus giving the States an opportunity to increase their road revenues without increasing the overall load of the automobile driver. Regular Federal aid to the States he would finance with the half-cent gasoline tax and the present lubricating oil levy.

What Senator BYRD says about the evils of the revenue-bond approach, and the danger inherent in the precedent of undertaking public financing outside the budget, commends itself at once to the cautious mind. It will take a lot of persuading to convince conservative-minded Congressmen of the wisdom of such a course.

On the other hand, the Senator's proposal would seem to fall short of the need. The News always has adhered to the doctrine that the Federal Government should keep hands off State affairs. For that reason it has opposed in principle the grants-in-aid device. To the extent, therefore, that the Byrd plan would return to the States more taxing potentiality without increasing the public burden, it is, the News believes, a step in the right direction. Apparently, however, he does not propose to change the existing Federal-State relationship. The Government would continue collecting and distributing among the States money for roads which have no important relationship to interstate commerce. His proposal would be sounder, we think, were it to contemplate use of all Federal money, whatever its source, for purely interstate highways.

If the Federal Government has any proper place in the road picture, it is in the interstate phase of it. Therefore, if the interstate network envisioned in the Clay program can be financed without resort to revenue bonds, it probably should be undertaken, even if that means complete abandonment of the present policy of sending Federal road money into the States to be spent on a matching basis.

[From the Point Pleasant (W. Va.) Register of January 24, 1955]

A TIMELY WARNING

Alluring as is the prospect of all of those roads envisioned in the administration's hundred-billion-dollar highway program, thoughtful minds cannot dismiss lightly the objections to the financing plan raised by Senator HARRY BYRD, Democrat, of Virginia.

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[From the Wheeling (W. Va.) News of January 24, 1955]

GRANTS-IN-AID

In connection with his criticism of the administration's multibillion dollar road program, Virginia's Senator BYRD calls attention to a phase of Federal-State relationship which has been getting more and more out of hand.

Digging into the statistics, Senator BYRD learned that as recently as 1934, the Federal Government's total distribution of so-called grants-in-aid money among the States amounted to but $126 million. It covered 18 activities. Today, the distribution amounts to $3 billion and covers 50 programs. And there is constant pressure on Congress for more projects and more aid.

"Every Federal grant," Senator BYRD emphasizes, "elevates the control of the Federal Government and subordinates the authority of the States. Nothing is truer than the rule that power follows the purse. When the Federal Government makes a grant it directs the exact manner in which the fund is expended, even though the expenditure is partly contributed by the States. Time and time again I have seen the iron hand of the Federal bureaucracy compel the States to do things that they did not desire to do, because of grants made by the Federal Government."

With respect to the road program, instead of using the proceeds of the 2-cent Federal gasoline tax to carry a big issue of revenue bonds, Senator BYRD would cut the tax to one-half of 1 percent thus releasing more taxing power to the States to finance their own road programs.

Whether or not one agrees with Senator BYRD's objections to this particular activity in view of the road needs of the day, the commonsense of what he says about grants-in-aid is apparent. It always has seemed to this newspaper that the Federal Government could and should participate in the development of purely interstate roads without bringing into play the principle of grants-in-aid at all. We think it proper, in the light

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of the requirements of interstate transportation, that the Federal Government concern itself with interstate highway construction and maintenance. We think it improper that Federal money be used, on a matching basis or otherwise, to stimulate purely intrastate road development which has nothing more than an indirect influence on interstate movements.

[From the Kenosha (Wis.) News of January 17, 1955]

UNIQUE HIGHWAY FINANCING

A highway modernization program costing billions of dollars will be proposed by the President to Congress later this month.

Hungry as we all are for better roads, if the new plan is based closely on the recommendations of the Clay Commission it should be given close scrutiny. Spending watchdog Senator HARRY F. BYRD, of Virginia, takes a dim view of the unique method of financing proposed.

The committee recommends borrowing $20 billion at 3 percent interest to finance one portion of the vast undertaking, specifically the construction of 40,000 road miles to be known as interstate highway. At the rate of interest every dollar borrowed would cost taxpayers $1.55, Senator BYRD reports, if paid off on schedule.

The Senator comments: "Based on all recent Federal experience, I submit it is a violent assumption to predict these bonds will be paid off at maturity. In effect, we have not paid off a single dollar of Federal debt in 25 years. Continuing increase in the Federal debt is in prospect for an indefinite period."

The committee recommended to the President that the program be financed through a Federal corporation which, without either assets or income, would borrow $20 billion from the public. The Treasury would guarantee the corporation's bonds, but the debt, Senator BYRD points out, would not be included in the record of obligations guaranteed by the United States.

And here's the danger as outlined pointedly by the Virginia Democrat: "If the Federal Government can properly borrow money for roads in this fashion, without regarding it as debt, and spend it without budgetary control, it may be expected that similar proposals will be made for financing endless outlays which may be desirable for education, hospitals, public health, etc."

In brief, the Government would be operating with two sets of books, one set for activities financed by borrowing outside budgetary control, and the other set for activities financed by borrowing on the record and under budget control.

The commission's proposal looks like an easy way to add to our national financial woes. It reeks of fiscal confusion and disorder. Before accepting anything of this nature, Congress should give thought to less evasive methods of financing, for the program itself is designed to meet a real need which must be satisfied immediately. Better roads are important, but it is doubtful if a separate debt structure should be created to provide them. There must be other, saner means.

[From the Marshfield (Wis.) News-Herald of January 20, 1955]

BYRD'S HIGHWAY PROGRAM

Will someone please come forward and shoot holes in Senator BYRD's arguments against the multi-billion-dollar national highway construction program recommended to President Eisenhower by the National Advisory Committee? We confess we cannot and, on the contrary, are bound to go along with the Virginia Senator's substitute proposals.

To begin with, Senator BYRD, the Senate's financial watchdog who hates debt and deficits, believes strongly in the need for a stepped-up highway construction program. He sees highways wearing out and becoming obsolete as motor-vehicle registrations increase year after year. But he would have the States do their own financing; he would remove the Federal Government as the financing agent.

The Virginian's method is simple: He would have the Federal Government repeal the present 2-cent gasoline tax and have the States reimpose this tax. (2) He would continue the present Federal aid to primary, secondary, and urban road systems which has been integrated with State highway systems on a matching basis. This amounts to $535 million. (3) He would continue the present Federal lubricating-oil tax. (4) He would levy a one-half-cent per gallon Federal gasoline tax. Revenue from this and the lubricating-oil tax would be sufficient to compensate the Federal Treasury for this Federal aid.

In this financing program, no money would be borrowed, as is contemplated by the recommendations of the National Advisory Committee to the President. Senator BYRD points out that "if the 30-year taxable bonds recommended by the committee can be sold at 3 percent interest, and if they are paid off on schedule—the last maturing in 1987—the interest would cost more than $11.5 billion. At this rate every dollar borrowed would cost the taxpayers $1.55."

A lot of highway mileage can be contructed with $11.5 billion.

The Senator points out some extremely pertinent facts:

1. It is a violent assumption to predict that these (the proposed) bonds will be paid off at maturity. In effect, he says, we have not paid off a single dollar of Federal debt in 25 years. Continuing increase in the Federal debt is in prospect for an indefinite period.

2. With continual population shifts, there is a constant shifting of road needs; there is no such thing as a permanent road because no one can predict in advance what specific roads will carry the most traffic. Hence, it would be unwise to expend huge sums in road construction in the next couple of years; the safer course is to increase the annual construction program in each of the 48 States, with the States doing the financing.

3. The proposed Federal corporation to assume the debt and financing responsibility is unsound and dangerous because it permits the Federal Government to go into debt beyond its legal limit. If such bypassing of the law is permitted for road building, similar means will be found for financing endless outlays for education, hospitals, public health, etc.

4. There is grave danger that the iron hand of Federal bureaucracy may compel the States to do things that they do not desire but feel they must enter into because of grants-in-aid. Many States now are finding difficulty in meeting their budgets; so violent a program as that proposed by the National Advisory Committee may be beyond many States' ability to cope with. In this respect, we think Wisconsin is eyeing askance the proposed highway building program.

We find ourselves agreeing with Senator BYRD in his declaration that the procedure proposed to the President by the Advisory Committee violates financing principles, defies budgetary control, and evades Federal debt law.

Ever since the profligate New Deal began squandering money from the National Treasury, the Virginia Senator has been in opposition. His has been one of the few voices raised in objection. The American people have become accustomed to his opposition and many think of him as the voice which cried "Wolf, wolf." For lo, these many years, this profligacy has proceeded. The Eisenhower administration has simply carried along the New Deal program. Americans, generally, are fearful of both inflation and deflation but, of the two, they prefer inflation. In this instance, we suspect the average American is willing to see the country push its luck to the extreme by entering into the highway construction program; and, if necessary, to finance it by borrowing rather than by adopting the plan proposed by Senator BYRD.

We hope Senator BYRD's leadership is accepted by the Congress when this proposal comes up for consideration. Our Wisconsin contingent would do well to examine his reasons for opposing the committee. He does well to offer an alternate scheme. This fact adds strength to his arguments against the proposals of President Eisenhower.

[From the Danville (Va.) Register of January 16, 1955]

BYRD ON HIGHWAY BUILDING

The opening lines from the ballad, The Wreck of Old 97, come to mind after reading Senator BYRD's comments on the report of the Clay Commission on Interstate Highways. The condition of the Southern's roadbed between Lynchburg and Danville in 1903 was described as "mighty rough" and that is the condition of the legislative road Mr. Eisenhower's Federal roads plan must follow in the Democratic Congress.

The Virginia senior Senator was simply devastating in his rendering of the Clay Commission recommendations, and his promise to "discuss the new road plan at length when the President submits it to Congress on January 27" suggests that his treatment of the Clay report is but a starter.

Briefly, the Clay report proposed: (1) That existing Federal aid to highways ($623 million a year) be continued; (2) Federal expenditures of an additional $25 billion be made over a period of 10 years in construction of 40,000 miles of designated interstate highways.

What aroused Senator BYRD most is the financing plan. A Federal corporation, as he notes, without assets or income, would issue bonds guaranteed by the United States Treasury but not made an obligation of the United States, so that it would not count in exceeding the statutory limit.

BYRD insists the plan violates financing principles, defies budgetary control, and evades the Federal-debt law. If that were not enough to provoke a charge of dishonesty in bookkeeping, the Senator pours on more criticism of the procedures and adds the final clincher that the plan would cost the taxpayers $1.55 for every dollar borrowed.

Not one to criticize without offering something better, Senator BYRD proposed a four-step plan to build more mileage at a considerably smaller cost which will not increase Federal debt and will leave the States with the same control over their highways as they now have. The Byrd plan, set forth in the news columns, deserves the attention of President Eisenhower before he submits a highway message embodying the Clay Commission recommendations. It also deserves, and probably will receive, the close scrutiny of Members of the Congress.

[From the Harrisonburg (Va.) News-Record of January 21, 1955]

WHAT OTHER EDITORS SAY

BYRD'S BROADSIDE

(Lynchburg News)

The opposition of Senator HARRY F. BYRD, of Virginia, to the proposed expenditure of billions of dollars for a Federal system of highways is both economic and political. It is based in his considered ideas of what constitutes sane fiscal policy and in his long-held philosophy of government. None of it is partisan in motivation. Though in accord

with principles long held by the Democratic Party his views in this instant may be shared by the fiscally conservative of both major parties.

The political objection to the Clay Commission's proposal, which is endorsed in principle by the Eisenhower administration, is to be found in the old and never-ending suspicion held by a free people of the expanding powers of a government centralized at a point farthest removed from their control or influence. "Every Federal grant," says Senator BYRD, "elevates the control of the Federal Government and subordinates the authority of the States." As the Virginia Senator points out—and as, strangely enough, it often seems needful to point out—"nothing is more true than that power follows the purse," or as the old saying has it, he who pays the fiddler calls the tune. The Federal Government, or one of the numerous bureaus of it, will say where the roads are to be built. It will say how many access roads shall be built and where. It will fix the fees for such activities as those of filling stations, motels, and restaurants—and will fix standards for their construction along the route of the highways. The people will pay, but having turned their funds over to the Federal Government for use and allocation, they will lose all say as to how it shall be spent. A Government bureau will pay the fiddler with their money and a Government bureau will call the tune. And it will be some tune.

The fiscal objections are several. Over a period of 30 years, Senator BYRD estimates, 3 percent interest on the proposed highway bonds would require repayment of $1.55 for every dollar borrowed. That is the cost if the bonds are paid off at maturity, but that they would be paid off at maturity is "a violent assumption," since not a dollar of borrowed funds has been paid off by the Federal Government in 25 years. Rather it is likely that more billions will be called for. There is no such thing as a permanent road, and population shifts will call for changes in road locations. The United States Treasury, under a contract with the Federal corporation doing the road fund borrowing, would guarantee the corporation's bonds, but the obligation would not be "included in the record of obligations guaranteed by the United States," a fact which leads the Senator to the caustic comment that "you cannot avoid financial responsibility by legerdemain, and you cannot evade debt by definition." Annual appropriations for payment of principle and interest would have to be requested of the Congress but the Congress would be powerless to refuse the request. Under certain circumstances the corporation could make mandatory calls upon the Treasury for amounts up to $5 billion outstanding at any one time. No wonder the Virginian calls these methods of financing "unique" and "unsound." No wonder he says "such procedures violate financing principles, defy budgetary control, and evade Federal debt law." No wonder he is concerned because of the increases in the Federal debt and at the weakening of the budget system.

Applicable to both fiscal and political objections to the Clay Commission proposal is the fear, virtually the certainty, that if these procedures are followed for roadbuilding they will be followed for financing "endless outlays which may be desirable for education, hospitals, public health, etc." If that happens, or when that happens, there will be no such thing as a balanced budget because there will be no budget and there will be no limit to the Federal debt, even the size of which will be a secret even to qualified accountants. And in the end the Federal Government will be all powerful, the States localities mere geographical boundaries.

Here is a proposal that has been set up to be shot at. Senator BYRD has taken the first shot, making a solid hit, and others may be expected to follow. Members of the Congress will do well to give consideration to what these authorities have to say on the subject, and not let themselves be carried away by their enthusiasm for good roads—and for more pork barrels.

[From the Hopewell (Va.) News of January 18, 1955]

FEDERAL HIGHWAY PLAN FOR BORROWING UNSOUND

We are inclined to agree with Senator HARRY F. BYRD in opposing the recommendations of the National Advisory Committee for a National Highway program.

The committee's recommendations fall generally in two parts: (1) Continuation of the regular Federal aid to highways at the rate of $623 million a year, and (2) expenditure during the next 10 years of an additional $25 billion for the so-called interstate highway system.

The committee estimates the $25 billion would construct 40,000 miles of roads designated by the Federal Government as interstate highways. This would be a little more than 1 percent of all public road mileage. It would average out to about 800 miles per State. Virginia actually has a little over 900 miles.

BORROW $20 BILLION

To finance this the committee recommends borrowing $20 billion at 3 percent interest and collecting $5 billion in fees from filling stations, motels, etc., operating on the rights-of-way. The committee's letter transmitting the report to the President implies that revenue from taxes on gasoline and lubricating oils will liquidate the program debt.

In regard to all this Senator BYRD says:

"Actually the committee recommends that the Federal Government assume virtually the complete obligation for the so-called interstate highway system (abolishing the 60–40 Federal-State matching requirement in this program) and that it be financed by methods which are unique so far as I know and thoroughly unsound.

The committee recommended to the President that the program be financed through a Federal corporation which, without either assets or income, would borrow $20 billion from the public. The Treasury, under a contract with the corporation, would guarantee the corporation's bonds, but the debt would not be included in the record of obligations guaranteed by the United States."

MUST BE HONORED

"Annual appropriations to meet principal and interest payments would be requested, but the request could not be refused or reduced by subsequent Congresses, for 30 years, if the faith and credit of the Government are to be honored. If financial difficulty should develop at any time the corporation with no further authorization could make mandatory calls upon the Treasury for amounts up to $5 billion outstanding at any one time.

"Such procedures violate financial principles, defy budgetary control, and evade Federal debt law.

"If the Federal Government can properly borrow money for roads in this fashion, without regarding it as debt, and spend it without budgetary control, it may be expected that similar proposals will be made for financing endless outlays which may be desirable for education, hospitals, public health, etc. In fact I am informed that such a plan is now under consideration for school construction."

BACK TO STATES

We feel that by far the best thing for the Federal Government to do is to give up the present 2-cent gasoline tax and let the States reimpose it. This would not increase the present cost to the motorist, yet would allow each State to greatly expand its highway program. This would keep State control of our roads, and revenues would be evenly distributed over future years to keep our highways modernized to meet changing conditions.

As a matter of fact Senator BYRD proposes much the same thing, except that he would keep a Federal gasoline tax of one-half cent per gallon. He says this, with the present Federal lubricating oil tax, would pay for the present Federal aid to primary, secondary, and urban road systems, on the present matching basis, which amounts to $535 million a year.

However, we believe that it would be better for the Federal Government to drop the gasoline tax entirely and leave that field to the States. It is not earmarked for the Federal road program and it has been the policy of the Federal Government for many years to give some aid on highways on a matching basis. Let's continue it that way but give the States a chance to run their own show.

With the added revenue the States would have from the 2-cent gasoline tax, now imposed by the Federal Government, we believe that in the long run we would have a better system of highways.

[From the Lynchburg (Va.) News of January 19, 1955]

BYRD'S ALTERNATIVE

Senator HARRY F. BYRD, of Virginia, did not restrict himself to the role of critic when he attacked the Clay Commission proposals for Federal and State expenditures of $101 billion in 10 years for roads and for Federal bonds to pay part of the costs. His comment was constructive as well as critical. In opposing one plan for highway construction he offered an alternative.

He proposes in brief that Federal aid to State roads be continued on the matching basis in the amount of $535 million as at present and that this amount be raised from the proceeds of the present lubricating-oil tax and a one-half-a-cent-a-gallon Federal tax on gasoline. The present 2-cent Federal tax on gasoline he would repeal, permitting the States to add the difference to their own gasoline tax and spend the revenues according to their needs as they themselves define it.

The advantages of the Byrd plan, as he sees them, are that interest in the sum of more than $11 billion would be saved for additional roads construction; the States would retain as much control over their roads as they have at present; and the revenues would be evenly distributed over future years to keep the highways modernized to meet changing conditions, instead of standardizing them to meet present conditions.

Senator BYRD says his plan will result in more road development than can be accomplished under the Clay Commission plan, and at the same time avoid the proposed increase in the public debt and preserve the soundness of the Federal budgetary system which is threatened by the commission's proposals.

Senator BYRD promises to elaborate in another statement, giving details and presenting figures on a yearly basis. Senator BYRD knows his roads from many years of study and of leadership in putting Virginia near the top of the States in highway construction. He knows his government finance, Federal and State. What he has to say is worth at least as much attention as the recommendations of a committee which spent a few months of study on the problems involved, and whose members, while able, are not all authorities.

[From the Lynchburg (Va.) News of January 20, 1955]

BETTER NOT START

If $20 billion of 30-year highway bonds are issued by the Federal Government at 3 percent interest the roads built from the funds

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thus obtained will cost $1.55 for every dollar spent, it is estimated by Senator BYRD, of Virginia, who has carefully analyzed what he calls a unique and unsound financing scheme.

If the bonds are not paid at maturity, if only the interest is paid during that 30-year period, we will have to continue to pay interest and the cost will in time reach to $2 and more for every dollar spent on roads. And we will still owe the $20 billion, will still have our debt. But we won't have our roads. They will be outmoded in that time. There are no such things as permanent roads.

If we issue these bonds for highways, there will come proposals for issuing more bonds for other things—for schools, for hospitals, for health, for this, that, and the other things, some needed, some desirable, and some just excuses for pork barrels. The effect of that on our fiscal position can well be imagined.

Fanciful? We will pay our bonds?

We have not paid a cent on the Federal debt in 25 years, Senator BYRD points out in his blast against the grandiose proposal of the generals and the Army engineers. If we are looking for something fanciful, we may find it in the idea that the bonds will be paid at maturity.

The thought that various other projects will be proposed and, perhaps, adopted if this one goes through, is the product of groundless fear?

Already they are talking of bonds for construction of school buildings at the expense of the Federal Government. And if the door is opened now, they will get them, too.

These fears of an enormous increase in the national debt, of the virtual destruction of the budgetary system are justified by experience and by judgment based on the ways of a spendthrift government. To be sure they will never be justified by reality, let's just forget all about the whole thing. There's a lot better ways to build roads, anyway.

[From the Newport News (Va.) Times-Herald of January 17, 1955]

SENATOR BYRD'S ROAD PLAN

Over the weekend Senator BYRD, of Virginia made many worthwhile points in his statement in opposition to the national road-building plan submitted to President Eisenhower by his National Advisory Committee for a highway program In a number of instances the comment was well-nigh devastating. Certainly it was most inclusive, as it attacked the two-part plan to continue regular Federal highway aid of $623 million a year and expenditure during the next decade of $25 billion derived from bonds for the "so-called Interstate Highway System."

Senator BYRD points out among other things that the 40,000 miles of road contemplated would, after all, represent but 1 percent of all public road mileage; that the $20 billion it is planned to borrow would cost the taxpayers in interest $1.55 for every dollar borrowed; that on past experience with Federal borrowing it could be assumed the debt would not be paid on schedule and that even before the 40,000 miles were constructed the program would be expanded into a still more costly venture.

He points to the changing needs for roads as population shifts, noting that it is difficult to pin down a special route as permanently good; that financing methods would abolish the present 60–40 percent matching program now in use for the "so-called interstate highway system" bringing into effect a unique system under which the whole obligation would be Federal—as would the determination of how the money would be spent and roads constructed.

The financing plan would be through a Federal corporation "without either assets or income" under contract with the Federal Government which would guarantee the corporation's bonds. "Such procedures," says Senator BYRD, "violate financing principles, defy budgetary control and evade Federal-debt law."

Moreover, says he, this system of financing would be the entering wedge for all sorts of outlays—schools, hospitals, public health, and so on. Senator BYRD points in this connection to the growth of Federal grants in 21 years from $126 million for 18 Federal grants in aid to today's $3 billion for 50 programs.

Senator BYRD offers an alternative in repeal of the present 2-cents-a-gallon Federal gasoline tax, permitting the States to reimpose it; continuation of the present Federal aid of $533 million allocated on a matching basis; continuance of the Federal lubricating oil tax and a half-cent Federal gasoline tax, which would let the Federal Government recoup its matching aid outlay.

The Virginia Senator says he will offer in the next few days a plan to get more road development than is possible under the committee's plan; to avoid public debt increase and retain a sound national budgetary system.

The fate of that plan has yet to be determined, of course. Yet Senator BYRD has offered many sound criticisms of the committee plan which should be most useful in making it eventually a down-to-earth program with its weaknesses and pitfalls well known. After all, no fiscal manipulation is going to abolish the hard fact that the taxpayers, one way or another, are going to pay for any roads built. Plans are simply patterned for spending these taxes, with the proper determining yardstick being the most of the most most-needed roads for the money without doing violence to sound financing methods.

[From the Norfolk (Va.) Virginian-Pilot of January 18, 1955]

SENATOR BYRD'S DISSENT ON THE FEDERAL ROAD PLAN

That Senator HARRY FLOOD BYRD should oppose the $101 billion Federal-State highway program proposed by the President's National Advisory Commission on highways and endorsed by Mr. Eisenhower, will surprise no Virginians. Senator BYRD's opposition to bonds-for-roads traces back to the Virginia Democratic primary campaign of 1925 in which he won the nomination for Governor on the pay-as-you-go issue. His opponent, State Senator G. Walter Mapp, was for bonds-for-roads.

Senator BYRD's opposition to the Federal-State highway program is categorical, and every category of his argument against the plan must be met. He is chairman of the Senate Finance Committee and in a position powerfully to influence the course of the legislation that would effectuate the program. His opposition to it is directed, first, at the central idea of the plan, which is to set up a Federal Highway Corporation to issue Government bonds in the amount of $20 billion bearing 3 percent interest, and based on the Federal gasoline tax. This fund would provide part of an estimated $25 million needed to construct 400,000 miles of interstate highways.

The remaining $5 billion would be raised by a Federal tax on filling stations and motels along the highways. Mr. BYRD objects to this device for incurring a Government debt not chargeable against the national debt limit. The 30-year bonds to be issued would cost the taxpayers $11.5 billion, which would mean that every dollar borrowed would cost $1.55.

Senator BYRD argues there is no assurance the bonds would be paid when they matured. He cites the fact that not a single dollar of Federal debt has been paid off in 25 years.

As an alternative Senator BYRD proposes repealing the Federal gasoline tax of 2½ cents and permitting the States to reimpose it. No doubt many States would. But some would not. If they did reimpose the tax would they spend on the interstate highways the large sums required to keep them adequately maintained for the tremendous interstate traffic? These highways today are comparable to the rivers and waterways over which the Federal Government long ago assumed jurisdiction.

Interstate traffic has overleaped all planning estimates. Vast new construction on State and interstate highways is needed. This is the central fact that is being faced by every State legislature and that must be faced by Congress as it critically examines the President's multi-billion-dollar road program and ways and means of its financing.

[From the Richmond (Va.) Times-Dispatch of January 18, 1955]

BYRD CITES FALLACIES IN CLAY ROAD PLAN

Senator BYRD has put his finger on at least half a dozen glaring weaknesses in the Clay committee's highway-construction proposal and has pointed out several other phases of the plan which raise serious doubts as to its soundness.

Perhaps the worst aspect is the basic financing proposal, calling for creation of a brandnew Federal corporation which would issue 30-year bonds to raise money for construction of a 40,000-mile interstate highway system. In previous editorials we have cited this and other shortcomings in the Clay plan, but Senator BYRD has delved deeper into the financial angles and come up with some interesting figures.

Setting up the corporation would be a scheme to get around the Federal debt limit. But the United States Treasury would guarantee the corporation's bonds; and if financial difficulties should develop, the corporation could make mandatory calls upon the Treasury for amounts up to $5 billion outstanding at any one time.

This type of financing would cost the citizens $1.55 for every dollar borrowed if the bonds carry 3 percent interest, which is a reasonable figure to anticipate.

This "keeping two sets of books" would deprive the taxpayer of a true and realistic account of the Government's fiscal affairs, and would impair Federal credit by methods which would be condemned as dishonest in private business.

"You cannot avoid financial responsibility by legerdemain," says the Senator. "You cannot evade debt by definition."

Nor would the Federal Government exercise budgetary control over the spending of the borrowed funds—a perilous precedent, which would almost certainly be followed in the financing of what Mr. BYRD fears would be "endless Federal outlays for education, hospitals, public health, etc." He has been told that a plan similar to that proposed by the Clay committee is now under consideration for school construction.

Another basic fallacy in the plan is that it proposes a gigantic 10-year building program that would eat up all available funds for the interstate system for 30 years. Road needs change constantly; it would be more sensible to spend less each year and have enough for a continuing construction program.

Senator BYRD offers an alternate plan for road financing.

He proposes that the Federal 2-cent gasoline tax be repealed, thus permitting the States to reimpose it, and that a Federal gas tax of one-half cent be adopted. (The wording of his proposal implies a net increase of one-half cent in gasoline taxes, including both State and Federal.) He says the Federal tax on gas, along with the tax on lubricating oil, would finance continuation of the present Federal road-grants program.

The Senator will furnish further details of his plan later. Suffice it to say now, however, that such a plan obviously would save billions in interest which would have to be paid under the Clay proposal, and would spread out road work more evenly over a longer period.

His plan may not be the ultimate answer, but it is far superior to the recommendation of the Clay group.

[From the Roanoke (Va.) Times of January 18, 1955]

SENATOR BYRD'S ALTERNATIVE TO THE CLAY ROAD PROGRAM

Senator BYRD's proposed substitute for the Eisenhower-Clay plan of Federal stimulation of road building recognizes the importance of highways and the extent to which we are falling behind in their development. It reiterates the Senator's long held conviction against any increase in the Federal debt, direct or indirect.

The Byrd plan depends on two contingencies:

1. That the Congress will agree to repeal of the Federal 2-cent gasoline tax, and so permit its reimposition by the States. It was because he had been told by his former associates in the House of Representatives that this would not be done that Governor Stanley gave preliminary approval to the Clay Commission plan. In Washington it is agreed that if any plan to remit the Federal gasoline tax is presented, the Congress will be deluged with appeals for remission or reduction of other burdensome excise taxes.

2. That the States can be induced to devote this extra revenue to roads carrying the most traffic instead of to those producing the most votes. The Virginia budget is loaded with diversions and charges on the road fund, for criminal expenses and many other matters having little if any relation to roads. The latest such charge is $400,000 for a State office building in Richmond, in which the highway department will not be housed.

While it is true that Virginia has the maintenance and policing of both primary and secondary highways before any new construction can be financed it is a curious commentary that Senator BYRD believes that from a ½-cent gasoline tax, plus a Federal tax on fuel oil, the Federal Government can match 50–50, or in the case of interstate highways 60–40, all major construction that Virginia undertakes out of a present 6-cent or a proposed 7½-cent gasoline tax.

Total traffic on our roads has doubled in recent years. But this increase has not been uniform. Some roads are much more overloaded than others. Our rigid plan of allocation makes no concession to changing conditions.

It is agreed that old U. S. 1 from Washington to Carolina by Richmond is obsolete, overloaded, and has the highest accident rate in the State. Under present plans, or under Senator BYRD's proposal, its replacement, with a modern divided-lane limited access road would take the entire construction fund for many years, bringing all other road work in the State to a standstill.

U. S. 11 from above Winchester to Bristol has some improved sections, some 2-lane bottlenecks, but is for most of its 300 miles an obsolete overloaded 3-lane road. Under the present plan of doing a little work each year in 3 districts it cannot be modernized for 30 or 40 years, and that only by restricting much needed work elsewhere.

It is true, as Senator BYRD points out, that if the Federal Government undertakes to modernize 40,000 miles of interstate roads, 910 miles of which are in Virginia, from a $25 billion bond issue, there would be constant and insistent demands to have other important roads included in the interstate system. As the Senator knows, we started in Virginia with a 3,000-mile primary system and have brought it to nearly 9,000 miles since 1918. Yet we are still without an adequate safe road from Roanoke to Lynchburg, or from Roanoke to the North Carolina border—both of which roads were in the original primary system.

The Clay Commission holds that we are approaching a crisis—a possible breakdown of transportation in time of war, and a constant brake on our economic development in time of peace. Senator BYRD recognizes no such crisis. Opposing any use of credit, Federal or State, he would increase State funds by remission of three-fourths of the Federal gasoline tax, without any guaranty that priority would be given either to interstate roads or to those most overloaded.

We have waited a long time for roads promised when the pay-as-you-go system was adopted, and which have not yet been supplied. Can we afford another generation of delay, inaction, heavy accident toll, and delayed economic development?

ORDER FOR RECESS TO MONDAY

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that when the Senate concludes its business today it take a recess until 12 o'clock noon on Monday next.

The PRESIDING OFFICER. Without objection, it is so ordered.

CALL OF THE CALENDAR ON MONDAY AND LEGISLATIVE PROGRAM FOR NEXT WEEK

Mr. JOHNSON of Texas. Mr. President, on Monday it is planned to have a call of the calendar from the beginning.

If it is not disposed of on the call of the calendar, it is my intention to call up Calendar No. 122, Senate Resolution 72, authorizing expenditures for hearings and investigation by the Committee on Armed Services.

I give notice now, so that Senators who are interested may read the announcement in the RECORD, that later in the week, probably on Tuesday or Wednesday, I shall move that the Senate proceed to the consideration of Calendars Nos. 107, 108, 109, 110, and 111, which are, respectively, Senate bills 1325, 1326, 1327, 1436, and 1457, the five tobacco bills introduced by the Senator from Kentuckey [Mr. CLEMENTS] and reported by the Committee on Agriculture and Forestry.

Following the disposition of those bills I expect to move that the Senate proceed to the consideration of the military-pay bill, hearings on which have been completed. I understand the bill will be marked up the early part of next week.

THE NATIONAL GUARD

Mr. MARTIN of Pennsylvania. Mr. President, all of us are very much interested in the Reserve components of the United States. Those components include the National Guard of the United States and the Organized Reserves of the United States.

The National Guard recently released a concise statement of what the Guard has done from the days of the Revolution to the present time. I ask unanimous consent that the statement may be printed in the body of the RECORD at this point, as a part of my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

I AM THE GUARD

Civilian in peace, soldier in war; of security and honor, for three centuries I have been the custodian. I am the guard.

I was with Washington in the dim forests, fought the wily warrior, and watched the dark night bow to the morning. At Concord's bridge, I fired the fateful shot heard around the world. I bled on Bunker Hill. My footprints marked the snows at Valley Forge. I pulled a muffled oar on the barge that bridged the icy Delaware. I stood with Washington on the sun-drenched heights of Yorktown. I saw the sword surrendered. I am the guard. I pulled the trigger that loosed the long rifle's havoc at New Orleans. These things I knew. I was there. I saw both sides of the War Between the States. I was there. The hill at San Juan felt the fury of my charge. The far plains and mountains of the Philippines echoed to my shout. On the Mexican border I stood. I am the guard. The dark forest of the Argonne blazed with my barrage. Cheateau Thierry crumbled to my cannonade. Under the arches of victory I marched in legion. I was there. I am the guard. I bowed briefly on the grim Corregidor, then saw the light of liberation shine on the faces of my comrades. Through the jungle and on the beaches, I fought the enemy, beat, battered, and broke him. I raised our banner to the serene air on Okinawa. I scrambled over Normandy's beaches. I was there. I am the guard. Across the 38th parallel I made my stand. I flew MIG Alley. I was there. I am the guard.

Soldier in war, civilian in peace. I am the guard.

I was at Johnstown, where the raging waters boomed down the valley. I cradled the crying child in my arms and saw the terror leave her eyes. I moved through smoke and flame at Texas City. The stricken knew the comfort of my skill. I dropped the food that fed the starving beast on the frozen fields of the West and through the towering drifts I ploughed to rescue the marooned. I have faced forward to the tornado, the typhoon, and the horror of the hurricane and flood; these things I know. I was there. I am the guard. I have brought a more abundant, a fuller, a finer life to our youth. Wherever a strong arm and valiant spirit must defend the Nation, in peace or war, wherever a child cries, or a woman weeps in time of disaster, there I stand. I am the guard. For three centuries a soldier in war, a civilian in peace, of security and honor, I am the cutodian, now and forever. I am the guard.

EASTER RECESS

Mr. JOHNSON of Texas. Mr. President, it is tentatively planned that the Senate will recess from Thursday before Good Friday until Tuesday following Easter.

I should like to state for the information of Senators, however, that it does not appear now that the so-called reciprocal trade bill will be reported by that time and be ready for consideration by the Senate. Discussions are under way with the chairmen of committees, with respect to what legislation will be ready for action by the Senate by that time, with the thought of exploring the possibility of taking a somewhat more extended recess over the Easter period. I hope to be able to make an announcement to the Senate on Monday next in that regard.

UNIVERSITY OF MICHIGAN LIBRARIES

Mr. SALTONSTALL. Mr. President, I wonder whether the Senator from Texas can give us a little information as to whether the additional time for a recess would be prior to Easter or after Easter.

Mr. JOHNSON of Texas. I do not have a calendar before me, but it is my understanding that the House will be in recess from Monday, April 4, I believe, until Wednesday, April 13. If no important legislation is ready for consideration by the Senate during that period, and if the distinguished minority leader is agreeable, it is possible that the Senate may take a recess for the same period.

The minority leader is now discussing the question with some of the ranking minority members, and as soon as he informs me of his desires I shall be prepared to act.

TAX RATE EXTENSION ACT OF 1955—CONFERENCE REPORT

Mr. BYRD. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4259) to provide a 1-year extension of the existing corporate normal-tax rate and of certain existing excise-tax rates, and to provide a $20 credit against the individual income tax for each personal exemption. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The legislative clerk read the report, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4259) to provide a 1-year extension of the existing corporate normal-tax rate and of certain existing excise-tax rates, and to provide a $20 credit against the individual income tax for each personal exemption, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendments of the Senate numbered 1 and 2 and agree to the same.

That the House recede from its disagreement to the amendment of the Senate to the title of the bill and agree to the same.

HARRY F. BYRD,
WALTER F. GEORGE
(By HARRY F. BYRD),
ROBERT S. KERR,
E. D. MILLIKIN,
EDWARD MARTIN,
Managers on the Part of the Senate.

JERE COOPER,
W. D. MILLS,
DANIEL A. REED,
THOMAS A. JENKINS,
Managers on the Part of the House.

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. BYRD. Mr. President, the conference report agrees to the Senate amendment striking out the $20 credit provided in the House bill. The conferees agreed to the bill as passed by the Senate. I may say that the conferees on the part of the Senate voted unanimously in favor of the conference report, and of the 5 conferees on the part of the House, 4 signed the conference report.

The facts surrounding the bill are well known to the Senate. An amendment was adopted by the House granting a $20 income-tax credit. That amendment was rejected by the Committee on Finance, and when the same amendment was offered on the floor of the Senate it was rejected by the Senate by a vote of 61 to 32.

The bill as it now stands provides only for a continuation for 1 year of the excise taxes, which expire on March 31, and for a continuation for 1 year of the 5 percent corporation taxes, which also expire on March 31. In other words, both taxes will be continued for another year, until March 31, 1956. There are no other provisions in the bill or in the conference report.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

RECESS TO MONDAY

Mr. JOHNSON of Texas. Mr. President, in accordance with the order previously entered, I move that the Senate stand in recess until 12 o'clock noon on Monday next.

The motion was agreed to; and (at 1 o'clock and 39 minutes p. m.) the Senate took a recess, the recess being, under the order previously entered, until Monday, March 28, 1955, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate March 25 (legislative day of March 10), 1955:

IN THE ARMY

Brig. Gen. Robert Alexis McClure, O6785, Army of the United States (colonel, U. S. Army), for temporary appointment as major general in the Army of the United States under the provisions of subsection 515 (c) of the Officer Personnel Act of 1947.

The following-named officers for temporary appointment in the Army of the United States to the grades indicated under the provisions of subsectoin 515 (c) of the Officer Personnel Act of 1947:

To be major generals

Brig. Gen. John William Harmony, O15240, United States Army.

Brig. Gen. Richard Givens Prather, O15698, United States Army.

Brig. Gen. Frederic Joseph Brown, O16761, Army of the United States (colonel, U. S. Army).

Brig. Gen. George Edward Martin, O16802, Army of the United States (colonel, U. S. Army).

Brig. Gen. Derrill McCollough Daniel, O29500, Army of the United States (colonel, U. S. Army).

To be brigadier generals

Col. Benjamin Peter Heiser, O16450, United States Army.

Col. Arthur Hodgkins Bender, O16611, United States Army.

Col. Theodore Trower King, O28889, United States Army.

Col. Harry Oliver Paxson, O16764, United States Army.

Col. James Virgil Thompson, O16826, United States Army.

Col. Thomas Alphonsus Lane, O17075, United States Army.

Col. Ernest Fred Easterbrook, O18537, United States Army.

Col. William Leonard Hardick, O18558, United States Army.

Col. John Frank Ruggles, O18596, United States Army.

Col. James Winfield Coutts, O18875, United States Army.

The following-named person for appointment as chaplain of the Regular Army of the United States, in the grade of captain, under the provisions of section 506 of the Officer Personnel Act of 1947 (Public Law 381, 80th Cong.):

Murphy, John J., O966609.

The following-named persons for appointment in the Regular Army of the United States, in the grades and corps specified, under the provisions of section 506 of the Officer Personnel Act of 1947 (Public Law 381, 80th Cong.), title II of the act of August 5, 1947 (Public Law 365, 80th Cong.), and Public Law 36, 80th Congress, as amended by Public Law 37, 83d Congress:

To be captains

Fisher, William C., MC, O979020.
Patow, Warren E., MC, O1920876.
White, Stanley W., MC, O932416.

To be first lieutenants

Bingham, Wilbur G., Jr., MC, O4022519.
Carnes, Marion M., MC.
Jackson, Peter E., MC.

To be second lieutenants

Kellel, Frank, Jr., MSC, O2103085.
MacTaggart, Lois, WMSC, M2972.

The following-named persons for appointment in the Medical Corps, Regular Army of the United States, in the grade of first lieutenant, under the provisions of section 506 of the Officer Personnel Act of 1947 (Public Law 381, 80th Cong.), subject to completion of internship:

Blakely, Gene T., O4024526.
Cheitlin, Melvin D., O2273754.
Ford, George L., Jr.
Green, David C., O4038709.
Potenza, Austin D., O2273865.
Scalettar, Raymond, AO3000295.
Schonholtz, George J., O2273730.
Wayman, George W., O2063133.
Weinstein, David B., O2273765.

The following-named person for appointment in the Regular Army of the United States, effective June 4, 1955, in the grade of second lieutenant, under the provisions of section 506 of the Officer Personnel Act of 1947 (Public Law 381, 80th Cong.):

Everett, William M., O4009342.

The following-named distinguished military students for appointment in the Regular Army of the United States, in the grade of second lieutenant, under the provisions of section 506 of the Officer Personnel Act of 1947 (Public Law 381, 80th Cong.):

Hymes, Morris A.
Jackson, Donald, O4042676.
Petracek, Daniel L.
Rajski, Daniel J.
Stein, David W., O4017794.
Twachtmann, Dale H.
Wharrie, Robert E.

CONFIRMATIONS

Executive nominations confirmed by the Senate March 25 (legislative day of March 10), 1955:

COAST AND GEODETIC SURVEY

The following persons for permanent appointment to the grade indicated, subject to qualifications provided by law:

To be captains

Riley J. Sipe, effective March 2, 1955.
Frank G. Johnson, in accordance with law.

To be ensigns

Robert J. Candela, effective March 21, 1955.

Willard L. Shireman, in accordance with law.

James F. Schumann, in accordance with law.

Norman B. Madsen, in accordance with law.

IN THE ARMY

Maj. Gen. Silas Beach Hays, O17803, Medical Corps, United States Army, to be the Surgeon General, United States Army.

Lt. Gen. Lyman Louis Lemnitzer, O12687, Army of the United States (major general, U. S. Army), to be commanding general, Army Forces Far East and Eighth Army, with the rank of general, and as general in the Army of the United States.

Maj. Gen. James Maurice Gavin, O17676, Army of the United States (brigadier general, U. S. Army), to be Deputy Chief of Staff for Plans and Research, United States Army, with the rank of lieutenant general, and as lieutenant general in the Army of the United States.

Capt. Amos A. Jordan, Jr., O27895, to be professor of social science, United States Military Academy, effective March 1, 1955.

The following-named persons for appointment in the Regular Army of the United States, in the grades and corps specified, under the provisions of section 506 of the Officer Personnel Act of 1947 (Public Law 381, 80th Cong.), and Public Law 36, 80th Congress, as amended by Public Law 37, 83d Congress:

To be captain

Powell, John J., VC, O427930.

To be first lieutenants

Benedict, Daniel B., MC, O999420.
Gibson, Jack L., MC, O1940129.
Godfrey, William H., MSC, O1546995.
Gunuskey, Dolores L., ANC, N762590.
Lysak, William, MSC, O966641.

The following-named person for appointment in the Medical Corps, Regular Army of the United States, under the provisions of section 506 of the Officer Personnel Act of 1947 (Public Law 381, 80th Cong.), subject to completion of internship:

To be first lieutenant

Griffin, Martin E., Jr., O4030389.

The following-named persons for appointment in the Regular Army of the United States, under the provisions of section 506 of the Officer Personnel Act of 1947 (Public Law 381, 80th Cong.):

To be first lieutenants

Cluck, Charlie E., O999028.
Madden, William R., Jr., O975483.

The following-named distinguished military student for appointment in the Medical Service Corps, Regular Army of the United States, under the provisions of section 506 of the Officer Personnel Act of 1947 (Public Law 381, 80th Cong.):

To be second lieutenant

Dillard, Herbert A.

The following-named distinguished military students for appointment in the Regular Army of the United States under the provisions of section 506 of the Officer Personnel Act of 1947 (Public Law 381, 80th Cong.):

To be second lieutenants

Bittl, Frederick E.
Fitter, Patrick M.
Garcia, Eliseo J., O4024771.
Heverly, Clifford C., O401726.
Kennedy, George I. Jr., O1941273.
Nack, Thomas P., O4044536.
Purdy, Harry E., Jr., O4025765.
Turner, Joseph E., Jr.

REGULAR AIR FORCE

The nominations of Robert Wesley Tindall, et al., for promotion in the Regular Air Force, which were confirmed today, were received by the Senate on March 14, 1955, and appear in full in the Senate proceedings of that date under the caption "Nominations," beginning with the name of Robert Wesley Tindall, which is shown on page 2832 and ending with the name of Elbert Ray Chamlis, which appears on page 2833.

SENATE

MONDAY, MARCH 28, 1955

(Legislative day of Thursday, March 10, 1955)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

Eternal God, who committest to us the swift and solemn trust of life, so teach us to number our days that we may apply our hearts unto wisdom. Teach us to toil and ask not for reward save that of knowing we do the things that please Thee. May we regard the faithful service of the Commonwealth as a sacramental task.

As we come now, at the beginning of another week, to the high altar of patriotism in this temple of the people's hope and trust, may it be with clear minds, clean hands, and courageous hearts. Thou hast taught us that our lives are the temples of Thy holy presence. Made in Thy image, no despot may enslave our conscience. Against the defilement, by impious hands, of that sacred inner shrine, we pledge a sacrifice from which no Gethsemane or Calvary can hold us back. Strengthen us with the spirit of that One who, for the joy that was set before Him, endured the shame and despised the cross. In His name we ask it. Amen.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the reading of the Journal of the proceedings of Friday, March 25, 1955, was dispensed with.

MESSAGE FROM THE HOUSE— ENROLLED BILL SIGNED

A message from the House of Representatives, by Mr. Bartlett, one of its clerks, announced that the Speaker had affixed his signature to the enrolled bill (S. 691) to amend the Rubber Producing Facilities Disposal Act of 1953, so as to permit the disposal thereunder of Plancor No. 877 at Baytown, Tex., and certain tank cars, and it was signed by the President pro tempore.

LEAVE OF ABSENCE

Mr. LANGER. Mr. President, I ask unanimous consent that I may be excused from attendance on the sessions of the Senate for 2½ hours this afternoon so that I may greet Miss Jody Folsom, former potato queen of North Dakota, and a typical beauty from our North Dakota prairies, who represents the State of North Dakota in the Cherry Blossom Festival, and who, I hope, will be elected queen of the festival. She is arriving on the Northwest Airlines to be a charming guest of the North Dakota congressional delegation, who will meet her in a body, and as senior Senator I have the pleasant job of pinning an orchid on her shoulder.

The PRESIDENT pro tempore. Without objection, the Senator from North Dakota will be excused from attending the session of the Senate today for 2½ hours for the purpose indicated.

COMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. JOHNSON of Texas, and by unanimous consent, the Internal Security Subcommittee of the Committee on the Judiciary was authorized to meet during the sessions of the Senate through Thursday of this week.

On request of Mr. JOHNSON of Texas, and by unanimous consent, the Subcommittee on Welfare Pensions of the Committee on Labor and Public Welfare was authorized to meet during the session of the Senate today.

ORDER FOR TRANSACTION OF ROUTINE BUSINESS

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that immediately following the quorum call there may be the customary morning hour for the transaction of routine business, under the usual 2-minute limitation on speeches.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. JOHNSON of Texas. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The Secretary will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDENT pro tempore. Without objection, it is so ordered.

AUTHORIZATION TO COMMITTEE ON ARMED SERVICES TO REPORT BILL DURING RECESS OR ADJOURNMENT OF THE SENATE

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Committee on Armed Services be permitted to report the military pay bill, H. R. 4720, on Tuesday in the event the Senate shall not be in session.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that if the committee shall report the military pay bill, the Senate may proceed to its consideration immediately after the morning hour on Wednesday next.

The PRESIDENT pro tempore. Without objection, it is so ordered.

UNIVERSITY OF MICHIGAN LIBRARIES

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

REPORT OF UNITED STATES SOLDIERS' HOME

A letter from the Secretary of the Army, transmitting, pursuant to law, a report of the Board of Commissioners, United States Soldiers' Home, for the fiscal year 1954, together with a copy of the report of the annual inspection, 1954 (with accompanying papers); to the Committee on Armed Services.

REPORT OF NATIONAL TRUST FOR HISTORIC PRESERVATION IN THE UNITED STATES

A letter from the secretary, National Trust for Historic Preservation, Washington, D. C., transmitting, pursuant to law, a report of that Trust, for the calendar year 1954 (with accompanying papers); to the Committee on Interior and Insular Affairs.

REPORT OF PROCEEDINGS OF JUDICIAL CONFERENCE

A letter from the Director, Administrative Office of the United States Courts, Washington, D. C., transmitting, pursuant to law, the annual report of the Director of the Administrative Office of the United States Courts, including the report of the annual and special meetings of the Judicial Conference of the United States, for the year 1954 (with an accompanying report); to the Committee on the Judiciary.

COST ASCERTAINMENT REPORT, POST OFFICE DEPARTMENT

A letter from the Acting Postmaster General, transmitting, pursuant to law, the Cost Ascertainment Report of the Post Office Department, for the fiscal year 1954 (with an accompanying report); to the Committee on Post Office and Civil Service.

REPORT ON COST OF CONSTRUCTION NEEDED TO MODERNIZE THE NATION'S HIGHWAYS

A letter from the Secretary of Commerce, transmitting, pursuant to law, a report on the cost of construction needed to modernize the Nation's highways, prepared by the Commissioner of Public Roads in cooperation with the State highway departments (with accompanying papers); to the Committee on Public Works.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the PRESIDENT pro tempore:

A joint resolution of the Legislature of the State of Nevada; to the Committee on Public Works:

"Assembly Joint Resolution 35

"Joint resolution memorializing the United States Post Office Department and the General Services Administration to allow the placement of the historical V. & T. railroad engine and mailcar on the premises of the post-office building in Carson City

"Whereas the legend of the Comstock Lode and Virginia City which rose to incalculable wealth is centered around the railroad that was built to serve the Comstock, namely, the Virginia & Truckee Railroad Co.; and

"Whereas over the noble trestles and pastoral tangents of this historical railroad rolled much of the wealth that built San Francisco and financed the careers of ambassadors, princesses, and notables of two generations; and

"Whereas the Virginia & Truckee Railroad Co. was an integral portion of the greatest of all pioneering sagas and was once the richest railroad in the world when measured in terms of return upon its investment and the tangible assets it transported; and

"Whereas the heroic importance of the Virginia & Truckee Railroad Co. in the history of Nevada is attested to by the fact that the great seal of this State shows the locomotive crossing the Crown Point trestle; and

"Whereas this famous shortline was analogous to the traditions of the Pony Express in that it carried the United States mail through all types of weather and adverse conditions; and

"Where economic conditions necessitated the abandonment of this great and historical railroad in 1949 without any visible trace of sentiment, much to the regret of the citizenry of this State and much to the detriment of the proud heritage which it achieved; and

"Whereas two of the world's most respected and notable authorities and authors on railroading, Lucius Beebe and Charles Clegg, wrote, in closing their book on the Virginia & Truckee Railroad Co., the following: 'When the Virginia & Truckee banks the fires of its engines at last for the long night, as have so many little railroads before it, it will not come back again, for the dead return not. But, like the sparkling Concords that went before it down the dusty highroads of yesterday, its memory will live forever in the minds of men, trailing an unforgotten banner of woodsmoke across the Nevada sagebrush where once the railroad ran;' and

"Whereas there is still an opportunity to save some historical remnant of this greatest of all little railroads by virtue of the fact that the chamber of commerce of Carson City, Nev., has a locomotive and a small mailcar which it is desirous of placing on display as an outstanding tourist attraction and monument; and

"Whereas the United States post-office building in Carson City is also known as a historical classic and tourist attraction and it is centrally located with adequate surrounding area for the placement of this exhibit in an appropriate manner; and

"Whereas such a project would be without expense to the Federal Government and the only condition which would be imposed would be the right to remove the train should a new post-office building subsequently be constructed: Now, therefore, be it

"*Resolved by the Assembly and Senate of the State of Nevada (jointly)*, That the Legislature of the State of Nevada respectfully memorializes the United States Post Office Department, by and through the Postmaster General, and the General Services Administration to investigate and examine the feasibility of placing the locomotive and cars of the historical Virginia & Truckee Railroad Co. on the grounds of the post-office building in Carson City, Nev., at no expense to the Federal Government with the only condition being imposed that the chamber of commerce of Carson City reserves the right to remove the equipment whenever the post-office building is abandoned and removed or a new building constructed; and be it further

"*Resolved*, That the secretary of state of the State of Nevada be, and he hereby is, directed to transmit certified copies of this resolution to the Postmaster General of the United States, the General Services Administration in Washington, D. C., the Governor of this State, and the Senators and Representatives in Congress from the State of Nevada and the President and Vice President of the United States."

A resolution adopted by the Marine Insurance Society, Seattle, Wash., favoring the enactment of House bill 2036, relating to tonnage of naval vessels; to the Committee on Armed Services.

A letter from the Assistant Secretary, Department of State, transmitting a letter from the president, Taiwan Provisional Provincial Assembly, expressing appreciation for steps recently taken by the President and the Congress of the United States in connection with the ratification of the Mutual Defense Treaty with the Republic of China; to the Committee on Foreign Relations.

A letter, in the nature of a petition, from the Marine Corps League, Department of New York, signed by Ray J. Puchalski, commandant, praying for the enactment of legislation to provide that the six participants of the flag-raising on Iwo Jima be interred in the crypt of the marine memorial in Washington, D. C. (with an accompanying paper); to the Committee on Interior and Insular Affairs.

A resolution adopted by the Hawaii County League of Republican Women, Hilo, Hawaii, favoring the appointment of Montgomery Clark to be circuit judge of the Third Judicial Circuit, Territory of Hawaii; to the Committee on the Judiciary.

A resolution adopted by the Citizens Study Club of Oahu, Hawaii, relating to communism; to the Committee on the Judiciary.

RESOLUTIONS OF GENERAL ASSEMBLY OF RHODE ISLAND

Mr. GREEN. Mr. President, I present two resolutions adopted recently by the General Assembly of the State of Rhode Island and Providence Plantations.

One is a resolution memorializing Congress with respect to House bill 3322 and Senate bill 1004, amending the Federal Property and Administrative Services Act which would release for donation to State surplus property agencies a large amount of Government surplus property for use of the State tax-free health and educational institutions.

The other is a resolution memorializing Congress to approve pending resolutions declaring that the people of Ireland should have the right to determine the form of government under which they desire to live.

The PRESIDENT pro tempore. The resolutions will be received and appropriately referred; and, under the rule, will be printed in the RECORD.

The resolutions, presented by Mr. GREEN, were received and appropriately referred as follows:

To the Committee on Government Operations:

"Resolution memorializing Congress with respect to House bill 3322 and Senate bill 1004, amending the Federal Property and Administrative Services Act which would release for donation to State surplus property agencies a large amount of Government surplus property for use of the State tax-free health and educational institutions

"Whereas there are now pending in Congress House bill 3322 and Senate bill 1004 which would be an amendment to the Federal Property and Administrative Services Act (Public Law 152, 81st Cong., sec. 203 (j), which, if passed by the United States Senate and House, would release for donation to State Surplus Property Agencies a large amount of Government surplus property for use of the State tax-free health and educational institutions, property which is now being sold by the Department of Defense and Stock Fund System; and

"Whereas these items would include carpenters' tools, machine tools, small hand tools, drafting equipment, clothing, bedding,

trucks, buses, and many items useful to schools and hospitals; and

"Whereas Rhode Island has been receiving allocations from Department of Health, Education, and Welfare in amount of approximately $350,000 (Government acquisition cost) of material a year: Now, therefore, be it

"*Resolved*, That the members of the General Assembly respectfully request the Congress of the United States to work for the passage of one or the other of the above-noted bills and to give wholehearted support with no change in basic content; and be it further

"*Resolved*, That the Secretary of State be and he is hereby authorized to transmit to the Senators and Representatives from Rhode Island in the Congress of the United States duly certified copies of this resolution asking each earnestly to use strong efforts in working for the passage of such important legislation."

To the Committee on Foreign Relations:

"Resolution memorializing Congress to approve the resolutions pending therein declaring that the people of Ireland should have the right to determine the form of government under which they desire to live

"Whereas House Resolution 32, presented to the Congress of the United States by Hon. JOHN E. FOGARTY, Representative in Congress from the Second Congressional District of Rhode Island, which declares that it is the sense of the House of Representatives that the Republic of Ireland should embrace the entire territory of Ireland, unless a clear majority of all the people of Ireland, in a free plebiscite, determine and declare to the contrary; and

"Whereas a similar resolution has been introduced in the Senate of the United States, sponsored by Senators EVERETT MCKINLEY DIRKSEN, of Illinois; JOHN FITZGERALD KENNEDY, of Massachusetts; WILLIAM A. PURTELL, of Connecticut and MICHAEL J. MANSFIELD, of Montana; and

"Whereas 26 of the 32 counties of Ireland have been successful in obtaining international recognition for the Republic of Ireland which has, as its basic law, a constitution modeled upon our own American Constitution: Now, therefore, be it

"*Resolved*, That since it is the sense of the General Assembly of Rhode Island that the Republic of Ireland should embrace the entire territory of Ireland unless a clear majority of all of the people of Ireland, in a free plebiscite, determine and declare to the contrary, the Senators and Representatives from Rhode Island in the Congress of the United States are respectfully requested to use their earnest efforts to have both Houses of the Congress approve both resolutions; directing the Secretary of State to transmit to them duly certified copies of this resolution."

INVESTIGATION OF THE DIXON-YATES CONTROVERSY—RESOLUTION

Mr. HUMPHREY. Mr. President, I ask unanimous consent to have printed in the RECORD, and appropriately referred, a resolution adopted at the annual meeting of the Minnesota Electric Cooperative, on March 9 and 10, 1955, requesting an investigation of the Dixon-Yates controversy by the proper committee of Congress.

There being no objection, the resolution was referred to the Committee on Public Works, and ordered to be printed in the RECORD, as follows:

DIXON-YATES CONTRACT

Whereas the administration has seen fit to promote a contract authorizing the private power combine Dixon-Yates to provide electric power to TVA for use by Atomic Energy Commission; and

Whereas President Eisenhower ordered this contract signed over the disapproval of the Chairman of TVA; and

Whereas the administration has refused to present all facts to answer the charges of preferential treatment: Therefore be it

Resolved, That inasmuch as the administration's conduct in the Dixon-Yates case raised many unanswered questions and inasmuch as there are no apparent reasons justifying such a power contract, we, the members of Minnesota Electric Cooperative at our annual State meeting held on March 9 and March 10, 1955, do hereby go on record calling upon Congress to conduct a thorough investigation of the Dixon-Yates controversy by the proper investigating committee; be it further

Resolved, That we send copy of this resolution to the Minnesota Congressmen and Senators.

REPORTS OF A COMMITTEE

The following reports of a committee were submitted:

By Mr. PAYNE, from the Committee on Interstate and Foreign Commerce:

S. 37. A bill to amend the act increasing the retired pay of certain members of the former Lighthouse Service in order to make such increase permanent; without amendment (Rept. No. 122).

By Mr. MONRONEY (for Mr. MAGNUSON), from the Committee on Interstate and Foreign Commerce:

S. 460. A bill to amend section 4482 of the Revised Statutes, as amended (46 U. S. C. 475), relating to life preservers for river steamers; without amendment (Rept. No. 123).

AMENDMENT OF CIVIL AERONAUTICS ACT—REPORT OF A COMMITTEE

Mr. MONRONEY. Mr. President, from the Committee on Interstate and Foreign Commerce, I submit a unanimous favorable report, with amendments, on the bill (S. 651) to amend section 401 (e) (2) of the Civil Aeronautics Act, as amended, and I submit a report (No. 124) thereon. The bill, which was introduced by the distinguished senior Senator from Washington [Mr. MAGNUSON], who is chairman of the committee, would provide permanent certification to the 13 feeder lines which have been operating for many years in the United States.

The PRESIDENT pro tempore. The report will be received, and the bill will be placed on the calendar.

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on today, March 28, 1955, he presented to the President of the United State the enrolled bill (S. 691) to amend the Rubber Producing Facilities Disposal Act of 1953, so as to permit the disposal thereunder of Plancor No. 877 at Baytown, Tex., and certain tank cars.

BILLS AND JOINT RESOLUTIONS INTRODUCED

Bills and joint resolutions were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. ERVIN:

S. 1558. A bill for the relief of Martha Llach de Palacios and her children, Virginia Palacios, Daniel Palacios, and Patricia Palacios; to the Committee on the Judiciary.

By Mr. CAPEHART:

S. 1559. A bill to amend the Trust Indenture Act of 1939 to permit a trustee to have one director who is at the same time an investment banker; to the Committee on Banking and Currency.

By Mr. SCHOEPPEL:

S. 1560. A bill for the relief of Dr. John Joon Sik Chung; to the Committee on the Judiciary.

By Mr. KEFAUVER:

S. 1561. A bill for the relief of Katie May Fraser; and

S. 1562. A bill for the relief of Hilda Millonig; to the Committee on the Judiciary.

By Mr. SALTONSTALL (for Mr. KENNEDY):

S. 1563. A bill for the relief of Elidora Yanguas Perez; and

S. 1564. A bill for the relief of Giovanni De Bilio; to the Committee on the Judiciary.

By Mr. CAPEHART (for himself, Mr. KUCHEL, and Mr. KNOWLAND):

S. 1565. A bill to amend the National Housing Act by adding a new title thereto providing authority for technical research and studies on problems of air pollution generally and establishing a loan program to aid in the installation of air pollution prevention equipment; to the Committee on Banking and Currency.

(See the remarks of Mr. CAPEHART when he introduced the above-mentioned bill, which appear under a separate heading.)

By Mr. HUMPHREY (for himself, Mr. KUCHEL, and Mr. GOLDWATER):

S. 1566. A bill establishing a general policy and procedures with respect to payments to State and local governments on account of Federal real property and tangible personal property, and for other purposes; to the Committee on Government Operations.

(See the remarks of Mr. HUMPHREY when he introduced the above bill, which appear under a separate heading.)

By Mr. CHAVEZ:

S. 1567. A bill for the relief of Eduardo Armijo; to the Committee on the Judiciary.

By Mr. CHAVEZ (by request):

S. 1568. A bill to provide for the disposal of Federally owned property at obsolescent canalized waterways and for other purposes; to the Committee on Public Works.

By Mr. RUSSELL (for himself and Mr. SALTONSTALL) (by request):

S. 1569. A bill to increase the annual compensation of the academic dean of the United States Naval Postgraduate School;

S. 1570. A bill to amend the act of February 21, 1946 (60 Stat. 26), to permit the retirement of temporary officers of the naval service after completion of more than 20 years of active service;

S. 1571. A bill to authorize voluntary extensions of enlistments in the Army, Navy, and Air Force for periods of less than 1 year; and

S. 1572. A bill to authorize the crediting, for certain purposes, of prior active Federal commissioned service performed by a person appointed as a commissioned officer under section 101 or 102 of the Army-Navy Nurses Act of 1947, as amended, and for other purposes; to the Committee on Armed Services.

(See the remarks of Mr. RUSSELL when he introduced the above bills, which appear under a separate heading.)

By Mr. CASE of South Dakota:

S. 1573. A bill to provide a 10-year program of Federal-aid highway authorizations; to establish a corporation to acquire rights-of-way required for the completion of the national system of interstate highways; and

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for other purposes; to the Committee on Public Works.

(See the remarks of Mr. CASE of South Dakota when he introduced the above bill, which appear under a separate heading.)

By Mr. GOLDWATER (by request):

S. 1574. A bill to provide for payments by the Secretary of the Interior to owners of non-Federal water-use facilities for hydroelectric power benefits realized by the United States therefrom, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. SPARKMAN:

S. 1575. A bill to amend section 304 of title III of the National Housing Act, as amended, to provide for extension of certain purchase contracts of the Federal National Mortgage Association; to the Committee on Banking and Currency.

(See the remarks of Mr. SPARKMAN when he introduced the above bill, which appear under a separate heading.)

By Mr. JOHNSON of Texas (for Mr. CLEMENTS, Mr. SCOTT, and Mr. SCHOEPPEL):

S. J. Res. 60. Joint resolution directing a study and report by the Secretary of Agriculture on burley tobacco marketing controls; to the Committee on Agriculture and Forestry.

By Mr. KEFAUVER (for himself and Mr. POTTER):

S. J. Res. 61. Joint resolution to provide for the establishment and operation of an Americanism and good citizenship booth or station in the rotunda of the Capitol; to the Committee on Rules and Administration.

AMENDMENT OF NATIONAL HOUSING ACT, RELATING TO PROBLEMS OF AIR POLLUTION

Mr. CAPEHART. Mr. President, on behalf of the Senators from California [Mr. KNOWLAND and Mr. KUCHEL] and myself, I introduce a bill to amend the National Housing Act by adding a new title thereto providing authority for technical research and studies on problems of air pollution generally and establishing a loan program to aid in the installation of air-pollution prevention equipment, and ask that it be appropriately referred.

The PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 1565) to amend the National Housing Act by adding a new title thereto providing authority for technical research and studies on problems of air pollution generally and establishing a loan program to aid in the installation of air-pollution prevention equipment, introduced by Mr. CAPEHART (for himself, Mr. KNOWLAND, and Mr. KUCHEL), was received, read twice by its title, and referred to the Committee on Banking and Currency.

Mr. CAPEHART. Mr. President, we believe that this bill would contribute materially to smoke elimination and air-pollution prevention. I ask unanimous consent to have printed in the body of the RECORD a statement which I have prepared in connection with the proposed legislation.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR CAPEHART

The purpose of this bill, stated briefly, is twofold:

To encourage and assist individuals, industries, and communities to solve their air-pollution problem in order to conserve home values, improve health, and preserve the essentials for good environments so needed for better community living.

Essentially, by the very nature of the problem, the air-pollution nuisance is interstate in character. Certain aspects of the problem, however, are local in nature. For example, its control is a local problem. And any program to be effective must originate at the local level, having the full and united support of all segments in the local community. Some aspects, however, transcend city and State lines. In fact, polluted air knows no respect for corporate limits or State lines. Clearly, therefore, a very proper rule exists for the Federal Government to play in any anti-air-pollution campaign.

The bill provides for:

1. A program of technical research and study concerned with (a) the causes of air pollution, (b) devices and methods for prevention or elimination of air pollution, and (c) guidance and assistance to local communities in smoke abatement and air-pollution prevention and control.

2. A loan program by HHFA in cooperation with private lending institutions for business enterprises that install air-pollution equipment when financial assistance is not otherwise available on reasonable terms. For the homeowner, FHA loan insurance may be used for purposes of home conversion and improvements that will aid smoke abatement and air-pollution prevention.

With the incentive provided by the proposed bill, it is hoped that cities and States will be encouraged to enact legislation contemplated to reduce air pollution immediately and ultimately to eliminate air pollution.

The National Housing Act contains provisions to encourage and assist local communities in slum clearance. Well and good it is to eliminate slums. However, it is shortsighted indeed to permit air pollution to continue, because unless abated, we can expect the newly constructed homes of today to become the slums of tomorrow—just as surely as blight follows decay.

It has been estimated that polluted air costs the people of these United States about $5 billion a year. The extent of the damage to merchandise, buildings, homes, and home foliage alone is thought to be nearly $1 billion a year.

Of much greater significance is the impact upon the health of the country. Each day, each person draws in his body about 3,800 gallons of air, unaware of the damage polluted air can cause health and life.

The air one breathes may subject a person or his family to serious allergies and to eye, skin, and throat ailments. Some experts even fear that polluted air may be one of the causes for the recent sharp increase in lung cancer.

Any solution to the air pollution problem must face, realistically, the tax phase therein involved. Many of the devices, structures, machinery, or equipment for prevention or elimination of air pollution involve costly expenditures. Accordingly, it seems no more than fair that certain tax benefits should be extended to those who are willing to expend substantial amounts of money to the end that this problem may be solved.

With this viewpoint in mind, Senator KUCHEL and I joined with Senators MARTIN of Pennsylvania, DUFF, KNOWLAND, POTTER, and WILEY in introducing S. 917 on February 4, 1955. This bill, which was referred to the Senate Finance Committee, is to encourage the prevention of air and water pollution also, by allowing the cost of treatment works to be amortized at an accelerated rate for income-tax purposes over a period of 5 years. Several companion bills have been sponsored in the House. I hope that the Senate Finance Committee may see fit to give early consideration to this very important bill which covers the third aspect of the smoke elimination and air pollution prevention problem.

PAYMENTS TO STATE AND LOCAL GOVERNMENTS IN LIEU OF TAXES

Mr. HUMPHREY. Mr. President, on behalf of myself and the Senator from California [Mr. KUCHEL], I introduce, for appropriate reference, a bill establishing a general policy and procedures with respect to payments to State and local governments on account of Federal real property and tangible personal property, and for other purposes. I ask unanimous consent that I may be permitted to make a brief statement pertaining to the bill, in excess of the 2 minutes allowed under the order which has been entered.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the Senator from Minnesota may proceed.

The bill (S. 1566) establishing a general policy and procedures with respect to payments to State and local governments on account of Federal real property and tangible personal property, and for other purposes, introduced by Mr. HUMPHREY (for himself, Mr. KUCKEL, and Mr. GOLDWATER) was received, read twice by its title, and referred to the Committee on Government Operations.

Mr. HUMPHREY. Mr. President, this bill was originally submitted by the Bureau of the Budget and is similar to measures which I introduced in the 82d and 83d Congresses.

The bill would authorize five types of payments to State and local governments:

First. Regular ad valorem taxes on properties owned by the Federal Government but leased to private users or sold to them under conditional sales contracts.

Second. Annual payments determined by each Federal property-owning agency on the basis of an application from the affected State or local government and in conformity with Governmentwide standards and procedure for properties in each class. This would be the most common type of payment under the bill.

Third. Transition payments on a declining basis over a 10-year period.

Fourth. Special payments in unusual situations where a taxing jurisdiction can demonstrate that Federal activities are imposing a local hardship for which other aid is available from the Federal Government.

Fifth. Special asessment for local improvements, substantially the same as for private property.

The bill would repeal more than 20 statutory provisions authorizing special types of payments and would substitute general provisions applying to specified properties of all Federal agencies. Rules and regulations to guide the property-owning agencies would be issued by a commission consisting of the Secretary of the Treasury, the Administrator of General Services, and the Director of the Bureau of the Budget.

The bill would not apply within the District of Columbia and the island possessions, which usually have been the subject of special arrangements adapted

to their special relationships to the Federal Government. Likewise, the bill does not cover public-domain lands which have never been on the tax rolls; most of these lands are subject to present revenue-sharing arrangements which would not be disturbed by the new bill.

My own experience as mayor of Minneapolis and as chairman during the 81st Congress of the Senate Subcommitee on Intergovernmental Relations has persuaded me that this problem is vital and should be acted upon as soon as possible. Local governments have lost a great deal of tax revenue as a result of Federal Government defense activities since 1939. In addition, because of the Federal activities, many communities have had a build schools, hospitals, houses, and otherwise provide for the influx of new population.

The Senate has not yet acted on any long-range proposal to provide for payments in lieu of taxes pending further study. In the 83d Congress, the Commission on Intergovernmental Relations was created. One of its responsibilities was to study this problem and send recommendations to the Congress. It is my privilege to serve as a member of the Commission, and also to have served as a member of a special study group to report to the Commission. The present plans are for the Commission to make its report to the Congress by June 1. It is our hope that the recommendations of the Commission will be consistent with the outlines of the bill which we join in submitting today. The bill is introduced at this time to provide a basis for hearings which I hope will take place soon after the Commission on Intergovernmental Relations submits its report.

The integrity and independence of local government is at stake. We have a responsibility to help solve the problems facing local and State governments, particularly when those problems arise out of Federal action. The adoption of a reasonable solution along the lines in our bill will spread government costs more equitably and will strengthen our Federal system of Government.

Mr. KUCHEL. Mr. President, I ask unanimous consent that the remarks I am about to make may follow in the RECORD those made by the distinguished junior Senator from Minnesota [Mr. HUMPHREY].

The PRESIDENT pro tempore. Without objection, it is so ordered.

LOCAL GOVERNMENT IN AMERICA IS FACED WITH GROWING PROBLEMS

Mr. KUCHEL. Mr. President, the bill just introduced to provide for financial contributions in lieu of taxes on the part of Federal agencies to communities in which the United States has acquired property is essential to stop the undermining of the revenue structures beneath many units of local government.

Taxies levied against real and personal property are the principal sources of revenue for most counties, municipalities, and school districts. Every additional acquisition of property by the Federal Government whittles away at the supports of our local governments. While Federal activities revolving around such real estate may bring benefits to the affected communities in the form of additional payrolls, all too frequently the burden on local governments is increased at the same time.

The vicious circle of growing Federal property holdings threatens the choke the very life out of a tragic number of units of local government. The condition is especially serious in many parts of my own State. The plight of boards of supervisors, city councils, and school district officers is highlighted by the fact that only a little more than half of the area of the vast State of California is subject to assessment by local governments. The United States owns the balance.

I wish, Mr. President, my colleagues would give thought to a few statistics which to me demonstrate forcefully why this Congress must tackle without further delay the question of solving this acute problem.

California has 158,693 square miles. It is the second largest State of the Union geographically. The difficulties encountered in raising revenues through real estate taxation are shown graphically by the fact that of its approximately 100 million acres, the Federal Government is the owner, Uncle Sam is the tax-exempt landlord, of 46,311,044 acres of land.

Thus, Mr. President, according to data compiled by the California State Board of Equalization, only 53.85 percent of the real estate in this tremendous estate is available for assessment to finance costs of local government.

The predicament of local authorities cannot be shrugged off. The figures furnished me by the State Board of Equalization show that on a very conservative basis the estimated value of Federal land holdings is $294,108,269. The estimated value of improvements on only the portion of property acquired since 1938 is another $244,921,255.

Even using these incomplete statistics, the United States Government is the owner of land and buildings in my State with a valuation of $539,029,524.

The need for and justice of legislation providing for payments in lieu of taxes are obvious from a study of the Board of Equalization data. At the average State tax rate of $5 per $100, the revenues from the Federal holdings would amount to $26,950,000.

A few examples illustrate the serious threat to local government of expanding Federal property without making provision for some type of financial contribution. Here are some which stand out on the list. Federal property acquired only since 1938 is valued at $73,051,269. The improvements on this real estate alone have valuations of $26,083,836 in the case of Contra Costa County, $56,250,500 in the case of Los Angeles County, $20,040,000 in the case of San Bernardino County, $18,004,133 in the case of San Diego County, $22,102,350 in the case of San Francisco County, $39,275,000 in the case of San Joaquin County, and $50,050,000 in the case of Solano County.

Much of the vast Federal holdings are in rural areas. Even under our bill, no payments in lieu of taxes would be made to the local governments where much of this property is located. I cannot overlook the fact, however, that the rural holdings of the United States in my home State, as of 1950, aggregated 45,992,841 acres. This is the third greatest total in the entire Nation. A substantial part of this is public domain land that would not be covered by the legislation I feel this Congress should enact.

The fact that a great proportion of Federal real property and most of the Government-owned personal property would still be exempt from taxation or any other type of payment is further reason why some form of compensation to local governmental bodies is an inescapable moral obligation which Congress should recognize.

Many of my colleagues will recall that one facet of this problem was discussed at considerable length 1 year ago in this body. When we were considering the Lease-Purchase Act the point was made that the proposed new buildings the Federal Government would acquire through the installment method would be bought on terms that include reimbursement to the builder for amounts paid in taxes.

During the debate, I noted the minimum lease period of 10 years would afford an opportunity for Congress to work out a more equitable long-term solution to the problem of threatened drying-up of the sources of revenue at the disposal of local governments.

The bill of which I am happy to be a coauthor is far from a complete answer to the question of how the Federal Government is going to protect local taxpayers from being forced to dig deeper in their pockets each time Uncle Sam bites off another chunk of a local tax base. But it will indicate to the American home owner Federal acceptance of a Federal obligation.

I feel, despite its deficiencies, the bill should be considered sympathetically and speedily because the stability of local governments in literally hundreds of situations depends directly upon action by Congress acknowledging a degree of responsibility to provide a reasonable share of moneys necessary for the functioning of counties, municipalities, school districts, and similar bodies. The proposal would bring a desirable amount of uniformity into intergovernmental relations, by replacing more than 20 piecemeal provisions of law, and would authorize payments in situations where at present there is no provision for Federal cost-sharing.

Mr. GOLDWATER. Mr. President, I desire to commend the distinguished junior Senator from Minnesota [Mr. HUMPHREY] and the distinguished junior Senator from California [Mr. KUCHEL] upon having introduced the bill to which they have just referred.

Earlier this year, I did research in this field and found that more than $350 million should be coming to the school districts of America if Federal property, and private property operated under the protection of the Federal Government, paid taxes or lieu amounts.

Seventy-three percent of the State of Arizona is owned, operated, or controlled by the Federal Government. In

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a growing State like Arizona, such a situation becomes a real and particular problem.

I wish to ask the distinguished Senator from Minnesota if he would object to my being a cosponsor of the bill which he and the distinguished junior Senator from California have introduced relating to lieu taxation.

Mr. HUMPHREY. Not only would I not object, but I would be very much pleased. I heartily welcome the cosponsorship of the bill by the distinguished junior Senator from Arizona.

Mr. GOLDWATER. The Senator from Arizona thanks the Senator from Minnesota.

PROPOSED LEGISLATION FOR ARMED FORCES

Mr. RUSSELL. Mr. President, on behalf of myself, and the Senator from Massachusetts [Mr. SALTONSTALL], by request, I introduce, for appropriate reference, four bills relating to the armed services.

Each of these bills is requested by the Department of Defense and is accompanied by a letter of transmittal from the appropriate military department explaining the purpose of the bill.

I ask unanimous consent that the letters of transmittal be printed in the RECORD immediately following the listing of the bills.

The PRESIDENT pro tempore. The bills will be received and appropriately referred; and, without objection, the letters accompanying the bills will be printed in the RECORD.

The bills, introduced by Mr. RUSSELL (for himself and Mr. SALTONSTALL), by request, were received, read twice by their titles, and referred to the Committee on Armed Services, as follows:

S. 1569. A bill to increase the annual compensation of the Academic Dean of the United States Naval Postgraduate School.

(The letter accompanying Senate bill 1569 is as follows:)

DEPARTMENT OF THE NAVY,
Washington, D. C., January 5, 1955.

Hon. RICHARD M. NIXON,
President of the Senate,
United States Senate,

MY DEAR MR. PRESIDENT: There is forwarded herewith a draft of proposed legislation to increase the annual compensation of the academic dean of the United States Naval Postgraduate School.

This proposal is part of the Department of Defense legislative program for 1955 and the Bureau of the Budget has advised that there would be no objection to the presentation of this proposal for the consideration of the Congress. The Department of the Navy has been designated as the representative of the Department of Defense for this legislation. It is recommended that this proposal be enacted by this Congress.

PURPOSE OF THE LEGISLATION

The purpose of the proposed legislation is to increase the statutory limitation which is now imposed on the annual compensation of the academic dean of the United States Naval Postgraduate School.

The present compensation of the academic dean of the Naval Postgraduate School was established in 1946 when that position was created by the act of June 10, 1946 (60 Stat. 236) for the Postgraduate School of the Naval Academy. When the postgraduate school was given statutory recognition by the act of July 31, 1947 (61 Stat. 706), and was established as a school separate from the Naval Academy and designated the United States Naval Postgraduate School, the provisions of the act of June 10, 1946, were made applicable to the academic dean of the United States Naval Postgraduate School.

Since 1946 no change has been made in the annual compensation of the academic dean of the Naval Postgraduate School, although two cost-of-living increases have been granted almost all other Federal Government employees. While the Secretary of the Navy may, under the authority given him by the act of July 31, 1947, grant to the other civilian members of the faculty of the Naval Postgraduate School cost-of-living increases comparable to those granted other employees of the Federal Government, he may not increase the compensation of the academic dean beyond $12,000 because of the limitation imposed on that salary by the act of June 10, 1946.

The academic dean of the Naval Postgraduate School is head of the civilian faculty of that school, a position which is similar to that of the dean of any of the outstanding engineering schools in this country. In order to retain a person of the high caliber which the position requires, the salary provided must be comparable with that offered by private institutions.

The proposed legislation would authorize the Secretary of the Navy to prescribe the annual salary of the academic dean at a rate not to exceed $13,500. An analysis of the figures obtained from a recent survey by the Department of the Navy of civilian institutions of comparable purpose and standing shows the present average salary for deans to be $13,500.

LEGISLATIVE REFERENCE

This proposal was submitted to the 83d Congress by the Department of the Navy on March 11, 1954, as a part of the Department of Defense legislative program for 1954. It was introduced as S. 3177 but no further action was taken thereon.

COST AND BUDGET DATA

Enactment of the proposed legislation would result in an annual increased cost of $1,500, which would be absorbed from existing appropriations.

Sincerely yours,

C. S. THOMAS.

S. 1570. A bill to amend the act of February 21, 1946 (60 Stat. 26), to permit the retirement of temporary officers of the naval service after completion of more than 20 years of active service.

(The letter accompanying Senate bill 1570 is as follows:)

DEPARTMENT OF THE NAVY,
Washington, D. C. January 5, 1955.

Hon. RICHARD M. NIXON,
President of the Senate, United States Senate, Washington, D. C.

MY DEAR MR. PRESIDENT: There is forwarded herewith a draft of legislation, "To amend the act of February 21, 1946 (60 Stat. 26), to permit the retirement of temporary officers of the naval service after completion of more than 20 years of active service."

This proposal is part of the Department of Defense legislative program for 1955 and the Bureau of the Budget has advised that there is no objection to the presentation of this proposal for the consideration of the Congress. The Department of the Navy has been designated as the representative of the Department of Defense for this legislation. It is recommended that this proposal be enacted by the Congress.

PURPOSE OF THE LEGISLATION

The purpose of this proposed legislation is to make temporary officers of the naval service, whose permanent status is enlisted, eligible for voluntary retirement on completion of more than 20 years of active service, at least 10 years of which is commissioned service.

Section 6 of the act of February 21, 1946 (50 Stat. 27) provides that "When any officer of the Regular Navy or the Regular Marine Corps or the Reserve components thereof has completed more than 20 years of active service in the Navy, Marine Corps, or Coast Guard, or the Reserve components thereof, including active duty for training, at least 10 years of which shall have been active commissioned service, he may at any time thereafter, upon his own application, in the discretion of the President, be placed upon the retired list on the first day of such month as the President may designate."

The Comptroller General, in a decision dated July 22, 1952 (B-109511), has held that enlisted personnel serving under temporary appointments as commissioned officers are not "officers of the Regular Navy" within the meaning of that term as used in section 6 of the act of February 21, 1946 (60 Stat. 27), and therefore are not eligible to retire under that act. The effect of this decision is to limit these temporary officers to retirement under the laws relating to enlisted personnel. Under these laws they may transfer in their enlisted status to the Fleet Reserve or Fleet Marine Corps Reserve after the completion of 20 years of active service, with further transfer to the retired list on completion of 30 years' service, including time in the Fleet Reserve or Fleet Marine Corps Reserve, and advancement to their officer rank at that time.

When section 6 of the act of February 21, 1946 was enacted there were no temporary officers who could have qualified for retirement under its provisions and the possibility at that time that any of the temporary officers would complete the required 10 years of service in commissioned grades was considered remote. Substantial numbers of temporary officers, however, have continued to serve in commissioned grade and now have the required 10 years of commissioned service. The exclusion of these temporary officers from the privilege of retiring in their officer status after 20 years' service is an inequity which has no basis in value or type of service rendered. Their treatment in respect to voluntary retirement is discriminatory when it is considered that other classes of officers may retire under the law on the basis of service which is factually similar to that of these temporary officers. Among those are Reserve officers whose original status was enlisted, limited-duty officers, and commissioned warrant officers who are serving temporarily in higher commissioned grades.

The effect of this inequity will become more aggravated in the very near future. The readjustment of active duty officer strength to meet reduced budgetary provisions will require that many of the temporary appointments will be terminated. Many of these temporary officers with more than 20 years' service will be faced with the option of serving in enlisted grades or of transferring to the Fleet Reserve or Fleet Marine Corps Reserve in a status which gives no recognition to their years of valuable service in commissioned grades.

Enactment of the proposed amendments to the act of February 21, 1946, would make those temporary officers, whose permanent status is enlisted, eligible for voluntary retirement after the completion of more than 20 years of active service, at least 10 years of which has been commissioned service, and would permit them to have the highest rank in which they satisfactorily served when placed on the retired list.

LEGISLATIVE REFERENCES

This proposal was submitted to the 83d Congress by the Department of the Navy as

a part of the Department of Defense legislative program for 1954 but no further action was taken thereon.

COST AND BUDGET DATA

Enactment of this proposed legislation would result in additional cost to the Government, representing, in each individual case, the difference between retired pay in the commissioned grade to which the officer would be entitled to be retired and the retainer pay to which he would be entitled if transferred to the Fleet Reserve or Fleet Marine Corps Reserve, for the period of time from the date of retirement to the date when he would complete 30 years' service. There are now on active duty in the Navy 3,683 and in the Marine Corps 153 temporary officers, whose permanent status is enlisted, who as of July 1, 1954 will have less than 30 years' service. No estimate can be made of the number of those officers who would apply for voluntary retirement if the proposed legislation is enacted. It is expected that necessary reductions in numbers of temporary officers on active duty can be accomplished by retirements on 30 years' service until fiscal year 1957. Assuming that all officers who must have their temporary appointments terminated will elect to retire in their commissioned officer grades rather than transfer to the Fleet Reserve or Fleet Marine Corps Reserve in an enlisted status, the additional cost of the enactment of this proposed legislation is estimated as follows:

Fiscal year	Navy	Marine Corps	Total
1957	$4,207,692	$79,000	$4,286,692
1958	3,920,376	161,000	4,081,376
1959	3,570,528	156,000	3,726,528
1960	3,278,244	146,000	3,424,244
1961	2,970,600	129,000	3,099,600
1962	2,610,480	112,000	2,722,480
1963	2,235,828	98,000	2,333,828
1964	1,984,236	86,000	2,070,236
1965	1,482,924	70,000	1,552,924
1966	1,033,392	48,000	1,081,392
1967	611,640	17,000	628,640

Sincerely yours,

C. S. THOMAS.

S. 1571. A bill to authorize voluntary extensions of enlistments in the Army, Navy, and Air Force for periods of less than 1 year.

(The letter accompanying Senate bill 1571 is as follows:)

DEPARTMENT OF THE NAVY,
Washington, D. C., March 3, 1955.

Hon. RICHARD M. NIXON,
President of the Senate,
United States Senate,
Washington, D. C.

MY DEAR MR. PRESIDENT: There is forwarded herewith a draft of legislation, "To authorize voluntary extensions of enlistments in the Army, Navy, and Air Force for periods of less than 1 year."

This proposal is a part of the Department of Defense Legislative Program for 1955 and the Bureau of the Budget has advised that there would be no objection to the presentation of this proposal for the consideration of the Congress. The Department of the Navy has been designated as the representative of the Department of Defense for this legislation. It is recommended that this proposal be enacted by the Congress.

PURPOSE OF THE LEGISLATION

The proposed legislation would authorize voluntary extensions of enlistments in the Army, Navy, and Air Force for periods of less than 1 year.

The act of August 22, 1912 (ch. 335, 37 Stat. 331) authorizes enlisted men of the Navy and Marine Corps to voluntarily extend their enlistments for periods of 1, 2, 3 or 4 years. Likewise, section 1422 of the Revised Statutes, as amended (ch. 155, 18 Stat. 484; 34 U. S. C. 201) authorizes the retention of enlisted personnel of the Navy beyond the normal expiration of their enlistments when the vessel to which they are attached is outside the continental limits of the United States, in which event they may be retained until the vessel returns to the United States. The Army and Air Force do not have similar authority.

There are times when it would be advantageous to the Government and to the enlisted man concerned if enlistments could be voluntarily extended for periods less than 1 year. With respect to the Navy, a typical case is where a ship is scheduled to cruise beyond the continental limits of the United States for a period of several months but for considerably less than 1 year. It would be in the best interest of the Government and of the enlisted man, whose enlistments would normally expire during the period of the scheduled cruise, to be able to extend the time of enlistment for a period long enough to include the cruise. Similarly, some enlisted personnel of the Army and Air Force are often engaged in important activities which may carry over for a period of several months beyond the normal expiration of their enlistments. In such cases it would also appear to be in the best interest of the Government and of the enlisted personnel involved to be able to extend the enlistment for the short period necessary to complete the mission.

By authorizing voluntary extensions of enlistments for periods of less than 1 year, the Government would benefit by having the services of trained personnel during a cruise, activity, or special project and would not be required to provide replacements for those activities. The advantage to the enlisted man would be that he could participate in the project without being required to extend his enlistment for a full year or without being required to reenlist for a period of 3 years, whichever the case may be.

It is contemplated that if the proposed legislation is enacted regulations will be issued which will restrict extensions of enlistments for less than 1 year to those situations where acceptance of such extensions will be in the best interest of the Government.

COST AND BUDGET DATA

Enactment of this proposal would result in no increase in the budgetary requirements of the Department of Defense.

Sincerely yours,

C. S. THOMAS.

S. 1572. A bill to authorize the crediting, for certain purposes, of prior active Federal commissioned service performed by a person appointed as a commissioned officer under section 101 or 102 of the Army-Navy Nurses Act of 1947, as amended, and for other purposes.

(The letter accompanying Senate bill 1572 is as follows:)

DEPARTMENT OF THE AIR FORCE,
Washington, February 3, 1955.

HON. RICHARD M. NIXON,
President of the Senate.

DEAR MR. PRESIDENT: There is enclosed herewith a draft of legislation, "To authorize the crediting, for certain purposes, of prior active Federal commissioned service performed by a person appointed as a commissioned officer under section 101 or 102 of the Army-Navy Nurses Act of 1947, as amended, and for other purposes."

This proposal is a part of the Department of Defense legislative program for 1955 and the Bureau of the Budget has advised that there would be no objection to the presentation of this proposal for the consideration of the Congress. The Department of the Air Force has been designated as the representative of the Department of Defense for this legislation. It is recommended that this proposal be enacted by the Congress.

PURPOSE OF THE LEGISLATION

The purpose of this legislation is to authorize for nurses and women medical specialists of the Army and Air Force a two-fold benefit.

First, it would provide statutorily for extending to such personnel a service credit available under existing law to all other commissioned personnel of the Army and Air Force, namely, credit for the Federal commissioned service performed by the individual between December 31, 1947 and her appointment in the regular component. No more than 5 years of such service could be credited, however. The purpose of this credit would be to determine her position on the promotion list, seniority in her permanent grade, and eligibility for promotion. This service credit provision now applies to all other commissioned personnel of Army and Air Force by virtue of section 506 (c) of the Officer Personnel Act (10 U. S. C. 506c (c)), and section 307 of the Air Force Organization Act (10 U. S. C. 1837).

Secondly, it would provide a 3-year credit for any nurse or woman medical specialist of the Army or Air Force appointed initially in the regular component as first lieutenant who had not actually performed as much as 3 years' active Federal commissioned service since December 31, 1947. This type of credit is provided to take care of the individual whose initial appointment at first lieutenant grade is justified primarily upon her civilian experience in her specialty. Such credit is necessary for anyone appointed at a first lieutenant grade initially in the regular component in order to keep in good order the promotion list on which she is placed. The Army-Navy Nurses Act, as amended, requires completion of 7 years' service for promotion to permanent grade of captain (10 U. S. C. 166f). Eligibility for promotion to that permanent grade 4 years after an individual had been initially appointed in the regular component as a first lieutenant would be questionable unless there were some tangible evidence of a 3-year credit because of her appointment initially as a first lieutenant. In the absence of such a 3-year credit, a serious injustice could be done to anyone initially appointed in the regular component at first lieutenant grade.

It is emphasized that the two types of credit are not additive. The individual would be given whichever type of credit was greater, either that for active Federal commissioned service actually performed, up to a maximum of 5 years, or the 3-year credit, if her professional experience justified the first lieutenant grade, but her active Federal commissioned service subsequent to 1947 did not equal 3 years.

COST AND BUDGET DATA

Although this proposed legislation would be retroactive to January 1, 1948, it would require no increase in the budget for the Air Force because of promotions. If enacted, it would make certain Regular Air Force nurses and women medical specialists eligible at an earlier date for permanent grade promotion. In the case of every Air Force nurse and woman medical specialist who would be affected by this bill, however, the individual is already serving by temporary promotion in the higher grade for which she would be eligible by permanent promotion by reason of the service credit she would obtain by the enactment of this proposal.

For the Army, from the standpoint of promotions, there will be little, if any, effect on the number of grade changes that will be effected in the Army Nurse Corps and Women's Medical Specialists Corps if the proposed legislation is enacted. Inasmuch as the active duty officer strength of the Army is greater than the Regular Army officer strength, any grade changes resulting from

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this legislation can be absorbed within the proposed budget limitations as well as those already in effect. Accordingly, it would require no increase in the budget for the Army because of promotions.

This proposal would not increase retirement pay costs for either Army or Air Force, inasmuch as under current law and as proposed for the future in the Department of Defense's current legislative program, a nurse or woman medical specialist is generally retired at the highest grade, temporary or permanent, in which she has served satisfactorily on active duty.

Sincerely yours,

HAROLD E. TALBOTT.

AUTHORIZATION FOR 10-YEAR PROGRAM OF FEDERAL-AID HIGHWAY CONSTRUCTION

Mr. CASE of South Dakota. Mr. President, I introduce for appropriate reference a bill to provide a 10-year program of Federal-aid highway authorization, to establish a system of interstate highways, and for other purposes.

The PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 1573) to provide a 10-year program of Federal-aid highway authorizations; to establish a corporation to acquire rights-of-way required for the completion of the national system of interstate highways; and for other purposes, introduced by Mr. CASE of South Dakota, was received, read twice by its title, and referred to the Committee on Public Works.

Mr. CASE of South Dakota. Mr. President, in connection with the bill I may say to the Senate that it has been introduced as a result of considerable study in connection with hearings currently being conducted by the Senate Public Works Subcommittee on Roads. The bill proposes a program which I believe will cost, in 10 years following the completion of the immediate fiscal year ahead of us, substantially a completed system of interstate highways, plus the completion of the regular primary, secondary, and urban systems. It is a bill which presents some new features in highway legislation. It proposes, through a right-of-way corporation, to establish earnings which will produce revenues of substantially $900 million a year, in addition to whatever might be made available by direct appropriations.

It proposes to set up regular aid appropriations by Congress, so that we may have a Federal program of approximately $2,700,000,000 a year for highway construction.

I earnestly commend the bill to the attention of the Senate and particularly of the Senators who are concerned with the highway problem.

Mr. CHAVEZ. Mr. President, will the Senator from South Dakota yield?

Mr. CASE. I yield.

Mr. CHAVEZ. Mr. President, I know of no one who has devoted more time to public roads, with few exceptions, than has the Senator from South Dakota. I wish to assure him that as chairman of the Committee on Public Works the suggestions contained in the bill which he has introduced will receive the most serious consideration from the committee this year.

Mr. CASE of South Dakota. Mr. President, I deeply appreciate the comment of the distinguished chairman of the Commitee on Public Works. I ask unanimous consent that a statement prepared by me pertaining to the bill be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR CASE OF SOUTH DAKOTA

1. The bill proposes to apportion $1.8 billion per year from the Treasury for 10 years to highway purposes, one-half to the interstate system and one-half to the other systems; that is, $900 million to each.

NOTE.—The figure of $1.8 billion is arrived at by estimating the receipts from the Federal tax and motor oils at $54 billion in 30 years, and putting one-thirtieth of that amount to highway purposes for the next 10 years.

2. The bill proposes to create a national interstate highway right-of-way corporation to handle the acquisition of rights-of-way on request by the States, to finance and construct major bridges and tunnels. This corporation, it is planned, would provide another $900 million per year for financing of the interstate system by issuing $500 million in debentures each year for 10 years and $400 million from earnings (largely through license fees for trucks weighing over 20,000 pounds). The corporation would construct and operate major bridges and tunnels suitable for tolls. At the end of 10 years, the earning would be available for retiring the debentures issued.

The bill further proposes:

3. To offer Federal highway aid to the States on a 90 to 10 ratio of matching for roads on the interstate system and to continue the 50–50 basis for the other Federal primary, secondary, and urban systems.

4. To work into the interstate routes suitable existing toll roads and free roads without the reimbursement proposed in the report of the Clay Commission.

5. To increase the transferability between systems at State request from 10 to 20 percent, thereby to permit a balanced completion within the several States.

It is believed this plan will provide for the interstate something like this:

1. Direct apportionments per year	$900,000,000
2. Ten percent matching by States per year	90,000,000
3. Rights-of-way (½); bridges and tunnels (½)	900,000,000
4. Ten percent matching on rights-of-way	45,000,000
Estimated annual expenditures per year	1,935,000,000
Ten-year total of expenditures at above rate	19,350,000,000
Undisturbed fiscal 1956 program of $175 million, when matched on present 60–40 basis	291,000,000
Saving by not paying off toll roads in system	2,300,000,000
Saving by not reimbursing States for free roads	1,100,000,000
Measure of inter-State progress in 11 years	23,041,000,000

It is believed we could provide leadership to the States in completing other Federal aid systems as recommended by the Clay committee, the governors, and President Eisenhower by dividing the other $900 million of the capitalized funds as follows:

1. To the regular Federal-aid primary system, $360 million.

(Compares with $247.5 million in 1952 act and $315 million in 1954 act.)

2. To the Federal-aid secondary system, also $360 million.

(Compares with $165 million in 1952 act and $210 million in 1954.)

3. To the urban system exclusive of interstate access, $90 million.

(Bill also earmarks $270 million of interstate for urban work, thereby insuring $360 million each for the primary, secondary, and urban programs.)

4. To roads and highways on Federal lands or programs, $90 million.

(Suggested division: Forest highways $24 million, forest roads and trails $24 million; national park roads $14 million; parkways $11 million; Indian roads and bridges $8 million; public lands $1 million; Inter-American Highway (authorized in 1954) $8 million.)

Such a program does not dry up the revenues for 20 years after this authorization is completed.

It does not dedicate tax revenues to a special bond issue.

It provides the right-of-way corporation with solid user revenues to service its bonds.

It offers leadership and incentive to the States in completing all classes of roads.

It provides a way for those who contribute most to wear and tear—heavy trucks and buses—to contribute directly to the highways that will benefit them in a very high degree.

It protects the States in presently invested highway funds and polices the priority of projects by preserving the matching principle.

It avoids the undesirable precedent of direct linkage for tax levies that would plague future Treasury operations.

EXTENSION OF CERTAIN PURCHASE CONTRACTS OF FEDERAL NATIONAL MORTGAGE ASSOCIATION

Mr. SPARKMAN. Mr. President, I introduce, for appropriate reference, a bill to amend section 304 of title III of the National Housing Act, as amended, to provide for extension of certain purchase contracts of the Federal National Mortgage Association. I ask unanimous consent that I may speak on the bill in excess of the 2 minutes allowed under the order which has been entered.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the Senator from Alabama may proceed.

The bill (S. 1575) to amend section 304 of title III of the National Housing Act, as amended, to provide for extension of certain purchase contracts of the Federal National Mortgage Association, introduced by Mr. SPARKMAN, was received, read twice by its title, and referred to the Committee on Banking and Currency.

Mr. SPARKMAN. Mr. President, the Housing Amendments Act of 1953 enabled the Federal National Mortgage Association to enter into advance purchase contracts somewhat as follows. If a mortgagee would buy $1 million in mortgages from the Association, commonly known as FNMA, the Association could agree to purchase at a future date $1 million in mortgages from the mortgagee. This advance purchase authority was limited to a total amount of $500 million, and the Association had complete discretion as to the terms and conditions of the contracts. This feature of the law has become known as the

1-for-1 commitment program of the Federal National Mortgage Association.

Under this authority, the Federal National Mortgage Association has in fact entered into these 1-for-1 advance purchase contracts in an amount approximating $500 million. Exercising its discretion as to terms and conditions of the contracts, the Association fixed a time limit of 1 year within which the holder must deliver the mortgages for purchase by the Association. This 1-year period is usually ample time for planning and completing a house-building program, for selling the houses, for obtaining FHA mortgage insurance or a VA guarantee, and for presenting the mortgages to the FNMA. One-year periods have been used in the past and are usually quite satisfactory from the standpoint of both contracting parties. However, I am receiving information from builders all over the country that the 1954–55 building season was most unusual and that 1 year is not enough time.

One of the chief reasons given is that the volume of business handled by the VA and the FHA was so great in proportion to their work forces that very unusual processing backlogs developed.

Consequently, some builders who have proceeded promptly and diligently in reliance upon the advance purchase contracts now find themselves unable to deliver insured or guaranteed mortgages within the 1-year contract period. For this reason, the Association has been asked to extend these contracts for sufficient time to permit the completion of VA and FHA processing and other procedural details prerequisite to delivery of insured or guaranteed mortgages.

As I have previously pointed out, the Association has the authority to set the terms of these contracts and could grant the extensions which have been requested. The Association has been unwilling to grant these contract extensions. I believe that many builders are experiencing a real hardship, which is not of their own making, and which warrants sympathetic consideration. In this belief, I introduce a bill to provide for the extension of such contracts.

This bill would extend outstanding contracts for an additional year, and would revive certain expired contracts and permit them to run for 1 year following enactment of the legislation. For those contracts which have not yet expired, it gives enough time to overcome the delays enumerated above. For those contracts which have already expired solely because the time ran out, it restores the unused balance of the expired contract and grants 1 year within which to exercise the sales privilege in the amount of the unused balance.

I had hoped that these hardships would be alleviated by administrative action, and I still have that hope. But in the absence of such administrative action, I believe that this legislation is necessary and desirable.

Let me mention a few items of interest in connection with this subject.

Approximately $500 million in contracts have been authorized. As of March 18, 1955, approximately $337.5 million were actually purchased, out of the $500 million authorized.

There were on hand for purchase $23.7 million.

Approximately $20.8 million have been canceled or have expired.

Approximately $118 million in contracts are still outstanding.

This bill would extend that part of the $118 million which would otherwise expire in March, April, May, and June of 1955; and extend that part of the $20.8 million which was not used solely because the time ran out and the FNMA would not grant extension.

Extension of the contracts now outstanding, up to $118 million, would not add a single unit to present housing inventory. These houses are already underway and the bill would merely make good on a financing commitment already made by the Government.

Extension of any contracts already expired, up to $20.8 million, would probably not add any units during the present building season; but would enable FNMA financing up to this amount during the next building season.

The builders who are affected are widely scattered. I have received telegrams and other communications from builders in more than 30 States regarding the matter.

All mortgages are on low-cost housing, much of it for minority races. Private financing is available only at a high discount. That is one of the bad features about it, namely, that the Government does not go through with its commitment. The only hope for these people is for them to dispose of their mortgages at a heavy discount.

The bill will not increase the Government's participation in home financing. The act of 1953 set a $500 million ceiling, and the bill merely enables the Government to proceed up to that amount. This amount is already a contingent obligation on FNMA's books.

INVESTIGATION OF HEALTH CONDITIONS IN COMMERCIAL SLAUGHTERING AND PROCESSING OF POULTRY

Mr. DOUGLAS submitted the following resolution (S. Res. 84), which was referred to the Committee on Agriculture and Forestry:

Resolved, That the Senate Committee on Agriculture and Forestry, or any duly authorized subcommittee thereof, is authorized and directed to conduct a full and complete study and investigation in order to determine whether, in the commercial slaughtering and processing of poultry, any unhealthy or unsanitary conditions exist which might result in the transportation or sale in or affecting interstate commerce of poultry that is in any way unfit for human consumption. The committee shall report its findings, together with such recommendations as it may deem feasible, to the Senate at the earliest practicable date.

SEC. 2. For the purposes of this resolution, the committee, or any duly authorized subcommittee thereof, is authorized to employ upon a temporary basis such technical, clerical, and other assistants as it deems advisable. The expenses of the committee under this resolution, which shall not exceed $, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. CASE of South Dakota:

Address by him on national highway program, delivered at New Orleans, La., on January 12, 1955.

By Mr. JENNER:

Address delivered by him before Indiana State Bottlers Association, Indianapolis, March 14, 1955.

Address delivered by him before National Society of New England Women, in New York, on January 24, 1955.

Statement issued by him in reply to inquiry regarding propriety of debating in colleges the recognition of Red China by the United States.

By Mr. JOHNSON of Texas:

Statement entitled "Michigan Farmers Await Action by Congress To Combat Declines in Farm Income," prepared by Senator MCNAMARA.

By Mr. WILEY:

Statement by him relative to domestic and foreign aspects of the international narcotics problem.

Editorial entitled "Atomic Energy for Peace," published in the World Veteran, New Era, for February 1955, together with masthead of that magazine, showing purposes, and so forth.

By Mr. THYE:

Address by the Secretary of Agriculture on the subject Food Packs and Marketing Methods Developed by Food Retailers, at a demonstration held by the Department of Agriculture this morning.

By Mr. KEFAUVER:

Statement entitled "The Civilian Conservation Corps After 22 Years," prepared by the Legislative Reference Service of the Library of Congress.

THE PARIS PACT

Mr. JOHNSON of Texas. Mr. President, over the weekend an event took place which advanced the cause of the free world and dealt the Communist cause one of its most stunning setbacks in many years.

I am referring to the French ratification of the Paris pacts.

These pacts are an essential cornerstone to the only structure which, in my opinion, holds out any hope of securing peace—an alliance of the free nations. The only alternatives are piecemeal surrender to communism or world war III.

Mr. President, this bright new hope underlines the need for responsibility on the part of all our people. There are some who are talking peace and there are some who are talking war. But we do not want a war party on the American political scene any more than we would want an appeasement party. We do want realistic policies that will secure peace and preserve freedom in the world.

The Paris pacts, of course, are only one step in working out such realistic policies. They represent the key which will unlock the door that thus far has prevented the alliance of free nations from attaining its full strength.

Now that we have that key in our hands, it would be folly to jeopardize our future through an irresponsible adventure for which we have not calculated all the risks.

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Mr. President, I am looking forward with high hopes to the White House conferences on Wednesday and Thursday.

The President and the senior Senator from Georgia [Mr. GEORGE], who now occupies the chair, the distinguished chairman of the Foreign Relations Committee and the Democratic Party's most respected foreign-policy spokesman, appear to me to be in essential agreement. Neither has joined a war party, or an appeasement party, if such exists.

These conferences will follow fresh upon the Paris pacts. The President will find that Democrats are ready and willing to cooperate in building a structure which will strengthen the free world and brighten the prospects for the kind of peace we all want.

We are fully aware of the fact that the final decisions which will determine war or peace are the responsibility of the President. We are ready to help him with any advice and counsel at our command. But we are not going to try to take the responsibility out of the hands of the constitutional leader and try to arrogate it to ourselves.

Neither are we going to try to weaken the impact of the Paris pacts by undertaking to divert attention elsewhere. We recognize fully that the problems of peace are complex and that there is no one simple answer.

Mr. President, I was highly impressed this morning by an editorial in the great newspaper, the New York Times, which seems to me to sum up with great clarity the results of the French action. I believe this editorial is worthy of the attention of the Senate, and I ask unanimous consent that it be printed in the RECORD at this point as part of my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the New York Times of March 28, 1955]

FRANCE ACTS

The new Europe, which the best Western minds have projected since the end of the last World War, has started to assume the outlines of reality as a result of the approval of the Paris pacts by the French Council of the Republic. Since the National Assembly has already approved the pacts, the Council's action completes French parliamentary ratification of them, now subject only to automatic signature by President Coty. It thereby removes the biggest road block which wrecked previous projects of that kind, in particular the European Defense Community. It clears the way to final ratification by all the nations involved, including the United States. That ratification can now be expected in short order.

The Council's action is first of all a personal triumph for Premier Faure, who staked the life of his government on the issue, and a vindication of former Premier Mendès-France, who piloted the pacts through the National Assembly. But it is also a victory for France, for Europe, and for the whole free world, which will hail it with relief and gratification.

For these pacts, which create a western European union and expand the North Atlantic alliance to include a rearmed Germany, provide the essential key to an adequate western defense against Soviet aggression. The effect of that will not be confined to Europe alone but will be felt around the globe. Beyond that, they also establish a foundation of European unity on which can be built a political, economic, and military superstructure that should not only prevent further fratricidal wars between the western nations, in particular France and Germany, but might also realize the dream of a United States of Europe able to keep its own peace.

In that sense the French action also represents a stunning defeat for the Soviets, which tried to the very last to prevent ratification by a massive flow of threats and lures. They had already projected their countermeasures by threatening to denounce their wartime alliance with Britain and France, by formalizing the creation of an Iron Curtain "NATO," and by seeking to create a "neutral" zone across Europe resting on Yugoslavia, Austria, and Sweden, which would further divide the Continent. Their search for a rapprochement with Yugoslavia, their invitation to separate negotiations for the neutralization of Austria, and their attention to Sweden all point in the latter direction. But since it will still take 2 to 3 years before the projected German army of 500,000 can join the Western defense system, there is no reason to assume that the Soviets will drop their fight against what they term "German militarization."

Indeed, the outlines of their continuing battle against it are already becoming visible. That battle will be fought in the United Nations Disarmament Commission and its committees, where the Soviets are pressing a proposal to freeze all armaments as of Jan. 1, 1955, which would preclude the addition of German armament. It will also be fought in any new big power conferences—such as Premier Bulganin hints Russia is now willing to accept—where the Soviets can be expected to offer tempting but deceptive concessions in trade for an abandonment of German rearmament.

That is why it is advisable that, before moving toward a Big Four conference the Western powers should get together among themselves and agree on their future policies to defeat any new Soviet maneuvers. Unless there is such solidarity the Paris pacts are bound to fail, and that would leave a worse situation than before. The West, and Europe in particular, have long since been warned to "unite or perish," and that maxim is even more pertinent now than ever in the past.

Mr. MANSFIELD. Mr. President, will the Senator from Texas yield?

Mr. JOHNSON of Texas. I yield.

Mr. MANSFIELD. I wish to compliment the distinguished majority leader on the statement he has just made. To me it indicates a responsible attitude. I have been worried by newspaper stories which have appeared during the past weekend, to the effect that the country will be in war by April 15. I wonder whether the distinguished majority leader can tell the Senate whether those stories were "planted"; and, if so, by whom; and on what authority they were released.

Mr. JOHNSON of Texas. Mr. President, the first information that came to me, in my capacity as a Member of the Senate, or as a member of the Armed Services Committee, or as majority leader, was that which came from the press. I have received no information concerning the matter from any person in the administration.

Mr. MANSFIELD. Mr. President, will the Senator from Texas yield further?

Mr. JOHNSON of Texas. I yield.

Mr. MANSFIELD. It is my hope that at the meeting with the President, later this week, that question will be brought up. It is also my hope that at the meeting the question of the so-called buildup of the Chinese Communists will be considered, and that any differences which may exist among the Joint Chiefs of Staff will be brought to the attention of the responsible congressional leaders.

Mr. JOHNSON of Texas. I share the hope of the Senator from Montana, and I think he may be assured that that will be done.

Mr. President, I am very hopeful and very optimistic that the White House conference may produce an agreement and a positive program, and may clear away a great deal of the confusion which has resulted from the various statements, made either with or without authority.

Mr. President, at this time I desire to refer to another subject.

The PRESIDENT pro tempore. The Senator from Texas has the floor.

LEGISLATIVE PROGRAM

Mr. JOHNSON of Texas. Mr. President, I have a brief announcement to make for the benefit of the Senate: It is our plan to have a call of the calendar today. In the event Senate Resolution 72 is not agreed to during the call of the calendar, I shall later move that the Senate proceed to its consideration. That resolution relates to funds for the Armed Services Committee.

We hope it will be possible for the Senate to take a recess from today until Wednesday. On Wednesday, we expect to have before the Senate the military pay bill, House bill 4720, and the various tobacco bills, Calendar Nos. 107 to 111.

I may add that a short recess will be taken at about 2 p. m., in order that the Senate may receive the Italian Premier, the Honorable Mario Scelba.

Mr. President, it is our further expectation that, either on Thursday or on Friday, we may be able to proceed to the consideration of the Paris Accord, which we hope will be reported by the Foreign Relations Committee.

If we can conclude that by Friday, then we hope we may either adopt a resolution providing for a recess of the Senate from Monday, April 4, to April 13; or if by Friday it is not indicated that that is advisable, at least to give assurance to the Members that, insofar as we can arrange to do so, there will be no important votes during that period.

Later in the week I shall confer with the minority leader.

However, I wish to emphasize that if we do not complete action on the Paris Accord on Thursday or Friday, whenever it is reported, we may have a Saturday session. Of course there will be a yea-and-nay vote on that question.

Mr. THYE. Mr. President, will the Senator from Texas yield for a question?

Mr. JOHNSON of Texas. I yield.

Mr. THYE. The Subcommittee on Military Appropriations of the Appropriations Committee has scheduled hearings commencing April 4. In the event the Senate should take a recess from April 4 to April 13, what would be the plan relative to the Appropriations Committee's hearings which are scheduled during those days?

Mr. JOHNSON of Texas. Perhaps the Senator from Minnesota could obtain a

better answer from the chairman of the Appropriations Committee. I have been informed that several of the chairmen will hold hearings during that period. I cannot speak specifically for the chairman of the distinguished Senator's committee.

Mr. THYE. Mr. President, if I may make a further comment, I wish to state that, in view of the fact that we have not acted on any of the appropriation bills, except the supplemental bills, it would seem to me that for us to take a recess from April 4 to April 13 might jeopardize the allowance of sufficient time to enable the Appropriations Committee to give adequate consideration to all the appropriation items which are before the committee, as well as sufficient opportunity for adequate public hearings.

Mr. JOHNSON of Texas. Mr. President, I may say I do not know how much consideration the distinguished Senator from Minnesota has given the subject; but the majority and minority leaders have given it a great deal. First, I met with all committee chairmen. Second, I met with the minority leader, and suggested that he counsel with the ranking minority Members, or any other Members he might choose to consult. Third, we received reports from all the committees to the effect that, with the exception of the business outlined, the committees do not expect to report any measures which it would be necessary to consider during that period.

The only purpose of this announcement is to indicate that if this arrangement can be agreed to, the Senate will not be called upon to consider measures on the floor of the Senate. It will not in any way prevent committees from holding all the hearings they desire.

Mr. CHAVEZ rose.

Mr. JOHNSON of Texas. Does the Senator from Minnesota desire me to yield further?

Mr. THYE. No. I note that the chairman of the Subcommittee on the Department of Defense, of the Committee on Appropriations, is endeavoring to be recognized. I shall be glad to hear from him.

Mr. CHAVEZ. Mr. President, word has gone out that hearings will be held. Requests and invitations have been sent to the personnel of the Defense Department to appear before the Department of Defense Subcommittee of the Committee on Appropriations on the 4th of April. Acceptances have been received from the Secretary of Defense and several other officials, including the Secretary of the Army, the Secretary of the Navy, and even members of the Joint Chiefs of Staff.

It is not the purpose of the chairman of the subcommittee, or of the subcommittee itself, to complete consideration in 4 or 5 days of an appropriation bill involving $33 billion. However, inasmuch as notices have gone out, it is our purpose, during a period of 3 or 4 days, at least to hear representatives from the higher echelons of the Defense Department.

Mr. THYE. The only reason I asked the distinguished majority leader to yield long enough so that I might comment on the question is that I wish to make the record clear. Members of the Senate or of the House may have been invited to appear before various groups in their respective States. If the Senate were to take a recess, unless it were made clear that committee hearings were to be held, the constituents of some Senators might think that such Senators were not interested in returning to their respective States to see them. They would not be aware that those Senators were engaged in hearings on appropriation matters here in Washington, and were unable to take an Easter vacation.

Mr. CHAVEZ. Mr. President——

Mr. THYE. If the Senator will permit me to finish this thought, I did not wish the people back home to think that we did not want to accept invitations to appear before them and discuss legislation during the period of the recess. If we were free of our responsibilities they would expect us to return home. But if we are engaged in hearings on appropriations, that answers the question as to why we fail to appear in our respective States.

Mr. CHAVEZ. Mr. President, will the Senator from Texas yield?

Mr. JOHNSON of Texas. I yield.

Mr. CHAVEZ. No one respects the "grass roots" and the people back home more than I do. They have kept me here for many years. Long before there were even any rumors that the Senate would have an Easter recess the Subcommittee on the Department of Defense of the Committee on Appropriations set a date on which to commence hearings. Notices have gone out to representatives of that Department, from Secretary Wilson down. After we learned that there was to be a recess, it was decided that, so long as the notices had been sent out, there was no particular reason, even if the Senate should be in recess, why the Subcommittee on the Defense Department of the Committee on Appropriations should not listen to the Secretary of Defense, the Secretary of the Army, the Secretary of the Navy, the Secretary of the Air Corps, and members of the Joint Chiefs of Staff during the period of the recess.

Mr. THYE. That was the information I was trying to get into the RECORD. The record is now clear that hearings before the Subcommittee of the Committee on Appropriations will go forward, even though the Senate is in recess.

Mr. JOHNSON of Texas. Mr. President, I hope every Senator understands—and I think most of them do—that the announcement I made on behalf of the minority and majority leaders did not contemplate the cancellation of any committee hearings or any other plans Senators may have involving committee activities.

BIRTHDAY ANNIVERSARY OF SENATOR LEHMAN

Mr. JOHNSON of Texas. Mr. President, I wish to call the Senate's attention to the fact that this is the 77th anniversary of the birth of one of our most distinguished Members, the junior Senator from New York [Mr. LEHMAN].

Few men in our history had had such a distinguished and brilliant career. He has been the friend and confidant of some of the greatest leaders of our times. He has devoted his entire adult life to the service of the American people.

And yet those of us who know the junior Senator from New York know equally well that he is only standing on the threshold of achievement. He is a man with a deep sense of duty who will never give up his struggle for the things he believes are good and right.

Although the junior Senator from New York and I have differed on many occasions, I have never lost the feeling of friendship and respect for him. He is a man who has never made an error of the heart. I wish him a happy birthday and many happy returns.

In this connection, I ask unanimous consent to have printed in the RECORD an editorial from the New York Times summing up the achievements of the distinguished Senator from New York.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

OUR OWN JUNIOR SENATOR

New York State's junior Senator, as in strict accuracy he has to be styled, reaches his 77th birthday today. In view of his continued energy after so many years of service to the public the adjective does not seem out of place. HERBERT H. LEHMAN was earning a Distinguished Service Medal as far back as the First World War, when he had charge of procurement for the American Expeditionary Forces; he was twice Lieutenant Governor of this State and 10 years Governor; he carried on the vast transactions of the United Nations Relief and Rehabilitation Administration during and after the Second World War; he has been a Senator since 1950, always to be counted on when a good cause or a good principle needed defense. He has been a successful businessman whose use of his success has been to help the community.

Senator LEHMAN would be long remembered if he had only a half or a quarter of his career on the record. But it is a satisfaction to believe, as well as to hope, that at 77 his work is not nearly done. We give power and credit to youth in this country, as perhaps no other nation has ever done. But we need the mature mind, too, which often goes on growing after the body has begun to weaken and slow down. We need elder statesmen, and we are lucky that we have an outstanding one in our own junior Senator.

Mr. KEFAUVER. Mr. President, I am delighted to have the opportunity to join the distinguished majority leader [Mr. JOHNSON of Texas] in wishing the distinguished junior Senator from New York, on this, the 77th anniversay of his birth, much success and many more useful years.

Senators have come to admire this great man. He is a tireless worker. We know that he has indomitable courage. He stands by his convictions. Although he is a man of considerable means, he has always been interested in the welfare and the future of the small man, the average citizen.

As was so truly said in the second paragraph of the New York Times editorial, which the Senator from Texas placed in the RECORD:

Senator LEHMAN would be long remembered if he had only a half or a quarter of

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his career on the record. But it is a satisfaction to believe, as well as to hope, that at 77 his work is not nearly done. We give power and credit to youth in this country, as perhaps no other nation has ever done.

I pay high tribute to the long public career and the character and attitude of this great public servant.

Mr. GREEN. Mr. President, I desire to associate myself with the remarks of the Senators who have expressed admiration for our distinguished colleague, the junior Senator from New York [Mr. LEHMAN], whose 77th birthday anniversary is being celebrated today.

I believe the outstanding characteristic of Senator LEHMAN, which has impressed me, in addition to the attributes which have already been mentioned, is that he embodies as well as preaches real democracy. Therefore he is entitled to the high position he has obtained in the Democratic Party. Moreover, his admiration for and interest in the common man is noteworthy.

Mr. FULBRIGHT. Mr. President, I know that all Members of the Senate on both sides of the aisle join me in extending felicitations and good wishes to the junior Senator from New York [Mr. LEHMAN] today on the occasion of his 77th birthday anniversary.

The public career of HERBERT LEHMAN is well known by all of us. To say that he has rendered distinguished and valuable service to his State and to his Nation is an understatement, for few men in this century have devoted more time and effort to unselfish public service.

The distinguished Senator has always been motivated by high principles. Many men in his circumstances have chosen to live lives of idleness and luxury, but the junior Senator from New York has instead chosen to work tirelessly for his fellow citizens.

I congratulate Senator LEHMAN on this important milestone and wish for him many, many more years of good health and useful public service.

Mr. HUMPHREY. Mr. President, I wish to join other Senators in paying appropriate tribute to one of our most distinguished Members, the junior Senator from New York [Mr. LEHMAN], who is 77 years old today.

Senator LEHMAN's record of distinguished service to this country is a part of the great history of our times. His brilliant service as Governor of the Empire State of New York is a memorable chapter in the role of State government, and responsible political action. His outstanding service as Director of UNRRA brought him the respect, confidence, and admiration of people all over the world. In the United States Senate he has stood as a champion of the people, particularly and most effectively in the field of civil liberties and civil rights. Likewise, he is an articulate spokesman of an enlightened foreign policy and of domestic programs that would lead to an expanding economy. His rich and extended experience in government plus his qualities of courage, integrity, and vision mark him as a statesman and patriot.

It is a mark of great stature and outstanding ability that Senator LEHMAN has been able through the many years of his very full life to give such noteworthy service to the people of his State and of the Nation. The United States of America is a better and greater Nation because of HERBERT LEHMAN. We salute him for service beyond the call of duty.

The PRESIDING OFFICER (Mr. BARKLEY in the chair). It had been my intention, while the President pro tempore of the Senate presided, to say a few words on the 77th birthday anniversary of the junior Senator from New York. If the Senate has no objection, the junior Senator from Kentucky will proceed to say those few words from the rostrum.

I have known the Senator from New York for many years, first, as a private citizen, then as lieutenant governor of New York, then as governor of New York, then as the administrator of UNRRA, and, for the past few years, as a Member of this distinguished body.

I join with all his friends, without regard to politics, in congratulating him upon reaching his 77th birthday.

I celebrated my 77th birthday in November, and in January or February in this body I had the pleasure of welcoming the Senator from Georgia [Mr. GEORGE] into that fraternity, and now I am glad to join in welcoming into it the Senator from New York.

Some years ago in my home town in Kentucky one of my neighbors and friends celebrated his 100th birthday anniversary. The people were congratulating him and wishing him long life, and one of his neighbors said to him, "To what do you attribute your long life and your mental and physical activities?" The old gentleman replied, "I never smoked, I never drank, I never overworked, I never overate, and I never underslept." The friend said to him, "I had an uncle who lived the same way and he died at the age of 80." The old gentleman said, "He did not stick to it long enough."

I hope that whatever method has succeeded in bringing the distinguished Senator from New York to the age of 77 years will never cease to be effective and that he may not only live many more years, but that he may continue to serve the people of his State and of the Nation in the outstanding manner which has characterized his service up to this time. Without regard to politics, we are happy to congratulate him upon this milestone in his life and public career.

Mr. CHAVEZ. Mr. President, I wish to join with other Senators and with the Presiding Officer in paying tribute to the junior Senator from New York [Mr. LEHMAN]. I may add that I also wish to congratulate the Senator from Kentucky and the Senator from Georgia for having reached the age which they have attained and for contributing to the American way of life in the way they have done.

To me, the Senator from New York is an inspiration. To me, he represents all that is best and that which was intended by the American Constitution to be best. To me, he is the Declaration of Independence itself. To me, he speaks the wisdom of Jefferson and the practical activity of Andrew Jackson. To me, he has the kindliness of Abraham Lincoln. To me, he has the wisdom of Woodrow Wilson. To me, he is carrying on with those things which are best for America.

I think I can say advisedly, Mr. President, that I am a beneficiary of those things that are best for America.

I wish to congratulate the Senator from New York on his 77th birthday anniversary, and I hope the good Lord will vouchsafe to him many more years during which he may continue to counsel and serve the American people.

Mr. NEUBERGER. Mr. President, I should like to extend my good wishes to the Senator from New York [Mr. LEHMAN] on his 77th birthday anniversary. We in the Pacific Northwest particularly appreciate his statesmanship, because, although he lives about 3,000 miles across the country, in a State on the opposite side of the continent, yet he still has evidenced a direct interest in the resources conservation and hydroelectric programs of the Nation, which have done so much to develop the Pacific Northwest. I feel such an interest on his part is a further evidence of the diligence, enlightenment, and great courage which the Senator from New York has shown on public questions. I wish him and his gracious wife much happiness and good health for many years to come.

Mr. MANSFIELD. Mr. President, I should like to join my colleagues in extending felicitations to the junior Senator from New York, the Honorable HERBERT LEHMAN. His long public career has been marked by outstanding ability and great courage, and he has done much in behalf of the people of the State of New York whom he has represented so ably and so well, as well as the people of the United States.

Mr. MONRONEY. Mr. President, I desire to join my colleagues in extending congratulations to the distinguished junior Senator from New York [Mr. LEHMAN] on the occasion of his 77th birthday anniversary.

It has been my privilege to sit next to Senator LEHMAN in the Senate for the past 3 years. I know of no Senator who is more friendly, more helpful, or more conscientious in the performance of his duties.

In addition to our great appreciation of his sincere interest in progress, prosperity, and justice throughout the entire United States, we are keenly aware that his helpful leadership on world affairs has been a potent contributing factor to United States foreign policy.

So it is with great pleasure that I take this opportunity to wish for Senator Lehman many, many more happy and fruitful years of patriotic service to his country.

Mr. SPARKMAN. Mr. President, I should like to associate myself with my colleagues who previously have paid tribute to the distinguished junior Senator from New York [Mr. LEHMAN] on the occasion of the 77th anniversary of his birth. I have always admired the manner in which he has stood fast for the principles in which he believed. Even when one does not agree with him, he is always considerate, tolerant, courageous, and generous.

We in Alabama have a particular interest in the Senator from New York.

The story of the Lehman family is very interesting. When his people first came to this country they settled in Montgomery, Ala., and there engaged in the cotton business. There most of the Lehman children were born. As I recall, a brother and sisters of our distinguished colleague were born in Montgomery, Ala.

Back in the dark, dreary days about the time of the Civil War, times became pretty hard. The cotton business did not always thrive. Be that as it may, the Lehman family—father, mother, and children—decided to move from Alabama to New York. So it happened that the Senator from New York was born in New York rather than in Alabama.

He is a great Senator, a great citizen, and a fine colleague. I congratulate him most heartily upon the attainment of his 77th birthday, and wish for him many more years of happiness and great success.

Mr. MARTIN of Pennsylvania. Mr. President, I wish to extend my sincerest congratulations to the junior Senator from New York [Mr. LEHMAN] on his 77th birthday anniversary.

I have known Senator LEHMAN over a long period of years. He is very much devoted to the public service. Although we do not always agree on politics, I know he is sincere.

I wish to call to the attention of the Senate the fact that Senator LEHMAN is on the Initial General Staff Eligibility List, which was formulated immediately after World War I. The senior Senator from Colorado [Mr. MILLIKIN] is also on that list. I apologize for mentioning it, but I too, am on that list. The three of us have frequently met together, and the fact of our being on the list has been an additional bond which has held us together. We have had some interesting discussions in connection with that work. Incidentally, I should mention the fact that the Chairman of the Board of the Eligibility List was General of the Armies John J. Pershing.

I hope Senator LEHMAN will enjoy many more years of health and happiness.

REPORT ON THE RAILROAD PASSENGER-DEFICIT PROBLEM (S. DOC. NO. 24)

Mr. GEORGE. Mr. President, I ask unanimous consent that the 1954 report of the Special Committee on Cooperation With the Interstate Commerce Commission in the study of the railroad passenger-deficit problem, be printed as a Senate document.

This represents the third year of the study by this independent agency, in cooperation with the Interstate Commerce Commission, and I believe the report contains much pertinent information which will be necessary for consideration in connection with proposed legislation, in the event of the introduction of bills to meet this particular situation.

The PRESIDING OFFICER (Mr. BARKLEY in the chair). Without objection, it is so ordered.

JOHN W. DAVIS—STATEMENT BY SENATOR THURMOND

Mr. SPARKMAN. Mr. President, I ask unanimous consent to have printed in the RECORD a brief statement by the junior Senator from South Carolina [Mr. THURMOND] on the death of the Honorable John W. Davis.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR THURMOND

Americans who believe in the Constitution and in constitutional government have lost an outstanding advocate of these principles in the death of John W. Davis. Mr. Davis' record is too well known for me to cite in these few words. He was a great friend of many millions of Americans who never even knew him, because he defended and fought for the rights upon which personal liberty is based. His services to my State, without fee, in the school segregation case will stand as a monument to his integrity and ability.

Our country has lost a profound lawyer, an able statesman, and a true patriot.

MAY DAY—UNITED STATES WAY

Mr. WILEY. Mr. President, I was pleased to hear today from Omar B. Ketchum, national director of the Veterans of Foreign Wars, on behalf of the May Day-Loyalty Day Resolution, now pending before a Senate Judiciary Subcommittee. This resolution, Senate Joint Resolution 58, has been introduced by the distinguished junior Senator from Texas [Mr. DANIEL]. I heartily endorse the joint resolution.

It is completely consistent with the highest patriotic aspirations of the American people in making sure that May Day is never again misused by forces harmful to our beloved country, but rather that it is used as a great occasion for rededication by loyal Americans.

On May 1, 1955, it will be my pleasure to journey to Burlington, Wis., scene of the Nation's foremost loyalty day observance. This year, as last year, I shall address the assembly, at the invitation of Mr. Robert R. Spitzer, of the May Day-United States Way General Committee.

The event last year was one of the finest patriotic observations I have ever witnessed.

I send to the desk excerpts from the article which appeared in the May 2, 1954, issue of the Milwaukee Sentinel as well as excerpts from the article from the May 2, 1954, Chicago Sunday Tribune. I ask unanimous consent that the text of Mr. Ketchum's letter to me and the texts of these newspaper articles be printed in the body of the RECORD at this point.

There being no objection, the letter and articles were ordered to be printed in the RECORD, as follows:

VETERANS OF FOREIGN WARS
OF THE UNITED STATES,
NATIONAL LEGISLATIVE SERVICE,
Washington, D. C., March 25, 1955.

Re Senate Joint Resolution 58.

This is to express the interest of the Veterans of Foreign Wars of the United States in the above-captioned resolution to designate the 1st day of May 1955 as Loyalty Day, which was introduced by Senator DANIEL of Texas.

A companion bill on the House side has been reported favorably by the House Committee on the Judiciary, and it is expected that the bill will come up on the unanimous Consent Calendar in the House on Tuesday, March 29, with chances for passage without objections appearing most favorable.

In the 83d Congress an almost identical bill was approved by the House and was reported favorably out of the Senate Judiciary Committee, but unfortunately it came out too late to be called up for consideration in the Senate during the hectic closing hours of that body. You will note that Senate Joint Resolution 58 seeks only to establish May 1, 1955, as Loyalty Day, and unless the legislation is approved by both branches of the Congress and signed by the President well in advance of May 1, the purpose of the bill will be defeated.

It will be deeply appreciated if the Senate Committee on the Judiciary could consider Senate Joint Resolution 58 favorably in the very near future so that with the impending House action assurance could be had that the bill would become public law well in advance of May 1.

Sincerely yours,

OMAR B. KETCHUM,

[From the Milwaukee Sentinel of May 2, 1954]

THIRTY THOUSAND CHEER "MAY DAY, UNITED STATES WAY" AT BURLINGTON—WILEY, McCARTHY TALK AT DAY-LONG LOYALTY DISPLAY

(By Trueman Farris)

BURLINGTON, May 1.—This May Day was one of the finest days in Burlington's history and it was a great day for America, too.

An estimated crowd of 30,000—5,000 more than had been anticipated—lined the streets of this small southern Wisconsin city Saturday to show the Nation and the world what "May Day, United States Way" should mean.

BEGINS WITH PRAYER

The day began with prayer as citizens attended special religious services in all churches.

Then came the bands and floats and marchers in the giant parade lasting nearly 3 hours.

At an afternoon rally at the Burlington High School athletic field, Republican Senators WILEY and MCCARTHY spoke. The day ended with dancing in the streets.

The formal festivities were fine and appropriate, but it was the ordinary American citizen who made this a great day for Burlington and for America.

WE BELIEVE

They came from local business places and surrounding farms to tell the world, "We believe in America and the things for which it stands."

Corny? It could have been had this been a false thing staged by a select few. But it was not. It was a demonstration that truly belonged to the people.

There was something about the way the people waved the flags or snapped to attention when the colors passed by that added up to an inspirational endorsement of the American way of life.

The people lined every available space along the 2½-mile parade route. Some sat on folding chairs or blankets. Others found vantage points on roofs. Many brought lunches and thermos bottles of coffee or lemonade.

CROWD EIGHT DEEP

The crowd stood eight deep in the downtown area. Others watched the 5,000 marchers and 70 floats from second- and third-story windows.

A member of the sponsoring committee reported that the Burlington clergy had promised to say special prayers for good weather. Their prayers were heard. In

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spite of a forecast of rain, a bright sun beamed down during the parade and afternoon talks.

An indication of the spirit in which Burlington approached "May Day, United States way" was the float sponsored jointly by the Burlington High School and St. Mary's High School. The float emphasized the Bill of Rights and the significance of a free educational system.

Burlington's streets were crowded with hundreds of cars from dawn until late at night, but 170 auxiliary police and National Guardsmen handled the traffic flow well.

EMPHASIZED PEACE

This, then, was Burlington's idea of what May Day should mean in America. Instead of the violence and bloodshed of other May Days, this was a holiday that emphasized peace and the dignity and rights of man.

A sign hanging over the door of a private home along the parade route told the story in a nutshell. The sign read: "Welcome, fellow Americans."

That was the philosophy behind Burlington's May Day. That's the way it was at "May Day, United States way."

[From the Chicago Tribune of May 2, 1954]

TYPICAL CITY STAGES MAY DAY, UNITED STATES WAY

(By Robert Howard)

BURLINGTON, WIS., May 1.—In a history-making demonstration of Americanism, Wisconsin today helped Burlington, a typical American city, to celebrate May Day, United States of America, as a symbol of repudiation of communism.

May Day is the traditional revolutionist holiday in Russia, once an annual date for violence, bloodshed, and attempted revolts.

Burlington's May Day was a 2½ hour parade. The 5,000 participants outnumbered the city's 4,800 population. Police estimated 30,000 persons lined flag-draped streets to watch the march.

TWO SENATORS SPEAKERS

The parade, over a mile and a half route, was led by the Fifth Army band. Following were bands and drum corps, big and little, from Marquette University, high schools, veteran organizations, and community groups. Also in the line were marching units and floats decorated on the theme that Americanism is worth protecting.

Later a mass meeting heard Wisconsin's two United States Senators, MCCARTHY and WILEY, both Republicans.

THE CALENDAR

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that at the conclusion of the morning hour, the Senate may proceed to the consideration of the Legislative Calendar.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JOHNSON of Texas subsequently said: Mr. President, I ask unanimous consent that the unanimous-consent agreement regarding the call of the calendar be modified to provide that following the speech of the Senator from Montana [Mr. MANSFIELD] the Senate proceed to the consideration of the bills on the calendar.

The PRESIDING OFFICER. Without objection, the agreement will be so modified.

AMERICAN FOREIGN POLICY

Mr. KNOWLAND. Mr. President, I ask permission to proceed for not to exceed 3 minutes.

The PRESIDING OFFICER. Without objection, the Senator from California may proceed.

Mr. KNOWLAND. Mr. President, I was somewhat at a loss to understand the reference made by my good friend and colleague, the majority leader [Mr. JOHNSON of Texas], in his remarks earlier today with reference to a so-called war party. I know of no war party in the United States. I know of no war faction in the United States——

Mr. JOHNSON of Texas. Mr. President, will the Senator from California yield for a question?

Mr. KNOWLAND. I cannot yield at this time.

Mr. JOHNSON of Texas. But the Senator has, I think, misquoted my statement.

Mr. KNOWLAND. I shall be glad to yield later.

Mr. President, I am not an old man. I expect to celebrate my 47th birthday in June of this year. During that relatively short lifetime our country has been engaged in World War I, World War II, and the Korean war.

It so happens that those three wars were fought under Democratic administrations. I served in World War II, and as a Member of the Senate I supported the stand taken by the Democratic President of the United States in resisting Communist aggression because I felt it was necessary for the free world to stand firmly against Communist aggression.

Mr. President, we should have learned by this time that the road of appeasement is not the road to peace, but is surrender on the installment plan.

I ask this question, which I think is one the Congress and the country will have to answer: After having taken a firm stand in the month of January of this year by passing the Formosa resolution by a vote of 410 to 3 in the House and a vote of 85 to 3 in the Senate, are we to be placed in the position of marching up the hill and, as soon as there are some dire Communist threats, marching down again in the face of those threats?

Mr. President, are there any who would condemn to perpetual slavery behind the Iron Curtain the people of Poland, Czechoslovakia, Hungary, Rumania, Bulgaria, Latvia, Estonia, and Lithuania, nations which lost their freedom through no fault of their own; who lost it because of certain wartime agreements or by aggressions by Communist Russia?

Is a proposal to be made to welcome into the United Nations Communist China, a nation which has inflicted 140,000 casualties upon our Armed Forces, including 35,000 dead; a nation which admittedly now holds 15 American airmen, contrary to the armistice terms, and which, there is strong reason to believe, is holding several hundred other U. N. prisoners, including Americans?

Is the proposal to be made that we turn over to the Chinese Communists more of free Asia, regardless of the consequences to the free peoples of Asia?

No, there is no war party, and there is no war faction. But I think there are Members on both sides of the aisle who desire our policy to be not one of peace at any price, but peace with honor.

Mr. JOHNSON of Texas. Mr. President, I had hoped the Senator from California would yield to me, because we had a similar experience the other day.

I now ask unanimous consent that I may proceed for not to exceed 1 minute.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the Senator from Texas may proceed.

Mr. JOHNSON of Texas. If the minority leader read into my statement a declaration that a war party existed, and that anyone was leading such a war party, he did not read into it what I said.

I said that the people of the United States, in my opinion, do not want a war party, nor do they want an appeasement party. I said that we looked forward with optimism and hope to the possibilities of a positive program for peace.

If the distinguished minority leader interpreted my statement as meaning a proposal to welcome Communist China into the United Nations, he goes far afield of anything the majority leader said. I conclude by saying that I think we speak for all the people when we say that they prefer peace to war; and if, when we say that, we find others in disagreement, then, if the shoe fits, let them wear it.

FARMERS' ECONOMIC PLIGHT

Mr. NEUBERGER. Mr. President, the farmers are still in a recession, and their plight recalls the 1920's, when agriculture slumped long before the big depression. The farm problem is worse now, and bigger trouble lies ahead.

The farmers' share of the national income is at its lowest point in history, and has been steadily declining under the policies of the present administration. In a series of excellent charts and graphs accompanying an article on the subject published in the U. S. News & World Report, it is indicated that the farmers' share of the national income has dropped from 9.4 percent in 1951 to 7.2 percent in 1954. This represents a drop in farm income during the last 2 years from $23 billion to $20 billion. Prosperity is leaving the farmer behind under the policies of the present administration. The drop in farm income and the farmers' share of the national income from 1951 to 1954, under the policies of the present administration, has been more rapid than in any period since the end of World War II.

The farmer is squeezed between high costs for the things he buys and low prices for the things he sells. Another chart from the U. S. News & World Report indicates that the prices farmers paid and the prices farmers received in 1952 stood at an even balance, while today, on the parity scale, the prices farmers pay stand at 283, while prices farmers receive for their produce stand at 243. Since 1952, under the present Eisenhower-Benson farm policies, the gap between what the farmer must pay for the goods he buys and the prices farmers are receiving for their produce has been ever widening. According to the chart, prices farmers pay and the

prices farmers receive stood in balance in 1952, and today the imbalance against the farmers is the greatest since the end of World War II.

Mr. President, I ask unanimous consent to have printed in the body of the RECORD an excellent article from the pages of the U. S. News & World Report for March 25, 1955.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WHERE TIMES ARE GETTING HARDER

Farmers still are in a recession, while other people prosper.

Their plight recalls the 1920's, when agriculture slumped long before the big depression.

This shows that the farm problem is worsening now, that more trouble lies ahead.

One major industry affecting many millions of people is not sharing in the Nation's business recovery.

This great exception is agriculture.

Farmers are getting less for their crops. They are being forced to grow less. Their costs are high. Their incomes are shrinking.

Last year, farmers had the smallest share of the national income on record—7.2 percent, as shown in the chart on this page.

As yet, there is no solution in sight for their problem. Time and again, Government officials have sensed a change for the better. At times, prices strengthened. But, each time, the improvement proved momentary.

Thinking back to the 1920's, some economists now are wondering if this long-continued trouble in farming may not prove to be a serious weakness for the Nation as a whole. History, especially in the twenties, shows that, when farmers suffer over a long period, other business is likely to be hit.

Millions are affected: Farmers today are a smaller group but still big enough to have an impact. The Government figures there are about 21 million people living on farms, and about 31 million more in rural areas closely tied to the farm. Thus, nearly a third of the Nation is affected by a drop in farm income.

Farm net income was about $12 billion last year. That figure makes an allowance for expenses, taxes, and value of home-grown food and feed. Farmers got 40 percent more in their best year, 1947. Thus the drop, from peak prosperity, has been great, though most farmers still are much better off than before World War II. The drop in 1954 from 1953 was 10 percent.

The Government had expected the drop from 1953 to be about 6 percent.

Now, a further drop of about 4 percent, to 11.5 billion, is being forecast, unofficially, by the Federal experts for 1955.

What's the trouble? Behind the farmers' plight are two big factors: price weakness and heavy surpluses.

Farm prices just haven't leveled off the way the Government and many private economists thought they would. Right now, in a time of great business strength, farm prices have been showing weakness.

Cotton in rural areas, a short time ago, sold for slightly less than the Government price support.

Farmers are selling wheat at a discount of about 14 cents a bushel from the price support, corn at a discount of 27 cents, rye at a discount of 31 cents.

Hogs are the cheapest since 1949. Cattle prices are up from last year's lows, but have lost ground recently.

Supplies are so big that, unless there is a war or some other calamity, real strength in prices can't be counted on soon. Farmers will produce less. But consumers will have plenty of meat, flour, fiber, eggs, poultry, dairy products, just about everything the farmer grows.

The supply of wheat on July 1 is expected to be about 975 million bushels. That is more than the United States uses in a year, and three times the normal carryover, as the Government figures it. And a new crop is coming.

Corn at the start of the growing season this year is estimated at 918 million bushels, already on hand. That's a third of what is used in a year. And a whole new crop is about to be planted.

Before the 1955 cotton crop is picked, the United States will have on hand something like 9.8 million bales of old cotton.

Effect of acreage cuts: The Government hopes to hold production on new crops to less than the normal year's use, thus reducing the huge surpluses. But the surpluses will shrink little, the economists say, unless there is a crop failure. Big supplies still will be handling over the market at the end of this year.

But acreage cuts will mean this to the grower: less income. Wheat farmers of the Great Plains will be sowing about 30 percent less than they did 2 years ago. And what they reap brings a lower price.

In Southern States, cotton acreage has been reduced by more than 27 percent since 1953. Here, too, farmers are feeling the cuts.

Meanwhile, farmers expect to raise more pigs this year than last. That keeps the price low but holds volume up. Cattle on ranges and farms also are more numerous than they were a year ago, the Government says.

For those who sell livestock, big volume helps offset low prices. Still income declines.

Most farmers will have less coming in.

Expenses hard to cut: They'll be trying to cut expenses. So far, this has proved difficult. Since 1951, cash received by farmers has diminished by $2.8 billions a year; production expenses have declined only half a billion.

Feed costs less. But feeder cattle cost more; cost of animals purchased for fattening early this year has risen more than has the price of fattened steers.

The big corn-hog producer figures his costs at 12 cents per pound of hog; he gets about 15 cents. The 3-cent margin has to pay for his own work, his investment and family expenses.

Fertilizer is costing less than last year. But seed to be planted on land taken out of corn and wheat has become more costly—especially grass seeds, clover and alfalfa seed.

Farm wages are down. The farmer is buying less machinery than he did when he felt more prosperous. But family needs are more expensive. And taxes are rising.

Farmers have gone deeper into debt. The Government says mortgages on farms increased by 7 percent last year. Interest payments on mortgages are increasing.

The overall result is shown in the chart: Farm costs per unit of crop have inched up for the last 2 years despite efforts to cut down.

Getting by: What the broad figures don't reveal is the wide differences in the fortunes of different types of farmers. Hard hit are wheatgrowers on the Great Plains who haven't much choice but to grow wheat, or cotton farmers tied almost entirely to cotton and lacking latest equipment. Small farms without machinery feel a real pinch.

Less hurt is the medium sized Midwestern farm that is well equipped and versatile. It still supports the family, with some profit, though the profit is smaller than before. There is more leeway to meet hard conditions.

Distress would be greater except that many have moved off the land in the last decade. A smaller income is being shared by fewer farmers. Those who remain are more efficient.

Even so, they feel the pinch. As consumers, they are not able to buy as freely as last year; they share the lowest income since World War II. When most other people are feeling well off, farmers get no lift from the business boom.

TIDELANDS OIL LEGISLATION

Mr. NEUBERGER. Mr. President, I ask unanimous consent to have printed in the RECORD an excellent editorial published in the Medford Mail Tribune of March 17, 1955.

To those who argue that the tidelands oil giveaway several years ago amounts to nothing, it is worth pointing out that California, as one of the favored four States, hopes to get $2.5 billion in revenue that should belong to all the people of the United States, and could be used to light the lamps of education. The Federal Government is getting only 16 or 17 percent of the revenue, while the four lucky States are getting billions of dollars.

The excellent editorial by Robert W. Ruhl, editor of the Medford Mail Tribune, points out the great loss of revenue to Oregon and to the United States. Mr. Ruhl is a former winner of the Pulitzer Prize for excellence in editorial writing.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

NO GIVEAWAY?

It is now being claimed that the tidelands oil bill was not a giveaway because a "major portion" of the profits therefrom are going, not to the oil companies, but to the Federal Government.

At the same time it is admitted the Government gets only one-sixth of the profits, on a royalty-lease basis to the private companies.

This appears to be another case wherein figures don't lie, but liars figure.

Since when has 16 or 17 percent of a sum represented a "major" and 83 to 84 percent a minor portion?

Someone should take a refresher course in primary arithmetic.

In the same quarter it is now being stated there was no giveaway because the tidelands oil profits going to the lucky four States have to date been "disappointing."

How have they been disappointing?

This will be news to John M. Pierce, finance director of one of the lucky States—our plutocrat neighbor, the other side of the Siskiyous—California.

He predicted only a few days ago California may be able to realize as much as $2.5 billion in oil royalties by permitting offshore oil drilling.

This would be based upon a 35-percent instead of a 17-percent royalty. If the State of California can count on a profit like this, how about Texas, not to mention Louisiana and Florida? Where is the disappointment? How much is enough?

The contention of Senator MORSE and others was the offshore oil (not within but out beyond the legal 3-mile limit) did not belong to three or four abutting States but to all the States—to the American people, as a whole.

And the profits therefrom should therefore go to all the people, not to few lucky States. This view was sustained in principle by the United States Supreme Court.

Of course the cry of "socialism" was raised. But there was no socialism involved. There was no idea of having the Government itself pump the oil and sell it.

The idea was to have the control and ownership in the hands of the Government, just as the Continental Shelf is Government property today. Then leases for operation favorable to the Government, could be granted and the profits from same distrib-

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uted on a fair and equitable basis, to all the States instead of only four.

But the big giveaway proposal succeeded. The four big States and the big oil companies won.

The somewhat amusing feature is that now those who supported the giveaway are trying to prove it wasn't anything of the sort, because the four States, they claim, haven't cashed in as much as expected and on some of the lands the Government is getting more—a cut of 16 to 17 percent from the private operators.

Where is the evidence of this?

Isn't $2,500,000,000 probable profit for the State of California and approximately $4 billion to the private oil companies operating in that State, a fairly good return on the investment—particularly when the investment consisted not of money so much as political manipulation, skillful lobbying, and the usual wirepulling in important Government places?

It looks like quite a giveaway to this department.—R. W. R.

AMERICAN COMMITTEE FOR PROTECTION OF THE FOREIGN BORN

Mr. EASTLAND. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a statement which I have prepared with reference to delegations purporting to represent the American Committee for Protection of the Foreign Born, or its local subsidiaries.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR EASTLAND

The attention of the Senate Internal Security Subcommittee has been called to the fact that delegations purporting to represent the American Committee for Protection of the Foreign Born, or its local subsidiaries, are visiting the offices of Senators in behalf of certain recommendations regarding immigration legislation. For the information of any of my colleagues who may not know it, I want to point out that this organization has been cited as subversive and Communist by Attorney General Tom Clark in letters to the Loyalty Review Board released June 1, 1948, and September 21, 1948.

Abner Green appears on the literature of the American Committee for Protection of the Foreign Born as its executive secretary. When Abner Green appeared before the Senate Internal Security Subcommittee on June 22, 1954, he invoked his privilege under the fifth amendment in refusing to answer the following questions:

1. As to his being the executive secretary of the American Committee for Protection of the Foreign Born.

2. As to his being served with a subpena addressed to Abner Green, alias Abraham Greenberg.

3. As to his past or present membership in the Communist Party.

At that same hearing, on June 22, 1954, Mr. Green expressed his opposition to provisions of the McCarran-Walter Act, also known as the Immigration and Nationality Act of 1950, which tighten up on the admission into this country of Communists. Mr. Green also expressed his opposition to the Internal Security Act of 1950.

The PRESIDING OFFICER (Mr. MONRONEY in the chair). Is there further morning business? If not, morning business is closed.

JAPAN: NEXT CRISIS IN ASIA

Mr. MANSFIELD. Mr. President, the past 10 years might well be termed the decade of crisis diplomacy. Those charged with the conduct of foreign relations, particularly in recent times, seem to be involved in a continual race against time. No sooner do they catch up with one crisis when another looms on the horizon and they are off again in hot pursuit. Trailing close behind them is the lengthening shadow of the atomic annihilation of civilization.

It is inevitable in international relations, no less than in human relations, that difficulties may sometimes arise suddenly and unexpectedly. One of the principal functions of an effective foreign policy, however, is to reduce such occurrences and to minimize their shock.

In this respect foreign policy is something like flood control. We take measures to make a Mississippi or a Missouri less dangerous to the Nation. We heed the storm signals along the rivers and act to protect the valleys from the rising waters.

By the same token, foreign policy should serve to safeguard the Nation from perilous trends abroad. For the most part crises do not arise without warning. The danger signs can be seen long before a situation becomes acute. In more recent years, nevertheless, crises have often been permitted to creep up on us and strike suddenly. Each shock of this kind adds to the sense of futility which alreadys grips many people in this country when they try to understand the international problems of the Nation.

I believe the citizens of the United States are willing to face these problems, but they must know what it is they have to face. As it is now, they are confronted one day with the threat of war and the next with the promise of peace. The cycle of alternating threat and promise serves only to spread confusion and uncertainty in this country. This is a weak base on which to build support for the measures the United States must pursue in its relation with other nations.

The people have a right to something more than a hand-to-mouth foreign policy, just as they have a right to expect more than that kind of existence at home. They have a right to be kept fully and soberly informed on gathering difficulties before, not after, they reach the crisis stage. And they have a right to know whether everything that can be done is being done to minimize such difficulties.

Considerations of this kind lead me to return to a subject which I raised initially on the floor of the Senate on August 13 of last year. Members of the Senate will recall the state of our foreign policy at that time. The Nation had been caught off guard by a crisis in Indochina engendered by the Geneva Conference, and by another in France over the EDC.

It was necessary to deal with the immediate problems growing out of these two situations, and they were dealt with, by the Southeast Asia Pact and by the London-Paris accords. These devices, for all their merits, however, served only to pick up the pieces. They did little to catch up with rapidly moving developments either in Europe or Asia. In my remarks last August I pointed out that—

The tide of international affairs is flowing on in the aftermath of Geneva to new crests elsewhere on the globe to areas which in the next few months may become keys of decision in the struggle to turn back the drive of totalitarian communism. These areas are Germany and Japan.

In the months since last August, however, our foreign policy has largely ignored those two key areas, particularly Japan. The difficulties inherent in them now are rapidly closing in on us.

Today, therefore, I desire to redirect attention to one of these key areas—to Japan. If we are not to face another crisis in that area, then it seems to me of the highest importance that we review the situation respecting that country without further delay. If we are ever to get out of the straitjacket of crisis-foreign policy, we must look beyond the immediate, and prepare now to deal with what lies ahead.

We cannot, of course, ignore the pressing situation in the Formosan Straits. But no one seems to know at this time what will happen there. The American people do not know. The Senate does not know. I doubt whether even the President knows. We have been told by the executive branch, not once but many times, that developments in that area have been left to the Chinese Communists.

Regardless of the outcome of the Formosan crises, however, developments in Japan are of the greatest significance to the United States and to all countries with interests in the Western Pacific. There is not likely to be a peaceful settlement in the Far East unless Japan is a party to it. Nor is there likely to be a major war in that part of the world into which the Japanese will not inevitably be drawn.

Japan, in short, is a key to war or peace in the Far East. Yet in all the statements and press releases issued by the executive branch in recent weeks the Japanese have gone virtually unnoticed. If they are mentioned at all, it is usually in an historical sense. It is as though these 90 million people in the core of the Western Pacific had sunk into a hole in the sea.

Japan has not disappeared. The Japanese islands are still with us, and—beyond Formosa, beyond Korea—they are the real objective of any aggression originating on the Asian mainland. They are the natural target because they contain the greatest concentration of industrial plants and industrial skills in Asia, and that concentration includes the capacity for developing atomic energy. Japanese technical power welded to Chinese manpower and resources could raise the power of Asian communism enormously in a relatively short time. I hardly need point out the towering threat that this combination would represent, not only to Alaska, the Philippines, Australia, or New Zealand but to the American continent itself.

That is one prospect in the Japanese situation. It is not the only one. It may be that instead of trending toward war events in the Far East will move away from war. It may be that the cease fire in Korea and the cease fire in Indochina are preliminaries to a similar truce in the Formosan Straits. If that

is the case, then the three points of military contact between the Communist and the free nations in the Western Pacific will have been stabilized and the stage will have been reached when a general settlement in that region would become possible.

In that event, the situation in Japan will be of inestimable importance. In peace, no less than in war, the 90 million Japanese are a decisive factor. They have much to contribute to the building of the conditions of peace in Asia. The energy generated by their intelligence, their skills, and their industriousness must find a constructive outlet of this kind or it will surely discover a destructive one. The Japanese can go forward with other nations in peaceful progress or they can turn off again on the road to renewed conflict. The only path not open to them is that which leads back to the age of exclusion.

Before Japan drifts into the decisions from which there is no returning, before the die is cast for war or peace in the Far East, it seems to me essential that we ourselves comprehend fully our objectives in that region. It is also essential that we express these objectives through our foreign policy with a clarity and an affirmativeness that will be understood by friend and foe alike. It is too late for that in Korea. It is too late for that in Indochina. It is too late for that in Formosa. We have drifted in all of these regions until they have now become areas of crises, and they are being dealt with by a crisis-foreign policy.

It may still not be too late, however, in Japan.

This country's interests, as I understand those interests, would best be served by a situation in which an independent and self-supporting Japan lives in peace in the midst of independent and self-supporting Asian nations. That kind of a situation would contribute enormously to the security of the United States and all countries with interests in the western Pacific. It would permit trade and scientific and cultural relations to flourish, with consequent benefit to us, as well as to others. It would provide an atmosphere in which the concept of human freedom can survive and grow in the Far East.

We may not be able to achieve these objectives next year, 5 years from now, or 50. But let us at least keep in mind what they are. Let us know where we are trying to go, before we set out.

What is of the greatest significance in these American objectives of security, trade, freedom, and scientific and cultural exchange is that they need not conflict with the real interests of the Japanese people, those of the Filipinos, or those of any other peoples in the western Pacific, including those of the Chinese people, as distinct from those of their masters. Our national interests are in harmony, not in dissonance, with those of all peoples in the Far East, except a small, power-drunk minority. That minority of arrogant would-be conquerors has kept the region in turmoil through the past decade. They have exacted a vast tribute of human suffering and material sacrifice to feed their ambitions.

With that minority, wherever it may raise its head in the region, there can be no compromise of principle, nor need there be. So long as it is clear that our national objectives are in accord with those of the people of the area, we shall not lack allies in this struggle, whether it lasts 1 year or a hundred, whether it is peaceful or violent.

It is one thing to define objectives. It is another to achieve them. We cannot will our objectives into being by the wave of a wand. We cannot buy them into being. We cannot talk them into being. We cannot bomb them into being.

Mr. President, we can only work steadily to bring them into being. Even in this approach, there is a limitation. Enormous historical forces—some ancient, some modern—are present in Asia. Nationalism, democracy, religion, Marxism, technological development, population pressures, and many other influences and forces move throughout the region in obscure patterns. Responsibility for creating circumstances of peace and progress in the Far East out of the interplay of these forces rests in the first instance with the people of each Asian nation; and, beyond them, with the region as a whole. The amount of lasting influence which this country or any other country outside the region can exert by foreign policies alone over the flow of events in Asia is far less than that which we exercise over a Mississippi or a Missouri. Our foreign policy, whether it involves military, economic, or diplomatic measures, has a role to play in this situation; but it is, at most, a peripheral role.

But just as we do not abandon flood control because the rivers are not easily tamed, so it is that we cannot abandon our legitimate objectives in the Far East; for we shall either work with others for the ends of common security and progress in the western Pacific, for a peace of freemen, or we shall work much harder merely to save our skins when some new crisis finally flows over the flood stage into a great new war.

Those are the alternatives before us. If the American people know the facts, if their leadership is genuinely positive, there is little doubt as to the choice.

Some of the most important of these facts concern Japan. They must be faced bluntly, and they must be faced now.

Since the end of World War II, the Japanese people have moved a long way from the repressive institutions which led them into that disastrous conflict. Strong forces for peaceful, democratic progress are now working inside Japan. This does not mean, however, that the Japanese people are permanently free of the dangers of aggressive totalitarianism. It would be delusive for them, as well as for ourselves, to assume that they are. A new totalitarianism could be induced in Japan either by Asian communism from the mainland or by regressive forces within Japanese society itself or by a strange alliance of both.

Under the occupation, this country did much to encourage the growth of free and peaceful institutions in Japan. The Japanese Peace Treaty, negotiated by the present Secretary of State under the previous administration, was an admirable attempt to consolidate those gains.

The occupation and the treaty on the whole were actions of an America which, with restraint and dignity sought to contribute to the development of a situation of mutual benefit to all in the Far East. Their effects will not easily be lost on the Japanese people. They will weigh heavily in the balance of the future of Japan.

Will they be sufficient, however, to tip the balance toward peace and progress in Japan? Do they offset the alternating attraction and fear engendered by Asian communism across the China Seas? Above all, are they adequate to allay the threat of hunger which hangs over the Japanese people?

It does little good to set a man free, if the door to elementary survival and development is shut in his face. And what is true of men is in many ways true of nations. That is the first reality which must be faced with respect to the Japanese situation.

Within Japan, measures can be taken which will go a long way toward dealing with this problem. I do not propose to catalog the ills that beset the Japanese economic structure and their remedies. That is hardly the function of the Government of the United States, let alone of the Senate. The Japanese know what the ills are; they have expounded at length in the public press and in the Diet on the inequities and inefficiencies which result from them.

The initiative, the leadership in correcting these ills must come from within Japan itself. This country cannot presume to supply it, nor can any other country. To attempt to do so would simply result, as it has elsewhere in Asia, in the expenditure of vast sums with little tangible accomplishment.

There are other aspects of the Japanese situation, however, with which in concert with other nations we must deal if there is to be peace in the Far East. To put the problem bluntly, the Japanese people must fish and trade abroad on a vast scale if they are to sustain themselves in a tolerable fashion. They have been able to do neither adequately since World War II.

Important fishing grounds off the North Asian coast have been closed to them by the policies of the Communist countries and Korea. Their trade with the Asian mainland, once a mainstay of their economy, has been reduced almost to insignificance. Their commercial relations with Southeast Asia and the rest of the world hardly begin to meet their needs.

In the past 10 years, the margin between survival and starvation for millions of Japanese has been provided largely by the United States. Billions of dollars have been made available in direct aid or by purchases in connection with the Korean conflict and defense requirements in the western Pacific.

Outlays of this kind are palliatives, not cures. A lasting solution to Japan's economic dilemma, as I mentioned before, depends in part on actions which can be taken only by the Japanese them-

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selves. It also depends in part on the policies and attitudes of other nations, particularly those with a vital stake in the Far East.

I raised this question in my remarks in the Senate last August in these terms:

> Unless concerted steps are taken • • • where are the Japanese to turn for survival? There is no reason to assume that they will not turn away from the present alinement with the free nations. There is no reason to assume that they will not veer toward Communist China, toward the Soviet Union, or both.

To the best of my knowledge, concerted steps have not been taken. Is it any wonder, then, that the new Japanese government under Premier Hatoyama has come to office largely on a platform of "normalizing" relations with the Asian mainland?

If the Communist countries seek to weaken the ties which presently hold Japan to freedom, they are not without resources to achieve this objective. Trade inducements can be offered particularly with respect to the Soviet Maritime provinces, Manchuria and North China. There are fishing and other concessions which could be made in and around Sakhalin and the Kuriles. Rice, coal, and other resources can come from Northern Vietnam.

How shall we deal with the situation in Japan? With more crisis-foreign policy? With millions in new aid? By a competition of concessions with the Communist countries for Japan's favor? Our national interests have been obscured time and again by ill-conceived negative measures of that kind.

When I spoke on this subject last year there was still ample time to provide leadership to the free nations in developing common policies respecting Japan. Months have gone by, and little appears to have been done. We have drifted and drifted, only to find ourselves back once again at Yalta. The needle of the political compass apparently can direct us to no other point on the globe.

And while we are constantly beckoned backward in this manner, events have moved forward in the Far East. Japan is now on the verge of transcendent decisions which will move the balance in Asia toward peace or toward war. Other nations, including our own, cannot evade partial responsibility for the manner in which these decisions are made.

I do not know whether the Japanese will choose the path of peace. The foreign policies of this or any other country cannot force or bribe the Japanese into peace, the peace of free men. That is a decision which they themselves must make.

What we can do, what positive policies in the Far East will do, is to work to make possible a Japanese decision for peace. Such policies, if they are to be effective, must come to grips with two realities in the Far Eastern situation—the vital political and strategic position of Japan in the Western Pacific and the the serious economic plight of the Japanese people. There is still a third reality, and it, too, must be recognized: The bitter remembrances of peoples who were overrun by the Japanese militarists in World War II, and the fear and suspicions which these remembrances engender.

There are many tangible ways in which these realities of the Japanese situation can be translated into positive action for peace. Let me point out some of them, by way of illustration. These illustrations are in part incorporated into our official policy and in part they are not. In any event, it seems to me that a positive foreign policy on our part would seek to obtain the widest possible international agreement on these points:

First. Immediate admission of Japan to the United Nations.

Second. Territorial adjustments along Japan's borders.

Third. Japanese participation in any international conference for the general settlement of Far Eastern problems.

Fourth. Japanese access to fishing grounds open to them before the war, on a responsible and equitable basis.

Fifth. Encouragement of a regional investment pool in the Far East with full Japanese participation.

Sixth. Encouragement of the use of Japanese skills in the technical assistance programs of the Far East.

Seventh. Convening of a series of Far Eastern conferences to deal frankly and realistically with the related problems of Japanese reparations and freer trade within the region, and similar issues, the solution of which will make possible a self-supporting Japan in a self-supporting Asia.

These courses of action, as I pointed out, are illustrative only. I do not know if all or any of them are practicable at the moment. Only the executive branch which is responsible for the conduct of foreign policy is in a position to know that. I believe, however that action along the lines I have outlined is essential if we are to forestall a crisis in Japan and the crisis-foreign policy which will inevitably follow. Such action can help to create a situation in the Far East which will serve our national interests as well as the interests of Japan and other nations.

Mr. President, it is not our responsibility alone to act in the present situation. It is not Japan's alone. It is the common responsibility of all nations which really desire peace and progress in the Far East.

Mr. President, in connection with this speech I ask unanimous consent that a number of articles from newspapers, magazines, and periodicals of various kinds be printed in the RECORD at this point as a part of my remarks.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the New York Herald Tribune of March 25, 1955]

JAPAN PREMIER MAY ASK UNITED STATES TO RETURN OKINAWA

TOKYO, Friday, March 26.—Premier Ichiro Hatoyama told the Diet (Parliament) yesterday he favors negotiations with the United States for the early return of the big American air base island of Okinawa.

The United States has made clear, however, that it intends to stay on Okinawa—one of the key islands in the far Pacific defense ring—until conditions settle down in the Orient.

Mr. Hatoyama, facing questioning in the New Diet, said he also would like the negotiations to embrace the Bonin Islands, about 600 miles southeast of Japan.

CAPTURED IN WAR

American forces captured Okinawa and the Bonins in World War II.

The pro-American Liberals demanded to know whether Japan also will seek return of the Russian-held Kurile, Habomai and southern Sakhalin islands north of Japan. Mr. Hatoyama did not reply.

The Premier declared, however, that Japan's basic policy of friendship with the United States would not change, although he hopes to restore normal relations with Russia.

SOME RETURNED

The United States late in 1953 returned to Japan the Amami O Shima group in the Ryukyu Islands, of which Okinawa is a part.

At that time, Secretary of State John Foster Dulles announced that American possession of Okinawa and other strategic islands in the area will continue "for the foreseeable future."

Presumably, this would include the Bonins. They lie just to the north of Iwo Jima, an American base on the air route from Guam to Japan and Okinawa.

[From the New York Times of March 23, 1955]

FOREIGN AFFAIRS: THE CHINA TRADE AS SEEN THROUGH JAPANESE EYES

(By C. L. Sulzberger)

OSAKA, JAPAN, March 27.—Japanese policy shows definite signs of becoming both more nationalist and more neutralist. In other words, our influence is waning. Tokyo has already set about the business of trying to arrange its own relationships with the great Communist powers, Russia and China.

Such trends are natural a decade after the war. Communist propaganda has been harping upon the need to do away with American bases and to ban all nuclear weapons. This meets with some success as Japan develops a more independent mood. But the nation is not so likely to be influenced by patent slogans as by business considerations. For Japan, with its immensely crowded territory, its straitened postwar economy and heavy reliance upon shrinking American aid, feels it must develop new markets. The nearest at hand is across the narrow seas in China.

NATION RELIES ON TRADE

Already official attitudes toward Peiping are changing. Foreign Minister Shigemitsu told me in Tokyo: "Legally we have no relations with the Communist Chinese, but nevertheless we have to treat them as a force." He admitted that Peiping has been making private soundings on diplomatic recognition. This was implicitly acknowledged de facto by issuance of visas to a Peiping trade delegation as representatives of the Peoples Republic of China.

Bustling Osaka was the prewar manufacturing center of goods for China, Manchuria, and Korea. It hopes desperately that trade can be raised again from its present miserable level of 1 percent of Japanese foreign commerce. Steel industrialists point out they now must buy coking coal in West Virginia instead of Manchuria and sell girders in Buenos Aires, not Shanghai. So far, thanks to skillful budgeting and a checkrein on shipping costs, they manage to make do. But there is doubt whether this can continue. And, as virtually everybody tells you sooner or later Japan must export or die.

NO TARIFF CONCESSIONS

The economy of this island nation depends on imports for a fifth of its food and most raw materials, and relies on exports to pay for

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them. Therefore, if supply sources and markets can be brought nearer, transportation costs would be cut. However, whether the answer can be found in Communist China is open to doubt.

For China today has been integrated economically into the Soviet bloc, with which it carries on three-fourths of its trade. There is not much surplus iron, for example, left over to ship to Japan. A Chinese textile industry now supplies the cloth that once was made in Osaka. And Peiping does not favor loosening the national belt just to help Japanese exports.

Nevertheless, Japan is desperately seeking markets. United States military purchases and expenditures here are diminishing. American tariff schedules have not been lowered in favor of Japan, as had been hoped. Sales in southeast Asia have proven disappointing because of money shortage there since tin and rubber prices fell. Therefore, the pressure mounts to expand trade with Peiping under almost any conditions. This is true despite realization that both the United States and its protégé, Formosa, look with disfavor upon such ideas.

JAPAN'S NEED IS GREATER

Businessmen have no reluctance in explaining the position. Kippei Hara, president of the Nichibo Textile Co., says: "Right now we are forced to depend too much on the United States. We cannot expect your aid to last forever. We have to regain our economic independence. To do this we cannot disregard the opportunities presented by 600 million Chinese. If the United States insists on trying to curb us you will only invite criticism. People will say you are trying to keep us within America's orbit. Trade with China probably won't amount to much, but we need anything we can find. The sooner it starts the better. Perhaps if we develop our commerce with Red China we can draw it nearer to the free world. The policy of freezing China out merely drives it back on Russia. You should pay more attention to Aesop's fable which demonstrated that the sun's warmth was able to force a man to take off his coat when the wind's power failed to do so."

Business forces as well as political pressures are working on the Hatoyama government to develop China trade. Peiping knows this and obviously is going to demand a pretty stiff price. Japan needs this commerce more than China. Unless the United States displays considerable wisdom and restraint the resulting situation may develop some difficult diplomatic moments. It is clearly inevitable that this highly industrialized nation is going to try to regain some of its lost markets in nearby China, regardless of political pressures. The eventual trade will probably prove disappointingly small to the Japanese. But they still hope they can get back into the China market before what is left of it has been gobbled by the Soviet bloc.

[From the Economist of March 5, 1955]

JAPAN: NATIONALIST AND NEUTRALIST

The Japanese are once again making their own way in the world, and the general election last weekend carried some useful indications of the direction they will take. Although the results caused no great surprise, that does not diminish their importance. For they mark a definite break with the long period of Liberal Party rule, which had been tarred with the brush of the occupation. The simplest verdict about the results is also the truest. The Japanese will become more Japanese. They will, that is to say, henceforward be at once more nationalist and more neutralist in their attitude to other nations. While remaining governed by an essentially conservative government, they will throw off the mantle of American influence and seek to make fresh terms with the Communist powers. And yet, in that their new policy will above all assert the national character of Japan, it will by no means be simply pro-Communist.

Mr. Hatoyama, the leader of the Democrats, has been confirmed in office insofar as his party has captured the lead with 185 seats (last parliament, 124) to the 112 (180) of the Liberals, from whom he broke away at the time of Mr. Yoshida's resignation. The next largest are the left-wing Socialists with 89 seats (last time 74) and the right-wing Socialists with 67 (61), making, if they combine, a bloc of 156. The Communists won only 2 seats, compared with 1 before; and there remain 10 seats among miscellaneous smaller parties, of both left and right. The interesting features of these results are that the Democrats have done about what was expected, the Liberals and Communists worse, and both groups of Socialists better.

The main deductions are, first, that Mr. Hatoyama will probably form a minority government, consisting of his own party alone and yet relying in the first instance on the support of the Liberals on major issues, though without their participation in the cabinet. Secondly, the Socialists are between them just strong enough, assuming other left-wing support and no defection to government ranks from their own right wing, to block the two-thirds majority that would be necessary to amend the constitution and introduce more outright rearmament; this can and will be regarded in Moscow as the achievement of a cardinal aim. Thirdly, although direct constitutional Communist influence on Japan's internal affairs is still negligible, the left-wing Socialists are in a stronger position than they were. Moreover, Moscow's influence with them has never been greater, and it is a key element in present Soviet tactics to keep Communist Parties in the background while building up broadly based anti-American popular fronts.

Under these new colors, what will Japan do? And what should Britain's attitude be? All observers agree that Mr. Hatoyama has won the elections largely on his avowed policy of seeking a fresh modus vivendi with the Communist rulers in Moscow and Peking. It is now clear that he favored a more emphatic move in this direction than his foreign minister in the outgoing caretaker government, Mr. Shigemitsu. And it must therefore be assumed that, if he is in fact the new prime minister, he will begin by concluding peace treaties with the Russians and with the Chinese Communists at the earliest practicable moment. There are, however, several snags. The most obvious is that Mr. Hatoyama, engaging and effective in the brief spurt of the last few months, is nevertheless old and far from well, and he might not be able to sustain the burden of premiership for long. If his health failed, the Democrat party could fall under less characterful leadership and it might well split. In that event, a new coalition based on the inclusion of the Liberals under Mr. Ogata—who has stepped into Mr. Yoshida's shoes—might be expected to pursue a somewhat more pro-American line.

Other question marks are raised by Japan's claims against Russia and its quasi-recognition of Formosa. It would be wrong, however, to expect either difficulty to do more than delay closer relations with Moscow and Peking. When Mr. Hatoyama let it be known that he would welcome a fresh approach from the Russians, Mr. Molotov had the head of the unofficial Soviet mission in Tokyo, Mr. Domnitsky, write to and ring up the Japanese foreign ministry straightaway. So pressing, in fact, were Mr. Domnitsky's messages and phone calls, that Tokyo sought and obtained independent confirmation from Moscow that he really represented the Kremlin's view. As things stand, the Russians have now accepted the Japanese demand that actual negotiations should take place on neutral ground at the United Nations in New York, and one of the first acts of a new government in Tokyo is bound to be to get these talks rolling. Japanese terms, despite demands which include the return both of the remaining prisoners of war and of the islands of Shikotan and Habomai, are not likely to be too stiff to make agreement possible. A major feature of the new Sino-Soviet policy, drawn up during the visit to Peking last October of Mr. Khrushchev and Marshal Bulganin, has been to win the friendship of the Japanese at almost any cost, and it may be assumed that this will certainly be implemented.

Moscow is in fact batting on a good wicket in Japan. This was clearly visible during the electoral campaign, in spite of the relative failure of the Communists to produce any fireworks of their own. The Russians have two lines which they are at present plugging on a worldwide basis but which have a particular appeal to the Japanese. One is to abolish foreign bases and the other to ban atomic and thermo-nuclear weapons. Both are aimed exclusively and specifically at destroying American power, and both find a ready echo among many Japanese, who naturally resent the continued presense of foreign servicemen, while also associating them with a multiplicity of memories and fears about the A-bomb and the H-bomb. Nor should too much be read into the Communist electoral failure itself. Although the party put up 99 candidates and got only 2 elected, its policy was to avoid splitting the anticonservative vote. It therefore withdrew candidates where Socialist prospects were good, and, with 100,000 members and 300,000 sympathisers, threw its weight into the left-wing Socialist scale.

Even more important than Moscow to the Japanese is Peking; and in regard to China Mr. Hatoyama can be expected to have the added incentive of trade. While many Japanese feel that the time has come to regularize their political relations with the new giant who has appeared on their doorstep, still more believe that the precarious Japanese economy can never become less dependent on American goodwill until Japan rebuilds at least some of its prewar trade with the mainland. And, in those terms, Japanese trade with China is still very small, partly because of allied controls on strategic goods but mainly because China's own political line demands a greater concentration of trade within the Communist bloc. But at the end of last year Chinese-Japanese trade was picking up fast, and, given a Communist determination to make economic sacrifies for the political object of tightening ties with Japan, there is undoubtedly scope for a good deal more trade, even within the limits of the present strategic embargoes.

Signing a peace treaty with Communist China means recognizing the Peking government. And it is here that Japan's new policy is bound to move into deeper water, since this implies both modifying the present relationship with Formosa and taking a line which would raise a good many eyebrows in Washington, particularly at the present moment; although Mr. Dulles did not quite succeed in making it a condition of the peace treaty of 1951 that Japan should recognize the Chiang Kai-shek regime as the government of China, he did secure diplomatic relations between Tokyo and Taipeh, with their precise status somewhat ill-defined. If Mr. Hatoyama now wants to get on closer terms with Peking, he can hardly expect Mr. Chou En-lai to accept his existing relationship with Formosa.

From Britain's point of view, there is no overriding reason why Japan should not take the course which Mr. Hatoyama is charting. Indeed, until more normal relations are established between the powers of the area, there can be no prospect even of a makeshift settlement in the Far East. And there is

certainly no greater possibility of keeping the Japanese indefinitely in a position of artificial inferiority than there is of keeping the Germans. But Japan has had the inestimable benefit, compared with Germany, of not being divided during the occupation; of not suffering directly from purely cynical Communist tactics; and of receiving the maximum help that the United States has been able to give, economically, technically, and politically. It would be a disaster to the cause of the free world if the Japanese were not to understand in time the definite limits they should set on their rapprochement with the Communist powers. At the elections the Japanese people have rejected Communism as such. They should never forget that, in the eyes of the ruthless men in Moscow and Peking, their country represents the fattest prize in Asia.

[From the New York Times of January 29, 1955]

SOVIET OFFERS JAPAN END TO STATE OF WAR

TOKYO, Saturday, January 29.—Moscow has made overtures to the Japanese Government for ending the state of war between the two countries.

A note said to be from Vyacheslav M. Molotov, Soviet Foreign Minister, to Japanese Premier Ichiro Hatoyama, delivered Tuesday by the head of the unofficial Soviet mission here, is understood to have touched on territorial and other issues that Tokyo has raised in connection with a peace settlement. These include title to the Habomai and Shikotan Islands off the northernmost main Japanese island of Hokkaido. The Soviet has occupied these outposts since the end of World War II.

A Foreign Ministry official said the note as received in English translation was undated and unsigned. As such, he said, it could not be considered the type of formal approach from Moscow desired by the Foreign Ministry.

The return of thousands of Japanese nationals believed to be detained in the Soviet Union is another question connected with a possible peace treaty. The Soviet was said to have stated its views on all outstanding problems between Moscow and Tokyo, but details were withheld by both Soviet and Japanese sources.

The delivery of the Soviet note by A. I. Domnitsky, chief of the unrecognized mission here, appeared to some to fulfill a condition laid down by Japanese Foreign Minister Mamoru Shigemitsu that the initiative in treaty negotiations should come from Moscow. Mr. Shigemitsu insisted that the Soviet should make the first move because the Soviet had declared war on Japan in 1945. He also contended that the formal state of war continued to exist only because the Soviet Union had refused to sign the San Francisco Treaty.

Premier Hatoyama has expressed eagerness recently to conclude a treaty with the only great power still formally at war with Japan. To this end he received the chief of the Soviet mission, which has been unrecognized officially by the Japanese Government since the end of the Allied occupation in May 1952.

Some significance was attached to the fact that the Soviet communication was delivered within a few days of Moscow's announcement that it had formally terminated the state of war with both East and West Germany. It is understood that the Soviet note to Mr. Hatoyama was received by the Soviet mission December 27, but that its delivery to the Premier was delayed until this week by the refusal of the Foreign Office to receive the unrecognized Soviet representative.

Mr. Domnitsky was quoted by the Japanese Kyodo News Service this morning as having said in an interview that Moscow made peace overtures to Tokyo "with full recognition of Japan's basic leanings toward the United States."

United States Ambassador John M. Allison declined comment this morning on the Soviet note.

Japanese officials, in appraising the overtures, appeared to be actuated by two conflicting drives. One is the desire to turn "normalization" of Japan's relations with the Soviet—and also Communist China—into an appalling gambit in the elections February 27. The other is the problem of facing the hard actualities of Japan's dependence on United States for both defense and economic support for a considerable time to come.

[From the New York Times of December 28, 1954]

HATOYAMA FAVORS AMITY WITH SOVIET—CALLS FOR JAPAN-RED CHINA TIE TOO TO END DISLIKE OF UNITED STATES

(By Robert Trumbull)

TOKYO, Tuesday, December 28.—Closer relations between Japan and the Communist Governments of the Soviet Union and China will tend to reduce the present unfriendliness of the Japanese people toward the United States, Premier Ichiro Hatoyama declared today.

The Premier said the adverse feeling toward the United States stemmed from popular suspicion that the previous Yoshida Government was tied blindly to Washington policy. He expressed the belief that establishment of normal trade and other contacts with the Communists would remove this misconception.

Yesterday, Communist China extended an invitation to Japanese fishing experts to visit Peiping. The offer was accepted.

Mr. Hatoyama asserted that the steps contemplated by his government toward rapprochement with the Communists in commerce and other areas need not imply diplomatic recognition of Red China. That, he said, is something "for the future."

Mr. Hatoyama stressed the economic benefit of trade with Communist China in Japan's present weakened financial state. He said the Japanese Ambassador to Nationalist China, Kenkichi Yoshizawa, had assured him only this morning that he expected no reduction in Japan's lucrative commerce with Formosa as a result of dealings with the Reds. Mr. Yoshizawa returned from the Chinese Nationalist capital last week.

The Premier also emphasized Japan's determination to rearm for self-defense. He said this could be done within the framework of the present constitution, which forbids Japan to acquire the potential for aggressive war.

He asserted that no steps to change the constitution were contemplated before the March elections. He said he did not believe alteration was necessary except to "clarify the working" of the antiarmament clause. Mr. Hatoyama added, however, that he was unable to forecast the ultimate strength of the Japanese forces, nor when these might relieve the United States of responsibility for defending Japan.

"Japan is poor and it will take time, but eventually we want our own forces," he said.

[From the New York Times of December 28, 1954]

JAPAN GETS PEIPING BID—INVITATION TO FISHERIES PARLEY, PART OF AMITY DRIVE, ACCEPTED

TOKYO, December 27.—Communist China stepped up its campaign for Japanese friendship today with an invitation to fishing experts to visit Peiping.

Japanese fishing interests accepted the invitation within a few hours. The industry group, interested in reaching agreement with the Communists on mutual problems, announced that a 14-man delegation would depart for Red China's capital January 8.

It was presumed here the fishing experts would experience little or no difficulty in getting permission from the Government to make the journey to the mainland. The new conservative regime of Premier Ichiro Hatoyama has announced its intention of relaxing barriers against travel in connection with its pledge to obtain more normal relations with Communist-ruled nations.

The invitation and its prompt acceptance represented the fruition of a seed planted by Red Chinese leaders more than 3 months ago during a visit of Japanese legislators to Peiping. The Chinese suggested that they would welcome a visit by fishing experts and that they would like to send their own commercial delegation to Japan to discuss increasing trade.

The Chinese suggestion was transmitted to the Japanese fishing industry by Socialist legislators. A civilian group called the Japan-China Fishery Council, established to promote the settlement of differences arising over fisheries problems, took it up.

The Japanese interest in reaching a working agreement with Red Chinese authorities on fishing problems is prompted to a large extent by the desire to end seizure of Japan's fishing boats in the China Sea by Red China's patrol vessels. When the fishery council was established, it listed this problem as the foremost difficulty to be ironed out with the Chinese.

The second matter the Japanese industry has indicated it wanted settled in Peiping is fishing areas. It would like to establish mutually agreed zones where the fishing fleets of both nations could safely work, and perhaps areas that could be exploited jointly.

Despite their eagerness to reach an amicable settlement with the Chinese Communists on fisheries problems, some Japanese in the industry are worried that such an agreement might bring new complications. Japanese fleets operate extensively in and around Formosan waters, and there is a belief an agreement might generate ill feeling among the Chinese Nationalists.

NEW SOVIET FEELER REPORTED

TOKYO, Tuesday, December 28.—Japan's two Socialist Parties united yesterday in a common platform calling for diplomatic relations with Red China and the Soviet Union and opposing rearmament through American aid.

Foreign Office sources said Moscow had sent a feeler on the possibility of renewing diplomatic relations to Japan's Ambassador to Paris, Kumao Nishimura. These sources said the feeler had been sent through Stanislaw Gaiweski, Polish Ambassador to Paris.

[From the New York Times of January 5, 1955]

HATOYAMA DRAFTS PLAN FOR RED TIES—SEEKS TO NORMALIZE JAPAN'S LINKS TO SOVIET BLOC BY FIRST PROMOTING TRADE

(By Robert Trumbull)

TOKYO, January 4.—Premier Ichiro Hatoyama outlined today a series of steps to develop closer relations between Japan and the Soviet Union and Red China.

The conservative Premier took sharp issue with the view that normal relations with Communist countries would tend to promote communism in Japan.

He added that Japan's defense forces were strong enough to suppress a revolution by force of the Communist Party. While the Japanese Communist Party is not illegal, almost all its leaders have gone underground since the beginning of the Korean war.

The Premier declared that the normalizing of Japan's relations with the Soviet Union and Red China should proceed through several stages.

"What is needed first of all is to promote trade and traffic," he said. "First, restrictions on traveling will have to be relaxed."

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The next step he recommended was removal of the ban on selling certain strategic goods to Communist countries. The exchange of economic missions would follow, he said. He proposed further that Japan form internal trade organizations to promote the exchange of products with the Communist countries.

He said Shozo Murata, chairman of the recently created International Trade Society and an influential figure in Japanese financial circles, would go to Red China soon to discuss these matters with Communist Chinese officials.

"I am of the opinion that to normalize our country's relations with Communist China and the Soviet Union is the way that will lead to world peace," the Premier commented.

Mr. Hatoyama made his statement as he left by train for the Shinto Grand Shrine at Ise. According to custom, every Premier of Japan must make obeisance at the Grand Shrine after his election. The Premier himself is a Christian.

The Premier's thoughts were on more worldly matters as he left with his Agriculture Minister, Ichiro Kono. For one thing, he was thinking about introducing a program resembling the Soviet Stakhanovite system to improve Japan's industrial and farm output.

Premier Hatoyama was optimistic that Washington would give a favorable hearing to Japan's plea to reduce the assessment on Tokyo for partial upkeep of United States troops maintained here to defend these islands in the absence of adequate Japanese forces. Tokyo would like to cut the amount, which is expected to come to $150 million this year, by nearly one-third. Tokyo proposes then to spend more on its own armed forces to replace the Americans eventually.

This is being discussed here this week in conversations between Finance Minister Hisato Ichimada and Adm. Arthur W. Radford, Chairman of the United States Joint Chiefs of Staff.

MUTUAL BENEFITS CITED

"To reduce Japan's share of the joint defense cost will result in strengthening our defense forces," the Premier said. "This will prove to be a mutual benefit to Japan and the United States, so I do not see any reason why the United States will oppose it."

But Admiral Radford has stated that he will merely report the Japanese views to Washington. Uncertainty over the Hatoyama government's survival in the forthcoming elections has left doubts here that Washington will act on this matter until the political situation clears.

Mr. Hatoyama said he expected his Democratic Party to win 230 seats in the lower house. This would nearly double its present strength of 122, but would still leave the Hatoyama group without an absolute majority in the 467-member Diet.

The Premier said that after the elections, which are to be in February or March, he would like to undertake a bipartisan approach in diplomacy as well as internal problems through parliamentary committees.

[From the Economist of December 18, 1955]

THE LURE OF COMMUNIST CHINA

Shortly before he became Prime Minister, Mr. Ichiro Hatoyama denounced the "weak pro-American policies of Mr. Yoshida," and—while piously, doubtless truthfully and therefore more dangerously disavowing pro-Communist sympathies—called for increased trade with Communist China and Soviet Russia. With a straight face, he also blamed Mr. Yoshida for preventing the resumption of closer Asian relations at Washington's behest. But about the same time Yoshida approved the visit to Peking on a trade mission of Mr. Shozo Murata, former Cabinet Minister, former president of the Osaka Shosen Kaisha and now president of the Association for the Promotion of International Trade. Mr. Murata has been urging "peaceful coexistence between Japan and China" with no involvement in the possibilities of coexistence between the United States and the Soviet Union. It is perhaps necessary to repeat the APIT is nonpolitical and includes conservatives, businessmen and industrialists who abominate the Japanese Socialists but made common cause with them on this issue.

In making these moves, the two rivals, Mr. Hatoyama and Mr. Yoshida, were reasoning with the current of Japanese opinion. Almost overnight, pro-Chinese sentiment has become respectable, democratic, honorable and by some curious Oriental deviousness, loyally, logically and commendably fellow-Asian. (The references, incidentally, are almost invariably to "China," not to "Communist China"; but this may not be Japanese ambivalence so much as Japanese conviction that there is only one China and that the Formosan garrison is important solely because of its political associations with the unpredictable westerners in Washington.) The most significant and disturbing implication of this swift response by the Japanese—rightists and leftists alike—to Peking's first belated gestures of friendship is the supreme and universal indifference to the possible effects of Japan's pro-China sentiment on Washington's pro-Japan sentiment.

NO BEGGARS OR FLIES

For the record, it is instructive to embalm these carefully translated, but internationally ignored, comments by members of the all-party Diet mission which recently made a 1-month visit to China on the heels of the earnest British Socialists:

Mosaburo Suzuki (chairman of the Left-wing Socialists): The people of China want to live in peace not only with Japan but with all countries, even the United States. Chou En-lai repeatedly said during talks that the Japanese people are "brave, hard-working, and very intelligent." I personally think that his statement was not a mere compliment, but an expression of his ardent desire to maintain perpetual peace and good relations with Japan. He knows too well that it would not be advantageous to China to have Japan and its people as enemies. I therefore would like to propose that we restore relations to normal at the earliest possible date, open diplomatic channels between the two countries, and endeavor together to join the United Nations.

Kikutchiro Yamaguchi (executive of Mr. Yoshida's Liberal Party, former secretary-general): Communist China is ruled by a strict belief in Mao Tse-tung and the leaders of the Communist Party, and their forceful politics were necessary to reconstruct the corruption-ridden politics of so many past centuries. It was very impressive that that great leader of China should have established such a powerful government after 30 years of struggle and betrayal of the people. Chou En-lai made much of me. I was impressed by the complete success of the revolution. * * * There is no reason to be anxious about a possible assault on Formosa, because continental China would be the very country to suffer the severest damage in a war. Through peace, on the other hand, she could establish such a powerful political system as would continue for more than 200 years.

Prof. Michitako Kaino, Toritsu University, Tokyo: There seems to be little doubt that the Chinese are now satisfied with the fact that they can read and learn letters, eat meat, be clad in new suits and enjoy drama and the movies; that they are given, or at least have better access to, dwelling houses; that any of them, if possessed with ability, can obtain a college education with no discrimination and without spending even a cent; that, even though their source of knowledge is one-sided, they have come to acquire a certain amount of knowledge on world affairs. There is no doubt that their future is filled with hope.

Tomoji Abe, leading Japanese novelist and critic: While it is true that writers and artists are requested to "cooperate" with the projects of establishing a new Socialist state, so far as I could see, there was no deliberate oppression of thought and speech in China. The ideal for "tomorrow's literature" in China was enunciated by Mao Tse-tung in the late forties at the Symposium of Literature in Yenan, which has as its basis: (1) To help make people happier; (2) to be realistic in artistic activities.

Ichiro Aoyagi (Liberal Party member): China is seeking friendly relations more than anything else. There are no beggars or flies. Japan must abolish passport restrictions to promote intercourse between Japan and China.

Kumaichi Yamamoto (secretary-general of the Association for the Promotion of International Trade—nonpolitical and Osaka-backed): The first thing Japan should do is to formulate and pursue an autonomous economic policy. * * * As is well known, continental China has tried positively to increase her trade with Japan, allowed the entry of Japanese trade representatives, permitted them to make inspection tours and even consented to enter into trade agreements. * * * After the lifting of restrictions on the freedom of visiting each other's countries, there should be a Japanese removal of the COCOM embargo list on exports to China.

This surely represents a rewarding harvest for Peking from the first sprinkling of Red propaganda seed on the naively impressionable Japanese soil.

Behind this strong and growing move for Japanese rapprochement with Communist China, the West would be wise to discern not only natural trade and racial impulses, but fundamentally a basic popular urge for apparent independence in international affairs—all the more popular, subconsciously, if it runs counter to the intentions and hopes of the benevolent but now irritating help of the United States.

[From the Economist of February 5, 1955]

BIDDING FOR JAPAN

The Communist propaganda offensive in Japan goes on apace. In the middle of January the caretaker Japanese Foreign Minister, Mr. Shigemitsu, gave the Soviet Union the cue by saying that the initiative for ending the state of war must come from the Russians. Although Mr. Shigemitsu reemphasized that, in any peace treaty with the Communist bloc, Japan would lay strong claim to the return of the Kurile Islands and other former Japanese territories, no one in Tokyo expects to hold out for more than a partial restoration, notably Habomai and Shikoran; other Japanese conditions are reported to be the release of all so-called war criminals, Russian support for Japan's entry into Uno, and unrestricted trade. In reply, it has just been revealed, Moscow sent a message to Tokyo on January 25 declaring that normalization of relations would not be out of place.

Mr. Shigemitsu has again repeated that alliance with the United States remains the basis of Japanese policy; and there seems little likelihood that any immediate recognition of Communist China is contemplated. Nor has Tokyo apparently yet decided what line it will take at the Afro-Asian Conference, to which Japan has been invited and at which it could act as a counterweight to Communist China. But the growing Japanese desire to run with the hare and hunt with the hounds is already being exploited to the full by both Peking and Moscow. There has been a spate of new suggestions for cultural and other kindred exchanges in 1955.

The Chinese in particular are sending writers, painters, musicians, actors, playwrights, a circus, teams for basketball, swimming and table tennis, films on land reform and on the emancipation of women, a fine arts exhibition, and even an exchange zoological troupe which would swap Siberian wolves and Bactrian camels for Japanese monkeys and long-tailed cocks.

The Communists are playing a dangerously promising game with Japan's two Socialist parties. Split into left and right factions after the war, these are now to fight the elections this spring in alliance, and the Communist radio station Free Japan is urging a merger after the elections are over. The basis of it would be a common policy of friendship with the Soviet Union and China. Some blame for these developments certainly lies on the leadership of the British Labour party. The party is widely respected in Japan and Mr. Attlee should never have let Mr. Bevan steal the show with his anti-American talk in Tokyo last year.

[From the London Times of December 14, 1954]

MORE AUSTERITY IN TOKYO—ELECTION SHADOWS

TOKYO, December 13.—It is natural that the Hatoyama government's policy should reflect the influence of the forthcoming elections; some of its first decisions certainly have a faintly demogogic flavor.

In accordance with the promised clean-up of political life, the Cabinet has decreed certain austerity measures. The Prime Minister will in future have only 1 official residence instead of 2; ministers will not have any; ministers' police protection is reduced; and officials are forbidden to play golf and mahjong with businessmen. It has been the practice hitherto for business leaders lavishly to entertain government officials, especially those from the Ministries of International Trade and Agriculture, over golf and mahjong. A sharp drop is reported this weekend in the number of officials visiting the popular Kawana golf course near Tokyo.

The appointment of Mr. Eikichi Araki as governor of the Bank of Japan has been inspired by sounder motives. He was the first Ambassador to Washington after the war and held the governorship in 1945 before being purged. He has declared that he will uphold the retrenchment policies of his predecessor, Mr. Ichimada, now Finance Minister. Mr. Ichimada is expected to pursue a policy of deflation, but with more discrimination than it was applied under Mr. Yoshida to avoid driving more businesses to bankruptcy through a too rigid money policy. Mr. Hatoyama has also announced that he will present a preliminary budget for 1955 before the dissolution of the Diet, in accordance with the wishes of financial leaders; it is expected to remain within the compass of the current budget.

TRADE WITH COMMUNISTS

Outlining the Government's more realistic foreign policy, Mr. Hatoyama said that the refusal of intercourse with the Communist nations by perpetually shunning them as enemies of the free nations would eventually lead to a world war; the promotion of trade and traffic was the way to reconciliation. Mr. Shigemitsu, the Foreign Minister, has added that the Government will promote trade with all nations within the limits of existing agreements, but has not yet indicated how. It is expected that there will be some relaxation in the granting of travel permits to China and efforts may be made to ease other restictions against China, but there is no likelihood of official relations being placed on a normal footing. Mr. Shigemitsu has also mentioned the Government's desire to revise the Mutual Security Agency agreement with the United States on a really reciprocal basis. It is also hinted at the Foreign Ministry that there will be a revision of Mr. Yoshida's bending-over-backward-for-America policy.

[From the London Times of January 12, 1955]

RELATIONS IN FAR EAST—TOKYO'S CALL FOR PEACE INITIATIVE

TOKYO, January 11.—There has been much wishful thinking by the Hatoyama government about relations with Russia and China, and the possibilities of peace settlements with them. Speaking at Osaka today, the Prime Minister declared that Japan should take the initiative in calling on Russia and China to end the state of war and resume normal relations, and Mr. Shigemitsu, the Foreign Minister, said last week that the Government is studying steps to that end.

Although such a possibility exists in the case of Russia, Mr. Hatoyama is guilty of excessive optimism in saying it could be expected before the elections in March. Russia has been quick to seize the propaganda advantage from the overtures by the Japanese Government, and Mr. Molotov recently indicated that the San Francisco and mutual-security treaties did not hinder the restoration of diplomatic relations between Japan and Russia. The Japanese Government has pointed out that the settlements are dependent on the recognition of Japan's territorial claims, without clearly specifying them, on the release of Japanese nationals still held in Russia, and on a solution of the fisheries question.

CLAIM TO KURILES

Territorial questions are most likely to be a stumblingblock. The Japanese are not reconciled to the annexation of the Kurile Islands by Russia, and urge the return of the archipelagos whenever they are discussed.

Recently there has been a greater emphasis, in official and unofficial statements, on the return of the Habomai and Shikotan Islands off Hakkaido, probably as it was realized that there was not the slightest hope that Russia would abandon the Kuriles. Japanese renunciation of the Kuriles is expressly stated in article II of the San Francisco treaty, and Russia is still able to negotiate with Japan a bilateral treaty on the same terms in accordance with article XXVI until 3 years have elapsed after its enforcement.

It is conceivable that Russia might, as a propaganda gesture, return Habomai, which is clearly part of Hakkaido and not the Kuriles, and which was unilaterally annexed after the war. Habomai was a rich crab fishery before the war, and Japanese fishermen cannot fish there without coming within 12 miles of the Russian coastal limit, and ships are continually being seized. Certainly the Japanese Government could not face any election without a loss of votes if a peace treaty was negotiated with Russia which did not stimulate the return of Habomai.

Hopes of a settlement with China are inconceivable within the framework of Japan's existing obligations, to quote Mr. Shigemitsu's words. Peking, it is clearly stated, has no intention of restoring diplomatic relations with any country which recognizes Formosa, and no Japanese Government is able to prejudice vital relations with the United States by any renunciation of its recognition of Formosa. An increasing realization of this is induced by a shift of emphasis in government statements recently to expanded trade and communications with China.

It is natural for any Japanese Government to make a show of independence in foreign policy at this stage, but the basic fact of Japan's dependence on the United States has not changed.

Mr. MANSFIELD. I yield the floor.

Mr. KNOWLAND. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BARRETT. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. THURMOND in the chair). Without objection, it is so ordered.

CALL OF THE CALENDAR

The PRESIDING OFFICER. Under the order previously entered, the Senate will proceed to the call of the calendar. The clerk will state the first measure on the calendar.

AMENDMENT OF RULE XXV OF THE STANDING RULES OF THE SENATE

The resolution (S. Res. 17) to amend rule XXV of the standing rules of the Senate was announced as first in order.

Mr. BIBLE. Mr. President, I ask that the resolution be passed over.

The PRESIDING OFFICER. The resolution will be passed over.

REMOVAL OF REQUIREMENT FOR FINAL PHYSICAL EXAMINATION FOR INDUCTEES

The bill (S. 802) to amend the Universal Military Training and Service Act, as amended, to remove the requirement for a final physical examination for inductees who continue on active duty in another status in the Armed Forces was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. PURTELL. Mr. President, I offer an amendment to the bill.

Mr. BIBLE. Mr. President, I have consulted with the Senator from Mississippi [Mr. STENNIS] with reference to the proposed amendment. The amendment is agreeable to him. I have no objection to it.

The PRESIDING OFFICER. The clerk will state the amendment offered by the Senator from Connecticut.

The LEGISLATIVE CLERK. On page 1, beginning in line 9, it is proposed to strike out "without substantial interruption", and insert "without an interruption of more than 72 hours."

Mr. PURTELL. Mr. President, I ask unanimous consent to have printed in the RECORD at this point an explanation of the amendment I have offered.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

MEMORANDUM IN EXPLANATION OF AMENDMENT TO S. 802 (CALENDAR NO. 46)

The purpose of this bill is to eliminate the necessity for a final-type physical examination for inductees who, upon completion of their inducted service, continue without interruption on active duty, either by enlistment in a Regular component, or as a member of a Reserve component on extended active service.

As reported from committee, the bill provides, in order to eliminate the requirement

of a mandatory physical examination, that the inductee must continue on active duty "without substantial interruption."

Because the word "substantial" is susceptible of varying interpretations, it is felt more desirable to fix a definite maximum period during which there is interruption from active duty. It is understood that the Defense Establishment considers administratively workable a provision that would permit such an interruption of not to exceed 72 hours.

Accordingly, the amendment substitutes for "substantial" interruption a definite maximum interruption of 72 hours from service on active duty.

Mr. BIBLE. Mr. President, I ask unanimous consent to have printed in the RECORD at this point a statement prepared by the Senator from Mississippi [Mr. STENNIS] concerning the bill.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR STENNIS

REMOVING THE REQUIREMENT FOR A FINAL PHYSICAL EXAMINATION FOR INDUCTEES WHO CONTINUE ON ACTIVE DUTY IN ANOTHER STATUS IN THE ARMED FORCES

The purpose of this bill is to eliminate the necessity for a final physical examination for draftees to continue on active service without interruption upon the completion of their inducted service. Under existing law all individuals inducted into the Armed Forces must be given an examination at the beginning and at the completion of their military service.

This bill, in eliminating the necessity for the examination, fully protects the individual by providing that the serviceman may request or the military authorities in their discretion may give the man a physical examination.

It is significant to note the group of inductees that this bill will affect. For the past several years there have been about 15,000 men each year in the Army who, after they have completed about 3 months of inducted service, have asked to be discharged in order to enlist without interruption for at least a 3-year term in the Regular Army. This change in type of service is advantageous to both the individual and the Army. The individual receives the reenlistment bonus and also a choice of training at technical schools by virtue of his enlistment for the longer term. The Army on the other hand can train this man and retain his services for a longer period. From the practical standpoint, however, this bill removes the necessity of a physical examination for the short-term draftees and at the same time all of the serviceman's rights are fully protected. It is estimated that the Government will save about $80,000 a year as a result of this bill.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Connecticut [Mr. PURTELL].

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the second sentence of subsection 9 (a) of the Universal Military Training and Service Act (62 Stat. 614), as amended, is amended by changing the final period to a colon and adding at the end thereof the following proviso: *"Provided further,* That, if upon completion of training and service under this title, such person continues on active duty without an interruption of more than 72 hours as a member of the Armed Forces of the United States, a physical examination upon completion of such training and service shall not be required unless it is requested by such person, or the medical authorities of the Armed Force concerned determine that the physical examination is warranted.".

PROVISION FOR ADVANCE PAYMENTS OF CERTAIN PAY AND ALLOWANCES OF MEMBERS OF THE UNIFORMED SERVICES

The bill (S. 804) to amend sec. 201 (e) of the Career Compensation Act of 1949, as amended, to provide for advance payments of certain pay and allowances of members of the uniformed services, and for other purposes was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted etc., That the Career Compensation Act of 1949, as amended, is further amended by adding at the end of subsection 201 (e) the following provision: "Any pay and allowances authorized by this act which will lawfully accrue to members for their return home incident to release from active duty or training duty may be paid to such members prior to their departure from their last duty station incident to such release, without regard to the actual performance of such travel."

ADMINISTRATION OF CERTAIN NATIONAL FOREST LANDS BY THE SECRETARY OF AGRICULTURE

The bill (S. 72) to provide that certain lands acquired by the United States shall be administered by the Secretary of Agriculture as national forest lands was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. PURTELL. Mr. President, I wonder whether the Senate could be informed of the attitude of the Department of the Interior on the bill.

Mr. SCHOEPPEL. I have just received information, forwarded to me by the staff of the Committee on Agriculture and Forestry, that the Department of the Interior submitted a favorable report on the bill under date of March 22.

Mr. PURTELL. I have no objection to the bill.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the bill (S. 72) to provide that certain lands acquired by the United States shall be administered by the Secretary of Agriculture as national forest lands was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That those certain lands situated within the boundaries of the Lincoln National Forest, New Mexico, which were conveyed to the United States by the State of New Mexico by deeds dated December 3, 1951, and recorded in book 142 at pages 547 to 556, inclusive, records of Otero County, N. Mex., in exchange for lands of the United States pursuant to the Act of June 28, 1934 (48 Stat. 1269; 43 U. S. C. 315g), as amended, are hereby made parts of said Lincoln National Forest and hereafter shall be subject to all laws, rules, and regulations applicable to that national forest.

Mr. ELLENDER subsequently said: Mr. President, during my absence Calendar No. 48, S. 72, was passed. I should like to have printed in the RECORD at the appropriate point an explanation of the bill and a copy of a report I received from the Secretary of the Interior, showing that the Department of the Interior is in favor of the bill.

There being no objection, the statement and letter were ordered to be printed in the RECORD, as follows:

EXPLANATION OF S. 72

This bill provides that certain lands heretofore acquired by the United States from New Mexico be included in the Lincoln National Forest. Acquisition of these lands was initiated under an act of June 15, 1926, which provided that they would become a part of the national forest, but was completed under the Taylor Grazing Act for reasons set out in the Department's letter included in the committee report. Because acquisition was completed under the Taylor Grazing Act, legislation is now necessary to carry out the congressional intent to make these lands part of the national forest.

The additional facts that these lands support mainly merchantable timber, have important watershed value, are intermingled with national forest lands, and are distant from administrative facilities of the Department of the Interior, make it advisable that these lands be administered by the Department of Agriculture as national forest lands.

UNITED STATES
DEPARTMENT OF THE INTERIOR,
Washington, D. C., March 23, 1955.

Hon. ALLEN J. ELLENDER,
Chairman, Committee on Agriculture and Forestry, United States Senate, Washington, D. C.

MY DEAR SENATOR ELLENDER: This is in reply to the request of your committee for a report on S. 72, a bill "To provide that certain lands acquired by the United States shall be administered by the Secretary of Agriculture as national forest lands."

I recommend that S. 72 be enacted.

S. 72 would make certain public-domain lands in New Mexico part of the Lincoln National Forest in that State. These lands were acquired by the United States in 1952 through exchanges for other public lands under the authority of section 8 of the Taylor Grazing Act of June 28, 1934, as amended (43 U. S. C., sec. 315g). The exchange was entered into to help block out the national forest lands in this area, and to simplify the administration of those lands.

These exchanges were first initiated under the authority of the act of June 15, 1926 (44 Stat. 746) which provides for the exchange of lands within national forests by the State of New Mexico for unappropriated public lands of the United States within or outside of national forests. Lands acquired by the United States under that act become a part of the national forests in which they are located. It was not thought advisable to complete the exchanges under that act since it contained no authorization for making exchanges of lands subject to outstanding grazing leases. Therefore, in order to recognize the equities of lessees with grazing privileges on the lands the exchanges were made under the Taylor Grazing Act under which those lessees could be adequately protected under the act of August 24, 1937 (50 Stat. 748, 43 U. S. C., sec. 315p).

The act of June 15, 1926 (44 Stat. 745, 16 U. S. C., sec. 471a), enacted earlier, but on the same day as the exchange act, provides that no forest reservation may be created or additions made to existing forests in New

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Mexico or Arizona except by act of Congress. Since the Taylor Grazing Act does not authorize us to give national forest status to lands acquired in an exchange, legislative action by Congress is necessary to complete the purpose of the exchanges.

Such action would appear to be entirely in the public interest. The lands support merchantable timber and can be administered best together with the surrounding lands in the Lincoln National Forest.

The Bureau of the Budget has advised that there is no objection to the submission of this report to your committee.

Sincerely yours,

ORME LEWIS,
Assistant Secretary of the Interior.

TRANSPORTATION ON CANADIAN VESSELS TO AND WITHIN ALASKA

The Senate proceeded to consider the bill (S. 948) to provide transportation on Canadian vessels between ports in southeastern Alaska and between Hyder, Alaska, and other points in Alaska or the continental United States, either directly or via a foreign port, or for any part of the transportation, which had been reported from the Committee on Interstate and Foreign Commerce with an amendment on page 2, line 3, after the word "in," to insert the word "southeastern", so as to make the bill read:

Be it enacted, etc., That, until June 30, 1956, notwithstanding the provisions of law of the United States restricting to vessels of the United States the transportation of passengers and merchandise directly or indirectly from any port in the United States to another port of the United States, passengers may be transported on Canadian vessels between ports in southeastern Alaska, and passengers and merchandise may be transported on Canadian vessels between Hyder, Alaska, and other points in southeastern Alaska or the continental United States, either directly or via a foreign port, or for any part of the transportation.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill to provide transportation on Canadian vessels between ports in southeastern Alaska, and between Hyder, Alaska, and other points in southeastern Alaska or the continental United States, either directly or via a foreign port, or for any part of the transportation."

SUSPENSION OF DEPORTATION OF CERTAIN ALIENS

The concurrent resolution (S. Con. Res. 17) favoring the suspension of deportation of certain aliens was considered and agreed to.

(For text of above concurrent resolution, see CONGRESSIONAL RECORD of March 15, 1955, pp. 2863–2864.)

STANISLAVAS RACINSKAS

The bill (S. 39) for the relief of Stanislavas Racinskas was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, in the administration of the Immigration and Nationality Act, the Attorney General is authorized and directed to discontinue any deportation proceedings and to cancel any outstanding order and warrant of deportation, warrant of arrest, and bond, which may have been issued in the case of Stanislavas Racinskas (Stacys Racinskas). From and after the date of enactment of this act, the said Stanislavas Racinskas (Stacys Racinskas) shall not again be subject to deportation by reason of the same facts upon which such deportation proceedings were commenced or any such warrants and order have issued.

FRANCIS BERTRAM BRENNAN

The bill (S. 128) for the relief of Francis Bertram Brennan was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted etc., That, for the purposes of sections 101 (a) (27) (A) and 205 of the Immigration and Nationality Act, the minor child, Francis Bertram Brennan, shall be held and considered to be the natural-born alien child of William F. Brennan, a citizen of the United States.

MIROSLAV SLOVAK

The bill (S. 129) for the relief of Miroslav Slovak was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Miroslav Slovak shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available: *Provided*, That the past membership of Miroslav Slovak in the classes defined in section 212 (a) (28) of the Immigration and Nationality Act shall not hereafter be a cause for his exclusion from the United States.

BOHUMIL SURAN

The bill (S. 131) for the relief of Bohumil Suran was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Bohumil Suran shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

KURT GLASER

The bill (S. 143) for the relief of Kurt Glaser was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Kurt Glaser shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

ERNESTO DeLEON

The bill (S. 167) for the relief of Ernesto DeLeon was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Ernesto DeLeon shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee.

GIUSEPPE MINARDI

The bill (S. 195) for the relief of Giuseppe Minardi was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That Giuseppe Minardi, who lost United States citizenship under the provisions of section 404 (a) of the Nationality Act of 1940, may be naturalized by taking prior to 1 year after the effective date of this act, before any court referred to in subsection (a) of section 310 of the Immigration and Nationality Act or before any diplomatic or consular officer of the United States abroad, the oaths prescribed by section 337 of the said act. From and after naturalization under this act, the said Giuseppe Minardi shall have the same citizenship status as that which existed immediately prior to its loss.

SZJENA PEISON AND DAVID PEISON

The bill (S. 243) for the relief of Szjena Peison and David Peison was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Szjena Peison and David Peison shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fees. Upon the granting of permanent residence to such aliens as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct two numbers from the appropriate quota for the first year that such quota is available.

JUNE ROSE McHENRY

The bill (S. 271) for the relief of June Rose McHenry was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, June Rose McHenry shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

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LUIGI ORLANDO

The bill (S. 323) for the relief of Luigi Orlando was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted etc., That, for the purposes of sections 101 (a) (27) (A) and 205 of the Immigration and Nationality Act, the minor child, Luigi Orlando, shall be held and considered to be the natural-born alien minor child of Mr. and Mrs. Lawrence Ricci, citizens of the United States.

CHARALUMPOS SOCRATES IOSSIFOGLU, NORA IOSSIFOGLU, HELEN IOSSIFOGLU, AND EFROSSINI IOSSIFOGLU

The bill (S. 348) for the relief of Charalumpos Socrates Iossifoglu, Nora Iossifoglu, Helen Iossifoglu, and Efrossini Iossifoglu was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That for the purposes of the Immigration and Nationality Act, Charalampos Socrates Iossifoglu, Nora Iossifoglu, Helen Iossifoglu, and Efrossini Iossifoglu shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fees. Upon the granting of permanent residence to such aliens as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct the required numbers from the appropriate quota or quotas for the first year that such quota or quotas are available.

ARON KLEIN AND ZITA KLEIN (NEE SPIELMAN)

The bill (S. 349) for the relief of Aron Klein and Zita Klein (nee Spielman) was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Aron Klein and Zita Klein (nee Spielman) shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fees. Upon the granting of permanent residence to such aliens as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct the required numbers from the appropriate quota or quotas for the first year that such quota or quotas are available.

SIEGFRIED ROSENZWEIG

The bill (S. 350) for the relief of Siegfried Rosenzweig was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Siegfried Rosenzweig shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

ELLEN HENRIETTE BUCH

The bill (S. 351) for the relief of Ellen Henriette Buch was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Ellen Henriette Buch shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available: *Provided*, That a suitable and proper bond or undertaking, approved by the Attorney General, be deposited as prescribed by section 213 of the said act.

ISAAC GLICKMAN, REGHINA GLICKMAN, ALFRED CISMARU, AND ANNA CISMARU

The bill (S. 352) for the relief of Isaac Glickman, Reghina Glickman, Alfred Cismaru, and Anna Cismaru was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Isaac Glickman, Reghina Glickman, Alfred Cismaru, and Anna Cismaru shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fees. Upon the granting of permanent residence to such aliens as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct the required numbers from the appropriate quota or quotas for the first year that such quota or quotas are available.

ALEXY W. KATYLL AND IOANNA KATYLL

The bill (S. 375) for the relief of Alexy W. Katyll and Ioanna Katyll was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Alexy W. Katyll and Ioanna Katyll shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fees. Upon the granting of permanent residence to such aliens as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct the required numbers from the appropriate quota or quotas for the first year that such quota or quotas are available.

GIUSEPPINA LATINA MOZZICATO AND GIOVANNI MOZZICATO (JOHN MOZZICATO)

The bill (S. 378) for the relief of Guiseppina Latina Mozzicato and Giovanni Mozzicato (John Mozzicato) was considered, ordered to be engrosed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Giuseppina Latina Mozzicato and Giovanni Mozzicato (John Mozzicato) shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fees. Upon the granting of permanent residence to such aliens as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct the required numbers from the appropriate quota or quotas for the first year that such quota or quotas are available.

SANDRA LEA MACMULLIN

The bill (S. 386) for the relief of Sandra Lea MacMullin was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Sandra Lea MacMullin shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon the payment of the required visa fee: *Provided*, That a suitable and proper bond or undertaking, approved by the Attorney General, be deposited as prescribed by section 213 of the act.

ALI HASSAN WAFFA

The bill (S. 394) for the relief of Ali Hassan Waffa was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted etc., That, for the purposes of the Immigration and Nationality Act, Ali Hassan Waffa shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

INGE KRARUP

The bill (S. 409) for the relief of Inge Krarup was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted etc., That, for the purposes of the Immigration and Nationality Act, Inge Krarup shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

JAN HAJDUKIEWICZ

The bill (S. 412) for the relief of Jan Hajdukiewicz was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted etc., That, for the purposes of the Immigration and Nationality Act, Jan Hajdukiewicz shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence

to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

ANASTASIA ALEXIADOU

The bill (S. 416) for the relief of Anastasia Alexiadou was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted etc., That for the purposes of the immigration and Nationality Act, Anastasia Alexiadou shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

FRANCISZEK JANICKI AND HIS WIFE, STEFANIA JANICKI

The bill (S. 429) for the relief of Franciszek Janicki and his wife, Stefania Janicki was considered, ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

Be it enacted etc., That, for the purposes of the Immigration and Nationality Act, Franciszek Janicki and his wife Stefania Janicki shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fees.

ANICETO SPARAGNA

The bill (S. 432) for the relief of Aniceto Sparagna was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purpose of the Immigration and Nationality Act, Aniceto Sparagna shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee.

ERNEST LUDWIG BAMFORD AND MRS. NADINE BAMFORD

The bill (S. 465) for the relief of Ernest Ludwig Bamford and Mrs. Nadine Bamford was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Ernest Ludwig Bamford and Mrs. Nadine Bamford shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of enactment of this act, upon payment of the required visa fees. Upon the granting of permanent residence to such aliens as provided for in this act, the Secretary of State shall instruct the proper quota-control officer or officers to make appropriate deductions of two numbers from the first available immigration quota or quotas.

CAPT. GEORGE GAFOS, EUGENIA GAFOS, AND ADAMANTIOS GEORGE GAFOS

The bill (S. 466) for the relief of Capt. George Gafos, Eugenia Gafos, and Adamantios George Gafos was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Capt. George Gafos, Eugenia Gafos, and Adamantios George Gafos shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fees. Upon the granting of permanent residence to such aliens as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct the required numbers from the appropriate quota or quotas for the first year that such quota or quotas are available.

AINA BRIZGA

The bill (S. 471) for the relief of Aina Brizga was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted etc., That, for the purposes of the Immigration and Nationality Act, Aina Brizga shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee: *Provided*, That a suitable and proper bond or undertaking, approved by the Attorney General, be deposited as prescribed by section 213 of the said act.

MARIA ELENA VENEGAS AND SARAH LUCIA VENEGAS

The bill (S. 474) for the relief of Maria Elena Venegas and Sarah Lucia Venegas was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted etc., That, for the purposes of the Immigration and Nationality Act, Maria Elena Venegas and Sarah Lucia Venegas shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fees.

GERARD LUCIEN DANDURAND

The bill (S. 481) for the relief of Gerard Lucien Dandurand was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted etc., That the Attorney General is authorized and directed to discontinue any deportation proceedings and to cancel any outstanding order and warrant of deportation, warrant of arrest, and bond, which may have been issued in the case of Gerard Lucien Dandurand. From and after the date of enactment of this act, the said Gerard Lucien Dandurand shall not again be subject to deportation by reason of the same facts upon which such deportation proceedings were commenced or any such warrants and order have issued.

DR. CHANG HO CHO

The bill (S. 585) for the relief of Dr. Chang Ho Cho was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Dr. Chang Ho Cho shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

JAN R. CWIKLINSKI

The bill (S. 632) for the relief of Jan R. Cwiklinski was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Jan R. Cwiklinski shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

ROGER OUELLETTE

The bill (S. 640) for the relief of Roger Ouellette was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, witwithstanding the provision of section 212 (a) (9) of the Immigration and Nationality Act, Roger Ouellette may be admitted to the United States for permanent residence if he is found to be otherwise admissible under the provisions of that act: *Provided*, That this exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice has knowledge prior to the enactment of this act.

PENALTIES FOR THREATS AGAINST THE PRESIDENT-ELECT AND THE VICE PRESIDENT

The bill (S. 734) to amend title 18, United States Code, section 871, to provide penalties for threats against the President-elect and the Vice President-elect, was announced as next in order.

Mr. PURTELL. Mr. President, may we have an explanation of the bill?

Mr. KEFAUVER. Mr. President, I shall be pleased to make a brief explanation.

The purpose of the proposed legislation is to amend section 871 of title 18, United States Code, so as to provide penalties for threats against the President-elect and the Vice President. Section 871 of title 18, United States Code, makes it a Federal crime willfully and knowingly to make any threat to take the life of or to inflict bodily harm upon the President of the United States, whether such threat is deposited for conveyance in the mail, or is otherwise communicated. This will would amend the present statute to include threats against the President-elect and the Vice President of the United States.

The Treasury Department, in recommending favorable consideration of the bill, advises that there have been a number of cases involving threats against the President-elect and the Vice President, investigation or prosecution of which has been hampered because of lack of an applicable Federal statute.

The committee is of the opinion that the proposed legislation is necessary and, therefore, recommends favorable consideration of the bill.

Mr. PURTELL. I thank the distinguished Senator from Tennessee. I have no objection.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the bill (S. 734) to amend title 18, United States Code, section 871, to provide penalties for threats against the President-elect and the Vice President was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted etc., That title 18, United States Code, section 871 is amended to read as follows:

"§ 871. Threats against President, President-elect, and Vice President

"Whoever knowingly and willfully deposits for conveyance in the mail or for delivery from any post office or by any letter carrier any letter, paper, writing, print, missive, or document containing any threat to take the life of or to inflict bodily harm upon the President of the United States, the President-elect, or the Vice President of the United States, or knowingly and willfully otherwise makes any such threat against the President, President-elect, or Vice President, shall be fined not more than $1,000 or imprisoned not more than five years, or both."

SEC. 2. The analysis of chapter 41 of title 18, United States Code, immediately preceding section 871 of such title is amended by deleting

"871. Threats against President."

and inserting in lieu thereof the following:

"871. Threats against President, President-elect, and Vice President."

SARAH KABACZNIK

The bill (S. 735) for the relief of Sarah Kabacznik was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Sarah Kabacznik shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

CHOKICHI IRAHA

The bill (S. 891) for the relief of Chokichi Iraha was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Chokichi Iraha shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

LEO A. RIBITZKI, MRS. CHARLOTTE RIBITZKI, AND MARION A. RIBITZKI

The bill (S. 1021) for the relief of Leo A. Ribitzki, Mrs. Charlotte Ribitzki, and Marion A. Ribitzki was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Leo A. Ribitzki, Mrs. Charlotte Ribitzki, and Marion A. Ribitzki shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fees. Upon the granting of permanent residence to such aliens as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct the required numbers from the appropriate quota for the first year that such quota is available.

PHILOPIMIN MICHALACOPOULOS (MIHALAKOPOULOS)

The Senate proceeded to consider the bill (S. 163) for the relief of Philopimin Michalacopoulos (Mihalakopoulos) which had been reported from the Committee on the Judiciary with an amendment, to strike out all after the enacting clause, and insert:

That, for the purposes of the Immigration and Nationality Act, Philopimin Michalacopoulos (Mihalakopoulos) shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

ANNA C. GIESE

The Senate proceeded to consider the bill (S. 244) for the relief of Anna C. Giese which had been reported from the Committee on the Judiciary with an amendment, on page 1, line 7, after the word "fee", to strike out the period and the words "Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available" and insert "*Provided*, That a suitable and proper bond or undertaking, approved by the Attorney General, be deposited as prescribed by section 213 of the said act," so as to make the bill read:

Be it enacted, etc., That for the purposes of the Immigration and Nationality Act, Anna C. Giese shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee: *Provided*, That a suitable and proper bond or undertaking, approved by the Attorney General, be deposited as prescribed by section 213 of the said act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

AHMET HALDUN KOCA TASKIN

The Senate proceeded to consider the bill (S. 245) for the relief of Ahmet Haldun Koca Taskin which had been reported from the Committee on the Judiciary with an amendment, to strike out all after the enacting clause and insert:

That, notwithstanding the provisions of section 212 (a) (22) of the Immigration and Nationality Act, Ahmet Haldun Koca Taskin may be admitted to the United States for permanent residence if otherwise eligible under that act: *Provided*, That this exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice has knowledge prior to the enactment of this act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

MARINA BERNARDIS ZIVOLICH AND MIRKO ZIVOLICH

The Senate proceeded to consider the bill (S. 246) for the relief of Marina Bernardis Zivolich and Mirko Zivolich which had been reported from the Committee on the Judiciary with an amendment, on page 1, line 8, after the word "fees.", to strike out:

Upon the granting of permanent residence to such aliens as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct two numbers from the number of displaced persons who shall be granted the status of permanent residence pursuant to section 4 of the Displaced Persons Act, as amended (62 Stat. 1011; 64 Stat. 219; 50 U. S. C. App. 1953).

And in lieu thereof, to insert:

Upon the granting of permanent residence to such aliens as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct two numbers from the appropriate quota or quotas for the first year that such quota or quotas are available.

So as to make the bill read:

Be it enacted etc., That, for the purposes of the Immigration and Nationality Act, Marina Bernardis Zivolich and Mirko Zivolich shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fees. Upon the granting of permanent residence to such aliens as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct two

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numbers from the appropriate quota or quotas for the first year that such quota or quotas are available.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

CIRINO LANZAFAME

The Senate proceeded to consider the bill (S. 503) for the relief of Cirino Lanzafame which had been reported from the Committee on the Judiciary with an amendment, in line 7, after the word "act", to insert a colon and "*Provided*, That this exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice has knowledge prior to the enactment of this act", so as to make the bill read:

Be it enacted etc., That, notwithstanding the provisions of section 212 (a) (9) of the Immigration and Nationality Act, Cirino Lanzafame may be admitted to the United States for permanent residence if he is found to be otherwise admissible under the provisions of such act: *Provided*, That this exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice has knowledge prior to the enactment of this act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

ROSETTE SORGE SAVORGNAN—BILL PASSED OVER

The bill (S. 309) for the relief of Rose'te Sorge Savorgnan was announced as next in order.

Mr. PURTELL. Mr. President, may we have an explanation of this bill?

Mr. KEFAUVER. Mr. President, I shall be very happy to give the Senate a brief explanation of the bill.

The bill, which was introduced by the Senator from Wisconsin [Mr. WILEY] is designed to enable a former citizen of the United States to regain her United States citizenship, which was lost by reason of naturalization in a foreign state. The beneficiary was born in Wisconsin in 1915 of native-born parents, and resided in the United States until 1941. In 1940 the beneficiary married her husband, who was an Italian citizen serving as Italian vice consul in St. Louis, Mo. In order to be married she was informed that it would be necessary for her to acquire Italian citizenship. She made the necessary application and obtained Italian citizenship prior to her marriage. Although intending to obtain Italian citizenship, it appears that she had no intention of endangering her United States citizenship or renouncing her allegiance to the United States. The beneficiary last entered the United States on January 23, 1952, as the wife of an accredited official of a foreign government, and is presently residing with her husband and two children in New York, where her husband is deputy consul general of Italy.

Correspondence in connection with the whole matter is set forth in the report. The Committee on the Judiciary unanimously reported the bill favorably. A similar bill passed the Senate in the 83d Congress.

Mr. PURTELL. Mr. President, the Department of Justice filed a report opposing relief, and stating that the alien "evidently intended to have both Italian and United States citizenship and to claim privileges of whichever status suited her convenience."

I wonder whether the Senator knows whether she renounced her citizenship to Italy. Otherwise, she would apparently have status in both countries. That is the reason for my inquiry.

Mr. KEFAUVER. As I understand, she would be required to take the oath of allegiance to the United States, under which she would renounce her allegiance to Italy.

Mr. SCHOEPPEL. Mr. President, I am not satisfied with this bill. I should like to have an opportunity to look further into it. I, therefore, ask that it be passed over.

The PRESIDING OFFICER. The bill will be passed over.

BILLS PASSED OVER

Mr. ERVIN. Mr. President, since the following bills all relate to the same matter and have been tentatively scheduled for consideration on Wednesday, I ask that they be passed over:

Calendar No. 107, S. 1325, to amend the tobacco marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended.

Calendar No. 108, S. 1326, to amend the tobacco marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended.

Calendar No. 109, S. 1327, to amend the tobacco marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended.

Calendar No. 110, S. 1436, to preserve the tobacco acreage history of farms which voluntarily withdraw from the production of tobacco, and for other purposes.

Calendar No. 111, S. 1457, to redetermine the national marketing quotas for burley tobacco for the 1955–56 marketing year, and for other purposes.

Calendar No. 124, H. R. 4951, directing a redetermination of the national marketing quota for burley tobacco for the 1955–56 marketing year, and for other purposes.

The PRESIDING OFFICER. Without objection, the bills will be passed over.

PROHIBITION OF TRANSPORTATION OF OBSCENE MATTER IN INTERSTATE OR FOREIGN COMMERCE

The bill (S. 599) to prohibit the transportation of obscene matter in interstate or foreign commerce was announced as next in order.

Mr. PURTELL. Mr. President, may we have an explanation of the bill?

Mr. KEFAUVER. I am glad the Senator from Connecticut has asked for an explanation, because this is an important bill. I ask unanimous consent that, following my remarks, an excerpt from the report of the Committee on the Judiciary may be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit A.)

Mr. KEFAUVER. Mr. President, the bill adds a new section to title 18, United States Code (the Criminal Code) to be numbered section 1465. Under existing law it is a criminal offense to transport obscene matter either through the mails or by common carrier, but it is not a crime to transport such matter otherwise, particularly by private conveyance. Traffickers in such matter are well aware of this loophole in the law, and now transport such obscene matter in their private automobiles with immunity.

As a matter of fact, there has been testimony in some investigations which the committee has held that entire truckloads of such material are transported from one State to another. This has come to be big business in the United States. Some persons have estimated that as much as $100 million worth of obscene literature is being transported by private vehicles each year, to the detriment of the school children of the United States.

The proposed new section makes such transportation in private vehicles a criminal offense.

Since the end objective is to discourage the transportation of obscene matter, it is thought wise to close this presently existing hole in the law.

This bill creates a presumption that such transportation is "for sale or distribution," if such obscene matter is being transported in such quantities as to fairly raise such a presumption. The presumption is, however, rebuttable.

EXHIBIT A

The subcommittee of the Committee on the Judiciary investigating juvenile delinquency in the United States, during the course of its investigations, discovered that the loophole in the present statute which this bill seeks to close has been exploited by purveyors of pornographic literature in interstate commerce by means of private conveyance. In its interim report just appoved by the Committee on the Judiciary, the Juvenile Delinquency Subcommittee recommended that the present loophole in the statute be closed so as to prohibit the transportation of obscene matters in interstate commerce by private conveyance. The investigations of the Juvenile Delinquency Subcommittee point up the necessity for early passage of this legislation by the Congress.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. PURTELL. I have no objection.

The bill (S. 599) was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the analysis of chapter 71 of title 18 of the United States Code is amended by inserting, immediately after and underneath item 1464, as contained in such analysis, the following new item:

"1465. Transportation of obscene matters for sale or distribution."

SEC. 2. Chapter 71 of title 18 of the United State Code is amended by inserting, immediately following section 1464 of such chap-

ter, a new section, to be designated as section 1465, and to read as follows:

"§ 1465. Transportation of obscene matters for sale or distribution

"Whoever knowingly transports in interstate or foreign commerce for the purpose of sale or distribution, any obscene, lewd, lascivious, or filthy book, pamphlet, picture, film, paper, letter, writing, print, silhouette, drawing, figure, image, cast, phonograph recording, electrical transcription or other article capable of producing sound or any other matter of indecent or immoral character, shall be fined not more than $5,000 or imprisoned not more than 5 years, or both.

"The transportation as aforesaid of 2 or more copies of any publication or 2 or more of any article of the character described above, or a combined total of 5 such publications and articles, shall create a presumption that such publications or articles are intended for sale or distribution, but such presumption shall be rebuttable.

"When any person is convicted of a violation of this act, the court in its judgment of conviction may, in addition to the penalty prescribed, order the confiscation and disposal of such items described herein which were found in the possession or under the immediate control of such person at the time of his arrest."

AMENDMENT OF UNITED STATES CODE RELATING TO MAILING OF OBSCENE MATTER

The bill (S. 600) to amend title 18 of the United States Code relating to the mailing of obscene matter was announced as next in order.

Mr. PURTELL. Mr. President, I wish to thank the distinguished Senator from Tennessee for the explanation he gave with respect to Senate bill 599. I assume that Senate bill 600 is of a similar nature, since it covers the same subject. However, I wonder if the Senator would give a brief explanation of the bill.

Mr. KEFAUVER. I shall be very happy to do so.

The bill reclassifies and redefines obscene literature. The Post Office Department has stated that under the old definition it is very difficult to prevent the shipment through the mails of certain types of obscene matter, the shipment of which the Department felt should be prevented, but as to which a question was raised, in view of the definition in the old law.

For instance, certain kinds of volumes would not be covered under the old law. The bill repeals the old definition, and the new definition, as set forth in the bill, is as follows:

Every obscene, lewd, lascivious, indecent, filthy, or vile article, matter, thing, device, or substance.

It would repeal the presently existing definition which is:

Every letter, packet, or package, or other mail matter containing any filthy, vile, or indecent thing, device, or substance.

The net effect of the new definition is to include in definition phonograph records or other sound-recording devices capable of producing sound.

In the Alpers case the Supreme Court decided that obscene phonograph records were included within the definition, but it was a split decision, 5 to 3, and reversed a Court of Appeals decision, deciding that phonograph records were not within the prohibition of existing law. The purpose of the bill is to give legislative sanction to the decision of the Supreme Court and to remove all possible doubt.

I ask unanimous consent, in view of the importance of the general subject, that an extract from the report of the Committee on the Judiciary be printed in the RECORD at this point in my remarks.

There being no objection, the portion of the report was ordered to be printed in the RECORD, as follows:

The subcommittee of the Committee on the Judiciary investigating juvenile delinquency in the United States reports that the nationwide traffic in obscene matter is increasing year by year and that a large part of that traffic is being channeled into the hands of children. That subcommittee recommended implementation of the present statute so as to prevent the using of the mails in the trafficking of all obscene matter. The passage of S. 600 will contribute greatly in the continuing struggle to combat juvenile delinquency and the corruption of public morals.

Mr. PURTELL. I thank the distinguished Senator from Tennessee for his most satisfactory explanation of this very necessary bill. Of course, I have no objection.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the bill (S. 600) was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the first paragraph of section 1461 of title 18 of the United States Code is amended to read as follows:

"Every obscene, lewd, lascivious, indecent, filthy, or vile article, matter, thing, device, or substance; and * * *."

SEC. 2. The fifth paragraph of section 1461 of title 18, United States Code, reading "Every letter, packet, or package, or other mail matter containing any filthy, vile, or indecent thing, device, or substance; and" is hereby repealed.

RESTRICTIONS ON THE ADMISSION OF CATTLE AND POULTRY INTO THE VIRGIN ISLANDS

The bill (S. 1166) to amend section 6 of the act of August 30, 1890, as amended, and section 2 of the act of February 2, 1903, as amended, was announced as next in order.

Mr. PURTELL. Mr. President, I wonder if we may have an explanation of the bill.

Mr. ELLENDER. Mr. President, this bill is the same as S. 3800 which passed the Senate last year. It tightens up two provisions of the quarantine laws which were relaxed when the Revised Organic Act of the Virgin Islands was approved on July 22 last year.

Section 32 of the Revised Organic Act of the Virgin Islands authorized the Secretary of Agriculture to permit the admission into the Virgin Islands of cattle which have been infested with or exposed to ticks but which are tick free at the time of importation. The purpose of this provision was to permit the entry of cattle for slaughter from the British Virgin Islands, and S. 1166 would restrict this provision to cattle so imported.

Section 33 of the Revised Organic Act of the Virgin Islands took away the Secretary's authority to prohibit the introduction of live poultry into the Virgin Islands to prevent the spread of disease. S. 1166 would restore the Secretary's authority in this regard.

This bill was recommended by the Department of Agriculture as being necessary to prevent the spread of diseases of livestock and poultry in the Virgin Islands, and through them, into other parts of the United States.

Mr. PURTELL. I thank the Senator from Louisiana for his explanation of the bill.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the bill (S. 1166) was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 6 of the act of August 30, 1890 (26 Stat. 414, 416; 21 U. S. C. 104), "An act providing for an inspection of meats for exportation, prohibiting the importation of adulterated articles of food or drink, and authorizing the President to make proclamation in certain cases, and for other purposes," as amended, is further amended by deleting the words "and the admission into the Virgin Islands" immediately following the word "Texas" in the first sentence of such section; deleting the period at the end of such sentence; and adding the following clause after the word "therefrom" in such sentence: "and the admission from the British Virgin Islands into the Virgin Islands of the United States, for slaughter only, of cattle which have been infested with or exposed to ticks upon being free therefrom."

SEC. 2. That section 2 of the act of February 2, 1903 (32 Stat. 791, 792; 21 U. S. C. 111), "An act to enable the Secretary of Agriculture to more effectually suppress and prevent the spread of contagious and infectious diseases of livestock, and for other purposes," as amended, is further amended by deleting the proviso reading: "*Provided*, That no such regulations or measures shall pertain to the introduction of live poultry into the Virgin Islands of the United States."

AMENDMENT OF SOIL CONSERVATION AND DOMESTIC ALLOTMENT ACT

The bill (S. 1167) to amend the Soil Conservation and Domestic Allotment Act was announced as next in order.

Mr. PURTELL. Mr. President, I wonder if we may have an explanation of the bill.

Mr. ELLENDER. Mr. President, this bill provides for soil-conservation payments to farmers who carry out conservation practices on Federal lands in order to benefit their own lands. It would not require any additional funds, but would in some situations provide the most practicable method of meeting a major conservation problem for a particular farm.

I may say to the distinguished Senator from Connecticut that the bill was recommended by the Department of Agriculture, and was introduced by me at the request of the Department.

Mr. PURTELL. I thank the distinguished Senator from Louisiana for his explanation.

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The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the bill (S. 1167) was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That subsection (e) of section 8 of the Soil Conservation and Domestic Allotment Act, as amended (16 U. S. C. 590h (e)), is amended by adding at the end thereof the following new sentence: "Persons who carry out conservation practices on federally owned noncropland which directly conserve or benefit nearby or adjoining privately owned lands of such persons and who maintain and use such Federal land under agreement with the Federal agency having jurisdiction thereof and who comply with the terms and conditions of the agricultural conservation program formulated pursuant to sections 7 to 17 of this act, as amended, shall be entitled to apply for and receive payments under such program to the same extent as other producers."

EXEMPTION FROM PENALTIES OF WHEAT GROWN FOR FEED AND SEED

The bill (S. 46) further to amend the Agricultural Adjustment Act of 1938, as amended, to exempt certain wheat producers from liability under the act where all the wheat crop is fed or used for seed on the farm, and for other purposes, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 335 of the Agricultural Adjustment Act of 1938, as amended, is further amended by adding a new subsection (f) after subsection (e) to read as follows:

"(f) The Secretary, upon application made pursuant to regulations prescribed by him, shall exempt producers from any obligation under this act to pay the penalty on, deliver to the Secretary, or store the farm marketing excess with respect to any farm for any crop of wheat harvested in 1955 or subsequent years on the following conditions:

"(1) That none of such crop of wheat is removed from such farm;

"(2) That such entire crop of wheat is used for seed on such farm, or is fed on such farm to livestock, including poultry, owned by any such producer, or a subsequent owner, or operator of the farm;

"(3) That such producers and their successors comply with all regulations prescribed by the Secretary for the purpose of determining compliance with the foregoing conditions.

Failure to comply with any of the foregoing conditions shall cause the exemption to become immediately null and void unless such failure is due to circumstances beyond the control of such producers as determined by the Secretary. In the event an exemption becomes null and void the provisions of this act shall become applicable to the same extent as if such exemption had not been granted. No acreage planted to wheat in excess of the farm acreage allotment for a crop covered by an exemption hereunder shall be considered in determining any subsequent wheat acreage allotment or marketing quota for such farm."

AMENDMENT OF ACT ESTABLISHING A COMMISSION OF FINE ARTS—BILL PASSED OVER

The bill (S. 1413) to amend the act establishing a Commission of Fine Arts was announced as next in order.

Mr. PURTELL. Mr. President, I note that the purpose of the bill is to repeal the $10,000 limit of authorization established for the expenditures of the Commission on Fine Arts at the time of its establishment. At present, the bill provides for no ceiling at all. I wonder if we may have an explanation of the bill.

I do not wish to ask that the bill be passed over, but it may well be that some Senator may wish to amend the bill from the floor, so as to place a ceiling on the limit, since presently no ceiling is provided. Perhaps there should be a limitation of $25,000 or a similar sum.

Mr. GREEN. In explanation of the bill, perhaps I should read a letter from the Chairman of the Commission of Fine Arts addressed to the President of the Senate, which reads, in part, as follows:

The proposed bill would repeal the $10,000 limit of authorization established for the expenditures of the Commission of Fine Arts at the time of its establishment May 17, 1910.

Mr. President, that was 45 years ago.

Over the succeeding 45 years, the scope of the Commission has been extended by Executive orders, and 2 additional bills have been enacted into law which have increased the mission and responsibilities of the Commission without authorizing additional appropriations. These laws are:

Public Law 231, 71st Congress, an act "to regulate the height, exterior design, and construction of private and semipublic buildings in certain areas of the National Capital."

Public Law 808, 81st Congress, an act "to regulate the height, exterior design, and construction of private and semipublic buildings in the Georgetown area of the National Capital."

During recent congressional committee hearings on appropriation estimates, note has been taken by the committee chairmen of both Houses that no change in the limit of authorization has been made since the enactment of the original legislation and it was suggested that remedial legislation should be initiated by the Commission. The Congress has recognized the Commissions need to exceed the established limit by approving appropriations beyond the authorized limit. The objective of this legislation is to eliminate the disparity between the 1910 limit of authorization and the current operating budget of the Commission.

The Bureau of the Budget has advised that there is no objection to the presentation of this proposed legislation.

Sincerely yours,

DAVID E. FINLEY,
Chairman.

Mr. McCARTHY. Mr. President, I ask that the bill go over.

Mr. PURTELL. Mr. President, will the Senator withhold his request that the bill go over so that I may ask the Senator from Rhode Island if he would consider amending the bill so as to provide a ceiling of perhaps $25,000?

Mr. GREEN. I should like to take up the matter with representatives of the Commission itself. Personally I would have no objection to fixing some limit, but I doubt very much whether the amount mentioned by the Senator from Connecticut should be the limit. I may say there may be some danger in establishing a limit. For several years the Commission has had to appear before the Appropriation Committees for additional appropriations. The provisions of the bill would make it unnecessary to do so. The bill apparently was agreeable to the committees before which the chairman of the Commission appeared, and it was introduced at their suggestion.

Mr. McCARTHY. I suggest to the Senator that the bill go over until he arrives at some top figure. I think there should be a limit on the expenditures.

The PRESIDING OFFICER. The bill will go over.

EXPENDITURES FOR HEARINGS AND INVESTIGATIONS BY THE COMMITTEE ON ARMED SERVICES

The Senate proceeded to consider the resolution (S. Res. 72) authorizing expenditures for hearings and investigations by the Committee on Armed Services, which had been reported from the Committee on Rules and Administration with an amendment, on page 1, in line 3, after the word "amended", to insert "and in accordance with its jurisdictions specified by rule XXV of the Standing Rules of the Senate", so as to make the resolution read:

Resolved, That in carrying out the duties imposed upon it by section 136 and authorized by section 134 (a) of the Legislative Reorganization Act of 1946, as amended, and in accordance with its jurisdictions specified by rule XXV of the Standing Rules of the Senate, the Committee on Armed Services, or any duly authorized subcommittee thereof, is authorized during the period from April 1, 1955, ending January 31, 1956, to make such expenditures, and to employ upon a temporary basis such investigators, technical, clerical, and other assistants as it deems advisable.

SEC. 2. The expenses of the committee under this resolution which shall not exceed $160,000 shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

The amendment was agreed to.

The resolution as amended was agreed to.

PRINTING AS A HOUSE DOCUMENT OF THE PAMPHLET OUR AMERICAN GOVERNMENT: WHAT IS IT? HOW DOES IT FUNCTION?

The Senate proceeded to consider the concurrent resolution (H. Con. Res. 85) authorizing the printing as a House document of the pamphlet Our American Government: What Is It? How Does It Function? which had been reported from the Committee on Rules and Administration with amendments, on page 1, line 10, after the word "hundred", to insert "five"; in the same line, after the word "thousand", to insert "two hundred and fifty", and in line 11, after the word "which", to strike out "twenty-four thousand seven hundred and fifty" and insert "thirty thousand", so as to make the concurrent resolution read:

Resolved by the House of Representatives (the Senate concurring), That the author of the pamphlet entitled "Our American Government, What Is It? How Does It Function?" as set out in House Document No. 465, 79th Congress, and subsequent editions thereof, revise the same, bring it up to date, and that it be printed as a public document.

SEC. 2. Such revised pamphlet shall be printed as a House document, and there shall be printed 305,250 additional copies, of which 30,000 copies shall be for the use of the

Senate; 266,150 for the use of the House of Representatives; 3,100 for the Senate Document Room; and 6,000 for the House Document Room.

The amendments were agreed to.

The concurrent resolution, as amended, was agreed to.

Mr. McCARTHY obtained the floor.

Mr. PURTELL. Mr. President, will the Senator yield so that I may ask a question?

Mr. McCARTHY. I yield.

Mr. PURTELL. In connection with House Concurrent Resolution 85, I wonder if we could have some information as to when the document which is to be printed will be available? I believe the Senator from Rhode Island [Mr. GREEN] may be able to tell us. I am referring to House Concurrent Resolution 85, authorizing the printing as a House document of the pamphlet, Our American Government: What Is It? How Does It Function? Can the Senator enlighten us as to when the document may be available?

Mr. GREEN. Yes. There has been a great demand for that document ever since it was printed.

Mr. JOHNSON of Texas. I believe the Senator from Connecticut is asking when the document will be available. I assume it will be available as soon as it is printed.

Mr. GREEN. It is already printed. I do not know how many reprints there have been, but I think there have been 6 or 7. The documents will be available as soon as there is authorization for the printing. The new edition is ready for printing.

Mr. JOHNSON of Texas. I understand it is a matter of days.

REDETERMINATION OF MARKETING QUOTAS FOR BURLEY TOBACCO FOR THE 1955–56 MARKETING YEAR

The bill (H. R. 4951) directing a redetermination of the national marketing quota for burley tobacco for the 1955–56 marketing year, and for other purposes, was announced as next in order.

Mr. ERVIN. Mr. President, that bill went over. I asked that it go over in connection with certain other bills.

The PRESIDING OFFICER. Is the Senator from North Carolina referring to Calendar No. 124, House bill 4951?

Mr. ERVIN. Yes.

The PRESIDING OFFICER. The bill has been passed over.

That completes the call of the calendar.

ADMINISTRATION POLICY REGARDING QUEMOY AND THE MATSUS

Mr. McCARTHY. Mr. President, I desire to address the Senate this afternoon, very briefly, on a matter which at this very moment is giving the Nation grave concern.

Over the weekend the newspapers reported that the administration anticipates a Communist assault on Quemoy and the Matsus in April—only weeks from now. Everybody, it seems, agrees that the Communists plan to attack those islands.

However, Mr. President, while the world is pretty well informed about Communist intentions, it is in total darkness about American intentions. The world does not know, the country does not know, Senators do not know, what America will do if Quemoy is invaded. I regard this lack of knowledge with the utmost concern.

What is serious, Mr. President, is not so much that the Senators have not been told what our intentions are, but that our enemy has not been told. I believe that the administration's failure to tell the Communists what we will do is a strategic blunder of the first magnitude.

When President Eisenhower, some weeks ago, asked Congress to state by formal resolution its approval of the decision to defend Formosa, the most conspicuous—and the most persuasive—argument in support of such a resolution was that such a declaration would inform the Communists, in advance, what our answer to further aggression would be.

This policy of prior and positive warning was regarded as the most effective deterrent to attack—the surest way to avoid war. We were reminded that World War I might have been avoided if England, in July 1914, had advised the Kaiser of her intention to fight. We were reminded that Hitler might never have attacked Poland if he could have been made sure that Britain and France would answer with a declaration of war. We were told that war would possibly never have broken out in Korea if the Communists had been advised that we would support South Korea—if Dean Acheson had not excluded Korea from our defense perimeter.

I will not argue the subject further, Mr. President, for I think the Senators agree on the wisdom of giving one's enemy advance notice of the consequences of aggression. I think most of them voted for the Formosa resolution precisely for this reason.

But now, Mr. President, where are we? We are in exactly the position that the Formosa resolution was supposed to take us out of. The Communists are preparing an attack on Quemoy, gambling that the United States will not intervene—and they are able to gamble because the administration is being coy about its intentions. Time and again in the past weeks the President and the Secretary of State have been asked for an unambiguous statement of American intentions. None has been forthcoming. The British, on the other hand, are shouting from the rooftops that Quemoy and the Matsus must be sacrificed. What are the Communists to think of all this? Are they not, Mr. President, being encouraged to stretch their luck? This is a perilous game we are playing, and an unnecessary one.

I call upon President Eisenhower to declare, before another day has passed, what America will do in the event Quemoy and the Matsus are attacked. I, for one, cannot believe that the administration will decide to sacrifice still more islands of free China to the Communists—in order to appease the Communists and please the British. But if the administration has decided against appeasement in this instance, then it must so declare. If it does not so declare its intentions, Mr. President, then the administration is deliberately inviting what may be an unnecessary war. In that event, it may have to answer to American mothers for the blood of their sons.

Mr. KNOWLAND. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER [Mr. ERVIN in the chair]. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE DINOSAUR NATIONAL MONUMENT AND THE COLORADO RIVER STORAGE PROJECT

Mr. WATKINS. Mr. President, I rise today to discuss a matter of great importance to the Intermountain West and all Americans who are interested in the development of our natural resources.

S. 500, which has for its purpose the authorization of the Colorado River storage project and participating projects, is now pending before the Interior and Insular Affairs Committee of the Senate. Hearings have been held, and action by the full committee is imminent. In fact, I am advised that action on it probably will be taken tomorrow at the meeting of the committee.

A similar bill was before the Senate last year but was not acted upon although it was the pending business when the Senate took its recess last August.

A phase of this bill has been the subject of a great deal of discussion and debate. I am referring to the controversy over the so-called Echo Park Dam and Reservoir. The controversy also includes a much smaller storage project downstream from Echo known as Split Mountain. Both of these reservoir sites are on the Upper Colorado River and its tributaries.

Proponents of the proposed giant reclamation program declare that these storage reservoirs—2 of 9 in the comprehensive program—are absolutely necessary to the successful operation of the project.

Opponents, essentially a southern California water lobby and a few vocal members of conservation and wildlife groups, deny this claim and assert that to permit the construction of the Echo Park and Split Mountain Reservoirs would be an invasion of a national park and would set a precedent which would endanger our national-park system, of which the Nation is justly proud.

The debate is approaching fever heat. Other units of the program and the merits of this great reclamation project are being lost in the confusion of charges and counter charges. Members of Congress have been bombarded and now are being deluged with hundreds of pressure-type letters written, and in many cases mimeographed, by well-meaning

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people who honestly believe the national-park system is in real danger.

It is my purpose in this discussion to throw some much needed light on this badly muddled situation.

I shall begin by attempting to clear away some misconceptions.

The words "Echo Park" are themselves misleading. There is not now and never has been a national park named "Echo." This will not be denied.

It was an old custom in the West to designate small areas on streams, in canyons, and in the national forests as "parks." All that was required to merit the local term "park" was a clearing, or a grassy plot of ground, or a meadow bordering on a stream, or a wider place in a narrow canyon, and so forth. Hence numerous small areas on the upper Colorado River were named "parks" by the pioneers. Island Park, Browns Park, and Echo Park are outstanding examples.

It is hardly necessary to add that this practice has given rise to a mistaken belief among many people that "Echo Park" is really a national park.

In view of these circumstances, how does the controversy over "Echo Park" arise? Let me review the developments chronologically.

In 1915 President Woodrow Wilson, under the Antiquities Act, set aside an 80-acre tract of land in northeastern Utah, where some skeletons of dinosaurs had been discovered, as a national monument. This area was called Dinosaur National Monument, and that monument probably has received more publicity in the past few years than any other monument in the United States.

This 80-acre tract was a part of the public domain. Many years later—on July 14, 1938, to be exact—President Franklin D. Roosevelt, by formal proclamation, added 203,885 acres of public land to the original 80 acres and declared it, subject to some significant exemptions, to be a part of the Dinosaur National Monument.

The new area extends roughly 40 miles upstream on the Colorado River tributaries. The monument extension embraced lands on both sides of the Green and Yampa Rivers, and the area named "Echo Park" by the pioneers is included within its boundaries.

The opponents of Echo Park and Split Mountain Dams contend that this 1938 proclamation made all the area along those streams, including the Echo and Split Mountain Dam sites, a part of a national monument, and they challenge not only the propriety but also the legal right of public use of these reservoir and dam sites for water, power, and reclamation purposes.

This claim is challenged by the sponsors of the Colorado River project, who insist that valid existing rights to develop those water resources are specifically covered in the 1938 proclamation.

I am willing to go even further, and now state categorically, after an extensive search of Interior Department and Federal Power Commission records, that the areas now in controversy are not now and never have been under the exclusive possession and jurisdiction of the National Park Administration. In fact, it is extremely doubtful that the National Park Service has now, or ever has had, jurisdiction over these areas, except in a subservient capacity.

These conclusions furthermore are sustained by irrefutable documentary evidence from the records of the Federal Power Commission, an independent Federal agency set up by Congress, and the Department of the Interior.

Based on my examination of the record, evidence which I shall lay before this body, I declare without fear of successful challenge that the opponents of the Echo Park and Split Mountain Reservoirs are attempting to invade areas which were withdrawn from the public domain and set aside for the specific purpose of water and power development and conservation, by duly constituted agencies of the United States many years before the extension of the Dinosaur National Monument was ever thought of. And these withdrawn areas enjoy the same status now as they did the day they were withdrawn.

This puts the shoe on the other foot. It is not a national monument that is being invaded; it is a matter of some misled or misinformed conservationists who are trying to urge that Uncle Sam violate his integrity and treat as mere scraps of paper solemn reservations in the public interest in the Dinosaur Monument area that precede the limited monument proclamation by 17 to 34 years. It ill behooves honest conservationists to take such an untenable position, because we who love our parks and monuments should strive to preserve as honorable and legal commitments the reservations of public lands for such a noble and worthy use as parks and monuments. Therefore, how can they, in the same breath, ask that equally binding and legal reservations for water development, be invaded, especially when the monument proclamation itself recognizes and exempts from the Dinosaur Monument land reservation these previous withdrawls for water resource development?

Residents of the so-called public land States also have cause for concern lest the Congress accede to uninformed public pressure in this case, and, in effect, establish a precedent for violating reservations for power and water resource and reclamation development. Most States in the western half of the country still have thousands of acres of public lands reserved under withdrawals similar to those now in effect in eastern Utah and western Colorado for reclamation and water power, and they should be concerned lest a bonafide precedent be established that would endanger future development of public water resources in the semiarid West where water conservation has prime priority over all the other resources.

The record evidence I bring before the Senate today is known, or should have been known, to the leaders among the opponents of the Echo Park and Split Mountain projects. Even a casual research would have revealed this information to anyone, and it is a record which cannot be successfully challenged.

I charge, therefore, that the opponents of the Echo Park project have consciously or unconsciously deceived and misled thousands of sincere and well-meaning American citizens into taking a position of opposition and hostility to a very meritorious and desperately needed water-development program.

Mr. HAYDEN. Mr. President, will the Senator from Utah yield?

Mr. WATKINS. I yield.

Mr. HAYDEN. The Senator from Utah has been referring to certain ardent conservationists, who desire to preserve all wildlife and scenery and who seek to convey the idea that the Dinosaur National Monument, particularly around Echo Canyon, has been formally set aside as a national park, with such a status that it cannot be disturbed for all time to come.

I should like to point out a parallel case. President Theodore Roosevelt set aside a vast area in the vicinity of the Grand Canyon in Arizona as the Grand Canyon National Monument. Everyone agreed, when the monument was created, that it was much larger than was necessary. As a Member of the House of Representatives, I participated in the preparation of a bill defining the boundaries of Grand Canyon National Park and limiting them to the gorge in the canyon and contiguous areas around it so as to provide for proper highways. I did not think I was doing something which was absolutely sacrosanct, and that the boundaries could never afterward be disturbed for any purpose or for any use. The boundaries established may have been accurate, but they may also be subject to changes. The view which has been taken is that such boundaries when established must not be touched.

It was proposed that a dam be constructed in Bridge Canyon. The elevation of the dam was such that in the lower end of Grand Canyon National Park water would be backed up into a gorge where no one could see it 20 miles away from where the ordinary tourist visited. Yet, we were told the height of the dam would have to be reduced because Grand Canyon National Park could not be disturbed in any particular even by a small amount of backwater, which was carrying conservation, nature-loving, and wildlife protection to an utter extreme.

When that occurred, Mr. President, I lost patience, and that is why I feel that in the instance which the Senator from Utah is pointing out, if there is an absolute conflict between the necessity of obtaining water in that area of the West and the desire to preserve scenery, then scenery must give way to necessity.

Mr. WATKINS. In this particular case, reservations were made for the entire area so far as reclamation and power development were concerned. The President of the United States created a monument subject to all the prior withdrawals for reclamation and power purposes. Here we have a case of the camel getting his nose under the tent and then trying to get rid of the owner of the tent. The opponents are trying

to stop the President from action, although it was stated that the project would be subject to the dominant interests of reclamation and power development.

Mr. President, I shall now proceed to lay before my colleagues, step by step, the undisputed public record which governs the areas in dispute and determines their status:

First. The areas in controversy, originally a part of Mexico, became, at the time of the ratification of the treaty of peace with that country, a part of the public domain of the United States. These areas have been ever since that time and now are in Federal ownership and control, subject to whatever legal actions that have been taken with respect to them since that time.

Second. From October 17, 1904, through April 16, 1925, 11 withdrawals or reservations of large tracts within the areas in controversy, and including the Echo Park and Split Mountain Reservoir sites, were made either by the Secretary of the Interior or the Federal Power Commission, an independent agency set up by Congress to have authority and jurisdiction in such matters independently of the executive department, for the purposes of water and power development in the public interest. These withdrawals for the purposes mentioned and in the order in which they took place, are as follows:

First. Reclamation withdrawal of October 17, 1904—Brown's Park Reservoir site;

Second. Power site reserve No. 5, May 26, 1909;

Third. Power site reserve No. 42, August 27, 1909;

Fourth. Power site reserve No. 121, March 10, 1910;

Fifth. Power site reserve No. 721, July 11, 1919;

Sixth. Power site reserve No. 732, December 27, 1919;

Seventh. Power site classification No. 3, May 17, 1921;

Eighth. Power site classification No. 60, February 21, 1924;

Ninth. Federal Power Commission project No. 524, August 4, 1924;

Tenth. Power site classification No. 87, February 14, 1925; and

Eleventh. Power site classification No. 93, April 16, 1925.

This is the first time this complete record has been brought to the attention of the Congress and the general public.

It is important to keep this list in mind, in view of the discussion which will follow.

I believe it would be helpful to the Members of Congress and any others interested to have a further breakdown of these withdrawals, with particular reference to the authority under which they were issued. For that reason I ask unanimous consent that exhibit No. 1, which I have prepared, listing these withdrawals in one column and authority under which they were issued in an opposite column, be inserted in the RECORD immediately following my main statement.

The PRESIDING OFFICER (Mr. BIBLE in the chair). Without objection, it is so ordered.

(See exhibit 1 at end of speech.)

Mr. WATKINS. Mr. President, before proceeding with other actions listed in the records with respect to the area in controversy, I desire to make some pertinent comments on the withdrawals I have just mentioned:

The question may naturally arise, "Are all of these withdrawals still in effect?" In other words, are they still in good standing?

The answer is, "Yes."

This question was presented to the Federal Power Commission by one of my staff members in my behalf. Mr. Jerome K. Kuykendall, chairman of the Commission, answered the question in a letter which I received recently.

I wish to quote pertinent paragraphs from the letter, which I ask unanimous consent to have made exhibit No. 2:

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 2.)

Mr. WATKINS. Mr. President, I quote from the letter, as follows:

This is in furtherance to the telephone conversation of February 11 between Mr. McGuire of your office and Mr. Divine of the Commission's staff concerning the status of the lands withdrawn for power site purposes in and about the Dinosaur National Monument, Colorado and Utah.

Mr. McGuire also requested that you be advised as to: What was the status of the power withdrawals on July 14, 1938, and what is their status at this time.

In answer to that inquiry, the following power site withdrawals were in effect July 14, 1938, as to lands now within the monument boundaries and no appreciable change has been made in them since that date:

Power site reserve No.:	Date
5	May 26, 1909
42	Aug. 27, 1909
121	Mar. 10, 1910
721	July 11, 1919
732	Dec. 27, 1919
Power site classification No.:	
3	May 17, 1921
60	Feb. 21, 1924
87	Feb. 14, 1925
93	Apr. 16, 1925
Federal Power Commission project No. 524	Aug. 4, 1924

In response to the request for a sketch showing the extent of the power site lands within the monument area, I am attaching a copy of the topographic map of the Dinosaur National Monument upon which there has been superimposed the limits of the lands covered by each of the above-cited power withdrawals.

I wish to emphasize the date—July 14, 1938—and the statement by Mr. Kuykendall that power-site withdrawals were in effect at that time, because that was the date when President Franklin D. Roosevelt issued the proclamation expanding the Dinosaur National Monument from 80 acres to more than 202,000 acres, a 2,500-fold expansion.

The pertinent paragraphs of this letter show that the inquiry was about the status of lands withdrawn for power purposes within the present boundaries of Dinosaur National Monument, Colorado and Utah. The answer is also plain—the 10 power-site withdrawals were in effect July 14, 1938, and no appreciable change had been made in them since that date. The physical limits of these withdrawals are shown on a reduced reproduction of the FPC map, included with the documents on the desk of each Senator.

The documents I refer to are the 2 maps, 1 marked "A," and the other marked "B." I shall use them later in the discussion.

In other words, the status of the withdrawn lands is now the same as it was when they were withdrawn, and then the writer names the specific power withdrawals which I have already listed.

Third. When the proposal to increase the 80-acre Dinosaur National Monument some 2,500 times in size was under consideration, the National Park Service of the Department of the Interior wrote the Federal Power Commission a letter outlining the proposed program of the Service. The letter is relevant to the discussion, so I shall read it in full:

UNITED STATES
DEPARTMENT OF THE INTERIOR,
NATIONAL PARK SERVICE,
Washington, D. C. August 9, 1934.

FEDERAL POWER COMMISSION,
Washington, D. C.

GENTLEMEN: We are studying the possibility of setting aside certain lands in northwestern Colorado as a national monument. The area considered is within the watershed shown on the map marked exhibit H (a), which accompanied an application of January 30, 1932, of the Utah Power & Light Co., for a preliminary permit, and which is on file in the Denver office of the Reclamation Bureau. The proposed monument would be affected by the Echo Park Dam site and the Blue Canyon Dam site, as indicated on the enclosed map of the proposed monument.

I hold in my hand a map which Mr. Demaray sent to the Federal Power Commission. It shows the proposed Yampa Canyon National Monument, which was later made an extension of the Dinosaur Monument, orginally containing 80 acres and some dinosaur bones.

The bones have been largely removed; but after their removal, the Government increased its holdings 2,500-fold, in order to take care of the remaining bones. I continue to read from the letter:

Such an area would be established by Presidential proclamation which would exempt all existing rights, and a power withdrawal is of course an existing right.

This is from the National Park Service. They were trying to have the property set aside as a national monument.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. WATKINS. I yield.

Mr. MANSFIELD. The Senator mentioned dinosaur bones. When were they removed from the particular area concerned?

Mr. WATKINS. I was practicing law at Vernal, Utah. I went there in 1912, after I had graduated from law school. At that time the monument had not been set aside by President Wilson, but some excavations had been made, and some bones had been found.

The Carnegie Institute, of Pittsburgh, was financing the excavations. The discovery was rather important.

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A little later, in 1915, President Wilson set aside the 80 acres surrounding the area where the bones were being uncovered. So it must have been in a period of a few years before and after 1915 when the bones were removed. Some are still there.

Mr. MANSFIELD. Have any attempts been made by the Universities of Colorado, Utah, or New Mexico to engage in that kind of activity?

Mr. WATKINS. No. The schools in that region did not have the funds with which to do it; and so long as the Carnegie Institute had the money and the time, the universities were satisfied to let the institute proceed.

Mr. MANSFIELD. Is any work being done now?

Mr. WATKINS. No; except that the land is being used as a national monument. The quarry has been abandoned for many years. There is simply a big hole in the ground. That is about all that people see when they go there.

I can readily understand why the Park Service wanted to expand the holdings. The original 80 acres was not a very impressive place.

Mr. MARTIN of Pennsylvania. Mr. President, will the Senator yield?

Mr. WATKINS. I yield.

Mr. MARTIN of Pennsylvania. The Senator from Utah stated that the Carnegie Institute furnished the money.

Mr. WATKINS. It may have been the museum. Probably the museum would have been the one.

Mr. MARTIN of Pennsylvania. It make no difference. The Carnegie Institute engaged in 2 or 3 such activities. At that time, the Senator stated, the Carnegie Institute had plenty of money. That is correct. But by reason of inflation, and the consequent devaluation of the dollar, which has largely been caused by deficit financing, the Carnegie Institute is not now financially in a position to do the work it formerly did.

Mr. WATKINS. I thank the Senator from Pennsylvania.

I continue to read from the letter of Mr. Demaray:

> However, we feel that we should call this to your attention. If it is possible to release the power withdrawals that you now have in the area, our monument will be placed in a much better position from the standpoint of administration.

Here is direct recognition of the fact that the power filings and power withdrawals were in existence.

I read the concluding paragraph:

> If you have any data or reports on this area, we would appreciate very much receiving copies.
>
> Very truly yours,
>
> A. E. DEMARAY,
> *Acting Director.*

A map accompanied the letter showing the location of the Echo Park and Blue Canyon Dam sites to be within the areas of the proposed expansion of the monument.

It will be noted this letter was dated August 9, 1934—many years after the 11 water and power withdrawals had been made by the Department of the Interior and the Federal Power Commission.

The Echo Park Dam site was specifically mentioned by the Park Service's Acting Director, and then he made this significant statement:

> Such an area would be established by Presidential proclamation which would exempt all existing rights, and a power withdrawal is, of course, an existing right.
>
> However, we feel that we should call this to your attention. If it is possible to release the power withdrawals that you now have in the area, our monument will be placed in a much better position from the standpoint of administration.

It is important to remember that language, because when we come to the proclamation by President Roosevelt almost the identical language is used by him in exempting existing rights in those lands from the administration of the Park Service.

Fourth. The Federal Power Commission, through its Chairman, Mr. Frank R. McNinch, replied by letter under date of December 13, 1934, to the Park Service letter of inquiry. I shall read pertinent parts of the reply, reproduced in full as exhibit 3:

> DEAR DIRECTOR CAEMMERER: Reference is made to Acting Director Demaray's letter of August 9, 1934, in which the Commission was advised that you were studying the possibility of establishing a national monument along the Green and Yampa Rivers in northwestern Colorado which would embrace lands withdrawn for the proposed Echo Park and Blue Mountain power developments included in the application for preliminary permit of the Utah Power & Light Co., designated as project No. 279.
>
> Assurance was given in the letter that the Presidential proclamation establishing such a monument would exempt all existing rights, including power withdrawals, but a statement was added that if it were possible to release the power withdrawals the "monument would be placed in a much better position from the standpoint of administration." This implied request for a vacation of the power withdrawal has called for careful consideration because of the magnitude of the power resources involved and the fact that the permit application is still in suspended status pending conclusion of the comprehensive investigation of irrigation and power possibilities on the upper Colorado River and its tributaries by the Bureau of Reclamation, and a more definite determination of water allocations between the States of the upper basin. The power resources in this area are also covered by power site reserves Nos. 121 and 721 and power site classifications Nos. 87 and 93 of the Interior Department.
>
> In the application of the Utah Power & Light Co. the primary power capacity of the Echo Park site is estimated at 130,000 horsepower. This is based on the development of a head of 310 feet at the dam and a regulated flow of 4,000 cubic feet per second obtained by storage in the proposed Flaming Gorge Reservoir on Green River and Juniper Mountain Reservoir on Yampa River. At Blue Mountain the primary capacity is estimated at 19,000 horsepower based on the development of 210 feet of head and a regulated flow of 1,100 cubic feet per second.
>
> Ralf R. Woolley in his report on Green River and its utilization (Water Supply Paper No. 618, U. S. Geological Survey), proposes the development of 114,800 horsepower, primary capacity, at the Echo Park site, based on an average head of 290 feet and a streamflow of 4,950 cubic feet per second. At Johnson's Draw, which is his designation for the Blue Mountain site, Mr. Woolley proposes a primary capacity of 43,200 horsepower based on a regulated flow of 1,800 cubic feet per second and a head of 300 feet. Either of these estimates would justify installations of something like 300,000 horsepower at Echo Park and at least 50,000 horsepower at Blue Mountain.

That is what Mr. McNinch was telling the National Park Service, which had inquired as to the possibility of creating a national monument.

I continue with Mr. McNinch's letter:

> It is generally recognized that the Green and Yampa Rivers present one of the most attractive fields remaining open for comprehensive and economical power development on a large scale. Power possibilities on Green River between the proposed Flaming Gorge Reservoir and Green River, Utah, and on the Yampa River below the proposed Juniper Mountain Reservoir are estimated at more than 700,000 primary horsepower, which would normally correspond to 1,500,000 to 2,000,000 horsepower installed capacity. Excellent dam sites are available, and as the greater part of the lands remain in the public domain, a very small outlay would be required for flowage rights. The sites we are considering are important links in any general plan of development of these streams.
>
> Regardless of the disposition which may be made of the Utah Power & Light Co.'s application, and giving due consideration to the prospect that some time may elapse before this power is needed, the Commission believes that the public interest in this major power resource is too great to permit its impairment by voluntary relinquishment of two units in the center of the scheme. The Commission will not object, however, to the creation of the monument if the proclamation contains a specific provision that power development under the provisions of the Federal Water Power Act will be permitted.

I interpolate, Mr. President, to say that this is exactly what Mr. Roosevelt did in the proclamation in which he expanded the 80-acre tract to more than 200,000 acres.

I now proceed to comment on this letter. First I call attention to the fact that the "two units in the center of the scheme" were Echo Park and Blue Mountain dam sites.

It is manifest that the Federal Power Commission clearly rejected the request for a vacation of the power site withdrawals, pointing out that the request had "called for careful consideration because of the magnitude of the power resources involved and the fact that the permit application [Utah Power & Light Co.'s application for a permit] is still in suspended status pending conclusion of the comprehensive investigation of irrigation and power possibilities on the upper Colorado River and its tributaries by the Bureau of Reclamation and a more definite determination of water allocations between the States of the upper basin."

No doubt the Commission had in mind what was being done at that particular time by the Bureau of Reclamation, including the Geological Survey, under the direction of Mr. Ralf Woolley, one of the outstanding engineers in that area, who died not long ago in my native State.

It is interesting and important to note that in this letter Mr. McNinch recognized and called attention to the fact that there was a comprehensive investigation of irrigation and power possibilities taking place on the upper Colorado River and its tributaries by the Bureau of Reclamation. The truth is that this investigation had been going on for

many years, a fact which was well known not only to the Federal Power Commission but also to the National Park Service.

It was well known also that the States of the upper basin—to wit, Colorado, New Mexico, Utah, and Wyoming—had not yet entered into a compact for the allocation of the water supply which each State would get out of that portion of the Colorado River awarded to the upper basin by the 1922 Colorado River compact.

Mr. McNinch, for the Commission, further declared that this area was "one of the most attractive fields remaining open for comprehensive and economical power development on a large scale" and that sites under consideration "are important links in any general plan of development of these streams." So the Park Service could not plead ignorance of what was taking place there and what Mr. McNinch meant. Incidentally, it should be pointed out that before a monument could be created there, the records would have to be checked to see what the status of the lands was. If that had been done, the records would have been seen, and it would be known that what I have introduced into the RECORD so far is absolutely correct.

The reply also emphasized "that the public interest in this major power resource is too great to permit its impairment by voluntary relinquishment of two units—Echo Park and Blue Mountain Dam sites—in the center of the scheme."

I quoted the letter at this point in my discussion for the purpose of showing that the Federal Power Commission was insisting that its withdrawals in the public interest were still in good standing and that fact was recognized in December 1934 by the National Park Service. Furthermore, the validity of these withdrawals was not questioned by the National Park Service at that time, and to my knowledge has not been challenged since then. In fact, the validity was affirmed specifically in the 1938 proclamation itself. I shall discuss the proclamation and its meaning and effect later at length.

Fifth. Another letter, under date of November 6, 1935, written by the late Harold L. Ickes, Secretary of the Interior, to Chairman Frank R. McNinch, Federal Power Commission, was a 1935 followup along the lines taken by the National Park Service in the Demaray letter.

Mr. Ickes said, in part, in that letter (exhibit No. 4):

> The Utah Power & Light Co. filed an application in January 1932 for a preliminary permit for a power-site reservation in the Yampa and Green River section. This application was on file in the Denver office of the Reclamation Bureau. Recently, however, the Utah Power & Light Co. voluntarily withdrew their application. This suggests that the power resources of the section may not be as important as originally believed.
>
> I shall appreciate receiving your opinion as to the possibility of releasing the power withdrawals that exist in the area. By such action the proposed monument would be placed in a much better position from the standpoint of administration.

In this communication no less an authority than the Secretary of the Interior recognizes that valid power-site withdrawals existed in the area of the proposed Dinosaur Monument extension. Secretary Ickes also recognized that the Federal Power Commission had jurisdiction over those extensive reserved areas by virtue of the Federal Water Power Act of 1920.

At this point I call attention to two maps, copies of which have been placed on each Senator's desk. Mr. President, I shall appreciate it if my colleagues will examine the maps. As I proceed, I shall explain their significance.

Map A shows the location and the boundaries of the 10 power withdrawals to which I have already directed your attention. It also has indicated the boundaries of the enlarged Dinosaur National Monument.

Map B was prepared, for illustrative purposes, from map A. The withdrawals are colored black for emphasis.

I believe my colleagues will be able to understand just what these maps mean, by reading the legends and the descriptive matter which appears on them. On the maps Senators will notice that the boundary of the expanded Dinosaur National Monument is indicated in the heavy lines around the area. The withdrawn areas are colored black or blue on map B. It will be noted that those withdrawn areas—all of which were withdrawn many years prior to the expansion of the Dinosaur National Monument to more than 200,000 acres—include practically all the area along the rivers and the canyons in the expanded Dinosaur National Monument. In fact, I think only a very few acres are not so included.

Mr. NEUBERGER. Mr. President, will the Senator from Utah yield?

Mr. WATKINS. I yield.

Mr. NEUBERGER. I could not hear everything the Senator from Utah was saying when I was sitting over in "coffin corner," so I am now sitting in proximity to the Senator from Utah.

Mr. WATKINS. I am very glad to have the Senator from Oregon sit close by.

Mr. NEUBERGER. If I misunderstood the Senator from Utah, I hope he will correct me. Is it his contention that the so-called conservation groups are not correct in their claim that land to be flooded by the proposed Echo Park Dam will be within the boundaries of Dinosaur National Monument?

Mr. WATKINS. The lands to be flooded will be within the boundaries of the expanded Dinosaur National Monument. However, my point is that all these lands were withdrawn many years prior to the issuance of the proclamation by President Roosevelt on July 14, 1938, and in that proclamation he specifically exempted the lands which are in the flooded area. All of them were withdrawn in advance.

Mr. NEUBERGER. Mr. President, will the Senator from Utah yield further to me?

Mr. WATKINS. I yield.

Mr. NEUBERGER. Was this point called to the attention of the groups which have testified in opposition to the Echo Park proposal when they appeared before the Reclamation Subcommittee?

Mr. WATKINS. I called it to the attention of General Grant, I think, in 1954, when the Senate committee was holding hearings. It has been called to the attention of those groups in a general way many, many times, and I think they tried to evade it. But, so far as I know, this is the first time the specific withdrawals, showing the location, the date, the extent, and so forth, have been placed before either this body or the committees of either House.

Mr. NEUBERGER. Why was not this point brought up earlier, farther removed from the final date—which is tomorrow, I believe—for consideration by the full committee in connection with the recommendations of the subcommittee as to the upper Colorado project?

Mr. WATKINS. Speaking for myself, I may say that, of course, we lead a rather busy life because of committee hearings, floor duties, and other work, and I had always taken it for granted that there would be no real dispute about those withdrawals, which had been mentioned many, many times before. But, to my chagrin, I found that many persons who are honest and sincere did not know about the withdrawals, and the only way to show them was by using a map to block them out so as to indicate them clearly and also give the dates.

We have been working a month and a half on this material, and the work was finally completed on Saturday. It was our desire to present the material to both bodies before now. I presented the same statement to the House committee this morning; and certainly I would have presented it before now to the Senate if I had been able to get it ready in sufficient time.

Mr. NEUBERGER. It is certainly my opinion, although I may be in error, that if this is new material, the committee or the subcommittee certainly should reopen its consideration of the Echo Park project, so that the groups on the other side may have an opportunity to answer the questions raised.

Mr. WATKINS. I would say that in a House committee memorandum last year, most of this material was carried in a general way, although without going into details, and without giving it in illustrative form, as I am attempting to do today. That was done last year, and it was discussed several times in the hearings last year.

This year we have not attempted to go back over all that material and ask all the questions which previously were asked of the witnesses. This is not new material, but it is a presentation in a new way of a great deal of old matter that the Park Service officials had in their possession all the time; and I would say that the Department officials knew about it all the time and never raised any question about it. In fact, during those times they agreed with Mr. Roosevelt and Mr. Ickes.

It has been only recently that some of those who claim to be conservationists have made an issue over the matter. In other words, they are now going back on the agreement which was entered into by Mr. Roosevelt, Mr. Ickes, Mr. Demaray, and the Power Commission repre-

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sentatives, and, in general, the people of the upper Colorado States.

Mr. NEUBERGER. Did the conservation groups enter into any agreement?

Mr. WATKINS. They did not enter into an agreement; but the people in the Government who represent the conservation interests of the United States did.

Mr. NEUBERGER. Of course, I am sure the Senator from Utah will agree that no group of private citizens—whether in the Izaak Walton League, the Audubon Society, or any other organization—need be bound by what the President of the United States and the Secretary of the Interior of another era have done.

Mr. WATKINS. No; they do not have to be bound by them. But in good faith, when a matter of that kind has been taken care of, and when people's rights are involved, they certainly should stand by the decisions which have been made by the responsible officials of the Government at the time. Of course, we cannot bind any citizen of this country to anything. He has the right to object, to oppose, and to fight any time he wishes to do so.

Mr. NEUBERGER. The Senator inferred that they are breaking some kind of agreement. I do not think they are. They were never parties to any agreement.

Mr. WATKINS. This is why I am going after them: They are saying that we are invading a national park, that the national park system is being invaded, and that this project would set a dangerous precedent. They have shouted that claim all over the United States. It has become their theme song. I am pointing out that there is no invasion. I am pointing out that if there is any invasion they are doing the invading. They are trying to invade these withdrawals made for the purpose of conserving water, the most precious thing we have in the arid West, as the Senator well knows. They are doing the invading. The shoe is on the other foot. They represent the camel who has its nose under the tent. They are trying to kick out the people who have been working in that area all these years. The shoe is entirely on the other foot. That is what I am trying to make clear in this debate. I think the record conclusively proves my contention.

Mr. NEUBERGER. It is correct, however, that there will be commercial activity within the boundaries of the national monument if the Echo Park project is authorized as a part of the upper Colorado undertaking.

Mr. WATKINS. There will be nothing except what the Government of the United States builds.

Mr. NEUBERGER. I understand that, but it still is——

Mr. WATKINS. It still is carrying out the purposes of the Reclamation Act, and carrying out the purposes of the Water Power Act. It will be built by the United States through the Bureau of Reclamation, if it is authorized. There can be no doubt that such activities on the part of the United States are proper. That was decided a long time ago, and the program has been in operation for more than 50 years.

Mr. NEUBERGER. No one says that such activities are improper; only that it constitutes something of a new departure to have them within the borders of a national park or monument.

Mr. WATKINS. The water and power withdrawals were there first. The monument advocates knew that they were there. They were perfectly willing to have the monument expanded, with the provision that they would be subject to the dominant interest of water power and reclamation. That has been more or less the common practice.

Mr. NEUBERGER. There was timber cutting in the Olympic Peninsula long before the national park was created; but when the park boundaries were created, timber cutting had to cease within the boundaries of the park.

Mr. WATKINS. That was because it was not reserved in the proclamation as President Roosevelt reserved the right to develop water and power in this Dinosaur area. As I proceed, the Senator will see that I take care of all the questions he has raised.

Mr. NEUBERGER. I shall be very much interested to listen further.

Mr. WATKINS. The Brown's Park reclamation withdrawal—No. 1 in the list previously offered—is not shown on this map. It started at a point about 6½ miles south of the monument's north boundary and extended for approximately 20 miles up the Green River. But at least 6½ miles of that withdrawal are within the boundaries of the Dinosaur National Monument area.

Interesting features of this map are the location and the relative size of the original 1915 Dinosaur Monument withdrawal as compared with the enlarged monument. The small original withdrawal of 80 acres is colored red on map "B." If Senators will look at the map they will see that the original 1915 Dinosaur Monument withdrawal is indicated in the lower left-hand corner of the map. It is the little red spot to which the red arrow points, consisting of 80 acres, as compared with the vast area which was taken in by the proclamation expanding the monument. That was not in dispute in any way. There were no other withdrawals of any kind that interfered with the full use of that 80-acre area as a national monument.

It will be seen that virtually the entire river area within the enlarged Dinosaur Monument is covered by the prior water and power withdrawals. In fact, the withdrawals also extend a considerable distance on either side of the river at many points.

It also should be noted that the controversial Echo Park and Split Mountain Dam sites are located on the map, both clearly within the withdrawn areas.

I think Senators can locate those features. The Split Mountain dam site is not far upstream from the original Dinosaur Monument. It is indicated by the arrow pointing to that spot. The Echo Park dam site is farther upstream at a point just below the union of the Yampa and Green Rivers, two tributaries of the Colorado.

The situation is clearly indicated on the map. So all the area in dispute was in these reclamation and water power withdrawals, which had occurred many years before the 1938 expansion.

The number and date of the withdrawals also are printed on the map. This map should be helpful in understanding the proclamation issued by President Roosevelt in 1938, increasing the size of the Dinosaur National Monument from its original 80 acres some 2,500 times to its present area of over 203,000 acres.

Sixth. On January 6, 1936, Chairman McNinch of the Federal Power Commission, replied to Secretary Ickes. The complete text of his reply is reproduced as exhibit No. 6.

In the letter Mr. McNinch rejected the Interior Secretary's request to vacate the power withdrawals and quoted from his own 1934 letter the paragraph which explains why the FPC could not, in the public interest, release the reservations preserving power resources of such magnitude.

Seventh. Although chronologically out of place, the next document—exhibit No. 5—which should be considered is the proclamation issued by President Woodrow Wilson under date of October 4, 1915, creating the Dinosaur National Monument. From it I quote the whereas paragraph:

> Whereas, in section twenty-six, township four south, range twenty-three east of the Salt Lake meridian, Utah, there is located an extraordinary deposit of dinosaurian and other gigantic reptilian remains of the Juratrias period, which are of great scientific interest and value, and it appears that the public interest would be promoted by reserving these deposits as a national monument, together with as much land as may be needed for the protection thereof.

After using the necessary language to set aside this area as a national monument, the President makes this statement:

> While it appears that the lands embraced within this proposed reserve have heretofore been withdrawn as coal and phosphate lands, the creation of this monument will prevent the use of the lands for the purposes for which said withdrawals were made.

That, in effect, canceled out those withdrawals. The reason why I say it canceled them out is that the development of phosphate and coal in that area could not proceed if dinosaur bones were being dug out. The digging for dinosaur bones had already been in progress. Nothing had been done about the development of coal and phosphate lands. The area lay vacant for many years. There had been no mineral developments whatever there.

It will be noted that this proclamation makes no reference to valid existing rights, and to my knowledge no power or reclamation withdrawals ever applied to this 80-acre area. In fact, the above language effectively rescinds mineral reservations which previously had applied to these lands. This gave the original 1915 monument a tight land reservation, and no one has ever challenged it.

Back in 1915 President Wilson decided that the 80-acre land reservation was adequate to protect the extraordinary deposits of dinosaurian and other gigantic reptilian bones. Twenty-three

years later President Roosevelt, under the prodding of Interior Secretary Ickes, decided that the protection of these bones required 203,885 acres in addition to the 80 acres originally set aside. This 2,500-fold extension ultimately was ordered, in spite of the fact that practicaly all of the known deposits of bones in the original 80-acre site had been excavated and removed from the monument. The 1938 action seemed to be a case of setting aside many more acres to protect a greatly reduced number of dinosaur bones.

In my opinion, President Wilson and his advisers, in issuing the 1915 monument order, were keeping strictly within the powers of the President under the Antiquities Act. On the other hand, it is extremely doubtful that the 1938 proclamation of President Roosevelt can be sustained as a matter of law. A casual reading of the Antiquities law of June 8, 1906, and of this latter proclamation will be sufficienet to point up what I am saying. However, I am not urging that this unjustified expansion of the Dinosaur Monument be upset, because it is my view that the area in controversy can be used both for reclamation and National Monument purposes, and those uses are both in the interests of the public.

Eighth. We now come to the Dinosaur National Monument expansion proclamation issued by President Franklin D. Roosevelt in July 1938, which I quote in full, except for the land description:

PROCLAMATION—JULY 14, 1938 (53 STAT. 2454)—ENLARGING THE DINOSAUR MONUMENT, COLORADO AND UTAH, BY THE PRESIDENT OF THE UNITED STATES OF AMERICA

Whereas certain public lands contiguous to the Dinosaur National Monument, established by Proclamation of October 4, 1915, have situated thereon various objects of historic and scientific interest: and

Whereas it appears that it would be in the public interest to reserve such lands as an addition to the said Dinosaur National Monument;

Now, therefore, I, Franklin D. Roosevelt, President of the United States of America, under and by virtue of the authority vested in me by section 2 of the act of June 8, 1906 (chapter 3060, 34 Stat. 225 U. S. C., title 16, sec. 431), do proclaim that, subject to all valid existing rights, the following-described lands in Colorado and Utah are hereby reserved from all forms of appropriation under the public-land laws and added to and made a part of the Dinosaur National Monument: * * * aggregating 203,885 acres.

The language "subject to all valid existing rights" is extremely important, in view of the correspondence between the Park Service and the Federal Power Commission. Of course the Federal Power Commission is not an agency of the Interior Department, rather it is an independent agency created by Congress.

Quoting further from the Proclamation:

Warning is hereby expressly given to any unauthorized persons not to appropriate, injure, destroy, or remove any feature of this monument and not to locate or settle upon any of the lands thereof.

The reservation made by this proclamation supersedes as to any of the above-described lands affected thereby, the temporary withdrawal for classification and for other purposes made by Executive Order No. 5684 of August 12, 1931, and the Executive Order of April 17, 1926, and the Executive Order of September 8, 1933, creating Water Reserves No. 107 and No. 152.

I interpolate at this point to say that neither of the withdrawals mentioned in the Executive order of September 8, 1933, is involved in this controversy.

The Director of the National Park Service, under the direction of the Secretary of the Interior, shall have the supervision, management, and control of this monument as provided in the act of Congress entitled "An act to establish a National Park Service, and for other purposes", approved August 25, 1916, (39 Stat. 535; U. S. C., title 16, secs. 1 and 2), and acts supplementary thereto or amendatory thereof, except that this reservation shall not affect the operation of the Federal Water Power Act of June 10, 1920 (41 Stat. 1063), as amended, and the administration of the monument shall be subject to the reclamation withdrawal of October 17, 1904, for the Browns Park Reservoir site in connection with the Green River project.

The language "except that this reservation shall not affect the operation of the Federal Water Power Act of June 10, 1920," and so forth, is almost identical with the words used by Mr. McNinch in his letter, in which he said that if language like that were inserted, the Federal Power Commission would go along with the legislation. Long investigations were held on that point, and a large amount of money was spent on the investigations, as well as in the investigations by Mr. Ralf Woolley. All these activities, we must bear in mind, were a part of the consideration of the subject and were a part of the agreement which was entered into through correspondence between the various agencies involved, as well as in the final carrying through of the matter by the President of the United States.

In witness whereof I have hereunto set my hand and caused the seal of the United States to be affixed.

Done at the city of Washington this 14th day of July, in the year of our Lord 1938, and of the independence of the United States of America the 163d.

FRANKLIN D. ROOSEVELT.

By the President:

CORDELL HULL,
The Secretary of State.

First, it will be noted that this proclamation was issued many years after the 11 reclamation and water and power withdrawals previously referred to were ordered by legally constituted authorities.

In the first paragraph it will be noted how weak the case is for increasing the monument acreage some 2,500 times in size, when the best the President can say is that the areas are contiguous to the Dinosaur National Monument and "have situated thereon various objects of historic and scientific interest."

I point out that in the hearings held by the Senate and House committees it was shown that there is very little material in that area which is of exceptional direct scientific and historic interest, although, of course, the whole crust of the earth is of general scientific interest. Outside the area under consideration there are a great number of canyons and other areas which contain much more material of scientific and historic interest than is contained in the area the President of the United States added.

Contrast the statement in the first paragraph with the specific description in the opening paragraph of the Wilson proclamation heretofore cited, in which the President definitely pointed out that the bones which had been found were of great interest.

In the third paragraph, President Roosevelt makes the Monument "subject to all valid existing rights." There is not the slightest doubt that officials in the Interior Department, Park Service and the Secretary of the Interior, had in mind the water and power withdrawals which I have listed and discussed previously. It will be remembered that Acting Director of the National Park Service, A. E. Demaray, made this statement in his letter of August 9, 1934, to the Federal Power Commission, in which he discussed the proposed extension of Dinosaur National Monument: "Such an area would be established by Presidential Proclamation which would exempt all existing rights, and a power withdrawal is of course an existing right."

The Park Service and Secretary Ickes did all they could to get the Federal Power Commission to cancel the power withdrawals, but failed, as the record shows. The proclamation accordingly was prepared for the signature of the President, who ordered that the expanded monument would be "subject to all valid existing rights." There is not the slightest doubt as to what rights were intended by that statement.

It was only in recent times that the new idea that we are now invading the national park system came into being.

The President in the next to the last paragraph of the proclamation directs that the National Park Service shall have the supervision, management, and control of this Monument "except that this reservation shall not affect the operation of the Federal Water Power Act of June 10, 1920, as amended, and the administration of the Monument shall be subject to the reclamation withdrawal of October 17, 1904, of the Browns Park Reservation site in connection with the Green River project."

I repeated those words for emphasis, because they are important to this discussion.

Once again let me say that the National Park Service and the Secretary of the Interior's Office, including those who drafted this proclamation, clearly had in mind the listed withdrawals which had been made by the Secretary of the Interior and the Federal Power Commission in the area of the proposed expansion of the Dinosaur National Monument. They doubtless also had in mind that these exempted reservations were for public use, to-wit: The building of waterpower and reclamation projects, the latter including water and power developments in accordance with the Reclamation Act. The Reclamation Bureau is a part of the Department of the Interior, and certainly no Secretary of the Interior who was on the job as vigorously as Mr. Ickes was could have escaped knowing that the entire river area within the proposed expansion of the Dinosaur National Monument had been, and was at the time, under intense plan-

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ning operations for Federal reclamation projects.

In fact, Mr. Ickes' park director was so advised in a letter from FPC Chairman McNinch, previously introduced as exhibit No. 3.

By incorporating those specific exemptions for water and power reservations, therefore, the Interior Department and President Roosevelt must be given credit for attempting to protect the programs which were then being worked out for the benefit of the upper basin States in order that they might put to a beneficial use the water allotted to them under the Colorado River compact of 1922.

Also, it should be remembered that the United States was a party to that compact, and the responsible officials in the Interior Department at the time knew that in order to put that water to use the upper basin States would have to have projects built under the United States reclamations laws. For that purpose, the Federal Government itself would be the responsible agent in building that project. This means that there would be no necessity for licensing of dams by the FPC in this particular area. It would be necessary for Congress to authorize the construction of such dams, which it has full authority to do, and all the talk about the restriction of FPC licensing authority under the 1921 and 1935 amendments to the Federal Water Power Act of 1920 has just been a legal smokescreen to obscure the facts.

Another phase of what would be existing rights in this particular instance is extremely interesting. It is no doubt well known by Members of the Congress that withdrawals for reclamation projects, including water and power development, reserve public lands for the building of storage dams, reservoirs, conduits, powerplants, transmission lines, canals, and all incidental facilities required or used in connection with reclamation projects.

All these needs, of course, are equally well known to the Department of the Interior, Bureau of Reclamation, and to the National Park Service, both agencies within the Department. They went into it with their eyes open, and they knew they could not administer it as they said they would like to administer it.

With such uses in mind, it would be physically impossible for the Park Service to have the dominant interest in the Dinosaur Monument area if this water-development project should be built.

That does not mean, however, that a program for very effective recreational use of the areas which are not inundated by the water in the reservoirs—and this would be about nine-tenths of the monument area—cannot be successfully undertaken. The reverse is true, as many competent witnesses have reported to congressional committees. In fact, plans have been made for the expenditure of some $21 million to develop a great recreational area at Dinosaur Monument, which will be available for the use of all Americans.

They have gone ahead in good faith and, in order to make the joint operation work, they have planned a $21-million development. It is in the report and testimony of the Reclamation Bureau on this program. It will make available this great area to all the people of the United States.

It is significant also that this 1938 proclamation is absolutely unique among the more than 100 national monument proclamations which my staff and I have examined. Nowhere else in the proclamations and laws pertaining to national parks and monuments have I been able to find another order which contains specific exemptions of both power and reclamation withdrawals. A few monument proclamations contain reclamation exemptions—notably to protect water supplies of the Southwest Indians—but no other monument proclamation, to my knowledge, contains a specific exemption of power withdrawals as does the Dinosaur Monument extension order of 1938.

Our staff study also disclosed that at least 12 national parks are covered by provisos inserted in legislation pertaining to them, expressly stating that the terms of the 1920 Federal Water Power Act do not apply to the lands embraced then and in the future in those respective parks. Such a legislative proviso, incidentally, was written into an act of June 20, 1938 (52 Statutes 781), pertaining to Hawaii National Park, so it is apparent that the Congress in that year was familiar with the fact that valid existing public-land reservations under the Federal Power Act may apply to park and monument land withdrawals, and that Congress may recognize one or the other.

Important and relevant to this discussion is an opinion written by Nathan R. Margold, Solicitor of the Interior Department. The opinion is dated December 5, 1939, a little over a year after President Roosevelt's proclamation expanding the Dinosaur National Monument. Mr. Margold was Solicitor during most of Harold L. Ickes' term of office as Secretary of the Interior, and, specifically, he was the Department Solicitor at the time of the 1938 proclamation enlarging the Dinosaur National Monument.

The opinion involves two questions. The first and most important is: "May a national monument be created subject to the reclamation withdrawals and power site classifications and thereby preserve and continue the effectiveness of the withdrawals and classifications?" Since the opinion itself will point up matters under consideration here and the reasons for the decision, I ask unanimous consent that it be incorporated in the RECORD at this point in my remarks.

There being no objection, the opinion was ordered to be printed in the RECORD, as follows:

UNITED STATES
DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SOLICITOR,
Washington, December 5, 1939.

The Honorable the SECRETARY OF THE INTERIOR.

MY DEAR MR. SECRETARY: My opinion has been requested concerning certain legal questions arising out of the proposal to establish by proclamation the Sawtooth National Monument in Idaho. The lands involved in the proposed national monument are within the Boise, Challis and Sawtooth National Forests. Certain of the lands have been withdrawn pursuant to section 3 of the act of June 17, 1902 (32 Stat. 388), for reclamation purposes in connection with the Boise project. In addition, certain of the lands are affected by four power site classifications made by the Secretary of the Interior pursuant to the act of March 3, 1879 (20 Stat. 394). The questions presented for my consideration are:

1. May the national monument be created subject to the reclamation withdrawals and power site classifications and thereby preserve and continue the effectiveness of the withdrawals and the classifications?

2. In the event that the national monument is created subject to the classifications, will the Federal Power Commission thereafter be authorized to grant licenses affecting the classified lands pursuant to the Federal Water Power Act (41 Stat. 1063), as amended?

It is my opinion that the first question must be answered in the affirmative and the second question in the negative.

The act of June 8, 1906 (34 Stat. 225), provides in part as follows:

"That the President of the United States is hereby authorized, in his discretion, to declare by public proclamation historic landmarks, historic and prehistoric structures, and other objects of historic or scientific interest that are situated upon the lands owned or controlled by the Government of the United States to be national monuments, and may reserve as a part thereof parcels of land, the limits of which in all cases shall be confined to the smallest area compatible with the proper care and management of the objects to be protected."

It may be seen from the foregoing statute that the sole requirement concerning the status of lands included within national monuments is that such lands be owned or controlled by the Government of the United States. There can be no doubt that the lands here in question are so owned and controlled. There is nothing in this statute nor in any other statute with which I am familiar that would prohibit lands, otherwise appropriate, from being included in a monument subject to prior reservations and classifications of the character here involved. The practice of establishing monuments in connection with lands subject to prior reservations for other purposes is one that has existed from the very inception of the national monument legislation. In 1908 the proclamation creating the Grand Canyon National Monument (35 Stat. 2175) provided as follows:

"The reservation made by this proclamation is not intended to prevent the use of the lands for forest purposes under the proclamation establishing the Grand Canyon National Forest, but the two reservations shall both be effective on the land withdrawn, but the national monument hereby established shall be the dominant reservation."

In the case of *Cameron* v. *United States* (252 U. S. 450) the Supreme Court of the United States approved the validity of this national monument and, in so doing, stated (p. 455):

"The tract is on the southern rim of the Grand Canyon of the Colorado, is immediately adjacent to the railroad terminal and hotel buildings used by visitors to the canyon, and embraces the head of the trail over which visitors descend to and ascend from the bottom of the canyon. Formerly it was public land and open to acquisition under the public-land laws. But since February 20, 1893, it has been within a public-forest reserve established and continued by proclamation of the President under the acts of March 3, 1891 (ch. 561, sec. 24; 26 Stats. 1095, 1103), and June 4, 1897 (ch. 2; 30 Stats. 34–36); and since January 11, 1908, all but a minor part of it has been within a monument reserve established by a proclamation of the President under the act of June 8, 1906, chapter 3060, 34 Statues 225. The forest reserve remained effective after the creation of the monument reserve, but insofar as

both embraced the same land the monument reserve became the dominant one."

In the proclamation of January 13, 1908 (35 Stat. 2176), establishing the Tonto National Forest is was provided that "since the withdrawal made by this proclamation and any withdrawal heretofore made for national irrigation works are consistent, both shall be effective upon the land withdrawn, but the withdrawal for national irrigation works shall be the dominant one and may, when necessary, be changed to a withdrawal for irrigation from such works." This practice has been followed through the years to the present time. As recently as July 14, 1938, the proclamation relating to the Dinosaur National Monument provided that the administration of the monument was to be subject to a prior reclamation withdrawal.

In the light of this long and persistent practice, there can be no reasonable doubt as to the legal propriety of establishing national monuments subject to prior reservations for other purposes (see *United States v. Midwest Oil Company* (236 U. S. 459).

The second question involves the authority of the Federal Power Commission pursuant to the Federal Water Power Act (41 Stat. 1063), as amended by the Federal Power Act (49 Stat. 838). It is clear that the Federal Power Commission is by statute expressly prohibited from granting licenses for power works within national monuments. Section 3 of the Federal Water Power Act, as amended by section 201 of the Federal Power Act. In my opinion of August 19, 1938 (M. 29936), I so held. It follows that if the lands affected by the power site classifications are included in the national monument, the Federal Power Commission will be without authority to grant licenses affecting them. Any attempt to preserve this authority in the Commission by specific provisions in the national monument proclamation would be ineffective since the authority of the Commission has been prescribed by Congress and cannot be extended by provisions in an Executive proclamation of this character.

I am, accordingly, of the opinion that the proposed Sawtooth National Monument may be established subject to the reclamation withdrawals and power site classifications affecting certain of the lands therein, thereby preserving and continuing the effectiveness of the withdrawals and classifications, but that the Federal Power Commission will thereafter be without authority to grant licenses pursuant to the Federal Water Power Act, as amended, relating to the lands given a national monument status.

Respectfully,

NATHAN R. MARGOLD,
Solicitor.

Approved December 5, 1939.

OSCAR L. CHAPMAN,
Assistant Secretary.

Mr. WATKINS. I continue with my comments on the opinion of Mr. Margold, Solicitor of the Department of the Interior, with respect to the time—July 14, 1938—the proclamation was signed by President Roosevelt. Mr. Margold wrote the opinion on which I am commenting, in 1939.

My first comment on this opinion is to point up the fact that Mr. Margold was in full agreement with the procedure that had been carried out in the Dinosaur Monument Proclamation of 1938.

After quoting the statute under which the President of the United States would act in creating a national monument, Mr. Margold declares:

There is nothing in this statute nor in any other statute with which I am familiar that would prohibit lands, otherwise appropriate, from being included in a monument subject to prior reservations and classifications of the character here involved. The practice of establishing monuments in connection with lands subject to prior reservations for other purposes is one that has existed from the very inception of the national-monument legislation.

Several instances are cited in support of the opinion.

One of them is the Dinosaur National Monument proclamation. Another is the citation of three areas which are equally appropriate to and apropos of this discussion.

The second question discussed by Mr. Margold was:

In the event that the national monument is created subject to the classifications, will the Federal Power Commission thereafter be authorized to grant licenses affecting the classified land pursuant to the Federal Water Power Act (41 Stat. 1063), as amended?

This question is not really material to the present controversy for the reason that in the case of the area under controversy the withdrawals were all made a long time prior to the expansion of the Dinosaur National Monument.

Furthermore, there is no reason why there should be any licenses issued by the Federal Power Commission in this case. When the Echo Park and Split Mountain Dams are built, if the bill authorizing them shall be passed and the money appropriated, they will be constructed by the United States through the Bureau of Reclamation. No private individuals, corporations, or entities are asking for FPC licenses to build these reservoirs and power facilities. The United States owns the lands; they have been reserved by proper authority.

It should be made clear that when the Federal Government is to build and operate reclamation works, including water facilities and powerplants, it does so in its sovereign capacity and is not under the necessity of going to any of its own agencies, such as the FPC, for a license to perform those functions. A mere statement of the case makes it abundantly clear that this is the correct position.

I might say that it would be as appropriate for a Senator to go to his administrative assistant and obtain permission to do certain things in connection with the discharge of his senatorial duties as to make the kind of argument which has been made, namely, that the Government must obtain a license from FPC, one of its agencies, to construct these dams.

The act creating the Federal Power Commission, incidentally, not only gave the FPC power to issue permits and licenses for power resource development on public lands, but also gave it jurisdiction over public lands reserved for potential power development; and that is shown in the opinion which I did not read, but which I had intended to read, and which opinion is now in the RECORD. Mr. Margold makes it very clear that the licensing power is quite a different thing than the power to make reservations for public development, in the public interest, by the United States itself, through its Bureau of Reclamation.

I have shown that the FPC and the Bureau of Reclamation retain such jurisdiction over reserved river lands of the Dinosaur Monument, and Mr. Margold's opinion bears out my conclusion. Licensing of projects by the FPC in this area is not proposed and is not an issue in this matter whatsoever.

The conclusion that must be drawn from this documentary study is that the Dinosaur Monument canyon lands, which conservationists have been mistaken in believing were in the exclusive possession of the National Park Service, actually have never been so possessed. The scenic canyons of the Green and Yampa Rivers which uniformed or misled conservationists have been praising in manifold and expensive propaganda brochures and national publications, actually have been reserved and protected all along by the Bureau of Reclamation and the Federal Power Commission and are under the jurisdiction of these agencies today. The National Monument lands, reserved in that extremely limited monument proclamation of 1938, merely surround these canyons, which themselves have been reserved as a public trust for water resource development since the early 1900's.

Furthermore, it is obvious that if the Congress recognizes these older and well-established water resource development rights over the 17-year-old inferior monument rights of the 1938 proclamation, no precedent would be established to endanger the National Park system. This is obvious, because, as I have stated, no other park or monument act or proclamation contains similar exceptions to the double exemption found in the Dinosaur Monument proclamation of 1938 made by former President Roosevelt. These exemptions clearly establish that the rights to water resource development in this desert area have both legal and historical precedence over the greatly restricted monument land reservation.

Former Secretary of the Interior Oscar L. Chapman also reached the conclusion that no precedent was involved, after a thorough study of this matter in 1950. Following a hearing on the proposed construction of the Echo Park and Split Mountain dams as part of the overall development of the upper Colorado River Basin, he made this significant statement in a memorandum dated July 27, 1950:

Weighing all the evidence in thoughtful consideration, I am impelled in the interest of the greatest public good to approve the completion of the dams in question, because:

(a) I am convinced that the plan is the most economical of water in a desert river basin and therefore in the highest public interest; and

(b) The order establishing the extension of the monument in the canyons in which the dams would be placed contemplated use of the monument for a water project, and my action, therefore, will not provide a precedent dangerous to other reserved areas.

Mr. NEUBERGER. Mr. President, will the Senator yield?

Mr. WATKINS. I yield.

Mr. NEUBERGER. Will the distinguished Senator advise me whether that was Secretary Chapman's final position with regard to that project while he was a member of the Cabinet, in charge of the Interior Department?

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Mr. WATKINS. That was his official statement made after hearings before him, held in the Interior Department Auditorium.

Mr. NEUBERGER. The Senator still has not answered my question.

Mr. WATKINS. I do not know of any other official statement he made. I know that afterwards he "wobbled" for a while. He wanted to know if there was any other place where the project might be built. He wanted to keep his mind open. But his decision with respect to the precedent stands as the last official action. I have not seen anything to the contrary in any of the records.

Mr. NEUBERGER. The Senate states that Secretary Oscar Chapman's final official position, until he left the office of Secretary of the Interior, was that he favored the construction of Echo Park Dam in the Dinosaur National Monument land?

Mr. WATKINS. I would say that his statement that—

> The order establishing the extension of the monument in the canyons in which the dams would be placed constituted use of the monument for a water project, and my action, therefore, will not provide a precedent dangerous to other reserved areas.

Was his final official position.

Mr. NEUBERGER. That was his final official position?

Mr. WATKINS. That is my understanding. I have not seen anything to the contrary. Whether or not he favors the project is another matter.

Mr. NEUBERGER. I have not come to the floor armed with a lot of documents or assistants. I am asking, for my information, whether that was his final official position.

Mr. WATKINS. So far as I know, it was. I know I had a good deal of correspondence with him when he began to postpone making a decision about going ahead with the project, for other reasons than its being an invasion of a national monument. He wobbled back and forth on that decision as to whether or not it ought to be done, and we had considerable correspondence. Since he has left the Department I understand he has taken the position the project should not be built. But he recommended once it should be built.

Mr. NEUBERGER. I should like to make one comment, if I may. My impression of Secretary Chapman is that he is quite a resolute person, and not a man given to wobbling. Is it not possible that a Cabinet member, be he the Secretary of the Interior or the Secretary of State, might perhaps obtain information or facts which would lead to another conclusion on some question? My opinion is that Secretary Chapman had a good deal of political courage, and that he was possessed of a good deal of positive information on such a subject as that he was considering.

Mr. WATKINS. I shall be glad to submit to the junior Senator from Oregon the correspondence exchanged between the former Secretary and myself, and newspaper statements which he made. If he did not wobble, I do not know what wobbling is. He was regarded in Utah and in the intermountain States generally as the best example in public life of a person who wobbled.

Mr. NEUBERGER. Is the distinguished Senator saying that when a person changes his mind, that is wobbling?

Mr. WATKINS. When a person makes a decision, then comes to doubt it, then goes back to the first decision, then goes to the second decision, then changes his position several times, it sounds to me like wobbling.

Mr. NEUBERGER. We have had many statements recently from the White House and the State Department on four-power conferences. Does that sound like wobbling?

Mr. WATKINS. I have not read the full facts in that regard. If I had, I could answer the Senator's question as to whether it is wobbling. I have seen enough wobbling to know what it is.

Mr. NEUBERGER. I think the Senator ought to give the same lenient review to decisions of former Secretary Chapman as he does to the present officials of the Government.

Mr. WATKINS. Does the Senator accuse the Secretary of State of wobbling?

Mr. NEUBERGER. No; I am merely saying that if the Senator accuses former Secretary Chapman of wobbling, what about the present officials of the Government?

Mr. WATKINS. I can prove that former Secretary Chapman wobbled.

Mr. NEUBERGER. And I can take the files of the Washington Post and Times Herald to prove that present officials in the Government have wobbled.

Mr. WATKINS. I will take the official files rather than newspaper files.

Similar conclusions have also been reached by the present Secretary of the Interior, Douglas McKay, and by President Eisenhower, both of whom wholeheartedly endorse the Colorado River storage project.

I hope that I have successfully dispelled the false "invasion" charges and myths that have been built up around the Dinosaur Monument area. It is also my sincere hope that honest conservationists and nature lovers will study this documentary proof and conclude with me that the Federal Government's integrity in reserving desert areas for water-resource development must be recognized and respected, especially when they are so recognized in a proclamation affecting a national monument.

If we do not respect such authority and such legally correct precedents for including the Echo Park and Split Mountain Dams in the eminently sound and vitally needed Colorado River storage project, then the structure of laws and precedents built up to protect the national parks and monuments that I and most other Americans love and appreciate may itself be placed in jeopardy.

In conclusion, let me remind my colleagues:

First. That the Echo Park Reservoir is second in efficiency, both in the storing and conserving of water and in the production of electric energy, among the nine proposed storage reservoirs in the Colorado River project.

Second. That Echo Park is strategically located between Denver, Colo., and Salt Lake City, Utah, the largest power-consuming centers of the four-State area.

Third. That Echo Park Reservoir is in the center of a group of lesser reservoirs—Flaming Gorge, Juniper, and Split Mountain—and by reason of its location and size it improves the efficiency of these other reservoirs.

Fourth. That the Echo Park Dam site will make deep storage of water possible, thereby cutting down drastically on evaporation losses. It is estimated that use of the Echo Park Dam site will save at least 120,000 acre-feet of water over any of the so-called alternate sites.

Every one of the "alternate sites" that have been suggested will be needed in the final consummation of the use of all the water to which the upper basin States are entitled under the compact.

Fifth. That 120,000 acre-feet of water is sufficient to supply the needs of a city the size of Denver, with its population of over 400,000 people. The total population of Utah is only approximately 750,000.

Sixth. That the upper Colorado River States urgently need and could use beneficially at least twice the amount of water they are allocated under the Colorado compact—7,500,000 acre-feet a year.

Seventh. That the four upper Colorado River States—Colorado, New Mexico, Utah, and Wyoming—now have within their borders reservations of public lands for parks, monuments, national forests, wilderness areas, and so forth, all for the enjoyment of the people of the United States, to the extent of over 43 million acres. That is an area larger than the combined areas of all the New England States.

In his appearance before the Senate Interior and Insular Affairs Committee, one of the conservationists asked, "Should the people of the United States have some of the area as God made it, for us and for our children to see and to enjoy for recreational purposes, and in order to be able to learn about the wonders of nature?"

Again, I point out, Mr. President, that in the States to which I have been referring more than 43 million acres outside of Dinosaur National Monument have been set aside for that very purpose—for the benefit of all the people of the Nation. I have indicated that that area is larger than the area of all the New England States combined. Certainly that should be sufficient. There is a commandment that God's children should be fruitful and multiply, and replenish the earth and subdue it. That commandment indicates that after all is said and done, God expects us to do something about the earth, when he places us here. Certainly there is no reason why man-made reservoirs, dams, and other developments should not be approved by the people and be just as interesting as the natural conditions which existed on the earth prior to man's work upon its surface. In the West there remain, untouched, wonders of nature in great abundance, as Senators from the West and all others who have visited that area know very well. In the West there are hundreds of miles of canyons

and millions of acres of land where people can get away from all the affairs of life, from telephones and all other complexities of modern civilization for as long a time as they may wish. Those recreational opportunities are there, and they are open to the public.

In my State alone, 72 percent of its area is owned or managed by the United States Government; and the people of Utah have to get along with what is left. We have to rely upon the remainder for purposes of taxation, and so forth, in order to maintain ourselves.

We have reached the limit of our water development. The only water left to us, for development and growth in the State, is the water of the upper Colorado. The Echo Park Dam is a key dam which is necessary for the successful operation of all the other dams we have, in order to make this entire project feasible.

Eighth. That the construction of the upper Colorado River storage project with all its units—at least a 50-year job—will be a great regional and national investment that will provide a great increase in homes, jobs, national tax income, and individual contentment, as well as provide a second line of civil and military defense for the Nation as a whole.

With reference to the last statement—that in regard to civil and military defense—I refer you to a statement made by Val Peterson, Federal Civil Defense Administrator, in his appearance before the Senate Subcommittee on Irrigation and Reclamation of the Committee on Interior and Insular Affairs.

This list, while impressive, does not include all the benefits that will come from a full realization of all the possibilities of the Colorado River storage project, for which I solicit the support of all Members of Congress.

Mr. President, I shall conclude by requesting unanimous consent that the following exhibits be made a part of the RECORD, following my remarks:

EXHIBITS

First. Authority for withdrawals pertaining to Dinosaur National Monument area.

Second. Letter to Senator ARTHUR V. WATKINS from Chairman Jerome K. Kuykendall, of the Federal Power Commission.

Third. Letter of December 13, 1934, from FPC Chairman Frank McNinch to Director Caemmerer, of the National National Park Service.

Fourth. Letter of November 6, 1935, from Interior Secretary Harold L. Ickes to FPC Chairman Frank R. McNinch.

Fifth. Letter of January 9, 1936, from FPC Chairman McNinch to Secretary Ickes.

Sixth. Proclamations of 1915 and 1938 pertaining to Dinosaur National Monument.

Seventh. Memorandum of March 16, 1955, to Senator ARTHUR V. WATKINS from the American Law Division of the Library of Congress.

Mr. President, at this point let me call attention to the fact that I submitted to the American Law Division of the Library of Congress a number of questions regarding the law involved; and I received, in reply, an opinion which supports the views I have expressed.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Utah?

There being no objection, the exhibits were ordered to be printed in the RECORD, as follows:

EXHIBIT No. 1

Authority for public-land reservations (withdrawals) applying to area included within Dinosaur National Monument, which were in effect in 1938 when the monument was extended, and which are in effect today:

WITHDRAWAL

1. Reclamation withdrawal of October 17, 1094. (Ordered by Secretary of the Interior.)
2. Power site reserve No. 5, May 26, 1909 (Secretary of the Interior).
3. Power site reserve No. 42, August 27, 1909 (Secretary of the Interior).
4. Power site reserve No. 121, March 10, 1910 (Secretary of the Interior).
5. Power site reserve No. 721, July 11, 1919 (Secretary of the Interior).
6. Power site reserve No. 732, December 27, 1919 (Secretary of the Interior).
7. Power site classification No. 3, May 17, 1921 (Secretary of the Interior).
8. Power site classification No. 60, February 21, 1924 (Secretary of the Interior).
9. FPC project No. 524, August 4, 1924. (Order issued by Federal Power Commission.)
10. Power site classificaton No. 87, February 14, 1925 (Secretary of the Interior).
11. Power site classification No. 93, April 16, 1925 (Secretary of the Interior).

AUTHORITY

1. Act of June 17, 1902 (32 Stat. 388), section 3.
2. Temporary withdrawal made by the Secretary under the implied powers of his office. It was ratified and made permanent by Executive order of the President July 2, 1910, under authority of act of June 25, 1910 (36 Stat. 8).
3. Same as in 2 above.
4. Same as in 2 above.
5. Act of June 25, 1910 (36 Stat. 847), as amended by act of August 2, 1912 (37 Stat. 497).
6. Same as in 5 above.
7. Act of March 3, 1879 (20 Stat. 394), and act of June 10, 1920 (41 Stat. 1063).
8. Same as in No. 1 above.
9. Act of June 10, 1920 (41 Stat. 1063), section 24.
10. Same as in No. 7 above.
11. Same as in No. 7 above.

EXHIBIT No. 2

FEDERAL POWER COMMISSION,
Washington, D. C.

Hon. ARTHUR V. WATKINS,
United States Senate,
Washington, D. C.

DEAR SENATOR WATKINS: This is in furtherance to the telephone conversation of February 11 between Mr. McGuire of your office and Mr. Divine of the Commission's staff concerning the status of the lands withdrawn for power site purposes in and about the Dinosaur National Monument, Colorado and Utah.

In reply to Mr. McGuire's inquiry as to the power value of the Green and Yampa Rivers as was discussed in Chairman McNinch's letters to Director Caemmerer and Secretary Ickes dated December 13, 1934, and January 9, 1936, respectively, the situation as summed up on those communications remains substantially the same as of this date. However, whereas those letters may be interpreted to indicate that a withdrawal of lands had been effected pursuant to the filing by the Utah Power & Light Co. of an application for project No. 279, an examination of available records at this time fails to show that such a withdrawal was made.

Mr. McGuire also requested that you be advised as to: What was the status of the power withdrawals on July 14, 1938, and what is their status at this time?

In answer to that inquiry, the following power site withdrawals were in effect July 14, 1938, as to lands now within the monument boundaries and no appreciable change has been made in them since that date:

Withdrawals: Power site reserve No. 5, May 26, 1909; power site reserve No. 42, August 27, 1909; power site reserve No. 121, March 10, 1910; power site reserve No. 721, July 11, 1919; power site reserve No. 732, December 27, 1919; power site classification No. 3, May 17, 1921; power site classification No. 60, February 21, 1924; power site classification No. 87, February 14, 1925; power site classification No. 93, April 16, 1925; Federal Power Commission project No. 524, August 4, 1924.

In response to the request for a sketch showing the extent of the power site lands within the monument area, I am attaching a copy of the topographic map of the Dinosaur National Monument upon which there has been superimposed the limits of the lands covered by each of the above-cited power withdrawals.

Sincerely yours,
JEROME K. KUYKENDALL,
Chairman.

EXHIBIT No. 3

UNITED STATES
DEPARTMENT OF THE INTERIOR,
NATIONAL PARK SERVICE,
Washington, D. C., August 9, 1934.

FEDERAL POWER COMMISSION,
Washington, D. C.

GENTLEMEN: We are studying the possibility of setting aside certain lands in northwestern Colorado as a national monument. The area considered is within the watershed shown on the map marked "Exhibit H9a," which accompanied an application of January 30, 1932, of the Utah Power & Light Co. for a preliminary permit, and which is on file in the Denver office of the Reclamation Bureau. The proposed monument would be affected by the Echo Park Dam site and the Blue Canyon Dam site, as indicated on the enclosed map of the proposed monument.

Such an area would be established by Presidential proclamation which would exempt all existing rights, and a power withdrawal is, of course, an existing right.

However, we feel that we should call this to your attention. If it is possible to release the power withdrawals that you now have in the area, our monument will be placed in a much better position from the standpoint of administration.

If you have any data or reports on this area we would appreciate very much receiving copies.

Very truly yours,
A. E. DEMARAY,
Acting Director.

FEDERAL POWER COMMISSION,
December 13, 1934.

UTAH POWER & LIGHT CO.

DEAR DIRECTOR CAEMMERER: Reference is made to Acting Director Demaray's letter of August 9, 1934, in which the Commission was advised that you were studying the possibility of establishing a national monument along the Green and Yampa Rivers, in northwestern Colorado, which would embrace lands withdrawn for the proposed Echo Park and Blue Mountain power developments included in the application for preliminary permit of the Utah Power & Light Co., designated as project No. 279.

Assurance was given in the letter that the Presidential proclamation establishing such a monument would exempt all existing rights, including power withdrawals, but a state-

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ment was added that if it were possible to release the power withdrawals the "monument would be placed in a much better position from the standpoint of administration." This implied request for a vacation of the power withdrawal has called for careful consideration because of the magnitude of the power resources involved and the fact that the permit application is still in suspended status pending conclusion of the comprehensive investigation of irrigation and power possibilities on the upper Colorado River and its tributaries by the Bureau of Reclamation, and a more definite determination of water allocations between the States of the upper basin. The power resources in this area are also covered by Power Site Reserves Nos. 121 and 721 and Power Site Classifications Nos. 87 and 93 of the Interior Department.

In the application of the Utah Power & Light Co., the primary power capacity of the Echo Park site is estimated at 130,000 horsepower. This is based on the development of a head of 310 feet at the dam and a regulated flow of 5,000 c. f. s. obtained by storage in the proposed Flaming Gorge Reservoir on Green River and Juniper Mountain Reservoir on Yampa River. At Blue Mountain the primary capacity is estimated at 19,000 horsepower based on the development of 210 feet of head and a regulated flow of 1,100 c. f. s.

Ralf R. Woolley in his report on Green River and Its Utilization (Water Supply Paper No. 618, U. S. Geological Survey), proposes the development of 114,800 horsepower, primary capacity, at the Echo Park site, based on an average head of 290 feet and a streamflow of 4,950 c. f. s. At Johnson's Draw, which is his designation for the Blue Mountain site, Mr. Woolley proposes a primary capacity of 43,200 horsepower based on a regulated flow of 1,800 c. f. s. and a head of 300 feet. Either of these estimates would justify installations of something like 300,000 horsepower at Echo Park and at least 50,000 horsepower at Blue Mountain.

It is generally recognized that the Green and Yampa Rivers present one of the most attractive fields remaining open for comprehensive and economical power development on a large scale. Power possibilities on Green River between the proposed Flaming Gorge Reservoir and Green River, Utah, and on the Yampa River below the proposed Juniper Mountain Reservoir are estimated at more than 700,000 primary horsepower, which would normally correspond to 1,500,000 to 2,000,000 horsepower installed capacity. Excellent dam sites are available, and as the greater part of the lands remain in the public domain, a very small outlay would be required for flowage rights. The sites we are considering are important links in any general plan of development of these streams.

Regardless of the disposition which may be made of the Utah Power & Light Co.'s application, and giving due consideration to the prospect that some time may elapse before this power is needed, the Commission believes that the public interest in this major power resource is too great to permit its impairment by voluntary relinquishment of two units in the center of the scheme. The Commission will not object, however, to the creation of the monument if the proclamation contains a specific provision that power development under the provisions of the Federal Water Power Act will be permitted.

I enclose a copy of the portion of the application of the Utah Power & Light Co. which describes the proposed development, and blueprints of exhibits H (a), H (b), and H (c) showing the location of the various units of the plan, river profiles, and cross sections of the dam sites. The Commission has no special reports on the area under consideration, but if you are not already familiar with them, it is suggested that you obtain the following publications of the Geological Survey:

Water Supply Paper No. 618 (previously referred to).

Plan and profile of Yampa River, Colo., from Green River to Morgan Gulch (5 sheets showing river profile and topography and 1 sheet of special dam site surveys).

Plan and profile of Green River, Green River, Utah, to Green River, Wyo. (16 sheets, 10 plans, and 6 profiles).

Yours very cordially,

FRANK R. MCNINCH,
Chairman.

EXHIBIT No. 4

THE SECRETARY OF THE INTERIOR
Washington, November 6, 1935.

Hon. FRANK R. MCNINCH,
Chairman, Federal Power Commission,
Washington, D. C.

MY DEAR MR. MCNINCH: For some time the National Park Service of this Department has been studying the possibility of setting aside, as a national monument, certain lands in northwestern Colorado and northeastern Utah along the Yampa and Green Rivers. Enclosed is a map of the area.

The Utah Power & Light Co. filed an application in January 1932 for a preliminary permit for a power site reservation in the Yampa and Green River section. This application was on file in the Denver office of the Reclamation Bureau. Recently, however, the Utah Power & Light Co. voluntarily withdrew their application. This suggests that the power resources of the section may not be as important as originally believed.

I shall appreciate receiving your opinion as to the possibility of releasing the power withdrawals that exist in the area. By such action the proposed monument would be placed in a much better position from the standpoint of administration.

Sincerely yours,

HAROLD L. ICKES,
Secretary of the Interior.

EXHIBIT No. 5

FEDERAL POWER COMMISSION,
January 9, 1936.

Utah Power & Light Co.

Hon. HAROLD L. ICKES,
Secretary of the Interior,
Washington, D. C.

MY DEAR MR. SECRETARY: Reference is made to your letter of November 6, 1935, in which you inquire as to the possibility of releasing the power withdrawals existing in the area along Yampa and Green Rivers, in Colorado and Utah, in which the National Park Service desires to establish a national monument.

The Utah Power & Light Co. did, as you state, withdraw its application for preliminary permit covering the power sites in this area in March 1935 but this withdrawal was not based on any reduced appraisal of the power resources. The action was taken because the Commission was unwilling to carry the application any longer in suspended status, and the growth of the company's power market did not justify the construction of any of the plants within the comparatively brief period which could have been allowed under the Power Act after the issuance of a permit. Nothing has occurred to change the status of the Power Commission withdrawal, or power-site reserves Nos. 121 and 721 and power-site classifications Nos. 87 and 93, which are also involved.

In reply to a similar request made by the National Park Service, a letter was sent to the Director on December 13, 1934, in which the power value of Green and Yampa Rivers was discussed in some detail and the position of the Commission was summed up as follows:

"Regardless of the disposition which may be made of the Utah Power & Light Co.'s application, and giving due consideration to the prospect that some time may elapse before this power is needed, the Commission believes that the public interest in this major power resource is too great to permit its impairment by voluntary relinquishment of two units in the center of the scheme. The Commission will not object, however, to the creation of the monument if the proclamation contains a specific provision that power development under the provisions of the Federal Water Power Act will be permitted."

Since receipt of your letter this whole subject has been given further study but no information has been developed to change the views of the Commission as expressed in the above quotation. For your further understanding of the Commission's position I enclose copies of my letter of December 13, 1934.

Yours very cordially,

FRANK R. MCNINCH,
Chairman.

EXHIBIT No. 6

2. ESTABLISHMENT OF DINOSAUR NATIONAL MONUMENT

Dinosaur National Monument was established by Presidential proclamation, pursuant to the 1906 act, in 1915, and as originally established covered an area of 80 acres:

"PROCLAMATION OF OCTOBER 4, 1915 (39 STAT. 1752)

"By the President of the United States of America, a proclamation:

"Whereas in section twenty-six, township four south, range twenty-three east of the Salt Lake meridian, Utah, there is located an extraordinary deposit of dinosaurian and other gigantic reptilian remains of the Juratrias period, which are of great scientific interest and value, and it appears that the public interest would be promoted by reserving these deposits as a national monument, together with as much land as may be needed for the protection thereof.

"Now, therefore, I, Woodrow Wilson, President of the United States of America, by virtue of the power in me vested by section 2 of the act of Congress entitled, 'An act for the preservation of American antiquities,' approved June 8, 1906, do hereby set aside as the Dinosaur National Monument the unsurveyed northwest quarter of the southeast quarter and the northeast quarter of the southwest quarter of section twenty-six, township four south, range twenty-three east, Salt Lake meridian, Utah, as shown upon the diagram hereto attached and made a part of this proclamation.

"While it appears that the lands embraced within this proposed reserve have heretofore been withdrawn as coal and phosphate lands, the creation of this monument will prevent the use of the lands for the purposes for which said withdrawals were made. Warning is hereby expressly given to all unauthorized persons not to appropriate, excavate, injure, or destroy any of the fossil remains contained within the deposits hereby reserved and declared to be a national monument or to locate or settle upon any of the lands reserved and made a part of this monument by this proclamation.

"In witness whereof I have hereunto set my hand and caused the seal of the United States to be affixed.

"Done at the city of Washington, this fourth day of October, in the year of our Lord one thousand nine hundred and fifteen and the Independence of the United States the one hundred and fortieth.

"WOODROW WILSON.

"By the President:

"ROBERT LANSING,
"Secretary of State."

"PROCLAMATION OF JULY 14, 1938 (53 STAT. 2454), ENLARGING THE DINOSUAR NATIONAL MONUMENT, COLORADO AND UTAH

"By the President of the United States of America, a proclamation:

"Whereas certain public lands contiguous to the Dinosaur National Monument, established by proclamation of October 4, 1915, have situated thereon various objects of historic and scientific interest; and

"Whereas it appears that it would be in the public interest to reserve such lands as an addition to the said Dinosaur National Monument:

"Now, therefore, I, Franklin D. Roosevelt, President of the United States of America, under and by virtue of the authority vested in me by section 2 of the act of June 8, 1906 (ch. 3060, 34 Stat. 225 U. S. C., title 16, sec. 431), do proclaim that, subject to all valid existing rights, the following-described lands in Colorado and Utah are hereby reserved from all forms of appropriation under the public-land laws and added to and made a part of the Dinosaur National Monument:

* * * * *

"aggregating 203,885 acres.

"Warning is hereby expressly given to any unauthorized persons not to appropriate, injure, destroy, or remove any feature of this monument and not to locate or settle upon any of the lands thereof.

"The reservation made by this proclamation supersedes as to any of the above-described lands affected thereby, the temporary withdrawal for classification and for other purposes made by Executive Order No. 5684 of August 12, 1931, and the Executive order of April 17, 1926, and the Executive order of September 8, 1933, creating Water Reserves No. 107 and No. 152.

"The Director of the National Park Service, under the direction of the Secretary of the Interior, shall have the supervision, management, and control of this monument as provided in the act of Congress entitled 'An act to establish a National Park Service, and for other purposes,' approved August 25, 1916, 39 Stat. 535 (U. S. C., title 16, secs. 1 and 2), and acts supplementary thereto or amendatory thereof, except that this reservation shall not affect the operation of the Federal Water Power Act of June 10, 1920 (41 Stat. 1063), as amended, and the administration of the monument shall be subject to the reclamation withdrawal of October 17, 1904, for the Brown's Park Reservoir site in connection with the Green River project.

"In witness whereof, I have hereunto set my hand and caused the seal of the United States to be affixed.

"Done at the city of Washington this 14th day of July, in the year of our Lord nineteen hundred and thirty-eight, and of the Independence of the United States of America the one hundred and sixty-third.

"FRANKLIN D. ROOSEVELT.

"By the President:

"CORDELL HULL,
"The Secretary of State."

EXHIBIT No. 7

THE LIBRARY OF CONGRESS,
Washington, D. C., March 16, 1955.

To: Senator ARTHUR V. WATKINS,
Attention: Mr. Jex.
From: American Law Division.
Subject: Dinosaur National Monument.

We regret that because of previously assigned work and the necessity to meet other deadlines, we have been unable to devote the time requisite to a complete answer to your questions. In response to the urging of Mr. JEX, we have stated below for your consideration the tentative results of our study. Preliminarily we quote and answer your questions as follows:

1. Are the conclusions of Committee Counsel George W. Abbott (Colorado River storage project hearings * * *. Committee on Interior and Insular Affairs. House * * * 83d Cong. * * * on H. R. 449, H. R. 4443, and H. R. 4463 * * * p. 719) acceptable? They are.

2. Did the 1938 enlargement of Dinosaur National Monument leave the power sites subject to the Federal Power Commission's withdrawal authority? We think it did.

3. Under the Federal Power Act, are management and control of the power sites reserved in the Commission? We think they are, especially in view of the Roanoke Rapids decision, *Chapman* v. *F. P. C.* (1953) 345 U. S. 153. The turning point in that case was that Congress had not withdrawn the jurisdiction of the Federal Power Commission to issue a license (pp. 156–172). The basis for the other answers will appear in the following presentation.

The act of March 3, 1921 (41 Stat. 1353–1354) provided: "That hereafter no permit, license, lease, or authorization for dams, conduits, reservoirs, powerhouses, transmission lines, or other works for storage or carriage of water, or for the development, transmission, or utilization of power, within the limits as now constituted of any national park or national monument shall be granted or made without specific authority of Congress, and so much of the act of Congress approved June 10, 1920, entitled "An act to create a Federal Power Commission; to provide for the improvement of navigation; the development of water power; the use of public lands in relation thereto; and to repeal section 18 of the River and Harbor Appropriation Act, approved August 8, 1917, and for other purposes," approved June 10, 1920, as authorizes licensing such uses of existing national parks and national monuments by the Federal Power Commission is hereby repealed."

The import of the words of this act, insofar as Dinosaur National Monument is concerned, is that it was to apply to existing national (parks and) monuments within their limits as then constituted. Dinosaur National Monument, as it then existed under the proclamation of October 4, 1915, consisted of, and was limited to, 80 acres. That is the area taken from the possible jurisdiction of the Federal Power Commission. This interpretation coincides with the codified versions later appearing in the United States Code.

The 1934 edition of the Code of * * * the United States * * * as published by the Government Printing Office carries a codification of the statute in the following language (U. S. C. 16:797):

"*Provided further*, That after March 3, 1921, no permit, license, lease, or authorization for dams, conduits, reservoirs, powerhouses, transmission lines, or other works for storage or carriage of water, or for the development, tranmission, or utilization of power, within the limits as constituted, March 3, 1921, of any national park or national monument shall be granted or made without specific authority of Congress."

This same wording appears in the 1925 Code of * * * the United States * * * (44 Stat. part 1) and in the note U. S. C. A. 16: 797. While the act of March 3, 1921, has some bearing as an indication of congressional policy at that time, we perceive of no present applicability to the monument in dispute. Its present status appears to be that of a dangling provision of law specifically saved from repeal by the proviso of section 212 of the amended Federal Power Act of August 26, 1935 (49 Stat. 847). See hearings * * * page 729. This points up and narrows we believe the conclusion on page 730 by Mr. Abbott. It indicates that the act was limited to parks and monuments "as constituted" on March 3, 1921.

We do not know the relative standing of the present Dinosaur National Monument area among the great scenic regions of the earth and we do not intend to assume a position bearing on the merits of conservation or reservation in this instance. We do know that the area is still Dinosaur National Monument. It is neither Echo Park National Park nor is it even Echo Park National Monument.

The standard established by Congress for the establishment of a national monument is "the smallest area compatible with the proper care and management of the objects to be protected." This was 80 acres under the proclamation of October 4, 1915, and it apparently sufficed for nearly 23 years for the protection of "an extraordinary deposit of Dinosaurian and other gigantic reptilian remains of the Juratrias period." As an existing national monument on March 3, 1921, its area was withdrawn from the jurisdiction of the Federal Power Commission with the 80-acre limits as then constituted. When the reservationists sought enlargement of the monument, there was unyielding opposition by the Federal Power Commission to the inclusion of certain damsites, and an agreement was reached or at least an arrangement made, which obviously was intended to reserve the sites or at least the authority of the Federal Power Commission with respect to power sites. The new boundaries of the monument were otherwise described by sections, surveyed, and unsurveyed.

It is to be presumed that the President did not intend a nugatory act when he included in the proclamation of July 14, 1938 (53 Stat. 2454), the exception "that this reservation shall not affect the operation of the Federal Water Power Act of June 10, 1920 (41 Stat. 1063), as amended, and the administration of the monument shall be subject to the reclamation withdrawal of October 17, 1904, for Brown's Park Reservoir site in connection with the Green River project." As a matter of hindsight, perhaps it would have been preferable to designate specifically the power-site reserves. However, it is our understanding, after perusing the hearings and materials submitted, that there were a number of favorable sites and variant possibilities for locations, and therefore the exception was made in general language by reference to the Federal Power Act.

We have presumed that the President did not intend a nugatory act. Courts frequently have indulged in such a presumption with respect to legislative and other acts. A court is not always confined to the statutory written word. Construction is sometimes to be exercised as well as interpretation. *U. S.* v. *Fareholt* ((1907) 206 U. S. 226, 229). In dealing with Congress, judges are not to be curious in nomenclature if Congress has made its will plain, nor allow substantive rights to be impaired under the name of procedure. *Atlantic Coast Line R. Co.* v. *Burnette* ((1915) 239 U. S. 199, 201). Every legislative enactment is to be given effect if possible (ut res magis valeat quam pereat), "that the thing may rather have effect than be destroyed." *Unity* v. *Burrage* ((1880) 103 U. S. 447, 457). Even where the construction of a deed is doubtful, courts will always prefer that which will confirm to that which will destroy any bona fide transaction. *Griffith* v. *Bogert* ((1855) 18 How. 158, 163). It would be harsh, indeed, and not consonant with accepted practice, to hold that an administrative act, having standing similar to a legislative act, was not entitled to the same considerations in its interpretation or construction as a legislative or even private act.

We indicated earlier that under section 2 of the act of June 8, 1906 (34 Stat. 225; U. S. C. 16: 431) the President is authorized, in his discretion, to reserve as national monuments "parcels of lands, the limits of which in all cases shall be confined to the smallest area compatible with the proper care and management of the objects to be protected." It is our understanding that the President also is authorized to reduce the area of a national monument. Op. Sol. July 21, 1947, M–34978 (60 I. D. 9–10.) If this is so, can he

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not establish or enlarge a monument subject to limitations or reservations? We think he can.

We do not know the extent, number, or the exact status of the power site reserves within the extended boundaries of Dinosaur National Monument. We assume that they come within the purview of section 24 of the Federal Power Act (U. S. C. 16: 818) and remain reserved under the jurisdiction of the Federal Power Commission until otherwise disposed of by the Commission or by Congress. Indeed, it has been held by the Interior Department that the language of the Federal Power Act is clear and decisive. "Under the first sentence of section 24, the mere filing of an application for water-power privileges operates automatically to withdraw water-power sites from entry, location, or disposal under other laws 'until otherwise directed by the Commission or by Congress.' It is clear beyond question that the jurisdiction of this department over any lands of the United States included in any proposed project under the provisions of said act automatically terminates upon the filing of an application therefor with the Federal Power Commission, and this department has no further control of the lands until and unless jurisdiction is restored by the Commission or by Congress." Nevada Irrigation District (on rehearing) (June 4, 1908) 52 L. D. 377, 378.

In view of the nonapplicability of the act of March 3, 1921, and the reservations existing at the time of the amendment of the Federal Power Act of August 26, 1935 (see the letters of the Chairman, Federal Power Commission dated Dec. 13, 1934, and Jan. 9, 1936, * * * Hearings * * *, pp. 728 and 731) we do not see how these sites could have been included in Dinosaur National Monument on July 14, 1938, except either by a release by the Commission or by an act of Congress. We have found neither.

It is true that the definition of "reservation," as enacted in section 201 of the Federal Power Act of August 26, 1935 (49 Stat. 838; U. S. C. 16: 796 (2)) excluded national monuments and reservations. The provision was explained as follows:

"The definition of the former term ('reservations') has been amended to exclude national parks and monuments. Under an amendment to the act passed in 1921, the Commission has no authority to issue licenses in national parks or national monuments. The purpose of this change in the definition of 'reservations' is to remove from the act all suggestion of authority for granting of such licenses." (H. Rept. 1318, 74th Cong., p. 22.)

However, we have already shown that the power sites were not, indeed could not be, included in the Dinosaur National Monument, and there is nothing in this definition which changes that status.

Mr. WATKINS. In addition, Mr. President, let me say that if it were possible to do so, I would have today's RECORD include maps "A" and "B," which I have exhibited today to the Members of the Senate. These maps show areas on the Green and Yampa Rivers reserved for power development prior to the 1938 extension of the Dinosaur National Monument, and in effect today.

Mr. President, during the colloquy I had with the Senator from Arizona, I referred to a statement by Mr. J. LeRoy Kay, curator of Vertebrate Paleontology, of the Carnegie Museum, at Pittsburgh, Pa. His statement is very illuminating. In 1954, he submitted it to the Senate committee which was holding hearings on the bill then before the Congress. That committee had the benefit of Dr. Kay's very wonderful testimony; and I wish to point out that it was printed in the RECORD on March 23, 1955, beginning on page 3524.

Mr. President, I yield the floor.

During the delivery of Mr. WATKINS' speech,

Mr. GOLDWATER. Mr. President, will the Senator from Utah yield?

Mr. WATKINS. I yield.

Mr. GOLDWATER. Mr. President, I am sorry that I missed most of the speech of the Senator from Utah. I wanted to ask him a question. I wonder if the Senator recalls Black Canyon and Boulder Canyon, two very picturesque canyons, which were very difficult of access before the construction of the Hoover Dam?

Mr. WATKINS. I recall them very well.

Mr. GOLDWATER. The reason why I asked the question is that the situation now being discussed is closely akin to that which existed prior to the construction of Hoover Dam. Black Canyon and Boulder Canyon are two of the most beautiful and awe-inspiring canyons in the Nation. I would say that fewer than 25 persons a year visited there prior to the construction of Hoover Dam. The area has been visited by an increasing number of persons each year.

Mr. WATKINS. I think the number runs into the millions.

Mr. GOLDWATER. In fact, I may inform the Senator and the Senate that approximately 2½ million persons were able to visit this heretofore inaccessible area. I am sure the Senator realizes that the Yampa River, the Green River, and Echo Park are almost impossible to reach by boat or by automobile. The reason for the construction of the dam in this recommended situation is so that millions of American people will be able to visit this beautiful section of the country each year.

Mr. WATKINS. I realize that. There was a witness before the committee when we were holding hearings on S. 500 by the name of Dr. Kay, of the Carnegie Museum in Pittsburgh. He had worked for many years in the Dinosaur area. He had visited the Echo Park site and had been up and down the canyon. It was his opinion that it would be better by far for the benefit of the park and the monument itself to build the dams than not to build them, because he said it would give an opportunity to all the people of the United States to see this wonderful scenery. The only way people can now visit it is to take a boat and go down with a limited company. There has not been an average of 120 persons a year visiting the canyon areas in the past 20 years.

Mr. GOLDWATER. If we gave history the benefit of the doubt we might expand the number to 500, but that would cover only the years since the war. As the Senator from Utah knows, I have on several occasions visited the area both by boat and afoot. I have very deep interest in the subject.

I wonder if the Senator from Utah would permit me to refresh his memory by going back to the hearings on the Colorado River storage project. The testimony to which I refer is found on page 298 of the published hearings.

Mr. WATKINS. Of the Senate committee?

Mr. GOLDWATER. Yes. They are out today. I doubt if the Senator has seen a copy.

I also wish to invite the Senator's attention to a statement made by Mr. John Grounds, and I wonder if the Senator would permit me to read the letter which I received from Mr. Grounds this morning.

Mr. WATKINS. I shall be glad to do so.

Mr. GOLDWATER. Mr. Grounds is a very prominent cattleman in Arizona. He was born in Utah within the area about which we are speaking, and he has lifelong intimacy with the problems we are discussing today. He wrote me as follows:

Nearly 100 miles from the Denver & Rio Grande Western Railway, terminating at Craig, Colo., in a westerly direction and almost an equal distance from the Union Pacific Railway at Rock Springs, Wyo., to the south, lays a country known to a very few people but discussed by many.

When we mention Echo Park Dam and Dinosaur National Monument we know right where we are, on paper.

The dusty, rocky, rough roads are out of the question for the public and once you do finally get to the canyon area in the Dinosaur Monument, where 1 of the 2 or 3 rocky roads end, you are there and no further, unless you have boats and expensive equipment to run rapids and make portages around white water. Even trails end in these canyons. It is possible to travel on foot along these river canyons in the winter when the rivers are frozen but going is extremely hazardous and the rapids never freeze.

There are many fine views of the canyons from the top of the walls but it may take days to get to one of them.

About 200,000 acres of this rugged country, unchanged by man, is in the Dinosaur National Monument but what good is it if the public doesn't get to see it? We can read literature that states that as many as 12,000 people saw the Dinosaur Monument last year. By all means, let us get this statement clear. Twelve thousand people probably did register or visit the Dinosaur excavations at the headquarters of the monument but that is many miles below the Echo Park Dam site and out of the canyon country. Only a few dozen people a year see the great Lodore and Yampa Canyons.

Can it be true that the thousands of people writing to their Senators and Congressmen to block the Echo Park Dam really wish to see the great water and power potentials continue to go unused when millions of people could benefit by this dam? These very people will probably never know or see the wonders and sights of the Dinosaur Monument if the dam isn't built. Then, what is the point gained by all the letters pressuring our Congressmen to abandon this project? Are we to waste all this power and water and the prosperity that goes with it? Is this what conservationists mean when they say "conserve"? Surely these groups of people do not understand this particular situation and the cards, letters, and pamphlets mailed out to the public should be considered from this point. I have in my possession literature on and from the following groups: American Planning and Civic Association, Izaak Walton League, National Parks Association, Wilderness Society, the National Wild Life Federation, the Forest Conservation Society, the Sierra Club, Colorado River Association (306 West Third Street, Los Angeles, Calif.).

All of these organizations constantly working on the unorganized public are sure to

arouse much undue resentment from well-meaning citizens.

The group at the foot of the mentioned list—

And Mr. Grounds there is referring to the Colorado River Association—

must not be classified with those who are misinformed or uninformed, but linked with those who have done everything in their power to stall and disrupt progress of their neighboring States who attempt to bring about a diversion of the waters of the Colorado River.

To sum up the water controversy between the State of California and other States participating in the Colorado River Compact, most people figure this way. How much water is contributed by the State of California to the Colorado River? Next, how much water does California call her "rightful share"? Most people develop an intense hatred against the State of California for their actions and tactics on this controversy.

Surely, it is not the entire great coastal State of California that is upholding this one-sided measure, but, rather, a small southern portion of the State armed with a battery of opportunities for attorneys.

Are we going to allow six Western States to be deprived of their rights for the sake of a small part of 1 State that is attempting to gain a water right by stalling for time so that they may develop a usage they can call a right?

In the event of enemy nations resorting to atomic warfare should be ample reason to distribute our progress and improvements more evenly among other States and areas so as not to make any one spot a too likely a target and also to develop other more remote lands to an extent that refugees could be cared for. Population as well as factories must be dispersed.

Any further stalling of the Colorado River development plan can no longer be looked on by the people of the Western States as a trial or a case being fairly argued. If the points involved cannot be settled now, we all are going to want to know the reasons.

JOHN GROUNDS.

VALENTINE, ARIZ.

EXTENSION OF TRADE AGREEMENTS ACT

Mr. JOHNSTON of South Carolina. Mr. President, I send to the desk three amendments which I intend to propose when House bill 1 comes before the Senate. I now ask that the amendments be printed, so as to be available when that bill is taken up, after it is reported from the Finance Committee.

The PRESIDING OFFICER. The amendments will be received, printed, and referred to the Committee on Finance.

Mr. JOHNSTON of South Carolina. Mr. President, the Senate Finance Committee now has under consideration H. R. 1, which passed the House of Representatives on February 18, 1955. This bill has for its purpose the extension of authority to the President of the United States to enter into certain trade agreements, and for other purposes. The bill contains certain provisions to which I have fundamental objections. A few minutes ago I sent to the desk certain amendments which I intend to propose to House bill 1. The purpose of the amendments is to overcome these basic objections and to cure the obvious defects of that bill.

The proponents of H. R. 1 are contending that its provisions in effect call for a 3-year extension of the President's authority to enter into trade agreements with the power to reduce or increase existing tariff rates to the extent of 5 percent annually for the next 3 years. If this in fact is true, and if one could be assured in its administration of such a fact, there might be no necessity for the amendments I have sent forward. My experience here, however, has taught me that in the final analysis of things and in the administration of many acts of Congress, not always are the stated purposes realized. Oftentimes, administrative rules and regulations which thwart the will of Congress are issued. Oftentimes the courts construe our acts to mean what we ourselves never intended them to mean.

Mr. President, the real purpose of the amendments I have sent forward today is to protect the cotton textile industry, particularly, against the contingencies of bad administration which can very well and may very well happen with disastrous results, not only to labor but to management itself. I do not propose at this time to address myself at length to the real reasons for the provisions of these amendments, as I am hopeful that the Finance Committee may report a measure which will meet with my approval. The Senate and the country, however, must be alerted against the possible dangers lurking in the loose language and certain loopholes which I see in H. R. 1. No opportunity ought to be presented now for the doing in the future of an irreparable injury to the cotton textile industry, one of the basic industries in South Carolina, nor to the hundreds of thousands of employees whose daily livelihood would be affected by it. My own specialized knowledge of and close association since childhood with the cotton and textile industry afford me a better background to speak out now than has been the case with many other Senators.

Mr. President, my mail has been heavier on the present pending measure, H. R. 1, than on any other subject since I have been a Member of the Senate. The thousands of appeals which have reached me from employees and laborers who fear their jobs will be placed in jeopardy by such legislation have made a profound impression upon me. The industry, whose investments may be at stake, let it be noted, is likewise alerted to the dangers that confront it. My sympathy is with management and the workers alike in the predicament which they face in the cotton textile industry, because of the loose, elastic language and the uncertainties lurking in H. R. 1.

The amendments which I am submitting today would make more certain the character of administration which we should anticipate, and would render less hazardous the means of livelihood of those engaged in it. I am dedicated to the purpose of securing continuing benefits for those whose daily bread depends upon steady employment at fair wages, the laborers in the cotton fields and in the cotton mills. If the mills suffer for lack of an adequate market, then labor, too, will suffer.

Let me digress for a moment to point out that much criticism has been directed to the position I have consistently taken on the floor of the Senate in opposing our foreign aid programs, which I have called our giveaway folly. There are those who are now beginning to realize that the fundamental objections which I have urged through all these years may now affect them. I have never felt that we possessed the strength to spread safely our economic aid all around the world and at the same time maintain our own economic strength and standards of living at home. It is as simple as that to me. Our economic strength has never justified the wanton and reckless wasting of our substance in all the areas of the world. Regardless of the percentage of our own economic strength, all must eventually realize that 6 percent of the world's population cannot compete with the remaining 94 percent. However splendid and beautiful and seemingly righteous the hope that we can perfect the working conditions of mankind everywhere, we ought to recognize, if we are at all realistic, that we cannot attain this desirable condition by our efforts alone. When we weaken ourselves economically, we weaken ourselves militarily and destroy the high standards of living we have set at home.

The theorists, the economists, and many who are capable of talking out of both corners of their mouths have yet to satisfy me that we can by weakening our own economic condition save the whole wide world. I will go along with these programs just so far and no farther. I do not want to see the United States—and, so far as I can prevent it, the great industries of the South—leveled off or sunk for the benefit of others to whom I have no personal obligation or duty to protect.

Look at the condition of the textile industry for a moment. I refer to the fact that the percentage of sales and profits on sales after taxes have already declined in the textile industry. They were about 3.8 percent in the aggregate for the periods of 1950, 1951, and 1952. In 1953 the percentage dropped to about 2.1. For the first three quarters of 1954, the percent of profits has dropped to the dangerously low level of .09. Some may call this narrowness on my part, but with me charity begins at home. Commonsense, prudence, and realism should be our constant guides. The one-worlders' program has never excited my religious devotion because in most respects such idealism is impracticable.

Let me be specific for a moment. There are certain negotiations now in progress at Geneva the outcome of which can and will vitally affect the cotton textile industry in South Carolina and the great mass of my former fellow-workers in the cotton mills. These pending negotiations are before the International Organization known as GATT, which means "General Agreement on Tariffs and Trade." This organization is one of those created by an Executive agreement. Its provisions have never been submitted to the Senate for confirmation. They never will be. To submit the destiny and welfare of the laboring people or their bosses to the tender mercies of the representatives of about 36 other nations and

the diverse interests thus resulting is asking more than I, personally, am willing to give. In addition, it is the sole constitutional function of Congress to regulate commerce. To permit a foreign group, by whatever name called, to have control over the American commerce is an abdication of our Constitutional responsibility in the Senate. Congress must not kill the goose that lays the golden eggs, however large or small the eggs may be.

Until the negotiations at Geneva are concluded and their terms fixed and made known to us, it is unwise and unfair to the workers and businessmen of America to submit their welfare and the future determination of their relative rights to any foreign group in which we have only one voice. We must fix and maintain their rights here and now. To me it is self-evident and obvious that the date of July 1, 1955, as a pivotal starting point for the reduction or increase of tariff rates is hazardous. It is my solemn conviction that January 1, 1955, a date on which we know what conditions were, should be substituted for July 1, 1955, in the provisions in H. R. 1.

One of my amendments has to do with the elimination and clarification of some very loose language now employed in H. R. 1. Ever since I became a Member of the Senate it has been my conviction and contention that we should not delegate our legislative functions. I have always sought to maintain the position that the lines of separating the authority of the legislative branch, the judicial branch, and the executive branch of our Government should be more clearly marked. I do not believe that the legislative branch is capable of administering a law; by the same token, I do not believe that the executive branch should be delegated a legislative function. That has been the basis of my objection and will continue to be the basis of my objections to all judicial legislation. I shall continue to insist as long as I am here that the policy of our Government must be determined by the Congress, and not by the judicial branch or the executive branch. We cannot follow the administration of every act of Congress after we pass bills; the day-by-day task is too much for us. We can, however, by a correct choice of words and by a prudent selection of language, make more reasonably certain that our intent in passing legislation is not thwarted in its administration. The language in paragraph ii, subsection d, of section 3 is quite loose and leaves too much for future determination or arbitrary interpretation. I find in it the words "normal" and "negligible." "Normal" and "negligible" are relative terms, leaving too much discretion to the future, too much to be interpreted at the behest of those who administer them—so far as this particular piece of legislation is concerned, and can very easily in reality become a travesty on both labor and management in South Carolina. I have believed and urged consistently for a fair margin of profit for industry and for labor's share in that profit. To assure continued and better working conditions, fair wages, a higher standard of living, labor's just rewards, and a fair margin for industry, I think these elastic and undefined terms "normal" and "negligible" should be stricken from the pending bill. Conditions may develop in the future, and too many varying minds and other dependent happenings may be brought into play to satisfy my doubts; hence, the statute should be pinpointed now to eliminate the elasticity these two words permit.

For all these reasons, and for the greater reason that none of us can predict what the future holds, I have submitted another amendment.

The "escape" clause and "peril-point" provisions of existing law are yet in the main untried in their application. There have been 59 applications for relief before the Tariff Commission; in 15 of these cases, although the Tariff Commission has found injury or threat of injury to industry or labor, the President of the United States has taken action in only 5 cases. This is the result for the simple reason that the President may take into consideration other factors which a particular industry or segment of the industry is given no right to answer.

Until we proceed a little further and invest the Tariff Commission with the power to hear all the factors and bind the President to follow them, I contend too much latitude is given one man and too little opportunity to answer is given those who may be adversely affected in that individual's decisions. I do not wish to see the cottonmill workers in South Carolina out of employment nor the industry exposed to the dangers and uncertainty of subparagraph E of H. R. 1 now pending before the Finance Committee. This result could very well be disastrous from top to bottom.

Suffice it for the moment to say that we must never forget our own people in both labor and industry when we revel in our ability to scatter their economic substance to the four winds of the heavens.

RECESS TO WEDNESDAY

Mr. STENNIS. Mr. President, so far as the Senator from Mississippi knows, no other Senator desires to speak today. Inasmuch as it is understood that the Senate will recess until Wednesday, I move that the Senate now take a recess until Wednesday at 12 o'clock noon.

The motion was agreed to; and (4 o'clock and 35 minutes p. m.) the Senate took a recess until Wednesday, March 30, 1955, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES

MONDAY, MARCH 28, 1955

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

Almighty God, we beseech Thee to look upon us with divine favor and inspire us with fidelity and fortitude as we enter upon the duties and tasks of this week.

Daily we need Thy guiding and sustaining presence and power, for we are challenged by responsibilities which are far beyond all finite wisdom and strength.

Help us to affirm with increasing courage and confidence our faith in Thee and in the ultimate triumph of righteousness and justice for Thou hast placed us in a moral universe.

Hear us in Christ's name. Amen.

The Journal of the proceedings of Thursday, March 24, 1955, was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Ast, one of its clerks, announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 1. An act to increase the rates of basic compensation of officers and employees in the field service of the Post Office Department; and

S. 67. An act to adjust the rates of basic compensation of certain officers and employees of the Federal Government, and for other purposes.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4259) entitled "An act to provide a 1-year extension of the existing corporate normal-tax rate and of certain existing excise-tax rates, and to provide a $20 credit against the individual income tax for each personal exemption."

The message also announced that the Vice President has appointed Mr. JOHNSTON of South Carolina and Mr. CARLSON members of the joint select committee on the part of the Senate, as provided for in the act of August 5, 1939, entitled "An act to provide for the disposition of certain records of the United States Government," for the disposition of executive papers referred to in the report of the Archivist of the United States numbered 55–11.

TAX RATE EXTENSION ACT OF 1955

Mr. COOPER submitted a conference report and statement on the bill (H. R. 4259) to provide a 1-year extension of the existing corporate normal-rate and of certain existing excise-tax rates, and to provide a $20 credit against the individual income tax for each personal exemption.

BANK HOLDING COMPANIES

Mr. SPENCE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks and include an address.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. SPENCE. Mr. Speaker, our able and distinguished Speaker of the House of Representatives addressed the dinner meeting of the Independent Bankers Association convention in Washington on March 26. He made a very clear and convincing argument against the dangers of the concentration of economic

power and the evils that may arise from the operation of uncontrolled and unregulated bank holding companies controlling the money and credit of the Nation and also unrelated businesses. He unequivocally endorses H. R. 2674, a bill which I have introduced and which has the enthusiastic support of the Independent Bankers Association. Hearings have been concluded on this bill by the Committee on Banking and Currency. We expect to go into executive session after the recess and hope to report a bill which will be passed without delay by the Congress.

The address referred to follows:

REMARKS OF SPEAKER SAM RAYBURN BEFORE THE CONVENTION OF THE INDEPENDENT BANKERS ASSOCIATION, WASHINGTON, D. C., MARCH 26, 1955

Mr. President, officers, directors, and members of the Independent Bankers Association of America, and their guests, let me assure you that I am most grateful for the opportunity to be here and speak to you this evening. I believe no group has made a more vital contribution to the development and maintenance of our free competitive economy than the local independent bankers of this Nation. Our free competitive economy in turn has, without doubt, been the chief cornerstone on which this country has perfected the foremost system of political and individual liberty ever known to mankind.

The local independent bank is an ideal small-business enterprise. Local people get together, invest their own capital, select their own management, and solicit the deposits of the community in which they are located. They then take those deposits and put them out to work for the benefit of the people living in that community. I am certain I do not exaggerate when I state that the importance of the economic and social role of the independent banker in a democratic society ranks second to none.

Today, as throughout our history, there are those who disparage the role and importance of not only the small independent bank but that of all small-business enterprises as well. Once again, during the past 2 years, we have witnessed the complete triumph of the big banker-big business combine. The present administration, far from opposing the increased concentration of economic power in any area, has condoned and even encouraged it. This, of course, is not the first time that the forces of monopoly have marched forward to victory under the protective cover of a friendly administration in Washington.

The history of the past 60 years has seen the development of monopoly, from trusts, to holding companies, to corporate mergers, and back to holding companies, with an ever-increasing concentration of financial control in the background. We seem to be in the throes of the third great forward surge of monopoly in the history of our country. The last two such movements ended in catastrophy for the Nation, accompanied by serious loss of our national wealth, and grave waste of our human resources—consequences that are not lightly to be dismissed. Let me remind you that the last great merger movement was characterized particularly by the pyramiding of control through holding companies in the public utility industry. That is significant.

The daily press tells us American business is once again combining, uniting, grouping and regrouping, merging and remerging.

You all know about the acceleration of mergers and the spread of holding company control in your own industry. Competition as a way of life is under constant attack and small, independent, and locally owned and managed business is on the decline.

The importance of a thorough review of monopoly developments today has been shown in the testimony concerning the well known Dixon-Yates contract. It was emphasized in the testimony of Arthur E. McLean, president of the Commercial National Bank of Little Rock, Ark. Pointing out that he was no opponent of private utilities, he stated that his sole purpose "is to stop the greed of a few of the utilities who will destroy themselves if they do not act with moderation." He added: "I do not want to see a return to some of the things that took place 20 years ago." He went on: "Some of you here may remember back in 1929 when shares of the Electric Bond & Share went to over $600. You probably will recall the days that followed. There were days when people were ruined, when they jumped from tall buildings, and when they committed suicide * * * and in my opinion moderation should come in, and those days should be avoided again."

What does a holding company do? How does it operate?

When we were conducting hearings on the Public Utility Holding Company Act back in 1935, we found they were used to take the control and direction of these local companies away from those who had built them and place that authority in a city often times far removed. Through the simple device of pyramiding, a small investment by those in control of the top holding company enabled them to do as they liked with hundreds of millions, and in some instances even billions, of other people's property.

In one system the pyramiding went so far as to pile one company on top of another until there were 10 corporations in the pyramiding, with the local operating company 9 companies removed from the corporation at the top which controlled it, along with hundreds of others. In this particular setup an investment of $1 at the top enabled the managers of the top to control over $30,000 of book value of the operating companies, or with less than $50,000 to control over a billion dollars of book value. In another setup by an investment of about $23,000 at the top of the pyramid book values of $1,200,000,000 were controlled. This pyramiding, supplemented by the use of service contracts and sometimes other practices, made for a concentration of management that was staggering to the imagination.

In one office building in New York City those in charge of a paper holding company, with a very small investment and scarcely any risk of their own capital, were able to control hundreds of operating companies scattered clear across the United States. They were able to say to those operating companies what they should buy, from whom they should buy, at what price, and with whom they should engage services and contract for supplies. They would appoint someone in the top company or in one of their service subsidiaries to be secretary of many of the important operating companies. We found one case in which a man was secretary or an officer in more than 200 corporations.

The holding company also lent itself to the abuse of paying its officers high salaries and bonuses.

The whole country was aroused by the spread of holding company control in the 1920's, but State governments stood helpless in the presence of these supercreatures. Whole States were served with power, with gas, with transportation by operating companies in the charge of employees who had no authority, no independence of judgment. The people who complained of the high rates charged or of the quality of the service had to carry their complaints to the man who had no authority to act, who had to get on the telephone or write a letter to New York City, who was subject to removal by those in the top companies without notice, and who was frequently transferred from one part of the country to another.

The holding company had developed to where control was exercised through a maze of intercorporate relationships, impossible of understanding by the ordinary man.

One holding company, Electric Bond & Share, controlled so many operating companies that the grand total value of the properties of all of the companies in that system amounted to $3 billion, scattered in 32 States. That is, just one holding company dominated one-seventh of all the property operated by electric-light companies.

And then the big banking houses controlled the holding companies which controlled the operating companies. One big banking house, through a company called United Corp., had an arrangement by which 8 or 10 of these big holding companies were tied together, so that more than one-fourth of the electric-light companies in the entire United States were subject to a single banking influence.

These holding companies served no warrantable economic purpose. They simply helped promoters to wrest illegitimate profits from an unsuspecting and inexperienced public from whom vital information had often been withheld.

The Democratic administration, upon taking office in 1933, recognized that public protection against holding company abuses was essential. It proposed legislation to curb them. Apart from the unscrupulous financial exploitation which characterized holding company pyramiding, we were determined to protect the local community's right to exercise power, authority, and management over its local businesses.

As I stated on June 27, 1935, in the debate on the Public Utilities Act:

"What I want to do is to break up these sprawling empires, so wide and so big that the law of diminishing returns begins to operate. Instead of taking power, authority, and management away from the local communities, I want to take it away from the Insulls in Chicago, and give it back to the communities of this country where it belongs."

In retrospect I can see we did not adequately appreciate that the same undermining of local community control could develop in the banking industry as had developed in the electric utility industry.

Moreover, I was assured then that the Clayton Antitrust Act already gave the Federal Reserve Board adequate authority to curb holding company expansion in the commercial banking system. As you know, the Supreme Court held otherwise in the Transamerica case.

As I noted earlier, the late twenties was a period of expansion, mergers, and speculation. In almost every field there was great rivalry to be the biggest. Banking was no exception. When the possibilities of growth by absorbing competitors had been fully exploited, other means were sought. Stopped by Federal and State laws from branching out into other areas, ambitious bank promoters turned to the holding company device, which was working so successfully in the public utility field. So bank holding companies began to spring up in States that prohibited branch banking. The organization of one holding company under the sponsorship of a bank usually led to the formation of another by its principal competitor, which felt it must do so to maintain its competitive position. Other rivals sometimes followed suit. The Federal Reserve Bulletin of February 1938 reveals that on December 31, 1931, there were 97 bank holding companies in existence, an average of more than 2 for each State.

In 1927 Congress enacted the McFadden Act which limited branches of national banks. Following the enactment of this act, several holding companies became active

in acquiring banks beyond the areas in which banks were permitted to have branches—even to acquiring banks in a number of States. By 1929 there developed a tidal wave of such companies, "with new ones being reported almost daily," as the then chairman of the House Committee on Banking and Currency declared in 1930.

Let us look at one typical case. Formation of the Northwest Bank Corp. was announced January 9, 1929, and it is reported to have started with a paid-in capital of only $1,000. By exchange of stock, it quickly acquired a great many banks.

By September 14, 1929, a little more than 8 months after its inception, it had acquired banks in its home State of Minnesota, Iowa, Wisconsin, the Dakotas, Montana, and jumping across Idaho, had reached all the way to the Pacific coast State of Washington and acquired banks 1,500 miles from its main office. The terrific expansion of this company was paralleled by others—with one Pacific coast organization becoming a principal stockholder in a bank thousands of miles away.

More and more the control and direction of local banks and the power and authority over the use of local financial resources were being taken away from those who had built them up. Control and power were placed in the big cities miles removed from the local community.

The administration at that time not only failed to oppose but actually encouraged this trend. In 1930 and in 1931, the Comptroller of the Currency under President Hoover appeared before the House Committee on Banking and Currency and before the Senate Committee on Banking and Currency to recommend new banking legislation respecting our national banks.

What was the purpose of these recommendations?

I quote from the 69th annual report of the Comptroller of the Currency submitted to the Congress December 7, 1931:

"In brief, the purpose of the legislation recommended is to supplement our system of unit banking by permitting the larger and better-managed city banks to carry on banking operations in the surrounding rural communities by means of branch offices" (p. 1).

What evidence did the Comptroller of the Currency offer to show that the city banks were "stronger and better-managed" than the independently owned unit banks outside the large metropolitan centers?

He said:

"With few exceptions the banks in the large cities, which may be properly classified as metropolitan banks and which hold the bulk of the deposits in our banking system, have continued to demonstrate their soundness and strength throughout the entire decade which we have under consideration including the depression years of 1930 and 1931.

"* * * a comparison of the metropolitan banks with the small unit banks shows an overwhelming percentage of failures in the latter class and clearly indicates that our present banking problem is one that concerns primarily and fundamentally the rural communities and which cannot be automatically solved by the return of general prosperity" (p. 2).

Of course, the gentlemen did not want to embarrass the Hoover administration by citing the ruinous agricultural policies of the Republican Party during the 1920's. Consequently, he did not explain the connection between the farm depression which began in 1921 and the failure of more than 5,000 independent rural unit banks which occurred in the 8-year period prior to the stock market collapse of 1929 and the ensuing economic depression.

However, apart from this omission his conclusions about the fundamentally stronger and better-managed metropolitan banks were, to put it mildly, somewhat premature.

You all remember what happened in 1931 and 1932. More State and national banks closed in 1931 and 1932 than in any other like period in the history of banking in this country.

It is interesting to note that the two largest national banks which have failed in the history of the Comptroller of the Currency were bank holding companies, the so-called strong and well-managed metropolitan banks which the Comptroller of the Currency under President Hoover referred to in its 69th annual report.

The First National Bank of Detroit was the largest national bank to fail in the history of the Office of the Comptroller of the Currency. Its deposits when it closed its doors on February 21, 1933, were $373,360,000.

The Guardian National Bank of Commerce at Detroit was the second largest national bank ever to be placed in receivership. Its total deposits at closing were $108,103,045.

In 1930 the head of the Guardian National Bank of Commerce of Detroit had appeared before the House Committee on Banking and Currency and boastfully told of the new era that had been brought to the Detroit area through acquisitions by holding companies of carefully selected, well-managed, and strong banks. Within a matter of only a few months, both the Guardian and the Detroit banks began to totter. In 1933 these 2 vast financial empires lay in ruins—297 controlled bank and branch offices; $785 millions in deposits. The scars of those disasters may still mark the lives of millions.

The storm which had been gathering for several years broke in full fury in March 1933, and it was the unanimous opinion of the leaders of both political parties, as well as of the foremost men of finance in the country, that all the banks in the Nation should be closed, and they were closed.

It was the intention of the new administration that only sound banks should be reopened after the banking holiday.

As you know, after the banking holiday, steps were taken to place the Nation's banks on a sounder economic footing. The financial resources of the RFC were used to restore the imposed bank capital. The FDIC was established guaranteeing all deposits up to $5,000. Creditors of insolvent banks received a very large percentage of the total deposit liability at the time of the banks' closing.

The period since 1934 has been one of great economic expansion and the creation of much new wealth and financial resources.

Since 1934 our population has increased about 35 million. The gross national product has increased from $86 billion to $360 billion. Bank debts to demand deposit accounts have risen from $700 million to nearly $2 billion.

However, during this period of unprecedented population increase and industrial and financial growth there has been a net shrinkage in the total number of active banks. In 1935 we had 16,053 active banks. This number dropped steadily until a low of 14,598 was reached in 1945. Since then we have had only a slight increase in the number of active banks.

Not only has the number of active banks declined but the growth of bank holding companies is taking power, authority and management of local financial resources away from the local communities.

In certain States, the concentrated control of banks by holding companies reaches extremely high proportions. In Arizona, two bank holding companies hold over 80 percent of the commercial banking deposits. In Minnesota, two holding companies hold 45 percent of the commercial deposits. In Montana, the same two holding companies hold over 44 percent; in North Dakota 29 percent; and in South Dakota 37 percent of the commercial banking deposits. In Washington, three bank holding companies, hold 32 percent of the commercial banking deposits. Oregon has one holding company which holds 42 percent of the deposits, and the same company in Nevada holds 78 percent of the commercial banking deposits. In Massachusetts, two bank holding companies hold nearly 20 percent of the commercial banking deposits, and in Florida 5 holding companies hold almost 50 percent of the commercial banking deposits.

The holding companies now reach into 39 States, and no State is immune from invasion. The operations of the principal interstate bank holding companies are very extensive. As of December 31, 1953, one company, the Northwest Bancorporation, operated 71 banks with 22 branches located in 7 States; the Equity Corporation operated 12 banks with 36 branches located in 6 States and District of Columbia and also held minority interests in 8 banks and banking companies; the Transamerica Corporation operated 47 banks, with 109 branches located in 5 States, the First Bank Stock Corporation operated 75 banks with 3 branches located in 4 States; the First Security Corporation operated 3 banks with 44 branches located in 3 States; the General Contract Corporation operated 6 banks located in 3 States.

Acquisitions and mergers since December 31, 1953, reveal an accelerated increase and a startling concentration of banking. Nine of the 26 largest banks in the country, as of December 31, 1954, absorbed 46 banks that year. Thirty-two of these were taken over by two banks controlled by a single holding company.

Not only do bank holding companies represent an undesirable concentration of facilities within the banking field, but several of them engage in nonbanking businesses as well.

Most States restrict banks to the banking business and forbid banks to engage in or control nonbanking businesses. Through the device of the holding company the management of a bank can bring under one overall control an unlimited number and variety of businesses.

The Equity Corp. of New York, which controls the Morris Plan Corp. of America, is also actively interested in the insurance business. A wholly owned subsidy of Morris Plan Corp. of America, National Industrial Credit Corp., has direct or indirect interests in six companies engaged in the fire, casualty, reinsurance, and life-insurance business. The holding-company structure of Equity Corp. and related enterprises according to a chart compiled some years ago by the Virginia Bankers Association, embraces a far-flung system of direct and indirect interests in a great variety of business organizations.

Transamerica Corp., it developed during the proceedings brought by the Board of Governors of the Federal Reserve System, in addition to its banking interests in five States, controls corporations engaged in such widely diversified businesses as life, fire, automobile, and marine insurance, oil and gas, fish canning and processing, frozen foods, castings, forgings, diesel engines, food processing machinery, power-control equipment, kitchen tools, color cameras, and agricultural equipment.

Obviously, the bank holding companies have been guilty of grave abuses.

Enactment of bank holding legislation is essential if we are to stop those abuses, confine banks to the business of banking, and give back to the local communities of this country some measure of power, authority, and management over their local financial resources. The local communities, I feel certain, have a sufficient reservoir of talent to perform the entrepreneurial functions that modern day banking requires.

I am, therefore, and I want to make myself completely clear on this point, giving

my wholehearted and unequivocal endorsement to the principles embodied in H. R. 2674, the Bank Holding Company Act of 1955, introduced by the distinguished chairman of the House Banking and Currency Committee, my old friend, the Honorable BRENT SPENCE, of Kentucky.

It is inconceivable to me that any fair-minded person could take issue with the two major provisions of this measure. The first would require bank holding companies to divest themselves of their nonbanking businesses. This conforms to the principle established by the Congress in the Banking Act of 1933 that the lender and the borrower must be kept at arm's length. That act required the separation of banks and their investment company affiliates. The second major provision would subject the future expansion of bank holding companies to Federal control. Provision would be made, however, to protect the rights of those States which are opposed to the operation and control of banks within their borders by holding companies.

The Spence bill represents a long overdue reform. It will go far toward plugging a large gap in our holding company legislation. The existence of this gap has been apparent to all concerned for many years.

As far back as 1938, President Roosevelt, recognizing the danger inherent in holding company operations, asked Congress to restrict the powers of bank holding companies. In his annual report for 1940, the Comptroller of the Currency recommended that "Consideration be given to the enactment of legislation which will prohibit the operation of banks by holding companies."

The Federal Reserve Board in its 1943 annual report also recommended that "immediate legislation be enacted preventing further expansion of existing bank holding companies or the creation of new bank holding companies."

The Federal Deposit Insurance Corporation a year later also declared:

"The Corporation recommends that Congress enact legislation which will prohibit the future creation of holding companies and which will require the liquidation of existing holding companies after allowing a reasonable time for orderly distribution to their own stockholders of the bank stock which they now hold."

I should like to emphasize the fact that this is the only country in the world where most communities are served by home-owned and home-managed banks which are aware of and responsive to the needs of the people of their areas. I believe that this has been an important factor in the development of the United States.

Other countries must depend on 3, 4, or 5 banks having up to thousands of branches. Policies and important credit decisions are made hundreds or thousands of miles from many of the branches. The interest of an enterprising local customer may run counter to that of a large main office account, in which event the former might suffer. This inevitably tends toward concentration in all lines, cartels, the stifling of new enterprises, and stagnation. When forced to choose between such monopoly and some ism, countries invariably have chosen the ism.

I believe there is ample room for big banks and little banks just the same as we have big business coexisting with small business, public and private power.

In an expanding and healthy economy, with all groups sharing equitably in the prosperity of the Nation, the home-owned and home-managed banks and businesses aware of and responsive to the needs of the people of their communities should play as vital a role as the large metropolitan institutions. I simply want us to make absolutely sure that they are permitted to do so.

MUST NAVY YARD WORKERS "WALK THE PLANK"?

Mr. LANE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. LANE. Mr. Speaker, I am not certain, of course, whether the administration has any Yalta-like plans to sell out the United States Navy to private industry, with corporation presidents assuming the role of admirals.

But the present trend toward disarmament at home, by stripping the Navy of its traditional functions, would seem to indicate a yearning in that direction.

What happens to the skilled and faithful navy yard workers who have given a good part of their lives to keeping our naval vessels in shipshape condition, when they are suddenly cut adrift with retirement not yet in sight?

Does the Government succeed in finding replacement jobs for them?

In private industry where their age raises a superficial barrier to their employment, and where the true value of their skill, their experience, and their dependability is outranked by the small matter of insurance rates?

Reduction in force is hitting every navy yard, and raising serious questions concerning the maintenance of our defenses.

Is this just one of those economy moves that is more devastating in its human losses than in the money that it actually saves? Or is it part of a policy to appease Red Russia by saying, "Lock, we are cutting back on our defenses, first, to prove to you our good intentions, in the hope that you will follow suit."

In any event curtailing the work of our navy yards, or transferring their functions to private industry, does not inspire public confidence in these policies. It is a sad example of the conflict among the economic, military, and diplomatic aims of this administration. One branch of the Government is trying to turn public responsibilities over to its friends in private industry. Another is concerned with keeping our military posture in a position where it is something better than a mothball operation. A third is finding it difficult to make courageous and moral decisions in the field of foreign affairs.

Unification?

Where is it?

Navy-yard workers have been loyal to their Government but are now beginning to wonder whether this arrangement is reciprocal, as they are being forced to "walk the plank" and drop into the cold waters of unemployment, where some will not survive.

In their forties and their fifties, there are no life preservers of retirement or old-age insurance to rescue them.

Not even replacement jobs; to keep their heads above water.

And the drawing boards of Government are designing no plans to land them in other jobs.

Small wonder that there is fear and restlessness among all Government employees and declining faith in the security that was once attached to the civil service, when they observe the heartless directives that throw devoted employees overboard without any consideration for their fate.

The Boston Navy Yard, where long service employees of the ropewalk, and other shops, are being discharged through no fault of their own, is an example of this administration's preference for private enterprise at the expense of Government employees who are considered as expendable.

Members of Congress would do well to consider the far-reaching implications of this move and rally to the side of our navy yard employees before the defense of this Nation is gradually put into the profit-seeking hands of a private army, navy, marine corps, air force, and eventually a private White House.

Where public employment would be eliminated, fantastic? Not if this trend continues.

CONFERENCE REPORT

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. McCORMACK. Mr. Speaker, I desire to inform my colleagues in connection with the conference report on the tax bill, H. R. 4259, that it will be called up on Wednesday next.

Mr. MARTIN. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Massachusetts.

Mr. MARTIN. The gentleman is putting this matter over until Wednesday because we stated we would give everyone a 48-hour notice before calling them back on this matter.

Mr. McCORMACK. The gentleman's statement is absolutely correct.

JAPANESE-AMERICAN CITIZENS LEAGUE

Mr. O'HARA of Illinois. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. O'HARA of Illinois. Mr. Speaker, in the district on the South Side of Chicago that I have the honor to represent are many fine men and women of Japanese ancestry. In the district on the North Side of Chicago represented by my colleague the gentleman from Illinois, the Honorable SIDNEY YATES, are also many fine men and women of Japanese parentage. It is a matter of great pleasure to me, as I know it is to the gentleman from Illinois, Congressman YATES, and I trust I am speaking for the entire membership of this body, in welcoming to Washington a delegation of

24 representatives of the Japanese-American colony in Chicago. They are here to attend the joint Midwest and eastern district council convention of the Japanese-American Citizens League. The purpose of this organization is the promotion of better citizenship for all Americans especially for all Americans of Japanese ancestry. The motto of this worthy organization is "Better Americans for a greater America," in the sentiment of which motto all of us can wholeheartedly join. May I, Mr. Speaker, extend the welcome of the House and our good wishes to our visitors whose names follow:

CHICAGO DELEGATION, JOINT MIDWEST AND EASTERN DISTRICT COUNCIL CONVENTION

Miss Kay Fujii, Miss Hana Okamoto, Mr. Harold Gordon, Mrs. Peej Gordon, Mrs. Dora Goldstone, Miss Betty Iwatsuki, Miss Fumi Iwatsuki, Miss Sumi Shimizu, Miss Kiyono Nishimoto, Miss Tomoe Tada, Miss Mari Sabusawa, Miss Jean Shimasaki, Mr. Bill Fujii, Mr. Abe Hagiwara, Dr. Frank Sakamoto, Mr. Shig Wakamatsu, Mr. Kumeo Yoshinari, Mr. Earle Hori, Mr. Fred Nakagawa, Mr. Kats Okuno, Mr. George Kita, Mr. Milton Gordon, Mr. George Kits, Mrs. Kats Okuno.

SPECIAL ORDERS GRANTED

Mr. DIGGS asked and was given permission to address the House for 30 minutes on Thursday, March 31, following any special orders heretofore entered.

Mr. PATMAN asked and was given permission to address the House today for 15 minutes following any special orders heretofore entered, to revise and extend his remarks and include extraneous matter.

COMMITTEE ON INTERIOR AND INSULAR AFFAIRS

Mr. ENGLE. Mr. Speaker, I ask unanimous consent that the Committee on Interior and Insular Affairs be permitted to sit today during general debate.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

HURRICANE DAMAGE LEGISLATION

Mr. PATTERSON. Mr. Speaker I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. PATTERSON. Mr. Speaker, today I am asking the Senators, governors, and Congressmen of the 18 coastal States to join me in a concerted drive to obtain the necessary funds to cut down the loss of life and property damages from hurricanes.

Today I have introduced in Congress an independent appropriation bill asking for $5 million providing for an emergency hurricane warning system based upon a special study prepared by meteorologist specializing in hurricane phenomena.

Few people realize that the property damages of hurricanes Carol, Edna, and Hazel last fall amounted to $1 billion and killed over 150 persons in the devastation wrought along the North Atlantic seaboard.

Meteorological experts tell us that these last three big storms were not freakish sea storms straying inland off their regular paths. The scientists say that distinct changes in the world-wide upper-wind patterns is creating a new cycle driving inland the great sea storms and may inflict heavy damages on the New England coast again this season and for years to come.

The United States Weather Bureau, operating under a drastically cut budget, is doing the best it can to detect the movement of hurricanes and issue warnings. In fact, the Weather Bureau has done a great job with limited mechanical equipment operated by overworked staff personnel. During the last big storm, weather forecasters worked continuously 18 hours without relief. But there is a limit of human endurance. Budget cuts forced the closing of weather stations at Eastport, Maine, Bangor, Maine, Cape May, N. J., Ocean City, Md. The Eastport station had been in operation since 1891. Also, forced reductions in the Bureau's working force resulted in only limited operation at offices at New Haven, Conn.; Bridgeport, Conn.; and eight other weather stations.

I recently appealed to President Eisenhower to act favorably on the recommendations of the Interagency Hurricane Research Conference for a more effective hurricane research and warning program. This was a long-range program.

The President advised me that he shared my concern for adequate safeguards against hurricane disasters, and said "you may be assured that thorough consideration will be given to such additional research activities as may be proposed."

I am now proposing a short-range emergency hurricane warning program to be financed by a special appropriation of $5 million. I am appealing to 36 Senators, 18 governors, and 177 Congressmen to join me in the drive to secure necessary Federal funds to enable the Weather Bureau to set up a really effective hurricane warning system to save human life and property.

It is impossible to accurately determine in advance what the projected hurricane task program will accomplish in dollars and cents; but experts estimate that potential savings of 25 percent damages to property and 90 percent savings in human life will result if advance warnings from 7 to 21 hours can be widely disseminated via newspaper, radio, and TV-news bulletins.

I am today introducing in Congress an independent appropriation bill of $5 million based upon a carefully prepared scientific study formulating an intensified hurricane surveillance system to protect the lives and property of 2 million American citizens living in the immediate vicinity of newly menaced coastal zones. And I wish to add that there is no fat in this proposed budget—specific requirements are cut to the very bone, but sufficient to provide an efficiently functioning emergency hurricane task force.

The enactment of this bill will provide the following:

First. The projected program will provide 4 upper-air observations daily instead of the present 2.

Second. Additional upper-air observations in "blind" areas where no observations are now taken.

Third. Provision for extra rawinsondes during progress of hurricanes.

Fourth. Emergency teletypewriter circuits and emergency private telephone liaison lines.

Fifth. Survey teams before, during, and after hurricanes to evaluate damage.

Sixth. Provision for full night and day hurricane staffs at each of six forecast centers. This means five additional forecasters at: Boston, New York, Washington, Miami, New Orleans, and San Juan.

Seventh. Keeping open 24 hours a day the following 12 Weather Bureau offices which are now open only part of the day: New Haven, Conn.; Bridgeport, Conn.; Atlantic City, N. J.; Wilmington, N. C.; Daytona Beach, Fla.; Fort Meyer, Fla.; Apalachicola, Fla.; Pensacola, Fla.; Port Arthur, Tex.; Beaumont, Tex.; Block Island, R. I.; Concord, N. H.

Eighth. Reopening of weather observation posts at the following places: Eastport, Maine; Bangor, Maine; Cape May, N. J.; and Ocean City, Md.

Ninth. Extra observations from ships at sea.

Tenth. Hurricane warning services flying squads at regional offices at New York and Forth Worth.

Eleventh. Radar observers at non-Weather Bureau radar stations.

Twelfth. The establishment of warning service for high tides, waves and high water.

Thirteenth. Establishment of ocean-weather ship stations half way between Norfolk and Bermuda. This was taken away 2 years ago in the economy wave and was originally a part of the original 10 station North Atlantic ship program.

Fourteenth. Hurricane Information Program. This program is required to inform the public as to all important aspects of hurricane alerts, hurricane warnings and protective measures that can be taken during the approach and during the hurricane passing to save property and lives.

Fifteenth. Establishment of special Weather Bureau broadcasts for emergency transmission of storm warning information. This may require obtaining special radio frequency from the Federal Communications Commission.

The following objectives of the projected program are as follows:

First. It will enable the United States Weather Bureau to give the location, intensity and movements of all hurricanes with substantially more accuracy than has been possible in the past.

Second. It will undoubtedly reduce the loss of life and property in the coming years for all coastal States.

Third. It will enable the warnings to be given out farther in advance and more expeditiously and efficiently.

Fourth. It will enable the Weather Bureau to more accurately describe the

weather conditions in and around the hurricanes.

Fifth. It will stimulate necessary precaution on the part of all citizens and thereby reduce the loss of life and property on the onslaught of anticipated hurricanes. For example: more accurate timing as to when the wind will reach a certain speed and water a certain height.

Sixth. It will reduce public apprehension and fear in areas near the pass of expected hurricanes.

May I emphasize that unless we get additional funds for a concentrated attack on the main technical weather problems that exist today, we are likely to spend 20 years in finding out the best methods to carry out hurricane protection services. What is needed is a crash program to provide means to issue hurricane warnings 6 to 12 hours earlier than now possible.

I know that the people of Connecticut, as well as residents of other coastal areas hit by hurricanes want their elected Representatives to take all steps possible to give them the maximum protection from further hurricanes, and it is for this reason I am trying to enlist the active support of the Senators, Governors, and Congressmen of the 18 coastal States to join shoulder to shoulder with me in a drive to get the essential Federal funds to set up a truly effective hurricane warning system. Even an additional 6-hour warning may mean the difference between life and death to many people in our States.

An added bonus on the funds expended for a more intensified weather forecasting system will greatly benefit agriculture, transportation, and other major interests throughout the country.

Last, but not least, the foremost meteorologists agree that the prediction of climatic fluctuations in hurricanes is necessarily linked with solving the central problem—the general circulation of the atmosphere—of vital importance in exploring the menace of atomic fallout. The scientists say they are woefully lacking in charted data concerning the jet winds—these are the upper atmosphere winds traveling at the terrific velocity of 200 to 450 miles per hour; these are the "rawins" that carry atomic debris, and presently under study by atomic scientists and meteorological specialists.

SEIZURE OF AMERICAN FISHING VESSELS IN INTERNATIONAL WATERS

Mr. PELLY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. PELLY. Mr. Speaker, I received word this morning that the freezer ship *Arctic Maid* and the tuna clipper *Santa Ana* were seized yesterday 35 miles due west of Santa Clara Island off Ecuador by an Ecuador patrol gunboat. A message from the captain of another fishing vessel stated that an American crew member had been wounded in the leg by gunfire and was reported to have been refused immediate medical attention.

This is one more incident in a series of illegal acts on the high seas where certain South American countries have turned to nationalized piracy to raise revenue and extract tribute from our fishing industry. It brings to mind that a century and a half ago, during the infancy of our Republic, the Barbary pirates in the Mediterranean found it profitable to commit such depredatory acts on American vessels until we sent our Navy to terminate that system of nationalized ransom and roguery.

Today it seems to me we are in a situation where a polite exchange of protest notes between good-neighbor nations and other such procedures of procrastination should end. Either Ecuador and Peru should immediately reach an agreement with us or submit and abide by international arbitration. If not, our Navy in its historic role should be ordered to provide armed escorts to protect American property and persons engaged in peaceful occupations in international waters.

RELEASE OF POLISH UNDERGROUND LEADERS IMPRISONED IN MOSCOW

Mr. SHEEHAN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. SHEEHAN. Mr. Speaker, I have introduced a resolution relating to consideration by the United Nations of measures to effect the release of the Polish underground leaders imprisoned by the Soviet Government on March 27, 1945.

Mr. Speaker, 10 years ago yesterday, on March 27, 1945, the Russian Communist Government, after luring to Moscow under false pretenses 16 leaders of the Polish underground, seized and subjected them to a mock trial in Moscow. The Russian Government had invited these Polish leaders to Moscow in furtherance of the provisions of the Yalta agreement dealing with the reorganization of the Polish Government, which agreement had been signed 6 weeks previous to this date.

I have written to our Secretary of State, the Honorable John Foster Dulles, asking that he broach to appropriate representatives of the Russian Government the possibility of releasing the present survivors of this mock trial, and I am introducing a resolution proposing that Congress petition the United Nations to take action on this matter.

Under the terms of the Yalta agreement, which also set up the United Nations, it was agreed that arrangements be made to conduct a free election in Poland, so that the Government thus formed would be representative of all political factions in Poland. On the pretext of implementing this section of the Yalta agreement concerning Poland, Russian Army representatives invited the various leaders of the Polish underground army to Moscow to confer on the creation of a postwar Polish Government. The Polish Government in exile, with headquarters in London, after consulting with officials of our Government and with the Government of Great Britain, recommended to these Polish patriots that they attend the conference so that the Polish regime would cooperate with the Russians in line with the Yalta agreement.

This committee consisted of Maj. Gen. Leopold Okulnicki, commander of the Polish Home Army; Jan Stanislaw Jankowski, member of the Christian Labor Party and Vice-Premier of the Polish Government in London; Adam Bien, member of the underground government, Peasant Party; Stanislaw Jasiukowicz, National Party, member of underground government; Kazimierz Puzak, leader of Socialist Party and speaker of underground parliament; Alexander Zwierzynski, National Party, deputy speaker; Kazimierz Baginski, Peasant Party, deputy speaker; Stanislaw Mierzwa, Peasant Party; Zbigniew Stypulkowski, leader of Democratic Party; Eugeniusz Czarnowski, leader of Democratic Party; Jozef Chacinski, leader of Christian Labor Party; Franciszek Urbanski, secretary of underground parliament, Christian Labor Party; Stanislaw Michalowski, Democratic Party; Kazimierz Kobylanski, National Party; Jozef Stemler Dabski, interpreter of Polish delegation; Antoni Pajdak, member of Socialist Party and underground parliament.

All 16 leaders went to Moscow, where they were immediately seized and imprisoned by the Soviet Communists, in spite of the fact that the entire delegation had been promised personal immunity during its stay in Moscow.

In the middle of June 1945, these Polish underground leaders were tried in Moscow, and 13 of them were sentenced to prison for terms varying from 4 months to 10 years. Some of these officers have since been freed, but it is felt that Jan Stanislaw Jankowski, Antoni Pajdak, Stanislaw Jasiukowicz and General Okulnicki are still serving sentences in Soviet prisons.

Personally, I am of the opinion that the Yalta agreements should be renounced, as well as any other executive agreements which have not been properly presented to the United States Senate for ratification, if any such executive agreements contain treaty provisions. However, thus far our Government has taken no action to renounce such agreements, and inasmuch as that is the case, I believe that without our thereby giving tacit approval to the constitutionality of them, our Government can and should request the Russian Communist Government to abide by the terms of the Yalta agreements.

Insofar as the Russians guaranteed free and open elections in Poland, yet have never permitted same, and insofar as the Polish Underground leaders went to Moscow at the recommendation of our own Government, we certainly should make proper representations through our State Department to the

Russian Government for the release of these Polish patriots.

I further believe that since the United Nations was also created by agreement at the Yalta Conference, the United Nations should make proper representations to the Russian Communist Government for the release of the Polish Underground leaders seized on March 27, 1945, and who may still be in prison.

As President Eisenhower alluded at his press conference the other day, there does not seem to be anything to be gained by sitting down with Russian Communist officials and making agreements when that Government has shown very little disposition to honor previous commitments.

Until such time as the Russian Communist Government decides to act in good faith by honoring previous commitments, and to keep its word with other governments, it would be foolhardy to continue making agreements with that government.

However, if the Russian Communist Government would now release these Polish leaders from prison, it would be making a step in the right direction and would show the world that it was ready to act as an honorable and upright power, with which other nations would again be willing to negotiate in the hope of attaining peace.

The resolution which I introduced today, asking the United Nations to take action, is as follows:

House concurrent resolution relating to the consideration by the United Nations of measures to effect the release of the Polish underground leaders imprisoned by the Soviet Government on March 27, 1945

Whereas on March 27, 1945, sixteen leaders of the Polish underground were arrested by the Soviet Government, which had lured them to Moscow under the pretext of discussing the establishment of a new Polish Government;

Whereas these Polish leaders were subsequently sentenced to prison, where some of them still remain;

Whereas the Yalta agreement provided for reorganization of the Polish Government on a broader democratic basis, to be followed by free elections in Poland;

Whereas the imprisoned Polish leaders went to Moscow in reliance on the action taken at Yalta and at the recommendation of the Government of the United States;

Whereas the provisions of the Yalta agreement relating to a free Poland have been frustrated by the tactics of the Soviet Government, while other terms of the Yalta agreement have resulted in the establishment of the United Nations: Now therefore, be it

Resolved by the House of Representatives (the Senate concurring), That it is the sense of the Congress that the President should take such action, through the United States delegation to the United Nations, as may be necessary to obtain prompt consideration by the United Nations of measures directed toward the release of those Polish leaders arrested by the Soviet Government on March 27, 1945, who are still in prison.

VETERANS' ADMINISTRATION ACTIVITIES IN CANCER RESEARCH

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I am going to put in the RECORD a summary of what the Veterans' Administration is doing toward stopping the dread march of cancer. It is on the increase in spite of the medicines and treatments that have been introduced in an effort to cure cancer. In 1960 it is expected that the veteran population that will have cancer will be 54,000. At the present time in the Veterans' Administration hospitals there are some 25,000 being treated yearly. I should like to commend the Veterans' Administration for some very remarkable work on cancer and some very fine cures.

ADMINISTRATION'S ROAD-BUILDING PROPOSAL

Mr. FASCELL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. FASCELL. Mr. Speaker, those of us who have recently been concerned with the problem of fiscal irresponsibility will be interested in learning of the testimony which was given today before a Senate Public Works Committee on the administration's road-building proposal, where the General Accounting Office said that the program was unsound, that it was of unquestioned illegality, that it went outside the public debt, that there was no way to finance this particular program; also that the Comptroller General of the United States very definitely was of the opinion that the whole program was objectionable and that there was no way by which we could legally earmark gas revenues for that purpose.

THE LATE HONORABLE JOHN W. DAVIS

Mr. AUCHINCLOSS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. AUCHINCLOSS. Mr. Speaker, the passing of John W. Davis brings great sorrow to the many men and women who knew him. He was a sympathetic, kindly person who counted his friends in the thousands, coming from many different paths of life. He was sought out for advice and guidance in large business affairs, yet he was always ready to counsel those with small problems.

Unpretentious and unassuming, he was equipped with a penetrating mind, topped off with a superb intellect. He was scrupulously honest in his thinking which is why so many people trusted him and sought his friendship. He was a superior man with a gentle manner and was admired with a deep reverence by many.

The public is apt to think of Mr. Davis as a great constitutional lawyer, which he was, or as being once a candidate for the presidency, which he undertook from a sense of duty, but everyone admired his stanch Americanism. He served his country well as a Member of the House of Representatives in the 62d and 63d Congress from the First District of West Virginia and held positions of high trust while he was a Member. He was Solicitor General of the United States when Woodrow Wilson was President. He served as Ambassabor to the Court of St. James and did much to promote mutual respect between Great Britain and our country. He campaigned on a statesmanlike level for the presidency and in his speeches he displayed his clear thinking and high standards. He was a Jeffersonian Democrat who believed thoroughly in the Constitution and was a stanch supporter of States' rights. He opposed power centralized in the Government in Washington and deplored the trend toward the dependence on Federal aid which was encouraged by some of our people.

He was a great American in every sense of the word, generous and kindly, unassuming and modest, and entirely without fear. Our country is better for his citizenship and we have every reason to be grateful for the priceless contribution he made toward the maintenance of our ideals and the preservation of our principles of personal freedom and justice.

DEPARTMENT OF AGRICULTURE AND FARM CREDIT ADMINISTRATION APPROPRIATION BILL, 1956

Mr. WHITTEN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 5239) making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1956, and for other purposes; and pending that motion, Mr. Speaker, I ask unanimous consent that general debate on the bill be limited to not to exceed 5 hours, one-half to be controlled by the gentleman from Minnesota [Mr. H. CARL ANDERSEN] and one-half by myself.

Mr. H. CARL ANDERSEN. That is agreeable to me.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

CALL OF THE HOUSE

Mr. HOFFMAN of Michigan. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 31]

Abbitt	Dolliver	Miller, Calif.
Addonizio	Donohue	Miller, Nebr.
Anfuso	Donovan	Miller, N. Y.
Barrett	Doyle	Morgan
Becker	Eberharter	Murray, Tenn.
Bell	Fallon	Nelson
Bolton, Frances P.	Fino	O'Brien, N. Y.
	Fisher	O'Neill
Bolton, Oliver P.	Flynt	Osmers
	Gamble	Poage
Bosch	Garmatz	Powell
Brown, Ohio	Gordon	Prouty
Buckley	Granahan	Quigley
Burnside	Grant	Reece, Tenn.
Byrne, Pa.	Green, Pa.	Rogers, Tex.
Canfield	Hale	Sadlak
Chase	Hand	Scherer
Chiperfield	Harris	Seely-Brown
Christopher	Harrison, Nebr.	Selden
Chudoff	Holtzman	Sheppard
Clark	Ikard	Smith, Wis.
Cooley	Jackson	Taylor
Corbett	Jarman	Thompson, La.
Coudert	Keogh	Vanik
Davidson	Klein	Velde
Dawson, Ill.	Kluczynski	Wainwright
Delaney	Latham	Williams, Miss.
Dingell	McCarthy	Williams, N. J.
Dixon	McConnell	Willis
Dodd	McDowell	Wright
Dollinger	Mahon	Zelenko

The SPEAKER. On this rollcall 340 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

DEPARTMENT OF AGRICULTURE AND FARM CREDIT ADMINISTRATION APPROPRIATION BILL, 1956

The SPEAKER. The question is on the motion offered by the gentleman from Mississippi [Mr. WHITTEN].

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 5239, with Mr. FORAND in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. WHITTEN. Mr. Chairman, I yield myself 45 minutes.

Mr. Chairman, it has been my privilege to work with the Department of Agriculture appropriations for some 10 years. During that time I have tried to work in every way I knew how to improve the service of that Department and to contribute what I could to making the farm programs work both in season and out of season, always with the interest of the Nation as a whole taken into consideration.

As most of you know, I served as chairman of this committee for 4 years, and for the last 2 years I have served under the chairmanship of my friend and colleague from Minnesota. I feel that all members of that committee without partisanship have made a determined effort through the years to help the Department, help the farmer, and help the Nation. I have been highly pleased this year to have several very good Members of Congress added to that committee. I will not take the time to refer to those who have been on the committee, because you know of their long and effective service, but we have been highly pleased this year to have put on our committee the gentleman from North Carolina [Mr. DEANE], and the gentleman from Kentucky [Mr. NATCHER], on the Democratic side, and the gentleman from Illinois [Mr. VURSELL] on the Republican side. They have brought to us a wealth of interest and information and lots of ability and energy and they have contributed a great share toward the work of this committee.

Our problems have been considerable for the last several years, and this year, if anything, were a little bit tougher. I have before me the special report which appeared in the U. S. News & World Report of March 25, 1955. The title of it is "Where Times Are Getting Harder." It states and I quote:

> The farmers are still in a recession while other people prosper. Their plight recalls the twenties when agriculture slumped long before the big depression.

The article points out that the farm problem is worsening now, and that more trouble lies ahead. Then this U. S. News & World Report says that in 1946 the farm income was approximately 12 percent of the national income. In 1948 farm income had gone down to 11.6 percent of the national income. In 1951 farm income had gone down to 9.4 percent. In 1954 farm income has gone from 12 percent in 1946 to 7.2 percent.

Let me give you the source of that once again. That is the U. S. News & World Report.

Now, it is under those circumstances that we started our hearings, and our hearings disclosed several things that I did not like about the budget under these conditions. The Budget Bureau cut substantially the Soil Conservation Service. Not only did they not provide funds with which to service the new districts, but they cut out funds that we have at the present time.

The same Budget Bureau approved $15 million on an emergency basis for soil work last year because of the terrific problems facing us in certain areas of the Midwest. Our committee in what I hope was its wisdom saw fit to say that it was much more sound to try to prevent these problems rather than to meet them on an emergency basis and less expensive as well.

We have restored in this bill the funds that the Bureau of the Budget would take away from soil-conservation districts and we have provided funds to service the new districts. The Bureau of the Budget also cut out funds for plant and animal disease activities and pest control.

I spent the month of October in Europe trying to determine what the true situation was over there, for what it might be worth in trying to bring about some change in our policies over here. One of the major problems in foreign countries is that each little country has its tariff walls and its embargoes and its quarantines, and things of that sort. One of the best things in these United States of ours is the fact that commerce, by and large, flows between States without any problem. But if we do not in the United States through the Federal Government give some overall attention to inspection and quarantine, and things of that sort, then we find that one State which feels it is being hurt by what comes into it from another State, attempts to keep those things out; then the other State retaliates and the first thing we know we have 48 independent countries, so far as trade is concerned.

On that reasoning we have restored funds for these services that the Bureau of the Budget would take away from the Federal Government. We think the Federal Government must stay in that field. In connection with that we have called on them to get as much local contribution and cooperation as it is possible to get.

Then we come to flood prevention. One of the great problems we have in the country is the matter of floods. We have not seen fit to go along with reducing funds for flood prevention, but we have increased funds in this bill for watershed protection and flood prevention on the basis that it is a sound investment in the United States and that our general welfare will be determined by how well this country can support the people within it, our foreign programs and our military.

Then we come to the matter of the inspection of fresh fruits, vegetables, poultry, and eggs. I do not know how much correspondence Members have had in this connection. Perhaps mine came from the fact that I was chairman of this subcommittee. But my office has been flooded with requests that we restore the funds which the Bureau of the Budget cut out, to make the people pay for this inspection service. In the final analysis for any work that is done, somebody will have to pay for it; the American people will have to pay for it. But when you get into the field of perishable commodities; when you get to the point where an inspection is needed for the general public, you do not improve the system or increase the number of people who will get inspections by getting them to pay for something that the public interest requires. So we have restored those funds.

Now we come to the school-lunch program. The school-lunch program, I think, is one of the greatest things that this country is doing. For the last 8 or 10 years the United States of America has been financing throughout the world programs to improve the living standards and the health of people in foreign lands.

Our Draft Act and the workings of it have disclosed that in the United States we had too many citizens whose physical condition was such as to disqualify them for the draft. That is just one place where our failure to have proper nutrition has shown itself up, through those tests. For the last 3 years the Bureau of the Budget has cut out funds for the school-lunch programs. I believe I can safely say that I have had 3,000 letters since the 1st of January from every part of this country urging restoration of the cut in funds made by the Bureau of the Budget. There is not a city which has not been writing in pointing out the benefits that come from the school-lunch program. Yet, for the third straight time the Bureau of the Budget has cut out $15 million for that purpose. The

argument last year and the year before was that they were cutting out only section 6 funds.

As you know, most of the commodities that are provided under the school-lunch program are bought when they are surplus through section 32 funds, but section 6 provides some money that is not carried down to surplus commodities and can be used to buy fruits and juices and things that perhaps are not in surplus so that the school children can have a well-balanced, nutritional meal. These funds make it possible to use more of the surplus commodities. So your committee has seen fit to restore $15 million for the school-lunch program.

Another place where we have taken strong issue with the Department of Agriculture is along the line of the use of section 32 funds. As you will recall, section 32 of the AAA act provides that 30 percent of the import duties on things imported are set aside to promote new uses for and help us use surpluses. Those funds have been worth their weight in gold, literally, because surpluses on the market, however small they may be, tend to set the price for the whole supply.

Through the years we on the committee have insisted that the Department use section 32 funds to buy some of these commodities, not primarily for the school-lunch program but as in the situation last fall when producers were in trouble with poultry and eggs, or 2 years ago when we were in trouble with turkeys. By buying a relatively small amount of these commodities, supply and demand came into line, and the market was stabilized, and then the supply purchased went to the school-lunch program.

Last year the Department, to justify this reduction of $15 million, said, "Next year"—that is, this year—"we will have more commodities available because we expect to expand the use of section 32 funds."

What are the facts? Notwithstanding the break in the poultry market and the egg market of last fall, the Department refused to act and we find that some $27 to $30 millions fewer commodities were made available for the school-lunch program during this year. So in addition to restoring the funds, and you understand we cannot control the executive department, we have given them strong directions to make use of section 32 funds to strengthen these markets, and that the benefits of such purchases then go to the school-lunch program. There is every reason to believe that as they do that they will improve this situation.

There are 2 or 3 things in this report which are new but which I think are sound with reference to the Department of Agriculture and the solutions of the problems facing us. I give you my best judgment, because certainly it has always been my purpose to be factually correct and absolutely honest with this House.

The solutions for your present farm predicament—and believe you me, when the U. S. News & World Report says farm income has gone down from 12 percent of the national income in 1946 to 7.2 percent of the national income now, the situation is serious, and those figures are from a source where the administration cannot say it is politics—the solutions the Department offers. Which I have heard have been approximately four.

The first is more research and extension. We want to give them more opportunity, because I think this is serious, so we have gone along with the budget request of approximately $5 million more for the Extension Service. This makes the second straight year we have made such increase. We have done that because we believe it is a good service, but not necessarily because I believe it would help the present farm problems of reduced acreage and lower prices if you had a county agent for every farmer. We have done it because we believe in the Service, not because it is a perfect answer to the present situation.

Then in the field of research we have gone along with the increase to the State experiment stations. We did that because we believe in it, but I would have to admit that there are some serious misgivings about the use of some of that money.

Our State experiment stations used some of the money you gave them last year for research to study the differences in clothing worn by country people and by city people in four counties in Kansas. They spent some of your money for methodology, which means the habits of the people in the rural areas, whom they know, where they go, how they spend their time, in what kinds of activities. They spent some of your money for the orchids of Guatemala. Yes, and they did not waste all of it in other sections of the country.

In the South we had one that is worthy of note; patterns of child rearing in southern families and their relation to the personality development of children. But the Department says such research will help cure the farm problem. So we have given them the money. They have their chance there. The other cure that has been offered is flexible supports. They have that in the present law. They have the flexible support laws now. The other suggestion is that we use Public Law 480 and other means of getting rid of these commodities. We have had Public Law 480, and I do not condemn it, but unfortunately CCC officials try to give away commodities under Public Law 480 without first offering them for sale for dollars. Public law Law 480 was passed by the Congress and it provides for the sale of commodities for foreign currency. Under the law, 90 percent of that foreign currency is not even subject to the control of Congress. Before you can virtually give away commodities under Public Law 480, you have to clear the matter with a supervisory committee on which the State Department and the Commerce Department are represented, and I do not condemn those departments but they do have different problems. But under Public Law 480 you virtually are giving these commodities away, and when you put them into these places where they will not affect the sale of other commodities, of course, every other country in the world gets on our State Department when we try to unload a lot of commodities under that law.

There are two things that we have done which I think are new. We have provided that $1 million of research funds for the first time shall be given to the tabulation of statistics and research on what happens to farm commodities from the time they leave the farmers' hands until they get to the consumer. We have done that because heretofore virtually all of the research has been on the farmers' share of the consumer payment for these commodities. The record shows that since 1945 the farmer's share of the consumer dollar has gone down from 54 percent in 1945 until now the farmer gets only 43 percent. We believe in research and we believe in helping the farmer to lower his costs and we believe in helping him to avoid waste, but with 57 cents of the consumer dollar going elsewhere, we believe it is high time that we at least find out where the money is going so that we can see perhaps if we cannot get some improvement there. Our reasoning is as follows: There is no way for the Congress to make the people in Philadelphia get rid of their antiquated markets. By way of illustration, we find that with regard to some commodities leaving California, shipped to New York City, and when we find more cost being added from the Hudson River to the consumer, than all the rest of the cost, it is time that we had the facts tabulated so that the folks affected—the New York city consumers—can bring about whatever correction they want to. In this bill we set aside $1 million to tabulate and find out where 57 percent of the consumers' dollar is going. It is apparent where some of this money is going. You can see it. Since 1945, we have had 13 freight rate increases. Behind those freight rate increases are various laws which require so much return on the investment after the railroads paid the costs of operation. We know where some of it is going. We do not hereby condemn it but we believe that the American people should have the facts and the Department should have the facts so that we can make a start from that point to correct anything that needs correcting.

We have another thing which I think is original in this bill in regard to the foreign agricultural service. Of the money that the budget provides, we have set out $500,000 to provide for a tabulation and for bringing down to date increases in production in foreign countries on the commodities which we support here plus a tabulation of the laws in those foreign countries to move their commodities in world trade on a competitive basis. Our hearings disclose you cannot make proper determinations of United States policy without knowing what the rest of the world is doing. We have learned cutting down United States production does not mean reduction in world production, but apparently it means only a shift to foreign lands of United States acres taken out, many times by United States financial interests.

The other action we have taken is tied in with what I would like to point out to you now.

Mr. SPRINGER. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Illinois.

Mr. SPRINGER. As the gentleman knows, last year I introduced one of the bills which resulted in 480. I do want to commend the subcommittee on adding this money for research. I think one of the principal things we have done wrong during the past 15 years is that we have spent billions to increase production and we have spent almost nothing on research, on how to get and keep and maintain markets. This is the only thing strengthening that I have noticed by any agency of Government, to try to work out the problem of distribution, which is the real problem we are facing.

The second point I want to mention is the question of research and what is being done in foreign countries. In November and December when the Interstate and Foreign Commerce Committee was in Africa we ran into the very thing you are talking about. In Ethiopia here were 18 experts from the Oklahoma A & M College teaching the Ethiopians how to grow corn. But actually at this time they are almost ready to export corn as a result of the technical instruction and education we have given them. The same was true in Turkey, which 10 years ago had to import corn. Now they are exporting corn.

This entire question of research is the most important thing that your committee could do to find out how we can get these foreign markets and keep them.

Mr. WHITTEN. I thank the gentleman, not only for his comments but for his service in pinpointing many of these problems. I know his views have borne fruit in many of the changes that I have observed. Research about markets is good but offering for sale and making the price truly competitive is what we need first.

Mr. FULTON. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Pennsylvania.

Mr. FULTON. I also wanted to point out that it is research that is so important. I agree with the gentleman that we people who have city districts as well as country districts should join in helping to get funds for more research. One of the things I think we should have is research on merchandising and consumption. When you get rigid high price supports you lay up surpluses, and what are you going to do with the surpluses? What is the gentleman's solution for the surplus question?

Mr. WHITTEN. We have laid up surpluses not by support prices but by not selling. Price supports may have caused the purchases but we still have such commodities because we would not offer sale with the price right.

Mr. GROSS. If the gentleman will yield, I think the gentleman from Pennsylvania should be corrected to this extent, that it does not follow that by having high, rigid support prices it tends to produce a surplus.

Mr. WHITTEN. That is the point I was coming to. I used to practice law, and when I did not have much of a case I would holler about something extraneous to the issue. So I am not too much disturbed about the Department saying the report which we filed in this case was political. I hope I have not built up that kind of a reputation here. My folks have been good to me. With what I hope is pardonable pride, I say I have not had a campaign since 1944, and I have not had to make a campaign speech in all my service in Congress. My people have not demanded political propaganda. I do not think that our report is political propaganda, but when a department of Government—the Department of Agriculture—says it is, it is evidence that they do not have the answer. The Secretary and the Department know they cannot explain giving away without offering for sale. They run a $10-billion Corporation with $7 billion invested, on which they pay storage. They would give away rather than sell.

Now let us see what the facts are in this report. I did quote from some of the speeches of the Department officials. Mr. Morse, Under Secretary of Agriculture, did say that the picture was not so gloomy. "Farmers have learned," he said, "that they can get jobs in the cities." That is his privilege. I do not know anybody in the Department whom I do not like and with whom I cannot agree about things social, but it is high time we agreed about what nice people they are but now we must look at how the Department is being run. That is what I am talking about. It is in that connection that I would like to point out to you we have a farm program which comes under attack from time to time in various circles.

To carry out the farm program we established the Commodity Credit Corporation. I was here and many of you were on the floor when it was created. That Corporation was established to act as a corporation, that is, in a business-like way. Under the charter it has authority to buy and to sell, to sue and be sued, to move quickly and to handle its affairs like a business concern. We have provided the various support levels for farm products and as you know, I have differed with certain folks in the Department of Agriculture as to such levels and I do not condemn them for having their viewpoint, but our hearings disclose that in the Commodity Credit Corporation charter, and that is the Corporation that owns all these commodities, provision is made for the support of various farm commodities, and the price at which they can be offered in the United States is controlled by law. But in the Commodity Credit Corporation's charter it is provided that so far as selling in world trade is concerned they have the authority to sell at any price; in other words, the Congress in providing price supports recognized that you had to have some program for the farmer to compensate for the high cost of the things he has to buy, but the Congress recognized that while you might have to have that feature, if you wanted your commodities to move in world trade where many times the income and costs in foreign countries is not as high as ours, in countries like Spain where the average income per person is a dollar a day, or in Mexico, or many other countries, that if you wanted to sell our commodities you would have to make your price competitive. So the Commodity Credit Corporation charter provides for the sale in world trade at any price essential to move the commodity. It is with regard to that responsibility that the CCC has failed to properly discharge its responsibilities to the American people.

We have a $10 billion corporation with $7 billion invested which, by and large, is still trying to sell at the prevailing price. That means the CCC analyzes the world market price on these commodities and then offers ours right at that level. All any foreign country has to do is just sell under it and they get the markets and we get what is left. The Department has admitted that.

Since this issue has been raised—and I do not want anybody to think I am throwing off on the Department of Agriculture because it is under a different administration; I have made these fights since I have been in this House whoever was there—all you have to do is turn to the report where I quote from a statement by the Department of Agriculture where it says, and I quote:

> The present season again finds the United States in the position of residual supplies of cotton to the world; that is, with demand for its exports limited until other exporters have largely sold out.

That is the Department of Agriculture announcement made last year until we went after them on the fact that they did not offer cotton last year for export.

While we have been holding our support price as the world price, so to speak, by and large, under that assurance of price—and I am merely using cotton by way of illustration, but the same thing applies to corn and these other commodities—the Anderson-Clayton Cotton Co. has gone into Brazil and Peru with the assurance thus expressed by the CCC and put thousands and thousands of acres into cotton while our Government was cutting cotton acreage by practically 7 million acres in 2 years, under the Department's own report putting more than 55,000 families out of their homes this year alone and reducing 130,000 farm families to an income of less than $900 a year.

That is not all; it is even worse when we find that the reduction in acres here is showing up in increased plantings in Mexico, Peru, north Africa, and various other countries of the world by United States financial interest taking advantage of the United States umbrella on prices not raised by Congress but by the Secretary of Agriculture who by his decision has made our domestic price the world offering price.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to my friend from Iowa.

Mr. JENSEN. How long has that situation been in existence? When did it start? When did we start putting an umbrella over the foreign countries so far as prices are concerned, and because of that they were able to put in

many acres while we had to reduce acreage? I would like to pinpoint it.

Mr. WHITTEN. Well, the policy started, as I understand it, right after World War II on the argument that in addition to various other foreign aids, we should also hold our commodities back so as to let countries get reestablished. This policy has existed from that time and that time was under the Democrats. It has come down to date. Only lately have we learned that United States cuts in production have been merely transferred to foreign lands by United States financial interests.

Only in the last few years have foreign countries come to the point, as I found in Europe, where they are more than 150 percent recovered from prewar. Their general economic condition is 150 percent above that of prewar. Only in the last several years have tractors and farm equipment become available to your Hohnburgs and your Anderson-Claytons and your other two big cotton producers who have become international operators. It is only in the last few years that we began to see what this was doing to us, though the policy had continued for several years before that.

Mr. JENSEN. So the problem is to find a place and method by which we either bring that umbrella down or we put something in its place. Have we got to the point where there is nothing we can do about it? Has it gone on so long and we are so committed to hold the price up that we can do nothing about it?

Mr. WHITTEN. That is what I want to get to now. The way to bring the Department's umbrella down is to sell and protect our own farmers. I was told by the Department before I made this trip and the word "political" appeared in this report, that this was a part of our policy because of world problems and because of the political ramifications of international affairs. That is what the Department told me.

I went to Europe and I found out several things I had not been aware of before. They do have dollars in these foreign countries. We simply are not getting them back for agricultural products. They spend now of the dollars they actually get about 18 percent of those dollars back with us for agricultural commodities because we will not make our price competitive. Prewar they spent 29 percent of their dollars for agricultural commodities. So they do have dollars.

I made a further check. I could not find anybody in the State Department who had said that they objected to us selling in world markets competitively, as is contemplated by our support laws and as is contemplated by the Commodity Credit Corporation charter. I came back here in January.

When the Commodity Credit Corporation appeared before us wanting $7,200,000 more in administrative funds, I asked them to submit to us what commodities the Commodity Credit Corporation had that had not been offered in world trade on a competitive-bid basis. They listed $3,792,000,000 worth of such commodities. They like to insist that when we offered our commodities for the prices that generally prevailed in the world that was competitive. Of course, it was not. You have country after country where they came just a few cents under ours and they got the market. According to CCC, $3,792,000,000 worth of commodities have not been offered on a competitive-bid basis, which is the way to tell whether it is truly a competitive proposition. Last year we had urged the CCC to make such offerings. I went after them about that. We got them to offer some commodities in the world market on a truly competitive basis. Do you know what happened? They sold $453 million of them for United States dollars, virtually all, by merely offering them in world trade on a truly competitive basis. Last year when we got them to offer them and when they made the offer truly competitive, we sold the commodities.

Now, in regard to these other commodities that the CCC authorities have not offered on a competitive-bid basis, if you will read the hearings, the distinct impression is left that the Department would not do it, though they admit they had the authority to sell them at any price competitively. They left it in the record that they were not doing it because of our State Department and our foreign polcy. I did not believe that, so I went to the State Department, and advised them what the Department of Agriculture had indicated. Then we had Assistant Secretary Waugh before us. He said with the exception of butter—and there the State Department did protest because we never had an export market of butter, but were overruled—the State Department has not objected to selling commodities in world trade competitively. Then, after the Department of Agriculture speaking through the Secretary and its solicitor, admitted that they had the authority but left the impression that the State Department would not let them do it, we called Mr. Waugh before us and he made that statement, and I let the Department of Agriculture know it. Then the Secretary of Agriculture said it was his determination not to sell these commodities in world trade on a competitive-bid basis. "The trade has advised against it," he said. In the record you will find he had 1 letter from the head of 1 cooperative. I put in numerous letters, numerous pleas by folks in the trade urging the Department to sell.

But, this is a farm program. If the Department is going to try to get an agreement within the trade, where one group of traders is long and the other short, where one group is interested in this and one in that, where one group has supplies on hand and another wants them, you cannot ever get any agreement like that. Mr. Lamar Fleming, of Anderson-Clayton, is a big man in the trade and the shippers association. He is a fine man, an outstanding man, but also an international businessman. Mr. Hohenberg of Memphis, Tenn., in the other body said that under this umbrella, 25 percent of their cotton production was overseas, in Mexico, and elsewhere. I am pointing out to you that their business interests are not just local in the United States. Now, if you read the report, you will see that while we have been cutting cotton back, according to the Department's own report, 55,000 farm families are without homes under an order of their Government, 130,000 with less than $900 per year. That acreage is showing up in foreign countries, largely financed by American financial interests in Mexico and in Peru and in various other countries.

Mr. SHORT. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Missouri.

Mr. SHORT. I consider the gentleman from Mississippi one of the ablest men in this body, and he has been thoroughly consistent through all the years that he has been here. Now, what he has told us about cotton he has also frankly admitted can be said of other major commodities with support prices. Now, how long can we continue to allow American dealers to go into foreign countries, where they have cheaper wages and lower standards of living, to develop vast areas to produce the very commodities in direct competition with the American farmers?

Mr. WHITTEN. We cannot live with it. It is just as simple as that.

Mr. SHORT. I think that applies not only to agriculture but to manufacturing, practically everything we produce in this country, whether it is on the farm or in the factory, and that is the reason I find it so difficult to see so many Members of Congress still in favor of the so-called reciprocal trade agreement, which is more or less a one-way road instead of really being reciprocal.

Mr. WHITTEN. I would like to comment on the statement of my friend. What makes the reciprocal trade agreement even worse than anybody pointed out so far is it permits the Government to let foreign articles in while our own Government will not allow our commodities out, even though authorized by law, by policies which will not offer our commodities competitively. Anybody knows that you cannot sell if you do not offer for sale and make your price equal the other fellow's.

The fact that it is international does not change the situation. If the other fellow has an equally good product, if you cannot meet the price, then you are not going to sell it.

Mr. ARENDS. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman.

Mr. ARENDS. I should like to say I am asking this question in all sincerity. Because of the rapid development of agricultural production in various places throughout the world, to which the gentleman has referred, and because that can largely be attributed to the fact that we have given point 4 aid or technical assistance, or whatever it is called, have taught them how to raise farm products, are we in a position today where the gentleman is suggesting that we cease and desist further appropriations for advice and help under point 4, in raising agricultural products anywhere else in the world?

Mr. WHITTEN. The gentleman is getting me into a subject which I have not prepared as thoroughly as I have the subject I have been discussing; but I haye

definite ideas on it, although I confess I do not have as full information on that subject. If the help we give these people were for the purpose of raising local standards of living and of agricultural activity for home consumption, that is one thing. But if the purpose is to set up countries in Central America, for instance in the very commodities which we have in surplus in this country and take away the export market of the United States in those commodities, then that is unsound. But I should like to go one step further. The 2,600 deep wells that we dug in India so that they could grow more cotton have not done one-tenth of the damage that has been done by making our support price the world price, thereby holding a price umbrella. The assurance of price has done 10 times as much damage, in my opinion, as has the making available certain sums of money and certain know-how, certain technical assistance, in my judgment. If you give a man assurance of price, he does not have to have money, he does not have to have anything; he can raise the money.

Mr. MASON. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield.

Mr. MASON. So far as the Clayton concern's raising cotton in South America is concerned, certainly they do not need any technical assistance from us, because they took it with them.

Mr. WHITTEN. That is correct. And then that comes back to us in this way. You do not have to worry so much about increasing production in foreign countries by foreign people when they are short in that production. It is when your American know-how and your American finances go into these low cost areas under an assurance of price that we have difficulty.

It has been said that my report is political propaganda. I do not like that. I have tried not to live that way since I have been here.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield.

Mr. HALLECK. The gentleman said, I believe, that "I wrote the report" and the gentleman says now, "It is my report." Are we to understand from what the gentleman has said on two occasions in truth and in fact that this report is his personal report?

Mr. WHITTEN. I will put it this way. When I am attacked, I accept all responsibility and so far as making any denial in order to avoid any responsibility for it, I will say that I am directly responsible for it. I had the counsel and advice from various members of the committee and made the report available to them. It reflects the attitude and the opinions, in my judgment, of practically all the members of the committee. Insofar as the wording of the report is concerned, or insofar as any minority report is concerned, it speaks for itself. Insofar as the preparation of it is concerned, I helped to put it together and submitted it to the members of my committee in line with what we ordinarily do here. And it was made available to all members of the subcommittee on Thursday prior to its being printed.

Mr. CANNON. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to my distinguished chairman.

Mr. CANNON. As the gentleman has said, this report was very carefully prepared and was made available to all members of the committee in advance.

When the committee voted on it, the vote was unanimous in favor of adopting this report as the report of the committee, a committee consisting of 50 members. It was unanimously approved. It is the report of no individual but the report of the entire Committee on Appropriations of the House.

Mr. HORAN. Mr. Chairman, will the gentleman yield to me on that point?

Mr. WHITTEN. I yield to the gentleman.

Mr. HORAN. I think the chairman of the full committee knows that I took reservations on the policies outlined in the full committee.

Mr. CANNON. But when the vote came in the committee on the adoption of the report, the report was unanimously adopted. There was not a single vote against it.

Mr. HORAN. I must insist that I took reservations.

Mr. WHITTEN. Each man is entitled to take his own position. There is no argument about that. This report reflects my views and, in my judgment, reflects substantially the views of the subcommittee, with certain exceptions about which I learned a day or so after it was printed. Those who have taken exceptions I have no quarrel with, and I have no quarrel about anybody making his position plain.

Mr. VURSELL. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I will agree with whatever the gentleman wants to say. I have agreed that whenever the gentleman's time comes, whatever report he may wish to make will be proper.

Mr. VURSELL. I want to reply right now, if I may have half a minute.

We were invited to the committee. We got to the committee. The gentleman was explaining the bill when I got in, about 3 minutes late. Of course it was more interesting to hear him explain the bill than it was to begin to read the committee report, and that is the first time I had seen it. Consequently, I took it to the office with me, and an hour after the committee adjourned I started to read the report. I was a little surprised, as was my colleague from Washington [Mr. HORAN], because I had hardly expected the criticism in the report that I found.

Mr. WHITTEN. Let us not get into all that. I have not seen the minority report that the gentleman from Illinois and the gentleman from Washington [Mr. HORAN] wrote. I saw it for the first time yesterday. Those things happen. You are entitled to your view and I am entitled to mine. I am not trying to commit anybody to this. I honestly portrayed the problems as I saw it. I thought and believe now I was substantially following feelings of the members of the committee on it. There is not a difference in the committee on a single dollar in it.

Mr. SPRINGER. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Illinois.

Mr. SPRINGER. May I ask the gentleman this question, and this is only for information. In either October or November, it is my understanding, they sold about $25 million or $30 million worth of cotton to Spain. Is that correct?

Mr. WHITTEN. That is correct.

Mr. SPRINGER. Was that sold at the prevailing price or at a lower price?

Mr. WHITTEN. As I understand, that was sold at prevailing prices. Spain added 20 cents a pound after they bought it. The gentleman understands that because we hold our commodity, cotton, back, so that there is what might be called an immediate shortage, their prices have been considerably above the loan level because a part of the supply was held off the market by the CCC acting for United States of America. So we have had sales because there were not supplies elsewhere. In the last 3 or 4 weeks I have had at least 12 letters from traders in the cotton field, where they sent me letters from Liverpool and elsewhere where every country in the world was underselling our price. As a result, foreign countries, including Russia, are getting the market. So the immediate situation is somewhat different in cotton than with regard to something else.

May I pass on?

Mr. JENSEN. I wish the gentleman would yield to me.

Mr. WHITTEN. I am using too much time, but I cannot deny my friend.

Mr. JENSEN. The gentleman is very fine. He knows I have always held him in the highest regard. I have heard him criticize the Department of Agriculture almost every year, and have thought he was completely justified in doing it. I never thought the gentleman was playing politics when he criticized his own party.

Mr. WHITTEN. I want to say I am not denying the attacks of the present Department on me because it disturbs me any.

Mr. JENSEN. The thing I wanted to ask is, Is it not a fact that the Commodity Credit man by the name of William Lodwick from the great State of Iowa is now in charge of and is selling these commodities in different places in the world? I think he is doing a good job. I understand he just sold some wheat to Chile not long ago at a very good price. There are other sales he has made.

Mr. WHITTEN. I have known lots of good people from Iowa, including Mr. Lodwick, who is the head of the Foreign Agricultural Service and my colleague who is speaking.

Mr. JENSEN. Is it not a fact that they are disposing of considerable amounts of these surpluses at this time?

Mr. WHITTEN. Yes. That is what I want to point out.

Mr. JENSEN. All right.

Mr. WHITTEN. May I repeat that the law provides for certain support levels and provides for the level of sales do-

mestically. That same law provides for sales in world markets competitively, by competitive bids, if it takes that to move them.

We have as a matter of Government policy for a number of years been failing to make our offering price competitive. We have made our support price the world price by offering it either at the prevailing world price or the support level, in effect. So it is a failure of selling it truly competitively that has caused it. The decisions were made by the Secretary according to his testimony. I want to show you who understands what the effect of such policy is. I quote from a speech which was delivered at Bakersfield, Calif., I believe last week by the Secretary of Agriculture:

> And we may as well face the fact that we have an increase in competition in the world cotton market. • • •
>
> Efficient use of excellent land in Central America, for example, has brought about a six-fold increase in cotton production during the past 5 years and a further rise in output can be expected. In the meantime our situation in the United States leaves us no alternative but to call on cotton farmers again to make substantial adjustments in acreage. The Department cannot favor any increase in the national cotton acreage allotment for 1955, under the current supply-and-demand situation.

And he goes on to say this:

> But we may as well face the facts. We must realize that high rigid supports tend to price our cotton out of world markets. They tend to encourage foreign producers more and more to get under our convenient support umbrella.

He pointed out the additional increases in Central America. He says we cannot go along, or rather the Department cannot go along with increased acreage here. Then he says that our umbrella over the world invites it. But what he did not say is the only price control in the law and in the Commodity Credit Corporation is domestic. It is the Secretary of the Department of Agriculture, and the Commodity Credit Corporation which made our support level of price the world level, and yet his own speech shows that he knows the effects of it. In this report I did point out that the Commodity Credit Corporation, a billion dollar corporation, with $7 billion invested, is busy buying and buying and paying storage and paying storage and it is making the domestic sales price the world price by its own actions. When we analyze it, we will find you are not saving a dollar by lowered supports or flexible supports because you are paying out in storage whatever reduced investment you may have gotten, if you had sold it. Why we have cotton on hand that has 8 cents a pound storage charges against it. Do not tell me that it would not have been sound to take a 3-cent loss instead of an 8-cents-per-pound loss, on storage alone. Check the figures. More than half the loss of the Corporation last year consisted of interest, storage charges, and carrying charges on commodities that had never been offered in the world trade on a truly competitive basis.

Now I said that perhaps you could understand a corporation which thought it might follow that policy. If you look, the law provides for a board of directors and a president. The president is the Under Secretary of Agriculture, Mr. Morse. The board of directors are either Assistant Secretaries, Secretaries, or employees. They are all employees of the Department of Agriculture. It is hard for me to see how any able man can think a corporation can continue existing if it is always buying and raising the storage rates it pays, and paying them out, but never selling competitively. It is true that where there are some shortages in the world supply, in which case we move commodities at the present offering price. But it is only in those places where the supply, because we hold ours off, is tight enough for ours to move. So I cannot see any basis for continuing this shortsighted policy or for anybody in the Department wanting to build up this huge investment and these carrying charges and all these storage charges for the purpose of having their way on flexible supports because the administration now has flexible supports in the law. I cannot see that they would go that far in order to pay storage charges to warehousemen because goodness knows they are not entitled to add that cost to the extent of putting American farmers out of business.

But my friend used the word a while ago, the head of the Commodity Credit Corporation, in reporting to our committee on the stewardship of a $7 billion corporation, referred to what they had bartered away and what they had given away and what they had granted, and what the disappearance was. Then he gave us an optimistic note that next year the disposition would be so and so. Is that not a queer way to report to the Congress on the stewardship of a $7 billion corporation? Is it not odd? It certainly is. May I say that when the Department says, "What WHITTEN is recommending means selling for less than we have got in it" they overlook they are giving away our dollars of investment under 480, and by the way they are recommending the appropriation of more money for commodities they would give away. There is only one basis for the determination of many to give away instead of sell, only one. That is, they will get rid of it anyway as long as we do not shake this world umbrella in which Mr. Clayton and Mr. Hohenberger and other big operators are interested. The CCC will let you give millions of dollars worth of commodities away and just ask Congress for an appropriation. They will barter it. They will grant it. But they plead do not make them sell it competitively. Let us hold this umbrella, they say.

Mr. Chairman, the speech which the Secretary made in Bakersfield, Calif., recognizes what causes United States acreage to go overseas. He says it is price supports that are causing the umbrella. But it is the decision of the Department of Agriculture which said that support price was the world price.

The CHAIRMAN. The time of the gentleman from Mississippi has again expired.

MR. WHITTEN. Mr. Chairman, I will yield myself 3 additional minutes and then I shall close.

I point this out at this time: When Mr. Brannan was Secretary of Agriculture I was chairman of this committee, and I had the Department investigated each and every year. It was our subcommittee, under a Democrat, that uncovered the large grain scandals, and got the information, and reported it to you and to the country. Nobody said that was politics. In this bill we report another investigation of the same Department and now the Department says it is politics. But, Mr. Chairman, the investigation on which this report is based by the gentleman from New York [Mr. TABER], and the gentleman from Minnesota [Mr. H. CARL ANDERSEN]. It is they who selected the investigators. I do not believe they would be playing politics with their own Department of Agriculture. I think it is unfair for anyone to claim any such thing. I released in the hearings and in this report the findings of their investigators.

So much has been said about this report I wish to present it in detail to you now.

Our Committee on Appropriations has submitted the following explanation of the bill making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year 1956. The bill covers all estimates contained in the 1956 budget, pages 180 through 192, and 342 through 441.

Our bill includes direct annual appropriations for regular activities of $694,107,434; loan authorizations for the Rural Electrification Administration and the Farmers' Home Administration of $388 million; an administrative expense authorization for the Commodity Credit Corporation of $26 million, together with an appropriation of $1,634,659 for restoration of capital impairment; an appropriation of $184,517,957 for special activities, most of which covers reimbursement to the Commodity Credit Corporation for funds advanced to finance programs authorized by Congress to meet special and emergency conditions; and administrative expense limitations for the Farm Credit Administration of $6,290,000.

The following summary sets forth the committee action with respect to the various items in the bill:

Item	Approved 1955	Estimates, 1956	Recommended 1956	Bill compared with—	
				1955 approved	1956 estimates
Regular activities	$653,129,960	$711,531,958	$694,107,434	+$40,977,474	−$17,424,524
Loan authorizations	363,000,000	377,000,000	388,000,000	+25,000,000	+11,000,000
Commodity Credit Corporation:					
Restoration capital impairment		1,634,659	1,634,659	+1,634,659	
Administrative expenses	25,290,000	26,000,000	26,000,000	+710,000	
Special activities	331,500	184,517,957	184,517,957	184,186,457	
Farm Credit Administration	6,250,000	6,290,000	6,290,000	+40,000	

THE SITUATION FACING AMERICAN AGRICULTURE

In approaching the budget for the Department of Agriculture for the coming fiscal year, the committee has been aware of the many serious difficulties facing American agriculture at the present time. Within budget limits, the committee has attempted to provide sufficient funds for those agencies of the Department which can most help the farmer to continue to provide the Nation's food and fiber, which give us our high standard of living, and which can continue to encourage efforts to protect the Nation's soil and natural resources. The committee recognizes that, in the final analysis, the farmers' net income will determine whether he can continue on the farm and whether he can continue to spend money to protect the Nation's resources. It is these factors which cause the committee much concern under present conditions.

While salaries and wages generally have increased in recent years, and while the President is recommending a minimum wage of 90 cents per hour, the income of those Americans engaged in agriculture has been dropping steadily each year. The prices of farm products have declined about 7 percent in the past 2 years. They have dropped 22 percent since February 1951. The cost of farming continues to increase, with a 14-percent increase in prices paid by farmers during the past 5 years. The net farm income in 1954 was down nearly 20 percent from 1951.

As a result of this price-cost squeeze, the value of United States agricultural assets dropped from $170.1 billion on January 1, 1952, to an estimated $162.3 billion on January 1, 1955, a loss of $7.8 billion, or 5 percent. During this period, the value of farm real estate dropped nearly $4 billion or 4 percent, and the value of livestock declined $8 billion, or more than 40 percent. Also, the farm-mortgage debt has nearly doubled since 1945.

While a majority of the committee is of the opinion that reduced supports do not meet the basic factors causing the present farm situation, the Secretary of Agriculture now has the flexible price support laws he has requested, and parity levels and formulas are being changed accordingly. The outlook is for still further declines in net farm income in 1955 due to the reduction in acreage of controlled crops and the low prices of nearly all farm products.

While the consumer is getting more and better food for his money than ever before in history, the share of the food dollar going to the agricultural producer is decreasing. Since 1945, the farmers' share of the consumer dollar has gone down from 54 percent to 43 percent. With constantly increasing costs of transportation, processing, and distribution, the prospects are that this trend will continue, unless strong efforts are made by Congress, the Commodity Credit Corporation, and the Department of Agriculture to halt it. Despite lower prices on the farm, consumer prices on most foods have increased or remained about the same, indicating that the decrease in the share of the consumer dollar going to the farmer is resulting in additional income to the processing and distribution system.

In certain parts of the country, particularly the South, the situation resulting from reductions in acreage allotments is deplorable. A special survey made recently by the Department at the request of the committee shows that, as a result of the Secretary's order curtailing cotton acreage, more than 55,000 farm families in the South have been put off their farms, with no homes and limited employment possibilities. This survey also indicates that some 130,000 farm families, with gross incomes of $1,000 or less, will suffer further losses of $100 or more this year. Similar situations exist with regard to other farm commodities in other sections.

The Secretary points out that, with fewer farmers, the gross farm income divided by the number of fewer farmers means the farm picture is brighter than many believe. The committee cannot subscribe to such reasoning.

FAILURE OF COMMODITY CREDIT CORPORATION TO MEET FULL RESPONSIBILITIES

Any analysis of the present situation confronting farmers must start with a thorough study of the Commodity Credit Corporation, the Government's arm established with a dual responsibility to, one, support farm prices within the terms of the law; and, two, protect the investment of the Nation's taxpayers, including the American farmers, through sales of commodities acquired.

The agency set up to handle the price support program was established as a corporation in order to give it more latitude to buy and sell, borrow and repay money, sue and be sued, etc. In other words, it was created on this basis so that it would operate on a business-like basis to carry out its responsibility of supporting farm prices and protecting the Government's investment through sales. It is this latter responsibility which has been largely overlooked by the Corporation and those dealing with the subject.

As to the Corporation's authority and obligation to sell, we need only look to its charter, which in section 5 (f) authorizes it to export or cause to be exported, or to aid in the development of foreign markets for agricultural commodities acquired under price-support programs or specifically procured for export purposes. The Charter Act contains no restrictions on the prices for which commodities may be sold by the Corporation for export purposes.

This Corporation has authority to invest up to $10 billion to support farm commodities. At the present time, it has invested over 7 billions of dollars in such commodities. From this, it must be conceded that the Corporation has discharged its responsibility to support farm commodities as provided by law.

On the other side of the picture, however, there is a serious question whether the Corporation has met its obligation to protect its—the people's—investment.

Testimony before the committee indicates that, while the Corporation has the authority to sell its products in world markets at competitive prices, as of February 1955, nearly $3.7 billion of such commodities have never been offered for sale abroad at competitive prices. And storage charges are rapidly increasing the Corporation's investment in these stocks.

There is reason to believe that such products could be sold in world markets through normal channels of trade, if an effort were made to do so on a competitive basis. During the past year, largely as a result of the urging of this committee, about $500 million worth of such commodities were sold for dollars by merely offering them for sale on a competitive basis through United States export traders. Many countries of the world have dollars and are anxious to buy American products at competitive prices.

Under an erroneous decision, the president and board of directors of the Corporation have set up a policy of making the American support price substantially the offering price in world markets. As a result, the Corporation is placed in the position of a residual supplier. This is borne out by the following statement contained in a news release of the Department dated February 1954:

> The present season again finds the United States in the position of residual supplier of cotton to the world, that is, with demand for its exports limited until other exporters have largely sold out.

While the price support law fixes the domestic price of Commodity Credit Corporation sales of basic commodities at the support level plus handling and storage charges, there is nothing in the law applying this same formula to sales abroad. With full authority to sell competitively in world trade, the Corporation and the Secretary, according to his testimony, have set our domestic price as our price in world markets, with relatively minor exceptions. In connection with wheat sold under the International Wheat Agreement, which is an exception, our sales are made on a fixed price level, causing CCC to miss many sales.

The committee feels that a price support system is necessary to offset other United States costs and to enable the farmer to exist along with the other segments of our economy, most of which have protection by law in one form or another. It does not believe that losses on commodities taken over by the Commodity Credit Corporation, which have been greatly increased by failure to sell, should be used to discredit such a valuable part of the broad farm program of this country.

The Congress authorized sales in world trade at such price as it might take to move these commodities. Certainly the Congress never intended for the CCC to restrict United States production to the domestic market by keeping its commodities off world markets at competitive prices. Testimony before the committee indicates that nearly every country of the world makes special concessions where necessary to keep its products moving in world trade channels. Undoubtedly Congress intended that this country should compete in world markets. This is borne out by the fact that it provided specific authority in the Commodity Credit Corporation Charter for the Secretary to sell its commodities in

world trade at whatever price he finds necessary to sell such commodities.

COMMODITY CREDIT CORPORATION OPERATING COSTS

Any decreased investment which might result from flexible or reduced support levels is being dissipated by failure to sell. Of the $588.5 million loss incurred on CCC commodities disposed of in the fiscal year 1954, about $224 million represents storage, warehousing and transportation costs, and $102.9 million represents administrative, interest, and similar costs. Of this amount, $197 million covers storage and related costs on those commodities which have never been offered for sale in world markets at competitive prices, even though the Department has the authority to so offer them. These commodities include wheat, corn, cotton, rice, tobacco, cheese, milk, wool, cottonseed meal, cotton linters, olive oil, seeds (hay and pasture), and soybeans, in which the United States has an investment of $3.7 billion.

A large part of these storage costs would have been avoided had the Corporation used its authority to sell these stocks in world trade through normal channels. Losses on sales abroad could well have been less than storage costs resulting from the present policy of holding such commodities off world markets at competitive prices. For example, on some of the cotton now held, as much as 8 cents per pound has been added to the Government's investment by storage costs alone.

In view of the large amounts of Federal commodities on hand, no further increases in storage rates should be authorized under any circumstances. Instead, the committee feels that storage costs should be brought down by at least 20 percent during the next fiscal year, by reducing stocks through sales. It also believes that the reduction of stocks of commodities and storage costs should continue at even a faster rate in the years ahead, until CCC holds only such supplies as are essential to security reserve for 1 year.

NEED FOR POSITIVE SALES PROGRAM

It would seem to the committee that the directors of any corporation should realize that a business cannot operate successfully if it does not sell what it purchases. This is particularly true where holding the stocks continues to add to the carrying charges due to accrued storage costs and constantly increasing administrative expense. And yet, that is what the Commodity Credit Corporation is doing.

The committee finds that this $10 billion corporation, which now has over $7 billion invested, does not have a sales manager or a sales organization. Actually, it does not even have a sales policy or program worthy of the name.

It has long been recognized by the Congress that, in order to protect the public interest, Government purchase contracts must go to the lowest bidder. In view of the soundness of that policy, the committee wonders why the CCC does not save Government money by selling to the highest bidder. Generally speaking, the Corporation does not do that either at home or abroad. Almost 100 percent of the commodity sales are offered at a fixed price. Usually, on this basis, CCC does not sell, thereby increasing storage costs and adding to the United States investment and eventual losses. Last year, when the committee got the Corporation to offer stocks competitively, the commodities were sold for dollars totaling $500 million.

Certainly, the operating heads of this $10 billion Corporation must realize that, with over $7 billion invested, they cannot keep buying, and cannot keep adding to carrying charges because of higher storage rates, increasing commodity volume, and more administrative costs—and not sell for the best available price.

Yet the officials of this corporation will not sell competitively in world trade. It cannot be because they do not have authority, for the charter itself gives unlimited authority to sell on such a basis.

The charter of the Corporation provides for a president and board of directors. These officials are Ezra Taft Benson, Director, Secretary of Agriculture; True D. Morse, President, Under Secretary of Agriculture; James A. McConnell, Director, Assistant Secretary of Agriculture; Ervin L. Peterson, Director, Assistant Secretary of Agriculture; Earl L. Butz, Director, Assistant Secretary of Agriculture; O. V. Wells, Director, Administrator of AMS; R. L. Farrington, Director, Solicitor of Agriculture.

The President of the Corporation, in reporting to the committee on the commodity disposals for the last year, referred to how much the Corporation had bartered, how much it had granted, and how much it had given away. He then discussed how much the disappearance was, and in an optimistic note commented on what the current year's dispositions will be. On the basis of such testimony, the committee raised a question as to how long any private corporation could exist with such a policy of giving away assets, then merely charging off the losses.

Those facts make the picture clearer. There is much to indicate that, with the Department of Agriculture, a branch of the executive department, political and other considerations predominate to the point of preventing action. Proper actions by the Corporation are made subservient to a host of other considerations, many of which, in the opinion of a majority of the committee, are unsound. These actions of the Secretary of Agriculture and others about him are hard to understand unless CCC costs and losses are for use to support their determined efforts to change the price-support program.

From the Department's testimony, it appears that CCC policy is dependent upon obtaining agreement among the various segments of the trade as to time and terms of disposal. Yet within the trade there are many conflicting interests which cannot be reconciled so as to permit necessary actions protecting the interests of the Corporation. With general agreement under such circumstances virtually impossible, except on a give-away basis, CCC offerings in world trade are made at such a high-pegged-price level that other countries are enabled to offer their commodities just under United States prices and get the markets. Thus the United States holds an umbrella over world prices and invites United States capital to move its production to foreign lands.

The committee feels strongly that the officials of the Commodity Credit Corporation must accept their responsibility to properly handle the affairs of the Corporation so as to protect the Government's investment. The retention of any farm program will largely be determined by how well the business of the Corporation is handled.

A sales manager should be provided immediately by the Board of Directors. He should be made directly responsible to it, with a directive to set up a sales organization and a positive sales program under which commodities will be sold for the best price the Government can get and still move them before "storage costs" become too large.

If, to get this done, it is necessary to make the officers and employees of the Corporation independent of the Department of Agriculture, Congress should adopt legislation to accomplish this.

Sale of CCC commodities is essential to American agriculture, for those stocks not offered for sale on a competitive bid basis have two undesirable results—the reduction of productive goals and the lowering of price support levels. Already, cotton not offered in world trade on a competitive bid basis has been used to reduce United States acreage by about 7 million acres in 2 years. As pointed out earlier, due to such restrictions imposed this year alone, more than 55,000 farm families are without homes and more than 130,000 farm families have had their gross annual income of $1,000 or less reduced to around $900. And it must be realized that this is not the result of price supports but is because CCC will not sell the commodities acquired.

INCREASES IN FOREIGN PRODUCTION

It is imperative that these policies be changed immediately, since foreign acreage is increased as United States acreage is reduced. Figures from the Department indicate that reductions in United States production have not cut world production, but have transferred our acreage to foreign lands instead.

Since 1949, foreign production of cotton has increased 49 percent, while United States production has decreased 16 percent. Since 1952, production of cotton has increased about 43 percent in Europe, 6 percent in Asia, and 11 percent in South America. Indications are that further increases are expected in these areas of the world next year. During this same period, cotton acreage in the United States has been reduced about 35 percent.

With this loss of income to the economy of the United States, it is distressing to note that much of the increased production in other countries has been supported by American capital and know-how. The assurance of a United States umbrella over world prices has enabled these concerns to develop profitable operations in countries where labor and other costs of production are much below ours.

ECONOMIC LOSS TO NATION

It is difficult to evaluate the effect of these matters on the Nation's economy. Department of Agriculture estimates indicate that the direct loss to the farmers, resulting from acreage reductions in 1954, could run as high as $1.2 billion. There is considerable evidence to indicate that each dollar produced on the farm adds $7 to the income of the rest of the people of the country. On this basis, the loss to the Nation's economy due to curtailed agricultural production this year could be as much as $8½ billion.

Some evidence of the Department's realization of the effect on our general economy of holding commodities off world markets with resulting acreage reductions is contained in a speech delivered by Under Secretary Morse, who doubles as President of CCC, in North Carolina last June. On page 6 of his speech he states:

> To the extent farm production is needlessly cut back and restricted in order to maintain abnormal prices—farmers tend to destroy or weaken the consumer demand and national prosperity on which their own prosperity depends. Under present laws, the huge pileup of surplus farm products may force cuts in acreage allotments for the next year of more than 30 million acres. It will reduce employment all the way from laborers in the cotton and wheat fields on back into the towns and cities that make and sell farm machinery, fertilizer, chemicals, gas and oil, and all the other supplies and services that are required to keep farms in full production. North Carolina industries will feel the effects of any extended slowing down or reduction in agricultural production.

Further evidence of our national loss, due to current policies of not selling these farm commodities, is found in a recent statement released by CARE, which reads as follows:

> According to the national advisory committee for CARE, composed of such men as Henry A. Bullis, General Mills' chairman of the Board; Roy C. Ingersoll, president of Borg-Warner; Ward Melville, Melville Shoe Corp.; H. J. Heinz, and others equally successful, such policy costs the United States $700,000 a day for storage, deprives American railroads of transportation equal to 100 transcontinental freight trains each day for a year, deprives American shipping of the equivalent of the dispatch of 10 oceangoing freighters every day for a year, not to mention the loss of labor and the effect on agriculture itself, being cut back now to absorb surplus commodities.

Despite its realization of these conditions, the Department has failed to sell these commodities, even though it has authority to sell.

INADEQUACY OF DEPARTMENT'S REMEDY

Hope for a solution to the many problems of agriculture is offered by the Department in the form of more research and education. The committee agrees that these are valuable programs, which offer help to the farmer on a long-range basis. It feels, however, that other more immediate solutions must be found if the farmer is to be carried through the present crisis of falling farm prices, rising farm costs, and reduced production. It is extremely doubtful that a research worker or an extension agent can help a farmer make a living on 3 to 5 acres of commercial crops under present conditions.

The Department offers further hope to the farmer in the form of off-farm employment. The Department's position on this is contained in a speech recently delivered by Under Secretary Morse at Lexington, Ky., in which he stated:

> Perhaps one reason for this sound management of finances by farmers is the increasing extent to which farmers and their families are taking advantage of off-farm employment.

While it may be that some off-farm income is necessary under present conditions to enable the farmer and his family to exist, the committee believes that the policies of the Department should be such as to make farming a satisfactory means of livelihood for those who have spent their life in that occupation. It cannot subscribe to policies which depress United States farm income and encourage the expansion of foreign production at the expense of United States production.

In this connection, the committee's report on the hearings held in January on Commodity Credit Corporation operations is quoted, as follows:

> In the opinion of a majority of the members of the committee, actions of the Department to reduce price supports, change parity formulas, and reduce acreage allotments will not cure the problem of the increasing commodity holdings of the corporation. They believe that this difficulty is due to the failure of the corporation to discharge its responsibility under its charter to sell its commodities competitively in world markets. Testimony before the committee shows that none of the large stocks of cotton, cheese, corn, rice, seeds, naval stores, tobacco and wool have been or are being offered for sale on a competitive basis, despite basic authority in law to do so.
>
> The program for moving commodities under Pubic Law 480, for which much is claimed, actually is a means of giving commodities away in preference to attempting to sell them through normal trade channels. It involves prior clearance from a committee composed primarily of representatives of nonagricultural interests, (Commerce, State and other Departments) which is a serious hurdle in getting agricultural commodities exported. Also, under the law, the major portion of the local currencies received for commodities shipped abroad will be used for foreign aid purposes in the countries from which received.
>
> The majority of the committee feels that steps should be taken as early as practicable to begin the movement of these commodities into world markets on a competitive bid basis through American exporters. The committee also feels that an immediate announcement of such change in policy should be made to discourage further increase in foreign production to the detriment of American farmers.
>
> Such an action will eventually make possible reductions in administrative costs of the corporation. It should also help to correct the present practice of making competitors out of former customers and should benefit foreign consumers who have a real need for products surplus to United States domestic needs. Further and most important, it will enable the American farmer to compete with foreign producers and make additional acreage available to relieve undue hardships existing in many areas of the country under present orders.

The committee fully recognizes that CCC stocks have been held so long and have built up to such quantities that we must move them back into world markets gradually. Statements by the Department to the effect that offering to sell on a competitive bid basis might drive world prices down drastically, could easily be met by providing in the Department's initial announcement that bids below a certain level would not be accepted. By this means full control would be retained by the Corporation.

NEED FOR ACTION PROGRAMS

As was the case a year ago, the committee again had presented to it a budget sharply curtailing certain of the action programs of the Department. Reductions proposed for 1956 include the following:

Plant and animal disease and pest control	$435,579
Soil Conservation Service operations	1,872,379
Flood prevention	495,292
Inspection of fresh fruits, vegetables, poultry, and eggs	320,000
School-lunch program	15,236,197
Total	18,359,447

The committee has again restored the proposed reductions in these programs. It feels that sharp curtailments in the action programs, which were established to put the results of research and education to work on the farms of the country, would be a serious mistake in view of the difficulties facing agriculture at this time and the possibility of further reductions in farm income next year. Further, it is impressed with the fact that these programs relate directly to our three greatest assets—children, soil and water—and expansion rather than retraction can be readily justified.

The proposal of the Department to eliminate funds for the purchase and distribution of commodities under section 6 of the School Lunch Act is based on the assumption that a sufficient quantity of surplus foods will be available under section 32 funds to meet the need. This same proposal was offered in support of a similar budget cut a year ago. Actual performance so far this years shows that the Department reduced substantially its food purchases and, in many areas of the country, the amount of food distributed to schools from section 32 funds has decreased rather than increased as indicated. The committee can see nothing to indicate a substantial change in this situation during the coming year. Further, the type of commodities available through section 32 are generally not the same as those purchased under section 6. In order to meet nutritional requirements and provide a balanced diet, section 6 funds are important, particularly with respect to fresh fruits and vegetables.

The committee deplores the Department's failure in recent years to use section 32 to support markets temporarily in distress. Not only has this resulted in substantial economic loss to the Nation, but it has also amounted to further curtailment of the school lunch program. The Secretary is urged to use this fund, as intended by Congress, to strengthen chaotic markets and to supplement commodities available to the school lunch program from this source.

The committee is recommending sufficient funds for the Soil Conservation Service to restore the proposed reduction and to provide a modest increase for technical service to the 58 new soil conservation districts to be established next year. The committee cannot ignore the past loss of 40 percent of our cropland and the present damage that is occurring every day. Neither can it overlook the difficult problems facing many areas of the Country due to prolonged drought and resulting dust storms. It is noted that the Budget Bureau, which reduced the regular funds for this purpose, approved $15 million last year for emergency conservation measures in drought areas. The committee believes it more sound to prevent or to attempt to prevent such situations from arising, than to meet them after the damage has been done.

In the opinion of the committee, work on the 11 approved watersheds under flood prevention is falling far behind a satisfactory and economical rate of progress. Further, it is apparent that expansion of this type of conservation effort to other areas of the country through the watershed protection appropriation is not proceeding rapidly enough to meet the real need and demand for such work. Testimony indicates that, at the present rate of progress, it will take many years to complete the projects authorized in 1936. And it is impossible to estimate how long it will take to meet even a small portion of the need in other areas of the country for similar watershed projects, on the basis of present appropriations. Accordingly, the bill provides sufficient funds to restore the reduction in Flood Prevention funds and to increase by a nominal amount the work on this and the Watershed Protection program.

Proposed reductions in the insect and animal disease control programs and the inspection and grading of fresh fruits, vegetables, poultry and eggs have also been restored. The committee is convinced that the benefits to the Nation from free and unhampered movement of products in interstate commerce are such as to warrant continued participation by the Federal Government in the insect and animal disease control programs. It believes that firm plans must be worked out to assure adequate financing and uniform quarantine regulations among the States, before the Federal Government can withdraw further from this activity. With respect to the inspection programs, the committee members have agreed that no budget reductions are advisable until a complete review of the policy relative to all inspection activities have been considered by the Department of Agriculture and the Congress.

Agricultural Research Service

Appropriations, 1955	$89,690,287
Estimates, 1956	95,916,708
Recommended, 1956	95,728,708
Comparison:	
1955 appropriations	+6,038,421
1956 estimates	−188,000

The Agricultural Research Service conducts all of the production and utilization research of the Department (except forestry research), and the inspection, disease, and pest control, and eradication work associated with this research. The Administrator of this Service is responsible for the coordination of all research in the Department.

Research: The committee recommends a total of $37 million for 1956, an increase of $1,178,000 over appropriations for 1955 and a reduction from the budget of $684,000. The increase recommended will provide additional funds for nearly every phase of research activity conducted under this appropriation, and is in addition to the nearly $2,900,000 increase provided for these same purposes last year.

As pointed out earlier in this report, one of the principal solutions offered by the Department for the many problems presently facing the farmer is additional research. The committee recognizes the value of research to agricultural progress in the United States and has approved the large increase set forth above. The reduction in the budget has been made in view of evidence that some of the funds under this heading are being used on research of doubtful value. Reports from committee investigators and testimony developed during the hearings indicate that research funds provided last year have been used for such projects as "Flora of Dominica," and "orchids of Cuatemala." Evidence also indicates that funds are being used to finance research projects adopted primarily for the benefit of the personnel engaged in such research. The committee doubts that Congress is aware that funds are being spent on such projects as "rural sociology," "family utilization of clothing in Minnesota," and "the difference in clothing worn by city and farm families in Kansas." Accordingly, it does not feel justified in recommending to Congress the full budget estimate provided in the 1956 budget.

Of the funds provided, the sum of $200,000 has been earmarked for special research on the effect of acreage reductions on the local and national economy. It is hoped that such a study will enable the Department and the Congress to determine policies and solutions for, first, the economic problems created by falling farm income and production on individual farms, and second, the proper use of diverted acres resulting from acreage reductions.

The committee believes that the large increase for 1956 will provide sufficient funds to enable the Department to give more attention to the problems of the bee-keeping industry. The importance of bees to proper pollination of crops is well recognized, and it would seem that work on this subject would be an important phase of any research intended to improve crop production.

The committee also feels that a portion of the increases allowed should be used to expand research on the farm as a productive economic unit. Research of this type is essential to future programs designed to make farming a profitable occupation.

Several individual projects of a major nature such as a new research laboratory at Winterhaven, Fla., and a national seed-storage facility, have been proposed by interested members for inclusion in the appropriation bill for 1956. Neither of these proposals were included in the budget by the Department or the Bureau of the Budget. The committee recognizes the fine research work that has been done in Florida, and realizes the need for more adequate research facilities in many areas of the country. It feels that insufficient attention has been given to a nationwide building program and urges the Department to make a special study of this matter in the coming year, taking into account priority of need throughout the country and the extent to which local financial support is available. The committee does not feel justified in initiating individual projects of a major nature in the absence of such an overall study.

The recent action deemphasizing home economics research should also be given further consideration by the Department. Testimony from persons engaged in home demonstration work with farm families indicates that some part of the funds provided this bureau should be used on such projects as "household food consumption" and "family budgets and expenditures," within funds provided in the appropriation for 1956. According to information presented to the committee, six of the bulletins most frequently used by home-makers of the country are on these subjects. The units of the Department engaged in such research appear to be the chief source of bulletins and other material of this type.

Plant and animal disease and pest control: A total of $17,750,000 is recommended for 1956. This is an increase of $496,000 above the budget estimates, and a decrease of $439,579 below current funds—including a supplemental of $500,000 to meet a grasshopper emergency in the West. The committee has restored funds for these control programs in order to give the Department sufficient latitude to work out arrangements with the States as to adequate financial support and uniform quarantine regulations for those programs where further Federal withdrawal appears warranted. The committee recognizes that some Federal participation in these programs will always be necessary to assure free and unhampered interstate shipment of agricultural products.

Language has been included in the bill to permit furnishing of uniforms, as authorized in the fringe-benefits bill adopted last year, to plant quarantine inspectors who are required to wear uniforms as a means of identification.

The funds approved for next year should be sufficient to provide full supervision and inspection for products used in hog cholera control. This disease is still a serious problem in many areas of the country and adequate inspection of these products is essential to the protection of this important segment of agriculture.

Meat inspection: The committee recommends the full budget estimate of $14,325,000 for this program for 1956. This will permit continuation of the program at the same level as authorized for 1955.

Payments to States, Hawaii, Alaska, and Puerto Rico: The full budget estimate of $24,753,708 is recommended for grants to the State experiment stations

for 1956. This is an increase of $5,300,000 over the appropriations authorized for 1955. An increase of nearly $6 million was provided last year for this purpose.

Since research is offered by the Department as one of the principal cures for present problems of agriculture, the full increase for the research activities of the State experiment stations has been allowed. While it has some doubts as to whether or not this is the real answer to the problems facing the farmers of the Nation, the committee feels that the Secretary should have every opportunity to find the answer to farm problems through this means.

The committee has demonstrated at every opportunity in the past that it believes strongly in this work. Increases from $7 million in 1947 to over $19 million in 1955 attest to this fact. At the same time, members of the committee feel that some of the work being carried out under this program is of doubtful value. They believe that a more careful screening of the various research projects is needed if additional increases are to be requested each year. The committee doubts that Members of Congress are aware that they have been supporting large increases in this appropriation each year for such research projects as "rural population dynamics," "methodology," and "patterns of child rearing in southern families and their relation to the personality development of children."

The committee realizes that the Department cannot initiate research projects under this appropriation, and recognizes the difficulties involved in attempting to restrict or eliminate lines of work which the State experiment stations wish to undertake. Nevertheless, the Secretary is urged to institute a stronger and more thorough review of research programs under this heading in order to curtail duplication of effort and eliminate less essential work. The committee also feels that this program should be administered in such a manner as to assure that Federal funds are fully matched by the States.

Foot-and-mouth and other contagious diseases of animals and poultry: The full budget estimate of $1,900,000 is recommended for the foot-and-mouth disease research program at Plum Island. This will permit continuation of the program at the current level. When the main laboratory facilities now under construction are completed, a larger research program will probably be required.

Extension Service

Appropriations, 1955	$43,537,500
Estimates, 1956	49,337,500
Recommended, 1956	48,895,000
Comparison:	
1955 appropriatins	+5,357,500
1956 estimates	−442,500

The function of the Extension Service is to take research results and other agricultural information to rural people in a manner that effectively meets the farm and family needs. The Cooperative Extension Service is financed from Federal, State, county, and local sources. The funds are used within the States for the employment of county agents, home demonstration agents, 4–H Club agents, State specialists, and others who conduct among rural people the educational programs of the Department.

Payments to States, Hawaii, Alaska, and Puerto Rico: The budget request of $45,475,000 is recommended for 1956 for payments to State land-grant colleges for extension activities. This is an increase of $5,800,000 over funds available for the current fiscal year. The amount approved provides an increase of $5,493,000 for additional State and county extension workers, and an increase of $395,000 for additional educational work in the marketing field. These are offset by a reduction of $88,000, due to shifting the farm forestry extension work to the regular funds of the Extension Service.

Here again the committee has gone along with the full budget request in view of the Department's hope that this program will enable the farmer to meet his problems and remain on the farm. The value of this work has long been recognized by the Congress and every opportunity has been taken by the committee to strengthen it. This is indicated by the fact that the appropriations for this purpose have increased over 45 percent since 1947. While the committee cannot fully accept the Department's position that research and extension offer the only answers to the present ills of agriculture, it has recommended the full increase in order to enable the Secretary to carry out the program on the basis proposed by him.

Reports from committee investigators and testimony before the committee raise several basic questions regarding the use of additional funds of $7.5 million appropriated for this program a year ago. A survey made in Texas last year revealed that, while State extension officials had no firm plans for the use of the increases approved for 1955, they thought they might be able to make use of the money to "expand the educational program so that people would be informed through the Extension Service regarding international affairs."

The report also raised a question concerning the ultimate goal of the Extension Service. It developed evidence that, while the program's traditional role has been one of education, it now is being extended into the activities of the various action agencies, such as the Soil Conservation Service and the Farmers Home Administration. It also reported that 5 additional county agents have been added to certain experimental counties in the South on the basis of 1 agent for each 50 farm families. It pointed out that the expansion of such a plan to the 5 million farm units throughout the country would ultimately result in the employment of 100,000 extension agents and 50,000 home demontration agents. While the Department's witnesses disclaimed any such objectives, the committee feels that this experimental program should be watched very closely. Large increases are being proposed for this activity each year with no evidence of a clear-cut plan for leveling off at a point which can be supported by Federal funds.

Testimony presented to the committee indicates a need for an intensified educational program among agriculture producers on grain sanitation problems. In the opinion of the committee, the large increase recommended for the coming fiscal year should make it possible to develop and carry out a program to meet this need.

Federal Extension Service: The committee recommends $3,420,000 for 1955, a decrease of $442,500 below the budget estimate and the 1955 appropriation. On the basis of amounts expended in fiscal year 1954 and obligated to date this year for penalty mail, it is believed that the reduction can be absorbed without any difficulty.

Farmer Cooperative Service

Appropriation, 1955	$408,000
Estimate, 1956	408,000
Recommended, 1956	408,000

The Farmer Cooperative Service was established by the Farm Credit Act of 1953, which transferred the research and technical assistance work for farmers marketing, purchasing, and service cooperatives from the Farm Credit Administration to the Secretary of Agriculture. The Service conducts research and carries on related service and educational activities on problems of organization, financing, management, merchandising, product quality improvement, costs, efficiency, and membership. It works closely with cooperatives throughout the country to help the 3 million farmers who are members of such organizations improve the operations of their businesses. It also advises other Federal agencies on problems relating to agricultural cooperatives.

The committee recommends the full budget of $408,000 for 1956, to permit the continuation of this program at the present level.

Soil Conservation Service

Appropriations, 1955	$74,453,871
Estimates, 1956	75,396,200
Recommended, 1956	80,612,579
Comparison:	
1955 appropriations	+6,158,708
1956 estimates	+5,216,379

The Soil Conservation Service assists soil conservation districts and other cooperators in providing technical aid to farmers and ranchers in bringing about physical adjustments and land use that will conserve soil and water resources, provide economic production on a sustained basis, and reduce damages from floods and sedimentation. The Service also develops and carries out special drainage, irrigation, flood prevention, and watershed protection programs in cooperation with soil conservation districts, watershed groups, and other Federal and State agencies having related responsibilities.

Conservation operations: The committee recommends an appropriation of $58,612,579 for 1956, an increase of $1,044,000 above the 1955 appropriation and an increase of $2,916,379 above the budget estimate. The committee does not agree with the proposed reductions contained in the 1956 budget and has restored the full amount cut. In addition, it has added $1,044,000 to finance technical service to the 58 new soil con-

servation districts expected to be established during the coming fiscal year. The committee members believe that the past record of this fine organization and the serious drought and dustbowl problems facing the country fully support this action.

The committee is disturbed by evidence of efforts to gradually eliminate this program. Apparently a task force of the Commission on Intergovernmental Relations intends to recommend that this organization be abolished and its work be turned over to the State extension service or something similar. While the Department has not yet received such recommendations officially, it understood that the Secretary is represented on the Commission and is aware of these developments. Certain factors tend to indicate some sympathy within the Department and the Bureau of the Budget for the reported position of the Commission. The budget cuts proposed each year in this program provide some basis for this conclusion. They also indicate a complete lack of appreciation by the executive branch of the generally recognized need for increased attention to conservation throughout the country. It is requested that the committee be notified by the Department as soon as official recommendations are received from the Commission, so that appropriate congressional action can be considered.

The committee is firmly opposed to the subordination of the Soil Conservation Service to any other agency.

Watershed protection and flood prevention: Amounts recommended for 1956 for these two programs are $12 million for watershed protection and $10 million for flood prevention. The amount proposed for watershed protection is $1 million over the budget estimate and $4,790,000 above the 1955 appropriation. The recommendation for flood prevention provides an increase of $804,708 above 1955 and $1,300,000 above the budget estimate.

As discussed earlier in this report, the committee is firmly convinced that some increase in these programs is fully justified. All testimony received indicates the urgent need to speed up these programs to meet the public demand throughout the country for upstream watershed work. In view of the failure of the executive branch to recognize this need, Congress must take the initiative and provide adequate funds to assure a reasonable rate of progress in this work.

Construction on the 11 watersheds authorized in 1936 is only 20 to 25 percent complete after nearly 20 years. At the present rate of progress, they will require an additional 50 years or more to complete. Further, the number of watersheds on which work is under way under existing watershed protection programs is only a small fraction of the watersheds throughout the Nation which need such attention and for which local support has been or will be pledged on a full matching basis. The delay appears to be due entirely to the lack of adequate Federal funds, since local contributions in the form of money and land easements have been more than adequate to match all Federal expenditures to date.

Funds contained in the flood prevention appropriation for the Yazoo and Little Tallahatchie Watersheds shall be used for the portions of work covered in the flood survey reports and defined as "additional measures to accelerate flood prevention" to the full extent necessary to keep the overall flood prevention program in balance.

Agriculture Conservation Program Service

Appropriation, 1955	$191,700,000
Estimate, 1956	250,000,000
Recommended, 1956	214,500,000
Comparison:	
1955 appropriation	+22,800,000
1956 estimate	−35,500,000

The purposes of this program include restoring and improving soil fertility, reducing erosion caused by wind and water, and conserving water on the land. To effectuate these purposes, the agricultural conservation program offers cost sharing assistance to individual farmers and ranchers in all of the 48 States, Alaska, Hawaii, Puerto Rico, and the Virgin Islands for carrying out approved soil building and soil and water conserving practices on their farms. Allocations are made to the States based upon conservation needs.

An appropriation of $214,500,000 is recommended for 1956, a reduction of $35,500,000 below the budget estimates. The amount recommended will provide adequate funds to meet all commitments made to participants in the program under the 1955 program authorized last year. The reduction is made possible by a carryover of unused funds from the 1953 program. The action of the committee will not result in a failure to meet obligations incurred under prior year authorizations, and it should not be considered as a basis for reductions in the size of this program in the future.

The advance authorization for the 1956 program is recommended at this year's level of $250 million. This amount, which is $75 million higher than that requested in the budget, is recommended by the committee to assure adequate protection of the Nation's greatest natural resource, the soil, in the face of constantly falling farm income. The committee is certain that the difficulties facing the farmers of the country, such as falling farm prices and rising farm costs, will have a definite tendency to reduce conservation effort during the coming year, unless the Federal Government continues to provide strong leadership and adequate financial encouragement to induce farmers to continue their part of the program. The committee feels strongly that reduced attention to the Nation's conservation efforts during this period of severe drought and dust storms would be a serious mistake and an irreparable blow to future generations of Americans.

The committee has not agreed to the budget language restricting the use of funds for small payment increases authorized by the basic law. The objective of this program is to get conservation work done on the land, and some special consideration must be given to the small farmer to enable him to participate on a satisfactory basis. It is frequently this type of land which needs conservation attention the most. The committee feels that handling the small payment increase along with regular payments would result in the administrative improvements desired by the Department.

Agricultural Marketing Service

Appropriations, 1955	$106,376,352
Estimates, 1956	91,396,000
Recommended, 1956	107,027,197
Comparison:	
1955 appropriations	+650,845
1956 estimates	+15,631,197

The Agricultural Marketing Service is organized to aid in advancing the orderly and efficient marketing of the effective distribution of products from the Nation's farms. The marketing and distribution functions of the Department, which are centered in this Service, include research and development of agricultural marketing and distribution; analyses relating to farm prices, income and population, and demand for farm products; crop and livestock estimates and related statistical and economic research; market news service; standardization, inspection, grading and classing of farm products; freight rate assistance; marketing and regulatory acts (including marketing agreements and orders); cooperative programs in marketing; the national school lunch program; surplus removal programs under section 32 of the Agricultural Adjustment Act; food trade activities; and other assigned responsibilities related to agricultural marketing and distribution.

Marketing research and service: A total of $22,791,000 is recommended for 1956, an increase of $992,500 over 1955 and $395,000 over the budget estimate. This amount includes $10,981,000 for marketing research and agricultural estimates and $11,810,000 for marketing services.

The committee has approved the full budget estimate for research and agricultural estimates, which provides an additional $758,000 over funds available in fiscal year 1955. The full increase requested has been approved because of the Secretary's belief that increased research holds the principal hope for meeting present-day farm problems, and because of the committee's desire to allow the Secretary sufficient funds to determine the accuracy of his position.

The committee has ear-marked $1 million of the funds provided under this heading to be used for a special study of the price spread between the farmer and the consumer. According to figures received from the Department, the farmers' share of the consumer's food dollar has been decreasing constantly—from 54 percent in 1945 to 43 percent at the present time. The committee believes that research efforts to offset the loss of farm income through improved practices on the farm can only partially meet the problem. Therefore, it feels that more attention should be given to research on that portion of the consumer's food dollar that goes to the transportation, processing and distribution system. It requests that this study be

initiated immediately to develop information on a few of the major food crops in several different areas of the country for the period 1945 to date. The committee also feels that a portion of these funds should be used for the dissemination of this type of information to the consuming public to develop a better understanding of the extent to which such factors as freight rate increases, antiquated terminal markets and special processing and packaging of foods adds to the retail prices paid by the consumer.

In the opinion of the committee, there is strong justification and demand for reinstatement of the July crop reports for popcorn and honey products. Testimony received from officials of the Department indicates that these reports were dropped due to lack of funds. It is recommended, therefore, that a portion of the increase provided under this head be used to reinstate this service.

The amount recommended for marketing services provides for the restoration of funds deleted by the budget for inspection and grading of fresh fruits, vegetables, poultry, and eggs. The committee feels that this work should be continued on the present basis until the Department and the Congress have taken further action on inspection services for all commodities.

The funds include an increase of $200,000 for market news services. The committee has allowed the full budget increase of $125,000 to initiate this work in 7 new locations. Also, it has allowed an additional $75,000 to permit establishment of offices in some of the other locations where market news services are needed as indicated by the testimony presented during the hearings. It is understood that the necessary local matching funds have been pledged in all cases.

A problem with respect to the administration of the Packers and Stockyards Act was brought to the committeee's attention during the hearings. Testimony developed the fact that, due to restrictions established several years ago, the inspection and posting of stockyards in Texas is not handled on the same basis as in southern Oklahoma. The additional expense to cattle markets regulated under the act puts them at a distinct disadvantage with competitors in contiguous areas. The committee feels that such an arrangement is inequitable and represents a threat to this program. It believes that this matter should be given immediate attention by the Department so that firm recommendations can be submitted to the appropriate committees of Congress to remedy this situation.

Payments to States, Territories, and possessions. The full budget estimate of $1 million is recommended for 1956, an increase of $100,000 over funds available for 1955. The increase covers additional funds to the States for assistance in applying research results and improved marketing practices to the marketing of farm products.

School-lunch program. The committee recommends restoration of the budget cut in order to permit this program to be continued at this year's level of $83,236,197.

The committee received a great deal of testimony on this subject. Much of it indicated the need for additional amounts above those approved to meet the increasing number of schoolchildren participating in the program and the constantly rising food costs. Many Members of Congress, many representatives of organizations working with schoolchildren, and many representatives of school cafeterias throughout the country appeared before the committee strongly supporting full restoration of the budget reduction. All farm organizations and similar groups appearing before the committee also recommended against the proposed reduction.

As was the case last year, the reduction was based on the assumption that the loss of section 6 purchases would be fully offset by the availability of commodities from section 32 funds. This position appears to be based entirely on speculation, since the latest figures available indicate that the distribution of commodities to schools during the present school year will fall as much as 28 percent below the previous year. The committee believes that this program is too important to the welfare of the Nation to make reductions on the basis of assumptions which have not been sound in the past.

Also, it is generally recognized that section 6 purchases are necessary to provide the balanced type of meals required by this program. A great many of the commodities available from section 32 funds are not identical in kind or in nutritional characteristics with those available from purchases under section 6. This is particularly true in connection with fresh fruits and vegetables.

Congress created the section 32 fund to provide some measure of price support for commodities not under regular support programs, particularly perishables. As provided by the basic legislation, the program was established to "(1) encourage the exportation of agricultural commodities and products thereof by the payment of benefits in connection with the exportation thereof, or of indemnities for losses incurred in connection with such exportation, or by payments to producers in connection with the production of that part of any agricultural commodity required for domestic consumption; (2) encourage the domestic consumption of such commodities or products by diverting them, by the payment of benefits or indemnities or by other means, from the normal channels of trade and commerce or by increasing their utilization through benefits, indemnities, donations or by other means, among persons in low income groups as determined by the Secretary of Agriculture; and (3) reestablish farmers' purchasing power by making payments in connection with the normal production of any agricultural commodity for domestic consumption."

Congress has given this program full support through the years. It has repeatedly taken action to make certain that the funds for this purpose are not diverted to other programs. It has frequently reaffirmed the basis for the fund—to stabilize chaotic markets by removing, or announcing an intention to remove, a portion of the temporary surplus from the markets.

It is disturbing to the committee to see the Department's failure to use this program as intended by Congress, despite the fact that adequate funds have been available to meet all needs. In the opinion of the committee, the Department's decision not to meet such situations as the disastrous collapse of egg prices last fall, through the removal of small quantities of the product from those markets temporarily in distress, was a serious mistake and a severe economic blow to the poultry producers of the country.

The committee urges the Secretary to change his policies in this regard. Proper use of this fund will benefit the entire economy of the country as well as the agricultural producer. Further, it will make more food available to the school-lunch program through section 32 purchases, as has been proposed in the last two budgets presented to this committee.

Foreign Agricultural Service

Appropriation, 1955	$2,515,000
Estimate, 1956	3,365,000
Recommended, 1956	3,365,000
Comparison: 1955 appropriation	+850,000

The Foreign Agricultural Service administers the foreign agricultural programs of the Department and develops plans and policies related to the administration of the foreign affairs and interests of United States agriculture. It disseminates to American agriculture the basic information essential to the aggressive foreign marketing of United States agricultural products and to making necessary adjustments to meet changing situations abroad. The Service conducts a broad program designed to develop foreign outlets for the agricultural products and analyzes competition and demand factors relating to foreign marketing. It also directs and coordinates the continuous economic analysis and interpretation of world conditions and developments that significantly affect the retention and expansion of foreign markets for American products. The Service directs and coordinates a worldwide agricultural attaché service, with particular emphasis on the development of markets for American products, and on trade reporting from foreign areas designed to aid American farmers and exporters.

In allowing the full budget request for 1956, the committee has taken into consideration the urgent need to solve one of the most acute problems now facing the American farmer. This is the need to reduce the large stocks of commodities in the hands of the Commodity Credit Corporation by sales in world trade. The committee believes that the expansion of this service, and the increased activities in foreign markets by private United States agricultural representatives which should result, will help the United States to move back into world markets on a basis which will encourage foreign purchases of United States agricultural commodities.

The committee has earmarked $500,000 of the funds approved for 1956, for use

in gathering and keeping current information on foreign agricultural production from 1946 to date, and for conducting a study of agricultural programs and policies in other countries throughout the world designed to move agricultural commodities into world trade on a competitive basis. The committee believes that such a study is essential to the development of a program to meet the competitive situation facing American agriculture abroad. It becomes increasingly apparent that Congress must be fully informed as to the world picture in order to determine our farm policies at home. Testimony before the committee disclosed that such information is inadequate. The committee requests the periodic reports on the findings from this study be furnished to the appropriate committees of Congress.

Commodity Exchange Authority

Appropriation, 1955	$693,000
Estimate, 1956	698,000
Recommended, 1956	698,000
Comparison: 1955 appropriation	+5,000

The objectives of this program are to prevent commodity price manipulation and corners; prevent dissemination of false and misleading crop and market information affecting commodity prices; protect hedgers and other users of the commodity futures markets against cheating, fraud, and manipulative practices; insure the benefits of membership privileges on contract markets to cooperative associations of producers; insure trust fund treatment of margin moneys and equities of hedgers and other traders and prevent the misuse of such funds by brokers; and provide information to the public regarding trading operations and contract markets.

The additional $5,000 recommended for the fiscal year 1956 is provided to place on a full year basis the regulation of futures trading in wool initiated last fall under provisions of Public Law 690 adopted in the last Congress.

Representations have been made to the committee that much improvement could be made in the handling of futures markets, if the number of points for delivery of commodities under futures contracts were increased and located more conveniently. Testimony before the committee also indicates a need for more and better consumer education with reference to official grades and standards of various agricultural commodities. The record further indicates a need to increase the penalties for violations of the Commodity Exchange Act. The committee recommends that the Department give these matters further attention during the coming year, so that appropriate action can be taken by Congress, where necessary, to improve or correct these conditions.

Commodity Stabilization Service

Appropriations, 1955	$100,850,000
Estimates, 1956	100,600,000
Recommended, 1956	98,600,000
Comparison:	
1955 appropriations	−2,250,000
1956 estimates	−2,000,000

The Commodity Stabilization Service has responsibility for the operation of the Commodity Credit Corporation, the agricultural adjustment programs, the Sugar Act, the International Wheat Agreement, the ASC State and county offices, and various related activities.

Considerable attention was given during the hearings to the operations of this large and complicated organization. The respective roles of the Washington office, the State offices and the county committees were discussed at length. Findings and observations developed by committee investigators were considered, including numerous examples of administrative deficiencies, excessive operating costs, lack of personnel training and supervision, and inadequate sales policies. Also, attention was directed to various instances cited of inadequate inspection procedures, heavy losses due to careless handling and storage of commodities, and questionable practices followed in the procurement of equipment and related items. Evidence was developed indicating that the same operating negligence and administrative irresponsibility resulting in the widespread grain scandals revealed by investigations of this committee a few years ago are still in existence. Information was also presented indicating that grain bins have been recently purchased from some of the same concerns which delivered poor quality structures under similar contracts on previous occasions.

It is difficult to understand how a program which has been in operation for nearly 20 years can still be in such a chaotic condition. And it is hard to understand how many of the same conditions discovered a few years ago have been allowed to continue, with no apparent effort to correct or eliminate them. In the opinion of the committee there can be no excuse for the existence of the same lack of administrative judgment and questionable practices which so seriously damaged the programs under the jurisdiction of this agency a few years back.

The committee urges the Secretary to look into these matters immediately and to take strong and forceful action to correct the unsatisfactory conditions discovered. It is important that steps be taken to protect the reputation and standing of this arm of the Department and to prevent further damage to the farm programs of the Nation.

Some of the difficulties here appear to result from the divided responsibility between the Washington office, the State offices, and the county offices. The line of authority running from Washington to the field appears to be weak and the supervision of field establishments appears to be almost nonexistent. Also, many of the difficulties seem to result from poor management and personnel practices in the county offices.

It is the belief of the committee that considerable improvement in the operations of this farflung and important agency would result from a change in personnel policies in the county offices. It is recommended that the regular full-time employees of these offices be required to meet civil-service qualifications for comparable work and be paid on a basis comparable to regular Federal salaries. Such a change should enable the Department to hold personnel in the county offices fully responsible for the performance of their duties. Also, it should help to reduce present turnover and should help in the recruiting of qualified personnel. In addition to correcting many of the administrative deficiencies noted in the investigator's report, such a plan should increase employee efficiency and morale and should result in greater economy in the use of Federal funds. In the committee's opinion, the added salary costs could be fully covered from savings resulting from such a change.

Agricultural adjustment programs: The budget estimate of $39 million is recommended for 1956, a reduction of $2,250,000 below the 1955 level of operation. This reduction is possible due to decreased workload in connection with the establishment of wheat allotments in certain areas and due to a decrease in a number of wheat counties to be covered next year.

Sugar Act program: The committee recommends $59,600,000 for 1956, a reduction of $2 million below the budget estimate. Since the funds for this program are based entirely on projected estimates of sugar production, it is felt that the appropriation should be held at the 1955 level until firmer production figures are available.

These funds, which are expended under the Sugar Act of 1948, are used to establish consumption requirements, administer quotas, and make payments to domestic producers of cane and beet sugar who meet specified conditions. From the inception of the program in 1938 through the fiscal year 1954, collections of excise and import taxes have totaled $1,216,248,861, while expenditures have amounted to $926,610,760.

Federal Crop Insurance Corporation

Appropriation, 1955	$6,000,000
Estimate, 1956	6,000,000
Recommended, 1956	6,000,000

The Federal Crop Insurance Corporation is a wholly owned Government corporation created in 1938 to furnish protection for the farmers' investment in producing crops against loss from unavoidable causes. Crop insurance offered to agricultural producers by the Corporation provides protection from losses caused by unavoidable natural hazards, such as insect and wildlife damage, plant diseases, fire, drought, flood, wind, and other weather conditions. It does not indemnify producers for losses resulting from negligence or failure to observe good farming practices.

In accordance with the established policy of limited operations on an experimental basis, the 1955 crop-insurance program is operating in about 900 counties, furnishing insurance coverage of approximately $432 million on wheat, cotton, flax, corn, tobacco, beans, citrus, multiple crops, and soybeans. It is expected that it will be extended to 950 counties next year.

The budget estimate of $6 million is recommended for 1956. This will provide the same appropriation as was authorized for 1955.

Rural Electrification Administration

LOAN AUTHORIZATIONS

Authorizations, 1955	$210,000,000
Estimates, 1956	230,000,000
Recommended, 1956	235,000,000
Comparison:	
1955 authorizations	+25,000,000
1956 estimates	+5,000,000

SALARIES AND EXPENSES

Appropriation, 1955	$7,285,000
Estimate, 1956	7,680,000
Recommended, 1956	7,680,000
Comparison:	
1955 appropriation	+395,000

The Rural Electrification Administration was established by Executive order in 1935 to make loans for the extension of central station electric service to unserved rural people. The agency was continued by the Rural Electrification Act of 1936, and became a part of the Department of Agriculture in 1939. In 1949 the act was amended to authorize REA to make loans for the purpose of furnishing and improving rural telephone service. Loans for construction of electric and telephone facilities are self-liquidating within a period not to exceed 35 years, and bear interest at the rate of 2 percent.

The committee has approved the full request of $160 million for electrification loans for the coming fiscal year. In addition it has approved a contingency fund of $100 million for electrification loans, to enable the Secretary to meet any large or unusual needs in any area of the country which otherwise could not be handled within the regular authorization on the basis of the formula contained in the basic legislation. The amount recommended, together with an estimated carryover of $21 million and probable rescissions of $4 million will make a total of $185 million available for electrification loans during the coming year, exclusive of the contingent fund provided in addition thereto.

The committee also recommends a total of $75 million for the rural telephone program. This amount, which is an increase of $5 million over the budget estimate, will enable the telephone program to continue at the same level as was authorized for 1955. The committee believes that the large backlog of loan applications on hand makes it unwise to reduce this program below the current year's level.

It is understood that proposed legislation has been presented to Congress to repeal the formula for distribution of loan funds contained in the basic law. The principal argument advanced for this action is that the Department may be prevented from making loans in certain States, due to the restrictions in the basic formula. During the hearings the committee requested the Department to present a statement of those projects which have been or might be denied due to the lack of adequate loan authority. The Department has not presented any such projects to the committee, in the absence of which there seems to be a question as to the need for elimination of the formula, though some modification may be in order.

In order to make certain that adequate authority will exist in 1956 to cover all possible loan applications qualifying under the law, the committee has approved the additional contingency fund outlined above. It has pointed out that these amounts are merely limitations on how much can be borrowed from the Treasury—and no money is drawn down until a loan has been finally approved and advances of funds thereunder have been authorized.

For salaries and expenses, the committee recommends the full request of $7,680,000, an increase of $395,000 over amounts provided for 1955. The additional funds are authorized for administration of the rural telephone program, in order to speed up the handling of loan applications and construction work.

Farmers' Home Administration

LOAN AUTHORIZATION

Authorizations, 1955	$153,000,000
Estimates, 1956	147,000,000
Recommended, 1956	153,000,000
Comparison: 1955 estimates	+6,000,000

SALARIES AND EXPENSES

Appropriation, 1955	$23,550,000
Estimate, 1956	24,500,000
Recommended, 1956	24,500,000
Comparison: 1955 appropriation	+950,000

The Farmers' Home Administration performs the following four major activities: First, to make direct and insured farm ownership loans to farm tenants, farm laborers, sharecroppers, and other individuals for the purchase, enlargement, or development, including farm housing and other building construction, of family type farms; second, to make production and subsistence loans to farmers and stockmen for farm operating expenses and other farm needs, including the financing of indebtedness and family subsistence; third, to make direct and insured soil and water conservation loans for the effective development and utilization of water supplies and for the improvement of farmland by soil and water conserving facilities and practices; and fourth, to make emergency loans to farmers and stockmen in designated areas where a disaster has caused a need for agricultural credit not readily available from commercial banks, cooperative lending agencies, the Farmers' Home Administration's regular loan programs, or other responsible sources. Technical guidance in planning and carrying out sound farm operations is provided borrowers on the basis of their individual problems and needs. No loans are made to applicants who can secure adequate credit from other sources at reasonable rates.

The committee recommends the same amounts for loan authorizations as were authorized for 1955. This includes $19 million for farm ownership and housing loans, $122,500,000 for production and subsistence loans, and $11,500,000 for soil and water conservation loans.

The reduction proposed in the 1956 budget for farm ownership and housing loans has been restored. This action is based on evidence that the need for farm houses and other farm buildings is continuing to increase, particularly among young veterans just getting started on the farm. The committee feels that this phase of the agency's program has not been receiving the proper attention in recent years and recommends strongly against any reduction in funds at this time. It does not agree with the recent change in policy, under which funds for direct loans would be reduced, with a proposal to handle a larger portion of farm ownership and housing loans through insured mortgages. With falling farm income and the many other difficulties encountered in getting established on the farm, the higher interest charges and larger initial capital required under the insured mortgage type of loan would present additional problems to the borrowers.

An increase of $950,000 is recommended for salaries and expenses to enable the Farmers' Home Administration to adequately protect the Government's large investment in this program. For the past several years, the committee has warned that the reductions made by the Department in these administrative funds would result in an increase in the number of delinquents, due to inadequate supervision and assistance to the borrowers. Testimony this year indicates that the number of delinquents has increased during the past several years, and the committee feels very strongly that additional funds must be provided to reverse this trend. Proper safeguarding of the borrower's interest and the security of the Government demands careful scrutiny of loans granted, good judgment, and a complete understanding of farm and home management. These can be met only if sufficient funds are appropriated to enable the field personnel of this agency to work closely with the borrowers during the period of the loan.

The committee is also concerned about evidence that the heavy demands made upon this agency, due to the emergency and disaster loan programs in the drought areas, are interfering with its regular work. This may be one factor contributing to the lack of adequate supervision of borrowers during the past several years and the increase in the number of delinquents. While the committee is in general agreement with the policy of absorbing additional work with regular employees wherever possible, it believes that such a practice should not interfere unduly with other essential activities. In order to assure that the regular operations are not restricted because of the emergency and disaster loan problems, it is recommended that additional personnel be provided and sufficient funds be transferred from the Disaster Loan Revolving Fund to cover the administrative costs directly related to lending activities under that fund.

Office of the General Counsel

Appropriation, 1955	$2,079,000
Estimate, 1956	2,164,000
Recommended, 1956	2,079,000
Comparison: 1956 estimate	−85,000

This office, as the law office of the Department of Agriculture, performs all the legal work arising from the activities of the Department. The General Counsel represents the Department in administrative proceedings for the promulgation of rules having the force and effect of law; in quasi-judicial hearings held in connection with the administration of

various programs and acts; and in proceedings before the Interstate Commerce Commission involving freight rates and practices relating to farm commodities, including appeals from the decisions of the Commission to the courts. He serves as General Counsel for the Commodity Credit Corporation and the Federal Crop Insurance Corporation. In addition, he furnishes necessary review in connection with criminal cases arising under the programs of the Department for the purposes of referring them to the Department of Justice.

The committee recommends the same amount for 1956 as has been available during 1955. In view of the large unused balance of funds last year, it is believed that the additional functions proposed in the 1956 budget can be met within the amount approved.

Office of the Secretary

Appropriation, 1955	$2,116,000
Estimate, 1956	2,172,600
Recommended, 1956	2,116,000
Comparison: 1955 estimate	−56,000

The Office of the Secretary includes such staff offices of the Department as the immediate Office of the Secretary, the Office of Personnel, the Office of Budget and Finance, the Office of Plant and Operations, and the Office of Hearing Examiners.

The committee recommends $2,116,000 for 1956, the same amount as is available for 1955. It is in full accord with the proposal to strengthen the inspection and investigation program of the Department in the Secretary's office. However, in view of the large unobligated balance of funds in 1954, it believes that this program can be instituted within the funds authorized.

Office of Information

Appropriation, 1955	$1,216,000
Estimate, 1956	1,238,000
Recommended, 1956	1,238,000
Comparison: 1955 appropriation	+22,000

The Office of Information has general direction and supervision of all publications and other information policies and activities of the Department, including final review, illustrating, printing, and distribution of publications; clearance and release of press, radio, television, and magazine materials; maintenance of central files of news and general illustration type photographs; and preparation and distribution of exhibits and motion pictures. The Office publishes the Yearbook of Agriculture, the annual report of the Secretary of Agriculture, the Department Directory, the Department List of Publications, handles the distribution of farmers bulletins, and service letter and telephone requests for general information received in the Department. It also produces motion pictures, art and graphics materials, and photographic work for the Department and other Government agencies through reimbursements.

The full budget estimate of $1,238,000 is recommended for 1956, an increase of $22,000 over the funds appropriated for 1955. The additional funds are provided to enable the Office to handle the increasing volume of requests for information and publications, and to permit printing the Department's List of Publications and the Farmers Bulletin Lists. The funds for these purposes were removed from the appropriation last year and need to be restored to meet demands for information and printed material.

The committee deplores the Department's failure to issue statements and releases to the public on a full and complete basis. A review of the many speeches and releases of the Department during the past year indicates that this information is restricted in nature and does not fully present all aspects of the various farm problems facing the Nation. The committee believes that the best interests of all segments of our economy will be served if all sides of every issue are presented to the people of the country. It is recommended that steps be taken to disseminate information presenting the farmer's side of the many farm issues.

Library

Appropriation, 1955	$659,950
Estimate, 1956	659,950
Recommended, 1956	659,950

The Library, pursuant to the Department's Organic Act of 1862, and under delegation from the Secretary, procures and preserves all information concerning agriculture. Under the act establishing the Department, the Library also serves as the national agricultural library.

The budget estimate of $659,950 is recommended for the coming fiscal year. This will enable the Library to continue its operations on the same basis as authorized for 1955.

Commodity Credit Corporation

RESTORATION OF CAPITAL IMPAIRMENT

Estimate, 1956	$1,634,659
Recommended, 1956	1,634,659
Comparison: 1955 appropriation	+1,634,659

ADMINISTRATION EXPENSE LIMITATION

Authorization, 1955	$25,290,000
Estimate, 1956	26,000,000
Recommended, 1956	26,000,000
Comparison: 1955 authorization	+710,000

In recent years the restoration of capital impairment of the Commodity Credit Corporation has been handled through note cancellation. In the future, however, restorations will be handled by direct appropriation, as provided by legislation adopted last year. The realized loss during the fiscal year 1954 was $547.2 million. However, because of a change in restoration from projected to realized loss, all but $1,634,659 of the 1954 impairment can be covered from funds provided last year.

In connection with the administrative expense limitation of the Corporation, the committee is recommending the full budget request of $26 million. Of this amount, $2 million has been placed in reserve to be used to expand and strengthen the sales effort of the Corporation.

After full hearings and thorough consideration of the many problems resulting from the large stocks of commodities carried by the Corporation, the committee is convinced that a change in basic sales policy must be made and a strong and affirmative sales program must be developed. Testimony presented to the committee indicates that the present program for disposal of these commodities is largely limited to barter, sales for foreign currencies, and donations. The hearing records on this point are full of such terms as "removal," "disappearance," "barter," "giveaway," and "disposal," with a complete lack of reference to plans for the sale of commodities for dollars, as authorized and contemplated by the Corporation's basic charter.

In order to enable the Corporation to establish an effective sales program, the committee has earmarked $2 million of the administrative funds for this purpose. It believes that the employment of an experienced sales manager and the establishment of a proper sales organization to move these stocks into world markets on a competitive bid basis will result in saving hundreds of millions of dollars.

One of the primary arguments given in support of flexible price supports is the need to reduce the Government's investment in farm commodities. Figures available from the Department indicate that savings which might result from lowered support prices are being fully offset by the very heavy storage costs resulting from the Corporation's failure to keep its stocks moving into normal channels of world trade at prices which will sell them.

In addition to removing one of the most serious threats to our agricultural programs, this establishment of such a sales policy should make possible substantial savings in storage and warehousing charges. As discussed elsewhere in this report, approximately half of commodity losses in recent years are represented by storage and warehousing charges. In fiscal year 1954, storage, warehousing, and transportation charges totalled $224 million, and the Department estimates that such costs will exceed $263 million during the fiscal year 1955.

The committee further recommends that amounts paid for storage in the fiscal year 1956 be reduced by not less than 20 percent below 1955. In order that Congress may be kept currently advised of progress made on this problem, it is requested that a semiannual report be submitted to the appropriate committees, showing (1) the quantity and inventory value of commodities on hand which have not been offered for sale in world trade on a competitive basis, and (2) the storage charges on all commodities which have been held by the Corporation for more than 18 months.

Research on strategic and critical agricultural materials

Appropriation, 1955	$331,500
Estimate, 1956	300,000
Recommended, 1956	300,000
Comparison: 1955 appropriation	−31,000

The Strategic and Critical Materials Stockpiling Act of 1946 authorizes and directs the Secretary of Agriculture to make scientific, technologic, and economic investigations of the feasibility of developing domestic sources of any agricultural material or substitute for such materials determined to be strategic and critical. This appropriation is to enable the Department to carry out its responsibilities under this act.

The committee recommends the budget estimate of $300,000 for the fiscal year 1956. The decrease of $31,500 is due to the planned completion of certain phases of present investigations on vegetable tannins. Research and investigations on vegetable fats and oils and fiber plants will be continued in 1956 on the same basis as in 1955.

REIMBURSEMENTS TO COMMODITY CREDIT CORPORATION

The bill for 1956 provides reimbursement to the Commodity Credit Corporation for funds advanced to finance special programs authorized by Congress as follows: Eradication of foot-and-mouth disease in Mexico, $5,788,897; International Wheat Agreement, $57,378,551; wheat to Pakistan, $69,273,881; emergency feed assistance, $42,100,000; and famine relief to friendly peoples, $9,676,628.

The first two items have been handled in previous years by note cancellation. Due to a change in law adopted by Congress last year, these reimbursements are now carried as appropriations.

The last three items listed above are included in this bill for the first time, and are based on specific acts of Congress adopted in the 83d Congress. The furnishing of wheat to Pakistan was carried out under Public Law 77, 83d Congress, which authorized the appropriation of funds to reimburse the Corporation for its investment in the wheat furnished, including handling and other costs incurred in making deliveries. The furnishing of feed and seed to farmers and stockmen in major disaster areas was authorized by Public Law 115 approved July 14, 1953. The famine relief to friendly peoples, authorized by Public Law 216, 83d Congress, covers the furnishing of 2,688,000 bushels of wheat to Bolivia, 361,047 bushels to Jordan, and 82,133 bushels to Libya.

Farm Credit Administration

Authorizations, 1955	$6,250,000
Estimates, 1956	6,290,000
Recommended, 1956	6,290,000
Comparison: 1955 authorizations	+40,000

The Farm Credit Administration provides supervision, examination, facilities and services to a coordinated system of farm credit banks and corporations which make loans to farmers and their cooperatives. The Administration is an independent agency under the direction of the Federal Farm Credit Board. It was originally created in 1933 and was transferred to the Department of Agriculture in 1939. It was reestablished as an independent agency by the Farm Credit Act of 1953.

The committee has approved the full budget estimate of $6,290,000 for the Farm Credit Administration and its member institutions, an increase of $40,000 over 1955. The amount recommended includes $2,320,000 for the parent organization, the Farm Credit Administration, $550,000 for the Federal Farm Mortgage Corporation, $1,825,000 for the Federal intermediate credit banks, and $1,595,000 for the production credit corporations. These amounts represent limitations on the amount of the corporate funds of these organizations which can be used for administrative purposes. They are not direct appropriations from the Treasury of the United States.

The small increase is recommended in view of the increasing credit problems resulting from declining farm income. With the large increase in farm debt and the ever tightening price-cost squeeze on the farmer, it will be necessary for the intermediate credit banks and the production credit corporations to make more comprehensive credit analyses to assure sound loans and to reduce collection problems.

GENERAL PROVISIONS

The general provisions contained in the accompanying bill are the same as those which have been included for a number of years. The only changes are found in section 501, where the limitation on replacement of passenger-carrying vehicles is increased slightly, and in section 506, where reference to basic legislation adopted last year has been added.

For a number of years, the committee has encouraged the Department to carry on a portion of its research work by contract under section 506. This has been based on the belief that such arrangements would not only improve the quality of research findings, but would limit to some extent the number of permanent research personnel added to the rolls of the Department. Recent investigation reports indicate that some of the research contracts under this section have been awarded to large and well-established organizations able to conduct such research without financial aid from the Federal Government. Some of these have been in existence continuously since 1947 for the same line of research. The committee seriously questions whether these well-established organizations should continue to look to the Federal Government as an established source of income for such research work.

LIMITATIONS AND LEGISLATIVE PROVISIONS

The following limitations and legislative provisions not heretofore carried in any appropriation act are included in the bill:

On page 2, line 25, in connection with the Agricultural Research Service:

Provided further, That appropriations hereunder shall be available for uniforms, or advances therefor, as authorized by the act of September 1, 1954 (68 Stat. 1114):

On page 3, line 7, in connection with the Agricultural Research Service:

Provided, That not less than $200,000 of this appropriation shall be available to conduct a special study of (1) the effect on farm income and the general economy of the United States of acreage reductions imposed on 1954 and 1955 crops, and (2) the most satisfactory solution to this problem, including the encouragement of sound soil conservation practices upon land diverted from production under such acreage restrictions.

On page 14, line 8, in connection with the agricultural conservation program:

Except where the participants from two or more farms or ranches join to carry out approved practices designed to conserve or improve the agricultural resources of the community.

On page 17, line 8, in connection with marketing research and agricultural estimates:

Provided, That not less than $1 million of the funds contained in this appropriation shall be available to gather statistics and conduct a special study on the price spread between the farmer and the consumer.

On page 18, line 25, in connection with the Foreign Agricultural Service:

Provided, That not less than $500,000 of the funds contained in this appropriation shall be available to obtain statistics and related facts on foreign production and full and complete information on methods used by other countries to move farm commodities in world trade on a competitive basis.

On page 26, line 11, in connection with the Federal Crop Insurance Corporation:

Provided further, That not to exceed $1,500,000 of administrative and operating expenses may be paid from premium income.

On page 27, line 2, in connection with the Commodity Credit Corporation:

Provided further, That $2 million of this authorization shall be available only to expand and strengthen the sales program of the Corporation pursuant to authority contained in the Corporation's charter.

Mr. H. CARL ANDERSEN. Mr. Chairman, I yield 30 minutes to the gentleman from Washington [Mr. HORAN].

Mr. HORAN. Mr. Chairman, I want to point out as I begin that there is no argument about amounts in the bill. There is considerable disagreement about the nature of the criticism in the report. I do hope that we can work together this afternoon and perhaps develop something of value to American agriculture and to our American people.

At least two of us think that one of the finest Americans, Ezra Taft Benson, is now Secretary of Agriculture. We think he is doing a courageous job under the law, and for that reason the gentleman from Illinois [Mr. VURSELL] and I had to take exception to the critical nature of the majority report. That majority report was made available to us only when we sat down in the full committee.

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. HORAN. Surely.

Mr. WHITTEN. I had understood that you were told it was available to you on Thursday. Insofar as I know, it was available Thursday, before it was printed.

Mr. H. CARL ANDERSEN. Mr. Chairman, will the gentleman yield?

Mr. HORAN. I yield.

Mr. H. CARL ANDERSEN. I think we ought to make this matter clear. The gentleman from Mississippi [Mr. WHITTEN] did tell me that a copy of the report was available in our clerk's room to look over and scrutinize. That is the usual procedure in our subcommittee. I do feel sure that if the gentleman from Washington [Mr. HORAN] had asked at that particular time to look at the report, the gentleman from Mississippi [Mr. WHITTEN] certainly would have given him the same invitation.

Mr. WHITTEN. I appreciate that.

Mr. HORAN. Service on the Appropriations Committee is an arduous, an interesting, and a very responsible job, and I love it. I enjoy serving with my chairman, the gentleman from Mississippi [Mr. WHITTEN], our ranking minority member, the gentleman from Minnesota [Mr. H. CARL ANDERSEN], the gentleman from Minnesota [Mr. MARSHALL], the gentleman from North Carolina [Mr. DEANE], the gentleman from Kentucky [Mr. NATCHER], and the gentleman from Illinois [Mr. VURSELL].

Basically it is our task to see that money is not wasted. Annually we review the work of the executive departments and see what they did administratively with the money we gave them last year. The executive department operates under instructions from this Congress. Certainly the present Secretary of Agriculture does that.

Our is presumed to be a government of laws—not men—and those of us who serve on this committee do have a ringside seat as regards the efficacy with which the administration carries out the policies of this body and the other body.

But it can be that we here have not completed our work. It can be that what appeared a rounded program a score of years ago has proved inadequate through the years. Perhaps we defile good programs in our efforts to avoid the consequence of discipline that must attend any action.

Perhaps we hope, by political short cuts, that we can eat our cake, yet have it, too. Very definitely we cannot. Those who dance have to pay the fiddler.

It is not my purpose today to cast aspersions anywhere; rather, it is my hope that I and the other members of this Subcommittee on Agricultural Appropriations might make some observations of usefulness.

We spend weeks in earnest consultation with those in command of the Department of Agriculture. I feel that they are trying to carry out the meaning of the law as we have written it. They are acting under a very specific law.

Next month we will vote on rigid price supports.

I shall vote for rigid price supports. But in doing so, I hope that I shall not close my mind to what needs to be done in order for them to be an asset to our farmers and our national economy instead of a liability.

Price supports have two implications we do not like, and we try to avoid them. However, Benson did not write this law; he is only carrying out the law as we have written it.

First of all—and this has been in the law since 1938—there is the certainty of acreage allotments and production restrictions and marketing quotas, when we have surpluses. The formula is there, and it is very specific. No one likes acreage allotments, production restrictions, and marketing quotas.

Secondly, price supports require a residual agency which we know as the Commodity Credit Corporation. It is not a sales agency when we need it to be a sales agency, when we have these great surpluses. That is when it is to operate as a residual storehouse of surpluses, else it wreck the market.

Theoretically, the basic act of 1938 was to work like this: The producer was to be assured a price. With this price established he could sell his crops to the Government or, with the price level established, on the open market. Any way you look at it that law has worked well as far as encouraging production is concerned. There is no question but what our farmers fed the world for about 10 years. There is no question but what our farmers helped to defeat Hitler, Mussolini, and Tojo.

Acreage restrictions were not widely invoked during that period, and the Commodity Credit Corporation was a going concern, and its existence did not affect the ready market, the open market. Those of us who watched its operation like to say it had a stabilizing effect.

Then the distraught nations with our help got back on their feet, and I share, with some reservations, the views of the gentleman from Mississippi [Mr. WHITTEN], that what we did was to build up production in other countries.

The production from 40 million of our own acres gradually ceased to find a ready market.

Now our pipelines of wheat between the farm, into the mills, and into the factories and on the grocery shelves were almost empty. In 1948 I think we got down to around 125 million bushels. That is what it takes to fill our pipelines.

Four years later the July 1 report announced a carryover of 256 million bushels of old-crop wheat. Acreage allotments and marketing quotas should have been put into effect at that time, in July 1952, according to the formula already on the books under the law of 1938. We put that law into effect as soon as we went into office in 1953, but there was an election year in 1952, and nothing was done.

In 1953 the carryover was 562 million bushels. In 1954 it rose to 903 million bushels and the estimate for next July 1 is a whopping 965 million bushels of wheat.

I have here dealt with wheat in this example. When it is most needed the Commodity Credit Corporation dare not function as a sales agency. If it offered its stocks for sale, it would break the market. Meanwhile the wheat is aging and we seek more and more storage space on which we pay more and more money for storage costs. That is the problem Benson faces. The situation is indeed tenuous.

The 83d Congress took some constructive steps that are not only helping to move our surplus wheat, which is the worst of our surpluses, but other surpluses as well. Moreover, they are being moved into consumption without disturbing the market. Last year, for instance, about 56 percent of our wheat crop was marketed in the open market. When we have the greatest surpluses, then Commodity Credit Corporation ceases to be a sales agency. It has to hold its commodities off the open market lest it ruin the open market.

Now, let us take the suggestion of my colleague from Mississippi. He wants the Commodity Credit Corporation to start a program of offering, weekly, certain quantities of cotton. Under the law and under the charter that can be done. But let me point out that last year we moved in the open market American cotton in excess of 3,800,000 bales, not a bad amount of cotton to move into the open market, which is higher than our support price. It is estimated we will move 4,500,000 bales in the open market in the year we are in now. That is a pretty healthy thing. Suppose that they offer cotton on the world market at competitive prices. They can do it under the charter. Suppose we get into a cotton war with Peru, Chile, India, Mexico and other cotton-producing areas where they have the low wages and they have our facilities, our know-how; suppose the price of cotton on the world market drops down and down and down as we ourselves instruct the Commodity Credit Corporation to meet competition. The textile mills around the globe will be getting cotton at a reduced price, a salvage figure. At home, however, textile mills in North Carolina and textile mills in New England will be forced under the law to pay 105 percent of parity for their supplies. Under the law we may have to be doing that this fall. But it will be a sad day for America if we do. It will close factories.

Mr. MORANO. Mr. Chairman, will the gentleman yield?

Mr. HORAN. I yield to the gentleman from Connecticut.

Mr. MORANO. Has the Secretary of Agriculture indicated any position on that point the gentleman has just mentioned?

Mr. HORAN. Certainly, just as plain as possible. I asked him the question. It is in the record.

Mr. MORANO. He has agreed to sell?

Mr. HORAN. No. That is what all the hullabaloo is about.

Mr. MORANO. He has not?

Mr. HORAN. No. He is trying to protect the American producers.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. HORAN. I yield to the gentleman from Indiana.

Mr. HALLECK. If I understood the gentleman from Mississippi correctly and if I understood the background correctly, here is what he is contending for. Cotton has moved through private channels in the export trade. Now, if I understand him correctly, he wants to do away with that and have the Commodity Credit Corporation do the selling.

Mr. HORAN. That is right.

Mr. HALLECK. The domestic market price of cotton has been above the support price in recent months. Is that not directly a result of this method of disposing of the cotton in the foreign market? The gentleman has spoken of the effect with respect to the textile manufacturers. Will he not agree with me that if the policy advocated by the gentleman from Mississippi should be put into effect—and possibly we shall have to put it into effect—the first effect would be

to lower the price of cotton here in the market place of this country?

Mr. HORAN. Not in this country, because we are under price support; in other countries, though, in the world market, we are going to meet competition.

Mr. HALLECK. If the gentleman will yield further, there are many commodities presently under price support, 90 percent; corn is one, which is produced in my district in great quantities, and the market price is considerably below the support price at this time. I assert—and I do not think it can be denied—that if the position of the gentleman from Mississippi were put into effect, one of the results would be to break immediately the price of cotton on the local markets of this country.

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. HORAN. I yield to the gentleman from Mississippi.

Mr. WHITTEN. May I say that some cotton is moving, and that in the recommendations or the urgings, the thing the gentleman talks about would be controlled in several ways. One, the Corporation would have full charge of how much it offered; it would have full charge of how often it offered. It could do as it did last year when it offered this $453 million of commodities which it sold, and it said bids below a certain level would not be accepted. So, full control is in the Department. I am asking the removal of the assurance of the umbrella. The other point I would make as far as your domestic mills are concerned is if we follow this policy of holding our support price as the world trade price long enough so that Anderson-Clayton can make a source of supply for Japanese mills in Brazil and Peru, where because of low costs they can get cotton for 15 to 20 cents of ours, then our mills are out of any export business. Now, I grant you that the Department would have to take into consideration the effect on the mills and things of that sort in determining how much and how often and how. It can do it by limiting how much is offered, how often you are offering it, or putting a limit below which they would not accept bids. But, if we do not correct this shift of supply away from the United States, where costs are higher, to these foreign countries, with low costs it will not be but a few years until we all have only a domestic market.

Mr. HORAN. I want to say I hope my chairman understands what he just stated. I certainly could not understand him.

Mr. HALLECK. Mr. Chairman, if the gentleman will yield further, I might suggest to the gentleman from Mississippi, for whom I have the highest regard as he knows—he spoke here a moment ago that he had not had a political campaign down there ever since 1944, and I think it is quite evident why, because he certainly is a great exponent of his particular views, although I must say in this particular instance he is trying to blow hot and cold—in other words, you cannot be dumping cotton all over the world and not have some of these adverse effects result. I think we have to take it one way or the other.

Mr. HOPE. Mr. Chairman, will the gentleman yield?

Mr. HORAN. I yield to the gentleman from Kansas.

Mr. HOPE. I would like to go back to what the gentleman from Indiana was discussing a moment ago, and that is this question of the level of price supports in this country and the price that the cotton producer himself receives. Now, it undoubtedly is true that any time the level of prices in the world market—and that covers the level of prices in this country except as it is modified by the price-support program—it is also true, is it not, that if you have a world price lower than the domestic price, the support-price program does not bring all of the cotton up to the long price? There are always a good many producers and there are many small producers in which the gentleman from Mississippi is certainly interested. Nobody is more interested than he is, but I hear that complaint all the time, that the small producers have just a few bales; they do not bother to get a loan; they have to sell the cotton as soon as it is picked, and they are the ones who are the sufferers when that situation exists. Now, this year the Department of Agriculture has not put cotton on the market. It has a comparatively small amount of cotton, but if it did put cotton on the market and that resulted in reducing the price on the world market, it would have meant that every little cotton producer in Mississippi and every other State would have probably taken somewhat less than he took for his cotton, because he has been able to sell it at from 3 to 5 percent of the loan value under the situation that existed this year.

Mr. HORAN. It is my understanding—and I want the committee to know the situation—that the Commodity Credit Corporation owns outright 700,000 bales; but they have some 7 million bales on which they have loans and which they may have to take over this fall, and if that occurs we are going to have some headaches in addition to this.

Mr. WHITTEN. Mr. Chairman, will the gentleman yield to me?

Mr. HORAN. I yield.

Mr. WHITTEN. I should like to say, by way of illustration, in reference to what my friend from Kansas [Mr. HOPE] said, that if this cotton had been sold our supply would have been less, our exports would have been larger, and acreage this year would have been larger for those people who have been cut back to the point of no home. Any farm program must allow our farmers to farm, and then you must sell the production. If you let United States farmers farm and if you sell the production, then you have an arguing point on where our support level should be. But you have now reached the point where the Government does not let many farmers farm, and you are moving the acres overseas as we cut out at home. We are holding our commodities, in order to cut the United States acreage down. I do not see how you can argue support levels when you will not sell the production. We should not have to cut United States acreage down, to absorb United States supplies we won't sell competitively.

Mr. HORAN. When we talk about price supports, we are going to have to take the bitter pill of acreage allotments, and there go along with it——

Mr. HALLECK. That is right.

Mr. HORAN. Marketing quotas and production restrictions. You cannot eat your cake and have it, too. It cannot be done.

Mr. MORANO. Mr. Chairman, will the gentleman yield?

Mr. HORAN. I yield.

Mr. MORANO. I want to get something clear in my mind. As I understand it now, the Secretary of Agriculture has a policy by which he does not offer surplus cotton in the world competitive market, and that policy in some degree protects our own textile manufacturers in New England and elsewhere in this country.

Mr. HORAN. Surely.

Mr. MORANO. As I understand the proposal of the gentleman from Mississippi [Mr. WHITTEN] it is to offer that cotton on the open market. In the opinion of the gentleman who has the floor and in the opinion of the Secretary of Agriculture, that would be dangerous.

Mr. HORAN. That is true, to American producers and American industry, in the gentleman's own State, I may say.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. HORAN. I yield.

Mr. HALLECK. Mr. Chairman, I think it is about time that we had a real look at this charge that is made against the Commodity Credit Corporation's not wanting to sell anything. The fact of the matter is that our exports are up 15 percent above last year. Cotton exports, which are a matter of great interest to the gentleman from Mississippi [Mr. WHITTEN] are running, according to my information which I believe is accurate, 400,000 to 500,000 bales above last year. Commodity Credit Corporation disposals are on the increase. In other words, I do not want the RECORD to seem to indicate from this report that the Commodity Credit Corporation has not made real progress in disposing of these surplus commodities.

I should like to make one further observation. This amount of conversation about cotton may have a very bad negative effect on the world market, so far as foreign purchases are concerned, because I am certain if we are to start selling this cotton at any price maybe a lot of people will be waiting for that day to come.

Mr. HORAN. Thanks to the good work of our House Committee on Agriculture, we set up machinery that should help to place these commodities, including wheat, where they are needed. These programs are now just getting under way. They are the sale of our surpluses for foreign currency. That is an item that my colleague from Mississippi [Mr. WHITTEN] has been interested in for years.

Second. Outright grants for famine relief in friendly countries.

Third. Barter and exchange: We are not doing much there, but we have a program.

Fourth. Outright donations to prevent waste: We have done that.

Fifth. Donations of commodities, including wheat, to distress and disaster areas in the United States. And believe me, that is a proud chapter in the history of Ezra Taft Benson's administration, the things he has done to help out in Oklahoma and in Texas.

Add to this such additional programs as the International Wheat Agreement and the use of what is known as section 32 funds for the disposal of surplus commodities, and you can see that in your Government we already have a rather extensive program designed to help rid us of our surpluses.

But last year we did something else which should be helpful. We completed the reorganization of the Foreign Agricultural Service. I stress the word "Service." We changed it from "Relations" to "Service." It is an action thing. It is supposed to serve American agriculture and keep us advised of what is going on in the world where we have competition. And we put the agricultural attachés back under the command of the Secretary of Agriculture, where they belong. We are just now completing this retooling of our agricultural representation abroad, and it should help.

The outlook is brightening. Mr. Oris V. Wells, head of the Marketing Services, United States Department of Agriculture, speaking to our subcommittee, and this is on page 407 of the hearings, had this to say:

Indications are that July 1, 1955, wheat stocks may be somewhat greater than they were on July 1, 1954, but there has been a significant slowdown and, as a matter of fact, the crops in Canada this year and in Western Europe are none too good. So, wheat prices have currently been showing some strength as compared to not long ago.

Mr. Walter C. Berger, Assistant Administrator of the Commodity Stabilization Service, stated to us:

The Government has invested literally billions of dollars in the programs carried out through the Commodity Stabilization Service much of which—

Mr. Berger continued—

can be returned to the Treasury if adequate administrative funds are provided for, to permit programs to be administered properly and in an orderly manner.

I trust that we have done that in this bill.

But our experience teaches us that there are still some things to consider if we would avoid the difficulties that have been building up since 1952. I am pleased that we have this opportunity to discuss some of them here.

First. There is a growing interest in the establishment of a soil fertility bank. This idea is embraced in a measure introduced 2 years ago, and again this session, by my colleague the gentleman from Minnesota [Mr. MARSHALL] and my colleague the gentleman from Minnesota [Mr. H. CARL ANDERSEN] and I understand has been reintroduced. I assume they will discuss that later.

Second. There is a growing desire in my area of the country, at least, to have price supports applied on a quality instead of a quantity basis. Some refer to this general idea as a graduated loan schedule. Today price supports go on wheat and other commodities pretty much without regard to quality.

Third. The requirement that half of our donable wheat and other commodities be shipped in American bottoms has proved a roadbloc to the operation of Public Law 480.

There are many other suggestions of varying merit. I mention these so that we may seek out the means as we go along and attempt at least to be constructive in this matter.

There appears to be no way under the present law to assist those who farm too small an acreage when acreage allotments and price supports have to be applied. We encounter that difficulty especially in tobacco, wheat, and cotton. Repeatedly in the hearings I have referred to a seeming lack of research in this field. Certainly we should clearly understand what acreage constitutes an economic unit as applied to a family-sized farm and one under any price support, with its ever-present threat of acreage adjustments, that can weather the storm. I am happy to find this paragraph in the majority report:

The committee also feels that a portion of the increases allowed should be used to expand research on the farm as a productive economic unit. Research of this type is essential to future programs designed to make farming a profitable occuption.

I suppose all of this comes under the general heading of land reform. The dangers of too small holdings are well known. They exist all over the world. I remember a visit I had 2 years ago with the Minister of Agriculture at Bonn, in West Germany. He spoke of their troubles there.

It was the old, old story of the father dividing his land with his sons and his sons dividing their lands with their sons until down through the years the farms became so decimated as to be true traps of poverty. There is always a danger of allocating too small units to tenant farmers when acreage adjustments under the law of 1938 have to be made by the Secretary of Agriculture. There is danger that a living cannot be made on what is left. Let us face it. Secretary Benson did not write this law, yet he has to apply it. But the fact is acreage adjustments are in the law, and the law does not help in such circumstances. But it is a very difficult matter to reach through the Federal law or Federal administration. Perhaps a solution could be achieved through State laws; I do not know. I do know that economic research can provide the knowledge that we ought to have concerning a safe size of any farm unit for any given commodity. I do know that this is a proper field for Federal research, and I believe it ought to be done, and all of the facts known or knowable brought up to date, and then through the Extension Service this knowledge can be made a real guidepost to anyone wishing to farm either as a tenant or an outright owner. Certainly in the case of farm ownership when we help to set someone up in farming, we should give full and careful attention to this factor. I know it is being done now in the great Columbia Basin project out in the State of Washington. The size of farms there are mapped out, and they are based upon the type of soil and the known facts about the most promising crop that can be raised on them. This was the joint work of the Federal Bureau of Reclamation and Washington State College. I know, also, that many of our able men who administered the loans under the Farm Loan Administration also take the idea of the economic unit very seriously in granting loans to prospective farm owners. None of us knows what the future holds. We do not know what the weather will be in June here and what will happen to the crops. We do not know the shape of international politics. We can only predict. We do not know what our farmers, smarting under the discipline contained in the law of 1938, will do when it comes to voting compliance. We do know that a good and courageous job under the law is being done by the present Secretary of Agriculture, Ezra Taft Benson. Many programs are working to correct this situation. I believe Secretary Benson is due and entitled to our full cooperation, respect, and teamwork.

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. HORAN. I yield.

Mr. WHITTEN. The gentleman from Indiana [Mr. HALLECK] raised the question of exports. He referred to Commodity Credit Corporation disposals. If you read these hearings and if you do not go behind these disposals, you will not realize that we are giving them away instead of selling them. How can you lose more money than giving away what was bought? With regard to wheat, I met with the wheat traders. They have the dollars and they wanted to buy 2 million tons more of American wheat if we would match France's price which was $6 a ton less than ours. There are illustrations all over the world similar to that.

Mr. SPRINGER. Mr. Chairman, will the gentleman yield?

Mr. HORAN. I yield.

Mr. SPRINGER. I believe there is one thing that I have viewed with a great deal of sympathy in years past under Democratic administrations as well as Republican administrations. With reference to some of the remarks made by the gentleman from Mississippi, may I say the gentleman and I were in Europe a year ago last summer at the same time. We sat down at the same table and talked about this matter. Regardless of the political complexion of the administration, this whole program and the sale of surpluses in this country is irretrievably tied up with foreign policy, is that not true?

Mr. HORAN. It is bound to be.

Mr. SPRINGER. There are some very difficult problems related to our own foreign policy with reference to the question of taking markets in certain areas of the world where we have been supporting our allies. They are now economically

selfsufficient and are filling these markets.

Mr. HORAN. That is right.

Mr. SPRINGER. We may be forced back into the same situation we were in from 1946 down to 1953, when they were not self-sufficient. These problems concern both the Department of Agriculture and the State Department when we get into this question of disposal in certain markets in the world?

Mr. HORAN. It is a very interesting thing. The European Payment Union which has a fund of some $300 million which we advanced to them—we cannot sell to the countries that were participating in that program. However, we hope that the action of the Congress last year in making it possible to sell in foreign countries for soft currencies will help the situation.

Mr. SPRINGER. The Surplus Agriculture Disposal Act has been of great assistance the last year, and the future looks much better.

Mr. HORAN. Oh, much better.

Mr. JONES of Alabama. On page 25 of the report, under "Farmers' Home Administration," I read from the report:

> The Farmers' Home Administration performs the following four major activities: (1) To make direct and insured farm ownership loans to farm tenants, farm laborers, sharecroppers, and other individuals for the purchases, enlargement or development, including farm housing and other building construction, of family-type farms.

And further on in the report it provides that $19 million would be made available for housing and farm ownership loans. Is that $19 million a direct loan?

Mr. HORAN. It is a direct loan.

Mr. JONES of Alabama. As distinguished from an insured loan?

Mr. HORAN. Yes.

Mr. JONES of Alabama. Can the gentleman from Washington give us some assurance that the Administrator of the Farmers' Home Administration will make use of this money and make loans pursuant to the direction of the Congress, or will he withhold those funds as he has done in some instances in the past?

Mr. HORAN. I certainly hope he does not.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. HORAN. I yield to the gentleman from Minnesota.

Mr. JUDD. It has been said today that the loss of sales abroad is putting the farmer out of business. Is it not true that a lot of farmers were in business only because of what looked like sales abroad but which amounted to appropriations from the American Treasury for grants to foreign countries which they used to buy American agricultural products until they could get their own production restored?

Mr. HORAN. That is true.

Mr. JUDD. We did that because it was essential to our security that these countries be strengthened. We knew what we were doing. I am surprised that anyone failed to expect this inevitable byproduct unfavorable to our own producers. We gave them the money and they bought our farm products, and some people kidded themselves that we had sold them something. So we are not putting them out of business. Rather, it was these foreign-aid grants that put them into business.

Mr. HORAN. That is right. It is just like loaning a man money to play poker with you. It is the same idea.

Mr. JUDD. The word "dumping" has not been mentioned today very often. There has been talk about selling at competitive prices or lower prices than our competitors. But is it not true that if the United States cuts prices to try to compete with those countries which have much lower wage levels, we will be walking right straight into disaster, because they can drastically undercut us?

Mr. HORAN. We would have chaos unlimited, in my opinion.

Mr. JUDD. And is that not what the gentleman from Mississippi [Mr. WHITTEN] is advocating?

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. HORAN. I yield.

Mr. WHITTEN. I appreciate the courtesy of my friend. The State Department came before our committee and said they did not oppose the sale of our commodities at competitive prices in the world markets. They said, "We want to help." Well, who is it we want to help, the folks who need these commodities, and our folks in the United States who produce them or our competitors by holding an umbrella over their prices? We used to think it was the State Department, but they said "No." When they said no, Mr. Benson came before our subcommittee and said it was his decision, he said because of the trade. Most of the trade in my opinion differs with him—but you cannot get agreement between the trade group. You have heard a lot about the GATT agreement. Mr. Blake of the State Department said of the recent trade agreements:

> That the amendment does not ban export subsidies until a nation is getting more than its fair share of the world market.

He said:

> A fair share of the world market can be construed as any period that the United States desires to select. In other words, the United States could insist that the base period should be the prewar days when exports were averaging 8.5 million bales a year.

So the State Department is not holding our commodities off world markets at competitive prices. The Department of Agriculture has agreed it is its decisions. Now, whom do you want to help, the folks who need these things or your competitors who in many instances were formerly our customers when we would match the other fellows price?

Mr. JUDD. Of course, whenever the United States goes into a program of assisting countries abroad to increase their production, in order to strengthen their economies, we solve some problems, but unquestionably we help create others. For example, we have helped India produce enough rice so that she is practically self-sufficient. However, we have thereby thrown the economies of Thailand and Burma into a tailspin because a foundation stone of their economies was the export of rice to India.

Japan for decades had large textile markets in India; so did England. India today is in a position where she is almost ready to export textiles. That is another headache the gentleman from Mississippi will have to deal with—when he faces greater foreign competition with southern textiles as well as with cotton.

Mr. WHITTEN. May I ask the gentleman if it is not true that we cannot sell anything unless we make the price truly competitive?

Mr. JUDD. That is right.

Mr. WHITTEN. Can you have a national farm program if things cannot be arranged so that the farmer can sell what is produced?

Mr. JUDD. The answer to that is that we have to weigh the advantages that we would get from selling more commodities abroad at a lower price against the advantages of maintaining at least the domestic market at a higher price.

Mr. WHITTEN. Mr. Benson says that this umbrella which he establishes over world prices particularly invites increases. Does not the gentleman think we ought to help him lower the umbrella, because it was his determination to make our support levels the world price which has had bad effects even he can see?

Mr. JUDD. It is undeniable that a policy of encouraging and helping all countries, including our own, to become self-sufficient is bound to destroy a lot of world trade. Prosperity comes out of production and trade.

Mr. H. CARL ANDERSEN. Mr. Chairman, I yield myself 1 minute for the purpose of complimenting my colleague from Washington [Hr. HORAN], upon the work that he has done as a member of the Subcommittee on Appropriations for Agriculture. Through the years the gentleman from Washington has been a very splendid man in that particular job, and as I have listened to the discussions between the gentleman from Mississippi [Mr. WHITTEN], on the one side and the gentleman from Washington [Mr. HORAN], on the other, it came to me that it is only through such discussion of basic principles that we in the Congress are enabled in the final analysis to come to a decision as to what is right or wrong; I do want to repeat that the gentleman from Washington has been a splendid member of the Subcommittee on Appropriations for Agriculture. He has been mainly responsible for the establishment of Foreign Agricultural Service, which should mean much to our Nation in the future.

Mr. WHITTEN. Mr. Chairman, I yield such time as she may desire to the gentlewoman from Missouri [Mrs. SULLIVAN].

Mrs. SULLIVAN. Mr. Chairman, I am grateful to the chairman of the Subcommittee on Agricultural Department Appropriations for yielding to me for these comments on one phase of our surplus agricultural supplies which seems to receive little attention—the distribution of this food to needy Americans.

I do not say this in criticism of the subcommittee, which I believe has done an outstanding job in drafting this bill, particularly in regard to funds for the school-lunch program. I was simply

aghast earlier this year in looking over that portion of the President's budget recommendations to see that the administration was actually recommending a cut of more than $15 million in funds for the school-lunch program, apparently under a mistaken belief that the use of surplus foods would make up that difference.

The subcommittee's action, then, in placing in the bill the full $83,236,197 for the school-lunch program, refusing to make the reduction of $15,236,197 suggested by the President and his advisers, was a fine thing, for which I am most appreciative. All of us have heard of the difficulties of the schools participating in the school-lunch program in obtaining the share of surplus-food commodities promised them, so that a cut in funds for the purchase of foods of high nutritional value would have created a much more severe problem, and would have forced either an increase in the cost of the lunches or a poorer menu.

DISTRIBUTING SURPLUSES TO THE NEEDY

There has been a great deal of discussion here on the House floor, Mr. Chairman, and also in the hearings of both the Appropriations Subcommittee and of the Committee on Agriculture of the problem of disposing of our huge surpluses of food. We passed several bills here last year to encourage a greater distribution of our surpluses by either sale or gift abroad, and there has been much criticism of the slowness of the distribution.

My concern, however, is over the extremely limited distribution of these surplus foods to needy Americans—to those who are unemployed, on relief, actually hungry right here in the midst of the most abundant harvests we have ever known—here in rich America.

Unfortunately, the Department of Agriculture does not appear to be too much concerned about this. It has made some of this surplus food available on a rather hit-and-miss basis to the States for distribution pretty much as they see fit to persons of low income. The standards, if any, seem to be extremely loose.

It is, I believe, a wholly unsatisfactory system of distribution of this surplus food if the desire is to reach those who really need this food—people who are hungry or undernourished.

Last year, Mr. Chairman, I attempted to correct this situation by introducing H. R. 7870, a bill to establish a food stamp plan for the distribution of up to $1 billion a year of this surplus food to needy persons, particularly those on relief or old-age assistance, aid to dependent children, and so on.

The Agriculture Department showed no interest in the proposal last year and so far has shown very little interest—publicly at least—this year. I am hoping that the Committee on Agriculture of the House will soon schedule hearings on my new bill this year, H. R. 5105, which differs in some particulars but not in overall concept from the one I introduced last year.

MECHANICS OF SULLIVAN FOOD-STAMP BILL

My new bill requires consultation by the Secretary of Agriculture with both the Secretary of Health, Education, and Welfare and the Secretary of Labor in establishing standards for the distribution of the surplus foods.

This provision arises primarily out of a suggestion which was made to me by Missouri Welfare Director Proctor N. Carter, who pointed out that the Department of Health, Education, and Welfare maintains direct relations with the State and local welfare agencies which would play such a large part in a successful food-stamp-distribution program.

I added the provision giving the Secretary of Labor a voice in the distribution of the surplus foods because of the responsibilities of his Department in the field of unemployment.

The continuing high level of unemployment in the country, even though production has been increasing over the levels of last year, makes it important that we devise an effective program for getting some of our vast stores of surplus food to needy families.

The present system of distribution of the surpluses has been, I am sorry to say, very much of a hit-and-miss proposition, with some States participating and some not, with some areas operating their own food-stamp plan, and others giving out the food to anybody who wants to come and register for it. So far as I can determine, there are no uniform standards and no means of assuring that the people who really need this help are actually getting it. The Department of Agriculture seems to be concerned more with getting rid of a storage headache than in helping to solve a serious human problem.

Furthermore, there has been a good deal of criticism of the program in some areas of the country for permitting or encouraging so-called chiselers to get this food, while elsewhere people who are really hungry can get none. I do not know that the chiseling is actually occurring, but the whole surplus-food-distribution system has been chaotic and that encourages all kinds of abuses and criticisms.

Under the food-stamp plan the Secretary of Agriculture would be given broad discretion in setting up the actual mechanics of the distribution system—that is, in determining whether or not the food should be distributed through regular grocery stores or at special outlets set up in each participating community. The bill would require, however, that the food be packaged in convenient form for distribution at the local level, with the food stamps themselves to be issued by the welfare department or equivalent agency of the individual State or political subdivision participating in the program.

Stamps would be issued for each type of surplus food to be distributed.

A major principle of the bill is that any surplus food distributed under the act be in addition to, and not in place of, welfare assistance normally granted to needy persons by a State or local welfare agency.

For the purposes of the act needy persons are defined as those receiving public-welfare assistance or who are in need of such assistance but are ineligible because of State or local law—such as Missouri's employability law.

Many of the bills which have been introduced on this subject since I first put mine in last year, and the surplus-food distribution system itself in some areas, provide for issuance of surplus food to people on unemployment compensation, or on social-security pensions or who have low-paying jobs. I do not oppose that idea at all—I think it is tragic to have people going hungry or not getting enough to eat when we have all this surplus food—but I think the most important part of this whole problem is to get this food to those who need it most. That is, to those on relief, those without jobs or unemployment compensation, those who are living right on the edge of malnutrition.

Perhaps once we get a food-stamp program actually started and functioning smoothly then we can include all these other groups. My bill calls for a report by the Secretary of Agriculture within 6 months after the food-stamp program starts on the costs and problems of expanding it to include all of these other groups. But I think primarily we should get busy at once on providing a direct and effective system of distribution to those who we know are in real distress.

PRESENT DISTRIBUTION LIMITED IN SCOPE

Among the foods which are, or have been, available for such distribution, are butter, cheese, dry milk, cottonseed oil, shortening, beef and gravy, dry beans, and several others.

Only a small percentage of the millions of persons in the United States who are receiving public assistance of one type or another are obtaining any of this food. Three-fourths of the distribution has been to families in temporary straits due to drought or localized unemployment. They are certainly in need of and entitled to help of this nature—particularly in the coal mining areas. But there is so much of this surplus food available—constituting a storage headache for the Government—that we can certainly do much better than we have done in getting it to needy folks.

For instance, of the 2,620,000 persons last reported to have been certified for such food in the country, more than 950,000 are from 1 State—Pennsylvania. Most of the remainder are in Mississippi, Alabama, West Virginia, and Kentucky. And all we are getting out to these people is about $5 million worth a month—$60 million a year at that rate.

A MORE EFFECTIVE PROGRAM NEEDED

Mr. Chairman, instead of the hit-and-miss method now employed in the distribution of this food to the needy, we should adopt a national, unified, intelligently planned and organized system, using food stamps which would go to those most in need of this extra help.

The fact is that there are more persons in this country on old-age assistance—not social security pensions, but old-age relief—than the total of those now receiving surplus food help. When you add the extra millions who are receiving aid for dependent children, aid to the blind, aid to the permanently and totally disabled, and the hundreds of thousands of general assistance cases in the country, it is obvious that the 600,000 persons in this category receiving surplus

food are only a small minority of those who need the help.

There are, in addition, many persons in actual need of public assistance but unable because of State or local law, including such laws as Missouri's employability law, who cannot qualify for public agency financial aid and who are dependent upon private charities.

These, too, should receive surplus food, as provided for under my bill, H. R. 5105.

Mr. Chairman, I submit for the RECORD at this point, for the information of interested Members of the House the full text of my bill, as follows:

[84th Cong., 1st sess., in the House of Representatives, March 21, 1955]

Mrs. SULLIVAN introduced the following bill; which was referred to the Committee on Agriculture:

H. R. 5105

A bill to provide for the establishment of a food stamp plan for the distribution of $1 billion worth of surplus food commodities a year to needy persons and families in the United States

Be it enacted, etc., That in order to promote the general welfare, raise the levels of health and of nourishment for needy persons whose incomes prevent them from enjoying adequate diets, and to remove the specter of want, malnutrition, or hunger in the midst of mountains of surplus food now accumulating under Government ownership in warehouses and other storage facilities, the Secretary of Agriculture (hereinafter referred to as the "Secretary") is hereby authorized and directed to promulgate and put into operation, as quickly as possible, a program to distribute to needy persons in the United States through a food stamp system a portion of the surpluses of food commodities acquired and being stored by the Federal Government by reason of its price-support operations or other purchase programs.

SEC. 2. In carrying out such program, the Secretary shall—

(1) distribute surplus food made available by the Secretary for distribution under this program only when requested to do so by a State or political subdivision thereof;

(2) issue, or cause to be issued, pursuant to section 3, food stamps redeemable by eligible needy persons for such types and quantities of surplus food as the Secretary shall determine;

(3) distribute surplus food in packaged or other convenient form on the local level at such places as he may determine;

(4) establish standards under which, pursuant to section 3, the welfare authorities of any State or political subdivision thereof may participate in the food stamp plan for the distribution of surplus foods to the needy;

(5) consult the Secretary of Health, Education, and Welfare, and the Secretary of Labor, in establishing standards for eligibility for surplus foods and in the conduct of the program generally to assure achievement of the goals outlined in the first section of this act; and

(6) make such other rules and regulations as he may deem necessary to carry out the purpose of this act.

SEC. 3. The Secretary shall issue, to each welfare department or equivalent agency of a State or political subdivision requesting the distribution of surplus food under section 2 (1), food stamps for each kind of surplus food to be distributed, in amounts based on the total amount of surplus food to be distributed and on the total number of needy persons in the various States and political subdivisions eligible to receive such food. The food stamps shall be issued by each such welfare department or equivalent agency to needy persons receiving welfare assistance, or in need of welfare assistance but ineligible because of State or local law, and shall be redeemable by such needy persons at local distribution points to be determined by the Secretary under section 2 (3).

SEC. 4. Surplus food distributed under this act shall be in addition to, and not in place of, any welfare assistance (financial or otherwise) granted needy persons by a State or any political subdivision thereof.

SEC. 5. In any one calendar year the Secretary is authorized to distribute surplus food under this act of a value of up to $1 billion, based on the cost to the Federal Government of acquiring, storing, and handling such food.

SEC. 6. The distribution of surplus food to needy persons in the United States under this act shall be in place of distribution to such needy persons under section 32 of the act entitled "An act to amend the Agricultural Adjustment Act, and for other purposes," approved August 24, 1935 (7 U. S. C., sec. 612c), as amended, and section 416 of the Agricultural Act of 1949, as amended: *Provided, however*, That nothing in this act shall affect distribution of surplus food presently provided for in such sections other than to needy persons as defined in section 7 of this act.

SEC. 7. For the purposes of this act, a needy person is anyone receiving welfare assistance (financial or otherwise) from the welfare department or equivalent agency of any State or political subdivision thereof, or who is, in the opinion of such agency or agencies, in need of welfare assistance but is ineligible to receive it because of State or local law.

SEC. 8. The Secretary of Agriculture, in consultation with the Secretary of Health, Education, and Welfare, and the Secretary of Labor, shall make a study of, and shall report to Congress within 6 months after the date of enactment of this act, on the feasibility of, the costs of, and the problems involved in, extending the scope of the food-stamp plan established by this act to include persons receiving unemployment compensation, receiving old-age and survivor's insurance (social security) pensions, and other low-income groups not eligible to receive food stamps under this act by reason of section 7 of this act.

SEC. 9. There are hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary to carry out the purposes of this act.

Mr. WHITTEN. Mr. Chairman, I yield 15 minutes to the gentleman from North Carolina [Mr. DEANE], a member of the subcommittee.

Mr. DEANE. Mr. Chairman, in the first place I desire to express my sincere admiration for the gentleman from Mississippi [Mr. WHITTEN], who has served on this subcommittee with great distinction since 1945. The same admirable service is true of the gentleman from Minnesota [Mr. H. CARL ANDERSEN], the ranking minority member who has likewise served on this committee since 1954. I do not know two men who have worked more faithfully than these gentlemen, not only this year but past years, for the cause of agriculture.

The same sentiments are true concerning my other colleagues on the committee, the gentleman from Minnesota [Mr. MARSHALL], the gentleman from Kentucky [Mr. NATCHER], and the gentleman from Washington [Mr. HORAN], and the gentleman from Illinois [Mr. VURSELL].

We would be remiss in our duty here this afternoon if we did not highly commend our excellent executive secretary, Ross P. Pope who has constantly, painstakingly, and efficiently given us the information that we needed to try to build a good record.

As you read the hearings you will come to understand the policy and the programs of the Department of Agriculture. In some instances the information was pulled out of the witnesses from the Department through the painstaking questioning of the committee members. The record will, I feel, indicate some of the causes why the farm economy is on the downgrade.

The committee has worked long and faithfully. The writen record of the hearings and the report indicate that if the officials of the Department of Agriculture will spend the funds made available under this bill with the same vision and enthusiasm as characterized the thinking of the members of this committee, there is a chance that the downward trend of American rural life can be reversed.

THE DEPARTMENT OF AGRICULTURE

I fear there is too much static in the Department of Agriculture. Several witnesses from the Department made splendid presentations, but too frequently they appeared to be operating under wraps. It is difficult to describe. In some instances there is a negative and defeatist attitude.

It is explained, I think, in some of the speeches made by the top people in the Department of Agriculture. For example: The Under Secretary of Agriculture has made a number of speeches and while he does not say so in so many words, the effect of his statements has definitely created the feeling that there are too many farmers and that one of the faults of price supports tends to keep marginal farmers in business. The philosophy of the Under Secretary, which is being felt back in the grassroots, is that it would be better if these marginal farmers went out of business and left it to the big efficient competitors.

ACTION IS NEEDED

What is needed in the Department of Agriculture is forthright action—a willingness to move out with bold ideas and programs. It appears from the record that much effort is being made to curtail and stifle existing farm programs that have proved to be what the American farmer needs and what he wants.

WHEN TO DOUBLE THE DEPARTMENT'S BUDGET

Frankly, I would like to see the Department of Agriculture come up with a budget request double the size of the present appropriations. That will never take place until the people in the Department of Agriculture who determine policies and programs come forth with an agricultural program that will challenge not only our farm people but all segments of the American economy.

COMPARING THE APPROPRIATIONS

The direct appropriations for the Department of Agriculture provided in this budget for 1956 total $694,107,434 as compared with $653,129,960 appropriated for the budget year ending June 1955, an increase of close to $41 million. If

we add the "loan authorizations" provided in this bill in the amount of $383 million the "special programs" totaling $184,517,957 and the "restoration to the impairment" of the Commodity Credit Corporation totaling $1,634,659, you come up with the impressive point that we are spending for all agriculture services the meager sum of only 2.4 percent of the 1955 national budget of $58,160,000,000.

COMPARATIVE BUYING POWER KEY OCCUPATIONAL GROUPS

I am convinced that the buying power of the American farmer will continue to drop unless the officials of the Department of Agriculture, farm leaders and the Congress decide that time is running out on the farmer and that bold and imaginative action must be taken.

The buying power of the average wage earner, the school teacher, the retail clerk and the businessman continues to rise. The farm owner's continues to drop.

I direct your attention to the following analysis which reveals the comparative buying power of key occupational groups. You will note that the buying power of the farm owner continues at the bottom and that his estimated 1955 buying power is taking a serious drop of $2.52 per week below 1954. In each of the other occupational groups, there is a marked increase in each instance.

Comparative buying power—Key groups

	Buying power per week [1]		
	1950	1954	Estimated 1955
Oil worker	$73.07	$77.64	$81.26
Machinery manufacturing employee	63.92	67.15	67.82
Railroad worker	58.12	62.27	64.41
Schoolteacher	56.63	61.28	64.25
Average factory worker	57.19	59.70	61.37
Retail clerk	46.92	49.02	50.21
Farm owner	42.10	39.63	37.11

[1] Bureau of Labor Statistics and Deparement of Agriculture.

FULL EMPLOYMENT DEPENDENT UPON PROSPEROUS AGRICULTURE

I challenged the Secretary on the above figures, especially the farm owner. He came up with the same figure if you will note his testimony on page 230 of the hearings.

Two simple facts stand out as you study this analysis. First, farmers are slipping backward while nearly all of the other occupational groups are moving forward. The second is that as farm prices continue this downward trend, wage increases in the principal occupation groups continue to rise. How long can the occupational groups now receiving much more than the farm owner continue to maintain their position? How much longer can the farm owner face this present price squeeze?

History reveals that we must have a prosperous agriculture economy to preserve the employment of the people in the mills and the cities. When farm income began to move down in the 1930's the income of the people in the mills and cities dropped. Unemployment reached a total of 12 million people. The same common experience took place following World War II and I fear that we are entering a similar phase unless radical developments take place.

MARGINAL FARMERS AND EFFICIENT COMPETITORS

Earlier I referred to the philosophy of the Under Secretary of Agriculture who without any doubt has created the feeling that the time has come for marginal farmers to go out of business. He is telling them, if you will read the hearings on pages 228 and 229, to look for employment in the mills and in the cities. What about the great majority of these marginal farmers who have no other skill or training? The Under Secretary and his associates, I fear, have lost sight of the fact that we are a nation of small farmers.

NATION OF SMALL FARMERS

Take North Carolina. The extent and effects of this cost-price squeeze seriously concerns my State of North Carolina, a State of small farms and relatively low farm income, even in the best of times. Well over half the farms in North Carolina are less than 50 acres in size. In 1949, out of 194,000 commercial, full-time farms enumerated by census takers, only 3,000 reported farm sales in excess of $10,000. Well over half of 112,000 reported gross farm sales of less than $2,500.

Take the South. As a whole, 43 percent of all families on farms producing for commercial markets had family incomes from all sources of less than $1,000.

I wish that I could report substantial increases in farm income since 1949 but the facts are otherwise.

Perhaps the best way to picture the cost-price squeeze in North Carolina is to analyze the situation for an average coastal plains cotton and tobacco farm. Unpublished data in the Department of Agriculture indicate that an average coastal plains cotton and tobacco farm is around 100 acres in size. A farm of this size will have 7 to 8 acres each of tobacco and cotton, about the same acreage in hay, 15 to 18 acres of corn, and 5 to 6 acres of other crops.

In 1947–48, a farm of this type had a gross income of about $7,000 and production expenses of about $3,900. Although the gross income was a little higher in 1953, increased production costs left the operator and his family with less net income in 1953 than in 1947–49. Data for 1954 have not been summarized at this date, but lower crop yields last fall caused farm income to drop in this area while continued high production costs brought the net income to the lowest level in many years.

Take the Nation. We turn now to the Nation as a whole. There is no doubt in my mind, and the statistics prove that we truly are a nation of marginal farmers. Eighty-two percent of the total farm families—or 4.5 million farm families—are earning less than $5,000. Consider with me what is the farm family income in America today.

FARM FAMILY INCOME

How would you define a marginal farmer in the eyes of the officials of the Department? Are the efficient farmers those who earn more than $10,000 a year? If so, they represent only 3 percent of the farm families of America.

Here are the figures on the size of the farm families in terms of dollars:

In 1953, before taxes 57 percent of the total farm families or 3.1 million farm families were earning less than $3,000.

For the same year 82 percent of the total farm families or 4.5 million farm families were earning less than $5,000.

And for the same year 3 percent of the total farm families or 200,000 farm families were earning $10,000 and over.

COMPARING PER CAPITA NONFARM AND FARM INCOME

The per capita income is the true criteria on how to measure the living standards. If we take 1953 dollars we find that the per capita income for nonfarm and farm income is as follows:

Year	Nonfarm	Farm income
1946	$1,921	$851
1953	1,970	709
1954	1,926	688

RELATIVE SIZE OF SURPLUSES IN 1954

It is not my intention to go into the price-support program in this statement. It is only incidental to point up the idea heretofore mentioned that a feeling exists all over the country that it is time for the marginal farmer to look for employment other than on the farm.

Where would he go?

I do not know what you would call the serious drop in farm income. I choose to call it a serious recession. Assuming that recession is the right word, what about the surpluses in other segments of our economy?

Take 1954. Would you say that the 28 percent of steel capacity that was idle in 1954 was a surplus? I certainly would.

What about total productive power other than farm production. In 1954 7 percent of United States total productive power was idle.

Now turn to farm production. Only 2 percent of the 1954 total farm output was not currently consumed.

Now some folks will tell the farmer to go into the city to find work. Generally he is not skilled in other occupations. What does he find—that 28 percent of the steel capacity involving all kinds of byproducts is idle and that there is a total idle productive power, also looking for jobs, totaling 7 percent.

In commenting on this situation, I was interested in reading observations in the report on the Conference of Economic Progress, composed of key economists, labor and industrial leaders, who pointed out:

> That only agriculture is being told to help solve the problem of producing less, earning less, and eating less. If the farm population as a whole produces less and earns less, the individual farm family can avoid intense distress only if hundreds of thousands of farmers abandon their farms and rush quickly into city work. But, where are they going to rush, when the surpluses in the city are bigger than the surpluses on the farm?

ARRAYING THE CITY WORKER AGAINST THE FARMER

As indicated by this wide disparity between what the farmer receives and

what the consumer pays should be convincing that the farmer and the city worker have a mutual problem and they must stand together if an answer is found.

That brings me to this point.

I want to commend key labor officials for attempting to counteract the impression that has gained serious ground within the last 2 years in arraying the city worker against the farmer. The labor leadership in America is today speaking out boldly and even before committees of this Congress that the interest of the city workers and that of the farmer is one and the same.

I quote from a statement made before the House Committee on Agriculture a few days ago by Walter Reuther:

> We have witnessed * * * a deliberate campaign * * * to persuade city workers that long-established Government programs to aid agriculture are the cause of high food prices. We of organized labor have been frankly shocked at the nature of this campaign.

He goes on to say that—

> We also know that most of the price we pay for food does not go to the farmer and that the effects of price supports on prices we pay is very small.

The present unemployment totaling approximately 3,750,000 is in my opinion, to a large extent, traceable to the declining farm income. When farm incomes and prices fall to lower and lower margins, this multiplies unemployment and loss of business opportunities.

It should be made doubly clear that the city worker and the farm owner are in the same economic boat. The end of the boat in which the farmer is sitting is leaking badly. As the tide rises, the city worker and farmer will go down together. History proves that the welfare of one is the welfare of the other. The prosperity of one brings higher living standards to the other.

History is too recent not to recall what took place in 1918. The income of the farm earner reached a new level of earnings. The industrial worker was not far behind.

On the other hand, when farm incomes tumbled in the 1930's the income of the city worker followed and unemployment reached 12 million people.

The same experience took place immediately after World War II.

Are we entering another similar phase? Many informed people believe we are.

What about unemployment? Census Bureau figures show that unemployment rose from 1.6 million in 1953 to more than 3.2 million in 1954. In January and February 1955, 550,000 more full-time workers were unemployed. That means today we have 3,750,000 unemployed people. A hard-pressed agriculture has been forced to support some of these workers. At the same time, agricultural workers are being told from certain quarters to look for city work instead of helping to produce the so-called agricultural surpluses.

I repeat, there is, in my opinion, a close parallel between the present low farm income and the rising unemployment.

CHANGES IN FARM AND RETAIL PRICES

A study of the changes in farm and retail prices indicate that instead of the farmer being in the lap of luxury he is suffering in all categories.

Over 90 percent of the foods purchased by consumers are domestically produced. Today consumers are paying higher prices than in 1947–49 while farmers are receiving considerably lower prices for their crops and produce.

There is shown below the changes in the indexes of prices received by farmers for groups of products and changes in the retail prices paid by consumers for the same groups of products in 1954 as compared with 1947–49:

Percentage change from 1947-49 to 1954 [1]

	Prices received by farmers	Retail prices paid by consumers
Dairy products	−8	+6
Wheat and cereal and bakery products	−9	+22
Fruits and vegetables	−4	+12
All farm food prices	−7	+13

[1] Bureau of Labor Statistics and Agricultural Marketing Service.

The analysis speaks for itself. It certainly dispells once and for all that the farmer is reveling in the lap of luxury. At the same time, the farmer is very much concerned with what the consumer is having to pay for what he buys.

If we take all farm and food prices, which includes tobacco, cotton, feed grains, and forage crops for 1954 and compare with the period 1947–49 the farmer is receiving 7 percent less while the consumer is paying 13 percent more.

INVESTIGATIONS

The committee last year followed up the appropriations with a careful study in certain divisions of the Department of Agriculture. This investigation was most worthwhile. The Department can expect additional studies by this Appropriations Committee. This committee wants to see the funds made possible by this budget put into aggressive action. We do not want money spent unwisely, but we do expect dispatch and imagination in the spending.

This is no time for revising regulations, setting up road blocks to sound farm programs which have meant so much to American agriculture. The Department needs to start thinking and planning for the "marginal" farmer who represents 82 percent of the total farm families or 4.5 million farm families in America today.

This is no time to write reports to be filed, never to be read. What is needed is imagination and action.

INCREASED BUDGET REQUESTS

It is most unusual for an Appropriations Committee in so many instances to appropriate more money than is requested by the Bureau of the Budget. That is true of this budget. It was disappointing to members of our committee to note that the action programs in the Department of Agriculture, which have done so much to improve the position of the farmer, would have been seriously curtailed under the budget requests.

I refer to the following:

We increased the Soil Conservation Service by $2,916,379;

The Market News Service and market inspection by $395,000;

The school lunch by $15,236,197;

The plant and animal disease control programs by $496,000; and

The watershed protection and flood prevention by $2,300,000.

In addition there was a $5 million increase in the REA program which will enable the telephone program to continue at the same level as authorized in 1955.

The contingency fund for electrification loans was increased by $65 million.

SUGGESTING REMEDIES

It is very easy to discuss the farm problem. It is quite a different matter to give an answer. With that in mind, Mr. Chairman, I invite your attention to the following suggestions which I feel are a "must" if we find the answer to the current pressing problems facing American agriculture.

First. As a Member of Congress I want to assume personal responsibility for this serious farm problem. The time has come for action. Responsibility must be faced, not only here in the Congress, but in the executive branch of the Government.

Second. This Congress should initiate at once a congressional investigation of the price squeeze the farmers face. While the prices of farm produce received by the farmer has declined 12 percent in the last 2 years, there continues to be a marked increase in the market and processing charges as computed by the Agricultural Marketing Service. I give you the percentage increase being paid by the city worker:

Marketing margin on foods bought by an average urban wage earner or clerical worker family, percentage increase 1947–49 to 1954 [1]

	Percent increase
Meat products	17
Dairy products	26
Poultry and eggs	2
Bakery and cereal products	30
All fruits and vegetables	8
Fats and oils (decrease)	−13
Miscellaneous products	7
Total market basket foods	15

[1] Agricultural Marketing Service.

On page 18 of the committee report, we have directed the Department and earmarked $1 million of the funds provided under this heading to be used for a special study of the price spread between the farmer and the consumer. According to figures received from the Department, the farmers' share of the consumers food dollar has been decreasing constantly—from 54 percent in 1945 to 43 percent at the present time.

The committee expects the Department to come up with an answer to this wide marketing margin of foods bought by the city workers.

While we expect the Department to come up with an answer, it is my opinion that an independent congressional investigation is imperative. The Congress is in a better position to determine why it costs more to get some of our farm produce from the Hudson River to

the consumers in the New York area than it does to raise and ship the same produce grown in the West to the same New York area.

Third. The various States were very eager to see increased appropriations given for research. For research the committee is appropriating $37 million. A great deal of this sum goes to the various States. I ask the question: Are we creating more and more jobs at at the State level? The limitation of time prevented a full analysis of the results of the research program at the State level. We know that much has been accomplished. While we need research we presently need more imagination from the State level on marketing.

It is time the States began to come up with answers to the rapidly declining farm income and price squeeze facing the farmer. Are the States really interested in the marginal farmer or have they, too, been captured, along with certain farm organizations, with the idea that the day of the marginal farmer is gone? I challenge my own State officials to come to grips with this problem in a realistic way.

Fourth. We read that the administration is thinking in terms of a $2 billion program of aid to countries of Asia. My position will be that before I vote for such a program the administration will have to take forthright steps to move our farm commodities into world trade at competitive prices. That will do more to aid backward countries than all the State Department planning. Dollars will not reach the hungry millions. They want food. Currency problems can be solved if the administration wants to solve the problem. The executive branch should stop dragging its feet in moving our products into world trade.

Today America is the greatest surplus-producing nation in the world. We must export our produce and our manufactured goods. Trade must move freely. There were certain off-the-record comments by Mr. Samuel C. Waugh, Assistant Secretary of State, on this world-trade problem. I am not satisfied that the State Department—as was true of the former administration—is being realistic on this subject.

The action of our committee in earmarking the sum of $2 million to set up a sales organization within the Commodity Credit Corporation to dispose of our farm surpluses is a great step forward. We have placed the responsibility for the disposal of these surpluses where it belongs. Will the CCC have the courage to act?

Fifth. The farm groups of this country should support the increase in the Federal and State minimum-wage laws. The President is recommending an increase of the Federal minimum wage to 90 cents per hour. As of February 9, the Department of Labor estimates that 1,300,000 workers now receiving less than 90 cents per hour would receive a wage increase if the minimum wage is increased to 90 cents per hour. This would represent an average increase of 9 cents an hour or $180 per year, an increase in the purchasing power of these 1,300,000 workers by $234 million.

Sixth. I indicated previously Mr. Chairman the increased buying power in the amount of $234 million that would come to 1,300,000 workers if the Federal minimum wage was increased to 90 cents. It is my feeling that each State should adopt a sound minimum-wage law. There is no way for our committee to gage what this would mean in increased purchasing power involving farm produce. But it is readily apparent that it would mean a tremendous increase in the purchasing power in every State and would have a direct effect on our farm economy. A State by State minimum-wage law would in my opinion not only wipe out the current 2-percent farm surplus that is not currently consumed but the farmer would have to greatly increase his production. Let us think and plan for our growing economy and stop roaming around in the wilderness.

Seventh. If business wants to prosper, if the wage earner wants to keep drawing his paycheck, it is time that the business leadership and the editors of this country join the labor leadership in a campaign of truth and correctly tell the story of the serious plight of American agriculture. The whole story has not been told. All you hear and read about is the great farm surplus. The press, and the chambers of commerce, are not telling the American people that only 2 percent of the year's farm output is not being currently consumed.

What I am trying to say, Mr. Chairman, is let us be absolutely honest with the American farmer. Tell his story correctly. The spokesmen for agriculture should stop kidding themselves with sweet words that 1955 will be a better year for the farmer. Unless the truth is rapidly given widespread publicity and forthright action taken, we face a serious depression in agriculture.

Eighth. The budget for the Department of Agriculture represents only 2.4 percent of the total national budget. With a growing economy we cannot expect to do the job that must be done if the Agriculture budget remains on that percentage basis. Recognizing the farm economy as the basis of our entire economic structure I call upon the officials of the Department of Agriculture and their counterparts in the various States to challenge the Congress and the American people with the true story of the marginal farmer. They should come up with a national prosperity budget for agriculture instead of depressing the marginal farmer, which is the impression I gained, and I think you will also, if you will objectively read our hearings.

It is high time that the officials of the Department of Agriculture who are charged primarily with the responsibility for the downdrift in the farm economy admit that a serious farm problem exists and propose during this session of Congress concrete methods to arrest a further decline in the prices of farm products, which have declined 12 percent in the last 2 years.

Mr. H. CARL ANDERSEN. Mr. Chairman, will the gentleman yield?

Mr. DEANE. I yield to the gentleman from Minnesota.

Mr. H. CARL ANDERSEN. I am glad the gentleman brought up this point about not being too concerned about surpluses, even though that may appear to be quite evident upon our agricultural economy. After having seen the hundreds of thousands of refugees in Israel, in Syria, Jordan and Lebanon, and in Pakistan and the starving millions in India, I think we in this country can be very fortunate that we do have a surplus of food, because if ever the time comes when we get to the point where we do not produce enough for our own people to eat, then these people will have a right to worry.

Mr. DEANE. I thank the gentleman. I mentioned that point about surpluses, because it seems to me that only the farmer is being told to solve his surplus problem. I do not think the full truth of the farm program and these surpluses is being told by the American newspapers of this country and by the chambers of commerce. The time has come when the farm program and this surplus be placed in the right perspective. I feel that this is something we should think about; that the farmer continues to show a minus sign and, regrettable as it is, on the part of the farmer, to see the consumers in the city having to pay for all farm crops 13 percent more.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. DEANE. I yield to the gentleman from Ohio.

Mr. VORYS. Can the gentleman tell us how much steel was produced and was unsold and how much industrial production was produced and unsold, because then it seems to me we will have a problem comparable to the farm problem.

Mr. DEANE. I will answer the gentleman by saying that in 1954 28 percent of the steel capacity was idle, or we could call it a surplus, and only 2 percent of the total farm income was not consumed.

Mr. VORYS. Well, the comparison would be how many of the farm acres were standing idle under quotas or other arrangements.

It seems to me that the gentleman is comparing two different things.

Mr. KING of Pennsylvania. If the gentleman will yield for a moment, we should ask Mr. Reuther the question the gentleman just put.

Mr. ELLIOTT. Mr. Chairman, will the gentleman yield?

Mr. DEANE. I yield to the gentleman from Alabama.

Mr. ELLIOTT. I want to ask the gentleman this question, and say by way of preface that I think he has made a very fine and able statement of the problem. My question is this: Many articles I have read recently have said that the farmer ought to leave the farm and go to the city, in effect, to get a job. What job is available for him in the city, according to the research the gentleman has done on this problem?

Mr. DEANE. That comes to the matter of the point I was trying to make. Let us start a campaign of truth. Let us ask the Nation's press, the farm organizations, the chambers of commerce, business groups, and every organization that is interested in the farmer, to tell the

complete story. First of all, that 82 percent of the American farmers are earning less than $5,000; that we are a Nation of small marginal farmers; that the farm owner is at the bottom of the economic ladder in weekly buying power, and that his estimated 1955 weekly buying power will be $2.52 less than 1954, while all other occupational groups are increasing; that the true picture of surpluses be told and particularly that only 2 percent of the 1954 total farm output was not currently consumed and that we should begin to think of a positive floor under the farm owner that will stop the economic downward trend of his income.

Mr. SCHWENGEL. I appreciate what the gentleman says about the increases. There is one particular point that I want to check up on a little bit. How much of an increase is involved in this $37 million for research?

Mr. DEANE. On that particular item, there was an increase. I yield to my chairman, the gentleman from Mississippi [Mr. WHITTEN] to give the exact amount.

Mr. WHITTEN. There is something in excess of a million dollar increase there. It is about $1,124,000. The bill approves that much of an increase. There was some reduction due to the flora Dominica work and various other projects, the soundness of which was questioned by the committee. If that research is being discontinued, there is not much point in giving them the money for it.

Mr. BOW. Mr. Chairman, the criticism of the Commodity Credit Corporation program voiced in the committee report on the Agriculture Appropriation bill may be the voice of the majority members of the committee, but I wish it clearly understood that I did not and I do not concur in this political attack upon the Secretary of Agriculture.

First, let us make it entirely clear that the farm law under which we are operating at this time, and under which production was increased, Government purchases soared to unmanageable heights, and acreage controls became necessary is the program adopted by the party which is now so critical of the surplus problem.

The 1954 farm law advocated by the present Secretary of Agriculture is only now going into effect.

As so we have here a group of men sponsoring a program to encourage production, providing a method for the Government to buy and store excess production, insisting upon the continuation of that same program, yet directing a political attack against a Secretary who had no responsibility for creating the problem and is doing his level best to solve it.

The committee majority speaks glibly, page after page, and a bit repetitiously, I might add, about selling Government surplus stocks competitively in the world market. They would like us to believe that the Commodity Credit Corporation is deliberately holding on to its surplus stocks in order to have a reason for reducing acreage here at home. The majority wants us to believe that some Machiavellian trait in the Secretary causes him to rejoice in the application of acreage controls that have reduced the production and therefore the income of certain farmers. They see a political motive in his program.

The fact is, as everyone here knows in his heart, that the Secretary of Agriculture is an honest and upright man, and about as inexperienced and disinterested a politician as ever sat in the Cabinet since the mind of man runneth not to the contrary. I doubt that he has ever done anything for a political purpose. Some of us who are in the same party sometimes wish that he were more interested in politics.

All of us know that the Secretary abhors controls on the farmers of America. He accepts them as a part of the law he is called upon to administer. It is rank hypocrisy to say, as the majority has, that "as a result of the Secretary's order curtailing cotton acreage, more than 55,000 farm families in the South have been put off their farms." Of course the Secretary issued the acreage control orders, but he did so because the law enacted by his present critics required him to do so. If anyone is to be blamed for the 55,000 cotton farmers who no longer have sufficient acreage to make a living on the farm, the blame must rest right here in Congress and in the earlier Secretary of Agriculture who sponsored the rigid support law and who refused to take timely action when surplus commodities began to pile up.

If we are looking for political motive, we need look no further than the office of the National Farmers Union where sits the former Secretary of Agriculture, Mr. Charles Brannan, who for political motives refused to reduce acreages when he should have done so, and thus began the downward spiral of farm prices. By his callous disregard for the law and the welfare of farmers, his refusal to take politically unpalatable action, he did much to create the tremendous problems that faced Mr. Benson when he took office.

Now to the meat of this argument.

The committee majority report states that all CCC stocks should be offered on the world market at competitive prices. They say this would permit a resumption of our former high level of production and return their 55,000 cotton farmers to the farms.

What would happen if we followed this advice? What would happen to our regular cotton exports? What would happen to the world price?

The answers should be obvious. If our Government were to offer for whatever it could get its present huge stocks of cotton, it would in effect be engaging ing ruinous competition with our cotton producers. Placing Government stocks on the world market would depress world prices. It would increase the difference between domestic and world prices. It would mean that foreign buyers would first buy all our Government stocks, because they could get them much cheaper, and it would mean that the new crop of cotton instead of going into world markets at a profit would go into Government storage. It would mean more cotton moving through Government warehouses, higher administrative costs, and little if any net gain in total exports of cotton.

The majority criticizes CCC for being a residual supplier of cotton on the world market—for selling only after the normal and usual private channels of trade have exhausted their supplies. What else may CCC do, unless it wishes to compete with our own exporters? Despite the reaction of certain members of the committee, I believe the role of the CCC as a residual supplier is the role that the cottongrower and handler wants CCC to fill.

The Department is working diligently to increase exports from CCC stocks without the disrupting effects the committee program would entail. As Under Secretary True D. Morse recently pointed out, exports are indeed increasing. We exported some 3.2 million bales in the 1953–54 year, and he estimated 4.5 million bales for the 1954–55 year. Agreements are being negotiated under Public Law 480 which should further increase these exports, not only of cotton but of other surplus commodities for which there is a demand abroad. For example, an agreement with Japan will send additional Government-owned cotton to that nation, but only in addition to its usual and normal trade requirements. In this way exports are increased without upsetting private markets and trade.

In the RECORD of February 2, on page 1107, I introduced a statement on this subject including an explanation by Mr. Morse of exactly what is being done with regard to each commodity.

It is ridiculous to blame acreage reductions and support price reductions upon failure of CCC to move the commodities it has acquired. Certainly the expansion of foreign markets will contribute to the solution of the farm problem, but the committee has tried to reverse cause and effect. If there were any readily available way to dispose of these commodities, CCC need never have acquired them in the first instance.

I regret very much that the majority of the committee has used the report on this bill as a vehicle in the political attack upon Secretary Benson. It is an unwarranted and unreasonable attack upon a public servant who is doing his best, honestly and sincerely, to help the Nation's farmers through a very difficult period. There may be, and in fact I have found, reason to criticize the Agriculture Department, but what we are discussing today is not a valid criticism.

With regard to the bill itself, I believe it is on the whole a good measure, and will support adequately the requirements of the Department. Additional funds for research and for soil and water conservation, if properly used, should constitute a real contribution to the long-term welfare of the farmers and the Nation itself. I have personal knowledge of the good work that is being done by the experiment station at Wooster in my district, by the Extension Service there, and in the soil and water program.

Mr. H. CARL ANDERSEN. I yield 20 minutes to the gentleman from Illinois [Mr. VURSELL].

Mr. VURSELL. Mr. Chairman, I am somewhat at a disadvantage being the fourth speaker, and of necessity there may be some repetition. But once in a

while repetition is a good thing to drive facts home. I think it is well that we have been engaged in this sort of debate today, and I want my good chairman, the gentleman from Mississippi [Mr. WHITTEN] to know that we all personally are his friends and admire his ability, and when we seek to check him, it is only to keep him on the right track because he is such a valuable Member.

Mr. Chairman, while the subcommittee is very largely in agreement on the amount of funds provided for the various activities to carry forth the work of the Department of Agriculture for the coming year, I must say, speaking for myself, I am not in agreement with the numerous criticisms made in the report directed against the Secretary of Agriculture, Ezra Taft Benson, and his staff.

I think everyone feels that Secretary Benson has given his conscientious best in service to those engaged in agriculture, and to the people of the Nation—that no one questions his honesty and purpose, and certainly no one would question his courage. I cannot believe that anyone who knows the facts would accuse him of political expediency in the direction of his Department. He has a hard job, that has become more difficult throughout the years, because others failed to come to grips with the pressing problems surrounding agriculture.

Mr. Benson did not write the law that is responsible for the mountain of surplus commodities that are now hanging over and depressing the farmers' market. He did not write the law that makes allocation and controls necessary. He is only trying to carry out the will of the Congress, which is responsible for the legislation that has helped to bring about the conditions now prevailing in agriculture.

He cannot be blamed for a program which started as a World War II emergency, offering incentives for greater production, and which 10 years after the war is over, such incentives have not been modified and are still in force, which are responsible for the billions of dollars of surplus farm products now overhanging the market, which have brought about the present chaotic conditions.

Mr. Chairman, since the chairman of our committee has charged the Secretary of Agriculture with not selling enough surplus commodity products on the competitive market, and since he has raised this question at various times, and again today on the floor of the House, let us take a look at how well cotton has been taken care of, from a legislative standpoint, for the past several years.

The cotton industry, more than any other commodity group, has had virtually a free hand in writing and directing its own price-support program. For 20 years the cotton States have been heavily represented on the Agriculture Committees of both the House and Senate, and no one objects to that. The cotton legislation now in effect is the handiwork of the cotton State Congressmen.

Now, in 1955, cotton is still being supported at full parity under the law, even though the cotton carried over is expected to reach 9.8 million bales next August 1, more than a full year's domestic supply. It should be noted that this carryover has increased during the year in which acreage allotments and marketing controls have been in effect. We sold last year on the open market 3½ million bales of cotton and expect to export 4½ million bales.

We have been told repeatedly that cotton producers are willing to accept the harsh production controls, which are a part and parcel of high price supports. Now, when the time for rigid controls has come, however, these same spokesmen advocate our dumping of surpluses abroad, in order to justify increased cotton acreage and production.

Such a policy would, of course, only bring new surpluses, and presumedly new demands for further dumping operations. We are now told by the very people who have been advocating high price supports for cotton, that American cotton prices are too high, are holding cotton off of the world markets, and thus has encouraged increased production in other countries.

Mr. Chairman, instead of taking part of the blame for this situation, the advocates of high-price supports for world cotton now seek to fasten responsibility upon Secretary Benson and the present administration, which has only carried out the legislative wishes of the cotton State Congressmen.

Mr. Chairman, they urge that more cotton should be put on the market at competitive prices while, as a matter of fact, the Secretary of Agriculture has been encouraging the sale of American cotton in world markets at competitive prices, and is still doing it. The fact that the United States has sold several million bales of cotton for dollars, through regular commercial export channels, is proof that our selling prices have been competitive.

This normal trade might be halted overnight if the United States let it be known that our policy henceforth would be to offer cotton overseas at whatever price it would bring on a bid basis. The Commodity Credit Corporation could expect to acquire several million more bales under such a sales policy.

Mr. Chairman, Secretary Benson explained fully the policy he is following, in testimony before our committee. He and his advisers, including some of the ablest men in the production and marketing of cotton, has been fearful to follow the policy advocated by our chairman, Mr. WHITTEN, fearful that if they did follow it, they might break the world market to a point where it would lower the domestic market, doing great damage to all the cotton producers and processors in America.

The policy of Secretary Benson is to encourage export of all of the American cotton, or other farm products, the world market will take, without destroying the world market, and demoralizing the domestic market. Secretary Benson knows if we were to follow such a policy, we might develop a situation under which the Government, through the Commodity Credit Corporation, would be selling practically all of the cotton at a much lower price abroad. He said:

We might have in effect an export subsidy program for cotton without the name.

I think it is fair to say that such a plan for cotton might raise havoc with our domestic industry. The finished cotton goods of our mills would then have little chance to compete in world markets against goods produced in foreign countries from much cheaper cotton. Not only that, we would see a flood of foreign textiles taking established domestic markets away from our local mills.

American textile mills, already at a serious disadvantage because of wage differentials, could not hope to compete with foreign producers enjoying both cheap wages and cheap cotton.

Mr. Chairman, the bill before us for consideration today, to provide appropriations for the Department of Agriculture for the coming fiscal year, is the result of weeks of hearings before our appropriations subcommittee of agriculture, where volumes of testimony were taken in support of the amount of funds requested herewith.

The bill was reported to the full committee by unanimous vote of our subcommittee members, and it also has received unanimous approval by the full Committee of the House on Appropriations.

Realizing the importance of a healthy agriculture to the entire economy of the Nation, and further realizing that farm prices have been depressed to the point that the farmers' net income has not kept pace with the general prosperity prevailing in almost all other industries, our committee, in the hope of rendering what aid we could to stimulate a higher level of prosperity for the farmers who have been caught in a price squeeze for the past 3 years, has thought it wise to be rather liberal in an effort to be helpful.

This bill carries for the regular activities of agriculture, under title 1, as you will note by the comparative table in the report, a total of $694,107,434, which is an increase over the amount appropriated in 1955 of $40,977,474. I should like to point out that this total includes $15,236,197 for the school-lunch program, bringing it up to the amount allowed in 1955 of $83,236,197.

REA FUNDS

For the extension of rural electrification, we increased the appropriation over 1955 from $135 million to $160 million, and we increased the budget estimate request for REA telephone by $5 million, bringing it to a total of $75 million, the same as was allowed last year. For both of these services, the total increase is $25 million over 1955.

We increased the contingency loan fund for REA from $35 million to $100 million, which the committee feels will adequately provide for any emergencies that arise in the coming year.

SOIL CONSERVATION

Fully realizing the great importance of soil conservation to the farmers, and the responsibility of this committee and the Congress to agriculture and the farmers, we appropriated $214,500,000, which will aid them in carrying out soil practice compliances, under which our farmers are reimbursed for same over a wide field, covering seeding, contour plowing, sod waterways, fertilizers, dams,

ponds, and so forth, under the agriculture conservation program. This does not include $80,612,579 for the extension of watershed protection and other conservation operations of great benefit not only to the farmers but to the entire posterity of our Nation, because the conservation of our soil is of such great fundamental importance for the generations to come. It is the responsibility of the Congress to assist in the conservation of the soil in cooperation with the farmers, so that we may leave the productive capacity of the soil better, if possible, to supply adequate food for the constantly increasing millions of our population. Posterity demands it.

RESEARCH AND EXTENSION SERVICE

The current pressing need in agriculture is to cut costs, expand markets, and find additional uses for farm products. That is what research and extension service does.

Mr. Chairman, this service is so important to the farmers, and consumers as well, that I want to give these items a little extra time. These services have done so much more for agriculture, and for the consumer as well, that I feel they should be better understood by the Members of Congress, some of whom in their busy fields of legislative work do not have the opportunity in their committees to secure the information on these two wide fronts that are brought to our Appropriations Subcommittee for Agriculture. These services have not only helped the farmers, and our entire economy, over the past several years, but offer at the present time great aid to the farmers during this price squeeze.

The Secretary of Agriculture, Mr. Benson, and the farm organizations, realizing the need for accelerating the beneficial work coming from scientific research, and the need for the extension service in cooperation with the land-grant colleges to carry the information gained through such research to the farmers, have wisely urged an increase in the appropriations for scientific research and extension service.

FOR RESEARCH

Your committee, after hearing detailed and convincing testimony upon these requests, has recommended for total agricultural research, carried in different sections of the bill, $71,448,000 exclusive of forest research.

EXTENSION SERVICE

The total for extension service in this bill is $48,895,000. These figures in each instance are just about the amounts requested in the budget.

RESEARCH AND EXTENSION SERVICE PAYS BIG DIVIDENDS—HYBRID CORN

Illustration No. 1: After many years of scientific research, which cost perhaps $15 million spent by Federal, State, and private resources, a hybrid corn was developed which has added at least $750 million annually to the value of farm production, and the farmers benefit by over three-fourths of a billion dollars each year in the future, a tremendous return on the small investment.

SOYBEANS

Illustration No. 2: In a relatively few years, by the use of scientific research and the extension service, the areas of soybean production have been greatly expanded. Soybeans have been greatly improved with the average yield increased by over 5 bushels per acre, and the oil content per bushel increase by 1½ pounds.

The National Soybean Improvement Council estimates that 1 extra pound of oil per bushel is equal to $40 million a year added to the earnings of this crop, and that the 5 bushel per acre increase in yield totals $150 million additional in crop value for the farmers.

A relatively small amount of Federal and State funds has been spent in the past few years to bring about this tremendous production wealth from soybeans.

LIVESTOCK IMPROVEMENT

Illustration No. 3: Through only a few years of scientific research designed to increase milk production and improve dairy herds, artificial insemination has produced undreamed of results. For a small fee the farmer can have the benefit of the best germ plasma in the country. Heretofore he was limited to the kind of bull he could afford to buy or rent from his neighbor.

Research has proven and demonstrated the value of production-proved sires and provided the means of identifying them in a herd. In practically every dairy section of the country today thousands of farmers are capitalizing upon these discoveries through the use of production-proved milk strain bulls.

BIG PRODUCTION INCREASE

In 1953, the million cows enrolled in the Dairy Herd Improvement Association averaged about 9,250 pounds of milk annually, compared with the national average of 5,450 pounds. It is almost impossible to compute the hundreds of millions of dollars that the farmers will receive in benefits in the years to come, which will increase in benefits each year in the future. Research develops this information, and the extension service helps the farmer to apply and gain the benefits resulting from the scientific research.

BACON HOGS

Illustration No. 4: Another step forward in livestock production that shows how research and education work hand in hand is the development of meat-type hogs. Many farmers today are turning to the production of hogs that carry less lard and more of the lean cuts that most people prefer, and farmers are beginning to collect market premiums, as packers realize the meat-type hog yields a more profitable carcass. In numerous cases you can see how research has paid off on farms.

POULTRY IMPROVEMENT

Illustration No. 5: Scientific research has developed faster growing chickens and turkeys, better ways of controlling diseases, and more nutritious poultry feeds have made the broiler industry an $800-million-a-year business. Twenty years ago, it was worth only $18 million annually. The increase gained in poultry nutrition is amazing. Ten years ago a 100-pound bag of feed produced 25 pounds of poultry meat; today, it produces 35 pounds of meat. Not long ago it took 13 weeks and 10½ pounds of feed to produce a 3-pound broiler. Now it takes 10 weeks and only 8 pounds of feed—a great gain to the farmers.

ANTIBIOTICS HELP

Scientific research combined Vitamin B 12 and antibiotics to help do the job. Scientific researchers coming before our committee state that research on antibiotics alone is saving poultry producers $100 million worth of feed a year. These results obtained, in numerous instances, at the cost of only a few million dollars a year spent by the Federal Government, help the farmers to greater profits through research and extension service.

The development and use of a chemical—phenothiazine—at a small cost saves the farmers $10 to $15 million a year in livestock production. Most farmers are familiar with this chemical to destroy internal parasites of hogs, sheep, goats, horses, and cattle.

THE SCREWWORM

Illustration No. 6: The screwworm which burrows into the animal's hide and causes $20 million a year damage to southern livestock farmers may have reached the end of its rope. Scientists have found means to eradicate the screwworm fly, and in a recent test on an island in Dutch West Indians they eradicated in one application practically all of the flies on that entire island. Plans are now in the making to attack this screwworm fly in Florida, and other southern States, through this same procedure.

These are only a few of the numerous instances where scientists have developed effective insecticides which are constantly being used to combat the insect scourge, saving the farmer's crops. Agricultural chemicals are assuming a greater importance in the fight against destructive insects, doing great damage to farm crops.

MARKETING RESEARCH

Illustration No. 7: Achievement of marketing and extension education does not stop at the farm gate. It goes on through the utilization of marketing of the farmers' commodities.

Advances in transportation, refrigeration, merchandising and preservation, or enhancement of quality, have been coming to the front rapidly. We can see the result in any kitchen in the American home.

ORANGE JUICE

Illustration No. 8: We are so used to orange juice for breakfast made from frozen orange juice concentrate, it is hard to believe 10 years ago there was no such thing. Joint research by the Department of Agriculture and industry brought about the change. Last year the frozen orange juice concentrate industry used more than half of the Florida orange crop. The scientists have also developed an orange juice powder that can be stored on the kitchen shelf without refrigeration. The powder is now in commercial production. Other fruits and vegetables are also being processed in these forms. Think what this means to the citrus farmers, and its benefit to the health of the consumers.

DRIED EGGS

Illustration No. 9: Thanks to agriculture research, we now also have dried eggs that taste like fresh scrambled eggs, and store well at high temperatures. This research has put commercial cake mixes, containing eggs, on every grocery shelf in the Nation.

These advances will help to relieve the overproduced egg market that is now depressing the farmers' market.

SURPLUS FATS

Illustration No. 10: Here is another incident in which research is helping to relieve a surplus. About 40 million pounds of inedible fats and oils, thanks to scientific research, are now being used annually in the manufacturing of plastics, and in the hot-dip tinning of steel. About 25 million pounds of tallow are currently going into the making of synthetic rubber. The biggest new-found use for farm products, so far, however, is in animal feeds, which are taking about a quarter billion pounds of feed annually. This expanded market, developed through research, has helped bring a better price for inedible fats in the last 2 or 3 years.

MARKETING RESEARCH

Research continues to help and protect the cotton farmer, not only in increased production, but by furnishing him new markets. You can now buy cotton fabrics that resist rot and mildew, that are flameproof and at the same time washable. New weaves make cotton materials resist water—or hold water, whichever is desired. The market places for farm products are slowly taking on a new look because of the effects of research and education. Better marketing facilities are helping to cut down the losses that occur between the time fresh fruits and vegetables leave a farm, and the time they reach a consumer.

Scientific research is developing other savings in marketing fresh fruits and vegetables. Through reducing the cost of icing tomatoes, producers are saving $35 to $40 a car, and losses from chilling have been reduced by 20 percent. One large supermarket last year estimated savings at $90,000 in tomatoes shipped from the west coast.

Research in marketing is also showing how to cut costs in handling. At every step of the way, farmers benefit thereby. The development of a high piler has reduced by 80 percent the labor required to stack 1,000 bushels of apples, and 100 apple-packing plants are now using this equipment, at a saving of $150,000 a year to the farmers. Similar savings and improvements are being made in the marketing and utilization of many major crops.

These examples I have cited represent only a very small fraction of the story that can be told about agriculture research in cooperation with the Extension Service.

An efficient agriculture is the foundation of our national strength, and an aggressive full-scale continued research, backed up with a full program of extension and education, added to our soil-conservation programs, is the bedrock on which our agricultural foundation rests.

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. VURSELL. I yield.

Mr. WHITTEN. May I say I appreciate the kindly reference to me by my friend, the gentleman from Illinois. I agree with him about the Secretary of Agriculture. There is nothing in the report making any such accusation. Reference is made to the fact that political considerations have had to do with the policy—and that is true. I think if you will check the record you will find that is true. The word "politics" was not intended to have any such connotation. My whole report was directed to the operations of the Department of Agriculture. I have not a word of difference with the gentleman's description of the Secretary of Agriculture. My relations with all these men have been cordial. They are good people. They are good men. I do not think anyone can work with the operations of the Department, like the Department of Agriculture, on all these programs as long as I have without having some decided opinions as to how they should be run.

Mr. VURSELL. I am quite sure that the gentleman did not mean that, but I am so enthusiastic about the high esteem in which the Secretary of Agriculture is held with the people generally and by the farmers of this country that that was my own contribution when I said I am sure no one would question his honesty of purpose, his integrity, and his courage.

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. VURSELL. Briefly; my time is limited.

Mr. WHITTEN. I would just like to note that this is the program the Department developed. I do not think their own record will sustain it, but they make it—I may be wrong—but does the gentleman think we can produce and not sell competitively?

Mr. VURSELL. The answer to that question is that we find ourselves in a constant dangerous worldwide economic situation where for 20 long years this problem has been builded up. This incorrigible, unmanageable situation has finally met the Congress and the present administration face to face. Shall we use the best brains and the best business and the best diplomacy since we are making great progress, since we are increasing month by month and year by year exports abroad, shall we have a little patience, a little more courage, and see if we can move this surplus sufficiently to ease our situation here at home? Or shall we put too much of it on the world market, on the bid basis, destroy the world market, break it, punish the farmers all over the country, punish the cotton producers all over the country, put world trade in a position where the millions of bales of cotton we have bought we must continue to store and take billions of dollars of loss? In such case the cotton producers and those engaged in this great industry, people who make such a contribution to the economy of our country, will see their markets destroyed and see this dire fate overtake them, and we find ourselves in a worse plight than we are in now?

I simply say that we ought to think this out carefully and courageously try it out and then if we have to, get to the position of which the gentleman has been such an excellent exponent, then if we must, take the results whether they be good or bad. That is my answer.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. VURSELL. I yield.

Mr. HALLECK. I have listened with great interest to the gentleman from Mississippi in respect to cotton. I have been down in his country a number of times and through all the places where cotton is raised. I am glad I have had an opportunity to see that operation because I think it helps me to a better understanding.

But I think this is a significant thing in his argument, if I gauge it correctly: What he is now contending is that our present policies have in effect priced American cotton out of the world market, and in that process we have lost a lot of our export trade to new cotton grown in other areas.

The only regret I have is that somewhere back along the line there was not a little more attention paid to the adverse effect in respect to our competitive situation in the world market for cotton, because for years cotton has been on an export basis, and if there is to be a continuation of any high level at all of cotton production in this country we have got to maintain that export base.

Mr. VURSELL. I think the gentleman is quite right.

I have been thinking back today when I heard the name of Will Clayton. He was one of the great exponents of foreign trade, reciprocal trade starting in with free trade. He developed such importance that he was, I believe, Under Secretary of State for quite some time. So brains and efforts have been put into the development of this problem that have come to haunt us today, over the past 20 years. We cannot hope to solve it in the first 6 or 8 months of any administration whether it be a new one or an old one.

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. VURSELL. I yield.

Mr. WHITTEN. I would like to point out that the Congress did recognize those things, for in creating the Commodity Credit Corporation and in providing the law they provided sales in the United States at the support level plus carrying charges. They provided for sale in world trade at a truly competitive level. It is the board of the Commodity Credit Corporation, of which the Secretary of Agriculture is a member, that has made the support level the world offering level.

We have used cotton as an example here, but the theory applies to almost a billion dollars worth of corn that we have on hand that has not been offered in world trade on a competitive basis, and the tragedy is that in selling it we depress the world price, and in holding it we count it in our production and it cuts down the domestic price. So the farmer gets it from both directions.

Mr. VURSELL. I cannot yield further, but I do respect the gentleman's ability and judgment.

The question is whether you want to take this gamble and give the opportunity to foreign markets to buy cotton at a cheaper price in the world market and help bring that price down. Much of the world's cotton is produced with cheap labor. That means cheaper cotton. Then they not only penalize our Government through the commodity support prices we have to give under domestic laws but they will penalize the industries of this country and be able to flood our country with manufactured products from abroad displacing labor as well in this country.

So while I appreciate the argument of the gentleman from Mississippi, we had better be patient, we had better take another year or two to try to unravel this mess that has been built up during the last 20 years. We have been doing pretty well. We have been in a lot worse shape in this country than we are today.

Mr. H. CARL ANDERSEN. Mr. Chairman, will the gentleman yield?

Mr. VURSELL. I yield to the gentleman from Minnesota.

Mr. H. CARL ANDERSEN. I want to call the attention of the House to the fact that during a discussion in the hearings, on page 2136, I personally made this comment while we had the Rural Electrification people before us:

> I want to assure the REA at all times the right to have sufficient funds to make loans for generating and transmission purposes if they need such loans so as to assure them an ample source of energy at a reasonable rate.

I want to say that the gentleman from Illinois [Mr. VURSELL] backed me up in these words:

> Mr. VURSELL. I would like to associate myself with the remarks of Congressman ANDERSEN from Minnesota on this subject.

I appreciate that statement on the part of the gentleman from Illinois as it is simply a token to me of the great value he will prove to be in the future upon our Subcommittee on Agriculture of the Committee on Appropriations.

Mr. VURSELL. I thank the gentleman.

Mr. MARSHALL. Mr. Chairman, I yield 1 minute to the gentlewoman from Minnesota [Mrs. KNUTSON].

Mrs. KNUTSON. Mr. Chairman, I wish to call attention to the dried-milk disposal program undertaken last year in which it appears the best interests of the Government and the farmer were not fully protected. Extensive profits were undoubtedly made by the feed-mixing trade, while our Government suffered unnecessary and exorbitant loss.

Last year on April 22 the administration's Secretary of Agriculture announced the sale of the huge holdings of dried-milk solids by the CCC—the sale to continue until August 31. As the press release stated:

> The dried milk will be used largely to make up for the current shortage of soybean meal.

And the explanation continued to say:

> This program was not set up to supplant the use of any proteins; it was established to fill a gap in supplies caused by the smaller 1953 soybean crop.

In this discussion I wish to examine this transaction in light of this ostensible purpose—replacing the soybean shortage—without consideration of the potential loss in terms of human food. Ten million dollars was lost in what should have been received by the Government in all justification. Ten millions dollars was received by feed dealers in lush dividends over and above normal profits. This grieves me—the fact than $10 million was not passed on to farmers in lower feed prices—dairy and poultry raisers suffered stiff mixed-feed prices while supports on dairy products were slashed to 75 percent and farm wives sold pullet eggs for 6 cents a bozen. Under these circumstances the Government should have received a price for dried milk that compared with prevailing soybean prices, or if a concession was to be made to feed mixers, farmers should have shared therein through a reduction in feed prices.

First, the price on milk solids was set in large degree by feed dealers without representation by farmers who were the consumers most directly affected. Prices were set following an informal conference with representatives of the American Feed Manufacturers Association held in Washington, March 24, 1954. No record was kept of the proceedings. Out of informal discussion of the proposed sale, it was agreed that a tentative price of not less than 3 cents would be established. The sale price of dried-milk solids under the April 1954 announcement, was subsequently set at 3½ cents per pound east of the Rockies and 4 cents on the west coast, f. o. b. delivery by CCC point. In other words, the Government paid the cost of transportation. Apparently representatives of the American Feed Manufacturers Association placed orders amounting to 381 million pounds. In the first 10 days, word must have been passed on to them because orders flooded in before May 3.

A large volume of orders were phoned or telegraphed to the commodity offices prior to the sale date, May 3, indicating that members of the Feed Manufacturers Association leaked word of this bargain sale to their immediate associates and these were accepted tentatively by Commodity offices contrary to the expressed provisions of the sale announcement. The very fact that the huge volume of orders poured in during the first 10 days is proof a huge take was in the making. While the sale of dried milk at a low price was said to fill the gap resulting from the current shortage of high-protein soybean meal, no actual figures were made available to show relative offsetting cost in the feeds produced. Feed industry representatives felt the price set should take into consideration the additional cost of handling drums and bags of dried milk as against carlot handling of soybean meal, lack of warehouse space to store drums and bags, and so forth. This consideration was not tenable because shipment was spaced over weeks or months at the usable convenience of the purchaser. Seemingly all such excuses from feed-company representatives were accepted at face value as evidence for conceding them giveaway prices.

Investigation developed the fact that up to 75 percent of this dried milk had gone into poultry feeds, the balance into mixed dairy feeds. A chronological history, month by month, for the years 1948, 1949, 1953, and to date in 1954 and 1955 shows that in virtually every instance, poultry feeds have risen in cost to the farmers since milk solids were incorporated in the feeds, showing very clearly the farmer received no benefits whatsoever from the low price set on dried-milk solids.

Second. This price was far below what it should have been, to hold the value of the soybean meal it replaced. It is difficult to compare the actual replacement cost of the soybean meal with dried milk, as used in poultry and dairy feeds by feed mixers, because each feed mixer used his own formula which is carefully guarded from competitors. Personnel in the Animal and Poultry Husbandry Research Branch, Agricultural Research Service, state that no direct replacement, percentagewise, can be made in formulas of dried milk for soybean meal due to varying content. On an equal percentage basis of replacement, research personnel contend that 10 percent of dried milk could safely replace a like amount of soybean meal. If one eliminates the Government's freight and handling cost estimates at 1 cent per pound—deducted from the 3½-cent price, the cost of the dried-milk solids to feed dealers was 2½ cents per pound. Even when this competition forced soybean meal down, its price on November 1 of last year was still 4.8 cents per pound. In other words, feed dealers received gratis 2.3 cents per pound at the very minimum. A lush deal?

Third. The administration proved itself extremely inefficient with surprising lack of concern for the farmer consumer and loss to our Government. A more equitable and realistic price of at least 5½ or 6 cents per pound for the surplus dried-milk solids to offset soybean meal prices during the sale period would have saved the taxpayer more than $10 million.

Even during the time this sales program was in progress and for some time prior thereto, the Department disposed of rather large quantities of infested, cake, or otherwise damaged dried milk at higher prices. From April 1, 1952, to April 28, 1954, these sales totaled 1.614 million pounds; from April 28 to June 16, 1954, an additional 1.4 million pounds were sold. It is significant to note the average price realized on infested milk was 7.171 cents per pound f. o. b. warehouse as compared to the 3½ and 4 cents for good milk f. o. b. delivery point under this drastic contract at feed-dealer terms. The CCC exhausted its inventory of infested milk. This is really fantastic.

Ten million dollars was lost in this move. One can hardly escape the fact that this is but a manifestation of this administration's lack of regard for farmers through reduced prices for farm commodities, while concessions are readily granted special groups interested in

lush profits at the expense of the farmer and the taxpayer.

Mr. MARSHALL. Mr. Chairman, I yield such time as he may desire to the gentleman from Wisconsin [Mr. JOHNSON].

Mr. JOHNSON of Wisconsin. Mr. Chairman, I want to congratulate the chairman of the subcommittee, the gentleman from Mississippi, Congressman JAMIE WHITTEN, and the gentleman from North Carolina, Congressman CHARLES DEANE, on the fine presentation they have given on the agricultural appropriation bill for 1956 before us. I feel that their talks have been very instructive to the Members of the House.

In studying the report of the committee to accompany H. R. 5239, I am very pleased to note that the committee has taken into consideration the need for action programs in the Department of Agriculture and has restored adequate funds for the effective functioning of these action programs. This is especially true in the restoration of funds to the school lunch program which is so essential to the well-being of our school population. I have introduced a bill, H. R. 2600, to increase the funds available annually to the schoolchildren's milk program from $50 million to $87,500,000. In order for the school milk program to function as it should, it is necessary that the entire school lunch program have sufficient funds. In Wisconsin, where the school milk program has been well developed, it is very likely that more funds will be needed as the program expands.

As one who represents a district having a large concentration of REA cooperatives, I am happy to see that the committee has approved the full request of $160 million for electrification loans for the coming fiscal year and also has approved the contingency fund of $100 million for electrification loans to enable the Secretary of Agriculture to meet any large or unusual needs which could not otherwise be handled within the regular authorization on the formula basis in the law. This formula is causing much concern in the State of Wisconsin as our State is around 96 percent electrified and the present formula is holding up many proposed loans.

I further wish to congratulate the committee in recommending sufficient funds for the Soil Conservation Service to restore the proposed reduction and to provide for an increase in technical services. Soil conservation begins at the grassroots level; therefore it is imperative that we have broad programs with adequate financing to carry out wise soil conservation policies. It is my belief that an ounce of prevention now is worth a pound of cure when drought hits.

Mr. H. CARL ANDERSEN. Mr. Chairman, I yield 5 minutes to the gentleman from Indiana [Mr. HARVEY].

Mr. HARVEY. Mr. Chairman, it will not be possible to elaborate as I would like in the limited time that I have. I do want to say that I appreciate very deeply the thoughtful consideration that this committee has given to the appropriations for agriculture. I likewise would like to say that even a critical attitude is not always out of keeping, in surveying the problems of agriculture. I think we should approach them with the idea that we can improve the efficiency not only of agriculture itself but of the administration of our great Department of Agriculture.

I think, though, that I might briefly point out some of the things that we have overlooked in this problem. There are just two things particularly in the time that I have that I would like to point out. One is that we are puzzled about selling more abroad. Now, the fact is that we are about 95 or 93 percent self-sufficient, and that means that we only have about 4 or 5 percent for export, because we cannot export any more than we import. A lot of different segments of our economy would like to get a bigger slice of that 4 percent. Now, I am not at all unmindful that the cotton producers and the wheat producers have during the years wanted to export the surplus producing capacity that they have, as well as the automobile manufacturers. I could go through the whole gamut of production facilities that we have in this country. All of them want a bigger slice of the 4 or 5 percent, but the only way we can expand it is to do so at the expense of another segment of our economy, and I think we must not overlook that. So the problem of increasing our exports is intimately tied up with the things we are willing to buy from abroad and bring into our own economy here at home. I think a great deal of study is being given to improving that situation and should, but we must not forget it.

Now, there is another thing that has worried me a great deal, because I have been a lifelong farmer. I know that there are in this country a great many marginal farms and farmers. They may be marginal from the standpoint of their productive capacity, or they may be marginal from the standpoint of the size of the farm, but in either instance it means that that family is not going to have an adequate living.

During my lifetime we have seen the trend of great productivity on the part of the individual farmer increase and, with it, a corresponding decrease in the number of farmers. Where have those farmers gone? They have gone into industrial jobs, and that has been going on in such fashion that we scarcely have recognized what was happening. And it is going to continue. When I was a youngster it took about half the number of people in the country to grow enough food and fiber for the other half. Today the ratio is about 1 farmer to 6 nonfarm people. Tremendous strides have been made. That could not have come about had not industry been prepared to absorb those people when they were relieved of the duty of producing food and fiber. How much further that can go I do not know but I do know this, that it must be an orderly process. Frequently I have heard nonfarmers say to me, "Let us have a survival system in farming and squeeze out all of these marginal farmers and then those who are left will have an adequate income." I do not think that is a very wholesome outlook and I have never approved it. I do think that as this program of industrialization goes on gradually those farmers who can make a better living and a better income out of industry than in agriculture will find their place in industry. But it must be an orderly process. It is not fair to propose a farm program which will be a squeezing process upon less fortunate farmers. The trend from farm to factory will not proceed as rapidly in the future as in the past. We should devote our efforts toward maintaining as prosperous an agriculture as possible, based upon the ideal of the family farm.

The CHAIRMAN. The time of the gentleman from Indiana [Mr. HARVEY] has expired.

Mr. H. CARL ANDERSEN. Mr. Chairman, I yield 12 minutes to the gentleman from Kansas [Mr. HOPE].

Mr. HOPE. Mr. Chairman, I think we have a very good bill before us. I have been pleased with the work of the committee. In a great many cases it has not changed very much the figures that were submitted by the Bureau of the Budget. In cases, where the committee has made increases I think they have strengthened the bill. I am speaking particularly in connection with appropriations for soil conservation including watershed protection and flood control. I am happy to see that the appropriations for the Extension Service and for research have been retained approximately as they were submitted by the Bureau of the Budget in each case calling for a substantial increase over the last fiscal year.

Mr. H. CARL ANDERSEN. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield.

Mr. H. CARL ANDERSEN. I want to say that I appreciate the gentleman from Kansas [Mr. HOPE] coming to me personally some time ago and urging that this mistake on the part of the budget be rectified; that is, with reference to the Soil Conservation Service. At the same time he urged that the committee approve the amount submitted by the Bureau of the Budget in behalf of the Extension Service and payments to the States for experiment stations. As the committee can well see, this subcommittee did follow the advice of the gentleman from Kansas rather closely in that regard.

Mr. HOPE. I thank the gentleman from Minnesota for his comment and I am very grateful to him and his associates for the fine job they did on the bill.

While I feel that the committee did an excellent job as far as the bill is concerned I have been somewhat disturbed by some of the comment which appeared to me to be political, in the report. And while I do not desire to dwell on that matter at this time——

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I have very little time, but of course I cannot refuse to yield to my distinguished friend.

Mr. WHITTEN. I cannot conceive of anything in the report being political. We did restore these various amounts that were cut out as the gentleman has pointed out, but I should seriously like to know what the gentleman has reference to in that regard.

Mr. HOPE. What I have reference to are the comments contained in the report, where it is charged that officials of the Department of Agriculture including the Secretary in failing to follow some of the suggestions which the gentleman from Mississippi [Mr. WHITTEN] made—and they may be good suggestions, although I want to discuss them a little later—were motivated by political considerations. I do not believe that statement is fair to the Secretary of Agriculture and his associates in the Department.

Mr. WHITTEN. May I say again I have high regard for the gentleman, and certainly I mean nothing personal with regard to the Secretary of Agriculture. When the statement is made that political and other considerations enter into it, it has been repeatedly said that our farm policy, our agricultural policy, has had to take into consideration world conditions, world affairs, and that has been stated over and over. Now the gentleman seeks to put into my mouth the words that I intend to play politics. That statement was not intended and is not in there. That is the reason I have asked the gentleman to yield, so that I can say political considerations are one thing, but playing politics is completely opposite. There has been no statement that the Department was playing any politics. In fact, I would be the first to deny they are, because I think their actions are in themselves good politics.

Mr. HOPE. I am very glad to have the gentleman make that statement. I would feel very much disturbed if the gentleman were seriously charging the Secretary of Agriculture and his associates with political manipulations.

Mr. WHITTEN. No such intent is here. The statement of political considerations has been made many, many times in the last several years as one of the reasons for a course of action.

Mr. HOPE. I am happy to have the gentleman state his position.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield to the gentleman from Indiana.

Mr. HALLECK. Let me read one paragraph in the committee report on page 6 which I think clearly indicates that this report is political. It is very short, but I think it is worthwhile:

> Those facts make the picture clearer. There is much to indicate that, with the Department of Agriculture, a branch of the executive department, political and other considerations predominate to the point of preventing action. Proper actions by the Corporation are made subservient to a host of other considerations, many of which, in the opinion of a majority of the committee, are unsound. These actions of the Secretary of Agriculture and others about him are hard to understand unless CCC costs and losses are for use to support their determined efforts to change the price-support program.

To my mind, it is perfectly clear that that is a charge of political considerations.

Mr. WHITTEN. The gentleman is an expert in politics so I could not argue with his recognition. I would say that my intent of saying that they are playing politics was not there, because I think the action you have taken with a $7 billion corporation in not selling the commodities is anything but good politics. I know that is the only kind the gentleman would prefer.

Mr. HALLECK. May I make this observation as to what is good politics and bad politics? That there can be a difference of opinion does not mean politics is not involved. Lots of times here I think people act for political reasons. I think probably they are off base in doing it, and I do not think they will get the benefits they expect, but it is still a political consideration at base.

Mr. WHITTEN. May I say to the gentleman in reply that I think the gentleman's statement just then proves his point?

Mr. HOPE. What I would like to discuss, Mr. Chairman, is this question of surpluses because as far as agriculture is concerned, it is the crux of our problems at this time. If you look at agriculture from any other aspect than that of surpluses and the serious effects surpluses have on prices, then the picture is good. When you look at it from the point of view of surpluses and the effects they have had, then it is rather discouraging. It is a situation that cannot help but give pause to all of us.

What caused these surpluses we have at the present time? I think we might take a minute to go into that situation. They have been caused in the main by the fact that during the war, we did the same thing with our agriculture that we did with our industry. We expanded it to meet war conditions and requirements. We increased agricultural production by about 50 percent. When the war ended it was easy enough to cut down on our industrial production. You can close down a factory, but you cannot close down a farm. And for a considerable time after the war and in fact until the last 2 years we needed all of this agricultural production. But, just at present, we have a level of agricultural production which we cannot absorb.

I think it is fortunate that we have had surpluses rather than shortages, of course. But we are in a position where surpluses have become a problem as far as management is concerned and that is the thing that is disturbing.

The large surpluses that we have in this country at this time are not only a menace to agricultural prices and the prosperity of agriculture in this country, but they constitute a threat to the economy of the entire world. I mean by that, that there are many countries, all of them friends of ours, which depend to a large degree upon their agricultural exports, and if we should dump our agricultural surpluses on the markets of the world at this time, it would mean economic ruin for countries like Australia, Denmark, Holland, or any one of a dozen other countries that I might mention because they depend upon agricultural exports and have depended upon them for years. I am not talking about new production, I am talking about the agricultural production that these countries have traditionally had for a long period of time. So it is necessary that when we attempt to dispose of those surpluses that we take these facts into consideration.

I know the people of this country want to see our agricultural surpluses get into the hands of people who need them. But we do not want them to go to places where they would do more harm than good, and where they will wreck the economy of other nations and create greater problems than they will solve.

So the problem has been, How can we best dispose of those surpluses? I certainly would not want to have this committee get the idea that we have not been doing something about it. Every Member of the House of Representatives has received a copy of the message of the President of the United States dated January 10, entitled "Activities Under Public Law 480." This document outlines not only the activities that have taken place under Public Law 480, but all the activities that have taken place in the way of surplus disposal along other lines. It points out some of the problems also that confront us with respect to the disposal of these commodities.

I want to briefly go through this document and point some of the steps that have been taken to dispose of agricultural commodities.

He are some of the items that are not included under Public Law 480.

First, Commodity Credit Corporation sales——

The CHAIRMAN. The time of the gentleman from Kansas has expired.

Mr. H. CARL ANDERSEN. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. HOPE. The first thing is Commodity Credit Corporation sales. I am afraid you have got the impression from the committee report that the Commodity Credit Corporation has not been making any sales, but the fact is that from January 1 to November 30, 1954, the supplies disposed of by the Commodity Credit Corporation amounted to $1.3 million. I think I should say that this is the invoice value of the commodities as far as the Corporation is concerned. I do not mean they got that much for them because some of these things were sold at competitive prices.

Then there is the MSA program. Under the Mutual Security Act last year we provided that $350 million should be used to finance the export and sale of agricultural commodities. I am told that all of that $350 million will be used during this fiscal year. The commodities may not all go out, but the amount will all be used or committed. That is quite a sizable amount of surplus disposal, if I may say so.

Now I want to go to Public Law 480 and call attention to what has been done under that act.

I am sure most of you will remember there are three titles to that act. Title I provides for the expenditure of up to $700 million for the exportation of surplus commodities. Most of those will be sold for local currencies, but I have been surprised in conversations recently with those in the Department of Agriculture who have charge of this program, to find that there will be quite a little recovery under that program and that

we are going to get a great deal more than I had supposed we would get out of those foreign currencies. This $700 million will not all be expended this year, but at the time this report came out over $452 million had been authorized to be used this year, and possibly there will be something additional.

Now we come to title II of the act, which authorizes the expenditure of $300 million in the disposition of surplus commodities. This is what we refer to ordinarily as the giveaway program. It will embrace at least the disposal of $150 million worth of commodities this year. Those will go into various channels. In some cases they may be distributed by some of the voluntary agencies to those in need in other countries. In other cases they have gone to the Danube flood sufferers, and those in similar situations, where a relief mission seemed to be indicated.

In title III we have a provision for domestic donations. Under that program there have been substantial donations.

The same thing has been true in the allocation to private welfare agencies of commodities for distribution to foreign needy people.

There is one other item that is contained in title III of Public Law 480, and that is the barter provision. From the middle of 1949, until July 1, 1954, we have had some provisions relating to barter, and about $110 million worth of surplus agricultural commodities were exported under the barter program during that time. But under the barter program under Public Law 480 we have exported $93 million worth of agricultural commodities in 6 months, or almost as much as we exported for the 5 preceding years.

Thus there have been substantial operations in the disposal of these agricultural commodities during the time that the provisions of Public Law 480 have been in effect. The total, including amounts distributed under the Mutual Security Act is something over a billion dollars—all this in addition to amounts disposed of directly by the Commodity Credit Corporation.

Now, getting to the question of cotton, and that is the principal thing the gentleman from Mississippi has discussed, I contend that the Commodity Credit Corporation has followed the right policy. It has kept the price of cotton in this country to the farmers at from 3 to 5 percent above the price-support program.

If the Commodity Credit Corporation has to take over some of the cotton that is under loan—and it will—if it appears that we have to undertake some steps to dispose of it at that time, we hope that it may be done in such way as not to interfere with our economy, and the economy of our friends and allies.

I do believe that a study of all the facts will show that this administration has not been negligent in its program of disposing of our surplus commodities.

Gentlemen, I do not know of any Secretary of Agriculture who believes more strongly in finding markets for agricultural products than Ezra Taft Benson. He has entirely reorganized the marketing agencies in the Department with a view of making them more effective in assisting farmers in the marketing of their products. He is the first Secretary of Agriculture who has given any consideration to the provisions of Title 2 of the Research and Marketing Act passed by the 79th Congress in 1946 and providing for a real marketing program in the Department including an expansion of marketing research.

Under his leadership the administration got behind the proposal to transfer the agricultural attachés from the Department of State to the Department of Agriculture with the result that the number of agricultural attachés is not only being expanded but their activity is being increased on behalf of new markets for American farm products. This complements and supplements the reorganization of the Foreign Agriculture Service into a most effective agency.

Secretary Benson has a tough job. He inherited most of the problems which are confronting him at this time. Everyone knows that I am not in entire accord with Secretary Benson with respect to certain phases of the farm program. But certainly no one can justly say that Secretary Benson has not done a fine, fair, honest job in dealing with the tremendous problems which face him as Secretary of Agriculture at this time.

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield.

Mr. WHITTEN. We all respect and admire the ranking member of the Committee on Agriculture as one of the chief proponents for a two-sale price for wheat, a recognition that if you are going to sell in world channels you must make the prices competitive or you will not do it.

Reference has been made to cotton that we may not need to do anything about cotton. I would like to point out that exports of cotton are around 4 million bales. Formerly it was 8½ million bales.

Speaking of selling competitively in world channels I want to read again a portion of the speech delivered by the Secretary of Agriculture on Tuesday last at Bakersfield, Calif., in which he said:

> And we may as well face the fact that we have increasing competition in the world cotton market. Efficient use of excellent land in Central America, for example, has brought about a sixfold increase in cotton production during the past 5 years, and a further rise in output can be expected.
>
> Meantime, our situation in the United States leaves us no alternative but to call on cotton farmers again to make substantial adjustments in acreage. The Department cannot favor any increase in the national cotton acreage allotment for 1955 under the current supply and demand situation.
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> • • • • •
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> But we must face the facts. We must realize that high rigid supports tend to price our cotton out of world markets. They tend to encourage foreign producers more and more to get under our convenient price-support umbrella.

The gentleman from Kansas spent a great deal of his time talking about disposal, and the commodities that he had reference to were offered for sale first, but we tried to dispose of them before we offered them for sale as proven by the hearings of our committee. That I think is unsound.

Mr. HOPE. In reply to what the gentleman from Mississippi, my distinguished friend, just said, may I say that the two-price plan for wheat which I have been advocating, is something quite different from the two-price plan for cotton which he has been discussing, in that the two-price plan for wheat involves sales at the going market price without going through the Commodity Credit Corporation or without any necessity of Government sales of any kind. Under the program that the gentleman from Mississippi is advocating, every bale of cotton exported would have to go through the Commodity Credit Corporation and the Commodity Credit Corporation would have to take a loss on it. The wheat producers are not asking the Federal Government to take a loss on any wheat exported under a two-price system but rather that it go through the normal channels of trade at the world price, without any subsidy.

Mr. WHITTEN. Under the International Wheat Agreement, this committee has had the job of appropriating millions of dollars in connection with wheat so that it would move in world trade below the domestic price. I differ strongly with some of my friends when we try to get relief when they are so well aware that we have to sponsor legislation each year trying to make that commodity competitive.

Mr. HOPE. I simply want to say that what we are trying to do with the proposed two-price plan for wheat is to get away from this requirement of going before the gentleman's committee every year and asking for an appropriation of $100 million or $150 million to pay the export subsidies.

Mr. WHITTEN. The record shows by the Secretary's own speech that this umbrella is moving American cotton acreage overseas and, according to the Department's own investigation, 55,000 cotton farmers are without homes by reason of his order. We are asking merely that the commodities that you have be sold because when they are not sold, if the price is not competitive and they are not sold, then they are counted to drastically reduce the cotton acreage. We are asking what the gentleman has to a considerable extent supported. He would change the formula, however, but pending the change in legislation by the gentleman, ecrtainly any investor in the Commodity Credit Corporation is entitled to have the $7 billion of commodities sold and used. I hope that in these hearings we have made the American people aware of the fact that the Department has had authority to sell all the time at whatever price it took to move these commodities, but it has not.

Mr. Chairman, I yield 15 minutes to the gentleman from Kentucky [Mr. NATCHER].

Mr. NATCHER. Mr. Chairman, the Subcommittee on Agriculture of the Appropriations Committee once again brings to the floor of the House for your approval the annual appropriation bill of the Department of Agriculture.

I consider it an honor to be a member of the Subcommittee on Agriculture and

at this time desire to express my deep appreciation to the chairman of the Committee on Appropriations, the able and distinguished gentleman from Missouri [Mr. CANNON], for giving me the opportunity and privilege of serving on this subcommittee.

Our chairman, the distinguished gentleman from Mississippi [Mr. WHITTEN], has served for a number of years on this important subcommittee and is recognized as one of the outstanding Members of Congress. He understands the problems confronting the American farmer and has an unsurpassed knowledge of the Department of Agriculture and its many agencies and divisions. With his knowledge, ability, and understanding, he fights vigilantly for the advancement and rights of our farmers. He has proved himself a friend of agriculture.

The distinguished gentleman from Minnesota [Mr. MARSHALL] and the distinguished gentleman from North Carolina [Mr. DEANE] are true friends of agriculture. The distinguished gentleman from Minnesota [Mr. H. CARL ANDERSEN] has served for a number of years on this important subcommittee. During the 83d Congress he served as chairman and is a true friend of the farmer. The distinguished gentleman from Washington [Mr. HORAN] and the distinguished gentleman from Illinois [Mr. VURSELL] are true friends of the American farmer. Partisan politics has no place on this particular subcommittee and this fact is recognized by its members. We are indeed fortunate to have as our executive secretary, Ross P. Pope. He is well qualified for this position and has been of invaluable assistance to me as a new member of this committee.

Hearings before the subcommittee began on January 11, 1955, and continued to March 11, 1955. We heard the testimony of a great many witnesses. The printed reports of the hearings contain 2205 pages.

Mr. Chairman, farm life has been deeply affected by present day agricultural problems. We find a decline in rural morale and more rapid movement away from the farm. Today only 16½ percent of our people live on the farm and these people produce sufficient food for themselves and for the rest of us.

Due to the population growth the farmer today is confronted with rather significant changes in the size of his total domestic market. The farmer today must be able to adjust himself to marked changes in the demand for specific commodities. Sound foreign commerce is essential to the well being of this country and especially so in agriculture. We must strive to develop more outlets at home and abroad. Our surplus agricultural products demand a world market.

The number of people working on farms has declined almost steadily since 1910. Increased use of machinery on farms and increased opportunities for nonfarm jobs has increased the rate of decline since the year 1935. In 1910 we had 13,555,000 people employed on our farms. Of this number 10,175,000 were family workers and 3,380,000 were hired workers. In 1935 we had 12,735,000 employed on our farms with 9,857,000 family workers and 2,878,000 hired workers. In 1954 we had a total employment on our farms of 8,499,000 and 6,545,000 of the total number employed were family workers and 1,954,000 were hired workers.

In 1940 we had 1,500,000 tractors on our farms. Today we have 4,600,000.

When our Constitution was adopted we had less than 4 million people, today we have some 162,400,000. At this rate we will have 200 million people in the United States in the year 1975.

The farmer and agriculture generally feels the impact of industrial prosperity and depression through the prices he receives for his produce and consequently the net income he has received. In 1910 the American farmer's gross income was $7,349,000,000 with his production expenses amounting to $3,556,000,000 thereby resulting in a net income of $3,793,000,000. In 1914 the American farmer's gross income was $7,633,000,000 with his production expenses amounting to $4,064,000,000 thereby resulting in a net income from agriculture of $3,569,000,000. During the base period of 1910–14 the parity ratio reached 100 percent. In 1932 our farmer's gross income was $6,400,000,000 with his production expenses amounting to $4,502,000,000 resulting in a net income of $1,898,000,000 and with the parity ratio amounting to approximately 68 percent. In 1947 the farmer's gross income was $34,002,000,000 with his production expenses amounting to $17,228,000,000 thereby making his net income $16,774,000,000.

This particular year is the record of all time for the American farmer from the standpoint of net income. In 1952 our realized gross farm income was $36,842,000,000 with production expenses amounting to $23,216,000,000 thereby resulting in a net income of $13,626,000,000. In 1954 we have gross income amounting to $34 billion and production expenses of $21,500,000,000 thereby resulting in a net income to the farmer of $12,500,000,000. Realized gross income in 1954 is estimated to be some 4 percent lower than the year 1953 and with production expenses reduced only some 3 percent, making our realized net income substantially lower than the 1953 total of $13,275,000,000. Parity reached 113 in 1951. Parity ratio fell rapidly during 1952 and 1953, resulting in parity ratio of 89 percent for August of 1954.

Parity is not a political slogan. It is not a partisan political term. It certainly is not a subsidy dreamed up by farmers or Farmer's Organizations of this country. Parity simply means that our farmers receive a fair share of the National Income. Parity is just as important to the businessman as it is to the farmer.

Lack of parity means increased inventories and reduced volume of sales to the machinery dealer, the druggist, the automobile dealer, and the grocer.

We have learned recently that agriculture is so tied in with our total economy that it is disastrous to permit it to get too far out of line. In order to meet our domestic and foreign problems we must have a prosperous and expanding agriculture.

QUANTITIES OF FOOD 1 HOUR OF FACTORY LABOR WILL BUY

The United States is blessed with the most productive agriculture of all nations. Our people are the best fed in the world. One hour of factory labor at average prevailing wages in 1954 purchased 10.5 loaves of bread; in 1939, only 8.0 loaves; and in 1929, only 6.4 loaves. You could purchase 2 pounds of steak in 1954 with 1 hour's labor; 1.8 pounds in 1939; and 1.2 pounds in 1929. One hour's labor in 1954 purchased 15.7 pints of milk and only 10.4 in 1939 and 7.8 pints in 1929. Thirty-four pounds of potatoes could be purchased in 1954 with 1 hour's labor; 25.3 pounds in 1939; and 17.7 pounds in 1929. With the proceeds from 1 hours' labor in 1954 we could purchase 3.2 dozen oranges and only 2.2 dozen in 1939, and 1.3 dozen in 1929. Commodities have dropped considerably during the past 2 years but the retail price of food has not followed the farm prices downward.

DEPARTMENT OF AGRICULTURE AND RELATED AGENCIES APPROPRIATIONS BILL

This bill contains total annual appropriations for regular activities of $694,107,403; loan authorization for the Rural Electrification Administration and Farmers' Home Administration of $388 million; and administrative expenses authorization for the Commodity Credit Corporation of $26 million together with an appropriation of $1,634,659 for restoration of capital impairment; and appropriation of $184,517,957 for special activities, most of which covers reimbursement to the Commodity Credit Corporation for funds advanced to finance programs authorized by Congress to meet special and emergency conditions; and administrative expenses limitations for the Farm Credit Administration of $6,290,000.

RURAL ELECTRIFICATION ADMINISTRATION

Pursuant to Executive Order 7037, dated May 11, 1935, the Rural Electrification Administration was established to make loans for the extension of central station electric service to unserved rural people. The Rural Electrification Act was approved May 20, 1936. REA became a part of the Department of Agriculture on July 1, 1939, and on August 28, 1949, REA was authorized to make loans for the purpose of furnishing and improving rural telephone service. Electric and telephone loans are self-liquidating over a period not exceeding 35 years and bear interest at the rate of 2 percent. In the electrification program the principal borrowers are cooperative associations formed solely for the purpose of making electricity available to rural areas. Loans for telephone service are made both to private companies and cooperatives. REA is one of the greatest achievements of our present day Government. Loans for the REA

program beginning June 30, 1936, and continuing to June 30, 1955, amount to $3,046,832,099. This represents 1,417,441 miles of line serving 4,487,045 consumers. Today 91 percent of our farmers have electric service.

Loans for the rural telephone program amount to $257,578,542 with these loans made to 375 borrowers. Four thousand miles of pole line has been improved and 54,000 miles of new pole line has been constructed. More than 100,000 rural homes now receive new or improved services through the telephone program. Over 50 percent of our farmers today do not have telephone service.

Our subcommittee has approved the full request of $160 million for rural electrification loans for 1956. In addition we have approved a contingency loan authorization fund of $100 million for electrification loans, thereby enabling the Secretary of Agriculture to meet any large or unusual needs in any section of the country which otherwise could not be handled within the regular authorization on the basis of the formula contained in the basic legislation. We will have on hand an estimated carryover of $21 million and probable recissions of $4 million which, when added to the loan authorization request of $160 million will make a total of $185 million available for electrification loans during the fiscal year 1956, exclusive of the contingent fund of $100 million. It is anticipated that loans totaling $185 million will be made during fiscal 1956.

RURAL TELEPHONE LOAN AUTHORIZATION

Our committee has recommended $75 million for rural telephone loans for fiscal year 1956. This is an increase of $5 million over the budget estimate, and with an estimated carryover of $10 million we will have an authorized loan total of $85 million for the fiscal year 1956.

SOIL CONSERVATION SERVICE

Soil Conservation Service was established on April 27, 1935. Today we have 2,650 local soil conservation districts covering some 89 percent of all the farms and ranches in the States, Territories, Puerto Rico, and insular areas of the United States. We have in Kentucky 122 soil conservation districts and we believe in this program in Kentucky. Our watershed protection and flood prevention program is provided for under the Food Control Act of 1944, Public Law 46 of the 74th Congress and Public Law 566 of the 83d Congress.

The 1944 act provided for the 11 large watersheds now in operation. The pilot watershed activities on the 60 small watersheds authorized by Congress in 1953 are being carried out under Public Law 46 and planning work is now being started under Public Law 566. The President, by Executive Order 10584, signed December 18, 1954, set forth general rules and regulations relating to the administration of the Flood Prevention Act known as Public Law 566. This Executive order stated that a policy statement would be issued by the Secretary of Agriculture. So far, no statement has been issued, and I hope that when same is issued by the Secretary, he will not set the percentage requirement to be paid by the farmer for the cost of all improvements, including cost of water and soil retention dams so high as to eliminate all future interest in soil conservation.

Our farmers and ranchers must practice soil conservation. In some instances our soils are deteriorating faster than we are building them up. Erosion is still taking a heavy toll. We still have enough good land left in this country to keep us prosperous and well-fed if we conserve and improve it.

SOIL CONSERVATION SERVICES APPROPRIATIONS

Our committee recommends an appropriation of $58,612,579 for Conservation operations for 1956. This is an increase of $2,916,379 over the Department's budget request and $1,044,000 more than the appropriation for 1955. We recommend $12 million for watershed protection. This is an increase of $1 million over the Department's budget request and $4,790,000 more than 1955. This is the appropriation for the continuation of the 60 small upstream watersheds. We further recommend $10 million for flood prevention. This is an increase of $1,300,000 over the Department's budget request and $804,708 more than 1955. The flood-prevention work in the 11 authorized watersheds is financed out of this particular appropriation. We recommend a total of $80,612,579 for soil conservation services. This is an expenditure for the present and future. We will not only continue to conserve soil and water resources but we will boost the production of our land thereby increasing the income of the farmer.

AGRICULTURAL MARKETING SERVICE

Agricultural Marketing Service was created on November 2, 1953, under authority of Section 161, Revised Statutes, Reorganization Plan No. 2 of 1953. The Marketing Service administers programs relating to marketing research, crop and livestock estimates, maketing news, grading inspection and classing of farm products, freight rate services, marketing regulatory programs, marketing agreements and orders, surplus removal and the school-lunch program.

For marketing research and agricultural estimates we recommend $10,981,000, the amount requested in the Department's budget request. This is $758,000 more than 1955.

For Marketing Services we recommend $11,810,000. To this item we added $75,000 to permit establishment of offices at some of the other locations where Market News Services are needed, as indicated by the testimony presented during our hearings. Of course, the necessary local matching funds must be pledged for all new Market News Services. We also restored the sum of $320,000 which was deleted by the Department for inspection and grading of fresh fruits, vegetables, poultry, and eggs. We believe that the States derive great benefits from joint Federal and State inspection. This particular item was omitted by the Department last year, and again the committee had to place same back in the appropriations bill. For payments to States, Territories, and possessions we recommend $1 million. This is an increase of $100,000, over funds available for 1955. I sincerely believe that the marketing activities of agriculture should be encouraged. My home State of Kentucky is performing outstanding work in this field.

SCHOOL-LUNCH PROGRAM

Our greatest asset is our schoolchildren. Educators and parents realize the importance of good school meals for both the health of the children and effective teaching programs. Some 10 million schoolchildren receive hot school lunches each day. This represents one-third of all our schoolchildren. In 1954 there were 54 million children under 18 years of age. We have an average increase of over 1 million schoolchildren each year. The cost of serving lunches has increased 45 percent since 1946. In the year 1947 all but 7 of our States received 9 cents reimbursement for each lunch served and the average for the Nation was 8.7 cents. In 1954 the average rate per lunch for the Nation was 4.8 cents. This year it is 4.5 cents. States and local communities are financing 70 percent of the total cost of the school-lunch program at the present time.

The Department of Agriculture proposed a $15,236,197 reduction in school lunch appropriation for 1956. The Department maintained that donations of section 32 and 416 commodities would offset the loss of section 6 commodities. I believe that if section 6 articles of canned fruits and canned vegetables, citrus products, and peanut butter are removed from the list of foods made available to the schools for lunches it will have a detrimental effect upon our children in our schools through the loss of a balanced diet. If we follow our Department's request and reduce the school-lunch program of $15,236,197 we do so at the expense of our schoolchildren. Before making this reduction we should pause and remember that since the year 1917 we have spent $129 billion of our money for foreign aid.

Our committee recommends a total appropriation of $83,236,197 for our school-lunch program. We do not believe the Department's request for a decrease of $15,236,197 should be recognized and the amount of the proposed decrease has been restored by this committee.

FARMERS HOME ADMINISTRATION

We have in the United States 41 State offices and 1,500 local offices serving the Farmers Home Administration. Through these offices the little farmer may receive financial assistance when needed. The Farmers Home Administration grants loans which help the small farmer make better use of his land and labor resources. Our committee recommends a loan authorization of $19 million for farm ownership and housing. This is $6 million more than the Department's budget request and equals the appropriation for 1955. We further recommend loan authorization amounting to $122,500,000

for production and subsistence. This is the same amount appropriated for 1955. We recommend loan authorization for soil and water conservation of $11,500,000. This is the same amount authorized for 1955.

AGRICULTURAL RESEARCH SERVICE

Our committee recommends $37 million for research in 1956, which is an increase of $1,178,000 over appropriations for 1955.

We recommend a total of $17,750,000 for Plant and Animal Disease and Pest Control, with this amount being $496,000 more than the Department's budget estimate for 1956. We recommend $14,325,000 for meat inspection. This is the same amount appropriated for the year 1955.

Our committee recommends the full budget estimate of $24,753,708 for grants to the State experiment stations for fiscal 1956. This is an increase of $5,300,000 over the appropriations authorized for fiscal 1955. For foot-and-mouth and other contagious diseases of animals and poultry we recommend $1,900,000. This is the same amount appropriated for fiscal 1955.

EXTENSION SERVICE

Our Extension Service is financed from payments made by the Federal, State, county, and local governments. These funds are used within the States for the employment of county agents, home demonstration agents, 4–H Club agents, State specialists, to put into force the educational programs of the Department of Agriculture. We recommend an appropriation of $45,475,000 for payments to States, Hawaii, Alaska, and Puerto Rico for Extension Service. This is $5,800,000 more than the appropriation for 1955. We further recommend an overall appropriation of $48,895,000 for Extension Service. This is $5,357,500 more than the amount appropriated for 1955.

ACTION PROGRAMS

Our committee recommends the restoration of reduction in our action programs proposed in the Department's budget for plant and animal disease and pest control in the amount of $435,579; flood prevention, $495,292; $320,000 for inspection of fresh fruit, vegetables, poultry, and eggs, and $15,236,197 for the school-lunch program. We sincerely believe that agriculture generally is facing a crisis at the present time, and that every effort should be made to prevent any further reductions in farm income for the fiscal year 1956.

We all realize that our action programs simply put into effect the results obtained from research and education, and, under no circumstances, should we permit curtailment of our action programs at the present time.

FOREIGN AGRICULTURAL SERVICE

The American farmer believes that the Secretary of Agriculture should have the authority to employ agricultural attachés, and sanctioned the passage of Public Law 690, which transferred this function from the State Department to the Department of Agriculture. Every effort should be made to set up a program for disposal of our surplus commodities in foreign trade, and the additional funds to be appropriated for Foreign Agricultural Service amounting to $850,000 should not be wasted on trade-promotion programs, and foreign advertising materials. We must have an alert Foreign Agricultural Service if we are to continue our world leadership. Our committee recommends an appropriation of $3,365,000 for Foreign Agricultural Service. This is an increase of $850,000 over the appropriation for 1955.

AGRICULTURAL CONSERVATION PROGRAM

Our committee recommends an appropriation of $214,500,000 for fiscal 1956 for our agricultural conservation program. This is $22,800,000 more than the 1955 appropriation. Our agricultural conservation program is provided for under the Soil Conservation and Domestic Allotment Act of 1936. Under this law we share with our farmers a part of the cost of carrying out conservation practices, which, in the opinion of this committee, are essential to the welfare of the Nation. Under no circumstances should the agricultural conservation program service be curtailed to the extent that same is of no benefit to the American farmer.

Mr. Chairman, the people in my home State of Kentucky are very much interested in the Agricultural Commodity Tobacco. In spite of numerous acreage reductions during the past few years we find that we are now faced with further acreage reduction for 1956. The 1954 burley-tobacco crop turned out to be larger than anticipated at the time the quotas for 1955 were announced last fall. The people in my home State of Kentucky are very much concerned over this situation. The Department of Agriculture should be commended for its promptness and dispatch in attempting to solve this important problem. We are proud of the record of tobacco and its success is due largely to the cooperation between the growers, the Department of Agriculture, and the Congress of the United States. This bill contains sufficient funds for proper administration of the tobacco program.

The American farmer has the right to demand a standard of living in keeping to the contribution he makes to the national economy. Agriculture must prosper if the Nation is to prosper.

Our committee recommends this bill to the Members of the House.

Mr. H. CARL ANDERSEN. Mr. Chairman, I yield 5 minutes to the gentleman from Iowa [Mr. JENSEN].

Mr. JENSEN. Mr. Chairman, at the outset of my remarks I desire to compliment the Subcommittee on Agricultural Appropriations on bringing a bill to the floor of the House which I think is completely justified. I especially want to compliment the committee for the amounts they have recommended in the bill for the Soil Conservation Service, watershed protection, and for REA loans. The economy and the welfare of our Nation depend upon him who tills the soil, to a very great degree, for the very simple fact that mother earth is our only real constant economic generating plant.

For two reasons, because from mother earth springs anew our wealth each year and the products from mother earth are consumed either the year they are produced or the year after generally speaking. The cycle through which the products of the farmer travels regulates our economic machinery and generates our national income, that is especially true in normal times. Also the American farmer purchases annually over twice the amount of manufactured goods as do other citizens, on a per capita basis. So we depend to a very great degree on the prosperity of the farmer. I think we worry too much about our surpluses. I saw a cartoon in the Council Bluffs Nonpareil of Council Bluffs, Iowa, the other day where the great horn of plenty was pouring out its great flood of food, feed, and fiber onto this great United States of ours. At the small end of the horn of plenty was dangling communism. The title of that cartoon was "Isn't It Time We Count Our Blessings?" I have said for many years that I shall never worry so long as the good Lord gives us a plentiful supply of food, feed, and fiber. The day I start worrying will be when we have a scarcity and when we have little in the pantry and little in the cribs and little in the granaries and little in the storehouses of our country. That is when we Americans will really have something to worry about. I have been greatly interested in the colloquy here today about the disposal of our surpluses. You know after about 20 years of sending our experts all over the world with our great knowhow, and sending hybrid corn, wheat, cotton, rice, and so forth, and the men with the knowhow, together with all the commercial fertilizer which we have been sending abroad, naturally we are losing our exports of farm products. I was in a corn field in France a couple of years ago come this fall. Being raised on an Iowa farm, after walking through a field of corn, I can come pretty close to guessing what the yield will be, but I asked this question. "How much is this field going to yield?" The farmer said, "About 65 bushels to the acre." I said, "How much did you raise per acre before we showed you how to raise more and sent you the hybrid corn and fertilizer?" "Oh," he said, "about 20 bushels." Well, that is true, not only of corn but of all farm crops all over the world. So we have shown the world how to do the job and we have had this great giveaway program which has been going on all these years, and now the chickens are coming home to roost. Maybe we were justified from a humanitarian standpoint. I hope history will prove it was worth the cost and effort but sometimes I wonder. Now we wonder, are we going to solve the problem before us. Well, we knew this day was coming, but we were hoping that something would happen that would solve the whole problem by some miracle.

Since we have been talking about these reduced farm prices, let me remind you when the drop started. It started on February 1, 1951, when Mr. DiSalle, then Director of OPA, arbi-

trarily said that, "On July 1 next I will roll back cattle price 10 percent." Now, the drop in farm prices did not wait until July 1 for obvious reasons. They started to toboggan from the date he announced he would roll back cattle prices. Then he said, "I am going to roll them back another 10 percent on November 1 of that year." But the Congress said, "You will not roll them back again." But the damage had been done. From that day on farm prices have been on the toboggan. You can call that politics if you want to, but those are the facts. Read the record.

I would like to ask the gentleman from Minnesota [Mr. H. CARL ANDERSEN] a question. You have $37 million in the bill for agricultural research.

Mr. H. CARL ANDERSEN. In all of its phases, yes.

Mr. JENSEN. And then you have $17,500,000 in the bill for plant and animal diseases and pest control.

Mr. H. CARL ANDERSEN. Pest control, yes.

Mr. JENSEN. What percent is transferable?

Mr. H. CARL ANDERSEN. Seven percent.

Mr. JENSEN. So if you have a bad animal disease outbreak or a bad plant pest condition in some area, the Department can spend for any particular outbreak of pests or disease 7 percent of the $17,500,000, or $1,225,000?

Mr. H. CARL ANDERSEN. There is more money transferable in the pest fund than the general fund, unless I am mistaken.

Mr. JENSEN. For instance last year we had had a very bad corn borer infestation in southern Iowa; now 7 percent of the $17,500,000, or $1,225,000, could have been spent by the Department for controlling the corn borer. Is that right? And is not the same true under the provision of this bill?

Mr. H. CARL ANDERSEN. That is approximately correct.

The CHAIRMAN. The time of the gentleman from Iowa has again expired.

Mr. WHITTEN. Mr. Chairman, I yield 3 minutes to the gentleman from Illinois [Mr. MURRAY].

Mr. MURRAY of Illinois. Mr. Chairman, I would like to compliment the members of the committee, particularly with respect to the appropriation made for the school-lunch program. However, I did want to request a bit of information from the chairman of the committee.

Recently the State Department was so anxious to keep us informed as to their activities that they sent me a beautifully printed copy of the Yalta papers about a week after I had read them in the Chicago local papers. About a month ago, at the request of one of the Nation's most able law-enforcement officers, John Gutknecht, states attorney of Cook County, I wrote the Department of Agriculture requesting that they make available to me an audit they were making with respect to the reasonableness of distribution charges for commodities made available by the Federal Government to the State of Illinois under the school-lunch program. In reply to my request they advised me in part, and I quote:

> We regret that we cannot honor your request for a copy of the above-mentioned audit. This decision is in keeping with the departmental policy concerning restricted availability of certain confidential records, and we are sure you can understand the reasons why such material cannot be released.

The only reason I can understand for not making the audit available is lack of funds to type the audit. Since the action of the State Department with respect to the Yalta papers indicates that the administration is most anxious to keep Congressmen informed, the only conclusion I can draw from the refusal of the Department of Agriculture to keep me informed on this important matter is lack of funds. So I would like to request the able chairman of the subcommittee, the gentleman from Mississippi, to tell me whether in his opinion there is sufficient funds in the school-lunch program to enable the Department of Agriculture to keep the Congress informed as to their program.

Mr. WHITTEN. I will say there is no shortage of funds.

Mr. MURRAY of Illinois. I thank the gentleman.

Mr. H. CARL ANDERSEN. Mr. Chairman, I yield 10 minutes to the gentleman from California [Mr. PHILLIPS].

Mr. PHILLIPS. Mr. Chairman, this matter of the report and its reference to the Secretary of Agriculture has been pretty well discussed. My intent is to make a technical point because it is important that we get all this in one package.

In reading the report for the first time, subsequent to the meeting of last Friday morning, I observed this statement on page 2:

> While a majority of the committee is of the opinion that reduced supports do not meet the basic factors causing the present farm situation, the Secretary of Agriculture now has the flexible price support laws he has requested, and parity levels and formulas are being changed accordingly. The outlook is for still further declines in net farm income in 1955 due to the reduction in acreage of controlled crops and the low prices of nearly all farm products.

Mr. Chairman, I want to go on record immediately against this statement. This now becomes a permanent record. It would appear there was no opposition to it; that it was read to a committee of 50 members, and that at least 26 members approved it.

I served for 2 years on this particular subcommittee, Mr. Chairman, and I know how it operates. I think on the money items, it did a good job.

Mr. H. CARL ANDERSEN. Mr. Chairman, will the gentleman yield?

Mr. PHILLIPS. I yield, gladly.

Mr. H. CARL ANDERSEN. I want to say that I recall with pleasure the service of the gentleman on this particular subcommittee, and I regret that he is no longer a member of our subcommittee.

Mr. PHILLIPS. I regret it too, I will say to the gentleman from Minnesota.

The point I am making is only this—and I do not want to belabor it, but this becomes a matter of permanent record and while the gentleman from Mississippi has said very courageously and very frankly that he assumes full responsibility for the report, that it is his report, people reading this——

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. PHILLIPS. I yield to the chairman of the subcommittee.

Mr. WHITTEN. I did not mean to say that; I mean there is little in the report that I would change, that it reflects my views. I did think that it reflected the views of the subcommittee, but the important thing is that it reflects the facts.

Mr. PHILLIPS. If the gentleman will let me finish I think he will not have any objection to my statement.

The point is that this will become a matter of permanent record. When we speak of these reports of the committee we do not mean the subcommittee, we mean the full Committee on Appropriations. Somebody could read it and say: "Look here, a widely respected subcommittee brought in a report and 26 or more members of the full Committee on Appropriations were critical of the Secretary of Agriculture at the time." As a matter of fact, no effort was made; there was no means of making a finding as to whether or not 26 or more people agreed with it, and my own opinion is perhaps just as personal as the chairman, that 23 people did not agree. Certainly the majority of the people in the House have not agreed with it in the past as indicated by the votes taken upon the floor.

In reality, this report attempts to load upon the shoulders of the Secretary of Agriculture a responsibility which is our responsibility. It is a neat trick, but I do not think it can be done, and I honestly do not think it was intended that way. If we were to reenact a law requiring 90-percent support prices, we would price our commodities out of world markets. When we tried to do that in the past, we cut our export sales, and with export sales cut domestic production had to be cut. Anyone could have predicted the outcome, and, as a matter of fact, the present Secretary of Agriculture did predict it.

We should ask ourselves: What would we think of a businessman who priced his products above the market level, then berated his salesmen because sales dropped off and the plant had to shut down?

Mr. Chairman, there is another matter I want to bring up. I shall come back to this one later. I have asked for permission to extend my remarks. Over on page 10 of the report I found another paragraph to which I take exception on the basis of facts. That is the paragraph which states:

> The committee deplores the Department's failure in recent years to use section 32 to support markets temporarily in distress.

As a matter of fact, I do not think that is intended to read the way it does read at all, because I have here, and will put in the RECORD, the actual expenditures from those funds in the past few years.

TABLE 1.—*Sec. 32 expenditures annually, by type of program, 1935–36 through 1951–54*

[In millions of dollars]

Fiscal year	Commodity programs					School lunch cash payments [1]	Administrative expense	Total expenditures [2]
	Purchase and donation	Export	Diversion	Stamp plan	Total			
1935–36	13.0	0.9	3.0	----------	16.9	----------	0.1	17.0
1936–37	11.6	.9	2.9	----------	15.4	----------	----------	15.4
1937–38	46.1	.9	7.3	----------	54.3	----------	1.3	55.6
1938–39	67.3	9.8	2.6	0.1	79.8	----------	1.6	81.4
1939–40	118.2	47.2	3.1	16.7	185.2	----------	4.6	189.8
1940–41	84.4	10.6	13.2	104.0	212.2	----------	7.0	219.2
1941–42	49.0	10.6	7.3	115.8	182.7	----------	6.5	189.2
1942–43	15.0	6.7	15.2	49.2	86.1	1.0	6.5	93.6
1943–44	15.0	1.3	6.7	----------	23.0	33.7	3.8	60.5
1944–45	9.1	4.2	.5	----------	13.8	45.4	3.6	62.8
1945–46	6.2	20.3	3.8	----------	30.3	56.6	4.0	90.9
1946–47	16.2	33.7	21.8	----------	71.7	----------	3.5	75.2
1947–48	45.4	19.9	8.0	----------	73.3	----------	1.8	75.1
1948–49	25.8	27.0	.5	----------	53.3	----------	2.3	55.6
1949–50	41.7	24.6	7.3	----------	73.6	----------	3.9	77.5
1950–51	13.5	24.9	[3]	----------	38.4	----------	3.7	42.1
1951–52	33.2	16.8	1.3	----------	51.3	----------	3.0	54.3
1952–53	55.7	11.5	.7	----------	67.9	----------	3.4	71.3
1953–54	187.9	13.0	1.0	----------	201.9	----------	3.6	205.4

[1] Excludes transfers of $215 million from 1946–47 through 1948–49 by legislative action to finance operations under the National School Lunch Act.

[2] Excludes transfers to other uses by legislative action, allotments, and transfers to cooperating agencies. From 1935–36 through 1951–52 these transfers amounted to $561 million and $41 million respectively.

[3] $2,000.

The two highspots were, first, the last administration, when the expenditures from section 32 funds ran to $219.2 million a year, and last year, under Secretary Benson, when they totatled $205.4 million, which is a pretty good expenditure from those funds. That statement is not accurate and I am sorry it is in the report.

If anybody knows what the attitude of the Congress is on this point of pricing our surpluses on the world market, it is the gentleman from Mississippi. In January 1954, the gentleman from Mississippi introduced H. R. 7490 and H. R. 7545 which would have directed the CCC to sell surplus agricultural commodities at competitive prices in the world market. On March 5, 1954, the gentleman introduced H. R. 8253 which would continue price supports on the January 1954 levels so long as surplus commodities were not offered on world markets at competitive prices. As the gentleman would be the first to say, none of these were reported out of committee.

Furthermore, on January 27, 1954, the distinguished gentleman from Mississippi offered two amendments here on the floor of the House to a resolution to discharge the indebtedness of the corporation. That resolution came out of the Committee on Appropriations. The first amendment the gentleman offered would have directed the Corporation to sell all of the commodities owned by it and not essential to the national security for sale outside the United States at prevailing world prices. The second amendment would have directed the CCC to offer commodities at least equal in value to the amount of the indebtedness. Both of these proposals were stricken out on points of order made by the gentleman from Washington [Mr. HORAN].

Now, therefore, the only record we have is not a record of the committee or the House being in support of the proposal, as stated in the present report. It is a record that the House is not in support of the proposal.

Had the Secretary of Agriculture done what the Congressman suggests, the cost of export subsidies would have been staggering.

The Government would have had to buy a substantial part of the domestic crop at the high support prices, and sell a part of it abroad. Instead of supporting the market, which was the intention when we created the CCC, the Government would have become the market. Private trade would have dried up. Exports would have become the responsibility solely of the Government.

What the Congressman from Mississippi proposes is in reality a two-price plan, and I am a supporter of the idea of two price disposal of surpluses, but not at the expense of the taxpayers generally, that is, by Government subsidy, and without regard to the effects on world markets.

I would refer to wheat as an example, but the gentleman from Kansas [Mr. HOPE] has already covered this. It is an example of what I am talking about.

What the gentleman from Mississippi says is, "Go ahead and get the stuff out of the country and let the farmers go ahead and produce."

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. PHILLIPS. I yield to the gentleman from Mississippi.

Mr. WHITTEN. May I say to the gentleman that I introduced all of those bills making it compulsory without any desire to control by law, because they would not use the discretion and the authority that they have now, trying to point out the fact that they have authority to sell. I want a change in policy not a law. In that connection, if this debate today has made the American people aware that this Corporation and the Department of Agriculture have authority to sell in world trade competitively, these billions of dollars worth of commodities it will certainly not have been in vain. I checked the speeches of Mr. Benson, the Secretary, and his associates and releases of the Department, more than 600 of them, for the first 2 years and not in a single one was it ever stated that the Department had authority to sell in world trade at a truly competitive price. In January, when I had the Secretary before me, this year, 2 years after he had been in this position, I said, "Mr. Secretary, don't you know that you have authority under the charter of the Corporation to sell at a truly competitive price?" He looked puzzled, and he said, "I presume. I think so." He turned to his attorney, the solicitor of the Department, then and said, "There is no restriction for sale on the world market." That is the first time, and it is borne out by the record. I have the record before me.

Mr. PHILLIPS. I am not questioning the gentleman's reading of the record.

Mr. WHITTEN. I can cite the page and the chapter in the hearings. But, the point I am making is that these bills that the gentleman has reference to are an effort to get him to use his discretion.

Mr. PHILLIPS. My point is, as the gentleman knows, the Congress has not yet decided the issue, as presented by the gentleman from Mississippi.

Mr. WHITTEN. Let me say that there are two things. Now, the Corporation has authority to support and authority to sell at any price. They have not used that latter authority. The bills I had were not because I wanted to control by fixed law, not to force them, which is a separate thing from getting him to use his discretion in view of present conditions.

Mr. PHILLIPS. I want to say this, had we followed the policy now which is contemplated in this report, then we would have had a very different situation.

If Secretary Benson were endeavoring to discredit the farm program, I know of no quicker way to do that than to dump our surplus commodities abroad, break world markets, alienate friendly nations, turn the farmers loose to produce all they want at a high price, and incur prodigious losses.

The Secretary has discretionary power to offer surplus products on export markets at world prices. He is exercising that discretion wisely.

The Department of Agriculture, in my opinion, has pursued a wise and statesmanlike course. CCC disposals have increased sharply in recent years, as follows: 1952, $676 million.

Mr. WHITTEN. Did I understand the gentleman to say "disposals" or "sales"?

Mr. PHILLIPS. I said "disposals."

In 1953, $745 million, and in 1954, $1.4 billion.

I submit that there is no export policy that could move, in a short period, the prodigious surplus stocks created by mandatory price support at 90 percent of parity.

Let us face it: If we are going to support prices consistently above the world level, we will price ourselves out of world markets and will have to shrink our acreage. No political sleight of hand can transfer responsibility for that outcome

from those who vote for the high supports.

I think the Department is really trying to do a good job.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. H. CARL ANDERSEN. Mr. Chairman, I ask unanimous consent that the gentleman from California [Mr. GUBSER] may extend his remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. GUBSER. Mr. Chairman, one of the most lucrative investments this country has ever made is the dollars we have paid out for agricultural research. Because of research, farmers have experienced phenomenal increases in their ability to produce. Research has taught farmers how to irrigate, to fertilize, and to combat diseases and pests. Because of research we have disease resistant and more highly productive seed. We have better tools and a greater production per acre. By increasing production, agricultural research has helped to win our wars and raise our standard of living. Every dollar invested in agricultural research has come back 100-fold with interest.

Price supports and agricultural conservation payments have probably helped agriculture, but, as a farmer, let me say that I would gladly sacrifice both programs if it were necessary in order to keep a good research program going. You may keep every other payment and guaranty, but give me the information and the knowledge with which I can do a better job for myself.

Because of my intense interest in agricultural research and because I consider money spent for such purposes to be a good investment, I investigated the research portion of this appropriation bill very closely. I find that the budget as proposed by the Department of Agriculture would have increased the spending on research projects by $1,862,000. This increase has been cut by committee action to $1,178,000, or a cut of $684,000. I pointed out in all fairness that the committee has been most generous and this is actually an over-all increase over last year, though the increase is smaller than the Department had requested.

After securing the above figures, I called the Department of Agriculture and made inquiries as to which of the proposed increases would be curtailed as a result of the $684,000 reduction in research. I was given a list of some 18 programs which would, by reason of the decrease, have to be increased by a smaller amount than proposed. Included in this list was a cut in the research on virus diseases of fruits and vegetables of $25,000. Also included was a cut in the Mexican fruitfly research program of $62,000, and a cut in the research program on resistance of insects to new insecticides of $50,000. Let me again emphasize, in all fairness, that this is a cut of a proposed increase of last year.

Mr. Chairman, these three programs are of vital importance to my district. Virus diseases are a constant threat to our farming economy and the Mexican fruitfly situation is most alarming. Because of the discovery of new insecticides and the fact that the resistance of insects to these materials is not known, this program of research is of vital importance to many fruit and vegetable producing areas.

Realizing the importance of these programs and feeling that their orderly and contemplated expansion would not be possible under the committee proposal, I caused amendments to be prepared which, if passed, would restore the contemplated increases of the Department. I consulted with the gentleman from Mississippi [Mr. WHITTEN] regarding these amendments, and the gentleman from Mississippi [Mr. WHITTEN] assured me that it was not the intention of the subcommittee to curtail the orderly and contemplated expansion of these three research programs. The gentleman from Mississippi [Mr. WHITTEN] assured me that the decrease of $684,000 in no way reflected the desire of the subcommittee to reduce these specific programs. Rather, it was contemplated by the subcommittee that the programs could be expanded as planned and the increases paid for out of funds saved from the curtailment of other less essential programs.

Therefore, since it is the intent of the subcommittee to continue these programs and since I have confidence in the judgment of the committee, I have decided against presenting my amendments and will support the committee bill as presented.

Mr. H. CARL ANDERSEN. Mr. Chairman, I ask unanimous consent that the gentleman from Oregon [Mr. COON], may extend his remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. COON. Mr. Chairman, I want to say a word in support of the $12 million recommendation for small watershed development in the 1956 Department of Agriculture appropriation bill. This is $1 million more than the budget estimate and $4,790,000 above the 1955 appropriation.

Under the small watershed program local groups work with the Federal Government in financing and operating upstream watershed work. While we have paid much attention in past years to major dams on the main stems of the rivers, we have neglected the upstream structures that can save the water near the source and play an important part in conservation of water and land. There is a limit of 5,000 acre-feet in programs that can be undertaken under this law.

I believe this budget increase is justified because of the great success of the pilot phase of this program and because of the spectacular response of the local people when offered an opportunity to help themselves in conserving their resources. A total of 65 pilot projects were authorized in the 1954 appropriation bill. Of these, 60 are now under construction or are ready for construction. About $5 million in public money was available last year for this program. A total of $5½ million of local funds was offered to match this—more than the Federal Government could match. In the coming fiscal year a total of $8½ million in local funds is expected to be available for the pilot programs.

I think that the officials of the Department of Agriculture deserve high praise for the speed with which this program has been started, and I am pleased to see the willingness of the local people to help themselves when this is made possible.

Under the regular small watershed program, as authorized by the Hope-Aiken watershed bill, a total of 300 applications, approved by local State organizations, are now pending in Washington. Of these, 43 have already been approved by the Department of Agriculture. An additional 600 applications are being considered in the States. I am told that about a dozen of these applications are from my home State of Oregon.

Thus, in the space of about 3 years, nearly a thousand projects are actively being considered.

A program like this one, Mr. Chairman, is not only good and desirable in itself, but its almost instant success gives a clear indication of the willingness of the people to follow the lead of the Federal Government when it presents them with a simple program of giving the Government back to the people. Efforts are being made in school legislation, in road construction, and in hydroelectric-power development to return to local groups responsibilities they are willing and able to carry. These other programs are bigger and more complicated and thus take more time to work out. They are harder for the people to understand at first. But the response to the small watersheds program shows that when the people do understand they respond. This response is a vote of confidence in the Eisenhower policies.

I might even say that the Democratic majority in the Appropriations Committee, by increasing this appropriation, have given endorsement to the principle of the President's power partnership program.

Because of the desirability of this program, therefore, and because of its outstanding success, I urge that the full $12 million be appropriated by the House.

Mr. H. CARL ANDERSEN. Mr. Chairman, I yield 1 minute to the gentleman from Iowa [Mr. HOEVEN].

Mr. HOEVEN. Mr. Chairman, the bill before us is a good bill and apparently is not engendering much opposition. I regret, however, the political implication running through the committee report. Although I do not always agree with Secretary Benson, I think he is an honorable man who is doing his utmost to do a good job. We must not forget that he only administers the laws which are written by the Congress.

The committee on page 10 of its report says it "deplores the Department's

failure in recent years to use section 32 to support products temporarily in disaster." I do not find such claim supported by the facts. Information furnished me by the Department of Agriculture indicates that the total expenditures of section 32 funds for the fiscal year 1953–54, amounted to $205.4 million. This is 4½ times the expenditure made in fiscal 1950–51; 3½ times the amount expended in fiscal 1951–52, and 2½ times the expenditure of fiscal 1952–53. I submit these figures just to keep the record straight.

Mr. H. CARL ANDERSEN. Mr. Chairman, I yield 7 minutes to the gentleman from Colorado [Mr. HILL].

Mr. HILL. Mr. Chairman, I, too, with the previous speaker, appreciate the fine work of the Committee on Appropriations and especially the subcommittee in bringing out this bill carrying the amount of money that it does for our agricultural work. I am quite amazed, after 15 years' service in this body, to have an appropriation bill discussed all afternoon with no one mentioning money, what was given for this program or for that activity, after all, I am quite pleased.

The arguments have been on how the Secretary of Agriculture should run his business or our business. After all that seems natural to me, as a former Secretary of Agriculture caused me plenty of difficulty when trying to persuade him to treat the farmers and producers of Colorado in an equitable manner and he was from Colorado. I thought I should have the opportunity to suggest to him how he should carry on the programs of the Department of Agriculture.

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. HILL. I yield.

Mr. WHITTEN. I was just as active in those days trying to tell him as I am now, in the same kind of situation.

Mr. HILL. Exactly. I am afraid that the gentleman said just as many good things about him as I did myself. But here today I am pleased to say a few words in adulation, if I may use that word, of the Secretary of Agriculture and the fine work that he has been doing in our area, especially in connection with the Farmers' Home Administration. The Farmers' Home Administration has gone to the rescue of both Democrats and Republicans. I, for one, agree with what was said a while ago that this is no place for partisan politics. Certainly, of all the programs that this Congress has had to deal with since I have been a Member, there is none that stands higher in the scale of nonpartisan activity than that which is done by the Committee on Agriculture, on which I serve, and the Appropriations Subcommittee for Agriculture.

Why should agriculture be Democrat or Republican? Let me ask another question which goes along with what is in my mind. Why should agricultural legislation have to do with any particular section of this country more than any other section? Why should the geography of agriculture affect our legislation?

I am afraid sometimes in listening to this argument that some of our friends are convinced that certain areas producing certain crops are entitled to preferences over other areas in this country. I firmly and 100 percent disagree with that attitude as to any crop. Mr. Chairman, you are looking at a Congressman who has never had a peanut grown in his area and yet I have never come down into the well of this House to find fault with the peanut program.

But we may have difficulties in some areas of agricultural production, such as beets and sugarcane. We could be in difficulty. Wheat is already in difficulty.

Mr. SHORT. Mr. Chairman, will the gentleman yield?

Mr. HILL. I yield.

Mr. SHORT. I think the gentleman from Colorado [Mr. HILL] is 1,000 percent correct. I want to ask him this question. We have six so-called basic crops: rice, corn, cotton, wheat, peanuts, and tobacco. Those crops receive high-price fixed-parity payments or supports. Is it fair to force the dairy farmer, who represents the single largest and most valuable branch of agriculture, and the poultry raiser to sell their products on a lower scale than that received for these other commodities?

Mr. HILL. My answer is there is nothing fair about it. There never was in the first place. If the gentleman can tell me why potatoes should not be more of a basic crop than peanuts, or on a higher scale than rice?

Mr. SHORT. That is quite true, because the dairy farmer, certainly in my section of the country, and the poultry raiser, cannot pay the high prices for feeds supported by high fixed parities and then be forced to sell their products on a lower level. Many of them are going broke. All branches of agriculture should be treated fairly.

Mr. HILL. Let me get back to what I intended to talk about, which is the Farm Home Administration. I wish to compliment the chairman of the subcommittee on the fine hearings you have had on this bill on the work of the Farmers' Home Administration, beginning on page 1508 and continuing for 100 pages. It is a wonderful record that organization has made. I know some things they should do that they have not done, but at the same time their work has been excellent. Then in your report on page 25 you carry a full paragraph on what fine work the Farmers' Home Administration is doing.

Frankly, I confess to you that in 1953 if the Farmers' Home Administration had not come to the rescue of our livestock producers in the Far West and the Southwest we would have been in real difficulty.

Here I hand a compliment to our Agriculture Department, that I think our whole livestock industry has been handled probably as well as any agriculture program.

I will close my few remarks by saying I appreciate the work of the subcommittee on this agricultural appropriation. I am also appreciative that no one here has said anything about the amount of money the Agriculture Department is going to need or get. It is a fine thing when an appropriation committee can bring in a bill where money is the smallest part of it.

The Farmers' Home Administration performs the following four major activities: First, to make direct and insured farm ownership loans to farm tenants, farm laborers, sharecroppers, and other individuals for the purchase, enlargement, or development, including farm housing and other building construction, of family type farms; second, to make production and subsistence loans to farmers and stockmen for farm operating expenses and other farm needs, including the financing of indebtedness and family subsistence; third, to make direct and insured soil and water conservation loans for the effective development and utilization of water supplies and for the improvement of farmland by soil and water conserving facilities and practices; and fourth, to make emergency loans to farmers and stockmen in designated areas where a disaster has caused a need for agricultural credit not readily available from commercial banks, cooperative lending agencies, the Farmers' Home Administration's regular loan programs, or other responsible sources. Technical guidance in planning and carrying out sound farm operations is provided borrowers on the basis of their individual problems and needs. No loans are made to applicant who can secure adequate credit from other sources at reasonable rates.

WIND EROSION CONDITIONS, GREAT PLAINS—SUMMARY OF LOCAL ESTIMATES AS OF MARCH 1, 1955

A summary of local estimates indicates that nearly 5½ million acres of land has been damaged by wind action since November 1 of last year. About 90 percent of these damages were reported for the five Southern Great Plains States—the largest concentration being in eastern Colorado, where more than half of the entire acreage was reported. Much of this land was inadequately protected against erosion by wind due to the lack of vegetative cover, absence of crop residues, low soil moisture, and poor soil structure.

Land damages reported as of March 1 for the five Southern Great Plains States was 4,644,000 acres, of which about two-thirds was in Colorado. Estimates for the other four States showed increases during the month of February, particularly in western Kansas and northwestern Texas.

The total acreage of land reported as damaged in the Northern Great Plains was about the same as that of the previous month. The acreage damaged in Wyoming increased from 134,000 on February 1 to 361,000 on March 1. This was partly offset by decreases in estimates for Nebraska and South Dakota.

Land damages this season (as of Mar. 1, 1955)

States	Cropland	Rangeland	Other land	Total land
Southern Great Plains:	*Acres*	*Acres*	*Acres*	*Acres*
Colorado	2,295,000	694,000	34,000	3,023,000
Kansas	504,000	10,000	11,000	525,000
New Mexico	78,000	73,000	1,000	152,000
Oklahoma	228,000	0	10,000	238,000
Texas	568,000	118,000	20,000	706,000
Subtotal	3,673,000	895,000	76,000	4,644,000
Northern Great Plains:				
Montana	64,000	6,000	6,000	76,000
Nebraska	112,000	29,000	7,000	148,000
North Dakota	44,000	1,000	0	45,000
South Dakota	11,000	0	0	11,000
Wyoming	68,000	277,000	16,000	361,000
Subtotal	299,000	313,000	29,000	641,000
Grand total	3,972,000	1,208,000	105,000	5,285,000

Nearly four-fifths of the estimated land damages have occurred on cropland. Range and other lands have also blown where there was insufficient vegetative protection. Land damaged by wind blowing in the Great Plains as a whole increased about 800,000 acres during February, and about 1,200,000 acres since January 1. These increases in land damages were mainly in localized areas where the combinations of land use, soil, and weather conditions resulted in severe soil blowing.

LAND IN CONDITION TO BLOW

In addition to the land already damaged, the estimated acreage in condition to blow in the Great Plains on March 1 was about 20 million, a decrease of nearly 2 million acres since February 1. It was estimated that the crop residues, soil structure, surface roughness, or vegetative cover on this land was inadequate for protection against blowing. About 17 million acres of the total were reported for the 5 southern Great Plains States, the largest acreage being in the critical areas of Kansas and Texas. Estimates in acreage of land damaged, plus that likely to be damaged, has decreased slightly since January 1 due to revision of local estimates. However, this total of damaged land and land in condition to blow was still about 26 million acres.

Land in condition to blow (as of Mar. 1, 1955)

States	Cropland	Rangeland	Other land	Total land
Southern Great Plains:	*Acres*	*Acres*	*Acres*	*Acres*
Colorado	2,148,000	1,234,000	207,000	3,589,000
Kansas	5,274,000	607,000	75,000	5,956,000
New Mexico	491,000	705,000	0	1,196,000
Oklahoma	1,162,000	149,000	25,000	1,326,000
Texas	4,261,000	688,000	100,000	5,049,000
Subtotal	13,336,000	3,383,000	397,000	17,116,000
Northern Great Plains:				
Montana	440,000	68,000	13,000	521,000
Nebraska	585,000	135,000	23,000	743,000
North Dakota	310,000	4,000	1,000	315,000
South Dakota	78,000	5,000	2,000	85,000
Wyoming	145,000	1,554,000	31,000	1,730,000
Subtotal	1,558,000	1,766,000	70,000	3,394,000
Grand total	14,894,000	5,149,000	467,000	20,510,000

Of the 20 million acres still in condition to blow, nearly 15 million acres were on cropland. Nearly half of this cropland is in wheat which has not made sufficient growth to provide ground cover.

CROP DAMAGES

Estimated damages to growing wheat was about 1,390,000 acres on March 1, an increase of nearly one-half million acres during the month of February. Three-fourths of the total acreage of crop damage was reported for Colorado and Kansas.

MOISTURE CONDITIONS

Weather Bureau charts indicate that during February the critical wind erosion areas in Colorado, Kansas, Oklahoma, and Wyoming received the normal precipitation ranging from one-half to 1 inch; whereas, those in Texas and New Mexico received much less than normal precipitation. In the Northern Great Plains precipitation was generally adequate, varying from normal to more than twice the normal amount.

During February, the precipitation was insufficient to replenish soil moisture supplies. The top 12 to 18 inches, for many places in the critical wind erosion areas, were still very dry. In general, the drought conditions persist, but a few areas appear to have enough reserve ground moisture to carry the growing wheat through the spring months.

WINDSTORMS

February was generally a quiet month as relatively few damaging windstorms occurred, nor did they reach the velocities of those experienced last December. The windstorms that did occur at most locations in the critical wind erosion areas were also of shorter duration.

EMERGENCY TILLAGE

Since November 1, farmers have emergency tilled nearly 3 million acres, more than 1 million of which was accomplished during February. About half of the total acreage reported was in Texas and other substantial amounts for Kansas and Colorado. Reports from many areas indicate that the freezing and thawing process has caused the clods on the surface to disintegrate and disappear. This situation, together with dry and powdery surface soil conditions, renders more emergency tillage operations impractical in some areas.

SUMMARY

Land damaged by wind action, mainly in the Southern Great Plains, was nearly 5½ million acres on March 1, an increase of about 800,000 acres during February. Land in condition to blow decreased slightly to an estimated 20 million acres. Land conditions continued hazardous as this large acreage is subject to damages because of depleted crop residues and inadequate cover conditions.

Mr. WHITTEN. Mr. Chairman, I yield 3 minutes to the gentleman from Arkansas [Mr. HAYS].

Mr. HAYS of Arkansas. Mr. Chairman, on page 16 of the report there is a reference to the Commission on Intergovernmental Relations often referred to as the Kestnbaum commission. In the interest of accuracy, may I supplement those comments. The attitude of the Department of Agriculture is referred to and "the reported position of the Commission" is briefly described. I make reference to it only for the purpose of having the RECORD show that the reported position of the Commission is in reality the position of a task force of the Commission. I am sure in reading the context that would be understood.

Mr. WHITTEN. To me it is clear that it was a task force of the Commission.

Mr. HAYS of Arkansas. Yes. I might say that five Members of the House were appointed to the Commission when it was established by the 83d Congress; the gentleman from Iowa [Mr. DOLLIVER], the gentleman from New York [Mr. OSTERTAG], the former Member of the House from Massachusetts, Mr. Goodwin, the gentleman from Michigan [Mr. DINGELL], and myself. I can assure the House that the views attributed to the task force committee have not been approved by the Commission; in fact, no report on that phase of the Commission's study has been agreed upon. I trust that the House will reserve judgment on the important studies being made by the Commission on Intergovernmental Relations.

I have been following this discussion very closely, partly because I am serving as a member of the Subcommittee on Foreign Economic Policy of the Committee on Foreign Affairs. It has been very helpful and it demonstrates the complicated interrelationships of this world we are living in. We must do some things to help our friends in Asia through the point 4 and other types of assistance, but we must do it without damage to our own producer interests.

I am from a State that produces exportable commodities, cotton and rice. There are eager markets for our rice. There are high-consuming populations that want our surplus food. But just as the gentleman from Minnesota [Mr. JUDD] described a moment ago, we could damage our relationship with other countries very materially if we do not consider the effects of unsound trade policies that are based exclusively on economic considerations. While we help our producers, we would complicate our foreign policy problem. So we have these two pressures—one, of necessity, to protect our foreign policy and avoid a situation which will be exploited by the Communists, and at the same time to help our own producers. I thank the gentleman from Mississippi and his able committee for what he has brought out about the stake that we have in the stabilizing of world conditions so that these markets are protected and our foreign policy is served. Actually, I am not speaking hypothetically when I speak of the occupying of markets once held by friendly allies for American producers. We have actually had that happen. We must not let the Communists take advantage of that situation.

Mr. CARNAHAN. Mr. Chairman, will the gentleman yield?

Mr. HAYS of Arkansas. I yield.

Mr. CARNAHAN. I thank my colleague, the gentleman from Arkansas, for yielding me this time. I want to compliment him as always on the helpful and constructive statement he has made. I have asked for this time to express my own appreciation to the committee for the excellent handling of this piece of vital legislation. I am especially pleased with the increased appropriation for watershed protection and flood prevention under the Soil Conservation Service. And for added emphasis, I would like to read briefly from the committee report. I quote:

> The committee is firmly opposed to the subordination of the Soil Conservation Service to any other agency.

I appeared before your committee in support of the school-lunch program, and I am glad to note that the committee restored the proposed cut of this item so that the school-lunch program will be supported at its present level of $83,236,197. The committee is fully justified in this commendable action. Again I thank the gentleman from Arkansas for yielding to me.

Mr. H. CARL ANDERSEN. Mr. Chairman, I yield 3 minutes to the gentleman from North Carolina [Mr. JONAS].

Mr. JONAS. Mr. Chairman, I have asked for this time simply to register my concern over the proposal which the gentleman from Mississippi has made today and on frequent occasions in the past. This proposal seems to be a two-price system for agricultural products.

I come from a cotton-producing section of the country and from a section that has developed rapidly in the field of textile manufacturing in recent years. It is important that all of us who deal with this problem understand and remember that the domestic textile industry is the best customer of the cotton farmer of the United States. The cotton mills of this country consume about two-thirds of all cotton produced in the United States.

The textile industry today is faced with severe competition for world markets and, indeed, for domestic markets from low-wage countries around the world.

The proposal that we sell our surplus cotton abroad to textile mills that are in direct competition with the textile mills in this country, and at a price less than the textile mills in this country have to pay for it, would place an additional burden upon our already heavily burdened textile industry. Is not it enough that the domestic textile industry must compete for world and domestic markets with countries whose wage rates average only about one-tenth of ours, without giving the foreign competitors an additional advantage of being able to buy cotton produced in the United States at a price less than our own mills have to pay for it?

There is another danger involved in this proposal to which I would like to call attention. I refer to the problem facing the cotton farmer who is encountering stiffer and stiffer competition from synthetics. The trend toward the use of synthetics is dangerous enough to the cotton farmer under existing circumstances, and I am afraid the proposal of the gentleman from Mississippi would increase that danger. If to the competitive disadvantages that now face our cotton mills from low-wage countries abroad, is added an addition competitive disadvantage in the form of having to pay higher prices for cotton produced in this country than their foreign competitors pay, I am afraid we may find the cotton manufacturer in this country turning more and more to use of synthetics. This seems to me to be a very real danger and one which should concern those who are interested in textile manufacturing as well as those who are and have been engaged in the business of growing cotton in this country.

While I cannot debate this subject with the gentleman from Mississippi in the few minutes available to me today, I asked for this time in order to indicate my concern about it, and on some future occasion, if we both have the time, I would like to go into it further with him because it just seems to me that the proposal he has advanced is fraught with grave difficulty, not only for the textile manufacturer but for the cotton farmer himself.

Mr. WHITTEN. Mr. Chairman, I yield myself 4 minutes.

If I may have the attention of the gentleman from North Carolina, I appreciate the concern which the gentleman has. I have it too.

I would like to explain what is involved here as I see it. In the first place, if high American costs make it essential to have any price-support system, you are going to have to permit the sale of what is produced in world trade competitively, or you do not sell it, and you are cut back to the domestic market. That is what is happening now. In other words, if the cost or support level is above the world price, you are going to have to sell United States commodities competitively or you are cut back to the American market. Under what I have suggested the Department of Agriculture would have full charge of how much they offer and how often they offer it. The Department could even say how low a bid it would accept. They would have full control under the law, and they have it now, to say how low a bid would be acceptable. They would have the right to turn down all bids.

The other point I would like to make, which is of real serious concern to the textile mills, is this: If we hold this umbrella over world production so that the American producers can go into Africa and into Mexico and Peru—and they are doing it now—then that will provide for foreign textile mills a source of cotton from low-cost areas. Then you lose all your foreign markets. Your problem is just as serious under the present bill as the cotton producers. Unless we get the Department to change its policy, United States production is being moved overseas. In a short time the same thing happens to the textiles. The best suggestion I have heard is that if you were to sell these commodities in world trade on true competition and have two price systems resulting, your domestic mills should be authorized to buy an amount at the world price—equal to that necessary to provide their normal exports. You are just as much in danger under present policies as is the cotton farmer. It is not an easy thing to work out, but if they follow the suggestion I have made—and that is nothing new—what I recommend is carrying out the authority under the present charter of the Corporation—they have the full right to govern how often and how much and to set the limits as to how far down it will go. If we do not get some relief you will be in the same fix in the textile mills as the cotton farmer is now.

Mr. JONAS of North Carolina. If the gentleman will yield, the domestic textile industry is sick today. We used to be the world's largest exporter of textiles.

Mr. WHITTEN. In being sick you have not got anything on the cotton farmer either.

Mr. JONAS of North Carolina. That is correct.

The textile industry is the greatest customer of the cotton farmer in America.

Mr. WHITTEN. But it is not in good condition now, as you have so well said. The cotton farmer is not in such good shape. It is time to try to correct these things and I have urged the use of existing law, where the Department controls every action that it takes, as to how much, how little, how often, and how far they will go so that the interests of the mills can be protected and in the future, cotton production and the textile industry will not be moved overseas.

The CHAIRMAN. The time of the gentleman has expired.

Mr. H. CARL ANDERSEN. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Chairman, the thing that has surprised me in connection with this bill more than anything else has been that the gentleman from Missis-

sippi [Mr. WHITTEN] seems to have been peeved at the Commodity Credit Corporation and the new manager of the Corporation, yet he has done more to get stuff out of that place than anybody else who has preceded him.

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. TABER. I would think he would be slapping him on the back instead of hammering him.

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. TABER. Yes; I yield to the gentleman.

Mr. WHITTEN. May I say that my difference with the Corporation—and I have the highest regard for these people personally—is that that is exactly what they are doing. They are getting rid of things so rapidly. The Corporation is not selling for dollars. It is all right with too many people to give these millions of dollars' worth of commodities away as long as it does not interfere with this world umbrella. The CCC is wasting almost as much money annually by failure to sell than it costs to run the Department. If you count what it gives away it is more.

I am surprised that so many of my good friends think you are not wasting anything if you give it away but that it is lost if you sell it for a little less than you have invested. So my difference with them is over the way they are disposing of it. I wonder when they give it away if they realize they are keeping this world umbrella over prices which moves our production overseas. Most of these commodities have not been offered in world trade competitively and really should not be classified as surplus.

Mr. TABER. Frankly, I myself have never favored the program, but I do feel that this accumulated surplus is a tremendous blight on the farmer. We are faced with this situation. We have got to get that stuff out of there somehow, some way, and not be carrying over from year to year enormous quantities of cotton, wheat, corn, and other things of that character. Unquestionably we have got to carry over some surplus as an anchor of safety, but frankly because the restrictions on production were not put in effect in time we have not begun to hit our stride in that direction yet. As compared with last year this year shows a tremendous increase of approximately 25 percent in every single item of commodity on hand in spite of all that has been done to move out more commodities. On top of that we have a situation here where the bill itself is $100 million or approximately that above what was carried last year. The report itself shows that there was a $75 million increase in the ACT proposition, and it also appears from the different loan authorities that $25 million more was added for the rural-electrification setup. They are pretty well covered all over the country, and it hardly seems as if they would need that money.

Frankly, I hate to see the cost of government running up. The more it does, the more troublesome it gets to be; and the more we allow those commodities to run up, the more we create a menace to the farmers' prosperity. I do hope we are going to be able to bring about a change in the approach that will permit of something being done.

This bill contains permanent authorizations of $168,590,000; loan authority of $388 million; corporate expense of two items: $1,634,000 and $26 million; special activities of $184,517,000; farm credit authorizations $6,290,000; and the straight appropriations without a reappropriation, $694 million. The reappropriation as I get it runs to at least $35 million. It may run a little more.

Itemizing these figures they are as follows:

Permanent authorization	$168,590,000
Loan authorization	388,000,000
Corporation expenses	1,634,000
	26,000,000
Special activities	184,517,000
Farm credit authorization	6,290,000
Bill	694,000,000
Reappropriation	35,500,000
Total	1,504,531,000

Mr. Chairman, this billion and a half is altogether without whatever loss we will get on the operations of the Commodity Credit Corporation.

There is one thing I think we ought to realize in connection with this attempt to sell grain and other things across the water. There may be a little bit we can sell perhaps in a free market without taking too heavy a loss, but there is not too much because if there was any substantial portion of the surplus we have on hand it would absolutely wreck and destroy the economy of the countries that we crowded it on to.

The cotton picture is the worst because that would absolutely tend if we carried it out to destroy the cotton manufacturing industry in the United States. That I do not believe the gentleman from Mississippi or any of the rest of us want to bring about.

Mr. WHITTEN. Mr. Chairman, I yield 2 minutes to the gentleman from Florida [Mr. MATTHEWS].

Mr. MATTHEWS. Mr. Chairman, I wish to congratulate the subcommittee for reporting this very excellent bill. Every facet of these appropriations for the Soil Conservation Service, the Agricultural Extension Service, experiment stations, the REA, Farmers' Home Administration and other phases of the program permitting more marketing and research activities, will affect favorably the life of the farmers of the eighth district of Florida, which I represent.

I particularly congratulate the committee for giving us an expanded school lunch program. I have asked for this time to direct a question to one of the gentlemen of the committee. I wonder if the gentleman from Minnesota [Mr. MARSHALL] could give me some information about this.

I have a letter from the Superintendent of Public Instruction of the State of Florida stating that some of the funds for section 32 commodities have been reverting back to the United States Treasury yearly. He states a bill is now being considered which would make a portion of these unused funds available to States as cash reimbursement for the purpose of food products for the school lunch programs.

I wonder if this matter came to the attention of the subcommittee?

Mr. MARSHALL. This committee has been very much concerned because of the failure under these section 32 funds to purchase the commodities required in the school lunch program. We have been very blunt in our report. I may say to the gentleman that quite a considerable sum of money is being returned to the Treasury unused. I would further state to the distinguished gentleman that the only way section 32 funds could be distributed to the States is by purchasing the commodities and distributing the commodities, so therefore the Department of Agriculture has not seen fit to purchase the commodities in supply to be furnished to the States. Their funds then revert to Treasury.

Mr. MATTHEWS. I thank the gentleman very much, and I am glad the committee has insisted that all these funds be used for the school lunch program.

Mr. H. CARL ANDERSEN. Mr. Chairman, I yield 10 minutes to the gentleman from Indiana [Mr. HALLECK].

Mr. HALLECK. Mr. Chairman, certainly the debate here this afternoon has been interesting and informative, and I am glad that it has been that way. The hour is late. I do not know how much I might add to what has been said, because so many things have been said. However, I do feel some compulsion to say a few things about the bill and the report.

The gentleman from Colorado [Mr. HILL] spoke of the fact that there had been very little discussion of the matter of money in this bill. It is an appropriation bill. I did not hear any discussion of the money involved until I heard the remarks of the gentleman from New York [Mr. TABER], who raised certain questions as to the amounts, and from what I have been able to observe, I am not so sure but what a little attention to the money involved might have saved a little money for the taxpayers of the country. However, aside from that point and since so much that has been said here has involved the matter of agricultural policy and since the Committee on Agriculture has already undertaken and has in progress a study of this whole proposition of disposal and selling of accumulated surpluses, it might have been much better to have had the discussion take place at a more appropriate time.

At any event, what I believe, as I have read the report and listened to the debate, is that it is an unjustified and unsubstantiated assault and attack on the Commodity Credit Corporation and on our great Secretary of Agriculture. I am almost led to believe that possibly that is in here as a diversionary tactic as far as the issue of money is concerned.

Now, certainly, as we look at agriculture's situation in our economy, none of us are happy at the decrease in revenue. My district out in Indiana is, I suppose, half agriculture and half industrial, and I have just as much solicitude for the farmer's welfare as anyone in this House. And I know, too, that if the agricultural economy goes down, then it is inevitable that the whole economy goes down. So, we ought to strive for the kind of program that is just and sustainable and

which will do the job that needs to be done.

Now, these surpluses that have piled up and about which most of the discussion has revolved, may I say, have developed under the 1948–49 act with the 90-percent rigid price-support structure. As we have gone along, we have seen the loss of foreign markets, and in those areas of our economy where we produce more than can be consumed at home the loss of foreign markets is a matter of vital concern.

There is another thing about which I am quite concerned, as I have listened to this debate and as I have read this report. The proponents of the 90-percent rigid price support—and the gentleman from Mississippi is one of the most effective, one of the most aggressive, and one of the most vocal—realize that, with upward of $7 billion worth of commodities now in the hands of the Commodity Credit Corporation and more on the farms shortly to be acquired by the Commodity Credit Corporation, we are running into trouble, and there cannot be any mistake about it. We are concerned about what to do with those surpluses.

To my mind, this report, whether intentionally or not, is designed, somehow or other, to make the Secretary of Agriculture and the Commodity Credit Corporation the whipping boys to improve the situation that shortly we will face, I suppose, to reestablish the 90-percent rigid price support. But whether that is so or not, we have heard here a lot of talk about cotton. As I said earlier, I can understand the concern for cotton. If I understand the gentleman from Mississippi [Mr. WHITTEN] correctly, he wants the Commodity Credit Corporation to take over the direct sale of cotton. If that is correct, my view is that the Commodity Credit Corporation will be doing all of the buying and all of the selling, because his proposal indicates that Commodity Credit Corporation is to sell at some lesser price than has been heretofore the established going price. It was pointed out earlier, and it ought to be kept before us, that under the operation of this program cotton has been kept above the support price. I am quite sure that if we do what the gentleman from Mississippi wants to do, certain things will inevitably follow. The first will be that as you break the world price, the price here in sympathy with that will begin to break. And if I represented a cotton-producing district that would not be a happy prospect for me.

Beyond that, as we subsidize it—and that is what it would have to be, because I assume the gentleman would want the cotton sold for less than what we paid for it—the American taxpayer would have to make up the difference.

Reference already has been made to the further injury that could be done to textile manufacturers in this country if the domestic producers of textiles have to pay 105 percent of parity for their cotton, and then you sell it to the foreign competitor at 50 or 60 percent of parity. In effect, what you would be doing would be to use the taxpayer's money to subsidize the foreign competitor of textiles of this country. How long do you think the textile manufacturers of this country would stand for that? What would be the ultimate effect when, as it was established here the other day, textile exports are 10 times that of textile imports? Would you not create a situation in which we would lose the export market that we have been able to hold onto for our manufactured textiles?

In other words, Mr. Chairman, this is a most delicate problem. I do not think it should be dealt with in this offhand manner. I do not think, if you will permit me to say so, that it ought to be handled in a manner I again say certainly smacked very strongly of a political attack when this report was forthcoming. I say that the Commodity Credit Corporation and the Secretary of Agriculture have been doing a good job. It is not as easy as it looks. The report speaks glibly of the great areas where there are dollars to be used to purchase our commodities. May I say that my investigation discloses that those areas are very few, indeed.

We have agreements with many nations in respect to dumping of all sorts of products. We must honor those. Foreign production has been going up and that poses a real threat. Maybe it can all be put off as some sort of a sinister operation of certain big producers in this country to move production to foreign lands. I do not think it can be quite that simply determined.

In other words, the Government has been trying to move these stocks, and the Government ought to do it, because I realize, wanting as I do a sound, prosperous agricultural economy, that these surplus stocks burden the domestic market.

As the gentleman from Kansas [Mr. HOPE] said, they threaten the economic balance of the whole world. And as long as they are with us they will continue to be a threat.

Mr. GAVIN. Mr. Chairman, will the gentleman yield?

Mr. HALLECK. I yield to the gentleman from Pennsylvania.

Mr. GAVIN. I want to call the attention of the gentleman to the fact that it is costing approximately $700,000 a day merely to carry these inventories in the Commodity Credit Corporation.

Mr. HALLECK. Yes, but of course the report points out, at least by implication, that possibly we are continuing to store these commodities just because we do not want to sell them. I do not believe anybody takes that attitude in the Government. As a matter of fact, agreements have been negotiated with 5 nations, Yugoslavia, Turkey, Chile, Peru, and Pakistan, for the disposal of $145 million worth of these commodities. Negotiations are on with other nations. I hope they continue. I hope we can find ways to dispose of these products because, as I say, they do broaden the market. But certainly it cannot be done in connection with the consideration of this appropriation bill. It cannot be done in closed hearings before the Appropriations Committee. I think it is a matter for the continuing study of the great Committee on Agriculture, to find out just what we can do or what more should be done in order to move these surpluses.

Mr. WHITTEN. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, I had expected to yield this time to another member of the subcommittee, who has graciously agreed that I take this time in view of the statement of our very effective friend from Indiana. I hope he will pardon me on this because it is most surprising to find so many of my friends on the left who I know have always supported the saving of Federal funds being in the position you are taking with us today.

First, may I say there is no legislation in this bill. We are not trying to change the law. The law now is that there shall be a Commodity Credit Corporation. It was set up as a corporation so it could buy and sell, sue and be sued, act in a business way. That is the law. It has been the law.

The law provides that its directors can be from businessmen throughout the country. Their report to us is that this corporation, which has invested $7 billions of the taxpayers' money, yours and mine, has at present only a program of getting rid of the commodities in every way under the sun except simply selling them for dollars at truly a competitive price.

My friend from Indiana says it is not as easy as you might think. We persuaded them to offer 8 or 9 commodities last year on a competitive-bid basis. They sold substantially all of them for $453 million United States American dollars.

I was in Germany and met with the grain trade and was told by a big operator in the grain trade there that they would buy 2 million tons of American wheat if we would just match the French price, which was $6 a ton less than ours; and they have the money. The CCC not withstanding its authority would not match French prices and we do not get the sale.

The record of the hearings shows foreign countries do have dollars. As long as we are spending $3 billion in Europe for our military, as long as you have a military appropriation bill of around $32 billion, they do have the money, dollars. They are spending those dollars in the United States. According to the Department's own figures, because we are holding farm commodities off world markets at truly competitive prices, only about 18 percent of those dollars are being spent back with us for agricultural commodities, whereas prewar about 29 percent of those dollars were being spent for agricultural commodities.

Let me repeat. What we have done in this committee is not take over anybody's legislative responsibilities. We have pointed out these terrific losses, $700,000 a day in storage costs alone mostly on commodities not even offered in world trade at competitive prices.

What do we ask? We ask the Commodity Credit Corporation, "Won't you please offer your commodities for sale for dollars and at least see if you cannot sell them? You are the judge of how much you offer, you are the judge of how often you offer. You can even say what bids you won't accept." That is what you did when you offered these commodities for sale last year and sold

them for dollars. They said, "Bids below a certain level will not be accepted."

I am asking for a change of policy. I do not want to write a straight-out inelastic law to say, "You have to sell all." I introduced some bills so that at least somebody in the country would begin to find out that the Commodity Credit Corporation all the time has had authority to sell in world trade competitively. The officers of the Corporation just would not do it.

You can attribute politics to anything I say, but it is surprising to me to find that all of the officers of this Corporation are Department of Agriculture officials. At least, that is one circumstance which would indicate that the Corporation's business is being subjugated to the departmental policies. That is at least one indication that they are making the actions of this $10 billion Corporation subservient to the views of the Department of Agriculture, including the Secretary. When you read this report and see that more than half of the losses this year are in storage costs, do you not think it is time that we sold some of it? I hate to mention any names, but there is nobody here that I have higher respect and regard for than the gentleman from New York and the gentleman from Indiana. They have fought hard to save money. They have talked about these huge CCC holdings and investment. They say it is jeopardizing us. It is jeopardizing us. It is cutting down on our farmers' production. If there is some reason for getting rid of millions of dollars worth of commodities under Public Law 480, where you sell it for foreign currency, 90 percent of it which is not even under the control of the Congress, if there is some basis for giving it away way off yonder somewhere, is it not kind of silly not even to offer such commodities in which we have our dollars invested, for sale first when the Department's own experience has shown that you can sell them for dollars.

Mr. HORAN. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield.

Mr. HORAN. The gentleman's plan, of course, would channel all commodities, especially cotton——

Mr. WHITTEN. No, no.

Mr. HORAN. Oh, yes; it would. As I say, it would channel all commodities, especially cotton, through the Commodity Credit Corporation, and if you are trying to save money by cutting down on the storage costs, you must remember that there are other commodities involved.

Mr. WHITTEN. The corporation now has $7 billion of the taxpayers' money invested in commodities. I may say that if it wants to discharge its obligations as a corporation, it should sell those commodities for dollars if that can be done under a policy where they can follow the markets from day to day and watch what the effects are and watch the markets and feed it into the markets as the markets will absorb it. What we need is just a little change in policy; we need to remove the Secretary's umbrella over world prices, so that our big financial interests, which are increasing in foreign lands, will know that the United States Government is not going to sit here and hold that umbrella which our distinguished Secretary so well portrayed in his speech of only last Tuesday. It would do so much good if we only had a change of policy, regardless of how much of how little we sold.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield.

Mr. HALLECK. The gentleman has spoken of the umbrella. Of course, as a practical matter it is a very useful thing to have around.

Mr. WHITTEN. I was quoting the Secretary of Agriculture.

Mr. HALLECK. Yes; that is right. The umbrella—that is what he called it and that is what the gentleman calls it, so we will say that that is what it is, but that umbrella has operated to keep the market price on cotton in this country above the support price; has it not?

Mr. WHITTEN. You mean in the world?

Mr. HALLECK. No, I mean the price the domestic producer of cotton, the producer in this country has received for the cotton he sells, and I do not mean the Commodity Credit Corporation, has been above the support price.

Mr. WHITTEN. It has, by holding part of the supply unavailable to the world, we have cotton a little above the support price. But in the process, we have found out that in cutting down United States production, you do not curb world production, but you merely shift the production overseas. This is a changed situation. We have found out that what we do here does not necessarily control the world supply situation, it just transfers such production overseas. Your support level in the United States is one thing under the law. That same law provides for sales in world trade of whatever price it takes to move it. In one way or another we must permit the United States farmers to farm and then sell what they produce. Any corporation with $7 billion investment should know that they cannot keep on buying without selling. I am surprised at you advocating giving away the commodities. How could you lose more?

Mr. DEANE. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield.

Mr. DEANE. Mr. Chairman, I feel that the House of Representatives and the American farmers should commend the gentleman from Mississippi. The majority of this committee brought out a report which they thought would be in the interest of the American farmers. I believe the gentleman now addressing us has worked very hard on this problem. Surpluses that have been moved within recent years, I feel are due primarily to the fact that the gentleman has been pointing out this problem in such a fine way. I commend him. Further, I would like to make this statement. I, too, am vitally interested in the textile worker, but, as I pointed out in my statement earlier today, the comparative buying power of key groups per week is estimated for 1955, as follows:

The farmer only has $37.11 and the average factory worker has $61.37. My point in mentioning it again today and at this moment is to emphasize unless we begin to think in terms of how to take that price squeeze out of the picture, I do not know what is going to happen to my textile workers.

Mr. WHITTEN. I thank my friend. May I make this statement, and then I will close.

Secretary Benson was before the committee, and he discussed how they had tried to swap this cotton off; how they had tried to give away this wheat and the other commodities; how they had tried to get rid of it this way, that way, and the other way.

Speaking as the Director of the Commodity Credit Corporation, I said, "Now, Mr. Secretary, would you please offer it for sale for dollars? Do you not know that the simplest way and the best way and certainly the first way, if you are going to protect our $7 million, is to offer these commodities for sale and make your price competitive?"

We talk about saving money. A $7 billion Corporation constantly increasing rates and paying storage charges and not offering such commodities competitively—and they testified they had $3,792,000—certainly knows it is spending us blind. It is high time we changed the policy.

All this report does is to show there is authority in the law to sell, and the Corporation has the full responsibility of making the decision not to sell. The Secretary says he has made that decision on recommendation of the trade. I believe a majority of the trade knows we must sell. You are going to have to sell commodities for dollars if you are going to try to protect your investment. Giving them away means taking a hundred percent loss. Many folks are willing that CCC take the loss if we just will not lower the price umbrella over the United States interests abroad. If Mr. Benson, who has the authority to sell these commodities, will sell them, and quit paying out storage charges and giving them away, I think he will render great service.

The CHAIRMAN. The time of the gentleman from Mississippi has again expired.

Mr. H. CARL ANDERSEN. Mr. Chairman, I yield myself the balance of the time.

The CHAIRMAN. The gentleman is recognized for 14 minutes.

Mr. H. CARL ANDERSEN. Mr. Chairmen, I regret that the debate on this most important of all bills relative to the farmers of America, has been forced somewhat along political lines today.

It has always been my observation in the 11 years in which I have helped to handle this bill, that here was one measure and one subcommittee that has been devoid of politics throughout the years. I hope that it will continue so.

Mr. Chairman, our Subcommittee on Appropriations for Agriculture, after 2 months of careful study, has reported this bill unanimously. It contains what we consider to be adequate funds for the programs of our Nation's basic industry, agriculture, for the coming year. While our subcommittee of seven members appreciates the grave need for economy, we

also recognize that agricultural prosperity is the foundation of a prosperous national economy. We feel that we have worked out an equitable bill, fair to the farmer, fair to the consumer and more particularly a measure designed to promote the welfare of our great Nation. In reply to the criticisms made here on the floor relative to the report on our bill let me just say, Mr. Chairman, that it has been my experience during the 11 years in which I have helped handle the annual agriculture appropriation bill, that the report is the responsibility and is prepared largely by the chairman of the subcommittee. Certainly the other members, including the minority members, had the privilege of looking over the rough drafts but in the main this report is the work of our chairman, the gentleman from Mississippi [Mr. WHITTEN]. I want to make it clear also, Mr. Chairman, that while I agree with the major portion of this report, I would, if I had the privilege, strike out certain statements. However, I feel that in the main we have given you a comprehensive and informative report and a good bill.

PARITY FOR AGRICULTURE

The Seventh Congressional District of Minnesota, which I have had the honor to represent for nearly 17 years, is one of the few strictly agricultural congressional districts in America. Certainly the business people in the 155 villages and towns in my district and in the other than rural districts cannot prosper unless the farmers who buy goods, manufactured products and services from them receive a fair return for the food and fiber they contribute to the Nation's economy. It is just as simple as that. If the farmer does not prosper, the income of the people in the city districts cannot materialize. We are interdependent and no one segment of our economy can go it alone. Do you realize that the farmer representing 15 percent of our Nation's population produces food and fiber for the other 85 percent? In reporting the bill which provides for the reenactment of our 90 percent price support program, the House Committee on Agriculture brought out the fact that the parity ratio tumbled from 113 in February 1951 to 94 in January 1953. Since January 1953 the parity ratio has declined from 94 to a current level of 86, a change of 8 points while the average of retail food costs has remained unchanged, close to the postwar peak. The committee's study showed that since 1947–49 prices received by farmers for dairy products have declined 8 percent while retail prices on dairy products rose 6 percent. The farm price of food grains dropped 9 percent while bakery products at retail climbed 22 percent and fruit and vegetable producers received 4 percent less while consumers paid 12 percent more. The report disclosed that an important reason for the upward trend in marketing costs over a period of years is the increased packaging costs between the farm gate and the consumer's door. Increased labor costs also accounted for a part of the farm-to-table spread. Wage rates for workers in marketing farm food products increased from $1.23 an hour in 1947–49 to about $1.70 in 1954. Industrial workers can now buy more food with the earnings from 1 hour of labor than in any period of history. Out of each dollar spent by the housewife for domestically produced food, 57 cents now goes for processing, marketing and transportation charges while the farmer receives only 43 cents out of that dollar.

I have brought these facts to your particular attention since I want once and for all to disabuse your minds of the propaganda that has been circulated far and wide that 90 percent price supports are too generous. It is simply not the fact, and these statistics prove it. Since adopting the flexible price support law, our price ratio has slipped from 90 to 86. The farmer does not want an unreasonable price for what he produces, but since his expenses for operation have remained high and his net profits have declined by nearly 30 percent since 1947, he is forced to demand a reasonable price support floor in return for the production of ample food for the Nation. He has no other recourse. Ninety percent price support under our basic storables is reasonable. We all know that when things are scarce prices are high and that high production should mean lower living costs. However, the equation has not worked out as simply as that. Is it fair to ask the farmer to produce the food and fiber the rest of the Nation must have without protection against a ruinous slump because the good Lord blesses us with bountiful production? The manufacturer of munitions of war is protected. Union labor is protected. Business is protected in many ways. Should the farmer be left to rely on the law of supply and demand? All we are asking is a square deal. We are certainly willing to give the same consideration to all other segments of our economy. Furthermore, agriculture must receive parity prices for its production to encourage this basic industry to produce the food our 160 million people require. Every year there are 2,650,000 more people in our Nation who must depend on agriculture for their food. Shall we say to the farmer, "You produce more food than the rest of the Nation needs and we will pay you off by ruining your price level"? Is that a square deal? Shall the farmer be required to answer to the city consumer for the high marketing and distribution costs? I say to you Members from the city districts, let us give the farmer the break he deserves. Let us not close our eyes to the actual situation as far as the farmer's return for his hard work and long hours are concerned. You will not find any farmer putting in an 8-hour day or a 5-day week. There is no minimum wage, guaranteed annual wage, or unemployment insurance in the farmer's book.

If labor and industry are entitled to a square deal, how about the farmer? It is high time that we got the farmer's situation into the proper perspective. Let me give you an example of how I feel the farmer and everybody in our Nation could have been helped. Last fall the egg producers of the Middle West should have received at least 35 cents a dozen for good medium eggs, but because of a comparatively small 5-percent overproduction the egg market collapsed and the average run of eggs through my area brought the farmer scarcely one-third of what he should have received. A little commonsense price support operation at that time would have strengthened the market and would have given assurance of at least a partial fair return to the producer and prevented much of the financial loss suffered by the poultry industry amounting to nearly $300 million over a few months' time. The Department's refusal to grant my request that they buy up the 5-percent excess production makes them responsible, in my opinion, for this tremendous loss in gross income for the country's egg producers. An expenditure of $25 million, or a little more, to buy up this temporary 5-percent overproduction would have prevented the larger loss. The excess shell-egg production could have been donated to the school-lunch program and the income-tax branch of the United States Treasury would have been ahead through the returns in taxes received from the producers. The people who advocate controlling production by lowering or doing away with price supports on agricultural commodities forget the basic fact that the Nation as a whole can easily lose 10 times the cost of price supports by failing to support the market adequately. The egg market situation last fall is a clear indication of what happens when no support, or little support, in the line of a minimum price floor is guaranteed to the producer.

Time and time again I have heard it said that the 90-percent price supports under our basics have resulted in the accumulation of the commodities we now have on hand. Never once have I heard it said that prosperity for agriculture would justify many times the $2-billion loss incurred to date over a 20-year period. Nobody can estimate how many billions came to the Treasury in income taxes during that period because of a prosperous agriculture.

Agricultural prices are on the way down today. One hundred percent of parity should be given to the farmers of America. A net income of approximately $15 billion, or an average of $3,000 per farmer on the 5 million farms now being operated, would result. For every 1 percent which the general parity index declines below 100 percent, the farmers lose at least $150 million in net income. The Nation as a whole loses seven times that amount, or $1 billion in purchasing power for every 1-percent drop in the farmer's net income. Can we afford low farm prices? I contend that a depression will result if we permit this situation to continue. Today we are at the 86-percent level. It is estimated that the net income for 1955 will be $12 billion or less. The curve of loss to the farmer in net income becomes sharper as the parity price index becomes lower. In this year 1955, when most other lines of industry are receiving the highest rate of income ever received, and when prices in Wall Street are so high that they are the concern of the Congress, the farmer will receive $3 billion less in net income, not gross income but net income, than he should receive. I repeat: this $3 billion net loss means a decrease of seven times that amount, or at least $20 billion less in purchasing

power throughout the economic bloodstream of our Nation. Mr. Chairman, we have been pennywise and pound foolish in begrudging agriculture the 90 percent of parity price supports to which it is entitled not only for its own good but for the good of the entire Nation. In the single instance I have pointed out to you, we penalized the farmer because he produced 5 percent too many eggs for the 160 million human beings in this Nation of ours. Suppose the farmers formed a union and arbitrarily cut the production of eggs and poultry by 15 percent. The consumers of the Nation would then be fortunate if they could purchase a dozen eggs for less than $1. Is it not better to recognize that the farmer is entitled to a fair price for the food he produces and thus protect the consumer from exorbitant prices because of scarcity? That fair price should be 100 percent of parity, which in itself is an ever-changing factor, as cost of production changes.

I wish some of those who worry about our surplus foods and the fact that we have some $7 billion invested in farm commodities at this time would visit some of the Near East nations as my subcommittee did and see the results of insufficient food supplies. If you saw the 450,000 Arabian refugees along the border of Israel, as we did, and the little children who have lived in these camps for the 7 or 8 years of their lives with only half enough food, or if you had gone into Pakistan with us and had seen the millions of half-starved refugees that were thrown out of India, you would realize, as we did, what a blessed country America is and how vital it is to the rest of the world that we continue our high rate of food production. These other nations have a real problem. We should share our surplus with them. Those who consider surplus food a curse should take time out to count their blessings. If this great Nation of ours ever comes to the point where it cannot produce sufficient food for our people, then we will be in real trouble.

Our subcommittee could not, of course, go along with the Department's sharp curtailment of the so-called action programs. The Department came to us with a budget providing for reductions in the action programs, including plant and animal disease and pest control, Soil Conservation Service operations, flood prevention, inspection of fresh fruits, vegetables, poultry and eggs, and the school-lunch program. Our subcommittee restored the proposed reductions in these important programs which relate directly to our three greatest assets, children, soil, and water, since we believe firmly that expansion rather than reduction can be readily justified.

Our subcommittee restored the proposed reduction in funds for the Soil Conservation Service and provided an increase for technical service to staff the 58 new soil-conservation districts to be established during the coming year. We felt it was more intelligent to attempt to prevent the results of the drought and dust storms and other hazards which face the farmer than to let them occur and then endeavor to meet them. Work on the Andersen-Hope watershed-protection program has not proceeded according to schedule. Our subcommittee also concluded that the work on the 11 old authorized watersheds should certainly not require 25 years for completion. We would like to see an earlier date set, and it is very apparent that the expansion of this type of conservation work to other areas of the country is not proceeding rapidly enough to meet the real need and demand. We, therefore, provided sufficient funds to restore the reduction in flood-prevention funds and increased the allocation for the work on this and the watershed-protection program.

The reductions proposed in the insect and animal disease control programs and the inspection and grading of fresh fruits, vegetables, poultry, and eggs were restored.

The subcommittee provided a total of $37 million, or an increase of $1,178,000 over appropriations for 1955, for the Department's research programs and insists that the work be done on worthwhile projects. Of this amount, $200,000 has been earmarked for special research on the effect of acreage reductions on the local and national economy. If, temporarily, we are producing too much food in this great Nation of ours, why not take the most practical course and remove 35 million acres of farmland from cultivation? Why produce wheat, corn, and cotton and other crops in surplus? Why not attack the problem at its roots and keep sufficient land out of production to prevent these surpluses? Early in January I introduced H. R. 2370, which so provides and was glad to note recently that Mr. Schumann, president of the Farm Bureau, agrees largely with my proposal. The Izaak Walton League has gone further and announced that they advocate taking 60 million acres of marginal land out of production. Let us, as I proposed several years ago, take 35 million acres of farmland out of production and turn it into a soil fertility bank. Let us retire this much land from production and pay lease rentals averaging about $12 per acre to farmers who cooperate. This will cut down the surpluses and help maintain parity prices for what we do produce. It would do much toward solving the price-support problem.

Particular mention was also made in our subcommittee's report regarding the recent deemphasis on home economics research. Testimony we took from persons engaged in home-demonstration work with farm families indicated that some part of the funds provided for the Home Economics Bureau should be used on such projects as household food consumption and family budgets and expenditures.

Seventeen million seven hundred and fifty thousand dollars was allotted for plant and animal disease and pest control. This represents an increase of $496,000 above the budget estimates, including a supplemental of $500,000 to meet a grasshopper emergency in the West. With these restored funds, the Department will have sufficient latitude to work out arrangements with the States as to adequate financial support and uniform quarantine regulations for those programs where further Federal withdrawal appears warranted. Some Federal participation in these programs will, of course, always be necessary to assure free and unhampered interstate shipment of agricultural products.

The Meat Inspection Service was allotted the full budget estimate of $14,325,000 which will permit continuation of the program at the same level as was authorized in 1955.

One million nine hundred thousand dollars has been allotted for research in foot and mouth disease and other contagious diseases of animals and poultry. I am a strong believer in research and in the dissemination of the results of the Department's findings and certainly hope these funds will be used to practical advantage.

There is another basic problem which I wish to discuss in the few minutes left to me. In my opinion, the Department officials and the Bureau of the Budget made a very grave error when they advanced the idea through smaller funds that the Soil Conservation Service should be subordinated to the Extension Service, and it would appear, gradually eliminated. Our subcommittee very definitely considers that these two great organizations are essential to the welfare of agriculture in America and agreed that neither one should be subordinated to the other. We have made appropriations available in this bill of $48,895,000 for Extension and $45,475,000 for payments to the States and land-grant colleges, for experimental stations, and we increased the item for soil-conservation operations by $2,916,379 above the budget request.

The Rural Electrification Administration's program, so vital to every farmer in the Nation, was allowed $160 million in loan authorizations, the full budget request, together with an additional $100 million injected by our subcommittee for a contingency fund to enable the Secretary of Agriculture to meet any large or unusual needs in any area of the country which could not be handled within the regular authorization. With an estimated carryover of $21 million and probably rescissions of $4 million, the REA will have a total of $185 million available for electrification loans during the coming year, exclusive of the contingent fund I mentioned.

The rural telephone program was given $75 million, which represents an increase of $5 million over the budget estimate and should enable the telephone program to continue at the same level as was authorized last year. There is a large backlog of loan applications on hand and our subcommittee felt it would be unwise to reduce the funds for the program below last year's level. We hope that the additional funds authorized for the rural telephone program will speed up the handling of loan applications and construction work.

We have provided $185,217,957 for reimbursements to the Commodity Credit Corporation to take care of funds advanced for special programs authorized by Congress. The very successful Pakistan wheat program was one of these for which CCC is being reimbursed.

As I said, when I opened my remarks, we have brought a good bill to the House and we have provided for the agricultural programs for America very adequately. I hope the membership will support our measure.

Mr. MARSHALL. Mr. Chairman, I yield such time as he may desire to the gentleman from Georgia [Mr. BROWN].

Mr. BROWN of Georgia. Mr Chairman, I am delighted to have the opportunity once more to support an appropriation for agricultural research and education. The Appropriations Committee is to be commended for including almost the full increase of about $13 million in the Department of Agriculture budget for this purpose. Some of us would have preferred to see an even larger increase. However, the committee faced the difficult task of reconciling the many demands for additional funds with the money available to the Government and in view of these circumstances, I am willing to go along with the committee bill.

Each Member of this House has, I am sure, an appreciation of the value of research, not only to agriculture but to the entire economy. Nothing illustrates the value of research more than the development of frozen orange juice by scientists of the Florida Citrus Commission and the Department of Agriculture, and this is something my friends from cities will be interested in. The consumer benefited from a new product, the producers from a vastly expanded new market for their product, and the general economy from the development of a vast new industry which pays additional revenue each year into the Treasury.

The experience in the citrus industry has been duplicated in other segments of agriculture. Hybrid corn, for instance, has meant greatly expanded production, not only in the traditional Corn Belt but in other sections of the country, as well. The farmers of Georgia, certainly not regarded as corn farmers, nevertheless are sharing in the benefits of this research achievement.

The research work the Department of Agriculture has done has also made possible a much more efficient broiler industry. This is of particular importance to Georgia, where a sizable broiler industry has developed since the end of the war. Broilers can now be produced in 10 weeks on 10 pounds of feed, whereas it formerly took 12 weeks and 12 pounds of feed. This has meant better and less expensive broilers for the consumers and more efficient operation for the poultry raisers.

In almost every phase of agriculture we find that efficiency of production is being increased, costs reduced, and better products produced—all because of continued research activities by the States and Federal Governments.

Despite brilliant achievements we cannot afford to rest upon our laurels. Much remains to be done. Many problems facing the farmers today can only be solved by providing to agriculture a research program that will be more nearly on a par with that of industry.

In speaking of research I include, as a matter of course the educational activities carried on by the extension service and the land-grant colleges. It goes without saying that we must have the means to get out to the farmer the information developed through research and instruction as to how it can be successfully applied.

I am happy to note that the appropriation for these educational activities have also been increased.

Mr. Chairman, even more encouraging to me than the increased appropriation carried in the bill we are considering today is a growing awareness of the value of research and education. Farm groups throughout the country are active in their support of this program.

The part which research can play in solving for the long-range many of the most vexing problems facing agriculture makes it imperative that the Congress keep this program operating at maximum efficiency and that it be expanded in an orderly, systematic manner. To do otherwise would be to break faith with our farmers. We would be denying to the farmers the assistance they need in maintaining a sound and stable agricultural economy.

In conclusion, Mr. Chairman, I wish to voice once more my support of a sound agricultural research and education program and to express to the appropriations committee my appreciation for the increase provided for these activities in fiscal 1956.

Mr. MARSHALL. Mr. Chairman, I yield myself the balance of the time on this side.

Mr. Chairman the subcommittee on agricultural appropriations functioned in an uneasy atmosphere this year. This was caused by the cost-price squeeze on our farms, by concern over the continued decline in farm income, and by a sense of futility that those in charge of things would do as they intend to do anyhow, regardless of how the majority in Congress feels about it. I am sorry to say, Mr. Chairman, that there exists a strong feeling of distrust of the philosophy that is guiding the agricultural affairs of this administration, and a lack of confidence in many of the people who are running them.

As a consequence, the subcommittee this year was required to put in long hours, to dig deeply for the facts, and to sift the facts from the propaganda. The work has been tedious at times. But the load has been lightened, and the work made more pleasant by the good feeling which has existed among the members of the committee. While we have had our honest differences, there has never been a question in the minds of any of us that our colleagues are equally interested in working out constructive solutions to the many-sided and difficult farm problem.

The Members' attitude in approaching this issue has not been the provincial one of looking to the interests of the farmer alone, but that of taking the broad view which relates farm welfare to the consumer, and to the general good. The committee members are quite aware of the fact that agriculture is passing through a temporary period in which abundance of some things represents surplus, but we know it is facing a future of greater demand upon the land and upon the farmer. One does not have to look too far down the corridor of time to see surpluses becoming shortages and this is a fact which we must keep ever in mind in our stewardship of resources.

It has been most pleasant to work with my colleagues on the other side of the aisle. My good friend and neighbor from Minnesota [Mr. H. CARL ANDERSEN], the distinguished gentleman from Washington, WALTER HORAN; and the distinguished gentleman from Illinois [Mr. VURSELL]. The work of our distinguished chairman from Mississippi, JAMIE WHITTEN, is well known. Two new distinguished Members for the majority, the gentleman from Kentucky [Mr. NATCHER] and the gentleman from North Carolina [Mr. DEANE] have both made important contributions to the work of the committee. You will note, Mr. Chairman, that our committee is broad-based, giving representation to all parts of the country. I can say from the experience of working with the Members that they also have given representation to all types of views that were presented to the committee, and have arrived at their conclusions from the point of view of the whole people, and the needs of all.

Mr. Chairman, if the time permitted, it would be well to have an accounting of the last 2 years in agriculture, during the regime of President Eisenhower's Secretary of Agriculture, Mr. Ezra Taft Benson. Secretary Benson is beginning his third year of tenure; his third year of stewardship over affairs involving the bread and butter, the health and education, the success and happiness, or lack of it, of the 21 million persons on farms. The men and women on farms, Mr. Chairman, are well aware of this situation. They have taken an accounting, and many of them are looking to the next 2 years with concern, as they have looked back on the last 2 with regret. This committee regrets that so little has been gained by so much spent.

The record shows that the Congress has been generous with the Department of Agriculture. It has given Mr. Benson most of the things he requested. To name just a few, he was given power to reorganize the Department of Agriculture as no other Secretary has had. He was granted the request to name two additional Assistant Secretaries, giving him more assistance at the top. The Congress has been generous with funds for operation of the Department. Secretary Benson was given more in the last session of the 83d Congress than the Bureau of the Budget authorized. The Secretary is getting generous treatment in this bill.

The bill being brought to the floor today for the operations of the Department during the coming fiscal year has been gone over carefully by the committee. While it is being brought to the floor below the budget request, it gives to the Secretary of Agriculture everything that he has asked for and more. In short Mr. Chairman, it has been the policy of the committee, not only this year but the year before, to give Secretary Benson authority, opportunity, and the power to act.

To put it mildly, I have been disappointed at the treatment given my farmer friends and neighbors during the last 2 years, and I view with some concern what appears to be in prospect for them during the next 2. Sometimes the little things, like the squirrels, are more meaningful than the bigger ones. It is remarkable, for example, how few times the farmer has been mentioned during testimony of officials of the Department of Agriculture. At the same time, a great deal of attention has been paid to the handler, the processor, and the middleman. Everybody knows that the processor and the handler perform necessary and proper functions. This merely reflects an attitude of mind that to me is significent. If the farmer and the consumer are not forgotten, they are to say the least, no longer sitting at the head table in the Department of Agriculture. I am wondering if the taxpayer is not sitting at second table, too, Mr. Chairman?

Running through the record of our hearings this year is evidence of improvidence, of neglect, of carelessness, of inefficiency, of waste, of little accomplishment, and in many cases of practices of a questionable character. This, I believe, is the product of a state of mind which too often, it seems to me, puts business, and business profits, ahead of everything else.

Mr. Chairman, this committee has been accused by the Secretary of Agriculture of playing politics. Let me ask you how many times you have heard the honorable Secretary speak of the need for reducing taxes, of the need for balancing the budget, of the need for practicing economy in the administration of governmental affairs. The purpose of reducing price supports was to achieve economy. The purpose of changing the administration of the county and community committee system of the agricultural stabilization program was to achieve economy. I could go on without number citing the occasions on which the high officials of the Department of Agriculture have cited the need for economy as the reason for doing this, or doing that.

Mr. Chairman, if we keep on getting the kind of economy from the Department of Agriculture that we have been getting in the last 2 years, the farm programs of this country will be wrecked, and the Treasury will be bankrupt.

Mr. Chairman, Henry Wallace was a cheapskate compared with our present Secretary of Agriculture when it comes to passing out the taxpayer's money. Let me give you a set of figures provided by the Department of Agriculture itself at my request and to be found on pages 1294 and 1295 of part 3 of our hearings. I am referring to a table showing the realized gains and losses of Commodity Credit Corporation from the very beginning in 1933 to the present date, and providing estimates for the entire fiscal year ending next June 30. Here are the facts:

Total losses of the Commodity Credit Corporation from its beginning in 1933 to June 30, 1953, were $1,049,994,726. These losses are exclusive of the wartime consumer subsidies which had nothing to do with the cost of farm programs. Total losses of the Commodity Credit Corporation for the same items for the 2 years ending on June 30, 1955, are estimated by the Department of Agriculture as $1,448,405,610. Actual losses last year were $588,333,333.33. Estimated losses for the present fiscal year are $860 million. The total losses reported for these 2 year alone exceed by approximately $400 million total losses for the 20 previous years.

In other words, Mr. Chairman, the losses of Commodity Credit Corporation in a mere 2 years have exceeded by approximately $400 million all the losses of all the Secretaries of Agriculture in the preceding 20 years. I think it is fair to ask, Mr. Chairman, is such extravagance the result of incompetence and poor judgment, or is it deliberate and premeditated to make the previous programs look bad? A lot of people are wondering.

At no time within my memory have we spent so much and gained so little, Mr. Chairman. Spending on such a scale—nearly a billion and a half dollars in 2 years—could be justified if it helped the farmer and the consumer. Has it aided either the farmer or the consumer?

Since 1952, farm income has declined $1.6 billion, or a little more than Secretary Benson spent on CCC operations. In the last year, farm income came down 10 percent for the year as a whole, but the decline from the last quarter of 1953 to the last quarter of 1954 is even greater—nearly 15 percent. Has farm income stopped going down? The March 25 report of the Agricultural Marketing Service of USDA says:

> Farmers received approximately $4.5 billion from marketing in the first 2 months of 1955—down 5 percent from a year ago. Prices averaged 5 percent lower.

No, the farmer is not doing so well.

Has the consumer been aided?

The House Agriculture Committee has just reported that housewives paid the highest prices on record for some foods last year, in spite of the lower prices to farmers. Here are some examples reported by the committee: Last year grocery store prices were 13 percent higher than during 1947–49, while farm prices were 7 percent lower. Cereal and bakery products were up 22 percent, while the price of food grains to the farmer was down 9 percent. The housewife paid 6 percent more for dairy products at retail, while the farmer got 8 percent less. It cost 12 percent more to put fruits and vegetables on the table, while the producers of these crops were receiving 4 percent less. No, the consumer is not making any profit out of the farm distress, either.

I am afraid the truth is, Mr. Chairman, that the Secretary and his business associates have been so anxious to turn back the clock, that the programs of the last 20 years that could be changed, have been changed. The programs that could not be assaulted frontally have been subjected to sneak attack.

The excellent and respected soil-conservation service has been subjected to threat and harassment by task forces from within and without. The system of elective county and community committeemen to administer action programs locally has been shattered and shell-shocked. The REA cooperatives and the rural-electric power program that has meant so much to farmers is threatened with virtual bankruptcy by proposals of the Hoover Commission which would require higher interest rates and financing through private lending agencies. A director of the Federal Crop Insurance Corporation is associated with a group of private insurance stock companies planning to introduce all-risk crop insurance in some 40 low-risk area counties next year.

It is my feeling, Mr. Chairman, that the price-support program has been subverted in the name of economy that does not exist. The various aids for agriculture have been castigated at the bar of public opinion like a common streetwalker. In the meanwhile, big oil, big power, and big business generally have slipped around to the backdoor of this administration to make off with the big giveaways.

For the Department to say that all this spending is due to previous farm programs is a little too much, Mr. Chairman. We know that these programs have not been perfect. We know that there are real problems in agriculture to be dealt with. We do not expect miracles from the Department of Agriculture, but we do expect good judgment and commonsense.

Our chairman, JAMIE WHITTEN, has very ably pointed out how the Department has failed to exercise its authority to move surplus commodities into the export markets. I would like to direct your attention to some of the domestic policies and practices.

For 2 years Department officials have known that something would have to be done eventually with the acres that had to be diverted from surplus crops. Yet very little actually has been accomplished. It is obvious that the proper thing to do with such acres is to divert them to the extent possible to grass and legume crops and other conservation uses. Yet, the Department has gone sharpshooting for the soil-conservation service program, and it has hacked up the agricultural-conservation program to the point where it is not serving the useful purpose it could serve.

The State agricultural colleges, for example, have been recommending annual use of agricultural limestone in this country of a little over 80 million tons as the amount needed year by year for good conservation use. Never have we even approached this tonnage in a year. Peak use of limestone was in 1947, when approximately 30 million tons—or nearly two-fifths of annual need—were put out on farms, due largely to the agricultural conservation program. In 1953 the use of limestone on farms had dropped to 20.6 million tons, or only about a fourth of annual need. Some officials estimate that for 1954 the use of lime will come down to between 17½ and 18 million tons, or only a little more than one-fifth of annual needs. The significant point is not only that our annual use of lime is growing more and more deficient each year, but that both commercial sales and

sales made through aid of the agricultural conservation program have come down steadily and are still declining.

It would make a great deal more sense, Mr. Chairman, to store fertility in the soil than to produce commodities for storage in Commodity Credit Corporation bins and warehouses during this period when surpluses are a temporary problem. I would be remiss if I did not call the attention of Congress to the fact that my colleague the gentleman from Minnesota [Mr. H. CARL ANDERSEN] and I have offered legislation to correct this situation, but the Department has shown little interest in the question.

Let me direct your attention to a few of the items that are brought out in our hearings on the Department budget this year. You have heard officials say much about the need for moving surpluses out of warehouses and into stomachs. Yet we find the Department making poor use of the facilities it has at hand to do just that. You well remember how egg prices last fall declined to lows comparable with those during the depression years of the thirties. You well remember how many of the States requested the use of poultry and egg products in the school-lunch program. Some of you may recall that in the spring of last year some officials of the Department were saying it might be necessary to support the price of eggs. However, by fall the Department had changed its mind, and the promises of spring fell as dry leaves in the autumn.

Mr. Chairman, you have heard much said by officials of the Department about the high cost of storage for these so-called surplus grains. It is true that the cost of storage has gone up. In fact, the cost of Commodity Credit Corporation of storing a bushel of grain has almost doubled. These are CCC's own figures, supplied on page 1302 of part 3 of our hearings. In 1951 CCC had in round figures an average inventory of 296 million bushels. During that year it received 107 million bushels of grain and loaded out 19½ million bushels. The cost of storage on a bushel of grain in that year was put at 6.6 cents a bushel. Last year CCC had in inventory 321 million bushels of grain. It received 196 million bushels and loaded out 55 million bushels. But the average cost of storing a bushel of grain had gone up from 6.6 cents a bushel to 11.3 cents a bushel—almost double.

Now some of the officials in the Department say that the reason for this nearly doubling in storage cost is due to the increased volume. But the higher cost cannot be explained this easily, Mr. Chairman. There is not enough difference in the volume handled during the 2 years I have mentioned to account for a near doubling on the cost of storing a bushel of grain. The real reason for the higher cost, I am advised, is not the increase in volume, but the fact that the method of handling the grain has been changed. In 1951, practically all the grain in CCC bins was handled by and under the supervision of the county committemen in the locality where it was stored. Since then, the order has gone out from the Department of Agriculture to have the stored grain handled commercially, and this is the real reason for the increased cost.

At another point in our hearings the Department submitted figures—page 1306 of part 3—showing that the county committee expenses have increased from $35,987,443 in 1952, to $68,963,364 in 1954. This is almost double the expense of 2 years ago. It covers all programs exclusive of CCC grain storage structures. Department officials say the reason for this huge increase in county expenses is due to the larger number of acreage allotment and marketing quota programs. It does not appear to me, Mr. Chairman, that the Secretary is getting the economy he claimed for the new system which makes the county committee advisory rather than administrative. Higher costs could be condoned if this brought about improved administration. But this is not the case. In many instances, the change has brought about only frustration and confusion in the minds of county and community committeemen. It has led to less administrative responsibility, and has resulted in a lack of respect for the farm programs being administered locally.

The change has shown that the problem of finding office managers qualified to meet the complex day-to-day problems faced in a county ASC office has been extremely difficult and too often unsuccessful. In many cases that have come to my attention, the information and instructions going out to the counties from Washington have been confusing and contradictory, resulting in inefficiences in the local offices.

Mr. Chairman, I would like to remind the Members of Congress that when the Secretary of Agriculture appeared before our committee on Wednesday, February 25, 1953, he said that—

> No problem that we have inherited has been more difficult than the decision on the support price for butter. We have consulted long and earnestly with the trade, with the congressional advisers, and with farmers.

Since that time, of course, the price support for dairy products has been lowered, and the Secretary now feels that the dairy situation is on the way to improvement. Well, those of us in the dairy country hope he is right. The Secretary's program for dairy farmers has been an extremely costly one for the dairy farmer. In the first year of operation of Secretary Benson's program, cash receipts from the sale of dairy products have declined by $254 million. From January 1, 1954, to January 1, 1955, the inventory value of cows and heifers kept for milk on our dairy farms has gone down by another $353 million.

This is a pretty stiff rap for the dairy farmers to have to take, Mr. Chairman. But it appears that some of the feed manufacturers in the country made a pretty good thing out of the sale of dry skim milk stocks by the Commodity Credit Corporation. Last year CCC sold close to 575 million pounds of dried milk as feed. The price, of course, had to be much lower than the usual price as feed. In fact, it got the whey people into trouble, and the Department had to get up a whey price support program to protect whey manufacturers who also were selling their product for feed. It is interesting to note, Mr. Chairman, that one feed company alone purchased a little more than 80 million pounds, or nearly one-seventh of the total, of this excellent feed, at bargain rates.

Mr. Chairman, the Department of Agriculture has been studying the farm situation ever since Secretary Benson came into office, and so far as I know it is still studying the situation. I hope the Department eventually will come up with some sound and constructive answers and solutions. In the meantime, your subcommittee on agricultural appropriations has made some recommendations which it hopes the Department will take to heart.

One is that the Department will provide a sales manager for Commodity Credit Corporation. It is the feeling of the members that a man of good judgment and common sense in such a position cannot only help to put some of our more burdensome surpluses to good use, but also can help to keep down unnecessary costs.

Another recommendation is that the Department not merely quit sniping at conservation activities, but also develop a constructive program for diversion of surplus acres to other useful purposes. A special fund of $200,000 has been earmarked for research on the effect of acreage reductions on the local and national economy.

The committee has noted with some concern the fact that the farmer's share of the consumer's food dollar has fallen to only 43 cents—a decline of 11 cents since 1945. The committee recommends that a special study be started immediately to develop information on a few of the major food crops in different parts of the country with the hope of being able to reduce the spread between the farm price and what the consumer has to pay. A special fund of $1 million has been earmarked for this purpose.

The committee also recommends that greater and more effective use be made of the school lunch and section 32 purchase programs to aid in stabilizing prices of products temporarily flooding markets, and to help in improving the diets of our school children. These programs have not been used to the extent they could be, or to the extent for which the Congress intended them to be used.

The tendency of this administration has been to knock out working programs before adequate replacements were provided. In too many cases we have seen the Department knock down the scaffold before it finished the building.

It is believed that the adoption by the Department of the committee's recommendations will not only help in the handling of surpluses and the reduction in costs, but also will be of positive assistance to farmers and consumers alike.

Mrs. CHURCH. Mr. Chairman, will the gentleman yield?

Mr. MARSHALL. I will be very glad to yield to the charming, distinguished gentlewoman from Illinois [Mrs. CHURCH].

Mrs. CHURCH. I thank the gentleman. The lady has been sitting here since early today to get an answer to a question in reference to this bill. I understand from the one gentleman who

very kindly explained the bill that there are $375,000 allotted for fruit, poultry, and egg inspection and grading program. This may seem like an anticlimax to the arguments that have been had today, but I would like to know what proportion of that amount goes for the inspection and grading of eggs and poultry.

Mr. H. CARL ANDERSEN. We restored $320,000, of which $220,000 is for fresh fruits and vegetables and $100,000 to take care of chickens and poultry.

Mrs. CHURCH. The same as last year?

Mr. H. CARL ANDERSEN. That is right. I regret that I did not yield to the gentlewoman earlier.

Mrs. CHURCH. I thank the gentleman.

Mr. HAGEN. Mr. Chairman, will the gentleman yield?

Mr. MARSHALL. I yield to the gentleman from California.

Mr. HAGEN. I would like to ask the gentleman's indulgence to ask a very brief question. On page 18 of the report, in relation to the Marketing and Research Service, the statement is made:

> The funds include an increase of $200,000 for market news services. The committee has allowed the full budget increase of $125,000 to initiate this work in seven new locations.

Were those locations recommended by the Department in their budget?

Mr. MARSHALL. That is correct. In addition to that, we recommended that $75,000 be expended to set up services in those areas where people had appeared before the committee in making a request. We did not earmark those and we did not say specifically to the Department: "You must" because there is such a thing as a contribution of funds on the part of the local people. We have asked them to review this.

Mr. HAGEN. Does that $75,000 cover all of the requests of those appearing before your committee?

Mr. MARSHALL. They cover all of the requests of people who appeared before our committee. They do not cover all of the requests that have been made to the Department.

Mr. HAGEN. But all the requests that were made of your committee by witnesses?

Mr. MARSHALL. That is correct.

Mr. HAGEN. Now, one more question with reference to the school-lunch program. This $15,236,000 plus which you added, that is in this fund which the Federal Government uses to make purchases for distribution of supplementary commodities to the various schools?

Mr. MARSHALL. That is the fund known as section 6 funds, the school-lunch program, and it restores that to the same level that it was last year. In addition to that, the Department of Agriculture has section 32 funds that they may use for the purchase of commodities. The committee very strongly feels that the Department should make more use than they have in the past of section 32 funds to purchase commodities to distribute to the schools.

Mr. HAGEN. Do I understand correctly that none of the section 6 funds, the $15 million plus, were used directly by the Federal Government for purchase on its own account?

Mr. MARSHALL. The Federal Government uses these funds to purchase commodities to provide a balanced diet to the school children where local demand and local contributions are made.

Mr. HAGEN. I thank the gentleman.

Mr. JENNINGS. Mr. Chairman, will the gentleman yield?

Mr. MARSHALL. I yield to the gentleman from Virginia.

Mr. JENNINGS. I want to first compliment this subcommittee on the very fine piece of work that has been accomplished on this bill, especially as it pertains to the soil conservation program. I think that is one of the essentials. It is one of the things that I have received more correspondence on from my people concerned, and I am glad to see that you restored that amount to the appropriation. I am also glad to see that you kept this soil conservation part separate, because I think it can stand on its own bottom. It has done a fine job.

Mr. MARSHALL. This committee is very much interested in it. It not only restored the fund but provided a modest increase.

Mr. JENNINGS. To provide for the personnel to carry it out.

Some of the questions I wanted to ask were covered by my colleague, the gentleman from California [Mr. HAGEN], especially as they pertain to the school-lunch program. I want to commend the committee for that as well as the other provisions in this bill.

Mr. MARSHALL. I thank the gentleman from Virginia.

Mr. GAVIN. Mr. Chairman, will the gentleman yield?

Mr. MARSHALL. I yield to the gentleman from Pennsylvania.

Mr. GAVIN. Not that I am too well informed on this cotton situation, however the proposal of my very good and able friend the gentleman from Mississippi [Mr. WHITTEN] is not quite clear to me. As I understand it, he proposes that a certain cotton tonnage will be offered to foreign buyers, less than the American market, and that a smaller amount would be offered to the textile operators on the same price basis as that offered to the foreign buyers. Is that right?

Mr. MARSHALL. I would say this to the gentleman, We have insisted in our committee that we do dispose of Commodity Credit Corporation stocks at a competitive price in the world market in the manner already set out in the CCC charter. In addition to that, the distinguished chairman of our committee informed the House this afternoon that he has been interested in legislation which is not now on the statute books that would provide that some consideration could be given to the textile manufacturers. That is something that I am not familiar with. It is something that would require additional legislation, and I do not feel that I would be able to discuss the virtues of that. That would be something that would need to come up to the House from the legislative Committee on Agriculture. It is beyond the authority of the Committee on Appropriations.

Mr. GAVIN. Would the gentleman express an opinion that if we sold this cotton to the foreign buyers at a price below the American market, with the low-paid labor in all these various countries and the possibility of the reciprocal trade treaties being adjusted, that that might let the bars down and that we might put the textile producers of the United States out of business completely?

Mr. MARSHALL. I would like to say, however, to the distinguished gentleman from Pennsylvania—and I think he entirely agrees with me—that it is a poor policy that establishes an umbrella over world markets, that provides for markets in the world taking over markets which formerly belonged to the American producers. I think he agrees with me to that extent.

Mr. GAVIN. I just want to say that I commend my very good and able friend. My feelings toward him are mutual.

Mr. MARSHALL. I thank the gentleman. I should like to say this to the committee, that we have had some discussion this afternoon concerning the report and some implication was made that this report was written by the distinguished chairman of our subcommittee. I should like to say to the members of this committee that I was given ample opportunity to read the report. It happened on some occasions when I made a visit to the committee room I saw Members of the minority reading the report. I feel there was ample opportunity given for members of this committee to read the report.

I should like to say also that I have served on other subcommittees in this House, but I have never served on any subcommittee where more latitude was given for the witnesses appearing before the committee than was given to the witnesses appearing before this subcommittee. They were given the opportunity of correcting their remarks. This committee wanted facts. We are not interested in just a lot of theory, and so on. We wanted to give the Department of Agriculture every opportunity to supply the facts for the record. Our distinguished chairman was very fair toward all the members of this committee. I have served on committees where I thought the chairmen were extremely fair, but I have never served on any committee where the chairman was more fair than our distinguished colleague from Mississippi [Mr. WHITTEN].

The pleasure of serving on this committee is one that can hardly be expressed in words. All the members of the committee were diligent in performing their duties. They attended the sessions which were long and tedious. We were all interested in the welfare of the American farmer.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. MARSHALL. I yield to my colleague from Minnesota who is the senior member of our State delegation and one for whom I have a high regard.

Mr. AUGUST H. ANDRESEN. I have very high regard for the gentleman. I know the gentleman wants to be fair. He said that Secretary of Agriculture

Wallace, when he served, was a cheapskate as compared to the present Secretary of Agriculture, Mr. Benson. I know the gentleman has taken the figures for 20 years to show the losses in the Commodity Credit Corporation. I know that while he does not mention it, he will admit that the Commodity Credit Corporation was reimbursed for between $5 billion and $10 billion in Commodity Credit surpluses which were shipped over and given away to other countries. We got rid of those surpluses, but the American taxpayer paid for them during the war period and during the operation of the Marshall plan. Now that is not figured as a loss, but the taxpayers paid the bill. Would not the gentleman concede that that ought to be included as part of his remarks to be strictly fair about it?

Mr. MARSHALL. I am glad the gentleman from Minnesota reminded me of that because, as he knows, it is my intention to be fair. I do want to say that the commodities which were distributed under these other programs were not charged to the losses of the Commodity Credit Corporation. These are figures we received from the Department of Agriculture. However, I do also wish to state that the same type of program is now continuing so I do not think any reference you have to those losses and gains, as compared with those of the last 2 years, really has much relevance.

Mr. AUGUST H. ANDRESEN. During the 20 years to which the gentleman has referred, of course, we had two wars. It is often said that food will win a war. I do not believe that is said about peace, but it ought to win a peace, so that I think we have to take all of these things into consideration as to how we got rid of the surpluses; otherwise the Commodity Credit Corporation would have been broke long ago.

Mr. MARSHALL. I am glad the gentleman raised that point because there has been a certain amount of talk going around the country that at no other time has there been a surplus. There have been surpluses many times. I am sure the gentleman agrees with me that we have a far happier country because we do have some surplus than would be the case if we had some shortages. I would like also to call the attention of the gentleman to another thing which I was going to discuss, but I do not think time will permit. While we are talking in terms of losses of the Commodity Credit Corporation, that does not take into account the losses that have been taken by the farmers, particularly the dairy farmers and their loss of income, together with the loss in inventory of their dairy herds, which runs up, as the gentleman knows, to quite a high figure.

Mr. AUGUST H. ANDRESEN. I agree with the gentleman on that, but I want to bring up this other point because we have had these two wars to help get rid of these surpluses. Then we had the Marshall plan where we gave away $6 billion or $7 billion of cotton, wheat, tobacco, and a good many other farm commodities. I know the gentleman agrees with me that we should consider our surplus as a blessing rather than a curse. I have been dealing with the problems of surplus farm commodities ever since I came to the Congress, which is some years ago, when we had the old McNary-Haugen bill, and when we were advocating the two-price system, which I understand, from talk around here today, that there are people who want to put that into operation. I think that is still a good system.

Mr. MARSHALL. Whether that will be put into operation or not, as the gentleman knows, would be a matter for the legislative committee and not a matter within the jurisdiction of the Committee on Appropriations.

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. MARSHALL. I yield.

Mr. WHITTEN. The law setting up the Commodity Credit Corporation provides that at the present time. It is the failure to use that authority of the Corporation which keeps you from using it.

The CHAIRMAN. The time of the gentleman has expired.

All time has expired.

The Clerk will read.

The Clerk read the bill, as follows:

Be it enacted, etc., That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1956, namely:

Mr. WHITTEN (interrupting the reading of the bill). Mr. Chairman, I ask unanimous consent that the bill be considered as read and be open to points of order and amendments.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The CHAIRMAN. Are there any points of order to be raised?

Mr. PHILLIPS. Mr. Chairman, I move to strike out the last word.

Presuming that we have reached line 14 on page 3, or line 15 on page 4, I would like to ask the gentleman from Mississippi [Mr. WHITTEN] or the gentleman from Minnesota [Mr. H. CARL ANDERSEN] if they would be kind enough to refer to page 11 of the report and then, on behalf of the California delegation, for which I speak today—those who come from rural areas—to answer this question about the research money. I know that just as soon as this report is on the wires there will be inquiries made regarding the alleged cut in the research money. As I read this, my interpretation is that there has been no cut in the research appropriation as compared to appropriations for previous years. There has been a slight reduction in the increase asked for next year.

Mr. WHITTEN. That is correct. We tried to point out what we thought were relatively minor types of work they were doing, and for that reason we did not go along with the full amount of the increase.

Mr. PHILLIPS. May I ask the gentleman if he has any estimate of what money is left over from the preceding year, or will any be carried over into the 1956 appropriation?

Mr. WHITTEN. It is my understanding that these funds do not carry over. However, I would like to point out that we granted an increase of $1,700,000 in the research money. Last year was considerably higher than the year before.

Mr. PHILLIPS. However, the next line says, which will cause confusion:

A reduction of $684,000.

Mr. WHITTEN. That is below the budget, but it still leaves this increase of approximately a million dollars.

Mr. PHILLIPS. The gentleman understands I am getting some statements on the record for the purpose of answering questions.

The next question is, we have had allowances, for example, for the Mediterranean fruitfly which once threatened Florida, and for the Mexican fruitfly which has infested areas along the Mexican and California border, and we were threatened a couple of years ago with the oriental fruitfly. Does the gentleman feel there is money enough in this items to carry on the necessary research which has shown such excellent results in controlling these pests?

Mr. WHITTEN. I certainly do; in fact, in view of the increase we have made there are means whereby the research could be strengthened.

Mr. PHILLIPS. And in the northern part of the State there has been some excellent research done in the matter of insecticides and their effect when sprayed upon fruit and perishable commodities. Can the gentleman give us assurance that it is contemplated that that type of research shall be carried on and that money has been provided for it?

Mr. WHITTEN. Certainly that is true, and it applies to other sections of the country where these outbreaks are much cheaper to handle at the outset rather than waiting for them to spread over wide areas.

Mr. PHILLIPS. I thank the gentleman and yield back the balance of my time, if any.

Mrs. ROGERS of Massachusetts. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rise to ask the chairman of the committee if ample provision has been made for research work on the bean. I understand they are now able to make fibers from the bean, fibers that can be used in the manufacture of textiles. That inquiry came to me only today.

Mr. WHITTEN. We did not have a specific item of that sort submitted to us. We have tried to avoid pinpointing the use of every dollar in the bill. But I am sure the gentlewoman can see that with $37 million in this item and authority in the department to make a shift of funds, and in the bureau itself to make a shift of as much as 7 percent there are ample funds with which to undertake any of these worthwhile research programs without specific direction from the committee.

Mrs. ROGERS of Massachusetts. I hope so, but I am sure the gentleman remembers the frustration that was experienced in many of these control programs in the past.

Mr. WHITTEN. We believe this is the better way to handle this matter of research; otherwise, we would have to

specify some $40,000 or $50,000 for each individual item, and that we are hardly prepared to do.

Mrs. ROGERS of Massachusetts. I thank the gentleman and congratulate the committee.

The CHAIRMAN. Are there any amendments?

Mr. WHITTEN. Mr. Chairman, I have one corrective amendment. I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WHITTEN: Page 14, line 12, change the figure "1955" to "1956."

Mr. WHITTEN. That is to correct a clerical error.

The amendment was agreed to.

Mr. WHITTEN. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with an amendment, with the recommendation that the amendment be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. FORAND, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 5239) making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1956, and for other purposes, had directed him to report the bill back to the House with an amendment, with the recommendation that the amendment be agreed to and that the bill as amended do pass.

Mr. WHITTEN. Mr. Speaker, I move the previous question on the bill and the amendment to final passage.

The previous question was ordered.

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. WHITTEN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. AUCHINCLOSS. Mr. Speaker, the great economic and social progress we have made as a nation is in direct relation to what we have done in this country to expand our production and increase distribution. Through these efforts more and more goods have steadily become available to more and more people. Through this process, we have greatly expanded employment opportunities for our people and sharply increased both their income and buying power. All of this is directly reflected in the high standard of living that prevails throughout this land and of which we are all so justly proud.

In large part, the improvement in living conditions which has so steadily taken place in this country stems from the fact that our people have long had the incentives needed to encourage the exercise of individual initiative. Our people have the willingness to work and the desire to bring about improvements. These attributes and the advanced techniques that have been developed in production are among the basic reasons for the striking gains we have made as a nation.

The productive resources of our agriculture have contributed heavily to our national progress. The capacity of our farms to produce has risen to an unprecedented level. The very fact that our agriculture is so highly productive provides our Nation with a firm foundation for continued growth and development.

Looking ahead to the future, one of our basic needs is to improve the balance in our agriculture so as to make the most effective use of our productive resources and at the same time meet all of our requirements for farm products. We need to promote desirable shifts in production, both from the standpoint of improved nutrition and pattern of land use. In all of this, we need to make sure that agriculture continues to make its full contribution to the Nation's healthy growth and development.

Last year Congress took definite action to help facilitate the adjustment that our agriculture needs to make to cope with the sharp changes in demand that have come about since the end of the war. One important step was to provide a system of flexible price supports which will enable farmers to keep their operations adjusted to the requirements of our expanding economy. This move will also help minimize the need for production and marketing controls which have had to be imposed by virtue of mandatory high rigid price supports. Although this is the first year that flexible price supports will go into effect under the legislation enacted by the last Congress, it is already becoming evident that this is the best course we can take to achieve and maintain a balanced and fully productive agriculture.

Experience in recent years has amply demonstrated that rigid high price supports lead to the accumulation of unwanted surpluses which necessitate forced restrictions and sharper and sharper cutbacks in production. To the extent that farm production is cut back and restricted, it, of course, tends to reduce farm operations. This in turn tends to undermine national prosperity on which profitable farm markets depend.

High rigid 90-percent price supports have continued in effect over the last few years despite the drastic changes that have taken place in the war and immediate postwar demand picture. The conditions created by this have made it necessary for the farmers of our country to cut back their highest profit crops by some 35 to 40 million acres. These reductions were made in some of the most fertile and productive farming areas. The effect of this curtailment is already being felt in many communities. From an overall standpoint, it tends to slow down the expansion of our total economy.

When agricultural production is restricted and cut back as has been necessitated by the high rigid price supports, all those who sell to or serve farmers, transact less business. This affects sales of farm machinery, fertilizers, chemicals, automobiles, and all other supplies and services required when farms are in full production. The decline in sales to farmers brings on a reduction in the amount of employment in both business and industry. This is in addition to the great loss of jobs that result directly from cutting production back on the farms and is reflected in less work in producing, harvesting, processing, transporting, selling, and storing agricultural products. The result of all this is a vicious spiral of declining incomes and buying power in virtually every segment of our economy.

The importance of increasing and maintaining farm production at a high level, cannot be overemphasized if we are to maintain full employment at good wages. For farmers to get more profits there must be increasing production—and increasing consumption. This cannot be achieved by restrictions and production cutbacks which in reality mean scarcity. Agriculture must produce—and produce in large volume if it is to be most profitable and also provide the means for farmers to buy the goods and services which our towns and cities have to offer.

There is an interdependence between agriculture and business and industry which is too easy to overlook. Full agricultural production helps maintain full employment of labor in productive enterprises. In turn, when workers have good incomes, it helps insure strong markets for the farm products desired by consumers.

Our farm people represent close to a 30-billion-dollar market for nonfarm goods and services of all kinds. In terms of raw materials alone, our farmers are customers for 7 million tons of finished steel, 50 million tons of chemical materials, 17½ billion gallons of crude petroleum, 300 million pounds of raw rubber, and 22 billion kilowatt-hours of electric power.

This huge volume of buying power exerts a tremendous leverage throughout our national economy. It is estimated that the purchases made by farmers provide nonfarm employment for from 5 to 6 million persons, or about 10 percent of total nonagricultural employment. In addition, these nonfarm workers employed because of agricultural purchases also make a market for industrial goods—and these workers, in turn, create an additional market. Altogether, it is reasonable to assume the expenditures by farmers account both directly and indirectly for about 15 percent of the total nonfarm employment.

The great contribution that agriculture is making to our way of living can be maintained and increased only by expanding production in keeping with the requirements of our growing economy. Our country did not become great by restricting production and following a policy of scarcity. By the same token, our country will not remain great under

such an approach which would ultimately place us in an economic straightjacket of inhibited production and consumption. Through the years we have learned that a dynamic economy requires both increased production and increased consumption. Ours is a dynamic economy and we must keep it so if we are to enjoy a continuing rise in our standards of living.

AMENDMENT TO CREDIT UNION ACT

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PATMAN. Mr. Speaker, I have introduced today a bill to amend the Federal Credit Union Act. It is as follows:

A bill to amend the Federal Credit Union Act

Be it enacted, etc., That paragraph (7) of section 7 of the Federal Credit Union Act (12 U. S. C., sec. 1757 (7)) is hereby amended by striking out the word "or" after "(d)" and inserting before the period at the end of the paragraph the following: "; and (e) in shares of other credit unions in the total amount not exceeding 10 percent of its paid-in and unimpaired capital and surplus."

OBJECTIVES OF PROPOSED LEGISLATION

The objective of this bill is to make an amendment to the Federal Credit Union Act, as amended, as hereinafter described.

Paragraph (7) of section 7 of the Federal Credit Union Act—Twelfth United States Code, section 1757 (7)—now reads as follows:

To invest its funds (a) in loans exclusively to members; (b) in obligations of the United States of America, or securities fully guaranteed as to principal and interest thereby; (c) in accordance with rules and regulations prescribed by the Director, in loans to other credit unions in the total amount not exceeding 25 percent of its paid-in and unimpaired capital and surplus; (d) or in shares or accounts of Federal savings and loan associations, and in shares or accounts of any other institution, the accounts of which are insured by the Federal Savings and Loan Insurance Corporation.

It is proposed to amend paragraph (7) of section 7 to read as follows:

To invest its funds (a) in loans exclusively to members; (b) in obligations of the United States of America, or securities fully guaranteed as to principal and interest thereby; (c) in accordance with rules and regulations prescribed by the Director, in loans to other credit unions in the total amount not exceeding 25 percent of its paid-in and unimpaired capital and surplus; (d) in shares or accounts of Federal savings and loan associations, and in shares or accounts of any other institution, the accounts of which are insured by the Federal Savings and Loan Insurance Corporation; and (e) in shares of other credit unions in the total amount not exceeding 10 percent of its paid-in and unimpaired capital and surplus.

The change in this section as indicated would permit credit unions chartered under the act to invest to a limited extent in the shares of other credit unions. It is felt that this will properly enlarge the investment area of Federal credit unions and enable them to extend their service by further employing their funds in the credit-union field. The power to make such investment will be in the hands of the directors of the Federal credit unions who may make use of it, in addition to and in consideration of the other privileges provided in the act, as they see fit.

Credit unions are doing a wonderful work. They should be encouraged. The amendment proposed is a reasonable one. It is my hope that it will be adopted by Congress at an early date and signed by the President.

CONSOLIDATED INDEX OF THE CONGRESSIONAL RECORDS FOR THE PAST 50 YEARS

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PATMAN. Mr. Speaker, I have introduced House Concurrent Resolution 101 providing for the compilation of a consolidated index for the CONGRESSIONAL RECORDS since 1905, or during the past 50 years. The resolution itself discloses the reasons for its introduction. It is as follows:

House Concurrent Resolution 101

Whereas the CONGRESSIONAL RECORD constitutes a library of hundreds of books containing a vast store of material bearing upon the political, economic, and social history of the United States, and much of this material is not available elsewhere; and

Whereas the usefulness of any library of source material depends to a great extent upon whether it is so indexed as to make the material readily accessible for purposes of reference and research; and

Whereas there is at the present time no index of the CONGRESSIONAL RECORD except the indexes which have been prepared annually over the years; and

Whereas not only do the yearly indexes comprise many volumes, which makes examination and use of them a laborious and time-consuming task in many instances, but they contain many details which, although properly included when the indexes were prepared, have become, through the passage of time, relatively unimportant, and the presence of these details in the indexes serves to make more difficult the task of those seeking access to the wealth of important and significant material contained in the CONGRESSIONAL RECORD; and

Whereas, for the reasons stated above, it is highly desirable that there be prepared a consolidated index for that part of the CONGRESSIONAL RECORD containing material which is and will be of the most importance and significance in relation to our current and future national problems; and

Whereas, from this point of view, it is believed that the events of recent decades are of special importance and significance—particularly those which have occurred during the period since the beginning of the last half century, the 59th Congress, when Theodore Roosevelt was President, during which there have occurred two World Wars and other events of incalculable significance not only to the United States but to the entire world: Therefore be it

Resolved by the House of Representatives (the Senate concurring), That the Joint Committee on Printing shall arrange for the preparation of a consolidated index of the CONGRESSIONAL RECORD to cover the proceedings and debates of the Senate and House of Representatives during the period from noon on March 4, 1905, until noon on January 3, 1957, so that such index will cover the 59th and subsequent Congresses up to and including the 84th Congress. In order that the consolidated index will have maximum usefulness for historical and educational purposes, without, however, dealing with information and materials of limited or temporary interest or importance, the Joint Committee on Printing shall establish specific criteria to govern the inclusion and exclusion of information and materials.

SPECIAL ORDER GRANTED

Mr. RADWAN asked and was given permission to address the House for 1 hour on Wednesday next, following the legislative program and any special orders heretofore entered.

TALK WILL NOT BUILD ROADS

Mr. McGREGOR. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. McGREGOR. Mr. Speaker, when we recognize the inadequacies of our highway system for civilian defense and for increasing traffic needs, we must realize that ordinary measures and ordinary construction programs will not take care of our Nation's highway requirements. They are simply too great to be treated with the highway programs we have known in the past.

President Eisenhower recognizes this fact and fully appreciates that while this year we have approximately 48 million motor vehicles registered, within a very few years, the number will increase to sixty-five or seventy million vehicles. In recognition of these facts, President Eisenhower some months ago appointed a committee of civilians to study and report to him what might be done to initiate a highway program that will take care of both our expanding normal needs and our emergency requirements. This Commission was headed by Gen. Lucius Clay, United States Army, retired Army engineer.

After many weeks of hearings and extensive study, the Commission, known as the Clay Commission, reported their findings to the President and their report has been submitted to the Congress by President Eisenhower.

President Eisenhower, in submitting this report, was very specific that acceptance by the Congress of the report or any portion of it is in no way mandatory. It was given to us as a basis on which we might develop a new and realistic road program. The responsibility now is ours.

It is a very real responsibility, Mr. Speaker, when we recognize that in the past year we had more than 39,000 thousand traffic casualties in the Nation, and when we read the reports on highway needs submitted by our Defense Department. In connection with the latter, we may well be aware that the defense of our country could depend upon the ra-

pidity with which our defense forces could be shifted from one part of the country to another.

The Clay report has now been incorporated in 4 bills introduced in the House, 1 by Congressman BUCKLEY, majority party chairman from New York; 1 by Congressman DONDERO, ranking minority party member from Michigan; 1 by Congressman DEMPSEY, majority party member from New Mexico; and Congressman GEORGE, minority party member from Kansas. Although hearings on this legislation will not start until April 18, some opposition to the program has made its appearance.

Charges are being made that financing through a 30-year bond issue would be both inflationary and too costly. Some say a commission should not be established and others take the position that States should not be reimbursed for roads that have recently been built and financed by the State and which might be a part of the interstate system. As to whether these arguments are justified or not I do not presume to venture an opinion prior to the coming hearings and full consideration by the Public Works Committee.

Certainly no one can argue that an emergency does not exist in our Nation's highway system. In meeting this emergency, we must all remember that talk will not build roads. It will be cheaper for all of us to drive our cars, whether old or new, on good roads. However, if we want roads, good roads and a national highway pattern, we must develop a sound and coordinated program which will include the financing factors.

Let us recognize that there is an emergency and that better roads are necessary for both our personal safety and our Nation's security.

How can a better highway program be developed and financed?

THE LATE JOHN W. DAVIS

Mr. DEROUNIAN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. DEROUNIAN. Mr. Speaker, the Bar Association of Nassau County, N. Y., is proud to have had as a member, the late John W. Davis, one of the great men of our generation. I was honored to have had him as a constituent.

A fellow member of the association, we awarded him our distinguished service award, placing him in the illustrious company of Herbert Hoover and General Eisenhower, of whom he later became an ardent supporter for the Presidency.

The name of John W. Davis will forever be remembered as the outstanding constitutional lawyer of his time. Nor will we forget one of his last triumphs in successfully arguing before the Supreme Court, thwarting President Truman's desires in seizing the steel plants—socialism at its best.

The life of John W. Davis will be a beacon for all men who follow him in the legal profession.

DOMESTIC MINERALS PROGRAM EXTENSION ACT OF 1953

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the gentlewoman from Idaho [Mrs. PFOST] may extend her remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mrs. PFOST. Mr. Speaker, today I introduced a bill to extend the Domestic Minerals Program Extension Act of 1953, known as the Aspinall-Malone Act, for a further 5 years, or until 1963, the expiration date of such authority under the Defense Production Act on which the Aspinall-Malone Act is based. The purchase programs involved are for stimulating the domestic production of tungsten, manganese, chromite, mica, asbestos, beryllium, and columbium-tantalum bearing ores.

Most of these programs do not expire legally until 1958 but as quotas were set limiting the amounts to be purchased, some will expire before that time due to the quotas being satisfied. It is impossible to attract substantial capital into the production of these highly strategic materials unless there is a guaranty that the Government will continue purchasing, at satisfactory prices, for a reasonable length of time.

That this is a bipartisan matter is shown by the interest in such a measure by Republicans and Democrats, both in the House and the Senate.

LATIN AMERICA

The SPEAKER. Under previous order of the House, the gentleman from Florida [Mr. SIKES] is recognized for 30 minutes.

Mr. SIKES. Mr. Speaker, a number of events of the past year in Latin America have made all of us more sharply aware than ever before how important to the United States are the 20 cultured republics that lie to the south. In particular, I point to the Inter-American Conference at Caracas; to the economic meeting at Rio de Janeiro; and to the swift action of the Organization of American States in the Costa Rican situation.

The unity of the 21 American Republics is one of the solid supports upon which the free-world structure is built. It is gratifying to every American—North, South, or Central—that the nations of this hemisphere have learned to live together in mutual respect and confidence and growing friendship.

We and our Latin neighbors are important to each other in many respects. In the field of trade, for example, about $3.5 billion worth of goods moves each way each year. Our export trade with Latin America is equal to that with Europe and exceeds our trade with Asia, Africa, and Oceania combined. In the matter of imports, Latin America is more important to us than Europe or any of the other continents. At the same time, we are important to the Latin Americans both for what we supply them with and for what they ship to us.

Latin American countries buy from us such items as machinery, iron and steel, chemicals, foodstuffs, vehicles, electrical and agricultural equipment, and textiles. Our exports to them make up about 1 percent of our national income and account for more than 20 percent of all our exports.

These 20 neighboring republics contribute vastly to our daily needs and satisfactions. Chief among the products they send us are coffee, sugar, copper, and petroleum. In addition, they supply us with numerous strategic materials used in defense production. We get all of our vanadium and quebracho—a hardwood important in tanning—from Latin America. Other materials in limited supply which we purchase in that area include castor oil, antimony, beryl, bismuth, lead, cadmium, tungsten, zinc, chromite, and manganese—all extremely important to the United States economy. The aggregate of our purchases amounts to about 50 percent of Latin American exports, and without the dollar exchange thus earned our neighbors to the south would be deprived of essential manufactured goods and foodstuffs—and we would have our biggest market cut in half.

Our direct, private investments in the area amount to about $6 billion and are second only to our total investment in Canada. Since World War II, our investors have put approximately $250 million annually into the region. In addition, earnings have been reinvested at the rate of $190 million a year, making the average annual rate of investment some $440 million. Together we are wisely using this capital to improve living standards for people throughout Latin America.

Our technical-aid program first blossomed from a seed planted in this region in the dark days of World War II. Today there are joint programs of technical cooperation in 19 Latin American Republics. The fruits of this program can now be seen not only in Latin America but in countries all over the world.

We have had close cultural relations with our neighbors for many years, and these ties are becoming stronger and stronger with the passage of time. To cite just one example, our educational-exchange program has increased by more than 60 percent in the past year and may grow even larger through additional funds made available from the sale of surplus agricultural commodities.

To cut down the inroads of communism into the ranks of democratic labor organizations in Latin America we have increased the visits of representative Latin Americans, including labor leaders, by more than 200 percent. We have seen an increase of from 560 to some 1,500 in the number of technicians and labor leaders who come to this country each year and study United States methods.

Our information program is reaching more people than ever before with its factual messages about the United States, its people and our way of life. The United States Information Agency has been increasingly effective in explaining to Latin America the way in which our economies interlock, the reciprocal benefits which can come from private investment and private enterprise, and the

promise of the atoms for peace program. Only recently, in Panama, Vice President Nixon called for an expansion of our library and exchange programs and cited the excellent work they have been doing in the hemisphere in creating better understanding and building friendship.

A number of countries of the area are our partners in the vital inter-American defense system. Eleven of them are participating with us in bilateral military assistance agreements designed to contribute to the collective defense of the hemisphere.

More important than any of these aspects of our relations with Latin America however, have been our close political ties. In this respect, we in the Americas have something unique—something that no other comparable region of the world can claim. Here in this hemisphere we have proved that large and small nations—without intervention or domination by the large—can live together in peace and cooperate on the basis of friendship.

Politically, we are a closely knit group of 21 nations. Our major organ of cooperation—the Organization of American States—came into being in 1948 and was the first regional grouping set up under the United Nations Charter. The Rio Treaty, signed in 1947, was the prototype of the North Atlantic Treaty and of our security pacts in the Pacific area.

The central agency and general secretariat of the Organization of American States is the Pan American Union. This body has a history of inter-American cooperation that can be traced back to the first International Conference of American States held at Washington 1889–90.

In world affairs, we and Latin America have been close indeed. The area has always played a part in international affairs, and its countries are strong supporters of the United Nations. At present, Latin American nations make up one-third of the entire U. N. membership.

Their support of the free world through the United Nations has been consistently helpful to the United States. For the most part, Latin America and the United States have voted together.

An example of this support appeared when the Communists smashed across the 38th Parallel to attack South Korea. The 20 Latin republics immediately supported the United Nations position and placed themselves on the side of the free world. One day after the U. N. Security Council voted to go to Korea's assistance, the Council of the Organization of American States unanimously backed the United Nations' decision—an action which was in no sense required of OAS, but one which they felt would emphasize their solidarity with the free world's stand.

During the period of fighting in Korea only Colombia contributed troops, but a number of other countries offered bases and volunteers for the conflict. The United Nations, however, was unable to accept all the offers made because organized units were the chief need at the time and many Latin American countries were unprepared to train and finance organized field forces. A good number of them nevertheless made important contributions of food, money, clothing, and medical supplies to the Korean emergency relief program.

Another example of the splendid cooperation among the nations of the American hemisphere can be found in the deliberations at the Caracas Conference a year ago. At that time, you will recall, the tentacles of international communism had attached themselves to key figures in the Government of Guatemala and were steadily pulling that country toward communism. Alert to the dangers inherent in the situation, the American republics placed the question of intervention of international communism in the hemisphere on the agenda at Caracas. A United States resolution entitled "Declaration of Solidarity for the Preservation of the Political Integrity of the American States Against International Communist Intervention" won overwhelming endorsement at the conference. Only Guatemala opposed its passage. The passage was a clear-cut and unmistakable warning to the Communists to keep their hands off this hemisphere.

When the Guatemalan Government ignored the declaration and imported 2,000 tons of weapons from behind the Iron Curtain, the other nations of the hemisphere felt that further action by them was necessary and issued a call for a consultation of the American foreign ministers. Before this meeting could convene, however, the people of Guatemala rose against the leaders who were betraying them and turned them out. Today, under its new leadership, Guatemala is once more a friendly and cooperative sister republic pledged to support the unity and solidarity of the American hemisphere.

More recently we have seen a striking demonstration of how swiftly the American Republics can move to put out a fire before it becomes a holocaust. The Organization of American States stepped into the conflict in Costa Rica at its outset and immediately dispatched a five-nation investigating committee to the scene of the fighting. This prompt move helped to put an early end to the hostilities and prevented their growing into an international conflict.

When the rebel forces thrust into Costa Rica and tried to overthrow the legitimate government of that country, the machinery of the OAS went into immediate action to save lives and property and prevent the fighting from becoming more widespread. This fast and forceful action showed the world that our hemisphere has machinery capable of preventing international conflicts. The OAS action was a concrete demonstration of its ability to deter war.

The decision of the OAS to send the investigating committee, to set up pacific observation flights over the fighting zone and to request the sale of military equipment to a member under attack has set a valuable precedent. While we can all hope such action will never again be needed, the fact that it has been taken can serve as a warning for others tempted to intrigue against a fellow republic.

Although our political and cultural relations with Latin America are excellent, our economic relations with the area have not always met that standard—and it is in this field that all the American nations can profit through wise and forward-looking measures.

The nations of Latin America are relatively young in economic development, while we are a heavily developed country with a high standard of living. The Latin American Governments have as a worthy and understandable goal the improvement of living conditions for their people. We in the United States support this admirable undertaking and should do all that is practicable to help Latin America in its development. Much is being done by the peoples in the vast area from the Rio Grande to Cape Horn. The region is awake to its tremendous potentialities, and on every hand one sees signs of growth and a vigorous approach to the problems ahead. We can do much to encourage and hasten that growth. The far-seeing foreign economic program before Congress in H. R. 1 is only 1 step in this direction. Other legislation will follow and strengthen the program.

The 20 republics to the south cover an area 2½ times the size of our own country. They contain 6 percent of the world's inhabitants, or slightly more than the United States. At present, however, the area's population is growing faster than any other major region of the world. At the present rate of increase, it is estimated that by the year 2000 Latin America could have a population of 500 million—more than twice the population estimated at that time for the United States and Canada combined.

In the sense that we use the word "great" in relation to world powers, Latin America has almost all the elements necessary for greatness. Up to the present, however, it has been primarily an agriculture area, and many of the countries have been dependent on 1 or 2 products for their existence.

For example, coffee has been the mainstay of the economies of Brazil, Colombia, El Salvador, and Guatemala; in Bolivia, it has been tin; in Chile, copper and nitrates; in Cuba, sugar; petroleum in Venezuela; lead and zinc in Mexico; and meat and wool in Uruguay.

Today the countries of Latin America are driving for diversification in their economies, with emphasis on industrialization. Brazil, Mexico, Argentina, and Chile have made great strides in developing their manufacturing capacities. Other countries, particularly the smaller ones, can look forward only to moderate advances in the industrial field. Yet all of them are anxious for development and diversification and hope to become more than raw-materials sources.

Most of the area's countries are rich in natural resources—perhaps even richer than any of us dream. Even to this day vast regions are still unexplored, and all the hidden riches amount to little so long as they remain undeveloped. Poor transportation, lack of fuel, inadequate communications, great natural barriers, and tropical climates are all obstacles to development.

Our Government is doing a great deal to encourage both Latin Americans and citizens of the United States to invest

their money in sound economic development projects in this part of the world. Latin American investors, by the way, are the major source of capital in the area. Some 90 to 95 percent of Latin America's development capital is generated from local sources.

We are encouraging private investment first and foremost because that is what we believe can do the best job. One of the main reasons for that belief is found in the history of the development of our own country, where private enterprise built a mighty Nation over a span of less than two centuries.

When private capital cannot or will not do the job, or when the International Bank for Reconstruction and Development cannot supply the funds, then Government should consider taking over the task. Export-Import Bank activity has been stepped up during the latter half of 1954 so that 22 loans to 10 countries totaling over $158 million were granted throughout the hemisphere. We now have more than $1½ billion in public loans various parts of Latin America.

We need very much to stabilize our trade with the Latin American Republics. They must sell goods to us in order to live, and it is our responsibility—and will also be increasingly to our advantage—to make the market more regular and dependable.

Perhaps we do not put enough emphasis on the words "reciprocal trade" in the United States. We do not always see clearly how much of the money we disburse for imports comes back to our shores in payment for what we sell abroad. Trade is a two-way street, and when we cut down our foreign buying or erect a tariff wall to block a certain product, we are at the same time injuring the health of our export industry which supports some 4 million workers and their families.

The old proverb of not being able to have one's cake and eat it, too, is applicable today in all our trade relations with our neighbors.

We have been steadily increasing our trade with Latin America since World War I. Since 1920 our imports from the region have risen from $1.8 billion to nearly $3.5 billion annually. Our exports have increased in the same volume, until now they approximate $3.5 billion yearly. This healthy, two-way trade is extremely important to both of us, and we should both move in the direction of consistent expansion.

Happily, we in the United States are united in a determination to cooperate and work more closely with our valued neighbors in Latin America. For over 20 years Democrats and Republicans alike have supported a nonpartisan approach to United States-Latin American relations. Both great political parties can rightly lay claim to the establishment of the cordial relations existing today among the American Republics. I hope that all of us in the United States, in or out of politics, realize that to the south of us lies the greatest challenge and the greatest frontier for Americans since the settling of the West.

I am sure the United States will continue to work closely with its 20 Latin American neighbors. Together we can build an even brighter and more prosperous future for those yet unborn generations who will inherit the hemisphere.

I would not leave with you the thought that there are no differences and no problems between us. Good neighbors sometimes possess differing beliefs and are subjected to different problems.

From time to time in the past the outsider risking his capital in some areas of Latin America has been the victim either of confiscatory taxes or expropriation. By this time, however, there is good reason to believe that financial excesses of that sort are largely relics of the past. All of our neighbors know that venture capital cannot be consistently attracted to any country in which the cry of "Yankee imperialism" is raised every time an investment begins to show substantial returns. Investors have also found that it will be to their advantage in the long run if they accept reasonable profits and reinvest a portion of them in the country that produced them.

We, on our part, must use the same ingenuity and good judgment in helping to develop this area that we did in developing our own country. The problem, however, is not the same. In what is now the continental United States we found a raw, wild country whose few inhabitants could be pushed aside for the sake of quick expansion.

To our south we find a people with a tradition and background every bit as historic as our own. We find a people whose culture is as deep-seated as ours—a people who are as proud as we are.

To them, we are foreigners. We are outsiders. And when we venture into their country, whether to visit or to do business, we must conduct ourselves as we would expect visitors to the United States to act.

The first problem we face is a better understanding of the people. That is not easy to do, because of a number of reasons. I am not an expert, but I have visited a number of the Latin American countries, and I found out a great deal about those fine people. I believe a genuine interest in them, as befits a good neighbor and a good friend, is the primary requirement.

To begin with, they want to be our friends. And, they are not trying to get something for nothing from us. They would like to do business with us, but they are not asking favors or begging.

I believe they resent the idea that whenever we think of them, some of our people think only in terms of dollars. First they want to be our friends, then they want to trade with us. It is not the other way around.

In this respect, I think it was a mistake when we changed the good neighbor policy for the good partner policy. Neighbors are friends. Partners are thought of primarily as business associates. Several Latin Americans have mentioned that to me, and I can see their point of view.

It is one thing to talk about bettering relations with our neighbors, and making friends with the countries to our south—it is another to do something about it. To translate our talk into action, I would propose that we do a few concrete things as a starter.

First. Let us begin by lowering the tariff wall that keeps us from trading as much as we should.

Second. Let us revise our tax setup so that firms who are willing to risk their capital in new ventures in those areas will not be burdened by double taxation. We have talked about that for a long time. Now, let us do it.

Third. We must work out a better credit system for the Latin American countries. Did any of you ever try to borrow money from our Export-Import Bank? Try it sometime and you will know what I mean. This is a must. European credit is available in much of the area on far better terms than the United States offers.

Fourth. We should help those countries find markets for their handicraft—and encourage them to develop new products which we can buy from them. The new cultural trade center being built in Miami is a step in this direction—an idea of what I mean—but the Federal Government should move in this direction—and at once.

Fifth. Stimulate the formation of stronger and more understanding friendships through travel. Get after the tourist business. Make it easier for us to travel there—and for Latin Americans to visit us. One important first step will be the reduction of taxes now imposed on travel to Latin America.

Sixth. Step up the student exchange program. We have hundreds of exchange students from Europe and the East—but a much smaller number from our closest neighbors.

Seventh. Call it the lucky seventh if you like. And that is the point 4 program. It has done a good job in Latin America, but it is not broad enough. Step it up.

Now, as a starter, let us get these seven points going. If we do, we will find we will have such a boom on our hands that we will not know what to do with all of the business that logically will come to us.

ALLEN WHITFIELD

The SPEAKER. Under previous order of the House, the gentleman from Illinois [Mr. PRICE] is recognized for 15 minutes.

Mr. PRICE. Mr. Speaker, it is with a feeling of extreme reluctance that I take the floor this afternoon. I would not trespass upon the time of the Members of the House if I did not believe the subject I am going to discuss to be of paramount importance.

But as a member of the Joint Committee on Atomic Energy, I deem it my responsibility to call to the attention of the House certain information which has come to me about a recent nomination by the President of a new member of the Atomic Energy Commission. I refer to the nomination of Allen Whitfield of Iowa.

Mr. Speaker, let me make this clear at the outset. I do not know Mr. Whitfield personally. I do not believe I ever heard of him until the President sent his nomination to the Senate. The only question

that has been raised with me, and which I desire to raise here today is this: Is Mr. Whitfield qualified for this post? Or, to put it another way, is he competent to serve on what certainly is one of the most important Commissions, if not the most important Commission, in the executive branch of the Government?

Mr. HALLECK. Mr. Speaker, will the gentleman yield?

Mr. PRICE. I yield to the gentleman from Indiana.

Mr. HALLECK. I just heard the gentleman say that he never heard of the man, that he did not know anything about him. Why, then, would he at this point challenge his nomination to the Atomic Energy Commission?

Mr. PRICE. I think if my distinguished friend from Indiana will be patient, the next few paragraphs will answer the question for him.

Mr. HALLECK. I certainly hope they will.

Mr. PRICE. I would not raise this question on the floor of the House if I did not have confidence in the people who have raised it with me. But inasmuch as I do have complete confidence in them, I feel it my duty to discuss Mr. Whitfield's nomination at this time.

Mr. Speaker, I am informed that Mr. Whitfield is a Des Moines attorney. He is quite prominent in Republican politics in the State of Iowa; in fact, he is a member of the State central committee. I believe he also acts as legal adviser to the committee.

I am informed further that Mr. Whitfield and another member of the Iowa State Republican Committee have been quite vociferous in their demands that their State be given more political patronage. Mr. Whitfield, I am told, made at least one trip to Washington to express his views to Republican leaders, and he doubtless has made his views about patronage known on other occasions to party officials.

Now, I do not mean to challenge the right of the Eisenhower administration to dish out such patronage plums as it has available. I likewise do not question Mr. Whitfield's right to a job with the Federal Government, if he wants it.

But I most vigorously do object to the Eisenhower administration's use of the Atomic Energy Commission as a political dumping ground for job-hungry Republicans. A post on the Atomic Energy Commission requires a man of unusual scientific or exceptional administrative ability. The Commission should not, indeed must not, be used to carry out the whims and dictates of the Republican National Committee, or any of that committee's adjuncts.

When Mr. Whitfield's nomination was first announced, the Des Moines Register contained this pertinent passage:

> There also was the privately expressed opinion of some Iowa political figures that the appointment will do much to bring peace to the Republican Party in Iowa.

Another sentence in this newspaper's account of the nomination of Mr. Whitfield says:

> Whitfield has been mentioned frequently as a potential candidate for the Republican nomination for the United States Senate next year.

Mr. Speaker, I am not at all concerned about bringing peace to the Republican party in Iowa. I am willing to leave that to the Republican politicians. And I might add that I do not particularly care whether Mr. Whitfield is a candidate for the United States Senate. That is a matter for him or for others to decide.

But I do have strong convictions about the vitally important role which the Atomic Energy Commission plays in a world that, at best, is in a state of uneasy peace. It is peace in the world that I am concerned about, not peace in the Republican party in Iowa.

I exceedingly regret that the Atomic Energy Commission is being brought more and more into the political arena by the Eisenhower administration. This is a deplorable thing, and it is something the previous Democratic administration never did.

President Truman made a number of appointments to the Atomic Energy Commission, none of them political. One of the original members of the Commission was another Iowan, a distinguished gentleman who, I believe, is also a Republican. His name is W. W. Waymack. I did not know Mr. Waymack was Republican until long after he came to Washington. A man's politics were not important in those days of the Atomic Energy Commission. The only criterion then existent was; Is the man qualified? I doubt that anyone in Iowa or anywhere else, for that matter, ever had any questions about Mr. Waymack's qualifications.

Contrast that with the appointment of Mr. Whitfield. A great number of people question this man's qualifications; not his qualifications as a politician, but his qualifications as a member of the Atomic Energy Commission.

Mr. HALLECK. Mr. Speaker, will the gentleman yield?

Mr. PRICE. I am glad to yield to the gentleman from Indiana.

Mr. HALLECK. The gentleman several times has referred to certain people who made representations to him, and has just now referred to certain other people who seem to question this man's capacity. Will the gentleman name some of those or any of them, outside of the Democratic National Committee?

Mr. PRICE. Of course, being a former newspaperman, I have never divulged the source of my information. But I could give the gentleman at least three newspaper clippings, and I should be glad to do that later. They are from the Des Moines Register and from other sources. Also I should be glad to furnish the gentleman later personally the names of some people who have raised these questions with me; yes, sir.

Mr. HALLECK. Will the gentleman yield further for one observation?

Mr. PRICE. I yield to the gentleman.

Mr. HALLECK. It does seem to me that to attack the qualifications of a man appointed to this Commission at this time, when the gentleman has said that he does not know him, has made no investigation of his background, is, to say the least, unusual. The gentleman has referred to certain anonymous people, and those in the newspaper clippings may be anonymous; I do not know. But I do not believe that is the way to run the Government of the United States.

Mr. PRICE. Of course, the gentleman from Indiana [Mr. HALLECK] has not listened very carefully to my statement. I have not attacked the qualifications of this gentleman.

Mr. HALLECK. Then why is the gentleman challenging his nomination? In other words, why does not the gentleman give this person a chance and let him make his showing?

Mr. PRICE. I think it has been perfectly clear that I am challenging his nomination on the basis of my concern over keeping the Atomic Energy Commission out of politics. That is my reason for challenging his nomination.

Mr. CUNNINGHAM. Mr. Speaker, will the gentleman yield?

Mr. PRICE. I yield to the gentleman from Iowa.

Mr. CUNNINGHAM. I should like to ask the distinguished gentleman from Illinois if he has any evidence other than the fact that Mr. Whitfield is a Republican and a member of the State Central Republican Committee of Iowa, that he is not qualified for this position?

Mr. PRICE. I do not know whether the gentleman is fully qualified or not.

Mr. CUNNINGHAM. Just a moment; the gentleman says "fully" qualified.

Mr. PRICE. I think if the gentleman will listen to my statement he will understand my position. I am not saying definitely he is not qualified. I think the answer I gave the gentleman from Indiana [Mr. HALLECK] properly answers the question of the gentleman from Iowa [Mr. CUNNINGHAM]. I say that this is a political appointment. I say that the Atomic Energy Commission should be free of such appointments.

Mr. CUNNINGHAM. Mr. Speaker, will the gentleman yield to me further?

Mr. PRICE. I am glad to yield to the gentleman.

Mr. CUNNINGHAM. I might say to the gentleman that earlier in the afternoon I had the privilege of reading a copy of the gentleman's speech and I know what is in it. As nearly as I can judge from the speech, this is a political speech attacking the President of the United States for appointing a member of the Republican Party; and not one word has the gentleman said, or even intimated, that Mr. Whitfield is not competent and qualified in every way for this position. I should like to know what else there is in the gentleman's statement to disprove that.

Mr. PRICE. I should like to call the attention of the gentleman to the fact that if there are any politics in my speech it is the result of this appointment, because I consider this appointment to be a political appointment to the most important commission in the country. If the gentleman will permit me to finish my statement, I shall give him further evidence that it is a political appointment.

Mr. CUNNINGHAM. Please go ahead; I am waiting for it.

Mr. BOYLE. Mr. Speaker, will the gentleman yield?

Mr. PRICE. I yield to the gentleman from Illinois.

Mr. BOYLE. I think the confusion here results from the fact that clear thinking depends upon the ability to recognize distinctions in things that might be confused or confounded. I think it is highly unfair for the gentleman from Indiana [Mr. HALLECK] to indict my colleague from Illinois [Mr. PRICE] who admitted when he started that he did not have any empirical knowledge of the individual in question. But the fact that a man does not have any knowledge arrived at by his own personal experience does not rule out the fact, a fortiori, that there is not a lot of proof of probitive weight and character that might operate against this individual being nominated to a highly important post of this character.

Mr. PRICE. I thank the gentleman from Illinois for his assistance in this matter, but I may say to those who have questioned me that my statement will stand on its own feet. But I would like to know if they can point at anything that I have said in this statement so far that is not absolutely correct.

Mr. CUNNINGHAM. I understood the gentleman from Illinois to say awhile ago in answer to the gentleman from Indiana that the Des Moines Register carried statements that would indicate that Mr. Whitfield is not competent.

Mr. PRICE. No; I did not say that.

Mr. CUNNINGHAM. I am glad to hear the gentleman retract that statement. I so understood him.

Mr. PRICE. I quoted the Des Moines Register from a news article. I quoted the statement verbatim, but it was not in answer to the gentleman from Indiana.

Mr. CUNNINGHAM. Did I understand the gentleman to say there was anything in the Des Moines Register indicative of the fact that Mr. Whitfield is not qualified?

Mr. PRICE. I made no such statement.

Mr. CUNNINGHAM. I am glad to hear the gentleman say that, because I think I have read every article about this appointment in the Des Moines Register, and certainly there have been nothing but words of commendation for Mr. Whitfield.

Mr. PRICE. The reference I made to the Des Moines Register was a quotation here.

Mr. CUNNINGHAM. You do not have it all, have you? You took out certain words from the article? You did not take all the article?

Mr. PRICE. Of course not. There is nothing in this statement that I am making here that anyone in this House can say is not correct. I think it will stand on its own feet.

Mr. CUNNINGHAM. Would the gentleman say that any member of the Democratic Party, say for instance a former President of the United States, would, because he was active in the political work or workings of that party in his home State before he became President, be disqualified for the office?

Mr. PRICE. I would say, in my opinion, that it would be an unwise appointment to the Atomic Energy Commission if it were a reward for party political service.

Mr. CUNNINGHAM. Would the gentleman say, then, it was unwise of the Democratic Party to nominate Mr. Stevenson in 1952 in Chicago on the Democratic ticket because he had been Governor of the State?

Mr. PRICE. He was not being selected for the Atomic Energy Commission.

Mr. CUNNINGHAM. No, I would not say that, but are you always going to get people for these appointments who have never had any affiliation with a political party?

Mr. PRICE. There are only five members of the Atomic Energy Commission. If any administration is so bankrupt it cannot find five men who are not active party officials to serve on this Commission, it is in bad shape.

Mr. CUNNINGHAM. Apparently the Democratic administration under Mr. Truman was bankrupt when they picked Mr. Waymack, a Republican, and did not know he was one.

Mr. PRICE. I am glad the gentleman brought out that point. I have served on the Atomic Energy Committee from its inception. Never in my experience have we ever thought of the politics of a member of that Commission. I did not know Mr. Waymack's political following until after he had left the Commission. Politics was not thought of.

Mr. CUNNINGHAM. Does the gentleman have any evidence that the President of the United States had politics in mind when he appointed Mr. Whitfield?

Mr. PRICE. No, not the President of the United States, but I think those who recommended him to the President of the United States may have.

Mr. HALLECK. Mr. Speaker, will the gentleman yield for one further question?

Mr. PRICE. I would like to complete my statement, then I would be glad to yield.

Mr. Speaker, the first serious breach of the no-politics rule in the AEC was in negotiating the Dixon-Yates contract. That contract, whether you think it was good, bad, or indifferent, certainly had the effect of getting the AEC so badly involved in politics that it will be a long time recovering.

Now comes the nomination of Mr. Whitfield. The controversy that is certain to develop over this latest thrusting of the Atomic Energy Commission into the field of partisan politics will, I fear, cause more embarrassment to everybody concerned. It will be particularly embarrassing to the Atomic Energy Commission, wherein politics have no place.

Mr. Speaker, if it is the desire of the Eisenhower administration to restore to the Atomic Energy Commission the prestige it enjoyed prior to negotiation of the Dixon-Yates contract, this is a poor beginning. For service on the AEC we need men qualified in the fields of science and industry—not in the field of partisan politics.

You will recall that President Eisenhower's advisers recently put the President in the uncomfortable position of having to do an about-face after he had overruled the Civil Aeronautics Board in an airline route case. The administration is still apologizing for that mistake.

Even though the President acted under pressure to take corrective action in that case, I thought he deserved a measure of commendation. I hope that in the best interests of the Atomic Energy Commission; yes, and in the best interests of the American people, the President will take prompt corrective action in this case also.

The SPEAKER pro tempore (Mr. CARNAHAN). The time of the gentleman from Illinois has expired.

Mr. CUNNINGHAM. Mr. Speaker, with the permission of the gentleman who has the special order to follow, I ask unanimous consent that the gentleman from Illinois may proceed for 5 additional minutes.

The SPEAKER pro tempore. The gentleman from Texas [Mr. PATMAN] has a special order at this time. Is there objection to the request of the gentleman from Iowa?

There was no objection.

The SPEAKER pro tempore. The gentleman from Illinois [Mr. PRICE] is recognized for 5 additional minutes.

Mr. HALLECK. Mr. Speaker, will the gentleman yield?

Mr. PRICE. I am glad to yield to the gentleman from Indiana.

Mr. HALLECK. I started in politics, if that is what we want to call it, as a young man better than 30 years ago. I have been in political campaigns and I have been in party work, and, of course, I have been in politics or I would not be a Member of the House of Representatives. I must say it was with deep regret that I heard the gentleman say words which I think indict all of us who have been engaged in political efforts and to question our integrity or our right to have a place on the Atomic Energy Commission. Personally, I do not feel that way about people who have been engaged in party activities. I think the gentleman, if I may say so, has given another evidence of a frantic, desperate sort of operation to find some political issue and has been led into saying a lot of things that he certainly cannot mean because I do not believe there is a Member of the House of Representatives who would not be competent, to be trusted to be on the Atomic Energy Commission, even though he may, at some time or other, have been engaged in political activity. Certainly, political activity is not something for which any of us should be condemned. If we were to rule out the appointment to the Atomic Energy Commission of anyone with a political background, this would preclude service by such a person as the Honorable W. STERLING COLE, who has served with distinction as chairman of the Joint Committee on Atomic Energy.

Mr. PRICE. I agree with almost everything the gentleman from Indiana has said, but he goes beyond the question involved here. Thirty years ago we did not have an Atomic Energy Commission. I question no one's integrity. The man Whitfield may be the most capable man in the world in many ways. I am not raising the question of his qualifications here. That is something to be decided by another body at another time.

I am raising the point that the Atomic Energy Commission should be entirely above suspicion in the field of politics, but in this case it cannot be because this man Whitfield made a trip to Washington with another member of the Republican State Central Committee and held meetings with political leaders. I do not know how high he went—I have no idea, but the sole purpose of his trip to Washington was to plead for patronage in the higher positions for the party followers in the State of Iowa. These are the things that I do not like about this appointment.

Mr. HOEVEN. Mr. Speaker, will the gentleman yield?

Mr. PRICE. I yield.

Mr. HOEVEN. Would the gentleman care to disclose where he got all this detailed information about Mr. Whitfield on this trip to Washington?

Mr. PRICE. The gentleman is a very good friend of mine and I hate to pull this right out of my pocket on him and say I just happened to have it with me, but I do happen to have a photostatic copy of a news item from a Des Moines newspaper. I will be glad to read just part of it to you.

Mr. HOEVEN. Why does not the gentleman insert the article in the RECORD so that we may all read it?

Mr. PRICE. I would be very glad to do so. I did not want to go that far, to tell you the truth, but I will be glad to.

Mr. Speaker, I ask unanimous consent to insert this article with my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

(The article is as follows:)

WOULD NAME MORE IOWANS TO UNITED STATES POSTS—GOP WILL PROTEST IN WASHINGTON

(By George Mills)

Two Iowa Republican spokesmen are going to Washington, D. C., this week to see if more Federal jobs can be obtained for Iowans.

The spokesmen are Don Pierson, of Humboldt, Sixth District member of the State central committee, and Allen Whitfield, of Des Moines, Fifth District member. One report says they are leaving today, another Wednesday.

They reportedly are taking with them a list of names of Iowans who want jobs and who are faithful Republicans.

MATTER OF CONCERN

Republican Party members are becoming increasingly restless over the patronage situation in Iowa. Said one party official:

"It has become a matter of concern on the part of some leaders that top-echelon appointments are not coming this way. What they are thinking of are ambassadorships, consul generals, subcabinet appointments, and the like."

Iowans have been named to some important posts in the Republican national administration. For example, Albert J. Robertson, of Des Moines, is Assistant Postmaster General, Craig R. Sheaffer, of Fort Madison, is Assistant Secretary of Commerce, Whitney Gillilland, of Glenwood, is an assistant to Secretary of Agriculture Ezra Benson, and Mrs. Hiram Houghton, of Red Oak, is Assistant Director of Mutual Security.

Some Iowans in Washington are of the opinion that this State has gotten its share of top Federal jobs to date. But many Republicans here in Iowa are of the opposite opinion. They point to Nebraska and other midwestern States as having been more successful patronagewise.

HOME STATE

Nebraska is the home State of Attorney General Herbert Brownell, and of Val Peterson, who heads the Federal Civil Defense setup. There is some thinking here in Iowa that Nebraska has obtained a good many appointments through influence of Brownell and Peterson.

Exactly what list Pierson and Whitfield are taking to Washington has not been disclosed.

Several months ago, the Republican State Headquarters compiled a list of all Iowans who had made application for Federal appointments. The names were sent to each of the party's district committeemen for information and approval.

One big problem is that a major part of Federal jobs call for persons who are technically qualified.

Merely having been a doorbell ringer for the Republicans in one's home county isn't enough for a foreign-trade job in the Department of Commerce, for example.

OUT OF POWER

The Republicans were out of power nationally from 1933 until last January. They naturally hoped to get in on lots of Federal jobs left vacant by the retreating Democrats.

The trouble, the retreat has been by no means as general this time as was the case during the past changes of administrations.

For example, the Democrats took over in 1933 with a vengeance when Franklin Roosevelt defeated Herbert Hoover for the presidency. Iowa got a lot of recognition then.

The situation has changed materially in the last 20 years, however. For example, civil service has expanded considerably. This has frozen lots of Democrats into jobs which they would have lost under the old system.

Time was when to the victors belonged several hundred postmasterships in Iowa. These jobs all were placed under civil service during the Democratic national administration, technically at least.

But the Democratic Senators still have had somewhat restrictive powers of appointment. As a result, very few Republicans ever got the good jobs.

Some longing Republican eyes are being cast at those postmasterships now.

There has been some Republican griping at a few of the Iowa appointments that have been made. For example, some Republicans have questioned whether Robertson's party record was such as to deserve a major appointment.

Others have observed, however, that it was better to have such an appointment come to an Iowan, no matter how remote his party activity, than to have it go elsewhere.

President Eisenhower carried Iowa by more than 350,000 votes over Adlai Stevenson in 1952. This State went Democratic in 1932 and 1936, was Republican in the 1940 and 1944 elections and was Democratic in the 1948 national election. Before 1932, Iowa had been safely Republican since prior to the Civil War.

Mr. PRICE. Since the gentleman has requested me to insert the article in the RECORD, I would like to read it.

Mr. HOEVEN. I was just trying to save time. I do not object to that.

Mr. PRICE. I would like to read just part of it:

Two Iowa Republican spokesmen are going to Washington, D. C., this week to see if more Federal jobs can be obtained for Iowans.

The spokesmen are Don Pierson, of Humboldt, sixth district member of the State central committee, and Allen Whitfield, of Des Moines, fifth district member. One report says they are leaving today, another Wednesday.

There was some secrecy surrounding the trip because possibly other party members did not know whether Whitfield and Pierson were seeking jobs for themselves or for other constituents. That probably accounts for the secrecy involved. The article reads further as follows:

They are reportedly taking with them a list of names of Iowans who want jobs and who are faithful Republicans.

Republican Party members are becoming increasingly restless over the patronage situation in Iowa. Said one party official:

"It has become a matter of concern on the part of some leaders that top-echelon appointments are not coming this way. What they are thinking of are ambassadorships, consul generals, sub-Cabinet appointments and the like."

In this case, they went as high as they could.

The article reads further:

Iowans have been named to some important posts in the Republican national administration. For example—

And then it goes on to mention how well some Iowans have done and I congratulate them. I would have no objection if Mr. Whitfield had been selected for an ambassadorship. I certainly would not be here this afternoon if any other Iowan, who had not expressed his concern over partisanship to the point of pressuring the administration for patronage, had been selected as a member of the Atomic Energy Commission.

The SPEAKER pro tempore. The time of the gentleman from Illinois has again expired.

AMENDMENTS TO BE OFFERED TO BILL PROVIDING PENALTIES IN ANTITRUST CASES

The SPEAKER pro tempore (Mr. CARNAHAN). Under previous order of the House, the gentleman from Texas [Mr. PATMAN] is recognized for 15 minutes.

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include certain excerpts and statements.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PATMAN. Mr. Speaker, the bill to increase criminal penalties under the Sherman Antitrust Act, H. R. 3659, is scheduled to come up tomorrow, March 29.

The bill proposes to raise the fine under Sherman Act violations from not exceeding $5,000 to not exceeding $50,000. The fine may still be a small one as imposed heretofore, and no jail penalty imposed even for third and fourth time offenders.

FIRST AMENDMENT

It is my purpose to introduce an amendment to this bill. I am inserting three amendments. It is my plan to offer the first one as follows:

Proposed amendment to H. R. 3659, a bill to increase criminal penalties under the Sherman Antitrust Act: Strike lines 8 and 9

and substitute therefor the following: "In each case the language, 'fine, if a corporation, of not less than 5 percent and not more than 10 percent of the amount of such corporation's total assets as of the date on which the charge of violation is filed; and if a natural person, by a fine or not less than $5,000 nor more than $50,000 for the first offense, and by a fine of not less than $7,500 nor more than $75,000 and imprisonment of not less than 30 days or more than 1 year for a second or third offense, and by court injunction against further activity in directing, managing, or advising any organization or business engaged in or affiliated with any one engaged in interstate commerce as punishment for fourth offense.' "

SECOND AMENDMENT

If this amendment is defeated, I expect to offer the following amendment:

Proposed amendment to H. R. 3659, a bill to increase criminal penalties under the Sherman Antitrust Act: Strike lines 8 and 9 and substitute therefor the following: "in each case the language, 'fine, if a corporation, not exceeding 10 percent of the amount of such corporations total assets as of the date on which the charge of violation is filed; and if a natural person, by a fine not exceeding $50,000 for the first or second offense, and by a fine not exceeding $75,000 and imprisonment of not less than 30 days nor more than 1 year for a third or fourth offense, and by court injunction against further activity in directing, managing or advising any organization or business engaged in, or affiliated with anyone engaged in interstate commerce as punishment for a fourth offense.' "

THIRD AMENDMENT

If this amendment is defeated, I expect to offer the following amendment:

Proposed amendment to H. R. 3659, a bill to increase criminal penalties under the Sherman Antitrust Act: Strike lines 8 and 9 and substitute therefor the following: "in each case the language, 'fine, if a corporation, not exceeding 5 percent of the amount of such corporation's total assets as of the date on which the charge of violation is filed; and if a natural person, by a fine not exceeding $50,000 for the first or second offense, and by a fine not exceeding $50,000 and imprisonment of not less than 30 days nor more than 1 year for a third or fourth offense, and by court injunction against further activity in directing, managing or advising any organization or business engaged in, or affiliated with anyone engaged in, interstate commerce as punishment for a fourth offense.' "

It occurs to me that penalties should be used to deter the big man as well as the little man. A fine of $50,000 will amount to 5 percent of the assets of a million-dollar corporation and is sufficient to deter the owner of a million-dollar corporation, but such a fine is not sufficient to deter the billionaire corporations. If it is right to impose a 5 percent fine on the little man, why is it not right to allow a fine of 5 percent to be imposed on the big man or the big corporation?

The bill as proposed by the Judiciary Committee is a fine step in the right direction, and although small-business men should have penalties facing them for violations of the antitrust laws that they fear and will deter them, at the same time, penalties should be provided that the big man or the big corporations will also fear and likewise will deter them from violating the antitrust laws.

ATTORNEY GENERAL'S NATIONAL COMMITTEE TO STUDY ANTITRUST LAWS

Now that the Attorney General's National Committee to Study the Antitrust Laws has completed its report, there can no longer be any question as to what it may or may not recommend. I hope, therefore, that an appropriate committee of Congress will move promptly to investigate this so-called committee and expose fully the techniques which are being used to pressure Congress into emasculating the antitrust laws.

To anyone familiar with the composition of the Attorney General's committee, its purpose should have been obvious from the outset. This is a grand assembly of big corporation lawyers who are four-time loosers in antitrust prosecutions, with a few college professors and other citizens sprinkled in for decoration. But of course there are some people who are always willing to believe that the leopard may change his spots. If there was ever any hope, however, that these lawyers were taking time out from their high-priced law practice to come down to Washington and draw up recommendations to strengthen the antitrust laws, that hope has now been erased. We have already seen enough about this committee's report in leaks to the press and in the advanced news releases that have been handed out to have a fair judgment of its quality.

The cochairman and guiding light of this committee is an ex-law professor turned big business propagandist. In the summer of 1952 he published a long article which laid down the blueprints for the report which was to be written, and for the committee which was to be selected to write it. He called for a "Committee on Revision of National Antitrust Policy, organized and financed as a private body." There has been little deviation from these blueprints, either as to the organization of the committee or its report. The principal differences are that the name chosen for the committee is not precisely what Professor Oppenheim suggested, and published excerpts of the report are written in a smoother and cleverer way than the professor's article. It should be obvious that when and if the time comes for a wholesale rewriting of the antitrust laws it will be the job of Congress to make its own study and analysis, not that of private pressure group working behind White House sanctions.

FEEBLE STEPS

The antitrust legislation of the last 40 years has taken at least feeble steps toward putting big business under a rule of law, just as other segments of our society live under a rule of law. There are now a few things which business firms are forbidden to do, just as there are many things which we as individuals are forbidden to do. For example, business firms are forbidden to combine and conspire to fix prices, to divide markets, and to carry on boycotts. Similarly, the business firm is forbidden, under circumstances where its competitors or its competing customers would be substantially injured, to make discriminations in its prices beyond the amounts that are justified by differences in its costs of doing business with its different customers. This latter rule is made effective moreover, by rules which prohibit the business firm from doing the same thing indirectly, by such things as paying for the advertising of some customers and not that of other customers, or by paying brokerage fees to customers.

RULE OF REASON WRECKED LAW

The central purpose of the Attorney General's committee is to do away with all rule of law in the realm of antitrust, and to substitute in its place a "rule of reason." The committee's idea is thus not very original, and it is silly in view of the disastrous experience the country has had by actual experience with this idea. The Supreme Court of 1911 read the "rule of reason" into the Sherman Act, in the Standard Oil and American Tobacco cases, and left this law a wreckage which has been only gradually repaired as subsequent decisions of the Court have slowly weeded the idea out again.

The idea of the "rule of reason" is twofold. First, it is to give the lawyers a chance to persuade the courts that no matter what the law says, the monopolistic practices their clients are engaged in are only reasonable or serve some good purpose, and may therefore be excused. Second, it is to allow the lawyers to continue their cases in the courts indefinitely, while the monopolistic practices go unrestrained. Professor Oppenheim has stated his objections to having anything definitely illegal under the antitrust laws, as follows:

> This at once forecloses a respondent from introducing evidence on the panoply of possible legal and economic justifications in harmony with an overriding public interest of which the antitrust laws may properly take cognizance.

BETTER TO REPEAL LAW

The antitrust prosecutions of big corporations are already taking 10 to 20 years, where the evidence taken and the arguments heard are supposedly limited to the relevent issues. Under the Committee's recommended "rule of reason," these suits could go on for a hundred years, while the conditions which the suit is intended to correct go untouched. On the whole it would be better to repeal the antitrust laws outright, with no pretense about it, than to fix them up so that the law firms specializing in this business could never lose a case, but would be perpetually getting a big fee for trying one. At least our courts would not be more snowed under than they are now, and the lawyers' fees would not be added to the prices consumers have to pay for the things they buy. I do not think, however, that there will be any wholesale rewriting of the antitrust laws, and certainly not in a manner which would erase the slate clean of the court orders which have been issued over the years to restrain the monopolistic practices of many of the big corporations represented on the Attorney General's Committee.

I intend to strip the Attorney General's committee of the pretense that its recommendations are really intended to strengthen the antitrust laws and give

the public better protection against monopoly.

WHY NOT MAKE FINE APPLY TO BIG BUSINESS SAME AS SMALL BUSINESS?

I shall begin with the pious recommendation that the maximum fine for violating the Sherman Act be raised from $5,000 to $10,000 or perhaps to $50,000. This is merely a recommendation for making the Sherman Act effective against small business, as it is now effective against very small business. A fine of $50,000 would be 20 percent of the assets of a small corporation with a quarter of a million dollars of assets. But a $50,000 fine would mean nothing to the multi-billion-dollar corporations, and almost nothing to the multi-million-dollar corporations. It would be less than many of these corporations pay a master of ceremonies for one TV broadcast. When these big corporations violate the antitrust laws they usually get by with continued violations for 10 to 20 years before the Department of Justice even files suit, and they make hundreds of millions of dollars from these violations. It is absurd, therefore, to recommend a fine for violating the law which would not even begin to take away the profits from the violation.

At the proper time I expect to introduce a bill for making the fine for violating the Sherman Act not less than 10 percent of the corporation's assets. Then I will be glad to announce publicly which members of the Attorney General's committee come forward and recommend passage of this bill.

Beyond this, however, I hope that there will be a full congressional investigation into all of the activities of the Attorney General's committee. Such an investigation is appropriate if for no other reason than that money which Congress appropriated for enforcing the antitrust laws has been used instead for this superlobby to pressure Congress into emasculating the antitrust laws. Moreover, if the public is to gain an understanding of the new high-pressure techniques which are being used by big business to put across its programs, Congress could do no better than to begin by exposing the workings of this committee.

When the Attorney General announced the formation of his Committee, he wrote to me on August 25, 1953, saying:

> We are also aware that the success of the studies of the National Committee largely depends upon the cooperation of both Houses of Congress. We are, therefore, planning to maintain constant liaison with bipartisan representatives of the House and the Senate committees concerned with antitrust matters.

There was also an elaborate chart attached to this letter showing how liaison was to be maintained with the House Small Business Committee, as well as with the Interstate and Foreign Commerce Committee and the Judiciary Committee.

But until today, I have seen no signs of liaison with Congress, bipartisan, constant, or otherwise. But I have seen many signs of an extraordinary liaison with the press and all the machinery for making public opinion. During the last year and a half there have been a great number of canned editorials in the trade journals and newspapers which have lauded the purposes of the Attorney General's Committee.

Finally, after the Committee's report was leaked to the Wall Street Journal about 3 weeks ago, and excerpts began appearing in that publication, I wrote to the Attorney General asking for a copy for advance study by the Small Business Committee of the House, subject to the limitation that it would not be released to the public prior to its official release. The answer I received to this request was that the copy from which the press was quoting was an intermediate draft of the report, and that the House Small Business Committee would receive a copy only when the final report is ready. This afternoon Judge Barnes handed me a copy of the report which is to be released on Thursday, for which I am grateful to him.

I will not now discuss any details as to the content of the report, since I am under obligation not to do so until it is officially released, but I expect at a later time to take up some of these details.

Now we must witness a 4-day press party during which the Attorney General and his helpers ladle out explanations of the final report, although there has been no time for any congressional study of it. It looks like an effort to go over the heads of Congress and appeal to the people to pressure Congress before the report actually reaches Congress. The promised liaison which was to be maintained thus appears to have been about 98 percent liaison through the pipelines of propaganda.

A few high-minded individuals on the Attorney General's Committee have made vigorous dissents to the majority's proposals. But for the most part, this Committee represents a community of big-business people who are obsessed with the idea that they have at last learned how to sell. As these people have been able to turn the expert public relations and advertising organizations which were developed for selling commercial products, more and more successfully to selling political ideas and candidates, they appear to have come to think that they can now sell anything. I shall be surprised, however, if they succeed in selling the American people on a program for eliminating the antitrust laws.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks was granted to:

Mr. FOGARTY and to include newspaper articles.

Mr. WINSTEAD and to include extraneous matter.

Mr. O'HARA of Illinois.

Mr. MACHROWICZ and to include extraneous matter.

Mr. KLUCZYNSKI (at the request of Mr. MACHROWITZ).

Mr. CELLER in two instances and to include extraneous matter.

Mr. ASPINALL.

Mr. BYRD in two instances and to include extraneous matter.

Mr. PRICE and to include extraneous matter.

Mr. ROOSEVELT and to include an editorial.

Mr. SCUDDER and to include a resolution.

Mr. HOSMER in two instances and to include extraneous matter.

Mr. MAILLIARD.

Mr. MADDEN.

Mr. HOFFMAN of Michigan in two instances.

Mrs. ROGERS of Massachusetts on Greek Independence Day.

Mr. WOLVERTON (at the request of Mr. MARTIN) in two instances and to include extraneous matter.

Mr. VAN ZANDT (at the request of Mr. MARTIN) and to include extraneous matter.

Mr. HILL and to include an address by Earl L. Butz, Assistant Secretary of Agriculture, in Denver, Colo., on March 7, 1955, entitled "New Frontiers for the West," which is estimated by the Public Printer to cost $180.

Mr. LESINSKI (at the request of Mr. PRICE).

Mr. BOYLE in three instances.

Mr. RODINO (at the request of Mr. MCCORMACK).

Mr. HOLTZMAN (at the request of Mr. MCCORMACK).

Mr. BURDICK.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 691. An act to amend the Rubber Producing Facilities Disposal Act of 1953, so as to permit the disposal thereunder of Plancor No. 877 at Baytown, Tex., and certain tank cars.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 67. An act to adjust the rates of basic compensation of certain officers and employees of the Federal Government, and for other purposes; to the Committee on Post Office and Civil Service.

ADJOURNMENT

Mr. MCCORMACK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 21 minutes p. m.) the House adjourned until tomorrow, Tuesday, March 29, 1955, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

600. A letter from the Secretary of the Army, transmitting the annual report of the United States Soldiers' Home for the fiscal year 1954, together with a photostatic copy of the report of annual inspection, 1954, of the home by the Inspector General of the Army, pursuant to the act of Congress approved March 3, 1883; to the Committee on Armed Services.

601. A letter from the Assistant Secretary of State, relative to a message from the President of the Taiwan Provisional Provincial Assembly expressing admiration and appreciation for the steps recently taken by the President and the Congress of the United States in connection with the ratification of the Mutual Defense Treaty between the United States and the Republic of China and the enactment of Public Law 4; to the Committee on Foreign Affairs.

602. A letter from the Acting Archivist of the United States, relative to records proposed for disposal and lists or schedules covering records proposed for disposal by certain Government agencies, pursuant to the act approved July 7, 1943 (57 Stat. 380), as amended by the act approved July 6, 1945 (59 Stat. 434); to the Committee on House Administration.

603. A letter from the secretary, National Trust for Historic Preservation, transmitting a report on behalf of the National Trust for Historic Preservation for the calendar year 1954, pursuant to Public Law 408, 81st Congress; to the Committee on Interior and Insular Affairs.

604. A letter from the executive secretary, American Chemical Society, transmitting the annual report of the American Chemical Society for the calendar year 1954, pursuant to section 8 of Public Law 358, 75th Congress; to the Committee on the Judiciary.

605. A letter from the Director, Administrative Office of the United States Courts, transmitting the annual report of the Director of the Administrative Office of the United States Courts for the fiscal year 1954, pursuant to section 604 (a) (4) of title 28 of the United States Code; to the Committee on the Judiciary.

606. A letter from the Acting Postmaster General, transmitting the United States Post Office Department Cost-Ascertaining Report for the fiscal year 1954; to the Committee on Post Office and Civil Service.

607. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated February 14, 1955, submitting a report, together with accompanying papers and illustrations, on a preliminary examination of waterway from St. Mary De Galvez Bay, across Santa Rosa Peninsula, to Sound Bay, Fla., authorized by the River and Harbor Act, approved on July 24, 1946; to the Committee on Public Works.

608. A letter from the Secretary of Commerce, transmitting a report on the cost of construction needed to modernize the Nation's highways, prepared by the Commissioner of Public Roads in cooperation with the several State highway departments, and a statement on highway financing, pursuant to section 13 of the Federal-Aid Highway Act of 1954, approved May 6, 1954 (H. Doc. No. 120); to the Committee on Public Works and ordered to be printed with illustrations.

609. A letter from the Attorney General, transmitting the annual report of the activities of the Department of Justice for the fiscal year ended June 30, 1954; to the Committee on the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, pursuant to the order of the House of March 24, 1955, the following bill was reported on March 25, 1955:

Mr. WHITTEN: Committee on Appropriations. H. R. 5239, a bill making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1956, and for other purposes; without amendment (Rept. No. 303). Referred to the Committee of the Whole House on the State of the Union.

Under clause 2 of rule XIII, pursuant to the order of the House of March 24, 1955, the following bill was reported on March 26, 1955:

Mr. THOMAS: Committee on Appropriations. H. R. 5240, a bill making appropriations for sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1956, and for other purposes; without amendment (Rept. No. 304). Referred to the Committee of the Whole House on the State of the Union.

[*Submitted March 28, 1955*]

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. COOPER: Committee of conference. H. R. 4259. A bill to provide a 1-year extension of the existing corporate normal-tax rate and of certain existing excise-tax rates, and to provide a $20 credit against the individual income tax for each personal exemption (Rept. No. 305). Ordered to be printed.

Mr. ENGLE: Committee on Interior and Insular Affairs. H. R. 230. A bill to amend the act of July 31, 1947 (61 Stat. 681); with amendment (Rept. No. 306). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. HYDE: Committee on the Judiciary. H. R. 973. A bill for the relief of Mrs. Elizabeth Dowds; without amendment (Rept. No. 307). Referred to the Committee of the Whole House.

Mr. HYDE: Committee on the Judiciary. H. R. 977. A bill for the relief of Mrs. Ellen Hillier; without amendment (Rept. No. 308). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, pursuant to the order of the House of March 24, 1955, the following bill was introduced on March 25, 1955:

By Mr. WHITTEN:

H. R. 5239. A bill making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1956, and for other purposes; to the Committee on Appropriations.

Under clause 4 of rule XXII, pursuant to the order of the House of March 24, 1955, the following bill was introduced on March 26, 1955:

By Mr. THOMAS:

H. R. 5240. A bill making appropriations for sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices for the fiscal year ending June 30, 1956, and for other purposes; to the Committee on Appropriations.

[*Introduced and referred March 28, 1955*]

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BROOKS of Louisiana:

H. R. 5241. A bill granting the consent of Congress to the States of Arkansas, Louisiana, Oklahoma, and Texas to negotiate and enter into a compact relating to their interests in, and the apportionment of, the waters of the Red River and its tributaries; to the Committee on Interior and Insular Affairs.

By Mr. ALBERT:

H. R. 5242. A bill granting the consent of Congress to the States of Arkansas, Louisiana, Oklahoma, and Texas to negotiate and enter into a compact relating to their interests in, and the apportionment of, the waters of the Red River and its tributaries; to the Committee on Interior and Insular Affairs.

By Mr. BALDWIN:

H. R. 5243. A bill to amend the Civil Service Retirement Act of May 29, 1930, as amended, with respect to persons retired prior to April 1, 1948; to the Committee on Post Office and Civil Service.

By Mr. BELCHER:

H. R. 5244. A bill relating to income-tax treatment where taxpayer recovers a substantial amount held by another under claim of right; to the Committee on Ways and Means.

By Mr. BENTLEY:

H. R. 5245. A bill to amend the National Labor Relations Act so as to provide for elections by secret ballot among striking employees, and to invalidate contracts or agreements to commit unfair labor practices; to the Committee on Education and Labor.

By Mr. BOW:

H. R. 5246. A bill to provide domiciliary care, medical and hospital treatment, and outpatient care for veterans of the Indian Wars; to the Committee on Veterans' Affairs.

By Mr. FJARE:

H. R. 5247. A bill to facilitate the construction of drainage works and other minor items on Federal reclamation and like projects; to the Committee on Appropriations.

H. R. 5248. A bill to grant minerals, including oil and gas on certain lands in the Crow Indian Reservation, Mont., to certain Indians, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. FOGARTY:

H. R. 5249. A bill to amend the Internal Revenue Code of 1954 to provide for refund or credit of internal revenue taxes and custom duties paid on distilled spirits and wines lost, rendered unmarketable, or condemned by health authorities as a result of the hurricanes of 1954; to the Committee on Ways and Means.

By Mr. GROSS:

H. R. 5250. A bill to prohibit the importation of pork and other agricultural commodities and products from the Soviet Union, Poland, and other Communist-dominated countries; to the Committee on Ways and Means.

By Mr. HARRIS:

H. R. 5251. A bill granting the consent of Congress to the States of Arkansas, Louisiana, Oklahoma, and Texas to negotiate and enter into a compact relating to their interests in, and the apportionment of, the waters of the Red River and its tributaries; to the Committee on Interior and Insular Affairs.

By Mr. JONES of Alabama:

H. R. 5252. A bill to provide for the holding of a term of court for the northeastern division of the northern district of Alabama at Decatur; to the Committee on the Judiciary.

By Mr. KING of California:

H. R. 5253. A bill for the relief of the State of California; to the Committee on the Judiciary.

By Mr. McCORMACK (by request):

H. R. 5254. A bill to amend title II of the Social Security Act to provide for the payment of child's insurance benefits to certain individuals who are over the age of 18 but who are incapable of self-support by reason of physical or mental disability; to the Committee on Ways and Means.

By Mr. MERROW:

H. R. 5255. A bill to authorize the coinage of 50-cent pieces to commemorate the construction of the New Hampshire Marine

making public opinion. During the last

Mr. ASPINALL.

Armed Services.

Memorial as the first memorial in the United States in honor of men and women who lost their lives at sea in all wars, which is to be erected at Hampton Beach, N. H.; to the Committee on Banking and Currency.

By Mr. O'HARA of Minnesota:

H. R. 5256. A bill to provide for the redemption of certain unused stamps; to the Committee on Merchant Marine and Fisheries.

H. R. 5257. A bill to amend the act entitled "An act to fix a reasonable definition and standard of identity of certain dry-milk solids" (21 U. S. C., sec. 321c); to the Committee on Interstate and Foreign Commerce.

By Mr. PATMAN:

H. R. 5258. A bill to amend the Federal Credit Union Act; to the Committee on Banking and Currency.

H. R. 5259. A bill granting the consent of Congress to the States of Arkansas, Louisiana, Oklahoma, and Texas to negotiate and enter into a compact relating to their interests in, and the apportionment of, the waters of the Red River and its tributaries; to the Committee on Interior and Insular Affairs.

By Mr. PATTERSON:

H. R. 5260. A bill making an appropriation for the operation of an emergency hurricane warning system by the Weather Bureau; to the Committee on Appropriations.

By Mrs. PFOST:

H. R. 5261. A bill to amend the Domestic Minerals Program Extension Act of 1953 in order to strengthen national defense and to further extend the program to encourage the discovery, development, and production of certain domestic minerals; to the Committee on Interior and Insular Affairs.

By Mr. POFF:

H. R. 5262. A bill to amend the Federal Civil Defense Act of 1950 to authorize the disposal of certain Federal surplus property to State and local units of the United States Civil Defense Corps; to the Committee on Armed Services.

By Mr. PRIEST:

H. R. 5263. A bill to authorize an additional Assistant Secretary in the Department of Health, Education, and Welfare; to the Committee on Interstate and Foreign Commerce.

By Mr. REED of Illinois:

H. R. 5264. A bill to amend title 18, United States Code, chapter 79, to add a new section, 1623, to extend the law relating to perjury to the willful giving of contradictory statements under oath; to the Committee on the Judiciary.

By Mr. REED of New York:

H. R. 5265. A bill to exempt certain additional foreign travel from the tax on the transportation of persons; to the Committee on Ways and Means.

By Mrs. ST. GEORGE:

H. R. 5266. A bill to discontinue the Postal Savings System established by the act of June 25, 1910 (36 Stat. 814), as amended, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. SCHWENGEL:

H. R. 5267. A bill to exempt farm equipment repair parts from the excise tax levied on automobile parts; to the Committee on Ways and Means.

By Mr. VINSON:

H. R. 5268. A bill to amend section 303 of the Career Compensation Act of 1949, to authorize the payment of mileage allowances for overland travel by private conveyance outside the continental limits of the United States; to the Committee on Armed Services.

H. R. 5269. A bill to increase the number of cadets that the President may personally select for appointment to the United States Military Academy and the United States Air Force Academy; to the Committee on Armed Services.

H. R. 5270. A bill to repeal two provisions of law requiring that certain military personnel shall be paid monthly; to the Committee on Armed Services.

My Mr. WIER:

H. R. 5271. A bill to provide an elected mayor, city council, school board, and nonvoting Delegate to the House of Representatives for the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

By Mr. DENTON:

H. R. 5272. A bill to amend the Railroad Retirement Act and the Social Security Act to eliminate those provisions which restrict the right of a survivor to receive benefits simultaneously under both acts; to the Committee on Interstate and Foreign Commerce.

By Mr. FERNÓS-ISERN:

H. R. 5273. A bill to amend the Atomic Energy Act of 1954 with respect to the definition of the term "United States"; to the Joint Committee on Atomic Energy.

H. R. 5274. A bill extending to the Commonwealth of Puerto Rico the power to enter into certain interstate compacts relating to the enforcement of the criminal laws and policies of the States; to the Committee on the Judiciary.

H. R. 5275. A bill to amend the Federal Crop Insurance Act, as amended; to the Committee on Agriculture.

By Mr. GRAY:

H. R. 5276. A bill to amend the Natural Gas Act; to the Committee on Interstate and Foreign Commerce.

By Mr. HOLTZMAN:

H. R. 5277. A bill to amend the Fair Labor Standards Act of 1938, as amended, and for other purposes; to the Committee on Education and Labor.

By Mr. PILLION:

H. R. 5278. A bill to provide for the burial near the Marine Corps War Memorial at the northern end of Arlington National Cemetery of the participants in the famous flag raising at Iwo Jima; to the Committee on Interior and Insular Affairs.

By Mr. POWELL:

H. R. 5279. A bill to extend to uniformed members of the Armed Forces the same protection against bodily attack as is now granted to personnel of the Coast Guard; to the Committee on the Judiciary.

By Mr. ROBESON of Virginia:

H. R. 5280. A bill to authorize land exchanges for purposes of Colonial National Historical Park, in the State of Virginia, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. KEARNEY:

H. J. Res. 263. Joint resolution to provide for the establishment and operation of an Americanism and good citizenship booth or station in the rotunda of the Capitol; to the Committee on House Administration.

By Mr. MORGAN:

H. J. Res. 264. Joint resolution to improve the relations of the United States with Western Germany and Japan; to the Committee on Foreign Affairs.

By Mr. PILCHER:

H. J. Res. 265. Joint resolution to improve the relations of the United States with Western Germany and Japan; to the Committee on Foreign Affairs.

By Mr. WATTS:

H. J. Res. 266. Joint resolution directing a study and report by the Secretary of Agriculture on burley tobacco marketing controls; to the Committee on Agriculture.

By Mr. BASS of Tennessee:

H. J. Res. 267. Joint resolution directing a study and report by the Secretary of Agriculture on burley tobacco marketing controls; to the Committee on Agriculture.

By Mr. RIVERS:

H. J. Res. 268. Joint resolution to improve the relations of the United States with Western Germany and Japan; to the Committee on Foreign Affairs.

By Mr. SHEEHAN:

H. Con. Res. 102. Concurrent resolution relating to the consideration by the United Nations of measures to effect the release of the Polish underground leaders imprisoned by the Soviet Government on March 27, 1945; to the Committee on Foreign Affairs.

By Mr. FRIEDEL:

H. Res. 195. Resolution authorizing the employment of two additional messengers, Office of the Postmaster of the House; to the Committee on House Administration.

By Mr. BOYLE:

H. Res. 196. Resolution to authorize the Committee on the Judiciary to investigate the action of the Department of Justice in dropping criminal charges in the Bunge Corp. case; to the Committee on Rules.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

By Mr. FORAND: Resolution of the Rhode Island General Assembly, memorializing Congress to approve the resolutions pending therein declaring that the people of Ireland should have the right to determine the form of government under which they desire to live; to the Committee on Foreign Affairs.

Also, resolution of the Rhode Island General Assembly, memorializing Congress with respect to House bill 3322 and Senate bill 1004, amending the Federal Property and Administrative Services Act which would release for donation to State surplus property agencies a large amount of Government surplus property for use of the State tax-free health and educational institutions; to the Committee on Government Operations.

By the SPEAKER: Memorial of the Legislature of the State of Idaho, memorializing the President and the Congress of the United States relative to requesting the appropriation of sufficient moneys to provide for the construction of the unfinished link in the Lewis and Clark Highway; to the Committee on Appropriations.

Also, memorial of the Legislature of the State of Wyoming, memorializing the President and the Congress of the United States with reference to the compact commission approach to the solution to the need for greater coordination and integration of development of land and water resources of regional watersheds; to the Committee on Interior and Insular Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. DOYLE:

H. R. 5281. A bill for the relief of Mrs. Mona Gurly Young; to the Committee on the Judiciary.

By Mr. FINE:

H. R. 5282. A bill for the relief of Mario Botoshansky; to the Committee on the Judiciary.

H. R. 5283. A bill for the relief of Artur Swislocki or Arthur Svislotzki; to the Committee on the Judiciary.

By Mr. FJARE:

H. R. 5284. A bill for the relief of Keith A. Botterud; to the Committee on the Judiciary.

By Mr. HERLONG:

H. R. 5285. A bill for the relief of the Imperial Agricultural Corp.; to the Committee on the Judiciary.

By Mr. HIESTAND:

H. R. 5286. A bill for the relief of Dr. James Y. Wong and his wife Irene Susan Joe Wong; to the Committee on the Judiciary.

By Mr. KILDAY:

H. R. 5287. A bill for the relief of Estefana Castrelion de Martin; to the Committee on the Judiciary.

By Mr. KILGORE:

H. R. 5288. A bill for the relief of Miguel Flores Castro; to the Committee on the Judiciary.

H. R. 5289. A bill for the relief of Rodrigo Eulalio Santa Ana-Alvarado; to the Committee on the Judiciary.

By Mr. LANE:

H. R. 5290. A bill for the relief of Giuseppe Barberis; to the Committee on the Judiciary.

By Mr. MACDONALD:

H. R. 5291. A bill for the relief of Mrs. Anneliese Martin (nee Fessimayer); to the Committee on the Judiciary.

By Mr. MORANO:

H. R. 5292. A bill for the relief of Sister Guiseppina Bucci; to the Committee on the Judiciary.

By Mr. ROOSEVELT:

H. R. 5293. A bill for the relief of George Quon Lok; to the Committee on the Judiciary.

H. R. 5294. A bill for the relief of Fernando Galvan-Cruz; to the Committee on the Judiciary.

H. R. 5295. A bill for the relief of Walterio Carrasco Mondaca; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

176. By the SPEAKER: Petition of the Marine Insurance Society of Seattle, Seattle, Wash., requesting passage of the Naval Vessels Tonnage Act, H. R. 2036, in its present form; to the Committee on Armed Services.

177. Also petition of Clifford Crail, Cincinnati, Ohio, requesting that a copy of a letter to Mr. Corliss Lamont of November 15, 1954, be submitted to committee, in order that Congress may investigate certain desecrations of the Bill of Rights by the law-enforcement people of Cincinnati, Ohio; to the Committee on Rules.

178. Also, petition of the editor, the Citizen, Honolulu, T. H., relative to a resolution passed by the Citizens Study Club of Oahu, T. H., placing themselves on record as rejecting and opposing communism, fascism, and all forms of totalitarianism that are antithetic and inimical to the American form of government, and rededicating themselves to the cause of perpetuating the American way of life, etc.; to the Committee on Un-American Activities.

EXTENSIONS OF REMARKS

A National Highway Program

EXTENSION OF REMARKS
OF
HON. FRANCIS CASE
OF SOUTH DAKOTA
IN THE SENATE OF THE UNITED STATES
Monday, March 28, 1955

Mr. CASE of South Dakota. Mr. President, I ask unanimous cosnent to have printed in the CONGRESSIONAL RECORD an address I made at the 53d annual convention of the American Road Builders, at New Orleans, La., on January 12, 1955.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ROADS AT HAND AND ROADS AHEAD

Mr. Chairman, President Reindollar, President-elect Robertson, my colleagues of the Congress, and ladies and gentlemen, it is a privilege to be here to attend the 53d annual convention of this great organization and to participate in its deliberations. We may at this gathering point out some deficiencies in our highways, we may lament the slowness of progress in some respects, we may set our sights on new goals for national achievement, but the solid fact is that no other large nation on the face of the earth today has as many miles of good roads as the United States of America.

The credit for this must go in large measure to the enterprise and the resourcefulness of those who comprise the American Road Builders Association. You represent the individuals and the firms and the research institutions who comprise the American Roadbuilders Association. You who are here today represent those who have met the problems of highway construction and licked them. You bring to congressional hearings the lessons of experience. You show us how we may write into legislation practical ways to meet the ambitions of the American people. Your chairman, Mr. Steelman, was overgenerous in his introduction of me. Actually, any contribution that I may have made during the course of legislative consideration either of the Highway Act of 1954 or of some prior highway act when I was a Member of the House of Representatives and on the Appropriations Committee there or as a member of the Committee on Public Works and its Subcommittee on Roads before I became chairman during the last session—any contributions I may have made have been due to some suggestion that I got from somebody else, and in many instances from members of the American Road Builders Association.

So, I say, you have shown us how to write into legislation practical ways to meet the ambitions and the needs of the American people. And it is a privilege to attend your 53d annual convention in New Orleans, one of the distinctive cities of America, and one of the great cities of the world.

The Public Works Committee of the Senate, as Senator DENNIS CHAVEZ, of New Mexico, so well said yesterday, is a nonpolitical committee. We have had the benefit of great leadership during my membership on that committee. During the first 2 years I was in the Senate, Senator CHAVEZ, himself, was the chairman of the committee. During the past 2 years Senator EDWARD MARTIN, of Pennsylvania, has been chairman. They are both great Americans and they have conducted the deliberations of the committee on a nonpolitical basis. We tried to find out what America needed in roadbuilding, what it needed in rivers and harbors development, and addressed our efforts to that end, regardless of any particular political implications that any action might have. Speaking here in behalf of what is now the minority membership of the Senate Committee on Public Works and the Committee on Roads, I want you to understand that I am sure the tasks of the coming year will be tackled in the same nonpartisan fashion. In acknowledging the help you have given in our congressional hearings, I want to express special thanks for the factual and informational data submitted by your executive vice president, Lt. Gen. Eugene Reybold, at the hearings of the Senate Committee on Public Roads in 1952 and of Bob Reindollar at the hearings of the Senate Public Works Subcommittee on Roads in 1954. I would be remiss if I did not, speaking to your organization, say "Thank you" to all of you.

And I would be remiss, also, if I did not tell you that throughout the congressional year, we have been helped by the aids of your organization. I understand they prefer to be kept in anonymity but, nevertheless, I really would like to mention all of their names. These aids of yours are in touch with the people on Capitol Hill and are always ready to supply us with the latest data on highway matters from the construction standpoint.

My topic for this morning is "Roads at Hand and Roads Ahead." Under the first part of it, I wish briefly to set forth the intent of Congress, as nearly as I know it, in the Federal Highway Act of 1954 with special reference to some new features in that legislation. Under the second part of the topic, "Roads Ahead," I shall review in brief detail the recommendations of the President's special committee, the report which General Clay presented to the President only yesterday. I sat in with other members of the roads committees on a preview of the report last Friday night.

First, then, "Roads at Hand"—the special features of the Federal Highway Act of 1954. This is the law under which Federal funds will be available for highway programs in the 2 fiscal years of 1953 and 1957, the first of which begins next July 1.

Foremost is the fact that this Act, for the first time in Federal highway legislation, makes available for highway purposes an amount in dollars substantially equal to the amount of revenue expected to be collected in the same period of time from the Federal tax on gasoline and lubricating oils. This does not include the revenue in excise taxes on automobiles or accessories which more nearly compare with the excise taxes on other articles one may purchase.

The total amount provided for the primary, secondary, urban, and interstate systems in this new act was $875 million for each year compared with $575 million per year in the prior biennium. That increase of $300 million on a $575 million base was a very substantial increase, over 52 percent in fact.

The amount of $22½ million for forest highways, $24 million for forest roads and trails, $12½ million for roads and trails in the national parks, $11 million for parkways, $10 million for Indian roads and trails, $1 million for public-lands roads, and other amounts for the inter-American highway and for research and financing studies lifted the grand total so close to $1 billion that the act was properly characterized by the President, as a billion-dollar road bill, or as your chairman here this morning perhaps more accurately describes it, a $2 billion bill for the biennium.

We did something else, too, in dealing with these roads of Uncle Sam, the roads and highways in national forests, national parks, and national reservations. And these are given a little extra mention, because I think in the general thinking of highway systems we haven't realized the way in which those roads fit into the national system and the way also in which the roads in our parks and recreational areas in keeping with the suggestion that 50 percent of our traffic is for recreational purposes—those people who are out for recreational purposes will appreciate these recreational features of the highways as they drive along, but in many instances they are headed for one of the national playgrounds. And so what we do for the highways in those national playgrounds is important. Now, for the first time in this act,

we propose to give the Federal Government itself as good a deal as we have been giving the States; that is, the right to count on the amount of money which the legislative hearings established was what was needed in a proper distribution of highway funds.

For many years, the biennial highway act has been made the basis for allotment to the States and has been regarded as a commitment so that the several State legislatures could count on those amounts and plan their revenue gathering and allocations accordingly. But, prior to the present, the figures for the national forests roads and trails—not highways but the roads and trails—and for the national parks and the Indian reservations have been only top limit authorizations and there has been a woeful lag in the actual appropriations.

Testimony taken in our Senate hearings last spring established that this lag in the 8 years from 1947 to 1954 for the National Park Service amounted to $70 million—that is, that much was authorized that was not appropriated—and almost $20 million for the Indian Bureau. We established that appropriations for the roads in the national parks were running at an average of about $3½ million a year against a standing authorization in the legislative act of $10 million. The appropriation for the fiscal year 1951 for the National Park Service was $2½ million. That year, the park visitors exceeded 40 million people but the amount of money was less than it was in the thirties when the visitors were half as many. For fiscal 1953 and 1954 the appropriations for roads in the parks was in the $4 million class against the $10 million in authorizations although park visitation the last few years has gone up to [illegible] million per year.

In this connection we developed some interesting figures on maintenance. I suppose these figures on maintenance might have other applications, too. But, it was costing the National Park Service $1,571 per mile to maintain the old south approach road in Yellowstone Park on the old bituminous surface against only $202 on the new sections of bituminous. In the Shenandoah National Park, maintenance on the old bituminous sections was running $1,443 per mile against $163 on the new sections.

Our committee could not ignore the implications of such testimony. We decided that the Federal agencies responsible for maintaining the Government's own property should have the same assurance to count on the figures in the highway act that the States had on their partnership roads. So the Senate committee wrote into section 6 of the 1954 act contract authority for the amounts in the bill. The House conferees concurred in our action. And I might say that we did the unusual thing of making this provision applicable to the authorization of the current 1955 fiscal year as well as the biennium ahead of 1956 and 1957, so that today the Forest Service for its roads and trails fund, the Park Service for its roads and trails and parkways, and the Indian Service for its reservation roads now have this new authority, and each one is now engaged in programing roads which will permit them to make real progress in meeting their construction responsibilities. And, to a group which represents the road contractors, I suggest that you let the different agencies know that they now have contract authority to go ahead with the amounts described in the highway authorization act.

I have dwelt on this section of the bill a bit more, perhaps, than is proportionate to the total picture, because it has been a neglected one. We did not feature it in our presentation to the Senate, and I doubt that many people throughout the industry have been fully aware of the significance of this establishment of this contract authority on these minor highway-fund allotments.

But, in the long sweep of highway planning, and I was particularly glad that Mr. Neill emphasized that in his remarks this morning, the roads and the highways of our national recreational grounds have great importance. The American people like to travel. They head for those playgrounds. They travel thousands and thousands of miles to get there—and it is important that when they get there they find decent roads to travel. All the way that they travel they pay some gasoline-tax revenues, too, and, of course, they create part of the traffic problem on the highways in getting there. Your appreciation of the Tetons in South Yellowstone can be marred considerably if you have to bounce around on pitted blacktop. And your vision of some spouting geyser is not helped by viewing it through a cloud of gravel dust.

The big increase of funding, however, in the 1954 act was the stepup in the Federal-aid system—from $550 million for the primary, secondary, and urban to $700 million per year and in the interstate from a simple $25 million to $175 million—the two increases amounting to the $300 million increase on the $575 million base that has been previously mentioned.

These increases were not accomplished by accident. I, personally, had introduced a bill, S. 2859, a few days before the so-called administration bill was introduced in the House. My bill called for $1 billion, $2 million for each of the 2 fiscal years as compared with the $887 million in the bill introduced and subsequently passed in the House of Representatives.

Now, I think I should say to this association that your spokesmen in their testimony before the House and again before the Senate said that the lesser amount was not adequate and I think I should say that your testimony helped to establish the increase which the Senate committee reported and which the Senate approved. In conference, some adjustments were made, but still the final total was close to the billion-dollar figure and justified the statements that Congress was providing a sum approximating the amount collected in Federal taxes on highway fuels—and that that represents an increase of approximately 50 percent over the prior biennium.

I may have stressed the figures involved more than you expected, but there is a special significance to them. It is this: that the amounts set up in the 1954 Highway Act for primary and secondary systems are the amounts which the President's Special Commission headed by General Clay now has adopted and proposes to use as the base for those purposes in the new program to be submitted to the Congress. Had the old base been continued in the last Congress, it is entirely possible that that would have been the base for the continuing regular primary and secondary systems in the Clay report. We set a new mark and that has been used as the new base.

One other feature of the 1954 act before I turn to "Roads Ahead." That is the provision for the interstate system. The interstate system and the urban system are, of course, really selected segments of the primary system. That is from the standpoint of physical construction.

The congressional committees were not insensible to the many witnesses we had who urged larger allocations for those highly expensive portions of the primary system—the high standard routes of particular importance in the national defense, often described as the strategic network, and the routes through or around cities, the urban system. Your organization pointed out the great importance of these roads. So did the representatives of the Association of State Highway Officials, the American Municipal Association, the American Automobile Association and many others.

And the committees responded. The House bill proposed stepping up from $25 million to an even $200 million. The Senate committee reported $150 million, six times the previous amount. We settled on the midway figure of $175 million, a 600-percent increase.

At the same time, we provided that the share of the Federal Government would be 60 percent as against 40 percent for the State contribution. Now, that was not with the thought of reducing the total amount of roads built but rather because we recognized the very practical problem that in most States the mileage on the interstate system is less than the mileage on the other system. A great many people live on the other systems, in the small towns and in the smaller cities and in the country. Each State highway authority feels a great deal of pressure to complete their roads, too. When the people see a larger amount per mile put on the segments of the interstate system, which frequently are the better roads of the State, it makes it difficult for the State highway authorities to justify taking the larger amount that is necessary to meet the standards of construction for the interstate system and leave somebody's pet project neglected. And, so, in order to create a justification for the State highway authorities to put some money in the interstate system, we proposed that 60–40 base. Now that principal has been recognized to an even greater degree in the recommendations of the President's Advisory Committee. This discussion of the interstate system leads directly to the second part of the topic, "Roads Ahead."

In 1953 I had suggested that we have a joint congressional study of highway needs and highway financing. The House committee, however, had a study of its own under way. I believe that your organization testified at its hearings. Some of us felt, however, that we needed more than a general hearing on highway construction, that we needed to have the benefit of detailed study by experts in the field of construction, design, financing and related subjects; that we needed to consider completing the systems and getting caught up with the growing demands. We felt we should not merely build today for what we see today but build so that when we got through with a project or route we would have met the needs that existed when we started and also the needs that had come into being during the period of construction.

So, the Senate wrote into the 1954 act this section incorporating the language I suggested, to which your chairman has alluded, section 13. I am going to read it—it is not very long:

"SEC. 13. The Secretary of Commerce is authorized and directed to make a comprehensive study of all phases of highway financing, including a study of the costs of completing the several systems of highways in the several States and of the progress and feasibility of toll roads with particular attention to the possible effects of such toll roads upon the Federal-aid highway programs, and coordination thereof, and to make a report of his findings including recommendations with respect to Federal participation in toll roads, to be submitted to the Congress not later than February 1, 1955: *Provided*, That not to exceed $100,000 from funds available for administrative expenses shall be expended for the purposes of this section."

In his letter yesterday, formally presenting the report of the Special Advisory Committee to President Eisenhower, the chairman, Gen. Lucius Clay, wrote: "Early in 1955 the Bureau of Public Roads, pursuant to a directive of Congress (that is, sec. 13), will submit a comprehensive report on its current study of highway needs and financing. The estimates used by this committee (that is, the estimate used by the Clay committee), have been based upon preliminary tabulations of data by the Bureau, and hence no major inconsistencies are anticipated."

In other words, it is anticipated that the recommendations for roadbuilding in the reports of the Clay committee submitted yesterday will fit into the findings of need that will be submitted to the Congress in the report of the Bureau of Public Roads under the directive cited. And the fact that the Clay committee's recommendations grow out of the estimates of needs and costs made by the Bureau of Public Roads suggests, I think, the degree of support which the recommendations of the committee will have from governmental sources, at least as to goals.

Now, the President's Advisory Committee's recommendations are buttressed also by their own hearings in the White House on October 7 and 8, 1954, and by the work of the Conference of Governors and their committee and by studies of an interagency committee representing the several Cabinet departments.

To the features of the committee's recommendations, I want to give a very brief outline:

First, from the data compiled by the Bureau under the study directed by section 13 of the 1954 act, the President's Advisory Committee estimates that $101 billion would be required to complete all highway systems, Federal, State, and county and be current at the end of 10 years. I have heard some discussion and there is some confusion about the set of different figures, $101 billion, $50 billion, $25 billion. The $101 billion figures is the figure which the committee finds would be necessary to complete all the systems and be current at the end of 10 years.

Second. The Committee finds that if the present levels of expenditure were continued, $47 billion of this $101 billion would be provided, thus leaving a gap of $54 billion. Now, that $47 billion would embrace a continuation of the present Federal-aid program at the level cited in the 1954 act, plus the State and local, plus the existing toll authorities and whatever other programs are in the picture at the present time. Thus, $47 billion of the $101 billion would be provided by continuing the present program but that leaves a gap of $54 billion. The Committee would concur in the recommendations of the governors' committee that the Federal Government provide 30 percent of this $54 billion with States and local governments or road authorities taking the other 70 percent.

Third. The Clay Committee specifically recommends that the Federal Government take over and complete the presently designated national system of interstate highway system of approximately 38,000 miles at a cost of $27 billion, of which the Federal Government would supply $25 billion and others $2 billion. In reality, this would be $23 billion direct Federal and $4 billion equally divided to handle urban connections. That is, $23 billion for the general system would be provided directly by the Federal Government, $4 billion of the $27 billion was estimated as what would be required for the urban connections and that would be on a matching basis. That is where the $2 billion out of the $27 billion comes. Twenty-three billion dollars plus $4 billion, the $4 billion divided by 2 for Federal and local sharing.

Fourth. The Committee recommends that the Federal share of the interstate system be financed through bonds issued by a National Highway Corporation to be retired in 30 years, by annual appropriations of an amount equal to the proceeds from the gasoline tax and the revenue from the Federal tax on lubricating oils. This amount, the Committee specifically states—and General Clay emphasized this in talking with us Friday night—this amount, the equivalent of the Federal tax on gasoline and the tax on lubricating oil, should be sufficient with the increase that they anticipate as the highways are constructed, should be sufficient to maintain the level of appropriations established in the 1954 Highway Act for the regular primary and secondary aid systems, as well as $75 million for the continuation of the urban system and adequate amounts for the public domain lands as well as to provide for the retirement of bonds in 30 years.

Fifth. The President's Committee further specifically proposes that the Federal Highway Corporation reimburse the States for any segments of the interstate system built to acceptable standards since 1947, whether free roads or toll, to the extent of the non-Federal participation; and that this reimbursement money be available for use by the State to build what might be called lieu roads elsewhere in the State on whatever part of the State's system State law might provide.

This reimbursement money, however, would be available only if the State was keeping up its regular matching program on the other systems. That is, as it was explained to us, it would not be the intent that a State might sit back and say: "We'll take this money you are going to pay back to us and then ease up on our own appropriations." The State would have to keep up its regular matching program but if it did and if it had segments of the interstate system that were built to acceptable standards, whether it was a continuation of a part of a toll system or a freeway, the State would get the reimbursement for that.

I might say further in explanation, General Clay pointed out that would not mean the discontinuance of the Federal aid or the discontinuance of the tolls. His committee is suggesting that we accept those roads that are in being if they meet the standards of the interstate system.

Thus, to treat all alike, the Federal Government through this Federal Highway Corporation would stand ready to reimburse the States for the acceptable portions of the interstate system that it had built to acceptable standards since 1947, whether toll or free, and that that money paid for them would be available for the State to spend on building lieu roads. I use the term "lieu roads" because out in our State we have what we called lieu land. Sections 16 and 36 in each township of our State are dedicated as school lands but there were some sections which were homesteaded and taken up before that provision in the State enabling act was adopted. To make up for those, we set aside some other land and called it lieu lands. Well, these would be lieu roads. In place of the money that had been spent on the interstate system up to date the State would get back this money for building lieu roads. That is, would get back the non-Federal portion of the cost of the portion accepted for the interstate system.

Sixth. The Federal Government under this plan would provide 90 percent of the costs of rights-of-way on the interstate system and would use, or make available, its power of eminent domain to acquire rights-of-way if the State is lacking in such authority, that is, for the interstate system.

Seventh. The interstate system would be programed for completion in 10 years, that is by 1965, and designed to fully meet traffic needs of 1975 and constructed to last through 1985—a 30-year life.

Eighth. The committee proposes—when I say committee, I mean the Clay committee—the committee proposes that the bonds be subscribed to by the Treasury, if necessary, to a $5 billion limit; but General Clay said that the committee was of the opinion, following their consultations with investment bankers, that the bonds would sell in the market; especially so if the long terms were offered at one-eighth percent over the regular governments and the short term at one-quarter above.

Now, that is the picture as I understand it from hastily skimming through the preliminary draft of the committee's report and from the discussion General Clay had with members of the roads committees last Friday night. If some of you should have questions and if there is an opportunity for discussion later on, I'll be glad to answer them, if I can—but I think I have told you about all I know about it.

But, it is to be remembered that there are details that will have to be worked out in congressional hearings—and, as one of the speakers said yesterday, others may propose, but, in the final analysis, Congress disposes.

Personally, I agree with what Senator CHAVEZ and Congressmen FALLON and MCGREGOR have already said in suggesting that your roads committees in Congress will give a sympathetic hearing to this proposal or to any proposal to enable the country to meet the increasing traffic demands. Deaths of 38,000 per year, many of them avoidable on properly designed highways are too many. That is over 100 every day of the year. And, of course, the casualties of disabling and painful accidents are about four times that much. We must do all we can to meet the economic and humanitarian needs of modern travel.

I do see, I think, some hurdles that must be met by the President's Committee.

One big hurdle will be to demonstrate that the completion of the interstate system will not delay or interfere with the building of the badly needed roads on the primary, secondary, and urban systems that are not a part of the designated interstate routes.

There are two answers likely to be offered to this question: First, that relieving the States of matching on the interstate will release funds for construction of the other systems; second, that the reimbursement for funds already spent will make possible some "lieu" roads in some neglected sections.

These provisions are very important. In my State, for instance, we permit refunds of the State gasoline tax to farmers for the portion of their gas that is used off the highway—that is, in tractors for plowing, harvesting, etc., the nonhighway use. Now, in my State, that happens to amount to 29 percent of the revenue we receive in the State gasoline tax. You know and I know what the farmers would think about continuing the Federal gas tax at the 2-cent level which is not refundable in any degree if they thought the purpose was only to build a superhighway a hundred miles away. Or the residents of towns and cities not on the interstate route. It will be the job of Congress, I think, to write the provision for these "lieu" roads clearly into the legislation as well as to make clear that the funds otherwise released from matching on the interstate system will be used for completing other systems if public acceptance is to be won for this expediting of the interstate system.

Mr. Chairman and delegates to this convention, in conclusion may I say again that it has been a privilege to talk with you on this subject of "Roads at Hand and Roads Ahead." You truly are a group of builders—roadbuilders. There is the whole thrill of America at its best in the tasks you undertake.

I'd like to leave with you these lines by Edwin Markham:

"We men of earth have here the stuff
Of Paradise—we have enough.
We need no other stones to build
The Temple of the Unfulfilled—
Here on the paths of every day,
Here on the common, human way
Is all the stuff the gods would take
To build a Heaven, to mold and make
New Edens. Ours the task sublime
To build Eternity in Time."

And, so I salute you, the roadbuilders of America.

Country Music

EXTENSION OF REMARKS
OF

HON. ARTHUR WINSTEAD

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Monday, March 28, 1955

Mr. WINSTEAD. Mr. Speaker, on March 3 I introduced House Joint Resolution 245, which provides for the designation of the 26th day of May of each year, beginning with the year 1955, as National Country Music Day.

On May 26 of the past 2 years Jimmie Rodgers memorial celebrations were held at Meridian, Miss., in commemoration of the contribution made to country, hillbilly, and folk music by the late Jimmie Rodgers—known as the blue yodeler and America's singing brakeman. The date, May 26, has been chosen for the annual celebrations because it is the anniversary of his death.

Many thousand visitors have attended the past two celebrations and it is expected that all past attendance records will be broken this year.

Past programs have presented a long list of the Nation's top country, hillbilly and folk music singers and artists. Performers of equal ability and prominence are expected to participate in this year's celebration.

At the celebrations held in the past, prominent leaders in the entertainment, railroad, governmental, labor and political world have taken an active part. Governors White of Mississippi and Clement of Tennessee and other high State officials have actively joined in these celebrations. The feature speaker at last year's memorial celebration was Adlai E. Stevenson. Mr. W. P. Kennedy, Cleveland, Ohio, president of the Brotherhood of Railroad Trainmen, has taken a deep interest in these celebrations and has appeared on the program for the past 2 years. Other notables of the Nation's labor world have contributed much toward making the past celebrations events of unqualified success.

From all indications, this year's Jimmie Rodgers memorial celebration promises to be even more successful than the two previous ones.

Mr. James H. Skewes, editor and publisher of the Meridian Star, together with capable members of his staff have played a great part in making these past events so successful.

Many of the people of the city of Meridian and the State of Mississippi are justifiably proud that the late Jimmie Rodgers was the inspiration of this annual celebration.

I think it was fitting, in recognition of his contribution to country, hillbilly, and folk music that a statue was dedicated in Meridian, Miss., to the memory of its native son, James Charles Rodgers, on the 20th anniversary of his death, May 26, 1953. He was universally known as Jimmie Rodgers, the blue yodeler and America's singing brakeman. He was a pioneer in that type music that has built an industry out of hillbilly, or country music.

At 14, Jimmie Rodgers became a railroad man, assistant foreman to his father. His first job was on a work train, but soon he had a regular run on the New Orleans & Northeastern, from Meridian to New Orleans. He had always wanted to sing, but lacked confidence. The railroad crews heartily enjoyed his rollicking ballads of the railroads, his plaintive crooning of plantation melodies, and the songs of hills and rivers. He was a railroad man—and a minstrel. During 1917 and 1918, Jimmie served his country by doing what was required of all railroad men, attending to his trainman's duties. The casualty of one of his best friends during World War I caused him to write his first composition, a sentimental song. From the first his railroad buddies liked the song and so did the young fellows in Meridian.

In the spring of 1920 Jimmie Rodgers had a siege of pneumonia and for 3 months in the autumn of 1924, he struggled desperately to overcome tuberculosis. The following years, he and his wife, Carrie Williamson Rodgers, fought against poverty and the ravages of tuberculosis. In May 1927, the Jimmie Rodgers Entertainers broadcast over a new radio station, WWNC, from Asheville, N. C. By strange coincidence the officials of a large recording company tuned in on the new station and hearing Jimmie Rodgers, they found a natural. His local popularity increased, but later he was truly discovered in Bristol, Tenn., by a Victor record scout, who was searching the hills for talent. Still battling tuberculosis, Jimmie Rodgers began a career that was fabulous even in the phonograph industry. It is estimated that the blues yodel records sold over 5 million copies.

Jimmie Rodgers left a mark on all hillbilly music. He has been recognized for the simplicity of his accomplishments. His songs dealt with real problems. They came from the heart and the people responded.

Jimmie Rodgers' obituary in the Meridian Star stated that he was an honorary member of the Texas Rangers, a Mason, and a Shriner, but perhaps his closest ties of friendship always cherished by him and frequently referred to in many of the songs of his original composition, were found within the ranks of the railroad men of the Meridian section with whom he served as railroad brakeman before entering upon his professional career, and from whom the active pallbearers were selected. The singing brakeman died in New York City where he had gone 3 weeks prior to his death to make recordings. Under the care of a fulltime nurse, he believed himself able to make further contributions to the development of country music in America.

The demands for hillbilly music have continued to multiply since Jimmie Rodgers made his first recording, and some state as much as fivefold since World War II. Ten years ago, if a hillbilly record sold 10,000 copies, it was a hit; today a 50,000 sale is mediocre. These tunes continue to come from the plains, the prairies, and the hills. Once a specialty product marketed mainly in the deep South, hillbilly music has a nationwide sales field. With the war, hillbilly, or country music, quickly came out of the hills. Many of our large training camps were in the South. The GI's who might never have been exposed to this music heard it constantly. They liked it—and brought the songs home with them. Postwar shifts in population helped spread it, and disc jockeys followed through and gave country music to a widening audience. It all tied in with a trend toward simpler songs—and nothing is simpler than country music.

Back in 1930 country singers started going highly commercial when Gene Autry's popularity began. Following him came a long procession of names, including Hank Williams, George Morgan, Red Foley, Ernest Tubb, Roy Acuff, Jimmy Wakely, Eddy Arnold, and others. The home of the Grand Ole Opry has become known as the Broadway of country music.

Roy Acuff has said:

If you aren't a country boy, you can't write or sing country music. It is simplicity of our songs, I guess. More than that, it is something in here—something in the heart.

The question has been asked: What kind of music is it? It has never been definitely named. Hillbilly or country music comes near. There are many who believe history will write it down as the true American music. Writers of this type music, like Fred Rose, say theirs is the music of a people who may not know the mathematics of a Wagnerian opera or a Brahms symphony, but they know what it is to hear the sound of songs like those that Jimmie Rodgers wrote and sang: Old Pal of My Heart, The Land of My Boyhood Dreams, Mississippi Moon, Waiting for a Train, and so on. These songs tell a story and touch the heart of country and city folks alike.

Mississippi can be truly called a musical State, if one judges by its singing folk, rather than by the number of its symphony orchestras. Living close to the soil, they have retained the lore, the customs, and the songs of their ancestors. The songs of the railroad, the river, and the field are a part of our heritage. Jimmie Rodgers helped to maintain that heritage, not only for the State of Mississippi but for all home-loving Americans.

My resolution is as follows:

Resolved, etc., That the 26th day of May of each year, beginning with the year 1955, is hereby designated as National Country Music Day, in recognition of the contribution made to American music lore by the writers, singers, and players of country music.

The following is a clipping from the March 20, 1955, issue of the Meridian Star, Meridian, Miss., with reference to the coming Jimmie Rodgers Memorial Celebration:

IN AND ROUND MERIDIAN

(By C. H. Phillips)

The third annual observance of the Jimmie Rodgers memorial celebration in Meridian carries an appeal linked to the dreams and aspirations of millions of people in all the 48, well evidenced by the attendance of many thousands of visitors in our town in 1953 and in 1954. There seems to be little or no doubt but that country music, in and of itself, expresses the yearnings for peace

and security so paramount now in the minds of America's teeming masses. So be it * * * In a literal sense, folk in our town have won, and sustained thus far, an achievement without a parallel in United States history. With the help of such folk and institutions as Ernest Tubb, Hank Snow, Ralph Peer, Roy Acuff, Jimmie Davis, Horace Logan, Louisiana Hayride, Grand Ole Opry, The Billboard, Country Song Roundup, Norm Silver, Cash Box, Pickin' and Singin', Bill Alexander and Steve Sholes and others of RCA-Victor, Governor Frank Clement of Tennessee, Governor Hugh White and Lt. Gov. Carroll Gartin of Mississippi, Dan Collins, Adlai Stevenson of Illinois, Railroad Trainman President W. P. Kennedy, Minnie Pearl, Eddie Hill, Red Foley, Congressman Arthur Winstead, Senators John Stennis and Jim Eastland, Congressman Jamie Whitten, Jas H. Skewes, R. D. Hendon and his band, Hank Thompson, Hill and Range Songs. Meridian and Bigbee Railroad (The M & B donated the big engine honoring Rodgers on Tom Bailey drive), and hundreds of other artists, we have set a stage of permanence for tremendous American folk-song potential * * * This column today expresses appreciation to all, for the contributions already made to this magnificent movement * * * Likewise, it is proper that we here and now dedicate ourselves to an expression of thanks to Dizzy Dean and to Falstaff folk who are bringing him here as part of our coming observation which falls, as it were, on National Country Music Day, May 26, likewise the day in 1933 when America's great "Blue Yodeler" passed into immortality * * * Meridian folk, and those in all Mississippi, also will be interested to know, in re the coming show, that the Philip Morris people are going to give it every possible break. It may be that Tennessee Ernie will be a top guest this year. But, in any event, we do know the Philip Morris folk, in the light of the truth that good will is the one asset competition can neither undersell nor destroy, are going to give national public plugs to the celebration. Hence, once more, due thanks to Falstaff and to Philip Morris for assistance that will not be forgotten * * * In the premises, the 1955 program ought to set the final groundwork for a continued Jimmie Rodgers Memorial Celebration in national sense * * * In the face of this national attention, it is our hope that we, in our town and in Mississippi, will live up to a tremendous bit of obligation. Let us make all of the coming visitors feel at home. And actually be at home. Informally, of course.

Tabulation of Questionnaire

EXTENSION OF REMARKS
OF
HON. WILLIAM S. MAILLIARD
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES

Monday, March 28, 1955

Mr. MAILLIARD. Mr. Speaker, last year I sent out a questionnaire to every sixth voter registered in California's Fourth District, regardless of party affiliation. The response was so enthusiastic that I have again this year asked for voter opinions on matters of current interest. Twenty percent of the questionnaires have been returned, and they are still coming in.

I am very pleased with the interest shown by the voters of my district. It is, ir my opinion, a reassuring example of representative government in action.

In the belief that other Members may be interested in the views expressed, I am inserting in the RECORD the following tabulation of replies:

	Yes	No	No opinion
	Percent	*Percent*	*Percent*
1. Do you favor an increase in postage rates to reduce the operating deficit of the Post Office Department?	67	31	2
2. Do you favor lowering the voting age to 18?	35	64	1
3. Do you favor raising the present legal minimum hourly wage from 75 cents to 90 cents?	75	22	3
4. To reduce the costly rapid turnover of military personnel, President Eisenhower has proposed pay raises and additional benefits for career servicemen. Do you approve?	76	21	3
5. Do you favor pay increases for Federal civil service and postal workers to bring their wages in line with those paid by private industries?	76	21	3
6. After thorough study, a special commission recommends a substantial pay increase for Federal judges and Members of Congress. Do you approve?	60	35	5
7. Do you believe a firm stand (backed by force if necessary) against further Communist aggression is our best approach to world peace?	85	10	5
8. The controversial Dixon-Yates contract permits private capital to construct power facilities to replace energy being withdrawn from TVA for atomic energy purposes. Should this contract be cancelled and the Federal Government assume the responsibility with public funds?	34	56	10
9. H. R. 1 would extend the President's authority to enter into trade agreements for 3 years, with added authority to adjust tariffs. Do you favor enactment of this bill?	66	25	9
10. Do you favor further cuts in Federal taxes, even though this means an operating deficit and an increase in the national debt?	23	72	5

Trinity River Project

EXTENSION OF REMARKS
OF
HON. HUBERT B. SCUDDER
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES

Monday, March 28, 1955

Mr. SCUDDER. Mr. Speaker, under leave to extend my remarks in the CONGRESSIONAL RECORD, I desire to state that I have had a great amount of correspondence from California favoring a program which will save the taxpayers of our country untold millions of dollars in the construction and operation of the Trinity River project, should the same be authorized and constructed.

The Pacific Gas & Electric Co., now serving the greater part of the State of California, has submitted an offer to construct all of the power facilities and transmisson lines, and buy from the Federal Government falling water developed by the Trinity River project. Information I have received is that the power company would pay in the neighborhood of three and one-half million dollars per year for such falling water; also, they would be paying taxes which would be of great benefit to the local communities, the State, and Federal Governments.

I herewith submit a resolution from the Healdsburg Chamber of Commerce, which I ask be inserted with my remarks:

Whereas the board of directors of the Healdsburg Chamber of Commerce know that the Bureau of Reclamation has under study a plan to take water from the Trinity River by the building of tunnels; this water to be released into the Sacramento River and used for irrigation of the Sacramento and San Joaquin Valleys; and

Whereas the board of directors of the Healdsburg Chamber of Commerce believed that a study should be made of the plan presented to the Bureau of Reclamation by the Pacific Gas & Electric Co. in regard to the construction of power facilities in connection with this project: Now, therefore, be it

Resolved, That the board of directors of the Healdsburg Chamber of Commerce go on record as favoring the construction of all power facilities in this project by the Pacific Gas & Electric Co. of California, and urgently requests your support in this matter.

Respectfully submitted.

HEALDSBURG CHAMBER OF COMMERCE,
GEROLD F. MILLER, *President*.
MARGARET R. TOWLE,
Secretary-Manager.

Dated March 21, 1955.

Unemployment

EXTENSION OF REMARKS
OF
HON. ROBERT C. BYRD
OF WEST VIRGINIA
IN THE HOUSE OF REPRESENTATIVES

Monday, March 28, 1955

Mr. BYRD. Mr. Speaker, under leave to extend my remarks, I wish to include a statement which I made last week during my appearance before a subcommittee of the Senate Committee on Education and Labor. My statement emphasizes the fact that present trade policies are contributing to growing unemployment in West Virginia and other industrial areas.

The statement follows:

STATEMENT BY HON. ROBERT C. BYRD, OF SIXTH DISTRICT OF WEST VIRGINIA

Mr. Chairman, although I was not a Member of Congress when you conducted hearings in 1950 on the subject of unemployment and its causes, I was very much interested in your investigation and followed closely the newspaper accounts of testimony presented at that time.

In 1950, I was a resident of Raleigh County, which, as you know, is perennially among the top five coal-producing counties of the State of West Virginia. Every resident of every coal community is only too well aware of any serious drop in production at the mines. The businessman sees it in dwindling receipts. The schoolteacher detects it soon enough when children are not getting proper nourishment, and the pastor of the church finds his income drastically reduced when the mines are not working regularly.

These are the tangible evidences of economic imbalance. Certainly no less distressing is the profound effect of business decline on the attitude and outlook of a people who, through the years, have been outstanding Americans and willing and industrious workers.

When I look back to that time 5 years ago, I must acknowledge that probably none of us

in the mining region had any perception whatsoever of the long struggle that was ahead. While we were not braced for such an acute blow to our economy, we nevertheless were able to understand that certain dislocations are inevitable in a readjustment from a war to an era of peace. What is more—largely through the splendid efforts of the chairman of this committee—it was established beyond doubt that the impingement upon coal's markets was the product of a foreign-trade policy that had been designed and put into practice under circumstances that were entirely different from those existing in 1950. We naturally assumed that existing inequities would be quickly corrected, especially since the entire case was established without equivocation.

Mr. Chairman, your investigation proved beyond question that foreign residual oil was responsible for much of the unemployment in our part of the State and throughout the mining areas of West Virginia. I have heard it said since coming to Washington that, as a consequence of the bipartisan concurrence of the committee's members, proper action would have been taken by the Congress to place a quota restriction on residual oil imports after the issuance of your report, had it not been for the unforeseen developments in Korea.

As we all know, coal is necessary to make the steel which goes into tanks, airplanes, ships, ammunition, and all other implements of war, so it was only natural that the demand for this vital fuel would turn upward as soon as military operations were undertaken. Consequently, "work today" whistles were heard more often in our communities, more of our miners returned to work, railroads called back scores of their men, and there was a general rise in business throughout our area.

Unfortunately, however, as the eyes of the Nation turned toward the Far East, more and more tankers from foreign countries were rushed into the ports along the Atlantic Seaboard carrying more and more oil to displace coal produced by American workers. Your committee had shown that a total of 75 million barrels of residual oil entered our markets in 1949 and that this foreign product was definitely injurious to the national economy. When these facts were presented to executives of the importing companies who appeared before your committee, they informed you that whatever realignment was necessary could be achieved through the voluntary restrictions of residual oil imports. Yet, as soon as Congress turned from the oil import issue in order to face the situation in Korea, those companies immediately undertook to accelerate importations, and by the end of 1950 a tabulation by the United States Bureau of Mines showed that 120 million barrels of foreign residual oil had entered our markets—an increase of 60 percent in a single year.

National coal production fell from a high of 613 million tons in 1947 to less than 400 million last year. Employment in the mines has been cut in half—dropping from 400,000 men 6 years ago to no more than 200,000 now. Throughout the coal fields in my State, and of Pennsylvania, Kentucky, and all the other great producers, are idle tipples, idle railroad cars, deserted shafts, and mine after mine closed down. During the past 3 years, at least 150 commercial mines have closed in the State of West Virginia, idling thousands of miners. Add to these the thousands who depend on coal for a livelihood—railroad workers, storekeepers, service station owners, and a host of others, and we begin to get some picture of a real depression in coal-producing areas.

I have been following these hearings closely, Mr. Chairman, and I realize that you have already received voluminous statistics in reference to unemployment and surplus commodity distribution in the State of West Virginia. Mr. Walter R. Thurmond, secretary of the Southern Coal Producers Association, who was the first witness when you opened hearings on March 7, is a resident of the district which I have the honor to represent. As you know, he is one of the best-informed coal men in the country. His lucid testimony included statewide tabulations that require no expansion on my part. George J. Titler, president of district No. 29 of the United Mine Workers of America, who also is a resident of my constituency, provided further evidence of the reasons for the depressed economy of our State, and Gov. William C. Marland also offered invaluable testimony to this committee. You have heard other West Virginians and, no doubt, additional representatives of government, industry, and labor from our State will appear later. I shall, therefore, refrain from imposing upon your time with the statistics which I have developed, except for some pertinent data reflecting conditions in my own district. I want to say at this time that the cooperation which I have received throughout my tenure in office from various State agencies has been excellent. I am especially indebted to the West Virginia Department of Mines, the Department of Employment Security, and to the West Virginia Chamber of Commerce.

Perhaps the most effective testimony which can be produced to depict the serious economic dilemma confronting us is shown in the number of persons who are receiving Government surplus commodities. In my four counties—Boone, Kanawha, Logan, and Raleigh, which have a population of 446,466—there are a total of 85,829 men, women, and children for whom surplus commodities constitute the principal source of food supply. To me, Mr. Chairman, the fact that almost 20 percent of the entire population of our counties has been forced to qualify for this assistance is a serious indictment of Government policy.

Of a certainty, there is no economic elixir that overnight would enable all of our breadwinners to get back on the job and earn their livelihood instead of having to depend upon Government food distribution programs. But we very definitely do know that a great proportion of our jobless men could be returned to work very quickly if only the Federal Government would enact a quota limitation on residual oil imports. Perhaps this formula may sound too simple for the skeptical to accept, but you and I know that many fuel markets would return to coal immediately if a sensible restriction on foreign oil were imposed. Give us a chance to get back some of the electric utility markets along our east coast, and you will see a lot of the mines right in my congressional district resume operations just as soon as they can be reactivated. You will see the railroads calling back many of their operating crews, maintenance men, shop workers, and office employees. Our people who have had no income for many months will finally be able to again start buying clothing for themselves and their children, with the result that our merchants will be able to put their business establishments back on a normal operating basis. Needless to say, more coal production would also have an immediate beneficial effect on business in grocery stores and meat markets, and our whole economy would be stimulated.

Our people have had no respite from economic distress for many, many months. As I have said, we had naturally assumed that Congress would exercise its sworn duty to protect the jobs of American workers by taking the necessary steps to stem the tide of foreign residual oil that has engulfed our rightful markets. Instead, however, the international oil companies have been permitted to make their own rules, and conditions in coal communities have steadily worsened. Let me read to you one paragraph from a report which I have received from the West Virginia Department of Employment Security:

"Employment in the Logan area slid from 20,300 to 17,700—2,600 or 13 percent from August 1953 to August 1954. The employment loss in the area's major industry, bituminous coal mining, has been under way for several years but the drop of 2,550 or 22 percent during the year was very severe. The 3,500 persons unemployed in August represented 16 percent of the labor force. Nearly all of the area's very substantial labor surplus has accumulated from layoffs in the coal industry. Due to the growth of the labor surplus, this area was classified by the United States Department of Labor as a group IV area in March 1953. With more than 16 percent of the area's labor force being unemployed, the area is currently classified in group IV–B (very substantial labor surplus)."

Last year, 25 mines in my district were closed down and many more cut back operations to 1, 2, or 3 days.

How our national administration can sit back and permit these conditions to continue is beyond my power of understanding. I want you to know, Mr. Chairman, that I am a firm believer in trade policies that permit and encourage the maximum interchange of goods, so long as there is no threat to the economy and security of the United States of America. When a foreign-trade program reacts to the disadvantage of domestic industry and labor, then comes the time for reappraisal and readjustment. Unfortunately, however, some international interests insist in pursuing a course that brings only disaster to certain industrial areas.

Coal is not the only industry which has been harmed by illogical trade policies. Advocates of all-out liberalization of our tariffs have actually stated that we should be willing to sacrifice segments of our glass and chemical industries if foreign nations are able to supply our markets at lower prices. Obviously, a country with modern industrial equipment and which pays to its workers only a small portion of the earnings of Americans is going to be able to keep its production costs far below United States levels. Like coal, chemicals and glass are vital to the national defense, and I insist that it is inimical to the security of this Nation to permit any of these vital industries to go downhill, particularly at this crucial period.

Last Wednesday, Adm. Arthur Radford, Chairman of the Joint Chiefs of Staff, said that war could come about "almost any place, any time."

So long as such a situation persists, it is incumbent upon this Government to use every means possible to protect our vital industries. But administration recommendations regarding our trade policy would, in fact, intensify the depressed conditions of many of these industries upon which we would have to depend in the event of an emergency. I have time and again asked the White House to arrange for me to see the President that I might be able to give him first-hand information of conditions in my district. Thus far the palace guard has shown no inclination to permit me an audience. Meanwhile, however, practically all of the Cabinet members have shuttled between their offices and Capitol Hill to plead the administration's case in the matter of further liberalization of our tariff policies. When a Member of Congress takes up the problem of residual oil, he usually gets the standard administration answer: "It is true that foreign residual oil is depriving coal of an opportunity to enter certain markets in this country, but for diplomatic reasons any legislative restrictions are undesirable." Secretary of State Dulles, during hearings before the House Ways and Means Committee in January of this year, made the statement that Venezuela—from which most of the residual oil flooding the east coast origi-

nates—is one of the many countries not having any appreciable industry of their own which must export raw materials in order to prosper. I do not question the fact that by using our east coast as a dumping ground for residual oil, it has said an effervescent effect on Venezuela's prosperity; my contention is that it is a violation of the rights of American citizens to take away their jobs for the sake of perpetuating an economic boom elsewhere in the world.

There are other aspects, too, of the damaging impact of foreign residual. Coal mining and railroading are as essential to the conduct of a mobilization program as are aircraft industries, munitions works, and shipbuilding. Coal mines and railroads cannot survive under a system which demands that they operate like a stop-and-go traffic light—on again, off again, on again, gone again. The caution light is now burning and, unless the rail and coal industries are given consideration in the immediate future, the red light may be on when this Nation's security is in jeopardy and these great basic industries are called upon once more to deliver the goods.

Mr. Chairman, I conclude my testimony with the hope that Congress will act to place a quota limitation on oil imports and to provide adequate protection for our basic domestic industries. I want you to know that the people of West Virginia are most appreciative of your efforts in the conduct of these hearings, which are doing so very much to bring to the attention of the American people and of the Congress itself the reason why there is so much unemployment in West Virginia and in other producing areas today.

Paul V. McNutt

EXTENSION OF REMARKS
OF
HON. RAY J. MADDEN
OF INDIANA
IN THE HOUSE OF REPRESENTATIVES
Monday, March 28, 1955

Mr. MADDEN. Mr. Speaker, Indiana lost one of its most outstanding native Hoosiers when former Gov. Paul V. McNutt passed away at New York last Thursday.

Paul V. McNutt revealed his outstanding ability and talents as a student and lawyer shortly after graduating from the Indiana University Law School. In 1917, a few years after graduation, he joined the law faculty at Indiana University. He became dean of the Indiana Law School in 1925 at the age of 34, the youngest dean ever to hold that position at the university. A few months after assuming this position, he entered the military service in World War I and rose up in the ranks until he became a major in the field artillery. He was an instructor in an officers' training camp and then commanding officer of three separate units of field artillery. While stationed at San Antonio, Tex., he met Miss Kathleen Timloat, whom he married in 1918. After the war he returned to Indiana University and there organized an American Legion post in his home city. He was elected commander of his post and later State commander of the Department of Indiana. In 1928 Paul V. McNutt was elevated to the high post of national commander of the American Legion. As the national head of the American Legion, he traveled throughout the country and successfully initiated outstanding legislative Legion policies and accomplished more successful results for the World War I veteran than any other national commander up to that time. In 1932, primarily at the request of the veterans of Indiana, Paul V. McNutt became a candidate for Governor. He was elected and in January 1933 took over the highest executive office in his home State. The depression was at its lowest ebb when he became Governor, but by reason of his great executive ability reorganized the State government, reduced taxes, and inaugurated fiscal policies which during his 4-year administration erased a $7-million deficit and replaced it by a $10-million surplus.

Paul V. McNutt was appointed by President Franklin D. Roosevelt as High Commissioner to the Philippines and served in this capacity from 1937 to 1939. In 1945 and 1946 he was appointed the first American Ambassador to the Philippines, after the islands gained their independence. It was Commissioner McNutt who lowered the American flag at the Philippines Independence Day ceremony in 1946. During World War II, Governor McNutt served as Federal Security Administrator, Director of Defense, Health, and Welfare Services, and Chairman of the War Manpower Commission. His services won him a Medal of Merit from President Harry S. Truman. In 1947 Governor McNutt again entered the practice of law in New York City and Washington. At the time of his death his firm enjoyed an extensive corporation practice.

Indiana is indeed proud of the outstanding accomplishments of Gov. Paul V. McNutt in the various capacities in which he served his State and Nation during his adult life. His host of friends, not only in Indiana but throughout the Nation and in the Philippine Islands, will mourn his passing.

I wish to extend to his wife and daughter, Louise, my deepest sympathy in their hour of bereavement over the loss of a beloved husband and father.

We Must Rebuild America

EXTENSION OF REMARKS
OF
HON. WILLIAM E. JENNER
OF INDIANA
IN THE SENATE OF THE UNITED STATES
Monday, March 28, 1955

Mr. JENNER. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD the text of an address entitled "We Must Rebuild America," delivered by me before the National Society of New England Women in New York on January 24, 1955.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

WE MUST REBUILD AMERICA

(Address by Hon. WILLIAM E. JENNER, of Indiana, before National Society, New England Women, New York City, January 24, 1955)

A great many people come to see me and say, "Our country is lost. There is no use fighting any more." They tell me how deeply the enemies of our liberty have penetrated into our Government. I agree with them. They tell me how widespread is the influence of the discreet collectivists in our press and magazines, and on radio and television. I agree with them. They tell me how Communists and pro-Communists are moving into every field of American life—business, labor, finance, schools, churches, women's clubs. I have to agree with them.

Those are not the worst dangers. People also tell me how many Americans who would never accept the Communist ideology, will make deals with the Communists for gain—for a few votes, or a few contracts, or some cheap publicity. Again I have to agree with them.

They tell me how Communists and pro-Communists are trying to surround and construct our military forces, as they succeeded in capturing our foreign policy in the forties. I have to agree with them.

Most dangerous of all, they tell how it is now the fashion for supporters of communism to make themselves a record as anti-Communists. That protects them and keeps us hopelessly confused.

The Communists insist on leading the anti-Communists procession. They have the loudest bands and the prancingest majorettes. They try to draw all eyes, to fill all ears, to drown out the words of the true anti-Communists, if they have not driven them from public life. I have to agree.

Never in all our history has the danger to our country been so great as it was in 1954. Never was the despair of patriots so intense.

In the month of February, when the Berlin conference opened, with the Red Chinese installed in full panoply, while our Korean allies were left out in the cold, it was obvious that our country was being led into a trap from which there might be no escape. At Geneva, the balance turned even more completely in favor of the Soviet Union and its Chinese satellite.

While our eyes were fastened on Europe, the Red Chinese made their long-planned drive against Indochina. In the beautifully planned confusion, we talked of entering the Indochina war, and we talked against entering the war, but it was all nonsense, because it was too late for us to enter the war, too late, that is, unless someone hoped to keep our fighting men bogged down in another Korean campaign, while the legal control of our Armed Forces was subtly transferred to U. N.

After the dismal retreat at Geneva, we saw the full orchestration of the theme of coexistence. The Soviet Government had planned their peace drive long before, when it contrived the Stockholm peace petition to save it from overwhelming defeat in Korea. Patriots watched the Soviet theme of coexistence, perfectly designed to booby-trap the innocent, the unthinking, the impractical, the cautious, as it spread and took new hold in the minds of men with no loyalty to communism. We watched it take hold among our leaders, who picked up the Soviet theme for our destruction, and repeated it in accents that were pure American. Never has a plan been devised so apparently simple, so subtle, so innocent looking and so deadly, as the campaign for coexistence. Never has it seemed more hopeless to decide how we could resist, where we could take our stand, and what arguments we could use against so noble and beautiful a word as peace.

But, my friends, there is one important fact on our side—our people were not fooled. The Communists have not ceased to fight for coexistence. They will come up with new schemes. But so far, they have not fooled our people. The subtlest, cleverest, best-concealed propaganda campaign ever devised did not succeeed.

Without any apparent organization or leadership or counter-propaganda, the American people broke the spell. Many of our

leaders now see clearly the jaws of the trap. Coexistence is clearly recognized as the anesthetic the Soviet leaders counted on, to put us to sleep before they struck the final blow.

So, my friends and acquaintances, who say all is lost, are wrong. They forget one thing. We face a mortal challenge to our way of life. There is no answer, short of a new birth of freedom, as complete as that which gave birth to Magna Carta, or the Declaration of Independence. It is a law of life that all new birth comes from pain, weariness, and even danger of death. We cannot give up the fight when the hour of new birth may be close at hand.

We are living in times that try men's souls. We are also living in times that try men's minds.

The breakdown in our society began long before the Communists came to power. It shakes our society and our political order to its very foundations. In the face of such a challenge to men's creative powers, we must go down into the valley of the shadow of death, and yet not despair. We cannot know whether we shall ultimately win, or not. We cannot know whether we shall have the wisdom, the creative power, and the courage to build a new Jerusalem. But we do know we must continue to fight.

Americans, when they wish to remind themselves of true courage and devotion, think first, perhaps, of Valley Forge. But we have many other noble images of self-sacrifice and greatheartedness. In trying to understand these men who solved other crises, we must remember one thing. We know the end. We know their cause triumphed. They did not know, but they fought on. The soldiers in ragged uniforms who shivered before the campfires of Valley Forge were suffering from something more cruel than the cold. They knew that while they watched and waited in bitter discomfort, other men who should have fought by their side were living in comfort, or even doing business, as usual, with the British.

Politicians were squabbling, generals were disagreeing, diplomats were conniving. The men at Valley Forge with Washington, could not know recruits would come, the Continental Congress would vote the money they needed, and the young Lafayette would be followed by French ships and fighting men, and in a few short years the haughty redcoats would be surrounded and defeated at Yorktown.

I love a story from an old children's history book, of the night watchmen who used to go through the streets of the cities and ring a bell and say "Midnight. All's well." On October 19, 1781, they went their rounds saying, "Midnight. All's well, and Cornwallis is taken." That little story tells us all we need to know about the long wait and the gnawing doubt with which the Colonists paid for our independence.

With your love of New England you will think at once of the Pilgrims landing on the stormy coast of Massachusetts, of the first winter of hunger, or of the brave settlers who kept moving out to the wilderness frontier, knowing well the massacre of women and children by the Indians at Deerfield.

We can recall other victors over doubt or despair—the men who fought year after year in the war between the States, while they sang at night:

"Camping tonight on the old campgrounds.
Wishing that the war would cease.
Camping tonight on the old campgrounds.
Waiting for the dawn of peace."

We have in our time not only troubles as deep as the troubles of the colonists and the people of the Civil War years, but we have our own heroes as magnificent as they. The men who fought their way up from Australia and New Guinea never saw the fleets of planes which we had at the end of the war. They fought only with the few outdated planes which the administration of that day was willing to spare from the armadas of airships it was sending to England and the Soviet Union.

The men who stormed ashore at Tarawa and Iwo Jima did not know whether they would ever hear the shouts of victory, or see our flag planted on the islands they were risking their lives to win.

In every great fight that has ever been fought, the end was uncertain, and victory only a distant hope on the horizon.

The men who marched north to the Yalu, to flush out the armed hordes of Red China, and who executed the magnificent march to the rear in the ice and snow amid the hail of enemy bullets, had no one to assure them of the success of their struggle. They had only their own inner sense that they must keep up the fight, however dark the scene. They had the courage that comes from knowing that good men were fighting by their side, ready, as they were, to give their all.

It would not be honest or fair of me to give you a falsely optimistic picture of where we are today. I shall certainly not try. We are, I believe, in a conflict that is truly a life-and-death matter for us, and our kind of government. Our enemy is able, ruthless, infinitely cunning, and skilled in every form of disguise.

I do not say the struggle will be easy, and I do not say victory is assured. I say that all true Americans must keep up the struggle because honorable men and women are made that way.

And I tell you, you are not fighting alone. On every side other brave and patriotic Americans are as determined as you are, that, while they live, our country will be free. You are with them, and they are with you, whether you see them or not.

Brave and loyal Americans come to see me who say to me—and not without reason—the struggle is hopeless. But other men and women come to see me with quite a different story.

We have heard a great deal about the Communists in our Government and the subversive forces at work. We have not heard enough about the brave armies of unknown Americans, who with no leaders, no commanding officers, no bands, and no banners, have fought the Communists where they stood, and tried to shut at least one door, or bar their advance down one narrow corridor. We have not heard about them, but their name is legion.

We know the names of many of the men in our foreign policymaking who betrayed our country—Alger Hiss and Harry White, Harold Glasser, Victor Perlo, and the rest. But who knows the names of the men who blocked their progress again and again, patriots who were forced out of their jobs, or sent to departmental Siberias where their patriotism would not block the traitors?

For myself, I would far rather know the names of the anti-Communist resistance than I would the names of the perjurers and traitors. We need to know what the Communist agents are doing to destroy us, but we ought to want to know the names of the brave Americans who have tried to stop them. They are the minutemen of today. They stand at a Bunker Hill and a Lexington we cannot see. I am reminded of this unknown band of heroes—in our Government, in writing and publishing, in the moving-picture industry, and in the unions, because I have recently been learning about some men of the same mold in our Armed Forces.

Every time the Communists and those who have made a deal with them, try to tighten the net about our Armed Forces, young men risk their careers and their peace of mind, to set up a bit of resistance, wherever they are—in the ranks, in the training courses, in communications, on foreign duty, in military intelligence, in every branch of the Army, Navy, Marines, and Air Force. Many of these men think they are alone, that no one else sees the danger. They are willing to fight alone, with no thanks and no reward, if it will save our country. But they are not alone.

Americans have the deepest confidence that we can trust our professional military men to be truly loyal to our system of government. Probably no nation has ever had a more magnificent type of military leader—with the highest professional competence and the deepest devotion to freedom—than we have in Admiral Radford and Admiral Joy, General MacArthur, Generals Van Fleet, Stratemeyer, Mark Clark, and Almond, and others whose names are omitted from no lack of admiration for their truly American achievements.

What is, if possible, more heartening is the fact that our younger men are of the same breed. Of course, there are time-servers and bootlickers, and trimmers. They are as ever present as crabgrass. The important point is that we have among our young officers and men in the Armed Forces, Americans whose courageous defense of our liberties, is as great as Gen. George Washington could have asked for.

We all know the forces that have been at work in our schools, in our press and elsewhere, trying to shape our young people in the collectivist mold. But there is something stronger at work, something deeply American, which seems to convert these outside pressures to make the best of our young men more American than ever.

I am not saying—nor do you say—that we must be bombastic about what we call the American way. Other people have made great contributions to the world. They have every reason to be proud. But we love our way. We love the system of political liberty worked out for us by the constitutional convention. We love the self-reliance worked out for us by the early seafarers and the pioneers. We love the habit of living together in mutual trust and freedom which more recent generations have preserved under mounting pressures.

We do not intend to let any alien-minded intellectauals or power seekers take our freedom and fair dealing from us, and substitute another system based on ruthless power. We certainly do not intend to let them take our liberty from us, in secret without a struggle. We know our people, young or old, important or unimportant, soldiers or civilians, will give all they have and are, to keep that freedom, and to keep it bright.

You asked me to discuss what you can do. Well, you probably know that far better than I do.

But I have a special angle of visions, from the Senate of the United States. I can tell you what we have, and what we need, from that observatory.

First, I wish to congratulate you on the splendid things you are already doing. We have survived against all the schemes of the Soviet leaders and their cunning agents in the highest places because our patriotic citizens and patriotic organizations have worked hard and have worked intelligently.

You have not merely worried or complained about collectivist schemes to entwine our foreign and military policies with U. N., or our commercial enterprise with GATT, or our Bills of Rights with the U. N. Declaration of Human Rights, which adheres so closely to the Soviet constitution.

You have collected documents, you have analyzed bills and charters, you have read the fine print. You have rewritten the gobbledegook in plain English and mailed thousands of documents to your friends and fellow members so that they, too, could be informed.

You have been volunteer committees of correspondence, like those which helped win

the Revolution. I cannot tell you how to do that task better than you are doing it now. I can only say, "Keep up the good work." We in Congress need the help of every patriot who will serve as you are serving.

While we are fighting the battle of the mimeograph machines, we must be winning another, more difficult struggle. For over 20 years, the erosion of collectivist government has eaten away at the foundations of our national life. We can go back only as the farmer whose land is eaten away by erosion can bring back his green and pleasant fields. We must go back the hard way. We must rebuild weak places in our foundations. We must change our habits of plowing, plant new grasses, raise a shelter belt of trees, and work and watch and wait until the damage is repaired by healthy new growth.

The simple things are the most important. Most important of all, I would say is, "strengthen the grass roots."

This country will not be saved or destroyed in Washington. It will be saved or destroyed in the country. I say to you, "Rebuild where you are. Strengthen and revitalize America where you have responsibility."

Many of the young men in our Armed Forces are, today, guarding some door the Communists want to open, and doing it alone, without help, because they came from a good American home, where they learned the meaning of our country at their parents' knee.

Your children bring home a text book bought and paid for by your local board of education, but it is a difficult and tedious job to find out where the material in that text book really came from—whether, perhaps, the discussion of social security or foreign policy came from a propaganda agency in Washington, or a slanted fifth columnist on one of the college faculties, or from the Paris office of UNESCO.

Every American has influence on church organizations, on clubs, on schools, in the role of parent, alumnus, or taxpayer, on press and radio. If everyone of us would use the influence we possess at this moment—to its fullest extent—we could achieve a miracle in almost no time.

Don't make the mistake of thinking I propose something easy. That is an illusion. It is much easier to drift along and get all excited about elections, just before election day, than it is to get up extra early one morning, when no one else cares, and go out to vote in the primaries where the real power lies.

For over 20 years we have been taught to keep our sights fixed on Washington, where a magnificent pageant was being presented before our eyes, showing us what the Government in Washington was doing to solve our local problems for us.

But what were the agents of the brave new world doing while we gazed entranced at their spectacles? They were working in your town or city, checking public opinion, sending back political reports to Washington, organizing committees for this, and committees for that, sending the names of local leaders to Washington, so that trusting citizens could be invited by the Government spending agencies to go on a political Cook's tour, a sort of "intourist" visit to foreign parts, and come home and tell their neighbors what wonderful projects they had been allowed to see.

It is true as some of you will say, that you cannot repel a Communist attack by having a strong, truly American PTA. But it will not make the slightest difference how many billions of taxes you give for military weapons, if you have a weakened and corrupted local community which sends to Washington, Senators or Representatives who are soft on communism.

First, I say, build up your local community. Then I say, "Call your money back." Recall it from the Federal Government, from extravagant local governments from overhead organizations in every field. Let us not be sentimental about money. Money is power. It is the power to command the labor of others.

When we give the Federal Government nearly a quarter of our earnings, we give it the power to command nearly one-quarter of the labor power of our Nation—skilled workers, unskilled workers, teachers, physicians, writers, business managers, moving picture directors. Any government which controls almost one-fourth of the labor power of the Nation, will exert a commanding power over the rest.

Control of money gives control of the material aspect of everything in life. You cannot control your schools, your libraries, your public and private welfare, your chance for medical care; you cannot preserve freedom of the press, and the American belief in nonpolitical religious bodies, if you give your money to the Government.

Let us be serious about this business of cutting taxes. The colonists did not demand no taxation without representation to keep a few coins in their pockets, although there is nothing wrong with that. They wanted to hold taxes down, so the control of their lives would be wholly in their own hands, and not in that of a distant bureaucracy. The colonists knew the power to tax is the power to enslave.

Diversion of American productive power from private concerns to Government, will mean the certain end of liberty. We do not, as Americans, have a right to let the Federal Government do one thing that State and local governments or private concerns and organizations can do.

Again you will say, we cannot cut taxes when there is danger of war. I say, we can always examine our tax payments and we can always find waste and overcentralization.

I have not made up my mind about the cuts in the Armed Forces recently recommended to Congress. Our committees are giving these proposals a most thorough investigation. But as a working rule, I am certain the armed services are better off with fewer men, properly organized, than with a surplus of men stepping on each other's toes. Furthermore, I am confident that the top Communist strategists are deliberately using an excess of personnel to keep our Army well below its peak performance. We need every man our military leaders need for fighting forces. But we should look skeptically at plans to increase the personnel of the Army, or its civilian staffs, for any other reason.

I said in a Senate speech on August 15 that too much of our military policymaking is already in the hands of international-minded lawyers, who can graft one-world ideas onto our military policies, as they did to our foreign policy.

I keep hearing of mountains of paperwork which must be prepared by the military services for cost accountants who are trying to distribute the cost of every mimeograph machine or mile of travel among their fancy categories. We need solid accounting of any Government spending, but we do not need fancy accounting which serves no useful purpose, and could be a means of planned confusion and sabotage through paperwork.

I am not criticizing the accountants as such. They may be able and working hard to accomplish something, when that something is not worth undertaking at all.

Americans will give our Armed Forces all the money they need for military purposes, and to provide their men with what they deserve. But we should approve no item of spending and taxation because it is labeled "Defense."

To strengthen the local community and help our people keep more of their own money, one kind of political action is all-important. We need vigorous efforts in every congressional district to prevent the nomination of pro-Communists or those who make a deal with communism, in either party. That is the minimum political step for security of the United States.

But we must go further. We must work to elect men who are vigorously devoted to our country, who believe in strengthening the local community above the Colossus on the Potomac, and who will vote, till it hurts, to keep our money at home.

Your Congressmen and Senators speak for you in the national councils. If you elect men who believe in colossal government, you will get it. If you work hard to elect men who believe our strength lies in our local communities, and not, like an empire, in its imperial capital, then we can once again become a nation of strong, independent citizens, with no overshadowing central government to rob them of their strength.

We must resist with all our strength, the rapid spread of the Communist plague. While we are deep in that struggle—we must also rebuild America. In that task, we have architect's designs of which we are all so proud, the designs left us by the founders of this Nation.

The design in living things cannot be imposed from without. Good seeds must be replanted and allowed to grow again. Our duty is to clear the soil, remove the debris, the weeds, the bad seeds, replant good seeds, and have faith.

If we persevere, I believe we shall one day look back upon the Communist threat as the evil which forced us to reach to the deepest wells of our faith, and so preserved us from the drift to imperial power. We cannot win against the Communists unless we can regain the spiritual vigor on which our liberty was founded. If we meet the challenge, we shall also preserve the Republic of our fathers for generations yet unborn.

Greek Independence

EXTENSION OF REMARKS

OF

HON. JAMES ROOSEVELT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 28, 1955

Mr. ROOSEVELT. Mr. Speaker, we celebrate today the 134th anniversary of Greek independence. It was on March 25, 1921, that Greek patriots, led by Archbishop Germanos, revolted against their Turkish overlords and, in so doing, touched off the flame of rebellion against oppressors which circled the earth to mark the 19th century as the era of liberation.

In thus renewing man's age-old struggle for freedom and independence, Greece was true to its history. Greece has always stood in the forefront of the defenders of democracy; indeed Greece gave birth to both the word and the idea in the days of its ancient glory.

And that this inner urge—this drive—on the part of the Greeks toward liberty, not only for themselves but for all peoples, has not diminished with the passage of time is amply demonstrated by their record in these later days.

Mussolini's Fascist spears were blunted and broken on the rock of Greek resistance. Hitler's legions overran Greece only through an all-out air, sea, and land offensive by vastly superior forces—and

then only temporarily. The Stalin-backed drive against Greek independence was smashed with United States aid, and when the black flag of totalitarianism was raised in faraway Korea, Greece sent soldiers halfway around the world to aid in the battle against the new menace.

As is fitting to nations in whose life streams the urge to freedom runs so strongly, the United States and Greece have a long history of friendship; a friendship that runs from President Monroe, who hearkened to the appeal of the Greek Senate in its earliest days of being, to President Truman, who gave decisive aid against the Communist aggressor.

Nor did our interest stop with the determined support of Greek aspirations that we gave under the Truman Doctrine, for, after that, there was the Marshall plan, the ECA, and point 4 technical assistance.

But there is another aid that we must give to the people of this ancient cradle of democracy—a gift that is perhaps as much spiritual as material. We must put an end to the degrading discrimination against our Greek brethren that is written into our immigration laws.

Greece is overpopulated; it is impoverished by its excess population; yet, under our present immigration quotas, we restrict Greek immigration to a mere trickle. This is a shame to us and a crime against the brave Greeks whose independence day we commemorate today.

Let us make this commemoration meaningful. Let us resolve today that all this shall be changed; that we will make unused quota numbers available to countries that desperately need them, like Greece.

We join our Greek allies in striking over and over at the shackles of inhumanity.

Food Packs and Marketing Methods

EXTENSION OF REMARKS
OF
HON. EDWARD J. THYE
OF MINNESOTA
IN THE SENATE OF THE UNITED STATES
Monday, March 28, 1955

Mr. THYE. Mr. President, I was present this morning at an official introduction program by the Secretary of Agriculture, Mr. Benson, of a pamphlet published by the Department of Agriculture dramatizing to the public the service the public is obtaining in the type of food packs and marketing methods which have been developed over the years by the food retailers. The program was conducted at the Department of Agriculture and was well attended by press, radio, and news cameras. I commend the Secretary of Agriculture, Mr. Benson, for having developed this excellent and informative bulletin on the food-pack question, and for dramatizing it as he did on the program this morning.

Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD the brief address of the Secretary on this program.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

I am very happy to welcome all of our distinguished visitors to the Department of Agriculture today. I believe we have here in the patio a message that will be of interest to each of you, and to all friends of agriculture.

For too many years, it seems to me, consumers have been bombarded with propaganda about the high cost of food.

The truth is that food today is a better buy than ever before in history.

The material on exhibit is evidence of our intention here in the Department to present the full story of this better buy in food to the public—to consumers, businessmen, and farmers.

The war and postwar inflation resulted in higher incomes for consumers, higher prices for industrial goods, and higher food prices.

That much is true. It is also true, however, that our food prices today are well in line with our incomes.

Today we are eating better than ever before. Our diets are much better than they were 30 years ago. The quality of foods is higher. We have a vastly wider selection. And our foods are available to us in convenient forms—many of them are ready mixed, ready dressed, and ready to serve. Yet we spend no greater share of our income for food than we did 30 years ago. Actually, we would spend much less if we were content to go back to the food habits of the 1920's.

The full story is one of phenomenal service to consumers—on the farm, in our food factories, and in the distributive trades. It is a story that we must tell the American people, and tell it so it will be clearly understood.

Our friend Earl Butz has been going around the country trying to set people straight on this matter. He has been pointing out that despite the many improvements in variety of foods available, in nutritional quality, and convenience of preparation, American consumers today spend the same share of their income for food as was spent as far back as 30 years ago. If you bring it down to what an hour's labor will buy, the picture is even clearer. An hour of labor today will buy almost twice as many loaves of bread, twice as many quarts of milk, and twice as many pounds of steak or chicken, as it did 30 years ago.

Some of us in the Department decided that these facts should be dramatized. We therefore prepared the little booklet that is available here this morning, called More and Better Foods From Today's Pay Check. This booklet tells a story that every well-informed citizens ought to know. The exhibit which we are opening today is an elaboration of the booklet, and we hope that each of you will take a few minutes to study these exhibit panels and the message that they tell.

Several of our friends have already asked what we intend to do with this booklet and this exhibit. I am happy to announce that we have already received orders for over 200,000 copies of the booklet, and more are coming in every day. Some of the leaders in the food processing and marketing field plan to buy the plates from which this booklet was made and reproduce large quantities for their own distribution. I will not be surprised if more than a million copies of the booklet are distributed in this way.

The exhibit will be made available to our cooperators at the State agriculture colleges and in that way we hope its message will be carried clear across the country.

We are also preparing special programs for radio and television stations throughout the country, and of course the booklet has already been released to the press. We hope through these media to get the message to many people who would not otherwise hear about it.

Along with these wholesale methods of distribution, we want to get this story to key people, who themselves will pass it on to others. That is the reason for inviting you here today. We would appreciate your suggestions on how to present this story to all consumers. We also plan to invite other groups here for this purpose.

We are honored to have the Representatives from the Congress with us this morning. Your presence here denotes your interest and concern in the well-being of American farmers and American agriculture as a whole. We hope you will agree that this story is one that needs to be told, and that you will help us in telling it.

Domestic and Foreign Phases of the Dope Problem

EXTENSION OF REMARKS
OF
HON. ALEXANDER WILEY
OF WISCONSIN
IN THE SENATE OF THE UNITED STATES
Monday, March 28, 1955

Mr. WILEY. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD a statement summarizing a very interesting luncheon which a number of Senators and I held Monday afternoon, March 28, relative to domestic and foreign aspects of the international narcotics problem.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR WILEY

Few problems have more aroused American public opinion that that of narcotics addiction among many of our people, particularly many young Americans.

Every Senator who has come in contact in the course of his legislative work with this serious problem has, I know, felt a keen sense of obligation to try to stamp out the insidious narcotics menace.

Each Senator has felt, as I have felt, the need for a continued, determined antiaddiction drive on a sound, carefully planned basis. Each Senator has felt the need for accurate reporting of the problem, accurate, I emphasize, not sensationalized reporting, but rather down-to-earth, factual analyses of the situation as it really exists.

I personally have come in contact with the narcotics evil on many fronts. I have confronted it as a former member of the Kefauver Senate Crime Investigating Committee; as a current member of the Senate Judiciary Subcommittee on Juvenile Delinquency; as a former chairman of the Senate Foreign Relations Subcommittee on the International Opium Protocol, and in other connections.

ORIGIN OF LUNCHEON MEETING

I felt that it would be helpful, therefore, to sit down and confer with the Government official most familiar with the problem, Commissioner Harry Anslinger of the Narcotics Bureau of the Treasury Department, and to have present other Senators who are likewise interested in the problem, as well as representatives of America's medical and pharmaceutical professions.

And, so I arranged for the meeting on Monday afternoon.

MANY SENATORS PRESENT

We had a splendid turnout of Senators in spite of a crowded Senate calendar and other meetings.

My colleagues present included Senator PRICE DANIEL, of Texas, who is chairman of the Senate Judiciary subcommittee which is going to make a comprehensive review of the narcotics statutes;

Senator HERMAN WELKER, of Idaho, and Senator JOSEPH O'MAHONEY, of Wyoming, who are members of the Daniels Subcommittee on the Narcotics Code.

Other Senators present included Senators MANSFIELD, of Montana; SPARKMAN, of Alabama; MURRAY, of Montana; KUCHEL of Californian; HICKENLOOPER, of Iowa; DWORSHAK, of Idaho; MARTIN of Pennsylvania; KEFAUVER, of Tennessee; GREEN, of Rhode Island; WILLIAMS, of Delaware; HAYDEN, of Arizona; and HUMPHREY, of Minnesota.

PRIVATE REPRESENTATIVES PRESENT

We had an outstanding representation of members of the medical and pharmaceutical professions.

Mr. Frank Kuehl, general counsel, American Medical Association; Dr. Theodore G. Klumpp, president, Winthrop-Stearns Co. (also president of National Pharmaceutical Council and chairman of Medical Services Task Force, Hoover Commission); Dr. R. P. Fischelis, executive secretary, American Pharmaceutical Association; Mr. George H. Frates, Washington representative, the National Association of Retail Druggists; Dr. J. O'Neil Closs, executive vice president, American Pharmaceutical Manufacturers' Association; Dr. Karl Bambach, executive vice president and secretary, American Drug Manufacturers Association; Dr. John Worley, general counsel, American Drug Manufacturers' Association.

OTHERS PRESENT

Also present were Dr. Frank Berry, Assistant Secretary of Defense, who commented on the problem as viewed by the Defense Establishment; Mr. George Cunningham, Assistant to Commissioner Anslinger, of the Narcotics Bureau; Mr. Merton Henry, legislative assistant to Senator Frederick Payne of Maine (author of Senate Joint Resolution 19—to tighten the narcotics laws); and Mr. Julius N. Cahn, counsel of the Senate Committee on Foreign Relations, who had helped me set up the meeting.

The luncheon today happened to coincide with a White House luncheon for Prime Minister Mario Scelba, of Italy, and I had to leave after making certain introductory remarks.

I am delighted to say, however, that my colleague, Senator DANIEL, very graciously offered to serve as chairman in my absence, and from all reports, he did an outstanding job, as I had fully expected.

MAJOR POINTS STRESSED

I will not attempt to cover all of the important points which were made in the course of of the informal luncheon discussion. I think, however, that some of the following points were notable:

1. Commissioner Anslinger stressed the importance of halting the narcotics traffic at its foreign source, rather than waiting to try to intercept the dope at ports of the United States, which is extremely difficult, or inside the United States which is infinitely more difficult.

2. He stressed the importance of stiff penalties being meted out by judges in order to dry up the illicit narcotics traffic.

He cited several dramatic instances where, in particular commmunities when judges started handing down stiff sentences for repeated trafficker-offenders, the local drug problem tended to dry up.

3. At the same time, Commissioner Anslinger emphasized the importance of very carefully writing and administering the narcotics laws so that it is the professional trafficker who feels the full brunt of those laws, while other offenders—technical violators, individuals who may get accidentally enmeshed, one-time offenders, addicts, and others, are handled in a careful, firm, yet understanding way.

4. Dr. Klumpp spoke briefly and praised Commissioner Anslinger as the greatest single bulwark against the illicit narcotics traffic throughout the world.

He emphasized the splendid working relations which the medical and pharmaceutical professions have always had with the Narcotics Bureau.

5. Many of those present emphasized that in their judgment, the Narcotics Bureau should definitely be retained in the United States Treasury Department.

They pointed out that to attempt to transfer the Bureau might endanger the constitutionality of present narcotics laws (which are predicated in major part upon the administration of tax statutes). A transfer might also seriously disturb long established working relationships between the Bureau and the medical and pharmaceutical industries.

6. Commissioner Anslinger stated that the postwar upsurge in narcotics addiction could in no way be traced to the medical or pharmaceutical professions. He commented that both professions have handled their public responsibilities in an outstandingly commendable way and have always given him complete cooperation.

7. Dr. Berry commented upon the problem as encountered by the Armed Forces in the Far East. He stated that the level of addiction among some of our troops was lower last year than in 1953 and he believes that it will be lower this year than it was last year.

8. The question of the proposed transfer of units of the U. N. Narcotics Division from U. N., headquarters in New York, to Geneva came up. It was the consensus of those present that the proposed transfer is extremely unwise.

It was felt that there is a tremendous value in keeping the U. N. narcotics work centered in the United States where the fullest force of world public opinion can be mobilized against any offender nations, such as Red China. Commissioner Anslinger cited how, thanks to constructive activity on the part of the U. N. Narcotics Commission, several countries took effective action against dope factories which have been running full scale. As a result, these countries ceased to be centers of illicit narcotics production. Regrettably Red China continues to violate the conscience of the world.

9. In response to a Senator's question, Commissioner Anslinger mentioned that there are available in the Narcotics Bureau 250 agents. By contrast, the two principal local narcotics squads available to two major metropolitan police forces number 200 in New York and 80 in Los Angeles alone.

Several of the Senators present stated that in their judgment, sympathetic consideration should be given to expand appropriations for the Narcotics Bureau in order to carry on its vital work.

10. It was stressed that the medical and pharmaceutical industries have an indispensable need for narcotics supply in the course of their regular work.

The general public may not realize what an essential role is played by legitimate narcotics, as for example, to relieve shock in emergency cases, as well as for innumerable other medical and scientific purposes.

Such bonafide use is, of course, completely in contrast to the use of a terrible narcotic such as heroin—which is so dangerous a drug that it has been literally outlawed by the United States and virtually every civilized country in the world, with but five unfortunate exceptions.

CONCLUSION

11. It was stated that President Eisenhower's Inter-Departmental Cabinet Committee on Narcotics is now hard at work in formulating various proposals and future action.

Senator DANIEL concluded by inviting the cooperation of all of the participants present in contributing to the work of his subcommittee, whose opening hearings will be announced at an early date.

Address by Hon. William E. Jenner, of Indiana, Before Indiana State Bottlers Association, Indianapolis, March 14, 1955

EXTENSION OF REMARKS

OF

HON. WILLIAM E. JENNER

OF INDIANA

IN THE SENATE OF THE UNITED STATES

Monday, March 28, 1955

Mr. JENNER. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD the text of a speech delivered by me before the Indiana State Bottlers Association in Indianapolis on March 14, 1955.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ADDRESS OF HON. WILLIAM E. JENNER, OF INDIANA, BEFORE STATE CONVENTION INDIANA STATE BOTTLERS' ASSOCIATION, INDIANAPOLIS, IND., MARCH 14, 1955

You have many problems before you at this meeting and you should have time for fun. Why then do you add politics to the list of matters to consider in your limited time?

The answer is obvious. If you wish to have freedom to run your business, you are of necessity in politics. Nothing quivers with the political winds more than a balance sheet.

You and your organization are the embodiment of free enterprise. Many of you started your own businesses. You enjoy the combination of responsibility and freedom. The headaches are headaches you chose yourselves as the price of managing your own affairs.

You may not think about it, but your right to run your own business is a political right. It is the right to have a Government which operates within limits. When your Government has broken the bonds which hold it within fixed limits, when the executive branch has undreamed of amounts of money, broad legislative powers through directives, and even the judicial power to decide appeals from its edicts, it is no longer limited Government.

When the Government controls minimum wages, or wages in Government contracts, or collective bargaining obligations, or trade union organizations or dividends and depreciation allowances, "free enterprise" is on a leash. It is becoming an obedient satellite of big Government, no longer is each enterprise an independent Republic, as our private agencies used to be.

Many Americans are aware of this growing danger, but they cannot get a clear idea of what to do about it.

Some of them cherished the innocent hope that a change of parties or a change of candidates would halt the growth of the new Leviathan. Now we know the remedy is not so simple as that. A few people are tempted to give up the fight.

Today, big Government operates through so many diverse activities that it seems almost hopeless to oppose its growth. But all those operations are controlled by a few key switches. If we can find the master switches, we can stop the growth of big Government and cut down the colossus on the Potomac.

THE MASTER SWITCH OF GOVERNMENT POWER

I want to tell you what is the most hopeful fact in our political dilemma today. The master switch is taxes. If the American people will put their minds on taxes, they can quickly master their domestic problems.

A few days ago I read in the morning paper that the Federal Government had garnisheed the salary of an employee who owed back taxes. The story said that the Government had withheld the entire salary of the employee for the current month, and intended to continue withholding every penny of his earnings until all the back taxes were paid.

I do not know the individual case. The employee may have been shiftless. He may have had illness or other personal troubles, or he may have had a dispute with the income-tax people over what he owed.

What disturbed me was the shocking sadism of taking every penny of an employee's income at once—his rent, his food, his carfare—when it would have been just as easy to collect 10 percent of his salary over a longer period of time. If the trouble had been illness or other mishap, the trail of further breakdown or heavy debts to the moneylenders was only too clear.

I tell this story because Americans of today do not yet know what the Colonists knew. All tax collections are cruel. Our tax-collecting agencies have so far been very tactful, and they have been working in a period when the American economy had plenty of fat. The tax knives have just begun to cut to the quick. We are just beginning to know, what every age before us has seen clearly, that tax-collection is a cruel and ruthless business, which will bring hatred and sadism into our country such as we have never known in all our history.

The taxgatherer is the most hated man in popular story. The publican was despised and hated in the days of Christ. Rudyard Kipling tells us of the princely states of India where the tax-gatherers waited at the farm until the kid was born, so they could take the farmer's only hope of more income, for taxes to pay for the prince's follies.

I am going to talk about taxes. But let us never think taxes are cold statistics. Taxes are a gigantic screw which turns and turns, and squeezes more and more blood from the helpless embittered farmer or worker or businessman to pay for the Government's follies.

THE FOLLIES OF GOVERNMENT SPENDING

We do not have time to discuss the follies of Government spending but let me refresh your memories.

I have before me a memorandum that we have just allocated $23 million to Egypt. A few days ago it was Yugoslavia. The latest allotment to Egypt is to be used for construction, by American engineers, of a highway between Cairo and Alexandria, for improvement of the water supply in the Nile, for improvement of the port of Alexandria, and for a new workshop for the Egyptian Minister of Public Roads.

At the same time, the State of Israel received $3½ million for equipment, and Pakistan the same for chemical supplies.

These are all worthy projects, but why should an American workingman have his entire salary garnisheed, to pay for Government programs in Egypt or Israel or Pakistan?

THE STORY OF TAXES

Now, let us go back to taxes.

In the fiscal year 1932, which was the lowest point of the great depression, the Federal Government collected the record total of $2 billion in taxes. In that year, however, the Government, through RFC, was shoring up the banks, the farms, and State emergency relief expenditures.

In 1939, after 7 years of the great experiment in making America over, Federal taxgatherers were collecting over $5 billion a year, an increase of over 250 percent over the worst year of the depression.

Then came the most destructive war in history. The United States was turned into an arsenal filling pipelines, pouring rivers of food and equipment to every continent.

By the war's end Federal tax collections had climbed to an unheard of $46 billion.

But war is the great destroyer. We had an Armed Force of over 10 millions consuming gasoline, ammunition, tanks, planes, ships, shoes, steaks, and everything else. We were also giving billions to scores of other Nations in the coalition against the Nazis. The U. S. S. R. alone was given some $12 billions.

How much is the Federal Government collecting from us today? If $2 billion were enough for the depression, if $5 billion were enough for all spending of the socialist planners, if $46 billion were enough at the peak of a devastating war, how much are we giving the Government today, with no war and no depression? Not $1 billion, not $5 billion, not $46 billion, but $73 billion were taken from the American people in fiscal year 1954.

Let me give you a few more figures.

In 1932 the interest on the public debt was $600 million. Herbert Hoover was bitterly denounced for such extravagance. By 1953 the interest burden alone was $6½ billion. Remember that as long as we do not pay that interest, but add it to the public debt, we will go on paying for it not 1 year but every year for generations yet to come. We have already paid interest for 21 years on the debt the Government incurred for NRA, AAA, and relief in the first year of the New Deal, and no one knows how long this waste will go on.

It is estimated that the deficit for the year 1934 alone, which was $760 million, has already cost us $483 million more, in interest payments, with no end in sight.

What can we do about it—if we are serious and want to do something?

WHAT NOT TO EXPECT

First, let me tell you what will not help.

I am not interested in the conversation about a balanced budget. Once upon a time a balanced budget was a restraint upon executive power. That was true when it was hard to raise taxes, when our people resisted tax increases as vigorously as the colonists did. "Taxes" used to be a fighting word to Americans.

Taxes were the anchor which held down spending as soon as the budget was balanced. But our Government spenders put a jet engine on the old anchor. They learned that it was easy to raise taxes if they spent part of the money for the Government's propaganda machine. You remember the phrase, "Tax and tax, spend and spend, elect and elect."

The spenders realized years ago that an unbalanced budget was the road to higher taxes. Congress raised taxes in the pious hope the budget would be balanced, but the spenders quietly sent spending up higher than ever, while the propaganda machines told the people what to think. The fetish of a balanced budget is now the palace guard's best instrument for collecting in peacetime far more taxes than they dared collect in war. The problem is not to fit taxes to spending but to cut taxes first and fit spending to a much lower income.

I can tell you another hope that will not materialize. That is waiting for Congress alone to cut spending.

The administration has about 2½ million employees. Congress has a staff of 4,700 people.

That gives you a picture of the unbalance between the executive and the legislative branches. It is a hopeless contest for a Congress with 4,700 assistants to cut the expenditures of an executive branch with millions of fulltime professional workers whose first responsibility is to keep spending high.

CONGRESS MUST HAVE HELP

Now, is there a remedy? Yes, and a simple one.

The key to our present shocking tax burden is the tax increase that was put through in 1951 under cover of the fighting in Korea.

The war that was not a war was a fine excuse for a big new tax bill.

The Government did not need that huge increase in taxes in 1951. I knew how much fat there was in the budget. I knew extra taxes would be money down the drain. I did not vote for the bill, but I did not try to build opposition to it. Why? Because no one could hope to defeat the Government's propaganda machine without support from the taxpayers. They still believed in fairy tales. What, then, can we do?

Congressman Hatton Sumners, of Texas, wrote an article for Reader's Digest in 1945. He had been the distinguished chairman of the House Judiciary Committee, and a vigorous opponent of the unconstitutional growth of executive power. Judge Sumners said Congress would never be able to attend to its own proper business, until it gave back to the States and local organizations, the responsibilities which belonged to them under the Constitution.

The first responsibilities of Congress are foreign policy and military policy. It is not the business of Congress to legislate on cancer, lunches for schoolchildren, depreciation reserves for new machinery, corporate dividend payments, giving or withholding Federal funds for private school buses, collective bargaining, or making up the cost of unbalanced budgets in France.

REVIVAL OF STATES RIGHTS

Congress has become involved in all this busy work because the spenders wanted Congress kept too busy to think. And how well they have succeeded.

I say to you that the first business before Congress is to cut out the busy work. We need a congressional commission to determine what powers and duties Congress should release at once, and what taxes it should reserve to State and local agencies so they can pay for what they need.

The Congress should have established such a commission in 1953, but it hesitated. The executive branch established a special commission under Dean Clarence Manion, a very able man for the job, but he was retired, and Congress has no more information today than it had in 1952.

Where do you come in? Well, a pitcher cannot win the game unless there are also a few good catchers on the team. Congress cannot rid itself of the incubus of deciding on State and private matters, unless the States and local agencies are as eager to uphold their rights as Congress is to adhere to the principles of a Federal Republic.

Are our State and local leaders ready to demand the powers the Constitution guaranteed to them forever?

Too many of our governors have been bewitched, bothered, and beguiled, by the colossus on the Potomac. They hope that, by deference to the powers that be, they can share in the apparently endless streams of wealth which Federal officials can spend. But where does that wealth come from? It comes from the billions which were collected from the people of Indiana and the other States.

Do you see why I said recently I did not want to see the governors of our sovereign

States going to Washington with a tincup in their hands, to ask the Federal Government to please give them back a little bit of their own money?

We are going to have to face this question very soon in the issue of Federal aid for school buildings.

There is a growing school population, but there is not the slightest particle of evidence that our States and cities cannot supply their own children with all the buildings they need. Watch the stories in the newspapers about a report of the Committee on Intergovernmental Relations which apparently says, "We have been unable to find a State which cannot afford * * * to support an adequate school system." That report has been suppressed. Why?

You will tell me it is hard for the legislature of Indiana to pay more taxes. Of course, it is hard. In Indiana we meant to make it hard for governments to spend. The Constitutional Convention meant to make it hard for the Federal Government to spend. If Indiana does not supply its own school buildings, it is asking Congress to use printing-press money, and raise still higher a Federal debt which is already close to $280 billion and rising.

For once we have a problem where the line of action is clear and simple. We can solve the problems of big spending, growth of centralized control, and the withering away of the States, if we return to two principles of our Founding Fathers—low taxes and States rights.

Congress cannot function, and the Constitution cannot be preserved, if the spenders in both parties make our States into lackey States and our governors into servitors milling about the palace guard.

CONGRESS AND THE STATES CAN RESTORE THE REPUBLIC

Congress can function, the Constitution can be preserved, and we can free our energies to meet all our foreign problems, if the people of our country will unite with Congress in an irresistible demand for tax cuts and States rights.

It is my hope that, in this rededication to the principles of our founding, the people of Indiana will lead the way.

The Civilian Conservation Corps After 22 Years

EXTENSION OF REMARKS
OF
HON. ESTES KEFAUVER
OF TENNESSEE
IN THE SENATE OF THE UNITED STATES
Monday, March 28, 1955

Mr. KEFAUVER. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD a statement prepared by the Legislative Reference Service of the Library of Congress concerning the Civilian Conservation Corps, which was set up 22 years ago in April as an emergency measure to meet some of the difficulties of many of our people. The results of the program are still visible through the millions of acres of land cleared and forests planted by members of the CCC.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

THE CIVILIAN CONSERVATION CORPS AFTER 22 YEARS

Many whose memories go back a quarter of a century, or more, recall Franklin D. Roosevelt's dramatic flight to Chicago on July 2, 1932, and perhaps something of what he said when he accepted the Presidential nomination tendered by the Democratic Party, then in session. This Nation was in the depression following the stock market crash of 1929. Men were out of work and a foreboding sense of uncertainty was everywhere. It was natural, therefore, that a wave of hope followed the voicing of a plan for a great public-works project of forest and land restoration for relief of the unemployment that plagued the country. The idea gripped the imagination and proved dynamic.

The President lost little time before he laid the plan before Congress. Ten days later, on March 31, 1933, the President signed the Emergency Conservation Act which authorized him to establish a nationwide chain of camps where unemployed young men could engage in various forms of forest and land improvement.

The first Civilian Conservation Corps camp was established on April 17, in the George Washington National Forest near Luray, Va. It was appropriately called Camp Roosevelt. By July of that year, there were 1,500 camps on mountain side and meadow from the Atlantic to the Pacific and from the Canadian border to the Gulf of Mexico. Others were added until they were located in every State and Alaska, Hawaii, Puerto Rico, and the Virgin Islands, to the number of 2,600.

The boys came from all parts of the Nation, but most of them were from the cities. Many were undernourished, discouraged, and filled with fear. Their education and their experience were largely limited to what was available in a life confined to city buildings and paved streets. After enrollment they were in the midst of a new environment. Out in the open, surrounded by nature, they built camps, hewed trails, laid roads, strung telephone lines, constructed bridges, built airplane landing fields, dug drainage ditches, fought forest fires, and faced a thousand tasks, such as had never entered their wildest dreams. All were volunteers. Their life and their responsibilities were conducted without military obligations or implications. More than that, an enthusiasm carried them through their daily duties, such as warranted the judgment that the CCC had provided a moral equivalent for war.

For a little more than 9 years, Civilian Conservation Corps camps and their leaders helped young men to find themselves. Few maintained their enrollment for more than a year and at no time were more than 385,000 in the camps. But during those years the CCC gave health, purpose, and self-respect to 3 million young men.

Much of their work is still visible. Millions of acres are prosperous today because of what they did. Three million acres are growing trees because they planted them. More than 4 million acres of forest have cleaner and straighter trees because those boys cut out the crooked and diseased ones. Another 8 million acres are in good condition because their crews stopped the spread of insect pests and tree diseases, and countless acres are green because they fought forest fires on them. Other millions of acres of grassland were saved from erosion because they built check dams and dispersed the prairie dogs. As part of all this, millions of people can thank the CCC boys for the picnic spots and the camping areas they enjoy, for ponds in which to fish and for better environment for a large portion of our wildlife.

All this was done for the earth, the trees, the watercourses, and the wildlife. It is as nothing, however, compared with the benefits received by those young men and their dependents. Added to the good food and healthful surroundings provided by the camps, was the individual stimulus and discipline always present when young men are thrown together. Much credit for this can be given the young officers and technicians who lived and worked with them. But these men, in turn, gained experience in managing camps and directing men that paid big dividends when the Nation faced the crisis created by the attack on Pearl Harbor. Thereafter, the Armed Forces had priority.

Being no longer necessary, the Civilian Conservation Corps was ended on June 30, 1942. It will long be remembered as a successful effort of a democratic nation to help meet some of the difficulties of its people.

Decline in Farm Incomes

EXTENSION OF REMARKS
OF
HON. LYNDON B. JOHNSON
OF TEXAS
IN THE SENATE OF THE UNITED STATES
Monday, March 28, 1955

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent to have printed in the RECORD a statement by the distinguished junior Senator from Michigan [Mr. MCNAMARA] on the subject Michigan Farmers Await Action by Congress To Combat Declines in Farm Income.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

MICHIGAN FARMERS AWAIT ACTION BY CONGRESS TO COMBAT DECLINES IN FARM INCOME

(Statement by Senator MCNAMARA)

The farmers of Michigan are waiting for a message of hope from Washington.

For many of our smaller farmers, who nationally account for 98 percent of our farms, the continued drop in farm income means hardship and sacrifice. This is particularly true when lower farm income has to be shared with unemployed workers, forced by unemployment to return to the farms from their city jobs.

For city workers, the drop in farm income means fewer customers, at a time when more and better customers are needed for the growing production of our factories and mills. For them, it means unemployment and wasted opportunities.

In the interests of all of us, Congress must not dawdle. We must act quickly to protect our farm families directly, and through them all of us.

According to the Department of Commerce, farm income in January of this year (the latest figures available at this time) was at a rate of slightly more than $15 billion per year. This is the lowest figure for any January since the end of World War II. It is the annual rate that is almost $2 billion lower than in January a year ago.

This decline in income does not hit all farmers the same way. It does not mean the same thing for those few who own the biggest farms as it does for the great majority.

My concern however is with the majority, the men and women who work the smaller farms which make up 98 percent of the farms in America. For them, a cut in farm income may mean an immediate sacrifice of something the family needs and has planned for. It means giving up a hoped-for improvement in family living, perhaps even some family necessity.

In 1953, when the decline in farm income had begun to draw serious attention to itself, staff people at Michigan State College interviewed Michigan farmers to find out what changes in their plans were being forced on

them. Here is part of what these interviews showed:

Fifty-three percent of those interviewed were planning to spend less for new farm machinery.

Many others were cutting expenditures for second hand machinery.

A third of those answering the questionnaire were planning to spend less on new buildings and on overhaul jobs.

There was less interest in proper farm methods, such as applications of lime, purchases of good seed, and improvement of stock than in the past.

Other studies made at the same time showed that farmers were postponing purchases of furniture, automobiles, and freezers as well as other household appliances.

In my opinion, the most regrettable fact revealed by these studies was that many farm children were not going to get the educations that had been planned for them.

What new postponements and new sacrifices are being dictated by the continued declines in farm income I can only guess, since I can find no recent studies that tell what they are.

The fact of these sacrifices is underlined by the decline in income per capita. According to the Department of Agriculture realized farm income per capita in 1954 was $903, a drop of $46 per capita of farm population since 1953.

The drop in per capita income might not have been so great if the usual number of farm people had been able to move to the cities for jobs. However, with unemployment in the cities, many who would have left the farm stayed home, and many who had been laid off in the cities went back home. And these people were taken in and cared for, whether they brought with them a proportionate increase in farm income or not.

During the worst of the unemployment in Michigan last year, the labor force in Detroit declined by more than 40,000 workers. There is no doubt in my mind that a great many of these workers took their families back to the farms of America. If these workers and other thousands like them escaped from acknowledged unemployment in the cities, they added to the concealed unemployment and the underemployment on our farms.

Those of us who have spent our lives in the great cities are deeply concerned with this problem of farm income. We are concerned as neighbors have always been concerned with each other in America. We know also that whatever hurts the farm dweller immediately hurts us. Unless farm and city move forward vigorously together, we share the aches and pains of uncertainty and economic stagnation. For these reasons, we stand ready to help as soon as the necessary leadership is forthcoming and a challenging program has been offered.

I know that there are bills before this Congress to establish farm policy which would assist those who most need assistance to create machinery for getting surplus farm products to those who need them, to create additional buying power among city and farm people. I have the honor to be among the sponsors of some of the proposals.

I hope that these proposals, and whatever additional plans are needed will soon get the vigorous and earnest attention from this administration that they require. The administration may rest assured that, regardless of party label, the Members of this body are prepared to do whatever the welfare of the farm family dictates.

It may be that some of the steps that must be taken will require the present Republican administration to support plans very much like some that previous Democratic administration proposed. There is already evidence that this will be necessary. However, I am sure that this will not stand in the way when the facts show what action must be taken. We must, all of us, work together if this great problem is to be adequately met.

World Veterans Federation and Peaceful Control of Atomic Energy

EXTENSION OF REMARKS
OF
HON. ALEXANDER WILEY
OF WISCONSIN
IN THE SENATE OF THE UNITED STATES

Monday, March 28, 1955

Mr. WILEY. Mr. President, on many occasions I have commented on the critical problem of harnessing the atom for peaceful purposes.

I expect to remark on this very important question on future occasions as well.

I was interested to read in the current issue of the magazine the World Veteran, published by the World Veterans Federation, an editorial on the vital significance of utilizing atomic energy for peace.

Certainly, in all the world, no group has a higher stake in peaceful development of the atom than those who themselves bore the brunt of previous global conflict—those who know from firsthand experience what war can mean and has meant.

Last year, we sent to Vienna, to the fifth general assembly of the federation, a fine delegation of American exservicemen. They joined with veterans of many other countries in passing upon issues of great importance to the peoples of the world.

I ask unanimous consent that the text of this federation magazine editorial be printed in the CONGRESSIONAL RECORD, and that it be preceded by the masthead statement of the magazine describing the purposes and composition of the World Veterans Federation.

There being no objection, the masthead statement and editorial were ordered to be printed in the RECORD, as follows:

The World Veteran, is published monthly by the World Veterans Federation whose main aims are support of the United Nations and aid to disabled veterans. The WVF includes 121 veterans' and war victims' associations in 29 countries, with a combined membership of 18,100,000. Nations represented are Australia, Austria, Belgium, Brazil, Canada, Ceylon, Denmark, Egypt, Finland, France, the Federal Republic of Germany, the Gold Coast, Great Britain, Greece, India, Indonesia, Israel, Italy, Luxembourg, the Netherlands, New Zealand, Nigeria, Norway, Pakistan, the Philippines, Thailand, Turkey, the United States and Yugoslavia. WVF has consultative status with the United Nations Economic and Social Council and with the Council of Europe. As a member of the International Committee of Non-governmental Organizations for the United Nations Children's Fund, it also has consultative status with UNICEF. Messages in support of WVF have been received from Queen Elizabeth of Great Britain; Queen Juliana of the Netherlands; the Grand Duchess Charlotte of Luxembourg; Presidents Theodor Koerner of Austria, Sir Ba U of Burma, Joao Cafe Filho of Brazil, René Coty of France, Theodor Heuss of the German Federal Republic, Izhak Ben-Zvi of Israel, Luigi Einaudi of Italy, Ramon Magsaysay of the Philippines, Celal Bayar of Turkey, Dwight D. Eisenhower of the United States, Marshal Josip Broz Tito of Yugoslavia; Governors General Sir Oliver Goonetilleke of Ceylon, Sir Charles Arden-Clarke of the Gold Coast and Ghulam Mohammed of Pakistan; Prime Ministers Robert Gordon Menzies of Australia, Achille van Acker of Belgium, Louis St-Laurent of Canada, Sir John Kotelawala of Ceylon, Hans Hedtoft of Denmark, Dr. Kwame Nkrumah of the Gold Coast, Sir Winston Churchill of Great Britain, Marshal Alexander Papagos of Greece, Pandit Jawaharlal Nehru of India, Ali Sastroamidjojo of Indonesia, Nouri es Said of Iraq, Mario Sceiba of Italy, Dr. Willem Dress of the Netherlands, Oscar Torp of Norway, Sidney J. Holland of New Zealand, Mohammed Ali of Pakistan and Pibul Songgram of Thailand; Dr. Eelco van Kleffens, president of the Ninth General Assembly of the U. N.; Dr. Dag Hammarskjöld, secretary general of the U. N.; Dr. Ralph Bunche, 1950 Nobel Peace Prize winner; David Ben Gurion, Mrs. Eleanor Roosevelt, Adlai Stevenson and other outstanding public figures.

WVF Executive Board: President, Albert Morel; secretary general, Curtis Campaigne, Jr.; treasurer general, W. Ch. J. M. van Lanschot; vice presidents, Gen. Miloje Milojevitch and Pietro Ricci.

The World Veteran is the official publication of the World Veterans Federation. However, opinions expressed in articles signed by outside contributors are those of their authors and do not necessarily represent the viewpoint of WVF.

Editor, Curtis Campaigne, Jr.; managing editor, Mary Burnet; assistant editors, Jacques Boetsch, Roland Jauzan, Edgar Joubert.

Office: 27, rue de la Michodière, Paris (2°), France. Tel.: Richelieu 88-06.

ATOMIC ENERGY FOR PEACE

On December 4 the General Assembly of the United Nations unanimously adopted a resolution recommending international cooperation in the peaceful use of atomic energy and envisaging a series of measures intended to help bring it about.

Recalling President Eisenhower's speech on the subject a year before, the resolution provided for the setting up of an international atomic energy agency and invited all members of the U. N. and its specialized agencies to attend a congress for that purpose in August of this year.

The conference will give particular attention to the production of energy and to the applications of discoveries in nuclear physics to medicine, biology, agriculture and industry. Preparations are already being made by an organizing committee consisting of representatives of Brazil, Canada, France, Great Britain, India, the Soviet Union and the United States.

Although Russia consented to take part in the work of the committee, the Soviet representative, Arkadi Sobolev, nevertheless let it be known that his vote in favor of the resolution was chiefly a token of encouragement. It did not imply, he said, that his government was abandoning the principles underlying the two Russian amendments that had been rejected in the discussion preceding the assembly vote. The effect of one of these amendments would have been to place the agency under the authority of the Security Council, thus introducing the principle of the veto, to which the Western Powers were firmly opposed. On the other hand, since Mr. Sobolev made his statement the U. S. S. R. has proposed to make available to U. N. members full information about its atomic plant for producing electric power.

Whatever the result of the negotiations, the next few months will probably witness acceptance of the idea of pooling atomic knowledge for peaceful purposes, with or without the participation of the U. S. S. R. In the beginning, at least, the agency will perhaps be nothing more than a kind of "clearing house" for the atom, organizing and directing the transfer of fissionable materials.

The United States has already offered 200 pounds of such material, and Great Britain has pledged 40 pounds. These figures are considerable. With 2 pounds of uranium a generating plant could produce enough electricity to furnish a city of 100,000 inhabitants with light and heat for a year and a half. Together, the United States and British contributions represent the equivalent of 300,000 tons of coal. In future years, the fission and fusion of the atom should help considerably to supply the growing need for energy throughout the world—at a time when coal and oil reserves are beginning to run low.

There is no need to fear a shortage of raw materials for atomic power production. It has been estimated that the known deposits of uranium alone can provide enough energy for 5,000 or 6,000 years. Meanwhile, there exist considerable stocks of fissionable materials immediately available in the form of atomic bombs. It is technically possible to reconvert them and to use their immense energy in developing industry and agriculture.

The next step is up to the statesmen. The atomic energy program involves infinitely more than itself. It involves all international relations. Its success would constitute a pledge of peace; its failure would rekindle the fear of world conflict, and rightly so, for the history of the second half of the 20th century will be, in large part, the history of man's relations with the atom.

The World Veterans Federation has repeatedly pointed out that the atomic energy problem must be solved first if the world is to have a solid foundation for peace. Last fall, at its fifth general assembly in Vienna, it adopted a resolution urging implementation of the Eisenhower proposal. The resolution noted that the plan had already been endorsed by statesmen and other prominent personalities in numerous countries, and that "the test of hydrogen bombs has created a fear throughout the world" which makes it "even more imperative" to go forward with this or some similar plan—"in order that the stupendous force released by nuclear fission be utilized for the benefit instead of the destruction of mankind."

For while the great discovery of the 20th century can lead man to his ruin, it can also bring him prosperity, protect and prolong his life.

Minimum Wage Legislation

EXTENSION OF REMARKS
OF
HON. LESTER HOLTZMAN
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Monday, March 28, 1955

Mr. HOLTZMAN. Mr. Speaker, today I am introducing a bill which will provide for an increase in the minimum wage to $1.25 per hour, reduce the maximum workweek, and extend the coverage of the Fair Labor Standards Act. This measure is identical with the one I introduced in the House of Representatives during the 83d Congress.

The President has recently urged the Congress to increase the minimum wage to 90 cents per hour. Such a recommendation is inadequate at the present time in view of the continuing rapid rise of living costs, and certainly does not take into consideration increased worker productivity. There is no question about the fact that since 1938 the minimum wage has failed to keep up with the cost of living. The unemployment figures for 1954 are shocking, and with a steadily increasing labor force each year, it is imperative that the Federal Government take concrete action to improve the economic plight of thousands of low-wage earners, who are unable to maintain themselves and their families during times of economic adjustment.

Recently in New York a conference of shop stewards—representing some 500,000 CIO members in New York City—was held to take action for the passage in Congress of bills introduced to increase the hourly minimum wage to $1.25.

Two resolutions were adopted unanimously at that conference; one calling for the enactment of legislation to increase the Federal minimum wage to $1.25 per hour, and the other calling for the extension of minmum wage coverage to the retail industry.

A $1.25 hourly minimum wage would put a realistic floor beneath current wage levels, and would prevent the exploitation of substandard, seasonal, and low-wage workers. In addition, it would bolster our national economy by creating more purchasing power, bettering our standard of living, and contributing to full employment.

I urge my colleagues to consider this legislation seriously, and to work for its early enactment.

Propriety of Debating in Colleges the Recognition of Red China by the United States

EXTENSION OF REMARKS
OF
HON. WILLIAM E. JENNER
OF INDIANA
IN THE SENATE OF THE UNITED STATES
Monday, March 28, 1955

Mr. JENNER. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD a statement issued by me in reply to an inquiry received from a college professor with regard to the propriety of debating in the colleges the recognition of Red China by the United States.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

DEBATING RECOGNITION OF RED CHINA

DECEMBER 6, 1954.

DEAR PROFESSOR: I am glad to give you my opinion of the question whether college students should debate the question of diplomatic recognition of Red China.

If this were only an academic issue, a topic chosen strictly for its academic value, I should, of course, say there is no reason why it should not be debated. Is it, however, purely an academic issue?

In hearings before the Internal Security Subcommittee John Powell and William Howard Hinton testified that they had remained voluntarily in Red China after the Red Chinese made war on us in Korea. Powell edited one of the magazines used most extensively in brainwashing our men held captive by the Communists.

Hinton and Powell both refused to answer questions before our subcommittee on their present activities in this country. They are both here now on speaking tours at which they give forth the propaganda line in favor of Red China—peace, trade, and coexistence. Hinton brought in a large amount of printed material, which was confiscated by the United States customs.

I have no doubt that a carefully planned campaign is being carried on to propagandize for Red China among students, teachers, church people, farmers, labor unions, and business groups.

Many innocent people are helping to further it without realizing the purpose of the propaganda. This campaign is timed to coincide with moves in our Government and in U. N. for softening our attitude to Red China.

The Communists know that constant discussion helps to keep the issue in the public eye, accustoms people to accept a strange, unpleasant idea without thinking, and otherwise makes recognition palatable. It is the old story of drops of water wearing away a stone.

The propaganda is probably timed to coincide with publication of a crop of books and articles on Communist China, putting the propaganda line in many most enticing forms.

That was the technique used after 1943 through the IPR and other public and private agencies to persuade Americans that the Chinese Reds were simple agrarian reformers. This is how they persuaded some people that the United States must insist the Chinese establish a coalition government with Mao Tse-tung.

We obtained full proof of the collusion between American pro-Communists and those in Soviet countries through the IPR hearings years too late to stop the damage. We obtained full proof of the collusion in the Korean peace settlement through the hearings on General MacArthur and other testimony under oath, but it came too late. We shall have formal legal proof of the campaign to whitewash Red China, but not while the political decisions are being made.

Nevertheless, nothing is gained by opposing the use of this topic in college debates. Instead, I think American students and teachers should get into the argument with everything they have—read every book and article, debate every issue, marshal all the evidence, clarify their understanding, and hold on with fierce determination until every student and teacher who has been exposed to Communist propaganda (however skillfully disguised) has a chance to learn the full story. If the Communists want a debate on Red China, they should get it. If they want to propagandize for Red China, we can prove we know how to work even harder to spread the truth, so that not a single student or teacher in American colleges or high schools will be uncertain where he stands.

Meeting this issue will give American students excellent training in one of the techniques of cold war. The Communists never use logic as western civilization uses it, following the standard set by the Greeks. They choose their propaganda slogans and their subtle camouflage for purposes of deception, and then dress them up with scholarly references, statistics, maps, and other apparatus of learning.

Such arguments cannot be answered with logic, but we must all learn to answer them. They can be answered only by the clearest understanding of what the Communists are trying to do, and how well they are disguising it; and then by clear and vivid presentation of the idea or image which will most effectively counteract the suggestion technique of the Reds.

I am having prepared a brief bibliography of references which may be left out of the usual reference lists. We also have available copies of the hearings before our subcommittee dealing with Hinton and Powell, and including testimony of the American fighting men who spent long periods in Red Chinese prisoner-of-war camps. We have also a new series on Strategy and Tactics of World Communism. I shall take special

pleasure in sending copies to you and your students, and, obviously, to any other instructors or students or citizens who are interested in the debate.

The Communists hope to hoodwink our teachers and scholars, to draw them into a subtle and carefully contrived propaganda boobytrap. Let us not try to meet the issue by censorship of the Communists. That is what they are playing for. Let us meet it by using this opportunity to give our young people the clearest understanding of the question, and the greatest possible skill in presenting the case for the side of freedom.

Sincerely yours,

WILLIAM E. JENNER.

FROM THE OFFICE OF SENATOR WILLIAM E. JENNER OF INDIANA, DECEMBER 14, 1954

The following books and reports have information of value in connection with discussion of recognition by the United States of the Communist regime in China.

This list is intended to be supplementary to standard lists, and not in place of them.

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American Federation of Labor—various documents on slave labor in Communist areas.

Face the Nation Broadcast

EXTENSION OF REMARKS

OF

HON. JOHN E. FOGARTY

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, March 28, 1955

Mr. FOGARTY. Mr. Speaker, under permission to extend my remarks, I include questions asked of and answers made by the gentleman from Massachusetts [Mr. MCCORMACK] over the Columbia Broadcasting System television network and Columbia Broadcasting System radio network on the program Face the Nation on Sunday, March 20, 1955. The panel consisted of William H. Lawrence, of the New York Times; John Madigan, of Newsweek; Al Friendly, of the Washington Post and Times Herald; the moderator, Ted Koop, CBS Washington director of news and public affairs; and the producer, Theodore Ayers.

Mr. KOOP. How do you do, and welcome to Face the Nation.

Congressman MCCORMACK, as one who has held the post of majority leader in the House of Representatives longer than any other man in American history, you are frequently called upon as spokesman for the Democratic Party to defend or defeat bills in Congress.

At this session, you have fought for the Eisenhower administration in supporting the President's reciprocal-trade program, which you put through the House.

On the other hand, you have fought against the Eisenhower administration in supporting a $20 tax cut, the final outcome of which is still quite in doubt.

On the eve of your 14th successful congressional campaign in Massachusetts last fall, you referred to the Republican leadership as "faulty, confused, and inept."

Now that the Democrats are running things on Capitol Hill, millions of Americans are wondering whether the new congressional leadership is there for better or for worse.

To direct their questions to you today, here is our panel of newsmen: John Madigan, of the Washington staff of Newsweek; William H. Lawrence, national correspondent for the New York Times; and Alfred Friendly, assistant managing editor of the Washington Post and Times Herald.

Now, for the first question, Mr. Madigan.

Mr. MADIGAN. Mr. MCCORMACK, will the Democrats in the House stand firm for a $20-per-person tax cut?

Mr. MCCORMACK. That's the intention.

Mr. MADIGAN. When does the conference begin, sir, with the Senate conferees?

Mr. MCCORMACK. I understand that is going to start next Wednesday.

Mr. MADIGAN. Would you hold out indefinitely in that conference?

Mr. MCCORMACK. Well, there has got to be final action, Mr. Madigan. We've got to be practical before April 1, because the excise taxes expire on that date, and—responsible leadership would not undertake any steps, I think, certainly responsible leadership should not, that would result in a loss of at least a billion dollars in revenue to the Government.

Mr. MADIGAN. May I interpret that to mean, sir, that on the eve of April 1, your Democratic conferees are ready to withdraw on their demands?

Mr. MCCORMACK. Well, I would not admit that, but I would say this: That responsible leadership would call for a conference report that would be acted upon before April 1, which is the termination date of the excise taxes. We could go beyond that on the corporate taxes, because they could be made retroactive, but you can't make retroactive excise taxes that have expired.

Mr. MADIGAN. Secretary of the Treasury Humphrey, on this show 2 weeks ago, sir, was asked what he thought would happen in the conference, and he said, "I believe it will be defeated in the Senate, and then I think there's a good chance that the House will agree to it;" by that he means killing any income-tax cut at this time.

Mr. MCCORMACK. Well, of course, Mr. Humphrey is—is entitled to his own opinion. He has many presumptious views which he has expressed, which he'd be much better off, as Secretary of the Treasury, if he had not expressed them. He is an aggravating circumstance, and his diplomacy in dealing with Congress is lacking sadly.

Mr. LAWRENCE. Mr. MCCORMACK, it seems to me that this problem points up one of the issues confronting the country now, with a Republican administration, a Republican executive, and a Democratic Congress.

Does this tax bill offer any means of compromise? Is there any way that you and the President can talk this thing out?

Mr. MCCORMACK. Frankly answering your question, Mr. Lawrence, I would doubt it very much.

Mr. LAWRENCE. Do you see the President—or, does the leadership of the Congress see the President at all?

Mr. MCCORMACK. You mean the Democratic leadership?

Mr. LAWRENCE. I mean the leadership of the Congress, which is, of course, Democratic, as distinguished from the minority.

Mr. MCCORMACK. Well, the majority leadership in the House, I have not seen the President since Congress met in January. So far as I know, Speaker RAYBURN has not; as of 10 days ago he had not, and if he had in the past 10 days, I think I would know; and as of 10 days ago, I know the chairman of the House Committee on Foreign Affairs, Congressman RICHARDS, of South Carolina, that's a very responsible position, had not seen the President.

Whether or not he has in the last 10 days, I do not know, but if he did, I am sure I would know.

Mr. LAWRENCE. Is this a failure to cooperate, then, in your opinion?

Mr. MCCORMACK. I will let you draw your own inference.

Mr. LAWRENCE. I remember right after election that the President did say he planned to consult with the Democrats frequently, and he seemed at that time to be speaking more on foreign-policy issues, but I take it that you haven't had even any conferences on foreign policy since this——

Mr. MCCORMACK. We have not had a conference at all.

Mr. LAWRENCE. None at all?

Mr. MCCORMACK. On anything, foreign or domestic, since this Congress—this particular session of this Congress—started.

Mr. LAWRENCE. Where would the initiative for such a conference come from?

Mr. MCCORMACK. It would have to come from the White House.

Mr. LAWRENCE. Have to come from the White House?

Mr. MCCORMACK. Certainly it should. We can't impose ourselves upon a President; he shouldn't expect us to.

Mr. KOOP. When you say you haven't seen the President, does that include telephone conversations, too?

Mr. MCCORMACK. I have not talked with the President. It's within his rights, if he desires to do so; I don't feel any way personally offended except that people might think it strange for its effect upon the country.

Mr. FRIENDLY. Was there a considerably deeper, tighter liaison in previous administrations; I mean particularly in the 80th Congress when you had a Republican majority of Congress, did the President see that majority leadership more often than at present?

Mr. MCCORMACK. Well, I was the Democratic whip at that time, and I'm unable to answer that question. I think on foreign affairs there was constant conferences, I know I participated in a number of conferences—foreign-affairs conferences.

Now, on domestic affairs, I am unable to say.

Mr. MADIGAN. Mr. MCCORMACK, I'm not quite clear in your response right here on this $20 tax possibility compromise.

Secretary Humphrey, again on this show 2 weeks ago, was asked if he thought a compromise was possible, and he said, "When I think I am right, I don't compromise," which would indicate the Senate would stick by those views.

Now, are you going to—effect a compromise or are you not?

Mr. MCCORMACK. We are going to do everything we can from the House side, to try and

convince the Senate conferees, that is, our conferees are, to recede and accept the $20 tax credit which went through the House, which should be, because it's based on equity.

On the other hand, if the Senate stays put, why, then, there must be a complete regard for the fact that at least a billion dollars in revenue will expire in the nature of taxes on April 1; and I imagine, I have strong convictions, expressing my personal views, that there will be an agreement by the conferees.

Mr. MADIGAN. On what basis, sir? Could you give us some sort of an outline? How could you possibly get an agreement when you are poles apart?

Mr. MCCORMACK. Well, I am unable to state now. There may be an agreement on something less than a straight $20 tax credit. The Senate could recede and concur in the Senate amendment. I doubt that very much.

Mr. FRIENDLY. Congressman, assuming either way that there is a compromise or that the $20 tax bill is lost, do you think the Democrats will get any political mileage out of this proposal?

Mr. MCCORMACK. Oh, I think that this, the tax bill, has conveyed to the people of the country as pointedly as possibly could be conveyed, Mr. Friendly, the basic differences between the Democratic Party and the Republican Party. It has shown that the Democratic Party is the party of the people of America, and the Republican Party is the party of a select few.

Furthermore, it clearly shows that this administration is controlled by certain big business interests in the country.

Mr. FRIENDLY. And yet, Congressman MCCORMACK, what justification can you argue for a tax cut at this time? You, yourself were saying we should have a larger expenditure for national defense, and we are already in a deficit situation.

Mr. MCCORMACK. Well, now, Mr. Friendly, you have to have in mind that the Republicans put through a tax bill last year with a $3 billion reduction. As a matter of fact, it's much more than that because we are now discovering that one of the—of the hidden legislative larcenies was contained in section 462, as a result of which the Government is going to lose anyways from a billion and a half to five billion dollars.

Mr. KOOP. What does that section provide?

Mr. MCCORMACK. That enables them, a corporation, to take deductions for estimated reserve—reserve estimated expenses for the next year of their business, accrual year of their business in addition to the actual year, and that means that—everyone admits there is going to be a loss of revenue of at least a billion and a half dollars, and that's a lot of money, and when that matter was before the Ways and Means Committee last year, Secretary Humphrey and the Treasury Department representatives said that the loss of revenue on that section would be negligible.

We now know there are 70 other mistakes made.

Mr. MADIGAN. Is it not a fact, though, Mr. MCCORMACK, that Secretary Humphrey has admitted this and called it to the attention of the Congress, and is willing to have it changed?

Mr. MCCORMACK. Oh, very reluctantly. It was first exposed by the Democrats.

Last year, he said, the Treasury testified the loss of revenue, Mr. Madigan, would be negligible—now, get that. This year, when it was called to his attention, when he was before the Ways and Means Committee, on the tax bill extending the corporate and excise taxes, he said he didn't know anything about it. He went back to the Treasury, and then he wrote a letter to—to Congressman COOPER, in which he said that there are indications, the Treasury had been looking into it, there are indications that they would have to ask for a repeal, although he said the amount of loss was grossly exaggerated.

Mr. MADIGAN. Mr. MCCORMACK——

Mr. MCCORMACK. Congressman MILLS said the loss would be a billion dollars.

We now know it's going to be well over a billion dollars, and here's his letter, a later letter, on March 7, in which he urgently recommends the repeal of that section and of another section because of the large loss of revenue.

Mr. MADIGAN. Were there any explanations, sir, why you did not discover this last year during the committee hearings on the bill, you people in Congress?

Mr. MCCORMACK. Well, Mr. Madigan, you, if you followed the consideration of the bill last year, you will know there was no bill before the Committee on Ways and Means; that the bill was only brought in, in executive session; the Democratic members never saw any parts of the bill until it was given to them in the morning of a meeting, and usually 50 to 100 pages, typewritten pages of parts of the bill were given, thrown at them, no ability to study them, and they were adopted that day by the majority, the 15 Republican members of the committee, and driven through the committee.

Mr. MADIGAN. Doesn't the House jealously guard its taxwriting authority?

Mr. MCCORMACK. Then there was a closed rule.

Mr. MADIGAN. You're the ones who write the taxes——

Mr. MCCORMACK. Oh, no; that was written by the Republican Party, the Republicans in control of the Ways and Means Committee last year.

Mr. MADIGAN. There were Democrats on that committee, were there not, sir?

Mr. MCCORMACK. Yes, but they were not given any opportunity to see any bill until there were parts of it brought in each morning, and then it was driven through by the votes of the Republican members.

Mr. MADIGAN. Did the Democrats vote for the bill containing this measure?

Mr. MCCORMACK. Well, some of them didn't.

Mr. MADIGAN. Some did.

Mr. MCCORMACK. But there was no opportunity to carefully go into all of the provisions of the bill.

But we do know that on this particular provision, the Treasury, Mr. Humphrey and the Treasury said there'd be a negligible loss. We now know it's well over a billion dollars, and nobody knows how much more.

Mr. LAWRENCE. Mr. MCCORMACK, taking this tax thing in a general way, it's been suggested around this town that this is in some way a political maneuver to prevent the Republicans from putting through their own tax cut next year just on the eve of elections. Is that true?

Mr. MCCORMACK. Well, no; it is not a political maneuver, but anything any party does in Washington has a political connotation.

Now, politics was not the intent. We saw the lower income tax groups denied justice last year in the Republican tax bill. We saw over $3 billion, outside of this—other grave mistake which benefits corporations, going to less than 10 percent of the taxpayers and to the big corporations.

We tried to increase the exemption from $600 to $700 last year, and the Republicans defeated it. We made every effort to bring about an equitable reduction in taxes last year, which the Republicans prevented.

Now it's very clear they are going to undertake to do something next year, and it would be poor leadership, it would be faulty leadership, it would be wrong leadership on our part if we didn't try to do something this year that would protect the low-income tax groups next year.

Mr. LAWRENCE. But even then——

Mr. MCCORMACK. And that was the intent. Of course, there's politics in connection with any legislation comes up in Congress.

Mr. LAWRENCE. Well, again speaking broadly, sir, not with reference to specific things, isn't it true that at this time of a period of peak prosperity, that this is the time to start paying the national debt, and how are you ever going to do that if you are going to keep on reducing taxes?

Mr. MCCORMACK. Well, the Republicans didn't think of that last year, did they?

Mr. LAWRENCE. Well, I'm not talking about the Republicans or Democrats, sir; I'm talking about the national interests, irregardless, regardless of party.

Mr. MCCORMACK. Well, now, Mister—if President Eisenhower had sent a recommendation to Congress to increase our military strength, which should be done in the light of the world today, and then recommended increased taxes, I have every confidence in the people of America that they'd make the sacrifices necessary; but last year, with an unbalanced budget, the Republicans reduced the taxes $3 billion. They did it, and they are going to do it next year, and knowing that, it would be faulty leadership on the part of the Democratic Party if we did not undertake to take—to do something to bring justice to the low-income-tax groups of the country.

Mr. LAWRENCE. The mere fact that they did it last year, and you think it was wrong, doesn't make it any better now to go ahead and cut some more, does it? Let's pay off the national debt.

Mr. MCCORMACK. Well, I agree with you that the logical thing to do would be—to see that the taxes are imposed that would meet—prevent any deficit and make a contribution toward reducing the national debt, but the Republicans made that promise of a balanced budget, which they haven't kept, they made the promise of reducing the national debt, which they haven't kept, and as a matter of fact they have, under the Republicans it's been increased temporarily $6 billion, and with the knowledge of what is going to happen, it would be faulty leadership, it would be wrong leadership on the part of the Democratic Party if we did not undertake to bring justice to the low-income-tax groups of this country, when we have the history of what the Republican has done, Republicans have done for the select few.

Mr. FRIENDLY. Well, Mr. MCCORMACK, a minute ago you said that if President Eisenhower proposed a larger defense expenditure, and asked for taxes to pay it, you think that it would go through, and that would be an expression——

Mr. MCCORMACK. I said I think the American people would make the sacrifices in the world of today.

Mr. FRIENDLY. Well, let me state the proposition then in reverse: If the House Majority Leader proposes, as we understand he may, a higher expenditure by a couple of billion dollars for continental defense, is his vote to reduce the taxes consistent and logical?

Mr. MCCORMACK. Well, of course the Majority Leader feels that our continental defense should be increased, but it happens I am not going to propose that, because that's within—that's the duty and the responsibility of the President.

Furthermore, if Congress increased appropriations for continental defense, there's nothing to stop the President from freezing it.

Mr. KOOP. Mr. Madigan.

Mr. MADIGAN. Did I interpret your reply to Mr. Lawrence before, agreeing with him in balancing the budget, that you feel we should now invoke new taxes to bring in more revenue?

Mr. MCCORMACK. Now?

Mr. MADIGAN. Yes.

Mr. MCCORMACK. In the light of the history of the Republican Party, no, I believe

we should bring justice to the low income tax groups, knowing what happened last year, and knowing what the Republicans intend to do next year.

Mr. MADIGAN. That wasn't my question, Mr. McCORMACK. You agreed with Mr. Lawrence that we should probably introduce sufficient taxes to balance the budget.

Mr. McCORMACK. Responsible leadership in the White House would undertake to increase our national defense and at the same time recommend any additional taxes necessary to bear the burden, and I said if that was done, if two things were linked together——

Mr. MADIGAN. Are you for——

Mr. McCORMACK. The American people would make the sacrifices necessary, that, at least that's my opinion.

Mr. MADIGAN. You are for new taxes right now, then?

Mr. McCORMACK. If it's coupled with increasing our national defense.

Mr. LAWRENCE. Well, Mr. McCORMACK, we've been talking here about what the Republicans have done, which has something to do with your attitude on taxes.

Last week the State Department entered the foreign policy field with the approach that this is what the Democrats did, so they made public the Yalta documents.

What was your reaction to all that?

Mr. McCORMACK. Well, that's their responsibility, Mr. Lawrence. What the results might be from the angle of foreign affairs, time will only tell. What it might—what effect it might have on future conferences, time will only tell.

So far as I am personally concerned, and expressing my own views as a Democrat, I was not disturbed with their making the Yalta papers public, but I was very much disturbed with the manner in which they made them public, because it was purely politics.

The State Department, as you remember, very neatly concocted the scheme that they would send the copies up to about 30 or 40 Members of Congress, marked "Secret," with the security seal upon them, as if there is any secrecy there, knowing there would be a leak, because as a matter of fact one newspaper man telephoned me, which was the first I knew about it, and he frankly told me that he was told in the State Department that it was sent up for the purpose of leaking.

Then, they changed their minds, then they said that the committees asked for it, knowing that the committees are controlled by the Democrats.

Then, they changed their minds, and they made them public, we know the reasons why they were made public. The whole thing was political on the part of the Republican Party, and it's the first time in many years, what disturbs me is, that the State Department, as such, was brought into the field of partisan domestic politics.

Mr. LAWRENCE. What effect is this going to have on bipartisan cooperation?

Mr. McCORMACK. Well, the effect is, as far as I am concerned, I am going to be suspicious of the present constituted State Department as long as the persons who are responsible for this disgraceful episode being in the Department. I've got to be very guarded in any dealings I have with men who will employ methods like that——

Mr. MADIGAN. The Democrats——

Mr. McCORMACK (continuing). Particularly where the national interest of our country is involved.

Mr. MADIGAN. The Democrats promised cooperation with the administration on a nonpartisan basis——

Mr. McCORMACK. And we have been giving it.

Mr. MADIGAN (continuing). In our foreign affairs.

Mr. McCORMACK. We have been giving it.

Mr. MADIGAN. Will you continue to do so, now that you are so mad about the release of the Yalta papers?

Mr. McCORMACK. I would never do anything, Mr. Madigan, and I could not conceive any responsible, any Democrat doing anything that would be inconsistent with the national interest of our country, because no matter what our personal feelings might be, the national interest of the country that each and every one of us loves is paramount and supersedes every other human consideration.

Mr. FRIENDLY. What would be your reaction, Mr. McCORMACK, to a continued series of releases of other conferences?

Mr. McCORMACK. That's the responsibility of the State Department.

And, by the way it's the responsibility of President Eisenhower. I was very much interested when I read in the paper that his press secretary said the President knew nothing about those releases. That's very strange, that the President of the United States, and the leader of the Republican Party, didn't know anything about those papers being released.

I accept the statement made by the press secretary, but it's very strange that anybody in the State Department would be so presumptuous as to release those papers without letting the President of the United States know, and to me, as an American, it shows a marked weakness in the executive branch of the Government, and the mere fact that the President says he didn't know, or through his press secretary, that doesn't mean that he's not responsible for what might flow therefrom.

Mr. KOOP. As a general practice, Mr. McCORMACK, do you favor the early release of documents of secret conferences?

Mr. McCORMACK. That's entirely up to the State Department, and this administration. They have to consider what the effect might be in the light of the national interest of our country, that's a question for them to determine.

As a matter of fact, the release of these papers have brushed aside a lot of false and malicious rumors and stories and lies that have been circulated around for years. It's been a political dud, so far as the Republican Party is concerned, but the thing that concerns me, gentlemen, is the manner in which those papers were released.

Mr. MADIGAN. Why do you think——

Mr. McCORMACK. And the injection of the State Department into politics.

Mr. MADIGAN. Why do you think they were released?

Mr. McCORMACK. Purely political.

Mr. LAWRENCE. You still think it was a dud?

Mr. McCORMACK. Pardon?

Mr. LAWRENCE. You think it was a dud?

Mr. McCORMACK. Yes; they didn't intend it to be a dud, they didn't think it would be a dud.

Mr. FRIENDLY. What did they think would be in it that would be politically advantageous to them?

Mr. McCORMACK. I don't know, I can't read their minds.

Mr. FRIENDLY. Do you see anything——

Mr. McCORMACK. I'm not going to undertake to read their minds.

Mr. FRIENDLY. Do you see anything in it that will be damaging to the Democratic Party?

Mr. McCORMACK. Of course, the people have got to realize that Yalta took place over 10 years ago. The world of 10—and these papers in connection with those meetings have got to be construed in the light of the world conditions of 10 years ago, which are different than 1955. We were then faced with going into Japan, and the Joint Chiefs of Staff had said there would be a million casualties among American troops alone, in an invasion of Japan. There were many broad questions then. We were in a war that had to be considered by responsible persons, and you have got to construe any of these meetings in the light of the time they took place, not in the light of 1955.

Furthermore, the world of 10 years ago is an entirely different world today; we are now in the atomic world, the hydrogen world, the cobalt world. Who knows, the world, gentlemen, of 10 years ago is—might just as well be—a world of, or culture or civilization, thousands of years ago so far as the impact upon human beings is concerned.

Mr. LAWRENCE. Do you have any Poles in your congressional district?

Mr. McCORMACK. Americans of Polish blood?

Mr. LAWRENCE. Yes.

Mr. McCORMACK. I always like to refer to any racial origin as Americans of——

Mr. LAWRENCE. I don't mean to offend you or them, Congressman.

Mr. McCORMACK. Yes; and they are very good citizens, and very fine people.

Mr. LAWRENCE. Do you anticipate any trouble as a result of the Yalta documents and their references to Poland?

Mr. McCORMACK. Well, most people overlook the fact that—that while there are some parts of the Yalta agreement that we would disagree with, that the reason that the parts that we agree were not carried out was because Stalin wouldn't keep his promises, and in order to have him keep his promises we had to go to war again.

Mr. MADIGAN. Mr. McCORMACK, could I turn to another matter on the Hill, a legislative matter?

This week the Democrats will attempt to restore rigid price supports in substitution for the President's flexible price-support program for farms. Republican leadership claims you don't have the strength to put it through. What do you think?

Mr. McCORMACK. Well, I am frank in stating that I can't answer that question now. We are having a poll taken; whether or not, what the poll shows I am unable to state now because it is not complete.

Mr. MADIGAN. A poll of your Democratic members?

Mr. McCORMACK. Exactly.

Mr. MADIGAN. The purpose of that is to what, to——

Mr. McCORMACK. To find out what the views of the Democratic members are for the benefit of the leadership.

Mr. MADIGAN. If the results should show that you could not put it through, would you then give up the fight?

Mr. McCORMACK. Well I'm not prepared to say that, Mr. Madigan, because again that's a matter of consultation with the chairman of the committee. I would say from the early reports that I have received, that there is a reasonable chance of it going through, because you want to remember, we picked up some new members last, as a result of the last election, which will bring a change, there are 12 or 13 votes among new members that we didn't have in the last Congress, and then there are other considerations.

It will be a hard fight. I am frank in stating that, but the early reports that we—the leadership has received indicates pretty good strength among the Democrats.

Mr. KOOP. Mr. McCORMACK, on this program we frequently ask our guest to get out his crystal ball and look ahead to the 1956 elections.

Who do you think the Democrats will nominate for President next year?

Mr. McCORMACK. Well, we have a number of good candidates, Mr. Koop. Who they will nominate, I wouldn't want to undertake to look at my crystal ball today in relation to that.

We have Governor Stevenson, we've got Stuart Symington, we've got Averell Harriman, we've got Governor Lausche, we've got Governor Williams, we've got Senator Lyndon Johnson, we've got Senator Russell, we've

got Senator Kefauver, we've got Governor Leader, we've got Governor Meyner, and last but not least, I don't know what his views are, because I haven't talked with him, we've got that greatest Democrat of all in active public service, that's SAM RAYBURN.

Now, I haven't talked with the Speaker, but he is the greatest Democrat in active public service today, and one of the greatest Americans in active public service.

Mr. MADIGAN. Do you think Adlai Stevenson should announce his intentions now?

Mr. MCCORMACK. I think anyone who is seeking the—I don't know about now——

Mr. MADIGAN. Well, when do you think he should announce?

Mr. MCCORMACK. I don't know. I'm not passing on that, but I say that I think that anyone who, among the Democrats, who has the ambition to be nominated as President at some time or another should go out and make an active campaign.

Mr. FRIENDLY. May I ask a quickie on the Republican side?

Do you think that Mr. NIXON could be elected President on the Republican ticket?

Mr. MCCORMACK. Well, you are assuming that President Eisenhower is not a candidate?

Mr. FRIENDLY. Right.

Mr. MCCORMACK. Well, I would say that NIXON, Vice President NIXON would have very little chance of being elected President of the United States.

Mr. KOOP. Would you add Mr. MCCORMACK to the list of your Democratic candidates?

Mr. MCCORMACK. I'd be happy to.

Oh, me? Oh, no, no. I haven't got—I didn't quite get your question, Mr. Koop. No, that's far, that's far removed from my thoughts.

Mr. KOOP. Thank you, Congressman MCCORMACK, for Facing the Nation, and answering the questions being asked today by our panel of correspondents: John Madigan, of Newsweek; William H. Lawrence, of the New York Times; and Alfred Friendly, of the Washington Post and Times Herald.

Views of National Council of Farmer Cooperatives With Reference to Position of United States Department of Agriculture on Trip Leasing

EXTENSION OF REMARKS
OF
HON. CHARLES A. WOLVERTON
OF NEW JERSEY
IN THE HOUSE OF REPRESENTATIVES
Monday, March 28, 1955

Mr. WOLVERTON. Mr. Speaker, the question of trip leasing is a subject of great interest to the farmers of this Nation. The House Committee on Interstate and Foreign Commerce last year held lengthy hearings on the subject. After careful consideration the committee reported favorably to the House a bill that in effect repealed a recent ruling of the Interstate Commerce Commission that was considered detrimental to the farming industry and harmful to our economy. The bill passed the House but was held up in the Senate without any action being taken. It is hoped, however, that a similar bill will be considered and passed at this session of Congress.

On March 4, 1955, Richard F. Mitchell, Chairman of the Interstate Commerce Commission, reported to the House Committee on Interstate and Foreign Commerce on the present status of the Commission's handling of the trip-leasing matter as involved in Ex Parte No. MC–43. When I received a copy of the Commission's report I immediately brought it to the attention of the farm organizations that had participated so earnestly last year in the effort to change the unsatisfactory order that had been made by the ICC and which so radically changed the trucking practices that previously had been the custom of farmers. In bringing the matter as presented in the recent report of the ICC to the attention of the farm organizations, I sought their viewpoint with reference to the same.

I am in receipt of the following letters which I include as part of my remarks:

NATIONAL COUNCIL OF
FARMER COOPERATIVES,
Washington, D. C., March 21, 1955.

Re position of United States Department of Agriculture on trip leasing.

Hon. CHARLES A. WOLVERTON,
House Office Building, Washington, D. C.

DEAR MR. WOLVERTON: Supplementing my recent letter, we desire to call to your personal attention the enclosed copy of a letter which Mr. Brinkley, our executive vice president, has written Chairman PRIEST, with the view of preventing any misunderstanding as to the unequivocal position taken by the Secretary of Agriculture as to the need, in the interest of farmers, for the passage of trip-leasing legislation such as was passed by your committee and the House of Representatives in the last session.

Sincerely yours,
L. JAMES HARMANSON, Jr.,
General Counsel.

NATIONAL COUNCIL OF
FARMER COOPERATIVES,
Washington, D. C., March 21, 1955.

Hon. J. PERCY PRIEST,
Chairman, Committee on Interstate and Foreign Commerce,
House of Representatives,
Washington, D. C.

Re report of the Interstate Commerce Commission on status of the trip-leasing matter.

DEAR MR. PRIEST: My attention has been called to the communication dated March 4, 1955, from Richard F. Mitchell, Chairman, Interstate Commerce Commission, addressed to you, reporting by request of a member of your committee on the present status of the Commission's handling of the trip-leasing matter as involved in the proceeding ex parte No. MC–43.

The purpose of this letter is to correct an erroneous impression which I believe a portion of the above-mentioned communication is likely to convey to you and the members of your committee. The portion to which I refer is the underlined sentence in the following passage of Commissioner Mitchell's letter:

"In examining the application of the 30-day rule to the transportation of agricultural commodities the Commission became convinced that a change in the 30-day rule to meet the objections of the agricultural interests would have no serious effect on the objectives of its rules. Accordingly a series of orders were entered, one of which permanently excepts vehicles used in the transportation of agricultural commodities from application of the 30-day rule. This permits an authorized carrier to lease for periods of less than 30 days motor vehicles with drivers after completion of a movement in which such equipment is exempt from regulation by this Commission except as to safety regulations. This modification was not a postponement of the effective date, but a change in the regulations so as to permit authorized carriers to trip lease agricultural vehicles following a trip with exempt commodities under all conditions having any relation to the transportation of agricultural commodities. The modification in favor of agricultural haulers incorporated into this rule the language and terms suggested by the Department of Agriculture."

The modification in the 30-day rule referred to by Commissioner Mitchell was contained in 1 of 3 orders issued in this proceeding by the Commission on November 30, 1953, after the passage of H. R. 3203 (trip-leasing) by the House of Representatives on June 24, 1953. The import of the underlined statement above is that the 30-day rule, as changed by the order of November 30, 1953, was considered adequate and satisfactory to the Department of Agriculture. The public record of the position of the Secretary of Agriculture, evidences otherwise. Such evidence is contained in the letter from the Secretary of Agriculture dated May 6, 1954, addressed to Hon. JOHN W. BRICKER, as chairman of the Senate Interstate and Foreign Commerce Committee. A copy of the Secretary's letter, as incorporated in the printed record of hearings before a subcommittee of the Committee on Interstate and Foreign Commerce, United States Senate, 83d Congress, second session on H. R. 3203 (pt. 2), at pages 398 and 399, is enclosed for your ready reference.

Pertinent excerpts from the Secretary's letter evidencing his belief as to the inadequacy of the 30-day rule, as amended by the Commission on November 30, 1953, are quoted below:

"The record of past hearings will indicate that a representative of this Department presented testimony before the House committee and before your subcommittee in support of this legislation. Since those hearings the Interstate Commerce Commission has issued several amendments and modifications to its orders in Ex parte MC–43, Lease and Interchange of Vehicles by Motor Carriers. Those orders of the Commission have, to some extent, alleviated the restrictions against short-term leasing in connection with vehicles engaged primarily in the transportation of exempt agricultural commodities. We believe, however, that the Commission's amended order does not restore the flexibility which Congress intended should accompany the exemptions set forth in section 203 (b), (4a), (5), and (6) of the Interstate Commerce Act. We wish, therefore, to express our continuing interest in and support of the legislation proposed by H. R. 3203.

* * * * *

"The flexible, efficient, and economic movement of exempt and processed agricultural commodities may not be adequately accomplished under the rules presently prescribed by the Commission.

* * * * *

"Under the proposed rules of the Commission, exempt carriers' leasing practices are severely restricted, except on return to the origin of exempt transportation. In order to best serve its purpose as an agricultural marketing facility, the exempt vehicle must enjoy such freedom of migration as the harvest season shall require.

* * * * *

"A great deal of confusion over a long period of time has resulted in growing uncertainties and conflicting opinions with respect to the matter of trip leasing. In order that all parties may be properly guided by the intent of Congress, it is our hope that H. R. 3203 will be enacted into law, thus removing the multiple uncertainties concerning the activities of vehicles embraced within the provisions of section 203 (b), (4a), (5), and (6) of the Interstate Commerce Act."

The Commission's latest extension to March 1, 1956, of the effective date of the 30-day rule, as amended, merely intensifies and prolongs the multiple uncertainties concerning the operation of trucks hauling agricultural commodities. We agree fully with the hope of the Secretary of Agriculture that the Congress will move promptly to end these continuing uncertainties in the interest of farmers and the public generally by enacting legislation incorporating provisions such as were contained in H. R. 3203, favorably reported by your committee and passed overwhelmingly by the House of Representatives in the last session.

There are enclosed sufficient copies of this letter for individual distribution to the members of your committee.

Copies of this letter are also being sent direct to the Chairman of the Interstate Commerce Commisison and the Secretary of Agriculture for their information.

Sincerely yours,

HOMER L. BRINKLEY,
Executive Vice President.

(Copies to Hon. Richard F. Mitchell, Chairman, Interstate Commerce Commission; Hon. Ezra Taft Benson, Secretary of Agriculture.)

COPY OF LETTER FROM SECRETARY OF AGRICULTURE BENSON TO SENATOR JOHN W. BRICKER, CHAIRMAN, COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE, DATED MAY 6, 1954, RELATIVE TO H. R. 3203 (TRIP-LEASING) [1]

DEPARTMENT OF AGRICULTURE,
Washington, D. C., May 6, 1954.

Hon. JOHN W. BRICKER,
Chairman, Committee on Interstate and Foreign Commerce,
United States Senate.

DEAR SENATOR BRICKER: We have been informed that your committee is to hold further hearings in connection with H. R. 3203, a bill to amend the Interstate Commerce Act in order to prohibit the Interstate Commerce Commission from regulating the duration of certain leases for the use of equipment by motor carriers, and the amount of compensation paid for such use.

The record of past hearings will indicate that a representative of this Department presented testimony before the House committee and before your subcommittee in support of this legislation. Since those hearings, the Interstate Commerce Commission has issued several amendments and modifications to its orders in Ex Parte MC–43, Lease and Interchange of Vehicles by Motor Carriers. These orders of the Commission have, to some extent, alleviated the restrictions against short-term leasing in connection with vehicles engaged primarily in the transportation of exempt agricultural commodities. We believe, however, that the Commission's amended order does not restore the flexibility which Congress intended should accompany the exemptions set forth in section 203 (b) (4a) (5) and (6) of the Interstate Commerce Act. We wish, therefore, to express our continuing interest in, and support of, the legislation proposed by H. R. 3203.

The flexible, efficient, and economic movement of exempt and processed agricultural commodities may not be adequately accomplished under the rules presently prescribed by the Commission. In instances where vehicles are engaged in the transportation of exempt commodities, at the close of the harvesting season, it is necessary to the agricultural need that they be permitted a freedom to lease, for less than 30 days, for movement in any direction where a new peak harvesting season is beginning. Under the proposed rules of the Commission, exempt carriers' leasing practices are severely restricted, except on return to the origin of exempt transportation. In order to best serve its purpose as an agricultural marketing facility, the exempt vehicle must enjoy such freedom of migration as the harvest season shall require.

A vehicle moving an exempt commodity from Florida to New York City may not always be able to obtain a lease for return from New York City to Florida. Under the leasing rules, as presently prescribed by the Commission, such a vehicle being stranded in New York City, could not return empty to Philadelphia, Pa., and enter a single trip lease from that point to its Florida origin. It could lease from New York City to Albany, N. Y., or Boston, Mass., but at either of those points it would not be permitted to enter any lease for less than 30 days.

In addition to partially exempt transportation, it is highly desirable that private transportation of processed agricultural commodities also be permitted the flexibility and economic advantages derived from a freedom to lease for single return trips. This they may not do under the present status of the Commission's proposed rules. This freedom for private transportation would permit continuance of very desirable economies to the advantage of the agricultural producer and the consumer of processed agricultural commodities.

Many food processors, such as meatpackers and canners of agricultural products transport these processed commodities in their privately owned vehicles. Economies in the transportation are extremely important because it is but another link in the marketing chain between producer and consumer. Our concern for and recommendation relating to private transportation stems from continuing interest in lowering marketing costs of which transportation charges constitute an important part. We believe the greater flexibility and economy of movement of commodities handled by private transportation will contribute to this objective.

A great deal of confusion over a long period of time has resulted in growing uncertainties and conflicting opinions with respect to the matter of trip leasing in order that all parties may be properly guided by the intent of Congress, it is our hope that H. R. 3203 will be enacted into law, thus removing the multiple uncertainties concerning the activities of vehicles embraced within the provisions of section 203 (b) (4a) (5) and (6) of the Interstate Commerce Act.

If it should be the desire of the committee, a representative of this Department will appear to answer any questions which may arise with respect to our continued strong support of H. R. 3203.

Sincerely yours,

E. BENSON,
Secretary.

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[1] See pp. 398–399, pt. 2 of the printed hearings before a subcommittee of the Committee on Interstate and Foreign Commerce, U. S. Senate, 83d Cong., 2d sess., on H. R. 3203 (trip-leasing).

Floating Bases for Defense Installations Will Save Chicago's Jackson Park

EXTENSION OF REMARKS
OF
HON. BARRATT O'HARA
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES
Monday, March 28, 1955

Mr. O'HARA of Illinois. Mr. Speaker, I have been much concerned over the plans of the War Department to destroy beautiful Jackson Park. First, it was proposed to take Wooded Island as the site for a military installation. That was stopped in the very nick of time. But no sooner were we freed of this menace to Wooded Island than the War Department announced that it was to take over the promontory, or at least a portion of that spot so dear to the people of the community that I have the honor to represent in this body.

The tragedy is that these spots of beauty and of sentiment, once taken over, can never be reclaimed. If it is necessary for the proper national defense, no one would object. But the only excuse offered is that it would be too expensive to put this site elsewhere than in Jackson Park. It is merely a matter of saving money, and to save money the sites will be located in beautiful Jackson Park and where, from the military standpoint, they will be least effective. I have presented as best I could the feeling of our people in Chicago and have been assured by the War Department that the matter is being given further consideration.

I am directing the attention of my colleagues to the plan under consideration for the construction of a chain of mid-Atlantic and mid-Pacific bases to strengthen United States defenses against atomic attack. If this plan be feasible, in the oceans of the Atlantic and the Pacific, why should it not be followed in the Great Lakes?

Instead of tearing up Jackson Park, and placing military installations in the place where children play and adults go for relaxation and recreation, why should not these installations be placed on floating bases in Lake Michigan? This, it seems to me, is the one and only answer. I trust that the War Department will so decide and that the Congress will give the necessary authorization and appropriation. It is a matter which should interest every Member of this body who represents a district in the Great Lakes area.

Bank Mergers

EXTENSION OF REMARKS
OF
HON. EMANUEL CELLER
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Monday, March 28, 1955

Mr. CELLER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following statement made by me before the Independent Bankers Association at the new Willard Hotel, Washington, D. C., Friday, March 25, 1955:

BANK MERGERS

Bank mergers are in the news. Big news for the big banks, but what of the smaller, independent banker? These mergers are not new. They have been continuing throughout the Nation at a gallop and the sound of heavy hoofs are heard through the land.

In New York City alone, in the last 7 years, there have been 17 bank mergers. Since the first of this year that area has experienced, in terms of total deposits, the three largest bank mergers in the history of our country. First, the Chase National Bank announced its merger with the Bank of the Manhattan Co. and the Bronx County Trust Co. This merger, if approved, will make the Chase Manhattan Bank the second largest bank in the United States and it will control over 22 percent of all of New York City's commercial deposits. That it will be approved,

I have little doubt, despite my protest to the Superintendent of Banks of the State of New York, who in this instance is the approving officer. He and I do not agree—for reasons best known to himself. Then, hardly before the ink was dry on that agreement, the Bankers Trust Co., which has been gobbling up competitors in huge bites for several years, announced plans to acquire the Public National Bank. Note that in the last 4 years, since 1950, the Bankers Trust has absorbed such substantial banking institutions as Title Guarantee & Trust Co., Lawyers Trust Co., Flushing National Bank, the Commercial National Bank & Trust Co., the Bayside National Bank, and now the Public National Bank. All of these were strong, substantial institutions, ably managed, with adequate capital, earning a healthy, competitive profit.

This month, the Nation's second largest bank, the National City Bank of New York, announced plans to take over the First National Bank of New York, thus eliminating another vigorous, independent, competitive banking enterprise from the list.

As I said, I wrote the Superintendent of Banks of the State of New York, and also the United States Comptroller of the Currency, and the Federal Reserve Board, urging them to give the closest scrutiny to these mergers and do all that was within their power to prevent them. I pointed out that whereas New York City had 127 commercial banks at the opening of the century, today only 62 remain. Almost as if to punctuate my protestations, the Franklin National Bank and the Meadowbrook National Bank, both of nearby Nassau County, Long Island, announced consolidation, respectively, with the Roslyn National Bank and the Baldwin National Bank. In addition, the Franklin National Bank announced plans to take over three other banks in Nassau County. Not to be outdone, the Meadowbrook National Bank entered into consolidation agreements with another group of three banks in that area. Between them, these 2 banks will control over 60 percent of all bank deposits, savings as well as commercial, in Nassau County, N. Y. I firmly believe the Franklin-Meadowbrook mergers are flaunting the underlying philosophy of the Celler Anti-Merger Act and our entire antitrust principles. To my mind, the approval of these mergers by these responsible officials sharply outline the necessity for Federal legislation to limit such possible abuses of their discretion.

So strong has been the "urge to merge" that in the short period since the end of World War II more than 600 of the country's commercial banks have disappeared by way of merger or consolidation. The result—an alarming concentration of financial power in the hands of a few banks. The 100 largest banks in the United States now hold more than 48 percent of the Nation's bank deposits. Unless the present unrelenting merger trend is stopped, the financial banking structure of the United States will soon resemble that of Great Britain, Germany, and other countries in which all private financing resources are controlled by a mere handful of interlocking giant banks.

In England the so-called Big Five control 75 percent of all deposits. In Germany the Big Four, the so-called 4 D banks, controlled over 90 percent of the total banking assets in that country. In France there are no accurate statistics, but again four large banks are known to control an overwhelming proportion of that country's banking. It is no wonder that in each of these countries the Government found it easy to nationalize one or more of these giant banks, at one time or another. Such concentration throttles competition and depresses the Nation's economy.

DECREASE IN NUMBER OF BANKS

During the last 35 years, the number of banks has been reduced by more than half. In 1921, there were over 30,000 banks serving the Nation's commercial borrowers and creditors. At the end of June 1954 less than 15,000 banks remained in operation. Prior to 1921 and between the years 1915 and 1921, the average number of new banks which yearly entered into the business totaled approximately 500. Contrasted to these figures is the cold, hard fact that since 1950 less than 20 new banks a year on the average have been granted national charters. While the Nation's banks were hit hard by the depression and the lean years which followed, we must note that the decline in the total number of our banks set in more than 5 years before the crash of 1929. According to Federal Reserve figures, the number of banks doing business had already declined from the high of over 30,000 in 1921 to 24,000 in 1929, a total of some 6,000 banks. Between the years 1929 and 1933, some 9,000 banks were forced to close their doors. By 1943 the total number of banks had dropped to 14,579. Yet, despite the unprecedented postwar boom—despite the 286 percent growth in bank assets—despite the new high levels of loans and deposits—despite the greatly increased use made of banking services—despite the enormous growth in the number of depositors, the total number of banks in 1953 reached a new low of 14,538.

Even in New York State, which is widely recognized as the financial capital of the world, the number of State-chartered banks has dropped. In 1926 the number of State-chartered banks in New York was 611. The State's banking structure weathered the depression with the loss of less than 100 banks. Yet the number of banks kept decreasing until by 1954 there were 380, a loss more severe than the loss suffered in the depression years.

What is significant is the contrasting rise in the number of bank branches operated by existing banking houses. I think that branch banking is an evil to itself, and I shall discuss it later. Suffice to say, at the moment, that by the end of 1954 branch banks accounted for 25 percent of the banking offices in the country. Lest this figure tend, however, to give too optimistic an appraisal of our present banking facilities, it should be remembered that there were, in 1921, more than 31,000 independent banks serving depositors. At that time there were only half as many customers with less than one-third the volume of present deposits.

MERGER AND CONSOLIDATION OF BANKS

This raises the question of why, even in the face of unequaled economic prosperity, do we hear the death rattles of so many banks? The reasons for the failure of banks during the depression and in earlier periods no longer exist. Since 1945 agriculture has been prosperous and the deposits of country banks have burgeoned. The Federal Deposit Insurance Corporation has liberated the economy from the destructive effects of "bank runs" and "money panics." Bank management has become a skilled profession. New Deal banking legislation has made savings and deposits in banks today safe and sound for even the smallest and humblest depositor. We now have a healthy system of strong banks. Why, then, the continuing decrease in their number? There is no longer a serious problem of weak banks, with inadequate capital, undiversified loans, subject to special local risks or limitations. If we look, we will find the answer in this movement toward consolidation, absorption, and merger. In the years 1945 through 1951 there were 581 consolidations and absorptions among the Nation's commercial banks. In the first 3 months of the present year, 52 of the Nation's banks were consolidated or absorbed by other banking institutions. It is high time that this cartelization of banks was stopped. Among the many banks which have gone by way of merger within the past few years are such illustrious concerns as the Lawyers Trust Co., Title Guarantee & Trust Co., the Corn Exchange Trust Co., Brooklyn Trust Co., Commercial National Bank and Trust Co., Continental Bank and Trust Co.—all legendary institutions in the chronicles of New York's financial history—all have served the community long and honorably.

I emphasize that mergers involving large banks are in no way a local phenomena confined or peculiar to the city of New York. Within the last 4 years more than 7 large sized banks, with assets exceeding $100 million have been absorbed by other competing banking institutions in various areas of the country. In Philadelphia the Girard Trust Co., one of the 100 largest banks in the United States, was merged in 1951 with the Corn Exchange National Bank and Trust Co., another leading bank, to form an entity with assets of more than $500 million. Delaware's two largest banks, Equitable Trust Co. and Security Trust Co. were merged in 1952, and in the same year, the Mansfield Savings Trust Bank of Ohio and the Citizens National Bank and Trust Co. were merged. In Pittsburgh the Mellon National Bank and Trust Co. acquired the Farmers Deposit National Bank, one of the Nation's largest banks, with assets exceeding $100 million and deposits of over $140 million.

The competitive structure of banking in this country must not be destroyed. While some mergers were the result of an effort to avoid financial collapse on the part of one of the combining institutions, such cause has not been a significant factor since the end of hostilities of World War II in 1945. It is my belief, and I think I share it as common knowledge with most other men with an interest in the banking field, that more subtle factors underlie this trend of bank mergers. For a good many years the stocks of many banking houses have been selling on the open market well beneath their book value. To illustrate this point by way of concrete example, as of June 1950 the book value of the Central Hanover Bank & Trust Co. was $131 per share, yet the bank stock could be purchased on the open market for $99.50, reflecting a discount of 24 percent. In September 1954 stocks of such banks as Chase National, Irving Trust, New York Trust, and J. P. Morgan Co. were all selling in the market for at least 20 percent below book value. This kind of situation, of course, has been giving rise to merger agreements because mergers have proved to be an attractive device for marking up the price of bank securities. Shareholders, under merger agreements, have been able to obtain the book valuation of their holdings in place of the price set in the open market. A bank and its securities, in many instances, are worth more to the stockholders as a corpse than as a going concern. I have heard it said among bankers that many banks in the United States are worth more dead than alive.

A good illustration of how low-market evaluation of bank shares tend to inspire mergers is the consolidation of the Brooklyn Trust Co. with Manufacturers Trust Co. in 1950. In December 1949 while the book value of Brooklyn Trust stock was $194.96 per share, its market value was only $148 per share. Upon merger, the shareholders of Brooklyn Trust were given $183 in cash for each share of stock and also a share of Manufacturers Trust Co., itself worth approximately $55 per share. As a result, the shareholders of Brooklyn Trust Co. were able to realize more than the book value of their shares. On the other hand, as a going concern, the stockholders would not have been able to dispose of their securities in the market without incurring substantial loss.

But perhaps the principal reason behind the merger activities of our rapidly expanding banking system is passion for size as the symbol of success. The Manufacturers Trust Co. is today the fourth largest bank in the United States, due largely as the result, over the years, of some 80 acquisitions and mergers. It operates a branch banking system of 112 offices in the greater New York area. Another illustration is the Mellon National Bank & Trust Co. of Pittsburgh. In 1941 the Mellon Bank ranked 23d highest among the Nation's banks in order of deposits. By 1954 it had risen to 12th place. In the interim period, it had acquired many small independent banks in the Pittsburgh area, so that today it operates over 40 banking offices therein. In the years between 1928 and 1948 more than 37 percent of that bank's increase in loans and 30 percent of its increase in deposits could be attributed to assets acquired through other banks.

CONCENTRATION OF BRANCHES

Today, instead of seeing new, independent banking institutions on the horizon, we see only branch banks. The large State of Pennsylvania has had only three formal applications for charters since 1933. In the last 10 years only 1 formal application for a charter has been filed in the State of Connecticut. Delaware has had none in the last 10 years. What does this mean? It means simply—or not so simply—that whereas before we had new and independent banks entering the banking field each year, we now have no new banks, but only big banks growing bigger. Take, for example, the two recent giant mergers of the Chemical Bank & Trust Co. with the Corn Exchange Bank and the Chase-Manhattan Bank merger. In each case, the prime motive of the bigger bank was to extend itself from the confines of Wall Street and into the neighborhood banking field.

The Chemical Bank had been largely a Wall Street banker's bank. The Corn Exchange, on the other hand, had a network of branches throughout New York City. By joining hands with the smaller bank, the Chemical was able to get into the neighborhood banking business in a big way.

It is the same with the Chase merger. To become a real neighborhood bank, the Chase realized, it would need branches outside the Wall Street area. The Bank of Manhattan, with which it merged, had plenty of branches—55 branches, in fact, throughout New York City. So, instead of going out and establishing new branches in competition with the Bank of Manhattan, it combined with it and in one fell swoop, it acquired well-established branches and buildings, a highly developed business with a built-up clientele, and, what is more important, it was eliminating a large competitior.

Out of the 572 commercal banking offices now operated by 62 banks in New York City, 4 banks control 313 of those offices, or 54 percent of all the banking offices in the city. Among them they control 51 percent of the commercial deposits. If the Chase-Manhattan merger is approved it will add 58 branches to this all powerful oligopoly and give to them 64 percent of all banking offices and 56 percent of the commercial deposits. Is this not cause for concern? Where will it lead? Assuredly small independent banks will find the going rougher and rougher. Local merchants and local industrialists will be at the mercy of far away banking tycoons and far distant panjandrums.

It is, of course, avoiding the issue to say that none of these recent mergers in New York will result in a decrease in banking locations now available to the depositors. The question is not whether there will be a diminution of banking facilities but whether these mergers will tend to unduly lessen competition in that area. The second largest bank in New York City, for example, does not need the banking offices of one of its largest competitors, to render to the public the service for which it was organized. The principal value obtained by one of our largest banks acquiring a large competing bank and merging with it is the elimination of the competitor, and, in the case of the presently pending mergers, the strengthening of the already all-powerful position of large banking institutions. For the borrower it means less avenues of credit. No matter how many bank branches exist, the borrower faces the same borrowing conditions set by the home office. My strictures are applicable not only to New York but practically every important area of the Nation.

The impact of mergers in eliminating the competition of smaller banks and strengthening the financial resources of large banks has not been considered in recent Federal legislation dealing with bank consolidations. This is a defect we must remedy. At present, approval of certain mergers must be obtained from the Comptroller of the Currency, the Federal Deposit Insurance Corporation, or the Federal Reserve Board. But none of the statutory provisions relating to mergers contain any express requirement to study the effects on competition. In fact, even the requisite of official approval can be avoided if the acquiring bank increases its capital stock and surplus so that it exceeds that of the merging institutions combined.

The very purpose of our antimonopoly policies established under the Clayton Act and the Sherman Act is to increase instead of lessen competition. I secured the passage of the Celler Anti-Merger Act which prohibits the merger of corporations under the jurisdiction of the Federal Trade Commission where such consolidations would "tend to substantially lessen competition in any section of the country."

However, while these laws outline our public policy, they do not contain provisions dealing specifically with bank mergers in all their phases and are therefore inadequate to protect the public interest against the elimination of competition in banking and the centralization of financial power.

In order to remedy this situation and to plug the loophole in our Federal law I have introduced a bill, H. R. 2115, which will subject all bank mergers and consolidations to the scrutiny of Federal bank officials. In determining whether or not to approve a merger the officials, under the terms of the bill, would be obliged to determine whether the effect of such a merger might "unduly tend to lessen competition or tend to create a monopoly, in the field of banking, contrary to our public policy favoring local ownership and control of banks."

I am sure all reasonable and prudent men will agree that we need strong, independent, efficient, vigorously competitive banks. I would not quarrel with the reduction in the number of independent banks, if thereby only weak banks were eliminated or, as the result of consolidation, the public would receive superior service. But the mergers which worry me and must worry you are the recently announced ones which are eliminating, precisely the kind of strong, independent bank which has so ably served this country.

I am in favor of any influence which will strengthen our banks and our banking system. But I am against the paralysis which occurs when monopoly takes over a vigorous competing banking system and when signs of socialism loom large on the horizon.

I believe you and I are in the same battle together. I will welcome any suggestions you wish to make, for our mutual purpose is to keep American economy free and strong.

One Hundred and Thirty-Fourth Anniversary of Greek Independence

EXTENSION OF REMARKS
OF
HON. EDITH NOURSE ROGERS
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES
Monday, March 28, 1955

Mrs. ROGERS of Massachusetts. Mr. Speaker, on Friday March 25, every American of Greek descent had cause for personal pride and happiness because this important day was the 134th anniversary of the independence of Greece. Americans of every nationality join with their brother citizens of Greek descent in this anniversary celebration of the freedom of the great and independent Greek nation. Under the leadership of Archbishop Germenos a long time ago, in 1821, the gallant and courageous Greek people rose against their enemy oppressors. Since that valiant strife 134 years ago, Greece has fought successfully to maintain freedom and justice.

The ancient ancestors of modern Greece are also the ancestors of western civilization and culture. The immeasurable contributions of Aristotle, Demosthenes, Socrates, Plato, together with many, many other towering names of ancient Greece civilization laid the foundation of modern culture and molded the pattern for our culture and intellectual western civilization. In their search for truth, the ancient Greek scholars made possible the development of modern civilization—by their constant and progressive elimination of the frontiers of knowledge. In philosophy, science, art, literature, politics, architecture and government they profoundly influenced not only the life of their times but the development of the western world. It is in this sense that every American can join in the celebration of this anniversary of Greek independence.

The many years of the independence of Greece, however, have brought many challenges to the Greek people and their freedom. Within our time people all over the world marveled at the courageous stand of Greece against the Fascist and Nazi invader. The valiant fight and ultimate victory over communism of the Greek people has been a source of inspiration for millions of people dreaming and hoping for freedom but still bound and oppressed by the chains of communism.

From those early days of 1821 to the present time, the people of America have aided and assisted the Greek people in their struggles to maintain their independence. Moreover, the United States is fully conscious of the honor and the advantages of having a vigorous nation such as the Greeks by our side in the struggle against Russian communism. The fact that recent United States aid has been given to Greece without any territorial or material gains on our part indicates to the Greek people that there is no imperialistic intent on the part of

the United States, but only a desire to assist in sustaining Greek independence.

On the 134th anniversary of Greek independence the noble spirit of the Greeks is perhaps best expressed in the words of their leader, King Paul, in an address delivered before the United Nations General Assembly, during a trip to the United States, when he said:

With internal political stability and possessing Armed Forces whose organization, fighting spirit, and reliability are universally recognized, Greece stands alert. Should the powers of destruction at any moment dare to interfere in an attempt to strangle the salutary work of the United Nations, Greece stands ready to throw herself at once into the struggle at the services of the world organization.

In my home city of Lowell we are very proud of our American citizens of Greek ancestry. Their family life represents the finest. They have contributed many to the learned professions. Lawyers, doctors, teachers, and the clergy cooperate together with Mr. Citizen to give the community a neighborly spirit. They have contributed greatly to the defense of our country. They are among my close friends and for many years I have been grateful to them for their loyalty and honorable spirit.

Throughout the Commonwealth of Massachusetts there are many Americans with the excellent and noble background of the culture of Greece. Our Commonwealth and our country is a much improved place for life and living, for the strength of our defense, for the sturdiness of our character, for genuine happiness because they are with us, a part of us, in the constant building of this America, the greatest Democracy on earth.

The Independence Day of the Greeks

EXTENSION OF REMARKS
OF
HON. PETER W. RODINO, JR.
OF NEW JERSEY
IN THE HOUSE OF REPRESENTATIVES
Monday, March 28, 1955

Mr. RODINO. Mr. Speaker, many peoples associate their origin with certain heroes who have saved them from extinction, or who have performed some epic deed which has been of vital significance to the preservation or glorification of the nation. These half real and half legendary heroes are often presented as the embodiment of the national spirit, as the champions of national independence, or as defenders of liberty. The history and mythology of the ancient Greeks are full of such heroes—some of them real, some of them only products of the fanciful imaginations of poets. What is important is that these ancient figures, representing the spirit of freedom or other noble ideals, were among the first symbols of many of our Western culture's finest concepts. From Greek history, literature, and mythology they have entered the broad stream of the best traditions of the West. For this reason our debt to the Greeks is immense. That is one reason why the celebration of Greek Independence Day is of such meaningful significance to Americans.

After many long and glorious years of history, in the 15th century the Greeks came under the sway of the Turks. For about 400 years they were subjected to the Turk's alien and unwanted rule. During those years it was not possible for them, without effective outside aid, to free themselves. But early in the 19th century, they saw their chance, seized upon it, proclaimed their independence on March 25, 1821, waged a long and uphill fight against their oppressors, and finally, after many years of fighting and with the aid and encouragement of their friends abroad, they regained their national political independence. Since then Greece has been free. As we have witnessed during recent years, Greece has guarded her freedom with constant vigilance and is determined to defend it against all foes. In joining this celebration we wish the Greeks success and prosperity in the years to come, and we promise them, as our allies, support in the defense of their priceless possession, their national independence.

Yalta Papers: Why the Uproar?

EXTENSION OF REMARKS
OF
HON. CRAIG HOSMER
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Monday, March 28, 1955

Mr. HOSMER. Mr. Speaker, a lot of partisan uproar has followed the recent release of the Yalta papers by the State Department. In large part it seems to be an effort to divert attention from the contents of the papers by attacking the way they were made public. Rather, the important thing to discuss is what happened at Yalta, and why it happened, so the lesson can be well learned not to let it happen again.

The decision to make the Yalta papers public was unquestionably right.

The American people are entitled to know the facts concerning the conduct of the Nation's foreign affairs. This is particularly so in this instance where the papers reveal the details of a conference as a result of which thousands of American casualties occurred on a foreign battlefield.

It is President Eisenhower's policy to inform the people concerning the conduct of the people's business. The Republican Eisenhower administration does not believe either in making secret deals which sell out our allies or which are deliberately kept from the American people.

The position of those who oppose making the papers public is inconsistent. In one breath they say there is nothing new in these papers. In another breath they say they contained information so sensitive and secret that their release has been harmful to the national security and to the relation with our allies.

From the standpoint of the Nation and the free world, it was particularly wise to make the papers public at this time. Suggestions are being made to hold another conference with the Communist leaders. As we consider whether such a conference should be held, the records of previous conferences should be made public so that they can be studied not only by the diplomats, but by the people of the free nations.

Only this way can we adequately be prepared to meet the ruthless tactics of the Communists at the conference table. We also will be reminded again that in the past a Communist's word has meant nothing once the papers were signed. Only by studying the record of previous conferences can we avoid making the same mistakes in the future.

The sensitivities of diplomats, either ours or those of our allies, cannot be the decisive factor in determining whether to make public the record of a conference held 10 years ago. No diplomat's face is worth the life of one American boy.

Editorial Columnist Larry Collins, of the Long Beach Independent newspaper, recently set forth the need for recognizing and understanding the mistakes made at Yalta in the following writing:

WHY THE UPROAR?

It is hard to understand why the Democratic leaders are so upset over the publication of the Yalta papers. They cry out that they have been released for political reasons. It would seem as logical to say they had been suppressed for political reasons. Those who object so loudly to their publication place themselves in the position of criticising the actions of President Roosevelt. Otherwise, why do they object to the publication of something the people have a right to know about?

It has been 10 years since the Yalta meeting. What was done at that meeting has changed the social, economic, and political complexion of most of the world. In the light of what we now know, wrong decisions were made at Yalta. But the wrong was actually in trusting the Russians. Had they lived up to what President Roosevelt expected of them, those decisions might have worked out for the best interests of world peace.

Before we accept this as a partisan criticism we should recall the decision made by Republican President Harding, after World War I. That decision resulted in an agreement to cut down naval strength of Britain, Japan and the United States. The United States sank some of their nearly completed great warships. An equal ratio of naval strength was to be maintained by each of the three nations.

The debacle of that conference resulted in World War II. Japan never lived up to her agreement. She continued building ships, regardless of the ratio agreement. We fell far behind, because we lived up to it. When Japan started making her conquests in Manchuria, we allowed her to continue. We were not strong enough, or were too fearful, to stop her. Had we maintained our strength and not sunk our ships, following World War I, there probably would never have been a World War II.

There were mistakes made in each of these conferences. The mistakes are important. But the suppression of the facts is the issue in the Yalta paper disclosures. When it is charged they have been disclosed for political purposes, the fact is overlooked that the conference was 10 years ago. It may well be asked: How long are such facts to be held

secret? When are the people supposed to be told what has been done about their affairs?

It has been said that, by the disclosure of the Yalta agreement, we have broken faith with other nations, whose leaders took part in that conference. It is embarrassing to Mr. Churchill. But it is also an issue dealing with world policy. That means it is the people's business. They are entitled to know. Holding up the disclosures for 10 years should be long enough to satisfy any reasonable person. Whatever the reason, it is good for the people that the disclosures have been made.

The mistakes at Yalta should not be used for partisan purposes. The Democratic leaders are emphasizing the issue by their bitter denunciation of their disclosure. It would be much more reasonable to accept the issue on its merits and learn a lesson. That lesson should be that secret diplomacy is dangerous for democracies. It should convince anyone that the Communists cannot be trusted. Leaders of both parties should accept the disclosures from these viewpoints and stop the cry of partisanship. Mistakes are not confined to either party.

L. A. C.

Proposed Commission on Ethical Practices

EXTENSION OF REMARKS

OF

HON. WAYNE N. ASPINALL

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Monday, March 28, 1955

Mr. ASPINALL. Mr. Speaker, on March 23, my good friend from the First District of Connecticut introduced a bill having for its purpose the establishment of a commission on ethical financial practices. May I state at the outset that I am heartily in accord with the objectives of such a bill. I regret exceedingly, however, that in the course of his remarks, the gentleman from Connecticut, for whom I have a high personal regard, made statements which caused me to believe that in his own mind he already had formed definite conclusions of guilt for certain individuals and business enterprises and is ready to publish to the world such alleged guilt without giving the legislation which he sponsors an opportunity to accomplish that for which it allegedly is sought. This smacks too much of questionable legislative activities which have become all too common during these times. My colleague from Connecticut is entirely justified in explaining on the floor of the House the reason which prompted his action in the introduction of legislation which he sponsors. However, I find myself in disagreement with any procedure which makes it impossible for the accused to answer in the forum in which the accusation has been made.

The seriousness of this matter is not minimized one bit when I realize that what really is involved is a stockholders' fight in a heretofore rather unknown business corporation. The floor of this legislative body is not, in my opinion, a good battleground for warring shareholders of a private corporation; nor is it a fit place to carry on an election contest for the board of directors of any private enterprise. The gentleman's proposed legislation provides the forum for the contest. Why did he not wait for the arena to be built? Surely the alleged immoral actions—no illegal activities having been alleged—could await an authorized and proper investigation.

I am confident that my good friend the Representative from Connecticut, when all of the facts are placed on record, will agree with me that his remarks unfortunately could be, and may I advise are being used to create misleading impressions to create an unfair advantage in a private dispute. I am sure that he would be the first to wish the record corrected when all of the facts are known to him. I think that it would be well, therefore, to review briefly the history of Penn-Texas operations since Mr. Silberstein, whom my friend attacks, assumed leadership of that great enterprise.

Approximately a year ago the Penn-Texas Corp. acquired ownership of a company in my State of Colorado. I am happy to say that far from having any detrimental effect upon that company, the Penn-Texas ownership and management has brought it great strength with resulting benefits to the company and its employees. As far as I personally am concerned, I would welcome further such enterprises in the State of Colorado because I know that it would be good for the State and good for the country.

One of the directors of Penn-Texas Corp. is Oscar L. Chapman, former Secretary of the Interior. I have known Oscar Chapman intimately since 1922. His reputation for honesty and integrity is well-known throughout this country. Together with all Coloradoans, I am proud of his career in the public service and of his lifetime devotion to the public interest. I want to say, Mr. Speaker, that Mr. Chapman has discussed this matter with me and that I have the utmost confidence in his judgment.

I have also had the pleasure some time ago of meeting Mr. Leopold D. Silberstein, president of Penn-Texas and, I must say, I was very favorably impressed by the man and by what he has been able to accomplish. About a year ago, Penn-Texas acquired a company in my home State of Colorado and that company is now well on its way to becoming one of the leading producers in its field.

Mr. Speaker, the story of Penn-Texas is a success story in the great American tradition. Leopold D. Silberstein took over the management of Penn-Texas, then known as the Pennsylvania Coal and Coke Corp., in 1949. At that time, the assets of the organization consisted of three bituminous coal mines operating at a loss. Since 1949 the company has grown into a multimillion dollar corporation operating at a profit and paying liberal dividends to its stockholders and good wages to its employees.

In common with many American firms seeking to protect their stockholders against violent fluctuations in the business cycle, Penn-Texas Corp. adopted a policy of diversification. Through its subsidiaries the company now owns a controlling interest in a profitable oil and gas property in Texas; it operates three ocean-going freighters, all under the American flag; it is one of the country's leading producers of wire and cable; it is one of the Nation's best known producers of railroad and shipyard cranes, traveling bridges, and dockside unloaders; and it has recently acquired the Bayway Terminal Corp. of New Jersey, one of the largest facilities for handling rail and water shipping on the Atlantic seaboard. Moreover, as I have already mentioned, Penn-Texas has taken over the Quick-Way Truck Shovel Co. of Denver, Colo., the first company in America to develop and produce in volume a complete line of truck-mounted cranes and shovels. I am advised that Quick-Way is now expanding its work force and rapidly becoming one of the leading producers of earth moving and material handling equipment in the Rocky Mountain States.

Apparently, Mr. Speaker, the Silberstein management has been very good for the corporation. It is my understanding that during the period of which I have spoken the company's common stock has tripled in value. In addition, Penn-Texas has increased its work force and payrolls many times over. A gratifying amount of Penn-Texas products and services are going into our Nation's defense program.

Mr. Speaker, I hesitate to interject myself into what I consider a private business dispute. These are matters for the stockholders to decide, not someone on Capitol Hill. Nevertheless, when any American citizen, or any American corporation is unfairly attacked I believe there is a moral duty to set the record straight and to afford an opportunity to tell the other side of the story.

I have done my best to get the best advice available in this matter. The matters of which I speak are matters of record and could easily have been checked before any derogatory statements were made.

Various statements were made by my good friend from Connecticut which leave the unfortunate impression that somehow there is something wrong with the Penn-Texas interest in Niles-Bement-Pond. The impression is left upon the record that somehow the Penn-Texas stock was acquired in a secret raiding operation and that in some way there is a cloud over the officers and directors of Penn-Texas. I am informed that the record shows that this is not so.

The fact is, Mr. Speaker, that Penn-Texas, according to my information, acquired its stock in Niles-Bement-Pond through open purchases through recognized brokerage houses and that Niles-Bement-Pond was on full notice of these acquisitions. It is a matter of record that Penn-Texas has openly invested millions of dollars in Niles-Bement-Pond stock and that Penn-Texas owns almost 50 times as much stock as all of the present Niles-Bement-Pond management combined. Certainly it is elementary fair play that persons with so heavy an investment should be entitled to some voice in the management. Yet, Mr. Speaker, when the Penn-Texas interests requested a minority voice in management I am told that it was refused. Surely we are not arriving at that point in this country where one has to be a second generation American to purchase stock on the open market.

With reference to this latter aspect of the controversy between Niles-Bement-Pond and Penn-Texas, I am informed that it is a fact as alleged that Mr. Silberstein was born in Germany. I also have been advised of some other pertinent facts which I am glad to place on the record. I am told that he was a respected member of the Berlin Stock Exchange before he was 30. He left Germany when Hitler took over, and moved to Holland. He was a member of the Dutch Army when Holland was invaded. He fled to England before the onrushing Nazi Armies and along with thousands of other Germans of Jewish extraction, he was interned and sent to Australia. Before the end of the war, the British had brought him back to England and he is highly regarded in British official and financial circles. He is now a United States citizen.

Mr. Speaker, the fundamental principles of fair play and equal opportunity for all have made this Nation the greatest Nation on earth. Every time an attack, however unintentional or ill-advised, is made on those principles, it is an attack on all of us and upon our most priceless heritage of freedom. I am proud that this great body is available as a forum to repair any damage which may have been done.

Another Act of Soviet Treachery

EXTENSION OF REMARKS
OF
HON. JOHN C. KLUCZYNSKI
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES
Monday, March 28, 1955

Mr. KLUCZYNSKI. Mr. Speaker, 10 years ago today, 16 top Polish underground leaders were placed under arrest in Moscow. Only 2 were since released and the other 14 have not been heard from.

All of these 16 leaders went to Moscow in good faith and belief that a peaceful solution of Polish-Soviet problems was to be arranged. They had accepted an invitation from Marshal Zhukov to come to Moscow to implement the Yalta agreements, for the creation of a Polish government after World War II hostilities ended. They were given guaranties of safe return to Poland.

Today, when we contemplate the recent disclosure of the Yalta agreement, this incident should be kept in our minds. It marks one of the darkest passages of recent international history and serves as an everlasting monument of Soviet treachery and perfidy.

How can we even consider having any further meetings with these same leaders, until they satisfactorily explain their treacherous conduct in this instance, and until they order the release of each of the remaining gallant Polish leaders?

Had these men not been imprisoned, Soviet Russia would never have succeeded in enslaving the Polish nation. These leaders would have led a resistance movement that could have changed the entire course of world history.

I sincerely hope that our representatives will refuse to consider any further meetings with the Soviet representatives until positive action is taken to make amends for this and many other acts of Soviet treachery.

New Frontiers for the West

EXTENSION OF REMARKS
OF
HON. WILLIAM S. HILL
OF COLORADO
IN THE HOUSE OF REPRESENTATIVES
Monday, March 28, 1955

Mr. HILL. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address by Earl L. Butz, Assistant Secretary, United States Department of Agriculture, before the third annual farm and ranch congress, Denver, Colo., Monday, March 7, 1955:

NEW FRONTIERS FOR THE WEST

The scientific and technological advances we will experience in the next decade will be unparalleled in American agriculture.

The geographic frontier in America is gone. No longer can a young man "go West" and stake out his claim. Even the wild and woolly Colorado frontier has been tamed. But the scientific frontier in America is barely scratched. And the scientific frontier has no effective limit. It is limited only by the mind and imagination of man.

Organized and imaginative research is the vehicle which will push the scientific frontier beyond limits we scarcely dare dream of today.

It follows logically, therefore, that if we can keep our economy free and preserve an environment in which individual producers and scientists are free to dream a little about new techniques and new ideas, and to enjoy the fruits of their dreams, we shall experience phenomenal progress in the next generation.

The above prediction is made with full understanding that the American economy in 1954 was down slightly from a year earlier; but it has turned upward in recent months. Entirely too many Americans suffer under the economic illusion that it is abnormal—in fact disastrous—for the economic graph to dip modestly downward once in several years. Some of the modern-day alarmists would try to superimpose a new politically created artificial boom on top of an old war-created artificial boom, and push our economy from one unstable excess to another. We have no new evidence that man can completely circumvent the law of action and reaction, even in his economic behavior. Within the framework, however, the long-time growth curve of the economy is distinctly upward.

ECONOMIC STABILITY IS THE KEY

America has been enjoying a period of relative economic stability during the past year. The general level of prices has been remarkably stable during the past 12 months, varying within a range of less than 2 percent. That is virtually no change.

Prices received by farmers have likewise been fairly stable during the past year, fluctuating within a range of less than 6 percent.

The widely advertised business recession of 1954 evidently reached the bottom about last July. The slow erosion of prices and business activity which had been in progress since shortly after the Korean boom halted them, and has turned up modestly. The upward course has been fairly steady, although not spectacular, for the past several months. Our economy is growing at a healthy rate, production is increasing absolutely and on a per worker basis, consumer incomes are rising, consumer spending is at a record rate, and higher standards of living within the immediate reach of all of us.

Nineteen hundred and fifty-four was the second biggest economic year in the history of America. This was accomplished without war, with Federal Government expenditures down $11 billion, and Federal taxes reduced $7 billion.

In my book, the second biggest year in our history is a long, long way from the kind of depression some of our alarmists were preaching last fall. Last year was the most prosperous depression in our history.

The relative stability of the past year is reassuring. The adjustment in business activity from the peak levels of the Korean war period to the present time has been one of the mildest on record.

Truly the economic health of America is good.

Gross national production in 1955 will exceed the 1954 level of $357 billion. It could equal the record of $365 billion in 1953. It is reliably predicted that our gross production will reach $500 billion by 1965. That would mean an average increase of 20 percent for each of us, above our present living standards.

In this overall environment of a stable to strong general economy, American agriculture may also look forward to economic stability. Although farm income has declined slightly more in the last year than has the general economy, it is significant that its decline has been very markedly slowed from a year and a half ago. The price parity ratio for 1954 averaged 89, only 3 points below the 1953 average. The price parity ratio last month stood at 87. This was only 7 points below the figure for 2 years earlier, January 1953, when Ezra Taft Benson became Secretary of Agriculture. In the 7 months before January 1953, the price parity ratio dropped 10 points. In the 23 months before January 1953, the price parity ratio dropped 19 points.

It now appears that the stability we have been experiencing will continue through 1956. The domestic demand for farm products will continue strong, with a likely modest increase in foreign demand.

It is gratifying that in this setting for potential progress in agriculture, the 83d Congress gave us a new farm bill that will point American agriculture toward better balance, greater freedom for individual farmers, and a more stable and prosperous economy. The new law establishes the sound economic principle of flexible price supports which will help gear our farm production to the needs of the Nation and will, at the same time, minimize the need for such stringent controls over farm production and marketing as we experience today. The new bill becomes operative with the 1955 crops.

It must be pointed out, however, that neither the new farm program nor any other legislative magic can be expected to solve our pressing farm problems in a few weeks or even a few months. The burdensome surpluses now owned by the Government were accumulated over a period of years by following wartime price-support policies long after the emergency had ended.

WE NOW FEED OURSELVES ON SCIENCE

American agriculture is now feeding our growing population on science and technology. We have increased our total agricultural output in the last 4 decades by 75 percent, on roughly the same acreage we had previously, and with 2½ million fewer farm workers. Even in the 15 years since the beginning of World War II, our farmers in America have increased their total production by 47 percent, with no increase in acres and with 1¾ million fewer workers on

farms. These changes have accompanied the application of science and the advanced technology associated with mechanization and electrification of the American farm.

The efficiency of agricultural production has likewise increased tremendously in recent years. In the last 4 decades, total output per man employed in agriculture has increased 140 percent. In the last 15 years output per man-hour has increased 70 percent. This has resulted in higher level of living for farm families, and cheaper food for urban families.

In the same short 1½ decades, we have increased our steel production capacity by one-half, and have doubled our electric power production capacity. Surely a broad base is laid for a further rise in living standards for the average man and woman in America.

Modern science and technology have solved the age-old problem of hunger and pestilence in the Western Hemisphere. But modern man has not yet learned how to manage his society and cooperate with each other in order to accomplish the high level of production and prosperity of which we are capable. The science of political economy is lagging the physical and biological sciences. Our most pressing problem now is to learn how to live with and to enjoy the age of science and technology which we have created for ourselves.

We must cultivate within our society an environment in which individual producers and scientists are free to experiment with new techniques and new ideas, and to enjoy the fruits of their labors. We shall experience phenomenal progress in the generation ahead, if we can preserve our system of free prices and free enterprise. No administration in Washington can do that automatically, for Government cannot go beyond what the people in our various States desire.

Your job and mine must be one of everlasting adult education about the things that make America great. If we keep our free economy, we must preserve a free-price economy. There are too many people in America today who do not really believe in free prices, but who still believe they can look to Washington for price supports, price regulations, price ceilings, and so on. We must get the point across to every citizen of our country that the incentives under free prices make our economy great, and make it strong, and make it productive.

Farmers believe in the free-enterprise system. They believe that government should be the junior partner and free citizens the senior partner. They know this system has produced in America the broadest opportunity for free and prosperous citizenship that exists any place in the world. Under this system individual producers and individual processors can grow and prosper as far as their ambition and their ability will take them. The right to succeed is open to everyone.

AMAZING CHANGES IN OUR GENERATION

We live in an era of the most rapid scientific and technological change of all time. If you were to put the full recorded history of man on the face of your clock, starting with the story of creation in the Book of Genesis and continuing until 1855—100 years ago—the hands of your clock would have moved from noon around to 11:45 p. m. The last 15 minutes on the face of your clock would represent the last century. Yet, output per worker in the United States has increased more in that last 15 minutes than in the previous 11 hours and 45 minutes. And most of the increase within the last 15 minutes has occurred since the turn of the present century. Many of us now living have played a substantial role in this amazing scientific and technological revolution.

Let us imagine for a moment that a good Egyptian farmer in the day of Moses could have been brought back to life in the day of the Caesars, some 12 centuries later, and placed on a good farm in Italy, then the most advanced nation of the world. He could have farmed with practically no additional instruction, for the art of agriculture had changed little, if any, in the intervening 12 centuries.

Let us imagine that same farmer brought back to life on a good English farm in the day of Shakespeare, some four centuries ago. He still would have been a pretty good farmer with no additional instruction.

Now let's bring that same ancient Egyptian farmer to the eastern shores of America 150 years ago and put him on Thomas Jefferson's farm, one of the advanced farms of that day. He still would not have found the art of farming very different from that which he practiced in Egypt 3,000 years earlier. He still would have used the same motive power, the same crude implements, and large amounts of hand labor. He would have known very little about fertilization, improved varieties, high-producing breeds of livestock, and the hundred mechanical and electrical gadgets which occur on our modern farm.

Now imagine for a moment that same farmer on a modern American farm. He would be completely bewildered. He would not even recognize the working end of the tractor parked in the farmyard. He would probably raise the cry of witchcraft at all the wonderful things performed by mechanical and electrical power. It would require hard years of instruction and apprenticeship for him before he could even begin to operate the modern American farm.

MORE CAPITAL IS REQUIRED

Agriculture is now big business. It is inevitable that family farms are becoming larger, as the number of workers on farms decreases and as mechanization of our farms continues at a rapid pace. It is estimated that the value of the United States agricultural plant is about $150 billion. This means a national average of approximately $30,000 per farm. Obviously, these averages include many small farms. The figure for typical commercial family farms is larger. It runs from $50,000 to $100,000.

On our good family farms it now takes an investment of nearly $50,000 to create one farm job. In American industry it takes an average investment of from $12,000 to $15,000 to create one industrial job. It takes three times as much capital to create one agricultural job on good family operated commercial farms Truly agriculture has become big business. As such it calls for a very high level of managerial ability on the successfully operated farm.

When many of us were youngsters it was often said, "If you can't do anything else, you can farm." Today the situation is reversed. If you can't farm, you'd better do something else. Successful operation of the modern typical family commercial farm calls for a higher level of managerial capacity than does most of the family operated business concerns in your county seat town.

THE "COUNTRY HICK" HAS DISAPPEARED

Scientific research in agriculture has changed farming from a "way of life" to a "way of making a living." The "country hick" of a generation or two ago has almost completely disappeared from the American scene. The city limit sign which appears at the edge of your county seat town no longer means the same as it did a generation ago. It is now just a tax boundary. It is no longer a cultural boundary, a recreational boundary, an education boundary, a social boundary, or an economic boundary. It is just a legal dividing line.

The same kind of people live on one side of that city limit sign as on the other. They have increasingly the same types of ambitions, similar cultural, social, and economic opportunities, comparable ways of living, and even similar disappointments and frustrations. This development is all for the good. It has been associated with a lowering of the drudgery of farm life. The living conveniences of the city have been taken to the country. Mechanization and electrification bring shorter hours on the farm than a generation ago, with opportunity for higher economic rewards for the efficient farmer than existed a generation ago.

FOOD IS CHEAP IN AMERICA

The phenomenal increase in agricultural production made possible by scientific research has helped urban people as well as farm people. It has provided them with a record high diet at an all-time low cost. Few urban people understand this. We need to get the story across, every time we get a chance, that food is not expensive.

The retail price of food in America is lower now than it was a year ago. It's lower than it has been since 1951. Retail food prices in December 1954 were 110.4 (1947–49=100). The 1954 monthly average was 112.6, 1953 average 112.8, and 1952 average 114.6, and 1951 monthly average 112.6.

Food is cheap and getting cheaper in terms of how long the industrial worker must work to pay for it. It is cheaper now than before Korea. It is cheaper now than it was in 1932, in terms of how long the American worker has to work to get his food.

There is no country on the face of the earth today where the workingman spends so small a proportion of his working day earning the food he eats as in America. There is no country on the face of the earth today where the workingman has so large a proportion of his working day left to buy the things that make life so pleasant in your home and mine, as in America.

At the present time the American public is spending approximately 26 percent of its disposable income for food. In 1935–39, it spent only 23 percent of its disposable income for food. However, if the American public were content to eat the same quantity and the same quality of food per person we ate in 1935–39, we could get our food for 18 percent of our disposable income instead of the 23 percent we actually spent 15 years ago.

The plain truth is that on a per capita basis we are eating about 13 percent more food in this country than we ate 15 years ago. And we are eating better food, with more meat, milk, and eggs. Consumption of restaurant meals and prepared foods is up.

We eat "higher on the hog" and enjoy it tremendously. And it doesn't cost us very much to do that either. The thing that bothers us most in America is not nearly so much the high cost of living as it is cost of high living.

THE AGRICULTURAL HORIZON LOOKS BRIGHT

An exciting experience lies ahead for those Americans who have the capacity to dream. The America we enjoy today was built by men and women who had dreams. America will continue to grow in proportion as her citizens dream imaginatively and constructively.

The future is filled with interesting challenges. Science will dominate the next century. Brains will replace brawn in American agriculture and industry. Man will direct power rather than supply it. Production per man will continue to increase. This means still larger agricultural units with more capital. It means increased mechanization. It also means high standards of living for those who produce our food and fiber. Farming will be even more big business than it is now. It will be still less a way of life than now.

LET'S DREAM A LITTLE

The sun is the ultimate source of energy for our earth. We think American agriculture, scientific as it is, does a pretty good job in converting the energy of sunshine into

the usable energy of food and fiber. And by historical standards, modern agriculture does okay. Yet a good farmer, using up-to-date scientific methods, can now capture from 1 acre of crops on his farm in 1 year about as much energy as God pours on that acre in 1 typical summer day. We now convert to usable form less than one three hundredth part of the energy poured on our acres every year.

Let your mind dream a little about the possibilities ahead in food production. If we learn somehow how to double our production per acre, we would still be getting less than 1 percent of the energy available. What a marvelous challenge ahead for science and for men of vision.

NEW POWER AND PRODUCTION POSSIBILITIES

Let's dream for just a moment in another direction. The history of the rise of man's material standard of living is essentially a history of increased amounts of energy under the direction of a single worker. A century ago 85 percent of our people were engaged in agriculture. Many agricultural operations were performed by hand or with hand implements. As a consequence, output per worker was so low that there was little surplus food to support those who were engaged in nonagricultural occupations.

Today less than 13 percent of our population is engaged in agriculture, releasing more than 87 percent to follow nonagricultural pursuits and to produce the goods and services which make life so pleasant for all of us in America. This transformation has been made possible partly because each individual farmer directs so much more power now than formerly. This is also true in industry and commerce. Reflect for a moment on the changes that have occurred within your own experience in the amount of horsepower controlled by a single worker in agriculture, in industry, or in transportation.

Now let us dream a little. Within this decade, the nuclear age was born. Possibilities for new sources of energy stagger the imagination. New research developments with tremendous power potentialities occur with amazing rapidity.

Some scientists now assert that our known reserves of fissionable materials exceed in potential power our known reserves of coal, petroleum, and water power. Other scientists predict that within 10 years we shall have available in this country as much nuclear energy as we now have available from our coal, our petroleum, and our water power, combined.

Let yourself dream for a moment in that area. If such predictions are only one-fourth right, it means that in 1965 our whole economy of 1955 will be obsolete. It means that the job of converting to the new and more economical sources of nuclear energy will dwarf the automobile boom of the 1920's. It means still larger units per worker in industry and agriculture. It means more capital per plant and per worker.

THE BEST YEARS ARE YET TO COME

The challenge of the next decade is unprecedented for men and women of vision and ambition. The challenge for agriculture is greater than ever before in its history. The scientists who develop new knowledge for agriculture, as well as those who apply it, will have the opportunity, through producing more products at lower cost, to occupy a ringside seat at the greatest decade in the history of America.

My life insurance company gives me 28 years yet to live. I am looking forward eagerly to those 28 years in this marvelous America. I expect them to be the most challenging, the most interesting, and the most rewarding years in the history of mankind.

If I could have my choice of the period of all time when I would spend my last 28 years on this earth, I would start them this day.

The scientific and social challenges which lie before us are unparalleled in history.

I approach my next 28 years with anticipation and enthusiasm.

I am going to have a lot of fun growing and building and dreaming with this still young and vigorous America.

I hope you too can see a great challenge for yourselves in the years ahead.

The Fate of 16 Polish Underground Leaders

EXTENSION OF REMARKS
OF
HON. THADDEUS M. MACHROWICZ
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES
Monday, March 28, 1955

Mr. MACHROWICZ. Mr. Speaker, today marks the lapse of 10 years since the date that 16 leaders of the Polish underground were treacherously lured into Moscow, under the pretext of beginning Polish-Soviet negotiations for peaceful solution of mutual problems, and under guaranties of security. All 16 were placed under arrest by the Soviets and all but 2 have not since been heard from.

The person who masterminded this intrigue was Marshal Zhukov, who is now prominent in the Soviet Government. It is this same Soviet Government with Marshal Zhukov, and others like him, who would now like to lure the United States into friendly meetings to discuss peaceful solution of mutual problems.

In the past, each of these meetings have led to further concessions to Soviet Russia and have increased their capacity to further subjugate the free world, and threaten our own national security.

It has been said that Soviet Russia should first show its intentions of good faith before any new meetings take place. I submit, Mr. Speaker, that we should request the immediate release of the remainder of these 16 Polish leaders and an explanation of the unlawful action of the Soviet regime in imprisoning them, before we ever consider any further action toward meeting with them.

On July 2, 1952, during the debate on the report of the special congressional Katyn committee, I referred to this subject matter. Because the remarks are equally applicable today, under leave to extend my remarks, I am inserting, herewith, portions of my remarks made that day:

The United Nations, to whom we ask that this report be transmitted, should also look into the fate of the 16 fearless Polish underground leaders, who in March of 1945, were invited to Moscow by Marshal Zhukov under the pretext of beginning Polish-Soviet negotiations. There they were treacherously placed under arrest and placed in the infamous Lubianka prison.

This fact was at first carefully concealed by the Russians but was finally revealed during the conference at San Francisco, where it evoked widespread indignation of world opinion.

Under the influence of our appeasement policy, however, this matter was hushed in order not to antagonize the Russians, with whom we thought we could come to an agreement.

After 7 years what was the result of that policy? At least four of these brave leaders have died in jail as a result of the tortures suffered. Others, after release from the prison in Moscow, were again thrown into jails in Soviet-dominated Poland, where they are languishing.

Former Ministers Jasiukowicz and Bien were sentenced in Moscow to 5 years imprisonment. They therefore should have been released and returned to Poland not later than March of 1950. To this day 2½ years later, there is no sign of life of either of them. Neither is there any news of the fate of the former Minister, Pajdak, who who excused from the Moscow trial because of illness.

Seven and one-half years after his arrest he has not returned to Poland, nor has he been heard from.

The United Nations Organizations recently adopted a bill of human rights which provides that no individual may be arrested without a proper court determination, that no one shall be deprived of his rights before a public court trial and that no one can be imprisoned longer than provided for in the court's verdict. The Soviet representative refrained from voting because he thought the provisions were not sufficiently democratic and there is no assurance of the execution of the provisions.

It is not time to expose this horrible cynicism of the Moscow Communists, and to show them that the United States respects the decisions in which it participates and is willing and ready to enforce them?

Would that not be the best way to demonstrate to Poland and to the other nations behind the Iron Curtain that the United States has determined to defend the principles of justice against force?

Action by our Government to determine the fate of these brave Polish underground leaders illegally held by Russia in prisons or concentration camps will do more for the cause of the United Nations than any other propaganda behind the Iron Curtain, based on promises rather than actions.

The Yalta Papers

EXTENSION OF REMARKS
OF
HON. USHER L. BURDICK
OF NORTH DAKOTA
IN THE HOUSE OF REPRESENTATIVES
Monday, March 28, 1955

Mr. BURDICK. Mr. Speaker, England is having a nightmare over the publication of the proceedings at Yalta. Can it be that Mr. Churchill was less candid than he ought to have been when he reported on the matter to the House of Commons?

When was it discovered that the truth should be kept from the people? Since the truth is the easiest thing in the world to defend, why all this consternation about the publication here of those proceedings?

No one can read these papers without coming to the definite conclusion that the Korean War was born as a result of the Yalta agreement—and do you not think the mothers of the thousands of boys killed and wounded in that conflict are entitled to know how and why it started?

I hope the Potsdam papers are published in full. Then between the Yalta and Potsdam reports we can find out who betrayed Poland, Czechoslovakia, and the Baltic States. It would be hard to believe that the United States knowingly consented to turn over 200,000 Germans to slave labor, never to be returned by Russia to their native land, but when we read these papers we will know the truth. Were men from Germany in uniform to be the slaves of Russia as part of the reparation claims against Germany? Was Russia not willing to take property and dollars in reparations, or did they insist upon men, to become their slaves?

From these papers we can understand why Czechoslovakia was abandoned; we can understand why we didn't take Berlin when the Germans offered it to us; we can understand why we delayed until the Russians got there first.

Why should any nation be offended when the truth is being unfolded? Are we ashamed of the truth? Is England ashamed of it? One purpose will be accomplished, and that is that these reports will deter this country from making any more secret agreements that may not only violate the principles of this republic, but blacken our name on the pages of world history.

I don't see how anyone can feel that publishing these proceedings would be a political move. If the Republicans intended it for that, it comes too early to have any effect, and the leaders of the Republican Party are entitled to more credit than that.

The contents of these documents belong to the public, for if we were guilty of making colossal blunders at that time, the effect will be to keep us from making them again. If our representatives consented to the enslavement of people to serve the vindictive and selfish interests of the Soviets, we want the world to know that the people of this great Republic knew nothing about it and would never have consented to it if they had known. If those secret proceedings show the error our representatives made, and the people of Europe believe that was the act of the people of the United States, we never can overcome the ill feeling that will be fomented against us. It is important, therefore, that the people of Europe and Asia know that the people of the United States have never approved the action of our representatives at Teheran, Yalta or Potsdam. They could not have approved something we knew nothing about. Hereafter, we hope, Mr. Dulles and the President will not make the same error and put our name to any further secret agreements of similar character, the contents of which are kept from the people.

In the situation we are now in, there is only one thing that will save the people of the United States from world censure because of Teheran, Yalta and Potsdam, and that is the truth.

The action of one Senator in proposing to investigate the leak in the publication of these documents serves no good purpose and contributes to further errors on the same subject.

I am not ready to charge any of our representatives with dishonorable intentions when these agreements were made. They could have been grossly mistaken and poorly advised, but what they did in fact consent to, we should know. It isn't too late yet, for the honor of this country, for the people to disavow unconscionable and inhuman agreements.

The very fact that these agreements are being published is the best protection the people of the United States can have against any further diplomatic acts of similar character.

Amending the Natural Gas Act Is in the Public Interest and Will Restore the Jobs of Unemployed Coal Miners and Railroaders

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EXTENSION OF REMARKS
OF

HON. JAMES E. VAN ZANDT

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 28, 1955

Mr. VAN ZANDT. Mr. Speaker, continuing my efforts to relieve unemployment in the coal, railroad, and related industries in my congressional district, on March 18, 1955, I introduced H. R. 5068 to amend the Natural Gas Act.

In support of my bill, the following statement was submitted to the House Committee on Interstate and Foreign Commerce on March 25, 1955:

STATEMENT BY HON. JAMES E. VAN ZANDT, 20TH DISTRICT, PENNSYLVANIA, ON H. R. 5068, BEFORE THE HOUSE COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE, MARCH 25, 1955

I have introduced a bill, H. R. 5068, to amend the Natural Gas Act in certain important respects in the public interest.

Bills of similar import before this committee have been introduced by Representatives STAGGERS, SAYLOR, CARRIGG, KELLEY, MORGAN, BYRD, BAILEY, KEE, PERKINS, and MOLLOHAN.

My bill addresses itself to a very vital problem on which President Eisenhower has indicated a deep concern and which involves the welfare of all our people. That problem is the development of a sound national fuels policy which will restore the balance of competitive conditions among our several fuels industries. The end results will mean great benefits to the consumers of fuel and energy, and growing employment in a prosperous economy.

President Eisenhower recognized the importance and scope of this matter many months ago. In 1954 he set up 2 committees, 1 of which was designated the Advisory Committee on Energy Supplies and Resources Policy. This Committee was composed of the Director of the Office of Defense Mobilization and the Secretaries of State, Treasury, Defense, Justice, Interior, Commerce, and Labor. The committee was directed by the President:

"To undertake a study to evaluate all factors pertaining to the continued development of energy supplies and resources fuels in the United States, with the aim of strengthening the national defense, providing orderly industrial growth, and assuring supplies for our expanding national economy and for any future emergency."

The committee was further directed to "review factors affecting the requirements and supplies of the major sources of energy including: coal (anthracite, bituminous, and lignite, as well as coke, tars, and synthetic liquid fuels); petroleum, and natural gas."

On February 26, 1955, the committee's report was issued by the White House as "The White House Report on Energy Supplies and Resources Policy." The opening paragraph of the report states:

"The importance of energy to a strong and growing economy is clear. As conditions of supplies and reserves of coal, oil, and natural gas change, and as both defense and peacetime requirements come more clearly into focus, the bearing of Government policies upon energy needs reexamination."

The complete text of the White House report is part of the record of the hearings before this Committee on Natural Gas Act amendments.

I submit that the report and the fact of its incorporation into these hearings should guide the Congress in its consideration of legislation on natural gas.

The Congress should take a look at natural gas in relation to the whole field. It should seriously reexamine our supplies and needs, as the White House committee recommends, and we should give consideration to all of the provisions of the White House report as well as the recommendations of the Federal Power Commission, the agency charged with the administration of the Natural Gas Act.

The Natural Gas Act which was passed on June 21, 1938, has been amended in 1942, 1947, and 1954. This year we have the opportunity to amend the basic law in the public interest because we are faced with many problems to solve under present Government policies in administering the Natural Gas Act.

I am of the opinion that this Congress should not confine its legislative activity to only one phase of the many problems involved in the proper utilization and conservation of natural gas.

For that reason, I introduced and urge passage of H. R. 5068. My bill contains many provisions which have been recommended by the Federal Power Commission and by the White House Report on Energy Supplies and Resources Policy.

For example, section 1 of H. R. 5068 would amend subsection (b) of section 1 of the Natural Gas Act to give the Federal Power Commission jurisdiction over direct industrial sales of gas in interstate commerce. This is a change in the law requested by the Federal Power Commission as recently as 1953. It has also been recommended by the White House Report.

Under present policies, the Commission does not have jurisdiction over these sales with the result that large quantities of this scarce natural resource are being burned wastefully—and at prices which are subsidized, in some instances, by the consumers of gas whose prices are regulated by the Commission. Federal Power Commission regulation would not result in the elimination of such sales, but it should result in a more equitable allocation of the cost of producing and transmitting natural gas to the consumer, with consequent benefit to the gas consumers.

Section 2 of H. R. 5068 would establish statutory standards to be followed by the Federal Power Commission in the administration of the Natural Gas Act in respect to conservation of this resource. This section also is in accord with repeated requests by the Federal Power Commission to the Congress that its powers in the area of conservation should be broadened. The Commission already has general power to effectuate the proposed standards in my bill so that the enactment of H. R. 5068 would merely supply the necessary legislative mandate.

I think that the extremely limited reserves of natural gas make it imperative that Congress clearly authorize and direct the Commission to give effect to sound principles of

conservation in regulating the utilization of natural gas.

The Federal Power Commission has also endorsed the proposal contained in section 4 of H. R. 5068, which would define the term interstate commerce to include commerce between any point in a State and any point in a foreign nation.

Section 5 of H. R. 5068 would require natural gas companies to secure a certificate of public convenience and necessity when seeking authority to import foreign gas. The principal objective is to require that all import applications be subject to the same provisions that govern domestic applications for a certificate of convenience and necessity.

Section 6 of H. R. 5068 would amend subsection (a) of section 4 of the Natural Gas Act to prohibit the sale of natural gas at a price less than its cost, including the cost of transportation and sale, plus a fair proportion of the fixed charges. This section incorporates almost the exact language of the White House report which is part of the record of these hearings. The report says:

"Sales either for resale or direct consumption below actual cost plus a fair proportion of fixed charges which drive out competing fuels constitute unfair competition and are inimical to a sound fuels economy. The committee recommends, therefore, that appriate action be taken that will prohibit sales by interstate pipelines either for resale or for direct consumption, which drive out competing fuels because the charges are below actual cost plus a fair proportion of fixed charges."

In light of that clear injunction in the White House report that action is required on this particular aspect of natural gas regulation, I think the 84th Congress would be derelict in its responsibilities to the American people if it fails to include in any natural gas legislation a provision such as section 6 of H. R. 5068.

The White House report contains the recommendations of a highly respected, impartial committee of distinguished public servants saying that this is one of the reasons why the competitive conditions in our fuels industries are seriously out of balance.

As a Representative of a congressional district whose economy depends upon coal and railroads, this unfair competition from natural gas has thrown thousands of coal miners, railroad workers and other employees in related industries out of jobs.

Sections 7, 8, and 9 of H. R. 5068 round out the objectives of legislation which I feel is needed in the public interest.

The principles in H. R. 5068 must be enacted for the protection of the peacetime economy and for the maintenance of a strong mobilization base within the domestic fuels industry.

Wheat Shipments by the Bunge Corp.

EXTENSION OF REMARKS
OF
HON. CHARLES A. BOYLE
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES
Monday, March 28, 1955

Mr. BOYLE. Mr. Speaker, on this date, after hearing numerous and repeated inferences on the floor of the House of Representatives regarding the Bunge Corp., of Minneapolis, I have introduced a resolution which would authorize the Judiciary Committee of the House of Representatives to conduct a full and complete investigation of the Department of Justice in dropping criminal charges against Robert F. Straub, Andre Herschler, Simon Kern, Walton F. Mulloy, and E. H. Thornton, Sr., all associated with the Bunge Corp., of Minneapolis, growing out of alleged misrepresentations in connection with certain wheat shipments.

In certain wheat shipments, which apparently were handled by these men on behalf of the Bunge Corp., of Minneapolis, the wheat shipments were "slugged"—filled with some high-grade wheat and some wheat that was unfit for human consumption—and then certified as being first-class wheat only, and in doing so fraudulently enabled the Bunge Corp., of Minneapolis to obtain $1,700,000 in subsidy payments. It seems incongruous that the company which these men were working with and for, the Bunge Corp., of Minneapolis, should plead guilty and pay a fine of $5,000 and then that the individuals actually involved should have criminal charges against them dropped because of insufficient evidence.

However, I am the last individual to rob citizens of their cloak of innocence, and as a member of the judiciary it is my desire merely to assist in every way possible to remove this subject from the field of controversy and suspicion.

Greek Independence Day

EXTENSION OF REMARKS
OF
HON. JOHN LESINSKI, JR.
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES
Monday, March 28, 1955

Mr. LESINSKI. Mr. Speaker, Friday, March 25, was the 134th anniversary of the independence of the Greek people. One hundred and thirty-four years ago the Greeks rose up against their foreign rulers and for over 6 years of constant warfare and much bloodshed fought against the chains of their bondage. This rebellion brought about the birth of what today is modern Greece.

This anniversary date should be memorialized by everyone, for it marks the rebirth and rejuvenation of a nation that had been under a foreign yoke for four centuries. In spite of those long years of servitude and personal suffering, the Greeks did not lose the traits that had made their forefathers great. We all know the debt we owe the Greek nation, for many aspects of our modern civilization were developed from the knowledge and thinking of the early Greeks. Even today, many of their findings are being rediscovered.

As an American, I am proud that in recent times our Nation came to the assistance of the Greeks and provided them with military, economic, and technical assistance. Our military aid helped prevent the Communists from subjugating the people of Greece and reducing them to the status of slaves. Our economic and technical assistance gave the nation a chance to rejuvenate itself and to build the internal strength that is so needed.

This day should be proclaimed to the world, for it symbolizes the thinking of every person who has suffered under foreign oppression. Four hundred years was a long time but it could not still the heart and the will for freedom. The courage and determination of the Greeks are reflected in their freedom. By proclaiming their independence day to the world, we show to the people of the world a shining example of hope for the future, and further ingrain and strengthen in the minds and hearts the determination, so passionately desired, to remain free of any oppression.

American Interests Build 6,054,831 Tons of New Ships in Foreign Yards—United States Yards Lose $1,800,000,000

EXTENSION OF REMARKS
OF
HON. CHARLES A. WOLVERTON
OF NEW JERSEY
IN THE HOUSE OF REPRESENTATIVES
Monday, March 28, 1955

Mr. WOLVERTON. Mr. Speaker, the extent to which big corporations of our country desert our American shipbuilders and build their ships in foreign yards is astonishing and highly distressing. It is no wonder that our American shipyards are in such a distressed condition for lack of work. It is no wonder that our ship workers are walking the streets unemployed. The very corporations that are ignoring American yards and going abroad to have their ships built are the very ones that will cry loudest for protection in the time of emergency.

Every sensible person must know that our shipbuilding industry and the trained personnel to operate it cannot continue to exist without work. And yet, while claiming all the benefits of American citizenship, these large corporations will build their ships in foreign yards and let our own shipyards dwindle to a state of inadequacy. This is not ultimately to the best interest of the corporations to which I refer, nor is it to the best interests of our country or its people.

The importance of this matter has been recognized by Marine Engineering in an extremely well-prepared and documented article by L. S. Blodgett, editor of that magazine. This article is replete with factual information that supports in every detail the statements and conclusions of the editor. I will not dwell upon all the facts and figures. Yet, there are some I will mention as an illustration of the important figures that are contained in the article.

For instance, in the postwar period ship orders placed abroad have resulted in losses to the shipbuilding industry in our country, employment and purchasing power totaling $1,800,000,000 and these losses affect every 1 of the 48 States. It is my intention at a later date to extend my remarks in the RECORD to include facts that will show the detrimental effect a dwindling shipbuilding

industry has in every State. Furthermore, the article shows that now only 14 merchant vessels of the 1,347 under construction in the world's shipyards are being built in this country. And so I might continue, piling fact upon fact and figure upon figure to show the dismal picture that now exists and prove the distress that follows our neglect of a full and adequate shipbuilding program.

Marine Engineering has performed a great service, not only to the shipbuilding industry and its workers but to this Nation of ours, in bringing pertinent facts and figures to the attention of the American public that should awaken it into action. I fully agree with the suggestion that we need a long range legislative program that will:

First. Encourage American shipowners to build and operate ships under the American flag. In 1954 United States flagships carried only 29 percent of this Nation's foreign trade;

Second. Insure a modern flag fleet, adequate shipbuilding facilities, and an effective force of trained workers to meet any national emergency; and

Third. Expand the market for the wide range of materials used in shipbuilding which originate in every 1 of the 48 States.

I hope this national problem will have the full thought and consideration by the present administration and that a long-range remedial legislative program will result.

Advisory Committee on the Watch Industry

EXTENSION OF REMARKS
OF

HON. EMANUEL CELLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, March 28, 1955

Mr. CELLER. Mr. Speaker, under leave granted to extend my remarks in the RECORD, I include the following statement:

CELLER, AS DELEGATION SPOKESMAN, DEPLORES ADMINISTRATION'S ACTIONS IN WATCH CONTROVERSY AND CALLS FOR PROMPT CORRECTIVE MEASURES

A strong indictment of recent administration actions aimed at curtailing imports of Swiss watches and a demand for prompt review of the damaging consequences to our national interest are highlights of a 26-page statement filed with the new ODM Advisory Committee on the Watch Industry. The detailed document has been presented on behalf of a delegation composed of 16 Democratic Congressmen, including Representatives Victor L. Anfuso, Charles A. Buckley, Emanuel Celler, Irwin D. Davidson, Isidore Dollinger, Herman P. Eberharter, Sidney A. Fine, Aime J. Forand, Lester Holtzman, Edna F. Kelly, Eugene J. Keogh, Arthur G. Klein, Abraham J. Multer, Leo W. O'Brien, John J. Rooney, and Herbert Zelenko, plus Governor Harriman, of New York State; Mayor Wagner, of New York City; Commissioner Edward T. Dickinson, of the State of New York Department of Commerce; Commissioner Richard C. Patterson, Jr., of New York City Department of Commerce and Public Events; and First Deputy Commissioner Martin Dodge, of the New York City Department of Commerce and Public Events.

The delegation's spokesman, Representative EMANUEL CELLER, Democrat, of New York, in his accompanying letter, called on ODM Director Arthur S. Flemming to instruct the members of the new committee to give a new look and full consideration to the Defense Department's recently declassified study of the jeweled-watch industry which found that "no special nor preferential treatment for the industry is necessary." The Congressman, in pointing out that the delegation's statement had been prepared prior to the release by the Department of Defense of its long-classified study, also called attention to Dr. Flemming's testimony before the Senate Armed Services subcommittee on June 30, 1954, in which the ODM Director "emphasized the very essentiality which this declassified Defense report negates."

In amplifying on this charge, CELLER added:

"We must assume that you were familiar with the Defense findings, and are, therefore, most interested in the source of the facts upon which you based your differing conclusions. Undoubtedly, the report of the Senate Armed Services subcommittee, which was forwarded to the President, was influenced by your testimony. It had about it, shall I say, the halo of your authority and prestige, and probably contributed to the President's decision to accept the Tariff Commission's recommendation to increase the tariff on watches. Thus, we look forward to receiving your comments on this situation and trust that any damage resulting from your statement will be ameliorated at the earliest possible date."

The delegation's statement is highly critical of the ODM report which found that the skills of the four domestic jeweled-watch companies were essential to national security. It points out that this report runs directly contrary to a comprehensive review of the jeweled-watch industry conducted by the Department of Defense, which determined that all military items produced by the four watch manufacturers can also be procured from nonjeweled segments of the American watch industry and from dozens of the foremost United States companies outside the timing industry. The statement includes an analysis of the ODM report's five conclusions and presents facts and figures to validate the delegation's indictment of the report's findings as being obscure and unsubstantiated.

The detailed document also emphasizes that recent administration actions against watch importers were motivated largely by the ODM report. The delegation claims that, by accepting the flimsy argument of defense essentiality for the four jeweled-watch producers, the Government has "opened a Pandora's box by which hundreds of industries may seek the benefits of high tariffs against foreign competition on the grounds of defense essentiality."

"The administration," according to the statement, "could have used one or more of the direct aids mentioned by ODM—defense contracts, technical training, etc.—which would have avoided the necessity for tariff increases, and would have been in accord with our traditions of fair play and competitive enterprise. Raising tariffs against a friendly nation to achieve such a goal, on the other hand, is contrary to America's long-range interest."

The administration's actions in the watch controversy, according to the delegation's strongly worded presentation, sets a precedent which can easily undermine the reciprocal trade program envisaged by the Congress. The document is sharply critical of the administration for frustrating the will of Congress in its efforts to expand international trade. It states that "the protectionist actions taken by the administration in an attempt to assist the four domestic jeweled watch producers is threatening to cause America to turn back the clock, figuratively speaking, to the 1920's in the matter of tariff rates."

The statement points out that the 50-percent boost in watch tariffs last July, followed by other administration attacks on imports, was causing severe injury to the watch importer-assembled industry which brings "over $250 million yearly into the New York area and their urchase of goods and services result in further circulation of $150 million annually in the region." It emphasizes that the jobs of tens of thousands of workers, many of whom are highly skilled, are jeopardized by the curtailment of imports. The analysis also cites the fact that in Pennsylvania and Rhode Island there are "a sizable number of jewelry manufacturers who furnish parts as subcontractors to the hundreds of watch importer-assemblers. Any Government action leading to a curtailment of their operations is an economic blow to these States as it is to New York."

In its conclusion, the delegation charged:

"Apparently, the present situation adds up to the fact that the administration is endeavoring to do indirectly what it cannot and dare not do directly. It is administratively increasing the tariff and setting up all kinds of barriers against importation of a product without consultation with the Congress. Through the various agencies involved, the administration is using subterfuge and unsubstantiated arguments to hamper and obstruct the importation of Swiss watches and watch parts. * * *

"We also urge the committee to determine whether the Government moves against importers have actually helped the four domestic producers or have merely injured the importer-assemblers and the Swiss. It is our conviction that these actions have been contrary to America's best interest.

"Finally, we respectfully suggest that the new committee conduct full and complete hearings, giving all interested parties an opportunity to appear, and that those in Congress who are interested in these deliberations be kept advised as to the progress of your studies."

The Staff of Life

EXTENSION OF REMARKS
OF

HON. ROBERT C. BYRD

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 28, 1955

Mr. BYRD. Mr. Speaker, under leave to extend my remarks, I wish to include a statement which I made today during the hearings on H. R. 2851 before a subcommittee of the House Committee on Agriculture. This bill would provide for the processing of grain into forms suitable for distribution to needy persons in the United States. I wish to impress upon my colleagues the importance of this measure, and the need for immediate favorable action being taken.

The statement follows:

Mr. Chairman and members of the committee, I am deeply appreciative of this opportunity to appear before this distinguished committee in behalf of H. R. 2851. This bill is similar to H. R. 2824, which I have introduced, and to bills which various other Members have sponsored. It would provide for the payment by the Commodity Credit Corporation of the cost of processing wheat and corn into a form suitable for home or institutional use (for example, flour and cornmeal) for distribution to

needy persons in the United States under authority of either section 407 or 416 of the Agricultural Act of 1949, as amended. Under the present law, wheat and corn cannot be processed into flour and meal respectively at the expense of the Commodity Credit Corporation prior to distribution in the United States.

Mr. Chairman, in my opinion, this legislation is a must. In West Virginia, we are experiencing a depression. All throughout the coal-producing sections of that State are idle tipples, idle railroad cars, deserted shafts, and mine after mine closed down. During the past 3 years, at least 150 commercial mines have closed in the State, idling thousands of miners. Add to these the thousands who depend on coal for a livelihood—railroad workers, storekeepers, service station owners, and a host of others—and we begin to get the picture of a real depression in coal-producing areas.

When I think of the distressed conditions prevailing in my State, I am reminded of the Biblical plagues of Egypt. There can be no greater affliction than that of unemployment, starvation, privation, and want, and it is most perplexing and paradoxical that such a situation could exist in a land of plenty. Thousands of families are without food, unemployment compensation checks have been exhausted, more and more demands are being made for free lunches in the public schools, and the specter of poverty stalks the countryside. Many of these families have barely been able to keep body and soul together with surplus food commodities which have been made available. In my 4 counties—Boone, Kanawha, Logan, and Raleigh, which have a population of 446,466—there are a total of 85,829 men, women, and children for whom surplus commodities constitute the principal source of food supply. This is almost 20 percent of the entire population in my district. There are 250,000 persons certified to receive commodities in West Virginia, and this figure represents one-eighth of our total population.

These people are of a noble race. They are good taxpayers, they are hard workers, they make excellent soldiers, and they are American to the core. Our Government has a responsibility to them. The precept that we are our brother's keeper has been assiduously followed with reference to our fellow human beings all over the world, but charity begins at home; and while we have been liberal in providing a helping hand to our brothers in foreign lands, we have been, in a manner, negligent concerning our own flesh and blood. Under title 2 of Public Law 480 of the 83d Congress, certain surplus agricultural commodities may be made available to meet famine or other urgent relief requirements overseas. Wheat, for example, has been shipped overseas under authority of this title as both raw wheat or as flour, depending upon the needs of the particular situation. It would be a serious indictment of governmental policy to continue to fail to provide flour for our own needy peoples.

At the present time certified individuals are being given butter, shortening, cheese, milk, rice, and beans. I and my people are grateful for these, but bread is the staff of life. The average American does not know what it is to sit down to a meal without bread. The recipients of surplus commodities have every right to expect and demand that flour be supplied them. The wheat with which our storehouses are bulging has been procured with money from the taxpayers' pockets, and when the American taxpayer needs this grain for his very existence it is only right that it be provided. The cost of processing grain would likely be no greater—if, indeed, as great—than the cost of keeping it in storage, and I am sure that it would be far better to pay whatever cost is necessary to provide hungry people with food than it would be to continue wasting the taxpayers' money in warehousing costs.

In the days of Pharaoh, Joseph, in his wisdom, advised that food be stored during the 7 plenteous years for use against the 7 years of famine, and "in the 7 plenteous years the earth brought forth by handfuls" and "the 7 years of dearth began to come, according as Joseph had said. And the dearth was in all lands, but in all the land of Egypt there was bread * * * and Joseph opened all the storehouses."

Mr. Chairman, there is a virtual famine in some areas of our own country today; but, unlike the land of Egypt in Joseph's day, there is no bread, and unlike Joseph who opened all the storehouses, we are foolishly keeping them closed. Is this justice?

Shakespeare, in that magnificent work of genius, the Merchant of Venice, placed in the mouth of Portia these words:

"The quality of mercy is not strained; it droppeth as the gentle rain from heaven upon the place beneath * * * it is enthroned in the hearts of kings; it is an attribute to God Himself; and earthly power doth then show likest God's when mercy seasons justice."

Mr. Chairman, our people ask not for mercy; their plea is for justice. I urge the committee to act favorably upon this legislation in order that the unemployed and their children may have bread.

I am grateful, again, for this opportunity and privilege to give you this expression of my views on such an important matter. You have been kind to listen. With your permission, I shall include a letter which I have just received from Mr. Waggy, West Virginia State supervisor, division of commodity distribution. The letter follows:

"Hon. Robert C. Byrd,

"House of Representatives,

"Washington, D. C.

"Dear Congressman Byrd: We have understood that it might be possible to receive flour processed from Government wheat for distribution to needy unemployed families. We have 250,000 persons certified to receive commodities in West Virginia, and flour would greatly add to the diet of these persons, in that we now have butter, shortening, cheese, milk, rice, and beans.

"We get numerous requests daily for flour for distribution and would appreciate it very much if this item could be made available.

"Yours very truly,

"William Waggy,

"State Supervisor, Division of Commodity Distribution."

Protection Against Bodily Attack to Uniformed Members of the Armed Forces

EXTENSION OF REMARKS

OF

HON. CHARLES A. BOYLE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 28, 1955

Mr. BOYLE. Mr. Speaker, today I have introduced for appropriate reference a bill to extend to uniformed members of the Armed Forces the same protection against bodily attack as is now granted to personnel of the Coast Guard.

A number of Senators—the Senator from New York [Mr. Lehman], the Senator from Kentucky [Mr. Clements], the Senator from Illinois [Mr. Douglas], the senior Senator from Rhode Island [Mr. Green], the Senator from Missouri [Mr. Hennings], the Senator from Minnesota [Mr. Humphrey], the Senator from Massachusetts [Mr. Kennedy], the Senator from North Dakota [Mr. Langer], the Senator from Washington [Mr. Magnuson], the senior Senator from Oregon [Mr. Morse], the Senator from Montana [Mr. Murray], the junior Senator from Rhode Island [Mr. Pastore], and the junior Senator from Oregon [Mr. Neuberger]—have introduced a similar piece of legislation.

This bill is not new or novel. Similar bills were introduced in 1944 with the active support of the then Secretary of War Henry L. Stimson, in 1951, as an amendment to the universal military training bill, and during the 83d Congress.

This bill should be enacted by this session of Congress.

The purpose of this bill is to extend to members of the Armed Forces of the United States the protection of the Federal Government of the United States against bodily attack while such personnel are on duty or on account of the performance of their duty. The bill provides Federal sanctions against unprovoked physical assault on uniformed military personnel if committed while such personnel are engaged in performance of duty or on account of the performance of duty.

From experience we know that there are many localities in our country near which are located military bases where the local police authorities are inadequately staffed and do not possess the resources by means of which they can give adequate protection to the military personnel. Such protection by the Federal Government is already extended to many categories of Federal officers and employees, including members of the Coast Guard.

Only within the past year or 2 we have had a Federal grand jury accuse an entire police force of a small locality in the southern part of the United States for failing to provide protection for the soldiers on leave in the town, and where unprovoked attacks against military police were frequent. Press reports indicated that the local police force was involved in importing illegal liquor, protecting prostitutes, and maintaining gambling establishments. The military police were most seriously hampered in trying to carry out their duty; and this community had to be closed off to all military personnel.

This, of course, is not true of all the communities near which military establishments are located but because it can happen and because it is possible that the military personnel will not receive adequate protection we should enact this law which will provide for adequate protection by the Federal Government to our men and women in the service, regardless of race, creed, color, or national origin.

As I See It

EXTENSION OF REMARKS

OF

HON. CLARE E. HOFFMAN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, March 28, 1955

Mr. HOFFMAN of Michigan. Mr. Speaker, trying to describe to the home

folks the situation as it exists here is not a pleasant nor is it a simple task. This for the reason that the present outlook is for billions of additional tax dollars, conscription for universal military service, greater hardship for those without jobs, and no adequate remedy in sight for the immediate future. Now, as some radio commentators say, the details or specifications.

The increase in pay for Members of Congress and for the Judiciary is estimated to cost approximately $5 million.

The conscription act passed by the House on February 8, 1955, calls for a minimum annual expenditure of $36 billion.

The bill increasing the pay of men in the armed services, passed March 10, will cost approximately an additional $745 million.

The contemplated increase in the pay of postal employees is estimated to cost an additional $200 million.

Additional pay for other Federal employees is figured at $325 million.

One phase of foreign aid calls for $3 billion.

The President, on March 11, reiterated his promise to keep our Armed Forces—250,000 fighting men, additional thousands of civilians—in Europe until there is no threat of war from Russia. Just when that will be, what it will cost, your guess is as good as anyone's.

By the adoption of the Formosa resolution, we promised to defend Formosa and any other territory the President might decide if and when Chou En-lai attempted to take that island as he has promised the world he will do. We authorized the President to use the Armed Forces for that purpose when and where he pleased.

Today's press states that Senate Democratic Leader LYNDON B. JOHNSON described talk of a war to defend two of the islands as "an irresponsible adventure for which we have not calculated all the risks."

Why authorize the President to exercise his judgment; then, when he does, complain?

Then, to finish the job there is in the hopper, with supplementing legislation in sight, a demand for universal military training for a period of 8 years with a possibility of an additional 2 years or a total of 10 years—120 months—confronting the youth of our land.

Oh, yes. Several hundred letters have come in from employees demanding that the minimum wage be increased to $1.25 per hour. Personally, I have no idea how many employers can pay $1.25 an hour, continue in business, create, and give jobs. Nor do I know the price at which the things produced by such employees and management must be sold; nor where the prospective customers are to get the purchase price to buy and so keep folks employed. Nor do I know whether or how many industries in small towns and cities will be forced to fold up because they cannot meet the competition of the billion-dollar corporations, which perhaps can pay a guaranteed annual wage at that rate.

Hope you are doing some serious thinking. Know I am.

Yalta: What Happened and the Price We Are Paying

EXTENSION OF REMARKS
OF
HON. CRAIG HOSMER
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Monday, March 28, 1955

Mr. HOSMER. Mr. Speaker, up to this time the most well-publicized result of the Yalta Conference has been the sellout of Poland and the Eastern European nations. Poland, the Balkan nations, and all the rest have Communist governments today because of the deals made at Yalta.

What happened in Europe as a result of Yalta was bad enough, but what happened in Asia was even worse as far as the interests of the United States are concerned.

As a result of a secret deal made at Yalta, concessions were given to the Russians which paved the way for the Communists to take over China. The Korean war, the war in Indochina, and the crisis in Formosa resulted directly from the fact that China went Communist.

The Yalta deal contributed in two ways to the Communist victory in China.

Turning over to the Russians rights to the jugular-vein Manchurian Railway and the warm-water ports, together with the recognition of Outer Mongolia as a satellite state, were concessions which materially assisted the Communists in their struggle with the Nationalists.

In addition, the fact that this agreement was made without the Nationalist Chinese being consulted had a disastrous effect in destroying the face of Chiang Kai-shek and the Nationalists once the deal became publicly known, soon after it was made.

In light of this, the restraint with which the two top men in our Government have handled the situation is remarkable, indeed. It was commented on in the following editorial appearing in the Long Beach Press-Telegram newspaper on March 24, last:

RESTRAINT, FAIRNESS DISTINGUISH IKE, NIXON VIEWS ON YALTA TALKS

Both Republicans and Democrats can take instruction from the words of President Eisenhower and Vice President NIXON about the Yalta papers.

The two top national leaders set an example of fairness and restraint.

In the long run this attitude can do much more for administration and party prestige than can be done by fighting with the past.

The people still appreciate the Golden Rule.

The President made two main points in his reply to questions on the subject at his news conference yesterday:

One, there is nothing to be gained by going back 10 years and, in the light of subsequent events, trying to show that someone may have been wrong or right. Documents such as the Yalta papers should not be used to damage reputations.

Two, there is nevertheless a value in studying such documents. They may be considered with a view to profiting from mistakes which were made.

To learn from history, but not to judge the motives of its makers by hindsight—that is an attitude reflecting intellectual maturity and real statesmanship.

There is no conflict between this attitude and the approval of public circulation of the Yalta documents. The publication of a fact is not in itself an act of condemnation.

Vice President NIXON, who has always been a severe critic of the products of the secret Yalta Conference, refused in a speech several days ago to accept the interpretation by a partisan in his audience that Yalta was a sellout.

He did stick to his guns when commenting on the results of the conference. The fall of China to the Reds could be laid directly to the door of the Yalta pact and "of course it naturally followed that we had a war in Korea and one in Indochina." He said there was no doubt that concessions given to the Russians in the pact were detrimental to the United States and the free world. That's a statement with which anybody, regardless of politics, should be able to agree.

However, NIXON continued, "The reason the concessions were made was that the leaders of the free world simply didn't know what the Communist animal was like. Another reason was that we badly needed Soviet support at the time for the conquest of Japan. I don't believe there actually was any deliberate attempt to sell us out to the Communists."

That is a fair comment. But we wonder if some partisans will eventually twist it around, as they have twisted NIXON's comments on other matters, to make it appear that he has smeared the opposition.

In any event, it occurs to us that historical events may do for American politics what Winston Churchill says the atom bomb may be doing for world peace.

The great depression as a political issue in a sense of balances off the Yalta Conference. Both sides having such ammunition in the stockpile of past events, they may decide it would be unprofitable for either to fight with that kind of stuff.

If Consumers' Purchasing Power Does Not Keep Pace With Production, Boom Will Come to Quick and Disastrous End

EXTENSION OF REMARKS
OF
HON. MELVIN PRICE
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES
Monday, March 28, 1955

Mr. PRICE. Mr. Speaker, under permission to revise and extend my remarks I call attention to a remarkable final paragraph in a column by Carroll Kilpatrick in the Washington Post and Times Herald. This paragraph, after the column reviews the economic progress of America, says that the one "great problem now is to make sure that consumers have the income to purchase goods the factories can produce. If purchasing power does not keep pace the boom will come to a quick and disastrous end."

Mr. Speaker, we heard a good deal about fiscal irresponsibility when the Democrats in this House passed a tax measure that would have bolstered purchasing power among the great bulk of families in the low-income and middle-income brackets.

Now we hear soft and tinkling suggestions from spokesmen of the admin-

istration that next year maybe—an election year—it might be just possible for us to have some tax cuts.

The businessmen with whom the administration spokesmen foregather seem to have little interest, however, in tax cuts to bolster purchasing power among the bulk of families. They want tax cuts for themselves—tax cuts giving the cream of the relief to those who already have most of the luxuries as well as the necessaries of life.

We are going to have a fight about tax cutting next year, obviously, and some of us are going to feel that the cuts should be applied one way, others will feel they should be applied another.

To me it is the height of fiscal responsibility to say that continued prosperity depends on spreading purchasing power, that relief should go to those to whom $100 saved in taxes means $100 more to be spent from a modest sum on food, shelter, clothing, education, and health.

Our factories are marvels of productive efficiency, but they will grind to a limping pace unless the consuming power of ordinary millions of Americans is steadily broadened.

I offer for the RECORD the entire column which I mentioned, and call particular attention again to its final paragraph:

UNITED STATES AT NEW STAGE IN WEALTH PRODUCTION

(By Carroll Kilpatrick)

A big book of more than 1,100 pages weighing as much as the Federal budget came out last week with the conclusion that this great bastion of capitalism has drawn nearer the socialist goal of abundance for all in a classless society than any other country. In the last quarter century we have experienced a fantastic increase in the capacity to produce and a significant trend toward equalization of living standards.

Millions of Americans now in middle life have seen a greater change in the patterns of life and material standards of living than all the previous centuries of Western civilization, according to the book, America's Needs and Resources, published by the Twentieth Century Fund under the direction of J. Frederic Dewhurst.

The volume is full of tables on industrial production and capacity and on the problems of an expanding population and rapidly developing technology. It says that technology is our primary resource. For example, the same labor force in 1939 could mine 47 percent more coal than it could in 1929. And every ton of coal we burn for power today yields about six times as much energy as it would have in 1900.

More astounding is the fact that in 1939 the same number of persons employed with the same degree of utilization of equipment could have produced 22 percent more goods than in 1929. In 1900, an average farm worker produced enough for himself and 7 others whereas now he produces enough for himself and 14 others.

Yet in all these years of high production except the war years nearly every industry has operated below capacity. Even in 1929 only the steel and machine tool industries were producing at near capacity; the transportation industry in that boom year could have doubled the tonnage it carried. Without much effort the automobile industry today could double or even triple its output of cars and trucks.

These figures help us to understand the significance of the big news from the steel industry. Eugene G. Grace, chairman of Bethlehem Steel, announced that his company would have to add 8 million tons of capacity in the next decade merely to hold its position in the industry.

Benjamin F. Fairless, retiring chairman of United States Steel, announced that "if our corporation is to continue to hold its present position of leadership in the industry, at the peak of the prospective demand, we shall have to create the equivalent of 1 new Fairless Works about every 2 years throughout the next 2 decades." That would mean adding 1.1 million tons of ingot capacity every 2 years.

Contrast those optimistic statements with the gloomy report of a United States Steel official in 1946, who then predicted that in the long run the industry would operate at about two-thirds of capacity. The next year the president of another large steel company told a Senate committee that the demand for steel in 1955 would be about 78 million tons.

Actually, the demand this year will be about 40 million tons more than he predicted. If his prediction had come true we would have at least three times as many unemployed as we have today. Steel is a basic commodity that provides in its production index an excellent barometer of business conditions.

If the industry should fall much behind in meeting its orders it would itself generate stoppages in other industries and cause serious unemployment. Mr. Fairless reported that in recent months the demand for steel had exceeded capacity by a "considerable percentage." This is not a healthy situation although the backlog of orders is not yet seriously retarding any other industry. But if the steel industry failed to expand it soon would drag American business down into a new depression.

The greatest increase in basic producing capacity has taken place in the last decade. Hence, the social and economic problems that the new technology produces are now on our doorstep to a larger extent than ever before. Capacity in basic manufacturing industries increased at an average rate of 3.9 percent in the prosperous twenties, 1.8 percent in the depressed thirties, and 9 percent in the spectacular forties. Except in steel and 1 or 2 other industries there is no longer any impressive shortage of producing capacity; there is adequate capacity or the means for building it.

The great problem now is to make sure that consumers have the income to purchase goods the factories can produce in ever-expanding amounts. If purchasing power does not keep pace the boom will come to a quick and disastrous end.

Col. Robert R. McCormick

EXTENSION OF REMARKS
OF
HON. CHARLES A. BOYLE
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES
Monday, March 28, 1955

Mr. BOYLE. Mr. Speaker, the news of the death of the great tycoon of the publishing field, Col. Robert R. McCormick, comes as a shock to many citizens of this country. The Chicago Tribune and Colonel McCormick are synonymous to most of us. Seldom has a publisher been so personally and colorfully identified with the publication he controls. The two have been known to all of us for their unyielding position on the issues which the colonel considered of paramount importance in this Nation.

As a Democrat I was more often in disagreement than in harmony with the great publisher, but I have respected his devotion to the principles in which he believed, and I wish to pay tribute to a great fighter who never backed away from a fight; never yielded ground to the opposition, and always upheld democratic principles as he saw them.

My personal admiration for the colonel's rugged individualism dates back to the period when I as a boy delivered the Tribune to Chicagoland homes. I have watched the functioning of his tremendous organization under his careful stewardship from that time to this.

In these days of political lethargy, where party lines frequently become blurred and differences are often mere shades of difference, I believe the colonel has made a real contribution by painting in bold, clear, decisive colors his policy and the policy of his paper.

I believe that this type of fighting opposition is typically American. Whether the opposition is of a liberal or conservative stripe, this is a contribution to our democratic heritage. A heritage that places among its highest values the right to disagree and the freedom of the press.

Colonel McCormick was a rebel within his own party who fought the New Deal and the new and more progressive elements within the Republican Party with equal fervor. The late Joseph Pulitzer was a different kind of a rebel. This great liberal publisher of the St. Louis Post-Dispatch was a rebel against the old guard and a proponent of the new and the liberal approach to America's problems.

The fabric and texture of American democracy must always be sufficiently strong and malleable to accommodate every type of political opinion. The lives of these two great publishers are a tribute to our form of democracy. As a Member of this great legislative body, I should like to place on record today a personal tribute to both of them.

Suspicious of a Military Government

EXTENSION OF REMARKS
OF
HON. CLARE E. HOFFMAN
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES
Monday, March 28, 1955

Mr. HOFFMAN of Michigan. Mr. Speaker, some think I am altogether too suspicious of the objectives and procedures of the armed services. Benjamin Franklin once said:

> Experience keeps a dear school, but fools will learn in no other. We may give advice, but we cannot give conduct.

Congress tries to prevent waste, inefficiency, but—read on.

It is not my contention that we are fools, but sometimes it seems we are foolish in not insisting upon reforms in Government.

In 1947, following hearings over several years, it was my privilege, as chairman of a House committee, to assist in writing and reporting out the so-called unification bill. One of the purposes of that bill was to maintain the integrity of the Marine Corps; another was to minimize and, if possible, end waste in connection with duplicate purchasing, competitive bidding, by the Army, Navy, and Air Force.

As I stated at the time, the bill did not require the doing of anything which the Armed Services could not voluntarily do were they so inclined.

That our legislation was not effective, did not accomplish the purpose the committee and the Congress had in mind, you will learn if you read the article captioned "Ridiculous Waste in the Armed Services" in the April 1955 issue of the Reader's Digest.

Ignoring the repeated efforts of the Congress, the armed services have insisted upon following their own ways of doing business—many of them ridiculous—many of them wasteful—many of them inefficient. Congressional committees continue to hold hearings, make recommendations; have them disregarded.

From the Digest article, permit just three citations:

First. Fort Totten in New York harbor needed a carload of sugar. Almost within sight was a refinery turning out sugar for the Army, but instead of shipping the sugar across the harbor to the fort, it was shipped through Army channels, 150 miles away to an Army distributing depot, thence, back to New York—300 miles in all.

Second. The Army shipped 800,000 pounds of California canned tomatoes to the east coast, but the Navy also shipped 775,000 pounds of east-coast tomatoes to California.

Third. Just one more—and believe it or not, investigators for the Hoover Commission learned that 13 tons—13 tons—of cement were shipped by air to Bermuda.

This Reader's Digest article may give you an inkling of why, after years of experience here, I am just a little unwilling to accept at face value everything said and done by the armed services.

I cannot accept the armed services' conclusions that it is necessary in order to defend the United States of America to conscript every mentally and physically fit young American for a period of 8 years—96 months—to take orders from the armed services—when we have an unequalled Navy, the guided missiles, the A-bomb, and the hydrogen bomb.

Have we swallowed too much fear propaganda?

HOUSE OF REPRESENTATIVES

TUESDAY, MARCH 29, 1955

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

Most merciful and gracious God, we rejoice that Thou art always accessible and available unto us when we come unto Thee in humility and with a penitent and contrite heart.

Help us to face the tasks and responsibilities of this day with the spirit of adventure and hope. Make us more impervious to those devastating moods of fear and worry which so frequently assail us and play havoc with our peace of mind.

We are daily praying that the life of our Republic may be more firmly rooted in the religious ideals and principles of the Founding Fathers who took God into account and sought to respect and obey His divine law.

Grant that we may also continue to pray and labor for the blessedness of all mankind, for our human race is one in origin and destiny and must be one in a great fellowship of sympathy and service and of brotherhood and good will.

Hear us in Christ's name. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Carrell, one of its clerks, announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a concurrent resolution of the House of the following title:

H. Con. Res. 85. Concurrent resolution authorizing the printing as a House document the pamphlet, Our American Government, What Is It? How Does It Function?

The message also announced that the Senate had passed bills and a concurrent resolution of the following titles, in which the concurrence of the House is requested:

S. 39. An act for the relief of Stanislavas Racinskas (Stacys Racinskas);

S. 46. An act to further amend the Agricultural Adjustment Act of 1938, as amended, to exempt certain wheat producers from liability under the act where all the wheat crop is fed or used for seed on the farm, and for other purposes;

S. 72. An act to provide that certain lands acquired by the United States shall be administered by the Secretary of Agriculture as national forest lands;

S. 128. An act for the relief of Francis Bertram Brennan;

S. 129. An act for the relief of Miroslav Slovak;

S. 131. An act for the relief of Bohumil Suran;

S. 143. An act for the relief of Kurt Glaser;

S. 163. An act for the relief of Philopimin Michalacopoulos (Mihalakopoulos);

S. 167. An act for the relief of Ernesto De-Leon;

S. 195. An act for the relief of Giuseppe Minardi;

S. 243. An act for the relief of Szjena Peison and David Peison;

S. 244. An act for the relief of Anna C. Giese;

S. 245. An act for the relief of Ahmet Haldun Koca Taskin;

S. 246. An act for the relief of Marina Bernardis Zivolich and Mirko Zivolich;

S. 271. An act for the relief of June Rose McHenry;

S. 323. An act for the relief of Luigi Orlando;

S. 348. An act for the relief of Charlampos Socrates Iossifoglu, Nora Iossifoglu, Helen Iossifoglu, and Efrossini Iossifoglu;

S. 349. An act for the relief of Aron Klein and Zita Klein (nee Spielman);

S. 350. An act for the relief of Siegfried Rosenzweig;

S. 351. An act for the relief of Ellen Henriette Buch;

S. 352. An act for the relief of Isaac Glickman, Reghina Glickman, Alfred Cismaru, and Anna Cismaru;

S. 375. An act for the relief of Alexy W. Katyll and Ioanna Katyll;

S. 378. An act for the relief of Giuseppina Latina Mozzicato and Giovanni Mozzicato (John Mozzicato);

S. 386. An act for the relief of Sandra Lea MacMullin;

S. 394. An act for the relief of Ali Hassan Waffa;

S. 409. An act for the relief of Inge Karup;

S. 412. An act for the relief of Jan Hajdukiewicz;

S. 416. An act for the relief of Anastasia Alexiadou;

S. 429. An act for the relief of Franciszek Janicki and his wife Stefania Janicki;

S. 432. An act for the relief of Aniceto Sparagna;

S. 465. An act for the relief of Ernest Ludwig Bamford and Mrs. Nadine Bamford;

S. 466. An act for the relief of Capt. George Gafos, Eugenia Gafos, and Adamantios George Gafos;

S. 471. An act for the relief of Aina Brizga;

S. 474. An act for the relief of Maria Elena Venegas and Sarah Lucia Venegas;

S. 481. An act for the relief of Gerard Lucien Dandurand;

S. 503. An act for the relief of Cirino Lanzafame;

S. 585. An act for the relief of Dr. Chang Ho Cho;

S. 599. An act to prohibit the transportation of obscene matter in interstate or foreign commerce;

S. 600. An act to amend title 18 of the United States Code, relating to the mailing of obscene matter;

S. 632. An act for the relief of Jan R. Cwiklinski;

S. 640. An act for the relief of Roger Oullette;

S. 734. An act to amend title 18, United States Code, section 871, to provide penalties for threats against the President-elect and the Vice President;

S. 735. An act for the relief of Sarah Kabacznik;

S. 802. An act to amend the Universal Military Training and Service Act, as amended, to remove the requirement for a final physical examination for inductees who continue on active duty in another status in the Armed Forces;

S. 804. An act to amend section 201 (e) of the Career Compensation Act of 1949, as amended, to provide for advance payments of certain pay and allowances of members of the uniformed services, and for other purposes;

S. 891. An act for the relief of Chokichi Iraha;

S. 948. An act to provide transportation on Canadian vessels between ports in southeastern Alaska, and between Hyder, Alaska, and other points in southeastern Alaska or the continental United States, either directly or via a foreign port, or for any part of the transportation;

S. 1021. An act for the relief of Leo A. Ribitzki, Mrs. Charlotte Ribitzki, and Marion A. Ribitzki;

S. 1166. An act to amend section 6 of the act of August 30, 1890, as amended, and section 2 of the act of February 2, 1903, as amended;

S. 1167. An act to amend the Soil Conservation and Domestic Allotment Act; and

S. Con. Res. 17. Concurrent resolution favoring the suspension of deportation of certain aliens.

WORLD TRADE BUILDINGS

Mr. FLOOD. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. FLOOD. Mr. Speaker, I have just introduced a bill having to do with the establishment in this country of a series of permanent installations to be known as world trade buildings or world fair buildings.

I notice that the Secretary of Commerce is about to tour a certain number of these world fairs in various parts of the world. That is all good. I think we are to participate by attendance in some 20. But I believe that a greater and a more permanent contribution should and must be made by the active participation and sponsorship by the Federal Government in a dozen or more cities, or 2, or 6, in various parts of this Nation of permanently established world fair centers which can only inure to the benefit of this Nation; and, if world trade is a weapon in the cold war, then for keeps.

CONSTITUTIONAL AMENDMENT RELATING TO LEGAL EFFECT OF CERTAIN TREATIES AND OTHER INTERNATIONAL AGREEMENTS

Mr. LANHAM. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. LANHAM. Mr. Speaker, I have today introduced a joint resolution proposing an amendment to the Constitution of the United States relating to the legal effect of certain treaties and other international agreements.

The bill I have introduced is an attempt to eliminate the one serious objection opposed to the substitute amendment offered by Senator GEORGE in the 83d Congress to the so-called Bricker amendment known as Senate Joint Resolution 1.

It was said of Senator GEORGE's amendment that the President could call a treaty an international agreement and that the same could be considered and passed on the Unanimous Consent Calendar. I have added a sentence to section 2 of the George substitute, as follows:

> Such legislation must be concurred in by two-thirds of each House.

This provision, in my opinion, would prevent the President from submitting as an international agreement what is in effect a treaty.

The Congress is soon to be called upon to ratify the agreement recently entered into at Geneva by what is known as the General Agreement on Trade and Tariffs, commonly known as GATT. In addition to the approval of this agreement the Congress will be asked to approve another superorganization set up to control world trade. Both of these proposals will bring the Congress face to face with the issue that must eventually be settled by a constitutional amendment such as the one I have introduced.

The George substitute for the Bricker proposal was defeated by only one vote in the Senate. With the elimination of the one pertinent criticism of the George version of the constitutional amendment, it is my belief that the proposal would be accepted by both Houses and the proposed amendment submitted to the States for their ratification.

THE UNITED NATIONS NARCOTICS LABORATORY

Mr. FORD. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. FORD. Mr. Speaker, on January 11 of this year, I called the attention of the House—CONGRESSIONAL RECORD, pages 252–253—to the fact that Secretary General Dag Hammarskjold, of the United Nations, had before him a recommendation of the third committee at the U. N. to transfer the United Nations narcotics laboratory from New York to Geneva. As I understand it, the General Assembly has given general approval for the reorganization of the Secretariat, including a possible relocation of the Narcotics Division and its laboratory. The final decision on the matter rests with the Secretary General.

At the present time the United Nations Narcotics Division is using the the United States Treasury Department's laboratory in New York at no additional expense to the United States or the United Nations. To build and equip a new laboratory at Geneva will cost the United Nations from $25,000 to $30,000. It seems to me that it is both uneconomical and unwise to move to the Switzerland city. It will take many years to amortize the additional cost incurred. Adequate facilities are now being provided in this country. A new laboratory is not needed.

Furthermore, no good purpose will be served by moving to Geneva. The United States has always been a leader in opposing the illicit dope traffic. The problem today is as crucial as ever. At the present time President Eisenhower has an interdepartmental committee reviewing and coordinating our efforts to combat narcotic addiction in this country. This committee may find that we need the U. N. Division and Laboratory in New York, at the headquarters of the United Nations. Why must the Secretary General send the organization to Geneva now?

It is doing its work well at the present location. New York is the headquarters of the United Nations. Here it receives the full support and assistance of the United States. Little will be gained by going to Geneva. Much could be lost.

The man in our Government most closely associated with this problem is our Commissioner of Narcotics, H. J. Anslinger. Mr. Anslinger wrote me on December 30, 1954, to say, "We are not in favor of this transfer." Senator ALEXANDER WILEY, recently chairman of the Senate Foreign Relations Committee, has spoken out in opposition to this transfer.

Mr. Speaker, it seems to me that the United Nations is anticipating an unwise expenditure of some $30,000. While I have been a stanch supporter of the U. N. since its inception, I am opposed to this transfer and the unnecessary expenditure which will follow from it.

I intend to recommend, therefore, that the House Committee on Appropriations reduce the appropriation, namely, the United States contribution, for the general operation of the U. N. by $30,000 if the Narcotics Laboratory is transferred to Geneva. The President has requested $13,212,012 in fiscal 1956 as a contribution toward our share of U. N. operational expenses. To deduct $30,000 will not destroy the effectiveness of the United Nations, but it will indicate to the Secretary General that the Congress is opposed to this uneconomical, unwise, and unnecessary transfer of the Narcotics Laboratory.

CONSENT CALENDAR

The SPEAKER pro tempore. This is Consent Calendar day. The Clerk will call the first bill on the Consent Calendar.

SHERMAN ANTITRUST ACT

The Clerk called the bill (H. R. 3659) to increase criminal penalties under the Sherman Antitrust Act.

Mr. DEANE. Mr. Speaker, a rule has been granted on this bill. I ask unanimous consent that it be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

COMMODITY CREDIT CORPORATION CHARTER ACT

The Clerk called the bill (H. R. 1831) to amend the Commodity Credit Corporation Charter Act in order to protect innocent purchasers of fungible goods converted by warehousemen from claims of the Commodity Credit Corporation.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. POAGE. Mr. Speaker, reserving the right to object, I want to see this bill passed, but the gentleman from New York [Mr. CELLER] wanted to ask a question on this bill. I ask unanimous consent that the bill be passed over until the end of the calendar.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

DESIGNATING MAY 1, 1955, AS LOYALTY DAY

The Clerk called the resolution (H. J. Res. 184) to designate the 1st day of May 1955 as Loyalty Day.

There being no objection, the Clerk read the joint resolution, as follows:

Resolved, etc., That the 1st day of May 1955 is hereby designated as Loyalty Day and is set aside as a special day for the reaffirmation of loyalty to the United States of America and for the recognition of the heritage of American freedom; and the President of the United States is authorized and requested to issue a proclamation calling upon officials of the Government to display the flag of the United States on all Government buildings on such day and inviting the people of the United States to observe such day in schools and other suitable places with appropriate ceremonies.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMENDING SECTION 1 OF THE ACT OF MARCH 12, 1914

The Clerk called the bill (H. R. 3338) to amend section 1 of the act of March 12, 1914.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the first sentence of section 1 of the act of March 12, 1914 (38 Stat. 305), as amended (48 U. S. C., sec. 301), is further amended by striking out the word "twenty" and inserting in lieu thereof the word "fifty."

With the following committee amendment:

Page 1, line 6, strike out "fifty" and insert "fifty-five."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PROVIDING FOR THE RELIEF OF CERTAIN MEMBERS OF THE ARMY, NAVY, AND AIR FORCE

The Clerk called the bill (H. R. 3560) to provide for the relief of certain members of the Army, Navy, and Air Force, and for other purposes.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. DEANE. Mr. Speaker, reserving the right to object, I point out that this particular bill goes beyond the direct or indirect amount set by the objectors' committee on the Consent Calendar.

Mr. CUNNINGHAM. Mr. Speaker, will the gentleman yield?

Mr. DEANE. I yield to the gentleman from Iowa.

Mr. CUNNINGHAM. I agree with what the gentleman says and also state that on the merits this apparently is a very laudable bill. There will be few, if any, voting against it if it comes up under a rule. However, we have a rule on the objectors' committee that any bill that calls for an expenditure of more than a million dollars should not be passed by unanimous consent. Therefore, I suggest that the gentleman request that this bill be passed over without prejudice.

Mr. DEANE. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

WAIVER OF BOND REQUIREMENTS IN COAST GUARD CONTRACTS

The Clerk called the bill (H. R. 3885) to amend the act of April 29, 1941, to authorize the waiving of the requirement of performance and payment bonds in connection with certain Coast Guard contracts.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the act of April 29, 1941 55 Stat. 147 (40 U. S. C. 270e), is hereby amended to read as follows: "The Secretary of the Army, the Secretary of the Navy, or the Secretary of the Treasury may waive the act of August 24, 1935 (49 Stat. 793), with respect to contracts for the manufacturing, producing, furnishing, construction, alteration, repair, processing, or assembling of vessels, aircraft, munitions, materiel, or supplies of any kind or nature for the Army, Navy, or Coast Guard, respectively, regardless of the terms of such contracts as to payment or title."

With the following committee amendments:

Page 1, line 5, after the word "Navy," insert "the Secretary of the Air Force."

Page 1, line 7, after the words "with respect to" add the words "cost-plus-a-fixed-fee and other cost-type contracts for the construction, alteration, or repair of any public building or public work of the United States with respect to."

Page 2, line 4, after the word "Navy," insert "Air Force."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMENDING THE COMMODITY EXCHANGE ACT SO AS TO INCLUDE ONIONS

The Clerk called the bill (H. R. 122) to amend the Commodity Exchange Act.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. O'HARA of Illinois. Mr. Speaker, reserving the right to object, I would like to inquire if this measure does not cover the subject matter of correspondence I have had with Mr. H. Haskell Lurie, one of my distinguished constituents and counsel of the Chicago Potato Jobbers Association. Mr. Lurie wrote me in 1953 and again in 1954, when there was before us a legislative proposal, I think, of similar character. Mr. Lurie felt that a great evil was being perpetrated through the unregulated speculation in the futures market in onions. I would like to inquire if the bill now before us is intended to correct a situation that Mr. Lurie has pictured as being harmful both to the growers and to the consuming public.

Mr. KING of Pennsylvania. Mr. Speaker, if the gentleman will yield, this bill only puts onions under the authority of the exchange. They will then have the same authority over this commodity that they have over other commodities that are under the act. Those powers are somewhat limited, but nevertheless desirable in this case.

I hope the gentleman will not object.

Mr. O'HARA of Illinois. I assure the distinguished and able gentleman from Pennsylvania that it is not my intention to object to this measure which seems to me to serve a beneficent purpose. I am interested, however, in learning how far this legislation will go in correcting all the conditions which Mr. Lurie has pictured as harmful. I am not unmindful also that the Chicago Mercantile Exchange, which is, I understand, the only contract market in the country, is located in the city from which I come. There seems to be a difference of opinion between the Chicago Mercantile Exchange and the association represented by Mr. Lurie on the question of any futures trading in perishables. Arguments of the Chicago Mercantile Exchange have been well presented by S. L. Austin, director of public relations of the exchange. In answer thereto Mr. Lurie has stated:

If the purpose of future trading aims at stabilizing the price of onions and affecting a normal distribution of the available supply, then we, whose concern it has been for many years to buy and sell onions in a normal and free method based upon the law of supply and demand, maintain that the future trading on exchanges has crippled the industry from the producer to every distributor and has certainly been a costly experience to the consumer.

We would welcome an examination by Secretary of Agriculture Benson or any other delegated authority of the Department of Agriculture to determine the advantage of future trading of onions to the economy of the Nation, the producers, and the consuming public.

I notice in the letter of the Honorable True D. Morse, Under Secretary of Agriculture, as printed in report No. 285 of the committee this comment:

In view of the perishable nature of the commodity and its susceptibility to wide price fluctuations, both before and since the advent of futures trading in onions, regulation of such trading under the Commodity Exchange Act could not reasonably be expected to prevent the wide seasonal price swings traditional in the marketing of onions.

Enactment of the bill would, however, enable the Department to obtain the facts as to what takes place in the onion futures market and to deny trading privileges thereon to any person found, after notice and opportunity for hearing, to have engaged in manipulative trading or other unlawful trade practices. Also, information developed through investigations and reports required under authority of the Commodity Exchange Act could provide a factual basis for determining whether futures trading in onions serves the public interest or whether the Congress should consider legislation looking to the drastic curtailment or prohibition of such trading.

Do I understand that the measure we are considering today is preliminary to a study later to be made, as intimated in Mr. Morse's letter, into the general question of a futures market in perishables with the thought of the possible enactment of further legislation covering the subject?

Mr. KING of Pennsylvania. Yes; it is thought that that would be desirable following this enactment.

Mr. O'HARA of Illinois. Does this legislation in part answer the question raised by the potato and onion growers?

Mr. KING of Pennsylvania. Yes; I have had correspondence with them, and this is in line with their wishes.

Mr. O'HARA of Illinois. Mr. Speaker, I withdraw my reservation and ask unanimous consent to extend my remarks at this point in the RECORD to include one of the letters of Mr. Lurie, to which I have referred.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. O'HARA of Illinois. Mr. Speaker, by unanimous consent graciously granted, I am extending my remarks to include Mr. Lurie's letter, as follows:

Hon. BARRATT O'HARA,
House of Representatives,
Washington, D. C.

DEAR CONGRESSMAN: My legal experience and practice are closely associated with agricultural problems, and, therefore, I have been projected into the effect of futures trading on onions on the Chicago Mercantile Exchange, which is the only contract market in the country. The problem, while affecting the best interests of distributors and consumers in the Chicago area, is of course on a national level.

The problem is of serious proportion today affecting merchants, with special emphasis on the Chicago merchants because of the fact that Chicago is the contract market for future trading of onions. The ramifications of the future trading have affected the distributive trade throughout the Nation, and have most certainly been detrimental to producers and the public at large. There is a great deal of interest throughout the country today, and especially in your State, to examine this whole subject of future trading in onions. It is our contention that the public would be amazed at the effect of the speculative interests on the price of the commodity.

It should also interest you to know that the trading on the Chicago Mercantile Exchange, which is the contract market for futures on onions, has become so great and widespread that even the public has entered its speculative designs. This they have done with relatively no knowledge of the commodity, a subject which, in our opinion, is not a proper one for future trading.

It is also significant that while over the last several years the volume both in quantity and dollar-value and widespread interest among the public has been large, onions have been traded under the rules and regulations made by the governing body of the Exchange, free of any of the restrictions, conditions, and limitations contained in the Commodity Exchange Act, notwithstanding the fact that each year for the past several years, objections have been raised by the trade in general and the consuming public of the unusual unreasonable fluctuations in the future trading market, often out of proportion to the law of supply and demand.

We bring this to your attention with the hope that the entire matter may be brought out into the open and examined. Rest assured that you will receive our cooperation. This letter is no place for statistics and facts concerning the problem, but we can readily, should you be interested, supply important data.

The effect of unregulated future trading of fresh fruits or vegetables which in themselves are of a highly perishable nature inherent in the commodity itself, could conceivably lead to even more serious consequences than appear on the surface at this time, and could result in a maladjustment of the distribution of other perishables, to the disadvantage of the economy of the Nation.

Yours very truly,
H. HASKELL LURIE.
Counsel, Chicago Potato Jobbers Association.

Mr. OSTERTAG. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. OSTERTAG. Mr. Speaker, the House has previously acted favorably upon a bill intended to accomplish the purpose of H. R. 122, but an acceptable amendment added to that earlier measure by the other body prevented its final passage.

H. R. 122 is designed to effect orderly trading in onions futures. It will extend to onion growers the same protection against unwarranted speculation that is now enjoyed by producers of a host of other commodities.

Experience has shown that such protection is urgently required. For lack of it, onion markets have been subject to demoralization by speculators, while producers have suffered drastic losses and consumers have paid exorbitant prices.

H. R. 122 is thus in the interest of both producers and consumers. It will not prevent futures trading in onions, but it will enable the Department of Agriculture to intervene where such trading appears to be manipulative of the market, or otherwise unlawful. At present, the Department has no such authority, and producers and consumers are deprived of its protection against chaotic marketing conditions. H. R. 122 provides the basis for orderly trade, keyed to supply and demand, of an important economic crop.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 2 (a) of the Commodity Exchange Act, as amended (7 U. S. C. 2), is amended by inserting "onions," after the word "eggs," in the third sentence thereof, so that onions are added to the definition of the word "commodity" for purposes of said act.

SEC. 2. This act shall take effect 60 days after the date of its enactment.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SETTLEMENT OF CLAIMS OF COAST GUARD PERSONNEL

The Clerk called the bill (H. R. 3661) to amend section 490 of title 14, United States Code, relating to the settlement of claims of military and civilian personnel of the Coast Guard, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 490 of title 14 of the United States Code is amended as follows:

(1) By redesignating subsections (b), (c), and (d) thereof as (c), (d), and (e), respectively, and by inserting after subsection (a) thereof the following new subsection:

"(b) In the event of the death of any person among the military personnel or civilian employees enumerated in subsection (a), the Secretary may consider, ascertain, adjust, determine, settle, and pay any claim, otherwise cognizable under this section, presented by the survivor of such person for damage to or loss, destruction, capture, or abandonment of the personal property of such person, regardless of whether such damage, loss, destruction, capture, or abandonment occurred concurrently with or subsequent to such death. For the purposes of this section, the term 'survivor' means surviving spouse, child or children, parent or parents, or brothers or sisters or both, of the decedent, and claims by survivors shall be settled and paid in that order of precedence."

(2) By amending redesignated subsection (c) thereof to read as follows:

"(c) No claim shall be settled under this section unless presented in writing within 2 years after the accident or incident out of which such claim arises has occurred; if such accident or incident occurs in time of war or in time of armed conflict in which the Armed Forces of the United States are engaged, or if war or such armed conflict intervenes within 2 years after its occurrence, any claim may, on good cause shown, be presented within 2 years after such good cause ceases to exist, but not later than 2 years after peace is established or such armed conflict terminates. The dates of commencement and termination of an armed conflict for the purpose of this subsection shall be as established by concurrent resolution of the Congress or by determination of the President."

SEC. 2. Notwithstanding the provisions of section 490 of title 14, United States Code, as amended by this act, any claim cognizable under that section which has not heretofore been presented for consideration, or has been presented for consideration and disapproved for the reason that the claimant did not file such claim within the time authorized by law, or any claim cognizable thereunder of any survivor which has not heretofore been presented for consideration, or has been presented for consideration and disapproved for the reason that heretofore such survivor acquired no right of recovery under that section may, at the written request of the claimant made within 1 year from the date of the enactment of this act, be considered or reconsidered and settled in accordance with the provisions thereof.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PROVIDING FOR RELIEF OF CERTAIN ARMY AND AIR FORCE NURSES

The Clerk called the bill (H. R. 4051) to provide for the relief of certain Army and Air Force nurses, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That all payments of longevity pay heretofore made to Army and

Air Force nurses for service after April 15, 1947, and before October 1, 1949, are validated to the extent that those payments were based upon service performed by the persons concerned as nurses or as commissioned officers of the Army Nurse Corps, Navy Nurse, Corps, or Public Health Service. Any Army or Air Force nurse who has made a repayment to the United States of the amount so paid to her as longevity pay is entitled to be paid the amount involved, if otherwise proper.

SEC. 2. The Comptroller General of the United States, or his designee, shall relieve disbursing officers, including special disbursing agents, of the Army and the Air Force from accountability or responsibility for any payments described in section 1 of the act, and shall allow credits in the settlement of the accounts of those officers or agents for payments which appear to be free from fraud and collusion.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SETTLEMENT OF CLAIMS FOR DAMAGE OR LOSS OF PROPERTY OR PERSONAL INJURY OR DEATH CAUSED BY MILITARY OR CERTAIN CIVILIAN EMPLOYEES OF THE UNITED STATES

The Clerk called the bill (H. R. 3557) to further amend the act of July 3, 1943 (ch. 189, 57 Stat. 372), relating to the settlement of claims for damage to or loss or destruction of property or personal injury or death caused by military personnel or certain civilian employees of the United States, by removing certain limitations on the payment of such claims and the time within which such claims may be filed.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. CUNNINGHAM. Mr. Speaker, reserving the right to object—and I do not believe it will be necessary to object—I should like to inquire of the chairman or some member of the Committee on the Judiciary or the author of the bill something with regard to this proposed measure.

The question I desire to ask is this:

I note it states that the cost to the Army for the first year will be $35,000, the Air Force $100,000, and that no worthwhile estimate of the increase in cost to the Navy and the Marine Corps is possible. I expect that since the amount for the Army is $35,000 and the Air Force $100,000, in all probability the amount for the Navy and the Marine Corps would not be any more. What I am concerned about is the total cost of the four branches of the service. Would that cost, in the opinion of the gentleman, be in excess of $1,000,000?

Mr. LANE. If I may answer that question, may I say that it would be far less than $1,000,000, as I understand it.

Mr. CUNNINGHAM. Would the gentleman say that the same is true of the next two succeeding bills on the calendar, calendar Nos. 27 and 28?

Mr. LANE. I would. The only bill that would exceed that amount was the one to which the official objectors committee objected, the first one of that kind that we had on the calendar.

Mr. CUNNINGHAM. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. GROSS. Reserving the right to object, Mr. Speaker, I should like to ask if this applies to payment of claims in foreign countries? What is the purpose of this measure?

Mr. LANE. May I say to the gentleman from Iowa that section 1 of the act of July 3, 1943, as amended (31 U. S. C. 223b) authorizes the settlement of claims based on loss of or damage to property or personal injury or death resulting from noncombat activities of the Armed Forces. Ordinarily, there is a 1-year statute of limitations on these claims. However, if the accident or incident on which the claim is based occurs during or within 1 year before a war, the claim may, for good cause shown, be presented within 1 year after peace is established. Section 2 (c) of Public Law 450 of the 82d Congress amended the basic statute to provide that claims arising after June 23, 1950, and before the termination of the emergency proclaimed by the President on December 16, 1950, may be presented within 1 year after the termination of that national emergency or April 1, 1953, whichever is earlier. By Public Law 12, 83d Congress, the termination date was changed from April 1, 1953, to July 1, 1953, and, by Public Law 96, was changed to August 1, 1953.

This proposal would amend the basic law to provide a 2-year statute of limitations for filing claims thereunder instead of the 1 year now provided. This change would be consistent with a similar change made in the Military Personnel Claims Act by Public Law 439, 82d Congress, approved July 3, 1952, and is considered advisable in the interest of creating uniformity with respect to the statute of limitations in these claims laws.

Mr. GROSS. Will the gentleman state whether this applies to the payment of damages in foreign countries as well as domestically?

Mr. LANE. As I understand it, it applies to all claims.

Mr. GROSS. Then what is the nature of the bill that is to follow it? Does that deal with the same subject matter?

Mr. LANE. I would have to check that. I am unable to answer that question at the moment. I will be glad to look into it and give the gentleman a report on that just as soon as we have a chance.

Mr. WALTER. Mr. Speaker, will the gentleman yield?

Mr. LANE. I yield to the gentleman from Pennsylvania.

Mr. WALTER. Is it not a fact that this bill applies only to claims of United States citizens, either military or civilian personnel working for the military in the activities in which they are engaged?

Mr. LANE. That is true.

Mr. GROSS. It does not apply to foreign governments or foreign civilians?

Mr. WALTER. No.

Mr. LANE. But it may apply to the claims of citizens outside the country.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the second sentence of section 1 of the act of July 3, 1943 (ch. 189, 57 Stat. 372), as amended, is hereby amended by striking out the words "one year" and inserting in lieu thereof the words "two years."

SEC. 2. That the second proviso of section 1 of said act is hereby amended to read as follows: "*Provided*, That if such accident or incident occurs in time of war or armed conflict, or if war or such armed conflict intervenes within 2 years after its occurrence, any claim may, on good cause shown, be presented within 2 years after peace is established or such armed conflict terminates. The dates of commencement and termination of an armed conflict for the purpose of this act shall be established by concurrent resolution of the Congress or by determination of the President."

SEC. 3. That the third sentence of the first section of said act is hereby amended by deleting therefrom the words "The amount allowed on account of personal injury or death shall be limited to reasonable medical, hospital, and burial expenses actually incurred, except that," and by capitalizing the next following word "no."

SEC. 4. That the amendment made by the third section of this act shall be effective only with respect to claims accruing after the date of its enactment.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SETTLEMENT OF CLAIMS FOR DAMAGES OCCASIONED BY ARMY, NAVY, AND MARINE CORPS FORCES IN FOREIGN COUNTRIES

The Clerk called the bill (H. R. 3561) to further amend the act of January 2, 1942, entitled "An act to provide for the prompt settlement of claims for damages occasioned by Army, Navy, and Marine Corps forces in foreign countries."

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. PATMAN. Reserving the right to object, Mr. Speaker, I would like to know something about this bill. I wonder if the author of the bill is here, or someone who could answer this question. This is rather a broad power. I am not familiar with it, but I just wonder if it is sufficiently surrounded with safeguards to protect the public interest. Will someone answer the question?

This is a lot of power to give people to just settle any claim that is presented in a foreign country that is occasioned by the Army, Navy, and Marine Corps. It is possible it has safeguards we would all approve, but I do not like to see a bill like this go through unless we know what it is all about.

Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

AMENDMENT OF MILITARY PERSONNEL CLAIMS ACT OF 1945

The Clerk called the bill (H. R. 3996) to further amend the Military Personnel Claims Act of 1945.

Mr. GROSS. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Iowa?

There was no objection.

AMENDING COMMODITY CREDIT CORPORATION CHARTER ACT

The SPEAKER pro tempore. The Clerk will call the bill (H. R. 1831) to amend the Commodity Credit Corporation Charter Act in order to protect innocent purchasers of fungible goods converted by warehousemen from claims of the Commodity Credit Corporation, which was passed over.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. CELLER. Mr. Speaker, reserving the right to object, and I shall not object, I do so only for an explanation. Am I correct in understanding that the bill, H. R. 1831, is exclusively designed to provide a defense against claims by the Commodity Credit Corporation against innocent purchasers of Commodity Credit Corporation grain illegally sold by warehousemen?

Mr. POAGE. The gentleman is correct. H. R. 1831 is purely defensive in its nature and must be pleaded and proved by an innocent purchaser who is involved in claims by the Commodity Credit Corporation.

Mr. CELLER. Am I correct also in understanding that the burden of proof is on the innocent purchaser in establishing this defense that, first, he purchased fungible goods for value in good faith; and, second, did not know or have reason to know of any defect in the warehouseman's authority to sell such goods?

Mr. POAGE. The gentleman is correct in both instances. The burden of evidence to establish the qualifications for relief under H. R. 1831 is on the buyer. It is up to him to establish the points mentioned by the gentleman.

Mr. CELLER. Mr. Speaker, I withdraw my reservation of objection.

Mr. CUNNINGHAM. Mr. Speaker, in support of H. R. 1831, I make the following statement of facts:

On September 17, 1953, in the District Court of the United States for the Northern District of Iowa, central division, the United States of America, as plaintiff, commenced action and filed its complaint against Stratton Grain Co., a corporation, defendant, civil action No. 595. The complaint alleges that the action is brought by the United States of America as the real party in interest, based on a claim of Commodity Credit Corporation. The material portion of the complaint is set out as follows:

During the period between October 1, 1950, and April 30, 1952, the defendant, Stratton Grain Co., without the knowledge or consent of the plaintiff, purchased and accepted delivery of, and thereby converted to its own use 151,514.35 bushels, more or less, of corn of the reasonable value of $283,745.83, the property of the plaintiff stored in the warehouses of Burt Grain Co. at Clarion and Galt, Iowa. By reason of such conversion the defendant, Stratton Grain Co., became indebted to the plaintiff in the cause of action set forth herein in the principal sum of $283,745.83, and there is now due to the plaintiff from the defendant, Stratton Grain Co., the principal sum of $283,745.83, together with interest at the rate of 5 percent per annum until the date of judgment herein.

Wherefore plaintiff demands judgment against the defendant, Stratton Grain Co. for the sum of $283,745.83, together with interest thereon at the rate of 5 percent per annum, together with all court costs expended herein and all other proper relief.

The defendant, Stratton Grain Co., is a Delaware corporation with its principal place of business in Milwaukee, Wis., and with offices in Des Moines, Iowa, and in other cities in the Midwest. It is a member of the Chicago Board of Trade. Its business consists of buying and selling grain and acting as broker in grain transactions. Stratton Grain Co. has appeared in the aforesaid action and has answered, denying the allegations of the complaint.

Similar actions are pending in the Federal Court for the Northern District of Iowa, including one brought by the United States of America against George Boyd and Howard Helgevold, doing business as the United Marketing Association. In this action, the claim is for the same amount of money as is claimed in the action against Stratton Grain Co. and for the same amount of corn, the only difference being that the period in which it is alleged the corn was converted is from January 1, 1950, to September 30, 1952. In other words, in this action the Government is making the same claim against United Marketing Association for the same corn as is being made against Stratton Grain Co. There is still a third action for a portion of this same corn, this being the case of United States of America, plaintiff, against Jenkins Trucking Co., a copartnership, No. 580 civil, in which the Government claims that the defendant converted some 77,000 bushels of this same corn and the Government claims damages in the sum of approximately $145,000. Other actions pending in the northern district of Iowa which do not involve the same corn but in which the Government is claiming the defendants converted Commodity Credit corn are United States of America against Benson-Quinn Co., a corporation, No. 738; United States of America against Farmers Union Grain Terminal Association, a corporation, No. 739; and United States of America against Gannon-Kibler Co., a corporation, No. 740.

In these cases, the Government is asserting that the defendants converted to their own use the said corn and are therefore liable in damages for the value of said corn. The Government takes the position that the fact that the defendants purchased the corn in good faith and paid full value therefor, without knowledge of any interest of the Government therein, does not constitute a defense. The claim of the Government is that the corn belonged to Commodity Credit Corporation and that the sale of the corn by the elevators involved did not pass good title to the purchasers and that this is true even though the purchasers did buy in good faith, for value, and without notice.

An outline of the facts in the case against Stratton Grain Co. will illustrate how these claims of the Government arise. For some years, at least as early as 1949, Commodity Credit Corporation entered into what are known as uniform grain storage agreements with Burt Grain Co. Clarion, Iowa. Burt Grain Co. was a partnership composed of Clyde L. Burt, W. R. Burt, Esther A. Burt, Myrtle Burt, and Marguerite Burt. This partnership operated an elevator at Clarion, Iowa, and an elevator at Galt, Iowa, both in Wright County. At both locations, Burt Grain Co. engaged generally in the business of buying and selling grain, including corn.

Under the terms of the written agreements between Burt Grain Co. and Commodity Credit Corporation, Burt Grain Co. agreed to act as warehousemen for Commodity Credit and to store and preserve the grain of Commodity Credit deposited in the warehouses which were located at Clarion and Galt and which were part of and connected with the elevator properties at those locations.

According to the testimony of Mr. Clyde L. Burt, given in a deposition in the case brought against Jenkins Trucking Co., the elevator at Clarion had a capacity of 317,600 bushels and the elevator at Galt had a capacity of 135,000 bushels. When Commodity Credit deposited corn with the Burt Grain Co., warehouse receipts were issued by Burt Grain Co. to Commodity Credit. According to the figures of the Government, Commodity Credit had on deposit with Burt Grain Co. at Clarion, in October of 1950, 295,096.92 bushels of corn and this amount increased somewhat each month until December of 1951 when the amount on deposit at Clarion was 317,277.50 bushels according to the Government's claim. The Government also claims that it stored in the Burt Grain Co. warehouse at Galt between July 1, 1950, and December 19, 1951, 99,897.72 bushels of corn. According to the figures of the Iowa State Commerce Commission, the amount of corn on deposit at Clarion, Iowa, on December 10, 1951, was 317,071 bushels and at Galt, Iowa, 136,651 bushels. It is sufficient for the purpose of this statement to summarize by saying that between October of 1950 and January 1, 1952, the Government claims to have had on deposit with the Burt Grain Co. at the two locations, Clarion and Galt, more than 400,000 bushels of corn.

In January of 1952, Commodity Credit ordered Burt Grain Co. to ship the corn and at, or about, that time delivered its warehouse receipts to Burt Grain Co. At the conclusion of the shipping and in the final checkup, apparently Burt Grain Co. was short the 151,514.35 bushels for which the Government now claims Stratton Grain Co. is liable. The Government took mortgages on the property of the owners of Burt Grain Co., and the best information available is that the

Government took judgment against these owners for its claims totaling $397,942.50 plus interest of $29,292.56, or a total of $427,235.06.

Apparently the owners of Burt Grain Co. did not have assets of a value in excess of $100,000, even including the $55,000 bond which was furnished by Burt Grain Co. as warehousemen.

During the period from October of 1950 to April of 1952, this being the period covered by the complaint, Stratton Grain Co. purchased or had consigned to it from Burt Grain Co. approximately 258,000 bushels of corn. During this same period Burt Grain Co. itself purchased from farmers in that area approximately 556,000 bushels of corn and during that same period, including that shipped to Stratton Grain Co., Burt Grain Co. shipped, in its regular course of business, approximately 517,000 bushels of corn. These transactions occurred in the ordinary course of business and the purchases were made in carload lots and Stratton Grain Co. paid Burt Grain Co. for all of the corn. There is no claim that Stratton Grain Co. was anything other than an innocent purchaser. Stratton Grain Co. has not even now been informed precisely what corn it is claimed it purchased which belonged to the Government.

It is submitted that if Stratton Grain Co. in this instance is liable to the Government for $283,745.83 because of grain transactions in which it was at all times an innocent purchaser for value, it will mean that persons and firms who buy grain, including brokers, merchandisers, commission men and processors will simply have to cease doing business with any grain dealer or elevator which stores Commodity Credit grain. The compensation received by any dealer is simply not adequate to justify assuming the enormous and devastating risks involved in purchasing innocently, from regular grain elevators, grain which it may later develop belongs to Commodity Credit Corporation.

With the Commodity Credit Corporation having millions of bushels of grain stored with country elevators which are also engaged in the business of buying and selling grain in the open market, innocent purchasers from such elevators are exposed to the constant risk of purchasing grain owned by Commodity Credit Corporation.

The Commodity Credit Corporation is not limiting its attempts to recover grain lost from storage facilities to lawsuits against grain dealers. It is attempting to follow specific grain into the hands of local dealers who purchased for value in good faith and without notice. In support of this statement, there is attached hereto a copy of a letter from the United States attorney for the northern district of Indiana, dated November 18, 1953, addressed to Fowler Grain Dealers, Inc., Fowler, Ind. According to this letter, Fowler Grain Dealers, Inc., purchased a car of corn consisting of 1,777.86 bushels on the open market from a commission firm in Chicago who sold it for the Spellman Feed & Grain Co., of Rochelle, Ill. According to the letter, the Spellman Feed & Grain Co. had outstanding to Commodity Credit Corporation warehouse receipts calling for 163,000 bushels of corn. The letter from the United States attorney makes demand on Fowler Grain Dealers, Inc., the purchaser of this car, for the market value thereof on the theory that at no time during the period between September 21, 1949 and July 12, 1951, during which time the car of corn was purchased, did the Spellman Feed & Grain Co. have enough corn on hand to satisfy the warehouse receipts issued to Commodity Credit Corporation. Accordingly, the United States attorney makes formal demand on the purchaser for $2,177.57, that being the market value of the corn on the date the customer purchased it.

If transactions such as have been outlined herein can result in liability on the part of innocent purchasers for the value of grain which happens to have been purchased from a warehouseman for Commodity Credit Corporation who is also actively engaged in the grain business, then it will result in complete demoralization of the open grain market.

UNITED STATES
DEPARTMENT OF JUSTICE,
UNITED STATES ATTORNEY,
NORTHERN DISTRICT OF INDIANA,
Fort Wayne, Ind., November 18, 1953.

FOWLER GRAIN DEALERS, INC.,
Fowler, Ind.

DEAR SIRS: Commodity Credit Corporation, an agency and instrumentality of the United States, within the Department of Agriculture, has referred its claim against you for the value of CCC-owned corn purchased by you from the Spellman Feed & Grain Co., of Rochelle, Ill., to this office for action to effect collection.

It appears from an investigation by the Department of Agriculture that you purchased 1,777.86 bushels of corn, valued at $2,177.57, from the Spellman Feed & Grain Co. during the period September 21, 1949, to July 12, 1951. During the same period of time, the Spellman Feed & Grain Co. was obligated by outstanding warehouse receipts to hold certain quantities of corn aggregating approximately 163,000 bushels for the account of Commodity Credit Corporation, and since at no time during the period mentioned above did the Spellman Feed & Grain Co. maintain in store a sufficient quantity of corn to satisfy the warehouse receipts which it had issued to Commodity Credit Corporation, the Government contends that you converted to your own use the above quantity of corn which was, at the time you purchased it, the property of Commodity Credit Corporation.

Accordingly, demand is hereby made upon you for the return of 1,777.86 bushels of corn or payment to the Government of the abovementioned sum of $2,177.57, which represents the total market value of the corn at Rochelle, Ill., on the date or dates of your purchases. Payment may be made to this office by certified or cashier's check drawn to the order of the Treasurer of the United States.

In the event you have any question regarding the Government's claim, or desire further details regarding the matter, please contact this office immediately.

Yours very truly,

JOSEPH H. LESH,
United States Attorney.
By PHIL M. MCNAGNY, *JR.*,
Assistant United States Attorney.

Mr. Speaker, this bill should be enacted for the benefit and protection of all innocent purchasers of grain for value and without notice.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Commodity Credit Corporation Charter Act, as amended (62 Stat. 1070), is hereby amended by adding at the end thereof the following new section:

"SEC. 19. Release of innocent purchasers of converted goods: A buyer in the ordinary course of business of fungible goods heretofore or hereafter sold and physically delivered by a warehouseman who was also in the business of buying and selling such goods shall take or be deemed to have taken such goods free of any claim, existing or hereafter arising, by Commodity Credit Corporation, based on the want of authority in the warehouseman to sell such goods, provided the buyer purchased such goods for value in good faith and did not know or have reason to know of any defect in the warehouseman's authority to sell such goods."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The SPEAKER pro tempore. This concludes the eligible bills in the Consent Calendar.

PRIVATE CALENDAR

The SPEAKER pro tempore. Under previous order of the House, the Private Calendar will be called. The Clerk will call the first individual bill on the Private Calendar.

ATSUKO KIYOTA SZEKERES

The Clerk called the bill (H. R. 1206) to restore United States citizenship to a former citizen, Atsuko Kiyota Szekeres, who has expatriated herself.

Mr. WALTER. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

MRS. CONCETTA SACCATTI SALLIANI

The Clerk called the bill (H. R. 872) for the relief of Mrs. Concetta Saccatti Salliani.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, notwithstanding the time limitation of 1 year contained in the second proviso of section 349 (a) (1) of the Immigration and Nationality Act, Mrs. Concetta Saccatti Salliani may, within 6 months after the date of enactment of this act, apply for a visa and be admitted to the United States in accordance with the provisions of sections 349 (a) (1) and 101 (a) (27) (E) of the Immigration and Nationality Act (other than such 1-year time limitation), if she is found to be otherwise admissible under the provisions of such act.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

MRS. MOUNIRA E. MEDLEJ

The Clerk called the bill (H. R. 886) for the relief of Mrs. Mounira E. Medlej.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Mrs. Mounira E. Medlej shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. ELSA DANES

The Clerk called the bill (H. R. 888) for the relief of Mrs. Elsa Danes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Mrs. Elsa Danes shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ELISEO FELIX HERNANDEZ

The Clerk called the bill (H. R. 890) for the relief of Eliseo Felix Hernandez.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, notwithstanding the provision of section 212 (a) (19) of the Immigration and Nationality Act, Eliseo Felix Hernandez may be admitted to the United States for permanent residence if he is found to be otherwise admissible under the provisions of that act: *Provided*, That this exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice have knowledge prior to the enactment of this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ALBERTO CORTEZ CORTEZ

The Clerk called the bill (H. R. 891) for the relief of Alberto Cortez Cortez.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, notwithstanding the provision of section 212 (a) (19) of the Immigration and Nationality Act, Alberto Cortez Cortez may be admitted to the United States for permanent residence if he is found to be otherwise admissible under the provisions of that act: *Provided*, That this exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice have knowledge prior to the enactment of this act.

With the following committee amendments:

On page 1, line 3, strike out the word "provision" and substitute the word "provisions."

On page 1, line 3, after "section 212 (a)" insert "(17) and."

On page 1, line 9, strike out the word "have" and substitute the word "had."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GLORIA MINOZA MEDELLIN

The Clerk called the bill (H. R. 911) for the relief of Gloria Minoza Medellin.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Gloria Minoza Medellin shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HILDEGARD NOBLE

The Clerk called the bill (H. R. 913) for the relief of Hildegard Noble.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That Hildegard Noble, who lost United States citizenship under the provisions of section 404 (b) of the Nationality Act of 1940, may be naturalized by taking, prior to 1 year after the date of enactment of this act, before any court referred to in subsection (a) of section 310 of the Immigration and Nationality Act, or before any diplomatic or consular officer of the United States abroad, an oath as prescribed by section 337 of such act. From and after nationalization under this act the said Hildegard Noble shall have the same citizenship status as that which existed immediately prior to its loss.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CHIA-TSENG CHEN

The Clerk called the bill (H. R. 921) for the relief of Chia-Tseng Chen.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Chia-Tseng Chen shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JOSEPH MARRALI

The Clerk called the bill (H. R. 924) for the relief of Joseph Marrali.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Joseph Marrali shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ANNA TOKATLIAN GULEZIAN

The Clerk called the bill (H. R. 1081) for the relief of Anna Tokatlian Gulezian.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Anna Tokatlian Gulezian shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee: *Provided*, That a suitable and proper bond or undertaking, approved by the Attorney General, be deposited as provided by section 213 of this act. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

With the following committee amendment:

Page 1, line 7, after the word "fee:", strike out the colon and the balance of lines 7, 8, 9, and 10, down to and including the word "act."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LEE HOUN AND LILY HO LEE HOUN

The Clerk called the bill (H. R. 1163) for the relief of Lee Houn and Lily Ho Lee Houn.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Lee Houn and Lily Ho Lee Houn shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act upon payment of the required visa fees. Upon the granting of permanent residence to

such aliens as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct two numbers from the appropriate quota for the first year that such quota is available.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MARIA THERESIA REINHARDT AND HER CHILD

The Clerk called the bill (H. R. 1165) for the relief of Maria Theresia Reinhardt and her child, Maria Anastasia Reinhardt.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, notwithstanding the provision of section 212 (a) (9) of the Immigration and Nationality Act, Maria Theresia Reinhardt may be admitted to the United States with her child, Maria Anastasia Reinhardt, for permanent residence if she is found to be otherwise admissible under the provisions of that act: *Provided*, That her marriage to her United States citizen fiance shall occur not later than 6 months from the date of the enactment of this act: *Provided further*, That this exemption shall apply only to a ground for exclusion, of which the Department of State or the Department of Justice had knowledge prior to the enactment of this act.

With the following committee amendment:

Page 1, line 3, strike out all after the enacting clause and insert: "That, in the administration of the Immigration and Nationality Act, Maria Theresia Reinhardt, the fiance of Edward Joseph Ray, Jr., a citizen of the United States, and her minor child, Maria Anastasia Reinhardt, shall be eligible for visas as nonimmigrant temporary visitors for a period of 3 months: *Provided*, That the administrative authorities find that the said Maria Theresia Reinhardt is coming to the United States with a bona fide intention of being married to the said Edward Joseph Ray, Jr., and that they are found otherwise admissible under the immigration laws, except that the provision of section 212 (a) (9) of the Immigration and Nationality Act shall not be applicable to the said Maria Theresia Reinhardt: *Provided further*, That this exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice had knowledge prior to the enactment of this act. In the event the marriage between the above-named persons does not occur within 3 months after the entry of the said Maria Theresia Reinhardt, and her child, Maria Anastasia Reinhardt, they shall be required to deport from the United States and upon failure to do so shall be deported in accordance with the provisions of sections 242 and 243 of the Immigration and Nationality Act. In the event that the marriage between the above-named persons shall occur within 3 months after the entry of the said Maria Theresia Reinhardt and her child, Maria Anastasia Reinhardt, the Attorney General is authorized and directed to record the lawful admission for permanent residence of the said Maria Theresia Reinhardt and her child, Maria Anastasia Reinhardt, as of the date of the payment by them of the required visa fees."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FLORENCE MEISTER

The Clerk called the bill (H. R. 1166) for the relief of Florence Meister.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That Florence Meister, who lost United States citizenship under the provisions of section 401 (c) of the Nationality Act of 1940, may be naturalized by taking prior to 1 year after the effective date of this act, before any court referred to in subsection (a) of section 310 of the Immigration and Nationality Act or before any diplomatic or consular officer of the United States abroad, the oaths prescribed by section 337 of the said act. From and after naturalization under this act, the said Florence Meister shall have the same citizenship status as that which existed immediately prior to its loss.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CHEN CHIH-KEUI

The Clerk called the bill (H. R. 1656) for the relief of Chen Chih-Keui.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Chen Chih-Keui shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WENCENTY PETER WINIARSKI

The Clerk called the bill (H. R. 1660) for the relief of Wencenty Peter Winiarski.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Wencenty Peter Winiarski shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ERNEST LUDWIG BAMFORD AND MRS. NADINE BAMFORD

The Clerk called the bill (H. R. 1672) for the relief of Ernest Ludwig Bamford and Mrs. Nadine Bamford.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There was no objection.

Mr. ROBERTS. Mr. Speaker, I ask unanimous consent to substitute a similar Senate bill (S. 465).

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Alabama?

There was no objection.

The Clerk read as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Ernest Ludwig Bamford and Mrs. Nadine Bamford shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of enactment of this act, upon payment of the required visa fees. Upon the granting of permanent residence to such aliens as provided for in this act, the Secretary of State shall instruct the proper quota-control officer or officers to make appropriate deductions of two numbers from the first available immigration quota or quotas.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill (H. R. 1672) was laid on the table.

MISS MARTHA KANTELBERG

The Clerk called the bill (H. R. 1961) for the relief of Miss Martha Kantelberg.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. WALTER. Mr. Speaker, I ask unanimous consent that this bill be recommitted to the Committee on the Judiciary.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

GIUSEPPE CAROLLO

The Clerk called the bill (H. R. 2261) for the relief of Giuseppe Carollo.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, notwithstanding the provision of section 212 (a) (9) of the Immigration and Nationality Act, Giuseppe Carollo may be admitted to the United States for permanent residence if he is found to be otherwise admissible under the provisions of that act: *Provided*, That this exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice have knowledge prior to the enactment of this act.

With the following committee amendment:

Page 1, line 9, strike out the word "have" and insert "had."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

VIDA KOSNIK

The Clerk called the bill (H. R. 2276) for the relief of Vida Kosnik.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of section 101 (a) (27) (A) and section 205

of the Immigration and Nationality Act, Vida Kosnik should be held and considered to be the minor alien child of Martin Kosnik, a citizen of the United States.

With the following committee amendament:

Page 1, line 5, strike out the word "should" and insert "shall."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ELIZABETH ANN GIAMPIETRO

The Clerk called the bill (H. R. 2361) for the relief of Elizabeth Ann Giampietro.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of sections 101 (a) (27) (A) and 205 of the Immigration and Nationality Act, the minor child, Elizabeth Ann Giampietro, shall be held and considered to be the natural-born alien child of M. Sgt. John Giampietro and his wife, citizens of the United States.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

BUONAVENTURA GIANNONE

The Clerk called the bill (H. R. 3020) for the relief of Buonaventura Giannone.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, notwithstanding the provision of section 212 (a) (9) of the Immigration and Nationality Act, Buonaventura Giannone may be admitted to the United States for permanent residence if he is found to be otherwise admissible under the provisions of that act.

With the following committee amendments:

On line 3, strike out the word "provision" and substitute the word "provisions."

On line 3, after "section 212 (a) (9)", add "and (17)."

On line 7, after the word "act", change the period to a colon and add the following: "*Provided*, That this exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice had knowledge prior to the enactment of this act."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ALBERTO DAL BELLO AND MRS. DINA BRISTOT DAL BELLO

The Clerk called the bill (H. R. 876) for the relief of Alberto Dal Bello and Mrs. Dina Bristot Dal Bello.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Alberto Dal Bello and Mrs. Dina Bristot Dal Bello shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fees. Upon the granting of permanent residence to such aliens as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct the required numbers from the appropriate quota or quotas for the first year that such quota or quotas are available.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DR. DANUTA OKTAWIEC

The Clerk called the bill (H. R. 923) for the relief of Dr. Danuta Oktawiec.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Dr. Danuta Oktawiec shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DR. CRISTJO CRISTOFV ET AL.

The Clerk called the bill (H. R. 957) for the relief of Dr. Cristjo Cristofv, his wife Jordana Dilova Cristofv, and his children George and Daphne-Kremena Cristofv.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Cristjo Cristofv, his wife, Jordana Dilova Cristofv, and his children George and Daphne-Kremena Cristofv, shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of their last legal entering into the United States, upon payment of the required visa fees and head taxes. Upon the granting of permanent residence to such aliens as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct the required numbers from the appropriate quota or quotas for the first year that such quota or quotas are available.

With the following committee amendments:

The amendments are as follows:

On page 1, line 7, after the words "of the date of" strike out the word "their."

On page 1, line 8, strike out the words "last legal entering into the United States", and substitute in lieu thereof the words "the enactment of this act."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HOWARD CARL KAISER

The Clerk called the bill (H. R. 958) for the relief of Howard Carl Kaiser.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Howard Carl Kaiser shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

KYUNG HO PARK (SYUNG SIL PARK) AND HIS WIFE, MRS. YOUNG SIL LEE

The Clerk called the bill (H. R. 970) for the relief of Kyung Ho Park (Syung Sil Park) and his wife, Mrs. Young Sil Lee.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Kyung Ho Park (Syung Sil Park) and his wife, Mrs. Young Sil Lee, shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fees. Upon the granting of permanent residence to such aliens as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct the required numbers from the appropriate quota or quotas for the first year that such quota or quotas are available.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. ERATO ARANOPOULOU

The Clerk called the bill (H. R. 971) for the relief of Mrs. Erato Aranopoulou.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Mrs. Erato Aranopoulou shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed and a motion to reconsider was laid on the table.

MRS. FRANCISKA MIHALKA

The Clerk called the bill (H. R. 976) for the relief of Mrs. Franciska Mihalka.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Mrs. Franciska Mihalka shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the

Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed and a motion to reconsider was laid on the table.

DR. LYCOURGOS E. PAPADAKIS

The Clerk called the bill (H. R. 984) for the relief of Dr. Lycourgos E. Papadakis.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Dr. Lycourgos E. Papadakis shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ALEXANDER TURCHANINOVA

The Clerk called the bill (H. R. 1008) for the relief of Alexander Turchaninova.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Alexander Turchaninova shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WILLIAM LIGH

The Clerk called the bill (H. R. 1009) for the relief of William Ligh.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, William Ligh shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FEDERICO UNGAR FINALY

The Clerk called the bill (H. R. 1012) for the relief of Federico Ungar Finaly.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Federico Ungar Finaly shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MOSES AARON BUTTERMAN

The Clerk called the bill (H. R. 1085) for the relief of Moses Aaron Butterman.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, notwithstanding the provision of section 212 (A) (1) of the Immigration and Nationality Act, Moses Aaron Butterman may be admitted to the United States for permanent residence if he is found to be otherwise admissible under the provisions of that act: *Provided*, That a suitable and proper bond or undertaking, approved by the Attorney General, be deposited as prescribed by section 213 of the said act.

With the following committee amendment:

Page 1, line 3, after "212" strike out "(A)" and insert "(a)."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MAYER ROTHBAUM

The Clerk called the bill (H. R. 1086) for the relief of Mayer Rothbaum.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, notwithstanding the provision of section 212 (A) (19) of the Immigration and Nationality Act, Mayer Rothbaum may be admitted to the United States for permanent residence if he is found to be otherwise admissible under the provisions of that act: *Provided*, That this exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice have knowledge prior to the enactment of this act.

With the following committee amendments:

Page 1, line 3, after "212" strike out "(A)" and insert "(a)."

Page 1, line 9, strike out "have" and insert "had."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ROSE MAZUR

The Clerk called the bill (H. R. 1108) for the relief of Rose Mazur.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Rose Mazur shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

Page 1, line 7, after the word "fee." strike out the remainder of the line and all of lines 8 to 11, inclusive.

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PHILIP MACK

The Clerk called the bill (H. R. 1111) for the relief of Philip Mack.

Mr. BOLAND. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

LI CHIU FU AND LEUNG SUE WA

The Clerk called the bill (H. R. 1196) for the relief of Li Chiu Fu and Leung Sue Wa.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Li Chiu Fu and wife, Leung Sue Wa, shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fees. Upon the granting of permanent residence to such aliens as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct two numbers from the appropriate quota for the first year that such quota is available.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

IVAN BRUNO LOMM, ALSO KNOWN AS IVAN B. JOHNSON

The Clerk called the bill (H. R. 1203) for the relief of Ivan Bruno Lomm, also known as Ivan B. Johnson.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Ivan Bruno Lomm, also known as Ivan B. Johnson, shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secre-

tary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

With the following committee amendment:

Page 1, line 8, after the word "fee.", strike out the balance of line 8 and all of lines 9 to 12, inclusive.

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

KLEONIKI ARGENDELI

The Clerk called the bill (H. R. 1220) for the relief of Kleoniki Argendeli.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Kleoniki Argendeli shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. ANATOLY BATENKO AND VLADIMIR BATENKO

The Clerk called the bill (H. R. 1346) for the relief of Mrs. Anatoly Batenko and Vladimir Batenko.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Mrs. Anatoly Batenko and Vladimir Batenko shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of enactment of this act, upon payment of the required visa fees: *Provided*, That a suitable and proper bond or undertaking, approved by the Attorney General, be deposited with respect to the said Vladimir Batenko as prescribed by section 213 of such act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MAREK S. KOROWICZ

The Clerk called the bill (H. R. 1679) for the relief of Marek S. Korowicz.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Marek S. Korowicz shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the requested visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ERIKA RAMBAUSKE

The Clerk called the bill (H. R. 2087) for the relief of Erika Rambauske.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, notwithstanding section 212 (a) (3) of the Immigration and Nationality Act and for the purposes of that act, Erika Rambauske, the dependent sister of Werner R. E. Rambauske, who is a German scientist lawfully admitted to the United States for permanent residence for utilization in the national defense effort, shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

With the following committee amendment:

Page 1, line 11, change the period to a colon and insert "*Provided*, That a suitable and proper bond or undertaking, approved by the Attorney General, be deposited as prescribed by section 213 of the said act."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

E. J. ALBRECHT CO.

The Clerk called the bill (H. R. 1393) for the relief of the E. J. Albrecht Co.

Mr. ROBERTS. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Alabama?

There was no objection.

JAMES F. CASEY

The Clerk called the bill (H. R. 1643) for the relief of the estate of James F. Casey.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the estate of James F. Casey, the sum of $881, in full settlement of all claims against the United States for the amount of the check dated September 4, 1953, which was made payable to James F. Casey on account of war claim due but which, because of illness, was not cashed by him before his death and was returned to the Treasury for cancellation: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HENRY L. STAMM, SR.

The Clerk called the bill (H. R. 1691) for the relief of Henry L. Stamm, Sr.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Henry L. Stamm, Sr., of 3402 Walnut Street, Progress, Pa., the sum of $275.60. The payment of such sum shall be in full settlement of all claims of the said Henry L. Stamm, Sr., against the United States for annual leave earned by him as a civilian employee of the Air Force but not used, prior to November 23, 1953, when he was called back to duty before he could use the 104 hours then standing to his credit, and which later was declared forfeited because not used: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 6, strike out "$275.60" and insert "$222.60."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

UTICA BREWING CO.

The Clerk called the bill (H. R. 1747) for the relief of the Utica Brewing Co.

Mr. BOLAND. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

WILLIAM F. FRIEDMAN

The Clerk called the bill (H. R. 2068) for the relief of William F. Friedman.

Mr. ROBERTS. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Alabama?

There was no objection.

COL. McFARLAND COCKRILL

The Clerk called the bill (H. R. 2747) for the relief of Col. McFarland Cockrill.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 212 of the act of June 30, 1932, as amended (5 U. S. C., sec. 59a), and the second sentence of section 2 of the act of July 31, 1894, as amended (5 U. S. C., sec. 62), are hereby waived for the period from November 1, 1946, through December 15, 1951, insofar as they apply to Col. McFarland Cockrill, United States Army, retired, San Antonio, Tex., and he is hereby relieved of all liability to repay to the United States the sum of $16,050, which was erroneously paid to him by reason of the failure of the Department of the Army to reduce the amounts payable to him as a retired commissioned officer of the Army while he was employed in a civilian capacity as the manager of the Fort Sam Houston Golf Club. In the settlement of the accounts of any certifying or disbursing officer of the United States, full credit shall be allowed for all amounts for which liability is relieved by this act.

With the following committee amendment:

Strike out all after the enacting clause and insert "That McFarland Cockrill, colonel, United States Army, retired, O4938, be, and he is hereby, relieved of any and all liability to the United States for any amounts paid to him as salary by the Fort Sam Houston Golf Club, a nonappropriated fund activity of the Army, and any amounts paid to him as retired pay from the United States Army, during the period beginning November 1, 1946, and ending December 15, 1951, both dates inclusive, and said McFarland Cockrill shall be paid from the Treasury any and all moneys heretofore withheld from his retired pay or any and all moneys repaid by him to the United States because of his having received said salary and retired pay during said period.

"SEC. 2. In the audit and settlement of the accounts of any certifying or disbursing officer of the United States, full credit shall be given for all payments of salary from the Fort Sam Houston Golf Club and retired pay made to the said McFarland Cockrill during the period beginning November 1, 1946, and ending December 15, 1951, both dates inclusive."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

NEIL McLEOD SMITH

The Clerk called the bill (H. R. 3526) for the relief of the estate of Neil McLeod Smith.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the estate of Neil McLeod Smith, the sum of $50,000. The payment of such sum shall be in full settlement of all claims of the heirs and next of kin of Neil McLeod Smith against the United States arising out of the death of the said Neil McLeod Smith, who was killed in Savannah, Ga., on December 25, 1942, when he was struck by a bullet negligently fired by a member of the Armed Forces who (as a military policeman) was assisting in making an arrest some distance away from where the said Neil McLeod Smith was standing: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 6, strike out "$50,000" and insert "$7,500."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ROY M. HOFHEINZ AND WIFE IRENE

The Clerk called the bill (H. R. 3738) for the relief of Roy M. Hofheinz and wife Irene.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purpose of determining the individual liability for income taxes for the taxable year 1952 of Roy M. Hofheinz and wife Irene, the election of said Roy M. Hofheinz, sole stockholder of Yorktown Corp., which was liquidated pursuant to a plan of complete liquidation adopted on December 29, 1952, to have the benefits of section 112 (b) (7) of the Internal Revenue Code, shall be considered to have been filed within 30 days after the date of adoption of such plan, such benefits having been denied because the filing of such election was delayed, without negligence or fault on the part of the stockholder, until the 31st day following the adoption of such plan.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JOHN J. BRAUND

The Clerk called the bill (H. R. 4549) for the relief of John J. Braund.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to John J. Braund, Washington, D. C., the sum of $15,000, representing the amount reported by the Court of Claims to the Congress in response to House Resolution 700, 82d Congress (Congressional No. 9–52, order entered February 8, 1955), to be the amount agreed to by the United States and the said John J. Braund as constituting a full settlement of all past and future claims of the said John J. Braund against the United States with respect to patent numbered 2,493,439, issued January 3, 1950, as well as to any inventions disclosed thereunder, and all other claims within the scope of H. R. 4507, 82d Congress: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeing $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WILLIAM E. NASH

The Clerk called the resolution (H. Res. 93) providing that the bill H. R. 1485, and all accompanying papers, shall be referred to the United States Court of Claims.

There being no objection, the Clerk read the resolution, as follows:

Resolved, That the bill (H. R. 1485) entitled "A bill for the relief of William E. Nash," together with all accompanying papers, is hereby referred to the United States Court of Claims pursuant to sections 1492 and 2509 of title 28, United States Code; and said court shall proceed expeditiously with the same in accordance with the provisions of said sections and report to the House, at the earliest practicable date, giving such findings of fact and conclusions thereon as shall be sufficient to inform the Congress of the nature and character of the demand, as a claim legal or equitable, against the United States, and the amount, if any, legally or equitably due from the United States to the claimant.

The resolution was agreed to.

A motion to reconsider was laid on the table.

JUSTIN G. MAILE AND THEODORE R. HILBIG

The Clerk called the bill (H. R. 907) for the relief of Justin G. Maile and Theodore R. Hilbig.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is hereby authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the persons enumerated below the sums specified, in full settlement of all claims against the Government of the United States, as reimbursement for personal effects destroyed as the result of a fire which occurred on October 12, 1953, at the Alaska Road Commission's East Fork Bridge construction camp, Mount McKinley National Park, Alaska: Justin G. Maile, $401.60; and Theodore R. Hilbig, $546.65.

SEC. 2. No part of the amounts appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with these claims, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HUSSEIN KAMEL MOUSTAFA

The Clerk called the bill (H. R. 1069) for the relief of Hussein Kamel Moustafa.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $500 to Hussein Kamel Moustafa, in full settlement of all claims against the United States as reimbursement for bond posted for himself on October 4, 1948: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account

of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PACIFIC MUSIC SUPPLY CO.

The Clerk called the bill (H. R. 1146) for the relief of the Pacific Music Supply Co.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the Pacific Music Supply Co., Los Angeles, Calif., the sum of $308. The payment of such sum shall be in full settlement of all claims of such company against the United States for refund of customs duty which it was erroneously required to pay in connection with the importation of 36 piano accordions received at Los Angeles (warehouse entry No. 2203) on November 30, 1949, and withdrawn from warehouse (warehouse withdrawal No. 3893) on June 2, 1950. No part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. HELEN ALDRIDGE

The Clerk called the bill (H. R. 4642) for the relief of Mrs. Helen Aldridge.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated to Mrs. Helen Aldridge, El Paso, Tex., the sum of $20,000. The payment of such sum shall be in full settlement of all claims of the said Mrs. Helen Aldridge against the United States arising out of the death of her husband, Jesse Aldridge, who was killed while walking across the international bridge between El Paso and Juarez, Mexico, on August 30, 1951, when he was struck by a bullet fired by a Mexican policeman who had been improperly permitted by officers of the United States Immigration Service to enter United States territory in pursuit of a fugitive: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following commitee amendment:

On page 1, line 6, strike out "$20,000" and insert in lieu thereof "$10,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

TERESA ALICE TOWNSEND

The Clerk called the bill (H. R. 1044) for the relief of Teresa Alice Townsend.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Teresa Alice Townsend shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of her admission, upon payment of the required visa fee.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ROLF PETER WEBER

The Clerk called the bill (H. R. 1045) for the relief of Rolf Peter Weber.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Rolf Peter Weber shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

With the following committee amendment:

On page 1, line 7, after "visa fee", strike out the remainder of the bill.

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LUIGI CIANCI

The Clerk called the bill (H. R. 1062) for the relief of Luigi Cianci.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Luigi Cianci shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

With the following committee amendment:

Strike out all after the enacting clause and insert in lieu thereof the following: "That, notwithstanding the provision of section 212 (a) (9) of the Immigration and Nationality Act, Luigi Cianci may be admitted to the United States for permanent residence if he is found to be otherwise admissible under the provisions of that act: *Provided*, That this exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice had knowledge prior to the enactment of this act."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. LOTTIE LONGO

The Clerk called the bill (H. R. 1351) for the relief of Mrs. Lottie Longo (formerly Lottie Guetler).

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, notwithstanding the provision of section 212 (a) (9) of the Immigration and Nationality Act, Mrs. Lottie Longo (formerly Lottie Guetler), the German wife of Frank Longo, a citizen of the United States and formerly a member of the Armed Forces, may be admitted to the United States for permanent residence if she is found to be otherwise admissible under such act.

With the following committee amendments:

Page 1, line 5, after "Guetler)" strike out the comma and insert "the German wife of Frank Longo, a citizen of the United States and formerly a member of the Armed Forces."

At the end of the bill add a colon and the following: "*Provided*, That this exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice had knowledge prior to the enactment of this act."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JOAQUIN RIVADEMAR

The Clerk called the bill (H. R. 1360) for the relief of Joaquin Rivademar.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Joaquin Rivademar shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LEONG DING FOON QUON AND KEN C. QUON

The Clerk called the bill (H. R. 1496) for the relief of Leong Ding Foon Quon and Ken C. Quon.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Leong Ding Foon Quon and Ken C. Quon

shall be held to be returning resident aliens as defined in section 101 (a) (27) (B) of that act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ANDREA HERNANDES MONTES ROCHA

The Clerk called the bill (H. R. 1501) for the relief of Andrea Hernandes Montes Rocha.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, notwithstanding the provisions of section 212 (a) (9) and 212 (a), (19) of the Immigration and Nationality Act, Andrea Hernandes Montes Rocha may be admitted to the United States for permanent residence if she is found to be otherwise admissable under the provisions of that act: *Provided*, That this exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice have knowledge prior to the enactment of this act.

With the following committee amendments:

Page 1, line 4, strike out "212 (a)" and insert "(16), and."

Line 10, strike out "have" and insert "had."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ELISABETH THALHAMMER

The Clerk called the bill (H. R. 1502) for the relief of Elisabeth Thalhammer.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, in the administration of the Immigration and Nationality Act, Elisabeth Thalhammer, the fiance of Harold William Bushman, Jr., a citizen of the United States, and her child, Harold William Bushman III, shall be eligible for a visa as nonimmigrant temporary visitors for a period of 3 months: *Provided*, That the administrative authorities find that the said Elisabeth Thalhammer is coming to the United States with a bona fide intention of being married to the said Harold William Bushman, Jr., and that she is found admissible under all the provisions of the Immigration and Nationality Act other than section 212 (a) (9): *Provided*, That this exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice had knowledge prior to the enactment of this act. In the event the marriage between the above-named persons does not occur within 3 months after the entry of the said Elisabeth Thalhammer, she and her child shall be required to depart from the United States and upon failure to do so shall be deported in accordance with the provisions of sections 242 and 243 of the Immigration and Nationality Act. In the event that the marriage between the above-named persons shall occur within 3 months after the entry of the said Elisabeth Thalhammer, the Attorney General is authorized and directed to record the lawful admission for permanent residence of the said Elisabeth Thalhammer and her child, Harold William Bushman III, as of the date of the payment by her of the required visa fee.

With the following committee amendments:

On page 2, line 9, after the syllable "hammer", strike out ", she and her child" and insert in lieu thereof "and her child, Harold William Bushman III, they."

On page 2, line 15, after the name "Thalhammer", strike out the comma and insert "and her child, Harold William Bushman III,".

On page 2, line 17, after the word "child", insert a comma.

On page 2, line 18, after the name "Harold William Bushman III", insert a comma.

On page 2, line 19, strike out the word "her" and substitute "them."

On page 2, line 19, strike out the word "fee." and substitute "fees."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, and was read the third time, and passed.

The title was amended so as to read: "A bill for the relief of Elisabeth Thalhammer and her child, Harold William Bushman III."

A motion to reconsider was laid on the table.

JOHN P. FARRAR

The Clerk called the bill (H. R. 2346) for the relief of John P. Farrar.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, John P. Farrar shall be considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota control officer to deduct one number from the appropriate quota for the first year that such quota is available.

With the following committee amendment:

Strike out all after the enacting clause and insert the following: "That the Attorney General is authorized and directed to discontinue any deportation proceeding and to cancel any outstanding order and warrant of deportation, any warrant of arrest and bond which may have been issued in the case of John P. Farrar, and the said John P. Farrar shall not again be subject to deportation by reason of the same facts upon which any such deportation proceedings were commenced or any such warrants of arrest have issued."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SING FONG YORK

The Clerk called the bill (H. R. 2731) for the relief of Sing Fong York.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Sing Fong York shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

BENT PETERSEN

The Clerk called the bill (H. R. 2762) for the relief of Bent Petersen.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Bent Petersen shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

VICTOR AND IRENE-WANDA GOLDSTEIN

The Clerk called the bill (H. R. 2764) for the relief of Victor and Irene-Wanda Goldstein.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Victor and Irene-Wanda Goldstein shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fees. Upon the granting of permanent residence to such aliens as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct two numbers from the appropriate quota for the first year that such quota is available.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. IRENE EMMA ANDERSON

The Clerk called the bill (H. R. 2954) for the relief of Mrs. Irene Emma Anderson.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, notwithstanding the provision of section 212 (a) (9) of the Immigration and Nationality Act, Mrs. Irene Emma Anderson may be admitted to the United States for permanent residence if she is found to be otherwise admissible under the provisions of that act: *Provided*, That this exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice have knowledge prior to the enactment of this act.

With the following committee amendment:

Page 1, line 9, after "Justice" strike out "have" and insert "had."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RENE RACHELL LUYSE KUBICEK

The Clerk called the bill (H. R. 4043) for the relief of Rene Rachell Luyse Kubicek.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, notwithstanding the provision of section 212 (a) (9) of the Immigration and Nationality Act, Rene Rachell Luyse Kubicek may be admitted to the United States for permanent residence if she is found to be otherwise admissible under the provisions of that act: *Provided*, That this exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice had knowledge prior to the enactment of this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The SPEAKER pro tempore. Without objection, further call of the Private Calendar will be dispensed with. The Chair is advised that the other bills have not yet been received.

There was no objection.

JAN R. CWIKLINSKI

Mr. WALTER. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (S. 632) for the relief of Jan R. Cwiklinski, the captain of the Communist ship, which is flying the Polish flag, the *Batory*. Captain Cwiklinski left his ship in protest to the Communist rulers which have enslaved his country, and came over to our side. Recently he published a book which ought to be compulsory reading for those who may still nourish some doubts in their minds as to the Communist methods and objectives. The bill permitting him to remain in this country passed the other body shortly before adjournment of the 83d Congress. There was no time to act on it at that time. The same bill introduced again by the Senator from Idaho, Mr. WELKER, passed the Senate on yesterday and it should pass now by unanimous consent.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Jan R. Cwiklinski shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

COMMITTEE OF OBJECTORS—PRIVATE CALENDAR

Mr. ROBERTS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute to make an announcement in connection with the Private Calendar.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. ROBERTS. Mr. Speaker, the leadership has provided the Democratic objectors with some space in the Capitol. The room number is F–22, in the west section of the Capitol on the ground floor near the majority leader's office, and the telephone number is extension 1381.

The members of the objectors committee will be present for discussion with Members in connection with their bills during the morning preceding the call of the calendar, on the days that the calendar will be called; namely, the first and third Tuesday of each month and any other day on which the calendar is called.

AMENDING MILITARY PERSONNEL CLAIMS ACT OF 1945

Mr. LANE. Mr. Speaker, I ask unanimous consent to return to Consent Calendar No. 28, the bill (H. R. 3996) to further amend the Military Personnel Claims Act of 1945, which was objected to by the gentleman from Texas [Mr. PATMAN].

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

Mr. GROSS. Mr. Speaker, reserving the right to object, I think the gentleman is incorrect. I believe I objected and asked that that bill be passed over.

Mr. LANE. This is No. 28 on the Consent Calendar.

Mr. GROSS. Yes; I objected to No. 28. I should like an explanation, Mr. Speaker, as to what is provided under this bill.

Mr. LANE. Mr. Speaker, I withdraw my request. I understood that this was the bill which was objected to by the gentleman from Texas [Mr. PATMAN].

AMENDING SHERMAN ANTITRUST ACT

Mr. THORNBERRY. Mr. Speaker, by direction of the Committee on Rules, I call up the resolution (H. Res. 180) providing for the consideration of H. R. 3659, a bill to increase criminal penalties under the Sherman Antitrust Act, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 3659) to increase criminal penalties under the Sherman Antitrust Act. After general debate, which shall be confined to the bill, and shall continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on the Judiciary, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill, for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. THORNBERRY. Mr. Speaker, I yield myself such time as I may require.

Mr. Speaker, this resolution makes in order the consideration of H. R. 3659, which increases the criminal penalties under the Sherman Antitrust Act.

On Consent Calendar Day of March 15, objection was made to consideration of H. R. 3659 on the Consent Calendar for the reason that the Member who objected felt that it should be fully discussed and that opportunity should exist for the offering of amendments.

Since this rule provides that there shall be 1 hour of general debate and the bill shall be open to amendment, I know of no opposition to the rule on this side.

I now yield 30 minutes to the gentleman from Oregon [Mr. ELLSWORTH].

Mr. ELLSWORTH. Mr. Speaker, this rule makes in order the consideration of a bill which would increase the penalties under the Sherman Antitrust Act. I think the House should realize that this subject has been a matter of consideration by the Congress no less than 11 times during the last 60 years since the enactment of the Sherman antitrust law. An identical bill was passed by this House during the last Congress. It did not reach final passage in the other body during the last session.

The bill before us, H. R. 3659, is identical to the bill enacted last year. The penalty for violation of the Antitrust Act under existing law is $5,000 fine. The bill before us proposes that we increase that penalty to a more realistic figure, namely, $50,000.

There are no requests for time on this side, and I yield back the remainder of my time.

HIGHER PENALTIES FOR ANTITRUST CASES

Mr. THORNBERRY. Mr. Speaker, I yield 5 minutes to the gentleman from Texas [Mr. PATMAN].

Mr. PATMAN. Mr. Speaker, when this bill came before the House on the Consent Calendar I objected to its consideration. The reason I objected was because I felt that a bill of this importance should be considered under the general rules of the House, after a rule had been granted, so as to permit a Member to offer amendments if he desired to do so.

I have an amendment that I expect to offer to this bill. The committee has made a very fine report, but I doubt that the remedy offered is sufficient to properly and adequately take care of the situation that is outlined in the committee's report.

For instance, on page 2 of the committee's report, I quote:

Little imagination is required, however, to realize how paltry the Sherman Act penalty of $5,000 is today when compared with the vast assets of many companies and their

annual profits. Indeed, a $5,000 fine is so light a burden upon the corporate treasury for open violations of the antitrust laws as compared with possible profits to be derived from illegal practices that the Department of Justice reported to a congressional committee 7 years ago, "In some respects the penalties are so low that violation is regarded by businessmen as a good business risk." A cursory glance at penalty statistics will corroborate this conclusion.

On page 2 there are a number of defendants named. They are among the big concerns in America, such as the Aluminum Company of America, the American Can Co., the American Tobacco Co., Du Pont, General Electric, General Motors, the Great Atlantic & Pacific Tea Co., Kroger, and Safeway Stores, and the Standard Oil Co. of New Jersey. They are given as samples of the low penalty.

I agree that the penalty is too low and that it should be higher, but the penalty should be made to deter the big man as well as the little man. The committee offers to raise the penalty to not exceeding $50,000. That is sufficient to deter the little man, I admit, and the little man should be deterred just the same as the big man, but we should not stop there. We should deter the big men and the big corporations too. If you fine a $500,000 corporation $50,000, you are fining that corporation 10 percent of its assets. If you fine a million-dollar corporation $50,000, you are fining that corporation 5 percent of its assets. I am not objecting to it. If they are in violation of the antitrust laws of this country and a judge feels like such a penalty should be imposed, well and good. That is a good deterrent to put the fear of the Lord in the little fellow, but why stop there? Why not run that 5 percent clear across the board?

The 5 percent, therefore, would apply not only to the little man but also to the billionaire corporation. That is the type of amendment I favor.

Mr. CELLER. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. CELLER. The gentleman knows, of course, that the present law provides up to $5,000 for each count, and may I say indictments embrace probably 10 or a dozen counts.

Our proposition is to increase the $5,000 maximum for each violation for each count to $50,000 maximum.

One can readily perceive that if there were a conviction on 10 counts the penalties might reach to 10 times $50,000. The gentleman can figure mathematically what that would be; it is a rather large sum of money.

Mr. PATMAN. I know, but the gentleman is using his imagination. There are a lot of things in his statement. If there are some cases with a lot of counts, there are a lot of cases with just 1 count, and if there are a lot of counts it is a worse case than if it has but 1 count. If it is a bad case the courts should be able to deal with it in an adequate manner.

Mr. CELLER. I am aware of the gentleman's amendments; they were printed in the RECORD this morning. They are rather horrendous and Draconian.

If you make the penalty too severe, you reach the point of diminishing returns where, for example, where petty juries would refuse to find guilty, where judges would so dilute their charges as to preclude a finding of guilty.

Mr. PATMAN. I am asking in my amendment this 5 percent that the gentleman's committee is imposing on small business. I am not objecting to that at all. That is all right, but it should apply to the small man just the same as everybody else. You can stop a little man; why not have a penalty that will also deter the big man? If 5 percent is all right on the $1-million corporation why is it not all right on the larger corporation?

Mr. CELLER. The gentleman does not mean 5 percent, does he?

Mr. PATMAN. It should be the same clear across the board.

Mr. CELLER. The gentleman does not mean 5 percent, does he?

Mr. PATMAN. Yes, 5 percent. I am not making it an arbitrary figure, not less than, but not to exceed 5 percent. That will affect the big corporation as well as the small corporation.

Mr. CELLER. The gentleman is in error. The bill as offered today does not speak of any 5 percent.

Mr. PATMAN. I am speaking of it; that is what my amendment would do.

Mr. CELLER. The gentleman's amendment?

Mr. PATMAN. Certainly.

Mr. THORNBERRY. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

CALL OF THE HOUSE

Mr. CELLER. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER pro tempore. Obviously a quorum is not present.

Mr. BOYKIN. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 32]

Ashley	Dolliver	Powell
Baker	Doyle	Prouty
Barden	Eberharter	Reed, Ill.
Bell	Engle	Sadlak
Bolton, Frances, P.	Gamble	Scherer
	Halleck	Sheppard
Bolton, Oliver P.	Harrison, Nebr.	Sieminski
	Harrison, Va.	Simpson, Pa.
Brown, Ohio	Hays, Ohio	Teague, Tex.
Burnside	Hinshaw	Thompson, La.
Canfield	Hoffman, Ill.	Thomson, Wyo.
Chase	Holifield	Van Zandt
Chatham	Latham	Velde
Christopher	McDowell	Weaver
Cooley	Martin	Willis
Dawson, Ill.	Miller, Calif.	
Dingell	Nelson	

The SPEAKER pro tempore. On this rollcall, 376 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

AMENDING SHERMAN ANTITRUST ACT

Mr. CELLER. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 3659) to increase criminal penalties under the Sherman Antitrust Act.

The SPEAKER. The question is on the motion offered by the gentleman from New York [Mr. CELLER].

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 3659, with Mr. HAYS of Arkansas in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. CELLER. Mr. Chairman, I yield 5 minutes to the gentleman from Colorado [Mr. ROGERS].

Mr. ROGERS of Colorado. Mr. Chairman, the bill, H. R. 3659, is a simple amendment to the Sherman Antitrust Act. The only objective and purpose of this legislation is to increase one of the penalties which the act now provides from a fine of $5,000 to a fine of $50,000. This bill in a similar form has been passed by the House on three separate occasions in the 81st, 82d, and 83d Congresses. We, of the Committee on the Judiciary, feel that if the Sherman Antitrust Act is to be brought up to date, then it is necessary to increase the penalty as provided under this law. Most of you will recall that this legislation was placed on the Consent Calendar recently, and an objection was made.

I understand the objection made to its being passed on a Consent Calendar is that the committee had not gone far enough in making recommendations of penalties that might be imposed.

As most of you know, since the adoption of the Sherman Antitrust Act and the Clayton Act, our money values have been increased and inflated, with the result that on a number of occasions where penalties have been inflicted, we did not feel that the court had authority to adequately punish those who had violated the law. So it was with a view to bringing this legislation up to date that we recommend that H. R. 3659 be adopted. We feel that when it is adopted it gives to the court a discretion whereby the judge can inflict whatever punishment in the nature of a fine he desires, and make it fit the crime for which the individual or the corporation may have been convicted.

In the report we set forth a number of instances where violations of the Sherman antitrust law have been found, and on page 2 of the report we set out those who have been fined the amount indicated in connection therewith.

I point out that ordinarily in any antitrust legislation there is usually more than one count filed in any particular indictment. We feel that if there is a violation, with the discretion that is given to the court to inflict a penalty, if we give him authority to increase it up to $50,000 on each offense, the court will then be in a position to more adequately enforce the law.

As I previously indicated, the reason why we have this on the General Calendar and not on the Consent Calendar is because some Members feel that this bill does not go far enough. Under the pres-

ent law the judge made, in his discretion, give jail penalties up to 1 year. All this act does is to keep that 1-year penalty and give the court an opportunity to inflict fines of not to exceed $50,000 for each violation. We have found that where you do not give the court any discretion whatsoever in the penalties, and the court would be compelled to give a jail sentence upon conviction under a proposed amendment, it would become difficult in many instances to bring about a conviction if the jury knew in advance that it is mandatory on the court to inflict a jail sentence. For that reason we believe that the best approach to this problem is through the enactment of this legislation, which will give the court the privilege to inflict a fine up to $50,000 on each offense.

The CHAIRMAN. The time of the gentleman from Colorado has expired.

Mr. KEATING. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, this legislation was introduced following an executive communication from the Attorney General, dated January 21, 1955. It bears the name of the chairman of our committee, the gentleman from New York [Mr. CELLER], and it comes from the Committee on the Judiciary by unanimous vote.

The Attorney General is greatly concerned, and has been for some time, about the inadequacy of the penalties attached to violations of the Sherman Antitrust Act. As it is now, a fine of $5,000 to many of the larger corporations is little more than a slap on the wrist.

A bill such as this, as far as I know, identical in its language, passed the House in the last Congress, and I believe in the Congress before that.

Mr. CELLER. Mr. Chairman, will the gentleman yield?

Mr. KEATING. I yield.

Mr. CELLER. I think the gentleman will find that not only in the 2 previous Congresses, but the 3 previous Congresses, the bill was passed by this body by unanimous consent.

Mr. KEATING. In its present form.

Mr. CELLER. Yes.

Mr. KEATING. I thank the gentleman for that correction.

Mr. Chairman, it is very important that we legislate in this field. Like so much legislation of this character, however, it is likewise very important that, in doing so, we pass a bill which will have a reasonable prospect of becoming law.

The gentleman from Texas has suggested that he intends to offer an amendment, which, as I understand, for the second or later offenses will require that a judge impose mandatorily a jail sentence for violation of the Sherman Antitrust Act. That is bound to result—I can see no alternative—bound to result in a reluctance on the part of juries to convict, and an effort upon the part of the courts to evade or in some way circumvent what Congress may have said. Were it not proposed by a person such as the gentleman from Texas, I would be inclined to think it was done in an effort to sabotage or kill this bill. We have encountered that type of activity on the part of Members of Congress, and I do not mean to be critical of anyone in particular, with regard to other legislation, where they have attempted to alter it in some form which would destroy it because they were out of sympathy with the fundamental objectives of the legislation.

This bill has had careful study in a number of Congresses by a number of subcommittees of the Committee on the Judiciary. It has been discussed very thoroughly by the full committee; it is desired and urged by the Attorney General in accordance with the program of the President, and I hope it will be enacted in its present form.

Mr. CELLER. Mr. Chairman, I yield 5 minutes to the gentleman from Texas [Mr. PATMAN].

Mr. PATMAN. Mr. Chairman, in view of the limited time for debate, I shall not insist on the first two amendments I have printed in the RECORD on pages 3888–3889 today, but I will offer the third amendment.

The third amendment proposes that the fine for a corporation not exceed 5 percent. It could be a very low fine; it could be $1, but not to exceed 5 percent of the total assets of the corporation; but if a natural person the fine shall be just like the committee recommends, not exceeding $50,000 for the first or second offense, and a fine of not exceeding $50,000 and imprisonment for not less than 30 days nor more than 1 year for a third or fourth offense, and for a court injunction against further activity in directing, managing, or advising any organization or business engaged in or affiliated with anyone engaged in interstate commerce. That is the punishment for the fourth offense. Remember, this reads "not exceeding 5 percent of the total assets of the corporation" violating the antitrust laws, or, if a natural person, for the first or second offenses exactly the same as the committee wants. But for a third offense there shall be punishment of not less than 30 days in jail. That is compulsory. For a fourth offense the director or officer will be denied the privilege of continuing on as manager of that corporation or as a director, if it is a corporation engaged in interstate commerce. Is there anything unreasonable about that?

You take the $50,000 fine which this committee recommends and it will deter the little man. That will put the fear of the law in his heart and he will not violate the law; it is too much for him. That is sufficient to deter the little man. That is what the committee recommends, deterring the little man, which is all right. I do not object to that. A little man can be bad just the same as a big man can be bad.

But I also want to deter the big man. When you provide a $50,000 fine for a million-dollar corporation, that is 5 percent of that corporation's assets, or if it is a $500,000 corporation it is 10 percent of that corporation's assets, or if it is a $250,000 corporation it is 20 percent. So there does not seem to be any objection on the part of the committee to making it hard for the little man. Leave it up to the judge, which is all right; make it hard on the little man. I do not oppose that.

All I say is that if 5 percent on a million-dollar corporation is reasonable, and I say it is reasonable, referring to the $50,000 fine, make that 5 percent apply clear across the board, make it apply to the billion-dollar corporation the same as the little man. That is all in the world I am asking you to do.

Today we have 68 corporations in America that have assets of more than a billion dollars each. We have concerns that are in competition with your local merchants. They have violated the law in the past all over the country. They have been convicted of doing that and of forcing the little merchants out of business. The little merchant could not cope with that outside money coming in there and these corporations selling goods below cost and putting him out of business.

The irony of it is that when this large concern is operating in a large number of States and with thousands of outlets, and when it begins to put your neighbor out of business by selling below cost, at the end of the year your neighbor is out of business. Oh, he will probably struggle a while longer by borrowing from his family, from his kinfolks, and withdrawing from his savings, but eventually the struggle will end. He will have to give up and close his doors.

But what happens to this big concern? Is it hurt? No. It can put the prices up in that community, like they always have in the past, and evidence in court discloses that what I say is true. It has been done before and it will be done again. They put the prices up and make the people pay. The irony of it is that this big concern that puts your neighbor out of business is not hurt. As a matter of fact, it gets a tax deduction for that.

Mr. CELLER. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from New York.

Mr. CELLER. Will the gentleman show me where a criminal penalty in the form of a fine will warrant an income-tax deduction?

Mr. PATMAN. I am sorry, the gentleman is not giving me his attention. I did not talk about a criminal penalty. I was talking about selling below cost in competition with your local merchant and putting him out of business. After he is put out of business, why, the big concern gets a tax deduction. If they are in the 52-percent brackets, as they probably are, they get $520 out of every $1,000 of loss to be put back into the pockets of the corporation.

In other words, the United States Government is in effect giving a bonus or a subsidy or a premium to these big national concerns to destroy your local merchant. The local merchants are helpless; they are absolutely helpless. Are you going to permit that to continue without passing good, strong antitrust laws that will put them in jail on the third offense, and deny them the right to act as directors on the fourth offense? There is nothing unreasonable about that.

For that I am accused indirectly of being a saboteur because I want to go clear across the board. If you are going to put a 5-percent penalty on the little man, put it on the billion-dollar man, too. Make it go clear across the board is all I am asking. I am going to insist on it, and I hope you vote with me, because the other day when this rubber bill was up do you know what was said? They said, "Well, if our interstate laws are not sufficient, let us make the penalty strong. Let us protect the little man." All right. You have an opportunity now of protecting the little man.

Mr. KILDAY. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Texas.

Mr. KILDAY. I believe the gentleman knows that the argument he was paraphrasing was made by me, in part, the other day.

Mr. PATMAN. That is the reason I am seeking the gentleman's support on this amendment.

Mr. KILDAY. I want to support it, but I want the gentleman to tell me whether or not he has considered the constitutionality of that portion which prevents a person from again holding office in any organization engaged in interstate commerce. Is that not a bill of attainder?

Mr. PATMAN. No, it is not. That is my position.

Mr. KILDAY. Does the gentleman have any authority of any court that such a penalty, applied to an individual, is not a bill of attainder?

Mr. PATMAN. I do not believe it is.

Mr. KILDAY. Does the gentleman have any authority?

Mr. PATMAN. That question has not been brought up, and in 1 minute's time I cannot discuss it. But, I am convinced it is not a violation of the Constitution. They have destroyed our independent merchants all over the country, all over the Nation, destroying them one after another, forcing them out of business. Now is not the time to talk about the constitutionality of it, unless it is plainly unconstitutional. And, it is not plainly unconstitutional. It is a restriction on interstate commerce. You know, if I were attempting to make it apply to intrastate commerce, the gentleman would be right. It would be questioned. But I am making it apply to interstate commerce only. Clearly constitutional.

Mr. CELLER. I yield myself 5 minutes.

Mr. Chairman, apparently the gentleman from Texas does not care very much about our Constitution. As his colleague from Texas indicated, there might be the possibility and the probability and I think the certainty of the amendment being a violation thereof involving a bill of attainder here as it affects individuals. His penalty provides for injunctive relief to prevent anyone from acting in any capacity in the future for the corporation involved. But, aside from the dangers lurking in his amendment, I think that with an amendment of that sort we reach, what I indicated before on the floor of the House, the point of diminishing returns. His amendment, as I understand it—and there are 3 of them; he is disregarding 2, and now he is up to the third amendment—provides confiscation of the assets of the corporation up to 5 percent thereof.

Now, just reflect a moment what that would mean. Let us assume that the United States Steel Corp. was found guilty of a violation of the Sherman Act and the court would be permitted to inflict a fine up to 5 percent of the assets of that corporation. Well, I imagine, though I have not got the figures, that the assets of United States Steel would be above a billion dollars.

According to the amendment of the gentleman from Texas [Mr. PATMAN], providing for a 5-percent penalty, the court would have the right to fine up to 5 percent, which would mean $50 million. If there were two counts, there would be the possibility of a fine of $100 million. If there were 10 counts, the United States Steel Corp. would be wiped out of existence. But imagine the effect upon innocent stockholders. Are you going to punish the stockholders of the United States Steel Corp. because of the dereliction, shall we say, of 1 or 2 officials which involves them in a violation of the Sherman law?

Beyond that, it is very difficult at times, because of the uncertainties involved in the Sherman law, actually to know whether you are or are not violating the Sherman Act. The Supreme Court on various occasions has reversed itself, so that what is legal today may be illegal tomorrow. If the corporation consulted the best of counsel, counsel in all likelihood would say, "You may be skating on thin ice and you may fall through. I cannot give you a definite answer under the state of facts as to whether you are or are not violating the Sherman law." And yet the corporation goes forward and treads on thin ice, shall we say, and finds itself fined, if the gentleman from Texas [Mr. PATMAN] would have his way, up to millions of dollars. And the innocent stockholders likewise would be fined, because proportionately their stock is also penalized.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. CELLER. I yield to the gentleman.

Mr. PATMAN. Would the gentleman please explain, since he says in his report that it is left to the discretion of the court, why it is that he is perfectly willing for the court to impose a fine of $50,000, representing 5 percent of the assets of a $1 million corporation, but is not willing for the same court to have the privilege of assessing a 5-percent fine on a $100 million corporation?

Mr. CELLER. There is no statute that can be perfectly drawn. The $5,000 figure was set away back in 1890. According to the Bureau of Labor Statistics, $5,000 in 1890 is probably worth about $50,000 today. That is why we have suggested a fine up to $50,000.

Today the court does not in all cases fine $5,000. It fines less than $5,000 on occasion, depending upon the gravity of the situation.

It is interesting to note that during the ccurse of the years the courts have likewise inflicted jail sentences. I shall put in the RECORD all the jail sentences imposed under the present statute. I shall read a few of them now.

In 1934 5 defendants went to jail for 3 months up to 3 years.

In 1931 1 went to jail for 3 months.

In 1929 20 defendants went to jail for 10 days to 4 months.

In 1929 6 went to jail from 3 to 9 months.

Later than that, in 1935, 11 defendants went to jail for from 6 months to 2 years.

I shall put in the RECORD all these jail sentences, which clearly indicate that the penalties so far as jail sentences are concerned are high enough today. But the gentleman from Texas [Mr. PATMAN], as I understand it, wants to provide for sentences up to 1 year and to make those sentences mandatory.

Convictions of imprisonment under Federal antitrust law, July 1890–Feb. 15, 1955

Title	Type of case	Proceeding	Number of defendants	Sentences imposed	Year sentences imposed
U. S. v. Debs	Labor union	Contempt	4	3 to 6 months	1894
U. S. v. American Naval Stores Co.	Business racketeering	Sherman Act [1]	2	3 months	1909
U. S. v. Haines	Labor union	do	5	4 hours	1912
U. S. v. Patterson	Business racketeering	do	27	24 defendants, 1 year; 3 defendants, 9 months	1913
U. S. v. Boyle	Labor union	do	2	1 year	1917
U. S. v. Fintelen	War spies	do	3	do	1917
U. S. v. Bopp	do	do	5	do	1917
U. S. v. Alexander & Reid Co.	Business racketeering	do	4	1 defendant, 2 months; 3 defendants, 4 months	1921
U. S. v. O'Brien	Labor union	do	5	4 defendants, 8 months; 1 defendant, 30 days	1922
U. S. v. Powell	do	do	1	10 days	1922
U. S. v. Trenton Potteries Co.	Business	do	8	7 defendants, 6 months; 1 defendant, 10 months [2]	1923
U. S. v. Williams	Labor union	do	5	10 months	1923
U. S. v. Reilly	do	do	4	1 year	1924
U. S. v. Krewoski	do	do	1	6 months	1926
U. S. v. Baumgartner	Business racketeering	do	6	3 to 9 months	1929
U. S. v. Greater New York Live Poultry Chamber of Commerce.	do	do	20	10 days to 4 months	1929
U. S. v. Mercer	do	do	1	3 months	1931

[1] Reversed.

[2] Sentence suspended.

Convictions of imprisonment under Federal antitrust law, July 1890–Feb. 15, 1955—Continued

Title	Type of case	Proceeding	Number of defendants	Sentences imposed	Year sentences imposed
U. S. v. *Weiner*	Business racketeering	Contempt	5	3 months to 3 years	1934
U. S. v. *Fish Credit Assn., Inc.*	do	Sherman Act	11	6 months to 2 years	1935
U. S. v. *Union Pacific Produce Co.*	do	do	3	2 defendants, 6 months; 1 defendant, 1 year	1936
U. S. v. *Hiram W. Evans, et al.*	Asphalt	do	1	1 year on each of 2 counts [1]	1942
U. S. v. *Fratrice Creamery*	Labor union	do	8	6 months	1942
U. S. v. *Produce Exchange of Los Angeles*	Business racketeering	do	13	1 year [2]	1942
U. S. v. *Evaporated Milk Assn*	do	do	2	do.[2]	1943
U. S. v. *Produce Exchange of Los Angeles*	do	do	8	do.[2]	1943
U. S. v. *Washington Culvert & Pipe*	do	do	2	4 months [2]	1946
U. S. v. *Harry F. Stern*	Fish	Sherman Act, sec. 1	2	6 months each [3]	1950
U. S. v. *Camewell Co., et al.*	Fire-alarm equipment	Contempt	2	1 year and 1 day each [3]	1951
U. S. v. *Las Vegas Merchant Plumbers Assn*	Plumbing	Sherman Act, sec. 1	3	6 months each	1951, 1954
U. S. v. *Northern Calif. Jt. Council of Int'l Fishermen & Allied Workers of America, et al.*	Fish	do	7	1 year each [4]	1951
U. S. v. *Louisiana Fruit & Vegetable Producers Union, Loca. 312, et al.*	Food: strawberries, cucumbers, beans, peppers.	do	8	6 to 9 months [4]	1953

[1] Reversed.
[2] Sentence suspended.
[3] Sentence suspended, 2 years' probation.
[4] Sentence suspended, 1 year's probation.

At the same time he is going to take away from the court the power to suspend sentence. That is a very serious situation. There may be cases where the court should exercise some degree of clemency, but according to the gentleman from Texas the court must be Carthaginian in its revengeful punishment against the defendant. That does not sit well on my tummy and should not sit well on the tummy of any Member of this House, because it is entirely out of order.

As I said, you reach the point of diminishing returns. What is going to happen with these horrendous punishments? You will find that United States attorneys will find it most difficult to prosecute these defendants. You will find that grand juries will hesitate to indict these defendants because it will be necessary for the court to invoke these harsh sentences. You will find that petit juries will refuse to find the defendants guilty. Beyond that, you will find that the judges themselves may so dilute and make tepid their charges to the jury that the jury undoubtedly would bring in a verdict of not guilty.

That is what is going to happen. It has always happened that way when you make sentences too harsh. Examine the Hatch Act. You will find that there have been no convictions, that nobody has gone to jail for a violation of the Hatch Act, because the sentences in the Hatch Act under the law are too severe and you get no convictions. That is what we had under the prohibition law, when we tried to make the Nation moral and good by harsh sentences. Those are the reactions that you get. But the gentleman from Texas is rather purblind to all those arguments.

I would like to say this about the gentleman from Texas, and I have the greatest respect for him. He did not devise this bill that we have. It reminds me of a story they tell about Lincoln. Lincoln was in his study one day and somebody rushed in to him all excited and said, "Mr. President, do you know that Senator Sumner on the floor of the Senate today said that he does not believe in the Bible?" Lincoln replied, "Of course, he doesn't. He didn't write it."

You can draw your own conclusions from that.

The gentleman from Texas has his own Select Committee on Small Business. He is constantly, shall I say, poaching on the preserves of the Judiciary Committee. This is a Judiciary Committee bill. We are proud of this bill. It was voted out unanimously by the Judiciary Committee. It was voted out unanimously, according to the communication received from the administration, on two other occasions, and this House accepted this bill in haec verba, exactly as we have given it to you today, on three different occasions. It was not passed in the Senate because some of the Senators thought that even $50,000 was too high. How can we get a bill passed if it is going to be amended as the gentleman from Texas would want us to amend it, making the fines higher, making compulsory imprisonment? How are we going to get those self-same Senators who objected to the other bill to accept this bill as amended?

I hope, therefore, that the amendments when offered by the gentleman from Texas will indeed be voted down.

Mr. KEATING. Mr. Chairman, I yield 5 minutes to our colleague from Ohio [Mr. McCULLOCH], a member of the committee.

Mr. McCULLOCH. Mr. Chairman, I rise in opposition to the amendment that is to be offered by the gentleman from Texas. The proposed amendment is, indeed, a revolutionary one. I know of no penalties, either in State or Federal law, which are fixed in accordance with percentages, and I do not believe the amendment will have the result desired by the gentleman from Texas should it be adopted.

I have always been taught, and I have always thought that the penalties provided by law for violation of law were for two purposes. One was a punishment for past wrongdoing, the other was to deter future wrongdoing. However, I do not believe the penalties provided in the antitrust laws were conceived so much as a deterrent against future violations, as much as in other laws, because there is always injunctive relief, against future violation of these laws. I think both colleagues from New York have clearly brought out the fact that this legislation has been unanimously approved by the Committee on the Judiciary in the 81st, 82d, and 83d Congresses, and that the present Attorney General has requested this legislation, and that 1, if not as many as 3, of the former Attorneys General of the United States has or have either approved or requested legislation of this type. I am of the opinion that the distinguished gentleman from Texas [Mr. KILDAY] raised a very important constitutional question concerning this amendment. It has not been considered in committee. For all those reasons these proposed amendments should be rejected, and this long-sought-after and much-wanted bill be passed as it was reported out of the Committee on the Judiciary.

Mr. CELLER. Mr. Chairman, I yield 5 minutes to the gentleman from Massachusetts [Mr. LANE].

Mr. LANE. Mr. Chairman, everything is getting bigger and bigger, including concentration of industrial and economic power. Business seems to be in the marrying mood as the knot is being tied on mergers all over the country. Where this leaves the small, single, and independent industries is a matter of increasing concern. Free enterprise is smothered and consumers suffer whenever a monopoly assumes totalitarian control. For it is in a position to cut prices to drive competitors out of business and then to corner the market and establish arbitrary prices that the consumer must accept or go without. All the evils of the European cartel system threaten us under a different name. This danger, as the chairman of the committee stated, previously was recognized 64 years ago when Congress legislated the Sherman Antitrust Act. The arrogant monopolies of those days were pygmies compared with the industrial empires of today and the penalties that were considered sufficient in those distant days are no more than a parking ticket irritation to the vast combines of 1955. Too much power, Mr. Chairman, tends to corrupt corporations as well as individuals, and we have observed that stiff fines deter flagrant violators of the internal-revenue laws from repeating and exercise a chastening effect upon others who may be tempted to get away with evasions of the code.

Mr. Chairman, we believe that the principle of punishing where it hurts—and the pocketbook of the treasury happens to be the most sensitive part of human and corporate equipment—will be most effective in restraining monopolistic practices.

At the present time, Mr. Chairman, it has been said here on many occasions during this debate the top fine which may be levied upon conviction for each count of an indictment under the Sherman Antitrust Act is only $5,000. Under this bill, H. R. 3659, it will raise it to $50,000, leaving the exact amount under this ceiling to the discretion of the trial judge. The gravity of the offense would be matched by a suitable penalty. Where leniency is justified, due to mitigating circumstances, the judge could still impose a lesser fine. Under this flexible system, the punishment could be tailor made to fit the crime—small for simple violations, but marked up for those that betray a continuing, contemptuous, and damaging influence on the national economy.

Corporation officials will think twice before daring to defy the law because heavy fines would bring down upon them the wrath of the stockholders who would observe losses that could never be explained.

The Department of Justice, it has been stated time and time again during debate, through Attorney General Brownell, recommended the strengthening of criminal sanctions. So does this Committee on the Judiciary. In this year of mergers, with the consequent temptation to evade the antitrust laws, it becomes necessary to increase penalties beyond a slap-on-the-wrist level, as stated by the gentleman from New York [Mr. KEATING].

To take the illegal profit out of monopolistic practices and to protect American enterprise from the danger of ruthless concentration of economic power, H. R. 3659 should be passed with convincing bipartisan support, and without any amendment, in order to protect legitimate business industries, both large and small, and in fairness to the American public.

Mr. Chairman, may I say again in conclusion, it has been stated here today that time and time again this bill has been passed by the Committee on the Judiciary. The chairman of the committee, the gentleman from New York [Mr. CELLER], has handled this bill on several occasions, and the gentleman from New York on the minority side [Mr. KEATING], has also been very, very much interested in this matter over a period of years.

This bill has passed the Committee on the Judiciary time and time again. It has passed the House, raising the amount from $5,000 to $50,000, but we have not been able to put this bill on the statute books up to this time. I daresay, Mr. Chairman, that many of us agree with the gentleman from Texas [Mr. PATMAN], who wants to amend this bill and put stiffer penalties and fines into this bill. But I know, as a member of the Committee on the Judiciary, that if those amendments are adopted, that will be the end of this legislation as far as this session of the Congress is concerned. Many of us agree with the gentleman from Texas [Mr. PATMAN], and we want to do something to stiffen these fines, but we do not want to kill this bill.

I hope this bill will be passed today without any amendments, without any loading down of this legislation, so that we may have an opportunity at this session to put this bill on the statute books.

The CHAIRMAN. The time of the gentleman from Massachusetts [Mr. LANE] has expired.

Mr. KEATING. I have no further requests for time on this side.

Mr. CELLER. Will the gentleman be kind enough to yield 5 minutes to the gentleman from New York [Mr. FINE]?

Mr. KEATING. I will be very happy to yield 5 minutes to the gentleman from New York.

Mr. FINE. Mr. Chairman, you have already been told that the Attorney General had made a request in an executive communication to the Speaker of the House for an increase in an amount of fines to be imposed on violators of the antitrust law from $5,000 to $50,000.

You have also been told that the chairman of the committee, the distinguished gentleman from New York [Mr. CELLER], responded to that request, and the bill is now before us for consideration with the recommendation of the Judiciary Committee that it be passed.

We adopted identical proposals in the 81st, 82d, and 83d Congresses only to meet with failure in the Senate Judiciary Committee, where it was thought the penalties too drastic. However, last year the Senate Judiciary Subcommittee on Antitrust did give its approval to this legislation. I am now advised that the present Senate is prepared to concur in the Attorney General's request.

The Attorney General's communication explained the need for the legislation, as follows:

> For a number of years there have been strong grounds for an increase in the present inadequate maximum fines which may be imposed for violation of the Sherman Anti-Trust Act. In the 64 years since the passage of that act the purchasing power of the dollar has decreased considerably while the assets and profits of corporations have increased many times over. To preserve the intended effect of the original maximum fine based on former-day corporation profits the penalty would have multiplied many times to maintain its relation to modern-day profits.
>
> The measure presented herewith would simply raise the ceiling on fines. It would not require an increase of fines in all instances. It has been charged that increasing the maximum fine to $50,000 would work a hardship on the small-business man who may violate the antitrust laws. The records of the Department of Justice show, however, that the fines assessed against individuals is often less than the maximum. From 1946 to 1954 out of 1,240 fines assessed in antitrust criminal cases, 945 were for less than $5,000 each.

Ordinarily this legislation should have been passed on the Consent Calendar as it has in the past, but objection was made by the gentleman from Texas [Mr. PATMAN], who apparently feels that even more drastic penalties should be imposed.

Only this morning I read the proposals suggested by the gentleman from Texas [Mr. PATMAN], which appeared at page 3888 of the March 28 CONGRESSIONAL RECORD, and I am against those proposals for many reasons. The first objection is based upon the fact that though the committee held hearings, not once did the gentleman from Texas [Mr. PATMAN] come before the committee and submit these proposals. It seems to me if you want to get proper consideration for any suggested amendments that the committee itself, which has the initial responsibility to clear legislation of this sort, should have an opportunity to pass on and review and consider the subject matter of such amendments, especially where they involve a complex scheme of punishment. If for no other reason, his amendments should not be adopted.

Furthermore, I object to the proposals, because I have great faith in our judicial system. While there are some cases in the law which deal with crimes of violence against property and the person, which provide mandatory jail sentences——

Mr. FORRESTER. Mr. Chairman, will the gentleman yield?

Mr. FINE. I thought it would be better to finish my thought, but I will yield.

Mr. FORRESTER. After all, is not the gentleman of the opinion that the crux of this matter, as far as these amendments are concerned, is that the amendment is a bill of attainder and that there can be no doubt whatsoever that it is, and that it would reflect on us as a judicial body to accept an amendment that we know is a bill of attainder on its face?

Mr. FINE. That is one of the questions in dispute, but the gentleman from Texas [Mr. PATMAN] does not think it is a bill of attainder, while the gentleman from Texas [Mr. KILDAY] thinks it is, and so does the gentleman from Georgia. At least it ought to have been considered by the Judiciary Committee. That is the point I am making.

Mr. FORRESTER. May I ask the gentleman this: The language of the bill would deprive a person of the right to hold office or be a director or president of a corporation; can there be any doubt about its being a bill of attainder?

Mr. FINE. There was no doubt about the language in my mind. I was merely expressing the fact that the committee should have considered it so we could have gone into it carefully. We want a discretionary bill—one that is flexible to meet a given situation. I do not go along with the mandatory features that deprives the judge of the right to fix the penalty in his discretion.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. FINE. I will be happy to yield.

Mr. PATMAN. If the gentleman will read the amendment, it states: "Not exceeding $50,000."

Mr. FINE. No; I am talking about the jail sentence.

Mr. PATMAN. That is for second and third offenses. Is not the gentleman in favor of a jail penalty for a second or third offense?

Mr. FINE. No, I am not; for the reason that the person who violates the antitrust laws does not know in advance that he is violating those laws. If you were talking about crimes of violence against the person or property, I could well understand it. Only recently, as the gentleman from Texas knows, the Supreme Court decided that the field of entertainment and the field of boxing

were covered by the antitrust laws, whereas the field of baseball was not. So the attorney who advised his clients in the field of baseball guessed right, but the attorney in the field of boxing and entertainment guessed wrong, and, as a result, his clients were found guilty. Now, is not the law a bit too uncertain for you and me to say that there ought to be a mandatory jail sentence for a violation of the antitrust laws?

Mr. PATMAN. Mr. Chairman, will the gentleman yield further?

Mr. FINE. Certainly.

Mr. PATMAN. I am talking about those plain sections of the law where there can be no dispute about it—where they determine a person has acted in violation of the plain letter of the law.

Mr. FINE. Let me say this to the gentleman from Texas: You cannot legislate wisdom and you cannot legislate reason. Your amendments, in effect, return a verdict of no confidence in our judiciary—a shocking result which we might not approve. If that is what the gentleman desires, that is his business; I am against it, and that is the reason I am opposing his amendments.

I am convinced that we ought not to staitjacket the law and tie the hands of the judges. A violation of the antitrust law does not warrant a mandatory jail sentence. There are, of course, some cases in which the law imposes mandatory jail sentences, but these are generally crimes of violence against the person or property and even there it is mostly limited to persons who by repeated offenses have demonstrated that the prime purpose of the penal law to act as a deterrent is less likely to be accomplished and therefore the other purpose of the penal law, namely the protection of society requires the imprisonment of the many times offender. On the other hand the crime of violating the antitrust laws is an economic crime and not a crime of moral turpitude. The crime is not as certain as those of arson, robbery, and the like where the perpetrator knows in advance that he is violating the law. While violation of the antitrust laws is a serious matter, to be sure, no one person can with certainty foretell whether a particular act will eventually be adjudged a violation of the antitrust law. While a man necessarily has to take the consequences of action upon legal advice which later turns out to be erroneous, nevertheless, the fact that he did so in good faith should be a circumstance which a judge should have the power to consider in fixing the punishment. The proposals of the gentleman from Texas would deprive a judge of the power to do that, whereas I believe that he ought to have that power. By continuing the discretion of the judge consideration can still be given to such mitigating circumstances as the meager financial resources of the defendant, the nature of the activities engaged in, the actual intent of the convicted party, and other relevant factors.

I also oppose any proposal to empower a judge to impose a fine by fixing a percentage of an offender's assets. Such fines are too speculative and invite many abuses. H. R. 3659 before us presents the correct solution.

Mr. KEATING. Mr. Chairman, I yield 5 minutes to the gentleman from Texas [Mr. KILDAY].

Mr. KILDAY. Mr. Chairman, I believe that the penalties in our antitrust laws should be strengthened and increased and so stated last week when the rubber facilities disposal matter was before the House. I want to support the amendment to increase it.

I have heard several Attorneys General complain that the $5,000 limitation on the fine was so small that they rarely tried a case against a corporation, that the defendants entered a plea of nole contendere, paid the $5,000 fine and saved attorneys' fees, and so forth. I think the penalty should be increased.

The real way to prevent corporations from violating the antitrust laws is through their agents and officers, to threaten those folks with the real prospect of jail even for a short period of time.

I am concerned about the portion of the amendment offered by my colleague from Texas, which would grant injunctive relief against an individual convicted of some antitrust violations from thereafter participating in any concern connected with interstate commerce. I did not see this until it was in the RECORD this morning and then only shortly before we convened.

My ideas about what constitute a bill of attainder have changed very materially since I have been a Member of this House. I believe many of you will remember that some years ago in an appropriation bill we inserted a provision against the employment of certain persons who had been suspected of disloyalty. The matter went into courts and that was one of the few times, I suppose, in history, where the Congress hired its own lawyer to appear before the Supreme Court to attempt to sustain the provision we put in that bill. The Supreme Court ruled against us and held that it was a bill of attainder. The gentleman states that this is in regulation of interstate commerce. I had always been of the opinion that in appropriating funds we had absolute authority; that there is no restriction whatever. We thought that constituted the "checks and balances" of which Jefferson spoke so often, about our control of the purse-strings. I thought you could say that certain individuals could not be paid out of the appropriation, and things of that kind. But the courts ruled against us. I want to do something here which is effective. The most effective thing you can do to prevent antitrust violations is to make the penalty against the corporation adequate, and make the individuals liable who are sitting in those paneled and air-conditioned directors' offices, or the president's office, cooking up these schemes to violate the antitrust laws. Require them to face the prospect of jail. Then you have really put an enforceable provision in it.

I cannot vote for the amendment in the form in which the gentleman has said he will offer it. I may be entirely wrong. However, my view of it is that the portion I mention is in the nature of a bill of attainder and unconstitutional. Therefore, I could not vote for that. If that provision were not in the amendment, I would be glad to support it.

I wanted to make my position clear. I had not intended to take part in the debate, but my colleague paraphrased my remarks of last week, so I thought I should say something about what was said at that time.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. KILDAY. I yield to the gentleman from New York.

Mr. KEATING. The gentleman should know, as he undoubtedly knows, and the other Members should know, that the Sherman law presently provides for a jail sentence in the discretion of the court. The gentleman from New York [Mr. CELLER] has placed in the RECORD actual instances where jail sentences have been imposed, although the courts as a rule are reluctant to do that.

Mr. KILDAY. I am opposed ordinarily to minimum penalties. As a former prosecutor, I know that high penalties sometimes work a hardship against a prosecution. The jury or the judge will turn the defendant loose rather than convict him of an offense requiring a very stiff penalty.

The gentleman's amendment provides this penalty for the third and fourth offense, not for the first and second. That does not trouble me too much. Antitrust violations are deliberate. It is a deliberate intent and scheme to violate the law. If he has done it twice, he is to be fined. For the third and fourth offenses, I do not mind putting him away for a little while, at least long enough to take some of those creases out of the tailormade suits they wear.

The CHAIRMAN. If there are no further requests for time, the Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted, etc., That sections 1, 2, and 3 of the act of July 2, 1890 (15 U. S. C. 1 ff.), as amended, are hereby further amended by striking out in each section where it appears the phrase "fine not exceeding five thousand dollars" or the phrase "fine not exceeding $5,000" and substituting in lieu thereof in each case the phrase "fine not exceeding fifty thousand dollars."

Mr. PATMAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PATMAN: Strike lines 8 and 9 and substitute therefor the following: "in each case the language 'fine, if a corporation, not exceeding 5 percent of the amount of such corporation's total assets as of the date on which the charge of violation is filed; and if a natural person, by a fine not exceeding $50,000 for the first or second offense, and by a fine not exceeding $50,000 and imprisonment of not less than 30 days nor more than 1 year for a third or fourth offense."

Mr. PATMAN. Mr. Chairman, in view of the fact that the committee did not consider the constitutional question——

Mr. CELLER. Mr. Chairman, I rise to a point of order.

Mr. PATMAN. Mr. Chairman, I have already been recognized.

Mr. CELLER. Mr. Chairman, I was on my feet ready to make a point of

order. I make the point of order that the amendment offered by the gentleman from Texas is out of order and not germane.

The CHAIRMAN. The Chair will have to hold that the point of order comes too late.

Mr. CELLER. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. Does the gentleman from Texas yield for a parliamentary inquiry?

Mr. PATMAN. Not at this time, Mr. Chairman.

Mr. Chairman, this amendment provides for a definite penalty of 5 percent of the assets at the time of the commission of the offense, the very day, so there cannot be any doubt about it—5 percent of the assets clear across the board. This $50,000 proposed by the committee is a 5-percent fine, if the maximum is required, on a $1 million corporation, which is a small corporation. So, if the committee says it is all right to fine a $1 million corporation, a small corporation, 5 percent, why stop there and only deter the small man, the small corporation? Why not just say 5 percent clear across the board affecting the $100 million corporation or any one of the 68 $1 billion corporations as well? Why pass a law that only deters the little man?

Now, the committee amendment is a good one. Just to deter the small man, that is fine. The small man should have the fear of the law in his heart—I agree to all that—but we should not stop with the little man. We should put that same fear in the hearts and minds of the corporation officials of the biggest corporations on earth, and you are not doing it unless you pass this amendment.

I am leaving out that part that you cannot be a director after the fourth offense, because I think the committee should look into that, and I am going to present a bill on it. The reason I did not present this question to the committee was because I had no notice. The committee did not give any notice that they were having hearings on this bill. It was just reported, put on the Consent Calendar, and they tried to pass it by unanimous consent before anybody knew it. I did not know it until I came over here that day and discovered it. I had no notice whatsoever. So, there was no notice given by the committee that they would have hearings.

Now, then, that 5 percent and the other part concerning a natural person, the same penalty as provided by the Committee on the Judiciary, is proposed in my amendment, with one exception. That is the $50,000. And then it goes a little further than that for the third and fourth offenses. A jail sentence of at least 30 days must be imposed for the third and fourth offenders. Is there anything cruel about that? Why, of course, there is not. It is perfectly reasonable. You must have something to deter these people. Otherwise they will pay no attention to it. Do you think that a $50,000 fine will have any effect on a corporation that is able to pay twice that much to 1 master of ceremonies on 1 television broadcast? That is what has actually happened. One corporation paid twice that much for 1 master of ceremonies for 1 broadcast. Certainly it is not going to deter them. So, I say, do not stop at the little man. Deter him; yes. Put the fear of the law in his heart. That is all right. I do not object to that at all. But do not stop with the little man; go further, clear across the board, and make that 5 percent apply to the big man as well. So I hope that this amendment is adopted. I should like to say something with reference to what the gentleman said in connection with my being displeased because I did not write the bill. I do not feel that way about it at all. I do not believe that my colleagues with whom I have served over a long period of time believe that I feel that way. I am not trying to move in on the work of the Committee on the Judiciary. But as a Member of Congress I have a right to propose amendments to laws and my motive should not be impugned if I do. I am not trying to rewrite the bill. I am trying to improve it. I am trying to change the bill so that it will apply to the big man as well as the little man. The gentleman is trying to pass a bill that will deal only with the little man.

Mr. KEATING. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, this amendment is illustrative of what we often encounter here. Everyone here has the right to offer an amendment. I have offered amendments many times which I discovered before the debate was over were not well phrased. This amendment is illustrative of that. If for no other reason this amendment ought to be defeated because the fifth offender under this amendment would go scot free. This amendment provides a penalty for a first offender and a second and a third and a fourth, but if you want to get immunity under this bill, commit a fifth offense and there is nothing here to take care of it. That shows the lack of care with which the drafters for the gentleman from Texas [Mr. PATMAN] prepared this amendment.

Now apart from that: We have heard a lot today and we have heard it on other occasions from the gentleman from Texas [Mr. PATMAN] about the little man and the big man, that "this takes care of going after the little man but we must also go after the big man." I wonder who the gentleman from Texas thinks are the real owners of the gigantic corporations in this country. They are owned by the stockholders and among those stockholders are millions upon millions of our people who have from 1 to 10 shares, people who have saved up their earnings, who have put a little money aside for a rainy day, a little something to live on in their later years. Many of them have acquired stock in the companies they work for as a result of their long service. They are people of modest resources. It has become increasingly apparent, and it is a wonderful sign in our great country, that our corporations are owned to a very large extent by those whom the gentleman characterizes as the little people. Personally, I don't particularly like that kind of talk. Littleness or bigness is not a matter of the pocketbook, but of the heart.

Mr. MASON. Mr. Chairman, will the gentleman yield?

Mr. KEATING. I yield to the gentleman from Illinois.

Mr. MASON. I just want to say that 80 percent of the stockholders of America today receive incomes of less than $5,000; and they certainly are little men.

Mr. KEATING. I thank the gentleman for that contribution.

It is true that the business of buying stocks on the installment plan by laying aside $50 or $100 a month or even less has increased enormously in recent years, and it is a very wholesome sign.

Furthermore, I am told that the statistics show that something like 75 or 80 percent of the stockholders in this country are to be found among the women. And certainly none of us would want to have this Congress considered unchivalrous to the ladies.

It may furnish an appealing argument in certain quarters to condemn big business and to say that this Congress or this administration or someone else is looking out only for big business. But it is our duty as legislators to analyze these issues instead of spouting forth clichés or engaging in political oratory. We want to whip out a bill here which will become law and will aid in tightening the screws on malefactors who scoff at our antitrust laws, whether they be big or little in financial assets. When you make it mandatory under a bill to impose a fine of $500 million, or a billion a fine with almost no top limit, when you say that a certain percentage of the assets shall be taken, then you are taking that money out of the pockets of the little people of this country along with the big people, all of the stockholders who own these great corporations. They are the ones who will have to pay. If we allow the pendulum to swing that far in our commendable zeal to tighten this law, the result will be that we will get no legislation at all.

It would make us look ridiculous, in my judgment, Mr. Chairman, were we to pass such an amendment as has been offered here. It is contrary to all the jurisprudence of our great country. We have never, in all our history, fixed a fine at a percentage of the assets of the person or corporation that is being charged with the offense. Of course, always any fine is a tougher thing for a man with modest resources than for a man with large resources, but that is one of the unfortunate things in our economic life. Usually that is taken into consideration by the judge in passing sentence.

I hope this amendment will be defeated.

Mr. HOFFMAN of Michigan. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, because it was necessary for me to answer some of the mail that has been coming to my office from the postal clerks and employees who want a guaranteed annual wage and the minimum wage of a dollar and a quarter an hour, I have not been on the floor during all of the debate, hence am not familiar with all of the implications of this legislation. Perhaps someone on

the other side can enlighten me as to whether they propose to protect all employees.

I noticed in the press that in Detroit Walter Reuther and Emil Mazey—and by the way, Mazey was convicted recently, the first time he has been convicted, in connection with a strike at Kohler's plant in Kenosha, Wis. He always stood on the outside when he told the other boys to go in—well, they got the fines and the jail sentences. He did not. This time he apparently followed his own advice and became personally involved in the violence, or in some way stepped over the legal line.

Here is the point. The CIO—they are mixed up in this April political election in Michigan—they are engaged now in a drive, and maybe it has gone through by this time, to make all the union members pay $5, that is double or perhaps triple the dues of $2.50 a month. They want to make the monthly dues $5 instead of $2.50 per month. The purpose being to raise a fund of $20 million to aid in any strike that may come in connection with the demand for a guaranteed annual wage. Local 600 at Ford's, with 48,000 members, is asking for a 100-million-dollar strike fund.

I wonder if the gentleman from Texas or the gentleman from New York or anyone else, while he is talking about the little people, is thinking about employees who do not have permanent well-paid jobs. Reuther and Mazey are great supporters of the Democratic outfit in Michigan and throughout the Nation. If you do not believe it, look at the House Clerk's report over here, which shows the political contributions the unions have made to Democratic candidates and Democratic organizations. What they are doing is attempting to increase the strike fund to $20 million—local 600 at Ford's to an additional $100 million—so that if the strike comes on for the guaranteed annual wage there will be plenty of money to tide the employees over during the strike.

Is there anybody who can answer as to the employee, the little fellow, the men and women who have to work. Whether they wish to see the monthly dues doubled? Whether they wish to go on strike? Is anybody trying to protect them against the demands of a fund for political purposes?

Walter Reuther got part of his education over in Russia. Now he is criticising the administration, here in America—continually finding fault with the President and the Congress and with the employers who give the union employees jobs and pay checks telling all of them what to do and when to do it. He never so far as I know operated an industry—but to hear him one would think he knew all about how to do it. You are a Member of Congress, and if you do not do as Reuther directs, you will have the union with its millions on your neck.

They gave my political opponent $300, a very small contribution compared to the usual one, but they did not give me anything—and may I add I cannot be a rubber stamp and unless you are and carry out the union boss' every order he will defeat you if he can.

Why not look at the wage earners who cannot earn a livelihood unless they work and who cannot go to work unless they come across with $2.50 soon to be $5 a month. Talk about your $20 exemption. What are you thinking of, if you really want to do something to try to help out those hundreds of thousands, yes 2 or 3 million union employees, not all of them in Detroit but many in Detroit who are at the mercy of Reuther, Mazey, Hoffa, and their ilk. Why continue to permit the collection of millions—much of it to be used for political purposes?

I am sure if you do not go along with Reuther on all of his program he is not going to love you too much. But going along with him politically is one way to get contributions for your party and your candidates. If you have not been getting your share, not you gentlemen from the South, because they will not give you much, anyway, but you from the North, if you have not been getting your share, they talk about discrimination, just charge those boys with discriminating against you. And just remember when once you become their tool you have lost your independence and I hope your self-respect.

Mr. SCOTT. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN of Michigan. I yield to the gentleman from Pennsylvania.

Mr. SCOTT. I would like to know if the gentleman has given some thought to the proposal of the gentleman from Texas, which is a series of graded penalties. If that is to prevail in our law of the land, then would it not be that if the head of the union were the head of a small union and were convicted——

Mr. HOFFMAN of Michigan. Oh, no, they take it from the fellow that does not have anything. They make him pay before he can go to work, on these work permits, as the record here in Congress will show. If a fellow did not want to join, they would sell you a work permit, and you could work for a week for $2.50. That was on Government defense jobs. If you did not have the money, if you did not have the $2.50, they took an order on the paymaster. You worked until you had paid a fee of $50 and then were kicked off the job. Oh, no, some do not stop at anything. All they want to do is to defeat members of the Republican Party or any Democrat who stands for a constitutional government. Reuther and his associates want and intend to make this a labor government—they are just using Williams and his kind as starting horses—a lot of Democrats and some Republicans are falling for it—as soon as Reuther has control of the party—if he does get it—Democrats, yes, and Republicans, will be discarded.

If the Congress wants to do something for—to protect the so-called little fellow it should free him from the control of the union as well as from the corporate boss.

The antitrust laws should apply to unions as well as to corporations.

Mr. SCOTT. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, what I had sought to point out without much success, when I asked the gentleman from Michigan to yield, when he spoke of the conviction of a labor-union leader, was that if the penalty or the graduated penalty theory on the basis of the principle that the bigger you are the harder the Government hits you, were to apply in the case which the gentleman referred to, then, according to the plan of the gentleman from Texas, if one is an official of a small union he would get a small penalty, but the bigger the union is the bigger the penalty which would be imposed upon him. I submit further, Mr. Chairman, that this amendment shows considerable haste in draftsmanship. It is unfortunate that the gentleman from Texas did not read the newspapers where he would find the hearings of the subcommittees of the Committee on the Judiciary listed and where his views would have been received with consideration and respect. Had he done so rather than drafting this, I am afraid, somewhat hasty amendment, I doubt if he would have used the phrase "total assets" because what his amendment seems to do is to penalize a company up to 5 percent of its total assets without stating whether those are total net assets or whether they are total gross assets or whether they are total assets before or after taxes.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. SCOTT. Not at this point, if I may.

Mr. PATMAN. On that point.

Mr. SCOTT. I am afraid I have so little time. I know that the gentleman will have some other time.

Mr. PATMAN. I do not have any time.

Mr. SCOTT. Further, I think the gentleman has had some opportunity to clarify his views up to now and I have not had any. If these total assets are left in there, then a corporation may be rendered completely bankrupt by a Federal court decision, and every small shareholder of that corporation would be deprived totally of all of their small assets in the company by a mistake made by a single official of the company, which he did not necessarily know at the time he made it was a mistake. And, therefore, this will damage other officers innocent of the action complained of, and all the shareholders—no matter how small their holdings—who were not doing anything wrong either. This amendment should be defeated in my opinion, Mr. Chairman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. PATMAN].

The question was taken; and on a division (demanded by Mr. PATMAN) there were—ayes 14, noes 86.

So the amendment was rejected.

Mr. PATMAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PATMAN: Strike out lines 8 and 9 and substitute therefor the following: "In each case the phrase fine, if a corporation not exceeding 5 percent of the amount of such corporation's total assets as of the date on which the charge of violation is filed; and if a natural person, by a fine not exceeding $50,000."

Mr. CELLER. Mr. Chairman, I make a point of order against the amendment that it is exactly the amendment that was just voted down.

Mr. PATMAN. No; Mr. Chairman, it is different.

The CHAIRMAN (Mr. HAYS of Arkansas). The gentleman from New York makes the point of order that the amendment in substance is the same as the one just voted down.

The Chair has examined both amendments and is prepared to rule. It appears that the second amendment does differ from the first amendment, and the point of order is overruled.

The gentleman from Texas is recognized in support of his amendment.

Mr. PATMAN. Mr. Chairman, the gentleman from Pennsylvania [Mr. SCOTT] had a great deal to say about the total assets of a corporation.

As pointed out by the Committee on the Judiciary in its report, there is a great deal of discretion left to the presiding judge. In this case it would be left to the presiding judge to determine the total assets of the concern on the date of the violation. Since this is more or less in the nature of a civil penalty rather than a criminal penalty, although it is a criminal penalty, that should not be a difficult matter for the presiding judge to determine. So that point I think should be passed over. The presiding judge can determine that.

I repeat, Mr. Chairman, it occurs to me that when we find small businesses folding up all over this Nation and when we find a determined drive on the part of these big concerns that have thousands of units and outlets and stores to destroy the business of the small man, the Congress should want to impose certain definite penalties that are sufficiently strong to deter them from destroying these small businesses. It is going on all over the country. The amendment offered by the chairman of the Committee on the Judiciary is a good amendment for the little man, the small man. It will stop him. But there is nothing in there to stop the big man. Are we going to deliberately and knowingly pass a bill that will only deter and place in the mind and heart of the little fellow the fear of the law but is not sufficient to deter or place in the mind and heart of the owners of these billion-dollar concerns fear of the law and thereby prevent them from violating the law?

I think this amendment should certainly be agreed to.

Mr. CELLER. Mr. Chairman, I ask unanimous consent that the amendment again be read.

There being no objection, the Clerk again reported the pending amendment.

Mr. WALTER. Mr. Chairman, I rise in opposition to the amendment. There is little new in the amendment that has just been read. The same argument that was advanced for the other amendment is applicable here. I would like to call the attention of the committee to the fact that under sections 1, 2, and 3 of the Sherman Act, a prison sentence may be imposed. In addition to that, prison sentences have been imposed in cases of flagrant violations. All the Committee on the Judiciary has attempted to do by this unanimous report is to bring in line more realistically the fine which may be imposed by the court. In a word, that is what it amounts to.

I ask you to vote down the pending amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. PATMAN].

The amendment was rejected.

Mr. PATMAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PATMAN: Strike lines 8 and 9 and substitute therefor the following: "In each case the language 'fine if a corporation not exceeding $500,000, and if a natural person by a fine of not exceeding $50,000.'"

Mr. PATMAN. Mr. Chairman, this is a very plain amendment that will take care of the big man, that will apply to him. This $50,000 amendment of the committee's will only stop the little man, which is all right; he ought to be stopped if he violates the law. But this makes it possible for the judge in the proper case to fine a corporation not exceeding $500,000—not necessarily the maximum—maybe $1, maybe $25, maybe $250,000, but not exceeding $500,000, depending upon the facts. That is very plain, and I hope the Members of the House will vote for that amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas.

The amendment was rejected.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. COOPER) having resumed the chair, Mr. HAYS of Arkansas, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 3659) to increase criminal penalties under the Sherman Antitrust Act, pursuant to House Resolution 180, he reported the bill back to the House.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

Mr. PATMAN. Mr. Speaker, I offer a motion to recommit.

Mr. KILBURN. Mr. Speaker, I offer a motion to recommit.

The SPEAKER pro tempore. Is the gentleman from New York opposed to the bill?

Mr. KILBURN. I am, Mr. Speaker.

The SPEAKER pro tempore. The gentleman qualifies.

Under the rule the motion to recommit belongs to the minority.

The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. KILBURN moves to recommit the bill H. R. 3659 to the Committee on the Judiciary.

Mr. CELLER. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the motion.

The motion to recommit was rejected.

The SPEAKER pro tempore. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

RESOLUTION 171—THE CASE OF SHELL

Mr. PHILBIN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. PHILBIN. Mr. Speaker, I have previously set forth my views on the rubber disposal program and am not desirious of making further extended comments.

The chief issue presented by this resolution is exceedingly simple. It is whether the Commission in its procedures complied with the statute enacted by this Congress relating to acceptance of proposals.

Public Law 205, entitled "Rubber Producing Facilities Disposal Act of 1953," specifically states in section 7 thereof the methods by which proposals for purchase may be accepted by the Commission.

Section 7 (b) specifically states as follows: "(b) Proposals shall be in writing and shall contain among other things"—and I quote, subsection (4)—"the amount proposed to be paid for each of the facilities."

Now I take it, Mr. Speaker, that it is clear to every Member of this House that there can be no question whatever about that language. It plainly appears in the bill which this Congress enacted to regulate and control the disposal of these valuable properties whose products would be so essential to this Nation in the event of war or national emergency.

Notwithstanding this explicit, clear, undeniable language in the enabling statute, the Commission went ahead and accepted a lump-sum, or so-called package proposal from one company only, of all the other companies which had submitted proposals. The Commission thus not only clearly violated the express language of the statute, but it conferred upon the successful bidder preferential treatment not accorded to other bidders.

It is argued in effect that this was only a nominal violation and it does not go to the heart of the matter because in the broader sense the intent of Congress was carried out. I cannot accept such reasoning, because to do so would be to ignore a plain, direct, and unquestionable expression of legislative intent by this Congress.

The statute also required in the same section that the proposals shall be in writing. Would any lawyer here contend that that requirement could be dispensed with in the discretion of the Commission and that it could lawfully accept a verbal proposal?

The statute required the identification of the persons in whose behalf the pro-

posal was submitted, including the business affiliation of such person. Is there a lawyer in this Chamber who would contend that the Commission had the power to waive this requirement as it appears in the law?

Does anyone contend that the Commission could have waived any of the other requirements relating to the acceptance of bids, the posting of cash deposits, and the payment of the purchase price in these transactions?

Would the Commission have power to waive clause (h) of section 7, the so-called national-security clause, which will assure the prompt availability of the rubber-producing facilities for a period of 10 years from the date of the contract? I certainly do not think so, and I believe it would be naive as a lawyer to think that the Commission could exercise such power to waive the clear intendment and specific provisions of this in these particulars any more than the word "shall" in selective-service laws could be waived.

There has been argument here to the effect that the word "shall" in a statute can in a circumstances like this one be construed as meaning "may," thus giving the Commission discretion to act without being bound by the language which Congress has written into this act. I cannot accept such a legal result in the arguments of those who are according such powers to this Commission against the plainly written provisions of the statute.

It is my studied conviction that "shall" as it is used in this statute is mandatory and binding upon the Commission and cannot be construed in any sense as directory language which would permit the exercise of discretion. The courts will invariably presume that Congress intended to use words in their usual and natural meaning, unless such meaning leads to absurdity, or great inconvenience, or for some other reason is clearly contrary to the obvious intention of Congress.

The doctrine that where Congress wishes to impose a mandatory obligation it uses the word "shall" is supported by many court decisions. In the case of *U. S.* v. *Ganz* (48 F. Supp. 323), the court held that the word "shall" meant that the National Labor Relations Board must have a hearing, before it could exercise its discretion in having an election and that there could be no doubt that such a hearing was a prerequisite to the validity of any certification. There is an analogous situation here because the Commission under the statute must take written bids on each facility before it can accept any proposal. This means a bona fide bid given in good faith and not a nominal or absurdly low bid, or a zero bid as some claim is valid in this instance. That interpretation is a legalistic travesty.

The same requirements were enforced in the case of *Inland Empire* v. *Graham* (53 F. Supp. 369), where the word "shall" was declared as leaving no discretion with the court. This applies also where the word "shall" and "may" appear in a procedural rule—rule 25a, Federal Rules of Civil Procedure—the one act being permissive where "may" is used, and the other mandatory where "shall" is used. The cases to the contrary are all special exceptions where the word "shall" is sometimes given a merely directory meaning, if the purpose of the statute is the protection of the Government rather than the granting of rights to private citizens affected. These exceptional cases are easily distinguishable from the general rule that "shall" means must.

All of the precedents that I have been able to discover clearly indicate that the word "shall" is a word of command, unless such application is clearly inconsistent with the purposes of the statute, or unless the statute is merely for the guidance of an administrative official. This would not apply to this agreement.

Now what is the upshot of all this? Some of my learned colleagues admit in effect that the Commission might not have precisely followed the statute, but that it is splitting hairs to question this proposal. Such a view impresses me as being directly contrary to law and palpably repugnant to the interests of the Government in this case as well as justifying a discrimination against certain bidders.

These transactions are not hair-splitting transactions but involve the disposal of huge, most valuable, and highly strategic properties. They should have been conducted with scrupulous regard for the enabling statute and with serious concern for the monetary, as well as the strategic, interests of the Government. These properties are now showing annual earnings of over $55 million for the current year and on such a basis, if properly capitalized, would have a value as going concerns of several hundreds of millions of dollars.

No one, not even my able and esteemed friend, the distinguished chairman of the committee, who has so forcefully presented his side of the case, can possibly foretell when the products of these properties may be urgently required by this Nation. The plants were built by the Government in the first place because at the time private enterprise could not and would not build them on its own account. It would not risk, nor could it undertake such venturesome projects.

I am as anxious as anyone to see these properties in the hands of private enterprise and I do not want to see the Government in any phase of the rubber business any longer than it is necessary. But I want to make sure of a few very important things before I would be willing to vote during this great period of stress and emergency to divest the Government of these valuable properties. First, I want to make sure that the organic law under which the Congress seeks to dispose of our Government rubber plants is strictly complied with. I want to make sure that the Government is getting fair value and full value for the investment it has made in these plants and for the great annual earning power which they have demonstrated of over $55 million per year at the present time. I want to make sure that small-business fabricators are protected against possible actions of monopolies which might, if they chose, restrict supplies and increase prices so as to handicap small-business men and gouge consumers. I am not entirely satisfied that all these ends have been met in the agreements now before us.

Mr. Speaker, there is no need for undue haste in this important matter. While the statutory period on the present agreements is expiring, the Congress could easily authorize its extension, require strict compliance with the statute, and take another look at these agreements to test them in the light of some of the above considerations.

If we were to pursue this course we would best be serving the cause of free enterprise because we would be making it abundantly clear to the American people that as to all these transactions we have insisted upon compliance with the law and we have vigorously protected the manysided interests and needs of the Government, the Nation, our businessmen, and our consumers. In that event no one would be able to argue before the forum of American public opinion that these agreements, or any of them, as to procedure, as to method, or as to ultimate effect are contrary to law or prejudicial to the national interest.

COMMITTEE ON RULES

Mr. SMITH of Virginia. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tonight to file certain privileged resolutions.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Virginia?

There was no objection.

ESTABLISHMENT OF TRADE CENTERS IN THE UNITED STATES

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Pennsylvania [Mr. FLOOD] is recognized for 60 minutes.

Mr. FLOOD. Mr. Speaker, as I indicated this morning, I have introduced today a bill having to do with the creation, through Government support, in various cities of the United States of permanent trade centers having to do with the fostering of international trade or foreign trade.

I sent a letter to Mr. Walter Williams, Undersecretary of Commerce, and the remarks that I shall make today are based upon the contents of that letter.

Mr. Speaker, I will now set forth my views as regards the problem of developing proper media in this country, such as international trade centers, trade fairs and expositions to provide permanent foci, which we so badly need. These should definitely supply the international marts of trade, which will facilitate and implement our foreign trade operations.

I have been following, with keen interest, the President's program for our Government's participation in foreign international trade fairs through the Department of Commerce, and am certain that there will be real good come out of this effort. Also much can be done, through such participation, in stimulating the use of like media, in the United

States, which I hope this bill will further. The two efforts complement one another.

The results, in this country, through permanent establishments devoted to combined foreign and domestic commerce are few, in spite of all of the conferences, reciprocal trade agreements, and so forth, during the last 30 years. I see this lack of stable results due mostly to the fact that our Government has not assisted those worthy efforts to implement our agreements and treaties, and give us those permanent centers where foreign and domestic buyers could meet.

The Commerce Department has done a great deal in assisting these developments at home, but when it comes to money, there have been no Government funds available to activate these fine projects.

The purpose of my bill is to rectify this condition, and to make available, through a commission established, by law, of Government funds for worthy projects within the scope of our international trade needs.

I am requesting $2 million for the first year, to set up a commission of five, appointed by the President, and to ask Congress to appropriate a revolving fund of $100 million to be made available for worthy projects, under standards and conditions to be established by the commission.

One thing I wish to make clear is that it is not my intent to have the Commission control or interfere in the affairs of any corporation—either public or private—which may be the beneficiary of these moneys.

I am making the powers of the Commission very broad and flexible. To be effective, the Commission must have a flexibility of action, which, in older and more established departments of the Government have been found difficult, especially when the purpose is to promote and assist new projects.

The Commission would give financial assistance through loans, grants, purchases, construction, or guaranty of obligations, or otherwise providing needed facilities, to be operated and maintained by the Commission or the contracting corporation under lease or otherwise.

Provision would be made for professional and technical services, and the development and demonstration of new and approved techniques for promoting international trade, through such centers—permanent—as trade fairs and expositions.

The Commission would take full advantage of the legislation and privileges extended under the act of June 18, 1934, with amendments of 1950, relating to foreign-trade zones.

This Commission would be one of promotion, assistance, and the setting of standards, which the beneficiaries of this bill would be called to live up to.

Such legislation would be most helpful to the President's immediate foreign-trade legislation, as no matter what that legislation might be, we would still lack in one fundamental essential, namely, established international centers for successfully implementing this legislation in the United States of America.

May I speak of matters with which you are already familiar, and which have forced on my attention the crying necessity of doing something at home to establish an over-all foreign-trade operation and policy, and to implement such policies through established foreign-trade centers, trade fairs, and expositions.

From the standpoint of international trade, this country should not be regarded as a country, but as a continent. Consequently, we have been forced to develop a trade-center technique, which would have been impossible abroad. There, the international trade fair—for business—and the international exposition—for prestige—have become the media. There is only one permanent trade mart in Europe, and that is in Czechoslovakia, where a large building, covering a full city block, and, I believe, some seven stories high, still operates.

In America, the international trade center, the specialized fair, known as the vertical fair, together with intermittent international expositions, such as New York City and San Francisco in 1939, have been our pattern in stimulating trade in foreign merchandise and manufactures.

These, I am certain, will be advanced through this bill. The following are some of our experiences in attempting to further promotions in the field of foreign trade.

THE SEATTLE INTERNATIONAL TRADE FAIR

You know the valiant efforts which Congressman THOMAS M. PELLY has made in the past years to develop this trade fair, and also as to how difficult it has been to bring it up to its present state. The fourth edition of this fair is now successfully taking place, having been opened on March 11 by the Deputy Under Secretary of State, Hon. Robert D. Murphy. It has been a fine but most difficult effort.

SAN FRANCISCO WORLD TRADE CENTER AUTHORITY

Hon. Leland W. Cutler, chairman of the authority, and former president of the Golden Gate International Exposition, 1939, has spent nearly 10 years in bringing this world trade center to fruition. He has recently signed a contract for the construction of a trade center of 150,000 square feet in the north end of the Ferry Building. His original plans called for the building of a $7 million building, to be the first unit in a project which would take over the entire Ferry Building and involve ultimately the spending of around $50 million. This building should already be occupied today, but after Mr. Cutler's trip around the world, to make the preliminary presentation of the world trade center in 1952, he was unable to raise any money; $2 million has finally been obtained from the State of California through the State board of harbor commissioners. It is expected that construction will begin at any time.

LOS ANGELES

In 1950 a study was made for putting up a new building as a furniture mart and to include a world trade center of some 100,000 square feet to be closely linked with the Los Angeles foreign trade zone at San Pedro. Nothing has come of this plan.

ST. LOUIS

In 1950, discussions were held by Mayor Darst, of St. Louis, toward starting an exposition to celebrate the Louisiana Purchase, but lack of available funds and the Korean war resulted in this project being abandoned.

CHICAGO

During the period of construction of the Century of Progress of 1933 in Chicago, the finances were so meager that those working on the job gave up their salaries and took exposition bonds instead. This exposition would have had as great a foreign country representation as did the New York World's Fair, 1939, had there been the funds available to warrant the foreign governments participating.

In 1950, the first Chicago International Trade Fair took place after nearly as many harrowing experiences as the Century of Progress.

In 1950, a group of far-seeing businessmen in Chicago, under the able leadership of Mr. I. S. Anoff, with little cash, but having the support of the United States Department of Commerce and the Economic Cooperation Administration—ECA–Marshall plan—brought this fair into being for 2 weeks in August of the same year.

Every maiden effort to pioneer in such a new field has its faults, but in this case, such faults would have been eliminated had there been sufficient money to continue the second year.

However, surveys were later made, on the ground, in 20 of the participating European countries, and the traders who came to the Chicago fair were practically all satisfied with the actual results they had obtained.

Today, the Chicago Park Fair Commission, Mr. George Williamson, president, a public commission, is planning the erection of a fine exhibition building on the lake front, near 23d Street, which could be developed into a foreign-trade center. Chicago also has its Merchandise Mart and its American Furniture Mart, through which, incidentally, in the latter, some $13 billion of merchandise is sold annually.

Gen. Lawrence H. Whiting, president of the American Furniture Mart, has long given support to the advancement of our foreign-trade programs. The Merchandise Mart, which is owned by Hon. Joseph P. Kennedy, father of Hon. JOHN F. KENNEDY, United States Senator from Massachusetts, is gradually developing into a center for international trade.

Hon. Clarence A. Randall, author of the Randall report, should welcome the furtherance of such media as this bill is intended to create, and which will assist in implementing the President's foreign-trade legislation.

Hon. Wayne C. Taylor, former Under Secretary of Commerce to Hon. Jesse H. Jones, now of Washington, has spent many years in advancing this country's foreign-trade operations.

Chicago has certainly made a worthy contribution in this field.

HOUSTON

For the last 2 years a group of Houston businessmen has been studying the possibilities of a large international exposition. Lack of money and broad experience in this field has handicapped such a worthy effort.

Hon. Jesse H. Jones, of Houston, knows from his long experience, both as Secretary of Commerce and Chairman of the Reconstruction Finance Corporation, of which he was a member for many years, the great good intelligent Government assistance to projects of merit has accomplished in the past.

Many of these developments, which today are of such value to the country, would have ceased to exist or would have staggered along, had it not been for Government help. I have in mind one instance, that of the $75 million loan by the RFC for the construction of the San Francisco-Oakland Bay Bridge, which, I understand, could have paid off its bonds 10 years before their maturity.

We cannot forget the splendid efforts of Hon. William L. Clayton in advancing our foreign-trade programs.

DALLAS

In 1950, the State fair of Texas management went ahead with a plan for establishing a small permanent foreign trade center of the fair grounds. They went so far as to begin promotion work; however, due to lack of support the matter was dropped.

NEW ORLEANS

In New Orleans, a progressive group, headed by Mr. Rudolph S. Hecht, has evolved a highly successful operation through the medium of the International House, the International Trade Mart, in conjunction with the New Orleans Foreign Trade Zone. Plans are being furthered to increase these facilities, and, as I understand, to bring the International House and Mart under the same roof.

Since the establishment of these facilities, the foreign trade of the port of New Orleans has tripled. A real center has been created for the meeting of international traders and financiers, such as recently took place in New Orleans.

We can point with pride to the lead which New Orleans has established in the international trade center field.

PHILADELPHIA

Philadelphia has as fine fiacilities as there are in America, or in any other part of the world, for the holding of an international trade fair, following the lines developed in Europe and on this continent carried through successfully by the Canadian International Trade Fair of Toronto.

About the same square footage is available in Philadelphia as was used when Toronto held its first fair in 1948–49. With such able persons in Philadelphia, as Mayor Joseph S. Clark, Jr., and Mr. Alfred M. Greenfield, both of whom have given much study to the holding of an international trade fair, and with proper financing, I see no reason why Philadelphia should not have its own International Trade Fair, or Mart.

NEW YORK

New York City has been trying for some time to find means for focusing its foreign-trade activities. The New York World's Fair, 1939, under Hon. Grover A. Whalen, touched a certain field, but was definitely handicapped by lack of sufficient Government funds to permit it to carry into effect its original plans for foreign participation.

From 1946 to 1948 United States Attorney General Herbert Brownell, Jr., and our present Ambassador to Great Britain, Hon. Winthrop A. Aldrich, spent much time and gave profound study to the improvement of foreign-trade conditions in the port of New York.

Recently, Mr. William Zeckendorf, of Webb & Knapp, has entered this field with a serious approach to creating a real world-trade center over the Pennsylvania Railroad Station, bringing buyer and seller together from all commercial divisions of activity and from every part of the world.

Congressman EMANUEL CELLER has fathered foreign-trade-zone legislation in Congress these many years and has been of great help in the development of New York's foreign commerce.

BOSTON

For some years Mr. John M. Bresnahan, director of the port of Boston, has been making serious plans toward building an international trade center, and with the creation of the recent Port of Boston Authority, under Mr. William Gulliver as chairman, there is keen expectation that a serious port development of foreign-trade activities will result. Knowing of Secretary of Commerce Sinclair Weeks' keen interest in the progress of his home port of Boston, I trust that this bill will receive his warm support.

DETROIT

Under the inspiration of Mr. John S. Coleman and his associates, Detroit has evolved serious plans for the development of its foreign-trade facilities. What form it may take has not as yet been definitely announced, but there are tremendous opportunities in Detroit, especially with the opening of the St. Lawrence Waterway.

MIAMI

Preliminary promotional work is being carried on in Miami for a great project whose main interests will lie in South America. Mr. Harry A. McDonald, formerly chairman of the RFC, is handling such promotion.

SAN ANTONIO

Mr. Walter E. Grisham, of San Antonio, in 1950 activated a foreign-trade zone there, and opened it with a small international trade fair. Lack of funds and interest caused this project to fold up at a later date. There is still a real opportunity for a sectional international trade fair in San Antonio.

HOOVER COMMISSION

I trust that consideration will be given by the Hoover Commission to the wide potentials which this act provides.

This bill covers a field in which ex-President Hoover can speak with authority. He was European commissioner for the Panama-Pacific International Exposition of 1915, and in the years since, has given great support and sound counsel to the furtherance of our world trade, through the employment of expositions, trade fairs, and trade marts as active international media.

As you know, from your present experience in activating the President's program of our Government's participation in international trade fairs, experienced personnel in this field in America is rather limited. Such a Commission would provide an excellent opportunity for the training of younger men in the establishment and operation of international centers, trade fairs, and expositions.

All of the above-mentioned situations are known to the Department of Commerce, but I felt that if I assembled such happenings into one pattern that it would bear out my belief that such a bill, as I propose to present to Congress, would fill a great void, which today exists in our foreign-trade structure.

I know of the stalwart services of numbers of unsung civil servants in the United States Department of Commerce, who have labored long to develop these foreign-trade media. To them should go great credit.

I thank Mr. John D. Hartigan, of Washington and San Francisco, who has given me the benefit of his long experience in these international fields.

THE IDEOLOGICAL BATTLE

Mr. HILLINGS. Mr. Speaker, I ask unanimous consent to address the House for 2 minutes, to revise and extend my remarks and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. HILLINGS. Mr. Speaker, the President made some very pertinent remarks before the Advertising Council at its meeting here in Washington on March 22, 1955. In those remarks the President made clear just what the great ideological struggle going on in the world today is all about. He pointed out that on the one hand there is the materialistic dialectic which we know as communism and which denies the existence of spiritual values and holds that man is nothing but an educated animal and is useful only as he serves the ambitions—desires—of a ruling clique. On the other hand, it is the belief of the free world which recognizes that man is not merely an animal, that his life and his ambitions have at the bottom, a foundation of spiritual values, which gives him a special dignity.

The remarks of the President leave no doubt that the struggle for the minds and allegiance of men throughout the world is being stepped up and that we who are free have to exercise more initiative, more imagination, and have greater faith in the values of our free society.

I urge all the Members of the House to read these remarks which I include

herewith, because I believe they carry a message of warm understanding:

REMARKS BY THE PRESIDENT AT THE MEETING OF THE ADVERTISING COUNCIL IN THE DISTRICT RED CROSS BUILDING, MARCH 22, 1955

I think this is about the shortest introduction I have ever had.

One of the continuing problems of government, of course, is how to keep in touch with the grass roots, how to get into the understanding of the last citizen, in the remotest hamlet, the things that he should know about his Government, so that he can make intelligent decisions, and how conversely, Government is to know what those people are thinking. So, if nothing else, you can detect when there is a misunderstanding of facts or, indeed, maybe just a failure to have the facts that Government could provide.

Among all the agencies that have served a useful purpose in this regard, none has been more effective than this agency—the advertising council. Your accomplishments are referred to constantly in the circles of the administration, and always in terms of the greatest admiration and respect, and a feeling of obligation for what you are doing.

I want to make this very clear because some of the things I would like to talk about may intimate that I think you have been guilty of some failures. I don't mean it in that sense either. But I do mean that I believe there is a tremendous opportunity for all Americans in certain fields. Of all the people who are capable of taking advantake of those opportunities, this body by its past record would seem to be among the foremost.

I don't think it is necessary to point out that life has become intricate. And here at home, among the intricacies of living, the intricate relationship that each individual has toward his Government and toward his community and everything else, has been one of the reasons why we have necessarily had educational bodies of which this is one.

But when we enter the international field we run into complexities that seem almost to dwarf our understanding of what we are doing to ourselves when we accept, let us say, paternalistic gifts of the Government, without understanding for that we may be surrendering some of our ancient liberties.

Today there is a great ideological struggle going on in the world. One side upholds what it calls the materialistic diaelectic. Denying the existence of spiritual values, it maintains that man responds only to materialistic influences and consequently he is nothing. He is an educated animal and is useful only as he serves the ambitions—desires—of a ruling clique; though they try to make this finer-sounding than that, because they say their dictatorship is that of the proletariat, meaning that they rule in the people's name—for the people.

Now, on our side, we recognize right away that man is not merely an animal, that his life and his ambitions have at the bottom a foundation of spiritual values. Now this—these facts seems to make it very odd that we fear the inroads that communism is making in the capture of the minds and souls of men.

They are, too. They are winning great adherents in many areas of the world. And we wonder why. And then we say, "But we are the ones that glorify the human; our doctrines ought to appeal to the man in Burma or in Vietnam or Formosa or mid-Africa, or the Middle East."

Something is happening. And we are not presenting our case very well. Now we do know that, of course, man has his materialistic side, and his physical side, and there has got to be a decent, materialistic basis for the development of his culture, his intellectual capacity and the attainment of his spiritual aspirations. So we can't neglect that; we neglect it at our peril. It is in that field that we have got to meet our enemy very successfully.

For example, as we try to hold together the free world and try to lead it to cooperate spontaneously in its opposition to communism, we develop methods by which each country—each nation—and each individual, indeed, if we can bring that about—can achieve a continuous rise in his living standards to achieve that physical state of well-being, where these other things can occupy his attention and lead him on to a more solid partnership with a country such as ours.

So we develop a trade plan. Now a trade plan, my friends, is not just an altruistic method to open markets to the access of people all over the globe. Like all other foreign policy, its genesis is the enlightened self-interest of the United States. But it is in recognition of this fact, that if the United States itself is to prosper, it must have means by which it can sell its products, and therefore it has to buy others.

But on top of that, it is a means of leading the free world to an understanding that this physical, intellectual, spiritual being, man, can cooperate under this kind of system effectively and to his greater advancement, rather than to surrender to the blandishments of communism.

Now these are complicated subjects. When we talk about these principles, they have a different application in every subject, in every nation, indeed they have a different application in every sector of our own country.

But it would be fatal, in my opinion, here at home to allow the accumulated minor objections of each district or of each industry, because of real or fancied damage, to an enlightened trade policy, to defeat us in this great purpose of the economic union—a legitimate economic union of the free world in order that it may cleave to these great spiritual truths, which in turn make it a unity in opposing communism.

What I am trying without benefit of developed argument, is to express to you what is in my heart and mind, to convince you that, valuable as your work is at home—as much as it must be continued in combatting those who are losing confidence and faith in our country—that we must undertake the task of laying before the people of the world the facts of today's life. Those are the facts of today's struggle, and the ways and means by which we may all cooperate to the greater security of all, and to the greater prosperity of all.

To say that the solution of such a problem can be accomplished without acute pain being suffered here and there, or by some locality or by some group, would be completely silly. Of course, there is going to be pain in every cure. There is pain to the operation that restores usefulness to a broken leg, or any other kind of operation. We are not going to do any of these things without a price. But if we understand ourselves what we need to do in the world to advance our own interests, economically and from the standpoint of security, to achieve and maintain the values that we see in private enterprise—understanding how that means communion and trade with other countries—then we can undertake the task of helping others to understand it also.

It is a very subtle job, I should say. The United States cannot be in the position of just preaching to others and say, "See how successful we are. Now you just get on the bandwagon and do the same way and you will have the same results." Everybody has got to take these great principles and interpret them in his own way, applying things in his own way to his own task. Otherwise it would not be freedom, and it would not be the kind of decision in which we believe. We believe that everybody should, so far as possible, decide for themselves.

Now this is what I honestly am convinced of: That unless we make it possible, through enlightened methods, for the free world to trade more freely among the several parts of that free world, we are not going to win the ideological battle. I do not expect us to fail in this process. But I do believe that every American, dedicated to his own country and proceeding from that place, can be helpful if he tries (a) to get his fellow American to understanding what is really going on in the world, and (b) to get others to understand it without necessarily preaching at them.

I am not pleading for any special form or any special detailed method of doing this. Groups such as this have great staffs. You dig out the facts. You put them together. From those facts you draw reasonable conclusions and then you take those conclusions as the basis of a plan that you start out to place before others and get them to accept it.

So I am really pleading for an intelligent look at the great world today. How quickly you will find that every problem in the great world affects us at home. We cannot escape them. We are part of it. We are intertwined. Our future and lives, even our freedoms, may be interwined with theirs. If we can work that one out, we can help the world forward in this kind of union, one that is based upon our great spiritual belief that man is a dignified individual and is not the slave of the state; that every man has a right to aspire toward intellectual advancement, cultural advancement, and with a decent economic base on which to do these things.

If we get to going forward in that concept and each doing his legitimate and proper part, there is no more chance for communism in the world than there would be for one of us to take off and fly to the moon without the aid of science.

So I came over here this morning, first, to say thank you very much for what you have done, and to say that in my belief what you can do is far greater than all you have accomplished in the past. I think I have met every year with this group. There is no group I would rather meet with. I believe in you. I believe in what you are doing. And I believe that, therefore, because you are so good, you can't put any limit, geographical or otherwise, on your work.

Thank you a lot. I am delighted to see you.

Mr. FEIGHAN. Mr. Speaker, will the gentleman yield?

Mr. HILLINGS. I yield to the gentleman from Ohio.

Mr. FEIGHAN. Mr. Speaker, I would like to join with my distinguished colleague from California in the statement he has made with respect to the remarks of the President before the Advertising Council at its annual meeting here in Washington. I have had the opportunity to read those remarks and agree with my colleague they represent a very fundamental and practical analysis of the real problem confronting all mankind. The President advocates that we take the initiative and exercise our creative ability in a number of different ways. For example, he advocates "a legitimate economic union of the free world in order that it may cleave to these great spiritual truths, which in turn make it a unity in opposing communism."

The Select Committee To Investigate Communist Aggression, in its summary report made to Congress on December

31, 1954, recommended among other things that the President take the initiative to develop a program for the rapid and complete termination of all commercial treaties and trade with Communist governments and the initiation of a program of trade among all non-Communist nations which will strengthen the security of the free world. That recommendation was arrived at by the committee after a very careful study of all the testimony put before it by the most expert witnesses in the world. I congratulate the President on pushing forward for such a program and feel that he will receive the full support of the American people in carrying out such a program.

There are other considerations in connection with the need to break off all trade with Communist governments and to establish a strong economic union among all the non-Communist nations of the world. We must be ever mindful that if we trade with Communist governments we are putting the products of slave labor into competition with the products of the labors of freemen. We thereby put into jeopardy the hard-earned gains of the American workingman and endanger our standard of living. The record is clear that the Russian Communists have reduced all the people within their empire to a common poverty. The nations of central Europe added to the Russian colonial empire after World War II are suffering an economic poverty unknown to them for more than a century. It is the objective of the Kremlin to reduce all the world to a common poverty. One of their principal tools to accomplish that objective is trade with the free world.

It is in our enlightened self-interest to find the way and develop the means for an economic union of all the non-Communist nations of the world. I urge the President to stand firm on the position he has taken and to initiate further steps to bring about an economic unity of the free world.

INTERNATIONAL TRADE FAIR

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I was very much interested in hearing the gentleman from Pennsylvania [Mr. FLOOD] describe what the Secretary of Commerce, Mr. Weeks, is going to do in taking articles made in this country to trade fairs in Europe. In the early days of my being in Congress, ex-President Hoover was Secretary of Commerce. He helped me secure an appropriation for sending six trade commissioners to foreign countries to sell goods made in the United States. They did somewhat the same thing that will be done at this trade fair. It is interesting today, when his son is Under Secretary of State, that our trade is being furthered in other countries.

EASTER RECESS

Mr. RAYBURN. Mr. Speaker, I offer a resolution (H. Con. Res. 103) and ask for its immediate consideration.

The Clerk read the resolution as follows:

Resolved by the House of Representatives (the Senate concurring), That when the two Houses adjourn on Monday, April 4, 1955, they stand adjourned until 12 o'clock meridian, Wednesday, April 13, 1955.

The resolution was agreed to; and a motion to reconsider was laid on the table.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks was granted to:

Mr. TEAGUE of Texas and to include extraneous matter.

Mr. SMITH of Mississippi in four instances, in each to include extraneous matter.

Mr. REUSS and to include extraneous matter.

Mr. MASON on the subject, The Attack Upon Our Republican Tax Program.

Mr. DAGUE.

Mr. BURDICK.

Mr. RODINO (at the request of Mr. ALBERT).

Mr. ROOSEVELT.

Mr. HARVEY and to include the results of a poll recently taken in his district.

Mr. WICKERSHAM and to include extraneous matter.

Mr. TUMULTY and to include extraneous matter.

Mr. EBERHARTER (at the request of Mr. MCCARTHY).

SENATE BILLS AND CONCURRENT RESOLUTION REFERRED

Bills and a concurrent resolution of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 39. An act for the relief of Stanislavas Racinskas (Stacys Racinskas); to the Committee on the Judiciary.

S. 46. An act to further amend the Agricultural Adjustment Act of 1938, as amended, to exempt certain wheat producers from liability under the act where all the wheat crop is fed or used for seed on the farm, and for other purposes; to the Committee on Agriculture.

S. 72. An act to provide that certain lands acquired by the United States shall be administered by the Secretary of Agriculture as national forest lands; to the Committee on Agriculture.

S. 128. An act for the relief of Francis Bertram Brennan; to the Committee on the Judiciary.

S. 129. An act for the relief of Miroslav Slovak; to the Committee on the Judiciary.

S. 131. An act for the relief of Bohumil Suran; to the Committee on the Judiciary.

S. 143. An act for the relief of Kurt Glaser; to the Committee on the Judiciary.

S. 163. An act for the relief of Philopimin Michalacopoulos (Mihalakopoulos); to the Committee on the Judiciary.

S. 167. An act for the relief of Ernesto DeLeon; to the Committee on the Judiciary.

S. 195. An act for the relief of Giuseppe Minardi; to the Committee on the Judiciary.

S. 243. An act for the relief of Szjena Peison and David Peison; to the Committee on the Judiciary.

S. 244. An act for the relief of Anna C. Giese; to the Committee on the Judiciary.

S. 245. An act for the relief of Ahmet Haldun Koca Taskin; to the Committee on the Judiciary.

S. 246. An act for the relief of Marina Bernardis Zivolich and Mirko Zivolich; to the Committee on the Judiciary.

S. 271. An act for the relief of June Rose McHenry; to the Committee on the Judiciary.

S. 323. An act for the relief of Luigi Orlando; to the Committee on the Judiciary.

S. 348. An act for the relief of Charlampos Socrates Iossifoglu, Nora Iossifoglu, Helen Iossifoglu, and Efrossini Iossifoglu; to the Committee on the Judiciary.

S. 349. An act for the relief of Aron Klein and Zita Klein (nee Spielman); to the Committee on the Judiciary.

S. 350. An act for the relief of Siegfried Rosenzweig; to the Committee on the Judiciary.

S. 351. An act for the relief of Ellen Henriette Buch; to the Committee on the Judiciary.

S. 352. An act for the relief of Isaac Glickman, Reghina Glickman, Alfred Cismaru, and Anna Cismaru; to the Committee on the Judiciary.

S. 375. An act for the relief of Alexy W. Katyil and Ioanna Katyil; to the Committee on the Judiciary.

S. 378. An act for the relief of Giuseppina Latina Mozzicato and Giovanni Mozzicato (John Mozzicato); to the Committee on the Judiciary.

S. 386. An act for the relief of Sandra Lea MacMullin; to the Committee on the Judiciary.

S. 394. An act for the relief of Ali Hassan Waffa; to the Committee on the Judiciary.

S. 409. An act for the relief of Inge Karup; to the Committee on the Judiciary.

S. 412. An act for the relief of Jan Hajdukiewicz; to the Committee on the Judiciary.

S. 416. An act for the relief of Anastasia Alexiadou; to the Committee on the Judiciary.

S. 429. An act for the relief of Franciszek Janicki and his wife Stefania Janicki; to the Committee on the Judiciary.

S. 432. An act for the relief of Aniceto Sparagna; to the Committee on the Judiciary.

S. 466. An act for the relief of Capt. George Gafos, Eugenia Gafos, and Adamantios George Gafos; to the Committee on the Judiciary.

S. 471. An act for the relief of Aina Brizga; to the Committee on the Judiciary.

S. 474. An act for the relief of Maria Elena Venegas and Sarah Lucia Venegas; to the Committee on the Judiciary.

S. 481. An act for the relief of Gerard Lucien Dandurand; to the Committee on the Judiciary.

S. 503. An act for the relief of Cirino Lanzafame; to the Committee on the Judiciary.

S. 585. An act for the relief of Dr. Chang Ho Cho; to the Committee on the Judiciary.

S. 599. An act to prohibit the transportation of obscene matter in interstate or foreign commerce; to the Committee on the Judiciary.

S. 600. An act to amend title 18 of the United States Code, relating to the mailing of obscene matter; to the Committee on the Judiciary.

S. 640. An act for the relief of Roger Oullette; to the Committee on the Judiciary.

S. 734. An act to amend title 18, United States Code, section 871, to provide penalties for threats against the President-elect and the Vice President; to the Committee on the Judiciary.

S. 735. An act for the relief of Sarah Kabacznik; to the Committee on the Judiciary.

S. 802. An act to amend the Universal Military Training and Service Act, as amended, to remove the requirement for a final physical examination for inductees who continue on active duty in another status in the Armed Forces; to the Committee on Armed Services.

S. 804. An act to amend section 201 (e) of the Career Compensation Act of 1949, as amended, to provide for advance payments of certain pay and allowances of members of the uniformed services, and for other purposes; to the Committee on Armed Services.

S. 891. An act for the relief of Chokichi Iraha; to the Committee on the Judiciary.

S. 948. An act to provide transportation on Canadian vessels between ports in southeastern Alaska, and between Hyder, Alaska, and other points in southeastern Alaska or the continental United States, either directly or via a foreign port, or for any part of the transportation; to the Committee on Merchant Marine and Fisheries.

S. 1021. An act for the relief of Leo A. Ribitzki, Mrs. Charlotte Ribitzki, and Marion A. Ribitzki; to the Committee on the Judiciary.

S. 1166. An act to amend section 6 of the Act of August 30, 1890, as amended, and section 2 of the Act of February 2, 1903, as amended; to the Committee on Agriculture.

S. 1167. An act to amend the Soil Conservation and Domestic Allotment Act; to the Committee on Agriculture.

S. Con. Res. 17. Concurrent resolution favoring the suspension of deportation of certain aliens; to the Committee on the Judiciary.

ADJOURNMENT

Mr. WRIGHT. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock p. m.) the House adjourned until tomorrow, Wednesday, March 30, 1955, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

610. A letter from the Acting Director, Bureau of the Budget, Executive Office of the President, relative to reporting that the appropriation to the Veterans' Administration for "Grants to the Republic of the Philippines," for the fiscal year 1955, has been apportioned on a basis which indicates a necessity for a supplemental estimate of appropriation, pursuant to paragraph 2 of subsection (e) of section 3679 of the Revised Statutes, as amended; to the Committee on Appropriations.

611. A letter from the Acting Director, Bureau of the Budget, Executive Office of the President, relative to reporting that the appropriation to the Treasury Department, "Salaries and expenses, Bureau of Accounts," for the fiscal year 1955, has been reapportioned on a basis which indicates a necessity for a supplemental estimate of appropriation, pursuant to paragraph (2) of subsection (e) of section 3679 of the Revised Statutes, as amended; to the Committee on Appropriations.

612. A letter from the Administrator, Housing and Home Finance Agency, transmitting a draft of proposed legislation entitled "a bill to amend section 1 of the act entitled 'An act to authorize relief of accountable officers of the Government, and for other purposes'," approved August 1, 1947 (61 Stat. 720); to the Committee on Government Operations.

613. A letter from the Acting Postmaster General, transmitting a draft of proposed legislation entitled "A bill to amend section 1721, title 18, United States Code, relating to the sale or pledge of postage stamps"; to the Committee on the Judiciary.

614. A letter from the Administrator, Housing and Home Finance Agency, transmitting a draft of proposed legislation entitled "A bill for the relief of certain officers and employees of the Public Housing Administration"; to the Committee on the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. COOLEY. Committee on Agriculture. S. 752. An act to amend section 102 (a) of the Agricultural Trade Development and Assistance Act of 1954, so as to eliminate the requirement that privately owned stocks exported thereunder be replaced from Commodity Credit Corporation stocks; without amendment (Rept. No. 309). Referred to the Committee of the Whole House on the State of the Union.

Mr. MADDEN: Committee on Rules. H. Res. 174. Resolution amending the rules of the House of Representatives to increase the pay of witnesses; without amendment (Rept. No. 310). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BLATNIK:

H. R. 5296. A bill to extend and strengthen the Water Pollution Control Act; to the Committee on Public Works.

By Mr. BROOKS of Louisiana:

H. R. 5297. A bill to provide for the strengthening of the Reserve Forces, and for other purposes; to the Committee on Armed Services.

By Mr. CRAMER:

H. R. 5298. A bill to extend certain veterans' benefits to or on behalf of dependent husbands and widowers of female veterans; to the Committee on Veterans' Affairs.

By Mr. ENGLE (by request):

H. R. 5299. A bill to authorize the establishment of the Virgin Islands National Park and for other purposes; to the Committee on Interior and Insular Affairs.

By Mrs. FARRINGTON:

H. R. 5300. A bill to authorize the establishment of the City of Refuge National Historical Park, in the Territory of Hawaii, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. FLOOD:

H. R. 5301. A bill to create an International Trade Commission to promote the establishment and improvement of international trade centers, trade fairs, and expositions; to the Committee on Ways and Means.

By Mr. GRANAHAN:

H. R. 5302. A bill to amend the Fair Labor Standards Act of 1938 so as to increase the minimum hourly wage from 75 cents to $1.25; to the Committee on Education and Labor.

By Mr. HAYS of Ohio:

H. R. 5303. A bill to further amend the Agricultural Adjustment Act of 1938, as amended, to exempt certain wheat producers from liability under the act where all the wheat crop is fed or used for seed on the farm, and for other purposes; to the Committee on Agriculture.

By Mr. KEARNS:

H. R. 5304. A bill authorizing the Administrator of Veterans' Affairs to issue insurance policies to pay off veterans' home loans in the event of death of the veteran; to the Committee on Veterans' Affairs.

By Mr. MACK of Illinois:

H. R. 5305. A bill to amend the Railroad Retirement Act of 1937, as amended, and the Railroad Unemployment Insurance Act; to the Committee on Interstate and Foreign Commerce.

By Mr. METCALF:

H. R. 5306. A bill to protect and preserve the national wildlife refuges, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. ROGERS of Texas:

H. R. 5307. A bill to amend section 602 of the National Service Life Insurance Act of 1940 to provide for lump-sum payments to certain beneficiaries under such act; to the Committee on Veterans' Affairs.

By Mr. ROOSEVELT:

H. R. 5208. A bill to extend to uniformed members of the Armed Forces the same protection against bodily attack as is now granted to personnel of the Coast Guard; to the Committee on the Judiciary.

By Mr. SEELY-BROWN:

H. R. 5309. A bill to amend the Tariff Act of 1930 as it relates to unmanufactured mica and mica films and splittings; to the Committee on Ways and Means.

By Mr. SIKES:

H. R. 5310. A bill to quiet title and possession with respect to certain real property in the city of Pensacola, Fla.; to the Committee on Interior and Insular Affairs.

By Mr. WALTER:

H. R. 5311. A bill to amend section 1861 of title 28, United States Code, in relating to the qualifications of jurors, and for other purposes; to the Committee on the Judiciary.

By Mr. CARLYLE:

H. R. 5312. A bill authorizing an appropriation of $5 million to repair hurricane damage along the coast of North Carolina; to the Committee on Public Works.

By Mr. METCALF:

H. R. 5313. A bill continuing the Indian Claims Commission to April 10, 1962; to the Committee on Interior and Insular Affairs.

By Mr. NORRELL:

H. R. 5314. A bill to extend the benefits of the feed and seed program in disaster areas to certain orphanages and similar institutions which operate farms; to the Committee on Agriculture.

By Mr. SMITH of Mississippi:

H. R. 5315. A bill to repeal the manufacturers' excise tax on rebuilt automotive parts and accessories; to the Committee on Ways and Means.

By Mr. LANHAM:

H. J. Res. 269. Joint resolution proposing an amendment to the Constitution of the United States, relating to the legal effect of certain treaties and other international agreements; to the Committee on the Judiciary.

By Mr. RAY:

H. J. Res. 270. Joint resolution to designate the musical composition by John Philip Sousa, known as the Stars and Stripes Forever, as the official national march of the United States of America; to the Committee on the Judiciary.

By Mr. RODINO:

H. Con. Res. 104. Concurrent resolution expressing the sense of the Congress in favor of the revision of the status-in-forces agreement so that foreign countries will not have criminal jurisdiction over American personnel stationed within their boundaries; to the Committee on Foreign Affairs.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the Territory of Alaska, memorializing the President and the Congress of the

United States urging the enactment of legislation to bring domestic tin into the same category as tungsten and other strategic metals, extending over a period of years sufficient to allow ample time for privately financed exploration, and thereafter development and production from the existing domestic deposits, and those which may be discovered; to the Committee on Armed Services.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ADDONIZIO:

H. R. 5316. A bill for the relief of Marianne Harpeng; to the Committee on the Judiciary.

By Mr. BARTLETT:

H. R. 5317. A bill for the relief of Matt Rayner, Frank Rayner, and Ole Johnson; to the Committee on the Judiciary.

By Mr. BOYLE:

H. R. 5318. A bill for the relief of Gong Poy (also known as Gong Suey Way and Fred Gong); to the Committee on the Judiciary.

By Mr. HAYS of Ohio:

H. R. 5319. A bill for the relief of Brigitte Koehler; to the Committee on the Judiciary.

By Mr. PRESTON:

H. R. 5320. A bill for the relief of Elpis Eleptheria Morelell; to the Committee on the Judiciary.

By Mr. ROGERS of Florida:

H. R. 5321. A bill for the relief of Robert B. Peterman; to the Committee on the Judiciary.

By Mr. SCUDDER:

H. R. 5322. A bill for the relief of Sister Jules M. Bernadette; to the Committee on the Judiciary.

By Mr. SEELY-BROWN:

H. R. 5323. A bill for the relief of Khalil S. A. Aoun; to the Committee on the Judiciary.

By Mr. SMITH of Wisconsin:

H. R. 5324. A bill for the relief of Mrs. Emma Gafner; to the Committee on the Judiciary.

By Mr. TUMULTY:

H. R. 5325. A bill for the relief of Sam Fatovich; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

179. By Mr. CANFIELD: Resolution of the American Bar Association urging the repeal of title V, entitled "Fees and Charges" of the Independent Offices Appropriation Act; to the Committee on Appropriations.

180. By the SPEAKER: Petition of the Grand Knight, Rockaway Council No. 2672, Knights of Columbus, Rockaway Beach, Long Island, N. Y., expressing their support of the Bricker amendment, Senate Joint Resolution 1; to the Committee on the Judiciary.

EXTENSIONS OF REMARKS

Trade Program in Peril

EXTENSION OF REMARKS
OF
HON. FRANK E. SMITH
OF MISSISSIPPI
IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 29, 1955

Mr. SMITH of Mississippi. Mr. Speaker, under unanimous consent, I include the following address by the Honorable ALBERT GORE, in New York City, before the Committee on Foreign Trade Education, Inc., upon the occasion of the receipt of the annual Cordell Hull award:

Mr. Chairman, ladies and gentlemen, to be chosen for the Cordell Hull award of the Committee on Foreign Trade Education is an honor which has a special significance for me. I have known former Secretary Hull since my boyhood in the little town of Carthage, Tenn. I guess that if I had a real idol, as a boy, that idol was Judge Hull. He was the Congressman from my district, and I have a very vivid memory of the times I used to sit on the grass in front of the courthouse in Carthage and listen spellbound, as Judge Hull talked about national and international affairs. Later, when I began to have ambitions of my own, Judge Hull was kind and generous enough to encourage me. He is still my ideal of what an American statesman should be.

In my opinion, one of the greatest contributions Cordell Hull made to the prosperity of the Nation was his conception of what expanded international trade would mean. When Judge Hull became Secretary of State in 1933 our economy was in such a serious decline that it was obvious that some emergency action had to be taken. We and other nations of the world were hiding behind high-tariff walls and trying to outdo each other in erecting barriers to international trade. As a result, the 2-way flow of goods so necessary to economic life and vitality had practically ceased, and our international commerce had become stagnant. Unsalable surpluses piled up, arteries of trade became choked and clogged, and millions of men became hungry and desperate. Our farmers and workers needed jobs, and they needed markets for the output of their labor.

In searching for a cure for this atrophy of commerce, Judge Hull lifted his sights above the ordinary petty squabbles of the domestic market place. He sought to develop new markets abroad which would absorb our surplus production. But he knew that to sell abroad, we must be willing to buy from abroad. So he came forward with the idea of making agreements with other countries to lower some of our trade barriers to their products, in exchange for agreements by those countries to open some of their markets to us.

The basic formula worked so well that it is still in effect. The reciprocal-trade program that Judge Hull gave us is still good—but to remain a living, vital force for the expansion of our economy, it must be liberalized somewhat to take into account present-day situations. Even the best of programs must be kept abreast of the times, must be nourished from time to time with new enthusiasm and new ideas.

President Eisenhower has asked the Congress to extend the life of the program for another 3 years, and to make some very moderate improvements.

I am convinced that passage of H. R. 1 is the very minimum that should be done to bolster our sagging foreign trade, and to maintain the unity among free nations that we have achieved at such great cost. Failure to take this minimum step would signal a return to the protectionist policies which played a significant part in wrecking our economy in the early 1930's. More than that, it would seriously damage the grand alliance of free nations that stands with us as a bulwark against the spread of communism.

Last fall I went to Geneva as a United States delegate to an international conference on the General Agreement on Tariffs and Trade. While there I had an opportunity to talk to officials of dozens of countries. From these talks I got the impression that the whole free world was waiting to see what direction our international trade policy would take. I am convinced that any indication on our part of a return to protectionist policies would cause a stampede among other nations to raise their tariffs and erect any other protectionist barriers they can devise. For that reason alone, though there are many others, it is imperative that the President be given the new authority he asks under H. R. 1, without crippling amendments.

H. R. 1 has passed the House of Representatives, where it got by on a margin of one vote. It is now before the Senate Finance Committee. During the past few days I have been surveying the situation in the Senate. What I learned is most disturbing. The shocking truth is that as of now the President's program is in grave danger of defeat.

I know you are asking yourselves how it can be that this program is in danger of defeat if it is so important to our economic well-being, if it is so necessary to the strengthening of the free nations of the world in their fight against the spread of communism. I, too, have sought an answer to that question, and I think I have a part of it.

With the election of a Democratic Congress last fall it was assumed by most of those interested in seeing a liberalized foreign trade program enacted, that there would be very little difficulty in passing the President's program. But it appears we did not reckon seriously enough with the high-tariff lobby. That lobby has carried on a furious propaganda campaign against the trade program, while supporters of the program, for the most part, have failed to combat this campaign.

Supporters of the program should have been warned by the close vote in the House of Representatives that there was serious trouble afoot. But apparently that warning passed practically unheeded, and while those who favor an enlightened international trade program are snug in their complacency, the high-tariff lobby is busy trying to influence public opinion and win votes against the program with an insidious campaign of misinformation.

This is not the first time the tariff lobby has attempted to sell one-sided half-truths to try to block an enlightened trade program. That lobby has been in business a long time. Even in President Woodrow Wilson's day it was at work, and its efforts became so notorious that President Wilson felt compelled to issue a statement of warning to the country. Because I think that warning would be applicable today, I want to read what President Wilson had to say:

"I think the public ought to know the extraordinary exertions being made by the lobby in Washington to gain recognition for certain alterations in the tariff bill. Washington has seldom seen so numerous, so industrious, and so insidious a lobby. The newspapers are being filled with paid advertisements calculated to mislead not only the judgment of public men, but also the public opinion of the country itself. There is every evidence that money without limit is being spent to sustain this lobby and to create an

appearance of a pressure of opinion antagonistic to some of the chief items of the tariff bill.

"It is of serious interest to the country that the people at large should have no lobby and be voiceless in these matters, while great bodies of astute men seek to create an artificial opinion and overcome the interests of the public for their private profit. It is thoroughly worth the while of the people of this country to take knowledge of this matter. Only public opinion can check and destroy it."

It is unfortunate that everything that President Wilson said about the tariff lobby in his day applies to that lobby today. It is unfortunate, too, that President Eisenhower has not emulated President Wilson's warning that the tariff lobby threatens the national interests. President Eisenhower must fight for the reciprocal-trade program and win the support of at least a few Republican Senators, or it will be defeated. So far the Senate has had only a tepid presidential message, and this seems to have had no effect upon Senators of the President's own political party who last year voted unanimously against the program.

Meanwhile, the lobby seeks to convince businessmen they are likely to be bankrupted by competition from imports, and it seeks to scare labor with the specter of unemployment caused by failure of businesses unable to meet import competition. But industries that really suffer from imports are decidedly in the minority, and in most cases only a few specialty lines in a given industry would have substantial difficulty meeting import competition. But the tariff lobby has tried to freighten all industry and all Members of the Senate by harping on the possible or imaginary plight of a few specialty lines. I insist that this practice has gone too far, and it is grossly misleading and dangerous to our country.

Secretary of Commerce Sinclair Weeks, in testimony before the House Ways and Means Committee in 1953 estimated that 4,376,000 workers in this country owe their jobs to foreign trade. This is a very significant portion of our working force. Meanwhile, the Randall Commission, appointed by the President to study trade problems, estimated in a staff paper that only 202,000 workers might be adversely affected if all tariffs were suspended. Of course, H. R. 1 does not call for the suspension of all tariffs by any means. It only authorizes the President to make selective reductions in tariffs not to exceed 5 percent per year for the next 3 years. But to all of this, the tariff lobby is blind. It overlooks the serious impact a return to protectionism would have on more than 4 million persons whose jobs depend upon foreign trade.

The lobby runs heavy advertising campaigns in Washington newspapers, and now it has set off a letter-writting campaign from the home State of each Senator. Some of the letters we receive from constitutents are no doubt genuine. But many more are obviously inspired by the tariff lobby. The lobby has gone to great pains to make the letters seem plausible and genuine, but after you read a few of them you begin to see the same ideas, phrases, and wording coming up again and again.

One letter I got is a prime example of what the lobby can do with its fear technique. This letter, well written and on the surface apparently plausible, came from the head of a very substantial business in Tennessee. The letter indicated this man's business was suffering seriously from import competition, and might be wiped out if H. R. 1 were passed. But what were the facts on imports of his product?

Well, imports were running at about $13,000 a year, but exports were more than $800,000. The tariff lobby had so misled and so frightened this businessman that he was ready to jeopardize an $800,000 export business in order to cut off $13,000 worth of imports. A good trade program would help this man expand his export market.

There you see the picture—the tariff lobby trying to frighten and enlist in its cause even persons who have a very great stake in passage of H. R. 1.

Because there are a few specialty lines in the cotton-textile industry which experience strong competition, the lobby has sought to convince Congress that the whole textile industry is in danger. Cotton-textile workers are one of the prime targets of the lobby. It has created fear of unemployment among these workers and played upon that fear in a most unpardonable manner. It has convinced many of these workers that they are slowly being driven out of their jobs by import competition. But what are the facts?

We produce cotton cloth at the rate of about 10 billion square yards a year. Imports were about a half of 1 percent of that amount, or 50 million square yards, but those imports were far more than offset by exports of 600 million square yards. That is, we sold abroad 12 times as much cotton cloth as we imported. Cotton-textile workers have a very great interest in expanding those markets abroad so they can sell more of their product, and the authority granted the President in H. R. 1 would help to expand those markets.

Coal miners are another group to which the lobby's propaganda is directed. The miners are told that the serious decline in the market for coal is due to imports of residual fuel oil from Venezuela. Now no one will deny that the coal industry is in a distressed condition. From 1947 to 1953 it lost markets for 155 million tons of coal. But during those same years the increase in use of residual fuel oil was equivalent to only 11 million tons of coal. So the coal industry must look elsewhere for reasons for the loss of markets for at least 144 million tons of coal. During this same period, coal exports declined by 35 million tons. Recapture of those export markets would answer part of the problem, and passage of H. R. 1 could very well facilitate that recapture.

The chemical industry also presents a picture of unreasoned fear. It is one of our fastest growing industries, increasing production by about 10 percent a year as compared to 4 percent a year for all industry. Last year its production was worth about $20 billion. Its exports were worth just under 1 billion, but chemical imports were valued at only about a fourth as much. In addition, imports are on the decline. Last year they were 15 percent under the 1953 level.

We simply must find some way to inform the public that it is being hoaxed by the tariff lobby; we must find a way to let the people know what is at stake, that their larger interest lies in an expansion rather than in a shrinkage of trade. Otherwise, the program may suffer defeat, and this great practical approach to greater prosperity developed by Cordell Hull will wither on the vine. Then the race to protectionism will start once again and international trade will stagnate. Our economy and the economies of the free world nations will suffer. I can think of nothing that would better suit the purposes of the Kremlin in Moscow.

Looking beyond congressional action on H. R. 1, there is still another important trade battle to be fought this year. On Monday our representatives signed at Geneva a series of agreements for revision of the General Agreement on Tariffs and Trade which was first negotiated in 1948. These revisions were agreed upon in negotiations with some 34 nations which, together with our own country, conduct about 80 percent of the international trade in the free world. One of the most important documents our representatives signed was an agreement which would set up an Organization for Trade Cooperation to administer the general agreement. However, before this organization can become effective, it must be approved by Congress. And there, I suppose, we shall face another all-out battle by the tariff lobby.

The General Agreement seeks to establish some ground rules on trade among member nations, and they are sorely needed. In many cases tariff rates are not the most serious barrier to the flow of international commerce. Many other trade gimmicks can be employed which are even more effective in blocking our exports than a tariff would be. Among these protectionist devices are exchange controls, licensing restrictions, import quotas, and internal taxes on imports.

One of the main objectives of the general agreement is to bring about a decline in the use of these discriminatory weapons. In the 7 years since it was first negotiated, the general agreement has been instrumental in curbing the indiscriminate application of these economic weapons. In some cases we ourselves have gotten relief from discrimination after filing complaints based upon provisions in the general agreement.

One case involved the imposition by another nation of a nine percent sales tax on imported lumber, a tax from which domestic lumber was exempted. After we complained, the tax was applied to domestic lumber as well. In another case, an embargo on American potatoes was lifted by another country after we complained. A third case involved the efforts of the British to wean their population away from smoking pure Virginia cigarettes by requiring a 5 percent admixture of Oriental tobaccos. After several protests, based on provisions of the general agreement, the prohibition on the manufacture of unblended Virginia tobacco cigarettes was lifted. A score of other such cases exist—separately unspectacular for the most part, but impressive in total. It is doubtful that we would have gotten such redress in these cases in the absence of the general agreement.

As soon as H. R. 1 is passed, I believe it is imperative that we begin to work for congressional approval of the Organization for Trade Cooperation to administer the general agreement. For we are the greatest trading nation in the world, and if we fail to ratify these accords, then the organization will fall apart.

I am convinced that isolation, in whatever form, political or economic, is no longer a safeguard for the United States, but a menace. We can no longer pretend that what we do is irrelevant to those who are with us in the grand alliance of free nations. Our economic position is so preeminent that what we do affects every member of the alliance. It is no longer possible for us to regard trade as solely a matter of domestic politics. Fortunately, we are in a position where our own economic interests and our world responsibilities converge in a trade policy that will permit an expansion of international commerce.

I do not regard the problem of developing an enlightened trade policy as one that we can take or leave alone, but rather as one that presses for an immediate solution. For, in the words of President Eisenhower, "If we fail in our trade policy we may fail in all."

Is the Working Family To Be Ignored in Present Administration Tax Policy?

EXTENSION OF REMARKS
OF

HON. HERMAN P. EBERHARTER
OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 29, 1955

Mr. EBERHARTER. Mr. Speaker, under unanimous consent heretofore granted to insert in the body of the RECORD a statement, herewith are my views covering generally the present situation with regard to taxation.

I cannot bring myself to agree to the conference report on H. R. 4259, to be presented tomorrow for consideration.

To do so will cruelly deny modest tax relief designed to benefit the needy family in the lower income brackets, while at the same time the "fat-cat" Republican Revenue Act of 1954 will continue to drain off billions in tax benefits predominately to large business, dividend recipients and wealthy individuals.

It is arrant fiscal irresponsibility, we are lectured from high administration places, to give modest tax relief to lower-income families—to give a direct tax saving of $20 each to the father and mother and for each dependent child, so that the relief will be more effectively felt at the lower-income levels where the family burden presses the heaviest.

But—so goes the lecture from the same high administration sources—it is an act of high ennobled statesmanship, contributing to the welfare and stability of every humble home and fireside, to give unbounded tax relief to big corporations, coupon clippers, and wealthy individuals as was done last year in the Revenue Act of 1954.

I and other Members on my side of the aisle took the floor many times last year and this to protest the one-sided character of that 1954 act, particularly as to its dividend credit tax bonanza and its distorted and swollen depreciation tax allowances to corporations.

The dividend-credit provision of that 1954 act—the special-tax reduction for coupon clippers—will cost $362 million a year. Eighty percent of that relief will go to the six-tenths of 1 percent of American families who own four-fifths of all publicly held stock. Ninety-two percent of American families own no stock and get no benefit. Less than 4 percent of all taxpayers—those with incomes over $10,000—receive 76 percent of all dividend income. And eight-tenths of 1 percent of all American families—those with incomes over $25,000—get 55 percent of all dividend income.

I ask, is it a token of fiscal responsibility that special-tax relief be accorded a favored limited group of dividend recipients—the unearned income class—but even most modest relief be denied the mass of taxpayers who work and toil for earned income?

The special depreciation allowances granted by last year's tax bill—thinly disguised special tax credits for increased corporate dividends or favored capital-gains benefits to stockholders on corporate reinvestment of tax-free earnings—will continue to cost billions in reduced Federal revenues for a generation. Expert students of intricate tax maneuvers and business finance estimate that by the year 1960 the United States Treasury would be losing, at present levels of gross national product, about $3 billion per year as a result of these new depreciation provisions if current tax rates on business remain the same. The same sources estimate that by 1955 the tax loss would rise to more than $5 billion per year, and it would continue to rise thereafter. I commend to the attention of the Members the revealing study of Depreciation Under the New Tax Law, by Robert Eisner, published in the Harvard Business Review for January 1955, and reprinted in the RECORD of March 11 at page 2708.

But when the 1954 act was under consideration and even as of recent date, we were told in solemn assurance by the Secretary of the Treasury, and other administration fiscal pundits who now lecture us on fiscal irresponsibility, that these swollen depreciation tax benefits will really cost the Federal Government nothing. They say that if you view their tax effect on one piece of new machinery (and please limit your myopic view to only one added machine by the taxpaying corporation in this dynamic business economy of ours), then the Government will later get back the taxes it lost in the earlier years because no more depreciation tax allowances can be taken after the full cost of that single machine has been written off for tax purposes.

"Baloney," as a forthright statesman, dear to my memory, might have responded. The shallow assurance that the increased depreciation tax allowance "all washes out in the end"—to quote the study above referred to—"not only is misleading, it is to all practical purposes flatly erroneous." It mistakes the effect on a single piece of property for the cumulative tax effect, typical of American corporations, of increasing investment in new property additions each year in keeping with the economic growth of our system. Assume that gross additions of property are made at a constant rate each year by one of the big corporations in a heavy capital industry, if the properties last 33 years depreciation tax allowances under the generous new methods of last year will exceed tax writeoff under the old method in each of the first 27 years under one of the new methods and in every one of the first 33 years under the other new method authorized last year. The tax benefit does not "wash out in the end"; it can pile billions upon billions in reduced corporation taxes each continuing year for the next generation.

"When do we get back those billions?" I inquire after due heed to recent public sermonizing on fiscal responsibility. When I tried last year to find out from the Secretary of the Treasury, I ran into a stumbling block of refusal to give the information at first, then official stall, and finally airy assurance to the effect that "it all washes out in the end."

Not even the Wall Street Journal accepts the glib assurance of the Treasury that the new depreciation tax allowances "all wash out in the end." To quote from the lead editorial appraisal in the issue of March 28, 1955:

> As shown here a few weeks ago, the depreciation change can produce large cumulative effects over the years. On any single piece of property the effect is minor. It merely postpones taxable income a few years by concentrating the depreciation in the early part of the life of the property. But as new facilities are built year by year, the relative weight of the early, heavy depreciation rates will keep growing, and Federal revenues will reflect this.

Yes; $362 million a year of special tax benefits directly to stock dividend recipients—coupon clippers—and billions more per year in corporate tax benefits through tax-free depreciation allowances to be kept in company tills, distributed to stockholders, or reinvested with consequent increased stock values able to be realized upon at favored capital gains rate of taxation. In the eyes of "administration lecturers," that must be the acme of fiscal responsibility.

Relief for the wealthy, we are told, will stimulate investment and promote confidence. It will sustain that delicate maiden, whose confidence we must so tenderly nourish, the stock market boom. Relief for the needy, this administration tells us, must be spurned as phony and base political trickery. For the latter—for the needy—the weight of the tax load on their burdened backs will help spur their daily toil and assure heightened awareness of the precious price of citizenship.

Some other observers, perhaps lacking in self-righteous zeal for the current brand of fiscal responsibility, detect in this strutting fiscal conscience only the old hardpanned trickle-down theory again restored to its place of public eminence after years of brooding silence. I doubt that in our modern economy, sustained as it must be by mass purchasing power and ever-broadening distribution of the products of farm and factory, the trickle-down will be adequately or timely in rate of flow to promote the truly dynamic expanding economy that lies within our reach.

I urge disagreement to the conference report. I respect the views reluctantly reported by the majority members of the committee of conference. I know their sincerity, their deep conviction, and their persistent effort to gain acceptance of House action in passing the $20 tax credit. Only under adament threat of Presidential veto on the eve of expiration of current higher rates of corporate and excise taxes did they bow to Executive fiat.

But I am still mindful that our Founding Fathers wrote in the Constitution that "all bills for raising revenue shall originate in the House of Representatives" and to the Congress the Constitution gave the power to lay and collect taxes. Too often of late has this House—its elected Members—forsworn its rightful prerogative. Let us assert it now, confident in the human justice

and economic justice of our prior action, lest by failure to do so we embolden further the disciples of the McKinley era in their new onslaught of power and privilege. If we disagree to the conference report, then this House itself lifts the awesome responsibility from the individual shoulders of the able chairman of the conference committee and his fellow conferees. I doubt that the administration, despite its blustering threats, would rashly jeopardize by veto the true fiscal responsibility and fairness of our Government. The pages of history are studded with examples where human liberty and justice were won only by like defiance of entrenched power.

Farmers Who Lived Through the Last Depression Have No Difficulty in Supporting Full Parity

EXTENSION OF REMARKS
OF
HON. USHER L. BURDICK
OF NORTH DAKOTA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, March 29, 1955

Mr. BURDICK. Mr. Speaker, the other day I received a letter from a man in Florida who felt I was being inconsistent by coming out for full parity and the family-type farmer. Here is what I told him:

Through press of business I could not get to your letter until today, and I note you think I am inconsistent when I propose the farm bill, H. R. 748. It may seem so on the surface, but if you lived through the last depression when we spent untold millions on feeding people, reorganizing the banks, and, in fact, every business in the country, you will remember that this great depression started on the farms. In my State wheat was 26 cents a bushel, not enough to cover the cost of harvesting and threshing, and many farmers burned their fields. Stores out there were filled with goods, but the buying power was gone, and in turn manufacturers could not sell and factories closed. At one time there were 15 million people walking the streets for something to eat. WPA and PWA were set up to give jobs. In my State alone in some counties 72 percent of the people were on relief. It swept clean as the businessmen and banks went to the wall. Seventy percent of the banks in North Dakota, South Dakota, and elsewhere in the West closed.

I do not want this to happen again—but if it is necessary to educate the people further, we can let the farms go and no matter what business you are in, it will finally reach you. It will reach you if you have insurance policies or any kind of investments.

You will recall that in the debates on the old price supports, nothing was said about putting the farmer back on his feet, but all emphasis was centered on putting the whole country back on its feet. The plan worked and when the farmer could get a price his buying power returned and factories reopened and the jobless went to work. My principal business was farming at that time, and I lost all I had—$150,000 and some more I had to earn and pay back later. I lost all my land, and when elected to Congress I had to borrow $100 to get to Washington. I was not alone—if I had been I would have concluded it was my fault, but all went down.

All parity means now or ever did mean was that a farmer should receive a price commensurate with what he has to pay out. You can see combines at $2,000 (in those days) and wheat at 26 cents doesn't work and can't work. I never started farming again. I do raise livestock, and we used to get barbed wire for $1.75 for 80 rods and 6 cents for our cattle. In the depression, wire went up and cattle down to $12 per head for good cattle. We used to get good men for $40 per month, and they worked. Now we pay $250 a month and the work done is about 25 percent of what we received from $40 men.

Parity means the farmer's selling price should be kept in line with his expense price.

Of course, if you want the small farms to disappear, schoolhouses vacant, and churches monuments to once happy communities, your views will bring that about. If you want all the farm people crowded into the cities to swell the ranks of labor, you are on the way. If you want them on relief rolls you will probably live to see it.

The farmers are blamed for everything. Those who buy bread now at 26 cents per loaf pay the price and then cuss the farmer all the way home. The fact is that this 26-cent loaf of bread will be the same price if wheat were selling for 75 cents per bushel instead of $2.23. There is only 3½ cents' worth of wheat in a loaf of bread and the rest of the cost in labor, transportation, insurance, workmen's compensation, and security assessments. Just follow a load of wheat from Williston, N. Dak., to your table and see what happens. It is shipped to the grain terminals, and the freight bill must be paid; it is sold to millers, and commission men get a dig at the price—they have to insure the grain and pay their handlers. The millers buy the wheat, and again it is shipped—more freight and switching charges. It arrives at the mill and an immense herd of employees grind it up. They all have to be paid, they must have liability insurance, old-age security, and job insurance. The flour is turned out. It goes to wholesalers and more freight is added. More of this and that until it finally reaches your store. You buy the bread, but the local merchant has to pay rent or taxes; he has to pay his employees, who in turn have all the same demands that labor had on the railroads and at the mills. The merchants must add to the price enough to live on or go out of business, and when you walk home with that loaf of bread you have paid 3½ cents for the wheat and 22½ cents for the unending line of railroads, trucks, insurance companies, old-age security, liability insurance, and interest.

Of course, you get good and mad, but you can see that it is not the farmer you should be mad at.

There is only one way you can beat this game—and that is the way we had to do it in the early days of Dakota. We raised some wheat—it was not hauled by railroads, it was not milled by millers, it was not handled by wholesalers or local merchants—we ground it ourselves in a coffee mill if we could find nothing else. Made our own bread, and man alive, if I could buy a loaf of actual bread like that on the American Continent today, I wouldn't ask the price. We didn't put in plaster of paris to keep the bread fresh; we didn't bleach it to make it white; we didn't fill up the holes or bubbles in gluten wheat with water; we didn't add compounds, ingredients, acids, or other synthetic materials that are harmful to human life; we made bread and it was cheap in price, but so far superior to bread today that there cannot even be a comparison.

No; I think you are doomed to eat chemical bread, and I am not so sure that some smart guy may not come along some day and offer synthetic wheat. If properly advertised, it will sell. I hope the North Dakota wheat raiser will then escape the cussing of the bread eaters of the Atlantic coast area.

I don't have time to write as fully as this to everyone, but I will mimeograph this letter and answer other thousands who are after my scalp because I want to maintain on this continent the family-type farm and maintain farm prosperity as the only insurance against another disastrous depression.

The Status of Forces Treaty Should Be Revised

EXTENSION OF REMARKS
OF
HON. PETER W. RODINO, JR.
OF NEW JERSEY
IN THE HOUSE OF REPRESENTATIVES
Tuesday, March 29, 1955

Mr. RODINO. Mr. Speaker, I rise at this time to voice to the House my strong support of the resolution for the revision of the NATO Status of Forces Treaty. I cannot speak too urgently upon this subject.

This treaty may touch the lives of millions of Americans—and touch them intimately and cruelly. Every boy who enters the service—and every boy is subject to call, as long as the present military necessity demands it, every man in the military service of our country will be subject to it.

We are dealing today with a situation unprecedented in our history and foreign to our way of thinking. Our heritage rebels against it; our outlook for the future shrinks from its potential dangers.

The NATO Status of Forces Treaty would subject every American in uniform who commits an offense to trial in the courts of the country in which it occurs. Now, at first glance the full import of this situation may not be too startling. But the danger lies in the fact that there are tremendous differences between us and most of the other countries of the world. Not only are there barriers of language, differences of outlook, of background, and of training separating the individual and his accusers, but there are differences in the legal systems and in the methods of the courts abroad.

Only with the English-speaking countries do we share the common law system in the courts. Elsewhere the civil law or some other legal system prevails.

Now our boys who get into predicaments abroad, whether guilty or innocent, will be at a tremendous disadvantage. First, they will not know the language. Though they may have able interpreters, there will be differences in terminology, shades of meaning, idioms, and legal phraseology—the fine points of the law—that do not readily lend themselves to interpretation or translation. The accused will not usually be represented by counsel of his same nationality. For the lawyer as well as for the victim these differences will present grave difficulties.

Yet, so handicapped, the accused must defend himself in a foreign country,

where the atmosphere may be hostile, the citizenry inimical. Public opinion might well be against him, a man accused of crime against the country which may already resent his presence, along with that of his fellows, though they be there for the good of all.

Even in England, even there, where the court system has a reputation for excellence, a reputation for fairness, even in England he will be a foreigner indicted, and brought before a panel of—to him—foreigners.

The trouble does not end here. Though we now have concluded status of forces agreements only with the NATO countries and Japan, there will be other countries demanding similar treatment; other, less developed, less friendly countries, countries less conscious of the demand for an equitable court system, of the public demand for justice.

Here lies the crux of the matter: Will justice be done? Or, will there be a miscarriage of justice?

What will be the American reaction when our military forces are subject to these things? These men and boys who serve their country abroad, whether through their own will or through a draft system which carries them to foreign lands whether they want to go or not, will be subject to trial and imprisonment under conditions and rulings which are foreign to us in every sense of the word. The reaction of the families and friends of these men will be indignant and bitter. Sympathy for our relationships abroad will decline, and there will be increasingly reluctant compliance with the draft law at home.

To object to this treaty arrangement is not to condone misconduct, but it is to suggest a revision of the treaty, a renegotiation of it, particularly with respect to article VII. It is to suggest a return to the system which was in operation during World War II, whereby a military man accused of an offense would be tried by the military authorities of his own country, an American would be tried by Americans. The authorities responsible for his being abroad would be responsible, if he gets into trouble, for seeing that justice is done.

The resolution which I am introducing is aimed to accomplish this. It would eliminate article VII of the agreement. Its purpose is to bring this about so that foreign countries will not have criminal jurisdiction over American personnel stationed within their boundaries. It urges that all possible steps be taken by the Government of the United States to accomplish that purpose.

Protection Against Unprovoked Violence

EXTENSION OF REMARKS
OF
HON. JAMES ROOSEVELT
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, March 29, 1955

Mr. ROOSEVELT. Mr. Speaker, I have today introduced a bill which would give protection against unprovoked violence to all of the uniformed members of our Armed Forces.

The net effect of this bill is to make the unprovoked assault upon our military personnel a Federal offense, if committed while such personnel are engaged in the performance of duty or on account of the performance of duty. Persons charged with such assault could be tried in a Federal court. It would provide protection to all our servicemen and especially those servicemen belonging to minority groups, who in certain localities of our Nation might be the object of prejudice. It would extend the same protection to all wearers of the uniform of our country which we now extend to the Coast Guard, and to many other Federal officers and employees, ranging from marshals and game wardens to meat inspectors.

Police protection in many localities where we maintain large concentrations of servicemen is inadequate. We therefore must rely on military policemen, who, if they are to maintain order must be given adequate protection against bodily harm. This bill would assure that persons guilty of assault upon any of our military personnel on duty would be promptly apprehended and prosecuted.

The Department of Defense has in the past formally endorsed this proposal. I hope and believe their endorsement will be forthcoming in this instance.

As we approach the consideration of any type of universal military training program or expanded Reserve program the need for such protection becomes more important.

It is my fervent hope that this Congress will give its swift consideration to providing the protection which our military personnel need.

Tabulation of a Poll on Questions of Current Interest

EXTENSION OF REMARKS
OF
HON. RALPH HARVEY
OF INDIANA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, March 29, 1955

Mr. HARVEY. Mr. Speaker, under leave to extend and revise my remarks, I wish to report the outcome of a public-opinion poll conducted among voters of Indiana's 10th Congressional District.

This is the 5th consecutive year in which I have sought to obtain a cross section of public thinking on current national issues. In this 1955 canvass of citizens of east-central Indiana, a total of 6,501 marked ballots were tabulated. The results, I believe, are fairly indicative of the prevailing sentiments of voters in the Midwest.

Following are the recorded votes on 10 questions of current interest:

Ultimatum to Red China: Free United States prisoners or risk naval blockade. Favored, 4,301; opposed, 1,419.

Multi-billion-dollar Federal-State program of highway construction: Favored, 3,489; opposed, 2,146.

Three-year extension of reciprocal trade with United States tariff reductions: Favored, 3,716; opposed, 1,407.

Raising minimum-wage rate to 90 cents an hour: Favored, 4,020; opposed, 2,291.

Continuance of flexible farm-price supports: Favored, 4,038; opposed, 1,644.

Economic-military aid to free nations of Asia: Favored, 3,727; opposed, 1,651.

Federal aid to school-building construction: Favored, 3,062; opposed, 2,974.

Enactment of President's national reserve plan for military manpower: Favored, 3,721; opposed, 1,279.

Bricker amendment to limit treaty powers: Favored, 3,332; opposed, 1,530.

Increase in rates on air and first-class mail: Favored, 2,723; opposed, 3,060.

Tenth Anniversary of Arrest of 16 Polish Underground Leaders

EXTENSION OF REMARKS
OF
HON. T. JAMES TUMULTY
OF NEW JERSEY
IN THE HOUSE OF REPRESENTATIVES
Tuesday, March 29, 1955

Mr. TUMULTY. Mr. Speaker, if there is to be another conference with the Soviet Union, let our American leaders at that conference redress the following wrong. In accordance with the Yalta agreement the Moscow-sponsored provisional government of Poland had to be reorganized on a broader basis with the inclusion of leaders from Poland itself and from Poles abroad.

Mr. Molotov and the Ambassadors of the United States and Great Britain, residing in Moscow, were entrusted with the task to cooperate in the forming of a new government along above lines.

It was assumed from the very beginning by the American and British Governments that the most prominent leaders of the Polish underground, at that time hiding in Poland, would eventually enter the coalition. During the war they had fought in close cooperation with the Polish Government in London, a bitter struggle against the Nazi occupants and thus had largely contributed to the Allied war effort.

At the request of the British Secretary of State, the Polish Government in London disclosed for transmission to the committee in Moscow the names and whereabouts of the Polish Vice Premier and Government Delegate for the Homeland, and of the three members of the Home Council of Ministers. The Allied Governments gave assurance that they would do everything possible to insure the safety of the Polish underground leaders.

A short time after the Polish Vice-Premier, Mr. Jankowski and the last commander of the disbanded Home Army, General Okulicki were approached by Colonel Pimenov of the Soviet NKWD,

with a request to attend a meeting with Colonel General Ivanov, a representative of the high command of the I White Russian Front. This invitation was confirmed by letter, on March 10, to Mr. Jankowski and General Okulicki. The purpose of the meeting, in Colonel Pimenov's own words, was "the clarification of the atmosphere and the coming into the open of the democratic Polish parties in order that they may take part in the general current of the democratic forces of Independent Poland." Although absolute personal safety was granted by the Soviet representative—the 16 Polish underground leaders, when they arrived on March 28, 1945, at the meeting place—were arrested and flown to Moscow and imprisoned there.

The Soviets committed in cold blood another act of shameless felony. It was only on May 5, 1945, that the official Soviet agency TASS announced the arrest of the Polish leaders. This happened during the San Francisco Conference, and Molotov himself confirmed the news.

The British and the United States Secretaries of State expressed grave concern to Mr. Molotov and asked for full explanation. Their intervention remained nevertheless without response, and on June 18, 1945, a trial of the Polish leaders was held in Moscow by the Military Collegium of the Supreme Court of the U. S. S. R.

Following sentences were passed:

First. Maj. Gen. Leopold Okulicki, born 1898, commander of the Polish Home Army succeeding Gen. T. Bor-Komorowski, after the Warsaw rising; 10 years in prison.

Second. Jan Stanislaw Jankowski, born 1882, member of the Christian Labor Party and Vice Premier of the Polish Government in London, appointed delegate in Poland; 8 years in prison.

Third. Adam Bien, born 1899, member of the underground government, Peasant Party; 5 years in prison.

Fourth. Stanislaw Jasiukowicz, born 1882, National Party, member of underground government; 5 years in prison.

Fifth. Kazimierz Puzak, born 1883, leader of Socialist Party and Speaker of Underground Parliament; 18 months in prison.

Sixth. Alexander Zwierzynski, born 1880, National Party, deputy speaker; 8 months in prison.

Seventh. Kazimierz Baginski, born 1890, Peasant Party, deputy speaker; 6 months in prison.

Eighth. Stanislaw Mierzwa, born 1905, Peasant Party; 4 months in prison.

Ninth. Zbigniew Stypulkowski, born 1904, leader of Democratic Party; 4 months in prison.

Tenth. Eugeniusz Czarnowski, born 1904, leader of Democratic Party; 4 months in prison.

Eleventh. Jozef Chacinski, born 1889, leader of Christian Labor Party; 4 months in prison.

Twelfth. Franciszek Urbanski, born 1891, Secretary of Underground Parliament, Christian Labor Party; 4 months in prison.

Thirteenth. Stanislaw Michalowski, born 1903, Democratic Party; proved innocent.

Fourteenth. Kazimierz Kobylanski, born 1892, National Party; proved innocent.

Fifteenth. Jozef Stemler Dabski, born 1892, interpreter of Polish delegation; proved innocent.

Sixteenth. Antoni Pajdak, member of Socialist Party and of Underground Parliament; was not tried in public, and the sentence in his case, was not disclosed.

It is to be noted that in accordance with Soviet procedure the penal sentence is counted as from the day of arrest.

General Okulicki, Jankowski, Jasiukogicz, and Pajdak did not as yet return to Poland. Okulicki should be released on March 28, 1955. Jankowski should have been freed on March 28, 1953, and Jasiukowicz on March 28, 1950. According to information—Pajdak was sentenced by administrative decree to 5 years, and if so—had to be freed on March 28, 1950. It should be stressed that the fate of these four prisoners remaining in Soviet Russia is still unknown.

The remaining leaders were brought back to Poland after the period of their detention in Soviet jails had elapsed. Puzak and Mierzwa were rearrested in Poland, sentenced, and Puzak died in prison. Czarnowski, Urbanski, and Chacinski died in Poland—the fate of Bien is not known, as well as of Zwierzynski and Stemler-Dabski. Michalowski and Kobylanski acquitted during the Moscow trial, were again arrested in Poland and are detained in prison. Stypulkowski is in England and K. Baginski lives in the United States of America.

In connection with the 10th anniversary of this shameless act perpetrated on March 28, 1945, against the 16 Polish underground leaders steps should be taken to, First, ask for full information as to the fate and whereabouts of those four leaders still kept in Soviet Russia; second, demand their release from prison; third, insist on the liberation of the underground leaders who have been submitted to new ordeals by the Moscow-sponsored regime in Poland after their return from Russia.

Senator Gore Receives Cordell Hull Award

EXTENSION OF REMARKS

OF

HON. FRANK E. SMITH

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 29, 1955

Mr. SMITH of Mississippi. Mr. Speaker, on Wednesday, March 23, I had the privilege of participating in the ceremonies in New York City when our colleague, the Honorable ALBERT GORE, junior Senator from Tennessee, was awarded the first annual Cordell Hull award by the Committee on Foreign Trade Education.

The Committee on Foreign Trade Education is providing effective leadership in the vital field of bringing the American public to a greater awareness of the importance of a sound foreign trade policy to every citizen.

Senator GORE, who is a native of Cordell Hull's home town of Carthage, Tenn., is a very fitting recipient of the Hull award. Under unanimous consent, I include the text of the award citation, and a copy of an editorial concerning the award, from the Memphis Commercial Appeal:

FULL TEXT OF CORDELL HULL AWARD

In recognition of his national leadership and the great tradition of public service he established in a career of more than half a century as Secretary of State, as a Senator and a Member of the House of Representatives, and in appreciation of his historic sponsorship of the reciprocal trade agreements program, the Committee on Foreign Trade Education, Inc., salutes Hon. Cordell Hull and inaugurates the annual Cordell Hull award for leadership in building United States foreign economic policy.

The 1954–55 award is made to Hon. ALBERT GORE, junior Senator from Tennessee.

Senator GORE wins the widest public commendation for his wholehearted adherence to the principles of his fellow townsman, Cordell Hull. Senator GORE's service in both the House of Representatives and in the United States Senate has found him in the forefront of those battling for a trade policy in the true national interest. Most notably he led the fight in 1954 to revive the proposed extension and liberalization of the Reciprocal Trade Agreements, when short-sighted political interests found it expedient to postpone consideration. Senator GORE is now the outstanding Senate advocate of a modern United States tariff-trade program.

Award made this 23d day of March 1955, by the Committee on Foreign Trade Education, Inc.

B. A. RITTERSPORN, Jr.,
Executive Director.

SENATOR GORE LEADS

With the Senate approaching action on tariff policy, the Committee on Foreign Trade Education, Inc., has directed additional attention to the situation by naming the first winner of the Cordell Hull Award.

Cordell Hull was the chief architect of the reciprocal-trade agreement method in use since 1934. It was given only a 1-year extension of life last spring, and the extension now being considered barely squeaked through the House this spring. Decisions on some other matters of major policy can be delayed through appointment of a commission for further study, but in this case the method has already been used. The Randall Commission has reported, and the question comes to a showdown soon.

For the committee to make an award in honor of Cordell Hull is good. Presentation now is timely. Choice of the first winner is excellent.

ALBERT GORE, who has followed the Cordell Hull footsteps from the same Tennessee district to the House and then the Senate, has been named for his leadership in building United States foreign economic policy.

Senator GORE, like Cordell Hull, has become known among other Senators for his wide and deep knowledge of tariffs and for his skillful work on behalf of more international trade. He sees this trade across national boundaries as essential for prosperity of this Nation and for world peace. He considers trade to be a powerful weapon in advancing our methods of managing human affairs against communistic management.

Senator GORE is indeed a leader in forming our economic policy, and we hope there are others like him to claim this award in future years.

The Attack Upon Our Republican Tax Program

EXTENSION OF REMARKS
OF
HON. NOAH M. MASON
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES
Tuesday, March 29, 1955

Mr. MASON. Mr. Speaker, last fall certain prophets of gloom and doom charged that the Republican $7.4 billion tax reduction and the tax-revision bill—H. R. 8300—favored the wealthy taxpayer and bore too hard upon the workingman. That charge was absolutely false. Those same prophets now claim that the tax bills of last year favored the taxpayer in the upper brackets and discriminated against the taxpayer in the lower brackets; therefore, their $20 per person tax-cut proposal was only fair. The following breakdown demonstrates the falseness of their charges:

First. A 10-percent cut was made in the personal income tax for all individuals in the middle and lower brackets. That tax cut tapered off to less than 2 percent for the taxpayers in the 3 top brackets. The great majority of taxpayers—85 percent—are in the middle and lower tax brackets. Did that tax cut favor the rich?

Second. All excise taxes, with the exception of those upon liquor and tobacco, were cut from 25, 20, and 15 percent to 10 percent—a cut of $1 billion to consumers. The working men and women of America and their families constitute 85 percent of the consumers of the Nation. Did that tax reduction favor the rich?

Third. The repeal of the excess-profits tax last year reduced taxes upon corporations $2 billion. What did the corporations do with the $2 billion? Every dollar of it was either paid out to the corporation stockholders or was plowed back into business expansion. Since 80 percent of all the stockholders in America receive less than $5,000 per year income, the dollars that went to the stockholders did not go to the rich. And the dollars that went into expansion provided jobs for the 600,000 new workers that enter the American labor market each year. Can anyone claim then that the repeal of the excess-profits tax was for the benefit of the rich?

Fourth. The passage last year of H. R. 8300, the tax revision bill, established a favorable tax climate for American business and industry in which to expand. This created more jobs for the workingmen of America. Did the tax revision bill favor the rich?

On the basis of the facts, therefore, do the charges of the prophets of gloom and doom stand up?

A POLITICAL BAROMETER

Mr. Speaker, the recent attack upon the revised Federal Tax Code by the New Dealers in Congress, who—as a result of the election returns last fall—are again in the saddle, is a clear indication of what American businessmen can expect if the New Dealers take over the executive department.

Led by Congressman JERE COOPER, the new chairman of the Ways and Means Committee, and Senators HUMPHREY and DOUGLAS, an attempt is being made to repeal the small tax easement upon dividend payments that was made in the new tax code. This was made as a start toward abolishing double taxation upon corporation profits. An attempt is also being made to repeal the new accelerated depreciation tax allowance provision. Both of these provisions were placed in the revised code to encourage business expansion, to provide an improved tax climate for business and industry that would result in the creation of new jobs for our ever-growing number of job seekers.

The revised tax code has already demonstrated its value, because it—more than any other one thing—stopped the downward trend last year and gave the lie to those prophets of gloom and doom who went around the Nation last fall spouting their gloom and doom prophecies. These same men are now in the Senate seeking to repeal the very provisions of the revised tax code that saved us from the predicted recession.

One and one-half million stay-at-home voters in Illinois and 30 million stay-at-home voters in the Nation were responsible for placing these New Dealers back in the saddle in Washington. These delinquent voters had better wake up before 1956, or it will be too late.

Greek Independence

EXTENSION OF REMARKS
OF
HON. HENRY S. REUSS
OF WISCONSIN
IN THE HOUSE OF REPRESENTATIVES
Tuesday, March 29, 1955

Mr. REUSS. Mr. Speaker, March 25 is the 134th anniversary of the independence of Greece. Under the leadership of Archbishop Germenos, on March 25, 1821, Greek patriots rose and overthrew their Ottoman overlords who had oppressed them for so long. The Greeks have always had to fight for their freedom. Fifteen years ago, Mussolini's legions found that Greek resistance was a hard nut to crack. It later took the full strength of Hitler's armed forces to invest the little peninsula that is Greece—and then only for a time, until the Greek people could help to bring about their own liberation. Hardly was Greek freedom reestablished when Communist-led forces attempted to seize the government. The world will not soon forget that it was the Truman Doctrine which helped the Greek people to stand fast, and with military and economic aid, to turn back and defeat the Communist challenge.

In 1949 I saw at first hand during a visit to Athens how the Greek people joined in the common fight against communism and poverty. Today Greece once again knows peace, and is making earnest beginnings toward a fuller economic life. There is no better symbol of Greek-American friendship than the plains of Thermopylae, once arid but now blooming with rice fields. The Greek children brought garlands of flowers to the American point 4 reclamation expert who had helped in the project, and their elders erected a simple monument of marble to his memory—of the same quarry as the Parthenon marble.

Those Greeks who have immigrated to our country have contributed greatly to the richness of American life. They have brought with them the high tradition of western civilization suggested by such towering figures as Socrates, Plato, Aristotle, and Sophocles.

In my home city of Milwaukee, thousands of good citizens proudly cherish their Greek ancestry. They have contributed much to our economic, social, and cultural life, and to the learned professions. In war their sons have served our country brilliantly. Two fine congregations attest to their religious belief.

May two of the world's oldest democracies—the United States and Greece—go on forever in friendly brotherhood.

Textile Business Reported Booming

EXTENSION OF REMARKS
OF
HON. FRANK E. SMITH
OF MISSISSIPPI
IN THE HOUSE OF REPRESENTATIVES
Tuesday, March 29, 1955

Mr. SMITH of Mississippi. Mr. Speaker, as a representative of a great cotton-producing area, I am naturally much concerned about the welfare of the American spinners of the cotton which our farmers produced.

I have been very pleased to note two recent news items which indicate that the southern textile industry is prospering, despite many loud cries to the contrary.

The daily CONGRESSIONAL RECORD of March 23 contains on page A2023 a statement by former Senator Charles E. Daniel, of South Carolina, which says "unheard-of prosperity is predicted" for South Carolina industry, and adds, in part:

> Looking at textiles, I see more cause for hope and optimism this year than ever before. Like the other phases of our economy, the textile industry, which is the South's most important industry, has experienced a year of adjustment. With the remarkable expansion of textiles in South Carolina to one of the top areas in this industry in the world, we are working hard to keep our newly won position. We outproduce and outsell any State in this respect.

The New York Times of March 27 contains an Associated Press dispatch which shows that cotton spinning improved in February of 1955, and that production was well above February 1954, when there were few complaints about foreign competition. Under unanimous consent, I include this brief news item in full:

> COTTON SPINNING UP—INDUSTRY OPERATED AT 142.5 PERCENT OF CAPACITY IN FEBRUARY
>
> WASHINGTON, March 26.—The Census Bureau has reported that the cotton-spinning

industry operated during February at 142.5 percent of capacity on a two-shift 80-hour week basis.

This compared with 138 percent during January and with 128.1 percent during February last year.

Spinning spindles in place on February 26 numbered 22,402,000, of which 19,429,000 were active, compared with 22,495,000 and 19,282,000 on January 29 and with 22,897,000 and 19,656,000 on the last working day of February 1954.

Active spindle hours for spindles consuming cotton in February totaled 9,299,000,000, compared with 9,184,000,000 for January and with 8,697,000,000 for February last year.

Address by Hon. Robert B. Anderson, Deputy Secretary of Defense, Before the National Rifle Association of America.

EXTENSION OF REMARKS
OF
HON. OLIN E. TEAGUE
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES
Tuesday, March 29, 1955

Mr. TEAGUE of Texas. Mr. Speaker, under leave to extend my remarks in the RECORD, I wish to include the following very fine speech made by the Deputy Secretary of Defense, the Honorable Robert B. Anderson, upon the presentation of a 19th century rifle by the National Rifle Association of America:

You have all honored me greatly this evening. Not only am I privileged to be your speaker, but you have seen fit to bestow upon me this beautiful work of the gunsmith's art in the early 19th century period.

I shall treasure this memento of our evening together—the more so because it has been presented to me by a friend and fellow Texan, Davy Crockett. I might add that I shall also respect the veiled hint its presence conveys, and accordingly shall make my speech rather shorter than longer. In all seriousness, however, let me say once again: I am honored by your invitation; I am deeply appreciative of the handsome object your kindness has bestowed upon me; and I am genuinely glad to be here with you.

In many respects, Davy Crockett and the long-barreled rifle are symbolic of a particular phase in American history deserving more attention than we tend to give it, for certain of its important elements have now returned to shape and form some of the conditions of our own existence here in the 20th century. For nearly 300 years, there existed somewhere in our country a live frontier, and a considerable number of our people lived intimately and continuously with its hardships and dangers. In the beginning, the wilderness lay just behind the tidewater settlements on the Atlantic Seaboard, so that in truth every resident was a frontiersman.

Later, our forefathers resolutely pushed the boundaries of civilization into the uplands of the Atlantic plain, then over the Alleghenies into the Mississippi Valley and beyond.

They reached the Pacific Ocean and then finally closed in from all directions upon the mountains, plains, and deserts of the western plateau. And always in the van were the hardy souls, both men and women, who braved the hazards of the known and unknown, and who endured their hardships and privations. Their fortunes, and quite often their lives, literally depended upon the readiness and determination with which they were able to resist sharp and sudden attack, and upon the wisdom and stamina which they displayed in the presence of continuous danger.

Since well before the turn of this century, no American has had to contend with the historic problems of a live frontier. More than that, until a few years ago, we had little to fear from the possibility of attack by an external enemy. Thus blessed with the physical security of our homes and families in a way few other great nations had ever been, we tended to confuse a historical accident with a law of nature, and to suppose that freedom from danger was the rule, rather than an exception in human experience.

The events of the past 10 years have offered increasing proof that danger does indeed exist, that it is comprehensive and continuing, and could be virtually total in its implications. We are back again to the day of the live frontier; only today's frontier is not discernible as a ridge or a river or a tree-line.

It is as broad as the blue sky and as encircling as the sea coast, extending the length and breadth of our land. Perhaps not since 1607 could it be said that the total American community has been so eminently and equally exposed to the possible rigors of a hostile environment as it has come to be over the past few years.

So long as a few evil men have the power to threaten our security, we must in our turn learn to live under the shadow of danger, and we must prepare ourselves materially and morally to meet the exigencies which an uncertain future may present. We must retain the strength and readiness to meet any challenge, yet we must integrate our defensive preparations into our recipe for living in such a way that they do not displace the normal healthy preoccupations of a peacefully disposed people.

For us, maintaining combat readiness must not be an extraordinary adventure, but the routine response to unpleasant, but nonetheless persistent demands of possibility.

The maintenance of a people's readiness to meet the exigencies of a fluid and developing situation requires a continuing regard for certain aspects of whatever means are adopted. We must in reality be as much concerned with what things may become as we are with what they are as of a given moment. This in turn means that we must give great care to those influences which will bear importantly upon what we are able to do 1 year from now, 5 years from now, 50 years from now.

First, we are concerned, and vitally so, with the planning processes from which we are able to formulate the basic concepts for the employment of our resources to the best advantage of our defense. Policy can be no better than the planning which precedes it, and upon which it depends for its direction and meaning.

There is truth in the saying, "Who wills the end must will the means." It has no more intensive application than to the manifold processes by which the complex and massive political, military, and economic factors affecting our world situation are reduced at any given point of time to specific concepts, immediate plans, and current actions. We must maintain a continuous review of all these factors; we must constantly adjust our plans to be responsive to the inevitable changes which are sure to occur.

There is thus the need for flexible, responsive military concepts, capable of smooth and rapid adaptation to a variety of strategic situations—concepts looking constantly toward all foreseeable future developments.

Second, we are concerned with the military applications of our technology. Here we can spare no effort. The development of new weapons and techniques is a race whose stakes may be life and death. We cannot know the detailed plans of the evil few who threaten world peace, so we cannot precisely gauge their progress in weapons technology.

But we do know that they are formidable opponents, capable of scoring technological break-throughs in major weapons systems which could have dire consequences for us.

Knowing this, we have no alternative but to press forward with all possible speed on the continued development of our own weapons. Not only is this true but we are determined that the American fighting man always has for his use the finest possible products of our science, technology, and production.

There is, finally, the all-important area of personnel. The best weapon in the world contributes nothing to the national defense in the hands of a man unable ot use it.

The best conceived plan may fail for the lack of people with the capacity to execute it. Everything depends upon the man.

Our first attention must therefore be given to those measures which will insure a permanent nucleus of spirited, competent, highly trained, career military personnel in our Armed Forces. We need the best people we can get, both men and women, officer and enlisted.

Once they prove themselves worthy, we want to keep them. We want them to have a place of honor and respect in the community.

We do not want them to be unduly penalized by the personal hardships which in troubled times fall disproportionately upon them as a group.

In an effort to mitigate some of these undeserved difficulties the Department of Defense has sponsored legislation before the present Congress designed to increase the availability of medical care to dependents, provide more and better family housing, relieve some of the financial handicaps of frequent and expensive moves, and granting selective pay increases according to a carefully scaled career incentive plan. I am indeed happy to note here that the legislation adjusting the military pay scale has been passed by Congress and was signed by the President yesterday afternoon. Within the limitations set by national security considerations, we are doing what we can to relieve the handicaps of necessary separations of families and loved ones. We hope by these measures and others to adjust certain inequities and to create a more satisfactory material basis for the careers of our service people; but we must see clearly that we are in no way able to "buy" their patriotism and morale. Most of our people are in the service because in spite of the difficulties and handicaps it imposes, it represents to them a way of life and an opportunity to serve their country.

They are the ones whose acts and lives give common currency to the uncommon expression "above and beyond the call of duty." They are the ones who not only stand ready to serve but do serve, directly and indispensably, in the one undertaking upon which all others depend for their meaning and significance—the physical and military defense of the United States.

They are the ones—the only ones—who can give meaning to the billions we have allocated to our defense, for the point always comes when the efforts of the homefront can exert no further influence upon the turn of a battle or a war. At that point the issue is delivered into the hands of those who have spent their lives in preparation for just such a moment, and the very life of the Nation may owe to the foresight, the skill, and the patriotism of those who recognized this truth in the easy years of peace and who made themselves ready to meet its fateful consequences.

If everything depends upon the man, it depends particularly upon the trained man. Armed forces exist in peacetime for little more than to train and ready themselves for the hard and uncompromising test of com-

bat. Life in the Armed Forces begins and ends with training, whether it be the simple Manual of Arms of the highly sophisticated studies pursued at the National War College.

There is individual training, unit training, technical training, training in the form of drills, exercises, maneuvers, and indoctrination. Daily thousands of aircraft rise in training flights, from the light primary trainers to the gigantic B–36's of the Strategic Air Command. The Navy relentlessly drills its crews in the tasks necessary to keep its ships at peak operating efficiency, with each able to discharge its part of the overall mission of assuring command of the sea. The Army and Marine Corps concentrate upon the multitudinous problems associated with land and amphibious warfare. Joint maneuvers and exercises among all services are regularly held and we have successfully conducted combined exercises with the forces of our allies on many occasions during the past few years.

There is a logic which sustains this incessant and burdensome routine—as clear and concise as the reality of life and death with which it is so intimately associated. In battle there is no time to rehearse the signals—to reflect back over the lessons half learned in some training base far ramoved in time and space.

The soldier can take into combat with him only that part of his experience which has become so firmly ingrained within him that it becomes second nature for him to act according to its teaching. Moments of great stress have the effect of expelling from his consciousness all but the stark objects of the battlefield within the range of what he can see and hear and feel—the enemy ahead, the man to his right, his leader, his pack, and his rifle.

In these moments his capacity to act—and hence his effectiveness as a soldier—depends upon that fraction of knowledge which has been drilled and hammered and pounded into his subconsciousness by months and years of constantly repeated training and practice. If his training has been ineffective, he becomes a cipher at a critical moment when his very life may be the forfeit of his unpreparedness. Moreover, a man in imminent peril of death can be held in place only by the strongest of moral compusions—among them a conviction of the rightness and ultimate triumph of his country's cause, a desire for the respect and approval of his comrades, an abiding faith in his leaders, and confidence in his own ability to take care of himself. Any action which contributes to any of these basic determinants of human behavior means a more effective fighting man regardless of where he may be or what uniform he may wear.

Conscience, comradeship, and confidence are the indispensables to combat morale. All depend to a greater or less extent upon what a man knows and believes. What he knows and believes depends largely upon what he has been taught.

What I have just said relates most obviously to those who wear the uniform in our active forces. But it relates no less to our Reserves and to those who may wear it at some future time. Our Nation has in the past and will continue in the future to rely upon its civilian armed components for effective defense in periods of general emergency.

This has meant in the past, and it may mean in the future, that the young man at the corner grocery dons a uniform and takes his turn in some grim quarter where there is no second chance, and where the price of his failures and inadequacies may be exacted in flesh and bone and blood.

As you know, the President, in a special message to Congress on January 13, 1955, recommended a 5-point national reserve plan to strengthen our Reserve Forces. For the past 2 months a subcommittee of the House Armed Services Committee, under the chairmanship of Congressman BROOKS, of Louisiana, has labored tirelessly in its study of legislative proposals in support of the President's program.

The subcommittee, deeply conscious of its responsibility to the Nation, has evolved legislation which represents a great forward stride in providing the kind of Reserve needed in these perilous times. We are hopeful of early congressional approval of the national reserve plan, with all its principal provisions, which will provide us with the means for developing effective Reserve Forces.

The national reserve plan deserves your understanding and support. It is one of the most essential parts of our effort to work toward peace from a realistic position of strength.

Never have we had a greater need for an effective, highly trained, readily available Reserve, nor was the need ever more urgent for men who, in General Pershing's laconic phrase, "can shoot and salute." There is a continuing need for the fully developed capability of all the services. Each has an indispensable place in our total military posture, as we strive to make the most out of our resources. The defense of our country is a job deserving and needful of the efforts of all our people. In an age when the price of survival may demand the total effort of the Nation, our success or failure will depend upon the willingness of our citizens to concern themselves actively with the measures for our defense, not only in the Regular Forces, but in their everyday lives as civilian members of the national community.

Here we enter an area in which the National Rifle Association has since 1871 rendered a distinctive, deeply appreciated service to our country. For our citizen soldiers to be effective in an emergency there must be a large repository of shooting skills within the civilian population. The development of these skills is the objective of your organization. Toward that objective you have patiently and consistently labored for some 84 years. I cannot express how pleased I was to learn of your newest contribution—your sponsorship with the United States Marine Corps, of a training program for the improvement of marksmanship among volunteer members of the Marine Corps Reserve.

This is but the latest of many efforts which manifest your continuing interest in the promotion and improvement of marksmanship training both within the armed services and among interested civilian groups.

On behalf of the Department of Defense, let me say that we are sincerely grateful.

In your 84 years you have contributed greatly to the safe and productive exercise of a basic right of American citizens: the right to keep and bear arms.

It is a right exclusive among free peoples. Nowhere except in a free country, where the people share a common love of liberty, could the political authority tolerate the possession and use of firearms by the citizenry.

Of its very nature, totalitarianism requires a state monopoly of all instruments of force. Organizations such as yours would be proscribed, and its members suspect.

But here in America, we have the situation in which your activity constitutes a positive force on the side of the Government, for you are directly contributing to the development and spread of one of the most basic military skills necessary to its defense.

Throughout our history, the trained rifleman has ever been a mainstay in our struggles for independence and security in a world which has not yet found its way to an orderly existence.

We must continue to rely upon him in the future, just as we must rely upon your efforts to improve his competence and readiness. As we look back upon the lives of those courageous and resourceful Americans who wrested an empire out of the wilderness, we are able to see that the efforts they made and the hardships they endured were part of the price they paid for the ultimate objective of peaceful, stable community, in which men under just law would be free to apply their energies to a rich new land, bringing forth its fruits in ever increasing measure.

Even as we face the challenge to our own lives, we are able to see the same purpose emerge in the vastly larger context of our modern world. For we, too, pursue the ultimate objectives of peace and stability on a worldwide scale—under which men may in justice and freedom direct their marvelous creativeness into constructive channels for the betterment of mankind. The frontiers of our 20th century are the limitless frontiers of the human mind, and it is in the widening and deepening of the possibilities for man's material and spiritual well-being that our best hope lies and toward which our efforts must be dedicated.

Let us, then, look to our new frontiers, as the Davy Crocketts, the Daniel Boones, the Kit Carsons and all the others looked to theirs in days gone by: with courage and resolution, and the faith in our own capacity to prosper and grow in the face of an uncertain and seemingly hostile environment.

Let us do so with the confidence bred of the knowledge that it was the very act of surmounting the awesome challenges of the past that has made us the great Nation that we are and must continue to be if freedom is to prosper in our world.

Local Service Airlines Should Receive Permanent Certificates

EXTENSION OF REMARKS

OF

HON. VICTOR WICKERSHAM

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 29, 1955

Mr. WICKERSHAM. Mr. Speaker, I should like to call attention to a statement made on behalf of Central Airlines, Fort Worth, Tex., some time ago:

Central Airlines of Fort Worth, Tex., has been serving Duncan, Okla., for over a year. This air service has been most valuable to the Halliburton Oil Well Cementing Co. as we have many employees who ride Central, making connections with other airlines for trips throughout the United States and many foreign countries. We send much of our mail by air and this helps to expedite our communications with customers and our field personnel. We have many calls daily for materials to be sent on a short notice. These materials consist of manufactured products, tools, etc. They are sent by airfreight in order that we might have as little delay as possible in receiving the materials in our various operating points. The certificate that Central has been operating under is not of a permanent nature and we earnestly solicit your help in giving Central all aid possible in granting them a permanent certificate.

Mr. Speaker, I am heartily in favor of a permanent certification for local service air carriers. This statement is typical of statements of many of my constituents in behalf of permanent certification for local service air carriers. I am for the certification, both Central Airline and other lines seeking such certification.

The National Cotton Council

EXTENSION OF REMARKS
OF
HON. FRANK E. SMITH
OF MISSISSIPPI
IN THE HOUSE OF REPRESENTATIVES
Tuesday, March 29, 1955

Mr. SMITH of Mississippi. Mr. Speaker, the board of directors of the National Cotton Council met in Washington last month to discuss the council's position in regard to the cotton export trade. The leaders of the council decided that this organization could not properly become involved in a controversy involving export price policy for cotton.

At the same time the council reaffirmed its belief that maintaining a high level of international trade and a wider distribution of goods and services throughout the world is vital to the continued prosperity of the cotton industry and to the national economy, as well as to the security of the free world. The council recognizes that the greatest opportunity to expand United States exports of cotton and cotton products is through increased per capita consumption of cotton goods over the world.

The National Cotton Council represents all segments of the cotton industry—producers, ginners, warehousemen, cottonseed crushers, merchants, and spinners. Naturally conflicts of interest develop among these groups and differences over price policy can never be satisfactorily reconciled. President W. T. Wynn and the other leaders of the council were wise in their decision to avoid involvement in such conflicts.

The basic purpose of the council is to help increase the efficient production of cotton. Under Mr. Wynn's leadership the council expects to expand its efforts to encourage general economic development, advertising, and sales promotion, market research and development, and more efficient production and distribution of cotton products throughout the world. Such a program will be of primary benefit to the American cotton producer.

Under unanimous consent, I include an editorial concerning the work of the cotton council from the March 1955 issue of the Progressive Farmer, the South's outstanding farm publication:

CONGRATULATIONS TO THE COTTON COUNCIL

In 1939 when the National Cotton Council was organized, cotton was a sick industry. It was losing out to its competitors. Rayon, the first of the synthetic fibers, was capturing its markets. In United States stores, cotton goods had been pushed into the bargain basements. On the farm, both cotton yields and quality were unsatisfactory; production costs were excessively high, due to heavy use of hand labor. All in all, the outlook for cotton was dismal.

Once organized, the council had to choose between two broad objectives. It could follow the lead of the butter industry, which for many years sought a way out of its troubles by imposing Government restrictions on its competitor. Or it could meet competition (1) by promoting a program of better cotton at lower cost, and (2) by developing new uses and new markets. Fortunately, it chose a constructive program of building up cotton in preference to one of tearing down rayon and other synthetic fibers. This basic choice has set the pattern for its program over the years. And with such a program the council has developed a proved formula for success.

Now, 16 years later, what is the situation? Cotton has a new outlook. It has confidence in a bright and shining future. It believes that it has no problem that can't be whipped by the industry cooperation in a program of research, education, and promotion.

Summing up its regeneration, cotton can point proudly to these accomplishments:

1. It has expanded its domestic market by 50 percent in the face of ever-increasing competition from synthetics. Losing heavily in some uses, such as bags and tires, it has more than offset these losses by large gains in wearing apparel and other fields. It has triumphed because it has won more market battles than it has lost. Cotton, once considered the poor man's fiber, is now equally at home in high society.

2. It has stopped the downward trend in exports that started in the middle twenties, and hopes to turn exports upward.

3. United States farmers have outdistanced foreign competitors in improving production practices.

4. The quality of United States cotton has been improving constantly. Fiber strength has increased 13 percent.

5. Man-hour requirements, for producing cotton have been cut in half; lint yields increased 30 percent.

6. Mechanization has come so fast that 22 percent of the 1954 crop was harvested with machines.

7. The cotton industry, from farmer to spinner, has a vastly improved spirit of mutual understanding. Its leaders have been meeting around conference tables for 16 years and have developed an immense stockpile of know-how.

The council would be among the first to admit that it cannot claim credit for all that has happened in the world of cotton during the last 16 years. Its first duty has been to get others to work harder and more enthusiastically for cotton—and to help them work more effectively. The council does not operate its own research laboratories. It investigates to see what research is needed. Then it works to obtain the needed expansion in research. And it follows a similar strategy to obtain needed educational work for getting research findings into use.

The cotton council is the joint effort of six groups—growers, ginners, cottonseed crushers, warehousemen, merchants, and spinners. Most outstanding is the success of the council in getting the majority of people in each of these groups to contribute to its financial support. On an average, about 70 percent of all 6 branches of the cotton industry is now making a financial contribution to the council.

Knocking Ike Is Grist for GOP Mill

EXTENSION OF REMARKS
OF
HON. PAUL B. DAGUE
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, March 29, 1955

Mr. DAGUE. Mr. Speaker, the admirers of President Eisenhower in both parties will resent the attacks on our present Chief Executive, particularly when they center on wholesome diversions like fishing and golfing—as distinguished from poker-playing, weekend cruises—which are about the only relaxation a hard-working President can count on.

And when such partisan attacks bring the President's wife into the picture and include their religious devotions, then it is generally agreed that the American electorate will simply bide their time until such ill-mannered diatribes can be repudiated at the polls.

The attitude of the average Republican is to wait with bated breath for fear that the opposition will realize the mistake they are making and call off the attack before it can be of benefit to the GOP next year. And it can only be presumed that they have forgotten just how much the Republicans served the cause of Franklin Delano Roosevelt by making him the object of their partisan tirades each time he ran and thereby assuring his reelection.

SENATE

WEDNESDAY, MARCH 30, 1955

(Legislative day of Thursday, March 10, 1955)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

Elder Everett H. Shull, of the Potomac Conference of Seventh-day Adventists, offered the following prayer:

Loving Father in Heaven, we sense our complete dependence upon Thee for qualifications commensurate to the task before us. In this atomic age of great issues, of shadow and perplexity, we are thankful for men—"Men who in their inmost souls are true and honest; men who do not fear to call sin by its right name; men whose conscience is as true to duty as the needle to the pole; men who will stand for the right though the heavens fall."

Wilt Thou, Father, the source of Daniel's and Joseph's wisdom and unrivaled statesmanship, bless our President, the Presiding Officer of the Senate, and each individual Senator, with wisdom, courage, and Thy presence, to the extent that their deliberations and decisions may be the outworking of Thy will. We ask it in the worthy name of Jesus. Amen.

DESIGNATION OF ACTING PRESIDENT PRO TEMPORE

The legislative clerk read the following letter:

UNITED STATES SENATE,
PRESIDENT PRO TEMPORE,
Washington, D. C., March 30, 1955.

To the Senate:

Being temporarily absent from the Senate, I appoint Hon. JAMES E. MURRAY, a Senator from the State of Montana, to perform the duties of the Chair during my absence.

WALTER F. GEORGE,
President pro tempore.

Mr. MURRAY thereupon took the chair as Acting President pro tempore.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the reading of the Journal of the proceedings of Monday, March 28, 1955, was dispensed with.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Bartlett, one of its clerks, announced that the House had passed, without amendment, the following bills of the Senate:

S. 465. An act for the relief of Ernest Ludwig Bamford and Mrs. Nadine Bamford; and

S. 632. An act for the relief of Jan R. Cwiklinski.

The message also announced that the House had passed the following bills and joint resolution, in which it requested the concurrence of the Senate:

H. R. 122. An act to amend the Commodity Exchange Act;

H. R. 872. An act for the relief of Mrs. Concetta Saccatti Salliani;

H. R. 876. An act for the relief of Alberto Dal Bello and Mrs. Dina Bristot Dal Bello;

H. R. 886. An act for the relief of Mrs. Mounira E. Medlej;

H. R. 888. An act for the relief of Mrs. Elsa Danes;

H. R. 890. An act for the relief of Eliseo Felix Hernandez;

H. R. 891. An act for the relief of Alberto Cortez Cortez;

H. R. 907. An act for the relief of Justin G. Maile and Theodore R. Hilbig;

H. R. 911. An act for the relief of Gloria Minoza Medellin;

H. R. 913. An act for the relief of Hildegard Noble;

H. R. 921. An act for the relief of Chia-Tseng Chen;

H. R. 923. An act for the relief of Dr. Danuta Oktawiec;

H. R. 924. An act for the relief of Joseph Marrali;

H. R. 957. An act for the relief of Dr. Cristjo Cristofv, his wife Jordana Dilova Cristofv, and his children George and Daphne-Kremena Cristofv;

H. R. 958. An act for the relief of Carl Kaiser;

H. R. 970. An act for the relief of Kyung Ho Park (Syung Sil Park) and his wife, Mrs. Young Sil Lee;

H. R. 971. An act for the relief of Mrs. Erato Aranopoulou;

H. R. 976. An act for the relief of Mrs. Franciska Mihalka;

H. R. 984. An act for the relief of Dr. Lycourgos E. Papadakis;

H. R. 1008. An act for the relief of Alexander Turchaninova;

H. R. 1009. An act for the relief of William Ligh;

H. R. 1012. An act for the relief of Federico Ungar Finaly;

H. R. 1044. An act for the relief of Teresa Alice Townsend;

H. R. 1045. An act for the relief of Rolf Peter Weber;

H. R. 1062. An act for the relief of Luigi Cianci;

H. R. 1069. An act for the relief of Hussein Kamel Moustafa;

H. R. 1081. An act for the relief of Anna Tokatlian Gulezian;

H. R. 1085. An act for the relief of Moses Aaron Butterman;

H. R. 1086. An act for the relief of Mayer Rothbaum;

H. R. 1108. An act for the relief of Rose Mazur;

H. R. 1146. An act for the relief of the Pacific Music Supply Co.;

H. R. 1163. An act for the relief of Lee Houn and Lily Ho Lee Houn;

H. R. 1165. An act for the relief of Maria Theresia Reinhardt and her child, Maria Anastasia Reinhardt;

H. R. 1166. An act for the relief of Florence Meister;

H. R. 1196. An act for the relief of Li Chiu Fu and wife, Leung Sue Wa;

H. R. 1203. An act for the relief of Ivan Bruno Lomm, also known as Ivan B. Johnson;

H. R. 1220. An act for the relief of Kleoniki Argendeli;

H. R. 1346. An act for the relief of Mrs. Anatoly Batenko and Vladimir Batenko;

H. R. 1351. An act for the relief of Mrs. Lottie Longo (formerly Lottie Guetler);

H. R. 1360. An act for the relief of Joaquin Rivademar;

H. R. 1496. An act for the relief of Leong Ding Foon Quon and Ken C. Quon;

H. R. 1501. An act for the relief of Andrea Hernandes Montes Rocha;

H. R. 1502. An act for the relief of Elisabeth Thalhammer and her child, Harold William Bushman III;

H. R. 1643. An act for the relief of the estate of James F. Casey;

H. R. 1656. An act for the relief of Chen Chih-Keui;

H. R. 1660. An act for the relief of Wencenty Peter Winiarski;

H. R. 1679. An act for the relief of Marek S. Korowicz;

H. R. 1691. An act for the relief of Henry L. Stamm, Sr.;

H. R. 1831. An act to amend the Commodity Credit Corporation Charter Act in order to protect innocent purchasers of fungible goods converted by warehousemen from claims of the Commodity Credit Corporation;

H. R. 2087. An act for the relief of Erika Rambauske;

H. R. 2261. An act for the relief of Giuseppe Carollo;

H. R. 2276. An act for the relief of Vida Kosnik;

H. R. 2346. An act for the relief of John P. Farrar;

H. R. 2361. An act for the relief of Elizabeth Ann Giampietro;

H. R. 2731. An act for the relief of Sing Fong York;

H. R. 2747. An act for the relief of Col. McFarland Cockrill;

H. R. 2762. An act for the relief of Bent Petersen;

H. R. 2764. An act for the relief of Victor and Irene-Wanda Goldstein;

H. R. 2954. An act for the relief of Mrs. Irene Emma Anderson;

H. R. 3020. An act for the relief of Buonaventura Giannone;

H. R. 3338. An act to amend section 1 of the act of March 12, 1914;

H. R. 3526. An act for the relief of the estate of Neil McLeod Smith;

H. R. 3557. An act to further amend the act of July 3, 1943 (ch. 189, 57 Stat. 372), relating to the settlement of claims for damage to or loss or destruction of property or personal injury or death caused by military personnel or certain civilian employees of the United States, by removing certain limitations on the payment of such claims and the time within which such claims may be filed;

H. R. 3659. An act to increase criminal penalties under the Sherman Antitrust Act;

H. R. 3661. An act to amend section 490 of title 14, United States Code, relating to the settlement of claims of military and civilian personnel of the Coast Guard, and for other purposes;

H. R. 3738. An act for the relief of Roy M. Hofheinz and wife Irene;

H. R. 3885. An act to amend the act of April 29, 1941, to authorize the waiving of the requirement of performance and payment bonds in connection with certain Coast Guard contracts;

H. R. 4043. An act for the relief of Rene Rachell Luyse Kubicek;

H. R. 4051. An act to provide for the relief of certain Army and Air Force nurses, and for other purposes;

H. R. 4549. An act for the relief of John J. Braund;

H. R. 4642. An act for the relief of Mrs. Helen Aldridge;

H. R. 5239. An act making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1956, and for other purposes; and

H. J. Res. 184. Joint resolution to designate the 1st day of May 1955 as Loyalty Day.

The message further announced that the House had agreed to a concurrent resolution (H. Con. Res. 103) establishing that when the two Houses adjourn Monday, April 4, 1955, they stand adjourned until Wednesday, April 13, 1955, in which it requested the concurrence of the Senate.

HOUSE BILLS AND JOINT RESOLUTION REFERRED

The following bills and joint resolution were severally read twice by their titles, and referred, as indicated:

H. R. 122. An act to amend the Commodity Exchange Act; and

H. R. 1831. An act to amend the Commodity Credit Corporation Charter Act in order to protect innocent purchasers of fungible goods converted by warehousemen from claims of the Commodity Credit Corporation; to the Committee on Agriculture and Forestry.

H. R. 872. An act for the relief of Mrs. Concetta Saccatti Salliani;

H. R. 876. An act for the relief of Alberto Dal Bello and Mrs. Dina Bristot Dal Bello;

H. R. 886. An act for the relief of Mrs. Mounira E. Medlej;

H. R. 888. An act for the relief of Mrs. Elsa Danes;

H. R. 890. An act for the relief of Eliseo Felix Hernandez;

H. R. 891. An act for the relief of Alberto Cortez Cortez;

H. R. 907. An act for the relief of Justin G. Maile and Theodore R. Hilbig;

H. R. 911. An act for the relief of Gloria Minoza Medellin;

H. R. 913. An act for the relief of Hildegard Noble;

H. R. 921. An act for the relief of Chia-Tseng Chen;

H. R. 923. An act for the relief of Dr. Danuta Oktawiec;

H. R. 924. An act for the relief of Joseph Marrali;

H. R. 957. An act for the relief of Dr. Cristjo Cristofv, his wife Jordana Dilova Cristofv, and his children George and Daphne-Kremena Cristofv;

H. R. 958. An act for the relief of Howard Carl Kaiser;

H. R. 970. An act for the relief of Kyung Ho Park (Syung Sil Park) and his wife, Mrs. Young Sil Lee;

H. R. 971. An act for the relief of Mrs. Erato Aranopoulou;

H. R. 976. An act for the relief of Mrs. Franciska Mihalka;

H. R. 984. An act for the relief of Dr. Lycourgos E. Papadakis;

H. R. 1008. An act for the relief of Alexander Turchaninova;

H. R. 1009. An act for the relief of William Ligh;

H. R. 1012. An act for the relief of Federico Ungar Finaly;

H. R. 1044. An act for the relief of Teresa Alice Townsend;

H. R. 1045. An act for the relief of Rolf Peter Weber;

H. R. 1062. An act for the relief of Luigi Cianci;

H. R. 1069. An act for the relief of Hussein Kamel Moustafa;

H. R. 1081. An act for the relief of Anna Tokatlian Gulezian;

H. R. 1085. An act for the relief of Moses Aaron Butterman;

H. R. 1086. An act for the relief of Mayer Rothbaum;

H. R. 1108. An act for the relief of Rose Mazur;

H. R. 1146. An act for the relief of the Pacific Music Supply Co.;

H. R. 1163. An act for the relief of Lee Houn and Lily Ho Lee Houn;

H. R. 1165. An act for the relief of Maria Theresia Reinhardt and her child Maria Anastasia Reinhardt;

H. R. 1166. An act for the relief of Florence Meister;

H. R. 1196. An act for the relief of Li Chiu Fu and wife, Leung Sue Wa;

H. R. 1203. An act for the relief of Ivan Bruno Lomm, also known as Ivan B. Johnson;

H. R. 1220. An act for the relief of Kleoniki Argendeli;

H. R. 1346. An act for the relief of Mrs. Anatoly Batenko and Vladimir Batenko;

H. R. 1351. An act for the relief of Mrs. Lottie Longo (formerly Lottie Guetler);

H. R. 1360. An act for the relief of Joaquin Rivademar;

H. R. 1496. An act for the relief of Leong Ding Foon Quon and Ken C. Quon;

H. R. 1501. An act for the relief of Andrea Hernandes Montes Rocha;

H. R. 1502. An act for the relief of Elisabeth Thalhammer and her child, Harold William Bushman III;

H. R. 1643. An act for the relief of the estate of James F. Casey;

H. R. 1656. An act for the relief of Chen Chih-Keui;

H. R. 1660. An act for the relief of Wencenty Peter Winiarski;

H. R. 1679. An act for the relief of Marek S. Korowicz;

H. R. 1691. An act for the relief of Henry L. Stamm, Sr.;

H. R. 2087. An act for the relief of Erika Rambauske;

H. R. 2261. An act for the relief of Giuseppe Carollo;

H. R. 2276. An act for the relief of Vida Kosnik;

H. R. 2346. An act for the relief of John P. Farrar;

H. R. 2361. An act for the relief of Elizabeth Ann Giampietro;

H. R. 2731. An act for the relief of Sing Fong York;

H. R. 2747. An act for the relief of Col. McFarland Cockrill;

H. R. 2762. An act for the relief of Bent Petersen;

H. R. 2764. An act for the relief of Victor and Irene-Wanda Goldstein;

H. R. 2954. An act for the relief of Mrs. Irene Emma Anderson;

H. R. 3020. An act for the relief of Buonaventura Giannone;

H. R. 3338. An act to amend section 1 of the act of March 12, 1914;

H. R. 3526. An act for the relief of the estate of Neil McLeod Smith;

H. R. 3557. An act to further amend the act of July 3, 1943 (ch. 189, 57 Stat. 372), relating to the settlement of claims for damage to or loss or destruction of property or personal injury or death caused by military personnel or certain civilian employees of the United States, by removing certain limitations on the payment of such claims and the time within which such claims may be filed;

H. R. 3659. An act to increase criminal penalties under the Sherman Antitrust Act;

H. R. 3661. An act to amend section 490 of title 14, United States Code, relating to the settlement of claims of military and civilian personnel of the Coast Guard, and for other purposes;

H. R. 3738. An act for the relief of Roy M. Hofheinz and wife Irene;

H. R. 3885. An act to amend the act of April 29, 1941, to authorize the waiving of the requirement of performance and payment bonds in connection with certain Coast Guard contracts;

H. R. 4043. An act for the relief of Rene Rachell Luyse Kubicek;

H. R. 4051. An act to provide for the relief of certain Army and Air Force nurses, and for other purposes;

H. R. 4549. An act for the relief of John J. Braund;

H. R. 4642. An act for the relief of Mrs. Helen Aldridge; and

H. J. Res. 184. Joint resolution to designate the 1st day of May 1955 as Loyalty Day; to the Committee on the Judiciary.

H. R. 5239. An act making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1956, and for other purposes; to the Committee on Appropriations.

REPORT OF A COMMITTEE SUBMITTED DURING RECESS

Pursuant to the order of the Senate of March 28, 1955,

Mr. RUSSELL, from the Committee on Armed Services, on March 29, 1955, reported favorably, with amendments, the bill (H. R. 4720) to provide incentives for members of the uniformed services by increasing certain pays and allowances, and submitted a report (No. 125) thereon.

COMMITTEE MEETING DURING SENATE SESSION

On request of Mr. JOHNSON of Texas, and by unanimous consent, the Subcommittee on Health of the Committee on Labor and Public Welfare was authorized to meet during the session of the Senate today.

EXTENSION OF DATE FOR FILING REPORT BY COMMITTEE ON ARMED SERVICES AND COMMITTEE ON BANKING AND CURRENCY

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the date for filing the report of the Committee on Armed Services and the Committee on Banking and Currency authorized by Senate Resolution 254 of the 83d Congress be extended until April 30, 1955.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

DEATH OF HAROLD BECKLEY, SUPERINTENDENT OF THE SENATE PRESS GALLERY

Mr. JOHNSON of Texas. Mr. President, late yesterday I first heard the melancholy news of the passing of one of our most beloved Senate officials, Harold R. Beckley.

For nearly a quarter of a century Harold Beckley has been the friend and confidant of Senators and members of the press. For 15 of those years he was the Superintendent of the Press Gallery, a loyal and devoted public servant who smoothed out many of the rough spots in the daily routine of this body.

"Beck," as he was known to all of us, was intimately acquainted with most of the great national figures of our times. He was an indispensable part of the national conventions of both great political parties, and he is a man who will be sorely missed by all of us.

I know that I can speak for every Member of the Senate when I say that our thoughts are with his family on this sad day. We have all lost a good and faithful friend.

I ask unanimous consent to have printed in the RECORD as a part of my remarks the article about Harold Beckley which appeared in this morning's Washington Post and Times Herald.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

HAROLD R. BECKLEY, SENATE GALLERY CHIEF

Harold R. Beckley, Superintendent of the Senate Press Gallery, died yesterday at Suburban Hospital, Bethesda, Md. He was 57.

Mr. Beckley in nearly a quarter of a century of work in the press gallery helped thousands of correspondents in and out of Washington to cover the news.

He had been superintendent of the Senate gallery since 1940, and an assistant superintendent for 9 years before that.

Among the many key tasks he performed for newspapers were helping to set up press coverage arrangements for national political conventions, for campaign tours of the candidates, and for major congressional hearings and press conferences.

Mr. Beckley was admitted to Suburban Hospital Sunday after a brief period of illness at his home, 7 Normandy Drive, Silver Spring, Md.

Dr. Philip H. Varner, the attending physician, said Mr. Beckley died of heart failure, induced by bronchial pneumonia.

Although he never worked for a newspaper, Mr. Beckley developed a keen sense of news, and a keener taste for a good story. He was an expert at giving a quick fill-in on a news development, and a master at recounting a good yarn.

He was the third superintendent of the Senate Press Gallery. The job is filled by the Standing Committee on Correspondents, a five-member group elected by the gallery members. He worked closely with the committee in planning the details of press arrangements for numerous major public events, here and elsewhere.

As a press liaison man, Mr. Beckley was an intimate of many national figures. He was president of the Hard Rock Club, founded by former President Truman with the group that accompanied him on his Vice Presidential campaign tour in 1944. The club's name recalled a visit into a mine.

In 1952, Mr. Beckley served as press liaison man on Vice President RICHARD M. NIXON'S campaign tour.

NIXON issued a statement saying: "There was not a Member of the Senate nor the Senate press corps who did not value the friendship of Harold Beckley." He said Beckley was a "quiet, unassuming, friendly man" who set a standard in his job "which may be equaled but which can never be excelled."

A native of Wilmington, Del., Mr. Beckley first came to Washington in 1925. He worked in the House and Senate document rooms before becoming assistant superintendent of the Senate Press Gallery in 1931.

After he won promotion to the position of gallery superintendent, Mr. Beckley often said "I wouldn't change jobs with anyone under the sun."

For many years his chief hobby was golf. More recently his favorite recreation was fishing in the lower Potomac River, at Cobb Island, where he and his wife had a summer

cottage with several of their Washington newspaper friends as near neighbors.

He is survived by his wife, the former Nellie Fuhr; his father, John R. Beckley, a retired railroad engineer, of Wilmington, and five sisters, Mrs. Ben Caplon, of Chevy Chase, Md.; Mrs. Don Womack, of Arlington, Va.; Mrs. Morton Sylvester, of Washington; Mrs. Ruth Nielson, of West Palm Beach, Fla., and Mrs. Hoyt Ellingsworth, of Wilmington.

The National Press Club named a 12-member committee to represent the club at the funeral, for which arrangements are to be announced later. The committee is headed by Lucian Warren, president of the club.

Mr. KNOWLAND. Mr. President, I wish to join the majority leader in expressing the profound regret of all of us on this side of the aisle, and I know that of the entire Senate, at the passing of Harold Beckley. He certainly had been most courteous in his dealings with Senators, both in our official duties in the Senate and in the two great national political conventions.

He acted as liaison man between those of us on the floor and the Press Gallery, and was permitted to come to the floor when the Senate was in session. Much of the business which the Senate conducts is known to the country only through the activities of the American press, and, of course, radio and television. In that great arm of public information represented by the press and those who serve in the Press Gallery, Harold Beckley played an important part, and he will be missed by all of us.

Mr. WILEY. Mr. President, I am sure that all of the Members of the Senate heard with deep regret the news of the untimely passing of the Superintendent of the Press Gallery, Mr. Harold Beckley.

One of the distinguishing characteristics of the men who serve in connection with the work of the Congress is that so many of them have devoted virtually lifetimes to their tasks, tasks which, I may say, usually are largely unknown to the American public.

Harold Beckley first came to Capitol Hill in 1925 in connection with the work of the Senate document rooms, under the sponsorship of Senator Theodore Burton, of Ohio. Between 1931 and 1940 he served as second assistant superintendent of the Senate Press Gallery. Then in September 1940 he became the Superintendent, the third individual to hold this important office.

Only those of us who are privileged to work day in and day out in the Capitol can appreciate the thousand and one hectic cares and burdens of a man in his position. The ladies and gentlemen of the fourth estate can particularly well appreciate the heavy tasks which he accomplished so well. But those of us who are not members of the press, as such, but who come in contact with it in all our work, can understand, too, the industry, the resourcefulness, the ability to perform the job under all sorts of deadline pressures and strains, which marked Harold Beckley's successful quarter of a century of work in the Press Gallery.

Mr. Beckley has served the American press, and thereby the American people, as well, in connection with numerous political conventions, international conferences, indeed, in many other types of places where American correspondents are called upon to report the political news of our country.

I may say that the press coverage of the National Legislature of the United States is the finest, fastest, freest such coverage in the world. And it is thanks to high-caliber men, such as "Beck," that this job—often difficult and always complex—is so successfully performed.

I know my colleagues join with me in expressing sincerest condolences to his widow, his father, and his sisters.

UNJUSTIFIED CRITICISM OF PRESIDENT EISENHOWER

Mr. KNOWLAND. Mr. President, with the greatest problems facing our Nation, foreign and domestic, the recent attacks upon President Eisenhower are petty and carping.

First, we had Democratic Chairman Butler raising questions regarding the health of the President's wife.

Next, the junior Senator from Oregon [Mr. NEUBERGER] attempted to become the leader of the White House squirrels by unfairly ridiculing the President in a matter our Chief Executive did not originate. I dare say that, with the vast burdens of his office, the President would have been happy to have the freedom of Rock Creek Park, which the three former residents of the White House lawn are alleged to have had made available to them.

However, the most shocking personal attack on the President during my 10 years in the Senate was the speech of the junior Senator from West Virginia [Mr. NEELY] before the CIO, in which he reflected upon Dwight Eisenhower's personal sincerity and religious belief. I believe that all people of faith, Catholic, Protestant, and Jewish, will resent this uncalled-for attack.

It is my hope that the Senators across the aisle, who operate on a high level, will publicly repudiate such statements. I believe that they must regret them as much as we on this side of the aisle do. Certainly, the overwhelming majority of Americans, regardless of party affiliation, will resent such personal abuse of our Chief Executive.

The New Deal-ADA wing of the Democratic Party has certainly shown its bankrupt state by such carping criticism.

Mr. BUSH subsequently said: Mr. President, I wish to associate myself with the remarks of the minority leader [Mr. KNOWLAND]. The personal attack by the Senator from West Virginia [Mr. NEELY] on the President's sincerity and church habits is highly offensive. And the chiming in of ADA spokesmen in defense of the Senator from West Virginia is worse. How dare anyone speak for ADA concerning such a personal matter, such a vicious personal attack?

The Senator from West Virginia and his friends should thank God that in these days of imminent peril, with cleavages in both great parties creating constant uncertainties and divisions among our people, we are blessed with a President who is the greatest spiritual leader we have seen since Abraham Lincoln. By his example of tolerance and patience, and by his acknowledged dependence on God's guidance, he has constantly given our people hope and faith in a future which cynics paint in darkest colors.

ORDER FOR TRANSACTING OF ROUTINE BUSINESS

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that there may be the customary morning hour for the transaction of routine business, under the usual 2-minute limitation on speeches.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

EXECUTIVE COMMUNICATIONS, ETC.

The ACTING PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

REVISION OF PROPOSED SUPPLEMENTAL APPROPRIATION, PAYMENT OF CLAIMS AND JUDGMENTS (S. DOC. NO. 25)

A communication from the President of the United States, transmitting a revision of a proposed supplemental appropriation, involving an increase of $3,234,377, in the amount necessary for payment of claims for damages, audited claims, and judgments (with accompanying papers); to the Committee on Appropriations and ordered to be printed.

PROPOSED SUPPLEMENTAL APPROPRIATION, TAX COURT OF THE UNITED STATES (S. DOC. NO. 26)

A communication from the President of the United States, transmitting a proposed supplemental appropriation for the Tax Court of the United States, in the amount of $135,000, for the fiscal year 1956, in the form of an amendment to the budget for said fiscal year (with an accompanying paper); to the Committee on Appropriations, and ordered to be printed.

PROPOSED SUPPLEMENTAL APPROPRIATION, TREASURY DEPARTMENT (S. DOC. NO. 27)

A communication from the President of the United States, transmitting proposed supplemental appropriation for the Treasury Department, in the amount of $35,000, for the fiscal year 1955 (with an accompanying paper); to the Committee on Appropriations, and ordered to be printed.

PROPOSED SUPPLEMENTAL APPROPRIATIONS AND LEGISLATIVE PROVISION, DISTRICT OF COLUMBIA (S. DOC. NO. 28)

A communication from the President of the United States, transmitting a proposed supplemental appropriation for the fiscal year 1955 and prior fiscal years, in the amount of $996,889, together with a proposed legislative provision, for the District of Columbia (with an accompanying paper); to the Committee on Appropriations, and ordered to be printed.

CONSOLIDATION OF HATCH ACT OF 1887 AND LAWS SUPPLEMENTARY THERETO

A letter from the Secretary of Agriculture, transmitting a draft of proposed legislation to consolidate the Hatch Act of 1887 and laws supplementary thereto relating to the appropriation of Federal funds for the support of agricultural experiment stations in the States, Alaska, Hawaii, and Puerto Rico (with an accompanying paper); to the Committee on Agriculture and Forestry.

REPORT ON REAPPORTIONMENT OF APPROPRIATIONS

Two letters from the Acting Director, Bureau of the Budget, Executive Office of the President, reporting, pursuant to law, that the appropriation to the Veterans' Administration entitled "Grants to the Republic

of the Philippines," and the appropriation to the Treasury Department entitled "Salaries and Expenses, Bureau of Accounts" had been reapportioned on a basis which indicates a necessity for supplemental estimates of appropriation (with accompanying papers); to the Committee on Appropriations.

RELIEF OF CERTAIN ACCOUNTABLE OFFICERS OF THE GOVERNMENT

A letter from the Administrator, Housing and Home Finance Agency, Washington, D. C., transmitting a draft of proposed legislation to amend section 1 of the act entitled, "An act to authorize relief of accountable officers of the Government, and for other purposes," approved August 1, 1947 (61 Stat. 720) (with an accompanying paper); to the Committee on Government Operations.

REPORT OF DEPARTMENT OF JUSTICE

A letter from the Attorney General of the United States, transmitting, pursuant to law, a report of the activities of the Department of Justice, for the fiscal year ended June 30, 1954 (with an accompanying report); to the Committee on the Judiciary.

RELIEF OF CERTAIN OFFICERS AND EMPLOYEES OF PUBLIC HOUSING ADMINISTRATION

A letter from the Administrator, Housing and Home Finance Agency, Washington, D. C., transmitting a draft of proposed legislation for the relief of certain officers and employees of the Public Housing Administration (with an accompanying paper); to the Committee on the Judiciary.

SALE OR PLEDGE OF POSTAGE STAMPS

A letter from the Acting Postmaster General, transmitting a draft of proposed legislation to amend section 1721, title 18, United States Code, relating to the sale or pledge of postage stamps (with an accompanying paper); to the Committee on Post Office and Civil Service.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the ACTING PRESIDENT pro tempore:

A joint resolution of the Legislature of the State of Idaho; to the Committee on Appropriations:

"Senate Joint Memorial 4

"To the honorable Senate and House of Representatives of the United States in Congress assembled:

"We, your memorialists, the Legislature of the State of Idaho, as assembled in its 33d session, do respectfully represent that:

"Whereas the building of the unfinished link in what is known as the Lewis and Clark Highway, popularly known as the Wash-Ho-Tana Link, over the Bitterroot Mountains, joining Washington, Idaho and Montana, is vitally essential to the defense of the Pacific Northwest in the event a mass evacuation becomes necessary because of an enemy attack on the strategic defense installations in this area; and

"Whereas the building of this link of approximately 30 miles on the transcontinental highway would bolster the economy of this region, by providing better transportation for its vast lumber, mining, and agricultural products; and

"Whereas said Lewis and Clark Highway, with its wealth of historical landmarks, can become one of the great tourist attractions of the North American Continent, attracting thousands of visitors annually; and

"Whereas the completion of this highway would be a fitting tribute, by the people of this generation, to the heroic trail-blazers, Lewis and Clark and their immortal Indian guide, Sacajawea, who opened up to exploration and settlement the great Northwest Territory of the United States exactly 150 years ago; and

"Whereas the sesquicentennial celebration of this historic event will take place on said trail within the State of Idaho during the present year: Now, therefore, be it

"Resolved by the 33d Legislative Assembly of Idaho of 1955, now in session (the Senate and House of Representatives concurring), That we do most earnestly request the Congress of the United States to appropriate sufficient moneys to provide for the construction of said unfinished link in said Lewis and Clark Highway; be it further

"Resolved, That the secretary of state of the State of Idaho be authorized, and he is hereby directed to forward certified copies of this memorial to the President of the United States, the Senate and the House of Representatives of the United States, and to the Senators and Representatives representing this State in the Congress of the United States.

"This senate joint memorial was adopted by the senate on the 22d day of February 1955.

"J. BERKELEY LARSEN,
"President of the Senate.

"This senate joint memorial was adopted by the house of representatives on the 4th day of March 1955.

"R. H. YOUNG, Jr.,
"Spcaker of the House of Representatives."

A joint resolution of the Legislature of the State of Idaho; to the Committee on Finance:

"Senate Joint Memorial 5

"To the honorable Senate and House of Representatives of the United States in Congress assembled:

"We, your memorialists, the Senate and House of Representatives of the State of Idaho, in legislative session duly and regularly assembled, do respectfully represent as follows:

"Whereas the base metal mining industry and the wool-growing industry of the United States have suffered serious curtailment, and are threatened with further curtailment, through dumping of lead, zinc, and wool from low-wage foreign countries; and

"Whereas the State of Idaho, and many other sections of the United States, are to a great extent dependent upon the mining industry and the wool-growing industry for the maintenance of their economy, and unless satisfactory relief can be obtained the present existing serious situation will rapidly become intolerable; and

"Whereas unemployment and loss of production caused by dumping from low-wage countries is depriving local county and State governments of much needed tax income; and

"Whereas the executive department of the United States Government has not seen fit over the past years to adhere to the purposes of the escape-clause and peril-point provisions of the Trade Agreement Act: Now, therefore, be it jointly

"Resolved by the Senate and the House of Representatives of the 33d session of the Legislature of the State of Idaho (the Governor of the State of Idaho concurring therein), That the Congress of the United States be, and is, hereby memorialized to approve legislation, as follows:

"To enact an excise tax on imports of wool, lead, and zinc, as well as other products, metals and minerals with similar problems which may be suspended whenever prices are at an economic level that will permit the domestic mining and wool-growing industries to maintain an adequate mobilization base for national security.

"To remove the authority of the executive department to act on the Tariff Commission's recommendations, and to place such responsibility for approving or disapproving such recommendations in the hands of Congress where the constitutional authority rests.

"To allow the Trade Agreements Act of 1934, as extended, to expire on June 12, 1955; be it further

"Resolved, That the secretary of state of the State of Idaho be authorized, and is hereby directed, to forward certified copies of this memorial to the President of the United States, the Senate, and House of Representatives of the United States, and to the Senators and Representatives representing this State in Congress of the United States.

"This senate joint memorial was adopted by the senate on the 25th day of February 1955.

"J. BERKELEY LARSEN,
"President of the Senate.

"This senate joint memorial was adopted by the house of representatives on the 3d day of March 1955.

"R. H. YOUNG, Jr.,
"Speaker of the House of Representatives."

A joint resolution of the Legislature of the State of Idaho; to the Committee on Interior and Insular Affairs:

"House Joint Memorial 2

"To the honorable Senate and House of Representatives of the United States in Congress assembled:

"We, your memorialists, the Legislature of the State of Idaho, respectfully represent, that:

"Whereas the Nez Perce Indian Tribe has been taking fish and game pursuant to the Nez Perce Treaties of 1855 and 1863, at any time of the year, and at any place their ancestors were accustomed to hunt and fish; and

"Whereas the Nez Perce Indian Tribe maintains that it is not accountable to the State of Idaho, and need not heed the laws, rules, and regulations of the State of Idaho pertaining to the taking of fish and game within the State of Idaho; and

"Whereas the natural resources of the State of Idaho will not stand the drain imposed upon them by this wanton killing without regard to seasons and bag limits: Now, therefore, be it

"Resolved by the House of Representatives of the State of Idaho (the Senate concurring), That we most respectfully urge upon the Congress of the United States of America that the Nez Perce Treaties of 1855 and 1863 be reviewed, and that the hunting and fishing privileges of the Nez Perce Indians be made to conform with the laws, rules, and regulations governing the taking of fish and game within the State of Idaho, and that the Nez Perce Indian Tribe be duly compensated for any loss which might occur as a result of a change in the aforementioned treaties; be it further

"Resolved, That the secretary of state of the State of Idaho be authorized and he is hereby directed to immediately forward certified copies of this memorial to the Senate and the House of Representatives of the United States of America, the Secretary of the Interior, and to the Senators and the Representatives in Congress from this State and from the States of Oregon, Washington, and Montana.

"This house joint memorial passed the house on the 9th day of February 1955.

"R. W. YOUNG, Jr.,
"Speaker of the House of Representatives.

"This house joint memorial passed the senate on the 22d day of February 1955.

"J. BERKELEY LARSEN,
"President of the Senate."

A joint resolution of the Legislature of the State of Idaho; to the Committee on Labor and Public Welfare:

"Senate Joint Memorial 8

"To the honorable Senate and House of Representatives of the United States in Congress assembled:

"We, your memorialists, the Legislature of the State of Idaho, as assembled in this its 33d session, do respectfully petition and represent that

"Whereas the welfare and rehabilitation of sick and disabled veterans of all wars of the United States, is of the utmost importance to the people of the several States; and

"Whereas the Government of the United States has assumed the responsibility of providing hospitalization for all veterans with service-connected disability or disease or chronic illnesses; and

"Whereas the national welfare will be promoted by maintaining a minimum of one veterans' hospital in every State of the Union, in recognition of the contribution of each State in the national defense: Now, therefore, be it

"Resolved by the 33d Legislative Assembly of Idaho of 1955, now in session (the Senate and House of Representatives concurring), That we most earnestly petition the Congress of the United States to support and maintain not less than one veterans' hospital in each and every State of the United States, in order to more effectively carry out the Government's established policy toward veterans; be it further

"Resolved, That the secretary of state of the State of Idaho be authorized and he is hereby directed to immediately forward certified copies of this memorial to the President and Vice President of the United States, the Senate and the House of Representatives of the United States of America, the Director of the Veterans' Administration, and to the Senators and the Representatives in Congress from this State.

"This senate joint memorial was adopted by the senate on the 1st day of March 1955.

"J. BERKELEY LARSEN,
"President of the Senate.

"This senate joint memorial was adopted by the house of representatives on the 4th day of March 1955.

"R. H. YOUNG, Jr.,
"Speaker of the House of Representatives."

A joint resolution of the Legislature of the Territory of Alaska; to the Committee on Interstate and Foreign Commerce:

"Senate Joint Memorial 16

"To the Honorable Dwight D. Eisenhower, President of the United States; to the President of the Senate and Speaker of the House of Representatives of the United States; to the Honorable E. L. Bartlett, Delegate to Congress From Alaska; to the Honorable Douglas McKay, Secretary of the Interior; and to James Farley, Director of the United States Fish and Wildlife Service:

"Your memorialist, the Legislature of the Territory of Alaska, in 22d regular session assembled, respectfully represents that:

"Whereas the people of Alaska in a free expression of opinion at their general election on October 12, 1946, did by the unprecedented majority of 19,712 to 2,624 vote to abolish fish traps from the waters of this Territory; and

"Whereas in the months prior to the time this overwhelming expression of dissatisfaction with fish traps was registered at the polls, the people of Alaska had engaged in a full and complete debate on the subject; and

"Whereas the elimination of fish traps in the Province of British Columbia and from all coastal waters of the Pacific coast except in Alaska, has resulted in an ever-increasing stabilization of the fisheries resource in British Columbia and on the Pacific coast; and

"Whereas the United States Fish and Wildlife Service has, over the past 2 years, instituted a stringently regulated salmon conservation program throughout the salmon fisheries areas of Alaska; and

"Whereas the taking of salmon for commercial uses has, in some areas, been completely disallowed in an attempt to conserve the valuable fisheries resource; and

"Whereas the vast majority of Alaskans, after many decades of firsthand experience and study, are convinced that no salmon conservation program can achieve lasting effect unless salmon fish traps are abolished immediately, forever, from Alaskan waters.

"Now, therefore, your memorialist, the Legislature of the Territory of Alaska, respectfully urges and requests that immediate legislation be enacted abolishing fish traps from the waters of the Territory of Alaska.

"And your memorialist will ever pray.

"Passed by the senate March 13, 1955.

"JAMES NOLAN,
"President of the Senate.

"Attest:

"KATHERINE T. ALEXANDER,
"Secretary of the Senate.

"Passed by the house March 18, 1955.

"WENDELL F. KAY,
"Speaker of the House.

"Attest:

"JOHN T. MCLAUGHLIN,
"Chief Clerk of the House."

A joint resolution of the Legislature of the Territory of Alaska; to the Committee on the Judiciary:

"Senate Joint Memorial 12

"To the Honorable Dwight D. Eisenhower, President of the United States; the Honorable Richard Nixon, President of the Senate; the Honorable Sam Rayburn, Speaker of the House of Representatives; and to the Honorable E. L. Bartlett, Delegate to Congress From Alaska:

"Your memorialist, the Legislature of the Territory of Alaska, in 22d regular session assembled, respectfully represents that:

"Whereas the Territory of Alaska is considered to be within the United States for purposes of the internal revenue laws of the United States; and

"Whereas Alaska residents therefore pay all Federal taxes levied upon residents of the United States; and

"Whereas, for purposes of the McCarran Immigration Act Alaska is considered to be outside the United States; and

"Whereas the difference in treatment of Alaskans under the internal revenue laws and immigration laws is not in keeping with the equal protection of law that is a basic part of the American heritage.

"Now, therefore, your memorialist, the Legislature of the Territory of Alaska, in 22d regular session assembled, respectfully urges that the McCarran Act be amended to insure that Alaskans are afforded the rights and responsibilities which are due loyal American citizens.

"And your memorialist will ever pray.

"Passed by the senate March 7, 1955.

"JAMES NOLAN,
"President of the Senate.

"Attest:

"KATHERINE T. ALEXANDER,
"Secretary of the Senate.

"Passed by the house March 18, 1955.

"WENDELL P. KAY,
"Speaker of the House.

"Attest:

"JOHN T. MCLAUGHLIN,
"Chief Clerk of the House."

A joint resolution of the Legislature of the Territory of Alaska; to the Committee on Interior and Insular Affairs:

"Senate Joint Memorial 15

"To the Honorable Douglas McKay, Secretary of the Interior; the Honorable James Murray, Chairman of Interior and Insular Affairs Committee of the United States Senate; the Honorable Clair Engle, Chairman of the Interior and Insular Affairs Committee of the House of Representatives; the Honorable Felix Wormser, Assistant Secretary of the Interior for Minerals; the Honorable R. Frank Heintzleman, Governor of Alaska; the Honorable E. L. Bartlett, Delegate to Congress From Alaska; and to the United States Congress:

"Your memorialist, the Legislature of the Territory of Alaska, in 22d session assembled, respectfully represents that:

"Whereas there is located on the highly mineralized Seward peninsula of northwestern Alaska over 1,000 square miles that are considered by the United States Geological Survey and the United States Bureau of Mines, commercial tin possibilities; and

"Whereas World War II spotlighted the appalling lack of tin in the United States, either stockpiled, or in the ground as known reserves; and

"Whereas two-thirds of the world supply of tin is produced in those countries now under the influence of, and dominated by, communism; and

"Whereas Asia, and particularly Malaya, Indonesia, and Thailand, the chief source of supply would immediately be cut off in case of war; and

"Whereas Bolivia, the remaining chief source of supply, has through expropriation and nationalization of tin rendered the industry extremely unstable and precarious; and

"Whereas a dependable supply of tin is an absolute essential to our ever expanding economy and to our national security, both in time of war and peace.

"Now, therefore, your memorialist, the Legislature of the Territory of Alaska, in 22d regular session assembled, urges that the Congress of the United States enact legislation to bring domestic tin into the same category as tungsten and other strategic metals, extending over a period of years sufficient to allow ample time for privately financed exploration, and thereafter development and production from the existing domestic deposits, and those which may be discovered.

"And your memorialist will ever pray.

"Passed by the senate March 9, 1955.

"JAMES NOLAN,
"President of the Senate.

"Attest:

"KATHERINE T. ALEXANDER,
"Secretary of the Senate.

"Passed by the house March 18, 1955.

"WENDELL P. KAY,
"Speaker of the House.

"Attest:

"JOHN T. MCLAUGHLIN,
"Chief Clerk of the House."

The petition of John P. McGrath, and sundry other citizens of the States of New York and New Jersey, praying for the enactment of Senate Joint Resolution 1, relating to the treaty-making power; to the Committee on the Judiciary.

A resolution adopted by the Twentynine Palms (Calif.) Realty Board, favoring the enactment of legislation to provide sufficient appropriations to establish an independent Federal Housing Administration Office in San Bernardino, Calif.; to the Committee on Appropriations.

A resolution adopted by the Alameda, County Wine Growers Association, Alameda, Calif., remonstrating against the enactment of House bill 1, the Trade Agreements Extension Act; to the Committee on Finance.

A letter, in the nature of a petition, from Thomas Goodwell, and sundry other citizens of Los Angeles, Calif., favoring the enactment of legislation to include Federal court reporters in the bill to increase the salaries of classified Federal employees; ordered to lie on the table.

A resolution adopted by Rockaway Council No. 2672, Knights of Columbus, Rockaway Beach, Long Island, favoring the enactment of Senate Joint Resolution 1, relating to the treaty-making power; to the Committee on the Judiciary.

Resolutions adopted by the Annual State Conference, Minnesota Daughters of the American Revolution, Minneapolis, Minn., relating to the Constitution and world government, and so forth; to the Committee on Foreign Relations.

A telegram, in the nature of a petition, from Henry C. Einolf, Jr., Commander, Catholic War Veterans, Department of Maryland, Baltimore, Md., relating to the Prayer Room in the rotunda of the Capitol; ordered to lie on the table.

By Mr. BARRETT (for himself and Mr. O'MAHONEY):

Twelve joint resolutions of the Legislature of the State of Wyoming; to the Committee on Interior and Insular Affairs:

"Joint memorial memorializing the Congress of the United States of America with reference to the compact commission approach to the solution to the need for greater coordination and integration of development of land and water resources of regional watersheds

"Whereas the people of the State of Wyoming recognize the need for greater coordination and integration of the water-development program of various State and Federal agencies operating within regional watersheds than at present prevails; and

"Whereas a satisfactory precedent for accomplishing this goal has been established in the upper Colorado River Basin, wherein the four States involved have each one vote and the Federal Government one vote; and

"Whereas a planning and operating commission set up in this manner provides the necessary coordination and integration of the State and Federal agencies and at the same time assures the protection of the rights, laws, customs, powers, and sovereignty of the States involved; and

"Whereas the Council of State Governments and other groups of public-spirited and practical westerners, after exhaustive study, have recommended variations of this solution to the need for greater coordination and integration in regional watershed development: Now, therefore, be it

"Resolved by the Senate of the 33d Legislature of the State of Wyoming (the House of Representatives of such Legislature concurring), That the President and Congress of the United States of America, be and they are hereby memorialized to diligently and fairly consider the sentiment of the people of the State of Wyoming who favor such planning and operating commissions in broad outline similar to the Upper Colorado River Basin Commission, along the lines recommended by the Council of State Governments for other regional watersheds lying partly in the State of Wyoming, to be set up by compact between the States involved and the Federal Government; be it further

"Resolved, That certified copies hereof be promptly transmitted to the President and Vice President of the United States, the Speaker of the House of Representatives of said Congress, United States Senator FRANK A. BARRETT, United States Senator JOSEPH C. O'MAHONEY, and Representative in Congress E. KEITH THOMSON, to the Secretary of the Interior, the Commissioner of Reclamation, and to the governors and legislatures of the following States: Arizona, California, Colorado, Idaho, Iowa, Kansas, Minnesota, Missouri, Montana, Nebraska, Nevada, New Mexico, North Dakota, Oklahoma, Oregon, South Dakota, Texas, Utah, and Washington.

"R. L. GREENE,
"President of the Senate.
"T. C. DANIELS,
"Speaker of the House.

"Approved February 8, 1955.
"MILLARD L. SIMPSON,
"Governor."

"Joint memorial memorializing the Congress of the United States of America with reference to proceeding with the development of the Colorado River in the upper basin States by authorizing the Colorado River storage project and participating projects

"Whereas the development of the Colorado River in the upper basin States, consisting of Arizona, Colorado, New Mexico, Utah, and Wyoming, is of foremost importance to the future development and general welfare of said States and of the Western United States; and

"Whereas the allocation of the waters of the Colorado River apportioned to the upper basin by the Colorado River compact has been amicably settled by and between the above States; and

"Whereas the Upper Colorado River Compact Commission, comprising one member each from the States of Colorado, New Mexico, Utah, and Wyoming, and the Federal Government is a functioning body and has already completed a dynamic plan for the development of the project; and

"Whereas a report of the participating projects has been compiled by the United States Bureau of Reclamation, approved, with modifications, by the Secretary of the Interior, and submitted by him to the Congress of the United States, and

"Whereas this desirable development cannot be commenced without the authorization of the Congress of the United States of America: Now, therefore, be it

"Resolved by the Senate of the 33d Legislature of the State of Wyoming (the House of Representatives of such Legislature concurring), That the Congress of the United States of America, be and it is hereby memorialized to promptly, diligently and fairly consider and act upon at this session, legislation to authorize the Colorado River storage project and participating projects; and be it further

"Resolved, That certified copies hereof be promptly transmitted to the President and Vice President of the United States, the Speaker of the House of Representatives of said Congress, United States Senator FRANK A. BARRETT, United States Senator JOSEPH C. O'MAHONEY, and Representative in Congress E. KEITH THOMSON, to the Secretary of the Interior, the Commissioner of Reclamation, the Upper Colorado River Compact Commission, and to the governors and legislatures of the following States: Arizona, Colorado, New Mexico and Utah.

"R. L. GREENE,
"President of the Senate.
"T. C. DANIELS,
"Speaker of the House.

"Approved February 10, 1955.
"MILWARD L. SIMPSON,
"Governor."

"Joint memorial memorializing the Congress of the United States of America with reference to recognition by all Federal agencies of the rights and laws of the State of Wyoming

"Whereas the recognition by the Federal agencies of the rights and laws of the State relating to the control, development, appropriation, and use of waters within the State's boundaries was one of the fundamental concepts of Wyoming law and of the reclamation law as stated in section 8 of the Reclamation Act of 1902; and

"Whereas in recent years certain Federal agencies have either forgotten about this provision or have chosen to ignore it: Now, therefore, be it

"Resolved by the Senate of the 33d Legislature of the State of Wyoming (the House of Representatives of such legislature concurring), That the Congress of the United States of America, be and it is hereby memorialized to promptly, diligently, and fairly consider the sentiment of the people of the State of Wyoming requesting restatement and enforcement of the principle of recognizing the rights and laws of the State relating to the use and control of their waters; be it further

"Resolved, That certified copies hereof be promptly transmitted to the Secretary of the Interior, United States Senator FRANK A. BARRETT, United States Senator JOSEPH C. O'MAHONEY, and Representative in Congress E. KEITH THOMSON.

"R. L. GREENE,
"President of the Senate.
"T. C. DANIELS,
"Speaker of the House.

"Approved February 10, 1955.
"MILWARD L. SIMPSON,
"Governor."

"Joint memorial memorializing the Congress of the United States of America with reference to the opposition of the people of the State of Wyoming to any form of Federal, regional, or watershed rules or regulations set up either by legislative act or Executive order, in which the States involved would have no real voice in administration thereof

"Whereas any such Federal authority would supersede and nullify existing State laws under which water users have acquired water rights and by which these rights have been protected and administered; and

"Whereas existing water rights established under Wyoming State law would be subject to condemnation proceedings under provisions of acts creating such Federal authority; and

"Whereas the citizens of Wyoming would have no voice in the selection of the directors of the Federal authority, who would have unlimited control over the development of their land and water resources; and

"Whereas under a Federal authority the only voice permitted the people of the State of Wyoming and their local and State officials would be of an advisory nature; and

"Whereas such Federal legislation would place exclusive jurisdiction over water litigation involving the Federal authority in the Federal courts; and

"Whereas such Federal authority would tend to create a Federal power monopoly; and

"Whereas such Federal legislation would to a large extent reduce the States to mere geographical entities, replacing the present powers of local and State governments with a superstate in which the final control is vested in the Federal Government; and

"Whereas such Federal legislation would add nothing to the program of development of land and water resources which is not already available through existing State and Federal agencies, except better coordination, which could be accomplished through more democratic means: Now, therefore, be it

"Resolved by the Senate of the 33d Legislature of the State of Wyoming (the House of Representatives of such Legislature concurring), That the President and Congress of the United States of America, be and they are hereby memorialized to consider against any proposed legislation or Executive order setting up any form of Federal, regional, or watershed authority, however disguised, the strong, unequivocal and unalterable opposition of the people of the State of Wyoming to any such proposition and their determination to resist by every device at their command any such usurpation of the rights, laws, customs, powers, and sovereignty of their local and State governments; be it further

"Resolved, That certified copies hereof be promptly transmitted to the President and Vice President of the United States, the Speaker of the House of Representatives of said Congress, United States Senator FRANK A. BARRETT, United States Senator JOSEPH C. O'MAHONEY, and Representative in Congress E. KEITH THOMSON, to the Secretary of the Interior, the Commissioner of Reclamation, and to the governors and legislatures of the following States: Arizona, California, Colorado, Idaho, Iowa, Kansas, Minnesota, Missouri, Montana, Nebraska, Nevada, New Mexico, North Dakota, Oklahoma, Oregon, South Dakota, Texas, Utah, and Washington.

"R. L. GREENE,
"President of the Senate.
"T. C. DANIELS,
"Speaker of the House.

"Approved February 8, 1955.
"MILWARD L. SIMPSON,
"Governor."

"Joint memorial memorializing the Congress of the United States and the National Park Service of the Department of the Interior to investigate conditions in the Yellowstone National Park and to implement action to improve the same

"Whereas the Yellowstone Park is the greatest of all national playgrounds wherein thousands of citizens of every State of the Union seek and obtain summer recreation; and

"Whereas the facilities in the park are inadequate, old, and worn out; and

"Whereas the camp sites and sanitary facilities throughout the park are so poor and so overcrowded that their condition verges on a national scandal; and

"Whereas the operators of the various concessions in the park lack the necessary incentive to improve the conditions because of the absence of competition: Now, therefore, be it

"Resolved, That the Senate of the State of Wyoming, the House concurring, hereby memorializes the Congress of the United States of America and the National Park Service of the Department of the Interior to investigate said conditions and immediately initiate the necessary action to enlarge and expand facilities of the park and to renovate those now existing; be it further

"Resolved, That a certified copy of this memorial be forwarded to the President of the United States, the Secretary of the Interior, the Chief of the National Park Service, and to our congressional delegates, Senators FRANK A. BARRETT and JOSEPH C. O'MAHONEY and Congressman E. KEITH THOMSON.

"R. L. GREENE,
"President of the Senate.
"T. C. DANIELS,
"Speaker of the House.

"Approved February 10, 1955.
"MILWARD L. SIMPSON,
"Governor."

"Joint memorial memorializing the Congress of the United States of America with reference to passing legislation granting to the State of Wyoming all of the land and minerals within the confines of its borders, with the exception of the national parks and national monuments, national forests, and lands for national defense and promotion of aviation and agriculture

"Whereas the people of the sovereign State of Wyoming recognizing that the United States of America owns over 51 percent of all the lands within the borders of the State of Wyoming, and over 73 percent of the minerals on, in, or under the lands of the State of Wyoming; and

"Whereas the people of the State of Wyoming have long been aware of the inequitable lack of sovereignty and loss of revenue from the lands and minerals aforesaid; and

"Whereas the Taylor Grazing Act of 1934 in its preamble states that its purpose is to 'promote the highest use of the public lands pending its final disposal'; and

"Whereas the right of coastal States to ownership of tidelands oil has been recognized by act of Congress with presidential affirmation; and

"Whereas by act of admission of 1890, 'the State of Wyoming is hereby declared admitted to the Union on an equal footing with the original States in all respects whatever,' which is not the case in fact when the Federal Government owns the majority of Wyoming's surface lands and mineral rights; and

"Whereas the Government of the United States has attempted to take more of the land and minerals in addition to those already owned by it, and thus deprive the State of Wyoming and its citizens further from the benefits of such lands and minerals: Now, therefore, be it

"Resolved by the House of Representatives of the 33d Legislature of the State of Wyoming (the Senate of such Legislature concurring), That the Congress of the United States of America, be and it is hereby memorialized to promptly, diligently, and fairly consider and act upon at this session, legislation designed to grant to the State of Wyoming and its citizens title to all of the lands and minerals presently owned by the Government of the United States of America within the borders of the State of Wyoming, with the exception of national parks and national monuments, national forests and lands for national defense, and promotion of aviation and agriculture; be it further

"Resolved, That certified copies hereof be promptly transmitted to the President and Vice President of the United States, the Speaker of the House of Representatives of said Congress, United States Senator FRANK A. BARRETT, United States Senator JOSEPH C. O'MAHONEY, and Representative E. KEITH THOMSON, and to the governors and legislatures of the following States; Arizona, California, Colorado, Idaho, Kansas, Montana, Nebraska, Nevada, New Mexico, North Dakota, Oklahoma, Oregon, South Dakota, Texas, Utah, and Washington.

"T. C. DANIELS,
"Speaker of the House.
"R. L. GREENE,
"President of the Senate.

"Approved February 5, 1955.
"MILWARD L. SIMPSON,
"Governor."

"Joint memorial memorializing the Congress of the United States of America with reference to passing legislation to modernize the 160-acre limitation now imposed upon farm units in federally financed reclamation projects

"Whereas the 160-acre limitation upon farm units involving federally financed reclamation projects is based upon an outworn concept and has become a serious hindrance to the development of the West through reclamation; and

"Whereas in the case of presently irrigated private lands which need supplemental irrigation, the proper economic size of farm units has already been determined, as a result of decades of trial and error; and

"Whereas there exist in the West many areas which are naturally less favored than others, by reason of short growing seasons due to high elevation, northern latitude, or otherwise; and

"Whereas such less-favored areas cannot be reclaimed under the present land limitation provisions because they can be made productive only by the use of machinery, the cost of which is not warranted if the farm is limited to 160 acres or less: Now, therefore, be it

"Resolved by the House of the 33d Legislature of the State of Wyoming (the Senate of such Legislature concurring), That the Congress of the United States of America, be and it is hereby memorialized to promptly, diligently, and fairly consider and act upon at this session, legislation designed to modernize the acreage limitation in the following manner:

"1. Removal of the limitation in the case of lands to which supplemental water is to be supplied; and

"2. Determination of the economic size of farm units in a new land project by the appropriate State official or agency; and be it further

"Resolved, That certified copies hereof be promptly transmitted to the President and Vice President of the United States, the Speaker of the House of Representatives of said Congress, United States Senator FRANK A. BARRETT, United States Senator J. C. O'MAHONEY, and Representative in Congress E. KEITH THOMSON, to the Secretary of the Interior, the Commissioner of Reclamation, and to the Governors and Legislatures of the following States: Arizona, California, Colorado, Idaho, Kansas, Montana, Nebraska, Nevada, New Mexico, North Dakota, Oklahoma, Oregon, South Dakota, Texas, Utah, and Washington.

"T. C. DANIELS,
"Speaker of the House.
"R. L. GREENE,
"President of the Senate.

"Approved February 1, 1955.
"MILWARD L. SIMPSON,
"Governor."

"Joint memorial memorializing the Congress of the United States of America with reference to nonreimbursable costs in water development

"Whereas the costs allocated to flood control, navigation, and fish and wildlife benefits are now authorized by law as nonreimbursables; and

"Whereas many water development and reclamation projects provide recreational, salinity control, sediment control, public transportation, protection of public health, promotion of national defense, and fulfillment of international obligation benefits which are of more value to a river basin and the Nation as a whole, than they are to the irrigation water users under the projects; and

"Whereas it is no more logical to make the local irrigation water users pay for these benefits to the region and the Nation than it would be to make them pay for flood control, navigation, and fish and wildlife benefits which are now nonreimbursables: Now, therefore, be it

"Resolved, That the House of the 33d Legislature of the State of Wyoming and the Senate of such Legislature concurring that the President and Congress of the United States of America be and they are hereby memorialized to promptly, diligently, and fairly consider and act upon at this session, legislation designed to include: (1) Recreation, (2) salinity control, (3) sediment control, (4) public transportation, (5) protection of public health, (6) promotion of national defense, (7) fulfillment of international obligation benefits as nonreimbursables to the full extent of the national interest; be it further

"Resolved, That certified copies hereof be promptly transmitted to the President and Vice President of the United States, the Speaker of the House of Representatives of said Congress, United States Senator FRANK A. BARRETT, United States Senator JOSEPH C. O'MAHONEY, and Representative in Congress E. KEITH THOMSON, to the Secretary of the Interior and the Commissioner of Reclamation.

"T. C. DANIELS,
"Speaker of the House.
"R. L. GREENE,
"President of the Senate.

"Approved February 5, 1955.
"MILWARD L. SIMPSON,
"Governor."

"Joint memorial memorializing the Congress of the United States of America with reference to passing legislation to amend and supplement the reclamation laws to provide for Federal cooperation in non-Federal reclamation projects

"Whereas within the boundaries of the Western States, there are hundreds of thousands of acres of lands that could be provided either an original or supplemental water supply through so-called small projects; and

"Whereas there are approximately 400,000 acres of land in Wyoming that would be benefitted under this type of project; and

"Whereas the development of these projects is essential to the full utilization of the West's limited water supplies; and

"Whereas many of these smaller projects could feasibly be developed under construction standards which would not meet those required by the United States Bureau of Reclamation for the larger projects: Now, therefore, be it

"Resolved by the House of the 33d Legislature of the State of Wyoming (the Senate of such Legislature concurring), That the Congress of the United States of America, be and it is hereby memorialized to promptly, diligently and fairly consider and act upon at this session, legislation to amend and supplement the reclamation laws to provide for Federal cooperation in non-Federal projects; be it further

"Resolved, That certified copies hereof be promptly transmitted to the President and Vice President of the United States, the Secretary of the Interior, United States Senator FRANK A. BARRETT, United States Senator JOSEPH C. O'MAHONEY, and Representative in Congress E. KEITH THOMSON.

"T. C. DANIELS,
"Speaker of the House.
"R. L. GREENE,
"President of the Senate.

"Approved February 1, 1955.
"MILWARD L. SIMPSON,
"Governor."

"Joint memorial memorializing the Congress of the United States of America with reference to the continued recognition of the use of power and other revenues for reclamation projects to aid in the repayment of irrigation costs

"Whereas the complicated and costly multipurpose projects are essential today to the fullest utilization of Wyoming's and the West's limited water supplies, and that power is a more and more important paying partner in reclamation development; and

"Whereas the use of power revenues to aid in the repayment of irrigation costs is almost as old as the Federal reclamation program: Now, therefore, be it

"Resolved by the House of the 33d Legislature of the State of Wyoming (and the Senate of such Legislature concurring), That the Congress of the United States of America be and it is hereby memorialized to promptly, diligently, and fairly consider the sentiment of the people of the State of Wyoming who consider that the use of power and other revenues from reclamation projects to aid reclamation development is essential to the future development and full utilization of water resources, and that they thereby endorse the principle and the use of said power revenues for said purposes; be it further

"Resolved, That certified copies hereof be promptly transmitted to the President and Vice President of the United States, the Speaker of the House of Representatives of said Congress, United States Senator FRANK A. BARRETT, United States Senator JOSEPH C. O'MAHONEY, and Representative in Congress E. KEITH THOMSON, to the Secretary of the Interior, and the Commissioner of Reclamation.

"T. C. DANIELS,
"Speaker of the House.
"R. L. GREENE,
"President of the Senate.

"Approved, February 10, 1955.
"MILWARD L. SIMPSON,
"Governor."

"Joint memorial memorializing the Congress of the United States of America with reference to Senate bill 627, introduced in the 83d Congress, 1st session, providing for the control of noxious weeds on federally owned or controlled lands

"Whereas the State of Wyoming has entered upon a noxious-weed-control program on land owned by it and its citizens; and

"Whereas more than 50 percent of all the land within the boundaries of the State of Wyoming are federally owned or controlled; and

"Whereas, in an effort to facilitate the work of the various States in their programs of noxious-weed control, Senate bill 627 was introduced in the 83d Congress, January 26, 1953, by Senator MUNDT, of South Dakota, providing 'That every department, agency, and independent establishment in the executive branch of the Government having control of or jurisdiction over land located in any State shall hereafter comply with all laws and all rules and regulations of such State providing for the control of noxious weeds'; and

"Whereas the said Senate bill 627 failed to pass the Senate and House of Representatives and become law; and

"Whereas no matter how efficiently and carefully the principles of noxious-weed control are applied on all the land owned by the State of Wyoming, and its citizens, unless the Federal agencies concerned with the ownership and control of federally owned lands in Wyoming, cooperate with the State of Wyoming, the program as established by the State of Wyoming is less than 50 percent effective: Now, therefore, be it

"Resolved by the House of the 33d Legislature of the State of Wyoming (and the Senate of such Legislature concurring), That the Congress of the United States of America be, and it is hereby, memorialized to promptly, diligently, and fairly consider the sentiment of the people of the State of Wyoming, who consider noxious-weed control one of the most essential programs to the development of the lands in the State of Wyoming, and that they thereby enact into law such legislation as is necessary to enable Federal agencies to participate in the noxious-weed-control program in Wyoming so that it may be as fully effective as though the State of Wyoming and its citizens owned all the lands within its boundaries; be it further

"Resolved, That certified copies hereof be promptly transmitted to the President and Vice President of the United States, the Speaker of the House of Representatives of said Congress, United States Senator FRANK A. BARRETT, United States Senator JOSEPH C. O'MAHONEY, Representative in Congress E. KEITH THOMSON and to the Secretary of the Interior, Commissioner of Reclamation, and to the Governors and Legislatures of the following States: Arizona, California, Colorado, Idaho, Kansas, Montana, Nebraska, Nevada, New Mexico, North Dakota, Oklahoma, Oregon, South Dakota, Texas, Utah, and Washington.

"T. C. DANIELS,
"Speaker of the House.
"R. L. GREENE,
"President of the Senate.

"Approved February 5, 1955.
"MILWARD L. SIMPSON,
"Governor."

"Joint memorial memorializing the Congress of the United States to study the problem of individuals in the State of Wyoming, who own the surface estate of their lands, with the United States holding ownership of the mineral estate; and to pass and enact such legislation as will provide equitably for such individuals whose land or operation is diminished by mineral activity on their surface lands, by a mineral lessee of the United States

"Whereas over 20 percent of the surface of the land of the State of Wyoming is owned by its citizens; and

"Whereas on these lands the United States Government owns the mineral estate thereto; and

"Whereas the surface estate value and in other cases the farm or ranch operation is diminished as a result of exploration or mineral activity on the part of a mineral lessee of the United States on said lands: Now, therefore, be it

"Resolved by the House of Representatives of the 33d Legislature of the State of Wyoming (the Senate of such Legislature concurring), That the Congress of the United States pass and enact such legislation as will provide equitably for the owners of the surface estate of lands where the United States owns the mineral estate and such mineral estate is leased for mineral exploration or activity; be it further

"Resolved, That certified copies hereof be promptly transmitted to the President, Vice President, Senators JOSEPH C. O'MAHONEY, FRANK A. BARRETT, and Representative in Congress E. KEITH THOMSON.

"T. C. DANIELS,
"Speaker of the House.
"R. L. GREENE,
"President of the Senate.

"Approved February 19, 1955.
"MILWARD L. SIMPSON,
"Governor."

(The ACTING PRESIDENT pro tempore laid before the Senate 12 joint resolutions of the Legislature of the State of Wyoming, identical with the foregoing, which were referred to the Committee on Interior and Insular Affairs.)

By Mr. BARRETT (for himself and Mr. O'MAHONEY):

A joint resolution of the Legislature of the State of Wyoming; to the Committee on Appropriations:

"Joint memorial memorializing the Congress of the United States of America with reference to making adequate appropriations for stream measurement, ground water investigations, and mapping

"Whereas the future agricultural and industrial progress of Wyoming is dependent in large measure on the wise conservation and proper utilization of her limited water resources both surface and underground; and

"Whereas the determination of the water resources of the State requires continuous and expanding scientific study of the variations in water supply from year to year and of the areal distribution of available water supplies: Now, therefore, be it

"Resolved by the House of the 33d Legislature of the State of Wyoming (the Senate of such Legislature concurring), That the Congress of the United States of America be and it is hereby memorialized to appropriate funds adequate to carry on a direct program of stream measurement, ground water investigations, and mapping; and be it further

"Resolved, That certified copies hereof be promptly transmitted to the United States Senator FRANK A. BARRETT, United States Senator JOSEPH C. O'MAHONEY, and Representative in Congress E. KEITH THOMSON,

Secretary of the Interior, and the Director of the Geological Survey.

"T. C. DANIELS,
"Speaker of the House.
"R. L. GREENE,
"President of the Senate.

"Approved February 5, 1955.

"MILWARD L. SIMPSON,
"Governor."

(The ACTING PRESIDENT pro tempore laid before the Senate a joint resolution of the Legislature of the State of Wyoming, identical with the foregoing, which was referred to the Committee on Appropriations.)

A joint resolution of the Legislature of the State of Wyoming; to the Committee on Finance:

"Joint memorial memorializing Congress of the United States to enact legislation eliminating the tax on transportation of freight persons and accommodations

"Whereas recreational travel is of utmost importance to the State of Wyoming, being its third largest industry; and

"Whereas the tourist industry in Wyoming produces thousands of vacationists each year who are using the common-carrier method of transportation in ever increasing numbers; and

"Whereas all such persons are subjected to the 10-percent tax on the total cost of such transportation in traveling to Wyoming as well as to any other point in the United States; and

"Whereas such tax does not apply to travel to any other point in the world, outside the United States, which is discriminatory, unfair, and unwarranted; and

"Whereas all freight shipments are subject to a 3-percent excise tax which is unfair and unwarranted; and

"Whereas such taxes were originated as a war measure to curtail civilian travel during the last war and was never intended to be a revenue-producing measure: Now, therefore, be it

"Resolved by the Senate of the 33d Legislature of the State of Wyoming (its House of Representatives concurring), That the Congress of the United States of America be memorialized to enact legislation eliminating the tax on the amount paid within the United States for the transportation of property and persons by rail, motor vehicle, water, or air and the tax paid upon the amount paid for seating or sleeping accommodations in connection with such transportation; be it further

"Resolved, That copies of this memorial be sent to the President and Vice President of the United States, the Speaker of the House of Representatives of the United States, and to United States Senators FRANK A. BARRETT and JOSEPH C. O'MAHONEY and to Congressman KEITH THOMSON.

"R. L. GREENE,
"President of the Senate.
"T. C. DANIELS,
"Speaker of the House.

"Approved February 10, 1955.

"MILWARD L. SIMPSON,
"Governor."

(The ACTING PRESIDENT pro tempore laid before the Senate a joint resolution of the Legislature of the State of Wyoming, identical with the foregoing, which was referred to the Committee on Finance.)

A joint resolution of the Legislature of the State of Wyoming; to the Committee on Post Office and Civil Service:

"Joint memorial memorializing the Congress of the United States on the 50th anniversary of the establishment of Devil's Tower Memorial Monument to commemorate the occasion by a postal stamp depicting Devil's Tower and to provide adequate public facilities

"Whereas Devil's Tower National Monument, located in the center of Crook County in northeastern Wyoming, has the distinction of being the first national monument created within the United States; and

"Whereas Devil's Tower National Monument was established by proclamation of President Theodore Roosevelt in the year 1906; and

"Whereas Devil's Tower National Monument is a unique geological phenomenon which attracts an increasing number of thousands of visitors annually to the State of Wyoming; and

"Whereas Devil's Tower National Monument is one of the areas of the National Parks System owned by the people of the United States and administered for them by the National Park Service: Now, therefore, be it

"Resolved by the Senate of the 33d Legislature of the State of Wyoming (the House of Representatives of such Legislature concurring), That the President and Congress of the United States of America be and are hereby memorialized to proclaim the year 1956, being the fiftieth anniversary of the establishment of our first National Monument, as a year for commemorating Devil's Tower National Monument, particularly through the issuance of a commemorative postage stamp, depicting the Devil's Tower; be it further

"Resolved, That sufficient funds be provided to the National Park Service to provide adequate public facilities at the Devil's Tower National Monument; be it further

"Resolved, That certified copies hereof be promptly transmitted to the President and Vice President of the United States, the Speaker of the House of Representatives of said Congress, United States Senator FRANK A. BARRETT, United States Senator JOSEPH C. O'MAHONEY, and Representative in Congress E. KEITH THOMSON, the Secretary of the Interior, and the Postmaster General.

"R. L. GREENE,
President of the Senate.
"T. C. DANIELS,
"Speaker of the House.

"Approved February 8, 1955.

"MILWARD L. SIMPSON,
Governor."

(The ACTING PRESIDENT pro tempore laid before the Senate a joint resolution of the Legislature of the State of Wyoming, identical with the foregoing, which was referred to the Committee on Post Office and Civil Service.)

By Mr. NEUBERGER:

Two joint resolutions of the Legislature of the State of Oregon; to the Committee on Appropriations:

"Senate Joint Memorial 4

"To His Excellency, the Honorable President of the United States, and to the Honorable Senate and the House of Representatives of the United States of America, in Congress assembled:

"We, your memorialists, the 48th Legislative Assembly of the State of Oregon, in legislative session assembled, most respectfully represent as follows:

"Whereas the United States, by and through its Bureau of Reclamation and the Corps of Engineers, has constructed more than 40 dams in the Columbia River watershed since 1902; and

"Whereas the fishery resource of the Columbia River has already received severe damage as a result of such dams; and

"Whereas it is evident that the river development projects referred to herein are prime factors in the depletion of the said fishery resource and that the river development projects should pay from their earnings the continuing operation and maintenance costs of the fishery rehabilitation program presently in progress for the Columbia River watershed; and

"Whereas the United States, acting by and through the director of the Fish and Wildlife Service, in June 1948 entered into a signed agreement with the fish and game departments of the States of Washington, Oregon, and Idaho for a program of conservation and rehabilitation of the salmon fishery of the Columbia River by authority of the act of May 11, 1938 (52 Stat. 345), as amended August 8, 1946 (60 Stat. 932); and

"Whereas the agreement of June 1948 provided for construction of fishways, salmon hatcheries, and other improvements by the signatory States with Federal funds released through the Fish and Wildlife Service; and

"Whereas many of these structures and improvements have now been completed; and

"Whereas the agreement providing for the creation of these structures and facilities does not provide for their permanent operation and maintenance with Federal funds; and

"Whereas it is evident that the depletion of the fishery resource of the Columbia River watershed caused by Federal irrigation, power, and navigation projects in the said watershed will be to some degree a continuous depletion which will necessitate a permanent operation and maintenance of these facilities: Now, therefore, be it

"Resolved by the Senate of the State of Oregon (the House of Representatives jointly concurring therein), That your memorialists earnestly petition that the President and the Congress of the United States do recognize that the permanent maintenance and operation of these facilities are a Federal responsibility and that moneys for their operation and maintenance should become a continuing part of Federal appropriations, to be allocated to the State agencies responsible for such operation and maintenance through the Fish and Wildlife Service; be it further

"Resolved, That your memorialists earnestly petition the Congress of the United States to establish a permanent means of financing the maintenance and operation of these facilities by appropriate legislation making the costs of such operation and maintenance a charge against funds received by the United States and its agencies in payment for electrical energy generated at Federal hydroelectric powerplants in the Columbia River basin; and be it further

"Resolved, That copies of this memorial be transmitted to the President of the United States, the Secretary of the United States Senate, the Clerk of the United States House of Representatives, to each Member of the Congress from the State of Oregon, to the Secretary of Defense, to the Secretary of the Interior, to the Secretary of the Army, to the Commissioner of the Bureau of Reclamation, and to the Chief of the Corps of Engineers.

"Adopted by senate March 3, 1955.

"ELMO E. SMITH,
"President of Senate.
"ZYLPHA ZELL BURNS,
"Chief Clerk of Senate.

"Adopted by house March 10, 1955.

"E. R. GEARY,
"Speaker of House."

(The ACTING PRESIDENT pro tempore laid before the Senate a joint resolution of the Legislature of the State of Oregon, identical with the foregoing, which was referred to the Committee on Appropriations.)

"House Joint Memorial 11

"To the Honorable Senate and House of Representatives of the United States of America, in Congress assembled:

"We, your memorialists, the 48th Legislative Assembly of the State of Oregon, in legislative session assembled, most respectfully represent and petition as follows:

"Whereas Federal funds are appropriated annually to the United States Geological Survey for a program of cooperative investigation of water resources, wherein the Federal allotment matches the State allotment in amount; and

"Whereas cooperative agreements for water resource studies are in effect between the United States Geological Survey and the Oregon State engineer, the Oregon State Highway Commission, and the water departments of Coos Bay-North Bend, Eugene, McMinnville, and Portland, and negotiations are proceeding to effectuate a similar agreement with the county court of Douglas County; and

"Whereas in the fiscal year ending June 30, 1954, the Federal appropriation was not adequate to match all cooperative offerings with the result that each agreement was in the ratio of $97.50 Federal to $100 State; and for the fiscal year ending June 30, 1955, the agreements must be further reduced to the ratio of $95 Federal to $100 State; and

"Whereas still further reductions are in prospect, with a probable ratio of $85 Federal to $100 State for fiscal year 1955–56 unless the Congress appropriates an adequate amount, and these deficiencies will result in discontinuance of some streamflow measuring stations and inadequate rehabilitation and maintenance of existing stations: Now, therefore, be it

"Resolved by the House of Representatives of the State of Oregon (the Senate jointly concurring therein), That the Congress of the United States hereby is requested to appropriate adequate funds to the United States Geological Survey to carry out the traditional practice of 100-percent matching of all State offerings for the purpose of continuing the program of cooperative investigation of water resources; and be it further

"Resolved, That copies of this memorial be sent to the President of the United States, to the Secretary of the Interior, and to all Members of the Oregon congressional delegation.

"Adopted by house March 9, 1955.

"E. W. GEARY,
"Speaker of House.

"EDITH EYNON LAW,
"Chief Clerk.

"Adopted by senate March 14, 1955.

"ELMO E. SMITH,
"President of Senate."

A joint resolution of the Legislature of the State of Oregon; to the Committee on Finance:

"Senate Joint Memorial 6

"To the Honorable Senate and the House of Representatives of the United States of America, in Congress assembled:

"We, your memorialists, the 48th Legislative Assembly of the State of Oregon, in legislative session assembled, most respectfully represent as follows:

"Whereas there has been introduced and is now pending in the Congress of the United States a bill for a public law, H. R. 1, which if enacted would give the executive branch of the Federal Government extended and broad new authority to reduce United States import duties and regulations without further congressional action and possibly contrary to express findings and recommendations of the expert United States Tariff Commission; and

"Whereas this legislative assembly is sympathetic to the declared purposes of the present Federal trade agreements legislation and the continuance of such legislation as will further the interests of the domestic economy of the United States through expansion of reciprocal world trade, with fair and adequate means of protecting domestic workers, producers and industries against excessive tariff reductions, but this legislative assembly opposes so changing the existing legislation as to make the tariff policy and rates of the United States primarily instruments of international politics; and

"Whereas this legislative assembly is gravely concerned by the adverse effects which substantial tariff reductions already made are having upon important industries of this State, such as the caneberry, cherry, crab, dairy, filbert, fish, grass seeds, hops, lumber, mint, mushroom, walnut and wool industries, and by the failure of the trade agreements program to obtain effective reciprocal concessions for United States products, such as Oregon apples and pears which continue to be virtually barred from their former normal world markets by various arbitrary foreign import restrictions; and

"Whereas provisions of H. R. 1 go far beyond the present trade agreements legislation, and offer less, rather than more, promise of recovery and expansion of export markets for domestic products, and if enacted would threaten the possible destruction or substantial curtailment of agricultural and other industries which are vital to the economy of the State of Oregon: Now, therefore, be it

"Resolved by the Senate of the State of Oregon (the House of Representatives jointly concurring therein), That this, the 48th Legislative Assembly of the State of Oregon in regular session assembled, hereby does memorialize the Congress of the United States not to pass H. R. 1, or any legislation which would similarly add to and change the existing trade agreements legislation; be it further

"Resolved, That copies of this joint memorial be forwarded to the President of the United States, to United States Senators WAYNE MORSE and RICHARD NEUBERGER, and Representatives WALTER NORBLAD, HARRIS ELLSWORTH, SAM COON and EDITH GREEN, of Oregon.

"Adopted by senate February 18, 1955.

"ZYLPHA ZELL BURNS,
"Chief Clerk of Senate.

"ELMO E. SMITH,
"President of Senate.

"Adopted by house March 11, 1955.

"E. A. GEARY,
"Speaker of House."

CONSTRUCTION OF OOLOGAH RESERVOIR ON VERDIGRIS RIVER IN ROGERS COUNTY, OKLA.—RESOLUTION

Mr. KERR. Mr. President, I present, for appropriate reference, and ask unanimous consent to have printed in the RECORD, a resolution adopted by the mayor and Board of Commissioners of the City of Tulsa, Okla., with respect to the construction of the Oologah Reservoir on the Verdigris River in Rogers County, Okla., and requesting the allocation to the city of Tulsa of storage space in that reservoir.

There being no objection, the resolution was referred to the Committee on Public Works and ordered to be printed in the RECORD, as follows:

Resolution memorializing the Congress of the United States with respect to the construction of the proposed and authorized Oologah Reservoir on the Verdigris River in Rogers County, State of Oklahoma; requesting the allocation to the city of Tulsa of storage space in the Oologah Reservoir sufficient to provide an ultimate 200 million gallons of water per day for municipal water-supply purposes; and declaring an emergency

Whereas the projected growth curve of water consumption in the city of Tulsa and the immediately adjacent areas demonstrate that an additional source of water supply will be necessary to meet the needs of this community for municipal and industrial water before the year 1958; and

Whereas by reason of its close proximity, the water stored in the proposed and authorized Ooologah Reservoir on the Verdigris River in Rogers County, Okla., would provide to the city of Tulsa and its metropolitan trade area such needed additional source of water; and

Whereas under present plans for operation of the Oologah Reservoir in order to permit final recovery of near depleted oil from secondary recovery wells located in the reservoir area, provision for 25,000 acre-feet of water storage in the 2,800-acre preliminary conservation pool would be sufficient to supply 20 million gallons of water daily for municipal and industrial purposes; and

Whereas during the first few years of operation of Oologah, assuming early construction thereof, the need for water by the city of Tulsa from this source will be less than 20 million gallons daily and the known depletion curve of the oil wells now under secondary recovery indicates that the water conservation pool can be progressively increased to meet growing water-storage demand as it develops without loss in the recovery of crude oil; and

Whereas the present plan of development for the Oologah Reservoir as proposed by the Corps of Engineers, United States Army, will permit the recovery of the largest profitable production from the depleting oil wells within the reservoir area, provide for much needed flood control and at the same time provide an economically feasible source of municipal and industrial water to meet the area's vastly increased and increasing water requirements; and

Whereas it is recognized that the city of Tulsa, for itself and its metropolitan trade area, will be required to expend substantial sums for the reservation to it of space in the said Oologah Reservoir, said sum to represent a fair and equitable portion of the cost of construction, operation, and maintenance of said project commensurate with the value of said water or storage space to the city of Tulsa: Now, therefore, be it

Resolved by the Mayor and Board of Commissioners of the City of Tulsa, Okla., as follows:

SECTION 1. That the city of Tulsa, acting by and through its duly elected mayor and board of commissioners, for itself and on behalf of the residents in the Tulsa metropolitan area, respectfully requests and urges that the Congress of the United States appropriate sufficient funds to construct the Oologah Reservoir project and direct that the construction thereof be resumed as soon as possible.

SEC. 2. That the Corps of Engineers, United States Army, set aside and reserve to the city of Tulsa sufficient storage space in the conservation pool as now planned to supply the city of Tulsa and its metropolitan trade area at least 20,000,000 gallons of water per day not later than the year 1958 and that such space be progressively enlarged and increased in keeping with the needs of the city of Tulsa up to a space sufficient to provide a maximum of 200,000,000 gallons per day of water for municipal and industrial purposes, said increased storage space to be provided as and when the depletion of secondary recovery oil wells in the reservoir basin permits.

SEC. 3. That upon the appropriation of said funds by the Congress of the United States, the proper administrative officers of the city of Tulsa are hereby authorized and directed to enter into negotiation with the Corps of Engineers, United States Army, or such other Federal agency as may have jurisdiction over the construction of said reservoir, for the acquisition by the city of Tulsa of either reserved storage space in said reservoir or a contract for the supply of water commensurate with the city's needs up to a maximum of 200,000,000 gallons of water per day and if said negotiations disclose that such supply of water may be obtained for a reasonable expenditure, the city of Tulsa will

take such steps as may be necessary and insofar as it is legally able to provide such funds either by the submission of a bond issue for said purposes or the appropriation of funds for the purchase of such water as may be needed by said city.

SEC. 4. That the Honorable ROBERT S. KERR, the Honorable MIKE MONRONEY, United States Senators, and the Honorable PAGE BELCHER, the Honorable ED EDMONDSON, the Honorable CARL ALBERT, the Honorable TOM STEED, the Honorable JOHN JARMAN, the Honorable VICTOR WICKERSHAM, Congressmen, be and they are hereby respectfully requested to use their best efforts in the Congress of the United States to obtain the appropriation of the necessary funds for the completion of the Oologah project and to further use their good offices in securing the allocation of the requisite storage space or water from the Oologah Reservoir to the city of Tulsa.

SEC. 5. That the city auditor be and she is hereby authorized and directed to transmit executed originals of this resolution to each of the following persons: Senator Robert S. Kerr, Senator Mike Monroney, Congressman Page Belcher, Congressman Ed Edmondson, Congressman Carl Albert, Congressman Tom Steed, Congressman John Jarman, Congressman Victor Wickersham, the Chief of Engineers, United States Army, Col. Stanley G. Reiff, commanding officer, Corps of Engineers, United States Army, Tulsa District.

SEC. 6. That an emergency exists for the preservation of the public peace, health, and safety, by reason whereof this resolution shall take effect immediately upon its adoption and approval.

Passed, and the emergency clause ruled upon separately and approved this 25th day of March 1955.

Approved this 25th day of March 1955.

L. C. CLARK,
Mayor.

Attest:

ELIZABETH STOWELL ANDERSON,
City auditor.

Approved:

T. A. LANDRETH, Jr.,
City attorney.

UNITED NATIONS EXPANDED TECHNICAL ASSISTANCE PROGRAM—RESOLUTION

Mr. LEHMAN. Mr. President, I ask unanimous consent that a resolution of the Church Peace Union endorsing continued support by the United States for the United Nations expanded technical assistance program be printed in the RECORD.

I sincerely hope that our Government will increase its support of this highly significant United Nations program, which already has done so much to alleviate sickness and hunger in the world. The Church Peace Union, under the presidency of Dr. Ralph W. Sockman, is to be commended for its work in support of this highly important program.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

MARCH 15, 1955.

The Church Peace Union executive committee unanimously approved the following resolution:

"The United States can view with gratification its record in recent years of aiding peoples less fortunate than ourselves. Through our voluntary agencies, through forward-looking corporations operating in foreign lands and through our governmental technical assistance program, we have helped the poor, the uneducated, the diseased. We have given generously realizing that peace depends to a large degree on satisfying the legitimate aspirations of the peoples of underdeveloped areas for a better life. As a religious nation we have felt that we could not in conscience stand by and ignore the plight of millions of fellow human beings.

"In the early stages of the development of the United Nations it was the United States that urged an international technical assistance program to help the two-thirds of the world that is underdeveloped. In the past the United States has supported this program. As the chief contributor, the United States has earned the gratitude and respect of many of the member nations of the United Nations, particularly those who have directly benefited.

"The United Nations Expanded Technical Assistance Program has achieved results which should give the United States and the United Nations a deep sense of accomplishment. Working with recipient countries who meet at least half the cost of given projects, the United Nations has made great strides in increasing food production, in reducing disease and in developing more efficient government administrations in underdeveloped areas. In such countries as Indonesia where there is 1 doctor to every 75,000 inhabitants, international cooperation has reduced the incident of yaws measurably and in the near future can all but eradicate it. In Greece, our stout ally, malaria, the world's No. 1 killer, has been all but eliminated. In India, Asia's first penicillin factory has been built by a United Nations agency in cooperation with the Indian Government. Many other dramatic examples of the effectiveness of the international effort might be cited. The record is clear for those who wish to examine it.

"A basic tenet of all the world's religions is that each man is his brother's keeper. The Church Peace Union, a foundation dedicated to educating for peace through all religious groups, feels impelled to take an unequivocal stand in favor of continued international cooperation by the Government of the United States in such efforts as the United Nations expanded technical assistance program.

"We, the trustees of the Church Peace Union, strongly urge that—

"1. That the United States contribution of $8 million to the United Nations expanded technical assistance program for the period of January 1–June 30, 1955, approved by the Congress in 1954, be immediately appropriated.

"2. That a contribution of approximately $25 million be appropriated to the United Nations expanded technical assistance program to cover the 18 months' period from July 1, 1955, to December 31, 1956, so that efficient long-range projects and plans can be effectively executed.

"At this juncture in world affairs the United States can neither risk loss of access to essential raw materials found in underdeveloped areas nor dissipate the good will built to a large degree on our record of helping others. Both our national interest and development of a freer more peaceful world require the continuation of United States participation in international technical assistance."

CLOSING OF CERTAIN VETERANS' ADMINISTRATION HOSPITALS—RESOLUTION

Mr. CLEMENTS. Mr. President, there is continuing concern about the recommendations of the Hoover Commission task force to close certain Veterans' Administration hospitals.

This concern is particularly evident from those who live in the area of these hospitals and have knowledge of the important function these facilities are providing.

I ask unanimous consent to have printed in the RECORD at this point for the attention of the Senate a resolution, adopted by the Warren Post No. 23, American Legion, Department of Kentucky, regarding the Outwood Veterans' Hospital at Dawson Springs, Ky., one of the hospitals mentioned in the Hoover Commission report, and be appropriately referred.

There being no objection, the resolution was referred to the Committee on Labor and Public Welfare, and ordered to be printed in the RECORD, as follows:

Warren Post, No. 23, American Legion, by and through its duly authorized committee on resolutions and pursuant to motion duly passed in a regular meeting of said organization on the 8th day of March 1955 adopts the following resolution:

"Whereas it has come to the attention of the members of Warren Post, No. 23, American Legion, Department of Kentucky, that the Hoover Commission has made a report to the United States Congress in which it is recommended that a number of veterans' hospitals be closed because there are many beds and in some instances complete wards empty and not in use and that the small number of patients actually receiving treatment in these hospitals does not justify the expense to which the Government is put to keep said hospitals properly staffed and in operation; and

"Whereas Outwood facility, a veterans' hospital for the treatment of tuberculosis located near Dawson Springs, Ky., and being the hospital to which veterans from this area are sent, is one of the hospitals recommended by the Hoover Commission to be discontinued; and

"Whereas the members of Warren Post No. 23, American Legion, Department of Kentucky, individually, and as a body through the report of the chairman of their service committee, are reliably informed and have reason to believe that instead of being empty for nonuse and lack of patients, this said hospital is overcrowded and there is now and for some time has been a waiting list for the admission of veterans who need treatment for tubercular conditions; and

"Whereas the report of the Hoover Commission to Congress is erroneous and does not set forth the true condition of the said Outwood facility; and

"Whereas, if Congress adopts the recommendation of the Hoover Commission and closes the said Outwood facility injustice and great and irreparable damage will result to the veterans of this area, and particularly to those veterans now on the waiting list awaiting their turn to be admitted to said hospital for treatment: Now, therefore, be it

"*Resolved*, That we, the members of Warren Post, No. 23, American Legion, Department of Kentucky, do by these presents express our indignation for the recommendation of the Hoover Commission to the United States Congress, and do hereby endorse the action of the National Rehabilitation Conference of the American Legion in taking steps to counteract the recommendation of that committee and to present the true facts to the United States Congress; and it is further

"*Resolved*, That the members of Warren Post No. 23 American Legion, Department of Kentucky, offer their grateful thanks in appreciation of the courtesy and cooperation of Hon EARL C. CLEMENTS, United States Senator for the State of Kentucky, and Hon.

WILLIAM H. NATCHER, Congressman for the Second Congressional District, State of Kentucky, extended to the commander of the American Legion of the Department of Kentucky, Rodney Brown, and his staff while they were in Washington, D. C., engaged in negotiations concerning the report of the Hoover Commission; and be it further

"*Resolved*, That the members of Warren Post No. 23, American Legion, Department of Kentucky, request of the United States Congress that the recommendation of the Hoover Commission be rejected insofar as it relates to the closing of Outwood Facility."

AARON F. QUERFELT,
Commander.

Attest:

E. DAUGHERTY,
Adjutant.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. CHAVEZ, from the Committee on Public Works:

S. 1217. A bill to authorize the Secretary of the Army to contract with the city of McCormick, S. C., for the sale of water from Clark Hill Reservoir; with an amendment (Rept. No. 126).

CONSTRUCTION OF COLORADO RIVER STORAGE PROJECT—REPORT OF A COMMITTEE (S. REPT. NO. 128)

Mr. ANDERSON. Mr. President, by direction of the Committee on Interior and Insular Affairs, I report favorably with amendments the bill (S. 500) to authorize the Secretary of the Interior to construct, operate, and maintain the Colorado River storage project and participating projects, and for other purposes.

I ask unanimous consent that the committee be given 10 days in which to file its report recommending that the bill, as amended, be passed, together with the minority views of the junior Senator from California [Mr. KUCHEL], and the separate views of the junior Senator from Oregon [Mr. NEUBERGER].

The ACTING PRESIDENT pro tempore. Is there objection to the request of the Senator from New Mexico? The Chair hears none, and it is so ordered; and the bill will be placed on the calendar.

AMENDMENT OF FOREIGN SERVICE ACT OF 1946—REPORT OF A COMMITTEE

Mr. GEORGE. Mr. President, from the Committee on Foreign Relations, I report favorably, without amendment, the bill (H. R. 4941) to amend the Foreign Service Act of 1946, as amended, and for other purposes, and I submit a report (No. 127) thereon. The bill has passed the House without amendment, and the Committee on Foreign Relations has unanimously reported it.

The ACTING PRESIDENT pro tempore. The report will be received and the bill will be placed on the calendar.

ADDITIONAL REPORT OF JOINT COMMITTEE ON REDUCTION OF NONESSENTIAL FEDERAL EXPENDITURES—CIVILIAN EMPLOYMENT IN EXECUTIVE BRANCH

Mr. BYRD. Mr. President, for the Joint Committee on Reduction of Nonessential Federal Expenditures, I submit an additional report on civilian employment in the executive branch of the Federal Government for the month of February 1955 and, in accordance with the practice of several years' standing, I ask unanimous consent that it be printed in the body of the RECORD, as a part of my remarks, together with a statement prepared by me.

There being no objection, the report and statement were ordered to be printed in the RECORD, as follows:

FEDERAL PERSONNEL IN EXECUTIVE BRANCH, FEBRUARY AND JANUARY 1955, AND PAY, JANUARY 1955 AND DECEMBER 1954

PERSONNEL AND PAY SUMMARY

(See table I)

Information in monthly personnel reports for February 1955 submitted to the Joint Committee on Reduction of Nonessential Federal Expenditures is summarized as follows:

Total and major categories	Civilian personnel in executive branch			Payroll (in thousands) in executive branch		
	In February numbered—	In January numbered—	Increase (+) or decrease (−)	In January was—	In December was—	Increase (+) or decrease (−)
Total [1]	2,353,900	2,353,588	+312	$779,256	$904,338	−$125,082
Agencies exclusive of Department of Defense	1,171,474	1,170,203	+1,271	392,765	485,997	−93,232
Department of Defense	1,182,426	1,183,385	−959	386,491	418,341	−31,850
Inside continental United States	2,129,229	2,126,018	+3,211			
Outside continental United States	224,671	227,567	−2,896			
Industrial employment	721,739	725,588	−3,849			
Foreign nationals	339,857	339,710	+147	25,780	26,394	−614

[1] Exclusive of foreign nationals shown in the last line of this summary.

Table I breaks down the above figures on employment and pay by agencies.

Table II breaks down the above employment figures to show the number inside continental United States by agencies.

Table III breaks down the above employment figures to show the number outside continental United States by agencies.

Table IV breaks down the above employment figures to show the number in industrial-type activities by agencies.

Table V shows foreign nationals by agencies not included in tables I, II, III, and IV.

TABLE I.—*Consolidated table of Federal personnel inside and outside continental United States employed by the executive agencies during February 1955, and comparison with January 1955, and pay for January 1955, and comparison with December 1954*

Department or agency	Personnel				Pay (in thousands of dollars)			
	February	January	Increase	Decrease	January	December	Increase	Decrease
Executive departments (except Department of Defense):								
Agriculture	71,330	70,920	410		21,967	24,053		2,086
Commerce [1]	43,816	44,466		650	16,886	22,579		5,693
Health, Education, and Welfare	38,450	37,918	532		13,439	14,257		818
Interior	49,992	49,543	449		18,105	19,590		1,485
Justice	30,256	30,303		47	12,684	13,806		1,121
Labor	4,913	4,891	22		2,024	2,215		197
Post Office	506,090	507,129		1,039	164,164	232,031		67,867
State	20,740	20,825		85	6,713	7,264		551
Treasury	82,182	80,418	1,764		30,095	33,316		3,221
Executive Office of the President:								
White House Office	270	267	3		140	145		5
Bureau of the Budget	425	428		3	260	273		13
Council of Economic Advisers	32	35		3	26	25	$1	
Executive Mansion and Grounds	68	68			21	25		4
National Security Council [2]	27	27			15	16		1
Office of Defense Mobilization	296	292	4		145	152		7
President's Advisory Committee on Government Organization	5	5			3	3		

[1] February figure includes 493 seamen on the rolls of the Maritime Administration and their pay.

[2] Exclusive of personnel and pay of the Central Intelligence Agency.

TABLE I.—*Consolidated table of Federal personnel inside and outside continental United States employed by the executive agencies during February 1955, and comparison with January 1955, and pay for January 1955, and comparison with December 1954*—Continued

Department or agency	Personnel				Pay (in thousands of dollars)			
	February	January	Increase	Decrease	January	December	Increase	Decrease
Independent agencies:								
Advisory Committee on Weather Control	11	20		9	5	3	2	
Alexander Hamilton Bicentennial Commission [1]	4		4					
American Battle Monuments Commission	795	790	5		99	118		19
Atomic Energy Commission	6,040	6,012	28		2,861	2,933		72
Board of Governors of the Federal Reserve System	586	582	4		243	269		26
Civil Aeronautics Board	534	532	2		272	291		19
Civil Service Commission	3,938	4,051		113	1,617	1,772		155
Commission of Fine Arts	3	3			1	1		
Commission on Intergovernmental Relations	61	[4] 63		2	26	31		5
Defense Transport Administration	16	17		1	8	11		3
Export-Import Bank of Washington	137	135	2		74	77		3
Farm Credit Administration	1,088	1,092		4	497	541		44
Federal Civil Defense Administration	700	698	2		319	363		44
Federal Coal Mine Safety Board of Review	8	8			7	5	2	
Federal Communications Commission	1,079	1,088		9	522	566		44
Federal Deposit Insurance Corporation	1,084	1,085		1	450	486		36
Federal Mediation and Conciliation Service	354	356		2	215	233		18
Federal Power Commission	626	625	1		303	331		28
Federal Trade Commission	587	591		4	306	328		22
Foreign Claims Settlement Commission	176	175	1		77	105		28
Foreign Operations Administration	6,290	[4] 6,265	25		2,871	2,734	137	
General Accounting Office	5,773	5,771	2		2,313	2,524		211
General Services Administration	25,786	25,869		83	8,000	8,683		683
Government Contract Committee	10	14		4	4	4		
Government Printing Office	6,785	6,749	36		2,678	2,883		205
Housing and Home Finance Agency	10,504	10,393	111		4,340	4,773		433
Indian Claims Commission	14	14			9	10		1
Interstate Commerce Commission	1,810	1,822		12	838	912		74
Jamestown-Williamsburg-Yorktown Celebration Commission	3	2	1		1		1	
National Advisory Committee for Aeronautics	7,238	7,188	50		3,049	3,308		259
National Capital Housing Authority	283	285		2	92	92		
National Capital Planning Commission	21	21			9	10		1
National Gallery of Art	311	313		2	90	104		14
National Labor Relations Board	1,149	1,150		1	575	623		48
National Mediation Board	111	115		4	72	68	4	
National Science Foundation	175	178		3	81	88		7
National Security Training Commission	8	7	1		4	5		1
Panama Canal	15,618	15,638		20	3,398	3,480		82
Railroad Retirement Board	2,438	2,445		7	829	927		98
Renegotiation Board	584	596		12	335	369		34
Rubber Producing Facilities Disposal Commission	21	21			13	15		2
St. Lawrence Seaway Development Corporation	20	18	2		11	11		
Securities and Exchange Commission	689	691		2	359	397		38
Selective Service System	7,136	7,146		10	1,564	1,730		166
Small Business Administration	749	757		8	368	413		45
Smithsonian Institution	640	633	7		209	236		27
Soldiers' Home	973	969	4		183	209		26
Subversive Activities Control Board	36	35	1		20	23		3
Tariff Commission	197	198		1	102	110		8
Tax Court of the United States	141	141			71	76		5
Tennessee Valley Authority	21,379	21,824		445	9,599	10,594		995
Independent agencies—Continued								
United States Information Agency	9,811	9,671	140		2,267	2,457		190
Veterans' Administration	178,052	177,806	246		53,822	59,915		6,093
Total, excluding Department of Defense	1,171,474	1,170,203	3,859	2,588	392,765	485,997	147	93,379
Net change excluding Department of Defense			1,274				93,232	
Department of Defense:								
Office of the Secretary of Defense	1,906	1,920		14	953	1,055		102
Department of the Army	463,105	465,473		2,368	142,993	153,512		10,519
Department of the Navy	409,211	409,520		309	143,605	156,501		12,896
Department of the Air Force	308,204	306,472	1,732		98,940	107,273		8,333
Total, Department of Defense	1,182,426	1,183,385	1,732	2,691	386,491	418,341		31,850
Net decrease, Department of Defense			959				31,850	
Grand total, including Department of Defense	2,353,900	2,353,588	5,591	5,279	779,256	904,338	147	125,229
Net change, including Department of Defense			312				125,082	

[1] New agency, created pursuant to Public Law 601, 83d Cong.

[4] Revised on basis of later information.

TABLE II.—*Federal personnel inside continental United States employed by executive agencies during February 1955, and comparison with January 1955*

Department or agency	February	January	Increase	Decrease
Executive departments (except Department of Defense):				
Agriculture	70,178	69,761	417	
Commerce [1]	40,927	41,584		657
Health, Education, and Welfare	37,909	37,392	517	
Interior	44,227	43,926	301	
Justice	29,749	29,791		42
Labor	4,810	4,787	23	
Post Office	503,746	504,785		1,039
State	5,854	5,835	19	
Treasury	81,182	79,429	1,753	
Executive Office of the President:				
White House Office	270	267	3	
Bureau of the Budget	425	428		3
Council of Economic Advisers	32	35		3
Executive Mansion and Grounds	68	68		
National Security Council [2]	27	27		
Office of Defense Mobilization	296	292	4	
President's Advisory Committee on Government Organization	5	5		

Department or agency	February	January	Increase	Decrease
Independent agencies:				
Advisory Committee on Weather Control	11	20		9
Alexander Hamilton Bicentennial Commission [3]	4		4	
American Battle Monuments Commission	16	18		2
Atomic Energy Commission	6,023	5,996	27	
Board of Governors of the Federal Reserve System	586	582	4	
Civil Aeronautics Board	530	528	2	
Civil Service Commission	3,928	4,041		113
Commission of Fine Arts	3	3		
Commission on Intergovernmental Relations	61	[4] 63		2
Defense Transport Administration	16	17		1
Export-Import Bank of Washington	137	135	2	
Farm Credit Administration	1,076	1,081		5
Federal Civil Defense Administration	700	698	2	
Federal Coal Mine Safety Board of Review	8	8		
Federal Communications Commission	1,052	1,061		6

[1] February figure includes 493 seamen on the rolls of the Maritime Administration.

[2] Exclusive of personnel of the Central Intelligence Agency.

[3] New agency, created pursuant to Public Law 601, 83d Cong.

[4] Revised on basis of later information.

TABLE II.—*Federal personnel inside continental United States employed by executive agencies during February 1955, and comparison with January 1955*—Continued

Department or agency	February	January	Increase	Decrease
Independent agencies—Continued				
Federal Deposit Insurance Corporation	1,083	1,084		1
Federal Mediation and Conciliation Service	354	356		2
Federal Power Commission	626	625	1	
Federal Trade Commission	587	591		4
Foreign Claims Settlement Commission	176	175	1	
Foreign Operations Administration	1,660	1,651	9	
General Accounting Office	5,724	5,722	2	
General Services Administration	25,681	25,760		79
Government Contract Committee	10	14		4
Government Printing Office	6,785	6,749	36	
Housing and Home Finance Agency	10,372	10,267	105	
Indians Claims Commission	14	14		
Interstate Commerce Commission	1,810	1,822		12
Jamestown-Williamsburg-Yorktown Celebration Commission	3	2	1	
National Advisory Committee for Aeronautics	7,238	7,188	50	
National Capital Housing Authority	283	285		2
National Capital Planning Commission	21	21		
National Gallery of Art	311	313		2
National Labor Relations Board	1,127	1,128		1
National Mediation Board	111	115		4
National Science Foundation	175	178		3
National Security Training Commission	8	7	1	
Panama Canal	542	543		1
Railroad Retirement Board	2,438	2,445		7
Renegotiation Board	584	596		12
Rubber Producing Facilities Disposal Commission	21	21		
St. Lawrence Seaway Development Corporation	20	18	2	
Securities and Exchange Commission	689	691		2
Selective Service System	6,935	6,947		12
Small Business Administration	749	757		8
Smithsonian Institution	638	631	7	
Soldiers' Home	973	969	4	
Subversive Activities Control Board	36	35	1	
Tariff Commission	197	198		1
Tax Court of the United States	141	141		
Tennessee Valley Authority	21,379	21,824		445
United States Information Agency	2,267	2,210	57	
Veterans' Administration	176,748	176,531	217	
Total, excluding Department of Defense	1,112,372	1,111,287	3,572	2,487
Net increase, excluding Department of Defense			1,085	
Department of Defense:				
Office of the Secretary of Defense	1,852	1,866		14
Department of the Army	373,550	[4] 373,362	188	
Department of the Navy	378,241	377,977	264	
Department of the Air Force	263,214	261,529	1,685	
Total, Department of Defense	1,016,857	1,014,734	2,137	14
Net increase, Department of Defense			2,123	
Grand total, including Department of Defense	2,129,229	2,126,021	5,709	2,501
Net increase, including Department of Defense			3,208	

[4] Revised on basis of later information.

TABLE III.—*Federal personnel outside continental United States employed by the executive agencies during February 1955, and comparison with January 1955*

Department or agency	February	January	Increase	Decrease
Executive departments (except Department of Defense):				
Agriculture	1,152	1,159		7
Commerce	2,889	2,882	7	
Health, Education, and Welfare	541	526	15	
Interior	5,765	5,617	148	
Justice	507	512		5
Labor	103	104		1
Post Office	2,344	2,344		
State	14,886	14,990		104
Treasury	1,000	989	11	
Independent agencies:				
American Battle Monuments Commission	779	772	7	
Atomic Energy Commission	17	16	1	
Civil Aeronautics Board	4	4		
Civil Service Commission	10	10		
Farm Credit Administration	12	11	1	
Federal Communications Commission	27	27		
Federal Deposit Insurance Corporation	1	1		
Foreign Operations Administration	4,630	[1] 4,614	16	
General Accounting Office	49	49		
General Services Administration	105	109		4
Housing and Home Finance Agency	132	126	6	
National Labor Relations Board	22	22		
Panama Canal	15,076	15,095		19
Selective Service System	201	199	2	
Smithsonian Institution	2	2		
United States Information Agency	7,544	7,461	83	
Veterans' Administration	1,304	1,275	29	
Total, excluding Department of Defense	59,102	58,916	326	140
Net increase, excluding Department of Defense			186	
Department of Defense:				
Office of the Secretary of Defense	54	54		
Department of the Army	89,555	92,111		2,556
Department of the Navy	30,970	31,543		573
Department of the Air Force	44,990	44,943	47	
Total, Department of Defense	165,569	168,651	47	3,129
Net decrease, Department of Defense			3,082	
Grand total, including Department of Defense	224,671	227,567	373	3,269
Net decrease, including Department of Defense			2,896	

[1] Revised on basis of later information.

TABLE IV.—*Industrial employees of the Federal Government inside and outside continental United States employed by executive agencies during February 1955, and comparison with January 1955*

Department or agency	February	January	Increase	Decrease
Executive departments (except Department of Defense):				
Agriculture	2,825	2,778	47	
Commerce	2,160	2,130	30	
Interior	8,087	7,755	332	
Treasury	6,396	6,473		77
Independent agencies:				
Atomic Energy Commission	137	135	2	
Federal Communications Commission	13	14		1
General Services Administration	875	900		25
Government Printing Office	6,785	6,749	36	
National Advisory Committee for Aeronautics	7,238	7,188	50	
Panama Canal	7,615	7,636		21
Tennessee Valley Authority	18,168	18,592		424
Total, excluding Department of Defense	60,299	60,350	497	548
Net decrease, excluding Department of Defense			51	
Department of Defense:				
Department of the Army:				
Inside continental United States	[1] 208,000	[2] 208,014		14
Outside continental United States	[1] 45,675	[2] 46,978		1,303
Department of the Navy:				
Inside continental United States	237,693	237,220	473	
Outside continental United States	6,929	6,894	35	
Department of the Air Force:				
Inside continental United States	154,968	154,418	550	
Outside continental United States	8,175	11,714		3,539
Total, Department of Defense	661,440	665,238	1,058	4,856
Net decrease, Department of Defense			3,798	
Grand total, including Department of Defense	721,739	725,588	1,555	5,404
Net decrease, including Department of Defense			3,849	

[1] Subject to revision.

[2] Revised on basis of later information.

TABLE V.—*Foreign nationals working under United States agencies overseas, excluded from tables I through IV of this report, whose services are provided by contractual agreement between the United States and foreign governments, or because of the nature of their work or the source of funds from which they are paid, as of February 1955, and comparison with January 1955*

Country	Total		Army		Navy		Air Force	
	February	January	February	January	February	January	February	January
Austria	171	171					171	171
England	7,441	7,290					7,441	7,290
France	21,539	20,884	14,883	14,503			6,656	6,381
French Morocco	756				756			
Germany	125,291	124,804	101,707	101,871	1,969	1,972	21,615	20,961
Japan	155,120	155,421	93,974	[1] 93,974	18,457	18,543	42,689	42,904
Korea	26,824	28,431	26,824	28,431				
Lybia	1,048	1,050					1,048	1,050
Ryukyus	228	223			228	223		
Saudi Arabia	702	698					702	698
Spain	96	96					96	96
Trinidad	641	642			641	642		
Total	339,857	339,710	237,388	238,779	22,051	21,380	80,418	79,551

[1] Revised on basis of later information.

NOTE.—The Germans are paid from funds provided by German Governments. The French, English, and Austrians reported by the Army and Air Force are paid from funds appropriated for personal services. All others are paid from funds appropriated for other contractual services.

STATEMENT BY SENATOR BYRD

Executive agencies of the Federal Government reported regular civilian employment in the month of February totaling 2,353,900. This was a net increase of 312 as compared with employment reported in the preceding month of January.

This was the fourth monthly increase in 31 months since July 1952. The other monthly increases were in June, October and November 1954. The net increase in February was due largely to seasonal employment in the Departments of Interior and Treasury.

Civilian employment reported by the executive agencies of the Federal Government, by months in fiscal year 1955, which began July 1, 1954, follows:

Month	Employment	Increase	Decrease
July	2,387,833		5,187
August	2,375,988		11,845
September	2,355,170		20,818
October	2,359,325	4,155	
November	2,385,024	25,699	
December	2,368,072		16,952
January	2,353,588		14,484
February	2,353,900	312	

Total employment in civilian agencies during the month of February was 1,171,474, an increase of 1,271 over the January total of 1,170,203. Total civilian employment in the military agencies in February was 1,182,426. This was a net decrease of 959 as compared with 1,183,385 in January.

Civilian agencies reporting the larger increases were the Department of the Treasury with an increase of 1,764, the Department of Health, Education, and Welfare with an increase of 532, the Department of the Interior with an increase of 449, and the Department of Agriculture with an increase of 410. Decreases were reported by the Post Office Department with a decrease of 1,039, the Department of Commerce with a decrease of 650, and the Tennessee Valley Authority with a decrease of 445.

While the Air Force reported an increase of 1,732 in civilian employment during February, the Army reported a decrease of 2,368, and the Navy reported a decrease of 309.

Inside continental United States civilian employment increased 3,208, and outside continental United States civilian employment decreased 2,896.

Industrial employment by Federal agencies in February totaled 721,739, a decrease of 3,849 as compared with January.

These figures are from reports certified by the agencies, as compiled today by the Joint Committee on Reduction of Nonessential Federal Expenditures.

FOREIGN NATIONALS

The total of 2,353,900 civilian employees certified to the committee by executive agencies in their regular monthly personnel reports included some foreign nationals employed in United States Government activities abroad, but in addition to these there were 339,857 foreign nationals working for United States military agencies overseas during the month of February who were not counted in the usual personnel report. The number in January was 339,710. A breakdown of this employment for February follows:

Country	Total	Army	Navy	Air Force
Austria	171			171
England	7,441			7,441
France	21,539	14,883		6,656
French Morocco	756		756	
Germany	125,291	101,707	1,969	21,615
Japan	155,120	93,974	18,457	42,689
Korea	26,824	26,824		
Lybia	1,048			1,048
Ryukyus	228		228	
Saudi Arabia	702			702
Spain	96			96
Trinidad	641		641	
Total	339,857	237,388	22,051	80,418

ANNUAL REPORT OF SELECT COMMITTEE ON SMALL BUSINESS (S. REPT. 129)

Mr. SPARKMAN. Mr. President, I submit the annual report of the Select Committee on Small Business, and ask unanimous consent that it may be printed, with illustrations.

The ACTING PRESIDENT pro tempore. The report will be received and printed, as requested by the Senator from Alabama.

Mr. SPARKMAN. Mr. President, in connection with the filing of the annual report of the Committee on Small Business, I should like to say that it represents the story of the work of the Committee on Small Business during the past year, when the very able and distinguished Senator from Minnesota [Mr. THYE] was chairman of the committee.

I wish to commend him and the committee under him for the excellent work that was done during that year.

Mr. THYE. Mr. President, the distinguished Senator from Alabama has referred to the Committee on Small Business and to its annual report, which he has filed with the Senate. He mentioned the fact that I acted as chairman of the committee during the past year. In that connection I should like to say that I had splendid cooperation from the then ranking minority member of the committee, the Senator from Alabama [Mr. SPARKMAN] and from all members of the committee. They displayed a truly nonpartisan attitude in dealing with the subjects that came before the committee during my service as chairman of the committee.

I believe the committee's work was of great help to the small-business men of our country.

I ask unanimous consent that I may have printed in the body of the RECORD at this point a statement which I prepared on the work of the committee during the past year.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR THYE

During the past year the work of the Small Business Committee extended into many different fields of activity. The committee had dealings with nearly every Government agency and was confronted with problems ranging from the simple to the complex. Underlying all of the committee's work was the firm belief of the members that if we are to maintain a healthy free enterprise economic system, and if we are to build a solid mobilization base for defense purposes, we will need the ingenuity and resources of the small-business firms.

I am deeply concerned about trends which indicate any threat to the position of small business. The recent pattern of mergers of large and powerful corporations within certain fields could have an adverse affect upon the competitive position of small business. Price wars in the petroleum field have proved to be disastrous to the small, independent operators. Unrealistic regulation by Government regulatory bodies has proved to be a problem with small firms. These are just a few of the problems which must be dealt with if small business is to enjoy a sound life in our economy.

We did find many signs of encouragement during the past year. A review of the activities of the Small Business Administration revealed that the agency is doing an effective job in the areas of financial assistance, production, and management counseling, and technical help to small firms throughout the Nation.

Small business firms have also stated that they are encouraged by the work of the Anti-Trust Division of the Department of Justice.

In the field of military procurement we have found many difficult problems which must be constantly watched in order that small firms may receive a fair share of prime contracts. I would like to see the military departments do more of their buying according to the advertised method of procurement and less on a negotiated basis. The military will also have to become more aggressive in establishing a successful subcontracting program with the prime contractors.

Another problem of great concern is that of Government competition with private enterprise. During the past year more agencies, and more members of the legislative branch have taken an active interest in this matter. It is of real concern to the smaller firms who are faced with Government competition. This competition exists in over 150 areas of business activity. I intend to pursue this matter until such time as the competing agencies take concrete and sincere steps to remove themselves from competitive activities which are unreasonable and unjusitified.

It has been encouraging to me during the past year to receive correspondence from every State in the Union urging the committee to continue its vigorous stand to insure an important future for small-business firms.

MESSAGE FROM THE HOUSE— ENROLLED BILL SIGNED

A message from the House of Representatives, by Mr. Bartlett, one of its clerks, announced that the Speaker had affixed his signature to the enrolled bill (S. 632) for the relief of Jan R. Cwiklinski, and it was signed by the Acting President pro tempore.

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on today, March 30, 1955, he presented to the President of the United States the enrolled bill (S. 632) for the relief of Jan R. Cwiklinski.

EXECUTIVE REPORTS OF COMMITTEES

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. GEORGE, from the Committee on Foreign Relations:

John M. Allison, of Nebraska, Ambassador Extraordinary and Plenipotentiary to Japan, to serve concurrently and without additional compensation as the representative of the United States to the 11th session of the Economic Commission for Asia and the Far East of the Economic and Social Council of the United Nations;

Joseph C. Satterthwaite, of Michigan, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary to Burma, vice William J. Sebald, resigned; and

Joseph E. Jacobs, of South Carolina, a Foreign Service officer of the class of career minister, to be Ambassador Extraordinary and Plenipotentiary to Poland.

By Mr. MURRAY, from the Committee on Interior and Insular Affairs:

J. Reuel Armstrong, of Wyoming, to be Solicitor for the Department of the Interior.

By Mr. STENNIS, from the Committee on Armed Services:

Brig. Gen. Andrew Thomas McNamara, and sundry other officers, for temporary appointment in the Army of the United States;

Brig. Gen. John Hamilton Hinds, and sundry other officers, for temporary appointment in the Army of the United States;

George A. Parkinson, of the Reserve of the United States Navy, for temporary promotion to the grade of rear admiral in line;

Reginald H. Ridgely, Jr., and sundry other officers, for temporary appointment in the Marine Corps.

BILLS AND JOINT RESOLUTIONS INTRODUCED

Bills and joint resolutions were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. DIRKSEN (for himself, Mr. ALLOTT, Mr. MURRAY, Mr. WELKER, and Mr. GOLDWATER):

S. 1576. A bill to encourage the discovery, development, and production of fluorspar in the United States, and its Territories and possessions, and for other purposes; to the Committee on Finance.

(See the remarks of Mr. DIRKSEN when he introduced the above bill, which appear under a separate heading.)

By Mr. BUSH (for himself and Mr. PURTELL):

S. 1577. A bill to enable the State of Connecticut to proceed with its program of highway modernization; to the Committee on Public Works.

(See the remarks of Mr. BUSH when he introduced the above bill, which appear under a separate heading.)

By Mr. KEFAUVER:

S. 1578. A bill to amend the provisions of the Social Security Act relating to old-age assistance, aid to dependent children, aid to the blind, and aid to the permanently and totally disabled, so as to provide for increased payments to needy individuals thereunder and for the removal of certain restrictions on their eligibility for such payments; and

S. 1579. A bill to amend title II of the Social Security Act to reduce retirement age for women from 65 to 60, to eliminate remarriage as a bar to widow's and parent's benefits, and to provide that widows with minor children may in certain cases become entitled to widow's benefits before attaining retirement age; to the Committee on Finance.

(See the remarks of Mr. KEFAUVER when he introduced the above bills, which appear under a separate heading.)

By Mr. JOHNSTON of South Carolina:

S. 1580. A bill to regulate subsistence expenses and mileage allowances of civilian officers and employees of the Federal Government; to the Committee on Post Office and Civil Service.

By Mr. WELKER:

S. 1581. A bill for the relief of Constantinos Pantermalis; to the Committee on the Judiciary.

By Mr. YOUNG:

S. 1582. A bill to amend Public Law 727, 83d Congress, so as to extend the period for the making of emergency loans for agricultural purposes; to the Committee on Agriculture and Forestry.

By Mr. BIBLE:

S. 1583. A bill to amend the Domestic Minerals Program Extension Act of 1953 in order to strengthen the national defense and to further extend the program to encourage the discovery, development, and production of certain domestic minerals; to the Committee on Interior and Insular Affairs.

By Mr. NEELY:

S. 1584. A bill for the relief of Raymond D. Beckner; to the Committee on the Judiciary.

By Mr. AIKEN:

S. 1585. A bill to provide for the return to the town of Hartford, Vt., of certain land which was donated by such town to the United States as a site for a veterans' hospital and which is no longer needed for such purpose; to the Committee on Government Operations.

By Mr. DOUGLAS:

S. 1586. A bill for the relief of Dr. David Pyong Wha Min, his wife, Yong Hi Min, and their minor child, Arnold Choong Ki Min; and

S. 1587. A bill for the relief of Francisco Salinas (also known as Daniel Castro Quilantan) and his wife Graciela de Jesus Garza Salinas (also known as Graciela de Jesus Garza Quilantan); to the Committee on the Judiciary.

By Mr. LEHMAN:

S. 1588. A bill for the relief of Shamail Shamilzadeh, Shoushan Shamilzadeh, and Davii Shamilzadeh; to the Committee on the Judiciary.

By Mr. HILL (for himself, Mr. KENNEDY, Mr. KEFAUVER, Mr. LEHMAN, Mr. LANGER, Mr. YOUNG, Mr. MURRAY, Mr. FREAR, Mr. BEALL, Mr. HUMPHREY, Mr. KILGORE, Mr. CHAVEZ, Mr. SPARKMAN, Mr. NEELY, Mr. IVES, Mr. NEUBERGER, Mr. MANSFIELD, Mr. KUCHEL, Mr. HENNINGS, Mr. DOUGLAS, Mr. MAGNUSON, Mr. MCNAMARA, Mr. SMATHERS, Mr. SYMINGTON, Mrs. SMITH of Maine, Mr. JACKSON, Mr. JOHNSTON of South Carolina, Mr. O'MAHONEY, Mr. FULBRIGHT, and Mr. MORSE):

S. 1589. A bill to amend the Railroad Retirement Act of 1937, as amended, and the Railroad Unemployment Insurance Act; to the Committee on Labor and Public Welfare.

By Mr. O'MAHONEY:

S. 1590. A bill to extend the time for filing claims on behalf of certain claimants, and for other purposes; to the Committee on the Judiciary.

By Mr. KILGORE:

S. 1591. A bill relating to the payment of judgments by the Post Office Department; and

S. 1592. A bill for the relief of Mr. William Henry Diment, Mrs. Mary Ellen Diment, and Mrs. Gladys Everingham; to the Committee on the Judiciary.

S. 1593. A bill to amend section 1114 of title 18 of the United States Code, as amended, in reference to the protection of officers and employees of the United States by including probation officers of United States district courts; to the Committee on the Judiciary.

(See the remarks of Mr. KILGORE when he introduced the above bills, which appear under separate headings.)

S. 1594. A bill for the relief of Dosinda Gonzalez Mendez;

S. 1595. A bill for the relief of Ahmed Homayssi; and

S. 1596. A bill to establish and effectuate a policy with respect to the creation or chartering of certain corporations by act of Congress, and for other purposes; to the Committee on the Judiciary.

By Mr. KILGORE (for himself and Mr. WILEY):

S. 1597. A bill to establish a commission and advisory committee on International Rules of Judicial Procedure; to the Committee on the Judiciary.

(See the remarks of Mr. KILGORE when he introduced the above bill, which appear under a separate heading.)

By Mr. EASTLAND (for himself, Mr. JOHNSTON of South Carolina, Mr. HOLLAND, Mr. HILL, Mr. STENNIS, Mr. THURMOND, and Mr. GORE):

S. 1598. A bill to amend the cotton marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended; to the Committee on Agriculture and Forestry.

By Mr. CASE of South Dakota:

S. 1599. A bill to authorize the Secretary of the Interior to convey by quitclaim deed to the city of Rapid City, S. Dak., any right,

title, and interest remaining in the United States in and to certain land in such city; to the Committee on Interior and Insular Affairs.

By Mr. PAYNE (for himself and Mrs. SMITH of Maine):

S. 1600. A bill to provide that leave accrued by members of the Armed Forces while held as prisoners of war in Korea shall not be counted in determining the maximum amount of leave which they may accumulate or have to their credit; to the Committee on Armed Services.

By Mr. STENNIS:

S. 1601. A bill for the relief of the Felix Long Memorial Hospital, Dr. Henry Lee, Dr. R. S. Ellis, and Ruth White Williams; to the Committee on the Judiciary.

By Mr. KERR (for himself and Mr. MONRONEY):

S. 1602. A bill to authorize the construction, operation, and maintenance of the Canton project, Oklahoma, by the Secretary of the Interior; to the Committee on Interior and Insular Affairs.

By Mr. JACKSON:

S. 1603. A bill to authorize the purchase, sale, and exchange of certain Indian lands on the Yakima Indian Reservation, and for other purposes;

S. 1604. A bill to authorize the establishment of the Virgin Islands National Park, and for other purposes; and

S. 1605. A bill to authorize the leasing of certain lands of the Yakima Tribe to the State of Washington for historical and for park purposes; to the Committee on Interior and Insular Affairs.

By Mr. WATKINS:

S. 1606. A bill to amend the provisions of law added to the United States Code by the act of August 15, 1953 (Public Law 280, 83d Cong., 67 Stat. 588); to the Committee on Interior and Insular Affairs.

By Mr. WILEY:

S. 1607. A bill to amend section 201 (c) of the Agricultural Act of 1949, as amended by the Agricultural Act of 1954; to the Committee on Agriculture and Forestry.

(See the remarks of Mr. WILEY when he introduced the above bill, which appear under a separate heading.)

By Mr. HUMPHREY:

S. 1608. A bill authorizing the appropriation of funds for the construction, in cooperation with local authorities, of a hospital at Onamia, Minn.; to the Committee on Labor and Public Welfare.

By Mr. MALONE:

S. 1609. A bill for the relief of Toribia Basterrechea (Arrola); to the Committee on the Judiciary.

By Mr. BENDER (for himself and Mr. DOUGLAS):

S. 1610. A bill to amend section 6 of Public Law 874, 81st Congress, so as to provide for the continued operation of certain schools on military installations; to the Committee on Labor and Public Welfare.

By Mr. BYRD:

S. 1611. A bill for the relief of Tai Sung Chung; and

S. 1612. A bill for the relief of Miss Young Hi Yun; to the Committee on the Judiciary.

S. 1613. A bill to provide for the disposition of Camp Pickett, Va.; to the Committee on Armed Services.

By Mr. HUMPHREY:

S. 1614. A bill to amend "An act to fix a reasonable definition and standard of identity of certain dry-milk solids," (21 U. S. Code, sec. 321c); to the Committee on Labor and Public Welfare.

(See the remarks of Mr. HUMPHREY when he introduced the above bill, which appear under a separate heading.)

By Mr. LEHMAN:

S. 1615. A bill for the relief of Hilde Schiller; to the Committee on the Judiciary.

By Mr. KEFAUVER:

S. J. Res. 62. Joint resolution dedicating the Lee Mansion in Arlington National Cemetery as a permanent memorial to Robert E. Lee; to the Committee on Rules and Administration.

(See the remarks of Mr. KEFAUVER when he introduced the above joint resolution, which appear under a separate heading.)

By Mr. IVES:

S. J. Res. 63. Joint resolution to establish a commission for the celebration of the 100th anniversary of the birth of Theodore Roosevelt; to the Committee on the Judiciary.

(See the remarks of Mr. IVES when he introduced the above joint resolution, which appear under a separate heading.)

DEVELOPMENT AND PRODUCTION OF FLUORSPAR

Mr. DIRKSEN. Mr. President, on behalf of myself, the Senator from Colorado [Mr. ALLOTT], the Senator from Montana [Mr. MURRAY], the Senator from Idaho [Mr. WELKER], and the Senator from Arizona [Mr. GOLDWATER], I introduce, for appropriate reference, a bill to encourage the discovery, development, and production of fluorspar in the United States, and its Territories and possessions, and for other purposes. I ask unanimous consent that the bill may lie on the desk for the remainder of the day, so that Senators who would like to cosponsor it may add their names.

The ACTING PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the bill will lie on the desk for the remainder of the day, as requested by the Senator from Illinois.

The bill (S. 1576) to encourage the discovery, development, and production of fluorspar in the United States, and its Territories and possessions, and for other purposes, introduced by Mr. DIRKSEN (for himself and other Senators), was received, read twice by its title, and referred to the Committee on Finance.

HIGHWAY MODERNIZATION IN CONNECTICUT

Mr. BUSH. Mr. President, on behalf of myself, and my colleague, the distinguished junior Senator from Connecticut [Mr. PURTELL], I introduce, for appropriate reference, a bill to enable the State of Connecticut to proceed with its program of highway modernization. I ask unanimous consent that the bill, together with a statement prepared by me, describing the purposes of the bill, be printed in the RECORD.

The ACTING PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the bill and statement will be printed in the RECORD.

The bill (S. 1577) to enable the State of Connecticut to proceed with its program of highway modernization, introduced by Mr. BUSH (for himself and Mr. PURTELL), was received, read twice by its title, referred to the Committee on Public Works, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That, notwithstanding any time or other limitation on the collection of tolls prescribed by any act heretofore enacted by the Congress relating to the construction, acquisition, maintenance, or operation of any bridge constructed or acquired by the State of Connecticut or any agency or commission thereof, the State of Connecticut, acting by and through any agency or commission thereof, is hereby authorized—

(1) to fix, charge, and collect tolls or other charges for the use of any bridge or tunnel heretofore or hereafter established, controlled, constructed, or acquired by or on behalf of said State;

(2) to combine any 2 or more of such bridges or tunnels, or to combine any 1 or more of such bridges or tunnels with any road, highway, transit system, or other properties or facilities for transportation, terminal, parking, or traffic facilitation purposes (each such bridge, tunnel, road, highway, transit system, or other property or facility being hereinafter referred to as "facility") heretofore or hereafter established, controlled, constructed, or acquired by or on behalf of said State; and to combine the tolls or revenues from any facilities so combined;

(3) to fix, charge, and collect tolls or other charges for the use of any facilities so combined; and

(4) to use or pledge any tolls, charges, or other revenues from any facilities for purposes of financing, acquiring, constructing, operating, or maintaining any facility or facilities.

Nothing in this section shall apply to any interstate bridge or tunnel.

SEC. 2. (a) It is hereby declared that the incorporation into any expressway now or hereafter authorized by or in accordance with chapter 107, part IV, General Statutes of Connecticut, 1953 Supplement, of any section of any highway or road in such State upon which Federal-aid road funds have been expended or are programed for expenditure will not violate any provision of the Federal Highway Act (42 Stat. 212), as amended and supplemented, or any regulation thereunder, if such expressway is so designed and planned as to permit unrestricted use of such section without payment of toll.

(b) In any case in which the State of Connecticut has determined that it will incorporate into any expressway so authorized any section of any highway or road in such State upon which Federal-aid road funds have been expended or are programed for expenditure and has determined that it will impose tolls upon or for the use of such section, such State is authorized—

(1) to repay to the United States amounts equal to the Federal-aid road funds paid to such State as the Federal share of the cost of construction or reconstruction of such section; or

(2) to request the Secretary of Commerce to transfer, and the Secretary of Commerce when so requested is authorized and directed to transfer, for programing and expenditure any Federal-aid road funds theretofore paid as the Federal share of the cost of construction or reconstruction of such section or programed for expenditure as the Federal share of the cost of construction or reconstruction of such section.

Any amounts so repaid shall be repaid to the Treasurer of the United States and shall be deposited to the credit of the appropriation for Federal-aid highways. At the time of any such repayment or transfer, any project agreement in effect with respect to the section of highway or road to which such repayment or transfer relates shall be canceled. Any amounts so repaid, together with the unpaid balance (if any) of any amount programed for expenditure on the section of highway or road to which the repayment relates, and any amounts so transferred, shall be credited to the unprogramed balance of Federal-aid road funds of the same class last apportioned to the State of Connecticut. Any amounts so credited shall be in addition to all other funds then apportioned to such State and shall be available for expenditure in accordance with the provisions of

the Federal Highway Act, as now or hereafter amended and supplemented.

(c) Upon the repayment or transfer of any Federal-aid road funds under the provisions of this section, any section of highway or road to which the repayment or transfer relates shall become and be free from any and all restrictions contained in the Federal Highway Act, as amended and supplemented, or any regulation thereunder, with respect to the imposition and collection of tolls or other charges thereon or for the use thereof.

The statement presented by Mr. BUSH is as follows:

STATEMENT BY SENATOR BUSH

I am introducing in the Senate today, a bill intended to give the State of Connecticut freedom it requires in rearranging its system of roads and bridges so that a portion of the revenues needed for the construction and maintenance of highways and other transportation facilities may be derived from tolls.

Introduction of this bill has been requested by Governor Abraham Ribicoff of Connecticut and a bipartisan group of members of the Con necticut General Assembly.

The problem of financing urgently needed highway construction is one of staggering proportions. The best available estimates indicate that the Nation's needs will require an expenditure of $101 billion on all levels of government in the 10-year period ahead.

In Connecticut alone, it has been estimated that approximately $2 billion is needed to overcome critical deficiencies in our road network.

In limited areas, toll financing can be used to good advantage in meeting part of this heavy expense. At present, Connecticut operates two toll parkways, the Merritt and Wilbur Cross parkways, and has begun construction of a toll expressway, extending from the New York State line at Greenwich to the Rhode Island border at Killingly.

The Highway Act of 1954, adopted by the 83d Congress, included provisions which enabled the State to incorporate into the Greenwich-Killingly expressway several sections of highway on which Federal-aid funds had been expended or programed. This eliminated the necessity of bypassing these sections, saving the State an estimated $17 million.

Section 2 of the bill follows the pattern established by the Congress in the Highway Act of 1954. It would enable the State to include in toll expressways sections of Federally aided highways provided that unrestricted use of such sections without payment of toll is made possible. If the State should desire to impose tolls on any Federally aided section incorporated into an expressway, it would be authorized to repay or transfer Federal-aid funds. Funds so repaid or transferred would be made available for use on other Federal-aid highways in the State, and would be in addition to all other funds apportioned to Connecticut. This arrangement is fair to the State and fair to the Federal Government. Connecticut's total share of Federal-aid funds remains the same; the Federal Government's interest in having highways built or improved on the toll-free Federal-aid system is promoted.

Section 1 of the bill would eliminate a limitation upon the time period in which tolls may be collected upon the Charter Oak bridge at Hartford, Conn., and such limitations as may exist in Federal law on other bridges and facilities within Connecticut. It would permit the pooling of toll revenues from these sources for use in improving means of transportation in our State.

I have been provided with the following information in regard to the present Congressional limitation on the Charter Oak bridge, the reasons why it is considered desirable to remove the restrictions of the present act, and precedents for the authority now requested by the State of Connecticut.

1. Present congressional limitation on Charter Oak Bridge: Public Law No. 301 of 1939, granted the consent of Congress to Connecticut to construct, maintain, and operate the Charter Oak Bridge at Hartford. The act granted permission for tolls to be charged sufficient to pay the operating and maintenance costs and to provide a sinking fund sufficient to amortize the cost of the bridge within 25 years. The act further provides, however, that the bridge shall be operated free of charge after a sinking fund has been accumulated sufficient to amortize the cost of the bridge.

2. Desirability of removing restrictions of present act: There were outstanding on June 30, 1954, $2,880,000 of the bonds issued to pay the cost of the Charter Oak Bridge. These bonds are due serially in annual installments until 1971. The bonds maturing in the years 1968 to 1971, inclusive, are callable in 1965. The interest due on the noncallable bonds (until 1967) and on the callable bonds to the call date (1965) aggregates $370,000. The total interest and principal payments necessary to amortize the cost of the bridge therefore totals $3,250,000.

As of June 30, 1954 the sinking fund totalled $2,475,000 leaving only a difference of $775,000 to be placed into the sinking fund which would amortize the cost and free the bridge from tolls. The net revenue of the bridge for the year ended June 30, 1954 was $561,000. Therefore, under the existing congressional act the bridge would have to be toll-free in about 1½ years.

The Charter Oak Bridge is heavily congested and an additional crossing is or will soon be needed. Furthermore, the State is considering a plan of pooling all vehicular toll facilities in the State together as a base of credit for necessary additional highway or bridge projects in the State. Unless congressional consent is obtained for the removal of the toll limitation, this source of revenue will be lost to the State. Connecticut has already passed legislation permitting the extension of tolls on the Charter Oak Bridge.

3. Precedent for removal of toll limitations in present congressional act: Under the 1946 General Bridge Act, Congress has determined that there shall be no toll limitation on intrastate bridges. Even prior to 1946 many intrastate bridges were built without any limitation on tolls.

The New York State Bridge Authority operates three intrastate bridges across the Hudson River, the Bear Mountain, and Rip Van Winkle Bridges. All of these bridges were completed prior to 1946. The authority recently financed the cost of a new bridge from Kingston to Rhinebeck. There is no limitation as to the time that this authority may collect tolls. Furthermore, the toll revenue derived from all the bridges is pooled and pledged for the new bonds issued for the Kingston Bridge.

The Triborough Bridge and Tunnel Authority operates several intrastate bridges, the Triborough Bridge, Bronx-Whitestone Bridge, Henry Hudson Bridge, Marine Parkway Bridge and the Cross Bay Parkway Bridge. There is no toll limitations as to the length of time tolls may be charged on these bridges and furthermore the tolls of all facilities are pooled and pledged to the bonds of this authority.

The State of Maryland recently financed a tunnel in Baltimore (Patapsco Tunnel) and as security for the bonds pooled the revenues of three intrastate bridges, the Susquehanna River Bridge, the Chesapeake Bay Bridge and the Potomac River Bridge. There is no limitation as to the period of tolls on any of these bridges.

Even on interstate bridges, Congress has in the past consented to the removal of a toll limitation period and permitted the pooling of several facilities together. For example, this consent was granted by Congress for the Port of New York Authority which operates, in addition to other facilities, several interstate bridges, the George Washington Bridge, the Bayonne Bridge, the Goethals Bridge, and the Outerbridge Crossing. Another example of congressional consent is the Delaware River Port Authority, which operates the Philadelphia-Camden Bridge and is presently constructing the Philadelphia-Gloucester Bridge with the revenues of both facilities pooled.

This bill is needed so that Connecticut may go forward as rapidly as possible with its program of highway development. Nothing in it would require the imposition of tolls. It simply gives our State a home-rule option to collect tolls if that course seems wise in assessing our overall needs for revenues to be used in improving our highway transportation system.

AMENDMENT OF SOCIAL SECURITY ACT

Mr. KEFAUVER. Mr. President, I introduce for appropriate reference, two bills to amend the Social Security Act. These are companion bills to ones introduced in the House of Representatives by Representative ROOSEVELT, of California.

The ACTING PRESIDENT pro tempore. The bills will be received and appropriately referred.

The bills, introduced by Mr. KEFAUVER, were received, read twice by their titles, and referred to the Committee on Finance, as follows:

S. 1578. A bill to amend the provisions of the Social Security Act relating to old-age assistance, aid to dependent children, aid to the blind, and aid to the permanently and totally disabled, so as to provide for increased payments to needy individuals thereunder and for the removal of certain restrictions on their eligibility for such payments; and

S. 1579. A bill to amend title II of the Social Security Act to reduce retirement age for women from 65 to 60, to eliminate remarriage as a bar to widow's and parent's benefits, and to provide that widows with minor children may in certain cases become entitled to widow's benefits before attaining retirement age.

AMENDMENT OF DOMESTIC MINERALS PROGRAM EXTENSION ACT OF 1953

Mr. BIBLE. Mr. President, I introduce, for appropriate reference, a bill to amend the Domestic Minerals Program Extension Act of 1953 in order to strengthen national defense and to further extend the program to encourage the discovery, development, and production of certain domestic minerals. I ask unanimous consent that a statement, prepared by me, pertaining to the bill, be printed in the RECORD.

The ACTING PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the statement will be printed in the RECORD.

The bill (S. 1583) to amend the Domestic Minerals Program Extension Act of 1953 in order to strengthen national defense and to further extend the pro-

gram to encourage the discovery, development, and production of certain domestic minerals, introduced by Mr. BIBLE, was received, read twice by its title, and referred to the Committee on Interior and Insular Affairs.

The statement presented by Mr. BIBLE is as follows:

STATEMENT BY SENATOR BIBLE

I send to the desk for introduction and appropriate reference a bill "to amend the Domestic Minerals Program Extension Act of 1953 in order to strengthen national defense and to further extend the program to encourage the discovery, development, and production of certain domestic minerals."

Primary purpose of my bill is to encourage the discovery, development, and domestic production of tungsten, manganese, chromite, mica, asbestos, beryl, and columbium-tantalum-bearing ores and concentrates pursuant to the Defense Production Act of 1950, as amended, and the Strategic and Critical Materials Stockpiling Act of 1946, as amended.

Certainly, it behooves the Congress to afford American producers of tungsten, manganese, chromite, and other strategic and critical minerals set forth in this bill a period of certainty during which they can plan and invest in a businesslike manner toward achievement of the production goals set for them. To accomplish this purpose, my bill would extend the programs established under the Defense Production Act, as amended, a period of 7 years or until June 30, 1962, a date corresponding with the expiration of the Defense Production Act.

My bill does not concern the overall quantity of minerals to be obtained since those quotas are within the prerogative of the executive agencies charged with this responsibility.

This bill will permit the establishment of such additional purchasing depots as may be found necessary to carry out the policies of the Domestic Minerals Program Extension Act. It likewise will not limit or restrict the administering executive agencies from increasing the quantity of or the price paid for the minerals.

Extension of this purchase program will definitely serve as an incentive to the domestic mining industry which is staggering under record high foreign imports of cheaply produced minerals. All of the minerals included in this bill are vital to the welfare of the United States, both for defense and for peacetime industrial uses. Our dependence upon foreign sources clearly stands as a great peril to our national security. Continuation of this domestic purchase program will develop our minera's here at home for any eventuality.

BILLS FOR CONSIDERATION BY JUDICIARY COMMITTEE

Mr. KILGORE. Mr. President, I introduce, for appropriate reference, three bills for consideration by the Judiciary Committee. The bills have been recommended by the Postmaster General, the Department of the Army, and the Administrative Office of the United States Courts. I ask unanimous consent that the letters accompanying the bills may be printed in the RECORD.

The ACTING PRESIDENT pro tempore. The bills will be received and appropriately referred; and, without objection, the accompanying letters will be printed in the RECORD.

The bills, introduced by Mr. KILGORE, were received, read twice by their titles, and referred to the Committee on the Judiciary, as follows:

S. 1591. A bill relating to the payment of judgments by the Post Office Department.

(The letter accompanying Senate bill 1591 is as follows:)

OFFICE OF THE POSTMASTER GENERAL,
Washington, D. C., March 8, 1955.

Hon. RICHARD M. NIXON,
Prsident of the United States Senate.

DEAR MR. PRESIDENT: There is transmitted herewith for consideration by the Congress proposed legislation relating to the payment of judgments by the Post Office Department.

Judgments against the United States in cases involving agencies other than the Post Office Department are paid out of general funds of the Treasury. Such judgments in cases involving this Department, however, are paid out of postal revenues.

There is an unavoidable lapse of time between the award of the judgments and the appropriation of funds for the payment of these judgments. Subsections (b) of section 2411 of title 28, United States Code, provides that "(b) except as otherwise provided in subsection (a) of this section, on all final judgments rendered against the United States in actions instituted under section 1346 of this title interest shall be computed at the rate of 4 percent per annum from the date of the judgment up to, but not exceeding, 30 days after the date of approval of any appropriation act providing for payment of the judgment."

Inasmuch as the payment of interest on judgments so rendered increases the deficit of this Department, it is believed that authority should be granted to the Postmaster General to make prompt payment of these judgments. During the past fiscal year, the interest alone on judgments rendered against the United States in cases involving this Department amounted to $7,000. If legislation such as is transmitted herewith had been in effect, the postal deficit could have been reduced by this amount.

The enactment of legislation such as is here proposed would provide better service to those persons in whose favor judgments have been renderd against the United States in cases involving this Department. They would receive prompt payment of the amount due them under the judgment.

It is believed that legislation such as is transmitted herewith will accomplish the desired results, and its early enactment is recommended.

The Bureau of the Budget has advised that there would be no objection to the submission of this legislative proposal to Congress.

Sincerely yours,

ARTHUR E. SUMMERFIELD,
Postmaster General.

S. 1592. A bill for the relief of Mr. William Henry Diment, Mrs. Mary Ellen Diment, and Mrs. Gladys Everingham.

(The letter accompanying Senate bill 1592 is as follows:)

DEPARTMENT OF THE ARMY,
Washington, D. C., February 18, 1955.

Hon. RICHARD M. NIXON,
President of the Senate.

DEAR MR. PRESIDENT: There is enclosed herewith a draft of a proposed bill "For the relief of Mr. William Henry Diment, Mrs. Mary Ellen Diment, and Mrs. Gladys Everingham," which it is recommended be enacted into law. This proposed legislation is submitted by the Department of the Army in accordance with the procedures prescribed by the Secretary of Defense.

The purposes of this legislation are (1) to compensate Mr. William Henry Diment and Mrs. Mary Ellen Diment, who are residents of England, for the loss of support sustained by them on account of the death of their son, W. H. Diment, who was shot and killed by a soldier of the United States Army acting within the scope of his employment as a sentry; (2) to compensate Mrs. Gladys Everingham, who is a resident of England, individually and as natural guardian of her two minor children, for the loss of support sustained by them on account of the death of her husband, Sgt. Ronald Everingham, of the British Army, who was shot and killed by a soldier of the United States Army acting outside the scope of his employment; and (3) to insure the payment of the sum of $12,000 by the Government of the United Kingdom to Mrs. Gabrielle Evans, a resident of France, in settlement of her claim against the Government of the United Kingdom for damages on account of the death of her husband, Mr. LeRoy R. Evans, a citizen of the United States, who died as the result of injuries sustained by him in an accident involving a British Army vehicle.

The records of the Department of the Army show that W. H. Diment, a 19-year-old British citizen, was employed as a seaman on the steamship *Mafuta*, a ship of Belgian registry. On the evening of January 22, 1946, the steamship *Mafuta* was anchored in the port of Antwerp, Belgium, and some of the members of the crew, including W. H. Diment, were granted shore leave. W. H. Diment visited a waterfront cafe in Antwerp in the company of some of his fellow crew members, where they consumed some alcoholic beverages, and at 11:30 p. m. he left the cafe with a fellow seaman to return to the ship. Shortly after leaving the cafe, he and his companion entered the main entrance to the United States Army Engineer Depot in Antwerp, apparently intending to take a shortcut to their ship. An enlisted man of the United States Army was on duty as a sentry at the gate to the depot, but did not observe the two seamen as they entered, inasmuch as he was facing away from the entrance and was talking with the corporal of the guard, who had just arrived there in an Army vehicle.

The sentry turned, and seeing the two civilians walking through the depot, ordered them to halt. The first order to halt was unheeded by the seamen, and the sentry twice again ordered them to halt. These orders were also disregarded. The sentry then fired twice over the heads of the seamen, but inasmuch as they continued to walk, he then shot to stop them. The first shot missed, but the second shot struck W. H. Diment in the abdomen, and he died on January 28, 1946, as the result of the injuries so received.

Although his orders that the seamen halt were disregarded, the action of the sentry in shooting the trespassing seaman in the abdomen is regarded as the use of excessive force under the circumstances, inasmuch as the corporal of the guard then present in an Army vehicle could easily have assisted the sentry in detaining the trespassers.

Before the death of W. H. Diment, he had been contributing to his parents, Mr. William Henry Diment and Mrs. Mary Ellen Diment, then residing at 242 Grand Avenue, Ely, Cardiff, England, the sum of £5 per month, and it appears that he occasionally contributed further sums to their support. At the time of W. H. Diment's death, his mother was 50 years of age, and his father was 43 years of age. The Department of the Army has been advised that the parents of W. H. Diment incurred no medical, hospital, or burial expenses in connection with his injury and death. The Department has been further advised that the parents of W. H. Diment were not eligible to receive any pension on account of the death of their son.

On March 7, 1949, the parents of W. H. Diment filed with the Department of the Army a claim in the amount of £5,000, for their loss of support resulting from the death of their son. That claim could not be

considered under the provisions of the Foreign Claims Act (55 Stat. 880; 31 U. S. C. 224d), as amended, for the reason that the deceased was not an inhabitant of Belgium, the foreign country where the claim arose. The claim could not be paid under the provisions of the act of July 3, 1943 (57 Stat. 372; 31 U. S. C. 223b), as amended, which act limits recovery in the case of a claim for death or personal injury to the reasonable medical, hospital, and burial expenses actually incurred. There is no other statute or appropriation available to the Department of the Army for the payment of this claim. It is the view of the Department that, in view of the respective ages of the parents of W. H. Diment and the amount contributed by him to their support, the sum of $5,000 is a fair and reasonable award to them for the loss of their son's support.

In the case of the death of Sgt. Ronald Everingham, the records of the Department of the Army show that on April 27, 1946, he was then 23 years of age and a resident of England on duty with the British Army in Belgium; that on the evening of that date, Sergeant Everingham and several other British soldiers not engaged in official business were in a small cafe in Antwerp, Belgium, when two soldiers of the United States Army came into the cafe together, neither of them being on any official mission; that thereafter, one of the British soldiers and one of the United States soldiers became engaged in an argument over a seat at the bar of the cafe, and in the course of the argument, the United States soldier struck the British soldier; that when the argument resulted in violence, several of the British soldiers, including Sergeant Everingham, began to move toward the two United States soldiers; that the second United States soldier then drew a pistol from his jacket and shot Sergeant Everingham; and that Sergeant Everingham was taken to a British Army hospital nearby, where he died on May 17, 1946, as the result of the wound inflicted by the United States soldier. On September 4, 1946, the United States soldier who shot Sergeant Everingham was tried and convicted by a general court-martial on a charge of murder, and was sentenced to confinement at hard labor for the term of his natural life. Sergeant Everingham was survived by his wife, Mrs. Gladys Everingham, then 23 years of age, and his two minor children, Michael Ronald Everingham, then 2 years of age, and Maureen Everingham, then 1 year of age. It appears that, had Sergeant Everingham not been killed, he would have returned to civilian life where he would have earned a salary of approximately £6 per week. The medical and burial expenses for Sergeant Everingham were paid by the British Government. The Department was advised in May 1947 by the British Ministry of Pensions that Mrs. Everingham was then receiving a weekly pension on account of the death of her husband, in the total amount of £3.2 (£1.17 as a widow's pension, 11 shillings for each of the 2 children, and 3 shillings as a rental allowance). The Department was further advised that any other award made to Mrs. Everingham on account of the death of her husband may result in a reduction of the amount of the weekly pension, but to an amount not less than £1.4 (13 shillings as a widow's pension, 8 shillings for the 2 children, and 3 shillings as a rental allowance).

On September 5, 1946, Mrs. Gladys Everingham submitted to the United States Army authorities a claim in the amount of £10,000 for damages on account of the death of her husband. The claim could not be considered under the provisions of the Foreign Claims Act (55 Stat. 880; 31 U. S. C. 224d), as amended, for the reason that Sergeant Everingham was not an inhabitant of Belgium, the foreign country where the claim arose; nor could it be considered under the provisions of the Act of July 3, 1943 (57 Stat. 372; 31 U. S. C. 223b), as amended, for the reason that the United States soldier was not acting within the scope of his office or employment at the time he shot Sergeant Everingham. There is no other statute or appropriation available to the Department of the Army for the payment of this claim. It is the view of the Department that, in view of the respective ages of Sergeant Everingham and his dependents, and the earning capacity of Sergeant Everingham, the sum of $12,000 is a fair and reasonable award to Mrs. Everingham individually, and as natural guardian of the two minor children, for their loss of support resulting from Sergeant Everingham's death.

The records of the Department of the Army show that LeRoy Robert Evans, a citizen of the United States, was born on February 9, 1912, at Allentown, Pa.; that he thereafter moved to California; that in December 1945, he was on active duty in the Army of the United States, serving in France, in the grade of technician fifth grade; that he was honorably discharged from the Army on December 4, 1945, at Camp Roosevelt, France; that on December 6, 1945, he received an excepted appointment as a civilian employee of the Army, in the position of Mess Inspector, CAF-6, at a base salary of $2,650 per annum, plus 25 percent overseas differential, for service in France with Headquarters, Seine Section, United States Army. Mr. Evans was married in France on November 6, 1946, to Gabrielle Purcey, who was born at Langres, France, on December 23, 1918, and it appears that they thereafter resided at 85 Rue Olivier de Serres, Paris (15) Seine, France. Mr. Evans continued in his employment as a civilian employee of the United States Army.

The records of the Department further show that at about 1:30 a. m. on January 1, 1949, Mr. Evans' automobile was parked along the curb of Rue Aristide Briand near a street light, in Fontainebleu, France; that Mr. Evans was having difficulty in starting his automobile, and had been standing in front of the car attempting to crank it; that while he was so engaged, a British Army truck traveling along the said street at a high rate of speed and operated in a grossly negligent manner, struck the rear end of Mr. Evans' car, apparently forcing the car across Mr. Evans' body; that the British Army truck was being operated without official authority by a soldier of the British Army; and that the British soldier involved was later convicted by a military court of using the said truck without authority. As a result of the above-described accident, Mr. Evans was severely injured, and was rushed to a French hospital. The following day, he was removed to a United States Army hospital in Paris, and later was returned to the United States for further hospitalization. Effective February 28, 1949, Mr. Evans was separated from his employment with the Army by reason of his disability. The hospitalization of Mr. Evans continued until June 5, 1950, on which date he died at the Veterans' Administration Hospital, Richmond, Va., as the result of the injuries received in the accident. At the time of Mr. Evans' injury on January 1, 1949, he was a civilian employee of the Army, serving with the Fontainebleu Depot, American Graves Registration Command, European Area, and was receiving a total annual salary of $3,718.50. The British Government refused to accept any liability for the death of Mr. Evans for the reason that the British soldier involved was not acting within the scope of his employment at the time of the accident. Mr. Evans and his widow were ineligible to receive benefits provided in the case of a Federal employee who is injured in the course of his employment, inasmuch as he was not engaged in such employment at the time of his injury. It appears that Mrs. Evans incurred little or no expense for the medical care and burial of LeRoy Evans, inasmuch as such expenses were borne by the United States. In view of the ages of Mr. Evans and his wife, respectively, and the earning capacity of Mr. Evans at the time of his death, it is the opinion of this Department that the sum of $12,000 would constitute fair and reasonable compensation to Mrs. Evans on account of the injury and death of her husband.

After the Department of the Army had denied liability in the cases of W. H. Diment and Sergeant Everingham, discussed above, the British Government, through diplomatic channels, urged that the United States assume liability in the said cases. In response to an inquiry from the Department of State, the Department of the Army expressed its opinion that no executive agency of the United States should recommend private relief legislation in the aforesaid cases until assurance should be received from the British Government that said Government would make provision for the payment of the claim of Mrs. Evans for damages on account of the death of her husband. On April 17, 1953 the British Ambassador transmitted to the Department of State the following communication:

"Her Majesty's Government have carefully considered the proposals of the Department of the Army as set out in the Aide Memoire and are of the opinion that they represent an equitable method of settlement of the three cases. Accordingly, Her Majesty's Ambassador is instructed to state that, provided that the Congress of the United States enacts legislation for the payment by the United States Government of $5,000 and $12,000 in the Diment and Everingham cases respectively, Her Majesty's Government undertake to pay to the widow of Mr. Leroy Evans the sum of $12,000 as proposed in the Aide Memoire."

In view of all the facts and circumstances described above, it is the opinion of the Department of the Army that all three of the claims are meritorious. Inasmuch as none of the claims could be paid under applicable laws of the United States or of Great Britain, it is believed that the enclosed draft of a proposed bill for the relief of the aforesaid claimants provides the most appropriate method for a fair and equitable settlement of these claims. Therefore, it is recommended that the attached proposed bill be enacted into law.

This recommendation and a similar report were submitted by the Department of the Army on February 8, 1954, to the President of the Senate and to the Speaker of the House of Representatives; however, the proposed legislation was not enacted by the 83d Congress. Because of this situation, the British Ambassador on November 20, 1954, transmitted to the Department of State a communication in which he stated that "Her Majesty's Government hope that action can be taken to bring a similar bill before the new Congress as soon as possible after it assembles." The Department of State in a letter (December 14, 1954) referring this matter to the Department of the Army stated "It would be appreciated if the Secretary of the Army would take appropriate action to insure that the necessary legislation is submitted to the Congress at an early date" and "The Secretary of State trusts that the Secretary of the Army shares his hopes that these two long-standing claims can be settled as a result of favorable consideration by the Congress."

The total cost of this bill, if enacted, will be $17,000.

The Bureau of the Budget advises that there is no objection to the submission of this proposal for the consideration of the Congress.

Sincerely yours,

ROBERT T. STEVENS,
Secretary of the Army.

S. 1593. A bill to amend section 1114 of title 18 of the United States Code, as amended, in reference to the protection of officers and employees of the United States by including probation officers of United States district courts.

(The letter accompanying Senate bill 1593 is as follows:)

ADMINISTRATIVE OFFICE OF THE
UNITED STATES COURTS,
Washington, D. C., March 14, 1955.

Hon. RICHARD M. NIXON,
Vice President of the United States,
United States Senate,
Washington, D. C.

DEAR MR. VICE PRESIDENT: On behalf of the Judicial Conference of the United States I transmit herewith for the consideration of the Congress a draft of a bill approved by the conference which would amend section 1114 of title 18 of the United States Code as amended in reference to the protection of officers and employees of the United States, by including probation officers of United States district courts.

Section 1114 of title 18 of the United States Code provides that whoever kills any judge of the United States or a considerable number of other specified officers of the United States while the officer is engaged in the performance of his official duties or on account of such performance, shall be punished as provided in sections 1111 and 1112 of the title. These sections define the crimes of murder and manslaughter. The effect of section 1114 is to make a person who kills a Federal judge or any of the other Federal officers enumerated in the section in connection with or on account of performance of his official duties, subject to trial for murder or manslaughter in the appropriate Federal court. Also there is a corollary section, 111, which makes it a Federal offense punishable by a fine of not more than $5,000, or imprisonment for not more than 3 years, or both, to assault, forcibly, resist, oppose, intimidate, or interfere with any person designated in section 1114 while engaged in or on account of the performance of his official duties. If in any of these acts a deadly or dangerous weapon is used, the fine may be as much as $10,000 and the imprisonment for as long as 10 years.

Section 1114 and by reference section 111 cover in addition to judges of the United States, officers or employees of the United States penal and correctional institutions. Probation officers of the United States district courts are subject in the performance of their duties to similar hazards, and therefore in the opinion of the Judicial Conference of the United States are entitled to the protection of the provisions.

The Federal probation officers are appointed by the United States district courts which they serve (18 U. S. C. 3654). They have two general classes of duties, one the supervision of offenders on probation or parole, and two, the marking of presentence investigations of offenders convicted by the courts for the purpose of furnishing information to the judges which will be helpful to them in determining the sentences. On June 30, 1954, the number of persons under supervision by the probation officers who then numbered 316, was 29,472, of whom 21,915 were probationers, 5,093 were civil parolees, 1,329 were persons on conditional release, and 1,135 were military parolees being supervised for the Army and the Air Force. In the fiscal year 1954 28,349 investigations were made by the probation officers, of which 19,811 were presentence investigations, 7,101 were civil preparole investigations and 1,437 were military preparole investigations.

The duties of supervision and investigation of offenders which devolve upon probation officers, undoubtedly subject them to personal hazards above those of ordinary Covernment officers and employees. In their investigations they regularly call at the homes and upon the associates of persons guilty of Federal crimes in order to obtain information about them. Although this inquiry is designed only to assist the judges to deal intelligently with the offenders in the matter of sentence, and often works for their benefit by indicating possibilities of rehabilitation on probation which might not otherwise be known, it may nevertheless appear to be hostile. The probation officers are often thought of by the offenders and their relatives and friends as police officers. Also if the facts shown by the presentence reports indicate to the judges that probation cannot prudently be granted and the offenders are sentenced to prison, they may blame the probation officers for the outcome. This tends to make the offenders hostile when they come out. If the probationers or parolees do not conduct themselves properly and commit serious violations of their probation or parole, it is necessary for the probation officers to report the violations to the court or the Board of Parole as the case may be. In fact under section 3653 of title 18 of the United States Code it may be their duty to arrest the offender.

These hazards which are inherent in the work of probation officers are very real. While actual menace does not occur to any individual probation officer often, there are recurring examples of it in experience and there is always the potential danger. A few illustrations may be given.

A former parolee called at the home of a probation officer who had previously supervised him and immediately shot and killed the officer's son, a young man, when he answered the door. A probation officer in a large city detecting on the street a probation violator for whom the police were looking, arrested him and the man was sentenced to 2½ years in prison. He said that when he got out he was going to get the probation officer. Another probation officer going into the woods remote from any settlement to call on a probationer, met a barrage of shotgun fire, and had to take refuge behind some trees. On one occasion a probation violator broke away from a probation officer and was captured by the officer before he had gone far. At a later time the offender shot and killed a policeman for which he was sentenced to be electrocuted. If he had had a weapon on him at the time of his previous attempt to escape, the probation officer might not have come off unscathed.

For the reasons stated it is believed that the Federal probation officers are entitled to the protection given by section 1114 of title 18 of the United States Code to other Federal officers exposed to murder by the nature of their work. Also it should be possible to prosecute in the Federal courts under section III of title 18 attempts to interfere by violence or threats of violence with the performance by the probation officers of their duties, as the proposed amendment of section 1114 would permit. I therefore would request that a bill in the form enclosed be introduced and referred to the appropriate committee, and I hope that in due course it may be enacted.

Sincerely yours,

HENRY P. CHANDLER,
Director.

COMMISSION AND ADVISORY COMMITTEE ON INTERNATIONAL RULES OF JUDICIAL PROCEDURE

Mr. KILGORE. Mr. President, on behalf of myself, and the Senator from Wisconsin [Mr. WILEY], I introduce, for appropriate reference, a bill establishing a Commission and Advisory Committee on International Rules of Judicial Procedure which has been submitted by the Attorney General of the United States. I ask unanimous consent that there be printed in the RECORD to accompany this bill the letter and explanation forwarded with this proposal by the Attorney General of the United States.

The ACTING PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the letter and explanation will be printed in the RECORD.

The bill (S. 1597) to establish a commission and advisory committee on International Rules of Judicial Procedure, introduced by Mr. KILGORE (for himself and Mr. WILEY), was received, read twice by its title, and referred to the Committee on the Judiciary.

The letter and explanation presented by Mr. KILGORE are as follows:

OFFICE OF THE ATTORNEY GENERAL,
Washington, D. C., March 15, 1955.

THE VICE PRESIDENT,
United States Senate,
Washington, D. C.

DEAR MR. VICE PRESIDENT: Attached for your consideration and appropriate reference is a draft of a bill establishing a Commission and Advisory Committee on International Rules of Judicial Procedure. An explanation of the proposed legislation accompanies the draft.

The Secretary of State joins me in recommending enactment of this bill, the details of which have been agreed upon by the two departments. The Director of the Bureau of the Budget has advised that there is no objection to the bill from the standpoint of the President's policy.

An identical letter is being sent to the Speaker of the House of Representatives.

Sincerely,

HERBERT BROWNELL, Jr.,
Attorney General.

EXPLANATION TO ACCOMPANY BILL ESTABLISHING A COMMISSION AND ADVISORY COMMITTEE ON INTERNATIONAL RULES OF JUDICIAL PROCEDURE

The purpose of the attached bill for the establishment of a Commission and an Advisory Committee on International Rules of Judicial Procedure is to create an agency to study existing practice of international judicial assistance and to make such recommendations as are considered desirable for the improvement of international practice and procedure in civil, criminal, admiralty, and quasi-judicial matters.

The end of hostilities in 1945 brought to our Federal and State courts an unprecedented flood of litigation with international ramifications—cases in which judicial documents must be served abroad, records or witnesses examined within the territory of a foreign state, or in which proof must be offered of the law prevailing in a foreign jurisdiction. These cases pose problems of procedure which are often baffling and sometimes insoluble. They emphasize the need in the international field of the same expert study and codification which have brought about historical reforms of Federal procedure over the last few years. The Federal Rules of Civil Procedure became effective in 1938. The Federal Rules of Criminal Procedure became law in 1945, and the Administarative Procedure Act became law in 1946. It is appropriate that the benefit of simplified and codified procedure should now be extended to our international practice.

Except for some consular treaties which permit the taking of depositions abroad of American citizens in certain categories of

cases, extraterritorial procedure now depends largely upon usage and custom. It is difficult for the practicing lawyer to ascertain what steps should and can be taken in a given instance. The provisions of the Federal Rules of Civil and Criminal Procedure and of the State practice acts for the taking of evidence abroad are often frustrated by prohibitions and limitations put upon the use of such procedures by foreign governments. For reasons which are not entirely understood by the American bar, many countries either forbid entirely or limit the taking of depositions within their territories. Even where our practice with respect to the taking of depositions is permitted or tolerated, there is no provision in civil-law jurisdictions for obtaining the testimony of an unwilling witness.

When witnesses refuse to testify, or if they are found in a country where our practice with respect to the taking of depositions is forbidden, recourse must be had to letters rogatory. Borrowed from the civil law, a letter rogatory is, in our practice, a request by a domestic court to a court of a foreign country to take evidence. It is executed according to the law of, and in the language of, the foreign country. Procedure in civil law jurisdictions is so different from ours that American lawyers avoid using letters rogatory wherever possible. As now issued, transmitted and executed, they are inefficient, time consuming, and costly. Moreover, the courts of some countries, such as the Netherlands and Germany, are unable to issue compulsory process even to aid in the execution of a letter rogatory issuing from an American court because the United States has not entered into procedural treaties or other arrangements with their governments. Courts of limited and specialized jurisdiction and administrative tribunals which cannot promise reciprocity, a time-honored condition of letters rogatory, are without certain means of obtaining testimony abroad from unwilling witnesses found in civil law countries.

It appears that the provisions of the Federal Judicial Code and of the practice acts of the States for the personal service of judicial documents abroad cannot be utilized in many countries. Inability to serve judicial documents and to take depositions abroad may seriously impede the prosecution of crimes against our internal security. More than in the case of ordinary crime, prosecutions for security violations may require the service of documents and the procuring of evidence abroad. Prosecutions could be impeded or frustrated by any of the following:

1. Lack of agreements with foreign countries for service, under sections 1783 and 1784 of the Judicial Code of subpenas and orders to show cause upon witnesses found in their territory.

2. Prohibitions by certain foreign countries of interviews with or interrogations of prospective witnesses.

3. Prohibitions and limitations by many countries on the taking of depositions under Federal Rule of Criminal Procedure 15.

4. Lack of means in all civil law countries to compel unwilling witnesses to testify in deposition proceedings and in some civil law countries to compel unwilling witnesses to testify in the execution of letters rogatory from American courts.

5. Difficulty or impossibility of proving foreign public records under Federal Rule of Criminal Procedure 27 and section 1741 of the Judicial Code.

6. Difficulty or impossibility of proving foreign private records under sections 3491–3494 of the Criminal Code.

Foreign courts are said to find equally unsatisfactory the judicial assistance which American courts render them. Neither the Federal Rules of Civil Procedure nor the Federal Rules of Criminal Procedure contains any provision relating to assistance to foreign courts. Section 1782 of the Federal Judicial Code relating to the taking of depositions to be used in foreign judicial proceedings is ill adapted to the execution of letters rogatory from courts of the civil-law countries. Neither State nor Federal practice makes any adequate provision for the service of judicial documents on behalf of foreign courts.

Practice can be simplified, expedited, and rendered more certain and less expensive by treaty or other arrangement. Much of Latin America and Europe is covered by a network of procedural treaties. Great Britain has entered into a number of such agreements. This demonstrates that the common-law and the civil-law systems can be coordinated procedurally. An excellent start in drafting has already been made by the Harvard Research in International Law which in 1939 published a Draft Convention on Judicial Assistance. The Inter-American Juridical Committee of the Organization of American States in September 1952 rendered a report on judicial assistance in civil matters. Considerable improvement in practice can probably be effected by informal agreement, or the development of greater uniformity of law in the various countries.

Responsibility for reform must be assumed by the Federal Government because there is little or nothing the individual States can do to improve their international juridical relations.

Reform of international procedure has been urged by many interested organizations. In 1950 the American Bar Association recommended the establishment of a governmental agency for that purpose. Again, in 1953, the association adopted a resolution favoring the establishment of a commission and advisory committee to draft international rules of practice. Joining the American Bar Association with resolutions urging reform of international practice are the American Society of International Law, the American Foreign Law Association, the Consular Law Society, the Maritime Law Association, the Association of the Bar of the City of New York, and the Pennsylvania State Bar Association. In the international field the International Bar Association and the Inter-American Bar Association have recommended the negotiation of procedural treaties.

The proposed legislation would combine the techniques of democratic draftsmanship by the joint effort of the bench, bar, and law faculties that proved successful in recent Federal procedural reforms, with certain of the techniques of interdepartmental cooperation utilized in the drafting of treaties for the alleviation of international double taxation.

Effective and uniform reform of international procedures can be brought about only by general international agreement. Any such agreement would set up rules of practice which, in litigation in the Federal courts, would supplement the Federal Rules of Civil Procedure and the Federal Rules of Criminal Procedure. The organization contemplated by the proposed legislation has therefore been modeled upon the two Supreme Court Advisory Committees, which, in turn, were established upon the precedent of the American Law Institute.

The requested legislation will not of itself effect any particular reform or change of procedure; it will merely create an agency for the study of existing problems of international judicial assistance. The proposed commission and advisory committee will be authorized to explore, report upon, and make recommendations for the improvement of all aspects of international judicial or quasi-judicial practice and procedure. The commission will itself determine, within broad limits of the subject of judicial assistance, the precise scope and content of its program; and its recommendations, accompanied by draft treaties or other proposed procedures, model conventions, or draft statutes, will be forwarded to the President for appropriate action.

Mr. WILEY. Mr. President, I am pleased to cosponsor the important bill introduced by the Senator from West Virginia [Mr. KILGORE] which will, in my judgment, rank as one of the truly significant efforts in recent times, in the field of international judicial procedure.

The bill proposes to establish a Commission and Advisory Committee on International Rules of Judicial Procedure.

I send to the desk a brief statement which I have prepared with regard to the background of this bill. I ask unanimous consent that the statement be printed at this point in the body of the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR WILEY

I am interested in this legislation in a twofold capacity.

First as senior Republican of the Senate Judiciary Committee, I am extremely anxious that this legislation be enacted so that it may help establish the basis for achieving at the international level what has long since fortunately been achieved at the national level through the Federal Rules of Civil Procedure, which became effective 17 years ago, the Federal Rules of Criminal Procedure, which became effective a decade ago, and the Administrative Procedures Act 9 years ago.

We will, in effect, be taking the first steps to extend the benefit of simplified and codified procedure to international practice.

I point out, therefore, that this legislation has the strong support of the American Bar Association, the International Bar Association, the American Society of International Law, as well as various other organizations interested in international procedural problems.

The legislation likewise, of course, bears the endorsement of the Attorney General of the United States.

Second, in my capacity as senior member of the Senate Foreign Relations Committee, I am deeply interested in this legislation. I am glad to observe that the Secretary of State of our country endorses it.

As he so well knows, international cooperation is, of course, a two-way street; it is hoped that through this legislation, American Courts will eventually be in a position to render more effective assistance to foreign courts, in such matters, for example, as the taking of depositions to be used in foreign judicial proceedings.

UNITED STATES GOVERNMENT AGENCIES WILL BE HELPED

I point out, however, that this Commission and Advisory Committee will serve vital functions for our own people. Not only will the commission and council be of service to American attorneys who are increasingly concerned with problems in their private practice involving international procedure, but, even more significantly, these new instrumentalities will be of benefit for the effective operation of the agencies of the United States Government.

More and more, our Federal officials are encountering a multitude of problems which derive from the fact that the United States is now the recognized leader among the nations of earth in mankind's search for world peace, freedom, and security.

The Armed Forces of the United States are stationed throughout the globe in defending freedom's ramparts. The United States is the center of international trade with ever-increasing exports and imports. Myriads of problems have arisen in connection with issues which commenced during World War II, notably in relation to the trading-with-the-enemy law.

And in many other connections the United States Government will be aided by the legislation which is being offered today.

PROBLEM IN SECURITY CASES

I cite one particular instance.

It arises in connection with loyalty and security cases. Sometimes testimony of witnesses living abroad and involved in such cases cannot be secured because they are unwilling witnesses and cannot be forced to testify abroad.

Sometimes, however, they are willing witnesses, but local law does not permit their examination by representatives of our Government.

I cite this instance as one of many such problems. I had first publicly focused attention on this type of dilemma in connection with a study of loopholes in our Nation's security laws. This study, entitled "Adequacy of United States Laws With Respect to Offenses Against National Security," was prepared at my direction in cooperation with the Library of Congress. It was issued by the Senate Foreign Relations Committee during the 83d Congress under my chairmanship.

And so we see how this new Commission and Advisory Committee can help serve the needs of our Federal Government.

We as a nation have obviously advanced so rapidly to the fore that only now are we catching up by devising procedural ways and means of fulfilling our increased global responsibilities.

I am informed, incidentally, that, out of all of the countries in the free world, the United States is the only important nation which has never executed any international agreement with any other country in connection with these problems of international judicial assistance.

BASIC TYPES OF PROBLEMS

The procedural problems confronting us are many, and they are difficult. First, there must be a reconciliation between the Anglo-American common law procedural system and the system of civil law, the law is Islam, and the laws of the Far East.

Secondly, problems raised by our Federal system and the sovereign jurisdiction of our State courts must also be solved.

For this to be achieved, the Attorney General and the Secretary of State have rightly proposed that the problems be tackled by the Federal Government at the highest level.

So, the Commission under this bill will consist of representatives of the Department of Justice and the Department of State. The advisory committee of attorneys, judges, and legal scholars will be appointed to assist the Commission. There is ample precedent in this technique, it having worked successfully in drafting the Federal rules of civil and of criminal procedure.

COMMISSION ADVISORY IN NATURE

And finally lest there be any misinterpretation whatsoever, let me point out quite emphatically that this Commission has, of course, no power whatsoever to reach any binding conclusions, nor to negotiate any treaties, nor to negotiate any international agreement. Its function is basically to advise how best these difficult problems can be solved for the highest interests of our country and its citizens.

CONCLUSION

I trust, therefore, that this legislation will be promptly acted upon by the Senate and House Judiciary Committees and thereafter be speedily approved by both Chambers so that the Commission and advisory committee can rapidly commence their vital work.

AMENDMENT OF AGRICULTURAL ACT OF 1949, AS AMENDED, RELATING TO PRICE SUPPORT FOR WHEY

Mr. WILEY. Mr. President, I send to the desk a bill to assure price support of whey.

I may say for the benefit of those who are not familiar with this product, that whey is the liquid remaining after the coagulation of the curd in the manufacture of cheese. One hundred pounds of whole milk becomes roughly 90 pounds of whey and 10 pounds of cheese.

The 90 pounds of whey, which remain following the production of cheese, bear the same sort of relation to whole milk as do the 90 pounds of skim milk, which remain after skimming off the cream in the production of butter. Thus, when cream is skimmed for manufacturing butter, 100 pounds of whole milk becomes roughly 10 pounds of cream and 90 pounds of skim milk.

Skim milk is dried into a powder which is known as dry skim milk, or when certain standards are met, nonfat dried milk solids. Whey is also dried into a product known as dried whey. Both skim milk and whey in dry form are used in animal feed. However, the quantity of skim milk used in animal feed is about 2 percent of the total quantity produced. By contrast, the quantity of dried whey used in animal feed is about 90 percent of the total quantity produced.

The price of nonfat dried milk solids is supported under the price-support program by Government purchase. However, the price of dried whey is not supported.

I introduce the bill, for appropriate reference, together with one of many recent messages which have come to my office asking for enactment of this bill, an objective which I previously sought through the introduction of a bill in the last Congress on April 8, 1954. I ask unanimous consent that the bill and letter be printed in the RECORD, at this point.

The ACTING PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the bill and letter will be printed in the RECORD.

The bill (S. 1607) to amend section 201 (c) of the Agricultural Act of 1949, as amended by the Agricultural Act of 1954, introduced by Mr. WILEY, was received, read twice by its title, referred to the Committee on Agriculture and Forestry, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That section 201 (c) of the Agricultural Act of 1949, as amended by the Agricultural Act of 1954 (7 U. S. C., sec. 1446 (c)), is amended by adding at the end thereof the following new sentences: "For the purposes of this section, the products of whey shall be considered to be products of milk. Any price-support operations under this program shall be conducted in a manner which will not demoralize or interfere with the production and marketing of the products of whey."

The letter presented by Mr. WILEY is as follows:

WISCONSIN ACCREDITED CHEESE FACTORIES COOPERATIVE,
Green Bay, Wis., March 29, 1955.

Senator ALEXANDER WILEY.

GENTLEMEN: Owing to the fact that dried or condensed whey products are not under the support program but should be considered part of the dairy industry many cheese factories are unable to dispose of their liquid whey.

This will result in a reduced income to farmers, and will result in a serious whey disposal because the health and conservation departments of the State of Wisconsin are determined that it cannot be disposed of in any streams or in ditches along highways.

Our group of cheese factories would appreciate whatever you can do for us to eliminate this problem by some support for whey products.

Yours very truly,
WISCONSIN ACCREDITED CHEESE FACTORIES,
E. J. SCRAY, *Secretary-Treasurer.*

DEFINITION OF CERTAIN DRY MILK SOLIDS

Mr. HUMPHREY. Mr. President, I introduce for appropriate reference, a bill to amend the act of Congress defining nonfat dry milk, in order to clarify the name of this milk byproduct.

The amendment I propose to the law would change the name from "nonfat dry milk solids" or "defatted milk solids," as in the existing law, to "nonfat dry milk."

My objective in seeking this change is to encourage efforts to stimulate popular consumption of this nourishing product, which is providing an ever-increasing outlet for our milk and holds promise of becoming an even more important market.

In the years since the enactment of Public Law 244 of the 78th Congress, containing the present definitions, it has been found that the term "defatted milk solids" offered as an alternative designation is not being used.

The use of the word "solids" is redundant when it is a part of a name which also includes the word "dry."

The word "solids" is not generally understood by consumers, and is therefore confusing when found on the label of a food which requires ingredient labeling.

At the time the original designation was made, the market for nonfat dry milk was almost entirely within commercial trade circles such as among bakers. Now, however, this product is on the shelves of nearly every supermarket, and an effort is being made to expand its use in our homes. Both the Dry Milk Institute and the National Federation of Milk Producers feel it would help marketing of this product if it could be legally labeled as "nonfat dry milk," without use of the extra word "solids."

The ACTING PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 1614) to amend "An act to fix a reasonable definition and standard of identity of certain dry milk

solids," title 21, United States Code, section 321c, introduced by Mr. HUMPHREY, was received, read twice by its title, and referred to the Committee on Labor and Public Welfare.

DEDICATION OF LEE MANSION IN ARLINGTON NATIONAL CEMETERY AS A PERMANENT MEMORIAL TO ROBERT E. LEE

Mr. KEFAUVER. Mr. President, I introduce, for appropriate reference, a joint resolution dedicating the Lee Mansion in Arlington National Cemetery as a permanent memorial to Robert E. Lee. This is a companion joint resolution to the one introduced in the House of Representatives by Representative BROYHILL, of Virginia, paying honor and tribute to the memory of Robert E. Lee on the 90th anniversary of the cessation of hostilities in the War Between the States, at Appomatox Courthouse.

The ACTING PRESIDENT pro tempore. The joint resolution will be received and appropriately referred.

The joint resolution (S. J. Res. 62) dedicating the Lee Mansion in Arlington National Cemetery as a permanent memorial to Robert E. Lee, introduced by Mr. KEFAUVER, was received, read twice by its title, and referred to the Committee on Rules and Administration.

COMMISSION FOR CELEBRATION OF 100TH ANNIVERSARY OF BIRTH OF THEODORE ROOSEVELT

Mr. IVES. Mr. President, I introduce, for appropriate reference, a joint resolution to establish a commission for the celebration of the 100th anniversary of the birth of Theodore Roosevelt. A companion measure is being submitted to the House of Representatives by the distinguished minority leader, Representative JOSEPH W. MARTIN, JR.

It is incumbent upon the Congress to take appropriate steps to mark the 100th anniversary of the birth of this great American leader, which will take place in 1958. The Commission which would be established under the joint resolution is directed to prepare plans and a program to signalize this event, including plans for the completion of the development of Theodore Roosevelt Island in the Potomac River. The Commission is required to report to the Congress by March 1, 1956, to permit further enabling legislation to be enacted if necessary.

Mr. President, I ask unanimous consent to have printed in the body of the RECORD following my remarks the text of the joint resolution.

The ACTING PRESIDENT pro tempore. The joint resolution will be received and appropriately referred; and, without objection, will be printed in the RECORD.

The joint resolution (S. J. Res. 63) to establish a commission for the celebration of the 100th anniversary of the birth of Theodore Roosevelt, introduced by Mr. IVES, was received, read twice by its title, referred to the Committee on the Judiciary, and ordered to be printed in the RECORD, as follows:

Resolved, etc., That there is hereby established a commission to be known as the "Theodore Roosevelt Centennial Commission" (hereinafter referred to as the "Commission") which shall be composed of 15 Commissioners as follows: The President of the United States, the President of the Senate, and the Speaker of the House of Representatives, all ex officio, and 8 persons to be appointed by the President of the United States, 2 Senators to be appointed by the President of the Senate, and 2 Representatives to be appointed by the Speaker of the House of Representatives.

SEC. 2. It shall be the duty of the Commission, after announcement to the American people of its creation and purpose, to prepare plans and a program for signalizing the 100th anniversary of the birth of Theodore Roosevelt in the year 1958, including plans for the completion of the development of Theodore Roosevelt Island in the Potomac River in accordance with the act entitled "An act to establish a memorial to Theodore Roosevelt in the National Capital," approved May 21, 1932 (47 Stat. 163) as amended by the act approved February 11, 1933 (47 Stat. 799). In preparing such plans and program, the Commission shall give due consideration to any plan which may be submitted to it, and shall take such steps as may be necessary to coordinate and correlate its plans with those prepared by State or civic bodies. If the participation of other nations in the commemoration is deemed advisable, the Commission may communicate to that end with the governments of such nations through the State Department.

SEC. 3. (a) The Commission shall select a Chairman and a Vice Chairman from among its members, and may employ, without regard to the civil-service laws or the Classification Act of 1949, such employees as may be necessary in carrying out its functions.

(b) Service of an individual as a member of the Commission shall not be considered as service or employment bringing such individual within the provisions of section 216, 281, 283, 284, 434, or 1914 of title 18 of the United States Code, or section 190 of the Revised Statutes (5 U. S. C. 99), or section 412 of the Mutual Defense Assistance Act of 1949 (22 U. S. C. 1584); nor shall any member of the Commission by reason of his status as such be deemed to be an "officer of the Government" within the meaning of the Act of April 27, 1916 (5 U. S. C. 101).

SEC. 4. The Commissioners shall serve without compensation, but may be reimbursed for expenses incurred by them in carrying out the duties of the Commission.

SEC. 5. When the Commission has approved a plan of celebration, it shall submit it, insofar as it relates to the fine arts, to the Commission of Fine Arts for its approval.

SEC. 6. The Commission shall, on or before March 1, 1956, make a report to the Congress in order that further enabling legislation may be enacted.

SEC. 7. There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this joint resolution, but in no event shall the sums hereby authorized to be appropriated exceed a total of $10,000.

SEC. 8. The Commission shall expire upon the completion of its duties, but in no event later than October 27, 1959.

WORLD FOOD BANK AND THE INTERNATIONAL DISTRIBUTION OF FOOD

Mr. SCOTT. Mr. President, on behalf of myself and the able Senator from Montana [Mr. MURRAY] I submit, for appropriate reference, a resolution which declares that it is the sense of the Senate that the President of the United States should negotiate with other nations in an endeavor to establish an international agreement for the creation and operation of a World Food Bank.

I also have joined with the Senator from Montana and other Senators in the submission of another resolution, which deals with the overall problem of gearing together production and consumption, through the vehicle or mechanics of international distribution. There is no basic conflict between the two resolutions; only the emphasis and approach are different.

To my mind, Mr. President, no more effective weapon could be forged for use in the battle against the insidious assaults of international communism than the creation of a World Food Bank with facilities for lessening the pangs of hunger that gnaw in the stomachs of hundreds of millions of people.

All the evidence points to the inescapable conclusion that international communism sprouts quicker, and grows faster, in lands where hunger stalks and the shadow of starvation is the companion of the masses.

We have learned—all the world has leaned—that an international bank, conceived and operated along democratic lines, can and will operate successfully for the mutual benefit of all participating nations. I refer directly and specifically to the International Bank for Reconstruction and Development.

This institution for the betterment of mankind and for the promotion of peace and amity among nations grew out of the Bretton Woods Conference held in July of 1944. Its creation and the building of the machinery for its successful operation constitute a major accomplishment of the Democratic Party, but I hasten to add that bipartisan support was not lacking.

Today, the International Bank for Reconstruction and Development has 56 members, and its balance sheet—the measure of the peaceful services it is rendering in a world torn with strife—tells a graphic story of what nations can accomplish when they work together toward a common goal.

Mr. President, I wish at this point to draw particular attention to the fact that the International Bank for Reconstruction and Development is not a charitable organization engaged in a giveaway program, just as the World Food Bank proposed by this resolution will not operate as a giveaway institution.

No; the International Bank for Reconstruction and Development definitely is not a charity or giveaway organization as is shown by the fact that its net income for the 9-month period ended March 31, 1954, was $15,006,000.

The World Food Bank, as proposed by this resolution, will serve as a medium of distribution for the effective and businesslike disposal and utilization of so-called surplus food, fiber, and other agricultural products which have or may accumulate or be needed in this and other participating nations. And, I submit, sir, that in view of the fact that it is costing the American taxpayer in excess of half a million dollars a day in warehouse and storage fees alone to carry our excess stocks, it is high time that something be done to put these

stores into humanitarian use, without loss to the taxpayer, through the medium of a World Food Bank.

We have learned by experience that an international bank can operate successfully in the development of electric power, transportation, communications, forestry, industrial expansion, and in many other fields. The same overall principles will work just as successfully in providing machinery for the distribution of food, fiber, and other agricultural products, to bring nearer into balance world production and consumption of these commodities.

It is my sincere hope that Members on both sides of the aisle, and the executive branch of the Government also, will join in this effort to solve the problem of excess food and fiber stocks on one hand—and hunger, starvation, and sometimes even famine on the other—a solution which also will strike a lethal blow to the expansion hopes of those who crouch in the Kremlin and scheme against the individual freedoms of mankind.

The ACTING PRESIDENT pro tempore. The resolution will be received and appropriately referred.

The resolution (S. Res. 85), submitted by Mr. SCOTT (for himself and Mr. MURRAY), was received, and referred to the Committee on Foreign Relations, as follows:

Whereas international statistics show that more than 1 billion people of the total world population of 2,400,000,000, go to bed at night with their hunger only partially satisfied; and

Whereas communism and other ideologies foreign to the concept of freedom of the individual man thrive best in the land where the spector of hunger stalks; and

Whereas the people of many lands, ill-fed, ill-clothed, and yearning for the freedom and blessings of a democratic way of life for themselves and their children, need bread, butter, and other life-sustaining foods just as sorely as they need guns, tanks, and airplanes to resist the insidious assaults and false promises of individual-degrading political and economic ideologies; and

Whereas during most years the world production of food and raw materials for clothing are ample, if distributed properly, to fill the basic needs of all the peoples of the world; and

Whereas nature has been particularly bountiful to the people of the United States of America where we have stored in warehouses scattered throughout the land huge stocks of surplus food items and raw materials for clothing; and

Whereas the United States is in a position to lead and should lead in helping to relieve the pangs of hunger that gnaw at the vitals of millions who need increased physical strength and endurance to resist aggression and subversive influences; and

Whereas in meeting the problem of famine and hunger on the international level, a giveaway program between governments would be degrading to both the giver and the receiver; and

Whereas the creation and operation on a businesslike basis of a world food bank, with the nations having surplus food stocks depositing such stocks in the vaults and warehouses of such a world food bank to be withdrawn as needed by other bank member nations in their times of national emergency, would be a boon to suffering humanity numbered in the hundreds of millions, would strike a blow in one of the most vital spots of international communism, and would reduce or wipe out surplus stocks which are costly to maintain and at the same time tend to bring in balance world production and consumption of agricultural products: Now, therefore, be it

Resolved, That it is the sense of the Senate that the President of the United States should negotiate, through the framework of the United Nations and other international channels, with appropriate foreign nations and endeavor to establish an agreement for the creation and operation of a World Food Bank, patterned after the International Bank for Reconstruction and Development, from which member nations could borrow foods or fibers or both and repay such loans when able either in kind, other raw materials, or in cash, and that such agreement should not be binding upon the United States until ratified by the Senate.

Mr. SCOTT. Mr. President, I ask unanimous consent that a copy of an address which I delivered at Shelby, N. C., on Tuesday, May 4, 1954, on the subject of a World Food Bank be printed in the RECORD at this point as a part of my remarks.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

SPEECH BY HON. W. KERR SCOTT, OF NORTH CAROLINA, AT SHELBY, N. C., TUESDAY, MAY 4, 1954.

Friends, history has a strange way of repeating itself.

Some 3,500 years ago, in far away Egypt, the government warehouses were bulging at the seams with corn and other supplies of surplus crops.

Seven years earlier Joseph had warned Pharaoh that a time of famine and scarcity was in the making, and urged him to buy up all surplus food crops against that emergency.

Pharaoh, the King of Egypt, heeded the advice of Joseph, and his government—for 7 years—bought up the annual 20 percent surplus production of the land.

That, my friends, is what the Bible tells us about the agricultural and economic problems of that ancient day and age.

Later events proved the wisdom of Joseph's advice and the action taken by the government of Pharaoh.

Today, in America, our Government warehouses, like those of Egypt, in the days of long ago, are bulging with surplus stocks of agricultural products.

What we are going to do about those surpluses is one of the prime questions of the hour.

Let's go back to the Bible again, and find out what was done with the surpluses of 35 centuries ago.

The Bible tells us that these surplus food stocks were used to feed the people of Egypt, during the lean years that followed the gathering of the surplus, and that which was not required for Egypt, was divided up and sold to the peoples of foreign lands in their hour of scarcity and need.

That's the way they did things back in the days of long ago, when, according to the Bible, God was directing—through His prophets and servants—the hand and actions of men.

And, I am convinced that God still stands ready to direct the hand of man in solving the problems that face us today. All that we need to do is to get in tune, as a Nation, with His plans and purpose.

And, now let's do a bit of reviewing of more recent history—of that period following immediately after the Hoover depression—and stake out the reasons why we have surplus stocks of food in Government warehouses.

As a part of the overall plan to set the almost wrecked economy of America back on the track, President Franklin Delano Roosevelt initiated three major reforms or programs, all of which won immediate and almost universal approval.

First, there was the Bank Deposit Insurance Act that gave stability to our financial institutions, which at that time were failing at a rate of about three banks a day.

Second, the Reconstruction Finance Corporation was armed with billions of dollars to pump life into a staggering and near prostrate national industrial life.

Third, farm price support program was set in motion, and this program ended an era of widespread loss, under the hammer of the auctioneer, of farm homes and holdings, city and town homes, and small businesses.

It was just as effective in halting such losses as was the Bank Deposit Insurance Act in halting bank failures, and as was the Reconstruction Finance Corporation in halting big business and industrial failures.

The word "bankruptcy" started slipping off the front pages of the newspapers, and crawling back between the covers of the dictionary.

Soon millions of unemployed men and women proudly had their names taken from welfare relief rolls as they were added, in increasing numbers, to revived and expanded industrial payrolls.

The first farm price support legislation was later declared unconstitutional, and a new beginning was made. The 90 percent parity program and act, with amendments, which finally emerged, was born of national economic necessity, and was nurtured by the hands of men with experience in the fields of agriculture, economics, and government.

Now, the term price-support program can mean any one of several things to the uninformed and newcomers to the idea, and it usually does, to their confusion. But, those of us who have been in the thick of the fight to establish and maintain a workable 90-percent parity-price support program over a period of years, welcome all true converts to the cause. Their assistance and support, even if it comes late, is needed.

President Roosevelt did not pull the 90-percent parity-price support program out of thin air like a magician lifts a rabbit out of a hat. He built it carefully, in consultation and cooperation with the 48-State Commissioners of Agriculture and other leaders, and, at that time, I was one of those commissioners.

This, however, was not the first time that I had the privilege of working with President Roosevelt. On Thanksgiving Day of 1932, after he was elected but prior to the time he took the oath of office as President, I, as master of the North Carolina State Grange, was one of a group of farm leaders from all over the United States who met with him at Warm Springs. The President-elect had called this conference for a discussion of the farm problem and to obtain suggestions as how best to solve it.

I recall as vividly as if it had happened yesterday, one of the things Mr. Roosevelt said that day. With no trace of a smile—things were too grim back in those days for much smiling—he told us, "I am going to have you farm folks locked up in a room and keep you there until you are able to come out with a program that will solve the farm problem and get the economy of this Nation back on its feet."

And, incidentally, I was the only southerner who was invited to attend that Warm Springs conference when President-elect Roosevelt started building the foundation of the Nation's farm program.

As an administrator of the Federal land bank, covering 11 Southern States, I saw, with my own eyes, the misery and heartbreak, that lay like a funeral pall over every farm community in the wake of the depression—misery and heartbreak we were able

to alleviate, in thousands of cases, through Federal land bank loans.

Private bank loans for agriculture had completely broken down, as they had for almost everything else. Agriculture was sick, sick almost unto death, and as a result, industry's smokestacks stood stark and naked against the sky, and the wheels, shuttles, looms, saws, and joiners were silent.

In that day and hour it was engraved on my heart and brain that the economy of this Nation can be kept healthy and thriving, year in and year out, the wheels of industry kept turning, and employment at a high level, only if proper measures are maintained to assure the farmer-producer receiving his fair share of the national income—that is, a price level of at least 90 percent of parity.

The price-support program we fought for and set in motion through the 1938 amendments to the Agricultural Act, together with allied measures, was designed, and has operated successfully, as a means of stabilizing the overall economy of the Nation.

It is true, as has been charged by the self-styled economy bloc of Congress, that our farm program, in the absence of acreage limitations, has resulted in the accumulation of surpluses in certain commodities. But, let me point out in this connection, that farmers have always, when called upon to do so, voted upon themselves the necessary acreage limitations.

An outstanding example of this is found in the flue-cured tobacco program which has operated so successfully.

The important question of acreage limitations and the further accumulation of surplus stocks, are matters, however, that lie in the future, and are subject, until the law is changed, in a large measure to the whims and fancies of an unsympathetic Secretary of Agriculture.

Just as important, we are faced with the problem of Government warehouses already bulging with surplus food and other agricultural products. And, incidentally, had it not been for such surplus stocks on hand when World War II broke out, the United States and our allies would have been in a pretty bad fix.

In seeking the answer to the question of what should be done with these surpluses, common sense dictates that we examine our relationships with the other nations of the world, particularly in respect to those nations we count as allies in the battle against communistic aggression.

As a Nation we have seen and recognized the benefits that flow, back and forth, from cooperative effort. We are a full-fledged partner, in fact, the largest single contributing partner, in NATO, and are pouring our resources of all kinds into the pooled effort to hold communism in check, and we must and shall continue to do so.

Many of our allies in this united determination to keep the flame of freedom and liberty burning are faced with serious food shortages on their home fronts. Even in Great Britain—the strongest of our allies—the rationing of some food items still goes on.

Why would it not be the part of common sense to make it possible for our allies to spend more of their money, at home, for military arms to implement NATO, and for us to make more of our NATO contribution in the form of our surplus food stocks, food that is needed by our allies?

Only American makers of the instruments of war—those who manufacture and sell guns and tanks, ammunition, and warplanes, and the like—could be expected to object, and I seriously doubt that they would.

Now the British are not the only ally we have that is faced with food shortages, and to whom we are furnishing a part of their requirements in munitions of war to present a strong front against the threats of communism. Some of our other allies are faced with even more acute shortages. In some instances almost faminelike conditions prevail.

Adoption of such a plan would bring about immediate reductions in our piled up surpluses of food stocks, and, at the same time, would relieve some of the financial burden the American taxpayer is having to carry.

This, however, would be only a partial solution to the bulging food warehouse problem, but successful experience in another field points the way toward total solution.

I am talking now about establishment of a World Food Bank, to be administered by the United Nations or by a special agency made up of the United States and our allies in the fight against communism.

For several years the United States has been a participating partner in the International Bank for Reconstruction and Development, a world bank organization to which we have pledged, in stock subscription, more than $3 billion to help bolster the economy of financially weak nations.

Each member nation's contribution or subscription to the bank's capital stock or operating capital is based upon its estimated individual capacity to cooperate in assisting less fortunate nations in times of emergency and stress.

Altogether, 54 nations are stock subscribers to this International Bank, and a total of 78 separate loans, ranging in size from a few million to $250 million, have been made in 29 member nations.

The World Bank, of which the United States is by far the largest single stockholder, came into existence on December 27, 1945, and as of June 30, 1953, its operation had resulted in a net profit in excess of $76 million.

This International Bank operates just like any other bank. That is, it makes no contributions or grants, but rather lends its money, at interest, with eventual repayment required.

A World Food Bank might well be established along similar lines, with those member nations which draw upon its resources being required to repay their withdrawals, to the bank, either in kind, when they have good crop years, or in equivalent cash.

We—that is, the United States—would not be alone in contributing food stocks to such a World Food Bank, for there are other nations that also have surplus problems, involving various crops, from time to time, and each could contribute or pledge to the common pool of food stocks in accordance with its excess production in one or more crops.

Food-short member nations should be permitted to withdraw from the World Food Bank under a formula which gives weight to both reserve stocks on hand or in sight, and probable total world need in the immediate foreseeable future.

Here, in this land of plenty in which we live, it is hard to realize that approximately 1 billion people of the total world population of 2,400,000,000, go to bed every night with their hunger only partially satisfied.

Through operation of such a World Food Bank plan as I am suggesting, severe food scarcities in many, many instances would be largely eliminated, and the hunger stricken and threatened people of lukewarm, allied nations would be made stronger—both physically and in will—to defend themselves against communistic assaults and cold war threats.

Many of these nations that yearn for themselves the freedoms and blessings of a democratic way of life, need bread and butter just as sorely as they need guns and tanks to preserve their independence. Let's make it easy for them to buy our surplus bread and butter stocks so that they will be better able to make their own guns and tanks to preserve or win the freedom for which they yearn.

And, in this connection, it would be well to remember that a man can, and usually will, fight a lot better on a full stomach than on an empty one.

To our enemies, let's present armed might and resolute unity as a deterrent to war; to our friends and allies, in lands of food scarcity, let's present the ability to enjoy three square meals a day as proof that democracy does pay off, not only in freedom, but also in a better standard of living.

Communism breeds and thrives on hunger, and no greater contribution could be made to world peace and tranquility by this or any other nation, than the filling up of empty places in hungry human stomachs.

Just as actions speak louder than words, food sometimes speaks louder than guns.

Such a World Food Bank would serve a manifold purpose, including: First, the promotion of true friendship among untold millions of people the world over; second, progress on the highway leading toward peace among all nations; and third, the wiping out of piled up surpluses which are costing the American taxpayer more than half a million dollars a day in warehouse fees alone.

It is a goal worth striving for, and one toward which I pledge my efforts.

INTERNATIONAL FOOD AND RAW MATERIALS RESERVE

Mr. MURRAY (for himself, Mr. CASE of South Dakota, Mr. CHAVEZ, Mr. DOUGLAS, Mr. HENNINGS, Mr. HILL, Mr. HUMPHREY, Mr. JACKSON, Mr. KEFAUVER, Mr. KERR, Mr. KILGORE, Mr. LEHMAN, Mr. LONG, Mr. MAGNUSON, Mr. MANSFIELD, Mr. MORSE, Mr. MUNDT, Mr. NEELY, Mr. NEUBERGER, Mr. SCOTT, Mr. SPARKMAN, Mr. STENNIS, and Mr. YOUNG), submitted the following resolution (S. Res. 86) which was referred to the Committee on Foreign Relations:

Resolved, That the Senate of the United States hereby finds that—

(a) the prices and incomes received by American farmers have been declining and threaten to decline still further in the future;

(b) there has been a serious decline in the export of American farm products;

(c) shrinkage in foreign markets for American farm products might bring about a decline in farm and national income which could not be offset, even with a more adequate system of farm credit, price supports, and stockpiling programs;

(d) the world market for farm commodities and raw materials has historically been characterized by fluctuations which adversely affect prices, undermine the security of producers, and impede steady expansion consistent with the need for larger supplies of food, clothing, and other commodities as basic elements in expanding economies and improved living standards;

(e) fluctuations in the level of the prices of primary materials have had disruptive effects on world production and trade, and declines in the general level of these prices have historically been important factors in world economic depressions;

(f) food, clothing, and other essential supplies per person in many areas of the world are less than before the war and far below the minimum required for healthful and productive living;

(g) the people in some countries live under the ever-present threat of famine and starvation;

(h) the development of more adequate reserves of farm products and other raw materials would provide essential safeguards against shortages resulting from natural causes such as drought, flood, and pestilence;

from breakdowns in distribution; from inflation, insurrection, and war;

(i) the ever-present threat of a major decline in the level of raw-material prices makes it impossible for underdeveloped countries to proceed with the confidence that is needed for their orderly development; and

(j) the existence of a reserve from which could be drawn, in time of need, some of the basic materials from which food, clothing, and other essentials are produced, would be an important step toward strengthening democracy throughout the world and creating the economic foundations and the atmosphere of hope and confidence necessary for world peace.

SEC. 2. It is the policy of the Congress that the United States participate with other nations, under the auspices of the United Nations, the Food and Agriculture Organization, and other specialized international agencies, establishing an International Food and Raw Materials Reserve which would—

(a) provide for the acquisition and appropriate storage, in the United States and in other countries, or raw or processed farm products and other raw materials, such acquisition to take place at times when overall surpluses of such materials would otherwise cause undesirable price movements;

(b) be developed in a manner that will help to prevent extreme price fluctuations in the international market for farm products and other raw materials and keep production expanding to meet the world's pressing need for more food, clothing, and other essential supplies;

(c) be used to prevent famine and starvation;

(d) help absorb temporary market surpluses of farm products and other raw materials;

(e) provide for the use of currencies paid to the International Food and Raw Materials Reserve by purchasers of materials, or for the use of instruments of credit issued in connection with the operations of the Reserve, to finance purchases of raw or processed products or to assist in the financing of approved economic and social development programs, formulated in cooperation with the appropriate international lending, economic development, and technical assistance agencies, such programs to include (without being limited to) those which further universal public general and vocational education, literacy, public health and medical care.

SEC. 3. The President and his representatives before the United Nations and the Food and Agriculture Organization and other appropriate international bodies are hereby authorized and requested to enter into international negotiations for the purpose of preparing a specific plan and a proposed international agreement or agreements on the creation of an International Food and Raw Materials Reserve along the general lines set forth in section 2 hereof.

SEC. 4. The plan and agreement or agreements developed in accordance with section 3 hereof, together with full supporting material and information on operating methods, shall be presented to the Senate of the United States for approval.

Mr. MURRAY. Mr. President, earlier today, on behalf of myself and a large bipartisan group of Senators, I submitted a resolution (S. Res. 86) aimed at the creation of an International Food and Raw Materials Reserve. I ask unanimous consent that the resolution, together with the names of its sponsors, may be printed in the CONGRESSIONAL RECORD at this point in my remarks.

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Mr. President, this resolution does not require the adoption of a specific plan for such a reserve, but authorizes and requests the President and our international representatives under him to negotiate a plan with other free nations of the world, to be submitted to this body for final approval.

The resolution is, in the belief of its sponsors, an expression of the will of the Members of the Senate on policy which constitutes an appropriate prelude to international negotiations, giving our representatives and foreign nations a guide to what the legislative branch of this Government desires.

This resolution is of great interest to the farm people of the United States because it will permit abundant agricultural production and simultaneously provide a constructive method of distributing the available part of that production to tens of millions of people abroad who need food and fiber.

It will be of interest to domestic consumers because it will protect them against periodical shortages, consumer-price increases, and the inflation which accompanies shortages.

It will be of tremendous interest to all the nations of the world—many of them today urging just such an International Food and Raw Materials Reserve—because it will assure them needed food, fiber, and raw materials; and it will provide both a market for, and orderly marketing of, national surpluses which are too often dumped to the disadvantage of producers everywhere.

An International Food and Raw Materials Reserve can contribute to international economic stability; it can be a powerful instrument in the war against want in the free nations of the world; it can provide the export market for our national agricultural surpluses which are hanging over our domestic market and depressing farm prices; it can free our farmers to produce more and relieve the very real agricultural depression which we have today, and it can demonstrate the ability of the free world nations to work together for the betterment of the life of all.

BIPARTISAN MEASURE

The resolution I have introduced is not a partisan measure. It is supported by Senators from both sides of the aisle; Republicans as well as Democrats.

It is a very simple Senate resolution. It contains 4 sections and is less than 4 pages in length.

The first section of the resolution makes certain findings about the decline in our domestic farm income, the shrinkage of our foreign markets for food and fiber, the disruptive fluctuations of world raw materials markets, and the value of having international reserves.

The second section of the resolution declares it to be the desire of the Senate to establish an International Food and Raw Materials Reserve under the auspices of the United Nations, the World Food and Agriculture Organization, and other international agencies involved, designed to accomplish five specific purposes:

First, to provide for the acquisition and storage, in the United States and elsewhere, of raw and processed agricultural products and other raw materials;

Second, to buy and sell commodities in a manner which would help prevent extreme price fluctuations in international markets and keep production expanding to meet the world's pressing need for greater production to raise living standards and banish want;

Third, to prevent famine and starvation;

Fourth, to absorb temporary market surpluses; and

Fifth, to provide that national currencies paid to the International Reserve for commodities by underdeveloped nations may be used for the purchase of other materials in those underdeveloped countries, or loaned back to them for needed economic and social development programs.

The third section of the resolution authorizes and requests the President and our representatives in appropriate world organizations to enter into international negotiations for the purpose of preparing a specific plan for such an international food and raw materials reserve.

The fourth section provides that when such an international plan and agreement has been negotiated, it shall be presented to this body for appropriate final approval.

It is the hope of the sponsors of this resolution that the Senate Foreign Relations Committee will hold hearings and permit the many groups in American life who are interested in the proposal to be heard on it.

PREVIOUS FOOD RESERVE PROPOSALS

Mr. President, this proposal is not new. A world food board was proposed immediately after World War II by Lord John Boyd-Orr, the first Director General of the World Food and Agricultural Organization. It was widely supported by nations around the world, but failed at that time because of the hesitance of the United States and Great Britain to give it their support.

An international commodity clearinghouse was later proposed by the so-called Committee of Experts of the Food and Agricultural Organization and the International Federation of Agricultural Producers, which includes our own Farmers Union, Farm Bureau, Grange, and Council of Farmer Cooperatives.

In 1954 the International Federation of Agricultural Producers, which is headed by Mr. Allan Kline, of the American Farm Bureau Federation, a worldwide organization of free farm organizations, meeting in Nairobi, Kenya, adopted a report declaring:

> The matter of a world food reserve should be kept under active consideration and to that end the committee recommends that the Secretariat prepare a study indicating the nature of the machinery needed to implement the plan and the obstacles that have stood in the way of attainment of this objective, and giving all possible suggestions as to how such obstacles might be overcome.

The matter is before the Economic and Social Council of the United Nations on motion of Costa Rica, which proposed a study of a food reserve agency.

It is to be expected that these agricultural groups would be in the forefront of efforts to establish an international food and raw materials reserve. They are plagued with producing countries with surpluses that are desperately needed in other parts of the world. They know that it is only the failure of our distribution machinery—our failure to match need with supplies—that causes so-called surpluses to pile up in the agricultural producing nations. They know that there are tens of millions of people in the free world ill fed and ill clothed who need every pound of cotton, every bushel of wheat, every pound of dairy products, or other agricultural commodity that we and other agricultural nations of the world can produce.

FARM INCOME DROPPING

Here in the United States we worry about surpluses. We have pulled farm-price supports down to discourage production to a point that we have an agricultural depression—a depression even by the harsh standards of the Treasury official who calls a 20-percent decline in any segment of our economy only an "adjustment." Net farm income is off more than 28 percent since 1947. It reached $16.8 billion in 1947. The Department of Agriculture has just announced that it was only $12 billion in 1954, making a downward adjustment in its own previous estimates of 1954 farm income that should shock us all.

Just before the 1954 elections, the Department of Agriculture issued an official and widely publicized estimate that 1954 net farm income would be $12.5 billion. They have used that figure in all messages reporting the state of agriculture to this Congress. But now suddenly in March they find that the right figure is only $12 billion.

This means a total decline in net farm income from $13.3 billion in 1953 to $12 billion in 1954—more than 10 percent. And the trend of farm income is still down.

A considerable decline in agricultural exports, which has occurred in spite of the fact that two-thirds of the people of the world are undernourished and ill-clothed, has contributed to our unsatisfactory farm situation.

Our exports in calendar year 1951 were $4,040,000,000. In 1952 they fell to $3,431,000,000. Last year they dropped to $2,844,000,000. The Department of Agriculture advises me that the 1954 calendar year exports will run $3,046,000,000. This is a slight recovery from 1953 but 25 percent below the export total in 1951.

The 1954 calendar year exports were, of course, held up by our special export subsidy programs. During the present fiscal year, more than a billion dollars of exports are being aided by special arrangements to sell for foreign currencies, to barter, give away, and to implement the work of the Foreign Operations Administration.

Latest estimates are that we will dispose of $530 million worth of products by sale for foreign currency, $150 million worth by giveaway, $200 million worth by barter, and $350 million worth through the Foreign Operations Administration.

The Agricultural Trade Development Act of 1954, which is Public Law 480 of the 83d Congress, has excellent aims. But its weaknesses are apparent. It is a temporary program. Our farmers have no assurance that it will not be terminated like other foreign programs 2 years hence. Every commodity transaction under it is a separate, unilateral, international negotiation. There is no assurance of continuing outlets.

PLAN FOR THE FUTURE

Mr. President, how much better it would be for our domestic producers—and for the nations seeking long-term food supply—if there were an international institution where our surpluses could be taken year after year, and to which nations needing our farm commodities could look for continuing supplies. How much better it would be if we might plan for the future, knowing that reasonable domestic surpluses can be moved through this regularized channel, than to attempt to adjust agriculture to spot deals, or depend on the arrangement of spot deals to help us move our surpluses.

That this is a matter of major importance to our American farmers is illustrated by the fact that in the year ending July 1, 1952, we sold:

Wheat from 6,400,000 acres.

Cotton from 6,900,000 acres.

Totally, the farm products from 50 million acres.

The United States is the world's largest exporter of farm products, as indicated by a table showing the percentage of various crops we produce which were exported in 2 recent years, and the percentage of total world trade in those commodities which they constituted. I ask permission to insert this table in the RECORD at this point in my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

	United States exports part of total world trade		Percent of United States production	
	1951–52	1952–53	1951	1953
Wheat and flour	45	35	48	19
Cotton	47	27	38	24
Tobacco	41	34	25	26
Barley	14	12	12	17
Oats	4	3	(1)	(1)
Corn	45	40	3	4
Rice	10	16	59	45
Grain sorghum	87	(2)	55	8
Soybeans [3]	68	69	27	21
Raisins	36	33	5	6
Lard	88	87	24	18
Apples	11	8	4	1.5
Peas			7	3

[1] Less than ½ of 1 percent.
[2] Not available.
[3] Includes oil.

Mr. MURRAY. Mr. President, the possibility of selling exports is not the only interest of farmers in international trade in farm commodities.

United States consumers buy many farm commodities produced in other countries.

From the viewpoint of American farm families, there are two types of such imported farm commodities:

One. Those that compete in the domestic market with American farm-produced commodities.

Two. Those that do not compete in the domestic market with products of American farms.

Imported farm commodities that do not compete with domestic production include bananas, rubber, coffee, tea, and cocoa. Amount in 1952, $2.8 billion.

The importance of these to American farmers lies in their price to farmers as consumers and in the significance of these commodities to farm people in other lands as a way of earning dollars with which those foreign countries can buy other commodities produced in this country.

About 1½ million of our farm families are interested in the impact of competing imports on the domestic price of commodities which they produce.

Total value of such competing farm imports in 1952 was $2 billion, or about 6 percent of the total value of our farm production.

We import 61 percent of our wool, 47 percent of our sugar from foreign countries and another 26 percent from our own territories. We import 1 percent of our beef cattle, 5 percent of our oats, 9 percent of our rye, 2 percent of our hogs and pork, 6 percent of our barley, 3 percent of our wheat and flour, and 4 percent of the dairy products consumed in this country.

I ask permission to have inserted in my remarks at this point a table of these percentages and the volume of the imports.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Imports	Percent	Volume of imports
Wool	61	[1] 590,000,000
Sugar	47	[2] 3,833,000
Sugar (from United States territories, Hawaii, etc.)	26	
Cattle, beef	1	$87,000,000
Oats	5	[3] 67,527,000
Rye	9	[3] 2,145,000
Hogs and pork	2	$49,800,000
Barley	6	[3] 16,600,000
Wheat and flour	3	[3] 18,500,000
Dairy products	4	$45,335,000

[1] Pounds.
[2] Tons.
[3] Bushels.

Mr. MURRAY. Mr. President, although many of these percentages and volumes are very small, such imports are very disturbing to farmers who are on strict acreage allotments and quotas, and whose price supports are dependent on supply.

This Nation should adopt policies which will give United States consumers an adequate supply of all commodities at a fair price, with provision for protecting at least 100 percent parity returns to family farmers. We cannot successfully operate farm price support programs unless there is some regulation of imports.

In the current situation, there is both external pressure to get products into our markets, and internal pressure to

keep them out entirely. It results in unnecessary hurt feelings and ill-will, which an international food and raw materials reserve could eliminate by creating a regularized market for the surpluses of all nations and distributing them on a basis of need.

HALF THE WORLD HUNGRY

Mr. President, low purchasing power in other countries, not overproduction in the United States, limits foreign demand for our farm products. There is no shortage of need for our present production, or increased production, of food and fiber. Half the world's people have just about enough food for minimum subsistence—barely enough for health by any decent standard. Only about one-third of the world population has enough food of the right kind to be well nourished.

The average life expectancy in India is only 27 compared to the United States figure of 68.

In India, 123 of each 1,000 babies born die in their first year. In the United States the figure is only 29 per 1,000. In Iraq and Egypt, only 600 of each 1,000 babies that are born live to be 5 years old.

To bring the average world textile consumption per person up to only one-half the United States average of 38 pounds per year, would require an increase in world production of cotton and other fibers of almost 90 percent.

Population increase in the last 15 years has outrun increases in food and fiber production in the world as a whole and in many different countries of the world, particularly in southeast Asia, southeast Europe, northern Africa, Germany, and Austria.

To be safe, nutritionally, over a long period, requires about 1,900 calories a day with some protein from animal sources in warmer tropical climates; and 2,200 calories a day in cooler areas, such as the United States. In all the world, except a handful of countries in western Europe, North and South America, Australia, and New Zealand, the people on the average life at or very near this breakover point. Since some people in every country live very well, indeed, considerably more than half of the population live below safe nutritional levels most of their lives.

The real answer to the problem of unbalance between productive capacity and effective demand must be found on the side of demand. People have almost unlimited wants—which, unfortunately, do not always meet with a corresponding purchasing power—for better food, better housing, better clothing, better educational facilities, and for a vast array of various kinds of manufactured goods. There could be an ever-expanding circle of the distribution of these things as opportunity is increased. The long-term solution to the present agricultural situation must be found in building up the purchasing power which will create expanded markets for both agricultural and nonagricultural goods, and this can be secured in an expanding world economy.

The underdeveloped countries may be divided into two classes, those which have large natural resources but small populations and those which have large populations in comparison with their resources of raw materials. The former are largely in Africa, the Middle East, and Latin America. The latter are largely in Asia.

In the countries of small populations and large natural resources, the problem is mainly one of securing outside capital for development, although there is also the problem of raising the level of technical skills of the native population. But in these cases outside private capital is already moving in in considerable amount, and technical training usually accompanies the capital.

POPULATION PRESSURES

It is, however, the economic development of heavily populated underdeveloped countries with relatively limited natural resources that is of the most concern to the agricultural producers. In these countries will be found the vast number of underclothed and undernourished people who could, through economic development, earn the means of payment to absorb enormous quantities of food and fiber.

These countries need both technical assistance and capital if their standards of living and purchasing power are to be substantially raised. It is recognized that, in respect to both technical assistance and capital, agricultural development will receive important consideration, for agricultural development must go hand in hand with industrial development if the necessary expansion in consumer purchasing power is to be achieved.

So far as technical assistance is concerned, some progress has already been made through international and national agencies; but much more needs to be done. The problem of capital for development is much more difficult but equally important in this class of country.

All of the so-called surplus United States food and fiber production would be but a drop in the bucket if the democratic nations should agree to use food to help finance economic and social programs in areas where they are needed; to loan the proceeds from the sale of food surpluses—as might be done through an international reserve—for development programs.

CONTRIBUTION TOWARD PEACE

Mr. President, beyond the agricultural problem, the International Food and Raw Materials Reserve can help solve others of this Nation's most difficult foreign relations concerns. It can make a major contribution toward peace by permitting more rapid expansion in underdeveloped areas in the manner I have just indicated, and also because its operation will stabilize world raw material markets and make abundant production abroad possible.

One of the most persistent, most disturbing, and most perplexing of modern economic problems is the human suffering and relative stagnation enforced upon producers of the world's raw materials by the extreme ups and downs in their prices.

The problem is serious in the more highly developed nations. It is even more seriously present and damaging in the lesser developed nations. Wide swings in raw material prices present prospective investors in raw material development, whether persons, firms, or states, with a very large range of variation in possible returns that can be earned by opening up and developing such projects. Faced with such great uncertainty in markets and prices, both states and individuals are hesitant to open up enterprises that are currently profitable but which may at any time dip drastically below the break-even level through no fault of the enterprise itself. The multiplication of this kind of a situation throughout farming and all other raw materials industries of a nation and of the world puts a very severe damper upon the rate of economic development in these industries.

This slowing down of the rate of expansion in raw material industries not only reduces the supply of such materials to meet human needs and to fuel manufacturing and other secondary industries, it also holds down the purchasing power of persons and firms on the raw materials sector and thus cuts down on sales, scale of operation, and consequently of income and purchasing power of the industrial and service segments of the economy. As a result, the entire economy idles along at a lower rate of production and expansion that needs to be the case if the extreme fluctuation in the prices of raw materials could be evened out. In the more highly industrialized nations the symptoms are seen in chronically depressed industries like farming and coal mining in the United States. In the lesser industrialized nations the drop in raw material prices can bring the entire nation dangerously close to bankruptcy and to cause directly a widespread drop in income and standards of living.

In 1938, when there was a drop in our gross national product of only 6 percent, United States imports dropped 31 percent. This meant economic catastrophe for some of the small nations in South America that depend on a single raw material, sold heavily to the United States, to sustain their payrolls and finance their own necessary importations.

The 6 percent drop in our products resulted in a 48 percent decline in exports in the sterling area of Asia and Africa.

UNITED STATES EXPORTS RESTRICTED

Mr. President, it is only natural that the nations involved in these unfortunate circumstances would take evasive and protective action to save as much as they can within their own economy. This sort of action inevitably includes restriction on imports from the United States, worsening our problems.

The International Food and Raw Materials Reserve will help solve this problem by providing a continuously stabilizing factor in international raw material markets. Through the administrative machinery of the reserve, the stabilized prices of each raw material that enters importantly into international trade could be negotiated and agreed upon. The reserve could thereafter stand ready at all times to buy those raw materials at an agreed-upon price and would stand

ready to sell such commodities when they rose above the agreed-upon stabilized price. The reserve would thus reduce the extreme ups and downs of prices in both domestic and international markets, to the benefit of the raw materials producing nations and consumers as well.

This would be one of the major functions and beneficial effects of the International Food and Raw Materials Reserve. This is not its sole purpose.

In addition to performing this highly important market stabilization function, the reserve would perform several other equally important and greatly needed functions that would facilitate more rapid economic expansions, relieve starvation and chronic poverty, and expand international exchange.

Nations which are already highly industrialized have another acute and growing problem for which the reserve would provide machinery for a permanent solution. The industry of advanced nations is chewing up basic resources at a tremendous and rising rate. For example, the United States, which has 7 percent of the world's population and 30 percent of the world's natural resources, accounts for 70 percent of the world's manufactured goods. The United States is using up its resource base at a very rapid rate and very much faster than the rest of the world. To be secure in our rising living standards and to retain the resource base for an expanding economy, we must assure ourselves, someway, a stabilized source of supply of the raw materials for our manufacturing industry. The same situation is true in other industrial nations such as the United Kingdom, France, Germany, and Japan.

Faced with the problem of securing a future supply of raw materials, highly industrialized nations could depend entirely upon private industrial concerns to make long-term contracts with raw material producers in other lands. And, this should be done. But it can only be successfully and securely accomplished if protected and facilitated by governments and international economic accords.

Such accords conceivably could be done exclusively through bilateral arrangements between the United States and each foreign nation—1 nation at a time, 1 commodity at a time. However, no supplier, private enterprise, or State, wants to become dependent exclusively on 1 buyer; nor do importing nations or industrialists want to become dependent upon only 1 seller.

RESERVE WOULD STABILIZE MARKETS

Through the International Food and Raw Materials Reserve, exporting nations can assure themselves long-term stabilized markets and importing nations can assure themselves of long-term supply at stabilized prices.

It would be incorrect to think of the International Food and Raw Materials Reserve as just a world commodity credit corporation. The Reserve is not a price-supporting device nor a device for slowing down raw material production and restricting supply. Rather, the purpose is to help usher in the era of abundance that is now on the world's threshold.

The history of all past civilizations tells us that expanding prosperity shared by the known world is the only basis upon which peace can be attained.

An international reserve can be a long, significant step toward the ultimate attainment of permanent world peace with honor, humanity, and prosperity. This could be our contribution.

This international institution, when established, could become the facilitating force to galvanize the free world into a vast, promising new era of great abundance.

If history teaches anything, it is that islands of abundance in a starving world cannot long endure. History has a way of removing barriers and evening off such extremes of economic opportunity. Usually this is brought about when the barbarians storm the walls of ancient Rome and burn and sack the city. This pulls down everybody to the lowest level.

It behooves the United States to see that the evening up comes about by expanding economic opportunities in other nations, not through forced reduction of living standards in the United States.

We can help to raise incomes and living standards in other nations by aiding them in promoting more rapid economic development.

About a third of the world's people live in the United States, Western Europe and other democratic nations that are relatively well developed and have fairly high incomes and living standards; another third live in countries behind the so-called Iron Curtain dominated by Soviet Russia and its police-state system of control.

The remaining third of the world's people—about 900 million of them—live in nations that have not yet made up their minds about democracy. These are the people of South and Central America, southeast Asia, Africa, and the Middle East. Here "stomach communism" holds out a glittering lure with its false promises of enough to eat.

These nations have not attained the economic development and higher living standards easily possible with modern technology and organization. Poverty is the rule in these countries, as indicated by the figures in a table which I ask to have printed in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Per person average annual real income in selected countries

(Figures from United Nations publications; for comparison, United States figure is $1,900)

ASIA	
Thailand	$36
Afghanistan	50
Burma	36
Ceylon	36
India	57
Indonesia	25
Japan	100
South Korea	35
Philippines	44
MIDDLE EAST AND AFRICA	
Egypt	100
Ethiopia	38
Iran	85
Iraq	85
Lebanon	125
Pakistan	51
SOUTH AND CENTRAL AMERICA	
Argentina	346
Venezuela	322
Uruguay	331
Bolivia	55
Brazil	112
Chile	188
Colombia	132
Cuba	296
Equador	40
Guatemala	77
Haiti	40
Mexico	121
Paraguay	84
Peru	100

Mr. MURRAY. Mr. President, we, in the United States, must intensify our efforts to assist in the development of a coordinated program of aid to relieve hunger and suffering, and to promote expansion and strengthening of the national economies of the democratic nations in ways that will not destroy the principle of self-determination of peoples.

The International Food and Raw Materials Reserve proposal is offered by its large, bipartisan group of sponsors as a measure that offers great aid to peoples abroad in developing, while solving a part of our so-called surpluses problem here at home.

The resolution we have offered does not set up a new international agency. It does not prescribe the exact form of the proposed reserve, or food bank. It simply expresses to our foreign relations officials the desire of this body that they negotiate with other nations to establish such a mechanism.

Other lands around the world have expressed their desire that such an international reserve be created.

The United Nations is studying the matter. There is no doubt that actual negotiations could and would start shortly after this country joined in the effort.

A BOND AMONG FREE PEOPLES

Mr. President, this multilateral international project can move swiftly, creating a new, cooperative bond among the free peoples of the world, if the United States will participate in negotiations.

I can think of no single project in the field of international relations that would do more for the economy of this Nation than the creation of international distributive machinery that would assure us markets for surpluses which are desperately needed abroad.

Nor do I know of any action we might take that would strengthen the alliance of free peoples against communism more than the creation of an international agency that will permit and speed economic development in all of them and make us all true partners in progress toward worldwide abundance.

EXTENSION OF VOLUNTARY PREPAYMENT HEALTH SERVICE PLANS—AMENDMENT

Mr. MALONE submitted an amendment, intended to be proposed by him to the bill (S. 886) to improve the health of the people by encouraging the extension of voluntary prepayment health service plans, facilitating the financing of construction of needed health facilities, assisting in increasing the number

of adequately trained nurses and other health personnel, improving and expanding programs of mental health and public health, and for other purposes, which were referred to the Committee on Labor and Public Welfare, and ordered to be printed.

EXTENSION OF TRADE AGREEMENTS ACT—AMENDMENTS

Mr. HUMPHREY. Mr. President, on behalf of myself, and the Senator from Massachusetts [Mr. KENNEDY], I submit amendments, intended to be proposed by us jointly, to the bill (H. R. 1) to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes, and ask that they be referred to the Committee on Finance.

At a later date, I shall send to the committee a statement in support of my amendment. The amendment was offered previously by myself and on behalf of the distinguished junior Senator from Massachusetts [Mr. KENNEDY] as a separate bill, under the title "Trade Adjustment Act, 1955."

The purpose of the amendment is to make some accommodation and to provide special consideration for industries which may momentarily or temporarily suffer some adversity because of the national trade policy, which I happen to believe is very important for the Nation.

I strongly support the reciprocal trade program and the general purpose of H. R. 1, but feel that the amendment, which in no way affects tariff schedules, but provides only for Government cooperation and assistance for industries which may be adversely affected, is necessary.

I ask unanimous consent that the amendment may be printed in the RECORD, as well as being referred to the Committee on Finance.

The ACTING PRESIDENT pro tempore. The amendment will be received, printed, and will be referred to the Committee on Finance; and, without objection, it will be printed in the RECORD.

There being no objection, the amendments were ordered to be printed in the RECORD, as follows:

After the enacting clause, insert "Title I."

Page 1, line 3, strike out "That this" and insert "Section 1. This."

At the end of the bill insert the following new title:

"TITLE II

"SEC. 201. This title may be cited as the 'Trade Adjustment Act of 1955.'

"PURPOSE

"SEC. 202. (a) It is recognized that the maintenance of a sound domestic economy and healthy international relations requires that the United States engage in trade among the free nations of the world. Further, the Reciprocal Trade Agreements Act of 1934 reflects the congressional desire that the President be authorized to negotiate with the other countries of the world with a view to lowering trade barriers. The Congress has also recognized, in enacting the peril point and escape clause provisions of the Trade Agreements Extension Act of 1951, that there are situations in which the reduction of trade barriers, although redounding to the benefit of the Nation as a whole, may have serious adverse effects on particular domestic industries. These provisions provide mechanisms for determining at what point reductions in trade barriers, either in prospect or already accomplished, will have such adverse effects. They provide no method by which greater prosperity and security for the Nation as a whole can be secured by the reduction of trade barriers, while avoiding or ameliorating the economic losses which particular communities, industries, enterprises, and individuals may suffer in the adjustment of their productive activities which may be made necessary by such reduction. It is the purpose of this title to resolve this problem by providing assistance to communities, industries, enterprises, and individuals in the adjustment of their productive activity to the economic conditions created by the national trade policy. It is not the purpose of this title to provide a permanent subsidy, but rather to provide the means by which those affected by lowered trade barriers may be assisted in the period of their adjustment.

"(b) It is the intention of Congress that, in determining eligibility for the assistance provided for under this title, the title shall be construed liberally and that any doubt regarding eligibility shall be resolved in favor of the applicant.

"ESTABLISHMENT AND FUNCTIONS OF TRADE ADJUSTMENT BOARD

"SEC. 203. The President shall appoint a 5-member board to be known as the Trade Adjustment Board (hereinafter called the Board), 1 member of which he shall designate as Chairman. The members of the Board shall be appointed from among the officers and employees of the executive branch of the Government and shall serve without compensation in addition to that otherwise received as officers or employees in the executive branch of the Government, but they shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in the performance of the duties vested in the Board.

"SEC. 204. For the purposes of performing its duties, the Board is authorized to—

"(a) hold such hearings, to sit and act at such times and places, and to take such testimony, as the Board may deem advisable;

"(b) secure directly from any executive department, bureau, agency, board, commission, office, independent establishment, or instrumentality information, suggestions, estimates, and statistics needed to carry out the purposes of this section; and each such department, bureau, agency, board, commission, office, establishment, or instrumentality is authorized and directed to furnish such information, suggestions, estimates, and statistics directly to the Board upon request made by the Chairman;

"(c) require by subpena or otherwise the attendance of witnesses and the production of books, papers, and documents; to administer oaths, to take testimony, to have printing and binding done; and to make such expenditures as it deems advisable within the amount appropriated therefor. Any member of the Board may administer oaths or affirmations to witnesses appearing before the Board. Subpenas shall be issued under the signature of the Chairman and shall be served by any person designated by him. The Board is authorized to exercise any of the powers conferred upon the Securities and Exchange Commission by subsection (c) of section 21 of the Securities and Exchange Act of 1934, and subsection (d) of such section shall be applicable to witnesses before the Board; and

"(d) establish such rules, regulations and procedures as may be appropriate to permit the Board to perform the functions prescribed in this title.

"SEC. 205 (a) Whenever the President, in accordance with the provisions of section 7 of the Trade Agreements Extension Act of 1951, as amended by section 212 of this title, shall determine to invoke the provisions of this title with reference to any article as to which a modification in the rate of duty or other import restriction, or any other concession, has been found either to threaten or to have caused serious injury to a domestic industry, he shall notify the Board of his decision.

"(b) After the notification by the President provided for above, the Board shall, upon application by any community, industrial development corporation, business enterprise, employee, or organization representing employees, determine whether the applicant is eligible, or represents persons eligible, to receive the benefits provided for in this title. If the Board shall determine that any community, industrial development corporation, business enterprise, employee, or organization representing employees is eligible for the benefits provided for in this title, or represents persons so eligible, it shall issue a certificate describing the community, industrial development corporation, business enterprise, or employees found eligible which shall conclusively establish for a period of 18 months or such shorter period as the Board may determine that the described persons are eligible for the benefits provided for in this title. Such certificates shall state the period for which they are valid and shall automatically expire at the end of such period. Upon application, the Board shall have authority to renew any certificates of eligibility for successive periods of 18 months, or less, upon a showing that such renewal is necessary to accomplish the purposes of this title. The Board shall also have authority on its own motion, or upon the motion of any interested person, to cancel any such certificate of eligibility if it finds the continued existence of such certificate is not necessary to accomplish the purposes of this title.

"(c) The following may be determined by the Board to be eligible for the benefits provided for in this title:

"(1) Any business enterprise engaged in the production of an article identical to or directly competitive with an article with reference to which this title shall have been invoked.

"(2) Any unemployed individual whose last regular employment shall have been in a business enterprise which is eligible or may be determined to be eligible for the benefits provided for by this title.

"(3) Any community a substantial number of the residents of which are individuals who are eligible or may be determined to be eligible for the benefits provided for by this title.

"(4) Any industrial development corporation organized for the purpose of aiding the development of a more balanced and diversified economy or diversification of production in a community which is eligible or may be determined to be eligible for the benefits provided for in this title.

"In determining whether a particular business enterprise is eligible for the benefits provided for in this title, the Board shall consider what portion of the total production of such enterprise consists of the production of an article identical to or directly competitive with the article with reference to which this title shall have been invoked. In determining whether any such enterprise or any community or industrial development corporation is eligible for such benefits the Board shall also consider whether such enterprise, community, or industrial development corporation has developed satisfactory proposals for programs of economic adjustment consonant with the purposes of this title.

"(d) As used in this title—

"(1) The term 'industrial development corporation' includes any body organized and operated by private citizens for the purpose of aiding the development of a more balanced and diversified economy or diversification of production in a community

through industrial development, the training or retraining of employees, or through any other means.

"(2) The term 'employee' includes an unemployed individual whose last regular employment shall have been in a business enterprise which is eligible or may be determined to be eligible for the benefits provided for in this title.

"ADJUSTMENT BENEFITS

"SEC. 206. Information and advice: Any business enterprise found to be eligible by the Board for assistance under this title may apply to appropriate departments and agencies of the Government for technical information, market research, or any other form of information and advice which might be of assistance in the development of more efficient methods of production and in the development of new lines of production. Similarly, any community or industrial development corporation found eligible for assistance under this title may apply to appropriate departments and agencies of the Government for such information and advice as will enable it to develop a more balanced and diversified economy.

"SEC. 207. Loans: Section 207 of the Small Business Act of 1953 is amended—

"(a) by striking out the word 'and' at the end of subsection (d);

"(b) by striking out the period at the end of subsection (e) and inserting in lieu thereof a colon and the word 'and'; and

"(c) by adding at the end thereof a new subsection as follows:

"'(f) to make such loans as the Administration may determine to be necessary or appropriate to business enterprises and communities, either in their corporate capacity or as represented through industrial development corporations or similar agencies, for the adjustment by such business enterprises and communities to economic conditions resulting from the trade policy of the United States: *Provided, however,* That no such loans shall be made by the Administration to any business enterprise or community unless the Trade Adjustment Board, as established under the provisions of the Trade Adjustment Act of 1955, shall have certified to the Administration that such business enterprise or community is eligible for benefits under the Trade Adjustment Act of 1954: *And provided further,* That the requirements of paragraph (1) of subsection (a) of this section shall be applicable to the loans authorized to be made under this subsection.'

"SEC. 208. Unemployment compensation: (a) (1) The Secretary of Labor (hereinafter referred to as the 'Secretary') shall on behalf of the United States enter into an agreement with any State in which an enterprise or community, with respect to which a certificate of eligibility has been issued under this title, is located, under which the State, as agent of the United States, will make supplementary payments of compensation to unemployed individuals in the State as provided for in this section, and will otherwise cooperate with the Secretary and with other State agencies in making payments of compensation under this section.

"(2) Supplementary payments of unemployment compensation under this section shall be made only to individuals within the class of individuals determined by the Board under section 205 of this title to be eligible to receive the benefits provided for in this title.

"(3) If the amount of unemployment compensation payable to an individual under the law of the State in which he is eligible to receive unemployment compensation is less than 66⅔ percent of his average weekly wage, as determined under such law, then the amount of the supplementary payment of unemployment compensation to an individual under this section for a week of total unemployment shall be an amount equal to the amount by which 66⅔ percent of such average weekly wage exceeds the amount paid to the individual under the unemployment compensation law of the State (including payments made by reason of dependents).

"(4) In any case where an unemployed individual receiving supplementary compensation under this section is no longer entitled to payment of compensation under the unemployment compensation laws of the State solely by reason of the expiration of the period for which such compensation is payable under such laws, there shall be paid to such individual, out of amounts paid to such State by the United States for such purpose and without cost to such State, compensation in an amount equal to the rate of State unemployment compensation and any supplementary compensation under this section which he was receiving immediately prior to the time he was no longer entitled to receive such rate. In order to remain eligible for compensation under this paragraph, an individual must comply with the provisions of State law with respect to ability and availability for work, and with respect to the acceptance of offers of suitable work, and failure to so comply shall result in immediate cessation of payment under this paragraph. The total period during which an unemployed individual may receive benefits under this section shall not exceed 52 weeks.

"(5) The amount of the Federal supplementary payment of unemployment compensation to an individual for a week of partial unemployment shall be the amount necessary to provide such individual with a weekly benefit equal to the aggregate he would have received under paragraph (3) of this subsection for a week of total unemployment, less his earnings for such week in excess of the partial earnings allowance, if any, permitted by the unemployment compensation law of the State.

"(6) Any agreement under this section shall provide that compensation otherwise payable to any individual under the State's unemployment compensation law will not be denied or reduced for any week by reason of any payment made pursuant to such agreement. No agreement under this section for payment of compensation by a State agency shall be valid if compensation payable to any individual under the law of such State is less than it would have been under such law as it existed on January 1, 1955.

"(b) Whenever the Board, either upon application of an interested party or upon its own motion, determines that unemployment among individuals found by the Board to be eligible to receive the benefits provided for in this tile is no longer attributable to the trade policy of the United States, no further payments shall be made under this section to such individuals with respect to weeks of unemployment occurring after the date of such determination by the Board, or occurring during any period for which there is not in effect a certification under section 205 describing such individuals.

"(c) Each State shall be entitled to be paid by the United States an amount equal to the additional cost to the State of payments of compensation made under and in accordance with an agreement under this section which would not have been incurred by the State but for the agreement.

"(d) In making payments pursuant to this section, there shall be paid to the State, either in advance or by way of reimbursement, as may be determined by the Secretary, such sum as the Secretary estimates the State will be entitled to receive under this section for each calendar month, reduced or increased, as the case may be, by any sum by which the Secretary finds that his estimates for any prior calendar month were greater or less than the amounts which should have been paid to the State. Such estimates may be made upon the basis of such statistical sampling, or other method, as may be agreed upon by the Secretary and the State agency.

"(e) The Secretary shall from time to time certify to the Secretary of the Treasury for payments to each State sums payable to such State under this section. The Secretary of the Treasury, prior to audit or settlement by the General Accounting Office, shall make payment to the State in accordance with such certification, from the funds available for carrying out the purposes of this title.

"(f) All money paid to a State under this section shall be used solely for the purposes for which it is paid; and any money so paid which is not used for such purposes shall be returned, at the time specified in the agreement under this section, to the Treasury and credited to current applicable appropriations, funds, or accounts from which payments to States under this section may be made.

"(g) An agreement under this section may require any officer or employee of the State certifying payments or disbursing funds pursuant to the agreement, or otherwise participating in its performance, to give a surety bond to the United States in such amount as the Secretary may deem necessary, and may provide for the payment of the cost of such bond from funds available for carrying out the purposes of this section.

"(h) No person designated by the Secretary, or designated pursuant to an agreement under this section, as a certifying officer shall, in the absence of gross negligence or intent to defraud the United States, be liable with respect to the payment of any compensation certified by him under this section.

"(i) No disbursing officer shall, in the absence of gross negligence or intent to defraud the United States, be liable with respect to any payment by him under this section if it was based upon a voucher signed by a certifying officer designated as provided by this section.

"(j) For the purpose of payments made to a State under title III of the Social Security Act, administration by the State agency of such State pursuant to an agreement under this title shall be deemed to be a part of the administration of the State unemployment compensation law.

"(k) The agency administering the unemployment compensation law of any State shall furnish to the Secretary such information as the Secretary may find necessary or appropriate in carrying out the provisions of this title, and such information shall be deemed reports required by the Secretary for the purposes of paragraph (6) of subsection (a) of section 303 of the Social Security Act.

"(l) Whoever makes a false statement or representation of a material fact knowing it to be false, or knowingly fails to disclose a material fact, to obtain or increase for himself or for any other individual any payment authorized to be paid under this section or under an agreement thereunder shall be fined not more than $1,000 or imprisoned for not more than 1 year, or both.

"(m) The Secretary is hereby authorized to make such rules and regulations as may be necessary to carry out the provisions of this section. The Secretary shall insofar as practicable consult with representatives of the State unemployment compensation agencies before prescribing any rules or regulations which may affect the performance by such agencies of functions pursuant to agreement under this section.

"SEC. 209. Training and transportation: (a) The Secretary shall—

"(1) prescribe and provide suitable training for unemployed individuals eligible for the benefits of this title who are in need of retraining, reemployment, vocational education, or vocational rehabilitation;

"(2) utilize and extend all existing Federal governmental facilities, and utilize the

facilities of any other governmental agency maintained by joint Federal and State contributions, to carry out the purposes of this section; and

"(3) by agreement or contract with public or private institutions or establishments, provide for such additional training facilities as may be necessary to accomplish the purposes of this section.

"(b) The Secretary shall have the power and the duty to cooperate with existing Federal, State, and local agencies and officials in charge of existing programs relating to retraining, reemployment, vocational education, and vocational rehabilitation for the purpose of coordinating his activities with those of such Federal, State, and local agencies.

"(c) Whenever the Secretary shall determine that (1) no job opportunity for an unemployed individual found eligible for the benefits of this title exists within his own current labor market area, (2) a job opportunity for such individual equivalent to his former employment is available at a place in the United States outside of his current labor market area, (3) such individual agrees to take the job opportunity outside of his labor market area, and (4) the acceptance of such employment would be in the best interest of the United States, then the Secretary is authorized to make available to such individual at Government expense, facilities for the movement of such individual, his dependents, and his household effects to a location designated by such individual and approved by the Secretary, by using Government or commercial means of transportation.

"SEC. 210. Retirement: (a) Whenever the Secretary shall determine that any individual, 60 years or older, included within a certificate of eligibility issued by the Board is unemployed as a result of the national trade policy of the United States and is unable to find employment because of his advanced age, the Secretary shall issue a certificate containing such a finding.

"(b) Section 216 (a) of the Social Security Act is hereby amended to read as follows:

"'RETIREMENT AGE

"'(a) (1) Except as provided in paragraph (2), the term "retirement age" means age 65.

"'(2) In the case of an individual who is certified by the Secretary of Labor as unemployed by reason of the trade policy of the United States and unable to find employment because of advanced age, the term "retirement age" means age 60.'

"(c) The amendment made by this section shall take effect with respect to payments made for months beginning more than 1 month after the date this title is enacted.

"SEC. 211. Accelerated amortization: (a) Section 168 (e) (1) of the Internal Revenue Code of 1954 is hereby amended by adding after the words 'necessary in the interest of national defense during the emergency period', the words 'or necessary for the development of new or different lines of production by an eligible business enterprise or of a more balanced economy in an eligible community'; and by adding after the words 'attributable to defense purposes' the words 'or the national trade policy of the United States, as the case may be.'

"(b) Section 168 (d) of the Internal Revenue Code of 1954 is hereby amended by adding the following:

"'(3) Eligible business enterprise, community: As used in this section the terms "eligible business enterprise" and "eligible community" refer to business enterprises or communities holding certificates of eligibility under the Trade Adjustment Act of 1954.'

"SEC. 212. Section 7 (c) of the Trade Agreements Extension Act of 1951 is amended to read as follows:

"'(c) Upon receipt of the Tariff Commission's report of its investigation and hearings, the President may (1) make such adjustments in the rates of duty, impose such quotas, or make such other modifications as are found and reported by the Commission to be necessary to prevent or remedy serious injury to the respective domestic industry, or (2) notify the Trade Adjustment Board, created under the provisions of the Trade Adjustment Act of 1955, that he has invoked the provisions of the Trade Adjustment Act of 1955 with respect to such industry. If the President does not take either of such actions within 60 days, he shall immediately submit a report to the Committee on Ways and Means of the House and to the Committee on Finance of the Senate stating why he has not made such adjustments or modifications, imposed such quotas, or invoked the provisions of the Trade Adjustment Act of 1955.'"

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, and so forth, were ordered to be printed in the RECORD, as follows:

By Mr. LEHMAN:

Address delivered by him at the American-Jewish Tercentennary Civic Assembly, at Norfolk, Va., on March 20, 1955.

Remarks made by him in the Senate on March 24, on a proposed code of peace between Egypt and Israel, and condensation of address by the Honorable Abba Eban, Ambassador of Israel, proposing a code of peace between Egypt and Israel.

By Mr. BYRD:

Statement by Mr. Joseph Campbell, Comptroller General of the United States, before Public Roads Subcommittee of the Committee on Public Works of the United States Senate, on Senate bill 1160.

COTTON ACREAGE ALLOTMENTS AND THE LOSS OF THE PEACH CROP

Mr. JOHNSTON of South Carolina. Mr. President, the cold weather we have recently experienced throughout the country, and particularly in the South, has had disastrous effects on the cash crops in South Carolina. A recent hailstorm, with hail about the size of small hen eggs, did considerable damage; and then came the freeze of a few days ago, which has virtually destroyed the entire peach crop, costing the small farmers and peach growers untold millions of dollars. Our loss in peaches alone will exceed $10 million.

In the section of the State in which I live, there has developed in the past 20 years the finest peach-growing industry in any part of the United States. From the Piedmont section, alone, we ship approximately 5,000 freight cars of peaches annually. Our smaller crops also of pears, apples, and other fruits have been damaged almost beyond recovery. Our ready market vegetable crops have been irreparably injured.

With the reduction in acreage of the cotton crops, our cash crops for the market are virtually destroyed. Not only the large farmers, but also those on small farms, will be adversely affected by the elements over which none of us has any control.

It is my purpose to secure whatever relief we can to increase our cotton acreage, so as to meet the deficits which will be sustained in the destruction of our ready money markets from peaches, vegetables, and fruits.

As a part of my remarks, I wish to incorporate an editorial appearing yesterday in one of the State's largest papers, the State of Columbia, S. C., which goes into detail regarding the destruction of our orchards and the calamity which nature has visited upon the people whom I have the honor to represent.

I also desire to incorporate in the RECORD a telegram from a friend of mine, Mr. Henry Gramling, in reference to the proposed increase in the cotton allotments.

I assure the Senate and my friends that the Committee on Agriculture and Forestry of the Senate will devote itself to the pressing problems now confronting the stricken farmers, vegetable growers, and especially the peach growers throughout the South, and those affected in South Carolina.

The question is one of immediate and vital concern to thousands of small farmers and large peach growers alike. The members of the Committee on Agriculture will concern themselves now with the various methods of relief which we hope to put into effect for them. Their salvation depends in large measure upon effective relief now—at this very moment. We must act quickly.

Mr. President, I ask unanimous consent to have printed in the RECORD the editorial and telegram to which I have referred.

There being no objection, the editorial and telegram were ordered to be printed in the RECORD, as follows:

[From the Columbia (S. C.) State of March 29, 1955]

FRUIT CROP RUINED

It was distressing on Sunday morning to awake and find that many beautiful flowers and much new growth had been spoiled during the night by the extreme cold, but this loss, while greatly to be regretted, must come second to the great damage done to South Carolina's fruit crop, which was pretty well wiped out.

Reports from reliable sources say the loss in peaches was between $7 million and $10 million, which is an especially hard blow to take in view of earlier destruction in the Ridge section caused by a hail storm.

There was a potential this year of 6,500 freight cars. For the last 4 years the average has been 5,000.

In Saturday night's freeze minor fruits such as pears and apples also were damaged beyond recuperation.

Peach growing is indeed a hazardous way to make a living, but hardy souls, we are glad to say, continue to fight the battle. The heaviest planting is in Spartanburg County, which produces 60 percent of our crop. There are many trees in York and other Piedmont Counties. The Ridge is the pioneer, and still produces many bushels of the delicious fruit. Lexington has some fine orchards.

While the immediate sections and especially the individual growers will feel the loss the greatest, such a disaster as that which has come to our fruit crop, has a wider effect and a deeper significance than just upon those involved. Such a loss cannot be sustained without reverberations.

There was nothing that could have been done to avoid the loss, since it came from

an act of God, whose wisdom we have no right to question, though we may not always immediately, as in this case, reason why.

GRAMLING, S. C., *March 29, 1955.*

Senator OLIN D. JOHNSTON,
Washington, D. C.:

Since the disastrous freeze, we the farmers of the Upper Piedmont section of South Carolina, wish to express our appreciation for the interest you have put forth in our behalf. Last evening a large representative group from this section met at Gramling; after long discussion they have asked me to notify you at once that we feel that the greatest relief, and in many cases the only relief, which can be received would be the privilege of putting more acreage than the present allotment to cotton. We all would greatly appreciate you informing us of any step which we may take which would assist you in your endeavor to acquire same, and as we work out our problems we would also appreciate your help and guidance and any suggestions you may offer as the time element is of utmost importance in making definite plans.

Most of the people who are hurt the worst from this disaster are the large families who have lived on the farm and look to the labor in the orchards for their livelihood. Most of these men have large families and it is impossible for them to acquire other employment. We feel that if in your endeavor you can work out the possibility of them turning to some other crop which they can grow profitably, is the only solution.

HENRY GRAMLING.

UNIVERSAL MILITARY TRAINING—STATEMENT BY THE LATE LT. GEN. RAYMOND McLAIN

Mr. MARTIN of Pennsylvania. Mr. President, Congress has before it the problem of a proper reserve for the defense of the United States. Many of us, who have given lifetime study to our defensive problems, believe that one of the important steps in universal military training. Under proper regulation such training will give us a reservoir of trained men, men who know how to protect themselves, and who are imbued with the high ideals of the American Government.

We cannot defend ourselves with push-button implements. In hundreds of years of experience, there has never been found anything to take the place of the trained ground soldier.

Lt. Gen. Raymond S. McLain, a great civilian soldier, answered the last rollcall on December 14, 1954. Right up to the last days of his life he retained his interest in the defense of our country.

Life magazine recently published deathbed comments of General McLain. These have been summed up in the Army and Navy Journal under the heading "Lt. Gen. McLain's Legacy," and I ask unanimous consent to have the item published in the RECORD at this point, as a part of my remarks.

There being no objection, the item was ordered to be printed in the RECORD, as follows:

LIEUTENANT GENERAL MCLAIN'S LEGACY

The current issue of Life magazine publishes the deathbed comments of Lt. Gen. Raymond S. McLain, called "the greatest civilian soldier of our times," concerning the need for adequate Reserve Forces.

General McLain, a banker-soldier who gave much of the last years of his life to this critical problem, died of leukemia at Walter Reed AH, Washington, D. C., on December 14. He was 64.

The Life article, prepared from General McLain's scribbled notes as he faced certain death, concludes an appeal for enactment of Universal Military Training with the assertion that "trained manpower is our best assurance that the H-bomb will never have to be used."

General McLain declared:

"The crux of national security is to protect the Nation and its institutions from destruction. The employment of a strategy based solely on nuclear weapons cannot properly be called a defense measure at all, for it almost guarantees the destruction of the very things we would be fighting to preserve. Thus what appears to be an easy way out—the reliance upon machines and atoms rather than upon trained manpower—becomes a trap for us all.

"Is it not better that all of us bear equally the burdens and inconveniences of training for defense rather than face possible death, defeat and slavery amid the ruins of our civilization?

"God grant that we never descend so low in the enjoyment of our blessings that we lose the will to rise and defend the institutions that bring them to us."

CLOSED - CIRCUIT TELECAST OF CARE AND THE AMERICAN NATIONAL THEATER AND ACADEMY

Mr. WILEY. Mr. President, Monday night, March 28, occurred an important theatrical event in the city of Washington and in many other cities throughout our Nation.

A pioneering closed-circuit telecast, jointly sponsored by Cooperative for American Remittances to Everywhere and the American National Theater and Academy presented to a vast viewing audience the best in show business over the years.

I am delighted to note this splendid occasion which proved so significant for the twofold objective of (a) focusing ever-increasing public attention and support on the great and remarkable job done by CARE, and (b), demonstrating the renewed vitality of the American theater.

I send to the desk the statements made regarding the "CARE–ANTA 1955 Album" as carried in the printed program of the event, and ask unanimous consent that they be printed in the body of the RECORD at this point, preceded by further brief introductory remarks of my own.

There being no objection, the introductory statement and other matters were ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR WILEY

It is most appropriate that the living theater, which has always contributed generously to humanitarian causes, join together with a great welfare organization devoted to human well-being.

When Congress chartered ANTA, the very distinguished list of its incorporators signified the vast and broad potentialities of this organization.

Since enactment of that charter in 1935, ANTA has reached out to fulfill its potentialities in serving the living theater—professional, community, and educational.

Everyone recognizes, however, that a great deal more needs still be done to bring the American living theater to the American people, particularly at the grassroots.

We who prize American culture, we who are proud of the contributions made by our own American talent: Our authors, producers, composers, actors and actresses, stage technicians, and all of the affiliated members of the theater arts, foresee still unreached horizons which ANTA can attain, particularly through modern miracles such as television. But whether it is on the boards of the stage before the footlights, or in front of closed circuit TV cameras, we wish every success to ANTA in its efforts.

PROBLEMS OF LEGITIMATE STAGE

Of course, we know full well that the legitimate stage has recently faced numerous problems such as ever mounting costs of production. The Federal admissions tax has served as a damper. Closing of playhouses because of absorption for other purposes has deprived the theater of many outlets. Competition by other media has posed problems which are, however, far from insuperable.

All of this should, however, spur on the living theater to greater achievements on the American scene.

On the foreign front, I may state, as senior Republican of the Senate Foreign Relations Committee, that we Americans have been gratified to see how traveling troupes of the American theater have wrought a profoundly constructive impression upon the consciousness of the people of West European and other countries. These troupes have brought some of the finest American productions to foreign lands. And this is but a symbol of what can and should be done further in the crucial battle of ideas throughout the world—a battle in which we must proudly uphold the banner of American culture against those who would defame it.

ANOTHER WEAPON IN THE BATTLE—CARE

Now, men's stomachs must be fed as must men's minds. I turn, therefore, to that remarkable organization CARE. One need only read the headlines of this afternoon and of tomorrow—regarding the needs of free peoples in the underdeveloped areas of the world, to see full well why it is so important that this organization be given every support.

It should be given the further enthusiastic support in particular of the United States Government by releasing more food surpluses for distribution abroad, rather than simply have those surpluses accumulate more and more storage charges in Government warehouses.

And it should receive the increasing contributions by the American people, themselves, eager to fulfill the humanitarian role which we of the United States have traditionally fulfilled, with sincere pride in our obligation to our brothers overseas. And, I may note, we, the people, have likewise always prized the self-help concept which CARE is demonstrating so practically in many countries. Self-help, food aid, democratic encouragement—these are key concepts of CARE and its 25 component welfare organizations.

PAGES FROM ANTA ALBUM PROGRAM

There follow now the introductory statements by leaders of CARE, ANTA and the Dumont network in connection with the closed circuit theater telecast program. At the outset is the text of ANTA's Congressional Charter of 1935.

[Seventy-fourth Congress of the United States of America; at the 1st session, begun and held at the city of Washington on Thursday, the 3d day of January 1935]

An act to incorporate the American National Theater and Academy

Be it enacted, etc., That Leopold Stokowski, of Philadelphia, Pa.; Evelyn Price (Mrs.

Eli Kirk Price), of Philadelphia, Pa.; George W. Norris, of Philadelphia, Pa.; Samuel S. Fleischer, of Philadelphia, Pa.; Amory Hare Hutchinson, of Philadelphia, Pa.; Ellen D. Cleveland (Mrs. Richard F. Cleveland), of Baltimore, Md.; Otto T. Mallory, of Philadelphia, Pa.; Roland S. Morris, of Philadelphia, Pa.; Mrs. George H. Lorimer, of Philadelphia, Pa.; Hugh Hampton Young, of Baltimore, Md.; Richard F. Cleveland, of Baltimore, Md.; J. Howard Reber, of Philadelphia, Pa.; Mary Stewart French, of Philadelphia, Pa.; Clara R. Mason, of Philadelphia, Pa.; Katharine Dexter McCormick (Mrs. Stanley McCormick), of Chicago, Ill.; Evangeline Stokowski (Mrs. Leopold Stokowski), of New York, N. Y.; Elsie Jenkins Symington (Mrs. Donald Symington), of Baltimore Md.; B. Howell Griswold, of Baltimore, Md.; Ann Morgan, of New York, N. Y.; John Hay Whitney, of New York, N. Y.; Otto H. Kahn, of New York, N. Y. Harriet Barnes Pratt (Mrs. Harold I. Pratt), of New York, N. Y.; Mrs. W. Murray Crane, of New York, N. Y.; A. Conger Goodyear, of New York, N. Y.; Alice Garrett (Mrs. John W. Garrett), of Baltimore, Md.; John W. Garrett, of Baltimore, Md.; Joy Montgomery Higgins, of New York, N. Y.; Arthur Woods, of New York, N. Y.; Helen Woods (Mrs. Arthur Woods), of New York, N. Y.; C. Lawton Campbell, of New York, N. Y.; John H. Finley, of New York, N. Y.; Cass Canfield, of New York, N. Y.; Katharine E. Canfield (Mrs. Cass Canfield), of New York, N. Y.; William Rhinelander Stewart, of New York, N. Y.; Dorothea Blagden (Mrs. Linzee Blagden), of New York, N. Y.; John W. Davis, of New York, N. Y.; Francis Anita Crane, of New York, N. Y.; Frank L. Polk, of New York, N. Y.; Edward M. M. Warburg, of New York, N. Y.; William Green, of Washington, D. C.; Mary Chichester du Pont (Mrs. Felix du Pont), of Wilmington, Del.; Betty Hawley, of New York, N. Y.; Isabelle Anderson (Mrs. Larz Anderson), of Washington, D. C.; Mabel Boardman, of Washington, D. C.; Huibertje Lansing Pryn Hamlin (Mrs. Charles Hamlin), of Washington, D. C.; their associates and successors, duly chosen, are hereby incorporated, constituted, and declared to be a body corporate. The name of this corporation shall be the American National Theater and Academy.

SEC. 2. The corporation shall be nonprofit and without capital stock. Its purposes shall embrace:

(a) The presentation of theatrical productions of the highest type;

(b) The stimulation of public interest in the drama as an art belonging both to the theater and to literature and thereby to be enjoyed both on the stage and in the study;

(c) The advancement of interest in the drama throughout the United States of America by furthering in the production of the best plays, interpreted by the best actors at a minimum cost;

(d) The further development of the study of drama of the present and past in our universities, colleges, schools, and elsewhere;

(e) The sponsoring, encouraging, and developing of the art and technique of the theater through a school within the National Academy.

SEC. 3. That the corporation created by this act shall have the following powers:

To have perpetual succession with power to sue and to be sued in the courts of law and equity; to receive, hold, own, use, mortgage, and dispose of such real estate and personal property as shall be necessary for its corporate purposes; to adopt a corporate seal and alter the same at pleasure; to adopt a constitution, bylaws, and regulations to carry out its purposes not inconsistent with the laws of the United States or any States; to establish and maintain offices and buildings for the conduct of its business; to establish State and Territorial organizations and local branches; and generally to do all such acts and things as may be necessary and proper in carrying into effect the purposes of the corporation.

SEC. 4. That the organization shall be nonpolitical, nonsectarian, as an organization shall not promote the candidacy of any persons seeking public office. There shall be no honorary members.

SEC. 5. That said corporation and its State and local branches and subdivisions shall have the sole and exclusive right to have and to use in carrying out its purposes the name "The American National Theater and Academy."

SEC. 6. That said corporation be, and is hereby, authorized to have its headquarters and hold its meetings at such places within or without the District of Columbia as it from time to time may deem best.

SEC. 7. The corporation is hereby authorized and empowered to receive by devise, request, donation, or otherwise, either real or personal property, and to hold the same absolutely or in trust and to invest, reinvest, and manage the same in accordance with the provisions of its constitution and to apply said property and the income arising therefrom to the objects of its creation and according to the instructions of its donors.

SEC. 8. That said corporation shall on or before the 1st day of January in each year make and transmit to Congress a report of its proceedings for the preceding calendar year, including a full and complete report of its receipts and expenditures: *Provided, however*, That said report shall not be printed as a public document.

SEC. 9. That as a condition precedent to the exercise of any power or privilege herein granted or conferred, "The American National Theater and Academy" shall file in the office of the Secretary or the properly designated officer of each State or Territory or the District of Columbia in which is located either its headquarters or branches or subdivisions thereof the name and post-office address of an authorized agent upon whom legal process or demand against "The American National Theater and Academy" may be served.

SEC. 10. That the right to repeal, alter, or amend this act is hereby expressly reserved.

JOSEPH W. BYRNS,
Speaker of the House of Representatives.

JOHN N. GARNER,
Vice President of the United States and President of the Senate.

Approved July 5, 1935.

FRANKLIN D. ROOSEVELT.

CARE AND ANTA

CARE is happy to be associated with ANTA in this enterprise. It serves not only the great cultural purpose for which ANTA was organized, but also the far-reaching humanitarian aims that to the American people are associated with the name of CARE. The fact that ANTA invited CARE to co-sponsor its annual album show for 1955 is proof of the understanding of the responsibilities which we, the American people as a whole, have towards the outside world and its manifold needs. Foreign aid is not a problem for the Government alone. It is something that concerns all of us and if such aid is indeed to bring the lasting result we all hope for: To awaken and strengthen democracy in all the areas of need throughout the free world, to contribute to the enlightenment of peoples everywhere, and to foster mutual understanding and friendship between free nations.

It is in that concept that CARE has carried on its worldwide aid program since its founding almost a decade ago. During those years CARE's operations have expanded from direct aid to relatives and friends in Europe to the more general relief of needy people in war-torn Vietnam, Korea, and other countries of the East and Latin America. It has also added the concept of self-help, which puts into the hands of free men the tools "to help them help themselves."

It is with a great deal of pride that I, as executive director of CARE, in which 25 major welfare organizations of the United States have forged a joint instrument for foreign aid, hail the fact that through the cooperation of ANTA the humanitarian work of CARE will receive new substantial support.

PAUL COMLY FRENCH,
Executive Director, CARE.

A MESSAGE FROM ANTA'S EXECUTIVE DIRECTOR

In presenting the ANTA Album on closed circuit television this year, ANTA is attempting to fulfill a multifold purpose: To make the legitimate theater available to the country at large over a new medium for the first time—to spread the name of ANTA, its aims and purposes and the importance of its congressional charter—and to raise money with which CARE and ANTA can continue to carry out their work.

The importance of CARE's humanitarian activities abroad needs no delineation on this page and ANTA's own contributions in combating Iron Curtain propaganda overseas is explained elsewhere in this brochure. It is, however, ANTA's domestic program that we want to bring to the attention of the theater-loving public. ANTA's primary purpose, as expressed in its charter, is to extend the living theater throughout the United States—in fact, to establish a national theater. This is a vast undertaking, requiring sound, long-range planning; it is not to be accomplished overnight. ANTA has developed such a plan, which it considers to be a first step in the establishment of a national theater. It is the 40 theater circuit.

This project is broad in scope, imaginative in design and unique in economic concept. Space limitations prevent a detailed explanation here. Briefly, however, it calls for the creation of four production centers, in each of which 10 different plays will be prepared for production. These centers will be strategically located geographically—one on the east coast, one on the west, one in the central States and the other in the south central or southwestern section. Thus we will develop 4 professional talent pool areas in diverse locations across the country instead of concentrating this talent in New York as happens now. It will also mean the creation of 3 new centers of production activity outside New York. In addition, the plan will establish operating theaters in 40 cities of the United States—cities which presently receive little or no professional theater. These theaters will be operated on a nonprofit corporate basis through ANTA chapters founded in the respective communities.

After the plays have been rehearsed and mounted in the production centers, the companies will fan out to the 40 theaters and on 1 given night, all 40 plays will open simultaneously in 40 cities across the country Each production will run 1 week in each city and then begin a circuit tour of 1 week engagements in the remaining 39. This means that audiences in 40 cities from coast to coast will have the opportunity to see 40 professional theater productions in as many weeks. It means, too, that 40 companies of actors, staff and crew will be assured of 40 weeks' employment. This adoption of mass production techniques and assembly-line methods will cut production costs drastically by engagement of personnel on a seasonal basis, the buying of supplies in bulk quantity and reduction of transportation costs through the equipping of all the theaters with basic lighting and scenic requirements. The streamlined budget makes it possible to bring this saving directly to the audience by scaling the box-office ticket prices to a high of $2.50 down to $1.50.

The season of plays will include an exciting balance of varied theatrical fare—revivals of Broadway hits, the classics of

Shakespeare and Shaw, 2 to 4 musicals and 3 to 4 new scripts, running the full gamut of comedy, tragedy, melodrama, and farce. The best of the theater will be made available to the greatest number of people at the most reasonable prices.

All this requires financing, which ANTA proposes to acquire from three basic sources. First, the foundations have expressed a deep interest in assisting and promoting such a project. Second, the theater profession itself is ready to make a variety of contributions ranging from cash to concessions. And third, the communities which will enjoy the fruit of this labor will, we know, want to participate in the establishment of theaters in which the whole country can share and which will prove to the world in dramatic terms that the United States has created a native culture of which it is proud and which it supports.

WILLARD SWIRE,
Executive Director, American National Theatre and Academy.

DUMONT TELEVISION NETWORK,
New York, N. Y.

History has been made by everyone connected with the 1955 ANTA Album, on both sides of the footlights. For the first time, the brightest stars in the theatrical firmament, who annually contribute their talents to make the ANTA Album the top box office attraction of New York's brilliant theater season, can be seen and heard simultaneously in cities throughout the land. From coast to coast and from Canada to the Gulf of Mexico, theater lovers of the United States can see and enjoy the leading luminaries of the legitimate stage. They are seen portraying roles which established or enhanced their fame and they are seen simultaneously with their action. No "canned" shadow of a bygone scene is this performance, but an electronic transmigration of their living art to be relished by nearly 100,000 devotees gathered in upwards of 40 farflung theaters across the country.

This Telectronic miracle has been achieved with the cooperation of the DuMont television network. DuMont's Adelphi Teletheatre is playing host to a New York audience of 1,100 and, at the same time that the action is being witnessed by the live audience, it is being televised by a battery of 6 DuMont cameras which instantaneously flash the televised images over some 7,500 miles of coaxial cables and microwave relays to theater screens in other cities.

The Adelphi Theatre has been well known for many years to New York audiences who formerly saw leading Broadway productions on its stage. A few years ago DuMont converted it to television production and since that time television audiences throughout the country have become familiar with it as the source of such successful TV programs as Opera Cameos, Chance of a Lifetime and Bishop Fulton J. Sheen's Life Is Worth Living.

The telecast of the 1955 ANTA Album is like the iceberg which shows only 10 percent of its mass above the surface. While the New York audience can see a maze of electronic equipment and a small army of technicians (which is invisible to the remote audiences) the major part of the DuMont equipment and personnel who participated in the project remain anoymously behind the scenes. More than 100 members of the DuMont organization have been involved in the planning and execution of this telecast. Executives of ANTA, CARE, and DuMont spent more than 6 months studying the myriad of details connected with this unique undertaking. Television stations affiliated with the DuMont network in all parts of the country have helped to publicize this trailblazing event with the result that ANTA is better known throughout the land than ever before. By this cooperation between television and the theater, ANTA has taken an aggressive step toward the goal for which it was chartered by Congress—to establish a truly national theater and academy in America.

M. A. MAYERS,
General Manager, Closed Circuit Operation.

ANTA'S OFFICERS SPEAK

The American National Theater and Academy is the only theatrical organization in this country designed to serve all facets of the American theater—professional, community, and educational. ANTA has an impressive record of past achievement, a practical assortment of current services, and stimulating plans for the future.

In an effort to make ANTA a truly national organization, we have worked toward wide regional representation on our board of directors. This year we are proud to announce that we have board members from 23 States, representing all phases of theater activity.

ANTA has sponsored two national theater assemblies, the first in 1950 in New York and the second in Cincinnati in 1953. Delegates attended from every region of the Nation. Organizations and leaders from community, university, high school, and children's theater, together with representatives of professional theater and the major theatrical unions, reaffirmed their faith in ANTA as the instrumental organization through which national-theater cooperation can be achieved.

Under ANTA sponsorship, two Monterey drama festivals in 1952 and 1953 have showcased many farflung California theater groups. ANTA has also helped to organize and service almost all the various regional conferences. ANTA representatives or guest speakers have appeared at the annual Southwest, Southeastern, New England, Children's, and Arena Theater Conferences.

ANTA's usefulness and effectiveness are dependent on the needs of the theaters across the country. Requests for assistance and advice, suggested improvements, ideas for new projects and constructive criticism are essential for ANTA's existence and expansion. Its growth lies in direct proportion to national interest and support.

With the help of our membership and the goodwill of press and public, it will be our constant endeavor to carry out both the spirit and intent of our charter.

CLARENCE DERWENT,
President, American National Theater and Academy.

Tonight about 100,000 friends of CARE, ANTA, and the living theater will enjoy a performance which is epoch making. Never before have so many people gathered in theaters to see a presentation of the best of the stage—"live," as our television friends call it.

This evening may easily set a precedent, whereby each and every one of us, though we live in different parts of the world, shares the thrill of a first night at the same time with those actually within the building where it is held. It might be Sir Lawrence Olivier speaking, "Now is the winter of our discontent" from Richard III in the Shakespeare Theater at Stratford, or Willy Loman in Death of a Salesman searching for an answer to what has gone wrong in suburban New York or the birth of a new ballet in a faraway capital. It is conceivable that one performance on closed-circuit television might be seen by more persons than have ever attended all the plays of Shakespeare from the time of the writing until now.

Whatever the future holds for ANTA, it may well feel that on this evening it has opened a new door through which may flow the stimulus of man's thought in its most exciting form—the magic of the shared theater.

ROBERT W. DOWLING,
Chairman, Board of Directors, American National Theater and Academy.

GIFT TO LIBRARY OF CONGRESS OF ARAMAIC NEW TESTAMENT

Mr. MUNDT. Mr. President, it is my privilege to call attention to the book which, on Friday last, was deposited in the vault of the Library of Congress. This New Testament is the oldest known in the language of Christ. As ours is a country whose most solemn pronouncements contain the words "under God," no other worldly possession could be more important to us. The New Testament is a book addressed to the people and beloved by the people throughout the Christian centuries. It is therefore appropriate that this earliest documentation should belong to the people. The gift of this Codex to the Library of Congress is a gift to the people of the United States and of the world. The Aramaic Bible Foundation in undertaking to make this gift possible deserves every commendation and encouragement. The announcement of this gift made front page news in virtually every American newspaper. The manuscript itself deserves the attention of everyone. For Members of Congress and the press the book will be available for private inspection on Thursday, tomorrow, at the Whitall Pavilion of the Library of Congress from 11 to 4. It will be put on public view under glass in a case specially built for the purpose and installed in the great Hall of the Library of Congress on Tuesday the 5th of April.

At a time when the great enemy of this country is seeking to invalidate and discourage the teachings of the Bible, it seems to me appropriate that, in this year, this volume is made available in our historic Library.

EDITORIAL COMMENT ON THE ADMINISTRATION'S HIGHWAY PROGRAM

Mr. BYRD. Mr. President, I ask unanimous consent to have printed in the body of the RECORD at this point a number of editorials respecting the administration's highway program.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Shawnee (Okla.) News-Star of January 18, 1955]

EITHER WAY, WE GET THE ROADS

Senator HARRY BYRD, of Virginia, has come out in strong opposition to the highway building program submitted by the President's committee. BYRD contends the bond-financing plan evades the Federal debt limitation, actually puts the Government in the position of keeping two sets of books.

As an alternative, the Virginia solon has outlined a highway-financing program of which these provisions are major items:

1. Repeal the 2-cent gasoline tax now being collected by the Federal Government, permitting the States to reimpose it.

2. Continuing present Federal aid to primary, secondary, and urban road systems on a long-standing matching basis. This amounts to $535 million yearly.

3. Continue the lubricating oil tax now collected by the Federal Government.

4. Add a half-cent per gallon gas tax, which with the oil levy, will be sufficient to underwrite the $535 million Federal aid program.

BYRD makes the point that if a $20 billion bond issue is made as recommended by the committee, each dollar borrowed will eventually cost the road users $1.55. His is a pay-as-you-go program.

In one vital respect, there is no conflict whatever: Both the committee and BYRD recognize there is a desperate need for a highway-building program. The question is which is the better way to finance such a program.

BYRD, as outstanding defender of the national credit, presently seems the only leader greatly concerned with holding to the Federal debt limitation. His challenging statement that not a dollar has been paid on the Federal debt in 25 years, causes one to think maybe the Virginian has a point when he contends retirement of the proposed $20 billion bond issue by 1987 would never come to pass.

[From the Tulsa (Okla.) Tribune of January 28, 1955]

SOME STATES CAN'T BE TRUSTED

Yesterday on this page there was a good pro and con discussion of the Clay Committee's $101 billion highway plan. It pointed out the objections Senator BYRD has to the proposal because it interferes with States rights. Remove the Federal gasoline tax, or most of it, the Virginia solon urges, let the States increase their gasoline taxes by that much and build more of their own highways.

The joker in the Byrd scheme is that there are too many States like Oklahoma which will not spend the proportion of their highway money that they should on the interstate system. We've seen almost a complete breakdown here of the main-traveled highways while we've laid stretches of concrete over country lanes. This finally made it necessary to build a toll road between Tulsa and Oklahoma City. There should have been a free 4-lane road along an improved United States 66 routing between the 2 cities years ago.

We've been promised a correction of this policy by Governor Gary. He said most of the expenditures during his administration will be on the neglected heavy-traffic highways. But we are years behind on such a program and there is no assurance that the next governor will continue the Gary plan or, for that matter, that Gary will be able to overcome all the legislative bias for the sectional road.

We are no more desirous than Senator BYRD or the American Petroleum Institute of having the Federal gasoline tax fixed on motorists for 30 years, as would be required to secure the bonds the Clay committee would have issued to pay for the highway improvement program. But the theory of separating the Federal Government from the interstate highway program to any greater degree than it is today will never get us an integrated system. There are too many political roadbuilders in the State capitols of the United States.

[From the Homestead (Pa.) Messenger of January 24, 1955]

FEDERAL HIGHWAYS

Senator HARRY F. BYRD, Democrat, of Virginia, known for his close attention to national economy, has serious misgivings about the national highway construction program proposed in the Clay Commission highway report. President Eisenhower's road construction program is based on this Commission's recommendations.

The Commission recommends establishment of a Federal corporation for the highway program. This Corporation would borrow $20 billion from the public and collect $5 billion in fees from filling stations, motels, etc., operating along the roads to be constructed. This $25 billion would be obtained to build an estimated 40,000 miles of road.

The $20 billion borrowed from the public plus an estimated $11.5 billion in interest on the loan (figured at 3 percent over 30 years) would be paid, the committee implies, from taxes on gasoline and lubricating oils.

Under this plan, the Federal Corporation would be something like the Pennsylvania Turnpike Commission. Instead of tolls, however, the Federal agency would have gas and oil taxes to defray the costs. The Turnpike Commission is paying off its debt much faster than it had ever dreamed; so fast, that plans for construction of turnpike spurs are now cluttering the planning boards.

This tendency is a part of Senator BYRD's opposition to the Federal plan. As he says: "It may be expected that even before the 40,000 miles are constructed, the program will be expanded in mileage, scope, and and amount."

Senator BYRD points out that the recommended 40,000 miles of national roads represents less than 1 percent of all road mileage and averages out to about 800 miles per State. In this connection, the Pennsylvania Turnpike, 327 miles in length, represents less than .004 percent of Pensylvania's 88,000 miles of highway.

The 800 miles per State average to which Senator BYRD refers appears a small amount of road, yet 327 miles of Pennsylvania's Turnpike links the port city of Philadelphia with the industrial city of Pittsburgh. The linking of great urban centers, prime purpose of a national highway system, would probably not require more than 800 miles of road even in the largest States. At the same time, there is no indication that the national-road program contemplates equalizing the mileage to be built in each State. The roads will be constructed where needed, we would assume, so that 1 State might have 1,600 miles and others only a hundred.

Senator BYRD also declares, "As we grow, population shifts, and the impact on specific roads changes, and therefore our road needs shift and change."

Populations do shift, but great industrial centers remain permanent and well-constructed highways allowing free and fast traffic flow will always be favored by motorists bound to them. Growth of new industrial centers is a relatively slow process and normally occurs along transportation rights-of-way offering easy access.

Senator BYRD points up, too, the States rights issue when he says: "When the Federal Government makes a grant, it directs the exact manner in which the fund is expended, even though the expenditure is partly contributed by the State." This is true in one way or another of every lender-borrower relationship and appears to be good business.

As a substitute for the Clay Commission recommendations, Senator BYRD proposes that the 2-cent Federal gasoline tax now imposed be repealed, permitting the States to reimpose it, and that it be replaced by a one-half cent Federal tax; that the Federal Government continue its matching-fund program, amounting to $535 million, and continue its lubricating-oil tax.

This, the Senator says, would permit the States to retain control over their roads, would save $11.5 billion interest, and would evenly distribute road revenue over future years to keep highways modernized to meet changing conditions.

But, the Senator's proposals would not provide the needed new highway system, entire end and aim of the Commission recommendations. Many States, burdened with heavy costs, have permitted highway systems to deteriorate. Permitting them to impose the 2-cent gasoline tax abandoned by the Federal Government does not mean such revenue would go to highway construction. Part or all of it may go to meet what the State considers more pressing obligations.

[From the Pittsburgh (Pa.) Press of January 17, 1955]

MR. BYRD WARMS UP

Senator HARRY F. BYRD has come out with a preliminary appraisal of the $101-billion highway program proposed by President Eisenhower's Advisory Commission.

The respected Virginian has made it clear that he is choosing his words with restraint, pending Ike's formal announcement on where he stands.

While merely warming up, so to speak, Mr. BYRD has this to say: "Legerdemain * * * thoroughly unsound * * * a procedure that would violate financial principles, defy budgetary control and evade the Federal debt."

That is pretty good for a starter. In full voice, Mr. BYRD may peel the paint right off the White House.

We admire both his splendid early season form and his views on this matter.

The President's commission says among other things that if a Federal corporation is set up, and if that corporation sells $20 billion worth of 30-year bonds, then for some reason or other we can just forget about adding the total to our national debt.

Nonsense, says Mr. BYRD. The so-called corporation plans to pay 3 percent interest to the bond buyers. Over 30 years, that'll mean the buyers must be paid back their $20 billion plus $11.5 billion in interest. And who'll be in hock for all those billions? The taxpayers, of course. If that isn't adding to the national debt, what is?

Good luck, Senator BYRD. From any angle the whole setup looks about as sound as a chain letter.

[From the Reading (Pa.) Eagle of January 25, 1955]

THOROUGHLY UNSOUND

A business executive who discovered that his expenditures were too large for safety could not get his firm out of difficulty by keeping a special cash account that would not be entered in the annual balance sheet. Before long, such accounting would only get a firm into greater financial difficulties. It also would be sure to get whoever tried that method of ignoring realities in heavy trouble with the Government.

Because it is impossible to get rid of an obligation by refusing to look at it and hoping that it will go away if it is ignored, we share Senator HARRY F. BYRD's view about the money-raising formula whereby President Eisenhower's highway committee proposes to finance the $101 billion 10-year road-building program, which Ike says should be initiated.

The committee's idea is to have a special Federal corporation issue Government-guaranteed bonds. These bonds would not be counted as part of the national debt. However, Congress would be required to appropriate the money to pay interest and principal on them.

Such procedures, declares BYRD, would violate financing principles, defy budgetary control, and evade the Federal debt law.

The Senator is so obviously correct that further discussion on that point is unnecessary. Whether the account is kept in the regular book or in a new one at which auditors are not supposed to look, the result is the same. The money spent for roads would be the people's money. Likewise the debt would be their obligation.

Individuals have gone to prison for keeping a separate set of books for the purpose of hiding facts from the Government. What should be done about Government officials who hide the facts from themselves is a

question which probably could best be answered by psychiatrists.

Whatever one may think about the substitute plan which BYRD has submitted, the Senator still deserves credit for making a suggestion that is in accord with honest accounting, elementary arithmetic, and the legal debt limit.

BYRD would continue the present program of allotting $535 million a year to the States on a matching basis. He also would permit the States to take the 2-cents-per-gallon gas tax that the Federal Government now gets and levy a special half-cent tax for the Nation's share of the burden. That, he opines, added to what is realized by the present tax on lubricating oil, would suffice to pay for the highway program.

Maybe BYRD is figuring correctly, and maybe he isn't. But at least he's figuring, and doing it out in the open. His methods would be sound and subject to controls. Those suggested by the committee wouldn't be.

[From the Washington (Pa.) Observer of January 27, 1955]

NEW ROAD PROGRAM

President Eisenhower's vast new road-building program has encountered serious opposition in Congress even before its formal submission. One critic is Senator HARRY F. BYRD, Democrat, Virginia, chairman of the Senate Finance Commitee and economy "watchdog" on Capitol Hill.

As outlined in the report of the President's Advisory Committee on a National Highway Program submitted on January 11, the 10-year plan concentrates "on modernizing the key 40,000-mile national system of interstate highways." The Federal Government would continue for 10 years its regular aid to States, at a rate of about $600 million a year. The State and local governments would spend about $70 billion over the 10 years.

In addition to its regular contributions to State governments the Federal Government would spend an additional $25 billion on interstate highways. Some $5 billion of this would come from licenses—filling stations, motels—on the right-of-way. The remaining $20 billion would come from 30-year, 3-percent bonds issued by a Federal highway corporation.

These bonds, fully taxable, would be guaranteed by the United States Treasury, but the debt represented would not be included in the public debt under obligations guaranteed by the Government. Annual payments would be met by appropriations by Congress out of "the revenues which the Federal Government will derive from the motor vehicle fuel and lubricating oil taxes projected at the present rates."

The $20-billion bond plan, says Senator BYRD, would mean "operating the Government on two sets of books: one set for activities financed by borrowing outside the (public) debt and expenditures outside budgetary control, and the other set for activities financed by borrowing on the record and expenditures under budget control."

BYRD charges also that the bond plan would "dry up gasoline tax revenue for 20 years, from 1966 to 1987," although these revenues would not be specifically earmarked for debt retirement by Congress. And he points out that the aggregated interest charges on the bonds would run to more than $11.5 billion, or 55 cents on the dollar.

BYRD would reduce the present 2-cents-per-gallon Federal gasoline tax to one-half cent per gallon, enabling the States to impose higher taxes to take up the difference. Then, aside from continued regular Federal aid to the States on a matching basis, road construction would be a State responsibility. Thus, says BYRD:

States would retain as much control over their roads as they have had in the past; $11.5 billion interest would be saved for additional road construction; and road revenue would be evenly distributed over future years to keep highways modernized to meet changing conditions.

Whether the Federal or State Governments are to bear the increased costs of an adequate highway system, our highways will have to carry some 80 million vehicles by 1974, according to the President's commission. Its chairman, Gen. Lucius D. Clay, told the National Conference on Highway Financing of the United States Chamber of Commerce on January 13: "We are indeed caught in a traffic jam, nationwise."

[From the Williamsport (Pa.) Gazette-Bulletin of January 20, 1955]

UNCLE SAM TURNS TO AUTHORITY FINANCING

If Senator SPARKMAN can get away with saying that he believes Dwight Eisenhower should be a Democrat instead of a Republican, we have license to comment that we think Senator HARRY F. BYRD ought to be a Republican instead of a Democrat.

The distinguished Senator from Virginia has just released a statement on what he thinks of the Clay Commission highway report. That's the report that advocates Federal spending of $25 billion to build 40,000 miles of road as an interstate highway system.

Senator BYRD doesn't like the plan one iota. He says the way it is to be financed violates financing principles, defies budgetary control, and evades Federal debt law. Moreover, he points out that sinking so much money in such a permanent road program is dangerous because no one can predict years in advance what specific roads will carry the most traffic.

The Virginia Senator outlines in detail how the Clay Commission suggests the Federal road program be financed. The plan sounds very much like the king-sized version of a local authority. And you know that an authority is one of those financial animals that evolved from the easy-payment plan and is stalking the land urging every township, borough, city, State, and region to ignore its corporate debt limits.

Everyone knows, or should, that long-term financing of any kind, and particularly under an authority, makes things cost twice as much as they do. Now listen to Senator BYRD on the highway financing plan.

For the building of the 40,000 miles of road, "the committee recommends borrowing $20 billion at 3-percent interest and collection of $5 billion in fees from filling stations, motels, etc., operating on the rights-of-way.

"If the 30-year taxable bonds recommended by the committee can be sold at 3-percent interest, and if they are paid off on schedule—the last maturing in 1987, the interest would cost more than $11.5 billion. At this rate every dollar borrowed would cost taxpayers $1.55.

"Based on all recent Federal experience, I (BYRD) submit it is a violent assumption to predict these bonds will be paid off at maturity. In effect, we have not paid off a single dollar of Federal debt in 25 years."

Is it any wonder the Virginia Senator says the plan violates financing principles? And, of course, such a plan wouldn't be considered part of the national debt. But debt or not it would have to be paid off.

That can be understood by Williamsport folks who are now paying sewage-disposal rentals, by school districts who under authorities are renting school buildings, by motorists who are paying off debts incurred by parking authorities and such.

Let it be understood that an authority is not an evil device in itself. It's what men do with it. In no case should any taxpayer delude himself into believing that what authorities borrow need not be paid off and is no debt. It's the same as with a washing machine, radio, or sweeper you buy. You rent it until the purchase price is equaled by the rentals, plus interest and carrying charges and then it's yours.

It will be the same with the Federal road program. Uncle Sam doesn't call it an authority. Perhaps advisedly. But the cost of building the roads will be a debt against the people. That's what Senator BYRD is hollering about. And we join in the chorus.

Authorities are all right in their place but it's high time there is some State and Federal legislation to call authority borrowing debt for that's what it is. There must be some checkrein on this type of financing before the wealthiest Nation in the world goes broke.

The PRESIDING OFFICER (Mr. MCNAMARA in the chair). Is there any further morning business to be transacted? If not, morning business is closed.

INCENTIVE PAY INCREASES FOR THE ARMED SERVICES

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of H. R. 4720.

The PRESIDING OFFICER. The clerk will state the bill by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H. R. 4720) to provide incentives for members of the uniformed services by increasing pay and allowances.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas.

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Committee on Armed Services with amendments.

Mr. RUSSELL. Mr. President, the bill which is now the unfinished business of the Senate is, as stated in its title, an incentive pay bill for the armed services. It comes to the Senate with the unanimous approval of the Committee on Armed Services. On the desk of every Senator there is a copy of the hearings on the bill. At the hearings the committee heard from all the branches of the armed services and, in addition, from 14 to 15 organizations, such as the American Legion, which have long manifested an interest in the whole program of national defense.

The overall pay increase provided in the bill is approximately 6.7 percent.

A comparison between increases in the pay of military personnel and increases in pay of the civilian employees of the Government shows that the pending bill gives a very modest increase in the compensation of military personnel.

An examination of pay increases since World War II discloses that, with respect to civilian employees, in 1948 they received an 11-percent increase in compensation. In 1949 they received 4.1-percent increase in compensation. In 1951 they receive a 10-percent increase. In 1955, this year, the Senate passed and sent to the House a bill providing for a 10-percent increase.

In the case of the armed services personnel, in 1949, Congress passed a career compensation act providing for an average increase of 12 percent. In 1952 the armed services personnel received an

increase of 5.7 percent. As I stated a moment ago, the bill before the Senate proposes an increase of 6.7 percent. All the percentages I have stated represent increases in the budget estimates for compensation.

Mr. President, the basic purpose of this bill is to reduce the tremendous turnover in the personnel of the armed services. The turnover has reached alarming proportions. It has brought about a reduction in our military experience level and has caused the expenditure of enormous sums of money in training the highly skilled personnel essential in today's military organization. It is even more important, Mr. President, that we maintain experienced and trained personnel when the administration is reducing the overall number of men in the military services.

I shall not at this time discuss the wisdom or the unwisdom of that program, but it is very evident that we are going to have a considerably smaller number of men in the armed services, and I think all will agree—indeed, the President, in his message, stressed the fact—that a reduction in the overall number makes it necessary to retain as many as possible of those who have skills so that the Military Establishment of the Nation may be enabled to assume and maintain a position of readiness.

This bill does not approach an increase by any overall flat percentages. It proposes to allow selective increases at points in the careers of men in the armed services where experience demonstrates that they are more likely to leave the service for private work.

We have the largest peacetime military organization we have ever known, and all the signs indicate that it is likely to continue to be large not only for years, but for decades.

I referred to the turnover problem in the armed services. It is significant to note that the total turnover for 2 fiscal years, 1954 and 1955, will be 3,713,000 men. That includes losses of 1,963,200 and gains of 1,749,800. The accretions are less than the losses because of the reduction in the total number of personnel in the armed services.

On June 30, 1954, the total strength was 3,302,000. On June 30, 1955, it is expected to be 2,947,000.

In the year 1954, Mr. President, the armed services experienced one of the lowest reenlistment rates in the history of the Nation; and that was true despite the fact that Congress enacted last year a reenlistment bonus by which it was sought to encourage men to reenlist and make a career of the military service.

In the Army, during 1954, the reenlistment record was only 11.6 percent, whereas in 1949 it was 41.2 percent.

That will give the Senate some idea of the very drastic reduction in the reenlistment rate which makes such legislation as is embraced in this bill absolutely necessary.

In the other services, the Navy and the Air Force, there have also been seriously declining reenlistment rates. In the past several months it is encouraging to note that there has been a slight upturn in reenlistments in all services. Those who have familiarity with the facts attribute this increasing reenlistment rate to the anticipated passage of this proposed legislation. It has had some effect even before its enactment, and we sincerely hope and trust that the enactment of this bill will restore the reenlistment rate in all lines, both commissioned officers and enlisted men, by somewhere in the neighborhood of 50 percent.

The turnover rate in officer personnel is also tremendous. For the 2 fiscal years 1954 and 1955, the turnover is expected to be 264,000, representing losses of 144,000, and accretions of 120,000.

There are many indications, especially among the young commissioned officers, that military service is becoming less and less attractive. Some legislation must be enacted by the Congress to give these men the incentive to make a career of the Army if the efficiency of the armed services is not to suffer greatly.

In the fiscal year 1955, at the present rate, the Air Force will lose by voluntary separation approximately 4,500 pilots, principally in the lower grades. Today in the Air Force the problem is so great that in order to achieve a net increase of 1 pilot it is necessary to train 2½ pilots. The training of pilots in the Air Force involves the expenditure of very large sums of money. I shall give some of the figures very shortly. In this connection, Mr. President, we might well remember that, as the President stated to the Congress in his message on the state of the Union, the operation of jet aircraft was considered by insurance companies to be the most dangerous of all vocations.

Mr. SALTONSTALL. Mr. President, will the Senator from Georgia yield?

Mr. RUSSELL. In a moment. I should like, first, to state the figures.

In 1954, 1 fatality resulted from each 5 major aircraft accidents.

In 1930, in the days of propeller planes, the figure was 1 out of 13.

In 1947, it was 1 out of 8.

I do not have the figures before me, but in the report it will be found that experienced jet pilots whom we are seeking to retain through this proposed legislation have a very low rate of accidents. Most of them occur with those who are in training. The enactment of this bill, we hope, will reduce the rate and obviate the difficulty with respect to insurance to which the President referred in his message.

I now yield to the Senator from Massachusetts.

Mr. SALTONSTALL. I think the Senator from Georgia has covered what I had in mind, namely, that while jet flying is extremely dangerous, the number of overall accidents in the Air Force training program per 100,000 flying hours has decreased over the years rather than increased.

Mr. RUSSELL. There is no question about that. Pilots with experience prefer jet aircraft to the conventional type of ship. They say it has greater stability and has other features which make it preferable for those who are experienced pilots.

Mr. KEFAUVER. Mr. President, will the Senator from Georgia yield?

Mr. RUSSELL. I yield.

Mr. KEFAUVER. At this point in the discussion I think it is interesting to note the chart at the bottom of page 70 of the very excellent hearings conducted by the committee. It shows the tremendous decrease in airplane accidents after pilots have had 500 hours of training. The accident rate drops from almost 70 per 100,000 flying hours, in the beginning, to about 10 or 15 after the pilots had between 500 and 1,000 hours of training.

The chart demonstrates very vividly, I think, the saving, not only in the money which is needed to finance the training of young fliers, but also in the cost of repairing or rebuilding airplanes damaged in accidents. Therefore, I believe the incentive pay to induce these men to continue in service is fully justified.

Mr. RUSSELL. I thank the distinguished Senator from Tennessee for calling attention to the chart. I had the chart in mind, but had forgotten that it was included in the record of the hearings. I knew it had been discussed.

Not only will there be a saving of human lives and a reduction of injuries to human beings, but also, from a purely monetary standpoint, there will be a great reduction in the losses of aircraft.

Mr. THYE. Mr. President, will the Senator yield?

Mr. RUSSELL. I am happy to yield to the distinguished Senator from Minnesota.

Mr. THYE. Unless the military service can be made sufficiently attractive, the best of our American youth will not seek to qualify themselves as pilots or for any other positions in the Air Force. Men cannot be drafted for that service and then be expected to do the highly skilled work of a pilot. Those who are drafted can be assigned to the lower echelons of the service, but those drafted cannot be expected to do outstanding work as pilots of jet planes. If they are drafted, they will remain in the service for only a relatively short period of time.

Therefore, the incentive pay bill, which contains provisions to care for families, should make the Air Service attractive to young men. It is desirable to have an incentive for a family man, not only to enlist in the service, but also to continue in it.

I think the bill which is now before Senate, which has been so ably developed under the leadership of the distinguished Senator from Georgia, who is chairman of the Committee on Armed Services, is a measure which will assure the Nation of having the best of its youth seeking careers in the military service in the future. Once they are trained, the country will have an investment which will remain a credit to the United States. These young men will depart from the service and go into other work. The Government will thereby have made an investment which it will not lose within a matter of a few years.

I commend the distinguished Senator from Georgia for having brought before the Senate a bill which embodies so much looking to the future security of the United States, by providing for the continuance in the military service of men who are ably qualified for that service.

Mr. RUSSELL. Mr. President, I express appreciation to the distinguished Senator from Minnesota for his kind remarks about me. With the exception of what he said about the junior Senator from Georgia, the statement of the Senator from Minnesota showed an unusually fine grasp of the purposes of the bill, and the hopes of those who are promoting it on the floor as to what it will accomplish.

Mr. THYE. Mr. President, if the Senator from Georgia will further yield, there is no Member of the Senate for whom I have higher regard or respect than I do for the Senator from Georgia, who is chairman of the Committee on Armed Services, Senator RICHARD RUSSELL. I am guilty of no equivocation when I make that kind of remark, whether it be with respect to a military bill, an agricultural bill, or any other type of measure.

Mr. RUSSELL. I am most grateful to the distinguished Senator. I sincerely reciprocate his kindly expressions.

We have been discussing aircraft. Let us now turn to the field of submarine operations. In the submarine service, it is important to have men of long experience and highly developed skills. The records show that it is becoming increasingly difficult to retain men in this very vital branch of the service. The Navy has developed its first atomic submarine. It is planned to build 3 or 4 additional of these very remarkable craft, which can stay submerged for many hours.

But it must be remembered that living conditions on a submarine are very difficult, at best, and that it is essential to make careers in the submarine service more attractive if this very vital arm of our Defense Establishment is to be maintained.

I shall merely comment briefly on some of the facts reflected by the evidence developed at the hearings as to the cost of retaining personnel in certain fields of the military service, and the enormous financial losses which are incurred when trained personnel leave the service. I point out that it costs $3,200 for basic training or boot training, for the first 6 months. In other words, whereas the cost of the entire bill will be $745 million, it costs $960 million to give 300,000 men their basic training.

At present it costs $9,000 to train a radio repairman, and then he will very likely be lost to private industry, unless he be given an incentive, such as the bill provides, to remain in the military service.

It costs $120,000 to train a fighter pilot to handle a jet plane. A man must have had long training before he can be entrusted with the handling of one of the very valuable B–47's, which are so essential to our Strategic Air Command. To train such a pilot costs $275,000.

So if the bill only partially accomplishes the purpose of retaining men of these skills in the armed services, it will be an economy to the Treasury of the United States, merely based on the cost of training new personnel to supplant those who are now leaving the service.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. JOHNSTON of South Carolina. I am very much struck by the point which the Senator is bringing out about the turnover and the training of new personnel. I know what he states is certainly true in the military field, probably even more so than in the civilian field. The same situation has been experienced with respect to employees in the civil service. There has been a turnover of 1 million persons in the past 2 years, out of approximately 2,500,000 employed. This has meant a loss to the Federal Government of millions of dollars, because when a man or woman is newly employed, it must be realized that he or she cannot immediately do the work as efficiently as can a person who has been trained over a period of several years. The same is true in the military service, only more emphasized.

Mr. RUSSELL. The turnover is becoming very alarming in some branches of the service. For example, of 4,000 young naval officers who had received training in the Naval ROTC units, and who had completed their obligated service over a period of 3 years, only 200 applied for commissions in the Regular Navy. So it is very evident that there has been an alarming degree of erosion of trained men from the armed services.

The basic concept of the bill is to reduce the personnel turnover by granting pay increases on a selective basis.

The selective features of the bill are as follows:

In the first place, there are no increases in basic pay of enlisted men and officers during their period of obligated service. In other words, for the first 3 years of commissioned service or for the first 2 years of enlisted service, there is no increase in basic pay. That is under the so-called obligated theory.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield to the Senator from Massachusetts.

Mr. SALTONSTALL. By the term "obligated service," the Senator means a period which a man in the enlisted service might have had to serve under the Selective Service Act; and in the case of officers, they would merely be carrying out the obligation of a contract under which they had taken training to become officers. Is that not correct?

Mr. RUSSELL. That is correct. An officer obligates himself for 3 years to recompense the Government for the expense to which it has been put in providing training for the officer in the college where he was a student, and who then become a second lieutenant in the Reserves.

Mr. SALTONSTALL. The theory of the bill is that there should be no incentive pay for a man who is merely doing his duty. Is that not correct?

Mr. RUSSELL. For an obligation which arises under the law; that is correct.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield to the Senator from South Carolina.

Mr. JOHNSTON of South Carolina. Along the line which has been discussed, is there any incentive in the bill for a person who is not presently in the service, but who has served for a term of years and who would like to get back in the service?

Mr. RUSSELL. Yes. If he has certain skills, he would get the benefit of the increases provided by the bill. There might be some cases of men who have Reserve status who would feel the provision would be an incentive for them to go back to active duty.

Continuing with my statement, for those electing to remain in military service beyond their obligated period, there are substantial increases.

There are also substantial increases at later points in service so as to provide a greater incentive to remain on a career basis and compete for future promotions, as well as to make a career in the armed services. Examples of the basic-pay increases can be found on page 9 of the committee report. A complete table for each grade and rank can be found on table A of the report, beginning on page 21.

Mr. President, the basic pay scales contained in this bill have as a basis the scales first recommended in 1948 by the Advisory Commission on Service Pay, headed by Mr. Charles Hook, now chairman of the board of the American Rolling Mill Corp. Mr. Hook and his commission made perhaps the most exhaustive study that has ever been made of the pay of personnel in the armed services as compared with that of similar workers in civilian employment. I might say Mr. Hook appeared before the committee and testified that in his judgment the pending legislation represented a sound approach to the pay problem.

Mr. President, the bill provides for an increase in pay for aviation cadets. Under this proposed legislation, cadets will receive monthly pay at the rate of 50 percent of the monthly pay of a second lieutenant, with less than 2 years of service, which would be $111.15. In another part of the bill, it is provided that the aviation cadets will be entitled to $50 a month flight pay, making a total of $161.15 a month. That compares with their present total pay of $109.20 a month.

The bill would also increase the pay of midshipmen and military cadets from $81.12 a month to $111.15 a month. The evidence before the committee showed that these young men were very hard put to get along on a pay scale which had not been changed for many years.

Mr. President, the incentive pay for air crews and submarine members has been increased for all grades in proportion to the increases provided in the basic pay scales. For lack of a better term, it is called hazard-duty pay. In the lower commissioned grades and in all enlisted grades, where the greatest turnover is presently occurring, the ratio of incentive pay to basic pay has been slightly increased in order to provide a greater incentive to remain in a flying status.

Table C, contained on page 25 of the committee report, sets forth a compari-

son of the present incentive pay with that provided for in the bill for each grade.

Mr. President, hazard-duty pay for other hazardous services, such as paratroopers, frogs, and demolition teams, who remove mines from the shores so that military personnel may be landed, or remove mines which are laid to destroy a military organization, is increased by 10 percent. That means officers will get $110 instead of $100. Enlisted men will receive $55 instead of the $50 which they presently receive. I might say that increase did not seem to me to be on an equitable basis with that which was allowed personnel on flying status; but the evidence before the committee indicated that the armed services felt that was sufficient to maintain the paratroopers and similar services at their present level.

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. GOLDWATER. Referring to the remarks of the Senator from Georgia concerning hazard pay, I should like to say that during the testimony given before the Committee on Armed Services it was brought out that as the military service make extended use of jet aircraft, smaller crews will be used, and the crews will consist almost entirely of officers. In fact, that is true of the B–47 today. Because of that factor, there will be fewer enlisted men in the crews. Likewise many enlisted men will in the future not receive hazard pay.

Did the committee compile any figures to show what the decrease in the total sum would be as a result of hazard pay now going to enlisted men being withdrawn from them in the future, as compared to the gain which would accrue from the increased pay proposed for officers?

Mr. RUSSELL. No; we did not have any specific figures on that aspect, and, as the Senator, who is an airman of experience knows, it is very difficult to tell the rate of loss of such enlisted men. We did not have any specific figures on that question. There was testimony that there would be a reduction in the number of enlisted personnel who would receive flight pay. As the Senator has stated, there is perhaps no higher skill required in any branch of the service or in any profession in civilian life than that required of the officers who operate the new high-speed jet bombers of the Strategic Air Command.

Mr. GOLDWATER. I believe the Senator will recall that it was classified as the most conservative appropriation today. The reason I asked that question is that there are bound to be those who in the past have objected to hazard pay who will again object to it. I thought if there were some figures showing the offset, they might be of value.

Mr. RUSSELL. We do not have those figures in dollars and cents, but over the years it will be a very substantial sum. Let me say that for my part I have never quarreled with paying a man extra for taking hazards over and above those which other persons in the service have to take.

Mr. GOLDWATER. I know that is correct, and the men in the service who will receive the extra pay will appreciate the efforts of the Senator. However, there are those who snipe at hazard pay only because of the money involved.

Mr. RUSSELL. Of course, there may be found a case where an officer who is receiving flying pay may not deserve it or may do very little to earn it. A person discovering such a case may develop a hypothesis from that one case. But, considering the whole testimony, whereas there might be one such case, it would be the exception which proved the rule.

Mr. GOLDWATER. If the Senator will yield for a further moment, he might be interested in a problem with which the Air Force is faced, and one which is closely related to the question of hazard pay. The problem has to do with the training of fighter pilots. Originally we pictured a fighter pilot as a young man out of flying school, who was a tiger, so to speak, and who had a desire to fly fighter aircraft. They were not particularly difficult to fly. After flying them for a few years, the pilots could fly them without great danger to themselves or the equipment. But now, as we make use of the F–100 series and above, the Air Force is faced with a very serious problem, namely, to keep fighter pilots in training, not only for 5, 6, or 10 years but for much longer periods, for I can foresee the day when a fighter pilot of the F–100 series or above will well be a man of 35 years of age or older. Such a pilot is flying equipment which today costs $3 million. Does the Senator from Georgia realize that?

Mr. RUSSELL. Yes; I do.

Mr. GOLDWATER. That is the cost of one fighter plane of that type. The flying of such a plane is complicated, not only by the problems of flying at supersonic speeds and the problems involved in instrument navigation—by means of which all navigation at extremely high altitudes will be done—but also by the problems involved in the electronic handling of missiles and rockets.

Mr. RUSSELL. Yes; I understand. Even the radar equipment on such planes is appalling for a layman to consider.

Mr. GOLDWATER. Today argument is proceeding as to whether a single-seater plane can any longer suffice for interception purposes.

We are going to have to take care of the fighter pilot who continues as a fighter pilot during the years when his brothers are occupying desk jobs and are receiving promotions. We may have to go to the concept used by the Strategic Air Command, namely, that of crew designation with lead pilots who receive temporary appointments and temporary rank necessary in order that his position may be recognized and in order to enable him to function properly in it.

I mention these facts because they never have been brought out fully when we have discussed hazard pay. Today the word "hazard" in that connection means more than ever before.

I do not consider such men only as pilots. Actually, they are trained engineers who, in a period of 5 or 10 years after graduating from flying school, will obtain experience which aeronautical engineers in the past never could obtain.

That problem will have to be met by the Senate and the House of Representatives when we come to deal with the question of taking care of the thousands of pilots in the fighter class who will have to continue as pilots much past the age now accepted, because the stress and strain and training and proficiency required are increasing day by day.

It is difficult for a person not familiar with modern aviation to realize how intricate is the flying of a series F–100 plane.

I am happy that the committee has taken so well informed a view of this matter; and, Mr. President, as a member of the Air Force, I desire to thank the distinguished chairman of the committee for the broad view he has taken of the subject of hazard pay.

Mr. RUSSELL. I thank the Senator from Arizona for his statement, which so clearly demonstrates the increasing complexity of military aviation. New problems are presented each and every day. I reiterate that perhaps no more highly skilled technician is known to any industry or avocation than the highly skilled airman who operates a jet aircraft.

Mr. HOLLAND. Mr. President, will the Senator from Georgia yield to me?

The PRESIDING OFFICER (Mr. McNAMARA in the chair). Does the Senator from Georgia yield to the Senator from Florida?

Mr. RUSSELL. I yield.

Mr. HOLLAND. First, I desire to compliment the distinguished Senator from Georgia [Mr. RUSSELL], as chairman of the committee, and the other members of the committee for the splendid work they have done and the excellent bill they have reported to the Senate.

Mr. RUSSELL. I thank the Senator from Florida, both on behalf of the committee and on behalf of myself, personally.

Mr. HOLLAND. Second, Mr. President, I should like to discuss quite briefly the subject matter mentioned a minute ago by the Senator from Arizona [Mr. GOLDWATER], with reference to the hazardous duty pay provided by the bill.

I think many citizens of the country will be interested in realizing the nature of these hazardous duties. For that reason, I wonder whether the distinguished Senator from Georgia would object to having incorporated at this point in the RECORD, as a part of his remarks, the paragraphs of the able committee report which bear on that subject. If he does not object, I suggest that there be printed at this point in the RECORD the paragraph, on page 12, immediately following the heading "Background—Definition of Hazardous Duties," which recites the nine hazardous classifications under earlier legislation, and also, on pages 12 and 13, the paragraphs dealing with the three new categories which are covered by the bill, namely, "(D) (10) Duty as low-pressure-chamber inside observer," "(D) (11) Duty as a human acceleration or deceleration experimental subject," and "(D) (12) Duty involving the use of helium-oxygen."

I believe it would be well to have those excerpts printed at this point in the RECORD, because I think they will be very highly informative to those who will read this RECORD and will indicate the tremendous hazards which our men in the Armed Services will be encouraged to undergo as a result of the incentive treatment they will be given by this bill.

Mr. RUSSELL. Mr. President, I shall be happy, indeed, to join the Senator from Florida in that request. Of course, Mr. President, the new definitions of "hazard pay" go to show the complexity of the machines of modern war and the new crafts which are required if there is to be an efficient fighting force. So I believe it would be informative to have the matter referred to by the able Senator from Florida incorporated in the RECORD.

The PRESIDING OFFICER. Is there objection?

There being no objection, the excerpts from the report (No. 125) were ordered to be printed in the RECORD, as follows:

CLAUSE (4) THREE DUTIES DESIGNATED AS HAZARDOUS

BACKGROUND—DEFINITION OF HAZARDOUS DUTIES

The Career Compensation Act of 1949 sets forth nine duties which qualify members to receive incentive pay under 1 or 2 separate scales. These are duty (1) as flight crew member; (2) on board a submarine; (3) involving regular aerial flights not as a crew member; (4) involving glider flights; (5) involving parachute jumping; (6) having contact with persons afflicted with leprosy; (7) involving demolition of explosives; (8) involving submarine-escape training; (9) at the Navy Deep Sea Diving School when such duty involves participation in training.

This bill adds the three new duties in clause 4 (D), making a total of 12.

* * * * *

(D) (10) Duty as low-pressure chamber inside observer defined as hazardous, cost, $310,860

This clause defines the duty as low pressure chamber inside observer as hazardous, thereby authorizing incentive pay of $110 per month for officers and $55 for enlisted men for those engaged in this type of service.

This duty refers to the officer or enlisted man who is assigned as inside instructor in a low pressure chamber. This chamber is a room used to simulate high altitude flight conditions to which air crews are exposed in actual flights. Pilots and air crewmen in complete airborne equipment are indoctrinated in the chamber on the physical and physiological effects of high altitude. When a simulated ascent is made a trained officer or aviation technician is assigned as inside instructor.

An inside instructor is subject to considerable physical hazard. He must carry out demonstrations from time to time, emphasizing the hazards of inadequate protection at high altitude. In addition, he is called upon to act as a subject for specialized physiological experiments conducted at research and training institutions. A considerable number have been forced to discontinue such work because of physical disability caused by recurrent aeroembolism and visual changes.

This duty which did not exist at the time of the enactment of the Career Compensation Act of 1949 involves comparatively few people, approximately 53 officers and 365 enlisted men for the Department of Defense.

The estimated additional annual cost of hazardous pay for this type of duty would be $310,860.

(D) (11) Duty as a human acceleration or deceleration experimental subject, cost, $36,960

This clause defines duty as a human acceleration or deceleration experiment subject as hazardous, and thereby authorizes officers and enlisted men engaging in this type of service to be entitled to incentive pay at the rate of $110 or $55 per month, respectively.

The hazardous duty defined in this clause consists of two types of operations. The first refers to the men who serve as subjects on the human centrifuge. The human centrifuge consists of a cab or gondola suspended at the end of an arm which duplicates a circular path on a horizontal plane. As the cab rotates around a vertical axis centrifugal force is applied to an individual sitting in the cab or gondola.

The other types of operation consist of service on the crash deceleration sleds and ejection seat towers.

All of these experiments are necessary in order (1) to determine the effect of high speeds and stoppages on the human body and (2) to develop protective harnesses and downward ejection seats for escape from high-speed aircraft.

These duties subject volunteers to considerable physical discomfort and danger to health and, in some cases, to life.

Under this clause, the duties of which did not exist at the time of the enactment of the Career Compensation Act of 1949, involve approximately 12 officers and 32 enlisted men for the Department of Defense and an additional annual estimated cost of $36,960.

(D) (12) Duty involving the use of helium-oxygen defined as hazardous cost, $217,000

This clause defines as hazardous that duty involving the use of helium-oxygen for a breathing mixture in the execution of deep-sea diving. Divers qualified in the use of helium-oxygen as a breathing medium are assigned duty with the 10 submarine rescue vessels of the Navy. They are employed in salvage and repair operations for the fleet. The use of helium-oxygen permits diving to much greater depths than with compressed air, consequently the hazards are markedly increased.

The use of helium-oxygen in deep-sea dives involves an increased incidence of decompression sickness (bends). Many cases have occurred while the diver is still in the water decompressing, which rarely occurs when compressed air is used. This duty involves approximately 25 officers and 280 enlisted men and would cause an estimated additional annual cost of $217,800.

Mr. SYMINGTON. Mr. President——

Mr. RUSSELL. Mr. President, I am glad to yield to the distinguished Senator from Missouri, who is a valued member of the Committee on Armed Services.

Mr. SYMINGTON. I thank the Senator from Georgia, and assure him it is a great privilege to serve with and for him on the committee.

In regard to a question asked by the distinguished junior Senator from Arizona [Mr. GOLDWATER], hazard pay for officers as against enlisted men, it is true, is it not, that the purpose of the committee was and is to have hazard pay given to those who undergo the hazards?

Mr. RUSSELL. Yes. The committee has undertaken to exercise the greatest care to confine the hazard-incentive pay to those who actually incur the dangers of hazardous duty.

Mr. SYMINGTON. There would be no intention on the part of the committee to discriminate against any enlisted man, would there? I am sure there would not, because the question of the rank of those who fly in a jet bomber, for example, is entirely an administrative matter, one entirely within the realm of Air Force decision.

Mr. RUSSELL. That is true; and the committee does not discriminate against the enlisted men who fly, as they do, and as they will continue to do, particularly in the matter of air transportation. I hope that enlisted men will do so in ever-increasing numbers, because we should increase materially the number in that service. The evidence before the committee shows that it is not nearly so comprehensive a service as it should be. Any enlisted man who flies will receive harardous-duty pay, as do commissioned personnel.

I did not understand the Senator from Arizona [Mr. GOLDWATER] to complain about any discrimination against enlisted men. He pointed out that in view of the fact that the trend in aeronautics, through the development of jet craft, was to reduce the number of the crew, and thereby add to the responsibilities of those who were in the crew, it might be essential that trained engineers of commissioned rank—and in some cases very substantial rank—would be required to handle such craft.

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. GOLDWATER. I am glad the Senator made that statement. I am sure the Senator from Missouri [Mr. SYMINGTON] understands the position of the Senator from Arizona. I merely wish to point out the fact that as we confine the crews more to officers, of necessity we eliminate some of the enlisted men in the crews. So those who object to the amount of money involved in hazard pay will find an offsetting factor. I certainly believe that enlisted men who fly should receive hazard pay to the same extent as do officers.

I thank the Senator.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. HUMPHREY. First of all I wish to commend the distinguished chairman of the Armed Services Committee for bringing before the Senate this very excellent bill, which will provide the kind of pay schedule to which service men are entitled.

I was deeply concerned over the failure of the Congress, in the recent tax act, to provide exemptions and allowances under retirement, for retirement pay for members of the armed services. I have been in touch with the Treasury Department, and the situation appears to be the result of inadvertence on the part of Congress It is not premeditated or planned. We find that while we gave tax reductions on retirement pay for most retired persons—for practically everyone else—we did not do so for retired members of the armed services over the age of 65. Therefore I had prepared an amendment which I had hoped to offer to this bill, which would give to retired service personnel the same sort of allowance and deduction in con-

nection with their pension and retirement pay that any other employee of the Government, any employee in private industry, or any other citizen gets.

I wonder whether or not the Senator would feel desirous of accepting such an amendment, which would merely insert the language, "except that such term does not include a fund or system established by the United States for members of the Armed Forces of the United States," strike out certain language now in the Internal Revenue Act, and include this sort of treatment for our service men who are retired.

Mr. RUSSELL. Mr. President, I share the view of the Senator from Minnesota that an injustice has been done to the retired military personnel by not allowing them the same exemptions as have been allowed in other fields. However, I hope the Senator will not press the amendment in connection with the pending bill. I say that because, as the Senator knows, the Finance Committee is very jealous of any legislation which might in anywise affect the tax structure of the Nation. We would probably start a controversy by undertaking to adjust the situation in connection with the pending bill, even if I were to accept the proposed amendment. Furthermore, it would tie up the bill in the House. It would require conference with the House. I had hoped that the bill might become law by the first of April, which would mean that members of the Armed Forces who would benefit, including retired personnel who would receive an increase under the terms of the bill, would begin drawing the increased allowances 1 month earlier. If the proposed amendment were attached to the bill, it would be manifestly impossible for the bill to become a law by the first of April. I hope the Senator will not press his amendment. It has merit. The cause he seeks to promote cries for justice. However, I do not think it can be obtained in connection with the pending bill. If the amendment were pressed at this stage, it would undoubtedly delay the bill, and perhaps might not be adopted eventually. It could cost the retired personnel a loss of 1 month in the modest increase they would receive under this bill.

Mr. HUMPHREY. Of course, I respect the judgment of the chairman of the committee. Primarily I wished to bring this subject to the attention of the Senate. I have prepared an amendment, but I shall not offer it, in view of the advice and counsel given by the chairman. I feel that that is sound advice. However, I shall present my proposal in the form of a separate bill, and have it referred to the Senate Finance Committee. I feel that, as we adjust pay schedules for military personnel, we ought to remove the rank discrimination in connection with retirement pay which exists in the present law. I shall present my proposal later in the form of a separate bill.

Mr. RUSSELL. I shall be glad to join the Senator at the first appropriate occasion, in undertaking to see that this injustice is eliminated.

Mr. SYMINGTON. Mr. President, will the Senator yield for a brief observation?

Mr. RUSSELL. I am glad to yield to the Senator from Missouri.

Mr. SYMINGTON. In the new proposed hazardous pay schedule the percentage of increase, as against basic pay, in the case of all officers, is larger for the lowest rank, and the percentage for each rank is larger than that for the next higher rank. That is, the percentage as against the base pay. That has not been true in the past.

The same thing is true with respect to the percentage of increased hazard pay, as against base pay, in the case of enlisted men. The percentage of increase, as against the base pay, is largest in the lowest rank of enlisted men; and the percentage in each rank is larger than the percentage in the next higher rank, this in every case involving enlisted men. That was not true in the previous law.

Mr. RUSSELL. It has never been true before. I think the Senator for bringing that fact to the attention of the Senate. I think that indicates that this is truly a career incentive bill. Its purpose is to offer an incentive to the younger personnel to make a career of the Armed Services, and to prevent the enormous wastage of funds involved in continually training men in these fields, only to lose them to private life.

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. GOLDWATER. To follow up that point, I invite the attention of Senators to the fact that in the grades to which we must look to find the crews of the B–47, the B–52, and the F–100 series, the greatest increases have been provided. The committee is to be commended for that fact. I refer to the grades of captain, major, and lieutenant colonel. I am glad to see that, because it provides added incentive. In that connection, General Le May stated, in relation to the important point which the Senator from Missouri was discussing earlier, that if we provide increased incentive, perhaps the families of the pilots will cease trying to get them out of the Air Force.

Mr. MANSFIELD. Mr. President——

Mr. RUSSELL. I yield to the Senator from Montana, who has done a great deal of work in this field, and who was very helpful to the committee in giving his views on the importance of strengthening the Armed Services to prevent wastage of trained men.

Mr. MANSFIELD. I thank the distinguished Senator from Georgia, and commend him for the fine exposition he has given of the bill.

I should like to invite his attention to the fact that I have at the desk an amendment in the nature of a substitute, to grant a 25 percent increase across the board. The Chairman of the Armed Services Committee will recall that I appeared before his committee and was very graciously received.

I should like to ask his advice at this time. I understood that it was his hope that the bill might be enacted into law so that the proposed pay increases could go into effect on the first of April. I should like to ask his advice as to the wisdom of offering my amendment at this particular time.

Mr. RUSSELL. Mr. President, I hope the distinguished Senator from Montana will not press his amendment at this time. If the amendment were agreed to, of course it would be manifestly impossible for the bill to become effective next month.

Moreover, I hope the Senator will give us an opportunity to see how this bill will work. The bill has been carefully drawn to apply the maximum increases at the very places where the attrition with respect to skilled men has been greatest, where we have been losing the greatest number of trained men.

The Senator's amendment would provide for a 25-percent increase across the board. That is about the maximum we allow in certain grades in which the losses have been greatest. The bill will cost a considerable sum of money. It will cost $745 million a year. I believe the Senator's amendment would cost about $1,300,000,000. I hope the Senator will let us have an opportunity to see if the pending bill will not accomplish the purpose of increasing the number of career men in the armed services without incurring the greater cost his amendment would entail. If the increase is to be made as great as the Senator's amendment would make it, I believe we should give the matter a little more study before enacting such a measure, before we spend that much money and give more than a 25-percent increase to some engaged in hazardous duty and less than 25 percent to others.

The Senator from Montana has been very helpful to the committee, particularly in bringing to our attention, and to the attention of the Senate, the vital importance of doing something in this field. However, I am sure that to adopt such an amendment would result in lengthy conferences with the other body. Inasmuch as the House has not held hearings on the Senator's proposal, it would probably result in long delay in giving increases in pay to a great number of persons in the armed services.

I hope the Senator will give us an opportunity to observe how the bill before the Senate will work as law. Then if some weaknesses should develop, we can strengthen such weaknesses. It would be preferable to do that than to grant a 20 percent overall increase.

Mr. MANSFIELD. I shall be more than happy to comply with the suggestion of the distinguished chairman of the Committee on Armed Services. I appreciate the courtesy he and his committee have shown me. I know the committee is well aware of the difficulties existing in the present situation so far as reenlistments are concerned.

On the basis of the assurances given by the Senator from Georgia, I shall not offer my amendment.

I should like to ask the Senator what is being done to restore the fringe benefits which have been taken away from those in the armed services since the end of World War II.

Mr. RUSSELL. The Senator knows that most of the fringe benefits that were taken away from the armed services were taken away administratively.

No legislation in that field was enacted by Congress.

Mr. MANSFIELD. That is correct.

Mr. RUSSELL. I am sure all the fringe benefits have been restored. Furthermore, the bill before the Senate creates a new fringe benefit in the form of a dislocation allowance. Whenever a serviceman is moved from one permanent station to another permanent station, he is allowed, under the terms of the bill, an amount equal to 1 month's quarters allowance. That is in addition to his transportation allowance. In other words, if he stays at a hotel overnight, he is compensated for it. That additional fringe benefit is provided under the bill now before the Senate.

I might add that taking away of the fringe benefits, while the total amount of money involved was not large, had a great deal to do with demoralizing the armed services. Many of the members of the Armed Forces considered the elimination of fringe benefits as an indication of other things to come. It was an indication to many of them that their services were not appreciated. I know that the motivation in taking away the fringe benefits was not a lack of appreciation for their services.

However, the fringe benefits have been restored, and we are creating other valuable fringe benefits in the bill now before the Senate.

Mr. MANSFIELD. I am delighted to have the assurance of the distinguished chairman of the committee, and I am glad he has put emphasis on the fact that the fringe benefits were not taken away by legislative act of Congress, but were taken away administratively. The Secretary of Defense and the Secretaries of the various armed services, I hope, will not bow to local pressure, but will ever keep uppermost in their mind the welfare of the uniformed personnel.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. SALTONSTALL. I should like to mention one more fringe benefit which is included in the pending bill. That is the fringe benefit which deals with the use of trailers. An amendment to the bill makes it possible for a man who has all his furniture in a trailer to receive compensation for moving his furniture in the trailer instead of moving it in a separate van.

I should like to make one further comment with respect to fringe benefits, by saying that when I was chairman of the Committee on Armed Services for 2 years, that subject was brought to the attention of the committee more than any other subject. I do not believe it would be indiscreet to say that the Commander in Chief, the President of the United States, as a former military man, interested himself in this subject, and has always felt that it was a very important subject. I am glad that the fringe benefits have been restored administratively, because those benefits mean so much, particularly to the young wives and children of our servicemen. That is particularly true with respect to hospitalization, and all that goes with that benefit. I thank the chairman of the committee for permitting me to make this additional statement.

Mr. RUSSELL. I am very happy that the distinguished former chairman of the committee made the statement.

Mr. STENNIS. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. STENNIS. I merely wish to mention one point which perhaps has not been brought out in the debate. In my opinion the pending bill points up very clearly, and more than any other act, recognition of the fact that we must have for a long time a large professional Army, a large professional Air Force, and a large professional Navy.

I believe there are ways of adding to the compensation of the men in our armed services other than by merely increasing their money pay. It can be done by giving proper recognition to the important part they play in our defense. These men are men of the highest skills, the highest crafts, and the highest professional standards. Certainly they are entitled to the recognition that goes with the very fine contribution they are making.

I do not know of a finer group of men than those who are represented by a great percentage of the men and women in our armed services. After they receive their special training they are earnestly devoted to their duties. That devotion is not confined to the airmen who have been mentioned here in debate. The same high level of devotion is found in the corporals, sergeants, and technical sergeants of the Army, in the Air Force, in the Navy, and in the Marine Corps. It is found among the commissioned officers.

I believe the bill before the Senate represents a sincere recognition on the part of the Nation, not only of Congress, of the fact that the personnel concerned are exponents of permanent crafts and professions and skills, and these men are entitled to monetary rewards, and also to public recognition and moral support. Anything which tends to create high respect for the services, and promote self-respect among those in the services is most desirable. In this respect I believe the bill is a very fine contribution, and goes further than anything we have ever had before along this line.

Mr. RUSSELL. I thank the Senator for his contribution and for the fine help he extended in committee.

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. GOLDWATER. I was very happy to see the Senator from Montana [Mr. MANSFIELD] withdraw his amendment for an across-the-board 25 percent pay increase. I was happy also to hear the chairman of the committee urge the Senator from Montana to permit us to make this approach and to give it a chance to work.

During the last summer, when I served my annual tour of active duty, with the Fourth Air Force, I questioned airmen and officers on what they felt was needed in the Air Force to provide greater incentive. Mr. President, believe it or not, pay was not always mentioned as the top item. The men were very much concerned with better housing. I can tell the Senate, as most Senators well know, that there is not adequate housing on our air bases. The men are also concerned about medical care. That is particularly true of the Strategic Air Command. Those men are ordered away from their home bases for as long as 90 days on temporary foreign duty, and during that period their wives and children are left on the air base without adequate medical care. In fact, up to this time it has been denied to them.

The men would also like to have more stable assignments. Men are transferred from one base to another in the middle of a school year. When a man is transferred, he should not be transferred for a period of 6 months or a year, but should receive assignments of stability—say 2 or 3 years at each base.

Commissary privileges are another matter with which the men are greatly concerned.

I agree with the chairman that some of these are administrative matters. The present law takes care of commissaries, if they are properly operated.

I again thank the chairman for urging the Senator from Montana to withdraw his amendment, so that the bill before the Senate will be given an opportunity to operate as law.

I agree with the Senator from Mississippi [Mr. STENNIS] that the men in our armed services have a great interest in the services, and they do not leave the military service except with great reluctance, and only because they are offered greater opportunities on the outside. Therefore their interest is not based entirely on pay, but it is based a great deal on the fringe benefits which have been mentioned and also on respect for the uniform. I believe our citizens have been extremely derelict in that respect.

We are inclined to be great patriots in time of war and pay high respect to our men in uniform. We do all we can. We establish USO and other centers in towns for the entertainment of soldiers. But come times of peace, I suggest that the uniform is not held in proper respect in this country. Proper respect for the uniform is a fringe benefit which can be given the men without costing the Government a nickel.

Mr. RUSSELL. This country has been guilty of manifesting in a mass way the feeling expressed by Kipling regarding Tommy Atkins—"It's 'Savior of 'is country' when the guns begin to shoot."

Mr. SYMINGTON. Mr. President, will the Senater from Georgia yield?

Mr. RUSSELL. I yield.

Mr. SYMINGTON. What the distinguished Senator from Arizona said with respect to pay is correct. It might be misconstrued, however, as being in opposition to what I said. But I was talking in percentages, and the distinguished Senator from Arizona was talking in dollars. So we are both right. A captain actually receives more hazard pay in dollars than does a major general. Nevertheless, it is true that in the case of enlisted men the top enlisted men receive more hazard pay in dollars, although the lowest ranking enlisted men receive

more in percentage as against their base pay.

I mention this so that persons reading the RECORD will see no difference between the remarks made by me as against those made by my friend from Arizona.

Mr. RUSSELL. Mr. President, what a great and wonderful thing it is to have experts on both sides of the aisle see the question from the same perspective.

The Senator from Massachusetts adverted to the trailer allowance. I think it should be said that the prohibition against any payment when a man moves his household goods by trailer grew out of a ruling by the Comptroller General rather than through an administrative ruling. The bill grants permission to pay not exceeding 20 cents a mile when a man moves his household goods by trailer. If this provision is properly handled by the services it will result in not only a benefit to the servicemen involved, but in a saving of money to the United States. It is capable of abuse, and, in order to prevent abuses, I hope the Secretaries of the various services will very carefully regulate it and see that the regulations are strictly adhered to.

Mr. President, among other so-called fringe benefits provided in the bill is an increase in the per diem from $9 to $12. This allowance, of course, is given to men who travel under orders on Government business when quarters and mess are not available.

The bill likewise provides for the same increase for those on the retired list as is provided for those on active duty.

There is also a modest increase for lieutenant generals, generals, and admirals, when they are on active duty. That is fully reflected in the report of the committee.

Mr. President, the bill represents a careful study by the Department of Defense, the House committee, and the Senate committee. I hope it will accomplish its purposes, and retain in the services men possessing those skills which enable the armed services of the United States to remain on a ready basis, prepared at any moment to strike devastating blows against any aggressor against our country.

The PRESIDING OFFICER. The clerk will state the committee amendments.

The amendments of the Committee on Armed Services were, on page 3, line 5, after the word "new", to strike out "subsection" and insert "subsections"; in line 12, to strike out "service." " and insert "service."; after line 12, to insert:

(f) Any officer serving on active duty in the grade of lieutenant general or vice admiral shall, in addition to the pay and allowances to which he is entitled by the provisions of this act, be entitled to an additional increment of basic pay in an amount of $100 per month. Any officer serving on active duty in the grade of general or admiral shall, in addition to the pay and allowances to which he is entitled by the provisions of this act, be entitled to an additional increment of basic pay in an amount of $200 per month. The additional increments provided by this subsection shall not be considered a part of the active duty pay or of the monthly basic pay of these grades for the purpose of the computation of retired pay.

On page 7, after line 19, to insert:

(13) Section 303 (c) of the Career Compensation Act is amended by adding at the end of such subsection the following: "In lieu of transportation of baggage and household effects, a member of a uniformed service who transports a house trailer or mobile dwelling within the continental United States for use as a residence and who would otherwise be entitled to transportation of baggage and household effects, under this section, shall under regulations prescribed by the Secretary concerned be entitled to a reasonable allowance, not to exceed 20 cents per mile, or to the dislocation allowance authorized in this section, whichever he shall elect."

On page 8, at the beginning of line 6, to strike out "(13)" and insert "(14)"; and at the beginning of line 18, to strike out "(14)" and insert "(15)."

The PRESIDING OFFICER. The question is on agreeing to the amendments reported by the committee.

The amendments were agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. SALTONSTALL. Mr. President, I have no amendment, but I have some brief remarks which I should like to make before the passage of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

The PRESIDING OFFICER. The question is, Shall the bill pass?

Mr. SALTONSTALL. Mr. President, I have listened to the very full statement made by the Senator from Georgia [Mr. RUSSELL]. The committee report is unanimous. I have some very brief remarks to make as senior minority member of the committee, to supplement what the distinguished chairman of the committee has said.

Mr. President, I fully support the remarks of the distinguished chairman of the Committee on Armed Services in his explanation of the concept and details of H. R. 4720. As he indicated, this bill was unanimously reported, and the committee was of the opinion that in providing for selective pay increases the bill represents a constructive approach to stabilizing the personnel turnover of the Armed Forces.

The principal purpose of the bill, Mr. President, is to provide a real and substantial incentive to those already in our armed services to remain there, to make a career of serving their country in those services. The bill is not intended to provide an incentive to those men who are simply doing their duty to their country as required by law, that is, those who have been chosen under the selective service law.

We want those experienced and dedicated men now in our services to feel that they can and should remain in service, and it is with just this in mind that the pending bill has been drawn.

After completion of periods of obligated service, that is, 3 years for officers and 2 years for enlisted men, substantial pay increases are granted under the bill. It is significant to note that the largest percentage increases are in the lower-commissioned grades and middle-enlisted grades. A second lieutenant who has completed 3 years of service will receive a 25 percent increase, or $59.28 a month. A first lieutenant who completes 3 years receives a 22.33 percent increase, or $61.22 a month. A sergeant E–4 with over 4 years' service receives a 16.21 percent increase, or $21.33 a month. It is particularly interesting to note that those noncommissioned grades with over 4 years' service receive extra in-grade increases at selected points of service in the normal 30-year career pattern in order further to provide the incentive of which I spoke.

That such an incentive is necessary is illustrated by a number of important statistics, but most importantly by that which reveals that the overall reenlistment rate for regulars in our services has continued thus far throughout 1955 at the alarmingly low rate of 24 percent. This is less than half the average level of reenlistment for the period 1950–53.

The effect such a turnover as this represents, both from the military and the economic standpoint, should be clear to all of us. In 1955, for example, an estimated 200,000 skilled officers and airmen will leave the Air Force. If this trend continues, there will be more than 100 percent turnover in the Air Force every 5 years. No industry could possibly absorb this rate of turnover and remain an effective organization; neither can the United States Air Force. General Twining has said on a number of occasions that this rate of turnover, if continued, would lead directly to an alarming decline in operational effectiveness.

The President in his message to the Congress on January 13 of this year emphasized the effect of the high turnover rate on operational efficiency. When we think that it costs no less than $45,000 properly to train a single jet pilot, we are certainly made aware of the terrible economic drain which such turnover represents in addition to the military weakness it inevitably causes.

In adopting the concept of selective pay increases, the committee has been well aware that this Nation is now attempting to do what it has never done before in peacetime—that is, to maintain a military establishment at a level of around 3 million men. In the 1930's, the total strength of the Armed Forces ranged between 250,000 and 350,000. After World War II the figure was around 1.5 million. In 1952 we again had 3.6 million men in uniform. Now we are leveling off at around 3 million. In past years, either our forces have been small enough to attract the needed career personnel, or there has been an existing emergency during which men answered their country's call. We now face the prospect of a force of around 3 million men for an indefinite future. Yet the failure of the armed services to attract a sufficient number of enlisted men and young officers on a career basis threatens to affect the battle-readiness of our combat units and represents a manpower turnover which is not only economically unsound but downright dangerous.

I should like to add, Mr. President, that the committee has realized that pay is not the sole problem in attracting and

retaining men in the armed services. There is, of course, the matter of our overseas commitments which require the families of men to be overseas under adverse living conditions, and in many cases for men to be separated from their families on defense missions. The housing problem generally is a critical one, which I am sure will receive appropriate attention by Congress.

In addition, the bill provides compensation for hazardous duties in the service, which are appropriately specified. It also makes provision for the award of a dislocation allowance to enlisted personnel in order that the dependents of enlisted men, who, under regulations, are entitled to a travel allowance for them, may be more properly taken care of.

In conclusion, Mr. President, I should like to emphasize again that the principal purpose of the bill is to provide, by the means to which I have referred, an adequate and attractive incentive to the men already in the service to remain there and in their country's defense to make a career of military service to their Nation on a basis which will meet their economic requirements and career aspirations attractively and as completely as possible. H. R. 4720 has the unanimous support of the Senate Armed Services Committee, and it has also the endorsement of the so-called Hook Commission on Service Pay, the board established in 1948 for the purpose of reviewing this problem and making recommendations regarding it. I urge the passage of H. R. 4720 as amended by the committee.

Mr. KEFAUVER. Mr. President, I wish to associate myself with the remarks made by the distinguished junior Senator from Georgia [Mr. RUSSELL], the chairman of the Committee on Armed Services, and by the distinguished senior Senator from Massachusetts [Mr. SALTONSTALL], the ranking minority member of the committee, and to say that I give my full support to the bill.

I have seen few measures which have been better conceived or more thoroughly thought through, and in connection with which the statistics supporting the necessity for the proposed legislation have been better arranged, than the bill before the Senate.

While on many occasions I have felt it necessary to disagree with or to criticize the Secretary of Defense or the Secretaries of the various branches of the armed services, I wish at this time very heartily to compliment them upon the excellent statements they made before the Senate Committee on Armed Services in support of the Career Incentive Pay Act of 1955.

Also, I wish to congratulate and to compliment the distinguished chairman of the Committee on Armed Services upon the hearings which were held and the record which has been made in support of the bill. Anyone who wishes to be informed of the problems of the Department of Defense and about the needs of the men and women in the armed services can profitably spend his time in reading and examining this most illuminating and well-prepared record.

The bill will actually save money in the long run. Not only will it save money and provide a more effective Defense Establishment, but it will also improve the efficiency of the armed services.

Mr. President, I ask unanimous consent that a statement I have prepared in connection with the bill may be printed at this point in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR KEFAUVER

CAREER INCENTIVE ACT OF 1955

I wish to associate myself with the remarks made by the chairman of the Armed Services Committee and the senior Senator from Massachusetts, and to add my full support to this bill.

I have been impressed during the testimony before the committee with the problems faced by the military services as a result of the high turnover of personnel. I should, therefore, like to address myself for a few moments to this problem of personnel turnover, and some of the savings which may be realized if we do not have to continue training such large numbers of replacements in all of the military services.

With respect to the magnitude of this turnover problem, I shall mention a few figures. In the coming fiscal year (fiscal 1956) approximately 1 million men—about one-third of the planned size of the active military forces—will become eligible for release from the service. At the present rate of reenlistment experience it will be necessary that about 750,000—three-fourths—of these men be replaced with new, inexperienced men.

Now, it costs about $3,200 to train a new recruit in the bare rudiments of military skill, that is, the first 6 months of his service. This means an annual outlay of nearly $2½ billion. This is only the cost of initial training and does not include the cost of lengthy technical training in such skills as electronics, armament, or aircraft maintenance.

If an additional 10 percent of the million men we stand to lose in this 1 year can be induced to remain in the service on a career basis, a minimum investment of $320 million would be preserved, an amount equal to the cost of almost 1,000 jet interceptors. This, of course, is only the dollar investment. I do not need remind the Senate that the gain in experience and skill level would add immeasurably to the operational efficiency of our Armed Forces and to the security of our country.

Now for another example: During fiscal year 1956, a total of 4,500 trained pilots are expected to leave the flying services. It costs at least $120,000 to train 1 F–94c jet pilot, and a great deal more to train jet-bomber pilots. On the basis of the $120,000 cost, the 4,500 pilots returning to civil life represents a minimum investment of $540 million. If one-fourth (25 percent) of these young, highly trained officers can be induced to remain in the service, $135 million of this investment can be preserved. And, again, the operational efficiency of our flying services would be greatly improved.

We have heard testimony that it costs $275,000 to train a jet-bomber pilot. This figure includes only the formal training courses he attends. If you include the experience he must gain before he can go into this training, this cost may mount to over half a million dollars. By way of comparison this is greater than what it cost us to build two B–17's in World War II.

Nearly all of our B–47 commanders are veterans of World War II. We must be able to retain enough highly qualified young men to allow us to replace these men as they grow older.

We heard from the Secretary of the Air Force that it cost $14,800 to maintain an enlisted man in the Air Force for 4 years, including his training. This figure was so staggering that the Secretary had it verified by a firm of civilian accountants. Everyone of these men we can get to reenlist means a saving of $14,800. That is an amount at least equal to the cost of the training of a doctor through 4 years of medical school.

The main purpose of this bill is to reduce this exodus of trained, skilled personnel. The title of the bill, "The Career Incentive Act," states its objective. It is designed to make the military career more nearly competitive with opportunities offered by industry so that more young men will remain in the service on a career basis.

I am convinced that the incentives for career service which this bill will create will result in substantial savings to the Government and to the taxpayer, not only in the immediate future, but for years to come.

Mrs. SMITH of Maine. Mr. President, the very key to the security of our country and to the survival of our national freedom and independence is in trained manpower. It is true that scientific progress has greatly mechanized our way of life and has greatly revolutionized our military defense, so that fewer men can do more with machines.

But we need skilled and trained manpower to run our machines of defense. We need not only to attract skilled manpower for our armed services, but we need to retain the manpower we spend so much money to train.

Last Friday I placed in the RECORD an address by the Secretary of the Air Force, and I should like to quote from that in part because the Secretary made the point as effectively as could be when he said:

I would like to tell you of our biggest problems in the Air Force. It is a problem of people. It is a problem that must be solved if we are to maintain and increase the capability of the Air Force. Your Air Force has expanded since 1950 from a strength of 48 wings and 411,000 people to a present strength of 121 wings and some 950,000 people. The enlisted ranks of the Air Force are made up of volunteers. Since the Air Force cannot go out and hire trained and skilled personnel to maintain its valuable and highly intricate equipment, we must train each new man to do a job. In the tremendous buildup that followed the outbreak of the Korean war we trained hundreds of thousands of young men to do the many jobs that are required to keep our airplanes flying and our equipment working. Our problem is that we have not been able to make the Air Force career sufficiently attractive to keep enough of these young men who have done such a fine job for us in the service. This year, for instance, we will lose $2¼ billion worth of trained personnel. We know that if we make the Air Force career sufficiently attractive, more of these fine young men will stay with us. Consequently, we have undertaken a campaign to correct many of the problems and to make the Air Force career competitive with careers in civilian life.

The biggest problem we found was pay. As a result of a long program to emphasize the need and advantages of proper pay to our service personnel, it appears that Congress will this year pass a new pay bill. This bill will give selected pay raises to individuals in the armed services and should go a long way to making our service career more attractive.

Mr. President, I am sure that what he said goes equally for all of the other armed services. And so I have urged

the passage of this bill in the very interest of our national security.

But before concluding my remarks, I wish to say that it is not pay alone that is necessary in order to be able to recruit and retain the necessary military manpower. There are other things such as housing. I regret to say that the housing conditions of our military personnel, both in this country and at our establishments overseas, border on being a national disgrace. Too many of our personnel are forced to live in mere hovels—in literally firetraps—because of lack of housing.

On this score, we can give great credit to the late Senator Kenneth Wherry, who authored the legislation that provided the excellent Wherry housing—the brightest spot today in military housing, and a tribute to what private enterprise can do, if given the chance, on Government programs. The only trouble is that we do not have enough Wherry housing.

There is great hope for correction of this bad situation in a bill recently introduced by the distinguished senior Senator from Indiana [Mr. CAPEHART], who may well become the hero-successor to the late Senator Wherry. I trust that there will be quick and prompt action on the Capehart bill, S. 1501, and that in the near future the Senate will act promptly on correcting the inadequate military-housing situation, just as I am confident it will act today on correction of the inadequate military-pay situation.

The PRESIDING OFFICER (Mr. MCNAMARA in the chair). The bill having been read three times, the question is, Shall it pass?

The bill (H. R. 4720) was passed.

Mr. RUSSELL. Mr. President, I ask unanimous consent that the bill just passed may be printed with the amendments of the Senate numbered.

The PRESIDING OFFICER. Without objection, it is so ordered.

NOMINATIONS IN THE FOREIGN SERVICE

Mr. GEORGE. Mr. President, as in executive session, I ask unanimous consent for the present consideration of a list of appointees under an act which will expire on March 31. Since the Senate may not be in session tomorrow, this is the last day upon which the proposed action could be taken.

The request is for the confirmation, as in executive session, of a list of nominations referred to the Committee on Foreign Relations. The entire list was approved by the committee, without objection, and is comprised of persons, presently engaged in the service, who are designated for promotion in the Foreign Service as consuls and secretaries in the diplomatic service of the United States.

Mr. SALTONSTALL. Mr. President, is my understanding correct that the Senator from Georgia is requesting confirmation of nominations in the Foreign Service?

Mr. GEORGE. I am asking for the consideration of a list of promotions in the Foreign Service.

Mr. SALTONSTALL. Of persons whose positions which would expire on the 31st of this month?

Mr. GEORGE. The authority for the appointments will expire on the 31st of this month, unless the action proposed shall be taken today.

Mr. SALTONSTALL. As I understand, the report of the committee is unanimous.

Mr. GEORGE. The report of the committee is unanimous. The persons concerned come from almost every State in the Union. This is the last list of appointments under the act of March 31, 1954.

Mr. SALTONSTALL. I have no objection.

The PRESIDING OFFICER. As in executive session, is there objection to the present consideration of the nominations? The Chair hears none, and the nominations are confirmed en bloc. The President will be so notified immediately.

Mr. GEORGE. I thank the Chair.

REDETERMINATION OF MARKETING QUOTAS FOR BURLEY TOBACCO FOR THE 1955–56 MARKETING YEAR

Mr. STENNIS. Mr. President, I move that the Senate proceed to the consideration of the bill (H. R. 4951), which is order No. 124 on the calendar, the so-called burley tobacco bill.

The PRESIDING OFFICER (Mr. SCOTT in the chair). The clerk will state the bill by title, for the information of the Senate.

The CHIEF CLERK. A bill (H. R. 4951) directing a redetermination of the national marketing quota for burley tobacco for the 1955–56 marketing year, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Mississippi.

The motion was agreed to; and the Senate proceeded to consider the bill.

RECESS

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. JOHNSON of Texas. I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senate stand in recess, subject to the call of the Chair, for the purpose of receiving the Prime Minister of Italy.

The PRESIDING OFFICER. Without objection, it is so ordered.

Thereupon (at 2 o'clock and 6 minutes p. m.), the Senate took a recess subject to the call of the Chair.

VISIT TO THE SENATE OF THE HONORABLE MARIO SCELBA, PRIME MINISTER OF ITALY

During the recess,

The VICE PRESIDENT. The Prime Minister of Italy is visiting the Senate today. The Chair appoints the Senator from Texas [Mr. JOHNSON] and the Senator from California [Mr. KNOWLAND] to escort to the rostrum our distinguished visitor.

The Honorable Mario Scelba, Prime Minister of Italy, escorted by the committee appointed by the Vice President, consisting of Mr. JOHNSON of Texas and Mr. KNOWLAND, entered the Senate Chamber, accompanied by the Foreign Minister of Italy, the Honorable Gaetano Martino; the American Ambassador to Italy, the Honorable Clare Booth Luce; the Italian Ambassador to the United States, the Honorable Manlio Brosio; and Mr. A. José De Seabra, of the State Department.

The Prime Minister of Italy took the place on the rostrum assigned him in front of the Vice President's desk, and the distinguished visitors accompanying him were escorted to places assigned to them.

The VICE PRESIDENT. Members of the Senate and guests of the Senate, it is my great honor to present a man who for some time has led his great country brilliantly and effectively, and who is visiting the United States as the official representative of a people and a government whose friendship with the United States makes us, with them, one of the great bulwarks of freedom in the world today.

I present the Prime Minister of Italy. [Applause, Senators and occupants of the galleries rising.]

ADDRESS BY THE HONORABLE MARIO SCELBA, PRIME MINISTER OF ITALY

Thereupon, from his place on the rostrum, the Prime Minister of Italy delivered the following address:

Signor Presidente, Signori, considero un alto onore l'essere accolto al Senato della vostra democratica Repubblica.

Tengo a ringraziare il Presidente per le sue parole e per il suo saluto; e il mio ringraziamento va, a nome del mio paese, a tutti gli illustri membri di quest'Assemblea. Le vostre deliberazioni hanno recato in questi anni un immenso contributo al consolidamento della nostra democrazia e della nostra ricostruzione morale e materiale. Sono commosso di ritrovarmi tra quelle mura dove tanto si è parlato dell'Italia, e tanto si è fatto per l'Italia.

I contribuenti americani hanno voluto accollarsi oneri notevoli, perchè nella vostra saggezza politica, nella vostra generosità e per la vostra esperisnza della storia, avete identificato la causa della libertà e della salvezza dei popoli europei con gli interessi del vostro paese.

Ultimata la ricostruzione, ci accingiamo ad affrontare a fondo i nostri problemi strutturali, proposti ed imposti dalla natura stessa della nostra Patria. La loro soluzione è di per sè stessa un obbiettivo, ma è un mezzo insostituibile per il consolidamento della democrazia. Avvezzo al sacrificio, non sempre palese per chi non lo conosce, ed al lavoro spesso ingrato, il nostro popolo prosegue l'azione intrapresa, che la storia e il nostro senso di responsabilità ci additano. Sappiamo fin troppo bene a

quali conseguenze andrebbero incontro tutte le nazioni civili ma, primo tra esse, il nostro paese e le nostre istituzioni se l'Italia perdesse la sua libertà: lo sappiamo fin troppo bene, meglio di chiunque altro. Da questa nostra consapevolezza scaturisce la nostra determinazione di conservare la democrazia e la libertà.

Ma noi sappiamo che, difendendo la nostra libertà, difendiamo quella di cutti. E il fatto che talvolta i nostri amici si preoccupino, e persino ingiustificatamente si allarmino, per la nostra sorte è la prova di quanto noi tutti siamo interdipendenti e quanto la debolezza dell'uno sia ragione di debolezza per tutta la comunità, sia essa debolezza economica o nella difesa militare.

I nostri interessi quindi coincidono. Uniamoci e collaboriamo sempre più strettamente: è questa la premessa di tutta la nostra politica estera, che si estrinseca nell'alleanza Atlantica e nell'integrazione dell'Europa; nella comunità che non sia solo militare, ma politica ed economica.

Dall'Europa sono giunte in questi giorni buone notizie: dopo la nostra ratifica dell'Unione europea occidentale, la prima sul continente, il lungo processo di maturazione dell'ideale europeo si evolve, si fa; operiamo, senza impaziente ma senza ritardi, affinchè nazionalismi che sono millenari si fondano e superino nel concetto dell'integrazione.

L'unificazione europea sul piano politico e sul piano economico, con la creazione di un vasto mercato con libero movimento di uomini e di beni, rafforzerà il settore orientale del nostro sistema atlantico e diminuirà all'America il peso delle sue responsabilità e dei suoi impegni nella comunità democratica. Essa servirà in tal modo a consolidare la sicurezza dei popoli liberi e garantire la prosperità e la pace.

Ho detto, e vorrei qui ripeterlo, che l'amicizia tra Stati Uniti e Italia è un elemento positivo, anzi fondamentale, per conseguire gli scopi della nostra comunità, comunità che è a sua volta un nuovo vincolo, tra i tanti che già esistono, della nostra amicizia.

The address of the Prime Minister of Italy was interpreted by Mr. A. José De Seabra, of the State Department, as follows:

Mr. President and Members of the Senate: It is indeed an honor for me to come before the Senate of your great Republic. Let me thank the President of the Senate for his greeting and his words. But my thanks go on behalf of my country to all the distinguished Members of the Senate. The decisions taken here in recent years have brought a notable contribution to our democracy and to our morale and our material recovery.

I must confess I am moved as I stand in this place where so much has been said of Italy and so much has been done for Italy. The American taxpayer has shouldered considerable burdens, for your political wisdom, your generosity, and your experience have urged you to identify the cause of the freedom and the welfare of European peoples with the interests of your country.

Our recovery in Italy is today an accomplished fact. We are now tackling the structural problems which are nature's legacy to our country. We are determined to solve them, for that is essential if we are to consolidate democracy. Sacrifice and hard work will be required of us. They have always been the lot of our people, although this has not always been acknowledged.

But history and our sense of responsibility point out our course, for we know full well what would befall the civilized nations, and foremost among them our country, if Italy were to lose her liberty. We know it full well, and we can visualize it better than can anyone else.

From this knowledge, spring our determination and our resolve to safeguard democracy and our freedom. We know that in safeguarding our freedom, we safeguard the freedom of others. [Applause.]

The fact that our friends show concern, and at times unjustified alarm, about our future proves how interdependent we are, and how the weakness of one of us is a source of weakness, economic or military, for all the community.

Our interests, therefore, coincide. Let us unite and cooperate ever more closely. That is the very foundation of all our foreign policy, which stands for the Atlantic Alliance and the integration of Europe. Our unity must be not only military, but political and economic.

Good news has come to us from Europe. After our ratification of the Western European Union, the first on the continent, the European ideal is slowly materializing. Europe is in the making. Let us work without undue haste, but without delay, in order that century-old nationalisms may be merged and integrated. [Applause.]

European political unity and the creation of a single market, with free movement of men and goods, will strengthen the Atlantic system in its eastern reaches, and will relieve America of its responsibilities and obligations in a democratic community. This will consolidate the security of free peoples and will make for prosperity and peace.

The other day I said—and I wish to repeat it—that friendship between the United States and Italy is a constructive element in the achievement of our community aims; and the community is, in turn, one more link in the solid chain of our friendly relations. [Applause, Members rising.]

The VICE PRESIDENT. The Senator from Texas [Mr. JOHNSON] will respond for the majority to the remarks of the Prime Minister.

Mr. JOHNSON of Texas. Mr. President, Mr. Prime Minister, and my colleagues in the Senate, it is a very high honor and a very great pleasure to receive in this historic Chamber the leader of one of the oldest and proudest nations of western civilization. The contributions of Italy to our country have been rich and rewarding. We have drawn upon the ideals of ancient Rome for many of the things which have made our society both free and stable.

Premier Scelba, who does us the honor of coming here to visit with us today, is much more than the representative of an old and proud nation. He is a fighting leader of his people in the struggle to maintain freedom in the modern world. He has dedicated his life to fighting dictatorships, whether they be dictatorships of the right or of the left. To such a man, Premier Scelba, it is an honor and a very great privilege, on behalf of my colleagues, to extend greetings. We wish you and your nation well. May we always be free. [Applause.]

The VICE PRESIDENT. The Senator from California [Mr. KNOWLAND] will respond for the minority to the remarks of the Prime Minister.

Mr. KNOWLAND. Mr. President, Mr. Prime Minister, and my colleagues, I think the warmth of the welcome from both sides of the aisle indicates that we are most happy to have you, as the distinguished representative of the great nation of Italy, visiting us here today. Your country has contributed as much as any other on the face of the globe to our culture, to our form of government, and to our economic development.

Before you, you see representatives of 48 States of the American Union. There is not a single State in this great country which has not added to its population people who have come from your country, or whose parents or grandparents have come from Italy. They have enriched our life by so doing.

We are devoted, as you are in your country, Mr. Prime Minister, to the cause of human freedom. During the very brief time you will be here among us you may gain the impression that there are some fundamental differences between our two great political parties. But, Mr. Prime Minister, I think I can assure you that if the free world is ever challenged, if the American way of life and the way of life represented by the free people of Italy is ever challenged by totalitarian aggressors, it will be found in the future, as we have found in the past, that Americans will be standing shoulder to shoulder with Italians in helping to maintain a free world of free men. [Applause.]

The VICE PRESIDENT. The Senate is also honored today by having two other parliamentarians as guests.

The first is the distinguished Foreign Minister of Italy, Signor Gaetano Martino. I should like to introduce him to Members of the Senate. [Applause, Members rising.]

The VICE PRESIDENT. There is also present one who needs no introduction in this body—a former Member of the House of Representatives, and the present Ambassador to Italy from the United States, Hon. Clare Boothe Luce. [Applause, Members rising.]

The VICE PRESIDENT. I know that Members of the Senate would like to have the opportunity to greet our distinguished visitors. Therefore the recess will continue so that Senators may have an opportunity to speak personally with our visitors.

The Prime Minister was escorted to a position on the floor of the Senate in front of the Vice President's desk, and was there greeted by Members of the

Senate, who were introduced to him by Mr. JOHNSON of Texas and Mr. KNOWLAND.

Following the informal reception, the Prime Minister and the distinguished visitors acocmpanying him were escorted from the Chamber.

At 2 o'clock and 37 minutes p. m., the Senate reassembled, when called to order by the Presiding Officer (Mr. HOLLAND in the chair).

VISIT TO THE SENATE BY STUDENTS OF ST. MARTIN'S EPISCOPAL SCHOOL OF NEW ORLEANS

Mr. ELLENDER. Mr. President, last December it was my privilege to address the fathers and mothers of the children attending St. Martin's Episcopal School, which is located at 5309 Airline Highway, near New Orleans, La. At that time I was informed by a member of the senior class that the schoolchildren intended to visit Washington. I told them if they came to Washington I would be glad to show them around.

Today, I am happy to state that in the galleries are 25 students of St. Martin's Episcopal School. These boys and girls have earned their way to Washington by selling old newspapers and scrap iron and by babysitting and waiting.

I am glad to present them to the Senate. I ask them to rise, so that they may be greeted by the Senate.

The PRESIDING OFFICER (Mr. HOLLAND in the chair). The Chair asks our young guests in the galleries to rise.

(The group rose in their places in the gallery and were greeted by applause.)

Mr. ELLENDER. The group of students is chaperoned by the Reverend and Mrs. John Jenkins and Miss Dorothy Dorsa.

I ask unanimous consent that the names of the students be incorporated in the RECORD at this point.

There being no objection, the list of names was ordered to be printed in the RECORD, as follows:

Mary Allen, Bill Andrews, Margy Barry, Alice Bland, Bob Cairns, Daryl Canfill, Gene Doswell, John Girault, Kathy Hamilton, Anne Heyerdale, David Lagarde, John Lambert, Elliott Laudeman, Betsy Little, David Malone, Bonnie Markle, Larry Maxwell, Martha McCoy, Eric Phillpott, Betty Pratt, Suzanne Ray, Sue Ruppel, Sharon Smith, Carol Wetterhall, and Tad Wisdom.

REDETERMINATION OF MARKETING QUOTAS FOR BURLEY TOBACCO FOR THE 1955–56 MARKETING YEAR

The Senate resumed the consideration of the bill (H. R. 4951) directing a redetermination of the national marketing quota for burley tobacco for the 1955–56 marketing year, and for other purposes.

Mr. CLEMENTS. Mr. President, the pending measure H. R. 4951, combines the provisions of S. 1457, to redetermine the national marketing quotas for burley tobacco for the 1955–56 marketing years, and for other purposes; S. 1327, to amend the tobacco marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended; S. 1325, to amend the tobacco marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended; and S. 1326, to amend the tobacco marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended; and all committee amendments to those bills.

The first two sections would include material covered by S. 1457, and would direct the Secretary of Agriculture to redetermine the national marketing quota for the 1955 crop of burley tobacco on the basis of the latest available statistics.

It would permit reduction of the 1955 crop to allotments of seven-tenths of an acre or less by not more than one-tenth of an acre; no allotment to be so reduced below five-tenths of an acre.

It would provide for the removal of quotas and price supports if the redetermined quota is not approved by two-thirds of the producers.

It would reduce the acreage and percentage of cropland factors used in determining minimum burley allotments from seven-tenths to five-tenths and from 25 percent of the cropland, to 10 percent of the cropland; no allotment to be reduced more than one-tenth of an acre in any 1 year.

Section 3, which includes material, contained in Senate bill 1327, provides that excess acres harvested in 1955 and subsequent years will not count in establishing future allotments. This will prevent producers from building up history through allotment violations.

Section 4, which includes material contained in Senate bill 1325 has to do with one who files a false report with respect to the tobacco acreage of his farm. A farmer who contributed to breaking down the marketing program by growing tobacco on unreported fields would have his next quota reduced by the percentage which his greatest production was of his quota.

Section 5, which includes material contained in Senate bill 1326, would increase the marketing penalty for overplanting tobacco from 50 percent of the average market price in the preceding market year to 75 percent of such average market price.

Mr. President, there is good cause for the proposed legislation. A normal quantity of tobacco in storage is approximately two and a half years' supply. At present more than three and a half years' supplies are in storage. If there were not a pound of burley tobacco raised during the next year, it would bring burley tobacco stock into approximately normal balance. We recognize such eventuality would be a disastrous situation for the burley tobacco growers, but we also recognize that sooner or later this program will fall unless supplies are brought into normal balance.

The proposed legislation, as I have said, would permit the Secretary of Agriculture to make a redetermination between now and the planting season and to advise the growers what additional reduction to the 10 percent cut, which was made last fall, should be made before the 1955 crop of burley tobacco is planted.

Mr. President, some may say, "Why was not this cut made last November?" At the time the acreage was determined by the Department of Agriculture it was thought that there would be 582 million pounds of burley tobacco marketed, but that did not happen. There was a considerably larger amount of burley tobacco marketed last year than was anticipated by the Department when it made the determination in November as required by law. Latest estimates indicate a 670 million pound crop. It is the belief of the Department now that a proper determination would have been a 30 percent cut for the 1955 crop. This bill would permit a redetermination of the marketing quota, but not to exceed a reduction of 25 percent.

Mr. President, some may say that the burley tobacco industry could withstand a continuation of the present law; but if the proposed legislation is not enacted, we shall add this year an additional surplus over and above that already referred to, and we will be in worse condition 12 months hence than we are now.

In my judgment, which is supported by the views of officials of the Tobacco Branch of the Department of Agriculture, we may well require a 50 percent cut in the acreage of burley tobacco next year if this bill is not passed this year to curtail the production of burley tobacco at this time.

There will be some who will suggest that the section of the bill which would reduce from seven-tenths to five-tenths the minimum allotment is unnecessary at this time. I wish to say that this bill in its present form is supported by the Department of Agriculture, by major farm organizations within a goodly number of States, and by a great majority of the group who were represented at a meeting in Lexington of the eight-State burley committee. It was their judgment then, and it is now their judgment, that the enactment of this proposed legislation is essential for the preservation of the burley-tobacco program which has meant so much to more than 300,000 growers of burley tobacco in those 8 States.

Mr. BARKLEY. Mr. President, will the Senator yield for a question?

Mr. CLEMENTS. I shall be glad to yield.

Mr. BARKLEY. What proportion of the crop of burley tobacco is now produced by those who have seven-tenths of an acre or less in the burley area?

Mr. CLEMENTS. Approximately one-third of the burley tobacco is produced by those who grow seven-tenths of an acre or less.

Mr. BARKLEY. Can the Senator advise the Senate to what extent the production per acre has increased because of greater fertilization and more scientific methods of production over the past 5 or 10 years as compared with the situation at the time this program was first inaugurated?

Mr. CLEMENTS. In 1940, the average production per acre was 1,045 pounds. In 1954, the average production was 1,650 pounds of burley to the acre.

Mr. BARKLEY. So today seven-tenths of an acre, or any similar amount, represents greater productivity than the same amount of acreage, or in some cases, twice the amount of acreage, reported in 1940. Is that not correct?

Mr. CLEMENTS. That is correct. I should say that on the basis of what it will produce now seven-tenths of an acre will produce more than would have been produced in 1940 on the average allotment for burley tobacco, which was about 1.2 acres.

Mr. BARKLEY. So seven-tenths of an acre now, because of the processes by which increases in production have been brought about is almost equal to an acre and one-half of tobacco in 1940. Is that correct?

Mr. CLEMENTS. That is correct.

Mr. BARKLEY. In undertaking to adjust the situation, so as to alleviate the conditions brought about by overproduction, I understand it is the Senator's view and the view of the committee that it is necessary to bring about a reduction in the production of the small acreage owner, as well as in the production of the large acreage owner. Otherwise, the new program would not be effective, and the entire program for burley tobacco would be injured and might collapse. Is that the view of the committee?

Mr. CLEMENTS. That is the view of the committee; and, I may say to my distinguished colleague, it is certainly my view. I know the attitude of my colleague, who has been a champion of this program since its inception, namely, that under no conditions would he wish to inflict any hardship upon the small growers. But my belief—and I feel certain it is the belief of my colleague—is that it is necessary at this time, when an acreage production cut must be made, to maintain equality in the sharing of the cut.

Mr. BARKLEY. We all sympathize with the small grower. In my early days, I was a small grower myself. My father, also, was a small grower of tobacco. I understand the entire problem of the production of tobacco, whether it be burley or other types of tobacco.

I have always been, and I am now, in sympathy with the small grower of anything, whether it be tobacco, wheat, corn, or cotton. Yet I realize that if this program should collapse because of overproduction, the lack of markets, or by whatever method it might be brought about, whether by infringement on limitations fixed or overfertility of soil—for whatever reason the program might fail, the small producer would suffer in the same proportion as would the large producer, and he might not be able to change his acreage to some other type of crop growing as readily as a large producer could. Is that a fair assumption?

Mr. CLEMENTS. It is certainly a fair assumption; I agree with it wholeheartedly.

I wish to add that, in my judgment, if the program should fail—and it will fail unless there shall be a fair distribution of the cut among the growers—the larger grower could more easily adapt himself to another type of farming than could the small grower, who is more dependent upon tobacco as a cash crop than upon any other item.

Mr. BARKLEY. If I may illustrate, I have a friend in Kentucky who during the past year grew 81 acres of burley tobacco. He has a large farm. It is a very rich farm in the very center of the bluegrass region of Kentucky.

If by reason of overproduction and the consequent collapse of the price-support program, which has enabled burley tobacco growers to receive adequate compensation for their work, the program should fail, he could change his acreage into grasses or other crops, or he could raise cattle, any of which would adequately, or at least to some extent, compensate him.

As compared with a man having seven-tenths or five-tenths of an acre, which one, in, that situation, would have the advantage, even in the event of the collapse of the entire program?

Mr. CLEMENTS. I should say the larger grower would have the advantage.

Mr. BARKLEY. I thank the senior Senator from Kentucky.

Mr. KEFAUVER. Mr. President, will the Senator yield?

Mr. CLEMENTS. I yield.

Mr. KEFAUVER. As the Senator from Kentucky knows, a large part of the burley tobacco grown in Tennessee is produced by the small farmers, those having 1 acre or less, and it is grown as a cash crop. The small tobacco farmer has already had his cash crop cut down to the point where it is almost impossible for him to survive. An increase in the cut will cause him serious difficulty.

Does not the Senator feel that a man having 10 acres is better able to absorb the cut which has to be made in order to keep the program than is the small farmer who has only seven-tenths of an acre now?

Mr. CLEMENTS. He not only is better able to absorb it, but he will share the cut in the same proportion.

Mr. KEFAUVER. Since a cut below seven-tenths of an acre, in the case of a small farmer, will cause him grave economic hardship, does not the Senator feel that, as a matter of fairness and equity, in order to give the small producer at least a minimum amount on which to live, the large producer ought to share a somewhat greater proportion of the cut than the smaller farmer?

Mr. CLEMENTS. My heart is with the small grower as much as that of the Senator from Tennessee. I think my heart and the heart of my colleague should be inclined more sympathetically to the small grower, because there are more small growers in Kentucky than in any other State of the Union.

Mr. KEFAUVER. It might be well to add that there are also more large growers in Kentucky than in any other State of the Union.

Mr. CLEMENTS. There are more large growers in Kentucky than in any other State, but the percentage which the grower in Kentucky has allotted to him is not the highest. In some States the average acreage allotment is greater than it is in Kentucky.

Mr. KEFAUVER. The distinguished junior Senator from Kentucky [Mr. BARKLEY] asked the distinguished senior Senator from Kentucky a question as to whether the small farmer is able to produce more than he formerly could produce by reason of better fertilization and improved agricultural methods. If that be true of the small farmer, is it not equally true, if not more so, of the farmer having a larger allotment?

Mr. CLEMENTS. In my opinion, there would be no difference. They both have access to the same techniques. I do not know of a single county in the burley-tobacco-producing areas which is not blessed with a county agricultural agent. The agents have done excellent work in our State, as I know they have done in Tennessee and the other burley-tobacco-growing States, in acquainting the small grower with the new techniques which have been developed to increase their production.

Mr. KEFAUVER. It seems to me that the farmer who has a larger allotment still will have a substantially larger income to get by with. In view of the dire economic plight of some of the very small growers, and the fact that hundreds of thousands of small farmers have been going out of business every year, until they have become quite a problem in our Nation, I think that instead of a general overall cut to keep all the farmers going, it would be in the public interest and would be much fairer to apply a larger amount of the deduction to the larger grower, while still allowing the small farmer to have his seven-tenths of an acre, which barely enables him to keep going anyway.

Mr. CLEMENTS. I agree with the theory expressed by the distinguished Senator from Tennessee; but, from a practical standpoint, I think he will agree that it was not too long ago when the minimum was nine-tenths of an acre. At the time it was nine-tenths of an acre, that amount of land did not produce as much tobacco, on the average, as seven-tenths of an acre, and even less than seven-tenths of an acre produces today.

Mr. KEFAUVER. It is also true, is it not, that while a farmer can produce more with whatever land he has, the small farmer, who usually has quite a large family to support, as the Senator from Kentucky and I know also has to pay a little more for what he buys in the way of equipment and groceries? In other words, his cost of living has gone up very greatly, too, so that as of now, if his acreage is cut any more, it is going to be economically impossible for many of the small farmers to survive, and I think that would be an all-around catastrophe in our agricultural community.

Mr. CLEMENTS. Let me say to my friend from Tennessee that I dislike seeing any farmer receive a cut, regardless of whether his acreage is small or large; but that is not the real problem with which we are now confronted, when we have more than a year's oversupply of tobacco in storage. The question is, Are we going to save this program? If so, we shall have to take the action which the bill contemplates.

Mr. CAPEHART. Mr. President, will the Senator from Kentucky yield?

Mr. CLEMENTS. I yield.

Mr. CAPEHART. I wish to join with the two able Senators from Kentucky in supporting the pending bill, or all tobacco bills, because farmers in Indiana raise considerable tobacco just across

the river from Kentucky. There are in Indiana many small tobacco farmers. I find that they are in favor of the proposed legislation. I merely desired to join with the two able Senators from Kentucky, and particularly with the author of the bill, the senior Senator from Kentucky (Mr. CLEMENTS), in supporting the proposed legislation. I think it is sound and that the Senate ought to support it.

Mr. CLEMENTS. I thank the Senator from Indiana for his observation, as well as for expressing support of the proposed legislation, and for his mention of the fact that farmers in his State favor the bill. During the past week I was in my home State. I did not find any farmer who grew tobacco in the State of Kentucky who wanted a cut in his acreage; but every grower of tobacco with whom I talked said that the program is more important than the exact acreage involved.

Mr. BARKLEY. Mr. President, will my colleague yield?

Mr. CLEMENTS. I yield to my colleague.

Mr. BARKLEY. If we may assume that, because of overproduction of the particular crop affected by the bill, we would be unable to maintain the program, and the price of tobacco reverted to what it was before there was a program in operation, would there be any incentive for a farmer, even with seven-tenths or five-tenths of an acre, to grow tobacco?

Mr. CLEMENTS. There would not be. In view of the surplus in storage at the present time, no farmer would desire to grow burley tobacco in a small amount without price supports.

Mr. BARKLEY. That would not only affect the tobacco crop itself, but it would affect drastically and tragically the value of the land on which the crop is grown, which is so vital to the tobacco industry of the United States and, I might say, to the Treasury of the United States, because the tobacco industry makes a greater contribution to the Treasury than any other crop, or almost all other crops in the United States combined.

Mr. CLEMENTS. My colleague, as usual, is eminently correct.

Mr. SYMINGTON. Mr. President, will the distinguished Senator from Kentucky yield to me?

Mr. CLEMENTS. I yield to my friend from Missouri.

Mr. SYMINGTON. The great State of Missouri has a unique position in this matter. Last year an outstanding Missourian was elected to the House of Representatives from the Sixth District whose family for generations have been identified with the tobacco industry in Missouri. I had the privilege, shortly after lunch, to discuss this matter with this Representative, the Honorable WILLIAM HULL, JR., of Weston, Mo., who has been in the tobacco business all his life. Congressman HULL stated that while there are some minor modifications which the tobacco farmers of Missouri might wish in the bill, nevertheless they are wholeheartedly in favor of the bill as a whole; and he added he voted for it when it passed the House. Therefore, Mr. President, I support the distinguished senior Senator from Kentucky in his presentation of this bill before the Senate.

Mr. CLEMENTS. I thank my friend from Missouri for his observation. It is certainly fine to have in the RECORD a statement that a Member of the House from Missouri, who has probably had a longer connection with the growth of burley tobacco than has any other Member of the House, has taken that position.

Mr. President, there may be some who would suggest, as one of my colleagues did, that a compromise ought to be offered and considered. As a matter of fact, the bill before the Senate now represents a compromise. The only type of tobacco which has a minimum acreage is burley. None of the other types have a minimum acreage.

Mr. ERVIN. Mr. President, will the Senator yield?

Mr. CLEMENTS. I yield.

Mr. ERVIN. I should like to make a statement and then ask a question. I have never seen, and I have never known any person who ever saw, and I have never yet heard of, any farmer growing Bright Leaf tobacco who had an allotment of less than 2 acres. I should like to ask the Senator from Kentucky if he has ever heard of a Bright Leaf tobacco grower having an allotment below 2 acres.

Mr. CLEMENTS. I have not. As a matter of fact, I do not live in the flue-cured tobacco area. There is not an allotment for flue-cured tobacco in Kentucky. There are more types of tobacco than flue-cured and burley; but none of the other types of tobacco, including flue-cured, have a minimum allotment.

VISIT TO SENATE OF MEMBERS OF PRECISION DRILL TEAM OF PURDUE UNIVERSITY, INDIANA

Mr. CAPEHART. Mr. President, will the Senator from Kentucky yield?

Mr. CLEMENTS. I yield.

Mr. CAPEHART. I merely wished to announce that the Purdue University drill team won the precision drill award in the cherry blossom contest, winning against all other competitors. As it is a great agricultural school as well as an engineering school, its students are very much interested in tobacco.

Two members of that drill team, Mr. Thomas McHenry and Mr. Dale Vermillion, are present in the gallery at this time. I know it will be interesting to the people of Indiana to know that the great University of Purdue won the precision drill team contest in Washington.

I thank the Senator for yielding.

REDETERMINATION OF MARKETING QUOTAS FOR BURLEY TOBACCO FOR THE 1955–56 MARKETING YEAR

The Senate resumed the consideration of the bill (H. R. 4951) directing a redetermination of the national marketing quota for burley tobacco for the 1955–56 marketing year, and for other purposes.

Mr. CLEMENTS. Mr. President, as I was saying, a compromise has already been reached. I have stated that burley is the only type of tobacco which has a minimum acreage allotment. The growers of burley tobacco are of the opinion that burley tobacco should be in the same class, minimum acreagewise, as are all the other types of tobacco. However, because time is of the essence in the present situation, and since it is very essential that a determination be reached so that the Department can take such action as is needed in calling for a referendum, and have the question settled while there is still time to accomplish desirable results, the group concerned with the matter in the House of Representatives agreed to a compromise of five-tenths of an acre.

Mr. President, there are many who talk about the large number of big growers. I should like to read from the latest table I could obtain from the Department of Agriculture, which gives by size the estimated number of growers under the 1955 tobacco acreage allotments: 9,800 growers have one-tenth of an acre, 9,300 growers have two-tenths of an acre, 17,000 growers have three-tenths of an acre, 19,000 growers have four-tenths of an acre, 46,000 growers have five-tenths of an acre, 19,000 growers have six-tenths of an acre, 87,000 growers have seven-tenths of an acre, 14,000 growers have eight-tenths of an acre, 7,700 growers have nine-tenths of an acre, 7,300 growers have 1 acre, 28,000 growers have between 1.1 and 1.5 acres, 23,000 growers have between 1.6 and 2.5 acres, and 21,000 growers have between 2.6 and 5 acres.

When we come to the big growers we find the following: 8,000 have between 5 and 10 acres, 1,800 have between 10.1 and 20 acres, 400 have between 20 and 50 acres, 40 have between 50 and 100 acres; and 10 have 100 acres or more.

So it is easy to see that two-thirds of the growers are what may be called small growers. If the proposed cut goes into effect this year—and it will not be a general cut unless it covers more growers than those who would be covered by the present law—another twenty-odd thousand growers will go into the protected class, along with the 207,000 who are now in that category.

Mr. President, I could not take my seat without urging the Members of the Senate to consider whether they wish to protect a program which up to this time has cost the American taxpayer nothing, but which is now in jeopardy. One of the best proofs that it is in jeopardy is the fact that today more than $220 million worth of burley tobacco is pledged for Commodity Credit Corporation loans. I am advised that more burley tobacco than any other type of tobacco is under CCC loans, although the amount of burley tobacco which is produced is nowhere near so large as the amount of another variety of tobacco which is produced, namely, flue-cured, or Bright Leaf tobacco.

Mr. President, I urge the Senate to consider this bill most seriously. As I have said, in Kentucky there are more small growers than there are in any other State. I wish it were possible for them to have one acre apiece. But that could not come to pass without wrecking

the present program, and the continuation of the program is more important to them, I am confident, than one-tenth of an acre more or less.

Mr. GORE. Mr. President, will the Senator from Kentucky yield to me?

The PRESIDING OFFICER (Mr. McNAMARA in the chair). Does the Senator from Kentucky yield to the Senator from Tennessee?

Mr. CLEMENTS. I am glad to yield.

Mr. GORE. I take it that the Senator from Kentucky is aware of the fact that the law provides that on November 1 the Secretary of Agriculture shall estimate the stocks on hand and shall publicly announce a quota for the ensuing crop year.

Mr. CLEMENTS. That is correct.

Mr. GORE. How does the Senator from Kentucky justify, if he does, the action of the Secretary of Agriculture in determining the quota for the next year in such a way as to so far underestimate the supply of tobacco and to give a larger percentage cut to the small grower with an allotment of less than 1 acre, than the cut given to those having allotments of more than 1 acre? In other words, as late as November 1, the Secretary of Agriculture issued the marketing quotas; and he so far missed the estimate as to bring us to this predicament, with the result that the growers having allotments in excess of 1 acre had their allotments reduced 10 percent, whereas the growers with allotments of less than 1 acre had their allotment reduced by as much as 12½ percent.

Mr. CLEMENTS. I regret very much that the Secretary of Agriculture or, I should say, the Department of Agriculture—because the Secretary's determinations are based on the estimates made in the Tobacco Branch of the Department—miscalculated the production for last year. I think it is fair to say that my friends, the Senator from Tennessee and the people of the area where he lives and the people of the area where I live were, likewise, very much surprised to find that an additional amount of more than 100 million pounds of burley tobacco passed through the market, in excess of the amount which had been estimated by the Secretary of Agriculture.

Mr. ANDERSON. Mr. President, at this point will the Senator from Kentucky yield to me?

Mr. CLEMENTS. I yield.

Mr. ANDERSON. Of course, the Senator from Kentucky realizes, I am sure, that nothing else in the world is quite so hazardous as the making of crop estimates. I am sure he recognizes that the Department of Agriculture does its very best, and has official reporters almost everywhere, and they turn in what they regard as good figures. But when there is a combination of good weather and the proper amount of moisture on the proper days, changed conditions frequently result. In that case varying estimates have to be indulged in.

Let me ask the Senator when burley tobacco was first brought under these acts. Was it not in 1946 or 1947?

Mr. BARKLEY. Mr. President, if my colleague will yield to me, let me say that, as I recall, in the Agricultural Act of 1938, tobacco was included among the basic crops.

Mr. ANDERSON. However, I have in mind a subsequent year.

Mr. BARKLEY. In 1948, an amendment of the so-called Triple A Act fixed the support price of tobacco at 90 percent of parity. But since 1938, tobacco has been in the category of basic crops.

Mr. ANDERSON. My point is that at one time we had to deal with cotton acreages, and we had to try to determine the minimum acreages. As I recall, whenever we face such a situation, it is extremely difficult to handle, because the situation cannot be cared for by reducing the allotments of only the producers who have fairly sizable allotments. If we leave alone all the minimum allotments—if we cut them virtually nothing—it will be necessary to cut by a very heavy amount or to a very large extent the allotments of the large producers, will it not?

Mr. CLEMENTS. That is correct.

Mr. ANDERSON. However, that is also true with respect to cotton, peanuts, and other crops.

If there is a minimum below which the acreage allotments cannot be cut, and if that category includes a great many growers, then we are faced with a situation such as the present one, and when 100 million pounds extra come on the market, if the cut is applied to the larger producers only, it is a very, very heavy and disastrous cut, is it not?

Mr. CLEMENTS. That is quite true; and the distinguished Senator from New Mexico, who served so ably as Secretary of Agriculture, had many dealings with the tobacco problems when he served in that position.

Not very long ago the minimum acreage was 1 acre. We reached the point where the growers with acreages above 1 acre had to take too great a cut, and the minimum acreage was reduced to nine-tenths of an acre.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. CLEMENTS. I yield.

Mr. ANDERSON. Was there not quite a struggle over that question when the reduction took place?

Mr. CLEMENTS. That is correct.

Mr. ANDERSON. There was a hard batte in the Congress at that time.

Mr. CLEMENTS. That is true. As the Senator knows, one of the reasons is that the yield per acre increased so greatly that a grower with 1 acre was producing as much tobacco as a grower with 1½ acres had been producing only a few years before, while the consumption of burley tobacco had not increased.

Mr. GORE. Mr. President, will the Senator yield?

Mr. CLEMENTS. I am glad to yield.

Mr. GORE. I invite the attention of the junior Senator from New Mexico to the fact that even thought the crop of tobacco had been exactly as expected, the determination of the Secretary would still have been utterly unrealistic. The choice was whether to use the full amount of discretionary authority, thereby giving to the larger growers only a 10 percent reduction, and to the small growers a 12½ percent reduction, or to use a realistic estimate and give a 15-percent reduction to the larger growers and a 12½-percent reduction to the smaller growers.

The choice was made; and this is the second year in which the smaller growers have had a larger percentage reduction than the larger growers. The able Senator from New Mexico has pointed out that if we were to retain the present minimums, it would require the larger growers to have a larger percentage cut; but this is the second year in which the small growers have had the larger percentage cut. Is there any justice in that?

I thank the Senator for yielding. I do not know why the tobacco branch of the Department or the Secretary should be so unrealistic as late as November 1.

Mr. CLEMENTS. I assure my friend from Tennessee that I, too, regret it very much, but we are faced with a reality and not a theory. We need to save this program, and the way to assure its being saved is to enact legislation which will enable the growers themselves to approve, by two-thirds vote during this month, the continuation of this program.

Mr. BARKLEY. Mr. President, will my colleague yield?

Mr. CLEMENTS. I yield.

Mr. BARKLEY. I am familiar with the various conferences which took place among the burley-tobacco growers representing the eight States already referred to, and numerous conferences held within the State of Kentucky, with which I am familiar, dealing with this question.

Resolutions have been adopted by Farm Bureau federations, burley-tobacco growers associations, and various other organizations representing the tobacco growers. They have adopted resolutions unanimously and have sent them to us. We have dealt with them and considered them.

It is true, is it not, that in the various meetings considering this subject both the small tobacco growers and the large tobacco growers were represented in reaching a determination and in voting upon the resolutions which have been sent here advocating a program of this kind?

Mr. CLEMENTS. That is correct.

Mr. BARKLEY. So they have not been without representation. Their voice has been heard in the deliberations which have resulted in a unanimous attitude, as I recall, on the part of numerous farm organizations throughout the State of Kentucky. I cannot speak for any other State. Those organizations have recommended this type of legislation in recognition of the drastic situation which confronts them and the tragic result which would follow if, for any reason, this program should collapse. It could collapse only because of great overproduction or, of course, because of rejection of the program by a little more than a third of those who vote upon it. The pillars would come down on all of them—not only the large grower but the small grower. In proportion to his interest, the small grower would be hurt

worse than the large grower if the whole program should collapse.

Mr. CLEMENTS. That is correct; and I thank my colleague for his fine contribution.

Mr. ERVIN. Mr. President, on behalf of my distinguished colleague [Mr. SCOTT], the distinguished Senators from Tennessee [Mr. KEFAUVER and Mr. GORE], the distinguished Senators from West Virginia [Mr. KILGORE and Mr. NEELY], and myself, I offer the amendments which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendments offered by the Senator from North Carolina, for himself, and other Senators, will be stated.

The LEGISLATIVE CLERK. On page 2, it is proposed to strike out lines 12 to 18, inclusive, and insert:

(2) No burley tobacco farm acreage allotment of seven-tenths of an acre or less shall be reduced under this act.

On page 3, it is proposed to strike out the colon in line 17 and the following words:

Provided, however, That no allotment of seven-tenths of an acre or less shall be reduced more than one-tenth of an acre in any 1 year.

On page 3, it is proposed to strike out the words "five-tenths" in line 16 and insert in lieu thereof the words "seven-tenths."

The PRESIDING OFFICER. Does the distinguished Senator wish to have these amendments considered en bloc?

Mr. ERVIN. I do.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. ERVIN. Mr. President, stated in simple language, these amendments are designed merely to retain in effect the present seven-tenths of an acre minimum allotment to growers of burley tobacco. I respectfully submit that these amendments ought to be adopted, for any 1 of 3 different reasons.

The first is that before the provisions of the bill looking to the redetermination of the proper allotments for burley tobacco growers for the year 1955 can be carried into effect, the tobacco-planting season will be at hand, and the passage of the bill without the amendments would create a great deal of confusion in the burley tobacco-growing areas. For that reason, if for no other, these amendments ought to be adopted.

In the second place, they should be adopted because there is no need at this time for any reduction in the acreage allotted to the growing of burley tobacco.

Burley tobacco cannot be used as soon as it is grown. Like other tobaccos, it must be aged. An aging period of 2.7 years must elapse before burley tobacco can actually be used.

We have on hand a supply of burley tobacco of approximately 3½ years, which is only 0.8 of a year beyond the amount we must have on hand for the proper aging. It would require only one bad tobacco-growing season, and the enforcement of certain provisions incorporated in the bill, other than the provisions to which my amendments are addressed, to bring the production of burley tobacco into balance with the demand for burley tobacco.

It is well known in the burley tobacco field that burley tobacco planters have been overgrowing tobacco, and have been doing so because of a provision in the law which should have been eliminated long ago. That provision deals with a grower of burley tobacco who overplants his present allotment and secures an increase in his future allotment if he pays the penalty.

Furthermore, there is a provision in the bill which would raise the penalty for overplanting from 50 percent to 75 percent. Therefore, it is not necessary to reduce the amount of the acreage allotted to burley tobacco growers at this time. If the bill is passed, with the provision in it which increases the penalty for overproduction from 50 percent to 75 percent, and with the further provision that hereafter it will not be possible to acquire increased future allotments for growing burley tobacco by overplanting one's present allotment, and paying the penalty, such a reduction will not be necessary.

Therefore, we will soon create a situation where the production and use of burley tobacco will be balanced and there will be no surplus on hand.

The surplus we now have on hand is only slightly above the amount that is necessary for the proper aging of burley tobacco.

My able and distinguished friend, the senior Senator from Kentucky [Mr. CLEMENTS], stated that he favors the small growers of burley tobacco, and that his heart bleeds for the small man, as my heart bleeds for him, too. However, Mr. President, my distinguished friend from Kentucky has one consolation which he can lay to his bleeding heart. It is a consolation that I do not have. He has 78,000 growers of burley tobacco in his State, who have on the average a 2.6-acre allotment. I have 20,000 growers of burley tobacco in my State who have an allotment of not exceeding six-tenths of an acre.

Mr. CLEMENTS. Mr. President, will the Senator yield?

Mr. ERVIN. I yield.

Mr. CLEMENTS. I should not want the Senator to leave the Senate under a wrong impression with reference to the average allotment of Kentucky growers of burley tobacco. The acreage in Kentucky, according to the figures I have, is 261,000 acres, and the number of growers is 154,000. The average allotment, therefore, would be somewhat less than the figure my friend from North Carolina has used.

Mr. ERVIN. I do not believe there is any difference between the Senator from Kentucky and myself with respect to the figures. I believe we are substantially in agreement. In his State there are 79,300 small farmers, who have an average allotment of seven-tenths of an acre or less. In that respect they are like my people, except that my people have an average of six-tenths of an acre. However, the State of the Senator from Kentucky also has, in addition to those I have mentioned, 78,000 farmers who have an average of 2.6 acres. As I say, he can lay to his heart the consolation that half of his farmers will have an average of 2 acres, notwithstanding any reduction that may be made. I have no such consolation.

I am familiar with the burley tobacco growing areas of North Carolina. The Lord thought a great deal of North Carolina, particularly western North Carolina. He wanted people there to be just as close to heaven as He could reasonably get them. Therefore, He built some mountains in that area. In order to build the mountains, He had to put a great many rocks into the ground. He had to do that in order to get the people close to the angels. As a result of the presence of those rocks, there is not in western North Carolina very much land that can be used by the growers of burley tobacco.

The same observation applies to the tobacco growing areas of Tennessee and West Virginia. They, too, have small burley tobacco patches of one-fourth or one-half or seven-tenths of an acre scattered through the mountains.

Those people have no cash crop except the burley tobacco crop. Of course they have another crop, Mr. President—a big crop of children. A man who has an allotment of seven-tenths of an acre or less can gross only about $420 a year. That is all the cash crop he has. He may also have some chickens, a cow, and a pig, and he may raise some vegetables. However, he has no other way of getting cash except by growing burley tobacco.

We might as well face the situation, Mr. President. The Senator from Indiana [Mr. CAPEHART]—who, I regret, has left the floor—said he was interested in the small farmers, and therefore would support the bill without my amendment. I want to give him the assurance that his small farmers will be a great deal smaller if the bill is passed without my amendment. If the bill is passed without my amendment, we will eventually have a situation where the Arabs will take away the vineyards of the Naboths.

That will happen, as the Senator from Tennessee [Mr. GORE] has pointed out, if we keep cutting the minimum allotment. At one time the minimum figure was 1 acre. Then it was cut down to nine-tenths of an acre; then to seven-tenths. Now it is proposed to reduce the figure to five-tenths of an acre.

The successive cutting down of the minimum acreage of the burley tobacco farmers reminds me of the man who wanted his dog to have a short tail. He cut his dog's tail off a little bit at a time, because he felt this process would not hurt the dog so much.

That is exactly the condition which will be brought about if the Senate rejects my amendments and continues the process of cutting off the minimum allotment a little at a time. If we keep cutting the minimum allotment in this way, the small burley tobacco farmer will eventually have no allotment of any practical value.

I respectfully submit that that will be the situation. No farmer ought to be cut down below a cash income of $420, which is the amount he can gross a year

on an allotment of seven-tenths of an acre.

As the junior Senator from Kentucky [Mr. BARKLEY] pointed out in his questions to the senior Senator from Kentucky [Mr. CLEMENTS], a farmer who has seven-tenths of an acre as an allotment by reason of an increase in production, has the equivalent of twice that much. By the same token, a man who has a 2.6 acreage allotment, as is the case with 78,000 farmers in Kentucky, has the equivalent of 5.2 acres. The farmer who is fortunate enough to have as much as a 10- or 20-acre allotment has the equivalent of 20 or 40 acres.

My friends from Kentucky tell me how much interested they are in the small farmers. I know that to be a fact, because they themselves are big-hearted men. I know they hate to do to the small farmers of my State what they are preparing to do. However, it seems to me that if their hearts bleed as much as mine does for the small farmers, of whom there are 79,000 in Kentucky and 20,000 in North Carolina, approximately 25,000 in Tennessee, and a like number in West Virginia, their hearts will prompt them to vote for my amendments, which will keep the present minimum in effect. Next year, if the increase in the penalty does not cut down the excess production, we can consider the matter again, instead of discussing it now, on the eve of the planting season.

Therefore, Mr. President, I plead with Members of the Senate not to continue to reduce the minimum allotment of burley growers, because the eventual result will be that there will not be sufficient acreage left to the small grower of burley to warrant his remaining in this agricultural field.

Mr. SCOTT. Mr. President, I support the amendment of the senior Senator from North Carolina, but I shall not attempt to go into any further argument of the subject. I ask unanimous consent to have printed at this point in the RECORD a statement which I have prepared on the question which is involved.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR SCOTT

I think my colleague [Mr. ERVIN] has offered a very important amendment that merits very careful consideration by all of us.

This burley tobacco problem is one that has been growing on us for some time. It is a very serious infection, and unless it is handled right, it might mean the end to our whole burley tobacco program.

Many, many attempts have been made to find a solution that would be satisfactory to everybody concerned. More important, we have made attempts to find a solution that would be just and fair to all burley tobacco growers.

I am in wholehearted agreement with the provisions of the pending bill, with one exception. I should like to say that during the committee hearings and deliberations we all were in accord except for one phase of the burley problem.

To me, and I think to anyone acquainted with the farm problems of the Nation, that one point of difference is of the utmost importance.

I refer to the section of the bill with which the proposed amendment deals. The bill passed by the House contains a provision under which no burley tobacco acreage allotments of five-tenths of an acre or less would be reduced. Until this year, no acreage allotments under seven-tenths of an acre have been reduced. In other words, until now the burley tobacco growers have been assured of at least seven-tenths of an acre allotment.

More important than the percentage reduction, however, is the fact that this means the difference between profit and loss for thousands of burley growers.

I have always agreed that some steps must be taken to reduce the total production of burley tobacco in order to bring supply closer in line with demand, but I do not think we will solve the problem by forcing the small producers out of business.

In this respect, I should like to call a few facts to the attention of the Senate. I have some figures here that are hard to believe, but they are true.

In my home State of North Carolina, we have about 19,000 burley-tobacco growers. Last year, the average acreage of burley tobacco in North Carolina was sixty-four one-hundreths of 1 acre. That is just a fraction above six-tenths of an acre. It is hard to believe, but the cold facts are that the average burley-tobacco grower in North Carolina produces his crop on just a little over half an acre.

All the burley grown in North Carolina is produced in the western counties—in the mountain counties.

I should like to tell the Senate something about the fine mountain people of our State. There are no finer people anywhere.

My senior colleague, Senator ERVIN, comes from the mountains of North Carolina, and I think everyone in this Chamber agrees that a better man cannot be found anywhere.

The mountain people of our State are rugged individuals who believe in living and letting their fellow men live. For the most part, they live on very meager cash incomes.

In many, many cases, the cash income that is received from burley tobacco is the only cash income the mountain farmer has. A tenth of an acre, a quarter of an acre, or even a half acre seems very small when we talk of it here, but when it represents a family's total cash income, then it becomes the most important thing in the world to the head of that family.

Let me give one more set of figures. In 1951, for example, when farm prices were higher than they are now, the average value of burley tobacco in North Carolina was $949 per acre. That means that the average burley farmer in North Carolina, with just a little over a half acre of tobacco, received about $500 for his entire crop.

I cannot find it in myself to believe that a plan which would cut such a man's income by as much as this bill would do is good legislation. I say that if the bill passed by the House becomes law, there will be thousands of burley-tobacco farmers next year who will suffer beyond repair.

There are several provisions in the House bill, namely, the sections that would set up tighter penalties for overplanting and more rigid enforcement regulations; that will go a long way toward reducing the overproduction of burley tobacco.

I hope every member of the Senate will keep these things in mind when the votes are cast. I ask Senators to vote for the amendment that will assure a seven-tenths of an acre allotment.

The small-burley-tobacco growers are already suffering beyond words. If the acreage floor is reduced, it will be the death blow for thousands.

The PRESIDING OFFICER. The question is on agreeing en bloc to the amendments offered by the senior Senator from North Carolina for himself and other Senators.

Mr. BARKLEY. Mr. President, I hesitate to detain the Senate at this time in regard to this matter, but I do wish to make 1 or 2 brief observations with reference to the bill itself and to the amendments offered by the Senator from North Carolina.

I appreciate all he has stated with reference to the tobacco growers of western North Carolina. My grandfather came from that region. He was born, reared, and married in that section of North Carolina, and then moved to Tennessee, thence into Kentucky, where I was born. My father was born in Tennessee.

I understand the problem of large families, because I was the oldest of eight children. We never grew more than six acres of tobacco, which would be less than an acre per child. I think I understand all the problems of the big family and of the small grower of tobacco and other farm crops.

The amendment of the Senator from North Carolina proposes to reduce the production of the small farmer by a small degree, and the Senator uses a dog's tail as an analogy. According to his argument, he would cut it off a little at a time; but he would cut it more often. Therefore, it would hurt worse.

The pending bill authorizes a minimum acreage of five-tenths of an acre. The Senator would make it six-tenths of an acre.

I can remember, Mr. President, when the tobacco growers of North Carolina, Kentucky, Tennessee, and the other tobacco-growing States produced tobacco at a pitifully small price. I have been identified with tobacco all my life. Tobacco is the hardest crop to grow, I think, among all crops, because it is still hand-produced and hand-marketed. There is no machinery used in its production except to a very limited degree. When I was a boy we used to say it took 13 months out of every 12 to grow and market a crop of tobacco. I can recall when burley tobacco, which has been bringing 30, 40, 50, even 60 cents a pound under the program which has been in effect for a number of years, sold at 5 cents a pound.

In my section of the country, where we produce dark-fired tobacco and flue-cured tobacco, those types of tobacco sold at 3 cents a pound. The price has gone to 30 and 35 cents a pound, and the 5-cent tobacco price has gone to 50 or 60 cents a pound. It has enabled our farmers to enjoy a successful program.

Nothing more discouraging or tragic could happen to a tobacco grower, whether he produces flue-cured, dark-fired, or burley tobacco, than to lose the price supports which have maintained him.

Tobacco is very important to the economy of our country and very important to the Treasury of the United States. It has been singled out from other crops for a 90-percent support, not by Executive order, but by law. We all appreciate that, and we had something to do with it.

We have encouraged the enrichment of our soil. We have encouraged all farmers, under a soil-conservation program and other programs, to enrich their soil so as to produce more abundant crops.

We have encouraged tobacco growers in all the tobacco-growing States to grow more tobacco on their farms, whether their acreage be seven-tenths of an acre or half an acre, or whether it be 40 or 50 acres. The farmers have increased their production. The increase in production per acre has largely been responsible for the surplus which is now on hand.

Tobacco growers feel that there should be a reduction in the allotment, though there has been a leveling off of the supply on hand in storage, and, as the Senator from North Carolina has said, in the case of burley tobacco, it must be stored and aged at least 2 years. There is practically a 3½ years' supply now on hand.

Shall we say to the small grower, for whom I have great sympathy and whose spokesman I have been in this body and in other bodies for many years, that we will reduce the allotment of the large producers but will permit the small grower to produce a larger percentage of the total crop and thereby complicate even more the problem which now faces the burley tobacco grower? I think it faces the small grower of tobacco at this moment more particularly than any other type of grower in the United States.

Mr. ERVIN. Mr. President, will the Senator from Kentucky yield?

Mr. BARKLEY. I yield.

Mr. ERVIN. My amendment is for the purpose of preventing anyone from cutting off any of the dog's tail. It is to keep the tail the same length.

Mr. BARKLEY. The Senator from North Carolina provides for one-tenth of an acre under certain circumstances, and then he says that if it does not work satisfactorily in some future year, we will cut off more.

Mr. ERVIN. My amendment provides for the retention of the present minimum. We need not cut off the dog's tail at all. I am in favor of letting the dog keep it. It is the unamended bill which would cut off the dog's tail.

Mr. BARKLEY. But if the situation continues to grow worse in the next few years as it has in the past year or two, the Senator's idea would be to cut off the tail at the end of that period.

But I do not wish to dwell on the dog's tail, because there are better parts of a dog than that.

Mr. CLEMENTS. Mr. President, will my colleague yield for a question?

Mr. BARKLEY. I shall be glad to yield.

Mr. CLEMENTS. Is it not a fact that the adoption of the amendment which would continue the minimum acreage at the figure of seven-tenths would mean that the surplus would be added to this year, and that a small percentage of the growers would be required to take all the cut?

Mr. BARKLEY. That would be true; and we would say to those who now produce more than one-third of the tobacco on the smaller acreage, "Go ahead. Produce all you can. Create a greater surplus." If there is any cut at all, it will be against those who produce more than seven-tenths of an acre. That is a program which I think would not work to the advantage of the small grower.

Mr. CLEMENTS. Is it not a fact that the cut which is proposed by the pending bill will not solve the surplus problem we now have, and that it will take an additional cut in the 1956 crop to bring about a balance?

Mr. BARKLEY. The Senator means that without the amendment of the Senator from North Carolina the bill now pending does not make a sufficient cut to bring about a balance, and there will have to be another cut next year?

Mr. CLEMENTS. Yes.

Mr. BARKLEY. That is correct.

Mr. CLEMENTS. If the cut next year is as large as the Department says is necessary this year, 25 percent, and in the testimony before the subcommittee which heard the matter, the Department of Agriculture stated it would take a 50 percent cut over 2 years to bring about a balance, and if the amendment offered by the Senator from North Carolina were adopted, would it not mean that a small percentage of the growers would take the entire 50 percent?

Mr. BARKLEY. There is no doubt about it. Not only that, but the cuts heretofore made up and down the line have not been made by percentages. They have been made by tenths of an acre. In the case of those who produced tobacco on 1 acre or less the reduction went from 1 acre to nine-tenths of an acre, then to seven-tenths, and now it is proposed to go to a minimum of five-tenths. The difference can hardly be calculated on a percentage basis because it has not worked that way heretofore; whereas the cut from seven-tenths to five-tenths amounts to a larger percentage for those who grow more. It is rather more difficult to work out a cut for the small grower, if there is to be a cut at all, on a percentage basis, than for the larger grower.

Therefore, without taking further time, I hope the amendment offered by our good friend from North Carolina and his colleagues will not be agreed to, and that the bill as reported by the committee will be passed.

Mr. GORE. Mr. President, the tobacco price-support program has been perhaps the most successful part or segment of the entire agricultural price-support program. Up to now, as was said by the distinguished senior Senator from Kentucky [Mr. CLEMENTS], the price-support program with respect to tobacco, not only burley, but also all other types, has not resulted in a loss to the taxpayer; indeed, considerable interest and profit has been returned to the Treasury.

However, particularly in the case of burley tobacco, a very serious situation is faced at this time. There was an overproduction of burley last year, and the production was larger than had been estimated.

More seriously, however, the consumption of tobacco has fallen off within the United States, and the sale of burley tobacco abroad likewise has been reduced. I venture to suggest that unless Congress enacts an enlightened foreign-trade program, our export markets may be further reduced.

The problem before the Senate today is not whether there should be a reduction. The amendment offered by the distinguished senior Senator from North Carolina [Mr. ERVIN] would permit reductions beyond the minimum acreage, which by law is now seven-tenths of an acre. That is, an allotment of seven-tenths of an acre or less, under present law, cannot be reduced. The bill proposes to reduce the legal limit to five-tenths of an acre.

The senior Senator from North Carolina, for himself and other Senators, including the junior Senator from Tennessee, has offered an amendment to retain the seven-tenth-acre allotment. But that does not mean, as the junior Senator from Kentucky [Mr. BARKLEY] seemed to have in mind, that the small growers would take no cut in their allotment for the coming crop year. Indeed, the bulk of those growers last year had an allotment of eight-tenths of an acre. That has already been reduced to seven-tenths of an acre, which is now the floor.

The bill before the Senate would lower the floor from seven-tenths of an acre to five-tenths of an acre, and would make possible a still further cut.

I reply to the junior Senator from Kentucky by pointing out that he is correct in his statement that the allotments have been in tenths of an acre. But that has worked to the advantage of the small grower, because just now the eight-tenths-acre allotment has been reduced to seven-tenths, which is a 12½-percent reduction. Beyond an acre, the reduction has still been made in tenths, or to the nearest tenth, on a percentage basis, which means that the majority of small growers have already taken a cut from last year's crop, when their acreage allotment was reduced from nine-tenths to eight-tenths. But for this crop year, when the acreage allotment has been reduced from eight-tenths to seven-tenths, there is a percentage cut in excess of that taken by growers having larger acreages.

If the amendment offered by the senior Senator from North Carolina should be adopted, the bill would then provide that the Secretary of Agriculture could wipe out the cuts already proclaimed for this year, and redetermine them. Therefore, under the bill with the amendment offered by the senior Senator from North Carolina, the Secretary of Agriculture could reduce the eight-tenths-acre allotments 12½ percent. He could determine to reduce the larger acreages by 15 percent.

But someone might say it would be unfair to cut the larger growers 15 percent, while cutting the small growers by only 12½ percent. Perhaps that would constitute an element of unfairness. But where is fairness to be found in the cuts already applied, which reduce the small grower by a larger percentage than the larger growers are reduced?

We have minimums in our economy and in our laws. I point out to the distinguished junior Senator from Michigan [Mr. MCNAMARA] that a minimum-wage law is on the books. I supported it, and I expect to support an increase in the minimum wage. Perhaps it will not

be so great an increase as the distinguished Senator from Michigan would suggest, but perhaps we might compromise on a figure.

In this instance it is proposed not to increase a minimum, but to reduce a minimum. What has contributed to the philosophy behind minimums? The purpose is to provide a minimum below which we believe a family cannot have a decent American living. Why is there a minimum cotton acreage? In order to save the small grower from being driven from his farm. Why is there a minimum in burley tobacco allotments? It is simply in order to permit the small hillside or mountainside farmer to maintain his home and his farm.

It is not easy or pleasant to propose that one group of growers should have a larger percentage representation than others have. But I believe there are minimums below which we should not go—in wages, in the salaries of Government employees, in cotton production, in tobacco production.

Tobacco acreage allotments involve financial problems for thousands of very small farm homesteads. What the senior Senator from North Carolina, I, and other Senators who have associated themselves with the amendment seek is the maintenance of homesteads, farmsteads, and to enable those who occupy them to remain on their farms and make a living.

Seven-tenths of an acre. That is a small plot on which the Government of the United States is asked to permit a farmer and his wife and children to toil with their hands to eke out a living. I know that others who have larger acreages will have reductions. I am one of them. But those with larger acreages can turn to something else if reductions must be made. Those with larger acreages would be less affected by a reduction in their allotments than would a farmer with a few acres on a hillside. To him it is the difference between maintaining his homestead and being forced to leave it.

Therefore, I hope the amendment will be adopted. I wish to make it plain that I expect to support the bill even if the amendment is not adopted. The tobacco farmers and their representatives have said that they are willing to have production controlled and limited so as to keep tobacco within the proximity of demand. In recognition of that, the Congress has treated the tobacco farmers more advantageously than it has any other group. Tobacco alone has a rigid 90-percent price support. That we must maintain. That we can maintain. But some reduction in production is absolutely necessary. I believe, however, that a 12½-percent reduction in the production of tobacco for the farmers with less than an acre is sufficient within a year.

Mr. CLEMENTS. Mr. President, will the Senator yield?

Mr. GORE. I yield.

Mr. CLEMENTS. Is it not a fact that the 12½-percent figure the Senator has mentioned is based on an administrative decision of the Department of Agriculture, and the manner in which it handles its tolerances?

Mr. GORE. If that be true, it is effective, nevertheless.

Mr. CLEMENTS. I desired the RECORD to show that it was not in the law; that it was a matter of administration.

Mr. GORE. Yes.

Mr. CLEMENTS. Will the Senator yield further?

Mr. GORE. Yes; I yield.

Mr. CLEMENTS. The Senator has made reference to the fact that farms of five-tenths of an acre do not provide a living for many persons. Is it not a fact that more than 100,000 of the burley growers' allotments today are five-tenths of an acre or less?

Mr. GORE. Yes.

Mr. CLEMENTS. Is it not a fact that today a third of all the growers who are under the five-tenths of an acre allotment will not be affected by the proposed legislation either this year or next year, or any other year, so long as the legislation is on the books?

Mr. GORE. The bill does not provide any reduction for those persons.

Mr. CLEMENTS. So a third of the burley growers now are under an allotment of five-tenths of an acre or less, and they at least have a financial interest, and evidently their present acreage is contributing to their livelihood.

Mr. GORE. I have no reason to question the figures which the distinguished senior Senator from Kentucky has given. I wish to point out two things. One is the allotments above the minimums now about 70 percent of the tobacco. So in order to make a reduction that is effective, it is not absolutely necessary to reduce the minimum by more than 12½ percent. If the minimums should be reduced by 12½ percent and the others by 15 percent, I believe we might bring the production within reasonable proximity to demand.

I wish to verify what the Senator has said, and also what his colleague, the now junior Senator from Kentucky [Mr. BARKLEY], has said, that the administrative decision is to reduce to the nearest tenth. But the small farmer cannot be blamed for that. The fact stands that for the second year this administrative decision has resulted to his disadvantage. The large grower has taken a 10 percent cut each year, but the small grower has taken more than a 10 percent cut for each year for the past 2 years.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. GORE. I yield.

Mr. BARKLEY. I wonder if the Senator from Tennessee or any other Senator can give the proportion of those growing burley tobacco who do not rely upon it as their main source of support, but who grow it as a sort of sideline. It does not take long to produce an acre of tobacco, nor does it take very much labor.

It can be produced in the garden or, if one's back yard is large enough, in the back yard. Such tobacco can be produced and cultivated after working hours, if one is engaged in another profession or calling. Does the Senator know the percentage of those who produce tobacco on less than an acre who have other occupations, and raise the tobacco as a sideline, to supplement their incomes, and not as their main source of income?

Mr. GORE. I do not have the exact figure, so I cannot answer the Senator. I would say to him I am not pleading for any part-time farmer. The bill contains a provision, which I do not resist, to permit reduction of town lots to the extent of 25 percent of the acreage. That, I believe, is going a long way toward reducing the number of part-time farmers. What I am pleading for is the preservation of a minimum for the homestead owner who makes, or ekes out, I should say, his living from a few acres of soil.

Mr. BARKLEY. Even in that case farmers with less than 1 acre of tobacco frequently raise other crops. They may raise corn or wheat, or have orchards. Orchards can be grown in that part of the country. So that if a man had a family and he had only seven-tenths of an acre of tobacco, it would require only a portion of the time of one single human being in that family to produce less than 1 acre of tobacco. There must be other occupations in which such farmers engage at least a part of the time, so that they do not have to rely on the seven-tenths of an acre to support their families, without the assistance of any other crop. I myself do not know what proportion such growers represent, but it must be considerable.

Mr. GORE. It may be more considerable in the State so ably represented in part by the Senator from Kentucky.

Mr. BARKLEY. If I may say so, a large part of that production has been induced by the very program we are seeking to preserve.

Mr. GORE. Undoubtedly there are farmers who have other crops, but not many farmers in Tennessee, with a few acres on a hillside, can go into wheat production. It costs too much to own a binder or a combine. Not many farmers with a few acres on a hillside can grow very much corn. In an area with heavy precipitation, his soil would soon be gone. Tobacco is a cash crop, and just as we need minimum wages, just as we need minimum cotton acreage allotments, I think we need minimum acreage in tobacco allotments, which should be overall, instead of having a reduction in the production of burley tobacco only.

I contend, however, that it is socially better, or at least fairer to reduce the allotments of the larger growers by 15 percent, and reduce the allotments of the small growers by 12½ percent, rather than to reduce the allotments of the larger growers by 10 percent and reduce the allotments of the small growers by 12½ percent. If there is to be a 2½ percent difference, I believe the advantage should be on the side of the homestead owners.

Mr. CLEMENTS. Mr. President, will the Senator from Tennessee yield?

The PRESIDING OFFICER (Mr. JACKSON in the chair). Does the Senator from Tennessee yield to the Senator from Kentucky?

Mr. GORE. I yield.

Mr. CLEMENTS. I am sure the Senator from Tennessee does not desire to leave with this body the impression that this measure or any other legislation on this subject contains any provision

which would make it mandatory for the Department to do anything other than distribute the acreage equally.

Mr. GORE. I have not sought to leave any impression other than whatever the facts of the case warrant.

Mr. CLEMENTS. If it has happened, it has been by administrative decision in the Department, rather than by legislation now on the statute books, has it not?

Mr. GORE. The Senator from Kentucky uses the words "if it has happened." Does not the Senator from Kentucky think it has happened?

Mr. CLEMENTS. Mr. President, I would say to the Senator from Tennessee, that because of administrative rulings, it is possible that the allotments of some of the growers have been affected more than 10 percent, when there was a general 10 percent reduction.

Mr. GORE. I thank the Senator from Kentucky. Does not that apply to all growers whose allotments were reduced from eight-tenths of an acre to seven-tenths?

Mr. CLEMENTS. I would say that is correct, under the administrative ruling.

Let me say further to the Senator from Tennessee that, in my opinion, the proper way to handle the matter would be to make the determination on the basis of one-hundredths rather than one-tenths. If that were done, the manner in which the tolerance is handled in the Department would not affect adversely or jeopardize any grower.

I will join the Senator from Tennessee in urging the Department to put it on that basis.

Mr. GORE. Surely we should handle it on a basis by means of which at least the small grower would be treated fairly.

Let us make perfectly plain what has happened: Originally there was a minimum of 1 acre. It was reduced to nine-tenths of an acre. Then the legal minimum was fixed at seven-tenths of an acre, although that did not mean the allotments were reduced to seven-tenths. We fixed the floor at seven-tenths of an acre. Then the bulk of the farmers who had allotments of nine-tenths of an acre had their allotments reduced, in the ensuing year, by one-tenth, or 10 percent. The administrative decision was to make the cuts to the nearest tenth, which meant that the bulk of the tobacco farmers had their allotments reduced from nine-tenths to eight-tenths of an acre.

For this year's crop, the Secretary of Agriculture proclaimed a reduction of another 10 percent in the acreage allotments. To a grower who had 4 acres, that meant a reduction of four-tenths of an acre; but to the large number of farmers with minimum allotments, whose allotments last year were eight-tenths of an acre, that meant their allotments would be reduced to seven-tenths of an acre, or a reduction of 12½ percent. I think the able senior Senator from Kentucky will agree with that statement of fact.

Mr. CLEMENTS. I will agree that the Department of Agriculture made that ruling, and handled it in that way, administratively.

Mr. GORE. I thank the Senator from Kentucky. Of course, I know he had no intention of having the small growers treated unfairly.

Mr. CLEMENTS. Neither do I now have any desire to have the small growers treated unfairly.

Mr. GORE. I certainly acknowledge that.

Mr. President, I wish to say that it is with the deepest of regret that I find myself in disagreement with the Senator from Kentucky and with other Senators who represent tobacco-growing areas. This is my first disagreement on tobacco legislation in the handling of which I have participated, with other Members of Congress representing tobacco-growing areas in my 17 years in the Congress; and I regret it deeply.

But I think we must recognize that there are limits and minimums below which we should not go, and I believe a seven-tenths of an acre allotment is one of them.

Therefore, Mr. President, I suggest that it would be the course of fairness, justice, and, I hope, wisdom to support the amendment offered by the senior Senator from North Carolina.

The PRESIDING OFFICER. The question is on agreeing en bloc to the amendments offered by the Senator from North Carolina [Mr. ERVIN] for himself and other Senators. [Putting the question.]

The "noes" seem to have it.

Mr. ERVIN. Mr. President, I call for a division.

On a division, the amendments were rejected.

The PRESIDING OFFICER. The bill is open to amendment.

Mr. ERVIN. Mr. President, I submit and send to the desk another amendment, in behalf of the same principle as that of the first amendment.

The PRESIDING OFFICER. The amendment submitted by the Senator from North Carolina will be stated.

The CHIEF CLERK. On page 2, it is proposed to strike out lines 12 to 18, inclusive, and to insert:

(2) No burley tobacco farm acreage allotment of six-tenths of an acre or less shall be reduced under this act.

On page 3, it is proposed to strike out the colon in line 17 and the ensuing words in lines 17 to 19, inclusive, and to insert:

Provided, however, That no allotment of six-tenths of an acre or less shall be reduced more than one-tenth of an acre in any 1 year.

On page 3, it is proposed to strike out the words "five-tenths" in line 16, and to insert in lieu thereof the words "six-tenths."

Mr. ERVIN. Mr. President, the effect of this amendment is to make a minimum of six-tenths of an acre, instead of a minimum of seven-tenths of an acre, as under the first amendment, or instead of a minimum of five-tenths of an acre, as in the bill. I submit the amendment in order to afford an opportunity of repentance for Senators who did not vote for the first amendment; this is done in order that they may vote to do just half as much injury to the small burley tobacco grower as they otherwise would be voting to do.

Mr. CLEMENTS. Mr. President, I should like to make a brief statement: Every argument which was valid against the other amendment is valid against this one. I hope the amendment will be rejected.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from North Carolina [Mr. ERVIN].

Mr. GORE. Mr. President, in response to the statement of the senior Senator from Kentucky has made—and undoubtedly he was entirely sincere in making it—I wish to offer this additional thought:

Under the provisions of the pending bill the largest percentage reduction that can be made in any acreage is 25 percent. The amendment offered by the senior Senator from North Carolina would permit a 25-percent reduction in the acreage allotment of the minimum acreage this year. Last year it was eight-tenths. The senior Senator from North Carolina now proposes that it be made six-tenths. That would permit a 25-percent reduction. That is the largest reduction provided in the bill for any acreage allotment.

I read from page 2, line 9, of the bill: "Shall not be reduced by more than 25 percent."

That applies to all allotments. The amendment of the senior Senator from North Carolina would bring the minimum acreage in line with that figure.

Why do we need to reduce the minimum to a greater extent than the reduction provided in the pending bill for this year? Will the senior Senator from Kentucky explain why it is necessary to reduce the minimum to five-tenths of an acre when the maximum reduction under the bill would be to six-tenths of an acre?

Mr. CLEMENTS. Mr. President, the whole philosophy behind the bill is to assure the sharing of the cuts among a greater number of growers. When the allotment is reduced to five-tenths, the result will be a sharing among a greater number of growers of the reduction in acreage which will be necessary this year and next year.

Mr. GORE. Then, with this five-tenths minimum, the Senator is preparing for next year rather than providing the necessary cuts for this year.

Mr. CLEMENTS. It would not only provide for next year, but it would provide for any year. If within a year or 2 years there should be an increase in the acreage allotment, this provision would still be on the books. When necessary, all, or a greater number of the growers, could share any cut which might be considered sound and wise.

Mr. GORE. Will not the Senator agree that the maximum cut which can be made under this bill is 25 percent?

Mr. CLEMENTS. That is correct.

Mr. GORE. For the part-time farmer, for the large farmer, or for the minimum acreage allotment?

Mr. CLEMENTS. It would be not to exceed 25 percent for all those above a certain base.

Mr. GORE. Then, if the amendment of the senior Senator from North Carolina should be adopted, the bill would still permit a 25-percent reduction in acreage for all growers.

Mr. CLEMENTS. No; it would not.

Mr. GORE. For all the minimum growers, who have an allotment of eight-tenths of an acre.

Mr. CLEMENTS. For all growers who have an allotment of eight-tenths. My interpretation—and, I understand, the interpretation of the Department of Agriculture—is that it would permit a 25-percent cut.

Mr. GORE. Then the only purpose of reducing the minimum to five-tenths of an acre instead of six-tenths is to provide for a further reduction in acreage of the growers with minimum allotments for next year or a succeeding year.

Mr. CLEMENTS. If that should become necessary; yes.

Mr. GORE. I suggest that no case whatsoever has been made for the reduction of the minimum down to five-tenths of an acre. The maximum extent to which the minimum can be reduced this year, under the terms of the bill, would be six-tenths; and there is no need to enact legislation further than that, because the entire question will be before the Congress again next year.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from North Carolina [Mr. ERVIN].

The amendment was rejected.

The PRESIDING OFFICER. The bill is open to amendment. If there be no further amendment to be proposed, the question is on the third reading of the bill.

The bill (H. R. 4951) was ordered to a third reading and was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

REDUCED COTTON ACREAGE ALLOTMENTS

Mr. STENNIS. Mr. President, I did not offer an amendment to the pending bill to take care of another agricultural problem which is very grave. The tobacco bill was prepared and has made its way through legislative channels, and I would not offer an amendment which would in any way jeopardize its passage. However, I wish to detain the Senate for a few minutes to call particular attention to a problem in my area of the country which has been made much more acute than it was a week ago, when the cotton acreage allotment bill was debated on the floor of the Senate.

A serious though unintentional wrong has been done to a great many of the small cotton growers in the Cotton Belt. I say unintentional because I know that no Senator was intentionally doing anything wrong.

Last year Congress enacted a law which permitted the acreage allotments of the very small growers to be greatly reduced; and because of the power which was given in that bill various State committees and county committees operated in such a way as to increase the number of cases which represent great distress. There was no way to administer the program without creating a great number of such cases. However, more of the smaller growers were left out than would have been the case if the law had not been changed. The program was administered by the Department of Agriculture under the law enacted last year.

I do not say that the Department had any knowledge of this procedure at the time the hardships were created. But at least it did not do anything about the situation after learning what had happened. The Department has not recommended any relief bill of any kind with respect to the hardship cotton cases. Some of the officials of the Department have been very cooperative in obtaining the facts, and very sympathetic in trying to help bring about a remedy, but the Department itself has not recommended any bill to the Congress which would meet the situation.

The House committee and the House of Representatives went into the subject and recommended a bill. The Senate committee considered the subject and recommended a bill. It had its day on the floor of the Senate, but did not pass.

I am not complaining about that, or imputing any wrong motives to anyone. I thank the Senators for the attention they gave to the subject. But the hardship cases remained. They have not been remedied. As I say, they have been made more acute.

I wish to recite very briefly how serious the situation is in some areas. The Department of Agriculture has estimated that in my State more than 55,000 tenants will be displaced in the Cotton Belt because of reductions in cotton acreage allotments this year. The displacements in Mississippi alone will be in excess of 11,000, representing one-fifth of the total displacements throughout the entire Cotton Belt, extending from the Atlantic to the Pacific. This number is concentrated in one State.

Under the Senate committee bill it would take only 28,000 acres to bring some measure of relief to 32,000 farmers. I repeat, only 28,000 acres would bring some measure of relief to more than 32,000 farmers, Mr. President. In my own home county in east-central Mississippi, near the Alabama line, more than 300 tenant farmers have been displaced.

This figure does not give the complete picture, because it refers only to tenants. There are many small farmers who will be drastically affected by the reduction. It is estimated that in my home county more than 500 small farmers of 5 acres or less will have their income reduced by more than $100 because of the reduction in the cotton acreage.

In that same county there are about 1,584 cotton farmers, and almost 50 percent of them, or 760, would be benefited in some way from the small increase of providing for 4 acres, or 75 percent of the highest planted acreage.

I recite those figures to show how acute the problem is and how distressing it is.

On top of it all has come the most severe freeze experienced in that section of the South in 75 years. It has wiped out almost the entire peach crop, the bean crop, and the tomato crop; it has totally wiped out the tung-nut crop; it has wiped out the pecan and a number of other crops that go to fill in the agricultural picture. These combined facts will cause the people to leave the land. That is what makes it a national problem. It puts them on the road, so to speak. It puts the tenants off the lands and it takes the homeowner, the landowner, off his farm. That is so because he does not have enough of a minimum crop to justify his staying on the land. It eventually puts him in the relief line.

I submit those are the people who represent some of the very finest American virtues in the way of family life, community life, and also represent what have been sound economic units.

We are certainly getting a great deal of sympathy, Mr. President, but no remedy for our situation. The American Farm Bureau appeared before the Senate committee in opposition to the cotton bill. They admitted the problem existed, they admitted something should be done about it next year, but they opposed anything being done about it this year. This is another illustration of what the little man is up against.

Congress, and the Senate in particular, is failing to rise to the actual facts of the case and failing to try to provide a remedy.

Mr. President, I make a prediction. Because of this distressing situation, within a few weeks, but too late to plant any cotton, Congress will be passing legislation to appropriate money to help take care of these same people who, through our changing of the law, through a lack of proper administration of the law, and because of the failure to give proper heed to their plea, are now faced with the distressing situation I have spoken about. We are contributing to the creation of that situation. Nature is making its own additional contribution.

Within a few weeks there will be pleas made for relief funds, through the Farmers' Home Administration, or through some other agency.

Even at this late date I want to place on the conscience of the Senate the fact that we have not yet thoroughly and fully considered the problem, and we have not yet risen to the occasion of wrestling with the problem and providing a remedy, not through a relief measure, not through some token relief, but through an avenue or channel that will permit these people to help themselves. We are failing to give them some method whereby they can help themselves on their own land through their own methods and through the sound processes of our economy. A small cotton acreage bill will do it.

Mr. DANIEL. Mr. President, will the Senator yield?

Mr. STENNIS. I am glad to yield to the Senator from Texas.

Mr. DANIEL. Mr. President, I wish to associate myself with the remarks of the distinguished Senator from Mississippi. I congratulate him on the splendid efforts he has made during this session of Congress to give some relief with respect to cotton allotments to the small family-size farm. I believe his figures will show that in the State of Texas there are

more than 18,000 farms on which the cotton allotment has been cut below 5 acres. Is that correct?

Mr. STENNIS. The Senator is correct.

Mr. DANIEL. In the eastern section of Texas there are many small family-size farms. We know the difficulties the small farmers in Mississippi face. The Senator from Mississippi has been trying, ever since the Senate defeated legislation on this subject, to revive a bill dealing with it. Even at this late date he has come forward with a proposal which would increase in a small way the allotments for the small family-size farms. Is that correct?

Mr. STENNIS. That is correct; along with other Senators, including the Senator from Texas, we have been trying to perfect a bill which could be presented to the Senate, because of the undue distress conditions which have resulted from the severe freeze.

Mr. DANIEL. I commend the Senator for his continued efforts.

Mr. STENNIS. I thank the Senator very much for his kind remarks and for his helpfulness on the program.

Mr. GORE. Mr. President, will the Senator yield?

Mr. STENNIS. I yield.

Mr. GORE. I wish to associate myself fully with the remarks of the able junior Senator from Mississippi. Just as earlier I pleaded for a minimum acreage allotment for tobacco farmers, I believe it is necessary to have a minimum acreage allotment for cotton farmers.

We had such a minimum before the Agricultural Act of 1954 went into effect. I did not vote for that act. The act should have retained minimum acreage allotments. I shall join the Senator from Mississippi in proposing such an amendment, not only for the current crop year, but as a part of permanent agricultural legislation.

I join the junior Senator from Texas in the high compliments he paid the junior Senator from Mississippi for his untiring efforts in connection with this endeavor. I hope that even at this late date something can be done. There is no necessity for increasing the cotton production as a national program, but there is urgent need to provide minimum allotments for the very hard-pressed small farmers.

Mr. STENNIS. I thank the Senator from Tennessee very much for his remarks and for his fine contribution to the solution of the problem. The Senator from Tennessee referred to a measure he would be willing to cosponsor, and I wish especially to thank him for his offer. We will certainly join in the sponsorship of a bill which will restore to the law a provision which has always been in the cotton law since 1938, until it was changed last year. Under the provisions of the 1938 act, the small cotton farmers were able to hold their heads above water, because we provided a floor below which the reductions in acreage could not go.

Last year, I think without deliberation, we struck that provision from the law whereby it would be mandatory to make such allotments, and in the very first year, in some States, the farmer was wrecked. We are not meeting the situation by supplying a remedy to take care of him this year.

I shall be glad to join the Senator from Tennessee in introducing such a measure. My colleague and I have introduced a bill to create a national reserve of at least 1 percent of the total national acreage to be placed in the hands of the Secretary of Agriculture in order to take care of some of the distress cases. Something must be done; otherwise the farmers will be run off the lands which their families have owned for many years.

Mr. GORE. Mr. President, with the Senator's encouragement I shall draft such an amendment to be proposed tomorrow, and I shall be happy to place his name upon it as a cosponsor.

I wonder if the Senator can see any basic social distinction between a minimum acreage for a cotton farmer and a minimum wage for an industrial worker.

Mr. STENNIS. They are certainly related. I am not speaking of a guaranteed wage. The farmers of Mississippi do not want anyone to guarantee them anything. They have a cotton loan which has enabled them to get a better price. The cotton program has not cost the American taxpayers one penny. With respect to tobacco they are running ahead. They have made something like $250 million profit on cotton so far; and that which is now in storage is one of the best assets we have in our stockpiling program.

Mr. ANDERSON. Mr. President, will the Senator from Mississippi yield?

Mr. STENNIS. I shall be happy to yield.

Mr. ANDERSON. I should like to suggest to the Senator, if he is interested in checking the history of cotton legislation, that I attempted to include a 1-percent reserve. I am sure he would be interested in knowing who it was who made the motion to strike and succeeded in striking it from my bill. I should be happy to have the recommendations of the Senator from Mississippi. They should be made a part of the permanent legislation on the subject.

Mr. STENNIS. Only a few years ago a recommendation was made along that line by a representative of the Farm Bureau. The representative of the Farm Bureau recognized the problem which exists this year, and said legislation should be introduced with reference to it, but he was not willing to join in a little remedy to meet the distressing situation. It will be too late next year to take care of many of the people who are being driven from their land this year, because they will never go back.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The question is on the passage of the bill.

The bill (H. R. 4951) was passed.

The PRESIDING OFFICER. House bill 4951, which was just passed, contains the provisions embodied in Senate bills 1325, 1326, 1327, and 1457, which, respectively, are Calendar Nos. 107, 108, 109, and 111. Therefore, without objection, the Senate bills referred to will be indefinitely postponed.

PRESERVATION OF TOBACCO ACREAGE HISTORY OF FARMS VOLUNTARILY WITHDRAWN FROM PRODUCTION

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent for the present consideration of Calendar No. 110, Senate bill 1436.

The PRESIDING OFFICER. The clerk will state the bill by title, for the information of the Senate.

The CHIEF CLERK. A bill (S. 1436) to preserve the tobacco acreage history of farms which voluntarily withdraw from the production of tobacco, and for other purposes.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the bill was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 313 (g) of the Agricultural Adjustment Act of 1938, as amended (7 U. S. C. 1313 (g)) is amended by adding at the end thereof the following: "For the purposes of this section, on any farm—

"(1) which was entitled to an acreage allotment for the crop year 1955, and

"(2) on which no tobacco is produced for one or more crop years subsequent to 1954, there shall be deemed to have been planted in tobacco in such year or years in which no tobacco was produced an acreage equal to the entire allotment for such farm for such year or years."

SEC. 2. Section 313 of such act is further amended by adding at the end thereof a new subsection as follows:

"(j) In any case in which the amount of acreage available in any crop year for allotment among farms exceeds the amount available for such purpose for the preceding year, such excess shall be distributed to farms the acreage allotments for which—

"(1) were decreased in any prior year, and

"(2) are lower than the highest acreage allotments for such farms for any prior year, before any of such excess may be distributed to any farm the acreage allotment for which is not less than its highest acreage allotment for any prior year."

AMENDMENT OF FOREIGN SERVICE ACT OF 1946, AS AMENDED

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of House bill 4941.

The PRESIDING OFFICER. The clerk will state the bill by title for the information of the Senate.

The CHIEF CLERK. A bill (H. R. 4941) to amend the Foreign Service Act of 1946, as amended, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas.

Mr. BRIDGES. Mr. President, reserving the right to object, may I inquire what the bill involves.

Mr. JOHNSON of Texas. The bill, which was reported unanimously by the Foreign Relations Committee, affects some Foreign Service personnel. The distinguished Senator from Montana [Mr. MANSFIELD] is familiar with it. I have discussed it with the distinguished minority leader, who is a member of

the committee which reported the bill unanimously. If the Senator from New Hampshire desires an explanation, I am sure the Senator from Montana will be glad to oblige him. The minority leader has stated that there is no opposition to the bill.

Mr. MANSFIELD. The present law expires on March 31, and it is necessary that this bill be passed in order to continue the recommendations made last year.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas.

The motion was agreed to; and the bill (H. R. 4941) was considered, ordered to be engrossed for a third reading, read the third time, and passed.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4259) to provide a 1-year extension of the existing corporate normal-tax rate and of certain existing excise-tax rates, and to provide a $20 credit against the individual income tax for each personal exemption.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Acting President pro tempore:

S. 465. An act for the relief of Ernest Ludwig Bamford and Mrs. Nadine Bamford; and

H. R. 4259. An act to provide a 1-year extension of the existing corporate normal-tax rate and of certain excise-tax rates.

EASTER RECESS

Mr. JOHNSON of Texas. Mr. President, there is a House concurrent resolution at the desk.

The PRESIDING OFFICER. The Chair lays before the Senate a House concurrent resolution, which will be stated.

The Chief Clerk read the resolution (H. Con. Res. 103), as follows:

Resolved by the House of Representatives (the Senate concurring), That when the two Houses adjourn on Monday, April 4, 1955, they stand adjourned until 12 o'clock meridian, Wednesday, April 13, 1955.

The PRESIDING OFFICER. Is there objection to the present consideration of the concurrent resolution?

There being no objection, the resolution was considered and agreed to.

ORDER FOR RECESS TO FRIDAY

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that when the Senate concludes its business today, it stand in recess until 10 o'clock a. m., on Friday next.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORIZATION FOR COMMITTEE ON FOREIGN RELATIONS TO MAKE REPORT DURING RECESS OF THE SENATE

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Committee on Foreign Relations may have authority to report the Paris Accord, notwithstanding the fact that the Senate will not be in session tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

REPLY TO WHITE HOUSE ON COLUMBIA RIVER POWER

Mr. NEUBERGER. Mr. President.

The PRESIDING OFFICER. The Chair recognizes the Senator from Oregon.

Mr. ANDERSON. Mr. President, I thought I had the floor and had yielded to the majority leader. But I do not press the point.

The PRESIDING OFFICER. The Chair had not recognized the Senator from New Mexico.

The Senator from Oregon may proceed.

Mr. NEUBERGER. Mr. President, in my opinion, the President of the United States is entitled to receive from his subordinates the correct information on great issues which affect the welfare of our country.

I fear that President Eisenhower is not receiving accurate information with respect to the great power projects built under his predecessors in office—and which are needed in abundance in the future—if the Nation and particularly the Western States are to continue to make progress.

At his press conference on March 17, 1955, the President referred to Government power undertakings. He said: "When the Federal Government does this, they can print money to do the job. Nobody else can and there is a very great difference; because the second that the Federal Government starts to print money to do these things, they are taking one cent, or at least their proportion out of every dollar that any of you might happen to have in your pockets.

"Now," continued the President, "that has the effect of cheapening money and I don't think we ought to go into that."

Thus the President apparently assumes that Federal power projects are a financial loss to the taxpayers—that they require the printing of money, and that they take money out of our pockets.

It would be difficult to state a more fundamental misunderstanding of the financial position of our great Federal hydroelectric projects.

Perhaps all the President meant by the comment I have quoted—it is, after all, not very clear—was that the use of Federal funds for the construction of these great projects would have an inflationary impact and thus "cheapen money." But if that is what was meant, the President obviously fails to distinguish between nonproductive expenditures and expenditures for productive assets which help to expand the economy.

NORTHWEST POWER PAYS FOR ITSELF

Inflation occurs when available money and credit outstrip available goods and services. Government expenditures beyond Government revenue collections may indeed contribute to inflation—when they go into things which do not add to the gross national product. Thus Federal outlays for our armed services—however necessary—may become inflationary when not matched by taxes, and so may Federal public works of a nonproductive nature.

The opposite is true, however, of hydroelectric projects which add to our economy hundreds of thousands of kilowatts of new electric energy at the lowest possible price. The development of our energy resources is the very root of the continuing expansion of our economy—energy resources is the very root of the continuing expansion of our economy—the constant expansion which has been the key to the prosperity of this continent that is the envy of the whole world. It is no wonder that governments all over the globe, with the encouragement and assistance of our own Government, are laying the foundations for their own economic expansion by imitating the great American multipurpose river projects. These are the projects which, here at home, the President now considers financially unsound.

No, Mr. President, Federal construction of sound hydroelectric projects like Bonneville, Grand Coulee, and Hells Canyon, that lead to a tremendous expansion of production, of payrolls, of agriculture—of a new market for the whole Nation—is not inflationary and does not "cheapen" our money. Rather, such Federal investment is the foundation of an economic chain reaction which is the best insurance of continued prosperity.

MCKAY ATTACKS NORTHWEST POWER AS "SUBSIDIZED"

But I am afraid this is not all the President meant by his comment—I am afraid he may really believe that our great Federal dams are actually built with "printing-press" money which comes out of the taxpayers' pockets, never to return.

On a radio program October 23, 1953, Secretary of Interior McKay referred to the hydroelectricity generated by the Government in his home region, the Pacific Northwest, as "subsidized power." He said:

I don't think it's right to subsidize power out in my country.

Such a statement naturally implies that Government power facilities in the Pacific Northwest receive outright grants from the Federal treasury, and helps explain how the illustrious President of the United States gets some of his misinformation. Certainly if the President relies on such information from a Cabinet officer, he gets the distinct impression that the Federal Government is pouring money into power facilities without any return. Yet, if anyone in the country should be aware that such an impression is entirely false, that person should be Secretary Douglas McKay, who used to be a Governor of Oregon.

Mr. McKay should know it is erroneous because the true facts are readily available to him in the annual report of one of his largest Interior agencies, the Bonneville Power Administration.

COLUMBIA RIVER POWER IS SUCCESSFUL FINANCIALLY

The 1954 annual report of Mr. McKay's Bonneville Administration shows that the Federal Columbia River power system has, between 1939 and June 30, 1954, returned to the United States Treasury $349,746,787. Of this total, $170,409,916 has gone for repayment of capital investment and $85,272,271 to cover all costs of maintenance and operation during that period. The interest paid to the Treasury totals $84,883,402.

Mr. President, how have these payments to the Treasury compared with the rate of repayments established for the Columbia Power System? If Mr. McKay and the President will refer to page 13 of the 1954 report of the Bonneville Administration, they will find this cogent paragraph:

> Repayment of the capital investment for the Bonneville Power Administration is approximately $55,400,000 ahead of schedule and the repayment of the power capital investment of the Bonneville Dam project is approximately $9,600,000 ahead of schedule, a total repayment of nearly $65 million in excess of scheduled requirements as of June 30, 1954.

If this is subsidy, the National Treasury will profit by having more of this kind of subsidy.

The Federal power projects in the Pacific Northwest, far from tapping our pockets and requiring the printing of money, are among the most financially profitable undertakings ever built and operated by the United States Government.

NEW PAYROLLS MADE POSSIBLE BY KILOWATTS

Entirely aside from its favorable effect on the Federal Treasury, the Columbia River power system has had a tremendously beneficial effect on the economy of the entire Nation. Since 1939, the aluminum industry has invested nearly $475 million in Northwest plant facilities. Millions more were invested by other electro-process industries attracted by the supply of power.

But not all of the money was spent in the Northwest. According to a study of the Stanford Research Institute, about 44 percent of the expenditures for new plant and equipment flowed into channels of trade outside the Pacific Northwest—approximately $209 million going to business and industry in other States throughout the Nation.

A measure of the economic impact provided by low-cost power is provided by the Standford study on 1 year's operation of just one of the industries using power from Columbia Federal projects. In 1 year—1952—the Northwest aluminum industry purchased $20,788,036 in goods and services; had payrolls of $34,953,239; paid $6,724,000 in State and local taxes, and divided expenditure of $9,713,000 among the region's various transportation services.

These figures for a single year's operation for a single industry are all the more spectacular when it is realized that, prior to 1939, not a single pound of aluminum was produced in the Pacific Northwest.

Mr. President, failure to correct the falsehoods about operation of Columbia River Federal power projects would be a disservice to both my State and to the Nation. I consider it a duty to point out when I think the American people are being given incorrect information about the hydroelectric projects which have been so valuable in electrifying our farms, providing new payrolls, improving navigation, curbing floods, and opening new farming opportunities. There is no doubt that such misstatements are helping to prejudice the American people against further hydroelectric projects in my region.

ABUNDANT WATER POWER STRENGTHENS NATIONAL DEFENSE

Development of the power resources of the Columbia River is a matter of major national consequences. Our Nation's ability to keep ahead of Russia in the cold war, if in fact we are, depends on our ability to continually expand our productive capacity. In turn, enlarging our industrial base depends largely on fully utilizing our energy resources. Because the Columbia River and its tributaries contain some 42 percent of our Nation's hydroelectric potential, it is imperative that the program for Columbia development—already set back by several years—continue if we are to meet the requirements of national security. Its continuation is being hampered by fastening on to it the indefensible labels of subsidized power and printing-press money, and constitutes a disservice to the Nation as a whole.

Mr. President, I ask unanimous consent to include with my remarks an address by Gus Norwood, executive secretary of the Northwest Public Power Association, detailing the economics of federally financed power projects.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

THE HELLS CANYON PRINCIPLE

(Address at 50th annual convention of International Mine, Mill, and Smelter Workers at Spokane, Wash., Wednesday, March 16, 1955, by Gus Norwood, executive secretary, Northwest Public Power Association)

I selected the subject the Hells Canyon Principle because of my conviction that the debate so far has been largely conducted in the wrong forum and on the wrong issues. The proper forum for the Hells Canyon case is the Congress of the United States and not the Federal Power Commission, not the Secretary of Interior, and not the White House. On March 8, when the Hells Canyon Dam bill was introduced in the Congress the problem was finally placed before the proper court. Propagandists will tell you that Hells Canyon has been up before the Congress twice and has been twice rejected. That is not true. In 1950 the package which came before the Senate consisted of 13 irrigation projects including the huge and costly Mountain Home project plus a new and radical accounting policy called the Columbia Basin Account and then as a sort of an incidental tail on this huge package was tacked on the Hells Canyon project. The Senate turned down the package on the issues of the accounting policy and on the costliness of the irrigation works. As a matter of fact the Hells Canyon Dam was so well thought of in the course of that debate of April 1950 that Senator CHAVEZ who was handling the River and Harbor Act of 1950 offered to include the Hells Canyon Dam in that bill provided that the Army would be the constructing agency. The offer was not taken up and thus on a fluke Hells Canyon Dam was not included in the bill at that time. At any rate the matter is now before Congress where it should be.

This shifting of the case into the Halls of Congress gives us hope that now attention will finally be focused on the real, central issues. We hope the debate in Congress will cut through the propaganda smokescreen which hase been raised not only by the Idaho Power Co. but to our sorrowful amazement by the members of the staff of the Federal Power Commission who should have been in there fighting to protect the public interest.

Contrary to the Idaho Power Co. advertising and testimony that the issue is one of taxes, water rights or the survival of private free enterprise, you and I know that the real question is one of full development versus a 60-percent development of one of the finest remaining waterpower sites in America. This is the issue which drew together the many groups which formed the National Hells Canyon Association. And at the Federal Power Commission hearings in Washington, D. C., the attorneys of the National Hells Canyon Association repeatedly raised the question of full versus partial development.

And what happened? How did the Federal Power Commission attorneys and staff witnesses get around the superiority of the high Hells Canyon Dam. They devised a most interesting gimmick. They worked out one of the cutest tricks you ever saw. First, they conceded that the high Hells Canyon Dam would produce more power than would the 3 small dams, but, they said, the 3 small dams would be more "economic," and on the thin excuse of this word "economic" the Federal Power Commission attorney recommended that the license be granted.

To start with, suppose we compare almost any business with the electric utility business. The grocer invests a dollar and in the course of a typical year he will enjoy a gross revenue for that year of $8. His grocery investment turned over eight times. But suppose instead he had invested his dollar in an average private electric utility, then the annual gross revenue from that dollar would have been only 24 cents. Now take the case a little further. Suppose Uncle Sam is investing $1 in the Pacific Northwest in Federal dams and transmission lines. How much gross revenue will that dollar produce? The answer is 8 cents. The difference between the grocery business and the business of Federal dams and transmission lines in the Pacific Northwest is on the order of 100 to 1. The same dollar produces $8 gross revenue in 1 case and only 8 cents in the other.

Let's look at it in another way. Suppose in both instances we want to earn an annual gross revenue of $8. To accomplish that objective the grocer invests $1 while the Federal Government must invest $100. What difference would it make in these two situations if the interest rate went up 1 percent? The grocer would throw in a penny but the Federal Government would have an extra bill for interest of $1. Except, of course, there would be no actual cost of the Federal Government because the power projects are on a self-liquidating basis and all costs are merely passed along to the buyers of electricity. So the electricity user instead of paying the Federal Government $8 must pay $9 or a rate increase of some 13 percent. Thus we see demonstrated that a 1 percent increase in the rate of interest on the Federal power investment in the Pacific Northwest would result in a 13 percent increase in power rates. That's quite a leverage, 13 to 1.

This illustration can be backed up by studying the annual report of the Bonneville Power Administration which covers Grand Coulee Dam, Bonneville, and other dams and the transmission lines. Last year it cost $36.7 million to operate the entire system of which $12.3 million was interest on the Federal investment at 2½ percent interest. Question: How much would the actual cost of power be increased if the rate of interest were inceased 1 percent? The answer is 13.36 percent. So we see how much leverage there is in the hydroelectric power business as between interest rates and power rates. Low interest rates lead to low power rates.

There is no great mystery to this. When we build a power plant in the Pacific Northwest we automatically build a fuel pile right into the plant. A hydroelectric dam like Grand Coulee never has any fuel costs. So the main cost is interest and the repayment of debt. But let me go on to our second illustration.

The terrific impact of low interest rates at upstream storage dams is dramatically illustrated by the operating cost statement for Hungry Horse Dam as recently published by the Bonneville Power Administration. Of $2.93 million costs for the past fiscal year $1.78 million was for interest or 60.7 percent of the total cost. The $2.93 million of total costs were divided three ways: interest 60 percent, depreciation or debt repayment 30 percent, and finally only 10 percent for all costs of wages and materials for operation and maintenance.

From a financing standpoint Hells Canyon Dam will be a twin to Hungry Horse Dam. Here too the key to the full development is cheap money. The FPC hearings brought out that of the annual cost of Hells Canyon Dam in the early years 59.5 percent would go for interest.

If the rate of interest on the Hells Canyon Dam is increased 1 percent from 2½ to 3½ percent then the power rate must be increased 24 percent. If the rate of interest is increased from 2½ to 6 percent then power rates must be increased 84 percent. But a private firm would require a rate of return of about 12 percent before Federal profits taxes in order to have left a 6 percent rate of return. On that basis private financing of Hells Canyon Dam would increase the power cost 228 percent from about $20 per kilowatt year to about $65. That explains why the Idaho Power Co. did not apply to build the high Hells Canyon Dam.

Referring again to the record of hearings before the Federal Power Commission we find that the actual at-site cost of electricity for the Idaho Power Co. projects is on the order of $40 per kilowatt year. High as this rate is we must remember that it was achieved only as the result of a careful "cream skimming" process whereby only the easy part of the Snake River is harnessed and the rest of the water is allowed to run to waste, enough to equal the output of Bonneville Dam. Thus we see that on the basis of actual costs, the power rate from the Idaho Power Co. dams will be about twice the power rate from the high Hells Canyon Dam. Even by leaning over to allow for conflicting testimony in the hearing record, it is safe to say that Hells Canyon power will be at least 35 percent cheaper per kilowatt-hour.

So there you have it. Hells Canyon Dam will provide 60 percent more power for at least 35 percent less cost per kilowatt-hour. In a nutshell, that is the conclusion to be drawn from over 20,000 pages of testimony.

The staff and attorneys of the Federal Power Commission tried to hide the superiority of Hells Canyon by means of a gimmick or trick. They tried to rig the rules so as to give that company the powerful advantage of the 2½ percent interest rate as used in Federal financing. But instead, it seems to me, the staff has unwittingly called attention to the crux of this case, and that is the powerful leverage of Federal financing. To let the Idaho Power Co. get into the Snake River is like sending a boy to do a man's job. In this case we can read plainly in the hearing record that full development of the Hells Canyon reach of the Snake River can thus be achieved only by virtue of the important leverage of Federal financing and therefore the Federal Government should build the Hells Canyon Dam and achieve the full potential of the resource.

Now let us see if we are ready to define what is promised in the title, the Hells Canyon Principle. What is the public policy which would cover this type of situation and prevent all of this monkey business? Presumably we do not intend to say that just because we favor a Federal project at Hells Canyon that therefore we are in favor of all future Northwest dams being Federal. Rather I think we find ourselves pressed into very much the same line of thought which led Abraham Lincoln to state and restate one of his guiding principles, and I quote, "The legitimate object of government is to do for the people what needs to be done, but which they cannot, by individual effort, do at all, or do so well, for themselves." With this thought in mind and considering our main objective of achieving the full development of the natural resources we might say:

The Hells Canyon principle states that within the limits of Federal jurisdiction, when the full or maximum economically feasible development of a hydroelectric damsite cannot be achieved by private or local public financing, then the issue should be referred to Congress which should normally provide for Federal financing in order to do the full job.

The application of this principle at various Pacific Northwest damsites would permit private construction of Noxon Rapids Dam and PUD financing of Priest Rapids Dam if full development of the water resource is assured. However, this principle would call for Federal construction of the 1,008,000 kilowatt Paradise Dam on the Clark Fork in preference to the three puny Buffalo Rapids projects proposed by the Montana Power Co. Likewise this principle would call for rejection of the Mountain Sheep Dam and the Pleasant Valley Dam because these would seriously underdevelop the Snake River.

This principle can equally apply for the development of other significant natural resources as well as hydroelectric dam sites.

The borrowing power of the Federal Government does not belong to someone else. It belongs to us, the people of the United States. The dam sites also belong to the people of the United States. We make the credit of the Federal Government and we can say where it should be used.

In the present instance we find that a private company by dint of its full effort can build a 60 percent project but the consumer would have to pay possibly twice as much for the resulting power. By using our combined credit we can have the complete Hells Canyon Dam constructed and obtain the power for at least 35 percent less per kilowatt hour. So the choice is between a scarcity dam with its high cost power versus an abundance dam and low cost power.

The Hells Canyon struggle has taken a long time. It was 7 years ago in February 1948 that I sent in the first letter of protest for the Northwest Public Power Association. But the passing of the years brings reassurance because as the facts are laid on the table and as the people receive the facts and understand them, we can confidently look for the right outcome. Furthermore, the dramatic leverage of Federal financing in this case may give us confidence not only to state what is here called the Hells Canyon principle but also to insist upon the adoption of this principle as our public policy with respect to the conservation and development of our fast disappearing natural resources.

SALE OF SURPLUS COMMODITIES ABROAD

Mr. JOHNSTON of South Carolina. Mr. President, I noticed in the Washington Post and Times Herald of today an article entitled "Benson Tells of Surplus Sold Abroad," written by Aubrey Graves. Below the headline is a subheading which reads as follows: "Wheat and Cotton are Disposed of in Large Lots; More Deals Pending."

The body of the article states that the Secretary of Agriculture bought these commodities for $145 million under the price-support programs, but that the Government will receive only $107 million for them.

I have a statement which shows where the losses actually occurred. I am glad to inform the Senate and the Nation that cotton was obtained for $30 million and sold for $30 million. Wheat was bought for $80 million and sold for $49 million, representing a loss of $31 million. The cost of other commodities to the Commodity Credit Corporation was $35 million, and they were sold for $28 million.

I ask unanimous consent that there be printed in full in the RECORD the article to which I have referred and the statement I have had prepared.

There being no objection, the article and statement were ordered to be printed in the RECORD, as follows:

BENSON TELLS OF SURPLUS SOLD ABROAD—WHEAT AND COTTON ARE DISPOSED OF IN LARGE LOTS—MORE DEALS PENDING

(By Aubrey Graves)

Agriculture Secretary Ezra T. Benson announced yesterday the sale of 600,000 tons of wheat and 160,000 bales of cotton to Yugoslavia, Turkey, Chile, Peru, and Pakistan.

In return for these surplus commodities, which the Commodity Credit Corporation bought for $145 million under price-support programs, the Government will receive $107 million, payable in the currencies of the purchasing countries.

Sales of another $150 million worth of other CCC stocks to still other countries, the Secretary added, are well along toward completion, and negotiations are in various stages of progress looking to similar disposal of another $200 million worth of goods.

These foreign trade developments were Benson's answer to recent Democratic criticism that he has been "dragging his feet" in disposing of $7 billion worth of excess food and fiber now in Government hands.

"Records," he said, "will show that the Department is moving vigorously to dispose of surpluses in overseas markets. * * * Exports for the first 8 months of fiscal year 1955 are already 15 percent ahead of the same period a year ago."

The Democratic-controlled House Appropriations Committeee charged last week that Benson was not pushing foreign sales because he wanted to discredit rigid high-support prices. His policies, Democrats declared, had driven 55,000 Southern farm families off their farms, "with no homes and limited employment possibilities."

All this, the Secretary said yesterday, constituted "a diversionary move to hide the real issue—that the old rigid program fails to meet the needs of the farmer * * *. The criticism stems from the fact that I refuse to ignore facts, and instead, obey the law."

The various production control programs "are working real hardships on farmers," Benson conceded. "But such controls are inseparable from the rigid support programs" with which his critics have been identified.

"We were 10 years too late, in my judgment, in moving from a wartime to a peacetime program."

Under the mandatory high price props established in wartime to stimulate production, the Nation's basic crops were supported at 90 percent of parity. The flexible system, pushed through by the Eisenhower administration and put into effect this year, allows supports ranging from 82.5 to 90 percent of parity. In 1956, unless Congress acts, they can fall as low as 75 percent.

While he resented "some of the comments" in the Committee report and during debate on the House floor, the Secretary said that, by and large, the money appropriated to run Department programs for fiscal 1956 is "satisfactory to us."

He noted that "no serious cuts" had been made in any vital program. In some instances he believed more money had been voted than the Department could use.

For instance, he expressed doubt that $75 million worth of milk could be used in the free-lunch program. Fifty million dollars was provided for that purpose in the current budget, but "probably not all of this will be used."

Benson reported that the farmers' share of the consuming food dollar is now 43 percent, compared with 38 percent in 1939, 40 percent in 1940, and 53 percent in 1945 (during wartime).

While conceding that total farm income had fallen off during the last few years, the Secretary pointed out that per capita farm income increased slightly last year, to $918. In 1953 it was $914. There were fewer farmers in 1954 than in 1953, he explained.

STATEMENT BY SENATOR JOHNSTON OF SOUTH CAROLINA

For five programs covered by agreements to date, total market value is $107 million and CCC cost is $145 million, with a net difference of $38 million.

For wheat the market value is $49 million, and the CCC cost is $80 million, leaving a net difference of $31 million, or 82 percent of the total difference.

For cotton the market value and CCC cost are both estimated to be $30 million.

For other commodities the market value is $28 million and the CCC cost is $35 million, leaving a net difference of $7 million, which is 18 percent of the total.

Commodities	CCC cost	Market value	Difference	Percent of difference
Wheat	80	49	31	82
Cotton	30	30		
Other	35	28	7	18
Total	145	107	38	100

AUTHORIZATION FOR SECRETARY OF THE SENATE TO RECEIVE MESSAGES FROM THE HOUSE AND FOR THE PRESIDING OFFICER TO SIGN DULY ENROLLED BILLS

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that during the recess following today's session the Secretary be authorized to receive messages from the House and that the Presiding Officer to sign duly enrolled bills passed by the two Houses.

The PRESIDING OFFICER. Without objection, it is so ordered.

DECLINE IN PRICES OF FARM PRODUCTS

Mr. HUMPHREY. Mr. President, I call the attention of Senators to an Associated Press dispatch today telling of a decline in farm product prices, as follows:

WASHINGTON.—The Agriculture Department reported today that farm product prices declined four-tenths of 1 percent between mid-February and mid-March.

Lower prices were reported for hogs, strawberries, and milk, but somewhat higher prices for chickens, cattle, tomatoes, cucumbers, oranges, and cotton.

The mid-March level of prices was 4.8 percent below a year earlier and about 24 percent below the record high set in February 1951.

Prices paid by farmers in mid-March, on the other hand, increased about one-third of 1 percent, largely reflecting increases in prices farmers paid for livestock bought for further feeding and fattening. The prices paid by farmers were also about one-third of 1 percent higher than a year ago, but 2 percent below the record high set in May 1952.

Farm prices as a whole averaged 86 percent of parity in mid-March compared with 87 percent a month earlier, with 90 percent a year ago and with a record high of 123 percent in October 1946.

Mr. President, in retail food stores and markets, the prices of many commodities today are at all-time highs. I say "many" commodities. Nevertheless, we are witnessing a continuous drop—and it has been a gradual, continuous drop—in the parity ratio and farm income. On the other hand, the prices of things farmers buy, including foodstuffs purchased from the markets, have been increasing.

Mr. President, I desire now to refer to another subject.

The PRESIDING OFFICER. The Senator from Minnesota has the floor.

THE VOICE OF AMERICA

Mr. HUMPHREY. Mr. President, I wish to call to the attention of the Senate a letter which I received recently from the Director of the United States Information Service, Mr. Theodore C. Streibert, dated March 22, 1955. I should like to have the Senate know, that in the early part of March, I addressed a communication to the United States Information Agency, pointing out that word had reached me that our Finnish language broadcasts emanating from Helsinki, Finland, were being curtailed because of an inadequate budget, or inadequate appropriations, or the lack of proper use of the appropriations or the proper application of them, for the Voice of America broadcasts.

I was disturbed about it, Mr. President, because only a few weeks prior to that the newspaper in West Berlin which had been sponsored by the United States Information Agency had also closed down. Word had reached me that our efforts in news coverage for Vienna, Austria, were being curtailed. So I took up with the United States Information Agency the problem particularly as it related to the Finnish language broadcasts.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point the letter which I received from Mr. Theodore C. Streibert, Director of the United States Information Agency.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

MARCH 22, 1955.

DEAR SENATOR HUMPHREY: Thank you for your letter of February 28, in which you inquire about the activities of the United States Information Agency in Finland. The interest of your constituents in seeing that Finland is encouraged to maintain her democratic tradition and western orientation is shared by the United States Government.

Your information that the daily, Finnish-language Voice of America program was discontinued because of budget limitations is correct. The daily short wave radio program to Finland was started on January 1, 1951, and terminated on September 13, 1953. This program, as well as the BBC program, was subjected to partial Soviet jamming from January 1952 until its termination. The problem of jamming, together with budget considerations, led to the decision to terminate the program. The possibility of reinstating the broadcasts has been reviewed twice during the past year. The Agency is hopeful that fiscal year 1956 funds will permit restoration of the program. The yearly cost of a one-half hour shortwave daily Finnish-language program amounts to approximately $50,000. The Agency is now awaiting a reply from Helsinki to a January 1955 query in regard to resuming the broadcasts. The only VOA program that can be heard in Finland today is the worldwide, English language, 1-hour program.

In Helsinki, we have a staff of five American officers administering a press, film, information center, and exchange-of-persons program to reach diversified audiences throughout Finland. Significant American foreign and domestic policy pronouncements, news, and features translated into the Finnish and Swedish languages are distributed daily to the Finnish press. A Finnish-language magazine, Aikamme (freely translated as "Our Times"), a vehicle for western news in word and pictures, is published monthly in an edition of 17,000 copies. United States Information Agency documentary films are loaned to indigenous organizations for showings to over 1 million Finns each year. Our information center contains 7,000 volumes of American books, some in the Finnish and Swedish languages, and 250 current United States periodicals, which are borrowed by Finnish readers. Over 30 traveling loan collections, each consisting of 100 books by American authors, are rotated among Finnish public libraries. In 1955, under the Finnish War Debt Act (Public Law 265) and the Fulbright Act (Public Law 584), 143 Finnish students, teachers, scholars, specialists, in a variety of professional fields, will receive grants for study tours in the United States and 32 Americans will go to Finland. The Agency, under the Finnish War Debt Act, supervises the purchase (a yearly expenditure of $50,000 to $75,000) of educational books, technical publications, and laboratory equipment, for distribution to Finnish educational institutions in Finland.

In competition with the United States information and cultural exchange activities in Finland, the Soviet Union and its satellite countries are directing a formidable propaganda program to Finland. Each week, the U. S. S. R. and its satellites broadcast a total of 43 hours and 10 minutes of shortwave radio programs to Finland. The programs are as follows:

	Weekly program hours
U. S. S. R. and Soviet occupied:	
Estonia (Finnish)	21.50
Poland (Finnish)	11.30
Hungary (Finnish)	10.30
Total	43.10

In addition, Swedish-language programs beamed to Sweden from the U. S. S. R. and Poland reach a potential audience of 400,000 Swedish-speaking Finns in southern and southwestern Finland.

The Soviet Union has announced that it is building a TV station, which will start operations in December 1955 at Tallin in Soviet-occupied Estonia. A TV station at Tallin, which is located approximately 45 miles from Helsinki across the Gulf of Finland, may reach 1 million potential Finnish viewers in southern Finland. Soviet-made TV sets are being offered to Finnish purchasers at greatly reduced prices.

A study of Soviet-Finnish exchange visits offers an interesting contrast in the Soviet Union's increase of Finnish visitors to the U. S. S. R. since the death of Stalin. In 1952, 200 Finns visited the Soviet Union and 300 Soviet citizens went to Finland. In 1953, 2,300 Finns visited the Soviet Union and approximately 200 Russians visited Finland. These unofficial visits were made by such delegations as sports teams, dance groups, musicians, journalists, and agricultural workers who were sponsored by the Finnish-Soviet Friendship Society. The agency does not have statistics of Soviet-sponsored visits for the 1954 calendar year, but unofficial reports indicate a continuance of the 1953 levels.

The Finnish-Soviet Friendship Society claims that in 1953 an audience of 400,000 Finns viewed Soviet films at 8,000 showings and that 600 Soviet-sponsored lectures, festivals, and exhibits reached 330,000 Finns. Soviet-Finnish Friendship Month, November 7 through December 6, which has been observed annually in Finland for the past 10 years is an occasion for concentration of Finnish-Soviet cultural and special events.

In January 1955, the Soviet Union opened Leningrad to Finnish tourist traffic; in February 1955, 100 Finnish tourists participated in the first of a projected series of conducted tours to Leningrad.

The Finnish Communist Party, which directs an elaborate system of Communist and pro-Soviet propaganda, is estimated to have about 40,000 members. The Communist press in Finland comprises 11 newspapers and 10 magazines published by the Soviet Government, satellite governments, local Communist organizations, and binational societies. These publications are directed at a wide range of ages and intelligence levels. All these satellite countries, except Albania, are represented through binational societies in Finland.

Should you wish to discuss further the subject of this letter, I shall be pleased to arrange a meeting in your office or in the agency at your convenience.

Sincerely yours,

THEODORE C. STREIBERT,
Director.

Mr. HUMPHREY. Mr. President, I would make note of this one comment of Mr. Streibert. He states:

The Soviet Union has announced that it is building a TV station, which will start operations in December 1955, at Tallin on Soviet-occupied Estonia. A TV station at Tallin, which is located approximately 45 miles from Helsinki across the Gulf of Finland, may reach 1 million potential Finnish viewers in southern Finland. Soviet-made TV sets are being offered to Finnish purchasers at greatly reduced prices.

A study of Soviet-Finnish exchange visits offers an interesting contrast in the Soviet Union's increase of Finnish visitors to the U. S. S. R. since the death of Stalin. In 1952, 200 Finns visited the Soviet Union and approximately 300 Soviet citizens went to Finland. In 1953, 2,300 Finns visited the Soviet Union and approximately 200 Russians visited Finland.

Mr. President, here is an instance of our information agencies, literally at the portal, at the front door, of the Soviet Union, being curtailed, while the Soviet Union establishes one of the largest television broadcasting stations in the world to beam its broadcasts and its telecasts to more than a million people in southern Finland.

A few days ago it was my privilege to hear one of the most distinguished military men of our time, one of the great generals of this country, testify to the effect that the Soviet Union was spending more money to jam American broadcasts to the iron curtain countries, in an effort to stop the flow of American radio broadcasts into those countries, than we were spending for all our information programs all over the world. I suggest we had better reexamine our policy. If we have forgotten that the struggle in this world is for men's minds, then we have forgotten the key point and the key issue in the battle which is going on between the Communist conspiracy and those persons in the world who believe in freedom.

I wish to pay tribute to the United States Information Agency for the good work it is doing. I feel this agency has suffered many growing pains, and at times, I may say, it has suffered greatly from the assault of Congress. It is about time we reevaluated the worthwhileness of the program and its effectiveness; and if we shall find it to be effective, as I believe we shall, we should support the agency with the funds necessary for a worldwide information service, in order that we may tell the true story of American policy, and inspire hope in the hearts and minds of those behind the Iron Curtain.

We are losing the political warfare struggle. I think the record ought to be made crystal clear that while we are spending our time, and rightly so, on weapons to give us a shield of strength in the field of defense, we have not concentrated sufficiently on bringing the message of progressive and liberal democracy to the peoples of the world.

Prominent citizen after prominent citizen, military adviser after military adviser, and statesman after statesman have reported to the Congress that we are running behind in the struggle of ideas; that we are not doing what we ought to do with our information services.

I say this is a disgrace to our country. A nation which prides itself on its television and radio programs and other means of communication ought to be ashamed of itself for losing out or running second best in competition with the Soviet Government. I will never agree that a dictatorship of the proletariat is more financially able and more capable of outlay than we are to provide adequate information service for the people.

Mr. President, again I desire to speak to another subject.

The PRESIDING OFFICER. The Senator from Minnesota may proceed.

INTERNATIONAL FOOD AND RAW MATERIALS RESERVE

Mr. HUMPHREY. Mr. President, I wish now to address myself to one final point, which relates to the International Food and Raw Materials Reserve. I desire to associate myself with the Senator from Montana and speak in behalf of the proposed resolution calling for creation of an International Food and Raw Materials Reserve, which I had the honor of cosponsoring originally 2 years ago, and am again proud to cosponsor in this session.

The International Food and Raw Materials Reserve proposal has been before Congress for nearly 2 years. It is time we faced one of our critical problems squarely and moved ahead in a constructive way to take advantage of the great potential good our abundance could do in the world.

The concepts involved in this resolution have their roots in the still unsolved problems of extreme human need, starvation, economic stagnation, and poverty throughout the world, in the midst of surpluses of raw materials that cannot be sold at prices that will return an adequate stable income to producers.

Justification for this proposal could well be made on moral and humanitarian grounds. We must avoid a situation where we are wasting productive resources by piling up more food, fiber, and other raw materials than we can use while our fellow human beings are suffering deprivation and want from lack of the same resources or products of such resources.

Justification for this proposal could be equally well made on its implications to our foreign policy. We cannot long maintain friends and allies if we persist in sitting atop vast and bulging warehouses overstuffed with food and fiber at a time when millions, hundreds of millions, are milling about below us in hunger and want—easy prey for those who would incite them against us.

But even stronger justification can be made from the standpoint of bringing economic stability out of the chaos that now affects all world business and trade dealing in any way with food or raw materials. It is from this standpoint of seeking to achieve greater world stability in raw materials that I wish to direct my remarks today.

The human suffering and relative stagnation enforced upon producers of raw materials by the extreme ups and downs in the prices of raw materials, and consequently in their realized and expected incomes, is one of the most persistent and perplexing of modern economic problems.

If we find the problem serious in our highly-developed Nation, we should be able to understand how it is even more seriously present and damaging in the lesser-developed nations.

Wide swings in raw-material prices present prospective investors in raw-material development, whether persons, firms, or States, with a very large range of variation in expectations as to returns that can be earned by opening up and developing an augmented raw-material supply.

This condition is one of great risks, when at any moment not only might part of the investment be rendered valueless, but earnable returns may even fail to cover day-to-day operating costs, and the entire enterprise will have to be shut down, with attendant loss of income and human suffering.

Faced with such great uncertainty in expectations, both States and individuals are hesitant to open up or expand enterprises that are currently profitable but which may at any time dip drastically below the break-even line, through no fault of the enterprise management itself. The multiplication of this kind of a situation throughout farming and all other raw-materials industries put a very severe damper upon the rate of economic development in these industries.

This slowing down of the rate of expansion in raw-materials industries not only reduces the supply of such materials to meet human needs and to fuel manufacturing and other secondary industries. It also holds down the purchasing power of persons and firms on the raw-materials sector, and thus cuts down sales, scale of operation, and consequently the income and purchasing power of the industrial and service segments of the economy. Consequently, the entire economy idles along at a lower rate of production and expansion than needs to be the case. In the more highly industrialized nations the symptoms are seen in chronically depressed industries, such as farming and coal mining in the United States.

Among the lesser industrialized nations, a drop in raw material prices can bring an entire nation dangerously close to bankruptcy, and can directly cause a widespread drop in personal income and the standards of living of the entire population.

It is only natural that the economic segments and nations involved in these debilitating circumstances would take evasive and protective action, just as an intelligent bomber pilot takes evasive action from destructive antiaircraft fire. Such protective or evasive action when taken unilaterally by different nations helps to solve the problems caused by fluctuating raw-material prices only at the cost of reducing the magnitude of international exchange of commodities, and thus results in causing all nations to lose the advantages of specialization. All the people in all nations have less real income and a lower standard of living than they might otherwise be able to attain.

Through the administrative machinery of an international food and raw material reserve or bank, the stabilized prices of each different raw material that enters importantly into international trade would be negotiated and agreed upon. The reserve would thereafter stand ready at all times to buy any raw material commodity offered it at the agreed-upon stabilized price, and would stand ready to sell such commodities at the agreed-upon stabilized price.

The industry of advanced nations is chewing up basic resources at a tremendous and rising rate. For example, the United States, which has 7 percent of the world's population and 30 percent of the world's natural resources, accounts for 70 percent of the world's manufactured goods. The United States is using up its resource base at a very rapid rate, and very much faster than is the rest of the world. To be secure in our rising living standards and to retain the resource base for an expanding economy, we must assure ourselves a stabilized source of supply of the raw materials for our manufacturing industry. The same situation is true in other industrious nations, such as the United Kingdom, France, Germany, and Japan. The thought-provoking details for different commodities were thoroughly considered in the Paley report of several years ago.

Highly industrialized nations could depend entirely upon private industrial concerns to make long-term contracts with raw material producers in other lands; and this should be done. But it can be successfully and securely accomplished only under the protection and encouragement by governments and international economic accords.

The latter conceivably could be done exclusively through bilateral arrangements between the United States and foreign nations; one nation at a time, one commodity at a time. However, no supplier, private enterprise, or state, wants to become dependent exclusively on one buyer; nor does any importing nation or industrialist want to become dependent upon only one seller.

Through the International Food and Raw Materials Reserve, exporting nations can obtain assured long-term stabilized markets, and importing nations can obtain an assured, long-term, ample supply, at stabilized prices, of imports, on terms which will not injure domestic producers who must sell their commodities in competition with imports.

The International Food and Raw Materials Reserve would operate in coordination with the International Monetary Fund and the World Bank. Many of the national restrictions we now have, which hold down greater international exchange of commodities, result from the desire of nations to preserve their monetary position in different currencies, particularly dollars and pounds sterling. The International Food and Raw Materials Reserve would completely eliminate this problem by operating in terms of all currencies on the basis of internationally agreed upon official exchange rates.

The International Food and Raw Materials resolution does not itself establish an international agency. The resolution merely calls upon the President to undertake negotiations with other nations to that end. Any agreements reached would, of course, be subject to review and ratification by the Senate of the United States, and the appropriation of any needed capital and other funds would have to be fully considered by both Houses.

The International Food and Raw Materials Reserve will help solve many of our Nation's most difficult problems of both domestic and foreign policy. It will make a major contribution toward permanent peace, by facilitating a more rapid rate of economic expansion. Its operations will stabilize world raw material markets. It will put abundant production to work.

Mr. President, wiser use of our resources and our productive ability to meet human needs is not only the road to economic prosperity; it is the road to international understanding and peace.

If the nations of the world can work together in seeking to improve conditions for all people everywhere, they will soon be on common ground in seeking to avoid the horrors of war.

Minnesota's farmers are proud of their production, but they want it used for human needs. They would welcome United Nations leadership toward greater international stability in food and raw material markets, and United Nations leadership toward shifting unneeded surpluses from one area of the world to other areas of acute need and want.

Mr. President, let us have more vision, instead of merely shrugging our shoulders and saying it cannot be done. It can be done, and it must be done, for peace and prosperity in the world.

EXTENSION OF THE TRADE AGREEMENTS ACT

Mr. WATKINS. Mr. President, the Senate Finance Committee is now in the process of evaluating the large amount of testimony it heard in the past few weeks on the Trade Agreements Extension Act, as embodied in H. R. 1.

On March 16, I appeared before that committee, for the purpose of explaining the amendment to H. R. 1 which I had submitted in the Senate on February 25, 1955. This amendment is in the nature of a substitute for H. R. 1, and is designed to bring the tariffmaking procedure of the Nation back into equilibrium again.

This the Watkins amendment does by—

First. Giving the President authority to reduce tariffs (a) on selected commodities by not more than 5 percent per year for 2 years, (b) in excess of 50 percent to that level over a 2-year period, and (c) by not more than one-half, over a 2-year period, of tariff rates in effect on January 1, 1945, on articles which are not now being imported, or which are being imported only in negligible quantities. It provides for the continued utilization of the administrative facilities and services of the executive branch of the Federal Government for the actual negotiation of trade agreements under standards and within limits of congressional delegation of authority.

Second. Revitalizing the United States Tariff Commission by establishing specific criteria which it is directed to consider in arriving at decisions on escape-clause proceedings. They are so designed as to insure that congressional policy in this respect is carried out.

Third. Returning to the Congress substantive control over our trade and tariff policy, by requiring the Tariff Commission to keep the Congress informed as to the effect, before their conclusion by the executive branch, of all proposed

reciprocal trade agreements. Significantly, in the case of escape-clause actions, it reserves to either House of the Congress the power, by a majority vote of its Members, to override the recommendations of the Tariff Commission, which in the absence of such a vote would become final.

Since that date, Mr. President, I have received from various industry spokesmen a considerable number of letters in support of my amendment. I ask unanimous consent to have two of the letters and a telegram printed at this point in the RECORD.

There being no objection, the letters and telegram were ordered to be printed in the RECORD, as follows:

SOFT FIBRE MANUFACTURERS' INSTITUTE,
New York, N. Y., March 23, 1955.

The Honorable ARTHUR V. WATKINS,
United States Senate, Senate Office Building, Washington, D. C.

MY DEAR SENATOR: In the thought you may be interested to see the statement which has been filed in behalf of this industry with Senator BYRD, chairman of the Senate Finance Committee, with respect to H. R. 1, I am enclosing a copy.

This is a short statement because this institute filed a complete presentation of its views with the House Ways and Means Committee when it had H. R. 1 under consideration.

The members of the soft-fiber-manufacturing industry cannot survive in this country if subjected to any further reduction in tariff duties, and we would like to see any extension legislation withhold further cutting powers from the President. However, we realize that there may be products domestically manufactured which can stand further tariff reductions.

Our institute is favorably impressed by the provisions and safeguards, particularly the return to Congress of final authority, as contained in your amendments proposed as a substitute bill for H. R. 1. Consequently, we have, in effect, made our statement to the Senate Finance Committee an endorsement of your amendments.

We trust that we have properly understood your proposals. If, perchance, our brief analysis of certain provisions in your substitute measure are in error, we shall appreciate having someone on your staff put us right.

We wish you every success in your endeavors to have the Senate Finance Committee endorse your substitute measure.

Sincerely yours.

GEORGE F. QUIMBY,
Secretary-Treasurer.

AMERICAN MINING CONGRESS,
Washington, D. C., March 25, 1955.

Hon. ARTHUR V. WATKINS,
Senate Office Building,
Washington, D. C.

DEAR SENATOR WATKINS: Thank you for your letter of March 22 and for copy and explanation of your amendment to H. R. 1. We had the pleasure of hearing your excellent presentation before the Senate Finance Committee in which you set forth the need for such an amendment to the pending legislation.

We agree fully with your statement that "the pendulum of tariff-making authority has simply swung too far toward the expediency of administrative negotiation and execution by the executive branch." As far back as 1940 and 1943, in statements to congressional committees, the American Mining Congress declared that "Congress, representing the people, should review and pass upon all trade agreements before they become effective."

In view of the large number of trade agreements now in operation we believe strongly that Congress should have the power to scrutinize and approve or disapprove revisions in existing trade agreements. Accordingly, we feel that for effective congressional regulation of import trade the authority to act on "escape clause" recommendations of the Tariff Commission should be transferred from the executive branch to the Congress.

We are deeply appreciative of the fine work that you are doing to assure our Nation of a strong and healthy mining industry.

Sincerely,

AMERICAN MINING CONGRESS,
JULIAN D. CONOVER,
Executive Vice President.

BRIGHAM CITY, UTAH., *March 21, 1955.*

Senator ARTHUR V. WATKINS,
Senate Chambers, Washington, D. C.

Hopeful that a statement of our views will strengthen your hands in your effort to resituate the determination of the peril point in our trade agreements in the Congress and the Tariff Commission where it properly belongs. We the undersigned members of the Promontory Grazing District Advisory Board express our confidence in our congressional delegation and urge you all to use your utmost efforts to oppose and defeat these dogooders who are destroying the livestock business. We desire also to register our complete support of our friends of the mining industry. We are both Democrats and Republicans with a common problem. Livestock and mining must have immediate relief from ruin.

Alonzo F. Hopkins, Lawrence B. Johnson, Leo McKinnon, Ralph Ellis, Willard Petersen, Ben Groll, Fred James, Ted Kimber, Les Carson, Archie Rose, William Young.

Mr. WATKINS. Also, Mr. President, there have appeared in many newspapers throughout the country editorials and articles which report in detail the essence of my testimony before the Senate Finance Committee, and urge adoption of the Watkins amendment. I also ask unanimous consent that three such articles and editorials—from the Journal of Commerce, Baltimore Sun, and the Salt Lake Tribune—be printed at this point in the RECORD.

There being no objection, the articles and editorials were ordered to be printed in the RECORD, as follows:

[From the Journal of Commerce of March 17, 1955]

SENATE BALKY ON TRADE BILL, JOHNSON SAYS

WASHINGTON, March 16.—The Senate Finance Committee moved toward conclusion of public hearings on a bill to extend the reciprocal trade program, as the Senate leadership predicted the measure "is in for a tough fight" when it reaches the floor.

While the committee sat for the 11th day of public hearings on the measure (H. R. 1), listening to Senator ARTHUR V. WATKINS, Republican, Utah, recommend a complete overhaul before submitting it for final approval, Democratic Majority Leader LYNDON JOHNSON of Texas told newsmen he believes the bill is in for "rough sledding" in Senate debate.

STRONG OPPOSITION DEVELOPS

The majority leader's statement, made following a conference with the Democratic policy committee, was recognition of the strong opposition developing in the Senate against the measure, which passed the House last month by the narrowest of margins.

Senator JOHNSON, who said he himself had taken no position on the measure as yet, although he is a member of the Finance Committee, noted that both Republicans and Democrats felt the administration-backed measure should at least be amended.

The bill would extend the 21-year-old trade program 3 more years and give the President authority to cut tariffs 5 percent a year.

WOULD REGAIN POWER

Expressing sentiments favored by a strong group of Senators, Senator WATKINS, the committee's first witness, asserted that Congress' "constitutional authority" over Tariff Administration "should be recalled from the executive branch of the Government."

He urged adoption of an amendment to H. R. 1 in the form of a substitute bill he offered last month. The substitute would set up an independent seven-man Tariff Commission whose decisions would be subject to congressional control alone.

"The pendulum of responsibility over tariff and import quota adjustment," he declared, "must swing toward greater control by the Congress."

The Watkins amendment, which would recognize continuation of the trade-agreements program, would remove the President from the tariff-adjustment mechanism.

A revamped commission would make recommendations for cancellation of tariff concessions which could be vetoed only by a majority vote of one House of Congress within 60 days.

Senator WATKINS, whose proposal was cordially received by committee members, said the plan "would bring the tariff-making procedures of the United States back into equilibrium again." It would prevent Executive domination and at the same time would not represent a "return to the cumbersome and slow procedure" of legislative rate making.

The Watkins amendment would replace current procedure whereby USTC recommendations for withdrawal of tariff concessions and findings as to the "peril point" to which tariff levels can be reduced, can be overruled by the Chief Executive.

The proposal would also strictly define criteria for finding injury to domestic producers by import competition.

BATT APPEALS FOR BILL

The committee also heard a former Government official appeal for passage of the bill to bring "stability into United States tariff policy."

William L. Batt, who served as chairman of the War Production Board in World War II, said that if Europeans had a voice in United States trade policy making they would choose a policy "of tariff stability with little or no change upward or downward."

Our trading partners, he said, would prefer this to a policy of possible tariff reductions which may be subject to "constant uncertainty of revision upward."

Mr. Batt also cautioned legislators about being swayed by arguments for more tariff protection because of American defense needs "managerial ability is the vital element in rapid mobilization for war," he said.

LEAD, ZINC IMPORTS HIGH

Asking the committee to give full consideration to the Watkins amendment was Miles P. Romney, manager of the Utah Mining Association. "Excessive imports" of lead and zinc, he said, "still depress" the domestic industry in spite of the Government's stockpile program for these two commodities.

The situation in western lead and zinc mining is so bad now, he said, that it is time to seek the more far-reaching measures of relief promised the industries last summer by President Eisenhower when he ordered a stockpiling program begun in lieu of raising the tariff on competitive imports as recommended by the Tariff Commission.

Also opposing passage of the bill were J. G. Lerch, representing various small man-

ufacturing industries; Norman Zokowsky, International Handbag, Luggage, Belt, and Novelty Workers Union; John Breckinridge of the Pin, Clip, and Fastener Institute; Karl D. Loos, representing various nut and fruit growers; Gordon Sprague, Western Condensing Co., and Frank Masterson, Industrial Fasteners Institute.

[From the Baltimore Sun of March 17, 1955]

MORE TARIFF POWER SOUGHT FOR CONGRESS—WATKINS OFFERS AMENDMENTS TO RECIPROCAL TRADE ACT

WASHINGTON, March 16.—It was made official today that President Eisenhower's foreign-trade program is in trouble in the Senate.

Senator JOHNSON, Democrat, of Texas, Senate majority leader, so stated after the matter had been discussed at a Senate Democratic policy meeting.

He said it was "obviously in for rough sledding," thus confirming reports which have been around for some days that substantial changes may be made in the bill before it gets out of the Senate Finance Committee.

GOING BACK TO EARLY 1900'S

Earlier today the Finance Committee listened at length to Senator WATKINS, Republican, of Utah, outline a series of amendments to the bill which, he said, would give Congress power to save domestic industry from injury while at the same time avoid going back to the old-fashioned log-rolling methods of the early 1900's.

JOHNSON said that a considerable number of Senators in both parties favor amendments and that "it's going to take a major operation to get it passed."

The legislation, which would renew the Trade Agreements Act for 3 years, and give the President certain liberalized powers, has already passed the House.

HEAVY PRESSURES USED

Heavy pressure has been put upon the Senators to do something for distressed industries and to impose restrictions on the President's right to ignore recommendations of the Tariff Commission.

Declaring that Congress "de facto has abdicated its constitutional authority in the field of tariffmaking," WATKINS proposed that Congress take back responsibility for operation of the escape clause and that it lay down specific criteria to guide the Tariff Commission as to whether imports damage or threaten to damage any specific industry.

WANTS 2-YEAR EXTENSION

The Utah Republican also proposed that the trade act be extended only for 2 years, instead of 3 years, as asked by the administration and approved by the House.

The Senator's proposals found a substantial welcome from a considerable number of Finance Committee members.

There have been growing indications for some days that the committee is leaning strongly toward substantial revisions in the trade legislation to tighten up administration of the escape clause.

At the moment it also appears likely that the committee will vote for only a 2-year extension of the act.

MORE DATA SOUGHT

WATKINS told the committee he agrees that actual trade negotiations can be better handled by the executive than the legislative branch, but the law should provide that Congress get more complete data on agreements than at present.

He would also amend the law to require the Tariff Commission to give Congress a report on all peril-point investigations.

WATKINS laid down 11 specific factors which the Tariff Commission would have to take into consideration in deciding whether an industry was suffering an import injury.

QUOTES EXPERT OPINION

These include such items as unemployment, layoffs, price and sales declines, rising inventories, profit declines, decline in the flow of investments into plant expansion, decline in the domestic article proportionate share of the domestic market, and essentially to national security.

In pleading for his amendments the Utah Senator asserted that expert opinion now holds "that a reduction of American tariffs cannot bring about any spectacular increase in United States imports, or be of decisive importance in the world economic picture."

Moreover, he said, if there is to be any appreciable increase in United States exports, it will depend on continued expansion of economic activity in this country.

BATT FAVORS RENEWAL

The committee also heard testimony by William L. Batt in favor of renewal of the Trade Agreements Act on the basis asked by President Eisenhower.

Batt, who was vice chairman of the War Production Board in World War II, and United States representative on the Combined Raw Materials Board and Combined Production and Resources Board, stated that this Nation's security will be strengthened by getting more export trade, but it cannot have more export trade without more imports. He urged the committee not to attach any restrictive amendments to the pending trade bill.

Miles P. Romney, manager of the Utah Mining Association, testified in support of Senator WATKINS' proposed amendments on the ground that the mining industry has not been able to obtain adequate protection under the existing operation of the escape clause.

[From the Salt Lake Tribune of March 27, 1955]

WATKINS WOULD RESTORE TARIFF EQUILIBRIUM

Senator LYNDON JOHNSON, the Democratic leader, recently said that the House-approved bill extending the Reciprocal Trades Agreement Act faces rough sledding when it reaches the floor and that both Democrats and Republicans feel that the measure should be amended.

We heartily agree that amendment is necessary. We also endorse amendments proposed by Senator ARTHUR V. WATKINS which, as he told the Senate Finance Committee, would swing the "pendulum of responsibility over tariff and import quota adjustments" toward greater control by Congress.

Administration-backed legislation extends the Reciprocal Trades Act for 3 years and gives the President power to cut tariffs by as much as 15 percent during that period in return for similar concessions in foreign markets.

Senator WATKINS would limit the extension to 2 years and would make important changes which, while not altering the fundamental purposes of the act, would give Congress the final say on the application of the escape clause.

Mr. WATKINS presented telling arguments before the Finance Committee, and, according to the Baltimore Sun, his proposals received substantial welcome from a number of committee members.

For a better understanding of just what Utah's senior Senator has in mind, it is necessary to review the history of the Reciprocal Trades Act. Before the First World War, Congress undertook to write complex tariff acts including schedules covering thousands of products. As the magnitude of the task increased, Congress set up the Tariff Commission as a board of expert advisers and later gave the Commission power to recommend specific increases or decreases in tariff rates, thus providing a flexible policy.

Passage of the Reciprocal Trades Act in 1934, however, began the gradual disintegration of control by Congress over tariff-making procedure, with the executive branch of Government establishing rates through trade agreements. The defect here was that there was no means of providing relief if a particular concession proved injurious to a domestic industry. To correct the fault, Congress made the escape clause mandatory in trade agreements with the Tariff Commission having power to recommend revisions, subject to approval of the President.

But what happened? According to Mr. WATKINS, of 56 escape-clause applications filed in 1948–54, the Commission recommended action in 12 instances and the President accepted only 5 of the recommendations. Escape-clause relief clearly has not proved adequate.

Senator WATKINS would have the executive branch continue the negotiation of trade agreements. But instead of permitting the President to say whether or not escape-clause relief should be granted, he would transfer the decision to Congress. The Tariff Commission would continue to make recommendations—but to Congress, not the President—and the recommendations would take effect unless vetoed by either House of Congress within a 90-day period. Power to amend a trade agreement would be taken from the branch of Government which made it and transferred to Congress.

This plan is of particular interest to westerners who have seen what happened to escape-clause relief for the lead-zinc mining industry. The Tariff Commission unanimously recommended upward revision of rates, but the President—"for reasons that seemed satisfactory to him"—in Mr. WATKINS' words—held to the contrary. The lead-zinc industry continues depressed and as Otto Herres, chairman of the National Lead and Zinc Committee, remarked, once prosperous properties have become marginal mines.

Senator WATKINS believes in the principle of the Reciprocal Trades Act but his proposed amendments run counter to the views of some of those whose shibboleth is trade not aid. The fact is that tariff has been made too much of a cure-all for international ills and that the United States has been turned into a whipping boy. As a matter of fact, the United States is not now a high tariff country. The average rate, as measured by the ratio of customs receipts to total imports, is the lowest it has been in this century. How many nations of Western Europe have as good a record? And how many of them will admit amid their complaints about American tariffs, that currency restrictions and special trade blocs are a far greater hindrance to the free, international exchange of goods?

Extension of the Reciprocal Trades Act should be carefully studied by the Senate. We realize that everything possible should be done to help the economy of friendly nations. But we also must emphasize that American interests deserve consideration, too. When a trade agreement operates to the serious damage of a domestic industry, then relief is called for. Under the present system such relief is not always available. For these reasons we believe that the tariff-making equilibrium should be reestablished under the plan proposed by Senator WATKINS.

Mr. WATKINS. Mr. President, I have submitted this amendment because I believe it provides a compromise machinery which not only will make for freer international trade, but also will provide relief to efficient domestic industries if the findings of an expert body,

the United States Tariff Commission, reveal that they are being damaged by foreign imports which occupy an unfair competitive position.

ESTABLISHMENT OF PANEL ON THE IMPACT OF THE PEACEFUL USES OF ATOMIC ENERGY

Mr. ANDERSON. Mr. President, the Joint Committee on Atomic Energy has established a panel on the impact of the peaceful uses of atomic energy, to be composed of eight members, drawn from the fields of science, engineering, industry, and power.

I ask unanimous consent that the press release announcing the establishment of the panel, together with two accompanying documents, one being remarks made by me before the joint committee at the time when it was considering the establishment of the panel, and the other being a statement of the terms of reference for the panel, be printed at this point in the RECORD.

There being no objection, the release and documents were ordered to be printed in the RECORD, as follows:

Establishment of a panel on the Impact of the Peaceful Uses of Atomic Energy was announced today by Senator CLINTON P. ANDERSON, of New Mexico, chairman of the Joint Committee on Atomic Energy.

The special eight-man panel, drawn from the fields of science, engineering, industry, and power, is charged by the joint committee with four functions:

First, to appraise the present and future impact of peaceful applications of atomic energy on the American way of life, economy, industry, and natural resources, including the effect on employment.

Second, to consider the impact of such applications on economies and industries abroad and their interlocking effect on our domestic economy and industry.

Third, to study the activities of the Atomic Energy Commission as they affect the foregoing in both the AEC programs aimed at developing peaceful uses of atomic energy and the AEC role as the regulatory agency of the new field.

Fourth, to recommend legislative and policy actions needed to speed the proper development of peaceful uses of atomic energy under both Government and private auspices.

"Under the Atomic Energy Act of 1954 the joint committee is charged with holding hearings on the development, growth, and state of the atomic energy industry and is required to make continuing studies of the activities of the Atomic Energy Commission and of problems relating to the development, use, and control of atomic energy," Senator ANDERSON said. "Because of the vastness and complexity of the subject, the joint committee has, by unanimous vote, established this panel, directing it to report back by January 31, 1956."

Members of the panel are: Robert McKinney, chairman, editor and publisher, Santa Fe New Mexican, former Assistant Secretary of the Interior; Ernest R. Breech, chairman of the board, Ford Motor Co., Detroit, Mich.; George R. Brown, Brown & Root, constructors, Houston, chairman, Texas Eastern Transmission Co., former member, President's Materials Policy Commission; Sutherland C. Dows, president and chairman, Iowa Electric Light & Power Co., Cedar Rapids; John R. Dunning, physicist, dean of engineering, Columbia University, director, Oak Ridge Institute of Nuclear Studies; Frank M. Folsom, president, Radio Corporation of America; T. Keith Glennan, president, Case Institute of Technology, Cleveland, former member Atomic Energy Commission; Samuel B. Morris, general manager and chief engineer, Department of Water and Power, City of Los Angeles, civil and hydraulic engineer, geophysicist, former member Material Resources Planning Board and President's Water Resources Policy Commission.

"All aspects of American life will eventually feel the impact of the atom," Senator ANDERSON said. "But to our committee four aspects seem immediate importance:

"In industry there will be changes in present patterns of fuel and power, raw materials, manufacturing techniques, employment, and domestic and foreign trade.

"The revolution which started in the inorganic sciences will carry over to the life sciences, and will open new horizons for improving the Nation's health and food supplies.

"We will have serious educational problems, not only in training people for many new technical jobs, but also in educating ourselves and our children generally for transition into the atomic age.

"We must make sure that individual initiative and enterprise are free to develop the atomic age, unimpeded by public or private monopoly.

"The joint committee has traveled to atom bomb tests, atomic laboratories, reactors and factories, and has even held a meeting underneath the sea in an atomic-powered submarine. Every day it becomes more apparent to us that atomic energy will have the impact of many new resources and frontiers discovered all at once—the physical dimension of a vast new public domain. The domain is too big—too important—to be left to the mercy of chance, speculation and limitless personal gain. It must be watched and nurtured, so that the domain is developed in the public interest, and developed by private enterprise with all the vigor, ingenuity and daring with which Americans have always won each new frontier. Properly guided, we can expect a new Renaissance."

REMARKS OF SENATOR CLINTON P. ANDERSON, CHAIRMAN, JOINT COMMITTEE ON ATOMIC ENERGY, RELATIVE TO FIELD FOR SPECIAL PANEL

There are some aspects which I think should be considered in a study of the coming impact of the peaceful applications of atomic energy.

The first of these is power.

Immediate development of low-cost atomic-powered electric generators can avert dislocations which otherwise may endanger the national welfare. Faced with sharp increases in population and in energy demand, the United States will eventually have power requirements which present fuels cannot meet. If a rational, orderly program for reactor construction is not begun now, a crash program may be necessary later.

Even if by wise and prompt action we escape domestic power shortages, other derangements which we cannot escape may come from abroad. The present highly industrialized nations—and therefore the most advanced and powerful—are those countries which won the 19th century Industrial Revolution because Providence put them on the top of large fuel deposits. Since solid fuel was more costly to transport than other materials used in mass manufacturing, the fuel-owning nations forced the rest of the world to deal with them on their own terms.

In the age of atomic reactors, however, it will often cost less to export atomic power plants than to import raw materials. Future processing plants will grow around the sites of raw materials, rather than around the sites of fuel deposits, as in the past.

Other industralized nations, besides the United States, are pressing to become leaders in the manufacture and sale of atomic powerplants for export. Around the winners of this race, underdeveloped, power-hungry nations may group themselves in new satellite orbits, far different from present alliances.

Regardless of who wins the race, these worldwide dislocations are inevitable: (1) Reduction in the costs of many end products, which are manufactured from raw materials cheaply fabricated at point of origin; (2) dislocations in fuel, power, transportation, employment, manufacturing and service industry patterns; (3) industrial, political and social revolutions—and population explosions—where important resources are located in backward countries; (4) serious problems of conversion and unemployment, accompanied by economic, political and social unrest in centers of population surrounding obsolete industrial complexes.

CHEMISTRY AND PHYSICS

If man can extend his new-found ability to create new elements and new forms of existing elements, and consequently begins to have some real measure of control over the properties of matter, then we will have left behind the ages—Stone, Bronze, and Iron—in which man was the creature of the materials around him, and will truly have entered upon the time when all that has gone before is prehistoric.

Raw materials will be tailored to suit end products and uses, thus eliminating the present jerry-building of products to suit available materials. There will be many and rapid changes in raw materials, fabrication processes, end products, and end uses. Although the impact of developments here is presently unpredictable, the field is at least subject to exploration. After all, Greek "atomist" philosophers preceded today's atomic physicists by 2,400 years.

LIFE SCIENCES

Diseases hitherto incurable—including cancer, the last and most dread of the great scourges—are beginning to give ground to medical research based on atomic products. The personal impact will be to reduce the burden of human misery. The social impact will be to outdate present life-expectancy tables and add fuel to the coming population explosion.

Radiation has its baleful aspect: the possibility that too much of it may cause malignant genetic variations in men, animals and plants. The benign effects of radioactivity in developing new strains of foods and fibers by genetic mutation, on the other hand, will have far-reaching impact.

A long term possibility is the dislocation of products of nature by manmade "agricultural" products, should atomic science enable man to discover and reproduce the cycle of photosynthesis.

"Tritium dating" should increase our knowledge of ground water supplies. Harnessing atomic electric power to seawater purification plants, if practicable on a commercial scale, would have considerable impact.

THE FREE ENTERPRISE SYSTEM

One impact of the peacetime applications of atomic energy will be recurrent waves of inventions, new processes and new applications, cumulatively compounding at rates more explosive than the world has yet seen.

Unlike any previous single natural resource, atomic energy will have the effect of many new resources and frontiers discovered all at once—the physical dimensions of a vast new public domain. The domain is too big—too important—to be left to the mercy of chance, speculation and limitless personal gain. It must be watched and nurtured, so that the domain is developed in the public interest, but developed by private enterprise with all the vigor, ingenuity and daring with which Americans have always won each new

frontier. Properly guided, we can expect a new Renaissance.

NATURAL RESOURCES

As our conventional natural resources near depletion, atomic applications are transferring the burden to new elements and materials. They are also aiding in the discovery of new resource deposits, among them some in short supply like oil. Perhaps many of the conventional resources covered in the report of the President's Materials Policy Commission should be reconsidered from the standpoint of how they fit into the emerging picture.

EDUCATION

Our present preatomic society is already experiencing serious shortages in technically skilled manpower. Greater shortages are around the corner in all phases of life affected by atomic applications: industry, agriculture, the natural and physical sciences, etc. The field of education will feel the brunt of the impact.

The opportunities of a peacetime atomic age will be given less to us than to our children. The first job is to train the men and women to train our children—a new generation of American-trained educators to take up the torch from the brilliant minds, many of them European, who brought to the United States so much of our present atomic knowledge.

Next, these teachers must transmit these opportunities to our children—transmit them in such a way that scientific book learning and vocational training (which so often tend to be dehumanized) go hand-in-hand with moral growth based on the humanities.

In the grades which we give our children, we should perhaps classify them on aptitudes as they finish elementary school, to determine their talents and bents in time to channel them into the vocations in which they can be the happiest and do the most good. Children showing suitable aptitudes could be offered special guidance through their high-school years and, on graduation, be given scholarships by individuals, philanthropies, business, and Government in colleges of their own choosing, if their aptitudes have satisfactorily developed.

CONCLUSION

It would seem that the panel appointed to study the impact of peacetime applications of atomic energy should consider, among other things, these aspects:

Lessening and/or increasing natural resource shortages; creation of new materials and new properties for old materials.

Dislocation in fuel, power, transportation, employment, manufacturing, and service-industry patterns, and population structures.

Strengthening or weakening of the free-enterprise system.

Impact of the coming revolution in the life sciences on the population and the food supply.

Education problems in training technicians specifically, and conditioning the whole society generally for living in a peaceable atomic era.

TERMS OF REFERENCE FOR PANEL ON THE IMPACT OF THE PEACEFUL USES OF ATOMIC ENERGY

The Atomic Energy Act of 1954 requires that the Joint Committee on Atomic Energy hold hearings on the "development, growth, and state of the atomic energy industry" during the first 60 days of each session of the Congress. The joint committee is also charged by law with conducting "continuing studies of the activities of the Atomic Energy Commission and of problems relating to the development, use, and control of atomic energy." Experience during the recent statutory hearings has indicated that the developing atomic industry and the impact of the use of atomic energy generally is far too vast and complex to be dealt with solely by these means.

The joint committee has concluded that an independent panel of consultants will be the most effective means to assist in carrying out the responsibilities with which it is charged.

SCOPE OF PANEL INQUIRY

The panel is charged with four main duties:

1. To appraise the present and future impact of all aspects of the development of atomic energy on our way of life, our economy, our industry, our natural resources, and including the effect upon employment. While this appraisal will be concerned principally with the peaceful applications of atomic energy, it obviously must take into consideration its military applications as they affect or concern peaceful uses.

2. To consider also the effects of the application of atomic energy upon economies and industries abroad. While the study will be concentrated upon United States industry and economy, it must take into account the interlocking effects that such development and application abroad might have on our own economy and industries.

3. To study the activities of the AEC as they affect the foregoing both in the AEC programs aimed at developing peaceful uses in atomic energy and in the AEC role as the regulatory agency of the new field.

4. To recommend to the joint committee any legislative or policy actions needed to speed the proper development under both Government and private auspices of peaceful uses of atomic energy.

AUTHORITY OF PANEL

In carrying out its study the panel will be authorized by the joint committee to review such documents, and to receive such briefing, as the chairman of the joint committee and the chairman of the panel mutually deem necessary. Staff and clerical assistance will be provided by the joint committee as needed. Travel and per diem expenses of the panel will be paid by the joint committee.

The panel is authorized and directed to prepare and submit no later than January 31, 1956, a report on its activities and findings. Such report shall be suitable for public release by the joint committee.

Mr. ANDERSON. Mr. President, an interesting thing in connection with this matter is that the definition of peace has now undergone a significant change. The word "peace" now has a completely new meaning for the world, for it means more than the absence of armed conflict. It now means a chance for an abundance of all things, which was not possible until the coming of the atomic age. It is now possible to have atomic peace, as well as atomic war.

Mr. President, I was very happy to note that the Atomic Energy Commission, through its chairman, Adm. Lewis Strauss, issued a press release following appointment of the panel, and pledged the full cooperation of the Commission toward attainment of the continued gains sought by it in establishing the panel. I ask unanimous consent that the statement issued on last Saturday by Admiral Strauss be printed at this point in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY CHAIRMAN LEWIS L. STRAUSS, UNITED STATES ATOMIC ENERGY COMMISSION

The panel appointed by the congressional joint committee to study the impact of the peaceful uses of atomic energy will, of course, have the fullest cooperation of the Atomic Energy Commission in its endeavors.

Last year a panel of distinguished citizens, under the chairmanship of Gen. Albert C. Wedemeyer, was appointed by the joint committee to look into the military aspects of the atomic energy program. That special panel served a very useful function.

The panel which has now been selected by the joint committee to examine the peaceful applications of atomic energy is in logical sequence to the previous action. Its work should be no less useful.

This constructive step furthers a policy established some time ago by the Atomic Energy Commission whereby industrial study groups and other advisory councils have been set up to aid in developing and expanding the peaceful uses of atomic energy.

Such advisory groups, created under this policy, are providing valuable assistance to the Commission in its purpose to bring about the earliest and fullest development of atomic energy for man's benefit, in accordance with the Atomic Energy Act of 1954.

The joint committee's selection of this citizens' panel to look into the civilian aspects of atomic energy will surely be construed abroad as further evidence of support for President Eisenhower's atoms-for-peace plan.

Mr. ANDERSON. Mr. President, let me call particular attention to the last paragraph of Admiral Strauss' statement:

The joint committee's selection of this citizens' panel to look into the civilian aspects of atomic energy will surely be construed abroad as further evidence of support for President Eisenhower's atoms-for-peace plan.

Mr. President, we need to provide an opportunity to live in atomic peace. By so doing, the world may soon erase the age-old causes of wars, and rumors of wars. In that event, I believe the world may find that it has conquered itself with its own abundance, built upon atomic knowledge.

Certainly it is worthwhile to make a most serious and determined effort to achieve this goal, and the members of the joint committee wish to make that effort.

Mr. HUMPHREY. Mr. President, will the Senator from New Mexico yield?

The PRESIDING OFFICER (Mr. GORE in the chair). Does the Senator from New Mexico yield to the Senator from Minnesota?

Mr. ANDERSON. I yield.

Mr. HUMPHREY. I wish to commend the distinguished Senator from New Mexico for making what I regard as a very splendid suggestion and proposal. The action taken indicates that the Chairman of the Joint Committee on Atomic Energy and all the other members of the committee have wisely taken leadership in the field of the peaceful use and development of atomic energy.

I have read the statement the Senator from New Mexico has made, and I read with keen interest in the press the announcement of the appointment of the panel. Not only is the proposal a sound one, but the selection of the distinguished members of the panel seems to me to indicate that great care, consideration, and thoughtfulness have gone into this endeavor.

Mr. ANDERSON. Mr. President, I wish to say that in the Joint Committee

on Atomic Energy, the vote was unanimous; and every member of the fine Joint Committee is entitled to whatever credit may be due for the results.

Mr. HUMPHREY. I thank the Senator from New Mexico for the statements he has made, as well as for yielding to me in connection with them.

EXTENSION OF TRADE AGREEMENTS ACT—AMENDMENTS

Mr. BRIDGES. Mr. President, on behalf of myself, and the Senator from Rhode Island [Mr. PASTORE], I submit a series of amendments, intended to be proposed by us, jointly, to the bill (H. R. 1) to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes, which now is under consideration by the Finance Committee.

The PRESIDING OFFICER. The amendments will be received, printed, and referred to the Committee on Finance.

Mr. BRIDGES. Mr. President, today the junior Senator from Rhode Island [Mr. PASTORE] and I are submitting for Senate consideration a series of amendments to H. R. 1, a bill to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes, as passed by the House of Representatives on February 18, 1955.

The congressional intent in trade legislation has often been expressed. It is to expand our foreign trade, while, at the same time, offering reasonable safeguards to protect our domestic industries against unfair or unreasonable competition from abroad.

The President of the United States expressed this view in his letter of February 17, 1955, to the minority leader of the House of Representatives. He there made clear the basic philosophy of his administration regarding the trade-agreements program. The President said, in advocating extension of the trade-agreements program:

> Few programs will contribute more fundamentally to the long-term security of our country than the foreign-economic program submitted to the Congress on January 10. This program, built around H. R. 1, will powerfully reinforce the military and economic strength of our own country and is of the greatest importance to the well-being of the free world.

But with respect to safeguarding domestic industry, he stated unequivocally:

> I wish also to comment on the administration of this legislation if it is enacted into law. Obviously, it would ill serve our Nation's interests to undermine American industry or to take steps which would lower the high wages received by our workingmen and women. * * * No American industry will be placed in jeopardy by the administration of this measure. Were we to do so, we would undermine the ideal for which we have made so many sacrifices and are doing so much throughout the world to preserve.

We agree with that philosophy.

Mr. President, since colonial days, New England has been an important exporting area. At the same time, thousands upon thousands of domestic manufacturing installations have grown up in the area. These have flourished under a system of reasonable tariffs whereby the high wages paid to workers in New England have, by such tariffs, generally been offset sufficiently to place the workers of New England roughly on a competitive basis with less highly paid workers abroad.

We believe that the amendments presented here today are moderate. They are not designed to raise high walls of protection, but they would bring the entire program into balance, by offering fair recourse to domestic businesses when injury is grave.

These amendments would not impede the President or the Department of State in granting concessions where essential for the betterment of international trade, but they do write into the law perfectly proper safeguards. The moderate tone of these amendments has been derived from statements in the President's letter of February 17, 1955, as quoted above. Any reductions would be gradual and selective, as the President has recommended. While we have had assurances from the President as to the administration of this law under his supervision, we must remember that the President personally cannot administer every law, and that no law can wisely be written for only one President.

We must remember, also, that in the past the administration of the program has not been wholly in accord with what we have considered to be congressional intent. In the hearings on H. R. 1, before the Senate Committee on Finance, the senior Senator from Georgia [Mr. GEORGE] stated, in effect, that the Senate does not wish to have the program administered by "lovable visionaries." That is our feeling, too. Were the Congress to write into law the moderate amendments which we propose, the program's administration would be greatly strengthened, the authority of the President would be made quite clear, and the responsibility of Congress under the Constitution would not be vitiated.

There are described below the principal changes we propose for H. R. 1. We believe these to be the most practicable and necessary of the many changes desired by American industries. We feel that these moderate changes are not inconsistent with the policy outlined by the President in his letter of February 17, 1955.

1. STRENGTHENING OF ESCAPE CLAUSE

The findings of the Tariff Commission as to the existence of injury would be made final and binding on the President. However, the President would be given the power to disregard the recommendations of the Commission when he determines that the national security requires that no action be taken. In past administration of the trade-agreements program, the President has frequently disagreed with the findings of fact as to the existence of injury made by the Tariff Commission. In each case where he has not followed the recommendations of that Commission, he has justified such action by disagreeing with the findings of injury. The proposed change would require that the President justify any failure to carry out the recommendations of the Commission as being necessary in the interests of our national security.

The Tariff Commission would be required to make a finding of injury when it determines that increased imports have constituted a significant contributing factor to serious injury or a threat of serious injury to an industry. The Commission and the President have in the past interpreted the act as requiring a finding that increased imports in and of themselves have caused serious injury. In many cases where imports have increased and taken over a substantial part of the domestic market, the President has refused to take any action, on the ground that the injury to the domestic industry was in part caused by other factors, such as a change in consumer preference. The proposed change would recognize the fact that in every case of injury there are many contributing factors, and would require the Commission to make a finding of injury where increased imports are a significant contributing factor to the injury.

The Tariff Commission would be required to consider as one evidence of injury either an increase in imports over a representative period prior to a concession, or an increase in imports over any representative period after a concession. The Commission has in several cases refused to compare the current rate of imports with the rate of imports prior to a concession, and has limited its consideration to the trend of imports after the concession. Obviously, any determination as to the effect of a concession on imports must include a comparison of preconcession imports with postconcession imports.

The Tariff Commission would be required to consider as an evidence of injury higher domestic rates and prices for labor and raw materials than those of foreign producers. Higher domestic costs for labor and raw materials are a factor which must be considered in determining whether a reduced rate of import duty will threaten serious injury to the domestic industry. The Commission is not now required to make a finding on this point, and in some cases it has refused to do so.

The terms "domestic industry producing like or directly competitive products" and "domestic industry producing like or directly competitive articles" would be defined as meaning "that portion of the producing organizations manufacturing, assembling, processing, extracting, growing, or otherwise producing like or directly competitive products or articles." This definition, which would apply to the term wherever used in the Extension Act of 1953, would require a finding of injury when production of a particular product is shown to have been injured by imports, even though the industry producing such product has not been "injured," due to offsetting profits on other items.

The "factors" set forth in section 7 (b) of the Extension Act of 1951, for consideration by the Commission, would be designated as "evidence of injury."

2. GENERAL AGREEMENT ON TARIFFS AND TRADE

Approval or disapproval of GATT or any supplanting organization would be disclaimed by eliminating the new language added by H. R. 1 to section 350 (a) (1) (A), and by adding a new section 8 to H. R. 1.

The said new language in subparagraph (A) of H. R. 1 is not needed to authorize the President to enter into foreign-trade agreements, and its inclusion in H. R. 1 might be construed as indicating approval of GATT. The elimination of this language and the inclusion of a specific disclaimer of GATT will avoid any such construction.

3. SUBDIVISION OF CLASSIFICATION CATEGORIES

The request that the President avoid the subdivision of classification categories in making concessions would be eliminated. A gradual and selective approach would be allowed. A mandate by Congress to avoid the subdivision of classification categories may well result in the State Department's granting of concessions on a large number of individual products included in a basket clause, merely to make a concession on one individual item. Such action might injure the producers of a number of items; whereas by subdividing the classification category, the same purpose could be accomplished without endangering the producers of products other than the one on which it is desired to make a concession.

4. DEFENSE INDUSTRIES

The requirements contained in section 2 of the Extension Act of 1954, that no action be taken to decrease the duty on any article if the President finds that such reduction would threaten domestic production needed for projected national defense requirements, would be expanded to require the President to withdraw or modify past tariff concessions, when necessary to be done to prevent injury to domestic production needed for projected national defense requirements.

Mr. President, I desire now to discuss another subject.

The PRESIDING OFFICER. The Senator from New Hampshire has the floor.

THE UNITED STATES POLICY OF COOPERATION WITH REGIONAL DEFENSE STRUCTURES IN EUROPE

Mr. BRIDGES. Mr. President, ever since the Vandenberg resolution of June 1948, the United States has had, as its enunciated policy, cooperation with regional defense structures in Europe. The August 30, 1954, defeat of the EDC by the French Parliament caused worldwide consternation, and threatened disruption of our national defense strategy. In order to clearly determine the future direction of American action, reliable facts on European political and economic developments and attitudes were needed. With this in mind, our distinguished former colleague, now our Ambassador to the Philippine Republic, Homer Ferguson, of Michigan, as the then chairman of the Armed Services Subcommittee of the Committee on Appropriations, consulted with me, as the then chairman of the full committee, in regard to sending Gen. Julius Klein, one of Illinois' most distinguished citizen-soldiers, to Europe as a special, nonpaid consultant to that subcommittee.

General Klein was well suited to the task assigned him. He has drawn upon his experience as a citizen-soldier, international correspondent, world traveler, editor, and public-relations consultant to bring to the Senate the results of his extensive study tour through Western Europe. A much-decorated combat veteran who served in the Pacific under General MacArthur and Admirals Nimitz and Halsey, General Klein was the author of the original Army combat public-relations plan. This project, drafted before Pearl Harbor, was the foundation of our psychological warfare. After completing his tour of duty in the Pacific during World War II he served with distinction after the armistice in a military capacity as special assistant to the late Secretary of War Robert P. Patterson, participating in the unification program which resulted in the establishment of the Department of Defense.

The late Senator Taft, long a personal friend of General Klein, had recommended to the Republican National Committee his appointment as National Defense Consultant, a post he held with distinction. General Klein is to be commended for his selfless devotion to country—in giving months of his time, at no cost to his Government, in the preparation of this report. General Klein's report was first published as a "Confidentail Committee Print" and later it was made public. Certain classified portions of General Klein's findings have, of course, been deleted. Copies of the report have been made available to Members of the Congress and to executive department heads. Many of the recommendations of the Klein report have already been put into action. But much is still to be done. I commend to my colleagues, especially to members and staffs of the Committees on Foreign Relations, Armed Services, Interstate and Foreign Commerce, and Appropriations, the study of this report and its recommendations which are so important to the welfare of our country. I am sure that General Klein will continue to cooperate with the various committees of Congress in personally appearing before such committees when needed.

Although General Klein's area of study was Europe, geographical and political realities impel the conclusion that security of this front is dependent not solely on factors within Europe but developments and conditions elsewhere. Thus, General Klein took advantage of his presence in Europe to speak with authorities there on extra-European problems which directly affect European policies and actions.

Many features of the report have particular current interest. Some of the policies recommended have already been adopted. I cite a few.

Our distinguished Vice President, Mr. RICHARD M. NIXON, who has done such an outstanding and commendable job in developing Latin-American friendship in his recent visit to our good neighbors to the south, stated that his Caribbean good-will tour convinced him that administration of the foreign-aid program would be greatly improved by putting it under the American Ambassador in each country. Mr. NIXON added that technical aid under the command of Ambassadors would produce better—and more economical—results for the American taxpayer.

What Vice President NIXON is urging is in consonance with a prime recommendation of General Klein's report that our overseas programs should be supervised by the Ambassador in each country rather than through an administrative labyrinth of separate and independent agencies. The Nation's press has taken particular note of this recommendation in both news and editorial columns, there apparently being widespread agreement with his proposal.

Other recommendations contained in General Klein's report are also under way. For example, President Eisenhower has recently designated Hon. Joseph Dodge as a high-level official to coordinate American overseas operations. General Klein had pointed out the great need for welding our diplomatic and administrative agencies overseas into a cohesive organization to minimize duplication and contradiction, under a top-level official designated for that purpose.

Legislation for the return of property vested during World War II in the Department of Justice or the Alien Property Custodian, in the form of the Kilgore-Dirksen bill, S. 995, has been introduced in this body, and a series of discussions between American and German officials on this topic has just been concluded. This is a subject to which the Klein report has contributed much in the way of clarification and meaning, especially in terms of America's relations with its Western ally, the Federal Republic of Germany, whose cooperation we seek, and whose friendship I know we have. The linking of West Germany to the European defense structure is a major recommendation of the administration.

General Klein's recommendations on international two-way travel and exchange of persons have already been noted on the floor of the other body by Representative THOMAS J. DODD, of Connecticut, and further work on this subject is being done there.

The Senate Committee on Education and Labor has already included in their record of hearings on Federal aid to education General Klein's conclusions on the necessity of scientific and technological training of American youth. The Klein report clearly perceives the dangers inherent in the comparatively rapid progress in such training by the Communist world, and sounds the alarm for American education.

The Klein recommendations on the strength of our Armed Forces have been reenunciated by key members of the Congress and the military.

While in Europe General Klein received many complaints from responsible European businessmen and opinion

leaders who were desirous of visiting the United States for business, education or pleasure, and who found innumerable hindrances in the way of legal and administrative regulations and redtape to their visits to this country, visits which would have been beneficial to the United States. General Klein recommended that our present laws on this subject be reexamined with a view toward facilitating and expanding the opportunities for foreign travel to the United States with all safeguards of our interests.

The Public Relations News, the widely-read trade organ of the public relations profession, singled out for special comment and note General Klein's conclusions and recommendations on our overseas information program.

Assistant Secretary of State I. W. Carpenter, Jr. observed in a recent letter that the Department is proceeding with a planned revitalization of its foreign service and that the President recently proposed improving the salary levels of Foreign Service officers and employees, all goals outlined in General Klein's report. "Other portions of this study will be given careful consideration in the Department," Mr. Carpenter promised. Similar cooperation has been pledged—it might be noted—from other Executive agencies.

Also of particular interest to this body is the recommendation by General Klein that the "Congress maintain in Europe a professional staff of modest size, appointed by and responsible to congressional committees concerned with operations there." This staff would aid Members of Congress visiting Europe on official missions, who would study and observe the administrative aspects of American programs in Europe and report to appropriate congressional committees at times when pertinent legislation is being considered, thus facilitating a continuous flow of information to the Congress.

Further recommendations of General Klein which merit study are: centering of off-shore procurement in a single operating agency, the General Services Administration; employment in a force under their own national banners of anti-Communist refugees from Iron Curtain countries; integration of the Middle East into the European defense structure; strengthening the United Nations; congressional consultation with General Douglas MacArthur; further inclusion of Spain in off-shore procurement programs and others.

When the Klein report was first released to the public recently, it was received with widespread editorial praise, both national and international, both in America's great metropolitan communities and in its smaller cities, representing the grass roots. For example, not only did the Miami Herald and the Boston Herald see fit to comment editorially on the recommendation that European statesmen should visit these shores more often instead of our Secretary of State making such frequent trips abroad, but journals in smaller communities—such as the Wheeling (W. Va.) News-Register and the Asheville (N. C.) Times, to name but a few—singled out this Klein recommendation for editorial commendation.

The New York and Chicago American, in referring to the recommendation that General MacArthur be consulted on global defense policies, stated:

Not many Americans will reject the opinion of General Klein that "it is essential that counsel be taken with one who has consistently demonstrated a comprehensive grasp of the total problem that confronts us."

And the Chicago Sun-Times, while disagreeing with some of General Klein's findings, acknowledged his qualifications and ability to conduct the study mission given him by the Senate committee based upon his experience with military and national defense problems.

Not all editorial comment was favorable, however, as General Klein was soundly criticized by the Russian Communist organ Pravda.

Many national and foreign leaders—both in and out of government—saw fit to commend General Klein's report. For example, Fleet Adm. Chester W. Nimitz, one of General Klein's former war commanders and one of our country's most distinguished naval heroes wrote:

First, I congratulate General Klein on such a complete and accurate account of affairs in Europe.

Second. Let me state that I am in accord with General Klein's observations and recommendations—particularly as regards—

(a) The unfortunate practice of bypassing our ambassadors abroad.

(b) Our unfortunate habit of talking abroad by visitors who are not responsible for the executive branch of our Government.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point some of these fine commentaries. I refer to the commendations of the report from Polish General Wladislaw Anders and from such distinguished Americans as Fleet Adm. Chester W. Nimitz, Secretary of Air Harold Talbott, Assistant Secretary of the Army Hugh M. Milton, United States Information Agency Director Theodore C. Streibert, Ambassador John C. Hughes, journalist Herbert Bayard Swope, Past National Commander of the American Legion Edward A. Hayes and others. In these critical days of international tensions, we should make use of all sound information available.

There being no objection, the statements were ordered to be printed in the RECORD, as follows:

Gen. Wladyslaw Anders, who led Poland's forces against Nazi Germany during World War II and who suffered betrayal and imprisonment at the hands of the Russians, wrote:

"I wish to congratulate the committee upon the penetrating insight with which General Klein has grasped and expounded the wide range of problems facing the free world of today, the United States and Western Europe especially. His acute analysis of the situation, as well as the clear logic of the conclusions and recommendations which follow, call for real admiration. General Klein's attitude, so definitely and decidedly anticommunistic, is, at the same time, an outstanding example of how American patriotism and true solicitude to safeguard the interest of one's own country can be blended with a deep understanding of the vital needs of other nations.

"With reference to the existing conflict between East and West, while looking for any element of strength which might be in favor of the West and trying to find the most practical and economical means of putting it into best use, General Klein rightly stresses the possibilities in this respect of a potential force at hand in the masses of exiles from countries now under Soviet domination, especially Poles. His recommendation No. 13, concerning anti-Communist exiles and refugees, proves how fully he understands our situation and deserves our true appreciation and real gratitude."

Secretary of the Air Force Talbott described the Klein report as "really a fascinating report" and he added "I marvel at the amount of work which was covered in such a short time."

Fleet Adm. Chester W. Nimitz, one of General Klein's former war commanders and one of our country's most distinguishel naval heroes, in the spirit of John Paul Jones and Admiral Dewey, wrote:

"First, I congratulate General Klein on such a complete and accurate account of affairs in Europe; and

"Second, let me state that I am in accord with General Klein's observations and recommendations—particularly as regards—

"(a) The unfortunate practice of bypassing our Ambassadors abroad; and

"(b) Our unfortunate habit of talking abroad by visitors who are not responsible for the executive branch of our Government."

Excerpts from the observations of Assistant Secretary of State I. W. Carpenter, Jr., are of interest·

"I have read those portions which are most closely related to the administration of the Foreign Service and its relationship with other agencies of the Government. I am confident that the observations which General Klein has made will be useful to the Department in considering the development of our future plans for the administration of the Foreign Service.

"I found it especially gratifying to note General Klein's commendation of the success which marked Ambassador Hughes' program to effect saving through judicious personal and administrative revisions. In connection with this, I am glad to report that the officer who was principally responsible for assisting Ambassador Hughes in the administrative aspects of the United States mission to NATO and European Regional Organizations, Edward C. Crouch, has recently joined the staff of the Department as Director of the Office of Budget. I am confident that Mr. Crouch's previous experience in various Foreign Service assignments will pay us real dividends in achieving a better administrative organization here in our Washington headquarters.

"I believe the committee will also be pleased in the near future with the Department's plans to revitalize the Foreign Service Institute and strengthen the training program for its Foreign Service officers. Definite announcement of these arrangements will be made shortly.

"You have probably noted in the President's recent message to the Congress that the administration is proposing to improve the salary levels of officers and employees of the Foreign Service at the same time that the general pay scale for other Federal employees is revised.

"I have mentioned a few of the steps which are already underway to accomplish some of the goals outlined in General Klein's report. Other portions of this study will be given careful consideration in the Department.

"On Mr. Hoover's behalf, I should like to thank the committee for its courtesy in sending him a copy of this report."

Assistant Secretary of the Army Hugh M. Milton stated that General Klein in his report had "indeed focalized the attention of the committee, as well as the American people, on some very important facets of international affairs." He said that he was "impressed with its very factual approach and

its comprehensiveness," and added, "No doubt the committee has received many commendations on the thoroughness of this report."

United States Information Agency Director Theodore C. Streibert, referring to the section of the Klein report which concerned his department, commented:

"We are glad to have these constructive recommendations and suggestions, and to the extent that they fall within our own powers we will give them the most careful and thorough consideration."

Ambassador John C. Hughes, the United States permanent representative to the North Atlantic Council, commenting on the Klein report, said:

"It is a most comprehensive one and makes most interesting reading, particularly to those of us here who have been faced with the many problems and situations which are so clearly set forth."

Pulitzer-prize-winning journalist, pioneer radio newscaster, and one-time assistant to Bernard Baruch, Herbert Bayard Swope, stated of the Klein report:

"I am impressed by the clarity, interest, and importance of General Klein's thought and its expression. Congratulations."

One of America's most distinguished soldier-statesmen, Gen. John Hilldring, commented:

"It is an excellent document. I hope they do something with it."

Capt. Edward Hayes, past national commander of the American Legion and Chicago civic leader, said of the Klein report: "It not only analyzes with amazing clarity the complex European political scene, but even more important, it contains recommendations for the welfare of our country which should be carefully studied by every American in high office charged with the planning and execution of our Government's policy. I sincerely hope that the Klein report is followed through and not allowed to collect dust in a Government file."

Mr. BRIDGES. Mr. President, I hope that the executive departments—Defense, FOA, State, Commerce, and others—will also study this report. Much that General Klein has recommended can be accomplished administratively. Some legislation may be needed. I hope where this is merited the departments concerned will forward their recommendations to the Congress for action.

Let me conclude by stating that I am certain that I bespeak the thoughts of many Members from both sides of the aisle in expressing our appreciation to General Klein for a job well done.

I believe reports which are made by volunteer assistants and people who have devoted a lifetime to the study of operations, and who know how to express themselves once they have completed their investigations and ascertained the facts, constitute valuable contributions to the successful operation of the committees of Congress, which are attuned to the responsibilities for the enactment of legislation and the appropriation of money.

Mr. HUMPHREY. Mr. President, it was my privilege to receive a copy of the report to which the Senator from New Hampshire [Mr. BRIDGES] has referred, namely, the so-called Klein mission report, which was written by Gen. Julius Klein as a result of his special assignment by a subcommittee of the Senate.

I also received a summary of the recommendations contained in the report. I received that summary from the Foreign Operations Administration, with a covering letter from the executive secretary of the Foreign Operations Administration.

There are several items in the report which merit very careful consideration. In fact, the whole report offers food for thought and constructive suggestions for use by Congress and the executive branch of the Government.

I take particular joy in mentioning the report of General Klein because I have known this fine American for a number of years. I recall first meeting him in the city of St. Paul when he was the commander of the Jewish War Veterans of the United States and when I served as mayor of Minneapolis. I have had a personal friendship with him ever since that day. I have welcomed his advice and counsel on many issues, even though I must say in all candor that our politics are not exactly alike, he being a rather vigorous Republican, and I, I hope, can qualify as a full-fledged Democrat.

General Klein enjoys the good will and respect of both Democrats and Republicans. After I had read the report, I suggested to General Klein that he move into the Democratic Party. He did not accept the suggestion. I decided to judge the report on its merits.

I should like to refer to a few items in the report. First of all, Mr. President, I believe the recommendation concerning the role of American Ambassadors abroad, and the duties that should be assigned to them, is very helpful indeed and very sound. For example, General Klein recommended:

(a) That we redefine, especially for the governments of foreign countries, the functions and responsibilities of our Ambassadors, reinvesting these officials with the primary authority they should properly exercise in countries where they are stationed.

I am sure the basis for the recommendation is the confusion which must confront foreign countries in the face of our having Ambassadors and other representatives stationed in their countries representing various agencies of our Government.

I take note of the fact that the present occupant of the chair, the junior Senator from Montana [Mr. MANSFIELD] has on several occasions in the Senate appropriately and, I may say, pointedly, referred to the difficulties that are encountered in our foreign-aid programs and in our foreign policy itself because we have several persons in various foreign capitals who hold the rank of ambassador.

Mr. BRIDGES. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. BRIDGES. The Senator's comment is interesting, because it is not only confusing to Americans in the administration of their affairs abroad, but it causes a certain bewilderment among officials of foreign governments in wondering what American official they should deal with. It is a situation which could be very easily corrected.

Mr. HUMPHREY. That is correct. I should like to say to the Senator from New Hampshire that I believe the second part of the recommendation of the Klein report is something that the Senate will be discussing very shortly if it agrees to dissolve the Foreign Operations Administration at the end of the present fiscal year.

I am sure the presiding officer has strong feeling on the importance of tying in more closely the operations of our Government abroad with our established representation in foreign countries.

General Klein further suggested:

(b) That we broaden the jurisdiction of our ambassadors and provide them with the necessary staffs to permit them to assume actual and final authority for cultural, economic, informational, and other activities now being carried on in countries where they are stationed by other agencies, thus permitting substantial savings in our total overseas program by reduction or elimination of agencies whose functions would be absorbed by the embassies.

His final recommendation in this connection is:

(c) That assignment of United States missions to deal with specific European problems be held to the minimum required by clearly discernible emergency situations.

General Klein visited only the countries of Europe. However, as the Foreign Operations executive secretary noted in his transmittal letter to me:

Although his trip was through Europe, several of his conclusions and recommendations involve United States activities in other parts of the world, and many would appear to apply equally in other regions.

The Klein report makes reference to specialized training, or training in the field of science and technology.

I quote from what General Klein reports:

Military experts and educational authorities are concerned over the Soviets' known emphasis on the training of Russian youth in science and technology. The gravity with which they regard this situation leads me to recommend:

(a) That steps be taken at the earliest moment to maintain our country's lead in the development of trained scientific and technological personnel.

(b) That a high-level conference of military authorities and educators be called for the purpose of devising a program, similar to the World War II plan that utilized educational facilities for meeting military specialists needs, to initiate the training of scientific and technological manpower required for future security needs.

(c) That such a program be sufficiently flexible to allow for the productive integration of those selected for training in the Nation's peacetime industrial facilities, as well as for the specialized military service that would be expected of them.

4. RECOMMENDATION FOR STRENGTHENING THE UNITED NATIONS

For all its defects and shortcomings in the face of Communist obstructions and intransigence, the United Nations continues to offer a forum of world opinion before which the free world and the dictatorships can be judged by the ordinary peoples of the earth. For many millions of people, the United Nations still represents an instrumentality for striving to avert the threat of a world war. In Europe, it is regarded hopefully if not optimistically.

I therefore recommend that United States policy continue to aim at strengthening the United Nations. The alternative would be to concede, in effect, that international disputes cannot be settled by peaceful means.

Let us remember, however, that the League of Nations lost the confidence of world opinion because of its failure to deal firmly with the aggression in Ethiopia. The United Nations cannot safely ignore repeated violations of international law and its own obligations without forfeiting the confidence of free peoples.

Mr. President, whether or not we agree in full with the recommendations, the fact is that the concern which this report demonstrates over the inadequacy of our present educational program for the training of specialists—scientists and technicians—is one that we in Congress must take under serious consideration.

There is a definite need that something be done to improve the situation in our higher educational establishment for the recruitment and training of qualified people in the field of science and technology and, indeed, in other fields as well.

I shall not take the time of the Senate to go through these recommendations one by one. I do feel that the recommendations and conclusions should be studied very carefully, particularly by the members of the Committee on Foreign Relations, by the members of the Committee on Armed Services, and by the members of the Committee on Appropriations.

I have had the privilege of studying these recommendations. I commend his United Nations recommendations most highly.

I wish to call particular attention to some thoughts that General Klein expresses with regard to offshore procurement. This is an area in which we need to do some rethinking. His recommendations in that field certainly merit our favorable consideration.

The emphasis on the overseas information program contained in the report is in line with what I said earlier today about the inadequacy of what we are doing and the importance of stepping up our efforts and coordinating them on a much more systematized basis.

I call attention particularly to the suggestion in the report that our overseas information personnel be brought home on a regular basis, so that they will be in constant touch with developments in this country.

They should not be stationed overseas for such prolonged periods of time that they lose intimate touch with the local American political scene.

Mr. BRIDGES. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. BRIDGES. The point the Senator has touched on, of keeping American representatives in the Foreign Service in close touch with America, is a very pertinent point. They should not be kept overseas for so long a time that they lose their feel for their own country. They should be returned to America so that they may get the feeling for their country that they can get only by being in the country. It is not enough to bring them back for a short visit of a week or two. We should follow through on that recommendation.

Mr. HUMPHREY. I thank the Senator from New Hampshire. I point out the fact that today we passed the Foreign Service bill on a voice vote. That bill was considered in the Committee on Foreign Relations and that committee took into consideration the recommendations contained in the Klein report.

Another point that was raised in the report—and I am sure it would be well to follow the suggestion—is the recommendation on the establishment of congressional consultation with American foreign correspondents.

I quote from the report:

Experienced American press and radio correspondents have acquired a fund of knowledge about the personalities and political undercurrents affecting European attitudes and policies which can be of immense value if properly utilized.

He goes on to say in his report:

I, therefore, recommend that appropriate congressional committees consult with a selected number of experienced American press and radio correspondents covering European capitals. Subject to the consent of their editors, these correspondents should be consulted in executive session so that responsibile legislative committees may be in a position to augment normal sources of information about Europe and so obtain a complete and balanced picture of American problems in Europe and the manner in which these problems are being met.

Mr. President, General Klein further makes one particular point about which I have felt keenly for some time, namely, that increased attention should be paid to political opposition parties in Europe while adequate relationships be maintained with the party which is in power in the respective European countries. I feel that the word of caution which is stated is one that would bear very careful consideration by policymakers of our country.

Mr. President, I conclude by simply saying that we find it most helpful in the Congress when private public-minded citizens like General Klein are assigned to tasks of observation and study. I, for one, found this report much more helpful to me than some official reports that we receive. This is not to say, nor should it be so interpreted, that every word, paragraph, suggestion, or recommendation is one with which I would agree, but I do feel that it affords a freshness of approach, and I feel that General Klein should be commended for what I consider to be diligence and perseverance almost beyond the call of duty. He has presented to the Members of the Senate thoughtful patriotic suggestions which should yield significant results in the days to come.

Mr. KEFAUVER. Mr. President, I wish to join the distinguished senior Senator from New Hampshire and the Senator from Minnesota in expressing commendation of General Klein for the very useful and thoughtful report which he has made and which I hope all Members of the Senate will read. In dealing with other nations we have been needing for a long time more viewpoints of individual citizens who have great ability and who can ferret out and get to the bottom of problems so as to improve our relationships with other nations. The mission and the report of General Klein are of that kind.

I had the opportunity of being in Europe last fall when he was there making his study. He did it without fanfare. He went to the bottom of the problems and secured information not only from diplomats and public officials, but from individual businessmen and citizens.

When I was advised that the Senator from New Hampshire had asked him to make this study and report, I immediately wrote congratulating him, because I knew it would be a useful undertaking.

It has been my pleasure to know General Klein for a number of years, and I know him to be a fine citizen. While he has large private interests, he is always willing to take on an additional public duty, whether compensated for it or not. He has been a friend of mine for a long time, and he is a man in whom I have great confidence.

As has been said by the Senator from Minnesota [Mr. HUMPHREY], General Klein is a Republican, but he has many friends among both Democrats and Republicans. I think it should be pointed out that his report is not a partisan report. Many of the 24 or 25 recommendations are critical of what is taking place. Many of them are critical of the handling of our foreign relations and our military system by the present administration. But they are all backed up by facts which General Klein found.

He has been helpful to the administration in the conduct of its diplomatic affairs and its military missions. So the report will be of continuing benefit, both to the Congress and to the executive department, because it is thorough, well considered, and forward looking. It lets the chips fall where they may, regardless of whether it pleases the agency being discussed or whether it does not.

Mr. President, I should like to discuss each one of the recommendations, but many of them have been covered by the Senator from New Hampshire and the Senator from Minnesota. There are 2 or 3 which I should like particularly to discuss. A portion of the report deals with the fact that American officials are handicapped by a lack of coordination between their operations and those of agencies charged with administering the expenditure of American funds abroad.

The report calls for drastic realinement of United States military, economic, and administrative policies and procedures to insure that American manpower and resources are put to maximum use at minimum cost to overcome the Communist threat in Europe.

It charges that in addition to France, Great Britain, and Italy were responsible in substantial measure for Europe's failure to pool its forces under the EDC plan. The report goes on to warn that the Western European Union substitute for EDC, which permits the maintenance of national armies by the participating countries, faces immense difficulties because of lingering doubts about the course an independently rearmed Germany will pursue in the future.

General Klein, a much-decorated veteran with Pacific combat duty under General MacArthur in World War II and military experience dating back to serv-

ice on the United States Military Mission to Gemany after World War I, was Consultant on National Defense to the Republican National Committee in 1949 and has also served as special adviser to members of the Senate Armed Committee. His study of the European scene led him to warn that "the United States today is the main line of resistance against Communist aggression and although we cannot afford to withdraw from Europe, common considerations of self-interest dictate that the primary emphasis of American military spending be based on our own defense needs."

While advocating maintenance of strong ground and naval forces, the report places special stress on increased appropriations for United States air power, the one military arm in which we cannot afford to be second best in the world of today. And although the report recognizes a need for prudence to maintain a safe balance between the country's economic resources and its military requirements, it warns that we dare not risk a national epitaph that will read: We could not afford to survive.

The report is sharply critical of United States operations overseas, stressing particularly that there is a need for Congress to be more fully informed about how American money is spent in Europe and whether the objectives for which United States funds have been allocated are being achieved. The report urges that Congress maintain direct contact with American operations in Europe through "a study staff of modest size, made up of professionals appointed by, and responsible to, congressional committees concerned with United States activities in Europe." The proposed "study staff," which is not envisaged as a new agency, would have the limited task of observing and reporting to congressional committees on the degree to which maximum efficiency and economy are being applied to American programs in Europe. Its authority would not extend to ongoing operations in diplomatic and military fields, nor would it exercise any responsibility in areas within the purview of the executive branch of the Government. One of its primary functions would be to provide comprehensive reports to congressional committees in advance of annual hearings on matters involving the conduct and financing of American overseas programs.

In European countries, where economic needs are a factor, "American money talks louder than American diplomacy," the report asserted, adding:

> Unless there is a well planned, carefully supervised correlation of the two, American statesmanship and American dollars will go for naught.

Foreign Operations Administration missions are operating independently "and not in support of American political objectives." FOA ministers or chiefs of missions meet with Ambassadors, but their primary responsibility is to their parent agency in Washington. Ambassadors, no matter how competent and well informed on political and economic realities in Europe, do not exercise control over FOA officials. The result is that foreign aid funds in many cases are not serving the objectives for which they were originally allocated.

Some American officials in Europe are more inclined to plead European causes in Washington than to further understanding of America's policies in Europe. Thus, while the United States has many admirers of America's individual qualities, "we do not have many friends who are convinced of the rightness of our attitudes and the policies on which they are based."

The United States Foreign Service overseas has fallen into serious disrepair because no serious effort has been made at home to develop a reservoir of trained personnel. Inadequacies in the Foreign Service were largely responsible for the failure of the United States to maintain the flow of information which would have enabled our foreign policy planners to anticipate the French National Assembly's defeat of EDC and to have planned alternative steps accordingly.

American leadership in Europe has suffered because the United States has failed to delineate its foreign policy clearly. Conflicting policy statements by American political leaders have proven both confusing and alarming to Europe.

The United States information program in Europe requires reorientation. There is a tendency to place more emphasis on American policies than on the interpretation of these policies in terms of Europe's welfare and security.

The report observed that—

> It is not enough to tell the ordinary people of Europe what is bad about communism; it is vital to bring home to them what good can accrue to them from democracy.

The report urged decreased emphasis on the encouragement of purely political defections from Communist countries. Instead, it argued, United States appeals should be aimed at scientists, engineers, technicians, and industrial managers "whose escape from Communist bondage could serve to weaken the industrial, technological, and economic capacities of the Iron Curtain states."

The West cannot turn its back on political defectors, the report said "but insofar as possible, they should be encouraged to stay and fight Communist tyranny on their native soil."

European economic recovery has reached a stage where American policy must shift from aid to trade and loans instead of grants coupled with increased private overseas investment. In addition, the report said, there is a need for safeguards to protect American industry engaged in defense production and American business and labor suffering from economic contractions in the United States. American policy, the report held, must be flexible enough to protect American industry where needed and to permit lifting of temporary trade restrictions once depressed segments of the American economy have recovered sufficiently to hold their own in competitive markets.

Lack of coordination in American purchasing programs in Europe, including such operations as offshore purchasing, has been costly to the United States in waste, duplication, and overlapping because of failure to make use of experienced agencies such as the General Services Administration.

Failure by the United States to meet the challenge of Government-subsidized foreign shipping and airlines is hampering the further development of United States maritime and air-transport facilities, vital alike to the Nation's peacetime economy and as needed auxiliaries to United States naval and air forces in time of emergency.

Principal recommendations of the report called for increased military self-reliance by the United States, consolidation of American overseas operations, greater centralization of administrative functions and the adoption of policies to encourage Western European nations in seeking solutions to their own military and economic problems.

The report also recommends that Gen. Douglas MacArthur's views be invited by both our highest policymaking authorities and appropriate congressional committees to aid in the shaping of a consistent, clearly formulated global defense policy for the United States.

A high-level conference of United States military authorities and educational leaders to devise a program for insuring America's lead in the development of trained scientific and technological manpower. The report called attention to the World War II plan that utilized American educational facilities in the training of military specialists and urged adoption of a similar program now "in view of Soviet Russia's known emphasis on the training of Russian youth in science and technology." The report points out that Russian schools are graduating scientists and technicians at a rate of more than 2½ to 1 over American educational institutions.

Recommendations for an overhauling of American administrative and diplomatic procedures overseas are these:

Centralization in actual practice of cultural, economic, and informational activities under American Ambassadors in Europe. Many of these functions, hitherto exercised by special missions and Federal agencies, would be turned over to the Ambassadors "with the aim of effecting substantial savings in our total overseas program." The report held that coordination of these activities by Embassies would make for greater effectiveness in the conduct of American diplomacy. At the same time, the report urged that "the assignment of United States missions to deal with specific European problems should be held to the minimum required by clearly discernible emergency situations."

Revitalization of the United States Foreign Service through development of a reservoir of trained Foreign Service personnel. The report called for reevaluation of existing salary levels, the borrowing of skilled specialists from private American business, cultural and educational institutions for reviving the Foreign Service Institute as an institution on a par with such establishments as the Army, Navy, and National War Colleges.

Increased attention by United States diplomats and congressional committees on overseas surveys to the views of European opposition parties, which can be a

valuable source of information of European policy trends. The instability of some European governments, the report points out, makes it apparent that it is a mistake to gage European opinion solely by the views of parties in power at the moment. Thus adequate sampling of French political opposition might have forewarned the United States in advance of French opinion trends on such issues as EDC and Western European Union.

Communist Parties in Italy and France, the largest Red organizations west of the Iron Curtain, can be expected to wage the bitterest last-ditch resistance against any efforts to bring about effective participation by these countries in the defense of Western Europe.

Meanwhile, the report stresses, it would be a mistake to overlook the apprehensions of millions of non-Communist Europeans over the prospect of German rearmament. A primary obligation of the United States and her western allies, the report said, "Is to see to it that the new German Army becomes the servant and not the master of the German Government and that limitations and controls on the German military establishment, as set forth in the Brussels Pact, are adhered to faithfully."

General Klein's report merits the closest study by committees of the Congress and by executive officers of the Government. His recommendations, wherever possible, should be followed to their conclusion and the report should not be allowed to be simply filed away without the most careful study of the findings contained therein. Reports such as General Klein's can serve a useful purpose for our country. He, indeed, has earned the appreciation of the Senate Appropriations Committee for his efforts.

Another portion of the report deals with something about which we have been hearing much recently, namely, that an attempt should be made to increase the interchanges of visitors between the United States and foreign countries. General Klein found that the average citizens with whom he talked in other countries knew little about Americans; and what they knew was based on misconceptions often exploited by the Communists themselves. He said that these adverse impressions were not softened by the visits of the more affluent American tourists, who can afford free-spending vacations.

So in the report he recommends:

First, the intensification of the interchange-of-persons program at all levels.

Second, the encouragement of European tourist and business travel to the United States through cooperation with the established American travel industry.

Third, the reexamination of existing law with a view toward facilitating and expanding foreign travel to the United States.

Fourth, an evaluation of the present exchange student and foreign visitors program to ascertain whether the Nation is receiving the fullest possible benefits from it.

The report has been widely commented upon in the press, and usually the comments have been favorable. There may be some parts of it with which I do not agree; but certainly it presents a fresh, unbiased, and well-considered view.

I am thankful that there are citizens unconnected with public life upon whom we can call to make inquiries of this kind. I hope more such inquiries can be made in the future, because it is necessary to have more of the person-to-person approach in our diplomacy and dealings with other nations.

I congratulate the distinguished senior Senator from New Hampshire and others who were responsible with him for making this mission and study possible. I think much has been contributed to the realm of our knowledge of what is taking place in Europe, and of how we can better further the objectives in which all are interested.

Mr. BRIDGES. I thank the distinguished Senator from Tennessee. I think the report has highlighted various matters which should receive the attention of some of the committees of the Senate. Some of the recommendations have been adopted since the report was made.

I agree with two things the Senator has mentioned, particularly the necessity of improving travel facilities. Many Americans who travel abroad carry the message of the American way of life, and at the same time they spend much American money abroad. But it is certainly to our interest to have visitors from other lands come to the United States. In my own State of New Hampshire, in particular, one of the largest groups of visitors have come across the border from Canada. Recently, when I was in North Carolina, I was very much interested to observe the large number of Canadians who were visiting there.

So not only can the interchange of travelers effect a better understanding of our country, but it can also be an asset to the United States to have foreign visitors come here.

Mr. KEFAUVER. I thank the distinguished Senator from New Hampshire. The fact that there is such an extensive interchange of visitors between the United States and Canada, because it is so easy to travel from one nation to the other, has done much to make for a better understanding between the two nations and to bring about what I suppose is the most cordial and friendly relationship which has ever existed between two great countries.

I know that sometimes there is opposition to allowing, perhaps even people from behind the Iron Curtain to come to the United States; but it has been proposed that there should be an interchange of farmers between the United States and Soviet Russia.

I think that if it can be made possible for the people of other nations to see the United States and to get a good picture of it, we need have no fear of the kind of impression they will receive once they have observed America and the conduct of American public affairs.

I hope that in revising our laws to make easier the exchange of visitors and students, these recommendations will be given close and serious consideration.

Mr. SYMINGTON. Mr. President, I wish to join with my colleagues, the distinguished Senator from Tennessee [Mr. KEFAUVER] and the distinguished Senator from New Hampshire [Mr. BRIDGES], in congratulating Brig. Gen. Julius Klein for the able and illuminating report he has made with respect to the problems which confront the United States in its relationship with other countries.

When I was Assistant Secretary of War for Air, under Secretary Patterson, General Klein was Secretary Patterson's special representative. He and I got along with each other extremely well. I was much impressed with his ability and his desire to serve the United States.

Later, when I became Secretary of the Air Force, General Klein was adviser to me, and in that capacity he always showed fine ability and deep understanding with respect to the problems of the military, and their relationship to the civilian economy, and to civilians in general.

As I remember, last March, at the time the distinguished Senator from New Hampshire and I were on a bi-partisan trip in Europe, we found in one of the capitals of Europe five persons from the United States having the rank of Ambassador. In the course of his report General Klein points up how ridiculous that type and character of foreign representation can be, so far as the best interests of the United States are concerned.

Mr. BRIDGES. Mr. President, will the Senator yield?

Mr. SYMINGTON. I am glad to yield.

Mr. BRIDGES. I recall the incident to which the distinguished Senator from Missouri has referred. I remember the five persons holding the rank of Ambassador. Although they were all good men, and all were performing proper functions, I think there was no question in the mind of the distinguished Senator from Missouri or of myself that their duties somewhat overlapped. Certainly there was bewilderment on the part of the officials of that country, and of other countries, as to whom they were dealing with, or the proper sphere in which each Ambassador operated. The condition was brought home to me very vividly, and it is for that reason that I now recall the situation which the Senator from Missouri has described.

Mr. SYMINGTON. The distinguished Senator from New Hampshire may remember that one of the highest officials of the Government of that country told us that at one time he became so confused that he called up one of the five ambassadors to ask with which ambassador he should take up a particular matter.

Earlier this afternoon, on the floor of the Senate, we had the honor of the presence of the United States Ambassador to Italy, Mrs. Luce. At the time the distinguished senior Senator from New Hampshire and I visited Turin, Italy, an overwhelming majority of the members of the union in great Fiat works in that city voted Communist. I was delighted to have Mrs. Luce tell me today that yesterday the vote was reversed, and the majority of the workers in that plant voted anti-Communist. The Fiat plant is, by all odds, the largest in Italy, and possibly the largest in Europe.

Mr. President, when the Senator from New Hampshire and I were in Italy we expressed our concern with respect to the situation which then existed. It is my understanding that General Klein considered it to be very serious. I believe the result shows concentration on his suggestions for certainly the work done by our distinguished Ambassador, Mrs. Luce, in bringing about a cancellation of contracts with companies in which the unions went Communist after they were given orders from the United States, was most effective. It seems to me that if we will follow some of the important recommendations in General Klein's report there will be a better understanding between the United States and other countries. I am sure we can all read and study his report with interest and to our own advantage and the advantage of our country.

Mr. BRIDGES. Mr. President, will the Senator yield?

Mr. SYMINGTON. I am glad to yield.

Mr. BRIDGES. I wish to add a word to what the Senator has said about Italy, and express my pleasure at the reversal at the Fiat plant, which we observed when we were over there. I take this opportunity to commend the American Ambassador to Italy, Mrs. Luce, because I believe that she has had a very thorough understanding of the problem in Italy. She had the courage, after sizing up the situation, to take action to carry out her judgment, and, in most cases that I know of, her judgment has been correct.

Mr. SYMINGTON. The Senator from New Hampshire is entirely correct. He will remember that, with his approval, I inserted in the RECORD a statement he was kind enough to show to me some weeks ago, which evidenced the fact that our Ambassador to Italy, Mrs. Luce, was courageous enough to cancel a certain contract, although there was a large cancellation charge, of more than a half million dollars, as I recall it. She was determined that industrialists of the United States should not place orders for work in plants in Italy which were dominated by Communists. I think the latest action on the part of the industrial workers at Turin indicates that Mrs. Luce's efforts along those lines have been rewarded.

APPOINTMENTS

The PRESIDING OFFICER (Mr. MANSFIELD in the chair). On behalf of the Vice President, the Chair wishes to make the following announcements of appointments:

BOARD OF VISITORS TO THE UNITED STATES MILITARY ACADEMY

Pursuant to the provisions of title 10, sections 1055, 1056, United States Code, the Vice President appointed Mr. POTTER a member on the part of the Senate of the Board of Visitors to the United States Military Academy.

BOARD OF VISITORS TO THE UNITED STATES NAVAL ACADEMY

Pursuant to the provisions of title 34, section 1083, United States Code, the Vice President appointed Mr. DIRKSEN a member on the part of the Senate of the Board of Visitors to the United States Naval Academy.

MEMBER OF BOARD OF VISITORS TO THE UNITED STATES COAST GUARD ACADEMY

Pursuant to the provisions of title 14, section 194, United States Code, the Vice President appointed Mr. BUSH a member on the part of the Senate of the Board of Visitors to the United States Coast Guard Academy.

MEMBER OF NATIONAL HISTORICAL PUBLICATIONS COMMISSION

Pursuant to the provisions of title 44, section 393–a, United States Code, the Vice President appointed Mr. BENNETT a member on the part of the Senate of the National Historical Publications Commission.

SELECT COMMITTEE ON SMALL BUSINESS

Pursuant to the provisions of Senate Resolution 58, agreed to on February 20, 1950, the Vice President appointed Mr. KUCHEL a member of the Select Committee on Small Business, to fill an existing vacancy thereon.

MEMBER OF BOARD OF DIRECTORS OF GALLAUDET COLLEGE

Pursuant to the provisions of Public Law 420, 83d Congress, approved June 18, 1954, the Vice President appointed Mr. THYE a member of the board of directors of Gallaudet College, formerly the Columbia Institution for the Deaf.

MEMBER OF BOARD OF REGENTS OF SMITHSONIAN INSTITUTION

Pursuant to the provisions of title 20, section 43, United States Code, the Vice President appointed Mr. ANDERSON and Mr. SALTONSTALL members on the part of the Senate of the Board of Regents of the Smithsonian Institution.

MEMBERS OF NATIONAL MONUMENT COMMISSION

Pursuant to the provisions of Public Law 742, 83d Congress, approved August 31, 1954, the Vice President appointed Mr. SCOTT, Mr. NEUBERGER, Mr. ALLOTT, and Mr. BENDER members on the part of the Senate of the National Monument Commission.

MEMBERS OF COMMISSION ON INTERGOVERNMENTAL RELATIONS

Pursuant to Public Law 109, 83d Congress, approved July 10, 1953, the Vice President appointed Mr. SCHOEPPEL and Mr. BUTLER members on the part of the Senate of the Commission on Intergovernmental Relations, to fill existing vacancies thereon.

MEMBERS OF COMMISSION ON GOVERNMENTAL USE OF INTERNATIONAL TELECOMMUNICATIONS

Pursuant to Public Law 558, 83d Congress, approved July 29, 1954, the Vice President appointed Mr. MAGNUSON and Mr. DUFF members on the part of the Senate of the Commission on Governmental Use of International Telecommunications.

MEMBER OF WOODROW WILSON CENTENNIAL CELEBRATION COMMISSION

Pursuant to Public Law 705, 83d Congress, approved August 30, 1954, the Vice President appointed Mr. ROBERTSON and Mr. SMITH of New Jersey members on the part of the Senate of the Woodrow Wilson Centennial Celebration Commission.

MEMBERS OF JOINT COMMITTEE ON REDUCTION OF NONESSENTIAL FEDERAL EXPENDITURES

Pursuant to the provisions of section 601, Public Law 250, 77th Congress, the Vice President appointed as members on the part of the Senate of the Joint Committee on Reduction of Nonessential Federal Expenditures, to fill existing vacancies thereon, the following-named Senators:

From the Committee on Appropriations, Mr. ELLENDER, Mr. HOLLAND, and Mr. DIRKSEN.

From the Committee on Finance, Mr. BYRD, Mr. GEORGE, and Mr. MARTIN of Pennsylvania.

MEMBERS OF JOINT COMMITTEE ON IMMIGRATION AND NATURALIZATION POLICY

Under the provisions of Public Law 414, 82d Congress, the Vice President appointed as members on the part of the Senate of the Joint Committee on Immigration and Naturalization Policy, Mr. EASTLAND, Mr. KILGORE, Mr. HENNINGS, Mr. WATKINS, and Mr. JENNER.

MEMBERS OF NAVAHO-HOPI INDIAN ADMINISTRATION

The Vice President appointed as members on the part of the Senate of the Navaho-Hopi Indian Administration Mr. ANDERSON, Mr. BIBLE, and Mr. GOLDWATER.

POLICY WITH RESPECT TO FORMOSA

Mr. KEFAUVER. Mr. President, the Congress has written a blank check for the President in dealing with the Formosa situation. It was done at his request and principally to demonstrate the unity of the Nation. But the fact that the Formosa resolution exists places a burden and responsibility on the President of the United States which I expect he will one day regret he has. There are forces in his administration so powerful and apparently so eager for a war with China that they are becoming almost impossible to resist. That the United States should be plunged into a war over Matsu and Quemoy ought to be unthinkable. Yet there are those in high places in the present administration itself who are plotting and planning to bring such a war about, whatever the risks involved.

President Eisenhower has himself wisely limited the final decision as to the United States action. But the conclusion is inescapable that the present war party is attempting to create a situation and an atmosphere in which the President would have no choice but to follow them.

These plotters tell us that we can fight a limited war with China without risk. They tell us that we can fight a limited war with precision atomic bombing and get away with it. There is one school which wants to blast and destroy China's industrial capacity. There is another, and apparently more official school, which merely wants to use atomic weapons against China's airfields.

In either case we are told that Russia will not come to the aid of her ally China because of fear of massive retaliation herself. If this conclusion is based on intelligence reports rather than wishful

thinking, it should be pointed out that in the Korean war, just before the entry of the Chinese Communists, either our intelligence was wrong or our interpretation of that intelligence was wrong. It should be pointed out that in the Indochina war either our intelligence was wrong or our interpretation of that intelligence was wrong.

Now, as to interpretations of Russia's intentions, our intelligence, if that is what it is, can well be wrong again.

Russia is bound to Communist China by strong treaties. We know that treaties are a matter of convenience to Russia, and that if she deems it in her interest not to abide by them, she does not abide by them. But in this instance, Russia's interests and those of Communist China are bound together. If Russia stood idly by while we destroyed the industry of China or even her air force, it would mean the end of her hold on all her satellites. It would very probably weaken the control of the Communist leaders at home. The Russian leaders know this, and we know that they know it.

It is said that Russia does not now have the means of delivering atomic or hydrogen bombs on this continent, and that she would thus be paralyzed by fear of bombs that Russia knows we are now capable of delivering. I do not know that Russia cannot deliver bombs on this continent, and I doubt that anyone else knows other than the Russians. But if Russia cannot deliver bombs on this continent, there are plenty of places vital to our interests and the future of humanity where she is perfectly capable of delivering the bombs we know she possesses.

If Quemoy and Matsu have become important, it is in large part the doing of military leaders in this administration. They have encouraged the Formosan Chinese to commit a large portion of their armed forces and equipment to the defense of those islands. Their loss would be a great one to the Nationalists, but we are largely to blame for their being there.

I may say at this point that while we may have so-called precision atomic weapons, a possible enemy may not. If we attack with these so-called precision weapons, he may feel inclined to attack with the only kind available to him. One or two of these falling on Formosa may make debate over its defense academic.

It should be pointed out to the administration, which at its very outset paid a high price for a cease-fire in Korea, that any military action on the part of the United States against China proper is very likely to reopen the war in that ravaged land where our troops still face the troops of China.

The remarkable thing about this plotting and planning for war is that the plotters and planners must know that the vast majority of the American people are against them. The mood of America, no matter how warlike some of our leaders wish to make us seem, is deeply pacific; and, as a matter of fact, we know that we are not going to have any allies, or substantial allies, if we get into a war over Quemoy and Matsu.

In the Evening Star of today, on the front page, appears an article by Crosby B. Noyes, European correspondent of the Star. He states:

> European reaction to the lively possibility of war in the Far East encourages two reasonable predictions:
>
> That our European allies will not fight to defend Chinese offshore islands from Communist attack.
>
> That war in the East will not bring about a major blowup in the Western camp.

The second possibility may be beyond our control.

Referring further to the article, it states also that among the latest of European governments:

> There is also a strong tendency to question the argument that as defense of the Matsus and Quemoy is necessary to prevent the crumbling of anti-Communist morale throughout southeast Asia. On the contrary, it is suggested that open intervention of the United States to save the islands would have a disastrous psychological effect on the neutral states in far more critical areas. So far as Formosa itself is concerned, the thought is that if the Nationalist regime cannot survive loss of the offshore islands it is probably too shaky to survive long anyway.

Some people wonder at the great popularity of President Eisenhower. They express amazement that an administration which obviously has not done very much can have such a popular leader. I believe that the explanation for the President's popularity is precisely that he has not done very much. The American people are tired of war and they want a period of uninterrupted peace and quiet. The source of the President's strength appears to lie in the fact that he is not rocking the boat. I believe that the President senses this fact; if not, he had better get briefed on it. Such a briefing could well be given in the Pentagon and the State Department as well.

Mr. President, although the President may not seem to be rocking the boat, the tragic fact is that in his administration American foreign military policy has degenerated into rule by fear. The tremendous good will toward our Nation and our people which was ours at the end of World War II has been dissipated into the mists of history. Nobody in the State Department or the Pentagon ever talks any more about good will or neighborliness. Instead, they rattle their atomic bombs. These days, one hears coming from the State Department, not the cooing of the doves of peace, but the sharp click when someone cocks a hydrogen bomb.

The simple truth is that the world cannot afford another great war. Not a standard or a value that we know could survive one, even if a few pockets of people could manage to hold out against blast and fire and deadly radiation. If we get involved in a "little war" over Quemoy and Matsu, and if we then use atomic weapons, it is difficult for me to see how we can avoid a chain reaction which would start explosions around the world.

It is time we started talking, for a change, about peace. We should put in a deep, dark closet all of Secretary Dulles' bellicosity.

I am encouraged that, at last, exploratory talks looking forward to a meeting of the great powers have begun. At that meeting, if it takes place, the discussions will doubtless not be as free and as frank as they might have been before Secretary Dulles began the era of kiss-and-tell diplomacy; but we ought to talk about peace, whenever and wherever we get the occasion.

Yet, Mr. President, what do we hear but talk of war and rumors of war?

Mr. President, it is often said that the American people have always liked the Russian people, but have never liked their governments. The Russian people are brave and talented.

There is also a long history of friendship and understanding between the American people and the Chinese people. We have never had any difficulty in getting along with them as people.

The people of America—and I know it very well—have a hope for peace as long, as wide, and as deep as any on earth.

These things are true. It is time that the men in the Kremlin took them into account. It is time that the men in Peking took them into account. And it is time for the men of the Pentagon, the State Department, and the White House to take them into account, too.

Mr. President, I wonder whether any other Member of the Senate desires to speak at this time.

The PRESIDING OFFICER. The Chair is not so informed.

RECESS TO FRIDAY

Mr. KEFAUVER. Mr. President, if no other Member desires to address the Senate at this time, then, under the order previously entered, I move that the Senate stand in recess.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Tennessee.

The motion was agreed to; and (at 6 o'clock and 13 minutes p. m.) the Senate took a recess, the recess being, under the order previously entered, until Friday, April 1, 1955, at 10 o'clock a. m.

CONFIRMATIONS

Executive nominations confirmed by the Senate, March 30 (legislative day of March 10), 1955:

Diplomatic and Foreign Service

The following-named persons for appointment as Foreign Service officers of class 2, consuls, and secretaries in the diplomatic service of the United States of America:

Andrew V. Corry, of Montana.
Edward C. Crouch, of the District of Columbia.
Paul B. Taylor, of the District of Columbia.
Orville H. Transtrum, of Idaho.

The following-named persons for appointment as Foreign Service officers of class 3, consuls, and secretaries in the diplomatic service of the United States of America:

Edward J. Bash, of Mississippi.
Gerald S. Bushnell, of Virginia.
Edwin J. Madill, of Michigan.
John W. Piercey, of Washington.
Robert L. Whitaker, of Oregon.
Alexander Yaney, Jr., of Virginia.

The following-named persons for appointment as Foreign Service officers of class 4,

consuls, and secretaries in the diplomatic service of the United States of America:

Anthony J. Dreape, of New Jersey.
Ernest J. Hortum, of Virginia.
Sanford Menter, of Texas.
Patrick O'Sheel, of West Virginia.
Charles J. Stanley, of Ohio.
Joseph A. Tambone, of New York.

The following-named persons for appointment as Foreign Service officers of class 5, vice consuls of career, and secretaries in the diplomatic service of the United States of America:

William G. Bowdler, of Virginia.
Miss Evlyn F. Brooks, of Virginia.
Miss Ollie G. Edmundson, of Missouri.
Edgar F. Garwood, Jr., of Florida.
Lyle R. Piepenburg, of Wisconsin.
Miss Ruth Schneider, of New York.
David Scott, of Maryland.

The following-named persons for appointment as Foreign Service officers of class 6, vice consuls of career, and secretaries in the diplomatic service of the United States of America:

James L. Carson, of Oregon.
Charles A. Kiselyak, of Washington.
Frank E. Schmelzer, Jr., of Massachusetts.
Nestor D. Sanchez, of New Mexico, to be a vice consul of the United States of America.

HOUSE OF REPRESENTATIVES

WEDNESDAY, MARCH 30, 1955

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

O Thou God of all majesty and mercy, whose eternal glory and goodness are manifested unto us in the beauty and splendor of the spring season, together we render unto Thee the tribute of praise and thanksgiving.

Grant that in these days of crisis and confusion we may spend more time in waiting upon Thee, seeking divine guidance, and yielding ourselves in renewed consecration to the glorious task of establishing peace on earth and good will among men.

We pray that our beloved country may be worthy of being used by Thee in giving moral and spiritual leadership to the great enterprise of building a world order that has in it the brotherly spirit.

May we never lose faith in the possibility of bringing in that blessed day of peace, for the Lord of hosts is with us and the God of righteousness is our refuge and strength.

Hear us in the name of the Prince of Peace. Amen.

The Journal of the proceedings of yesterday was read and approved.

DISPOSAL OF COMMODITY CREDIT CORPORATION STOCKS ABROAD

Mr. MARSHALL. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and to include an article from the Washington Post and Times Herald of today.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. MARSHALL. Mr. Speaker, as a member of the Committee on Appropriations, I am pleased to note in the Washington Post and Times Herald of March 30, 1955, a news item appearing on page 1, written by Staff Reporter Aubrey Graves, that the Secretary of Agriculture announces the sale of 600,000 tons of wheat and 160,000 bales of cotton to Yugoslavia, Turkey, Chile, Peru, and Pakistan. This is an indication that the wise advice given by the distinguished chairman, the gentleman from Mississippi, JAMIE WHITTEN, is being heeded. Of course, the Secretary could sell these commodities for dollars.

It is an indication also that the Secretary may at last no longer be sitting on his set-asides. That will be good news for my farmer neighbors.

The Secretary may talk all he wants about the so-called rigid price-support program affecting exports, but I, too, say the record speaks for itself. That record based on facts presented by the Secretary's own Department clearly indicates he has not used the authority he has under existing law to dispose of Commodity Credit stocks.

It is interesting to note that he is quoted as saying that the amount appropriated for the Department programs for 1956 is "satisfactory to us." He also is quoted as saying that he believes more money was voted than the Department could use. To substantiate this point he called attention to the fact that the Department would be unable to use $75 million worth of milk in the free-lunch program.

Mr. Speaker, our Committee on Appropriations did not increase this item over the budget request of $50 million. The Secretary appears to be confused with the bill, H. R. 12, now being considered by the House Committee on Agriculture, not the House Committee on Appropriations.

It would be interesting had the Secretary informed the reporter concerning the per capita income of 1953 of $914 and of 1954 of $918. The explanation he gives is that there are fewer farmers, which could hardly be cited as a great accomplishment of the Eisenhower administration. The realized net per capita income for 1953 was $949. It was estimated that $35 was sold from previous inventory. That is where the Secretary gets his figure of $914 per capita income for 1953, by subtracting the $35 from the $949.

It is also interesting to note that the net per capita income for 1954 was $903. It is estimated that farmers are carrying approximately $15 in inventory which may be at some future time sold. Adding $15 to $903, we get $918, the figure which the Secretary uses with great pride showing a slight increase of per capita income.

Mr. Speaker, I have a high regard for the policies of the Washington Post and Times Herald; for that reason I have every reason to believe that this paper will fulfill its obligation of giving to readers the correct information.

Mr. Speaker, I include the above-mentioned article from the Washington Post and Times Herald at this point in the RECORD:

BENSON TELLS OF SURPLUS SOLD ABROAD—WHEAT AND COTTON ARE DISPOSED OF IN LARGE LOTS—MORE DEALS PENDING

(By Aubrey Graves)

Agriculture Secretary Ezra T. Benson announced yesterday the sale of 600,000 tons of wheat and 160,000 bales of cotton to Yugoslavia, Turkey, Chile, Peru, and Pakistan.

In return for these surplus commodities, which the Commodity Credit Corporation bought for $145 million under price-support programs, the Government will receive $107 million, payable in the currencies of the purchasing countries.

Sales of another $150 million worth of other CCC stocks to still other countries, the Secretary added, are well along toward completion, and negotiations are in various stages of progress looking to similar disposal of another $200 million worth of goods.

These foreign-trade developments were Benson's answer to recent Democratic criticism that he has been dragging his feet in disposing of $7 billion worth of excess food and fiber now in Government hands.

"Records," he said, "will show that the Department is moving vigorously to dispose of surpluses in overseas markets. * * * Exports for the first 8 months of fiscal year 1955 are already 15 percent ahead of the same period a year ago."

The Democratic-controlled House Appropriations Committee charged last week that Benson was not pushing foreign sales because he wanted to discredit rigid high-support prices. His policies, Democrats declared, had driven 55,000 southern farm families off their farms, "with no homes and limited employment possibilities."

All this, the Secretary said yesterday, constituted "a diversionary move to hide the real issue—that the old rigid program fails to meet the needs of the farmer. The criticism stems from the fact that I refuse to ignore facts, and, instead, obey the law."

The various production control programs "are working real hardships on farmers," Benson conceded. "But such controls are inseparable from the rigid support programs" with which his critics have been identified.

"We were 10 years too late, in my judgment, in moving from a wartime to a peacetime program."

Under the mandatory high-price props established in wartime to stimulate production, the Nation's basic crops were supported at 90 percent of parity. The flexible system, pushed through by the Eisenhower administration and put into effect this year, allows supports ranging from 82.5 to 90 percent of parity. In 1956 unless Congress acts, they can fall as low as 75 percent.

While he resented some of the comments in the committee report and during debate on the House floor, the Secretary said that, by and large, the money appropriated to run Department programs for fiscal 1956 is "satisfactory to us."

He noted that no serious cuts had been made in any vital program. In some instances he believed more money had been voted than the Department could use.

For instance, he expressed doubt that $75 million worth of milk could be used in the free-lunch program. Fifty million dollars was provided for that purpose in the current budget, but probably not all of this will be used.

Benson reported that the farmer's share of the consumer's food dollar is now 43 percent, compared with 38 percent in 1939, 40 percent in 1940, and 53 percent in 1945 (during wartime).

While conceding that total farm income had fallen off during the last few years, the Secretary pointed out that per capita farm

income increased slightly last year, to $918. In 1953 it was $914. There were fewer farmers in 1954 than in 1953, he explained.

SPECIAL ORDERS GRANTED

Mr. WILLIAMS of New Jersey asked and was given permission to address the House for 45 minutes on tomorrow, following the legislative program and any special orders heretofore entered.

Mrs. ROGERS of Massachusetts asked and was given permission to address the House for 10 minutes today, following the legislative program and any special orders heretofore entered.

PERSONAL ANNOUNCEMENT

Mrs. FRANCES P. BOLTON. Mr. Speaker, may I state that I was absent yesterday due to a death in my family, so I did not answer the rollcalls.

EXTENSION OF REMARKS

Mr. POWELL. Mr. Speaker, I ask unanimous consent that any of my colleagues who so desire may extend their remarks in the CONGRESSIONAL RECORD immediately following my remarks in eulogy of the late Walter White.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

INDEPENDENT OFFICES APPROPRIATION BILL, 1956

Mr. THOMAS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 5240) making appropriations for sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1956, and for other purposes; and pending that motion, Mr. Speaker, I ask unanimous consent that general debate be limited to 2 hours, the time to be equally divided and controlled by the gentleman from California [Mr. PHILLIPS] and myself.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 5240.

Mr. THOMAS. Mr. Chairman, I yield myself such time as I may require.

Mr. Chairman, we bring to you today what is left of the independent offices. This bill carries appropriations of $5,845,595,375 and covers some 16 or 17 agencies. There is some legislatoion in the bill. Historically the independent offices bill has carried legislation through the years and it is the understanding of the committee there will be a point of order made against some of the legislation. If so, the point will be good and when that language goes out, I do not see anything in the bill to give anybody the slightest bit of trouble. We, of your committee, have certainly not had any trouble. On the Democratic side there has been peace and harmony, and certainly on the Republican side under the leadership of our distinguished and very able ranking minority member, the gentleman from California [Mr. PHILLIPS]. It has been a pleasure to work with him and the members of the minority.

Mr. Chairman, there are 3 or 4 items in this bill, which perhaps may deserve special pointing out to the membership of the House generally. Not that it is going to give you any trouble, but we think it ought to be specifically pointed out. There are some 3 or 4 instances in this bill where your committee has thought it in the best interests of the country and the taxpayers to increase the amounts recommended in the budget. Of course, in most instances, there have been decreases in the budget. A sizable increase is one of $250 million for the retirement fund in the Civil Service Commission.

A study of this fund has been going on for some 18 months. That study has been completed now for perhaps 6 months. There are no funds in this year's budget for the Federal contribution toward that retirement fund, while at the same time the Federal employees have contributed 6 percent of their salaries to that fund, which totals in the neighborhood of $190 million.

However, in the President's budget message he said that he intended sometime during this session of the Congress to send up a budget estimate in the neighborhood of $216 million. The committee saw fit to put $250 million in this bill. It was testified by Chairman Philip Young of the Civil Service Commission that in order to get the fund on an actuarially sound position, it would take about $772 million a year, federally appropriated funds. In other words, the fund is actuarially short today $10,600,000,000. In the fund today there is approximately $5.6 billion. Last year the fund paid out to beneficiaries of the fund $480 million. It is estimated this year you will pay out to beneficiaries from that fund approximately $487 million.

It should be pointed out that during this time, last year and this year, Federal employees every month have had deducted from their paychecks 6 percent, and their total contributions, to use round figures, is about $194 million this year, as was true of last year.

Mr. MASON. Mr. Chairman, will the gentleman yield?

Mr. THOMAS. I am delighted to yield to my distinguished friend from Illinois.

Mr. MASON. Why is the fund at present actuarially unsound?

Mr. THOMAS. That is a good question, and I am glad the gentleman asked it. It stems from two causes. In the first place, the Federal Government has not kept up with its part of the load every year. No. 2, there has been added year after year hundreds of beneficiaries who have not paid their part. We call them "free riders." The "free riders" and the Federal Government's failure to contribute each year its part makes the fund unsound. I do not think that will give anybody any trouble. It is a debt that the Federal Government is going to have to pay. Whether we get the fund on a sound actuarial basis or whether we contribute what is withdrawn every year, it will have to be paid. Either way is satisfactory to me individually, and I expect it would be satisfactory to the membership of the House. But the point is that there is some legislation pending before the legislative committee which has jurisdiction, and your subcommittee urges that distinguished committee to get together and bring to this House a bill taking one road or the other.

Mr. SCHWENGEL. Mr. Chairman, will the gentleman yield?

Mr. THOMAS. I yield to the gentleman from Iowa.

Mr. SCHWENGEL. I would like to ask the gentleman a question. He referred to the free riders. I would like to know if the gentleman could tell us briefly who those free riders are.

Mr. THOMAS. Yes; if you will give us time to go back to the record, we can dig them out.

Mr. SCHWENGEL. Just in a general way.

Mr. THOMAS. The year before last the legislative committee added a group that took from the fund—I forget the exact amount—maybe $25 million or $30 million by way of increased annuities for retired Federal employees; in other words, they retired at a certain annuity and it was increased by the Congress, and that increase was taken from this fund without any offset being added. That has been going on—it is nothing new—it has been going on for 20 or 25 years.

Mr. SCHWENGEL. The gentleman says there is a $10-billion deficiency in this fund now?

Mr. THOMAS. Ten billion six hundred million dollars.

Mr. SCHWENGEL. In a 10-year period?

Mr. THOMAS. No; today.

Mr. SCHWENGEL. And the employees are contributing 6 percent of their salaries?

Mr. THOMAS. Those classified employees who are under the retirement system are paying it every month; it is deducted from their paychecks.

Mr. SCHWENGEL. In other words, we guarantee certain benefits.

Mr. THOMAS. That is right.

Mr. SCHWENGEL. And that is not considered in the national debt as such.

Mr. THOMAS. It is a matter of bookkeeping. It certainly is an obligation, a contractual obligation; and I venture to say there is not a man on this floor who is going to deny that, and there is no one here who wants to wipe it out.

Mr. SCHWENGEL. It does not come under the general limitations of the national debt? This is over and above the figure we usually refer to as the national debt?

Mr. THOMAS. I cannot give you an exact answer on that question. As a matter of fact, we went into it quite extensively at one time. When you get the General Accounting Office and the Treasury working on the problem you get two different approaches. What the answer is, I do not know, and I doubt if the Treasury knows either.

Mr. MILLER of Nebraska. Mr. Chairman, will the gentleman yield?

Mr. THOMAS. I yield.

Mr. MILLER of Nebraska. I presume that the Committee on Appropriations as well as the legislative committee may be giving some thought to putting this on a pay-as-you-go basis. I was hoping that some day we might reach the point where that could be possible.

Mr. THOMAS. I think the legislative committee has it on their agenda and as soon as time permits they are going to consider it. I am sure they will come up with a satisfactory answer, as they usually do.

I would like to call the attention of the House to a table on page 3 of the report, and I hope you will all turn to that table for it is by far the most important table in the report and tells more than all the words in the report combined. It shows the employment situation in these old-line agencies. Over the period of the last 10 years it shows that the high number of employment was 269,257 employees. During the last 10-year period these agencies have reduced the number of employees—and that includes the fiscal year 1956—to 235,539. I think that is a compliment to these agencies, yet in a good many instances the Congress has increased the duties of many of them. Yet with increased duties and with a 15 to 20 percent decrease in employees, they have carried on and have done a very fine job. I think that is quite a compliment to the employees in these agencies and they deserve a great deal of credit.

I want to point out one more significant fact to the membership of the House. These agencies have been cut just about to the point where they cannot be cut any lower and still carry on their functions. All in all, they have done a fine job.

The big money item in this bill is in the Veterans' Administration. I hope that the membership will turn to the bill and read it carefully. It has been broken down into component parts. The administrative costs have been set out in one paragraph, and that carries hundreds of items; then the medical administrative cost is carried in a separate appropriating paragraph; then the medical, hospital, and domiciliary care are carried in a separate paragraph; then there are the various benefit and insurance programs, and so forth, and they are carried in separate paragraphs.

I would like to announce to the House that the medical program for in-patient care and out-patient care and for administrative costs of the whole medical program have not been cut 1 red cent. That cost for in-patient care has increased $25 million this year over last year, and you have brought into use and occupancy during this fiscal year some 4,000 additional beds that you did not have last year.

Mr. TEAGUE of Texas. Mr. Chairman, will the gentleman yield?

Mr. THOMAS. I yield to the gentleman from Texas.

Mr. TEAGUE of Texas. I think it should be pointed out to the House it is true that the Appropriations Committee did not cut 1 cent, but it should also be pointed out that the Bureau of the Budget cut the requests of the Veterans' Administration by $8 million on the basis that the cost of groceries is going to go down the next year. I hope that will be true, but certainly if the cost of groceries does not go down it will be necessary to appropriate another $8 million for the Veterans' Administration.

Mr. THOMAS. Mr. Chairman, it is never my policy to defend the Bureau of the Budget, because I do not think they need any defense at my hands. Mr. Rowland Hughes, Director of the Bureau of the Budget, is one of the many outstanding men in the Government service. While he is modest, even shy, he does a tremendously good job. To say that that very able and distinguished man is cutting out groceries for the veterans is a little bit misleading. As I say, I am not defending his action, I was not present, I do not know what was in their minds, but out of the many hundreds of items in an appropriation of this size a mere $8 million is not very much.

Mr. TEAGUE of Texas. I certainly did not intend to leave the impression with the Members of the House that Mr. Hughes was taking food away from the veterans; but I read your hearings and in those hearings the Veterans' Administration said that they were cutting off that amount of money because they thought the price of rations was going to go down. Of course, that is only an estimate on Mr. Hughes' part.

Mr. THOMAS. I did not want to leave the impression that the gentleman was taking that tack, either. I hope they do not tinker with the type of food in the Veterans' Administration hospitals, because I will let you in on a little secret. Our committee visits a good many hospitals every year, and we like to go out in the kitchen and get a meal now and then, and frankly, I think it is as fine a food as I have ever tasted, and with their dietitians, they certainly do a fine, fine job.

Now, there is one very small cut in the Veterans' Administration, to use round figures, of about $5.3 million. It figures about a 3⅓ percent cut on general administrative expense. Those costs do not touch the medical program in any way, including medical administration. It cuts general administration expense for the insurance programs and general administration. Not a dime is taken from the actual benefits to the veterans, and no one wants to do that.

Mr. TEAGUE of Texas. Mr. Chairman, I wish to compliment the Appropriations Committee for increasing the funds for renovation and repair of some of the older Veterans' Administration hospitals. The state of maintenance and repair of these hospitals has been a matter of concern to the Committee on Veterans' Affairs for some time.

In January of this year the Committee on Veterans' Affairs initiated an investigation to develop factual information on the state of maintenance and repair of Veterans' Administration hospitals. The information gathered by the committee was printed on March 15, 1955, as House Committee Print No. 27. In its investigation the committee found that the Veterans' Administration has nearly 1,800 buildings in use for hospital and medical purposes. Three hundred and forty-one of these buildings were constructed during the period 1830 to 1900. Three hundred and fifty-five buildings were constructed between 1900 and 1920, and 1,035 buildings were constructed between 1920 and 1940. Many of the larger Veterans' Administration hospitals are of temporary-type construction, and were transferred to the Veterans' Administration from the Department of Defense following World War II. The Veterans' Administration Mount Alto Hospital in Washington, D. C., is in a converted girls' school, and the hospitals at Coral Gables, Fla., and Oakland, Calif., are converted hotels.

The committee's investigation disclosed that there are 56 Veterans' Administration hospitals which will require major modernization. Detailed estimates on the cost of this program are not available at this time; however, it is apparent that the modernization program for these 56 hospitals will cost in excess of $150 million. The following hospitals have been found to be in need of major renovation or modernization: Alexandria, La.; American Lake, Wash.; Aspinwall, Pa.; Bath, N. Y.; Battle Creek, Mich.; Bay Pines, Fla.; Bedford, Mass.; Biloxi, Miss.; Bronx, N. Y.; Canandaigua, N. Y.; Chillicothe, Ohio; Coatesville, Pa.; Columbia, S. C.; Coral Gables, Fla.; Danville, Ill.; Dayton, Ohio; Des Moines, Iowa; Downey, Ill.; Fort Harrison, Mont.; Fort Howard, Md.; Fort Lyon, Colo.; Fort Meade, S. Dak.; Gulfport, Miss.; Hines, Ill.; Hot Springs, S. Dak.; Kecoughtan, Va.; Knoxville, Iowa; Lexington, Ky.; Long Beach, Calif.; Los Angeles, Calif.; Lyons, N. J.; Marion, Ind.; Mountain Home, Tenn.; Murfreesboro, Tenn.; Newington, Conn.; Northampton, Mass.; North Little Rock, Ark.; Northport, N. Y.; Oteen, N. C.; Outwood, Ky.; Perry Point, Md.; Portland, Oreg.; Roanoke, Va.; Roseburg, Oreg.; St. Cloud, Minn.; Salt Lake City, Utah (general, medical, and surgical); Sheridan, Wyo.; Tucson, Ariz.; Tuscaloosa, Ala.; Tuskegee, Ala.; Waco, Tex.; Wadsworth, Kans.; Walla Walla, Wash.; Whipple, Ariz.; White River Junction, Vt.; Wood, Wis.

Some of the Veterans' Administration hospitals were found to be in such a poor state of repair or so poorly planned and arranged that large expenditures for modernization are not justified. In these cases, replacement sometime in the future will be necessary. The hospitals in need of replacement are as follows: Augusta, Ga.; Cleveland, Ohio; Coral Gables, Fla.; Downey, Ill.; Vaughan, Hines, Ill.; Jackson, Miss.; Long Beach, Calif.; Martinsburg, W. Va.; Memphis, Tenn.; Nashville, Tenn.; Oakland, Calif.; Oteen, N. C.; Richmond, Va.; Temple, Tex.; Washington, D. C.; Wood, Wis.

The committee found that there has been an expansion of beds and medical facilities at many Veterans' Administration hospitals without a corresponding expansion of service facilities, such as laundries, heating facilities, mess facilities, and quarters for the hospital staff. The Veterans' Administration initiated a program of safety and fire prevention several years ago; however, much of that program remains to be done. The committee's report identifies fire prevention projects which will cost in excess of $9

million. Unless action is taken to accelerate from the present plan of action, some of these projects would not be completed before fiscal year 1958 or 1959.

It has been estimated that the plant facilities of Veterans' Administration hospitals are worth more than $2½ billion. A very minimum amount has been spent during the past few years to protect this plant investment. I am very happy to see that the Appropriations Committee recognizes this need and has increased the appropriation item for major repair and replacement. The Bureau of the Budget, acting under general directions issued by the administration, rejected the Veterans' Administration request for expansion of this appropriation item and approved $13,815,000 for modernization and rehabilitation hospital buildings. The Appropriations Committee has acted to restore the amount requested by the Veterans' Administration and has raised the amount to $30 million. In doing so, the report states that priority attention is to be given to repair and renovation of neuropsychiatric hospitals, and the report specifically directs that $2.9 million be allocated to begin renovation of the VA neuropsychiatric hospital at Downey, Ill. The committee is certainly correct when it states that there is a great amount of work to be done and that there is no need for delaying this program.

In testimony before the Appropriations Committee, the Administrator of Veterans' Affairs, Mr. H. V. Higley, stated that a long-range plan is now being developed with the Bureau of the Budget for the next 6 or 8 years which would permit an orderly solution of this problem. The Administrator has correctly warned that piecemeal legislation and appropriations in this field will be wasteful.

In conducting its investigation the Committee on Veterans' Affairs was concerned with renovation and repair which if not done would, first, cause the quality of patient care to suffer; second, significantly increase overall operational cost or per diem cost; third, accelerate the deterioration of the facility at an abnormal rate; or, fourth, a combination of the above factors which would have an overall detrimental effect on the medical-care program. It is believed that a long-range renovation and replacement program based on these factors will result in an economic handling of the Federal Government's obligation to care for veterans. The Committee on Veterans' Affairs is happy that its efforts in this field have been useful. We are pleased that our investigation was completed in time to be made available to the Appropriations Committee for the guidance of that committee in acting on this important part of the Veterans' Administration budget.

The hearings before the Independent Offices Appropriations Subcommittee included the recommendations of the Hoover Commission and there was considerable discussion before the committee concerning the recommendations of the Hoover Commission. The Commission on Organization of the Executive Branch of the Government was created pursuant to Public Law 108, approved July 10, 1953. Through various task forces it has studied the operation, organization, and policies of the Government in certain broad areas of Government function.

The Task Force on Federal Medical Services consisted of 15 doctors, including the Chairman. The Staff Director of the task force was also a doctor. The task force included in its study the Department of Health, Education, and Welfare, the Department of Defense, and the Veterans' Administration. It is considered significant that the membership of the task force did not include persons with specialized knowledge in the field of veterans' affairs. The recommendations of the task force are published and circulated despite the fact that the Commission on Organization of the Executive Branch, composed of prominent citizens and members of the executive and legislative branches of the Government, superimposes its judgment on the recommendations of the task force to the extent that certain recommendations of the task force are omitted or modified by the Commission.

The title of the reports of the Task Force and the Commission, "Medical Service," implies that the scope of the inquiry would be restricted to medical matters; however, recommendations in the reports include such items as comments on disability allowances for veterans and codification of laws and regulations relating to veterans' benefits. There follows the text of the recommendations of the Commission relating to the veterans' medical program and comment concerning the recommendations:

RECOMMENDATION NO. 1

In order to effect the above responsibilities, the President should appoint a Federal Advisory Council of Health, to be comprised of members of the medical professions together with lay members of distinguished records in fields other than the medical profession, and to serve at the will of the President. The Council should have a small staff but should depend upon other agencies of the Government for information.

In recommending the creation of a Federal Advisory Council of Health, it is not clear where this Council is expected to succeed where others have failed. A Federal Board of Hospitalization was created in 1921 and, after a number of years of relative inactivity, ceased to function. In 1942, the Board was reactivated within the Bureau of the Budget to advise the Director of the Budget with respect to Federal hospital programs. In 1948, the Board was terminated. Since 1948, general responsibility for coordinating Federal hospital construction and operating programs has been exercised by the Bureau of the Budget.

During the 83d Congress, bills were considered by the Committee on Veterans' Affairs to create a Federal Board of Hospitalization, which had as its purpose the coordination of Federal medical activities with reports to be made to the Executive and the Congress. The Bureau of the Budget made the following comment concerning such a Board:

Inasmuch as existing agencies within the Executive Office of the President are now dealing effectively with the coordination of hospital construction and utilization programs, is is our opinion that the establishment of a Federal Board of Hospitalization is unnecessary. Accordingly, the Bureau of the Budget recommends against favorable consideration.

After hearing extensive testimony on the subject, the Committee on Veterans' Affairs terminated its hearings without favorable action on the proposal.

The success of a commission or council such as the proposed Federal Advisory Council of Health would be greatly influenced by the amount of support and interest given its activities by the President and the vigor and personality of its members. Aside from these two intangibles, there appears to be no significance to the recommendation for a Federal Advisory Council of Health not previously considered by the Committee on Veterans' Affairs.

RECOMMENDATION NO. 5

That the Administrator of the Veterans' Administration consider the recommendations made by the task force as to closing of certain hospitals and obtain the advice of the proposed Federal Advisory Council of Health on these recommendations; that all hospitals determined to be surplus be closed immediately.

The task force listed 19 hospitals which it recommended be closed because these hospitals "have such a small bed capacity, are so poorly located, or have such a low rate of bed utilization that their continued operation is uneconomic and ineffective."

It is noted that the Commission did not give an unqualified endorsement to the recommendation of the task force, but recommended that the Administrator consider the recommendation and seek the advice of the proposed Advisory Council of Health. It is noted that most of the hospitals recommended for closing are practically new, 5 being 4 years old, 4 being 5 years old, and 2 being 6 years.

The 19 hospitals recommended for closing are mainly general medical and surgical hospitals; however, these hospitals do have about 175 beds for mental patients. The Veterans' Administration is progressing with a plan which permits the utilization of the closed wards for mental patients in general medical and surgical hospitals and relieves the load on facilities in NP hospitals where active psychiatric care is available. Closing of the 19 hospitals as recommended would eliminate 175 NP beds badly needed for the care of the mentally disabled.

Four of the hospitals recommended for closing are located at Miles City, Mont., Minot and Fargo, N. Dak., and Sioux Falls, S. Dak. If these hospitals were closed, veterans in North Dakota would be required to travel hundreds of miles either to Minnesota or western Montana for treatment. Although the level of occupancy and per diem patient cost of operation of Veterans' Administration hospitals is significant, there is some obligation to provide an opportunity for medical care to all veterans of the Nation, regardless of their location.

RECOMMENDATION NO. 6

(a) That all present outstanding authorizations and appropriations for construction of additional veterans' general hospitals be

rescinded except for those now under construction or under contract.

(b) That the Veterans' Administration dispose of by sale or otherwise any hospital which, in its judgment, can no longer be operated effectively and economically; and that the proposed Federal Advisory Council of Health on behalf of the President review the manner in which the hospital facilities of the Veterans' Administration are being used and make recommendations for disposal or more economical utilization of the hospital plants.

The recommendation of the Commission that outstanding authorizations and appropriations for construction of additional Veterans' Administration general hospitals be rescinded except for those now under contract or under construction in practical effect means that construction of the Veterans' Administration hospital to replace the antiquated Mount Alto Hospital in Washington, D. C., would be revoked. Adherence to this recommendation would preclude replacement of 16 Veterans' Administration hospitals now scheduled for long-range replacement. Eleven of these hospitals are of temporary World War II construction, nearing the end of their period of usefulness, 2 are converted hotels, 1 is a converted girls' school, and 1 has buildings over 60 years old.

It is not clear whether the recommendation is also intended to preclude major renovation projects, which in many instances replace major buildings and facilities. A modernization program now under study involves 55 Veterans' Administration hospitals and probably would require in excess of $150 million. Most of the hospitals being considered for major renovations have reached the point where failure to make timely repairs will accelerate the deterioration of these facilities at an abnormal rate.

RECOMMENDATION NO. 7

That the statement of a veteran of his inability to pay for hospitalization for non-service-connected disabilities should be subject to verification; and that the Veterans' Administration be authorized to collect in case such a statement is not substantiated.

The Commission stated that the greatest of all problems in the administration of medical care for veterans are the non-service-connected cases. It could have been said with accuracy that an even greater problem is involved in determining service connection or service aggravation for diseases and injuries. If the procedures for determining service connection could be considered thoroughly accurate, the view of the Commission regarding care of veterans with non-service-connected cases might be more nearly justified. The fact is that determination of service connection is extremely difficult in many cases.

First of all, it is dependent upon documentary proof, such as records of examination, clinical records, statements by doctors, and lay affidavits of persons having firsthand knowledge of a veterans' disability. In those instances where records are destroyed, it becomes impossible to establish documentary proof of a disability or disease due to service in the Armed Forces. Medical records are practically nonexistent for the groups of veterans serving in the Spanish-American War and Philippine Insurrection, and they are very inadequate in the case of many World War I veterans. Generally, medical records were much better kept during World War II, but in certain areas where military reversals were suffered, such as the Philippines and north Africa or the Ardennes Forest in France, a great many medical records were lost and, in addition, many medical records were lost in naval disasters, and generally records are incomplete where a few individuals were detailed to special duty and were required to obtain their medical care from a source outside their own unit. The result is that it is impossible to establish service connection for many bona fide cases.

Another area of difficulty in determining service connection arises as a result of lack of medical knowledge as to cause and effect of disease and injury. Service connection is established based on known medical facts and is withheld in those areas where medical science provides no positive answer. In an effort to deal fairly with veterans, certain periods of presumption have been established, but the fact remains that little is known about the relation between strenuous periods of military service and disease, particularly mental disease. There is no way to establish a direct relationship between service and disease where no actual disease was incurred in service but where the veteran rendered strenuous service under extremely adverse weather conditions, lost weight, and deteriorated generally in physical condition. There are many such instances where it appears that a general weakening of physical condition resulting directly from strenuous military service weakened the veteran's general health and resistance to the extent that he became susceptible to some ordinary disease after his separation from service. In these instances, it is impossible to establish service connection.

The discussion of the Task Force and the Commission on the subject of care of veterans with non-service-connected disabilities emphasizes the amount of cost involved in the care of such patients and points out that on an average day in 1954, 65,000 out of the total of 109,000 occupied beds in the Veterans' Administration were occupied by non-service-connected cases. The Task Force and the Commission failed to recognize that a substantial part of the 65,000 non-service-connected patients are hospitalized for mental disabilities, tuberculosis, and other serious long-term chronic diseases, such as cancer, polio, paralysis heart disease, etc. In testimony before the Veterans' Affairs Committee, spokesmen for the American Medical Association and other medical groups have not raised objection to the care of indigent veterans with mental disabilities and tuberculosis in Veterans' Administration hospitals. It has been recognized that the problem of care of this type of patient is public in nature and that State, municipal, and private facilities cannot care for the load now being carried by the Veterans' Administration. It has also been recognized that certain other serious long-term chronic diseases are so costly and expensive that they exceed the earning capacity of most individuals and that care of this class of patient inevitably becomes a public charge. A relatively small percentage of the veterans being treated in Veterans' Administration hospitals are there for short-term medical and surgical treatment.

The patient load of 108,000 patients in Veterans' Administration hospitals on a specified day in 1952 was analyzed. Of these, 0.6 percent were nonveterans—United States Armed Forces personnel, humanitarian cases, and so forth, 35.6 percent were veterans receiving care for service-connected disabilities; 11.4 percent were veterans discharged from a military service for disabilities incurred in line of duty or veterans in receipt of compensation for service-connected disabilities who are receiving care for other disabilities; 52.4 percent were other war veterans treated for non-service-connected disabilities.

There appears to be little basis for objecting to care of 47.6 percent of the patient load of 108,000, since this group was composed of humanitarian cases, Armed Forces personnel, veterans receiving care for service-connected disabilities, and veterans in receipt of compensation for service-connected disabilities who were receiving care for non-service-connected disabilities. The main criticism raised by the Commission relates to the war veterans receiving treatment for non-service-connected disabilities, or 52.4 percent of the patient load of 108,000 patients.

This group can be subdivided as follows:

Thirty-one and eight tenths percent—patients with conditions chronic in nature, such as mental disease, tuberculosis, multiple sclerosis, paralysis, heart disease, and so forth.

Twenty and six-tenths percent—patients with presumed nonchronic conditions.

The group of 20.6 nonchronic or 23,306 may be analyzed as follows:

Eight and five-tenths percent, or 9,184, were in receipt or had applied for a Veterans' Administration nonservice pension for a permanently and totally disabling nonservice condition. In other words, a veteran may have been admitted for a specific ailment, but at the same time was considered totally disabled. In addition, this class of veterans are in the very lowest income group, since to be eligible for a non-service-connected pension the income must be less than $1,400 a year for a single person or $2,700 for a person with dependents. More than half of these veterans were being treated for chronic conditions such as cardiovascular disease, cancer, neurological disease, or arthritis.

One and one-hundredths percent, or 1,198 patients, admitted as nonchronic, non-service-connected cases, had made a claim for a service-connected disability. This claim was pending an adjudication, and experience shows that a substantial percentage of these claims are successful.

This leaves about 10.8 percent, or 11,656 patients, which might be termed "non-chronic." Generally, the period of hospitalization for this class of patient is relatively short.

It seems obvious that in considering the problem of medical care of non-service-connected cases that a distinction should be drawn between the various types of cases, since the general responsibility and obligation of the public and the Federal Government are quite different in the various types of cases. It can be safely said that regardless of the source of care for a great many of the non-service-connected cases being cared for in Veterans' Administration hospitals, the expense involved must be borne by a public agency, either Federal, State, county, or charitable. The recommendation of the Commission for more definite criteria as to inability to pay seems to be more for application to the small group of about 10 percent which are hospitalized for non-service-connected disabilities on a short-term basis.

The Commission was not disposed to endorse the novel recommendation of the task force that treatment of veterans with non-service-connected disabilities in Veterans' Administration hospitals be limited to a period of 3 years after discharge. It is understandable that such a procedure could not be supported by the Commission, since there appears to be no justification for such an arbitrary approach to the problem.

RECOMMENDATION NO. 8

That veterans having service-connected disabilities but making application for treatment of non-service-connected disabilities be required to sign a statement of inability to pay (VA Form 10-P-10, together with its addendum).

At the present time, a veteran with a service-connected disability may secure hospital treatment for a non-service-connected disability without signing a statement of inability to pay. The Commission proposes to place the disabled veteran on the same status with the veteran with no service-connected disability and apparently without distinction as to the degree and nature of the veteran's service-connected disability, the responsibility of the Federal Government for rehabilitation of the disabled veteran, and without regard to the extra sacrifices of the individual.

RECOMMENDATION NO. 9

That the veteran should assume a liability to pay for care of his non-service-connected disability if he can do so at some reasonable time in the future. Such a debt should be without interest. Congress should pass appropriate laws providing for the collection of such obligations.

The proposal that a debt be established for the treatment of non-service-connected disabilities is unrealistic. In other instances where grants-in-aid are made by the Government to individuals, businesses, and corporations, no such procedure is followed. It might be just as reasonable to propose that persons in receipt of unemployment compensation, welfare payments, and other such payments from the Federal Government should execute a note and repay the funds received if their fortunes improve in the future.

The Commission report comments on the procedure of Veterans' Administration in collecting payments due the veteran as a result of the veteran's coverage by health insurance. The Commission's report seems to imply that the Veterans' Administration is delinquent, since it does not bill insurance companies where policies specifically exclude payments for medical services rendered to veterans in veterans' facilities. The Committee on Veterans' Affairs made an extensive inquiry into the question of reimbursement for medical services from private insurors and concluded that the Veterans' Administration's procedures were adequate. It does not appear that any purpose would be served by continually billing private insurance companies for services which are specifically excluded from their policies.

It is the obligation of the Veterans' Administration to offset expenses incurred in treating non-service-connected veterans by obtaining reimbursement where medical or health insurance exists. The fact that most of the larger insurance companies offering coverage for health and accident preclude payment to the Federal Government in their policies has no bearing on the relation of the veteran to his Government and his need for medical care. This is a matter of contract between two private interests. Insurance representatives appearing before the Committee on Veterans' Affairs have pointed out that the clause restricting payment to veterans receiving care in public facilities could be removed with the result that the increased costs incurred would be reflected in increased premiums. Obviously, where the veteran's needs are covered by insurance, this should be taken into account in considering the ability of the veteran to pay.

RECOMMENDATION NO. 10

That outpatient care, whether prior to or following hospitalization, be furnished to indigent veterans with non-service-connected disabilities. (This does not include neuropsychiatric cases prior to hospitalization.) Such patients should also assume a liability to pay for their care if they can do so at some reasonable time in the future.

The Commission has recommended expansion of outpatient care by the Veterans' Administration prior to and following hospitalization. It is believed that this recommendation is aimed at reducing the length of stay in hospitals or eliminating the necessity for hospital care. It is doubtful that an expansion of outpatient care would make any material change in the hospital load for veterans; however, it would result in a substantial increase in costs.

RECOMMENDATION NO. 11

That the Veterans' Administration emphasize its program of medical care and rehabilitation services for the aging veteran eligible for care, in order to reduce the number of chronic bed cases.

It is understood that the Veterans' Administration is doing research in the field of medical care and rehabilitation for aging veterans. The Veterans' Administration has recognized that the care of aged veterans will become an increasing problem as the typical age groups of World War II veterans reach upper levels. It is believed that some of the hospitals which the Commission has recommended for closing could be utilized for the care of older veterans who, while not requiring full-time medical and hospital care, do require occasional medical observation and nursing care. A program of intermediate care, particularly for the aged, probably would serve to shorten the length of hospital stay and such care could be furnished at a lower per diem cost.

RECOMMENDATION NO. 12

That the medical-care functions of Veterans' Administration regional offices be consolidated with, and where practicable physically located within nearby Veterans' Administration hospitals.

The Veterans' Administration apparently concurs with the recommendation of the Commission that outpatient clinics in Veterans' Administration regional offices be consolidated with nearby Veterans' Administration hospitals. These consolidations have been attempted in a number of instances, with indifferent success. In other cases, they have apparently been successful. One or two examples have come to the attention of the committee where it is believed that such a consolidation, even though it may be more convenient for Veterans' Administration medical personnel, will actually result in a substantial reduction in service to the veteran, at no saving to the Government.

RECOMMENDATION NO. 13

(a) That the responsibility and authority to establish and maintain medical criteria for disability, both initial and continuing, should be transferred from the Compensation and Pension Branch of the Department of Veterans' Benefits, to the Department of Medicine and Surgery.

(b) That the Department of Medicine and Surgery should also develop and maintain a mechanism for review of disability allowances based on the possibility of increase or decrease in disabilities.

The responsibility for creating realistic medical criteria for the measurement of disabilities, commonly referred to in Veterans' Administration as a "rating schedule," was in the Department of Medicine and Surgery at one time. It was removed from that section, since presumably it did not operate satisfactorily there.

The recommendation by the Commission implies that the development of medical criteria or rating schedules and their application is being done without adequate medical advice. As a matter of fact, doctors participate in the development of the rating schedule, all examinations for ratings are made by medical personnel, a doctor participates in the adjudication board which makes the finding of disability, and a doctor is also a member of the Board of Veterans' Appeals, which considers contested cases on review. The facilities of the Department of Medicine and Surgery are available for diagnostic study and medical recommendation.

Allegations come from various sources from time to time that the Veterans' Administration rating schedule is not realistic and that it is not based on current medical knowledge. It is difficult to analyze the merit of these contentions, except to say that there is no record of critical analysis of this type coming from a reliable source being filed with

the Committee on Veterans' Affairs on which it might conclude that the rating schedule requires major revision.

The Commission has commented that there is a need for periodic reevaluation of disability claims, and this is true. It should be the objective of the Veterans' Administration to pay all that is just under existing law and regulations and withhold payments not due. It is pointed out, however, that substantial reviews of this kind must be supported by large appropriations from the Congress if they are to be successful. It is believed that this matter deserves further consideration by the Committee on Veterans' Affairs and the Appropriations Committee. Recent audits conducted by the General Accounting Office as to the accuracy of ratings by the Veterans' Administration have disclosed that approximately the same number of errors were made in one regional office causing the veteran a loss in compensation due as were made in favor of the veteran.

RECOMMENDATION NO. 14

That all laws relating to veterans or veterans' benefits, and in particular to medical treatment and domiciliary-care benefits, be consolidated and enacted into a single, all-inclusive, comprehensive code; and that all existing rules, regulations, and Executive orders relating to veterans and veterans' benefits be brought together in one volume.

The Commission's observation concerning the need for consolidation and enactment into a single all-inclusive comprehensive code of all existing rules, regulations, Executive orders, and laws relating to veterans and benefits of veterans are certainly appropriate. The Committee on Veterans' Affairs, in cooperation with the Committee on the Judiciary, is working on such a project at the persent time. H. R. 3805 and H. R. 3806 were introduced on February 8, 1955, and are now under consideration by the committee.

The hearings before the Independent Offices Appropriations Subcommittee included a reference to the percentage of patient load in Veterans Administration hospitals which have service-connected disabilities and the percentage having non-service-connected disabilities. The Veterans' Administration witness was asked to state the percentage of service-connected and non-service-connected veterans in Veterans' Administration hospitals and stated that about 38 percent are service-connected and 62 per percent are non-service-connected cases. It was then pointed out that the Hoover Commission report uses a figure of 83 percent non-service-connected cases and 17 percent service-connected cases. The Veterans' Administration witness confirmed the accuracy of the Hoover Commission figures but offered no further explanation for the disparity between the two figures.

The facts are that about 37.6 percent of the patients in VA hospitals on any given day are receiving care for service-connected disabilities and 61.6 percent are receiving care for non-service-connected disabilities. If an analysis is made of the patients discharged from Veterans' Administration hospitals, a different figure is obtained. Sixteen and nine-tenths percent of patients discharged have been treated for service-connected disabilities and 83.1 percent for non-service-connected disabilities.

The reason for these differences may be found in the general differences between the diagnostic composition of the patients in hospital at any one time and the diagnostic composition of the group of patients discharged from hospital during a year. This difference, in turn, arises from the differences in the turnover rate among the various diagnostic groups.

For example: Of the patients in hospital at any one time 14 percent are tubercular, 57 percent are neuropsychiatric, 29 percent are general medical and surgical, but on the average the tubercular patients are replaced about 1.5 times a year, neuropsychiatric patients are replaced about 1.1 times a year, general medical and surgical patients are replaced about 11.7 times a year.

Therefore, among the discharges, 5 percent are tubercular, 14 percent are neuropsychiatric, and 81 percent are general medical and surgical. Since, as a result of difference in turnover rate, the proportion of general medical and surgical patients is higher among the discharges—81 percent—than among the patients in hospital at any one time—29 percent—and since the percent of general medical and surgical patients who are treated for service-connected disabilities is lower than for either tubercular or neuropsychiatric patients the overall ratio of service-connection is lower among the discharges—16.9 percent—than among the patients in hospital at any one time—37.6 percent.

Each of these series of percentages is correct; they, however, describe different aspects of the Veterans' Administration hospital patient load. The series of percentages which are based on patients in hospital describe the manner in which bed capacity is used. The series based on the discharges describes the patients who leave hospital.

It appears to me that this explanation is necessary if an accurate evaluation of the patient load in Veterans' Administration hospitals as distributed between service-connected and non-service-connected patients is to be made. It appears to me that the percentage distribution between the two classes of patients obtained from an analysis of a particular day of operation is more accurate for the purpose of determining the distribution of medical care and expenditures between the two classes of patients.

The language appearing on lines 3 through 14, inclusive, on page 31 of the bill, the so-called outpatient dental rider, is a perfect example of how not to legislate. In each and every case the rider has been hastily considered and has caused undue administrative difficulties for the Veterans' Administration and confused the veterans of World War II and Korea as to their rights under this dental program.

I would like to sketch the background of this particular piece of legislation on an appropriation bill—matter specifically barred by the rules of the House and I commend the Committee on Rules for its refusal to permit the waiving of points of order on this bill.

The second independent offices appropriation bill, 1954, H. R. 5690—Public Law 149, 83d Congress—as reported to the House on June 11, 1953, carried the following proviso in regard to outpatient dental care provided by the Veterans' Administration:

Provided, That no part of this appropriation shall be available for outpatient dental care and treatment, or related dental appliances, when the dental condition or disability being treated is not compensable, unless such condition or disability is shown to have been in existence at time of discharge and application for treatment is made within 1 year after separation from service, or 1 year after the enactment of this act, whichever is later: *Provided further*, That when any such noncompensable dental condition or disability has once been corrected, additional care and treatment therefor may not be provided.

During the debate on the bill on June 17, 1953, the gentleman from Michigan [Mr. FORD], offered a substitute for this language which was somewhat more liberal than the provision voted by the Appropriations Committee. This amendment was carried after a brief debate and provided as follows:

Provided, That no part of this appropriation shall be available for outpatient dental services and treatment, or related dental appliances with respect to a service-connected dental disability which is not compensable in degree unless such condition or disability is shown to have been in existence at time of discharge and application for treatment is made within 2 years after separation from active service, or 1 year after enactment of this act, whichever is later: *Provided*, That this limitation shall not apply to adjunct outpatient dental services or appliances for any dental condition associated with and held to be aggravating disability from some other service-incurred or service-aggravated injury or disease.

When the Senate Appropriations Committee reported the bill on July 8, 1953, the proviso regarding outpatient dental treatment had been amended to read as follows:

Provided, That no part of this appropriation shall be available for outpatient dental services and treatment, or related dental appliances with respect to a service-connected dental disability which is not compensable in degree unless such condition or disability is shown to have been in existence at time of discharge and application for treatment is made within 1 year after enactment of this act: *Provided*, That this limitation shall not apply to adjunct outpatient dental services or appliances for any dental condition associated with and held to be aggravating disability from some other service-incurred or service-aggravated injury or disease.

The effect of this proviso as reported in the Senate, as passed by the Senate on July 10, 1953, and accepted by the conferees was to materially tighten existing criteria regarding entitlement to outpatient dental care. From information obtained from the Veterans' Administration it appeared that one result was to bar the great majority of the veterans of the Spanish-American War from getting outpatient dental treatment, as provided for in Public Law 791 of the 81st Congress. In addition, it excluded certain

cases of veterans in training under Public Law 16 of the 78th Congress, as amended and extended, which provides for education and training for service-connected disabled veterans of both World War II and Korea. Under that law a man undergoing training under the provisions of Public Law 16 would otherwise be entitled to outpatient dental treatment to avoid interruption of his training without any requirement that the outpatient dental care be for a service-connected condition. The committee reported H. R. 6412 on July 23, 1953, to meet this situation. This measure became Public Law 494, 83d Congress, July 15, 1954.

When H. R. 8583, independent offices appropriation bill, 1955, was reported on March 26, 1954, it contained the following proviso:

Provided, That no part of this appropriation shall be available for outpatient dental services and treatment, or related dental appliances with respect to a service-connected dental disability which is not compensable in degree unless such condition or disability is shown to have been in existence at time of discharge and application for treatment is made within 1 year after discharge or by July 27, 1954, whichever is later: *Provided*, That this limitation shall not apply to adjunct outpatient dental services or appliances for any dental condition associated with and held to be aggravating disability from some other service-incurred or service-aggravated injury or disease.

The above language was stricken from the bill on a point of order. The following amendment submitted as a limitation was rejected on March 31, 1954:

Provided, That no part of this appropriation shall be available for outpatient dental services and treatment, or related dental appliances with respect to a service-connected dental disability which is not compensable in degree where such condition or disability is not shown to have been in existence at time of discharge, and application for treatment is made within 1 year after discharge or by July 27, 1954, whichever is later.

The Senate Committee on Appropriations approved the following proviso which was adopted by the Senate on May 19, 1954:

Provided, That no part of this appropriation shall be available for outpatient dental services and treatment, or related dental appliances with respect to a service-connected dental disability which is not compensable in degree unless such condition or disability is shown to have been in existence at time of discharge and application for treatment is made within 1 year after discharge or by March 31, 1955, whichever is later: *Provided further*, That this limitation shall not apply to adjunct outpatient dental services or appliances for any dental condition associated with and held to be aggravating disability from such other service-incurred or service-aggravated injury or disease.

This amendment was reported in disagreement by the conference committee. The House on June 16, 1954, agreed to concur in the Senate amendment with an amendment which set the date at December 31, 1954, leaving the remainder of the rider unchanged. This was approved by the Senate on June 17, 1954.

It will be noted from the above history that Appropriations Committee had full warning and knowledge of the fact that the rider as passed in Public Law 428, would eliminate the outpatient dental care for Spanish-War veterans and trainees under Public Law 16, 78th Congress, the Vocational Rehabilitation Act. Spokesmen for the Appropriations Committee has said not once, but several times that they intended to exempt these two groups, but they did not provide for such an exemption in 1954 nor have they done so this year. It was necessary for the Committee on Veterans' Affairs in the 83d Congress to sponsor and have enacted Public Law 494 which granted the exemptions for these groups which the then Appropriations Subcommittee Chairman said he had no objection to. But in the present Appropriation Bill, the Committee has made the same error and these two groups are once again subject to the provisions of the rider.

This is a perfect example, Mr. Chairman, of the folly of legislating by appropriation. The Committee on Veterans' Affairs, last week unanimously reported a bill sponsored by the Gentleman from Louisiana [Mr. LONG] which will provide exactly the sort of control which most people admit is needed in this field. This bill, however, was reported after hearings had been held and all interested parties given an opportunity to be heard and present their suggestions. That, Mr. Chairman, I submit is the way the Congress is supposed to legislate. The Appropriations does not have jurisdiction over the substantive law of the various agencies though some members of the great committee apparently still persist in thinking only; that committee can act.

The Veterans' Administration operates five big programs. It has 172 hospitals and hospitalizes 107,000 patients each day. It has 2.6 million people on its pension and compensation rolls. It has nearly 6½ million insurance policies in force worth about $45 billion. It has over 3 million loans outstanding and a contingent liability of over $10 billion for these loans and has a half-million veterans going to school at Government expense. These tremendous programs affect the lives and welfare of nearly every family in the United States. Our main job is to see that they operate properly and that the veteran receives maximum benefit for the dollars expended.

I would like to comment on some of the problems that confront us in the operation of our existing veterans' programs. The administration of the compensation and pension program needs improvement. We had about 15 million World War II veterans discharged in a period of a year following World War II. The Veterans' Administration attempted to handle millions of claims in a period of a few years and rated many veterans on the basis of medical records furnished by the Department of Defense. It has never been possible to conduct a proper review of all the World War II claims. At one time it was expected that a majority of compensation cases would be reexamined and re-rated. The Appropriations Committee has curtailed the budget of the Veterans' Administration to the extent that a relatively small number of cases have been reexamined. I am not proposing reexamination as an undercover economy move. I am proposing reexamination so that those veterans not entitled to compensation may be removed from the rolls and those that are entitled to more may be increased. The General Accounting Office studied a thousand cases in one regional office and found over 200 errors. There were about as many errors of overpayment as there were of underpayment. Most of the corrections made by the Veterans' Administration occur in the Board of Veterans' Appeals, where cases are brought under careful examination upon appeal. In fairness to all concerned, we need to do more on the review program.

We have taken steps to prevent the accumulation of large estates for certain classes of insane veterans. We still have this same problem for veterans in Federal prisons and certain other Federal institutions. It is a difficult problem, but certainly it is rather foolish to continue to pay disability allowances to a ward of the Government over long periods of time when he has no family and then upon his death allow a very large sum of money to revert to a distant relative or to the State in which he lives.

I am sure that you all agree that the most serious problem confronting the veterans' medical program is care of the mentally disabled. I just received a list last week indicating that there are 326 unavailable neuropsychiatric beds in VA hospitals. Most of these beds are in places where it is difficult to recruit personnel. I believe that the VA has not exercised the imagination and initiative that they could have in utilizing these beds. We have insisted in 1 or 2 hospitals in Texas that they move mentally dilapidated patients who are not responsive to treatment into these beds. The presence of a psychiatrist is not necessary. In most instances, the only personnel needed are more nurses and attendants. The manner of a neuropsychiatric hospital where psychiatrists are available reports that for each patient of this type that can be moved from this hospital, that 3 or 4 acute cases can be treated in 1 year. I believe that if the Veterans' Administration would follow such a plan that several thousands of these incompetent, helpless patients could be moved from active neuropsychiatric hospitals to these vacant beds in the smaller general medical and surgical hospitals, thus free thousands of beds for treatment of acute cases. I expect to insist on more action on the part of Veterans' Administration along this line.

Mr. MASON. Mr. Chairman, will the gentleman yield?

Mr. THOMAS. I yield to the gentleman from Illinois.

Mr. MASON. Then that cut simply means more efficient administration, and that is all?

Mr. THOMAS. That is right. We think Mr. Higley is doing a fine job, and more power to him. He has only been there a year and a half, and we think he has done a fine job, and I think the longer he stays the better job he is going to do.

Mr. Chairman, as I said before, I do not think there is anything controversial in this bill. The other members of this committee have worked long and hard, and they know as much about it as I do, and more, too, and I am not going to take any more time.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. THOMAS. I yield to the gentleman from Iowa.

Mr. GROSS. On page 5 of the bill and page 3 of the report I notice that unobligated moneys are made available for the screening of employees of international organizations. Is that correct?

Mr. THOMAS. Yes.

Mr. GROSS. I wonder if the gentleman's committee went into this business of the 11 employees of the United Nations who were fired and paying them some $180,000. I wonder if he ascertained where the funds were to be made available with which to pay these employees.

Mr. THOMAS. I will say to my distinguished friend that was a little over and beyond our jurisdiction in this particular bill. I certainly want to commend the gentleman for the fine and effective work he has done from time to time bringing out that point, but those funds come from a different source and are not in this bill. This item is to pay the cost of actually doing the work of screening, and the salaries are in another bill. Had they been in here, I expect we would have called the gentleman in and received the benefit of his advice on the subject.

Mr. GROSS. But the gentleman is providing money for screening employees of international organizations?

Mr. THOMAS. And if you notice, we gave them a sizable cut.

Mr. GROSS. I do not know about that. The amount of money is not set forth that you are giving them. But I still think it would be very wise on the part of this subcommittee, in dealing with an appropriation of this kind, to find out where the funds were derived from to pay these 11 employees.

Mr. THOMAS. May I ask my distinguished friend to use his influence for the good of this House, with our very able chairman, the gentleman from Missouri, and I will guarantee you we will go into it and give results that will be very pleasing to my distinguished friend.

Mr. GROSS. I will be delighted to.

Mr. BATES. Mr. Chairman, will the gentleman yield?

Mr. THOMAS. I yield to the gentleman from Massachusetts.

Mr. BATES. I have a question I would like to address to the gentleman. It has to do with contact offices. The gentleman recalls that each year we had a fight on the floor with reference to contact offices. I also see from the report they make no mention of it whatsoever. Can the gentleman give us any information as to the contact offices?

Mr. THOMAS. There are approximately 1,500 contact employees at a cost of $9 million; in addition to county organizations, veterans' post organizations, and your city and your county has a paid employee doing the same thing. But there is money in here for just 1,500, I think, at a total cost of $9 million.

Mr. BATES. Is that about the same as it was a year ago?

Mr. THOMAS. Yes. We did not touch it.

Mr. RHODES of Arizona. Mr. Chairman, will the gentleman yield?

Mr. THOMAS. I am glad to yield.

Mr. RHODES of Arizona. I should like to ask a question with reference to the appropriation for the Securities and Exchange Commission. The committee, I think very wisely, allowed $125,000 more for the appointment of personnel in field offices, than was appropriated last year. However, the bill contains a limitation on travel of $125,000, which is the same as the limitation contained in the bill last year.

Is it not true that the presence of more employees in the field offices will require more expenses for travel?

Mr. THOMAS. Not necessarily. The big load is in the city of New York. There they have the largest field office, and that is where a great amount of the work is done. Also, a great amount of work is done in San Francisco and in Chicago where they have some of the exchanges. Generally, I might say, the committee cut most of the agencies back to the travel figure of last year. I do not think there is a man on this floor who gets on an airplane or a train who does not realize that too large a portion of the traveling public is represented by Federal personnel.

There is pending, and we hope it will pass, some proposed legislation increasing travel per diem from $9 to $13. We are hoping that with that increase we can hold this travel to where it was last year. But if it is necessary to increase it, we are going to do it. We do not want to hurt anybody.

Mr. RHODES of Arizona. If the gentleman will yield further for one other question, there is an item of $28,640 which the Bureau of the Budget estimated for overall Government statistics. It is my understanding that the Bureau of the Budget asked the Securities and Exchange Commission to participate in the preparation of certain Government statistics. Does the gentleman know whether this item was cut out completely or whether it was transferred to some other agency?

Mr. THOMAS. We have a little trouble with Government publications and Government statistics every year. The Department of Labor has some. Securities and Exchange has some. Congress has some. It is all over the lot. I hope that we can cut down on this matter of Government statistics. After all, a handful of people may read it. I doubt if there are half a dozen Members on the floor of Congress who ever read or study these statistical studies.

Mr. RHODES of Arizona. That brings me to the next item upon which the gentleman touches, that is, the printing of the decisions of the Securities and Exchange Commission. I understand they have not been printed since 1949, which of course not only makes it very difficult for some of the field offices who administer the law but makes it very difficult for practitioners who have cases before the Commission to know what the law might be.

Mr. THOMAS. Of course, the decisions are all printed individually as they come out, but this is to compile them all in a great big volume and have them handy, to the tune of $80,000.

Mr. AYRES. Mr. Chairman, will the gentleman yield?

Mr. THOMAS. I yield to the gentleman from Ohio.

Mr. AYRES. I know the gentleman is familiar with the housing boom that is going on in our country today.

Mr. THOMAS. Yes.

Mr. AYRES. In fact, we have more GI applications pending in the various regional offices than we have ever had in the history of the program.

Mr. THOMAS. I am glad my distinguished friend brought that up. He is not only a fine veteran himself but he does a lot of able and effective work on these matters.

Mr. AYRES. Would the gentleman rather have me complete my charge before he says how nice I am?

Mr. THOMAS. When I get through the gentleman will withdraw his charge.

Mr. AYRES. I am not so sure of that, but the gentleman is very persuasive and I might be tempted.

Mr. THOMAS. I will let the gentleman be the judge. If he is not satisfied, we will satisfy him, because he deserves to be satisfied.

Mr. AYRES. I appreciate the compliment.

Mr. THOMAS. The gentleman is right. This is a banner year by the guess of all the experts. They come up with a figure of not less than 1,300,000 housing starts. The Veterans' Administration is the No. 2 builder. The No. 1 builder is the home-loan banks, with its 34,000 building and loan associations. They do 37 percent of the entire construction. The Federal Housing Administration is No. 3. We have always felt that they were No. 1, but they are No. 3.

Getting down to the gentleman's point, the Veterans' Administration came before us and asked for only $14,500,000 to process all these VA applications for housing, less than they had last year. We pointed out to them, "Why, your workload is going to be on the increase." We forced on them $1 million more than they asked for and to be sure they got it we earmarked it for them. Does that satisfy the gentleman?

Mr. AYRES. I was not going to criticize the gentleman for the amount of money he had in the appropriation. He has stated previously that Mr. Higley, the Administrator, was doing a superb job. I agree with that, in most of the fields under his jurisdiction. But there is no justification for a delay of 3 to 6 months on a GI loan application, and that is about the situation throughout the country today.

Mr. THOMAS. We agree with the gentleman, and that is exactly the reason we gave them $1 million more than they asked for. It is inexcusable.

Mr. AYRES. With the experience the gentleman has had here in Congress and the fine work he has done, what would be his suggestion to those of us who are

responsible to the veteran for getting his loan through more rapidly as to what we should do in order to correct this situation if money is not the problem?

Mr. THOMAS. I think the additional money will do it, plus maybe a little bit of increase in efficiency. When you go back to your good district, you talk to the boys in the home mortgaging section of the Veterans' Administration and ask them to see if they cannot push up the tempo on the approval of these loans.

Mr. AYRES. Here is where the inconsistency occurs. We hear from the administrator in the field that he cannot handle the loans any faster because he does not have the personnel. The Administrator here in Washington is saying that they have plenty of personnel, the only thing we can do then is to draw the conclusion that the Administrator here in Washington is wrong.

Mr. THOMAS. I am not sure they will tell you they have all the personnel they need. When we, in the committee, decided to put the extra million dollars in the bill and earmark it for them, I think the gentlemen in charge of the home program were very pleased and thought that they could cut down on that backlog, and I believe they will. I think they will do the job.

Mr. AYRES. You feel you gave them more than they actually wanted to operate the program?

Mr. THOMAS. That is right.

VA CONFUSION ON HOUSING

Mr. EDMONDSON. Mr. Chairman, I want to join the gentleman from Ohio [Mr. AYRES] in his expression of concern over the apparent confusion in the Veteran's Administration on the subject of the housing program.

I understand that the hearings before the subcommittee reflect that VA officials were unaware that any bills are pending to extend the direct-loan program, although several bills have been pending since the first month of the session. The President's budget message should certainly have justified a VA request for funds for this needed program, in the absence of pending bills on the subject.

It is also difficult to understand VA failure to seek additional personnel to deal with a heavy backlog on GI housing loans, but the hearings reflect a complete failure to meet Department responsibility on this matter, although estimates for 1955 and 1956 point to an even larger backlog ahead.

Apparently this subcommittee is taking better care of veterans' housing needs than are the responsible officials of the VA, and this is a matter for some concern at this stage in our important veterans' housing program.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. THOMAS. I yield.

Mr. KEATING. The gentleman from Texas will be delighted, I am sure, to hear that I rise for the purpose of commending him and his fine committee.

Mr. THOMAS. May I interject a few words to say that our friend, the gentleman from New York, in his usual good natured and amiable way, pushes us around, but we are glad to have you help us.

Mr. KEATING. The second noteworthy feature of my remarks at the moment is I commend you for forcing the Federal Power Commission to take some money that they did not ask for. I refer particularly to the fact that their budget estimate did not contain anything for the salary of a chief engineer who has been serving as United States representative on the International Joint Commission, which adjudicates these controversies arising between the Government of the United States and Canada. As I understand it, you have included the salary of such an engineer in the bill, and are instructing the Commission so far as the legislature has the power to do so, to continue to provide the International Joint Commission with a representative and one who, as I gather from your report, looks with favor on the protection of properties of United States citizens along the Great Lakes.

Mr. THOMAS. That certainly ought to be his job. Our distinguished colleague the gentleman from New York [Mr. OSTERTAG] has personal knowledge of that item, and certainly it ought to be the duty of the member who is furnished to the Commission by the Federal Power Commission to look after our interests.

Mr. KEATING. I am very happy that my colleague the gentleman from New York [Mr. OSTERTAG] was so alert in calling the attention of the subcommittee to that fact. I want to express to the subcommittee my gratitude for what they have done because this has been an extremely serious matter to all the property owners along the shores of Lake Ontario. Undoubtedly the gentleman's committee has heard a good deal about it. But it is essential not only that there be an engineer there from the Federal Power Commission but that he have in mind the protection of the interests of our own property owners. There has been altogether too much in this International Joint Commission—altogether too much, in my judgment, of domination by our Canadian friends. The present engineer representing the Federal Power Commission has been very alert and diligent in seeing to it that the interests of our own country are protected. This is such an extremely important matter to our people in my area that I wanted to thank the gentleman for what his committee have done and to tell them that it is deeply appreciated in the area I come from.

Mr. THOMAS. Mr. Chairman, let me thank our distinguished friend the gentleman from New York for his very effective work. He is filled with good, old, common horsesense, and we are glad to cooperate with him.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. THOMAS. I yield to the gentleman from Iowa.

Mr. GROSS. I notice about three-quarters of page 18 is devoted to the procedure of purchasing typewriters within the continental limits of the United States. How about the purchase of typewriters beyond the continental limits of the United States? Do the same procedures apply?

Mr. THOMAS. I do not think we buy any outside of the United States. That is one of the purposes of the language, to see that we get them at rock-bottom prices.

Mr. GROSS. I hope the gentleman is correct. I hope we are buying them cheap.

Mr. McDONOUGH. Mr. Chairman, will the gentleman yield?

Mr. THOMAS. I yield to the gentleman from California.

Mr. McDONOUGH. I appreciate the remarks of the gentleman concerning the increase in the amount allowed for veterans' loans. Does that apply to the administration of FHA loans?

Mr. THOMAS. They are two separate and distinct items, but we take care of that in the same way. We gave them about $7½ million more than they had last year, which is quite a sizable increase.

Mr. McDONOUGH. Two million seven hundred and fifty thousand dollars.

Mr. THOMAS. No; $750,000 now, because we gave them a deficiency about 30 days ago of $5 million, and we added about $2½ million on top of that.

Mr. McDONOUGH. The reason I raise the question is the demand for processing these loans.

Mr. THOMAS. Oh, I know it is tremendous in your district, and we hope this money will get the job done.

Mr. McDONOUGH. In other words, you believe the amount of money allowed should provide the personnel to take care of these loans?

Mr. THOMAS. There is no question about it in my mind.

Mr. METCALF. Mr. Chairman, will the gentleman yield?

Mr. THOMAS. I yield to the gentleman from Montana.

Mr. METCALF. I have received several telegrams, of which the following is an example:

> I hear all attempts to obtain extension of outstanding FNMA 1-for-1 commitment have been rejected. We need legislation extending the FNMA 1-for-1 commitment. It is vital to our industry.

This is signed by a housing contractor.

Could you explain why that was rejected?

Mr. THOMAS. We cannot do any legislating. The gentleman knows it. Just before we adjourned last year there was a bill passed and FNMA really got a reorganization. For all practical purposes FNMA is a private corporation, and it is hoped to be privately owned outside of the $92 million the Treasury advances. The rest of it is all private capital. What the legislative committee will do I do not know.

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. THOMAS. I yield to the gentle lady from Massachusetts.

Mrs. ROGERS of Massachusetts. With reference to the money for prosthetic appliances for veterans, there will be no doubt about their getting the money, will there?

Mr. THOMAS. We usually put something in the report or in the bill itself requesting the Veterans' Administration not to reduce the expenditures in this fund. Perhaps there is no better

money spent in the whole budget than that money.

Mrs. ROGERS of Massachusetts. I know the gentleman has always felt that way. If I am not mistaken, you cut the appropriation with regard to the Republic of the Philippines about $100,000. Is that correct?

Mr. THOMAS. Yes. That is purely a guess on two parts. We did not know how many veterans were going to be there, and we were not quite satisfied as to the actual cost.

They have a brand-new hospital that we bought and paid for. It is a lovely hospital. It will not be in full operation for another 6 or 8 months. We think they have ample funds to take care of it. If they do not, we will be around and see the gentlewoman and we can all get together.

Mrs. ROGERS of Massachusetts. I am delighted. I think it is money that is very well spent. I am delighted that you have appropriated the money you have for hospitals generally, and I am sure you found the gentleman from Tennessee [Mr. EVINS] very helpful.

Mr. THOMAS. Oh, he is a wonderful man. He is a wheel horse on this committee.

Mr. BONNER. Mr. Chairman, will the gentleman yield?

Mr. THOMAS. I yield to the gentleman from North Carolina.

Mr. BONNER. On page 5, Disaster Relief. Is it to be understood that these loans cover all individual cases that might happen throughout the States, or will the committee pay attention to individual bills that may be introduced and passed by the Congress?

Mr. THOMAS. This, of course, is the President's emergency fund, as we call it. There has probably been more money spent from it than ever before, but if we have a few more droughts and hurricanes we will have to come back and get several million dollars more for it. There is no attempt to limit, if that is the gentleman's question.

Mr. BONNER. That is the question.

Mr. THOMAS. I thank the gentleman for the question. Certainly there is no attempt to limit.

Mr. O'HARA of Illinois. Mr. Chairman, will the gentleman yield?

Mr. THOMAS. Certainly.

Mr. O'HARA of Illinois. In view of the importance of the work being done by the National Science Foundation I am surprised to find that you have so materially reduced the figures in the budget estimate. I wonder if the gentleman could explain it to us in a general way.

Mr. THOMAS. Yes; I think so. We gave them exactly the same amount of money they had last year. They wanted an increase, in round figures, of $7 million more than they had last year to do two things: Subsidize research studies in colleges and universities; and to increase from 750 approximately to 900 the number of students they were going to send to college for further education.

We just figured they were traveling too far and too fast. I am sure if the gentleman will let me read some figures he will agree with me. These are grants to universities for specific studies.

Mr. O'HARA of Illinois. The gentleman is always gracious.

Mr. THOMAS. This is in biology alone:

Alabama Polytechnic Institute for genetic biology, $18,000.

University of Alabama, for molecular biology, $13,000.

University of Arizona, for environmental biology, $8,300.

To the California Institute of Technology, for regulatory biology, $8,500.

To the University of California, for developmental biology, $20,700; for genetic biology, $7,000; for molecular biology, $41,000; and another item to the same institution for regulatory biology of $7,050, and one for systematic biology, $18,750.

Now, let us go to the next one in the same State:

The Kaiser Foundation, for regulatory biology, $13,400.

To Stanford University, for environmental biology, $7,100.

To summarize this, there are about 159 such contracts and about 80 percent of them are for biology. Does not the gentleman think we are going a little heavy in biology this year?

Mr. O'HARA of Illinois. I appreciate the helpfulness of the gentleman in winning my argument for me. The National Science Foundation has to do with basic science, and we have got to build up in our America the reservoir of knowledge in that field. Certainly many of these things might seem unimportant as the gentleman reads them, and to those who may not be familiar with the province of basic science as differentiated from applied science. Does not the gentleman concede that the National Science Foundation is engaged in very fundamental and basic research of the utmost importance?

Mr. THOMAS. I concede that the Federal Government is interested, and this committee is very favorable toward research.

Let me point out to the gentleman that this Government this year is spending $2,041,000,000 for scientific research.

Mr. O'HARA of Illinois. Yes, but if it were not for the contribution of scientific research we would not have any billions to spend.

Mr. THOMAS. We are agreed about that; it is very, very fundamental, but, after all, $2 billion is a very sizable proportion of our budget. This is a coordinating agency. Does the gentleman understand that?

Mr. O'HARA of Illinois. Yes.

Mr. THOMAS. It does not have a single laboratory.

Mr. O'HARA of Illinois. Is the gentleman familiar with basic science? Or is he thinking more of applied science?

Mr. THOMAS. We are thinking of both.

Mr. O'HARA of Illinois. How can we make progress unless we increase our knowledge of basic science? I love the gentleman so much I am sorry that on this occasion I must wholeheartedly disagree with him.

Mr. THOMAS. Well, we will not fall out over that, because, after all, our ideas are one and the same: We are both for furthering the cause of science in this country, and this committee certainly has done it.

Mr. O'HARA of Illinois. And the gentleman from Texas is one of the great Americans of our time, even if he is a little off on science.

Mr. PHILLIPS. Mr. Chairman, I yield myself 27 minutes.

Mr. Chairman, for some reason, whenever this bill comes to the floor I think of the floor leader of the California Senate during the years I served in that body who, in reply to various comments and criticisms invariably said: "Well, you elected me to keep you out of trouble."

I think that the Appropriations Committee, and perhaps this subcommittee, which has had before it as high as 30 agencies of the Government, has the job of taking the authorizations which we ourselves enact on this floor and translating them into an efficient and satisfactory method of spending the money. In the 9 years I have come to the floor as a member of this subcommittee, it has seemed to me that effective work has been done by the quiet persistent process of asking the representatives of the agencies to explain in detail how the money was spent, how they want to spend it in the successive year. I recall several reorganizations which have been effected through the interest of this committee. I recall several retirements, Mr. Chairman, which have taken place a little ahead of the intended time, which have been encouraged by this committee. I have also in mind extensions of the work of some of the agencies and the service they give which again have been encouraged by this committee.

As the chairman of the committee said—and it is a pleasure to serve under him as chairman—this year we have three members on the committee, the gentleman from Texas who just spoke, the gentleman from Illinois [Mr. YATES] and myself who have served there for several years. We have four very able and active new Members, the gentleman from Tennessee [Mr. EVINS], the gentleman from Massachusetts [Mr. BOLAND] the gentleman from Illinois [Mr. VURSELL], and the gentleman from New York [Mr. OSTERTAG]. They have found what we had already found, that this is a technical and detailed job. I for one have appreciated the support of my side of the table, as I know the gentleman from Texas has appreciated the work and support of his side of the table.

As the gentleman from Texas said, Mr. Chairman, this is about as nearly a noncontroversial bill as an appropriations bill can be in any year. There were only 2 matters, and both of those were referred to, on which there might have been a discussion, 1 of which I do not fully agree with. I have not agreed with it in preceding years, but not on the basis of money, Mr. Chairman; on the basis of policy, a policy which I think definitely must in the near future be reviewed by the proper legislative committee. That is the problem of what sort of a policy we shall have for the retirement fund of the civil service.

Now, let us take, Mr. Chairman, three types of retirement funds. There would

be the retirement fund of a private industry, the XYZ industry. That fund must necessarily be invested in sound securities satisfactory for any trust, for the very practical reason that the XYZ industry might decide to close its doors. Therefore the retirement funds that have been contributed by the employees on the one side and the employer on the other side must be protected. Then there are State agencies or quasi-governmental agencies that have retirement funds. I have in mind especially States themselves, which put their money into Federal securities, because that is a higher type of security, and they must maintain a fund.

When you come to the Federal Government I do not believe you, Mr. Chairman, or any Member of this body thinks the Federal Government is going out of business. I do not think there is any higher type of security in which to put the money than our own, actually the operations of the Federal Government.

What has happened? When this money is paid in year after year by the employees they think this is going—and I emphasize, Mr. Chairman, the word "think"—they think this is going into a trust found to be held for their benefit. What happens to the money, Mr. Chairman? The employees' money is taken by the Federal Government and put into the Treasury. The trust funds, of which there are 10, as we all know, are given an IOU, and the money is then spent for the deficit expenses of the Government.

Now, where you spend money for deficit expenses which has been taken in to be put into a trust fund, you are in effect creating a fallacious situation. We do not have a trust fund. In fact, we are spending the money for something for which the people would have been taxed and should have been taxed. Had they been taxed, and were this put into the bill year after year as the exact amount of money that the Federal Government is responsible for, then we might be a little more cautious, Mr. Chairman, in the liberality in which we add people to retirement funds, vote increases to retirement funds, expand the expenses of Government, knowing that here is an amount of money we can spend without the people seeing it.

So, Mr. Chairman, we have to face the fact. As the gentleman from Texas said, this fund is some $5.6 billion below what it should be on the Federal side. If we are going to bring it to actuarial soundness, we have to appropriate about $770 million a year for 10 years, and all we have done this year is to put in a token payment of a quarter of a billion dollars—$250 million.

Now, my conviction has been for years that we should not attempt on the Federal level to create and hold an actuarily sound fund, because the money is being used for a purpose for which it was not appropriated nor gathered from the taxpayers and employees; that we should use the workers' contributions as they come in; that we should appropriate each and every year the amount of money required as it is needed and in that way avoid this double taxation which is the inevitable result of the present system.

Now, so much for that.

Mr. REES of Kansas. Mr. Chairman, will the gentleman yield?

Mr. PHILLIPS. I yield to the gentleman from Kansas.

Mr. REES of Kansas. As I understand, this fund the gentleman is talking about is not actuarily sound; is it?

Mr. PHILLIPS. That is correct.

Mr. REES of Kansas. And according to the gentleman's statement, it will be less sound if we continue to pay these retirees as we are obligated and want to do.

Mr. PHILLIPS. Increasingly so.

Mr. REES of Kansas. As it stands now, I believe the gentleman is telling the House that this account would be actuarily sound if we add about $5.5 billion. Is that right?

Mr. PHILLIPS. That is right; $5.6 billion if put in at once.

Mr. REES of Kansas. But there is an amount of about at least $5 billion earmarked for retirement funds now.

Mr. PHILLIPS. A little more than that—$9 billion.

Mr. REES of Kansas. Nine billion dollars I should have said. It is earmarked, at least, even though it is used for some other purpose.

Mr. PHILLIPS. That is correct. It is nothing, as the gentleman knows, but a paper figure. The people will have to be taxed again to get that $9 billion whenever we actually need it.

Mr. REES of Kansas. What I am getting at is this. The people of this country ought to be permitted to know in some way, and this includes the people who participate in this fund especially, that we are just short $5 billion in that fund.

Mr. PHILLIPS. That is correct.

Mr. REES of Kansas. In other words, if we are going to do what you would do in respect to life insurance or any other organization, we would have to appropriate $5 billion to make the thing even.

Mr. PHILLIPS. That is correct.

Mr. REES of Kansas. So we are just short $5 billion now.

Mr. PHILLIPS. That is correct.

Mr. REES of Kansas. In this bill today you are not even contributing the share that you are supposed to contribute to take care of the expenses. In other words, put it this way. You are not contributing in this appropriation bill as much as the employees are paying in for 1 year, are you?

Mr. PHILLIPS. That is correct. The gentleman has presented the whole picture to the House.

Mr. REES of Kansas. So, the problem is continually growing larger.

Mr. PHILLIPS. I wish the gentleman's committee would hold hearings on it and make some decision as to how we should meet this situation. We would be very glad to help. All we can do is to point out where we are.

Mr. REES of Kansas. Except that the gentleman's committee can take into consideration the funds that are being paid in by Government employees and discuss the question of matching those funds; and if the committee is not doing that, will the gentleman please tell us why?

Mr. PHILLIPS. We are not doing it because the funds simply accumulate. The funds are not used for the retirement system; that is, the funds that we would appropriate. They are used to pay the deficit expenses of Government, thus creating a deception upon the people.

Mr. REES of Kansas. What would the gentleman do with the funds?

Mr. PHILLIPS. I would appropriate each year the amount necessary to appropriate for retirement.

Mr. REES of Kansas. Then you would not have any money at all in any fund.

Mr. PHILLIPS. Eventually the gentleman is right. Of course, we would always have a safe margin in the fund, as the gentleman knows.

Mr. REES of Kansas. That is correct.

Mr. PHILLIPS. But, figuratively speaking, the gentleman is right. The Government would pay in the amount needed for that year. That would be an honest way to treat it from the standpoint of the employee.

Mr. REES of Kansas. Then you would not have what we call a retirement fund, would you?

Mr. PHILLIPS. We do not have one now. We only think we have.

Mr. REES of Kansas. Except we are using it for some other purpose.

Mr. PHILLIPS. That is correct.

Mr. REES of Kansas. But we have it earmarked, do we not?

Mr. PHILLIPS. No. We have deceived the people, because we have told the people that we are creating a trust fund when, in effect, we use it for the deficit financing of the Government, and we will have to go back to the people at some future time and tax them again, instead of now.

Mr. REES of Kansas. The people of this country ought to know that they are $5 billion in debt to the people who have retired from the Government.

Mr. PHILLIPS. I think they know it. I have talked to the representatives of retirement funds, and I think most of them agree with the position that I have taken.

I thank the gentleman from Kansas who has always been very helpful and very much interested in this subject.

Mr. REES of Kansas. I thank the gentleman for his kindness.

Mr. MASON. Mr. Chairman, will the gentleman yield?

Mr. PHILLIPS. I yield.

Mr. MASON. I want to call the attension of the gentleman to the fact that the social-security fund is in exactly the same position as the fund for civil-service employees. The social-security fund is supposed to have $18 billion in it, and it has not a penny in it, only the I O U's of the Government and when they have to pay those, they must tax again the children or the children's children of those who are beneficiaries.

Mr. PHILLIPS. I question very much if the people would have voted that $18 billion and the $9 billion the gentleman from Kansas [Mr. REES] was talking about, if they had realized the situation, that this was merely an evasion, on the part of the Government, of taxes which should have been imposed upon them.

Mr. MASON. That is right.

Mr. PHILLIPS. I do not think they would have voted it. I thank both these gentlemen very much.

Mr. Chairman, I pass now to 1 other point; there were 2, 1 of which might have been a controversy at issue, but that has been removed from controversy by the Committee on Rules.

Mr. McDONOUGH. Mr. Chairman, will the gentleman yield?

Mr. PHILLIPS. I yield.

Mr. McDONOUGH. To go back for a moment to the matter of the retirement fund, do I understand the gentleman's description of the situation as it is now means that we should put in the fund enough to meet the entire obligations of all those employees of the Government who may retire each year, plus the amount necessary to meet the requirements if all employees should retire in 1 year?

Mr. PHILLIPS. The answer to the first half of the question of the gentleman from California is "Yes," and to the second half "No."

Mr. McDONOUGH. Then do I understand that there is not enough money in the fund to meet the requirements for retiring employees for the next year?

Mr. PHILLIPS. The gentleman has reversed his question. There always would be enough to meet any retirements within any reasonable period, a year or more. But there would not be in the fund an amount of $14 billion or $15 billion lying unused. It is actually not there. It is represented only by I O U's from the Treasury, the actual cash money having been used in deficit financing and to avoid that much further deficit or further taxation.

Mr. McDONOUGH. Then, as I understand it, the purpose of the gentleman and his committee is to keep the fund in a liquid condition to meet all obligations without having a great surplus of funds lying here idle?

Mr. PHILLIPS. There has been no question about that. We have kept it in that condition, but we do so by not appropriating as much money as we probably should appropriate, under the terms of the act. I think the matter should be surveyed by the appropriate legislative committee and some determination made.

Mr. REES of Kansas. Let us nail it down in this way. Under the present law, we feel we have an understanding that whatever funds have been paid in by a retiree will be matched and also paid into the Treasury by the Government of the United States.

Mr. PHILLIPS. That is correct.

Mr. REES of Kansas. We have not carried out that agreement.

Mr. PHILLIPS. No; it is not quite that way.

Mr. REES of Kansas. That is almost it.

Mr. PHILLIPS. Here is the situation. We have that understanding. We still have it. There is no change in it. Nobody is proposing a change in it. The question is simply whether you want us to pay it in cash now and let it be used for some other purpose or pay it in as we go along. We will pay that much money and probably more in the long run, because there are a lot of people getting what my distinguished chairman from Texas calls a free ride. They have not put in their equivalent part of the fund. They are getting a free ride. The taxpayers will pay it. Nobody is saying we will not pay our equivalent or more. It is a question of when we pay it.

Mr. REES of Kansas. I agree we will pay some time, but we should have been paying it as we go along or adopt some other procedure or policy in dealing with this important problem.

Mr. PHILLIPS. If we were paying as we go along, the gentleman knows the money would not have been there when we needed it in the future.

Mr. McDONOUGH. Was there any discussion during the committee hearings and consideration of the retirement fund concerning the possibility of using the reserve funds for investment in FHA guaranteed mortgages?

Mr. PHILLIPS. No, there was no such discussion that I recall. Offhand I would have to check the law. I am not sure that would be a proper investment. I am now informed it is legal, so that is all right.

Mr. YOUNGER. Mr. Chairman, will the gentleman yield?

Mr. PHILLIPS. I yield to the gentleman from California.

Mr. YOUNGER. Is it not true there are two types of retirement funds, one actuarially sound by contributions, the other by a taxing body which has the power to tax? Actuarially where it is not necessary to be sound because each of your taxing bodies levies a sufficient amount of taxes each year to meet the requirements of the retirements that year?

Mr. PHILLIPS. The gentleman is correct and has expressed my opinion very accurately and very well. Will the gentleman discuss that with the gentleman from Kansas and convince him also that that is the proper method to handle this?

Mr. Chairman, I have one other matter I want to take up, and that is the matter of the repair and rehabilitation of veterans' hospitals.

I want, first, to say that a small agency, the ICC, about which we have spoken very critically in the past, has put itself upon a reorganized and efficient basis, and as a result you will see, Mr. Chairman, there was no cut in the budget.

The Veterans' Administration also has made remarkable progress, in my opinion, in the past 2 or 3 years. I happen to have a very high opinion personally of the present Administrator, Mr. Higley. I think he is one of the most able we have ever had in the history of the agency, and I think he is to be congratulated.

We have reached to all intents and purposes a saturation point in the general area of G. M. and S. hospitals. We need NP hospitals. We are building them. We have been a little delayed by some unexpected handicaps, but the money has been available.

Now we come to the question of the old hospitals which need to be repaired. While the budget did not ask for any money, the Veterans' Administration had asked the Budget Bureau for money which had not been allowed. The chairman recommended, and we all supported, an appropriation of $30 million which appears on page 34 of the bill. So, when the present survey is completed, the money will be available for immediate starts. The committee has indicated its interest in the rehabilitation of the NP hospital at Downey, Ill., and at Murphreesboro, Tenn. I know from personal observation that the hospital in the Washington area, that is the District of Columbia area, at Mount Alto, should be one of those at the head of the list. There is a problem of where it shall be located. I am also aware from information brought to me that the hospital in Bath, N. Y., in the territory represented by the gentleman from New York [Mr. COLE] is in very great need of certain repairs.

Mr. COLE. Mr. Chairman, will the gentleman yield?

Mr. PHILLIPS. I yield.

Mr. COLE. I have been anxious to discuss this point with the gentleman from California because one of the veterans' facilities is in my district, in my home town, and is an old one. It was a State institution, for Civil War Veterans and was turned over to the Federal Government about 30 years ago. It is now approaching a condition where it must be replaced. There has been a recreation building at that facility that has been condemned for a year and a half and therefore not available for use by the veterans. I have endeavored to persuade the Veterans' Administration to include the replacement of that building in its fiscal 1956 construction program. The Veterans' Administration recognizes the need, but denies the urgency. I have discussed the matter and have had correspondence with the gentleman from California and the gentleman from Texas [Mr. THOMAS] and I rise to inquire if it is possible that replacement of this recreation building might be included in the additional $16 million which the committee has granted the Veterans' Administration for the purpose of replacing the older Veterans' Administration facilities.

Mr. PHILLIPS. I think it is a very necessary improvement myself. I think that the gentleman overlooks one extremely good argument, in my opinion, and that is it is largely a hospital for older veterans and that is a group of hospitals where we do need further facilities and the improvement of existing facilities.

Mr. COLE. May I ask the gentleman just one further brief question as to whether his statement of the urgency of this item for the facility at Bath is generally approved by the other members of his committee?

Mr. PHILLIPS. I have not consulted the other members of the committee officially, but I am sure from the conversations around the table, and those whom I have consulted here today and the others, that they would be of exactly the same state of mind as the gentleman from New York.

Mr. COLE. Will the gentleman permit me to make inquiry of the gentleman from Texas as to whether he has any expression of opinion on this question? I do not desire to embarrass the gentleman, but I would like to just have an indication for the benefit of the Veterans'

Administration as to the attitude of the Committee on Appropriations on this particular point.

Mr. THOMAS. If the gentleman from New York is asking me my personal opinion, I might say I do not know anybody for whom I would like to do a little something in any way that we can than the gentleman from New York. We understand that institution will cost about a half million dollars. It is over 50 years of age and it is very high on the veterans' priority list for correction. I hope the VA can do it for our distinguished friend, "STUB" COLE.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. PHILLIPS. Mr. Chairman, I yield myself 2 more minutes to answer questions by these gentlemen.

Mr. AYRES. Mr. Chairman, will the gentleman yield?

Mr. PHILLIPS. I yield to the gentleman from Ohio.

Mr. AYRES. The gentleman heard the statement made by the gentleman from Texas [Mr. THOMAS] to the effect that the Veterans' Administration stated it had ample funds to operate the GI loan program, and through your committee you gave them a million dollars more than they requested.

Mr. PHILLIPS. That is correct.

Mr. AYRES. Did you feel that the loan program, based on the testimony you heard, is being handled as rapidly as it should be?

Mr. PHILLIPS. On the basis of the testimony before our committee, I was under the impression that it was. What the gentleman says is very interesting. We should look into it, but certainly it is our belief that we have given them enough money to carry out effectively the program in which the gentleman is interested.

Mr. AYRES. The Subcommittee on Housing of the Committee on Veterans' Affairs is going to make an investigation into the matter within the next few weeks, and I would appreciate the gentleman taking our report and impressing upon the Veterans' Administration that possibly they made a mistake in their testimony before your committee.

Mr. PHILLIPS. I thank the gentleman.

Mr. HOLMES. Mr. Chairman, will the gentleman yield?

Mr. PHILLIPS. I yield to the gentleman from Washington.

Mr. HOLMES. A few minutes ago the gentleman was discussing matters of money in this bill for the renovation of veterans' hospitals.

Mr. PHILLIPS. That is correct.

Mr. HOLMES. Could the gentleman expand on that statement a little further?

Mr. PHILLIPS. We have had a program of building hospitals for the Army, the Navy, and the Air Force, Public Health, and so on, private hospitals with public funds, and veterans' hospitals. We have to make use of these hospitals, because while we have in some areas veterans' hospitals filled to 86 percent, the whole hospitalization of the area may be only 50 percent of the capacity and we have to make use of all existing hospitals. The next step is to study the veterans' hospitals, and those that should not be repaired, eliminated, or replaced, and to repair the hospitals in the best way possible and make the best use of the hospitals we have.

Mr. HOLMES. The moneys provided in this bill for the Veterans' Administration and renovation of those older hospitals that need renovation—how is that handled by the Veterans' Administration

Mr. PHILLIPS. The VA has a regular section that handles it; building, renovating, and repairing hospitals.

Mr. HOLMES. They have recommended with relation to a hospital in Walla Walla, Wash., that it would come under the funds that you are appropriating here.

Mr. PHILLIPS. There is a survey going on for that purpose.

Mr. LANHAM. Mr. Chairman, will the gentleman yield?

Mr. PHILLIPS. I yield to the gentleman from Georgia.

Mr. LANHAM. I call attention to a hospital facility in Georgia. It is not in my district. It is in the district of the distinguished dean of our delegation, Mr. VINSON.

Mr. PHILLIPS. Is this Dublin?

Mr. LANHAM. That is correct.

Mr. PHILLIPS. I am familiar with it.

Mr. LANHAM. It is one of the finest hospital facilities I have ever seen, and it is filled to only about one-third capacity.

Mr. PHILLIPS. I can answer that. It is one of the finest hospitals I have ever seen. It was built for the Navy. Congress gave it to the Veterans' Administration. It has everything but patients. In the last few years an effort has been made to use it for the aged and infirm. I have visited the hospital myself and I think the manager is doing a magnificent job there.

Mr. LANHAM. I understand it is not used to one-third of its capacity. There are plenty of patients in Georgia and Florida that ought to be in that hospital. The gentleman from California has been misinformed as to the lack of patients. It is a mistake to talk about building more hospitals when we have that facility and many others that should be utilized.

Mr. PHILLIPS. I thank the gentleman. My reference to the lack of patients had to do with occupancy. I agree that patients could be taken to Dublin from the area immediately surrounding.

Mr. THOMAS. May I ask the distinguished gentleman from California to give me 10 minutes?

Mr. PHILLIPS. I will yield the gentleman 5 minutes now. I think we can supply the other 5 minutes later.

Mr. THOMAS. I yield to the gentleman from Texas [Mr. KILDAY] such time as he may require.

Mr. KILDAY. Mr. Chairman, this bill contains a provision under which it would be necessary to report new housing projects to the committees of the House and of the Senate. This is another example of the increasing number of instances in which Congress is attempting to take over at least a portion of the administration of the laws which we pass.

Under existing law, all real estate acquisitions and disposals by the military departments must be submitted to the Committees on Armed Services of the House and Senate, and the department must come into agreement with those committees before acquiring or disposing of real estate. When we passed the Lease-Purchase Act, a somewhat similar provision was included. In the 1954 amendments to the Atomic Energy Act, a provision was included under which certain contracts must be filed with the Joint Committee on Atomic Energy for a period of 30 days during which Congress is in session, before the contracts can become effective.

Last week, we had protracted debate in the House on the question of approval or disapproval of the proposal for the sale of the rubber producing facilities. The provisions of the Atomic Energy Act resulted in the Dixon-Yates contract being filed with that committee, hearings held on it, and opposing action taken by the committee, in the 84th Congress, as compared to the action taken in the 83d Congress. This experience should be sufficient to prove to all of us that it is not practical for the Congress to administer laws which it passes. A similar intrusion by the Executive upon the legislative powers would be very seriously resented by us. In addition, we are not so organized as to discharge properly the responsibility which we assume by provisions of this character. I realize that the present Housing Act has stripped Congress of effective control over the projects to be undertaken. The condition of the Housing Act may give semblance of the desirability to institute some congressional control. However, the method proposed of submitting projects to the committees of Congress is an evil equally as great, if not greater, than the evils sought to be controlled.

It has never been made clear exactly what character of proceeding the submission of these projects to committees is intended to be. If they constitute a step in the administration of a law we have passed, the function belongs in the executive department and not in the legislative department. If it is intended to be a legislative action, surely we cannot delegate that legislative function to the committees of the two Houses of Congress. If it is a legislative function, it must necessarily be handled by the two Houses of Congress, rather than their committees.

I sincerely hope that this provision of the bill before us will be eliminated.

Mr. THOMAS. Mr. Chairman, I yield 10 minutes to the gentleman from Illinois [Mr. YATES], a member of the committee.

Mr. YATES. Mr. Chairman, I should like first to express my gratification with having had the privilege of serving under the very able and very eloquent gentleman from Texas [Mr. THOMAS] as chairman of the subcommittee, and with having been able to serve with the ranking minority member of the committee, the distinguished gentleman from California [Mr. PHILLIPS]. It was a pleasure, too, to be associated with my other

friends on the majority side, Mr. EVINS and Mr. BOLAND, and with Mr. VURSELL and Mr. OSTERTAG on the minority side. This has been a very stimulating session.

I believe the bill we are reporting today is a good bill. It does not carry the drastic cuts that have marked this committee's activities in previous years. It gives recognition to the fact that the administrative agencies of government need funds with which to carry on their operations. This bill gives them funds in accordance with the requests made by the Bureau of the Budget. In many instances, particularly in the case of the regulatory agencies, I cannot escape the feeling that the Bureau of the Budget did not allow adequate funds to permit these agencies to carry on in accordance with the intention of the original legislation. I fear the public interest will not be protected.

Most of the agencies implied their fear, if they failed to state it directly, that our committee were bound by the order of the administration to carry on their operations economically. There is nothing wrong with this purpose, but they have gone much too far. I believe the Federal Power Commission needs more funds and should pay more attention to natural gas regulation. I think the cut went too far in the case of the Securities and Exchange Commission, even though the entire amount that was requested by the Securities and Exchange Commission was granted by the Bureau of the Budget.

I want at this time to make reference to the point of order which I propose to make later in the reading of the bill for amendment. The gentleman from Texas and the gentleman from California have both stated that there will be no controversy in this bill as a result of the action of the Rules Committee denying the rule yesterday. I appeared yesterday before the Rules Committee in opposition to the proviso and I was pleased when the committee refused to grant the rule.

I shall move to strike out on point of order, the language found at the bottom of page 21, which proposes to compel the Administrator of the Housing and Home Finance Agency and the constituent agencies under his jurisdiction to come to the Banking and Currency Committees of the House and the Senate before any advance loans, contracts for capital grant, contracts for annual contributions may be expected. Public housing is controversial. But this amendment goes for beyond public housing, although that, too, is included. For example, the slum clearance and urban rehabilitation programs are slowed down by this language. College housing is another program that would be affected. Advance planning is another program that would suffer by the provision.

So when the time comes that the bill is read for amendment I propose to make a point of order to that provision to strike it out of the appropriation bill.

Many of my friends have asked me about the Federal public-housing program. You will recall that when the independent offices bill left the House last year there were approximately 35,000 housing units in the pipeline, the pipeline consisting of the number of valid annual contributions contracts that had been entered into by the Government and local housing authorities. It now appears that that number is actually 36,252. The Public Housing Administration will construct during this fiscal year only 15,000 of those units. The remaining 21,252 are yet to be approved for construction.

Of that number San Francisco has 1,698 units which are held in abeyance, Chicago 3,394 units which are held in abeyance, Baltimore has something like 683 units which are held in abeyance, Detroit 3,874, St. Louis 1,534, New York 675, Columbus 524, Cleveland 992, and Washington 1,067. The total of these is 14,441. The balance of the approximately 21,000 units are scattered throughout the remaining municipalities of the country.

As of this time, there has been not one unit of public housing approved under the Housing Act of 1954. The limitations that were imposed on public housing in that law have been so stringent that not one project has yet been approved, and the race is on to see whether by June 30, 1955, any units of public housing will have been approved. The proviso that was added to the Housing Act of 1954 was to the effect that contracts for construction of the 35,000 units could be entered into during fiscal 1955.

Those of us who come from the large metropolitan communities have seen the needs of our communities for good housing held up year after year because of road blocks located by appropriations, riders, and by lip service only by many in positions of authority. We have seen our slum programs held up because of relocation which is perhaps the great need of every good slum-clearance program, want desperately for the administration to take effective action to revive the public-housing program. Without it, we are set back indefinitely.

Mr. AYRES. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield to the gentleman from Ohio.

Mr. AYRES. The present Commissioner of Public Housing is the former mayor of my city of Akron. I think he has done a splendid job in that capacity. From the experience the gentleman from Illinois has had in the public housing field, does he not feel that there perhaps was a deliberate attempt on the part of those who are against public housing to see it come as close to being killed as possible?

Mr. YATES. Right now I think public housing is moribund. I think the gentleman to whom you have referred, the former mayor of Akron, has tried his best to keep the program moving. However, the restrictions and limitations that were placed in the act have pretty well tied his hands. From the estimate I have been able to obtain from the Public Housing Administration, of the 35,000 units which were authorized in the Housing Act of 1954, it is anticipated that not more than 13,000 units, if those, will be authorized for construction by June 30, 1955.

Mr. AYRES. From the interest the gentleman from Illinois has shown in the program, does he have any suggestions as to what can be done to make a live, workable program?

Mr. YATES. To make the program live and workable? I would like to see many of the restrictions in the act eliminated so that the municipalities and the Public Housing Administration can come to some basis which will permit the construction of the housing units. Right now the restrictions are almost insuperable. They just cannot work their way through them.

Mr. AYRES. But that would have to be done by changing the Housing Act.

Mr. YATES. It would have to be done by changing the basic law.

Mr. GARMATZ. Mr. Chairman, the language inserted by the Committee on Appropriations into the section of this bill dealing with funds for the Housing and Home Finance Agency puts a new level of bureaucracy, if you will, on top of all of the existing layers of bureaucracy in connection with public housing, slum clearance, urban renewal, public works planning, and related activities.

In this case, the two legislative committees of the Congress having jurisdiction over housing matters, the House and Senate Banking and Currency Committees, must review and approve every one of the thousands of individual advances, loans, capital grants, or public housing contributions contracts handled by the Housing and Home Finance Agency and its constituent agencies.

Banking and Currency Committees have heavy work schedules on legislative matters, and the time involved in reviewing each of these individual loan or grant applications would be extraordinarily burdensome for the members of those committees, if not completely out of the question. The point is that this rider on the appropriation bill appears to be intended to place a new roadblock in the way of an effective housing program, by introducing new means of delay and obstruction.

Mr. Chairman, instead of further restricting these programs, we should repeal the restrictions of the past few years so that we can again have a really effective public-housing-construction program.

According to the figures supplied for the record of the hearings, only about 400,000 low-rent public-housing units of all kinds, including those transferred to low-rent use from war housing, will have been constructed in this country by the end of the 1955 fiscal year June 30.

Yet the Housing Act of 1949 set a goal of 810,000 units over and above those which had previously been authorized up to that time, and, in fact, called for as many as 135,000 units to be built a year.

The limitations and restrictions on public housing are now so severe that for all practical purposes the program is just about dead. The President has said he will ask for another 35,000 units in the coming fiscal year, but, according to the report accompanying this bill, the message containing the request has not yet come to Congress.

And the hearings on this bill raise all kinds of legal questions as to whether there is any authority for a single additional public-housing unit to be built

anywhere in the country after those now in the pipeline are completed.

That is why, Mr. Chairman, I have introduced my bill, H. R. 377, to repeal the restrictions on public housing provided in several recent appropriation acts prior to this, and also those contained in the Housing Act of 1954. Passage of my bill would restore the provisions of the Housing Act of 1949 allowing up to 135,000 units a year, depending upon Presidential requests and congressional appropriations.

That is the way the problem should be handled—not in this back-door fashion of legislative riders on appropriation acts and through limitations intended to cripple the program or kill it with vague and contradictory language which no one seems to be able to explain clearly.

Therefore, Mr. Chairman, in addition to joining in defeating this rider to the appropriation bill as an unwarranted invasion of the field of their jurisdiction, I hope the members of the House Banking and Currency Committee will soon arrange hearings on my bill to restore the public-housing program of the Housing Act of 1949, giving us a real program which can provide shelter for those most in need of housing.

As for this rider, I think the best thing we could say for it is that it would be monstrously cumbersome in operation, and an attempt to substitute two already very busy committees of Congress for a big, well-staffed administrative agency of Government in the disposition of what should be, under safeguards, only routine project applications.

Mr. O'HARA of Illinois. Mr. Chairman, as a member of the Banking and Currency Committee, from the Chicago municipal area, I was deeply concerned by the legislative rider in the bill as it came from the committee and which fortunately has been stricken on a point of order. The reasons for my concern were, first, as a member of the Banking and Currency Committee, I knew that we had neither time nor personnel sufficient for the task; and, second, as a resident of Chicago, I knew that the rider, bringing about a complete halt to all affected activities by reason of the inability of the Banking and Currency Committee to give the required clearances, would grievously harm the city of my home and of my affection. All of our dreams of a better, cleaner, more beautiful, and wholesome Chicago would die in the embrace of a legislative rider in a bill of appropriation.

H. R. 5240 as it came from the committee contained a legislative rider prohibiting the Housing Agency from exercising the authority previously granted to it by the Congress to enter into financial assistance contracts for slum clearance and urban renewal projects, public housing projects, college housing projects, et ceteria, which meet the standards specified by the Congress in the authorizing legislation unless and until each such contract is approved by the Committees on Banking and Currency of the House of Representatives and of the Senate.

Such a legislative rider invades the basic constitutional principle of the separation of the executive and legislative branches of government by vesting in the legislative branch functions which are exclusively administrative in nature and which under our constitutional principles should be performed by the executive rather than the legislative branch. In the existing authorizing legislation the Congress has laid down the specific conditions which the various types of projects must meet before they would be eligible to receive the particular financial assistance which the Congress has authorized. The function of determining whether those conditions have or have not been met in the case of the thousands of individual projects is clearly an administrative function—not a legislative one.

It must also be observed that this legislative rider does not lay down any standards for approval or disapproval of projects by the legislative branch. It does not say that the legislative branch should approve if the projects meet all the tests specified in existing law. It leaves the matter of the approval or disapproval of each individual project entirely to the whims of the legislative branch. Cities and other local agencies, and colleges, which have to make financial commitments themselves to undertake projects can have no assurance that, even if their projects meet all the conditions specified in the law, their projects can be approved.

The constitutional principle of separation of powers—that administrative functions shall be performed by the executive, not by the legislative branch—developed out of the wise experience of the framers of the Constitution has stood the test of time and it has worked well. When we begin to invade that constitutional principle, we begin to undermine the very foundation of our system of government. We will make our system of government unworkable—unable properly to carry out necessary governmental functions. The committees of the Congress are not equipped in any way to perform such functions—to put it bluntly, the legislative branch is no more fitted to perform purely administrative and executive functions that the executive branch is fitted to perform legislative functions.

Mr. VURSELL. Mr. Chairman, I yield myself 12 minutes.

Mr. Chairman, the bill we have before us for consideration today covers 17 departments of Government, carrying a total expense of $5,845,595,375. Of this amount, $4,463,126,000 goes for the care of the veterans and their dependents. The remaining amount appropriated for the various agencies of Government in this bill, excluding the veterans, is $1,382,469,375.

These figures, large as they are, would amount to a net decrease under the budget estimates of $44,194,625, if we had not written into the bill $250 million, which goes to pay the Government's part of the civil service retirement and disability fund.

The increase of the current year is primarily due to this large item, the increase of $168,900,000 for funds for strategic and critical materials, and an increase of $210 million for veterans' benefits.

NUMBER OF EMPLOYEES

Testimony before our committee leads us to believe that the agencies involved have been doing a rather creditable job, and are generally discharging their responsibilities with an eye to economy, and with a minimum number of personnel.

During the hearings each agency was asked to insert a table in the record of the average number of employees for each of the past 10 years, or since the agency was created, and also a summary of the highest employment figure for each agency during the decade, 1947–56. The number of employees estimated for the 1956 budget, and the number of employees provided for in the bill are shown in the table that follows.

Mr. Chairman, I submit this table as a part of my remarks for the RECORD:

Table of the comparative average number of employees for agencies in the bill, 1947–56

Agency	Highest annual employment during last decade	1956 budget estimate	Recommended in bill
Civil Service Commission	4,993	3,150	3,036
Federal Civil Defense Administration	839	768	728
Federal Communications Commission	1,404	1,031	1,057
Federal Power Commission	817	702	702
Federal Trade Commission	676	640	629
General Accounting Office	13,895	5,932	5,924
General Services Administration	28,929	26,472	26,291
Housing and Home Finance Agency	13,481	12,762	11,489
Interstate Commerce Commission	2,248	1,916	1,916
National Advisory Committee for Aeronautics	7,600	8,430	7,631
National Capital Housing Authority (total)	357	282	282
National Science Foundation	170	187	170
National Security Training Commission	6	6	0
Renegotiation Board	716	569	502
Securities and Exchange Commission	1,187	730	712
Selective Service System	7,707	6,695	6,650
Veterans' Administration	204,732	168,863	167,820
Total	289,257	239,135	235,539

This table carried in the report indicates a substantial reduction of personnel. You will note that your committee has recommended, in column 3, 235,539 employees for these agencies, as against the high point for these agencies during the past 10 years, the larger number of 289,257 employees. This is a reduction of 53,718 employees in these agencies. The budget request for employees covering these departments to your committee was 239,135. We cut this to 235,539, which provides for a reduction under the 1956 budget estimate of 3,596. Your committee feels satisfied that these reductions are justified under the testimony, and these departments will be sufficiently staffed to carry on their work efficiently and effectively.

I feel it is the consensus of the committee that practically all of these departments of Government are in capable hands and that in practically every instance those in charge of the various departments are approaching their work with zeal and efficiency, are doing their best to discharge their duties in an effi-

cient and economical manner, and, generally, are doing a good job.

GENERAL ACCOUNTING OFFICE

I was particularly impressed with the alertness and the ability evidenced by those in charge of the General Accounting Office. This Office appears to me to be doing a most excellent job. Their services are of untold value to our Government from the standpoint of efficiency which they are able to bring about by better accounting practices and by the tremendous amount of money they have been able to collect for and to save the Federal Government.

CIVIL SERVICE AND SECURITIES AND EXCHANGE COMMISSIONS

The Civil Service Commission, considering the volume and character of the work, is to be commended; and the Securities and Exchange Commission, with its very great responsibility to the public, shows every evidence of dedicated business management and efficiency in performance.

The Housing and Home Finance Agency is also doing a very splendid job.

VETERANS' ADMINISTRATION

This tremendous organization, for which we provided $4,463,126,000, the committee feels has shown great improvement over the last few years in its business management, and is apparently carrying out the work of administration not only in an economic manner but in a way to bring the greatest amount of relief possible to our millions of veterans, and their dependents, which it serves.

The committee recommended the amount of $267,862,200 more for the VA for the fiscal year 1956 than was provided in the fiscal year of 1955 budget.

Appropriations for all hospital, insurance, and benefit programs were approved in full, and an additional $16,885,000 over the budget estimate has been added in the bill to start the rebuilding of some of the older hospitals. The only reduction made in this bill was for administrative expenses in nonmedical programs. We reduced this nonmedical program by $5,300,000. I believe a careful study of our report on the VA, which is before you, will impress you with the fact that our committee has earnestly tried to go as far as we reasonably could in providing for proper medical, hospital, and other care for our veterans.

GENERAL SERVICES ADMINISTRATION

The recent hearings on estimates for 1956 gave me an opportunity to observe the operations of the General Services Administration, under the able management of its Administrator, Mr. Edmund F. Mansure, a former successful businessman of Chicago, who is doing a blue-ribbon job in rendering an excellent service to the Government.

I was amazed to discover the magnitude of operations of GSA, and impressed by the earnest, businesslike way in which the complex problems involved in central management of property, supplies, and records of civil agencies of Government are being carried out by Mr. Mansure and his able staff.

GSA controls Government assets of over $8.3 billion, of which $5.6 billion is the Nation's bulwark of critical materials in case of war. It provides and maintains 130 million square feet of space as working quarters for Government agencies. It procures $400 million of supplies and equipment needed annually by Government agencies for their operation. It manages each year the reutilization or disposal of over $1 billion of excess or surplus real and personal property, and destruction of over 3 million cubic feet of Government records—3,000 boxcars full.

In addition, it could well be said that GSA operates and controls the biggest real-estate business in the world. GSA is responsible for the management and supervision of most of the Government buildings in the United States. Mr. Mansure has been able to reduce personnel, and at the same time extend the worthwhile activities of his organization. This agency, which a few years ago employed 28,929 people, is now operating with 26,472, a reduction of 2,457 employees.

Ever since it was established in 1949, GSA has demonstrated that vast sums can be saved by the departments and agencies in the Federal Government through application of sound business principles and practices. Savings and economies have grown steadily from year to year. In its last annual report, GSA accounted for $147.6 million in Governmentwide savings and economies.

Price advantages from centralized purchasing of supplies and equipment last year were worth $59.8 million. Reuse of personal property excess in various agencies by other agencies precluded purchases of over $57.5 million. For example, one agency needed 500,000 blankets. GSA came up with some excesses here and there, and arranged the transfer to the needing agency, and a purchase of $4.5 million was avoided.

The future holds an outlook for even greater savings, some of which can be accomplished by merely expanding current activities into untouched areas and fields when budgetary limitations are less restrictive. For example, one of the projects being undertaken by GSA holding great possibilities of savings is the control, through pooling, of commercial-type motor vehicles. The Government fleet consists of 228,438 vehicles which ran nearly 2 billion miles last year, at a cost of $185 million in upkeep, service, and depreciation. Through pooling, GSA expects to cut back the size of the fleet, get rid of excess vehicles, eliminate duplicating services, and reduce operating personnel. Other projects are in the planning stage.

Elimination of waste and extravagance in Government is an objective of every Member of the House, and I feel convinced that we have found in GSA a formidable weapon for carrying out these objectives in the fields of property and records management.

Mr. THOMAS. Mr. Chairman, I yield 8 minutes to the gentleman from Tennessee [Mr. EVINS], a member of the committee.

Mr. EVINS. Mr. Chairman, the gentlemen of the committee who have preceded me have fully covered the major items in the pending appropriations bill.

The gentleman from Texas [Mr. THOMAS], the distinguished chairman of the Subcommittee on Independent Offices Appropriations, has furnished the committee with a clear, concise and informative statement of the contents of the measure under consideration. It should be added that when Chairman THOMAS has completed his statement there is little further that can be added, or needs to be added, by way of explanation of an appropriation bill coming from the committee of which he serves as chairman. He is, as we all recognize, an able and hard-working chairman and he has performed an excellent service in this instance as is his usual custom.

It has been a privilege to be associated with him in the work of the subcommittee. It has been also a privilege to work with Mr. PHILLIPS, the ranking minority member of the subcommittee, and all of the members of the committee.

It has been a refreshing and stimulating experience serving on this committee. This has been my first year of service on the Committee on Appropriations and I should like to take this opportunity to express my appreciation to all of the members of the committee for their kindness and helpfulness. The fine spirit of cooperation which all members have manifested in the work of the committee has been unexcelled.

This bill, Mr. Chairman, which the committee has brought before the House represents months of study and extended consideration of the needs and requirements of the 18 agencies of the Government comprising the category of independent offices.

It is readily apparent that the work of this committee is very important and certainly carries with it great responsibility when we consider that the committee has been asked to look into and analyze budget estimates for the fiscal year 1956 these 18 agencies totaling $5,639,790,000—with the amount recommended by the committee totaling some $5,845,595,375.

I am certainly not going to discuss all the items of appropriations included in this bill—as other Members have spoken and given an explanation of certain groups involved in the independent offices category—but shall mention only a few items principally the Civil Service Commission, the Civil Defense Administration, the regulatory agencies—Interstate Commerce Commission, the Federal Trade Commission, the Federal Power Commission, and the Veterans' Administration.

As the committee report indicates, by far the major item included in the recommendations for the Civil Service Commission, as we know, is the sum which the committee has earmarked for Government payment into the civil-service retirement and disability fund—an amount of $250 million for 1956. There has been no specific recommendations for this purpose by the Budget Bureau—although the sum of $216 million was proposed for subsequent transmission to the Congress for approval. It is the view of the committee that set-asides for this

purpose should be resumed as there have been no payments by the Government into the fund for the past 2 years. It was, and it is, the feeling of the committee that the Government should keep pace with the contributions of Government employees into the civil-service retirement fund.

The Government must keep faith with its employees in the matter of retirement funds and the contribution proposed by the committee—while it is a step in the direction of building up this fund—is still far below estimated requirements, but, as indicated, it is a step in the right direction to even up this burden and to cut down the accumulating obligation.

It is my view that the committee has made wise recommendations also with regard to the funds needed by Federal civil defense. The committee has approved the sum of $53,400,000 for the continuing programs of this agency. This sum represents an increase of $5,375,000 of the amount appropriated for this purpose for 1955—the current fiscal year. It is felt that more emphasis should be placed on the use of matching funds by our States and municipalities since there appears to be no possibility of the Federal Government supporting every desire and demand and estimate of this program. The amount appropriated would seem to be all that this agency is in a position to use wisely at this time.

For our regulatory agencies, the committee has given close attention to the needs apparent in the forceful prosecution of the duties of these agencies intended by the Congress.

The Federal Communications Commission was allowed a recommended appropriation of $6,870,000 which is a substantial increase over 1955 as well as the budget estimate for 1956. The Federal Power Commission, the Federal Trade Commission, as well as the Interstate Commerce Commission have likewise been given boosts in the amount of their appropriations—this to bolster a lagging enforcement policy and to meet the needs apparent to enable these agencies to operate within the framework of their duties outlined by the Congress.

Concerning the Veterans' Administration, as many Members will no doubt recall, Mr. Chairman, for the past several years—in fact each year since the end of World War II when appropriations for all phases of veterans' benefits and veterans' programs reached a peak—there have been reductions and cuts made in funds for all veterans' benefit programs—cuts in funds for compensation and pension, hospital and medical-care programs, education and training allowances, insurance, housing, and other benefits. This year I am pleased to report—for the first time in 10 years—there has been no cuts or reductions in amounts for these purposes under budget recommendations.

The committee in looking into the needs of the Veterans' Administration budget has reduced only one item, that of administrative cost by $5,300,000. This cut applies only to administrative expenses and out of a total budget for this purpose of $160,300,000—leaving a total of $155 million for administrative purposes. The total VA budget, for fiscal 1956, approved by the Bureau of the Budget is $4,452,370,000. The total funds recommended for all programs of VA by the committee is $4,463,126,000—a net increase of $10,756,000.

The committee after full and careful study of all programs administered by the Veterans' Administration wisely, in my opinion, increased Bureau of Budget recommendations for hospital and domiciliary facilities for needed alterations, repairs, and improvements for veterans' facilities from $13,800,000 to $30 million—an increase of $16,185,000.

Administrator Higley testified before our committee that the Veterans' Administration is currently making a survey of hospital facilities to determine what hospitals should be replaced and which hospitals need extensive modernization. The Committee on Veterans' Affairs of the House simultaneously also has made a similar survey. The results of these surveys are already alarming.

In response to my own questioning, Mr. Higley testified that the approximate value of all VA hospitals amounts to $2½ billion and that the sums approved by the Bureau of the Budget for repairs, upkeep, and maintenance of a $2½-billion investment represents an extremely low minimum. The VA requested $20 million of the Bureau of the Budget for this year for this purpose, but these funds were denied by the Budget Bureau. The committee, as indicated, has increased this item by $16,185,000, making a total for this purpose—repairs, alterations, improvements, and modernization of hospitals and domiciliary facilities—$30 million.

The Veterans' Administration maintains at the present time nine old Army cantonment-type hospitals which have been described as firetraps, and all of these temporary hospitals are included in the VA long-range plan for replacement. Administrator Higley has estimated that the cost of this program would run about $175 million. In view of the huge investment in VA hospitals, the number of cantonment-type hospitals that are in need of replacement and the extensive repair and modernization program which is planned, but has been repeatedly delayed, I feel that the amount appropriated for this purpose is more than justified and that additional funds will of necessity have to be forthcoming when the VA gets this program fully under way.

This action was taken after careful and due consideration of the urgent need for increased bed capacity for all types of VA hospitals, including hospitals for care of neuropsychiatric patients, such as the veterans' facility at Murfreesboro, Tenn., where an excellent job is being done for veterans under restrictions of inadequate funds for needed expansion.

I want to repeat that it is my view that the committee has brought a meritorious bill to the floor, and I trust and urge that the Members affirm the work of the committee and its recommendations and pass the bill as written.

Mr. HAYS of Arkansas. Mr. Chairman, will the gentleman yield?

Mr. EVINS. I yield to my friend.

Mr. HAYS of Arkansas. I have a brief question for the purposes of clarification. I note that the committee increased the appropriation over the budget request for restoring buildings that have been destroyed and building new facilities and hospitals. We have in my district the need for a hospital to replace one which was destroyed by a disastrous fire in June. With this additional amount, I wonder if the gentleman could tell me whether or not it is broad enough to cover situations of that kind where there was not enough time to get it up in the budget request.

Mr. EVINS. Yes, I would say to the gentleman that the $30 million approved for modernization, repair, alteration, and improvement of existing facilities might be used for replacement of a partially destroyed VA hospital, such as the North Little Rock facility in which you are interested.

Mr. HAYS of Arkansas. This is to replace one which was destroyed by fire.

Mr. EVINS. I should think the same funds could be used for that purpose if the facility is not considered as a new hospital plan or proposal. I shall add that there are no funds in this bill for construction of new hospitals.

Mr. HAYS of Arkansas. I thank the gentleman.

Mr. WILLIAMS of Mississippi. Mr. Chairman, will the gentleman yield?

Mr. EVINS. I yield to the gentleman.

Mr. WILLIAMS of Mississippi. I would like to go along with the others in congratulating the committee for taking the long-range progressive viewpoint that it did in adding this $15 million plus to the budget for the purpose of remodeling and improving the existing hospital facilities that we have. Certainly these funds are needed.

In the hearings the Administrator of Veterans' Affairs repeatedly referred to the need for relacing several of the old cantonment type of hospitals which are still being used by the Veterans' Administration, most of which were given to them by the services at the end of the war. Mr. Higley said, and I quote:

> Not only are they difficult to operate but they are expensive and they are firetraps, and we have spent a lot of money trying to get away from fire hazards.

I happen to know from my own personal experience, having been a patient in one of those cantonment-type hospitals for 3 months in 1952, that Mr. Higley knows whereof he speaks. The Jackson (Miss.) Veterans' Hospital is one of those cantonment-type hospitals and, naturally, I feel very much interested in what may happen in the future.

As I understood your explanation of these additional funds a few moments ago, this money will not be used to initiate construction or planning for any of these replacement hospitals?

Mr. EVINS. There are no funds in this appropriation for construction of new veterans' hospitals. The $30 million recommended in this bill by the committee is for repair, alteration, and modernization of existing Veterans' Administration hospitals and domiciliary facilities.

I should add that Administrator Higley testified that there are nine old can-

tonment-type hospitals throughout the Nation, of which the one in the gentleman's district is included, in need of replacement. It is planned to bring in a program for replacing these nine old firetrap hospitals at an early date. The committee has urged that the VA come forward with such recommendations at an early date. The work of our committee and the Committee on Veterans' Affairs will cause the Administrator, I feel, to move a little more rapidly in this direction.

Mr. PHILLIPS. Mr. Chairman, I yield 2 minutes to the gentleman from Florida [Mr. CRAMER].

Mr. CRAMER. Mr. Chairman, I wish to commend this committee on its action with regard to the hospital and domiciliary facilities in adding $16,185,000 to that aspect of this appropriation bill. I think in doing so they acted not only wisely but of necessity.

I find in the report on page 15 that they found, as the gentleman who just spoke stated:

> The Administrator testified that the Veterans' Administration was currently making a survey of the hospital facilities to determine what hospitals should be replaced and which hospitals need extensive modernization. The results of the surveys are already startling.

To me that is very understandable, because I come from the State of Florida, in which we have an influx of over 100,000 people a year and approximately 200,000 veterans in the last 10 years. It is expected that our State will have the second largest influx of people of any State within the next 10 years. That is particularly of importance in my district, in that our hospital situation is as follows, which I think points up emphatically how important this appropriation is:

At the VA Center, Bay Pines, Fla., we have a facility with 599 beds. There are 594 veterans whose eligibility have been established or whose eligibility establishment is pending; 594 who are unable to get into this hospital facility. It is believed that the modernization program of this hospital will increase the operative capacity alone by some 50 percent.

Unlike the gentleman from the State of Georgia who just spoke whose hospital is in Dublin, we are in the situation where we have too small a hospital for too large a number of patients for the facility, whereas he has too large a hospital and too few veterans. It is not a question of transferring veteran patients because they come to the State of Florida on account of the excellent weather and climatic advantages to them, and which is needed for their health and which they can get only in Florida. Therefore, improved facilities are needed in Florida and the Bay Pines Hospital in my district is the largest facility with the largest waiting list.

I have hopes that some of this additional appropriation will be made available to this facility, it being high on the priority list for improvements in the amount of $1,273,900.

Mr. PHILLIPS. Mr. Chairman, I yield the balance of the time on this side to the gentleman from New York [Mr. OSTERTAG].

Mr. OSTERTAG. Mr. Chairman, this is my first year as a member of this important Subcommittee on Independent Offices and I want to say at the outset that it has been an extreme and an interesting pleasure to associate myself with the members of this committee, the gentleman from Texas [Mr. THOMAS], the gentleman from California [Mr. PHILLIPS], and the others.

As the Members of the House know, the Independent Offices Subcommittee deals with the appropriations of many agencies of our Government. It was an extremely interesting privilege to listen to and discuss with the representatives of these agencies their needs and problems. There is much that might be said about this important bill and this important report of the subcommittee. I want to take a moment to allude to a reference in the report under the section relating to the Federal Power Commission about which the gentleman from New York [Mr. KEATING] spoke earlier in the debate. He referred to the relationship of the appropriation for the Federal Power Commission to the International Joint Commission and to our United States representative from the Federal Power Commission on this international body. I am happy that the report makes reference to the need for continuing representation on the part of the United States from the Power Commission of a person who is not only interested and concerned but also one who will exercise real vigilance in the protection of the properties of the people of the United States along the international waters of the Great Lakes.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. OSTERTAG. I yield to the gentleman from Texas.

Mr. PATMAN. I wish the gentleman would turn to page 28 under the heading "Veterans' Administration" and refer to the $300,000 available to the President for special study of compensation and pension programs. I wonder if the gentleman does not believe that such studies should be by the legislative branch and not the executive, and if he does not think this is possibly subject to the charge of bypassing the legislative branch?

Mr. OSTERTAG. I would be happy to yield to our distinguished chairman to respond to the inquiry of the gentleman from Texas.

Mr. THOMAS. We had a budget request for this language. In years gone by all Chief Executives have done that. The gentleman asks whether it is legislation. The answer is, "Yes, it is."

Mr. PATMAN. I expect, of course, to make a point of order against it and I hope it is sustained.

Mr. TEAGUE of Texas. Mr. Chairman, will the gentleman yield on that point?

Mr. OSTERTAG. Yes; I yield to the gentleman from Texas.

Mr. TEAGUE of Texas. Whatever recommendations are made by that committee will come to the Committee on Veterans' Affairs. Since January our committee has been making an investigation of compensation and pensions. We expect to continue. I think there is a lot of work that needs to be done on veterans' problems. The committee is investigating and expects to continue.

Mr. OSTERTAG. I commend the gentleman on the job he is doing in this field. I am confident that the results will be beneficial to all including the veteran.

Mr. LAIRD. Mr. Chairman, will the gentleman yield?

Mr. OSTERTAG. I yield to the gentleman from Wisconsin.

Mr. LAIRD. I would like to ask the gentleman a question. The time of the gentleman from Tennessee expired before I could ask him the same question. In his remarks he made a point of the fact that this is the first time in a number of years that the complete request which had been approved by the Bureau of the Budget for the VA had been granted as far as hospitalization and other features of the veterans' program were concerned. Yet last year I was on the Appropriations Committee and at that time it seemed to me that we had granted more funds than were requested and approved by the Bureau of the Budget in the appropriation bill last year.

Mr. OSTERTAG. May I respond to the gentleman by saying it is my understanding that the Congress and the committee reported and appropriated more money during each of the past 2 years than was requested by the Bureau of the Budget for veterans' hospitalization and medical-care programs. As to this year, the budget request, I believe, amounted to $4,452,000,000, an increase of some $257 million, and, in addition to that, the committee has increased the amount by some $10 million. Therefore, there is a substantial increase given this year over that approved by the budget and requested by the administration. And I repeat that increases were made on each of the past 2 years.

Mr. SISK. Mr. Chairman, will the gentleman yield for a question on housing?

Mr. OSTERTAG. I yield to the gentleman from California.

Mr. SISK. I would like to inquire with reference to the appropriation for the Housing and Home Finance Agency, if there is any consideration given with reference to the bottleneck that has developed in a number of the offices and the great backlog of work. Was there any provision for additional offices?

Mr. OSTERTAG. I believe the chairman of the committee, the gentleman from Texas [Mr. THOMAS], has the answer to that question at his fingertips.

Mr. THOMAS. I may say to the gentleman that certainly he has a very urgent problem in his own area and the committee in an effort to recognize and get that problem behind us has increased that appropriation to the district offices so that they can process applications to the tune of $7 million more than they had last year. We think that will cut down that backlog to the point where it should be.

Mr. SISK. I thank the gentleman.

Mr. Chairman, I would like to seek enlightenment and make some comments

upon one item in the bill before us, that is the proposed appropriation for administrative expense of the Federal Housing Administration of the Housing and Home Finance Agency.

I have read the report of the committee and it appears this item is recommended for some increase over the current appropriation, but that the amount proposed is less than that requested by FHA. I also note that the committee finds the administrative expense of FHA unduly high in comparison with similar costs incurred by the Veterans' Administration in processing veterans' home loans.

Now, I have received many complaints from my district, and particularly from the metropolitan area of Fresno, Calif., about the delays occurring in processing FHA insured loans. I personally know of instances in which valid, approved applications have been delayed up to 7 or 8 months in approval of reinsurance. My people are demanding that a district insurance office be established in Fresno to try to cut down these delays which are causing large and unnecessary losses and are depriving people of homes. I understand this backlog of uncompleted cases bottlenecked in FHA insuring offices is general throughout the country.

I have examined the transcript of hearings on these appropriations before the committee and I have been unable to find that this bottleneck in the FHA program was discussed before the committee, or that any facts and figures on the magnitude of the problem were sought from the FHA representatives before the committee.

I would like to ask the committee what its information is on this subject and whether or not the appropriation here recommended is sufficient to permit establishment of district insuring offices in areas where the volume of business and the existing backlogs indicate the urgent necessity of faster action.

I would further like to serve notice that I intend to ask the FHA for such an office in Fresno, Calif., and that I sincerely hope that the Administrator of FHA will take to heart the committee's suggestion that he find means of reducing administrative expense so that the appropriation allowed will permit establishment of such additional offices as may be needed to service these applications promptly and without continued hardship and inconvenience to the people.

Mr. HAYS of Arkansas. Mr. Chairman, will the gentleman yield?

Mr. OSTERTAG. I yield to the gentleman from Arkansas.

Mr. HAYS of Arkansas. There are some 228 applicants for admission to the hospital at Fort Root, Ark. Is it the gentleman's opinion that this item is broad enough to cover replacement and occupational rehabilitation at that point?

Mr. OSTERTAG. I am sure the gentleman from Texas [Mr. THOMAS] would like to answer the gentleman's inquiry.

Mr. THOMAS. The budget estimate for major repairs to these 172 institutions of the Veterans' Administration was $13,815,000. The committee, recognizing the need for that hospital in the gentleman's district and the need for hospitals in districts of the other Members, went above the budget to a total of $30 million. So there are funds in there. I understand the gentleman's project is high on the priority list. I hope the Veterans' Administration will get busy and put the institution in the shape it ought to be in.

Mr. HAYS of Arkansas. I thank the gentleman.

Mr. OSTERTAG. Mr. Chairman, I want to discuss one more subject included in this bill and report and I refer to the civil-defense program. I have a suggested amendment which I shall offer for the purpose of making clear that the money in this bill is available for training and education purposes in the use of the monitoring and detection devices so essential to the radiological problems of today and the radioactive fallout. I shall discuss this matter at the time I offer the amendment when we reach that point in the bill.

Mr. CEDERBERG. Mr. Chairman, will the gentleman yield?

Mr. OSTERTAG. I yield to the gentleman from Michigan.

Mr. CEDERBERG. I want to ask the gentleman if he has determined whether or not a specific situation in Michigan can be handled in the funds allowed for the VA in this bill. We have the Dearborn facility, in Dearborn, Mich., that has several hundred vacant beds at the present time. We are interested in trying to use these beds for psychiatric cases where we have a shortage of beds. I wonder if the survey found that this would be feasible and that there are sufficient funds to handle that situation.

Mr. OSTERTAG. It is my understanding that funds are available for this purpose and the survey is under way. I am confident the transfers can be made. The whole purpose of these studies and these surveys is to obtain a proper balance and utilization of the facilities in existence.

Mr. CEDERBERG. I assume the committee would look favorably on that, and in the event there were not sufficient funds, that they would be forthcoming.

Mr. OSTERTAG. I do not propose to answer for the committee or the Congress.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. THOMAS. Mr. Chairman, I yield the remainder of the time to the gentleman from Massachusetts [Mr. BOLAND].

Mr. BOLAND. Mr. Chairman, I rise at this time to express my convictions that have been developed as a result of my new experience of service on the Committee on Appropriations and specifically the Independent Offices Subcommittee. When I came here 2 years ago I marveled at the ability of those serving on the Committee on Appropriations and wondered how they developed the information and the knowledge that they possessed in relation to the departmental budgetary requests. In my experience this year I learned how they have developed that knowledge. It has been a distinct pleasure for me as a second-term Member to serve on this committee and to watch and learn as the gentleman from Texas, Chairman THOMAS, the gentleman from California [Mr. PHILLIPS] and the gentleman from Illinois [Mr. YATES] handled the budget requests for fiscal 1956.

Mr. Chairman, this is a committee that spends some $6 billion and it deals with some 16 agencies of our Government, agencies that reach in and touch practically every facet of life in the Nation. So, it is well that this Congress have men who are informed as to what these agencies need and what is sometimes more important, what they do not need. I want to commend the gentleman from Texas [Mr. THOMAS] and the ranking minority Member from California [Mr. PHILLIPS] and the gentleman from Illinois [Mr. YATES] who have served on this committee with such great distinction over the years and who have been of great assistance to us, the new Members who now serve on that committee.

I want to congratulate my chairman [Mr. THOMAS] and I think I speak for all the members of this committee and, I believe I speak for all the Members of this House, when I say that he is a great chairman. How does one become a great chairman and a valuable member of this committee? By hard, painstaking work—taking home the agency justifications and sitting for hours studying the requests. That is what the gentleman from Texas [Mr. THOMAS], the gentleman from California [Mr. PHILLIPS], and the gentleman from Illinois [Mr. YATES] have done and continue to do. The membership of this House can be proud of the service they have given and are giving to this Nation.

I am happy to be associated with them and with Mr. EVINS, of Tennessee; Mr. VURSELL, of Illinois; and Mr. OSTERTAG, of New York, all new members of this subcommittee who also have given outstanding service during the hearings of this committee.

Mr. CRAMER. Mr. Chairman, I have earlier spoken on the floor of the House of some of the benefits that will result from the use of additional funds for improvement of hospital and domiciliary facilities at veterans' hospitals throughout the Nation. I would take this opportunity to further point out some of the advantages to be received by this action, and, what is more important, some of the benefits in service to be directly received by worthy veterans in my area of the State of Florida at the VA center at Bay Pines.

Recommendations before the Committee on Veterans' Affairs would, by improvement of present facilities and without extensive building additions, would provide better professional services to the patients now being treated at the Bay Pines facility and would result further in more effective and economical use of employees. Recommended improvement of the surgical facilities would increase operative capacity by nearly 50 percent and would add to the roentgenological service and permit treatment of postoperative cases without transfer to other facilities at further expense and

inconvenience to the veteran. This speedup and betterment of operative conditions is most important whereas many or more veterans are awaiting admittance to this 599-bed hospital as are under care. I see no better dollar investment for the Government than this increase in use of present facilities.

The amount of the additional and urgently needed improvements requested for Bay Pines is $1,273,900. Of the additional amount of $16,185,000 recommended in the appropriation bill presented today, this is relatively small when consideration is given to the ratio of resident veterans per bed available in Florida, which is 309 to 1, as compared to the national average of 185 to 1. This needed improvement in a vigorously growing area of our Nation is most imperative.

The CHAIRMAN. All time having expired, the Clerk will read the bill for amendment.

The Clerk read as follows:

The Civil Service Commission shall not impose a requirement or limitation of maximum age with respect to the appointment of persons to positions in the competitive service who are otherwise qualified: *Provided*, That no person who has reached his 70th birthday shall be appointed in the competitive civil service on other than a temporary basis.

Mr. REES of Kansas. Mr. Chairman, I make a point of order to the language on page 4, line 6 to line 12 inclusive, that it is legislation on an appropriation bill.

Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. REES of Kansas. Mr. Chairman, I have offered this point of order against certain provisions in title 1 relating to the Civil Service Commission because it contains legislation in an appropriation act. Under this legislative directive contained in the appropriation act you would prohibit the Civil Service Commission from imposing any requirement or limitation of maximum age whatsoever with respect to the appointment of persons in competitive Civil Service.

In making this point of order, I emphasize that I do not disagree with the Federal Government establishing a firm policy for the employment of older persons. I do, however, emphasize that our committee, which through past years has demonstrated that they have an interest in furthering the policy of employing our older citizens, be provided with any information which would indicate that such a policy was not being followed out in the Federal Government.

It is well recognized that the proportion of older persons in our population is increasing, and I fully agree with the House Appropriations Committee that the Federal Government as an employer should set an example in hiring older workers wherever they can be effectively employed.

Actually I believe our Federal service has a good record in employing older workers. After Public Law 455 was approved in 1952, the Civil Service Commission made a thorough review of existing age limits in the competitive service. Before this time, there was generally a maximum age limit of 62 years, with many lower limits set in specific cases. As a result of the Commission's review of Public Law 455, this general 62-year limit was abolished. Instead the Commission published a list of specific age limits for certain jobs after a careful review of the facts in each case. The Commission urged all Federal agencies to hire older workers for appropriate jobs and set up special regulations for hiring workers over the age of 70 for one year renewable appointments.

While I firmly believe that older workers should be encouraged to work in appropriate Federal jobs, I also believe that certain types of Government work require younger persons.

A good example is the job of aeronautical research pilot in the National Advisory Committee for Aeronautics. These pilots make test flights under experimental conditions where quick reaction time is essential. The Commission has set an age limit of 33, not waived for veterans, for the lower grades in this occupation and a limit of 40 years for the higher grades. Certainly you would be doing no favor to an older man in letting him accept the risks of this highly dangerous occupation.

Federal law enforcement positions likewise require fairly young and aggressive men. I can think of two examples: First, the immigration patrol inspector who guards our borders in every kind of weather under the Immigration and Naturalization Service of the Department of Justice. In this case the Commission has set a maximum age limit of 31 for nonveterans and 35 years for veterans for entrance into these jobs. It seems to me that these are very reasonable limits for this difficult and sometimes dangerous work. Records going back over the years show the hazards to which this fine group of public servants is exposed. In the interest of the man himself, as well as in the interest of the Government, we should provide for realistic age limits for these types of jobs.

Second, I am thinking of jobs like the various types of criminal investigators in the Treasury Department—the T-men of the Secret Service, the Bureau of Narcotics, the Internal Revenue Service, and the Customs Service. These are arduous and hazardous law-enforcement jobs. The Government's interest requires that they be filled with men who are fit to withstand physical encounter with public enemies. For these jobs the Commission has set an age limit of 40 years, not waived for veterans. When we compare this with typical age limits for city and State police or patrol jobs, I believe this limit is entirely reasonable.

The need for young, active men in these law-enforcement types of jobs has already been recognized by the Congress when it approved a retirement age of 50 after 20 years of service.

Another type of Federal job requiring a definite age limit is that of correctional officer in the Bureau of Prisons, Department of Justice. We do not have to see any lurid movies to realize the type of situation these men are up against. Without arms of any kind they mingle freely among hundreds of hardened criminals. In this case the Civil Service Commission has approved a maximum age limit of 45 years for both veterans and nonveterans. This seems like a defensible age limit in view of the active and hazardous nature of the work.

Everybody recognizes that a man must serve an apprenticeship or 3 or 4 years before learning the work of a skilled trade. To the Government agency or to the industry involved, this means an investment of several thousand dollars in the individual apprentice. This expenditure cannot be justified unless the Government can expect that the trained journeyman will return that investment through long years of service. An agency which accepts a man of 60 for a 4-year apprenticeship cannot expect to receive an adequate return on its training funds.

Recognizing this, many unions themselves have set low age limits for apprentices in industry. For example, the National Electrical Contractors Association and the International Brotherhood of Electrical Workers, in preparing standards for candidates for electrical apprenticeship, established a maximum age limit of 24 years. When the Federal Government sets up extended apprenticeship programs, it should protect its investment by similar age limits.

In some professional occupations, the duties of positions at the entrance level are of a preparatory nature and involve intensive training over a period of 2 to 3 years before the employee can perform at the full professional level. Typically, junior scientific, professional, and administrative jobs are in this category. You are hiring someone not as an immediate producer as you would hire a typist, but rather someone whom you can carefully train for advancement to higher grade work over a period of years. I believe it is reasonable for the Civil Service Commission to set age limits for such jobs if it is convinced that an effective training program exists. In this way the Government's investment in training can be returned through long years of service.

These types of age limits apply to trainee jobs only, and do not keep older workers from getting appointments at higher grades in their professions. The Federal service has a long tradition of welcoming the entry of workers from State and local government, the universities, and private industry at jobs above the entrance level. This is a fine tradition which is not endangered by setting reasonable age limits for trainee jobs. Therefore it seems to me that entrance age limits for these types of jobs are desirable and necessary, and that we should not take away the discretion of the executive branch in this matter.

In the Veterans' Preference Act Congress has prohibited age restrictions for jobs. But there must be exceptions to even this, by necessity.

In conclusion, I do not automatically support every age limit set by the Commission under Public Law 455, but I do feel that the executive branch should continue to have the power to set age

limits where the nature of the work requires it. To deny this power is to weaken our Federal competitive service at a crucial time.

The CHAIRMAN. Does the gentleman from Texas [Mr. THOMAS] desire to be heard on the point of order?

Mr. THOMAS. Mr. Chairman, may I say that our distinguished colleague from Kansas [Mr. REES] is usually right. This is legislation.

Mr. YATES. Mr. Chairman, will the gentleman defer his point of order?

Mr. REES of Kansas. No, I shall not.

The CHAIRMAN. The Chair is ready to rule. In the opinion of the Chair, the language is legislation on an appropriation bill and the point of order is sustained.

The Clerk read as follows:

Emergency supplies and equipment: For procurement of reserve stocks of emergency civil defense materials as authorized by subsection (b) of section 201 of the Federal Civil Defense Act of 1950, as amended, $30 million.

Mr. OSTERTAG. Mr. Chairman, I offer an amendment.

The clerk read as follows:

Amendment offered by Mr. OSTERTAG: Page 8, line 4, after "Civil Defense Act of 1950, as amended," insert the following: "and for procurement of radiological instruments and detection devices by the Federal Civil Defense Administrator and for distribution of such instruments and devices to the several States, the District of Columbia, and the Territories and possessions of the United States, by loan or grant, for training and educational purposes, under such terms and conditions as the Administrator shall prescribe."

Mr. THOMAS. Mr. Chairman, I reserve a point of order. I should like to propound a question to the gentleman.

What is the purpose of this amendment, may I ask my colleague, who is a member of the committee?

Mr. OSTERTAG. The purpose of this amendment is to make it clear that these funds may be used by the Civil Defense Administrator in his discretion to expedite protection of the civilian population against the deadly peril of the radioactive fallout. Already they have the so-called detection and monitoring devices which require considerable training and education before they can be used. As I understand, the Civil Defense Administration has already on hand several thousand of these monitoring and detection devices. The purpose of the amendment is to authorize the distribution of such devices for detection and training purposes only.

Mr. THOMAS. I dislike to do what I am doing now. May I remind my colleague that there is pending a supplemental appropriation of $12 million to this agency. What is in the supplemental we do not know because it has not been submitted to the House. May I make this observation. If there is no objection to the language, and if we study it further, and it goes to the Senate, and the language then appears to be objectionable, is the gentleman willing to take it out in conference?

Mr. OSTERTAG. Exactly. I am merely trying to expedite the solution of a new problem that has developed here in connection with our civil defense activities in the utilization of these detection and monitoring devices, because education and training in connection with the use of them is very vital.

Mr. Chairman, as I previously stated, the Civil Defense Administration already has on hand certain radiological detection and monitoring devices, to determine the presence, intensity, and duration of fallout. The CDA expects to acquire more as they are tested and perfected. The Administration is now developing machinery through which these instruments can be placed in the hands of civil-defense leaders for education and training purposes, so that information and knowledge which may be essential to the Nation's survival can be disseminated by orderly processes throughout the population at top speed. This amendment will insure that the funds provided under this section may be used for this laudable purpose as the need arises and under such conditions as the Administrator deems necessary and wise.

Mr. THOMAS. We do not want to hurt anything, but still we do not want to do anything when we do not know exactly what we are doing, and frankly we do not know what we are doing.

Mr. PHILLIPS. If the gentleman will yield, we have no objection to it on this side. We feel that what the gentleman from New York is trying to do is correct. However, as the gentleman from Texas says, this has more in it than may be reviewed at the present time. If the understanding between us is as stated by the gentleman from Texas, we think that is the proper solution.

Mr. THOMAS. I withdraw the point of order, Mr. Chairman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York.

The amendment was agreed to.

Mr. HOLIFIELD. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, civilian defense has two purposes: First preservation of life; second, continuity of production.

The primary purpose for military expenditures is the preservation of the life and liberties of our citizens. Since the end of World War II—fiscal years 1946–55—$313,010,000,000 have been spent in the military field, but less than $244,610,000—fiscal year 1951 through fiscal year 1955—has been spent in the civilian-defense field.

Reevaluation of our problem of national defense must be made in view of scientific and technological advances since the end of World War II. Two principal developments should concern us: (a) Drastic reduction of the factor of space in relation to time; (b) increase in weapon power.

At the end of World War II, our fastest bomber-plane speed was 250 miles per hour. Our fastest fighter-plane speed was 400 miles per hour.

Today our jet bombers attain speeds in excess of 600 miles per hour. Speeds in excess of the speed of sound—760 miles per hour—are known to be possessed by fighter planes.

Transocean flight, with or without refueling, coupled with near or supersonic speed, changes many facets of offense and defense as practiced in World War II.

The increase in weapon power has been much greater than the change in the time and space factor. This increase has been so great that even the revealed degree of increase, challenges credulity.

The 2,000-ton TNT blockbuster has been replaced by atomic-hydrogen bombs which release TNT power in the range of millions of tons. Blockbusters have been replaced by city vaporizers.

Cities, such as New York, Chicago, Philadelphia, Los Angeles, and Washington, D. C., are today vulnerable to complete paralysis and possibly to complete elimination as a residential and industrial factor in a future war, by the explosion of 1 or, in some instances, possibly 2 of these terrible atomic-hydrogen bombs.

The use, by an aggressor, of supersonic speed in delivery of these powerful weapons, makes previous concepts of national defense obsolete.

National defense against attack becomes so difficult therefore, that many people, believing it impossible, become apathetic or fatalistic.

Certainly, no one can, at this time, suggest a complete or pat solution. But a challenge for survival to our citizens and free institutions cannot be met with folded hands.

To surrender without a struggle would prove us unworthy of life and liberty.

Therefore, we must face up to this new and terrible challenge which science and industrial techniques have spawned. The cost in dollars or human effort, whatever it may be, will be less than the value of life or the penalties of slavery.

We must understand the problem before we can discuss possible solutions.

National defense in the atomic-hydrogen age requires a total effort on the part of all citizens to a degree never before contemplated. There can be no front line and protected rear area, as in the past. The citizen in an industrial area is as liable to be in a military target as the military enlistee on a military installation.

National defense, therefore, means total defense and will require total, or near total, participation if we are to survive.

Our military experts have listed 74 critical target areas in the United States for possible enemy attack. These target areas are our first priority civilian defense problems, although there are others of a secondary nature (approximately 154). These target areas in most instances are zones which transgress single city, county, and sometimes State lines. The concept of our civilian-defense law of 1950, which placed financial responsibility on local political subdivisions, and on voluntary participation of citizens, is now inadequate and obsolete.

The increase in weapon effect, which can jeopardize life in an area as large as 8,000 square miles, places responsibility undeniably on the Federal level.

To rely on voluntary participation of citizens is unrealistic, foolhardy, and can but endanger our chance of national, as well as individual, survival. No one de-

plores this necessity for further regimentation more than your speaker. I see no alternative when faced with the hazards of atomic-hydrogen attack.

If we willingly submit to police, fire, and sanitation laws in the interest of the common welfare, certainly it is not unreasonable to face the necessity for compulsory participation in civilian defense and compliance with such local and Federal laws deemed by our democratic lawmaking bodies to be necessary for personal and national survival.

The production of goods for civilian and military use in wartime must continue and, in fact, be accelerated, if civilians live, if war is to be waged and victory won.

In the atomic-hydrogen age of total war—including attack on civilian areas—this seems difficult, if not impossible. But if we are to survive, difficulties must be overcome and the seemingly impossible must be made possible.

When we contemplate solutions, we are appalled by the costs involved. But the cost of war is appalling also, and the cost in terms of lives, property, and liberty of a defeated and subjugated nation defies computation. We, therefore, must assume the cost, high though it may be, of survival.

I note herewith six basic principles of procedure toward the goal of a realistic civilian defense:

(a) Dispersal of key industries for vital civilian services and military production is imperative.

(b) Critical bottlenecks in transportation must be eliminated to prevent paralysis in the transportation of goods and people.

(c) Sensible evacuation plans, within available warning-time, must be rapidly consumated.

(d) A comprehensive program of shelter and care for evacuees must be established.

(e) A frank and complete educational program for every citizen on the whole subject of weapon effects and his individual duties and responsibilities, in case of attack.

(f) An integrated program of Federal and local legislation to insure participation and enforce compliance with master plans of civilian defense in each target area.

No attempt has been made to work out in detail the complex of problems which faces our Nation in this day when our survival is threatened. If the problem is faced honestly, I have no doubt that the ingenuity and productivity of our people will find the answers.

We must have leadership at the highest level, and a vigorous attack on the problem of those responsible for the preservation of our Nation.

Only the President can give that leadership. Only the President can give to our people the sense of urgency necessary to secure the support of public opinion. Only the President can break the log jam of public confusion and indifference on the part of an uninformed populace. Only the President can approve a realistic program of civilian defense.

The Congress has a responsibility too, which, I regret to say, has not been discharged. The national welfare and defense is part of the congressional area of responsibility. Particularly, in my opinion, is this responsibility resting on the Committees on Armed Services, Atomic Energy and Government Operations. This responsibility is peculiarly theirs because of their access to classified information on weapon effects and their legislative responsibility.

Two other important principles must be accepted, in my opinion, if we are to have a realistic plan of civilian defense, which will receive public approval and implementation.

The first principle is the acceptance, by the Federal Government, of the primary responsibility for direction and financing. Civilian defense is just as important as military defense in the interest of national survival in the atomic-hydrogen age. The expense of civilian defense must be borne as a Federal responsibility, the same as our military expense, because of this identity of purpose.

The second principle is the acceptance of the need for universal participation, on the part of all citizens, under the compulsion of legal requirement, through Federal and local law and ordinance.

Unless we face up to these realities of the hazards of the atomic-hydrogen age, we are living in a fool's paradise and we are gambling with our national survival.

The Clerk read as follows:

Salaries and expenses: For necessary expenses of the Office of the Administrator, including rent in the District of Columbia; purchase of not to exceed 12 passenger motor vehicles for replacement only; services as authorized by section 15 of the act of August 2, 1946 (5 U. S. C. 55a); not to exceed $169,325 for expenses of travel; expenses of attendance at meetings of organizations concerned with the work of the agency; and the salary of a general counsel, but not in addition to staff otherwise authorized, which shall hereafter be at the salary rate of grade GS–18 so long as such position is occupied by the present incumbent; $4,300,000: *Provided*, That the clause under this head in the "Independent Offices Appropriation Act, 1955," relating to the Administrator's general supervision and coordination responsibilities, is amended to read as follows: "and the Administrator's general supervision and coordination responsibilities under Reorganization Plan No. 3 of 1947 shall hereafter carry full authority, where applicable, to promote economy, efficiency, and fidelity in the operations of the Housing and Home Finance Agency": *Provided further*, That necessary expenses of inspections and of providing representatives at the site of projects being planned or undertaken by local public agencies pursuant to title I of the Housing Act of 1949, as amended, projects financed through loans to educational institutions authorized by title IV of the Housing Act of 1950, as amended, and projects and facilities financed by loans to public agencies pursuant to section 108 of the Reconstruction Finance Corporation Liquidation Act, as amended (40 U. S. C. 459), shall be compensated by such agencies or institutions by the payment of fixed fees which in the aggregate will cover the costs of rendering such services, and expenses for such purpose shall be considered nonadministrative; and for the purpose of providing such inspections, the Administrator may utilize any agency and such agency may accept reimbursement or payment for such services from such institutions or the Administrator, and shall credit such amounts to the appropriations or funds against which such charges have been made, but such nonadministrative expenses shall not exceed $700,000: *Provided further*, That no funds available to the Housing and Home Finance Agency or its constituent agencies shall be available for any advance, loan, contract for a capital grant, or contract for annual contributions, under title I of the Housing Act of 1949, as amended (42 U. S. C. 1452, 1453), under sections 314, 701, and 702 of the Housing Act of 1954 (Public Law 560, approved August 2, 1954), under section 108 of the Reconstruction Finance Corporation Liquidation Act, as amended (40 U. S. C. 459), under title IV of the Housing Act of 1950, as amended (12 U. S. C. 1749), or under sections 9 and 10 of the Housing Act of 1937, as amended (42 U. S. C. 1409, 1410), unless any such proposed advance, loan, contract for a capital grant, or contract for annual contributions is approved by the Committees on Banking and Currency of the Senate and House of Representatives.

Mr. HOFFMAN of Michigan. Mr. Chairman, I make a point of order against the language on page 20 of the bill at line 13 running through line 1, on page 21.

The CHAIRMAN. The gentleman will state the point of order.

Mr. HOFFMAN of Michigan. Mr. Chairman, the proviso beginning on page 20 of H. R. 5240 at line 18 and running through line 1, on page 21, as follows: "*Provided*, That the clause under this head in the 'Independent Offices Appropriation Act, 1955,' relating to the Administrator's general supervision and coordination responsibilities, is amended to read as follows: 'and the Administrator's general supervision and coordination responsibilities under Reorganization Plan No. 3 of 1947 shall hereafter carry full authority, where applicable, to promote economy, efficiency, and fidelity in the operations of the Housing and Home Finance Agency,'" is legislation on an appropriation bill in that—

First. It changes existing law—see House Report No. 304, page 17—by amending permanent legislation enacted in the Independent Offices Appropriation Act, 1955, and by amending Reorganization Plan No. 3 of 1947.

Second. It imposes new duties on an administrative official.

The proposed language is ambiguous. The powers and duties of the Housing and Home Finance Administrator would be changed, but it is not clear what the nature or extent of the change would be. There has been no study of this language, no hearings, and no statement is now before the Congress as to the purpose of the proposed proviso.

If the administration has changes to propose in the organization of the Housing Agency, the President may send up a reorganization plan or, more properly, suggest a bill dealing with the subject. To date he has not indicated that he intends to ask for any change.

If Members of Congress wish to sponsor changes in the organization of the Housing Agency or other departments or agencies, they should introduce legislation for appropriate reference to the Committee on Government Operations where the matter could be studied in an orderly fashion and acted upon after

hearings and proper consideration. Any recommendation that might result would then be laid before the House with a report and an adequate statement of its nature and purpose.

Mr. THOMAS. Mr. Chairman, I desire to be heard to make a brief statement. The point of order made by the gentleman from Michigan is valid. If he insists on it, we will have to admit that the point of order is good. May I point out to the gentleman from Michigan, however, that this language was carried in the bill last year and no point of order was made against it. May I tell my distinguished friend that what this language does is to really limit the language which was in the bill last year. Last year the language gave to the Administrator authority to virtually reorganize four agencies and to reallocate the functions of those agencies and to reallocate funds appropriated by the Congress. We think, perhaps, we went too far and gave him too much authority last year. What this language does this year is to rescind some of the authority which was given to him. I hope the gentleman will not insist on his point of order.

Mr. HOFFMAN of Michigan. Mr. Chairman, if they want to change it, the President can send up a reorganization plan or somebody can introduce a bill. I insist upon the point of order.

Mr. THOMAS. Mr. Chairman, we concede the point of order.

The CHAIRMAN (Mr. RAINS). The Chair is ready to rule. Obviously, the language against which the point of order is made is legislation upon an appropriation bill and the point of order is sustained.

Mr. YATES. Mr. Chairman, I make a point of order against the language beginning with the words *"Provided further"* on page 21 and continuing through the balance of that page down through and including line 12 on page 22, on the ground that it is legislation on an appropriation bill.

Mr. THOMAS. Mr. Chairman, we concede the point of order.

The CHAIRMAN. Obviously it is legislation on an appropriation bill. The point of order is sustained.

The Clerk read as follows:

NATIONAL SCIENCE FOUNDATION

Salaries and expenses: For expenses necessary to carry out the purposes of the National Science Foundation Act of 1950, as amended (42 U. S. C. 1861–1875), including award of graduate fellowships; services as authorized by section 15 of the act of August 2, 1946 (5 U. S. C. 55a), at rates not to exceed $50 per diem for individuals; hire of passenger motor vehicles; not to exceed $89,500 for expenses of travel; not to exceed $150 for the purchase of newspapers and periodicals; and reimbursement of the General Services Administration for security guard services; $12,250,000, to remain available until expended.

Mr. O'HARA of Illinois. Mr. Chairman, I offer an amendment which is at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. O'HARA of Illinois: Amend the item relating to National Science Foundation by deleting "$12,250,000" in line 17 of page 25 and substituting therefor "$15 million."

Mr. O'HARA of Illinois. Mr. Chairman, I feel very strongly that the conflict in which we are now engaged will be won in the field of science. In that field, the Soviet is outstripping us. You only have to read the testimony at the public hearings on this bill to grasp the seriousness of the situation. Thanks to the scientists of the United States and to the tremendous job done by the National Science Foundation, we have made an advance in basic science that is unparalleled. Now when the Soviet is forging ahead, it is proposed that we drag our feet.

I was surprised to find that this distinguished committee, for which I have the greatest respect, placed the appropriation for the National Science Foundation at the same figure as last year, and over $7 million below the estimate of the Bureau of the Budget.

I am appealing to your commonsense in this matter. Whoever wins the war of science wins the cold war. To assure the kind of world we wish for ourselves and our children, the best investment we can make of American dollars is here. May I point out to you a few of the contributions that basic science has made, functioning through the National Science Foundation, in the year 1953, as given in Fortune magazine. One was the discovery of a vaccine for polio. Do you want to curtail that work? One was the discovery that has made one of the greatest advances in finding a remedy for cancer. Do you want to curtail that work? From the National Science Foundation have come many other contributions to medicine, to agriculture, to industry, to national strength and security.

At this time, when we are spending countless millions and billions of dollars in the purchase of weapons of arms and in the maintenance of Armed Forces, we are giving the National Science Foundation an appropriation of a little more than $12 million. In the race of science, the outcome of which will determine the kind of world we are to live in, we look the other way. We give our millions to the winds and what is left over of our pennies we give to the scientists who later will be asked to find some way of harnessing the winds. It is the economy of suicide.

I trust that the good commonsense of my colleagues on both sides of the aisle will support this modest amendment of mine increasing by only $2½ million the National Science Foundation appropriation. Even with this addition the appropriation would be almost $5 million less than the estimate of the Bureau of the Budget.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. THOMAS. Mr. Chairman, I ask unanimous consent that all debate on this paragraph and all amendments thereto close in 7 minutes, the last 4 to be reserved to the committee.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. THOMAS. Mr. Chairman, I ask for recognition.

The CHAIRMAN. The gentleman from Texas is recognized.

Mr. THOMAS. Mr. Chairman, the committee is in deep sympathy with the very fundamental question that our distinguished friend from Illinois has raised, but I think I can say with every degree of sincerity and accuracy that there is not a subcommittee in this House that is more favorable toward basic research than the group here today.

There are numerous instances in this bill where money is provided for basic research.

The National Science Foundation is only 3 or 4 years of age. They started out with a million and a half, are now up to $12¼ million. They want to go to $20 million. They have 178 employees. Their job is to do 2 things and 2 things only. They cannot operate a laboratory themselves; they have no authority to tell any agency of the Government what to do or what not to do. The only authority they have is to do two things: First, to hand out money to our great universities for scientific investigations and research programs—and we think that is a grand thing, for this Government is spending about $2.2 billion this year for scientific investigation and research in prototype development, and this is just a small part of it, every agency in the Government is doing it.

The second function of this organization is to hand out stipends to seven or eight hundred students, ranging from $1,400 to $3,400, to take postgraduate doctorial degrees in basic research in our great universities. That is fine, but we do not think the agency ought to go as fast as it is going.

There are 159 universities in the program, and some of them have 3, 4 and up to a dozen contracts. If time permitted I could read you more than 125 contracts in over 150 institutions dealing with biology alone this year.

Mr. Chairman, this amendment ought to be defeated.

We have let this institution grow probably much faster than it should have. We should not let them go heels over head and break their own neck doing some of the foolish things they may do if we do not give them just a little supervision.

I hope this amendment is defeated. We have given them more money in the pending bill than they can wisely spend and digest for this year.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois.

The amendment was rejected.

The Clerk read as follows:

Salaries and expenses: For necessary expenses, including not to exceed $500 for the purchase of newspapers; not to exceed $125,000 for expenses of travel; and services as authorized by section 15 of the act of August 2, 1946 (5 U. S. C. 55a); $4,875,000.

Mr. RHODES of Arizona. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. RHODES of Arizona: On page 26, line 12, strike out "$125,000" and insert "$138,360."

Mr. RHODES of Arizona. Mr. Chairman, this amendment and the amend-

ment which will follow, deals with the Securities and Exchange Commission. The committee saw fit to increase the appropriation to the Securities and Exchange Commission $125,000 over the apropriation for the last fiscal year. Practically all of this money which will be appropriated is to be used to procure personnel in the field offices.

The importance of the Securities and Exchange Commission has been pointed up in the last few months more than I find it necessary or desirable to point it up right now. Suffice it to say that we have in the past few months in this country had a rampant bull stock market. We have had various investigations by a committee of the other body, which, more than anything else, pointed up the fact that if it had not been for this particular agency there may have been a situation arise which could have gotten out of hand and might have been injurious to the country. The work of this agency in preserving the sanity of investors is of incalculable aid to our country and its economy.

The information which I have received is that the employees to be hired through this increased appropriation mainly will go to the field offices. The Denver office and the San Francisco office will be given most of these employees. The territory covered by these offices comprise most of the western half of the United States.

There have been tremendous developments in the field of uranium and other metals and materials in that part of the country and an attendant development in the sale and offer for sale of stocks and bonds by such industries. It becomes absolutely necessary then for these field employees to get out in the country and to find out exactly what makes these various stocks tick; in other words, to find out whether the public will probably get value received for the dollars invested and whether the prospectuses and the materials submitted therewith are accurate. They cannot make such determinations by sitting in their offices.

Mr. Chairman, my amendment does something which the committee has failed to do, perhaps through inadvertence. The bill provides that the travel expenses of the SEC will be only $125,000 per year. The appropriation bill for the last fiscal year provided the same amount, $125,000. Due to the fact that these additional employees will be in the field offices and must travel, it seems to me that we should raise the limitations on travel by the amount which I have suggested, that is, by the amount of $13,360.

I am informed that practically all of the travel performed by employees of the Securities and Exchange Commission is by employees of the field offices, not by people from Washington. So this money will be used to perform what I consider to be a very necessary part of the vital functions of this Commission.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. RHODES of Arizona. I yield to the gentleman from New York.

Mr. KEATING. Does the gentleman propose to increase the total amount of the appropriation, or is this simply an increase in the permissive amount which may be spent for travel?

Mr. RHODES of Arizona. If my amendment is adopted, naturally I expect the total amount to be increased. I have another amendment which I shall offer which does increase the total amount that will coincide with the amendments I have offered.

Mr. THOMAS. Mr. Chairman, I ask unanimous consent that all debate on the pending paragraph and all amendments thereto close in 6 minutes, the last 3 minutes to be reserved to the committee.

Mr. RHODES of Arizona. Mr. Chairman, reserving the right to object, I should like to have 3 minutes on my other amendment.

Mr. THOMAS. That is all right with me.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. THOMAS. Mr. Chairman, this amendment seeks to increase the travel allowance by $13,000. I am in sympathy with what the gentleman has in mind. He is trying to take care of the problems in his own district, and I commend him for that. I think he is certainly within his rights, and I admire him for it. But, after all, there is not an agency of this Government that does not travel at least 25 percent more than is absolutely necessary. I do not think anybody will disagree with that. You get on an airplane or a train, and you will find a big percentage of the people on the train are Government employees. I wonder if the gentleman could explain, or does he know, how this additional $13,000 would be allocated. It is not needed. The Denver office is set up for the Securities and Exchange Commission, and the committee has directed them not to put on any more employees in the District of Columbia office but to put them in the field where they are needed. The big offices are in San Francisco, Chicago, and New York, and now Denver has a great office. It is an office in which there is activity in uranium, but they can cut out just a few little, unnecessary trips out of Chicago and New York and some of the other big offices and certainly get the job done in our distinguished friend's district. This money is not necessary, and I hope the amendment is disapproved. I have the highest regard for our friend, and I know what he is aiming at, but I think we will get this job done without this increase in money, and we will help you to take care of your immediate problem, which is a very sizable one, we know.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Arizona [Mr. RHODES].

The amendment was rejected.

Mr. RHODES of Arizona. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. RHODES of Arizona: On page 26, line 14, strike out "$4,875,000" and insert "$4,955,000."

Mr. RHODES of Arizona. Mr. Chairman, this is another amendment involving the Securities and Exchange Commission, and I will be very brief on this one because I think that the matter is a rather obvious one.

The Securities and Exchange Commission, like many other administrative bodies, makes quasi-judicial decisions. It prints these decisions as opinions. The opinions of the Securities and Exchange Commission have not been printed and bound and compiled since 1949. It becomes very difficult, not only for the members of the Commission and its field officers but for the average attorney practicing law to determine anything as to the judge-made law under which the Securities and Exchange Commission is operating.

Mr. Chairman, a lot of us were not here when these administrative bodies were created. A lot of us might have done a little bit differently, if we had been here, about creating them, but we did create them. They are part of the Federal Government. I think this particular Commission is doing a very fine job. The fact that we did create these commissions and endowed them with quasi judicial powers certainly impels one to believe that we also have the duty of making certain that the decisions arrived at by these boards and administrative tribunals are made available to those people in the United States who must read them, so that research may be conducted by the practitioner of law and the accountant and the other persons interested in this field. Presently it is impossible to do a scientific job of legal research on matters involving interpretations of the securities acts.

Mr. HALLECK. Mr. Chairman, will the gentleman yield for the purpose of making an announcement?

Mr. RHODES of Arizona. I yield.

Mr. HALLECK. I desire to announce to the membership of the committee that the congressional leaders who have been at the White House are on their way back here. The Premier of Italy will arrive shortly, and I trust all of us will remain here to hear him and to pay him the respect that is due him.

Mr. THOMAS. Mr. Chairman, our friend seeks to increase this appropriation by, if I understood him correctly, $80,000. The committee has already gone $125,000 above the amount the Commission had last year. What the gentleman seeks to do with this $80,000 is to enable the Commission to compile in one large volume all of these opinions that have already been printed and which can be purchased from the Printing Office. The money is there, and it is $125,000 above what they had last year. If they would rather spend the extra money in compiling this one large volume instead of putting on extra employees, they have that discretion.

This amendment ought to be voted down, because there is already more than $80,000 above what they had last year in the bill.

Mr. RHODES of Arizona. Mr. Chairman, will the gentleman yield?

Mr. THOMAS. I am glad to yield.

Mr. RHODES of Arizona. Is it not true, however, that the appropriation for this Commission is $122,000 below the budget estimate?

Mr. THOMAS. Yes.

Mr. RHODES of Arizona. I thank the gentleman.

Mr. THOMAS. Still it is $125,000 more than they had last year.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Arizona [Mr. RHODES].

The amendment was rejected.

The Clerk read as follows:

Appropriations for the Selective Service System may be used for the destruction of records accumulated under the Selective Training and Service Act of 1940, as amended, which are hereby authorized to be destroyed by the Director of Selective Service after compliance with the procedures for the destruction of records prescribed pursuant to the Records Disposal Act of 1943, as amended (44 U. S. C. 366-380): *Provided*, That no records may be transferred to any other agency without the approval of the Director of Selective Service.

Mr. HOFFMAN of Michigan. Mr. Chairman, I make the point of order that the first 7 words in line 18, page 27, "which are hereby authorized to be destroyed" is legislation on an appropriation bill, because it authorizes the Director to destroy records.

The CHAIRMAN. That is the specific language to which the gentleman makes his point of order?

Mr. HOFFMAN of Michigan. Yes.

The CHAIRMAN. Does the gentleman from Texas [Mr. THOMAS] desire to be heard on this point of order?

Mr. THOMAS. Mr. Chairman, we ask for the ruling of the Chair. We doubt that this is legislation.

The CHAIRMAN. The Chair is ready to rule. This is clearly legislation on an appropriation bill.

Mr. PHILLIPS. Mr. Chairman, may I be heard very briefly on that? Apparently the Chair feels this is legislation, but this follows the Records Disposal Act of 1943. Does it become legislation if it is a repetition of a statute?

The CHAIRMAN. Why is it necessary to have it if it is already in the law? The Chair thinks it is clearly legislation and sustains the point of order.

Mr. PHILLIPS. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. PHILLIPS. How far did that go, Mr. Chairman? Did it go down to the end of that line?

The CHAIRMAN. The language is "which are hereby authorized to be destroyed." That is the language to which the gentleman from Michigan [Mr. HOFFMAN] made his point of order.

The Clerk read as follows:

General operating expenses: For necessary operating expenses of the Veterans' Administration, not otherwise provided for, including expenses incidental to securing employment for war veterans; purchase of 31 passenger motor vehicles for replacement only; not to exceed $3,300 for newspapers and periodicals; and not to exceed $2,731,000 for expenses of travel of employees; $155 million, of which (a) $15,150,000 shall be available for such expenses as are necessary for the loan guaranty program, and (b) $300,000 shall be available as the President may direct for a special study of the compensation and pensions program: *Provided*, That no part of this appropriation shall be used to pay in excess of 20 persons engaged in public relations work: *Provided further*, That no part of any appropriation shall be used to pay educational institutions for reports and certifications of attendance at such institutions an allowance at a rate in excess of $1 per month for each eligible veteran enrolled in and attending such institution.

Mr. PATMAN. Mr. Chairman, I make a point of order against the language starting at the end of line 10, page 28, reading "$300,000 shall be available as the President may direct for a special study of the compensation and pensions program."

Mr. THOMAS. Mr. Chairman, I concede the point.

The CHAIRMAN. The Chair is ready to rule. This is obviously legislation on an appropriation bill, and the point of order is sustained.

Mr. PATMAN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the reason for my action is this. The President has a way, under the Constitution, of communicating with Congress, which he uses frequently. I do not think he should bypass Congress. I know that is not his real intention and not his purpose in this instance. But the result of this would be to bypass Congress. I think any recommendation the Executive has should be submitted to the legislative branch, to representatives of the people who are prepared to make an investigation and study. I understand the Committee on Veterans' Affairs under Chairman TEAGUE, is now conducting an investigation along this line, and I am sure that they will make a fair examination and study and make a comprehensive report. I do not believe the Executive should engage in that type of activity.

I have known over the years for points of order to be made in this way, and then when the bill goes to conference the other body insists on putting in the language, it does put it in, and then when the language comes back to this body it is not subject to a point of order. Therefore, it goes on through. I hope the chairman will not permit this language to go in the bill. I hope he remains adamant. In the event that he feels constrained to yield, I hope he will at least give the House an opportunity to have a direct vote on it before agreeing to put it back in the bill.

Mr. THOMAS. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Texas.

Mr. THOMAS. Mr. Chairman, in order to complete the point of order, I ask unanimous consent that on page 28, line 10, the words "and (b)" be stricken.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PHILLIPS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I want to call attention to the situation which exists here. Perhaps there is some misunderstanding. There is nothing new in this. The preceding President constantly carried on investigations of this nature. I do not recall any time in the last 8 years or in the 12 years preceding it that the gentleman from Texas [Mr. PATMAN] raised any objection. The investigations carried on by the Bureau of the Budget are exactly what is intended here. While I think the chairman is plainly correct in his ruling, nevertheless this could have been worded as simply a limitation upon the amount of money, because it is being done each year.

The point I want to make, and this is the important point, is that there seems to be a feeling on the floor that if an investigation is made of the compensation and pensions program this necessarily means to reduce compensation and pensions or to deprive veterans of compensation or pensions. This is not the fact. In the District of Columbia area a limited investigation carried on at the request of this subcommittee by the General Accounting Office proved a large number of veterans were not receiving the amount of money to which they were entitled due to arithmetical errors at the time the compensation was computed. There are also people who were getting compensation to which they were not entitled, although they might have been entitled in previous years. I think that was a very good inclusion, and it will probably have to be worked out through the Congress or through the Bureau of the Budget or through the Office of the President.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. PHILLIPS. I yield to the gentleman from Texas.

Mr. PATMAN. I will state to the gentleman that I have often criticised this method during the Democratic administration as well as during this administration. I think it is clearly wrong. I think the legislative body should resist any encroachment by the executive, just as the executive should resist any encroachment by the legislative.

Mr. PHILLIPS. I thank the gentleman.

Mr. THOMAS. Mr. Chairman, I ask unanimous consent that the remainder of the bill be considered as read and be open to points of order and amendments at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. THOMAS. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. RAINS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 5240) making appropriations for sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1956, and for other purposes, had come to no resolution thereon.

MESSAGE FROM THE SENATE

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is

requested, a bill of the House of the following title:

H. R. 4720. An act to provide incentives for members of the uniformed services by increasing certain pays and allowances.

DESIGNATION OF COMMITTEE OF ESCORT

The SPEAKER. The Chair appoints as a committee to escort our distinguished guest into the Chamber the gentleman from Massachusetts, Mr. McCORMACK; the gentleman from Massachusetts, Mr. MARTIN; the gentleman from South Carolina, Mr. RICHARDS; the gentleman from Illinois, Mr. CHIPERFIELD; and the gentleman from New Jersey, Mr. RODINO.

The House will stand in recess subject to the call of the Chair.

RECESS

Accordingly (at 3 o'clock and 6 minutes p. m.) the House stood in recess subject to the call of the Chair.

During the recess the following occurred:

VISIT OF THE HONORABLE MARIO SCELBA, PRIME MINISTER OF ITALY

The Doorkeeper announced the Honorable Mario Scelba, Prime Minister of Italy.

Mr. Scelba, escorted by the Committee of Representatives, entered the Hall of the House of Representatives and stood at the Clerk's desk. [Applause, the Members rising.]

The SPEAKER. Members of the House of Representatives, I deem it a high privilege and a great honor to present to you the representative of a great and free people, and a friendly people, the Prime Minister of Italy. [Applause, the Members rising.]

ADDRESS BY THE HONORABLE MARIO SCELBA, PRIME MINISTER OF ITALY

(The address delivered by the Prime Minister of Italy was interpreted as follows by Mr. A. José De Seabra, of the State Department:)

Mr. SCELBA. Mr. Speaker, and Members of the House of Representatives, it is, indeed, an honor for me to come before the House of Representatives of your great Republic. Let me thank the Speaker for his greeting and his words. But my thanks go on behalf of my country toward the distinguished men of this House. The decisions taken here in these recent years have brought a notable contribution to our democracy and to our moral and material recovery.

I must confess I am moved as I stand in this place where so much has been said of Italy and so much has been done for Italy.

The American taxpayer has shouldered considerable burdens. For your political wisdom, your generosity, and your experience of history have urged you to identify the cause of freedom and welfare of European peoples with the interests of your country.

Our recovery is today an accomplished fact. We are now tackling the structural problems which are nature's legacy to our country. Their solution is our aim, but also the means essential if we are to consolidate democracy. Sacrifice and hard work will be required of us. They have always been the lot of our people, though this has not always been acknowledged. But history and our sense of responsibility point our course. For we know full well what fate would befall the civilized nations and, foremost among them, our country, if Italy lost her liberty. We know it full well and we can visualize it better than anybody else. From this knowledge spring our determination and our resolve to safeguard democracy and our freedom. [Applause.]

But we know that in safeguarding our freedom we safeguard the freedom of others. [Applause.] The fact that our friends show concern, and at times unjustified alarm, about our future proves how interdependent we are and how the weakness of one of us is a source of weakness, economic or military, for all the community.

Our interests, therefore, coincide. Let us unite and cooperate ever more closely. [Applause.] That is the very foundation of all our foreign policy for which stand the Atlantic alliance and the integration of Europe. Our community must be not only military but political and economic.

Good news has come to us from Europe. After our ratification of WEU, the first on the Continent, the European ideal is slowly materializing, Europe is in the making. Let us work without undue haste but without delay in order that century-old nationalisms be merged and integrated. [Applause.]

European political unity and economic unity, through creation of a single market with free movement of men and goods will strengthen the Atlantic system in its eastern reaches and will relieve America of its responsibilities and obligations in the democratic community. In so doing they will consolidate the security of all free peoples and will make for prosperity and peace.

I said the other day and wish to repeat that friendship between the United States and Italy is a constructive element in the achievement of our communiity aims. And this community is in turn one more link in the solid chain of our friendly relations.

Thank you, Mr. Speaker, and Members of the House. [Applause, the Members rising.]

The SPEAKER. The Chair desires to announce that the Prime Minister will be glad to stand in the well of the House and greet the Members.

The Prime Minister of Italy stood in the well of the House and received Members of the House of Representatives.

AFTER RECESS

The recess having expired, the House was called to order by the Speaker at 3 o'clock and 35 minutes p. m.

PRIME MINISTER SCELBA, OF ITALY

Mr. SHELLEY. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. SHELLEY. Mr. Speaker, it was a great pleasure for me to join in the reception for Prime Minister Mario Scelba, of Italy, by the House this afternoon. I welcome him not only personally but in behalf of the many citizens of Italian descent who live in my district in San Francisco.

The present Government of Italy and its people certainly deserve recognition by the United States and the rest of the free world for the part they have played in resisting the encroachment of Communist totalitarianism, despite the real danger that Italy faces by virtue of its nearness to the areas already swallowed up as satellites. In spite of the ever-present threat, the people of Italy have come through nobly in defense of their freedom and have made a great contribution to holding back the tide which threatens Western Europe. It is my firm belief that they will continue to remain strong on the side of democracy and the current visit by Prime Minister Scelba should certainly lend encouragement to them in their courageous effort.

My faith and hope in the future of democracy in Italy rests on my own observation of the many contributions to the American tradition made by Italian immigrants and their descendants in America, and particularly by those who make up such an active and important part of the population of San Francisco. They have brought to us the best of Italy's remarkable culture and have succeeded in blending it with our way of life so as to add luster to both. Our San Francisco Americans of Italian descent have provided leadership to the city in almost every phase of civic affairs, and are in large measure responsible for the unique position San Francisco enjoys as a cosmopolitan center of culture and life in America. We have real cause to be proud of their outstanding achievements just as they have cause to be proud of the way in which their cousins in Italy have met the test of Communist infiltration and open defiance of the democratic regime.

Mr. Speaker, for these reasons I welcome the visit by Prime Minister Scelba. I only regret that his crowded schedule does not permit him to visit San Francisco where he would be greeted with open arms and the warm regard of those San Franciscans who trace their heritage back to his homeland.

TAX RATE EXTENSION ACT OF 1955

Mr. COOPER. Mr. Speaker, I call up the conference report on the bill (H. R. 4259) to provide a 1-year extension of the existing corporate normal-tax rate and of certain existing excise-tax rates, and to provide a $20 credit against the individual income tax for each personal exemption, and ask unanimous consent that the statement of the managers on

the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT (H. REPT No. 305)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4259) to provide a 1-year extension of the existing corporate normal-tax rate and of certain existing excise-tax rates, and to provide a $20 credit against the individual income tax for each personal exemption, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendments of the Senate numbered 1 and 2 and agree to the same.

That the House recede from its disagreement to the amendments of the Senate to the title of the bill and agree to the same.

JERE COOPER,
W. D. MILLS,
DANIEL A. REED,
THOMAS A. JENKINS,
Managers on the Part of the House.

HARRY F. BYRD,
WALTER F. GEORGE
(By HARRY F. BYRD),
ROBERT S. KERR,
E. D. MILLIKIN,
EDWARD MARTIN,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4259) to provide a 1-year extension of the existing corporate normal-tax rate and of certain existing excise-tax rates, and to provide a $20 credit against the individual income tax for each personal exemption, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

Amendment No. 1: The first section of the House bill authorized the bill to be cited as the "Revenue Act of 1955." The Senate amendment authorized the bill to be cited as the "Tax Rate Extension Act of 1955." The House recedes.

Amendment No. 2: Sections 4 and 5 of the House bill provided for a credit against the individual income tax in an amount equal to $20 multiplied by the number of exemptions allowed as deductions in computing taxable income. The credit applied to taxable years beginning after December 31, 1955. The Senate amendment struck out sections 4 and 5 of the House bill. The House recedes.

Amendment to the title: The Senate amendment to the title of the bill conformed the title to the amendments made by the Senate to the text of the bill. The House recedes.

JERE COOPER,
W. D. MILLS,
DANIEL A. REED,
THOMAS A. JENKINS,
Managers on the Part of the House.

Mr. COOPER. Mr. Speaker, I ask unanimous consent that all Members desiring to do so may extend their remarks in the RECORD at the end of the debate and before the vote on the pending conference report.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. COOPER. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, when H. R. 4259 passed the House it provided for a 1-year extension of the 52 percent corporate tax rate and of the Korean increases in excise tax rates. This means that the corporate normal tax, which was scheduled to drop from 30 percent to 25 percent on this April 1, will not do so under the bill until next April 1. In the case of the excises, it means that the rates on distilled spirits, gasoline, automobiles and parts, and cigarettes will be continued at their present levels until April 1, 1956.

In addition, as the Members no doubt well recall, the bill would have provided for a $20 credit against tax for taxpayers and for each of their exemptions. The Senate deleted this $20 tax credit. The House conferees receded and concurred in the Senate amendment deleting this provision.

I supported the $20 credit in the House. In conference, I used every effort to get this credit restored to the bill. Failing in this, I offered a compromise whereby each taxpayer would have been given a $10 credit for himself, his spouse, and for each of his exemptions. This compromise failed.

I had 10 other compromise suggestions which I was prepared to offer. The Senate conferees, with one exception, opposed a tax credit in any form. I might say that the House Democratic conferees supported me fully in my efforts to retain the $20 credit and in trying to work out a compromise. When I realized that there was no possibility whatever for the House Democratic conferees to prevail, I very reluctantly agreed to the Senate amendment striking the tax credit from the bill.

I did this because it is necessary that the excise tax rates be extended by this Friday, April 1. Otherwise, even if the rates should lapse and are reimposed in a short time, there would be a considerable administrative burden on both the taxpayers and the Treasury Department, because of the tax and refunds on floor stocks. Of course, if the excise tax rates were not extended at all, there would be a loss of revenue in a full year of operation, $1,080,000,000. In the case of the corporate rate, the one-year extension will produce, in a full year of operation, $1,750,000,000, making the total $2,830,000,000.

No particular problems would be involved if the present corporate tax rate should not be extended by April 1.

For my part, I am as strong as ever in my belief that the Congress should give high priority to individual income tax relief, particularly for those persons in the lower income brackets. However, I do believe that under the circumstances, we must extend these taxes, and that we must act promptly to do so on account of the excise taxes.

Because of the deletion of the $20 credit provision, the Senate also had to change the title of the bill and the name of the act.

I urge that the conference report be adopted.

Mr. Speaker, I yield 10 minutes to the gentleman from New York [Mr. REED].

Mr. REED of New York. Mr. Speaker, I am not going to use the 10 minutes, and I have no requests for time.

Mr. Speaker, I congratulate the Democratic leadership on finally coming around and doing the job which we should have done weeks ago. When President Eisenhower recommended the extension of the present excise tax and corporation income-tax rates, there was almost universal agreement that these two extensions would have to be provided. We are finally getting the job done 1 day before the deadline.

The income-tax reduction proposed by my friends on the other side of the aisle was unrealistic at best. They admitted that such a tax cut to take effect some 10 months in the future might well have to be reversed. Insofar as it held out any real promise of tax relief to hard-pressed American taxpayers, it was an illusory hope. I do not believe that the American people ever expected that it would become law, nor do I believe that the Democratic leadership ever believed sincerely that it would.

The Republican tax reduction record is clear. We provided over $7 billion in tax relief last year. We have always stood for tax reduction when the fiscal security of the Nation permits. When the time is ripe for a further tax cut, the Republican Party will propose one. It will be a reduction that will benefit all of the American people.

Mr. JENKINS. Mr. Speaker, it was early in January that the President recommended to the Congress the extension of the excise taxes and corporation income tax rates which would otherwise be subject to automatic termination this April 1. We all thought then that the President's recommendation would be carried out without any delay. Because of the existing deficit and continued defense needs, everybody without regard to political affiliation agreed that these two extensions must be enacted.

But you all remember what happened—instead of doing the job which everybody knew had to be done, the Democratic leadership made a political football of this $20 reduction matter. They went ahead recklessly and without any regard for the financial stability of the Nation and proposed an income tax reduction which would have added over $2 billion to the national deficit. That unsound and irresponsible scheme was immediately pointed out by the Republicans and now has finally been defeated.

The Republican Party has no apology to make for its tax program in this session of Congress or in any other session. The record is clear. In all their years in office, the Democrats never did anything but raise taxes, increase the deficit, and create inflation. This is a matter of legislative history. On the other hand, every Republican Congress in the last 20 years has enacted a substantial tax reduction program. When we talk about increasing personal exemptions let me say that the only increase in personal exemptions to be enacted in the past 20

years was enacted by a Republican Congress.

Mr. Speaker, I believe in reducing income taxes just as soon as our fiscal situation permits. We cannot balance the budget by granting exemptions carelessly and without study and without careful consideration. Income taxes are personal taxes and if we are to judge the future by the past, reduction of these personal taxes will not come except by efforts of the Republicans who have always given careful consideration to tax reductions. This legislation as passed by the Senate is in effect what the Republicans of this House tried to pass when this legislation was considered on the floor of this House a short time ago. We are now accepting the work of the Senate which is exactly what we Republicans tried to do on the floor a short time ago.

Mr. DINGELL. Mr. Speaker, I am unalterably opposed to the adoption of the ill-advised compromise that is effected by the conference report on H. R. 4259. By my conscience and convictions I am bound to vote against the adoption of the conference report and shall do so.

The $20 tax reduction was, in my opinion, all too modest in amount. Its true merit lies in the fact that it represents an honest attempt by the Democratic Members of the House to give long overdue tax relief to the taxpayers who need it most—the low-income families of America.

It is not necessary for me to document the well-established fact that the so-called tax relief granted by the Republican 83d Congress was tax relief for the big corporations and for the wealthy. Over 65 percent of the individual taxpayers in America have incomes under $5,000. To this group went a mere 38 percent of the immediate relief and a totally inadequate 18 percent of the long-run relief granted by the Republican tax relief program. The balance of this Republican tax reduction—62 percent of the immediate relief and 82 percent of the long-run relief—went to individuals with incomes above $5,000 and to corporations.

With the adoption of this conference report, the Republican Party will have reaffirmed its traditional tax policy of denying tax relief to low-income taxpayers and granting tax relief to our more well-to-do taxpayers. In the 83d Congress, the Republican Party gave tax relief to those persons who receive unearned income from stock dividends. They claimed that it was not wrong to grant such preferential tax relief. In fact, they boasted that such tax relief was not only proper but long overdue. Let us examine the record to see who benefitted from this tax reduction on income from stock dividends. The number of stockholders in America is about 4 million persons, out of a total of 72 million taxpayers. Of that total number of stockholders, 400,000 people or 10 percent receive 80 percent of the dividend income. The Republicans represented that specialized tax reduction as tax equity and tax justice. Yet, when the Democratic majority in the 84th Congress undertakes to give every American citizen a tax cut of $20 for himself and each of his dependents, the Members of the House and the House leadership are denounced for fiscal irresponsibility.

These statistics clearly demonstrate the justice and equity provided in the Democratic-sponsored $20 tax credit. This modest relief was essential to balance the Republican tax give-away of the 83d Congress.

The practical benefit that low-income families would realize from the tax relief contained in the House-passed version of H. R. 4259 was made clear to me recently by two visitors who came to my office. Each of these individuals was the head of a typical American family. They informed me that this tax credit would more than solve the wage earner's family shoe bill for the year.

I assure the Members of the House that the people of Michigan know what is being taken away from them with the compromise which is embodied in this conference report. The rank-and-file taxpayers of Virginia and Georgia may not need the $20 tax credit. The citizens of Virginia and Georgia may not know what it means. The people of Michigan do know what it means and they do want it. For that reason, Mr. Speaker, I refused to sign the conference report and I refuse to vote for its adoption.

In addition to the elimination of the $20 tax credit, I am also very much concerned over the extension of the excise tax rates which is provided for in H. R. 4259. At the beginning of the House-Senate conference on this legislation, I served notice on the Senate conferees that I was willing to sit at the conference table with them until April 1, 1955 when the automatic reductions in the excise taxes affected by this bill would have gone into effect. Then the Congress could have retroactively extended the 52 percent corporate rate.

No one has a more consistent record of opposing the imposition of excise taxes than I do. I opposed the rate extension last year and I oppose the extension this year. Excise taxes, with their regressive tax impact, should be reduced or repealed, not increased.

The automobile industry at Detroit, with the thousands of jobs it provides for American workers, is being adversely affected by the continued high excise-tax rates applicable to automotive vehicles. The Congress cannot permit the present high level of excise-tax rates to continue without seriously harming American consumers, industry, and labor.

Mr. Speaker, in my opinion, the Congress should reject this conference report. The House should insist that tax relief be granted first to low-income taxpayers. We should let the excise taxes be reduced on April 1, 1955, as provided under present law. After that, we could retroactively extend the 52 percent normal and surtax rate on corporations. Only in that way, Mr. Speaker, can we provide tax equity and justice for the American people. It was the Republican 83d Congress which last year extended the life of the so-called Korean excise taxes for 1 year, specifically to terminate on March 31, 1955. It is because of President Eisenhower's recommendation that these reprehensible excise taxes, so burdensome to the consumer and so unfair to the producers is now to be extended for still another year. As an insult to the intelligent American voter, the Republicans in the last campaign claimed credit not only for overall tax relief in the 1954 bill, but claimed credit for an automatic excise cut which they nullified and extended for another year.

Mr. BOYLE. Mr. Speaker, originally, I voted for the so-called $20 clause because I felt it represented a method to cure some of the inequalities which were incorporated in the Revenue Act of 1954 as it referred to low-income groups. That act allocated only 23 percent of the tax relief to individuals earning under $5,000.

Since the Senate refused to adopt the reasoning of the House of Representatives, and after hearing the speech of the chairman of the Ways and Means Committee, I became assured that all compromises reflecting such reasoning had been urged and rejected with reluctance and considerable misgivings, I am forced to change my position and will vote in favor of the conference report so as to save the other tax-raising provisions of the bill which will expire on April 1, 1955.

Mr. VANIK. Mr. Speaker, I concur in the remarks of the distinguished gentleman from Tennessee, the Honorable JERE COOPER, that the need to reduce income taxes for low-income families is of highest priority.

Along with many of my colleagues on the Democratic side of the aisle, I am not satisfied with this measure which does not include the $20 per person tax credit on which we previously voted in this House. With the rising cost of living, with the rising cost of local government, the time for tax relief for the small taxpayer is, indeed, long overdue.

Conversation and the promise of lowering the cost of Government is meaningless to the average taxpayer unless these economies are reflected in the smaller taxes which he must pay. The most direct form of tax relief is in the reduction of income taxes. Although this conference report does not include the $20 per person tax credit which I previously supported, I feel that it is my duty to support this measure. To do otherwise would be to reduce corporation income taxes and excise taxes which the measure contains. These corporation and excise taxes should not be reduced under any circumstances until income taxes for the average man are made more tolerable.

Since the Government, through these corporation and excise taxes, will raise almost $3 billion, it is my sincere hope that Congress, in this session, may pass a measure to increase personal income-tax exemptions from $600 to $700 for each dependent. The present $600 allowance for the cost of supporting a dependent is unrealistic. This allowance should be raised annually until it becomes commensurate with the cost of

providing for a dependent. A dependency exemption should be what it purports to be—an allowance for sums expended for the maintenance and support of a lawful dependent.

Only through an increase of exemption allowance will we arrive at a fair method of taxation. An increase in the dependency exemption serves to equalize the position of the head of the family with other wage earners in our competitive society.

I will support the conference report only because I hope that this Congress will take the necessary steps to increase dependency exemptions during this session in the interest of tax justice for the family.

Mr. MURRAY of Illinois. Mr. Speaker, I favored H. R. 4259 as it was originally passed by the House and am now in favor of the provisions of the bill authorizing a $20 credit against the individual income tax for each personal exemption.

It is a disappointment to me that the conferees' report discloses that the Senate would not agree with the provisions in the said bill providing for a $20 credit against an individual's income tax for each personal exemption. In my opinion the greatest need for tax relief in this country is to individuals on fixed wages and fixed incomes. The only method under present tax law in which tax relief can be given to such persons, equitably, is through an increase in the individual and personal income tax exemptions.

I have no quarrel with tax relief to dividend holders or to businesses where such tax relief can be authorized. However, to my mind the first priority on tax relief is and has been for some time an increase to the average person on a fixed income.

I am voting to support the conferees' report not because of any change in view with respect to the necessity of an increase in individual and dependency income tax exemption, but because, in my opinion, the economy of the country would greatly suffer if the legislation provided by H. R. 4259 with respect to the 1 year extension of existing corporate normal tax rates, and of certain existing excise tax rates, was delayed. In my opinion an increase in the individual and personal dependency income-tax exemption still retains a No. 1 priority insofar as tax relief is concerned.

Mr. O'HARA of Illinois. Mr. Speaker, I shall vote reluctantly and regretfully for the conference report because I have no alternative. I voted in the 83d Congress and again in this Congress to give some tax relief to those who need it most. I cannot understand the philosophy of those who always slip the gravy to those who have the most and cry out in agony when someone wants to let a little drip on the bread of those who have the least. The little relief for the little people we sought to provide has been snatched away in conference. What is left is a tax bill which if we do not pass will result in the loss of almost $2 billion in revenue. Unfortunately, there is a time limit. In the present condition of our budget, and with the enormous demands upon us, we are compelled to settle for what has come out of conference before the expiration date of some of those taxes. It is just that the Federal Treasury cannot stand at this critical time the foregoing of $2 billion in badly needed revenue.

Mr. McGREGOR. Mr. Speaker, some New Deal orators have been exhorting the public with the usual extravagant political claims of being the party of the "little man" in tax-reduction measures.

Let us look at the record. It will speak for itself and it will show that under New Deal philosophies the so-called little fellow has had to pay higher taxes. It has been the Republican Party which has cut taxes for the lower-income groups. Since the first income-tax law was passed by a Democratic Congress in 1913, there have been 15 income-tax increases. Democratic Congresses voted all but one of these increases.

The New Dealers put low-income people and wage earners on the taxroll. In 1932 there were 1,900,000 taxable Federal returns. In 1952 there were 46,800,000 such returns. Republicans did the cutting 7 out of the 10 times that income taxes have been reduced since 1913.

In 1954 the Republican Congress reduced taxes by a total of $7.4 billion—the largest cut in any 1 year in history. Some excise taxes were reduced 50 percent. The Republican Congress reduced taxes on electric light bulbs, stoves, refrigerators, electric toasters, telephones, cosmetics, telegraph bills, ladies' purses, pharmaceutical supplies, theater and amusement admission tax, and many other excise taxes. This cut benefited all.

Sixty-two cents out of each dollar in the tax reduction went to individuals. Approximately 25 cents of this 62 cents going to taxpayers with incomes under $5,000.

The New Dealers have been endeavoring to play politics with tax legislation claiming that they want to increase income-tax exemptions thereby lowering individual income taxes. Again I say: "Let's look at the record." The following chart shows the exemptions from 1931 to 1954 as passed by the Congress:

Republican: Republican controlled Congress—Democratic: Democrat controlled Congress

	Republican, 1925–31	Democrat, 1932–39	Democrat, 1940	Democrat, 1941	Democrat, 1942	Democrat, 1944	Republican, 1948
Single	$1,500	$1,000	$800	$750	$500	$500	$600
Married	3,500	2,500	1,500	1,500	1,200	1,000	1,200
Dependent	400	400	400	400	350	500	600

As we listen to various speakers, political and otherwise, we should keep in mind that the record speaks for itself and the statement set forth in this article is the record.

Mr. SHELLEY. Mr. Speaker, I expect to vote against the adoption of this conference report—not because of any objection to extension of the 52 percent corporation income-tax rate or the excise-tax rates therein, but simply as my personal protest against failure to include in the bill any income-tax relief for the small individual income taxpayer.

When the revised Internal Revenue Code was before the House last year I felt very strongly that the individual low-income taxpayer was entitled to relief, particularly in view of the tax reductions written into the law to the advantage of big-business interests and wealthy stockholders. When the fight to include a reduction in taxes for the little man failed last year, I determined to do everything I could to push for such relief in this session of Congress. I strongly supported the successful Democratic move to include a $20-per-person tax reduction for individuals when H. R. 4259 was voted on in the House on February 25 of this year. To me it is extremely unfair and unfortunate that no agreement was reached between the conferees for the House and the other body to include at least some measure of tax reduction for individual taxpayers in this conference report. I cannot vote for a report which does not give the low-income groups in this country the relief to which they are entitled.

Mr. Speaker, I want to reiterate that I do not oppose at this point extension of tax rates to which H. R. 4259 has now been limited. My vote against the report is purely a protest against failure to do justice to the little man. It is, further, a protest against acceptance by the Congress of the trickle-down theory of tax relief held by this administration, under which they want to confine tax reductions to Big Business in the hope that in their goodness and mercy they will permit some of their added income to trickle down to the small-wage earner. That economic fallacy has been exploded long ago. The House was on the right track in February when we voted the $20-per-person tax reduction. I suggest that we should soon get back on that track by forcing a reduced tax rate for the low-income groups in this country. By that method we give direct relief where it is most needed and, at the same time, promote economic growth by the only sure means available—increased consumer purchasing power. On those grounds I urge the rejection of this conference report.

I believe, also, Mr. Speaker, that we Members of the House are entitled to feel put upon in not having this conference report brought back to us for final action until we are under the gun, so to speak, as to expiration of the excise taxes and the extension of the present corporate income-tax rate. When we are asked to act on March 30 on a matter which must be decided by April 1, there seems justifiable reason to believe that the democratic processes are being slighted in favor of tactics more suitable to other forms of government. Perhaps the motive in delaying this legislation was not what it seems, but when

we are faced now with only two choices—letting the present taxes expire or pass this bill—I think a protest is justified.

Mr. EBERHARTER. Mr. Speaker, I cannot bring myself to agree to the conference report on H. R. 4259, now before us for decision.

To do so will cruelly deny modest tax relief designed to benefit the needy family in the lower income brackets, while at the same time the "fat-cat" Republican Revenue Act of 1954 will continue to drain off billions in tax benefits predominately to large business, dividend recipients, and wealthy individuals.

It is arrant fiscal irresponsibility, we are lectured from high administration places, to give modest tax relief to lower income families—to give a direct tax saving of $20 each to the father and mother and for each dependent child, so that the relief will be more effectively felt at the lower income levels where the family burden presses the heaviest.

But—so goes the lecture from the same high administration sources—it is an act of high and ennobled statesmanship, contributing to the welfare and stability of every humble home and fireside, to give unbounded tax relief to big corporations, coupon clippers, and wealthy individuals as was done last year in the Revenue Act of 1954.

I and other Members on my side of the aisle took the floor many times last year and this to protest the one-sided character of that 1954 act, particularly as to its dividend credit tax bonanza and its distorted and swollen depreciation tax allowances to corporation.

The dividend-credit provision of that 1954 act—the special tax reduction for coupon clippers—will cost $362 million a year. Eighty percent of that relief will go to the six-tenths of 1 percent of American families who own four-fifths of all publicly held stock. Ninety-two percent of American families own no stock and get no benefit. Less than 4 percent of all taxpayers—those with incomes over $10,000—receive 76 percent of all dividend income. And eight-tenths of 1 percent of all American families—those with incomes over $25,000—get 55 percent of all dividend income.

I ask, is it a token of fiscal responsibility that special tax relief be accorded a favored limited group of dividend recipients—the unearned income class—but even most modest relief be denied the mass of taxpayers who work and toil for earned income?

The special depreciation allowances granted by last year's tax bill—thinly disguised special tax credits for increased corporate dividends or favored capital gains benefits to stockholders on corporate reinvestment of tax free earnings—will continue to cost billions in reduced Federal revenues for a generation. Expert students of intricate tax maneuvers and business finance estimate that by the year 1960 the United States Treasury would be losing, at present levels of gross national product, about $3 billion per year as a result of these new depreciation provisions if current tax rates on business remain the same. The same sources estimate that by 1955 the tax loss would rise to more than $5 billion per year, and it would continue to rise thereafter. I commend to the attention of the Members the revealing study of Depreciation Under the New Tax Law, by Robert Eisner, published in the Harvard Business Review for January 1955, and reprinted in the RECORD of March 11 at page 2708.

But when the 1954 act was under consideration and even as of recent date, we were told in solemn assurance by the Secretary of the Treasury, and other administration fiscal pundits who now lecture us on fiscal irresponsibility, that these swollen depreciation tax benefits will really cost the Federal Government nothing. They say that if you view their tax effect on one piece of new machinery—and please limit your myopic view to only one added machine by the taxpaying corporation in this dynamic business economy of ours—then the Government will later get back the taxes it lost in the earlier years because no more depreciation tax allowances can be taken after the full cost of that single machine has been written off for tax purposes.

"Baloney," as a forthright statesman, dear to my memory, might have responded. The shallow assurance that the increased depreciation tax allowance "all washes out in the end"—to quote the study above referred to—"not only is misleading, it is to all practical purposes flatly erroneous." It mistakes the effect on a single piece of property for the cumulative tax effect, typical of American corporations, of increasing investment in new property additions each year in keeping with the economic growth of our system. Assume that gross additions of property are made at a constant rate each year by one of the big corporations in a heavy capital industry, if the properties last 33 years depreciation tax allowances under the generous new methods of last year will exceed tax write-off under the old method in each of the first 27 years under one of the new methods and in every one of the first 33 years under the other new method authorized last year. The tax benefit does not "wash out in the end"; it can pile billions upon billions in reduced corporation taxes each continuing year for the next generation.

"When do we get back those billions?" I inquire after due heed to recent public sermonizing on fiscal responsibility. When I tried last year to find out from the Secretary of the Treasury, I ran into a stumbling block of refusal to give the information at first, then official stall, and finally airy assurance to the effect that "it all washes out in the end."

Not even the Wall Street Journal accepts the glib assurance of the Treasury that the new depreciation tax allowances "all wash out in the end." To quote from the lead editorial appraisal in the issue of March 28, 1955:

> As shown here a few weeks ago, the depreciation change can produce large cumulative effects over the years. On any single piece of property the effect is minor. It merely postpones taxable income a few years by concentrating the depreciation in the early part of the life of the property. But as new facilities are built year by year, the relative weight of the early, heavy depreciation rates will keep growing, and Federal revenues will reflect this.

Yes, $362 million a year of special tax benefits directly to stock dividend recipients—coupon clippers—and billions more per year in corporate tax benefits through tax-free depreciation allowances to be kept in company tills, distributed to stockholders, or reinvested with consequent increased stock values able to be realized upon at favored capital gains rate of taxation. In the eyes of administration lecturers, that must be the acme of fiscal responsibility.

Relief for the wealthy, we are told, will stimulate investment and promote confidence. It will sustain that delicate maiden, whose confidence we must so tenderly nourish, the stock market boom. Relief for the needy, this administration tells us, must be spurned as phony and base political trickery. For the latter—for the needy—the weight of the taxload on their burdened backs will help spur their daily toil and assure heightened awareness of the precious price of citizenship.

Some other observers, perhaps lacking in self-righteous zeal for the current brand of fiscal responsibility, detect in this strutting fiscal conscience only the old hard-panned "trickle down" theory again restored to its place of public eminence after years of brooding silence. I doubt that in our modern economy, sustained as it must be by mass purchasing power and ever-broadening distribution of the products of farm and factory, the "trickle down" will be adequate or timely in rate of flow to promote the truly dynamic expanding economy that lies within our reach.

I urge disagreement to the conference report. I respect the views reluctantly reported by the majority members of the committee of conference. I know their sincerity, their deep conviction, and their persistant effort to gain acceptance of House action in passing the $20 tax credit. Only under adamant threat of Presidential veto, on the eve of expiration of current higher rates of corporate and excise taxes, did they bow to Executive fiat.

But I am still mindful that our Founding Fathers wrote in the Constitution that "all bills for raising revenue shall originate in the House of Representatives;" and to the Congress the Constitution gave the power to levy and collect taxes. Too often of late has this House—its elected Members—forsworn its rightful prerogative. Let us assert it now, confident in the human justice and economic justice of our prior action, lest by failure to do so we embolden further the disciples of the McKinley era in their new onslaught of power and privilege. If we disagree to the conference report, then this House itself lifts the awesome responsibility from the individual shoulders of the able chairman of the conference committee and his fellow conferees. I doubt that the administration, despite its blustering threats, would rashly jeopardize by veto the true fiscal responsibility and fairness of our Government. The pages of history are studded with examples where human liberty and justice were won only by like defiance of entrenched power.

Mr. COOPER. Mr. Speaker, I move the previous question on the conference report.

The SPEAKER. The question is on the conference report.

Mr. REED of New York. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 387, nays 8, not voting 39, as follows:

[Roll No. 33]

YEAS—387

Abbitt	Davis, Ga.	Hope
Abernethy	Davis, Tenn.	Horan
Adair	Davis, Wis.	Hosmer
Addonizio	Dawson, Utah	Huddleston
Albert	Deane	Hull
Alexander	Delaney	Hyde
Alger	Dempsey	Ikard
Allen, Calif.	Denton	Jackson
Allen, Ill.	Derounian	James
Andersen, H. Carl	Devereux	Jarman
	Dies	Jenkins
Andresen, August H.	Diggs	Jennings
	Dixon	Jensen
Andrews	Dodd	Johansen
Anfuso	Dollinger	Johnson, Calif.
Arends	Dondero	Johnson, Wis.
Ashley	Donohue	Jonas
Ashmore	Dorn, N. Y.	Jones, Ala.
Aspinall	Dorn, S. C.	Jones, Mo.
Auchincloss	Dowdy	Jones, N. C.
Avery	Durham	Judd
Ayres	Edmondson	Karsten
Bailey	Elliott	Kean
Baker	Ellsworth	Kearney
Baldwin	Engle	Kearns
Barrett	Evins	Keating
Bass, N. H.	Fallon	Kee
Bass, Tenn.	Fascell	Kelly, N. Y.
Bates	Feighan	Keogh
Baumhart	Fenton	Kilburn
Beamer	Fernandez	Kilday
Becker	Fine	Kilgore
Belcher	Fino	King, Calif.
Bennett, Fla.	Fisher	King, Pa.
Bennett, Mich.	Flood	Kirwan
Bentley	Flynt	Klein
Berry	Fogarty	Kluczynski
Betts	Forand	Knox
Blitch	Ford	Krueger
Boggs	Forrester	Laird
Boland	Fountain	Landrum
Bolling	Frazier	Lane
Bolton, Frances P.	Frelinghuysen	Lanham
	Friedel	Lankford
Bonner	Fulton	Latham
Bosch	Gamble	LeCompte
Bow	Garmatz	Lesinski
Boykin	Gary	Lipscomb
Boyle	Gathings	Long
Bray	Gavin	Lovre
Brooks, La.	Gentry	McCarthy
Brooks, Tex.	George	McConnell
Brown, Ga.	Gordon	McCormack
Brownson	Granahan	McCulloch
Broyhill	Grant	McDonough
Buchanan	Gray	McGregor
Budge	Green, Oreg.	McIntire
Burdick	Green, Pa.	McMillan
Burleson	Gregory	McVey
Burnside	Griffiths	Macdonald
Bush	Gross	Machrowicz
Byrd	Gubser	Mack, Ill.
Byrne, Pa.	Gwinn	Mack, Wash.
Byrnes, Wis.	Hagen	Madden
Cannon	Hale	Magnuson
Carlyle	Haley	Mahon
Carnahan	Halleck	Mailliard
Carrigg	Hand	Marshall
Cederberg	Harden	Martin
Chatham	Hardy	Mason
Cheif	Harris	Matthews
Chenoweth	Harrison, Va.	Meader
Chiperfield	Harvey	Merrow
Church	Hays, Ark.	Miller, Calif.
Clark	Hayworth	Miller, Md.
Clevenger	Hébert	Miller, Nebr.
Cole	Henderson	Miller, N. Y.
Colmer	Heriong	Mills
Coon	Heselton	Minshall
Cooper	Hess	Mollohan
Corbett	Hiestand	Morano
Cramer	Hillings	Morgan
Cretella	Hinshaw	Moss
Crumpacker	Hoeven	Moulder
Cunningham	Hoffman, Ill.	Multer
Curtis, Mass.	Hoffman, Mich.	Mumma
Curtis, Mo.	Holmes	Murray, Ill.
Dague	Holt	Murray, Tenn.
Davidson	Holtzman	Natcher
Nicholson	Robsion, Ky.	Thompson, N. J.
Norblad	Rodino	Thompson, Tex.
Norrell	Rogers, Colo.	Thomson, Wyo.
O'Brien, Ill.	Rogers, Fla.	Thornberry
O'Brien, N. Y.	Rogers, Mass.	Tollefson
O'Hara, Ill.	Rogers, Tex.	Trimble
O'Hara, Minn.	Rooney	Tuck
O'Konski	Rutherford	Tumulty
O'Neill	St. George	Utt
Ostertag	Saylor	Vanik
Patman	Schenck	Van Pelt
Patterson	Schwengel	Van Zandt
Pelly	Scott	Velde
Perkins	Scrivner	Vinson
Pfost	Scudder	Vorys
Philbin	Seely-Brown	Vursell
Phillips	Sheehan	Wainwright
Pilcher	Short	Walter
Pillion	Shuford	Watts
Poage	Sieminski	Westland
Poff	Sikes	Wharton
Polk	Siler	Whitten
Powell	Simpson, Ill.	Wickersham
Preston	Simpson, Pa.	Widnall
Price	Sisk	Wigglesworth
Priest	Smith, Kans.	Williams, Miss.
Quigley	Smith, Miss.	Williams, N. J.
Rabaut	Smith, Va.	Williams, N. Y.
Radwan	Smith, Wis.	Wilson, Calif.
Rains	Spence	Wilson, Ind.
Ray	Springer	Winstead
Reece, Tenn.	Steed	Withrow
Reed, N. Y.	Sullivan	Wolcott
Rees, Kans.	Taber	Wolverton
Reuss	Talle	Wright
Rhodes, Ariz.	Taylor	Yates
Richards	Teague, Calif.	Young
Riehlman	Teague, Tex.	Younger
Riley	Thomas	Zablocki
Rivers	Thompson, La.	Zelenko
Roberts	Thompson, Mich.	
Robeson, Va.		

NAYS—8

Blatnik	Holifield	Roosevelt
Chudoff	Metcalf	Shelley
Dingell	Rhodes, Pa.	

NOT VOTING—39

Barden	Dolliver	Passman
Bell	Donovan	Prouty
Bolton, Oliver P.	Doyle	Reed, Ill.
	Eberharter	Sadlak
Bowler	Fjare	Scherer
Brown, Ohio	Harrison, Nebr.	Selden
Buckley	Hays, Ohio	Sheppard
Canfield	Hill	Staggers
Celler	Kelley, Pa.	Udall
Chase	Knutson	Weaver
Christopher	McDowell	Wier
Cooley	Morrison	Willis
Coudert	Nelson	
Dawson, Ill.	Osmers	

So the conference report was agreed to.

The Clerk announced the following pairs:

Mr. Doyle with Mr. Brown of Ohio.
Mrs. Knutson with Mr. Canfield.
Mr. Bowler with Mr. Harrison of Nebraska.
Mr. Hays of Ohio with Mr. Sadlak.
Mr. Selden with Mr. Hill.
Mr. Sheppard with Mr. Coudert.
Mr. Morrison with Mr. Oliver P. Bolton.
Mr. Eberharter with Mr. Chase.
Mr. Donovan with Mr. Dolliver.
Mr. Willis with Mr. Fjare.
Mr. Buckley with Mr. Weaver.
Mr. Cooley with Mr. Prouty.
Mr. Celler with Mr. Nelson.
Mr. Kelley of Pennsylvania with Mr. Osmers.
Mr. McDowell with Mr. Reed of Illinois.
Mr. Passman with Mr. Scherer.

Mr. THOMPSON of New Jersey changed his vote from "nay" to "yea."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

COMMITTEE ON EDUCATION AND LABOR

Mr. O'NEILL, from the Committee on Rules, reported the following privileged resolution (H. Res. 154, Rept. No. 311), which was referred to the House Calendar and ordered to be printed:

Resolved, That the Committee on Education and Labor, effective from January 3, 1955, acting as a whole or by subcommittee, is authorized and directed to conduct studies and investigations relating to matters coming within the jurisdiction of such committee under rule XI, clause 6, of the Rules of the House of Representatives. For such purpose such committee, or any subcommittee thereof, is authorized to sit and act during the present Congress at such times and places within the United States, its Territories and possessions, whether the House is in session, has recessed, or has adjourned, to hold such hearings, and to require by subpena or otherwise the attendance and testimony of such witnesses and the production of such books, records, correspondence, memoranda, papers, and documents, as it deems necessary. Subpenas shall be issued only over the signature of the chairman of the committee or a member of the committee designated by him; they may be served by any person designated by such chairman or member. The chairman of the committee or any member thereof may administer oaths to witnesses.

The committee may report to the House of Representatives from time to time during the present Congress the results of its studies and investigations, with such recommendations for legislation or otherwise as the committee deems desirable. Any report submitted when the House is not in session shall be filed with the Clerk of the House.

With the following committee amendments:

Strike all after the resolving clause and in lieu thereof insert the following: "That the Committee on Education and Labor, effective from January 3, 1955, acting as a whole or by subcommittee, is authorized and directed to conduct a full and complete study and investigation of all matters—

"(1) relating to employee health, welfare, and pension plans;

"(2) relating to the question of Federal aid to school construction; and

"(3) relating to education and labor generally.

"*Provided*, That the committee shall not undertake any investigation of any subject which is being investigated by any other committee of the House.

"For the purposes of such investigations and studies the committee, or any subcommittee thereof, is authorized to sit and act during the present Congress at such times and places within the United States, whether the House is in session, has recessed, or has adjourned, to hold such hearings, and to require by subpena or otherwise the attendance and testimony of such witnesses and the production of such books, records, correspondence, memoranda, papers, and documents, as it deems necessary. Subpenas shall be issued only over the signature of the chairman of the committee or a member of the committee designated by him; they may be served by any person designated by such chairman or member. The chairman of the committee or any member thereof may administer oaths to witnesses.

"The committee may report to the House of Representatives from time to time during the present Congress the results of its studies and investigations, with such recommendations for legislation or otherwise as the committee deems desirable. Any report submitted when the House is not in session shall be filed with the Clerk of the House."

Amend the title so as to read: "To authorize the Committee on Education and Labor to conduct studies and investigations with respect to certain matters within its jurisdiction."

ANALYSIS AND REEVALUATION OF PROBLEMS OF MENTAL ILLNESS

Mr. BOLLING, from the Committee on Rules, reported the following privileged resolution (H. Res. 198, Rept. No. 312), which was referred to the House Calendar and ordered to be printed:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of House Joint Resolution 256, providing for an objective, thorough, and nationwide analysis and reevaluation of the human and economic problems of mental illness, and for other purposes. After general debate, which shall be confined to the joint resolution, and shall continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interstate and Foreign Commerce, the joint resolution shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the joint resolution for amendment, the Committee shall rise and report the joint resolution to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the joint resolution and amendments thereto to final passage without intervening motion except one motion to recommit.

CONSTRUCTION AND CONVERSION OF NAVAL VESSELS

Mr. DELANEY, from the Committee on Rules, reported the following privileged resolution (H. Res. 199, Rept. No. 313), which was referred to the House Calendar and ordered to be printed:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 4393) to provide for the construction and conversion of certain modern naval vessels, and for other purposes. After general debate, which shall be confined to the bill, and shall continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Armed Services, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

AMEND SECTION 401 (E) (2) OF THE CIVIL AERONAUTICS ACT

Mr. COLMER, from the Committee on Rules, reported the following privileged resolution (H. Res. 200, Rept. No. 314), which was referred to the House Calendar and ordered to be printed:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 2225) to amend section 401 (e) (2) of the Civil Aeronautics Act, as amended. After general debate, which shall be confined to the bill, and shall continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interstate and Foreign Commerce, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

INDEPENDENT OFFICES APPROPRIATION BILL FOR FISCAL YEAR 1956

Mr. THOMAS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H. R. 5240) making appropriations for sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1956, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union, for the further consideration of the bill H. R. 5240, with Mr. RAINS in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose, the remainder of the bill had been considered as read and open to amendments and points of order at any time. Are there any further points of order?

Mr. TEAGUE of Texas. Mr. Chairman, I make the point of order that it is legislation on an appropriation bill against the following language appearing on page 28, lines 15 through 19:

Provided further, That no part of any appropriation shall be used to pay educational institutions for reports and certifications of attendance at such institutions an allowance at a rate in excess of $1 per month for each eligible veteran enrolled in and attending such institution.

Mr. PHILLIPS. Mr. Chairman, I do not believe that language is subject to a point of order. It is a limitation. It permits the spending of $1 instead of the previous amount of $1.50. This has been contemplated by the Veterans' Administration in setting up its budget. This has been in for 2 years.

The CHAIRMAN. The Chair is ready to rule.

The Chair calls the attention of the gentleman to the fact that in line 15 the words "no part of any appropriation" are used. That goes beyond this appropriation bill. This is legislation on an appropriation bill, and the Chair sustains the point of order.

Mr. LONG. Mr. Chairman, I make the point of order that it is legislation on an appropriation bill against the language beginning in line 3 on page 31 and extending through line 14 of that page, as follows:

Provided, That hereafter no part of any appropriation to the Veterans' Administration shall be available for outpatient dental services and treatment, or related dental appliances with respect to a service-connected dental disability which is not compensable in degree unless such condition or disability is shown to have been in existence at time of discharge and application for treatment is made within 1 year after discharge: *Provided further*, That this limitation shall not apply to adjunct outpatient dental services or appliances for any dental condition associated with and held to be aggravating disability from such other service-incurred or service-aggravated injury or disease.

Mr. THOMAS. Mr. Chairman, we concede the point of order.

The CHAIRMAN. The Chair sustains the point of order.

Are there further points of order?

Mr. MARTIN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take this time to inquire of the majority leader as to the program for the rest of the week and also on Monday.

Mr. McCORMACK. I am glad to answer the question asked by my colleague.

After the disposition of this bill today there are a few matters which will be taken up by unanimous consent, three reports from the Committee on House Administration and a resolution from the Committee on Rules authorizing the Committee on Education and Labor to have the ordinary powers of subpena, and so forth. That will be all.

While we will meet tomorrow, there will be no business.

Then we will adjourn over until Monday. That is when the official adjournment resolution takes effect. I may say for the benefit of the Members and for whatever guidance it may be to them that I intend to go home tomorrow night myself.

Mr. YATES. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. YATES: On page 37, after line 25, insert a new section to be designated as section 108, as follows:

"No part of any appropriation contained in this title shall be used to pay the compensation of any officers and employees who allocate positions in the classified civil service with a requirement of maximum age for such positions."

Mr. THOMAS. Mr. Chairman, I make a point of order against the amendment offered by the gentleman from Illinois [Mr. YATES] on the ground that it is legislation and placing a duty upon the agency to determine the age of each applicant.

Mr. YATES. Mr. Chairman, may I be heard on the point of order?

The CHAIRMAN. The Chair will hear the gentleman.

Mr. YATES. Mr. Chairman, this is negative restriction directed solely to funds sought to be appropriated by this bill. It is not legislation on an appropriation bill.

The CHAIRMAN (Mr. RAINS). The Chair is ready to rule. It appears to the Chair that this is a proper limitation. Therefore, the point of order is overruled.

Mr. YATES. Mr. Chairman, this amendment is directed to the purpose of correcting one of the most glaring evils in the Federal Government today, and that is the restriction of employment of those applying for jobs on the basis of their age. Many of you have read the article which was recently in Collier's magazine by the Honorable James P. Mitchell, Secretary of Labor,

under the title "After 45, Are You Too Old to Work?" And under it, it says, "Yes; the figure is 45. Shocking as it is, people in the prime of life are denied jobs because of their age. The Secretary urges action now to help them."

Mr. Chairman, 45 is a relatively young age, and yet the Civil Service Commission is establishing age limitations much lower than 45. I read from the New York Times of September 25, 1954:

UNITED STATES JOB AGE OF 35 SHARPLY PROTESTED

One hundred stenographers and typists are wanted by the Federal Government, but they must be "under 35 years of age." The jobs are for Washington and abroad, a spokesman at the New York State Employment Office, where the notice is posted, said yesterday.

The pay is $2,950 to $3,795 a year, with cost of living allowance and transportation overseas. Asked what agency of the Government was recruiting young workers only, the spokesman said it was "off the record."

The age stipulation aroused bitter comment from one applicant who was reminded by an employment interviewer that she was over the age specified. She recounted the obstacles in private industry for those over 35 and said she was maintaining herself on unemployment insurance which is nearing its end.

"And now it's the Government that wants young women only," she said. "They don't think we are too old to pay our taxes that support the Government and the employment service."

Mr. Chairman, this is a woman who wants to work and who is living on unemployment compensation. Because she happens to be over 35 she is barred because of this arbitrary ruling of the Civil Service Commission.

Mr. THOMAS. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield.

Mr. THOMAS. The Committee on this side will accept the amendment, with the understanding that after we have an opportunity to analyze it and go into conference, if it becomes apparent, which it is not now because we have not had a chance to study it, we will reserve the right to disapprove it in conference if it develops that the amendment is bad.

Mr. PHILLIPS. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield.

Mr. PHILLIPS. Mr. Chairman, the intent of the amendment is excellent, and with the same understanding we accept it.

Mr. YATES. I thank the gentleman. Certainly, if we are to make progress in the elimination of the bias against hiring older workers in private industry, the Federal Government must set a good example. I am grateful to the Committee for accepting the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois [Mr. YATES].

The amendment was agreed to.

Mr. PHILLIPS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PHILLIPS: On page 28, after line 14, insert: *"Provided further*, That no part of any appropriation in this bill shall be used to pay educational institutions for reports and certifications of attendance at such institutions an allowance at a rate in excess of $1 per month for each eligible veteran enrolled in and attending such institution."

Mr. PHILLIPS. Mr. Chairman, this seeks to meet the question raised on the point of order which was made by the gentleman from Texas [Mr. TEAGUE] regarding that proviso. I offer this brief explanation of it. This has been in the law for several years. Originally when the amount was written into the bill, it was $2.50 per month, later this was reduced to $1.50. The Veterans' Administration was to pay $1.50 per month per student to the college or school where the student was studying merely to report that he was there. Upon that basis, the subsistance check for the month was sent to him. After consulting with the Veterans' Administration and with the schools, it was decided 3 years ago that $1 was adequate.

I am willing that they should have, first, to underwrite the monthly report which we require them to make, which is more often than they have to make on their own students. This budget was set up by the Veterans' Administration in contemplation of the fact that the amount would be a dollar. I am simply renewing the provision which has been in earlier bills.

Mr. THOMAS. Mr. Chairman, I ask for a vote on the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California.

The question was taken; and on a division (demanded by Mr. TEAGUE of Texas), there were—ayes, 67; noes, 35.

Mr. TEAGUE of Texas. Mr. Chairman, I demand tellers.

Tellers were refused.

So the amendment was agreed to.

Mr. TEAGUE of Texas. Mr. Chairman, I make a point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] One hundred and thirty-seven Members are present; a quorum.

Mr. TEAGUE of Texas. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I would like the Members to know what this amendment is and what has happened back through the years. My point of order against this rider provision was successful but while I was called to the telephone the provision was placed in the bill by limitation. My amendment will strike the language and policy will revert to that in Public Law 550, 82d Congress.

A few years ago we passed Public Law 550, and it was necessary that we provide for some payment to the colleges of our country for making reports on the veterans who were in school.

The Committee on Veterans' Affairs made a very careful study. The colleges demanded at least $2.50. We finally gave them $1.50. Without study and without investigation this Subcommittee of the Committee on Appropriations has changed it to $1. It was written as legislation on an appropriation bill. That is the reason I made a point of order against the legislation, and I expect to ask for a rollcall on this amendment when the bill is passed.

Mr. BROYHILL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BROYHILL: On page 34, line 3, insert immediately after the word "which" the following: "$1,000,000 shall be available for surveys and preparation of plans and specifications for a general hospital in the metropolitan area of Washington, D. C., and."

Mr. HOFFMAN of Michigan. Mr. Chairman, will the gentleman yield?

What do you mean by "metropolitan"? What does that term mean, "metropolitan area"? Does that mean the city of Washington?

Mr. BROYHILL. Do I have the floor, Mr. Chairman?

Mr. HOFFMAN of Michigan. Yes; I asked the gentleman to yield.

Mr. BROYHILL. Metropolitan Washington is defined by the Civil Service Commission.

Mr. THOMAS. Mr. Chairman, I make a point of order against the amendment.

The CHAIRMAN. There has already been debate, the Chair states to the gentleman from Texas. The point of order comes too late.

Mr. THOMAS. May I say to the distinguished Chairman that I was on my feet long before the gentleman from Virginia was recognized.

The CHAIRMAN. The Chair did not hear the gentleman raise his voice. The Chair's attention was diverted for a moment. The point of order comes too late. The gentleman from Virginia will proceed.

Mr. BROYHILL. Mr. Chairman, the term "metropolitan area of Washington" has been defined by the Civil Service Commission as including all the city of Washington, the District of Columbia, the counties of Arlington and Fairfax in Virginia, the cities of Alexandria and Falls Church, Va., and the counties of Prince Georges and Montgomery in Maryland.

Mr. HOFFMAN of Michigan. If the gentleman will yield, does the gentleman have any particular area in mind where this hospital will be put?

Mr. BROYHILL. Yes, I do; but at the moment all the Representatives in the House from the metropolitan area are together.

This amendment, Mr. Chairman, is self-explanatory. It does not appropriate any additional funds whatsoever; it merely earmarks $1 million of the $30 million included in the bill for plans and specifications to build a hospital in the metropolitan area of Washington.

This hospital was authorized back in 1945, 10 years ago; in fact, at that time, they authorized the construction of a 750-bed hospital. Of all the hospitals which have been authorized throughout the country at that time and since that time, every hospital has either been constructed or have had funds appropriated and are under construction except this one. This is the only hospital in the entire country for which funds have not been appropriated, but which has been authorized. The ratio of veterans needing hospitalization to beds throughout the entire country was 149 to 1 in 1949.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. BROYHILL. After I finish the burden of my remarks I will, if time remains.

In the metropolitan area the ratio of veterans to hospital beds in 1949 was 409 to 1, but even after constructing the 750-bed hospital the ratio of veterans to hospital beds would far exceed the national average. That is so because Washington, D. C., is a metropolitan area that extends into the suburbs, and the population of the metropolitan Washington area is 1,800,000. If we take the veterans' needs into consideration—while I have no precise figures, we know that the ratio of veterans per bed in the metropolitan Washington area far exceeds any other area of the country, at least by 2 or 3 to 1.

The entire appropriation of $15,800,000 has been requested in times past. The hospital was recommended by the Veterans' Administration to the Bureau of the Budget and by the Bureau of the Budget to the Congress. We asked for it on the floor last year. It was opposed by the Appropriations Committee because they felt there were not sufficient doctors, but it was indicated that if conditions changed this year we would possibly get more favorable cooperation. This $15,800,000 was requested by the Veterans' Administration of the Bureau of the Budget, but the Bureau of the Budget failed to recommend it to the committee.

We are not today asking for the $15,800,000. We are merely asking that $1 million of the funds which are appropriated here for replacement of hospital facilities be earmarked so that we can start the preparation of plans and specifications. We must get a hospital constructed here eventually.

Mr. BAILEY. Mr. Chairman, will the gentleman yield?

Mr. BROYHILL. I yield to the gentleman from West Virginia.

Mr. BAILEY. When this plan was originally brought forward and the hospital authorized, did the Government obtain what is known as the Nevis tract?

Mr. BROYHILL. Yes.

Mr. BAILEY. Does the Government still have title to that property?

Mr. BROYHILL. The Government has title to it but since then they have rescinded that order and have authorized construction of the hospital at Soldiers' Home in the District of Columbia and have reduced the size of the hospital from 750 to 500 beds.

Mr. BAILEY. That is on the present site of Soldiers' Home?

Mr. BROYHILL. Yes. All of the veterans' hospitals in the country and all of the veterans of the country will benefit by the construction of this hospital in the Nation's Capital. Mr. Higley, of the Veterans' Administration, stated that they planned to make this hospital a national training center for nurses, a national training center for the administration of hospitals and a national research center for all the research that is being done all over the country. All of that will be coordinated here in Washington, D. C., as other facilities are coordinated in Washington, D. C.

Mr. THOMAS. Mr. Chairman, I reluctantly rise in opposition to my distinguished friend's motion. I am just a little bit surprised that our friends on the Committee on Veterans' Affairs did not make a point of order. Of course, I was on my feet trying to make a point of order. It is legislation on an appropriation bill but I do not object to it on that basis.

Mr. Chairman, we are putting the Veterans' Administration behind the 8-ball here. There are 15 or 20 hospitals that were authorized which have been cut out from time to time. It may be that the Mount Alto Hospital in the District of Columbia has outlived its usefulness; it is quite an old hospital. But if we are going to do this at least 30 or 40 other Members here might want to do likewise. So we better let this thing come in through regular channels. I can assure the gentleman from my own point of view that if the Bureau of the Budget and the Veterans' Administration come in with a request for funds and they make a good case as to need for this hospital, I will go along with them. But, as the matter now stands, the Bureau of the Budget has not made an estimate and as far as I know the Veterans' Administration has not requested it in this year's request for funds.

Mr. Chairman, this amendment ought to be defeated until it is put in shape and has come through regular channels. If the Veterans' Administration recommends it to the Bureau of the Budget and the Bureau of the Budget brings it to the House, we can then consider it. I imagine the need also exists in 40 or 50 other localities. We only have 172 veterans' hospitals. Some of them are no more than 50 to 60 percent full as far as regular medical and surgical beds are concerned.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. THOMAS. Mr. Chairman, I ask unanimous consent that all debate on the pending amendments and all amendments thereto, and on the paragraph, close in 10 minutes.

Mr. BROOKS of Louisiana. Mr. Chairman, I object. I do not want to be frozen out. I want a couple of minutes time here.

Mr. THOMAS. Mr. Chairman, I ask unanimous consent that all debate on the pending paragraph and all amendments thereto close in 20 minutes.

Mr. TEAGUE of Texas. Mr. Chairman, I object.

Mr. THOMAS. Mr. Chairman, I move that all debate on this paragraph and all amendments thereto close in 18 minutes.

Mr. TEAGUE of Texas. Mr. Chairman, there are 8 or 9 Members standing, which would allow 2 minutes apiece. Let the debate go on for 5, 6, or 7 minutes. I see that a good many Members want to speak.

Mr. THOMAS. Mr. Chairman, I ask for a vote on my motion.

The CHAIRMAN. The question is on the motion offered by the gentleman from Texas [Mr. THOMAS].

The question was taken; and the Chair being in doubt, the Committee divided, and there were—ayes 71, noes 30.

So the motion was agreed to.

The CHAIRMAN. The Chair recognizes the gentleman from Maryland [Mr. HYDE].

Mr. HYDE. Mr. Chairman, I sincerely hope that the committee will give favorable consideration to this amendment. Of all the areas in the United States, the Nation's Capital and nearby Maryland and Virginia have been the most neglected in the matter of adequate hospital facilities for the veterans of the area. The only hospital available for the veterans in this area is Mount Alto Hospital, which is woefully inadequate. I believe the building itself must be nearly 50 years old. It was taken over by lease by the Government for veterans' purposes in 1919. Certainly since that time the population of this area has practically tripled, and yet we still have only the same facilities that we had for veterans in 1919.

Moreover, in the last Congress the gentleman from Virginia and myself urged upon the Congress the adoption of an amendment which would accomplish this purpose, and we were assured by the committee that it would be done in this Congress.

So, Mr. Chairman, I urgently request the committee at this time to honor this gentleman's agreement which was given to us in the last Congress and adopt this amendment for merely allocating—no new money; we are not trying to put new money into the bill—merely allocating funds, not for the construction of a hospital but merely for the planning of a veterans' hospital for the District of Columbia and the Maryland and Virginia metropolitan area.

The CHAIRMAN. The Chair recognizes the gentlewoman from Massachusetts [Mrs. ROGERS].

Mrs. ROGERS of Massachusetts. Mr. Chairman, repeatedly the Veterans' Administration has told me that they have asked for adequate facilities for a diagnostic center here in Washington. Anyone who visits Mount Alto Hospital knows that they receive excellent care. We also know that that hospital is a national scandal today. Why the Members of the House, the Veterans' Administration, and the Bureau of the Budget and everybody connected with veterans' affairs do not fight for these facilities and see that they go through, I do not know. Of course, I feel that it should be located in Washington. Anyway, this area should be cared for. I think there is more money than is actually needed in the appropriation for the hospitals and domiciliary care. We have a site already here. I beg that this be approved.

Mr. EVINS. Mr. Chairman, will the gentlewoman yield?

Mrs. ROGERS of Massachusetts. I yield.

Mr. EVINS. On pages 1236 and 1237, there is testimony from Mr. Higley, the chief of the real-estate division, to the effect that this overall program would cost $175 million. He stated that next year, 1957, they anticipated a request of $40 million for this purpose to present to the Congress and an overall program including nine cantonment-type hospitals. I understand that Mount Alto is to be included.

Mrs. ROGERS of Massachusetts. But, this goes on year after year and nothing is done and the scandal continues.

Bill No. 5240 provides an increase of $10,756,000 over the total amount requested in the President's budget for the Veterans' Administration in the 1956 fiscal year. The report on the bill shows that $16,185,000 was added for the purpose of accelerating a program for replacement of old and cantonment-type hospitals and acutely needed rehabilitation and modernization work at others. At the same time, however, the bill reduces the amount requested for general operating expenses by $5,300,000. In recognizing the continuing high-level volume of loan guaranty activities, the report specifies that a $1 million increase is provided for that program. This means that the reduction to be applied to other administrative operations is actually $6,300,000. The report states that $3 million of the reduction should be applied to the Department of Insurance and the balance to administrative expenses.

While the report—page 3—shows a proposed reduction of 1,043 employees from the number requested by the Veterans' Administration for all activities, it must be recognized that the budget estimate as submitted provided for a decrease of 1,479 employees under the general operating expenses appropriation for fiscal year 1956 as compared to 1955. It is noteworthy that there was a reduction of 3,507 in this group from 36,342 in 1954 to 32,835 in 1955. The number of insurance policies in force as of January 1, 1955, was 6,476,651 compared to 6,696,532 in force on January 1, 1954. This is a reduction of approximately 3 percent but the actual workload has increased since 5,330,978 policyholders were making payments of premiums direct to the Veterans' Administration on January 1, 1955, as compared to 5,090,113 on January 1, 1954. The budget for the Department of Insurance for fiscal year 1956 requests 6,821 employees against an estimated total of 7,544 for the current year. This is a decrease of nearly 9 percent. There are 740,076 veterans in training or in school as of February 28, 1955, and the average for the current fiscal year is estimated at 582,900. Based on a realistic projection of the volume of this program into the 1956 fiscal year, there is good reason to believe that an average number of 593,000 veterans will be in school or in training in the 1956 fiscal year whereas the budget request, not anticipating such volume when it was submitted some months ago, estimates an average number of 516,000 veterans in this program in 1956.

In addition to the reductions in our general operating expenses for personnel, attention is called to the fact that over $560,000 for so-called employee fringe benefits provided in recent legislation will be absorbed in the 1956 fiscal year. The major portion of this amount is for the Government's share of the cost of insurance for employees.

Reorganization of the Veterans' Administration about 1½ years ago had as a primary purpose the reduction of operating costs so long as service to veterans should not be impaired. In view of the reductions in personnel already effected, the further reductions which will be required by the decrease in the appropriation presents a serious question as to the ability of the Veterans' Administration to economize to such further extent without impairing service to veterans. It is not contended that all economies must be related to numbers of employees, but any significant decrease such as that under discussion must be related primarily to employment.

The Veterans' Administration desires to perform its functions with the lowest possible cost consistent with adequate service to veterans and has effectively demonstrated its intention in this respect not only during the past 2 years, but in its reduced budget request for the 1956 fiscal year. The total amount requested under the general operating expenses appropriation for the 1956 fiscal year was $160,300,000, as compared to an appropriation of $167,672,300 for the 1955 fiscal year. It is sincerely believed that the budget request for the 1956 fiscal year is conservative not only in the loan guaranty program as recognized by the House report, but also in the vocational rehabilitation and education program and consonantly in other functions which are related to and perform supplementary services for these programs.

Mr. LANKFORD. Mr. Chairman, I rise in support of this amendment. The purpose of it is to provide adequate veterans' hospital care or planning for that care for one of the most thickly populated and most rapidly growing areas in the country. To give you an idea, the estimated veterans' population of Maryland in 1945 was 90,000. In 1949, only 5 years later, it was 263,000, almost triple the population and bear in mind that the population, particularly in the metropolitan area, is growing every day and is made up to a large extent of younger married couples, most of whom are veterans. The estimated veterans' hospital beds were increased slightly over one-fourth in that same period.

The area affected by this matter, the districts represented by Mr. HYDE and myself, are among the most rapidly growing counties in the State of Maryland. There is a crying need for this hospital facility and I urge everyone to vote for the amendment.

May I point out that there is no request for additional money, but this is simply to earmark money already in the bill. It is my understanding 4 VA hospitals, including 1 for this area, were approved at the same time. Three of those hospital have been built, but the one approved for this area has not been built. Each year the cry has been "wait until next year and you will get it then." But I feel now is the time and we cannot wait any longer and must start our planning for this badly needed facility for the veterans immediately. For these reasons, I strongly urge the adoption of this amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Louisiana [Mr. BROOKS].

Mr. BROOKS of Louisiana. Mr. Chairman, I have been trying to get recognition for some time here. I want to take this time to say that I have just received a telegram from the Louisiana Municipal Association protesting the rider that was placed on the bill requiring prior approval of the two committees; one in the House and one in the Senate. It is my understanding that this has been stricken out and I should appreciate it if someone will tell me whether that is so.

Mr. PHILLIPS. If the gentleman will yield, that was stricken out on a point of order.

Mr. BROOKS of Louisiana. I thank the gentleman very much and I ask unanimous consent to insert this telegram at this point in the RECORD.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

The telegram follows:

Hon. OVERTON BROOKS,
House Office Building,
Washington, D. C.:

Urge your efforts to have rider removed from independent offices appropriation bill requiring prior approval of House and Senate Banking and Currency Committees of housing and urban renewal projects using Federal money.

LOUISIANA MUNICIPAL ASSOCIATION,
538 Reymond Building.
ANNA JANE WARRINER,
Secretary-Treasurer.

The CHAIRMAN. The Chair recognizes the gentleman from Maryland [Mr. DEVEREUX].

Mr. DEVEREUX. Mr. Chairman, I would like to have clarified this point concerning this amendment and I shall address my remarks to any member of the committee who is present and can answer the question.

The question is, this money that is earmarked, will that come out of the $30 million that is allocated for rehabilitation of other veterans' hospitals?

Mr. PHILLIPS. The answer to the question is "Yes."

Mr. DEVEREUX. Mr. Chairman, I think that is something that we should consider very seriously. I hate to be in opposition to my colleagues from Maryland, but we have a very serious problem here. I would go along with appropriating additional funds for this study, but I assure you, Mr. Chairman, that there is a necessity for additional hospital facilities here in the metropolitan area. However, I do not think it would be a wise move to take the little money that is now allocated for the rehabilitation of existing hospitals and devote that money to study and planning for one more hospital.

The CHAIRMAN. The Chair recognizes the gentleman from Florida [Mr. MATTHEWS].

Mr. MATTHEWS. Mr. Chairman, I have asked for this time to point out what I think is perhaps an error in the information that has been given to the committee. The statement has been made that perhaps no area in the United States needs facilities for its veterans more than the Washington area. I would not deny anyone the privilege of asking for veterans' facilities, but may I point out that in the State of Florida, with 436,000 veterans, we have 1,350 general medical beds and 116 beds for NP patients. We have over 872 NP patients that have to go hundreds and

hundreds of miles out of Florida to get attention. It would be just as logical to ask the veterans in Washington to go to Chicago or Boston or Philadelphia or some other area 500, 600, or 700 miles from the metropolitan center of this great country of ours.

We have a good hospital at Coral Gables, and we have another facility at Pass-a-Grille, and we have one at Lake City. I believe as the result of this bill there will be improvements made at Coral Gables. We desperately need now an NP hospital in Gainesville. In the United States as a whole there is an NP hospital bed for every 450 veterans, but in Florida there is only 1 NP hospital bed for every 3,600 veterans.

Mr. Chairman, I believe an objective study will show that the need of the State of Florida is greater than that of any other State in the Union.

The CHAIRMAN. The Chair recognizes the gentleman from Texas [Mr. TEAGUE].

Mr. TEAGUE of Texas. Mr. Chairman, the House Committee on Veterans' Affairs has just completed a very careful study of the veterans' facilities throughout the entire United States. We have sent each Member a copy of that survey. I had hoped this amendment would probably come up next year. There is no reason why it should not be placed in the bill this year. There is some controversy between civil defense and the Veterans' Administration as to where to place this hospital, but this is not building money, it is planning money, and there is no question that the needs in this area are probably greater than in any other place in the United States. The present hospital is an old girls' school, and certainly should be replaced as soon as possible.

Mr. SPRINGER. Mr. Chairman, will the gentleman yield?

Mr. TEAGUE of Texas. I yield to the gentleman from Illinois.

Mr. SPRINGER. This point is not clear in my mind. If we allow the allocation of these funds requested by the gentleman from Virginia, will this endanger the possibility of other hospitals getting funds in this particular appropriation bill?

Mr. TEAGUE of Texas. Of course, it will take this money from the repair and renovation of other hospitals. There is no question about it.

Mr. SPRINGER. Does the gentleman consider that to be legislation that should be passed even though it may take it away from other hospitals? Does the gentleman believe this is good legislation?

Mr. TEAGUE of Texas. When this legislation first started downtown there was practically no money in the bill for renovation and repair. When the Bureau of the Budget learned that we were doing a very careful study, they put some money in there, and then more money was added later, so it is the case of one against the other. I would personally like to see the amendment adopted.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. MILLER].

Mr. MILLER of California. Mr. Chairman, while I am not opposed to the amendment offered by the gentleman from Virginia, may I point out that there are other areas in the United States that are just as critical as the one for which he pleads. In an area representing over 1 million people, the one general medical hospital is in an old building that was once a hotel. Why, the oxygen has to be stored in the basement, an enforced violation of recognized hospital administration, where the doors are so narrow you cannot get a gurney through them. There is not an elevator in the place to handle sick people. That is the condition that we are up against in Oakland, Calif.

I do not mind the gentleman getting his $1 million to make surveys, but let us not use all this money for surveys and studies—there are plenty of studies in the files of the Veterans' Administration. Let us quit making studies and get action. Let us use some of this money for rehabilitation work in those hospitals that can be modernized, let us get on the way of obtaining an adequate and decent program for veterans' hospitals long needed and long overdue. I commend to you the report of the gentleman from Texas [Mr. TEAGUE] which is now on your desks. I am sure you will find it a shocking one and one that indicates we have violated our responsibility to our sick and disabled veterans.

The CHAIRMAN. The Chair recognizes the gentleman from Louisiana [Mr. LONG].

Mr. LONG. I would like, if I may take this time, to explain why I raised the point of order against the provision beginning on line 3 of page 31 with the word *"Provided,"* and continuing through line 14, inclusive.

May I say that a bill has been passed through the Veterans' Affairs Committee dealing with this subject, which will be a permanent law. Of course, as you know, a rider that goes through on an appropriation bill is temporary. Everyone I know of who is concerned with this legislation is satisfied with H. R. 5100. We have used a great deal of time and study in the preparation of this bill. We had the American Dental Association and the Veterans' Administration, as well as many other people, appear before the Veterans' Affairs Committee to testify. After hearing all sides and wishing to write a bill that would be satisfactory and at the same time take care of the situation, H. R. 5100 is the result of that study.

This bill is much the same as the one introduced last year by the gentleman from New Jersey [Mr. FRELINGHUYSEN]. It makes permanent the legislation we are seeking to pass. It costs very little, if any, more money and it is a great saving over what was being spent for this same purpose in 1951. The best I can figure it is a saving of in the neighborhood of $75 million. We found that a great deal of money used at that time had been wasted.

The rider that was struck from the bill by my point of order as presently written and passed last year contains the same provisions as the appropriation committee made previously, namely, that it does not provide for any exemptions for the Spanish-American War group nor for trainees under Public Law 16.

H. R. 5100 which the Committee on Veterans' Affairs reported unanimously last Tuesday is accepted by the Bureau of the Budget and the Veterans' Administration since it contains all of the conditions which they believe would be permanent law and would not have to be appropriated each year.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. PHILLIPS].

Mr. PHILLIPS. Mr. Chairman, this is the predicament which the House finds itself in on this amendment. There is no question but that a hospital for veterans should be provided in the area of the District of Columbia. There is no question but Mount Alto is an old hospital. It is inefficient in its operation and it is not possible to take a patient in that hospital from the operating room back to his bed in a ward without having to go through an outdoor corridor. The problem is—where should a new hospital be put and when should it be built? It is my understanding that this is the next hospital on the list to be built among the general hospitals. Now that is one side. The other side of the question is that we do not have the figures as to how much it should cost or where it should be built. I think the House generally is favorable toward the intent of the amendment offered by the gentleman from Virginia. Let me put it this way. If the amendment carries, the money will be well spent. The work will be carried on about as it is planned. If the amendment does not carry, then the gentleman should have an understanding and we should have an understanding that the Veterans' Administration be urged to give immediate attention to the needs of Mount Alto Hospital and to determine where a replacement should be placed. The credit should go to the gentlemen from Virginia and the gentlemen from Maryland who have so effectively brought this to our attention.

The CHAIRMAN. The Chair recognizes the gentleman from Texas [Mr. THOMAS] to close debate on the pending amendment.

Mr. THOMAS. Mr. Chairman, I am in great sympathy with the gentlemen from Virginia and Maryland, but I am going to ask the House to be practical. There is $30 million in the bill to start renovating and remodeling hospitals that are firetraps. Since the new program started in 1944 through 1955 we have built 61 hospitals. There remain 111 that were built prior to World War II.

Let us not deplete this fund by taking out a million or a million and a half for plans for a new hospital. If they come in here next year with that budget estimate, I will attempt to persuade the members of this committee that as far as I am concerned we should vote for the appropriation.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. THOMAS. I yield.

Mr. McCORMACK. I agree with the gentleman, but if this amendment is

adopted, $1 million is taken away from other hospitals.

Mr. THOMAS. It will take a million dollars. There are 111 of these old hospitals which badly need this $30 million, plus a hundred million dollars more.

Mr. DINGELL. Mr. Chairman, will the gentleman yield?

Mr. THOMAS. I yield.

Mr. DINGELL. I want to say to the gentleman from Texas that Walter Reed Hospital, right here in the metropolitan area, needs an awful lot of rehabilitation right now.

Mr. THOMAS. Let us not disturb this money. If it comes in here next year we will supply the money. There is no doubt about that.

The CHAIRMAN. The time of the gentleman from Texas has expired.

All time has expired.

The question is on the amendment offered by the gentleman from Virginia [Mr. BROYHILL].

The amendment was rejected.

Mr. THOMAS. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House, with amendments, with the recommendation that the amendments be agreed to and the bill as amended do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. RAINS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 5240) making appropriations for sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1956, and for other purposes, directed him to report the same back to the House, with sundry amendments adopted in Committee of the Whole, with the recommendation that the amendments be agreed to and the bill as amended do pass.

Mr. THOMAS. Mr. Speaker, I move the previous question on the bill and all amendments to final passage.

The previous question was ordered.

The SPEAKER. Is a separate vote demanded on any amendment?

Mr. TEAGUE of Texas. Mr. Speaker, I demand a separate vote on the Phillips amendment.

The SPEAKER. Is a separate vote demanded on any other amendment? If not, the Chair will put them in gross.

The other amendments were agreed to.

The SPEAKER. The Clerk will report the amendment upon which a separate vote is demanded.

The Clerk read as follows:

Amendment offered by Mr. PHILLIPS: On page 28, after line 14, insert: "*Provided further*, That no part of any appropriation in this bill shall be used to pay educational institutions for reports and certifications of attendance at such institutions an allowance at a rate in excess of $1 per month for each eligible veteran enrolled in and attending such institution."

The SPEAKER. The question is on agreeing to the amendment.

The question was taken; and on a division (demanded by Mr. TEAGUE of Texas) there were—ayes 69, noes 65.

Mr. TEAGUE of Texas. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 154, nays 227, not voting 53, as follows:

[Roll No. 34]

YEAS—154

Alger	Gentry	Miller, Md.
Allen, Calif.	George	Miller, Nebr.
Allen, Ill.	Gross	Miller, N. Y.
Andersen, H. Carl	Gubser	Minshall
	Gwinn	Nicholson
Andresen, August H.	Hale	Norblad
	Halleck	Norrell
Arends	Hand	Ostertag
Auchincloss	Harden	Phillips
Baker	Harvey	Pillion
Bass, N. H.	Hébert	Priest
Bates	Heselton	Ray
Baumhart	Hess	Reece, Tenn.
Beamer	Hiestand	Reed, N. Y.
Becker	Hill	Rees, Kans.
Belcher	Hillings	Rhodes, Ariz.
Bentley	Hoeven	Riehlman
Berry	Hoffman, Mich.	Robeson, Va.
Betts	Holmes	Sadlak
Boland	Holt	St. George
Bolton, Frances P.	Hope	Scott
	Horan	Scrivner
Bosch	Hosmer	Scudder
Bow	Hull	Sheehan
Brownson	Hyde	Short
Broyhill	Jackson	Simpson, Ill.
Budge	James	Simpson, Pa.
Bush	Jenkins	Smith, Kans.
Byrnes, Wis.	Jensen	Smith, Va.
Cederberg	Johansen	Springer
Chenoweth	Johnson, Calif.	Taber
Clevenger	Jonas	Talle
Cole	Jones, N. C.	Taylor
Colmer	Kean	Teague, Calif.
Coon	Kearns	Thomas
Cooper	Keating	Thompson, Mich.
Cramer	Kilburn	
Curtis, Mo.	King, Pa.	Utt
Dague	Krueger	Van Pelt
Davis, Tenn.	Laird	Velde
Davis, Wis.	Latham	Vursell
Dawson, Utah	LeCompte	Wainwright
Derounian	Lipscomb	Westland
Devereux	Lovre	Wharton
Dondero	McConnell	Wigglesworth
Ellsworth	McCulloch	Williams, N. Y.
Evins	McDonough	Wilson, Calif.
Fjare	McGregor	Wilson, Ind.
Ford	McIntire	Wolcott
Frelinghuysen	Mailliard	Yates
Gamble	Marshall	Young
Gathings	Martin	Younger
Gavin	Meader	

NAYS—227

Abbitt	Burdick	Dowdy
Abernethy	Burleson	Durham
Adair	Burnside	Edmondson
Addonizio	Byrd	Elliott
Albert	Byrne, Pa.	Engle
Alexander	Cannon	Fallon
Andrews	Carlyle	Fascell
Anfuso	Carnahan	Feighan
Ashley	Carrigg	Fenton
Ashmore	Celler	Fernandez
Aspinall	Chatham	Fino
Avery	Chelf	Fisher
Ayres	Chudoff	Flood
Bailey	Church	Flynt
Baldwin	Clark	Fogarty
Barrett	Corbett	Forand
Bass, Tenn.	Cretella	Forrester
Bennett, Fla.	Crumpacker	Fountain
Bennett, Mich.	Cunningham	Frazier
Blatnik	Curtis, Mass.	Friedel
Blitch	Davidson	Fulton
Boggs	Davis, Ga.	Garmatz
Bolling	Delaney	Gary
Bonner	Denton	Gordon
Boykin	Dies	Granahan
Boyle	Diggs	Grant
Bray	Dingell	Gray
Brooks, La.	Dodd	Green, Oreg.
Brooks, Tex.	Donohue	Green, Pa.
Brown, Ga.	Dorn, N. Y.	Gregory
Buchanan	Dorn, S. C.	Griffiths
Hagen	Matthews	Rogers, Mass.
Haley	Merrow	Rogers, Tex.
Hardy	Metcalf	Rooney
Harris	Miller, Calif.	Roosevelt
Harrison, Va.	Mills	Rutherford
Hays, Ark.	Mollohan	Saylor
Hayworth	Morano	Schenck
Henderson	Morgan	Seely-Brown
Herlong	Moss	Shelley
Holifield	Moulder	Shuford
Huddleston	Multer	Sieminski
Ikard	Murray, Ill.	Sikes
Jarman	Murray, Tenn.	Sisk
Jennings	Natcher	Smith, Miss.
Johnson, Wis.	O'Brien, N. Y.	Spence
Jones, Ala.	O'Hara, Ill.	Staggers
Jones, Mo.	O'Hara, Minn.	Steed
Karsten	O'Konski	Sullivan
Kee	O'Neill	Teague, Tex.
Kelley, Pa.	Patman	Thompson, La.
Kelly, N. Y.	Patterson	Thompson, N. J.
Keogh	Pelly	Thompson, Tex.
Kilday	Perkins	Thomson, Wyo.
Kilgore	Pfost	Thornberry
King, Calif.	Philbin	Tollefson
Kirwan	Pilcher	Trimble
Kluczynski	Poage	Tuck
Knox	Poff	Tumulty
Knutson	Polk	Udall
Landrum	Powell	Vanik
Lane	Preston	Van Zandt
Lanham	Price	Vinson
Lankford	Quigley	Vorys
Lesinski	Rabaut	Walter
Long	Radwan	Watts
McCarthy	Rains	Whitten
McCormack	Reuss	Wickersham
McMillan	Rhodes, Pa.	Widnall
Macdonald	Richards	Williams, Miss.
Machrowicz	Riley	Williams, N. J.
Mack, Ill.	Roberts	Winstead
Mack, Wash.	Robsion, Ky.	Wolverton
Madden	Rodino	Wright
Magnuson	Rogers, Colo.	Zablocki
Mahon	Rogers, Fla.	

NOT VOTING—53

Barden	Dolliver	Nelson
Bell	Donovan	O'Brien, Ill.
Bolton, Oliver P.	Doyle	Osmers
	Eberharter	Passman
Bowler	Fine	Prouty
Brown, Ohio	Harrison, Nebr.	Reed, Ill.
Buckley	Hays, Ohio	Rivers
Canfield	Hinshaw	Scherer
Chase	Hoffman, Ill.	Schwengel
Chiperfield	Holtzman	Selden
Christopher	Judd	Sheppard
Cooley	Kearney	Siler
Coudert	Klein	Smith, Wis.
Dawson, Ill.	McVey	Weaver
Deane	Mason	Wier
Dempsey	McDowell	Willis
Dixon	Morrison	Withrow
Dollinger	Mumma	Zelenko

So the amendment was rejected.

The Clerk announced the following pairs:

Mr. Dempsey with Mr. Brown of Ohio.
Mr. Klein with Mr. Dolliver.
Mr. Dollinger with Mr. Harrison of Nebraska.
Mr. Fine with Mr. Kearney.
Mr. Passman with Mr. Withrow.
Mr. Seldon with Mr. Smith of Wisconsin.
Mr. Cooley with Mr. Chiperfield.
Mr. Donovan with Mr. Oliver P. Bolton.
Mr. Zelenko with Mr. Canfield.
Mr. Doyle with Mr. McVey.
Mr. Willis with Mr. Mason.
Mr. Hays of Ohio with Mr. Mumma.
Mr. Sheppard with Mr. Nelson.
Mr. Bowler with Mr. Osmers.
Mr. Buckley with Mr. Prouty.
Mr. Morrison with Mr. Coudert.
Mr. O'Brien of Illinois with Mr. Hinshaw.
Mr. Eberharter with Mr. Hoffman of Illinois.
Mr. Deane with Mr. Judd.
Mr. Holtzman with Mr. Weaver.
Mr. Rivers with Mr. Schwengel.
Mr. Wier with Mr. Reed of Illinois.
Mr. Dawson of Illinois with Mr. Scherer.
Mr. Barden with Mr. Dixon.
Mr. Christopher with Mr. Chase.
Mr. Bell with Mr. Siler.

Mr. BARRETT changed his vote from "yea" to "nay."

Miss THOMPSON of Michigan changed her vote from "nay" to "yea."

Mr. BONNER changed his vote from "yea" to "nay."

Mr. ROGERS of Florida changed his vote from "yea" to "nay."

Mr. FENTON changed his vote from "yea" to "nay."

Mr. KNOX changed his vote from "yea" to "nay."

Mr. STAGGERS changed his vote from "yea" to "nay."

The result of the vote was announced as above recorded.

The doors were opened.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

CORRECTION OF SECTION NUMBERS AND TYPOGRAPHICAL ERRORS

Mr. THOMAS. Mr. Speaker, I ask unanimous consent that the Clerk be authorized to correct section numbers and provisos and parts of the bill which were eliminated, and those partly eliminated from the bill on points of order, and to correct such other typographical errors as may appear.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

GENERAL LEAVE TO EXTEND

Mr. THOMAS. Mr. Speaker, I ask unanimous consent that all Members may have 3 legislative days to revise and extend their remarks in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

INVESTIGATION AND STUDIES BY COMMITTEE ON EDUCATION AND LABOR

Mr. O'NEILL. Mr. Speaker, I ask unanimous consent for the immediate consideration of the resolution (H. Res. 154) to authorize the Committee on Education and Labor to conduct studies and investigations relating to matters coming within the jurisdiction of such committee under rule XI, clause 6, of the Rules of the House of Representatives.

The Clerk read the resolution, as follows:

Resolved, That the Committee on Education and Labor, effective from January 3, 1955, acting as a whole or by subcommittee, is authorized and directed to conduct studies and investigations relating to matters coming within the jurisdiction of such committee under rule XI, clause 6, of the Rules of the House of Representatives. For such purpose such committee, or any subcommittee thereof, is authorized to sit and act during the present Congress at such times and places within the United States, its Territories and possessions, whether the House is in session, has recessed, or has adjourned, to hold such hearings, and to require by subpena or otherwise the attendance and testimony of such witnesses and the production of such books, records, correspondence, memoranda, papers, and documents, as it deems necessary. Subpenas shall be issued only over the signature of the chairman of the committee or a member of the committee designated by him; they may be served by any person designated by such chairman or member. The chairman of the committee or any member thereof may administer oaths to witnesses.

The committee may report to the House of Representatives from time to time during the present Congress the results of its studies and investigations, with such recommendations for legislation or otherwise as the committee deems desirable. Any report submitted when the House is not in session shall be filed with the Clerk of the House.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

Mr. MARTIN. Mr. Speaker, reserving the right to object, I understand this is a unanimous report from the Committee on Rules.

Mr. O'NEILL. The gentleman is correct.

Mr. MARTIN. And the gentleman has consulted the gentleman from Illinois [Mr. ALLEN] and it is agreeable that the resolution come up in this way?

Mr. O'NEILL. That is correct.

The SPEAKER. The Clerk will report the committee amendment.

The Clerk read as follows:

Strike all after the resolving clause and in lieu thereof insert the following: "That the Committee on Education and Labor, effective from January 3, 1955, acting as a whole or by subcommittee, is authorized and directed to conduct a full and complete study and investigation of all matters—

"(1) relating to employee health, welfare, and pension plans;

"(2) relating to the question of Federal aid to school construction; and

"(3) relating to education and labor generally.

"*Provided*, That the committee shall not undertake any investigation of any subject which is being investigated by any other committee of the House.

"For the purposes of such investigations and studies the committee, or any subcommittee thereof, is authorized to sit and act during the present Congress as such times and places within the United States, whether the House is in session, has recessed, or has adjourned, to hold such hearings, and to require by subpena or otherwise the attendance and testimony of such witnesses and the production of such books, records, correspondence, memoranda, papers, and documents, as it deems necessary. Subpenas shall be issued only over the signature of the chairman of the committee or a member of the committee designated by him; they may be served by any person designated by such chairman or member. The chairman of the committee or any member thereof may administer oaths to witnesses.

"The committee may report to the House of Representatives from time to time during the present Congress the results of its studies and investigations, with such recommendations for legislation or otherwise as the committee deems desirable. Any report submitted when the House is not in session shall be filed with the Clerk of the House."

The SPEAKER. The question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

The title was amended so as to read: "To authorize the Committee on Education and Labor to conduct studies and investigations with respect to certain matters within its jurisdiction."

A motion to reconsider was laid on the table.

SALE OF WATER TO McCORMICK, S. C.

Mr. DORN of South Carolina. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 4436) relating to the sale of water from the Clark Hill Reservoir to the city of McCormick, S. C.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

Mr. MARTIN. Reserving the right to object, and I shall not object, I understand this is just a local matter that has been approved by the full committee.

Mr. DORN of South Carolina. That is right.

I would like to say to the distinguished gentleman the bill has a unanimous report from the Committee on Public Works. The dry weather, and so forth, has made it almost impossible for this small town to get any water. They are going to pay the Government for the water and instead of its costing anything it will bring money into the Treasury.

Mr. MARTIN. That is a relief.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Chief of Engineers is hereby authorized to contract with the city of McCormick, S. C., upon such terms and for such period not to exceed fifty years as he may deem reasonable for the sale of not to exceed six hundred acre-feet of water annually from the Clark Hill Reservoir, and is authorized to grant to the city of McCormick at no cost easement over Government lands at Clark Hill for the sole purpose of constructing necessary pipeline and pumping station, and the project for Clark Hill Dam authorized by the act entitled "An act authorizing the construction of certain public works on rivers and harbors for flood control, and for other purposes," approved December 22, 1944, is hereby modified accordingly: *Provided*, That all moneys received shall be deposited in the Treasury of the United States as miscellaneous receipts: *Provided further*, That nothing in this Act shall affect water rights under State law.

With the following committee amendment:

Page 1, line 6, strike out "sale" and insert "use of storage space in the Clark Hill Reservoir for the purpose of providing said city a regulated water supply in an amount."

Page 1, line 7, strike out "from the Clark Hill Reservoir."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read a third time, and passed.

The title was amended so as to read: "Relating to the use of storage space in

the Clark Hill Reservoir for the purpose of providing the city of McCormick, S. C., a regulated water supply."

A motion to reconsider was laid on the table.

Mr. DORN of South Carolina. Mr. Speaker, I ask unanimous consent to revise and extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. DORN of South Carolina. Mr. Speaker, by way of explanation of this bill I would like to say to the distinguished minority leader, the gentleman from Massachusetts [Mr. MARTIN], this bill is of an urgent nature. The city of McCormick was in a desperate situation last summer and fall regarding its city water supply. Last year was the third dry year in that area of the country. The McCormick city reservoir dried up and the city had to go to great extremes to get water. I might say to the gentleman from Massachusetts and to the House that we have had some winter rain but the rainfall is still insufficient and McCormick is looking to the dry hot summer months with apprehension. The town recently voted a bond issue by an overwhelming majority to finance a pipeline to nearby Clarks Hill Reservoir where a pump station would be installed and by this manner McCormick would be assured of a regular supply of water. Clarks Hill is a Government power project and reservoir under the control of our Army Corps of Engineers. The reservoir covers many thousands of acres. McCormick under this bill is only asking permission of the Congress to use a minute portion of this vast store of water. The Corps of Engineers has approved the bill. In fact, they helped to write it. I appeared with them before the Public Works Committee of the House this morning—only a few hours ago. Mr. Speaker, the splendid acting committee chairman, the gentleman from Maryland [Mr. FALLON] and the distinguished chairman of the subcommittee, the gentleman from Tennessee [Mr. DAVIS], and the entire membership endorsed and favorably reported this bill. Likewise the committee staff realizing the urgency of this bill, graciously consented to forego all other business to prepare and type this favorable report and to place it on the Speaker's desk a few moments ago. In the meantime I discussed this bill with the distinguished Speaker of the House [Mr. RAYBURN], the distinguished majority leader, the gentleman from Massachusetts [Mr. MCCORMACK], and the distinguished and able minority leadership of the House, the gentleman from Massachuetts [Mr. MARTIN], the gentleman from Indiana [Mr. HALLECK], the gentleman from Illinois [Mr. ARENDS], and the distinguished minority leader of the committee, the gentleman from Michigan [Mr. DONDERO].

Gentlemen of the House, it is refreshing to me and to many of the Members with whom I have talked today that a municipality instead of asking for money from the Federal Government is only requesting that they be permitted to pay into the Federal Treasury money for use of abundant water already in the Clarks Hill Reservoir. Mr. Speaker and gentlemen of the House, the people of McCormick will be grateful to you if this bill could pass today thus giving them the time necessary to lay the pipe and install the pump station before the long, dry, hot days of the coming summer. This House by such action today can help avert a possible disaster to that fine South Carolina community.

INCREASING CERTAIN PAYS AND ALLOWANCES FOR MEMBERS OF THE UNIFORMED SERVICES

Mr. KILDAY. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 4720) to provide incentives for members of the uniformed services by increasing certain pays and allowances, with Senate amendments, and agree to the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 3, line 5, strike out "subsection" and insert "subsections."

Page 3, line 12, strike out "service." " and insert "service."

Page 3, after line 12, insert:

"'(f) Any officer serving on active duty in the grade of lieutenant general or vice admiral shall, in addition to the pay and allowances to which he is entitled by the provisions of this act, be entitled to an additional increment of basic pay in an amount of $100 per month. Any officer serving on active duty in the grade of general or admiral shall, in addition to the pay and allowances to which he is entitled by the provisions of this act, be entitled to an additional increment of basic pay in an amount of $200 per month. The additional increments provided by this subsection shall not be considered a part of the active duty pay or of the monthly basic pay of these grades for the purpose of the computation of retired pay.'."

Page 7, after line 10, insert:

"(13) Section 303 (c) of the Career Compensation Act is amended by adding at the end of such subsection the following: 'In lieu of transportation of baggage and household effects, a member of a uniformed service who transports a house trailer or mobile dwelling within the continental United States for use as a residence and who would otherwise be entitled to transportation of baggage and household effects, under this section, shall under regulations prescribed by the Secretary concerned be entitled to a reasonable allowance, not to exceed 20 cents per mile, or to the dislocation allowance authorized in this section, whichever he shall elect.'."

Page 7, line 11, strike out "(13)" and insert "(14)."

Page 7, line 22, strike out "(14)" and insert "(15)."

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. ARENDS. Mr. Speaker, reserving the right to object, I would like to ask the gentleman to explain the two amendments inserted by the Senate. I have no objection to them, but I would like to have the gentleman explain them.

Mr. KILDAY. I will be glad to, Mr. Speaker.

Mr. Speaker, this is the military pay bill we passed here a few weeks ago by a vote of 399 to 1.

A time limitation is involved, because unless the bill gets to the White House by tomorrow it will delay the effective date for a full month.

Only two amendments were placed in the bill in the Senate. I would like to point out initially that we dealt with 296 basic pay scales in this bill. The Senate has changed only 2.

There is one other amendment that I would also explain, but the practical proposition is that I doubt if we could accomplish much in conference when the other body has agreed to such a proportion of the provisions contained in the House bill.

The first amendment that was adopted in the Senate will amount to a total increase of $158,400 per year. It provides for an additional allowance of $100 per month for lieutenant generals and their equivalents and additional pay of $200 per month for full generals or four-star generals or their equivalents. There are 76 officers of the grade of lieutenant general or equivalent and there are a total of 26 officers in the grade of general or equivalent, and, as I have said, the total additional cost is $158,400 per year. The other amendment has to do with the transportation of members of the Armed Forces of all ranks and grade. At the present time, of course, they are entitled to their transportation and to the transportation of baggage and household effects, but those who have trailers and move themselves with the trailer, and also their baggage and household effects in the trailer, do not get any credit for that. The Senate has added a provision which, under regulations to be adopted by the Department, provides that a person who moves a trailer to be used as his residence and transports his baggage will in lieu of the cost of transportation of his baggage and household effects be granted mileage not exceeding 20 cents per mile. He will, however, not be entitled then to receive the dislocation allowance which we provided in the House bill. This matter was pending in a separate bill in the House introduced by the gentleman from Connecticut [Mr. SEELY-BROWN]. The Senate has included that provision and, I believe, Mr. Speaker, under proper safeguards against any abuse.

I think the Senate has taken such a tremendously large proportion of our bill there is no point in going to conference, and that we should at this time concur in the Senate amendments.

If there is to be delay in the military personnel receiving their increased pay, I do not want the responsibility to be on the Congress; so I hope we can conclude it this afternoon.

Mr. MCCORMACK. Mr. Speaker, will the gentleman yield?

Mr. KILDAY. I yield to the majority leader.

Mr. MCCORMACK. As I understand the last Senate amendment, it provides in regard to the trailer situation that where a serviceman and his wife live in a trailer and travel from one post to another they will be compensated. I have always been impressed with the justice of their case, and I am very glad,

listening to the remarks of my friend from Texas, to join in his request to concur in the Senate amendment which brings this relief to a worthy class of persons who are in the service.

Mr. KILDAY. I thank the gentleman from Massachusetts.

Mr. VAN ZANDT. Mr. Speaker, will the gentleman yield?

Mr. KILDAY. I yield to the gentleman from Pennsylvania.

Mr. VAN ZANDT. In view of the fact that this is the 30th day of March, should the House concur in the Senate amendments and the bill be sent to the White House, it means that the pay increase will take effect on May 1; is that right?

Mr. KILDAY. It depends on when the President signs the bill. If the President signs it tomorrow, it will become effective April 1.

Mr. ARENDS. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Texas that the House concur in the Senate amendments?

There was no objection.

The Senate amendments were concurred in; and a motion to reconsider was laid on the table.

PAMPHLET THE AMERICAN GOVERNMENT, WHAT IS IT? HOW DOES IT FUNCTION?

Mr. BURLESON. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk House Concurrrent Resolution 85 with Senate amendments thereto and concur in the Senate amendments.

The Clerk read the title of the resolution.

The Clerk read the Senate amendments, as follows:

Page 1, line 9, after "hundred", insert "5."

Page 1, line 10, after "thousand", insert "250."

Page 1, lines 10 and 11, strike out "24,750" and insert "30,000."

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. LECOMPTE. Mr. Speaker, reserving the right to object, will the gentleman from Texas explain the amendments?

Mr. BURLESON. Mr. Speaker, the Senate amendment simply adds 2,500 copies of this document.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Senate amendments were concurred in, and a motion to reconsider was laid on the table.

COMMITTEE ON THE JUDICIARY

Mr. BURLESON. Mr. Speaker, by direction of the Committee on House Administration, I offer a privileged resolution (H. Res. 98) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That the expenses of further conducting the studies and investigations authorized by House Resolution 22 of the 84th Congress, incurred by the Committee on the Judiciary, acting as a whole or by subcommittee, not to exceed $125,000 including expenditure for the employment of experts, special counsel, clerical, stenographic, and other assistants, and all expenses necessary for travel and subsistence incurred by members and employees while engaged in the activities of the committee or any subcommittee thereof, shall be paid out of the contingent fund of the House on vouchers authorized by such committee signed by the chairman of such committee and approved by the Committee on House Administration.

The SPEAKER. The question is on the resolution.

The resolution was agreed to; and a motion to reconsider was laid on the table.

EMPLOYMENT OF TWO ADDITIONAL MESSENGERS, OFFICE OF POSTMASTER

Mr. BURLESON. Mr. Speaker, by direction of the Committee on House Administration, I offer a privileged resolution (H. Res. 195) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That, effective April 1, 1955, there shall be paid out of the contingent fund of the House, until otherwise provided by law, compensation for the employment of two additional messengers, Office of the Postmaster, at the basic salary of $1,940 per annum each.

The SPEAKER. The question is on the resolution.

The resolution was agreed to; and a motion to reconsider was laid on the table.

SESQUICENTENNIAL OF MOUNT VERNON, KNOX COUNTY, OHIO

Mr. McGREGOR. Mr. Speaker, I ask unanimous consent for the immediate consideration of a resolution (H. Res. 201) which I sent to the Clerk's desk.

The Clerk read the resolution, as follows:

Whereas July 6, 7, 8, and 9, 1955, will be celebrated as the Sesquicentennial of Mount Vernon, Knox County, Ohio; and

Whereas Mount Vernon, Knox County, Ohio, is the birthplace of Daniel Decatur Emmett, the composer of the song Dixie; and

Whereas the house in which Daniel Decatur Emmett was born will be dedicated as a museum during the sesquicentennial celebration; and

Whereas Mount Vernon, Knox County, Ohio, was also the birthplace of Columbus Delano, the man who nominated Abraham Lincoln for President; and

Whereas Mount Vernon, Knox County, Ohio, was chosen by the Government some 6 years ago as the typical American town: Therefore be it

Resolved, That the House of Representatives extends its felicitations to Mount Vernon, Knox County, Ohio, on the celebration of its sesquicentennial, and expresses its appreciation for the splendid services the citizens of Mount Vernon have rendered to this Nation during the past 150 years.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The SPEAKER. The question is on the resolution.

The resolution was agreed to; and a motion to reconsider was laid on the table.

EVERY KNOCK A BOOST

Mr. WILSON of California. Mr. Speaker, I ask unanimous consent to revise and extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. WILSON of California. Mr. Speaker, it is not always easy to judge the effectiveness of a program such as that of the United States Information Agency, but the increasing venom of Communist attacks on the Agency would seem to indicate the arch-propagandists of Moscow and Peiping are, at least, beginning to smart.

A recent issue of International Life, a monthly scientific-political journal published in the U. S. S. R., devotes a long article to what it titles "Factory of Lies: The United States Information Agency."

The writer, and he, of course, speaks for the men of the Kremlin, depicts the United States Information Agency as an instrument of aggressive United States policy which "systematically falsifies the statements of the Soviet Government" and "poisons the atmosphere" with "lies and distortions" disguising the true objectives of the war-mongering, atom-rattling United States.

The article—and remember this is the Soviet government speaking—asserts that the United States propaganda is ineffective, but it admits that it must be reckoned with and resolutely opposes as a not unimportant obstacle in the defense of peace. I see this as a sort of back-handed compliment to the United States Information Agency, no matter what the intent of the writer. Every knock a boost from this source.

Policies and operations of the United States Information Agency are analyzed in detail with, of course, the most fantastic interpretations. The writer would seem to have done considerable research in preparing his masterpiece. Actually, of course, the operations of the United States Information Agency are so open he did not have to dig too deeply. We do not work behind curtains of any kind.

I spoke of this article as a backhanded compliment. The United States Information Agency could make a collection of this type of bouquets. The Chinese Communist professor who wrote that the Voice of America—the Agency's international broadcasting service—was "10 times more dangerous than the A-bomb, because the bomb damages only a limited area, while the Voice corrupts every person who listens," was indirectly paying tribute to the effectiveness of this operation. Again, the Soviet writer, who declared that the Voice had become synonymous with lying to "millions of Soviet people," was, inadvertently, I am sure, admitting that the Voice, despite Communist jamming efforts, is penetrating the curtain to what is, to them, an alarming extent.

The jamming operation is, itself, another of these tributes in reverse. The Communists spend as much on their efforts to prevent their people hearing the Voice as the United States Information Agency does on the entire Voice operation. Equally indicative are the punishments invoked for the crime of listening. The punishments vary. In some Communist areas it is not a crime to listen, but repeating what has been heard, if reported, is a one-way ticket to Siberia, if not to the gallows. Reports of the conviction of persons guilty of these crimes fill Communist newspapers. For example, Reuters, London, in a radioteletype to the United States, February last, reported that the people's court at Cheb, Czechoslovakia, had sentenced Jaroslav Maloun, a technician and member of the agricultural cooperative at Nebancie, to 14 months' imprisonment for agitation against the Republic by listening to foreign propaganda radio stations. He was found guilty of helping several farmers to listen in his apartment during 1952, 1953, and 1954. Reuters quotes Straz Miru, a Czech Communist paper published in Karlove Vary. Chinese Communist newspapers recently reported death sentences passed out to two unfortunate individuals whose only crime was that they had listened. Listening was enough. In their case, repeating what they had heard was not mentioned.

But the people, even the Chinese, do listen. A Chinese refugee recently told the Agency's Hong Kong post that "many in China risk their lives to listen secretly to the Voice of America, hoping for news outside the Bamboo Curtain."

All refugees and defectors report that they, and their friends, listened to the Voice.

But, again, we do not need this testimony. The Communists themselves constantly lament not only that their unhappy people listen to the Voice, but that they are guilty of paying too much attention to other United States so-called propaganda. Nowa Kultura, a Polish publication, declared recently:

> These people—
>
> The Poles—
>
> listen not only to the Polish radio but also to Radio Free Europe and the Voice of America * * * those who listen to these barking stations cannot help hearing about the alleged superiority of western art.

This same article denounced the Poles equally venomously for reading western books.

> Let us not suffer from delusion—
>
> It said—
>
> the books of Koestler, Orwell, Waugh, and Camus are read, circulated and even sought after in Poland. They are read not only by the open enemies of our country, but also by those whom we have failed to convince.

Alas, poor Poland and those unhappy Poles who have not been convinced that the misery inflicted by their Communist masters is not good for them. But there are still those who yearn for freedom and dream of the day when the Communist yoke will be removed and the air of Poland freed of the Communist reek. To keep hope alive in these people is one task of the United States Information Agency. It is an important task. The day will come when we, the free world, will need these people.

The Communists blame the United States Information Agency, and its programs, for practically anything that goes wrong under the Communist rule. Trybuna Ludu, another Polish Communist publication, recently declared that the United States Information Agency, and the Voice, are responsible for the failure of the hay crop in Blotniki. Village farmers, Trybuna Ludu told its readers, who have listened to the Voice have lost confidence in the Communist regime and, simultaneously, their efficiency as farmers. They do not exert their best efforts to save their crops. They do not take the proper steps to insure a good crop. They actually doubt the stability of the Communist government and these doubts have their source in the hostile propaganda disseminated by the Voice of America.

In my opinion, this criticism of the United States Information Agency is that Agency's best measure of the effectiveness of its programs. These are Communists, telling us themselves, that the United States Information Agency is doing the job it was assigned, that it is telling all peoples throughout the world the truth about the United States and the truth about communism. It is winning the battle for freedom in the minds and hearts of men.

TENURE OF SENATORS AND REPRESENTATIVES IN CONGRESS

Mr. CURTIS of Missouri. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. CURTIS of Missouri. Mr. Speaker, I have today introduced a proposed joint resolution to amend the Constitution of the United States by providing for a compulsory sabbatical leave for United States Representatives and United States Senators. The resolution provides that after the adoption of the amendment Representatives and Senators cannot serve more than 12 consecutive years at a time. In other words, at the end of 6 consecutive full terms a Representative must retire for 2 years, a Senator at the end of 2 consecutive full terms must retire for 2 years.

The constitutions of many charitable corporations in the United States have been changed over the past few years to require a compulsory sabbatical leave for their board members. The philosophy behind these proposals and the manner in which experience has shown that philosophy is carried out is well worth considering in establishing the procedures of our national legislative bodies.

There are two sides to the coin. First. Many persons serving on boards of charitable institutions or filling other positions of public nature have found it quite difficult to gracefully retire from that position so that others may assume some of the burdens of this civic responsibility. The compulsory sabbatical leave technique provides a graceful way for them to terminate their service. Many people will not think that this philosophy has any bearing on Representatives or Senators. However, I know many of my colleagues recognize this as a very beneficial suggestion which could be happily applied to their own situation. Indeed there are very few Congressmen who come down to Washington with the thought in mind beyond serving a few terms; certainly there would be very few who would state that they would want or anticipate serving as many as six terms. They simply get caught in a fascinating rut.

Second. On the other hand, it has been observed that certain persons, and very fine persons, who serve on charitable boards for an extended period of time begin to look upon the particular institution as something of their own and something in which they have a vested interest. It is difficult to gracefully suggest to these persons that they have done a fine job, but wouldn't it be good for them to retire so that someone new could come in. The enforced sabbatical leave provides the technique whereby this problem is met. The same situation exists as to members of the national legislative body. In fact, due to the power that an incumbent national legislator has to get himself reelected it is exceedingly difficult to get a person to step aside even when grace is thrown to the winds, and he is specifically approached on the subject of retiring.

There is raised from time to time the argument that you lose some good men by requiring this break in service. However, experience has shown that if the man is really good and truly wanted, he is back on the board again after his sabbatical leave. So I am certain it would be with our national legislators. Any man who was making a career of being a legislator could certainly continue to make a career of it; in fact, probably be a better legislator for the fact that he could step out for a 2-year stint every 12 years to regain his perspective. Actually he can serve 3 sets of terms or 36 years, if he is wanted, or 48 years. Any man whom the people of a district really wanted would certainly go back into the Congress regardless of who had taken his place for the 2 years leave of absence.

Many additional gains to be derived from the adoption of this procedure can be seen as it is more closely analyzed. The fact that the representative theory of our Republican system would be strengthened is one, with Congress meeting 9 and 10 months out of every 12 and the constant load being placed upon the shoulders of the representative, many representatives become more residents of Washington, D. C., than of their districts. Yet if a person is to be a true representative he must be a part of the community he is representing. The sabbatical-leave technique will encourage this.

Further, much of the criticism directed against the seniority system of committee assignments and committee chairmanship is well founded. But those who are sincerely concerned about the legitimacy of the criticism always come

up with the realization that almost any other system would be worse. Furthermore, there is justification in the belief that the longer a man serves on a committee or upon a particular assignment the more valuable he is and the more he understands the work to be done. The sabbatical leave device should assist greatly in correcting some of the more obvious bad results of the seniority system and yet retain most of the good features. In other words, with the sabbatical leave procedure the seniority system, of course, would remain. I doubt if anyone could change it even if he wanted to. However, the 2-year break would insure quite a bit of new flexibility and certainly a real turnover in committee chairmanships. With the increase in Congressmen's salaries, which seems justified if indeed we are going to make of a representative a full time job, the wisdom of which I question, the power of an incumbent Congressman to get reelected is accentuated even though he becomes in effect a nonresident of his district. It will become increasingly important to have a device which will keep representation in Washington close to the people. This device will help to do it.

Perhaps some point will be raised that a Senator dropping out for 2 years compulsory sabbatical leave is in the position of waiting 6 years, before he runs for reelection again. Actually there are relatively few Senators who have served more than two terms, furthermore there is nothing that would prevent them from running for office in the House if they want to stay in legislative work. The experience, I am sure, would be broadening. Also the possibility of running for the other senatorial seat from the State suggests beneficial rather than detrimental results in the attitude of incumbants toward their jobs.

Finally, I think a change in procedure of this nature has some real chance of being adopted by the Congress. Perhaps not by the present Congress because the idea has just been presented, but as the matter is studied and thought over. The sabbatical leave would apply to the terms of no present Congressman—it would only start to apply to all equally from the date of enactment. In other words, a Congressman with 20-years consecutive service could look forward to 12 more years consecutive service just as one with 10 or 2 years service. Very few Congressmen, no matter how long they have served, would say that they expect or anticipate serving 12 more years. I again suggest that most Congressmen would look upon this procedure as one which would solve their own personal problem. It would provide a graceful way of getting out, even for those who though willing to stay feel it is just a question of time before they are retired ignominiously by the people at the polls.

PROCEEDINGS HAD DURING RECESS OF THE HOUSE

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the proceedings which took place during the recess of the House today be printed in the RECORD at that point.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

A SERVICE—BOTH CHRISTIAN AND PATRIOTIC

Mr. PATMAN. Mr. Speaker, I am inserting herewith an address delivered by me before the District of Columbia Credit Union League at their annual meeting, March 12, 1955, at the Statler Hotel here in Washington.

It is as follows:

A SERVICE—BOTH CHRISTIAN AND PATRIOTIC

(Address by Hon. WRIGHT PATMAN, March 12, 1955, District of Columbia Credit Union League annual meeting)

President Fuller, officers and members of the District of Columbia credit unions and their guests, it is certainly a happy privilege for me to have the honor and the opportunity of addressing you, or attempting to, upon this occasion. I have appeared before your group before, and I have the feeling that I am appearing before a good, genuine patriotic group of the finest type of Americans in the country—people who are interested in their country and their fellow man.

To a lot of people in this country, a credit union is next in importance to the church. It is my belief that you are continuing to carry on the crusade which our Saviour commenced when he drove the money changers out of the temple. You are carrying on that crusade. You are doing a great work. You are helping poor people. You are helping people who are in the low-income groups. You are helping people who happen to have misfortunes with which they are unable to deal individually with and as a family. You are doing a tremendous lot of good; you are making our country stronger by helping the people who built our country in time of peace and who saw it in time of war. I am proud of the credit unions.

EARLY INTEREST IN LEGISLATION FOR CREDIT UNION MOVEMENT

In 1934, Senator Morris Shepherd from the city and the district which I have the honor to represent (he was formerly a Member of the House from the district I now represent) interested me in credit unions and he told me he would like to have a monument of his service in the form of some constructive endeavor like credit unions that would go down in history; that he wanted to do something for credit union movement, and I told him: "Well, Senator, you have a bill and I will support your bill—I'll not introduce one in the House. I want it to be your bill and we'll get it through and hope to make it the law of the land." He succeeded in getting it through the Senate and I did my very best and was successful in getting it through the House. I shall never forget June 16, 1934—it looked like Congress was going to adjourn and this bill, although it had passed both Houses, had not been signed by either the Speaker of the House or the Vice President. So, Mr. Bergengren (many of you know him) and I got together and we commenced running from one end of the Capitol to the other to get it down to the President and get it through and signed to become a law. Fortunately, the House was stymied and about 11:30 that night, I think the RECORD will show—the Senate and the House adjourned until Monday morning. That gave us time, and on the 18th day of June—I'm sure you'll find—it was presented to the President of the United States, although he probably didn't sign it for a few days. But that was the beginning of the Federal Credit Union movement in the United States. We organized the first credit union under that law in Texarkana, Tex., and we named it the Morris Shepherd Credit Union and it is still a very successful credit union there, I'm proud to say.

IMPORTANCE OF ORGANIZED EFFORT

The years I've been in Congress, I have realized and have been made aware of, the people in the movement and associations and organizations that are trying to do something to further this genuine constructive interest of the people and the Nation. I count among those constructive groups the credit unions.

I understand that you have 159 organizations here in the District of Columbia. I congratulate you on having so many. I understand that all of these unions are not members of the District league. I hope you join. You're engaged in a great crusade.

In order to work effectively, and to the greatest extent, you must associate yourselves with others who are going in the same direction, and work shoulder to shoulder with them. Your enemies are united. They are working shoulder to shoulder against you. Not 84 percent organized but 100 percent. Every credit union that's eligible to join, should join the District of Columbia League, and it should be the same way in every State in the United States. You should join—you should identify yourself with this good constructive cause which is a real crusade.

Now you can't expand like you have in recent years and not step on somebody's toes. As you are helpful to others you're depriving some greedy person of an opportunity so he feels you're doing him wrong and depriving him of a profitable pursuit. Now you're helping a lot of people. I know that in doing good some of us are called do-gooders. Well I'm perfectly willing to be called a do-gooder, and I know you're perfectly willing to be called a do-gooder. You're proud of it—it's a good name. I don't object to it at all.

TRICKLE-DOWN MOVEMENT

Back in 1932, our country was really at a low point, and the right kind of a leader for a good or a bad cause could have tipped our country over to a foreign ideology. Fortunately it didn't happen. But we were at a loss to know exactly what to do. There were so many unemployed—so many bread lines—so many persons losing their homes. They didn't know where to turn—where to look; they had no place to go. Although they were able and anxious and willing to work they could not find employment. With that situation in mind, the administration in power at that time started the first trickle-down movement in the United States. The Reconstruction Finance Corporation was proposed. For whom? For credit unions? No; for poor unemployed people? No; for people losing their homes? No. The Reconstruction Finance Corporation was organized to help the banks, the railroads, and the insurance companies only. That was the original trickle-down movement. The trickle-down theory: Pour money in the top in the hope it would trickle down; percolate down to the masses. A lot of people thought it would happen. Well it didn't happen, so many of the trickle-downers were pleased and some of the more liberal trickle-downers were disappointed. And we've had them ever since; we have them today. As between a trickle-downer and a do-gooder, I'm certainly glad to be identified with the do-gooders rather than the trickle-downers.

SAFEGUARDS IN OUR ELECTION SYSTEM

The Congress is composed of as many fine men and women as you will find in any group in America. I have had the privilege of serving with more than 2,500 Members of the House of Representatives during the 26 years that I've had the privilege of serving

the United States Congress and I know that the people only elect good people as Members of the United States Congress. That is the rule—it is a general rule. After all a candidate for Congress and a Member of Congress is in a goldfish bowl. Everything he does or says is well known to the people he has the honor of representing. If he's a good Member, the people know it and they return him. If he is not a good Member, he is defeated. That's the way it should be. I'm in favor of the House continuing as a 2-year body. There's good reason for that. The House, the 435 Members, are elected every 2 years. The executive branch of the Government—4 years. The Senator's terms are 6 years. The judiciary—a lifetime job. That's the way it should be.

Our forefathers, the Founding Fathers, had a reason for writing in their Constitution that the Members of the House should be elected every 2 years. Two years is long enough for a poor Congress, in fact too long. If it is a good Congress, it can be reelected. The Founding Fathers wrote into our Constitution that only in the House could certain bills be introduced and considered first—bills involving collection of taxes, revenue measures. That gives the Members of the House charge of the purse strings of the Nation. The people have charge of the purse strings of the Nation by the privilege of electing or not electing the House every 2 years so the people do have complete charge. And if there is a dangerous trend—it can be changed in 2 years' time. So personally I'm opposed to any change in the 2-year term. It should remain that way.

Now I know that Members of Congress have not been paid the salaries they should have been paid. You know Members are very reluctant to vote an increase of their own salaries. But under the Constitution and laws that's the only way it can be done. This year they did, and I'm glad they did, because I don't want it to be a rich man's club. I want the Congress to be composed of people who have a measure of security to the extent they can have courage, and can be forthright in their convictions and expressions, and they can only occupy that position of security if they have adequate salaries. It's in the interest of the poorest people in this country that they have free and independent Representatives in the United States Congress. They don't want them to be subject to any temptation that might cause them to change their convictions and vote against the interest of the general welfare of all the people. It must be that way.

CONGRESS IS ALERT TO THE WISHES OF THE PEOPLE

The Members should go a step further and they should equip themselves with administrative assistants and economists, if necessary, so they will be able to keep up with the work that's going on in Congress. Why, we have 10,000 bills introduced every Congress. The Member of Congress, with one ear to his constituents, listens to what the people say too. After all, he is elected by the people and as one Member said: "What does it profit a Member of Congress to save the whole country and lose his own seat?" So, they're going to listen to the people back home. And they're going to keep at their duties; they should do that. They're trying to keep up with things the best they can. But they can't do it, it's impossible to do it. I can give you an illustration:

Last year there was a bill—H. R. 8300—a tax bill—to revise the tax laws of the country. Rewritten, the members of our party, the Democratic Party, didn't even see the bill until it was introduced and ready to come on the floor. We were assured it had been carefully gone over by the Treasury Department—it contained changes in our laws we should have we were told. Well, Members of Congress were helpless, 900 pages—changes—fundamental changes—basic changes—in the internal revenue laws of our country. Do you think any 1 Member could get into 900 pages and do anything with it in a few days time without knowing anything about the laws he was dealing with? Why, of course he could. He needed an administrative assistant, economist, people to help him. But he didn't have them. So what was the result? That bill went through; we voted blindly, at least those who voted for it did—I didn't vote for it. Voted blindly, and what has been the result? We have already discovered 75 major errors in that law just up to now. Why, without knowing it, they repealed the penalties on narcotics peddlers; the drug addicts repealed it. It was not known until the first of this year. They were all excited about it and they had to get a law reestablished placing a penalty on the transportation of narcotics. That's just a sample.

ATTITUDE OF SOME BANKS TO CREDIT UNIONS

So now your problem with credit unions is keeping your Members of Congress advised about the truth concerning the work the credit unions are doing. There's a good business undertaking that should be supported by the Members of Congress. The banks, some of them, have taken the shortsighted view and are opposing the credit unions. I can't understand that. It is the larger banks, I'm sure, that do not come in contact with the credit unions. The credit unions are compelled by law to have a contact with a bank. They've got to do business with a bank. They keep their deposits in a bank. They get loans from a bank. They are good customers of banks. But some banks, not all of them, do not look favorably upon your making loans at a low rate of interest. You see, in bankers you can find all kinds of people. Most of them are the very best people, but sometimes there are exceptions. They do not view favorably your making loans at such a low rate of interest; they don't like that. I think the bankers are wrong. Now, the bankers, if they insist on making an issue of credit unions (and some of them continue to try to destroy you), it is possible we will have to make other arrangements about having someone else with whom you can deal, or have a setup of your own that will not require you to go through banks.

HOLDING COMPANIES

The other day in the Banking and Currency Committee of the House, of which I am a member, we had the chairman of the Federal legislative committee of the great American Bankers' Association appearing as a witness before our committee against a holding-company bill. You know the banks are built for the local community. They should serve the local community. They've been given great rights and privileges and opportunities to make money on the theory that it is necessary to serve the local community.

But these holding companies have grown up—and they're buying banks all over the country—across the State lines and everywhere. And they have dummy directors. We're trying to stop it. The American Bankers Association was there appearing against this bill we were trying to get through. I asked their chairman: "How many members are on your committee, the Federal legislative committee?" He answered, 13. I said: "Who else is a member of the committee besides yourself?" He didn't know one—he couldn't name one single one. He had been given that statement. He had read it; he had presented it, and he couldn't name one other member of that committee that was representing the American Bankers Association. But in that statement he had a provision against credit unions, against Federal savings and loans and against other thrift institutions, claiming they had unfair advantage over banks. I asked how did he get this unfair advantage when a banker is able to manufacture money. Bankers are the biggest manufacturers in the Nation. Not something you can eat and wear—but money. They are manufacturers of money. They manufacture from $6 to $10 to every $1 they have. And I asked him (and he couldn't answer, naturally, he couldn't) how he could consider the credit unions could hurt him as a competitor when a credit union merely makes loans of the actual money they have—when the banks could increase it 6 and 10 times to 1 and make a loan.

GOLD AS A MEDIUM OF EXCHANGE

When we used gold, or rather when the people of Europe used gold as a medium of exchange almost exclusively, they had goldsmiths, and the goldsmith would have a safe like a bank has today, and he could keep the gold safely. People would carry the gold to him, deposit it just like they deposit it today in a bank, and he would write out a receipt for the gold. The person would take the receipt: he wouldn't come back and get the gold—he wouldn't need it. But he would use the receipt to trade. He'd buy something with it and the person who received it would buy something else and it would travel just like money travels today. They even passed a law in Amsterdam one time that if anybody started the rumor the goldsmith didn't actually have the gold to meet these receipts, he would suffer the death penalty. They didn't want any idle rumors floating around that the goldsmith didn't have the gold to cover every receipt. It happened they had a run on a goldsmith and he didn't have the gold and they hanged the goldsmith! Now that's how the reserve system started—just like we have here in the United States today.

It was finally determined that if the goldsmith had one dollar of gold, he could extend loans equal to ten times that much safely, and get interest on it, with the knowledge that people normally never came back for the gold anyway. One dollar to ten will take care of it and will be sufficient reserve. So we adopted that system here in the United States and today banks (depending on the type of bank) can make loans equal to from six to ten dollars for every dollar they have in reserve. That's manufacturing money. Now banks can do that and I defend them for it. I say it's all right if they do it for the purpose it was intended when they were granted the charters for making loans to local people, to help extend business and commerce, and to make it possible for people to get money when they need it when misfortune overtakes them. That's perfectly all right for the banks to do that. But when they go out of the banking business and become just government bond holders and commercial bookkeepers, and sell out to some foreign banks, and have only dummy directors locally, they're getting away from their charter. They should not be supported by the United States Government and allowed to pursue those privileges that are given to a local bank for that purpose. The Congress, if the members of Congress get the truth, are going to vote right. It's the best jury I have ever known.

CONGRESS MUST BE INFORMED

Before I came to Congress I tried a lot of cases in Texas before the courts. I was prosecuting attorney, district attorney over an area of Texas. I went from county to county to try capital cases. I've tried lots of cases before juries. Juries are fair. Seldom do you ever find a jury that turns out to be unfair; very, very seldom. One out of a hundred, something like that; then probably just one on that jury. The jurors are fair. Members of Congress are fair. If you get the truth to them in the right way they will do exactly the right thing—the majority

of them will. The exceptions will not have any weight. That's the reason we should have majority rule in this country. We don't want minority rule. In other words every person who is absent will be against it and a minority will control. That's just one of the instances.

We don't want minority representation in government, we want it exactly as it is. Majority rule, and whenever you get the truth to the Members of Congress, a majority will do whatever is right under the circumstances. Your problem is meeting this awful vicious propaganda that is going throughout the length and breadth of this great country of ours, and particularly to the desks of the Members of the United States Congress—propaganda that is not in your favor—its against you. You've got to meet that some way. Those of you from States where you have Members of the House and Senate should contact those Members and let them know how you feel about this. Those of you from a State, and most of you are, and have relatives back home, get in touch with them and tell them what a great thing the credit unions are. Tell them to write their Members of Congress to take care of the credit unions and make sure they are not unfairly treated. In doing that we'll have tremendous support in the United States Congress.

OPPOSITION FROM FASCIST-MINDED GROUPS

As to ideologies that have been going around all over the country, in discussions remember this: The first thing that the Fascists do is to destroy credit unions, labor unions, and farm cooperatives. I am not saying every person in the United States who favors the destruction of credit unions, labor unions, and farm cooperatives is a Fascist. I do not make that charge. But I do make the charge that every Fascist in this country and every Fascist-minded person in this country is in favor of destroying those three groups, including the credit unions. Back in the days of Hitler and Mussolini the people were taught to hate communism and socialism, which was all right. But they overlooked one thing: they didn't mention fascism and dictatorships, and they caused people to hate communism and socialism to the extent that the people quickly embraced fascism when the time came for Mussolini and Hitler to proclaim Fascist countries. Fascism and communism are the same at the top—each is a dictatorship. There is no difference between them. Both Communists and Fascists are against credit unions, labor unions, and farm cooperatives. They are both for the destruction of your organizations. Right here in America today we have been fighting back at communism, which is a fine thing. I'm opposed to communism, you're opposed to communism; we don't want communism. We want democracy. We want a democracy in a republic like we have today. It has proven to be the best and finest government on the face of the earth. While we are fighting back at communism that is coming from the left, let us not overlook an equally devastating, destructive enemy in the form of fascism that is attempting to approach us from the right. One is just as bad as the other; I'm afraid there's a lot of sentiment in our Nation today for real, old-time fascism. They're not willing to admit it, but there are lots of earmarks.

SUMMARIZATION

Now then, my friends, I have talked to you as long as I should talk. I'll just summarize this way: When I came here 26 years ago, or a little better, I felt like certain things should be done. Credit unions of course fit right into the plans I had. I have been trying to inform myself on ways and methods of being the most effective representative just for the plain people of the country, and in doing that I have realized that a lot of fine, able Members of Congress have had great advantages, more advantages than I have had, graduates of the finest universities in the United States and in the world. I have to work a little bit harder every day, and I have during these 26 years, to try to make up for that and to try to learn the things that would help me to be just a good representative for just the plain people of the country, the people I represent, down there in the first district of Texas, because I believe that will help all the people. When you help plain people, the average people, in our land to enjoy equality of opportunity, that helps everybody. Some will get more than others; certainly they will, because they will work harder for it and they have trained their minds. They are more discreet and they are more diplomatic and more tactful. They know how to do the constructive thing at the right time better than some of us. They have trained themselves that way, and they will always get a little bit more than some of the rest of us. That's all right; I don't object at all. But let's give every person an equal chance—equality of opportunity, and give every family an opportunity to have a breadwinner with a good job; in other words, we want full employment.

Now, another act that I am so proud of—as a Member of the United States Congress I was the original author in the House of Representatives of what is now known as the full employment bill, 1946. That's when the bill went through. That's one of the greatest acts upon the statute books, and I was certainly glad to have my name placed upon the original bill that was presented in the House of Representatives which resulted in passage of the enactment of the full employment bill. During this time, these 26 years, we've had some awfully hard times. But remember this, my friends, as the people get the truth and as the United States Congress gets the truth, this country is free and will remain free and will work in the interest of just the plain folks of the country. I congratulate you on the fine job you are doing.

ARE EFFORTS BEING MADE TO REMAKE AMERICA? HOW STRONG ARE THE GROUPS ATTEMPTING TO CARRY OUR COUNTRY BACK TO ARTICLES OF CONFEDERATION?

Mr. PATMAN. Mr. Speaker, Marquis Childs, a famous columnist, recently wrote an article, Bigness Not So Bad After All, which appeared in the Washington Post and Times Herald and other prominent newspapers throughout the Nation. In this article, a very important subject is discussed. The Committee on Intergovernmental Relations happens to be the basis for this particular article.

Recently, in a Midwestern State, a member of the State senate offered a resolution memorializing Congress to submit an amendment to the Constitution of the United States, which would do the following:

First. Allow 12 States to initiate an amendment to the United States Constitution and when adopted by three-fourths of the States it would be a part of the United States Constitution without any action on the part of Congress.

Second. It was stated that the resolution was furnished to this Senator by the chairman of the Committee on Intergovernmental Relations and that it was endorsed by former President Herbert Hoover.

It has long been argued that if the power to tax inheritances, gifts, and estates was left up to the States, the States would be in competition with one another and a fair rate would be charged; of course, the idea being to relieve the Federal Government of such a power. The truth is one State is already spending enormous sums of money distributing expensive brochures showing how easy it is to become a resident of that State and receive many tax advantages that people in other States do not receive. It is also suggested that a person can retain his present residence and establish residence in this State and upon death his property will be dealt with under the laws of the latter State in a way that his descendants will receive many generous tax advantages. Therefore, instead of States competing with one another and making the rates high, they will compete with one another and have no rates at all against the extremely wealthy.

This is an important subject now since there are already $40-billion worth of tax-exempt bonds issued principally by States, counties, cities and political subdivisions. Half of these bonds are held by individuals. These individuals and others who receive income from these bonds do not pay any tax of any kind whatsoever to the Federal or State Governments on such income. The question is how long will it be before a large part of the big wealth of the country will own tax-exempt bonds and pay no taxes whatsoever and the remainder will be domiciled in a State that has induced them to take up residence with the promise and understanding that their estates will not be taxed upon death. These are serious questions, and I believe should receive more consideration.

I am inserting herewith the article by Mr. Childs. The following excerpts are particularly interesting:

First: In March of 1953 President Eisenhower recommended a commission on intergovernmental relations to study the tangled relationships between Federal, State and local governments and recommended changes which would eliminate overlapping and duplication.

Second: There is a paid staff of 30, complete with information director, and the expectation is that if they do not get a second renewal, another similar commission will be appointed.

Third: The holders of this philosophy certainly think of themselves as the most loyal and patriotic of Americans, and the most strongly opposed to communism, yet they favor measures to weaken the national Government and its popular support, measures that the Communists would probably be glad to see carried out in the United States.

Fourth: Angry critics have recently charged that commission reports are being used to spread propaganda justifying the dismantling of the Federal Government.

BIGNESS NOT SO BAD AFTER ALL

(By Marquis Childs)

One of the characteristics of this Capital is the way in which, regardless of the party in power, bureaus, commissions, and agencies blossom like the flowers in the spring and take root as hardy perennials. If you dial the number Executive 3-3262, a polite voice answers Intergovernmental Relations.

The specialty of the Eisenhower administration is to make at least one commission

grow where none grew before and that helps to explain intergovernmental relations.

In March of 1953 President Eisenhower recommended a commission on intergovernmental relations to study the tangled relationships between Federal, State, and local governments and recommend changes which would eliminate overlapping and duplication. The commission as approved by Congress was to report by March 1, 1955, and go out of business.

It was heavily loaded with Republicans and Southern Democrats who would like to cut the Federal Government back at least to the era of the Founding Fathers with the Chief Executive filling the genial role of a limited monarch.

Because their report was not completed Congress extended the life of the commission until the end of June. There is a paid staff of 30, complete with information director, and the expectation is that if they do not get a second renewal, another similar commission will be appointed.

Several of the commission members are defeated or retired officeholders, among them former Senator Guy Cordon, of Oregon, and former Gov. Dan Thornton, of Colorado. Others, such as Mrs. Oveta Culp Hobby, Secretary of Health, Education, and Welfare, and Val Peterson, Director of Civil Defense, are preoccupied with exacting full-time jobs. Governors John S. Battle, of Virginia, and Allan Shivers, of Texas, are members, as are Senators Andrew Schoeppel, of Kansas, and Hubert Humphrey, of Minnesota.

What apparently most members of the Commission do not know is that one of their number has written a book which is an objective, careful analysis of the whole problem they are studying. Prof. William Anderson, of the University of Minnesota, whose The Nations and the States, Rivals or Partners? has just been published by the University of Minnesota Press, is a long-time authority in the field. Suggesting that a lot of the outcry about centralization comes from those opposed to all Government activity, the author says of this philosophy:

"It pictures big government and centralism, socialism, the welfare state, and dictatorship, and it revives the discredited shibboleth of States rights. It professes loyalty to the Constitution by the people, but seems to forget that the adoption of that Constitution by the people with its provisions for a strong National Government, was one of the greatest acts of constructive republican centralization the world has ever witnessed.

"The holders of this philosophy certainly think of themselves as the most loyal and patriotic of Americans, and the most strongly opposed to communism, yet they favor measures to weaken the National Government and its popular support, measures that the Communists would probably be glad to see carried out in the United States."

Professor Anderson reached his conclusions after a long-time study of the role of the Federal Government and the States. He has found that the grants-in-aid from Washington to the States, so frequently attacked, have not measurably increased Federal control over State governments. While it has had some equalizing effect, as between States with low per capita income and those with high per capita income, this is uneven and insignificant.

Professor Anderson's fellow members of the Commission on Intergovernmental Relations will object that this is merely his own viewpoint, and that is true. But it is also true that no other Commission member has given such long and careful thought to every aspect of the problem.

Angry critics have recently charged that Commission reports are being used to spread propaganda justifying the dismantling of the Federal Government. That cry came in the wake of the Hoover Commission report on Federal lending agencies. There is a nice question as to whether these reports are made in a spirit of objectivity or whether they are colored by political bias. If the Commission on Intergovernmental Relations wants to get a careful, thorough, documented study, they can buy Professor Anderson's book for $3.75. And perhaps after they read it they will decide that they can shut up shop.

SPECIAL ORDERS GRANTED

Mr. RHODES of Pennsylvania asked and was given permission to address the House for 1 hour on tomorrow, following any special orders heretofore entered.

Mr. ASHLEY (at the request of Mr. MULTER) was given permission to address the House for 10 minutes on tomorrow, following any special orders heretofore entered.

Mr. DODD asked and was given permission to address the House for 30 minutes on tomorrow, following any special orders heretofore entered.

ANNOUNCEMENT

Mr. FULTON. Mr. Speaker, on roll-call No. 4 I was absent on account of official business. Had I been present, I would have voted "aye."

POSTAL PAY RAISES

Mr. PHILBIN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. PHILBIN. Mr. Speaker, one of the most decisive actions of the current session of Congress was to vote down the postal pay-raise bill recently presented to the House under suspension of the rules.

It was evident from this vote that a large majority of the House disapproved the method by which this ill-fated measure was brought to the floor and strongly believed that the provisions of the bill were inadequate and otherwise unsatisfactory.

It is to be hoped that a suitable bill will soon be presented. Such legislation is overdue and amply justified in order equitably to adjust the pay scales of our faithful postal workers who have no remedy to rectify current unfair pay scales and the impending threats of harmful administrative changes in postal organization and personnel except that which may be afforded by the prompt action of Congress.

How and when will this action be taken? The other body has passed a measure that is apparently agreeable to most employees and to the general public. This House cannot and should not lag behind in adopting such a bill. The arguments for it are strong and obvious, while the arguments against it are labored and obtuse. A brief survey of current pay scales in relation to 1939 index figures will plainly disclose the merits of this proposed legislation. It shows beyond question that general postal pay scales are substantially below comparative levels in private industry which have been reached as a result of regular periodic increases not as yet extended to postal workers.

And there are other factors which strongly urge immediate corrective action in favor of all postal personnel. It would be grossly unfair to discriminate through classification features or in any other way against any group of these loyal Government workers. There is no possible justification, whether for alleged efficiency reasons or pretended economy, for writing provisions into a postal pay bill that may result in downgrading, salary cuts, unsound job eliminations, or uncertain, precarious status for any postal worker.

Congress has a direct responsibility to the public for applying fair standards and satisfactory working conditions for postal workers and other employees of the Government. To delay further in this task will merely make a bad situation worse.

I hope and urge that the House will not fall behind in discharging this responsibility and that a suitable postal pay increase measure will soon be presented for our consideration.

I am convinced that public opinion favors such action and that if given the opportunity the House will work its will regarding postal pay legislation so as to do substantial justice to all our postal employees.

THE ARAMAIC BIBLE

Mr. HAYS of Arkansas. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. HAYS of Arkansas. Mr. Speaker, I wish to direct the Members' attention to a matter that I believe to be of great interest. On last Friday the world's oldest known New Testament in Aramaic, the language which Jesus and His disciples spoke, was carried to the White House, where it was viewed by the President, and to the Library of Congress, where it is hoped that it will rest permanently as one of the greatest contributions to our cultural and religious heritage. An organization has been formed, the Aramaic Bible Foundation, for the purpose of acquiring the Yonan Codex, one of the world's most modern precious religious documents, to present as a gift to the Library of Congress and to reproduce facsimile copies of the Codex for distribution to qualified theological and other educational institutions and to scholars.

The foundation hopes to bring this invaluable document to the attention of our people in its appeal for interest in and study of the sayings of Jesus. I am glad to bring this to the attention of the House and to advise the House that the Library of Congress has arranged for an informal showing of the document in the Whitall Pavilion at the Library on Thursday, tomorrow, between the hours of 11 and 4, before it is placed under glass in the special display arranged by the Library of Congress. Members of

the Congress and the press are invited to attend this privileged last private showing of this inspiring document.

CONSTRUCTION ON THE NIAGARA RIVER FOR POWER PURPOSES

The SPEAKER. Under previous order of the House, the gentleman from New York [Mr. RADWAN] is recognized for 60 minutes.

Mr. RADWAN. Mr. Speaker, I have this day introduced a bill authorizing the immediate construction by the United States Army Corps of Engineers of certain works of improvement on the Niagara River for power purposes. It is my fervent hope and earnest belief that the bill which I propose will serve to break a disastrous stalemate which has imposed a stranglehold on this essential project for 5 years, and which threatens otherwise to continue indefinitely into the future. Permit me to review briefly the recent history of power development proposals on the Niagara River.

In February 1950 the United States and Canada, recognizing the need for enhancing the beauty of Niagara Falls, one of the scenic wonders of the world, and for achieving the ultimate power potential from this, the world's most ideal power-development center, enacted a treaty in their mutual interest. It provided, in substance, for the equal sharing by each nation of increased quantities of waters of the Niagara for power purposes, and the simultaneous construction of devices to insure the preservation and enhancement of the beauty of the falls despite this increased diversion for power. Since it was anticipated that the two countries would not necessarily complete their respective power-development projects simultaneously, and since the increased power to be afforded was and is urgently needed on both sides of the border for industrial development and national security, the treaty provided that the country completing its project first could use the share of water allotted to the other until the latter was in a position to use its share. Now let us examine what has happened in the 5 long years that have elapsed since the ratification of the treaty.

The Canadians have virtually completed their works of development for power purposes and are now in a position to utilize not only their share of the treaty waters but ours as well. On this side of the border, the United States Army Corps of Engineers has completed the project designed to beautify the falls in anticipation of the additional drawoff for power purposes. What has been accomplished to develop works for the development of power in this country? Gentlemen, not a spade of earth has been turned. And it is the shocking truth that the realization of the benefits of this power would be 4 or 5 years away if the project were started today.

I am informed, Mr. Speaker, that the value of the power to be generated on the American side under the 1950 treaty is over $60 million annually. Over $300 million worth of this liquid gold has been lost since the treaty was ratified. We are faced with the inevitable prospect of seeing another $300 million worth lost in the next 4 or 5 years if the power facilities were started today. Accustomed as this Nation is to thinking in terms of big figures, those are still enormous amounts. Furthermore, at a time when we are starved for additional power, and faced with an ever-increasing need to meet the threat of world communism with all the industrial might at our command, you cannot put a price on this lost potential. It is priceless.

What has brought about this sad state of affairs? An area of disagreement, of stalemate, between the various interests concerned with the development of the project—an area of disagreement which appears small indeed when compared with the enormous losses which have resulted. In brief, there are those who say that the development of power on the American side should be by governmental agency, preferably the established Power Authority of the State of New York, and that certain preferences should be established with respect to the disposition of the power thus developed. These proponents would authorize the construction of independent transmission facilities, in addition to existing private facilities, if necessary, to meet these preferences.

There are others, occupying a sort of middle ground, who would also authorize development of the facilities by the State of New York but who would not place strict limitations on the disposition of the power developed, proposing rather an equitable disposition for the benefit of the people as a whole, to the extent economically feasible through existing private transmission facilities. Finally there are those who insist that the additional facilities should be developed, and the power transmitted through existing and expanded private transmission facilities by existing private interests. All three proposals make adequate provision for users in other States within economic transmission distance of Niagara Falls.

Mr. Speaker, I have no magic formula for resolving the relatively small area of disagreement. I wish that I did. I am admittedly a Johnnie-Come-Lately to this arena where my colleagues and others have contested so inconclusively these past 5 years. But as a Representative from Buffalo, the large population center and heartland of the Niagara frontier, I can no longer stand idly by and see another 5 years or more sacrificed on the altar of obstinacy. Those who have championed one side or another of this dispute in the past are actually handicapped by their prior, fixed positions in attempting to bring about a solution to this problem which inevitably must be resolved. Someone must untie the Gordian knot.

I can, I believe, make one important contribution. I am extremely impatient with the status quo. I want to hasten the inevitable.

It is my proposal that the United States Army Corps of Engineers be authorized to embark immediately upon a program for the construction of power facilities at Niagara Falls. My bill will be specifically confined to authorization of construction of the facilities and will contain no commitments whatsoever on ultimate ownership and operation of the facilities, or disposition of the generated power—the matters now in dispute. The bill will urge the divergent interests to embark immediately upon discussions with a view to utilizing all or any part of the construction period for the purpose of resolving their differences and coming up with a workable solution.

What will the bill accomplish? It will save for us the 4 or 5 year construction period. So that when the differences are resolved, as they inevitably must be, the project will be completed, and not just beginning. The time required for construction should be more than enough for reasonable men, and the fact of completion will be a spur for reasonable men to act.

I have suggested the United States Army Corps of Engineers as the agency to build the project because this, the greatest construction agency in the world, has since the earliest history of our Nation been universally recognized as nonpartisan.

The builders of the Panama Canal, the atomic-bomb projects, and the beautification works at Niagara Falls, who are even now commissioned to construct the St. Lawrence Seaway, are certainly in a position to construct this power project to the satisfaction of all concerned.

I wish to emphasize that this proposal is therefore in no way prejudicial to the present position of any interests. Just as all three of the proposals heretofore forwarded provide that the developers of power shall reimburse the United States for the cost of works already constructed to enhance the beauty of the falls, the agency ultimately selected to operate the power facilities can acquire ownership by reimbursement of the cost of construction.

Mr. Speaker, those who oppose immediate construction of the project, pending resolution of differences, say in effect, "Settle it my way now, or do not develop the power at all." This at a time when all possible power is urgently needed to turn the wheels of American industry and to provide more comforts in American homes. In view of the world situation, that attitude is a luxury that we cannot afford.

While we dawdle, our friendly neighbors to the north can consume our share of this power. Recognizing our historically close and friendly ties, that is a generosity which we also cannot afford. The Canadians have solved their problems. Certainly we cannot afford to be less efficient in solving ours.

Gentlemen, I urge your wholehearted support of my bill.

ENROLLED BILLS SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H. R. 4259. An act to provide a 1-year extension of the existing corporate normal-tax rate and of certain excise-tax rates.

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 465. An act for the relief of Ernest Ludwig Bamford and Mrs. Nadine Bamford; and

S. 632. An act for the relief of Jan R. Cwiklinski.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. MACDONALD on the subject of amending section 1B of the Natural Gas Act.

Mr. ASHMORE and to include an editorial.

Mr. POWELL and to include extraneous matter, notwithstanding it will exceed two pages of the RECORD, and is estimated by the Public Printer to cost $220.

Mrs. FRANCES P. BOLTON and to include extraneous matter.

Mr. THOMPSON of New Jersey and to include extraneous matter.

Mrs. KELLY of New York and to include extraneous matter.

Mr. VANIK.

Mrs. KEE (at the request of Mr. ALBERT) and to include extraneous matter.

Mr. FRELINGHUYSEN (at the request of Mr. PHILLIPS) and to include extraneous matter.

Mr. CRETELLA (at the request of Mr. ARENDS).

Mr. DONOHUE.

Mrs. ROGERS of Massachusetts (at the request of Mr. PHILBIN) and to include a letter.

Mr. ROOSEVELT (at the request of Mr. RHODES of Pennsylvania).

Mr. MULTER and to include extraneous matter.

Mr. SISK (at the request of Mr. SHELLEY) and to include extraneous matter.

Mr. KEOGH and to include an article.

Mr. TEAGUE of Texas.

Mr. HAYS of Arkansas to extend his remarks and include a statement made before the Committee on Education and Labor.

ADJOURNMENT

Mr. MARSHALL. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 51 minutes p. m.) the House adjourned until tomorrow, Thursday, March 31, 1955, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

615. A letter from the Secretary of Agriculture, transmitting a draft of proposed legislation entitled "A bill to consolidate the Hatch Act of 1887 and laws supplementary thereto relating to the appropriation of Federal funds for the support of agricultural experiment stations in the States, Alaska, Hawaii, and Puerto Rico"; to the Committee on Agriculture.

616. A letter from the Director, Legislative Programs, Office of the Assistant Secretary of Defense, transmitting a draft of proposed legislation entitled "A bill to amend the act of August 1, 1947 (ch. 433, 61 Stat. 715), as amended, to increase the number of professional and scientific positions authorized for the Department of Defense"; to the Committee on Post Office and Civil Service.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. O'NEILL: Committee on Rules. House Resolution 154. Resolution to authorize the Committee on Education and Labor to conduct studies and investigations relating to matters coming within the jurisdiction of such committee under rule XI, clause 6, of the Rules of the House of Representatives; with amendment (Rept. No. 311). Referred to the House Calendar.

Mr. BOLLING: Committee on Rules. House Resolution 198. Resolution for consideration of House Joint Resolution 256. Joint resolution providing for an objective, thorough, and nationwide analysis and reevaluation of the human and economic problems of mental illness, and for other purposes; without amendment (Rept. No. 312). Referred to the House Calendar.

Mr. DELANEY: Committee on Rules. House Resolution 199. Resolution for consideration of H. R. 4393, a bill to provide for the construction and conversion of certain modern naval vessels, and for other purposes; without amendment (Rept. No. 313). Referred to the House Calendar.

Mr. COLMER: Committee on Rules. House Resolution 200. Resolution for consideration of H. R. 2225, a bill to amend section 401 (e) (2) of the Civil Aeronautics Act, as amended; without amendment (Rept. No. 314). Referred to the House Calendar.

Mr. DAVIS of Tennessee: Committee on Public Works. H. R. 4436. A bill relating to the sale of water from the Clark Hill Reservoir to the city of McCormick, S. C.; with amendment (Rept. No. 315). Referred to the Committee of the Whole House on the State of the Union.

Mr. BURLESON: Committee on House Administration. House Resolution 98. Resolution to provide funds for the Committee on the Judiciary; without amendment (Rept. No. 316). Ordered to be printed.

Mr. BURLESON: Committee on House Administration. House Resolution 195. Resolution authorizing the employment of two additional messengers, Office of the Postmaster of the House; without amendment (Rept. No. 317). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ASPINALL:

H. R. 5326. A bill to encourage the discovery, development, and production of fluorspar in the United States, its Territories and possessions, and for other purposes; to the Committee on Ways and Means.

By Mr. BENNETT of Florida:

H. R. 5327. A bill to amend the National Housing Act by adding a new title thereto providing additional authority for insurance of loans made for the construction of urgently needed housing for military personnel of the armed services; to the Committee on Banking and Currency.

Mr. BOGGS:

H. R. 5328. A bill to amend title II of the Social Security Act to reduce from 72 to 68 the age beyond which deductions will not be made from benefits on account of outside earnings; to the Committee on Ways and Means.

H. R. 5329. A bill to appropriate funds to carry out the authorized project for the improvement of Bayou Signette Waterway, La., as previously authorized by law; to the Committee on Appropriations.

H. R. 5330. A bill to amend section 394 (a) of the Internal Revenue Code of 1954, and for other purposes; to the Committee on Ways and Means.

H. R. 5331. A bill to amend the Internal Revenue Code of 1954 to provide a 23-percent depletion rate for bauxite if from deposits in the Western Hemisphere; to the Committee on Ways and Means.

By Mr. CANNON:

H. R. 5332. A bill to authorize remedial works and measures to prevent the silting of Sandy Slough in Lincoln County, Mo.; to the Committee on Public Works.

By Mr. DEMPSEY:

H. R. 5333. A bill to encourage the discovery, development, and production of fluorspar in the United States, its Territories and possessions, and for other purposes; to the Committee on Ways and Means.

By Mr. FJARE:

H. R. 5334. A bill to encourage the discovery, development, and production of fluorspar in the United States, its Territories and possessions, and for other purposes; to the Committee on Ways and Means.

By Mr. GREGORY:

H. R. 5335. A bill to encourage the discovery, development, and production of fluorspar in the United States, its Territories and possessions, and for other purposes; to the Committee on Ways and Means.

By Mr. HYDE:

H. R. 5336. A bill to amend section 213 of the Internal Revenue Code of 1954 (relating to the deduction for medical, dental, etc., expenses) so as to remove the limitation based on 3 percent of adjusted gross income, the maximum limitations, and (where the taxpayer or his spouse is 65 years of age or over) the limitation on amounts paid for medicine and drugs; to the Committee on Ways and Means.

By Mr. McINTIRE:

H. R. 5337. A bill to amend the provisions of the Perishable Agricultural Commodities Act, 1930, relating to practices in the marketing of perishable agricultural commodities; to the Committee on Agriculture.

By Mr. McMILLAN:

H. R. 5338. A bill to amend the Servicemen's Readjustment Act of 1944, so as to authorize loans for farm housing to be guaranteed or insured under the same terms and conditions as applied to residential housing; to the Committee on Veterans' Affairs.

By Mr. MACDONALD:

H. R. 5339. A bill to amend section 1 (b) of the Natural Gas Act, with respect to jurisdiction over sales of natural gas by independent producers; to the Committee on Interstate and Foreign Commerce.

By Mr. MASON:

H. R. 5340. A bill to encourage the discovery, development, and production of fluorspar in the United States, its Territories and possessions, and for other purposes; to the Committee on Ways and Means.

By Mr. O'HARA of Minnesota:

H. R. 5341. A bill to provide that standard time shall be the measure of time for the transaction of business in interstate and foreign commerce; to the Committee on Interstate and Foreign Commerce.

By Mr. REUSS:

H. R. 5342. A bill outlawing the poll tax as a condition of voting in any primary or other election for national officers; to the Committee on House Administration.

H. R. 5343. A bill to protect the right to political participation; to the Committee on the Judiciary.

H. R. 5344. A bill to strengthen the laws relating to convict labor, peonage, slavery, and involuntary servitude; to the Committee on the Judiciary.

H. R. 5345. A bill to declare certain rights of all persons within the jurisdiction of the United States, and for the protection of such persons from lynching, and for other purposes; to the Committee on the Judiciary.

H. R. 5346. A bill providing relief against certain forms of discrimination in interstate transportation; to the Committee on Interstate and Foreign Commerce.

H. R. 5347. A bill to prohibit discrimination in employment because of race, color, religion, national origin, or ancestry; to the Committee on Education and Labor.

H. R. 5348. A bill to protect the civil rights of individuals by establishing a Commission on Civil Rights in the executive branch of the Government, a Civil Rights Division in the Department of Justice, and a Joint Congressional Committee on Civil Rights, to strengthen the criminal laws protecting the civil rights of individuals, and for other purposes; to the Committee on the Judiciary.

H. R. 5349. A bill to amend and supplement existing civil-rights statutes; to the Committee on the Judiciary.

H. R. 5350. A bill to reorganize the Department of Justice for the protection of civil rights; to the Committee on the Judiciary.

H. R. 5351. A bill to establish a Commission on Civil Rights in the executive branch of the Government; to the Committee on the Judiciary.

By Mr. ROOSEVELT:

H. R. 5352. A bill to amend title II of the Social Security Act to reduce retirement age for women and provide insurance benefits for certain additional widows and parents, and to amend the public assistance provisions of such act to provide increased payments, eliminate certain restrictions, and permit a more effective distribution of Federal funds; to the Committee on Ways and Means.

H. R. 5353. A bill to amend the public assistance provisions of the Social Security Act so as to provide for a more effective distribution of Federal funds; to the Committee on Ways and Means.

By Mr. SEELY-BROWN:

H. R. 5354. A bill authorizing a preliminary examination and survey of the New England, New York, Long Island, and New Jersey coastal and tidal areas, for the purpose of determining possible means of preventing damages to property and loss of human lives due to hurricane winds and tides; to the Committee on Public Works.

By Mr. WHARTON:

H. R. 5355. A bill to amend title II of the Social Security Act so as to repeal the limitation upon the amount of outside income which may be received by an individual while receiving benefits thereunder; to the Committee on Ways and Means.

H. R. 5356. A bill to provide for a Director of Dairy Services in the Department of Agriculture; to the Committee on Agriculture.

By Mr. ZELENKO:

H. R. 5357. A bill to amend the Longshoremen's and Harbor Workers' Compensation Act, with respect to the payment of compensation in cases where third persons are liable; to the Committee on Education and Labor.

By Mr. ASPINALL (by request):

H. R. 5358. A bill to provide certain benefits for annuitants who retired under the Civil Service Retirement Act of May 29, 1930, prior to April 1, 1948; to the Committee on Post Office and Civil Service.

By Mr. BARRETT:

H. R. 5359. A bill to repeal title III of the Defense Production Act Amendments of 1952; to the Committee on Banking and Currency.

By Mr. BLATNIK:

H. R. 5360. A bill to offset declining employment by providing for Federal assistance to States and local governments in projects of construction, alteration, expansion, or repair of public facilities and improvements; to the Committee on Public Works.

H. R. 5361. A bill to amend the Railroad Retirement Act of 1937, as amended; to the Committee on Interstate and Foreign Commerce.

By Mr. CHENOWETH:

H. R. 5362. A bill to authorize the construction of certain public works for flood control and other purposes on the Purgatoire River in Colorado; to the Committee on Public Works.

By Mr. CRAMER:

H. R. 5363. A bill to provide for protection of public property near the shores of the United States from damage by waves and currents; to the Committee on Public Works.

By Mr. DAVIDSON:

H. R. 5364. A bill to amend the Home Owners' Loan Act of 1933, as amended; to the Committee on Banking and Currency.

By Mr. DAWSON of Utah:

H. R. 5365. A bill relating to the imposition of a tax on the importation of lead and zinc; to the Committee on Ways and Means.

By Mr. DIGGS:

H. R. 5366. A bill creating a Federal Commission to study the copyright laws and to make recommendations for their revision; to the Committee on the Judiciary.

By Mr. EBERHARTER:

H. R. 5367. A bill to amend the Internal Revenue Code of 1954 so as to authorize the determination of tax on distilled spirits when they are withdrawn from internal revenue bonded warehouse without regard to the date of original entry for deposit; to the Committee on Ways and Means.

By Mr. FORAND:

H. R. 5368. A bill to amend paragraph 1004 (a) of the Tariff Act of 1930, with respect to the importation of certain yarns; to the Committee on Ways and Means.

By Mr. FULTON:

H. R. 5369. A bill to extend and strengthen the Water Pollution Control Act; to the Committee on Public Works.

H. R. 5370. A bill to prohibit discrimination in employment because of age; to the Committee on Education and Labor.

H. R. 5371. A bill to restore to retired enlisted men of the armed services allowances for quarters, subsistence, and clothing as provided by the act of 1885, establishing retirement for enlisted men; to the Committee on Armed Services.

H. R. 5372. A bill to amend the Agricultural Adjustment Act of 1938 to exempt certain wheat producers from liability under the act where all the wheat crop is fed or used for seed on the farm, and for other purposes; to the Committee on Agriculture.

H. R. 5373. A bill making an appropriation for the prosecution of the Delaware River channel-deepening project, as heretofore authorized by law; to the Committee on Appropriations.

By Mr. GRAY:

H. R. 5374. A bill to encourage the discovery, development, and production of fluorspar in the United States, its Territories and possessions, and for other purposes; to the Committee on Ways and Means.

By Mr. KLEIN:

H. R. 5375. A bill to exempt from taxation certain property of the Jewish War Veterans, U. S. A. National Memorial, Inc., in the District of Columbia; to the Committee on the District of Columbia.

By Mr. POAGE:

H. R. 5376. A bill to amend the Rural Electrification Act of 1936, as amended; to the Committee on Agriculture.

By Mr. RADWAN:

H. R. 5377. A bill to authorize the immediate construction of certain works of improvement on the Niagara River for power purposes; to the Committee on Public Works.

By Mrs. ROGERS of Massachusetts:

H. R. 5378. A bill to amend the act of August 27, 1888, entitled "Aid to State or Territorial Homes" (title 24, sec. 134, U. S. C., as amended); to the Committee on Veterans' Affairs.

By Mr. TOLLEFSON:

H. R. 5379. A bill to permit producers to donate surplus wheat to religious organizations, without payment of marketing penalty, where such donation will divert the wheat from normal trade channels; to the Committee on Agriculture.

By Mr. VAN ZANDT:

H. R. 5380. A bill to extend the authority of the Corregidor-Bataan Memorial Commission, and for other purposes; to the Committee on Foreign Affairs.

By Mr. CURTIS of Missouri:

H. J. Res. 271. Joint resolution proposing an amendment to the Constitution of the United States to limit the tenure of Senators and Representatives in Congress; to the Committee on the Judiciary.

By Mr. HAYS of Arkansas (by request):

H. J. Res. 272. Joint resolution to improve the relations of the United States with Western Germany and Japan; to the Committee on Foreign Affairs.

By Mr. MARTIN:

H. J. Res. 273. Joint resolution to establish a Commission for the Celebration of the 100th Anniversary of the Birth of Theodore Roosevelt; to the Committee on the Judiciary.

By Mr. BROYHILL:

H. J. Res. 274. Joint resolution paying honor and tribute to the memory of Robert E. Lee, and dedicating the Lee Mansion in the Arlington National Cemetery as a permanent memorial to Robert E. Lee; to the Committee on House Administration.

By Mr. FULTON:

H. J. Res. 275. Joint resolution proposing an amendment to the Constitution of the United States relative to disapproval and reduction of items in general appropriation bills; to the Committee on the Judiciary.

By Mr. REUSS:

H. Con. Res. 105. Concurrent resolution establishing a Joint Congressional Committee on Civil Rights; to the Committee on Rules.

By Mr. FULTON:

H. Con. Res. 106. Concurrent resolution to establish a Joint Committee on Consumers; to the Committee on Rules.

By Mr. METCALF:

H. Res. 197. Resolution to provide for the creation of an International Food and Raw Materials Reserve; to the Committee on Foreign Affairs.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

By Mr. NORBLAD: House joint resolution 11 of the 48th Legislative Assembly of the State of Oregon, requesting the Congress of the United States to appropriate adequate funds to the United States Geological Survey to carry out the traditional practice of 100 percent matching of all State offerings for the purpose of continuing the program of cooperative investigation of water resources; to the Committee on Appropriations.

Also, senate joint resolution 7 of the 48th Legislative Assembly of the State of Oregon, endorsing the action taken by the President and the Congress in their advocacy of the Formosa resolution; to the Committee on Foreign Affairs.

Also, senate joint resolution 4 of the 48th Legislative Assembly of the State of Oregon

petitioning the Congress of the United States to recognize that the permanent maintenance and operation of the Columbia River development facilities are a Federal responsibility and that moneys for their operation and maintenance should become a continuing part of Federal appropriations, to be allocated to the State agencies responsible for such operation and maintenance through the Fish and Wildlife Service and further petitions the Congress to establish a permanent means of financing the maintenance and operation of these facilities by appropriate legislation making the costs of such operation and maintenance charge against funds received by the United States and its agencies in payment for electrical energy generated at Federal hydroelectric powerplants in the Columbia River Basin; to the Committee on Public Works.

Also, senate joint resolution 6 of the 48th Legislative Assembly of the State of Oregon memorializing the Congress of the United States not to pass H. R. 1, or any legislation which would similarly add to and change the existing trade-agreements legislation; to the Committee on Ways and Means.

By the SPEAKER: Memorial of the Legisuature of Oregon, memorializing the President and the Congress of the United States relative to requesting that there be established a permanent means of financing the Columbia River development facilities, etc.; to the Committee on Public Works.

Also, memorial of the Legislature of the Territory of Alaska, memorializing the President and the Congress of the United States relative to urging that the McCarran Act be amended to insure that Alaskans are afforded the rights and responsibilities which are due loyal American citizens; to the Committee on the Judiciary.

Also, memorial of the Legislature of the Territory of Alaska, memorializing the President and the Congress of the United States relative to requesting that legislation be enacted abolishing fish traps from the waters of the Territory of Alaska; to the Committee on Merchant Marine and Fisheries.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BOGGS:

H. R. 5381. A bill for the relief of Westfeldt Brothers; to the Committee on the Judiciary.

H. R. 5382. A bill for the relief of W. R. Zanes & Company of Louisiana, Inc.; to the Committee on the Judiciary.

By Mr. COLE:

H. R. 5383. A bill for the relief of Mrs. Betty W. Webster; to the Committee on the Judiciary.

Br. Mr. FISHER:

H. R. 5384. A bill for the relief of Donn Kim Ringdahl (Kim Young Yon); to the Committee on the Judiciary.

By Mr. HESS:

H. R. 5385. A bill for the relief of Frank T. McCormick; to the Committee on the Judiciary.

By Mr. LATHAM:

H. R. 5386. A bill for the relief of Bui Thi Nhat (Rosa Minh); to the Committee on the Judiciary.

By Mr. LESINSKI:

H. R. 5387. A bill for the relief of Marija Barsi; to the Committee on the Judiciary.

H. R. 5388. A bill for the relief of Bartolo Alcantar; to the Committee on the Judiciary.

By Mr. McDONOUGH:

H. R. 5389. A bill for the relief of Alfred J. Stahl; to the Committee on the Judiciary.

By Mr. MERROW:

H. R. 5390. A bill for the relief of Mrs. Azniv Y. Hasserdjian; to the Committee on the Judiciary.

By Mr. ROBSION of Kentucky:

H. R. 5391. A bill for the relief of the University of Louisville; to the Committee on the Judiciary.

By Mr. BOLAND:

H. Res. 202. Resolution providing that the bill, H. R. 2699, and all accompanying papers shall be referred to the United States Court of Claims; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII,

181. Mr. CANFIELD presented a resolution adopted by the Board of Commissioners of the City of Passaic urging the Members of Congress of the United States to adopt legislation granting to the Post Office Department employees a 10 percent increase in salary; which was referred to the Committee on Post Office and Civil Service.

EXTENSIONS OF REMARKS

The Administration's Highway Program

EXTENSION OF REMARKS
OF
HON. HARRY FLOOD BYRD
OF VIRGINIA
IN THE SENATE OF THE UNITED STATES

Wednesday, March 30, 1955

Mr. BYRD. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD a very able statement made by the Comptroller General of the United States, Mr. Joseph Campbell, in testifying before the subcommittee of the Public Works Committee on S. 1160, known as the administration highway bill.

The statement made by Comptroller General Campbell is accurate, is fundamental, and, coming from such a high authority, deserves the fullest consideration of the Senate.

I desire to compliment the Comptroller General on the very splendid presentation he has made on this legislation.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF MR. JOSEPH CAMPBELL, COMPTROLLER GENERAL OF THE UNITED STATES, ON S. 1160, 84TH CONGRESS, BEFORE THE PUBLIC ROADS SUBCOMMITTEE OF THE COMMITTEE ON PUBLIC WORKS, UNITED STATES SENATE, MARCH 28, 1955

Mr. Chairman and members of the subcommittee, the General Accounting Office appreciates the subcommittee's invitation to appear before you and give you our views with respect to S. 1160, 84th Congress, which would create a Federal Highway Corporation for financing the construction of the National System of Interstate Highways.

In the opinion of the General Accounting Office, one of the most important aspects of the legislation is the proposed method of financing the highway construction. The bill would create a new Government corporation to be known as the Federal Highway Corporation. The Corporation would be authorized to issue obligations not to exceed $21 billion. These obligations would be sold to the general public and, in addition, could be purchased by the United States from fiduciary, trust, and public funds, the investment or deposit of which is under the authority and control of the United States.

We feel that the proposed method of financing is objectionable because the result would be that the borrowing would not be included in the public debt obligations of the United States. While the issuance of the Corporation's bonds would be with the approval of the Secretary of the Treasury and the obligations would be repaid from the permanent appropriation established by section 105(c), the obligations would specifically state that they are not obligations of, or guaranteed by, the United States. However, the legislation provides that the Secretary of the Treasury may advance to the Corporation in any fiscal year an amount not in excess of the estimated appropriation for that year and, in addition, the Corporation would be authorized to borrow from the Secretary of the Treasury not to exceed $5 billion outstanding at any one time. Both of these provisions coupled with the permanent appropriation would apparently be to assure the investors of ability to meet obligations, and tend to have the effect of a Government guaranty of the highway obligations, at least in the minds of the investing public. As a practical matter, the obligations would be moral and equitable obligations of the United States, since they would be issued by a corporation entirely owned by the Government. While the obligations would specifically provide that they are not guaranteed by the Government, it is highly improbable that the Congress could allow such obligations to go in default when one considers that credit standing of the Federal Government would be involved.

In addition, the Corporation's activities would not be self-sustaining. It would have no substantial revenues, and funds for paying off the obligations would come from the general fund of the Treasury. The funds available would be measured by future anticipated increases in collections of taxes on gasoline and special fuels.

The fact that the bill provides for a permanent appropriation measured by gasoline taxes does not, in our opinion, establish revenues for the Corporation in any normal use of the term. The gasoline taxes are revenues of the Treasury and go into the general fund of the Treasury. The appropriation provided would come out of the general fund of the Treasury exactly as most of the appropriations made by Congress.

The total amount of borrowings by the Corporation would amount to the very substantial sum of $21 billion and, in our opinion, would be borrowings of the United States Government, irrespective of the terminology applied. It seems only right that such obligations should be considered, classified, and disclosed as a part of the total borrowings of the Government, that is, the public debt.

It is our opinion that the Government should not enter into financing arrangements which might have the effect of obscuring the financial facts of the Government's debt position. We believe that the highway program—since it in reality is nonrevenue producing—should be financed by appropriations made by the Congress. If, to provide these funds, it is necessary to borrow from the general public, we believe that the borrowings should be handled under the existing authority of the Secretary of the

Treasury under the Second Liberty Bond Act, as amended. This is a normal function of the Treasury Department and in carrying out his assigned fiscal and debt management responsibilities we do not feel that the effectiveness of the Secretary of the Treasury should be weakened by authorizing other Government agencies to borrow directly from the investing public. Also, under the procedure we recommend any borrowings necessary to fund the appropriations approved by the Congress would automatically be treated and disclosed as a part of the public debt of the Federal Government. In making this recommendation we recognize that a borrowing operation of this magnitude may require changes in the existing statutory public-debt ceiling.

Also, if the direct appropriation method is used to finance the highway construction, the Congress would be in a position to make an annual review of the progress and changing needs of the road program because money to carry it out would have to be specifically appropriated by the Congress each year. In addition to reviewing the actual needs of the program, the Congress could also consider whether, from an overall picture of revenues and expenditures of the Government, the full amount authorized for highway construction should be spent in a particular year.

In the event a Federal Highway Corporation is created, the Congress would, to some degree, lose its control over the program. The Corporation would submit annual budgets to Congress under the provisions of the Government Corporation Control Act, but only funds for administrative and operating expenses would be approved by the Congress. The program funds would continue to be available unless the Congress took affirmative action to limit the program expenditures.

I think most of you are aware of the position of the General Accounting Office with respect to Government corporations. We are opposed to the creation of new Government corporations, unless for the most compelling reasons or overriding public necessity. The corporate form of Government activity is objectionable because, for the most part, it is free from the normal safeguards set up by the Congress to maintain adequate control over the conduct of public business and the expenditure of public funds.

Based on the recommendation of the President's Advisory Committee on a National Highway Program, the new Corporation would have very little duties, outside of the issuance and management of its obligations. Administrative functions would be exercised by existing agencies. The Commissioner of the Bureau of Public Roads would act as Executive Director of the Corporation. The Secretary of the Treasury would designate the treasurer of the Corporation to be established within the Treasury Department and authorized to utilize such Treasury Department personnel as the Board found necessary to properly perform its financial responsibilities.

Consequently the principal reason for the creation of a new Federal corporation seems to be that it would provide an identifiable agency outside of the Treasury empowered to borrow from the public on obligations issued in its name. If the necessary funds are obtained by direct appropriation as we recommend, the need for a new Government corporation would disappear. Any public borrowings necessary to fund appropriations would be obtained by the Secretary of the Treasury under existing borrowing authority.

On the question of indefinite appropriations such as would be established by S. 1160, we feel that the Congress should not as a general proposition authorize such appropriations. When collections are made available for expenditure on a permanent annual basis congressional control of the expenditures and the activities financed thereby are greatly weakened. In 1934 Congress considered this question and passed the Permanent Appropriation Repeal Act. This act eliminated numerous permanent appropriations then in effect and provided that such appropriations be subject to annual consideration by the Congress. However, since 1934 many permanent appropriations have been authorized. A good example is the Fish and Wildlife Service of the Department of the Interior. Appropriations by the Congress during 1954 totaled $17 million. Total funds available for expenditure during the year amounted to $59.5 million. Permanent indefinite appropriations provided $36.5 million of the difference, or about 60 percent of the total. These permanent indefinite appropriations are obtained from taxes on firearms, shells and cartridges, fishing equipment, sales of migratory-bird hunting stamps, and income received from mineral leases, timber sales, grazing fees, etc.

The feature of the bill S. 1160 which may raise questions of legality is the financing method proposed.

Article 1, section 8, clause 1, of the Constitution gives Congress power to lay and collect excise taxes provided they are uniform throughout the United States. The Federal gasoline tax meets this requirement. There is, however, a constitutional limitation on the taxing power of the Congress. That power may be exercised only "* * * to pay the debts and provide for the common defense and general welfare of the United States."

The question is then whether the revenue from the gasoline tax, or an equivalent amount, properly may be appropriated in advance for use in meeting the obligations of the Federal Highway Corporation. The only constitutional restriction on the duration of appropriations is that found in clause 12, section 8, article 1, which declares that no appropriation of money to raise and support armies shall be for a longer term than 2 years. As we have indicated, the Congress has frequently made so-called permanent appropriations. The following are current examples involving tax revenues: Appropriation of amounts equal to social-security taxes; appropriation of amounts equal to revenues derived under the Railroad Retirement Tax Act; appropriation of an amount equal to 30 percent of gross customs-duty collections for use by the Secretary of Agriculture; appropriations for conservation of wildlife; appropriations to the governments of the Virgin Islands, Puerto Rico, and Guam.

The case of *Cincinnati Soap Co.* v. *United States* (301 U. S. 308), involved a similar appropriation to the Philippine Government of future revenue from a processing tax on coconut oil produced in the Philippine Islands, and the Supreme Court held that an otherwise valid tax might be bound to a valid appropriation of the tax revenues. The Court said that if the Congress chose to adopt the quantum of receipts from the particular tax as the measure of the appropriation, it saw no valid basis for challenging its power to do so.

Another question is the propriety of the purpose for which the tax revenues are to be used. We do not think the legality of Federal appropriations for an interstate highway system can be questioned. It might be argued that the appropriated funds here involved are not to be used for the payment of debts of the United States, since the bonds are not legal obligations of the United States but merely of the Federal Highway Corporation. In the Cincinnati Soap case mentioned, the Supreme Court had this to say as to what constitutes debts of the United States within the meaning of the constitutional provision:

"It is conceded and indeed it cannot be questioned that the debts are not limited to those which are evidenced by some written obligation or to those which are otherwise of a strictly legal character. The term 'debts' includes those debts or claims which rest upon a merely equitable or honorary obligation, and which would not be recoverable in a court of law if existing against an individual. The Nation, speaking broadly, owes a 'debt' to an individual when his claim grows out of general principles of right and justice; when, in other words, it is based upon considerations of a moral or merely honorary nature, such as are binding on the conscience or the honor of an individual, although the debt could obtain no recognition in a court of law" (301 U. S. 308, 315).

Thus, even though the bond obligations would not be legal obligations of the United States, strictly speaking, and would not come within the Federal debt limitation, there is no doubt that they properly may be considered as debts of the United States within the constitutional taxing authority granted to Congress.

We think a future Congress would be free to reduce or repeal the Federal gasoline tax, which would automatically reduce or cut off the only important source of funds for meeting the bond obligations and would preclude or curtail the issuance of further bonds. As we have indicated, however, we think it would be unrealistic to assume that the Congress would permit bonds already purchased to be defaulted.

In the event the subcommittee is to favorably act on S. 1160, we recommend that several provisions of the bill be considered for amendment.

1. Consideration should be given as to whether the powers of the Corporation are too broad. We would recommend that the legislation be more restrictive as to the functions and duties the Corporation is to perform. Also, consideration should be given to limiting the life of the Corporation to a definite date.

2. Section 105 (d) is contrary to many of the existing statutory restrictions on the investment of trust funds. For example, the unemployment trust fund can only be invested in interest-bearing obligations of the United States, or in obligations guaranteed as to both principal and interest by the United States. If the purpose of section 105 (d) is to permit investment of these and other trust moneys in bonds of the Federal Highway Corporation, existing statutory restrictions on the investment of trust funds should be declared inapplicable to avoid any possible conflict.

3. Section 208 dealing with right-of-way acquisitions should be clarified as to the source of funds for payment of the property acquired. The section provides that the Federal Government will pay 95 percent of the appraised value, or the actual cost, whichever is lower, but the section is silent as to who pays the additional 5 percent. It is assumed that the 5 percent will be paid by the State. We think the section should so provide and also make it clear as to whether the State advances the 5 percent to the Federal Government prior to the payment for the property, or whether the Federal Government may pay 100 percent and then be reimbursed by the State for the 5 percent.

Federal Regulation of Natural Gas Prices

EXTENSION OF REMARKS
OF
HON. CHARLES A. VANIK
OF OHIO
IN THE HOUSE OF REPRESENTATIVES
Wednesday, March 30, 1955

Mr. VANIK. Mr. Speaker, continuing my efforts to fight for the consumer interest in connection with the proposals

to amend the Natural Gas Act, on March 25, 1955, I testified before the House Interstate and Foreign Commerce Committee with respect to the vital concern of Cleveland and Northern Ohio in the outcome of the proposals which are before Congress. Over 95 percent of the residents of my district are consumers of natural gas which is distributed by a distributing company serving northeastern Ohio, including the northern Ohio cities of Akron, Canton, and Youngstown. This distributing company derives negligible quantities of its gas from the Ohio and West Virginia fields. The overwhelming quantities come from Texas, Oklahoma, and the Southwest.

During the past several weeks, the House Interstate and Foreign Commerce Committee has been hearing considerable testimony in support of various bills to release the so-called independent producers of natural gas from the regulation of the Federal Power Commission. The proponents of this legislation argue that it is necessary to protect the public interest in view of the so-called confusion allegedly brought about by the Supreme Court's decision in the Phillips Petroleum case. The testimony in support of this legislation has largely consisted of experts provided by the oil and natural gas industries. It is possible that their great plea supported by $1,500,000 "educational fund" may be directed to the public interest, but it would be indeed unusual. The gas consuming public of America better awaken quickly in this tremendous drive to destroy effective Federal regulations and control. We may discover that the gas consumer's protection will be completely legislated away.

We in Cleveland are as vitally concerned as consumers as perhaps any other group in America. For example, the local distributing company—the East Ohio Gas Co.—has had its natural gas sales per domestic consumer rise from 85,743 cubic feet in 1945 to 195,893 cubic feet per domestic consumer in 1954. And domestic sales have increased in the area of our local distributing company, which is the northern Ohio area, from 46,674,457,000 cubic feet in 1945 to 131,175,084,000 cubic feet in domestic sales in 1954. For this same period, industrial sales have climbed from 30,126,754,000 cubic feet in 1945 to 59,554,879,000 cubic feet in 1954. The total consumption therefore of our northern Ohio gas served principally by this one local distributing company has risen from 76,801,211,000 cubic feet in 1945 to 190,729,963,000 cubic feet in 1954. In analyzing these figures, we find that gas consumption has increased almost 300 percent in domestic sales and almost 200 percent in industrial sales within a 10-year period. Putting it another way, our space heat consumers have increased from 120,709 in 1945 to 539,109, or roughly an increase of almost 350 percent. In our part of the country, gas heat is practically the only source of fuel we use and we do not desire to return to wood stoves. In short, we have been consuming a lot of gas—a tremendous quantity of natural gas of which we have produced very little ourselves. As a matter of fact, our northern Ohio community has made just about as great a contribution to the domestic economy, to the welfare of the great sovereign States of Texas and Oklahoma, as almost any other section in the country.

Now, it will be undoubtedly mentioned that Cleveland has one of the lowest gas rates in the country and that is true. And there is a very important reason for it. Our low gas rate stems from the prudent activity of our distributing company, the East Ohio Gas Co., in establishing huge areas in the Akron-Canton area for the storage of natural gas. The diminished wells in the Canton, Ohio, area, which formerly provided the early gas for our community, are now being used as tremendous reservoirs where gas is pumped in the slow seasons of consumption in the warm weather months and then used during the cold season when it is pumped out of the reservoirs and into the lines of the consumers. Therefore, the northern Ohio distributing company can make a steady and constant purchase of gas into its territory. In addition to that, perhaps no other community in America uses the tremendous volume of natural gas for industrial purposes than we do in the greater Cleveland area. It is mixed with other industrial gases and used by the basic industries of the Cleveland area in the production and fabrication of steel and in the manufacture of coke and in many other industrial ways so that while our domestic consumption has been large, our industrial consumption has also been large. As a large consumer, we are entitled and have received a large quantity consuming price—a lower price—the benefit of large volume consumption. In addition to the maintenance of reservoirs, our local distributing company has done a splendid job of selling natural gas not only as a clean and efficient household fuel but also as a useful fuel for the operation of appliances. We perhaps have more gas water heaters, gas incinerators, gas refrigerators, and gas stoves per capita than perhaps any other community in America. The local distributing company has done a tremendous job of stimulating and extending gas consumption on the basis of its low cost, and we have come to rely on natural gas.

Much has been said about the relatively low price of gas at the wellhead and the high price at the point of distribution to the retail consumer. But it must be borne in mind that the producer digs a well and the gas flows out—usually under the natural pressures of the earth. Most of the time the finding of gas is an incidental happening—a bonus—discovered in the search of oil. The pipeline people must build and maintain pipelines and must maintain pressure through the lines, but the big operational cost features naturally devolve upon the distributor who must build a tremendous distributing system down every street of every city and into every home in which he must maintain an expensive meter. There is a thousand times more earth displaced in the laying of distribution lines than in the drilling of gas wells. And the distributing company must maintain the pressure of gas throughout the system and be sure that it is of sufficient thermal strength to be useful as a fuel. In addition, the distributing company must maintain the huge reservoirs I spoke about, with excessive pumping facilities. It must stimulate the use of gas for space heating and for the operation of household appliances and must in the northern American cities maintain a constant inspection system so that the use of natural gas in a home or in a factory is adequately flued so that there is no resulting danger to human life.

We in Cleveland and in northern Ohio have nothing to say about whose gas we use or where it comes from. It comes through the transmission pipelines and the distributing company's pipelines. We have nothing to say about the price that was paid for it by either the distributing company, the transmission company, or the agents of the wellhead producers. If we had oil furnaces, we could bargain for our oil. It could be trucked into our homes from any part of America, from any oil distributors in our country and we might have a choice of either burning Pennsylvania oil or Oklahoma oil or California oil which is transported all over America by oil tank cars. And if we used coal, we would have the choice of using Ohio coal, Kentucky coal, or Pennsylvania coal that could come from any of thousands of mines, and we could choose between anthracite coal or bituminous coal or design our furnaces to burn coal dust or coal bricks in some form. We could purchase our coal directly from innumerable retail outlets. But when our economy, when our lifeblood, when the very stability and usefulness of our homes depends only on the natural gas which flows through the pipelines into them, then we are completely at the mercy of everyone along the line who has anything to do with that gas, producer, transmitter, and distributor.

It has been declared that we could adequately regulate the price through our State public utilities commission, and this is nonsense. What can the State public utilities commission of Ohio or any other State do about the price of gas before it reaches the State line? The answer is "Absolutely nothing." It would have and does exercise dominion over the activities of the distributing system which is within the State and it can and does review the charges made upon natural gas and the price factors that go into natural gas that is distributed by our local distributing system. But my State cannot exercise any dominion at all or raise any questions at all concerning the transmission cost of natural gas to the Ohio line or at the producer's wellhead in the Southwest. Therefore, the only hope that we have for any kind of check on the reasonableness of the price of gas that comes to us is through the Federal Power Commission, under the Natural Gas Act of 1938, which specifically directs the Federal Power Commission to provide such regulation and pricing as are necessary in the public interest.

Prior to 1947, there were relatively few independent producers of natural gas. After a series of Federal Power Commission rulings, with which I did not agree, and with which most of our

northern gas consumers did not agree, there developed on the horizons a great number of producers of natural gas who, relying upon those decisions, considered themselves exempt from the regulation of the Federal Power Commission; and the number of independent companies has continued, and is continuing, to multiply to the end that the price of gas at the wellhead may be freed from Federal control. Everything was fine with the so-called independent producers until the Phillips decision came along and said that it was all wrong; that if gas was intended for transmission in the interstate pipelines it was subject to regulation.

Let us analyze the increase in numbers of the so-called independent producers of natural gas. There were some in 1938, but the fact is that the Federal Power Commission conveniently does not have records of the number of independent gas producers in the succeeding years until the year 1953 when it determined that there were 4,545. The fact is that the number of so-called independent producers of gas did not increase until it became very profitable for them to increase under the subsequent favorable rulings of the Federal Power Commission. Now, just how independent are these so-called independent producers? It looks to me that they are nothing more than the legally divorced spouses of the principal transmitters of natural gas from the Southwest. Although they were legally divorced, we find that they are still very, very much in love. They date each other very frequently and they are not the least bit clandestine about it. They consort together in public places and are represented by the same lawyers. Are they really independent? Who incorporated them and who owns their stock and who controls them and who is their spokesman? And just how much has the Federal Power Commission done to analyze the nature and the character of the so-called independents? The Commission could not have done very much to identify them if it has no records as to their numbers prior to 1953.

There has been considerable talk throughout these hearings on the effect that the Harris bill would have to conserve the natural-gas supplies and at the same time make more gas available at no higher price to the consumer. It cannot do all things for all people. It simply cannot. It was pointed out by the officials of the Federal Power Commission that we have reserves that would last 22½ years at the present rate of consumption. But the fact that is overlooked is that the present rate of consumption is only a fraction of what current increased demands could make it, particularly in view of the anticipated increase in the population and the development of our industry. I doubt whether the present reserves are sufficient to last 10 years. The shoe may end up on the other foot. The great gas-producing States of Texas, Arkansas, and Oklahoma may some day, sooner than they now believe possible, find themselves in the same plight as Ohio. The wells may become depleted and become useful only as storage bins for gas that might even have to come into Texas and Oklahoma from other States. If that were to happen, would Texas and Oklahoma feel then as they feel now about the regulation of the Federal Power Commission on this important subject?

It has been brought out during these hearings that 45 percent of the gas produced in Texas goes into interstate, while 55 percent remains in Texas. What was overlooked in the discussion is that most of the 55 percent of gas remaining in Texas is pumped back into the wells to be mixed with and prepared with other gas for ultimate consumption in interstate use. The 45 percent estimate on interstate shipment is not correct.

The Harris bill speaks of a fair field price. The fair field price of a substance—any substance in demand—is what the market will pay. A fair field price of natural gas at the wellhead will move the areas of competition from the field—the producing end—to the consuming end in the development of vigorous competition between cities and urban centers needing the gas. Apparently some Indiana communities are willing to get the gas at any price. We cannot bid for gas at the Texas county gas auctions. The struggle which we witness in this hearing is a struggle between the have and have-not areas of this country with respect to natural gas. We call ourselves the United States of America; we are united in the Federal form of our Government in the national welfare, but this process of picking away at the very thing that makes America strong will destroy us. We are an economic unit, and the interdependence of one section of America upon another will strengthen the land.

There has been considerable discussion before this committee on whether or not natural gas produced for interstate commerce is a public utility. As far as the United States is concerned, that question is moot. Under the long chain of Federal decisions, the test of Federal regulation is whether the subject or substance passes through interstate commerce. As far as the consumer is concerned, there is absolutely no question. Most definitions of public utility concern themselves chiefly on whether there is monopolistic control. To the gas consumer of the North, whose natural gas comes to him from a producer over whom he exercises no selection, through a pipeline transmitter over whom he exercises no selection and through a distributor over whom he exercises no selection, gas is a public utility. He is at the complete mercy of the people who provide, transmit, and control the flow of natural gas to his home.

I am in perfect agreement with the distinguished trained judicial minds of the United States Supreme Court in the Phillips case. And what are the Southwest producers endeavoring to do now? They do not like the Court's decision so they want to overrule the Court by an act of Congress. The calm judicial temperament and the wisdom of our highest Court in the Phillips case is being circumvented by regional emotions. History tells us that the upset of judicial decree by intemperate legislative action does not result in ultimate national good.

Now the Federal Power Commission comes here today and tells us that they do not want to fix the wellhead price of natural gas going into commerce. Do they want to escape their public duty? Well, they do not say. The Natural Gas Act tells them what to do and the United States Supreme Court in the Phillips case gave them a mandate. It says the Commission must fix the field price of the wellhead producer. And they have the broadest authority under the law as it now stands to fix formulae, flexible formulae for the pricing of natural gas. It seems to me that the law is satisfactory just as it is. If the Commission arrives at an unjust or arbitrary formulae, the wellhead producer or the transmission line may go to the courts and get the formulae corrected. If the consuming public does not like the formulae, they can go to the courts and get it changed or they can exercise their public prerogative as voters and dismiss the Federal Power Commission if they disapprove of its work.

Now if it should be decided that the Federal Power Commission must be guided in the factors surrounding regulation and the determination of wellhead price, I have a bill which I think is fair. It leaves the production of wellhead gas under Federal Power Commission control if it is intended for interstate shipment in accordance with present law. With respect to pricing formula, it says that producers of natural gas at the wellhead should be allowed a fair and reasonable return on their investment, and I would be willing to see the measure amended to specifically include a producer's dry-well experience in determining the investment factor. I recognize that a dry well can cost a considerable sum of money. Now, I am not saying that 3, 4, 5, or 6 percent is a fair and reasonable return on this kind of investment—you can get that kind of return on investment today with no risk factor. Why not let the Federal Power Commission take these facts under consideration and allow a producer a fair and reasonable return on his investment which will include the factors of risk, the high cost of dry wells, and problems of reaching transmission points.

I do not know extensively of the terms that surround the whole atmosphere of natural gas regulation, I have studied the problem here and I have followed it for a long time as a member of the Ohio State Senate and as a member of the Cleveland City Council. It seems to me that despite all the talk about escalator costs, fair field prices and favored-nations clauses, the issue before us simply boils down to a political decision. Are the people of the sovereign States of Texas and Oklahoma and the other gas-producing States of the Southwest which produce the natural gas, privileged to charge whatever price they see fit for the natural gas on which they find themselves? That is the Harris bill. Are the northern consumers of natural gas who have no choice about whose gas comes into their homes going to suffer the lack of any effective public regulation on this

important natural resource upon which they have become so dependent? In short, is the public to be served in any way by the Harris bill?

The people of my State and the people of my district do not want to engage in combat with the good people of Texas and Oklahoma and the Southwest. All we seek is peaceful coexistence. We seek in natural gas what another distinguished Texan, WRIGHT PATMAN, seeks in other fields, fair and reasonable trade policy. We do not want to pay a tariff on our gas to Texas, Oklahoma, and the other States of the Southwest. We want the good people of the Southwest to get everything to which they are entitled for their enterprise and for the bountiful things the Lord put in their earth and forgot to put in ours. They are entitled to very much consideration for their enterprise and for their risks in drilling for oil and gas—but some of the national interest in the earth of the Southwestern States is something that the Northern public feels entitled to because we are also part of the same United States. We live in the same Republic, we feel entitled to participate in the bounties of another part of our Nation at a reasonable cost because the people of Texas, Oklahoma, and the Southwest did not put that gas into the earth.

The decision which confronts this Congress is very technical, but it is primarily a political and economical conflict between regions. Should the rights and interests of 88 million people be disregarded in the interest of several thousand so-called independent producers of gas? My bill and a Federal Power Commission which is constrained to work could do the job in fairness to all groups concerned.

Address by Hon. Herbert H. Lehman, of New York, at American-Jewish Tercentenary Civic Assembly

EXTENSION OF REMARKS
OF

HON. HERBERT H. LEHMAN

OF NEW YORK

IN THE SENATE OF THE UNITED STATES

Wednesday, March 30, 1955

Mr. LEHMAN. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD an address I delivered on March 20 at the American-Jewish Tercentenary Civic Assembly, sponsored by the Norfolk Jewish Community Council of Norfolk, Va.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

REMARKS BY HON. HERBERT H. LEHMAN, OF NEW YORK, IN OBSERVANCE OF THE AMERICAN-JEWISH TERCENTENARY CIVIC ASSEMBLY SPONSORED BY THE NORFOLK JEWISH COMMUNITY COUNCIL, NORFOLK, VA.

It has been a long time—more years than many of you in this room can remember—since I have been in Norfolk. But I am glad for the opportunity to come tonight to this fine southern city, one of the great seaports of our eastern shore, and to meet with the leaders and members of the Norfolk community.

Like all of you, I am a port city man. Some of my earliest and most unforgetable impressions as a boy are of New York Harbor and of the ships sailing into that harbor and up the broad bosom of the Hudson River.

And I have southern connections, too. My father and his brothers, who came to this country over 100 years ago, settled in Montgomery, Ala. They lived there for many years and sank deep roots there.

Most of my family were Confederates. I wasn't around at the time, but I heard from my mother's and my father's lips the stories of the privations, the suffering, and the tragic sacrifices of those days. My parents moved north after the end of the War Between the States, and I was born in New York, but I have always had a sense of special kinship and sentimental attachment to the part of America below the Mason-Dixon line.

My friend and colleague, Senator LISTER HILL, often calls me the third Senator from Alabama.

My father and his brothers came to this country from Germany in the late 1840's. They came as refugees—refugees from tyranny; refugees seeking and loving liberty. For them America was the land of their aspirations; a land, though alien to their tongue, completely native to their dreams and hopes.

I think the same can be truly said of most of the hundreds of thousands and millions of immigrants who have come to these shores, in the distant past down to the immediate present.

Tonight we observe the 300th anniversary of the first arrival in this country of a special group of immigrants—those of our own faith—that hardy group of 23 Jewish refugees who set foot on the island of Manhattan in September 1654.

They came from Brazil, seeking home, asylum, and freedom of worship.

Manhattan was then, of course, part of the Dutch colony of New Amsterdam, presided over by the redoubtable Gov. Peter Stuyvesant. Governor Stuyvesant regarded these new refugees with distrust and dislike. He ordered them straightaway into jail and sought permission to expel them from New Amsterdam—permission from the Dutch West India Co., which exercised most of the powers of sovereignty over the colony.

But the West India Co. decided that the Jewish refugees should not be expelled, but should be permitted to remain as long as they did not constitute a burden upon the community.

It was not an easy prospect. This little group faced prejudice and discrimination; but they had known these evils before. They had to win, one by one, the rights which we take completely for granted—first, the right to hold their own religious services and to have their own burial ground, then the right to enter business, and then to own their own homes.

The most vital barrier was breached only a year after the arrival of the 23 by a young man whose name deserves to be remembered in history, Asser Levy. He secured for himself, and then for his fellows—the right to join the common militia, and bear arms in the common defense—a right generally denied to Jews, not only in New Amsterdam, but throughout the civilized world.

The willing, and even anxious, acceptance of the common obligation of military service led to the grant of common rights; only 2½ years after their arrival, the Jews of New Amsterdam were accepted as equals among equals. They won not only acceptance but inclusion—inclusion in the rights and obligations of common membership in the community at large.

Such were the beginnings of the Jewish community in America. In each of the 13 American Colonies the story was, of course, different. In many, the progress toward the achievement of equal rights and full citizenship status was slower and more arduous. But ultimately the goal was won, and Jews were accepted as full members of the community of America, distinct in faith, but undistinguishable in the eyes of the law.

Those early Jews, and those who came later, played their sufficient part—and more—in the dramatic story which is the history of America.

They worked, they saved, they fought, they built, they invented, they dreamed, and they created. This was freedom. This was America.

For our contributions we Jews ask no gratitude of America. Instead we are and must be the grateful ones—grateful for the opportunities which have been here given to us and to all others. It should be a source of deep pride to us that we have been able to transmit to our country and to the whole civilized world the ethical and spiritual ideals that have come to us through the centuries.

There is a wonderful continuity to the ideals to which Israel has adhered thoughout the ages. Judaism has a history which is characterized throughout by a deep yearning for liberty—a yearning which sprang from its own bitter experience. Jews seek in spiritual and historic terms not as theorists, but out of the pain of countless generations who have remembered the injunction to bring freedom, justice, and peace to all men even as they themselves were brought to freedom out of bondage in Egypt.

Yes; we, as Jews, must be proud of our ancient traditions, as we, as Americans, must be proud of our national history.

But both as Jews and as Americans, we have a special obligation to live and work, and to sacrifice, if need be, for the maintenance of those traditions, both ancient and modern. We have a special duty to reflect in our daily lives, a true dedication to the ideals of both the ancient Prophets who enunciated our faith, and of the early Patriots who founded our Nation.

We must never forget that of which we will soon be reminded by the Passover—that our spiritual forefathers escaped from bondage, with the Lord's help and guidance, and wandered for many years until they found, at last, asylum in the Promised Land.

And, so, to the fathers of our country—and our actual forefathers—came here as refugees from religious ,political, or economic oppression. And here in America they reenacted the age-old drama of finding the promised land.

In view of these traditions, let us bear constantly in mind the Lord's injunction, repeated again and again in Exodus and Leviticus, but best phrased in the 33d stanza of the 19th chapter of Leviticus:

"If a stranger sojourn in your land, ye shall not vex him. But the stranger that dwells with you shall be unto you as one born among you, and thou shalt love him as thyself; for ye were strangers in the land of Egypt."

As Jews, this is our mandate; as Americans it is also our mandate. It was so understood by the early Americans, who founded our Republic, who were steeped, as we are no longer steeped today, in the wisdom and the morality of the Biblical prophets.

George Washington said in 1783:

"The bosom of America is open to receive not only the opulent and respectable stranger, but the oppressed and persecuted of all nations and religions: whom we shall welcome to a participation in all our rights and privileges if by decency and propriety of conduct, they appear to merit the enjoyment."

Today we have departed far from these injunctions and principles. We have indeed rejected our bold and courageous traditions, in favor of selfish and narrow fears.

I refer, at this point, to our present-day immigration laws * * * laws which not only establish unreasonable limits on total immigration, but cruelly discriminate among would-be immigrants on the basis of national origin and race.

Our present-day immigration laws establish myriad obstacles and hazards not only for the would-be immigrant, but even for the casual visitor to our shores—the tourist, the scholar, the scientist, and the student.

Our laws presuppose that every alien is a potential spy, saboteur and criminal—an assumption which is never wholly removed, even after the alien arrives here * * * even after he becomes a naturalized citizen of the United States.

Our laws for admission and exclusion of aliens clearly reflect this assumption. Our laws for deportation are based on the same principle.

Only last year and until very recently, our Government was clapping aliens in jails—alongside criminals and derelicts—alien visitors and would-be immigrants alike—if there was any irregularity in their admission papers, if there was any question, doubt, suspicion or technical error in their elaborate documentation.

How repugnant this is to our traditions. When Gov. Peter Stuyvesant treated the 23 Jews who arrived at New Amsterdam 300 years ago in this manner, he was quickly reproved and overruled by higher authority.

In this respect, how far have we come in these 300 years? Or how far have we gone backward in the last 10 years?

In that day, 300 years ago, the Jews who arrived at New Amsterdam were, within 2½ years, granted full and inalienable rights as citizens of the colony.

Today, under our laws, every naturalized citizen is, in major respects, a second-class citizen. His American citizenship can be revoked for the performance of acts which a native-born citizen can perform with relative immunity.

Even a native-born citizen can lose his precious American citizenship for acts which are of relatively minor significance or of no significance at all.

A native-born American citizen named Andrew R. Jones, who was born in Texas, was deemed recently to have lost his American citizenship because, while living in Mexico, he took a job with the Mexican National Railway, which is owned by the Mexican Government.

On my desk in Washington, right at this moment, is the case of a woman—an American citizen—who went to live for a time in Trinidad, an island in the Caribbean. While there, she voted in a local election in her community—an election having to do with the improvement of sanitary facilities and roads in her locality. She, too, has been ordered deprived of her American citizenship—the most precious right any of us has or can have—more precious, in my judgment, than life itself.

If the ruling in this woman's case is upheld on appeal—and under the McCarran-Walter Act, it probably will be—that woman will be without a country, without nationality. For this law does not merely take from an American citizen the rights of citizenship. It strips him entirely of his American nationality.

I have cited just a scattering few of the incredible evils built into our immigration and nationality laws. There are many, many more. They are immoral, unjust and cruel.

Moreover they reflect senseless contradictions. The national origins quota system is based on the absurd theory that we should restrict admissions into the United States today to a composite group reflecting precisely the same proportion of national blood strains that existed in America in 1920.

Of course, the theory, itself, is repulsive to the spirit of America. But it doesn't work, in any event. It doesn't work because Great Britain, which under the national origins quota system, is given almost half the total quota of admissions into the United States, is no longer a significant source of immigration. The British don't want to emigrate to the United States today.

Most of those who do want to come to America, and who do succeed in surmounting our own Iron Curtain—or rather our red tape curtain—are from Italy, Poland, Austria, Norway, Holland, Greece, and other similar countries in Europe. But the national origins quota system restricts admission of persons born in those countries to a relative handful.

While we have erected this ponderous barrier of racial and national restrictions against legal immigration from Europe—so that a bare 100,000 are admitted annually—the gates are open wide for illegal immigration across the Mexican and Canadian borders.

According to official estimates, more than 2 million illegal immigrants entered the United States in 1953 across the Mexican border—2 million illegal immigrants from Mexico alone—with no screening of diseased, criminal, and subversive elements.

One hears very little outcry of alarm in Washington over this phenomenon against this illegal flood which provides cheap labor for the big plantation farms of the South, Southwest, and Northwest. No, the outcry is against any liberalization of our immigration laws which would permit the entry of a few additional worthy qualified and appropriately screened and selected immigrants from Europe and elsewhere.

My friends, there is no more urgent task than that of revising and overhauling our immigration and citizenship laws: to make them conform to the traditions of America and to the principles of decency, humanitarianism, and justice.

I would emphasize here, just in case there is any question about it, that immigration is not a problem of selfish interest to Jews.

The number of Jews in non-Soviet Europe who need and want to emigrate to the United States is extremely small. There may be ten thousand, perhaps, who want to come to the United States and would come if our laws permitted it. Most of that number are refugees and escapees—long-time victims of religious and political persecution and discrimination.

These few are but a minute part of the large number of Europeans who critically need to find homes, freedom, and opportunity in other parts of the world. A reasonably limited number of these should be admitted annually to the United States—on the basis of their need, and of ours.

So let no one think that we as Jews are interested in this problem because we want to bring Jews over to this country. Our interest stems from a higher motive: from our noble and ancient traditions—and from our recent traditions as Americans—the traditions of justice and of humanitarianism. We believe, as Jews and as Americans, that discrimination based on national origin is an evil thing and that prejudice and fear are ignoble sentiments which do not befit us and which do, in fact, demean and endanger us all.

We believe in the tradition of hospitality. We believe in America. We believe that Americanism is not in the blood stream, but in the life-giving air of freedom which we breathe in this land of ours.

Our Judaic tradition reflects, in all its parts, a fierce and unyielding faith in freedom, in the equality and dignity of man, in the sanctity of the law, and in equal justice under law for every man.

This tradition is also, happily, the tradition of America—indeed, it is the tradition of all that is best in western culture and civilization. And this is another great tradition which we have need to translate more accurately into our daily practice than we have in the recent past.

The national wave of hysteria which was called McCarthyism was a direct departure from this tradition. It was a violation, even a rejection of that tradition, and of our faith in freedom. It reflected a loss of faith in our fundamental values. That hysteria betrayed a lack of courage to face the difficult and dangerous problems of the present day.

As a nation, we seemingly forgot, for a time, that the strength of freedom and democracy lies in its very tolerance of unorthodoxy.

"If there be any among us," Thomas Jefferson said in his first inaugural address, "who would wish to dissolve this Union or to change its republican form, let them stand undisturbed as monuments to the safety with which error of opinion may be tolerated where reason is left free to combat it."

How different this spirit of tolerance is from that shown in the recent past by some of the investigating committees of the Congress!

Of course, I do not advocate tolerance toward overt acts or conspiracies against the safety and security of the United States. Those must be detected by the duly constituted police and punished with the full, unremitting vigor of the law, in the courts of the land.

We must, of course, be eternally vigilant against sabotage, espionage, and genuine subversion. The Communist conspiracy must be effectively dealt with, under law, subject to the principles of our Constitution.

But in my judgment the forces of McCarthyism did as much damage to America during the last 5 years than anything the Communists have ever hoped to achieve with their vile, vain plots, and projects.

The forces of McCarthyism raised the banner of fear in every corner and cranny of America, in every school and library, in every assemblage of public officials, in every Government office and outpost. They poisoned the wells of American politics, with the suggestion that the whole Democratic Party was soft toward communism, and even guilty of treason.

These evil forces divided America not on the real issues of the day—the most urgent ever faced by America in all its history—but rather on the question of who was loyal and who wasn't, who was a person to suspect of softness toward communism—and who wasn't.

They made American championship of the cause of freedom a cruel joke throughout the free world. In the eyes of a good share of mankind, McCARTHY became the dominant figure in America.

Senator McCARTHY has been eclipsed—temporarily, at least—by the action of the Senate in censuring him last December, and by the action of the American people in electing a Democratic majority in Congress, thus automatically depriving him of his committee chairmanship.

But the forces which raised McCARTHY to such eminence in America and the world are by no means defeated. They seem, for the moment, on the ebb, but they are still strong and pervasive. Their effect and influence are still evident in every phase of our national life.

The widespread pall of fear is far from lifted. It still hovers over us. Few men in public life or in government employment, or even in private life, dare yet to act, to write or to speak without adjusting their acts, their writings or their words to the present-day atmosphere—the atmosphere of apprehension, lest they be charged with being soft toward communism.

Basic questions of foreign policy—our attitude toward China—cannot be candidly and reasonably discussed because of this atmosphere. And there are scores of similar issues where the same thing is true.

It is our task—the task of all of us—to clear this atmosphere and to tear down the curtain of fear which hangs between us and the true ways and practices of freedom.

This is our task above all others. And we of the Jewish faith have a special challenge in this regard. As the guardians of the great tradition of the prophets, as men and women who know from the history of our people the meaning of fear, hate, prejudice, and hysteria, we must be in the forefront, in common ranks with all freedom-loving Americans, in the eternal struggle for the sacred cause of freedom.

Difficulties must not daunt us. The strength of the opposition must not frighten us. Concern for our own safety and welfare must not impede us.

We must dedicate ourselves to this holy cause, God's cause—the cause of liberty and of human dignity.

This is the challenge of this tercentenary. This responsibility we dare not shirk. We do not ask the Lord to be on our side. Let us be on His side. Let us then proceed, with strong and active faith, to the tasks before us.

The Right Honorable Mario Scelba, Prime Minister of Italy

EXTENSION OF REMARKS
OF

HON. EDITH NOURSE ROGERS

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 30, 1955

Mrs. ROGERS of Massachusetts. Mr. Speaker, like most of the European countries at the close of World War II, Italy faced a gigantic task of national reconstruction. When the fighting ended, there seemed to be insurmountable difficulties to be overcome if Italy were to survive as an independent nation. Resolutely facing this tremendous task of reconstruction, the proud and cheerful Italian people, through their leadership, performed miracles. During these fleeting 10 years, a nation bent with the burdens and tragedy of war has risen again to command world respect. From dictatorship domination, the Italian people have gained democracy and freedom. From chaos they have progressed on the way to orderly, honorable, and dependable government. From the darkness of tragedy, the Italian people have moved into the warm sunlight and cheerful life and living to which they have been accustomed for centuries.

This remarkable progress has required leadership and statesmanship of the highest ability. It has required determination, energy, and patience. It has required physical and mental courage. It has required honesty and a fearless comprehension of the problems to be solved. Today we are to meet and to see and to hear from a great Italian statesman who possesses all of these remarkable qualities of leadership.

As our guest here in the Congress today, we are honored to have a statesman from Italy who, perhaps more than any other person, is responsible for the reconstruction of the great Italian nation. Our honored guest this afternoon is the Right Honorable Mario Scelba, Prime Minister of Italy. When he arrives, I know that every Member will want to be here to extend to him heartfelt greetings and the warm hospitality of the American people through their Members of this Congress. He is deserving, not only of our praise but of our appreciation.

During her long and glorious history, Italy has provided many brilliant and able statesmen. In their time, they served their country so well and with such great ability that they gained the respect of the leaders of nations all over the world. None of these noted Italian statesmen, however, has done more for their country than has our guest today, Prime Minister Scelba. In the course of his administration of the Italian Government, he has prevented revolution, blocked the progress of communism in his country, and has developed the cause of democracy and freedom in Italy to the extent that communism no longer is a threat. While steering this course which has meant so much not only to Italy but to the free way of life, the Prime Minister has reconstructed his country, torn by the chaos of war, so that today the Italian people once again are able to see the light of prosperity and happiness. Without his genius of leadership, Italy could well be, at this hour, under the domination of communism. Having saved his noble country from this tragic fate and having saved the Italian nation for the free world and the free way of life, Prime Minister Scelba has engraved his name forever on the glory pages of history.

Prime Minister Scelba is a humble man, who, like Abraham Lincoln, is responsible for his own education. He worked his way through school and university. He is a lawyer holding a doctor's degree in jurisprudence. He has held many offices in the Italian Government. In 1945, under Prime Minister de Gasperi, he was Minister of Posts and Telecommunications. In 1947, he was promoted to Minister of Interior, an influential position of prestige. After the fall of the De Gasperi government, Premier Scelba formed a government which was approved by the Italian Senate in February of 1954. In the short time he has had control of the Italian Government, he has performed such miracles as the defeat of communism and has saved the Italian people their freedom and respect.

Throughout the United States of America there are many Americans of Italian descent. These citizens have helped to make America the great Nation it is today. They occupy high positions in the learned professions, in Government, in science, in research and education. They have made great contributions to American art and culture. In my own Commonwealth of Massachusetts, there are many of our citizens of Italian descent. As elsewhere in the country, here in my home State they also occupy important positions of responsibility. Because of their Italian descent, I know these thousands of American citizens are proud of the country of their origin. They are proud of the accomplishments of Prime Minister Scelba. They join with all other Americans regardless of their national descent in welcoming this great Italian statesman to America and extend to him complete and unreserved hospitality. It is their hope just as it is the hope of every American regardless of his origin that from henceforth on Italy and America will stand shoulder to shoulder in the cause of freedom, the free way of life, justice, and peace. America today is both pleased and proud of its association and cooperation with the great people of Italy in the cause of freedom and peace.

Secrets of the Airplane Carrier

EXTENSION OF REMARKS
OF

HON. ROBERT T. ASHMORE

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 30, 1955

Mr. ASHMORE. Mr. Speaker, before we consider H. R. 4393 we should take note of all available evidence pro and con the carrier.

I was amazed to read recently that—

The Navy is using almost as many defensive aircraft to protect its 17 attack carriers as the Air Force has been authorized for defense of half the continental United States.

This statement appeared absurd to me until I began to check it for accuracy. Much to my amazement, I found it to be true.

I found that each carrier needs about 70 planes for purely defensive reasons. Seventy defensive fighters for each of 17 attack carriers makes a total of 1,190. I also found that the Air Force has been authorized 34 air defense wings by 1957. Each of these wings will have 75 fighters assigned. Thus, the Air Force will have only 1,275 fighters to protect half of the United States.

They tell us that carriers are not vulnerable. But these 17 carriers will need as many fighter aircraft for protection as we are allocating for the protection of our great cities such as Boston, New York, Philadelphia, Pittsburgh, Chicago, St. Louis, Washington, D. C., New Orleans, Birmingham, and Miami.

I think these facts should be brought to the attention of every Member of Congress. Under unanimous consent to extend my remarks, I insert in the RECORD the following article presented by Mr. Drew Pearson, Sunday, March 20:

THE WASHINGTON MERRY-GO-ROUND

NAVY DIFFERENCES

Two discussions have been taking place in Washington, one public, one highly secret. On both depend the safety of the Nation.

Discussion No. 1 was a secret meeting of admirals and high naval officers at which it was admitted the airplane carrier is more vulnerable to enemy attack today than during the last war.

The terrible tragedies that took place on United States carriers, in which men died by the hundreds during Kamikaze attacks, are still fresh in the minds of many. Yet the vital fact that carriers are even more vulnerable to such attacks today than they were 10 years ago was not conveyed to the Congress which must decide whether more carriers are built.

The carrier is more vulnerable now, the conference of naval experts decided, because it no longer can count upon radar to detect approaching enemy attacks. Jet bombers fly faster than World War II planes, and without whirling propeller blades they are harder to detect. Also, higher frequencies have been adopted for search radar, the antennas are too small, and the ships' motion prevents stabilizing the search antenna.

That means, admitted the Navy's top experts at their secret meeting, the chance of warning a carrier against a jet attack is zero. Yet none of this information was transmitted to Congress, which has to decide whether the taxpayers should spend millions on carriers or put their tax dollars in other weapons.

PROTECTING CARRIERS

Best evidence of the carrier's vulnerability is the fact that 70 percent of its planes are held back to defend the task force and only 30 percent can be spared for attacks on the enemy. During the Korean war, for example, the Navy boasted of flying 183,000 sorties. But of those, a staggering total of 128,000 sorties was strictly defensive and didn't drop a single bomb on enemy targets.

The Navy is using almost as many defensive aircraft to protect its 17 attack carriers as the Air Force has been authorized for defense of half the continental United States. Most Congressmen don't know that, not because it's a secret but because they don't have time to read appropriations hearings.

But to defend its 17 carriers, the Navy will use 1,190 fighters. To protect half of the United States, the Air Force has been authorized only 1,275 fighters.

Furthermore, carriers are vulnerable not merely to air attack but to submarines. Of the 36 vessels in a typical task group, 32 are assigned to defense of the group. If the task force sticks together in tight formation to avoid submarines, the whole force can be destroyed by one atomic bomb. But if the ships are spread out to minimize the effect of atomic attack, submarines can slip through the defense. This has got naval strategists in a dilemma.

The Navy's chief argument against Air Force bombers is that they are tied to land bases. Yet the carriers are equally dependent on land bases. In the Mediterranean alone, the Navy maintains more than 40 land-based installations.

What embarrasses the admirals most, however, is that the supercarriers are too big to pass through the Panama Canal. For all practical purposes, this means the supercarriers are limited to one ocean.

NOTE.—Significantly, Britain, a seafaring nation, has cut its carrier program to the bone, is concentrating on constructing land-based bombers. Russia also is wasting no money on carriers, is feverishly building submarines.

Burlington, N. J., Celebrates the American Jewish Tercentenary

EXTENSION OF REMARKS
OF
HON. FRANK THOMPSON, JR.
OF NEW JERSEY
IN THE HOUSE OF REPRESENTATIVES
Wednesday, March 30, 1955

Mr. THOMPSON of New Jersey. Mr. Speaker, on February 23, 1955, I had the great honor and privilege of delivering the following address on the occasion of a dinner in celebration of the Burlington, N. J., American Jewish tercentenary:

It must have been a prophetic vision which led a small band of Jews to a tiny Dutch colony in the New World some 300 years ago. They were seeking what all of us want most at our deepest cores—that sense of human dignity that can only come from freedom. The route to New Amsterdam had been tortuous and, once settled there, this small group of Jewish settlers learned the lesson that history repeats over and over again—the right of freedom is never won handily and outright but must be continually earned by renewal of efforts. That this was done by these few Jews as they fought for the improvement of their status among strangers is only one measure of the contribution that they made in the New World. For the rest, they reintroduced to our hemisphere the ancient tradition upon which our civilization had originally been based, for they brought with them the culture of a people whose remarkable cohesiveness had persisted through centuries of exile and dispersion.

This is, indeed, the hallmark of the subsequent 300 years of the history of the Jews in America. These first Jews, few in number, were the forerunners of sizable groups of Jewish immigrants during the great period of our expansion in the 19th and early 20th centuries, who were to establish their mark indelibly in the fabric of American life. Always, the impelling force that led them onward, as it was also for other newcomers, was the search for opportunity and freedom. The meaning of what America stands for and the meaning of what these 300 years of Jewish life stand for, are thus linked inseparably.

Escape from intolerable religious, political, or economic pressures and search for conditions of freedom brought most of our ancestors to the New World. Pioneers in a largely unsettled country, they had to struggle to establish the conditions they sought. When the colonists finally proclaimed the independence of the country in which they lived, they then set about to make permanent the conditions under which freedom and democracy can flourish. Our country was fortunate to have among its citizens the gifted men who wrought out the Constitution which established as rights the freedoms they had sought. Even then, of course, the struggle for freedom was uneven, for there are always those who seek its deprivation.

As the Nation spread across the continent in the years that followed, always there were new waves of incomers from across the seas to help develop its possibilities and build its life. Always there were groups of Jews among them. And as the country and its life expanded, new problems arose and new institutions grew to keep pace with their solution. At the same time, as the pioneer country started to mature, it developed a rich culture, always infused with the qualities of geographic or ethnic heterogeneity. The Jews have contributed signally to this culture.

It was partly the group cohesiveness of the Jews that enabled them to make a positive contribution to American life. Of course, as individual Americans, they have made their own contributions to business and the professions, to science and art. These contributions are indeed vast. Although it is as a group that I mainly wish to discuss tonight the contribution of the Jews to the life of America, I want to emphasize that it is almost impossible to separate the contributions of individual and group. For just as there are interactions between groups, so there are interactions between individual and group. To attempt to understand all the multiple interactions that occur is to appreciate the value of democratic life. Moreover, in a country where everyone is an immigrant or a descendant of immigrants and whose people are as heterogeneous as are ours, there is no one pattern of culture. There are, rather, patterns of culture, and we should be proud of our cultural pluralism, for it has contributed to the richness and the variety of American life. For anyone to have imagined that he wanted to assimilate in such a country—lose his identity as a member of his original group—was sheer nonsense, for the reason that this is actually impossible in a country based upon multiple cultures. Assimilate to what? To the dead center of all the cultures that went to make America what it is? If this were at all possible, it would indeed be the kind of uniformity and conformity that we do not want in a democracy.

There was a time when many in America did feel that this kind of assimilation was possible. They tended to disregard or to minimize the cultural contributions of our immigrant groups. Our depreciation of these contributions was due not only to our ignorance but also to our growing pains, which gave us an excessive zeal to prove our Americanism as if it could only be something altogether native and uniform. We are rectifying this error today.

By an unfortunate terminology, we used the expression "Americanization" as descriptive of the process of adjustment to American life. This lent itself to the connotation of assimilation. Now we know that what Americanization really means in a positive way is the interaction of the values of the various cultures within American life and the contributions that this makes to the growth of our democracy.

The great waves of Jewish immigration into this country occurred in the 19th century and the early part of the 20th century, as indeed did all sizable immigration to the United States. By 1924, when we began to close the doors on immigration by adopting restrictive immigration policies, the country had benefited by a great influx of peoples and cultures, largely from Europe. The early part of the 19th century brought Jews mostly from Western Europe; the latter part and the early part of the 20th century brought Jews largely from Eastern Europe. In Europe, from which they had come, there had been periods when the ghettoes and the forced segregation had eased, and consequently the culture they brought with them was not only what had been preserved from their ancient homeland but had taken on something as well of the country of residence. Indeed, in our own country, the early Jewish immigrants had been thought of as Germans, or whatever, rather than as Jews.

Settled largely in the great urban centers, these immigrants proceeded to build their own institutions for their adjustment to the life in America. Yiddish literature, press, and theater flourished. Religious schools for children, schools for adult education, hospitals, synagogues—all these burgeoned throughout the land. Yet these were no mere centers of cultural isolation, despite the fact that they originally arose to meet the needs of those who were unacquainted with American life. As they grew, many of the institutions began to serve people from other groups as well as Jews. Their contributions lay, moreover, in those intangible values which offered nourishment to human communion, and thus permitted their members to carry on their workday lives with greater zest, and in those values which irrevocably made their way into the stream of American culture. We tend to regard as unique, for example, the genius of Charlie Chaplin or of Saul Steinberg for their gentle tragi-comic irony. But this characteristic, I understand, is one of the distinguishing features of a whole body of Yiddish literature. These two merely expanded their horizons to take in larger areas of life than that which the writer in Yiddish knew. The fact that we do appreciate these two men of genius in the arts is a reflection of something in the rest of us which we cannot articulate because we have been influenced by other cultural sources but which we can respond to because it is part of our universal human heritage.

We are able to assess somewhat more tangibly such contributions made by the Jews in public welfare work, for example. Here the Jews have been in the vanguard in establishing modern facilities with high standards. Hospitals, clinics, sanitariums, orginally set up to take care of Jews, are now among the best in the country and are operated on a nondiscriminatory admissions policy. Orphanages, homes for the aged—other community services—were among the varied welfare establishments created. One of the significant achievements was the early federation of various local charities for purposes of fund-raising—a development later taken over in many communities in the United States by other groups of public welfare agencies.

In other areas of public life there have been significant contributions by the Jews. The American labor movement is indebted to many Jews for their leadership. But I especially want to mention a contribution in keeping with the democratic tradition upon which this country was founded—the defense of civil rights. This, unfortunately, arose as a necessity toward the end of the 19th century, when incidents of antisemitism began to appear. As incidents began to spread, particularly when influential men accepted the slanders of the Protocols of the Elders of Zion, leading Jewish organizations arose to combat anti-semitism. Although the original motivation was the defense of their own people, Jewish groups have ever since been among the greatest champions of the rights of all minority groups and of freedom for the individual. There have been exceptions of note in recent months, but they are isolated individual cases.

Meanwhile, in Europe too, the Jews had been making gains. They were coming out of the ghettoes; they were contributing to the cultural and economic life of the countries where they were settled. Before 1939, Europe had the largest number of Jews in the world, some 10 million. The Americas were next, with some 5½ million. In both Europe and America, in the 1920's, a strange kind of madness settled over the people which prevented us from being prepared for the profound disturbances that were even then in the making and which later shook the western world.

The ugly resurgence of racism as a political dogma became entrenched in two once-proud countries of Europe while we were trying to cope with our own problems of economic depression, and soon this dogma had been translated into a policy terrifying in its implications. The racist slaughter directed against the Jews was probably one of the most obscene acts of barbarity in all history. When the holocaust was finally over, we knew that some 6 million Jews had been annihilated, 60 percent of the total Jewish population of Europe, over a third of the total Jewish population of the world. Under such terrible circumstances did America succeed Europe as the largest center of the world Jewish community.

It seemed then in 1946 that America was to be the principal repository and the main standard-bearer of Jewish culture in the world. Many of the remaining Jews of Europe were uprooted and homeless; tagged with the initials "D. P." they were destitute and desperate. This did indeed impose a double task upon American Jewry, which responded with a sense of responsibility that matched the urgency of the times. The task of rehabilitation was undertaken immediately. And American Jewish institutions gained in strength as their constituents felt their own sense of responsibility.

Meanwhile, the most momentous development in the modern history of the Jews was taking place. The events in Hitler's Germany had given a new impetus to the Zionist movement, in America as well as elsewhere wherever Jews resided. From the beginning, Zionism had won the support of American Jewish leaders who had a consciousness of Jewish history. In the early and formative years of the movement, it did not attract large numbers, but it did have the keen enthusiasm of great Jewish figures whose names made their mark both on American history and Jewish history. Men who were great Zionists were also great Americans. For Zionism itself was an eloquent expression of an American ideal—the right of all people to self-determination.

All through the years of the Hitler terror, the Jewish people of this country helplessly watched the destruction of their fathers and mothers, their brothers and sisters, powerless to stop it. But when the time came and they were able to make a decisive contribution to the rehabilitation and to the resettlement of the scattered and suffering survivors, they became a powerful and vital force, strong enough to influence the course of history. They wrote a glowing chapter in Jewish history, for in 1948, after some two thousand years of dispersion and wandering, the Jewish people restored their ancient homeland. This was made possible by the heroism of the Jews of Israel, who were ready to fight and sacrifice life for freedom. But it would not have been possible had it not been for the dedication, the zeal, the determination of the American Jewish community, mature enough to meet its obligations and to keep faith with the summons of history.

Having won its objective, the American Jewish community did not relax its efforts, and year after year since Israel was established, it has made unprecedented contributions to enable Israel to meet the gigantic tasks it has set itself.

Yet, throughout this period there has been a tiny minority within the American Jewish community which resisted Israel's reestablishment and which has never quite reconciled itself to the existence of a Jewish State. We in Congress are aware of the activities of this small minority. They write us letters. They send us pamphlets. But they will not arouse much sympathy in Congress, or anywhere else, for they do an injustice to both themselves and to their Christian neighbors. There was never a basis for the fear that the establishment of Israel would in any way affect the status and security of the Jewish people of America. Any such suggestion is an unworthy reflection on the understanding and integrity of the American people themselves. Indeed, the restoration of Israel raised the prestige and increased the security of the Jewish community in this country, for the achievement reflected credit and honor on them and enhanced their position in the eyes and minds of all liberty-loving Americans. We would like to share with the American Jewish community the credit for Israel's restoration. All of us in America have reason to be proud that we helped bring this state into being. For its establishment has significance not alone for the Jews but for all of us.

The modern world of the West received its values from varied sources—from the Judaic-Christian religious tradition; from Roman law; from Greek philosophy; from the French enlightenment; from English parliamentary democracy. Basic to all of these is the Mosaic code, a humanitarian document upon which our entire civilization rests. We had thought for a long time, moreover, that we were remote in spirit from the Orient; but we are beginning to learn otherwise. The cradle of our civilization was the Mediterranean area—the crossroad of the Orient and the Occident—and as we are beginning to decry the stress on the materialistic values of the age of technology, we are rediscovering the perennially human values of the Orient.

When modern Israel was established, it took advantage of what was a unique historical opportunity. It built its institutions upon the basis of its ancient cultural heritage. Symbolic of this is the revival of Hebrew in modern form—a language that it had been thought was useful only to scholars studying ancient civilizations. Even more symbolic is the fact that classical Hebrew turned out to be adaptable to modern life. Some of the words are used as they were in the classic Hebrew; some have taken on new meanings; and new words have been introduced from the various languages brought in by the immigrants and by other groups living within the area. At the same time, Israel fashioned its political institutions on the political forms of the West—it set up a parliamentary democracy that is a model for that area of the world.

To interpret ourselves to one another is to add to the richness and the significance of our living together. The cultural heritage of the Mediterranean and the democratic tradition of the West—these have meaning for one another because they are both essentially humanitarian in spirit. Because the Jews in America are particularly able to act as interpreters for the rest of us, you have a special responsibility of enlightenment. That for 300 years American Jews have prospered and grown in the responsibilities they have set for themselves is a happy portent. I am confident that you will continue to work for the enhancement of freedom and democracy everywhere. The tasks that we build for ourselves for the ennoblement of human dignity are among the finest goals that mankind can pursue.

Federal Regulation of Natural Gas Prices

EXTENSION OF REMARKS
OF

HON. TORBERT H. MACDONALD

OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES
Wednesday, March 30, 1955

Mr. MACDONALD. Mr. Speaker, I have today introduced a bill in order to protect the consumers of my district and other consumer districts against further exploitation by natural-gas companies. We all know that the Natural Gas Act of 1938 was adopted after extensive hearings held in the interests of finding whether it was necessary, in the public interest, to regulate the transportation and sale of natural gas to prevent further consumer exploitation. The answer in 1938 was yes, and I submit after 13 years that the answer still is "Yes." The consuming public needs protection now more than ever.

Since the adoption of the act the gas industry has expanded tremendously, until today natural gas is one of the great fuels by which America lives. Since its inception there have been repeated attempts by selfish interests here in Congress to amend this law in order to have independent producers and gatherers escape its terms and control. Efforts have also been made in the courts of the land by the gas interests to secure decisions which would hold that the regulation of prices charged by producers and gatherers not to be within the jurisdiction of the Federal Power Commission. But now in the latest of this series, the now famous Phillips Petroleum Co. against State of Wisconsin decision, the United States Supreme Court has held that the regulation of sales of natural gas in interstate commerce for resale by

independent natural-gas producers to be within the jurisdiction of the Federal Power Commission. A concerted effort by the powerful gas interest to nullify the decision of the Supreme Court of the United States followed and is currently in full bloom.

We will soon be concerned here on the floor of the House with the Harris bill (H. R. 4560), which is one of the bills currently being considered by the House Committee on Interstate and Foreign Commerce of which I am privileged to be a member. That bill is not only designed to exempt producers and gatherers of natural gas from rate control by the Federal Power Commission but would go further and require the Federal Power Commission to allow transmission companies to charge a "fair field price" for gas at rates which have no relation whatsoever to cost. Obviously, since no one can determine exactly what is a "fair field price," the measure, if enacted, will cost consumers millions of dollars over and above rates now permitted by reasonable regulation.

The oil and gas company proponents of the Harris bill claim that there is competition among the independent producers and gatherers and this competition will set a "fair field price." However, a close look at the factual situation of the process of gathering and sale of this commodity shows this not to be the case. The large percentage of the natural gas coming from our Southwestern States, is produced by a relatively few very large corporations who because of their monopolistic control of gas reserves, have almost uncontrolled power to fix the price of gas entering our interstate transmission lines. The Federal Power Commission report figures show that 3 percent of all these producers control 80 percent of all natural gas sold by these so-called independent producers to natural-gas companies. It follows naturally by the natural law of supply and demand that if we are to have effective regulation of gas rates, we must have regulation from the point of production to the point where the ultimate consumer purchases it.

Supporters of the Harris bill have also sought to buttress their position by drawing an analogy between the price of coal and oil, and that of gas, claiming that competition regulates the price of each. This in my opinion is just not applicable to the situation before us. The analogy falls, when, for example, we consider the differences in the method of transportation between coal and oil and that of natural gas. Coal and oil may be transported by rail, truck or water, enabling the middleman dealer to shop around and give the ultimate consumer the benefit of the cheapest available methods of transportation. Natural gas, however, can be transported by pipeline only. Once established, it is clear beyond comment that these lines cannot be removed from place to place to take advantage of favorable prices. This means that the ultimate consumer has no alternative but to accept whatever grade of natural gas is transported by the sole, monopoly, pipeline company to his area. One is simply not permitted to go shopping elsewhere for cheaper or more economical gas. He buys from a single seller or he does not buy. Since the competitive economic forces in the consumer purchase of natural gas are nonexistent or at best, weak, Federal Government regulation of exorbitant rates is necessary. Furthermore, it is clear that the present regulation of pipeline companies would be completely emasculated unless regulation of producers and gatherers at the wellhead were also present. This was made especially clear to me at the hearings on the Harris bill now in progress before the Interstate and Foreign Commerce Committee of which I am privileged to be a member. Under existing law, pipeline companies and producers have continued to expand and have had no trouble in getting financial and other aid in such expansion. The Harris bill, as well as other proposed bills which seek to exempt producers and gatherers of natural gas from rate regulation by the Federal Power Commission, would exempt a large segment of the gas industry from proper regulation and thereby benefits primarily only a few large corporations. Enactment of such legislation gives a new lease on life to the very practices the Natural Gas Act was designed to prevent.

The need for such an amendment is made clear by the mental attitude displayed by the oil interests. This public-be-damned attitude was summed up by Lt. Gen. Ernest Thompson, representing Texas natural gas interests, who stated at these hearings that if the price for natural gas went beyond the ability of the consumer in our New England section of the country to pay, he could switch back to coal and oil. Mr. Thompson stated:

> They could always go back to coal any time they think gas is too high. There still would be a free choice to using coal, oil, or gas.

In answer to a question of mine as to: "What happens to the local public utility such as the Mystic Valley Gas Co. in my own district which has invested millions of dollars in laying a pipeline to meet the monopoly's main pipeline in order to service our communities, when the price gets so high for the consumer that the consumer no longer could pay the price asked for natural gas?" General Thompson stated:

> They would have to find some other line of business, more profitable.

What, too, of the small investor who has bought shares of stock in this company and has submitted to public utility regulations on the heretofore solid ground that he was assured of a small but steady profit on his investment? Should we do away with the interests of the consumer, the local public utility, and the small invester, by sacrificing him to the greed of the all-powerful oil interest? My answer is no.

It is from this type of attitude expressed by Mr. Thompson, as 1 of 3 members composing the commission which has jurisdiction over oil and natural gas in Texas, that the public-be-damned attitude is most clearly seen and fills me with fear in the years to come for the consumers of our great country. To point out that our consumers need protection from this state of mind is unnecessary.

There is no doubt, that over the years, enactment of the Harris bill, whose main ideas were formerly incorporated in the presidentially vetoed Kerr bill, would increase the cost of gas to the ultimate consumer by many millions of dollars. It is likewise indisputable that the objective of the proponents of this kind of legislation is to seek higher prices from the consumer. Natural gas is a wonderful resource of nature which has come into great demand since World War II. It was given to us by our Creator for the benefit of all of our citizens. We must not permit its great value, created in large measure by the demand of the people themselves, to be appropriated by monopolies through inflated profits. Reason and justice require that the sales of natural gas to interstate pipelines for ultimate public consumption be subject to Federal regulation in order to assure that independent producers and gatherers receive no more than reasonable prices to meet their legitimate costs, including the market rate of interest upon the capital prudently invested in plant and equipment. In the supplying of natural gas to a utility market these producers and gatherers are not entitled to exact "what the traffic will bear," for the consuming public is itself entitled to the benefits which this great natural resource offers after paying the reasonable costs of labor and capital required to make it available for use.

It is my hope that the House Interstate and Foreign Commerce Committee and the Congress will adopt the amendment proposed in my bill. The bill which is proposed by me on behalf of consumers everywhere limits the proposed exemption to small producers and gatherers as defined therein. The statutory minimum below which regulation would not apply will be fixed at not more than 2 billion cubic feet per year. The amendment I have proposed thereby would exempt from regulation approximately 97 percent of the producers and gatherers of natural gas making sales to interstate pipeline companies and yet would leave subject to regulation more than 80 percent of the gas sold by so-called independent producers to natural-gas companies. It is obvious that the few major oil companies of the Nation are a close-knit organization, monopolizing the industry and holding, if permitted, a dictatorship over the consumer.

There are 20 million gas consumers in this country, whose interest in the gas rate is only aroused when their individual rates are increased. The average consumer doesn't know why he must pay more for less and if he inquires, such a deluge of exhibits, figures, and charts are showered upon him that he wishes he had not asked in the first place. Rate structures for natural gas have become highly involved for it is to the advantage of the monopoly to make them this way. The individual consumer usually gives up his investigation by saying that he can't understand the graphs, charts, and technical terminology and that perhaps

he shouldn't protest because his individual investment is so small in the overall picture drawn for him. He does not stop to think of the huge collective investment made by him and other gas consumers. The 20 million consumers have presently over $3 billion invested in gas-burning equipment. The gas producing, carrying, and supplying companies—in fact, the entire industry—have little more than half of that amount as a total investment. In our democracy it would seem that the interest of the greatest number of people, with the greatest amount of money invested, should be protected first. The history of the gas industry does not bear this out. The monopoly is trying to bring about conditions whereby they are protected and the consumer must pay and pay to satisfy the industry greed which, history shows, never will be quite satisfied.

And what is the relationship of the protection of the consumer against the producer? The consumer's investment is strictly an out-of-the-pocket expense, for which he is guaranteed nothing. He pays for it with his own money and may continue to pay for long periods of time. The producer, on the other hand, is allowed a 27.5 percent depletion charge annually. This means that out of each million dollars collected, there is $275,000 free of any taxation. While it is quite true that a well will not indefinitely produce large quantities of gas or oil, and perhaps, a depletion allowance is fair, if only to give an owner the opportunity to lay a nest egg aside. But it need not be an ostrich egg. If a well yields a million dollars a year for 5 to 10 years, the owners will have over a quarter of a million dollars tax free for each year and the remainder subject to no more than normal taxation. The allowance, as it stands, practically says that each company or individual who owns an oil or gas well should by some unaccountable reasoning receive preferential treatment given no other industry in these amounts because the life of his income from this source is a limited one. The productive earning period of our American athletes, our writers, our artists—their productive lives are also commercially limited, but they are given no such depletion allowance. My bill would make certain that dominant producing interests, primarily the major oil companies of the Nation, would not be able to assert their monopolistic position in the control of gas reserves to the detriment of the public interest. At the same time it would relieve from the burdens of regulation the small-well owners.

Recognizing the fact that the bookkeeping and other administrating procedures of the Federal Power Commission are a burden on a small company it is pointed out that the amendment proposed by me would exempt from regulation by the Federal Power Commission approximately 97 percent of all independent producers and gatherers of natural gas making sales to interstate pipeline companies and yet leaves controlled by fair regulation more than 80 percent of all natural gas sold by these so-called independent producers to natural-gas companies.

The smaller well owners deserve this protection, in my opinion, as nothing would be accomplished by the regulation of them in any event. Such producers do not control sufficient supplies of gas to place them in a position to affect materially the interstate movement or prices of natural gas. Likewise, the regulation of a multitude of small producers would involve time and expense out of proportion to the benefits obtainable therefrom. By enacting my bill the Congress can dispose of the differences that now exist and at the same time assure the consumers of natural-gas protection against unreasonable rates in conformance with the principles of the Natural Gas Act.

The Honorable Herbert H. Lehman

EXTENSION OF REMARKS
OF
HON. EDNA F. KELLY
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Wednesday, March 30, 1955

Mrs. KELLY of New York. Mr. Speaker, I want to join in the many good wishes and tributes to the junior Senator from New York, HERBERT H. LEHMAN, in the celebration of his 77th birthday. I mention this with particular pride because Senator LEHMAN and I came to Washington in the second session of the 81st Congress to serve the people of New York. We took our oath of office on the same day.

Senator LEHMAN is one of the most active Members of the Senate, and he has brought to that honorable body his vast experiences and the many accomplishments he achieved as Governor of the State of New York. The people of the 10th Congressional District of New York join me in paying him this tribute and in wishing him God's blessings in the years ahead.

I include a tribute to Senator LEHMAN which appeared in an editorial in the New York Times of March 28, 1955:

OUR OWN JUNIOR SENATOR

New York State's junior Senator, as in strict accuracy he has to be styled, reaches his 77th birthday today. In view of his continued energy after so many years of service to the public, the adjective does not seem out of place. HERBERT H. LEHMAN was earning a Distinguished Service Medal as far back as the First World War, when he had charge of procurement for the American Expeditionary Forces; he was twice Lieutenant Governor of this State and 10 years Governor; he carried on the vast transactions of the United Nations Relief and Rehabilitation Administration during and after the Second World War; he has been a Senator since 1950, always to be counted on when a good cause or a good principle needed defense; he has been a successful businessman whose use of his success has been to help the community.

Senator LEHMAN would be long remembered if he had only a half or a quarter of his career on the record. But it is a satisfaction to believe, as well as to hope, that at 77 his work is not nearly done. We give power and credit to youth in this country, as perhaps no other nation has ever done. But we need the mature mind too, which often goes on growing after the body has begun to weaken and slow down. We need elder statesmen, and we are lucky that we have an outstanding one in our own junior Senator.

Realistic Social Security

EXTENSION OF REMARKS
OF
HON. JAMES ROOSEVELT
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, March 30, 1955

Mr. ROOSEVELT. Mr. Speaker, I have today introduced an omnibus social security bill, which would eliminate many of the inequities which now exist under the law.

Specifically it would provide a means whereby the States could combat the adverse effect which our increased cost of living has had upon the recipients of public assistance—the aged, the blind, dependent children, and the physically handicapped. It would allow all States to raise the maximum amount of assistance now paid to persons on public assistance to $100 per month per qualified recipient. This would be accomplished by means of a change in the present Federal matching formula, by providing for larger Federal payments to the States with low per capita incomes, and smaller payments to the higher income States. It would not decrease the amounts which the States now receive.

This bill also embodies the provisions of H. R. 2993 and H. R. 2994, the 2 bills which I introduced earlier in this session, and combines them together with the above provisions in 1 bill. This omnibus bill also includes provisions which reduce the retirement age for women from 65 to 60 and eliminates the loss of benefits by parents and widows due to remarriage, under the old-age and survivors insurance benefits portion of the act. It provides for benefits for widowed mothers of minor children prior to the age of retirement. Finally, it provides a means whereby a widow who, by reason of the fact that she has had to take care of her minor children and has, consequently, become so separated from the labor market that she could not seek gainful employment, may now receive aid prior to attainment of the retirement age.

This omnibus bill also gives more realistic and practical assistance to the recipients of public assistance.

It would give the aged, needy, and physically handicapped the right to earn up to $50 per month, the same amount which the blind are now permitted to earn. It would also allow the needy and dependent children who are receiving aid to earn up to $30 per month. Under the present law they can earn nothing. I feel such a change would encourage these children to learn the values of our free-enterprise system, learn the value of money, and help to teach them to become useful members of society.

It provides that the recipient of such aid may own a home with a valuation of up to $5,000. That there may be no im-

position of a lien upon such home, or any other recovery provision, as a condition to receiving aid. It would eliminate practices whereby the public assistance laws of certain States are used to enforce collections from recipients' relatives. Prohibit the States from making public the names of those persons receiving assistance, and provide that the value of any United States surplus food made available to such persons would not be deducted from the aid for which the recipient would otherwise be eligible.

Because of the uneven residence requirements of the different States, and without interfering with the rights of the States, this bill provides for the direct payment of the Federal portion of such aid to those individuals who meet all the requirements for State aid except for the residence requirements.

Keenotes

EXTENSION OF REMARKS
OF
HON. ELIZABETH KEE
OF WEST VIRGINIA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, March 30, 1955

Mrs. KEE. Mr. Speaker, under leave to extend my remarks in the RECORD, I should like to include my newspaper column, Keenotes, for March 24, 1955, on the subject of the establishment of a Department of Peace in the Federal Government:

KEENOTES

(By Representative ELIZABETH KEE)

Washington is beginning to refer to Harold Stassen's new job in the White House as Secretary of Peace, which represents a big step forward for an idea long proposed by West Virginians in the Congress.

In fact, the idea for a Cabinet-rank official whose main concern is the achievement of disarmament throughout the world and thus the improvement of the chances of world peace is being called in some quarters here the West Virginia plan because of its active promotion by people from our State, notably Mr. R. M. Davis, of Morgantown, W. Va.

The Stassen appointment does not go all the way toward achieving the West Virginia plan, which provides for the establishment of a Department of Peace coequal with the other departments of the Federal Government. Legislation would be necessary to accomplish that. However, bills to do that have been introduced in each session for a number of years, and the Stassen appointment has inspired the introduction of additional bills of this nature from Members outside of West Virginia.

In doing so, they usually pay tribute to the West Virginia background of the idea.

Mr. Stassen, whose Foreign Operations Administration (FOA) is supposed to go out of business June 30 of this year, has been named by the President to one of the Special Assistant posts in the White House with a broad assignment to work with the National Security Council, the State Department, and other agencies in the development of broad policies which could lead to world disarmament.

In establishing the plan, the President pointed out that, despite the huge drain on the economies of all the nations of the world as a result of the cold-war arms race, neither we nor our allies could consider disarming as long as the Communist countries, with their aggressive tendencies, continue to build up strength. So it is a question of trying to find a basis on which we and they can stop the race to atomic obliteration of mankind.

There is no reason to think that we are very close to such a goal. In fact, all the evidence points in the other direction. But that is all the more reason why every effort should be made—and no effort should be spared—to try to bring about a climate in which world peace can exist.

The job set up by the President and given to Mr. Stassen is a good step in a hopeful direction. We wish him the best of luck, for the very obvious reason that if he accomplishes even a tiny part of the goal set out for the job, we all will be a mite safer.

There is no greater goal for mankind than the achievement of an enduring peace. Like all great goals, it is extremely difficult to reach. Nevertheless, with God's help, we can, and, furthermore, we must.

Cinerama Scores Diplomatic Victories in Near East

EXTENSION OF REMARKS
OF
HON. FRANCES P. BOLTON
OF OHIO
IN THE HOUSE OF REPRESENTATIVES
Wednesday, March 30, 1955

Mrs. FRANCES P. BOLTON. Mr. Speaker, the cooperation of several Government agencies and a public-spirited American motion-picture corporation have recently made notable contributions to United States foreign policy in the Near East. This story should be of particular interest to the Congress because it illustrates how this Government's representatives overseas can make a direct appeal to people—rather than just to their Government—in many parts of the world.

Last year the Communists planned a major propaganda effort for the International Trade Fair at Damascus, Syria. They poured millions of rubles into an elaborate exhibit and shipped in trainloads of the best products of the Soviet Union. It was estimated that they spent the equivalent of $500,000.

For the full story of our participation in the Damascus fair, I quote a letter from the then Assistant Secretary of State, Henry A. Byroade:

DEPARTMENT OF STATE,
Washington, January 10, 1955.

DEAR MRS. BOLTON: This letter is written in response to your request for details concerning effectiveness of the United States Government's exhibit at the recent International Trade Fair at Damascus, Syria. Our exhibit, you recall, was the production "This Is Cinerama" which had previously been shown only in a few theaters in the United States, and whose first overseas demonstration was made possible by Mr. S. H. Fabian, president of the Cinerama Corp. I am glad to be able to report that Cinerama was an outstanding success at the Damascus Fair despite the overwhelming efforts of the Soviet Union and the Communist bloc to dominate the fair with its massive displays of promises, both cultural and economic.

The United States Government has not frequently in the past taken an active part in trade fairs, and at the outset last winter there seemed little likelihood that we would be able to participate as a government, due to severe budgetary limitations. Our Embassy reported to us last February, however, that United States participation might well prove to be the single most justifiable public relations investment the United States could make in Syria in 1954, and that failure to participate would be interpreted as evidence of American indifference toward Syria and the entire Arab world.

We knew that the Communist bloc would attempt a costly and impressive array of exhibits and that the fair would be a propaganda battle between East and West. Therefore when the use of Cinerama was made available to us, along with its equipment and technicians, the necessary funds were somehow found by pooling the resources of several Government departments. Particular thanks are also due to Maj. Gen. Arthur G. Trudeau and the Air Force for their splendid cooperation in getting the Cinerama equipment out to Damascus in time for its installation for the opening of the fair on September 3.

The hard work and devotion to duty of the United States Information Service staff at Damascus have already been cited in commendation for their part in insuring the success of Cinerama. I should like to cite a few illustrative examples of the impact which this revolutionary technique made in its first overseas showing. By September 10 the following report had been received:

"Success of Cinerama greatly beyond original expectations.

"USIS has been under state of siege for over week with thousands attempting obtain tickets. To preserve building it became necessary shift ticket booths to regular cinemas. Demands of government officials and private organizations have made it difficult to hold even 750 out of daily 4,000 for theater distribution. Crowds of 2,000 or more line up at each theater in hopes obtaining 1 of 100 tickets given there.

"Pressure of crowds even greater at Cinerama theater, despite continued publicity that admission is by ticket only. Squad of 30 policemen proved wholly unable control crowds attempting to swarm in. USIS finally arranged for squad of military policemen who now maintaining order despite fact up to 2,000 persons stand outside walls and hang from eucalyptus trees to see upper half of screen only. One-inch steel guardrails around entrances bent like solder wire and are being replaced by heavier rails.

"Some tickets are being scalped for as much as 10 Syrian pounds, more than New York price.

"Newspapers continually reporting arrival personnages from all over Arab world and Europe who came primarily to see Cinerama.

"Embassy and USIS officers and their wives continually beseeched for tickets whenever and wherever they appear in public.

"Syrian Prime Minister who missed official opening attending tonight's show with family. Delegation of 100 newspapermen from Lebanon attended last night. Aleppo Bank has chartered 3 buses to bring all employees for Cinerama showing. Advertisements in cities of Northern Syria inviting citizens there to send self-stamped envelope for Cinerama tickets has resulted in deluge of mail—up to 1,000 letters a day.

"Streets rife with rumor that Communists will attempt to stop Cinerama by sabotage.

"Communists only line thus far is that Cinerama is 'unfair competition.'"

From a small Arab principality some 1,000 miles away came the report that local merchants who visited the fair had this to say referring to the Communist efforts: "In Syria the Americans with a small display were nevertheless able to show the superiority of American industry and technical know-how."

An Associated Press dispatch, was picked up by the New Times of Burma on October 4. It read as follows:

"The special Damascus Fair showing of Cinerama, a wide-screen wonder to the Arab world, was due to close on Sunday, ending a

ural-gas companies.

But we need the mature mind too, which

up to $5,000. That there may be no in-

mad scramble for free tickets to the smash hit.

"The United States Information Service (USIS) showed new movie technique in an outdoor theatre, and it outdrew by far Russia's elaborate pavillion at the 4-week International Fair.

"Only the Communists seemed relieved that Cinerama was ending its run. Arabs from all over Syria and from Lebanon and Jordan joined in a last panicky rush for tickets.

"During Cinerama's run, the USIS office in Damascus had to lock its doors to keep crowds out, even though no tickets were passed out there. Crowds screaming for tickets tore down booths outside the USIS office.

"Local movie houses were then enlisted to handle the distribution. Once 2,000 persons, trying to get 100 tickets, ripped down the marble facade of a theatre box-office.

"Black market scalpers peddled Cinerama tickets for 10 Syrian pounds ($3.50) each, and a gang was caught printing counterfeits.

"The big USIS theater at the fair seated 4,000, but as the closing date neared, more and more people stormed the gate. Thousands climbed trees and perched on buildings to glimpse the new-type movies.

"Many people assumed that Americans in town had an inside track on getting tickets and tried every form of persuasion from bribery to threats to pry some loose.

"Except for Cinerama, the Damascus Trade Fair was dominated by vast exhibits from the Soviet Union, Red China, and other Iron Curtain countries. The Soviet added a free showing of Russian films to their exhibit to compete with Cinerama. But their screen was flat. There were no tricky sounds. People stayed away in droves.

"NYET

"Meanwhile, 2 statues, 1 of Stalin and the other of Lenin, which were to have graced the Soviet pavilion at the Damascus International Fair, were sent home today—unused.

"Fair authorities said it was because of a money dispute.

"Syrian architects asked 2,000 Syrian pounds to erect the 2 20-feet high statues. The Soviet Embassy here said 'nyet.'

"There the matter—and the statues—rested until the fair closed at midnight on Friday.

"But Soviet officials said Russia is willing to attend next year's fair. So did the other 25 participating countries."

Finally, I am sure you will be interested to know that the United States is participating in a second International Trade Fair in Asia this year. Cinerama was selected for exhibition in the United States pavilion at the fair in Bangkok, Thailand, which opened on December 7. Our Ambassador has reported that tremendous interest is being shown by the people of Thailand. Requests for tickets have been much greater than the 1,700-showing capacity, and consideration is being given to extending the showing after the fair's closing date.

This account will, I think, give you an idea of the great potential value attaching to American representation at international trade fairs. The President's Emergency Fund for International Affairs (Public Law 663), which the Congress established last summer, will help to insure the effectiveness of additional United States exhibits throughout the world. I hope that sufficient funds will continue to be made available in the future for this program which seeks not only to promote American overseas trade but also to demonstrate the dynamism of America's inventive and industrial genius.

Sincerely yours,

HENRY A. BYROADE.

Later, in December, the United States Information Agency presented Cinerama again, this time at the fair in Bangkok, Thailand. The Communists were so infuriated they withdrew their own exhibit. The repeat performance was again a standing-room-only attraction. According to Life magazine:

The big show-stopper was Cinerama, which packed the 2,000-seat open-air theater twice nightly, scaring and delighting the audiences.

The Agency had to hold Cinerama over 2 weeks in Bangkok to satisfy the important customers who could not attend the showings originally scheduled.

Bangkok newspapers began receiving letters, obviously Communist-inspired, condemning the show as a "tedious event" and claiming that the film was only "an inferior imitation of a 15-year-old Soviet cine invention." Further, said these letters, "this pirated device was tried out unsuccessfully at the Damascus Fair where the reactionary local government forced the masses to attend."

That statement drew nothing but laughter from the Thais.

The people of this country owe a real debt to the men and women of vision in the Department of State, the United States Information Agency, the Defense Department, and to S. H. Fabian, president of the Cinerama Corp., for making the story of America live in the minds of our friends in the Near East. These people in the Near East saw the fruits of freedom and the truth overwhelmed the lies of international communism.

Our Military Preparedness

EXTENSION OF REMARKS
OF
HON. OLIN E. TEAGUE
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES
Wednesday, March 30, 1955

Mr. TEAGUE of Texas. Mr. Speaker, this body will soon be called upon to make appropriations for the Defense Department, which is charged with the defense and security of our Nation. It is now 14 years since the outbreak of World War II and 5 years since the initiation of the Korean hostilities, and we are still faced with the problem of defending ourselves from outside aggressors as well as endeavoring to maintain peace throughout the world.

In many ways today, security is largely a matter of comparative military preparedness. Our opponents, it is apparent, plan to maintain a tyrannical military garrison for years to come and accordingly we too should have in readiness a larger and stronger military force in spite of the fact that such a situation runs strictly against the current of normal American life and traditions.

Based on the present abilities of aircraft, the distance between the United States and Europe is only 5 hours flying time; and between the United States and Asia about 8 hours. In reality, the distances of 3,000 and 5,000 miles of ocean respectively have materially changed and with this alteration, our security. We are playing for the highest stakes ever in the history of our country; the security of our own Nation and protection from outside aggression. The concept of security includes not only the strength to enforce peace, but readiness for war if necessary. The degree of this security depends upon our state of military preparedness. We need to be ready in hours, instead of months, with millions of men, the world around.

Shortly after the present administration took office and the first appropriation bills were presented to this body following the submission of a new budget, we began to hear much of the New Look so far as the defense of our country was concerned. We were told that with the advent of the atomic age and with new and more horrible weapons, we would be able to buy more defense and security for less money. We were asked to believe that through some mysterious formula recently devised, this country depending primarily on airpower and atomic and nuclear weapons, could deal successfully with an enemy which also possessed the same type weapons, but with a numerically superior air force with tremendous numbers of ground troops. The cuts made in the budget for the Air Force for fiscal year 1954 were restored for the fiscal year 1955; but not so with the Army. The funds provided for the Department of the Army have not been adequate in spite of the fact that we may have to deal with a massive enemy army well equipped and well supplied with manpower from satellite countries.

In order that the Members of this body will have first-hand knowledge of the effect of the cuts made by the present administration in the budget for the Department of Army, I wish to insert at this point a quote from a letter I have just received from a young man who was commanding a rifle company in the infantry battalion I commanded during World War II. This individual holds the Silver Star and the French Croix de Guerre with palm for gallantry in action. He was one of the finest and brightest men I have had the pleasure of knowing. At the moment he is a civilian employee of our Government and is assigned to a post located on one of our Pacific Island outposts. He writes as follows:

I took my first break since coming over here when I took 2 weeks' active duty with the * * * regimental combat team. I have a long story to tell. At the present they are the only combat troops on this island other than the Air Force. I worked with the S–3 and was told by the commanding officer to check any and everything. So I did. Boy, am I glad I did not stay in the Army. It is rough. Under present conditions, they are virtually running a cadre operation. The officers and NCO's are good, but the turnover of EM is so rapid that it is more like a replacement training center than unit training. The effect of the Army manpower cuts are quite apparent here and the regimental combat team was recently placed on a reduced strength T/O.

Mind you now, this is supposedly an advance outpost of the United States and the only combat troops here are ordered to operate on a reduced strength T/O. If any funny business starts again, you will have the same situation that the Army had orig-

inally when the Korean fracas started when the * * * Division was in Fort Lewis with phantom battalions and had to practice firing off the fantail of the ship on the way over.

In addition, administrative requirements have more than trebled in the money saving drive. Such reports as mess report, fuel conservation, etc., must be made out and all of this is being done on the officers' and NCO's own time.

Mr. Speaker, this is the situation as it exists today on one little island in the Pacific which is supposed to be an outpost of our defense efforts. I sincerely hope that when appropriations for fiscal year 1956 for the Department of Defense and more in particular for the Department of the Army are considered by this body in the near future, that each and every Member of this body will remember what this young man has written to me.

Conventions and the Popular Will

EXTENSION OF REMARKS
OF
HON. ABRAHAM J. MULTER
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Wednesday, March 30, 1955

Mr. MULTER. Mr. Speaker, the following article written by Senator PAUL H. DOUGLAS, of Illinois, is deserving of our attention. It appeared in the March 28, 1955, issue of the New Republic magazine:

CONVENTIONS AND THE POPULAR WILL

(By Senator PAUL H. DOUGLAS, of Illinois)

By next year the campaigns for the presidential nominations of the major political parties will be in full flight. Once again complaints will be heard that the party conventions do not accurately express the popular will and that they are in fact largely controlled by a relatively small group of insiders. Proposals will be made for increasing the popular control over the nominating process by means of the presidential primary. But it will then be too late. Only a few State legislatures will be in session in 1956 and the selection of delegates will be virtually completed before the public can awaken and make its will felt.

If reforms are to be introduced into our process of nominating Presidents, they must therefore in the main be effected prior to presidential years. For then there is time to act. This is a most appropriate year since virtually all of the State legislatures will be in session and the presidential election is sufficiently near for public interest to be easily awakened.

We should therefore take stock of the nominating process by which we select our candidates for the Presidency, of the way in which the delegates to the national conventions are selected, how the conventions operate, and who controls them. We should also consider the comparative advantages and disadvantages of a more direct choice of the candidates by the voters through some form of the direct primary.

When Andrew Jackson convened the first National Party Convention in 1832, it was a big step forward. Prior to that time, the Senators and Representatives of the Federalist and of the Republican-Democrat Parties met in Washington during the legislative session and in caucus selected their candidates. As the Federalist Party began to disappear, control of the dominant Republican-Democrats by the so-called "Virginia dynasty" tightened. Thus Madison succeeded Jefferson and Monroe in turn followed Madison.

The advent of Jackson in 1828, however, brought fresh life into the political processes. Jacksonian democracy expressed the turbulent and equalitarian life of the frontier together with the desires of the lower-income groups of the eastern seaboard. It was a popular movement aiming to make ours a government not only of and for the people, but also by them. As an inevitable part of this program, Jackson and his followers attacked "King Caucus" and the dominance of Congress which they alleged, with good reason, had by the combination between the adherents of Adams, Clay, and Crawford flouted the will of the people in choosing John Quincy Adams in 1825 as President instead of "Old Hickory." They called, therefore, for independent national nominating conventions, and in 1832 the revivified Democratic Party renominated Jackson by this process. This had been made possible by the improvements in the means of transportation and communication. With the advent of the railways, conventions became still more practicable, and under the pressure of public opinion the Whig Party finally followed the example of the Democrats in 1840.

Prior to the Civil War it was through the national conventions that the Democratic city organizations of the Atlantic seaboard made their unfortunate alliance with the southern slavocracy and nominated the succession of so-called dough faces, or northern men with southern principles, namely Lewis Cass in 1848, Franklin Pierce in 1852, and James Buchanan in 1856. It was by means of the national convention that in 1856 the new Republican Party largely replaced the old Whigs who so recently as 1848 had been able to elect a President. It was in the Democratic National Convention of 1860 that the Union was really dissolved, for it was there that the South refused to go along with Stephen A. Douglas' program that the territories should decide whether or not they wanted slavery and insisted instead that the National Government, under the authority of the Dred Scott decision, should foster and protect the extension of slavery into the territories and possibly even into the free States themselves. When the Democratic Party split on this issue at Charleston in 1860 and Douglas and Breckenridge faced each other as rival Democratic candidates, the one remaining cohesive national force had been torn asunder. For with the rise of the Republican Party, most of the southern Whigs had felt forced to enter the Democratic Party and a monolithic structure had been started in the South.

It was through the medium of the national convention that in 1864 the Republican Party was transformed into the Union Party and back again into its former self in 1868. It was in the national conventions from 1876 to 1884 that the groups coalescing around Blaine and Grant respectively waged their bitter personal but nonideological battles for power. It was in the Democratic National Convention of 1896, that a new popular impulse surged into the Democratic Party which was crystallized in Bryan's amazing "Cross of Gold" speech and which, despite the temporary dominance of the conservative groups in the party in 1904 and 1924, has continued to this day.

It was in the Democratic Convention of 1948 that, swayed by the oratory of HUBERT HUMPHREY, the party ranged itself definitely behind the program of civil rights.

It is therefore seen that national conventions have in the past played an important and at times a highly constructive part in the political decisions of the Nation. Underneath the sound and fury and the apparently nonsensical irrelevancies which distract and annoy the thoughtful, there is a far deeper logic which is at work in most conventions and which is imperfectly seen except by active participants. It is the effort of divergent territorial and class interests and ideologies to find a successful unity without too great a sacrifice of principle. There are many features of the nominating process which lend themselves to abuse and which tend to produce government by the few rather than by the people. Gross mistakes are made, as at the Republican Convention of 1920 when Warren G. Harding was foisted upon the Nation by a coterie of Senatorial bosses. Sometimes inferior candidates are chosen over superior ones. But there is more sanity in the selective process than critics are frequently willing to grant and in making reforms we should take care not to throw the baby out with the bath.

THE RISE OF PRESIDENTIAL PRIMARIES

Beginning in 1905, under the initiative of Robert LaFollette, progressivism in Wisconsin and the companion movement in Oregon, direct presidential primaries were instituted in a number of States. Here the voters expressed their preference directly for presidential candidates and bound delegates from their Congressional Districts and States to vote for them initially in the national convention. It was these popularly elected delegates who in 1912 furnished the nucleus of the political support for Theodore Roosevelt in the Republican and for Woodrow Wilson in the Democratic Convention.

This innovation was naturally opposed by the professional politicians who preferred the hierarchy of local caucuses, and county, district, and State conventions whereby delegates were named to the national conventions. For in this way, the party leaders believed with good reason, that they could better control the final choice. The party leaders, therefore, in the main fought a delaying action against the introduction of presidential primaries. At times this attitude was one of outright opposition to any direct choice of delegates or candidates while at other times they made the primary vote purely advisory with no binding effect upon the delegates. In still other cases they permitted a popular choice of the delegates but either allowed no designation or an incomplete designation as to whom the delegates were pledged or favored.

As the progressive impulse in American politics weakened during the 1920's, some States gave up the direct primary, while in others the binding quality of the choices was weakened. But the direct primary States still furnished politicians with straws to show which way the winds were blowing and helped them to make up their minds. There is little doubt that the good showing made by Wilson in 1912 and by Franklin Roosevelt in the 1932 primaries helped to swing the conventions their way and that the same was true in the case of Dewey in 1944 and 1948. Similarly the primaries in 1952 confirmed the leaders of the crucial Pennsylvania and Michigan delegations in the belief that Eisenhower would be a stronger candidate than Taft, and hence tipped the scales of the convention in his favor.

The fear that the 1952 conventions would not result in the choice of popularly approved candidates, but would instead be dominated by the national, State, and city organizations led to a marked revival of interest in some form of the presidential primary. Various proposals were advanced in Congress which will be described later, and New Jersey passed a direct primary law.

Had less popular candidates than Eisenhower and Stevenson been nominated in 1952 there would undoubtedly have been a tremendous upsurge of sentiment for the Presidential primary. Even so, there was enough dissatisfaction with the nominating process and the conduct of the conventions to cause

Montana, Nevada, and Indiana in 1953 to provide direct primaries for voting on Presidential candidates and for the pledging of delegates to those candidates who received the popular preference. It is interesting to note that the Montana law was submitted to the voters by referendum in November 1954 and was approved by a vote of more than 2 to 1. The new Indiana law also pledges delegates to vote on the first ballot for those who win in primaries.

In all there are now about 525 delegates to the national conventions who are nominally selected in primaries. However, of that number, about 225 come from the States of New York, Pennsylvania, and Illinois, where the party voters do not really have an opportunity to ascertain the delegates' preferences as between prospective Presidential candidates, and these are hence not true Presidential primaries. The remaining 300 delegates, or not far from one-fourth of the total number in each party convention, are therefore the only ones who come to the convention with a clear mandate from the voters of their States as to the candidates they should support.

The 12 States which do have direct primaries of this type are New Hampshire, New Jersey, Ohio, Indiana, Minnesota, South Dakota, Nebraska, Montana, Nevada, Oregon, Maryland, and California. Nearly 60 percent of the delegates to the national conventions are, however, not elected by public primaries at all, but are instead selected by State and district conventions composed of delegates from lower political subdivisions.

WHO CONTROLS THE CONVENTIONS?

In the main, therefore, it is the party leaders and not the people as such who still control the conventions and select the candidates. This process is far more democratic than the rather tightly controlled methods by which the political parties in Great Britain and the Dominions select their leaders, but it is still primarily based upon the assumption that the selection of Presidential candidates is party business rather than public business.

Fifty years ago this used to be the practice as regards virtually all public offices of a State and Federal character. The direct primary and the direct election of United States Senators have enormously increased the popular power in these other fields but no such comparable development has taken place in the nomination of our Presidents. The people play only an indirect part in selecting the candidates for what is above all others the one office in which the people are interested.

The insiders who control the machinery of a national convention can within limits significantly control its results. By the chairman granting or refusing recognition for motions, by the switching on and off of the loudspeakers, by control over the music and by the planting of claques in the galleries and on the floor, the stage can be largely rigged for or against a candidate. Many of those who watched the conventions of 1952 on television became aware of this perhaps for the first time. It follows that a President who controls the party machinery can with that instrument and with the Federal patronage largely dominate the convention of his party and hence either force his own renomination or that of his successor. The renomination of Taft by the Republican Convention in 1912 was thus undoubtedly contrary to the wishes of rank-and-file Republicans.

Similarly, the party leaders from New York, Pennsylvania, and Illinois can exert great influence in the final choice. This was formerly evidenced by the great power wielded by Charlie Murphy, Tom Taggert, and Roger Sullivan, the city "bosses" from those States who, with the aid of the conservative leaders of the southern democracy, nominated Alton B. Parker in 1904 and, had it not been for the shift by Sullivan at Baltimore in 1912, would have defeated Woodrow Wilson for the nomination. They also exercised a great influence in the 1920 convention. Behind these political leaders in turn were the traction and gas combines operating through such financiers as Thomas Fortune Ryan and August Belmont. Similar groups have been influential, although to a much lesser degree, in recent Democratic conventions.

On the Republican side there is little doubt that the big financial interests of the East were largely instrumental in swaying the conventions' choice in 1940, 1944, 1948, and 1952, and that they are now in a powerful position both in the organization of the national party and in those of a very large number of the States.

THE DIRECT PRESIDENTIAL PRIMARY VERSUS THE CONVENTION

The proposal for a national Presidential primary was first seriously advanced by Woodrow Wilson and George W. Norris and is now before the Congress in the form of proposed Constitution amendments sponsored by Senators LANGER, of North Dakota, and SMATHERS, of Florida. The Langer amendment calls, among other things, for the holding throughout the Nation of a Presidential primary upon a given day under which the candidate who received the largest popular vote in the given party primary would be the nominee. Under this plan the Federal aspects of the electoral process would completely disappear, and a vote in New York or Pennsylvania would count as much as one in Nevada or Delaware. The smaller States which would lose much influence under this method naturally oppose it with the result that it would be virtually impossible for it to be ratified by the States even if Congress were to approve it.

To meet this difficulty, Senator SMATHERS, of Florida has proposed a variant of the Norris-Langer method. His amendment also calls for a national primary upon a given day, but he retains the electoral college principle upon which representation in the national conventions is fundamentally based. The votes in each State would have the same influence upon the Presidential nominations that they now have on the final elections. The small States would therefore be given the advantage they now enjoy through their equality of representation in the Senate.

Turning now to a comparison of these two alternatives, it is obvious that a national primary under the Smathers method would reflect the popular will far more adequately than does the present convention system. But it also would contain grave weaknesses in comparison with the convention system, which need to be considered.

1. The national primary would accentuate conflicts within the parties, whereas the convention system tends to minimize them.

The great merit of the convention system is that in its search for a winning candidate it tends to discard the extremists and bring forward the men around whom not only the party but the Nation as well may best rally. Underneath all the noise, turbulence, and apparent conflict which characterizes a convention there is, as we have pointed out, a deeper search for unity which will best reconcile the conflicting interests and factions. In the final decisions one can see the working of a kind of political vector analysis in which each set of forces helps to determine the final position.

Were we to substitute a national primary, however, extremists would be encouraged to run for the nomination, and sometimes would win, and the conduct of the primaries would be knock-down and drag-out affairs.

The issues would also tend to be drawn far more sharply and the losers would not be able to exert the tacit influence which they now exercise upon both the choice of the ultimate nominees and the platforms.

Many people would welcome this polarization of politics on the ground that it would lead to a greater stressing of real issues than the present centripetal tendencies of our 2-party and convention systems. But such a sharper conflict of ideas would only be purchased at the expense of endangering national unity which, in view of the Communist threat to democratic institutions, I do not believe we can afford. Moreover, despite all the somewhat formless nature of our political groupings and the tendency of parties and of the Nation to draw together around the center, we have made as much legislative progress during the last half century as any democracy in the world and have at the same time preserved national unity more effectively than in any country outside of the British Commonwealth.

2. It is argued that the party leaders commonly know the hidden strengths and weaknesses of the various candidates far more fully than does the general public. They can, it is said, quietly sidetrack men who have strategic weaknesses which would show up either in the campaign for election or in office. They, however, would either not want to wash this dirty linen during a primary campaign or if they did, passions would be so embittered that united action would later be impossible. There is a strong case for quiet rather than noisy judgments to be rendered on such matters as this in political as in social life. But it is also true that this exercise of judgment can be applied unwisely. Worthy men may be rejected because of their very virtues and unworthy men selected because of their compliance.

3. The national primary would make it impossible to draft reluctant or modest candidates. Men who were not willing to undergo the ordeal of a strenuous primary campaign would be automatically eliminated from consideration. But these are sometimes the very men who, once chosen, would make the best Presidents. Sometimes as high an office as the Presidency should seek the man.

4. Another objection is that the national primary would impose an added burden of strain and expense to what is already an almost crushing load upon candidates. Not only is the Presidency the most exacting job in the world, but the campaign which is required to attain the office is most exhausting. To superimpose a second nationwide campaign would mean that for almost a full year prior to the election the candidates would be subjected to intense physical and nervous pressures, and unless they were supermen, the winner would come to this most important of all jobs in a condition of almost complete physical exhaustion. A good deal of this is already involved in the preconvention campaigns, but it would be intensified by the requirement of a second national election. Additional millions of dollars would also be required to finance the primary campaigns, and the advantages which wealth already possesses in this respect would be intensified.

5. It is obvious that conventions would still be needed to adopt party platforms and that these need to be coordinated with the desires of the presidential nominees. Furthermore, a primary is an extremely poor way to select a vice presidential nominee since no one ever runs for that office, and it is generally assigned to some one who in the opinion of the presidential candidate and the party leaders will balance the ticket by representing a different geographical section and set of interests.

A RECONCILING PROGRAM

The truth seems to be that neither the convention system as it is now operated nor the national direct primary is a satisfactory method of nominating national Presidential

candidates. The need is, therefore, to reconcile the two alternatives and, while retaining the good features of both, minimize their respective defects.

Representative CHARLES E. BENNETT, of Florida, and I believe that we have found such a reconciliation. We have introduced such a measure in the last two Congresses and this year have once again submitted it (S. 652) for action. It does not call for a direct national primary but seeks instead to stimulate the States so that they, in increasing measure, will provide for direct primaries as the method of selecting their delegates to the national conventions. Our bill provides that States which agree to operate under the Federal Presidential primary law will receive a grant-in-aid of 20 cents for each vote cast in such a primary. The Federal Government would thus meet the election expenses for the selection of candidates for the most important Federal office. The Federal Government in turn would set up a bipartisan Presidential Primaries Commission of five members who would hold office for staggered terms. A candidate, in order to be certified to run, would have to submit nominating petitions signed by at least 1,000 qualified voters from each of at least three-quarters of the States which had agreed to take part in the program. Candidates so designated would have until March 20 of election years to withdraw, and by March 25 the Commission would certify the names of those still in the race to the participating States.

States which had agreed to come under the system would, in turn, provide for the holding of their presidential primary between April and August. The States would only include on their ballots the names of those who were nationally certified and would only permit each qualified voter to vote in the political party in which he was registered. Increased party responsibility would therefore be provided. The delegates-at-large from a State would be bound to vote for a given period of time for the candidate who had a plurality of the primary votes in the State as a whole. Delegates from the various congressional districts would be similarly bound for the winners in their districts who, of course, might not be the same as for the State as a whole.

There is some question as to how tight the mandate should be upon the delegates. It is, of course, essential that some instructions should be given or otherwise the primary would have no point. Experience has shown that the so-called "advisory primaries" have little meaning or value. But the instructions should not be so ironclad as to prevent the convention from choosing from a number of aspirants, none of whom might have an initial majority.

In its original form, the Bennett-Douglas bill provided that the pledge would be binding on the first ballot and as long as the candidate's vote exceeded 10 percent of the total delegate vote, or until the candidate himself released the delegates. This is substantially the provision which now governs the Oregon and Wisconsin delegations. This created the danger that a convention might be deadlocked between a number of candidates. The control over the votes of the delegates would thereafter largely rest in the candidates rather than in the delegates themselves, and this might result either in hopeless confusion or in a great deal of improper trading. We have removed this defect in our present draft, which provides that delegates may also be released if their candidate polls less than 20 percent of the vote on the third ballot and less than 30 percent on the fifth.

In my judgment, this plan combines the advantages of a far greater popular voice in the selection of presidential candidates while it retains most of the flexibility of the convention system. The primaries would thus be a first sifting of candidates on the basis of their relative popular support. The running of obscure favorite sons for the purpose of giving the delegation bargaining power would be discouraged. But the delegates could still exercise their independent judgment when the primaries disclosed no clear popular choice. The conventions would still be able to balance the ticket with appropriate vice presidential nominees and coordinate the platform with the candidacies.

No single plan is likely to be ideal in all respects, but we submit that this is probably as good a proposal as can be devised. It has the practical advantage, moreover, of being relatively easy of initial adoption by Congress while it would also permit gradual and voluntary growth within the States. It does not require sweeping and immediate changes. The sponsors of the bill hope that it may receive widespread popular support so that it may be passed this year and hence enable some States to act in time for the 1956 conventions.

Hon. Edna F. Kelly, of New York

EXTENSION OF REMARKS
OF
HON. EUGENE J. KEOGH
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Wednesday, March 30, 1955

Mr. KEOGH. Mr. Speaker, under leave to extend my remarks in the RECORD, I have great pleasure in inserting the following article by Ann Cottrell Free, of the North American Newspaper Alliance, on our very charming and lovely colleague, EDNA KELLY:

WASHINGTON, March 26.—EDNA FLANNERY KELLY represents nearly 400,000 Brooklynites and a piece of real estate known as Ebbets Field in the Congress of the United States.

But this Democratic Member of the House labors under the same hardship as do many of her neighbors—except the Dodgers—of not attracting the strongest beams of the national spotlight. The publicity mills across the river in Manhattan seem to grind more constantly than those in Brooklyn where nearly 3,500,000 people live.

Representative KELLY is in there pitching, as the record shows and as her constituents know. Otherwise the voters would not have returned her to Congress three times in a row.

This dean of the Democratic House women Members is well equipped to play to the grandstand if she cared to. She is easily the most beautiful woman Member of Congress. Tall and slim (5 feet 7½ inches tall and 138 pounds), she has long black hair, now beginning to gray at the temples, deep dark eyes and classical features. She is 48 years old.

Though women are often accused of not being able to make up their minds, she ran for Congress the first time because "the men couldn't make up theirs." When a vacancy occurred in the 10th District in 1949, her fellow members of the Democratic executive committee of Kings County couldn't decide whom to nominate.

"O. K.," she said, "to settle the question, I'll run."

She had gone into politics as a widow and working mother. Her son and daughter are now in their early twenties. Soon after the death of her husband, City Court Justice Edward L. Kelly, in 1942, she became research director for the Democratic Party in the New York State Legislature. She brought an academic background as well as "savvy" in everyday politics to the job. She is a history and economics major from Hunter College in New York.

"I was aware of the economic problems of the working mother when I came to Congress," she says. One of the first bills she introduced was one to grant tax relief to widowed working mothers, and widowers, too.

Since she's been in Congress, she has worked for legislation providing equal pay for equal work. Though she has voted 100 percent for labor-backed bills, she recognizes that the big job is to get organized labor to accept the equal-pay-for-women principle.

EDNA KELLY is in the enviable position of being global in her thinking without neglecting the folks at home. As wrapped up as she is in her work as a member of the powerful House Foreign Affairs Committee, she is close enough to home to spend most weekends there.

Her foreign affairs record shows she has been motivated by humanitarian feelings as well as those of national self-interest.

"I sponsored in 1951 a direct grant of wheat from our surplus to India because there was a famine," she recalled. She then contended that the delay in Congress in sending the wheat, and then on a loan basis, could be one of the reasons India has been reluctant to aline itself with the West.

Mrs. KELLY also sponsored legislation to make the United States a member of the Intragovernmental Committee for European Migration. As a result, thousands of refugees and surplus populations have been moved, free of charge, to new homes and a new life.

An economic aid program that is more than token, she feels, is needed for Asia. She is now studying the administration's proposal to add an additional $200 million to the amount appropriated last year. This would make a total of $915 million.

"I believe," she said, "in giving enough. If a man needs a plough, give him a plough. He is the man we must reach."

Her main foreign policy interest, however, is in Europe; she is chairman of the House subcommittee on Europe. She believes in Germany being rearmed, but she cautions, "We may forgive the past, but we cannot forget."

Mrs. KELLY has the opportunity to visit Europe officially this summer, but she admitted she thought she'd stay home this time. Her son is about to become a father and she a "working grandmother."

Ethics in Government

EXTENSION OF REMARKS
OF
HON. HAROLD D. DONOHUE
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES
Wednesday, March 30, 1955

Mr. DONOHUE. Mr. Speaker, on Sunday, March 20, it was my honor to speak before the Beth Israel Brotherhood, of Worcester, Mass., at their breakfast meeting in the synagogue vestry.

The meeting was directed by the program chairman, Mr. Jacob Shulinski and I have been requested to include my address, which follows:

ETHICS IN GOVERNMENT

For the last few years, and rather especially during the last presidential campaign, we have heard a great deal about the subject of ethics in Government.

The circumstances of persistent atomic danger to our individual and national life

seems to be encouraging a reexamination of our whole moral fabric these days, and that is unquestionably a good thing.

The accompanying public realization that neither private nor party political ambition is a valid excuse for unethical and immoral conduct appears to have inspired our legislative bodies and political parties to seek the higher code of ethical standards the public is demanding. The appreciation of this practical fact has led to the bipartisan creation of congressional committees to investigate and make recommendations for moral improvement in the fields of modern politics and Government.

There is no argument whatsoever about the need and desirability of a continuing high standard of moral conduct on the part of public officials, political parties and candidates. It is true, of course, that the major responsibility for the guidance of public and private morality lies with our religious and educational institutions and parents. However, there is no doubt that the conduct of public officials is also a powerful example influencing the general public toward higher or lower moral standards.

As a matter of fact it seems to me there are currently some very substantial reasons why ethical standards in American politics are perhaps more important to us today than ever before. The Federal Government has grown by leaps and bounds in the last few decades, until now it touches the life of each citizen at innumerable points.

As Senator PAUL DOUGLAS, of Illinois, chairman of a congressional committee which investigated ethics in the Federal Government, remarked: "What could be tolerated when government was small cannot be endured when government is big. For its consequences, if not its causes, can be relatively worse."

Big government, and none of us can deny that we do indeed have big government, affects the income and the welfare of individuals, of groups, and of industries. Members of Congress make the policies which govern the activities of big government, but the administrative officials have a great deal of discretion in interpreting the policies and applying them to specific situations. Furthermore, interested parties or groups are seldom content to let the wheels of government turn unassisted, but are ever present to put pressure on the Congress or the administrators to secure decisions favorable to their interests.

It has been pointed out that corruption in government occurs most often in what have been called the action-laden areas—areas where government action or inaction can make or lose fortunes for individuals or corporations. The letting of contracts, the collection of taxes, the making of loans, the fixing of rates, the issuance of licenses or certificates, the allocation of raw materials, the granting of subsidies—these are the kinds of Government activity which should be examined most carefully for evidence of corruption.

In addition to the increased influence of the Federal Government upon our national life and the resulting increased consequences of any corruption in Government, there are two other aspects of public morality which distinguish the present from the past.

For one thing, major scandals in the past have occurred at times when we were technically at peace, though they may have taken root in war or immediate postwar periods. At the present time, however, we are virtually in a state of war. It is obvious that we cannot afford to let the efforts of our Federal Government to establish a peaceful world be diminished by the stealthy drain of corruption in public office.

Furthermore, there are serious implications in the realm of international relations. The United States holds a commanding position of leadership in the free world. Any deviation from the course, any slackening of effort, any failure to live up to the demand for world leadership would result in serious repercussions in the other free nations. If through corruption in public affairs, the American people lost confidence in their own Government and accordingly were reluctant to make the necessary sacrifices asked of them by the Government, there would be a very real danger that our effectiveness as the leader of the free world in the fight against Communist aggression would be perilously impaired.

We should never forget, as I said, that public officials set powerful examples. The quality of the men and women who hold high public office shapes to some extent the character of the entire Nation.

I am pleased to say that an overwhelming number of impartial witnesses, from all walks of life, appearing before congressional committees investigating the subject, unhesitantly stated their conviction that the vast majority of our public officials are truthful, conscientious, and honorable men. They also unanimously testified that all in all, ethical standards in the National Government are at least as high as they are in business and the professions.

Public officials are, however, still human beings and, therefore, always vulnerable to the temptations which affect persons in other occupations. In truth, there may be extraordinary conditions and circumstances attached to political positions which make it relatively harder to preserve the trust of public office.

This fact was rather pointedly described by the late Harold L. Ickes, when he declared: "I have never known a public official to corrupt himself." After all, for every bribe, favor, or other consideration accepted by a Federal official there must be someone who tenders that bribe or favor to him.

That man is just as guilty of wrong-doing as the man who accepts the consideration offered. I am sure that all of us who think the matter over would agree that there is no reason that we can easily put into words for condemning the behavior of the public official while tacitly condoning the actions of the private citizen—and yet, that is what many of us do.

There is an old maxim to the effect that experience is the best teacher. We have had some experiences with corruption in the Federal Government and there are lessons which we have learned from it.

The first lesson we have learned, or perhaps it is better to say the first lesson of which we have been reminded, is that public officials are apt to show favoritism as a result of personal economic ties with businesses or individuals affected by the program they are administering. This category covers those officials who accept bribes or gifts or favors of one sort or another which are valuable in a financial sense.

Employment, both past and future, is another possible source of corruption in Government. In recent years, more and more businessmen have been brought into the Federal Government, creating at least the possibility that, consciously or unconsciously, they might favor their former employers in the administration of their programs.

A more common occurrence is future employment with private firms affected by decisions in which the public official is taking part. There have been several cases, in recent years, where shortly after a large loan was made to a corporation by the Federal Government, one or more of the employees of the Federal loaning agency resigned to accept employment with the private firm, usually at a considerable increase in salary. The most serious aspect of this practice is that it casts doubt on the impartiality of the Government agency involved, both in the particular case at issue and in all other cases before the agency.

Political appointments, too, are potential sources of trouble. There is some evidence to support the theory that political appointees are more prone to temptation than are career civil-service employees. Also involved are the caliber of the appointees, the political sniping to which they are subject, and the attacks on programs because of the politically selected officials who are administering them. In a somewhat different area, there have been cases in which officials apparently have been misled by their personal friendships.

Administrative faults are responsible for some of the corruption which occurs in Government. Weak organization and dispersion of authority at the top invites subordinate officials to indulge in questionable practices.

Poor procedures or the lack of procedures are responsible for creating a climate in which corruption can flourish. When laws, regulations, or policies are inexact or couched in vague general terms, it becomes easier for an administrator to fail to observe the public interest. Then, too, there is a tendency in regulatory agencies to be less zealous as they grow older; there is an atmosphere of tiredness and routine performance of public duties.

These are some of the major lessons we have learned about corruption in the Federal Government. We have found, also, that corruption is most likely to appear after a major war, when there is a relaxation of effort and a careless attitude of "Let's get back to the good old days." All of us hope that corruption will receive no further stimulus from that source.

After examining some of the problems and some of the sources of corruption in Government, the logical question to ask is—what shall we do about it? There have been a number of suggestions and I would like to tell you a little about some of them. We should remember that no one measure can be expected automatically to eliminate corruption.

Strengthening existing laws and plugging loopholes is one of the suggested remedies for corruption. It is proposed that the criminal law relating to bribery should be extended to provide that payments of something of value to a Government official, with the intent of having him use his influence with some other official, should be included in bribery. Bribes should include offers of employment and other considerations as well as cash payments, and penalties should be increased. The laws governing conflicts in interest could be strengthened relative to private income, participation in making contracts, disqualification in certain cases, and speculation by Government employees. The Administrative Procedure Act might be amended relative to conflicts of interest, discussion of future employment, divulging of information, and a bar on the appearance of former employees before their agencies on any case within 2 years. Lobbyist registration laws also could be strengthened.

Another proposal which has been made is that all top administrative officials should be required to disclose all income from all sources, both public and private, and including gifts and loans. Disclosure often accomplishes more than criminal sanctions.

Existing standards of conduct for public employees should be enforced at all times, and every effort should be made to improve the general quality of Government employees. This probably would involve providing more adequate salaries, better promotion opportunities, improved means of weeding out the inefficient and incapable employees, and an effective loyalty-security program. The cooperation of our schools, universities, and communities, as well as the Congress and the Civil Service Commission would be necessary in this regard.

Improvement of administrative organization is an obvious remedy to some of the situations which are conducive to corruption. There should be clear lines of author-

ity and the means of administrative control should be clear and effective. Congress can help by clearly defining the limits of executive power, by making laws more precise, and by providing adequate safeguards for the public interest.

Another possible procedure is the establishment of codes of ethics. There have been several proposals along this line, the argument being that they would be useful to those who "blunder into wrongdoing" through ignorance and would bolster the consciences of those who were tempted to stray from the accepted ethical standards. The Senate Subcommittee on Ethical Standards proposed including items regarding all business discussions to be held in public buildings during working hours, the disqualification of officials in a decision affecting a previous employer, and a prohibition against becoming deeply involved, either financially or socially, with persons outside the Government who might be affected by agency decisions.

A court of ethics to hear complaints about improper practices of public officials and to secure redress to the ordinary citizen has been proposed. There is relatively strong backing for a Commission on Ethics in Government, to be composed of persons appointed partly by Congress, partly by the President.

This Commission would not only investigate moral standards, but also would recommend measures for improvement. Related to this proposal is another for the creation of a nonpartisan citizens' organization to perform much the same functions.

These are the primary reform proposals now up for consideration. All of them are receiving study and are being pushed with varying degrees of vigor. As I have noted, no one proposal can be expected to provide a cure for the problem of corruption in Government. Certainly, some of these proposals if put into effect would improve the ethical standards in the Federal Government.

However, the greatest force to influence the observance of higher ethical standards in Government lies within each of us as individual citizens contributing to a higher national morality. If each of us in our private and social lives adheres to the divine laws of right conduct and right reason the betrayers of public trust will not long be tolerated in public life. We all have an individual responsibility for the manner in which our public business is conducted. If we increasingly accept that responsibility, we can remain confident that this Nation and this Government will retain the moral character and strength to survive in triumph over the immorality of Communist atheism. It will be only by a preserving demonstration of moral integrity as a people that we will be able to successfully guide ourselves and the civilized world to peaceful understanding and prosperous progress in an atomic age.

The Great Debate on Reclamation

EXTENSION OF REMARKS
OF
HON. B. F. SISK
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, March 30, 1955

Mr. SISK. Mr. Speaker, there has come to my attention an article which has been prepared by my good friend and colleague, the Honorable STEWART L. UDALL, who ably represents the fine State of Arizona in this Congress. It is my understanding that this article, entitled "The Great Debate on Reclamation," is being distributed to Congressman UDALL's constituents through the press and will be available for publication tomorrow.

Congressman UDALL's statement so ably and clearly presents his views and so finely outlines the tremendous values of reclamation to our country that I believe it deserves a place in the RECORD and I request permission to insert it, so that it may receive a wider circulation.

In making this request, I would like to note further that I am in full agreement with the statements made by my honorable colleague and that I believe they reflect the views of many others who are sincerely interested in the future of the reclamation program as a tremendous factor in the development of the West and the economy of the Nation.

The article follows:

A CONGRESSIONAL REPORT

(By Representative STEWART L. UDALL)

THE GREAT DEBATE ON RECLAMATION

There is a rising tide of antireclamation sentiment here which threatens western development. If the upper Colorado project gets to the floor, I suspect that discussion of this bill will be only part of a larger debate on the future of reclamation itself. To some extent this debate has already begun, and it seems essential to me that we keep close watch on the forces and arguments marshaled against us, for the West's continued growth is closely linked to the future of reclamation.

At the outset, we must recognize that at nominal cost groups of farmers have, where conditions were favorable, brought water to much of our western land without Government aid of any kind. Since 1902, however, the Bureau of Reclamation has constructed many projects too large to be tackled by local interests alone. Naturally, the easiest and most promising works were built first—projects like Salt River, Boulder, Grand Coulee, and Central Valley of California.

It is now apparent that the projects yet to be built (like central Arizona, and upper Colorado) are relatively hard projects where repayment by the water users may take longer and the Government must assume greater risks. However, this should not be a fatal stumbling block, as Teddy Roosevelt originally conceived the reclamation program as a bold, risk-taking venture—a western equivalent of eastern projects to develop rivers and harbors.

Until recent years, as the easy projects were completed and more difficult ones tackled, the reclamation and budget people here tended to liberalize the ground rules so that projects previously regarded as unfeasible financially could qualify: basin-wide accounting plans were approved; repayment periods were extended; and the principle was established that farmers could build power dams and use the net revenues to pay off prohibitive water costs.

It may be that the antireclamationists have been emboldened by right hand versus left hand actions within the Eisenhower administration. While the President on the one hand endorses upper Colorado and Fryingpan, his budget director has been busily drafting new regulations which would probably prohibit similar future projects, his Interior Secretary has exhibited a lukewarm attitude toward reclamation, and his proposed appropriations for new construction next year sets the lowest point reached since 1950.

The opponents of reclamation have burst upon this scene opportunely and now dispute its accomplishments and seek to discredit the entire program. Their chief spokesman, Raymond Moley of Newsweek magazine, calculates that the way to beat reclamation is to pit East against West and he is out to sell his arguments to Congressmen from the populous Eastern States. Moley has turned out a pamphlet denouncing the sorry record and waste of the Bureau of Reclamation.

We fully expect that the water resources task force of the Hoover Commission will shortly join this chorus. Its chairman, former Governor Leslie Miller of Wyoming, boldly strode into our upper Colorado hearings 2 weeks ago and bluntly testified that in his opinion the entire plan—including the participating projects in his own State—was economically unsound.

The trouble with these sincere people is that pencil in hand, they look at the entire reclamation venture from the narrowest perspective, merely in terms of money directly paid into or out of the Treasury. Like overprudent bankers, they are so intent on these debits and credits that they fail to take into account the tremendous values produced where the economies and living conditions of entire valleys are transformed by successful reclamation projects.

In their excessive prudence, they overlook the millions of dollars of flood damage that would be sustained periodically by farms and cities if the reclamation dams were not in place.

(Not long after it was dedicated the new Falcon Dam on the Rio Grande stopped a disaster-bent flood in its tracks and saved a substantial part of its total cost.) They point to the current farm surpluses and say the new farm acres are not needed. This is fainthearted thinking that misjudges the surging growth of our country and the resourcefulness of its people.

The cornerstone of the reclamation program has been interest-free loans, a feature particularly condemned by these critics who fail to note that the principal invested will come back manyfold when new valleys are opened up to farmers and fresh sources of income are created. It is a fact that acres put under cultivation by the Bureau of Reclamation produced total crop values in 1953 alone of nearly $1 billion.

Nor do these people concede that a substantial part of the $3 billion we have expended thus far on reclamation will eventually be directly repaid, while the full $7 billion the Government has spent at the same time on national rivers and harbors projects has been paid out without expectation of direct repayment.

Who, we might ask, are these "debit and credit" men who cry "failure"? Need we westerners bother to answer them at all when our green valleys mock their words, our prosperity mocks their logic, and our cities and farms testify they have misread our history?

A Eulogy to Walter White

EXTENSION OF REMARKS
OF
HON. ADAM C. POWELL, JR.
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Wednesday, March 30, 1955

Mr. POWELL. Mr. Speaker, the shocking news of the passing of Walter White reached me in Washington at a time when I am unable to return to the city to join the many thousands who paid their final tribute of respect to a man who gave his heart and soul for the full freedom of all human beings, irrespective of race, creed, or color. It will never be the fate of Walter White that "the evil that men do lives after them;

the good is oft interred with their bones," for his goodness outstrips all evil, and as long as history lasts, and there is the cry for full human freedom, Walter White's name will be echoed down the corridors of time as the symbol of a true champion of human rights.

In recent years many distinguished citizens, because of their identification in the struggle for human rights, have been designated as Mr. Civil Rights. Walter White was truly the one man in these United States who had the right to receive the coveted title of Mr. Civil Rights. He lived, breathed, and walked civil rights. He was not called Mr. Civil Rights, but without his courageous fight for full freedom, advancing where others, in fear, retreated, the cause of dynamic democracy would have been lost long ago in the United States, and perhaps the world over. Without Walter White, civil rights would have been sleeping in the laps of the forgotten past. He magnified civil rights to such a degree that the walls of prejudice, segregation, and discrimination came tumbling down in the Army and the Navy, in our educational system, our judicial bodies, and in both high and low places of the government and especially in the Capital of the Nation.

He, like others, has served his day and generation and has now fallen asleep, leaving behind the most formidable organization for human rights in all the world. The debt we owe to him can never be paid in words, but we can accept the mantle of responsibility which he wore so nobly in championing the rights of the disinherited and the downtrodden.

Here it can be said of Walter in the words of St. Paul the Apostle, another fighter for human rights: "I have fought a good fight; I have finished the course; I have kept the faith."

TRIBUTE DELIVERED AT THE FUNERAL OF WALTER WHITE, EXECUTIVE SECRETARY OF THE NATIONAL ASSOCIATION FOR THE ADVANCEMENT OF COLORED PEOPLE, BY CHANNING H. TOBIAS, CHAIRMAN OF THE BOARD, NAACP, AT ST. MARTIN'S PROTESTANT EPISCOPAL CHURCH, NEW YORK CITY, THURSDAY, MARCH 24, 1955

A memorial service will be conducted in Walter's honor at the annual convention of the NAACP at Atlantic City next June, therefore my tribute at this time can be brief.

There is a very real sense in which Walter White needs no spoken eulogy. Nor is it important that a material monument be erected to his memory. A Man Called White, his autobiography, tells a large part of his life story, and a new book written by Walter but yet to be published entitled "How Far the Promised Land" will complete the picture. But the true story of his services is to be found written in the hearts of those whom he helped to liberate from the bondage of second-class citizenship.

Together with Mary McLeod Bethune I was with him when he protested to President Franklin D. Roosevelt against Jim Crow redistribution centers for our soldiers returning home from service in the war, and heard the President tell him that the Pershing Hotel of Chicago, taken over for a center, would be returned to its owners, and that the Theresa Hotel of New York, under consideration for a center, would not be taken over, and that Negroes would be accommodated in the regular redistribution centers without discrimination. Largely as a result of this protest and subsequent efforts by Walter White, Thurgood Marshall, Roy Wilkins, Louis T. Wright, and others associated with them, servicemen of color today bear the arms of their country as Americans and not as Negroes.

I sat beside him in President Harry Truman's office in the summer of 1946 when he struck a telling blow against mob violence which resulted in the appointment of the President's Committee on Civil Rights—the committee that after a year's work issued the memorable report entitled "To Secure These Rights"—a document that moved the conscience of America into aggressive action against double standards of citizenship based on race.

Along with Arthur Spingarn and Theodore Spaulding in a room of the Commodore Hotel in this city I heard Walter's plea to President-elect Eisenhower to do away with racial discrimination as far as his executive influence could be used to that end. In spite of the fact that Mr. Eisenhower was flying the next day to Korea, he prolonged our visit from 15 minutes to an hour. I was not, therefore, surprised that one of his first appeals after assuming office was a strong personal word calling upon the District of Columbia to set the example for the rest of the Nation in abolishing racial discrimination. Today the hotels, the restaurants, and the public utilities of the city of Washington operate on a nondiscrimination basis. No wonder that Ralph Bunche, who once said that he did not wish to rear his children in Washington because of racial segregation, now says that because of the changes that have come about in recent years he would have no objection to living there again.

These are but a few highlights of what Walter accomplished in top level conferences. They are important because they illustrate the method of the NAACP in dealing with controversial issues growing out of racial discrimination. It is a method that blinks no facts and engages in no double talk. But it is also a method that does not make use of rabble-rousing as a technique. It recognizes progress when it comes to pass, as will be seen in Walter's new book, How Far the Promised Land, already referred to. Finally it is a method that looks forward to the completion of Lincoln's work of emancipation and the realization of his dream of freedom for all in the true American way.

Looking this way today and wanting to be a part of this tribute are sharecroppers of the deep South who are no longer voteless; dining car waiters and pullman porters who are now privileged to serve their own people as they do other people without discrimination; public school teachers whose salaries are no longer determined by the color of their skin; servicemen in every department of our defense forces who have been liberated from Jim Crowism; workers of all kinds who now enjoy union protection; children who have been lifted to a plane of self-respect by the Supreme Court decision in the school cases; and thousands of white people who have been liberated from the blighting evil of race prejudice. I am conscious of the presence of this vast unseen audience.

Also the leaders of millions of the darker peoples of the world like Nehru of India; Matthews of South Africa; Mkrumah of Gold Coast; Azikiwe of Nigeria; Tubman of Liberia; Haile Selassie of Ethiopia; Manley of Jamaica; Magloire of Haiti; and others join us in this tribute.

If Walter could have one word to say to us now, I imagine it would be something like this: Board members, staff, constituency and friends of the NAACP close ranks and go courageously ahead to the accomplishment of the unfinished task with assurance of ever-growing support from all those who cherish the ideals for which we stand. As one of those fortunate enough to be with him in the office for a little while on the day of his departure, I saw in him again that characteristic mixture of protest and optimism which leads me to conclude with that great poem of Walter's mentor and predecessor in office, James Weldom Johnson:

"Lift ev'ry voice and sing
Till earth and heaven ring.
Ring with the harmonies of Liberty;
Let our rejoicing rise
High as the list'ning skies,
Let it resound loud as the rolling sea.
Sing a song full of the faith that the dark past has taught us,
Sing a song full of the hope that the present has brought us.
Facing the rising sun of our new day begun,
Let us march on till victory is won.

"Stony the road we trod,
Bitter the chast'ning rod.
Felt in the days when hope unborn had died;
Yet with a steady beat,
Have not our weary feet
Come to the place for which our fathers sighed?
We have come over a way that with tears has been watered,
We have come, treading our path thru the blood of the slaughtered,
Out from the gloomy past,
Till now we stand at last
Where the white gleam of our bright star is cast.

"God of our weary years,
God of our silent tears,
Thou who has brought us thus far on the way;
Thou who has by Thy might
Led us into the light.
Keep us forever in the path, we pray.
Lest our feet stray from the places, our God where we met Thee,
Shadowed beneath Thy hand,
May we forever stand.
True to our God
True to our native land."

[From the New York Herald Tribune of March 23, 1955]

WALTER WHITE

Walter White was one of the most important leaders in one of the most important struggles of his day. As executive secretary of the National Association for the Advancement of Colored People, he was regarded as a leader and spokesman for the American Negro, a man who had long ago earned the affection of his own people and the respect of others.

In his long service to the Negro, Mr. White had seen the virtual elimination of lynching, the enactment of fair employment laws, the reduction of discrimination, the outlawing of segregation in the Armed Forces, the approach, heralded by the Supreme Court decision, of racial integration in the Nation's schools. For all these objectives he had labored zealously and devotedly; he crusaded not by inflaming passions or by preaching violence, but by putting his faith in democratic ways and the conscience of his fellow citizens. And he lived to see his faith and hope justified.

Walter White might have led a different life, apart from racial strife. He was but one-sixty-fourth Negro and could have, if he had chosen, remained a white man to the world. But his people needed him and perhaps he, too, needed them. With their help and the help of other friends, he accomplished much. If, when he died, much still remained to do, none knew better than Walter White that freedom is a never-ending job.

[From the New York Times of March 23, 1955]

WALTER WHITE

Walter White was the adviser of statesmen and soldiers, in peace and war. His work for the Negro was enormously effective over more than three decades. That he was the author

of President Roosevelt's Executive Order on Fair Employment Practices in war industrise is but one evidence out of many of the weight of his counsel and his vision. In his post of executive secretary of the National Association for the Advancement of Colored People he was at the center of the conflict between bigotry and democracy which the so-called race question involves. Considerable progress has been made, in recent times here, in resolving this conflict. A great deal of what has been achieved can be directly traced to his influence.

Blue-eyed and fair of color, Walter White did not need to identify himself as a Negro. He did so deliberately, and in its way this act made a special mockery of race discrimination.

[From the Baltimore Sun of March 23, 1955]

WALTER WHITE

Walter White devoted all his mature life to the struggle to eliminate the legal, economic, and social handicaps resting upon the Negroes in many parts of the United States. He sought, that is, to have the principle that all men are created equal and endowed by their Creator with inalienable rights accepted in practice as well as in theory.

In the beginning, the fight was up a steep hill. In some parts of the country the Negro was held to be a lower order of being and hence not worthy of the full protection of the law as accorded to white men. Accused of crime, he could be lynched with impunity and often was. Great national organizations, such as the Ku Klux Klan, were largely intended to keep him in his place.

Walter White's methods were not violent. He enlisted the support of able lawyers, both colored and white, to fight the battles of the Negro in the courts and in the press. He was instrumental in extending the scope and influence of the National Association for the Advancement of Colored People and was its recognized spokesman. In the face of constant rebuff and frequent defeat, he struggled on. He chose the ground for his successive skirmishes with great care and, as the years passed, the victories came gradually to outnumber the defeats. The most massive of these triumphs was the Supreme Court decision of last year outlawing segregation in the public schools. This was a personal victory for White because it was he who discovered and brought into the action the young Baltimore lawyer, Thorogood Marshall, himself a Negro, who steered the case through the courts.

All this is the more remarkable in that Walter White, though proudly acknowledging his Negro blood, was a blond. He was whiter, even, than most of us. He could easily have passed, as the saying goes, into the ranks of the dominant race. Instead he chose to remain among the Negroes, fighting their battles and, in the end, winning their victories. We do not pretend to understand his full motivation for this remarkable devotion, but we are certain there was an element of nobility in it.

[From the Baltimore Sun of March 22, 1955]

WALTER WHITE

Walter White was a fortunate man. He recognized his mission in life at an early age, he bent all his talents to it over the whole span of his manhood, and he saw his crusade marked by one success after another. The mission was to secure to American Negroes the economic, educational, and social rights enjoyed by other Americans. And he lived to see what was possibly the most profound vindication of his long fight, the Supreme Court decision abolishing segregation in the public schools.

Not many men are blessed with so clear a pattern in their life's work. Yet the pattern was only dimly seen when Walter White joined the National Association for the Advancement of Colored People as a young man of 25. In those early days of the fight against white-hooded bigotry and flaming intolerance the first task was to eliminate the pattern of violence. Men of good will everywhere were active in that part of the fight, but over the years Walter White could claim credit for much of the success. The race riots of Arkansas in 1919, when 200 Negroes died, and the lynchings of the 1920's, ranging from a dozen or more to as high as 64 each year, are now things of the past.

In later years the NAACP's efforts, under Mr. White's leadership, were devoted to securing Negro rights through laws and regulations, national and local. In the periodical press, before congressional committees, in dozens of court cases, the battle to chip away discrimination went on. Not all the battles turned into victories. Many, including this newspaper, felt that the NAACP's attempts to secure legislative redress for the Negro's social plight were extreme and clashed with equally valid individual rights.

But if Walter White's crusade was militant it was also conducted within the framework of law and order. The implications of all that has been won are still to be accepted and worked out. But one great chapter in the Negro's fight for equal rights closes with the death of the most effective leader that cause has seen.

[From the Washington Post and Times Herald of March 24, 1955]

WALTER WHITE

It was given to Walter White to enter and experience much of the promised land to which he led his people. As a boy in Atlanta, Ga., he knew at firsthand the horror of race rioting and the ugliness of a lynch mob. He lived through racial discrimination in housing and schooling and recreation. But before his death the pattern of race relations in the United States had undergone a tremendous transformation. Violence against the Negro had virtually disappeared from the South. And segregation in public facilities had been declared by the courts of the land to be in contravention of the Constitution.

As executive secretary of the National Association for the Advancement of Colored People, Walter White played a dynamic part in effecting this change. And as a man, Nordic in appearance and predominantly of Caucasian ancestry, who chose freely to identify himself as a Negro, he played a dramatic part in helping his fellow Americans to understand the folly of race prejudice. He gave his life to a heroic cause now well on its way to triumph.

[From the Washington Evening Star of March 24, 1955]

WALTER WHITE

Some leaders are made by their times, and Walter White was one of the number. In a different era than our own "age of confusion" he might have chosen different work. Conditions being what he knew them to be, he rose to their challenge and, heading the National Association for the Advancement of Colored People, waged a campaign of reform and correction which already is historic. His cause was good, and he did not spoil it by unworthy methods. Americans of all groups recognized him as a spokesman for millions. He lived to see many of his objectives written into the law of the land. Even more important, perhaps, he saw them accepted into the standard pattern of American thought and American behavior. Thus, he served the entire national community and, beyond that, the high ideals of democratic civilization throughout the world.

[From the New York Amsterdam News of March 26, 1955]

WALTER WHITE

When Walter White died at his home last Monday night the entire world lost a dedicated champion to the cause of freedom. As the executive secretary of the National Association for the Advancement of Colored People, Mr. White had spent 37 years of his life fighting lynchings and Jim Crow and all of the other more subtle forms of racial oppression. But his interest in mankind did not stop with the race question in America.

Mr. White was a genuine humanitarian ready to do battle for the victims of tyranny wherever he found them. He knew the evils of colonialism from his firsthand contacts with that system and he wrote and spoke out against those evils.

He recognized the stifling dangers of communism to the aims and dreams of free men and women and he pointed out those dangers in his speeches and in his newspaper columns and during his radio broadcasts.

Negroes of America have lost a fearless leader in the long and uphill struggle for full citizenship rights and privileges in the passing of Mr. White, and mankind has lost a true and tested advocate of freedom and liberty.

All of us shall miss him and his courageous leadership and counsel in the unsettled days that are ahead.

[From the Washington Evening Star of March 24, 1955]

WALTER WHITE'S MANY WORKS—A TRIBUTE TO A DEVOTED AND TIRELESS MAN WHO WORKED MIRACLES IN THE DIFFICULT FIELD OF RACE RELATIONS

(By Thomas L. Stokes)

Twoscore and nine years ago a fearful thing happened in the city of Atlanta, Ga.—a race riot.

Out of that tragedy came inspiration for a career that has meant so much for the Negro race—and for the white race, too.

A boy of 13 stood guard at the window of his home with his father. Each had a pistol. They were ready to defend their home and their family—a mother and five girls. But the oncoming white mob was diverted when a volley burst from the Negro home next door.

As a result of that experience, the boy, Walter White, decided that, though white of skin, blond of hair, and blue of eyes—he was only one-sixty-fourth Negro—he would cast his lot with the Negro race and devote his life to them to do what he could to stop such horrors as race riots and lynchings and to abolish discriminations of all kinds. He could have passed for white.

Now he is dead, at 61, in New York. The newspapers are recalling how much he has done for his race in the years between with his work for the National Association for the Advancement of Colored People. For the change—for better relations between the races, for an end to lynching and riots, and for the crumbling walls of segregation—we all owe so much to Walter White.

His life and what he did with it has special meaning for another who was a boy also in Atlanta in 1906 at the time of the race riots, a few years younger than the boy, Walter White. For way back across the years there is a point where somehow the two lives meet—though neither knew the other then—because of the ordeal through which Atlanta went that left its mark upon the young minds of each—and, if you please, upon their souls.

This reporter cannot tell now whether it is remembered experience of the time or something he was told then and afterward that has become the same as memory. It is all like a long-forgotten dream, a dark atmosphere of night and whisperings about the house, and men patroling the streets with rifles and shotguns.

Nothing happened in our neighborhood.

After Walter White had graduated from Atlanta University, he became active with the local chapter of the National Association for the Advancement of Colored People and,

in 1918, went to New York as assistant secretary of the association. He had attracted the notice of James Weldon Johnson, who was then secretary of NAACP.

The other young man became a newspaper reporter after college and got another rude awakening when he worked in a small southern city where an atrocious lynching occurred. That left another mark.

Before this time and for many years after, Walter White was on the frontline for his race. He visited the scenes of lynchings to gather the facts for his association as the basis for the campaign he directed through the years to stamp out this crime. Personally, he investigated 41 lynchings and 8 race riots and from one adventure he barely escaped with his life.

All through the years he was working also for removing discriminations of all sorts against his race. It was many years ago, in 1929, that he became secretary of NAACP when Mr. Johnson retired, so that he long had been a familiar figure here in Washington lobbying for antilynching legislation, for a fair employment practice law, and for an end to segregation.

One devoted and tireless human being can work miracles, if he keeps forever at his cause, as did Walter White. So in time the various waves that he stirred up here and there all over the country finally washed up last year into the great white building here where sits the Supreme Court of the United States.

Its decision banning segregation in public schools was a memorial to Walter White.

It was, now that he has gone on, a sort of final chapter in the story that had begun twoscore and nine years ago back in Atlanta, Ga.

One who was there then, too, and who came later to know Walter White and to admire his courage and his patience and his understanding, wishes herewith to say:

"Farewell and thank you."

A message from President Eisenhower to Mrs. Walter White declared:

In the death of your husband, Walter White, there has passed from the contemporary scene a vigorous champion of justice and equality for all our citizens. His devoted service to his race over a period of 40 years was tireless and effective. Permit me to express to you my personal sympathies in your loss.

A telegram from former President Harry S. Truman said:

I am deeply sorry to hear of the untimely death of Walter White. Please express my sincere sympathy to his family.

President Magloire, of Haiti, declared in a cabled message:

The people of Haiti mourn the passing of this great friend of our country.

In a statement on the sudden death of Mr. White, Arthur B. Spingarn, president of the NAACP, noted that Mr. White's "daring and courage in exposing lynchings in his early years with the association contributed greatly to the disappearance of that frightful crime and national disgrace. Guided in its course by his leadership, the NAACP won for Negroes of the Nation the recognition which established for all time their birthright and dignity as American citizens."

Gov. Averell Harriman declared in a telegram that—

Mr. White rendered invaluable service to our country at home and abroad. His life has been an inspiration to all of us.

Said a message from Mayor Robert Wagner to Mrs. Walter White—

In behalf of the citizens of New York, I extend to you and the family of Walter White our deepest sympathy. Our Nation, State and community have lost one of our greatest leaders whose entire life was dedicated to securing equality for all mankind. His whole life epitomized his belief in God's precept, "love thy neighbor."

Hulan E. Jack, president of the Borough of Manhattan, New York City, told Mrs. White in a telegram that—

Your late husband left behind an invaluable and proud record of achievement which brought the hearts and minds of people closer together in the struggle for recognition that all of us are equal in the sight of God. The Nation has lost a great leader and his passing will always remain as a monumental heritage for all people to honor and revere.

A message from James P. Mitchell, United States Secretary of Labor, to Mrs. White said:

Mr. White made a great contribution toward the promotion of brotherhood and the elimination of discrimination in our country. You may be proud of his contribution to the strengthening of our democracy.

Dr. Ralph Bunche, Under Secretary of the United Nations, declared in a telegram:

I have never known a man more dedicated to service of his fellowmen, more inspired by and more ceaselessly devoted to a cause. The American Negro, the American society as a whole, and American democracy, will be forever indebted to him, a stalwart champion of democracy, of human rights and dignity, an American in the proudest and richest tradition of our country, a patriot in the finest sense, a man of wisdom and unflinching courage, a warm and human personality. Walter White was above all a being of greatest goodwill. His name will be writ large on the list of those who have contributed signally to the progress of our Nation.

Heman M. Sweatt, who, as the result of NAACP legal action, was the first Negro admitted to the University of Texas law school, in 1950, said in a message:

I speak for the hundreds of Negro students in the integrated colleges throughout the South whose lives have been enriched because of Walter White's love for us. There is no death for one whose life repelled the winds of fear and whose spirit remains to chant the commands for a people marching determinedly onward into a new sun of freedom.

Among the hundreds of other tributes paid to Mr. White are these:

Senator HERBERT H. LEHMAN:

He will be sorely missed in the battles that lie ahead and the whole liberal cause has suffered an irretrievable loss in his death.

Lester B. Granger, executive secretary, National Urban League:

Mr. White's contribution toward guaranteeing and buttressing the American Negroes' citizenship status has been of incalculable proportion.

Langston Hughes, author:

America has lost a great man.

Judge and Mrs. Irvin Mollison:

The country has lost a great public servant. For a quarter of a century he was in the forefront of the struggle for equality for all Americans.

J. J. Singh, president, India League of America:

So long as there is discrimination and inequality among men in any part of the world the name of Walter White will be remembered with admiration and reverence.

Robert R. Nathan, chairman, Americans for Democratic Action:

By his courage, wisdom, and tenacity in fighting for the rights, not only of American Negroes, but of all oppressed peoples, he became an international symbol of all that is best in American democracy.

James L. Watson, New York State senator:

The loss of Walter White to the world community will be felt for many years to come.

Adolph Held and Charles S. Zimmerman, Jewish Labor Committee:

The oppressed and underprivileged the world over will miss him as spokesman for racial justice and freedom. America lost in him one of its greatest sons and democracy one of its stanchest defenders.

George Meany, president, American Federation of Labor:

On behalf of officers and membership of American Federation of Labor may I extend our sympathy on the loss of your distinguished officer Walter White who devoted his life and efforts to his work. The fruits of his labor will be an everlasting tribute to his memory.

Walter P. Reuther, president, Congress of Industrial Organizations:

No one, we suppose, will ever know how many Americans of all races, colors, and creeds were inspired by Walter White to fight for equal justice, equal rights, and equal opportunity, but that number must be legion. We regret that Walter White did not live to see his dearest dream, the end of segregation in our public schools, completely realized. In his name and in his spirit we of the CIO pledge ourselves anew to an unremitting fight for the abolition of segregation and discrimination in our land. That would be the best monument a grateful America could erect to a great American. We can and should do no less.

Harold J. Gibbons, president, St. Louis, Mo., Joint Council of Teamsters, AFL:

It is perhaps symbolic that his death came at the time when many sections of America were at last experimenting with new, vigorous methods of democratic living and learning as a result of the work of Walter White and his associates. With his death, he now belongs to the eternal struggle of man to understand himself and his fellowmen.

Jacob S. Potofsky, general president, Amalgamated Clothing Workers of America, CIO:

His personal character, his intrepid courage, his flaming eloquence, his immolation in a great cause won the support of Presidents. Not only the colored people of America but all who bear the proud title of American regarded Walter White as a truly great American, in our best tradition.

A. Philip Randolph, president, and Ashley L. Totten, secretary-treasurer, International Brotherhood of Sleeping Car Porters, AFL:

Walter White will long be remembered for his brilliant leadership, oneness with mankind, and humanitarian spirit. We share with you the loss of one of the noblest men this world has ever known.

Dr. Mary McLeod Bethune, founder and president emeritus of the National Council of Negro Women—(to Mrs. White:

No words can express what I feel in the passing of our illustrious champion, your

devoted husband, my beloved friend. He lived to see the fruition of his unsurpassed courage and faith.

William J. Trent, Jr., executive director, United Negro College Fund:

The Nation and the Negro have suffered an immeasurable loss.

Lewis O. Swingler, editor, Memphis (Tenn.) Tri-State Defender:

Walter White's fight for Negro rights gained importance of worldwide proportions. * * * His was a passion that democracy must speak for all Americans regardless of race or creed.

Mrs. Sidney Hillman:

He did more than any man to help break the chains of oppression, discrimination, and segregation which bound colored Americans with whom he voluntarily threw in his lot.

Mrs. William Thomas Mason, president, National Council of Negro Women:

Walter White will be a symbol to men and women everywhere. His manifold achievements will be a beacon light for all who come after.

David J. McDonald, president, United Steelworkers of America, CIO:

His life truly mirrors the best in men who devote great abilities and unswerving energy to their fellowmen. * * * The things he has accomplished in a rich lifetime will help all men in the future to enjoy a fuller life.

Dr. Israel Goldstein, president, American Jewish Congress:

He contributed vitally to the extension of equality and democracy in America and his memory will long be cherished by all persons who hold freedom dear.

Dr. J. Oscar Lee, director, department of racial and cultural relations, National Council of the Churches of Christ in the United States of America:

We thank God for the courageous and devoted service which characterized Walter White's leadership.

Frederick E. Hasler, Haitian American Association:

His Christlike understanding and sympathy for all mankind set an example for all to follow.

Officers, executive board, and members, Retail Union of New Jersey, CIO:

The world was richer with Walter White in it and immeasurably poorer now that he is gone. We shall never forget or deviate from the humanitarian principles that he fought for so valiantly.

Senator WAYNE MORSE:

The magnificent gains of recent years will stand as a monument to his memory. Walter White's passing is to me an occasion for rededication to the principles of democracy for which he lived.

Among the hundreds of other organizations and persons from whom messages of condolence and tribute were received were Representative William L. Dawson, Democrat, of Illinois; Judge and Mrs. J. Waties Waring; Judge and Mrs. Francis E. Rivers; Frederick D. Patterson, director of the Phelps-Stokes Fund; Miss Nancy Woltridge, president, American Council on Human Rights; Nathaniel M. Minkoff, president, League for Industrial Democracy; Judge Ira W. Jayne; L. H. Foster, president, Tuskegee (Ala.) Institute; City Teachers Association, Galveston, Tex.; Judge William H. Hastie; Lena Horne, singer.

Also Mrs. Helen Reid, publisher, New York Herald Tribune; Elmo Roper, public opinion analyst; James B. Carey, secretary-treasurer, Congress of Industrial Organizations; David Dubinsky, president, International Ladies Garment Workers Union, AFL; John Gunther, author; Chester Bowles, former United States Ambassador to India; E. E. Moore of United States Steel Corp.; the New York office of the Commonwealth of Puerto Rico; Senator Stuart Symington; Leslie Huvos, sculptor; the National Congress of American Indians; David Sarnoff of the National Broadcasting Co.; Mr. and Mrs. Bartley Crum; Stanley Issacs, New York city councilman.

Also Marcel Fombrun, secretary of state, Haiti; Michael J. Quill, president, Transport Workers Union, CIO; Rev. Maurice A. Dawkins; Emil Rieve, general president, Textile Workers Union, CIO; New York State Committee on Discrimination in Housing; J. H. Wheeler, president, Mechanics and Farmers Bank, Durham, N. C.; Human Relatitons Committee, Battle Creek, Mich.; Lloyd Garrison; Bishop and Mrs. W. A. Fountain; T. G. Nutter; National Community Relations Advisory Council; American Friends Service Committee; the AME Ministers Alliance, Dallas, Tex.; Catholic Interracial Council; George S. Mitchell, director, Southern Regional Council.

Also Dr. C. B. Powell, president, New York Amsterdam News; United Furniture Workers of America, CIO; Retail, Wholesale, and Department Store Union District 65, CIO; Frank R. Crosswaith, Negro Labor Committee; Miss Nannie Burroughs; Associated Publishers, Inc.; Chicago Negro Chamber of Commerce; Saunders Redding; Atlanta University School of Social Work; Baptist Ministers Union, Waco, Tex.; Mrs. M. E. Tilly; Mr. and Mrs. Walter Wanger; Herbert Bayard Swope; Spyros P. Skouras; Bishop William J. Walls; Dr. and Mrs. O. Clay Maxwell; Rev. James H. Robinson; Clarence L. Holte; Dr. and Mrs. Ira De A. Reid; Dr. and Mrs. Ernest Alexander; Price Mars of Haiti; Paul R. Green, president, Civic Unity Committee of Seattle; and Charles Mahoney, president, Great Lakes Mutual Life Insurance Co.; the Baptist Ministers Conference of Greater New York and Vicinity; the Methodist Alliance of Charlotte, N. C.; Mr. and Mrs. George Logan; Common Council for American Unity and Commissioner Caroline K. Simon of New York State Commission Against Discrimination.

WALTER WHITE'S FUNERAL ATTENDED BY GOVERNOR AND OTHER NOTABLES

The "true story of Walter White's services is found written in the hearts of those whom he helped to liberate from the bondage of second-class citizenship," Dr. Channing H. Tobias, chairman of the board of directors of the National Association for the Advancement of Colored People, said at the funeral of the NAACP leader, who at the age of 61 died of a heart attack in his home on March 21.

Officiating at the service held at St. Martin's Protestant Episcopal Church in Harlem was the rector, Dr. John Johnson. The Right Reverend Horace W. B. Donegan, Bishop of New York, read the prayer and blessing, with other members of the clergy assisting. Loudspeakers carried the service to an overflow crowd estimated at 5,000 by the police.

Led by Arthur B. Spingarn, veteran NAACP president, officers, board, and staff members served as honorary pallbearers. Distinguished guests who came to pay a last tribute to Mr. White included Gov. Averill Harriman, of New York, New York State Attorney General Jacob Javits, well-known attorneys like Austin T. Walden, of Atlanta, W. Robert Ming, of Chicago, James Nabrit, of Washington, D. C., and John Bolt Culbertson, of Greenville, S. C.; labor leaders like James B. Carey, George L-P Weaver, and Edward Welch, Congress of Industrial Organizations; Jacob Potofsky, president, Amalgamated Clothing Workers, CIO; William Oliver, United Automobile Workers, CIO; Boyd Wilson and James Jones, United Steelworkers, CIO; and Walter Kirschenbaum, Jewish Labor Committee; United States Government officials, Frank S. Horne and Campbell Johnson; Paul Robeson, singer; John Gunther and Marc Connelly, authors; Mrs. Helen Reid and her son, Whitelaw, publishers of the New York Herald Tribune; Mrs. Anne Hedgeman, assistant to the mayor of New York; Mrs. Ralph Bunche, Miss Stella Karn, Mrs. Louis T. Wright and her daughters, Drs. Barbara and Jane Wright; Richard deRochemont, film producer; representatives of various organizations, and many other individuals.

In mourning were Mr. White's widow, Mrs. Poppy Cannon White; his daughter and son by a previous marriage, Jane and Walter Carl; his three sisters, Mrs. Eugene Martin and Miss Madeline White of Atlanta, and Mrs. Alice Glenn of Cleveland. With Mrs. White were her three children by previous marriage, Cynthia, Alfred, and Claudia, and her sister, Ann Fogarty, the designer, who was accompanied by her husband, Tom. Also Mr. Eugene Martin, the Martins' daughter, Rose, Mrs. Glenn's daughter, Dorothy; and Mr. White's cousins, Mrs. Eva Tobias and Mrs. Estelle Gassett.

RECALLS PRESIDENTIAL MEETINGS

In his brief eulogy, Dr. Tobias recalled instances in which Mr. White had served as spokesman for delegations in conferences with Presidents Roosevelt, Truman, and Eisenhower. These conferences, he said, had been fruitful in that they opened the way to expanded job opportunities for Negroes, to the elimination of segregation in the armed services, and to the curtailment of racial discrimination in Washington. They also served to help "move the conscience of America into aggressive action against the double standard of citizenship based on race."

These achievements in "top level conferences" are important, Dr. Tobias asserted, "because they illustrate the method of the NAACP in dealing with controversial issues growing out of race discrimination. It is a method that blinks no facts and engages in no double talk. But it is also a method that does not make use of rabble-rousing as a technique. It is a method that looks forward to the completion of Lincoln's

work of emancipation and the realization of his dream of freedom for all in the true American way."

HELPED THE DISADVANTAGED

People all over the world whose lives have been enriched by Mr. White's work are "looking this way and wanting to be a part of this tribute," the NAACP spokesman said. Among these he cited sharecroppers of the Deep South who are no longer voteless; dining car waiters and Pullman porters who are now privileged to serve their own people as they do other people without discrimination; public school teachers whose salaries are no longer determined by the color of their skin; servicemen in every department of our defense who have been liberated from Jim Crowism; workers of all kinds who now enjoy union protection; children who have been lifted to a plane of self-respect by the Supreme Court decision in the school cases; and thousands of white people who have been liberated from the blighting evil of race prejudice.

And beyond our shores, he said, the leaders of millions of the darker peoples of the world like Nehru of India, Matthews of South Africa, Nkrumah of the Gold Coast, Azikiwe of Nigeria, Tubman of Liberia, Haile Selassie of Ethiopia, Manley of Jamaica; Magloire of Haiti and others now join us in this tribute.

Walter White's admonition, Dr. Tobias concluded, would be "board members, staff, constituency and friends of the NAACP close ranks and go courageously ahead to the accomplishment of the unfinished task with assurance of ever growing support from those who cherish the ideals for which we stand."

Following the funeral service, the body was removed to Ferncliff Crematorium for cremation.

BOARD MEMBERS PRESENT

Officers and board members present in addition to Dr. Channing H. Tobias and Arthur B. Spingarn included Mrs. Lillian A. Alexander, Dr. Algernon D. Black, Walter Carrington, Dr. Allan Knight Chalmers, Dr. Nathan K. Christopher, Norman Cousins, Hon. Hubert T. Delany, Mrs. Grace B. Fenderson, Dr. George D. Flemmings, Dr. Buell G. Gallagher, Lewis S. Gannett, Dr. Harry J. Greene, Hon. William H. Hastie, Oscar Hammerstein II, Dr. John Haynes Holmes, Mrs. Lillie M. Jackson, Mrs. Daisy E. Lampkin, Alfred Baker Lewis, Z. Alexander Looby, Eugene M. Martin, Dr. James J. McClendon, Miss L. Pearl Mitchell, Mrs. J. E. Spingarn, Dr. James M. Tinsley, Mrs. Jessie M. Vann, Dr. Robert C. Weaver, Andrew D. Weinberger, Samuel A. Williams, and Dr. Ulysses S. Wiggins.

STATE LEGISLATURES EXPRESS SYMPATHY ON DEATH OF WHITE

The Missouri House of Representatives and the New York State Senate and State Assembly passed resolutions this week expressing sympathy over the death of Walter White, NAACP executive secretary.

The Missouri resolution cited Mr. White for his courage and leadership in gaining the enactment of legislation which has helped greatly to stop lynching and other such acts of violence and declared that his death is a great loss of all of the people of this United States.

The New York statement noted Mr. White's many contributions to his country and to the United Nations.

Copies of both resolutions were sent to NAACP headquarters.

ALAN PATON, OTHER NOTABLES, SORROW AT WHITE'S DEATH

Thurgood Marshall, chief counsel for the NAACP, telegraphed a message of sympathy to Mrs. Walter White on the death of Mr. White, from Acapulco, Mexico, where he is vacationing.

The renowned civil-rights attorney termed Mr. White's death a "real shock and terrific loss." Mr. Marshall said he would be unable to attend the funeral today because plane reservations were not available.

A cabled message from Alan Paton, South African novelist and humanitarian, expressed sorrow on the loss of Mr. White.

The Honorable Orville L. Freeman, Governor of Minnesota, conveyed "deepest sympathy" on behalf of the residents of Minnesota, and declared that "the passing of Walter White constitutes a great loss to the furtherance of the principles of democratic equality."

Two university presidents sent messages of condolence on the death of Mr. White. They were Dr. Mordecai W. Johnson, president of Howard University in Washington, D. C., and Dr. Charles S. Johnson, president of Fisk University in Nashville, Tenn.

Beginning in the dark period of race relations in the United States, [Walter White] risked personal safety, the calumny of demagogs, and the misguided censure of friends to stir the Nation of acceptance of its own avowed principles and light fires of hope for millions of hopeless here and over the world—

Declared Dr. Charles S. Johnson, in a telegram.

We salute a life that has contributed to and been a part of the most important history of this century.

Dr. Mordecai W. Johnson termed Mr. White "a pure-hearted leader who gave a whole life of tireless and courageous devotion to the cause of delivering the Negro people from lynching, persecution, segregation, and discrimination, and for the regaining and firm establishment of their rights as freemen under the Constitution."

Among hundreds of other persons and organizations who sent messages of condolence on the death of Mr. White were Adolf A. Berle, Jr., State chairman, and Ben Davidson, executive director, of the Liberal Party of New York; Judge Thomas L. Griffith, Jr., of Los Angeles; C. A. Scott, editor of the Atlanta (Ga.) Daily World; the Interdenominational Ministerial Alliance of Columbia, S. C.; John Hope II, a member of the faculty of Fisk University; Walter T. Deininger, a planter and philanthropist, of San Salvador; and Judge Charles W. White, of Cleveland, Ohio.

ADDITIONAL MESSAGES OF CONDOLENCE

Norman W. Manley, chief minister, Jamaica, British West Indies:

It was very sad to read the news this morning that Walter White was dead.

I had seen him in New York when I was there in January and although he still looked frail his spirit was so high that I thought and hoped that he had every chance for a stable recovery.

His death has robbed the world of one of the most powerful voices that it had on all questions of human justice and race relations. I always felt it a privilege to have known and in some small way on occasion to have worked alongside him.

Please convey to your executives my sympathy to them in their loss and my deep respect and admiration for the name of this great leader whose life spanned the ceaseless effort to improve the status of the Negro in America which is bearing such great fruit not only in America itself but all over the world.

Henry Edward Schultz, national chairman, Antidefamation League of B'nai B'rith:

May I, on behalf of the Antidefamation League of B'nai B'rith, extend to you and the other leaders of the NAACP our deepest sympathies on the tragic passing of your devoted leader, Walter White. His direction of the NAACP truly helped change the pattern of American life so that preachments more closely approached practices. These changes will endure as a permanent contribution of great import.

Joseph R. Garry, president, Helen L. Peterson, executive director, National Congress of American Indians:

We well know how difficult it is to lose a great and distinguished leader. We share in this sense of loss because Walter White was an inspiration to us, too.

Our deepest sympathies.

Clark M. Eichelberger, executive director, American Association for the United Nations:

Almost 10 years ago I was with Walter White at San Francisco where we served as consultants to the United States Delegation to the United Nations Conference. He made a lasting contribution to those provisions of the United Nations Charter dealing with human rights and fundamental freedoms. We were proud that Walter White was a friend of the American Association for the United Nations.

C. L. Townes, Sr., president, National Insurance Association:

I have just read in the Richmond (Va.) Times Dispatch front page Associated Press story of the passing of your executive secretary, Mr. Walter White, and hasten this letter to let you know the National Insurance Association, Inc., shares with you in this great loss.

Our association and its member companies through the years have supported the program of the National Association for the Advancement of Colored People in its crusade to uphold the human dignity and civil rights of all the citizens of this great country as guaranteed by the Constitution of the United States.

We believe the name, Walter White, will stand out as a symbol of justice and fair play for generations to come.

Mrs. Roy F. Layton, president, Girl Scouts of the United States of America:

I learned with sorrow of the death of Walter White who has done so much to build better understanding among people of all races in this country. Please extend my deepest sympathy to his family and to the organization for which he did so much.

Angus Duncan, executive secretary, Actors' Equity Association:

The Council of Actors' Equity Association * * * learned with sorrow of the death of

Walter White. * * * As a result, the Council adopted the following resolution:

"Whereas Walter White passed away on March 21, 1955, and

"Whereas Walter White has been associated with the National Association for the Advancement of Colored People for over 40 years; and

"Whereas Walter White was the executive secretary of the National Association for the Advancement of Colored People from 1929 until the day of his death; and

"Whereas during his entire association with the National Association for the Advancement of Colored People he has been in the forefront of those who believed in the principles of equality and justice for all men; and

"Whereas his achievements will always remain as an everlasting tribute to him: Therefore be it

"*Resolved*, That the Council of Actors' Equity Association recognizes that in the death of Walter White, the Nation and humanity have suffered a great and grievous loss; and be it further

"*Resolved*, That the council is convinced that its feelings are shared by the entire membership of Actors' Equity Association; and be it further

"*Resolved*, That this resolution be forwarded to the president, Arthur Spingarn, of the National Association for the Advancement of Colored People."

Grace E. Marr, assistant executive secretary, American Nurses' Association:

Many members of our staff join me in this note expressing our regret and sense of loss as a result of the death of Mr. Walter White. We have great respect for the work which the NAACP has done under his leadership.

We would like to convey to you, to all of the members of the NAACP staff and to your board of directors both our sorrow on this occasion and our best wishes for the continued success of your efforts toward the objectives which the NAACP has set and in which many who are not active in NAACP's program concur.

Carroll V. Newsome, associate commissioner, the University of the State of New York, the State education department:

Walter White's sudden and untimely death is a great blow not only to your organization but also to our country and to our State. We will have with us for many a year a shining example, but in these times we could also use his willing hand.

His dynamic leadership was not only evidenced in the economic, political, and legal fields, but it was also, as you know, evidenced in education, broadly conceived. We all are the better for having had his vision and work. May we live up to his high ideals in the years ahead.

Lewis M. Hoskins, executive secretary, American Friends Service Committee:

We, too, in considerable degree share the great sense of loss which you at the NAACP must feel in the passing of Walter White. Almost more than any other contemporary American he has become the symbol of justice for minority groups. In his own lifetime and through his own efforts, he has carried forward and sparked the campaigns for human rights and civil liberties in the United States. Those of us who have known him a bit personally will feel keenly the loss. All America will mourn him, but I am sure will feel the concern he would want us to have.

Women's International League for Peace and Freedom:

The national executive committee of the Women's International League for Peace and Freedom, meeting in Washington, D. C., March 23 and 24, 1955, voted to express to the National Association for the Advancement of Colored People its deepest sympathy in the loss of your eminent executive secretary, Dr. Walter White, whose great services to the cause for which you stand are so widely recognized in the United States.

Charles N. Ford, president, United Mutual Life Insurance Co.:

On behalf of the directors, officers, agents, and office employees of the United Mutual Life Insurance Co., I join with the many millions in this Nation and throughout the world who mourn the loss of the great American leader and patriot, Walter White, in paying humble tribute to him and the great institution to which he gave leadership.

We are happy that so many of the rights and freedoms which he labored to win for our people were attained while he was still among us to witness their fulfillment.

E. Roland Harriman, chairman, the American National Red Cross:

I was very sorry to learn of the death of Mr. White. I am sure that his great devotion to his country as well as to his fellow man will serve as an inspiration to all America.

Personally, and on behalf of the entire Red Cross, I hasten to convey to you and your fellow members our profound sympathy.

Clarence E. Pickett, president, Maurice B. Fagan, executive director, Philadelphia Fellowship Commission:

The Philadelphia Fellowship Commission together with all organizations devoted to equal treatment and opportunities for members of all racial, religious, and nationality groups mourned the death of Walter White for so many years the pioneer, mentor, and world leader of such work. The lives of countless thousands have been brightened and democracy has been immeasurably strengthened by the deathless work of Walter White and the NAACP, which he served so ably and devotedly.

Everett R. Clinchy, president, National Conference of Christians and Jews:

The death of Walter White is a deep loss to all men of good will and to all organizations working for the cause of brotherhood. In behalf of the national conference and myself personally, please extend heartfelt sympathy to Mrs. White and other members of Mr. White's family.

Willard S. Townsend, president, United Transport Service Employees, CIO:

With a sense of deep sorrow, we learned of the passing of Walter White. Certainly we have lost one of the most brilliant fighters for human rights this era has produced. The United Transport Service Employees, CIO, join with all freedom-loving people in mourning his loss.

Ellsworth Bunker, president, American National Red Cross:

It is with deepest regret that I learn of the passing of Walter White.

I wish to express to you and to all of his associates in the National Association for the Advancement of Colored People warm and heartfelt sympathy.

Frank R. Crosswaith, Negro Labor Committee:

In behalf of the Negro Labor Committee, with which is affiliated trade unions with a membership of over a million workers of all races, crafts, and creeds, I offer our condolence over the passing of your great and illustrious husband, Walter White. In this moment of painful tragedy, we have but one consoling thought in the knowledge that Walter White will be recorded by historians as among those great Americans whose contribution to our strength, to our culture, and to our enlightened concept of human values will be more clearly recognized and appreciated as we continue to travel on along the pathway of human progress, and that neither the wrinkles of time nor the music of years can remove from the memory of unborn generations the name of Walter White. As chairman of the Negro Labor Committee and as one who had the honor of being counted among Walter White's friends, I send to you and your family these words of condolence and sympathy over our common loss.

Marcel Fombrun, Secretary of State, Republic of Haiti:

We wish to express our deepest sympathy in the unexpected passing of this great friend of Haiti, Walter White.

Mrs. William Thomas Mason, president, National Council of Negro Women:

The National Council of Negro Women is shocked and grieved at the passing of one of the world's great leaders, a man whose life was devoted with passionate sincerity to the cause of human freedom and equality. He lived to see in the Supreme Court decision one of the greatest victories in his lifelong struggle. Walter White will be a symbol to men and women everywhere. His manifold achievements will be a beacon light for all who come after.

Dr. Israel Goldstein, president, American Jewish Congress:

The officers and members of the American Jewish Congress extend to you their deepest sympathy on the passing of your dear husband and our cherished colleague in the cause of human rights. He contributed vitally to the extension of equality and democracy in America, and his memory will long be cherished by all persons who hold freedom dear.

David J. McDonald, president, United Steelworkers of America, CIO:

We of the United Steelworkers of America received with profound grief the news of the passing of a true friend, Walter White. Because he worked so devotedly and closely with us in our common goal of justice and equality for all people we will feel deeply his loss in the days ahead. Walter White provided an inspiration to us. He was a man admired by people in all walks of life. His crusading spirit never faltered as he kept his eyes focused on a goal with which we sincerely sympathized. The steelworkers of the Nation knew Walter White personally because he mingled with us, addressed our conventions, and supported our people as they, too, fought for justice. His life truly mirrors the best in men who devote great abilities and unswerving energy to their fellowmen. And even though he has passed on, the things he has accomplished in a rich lifetime will help all men in the future to enjoy a fuller life.

H. K. Weed, the Alling & Cory Co.:

The announcement over the air and in the papers of the death of your esteemed secretary, Walter White, comes as a great shock to all who knew him, either personally or through his achievements.

He was a great man, and his passing in the prime of life leaves a void among his business friends and others who knew him only by reputation.

Our sincere sympathy is extended to those who have had the good fortune of being so closely associated with him.

Hon. W. Averell Harriman, Governor, State of New York:

Walter White rendered invaluable service to our country at home and abroad. His

life has been an inspiration to all of us. He will be forever in our hearts and memories. I send you and your associates in the NAACP my deep sympathy in this great loss which has so suddenly come upon us.

Hon. Robert F. Wagner, mayor, city of New York:

In behalf of the citizens of New York City I extend to you and the family of Walter White our deepest sympathy. Our Nation, State, and community have lost one of our greatest leaders whose entire life was dedicated to securing equality for all mankind. As champion of the Negro, his talents and efforts accomplished notable success in his efforts to outlaw lynching, poll taxes, and segregation. The Democratic Party of our country will long be grateful for his inspired assistance in helping to establish the Fair Employment Practices Act during World War II, and his continuing fight with them for civil rights. As executive secretary of the National Association for the Advancement of Colored People he has rendered invaluable service to our entire community. He was always ready with wise counsel and advice to ease the tensions which were inevitable in our great metropolis where millions of people of every race, color, and creed live side by side in truly democratic fashion. We who were privileged to know Walter White, as I was, from the very beginning of my public career will long mourn his loss, and always remember gratefully his integrity and kindliness. His whole life epitomized his belief in God's precept, "Love Thy Neighbor." If there is anything I can do for you and yours at this most sorrowful time, you have only to let me know.

Adolf A. Berle, Jr., State chairman, Ben Davidson, executive director, Liberal Party of New York:

Liberal Party joins with countless others in mourning the passing of a great American, Walter White. He was one of the finest and most valiant fighters for democracy, justice, decency, equality, humanity, and brotherhood of man. He has left behind a great monument of values, achievements, great aspirations, and your splendid organization. His life work represents the road to victory for democracy and freedom in the world of today.

Anson Phelps Stokes:

I want to send you, and all in the office of the NAACP, my very deep sympathy in the death of Walter White. He was unquestionably a patriotic American, and a very able and courageous leader in the cause of minority rights and interracial justice under our Constitution.

Dr. Hilton L. James, president, the Baptist Ministers Conference of Greater New York and Vicinity:

The late Walter White dedicated his life to the high and noble cause of making all of the peoples of our land first-class citizens. He was fearless and faithful in the fight against all forms of racial discrimination. He will go down in history as a truly grand American who was a world citizen. The NAACP has lost its greatest champion. We therefore employ this method to convey to his family and the organization for which he gave himself unselfishly our heartfelt sympathy. You have our prayers for divine guidance and strength in this your sad hour.

Spyros P. Skouras:

Please allow me to extend to you my sincerest condolences on the loss of your dear husband who has so long made such a distinguished contribution to American life. It was a great shock to me because Walter White was my friend of many years standing. I pray that in the record of his great achievements for his fellowmen there will be some solace for you in your grief. If there is anything I can do please command me.

Bishop William J. Walls:

Shocking sadness bewilders me as it does millions of others. Your beloved drops out when he is most needed. He has followers many who will close ranks and move forward as he will still lead with the leaders from beyond the veil. Accept deepest sympathies.

Herbert Bayard Swope:

I send you my deep sympathy on Walter's death. We have known each other for many years and I had high regard for him as a friend and as a dedicated worker in the field that means so much to him. The memories of his courage will be a solace to you in your grief. My warm regards.

Dr. Frederick D. Patterson, director, Phelps-Stokes fund:

The trustees and staff of the Phelps-Stokes fund express to you and all members of the family heartfelt sympathy over the passing of your distinguished husband, Walter White. May the knowledge of his rich contribution to better human relations sustain you in your bereavement.

Senator STUART SYMINGTON:

Terribly distressed to hear sad news. Deepest sympathy to you in your loss.

Chester Bowles:

Shocked and saddened by Walter's death. My deepest sympathy for you in your loss. He was a very great man.

Caroline K. Simon, commissioner, New York State Commission Against Discrimination:

To you and the officers and members of the National Association for the Advancement of Colored People, I wish to express my sympathy on the death of Walter White.

Mr. and Mrs. John Gunther:

We are overwhelmed with grief at Walter's death. Our profound and heartfelt condolences to you for this irrefutable loss, not merely to you but to the American Nation. It is hard to believe that Walter is gone from us and we will always remember with joy our last meeting only a few months ago, when he was dynamic, gay, and brilliantly alert as always. What a wonderfully useful life led. We mourn a true friend and a great American.

Reed Lewis, executive director, Common Council for American Unity:

The common council and its staff want to express their heartfelt sympathy to you and your associates in the NAACP on the death of Mr. White. It is a great loss to all of us.

Willard W. Allen, sovereign grand commander, United Supreme Council, Scottish Rites of Freemasonry, southern jurisdiction:

I was deeply shocked to learn this morning of the passing of one of America's great citizens, Walter White. He was indeed a militant leader in the fight for equal rights of all citizens and he was able to see some of the fruits of his long labor. While his passing is deeply mourned yet he will ever be remembered by reason of his splendid contribution to the betterment of mankind and the fact that he had trained others to follow him in carrying forth the type of leadership which he unselfishly gave. My sympathy goes out to you in your bereavement.

Patrick Murphy Malin, executive director, American Civil Liberties Union:

The American Civil Liberties Union extends its condolences to the National Association for the Advancement of Colored People on the great loss it has sustained by the death of Walter White. An indefatigable fighter for the rights of man, Walter White led a crusade for equality which will be recorded in the pages of American history. His ability as a speaker and writer enabled him to stir the conscience of the country in the many campaigns for civil rights waged by the NAACP. The growth and importance of the NAACP today as the leading organization in America combating discrimination and segregation is a memorial to his leadership. The American Civil Liberties Union and other groups who join in the effort to achieve full equality for all Americans shall miss him, but we will be encouraged in our task by the achievements of his life. Will you please express our condolences to his family.

Lloyd Garrison:

Profoundly shocked by the news of Walter White's untimely death. The country has lost a great citizen, a magnificent fighter for liberty and freedom and a man of brilliant talents dedicated to the service of democracy. We will mourn him as a friend who was always warm and gay and delightful to be with and his name will be remembered as an inspiration to others long after we are gone. I deeply regret that absence in Boston will prevent my attending the funeral. Please convey my sincerest sympathy to his associates in NAACP.

Catholic Interracial Council:

The officers and directors of the Catholic Interracial Council were grieved to learn of the untimely death of a great American, Walter White. Certainly his vision and courage have inspired leaders in all walks of life to recognize the importance and necessity of securing equal social justice for all. Walter White's great contribution to America will continue to serve to awaken a greater interest in the task of perfecting our democracy.

Michael J. Quill, international president, Transport Workers Union, CIO:

We join with you and your fellow officers and members in grieving the tremendous loss suffered by all fighters for human freedom in the death of Walter White. He was a happy warrior with whom we were all proud to be associated in the never-ending struggle to achieve that full measure of democracy desired by all Americans. He was a partisan in the finest sense of the word. Unyielding in his dedication to the cause of human freedom and equality Walter White will be remembered long after the goals he had set for himself, his coworkers and the people, have been achieved in our country, and his vision and courage were inspiring to all of us who are joined in the same crusade for equality. A living memorial to the memory of Walter White shall be our dedication to his principles. To the end that segregation in all its ugly forms is wiped out and true democracy is established in America.

Death of Walter White Is Mourned by World

EXTENSION OF REMARKS
OF
HON. CHARLES C. DIGGS, JR.
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES
Wednesday, March 30, 1955

Mr. DIGGS. Mr. Speaker, those of us who are dedicated to the fight for the liberal cause and those peoples throughout the world who battle for freedom and equality among men have

suffered an irreparable loss in the passing of Walter White. His life and efforts, which have been a potent influence in promoting the cause of democracy within America and in promulgating to other countries the ideals basic in our philosophy, should serve as an inspiration to his own contemporaries and to all succeeding generations to brighten the torch of freedom, for the sake of all men, and to keep it fired always to its full flame.

In all the works which Mr. White accomplished, among my principal regrets is that he did not live long enough to witness the fruition of all his dreams, one of which will be represented in the 100th anniversary, in 1963, of the Emancipation Proclamation, when it is hoped that the more dramatic struggles of his people will be resolved.

A Code of Peace Between Egypt and Israel

EXTENSION OF REMARKS
OF
HON. HERBERT H. LEHMAN
OF NEW YORK
IN THE SENATE OF THE UNITED STATES
Wednesday, March 30, 1955

Mr. LEHMAN. Mr. President, on March 23 the Ambassador of Israel to the United States, His Excellency, Abba Eban, made a presentation before the Security Council of the United Nations, proposing a code of peace between Egypt and Israel. On the succeeding day, I made on the floor of the Senate some comments upon this Israeli proposal.

I ask unanimous consent that my remarks be printed in the CONGRESSIONAL RECORD. I ask also that a condensation of Ambassador Eban's presentation before the Security Council be printed in the RECORD, following my remarks.

I hope Ambassador Eban's proposal will be carefully studied by our own State Department, and will be widely read by the general public.

There being no objection, the statement and condensation were ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR LEHMAN ON THE ISRAEL PEACE PROPOSALS

I have read, with appreciation and approval, of the proposal by the Government of Israel, through Ambassador Abba Eban in the Security Council, that Egypt join with Israel in a peace code for the Middle East.

I consider this to be the first constructive proposal I have heard in many months to deal frontally with the tragic tensions which now exist between Israel and her Arab neighbors.

The American people desire, above all, to see the Middle Eastern tensions allayed. They desire to see constructive steps taken in the direction of peace, understanding, and cooperation between Israel and her neighbors. We are as concerned with the welfare of the people of Egypt as we are with that of the inhabitants of Israel. The welfare of both peoples can best be served—can only be served—by settlements and understandings which will facilitate common and cooperative efforts to resolve the political and economic problems of the Middle East.

If the Egyptian Government would agree to give sober and sympathetic consideration to the Israeli proposals and enter into negotiations concerning them—as was envisioned in the Rhodes Agreements of 1949—the free world will have reason to rejoice.

I am convinced that the people of both Israel and Egypt desire an end to the tragic incidents of recent months, and the threat to world peace which those incidents—all of them collectively—continue to pose.

The Government of Egypt can assume its rightful role of leadership among the Arab peoples, by giving concrete evidence that Egypt accepts the existence of Israel within her present boundaries and is prepared to move forward to a normalization of relations between Egypt and Israel. Such a step would help, in my judgment, to break the unhappy stalemate which now exists in that area. It would, of course, bring an end to the violent incidents—to the raids and killings—which now occur almost daily along the Egyptian-Israeli border.

Thirty killings occurring over a period of weeks are no less tragic than a similar number occurring in one bloody clash.

Even while the Security Council is weighing Egyptian charges against Israel, the press reports a new condemnation of Egypt by the mixed armistice commission, on the basis of a violation of the Israeli borders by Egypt.

I include at this point in my remarks the following press report of the incident I have just referred to:

"EGYPT-ISRAEL RELATIONS

"(Condensation of statement by Ambassador Abba Eben, permanent representative of Israel to the United Nations, before the Security Council, on May 23, 1955)

"The tensions on the frontier between Egypt and Israel are revealed with deep gravity in the reports presented to the Security Council by General Burns. The armed clash on February 28 illustrates the dangers arising from those tensions. On that date a series of long-standing antagonisms and immediate provocations exploded into a conflict with regrettably serious loss of life.

"Such clashes do not spring from the empty air. They arise from morbid conditions of international relations. In this case, they show a profound weakness in the current operation of the armistice system which Egypt and Israel established 6 years ago, on the solemn understanding that they would move forward on its basis toward permanent peace.

* * * * *

"The whole of Israel is a frontier area, with practically no hinterland; for nowhere in the country can a man live and work many miles from the shadow of hostile Arab guns. But this fact, and the consequences that flow from it, are especially marked near Gaza where a frontier created by recent war divides two closely settled regions.

"Egyptian Belligerency

"Against this complex geographical background, the Security Council should recall the political relationships between the two states whose armed forces clashed at Gaza on February 28. The unusual character of these relationships has been revealed to the Security Council in its previous debates on disputes between Egypt and Israel. At the root of these tensions lie a theory and practice of belligerency. Egypt considers and proclaims that there is 'a state of war.' In the name of that 'state of war,' Egypt asserts a right to perform hostile acts of her choice against Israel. On the other hand, Egypt claims immunity from any hostile response emanating from Israel. This is the doctrine of unilateral belligerency; and it has no parallel or precedent in the jurisprudence of nations.

* * * * *

"It would be strictly and scientifically accurate to describe the essence of the Egyptian position in two sentences: Egypt may behave toward Israel as though there is war. Israel must behave toward Egypt as though there is peace.

"Tensions of Past 6 Months

"Now, this doctrine of a state of war is not a mere juridical theory. It is carried out in practice by relentless hostility on land and sea; by military incursions; by organized murder, sabotage, and theft; by maritime blockade; and by open threats against Israel's territory, integrity, and political independence. * * * At no time since the signature of the armistice has the pressure of Egyptian hostility been exerted upon Israel with such provocative intensity as during the past 6 months.

"The source of this hostility, the center from which the violence is organized and directed, is the Egyptian military headquarters in Gaza.

"The Egyptian representative has spoken as if the Gaza clash erupted suddenly out of a serene and peaceful background, without origin or cause. The situation now before the Council cannot be remotely understood, still less fairly judged, unless this misrepresentation is corrected. For its correction we have recourse, not to the subjective claims of interested parties, but to the records of the Mixed Armistice Commission and the reports of the United Nations Chief of Staff.

"The reports submitted by General Burns to the Security Council on November 16, 1954, and March 17, 1955, tabulate the complaints investigated by the Mixed Armistice Commission during the two periods of review. The final columns of these tables specify 14 decisions of the Mixed Armistice Commission condemning Egypt—more than twice the number of decisions recorded against Israel during those periods. This fact is impressive enough in itself. It becomes all the more significant when it is observed that the few violations ascribed to Israel arose mostly from immediate response to Egyptian firing. For in the application of the armistice agreement, differentiation between firing in aggression, and firing in response to aggression is not always possible.

* * * * *

"As it is, however, in the cases examined and adjudicated between August 1, 1954, and March 7, 1955, the Mixed Armistice Commission, under United Nations chairmanship, has found Egypt guilty of violating the armistice on no less than 40 occasions, including the 14 recorded in the 2 reports before the Security Council which cover incidents occurring between September 1, 1954, and March 1, 1955.

"But even there statistics do not give an adequately vivid picture of the murderous harassment launched from Gaza against Israel in the period leading up to February 28. I therefore invite the Security Council to examine the more serious Egyptian violations organized from Gaza during the past 6 months; and to do so with a clear perception of the effects created by this torrent of assault on the lives of pioneering men and women striving to establish and maintain their lives in the regions east of the Gaza zone.

"Mixed armistice commission condemns Egyptian aggression

"The list which I have read is surely sufficient to dispose of any extraordinary version which would assert that the period leading up to the Gaza clash was one of comparative quiet. The Egyptian objective was to create an inferno of suspense and insecurity in the northern Negev; to blow up farm homes when built and water pipes when laid; in short, to prevent the peaceful settlement and habitation of the northern Negev area.

"The records show how the Mixed Armistice Commission began to perceive that it was faced not merely by specific incidents, but by a consistent policy of harassment.

The resolutions began to express a mounting concern at a general tendency on the part of Egypt to replace her armistice obligations by open and unrestrained hostility.

* * * * *

"The Security Council is aware of the importance attached to the water system in Israel, especially in the arid area of the Negev. A sense of deep shock and indignation runs through our farming community—and, indeed, through the country—when large volumes of water are wasted through deliberate and purposeful sabotage.

"How little the Egyptian Government was influenced by authoritative appeals against its policy can be deduced from the text which the Mixed Armistice Commission had to adopt on October 28 when an armed and well-trained group again, in the Commission's words,

" 'blew up (water lines) by heavy charge of high explosives * * * resulting in very serious damage to the pipeline, installation and water supply.'

* * * * *

"The military character of the Egyptian attacks was clearly attested in the resolution of the Mixed Armistice Commission adopted on January 24, 1955.

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"On January 27, 1955, the Commission again developed its condemnation of Egypt into a generalized criticism:

" 'Notes with grave concern the serious situation prevailing along the Gaza strip resulting from these repeated attacks;

" 'Notes once again with extremely grave concern that despite the obligation imposed on Egypt by the general armistice agreement and number of MAC resolutions these penetrations and killings of Isareli citizens have not been terminated.'

"The Security Council would do well to consider the language in which the Mixed Armistice Commission interpreted the situation on the days immediately preceding the Gaza clash. On March 7, 1955, the Commission adopted and published its resolution on the incidents which took place in the 3d week of February. This is surely the authoritative answer to the question which arises in many minds as to the situation and atmosphere out of which the Gaza clash developed.

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"Deep penetrations into Israel

"In summarizing Egyptian violations I referred to the assault near Rehovot, where an Israeli citizen was killed by an Egyptian armed group within the heart of Israel, 24 miles from the Egyptian frontier. This came 2 days after the penetration of an Egyptian intelligence unit—probably the same unit which penetrated into Rishon le Zion, 29 miles within Israel.

"It is difficult for me to find words with which to portray the degree of horror and alarm which this attack evoked. A unit of the Egyptian headquarters at Gaza had penetrated 29 miles into Israel and spent 4 days indulging in espionage and murder at Rishon le Zion and Rehovot. Never since the armistice was signed had there been a penetration of such depth by an armed group of one party into the territory of another. It revealed an audacious quality of dynamic, purposeful hostility and of utter contempt for Israel's territorial integrity. Not a single citizen of Israel could fail, on reading of this event, to feel the cold wind of his own vulnerability. If the Rehovot episode could be repeated then no life in Israel was safe from a far-ranging Egyptian assault. When we think of the solemnity with which the Mixed Armistice Commission had urged Egypt to desist from these acts, and the contempt with which those decisions had been encountered; when we reflect that Egypt was known by everybody in Israel after the Bat Galim affair to have at least an equal contempt for the Security Council whose resolutions Egypt has declared to be nonbinding upon herself, it is not surprising that our people became permeated by the strong resolve to resist further assaults launched under the directing hand of Egyptian headquarters operating a few miles across the frontier.

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"The Egyptian record summarized

"It is seriously possible for anyone in full knowledge of these denunciations of Egypt by the Mixed Armistice Commission to assert that the Egyptian military headquarters on February 28 was the innocent victim of an attack which it had done nothing to provoke? If the Mixed Armistice Commission is held to be an authority on the Gaza incident itself, we cannot ignore the authority of its voice when it speaks to us time and time again of Egyptian aggression before the Gaza incident.

"And what the Mixed Armistice Commission tells us is tragically clear. It tells us that the period immediately preceding the Gaza outbreak was marked by 'repeated firing from permanent Egyptian military positions on Israel patrols operating within Israel territory'; by 'continuous crossings from Egyptian controlled territory into Israel by infiltrators and their illegal actions in Israel'; by actions in which Egyptian armed groups 'crossed the line and penetrated to a great depth into Israel'; by 'repeated acts of aggression and hostility against Israel' which the Commission 'called upon Egypt' (on September 13, October 28, January 24, January 27, and March 7) 'to terminate finally and immediately.' We are also informed by the Commission at its most recent meeting on March 7 that 'despite the obligations imposed on Egypt by the general armistice agreement and many MAC decisions an end has not yet been put to the aggressive and hostile acts by Egypt against Israel.'

" 'The Security Council also has before it two reports from the Chief of Staff. The first refers to 'a recrudescence of incidents mostly in Israel-controlled territory [. e., from Egypt], some of them of a serious nature'. The second report, referring specifically to the Gaza incident, writes that 'infiltration from Egyptian controlled territory has not been the only cause of present tension, but has undoubtedly been one of its main causes.' The report conveys the astonishing assertion by Egyptian authorities that 'persons committing murders and sabotage [in Israel] were being inspired, paid and equipped by political elements in Egypt inimical to the Government and desirous of aggravating the border situation.' Whatever the truth of the explanation, the murders and sabotage thus candidly avowed emanated from Gaza headquarters, for whose activities the Egyptian Government is responsible. The report describes a remarkable intensity of activities in intelligence and sabotage, and states that, 'the Gaza incident could appear in this context as retaliation for the spying, sabotage, and murders for which the Egyptian military intelligence was said to be responsible.'

"The report advocates that the Egyptian authorities should take measures against infiltrators, since otherwise, 'the Israelis refuse to believe that a serious attempt is being made to prevent the depradations which eventually build up tension to a dangerous point.'

"With all this accumulated evidence of Egyptian aggression before us inscribed in the Mixed Armistice Commission Resolutions and in the Chief of Staff's reports, is it not incredible to hear an Egyptian suggestion that the Security Council should ignore everything that the Mixed Armistice Commission and the Chief of Staff have said about this persistent Egyptian responsibility, and should deplore or condemn only the response which these Egyptian violations elicited, after they had been patiently endured week by week and for month upon month?

"The Council will note that there is nothing in the records of the Mixed Armistice Commission in its consideration of Israel's attitude, to compare with its generalized criticism of Egypt for a constant and well sustained policy of military pressures against Israel. Indeed, the Egyptian representative himself was unable to make out any case against Israel for the tensions existing in the Gaza region before February 28. He therefore went shopping around all the other parts of the Middle East, reaching back 4 years in an effort to concoct a selection of Israeli actions which might balance the story of recent Egyptian provocations in the Gaza region. The Egyptian delegate would not have let his feet stray into the Huleh marshes in 1951 if he could have found any serious break in Israeli restraint on the Egyptian frontier in the period under review.

"Indeed, the one-sided character of Egyptian violations emerges clearly from an analysis of the 36 complaints listed in the Chief of Staff's Report of March 17.

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"When we compare these complaints with the earnest, grave, far-reaching decisions against Egypt which I have quoted, the balance of responsibility for the tension preceding February 28 becomes amply clear. That the Gaza incident is a result and not a primary cause of tension is particularly well known to all who have followed these affairs from close at hand in recent weeks.

"In the official transcript of the meeting of the Special Committee of the Egyptian-Israeli Mixed Armistice Commission held on March 11, 1955, we find the Chairman addressing the parties as follows:

" 'I think all of us realize that this did not arise out of a blue sky, and certainly no report or evidence before the Security Council by any responsible party would give that impression.'

* * * * *

"How serious the situation had become before February 28 is illustrated by the following facts:

"During the period August 1954 to March 1955:

"(a) The Mixed Armistice Commission condemned Egypt 40 times.

"(b) There were 9 cases of Egyptian sabotage and mine-laying.

"(c) There were 34 clashes with regular and irregular forces.

"(d) 1,006 cases of incursions and infiltrations from across the Egyptian border into Israel were recorded by the Israel police.

"(e) 106 marauders were arrested during this period by the Israeli police.

"A sinister feature of recent developments has been the emphasis by Egyptian headquarters at Gaza on intelligence sabotage operations. * * * These incidents gave rise to the Mixed Armistice Commission's expression of 'grave concern over the repeated acts of planned demolition in Israel by well-sustained, organized, and armed groups coming from Egyptian-controlled territory.'

"Israel appeals to U. N. and powers

"On many occasions during the latter months of 1954 and the early part of this year the Government of Israel sought remedy for this situation by diplomatic means. Our leaders and representatives constantly engaged the Chief of Staff in discussions of Egyptian aggression, and pointed out the impossibility of suffering these assaults indefinitely without response. We heard periodically from General Burns that he had duly transmitted our expressions of deep concern and his own desire to see armed marauding brought to an end.

"The Governments of the United States of America and of the United Kingdom also considered the problem serious enough to

warrant the use of their good offices within recent months; and the Government of Israel received information from each of those two governments, as well as from the Government of Turkey, during the period between October 1954 and February 1955 concerning the representations which they had made in Cairo in support of the appeals of the Mixed Armistice Commission calling for the cessation of assaults and sabotage against Israel from the Gaza strip.

"It is impossible for us to imagine that members of the Security Council, or the Security Council itself, can fail to include in their expressions of view a strong condemnation of this campaign of hostility organized in Gaza, to which Israel was subjected between the summer of 1954 and the end of February this year. For the connection between these events and the Gaza episode is nothing less than the direct and compelling relationship of cause and effect. But for the Egyptian aggressions which I have partially enumerated; but for the persistent rejection both of Mixed Armistice Commission resolutions and of the representations and warnings from the powers, there is not the remotest chance that any event would have occurred which would have brought the Security Council into session this week. Nor can the Security Council, which is charged by members of the United Nations with the duty to consider international 'situations' and 'disputes,' fail to evince an interest in the general context of relationships of which Gaza is a single reflection in a particular local facet. For scarcely less alarming than the acts of violence which leaped at Israel's throat from the Gaza frontier over the past 6 months have been the ominous words of direct menace which furnished the ideology and philosophy of these Egyptian attacks.

"Egyptian threats

"On January 28, 1955, Major Salem, Egyptian Minister of National Guidance, stated publicly:

"Egypt will strive to erase the shame of the Palestine war. Even if Israel should fulfill all U. N. resolutions it will not sign a peace with her. Even if Israel should consist only of Tel-Aviv we shall never put up with that.'

"On October 15, 1954, the official mouthpiece of the Egyptian regime, El-Gomhouria, wrote:

" 'Egypt and the Arabs must turn in the name of humanity and culture to all nations of the world who will aid in wiping Israel off the face of the map because of its barbarism.'

"On November 16, 1954, the Saut el Arab (the Voice of the Arabs) the official broadcasting station, declared:

" 'Egypt sees Israel as a cancer endangering the Arab peoples. Egypt is the physican who can uproot this cancer. Egypt does not forget that it is her obligation to take revenge and she is mobilizing all her forces in anticipation of the hoped-for day.'

"Egypt's expansionist claims revealed

"A most important and conspicuous development took place only 3 days ago, on March 20, when Major Salem, a leading member of the Egyptian Government, revealed the underlying purpose of Egyptian harassment in the Negev. The object is to impede the development of the Negev in order to bring about its annexation to Egypt. This insolent territorial claim put forward by Major Salem in the clear light of day, is the ultimate source of tension on our southern frontier. Let me say that Egypt or any other Arab State will not get the Negev, nor is our territory available for bargaining in discussions of regional defense organizations. The only result of this aggressive Egyptian pronouncement will be to fortify the passion and tenacity with which the people of Israel will defend every inch of their territory in any arena in which it may be threatened. But is there a single precedent in contemporary international life for a state openly to assert a claim to half the territory of its smaller neighbor, to launch dozens of assaults upon it against severe international condemnation, and, on the first occasion when it provokes resistence, to run for protection to the very Security Council whose authority it had repudiated a few weeks before?

* * * * *

'Abandonment of belligerency

"We are talking of two countries, Egypt and Israel, which have no objective causes for conflict between them, two countries whose cooperation should form the keystone of peace and progress throughout the Middle East. No advantage to either people is served by the sterile doctrines and practices of belligerency, hostility and nonrecognition which now prevail between them. Everybody knows that the answer to the problem before us lies in the replacement of hostility by normal relations based on mutual respect for the sovereignty and territorial integrity of each state. It is therefore disquieting to observe the refusal of the Egyptian Government to apply those provisions of the General Armistice Agreement and of the Security Council Resolutions which call for an early transition from armistice to permanent peace. We were similarly disappointed when the Israel proposal for the conclusion of nonaggression pacts, made in full responsibility and formality last October from the rostrum of the United Nations, was summarily rejected by Egypt's representatives.

"Until such time as progress is made toward peace, it becomes increasingly urgent to correct the defects and imperfections of the armistice system. The main breach in this system is the proclamation of a state of belligerency and the application of that doctrine in acts of war by sea and land.

"My Government is prepared to give an assurance that if no hostile act is carried out by Egypt against Israel, then no hostile act of any kind will be carried out by Israel against Egypt. Indeed, this is our minimal plea to Egypt: Prevent your armed forces and armed groups from crossing our frontiers; stop firing on our patrols and villages; cease blowing up our water supplies; abolish these activities of sabotage, demolition, and murder; do not send people either into the heart of our country or into the border areas for the purpose of destruction and pillage; refrain from threatening our violent extinction or laying claim against our territory; renounce the blockade to which your right has been internationally denied; stop making the harassment and provocation of Israel a theme of your national policy. By such simple renunciation of a useless hostility, Egypt can insure on our part a profound, unvarying and universal respect for her peace and integrity.

"Questions to Egypt

"It is fitting, 6 years after the armistice, for Egypt and Israel themselves to define the basis of their relationship under the agreement by which they are bound. We therefore ask:

"Will the Egyptian Government agree to proclaim the abolition of a state of war and of all actions and measures carried out on the basis of the existence of a state of war?

"Will the Government of Egypt join with us in a declaration of readiness to carry out all the obligations under the armistice agreement and all decisions of the Security Council adopted in relation to those agreements?

"Will the Egyptian Government join us in declaring its fidelity to that provision of the armistice agreement which calls us to make a transition to permanent peace?

"Will the Government of Egypt join us in a declaration of fidelity to the provisions of the United Nations Charter calling upon us to settle all disputes by peaceful means and to refrain from threat or use of force against the territorial integrity and political independence of any state?

"The acceptance of such a code of Egyptian-Israeli relationships would not take us beyond our existing commitments under the armistice agreement and the charter of the United Nations. These are all things that we have agreed to do already. But under the burden of belligerent doctrines the pacific obligations which we have undertaken have become lost to sight; and the insidious fallacy of a state of war has spread its contagion both in the theory and the practice of our relationships. If the Government of Egypt, through its delegation, is able at any stage to give affirmative answer to these questions, my Government would make wholehearted response.

"CONCLUSION

"The Security Council can do much to withstand the distortion of the Armistice Agreement by the doctrine of unilateral belligerency. It must be clear to everybody studying the reports and tables and the Mixed Armistice Commission resolutions which I have quoted here, that for the Council to confine its judgment or criticism to the Gaza incident alone would be gravely prejudicial and unequitable. It would certainly be an inappropriate commentary on official reports which show Egyptian violations to have been more numerous and more generalized than any Israeli reactions which followed them.

"My delegation feels justified in seeking a condemnation by the Security Council of the Egyptian incursions, murders, demolitions and sabotage activities described in General Burns' report as 'a main cause of present tension' and in the Mixed Armistice Commission resolutions as 'repeated aggressive acts by Egypt against Israel.'

"We seek confirmation of the Security Council's view that the claim or practice of active belligerency by land and sea is inconsistent with the Armistice Agreement and the Charter of the United Nations.

"We urge a reassertion by the parties of their obligations to each other in terms of nonbelligerency, pacific settlement and respect for political independence and territorial integrity; and we await the Egyptian reply to this proposal.

"We advocate, after 6 years of armistice, a serious effort to make a transition toward permanent peace.

"To any attempt at stabilization and pacification our Government will lend its full support."

We all recognize that there are many difficulties in the way of a settlement of all outstanding problems between Egypt and Israel. These difficulties must be surmounted, one by one. The separate points of tension and controversy need to be resolved, each on its own merits.

There is the problem of the refugees, many of whom are now quartered, inadequately and unhappily, in the Gaza strip in Egypt. There is the matter of the Suez Canal and the right of Israeli vessels to transit the canal without interruption.

These are but a few of the problems existing between Egypt and Israel.

Both Egypt and Israel must be willing to meet each other halfway, to negotiate and to reach agreements. I am sure Israel is so disposed. I hope that Egypt will be likewise disposed.

Surely all the nations of the free world, including the United States, would be ready to contribute to the resolution of as many of these problems as possible. It is to the essential interest of the free world that peace be established and maintained in the Middle East.

The United States Government, for its part, must and should give its full support to the Israeli proposal for a peace code. The United States Government should use all

its persuasive power upon Egypt to accept this proposal as a basis for negotiation.

Our Government can do a great deal which it is not now doing. Our Government should be moving with full force and vigor to rescue Israel from the isolation which now engulfs her in the Middle East. We should be pushing the excellent Johnson plan for the joint development and use of the Jordan River Basin. By bringing the nations—all the nations—in the Middle East together, by helping to establish a common front among them, to the maximum extent possible, we thereby advance the cause of Middle Eastern security, and, consequently, of free-world security.

The peace and security of the free world are, of course, the highest goals of American foreign policy. The accomplishment of these aims would be a great achievement of our diplomacy. We must exert our utmost efforts to bring peace and security to the troubled Middle East.

A Tribute to the New Haven, Conn., Post Office

EXTENSION OF REMARKS
OF
HON. ALBERT W. CRETELLA
OF CONNECTICUT
IN THE HOUSE OF REPRESENTATIVES
Wednesday, March 30, 1955

Mr. CRETELLA. Mr. Speaker, April 1955 is the 200th anniversary of the establishment of the New Haven, Conn., post office in my district of Connecticut. It was while Benjamin Franklin was Postmaster General that the first post office was set up in New Haven. According to historians the occasion for the establishment seems to have been caused by the French war, which emphasized the importance of postal communication between the soldiers and the loved ones they left behind, an occasion, incidentally, which is not overlooked in modern days with so many American boys away from home.

Since its original site on Long Wharf in New Haven, the post office has been moved eight times to larger and more accessible quarters to accommodate the quickly growing settlement of New Haven and the increasing dependence of her citizens upon the postal service. After 1860 the post office has been located on Church Street, one of New Haven's busiest thoroughfares, and in 1918 a Federal building was erected for the post office in its present location.

By 1879 New Haven had one of the 75 post offices scattered throughout the Thirteen Original States. The post rider could travel at the rate of 4 miles per hour if the weather was good. It was said that during the early days of postal service, it was customary for recipients of mail to pay the postage rather than those sending it. Even by today's standards, postal rates were exceedingly high and an early account relates the payment of 5 dozen eggs for postage on 1 letter. Someone said at that time it would cost a farmer 1 good milk cow to pay the postage on 32 letters he might receive.

With the modernization of postal service in New Haven and the erection of a new parcel-post terminal have gone the spirit and the pride of postal employees in that city. Throughout their years of loyal service, these couriers have brought assurances to the patrons of the area that neither rain nor snow, sleet nor hail will keep them from their appointed rounds.

Since the first journey of the post rider, the efficiency and the importance of America's postal service has become a part of our great heritage. Our commerce, our industry, and our economy are based in notable part on the skill and the dedication of hundreds of thousands of men and women throughout the country who handle the United States mails.

In 1825 New Haven post-office receipts were $1,510.22. In 1954 they totaled nearly $4½ million. So we can see as our towns and our cities, our farms, and our churches, and our schools were hewn out of the great wilderness of early pioneer America, the growth of our post-office system was evident and necessary and today it is an integral part of our everyday life in the United States.

I offer congratulations and best wishes to the New Haven Post Office on its 200th anniversary and to my many friends there who serve its needs and the needs of its patrons with such pride and distinction.

The Skilled American Worker

EXTENSION OF REMARKS
OF
HON. PETER FRELINGHUYSEN, JR.
OF NEW JERSEY
IN THE HOUSE OF REPRESENTATIVES
Wednesday, March 30, 1955

Mr. FRELINGHUYSEN. Mr. Speaker, under leave to extend my remarks, I should like to include a most interesting speech by the Secretary of Labor, Mr. James P. Mitchell, on March 22, on a subject of considerable general interest:

ADDRESS BY SECRETARY OF LABOR JAMES P. MITCHELL TO THE RESEARCH COUNCIL FOR ECONOMIC SECURITY, CHICAGO, ILL., MARCH 22, 1955

Thank you, Mr. Martin. It is a great pleasure and a privilege to come here to Chicago today to discuss with you one of our Nation's most serious problems. In choosing the topic for my speech, I was guided and inspired by the words from your preamble which I read on the back of the program. I see that you are an organization devoted to research into the factors lying behind economic security. It would follow that just as you seek to find answers to the problems of individual security so you must consider the security problems of all our country's individuals, or, in other words, our national security. So here today I will discuss a serious national problem which relates primarily to our national security, but also to the economic security of the individual citizen, for what is national security but collective individual security.

Our world abounds with sweeping new developments. The atom has been unleashed, causing concepts of war and peace different from any the world has ever known; and creating awesome problems which fill many with fears and doubts. Our scientists have devised new and remarkable machines for the defense of our country, and our industry is expanding constantly in new and different directions. The big and obvious problems which follow in the wake of these developments are receiving thoughtful attention of our people.

But beneath the surface lie other fundamental problems, less dramatic perhaps, less heralded, yet serious.

It is of such a problem that I speak to you tonight—an area of national concern which challenges for solution the farthest reaches of our national imagination and intellectual resource.

What is this problem? It can be stated briefly: It is the urgent need to raise the level of the skills of the American work force.

Whether we like it or not, we are now in a race with the Communist world for technological supremacy. The products of scientific research have obviously revolutionized warfare. Compare, for example, the defense guns which formerly protected our major cities and Nike, today's supersonic guided missile, which can seek out and destroy attacking aircraft. Where the harbor defense guns could be handled and maintained by a handful of trained men, Nike requires more than 100 highly skilled men. This new defense weapon with its complex control mechanism contains more than 1,500,000 individual parts. You can well imagine the skills and abilities required to manufacture, maintain, service, and fire such a weapon.

As we in America look back in our history, we realize that we have been complacent about our natural resources—our timber, our iron, our oil. Likewise, I think you will agree, we have been complacent about our need for scientists and technical experts.

Had it not been for Hitler's barbaric destruction of human beings, the Germans would probably have been the first nation in the world to develop the mighty power of the atom. Fortunately, General Groves and America's scientists had the assistance of a handful of scientists who came to America to escape Nazi- and Fascist-dominated Europe—Einstein from Germany, Fermi from Italy, Meitner from Germany, Szilard from Hungary, and Bohr from conquered Denmark.

In contrast, it is perhaps in the development of scientific and technical manpower that the Russians have shown their greatest resourcefulness. Ever since the days of Lenin the Russians have been trying to catch up with the West in the scientific fields. Today they are making a major effort to develop trained manpower.

The Russians obtain their scientific manpower by directive, but I believe the freedom and incentives of our system give us an enormous advantage in this regard. Nevertheless the Russian efforts to increase their technical and scientific manpower should give us pause.

We have indeed been entirely too slow to realize how closely our country's economic and military strength is tied not only to the exceptional contributions of the great scientists, but also to the everyday skills and abilities of our workers. No research laboratory could operate; no pilot models could be developed; no manufacturing plant could produce without the diversity of skills represented not only by our scientists and engineers, but also by the electronics technicians, the draftsmen, the setup men, the maintenance experts, the machinists, and a host of others.

And parenthetically let me just say here that likewise, we have been too slow in realizing how closely the worker's own individual economic security is tied to his skill ability. In many ways, from a worker's own selfish point of view, there is no law, no program, no protection as effective in promoting his own security as his skill.

What appears in our country to be solely a shortage of scientists is in reality a shortage of scientists and a shortage of skilled

workers and technicians needed to back up the scientists. If the engineer, the physicist or the designed, is short of aides, or if the plants which make his product are short of skilled mechanics and technicians, then his skill is wasted. In short, we have to look behind the top scientist to see the full story. And that is what I would like to do with you today.

There are 64 million workers in America and of these about 9 million are skilled. That means they have distinctive abilities and competence in work. This group cannot be increased overnight. They are the product of years of experience and training. Many semiskilled workers eventually move up the ladder to become skilled workers, many skilled workers move into the scientific and professional group; and also, as I have mentioned, the contribution that the scientist makes is of no practical value unless what he develops can be manufactured and used. This, in turn, depends on skilled workmen and technicians.

The largest skilled group are in the classic trades such as the craftsmen in the building trades, also maintenance and repair and metal machinery. Many skilled workers are in trades with long traditions—the glassblower, the carpenter, the machinist, the draftsman, the millwright, the typesetter, the baker, and the barber. Others are in comparatively new fields such as the aircraft mechanic, the electronics expert, the orthopedic technician and the X-ray technician. In many jobs the old name has acquired new and different meaning. The electrician, for example, has a job wholly different from his predecessor half a century ago.

This is not a complete picture, however, for this does not indicate the segments of our work force where we are wasting workers who could be used to answer the urgent call for skills from industry and the armed services.

For example, women are grossly underrepresented among the skilled workers except for a handful of dental and medical technicians and foremen in the garment industry. Also, there are relatively few skilled Negro workers. As I said at the outset, we just cannot afford these types of waste.

In seeking the reasons why these groups have not entered the skilled group, it is first necessary to find out exactly how workers acquire skills. We must start with the home for there is where the basic attitudes that a man or woman has toward work are formed. The skilled craftsman is no accident. He is a product of ambition, intelligence, purposeful drive, and opportunity.

He must have a firm background of basic knowledge about his trade and he must be able to develop his native talent to the utmost.

Schooling gives a worker the basic skills through which he can begin his development. Without the opportunity to acquire basic literacy, to master numbers, to be able to communicate, to learn self-discipline, he has no base on which to build the special competences needed to be a skilled worker or technician.

The Armed Forces are now an important training ground for a large number of young men. In present-day America, most men spend between 2 and 4 years in the armed services. Maybe they do not come out as completely polished skilled workers, but, nonetheless, anyone who spends 4 years in the Air Force, for example, on a first enlistment, will be one or two jumps up in the acquirement of skills. As we trace back the development of the skilled worker, we find that he frequently gets his initial stimulus and some advanced training in the Armed Forces.

There are four main additional sources through which a young person now gets his skill training. First, there are the vitally important formal apprenticeship training programs sponsored and promoted with industry and labor by the United States Department of Labor. Second, there is the relatively new development of the technical school or college. New York State has a large number of technical institutes as does California. Then, thirdly, industry has been moving toward different types of training programs which add to the skills and competence of workers and which definitely contribute to a man's being transformed from an unskilled to a semiskilled or skilled worker. I will discuss later how closely this training responsibility of management is related to a worker's economic security.

The last source of training, which accounts for most of the skill training today outside of the Armed Forces, is perhaps the most interesting of all and is not very well understood. In this category is the man who becomes skilled simply on his own initiative through experience, by changing from one job to a slightly better one, learning as he goes along from the fellow at his elbow.

This obviously is an admirable type of man and he should never be discouraged from his efforts to pull himself up. This type of skilled worker often lacks the versatility and training depth that the more formally trained worker has. But on the other hand, some of our best skilled workers are in this group, but many of them are good only at a specific job. In terms of our national security and in terms of meeting the demands of an ever-increasing mechanization in industry, versatility and mobility are becoming a necessity for the skilled worker.

It would be reasonable to inquire now: What is the exact nature of the shortages of skilled workers and technicians? The simplest way to do this is to examine the problem in terms of the military, since there we have the best facts and figures. This does not mean, however, that industry does not suffer from skill shortages in very much the same way the armed services do.

By the end of World War II, there were almost half a million people under the age of 30 fit for military service, but they were deferred because they had industrial skills needed to meet the procurement requirements of the armed services. To give you just a rough idea of the kinds of people we are talking about, it was the aircraft mechanic, the blast-furnace blower, the cable splicer, the electrician, the lineman, the molder, the precision lens grinder, the X-ray equipment serviceman, and the tool designer.

These shortages existed at a time when American industry was operating to maintain an armed force of over 11 million men 10 years ago. When you look at the technological changes that have taken place since World War II, can you picture the industrial skill shortages which would result from full mobilization specialists, highly trained electronic experts who can repair such an instrument as Nike, technicians who can handle the modern radar equipment which has changed so much since World War II days and a host of others too numerous to mention.

Today, the Armed Forces, with a strength of only 3 million men, are roughly 30 percent short on fully qualified skilled personnel needed to fill many thousands of critical military jobs. For example, there is a need for some 35,000 aircraft mechanics and electronics technicians; about 25,000 electronic-equipment operators; 18,000 communications-equipment mechanics, and so on. These shortages reflect similar shortages in private industry. For every 3 skilled persons or technicians that the armed services require, only 2 are currently available, and the individuals who are in these positions in large part have been pushed in without adequate training.

Further evidence of the impingement of the shortages in this area on the efficiency of the armed services can be illustrated by what happens at the end of the first term of enlistment. Who reenlists? It's the military police, food service people, to some degree the automotive-maintenance men, the infantry, and supply personnel. But in the more specialized and technical areas, only 1 percent of the electronics-maintenance personnel are willing to reenlist, which simply means that industry is bidding very high because these men are scarce. Your armed services are in a poor position to meet this competition, although if the Congress approves the new military-pay bill, the relative position of the armed services will be improved. More pay for the military, however, would tend to transfer military shortages to civilian industry, until a more extensive training program is undertaken.

In short, it appears that the more skill a soldier has, the less likely he is to reenlist, which, of course, throws a very heavy weight on the services in still another way. They have to take a large part of their budget and reinvest it in each 4-year or 2-year cycle to begin to train new people and as soon as they are partly trained, out they go again. This level of training in the Armed Forces undoubtedly has a direct relation to industry.

Perhaps the most important problem in connection with the expansion of skills is the relation of schooling to a man's capabilities. Schooling is the base from which workers move on to acquire special competence. To give some indication of the way in which poor schooling reduces the number of men able to take advanced training in the military or even in civilian life, here are some startling facts.

Out of the First Army area, the overwhelming majority of the young men who are examined have enough educational and mental equipment to be taken into the Armed Forces. Only something like 7 percent fail to pass the mental examination. And in the Fifth Army area, less than 5 percent of the population, really the mentally deficient group, fail to make the grade. But in the Third Army area, where there were sometimes lower educational standards, as many as 1 out of every 4 persons cannot pass the simple 4th grade test the Armed Forces gives as an absolute minimal requirement.

So you have a situation where the Third Army area has five times as many people rejected as the Fifth Army area, and this is a direct consequence of the accessibility of basic schooling. Fortunately this situation is definitely better now than it was a few years ago and is improving all the time as new schools are being constructed and the general standard of living is being improved in those areas which have previously lagged behind. As they accelerate their progress the whole Nation will gain in military and industrial strength.

As you know, the armed services divide their personnel into five broad categories based on mental test scores. I and II are good, III is average, IV is below average, and V they do not normally take.

Now, of the people whom the armed services take from the different regions of the country, we see here 1 out of every 2 from the Third Army area falls in group IV or below, which means that they are definitely not material for further training within the Armed Forces.

In contrast, the First and Sixth Army areas, only 1 out of 4 of those who are finally taken in would not be good material for further training.

There is a very strong relationship between the educational level of the population and the number of well-qualified people it can contribute to the skilled work force of the Nation both in and out of the armed services. In the First Army area more than 1 out of every 2 boys graduating from high school, and 40 percent of those who enter the Armed Forces are in the upper groups and definitely

trainable. In the Third Army area, where only 30 percent of the young men of military age are high-school graduates, only 16 percent of those entering the Armed Forces manage to qualify for the first or second group.

These proportions hold up throughout the country. Wherever you have more high-school graduates, you have the highest amount of good, qualified manpower. In the Far West, for example, 2 out of every 3 are high-school graduates and about 43 percent qualify for the upper groups.

We are all interested in low taxes, but we must realize that if low taxes mean poor schools, and poor schools mean lack of adequate skills, then our economic future and our national security may be jeopardized. In addition, industry must spend more to train those who have not had the basic education necessary to perform the work modern production requires.

Some areas of the Nation have had poor roads, isolated communities, inadequate natural resources, nonproductive land, and little industrial development. Such areas have lagged in providing satisfactory educational opportunities for their children. This has perpetuated the areas disadvantage from one generation to the next.

Fortunately, in recent years some of these areas are spending a great deal of their resources to narrow this educational gap and provide better training for their children. The beneficial results of this investment have not yet been seen because there is a time lag between the training of children and the production of workers. The dividends from this expenditure will, however, start being apparent in a few years.

Now, as I said in my opening remarks, this in a very real sense is a problem on individual economic security as well as one of national security, because a worker's ability to make a living and support his family is tied very closely to his skill. In many ways, perhaps, the most valuable thing that an employer can give his employees is skill training. This is true particularly today as mechanization grows and changing industrial processes demand increased versatility and ability. Without the versatility that comes from skill, a worker in a very real sense is handicapped. If, for example, the plant he is working in is shut down, or if his trade declines in usefulness, his one hope for real and permanent economic security lies in such skill as he may possess. After he has collected his unemployment-compensation benefits, this is all he has to help in continuing to sustain himself and his family. It is this—a worker's skill—that will give him the ability and confidence to seek and receive work.

If you look at the areas of our country which suffer from chronic unemployment, I think you will see that many of them are areas whose skilled workers know only one skill. And this, generally, is a skill for which employment opportunities are declining. Furthermore they are areas where, because of age, tradition, lack of education or lack of far-sighted industrial leadership there is a resistance to training and retraining.

There are some communities in the New England area, for example, which have for many years concentrated on one industry—textiles. To attract new industry into this area and to advance the economic security of its workers there must be provision made for widespread retraining.

The most serious underemployment in the country probably exists in the areas whose workers are either engaged in marginal farming or coal mining. There, practically the only skill that any workers know is coal mining. If new industry is to come into these areas, and if the economic security of the workers in these areas is to be improved, skill training is a prime necessity. And before even skill training can start there must be an improvement in ordinary basic education.

The more complex the industry of our country gets, the more important the skill of each individual American worker is going to be, both to him in terms of his economic security, and to his country in terms of national security.

I think you will agree with me that the United States faces a real problem here and that it is one of critical importance. The Communist-dominated world outnumbers us in terms of population. We, therefore, must make up in skill what we lack in numbers.

There is no simple or single way in which we can raise the level of work skills in our Nation, and surely no way that the Federal Government can or should do it alone. This is a challenge to every segment of our society, particularly to industry, labor, and the local community.

We cannot afford to waste our manpower as we are now doing.

We cannot afford discrimination which wastes the skills of more than 6 million Negroes.

We cannot afford the pitifully bad schools which plague many areas of this country.

We cannot afford the prejudice and shortsightedness which today are making it increasingly hard for workers over 45 to find a job.

We cannot afford not to make the most effective use of the 20 million women in our work force.

We cannot afford haphazard and ineffective training programs.

These are the areas where we all must strive for improvement. It is to the interest of you, the business leaders of America, to lead the way in this effort. We in the Department of Labor and the rest of Government can help. We can promote training and provide the facts and figures, but, in the last analysis, it is up to you to do the job.

It is the skill, ingenuity, and know-how in the brains and hands of American workmen that have built the sinews of a mighty America. This, together with our spiritual heritage, has made us a great Nation. It is my considered opinion that the level of work skills among our working people today has deteriorated dangerously and could perhaps imperil our survival as a nation. Furthermore, it could imperil the individual economic security of our workers. We are all greatly concerned with the preservation and development of our human resources in terms of work skills is an even greater and more pressing concern and is worthy of the attention of every thinking person in the country. For upon the depth, breadth, and scope of the skills of American artisans may depend the hope of the free world. These critical resources must be cultivated with direction and perspective, and we must begin now.

Federal Aid to States To Assist in Construction of Schools

EXTENSION OF REMARKS

OF

HON. BROOKS HAYS

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 30, 1955

Mr. HAYS of Arkansas. Mr. Speaker, under leave to extend my remarks I include the following transcript of excerpts of proceedings of the Committee on Education and Labor March 16, 1955, containing my statement in support of Federal aid for school-building construction:

Mr. PERKINS. The committee will come to order. It looks as though several members of the committee are absent this morning, but we will commence the hearings anyway.

The Secretary of Health, Education, and Welfare was to appear this morning, but due to her illness she will not appear. She will appear at a later date.

Our first witness is the distinguished gentleman from Arkansas, who was present all day yesterday, but did not get to testify, the Honorable BROOKS HAYS. We will hear from him at this time.

STATEMENT OF HON. BROOKS HAYS, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF ARKANSAS

Mr. HAYS of Arkansas. May I have permission, Mr. Chairman, to include a synopsis of the bill that I am introducing for your consideration, H. R. 5112?

Mr. PERKINS. Without objection, it is so ordered.

(The document referred to follows:)

"Analysis of the chief provisions of the school-construction bill 5112, introduced by Representative Brooks Hays, of Arkansas

"1. The purpose of the bill is to assist the States and Territories in the construction of public elementary and secondary schools.

"2. The amount to be authorized per annum shall be $250 million.

"3. The funds are apportioned through an objective formula based on two factors, (a) school-age population, and (b) each State's average per capita income payments.

"4. The period of aid is to cover 5 fiscal years, starting July 1, 1955.

"5. Use of funds is limited to the construction of public elementary and secondary school facilities. The term "school facilities" is defined to mean classrooms and related facilities, and initial equipment, machinery, and utilities necessary or appropriate for school purposes. It does not include (a) interests in land, (b) off-site improvements, (c) athletic stadiums, or (d) structures or facilities intended primarily for the purpose of athletic exhibitions, contests, or games or other events for which admission is to be charged to the general public or structures to be used exclusively as single-purpose auditoriums or gymnasiums.

"6. On the Federal level the program will be administered by the United States Office of Education, and in the States by the regularly established State educational authorities.

"7. States wishing to share the benefits of the act submit State plans to the United States Commissioner of Education. The location and approval of projects are left to the States as well as the actual supervision of construction. The States are required to audit receipts and expenditures and to make such reasonable reports to the United States Commissioner as are necessary to assure that expenditures have been made in accord with the purpose of the legislation.

"8. Funds will be paid by the United States Treasurer, upon certification by the United States Commissioner, to the State treasurer who will make transfers to local boards of education upon requisition of the State educational authority.

"9. The matching of funds within a State, by local school districts, is left for State determination. The Federal share of a State's authorized school construction program may not exceed 40 percent in the State having the highest per capita income. In the State having the lowest per capita income, the Federal share may be 60 percent.

"10. Any State which finds itself aggrieved over the administration of the act may bring action in the appropriate United States Court.

"11. Federal interference in the schools is prohibited by the following words of section 10 of the bill:

"'SEC. 10. In the administration of this act, no department, agency, officer, or employee of the United States shall exercise any direction, supervision, or control over the personnel, curriculum, or program of instruction of any school or school system of any school agency.'

"12. Under an appropriation of $250 million the allocation under this bill will range from approximately $6 per pupil in New York to $9 per pupil in Mississippi; an average of about $7.50 per child."

Mr. HAYS. Mr. Chairman, No pending legislation before any of the committees of the Congress is as important or more important certainly than the bill which this committee is considering.

I feel that the time has come for the Federal Government to clarify its policy with reference to Federal aid for education.

It is not accurate to say that we have no policy, because actually over the years we have been evolving a policy with reference to the Federal Government's relation to its public schools.

When I speak of clarification, I mean clarification by recognizing some responsibilities for secondary and elementary education.

Of course, it is known that we participated in higher education as early as 1862 and even earlier, but that was the most dramatic and most notable participation by the Federal Government, because in the land-grant college legislation the Government's concern for education was recognized in a substantial way.

And even earlier, our leaders knew that there was a national responsibility for the schools of this Nation.

I was struck, for example, by the words in George Washington's Farewell Address, a message that has been regarded as emphasizing other policies. You will recall that he said, "promote those institutions that make for diffusion of knowledge."

James Madison in the same period, forecasting the future of this experiment in free government, said that without popular education it will be either a tragedy or a farce.

So we are not talking about something that is new. We are simply recognizing the changes that have come about in the patterns of our economic, political, and social life since the Constitution was written.

Foreseeing that the foundations upon which popular government rests should be strong and firm, there was this responsibility for education which our forefathers recognized. But the changes I refer to create new demands.

I have the honor of being a member of the Commission on Intergovernmental Relations, generally referred to as the Kestnbaum Commission. I had hoped that our work would be completed before I appeared before this committee, that out of its studies I would have some facts that would be helpful to the committee, but as the committee knows, its work has not been completed and I am not free to discuss the tentative conclusions that have been recommended by the members of that important Presidential Commission studying the whole range of interrelationships of Government—Federal, State, and local.

Mr. PERKINS. May I interrupt you to state that I just wish all the membership of the committee were present to hear this presentation, because so many of the members on this committee want to speak of Federal aid to school construction as being a new proposition.

I am hopeful that before you get through other members will come in to hear your views this morning, Mr. HAYS.

Go ahead.

Mr. HAYS. Thank you, Mr. Chairman. I certainly do not speak as an authority in this field. Of course, I have had vast experience as an educator. I was the 1916 summer-session teacher at the Sunny Point School, District No. 7, Illinois Township, Pope County, Ark., but since 1916 I have had no professional experience with the school problems.

Mr. PERKINS. I believe also you may have a little influence on the gentleman from Georgia today, Mr. HAYS.

Mr. LANDRUM. Well, the gentleman has also had influence on me if we happened to be in the same line of thought. I respect his position. I love him as a Christian gentleman. He has influenced me greatly.

Mr. HAYS. Mr. Chairman, I am not going to assume that the gentleman's thinking conflicts with mine. I am only going to try to fortify him in the view that the people of rural Georgia are entitled to the help that a mighty Nation can give them, and without the help that this Government can give I know that the future of some of the schools of the South is bleak. Not that we propose to relieve the States of their responsibility or to ease the burdens or the pressures on them, but merely to supplement what the States are doing under proper criteria, the Federal Government to establish and define those criteria as they lay out a plan for school-building construction.

Mr. GWINN. Mr. Chairman, I hope that the gentleman from Arkansas, before he quits the stand, will give us another one of those good stories from Pope County that have made him famous in the Congress.

I hope, too, that the gentleman from Arkansas will not skirt around that Kestnbaum report that is not yet out. The little leak that we got indicated that that report was going to be against, or, in fact, the professional report that is now on file was against the point of view that you have, of the functions of the Federal Government; namely, that the function of the local community was to take care of education in the States and in the school districts.

You might tell us whether or not your suspicion is that that is the nature of the report.

Mr. HAYS. My beloved friend from New York is very effective and I find myself struggling here with the decision that he poses, that is, whether to praise this Commission as I would like to do sincerely, because I think its overall performance is good, and then be extremely embarrassed by finding what he says is true, or to say that the Commission, great as it is, can make mistakes and feel easier about having differed with them officially at the time I want to differ with them.

So I leave that unresolved, and I leave your question unanswered, because it would not be proper for me to say anything about its tentative conclusions on the question of aid for schools.

But I have pleaded with that Commission—this certainly would not be improper for me to say, and you would suspect it if I did not admit it—I have pleaded with them to recognize the realities of the situation and whether or not I have influenced a lot of them with the help I have had from others with like points of view, remains a question.

I think the proper thing to do is to wait until its conclusions are reached and made public.

I am grateful to my friend for his comment and since he has referred to Pope County I recall one story which fits the comment of the chairman.

My father was a census enumerator back in 1900 up in the Ozark country. He said to one old man standing in front of his cabin: "I am a census enumerator, sir, I need some information. What is your name?"

"Hearn, Randall J. Hearn."

"How do you spell it?"

He said, "Spell it yourself, stranger, I am a nonscholar."

Mr. KEARNS. Mr. Chairman, I think this morning instead of having anything about school construction, you and Brooks should just start in telling stories.

Mr. GWINN. It would be a great relief to me.

Chairman BARDEN. I have seen times in this committee room when there was less fun.

I want to apologize for being late. Mrs. Hobby's assistant called yesterday afternoon. I told her I would check with the office today and see what arrangements we could make.

Mr. HAYS. Mr. Chairman, you have not missed very much. I would like to repeat one point I made, however, because it is the basis for some conclusions. I know that it has been often stated to the committee that this is not a new idea and I think that there is precedent in our national life for a recognition, a monetary recognition of the responsibility that the Federal Government has for its public-school system.

That is a vital point that cannot be evaded. It should be, I think, the basis of all of our thinking in this field.

The point being that as we defend Federal aid for education we defend it not as an innovation, but as a modification of an old policy, a recognition of altered economic and social patterns. That is the principal point that I tried to make at the beginning.

Yet I recognize that at this stage, since our aid has been heretofore limited largely to higher education and specialized fields, such as vocational aid and the school-lunch program, we should approach it with tentative reservations about the final form that it should take. The best programs evolve, they are not written with complete wisdom at the beginning.

For that reason, if I had the power just to order this legislation into existence, I would inaugurate it on a conservative basis. I would not provide $500 million which I think may be justified in the light of our national income. I would make it $250 million. I would not make it indefinite. I would limit it to 5 years. I would take another look at it in a 5-year period after a program of that modest proportion had been tested and tried.

We should inaugurate it on a modest basis, considering the severity of our Federal budget problem and the fact that we will profit by experience as we go into a program that does have terrific implications in terms of the relationship of the States to the Federal Government, which is now under my concept a partner in the business of educating the children of this country.

Now, when I speak of altered patterns of social and economic life, I have in mind comparing it with the period in which George Washington spoke, of promoting the institutions which make for the diffusion of knowledge.

I have in mind the simple life which found almost each State enjoying self-containment, self-sufficiency, but now with the commerical life of the Nation regarding State lines as of no consequence whatever, you have two factors that enter into the equation, one, the mobility of people, and I come from a State which has felt its impact.

Second, the mobility of wealth, its tendency to flow out of States that rest their economy basically on agriculture to States that have a different structure.

That does not carry frightening implications at all, though if we succumb to an equalitarian philosophy of an extreme type, we might find them dangerous.

I do not want to be guilty of any false reasoning on that score. I would not have the Federal Government undertake by some magic formula to equalize the incomes of people or of schools.

But I would take into account in devising a national policy the wide extremes in per

capita incomes and the fact, strangely enough, that where the incomes are lowest the children are most plentiful. That is a fact that I am sure this committee is aware of. "The stork and the wolf always did pal around together."

For that reason, the poorer States should be helped by the States that are in a position to supply some of the wealth to carry the educational burdens of this country.

I spoke of the mobility of people. They are moving out of areas like mine. I do not want to press the point that I am speaking for a special situation this morning, Arkansas, which, of course, has prior claim upon me. I would not apologize for speaking of its peculiar and urgent problems, but I hope that I can rest my case upon the national situation.

But the picture in Arkansas belongs in this composite and people have spent money to rear children that are giving their adult and taxpaying years to other States. Why should not the Federal Government tax the wealth of California where our people live in their taxpaying period to educate the children of the State in the succeeding generation that has supplied some of the manpower of the State of California?

Yet under the formula that I would suggest to this commission which has only a modest equalization factor, I would provide California money to deal with the problem that Arkansas, by sending children there, has helped create.

As an illustration of the fact that it costs the poorer States something, my friend Howard Dawson quotes these figures:

In a 10-year period it cost the South $2 billion to rear and educate the children that went into other States outside the South in the 10-year period between 1930 and 1940.

I speak guardedly on this point because I do not believe that you should overdo the equalization factor.

I only ask the committee take it into account. The synopsis that I will give you of the bill which I believe will be acceptable on that point would range from 6 to 9 dollars per child. It would be 46, a one to one and a half range.

I would suggest that the committee give careful consideration to the equalization factor in order to take care of the States that have a higher proportion of children and at the same time suffer this disparity of income.

I am resting this not only upon the movement of people out of States, but also the draining off of some of the wealth of those States. This is said without envy of the richer States, or without blindness to the problems that they have, because I have been in New England and I know that the agricultural areas of New England suffer from the same disparities within the region, and that wealth tends to get out of the rural areas into the cities.

But even within urban areas there are disparities that can be corrected, I think, only by some recognition by the Federal Government so that we supplement the States that are harassed by problems of revenues.

Now, I have tried in other words, Mr. Chairman, to get a balanced view of this problem of getting the States and the Federal Government together on a partnership basis.

When my friend, Mr. GWINN, asked me, in my appearance for a bill that had general aid in mind as its purpose years ago, about that, why we should give the wealthier States anything at all, I replied that even as a symbol it would have value because to withhold from the richer States some help for its problem would imply that we think there are no problems in the States that have large incomes.

It is not true. In the State of my friend, Mr. KEARNS, I have seen evidence in the interior of Pennsylvania of the problem and in spite of the exertions of Pennsylvania, which are impressive, there is work to be done.

I would trust the State of Pennsylvania to put that money where it is intended by the Federal Government to be spent.

Once we imply in any kind of legislative provision that we distrust the States, that we must write out the formula with meticulousness, when we destroy that reciprocity that should exist between the States, then we would, I think, meet frustration.

We have to proceed on the basis of maximum faith in the States to do their job and to determine the favored and the unfavored areas within their own borders.

One of the best speeches I ever heard made for Federal aid to education was by a Pennsylvanian. He went back to the fact I spoke of a moment ago, the movement of people from Arkansas into Pennsylvania. He said, "It would cost my State under the general aid for education about $10 million. We maybe would put in $20 million, but we would get back $10 million. But it would be worth $10 million to the State of Pennsylvania to have the Arkansans come better equipped to work on the assembly line, better trained as vocational school products.

As a taxpayer, Pennsylvania knows that the Federal Government spent through the Defense Department millions of dollars to give simple elementary instruction to enlisted men that should have been done in the schools of the United States.

Now, that is to impress the committee with my conviction that this is a national responsibility. Can we say that we are going to leave it to the States to struggle alone with the problem?

At the same time I hope that the committee will see to it that a criterion is written into the law. The principle of faith in the States does not call upon you to do otherwise than to say you shall not participate unless you meet your responsibilities, too.

Mr. GWINN. Mr. Chairman, has the gentleman from Arkansas a formula in his mind that would work this thing out? That has been one of our difficulties. If you are going to spread this $250 million all around among the 48 States, Arkansas is going to have no relief comparable to its needs at all.

Mr. HAYS. Yes, we would get $4,218,000. California would get $14 million.

Mr. KEARNS. Under which formula?

Mr. HAYS. Under the formula 1 to 1½, 40 to 60. Nine dollars per child approximately for the poorest State, $6 per child for the richest State.

Mr. FRELINGHUYSEN. Which bill is that?

Mr. HAYS. I am going to put my bill in tomorrow. I hope it will help the committee. I have no pride of authorship. I only hope you might find in what I am saying, something that appeals to you and can find in the material that I am going to put in the record, some figures and facts that will be a help.

Mr. MCCONNELL. I am a little bit puzzled as to your philosophy. I understood you to say you believe in giving to the rich as well as to the poor States, but you make a distinction when you say give to the poorer State more than to the richer State.

Mr. HAYS. Per child.

Mr. MCCONNELL. Why do you follow such a procedure? Why not start with the procedure of what you are going to give to the poorer State and not give anything to the richer States at all? They just send it back down to get it back again with a big brokerage fee taken out of it.

Mr. HAYS. If you left the richer States out you would deny the basis of any legislation at all; namely, that it is a matter of national interest; this would deny that the Federal Government is concerned with the school problems of New York and Pennsylvania.

Mr. MCCONNELL. I do not see the logic to that. I do not know why you say that. Why does the Federal Government have to give anything to Pennsylvania if we have our own money which we send down and we get it back again with quite a bit taken out of it?

Why not keep what we start with and give to the poorer States then? I would not have made this statement if you said to give to all States, but you said you gave more to the poorer States than you do to the richer. Therefore, you are making a distinction in your thinking.

Mr. HAYS. I am recognizing the disparity of wealth in the distribution of Federal funds just as in the State of Arkansas in the distribution of our revenues to the districts, we take into account the disparity of wealth between districts.

I think exactly the same principle should apply.

Mr. MCCONNELL. I accept that philosophy then. Therefore, why give anything to the rich States and give a certain amount to the poor States, if you once accept that philosophy that the poorer States should get more than the richer. Then you are in a position that it is just a matter of how you work it out.

Mr. HAYS. I do not want to pursue that. I still believe that there is some value in what I call the symbol of national interest. I think it would be very unfortunate if in adopting the equalization idea we did not say as a matter of national concern that what takes place in the richer State is important.

Mr. FRELINGHUYSEN. Will the gentleman yield?

Mr. MCCONNELL. Yes.

Mr. FRELINGHUYSEN. You say there is a national responsibility in the field. You say also that there must be, as I recall it, a minimum exertion or responsibility on the part of the State before they can qualify for Federal funds.

But as Mr. GWINN has pointed out, there is where our trouble lies. To what extent do you think it is necessary that, for instance, a State or a school district show that there is a need and show that they are incapable of meeting that need themselves? Do you think it is essential that they go through a qualifications test such as that, a means test of some kind?

Mr. HAYS. I think it would be impossible for the Federal Government to determine that on a district basis. Now, I realize that puts me against one of the administration proposals and I have such respect for the position of the administration, I mean in its overall purposes and approach, that I hope the gentleman will not attach too much importance to my differences with the administration on that point.

But if I am right as to the principle of trusting the States to deal with the problem of low income and district impoverishment, then you must avoid bypassing the States in our eagerness to get to the local difficulty.

Mr. FRELINGHUYSEN. I hope the gentleman does not think that the administration approach bypasses the States.

Mr. HAYS. It provides, does it not, that the Federal Government shall determine by formula which districts within the States might qualify? It goes to the district situation even though they do not bypass the State. Even though they take into account the State's judgment as to a district's impoverishment, the net result would be that you would encourage the tendency of the States to put off its own equalization plans, and it would bolster unwise districting.

What would you do to a State like North Carolina that has virtually a State district, one unit?

Mr. FRELINGHUYSEN. I hate to disagree. I think the basic administration approach is just the opposite, that is that it is an attempt to encourage the State to solve its own problems, the State and local community combined, definitely not any attempt to bypass the States as one of those

agencies responsible for the solution of its problems.

Mr. HAYS. As I say, I have great respect for much of the content of the administration's proposal also. It would certainly be better than making no beginning at all, but I was under the impression that the administration proposal simply took into account a condition of insolvency by districts within the States to be determined by the State and then the Federal Government would come to the rescue of that particular district instead of leaving it to the State with some aid in a measure like this to equalize, and, of course, when I say equalize, I am not speaking in terms of the absolute.

Now, if I am wrong about that, then, of course, you can disregard that comment.

What we really want to do is to help the States. The State is the key to this problem.

Mr. FRELINGHUYSEN. But to what extent is it necessary to set up the means test in the allocation of Federal funds? That is my original question.

Mr. HAYS. All right, let us get to that. I think you have a good example in Mr. Taft's approach.

As I recall it, what I have in my bill is the same requirement as in Mr. Taft's bill. It requires that 2½ percent of the total income of the State be devoted to school purposes. It will be impossible to get an altogether perfect criterion. You are going to have difficulty with that.

But I do suggest to the committee that they consider Mr. Taft's formula.

As I recall it, it was based upon an expenditure for education of 2½ percent of the State's income, not the State government's income, but 2½ percent of the income of the people.

Now, it seems to me that you need some criterion to determine the exertions of the State. I would not object, as it is applied to my own State, which on the whole does a good job. You can hardly do it percentagewise in an altogether acceptable way for this reason: A State with a low per capita income—and my State has only 40 percent of the per capita income of New York, for example, in other words, for every dollar the Arkansan has, the New Yorker has two and a half dollars.

If we gave as much percentagewise we still have so much less per child.

Mr. GWINN. I must rise to the defense there——

Mr. HAYS. It is not a criticism. I would praise New York for its industry, for its high income.

Mr. GWINN. I think one of our difficulties lies in the fact that if after a long, agonizing period, we come to a formula, by the time we get to adopt a formula down here, our whole factual basis has changed.

Now, your Commission, the Kestnbaum Commission, found a state of facts that apparently is surprising on this per capita capacity to respond, and one of the reasons that I believe they are going to hold that it is a local matter is because the Federal Government just cannot adjust itself to all the differing 63,000 school districts in these United States.

Here is a factor, for example, that they found. Your Southern States are increasing in their per capita income nearly three times faster than we are in New York State, in the Northern States. For example, the rise in per capita income in constant dollars from 1940 to 1953 in the 12 Northern States, is 38 percent.

In the 13 Southern States it was 95 percent. That is how this movement of population is benefiting you in Arkansas in terms of a rising per capita income and a rising capacity to meet your own needs.

Therefore, when we try to find a formula in 1955 that suits, by the time 1960 comes around we are clear out of joint.

Mr. HAYS. I think what the gentleman says certainly must be given weight by the Commission. It fortifies my point that a 5-year cutoff, or maybe even shorter, would be good, because you may be in danger of building schoolhouses where the children are now, but will not be 5 years from now.

I recognize that and it is an important point, but I have this comment to make to the point that you suggest: That we are increasing disproportionately. Of course, you increase in high proportions, sir, when your income is so low.

When Arkansas went from a per capita income of $250—and I remember struggling with some economic problems down there when that was all we had—up to $900, we did pretty well.

Still New York is two and a half times our per capita income. I say that with no implications as to taking from New York and giving it to Arkansas to equalize wealth. I want to be understood on that point.

Mr. GWINN. Again referring to the facts in your own commission which I think is doing a tremendous job on this, it shows that disposable income for education in the Northern States is $1,490 and in the 13 Southern States it is $1,017.

Mr. HAYS. Now, what index are you using?

Mr. GWINN. This is the per capita income as Federal taxes of the Northern, Central, the West, and the Southern States. It is a very interesting change that has taken place.

Mr. HAYS. I apologize for using the money index if it is to be assumed that I think that conditions are measured altogether by money terms.

But I do not see how you can consider the national problem of disparity if you do not pick out certain States to make comparisons.

Mr. GWINN. We have been thinking of New York as a certain status as we have gone along. We have forgotten what the inroads have been in the last few years.

Mr. HAYS. Certainly I realize as I know the gentleman will remember my stating that New York has its problems. Of course, if we gave to everybody, just returned to the States on the basis of population without reference to higher ratio of children, if we just made any kind of distribution, you get a degree of equalization because you are taking from a high income State a larger amount than they would get proportionately. So there is an element of equalization in any grant-in-aid program.

Now, this is arguing, perhaps, against one of the points I made, but it is something to keep in mind that a family with one child having the same income as a family with four children will have double the per capita income.

So those things may be deceptive, I realize, where calculations are made without reference to a family situation.

But I still insist, Mr. GWINN, and we are talking now about dollar income, that there is a great disparity within States and within the country.

Now, I would be just as eager to put proper pressure upon the States that are poor to carry their equivalent share, maybe more. And I think it is possible for Federal aid to have that effect.

I do not think there is the least danger of the Federal Government getting under a burden that Arkansas ought to carry if Arkansas gets only $4 million in Federal funds for school-building construction when Arkansas in 1953–54 had a capital outlay of $14 million, a capital outlay in the present year of $13½ million, and when the legislature was asked this year by the Governor to find new revenues for $12 million.

I do not think if you eased Arkansas' burden to that extent that you are in any danger whatever of encouraging a lag on the part of the poorer States.

I cannot see that that is a consequence that you need to fear, but, at the same time, the necessity for getting maximum exertions by the State should cause you to take a conservative approach.

Now, sometimes you hear those who carry heavy tax burdens say, "How can we carry more? Arkansas has every tax you can find," and we do. We devote a higher percentage to schools than the State of California, if I might use California as an example. We devote more, percentagewise, in spite of our lower per capita income to our schools than the great State of California.

But the taxpayer says, "I am paying all I can in State taxes."

I thought this was rather interesting, a conversation between two men on their way to the Cotton Bowl game in Dallas to see the Arkansas football team play. And, incidentally, I hope none of you will say that I can hardly contend Arkansas is a poor State when we had the best football team in that part of the country. I pause to say that because I can just see a question in the chairman's eye, but we did not get that football team with money. These Arkansas boys running up and down the hills have better muscles than the level-ground boys and that is the reason for it.

On their way to the bowl this conversation took place. One Arkansas taxpayer said, "I cannot afford to pay any more taxes."

And the man who believed in more revenues for schools in Arkansas said, "Well, I am begging my friends in the Arkansas Legislature to vote new tax burdens on me that will mean another $200 out of my pocket.

You ought to see it the same way. You are spending a hundred dollars to come to this football game."

So, I say that the States can find more money for schools if they see this in the right proportions which is that we are facing an emergency.

I know I do not need to belabor that point. What I am trying to say is that it is inconceivable that we will do anything to lessen the pressures on the States to exert themselves to the fullest.

Now, the committee is well aware of the fact that there are three grounds for participation by the Federal Government in State functions. One is to support a service which the Federal Government has the responsibility for.

Another is to stimulate a service which we think ultimately should be borne by the States, but which we think needs to be stimulated.

The other is to equalize. That would call for some continuation.

It seems to me that on all three bases there is justification for a modest, conservative, soundly conceived Federal program of this kind.

It deals with a physical program in the first place and is important because you are not involved in any way in the problems of selection of teachers or curricula. You are dealing exclusively with the problem that escapes the delicate, troublesome questions that caused such concern to the committee in the years when you considered general Federal aid for education.

Mr. LANDRUM. You have raised a point which has given me quite a bit of concern. We come to the Federal Government now because of a crisis existing in our construction, in our plant setup, capital outlay for schools. We are coming to the Federal Government for help.

In my own State, for example, during the last 10 years we have increased the number of teachers and increased considerably the average salary of teachers.

But just 2 weeks ago our State auditor announced down there that the State was now facing a financial crisis.

Because of that crisis and because of the fact that we have, for the last several years,

devoted more than 50 percent of our income to education, we have to raise more money to pay these new teachers.

His statement headlined in the papers was this: Georgia will either raise more revenue or take off the payrolls about 3,500 schoolteachers.

Now, if such a crisis as that facing us in Georgia today develops nationwide, are we not going to also come to the Federal Government seeking aid to employ teachers?

I raise that question because of the statement you made that you are not concerned with the selection of teachers or the establishment of curricula. You are concerned only now with the building of our plants in which we house these educational instructors.

Mr. HAYS. Let me explain what I mean when I say it does not involve us in the local questions. I felt that general aid for education did not involve us to the extent that it was charged. Certainly this does not involve us in criteria for the selection of teachers.

Mr. LANDRUM. I certainly follow the gentleman. I appreciate his remarks. I recognize it is not now a problem, but based on history and our experience in coming to the Government and particularly the history that we have established over the last 20 or 25 years, is it not true that the more our crises develop at home, the greater the tendency to come to a beneficient Federal bureaucracy. Is not that true?

Mr. HAYS. Yes, that is a fact of life that has to be confronted.

But if I am right, that this is justice, if it rests on that concept of justice to the less favored States, then you cannot refrain from doing now what ought to be done in the interest of justice because it makes more difficult a decision that the Congress might have to make 5 years from now.

We can never afford to make an easy decision because of a complication that might lie ahead.

I have no case whatever, unless the committee agrees with me that the Federal Government has a stake in education.

How can it be said that the Federal Government has no responsibility or no moral obligation? We take the lad when he is 18 years of age, we have not provided in the Nation an adequate minimum standard school system that enables him to understand the manual of arms.

Mr. LANDRUM. I agree with you that the Federal Government has something at stake, has an interest there. There is no belaboring that point. We all agree on that. We all agree that we come now to a crisis in building.

But I am assuming that the gentleman, and I have the same feeling that we want maximum control on the local level. We want a minimum amount of control on the Federal level, none if we can get it.

Mr. HAYS. That is right.

Mr. LANDRUM. But my question was raised. as we come more and more to these other problems that are beginning to confront us, and will confront us 5 years from now, as the gentleman suggests, are we not going to gradually turn over our entire local responsibility to the Federal Government? Are we not facing that danger?

Mr. HAYS. I know the gentleman is entitled to an answer from me. It has forced, and I want to meet it squarely, I certainly could not deny that the extension of Federal aid even to this milder extent, of $250 million a year. I could not deny that it would have its impact on related programs within the State.

Of course it does. As you ease the pressures from the revenue standpoint, you release funds for raising teachers' salaries, of course, and other purposes.

But I would not be afraid of that. You are still holding the Federal Government to participation in a fiscal program.

Mr. LANDRUM. Would the gentleman say, then, why in the early stages of your remarks you suggested that maybe we would limit this to 5 years, this experiment of $250 million a year?

Mr. HAYS. It gives us an opportunity to experiment.

Mr. LANDRUM. Where do we go at the end of 5 years if we find it not satisfactory

Mr. HAYS. In all honesty, I would not want what I say in support of it to seal my lips to come back and say 5 years from now, "Give us further help."

But I would point out to the opponents of the program that their arguments against Federal aid of a general character do not apply to this bill. I would plead for a chance to see what experience produces on the question my friend from Georgia raises.

Mr. LANDRUM. I am not yet ready to let the gentleman or any other catalog me as an antagonist of the program.

Mr. HAYS. Good.

Mr. LANDRUM. I just simply want to recognize that these problems are confronting us. I want to hear the gentleman's discussion of it.

Now, while I have the gentleman's ear, may I ask one question?

You are familiar with the resolution introduced by the gentleman from Kansas, [Mr. SCRIVNER] on the 22d of February?

Mr. HAYS. Yes, I am.

Mr. LANDRUM. Would you care to comment on the provisions of that?

Mr. HAYS. I am not well informed on it, but I did take time to look over the scale. Of course, it completely disregards this element which I have emphasized, of recognizing the children, the ratio of children, and differences in incomes.

For that reason it should not be considered if we believe in the equalization principle. The mere fact that you might save a little money in the handling in funds is not related to the purpose and the goal of this program.

Releasing Federal funds through subtracting a simple percentage would release funds that are not needed.

The disparity is terrific between the wealthier States and the poorer States. Under his bill, as I remember it, Arkansas would get $1 million.

Mr. LANDRUM. One million eight hundred thousand dollars.

Mr. HAYS. I forget what California would get, but at any rate, you would not correct this disparity between California and Arkansas.

I use that just as an illustration.

Mr. GWINN. I hate to interrupt so distinguished a member and so good a friend, but we are talking about the real nub of this thing right now.

Mr. HAYS. Yes; we are.

Mr. GWINN. We are struggling with this idea of how the national interest is better served by letting the parents and the local teachers, the school boards, be responsible. We are talking about responsibility. We are anxious about the Federal Government taking responsibility.

Can you imagine any better device for stimulating local responsibility and aid to the children in your State than the reduction of taxation which we gave Arkansas last year?

You are talking about a measly little $4 million of aid to education for Arkansas by this $250-million appropriation which must come out of more taxes.

Last year when we reduced the tax burden generally, Arkansas got back in 1 year $47 million. That is the year 1954, and you spent on your whole public-school program $46 million.

So you got back a million dollars more, which is available to the State, than you actually spent on your entire school program.

Now, that is the way to help the folks back home, take this incredible burden off from Washington, then you have local responsibility. Then you do not have the problem of Federal aid, of Federal control and influence and waste and costs.

Mr. HAYS. Well, the gentleman is very kind in his reference to me and I am sure he knows how I feel toward him. He and I have discussed these things in the spirit of warm friendship which we have enjoyed since he first came here. I am grateful to him.

Mr. GWINN. I thank you for that remark.

Mr. HAYES. That is one thing I always delight to say about my friend from New York. Our differences, of course, are fundamental on this point. But he would let me say this, surely: The Federal Government would not say that because of the grace of the Congress in extending tax relief and helping the taxpayer to that extent that we will be indifferent to these appeals for the schools. It just seems to me that that would be the wrong response. I believe that we helped the economic life of Arkansas greatly by that tax reduction. It stimulated it.

Further, I have given every indication that I do not defend all of my State's policies, or feel that they are to be relieved of burdens.

Now, the gentleman is interested in family life, in social conditions in the less-favored areas, and I have supported those things which would keep my State with a balanced industrial life.

When I say balanced, I mean to keep those fine elements of its agrarian life that tend to be lost when industry overtakes it.

I do not want to say that this is related to that problem, but I do think that a nation which disregards, shall I say, moral values, that inhere in its rural life, that that nation will encounter trouble.

Let me give these figures:

In 1950 the urban areas of the 9 most favored States—they happened to be in the Northeast—had 22 percent of the Nation's children and 30 percent of the Nation's income.

The less-favored area, which was the rural section of the South, of 12 Southern States, had 8.6 of the children and 1.6 of the income.

Now, you find, in other words, that in that favored area there was 19 times the income, and 2½ times the children.

So the favored area gets an advantage of seven and a half times per child over the least favored region. But again I would not withhold from the favored region some help from the Federal Government so that they would deal with their less-favored districts because, while as a group it was favored, as I indicated to Mr. Kearns, I know that there were islands of distress within the favored areas.

Chairman BARDEN. Are there any further questions?

I would like to drop this, Mr. HAYS. That is, the constant and increasing invasion of the State's stores of taxes by the Federal Government has brought us to this rather distressing hour. I see no tendency on the part of the Government to either relax or give any consideration to relief to the State.

I expect last year we spent more in Europe on the field of education than the final bill, if one comes out of this committee, will carry.

Now, I do not know by what process of reasoning people arrive at that illogical conclusion, but we certainly cannot keep on doing things that force the Government to further invade the sources of revenue of the States and expect to relieve the situation in the next 2 or 3 or 4 or 5 years.

The gloomy side of this picture to me, in addition to the fact that our schools are in great need—I say that and we must work out some way to help—is that unless this Federal Government begins to take stock a little bit the States will be in worse shape 5 years from now than they are on this very day.

I do not know about the State of Arkansas, but the State of North Carolina has been bled pretty nearly white and we have every form of taxation that anybody could think of and at the present moment the legislature is wrestling with the problem of trying to raise about $26 million additional revenue.

Now, to these folks that just go along and vote for every big appropriation on the theory that we can spend ourselves rich, then they had better turn their light on their own backyards and the States and see where we are going to wind up.

Your State has not any more loose revenue running around in it than mine. The Federal Government took out of the State of Arkansas last year the modest little sum of $148 million in income tax alone.

So I do not know. I join with you in hoping that we can put a limitation on this bill for a certain number of years, but we have the solution of this problem right here in the Congress, and we have the problem right in our laps.

But instead of helping solve it by giving the States some consideration, we talk about, well, we do not want any Federal control over the State.

No, I don't want any; we have too much as it is now.

But let me tell you this: When you are taking all the money from the State that the State needs to run its government, somebody eventually will have to take over and run it because the State will not have the sources of revenue.

I just felt like saying that and that is the sermon I preach often without the slightest provocation.

Mr. HAYS. I always profit by hearing you issue a warning because I know how you feel.

Chairman BARDEN. Well, we have brought about this condition, have we not?

Mr. HAYS. Yes.

Chairman BARDEN. And we are going to further aggravate it this year because we are just going right along and everybody is requesting a bigger budget and a bigger appropriation and here comes the foreign bill that will take all the rest of it and create a bigger overdraft.

But we still wrestle with it. I say we are going to have to do something with the schools.

Mr. HAYS. May I make one comment on that? You have been very patient.

Chairman BARDEN. Yes, sir.

Mr. HAYS. I feel that sometime, Mr. Chairman, we tend to deplore this centralization in Washington because it is in sharp contrast to the old Jeffersonian patterns. We say the Government is away from the people and we are incapable of making these decisions as responsible servants because of its hugeness.

I think maybe we underestimate our capacity to meet these changes in our society. But you and I are as close to the people down there in our townships as the governor in the State capitol used to be.

We can act with as much sensitivity to local needs as the State government. My feeling is that when a bill is brought out, and I trust that this committee will recommend some form of aid, there is going to be glory in it for all of us, but I actually wish I could be a member of this committee to look back on what is going to be one of the significant events of 1955. I do hope that as it is DOLE we can say that we have not done it with indifference to the dangers that the chairman wisely mentioned, but that we regard ourselves as still equal to that challenge.

For that reason I hope that the committee will defend what it does and will feel that it is something that is historic.

Chairman BARDEN. That is a very fine statement and I think we can meet the challenge, but here is the problem: It is much easier for us to cast a ballot than it is for folks down there to dig up some more money. That is what disturbe me. We passed a resolution out of this committee unanimously that went to the floor of the House and was passed by the House and then went to the Senate and for some reason it died a slow death, requiring this Federal Government to have some central point whereby we could find what this Federal Government is spending in the field of education, and yet, no, apparently somebody has not the nerve to even look at the picture because the best investigation this committee could make from the best research that we put on it, we found that this Federal Government in the field of education is spending more money that it cost to run the entire public-school system of the United States.

That is an appalling fact, yet we apparently have not the nerve to just look at the result of our acts.

So I get very much confused when I see apparently the carelessness with which we continue to invade the State sources of revenue, and I know and you know they are on their knees so far as sources of revenue are concerned.

It disturbs me greatly. Thank you so much.

Mr. HAYS. I appreciate your patience with me.

HOUSE OF REPRESENTATIVES

THURSDAY, MARCH 31, 1955

The House met at 12 o'clock noon.

Rev. Harold A. Wisner, First Presbyterian Church, Galesville, Wis., offered the following prayer:

Eternal Father, sometimes Thou doth speak in moments of quiet; at other times Thou dost speak through the work of men's minds and actions. Speak this day, individually, through both these methods. Increase, in the spirits of these now bowed before Thee, a keen sense of their responsibility to 160 million Americans and over 2 billion human beings with divine rights.

Continue building, O God, some of the old wastes, and continue repairing some of the desolations of other generations that this land may be made glad with Thy laws. Establish every work done here that is established on truth and equity so that the hopes and desires of people may be fulfilled.

This day, be pleased to direct and prosper the consultations of this august body.

Forgive, O God, those national sins which do so easily beset us and which issue because of the human element.

Inspire now these representatives of the people who have a noble task to do on this day.

Through Jesus Christ our Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Ast, one of its clerks, announced that the Senate had passed without amendment bills and a concurrent resolution of the House of the following titles:

H. R. 4941. An act to amend the Foreign Service Act of 1946, as amended, and for other purposes;

H. R. 4951. An act directing a redetermination of the national marketing quota for burley tobacco for the 1955–56 marketing year, and for other purposes; and

H. Con. Res. 103. Concurrent resolution establishing that when the two Houses adjourn Monday, April 4, 1955, they stand adjourned until Wednesday, April 13, 1955.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 1436. An act to preserve the tobacco acreage history of farms which voluntarily withdraw from the production of tobacco, and to provide that the benefits of future increases in tobacco acreage allotments shall first be extended to farms on which there have been decreases in such allotments.

THE CAPITOL PAGES

Mr. SIKES. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. SIKES. Mr. Speaker, I take these few moments to lay emphasis on a matter which, I know, has not escaped the attention of my colleagues. I believe this year, in this session of the Congress, we have had the finest group of pages I have known in my entire service in this body. They have been courteous, helpful, and friendly. They are a wonderful group of youngsters who genuinely are trying to assist us in every way they can. I feel we should pay tribute to them for their helpfulness and, of course, I include the very fine work of Turner N. Robertson, our chief page, who directs their activities, and without whom I do not know how this great deliberative body would function.

PARCEL POST

Mr. JONES of Missouri. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. JONES of Missouri. Mr. Speaker, last week I inserted in the CONGRESSIONAL RECORD, on page 3062, a letter from a constituent of mine in which he called attention to some of the silly regulations which have been prevailing for the last 2 years relative to the mailing of parcel-post packages. That incident brought forth many comments from many sections of the country. From one of my postmasters, he mentions:

The elimination of the burdensome law which restricts acceptance of parcel-post matter for first-class offices will be appreciated, I am sure, by all of your constituents. Every day we have to turn packages down. Also our local factory in order

to get around the law, mails 3 to 5 parcels on the same day to the 1 address where they could mail only 1.

I have also received the following letter from the Southern Hosiery Manufacturers' Association of Charlotte, N. C., dated March 29, 1955:

SOUTHERN HOSIERY
MANUFACTURERS' ASSOCIATION,
Charlotte, N. C., March 29, 1955.

DEAR CONGRESSMAN JONES: An article appearing in the Charlotte Observer this morning concerning your remarks about the postal law which limits the size of packages shipped from certain post offices was quite amusing, but it touched only one phase of this ridiculous situation.

In the hosiery industry all that has resulted from this law is the requirement that hosiery mills must now prepare 2 or 3 packages for a single shipment where formerly 1 was sufficient. This simply means that there is an additional expense in packaging materials, the cost of additional labor and more bookkeeping since labels, receipt forms, and shipping information must be multiplied by 2 or 3 for many of the shipments. It also requires the handling of 2 or 3 packages by every postal employee from the shipping point to the destination, as well as the receiving clerk at the other end. We understand that the Post Office Department admits that this additional cost amounts to more than $50 million a year, and we cannot understand why the law is not repealed outright or at least amended so that it will be more practical and sensible.

Perhaps one of the worst results of the law is the fact that mills (hosiery as well as many others) located in cities or towns which have first-class post offices are placed at a competitive disadvantage with those located in towns with second- or third-class post offices. There are many situations where mills manufacture the exact type of goods and sell to the same class of trade but many of them are placed at disadvantage over others because of the additional expense in shipping. An outstanding example of this kind of situation is the city of Burlington, N. C., which has a first-class post office. Burlington is surrounded by small towns, such as Graham, Haw River, Alamance, Glen Raven, and a number of others in the same county, all or most of which have second- or third-class post offices. It is unnecessary to point out how ridiculous such a situation is particularly since the mills located in the town of Burlington are not permitted to ship their goods from the post offices of the surrounding towns.

We are quite hopeful that enough of our Representatives in the Congress will join you in doing something about it.

Respectfully yours,

T. R. DURHAM,
President.

I hope the Post Office Department will see if they cannot bring about a change in these regulations.

DIRECT LOANS FOR FARM VETERANS

Mr. EDMONDSON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. EDMONDSON. Mr. Speaker, I have today introduced a bill to amend sections 512 and 513 of the Servicemen's Readjustment Act of 1944 to extend the direct loan program from June 30, 1955, to June 30, 1956, and to make available $150 million for this period of time. The bill also increases the class of veterans eligible for direct loans and increases the class of loans which can be made under this provision.

The direct loan program, which expires June 30, 1955, provides only that the funds can be used to make a loan to an eligible veteran for two purposes: First, the purchase or construction of a dwelling to be owned and occupied by him as a home; second, to finance the construction or improvement of a farmhouse.

The Committee on Veterans' Affairs has reported H. R. 5106, which places the guaranteed farm loans on a parity with city loans. This bill which I am introducing follows that same line and places the farm veteran on a parity with the nonfarm veteran in the remote areas where other financing is not available. This bill provides that the Administrator or Veterans' Affairs may make direct loans to eligible veterans for the following purposes:

(A) to purchase or construct a dwelling to be owned and occupied by him as a home;

(B) to purchase a farm on which there is a farm residence to be occupied by the veteran as his home;

(C) to construct on land owned by the veteran of a farm residence to be occupied by him as his home; or

(D) to repair, alter, or improve a farm residence or other dwelling owned by the veteran and occupied by him as his home; if the Administrator finds that in the area in which the dwelling, farm, or farm residence is located or is to be constructed, private capital is not available for the financing of the purchase or construction of dwellings, the purchase of farms with farm residences, or the construction, repair, alteration, or improvement of farm residences, as the case may be, by veterans under this title. In case there is an indebtedness which is secured by a lien against land owned by the veteran, the proceeds of a loan made under this section for the construction of a dwelling or farm residence on such land may be expended also to liquidate such lien, but only if the reasonable value of the land is equal to or in excess of the amount of the lien.

It will be seen that not only will this bill enable a veteran in a remote area to obtain a loan to build a home, but also it will permit an eligible farm veteran to obtain a loan to build a home on his farm or to buy a farm and build a home.

The other provisions of the existing law under the direct-loan program will remain substantially as they are today.

Mr. Speaker, there has been a drastic decline in the number of farm loans made to veterans under the provisions of the Servicemen's Readjustment Act, as amended. Since 1947 the VA-guaranteed farm loans have declined from 19,862 loans in 1947 to only 1,432 loans in 1954. From the initiation of the loan-guaranty program through December 25, 1954, the total farm loans closed was only 66,957 as compared to 3,607,000 home loans. This bill tends to check the mass departure of veterans from the farms and to open the way for and induce the return of veterans to the farm and at the same time enable the veteran that has stayed on the farm to have equal rights with the city veteran under the provisions of this act.

LITTLE HOMES

Mr. O'HARA of Illinois. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. O'HARA of Illinois. Mr. Speaker, I wish to acknowledge my debt to Grace Bassett, a staff reporter for the Washington Post and Times Herald. As a member of the Banking and Currency Committee, I have always wondered why it was so difficult to get a program providing decent housing for families in the low-income bracket. Perhaps Miss Bassett has let in the light. In a recent article in the Washington Post and Times Herald Miss Bassett states that a gentleman living in a restricted zone of $30,000 homes has said that he is ready to fight in Congress and in the courts to prevent the erection in that zone of $22,000 two-family homes. She quotes the gentleman as saying that these $22,000 homes would work a grievous injury on as good a residential area as you will find and someone else might erect what the gentleman describes as a shed. I know nothing of the facts of this controversy, which I would think that the gentleman would submit to the courts in the usual way. Why carry the fight to the Congress? The gentleman who does not relish little houses in his own neighborhood is the legal consultant for the Republican policy committee.

RURAL MAIL ROUTES IN IOWA

Mr. GROSS. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include a resolution by the House of Representatives of the State of Iowa concerning the extension of the rural carrier service.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. GROSS. Mr. Speaker, I desire to include the following resolution adopted by the House of Representatives of the State of Iowa:

House Resolution 12

Whereas the present rural mail routes in Iowa were established, in the majority of cases, many years ago, when the railroads were established; and

Whereas in those years the mail was mainly delivered to the post office by the railroads and to the rural mailbox by horse and buggy; and

Whereas the mail in most instances is now delivered to the post office by star routes and highway post offices and to the rural mailbox by auto; and

Whereas a reorganization of rural delivery would be more efficient than the present system; and

Whereas in order that rural delivery will be an actuality to all reasonably located homes: Now, therefore, be it

Resolved by the House of Representatives of the 56th General Assembly of the State of Iowa, That necessary action be taken by Congress to bring about the necessary reorganization of present rural mail routes, in order that rural delivery become an actuality to all reasonably located rural homes in Iowa; be it further

Resolved, That a copy of this resolution be forwarded to the Honorable Arthur E. Summerfield, Postmaster General of the United States; the Honorable Senator Bourke B. Hickenlooper; the Honorable Senator Thomas E. Martin; and the Honorable Congressman H. R. Gross, member of the Postal Committee.

AMENDMENT OF SUBSECTION 201 OF THE FEDERAL CIVIL DEFENSE ACT OF 1950

Mr. OSTERTAG. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. OSTERTAG. Mr. Speaker, I am today introducing a bill to amend the Federal Civil Defense Act of 1950 to authorize the Federal Civil Defense Administration to procure radiological instruments and detection devices and distribute the same by loan or grant to the States for educational and training purposes.

Mr. Speaker, the problem of detecting and measuring radioactive fallout from nuclear explosions has become a major concern in the civil defense of this Nation. In approaching a solution to it, it is evident that there must be full coordination of our civil defense resources at all levels of government. Certain tasks can and must be done by the Federal Civil Defense Administration. Others must be carried out at State and local levels.

The Federal Government has some capability today to predict and detect patterns and intensity of radiological fallout. Current Federal capabilities are being tested and improved daily through the efforts of the Department of Defense, the Atomic Energy Commission, the Weather Bureau, and other branches of the Federal Government. The Federal Civil Defense Administration has sponsored the development of the basic types of detection instruments required for civil defense operations. These efforts must be properly related and coordinated.

The Federal Civil Defense Administration is working out an arrangement of delegating to the Department of Commerce—Weather Bureau—certain responsibilities in the field of radiological defense which would include the predicting of prevalent wind patterns at different heights, and the probability of direction and intensity of radioactive fallout under given conditions.

Under FCDA delegation No. 1, the Department of Health, Education, and Welfare will assume the responsibility for radiological defense training and other related aspects of a program designed to minimize the radiological effects of military weapons.

The Federal Civil Defense Administration now has available some 2,000 radiological detection instruments for training purposes. An additional 1,000 instruments for the detection of radioactive fallout will be available under the authority of subsection 201 (h) of Public Law 920, upon the acceptance of the instruments after tests now being conducted by the Bureau of Standards.

No one believes that the mere purchase of instruments to detect fallout and the scattering of these instruments around the country is the answer to a program for effective radiological defense. It should be readily apparent that a nationwide radiological defense and monitoring system is essential to an effective civil defense. A program of radiological defense must be established and operated under the guidance and coordination of the Federal Civil Defense Administration in order to attain maximum efficiency.

Such a program should consist of the following elements:

First. Maximum use should be made of the current capability within the Federal Government to develop standards for detection and methods of the detection of radiological fallout, and the related prediction problems connected with these standards.

Second. An intensified training program for the detection and reporting in operational terms of the presence of radioactive fallout and its appropriate relationship to the civil defense of the Nation should be undertaken. The development of course content and the interpretation of technical data in terms that the operator of a detection device may understand should be done through the combined efforts of the AEC, Department of Defense, Weather Bureau, the Public Health Service, and any other Federal agency or public body having a capability within the field.

Third. The training courses as they become available should be placed in the hands of the States with instruments upon which to train. The courses should consist of the actual instruments to be used, course materials, audio-visual aids, teacher outlines, and any other device which would accelerate the training at the local level. The courses should be graduated on several levels of instruction, geared to the student capability of the patriotic citizen volunteering spare time for the training to assimilate the training.

The Federal Civil Defense Administration should be granted the authority at this time to distribute or donate to State and local civil-defense organizations the radiological detection devices for such a program. These instruments should be distributed as a part of a well-planned training program, such as that outlined herein, which takes advantage of presently established and easily controlled Federal channels.

In order to accomplish this, I am introducing for the consideration of the Congress a bill to amend subsection 201 (h) of the Federal Civil Defense Act of 1950, as amended (64 Stat. 249). The purpose of the amendment is to permit the Administrator of the Federal Civil Defense Administration, under such terms and conditions as he may prescribe, to distribute or donate instruments procured under the authority of subsection 201 (h) to the States and local political subdivisions for civil-defense purposes. This distribution would take place as a part of a well-planned training program to develop the capability of the civilian populace of the Nation to detect the presence of dangerous radioactive fallout and to take the proper defensive measures against this hazard.

It is not anticipated that this authority will replace or eliminate the purchase by the States of radiological detection devices within their present civil-defense programs under the contributions authority of subsection 201 (i) of the Federal Civil Defense Act of 1950, as amended. The proposed amendment to subsection 201 (h) is intended to accelerate the training program on the State and local level in order that an immediate program may be undertaken to develop an operational capability on the part of the local communities to detect and protect against radiological fallout. The proposed amendment will permit this immediate acceleration. It is expected that funds appropriated under subsection 201 (h) for the purchase of radiological instruments, as requested in FCDA's fiscal year 1956 budget request, will be utilized for this training program, together with existing stockpiles of roughly some 3,000 instruments either on hand or to be delivered shortly.

It is anticipated that additional funds will be made available for Federal contributions for organizational equipment to aid the States in the buildup of their operational capability within the radiological defense fields under the authority of subsection 201 (i).

JUVENILE DELINQUENCY

Mr. KEATING. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. KEATING. Mr. Speaker, one of the most serious problems facing our country today is that of juvenile delinquency. It is a matter in which many of us have been greatly interested and one which we have been studying for a long time.

I rise at this time to call the attention of the membership to the fact that on next Sunday afternoon from 4:30 to 5 the CBS network program entitled "The Search," that may be seen in Washington over channel 9, will present a worthwhile study on the subject of juvenile delinquency. It does not attempt to solve this problem, but it is an interesting analysis that explains the type of youngsters who have to be dealt with and the problem as it affects both them and their elders.

I am sure this will be of interest to all Members, and I highly recommend it to them.

MILITARY JETS AT WILLOW RUN AIRPORT, THE NATION'S SIXTH BUSIEST

Mr. MEADER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. MEADER. Mr. Speaker, I desire to call the attention of the Congress to a situation which is of particular interest to the area I represent but involves questions of national policy. I refer to the threat that a military jet squadron will be stationed at Willow Run Airport, the air terminal for Detroit, Mich. The Willow Run terminal building is located in the Second District of Michigan, which I have the honor to represent.

Willow Run Airport was constructed during the war in conjunction with the Willow Run bomber plant operated by the Ford Motor Co. in the production of B–24 bombers. The terminal buildings, as well as the so-called bomber plant, now owned by General Motors and used for the production of hydromatic transmissions, are both located in Washtenaw County in the Second District. I am informed that this airfield is one of the finest and most modern in the entire United States.

When it became surplus at the end of World War II, Willow Run Airport was transferred by the Federal Government by quitclaim deed to the University of Michigan, located at Ann Arbor, Mich., my hometown. There were provisions for recapture by the Federal Government in the event of another military emergency and also reservations for use without charge by the Government. The University of Michigan conducts experimental research and development work in a part of the facilities at Willow Run and has entered into lease arrangements with the Airlines National Terminal Service Co., Inc., a corporation formed by the airlines, to operate the Willow Run terminal and the airfield.

At the present time 7 scheduled airlines are using Willow Run at a total rate of 320 scheduled operations per day. It handles the sixth largest volume of passengers in the United States and is one of the busiest airports in the United States.

Some 5 air-miles from Willow Run—10 miles by road—is located the Wayne County major airport. This airport is operated by the Wayne County Road Commission. At present only 1 scheduled airline, Pan-American, operates from Wayne County Airport, having 3 scheduled flights a week. It is also used for air freight by two airlines whose operations are principally at night. In addition, the Michigan Air National Guard has a squadron of jet fighting planes based at Wayne County Airport.

The chairman of the Wayne County Road Commission, Leroy Smith, has for many years conducted a campaign to persuade the scheduled airlines to move from Willow Run to Wayne County Airport. This they have consistently refused to do, although the Wayne County Airport is a few miles nearer the city of Detroit, where the great bulk of the traffic originates.

A few weeks ago the Navy desired to transfer jet flying operations from its present inadequate base at Grosse Ile to Wayne County Airport. Mr. Smith was reported in the press as denying the request on the ground that when the airlines transferred to Wayne Major, that airport would be overcrowded. He suggested to the Navy that they base their jet operations at Willow Run Airport.

Included in the Willow Run Airport is a 23-acre area on which there is a moderate-sized hangar known as the Packard property. This area was excepted from the quitclaim deed from the Federal Government to the University of Michigan because at the time of that transfer the Packard area was being utilized by the Packard Motor Car Co. for experimental work. That work has since been discontinued and the area is now vacant. On July 19, 1954, the University of Michigan requested that the so-called Packard area be transferred to the university, being sorely needed for the performance of 11 separate contracts with the Department of Defense, covering research and development, aggregating approximately $4 million per year. I insert a copy of the university's letter, written by its vice president, W. K. Pierpont, to the commanding general of the Air Materiel Command, dated July 19, 1954, at this point in my remarks:

UNIVERSITY OF MICHIGAN,
July 19 1954.

COMMANDING GENERAL, AIR MATERIAL COMMAND,
Wright-Patterson Air Force Base, Ohio
(Attention: Col. Frederick W. Toomey)

DEAR COLONEL TOOMEY: The regents of the University of Michigan hereby request that AF plant No. 31 (Packard Building), Willow Run, Mich., be made available to it for use in connection with the performance of cost reimbursement contracts covering research and development for the Air Force and the Army, which are being performed by the applicant at Willow Run Airport.

In 1946, the university established the Willow Run Research Center primarily to conduct research for the Air Force, and it is presently performing 11 separate contracts for the Department of Defense, covering research and development which have a combined dollar expenditure of approximately $4 million per year. The space presently available at Willow Run is inadequate for the work in process, and the Packard Building, which is immediately adjacent to the Willow Run Research Center and completely surrounded by land owned by the applicant, is ideally suited to immediately supply the urgent need for additional space.

In support of this application, as requested in your letter of July 13, 1954, the university represents as follows:

(a) Location and adequate description of the property—the legal description of the property is as follows:

"Commencing at the southeast corner of section 8, Van Buren Township, Wayne County, Mich.; thence west along the section line between sections 8 and 17, 1,340.99 feet for a place of beginning; thence 35 feet; thence west parallel with the section line 1,458 feet; thence north 705 feet; thence east parallel with the section line 1,458 feet; thence south 670 feet to the place of beginning, being a part of sections 8 and 17, Van Buren Township, Wayne County, Mich., consisting of 23.593 acres."

Located on this property is a brick building commonly referred to as the Packard Building, which was used continuously for research purposes for approximately 10 years and is ideally suited to the needs of this applicant.

(b) Proposed use and justification therefor: The university plans to consolidate classified research activities on the east side of Willow Run Airport. This consolidation will cause an overall shortage of available research space, which will be alleviated by acquisition of the Packard Building. The building would house research activities for the Air Force, and the large hangar area would be used in particular for a war game area for project Michigan, a tri-service sponsored-contract administered by the United States Army Signal Corps.

(c) Date possession will be required, and the estimated period of occupancy: The university desires possession of the property at the earliest possible date, and would continue occupancy as long as Willow Run Research Center is maintained as an Air Force research facility.

(d) Modification required to adopt building to your needs, including a marked set of plans: No structural modification will be required to adapt the building to university use. The construction of the war-game area in the hangar space will be of a temporary nature and will require no structural modifications.

(e) Efforts to obtain facilities elsewhere: No other facilities are available in the area.

(f) Reasons for not financing with private funds: The university has for a number of years performed research for the Air Force and the Army on a cost reimbursement basis without fee, and the university, as a State institution, has no private funds available or in prospect to provide capital expenditures for its research facilities.

(g) Proposed terms: Since the building is needed to perform work for the Air Force and the Army on a straight cost reimbursement basis, it is requested that the building be made available rent free for the duration of such use.

Willow Run Airport, which was originally an Air Force facility, was given to the university by a quitclaim deed from the War Assets Administrator for the purposes of maintaining a public airport, and of providing a research facility at the university. This parcel was omitted from the deed in the first instance only because Packard Motor Car Co. was still conducting research on the site for the Air Force. Since the property is entirely surrounded by university property which was received from the Government, it is hoped that ultimately this parcel might be given to the university for the purposes stipulated in the original conveyance of Willow Run Airport.

Very truly yours,

W. K. PIERPONT.

Mr. Speaker, no reply to the university's request was received. However, early this month the university received notice from the Detroit district engineer that an air reserve flying squadron would be based on the so-called Packard property. The letter of the Engineers to the regents of the University of Michigan, dated March 3, 1955, is inserted at this point in my remarks:

CORPS OF ENGINEERS,
UNITED STATES ARMY,
OFFICE OF THE DISTRICT ENGINEER,
DETROIT DISTRICT,
Detroit, Mich., March 3, 1955.

THE REGENTS OF THE UNIVERSITY OF MICHIGAN,
Ann Arbor, Mich.

GENTLEMEN: Land area, consisting of 23.593 acres, presently utilized by the Continental Air Command, is being assigned to Headquarters, 10th Air Force, to be utilized by an air reserve flying squadron of the above numbered air force.

The air reserve flying squadron will be utilizing the flying strip of Willow Run Airport. This operation will be a weekend training activity. The number of aircraft to be based and operated from this location is 10 of the F–80 type. The ultimate number will be a complete squadron.

This is to advise the use of the airport was reserved by the Government under quitclaim deed, dated January 19, 1947. The proposed operation will be effective in July 1955.

It is requested that the additional copies of this letter be acknowledged by the regents of the University of Michigan and the Civil Aeronautics Administration and same returned for the files of this office.

Very truly yours,

EARL C. ANDRUS,
Chief, Acquisition Branch,
Real Estate Division
(For the District Engineer).

Mr. Speaker, shortly thereafter the representatives of the University of Michigan and the Airlines Terminal Co. got in touch with me by telephone and urged me to interest myself in this proposed threat to commercial operations at Willow Run Airport. I immediately brought the matter to the attention of Air Force Secretary Talbott by telephone and followed it with a letter dated March 16, 1955, which I insert at this point in my remarks:

MARCH 16, 1955.

Hon. HAROLD E. TALBOTT,
Secretary, Department of the Air Force,
Washington, D. C.

DEAR SECRETARY TALBOTT: Pursuant to my telephone conversation with you this morning, I enclose herewith a copy of a letter I received from Col. Robert E. Miller, president of the Airlines National Terminal Service Co., Inc., and manager of the Willow Run Airport at Ypsilanti, Mich.

I previously heard from representatives of the University of Michigan, to whom the Willow Run Airport was transferred—with recapture provisions, after World War II, and I have also been in contact with officials of the Ypsilanti township who are in the beginning stages of the development of 5,000 permanent homes at Willow Village in the vicinity of Willow Run Airport; Mr. Wendell Edwards, the Federal Housing Administrator of the Detroit regional area; officials of the city of Ypsilanti, and officials of the Ypsilanti Chamber of Commerce.

There is a tremendous boom in residential dwellings in the entire area surrounding Willow Run Airport—for instance, one subdivision will comprise 1,500 new dwellings in addition to the 5,000 which will be built at Willow Village.

I am assured that there is no present or contemplated residential housing development in the area of Wayne Major Airport.

It would seem wiser to concentrate the military operations at Wayne Major Airport where the Michigan Air National Guard is already based, than to attempt to mingle military jet operations with commercial operations at an extremely busy terminal.

I would appreciate your looking into this situation and advising me.

Sincerely,

GEORGE MEADER.

Mr. Speaker, I enclosed with my letter to Secretary Talbott a copy of a letter dated March 15, 1955, I received from Col. Robert E. Miller, president of the Airlines National Terminal Service Co., Inc., the manager of the Willow Run Airport, a copy of which letter I insert at this point in my remarks:

AIRLINES NATIONAL TERMINAL
SERVICE CO., INC.,
Ypsilanti, Mich., March 15, 1955.

Hon. GEORGE MEADER,
Member of Congress,
House of Representatives Office
Building, Washington, D. C.

DEAR CONGRESSMAN MEADER: The regents of the University of Michigan have been advised by the Corps of Engineers, Detroit office, that the Headquarters 10th Air Force wish to place an Air Reserve Flying Squadron at Willow Run Airport. The operation will be a weekend long activity. The number of aircraft to be based and operated from this location is 10 of the F–80 type. The ultimate number will be a complete squadron which we understand to be 25 jet planes.

We are very much concerned and disturbed by this proposed activity because of the interference it will cause to some 320 scheduled airline operations per day. Our concern is twofold: first, the safety factor to the commercial airlines and passengers; and second, because of the severe crowding of available air space for the jet operation.

The Michigan Air National Guard, a squadron equipped with jet planes, is and has been operating for the past several years at Wayne-Major Airport 10 miles nearer Detroit and 10 miles nearer the homes of most of the Air Reserve pilots who would be practicing with these F–80 jets. That airport does not have but one scheduled airline operating from the airport and at present that airline operates only three schedules a week. They do have 2 or 3 scheduled cargo carriers but they have the bulk of their operation at night.

The Federal Government has put a large amount of money into Wayne Major Airport and the State of Michigan has spent over $2 million[1] for the Air National Guard installation there and is presently spending an additional $629,000 for the construction of a hangar. It would certainly seem logical for the Department of Defense to concentrate the jet plane operations at Wayne Major and not at Willow Run with the terrific conflict it would cause to commercial air travel.

Just as an example of the way this would operate—we had a military plane alert our tower about 2 weeks ago because the pilot could not get his nose landing gear in proper position. The tower cleared the air for his landing and he made three passes at the field—an operation which took 20 to 25 minutes, finally landing safely (fortunately) at Selfridge Field.

As you know, where jets are operating they object to the runways being sanded because of sand being sucked up into the engine intake and causing trouble. In Minneapolis recently they had glare ice on the runways, the airport management could not sand the runways and a couple of planes slid off into a snowbank, tying up one of the planes for 4 or 5 weeks until it could be put back into service.

We have no disposition to in any way interfere with the well-designed plans of the Defense Department and the Air Force. But we cannot understand why they should pick out Willow Run for their base of operations when a field practically unused for commercial airlines is available 10 miles closer to Detroit by road and approximately 5 to 6 air miles away.

It will be very much appreciated, Congressman MEADER, if you will bring this to the attention of Secretary Talbott, for we feel a severe injustice is being done to Willow Run by this proposed activity. Willow Run has been maintained and operated for the past 7 years without tax money and with practically no subsidy from the Federal Government with the exception of a few thousand dollars spent on high-intensity lights for the ILS runway and $30,000 spent in ramp extension. It has been maintained at, therefore, practically no cost to the Government and yet available at a moment's notice in the event of an emergency for major Air Force operations. Until the emergency is declared, it seems unreasonable and unfair to superimpose the burden of a jet operation on a commercial airport carrying the sixth largest volume of passengers in the country.

We shall await with interest the result of your discussion with Secretary Talbott on the matter.

Sincerely,

ROBERT E. MILLER,
President.

Mr. Speaker, subsequently, I received from Mr. E. A. Cummiskey, attorney for the University of Michigan, a letter dated March 15, 1955, a copy of which I transmitted to Secretary Talbott on March 23, 1955. I insert a copy of Mr. Cummiskey's letter at this point in my remarks:

UNIVERSITY OF MICHIGAN,
Ann Arbor, Mich., March 15, 1955.

Hon. GEORGE MEADER,
Member of Congress, House Office
Building, Washington, D. C.

DEAR GEORGE: In accordance with our telephone conversation of this morning, I enclose herewith copy of the university application dated July 19, 1954, for the Packard Building for use in Government research. I also enclose copy of letter of March 3, 1955, from the district engineer in Detroit advising that the Packard Building is being assigned to Headquarters, 10th Air Force, and that the Air Reserve Flying Squadron will be utilizing the flying strip at Willow Run Airport.

This letter of March 3 is the only notification that the university's application has been turned down. We had been advised unofficially that several different agencies wanted to get the building, including the 30th Air Division of the Continental Air Command, Cook Electric Co., and the 10th Air Reserve. At one time we were advised unofficially that the building would be assigned to the Cook Electric Co., but the next word we received is the enclosed letter of March 3, 1955.

Civilian airline traffic is very heavy at Willow Run at the present time, and we are fearful that the use of the field by military jets will endanger lives of people, particularly on weekends when we understand the Reserve is very active. The airlines are very much concerned about the use of the field by jets, and Mr. Miller advised me that he would write you a letter today stating the airlines' position.

It appears to us that this is all a part of a pattern to force the airlines to move to Wayne Major Airport. As you know, the Wayne County Road Commission has been campaigning for 10 years to get the airlines to move to Wayne Major but has never been able to interest them in the move. They have recently persuaded Mayor Cobo to come out with a public statement advocating the move of the airlines, and we do not believe that that alone would have any effect, but in addition they are refusing to take the Naval Reserve Force, which has to move from Grosse Ile, and are giving statements to the paper that the Navy should move to Willow Run and the airline move to Wayne Major.

Since the Air National Guard is based at Wayne Major and has a big investment (several million dollars) in hangars and equipment, it seems to us logical that the 10th Air Reserve Squadron should be based there also as well as the Naval Reserve.

Willow Run Airport is one of the finest and best equipped airfields in the country, and the scheduled airlines are very happy in the use of the field, and we are confident that they cannot be persuaded to move to Wayne Major unless they are driven out by military use of the field. We are also advised that General Motors is very much opposed to use of the field by jets, as it interferes with their operations at the Detroit Transmission Division.

As I advised you by telephone, we are having a luncheon at the airport on Monday,

[1] Probably Federal funds.

March 21, which will be attended by the mayors and presidents of the Chamber of Commerce of Ann Arbor and Ypsilanti, the supervisor of Ypsilanti Township, and Ed Kaegi, general manager of the Detroit Transmission Division of General Motors Corp. We hope to lay out a plan of action to see if we cannot preserve Willow Run as a civilian airport. I will advise you after the meeting what the plans are. In the meantime, I think it would be a very good idea if you would talk with Mr. Talbot and a representative of the FHA, as you suggested on the telephone.

Very truly yours,

E. A. CUMMISKEY.

Mr. Speaker, shortly thereafter I received from Secretary Talbott a letter dated March 24, 1955, indicating that no final decision had been made to base military jet planes at Willow Run, which I insert at this point in my remarks:

DEPARTMENT OF THE AIR FORCE,
OFFICE OF THE SECRETARY,
Washington, March 24, 1955.

Hon. GEORGE MEADER,
House of Representatives.

DEAR MR. MEADER: I refer to your recent inquiry in behalf of Mr. Robert E. Miller, president of the Airlines National Terminal Service Co., Inc., relative to the possibility of the Air Force establishing a flying Reserve activity at the Willow Run Airport.

The Air Force has been surveying various sites throughout the United States to establish additional Reserve activities in connection with our plans for a long-range Reserve training program. Under this program, there is a requirement to establish a flying Reserve activity in the Detroit area and the Willow Run Airport has been considered.

At the present time, however, our plans have not progressed to a point where it has been definitely decided that the Willow Run facility will be utilized since there may be other sites in the Detroit area which will meet our requirements.

When a final decision has been reached concerning this matter, the Air Force shall be glad to further inform you.

Sincerely yours,

HAROLD E. TALBOTT.

Mr. Speaker, it was brought to my attention that the failure of the University of Michigan to be able to use the so-called Packard property might impede progress on the very important research and development work the university is doing for the Department of Defense. Accordingly, I wrote Secretary Talbott on March 25, 1955, enclosing copies of relevant correspondence and raising the question of possible conflict of programs within the Defense Department. I insert a copy of my letter of March 25 to Secretary Talbott at this point in my remarks:

MARCH 25, 1955.

Hon. HAROLD E. TALBOTT,
Secretary of the Air Force,
Department of the Air Force,
Washington, D. C.

DEAR SECRETARY TALBOTT: Thank you for your letter of March 24 regarding the possibility of establishing a flying Reserve activity at Willow Run Airport.

I wrote you further on this subject on March 23 and enclosed a copy of a letter dated March 15 from E. A. Cummiskey, attorney for the University of Michigan. However, I neglected to include a copy of the university's letter of July 19, 1954 to the Commanding General of the Air Materiel Command requesting the so-called Packard property for use in performing 11 separate research and development contracts for the Department of Defense, and a copy of a letter from the Corps of Engineers dated March 3, 1955. These letters are enclosed herewith.

It appears that there are 2 Defense Department programs in conflict in the situation which has developed at Willow Run. The research and development program would seem to indicate that the 23 acres of the so-called Packard property should be used by the university in connection with the important research and development work they are doing for the Air Force and the Army, but this use is being prevented by the determination to use this property for the jet flying squadron of the Air Reserve.

I thought this point might be of interest to you in the consideration you are giving this question. I have also written Assistant Secretary of Defense Quarles and am enclosing a copy of my letter to him.

Sincerely,

GEORGE MEADER.

Mr. Speaker, concurrently I spoke on the telephone with the Honorable Donald A. Quarles, Assistant Secretary of Defense for Research and Development, and called his attention to the apparent conflict of programs within the Department of Defense and the possible adverse effect of the use of the Packard property for jet Reserve flying rather than for research work, and invited his interest in this situation.

I followed this conversation by a letter to Secretary Quarles dated March 25, a copy of which I insert at this point in my remarks:

MARCH 25, 1955.

Hon. DONALD A. QUARLES,
Assistant Secretary of Defense for Research and Development,
Department of Defense,
Washington, D. C.

DEAR MR. QUARLES: Pursuant to my telephone conversation with you this afternoon, I am enclosing copies of correspondence which raised the question of whether or not the proposed use of Willow Run Airport for the Air Force Reserve squadron of jet fighters will interfere with research and development work being done by the University of Michigan at Willow Run for the Air Force and the Army.

As I told you over the telephone, some of the newspapers have indicated there are two Defense Department programs in conflict here. I would appreciate your looking into the matter and ascertaining whether or not the proposal to use the so-called Packard property for jet flying will impair the progress of research and development work being done by the University of Michigan at Willow Run.

I have discussed this matter with Air Force Secretary Talbott both on the telephone and in correspondence and am enclosing a copy of my last letter to him.

Sincerely,

GEORGE MEADER.

Mr. Speaker, subsequently I received from Mr. W. K. Pierpont, vice president of the University of Michigan, a letter dated March 25, 1955, reaffirming the university's present need for the Packard property and enclosing a copy of the letter dated March 25, 1955, from the university to the Corps of Engineers with reference to the Packard property. Copies of both letters were furnished both to Air Secretary Talbott and Assistant Defense Secretary Quarles for their information in studying this problem, and I insert these letters at this point in my remarks:

UNIVERSITY OF MICHIGAN,
Ann Arbor, Mich., March 25, 1955.

The Honorable GEORGE MEADER,
House Office Building,
Washington, D. C.

DEAR REPRESENTATIVE MEADER: I am enclosing a copy of a letter I have sent to the Corps of Engineers concerning the use of Willow Run Airport by the Air Reserve for the use of jet aircraft.

We are very pleased and gratified with your active interest in this recent development at the Willow Run Airport, and I would like to assure you that if at any time you need further information, we will be glad to obtain it for you.

We still have a need for the area under consideration for Reserve flying as an additional facility for our research center at Willow Run. It appears to us that the Air Force should give serious consideration at this time to the relative advantages of providing this additional space to the university for its research projects for the military services rather than to continue in its announced intention of using the area for jet aircraft.

Sincerely yours,

W. K. PIERPONT.

UNIVERSITY OF MICHIGAN,
Ann Arbor, Mich., March 25, 1955.

CORPS OF ENGINEERS,
Office of the District Engineer, Detroit District, Detroit, Mich.
(Attention: Mr. Earl C. Andrus, Chief, Acquisition Branch, Real Estate Division.)

DEAR MR. ANDRUS: This will acknowledge receipt of your letter of March 3, 1955, advising that the Air Reserve Flying Squadron will be utilizing the flying strip at Willow Run Airport for a weekend training activity using F–80 type aircraft.

Although we are aware of the reservation by the Government under the quitclaim deed dated January 19, 1947, to which you refer, we regret the decision of the Government to use Willow Run for military jet planes because of the interference such use will necessarily create for airline traffic. As you know, Willow Run Airport is the Detroit terminal for the commercial airlines. Upon receipt of your letter of March 3, 1955, we submitted a copy to Robert E. Miller, President of Airlines National Terminal Service Co., Inc., which is the representative of the airlines at Willow Run Airport, to get their comments on your proposal. In his reply Mr. Miller stated in part as follows:

"We are very much concerned and disturbed by this proposed activity because of the interference it will cause to some 320 scheduled airline operations per day. Our concern is twofold: first, the safety factor to the commercial airlines and passengers; and second, because of the severe crowding of available air space for the jet operation.

"The Michigan Air National Guard, a squadron equipped with jet planes, is and has been operating for the past several years at Wayne-Major Airport 10 miles nearer Detroit and 10 miles nearer the homes of most of the Air Reserve pilots who would be practicing with these F–80 jets. That airport does not have but one schedule airline operating from the airport and at present that airline operates only three schedules a week. They do have 2 or 3 scheduled cargo carriers but they have the bulk of their operation at night."

It would seem to us wiser for the Air Reserve Flying Squadron to use Wayne Major Airport where there are already jets in use by the Air National Guard and the possibility of interference between military and civilian aircraft would be greatly lessened.

We were further disappointed upon receipt of your letter as we had hoped that the Packard Building, which is located on the 23.593 acres on the east side of Willow Run Airport, would be turned over to the university to provide needed space for research for the Department of Defense. We had made formal application for the building to the Air Materiel Command on July 19, 1954, and have not as yet been formally notified that our application was denied. We are hopeful still that the decision to use Willow Run for military aircraft will be reviewed and that the area will be made available to the university for its research programs.

The principal objectives of the conveyance of Willow Run Airport to the university were to provide space that the university needed for research and to maintain the airport so it would be available to the Government in the event of an emergency. The university assumed the obligation of maintaining the airport as a public airport and has been able to fulfill that obligation only because it served the needs of the airlines for a terminal in southeastern Michigan. The university is able to fulfill this obligation to maintain the airport from revenues derived from the airlines. If military use of the airport seriously interferes with civilian use, the university may not be able to continue to fulfill its obligation, and the airport will revert to the Government under the terms of the quitclaim deed.

We note the statement in the last paragraph of your letter that you desire a copy of the letter acknowledged by the Civil Aeronautics Administration. We suggest that such request be sent to the CAA directly.

Sincerely yours,

W. K. PIERPONT.

Mr. Speaker, I would also like at this point in my remarks to insert a copy of my newsletter to my constituents dated March 18, 1955, and a copy of an editorial from the Ann Arbor News, Ann Arbor, Mich., of March 19, 1955, on this subject:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C., March 18, 1955.

DEAR FRIEND: I asked Air Force Secretary Talbott this week to look into a proposal to base a jet-fighter squadron of the 10th Air Force at Willow Run Airport at Ypsilanti.

Representatives of seven scheduled airlines using Willow Run, officials of the University of Michigan, Ypsilanti Township, the city of Ypsilanti, and the Ypsilanti Board of Commerce are worried about a military jet operation at Willow Run.

Reasons for their concern:

There are 320 scheduled airline operations daily at Willow Run which handles the sixth largest volume of air passengers in the country. The area adjacent to Willow Run is rapidly being developed as a residential area, 1,500 homes in 1 subdivision alone, in addition to the projected 5,000 homes at Willow Village.

A military jet operation at Willow Run will interfere with commercial operations, place in jeopardy Willow Run's perfect safety record, and impair the desirability of the surrounding area for residential purposes.

I asked Mr. Talbott to consider the fact that Detroit Wayne Major Airport, 10 miles nearer Detroit, already is the headquarters for some units of the Michigan Air National Guard, presently operating 20 jets with 30 more to be added this summer. Pan American-World Airways is the lone scheduled air carrier based there with but three scheduled passenger flights weekly. Several air-freight lines also operate from Detroit Wayne Major along with the aviation section of the Ford Motor Co. The airport is far from overcrowded.

Yet, not too long ago, Wayne County Road Manager LeRoy Smith denied Naval Reserve units, currently at Grosse Ile, permission to base at Wayne Major. Instead, he asked the Navy to investigate the possibility of operating from Willow Run.

Detroit newspapers said Mr. Smith gave as his reason the fact that naval flights would overcrowd Wayne Major when the airlines moved from Willow Run to the Wayne County Airport.

Smith knows that only the airlines can bail him out of debt at Wayne Major and is using every means at his command to see that they are forced out of Willow Run. And worse yet, he is attempting to use the Navy and the Air Force as pawns in his game.

Sincerely,

GEORGE MEADER.

[From the Ann Arbor (Mich.) News of March 19, 1955]

DETROIT PRESENTS WEAK CASE IN BID FOR AIRLINES CHANGE

The city of Detroit is getting just about as much support as it deserves in the campaign to move the airlines from Willow Run to the Wayne Major Airport. The people of Detroit don't appear to have gotten very excited about the issue, and the airlines themselves are not jumping at the bait of promised huge expenditures for facilities at Wayne Major.

The airlines know a good thing when they see it, and they see it at Willow Run. They not only have a mutually advantageous agreement with the University of Michigan, which has the airport on a lease from the Federal Government, but they have a record of safety in their landings and takeoffs at Willow Run which stamps it as one of the best air terminals in the United States from that standpoint.

Detroit's big argument is that Willow Run is too far from the city to be considered Detroit's major airfield. It is argued that it shouldn't take half as long to get from the airport home or to a hotel as it does to make the actual flight from another point. That, of course, is true, but it is not a situation that Detroit faces alone. An airport can't be placed in the center of a city and when it is put far enough out to avoid danger of collision with high objects in the area, transportation and time to and from the airport become a problem.

Were the Wayne Major Airport to be substituted for Willow Run, it has been estimated a saving of 11 to 14 minutes' time would result for the airlines patron coming to or going from the center of Detroit. This would be reduced somewhat by a proposed new road running southeast from the air terminal to join the expressway, eliminating the present roundabout way in which Detroit-bound airport traffic must go west from the field before proceeding south and then east.

From the standpoint of miles distance from the center of the largest nearby city, Willow Run is the fartherest of the major airports of the country. On the basis of minutes, and airport officials insist that is the more important measurement, Willow Run is in a better position than several others. Opening of the Detroit city sections of the Lodge and Ford expressways has in a sense brought Willow Run closer to the heart of Detroit.

Detroit must be conceded a big stake in Willow Run; a survey a few years ago showed 88 percent of the airport's traffic from or to Detroit and only 12 percent outstate. Detroit is engulfed at the moment in a surge of civic pride with talk of new hotels, bank buildings, parking structures, and expressways and some notable progress on its new river-front civic center. Some city and county officials apparently feel that such dynamic progress is meaningless without an airlines terminal nearer to the city. One of the weaknesses of their position is that they are trying to move the airlines from Willow Run as a temporary thing; they hope to have another big city airport later north of the metropolis. When that day comes and assuming that the airlines then would move there from Willow Run, it is problematical whether they would consider a "split operation" using both airports. In any event, that is something at least a few years in the future.

Complicating the situation further is a proposal by the 10th Air Force to base F-80 jet planes at Willow Run. This may have been due to a misunderstanding over the chance of moving airlines facilities to Wayne Major Airport. Congressman GEORGE MEADER has objected to the military plan, following the protests of Willow Run officials that it would not be wise to base jets at an airfield where there are 320 scheduled airline operations a day. They logically suggested that the jets be based at Wayne Major where there already is a unit of the Air National Guard.

Detroit—unlike Chicago, which at least through the Chicago Tribune, claims as Chicagoland everything within a couple hundred miles—probably finds it difficult to claim Willow Run as its major airlines terminal because of the fact that while the field is in Wayne County the airport buildings are in Washtenaw.

While Willow Run meets most of the functional requirements of a major air terminal, there have been complaints that its facilities are not in line with those of other big fields in metropolitan areas. That is true, of course, and the reason is that it is a conversion job. It was not built with beauty and comforts in mind, but those factors have been considered in remodeling efforts and it may be expected that something further along that line will be done. The distance from Detroit can't be changed, except possibly by the discussed shorter route, but the facilities and comforts of the airport could be increased with the expenditure of some money. It certainly wouldn't cost anywhere near the $10 million suggested expenditure to make Wayne Major Airport suitable for use as a substitute for Willow Run.

The university, board of supervisors, Ypsilanti city and township officials, and the Ann Arbor Chamber of Commerce all have been concerned by Detroit's efforts to lure the airlines away from Willow Run. Detroit appears to hold the losing hand at the moment because the airlines like their present arrangement with the university, the only such setup in the country. It probably would be wise, however, for the various groups concerned with keeping Willow Run in business, to make a real effort to eliminate any justified complaints against Willow Run as a passenger terminal.

Ann Arbor, with the university and medical center, and Ypsilanti have many residents who use the airlines regularly. Many businessmen and vacationers also use them. It would be a distinct loss to the whole county were the airlines to move. The scheduled conference of university and civic officials on the matter then is important. Detroit has no strong argument for moving the airport at this time, but airlines and university officials should have all the available support in rejecting such an unreasonable request.

Mr. Speaker, because of the interest of the Civil Aeronautics Administration in the safe operation of airports, I arranged for a conference between representatives of the University of Michigan, the airport, and myself with Mr. F. B. Lee, Administrator of the CAA. Yesterday that conference was held, and we were assured that the CAA would take

an interest not alone in the proposal to base jet aircraft at Willow Run but in the 29 or 30 other centers in the United States where the Air Force is contemplating establishing new jet reserve flying operations.

It is very apparent to me that Leroy Smith, as a part of his campaign either to cajole or to force scheduled commercial airlines from Willow Run to Wayne Major Airport, is taking advantage of every conceivable opportunity. It would be far more logical to permit the Navy to transfer its jet flying operations from Grosse Ile to Wayne Major, where there is already a jet operation of the Michigan Air National Guard, and to station the 10th Air Force jet reserve squadron at Wayne Major than to force those military jet operations into a busy commercial airport where there are currently no military jet operations.

The Congress will have an opportunity to consider national policy in situations of this character in connection with the Defense Department appropriation bill on which I understand hearings are nearly completed by the Defense Appropriations Subcommittee. In this connection it would be appropriate to consider not only the dislocation to commercial air operations and the inconvenience to the community and rapid residential expansion in the vicinity of Willow Run, but also the amount of Federal funds which have been invested in the respective airports.

I have obtained from the CAA a tabulation showing Federal airport aid to the State of Michigan since the war. This tabulation reveals that Wayne Major Airport has received 52 percent of all Federal aid airport funds granted to the State of Michigan since 1947, whereas Willow Run Airport has received less than 2 percent of such funds.

Although Wayne Major in 8 years has received $4,035,858 in Federal funds it denied the Navy the use of its facilities.

Citizens of Michigan familiar with the history of Federal airport aid to their State will have little difficulty connecting Wayne Major Airport's lion's share of airport aid funds with the powerful influence of Detroit's John P. McElroy as a member of the Michigan Aeronautics Commission.

At this point in my remarks I insert the tabulation of Federal-aid airport funds for Michigan:

Federal-aid airport program, State of Michigan, fiscal years 1947–55

City	1947		1948		1949		1950		1951		1952		1953		1955		Total Federal funds obligated or allocated
	Allocation	Final cost	Allocation	Final cost	Allocation	Final cost	Allocation	Final cost	Allocation	Final cost	Allocation	Final cost	Allocation	Final cost	Allocation	Revised	
Adrian	$19,500	$18,133															$18,133
Alma									[1] $9,500	$8,990							8,990
Ann Arbor	91,469	0															0
Bad Axe	30,000	23,111															23,111
Battle Creek					$40,000	$19,805											19,805
Bay City	82,750	50,000															50,000
Benton Harbor	75,000	42,001													0	[3] $50,000	[4] 92,001
Boyne City	4,775	[2] 0	$225	[2] 0													0
Cadillac	22,000	32,474															32,474
Cold Water	25,000	16,180															16,180
Detroit-City					150,000	149,728			[1] 17,500								149,728
Detroit-Wayne			240,000	$528,617	1,061,600	1,030,641	$1,000,000	[3] $1,407,810	500,000	488,820	$250,000	$345,306	$170,000	$154,664	$80,000	[3] 80,000	[4] 4,035,858
Detroit-Willow Run													[1] 74,000	70,031	100,000	[3] 80,000	[4] 150,031
Escanaba	20,000	20,000	15,000	13,991			22,000	39,898									73,889
Flint			55,000	57,448					100,000	215,233			30,000	[3] 33,000	60,000	[3] 60,000	365,681
Fremont					10,000	5,923											5,923
Grand Haven	44,250	47,350															47,350
Grand Marais	116,500	[2] 0															0
Grand Rapids			100,000	110,931					102,000	85,354	210,000	222,796	75,000	[3] 88,000	190,000	[3] 165,000	[4] 672,081
Hart	10,375	11,041															11,041
Holland			15,000	[2] 0													0
Houghton	312,680	290,524	28,320	2,461													292,985
Howell	19,000	[2] 0															0
Indian River	6,250	[2] 0															0
Iron Mountain	45,000	45,000					45,000	26,896					5,000	4,905			76,801
Ironwood	32,500	51,438			25,000	14,850			32,500	2,351							68,639
Jackson					[1] 4,000	2,982	77,000	47,697									50,679
Kalamazoo	51,375	12,785															12,785
Lakeview	10,100	7,321															7,321
Lansing			75,000	[3] 143,731	20,000	[3] 20,000	75,000	[3] 86,900	75,000	52,261	70,000	[3] 70,000	70,000	[3] 70,000	100,000	[3] 66,000	[4] 508,892
Ludington	14,500	14,500	7,000	4,750													19,250
Marquette	43,000	50,000							8,500	5,969							55,969
Menominee			65,000	65,000					9,000	4,824							69,824
Midland	47,972	60,000	12,028	14,960			[1] 7,100	9,030									83,990
Monroe	20,500	30,572															30,572
Montague	7,400	[2] 0															0
Muskegon			70,000	70,000	70,000	115,017							20,000	[3] 20,000	21,530	[3] 65,530	[4] 270,547
Niles	27,450	59,632	22,550	39,151													98,783
Northport					7,100	[2] 0											0
Owosso			40,000	75,430													75,430
Pellston							20,000	28,191									28,191
Pontiac					40,000	27,861									0	[3] 5,901	[4] 33,762
Port Huron	65,000	89,143			20,000	24,365											113,508
Saginaw-Bay City									7,150	11,974							11,974
St. Ignace	11,500	[2] 0															0
Sault Ste. Marie	75,000	[2] 0															0
Sebewaing							[1] 10,100	6,905									6,905
South Haven					15,000	15,116											15,116
Sturgis					10,000	18,487											18,487
Three Rivers	10,500	10,500	7,000	6,088													16,588
Traverse City							10,000	7,897									7,897
Watervliet	12,881	13,893															13,893
Total																	7,761,064

[1] Addition during year.
[2] Canceled.
[3] Project active.
[4] Portion still active.

Mr. Speaker, furthermore, it should be borne in mind that preparation of Wayne Major Airport for the accommodation of scheduled commercial airline traffic would require an additional expenditure of at least $10 million.

If the University of Michigan is denied the use of the Packard property for research purposes, there is a distinct possibility that alternate facilities will have to be constructed at an estimated expense of $4 million.

I urge my colleagues and the executive departments concerned to give careful thought not alone to the community interests and the safety of air travel, but to the expenditure of Federal funds before a movement of far-reaching consequences is initiated.

As further evidence of the overwhelming interest in this problem in my home community I include at this point a telegram I received this morning from the Ypsilanti Junior Chamber Commerce:

ANN ARBOR, MICH., *March 31, 1955.*
Representative GEORGE MEADER,
Washington, D. C.:

Public sentiments in Ypsilanti area rapidly growing in opposition to apparent plan to base military aircraft at Willow Run, Mich. Based on present information we, of the Ypsilanti Junior Chamber of Commerce are strongly opposed to such plans and respectfully request the reasons for selecting Willow Run in place of nearby Detroit-Wayne Ma-

jor Airport with its currently used and adequate military facilities.

THE YPSILANTI JUNIOR CHAMBER OF COMMERCE, *Ypsilanti, Mich.*

(Joint message sent to President Eisenhower, Secretary Talbott, Secretary Wilson, Senator Potter, Senator McNamara.)

SPECIAL ORDER GRANTED

Mr. COLE of New York asked and was given permission to address the House for 1 hour today, following any special orders heretofore entered, to revise and extend his remarks and include an address.

A PROPOSAL TO CREATE A DEPARTMENT OF CIVIL DEFENSE IN THE DEPARTMENT OF DEFENSE

Mr. RIEHLMAN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. RIEHLMAN. Mr. Speaker, recent public disclosures by the Atomic Energy Commission of the horrifying facts about the radioactive fallout resulting from detonation of the new atomic-hydrogen weapons, recent news releases by the Air Force concerning the almost unbelievable capabilities of supersonic guided missiles, and news of other startling developments in the field of modern warfare, serve only to reaffirm my conviction that our civil-defense program as presently constituted, is grossly inadequate to cope with the problems that would immediately arise in the event of any attack on the United States.

Even before the disclosure of this most recent information, I had been convinced for some time that our civil-defense program is dangerously outmoded. Last year I introduced House Concurrent Resolution 233 expressing the sense of the Congress that, in accordance with the Reorganization Act of 1949, the President should prepare and submit to the Congress a reorganization plan to establish within the Department of Defense a civilian Department of Civil Defense and transfer all functions of the existing Federal Civil Defense Administration to such new Department. No hearings were held on this bill prior to adjournment of the 83d Congress.

Today, I am reintroducing this bill in substantially its same form, with only minor changes of a technical nature. I hope that this bill, and other similar proposals for a more adequate civil-defense program, will be given early and serious consideration during the 84th Congress.

Our country has made extensive plans and expended unprecedented sums of money to build and maintain a modern military-defense force. I fully concur with the administration's efforts and its policies in building such a strong retaliatory military force. Our best hopes for preservation of the free world lie in our continued ability to carry on international negotiations from a position of strength. Although it is now a matter of hindsight, it is generally agreed that many of our current problems in international affairs might well have been averted had we not disarmed as rapidly as we did following World War II.

However, recent public releases of information concerning the mass destructive capabilities of the latest atomic-hydrogen weapons and other instruments of modern warfare have shocked the people of this Nation into giving more thought to our civil defense. The present civil-defense program, established pursuant to the Federal Civil Defense Act of 1950—approved January 12, 1951—is a loose confederation of individual State programs. While much progress has been made, both at the State level and by the Federal Civil Defense Administration—particularly with regard to negotiation of interstate mutual-aid compacts—the basic system itself has proved to be wholly inadequate.

The Federal Civil Defense Administration, as presently constituted, is primarily an information coordinating headquarters which must depend upon the voluntary efforts of each State in the Union to develop the kind of individual civil-defense operations which each State can afford. The limit of each State's plan is dependent upon the amount of State money available for this activity. Even where the people of the individual States are made conscious of the great necessity for their State's civil-defense program, and even where adequate State funds could be made available for civil defense, the process of translating this concern into a coordinated national civil-defense program is bound to be a slow one.

Can we as a nation, at this period of rapid technological development in the techniques of modern warfare, afford the luxury of such a system? I do not believe that we can. Although I have opposed in the past, and shall continue to oppose in the future, the shifting of many legitimate State functions to the Federal Government, it would seem obvious today that civil defense, as well as military defense, is a proper responsibility of the National Government.

This is not a radical idea by any means. It long ago became apparent that State militias were an outmoded form of military organization for the United States. State militias had to be disbanded in favor of a more integrated approach through the National Guard program, operated under the Department of Defense. Independent State civil-defense organizations are, today as outmoded as independent State military organizations.

One fact which has become apparent is that civil defense is no longer a program which we can afford to relegate to a subordinate position in our governmental structure. The task of civil defense cannot be entirely separated from the main effort of our national-defense program. This means that the Federal Government must assume a greater share of any responsibilities now borne jointly with the several States. The present division of civil-defense functions between the Federal Government and the States is wholly unrealistic in view of the destructive characteristics of modern instruments of warfare. The civilian sanctuaries of a few years ago have become the military targets of today. We must be just as concerned about the defense of the civilian populations of our great industrial and commercial centers today as we have been about the defense of our military bases and installations in the past.

It is not only necessary that there be a greater concentration of authority at the Federal level, but it is also necessary for the Federal Government to shoulder the principal financial burden. Every American citizen is entitled to an equal minimum share of protection afforded by civil defense measures should a war be brought into our back yards. The problem, therefore, is a national one. The responsibility of our national Government to the people can be carried out only by an intelligent program developed and operated from a central point. However, assumption of this primary responsibility by the Federal Government for a minimum national civil defense program would not necessarily preclude continued State or municipal civil defense programs in those cases where individual States or municipalities have the fiscal capabilities to provide for their citizens more adequate civil defense measures over and above the necessary minimum measures provided by the Federal Government.

Although substantially increased appropriations are being requested for the Federal Civil Defense Administration this year, it is no secret that the agency has long been a stepchild in the executive branch of the Government. The Congress has repeatedly made drastic cuts in the appropriation requests of that agency since its inception. Whether the cuts were made as a result of a lack of confidence on the part of the Congress in the program being proposed, or whether these cuts were a necessary economy measure is almost beside the point. The people of the United States have never refused to face up to a problem involving our national safety merely because of the monetary costs involved.

We can no longer depend upon the dual system of charging the Department of Defense with the responsibility of a military defense of our people from enemy action on the one hand, and charging the Federal Civil Defense Administration, through a loose confederation of State civil-defense agencies, with the responsibility for passive civil defense of our citizens in the event of military attack upon our homeland.

While I realize that this approach is radically different from any civil-defense program previously adopted in the United States, the time has come to face the fact that military defense and civil defense cannot be separated. We must develop an entirely new concept of civil defense.

Voluntary participation in civil defense is, like voluntary armies, largely a phenomenon of the past. We are being faced with the realities of total war. Civil defense now requires an effective corps of trained personnel. In terms of importance, it is no longer possible to distinguish this type of service from purely military service.

There is no satisfactory partial solution to the inadequacies of our present civil-defense program. Indeed, it is no longer a question of whether our civil-defense officials have succeeded or failed in their assigned tasks, or whether this person or that party was responsible for the success or failure. It is, rather, a matter of lifting our conception of civil defense out of the framework of pre-atomic-hydrogen days. It is a matter of carefully examining the realities of defense requirements in a completely new and modern setting. It is a matter of considering, in the light of new realities, the problem of constructing a rational national program for civil defense.

While the experience accumulated by the Federal Civil Defense Administration will, naturally, be of great importance in developing a new civil-defense program, a study of the problem itself should be much broader; it should be dealt with on a level encompassing our entire national-defense program. Civil defense must be considered as a part of our total military-defense planning by the Joint Chiefs of Staff and by the National Security Council. It cannot merely be coordinated with the military plans being developed at that level. When civil defense is developed along lines of mere coordination or cooperation with these basic military policy-planning groups, civil defense becomes a second-class program, regardless of the sincerity of both the military and the civil-defense officials.

Because of these considerations, I am reintroducing the concurrent resolution, expressing the sense of Congress that the President, in accordance with the Reorganization Act of 1949, as amended, should prepare and submit to the Congress such a positive program.

The program outlined in this resolution provides for the abolition of the Federal Civil Defense Administration and for the creation of a Department of Civil Defense. This newly created Department would be established within the Department of Defense, and would be headed by a Secretary with a status equivalent to that of the Secretaries of the Army, the Navy, and the Air Force. The Secretary of Civil Defense would be assisted by a civilian Chief of Staff who would become a member of the Joint Chiefs of Staff.

The new Department of Civil Defense would be similar to the military departments in many respects. Its functions would be carried out under the direction, authority, and control of the Secretary of Defense, and its recommendations for further legislation would be submitted through the Secretary of Defense, who is a member of the National Security Council.

An incidental advantage which would accrue as the result of incorporating the civil-defense program within the Department of Defense is the possibility for more intensive utilization of surplus military property. Large quantities of surplus military property are now being offered for sale to the public. Under the military surplus property program, as presently constituted, the Federal Civil Defense Administration has no priority in claiming excess military property, much of which would be usable in the civil-defense program. State and municipal civil-defense organizations, at present, are not even eligible to participate in the Federal donable surplus property program. Inclusion of the new Department of Civil Defense within the Department of Defense would make available to civil-defense activities much of the surplus military property now being sold, and a considerable portion of such property could be transferred from the military departments without reimbursement.

As to manpower requirements, it is suggested that the President's reorganization plan request legislation to permit an allotment of personnel to be made to the new Department of Civil Defense through the machinery of the existing Selective Service System from the numbers of men who cannot meet their obligations in the national military service for reasons of conscientious objection, physical disqualifications, or for any other reason. It is not intended to imply that the manpower requirements for this Department shall be supplied solely from the pool of those who are rejected for or exempt from military service. It is my belief, furthermore, that this civil-defense program, within the Defense Establishment, might be studied to determine the possibilities for including it in the plans for any future universal military training program.

This new Department would be charged with the primary responsibility for preparing a comprehensive program of civil defense geared to the age of modern warfare. It would be able to exert leadership in the development and operation of a positive and effective national civil defense system.

One argument is frequently advanced against giving undue prominence to defensive measures such as civil defense and the Air Defense Command. It is argued that our best defense is a strong offensive power, and that programs emphasizing defense rather than offense are isolationist in character, seeking to hide America behind some mysterious wall of impenetrable defense without entangling international responsibilities. As part of this same line of reasoning, it is argued that the men, money, and materials necessary for such defensive measures would result in a dangerous drain upon our offensive capabilities.

These viewpoints deserve full and serious consideration, of course, but I cannot agree that they preclude much more ambitious defensive measures than we have yet undertaken. The problem cannot be phrased in terms of alternative choices. The simple fact is that we must achieve a stronger defense without weakening or subordinating our offensive power. Adequate defensive measures coupled with powerful offensive capabilities do not add up to either isolationism or bankruptcy.

The leadership of the United States would be strengthened by the world knowledge that we are prepared to repel as well as to invade. In the event of war, there would be scant hope for the survival of the free world if we were able to destroy the enemy but incapable of preventing the annihilation of our own cities and people.

Our homes, our cities, our families, our skilled industrial workers, are just as much a part of the total national defense potential as our uniformed military forces. It would be disastrous to continue to ignore this simple truth.

AGRICULTURE

Mrs. PFOST. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Idaho?

There was no objection.

Mrs. PFOST. Mr. Speaker, I have today introduced a bill to amend the Sugar Act of 1948. This amendment would increase the domestic sugar-beet quota 85,000 tons, bringing the total quota allotment up to 1,885,000 tons. It would also increase the mainland cane quota 80,000 tons, and the quotas for Puerto Rico and the Virgin Islands by 20,000 and 3,000 tons, respectively.

The amendment applies the so-called growth formula to all increases above the Department of Agriculture's initial sugar consumption estimate for 1955. It would restore our country's historical basis by providing that 55 percent of the annual increase in sugar consumption go to the domestic producers and 45 percent of that increase go to foreign suppliers.

The formula was adjusted on a temporary basis in 1948 to help Cuba make a postwar economic comeback. Cuba has now had time to make such an adjustment, and it is not fair to continue to penalize the domestic sugar industry. Unless the law is changed, all of the growth in United States sugar consumption will be allotted to foreign suppliers, with 96 percent of it going to Cuba.

The domestic sugar-beet industry is not only ready and willing to handle an expanded share of sugar production—but needs that production if it is to continue as a stable and healthy segment of our economy. Improved farming methods and research have greatly increased the yield per acre. The domestic sugar-beet industry will have an excess of approximately 3 million bags of sugar this year. It will go into storage—and have to come out sometime.

In view of these large inventories, further drastic cuts in sugar-beet acreage are both impractical and unfair.

In my own State of Idaho, for example, 1955 sugar-beet acreage has been cut from 93,000 acres to 79,715 acres. This is approximately a 14 percent cut. A further cut would obviously create a great hardship.

Sugar beets have been used for crop rotation in Idaho for many years. As a supplement to hay and grain the beet refinery byproduct has also been used to feed livestock. The sugar-beet industry has therefore greatly assisted the important livestock industry in my State.

One group which has been particularly hard hit by the fact that domestic sugar-beet acreages have been either fixed at the same level or reduced each year has been the veteran who is homesteading on new reclamation and irri-

gation projects. These acreages are particularly suited to sugar-beet production. The GI boys almost have to have some beet acreage to succeed. Under the quotas in the present law, they are completely shut out.

Mr. Speaker, the adjustments which this amendment will make in our sugar-beet legislation are long past due. We Members who are joining in sponsorship of the amendment hope the House will pass it at an early date.

JAMES MIDDLETON COX

Mr. SCHENCK. Mr. Speaker, I ask unanimous consent to address the House and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. SCHENCK. Mr. Speaker, the Third District of Ohio, which district I have the great honor and privilege to represent here in the House of Representatives of the United States, has been noted for many reasons. It has been and is the center of the manufacture of many products which require personnel of unusual high degrees of ability and expertness and whose products are known and used worldwide. Many of the world's greatest scientific achievements stem from this great area. I cannot take the time here now to name all of them, but, just as some examples, it is the birthplace and cradle of aviation; the birthplace of many outstanding advancements in the automotive field, including the automobile electric starter, electric-battery ignition system, ethyl gasoline, and a host of others.

All achievements, however, stem from the minds, hearts, and abilities of people. The real richness and accomplishments of our great Third District of Ohio, therefore, lie in the personal abilities of an impressive number of really great and able people.

The Third District of Ohio has not only made significant contributions to the scientific, production, and business growth of our Nation, but our district has also contributed outstandingly in the fields of the public life of our State of Ohio and the Nation.

One of our most illustrious citizens is the Honorable James M. Cox, who today celebrates the 85th anniversary of his birth.

The Honorable James Middleton Cox, a former Representative from Ohio, was born near Jacksonburg, Butler County, Ohio, March 31, 1870. He attended country schools and Amanda (Ohio) High School; engaged in teaching; worked on a farm and also in the mechanical and editorial departments of a daily newspaper; became owner and publisher of the Dayton Daily News in 1898, of the Springfield Daily News in 1903, of the Miami Metropolis in 1923, and of the Atlanta Journal in 1939. He was elected as a Democrat to the 61st and 62d Congresses and served from March 4, 1909, until January 12, 1913, when he resigned, having been elected Governor. He served as Governor of Ohio 1913–15 and 1917–21. He was the unsuccessful Democratic candidate for election as President of the United States in 1920; vice chairman of the United States delegation to the World Economic Conference at London in 1933, and President of its Monetary Commission; declined appointment to the United States Senate by Gov. Frank Lausche in 1946; retired from political life and continued in the publishing business; resides at Trailsend, Dayton, Ohio.

The Governor, as he is affectionately known and called by all his friends and associates, is still today a hard-working publisher, watching the details of his many and various newspapers every day. He owns and operates, among others, the Daily News in Miami, Fla.; the Journal in Atlanta, Ga.; the Daily News and the Daily Sun in Springfield, Ohio; the Journal-Herald and Dayton Daily News in Dayton, Ohio. He also owns and operates a number of radio and television stations. He is a hard taskmaster and he expects his associates and employees to be on their toes at all times, but at the same time his associates and employees have no more loyal and true friend than the Governor, who is always ready with a helping hand and understanding heart when needed. Instead of now taking a well-earned rest, his greatest joy comes in being on the job every day and he is being ably assisted by his son, James M. Cox, Jr.

Mr. Speaker, Governor Cox is 85 years young today. He has hosts of friends not only in his wide-flung business enterprises, but also in the political and public field throughout the Nation. It is a great privilege and honor for me here today on the floor of the House of Representatives to express my most sincere appreciation to the Governor for his many accomplishments and for his friendship. I also want to express my heartiest congratulations to the Governor and the hope that he will have many more happy and healthful birthday celebrations.

Mr. RAYBURN. Mr. Speaker, will the gentleman yield?

Mr. SCHENCK. I will be happy to.

Mr. RAYBURN. Mr. Speaker, I do not feel that I would do myself justice if I did not take this opportunity to say a word about Gov. James M. Cox. For many, many years he and I have been warm, personal and, I might say, political friends. I think Jim Cox is one of the greatest Americans that it has ever been my privilege to know. He is a patriot first; he is a party man next, and for years and years to come in political life, in his public life, and in his various manifold enterprises he will go down as one of the men of this generation who has been helpful to all classes and all kinds of people. I want to congratulate him on his 85th birthday, and I wish for him that his useful and wonderful and serviceable life may be extended many, many years to come.

Mr. SCHENCK. I thank the distinguished Speaker, the gentleman from Texas.

ADJOURNMENT OVER AND PROGRAM FOR WEEK OF APRIL 13

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

The SPEAKER pro tempore (Mr. ALBERT). Is there objection to the request of the gentleman from Massachusetts?

Mr. MARTIN. Mr. Speaker, reserving the right to object, will the gentleman from Massachusetts kindly tell us what we might expect in the way of a program when we return from the recess?

Mr. McCORMACK. I will be happy to.

Of course, on Monday there will be no legislative business of any kind. Whether there are going to be any remarks, I do not know, but there will be no business.

We meet on April 13, and on that date the State, Justice, and Judiciary appropriation bill will come up. I am unable to state now what the period of general debate will be, but in any event the leadership on both sides have entered into an agreement that if the consideration of that bill should conclude on April 13 and if there are any rollcalls in connection with amendments or on the passage of the bill requested, the rollcalls will take place on the following day, April 14.

For the remainder of the week there will be no legislative program.

Mr. MARTIN. I thank the gentleman.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

AUTHORITY TO PERFORM CERTAIN OFFICIAL ACTS DURING ADJOURNMENT OF THE HOUSE

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that notwithstanding any adjournment of the House until April 13, 1955, the Clerk be authorized to receive messages from the Senate and that the Speaker be authorized to sign any enrolled bills and joint resolutions duly passed by the two Houses and found truly enrolled.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY

Mr. McCOMACK. Mr. Speaker, I ask unanimous consent that the business in order on Calendar Wednesday, April 13, 1955, be dispensed with.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

SPECIAL ORDER GRANTED

Mr. ANFUSO (at the request of Mr. McCORMACK) asked and was given permission to address the House for 1 hour on Monday, April 18, 1955, on the subject of peace.

ARMED SERVICES APPROPRIATION BILL

Mrs. ROGERS of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield.

Mrs. ROGERS of Massachusetts. Does the gentleman now know when the appropriation bill for the armed services will come to the floor of the House?

Mr. McCORMACK. I am unable to advise the gentlewoman at this time on that, as I have no information on it. The Committee on Appropriations has been working very hard. I think we may all agree they have done a remarkable job. We have put through 5 regular bills and 1 supplemental bill since the 1st of the month. I know that the chairman and the members of the committee are doing everything they can to get the remaining bills in as quickly as possible. I am sorry I cannot give a definite answer to the inquiry of the gentlewoman, but on the basis of the information I have now it is impossible to do so.

Mrs. ROGERS of Massachusetts. The gentleman knows that it may be necessary to secure additional money to keep certain hospitals in operation.

Mr. McCORMACK. Exactly. I am in hopes that the Committee on Appropriations in its wisdom will include in the bill when it comes out of committee appropriations for that purpose.

I might say that I received information this morning relating to one of the hospitals, Murphy General Hospital, where reduction-in-force orders have gone out already, and they are taking action to curtail sharply the admission of patients. All I know about it is from a telegram that I have received. I hope the Department of the Army will stop that, if the information I have received is correct, pending action on the part of the Congress on the appropriation bill to come up, and especially that particular item. Last year we put the necessary appropriations into the bill on the floor.

I might say the same situation applies to the General Army Hospital, somewhere in Arkansas, I believe Hot Springs. So there is the Murphy General Hospital in Massachusetts and the General Army Hospital in Arkansas. If the same activities are going on at that hospital in Arkansas, I hope the observations I have made with reference to the Murphy General Hospital will be heeded by the Department of the Army, and instead of giving notices of reductions-in-force and curtailing the admission of patients, they will permit the functions of both hospitals to continue.

I am very hopeful that the appropriations for both hospitals, for their continued operation through the next fiscal year, will be included in the forthcoming appropriation bill. You notice, Mr. Speaker, I say I am very hopeful. I wish I could say I am sure. But I have every feeling of confidence that the House, in its wisdom, will assure the continuance of the operation of both hospitals during the next fiscal year by making the necessary appropriations.

Mrs. ROGERS of Massachusetts. The Department of Defense tells me that they are still trying to see if there is some way they can keep the hospitals open, by closing only part of them and operating the rest. I was very hopeful that that would be done. I hope they are not waiting for Congress to pass an appropriation bill to relieve them of any responsibility of keeping them open. But I am a little afraid that that may be done.

Mr. McCORMACK. May I say this for the Department of the Army. Last year they assured us that if the Congress should put in the necessary appropriation to keep Murphy General Hospital open, they would keep it open. I simply ask them to make that promise again; if we put the money into the appropriation bill, they will keep it open during the next fiscal year.

I also hope that if any actions are being taken in the matter of curtailment of activities at either Murphy General Hospital or the General Army Hospital in Arkansas, at Hot Springs, I believe, that they will discontinue such action pending the opportunity of Congress to pass upon the question.

Mr. MASON. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. MASON. Mr. Speaker, under what order of business are we now?

The SPEAKER pro tempore. The gentleman from Massachusetts is proceeding by sufferance of the House.

Mr. MASON. Mr. Speaker, my sufferance is about over.

CRITICISM OF REPORT MADE BY ATTORNEY GENERAL'S COMMITTEE TO STUDY THE ANTITRUST LAWS

Mr. PATMAN. Mr. Speaker, Monday, March 28, in the extension of my remarks—CONGRESSIONAL RECORD, page 3889—I described the nature of the report of the Attorney General's Committee To Study the Antitrust Laws and I also pointed out that this so-called committee, which has White House sanctions, is a group of private individuals in no way responsible to any branch of the Government, and they are mostly big corporation lawyers who are fourtime losers in antitrust prosecutions.

The nature of the report of this committee is plain enough. It is a high pressure public relations product aimed at persuading Congress to emasculate the antitrust laws. The recommendations contained in this report would change the antitrust laws in such a way that the law firms, who represent the big corporations in antitrust matters, could never lose a suit brought by the Government, but they would be getting a perpetual fee for defending one of these suits. The suit would be never ending.

On Monday, I could not speak, however, about the details of the recommendations contained in this report. I had received an advance copy with the understanding that I would not reveal the contents until the Attorney General's Committee unveils the report to the general public today. Today is their big day. It is the day that all of the publicity buildup of the past year has been leading to. I can, however, today describe the principles in this report, as well as some of the detailed recommendations contained in it. Consequently, I invite the Members' careful attention to the analysis below:

Perhaps a better understanding of my other comments could be gained if reference were made here to a few of the concepts regarded as basic to our Federal antitrust laws.

First. The following antitrust facts are accepted by me as self-evident, without documentation or argument:

(1) Government antitrust action against restraints on competition hallmark American capitalism.

(2) Our antitrust laws prohibiting or declaring unlawful specified action constitute declarations of national public policy.

(3) The actions prohibited or declared to be unlawful by the Congress have been found legislatively to be against the national public policy because of their dangerous tendency unduly to hinder competition or create monopoly.

(4) By 1912 we had become sufficiently familiar with the processes and methods of monopoly and of the many hurtful restraints of trade to make possible a definition of some of them. Therefore, after the Congress made a study of a number of the practices, some of them were defined and item by item forbidden by statute.

(5) Among the actions and practices which were specified and item by item forbidden under certain conditions where they lessened competition were:

(a) Price discriminations;

(b) Contracts and conditions providing for exclusive dealing and the tying of goods, wares, merchandise, etc.;

(c) Acquisitions, mergers, and consolidations;

(d) Interlocking directorates.

(6) Certain acts and practices were forbidden outright by the Clayton Antitrust Act, as amended by the Robinson-Patman Act, because the Congress had found legislatively that they were contrary to the public policy of a fair and free competitive enterprise system. Other acts and practices were forbidden with qualifications because the Congress had found legislatively that, if they should be continued, harm would develop and trade restraints occur under certain circumstances.

(7) It is a part of the national public policy to halt in their incipiency acts and practices which have a dangerous tendency unduly to hinder competition or create monopoly, or the effect of which may be substantially to lessen competition or tend to create a monopoly in any line of commerce, or to injure, destroy, or prevent competition. That part of the public policy has often been described as a policy to nip in the bud, before they have come to full flower, acts and practices forbidden by our antitrust laws.

(8) It is in the public interest to give full force and effect to the declared national antitrust public policy.

(9) It is in the public interest to effectuate public policy as expeditiously, economically, and efficiently as provision for doing so can be found constitutionally, statutorily, and judicially.

Second. It is my belief and assumption that any suggestion by an individual or group for legislative, administrative, or judicial consideration or action regarding our Federal antitrust and trade regulation laws should be for the enhancement of the public policy and the public interest as above outlined.

If these fundamental beliefs which I have stated are correct, then the report of the Attorney General's committee is contrary to the public interest. This is a very long report, consisting of 385 pages. It makes a great many recommendations for changing

the antitrust laws and the procedural methods to be used for enforcing the antitrust laws. On the whole these recommendations would bring about such a drastic weakening of the antitrust laws that for all practical purposes these laws would be nullified. More specifically, the recommendations calling for legislative amendments to the antitrust laws are, with a few exceptions, recommendations for weakening the laws. The majority of these call for removing the specific and definite prohibitions against monopoly and against the abuses of economic power by which big business destroys small business. Thus, these recommendations would, among other things, wreck the Robinson-Patman Act.

In lieu of the specific and definite rules of law now applicable to business, the recommendations would substitute vague and uncertain prohibitions, and they intentionally allow those business firms which can afford the continuing expense of an endless legal defense against antitrust prosecution the privilege of introducing evidence and arguing without limitation as to relevancy, and thus to prolong their defense indefinitely. The practical consequence of this has been pointed out in the report of the dissenting members of the Attorney General's Committee, written by Mr. Louis B. Schwartz, as follows: "This has two consequences: (1) It makes the proceedings intolerably long and expensive, putting a drag on enforcement and real burden on defendants; and (2) it operates differentially in favor of powerful defendants as agains smaller units, since only the powerful can afford that kind of defense. In a per se case, on the other hand, inquiry should stop when the restraint has been identified."

In short, the practical effect of these recommendations is to leave the antitrust laws in effect for small business and to remove the antitrust laws for big business. There are also recommendations which would substantially repeal the laws which restrain the abuses of great size when such abuses are directed against small competitors, as for example local price cutting to drive competitors out of business.

With reference to the exceptions to the majority of the recommendations, there are a few recommendations which purport to strengthen the antitrust laws. One such recommendation is that the fine for violating the Sherman Act be increased from a maximum of $5,000 to a maximum of $10,000. Thus this recommendation would increase the effectiveness of the law against small business but would result in a fine of no significance to the multi-million dollar corporations and the multi-billion dollar corporations. There is also a general suggestion for extending the antitrust laws to cover organized labor, and similarly there is a recommendation for embracing farmer co-ops within the antitrust laws.

The recommendations concerning administration and enforcement procedures call for weakening those enforcement procedures which have met with some degree of success and for continuing a few enforcement procedures, and a few aspects of enforcement procedures, which have been conspicuously unsuccessful in antitrust law enforcement.

Those recommendations which are most important in terms of their practical impact upon the antitrust laws are reviewed below:

Coming first to the recommendations for amending the antitrust laws, it may be noted that the idea which is common to all of these recommendations is that Congress should repeal everything which specifically and definitely prohibits any monopolistic practice or condition, and substitute therefor a general principle which is well known in this legal field as the rule of reason. Thus we are not without precedent and experience by which to appraise these recommendations. Indeed, the fact which is most distinguished in the history of our antitrust law has been the contest between the idea that business should live under a rule of law and the idea that business should live under a rule of reason.

The first attempt to subordinate business conduct to the public interest was taken with the passage of the Sherman Act in 1890. This act made "every contract, combination in the form of trust or otherwise, or conspiracy, in restraint of trade or commerce * * * illegal." Great hopes were raised by the passage of this act. The then relatively new monopoly controls which had been gained over several segments of business, and the inevitable abuses of this monopoly power had caused wide public concern. The Sherman Act was thus an attempt to put into practice, or to secure in practice, the theories of competition and free enterprise which our Nation had inherited from England, along with our ideals about political democracy and the dignity of the individual. While the people of the United States were trying to put the English idea of competition and free enterprise into practice, however, the English continued to perfect the theory but neglected the practice. The English courts adopted and enlarged the rule of reason for the British common law while monopoly grew and all ideas of competition in practice faded.

During the first decade of this century great pressures were brought to bear to have Congress write this rule of reason into the Sherman Act. This was the period when arguments were being made that good trusts and bad trusts are quite different, and that the law should run only against the bad trusts. Congress repeatedly refused this plea. Nevertheless, the Supreme Court in 1911, in the Standard Oil and American Tobacco cases, emulated the British courts and wrote the rule of reason into the Sherman Act, establishing perhaps the most famous act of judicial legislation of all times. The net effect was to make a wreckage of the Sherman Act which has been only incompletely repaired after many years during which subsequent decisions of the Court have tended to read the rule of reason out of the law again.

It was these decisions of the Supreme Court in 1911 that lead directly to the passage of the Clayton Antitrust Act and the Federal Trade Commission Act in 1914. In these acts Congress responded to a wide public demand to write definite and specific laws to outlaw certain practices which long experience had shown to be contrary to the public interest and which were almost universally regarded as inexcusable. In these acts Congress again took steps to bring business conduct under a rule of law, just as other social activities, and the individual members of society, had long since been required to live under a rule of law.

As I have stated a rule of reason was read into the Sherman Antitrust Act by the Supreme Court of the United States in deciding the case of *Standard Oil Co* v. *United States* (221 U. S. 1, May 15, 1911). There it was held that the Sherman Antitrust Act "followed the language of development of the law of England" and that the "standard of reason which had been applied at the common law and in this country in dealing with subjects of the character embraced by the statute, was intended to be the measure used for the purpose of determining whether in a given case a particular act had or had not brought about the wrong against which the statute provided." While the Court thus embedded in and established as a part of our national antitrust policy under the Sherman Act the rule of reason, Justice Harlan, a member of the Supreme Court who participated in the decision in the Standard Oil case, dissented:

"To inject into the act the question of whether an agreement or combination is reasonable or unreasonable would render the act as a criminal or penal statute indefinite and uncertain, and hence, to that extent, utterly nugatory and void, and would practically amount to a repeal of that part of the act. * * * And while the same technical objection does not apply to civil prosecutions, the injection of the rule of reasonableness or unreasonableness would lead to the greatest variableness and uncertainty in the enforcement of the law. The defense of reasonable restraint would be made in every case and there would be as many different rules of reasonableness as cases, courts, and juries. What one court or jury might deem unreasonable another court or jury might deem reasonable. A court or jury in Ohio might find a given agreement or combination reasonable, while a court and jury in Wisconsin might find the same agreement and combination unreasonable."

Although our experience has taught us that Justice Harlan correctly prophesied the future, the report proposes not only continued adherence to the concept laid down by the Court in the Standard Oil case of 1911 for the administration and interpretation of the Sherman Act, it also proposes its extension to the administration and interpretation of certain provisions of the Clayton Antitrust Act, as amended by the Robinson-Patman Act.

The rule of reason concept has application to a broad field of varied subjects in cases arising under the Sherman Act. It compels consideration of the reasons why the accused in a particular case embarked upon a course of trade-restraining action. It also compels consideration of the question of whether suppression and elimination of competition in a given situation should be excused of mitigating circumstances. The question concerning the degree and extent that competition has been injured or interfered with in a given situation is only one factor, and perhaps a relatively unimportant one at that, encompassed by the concept of the rule of reason.

I think unwise proposals providing for extensions of exemptions from the application of our antitrust laws beyond those which have been specified by the Congress in the statutory provisions or by the courts in their interpretations of those provisions. I believe any such proposal to be at war with the basic concepts of our national public policy and public interest stated in the forepart of this statement.

Congressional mandates subsequent to and supplementing the Sherman Antitrust Act, and interpretations by the courts of those mandates through the process of judicial inclusion and exclusion, have removed some of the uncertainties from antitrust law. Through those processes businessmen have been informed concerning the legal status of a number of trade practices. By the same token enforcement of our national public policy to strengthen competition has been provided the means for more efficient enforcement and thereby enhanced. The more we are able to define the offense, the less issues need be litigated. When issues are expanded to include the reasoning of men, the legal status of trade practices is left uncertain. An almost inevitable result under such circumstances is the big record and the big case. Fewer prosecutions in antitrust laws occur because of the heavier burdens upon limited appropriations. Also, only those with large financial resources are able to defend themselves in big cases on the basis of big records. Constant criticisms of those results are before us. However, those who would inject into antitrust litigation of each separate case issues regarding the reasoning of men, have failed to provide an answer to the question of how a defendant can be afforded a big, full, and fair hearing on all facets of all issues in each important contested case without expense, time, effort, and the building of a big record. It is one thing to save all of that when the parties

involved are able to reach agreement and stipulate facts, thereby providing shortcuts to the resolution of legal issues, but it is quite another thing when the parties are in disagreement and contest each fact and each issue even to the authenticity of each document involved.

Between 1890 and 1914 it was found that the Sherman Act was inadequate to serve fully the purposes of our national antitrust public policy. Monopoly grew apace. With the rule of reason a part of the Sherman Act * * *.

Between 1890 and 1914 it was found that the Sherman Act was inadequate to serve fully the purpose of our national antitrust public policy. Monopoly grew apace. With the rule of reason a part of the Sherman Act, it was considered to have become insufficient to deal with the monopoly problem as Congress saw it in the period from 1912 to 1914. Therefore, Congress in its consideration of the trade problems enacted the Clayton and the Federal Trade Acts in 1914. In so moving, the Congress acted only because public policy felt the necessity to prevent monopolistic pricing—indeed, to prevent pricing practices of individuals such as discriminations which were felt would enhance the growth of monopolistic conditions. At that time it was widely recognized not only by Congress but by President Wilson, and so stated by him in a message to the 63d Congress, that the public need demanded the Federal Trade Commission Act and the Clayton Act to prohibit discriminations and other specific trade practices. He said: "We are sufficiently familiar with the actual processes and methods of monopoly and of the many hurtful restraints of trade to make definition possible, at any rate up to the limit of which experience has disclosed. These practices, being now abundantly disclosed, can be explicitly and item by item forbidden by statute in such terms as will practically eliminate uncertainty, the law itself and the penalty being made equally plain."

During the period from 1912 to 1936 the Congress conducted several investigations of discriminatory pricing practices. Specifically, a number of such investigations were undertaken to ascertain the nature, extent, and significance of discriminatory pricing so that a determination could be made to legislate or not concerning the practice. Those investigations developed that discriminatory pricing existed. It was found that the practice was widespread. In general, it was found that discrimination was the weapon of large, powerful tradesmen and used with damaging effect upon smaller, weaker competitors. Therefore, it was concluded that the use of the practice presented a threat to the maintenance of the free competitive enterprise system which the Sherman Antitrust Act was designed to protect.

Consequently, the antidiscrimination features of the Clayton Antitrust Act were enacted. It is clear from the legislative history of those provisions that the Congress considered them to be integral parts of our declared national policy for free competitive enterprise, along with the provisions of the Sherman Antitrust Act. The House Judiciary Committee in reporting on the bill which was introduced by Mr. Clayton, in 1914, referred to the facts concerning price discriminations brought to its attention, and in that connection stated: "The necessity for legislation to prevent unfair discriminations in prices with a view of destroying competition needs little argument to sustain the wisdom of it. * * * Every concern that engages in this evil practice must of necessity recoup its losses in the particular communities or sections where their commodities are sold below cost or without a fair profit by raising the price of this same class of commodities above their fair market value in other sections or communities. * * * In seeking to enact section 2 into law we are not dealing with an imaginary evil or against ancient practices long since abandoned, but are attempting to deal with a real, existing, widespread, unfair, and unjust trade practice that ought at once to be prohibited insofar as it is within the power of Congress to deal with the subject. This we think is accomplished by section 2 of this bill."

During the course of the debates, Senator Walsh, of Montana, in referring to the Clayton bill, said: "The purpose of the legislation of which the pending bill forms a part is to preserve competition where it exists, to restore it where it is destroyed, and to permit it to spring up in new fields."

In the course of congressional investigations during 1935, Congress found that discriminations practiced to favor mass buyers presented such a threat to the continuation of free competition that a number of proposals were introduced for strengthening the antitrust laws against price discriminations. Mr. Utterbach, in reporting for the House Committee on the Judiciary, on one of the proposals which was finally enacted into law, stated:

"The purpose of this proposed legislation is to restore, so far as possible, equality of opportunity in business by strengthening antitrust laws and by protecting trade and commerce against unfair trade practices and unlawful price discrimination, and also against restraint and monopoly for the better protection of consumers, workers, and independent producers, manufacturers, merchants, and other businessmen. * * *

"Your committee is of the opinion that the evidence is overwhelming that price discrimination practices exist to such an extent that the survival of independent merchants, manufacturers, and other businessmen is seriously imperiled and that remedial legislation is necessary. * * *

"It is the design and intent of this bill to strengthen existing antitrust laws, prevent unfair price discrimination, and preserve competition in interstate commerce. It is believed to be in the interest of producer, consumer, and distributor."

Notwithstanding the wealth of factual information heretofore considered by the Congress concerning the practical and economic significance of the practice of price discrimination, much argument has been advanced, recently with vigor, to the effect that the practice of price discrimination is a competitive practice and should be encouraged. Some of that argument has impressed persons in high places. The argument has provided a basis for the proposition that legislation against price discrimination is legislation against competition and therefore contrary to the provisions of the Sherman Antitrust Act and the national policy to protect competition. It appears that those contentions are at issue with the national public policy as expressed in our antimonopoly laws and the legislative history concerning them. Until that issue is resolved uncertainty hangs as a pall over everyone with respect to the meaning of a considerable area of our antimonopoly laws. We should not waste words here explaining how vitally important it is that the issue be resolved properly. However, discussion and consideration should not be spared concerning ways and means to fully, fairly, and clearly present the issue.

It is obvious that we should not jump to any conclusion in this matter without a sound, logical, and unimpeachable basis.

It is suggested that judgment in the form of an ultimate conclusion of what changes should be made in our antimonopoly laws be reserved unless and until underlying reason has been examined and found to support the ultimate conclusion. In other words we should examine the underlying propositions concerning the nature, extent, and significance of the trade practices in question. If upon proper examination the propositions are found to be valid, then it would appear that legislation in accordance with them would be sound. How are we to accumulate a sound, logical, and unimpeachable basis for consideration and action in that respect? It is suggested that the duly elected representatives of the people make a full-fledged investigation of trade practices about which question has been raised concerning their legal status and from such investigation the Congress determine whether any or all of such practices are in accord with or contrary to the expressed national public policy for a free competitive enterprise system. We should have more of what is good and less of what is in fact found to be bad.

It is my firm belief that it can be determined best what trade practices should be prohibited as contrary to our antitrust public policy and what trade practices should be permitted as promoting that policy by a congressional examination of factual evidence of the acts and practices in question.

It is quite important to study firsthand the effects of a practice before concluding whether the practice should or should not be legalized. Often victims of a practice are able to present more evidence of its effects than others who are not victimized. It is suggested that it would prove helpful if the Congress should study and resolve any questions we have regarding that aspect of this problem. By that method, the Congress would be enabled to determine what practices are used and what are their effects. My faith in the Congress leads me to believe that once it should make those determinations, it would legislate to prohibit those acts and practices which injure competition and to permit those which in fact promote competition. It is my belief that if the Congress should become convinced that the practice of price discrimination in fact promotes competition (as a few claim) instead of monopolistic conditions, it will vastly modify, if not repeal, section 2 of the Clayton Antitrust Act as amended by the Robinson-Patman Act.

Certainly I do not believe that a private group of persons who for the most part have been representing antitrust law violators should determine the public policy of our country. They seem to forget that under our Constitution the people delegated that to the Congress and to no other group.

In addition to the problem regarding the so-called rule of reason my preliminary reading of the report discloses that it contains other proposals for weakening the antitrust laws.

For example, commencing at page 115 the report discusses the problem of mergers. In that section it is proposed that enforcement of the Federal law against mergers take the course presently pursued by the Eisenhower administration of the Federal Trade Commission. (P. 120–125.) It is pertinent to ask: What is the result of following that course? The result is no enforcement. By virtue of following that course the Federal Trade Commission has not completed a single case under the antimerger law. It is a safe prediction that when it does complete such a case the issues therein long since will have become moot.

Is that the kind of law enforcement our taxpayers pay for when we in Congress vote funds for the operation of the Antitrust Division and the Federal Trade Commission?

The report in a section commencing at page 137 discusses exclusive dealing agreements which Congress sought to outlaw through the passage of section 3 of the Clayton Antitrust Act. The report between pages 127 and 147, advances proposals that standards used by the United States Supreme Court in determining whether a particular exclusive dealing agreement is violative of section 3 of the Clayton antitrust law, not be used, but instead that use should be made of standards being used by the present administration at the Federal Trade Commission. Such proposals are advanced despite the fact that the courts only a few months ago (2d Cir. 217 F. 2d 821) in the

Dictograph case and (7th Cir. CCH Trade Cases 67921) in the Anchor Serum case repudiated the view of the present administration held at the Federal Trade Commission regarding cases arising under section 3 of the Clayton Antitrust Act. The Commission had held and is still holding to the view that it should not act until after the damage is done. The Attorney General's report (p. 148) in discussing that point states: "The essence of unfairness in an exclusive arrangement as a marketing tactic is the actual foreclosure of business * * *." However, it is gratifying to note that one member of the committee, Louis B. Schwartz, dissented from the "actual foreclosure test" espoused in some portions of that chapter (p. 149).

It is also noted that this group of private lawyers and private economists that the Attorney General named as members of his committee have made their own private determination that the fair-trade laws are not in accord with public policy. (The report, pp. 149–155.) However, that group of defenders of private monopolies apparently disregards the fact that the Congress of the United States by an overwhelming vote in both Houses decided the opposite, and did so quite recently.

The report at page 155 undertakes a discussion concerning price discrimination. In the succeeding pages it attempts to analyze what the Federal Trade Commission and the courts have done in interpreting the antidiscrimination laws in each of a number of the important cases which have arisen under the Robinson-Patman Act. In quite a number of those cases, particularly the *Morton Salt* case (334 U. S. 37), the United States Supreme Court and various appellate courts have held that price discriminations, practiced under circumstances which reasonably could be expected to give rise to injury, presented an adequate basis to the Federal Trade Commission for finding that the effect of such discriminations may be to substantially lessen competition and create a monopoly. However, in a decision by the Federal Trade Commission in Docket No. 5675 in the matter of General Foods Corp., the Commission retreated from the view which it and the courts had expressed in other cases. In the *General Foods* case the Commission, in effect, held that Government counsel supporting the complaint had the burden of producing evidence of actual injury and dismissed the complaint in that case. Many who have knowledge of the facts of record in that case contend that evidence of actual injury was presented to the Commission in that case. For example, Commissioner James M. Mead, who dissented from the decision of the Commission, wrote a vigorous dissent, in which he made the following statement:

"The record in this case shows that General Foods increased its share of the market and that the competitors of General Foods had a decreasing share of the market * * * in 1939, the year immediately prior to the initiation of the deals, General Foods controlled 62.2 percent of the national market in pectin. * * * General Foods' share of the market increased during the 'deal' years to 1946, when its share was 80.5 percent of the market. * * *

"Economists may differ as to what particular percentage of the national market a concern may have before it may be classified as a monopoly. A concern having 35 percent of the market may not be a monopoly; but certainly when a concern begins to obtain over 50 percent of the national market in any particular commodity, then such concern, because of such share, is in the position to exert a very significant effect on the market. An area price discrimination by a concern having 35 percent of the market may not have as great an adverse effect as a discrimination by a concern controlling 80 percent of the market. * * *

"It is admitted that Government counsel did not offer in evidence in this case the scalps or the hides of the small-business competitors of General Foods. We do not have in evidence pounds of flesh or buckets of blood. We should not expect the type of evidence that Salome is said to have asked of Herod—the head of John the Baptist on a silver platter.

"In lieu of sanguinary evidence, let us review what the victims of General Foods' price-discrimination practices had to say about this particular brand of competition. * * * We do not have here only one competitor testifying that he has been victimized by a discrimination in price, but we have substantially all of respondent's competitors on the west coast testifying that they have been victimized. * * *

"I believe it is obvious that the use by General Foods of these deals not only resulted in a reasonable probability that competition in these Western State was injured but on the basis of the present record the Commission could reasonably find that competition was injured in fact. * * *

"The Robinson-Patman Act promotes hard, fair competition. For illustration, General Foods, the dominant seller, encountered a degree of competition on the west coast. Competition is vitalized by any one or more of the following: (1) lowering prices; (2) raising quality; or (3) better selling methods. General Foods chose to use a deal offer which was in fact a price reduction. But did this Goliath march bravely on the field of battle and compete with these little Davids by making this deal available to all of its customers? That would have been a choice by General Foods for hard and fair competition between General Foods and the small-business competitors. But General Foods did not so choose. It chose instead to have its customers in the other sections of the country, who did not enjoy the fruits resulting from this competition by the small competitors, to be charged higher prices so that General Foods would have a war chest to beat down the small-business competition. For General Foods—it was soft competition. For the small competitors—it was unfair competition. * * *

"If the dominant seller continues to suppress its smaller competitors and continues to obtain by means of price discriminations a larger and larger share of the market, the probable result would be a monopoly and then perhaps a Sherman Act case for dissolution. * * * It is the duty of the Commission to act in the incipiency of the monopolistic tendencies before the monopoly matures and a dissolution suit is the only effective remedy."

Despite the strong showing thus made in that case of the need for the Federal Trade Commission to act in stopping a monopolistic practice before it blossoms into full flower, it under the present administration refused to act. Now that failure is bad enough, but the Attorney General's report adds insult to that injury, because at page 163 in reference to the Attorney General's committee there appears the statement: "All but a few members believe that the Federal Trade Commission's General Foods decision reflects a sound and accurate reading of the (Robinson-Patman) act." Even while the Attorney General's report was in preparation, the Supreme Court of the United States in the case of *Mead's Fine Bread* v. *Moore* (348 U. S. 115) upheld the Robinson-Patman Act and condemned price discrimination in a situation far less aggravated than the one that was before the Federal Trade Commission in the General Foods case. From that set of facts it is not difficult for anyone to see that the report of the Attorney General's committee, and particularly that part of it dealing with price discrimination, proposes a weakening of the sections of our antitrust laws directed against price discrimination.

At page 177 the report of the Attorney General's committee disapproves of another section of the Robinson-Patman Act. That section is known as the quantity-limit proviso. It authorizes and empowers the Federal Trade Commission to take action against price discriminations based upon quantity discounts, but only after the Commission finds as a fact that the challenged discount system is unjustly discriminatory or promotive of monopoly. Yet the Attorney General's committee in its report at page 177 states: "We deplore this singling out and penalizing of the quantity-discount system." In other words, this Attorney General's committee, composed for the most part of lawyers and economists who make their livelihoods representing private monopolies, strongly recommends against a law designed to prohibit practices unjustly discriminatory and promotive of monopoly.

At page 181 the report of the Attorney General's committee contains the statement: "This committee approves the result of the Standard Oil decision." What is referred to there is a decision in the case of the *Standard Oil Company of Indiana* v. *Federal Trade Commission* (340 U. S. 231) in which it was held that the antitrust laws should not be construed as prohibiting the Standard Oil Co. from practicing discriminations promotive of monopoly when the Standard Oil Co. could show that in its discrimination in price it was meeting competition in good faith. Now briefly that means simply this—the giant Standard Oil Company of Indiana was thus licensed to discriminate in price even though it would have the effect of driving out of business a small independent businessman who was trying to serve his customers at a low nondiscriminatory price. I have introduced in the House a bill, H. R. 11, and Senator KEFAUVER has introduced in the Senate a bill, S. 11, to close up the loophole in the antitrust laws which was found by the Court to exist when it decided the Standard Oil case. We are hopeful of favorable action on that pending legislation at this session of Congress. However, we find that this Attorney General's committee instead of supporting us in our fight against monopoly in that respect is actually approving of the loophole found in our antitrust laws by the Court when it decided the Standard Oil case.

In 1936 when Congress was considering antidiscrimination legislation it found that many devices were being used by large sellers and buyers to effect discriminations. Not all of those devices resulted in direct price discriminations. Some took the form of bogus brokerage allowances. Others took the form of allowances for advertising and other services. Subsection (a) of section 2 of the Robinson-Patman Act was designed to prohibit direct price discriminations. It was not tailored to challenge indirect price discriminations. Subsections (c), (d), and (e) of section 2 of the Robinson-Patman Act were tailored to stop harmful indirect price discriminations. For example, we learned during the course of our investigations in 1935 and 1936 that the Great Atlantic & Pacific Tea Co. had employed the practice of using one of its employees as a purchasing agent and in demanding that sellers from whom it bought allow that employee a brokerage fee of 5 percent on all the purchases made by the A. & P. Those demands were based upon the claim of A. & P. that the action of its employee, the purchasing agent, saved some of the sellers the time and trouble of looking up one of the regular brokers to handle the transactions between the seller and the buyer. Consequently, A. & P. claimed that its employee, its purchasing agent, was rendering a service to the seller and should be paid for it in the form of a brokerage allowance. The net result was a discrimination in favor of A. & P. of about 5 percent on its purchases. Hence

Congress enacted section 2 (c) of the Robinson-Patman Act, commonly known as the brokerage section, prohibiting outright the payment of brokerage under such circumstances. The report of the Attorney General's Committee at page 188 recommends that section 2 (c) of the law be changed so that a seller may be permitted to pay brokerage fees to any buyer when it is claimed that such buyer has rendered services to the seller. In effect the report recommends that we return to the dark ages antidating the Robinson-Patman Act and the nefarious practices of the A. & P. Co. of that date. Likewise the report commencing at page 189 undertakes a discussion of subsection (d) and (e) of section 2 of the Robinson-Patman Act, which discussion leads to the statement on page 191 that "the Committee disapproves the present disparity in the statutory consequences which attach to economically equivalent business practices." Following that the suggestion is made that those indirect price discriminatons be made subject to the law in the same way as the direct price discriminations.

One of the most devastating blows dealt to antitrust legislation in recent years was a holding by the Supreme Court in the case brought by the Federal Trade Commission against the Automatic Canteen Co. of America, in which that company had been charged with knowingly inducing and receiving preferred treatment not accorded to its competitors by sellers from whom it purchased merchandise. In that case the Trade Commission had charged, proven, and found that the effect of the practice of the Automatic Canteen Co. substantially lessened competition and was promotive of monopoly. Yet, because of a technical defect in the law, the United States Supreme Court failed to affirm the Commission's decision. The holding of the Court in that case has opened the way for huge buying combinations, such as Sears, Roebuck & Co., Safeway Stores, Inc., the Great Atlantic & Pacific Tea Co., and others, to engage in practices promotive of monopoly without anyone being able to turn to a law that can be used to stop them. Yet the Attorney General's committee, in its report at page 196, has the audacity to say: "We approve the Automatic Canteen decision." Perhaps it should be noted in passing that the attorney for the Automatic Canteen Co. in that case is the present Chairman of the Federal Trade Commission. He is also a member of the Attorney General's committee. Therefore, perhaps one should not wonder that the decision in the Automatic Canteen case has been so favorably regarded by that committee.

The Attorney General's committee has singled out price fixing through the use of delivered pricing system as a special pet that it seeks to protect from the application of the antitrust laws. In that connection I cite pages 209–219. On page 219 the committee takes the position that our antimonopoly laws should not be used against price fixing through the use of delivered pricing systems "unless the elements of conspiracy appear." At pages 214 and 215 of the report the committee cautions against the giving of very much weight to evidence of the conduct of corporations as circumstantial evidence to prove the existence of "the elements of conspiracy." Moreover, at page 212 of the report, in an effort to justify its criticism of a case brought a few years ago against price fixing through the use of delivered pricing systems, omitted a discussion of a vital factual situation involved in the case in question. The case referred to is the *Rigid Steel Conduit Case* (168 F. 2d 175, 336 U. S. 956). What the report fails to point out regarding that case is that the Federal Trade Commission made findings of fact to the effect that the delivered pricing system as used was destructive of competition and promotive of monopoly. The Seventh Circuit Court of Appeals and the Supreme Court of the United States affirmed that finding of fact.

At page 377 of the report, a recommendation is made for the removal of the mandatory threefold damage provision from the antitrust laws. Therefore, the report recommends softening the penalties for violations of our antitrust laws. Also at page 350 a recommendation is made for a maximum fine of only $10,000 for a violation of the antitrust laws, which is only 20 percent of the maximum fine recently approved by the House of Representatives as the penalty for such violations.

While the report of the Attorney General's Committee throughout a discussion covering 385 pages presents arguments, conclusions and recommendations for weakening the antitrust laws as to big corporations, it nevertheless, on page 304, presents recommendations for strengthening the antitrust laws for use against organized labor.

Likewise, I find on page 310 a recommendation by the Attorney General's Committee that laws passed by the Congress to assist farmers and to permit them to engage in cooperative enterprises for the marketing of their products should be strictly construed as exceptions from the antitrust prohibitions. In fact, there it is stated: "These statutory exceptions should not reduce antitrust prohibitions to a ghostly residuum."

As to the big corporations, the recommendations add up to a protection from competition and to a freedom from the rule of law which restrains the abuse to great aggregations of economic power. As to small business, labor, and farmers, the recommendations are to make these groups open targets for the abuse of monopoly power, and to enlarge the antitrust laws against the organized efforts of two of the groups, labor and farmers, by which these segments of our population have in the past sought some measure of protection from the abuses of the big corporations.

ASIAN-AFRICAN CONFERENCE

The SPEAKER pro tempore. Under previous order of the House, the gentleman from New York [Mr. POWELL] is recognized for 1 hour.

Mr. POWELL. Mr. Speaker, on April 18, in Bandung, Indonesia, representatives of three-fifths of the world's population will gather together the first world conference of free nations representing the colored peoples of Asia and of Africa. The United States naturally has not been invited. This is an Asian-African Conference. But I believe that someone from the United States should be at that conference, unofficially, of course, but nevertheless as a person of good will. Other nations not invited are sending representatives as observers. The conference is of such earthshaking importance that close to 40 members of the press, radio, and television of the United States are already on their way for a meeting within the next few days. I requested the administration that we send an all-American team as observers, spectators, visitors, ambassadors of good will, whatever you want to call them. The Department of State did not agree with my proposal. While they were not opposed to the conference, yet their attitude was one of benevolent indifference. I want to very frankly say that I do not believe that we or any country is strong enough to be indifferent to a conference representing three-fifths of the earth's population. Therefore, I am going to this conference, at my own expense, entirely unofficially. I hope that my presence there as an American and above all as a member of the colored peoples of the United States will be of some value for the peace, understanding, and strengthening of brotherhood of our world.

This conference might well mark the most important event of this century. Even if nothing is accomplished by their coming together for the first time in the history of the world, these people will represent a tremendous event.

It is estimated that at least 1,000 people will attend the conference as delegates or correspondents. This estimate is based on the expectation that each delegation will consist of a maximum of 20 persons and that about 400 correspondents will attend.

The conference at Bandung, which is now officially called the Asian-African Conference, instead of the Afro-Asian Conference, will tackle many problems of a comprehensive nature. As listed in the joint communique issued at the close of the conference at Bogor, the main purposes of the Asian-African Conference are:

(a) To promote good will and cooperation between the nations of Asia and Africa, to explore and advance their common interests, and to establish and further friendliness and neighborly relations; (b) to consider social, economic, and cultural problems and relations of the countries represented; (c) to consider problems of special interest to Asian and African peoples, for example, those affecting national sovereignty and of racialism and colonialism; (d) to view the position of Asia and Africa and their peoples in the world of today and the contribution they can make to the promotion of world peace and cooperation.

Section (d), above, has been cited by Prime Minister Ali Sastroamidjojo as the major objective of the Asian-African Conference.

BACKGROUND OF THE ASIAN-AFRICAN CONFERENCE

The preliminary conference at Bogor and the impending conference at Bandung are mainly the brain children of Premier Sastroamidjojo, who attended the first conference of the five so-called Colombo Powers—India, Pakistan, Burma, Ceylon, and Indonesia—in Ceylon last spring and proposed then that a conference of the Asian and African nations be held to consider the major problems confronting the areas. His proposal was endorsed by the other four premiers, and it was agreed that a preliminary conference would be held at Bogor in Indonesia to plan the major aspect of the larger one.

At Bogor only three formal sessions, lasting a day and a half altogether, were held. The premiers had to decide which countries to invite to the Asian-African Conference, and what would be the general scope of the conference. The meeting at Bogor was necessarily brief since the prime ministers had urgent commitments in their own countries.

President Soekarno keynoted the Bogor Conference and voiced the hopes of Indonesia as follows:

The nations of Asia have awakened after centuries of domination by foreign powers. I hope that all in Asia, without exception, will now be free to shape their own destiny

and, by switching over from a passive to an active role, play a part in directing the course of world history into the channels of peace and human welfare.

International reactions to the Bogor Conference and the forthcoming one at Bandung have varied from enthusiastic endorsement and support to suspicion and disapproval. The following comments made by one Western observer—Frank Jordan, of United Press—are especially noteworthy:

> Indonesia joined the major league of diplomacy in December. * * * She had pushed herself to the forefront in the field of foreign relations by sponsoring two major conferences. * * * The two conferences illustrate how far Indonesia has progressed in the field of foreign relations since the Dutch relinquished control over the island chain 5 years ago. With the exception of India, no other nation recently independent has made such progress in foreign relations in such a short time. * * * The achievement has been all the more remarkable because, unlike the British in India, the Dutch did not train Indonesians in the art of diplomacy. The Indonesians had to learn for themselves. * * *
>
> Indonesia has not been wavering or hesitant in making known her views; she has a policy for the struggle between East and West. It is embodied in her independent foreign policy. It calls for strict neutrality between East and West and a constant attempt to lessen the tension between the Western Powers and the giants of communism. Because of this policy, Indonesia has come under fire from both extremes.

Shortly after he returned to India from the Bogor Conference, Indian Prime Minister Nehru made an official statement in which he said:

> The Asian-African Conference is not aimed against any other country or group of nations and is not intended to form a bloc. It represents the urge for self-expression and desire to know each other better and to cooperate with each other in the tremendous tasks which these countries have in common. In order to succeed in these tasks peace is an imperative necessity.

By way of further clarification of the purposes of the conference and to dispel the apparent misgivings of some Western leaders regarding it, Premier Sastroamidjojo had made many official statements at press conferences and on other occasions. Regarding the assumption in some circles that the conference might develop into a regional rival of the United Nations, he stated that this assumption was wrong, adding that the aims of the conference were in line with those of the U. N. As to the five principles of coexistence outlines in the treaty between India and China and the relation this matter had to the Asian-African Conference the Indonesian Prime Minister said that these principles were not discussed at the Bogor Conference but that this question would probably be dealt with in the Asian-African Conference. The five principles are: (i) mutual respect for each other's territorial integrity and sovereignty, (ii) mutual nonaggression, (iii) mutual noninterference in each other's internal affairs, (iv) equality and mutual benefit, and (v) peaceful coexistence.

Premier Sastroamidjojo has also stated officially that too many people tend to believe that anti-colonialism and anti-imperialism are merely Communist slogans and that placing emphasis on those principles indicates a pro-Communist attitude. This belief is very erroneous and ignores the reality and intensity of the feelings of the masses of people of Asia and Africa. These nations of Asia and Africa that have only recently emerged from colonial status into independence are anxious to see the last vestiges of colonialism eradicated from their areas. This desire exists apart from any aspects of the present cold war. It is therefore wrong to anticipate that the conference will develop into any alinement against or for any bloc in the world.

Mr. Mohammed Ali, Pakistan's Prime Minister, said shortly after the Bogor Conference that he hoped the results of the forthcoming Asian-African Conference would have the same world impact as those of the Colombo powers meeting last April on the Geneva Conference on Indochina, Reuters reports from Karachi. In his monthly broadcast to the nation, he said the conference to be held in Indonesia next April was "unique in composition and importance. It is the first attempt of its kind at promoting cooperation and understanding among countries of Africa and Asia."

"It is high time that the Asian nations settle their own problems without Western interference," observed Sao Hyun Kio, Burmese Minister for Foreign Affairs, in a statement to newsmen in Calcutta on his way home from London recently. He is of the opinion that the Asian-African Conference should help the people of those countries to understand each other and come more closely together.

COUNTRIES INVITED TO ATTEND THE CONFERENCE

As announced after the Bogor Conference it was agreed among the five Colombo Premiers that the conference at Bandung in April should have a broad and geographical basis and that all countries in Asia and Africa which have independent governments should be invited. With minor variations and modifications of this basic principle, they decided to invite the following countries: Afghanistan, Cambodia, Central African Federation, China, Egypt, Ethiopia, the Gold Coast, Iran, Iraq, Japan, Jordan, Laos, Lebanon, Liberia, Libya, Nepal, the Philippines, Saudi Arabia, the Sudan, Syria, Thailand, Turkey, Vietnam—North, Vietnam—South, and Yemen, in addition to the five sponsoring countries.

Why is not the United States sending observers or spectators or visitors to this conference? Is it because we do not want to be anywhere that Red China is? If so, then we might as well transfer the Great Wall of China to our own country and isolate ourselves from the rest of the world. The countries of Asia and Africa do not approve of communism nor of Red China. But Red China is an important country in their part of the world, and it is going to be a part of this conference and other conferences even though the people attending do not believe in its philosophy. We cannot afford, therefore, to stay away from meetings because 1 out of 30 of the nations is a country to whose philosophy we are diametrically opposed.

Are we staying away from the conference because we are afraid of what Red China will try to do? Most assuredly Red China is going to try to manipulate the conference to sell a bill of goods for communism. But fear on our part of such a propaganda move will not be the counterpropaganda necessary. Many countries friendly to us, notably the Philippines, will be present. They will assuredly stand up to present the view of democracy. Somewhere at that conference there should be members of the United States Government showing by their presence that this country is sympathetic to the aims for peace of the peoples of Africa and Asia. Showing by our presence that we are not committed to a foreign policy that is one way for the Western World and another way for the Eastern World. Let us also not fear that Red China will be able to so dominate the conference that it will impose the philosophy of communism on other countries. In a speech delivered before members of the University Women's Club on Wednesday, March 16, the Indonesian Ambassador to the United States said:

> The form of government and the way of life of any one country should in no way be subject to interference by another by the conference discussions.

He said that this point had been agreed on by the Prime Ministers of the five sponsoring powers. The Ambassador stated further that—

> Any view expressed at the conference by one or more of the participating countries would not be binding on, nor be regarded as accepted by any of the others unless the latter so desire.

Surely, we are not using as an excuse that we were not invited, for we have sent observers through the years to many conferences to which we were not invited. At our own Inter-American Conference held last fall many countries of Asia sent observers although they were not invited. Australia for instance is not invited, but the leader of the Labor Party, Dr. Herbert Evatt in Canberra, on March 21 said:

> There is an urgent need to exchange visits between Asian and Australian peoples on every level.

He announced that he would have his own observers at the Asian-African Conference in Indonesia.

I firmly believe that greetings should be sent from the President of the United States, greetings of good will. It would take away some of the propaganda sting of the presence of Red China. For this, the world's greatest democracy to at least extend its best wishes to the 2 billion people represented at Bandung. When the SEATO Conference was held in Bangkok last month, we as one of the signatories did send greetings to the Bandung Conference. The CIO, should send greetings, for they already have made a very positive statement in connection with the general aims of the conference.

Officers of the American Federation of Labor and the Congress of Industrial

Organizations concerned with international affairs met February 25 at the Mayflower Hotel and issued a statement "opposing reduction in our national armaments and weakening of our national strength just as we oppose the administration failure to provide for an adequate economic aid program to the friendly peoples of Asia, Africa, and Latin America."

Heading the respective delegations were President George Meany, of the AFL, and President Walter P. Reuther, of the CIO. They were accompanied for the CIO by Jacob Potofsky, chairman of the CIO international committee; CIO Vice President Frank Rosenblum; Arthur J. Goldberg, CIO general counsel; Victor G. Reuther, director of the CIO international affairs department; and George L-P Weaver, assistant to CIO secretary-treasurer, James B. Carey. For the AFL: William C. Doherty, president of the National Association of Letter Carriers; David Dubinsky, president of the International Ladies Garment Workers; William McSorley, president of the International Union of Wood, Wire, and Metal Lathers; Lee Minton, president of the Glass Bottle Blowers Association; and Jay Lovestone, secretary of the AFL free trade union committee.

The statement issued in the names of Presidents Meany and Reuther follows:

American labor is proud of its support of free-trade unions in such colonial countries as Tunisia and Morocco, whose aspirations and allegiance to the cause of freedom stand in shining contrast to the shabby colonialist policies of French imperialism. American labor has consistently supported the concept of technical and economic aid for the less developed countries in Asia and Africa, and we call for further effective aid in these areas.

The Americans for Democratic Action have sent very positive greetings to the conference:

RESOLUTION ADOPTED MARCH 20, 1955, AT 80TH ANNUAL CONVENTION OF AMERICANS FOR DEMOCRATIC ACTION

The Asian-African Conference presents an opportunity to give encouragement to the uncommitted nations which have taken the initiative in convening the meeting, and to other democratic forces which will be represented there. In addition to the friendly greetings already dispatched by the SEATO powers, our Government should, before the meeting convenes, make clear its position on the vital issues to be considered there.

The United States should reiterate its firm opposition to the continuation of colonialism and imperialism; its intention to assist the new nations to make rapid economic and political progress; and its endorsement of their right to play their part in the solution of world problems. The United States should make clear that it not only opposes communism but also fights for progressive goals, that it is not wedded to the support of reactionary elements in Asia, Africa, or any other part of the world, and that it seeks no dominion for itself.

By so doing, the United States will recognize the intensity of the feelings of the masses of people in Asia and Africa, to whom anticolonialism and opposition to Apartheid and other forms of racial discrimination are vital principles, and to whom anticommunism and the democratic way of life are still slogans without significance in their struggle for freedom and justice. It should help them to understand that international communism is the most menacing new thrust of colonialism, and endangers the national aspirations of all free peoples. Thereby it can strengthen the democratic elements at the conference, and limit the power of the Communist representatives to distort its position and to influence the conference toward alinement with the Communist world.

I have before me a very fine letter coming from 16 outstanding American citizens. A group of 14 leading figures in the fields of science, religion, and literature, including Nobel peace prize winner, Emily G. Balch, and Nobel prize novelist, Pearl S. Buck, has forwarded a letter to Premier Ali Sastroamidjojo expressing the hope that the prospective meeting with other Asian and African leaders will fulfill his highest expectations.

The text of the letter is as follows:

We hope your prospective meeting with other Asian and African leaders will fulfill your highest expectations. Many people in the world are in desperate need, many are full of fear, many are zealous for partisan causes. Amid the pressures and perplexities of this situation, we write to urge upon you, not caution but fearlessness, not calculation but wisdom, not effusion but discipline, not a partisan program but the development of universal ideals.

We shall be watching you, because any solution you discover should help us all. The world is tired of oppression, dogma, and war. It is tired of the efforts of various governments to dominate, or to build defensive associations. We count upon you to develop independent solutions—to enunciate the principles of a new society.

Deeper than the need for bread among starving people is the need for a new confidence in man—the confidence upon which democratic institutions can be established, the confidence upon which liberating philosophies can be developed, the confidence upon which men can aspire toward economic brotherhood.

Because of great wealth, our own country continues in ancient superstitions which you can no longer afford to tolerate. You are aware of our weakness—our people in large measure still adhere to political, religious, and economic institutions based upon survival interests rather than upon fulfillment. Survival is important, but survival is not growth. Survival effort breeds conflict, division, and stagnation. In contrast, evolution and progress depend primarily upon a capacity of energy to integrate and harmonize—to fulfill potentials.

The way of Caesar, of grasping for survival strength, is failing in Moscow and Washington as it has in Rome. We have need that you shall be the Asokas to reintegrate our world into a community of love, a matrix in which people of understanding, of technical skill, and of artistic genius may mature.

Signatories of the letter are: Emily G. Balch, Nobel peace prize winner; Roger Baldwin, American Civil Liberties Union; Pearl S. Buck, Nobel prize novelist; Henry Hitt Crane, Methodist minister; Kermit Eby, sociologist, University of Chicago; Henry Pratt Fairchild, sociologist, New York University; S. Ralph Harlow, professor of religion, Smith College; James Hupp, dean, West Virginia Wesleyan; Homer Jack, minister and author; Philip Mayer, minister; Lewis Mumford, philosopher; Howard Thurman, dean, Boston University; and David Rhys Williams, minister and author.

We might as well face the truth that we have no foreign policy for Asia and Africa. The only thing we are stumbling around with is the slogan "Let's stop communism." If communism is defeated the West will thrive and go forward. But if communism is defeated what will happen to Asia and Africa? Asia and Africa will still be confronted with its problems of colonialism, illiteracy, hunger, and disease. The main problem in the eyes of the East is not communism but is strictly economic. I do not for one moment advocate that we cast aside our fight against communism. It should be pushed forward, relentlessly. But I do say, very emphatically, that fighting communism and fighting communism alone is not going to get us allies and win us friends in Asia and Africa. I gravely doubt whether we can continue much longer as a first-class power without the peoples of those two vast continents on our side. Marquis Childs on March 12 wrote:

The United States lacks an adequate plan to stop Red subversion by economic development. Our plans for a big Asian program were repudiated by Secretary of the Treasury Humphrey. Our stress has been shifted to military aid.

The people of Asia cannot understand why Formosa, with a population of 8 million got $90 million, while Indonesia with 80 million people only got $7 million. They cannot understand why Pakistan, with 75 million people got $70,800,000, while India with 356 million people received only $84,500,000. To many Members of Congress this seems perfectly logical to help those who are standing with us. But to Asians, in the great uncommitted countries of India, Burma, Ceylon, and Indonesia they are taking literally what we say about wanting to help all free countries. Therefore, this has the look of rank discrimination. The question being asked is this: "Is your aid really to help underdeveloped peoples raise their standard of living, or is it a carrot being held out to persuade us to go along with your system of military alliances?"

Donald Grant, writing in the St. Louis Post-Dispatch, March 13, had this to say:

The peoples of Asia and Africa are now clamoring to be admitted to the fraternity of modern mankind.

Membership in this fraternity is recognized by the fact that members wear decent clothes, have medical attention when they are ill, know how to read and write, have enough to eat, and an adequate shelter over their heads.

Nonmembership is clearly recognized, also—by the all-too-familiar patterns in the underdeveloped areas of the world: poverty, disease, illiteracy, and the constant, burning insult of the white European's—and American's—vastly superior power.

Communism represents the back door of admission to the fraternity of modern mankind; guardian of the front door—as the Asians and Africans see it—is the United States of America.

All of the Asians and the Africans—and the Middle Easterners and Latin Americans—who are now outsiders—are determined to enter the great fraternity of modern mankind, by the front door if it is opened, by the back door if need be.

Yet, despite all this, the peoples from the East in the United Nations continue to vote with the United States. The past year 34 times they voted on our side.

While it is true they voted 27 times on the side of Russia most of those votes were on the question of colonialism. In other words, if the United States had taken a strong stand against colonialism they would have voted with us even with those 27 votes that they cast on the side of Soviet Russia.

Writing from Jakarta, Indonesia, January 17 and 19 of this year, Joseph Alsop expressed many keen insights, mainly about the Indonesian people but applicable to the whole picture in the East and in Africa:

> The fact remains that there is little in the picture here to justify the pessimism about the Indonesian future that is so often voiced in Washington. On the contrary, if world communism is not flabbily permitted to take over the rest of Asia there is every reason to feel hopeful about this remarkable new nation of 80 million people. Here in Indonesia, just as much as in Thailand, the political tidal wave started by the Communist victory in Indochina is the great future danger. Halt the wave now, and the Communist task here is all but hopeless. Let the wave roll, and Indonesia will eventually be engulfed.

And so will the rest of Asia and the rest of Africa.

How can we stop this tidal wave. Assuredly, not through force alone. But most assuredly to help solve the unsolved problems of the Asian revolution.

First, let us consult with the Asian and African nations on every aspect of our Eastern policy. This means a complete revaluation of the importance of the East in world politics. We can hope to achieve the solution of their problems only by establishing a relationship of full equality. Even when we proffer aid we must not seek to dictate, although, naturally, we have the right to withhold aid if certain fundamental terms are unattainable.

Second, recognize that the social and political changes in the East mean more than simply supporting a nation against communism. The nationalist revolution of the East cannot succeed without, at the same time, being an economic revolution.

Third, supply adequate assistance for social change. How stupid it is for us to say that we can afford $100 billion a year for armaments but not a few billion for building independent and stable economies that can withstand the lure of the slogans of communism and the menace of Soviet aggression. Such a program would be compatible with the needs of our American economy. Vast new markets for our products would be opened up in the undeveloped areas of the world. Increasing the productivity of the lands of the East by grants-in-aid and loans would lay the basis for a permanent independent demand for our own products.

Fourth, we should channel as much of our aid as possible into international organizations. We know the United Nations has a limited role, but we should seek to build its strength through a concrete demonstration of our belief in its principles. The people of the East in turn would know the source of this aid and would appreciate the demonstration of our belief in internationalism without strings.

Fifth, we should stage an all-out offensive through public and private funds against economic exploitation, illiteracy, poverty, social degradation, forced labor, unemployment, lack of labor standards, housing, sanitation, and medical care.

Lastly, we should sell—and I mean sell in the Madison Avenue advertising concept of the word—sell the fact that this is not a white man's country. The United States of America is the only power in Western civilization that has a very large minority of colored people, including our Puerto Ricans, Mexicans, and Negro people. There are 23 million American citizens who are colored, who are a racial link between this country and the people of Asia and Africa. Let the people of Asia and Africa know that we are rapidly eradicating second-class citizenship. Let them know what we have done. Let them know, specifically, what we are going to do and let them know we are going to do it as soon as we can.

Let us not forget that Soviet Russia is an Eastern power. Therefore, the people of the East have an emotional drift toward Soviet Russia. We can stop that emotional drift by pointing out that here in the United States full and complete equality is the immediate aim for all of our citizens.

So as I leave for Bandung, I ask your prayers. I ask your best wishes. I ask that God may give us the strength to make democracy work here at home in every way so that we will have in Asia and Africa, brethren of peace and good will who believe in the United States because we believe in them.

Mr. HAYS of Arkansas. Mr. Speaker, will the gentleman yield?

Mr. POWELL. I yield.

Mr. HAYS of Arkansas. The gentleman from New York has rendered a service in directing attention to the Bandung Conference. We should all be grateful for the enlightenment he has given us on the background in which these discussions will take place. I have not studied the State Department's conclusions and do not wish to express a view on that point. From what the gentlemen has said, I judge that they have advised against the presence of observers, official or unofficial. I think we could all agree, however, that there should be great interest on the part of the American people in what the Bandung Conference produces.

The gentleman is right in focusing attention upon the aspirations of the people of Africa and Asia and their identity of interest; and it is an entirely logical thing that has taken place as they come together as people who have opposed colonialism. We must continue to fight the propaganda of the Communists which seeks to equate colonialism with Western democracy. We ought to accept the tough task of acquainting the people of Africa and Asia with the ideals and policies of the Western World and to express the sympathy that we of the West have with their aspirations. There will be at Bandung more friends of democracy and of the West than there will be enemies.

Mr. POWELL. That is right.

Mr. HAYS of Arkansas. I am not fearful of what the Red Chinese will do as they bring their sordid message to the representatives that are gathered there. They cannot succeed.

I was quite impressed with what a citizen of a young nation in Asia said when asked by a Westerner, "What do the people of your country expect of the United States?" He lives in a country that has a food deficit and he put it like this. He said, "Respect and rice, and in that order."

So we are challenged to find a balance between those two interests, of supplying economic help which deals with the rice and of supplying encouragement and aid and sympathy in a vastly more important area of life. When those things are understood and when we find effective means of making them understood, we will be able to outdo the Communists in every ideological battle. The gentleman is quite right in saying we must take an interest in what comes out of Bandung. It is essential that we follow those discussions carefully, and I hope that the executive department will make their facilities available to bring to the Congress a full report.

Mr. Speaker, I thank the gentleman for yielding.

Mr. POWELL. I thank the distinguished Member of the Arkansas delegation for his very, very fine comment.

Mr. SAYLOR. Mr. Speaker, will the gentleman yield?

Mr. POWELL. I yield.

Mr. SAYLOR. I commend the gentleman from New York on his excellent statement. I think he is doing the people of this country and the free people of the world a favor by personally going to this great conference as an observer. I commend him for his statement, for undertaking this journey, and join my friend the gentleman from Arkansas [Mr. HAYS] in congratulating the gentleman from New York and I wish him Godspeed on his journey.

Mr. POWELL. The gentleman is very kind. I thank him.

Mr. FASCELL. Mr. Speaker, will the gentleman yield?

Mr. POWELL. I yield.

Mr. FASCELL. I would like to add my commendation of the gentleman for personally undertaking to make this trip. I would add additional emphasis to the fact that we must do more than just be interested. We must be positive in our action. We have relied too long on military alliances and economic assistance. Everyone admits that the entire problem is an ideological one, and we, in the United States, must ask ourselves what in the world have we done to capture the minds of men and women throughout the rest of the world.

Mr. POWELL. The gentleman is correct. We have the best ideas in the whole world—it is the idea of democracy. If we would just let it work.

Mr. BOLLING. Mr. Speaker, will the gentleman yield?

Mr. POWELL. I yield.

Mr. BOLLING. I, too, would like to commend the gentleman on his very important and useful statement. Other Members have commented on various

aspects of the gentleman's statement, but it seems to me that one of its most important aspects is the fact that the gentleman has highlighted for the country and for the Congress the fact that the anti-Communist foreign policy of this Government in recent years has been largely a sterile and negative policy of reliance to too great an extent on purely military means. I think it is evident, if anything can be, that that policy has not been a great success and that only through a more positive and effective policy which will appeal not only to the bellies of people, but to their minds and hearts and spirits can this country hope to succeed in winning to the side of freedom and maintaining on the side of freedom those 2 billion of people who are now in the process of making their choice between democracy and communism. I thank the gentleman for his effort to make this problem more clear to the country and to the Congress.

Mr. POWELL. I thank the gentleman.

Mr. THOMPSON of New Jersey. Mr. Speaker, will the gentleman yield?

Mr. POWELL. I yield.

Mr. THOMPSON of New Jersey. Mr. Speaker, I too, would like to commend the distinguished gentleman from New York for his able presentation. More and more the thinking of the Members of this great body is being crystallized in the direction that the gentleman has suggested. Only a short while ago, in recognition of what I believe to be some of the facts, I called the attention of the Congress to the fact that SUNFED, the special United Nations development program for underdeveloped countries has been neglected. I expressed the hope that the administration would do something about it so that we could raise the economic level and standards of living of millions of our friends in these underdeveloped countries, particularly among the peoples of Asia and the colored races who look to us for worldwide leadership and who look to our culture and our ideas. I wish you well on your trip and commend you for your courage.

Mr. POWELL. When the gentleman mentions culture and ideas that is highly significant. The official language of this conference, even though it is to be a Pan-African and Pan-Asian conference, is going to be English. The official language is not Russian.

Mr. THOMPSON of New Jersey. I realize that. I think that is a significant factor.

Mr. UDALL. Mr. Speaker, will the gentleman yield?

Mr. POWELL. I yield.

Mr. UDALL. I, too, would like to commend the gentleman for his most timely and forceful message. Does the gentleman feel that the State Department still might reverse its position and send an official observer to this conference?

Mr. POWELL. It would be presumptuous to state that for the record here, but off the record I think the State Department is changing and it might even change by next Friday, April 8, although the conference is scheduled to begin on the 18th.

Mr. UDALL. I would like to express the hope that it does change. I think the point has been amply made that we should not fail to show these people the sympathy and understanding which our country feels for them and their causes. The gentleman, I am sure, will convey to them the feelings of our country, but our people should do it officially, too. I think we would be better off, so far as this conference is concerned, if that were the case. I would like to express the hope that there is a reconsideration of this matter by the State Department people.

Mr. POWELL. I thank the gentleman.

Mr. RABAUT. Mr. Speaker, will the gentleman yield?

Mr. POWELL. I yield.

Mr. RABAUT. I thank the gentleman for sending a note to my office telling me that he intended to make this address today. I feel he has given tremendous thought to his subject and I, for one, am very glad that I was here to hear him.

Mr. POWELL. I thank the gentleman.

Mr. DIXON. Mr. Speaker, will the gentleman yield?

Mr. POWELL. Gladly.

Mr. DIXON. I am sure the gentleman will be interested in knowing that the Legislature of the State of Utah has just passed a joint resolution reaffirming equal rights of all citizens of the United States.

Mr. POWELL. Very fine.

Mr. DIXON. With the gentleman's permission I will insert this in the RECORD at this point.

Mr. POWELL. I thank the gentleman.

Mr. DIXON. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include at this point the resolution of the Utah State Legislature.

The SPEAKER. Is there objection to the request of the gentleman from Utah?

There was no objection.

(The resolution referred to follows:)

Senate Joint Resolution 8

Joint resolution reaffirming equal rights of all citizens of the United States and of Utah and congratulating President Dwight David Eisenhower and Congress and the Supreme Court for accomplishments upon this subject

Be it resolved by the Legislature of the State of Utah:

Whereas the Government of the United States, through its legislative, judicial, and executive departments, is making great strides toward the fulfillment of the American dream that equal rights be accorded to all citizens of the United States; and

Whereas citizens of so-called minority groups have and are continuing to distinguish themselves in all fields of endeavor, and especially in government, science, art, music, the theater, industry, and in athletic effort; and

Whereas the principles of equal rights, which are declared to be self-evident in our Declaration of Independence, and which are guaranteed by the Constitution of this great country, and which are also stated in the constitution of our own State; and

Whereas America's future greatness may depend in part upon the ability of all of her citizens to harmoniously live and work and fight together to meet the challenges of any foe or adversary, from within or without our shores: Now, therefore, be it

Resolved, That the people of Utah, through their legislature, in session assembled, be cognizant and mindful of the fundamental rights and privileges guaranteed to all citizens of this great State; and be it further

Resolved, That President Dwight David Eisenhower, the Congress and the Supreme Court be complimented for the progress which has been realized during the past 2 years to help guarantee and perpetuate, to all citizens, equal rights in life, liberty, and the pursuit of happiness, be it further

Resolved, That certified copies hereof be transmitted by the Secretary of State to the President and Vice President of the United States of America, the Chief Justice of the Supreme Court of the United States, the Speaker of the House of Representatives of said Congress, and the 4 Members of the congressional delegation from Utah.

JUSTICE FOR ALL

The SPEAKER pro tempore. Under the previous order of the House, the gentleman from Michigan [Mr. DIGGS] is recognized for 30 minutes.

Mr. DIGGS. Mr. Speaker, may I take this opportunity to add my commendation to those of our colleagues who have spoken of our distinguished colleague from New York and commended him for his tremendously significant remarks and his courage in making this momentous trip he is about to undertake.

Mr. Speaker, the principle of justice for all is deeply rooted in the American way of life and guaranteed by the Constitution. Yet the guaranty becomes a gigantic fraud unless our civil rights are fully protected against a powerful antagonist. There is a new eclipse which has begun in Mississippi, and the already limited light of liberty in that ignoble State is growing dimmer and dimmer. Just as darkness ordinarily produces fear, so the unprotected, whether they be inarticulate or vocal, tremble and sweat in anxious concern. Just as darkness ordinarily provides cover for those who would exploit the unprotected, so they grow bolder and bolder in the absence of governmental action.

In the March 22, 1955, edition of Look magazine, the distinguished Pulitzer prize-winning editor of the Greenville, Miss., Delta Democratic Times, Mr. Hodding Carter, graphically lays before the world, for all to see, one of the most revolting pictures ever portrayed on the American scene. It tells the story of so-called citizens' councils, which have been germinated in Mississippi to circumvent the Supreme Court ban on segregation in public schools. It describes the leadership in these councils as otherwise intelligent men who are generally respected in their community, but who are seriously dedicated to a racially separated theory supported for generations by most white southerners. Their only redeeming feature thus far is a nonviolence pact seeking to forestall hotheads.

As these councils expand, however, the burning question is whether they can keep the hotheads out or under control. As the foundation of the segregation walls cracks and crumbles under the weight of its own stupidity; as the forces of the prosegregation movement instinc-

tively stiffens its resistance; as they witness the failures of their mortar and cement to restrengthen the base, in consideration of the combustible material that is being used, the sparks of freedom can ignite a flame that will light up almost every street and countryside in Mississippi and spread its hot fingers into other like areas.

In the meantime, prosegregationists are resorting to a diabolically clever plan of economic, political, and social reprisals against all who dare oppose or expose them. They have compiled a notable array of victories. They were the principal lobbies in the Mississippi Legislature for constitutional amendments to further stifle the Negro vote by requiring more stringent qualifications and to permit the abolition of the State's public-school system to counteract the eventuality of integrated education. They have withdrawn from and refused credit privileges, based on usual good security, to so-called obstinate Negroes, resulting in a long list of individual hardships. They have threatened especially those who are known to be active in the National Association for the Advancement of Colored People and the Mississippi Regional Council of Negro Leadership until many are fearful for their very lives and are forced to use plain envelopes when corresponding to keep from being singled out for financial ruin, and to be cautious about telephone calls, especially in areas where a dial system is not in use.

In addition, the Mississippi Legislature recently passed a resolution which jeopardizes a basic constitutional guaranty by barring antisegregationists from speaking at any State-supported educational institution. These incidents, plus a score more, cause us to believe that the citizens' councils and their counterparts in certain other States, notwithstanding their nonviolence pledges, are at the gatepost, fidgeting nervously and prepared to ride again like their Ku Klux Klan predecessors, kicking up clouds of terror dust.

If their amazing successes continue unabated, if they continue to silence most vocal opposition, drunk with power, they will undoubtedly become more daring and can become instruments of interracial violence. As Hodding Carter states:

> The ingredients are there. The incentive and the incendiary spark are lacking—so far. If and when these should appear, I say, soberly and in warning, that the men in white robes will seize control.

Call it exaggeration if you wish, but these apprehensions are founded upon sad past experiences.

I agreed with Mr. Carter that we cannot be blind to the dilemma of the South today but that the councils' way is not the right way, that it is not American to bully the near-defenseless and the minority of dissenters, that it is not American to invoke the doctrine which recognizes the existence of a master race. The Federal Government by its silence, however, is abdicating its responsibility for the protection of the victims of these aforementioned reprisals.

As an immediate solution, the executive department can, at the direction of the President and through the Attorney General and the Federal Bureau of Investigation, indicate strongly the administration's intolerance of these nefarious practices by a sweeping investigation of the fast-growing anti-Negro citizens' councils in the South, beginning in the State of Mississippi. The Congress of the United States should make a separate inquiry. These actions alone may be an effective deterrent to further misdeeds.

As a long-range solution, I am certain that the examination of facts will inspire them to support various proposals before Congress designed to strengthen the protection of civil rights. We must recognize that the national security and general welfare of our country call for more adequate safeguards of individual rights. As informed people have continually stated, our actions in this area are reflected in the esteem in which America is held by the preponderant darker peoples of the earth.

ECONOMIC DEVELOPMENT: KEY TO FREEDOM IN ASIA

The SPEAKER pro tempore. Under the previous order of the House, the gentleman from New Jersey [Mr. WILLIAMS] is recognized for 45 minutes.

Mr. WILLIAMS of New Jersey. Mr. Speaker, I think the speech of the gentleman from New York [Mr. POWELL] and the colloquy that followed will be important for the people of this country to consider at this point. I think that as a statement of the needs particularly of the people in Asia and as a statement of the problems we have before us now we need to begin the work of trying to meet those needs and to meet those problems. In a moment I would like to suggest some specific things that I would respectfully urge on my colleagues as possible answers to some of the problems in our efforts to meet the needs of the people who are yearning for freedom around the world. Further amplifications of my thoughts on this matter are contained in the current issue of the Reporter magazine.

Mr. Speaker, a vigorous foreign economic program is a vital and essential part of our overall defense against Communist imperialism. The agency administering this effort, the Foreign Operations Administration, is scheduled by law to expire on June 30 of this year—3 short months away.

Despite the pending expiration, no plans for continuing the administration of the essential activities such as technical assistance, which undoubtedly will be continued, has been forthcoming from the administration. Now, I realize that traditionally, specific recommendations regarding these activities have been late in reaching the Congress. However, there is a major difference this year which is that no administrative structure exists or has been proposed for carrying on these programs. What is the effect of this uncertainty?

I am advised that it is having a devastating effect on the efficiency of FOA. Many experienced people are looking elsewhere for jobs. Morale of those remaining is suffering. In general, efficiency is at a low ebb.

This aspect of the morale problem in FOA is added to an already bad personnel situation created by the present Administrator's injection of partisan considerations into all levels of FOA activities.

THE PORK BARREL

To put it bluntly, political and patronage considerations have had a grievous effect on the operations of FOA.

Last year, I sponsored an amendment to the Mutual Security Act specifically prohibiting the application of political tests to FOA appointments abroad, including technical assistance positions. Despite this legal restriction, FOA filled more jobs by the patronage method in the last half of 1954 than did the entire Departments of Defense, State, Treasury, Labor, and Health, Education, and Welfare combined. As a matter of fact, about 25 percent of all those given Federal employment under the jobs-for-Republicans program found a haven in Mr. Stassen's supposedly nonpartisan and relatively small agency.

This is not speculation on my part. The details are contained in the February 11 issue of the nonpartisan Congressional Quarterly on the basis of an interview with Charles Willis, patronage aide to the President.

In a 6-month period, FOA found 237 job openings to refer to the Republican National Committee. Furthermore, funds appropriated for economic development and technical assistance have been diverted to pay for observation trips of clubwomen. "Operation Reindeer" sent four prominent women and their husbands to Europe during the Christmas season of 1953—at a cost of $19,000—to observe the Christmas package program.

"Operation Crewcut" brought 16 young men into FOA last October to study local investment opportunities around the world. All 16 appointees were cleared with party leadership. At this writing, only three of the young men have been assigned. Thirteen remain on the payroll in Washington. The reason is simple. Small FOA missions abroad fight against the assignment of relatively unnecessary personnel whose salaries will cut into their meager staff allowances. The total cost of this program to date has been close to $60,000 and the only benefit of it seems to have been to the Republican National Committee.

Since political affiliation has become an important criterion for recruitment and promotion, many competent technical and administrative people have left the agency, and those who remain constantly find politics interfering with their work. Efforts to find a Republican for a particular job frequently holds up important projects. It has never been easy to find qualified specialists who are willing to go abroad; the intrusion of partisan considerations makes it even more difficult.

With the shifting of Mr. Stassen to other fields, perhaps we are on the way to a solution of this problem of partisanship in this supposedly nonpartisan aspect of our foreign policy. However, it is apparent that the demise of FOA on

June 30 should be receiving immediate attention. Whatever new organizational structure is determined to handle foreign economic policy and administration should be determined far enough in advance to permit a smooth transition. Action on our part, even today, would require hasty administrative planning. To continue to put it off will cause confusion and waste—yes, waste of taxpayers' money. Since the administration has not seen fit to face up to this problem, I suggest we in the Congress should begin to move now, even though such action on our part is without clear precedent. We did determine that FOA should expire on June 30. The fact that the administration has failed—to this date—to indicate its plans behooves us to begin to move, if necessary, on our own.

With this in mind, I would like to submit some thoughts on what our foreign economic policy should be—particularly with respect to southeast Asia—and also to submit some thoughts on what administrative structure seems to be most desirable.

Mr. McCARTHY. Mr. Speaker, will the gentleman yield?

Mr. WILLIAMS of New Jersey. I yield to the gentleman from Minnesota.

Mr. McCARTHY. The gentleman has said that, under the present law, FOA will expire on June 30, 1955. Does the gentleman know what will happen to the FOA personnel now that the FOA offices are being discontinued?

Mr. WILLIAMS of New Jersey. No. We have not had any recommendations from the executive department. There has been some speculation and some guessing, but no program has been presented in spite of the fact that the administration has been asked repeatedly for suggestions as to what they want after June 30 when FOA expires.

Mr. McCARTHY. I assume we can hope that the new Office of Disarmament will not be used in the same way with respect to political appointments?

Mr. WILLIAMS of New Jersey. I join the gentleman in the very sincere hope that will not happen, and I hope that the Congress will be vigilant in watching this, too.

Mr. BOLLING. Mr. Speaker, will the gentleman yield?

Mr. WILLIAMS of New Jersey. I yield to the gentleman from Missouri.

Mr. BOLLING. I would like to tie down a little more tightly a couple of things that are implied by the gentleman's statement. I get the impression that it is a well documented fact that the patronage machine of the Republican Party has used the FOA as a choice field?

Mr. WILLIAMS of New Jersey. That is correct.

Mr. BOLLING. I would like to understand more clearly the way in which this operates. Mr. Stassen, of whom the gentleman spoke specifically, was appointed by the President, was he not?

Mr. WILLIAMS of New Jersey. That is correct.

Mr. BOLLING. This was a job that required presidential appointment, to be confirmed by the Senate?

Mr. WILLIAMS of New Jersey. That was an appointment that had to be confirmed; yes.

Mr. BOLLING. He was appointed, and confirmed by the Senate. Is there any reason to believe that President Eisenhower, who is obviously responsible for the appointment of Mr. Stassen, has been apprised or should have been aware of the fact that this very important agency is being used as a dumping ground for Republican patronage seekers?

Mr. WILLIAMS of New Jersey. I think there is every reason to believe he was apprised of it and should have known. Last spring the abuses of the agency had become so apparent to most of us that the amendment I mentioned earlier was sponsored to eliminate political tests in FOA. That amendment failed in the House, but was passed in the other body, then it prevailed through conference, and was made the law of the land last summer.

Mr. BOLLING. So, of course, in effect, despite the fact that Mr. Stassen has been the Administrator of this program, the responsibility for this condition cannot be escaped by that person who has the highest executive authority in the land; in other words, the President, in effect, under our Constitution, is responsible for this condition.

Mr. WILLIAMS of New Jersey. That is certainly correct.

Mr. BOLLING. I would like to pursue this business about Operation Reindeer and Operation Crewcut a little. What purpose was served by the expenditure of $19,000, which the gentleman points out was spent in Operation Reindeer? What purpose did these prominent Republican women and their husbands in their trip to Europe serve in the interest of the United States?

Mr. WILLIAMS of New Jersey. The ostensible reason for this group of 8 people, 4 couples, going to Europe was to observe the operation of the Christmas package program, a program designed to give Christmas packages in areas where Christmas needs were not being met except as we met them. That was the ostensible purpose. I have not seen any report from this group that would indicate that "Operation Reindeer" was necessary, and it seems to me, knowing the personnel that made up the trip and where they come from and what their occupations and political positions are, that the only real purpose served was patronage for Republicans.

Mr. BOLLING. I thank the gentleman.

Now, one further question. This Operation Crewcut which the gentleman says brought 16 young men into FOA last October to study local investment opportunities around the world, I gather from the title of this "Operation Crewcut," that relatively young people were involved in this.

Mr. WILLIAMS of New Jersey. I think the average age is what I would like to think young, 23 to 40. "Operation Crewcut" was not coined by the gentleman. That was coined in the agency, as I understand it. I do not believe they were all young college people, however.

Mr. BOLLING. Now, these, then, were not people who would necessarily all be fully qualified to study local investment opportunities around the world. I would gather that this was a rather technical, complicated, and difficult problem about which there would be relatively few people who would be most proficient. I got the impression from the gentleman's statement that these people who were sent out to do this very important and perhaps difficult task were not necessarily the best qualified except from the point of view of their politics.

Mr. WILLIAMS of New Jersey. I think there is ample evidence to support that feeling.

Mr. BOLLING. I thank the gentleman.

Mr. MARTIN. Mr. Speaker, will the gentleman yield?

Mr. WILLIAMS of New Jersey. I yield to the gentleman from Massachusetts.

Mr. MARTIN. Of course, any changes would have to be made by the Congress; is that not so?

Mr. WILLIAMS of New Jersey. Yes; that is so.

Mr. MARTIN. Then, if there is any delay, of course, the responsibility is with those in control of the Congress; those who have the program to carry out.

Mr. WILLIAMS of New Jersey. I would reply to the gentleman that traditionally, the Congress, as I understand it, has waited for the recommendations of the Executive in this field before it acts.

Mr. MARTIN. There is no reason why they should, if they felt they had the right answer.

Mr. WILLIAMS of New Jersey. I personally, might agree with the gentleman, but there has been a reluctance to move without some thinking from the agency and from the Executive who have the responsibility for administering the program.

CHINA VERSUS INDIA

Development-loan assistance to Asia is both a necessity and an opportunity for American policy. The final answer to communism is not tactical atomic weapons, but democratic alternative solutions to Asia's economic problems. The contrast is already there—in the respective means by which China and India are trying to catch up with the industrialized nations of the world.

In China, the Communist leaders are trying to squeeze the wherewithal of an overambitious industrialized program out of those who have the least to give—the peasants. That, of course, is exactly what Stalin did in Russia. His Chinese followers face the same stubborn fact he faced. No police state has ever figured out a way to force farmers to grow more food.

In Russia, where the Communists started with food surpluses, it took a generation for Stalin's policies to catch up with his successor, Malenkov, who was fired, in large part, for the failure of the Soviet agricultural program. It should not take nearly as long for Mao Tse-tung, applying Stalin's theories in a country that has long suffered from large food deficits, to produce a severe food crisis in China.

What we know already of the bitterness, oppression, and despair in China is better propaganda for our system than anything the Voice of America may have to say about how wealthy our own farmers are. It is now becoming clear, even to the overseas Chinese scattered throughout southeast Asia, that Communist land reform is strictly a phony, that the tenants who thought they were getting land of their own wound up as sharecroppers for the Government. No wonder the Communists are beginning to complain in their own newspapers about dangerous spontaneous tendencies toward capitalism among the peasants.

The Indian method is to build up the agricultural sector of the economy rather than to exploit it. Nehru's 5-year plan still has a year to run, but it is already possible to talk of its success. Aided by good weather, better fertilizers, more irrigation, some technical advice, and a widening participation in village community projects, India's farmers have already increased grain production by 21 percent, substantially doing away with a deficit that ran close to 5 million tons before the plan got underway. According to a New Delhi dispatch in the New York Times:

> It can be said now that India is self-sufficient in food.

Nehru's government still has many problems to face, but it has clearly demonstrated for the rest of Asia to see that a democratic state can make a success of economic development plans.

The nations in the non-Communist crescent of Asia must create the conditions for economic growth—one way or another. And so all of them are watching this competition between India and China.

JAPAN KEY TO A DEMOCRATIC EAST

If we look at Japan, we find that a solution to that nation's economic distress also lies in rapid development of south and southeast Asia. Japan's problem is simple: An island crammed with industrial machinery and skilled workers, it needs markets for what it produces, and has to import a wide variety of food and raw materials. The Japanese would like to increase their trade with us. But even if we had no tariff at all, the United States would be a good market for only a small part of what Japan has to export. The Japanese would like to increase their trade with Red China, too. But here again, the potential amount of such trade has been vastly overrated. The Chinese would certainly be eager to buy what Japan has to sell, but China cannot offer much in return except coal and a few odd commodities like tung oil and hog bristles. Of course, in addition, overriding political considerations dictate against promoting Japanese economic dependency on Red China. What would provide a real answer to Japan's trade problem is the rapid economic development of the rest of Asia.

Thus, considerations of both politics and economics lead us inevitably to the same conclusion: A vigorous program of technical development and loan assitance to Asia should be at the core of United States foreign policy.

THE COLOMBO PLAN

How can the program be carried out? A new and hopeful means is now available to us. The Colombo plan, which was originally a family affair within the British Commonwealth, has now been expanded to take in practically all of non-Communist Asia.

The Colombo plan is not just an idea any more. It is a real meeting place for a dozen national development plans, and, what is more, it is a politically acceptable channel for western assistance in helping the Asian plans to success. The Asians themselves are spending $1.5 billion a year on the Colombo plan, and loans and grants from the United States, Britain, Canada, Australia, and New Zealand have amounted to $1 billion since 1950. Alongside this investment program, there is a thriving program of technical assistance. Five thousand Asians are being trained, and 2,500 British and Commonwealth experts are building dams, making geological surveys, applying the West's skills to the East's problems in a hundred fields.

This existing association of Asian nations could be expanded into a source of investment capital for the entire region with the backing of United States funds. A unilateral United States program might be called imperialism; a multilateral program under U. N. auspices might be sabotaged by Soviet participation. The Colombo plan avoids both dangers.

An idea seems to persist in the present administration that private investors can meet most of the need for capital in the economically underdeveloped areas of the world. It is an attractive idea, but the simple truth is that right here at home, to say nothing of mushrooming Canada, the investor finds more lucrative, less complex, and far safer investment opportunities than are to be found in any underdeveloped area. Foreign countries are now paying us half again as much return on past investments as American citizens are currently investing abroad—despite exhortations and special guaranties of years standing designed to change this situation. I am afraid that the continued efforts by the Government to entice American investors abroad will have little effect. Private investors will go into the less developed areas only after some advance has been made on the basic problems of transportation, communication, and health. For these purposes, some form of public investment is essential. Of course, we should continue to encourage private investors to go abroad, but we should stop closing our eyes to the fact that the private avenue of investment offers little hope in the immediate future.

The International Bank for Reconstruction and Development does part of this job—the part that a strictly banking operation can appropriately do. The Export-Import Bank exists to promote United States trade rather than investment in other countries; so it too can meet only a limited need on a limited scale.

The proposed International Finance Corporation would be an excellent further step in the right direction. By investing in enterprises that Asians themselves start and manage, helping to get new private industries on their feet, and then selling off its holdings locally, such a corporation could promote industrial development and help create a capital market at the same time. It would, however, leave still unsolved the problem of where money for basic economic development is to come from.

For too many years, our Government has suffered from a dichotomy of thinking in grappling with the whole problem of public investment in less developed areas. Only two forms of assistance have generally been thought feasible: direct grants, which are onerous to the recipients as well as to United States taxpayers; and dollar loans that have to be repaid directly in dollars—a requirement which drastically limits its usefulness in areas with serious dollar shortages.

And yet there are other forms of dollar assistance that could be used. We need to learn to use them in Asia.

Suppose we should adopt a program to help finance a regional development bank under the Colombo plan. The United States could provide the bank with a major share of its initial capital, and loans to the participating countries could then be paid back to the development bank in local currency. This money could then be loaned out again for further development projects. Such scheme would have several advantages:

It would create a long-term revolving fund to meet the need for continuous investment in such fields as public health, education, agriculture, and communications.

It would avoid the immediate difficulty of repayment in dollars.

It would avoid the onus of charity for the recipient and some of the equally onerous giveaway implication for United States taxpayers.

It would clearly indicate a permanent interest on our part in helping Asians to realize their economic aspirations.

WHAT ADMINISTRATIVE STRUCTURE?

Turing to the question of administration, in my opinion, there are a number of reasons why it is desirable to keep the operating parts of an economic program separate from the regular duties of the State Department and the Foreign Service. The diplomatic responsibilities of Foreign Service officers require that they do nothing which could be considered interference in the internal affairs of other countries. They cannot be expected to perform their primary duties effectively while operating a program, even one requested by the participating country, that by its very nature is involved in changing the internal affairs of that country.

But some kind of central direction is required to prevent the administrative difficulties that were encountered by other agencies in this field, particularly the Technical Cooperation Administration. The experience of the TCA indicates that although it is essential to use all the facilities and knowledge of other Government agencies, the program cannot be farmed out section by section to

various old-line agencies—Commerce, Labor, Agriculture, Interior, and so on. Unified administration is essential: The best plan would seem to be a separate agency under an Administrator who is responsible to the Secretary of State.

PROPOSALS

We tend to let ourselves be preoccupied these days with purely military solutions to the problems that beset us—the Koreas, the Indochinas, and the Formosas. But our military actions will secure lasting peace only if in cooperation with our Asian allies, we use the time so acquired to offset the phony but powerful appeal of communism in Asia.

To this end, I propose that the Congress enact the following legislation:

First. Establish a permanent Technical Cooperation and Economic Development Agency under an administrator responsible only to the Secretary of State. Under this plan, economic and technical assistance programs would be separated from military aid activities, which would be transferred to the direct control of the Defense Establishment. Unified administration would be retained and, at the same time, the Secretary of State would retain overall policy direction.

Second. Authorize the continuation of the technical-assistance programs for periods of at least 4 years. Some degree of long-range planning is absolutely essential for any degree of success.

Third. Authorize a regional fund for Asia, loans to be repaid in local currency. The funds should be used to further economic development through an agency like the Colombo plan.

I would like to note that these proposals are within the broad recommendations contained in the report submitted to Congress on March 24, 1955, by the distinguished chairman of the Committee on Foreign Affairs, the gentleman from South Carolina [Mr. RICHARDS] and a senior member of the committee, the gentleman from Ohio [Mr. VORYS]. The one point of difference might be in the administrative arrangements—although that is not entirely so since my proposal would put the policy-making function in the Department of State.

One final point, I believe the Congress should make sure that all the facts about the administration of FOA are brought to light before new funds are appropriated. If we meant what we said last year about keeping politics out of economic and technical assistance, we should impress this attitude upon the new chief of whatever agency is assigned to handle these matters.

Such a program will certainly not solve all our problems. It is only the beginning of a long process. But since so many of the obstacles we face are of our own making, the creation of an effective program in Asia must necessarily begin right here in Washington.

SPECIAL ORDER

The SPEAKER pro tempore (Mr. BOLLING). Under previous order of the House, the gentleman from Pennsylvania [Mr. RHODES] is recognized for 60 minutes.

Mr. RHODES of Pennsylvania. Mr. Speaker, I yield to the gentleman from Alabama [Mr. ELLIOTT].

FEDERAL SCHOLARSHIP AID

Mr. ELLIOTT. Mr. Speaker, I ask unanimous consent to revise and extend my remarks at this point.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. ELLIOTT. Mr. Speaker, I am today introducing a bill to set up a program of financial aid to students who desire to continue their education after graduation from high school, but are unable to do so for financial reasons. I introduced substantially the same bill in previous Congresses. The need for the legislation is now greater than ever before.

We have reached the point where the Federal Government must take a more active interest in the education of our youth. Many factors have contributed to the situation we now face, but let it be sufficient to say that we must have dynamic leadership in our Nation if we are to successfully overcome the propaganda poison which pours from inside the Iron Curtain.

Dynamic leadership comes from an educated people. This Student Aid Act will assist in the development of the strong and enlightened leadership which we continually need to match the unending flow of words and ideas that communism places before the world in this age of the cold war.

Many of our youth are qualified to accept this challenge and to contribute to providing the leaders we must have. However, they are financially unable to continue their education past high school.

State and local support is often not available to provide these young citizens with the post-high school educational opportunities they desire. Federal funds, such as provided in this bill, are needed to help us solve the problem.

A summary of the provisions of the bill follows:

This bill authorizes annual appropriations beginning fiscal year 1956 for $32 million and increasing each year by $32 million until the fiscal year of 1959 when the authorization will amount to $128 million.

This act, to be known as the Student Aid Act of 1955, provides that this money shall be used for certificates of scholarship awarded to high-school students for pursuit of higher education.

The State quota of these scholarships is determined thusly: One-half of the total number of scholarships shall be allotted among the States in percentages equal to the percentage of the State's high-school graduates as compared to the national total of high-school graduates for the same year; and the remaining one-half is to be allotted in the proportion that the State's population between ages of 19 and 21 bears to the national total population of that same group.

The number of persons aided would depend, of course, upon the amount of money appropriated by Congress.

States desiring to participate in the administration of this scholarship program may do so by establishing a State commission on Federal scholarships. The State commission shall, in accordance with tests prescribed by the Commissioner of Education, make its selection of students on the basis of intellectual capacity and financial need. The scholarship stipend shall be uniform and will not exceed $800 per year. The duration of the scholarship will be a maximum of 4 years. After once being granted a scholarship, a student must, if he or she is to continue receiving the aid, have a continuing financial need, must maintain full-time attendance and must not receive scholarship aid from any other source. Attendance may be at a higher institution either in the United States or in another country, if the applicant is acceptable to the institution.

The bill further authorizes $10 million for the insurance of loans made to students in higher institutions of learning. No loan in excess of $600 shall be covered by this insurance in any one year nor an aggregate unpaid balance exceeding $2,400 for the entire period of the scholarship. Eligibility of students for such loans under this act depends upon full-time educational work, the signing of a note or some other type of agreement which is payable by installments which will begin the fourth year after a student ends full-time study and requires full payment plus interest within 6 years after the first payment is made.

Interest rates are set at 1 percent per annum until the first installment is paid and thereafter at a rate of not to exceed 2 percent per annum until the entire loan is repaid. The students are given the operation of accelerating their payments if they so desire.

Mr. RHODES of Pennsylvania. Mr. Speaker, I ask unanimous consent that the gentleman from Connecticut [Mr. DODD] may proceed on his special order at this time.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

ETHICAL FINANCIAL PRACTICES

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Connecticut [Mr. DODD] is recognized for 30 minutes.

Mr. DODD. Mr. Speaker, on March 23 I addressed the House on the subject of ethical financial practices.

I said then and I repeat now that my interest in this matter arises out of a growing concern about the milking and liquidation of a considerable number of American businesses and industries. And most importantly, the potential danger to our defense production and to our national security.

On March 28, my able colleague and good friend from Colorado [Mr. ASPINALL] inserted in the CONGRESSIONAL RECORD a statement in which he sug-

gested that I was either knowingly or unknowingly being used by one side in the dispute which surrounds a company in my district known as the Niles-Bement-Pond Co.

I respectfully urge my colleague from Colorado to again read my remarks.

I have no interest of any kind or character in the Niles-Bement-Pond Co.

I do not own one share of stock in it and never have.

I have never had any association with its management, and as a matter of fact, I know very few of the individuals in the management personally and none of them intimately.

This is also true with respect to the Penn Texas Corp.

I still believe that my position is right, and I have received a large number of communications in the form of letters and telegrams from businessmen, from shareholders, and from employees approving my action.

It is interesting to note that only two adverse communications were received by me.

I am glad that the gentleman from Colorado has given us some information about the Penn Texas Corp. and its officers. He has helped to clear up some of the obscurity about which I complained.

I tried to obtain such information from the usual business sources but I was not able to get any more than I reported to the House when I made my statement.

During the past week, representatives of the Penn Texas Corp. have called upon me and have assured me that if their group wins control of Niles-Bement-Pond Co., there will be no milking or liquidation of that corporation. I am happy to receive this assurance and I make this statement as a matter of record on the floor of this House today.

I accept this statement as one made in good faith and I know it will be good news to the employees of this company, to the individual shareholders and generally to the citizens in the greater Hartford area.

Perhaps my friend from Colorado will better understand my motives when I tell him that in Torrington, Conn., a group headed by Frederick Richmond, to which I made reference in my speech of a week ago, took over the Hendey Machine Co. in 1952.

At the time of this takeover, the people of Torrington and the employees of the company were publicly assured there would be no milking and no liquidation. However, in 1954, 2 years after the takeover, the company was liquidated and hundreds of employees in that city were thrown out of work.

Not long ago, a company known as Peck, Stow & Wilcox Co., of Southington, Conn., was absorbed by this same Richmond group. As of today it appears that it is about to be liquidated and as with the Hendey Co., at the time of the takeover, there were assurances given the employees and the people of Southington that Peck, Stow & Wilcox Co. would not be liquidated.

This is the kind of thing that I do not want to see happen again. And it is precisely the kind of situation that prompted me to make my speech on the floor of this House.

I have also been assured in writing by representatives of the Penn Texas Corp. that there is no money in the Fenn Texas operation from other than the free world. I am happy to make this a part of my report today. I did not carelessly raise this question. Many people are suspicious about the source of some capital moving in our economy today. The investigation which I have asked for should look into this matter carefully.

As a matter of fairness and of accuracy, I have also been advised by the Penn Texas representatives that Mr. Virgil Dardi is no longer a member of the board of Penn Texas because his resignation was requested when the management of Penn Texas discovered his associations and the activities to which I made reference in my speech.

In addition, I think it is fair to say that Penn Texas management disputes the fact that there has been any secret buying up of Niles stock and it has asserted to me that it acquired its holdings in the normal and usual way.

My colleague from Colorado and representatives from Penn Texas have both complained that my general remarks about several situations are being used to create misleading impressions and to give an unfair advantage in a private dispute.

I have carefully examined all of my facts and I have found that nothing I have said has been claimed to be untrue.

If unfair or false impressions have been created by persons other than me, I can only say that this is most regrettable.

My purpose in offering the resolution and the legislation is to clear up what I believe to be an increasingly bad situation.

I am not concerned about private business disputes except as they fit into the pattern of what I believe to be a growing problem for the American people.

On March 23 I tried to make perfectly clear that I did not believe that either Congress or the Government should meddle with or interfere with the normal free play of our competitive enterprise system.

On other occasions, I deplored the use of Congress and of Government to advance private business interests.

To demonstrate my attitude and to cite a bad example of Government interference, let me report about a meeting which took place yesterday.

I was invited with other members of the New England delegation to a meeting in the Capitol.

Before going to the meeting I was told that Commissioner Monroe Johnson, of the Interstate Commerce Commission would appear at this meeting to give the New England Members of Congress some information concerning a dispute involving the management and control of the Boston & Maine Railroad.

At the meeting I learned that the Interstate Commerce Commission has ordered an inquiry to open in Boston on next Monday.

When I asked Commissioner Johnson the purpose of the inquiry, his answers to me were, in my judgment, evasive and not convincing.

Commissioner Johnson claimed that because there was fear of a consolidation of the Boston & Maine Railroad with another railroad, the Interstate Commerce Commission had ordered this inquiry.

I suggest to this House that this is an outrageous attempt to influence the stockholders who are to have their annual meeting on the 13th of April.

If any agency of the Government has a proper interest in a proxy fight, it is the Securities and Exchange Commission and not the Interstate Commerce Commission.

I pointed out to Commissioner Johnson that the Interstate Commerce Commission should at least wait until after the annual meeting and until some application is made for consolidation of two carriers.

Certainly nothing will be lost to the Government nor will the public interests suffer if the Interstate Commerce Commission takes jurisdiction when it is entitled to jurisdiction.

The haste with which the Commission has ordered this inquiry at this hour, 9 days before this meeting, causes me and others to be suspicious about the motives for the calling of this inquiry.

This reminds me of the days when the Government and its agencies were used by powerful business interests in the United States and this is precisely the kind of interference that I object to.

I have today written to the chairman of the Interstate and Foreign Commerce Committee of both the House and the Senate, and asked them to ascertain the facts with respect to this highly irregular conduct on the part of the Interstate Commerce Commission.

The complaint which I made to this House about raids has no bearing upon legitimate business competition.

If the agencies of Government will do something about the matters which I have discussed, they will be constructively helping the people of the United States.

Mr. ASPINALL. Mr. Speaker, will the gentleman yield?

Mr. DODD. I yield to the gentleman from Colorado.

Mr. ASPINALL. I wish to commend the gentleman from Connecticut for taking the floor at this time and giving the statement which he has. It is another example of the fairness which always prompts him in his activities, especially here on the floor of Congress. I know the gentleman understands that I associate myself with him in the objective he has in mind. I am glad that the explanation has been taken care of so that we can again meet on common ground.

POSTAL PAY RAISE

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Pennsylvania [Mr. RHODES] is recognized for 59 minutes.

Mr. RHODES of Pennsylvania. Mr. Speaker, I have asked for this time so that the minority group on the House Post Office and Civil Service Committee

and others who care to can more fully express their reasons for their opposition to the pending postal pay legislation, H. R. 4644. I am sorry that there are not more Members present, but I hope they will have a chance to read the RECORD today to get our views.

Furthermore, we wish to place responsibility where it belongs for the utter confusion that prevails and for the unjust delay in the enactment of a fair and reasonable pay bill.

Unfortunately, for postal employees—and for other Federal workers, too—there seems to be little sympathy at the White House or among administration leaders to give them an adequate pay increase.

We need but look to last year when the President vetoed a bill which called for only a 5-percent increase. Now, we are being told that if Congress passes a bill calling for more than a 7.6-percent increase the President will again veto it. I doubt whether the President realizes how unfair and unjust some of the provisions are in this bill. It is difficult for me to believe that he would suggest a pay increase of $210 as being fair or adequate for a family man who now gets $3,270 a year and at the same time suggest an increase of $4,900 for those in the high-pay brackets of the postal service. I doubt if he is fully acquainted with all the facts about this bill.

Just think, only $4 a week more for the fellow who needs it most and almost $100 a week more for those getting big salaries; 6 percent for the most needy and 58 percent for others. It is the trickle-down philosophy all over again.

Mr. MOSS. Mr. Speaker, will the gentleman yield?

Mr. RHODES of Pennsylvania. I yield to the gentleman from California.

Mr. MOSS. I think it might be helpful if some of the facts are put in the RECORD at this point so that we know exactly what is being discussed. I know that the gentleman has in the past few weeks read, as I have, many very interesting and somewhat misleading statistics regarding the type of proposal which those of us who subscribe to the minority views have offered to the House in a real, sincere effort to achieve a compromise.

In the first place, the amendment to salary schedules which we have proposed would increase the total cost to the Post Office Department by $12 million a year; $12 million related to a payroll of almost $2 billion; $12 million, however, that would go to the majority of the employees of the postal field service.

In an effort to be absolutely certain as to the accuracy of the figures that I am going to give at this time, I spent the morning with a member of the staff of the Committee on Post Office and Civil Service.

Under H. R. 4644, the bill which now appears to be—or so we would be led to believe—the final administration position, the regular carriers would receive a 6.84-percent salary increase, not an 8-percent increase as was stated on this floor by the distinguished chairman of our committee. If you apply to that increase all of the premium wages which might or might not be paid in the course of a year—such as the overtime differential, night shifts, substitute carriers and clerks—the total would be brought, under H. R. 4644, up to only 7.48 percent. In our proposal—the compromise offer which is contained in the minority report and which we have supported since that report was issued, contrary to the statements in the press that we were working for a lower compromise—the total cost for the increase granted overall to the regular carriers would be approximately 7.6 percent. If all of the possible premium payments and the substitutes were included, it would rise to approximately 8.25 percent.

This same theory of confusing by statistics has brought forth in recent days some rather interesting studies relating to the cost of living and the salary adjustments which have taken place since 1939 in the postal field service. Here, again, we have heard that the administration proposal would finally result in a total salary increase of around 114 percent. That is not the fact. The postal field salaries have increased since 1926 an average of 98 percent. The cost of living index has increased since 1939 by 92.4 percent. There is no instance where the averages could be proven as high as 108 or 114 percent, and I have read both of those figures in the past few days. Since 1945 the salary of a postal field service worker has increased 65 percent. The cost of living has increased an additional 48 percent. At no time has the Congress acted to give any consideration to the great lag-time period during which the Federal workers, not only the postal field service employees, but the classified workers of the Federal Government as well, were underpaid. As I mentioned before, from 1926 until 1945 they had no measurable pay increase. In 1945 an increase was finally voted, but there was a long period when salaries were way behind the salaries paid other workers of this Nation.

On that point I would like to bring to the attention of the House the fact that the average industrial salary increase in this Nation since 1939 has been 207 percent. That figure is taken from Basic Pay Data, a publication of the United States Civil Service Commission, on page 94. Additionally, the national income from 1935 to 1945 increased by 300 percent. Personal incomes from 1935 to 1945 in this Nation increased 275 percent, and from 1947 until 1955 the national income increased an additional 200 percent, bringing a total increase since 1935 of 500 percent in national income. Personal incomes increased an additional 200 percent. Relating that increase to the increase for the entire period from 1935 to 1955, a total increase of 475 percent is apparent. The postal workers, in addition to having problems of increased living costs—if they are to share at all in the increased standards of living which we have come to recognize as an American right—must have a better increase than that proposed in H. R. 4644, as it is presently written and apparently as the administration intends to insist that it be written.

Is it not true that our position among the minority members who signed our report has been one of attempting to secure compromise? We have at no time taken the extremist view of all or nothing, even though most of us are sincere in our belief that at least a 10-percent increase is necessary to do justice. We have given consideration to the fiscal condition of our Government. We have tried to arrive at something that the President could in good conscience sign. The proposed increase in our amendment gives just about as fair a deal, in give and take, as we can expect to secure in a body of 435 Members.

I thank the gentleman for permitting me this opportunity to put these figures in the RECORD. They are accurate. They are completely at variance with many of those published in recent weeks.

Mr. RHODES of Pennsylvania. I want to thank the gentleman for his contribution. What the gentleman stated is absolutely correct. We have gone far out of the way to try to arrive at a fair comprise. I want to say for the gentleman from California [Mr. Moss] that he has a background in his own State and a great experience in dealing with problems of Government employees and Civil Service. He has been a valuable man on our committee.

In connection with the gentleman's statement I want to again point out that the administration bill would give 6 percent to the most needy employees and 58 percent to others.

Mr. Speaker, there is nothing wrong or evil about an honest disagreement. But I just cannot go for that kind of thinking and philosophy. I hope that the President will give more serious thought and personal attention to this bill for I sometimes think that he is not getting very good advice. But no matter what the President finally decides, I do not believe that Members of Congress should surrender the right to think for themselves on this important issue.

All of us remember the charge of a rubberstamp Congress when the majority supported social reform legislation recommended by a Democratic President. We do not have to go back very far when it took a lot of courage to stand up and defend the President of the United States. A hostile press made it quite popular to denounce the President.

I do not want to see a return to anything like that, but I think it is equally bad when we are put in a position where we must always agree with the President, where we must not criticize him, even though we may sincerely believe he is wrong and is being influenced and advised by folks whose thinking and philosophy are in conflict with the common good and the public welfare.

I know there are Members on the other side of this House who want to be fair with the postal and Federal workers. The vote against the effort to suspend the rules on this bill last week was a good indication of this. I know that it takes a lot of courage to stand up and express their honest views when the heat is turned on. To those Members, however, we look for support for our viewpoint on this legislation. I appreciate the pressure they are under, but I hope sufficient support will come from the other side so

that we can get a bill passed that is fair and just.

Mrs. PFOST. Mr. Speaker, will the gentleman yield?

Mr. RHODES of Pennsylvania. I yield to the gentlewoman from Idaho.

Mrs. PFOST. After listening to a great deal of testimony and after receiving hundreds of letters from the postal employees themselves, I am convinced that they deserve and need a 10-percent raise. The vast majority of postal employees are in the low-salary brackets and their present pay checks are not substantial enough, and they will not stretch far enough to pay for the essentials of life for themselves and their families. Their request for a 10-percent raise is a wholly reasonable one. They are simply facing up to the fact of the high cost of living and they are asking Congress to do the same.

It is my sincere conviction that most Members of this body feel as I do—that they want to give the postal employees a 10-percent increase, and that if they had only to answer to their own consciences, they would vote for such a raise without hesitation. But the threat of an administration veto hangs heavy over their heads.

Those of us who are trying to secure a realistic pay raise for the postal employees should learn a lesson from this administration's attitude. We must not allow ourselves to be euchred into a position that is equally as unyielding, equally as disdainful of compromise as the position adopted by the administration. We cannot afford to lose the whole battle just because we are unwilling to retreat a single yard. We must consider at all times what is in the best interest of the postal employees. In other words, we must find some way to get a postal pay raise bill through the House this year. We must not end up with no pay raise bill at all. I thank the gentleman.

Mr. RHODES of Pennsylvania. I thank the gentlewoman from Idaho who is a very valuable member of our committee.

As the gentleman from California has so well said, we who oppose the administration proposal have gone far in seeking a fair compromise. Some of us have a lot of misgivings about the reclassification feature in this bill, yet we have indicated a willingness to go along if a few improvements could be made.

We would like to give low-grade employees a better increase. We would also like to add a few safeguards on reclassification.

The minority in the committee showed good faith in seeking to correct some of the provisions of the bill which we believed a threat to the merit and civil-service system. When the bill first came before our committee it was a bill far worse than the one voted by the committee. A very important improvement was made when an amendment introduced by my colleague [Mr. Moss] gave rights to employee organization leaders to represent individuals or groups when grievances arise.

But there is still much doubt and suspicion about the bill in view of some of the experiences encountered. There is the fear that under the guise of reclassification political favoritism will replace merit in the postal service and that promotions or demotions will be based on the employee's willingness to conform to arbitrary or capricious decisions of those in authority.

Last week, Mr. Speaker, I put into the RECORD a letter posted in the Scranton, Pa., post office by the acting postmaster. The postmaster may have slipped and let the cat out of the bag when he revealed, in effect, that the pending reclassification bill could be used as a discriminatory political weapon against some postal employees by downgrading them on the excuse that they are inefficient.

Is it any wonder that postal workers are concerned? Even those postal workers who may receive what looks like a good salary hike, may later find that the better jobs will be the reward for something other than merit, and loyal and faithful work in the postal service.

It is evident that this so-called reclassification is more important to the administration than a pay increase. We have no assurance that a 7.6 increase would get approval of White House advisors if it did not contain this questionable reclassification feature.

Mr. MOSS. Mr. Speaker, will the gentleman yield?

Mr. RHODES of Pennsylvania. I yield.

Mr. MOSS. In discussing the question of a compromise, I was rather interested in reading this morning in the Washington Post and Times Herald a statement in the column by Mr. Jerry Kluttz, contending that we have not compromised, that it has been a one-way street, and that all the compromises have been on the part of the administration. Is it not true that as far as showing the need—not the desirability, but the need—for reclassification, little or no case was made either last year or this year by the administration?

Mr. RHODES of Pennsylvania. The gentleman is absolutely correct.

Mr. MOSS. They did say they needed the authority in order to bring about the changes which might be desirable in the overall relationship of supervisory personnel to those whom they supervised. Despite our misgivings—and they are very fundamental in many ways—we did yield point after point on the question of reclassification. During this week, we offered to support a rule which would permit only one amendment to be offered affecting the classification procedures in the bill. That amendment would give a simple right to the Civil Service Commission to review the decisions taken by the Postmaster General or those to whom he might delegate the authority contained in the legislation. Is it not true that that right of review is held by every other executive department of this Government, and that under H. R. 4644 a new precedent is being created which could effectively cripple the merit system?

Mr. RHODES of Pennsylvania. The gentleman is right. I am sorry to say that while I have always had a great deal of respect for the Washington Post and Times Herald I do not think its readers are being given an accurate account of this controversy, and particularly of the position of the minority. It was quite evident again in the newspaper report this morning.

Mr. MOSS. In view of the fact that the chairman of the committee and the administration have taken the position—which is now quite clear and a matter of record—of not yielding, and in order to prevent any loss of income to those employees because of the policy of studied procrastination which seems to prevail at the moment, we will offer an amendment to make the salary retroactive to the first of March. That is the date our own salary increase becomes effective, and that amendment will be offered when the bill comes to the floor of the House after the recess.

Mr. RHODES of Pennsylvania. That would be a meritorious amendment. I think it would be a real test as to where the Members stand on this legislation.

Mr. MOSS. It is not our intention to delay action, nor did we contribute to the deadlock which resulted in this matter going over until after Easter. We tried every means possible to get this matter before the House so that the Members of the House could work their will.

Mr. FASCELL. Mr. Speaker, will the gentleman yield?

Mr. RHODES of Pennsylvania. I yield.

Mr. FASCELL. I think while we are hanging the goose, we ought to get it in the open so that everybody can get a good smell of it.

I would like to address myself to the question of the delay of the consideration of this bill. I am one of the Members who signed this minority report. I am convinced that the minority view is correct; that it is within the proper fiscal policies of this country; that it has the endorsement of the citizens of our country; and that it is in the best interest of the postal employees who are affected. I am willing to stand on the floor of the House and debate the matter with any person as to whether my view is right or wrong. I think if I get the opportunity to do that, the minority view will prevail.

But the thing I object to, and object to strenuously—and I think we ought to tell the whole country about it—is that despite the fact this bill has been thoroughly considered by a committee of the United States Congress, that divergent views have been expressed in its report, and that it has been reported to the floor of the House in an attempt to suspend the rules and pass it, and that attempt was defeated overwhelmingly, and despite the fact that the bill could then have been presented to the House for consideration for amendment pursuant to the rules, such action has not yet been taken. I think we ought to emphasize and point out again that the minority in an effort to speed the passage of this legislation went to the chairman and said that instead of taking up all the amendments that had been set forth in the minority report they were willing to hang their hat on two, and let the House decide whether or not the minority view should prevail.

Do you know what the response was? It was: "We will have to take this matter

up with the Postmaster General and the White House."

The next query was what action would be taken if the reply is negative, if they did not agree to this compromise. The answer was that the bill might be brought up after the Easter recess. Word was not long in getting back on this final effort at compromise. The point of view of those trying to speed this beneficial legislation for so many employees was not accepted. The question was asked again: "When are you going to bring the bill up?" The answer was that the bill would be considered some time after the recess. The purpose is all too clear on this course of action. Its effect is to "Let the employees starve a little longer. Let them wait 3 more weeks or more. They are losing $1 million a day. Maybe when they starve long enough they will come around to the administration viewpoint."

Mr. Speaker, I submit that such tactics cannot be longer put up with. I think that when the postal employees and the people of this country realize the arm-twisting tactics that have been used in delaying the passage of this legislation that they will be justifiably disgusted, disillusioned, and righteously angry.

Mr. RHODES of Pennsylvania. I want to thank the gentleman from Florida for his contribution. What he has stated is absolutely correct. Mr. Speaker, I want to make it clear that I will support the compromise sponsored by my colleague, the gentleman from California [Mr. Moss], but my first preference will be for the Senate bill.

I believe the Senate bill is a far more realistic measure because it gives a more adequate boost to those who need it most, and whose income has not kept pace with the increased national income, and the tremendous advance in the Nation's productive capacity.

The Senate bill dumps the questionable reclassification provision and permits an adjustment to be made without the question being tied on to a pay bill.

Mr. Speaker, we who take this stand are among those who have always supported a strong merit system, and the kind of treatment and adequate pay that wins the confidence and respect of people in the Federal service. This we believe, results in the most efficient type of Government service. We are not influenced, in any way, by the reckless statements that are being made, charging us with deliberately holding up a pay raise, or of playing politics on this important matter.

We take our stand as a matter of deep principle. I would feel unfaithful to my trust if I failed to speak out against what I believe is evil and unjust in this administration bill. I would not be true to myself if I did not speak out against the trickle-down philosophy and the strong-man theory which is so evident to me in this proposal.

Mr. MURRAY of Illinois. Mr. Speaker, will the gentleman yield?

Mr. RHODES of Pennsylvania. Gladly.

Mr. MURRAY of Illinois. I would like to associate myself with the remarks of the gentleman from Pennsylvania and the gentleman from California who represent the minority opinion of the committee on the postal pay raise. I think the action of the Congress thus far on the postal pay raise might very seasonably be described as the Easter egg that did not hatch. I hope that the fine work of the minority members of the committee will soon be joined by the majority of the House and that the Easter egg will be hatched with the postal employees getting an adequate pay raise.

Mr. RHODES of Pennsylvania. I thank the gentleman from Illinois for his contribution and support.

Mr. O'HARA of Illinois. Mr. Speaker, will the gentleman yield?

Mr. RHODES of Pennsylvania. I yield to the gentleman from Illinois.

Mr. O'HARA of Illinois. Mr. Speaker, I have been listening with intense interest. I am glad to be here among the tried and proved friends of the postal workers and to note the presence also of my colleagues from Illinois [Mr. MURRAY and Mr. BOYLE]. We are commissioned by the dean of our Illinois Democratic delegation [Mr. O'BRIEN] and other Members unable to be here to give assurance that the solid Democratic delegation from Illinois has enlisted in the fight for decent treatment of the postal workers for the duration and will not quit the fight until the victory has been won.

I cannot be happy in voting an increase for the postal workers of this Nation of one whit less than 10 percent. That is little enough.

I am thinking of that Federal building in the heart of Chicago, the building where the humble postal workers toil, the building where also the judges of our Federal courts of justice hold forth. I think of these humble postal workers entering that building denied, at this Easter season, an increase in their small salaries. I think also of the judges in those courts of justice entering the elevators in the building where postal workers and judges alike are in the public service of this Nation. The judges justifiably were voted increases of salary. Most of us in this Chamber voted for increased compensation for the judges because we thought that was in the public interest. Why are we not permitted to do the same for the postal workers? What kind of philosophy is this, what brand of political thinking is it, that denies equal consideration to the just claims of the postal workers? Is it that always Old Man Economy must hang his hat on the little man's head? What have we come to? I know, everyone knows, that the Members of this body, if left to the guide of their own conscience, would vote an increase at least 10 percent. But they are held back by pressures, threats, the intimidation of a veto. They are told that unless the Congress surrenders its power to make the laws of this country and accepts orders from the Postmaster General then no bill passed by the Congress of its own free will can hope for the approval of the White House.

No, Mr. Speaker, I am standing for a 10-percent increase for these humble postal workers, and not one cent less. I think the other body acted wisely and well. If we can find the money for other things we certainly can find it in the name and cause of decency to relieve the underpaid postal workers of some of the distresses their inadequate wages have caused their wives and children to endure.

The gentleman from Pennsylvania [Mr. RHODES], the gentleman from California [Mr. MOSS], and the other members of the committee who signed the minority report have earned the gratitude of the postal workers, their familes and their friends. Judging from the large correspondence that comes to me, I feel safe in saying that overwhelmingly the public sentiment of the country is behind them. It could not be otherwise. Americans always stand up for fair and decent treatment and while they want proper economy in the conduct of their Government they insist that a reputation for economy should not be built up by swatting little people.

I commend the gentlemen on the able and convincing presentation they have made today. It is crystal clear that they have done everything humbly possible and within the limitations of honorable negotiation to affect a compromise that would have brought the pay increase bill to the stage of enactment before the commencement of our Easter vacation. Their legislative deportment has been marked by the highest statesmanship. I wish also to commend the leaders of the postal organizations who at all times have shown respect and restraint in negotiations with those in opposition. They have made every effort possible in honor and in the interest of the people they represent to bring about the enactment of a pay increase law before Easter.

The reason we are going on the Easter recess with the postal pay increase bill hanging in the bag is because the opposition was determined to have it that way. Rather than do the decent thing by the postal workers it is attempting to starve them out.

By all means, when the bill finally is permitted to come up in this body let us see to it that it is made effective as of March 1. That is the way to answer the starve-out strategy to which the opposition has resorted.

I read in the newspapers, and with indignation, these articles coming apparently from inspired sources. They are geared to the threat that when a pay-increase bill is passed it will not be retroactive, therefore the workers are actually losing money every day they refuse the crumbs patronizingly tendered. That is a pretty contemptible strategy. It is borrowed from the worst practices of an era antedating better labor-management relations, the vicious practice of forcing workers to quit just complaints by starving out their wives and children. It is beneath the dignity and the honor of the Government of the United States. It is the last desperate resort in a campaign of pressures and intimidations to stop the exercise by the Congress of the United States of its responsibility under the Constitution to make on its own determination and of its own free will the laws of this land of ours.

Mr. Speaker, the fight for a decent pay increase for the Federal workers will go on until it is won.

Mr. RHODES of Pennsylvania. I thank the gentleman from Illinois. He has always been a real champion of the little people. I know that I speak for my colleagues when I say that we deeply appreciate his statement and the stand he has taken in support of our point of view.

Mr. LESINSKI. Mr. Speaker, will the gentleman yield?

Mr. RHODES of Pennsylvania. I yield to the gentleman from Michigan.

Mr. LESINSKI. It seems to me that when the military-pay bill came up there was no problem at all; everyone recognized the problem of keeping our trained career men in the military services. There was also no problem when the congressional pay and the judges' pay bill was presented to this body. But now, when the time comes to give a long justified pay increase to people who have spent all their lives in the Government service in the matter of distributing mail, the administration, in spite of the consideration given the military, arbitrarily disregards the appeals of the postal employees. I think the administration has been very unreasonable and drastic at this point. I believe that we, as Members of this Congress, should exert our prerogatives in this matter and vote the way we think proper, regardless of who may be President. The President has said that our salary recommendation is too much. No. 1, he is wrong, because originally we asked for only a 10-percent increase. It should have been 12½ percent. And then the administration offers a bill that provides only for a 5-percent increase. Why that is only a small part of the needed increase to which they are justified. That was purely intimidation on the part of the administration, and it should be corrected. We know, as Members of Congress, what is proper.

However, we have been backtracked, and we have been asked time and time again to come to some sort of an agreement. Furthermore, we have had this matter jammed down our throats, to take it or else. Mr. Speaker, we are sitting here as judges to give what we believe is proper to the employees of the Federal Government, and I believe we should follow through on that line.

Mr. RHODES of Pennsylvania. I thank the gentleman from Michigan, a valuable member of our committee and one who has signed the minority report.

Mr. FASCELL. Mr. Speaker, will the gentleman yield?

Mr. RHODES of Pennsylvania. I yield to the gentleman from Florida.

Mr. FASCELL. Is it not true with respect to the postal pay matter that all issues are clearly drawn and settled?

Mr. RHODES of Pennsylvania. That is correct.

Mr. FASCELL. Is it not true that all that remains to be done is to present the issues of this bill to the House of Representatives?

Mr. RHODES of Pennsylvania. That is correct, so that the Members of the House might be clearly informed.

Mr. FASCELL. And is it not also true that the minority members of the committee have expressed their desire and anxiety with respect to getting this matter cleared by the House within this past week prior to the recess?

Mr. RHODES of Pennsylvania. That is correct.

Mr. FASCELL. And is it not further true that for no reason to our knowledge the matter has been arbitrarily delayed until some indefinite time in the future?

Mr. RHODES of Pennsylvania. That, too, is correct, and I want to thank the gentleman from Florida.

Mr. Speaker, this need not be a partisan bill. Although there is some difference in views and philosophy, there is no good reason why we cannot arrive at a fair compromise. It is not a personal matter as I have a high regard and deep respect for committee and House Members with whom I disagree on this subject. I think they are wrong and I hope the majority in the House will also come to that conclusion and vote out a fair bill.

Mr. MOSS. Mr. Speaker, will the gentleman yield further?

Mr. RHODES of Pennsylvania. I yield.

Mr. MOSS. Is it not a matter of fact, now, that as the result of the delay encountered in the consideration by the House of the postal-pay bill, the Committee on Post Office and Civil Service has delayed consideration of a bill to increase the compensation for the classified employees of the Federal service?

Mr. RHODES of Pennsylvania. As yet nothing has been scheduled; that is true.

Mr. MOSS. I am certain that the gentleman will join with me in a fight in our committee to amend the classified pay bill, when it is ready to be reported, to make it also retroactive to March 1 so that no employees will be penalized because of the continued wrangling which has occurred following the reporting of the postal pay bill.

Mr. RHODES of Pennsylvania. I shall wholeheartedly support the gentleman in seeking that worthy objective.

Mr. BOYLE. Mr. Speaker, will the gentleman yield?

Mr. RHODES of Pennsylvania. I yield to the gentleman from Illinois.

Mr. BOYLE. Mr. Speaker, it is with considerable misgivings that I view the temporizing conduct of some of the individuals who are patently out of step and out of sympathy with the postal increase. Only too often have we seen wonderful legislation robbed of its true status by unwarranted and inexcusable delay.

I am very happy, as a Member from the 12th District of Illinois, to join with my Illinois colleagues who are in favor of the 10-percent postal raise and I am happy to be associated with all those individuals who feel in this particular economy that it is almost unpardonable if one segment of our economic society is not permitted to stand up proudly and walk along in the same economic tempo as the rest of the individuals. I think any policy that would not warrant the rest of the economy moving along is doing a real disservice to the economy.

It is my studied opinion that this report of the minority should be adopted. I am convinced that the minority Members will do everything to compose and adjust any differences to see that the will of the people as expressed through their chosen leaders is given full force and effect. Our economy can stand a 10-percent raise for the postal employees. I think it would be a shame if we went into a lot of legal gymnastics and lost the ball here with a lot of questions, artificial questions to be sure, of classification and what not.

So it is with pride that I get up here and say again what is the thought and the feeling of my district; and that is that the postal employees are entitled to a 10-percent raise and they are entitled to it just as soon as the orderly process of constitutional and representative government can give them their day on the floor of this House.

Mr. RHODES of Pennsylvania. Mr. Speaker, I join with the gentleman from Illinois [Mr. BOYLE] in his statement that some who are supporting this administration bill are out of step. I say that in all sincerity and with all due respect to their opinions in the matter. I know they are sincere, but I think they are also out of step with the tempo of the times.

SPECIAL ORDER GRANTED

Mr. McCORMACK asked and was given permission to address the House for 5 minutes today, and to revise and extend his remarks.

COMPULSORY LICENSING OF PATENTS IN ATOMIC ENERGY FIELD

The SPEAKER. Under previous order of the House, the gentleman from New York [Mr. COLE] is recognized for 60 minutes.

Mr. COLE. Mr. Speaker, those who were Members of the House and of the Congress at the last session recall that in connection with the amendments to the atomic energy law, one of the most troublesome features was that pertaining to patents. Because of the pressure of the closing hours of the last Congress, it became necessary on the part of those who were responsible for handling that bill to accept as one of the provisions of the bill an item providing for compulsory licensing of patent applications and patents in the atomic-energy field. That principle of compulsory licensing was strenuously resisted by some of us, but at the time we yielded and accepted the provision as part of the act, we gave assurance that efforts would be made in this Congress to repeal the compulsory feature of the Atomic Energy Act of 1954. Pursuant to that assurance, about a week ago I did introduce such a bill. In connection with that, I said I would call to the attention of the House an address recently given by the president of the National Patent Council, Mr. John W. Anderson, before the Cleveland Patent Law Association, Cleveland, Ohio, on December 9, 1954. Mr. Anderson is recognized as one of the outstanding authorities on patent laws

in this country. He has testified on frequent occasions before committees of the Congress on the subject of patents. His judgment, his advice, and his counsel are respected by all who are interested in the subject. I commend to your thoughtful attention the address of Mr. Anderson. His address is as follows:

WHAT FEEDS FREE ENTERPRISE?

(Address by John W. Anderson, president, National Patent Council, at annual meeting of Cleveland Patent Law Association, Hotel Cleveland, Cleveland, Ohio, December 9, 1954)

To have been invited to discuss with you today the primal forces from which our fantastic growth as a nation has come, and to which we must look to keep our children free, brings to me a sobering honor and an inspiring challenge.

Many times in the history of civilizations men have gathered, as we are gathered today, to pause and ask what may be done to help delay, or perhaps forestall, those cyclic changes that brought, at last, destruction to once flourishing civilizations.

The cycle through which civilizations find their growth and their decline is shaped by one unchanging law—a law by which all works of men are made to rise or fall.

The law of self-preservation, our Creator's first and primal law, impels us each to seek, according to his understanding, his own advantage—and to join with others in labors promising advantage to the individual through advantages accruing to a group of which he is a part.

Whenever any man presumes to look with disdain upon a society that recognizes, as its motivating force, God's primal law, that man becomes, perhaps unwittingly, a menace to the civilization that feeds him.

The air today is filled with clamorings by misguided citizens who would have us ignore the fact that man's efforts to create and produce are greatest when he sees hope of the honest winning of extra substance for his rainy day.

PRIMALISM TEACHES SURVIVAL

Our Creator serves, and has always served, His mysterious purposes by giving first to man the command that he survive—that he defend himself—that he labor to provide for his needs of the day—and for his needs to come.

That command to survive, our Creator gives also to every other living thing—to every beast—to every writhing, creeping creature on this earth.

In the competition between species, for power for survival, mankind has won—above all, because he has learned the value of cooperation with others of his kind—according to rules of conduct that untold centuries have taught promote security for the individual and for the tribe.

So long as they thus follow the basic teachings of primalism, nations, races, civilizations, advance in their cultures—and in their strength for survival.

Examine any beneficient law of man and you will find it rooted, however deviously, in the primal law—in the need to inspire men to creative and productive labor through confidence that they will be secure in their enjoyment of a share of their contributions to the welfare of their neighbors.

With what profound reverence for its Creator should any man regard the infinite wisdom reflected in the primal law. With what deep gratitude for divine mercy should man contemplate the eternal truth that there is never permitted the slightest change in any of God's laws.

History teaches that the primal urge, when not intelligently directed along lines of well-considered self-interest, can destroy even the bravest works of man. Channeled by well-defined rules of conduct, the primal urge inspires man to creative diligence that builds strength and security for the tribe—for the Nation—and for the civilization.

PROMISE OF PROFIT INSPIRES

Why do some men preach that we should in effect nullify the one provision of our Constitution regarded by its framers as of such importance as to justify its implementation within the text of the Constitution itself?

What body of men has ever moved closer to God, with clearer vision of His primal purposes, than those who wrote in our Constitution:

"The Congress shall have power * * * to promote the progress of science and useful arts, by securing for limited times to authors and inventors the exclusive right to their respective writings and discoveries."

What more convincing evidence could be asked that the men who laid the foundation for our patent system knew that promise of individual profit induces men to greater effort to produce than does the whip of tyrants?

Can you think of a more stimulating emancipation of the mind of man than comes from assuring him that he may enjoy a share of the fruits of his creative diligence?

Surely, nothing within man so clearly proves his kinship with his Creator as does his power to create.

Inducement to create has generated in America, in the brief span of years elapsed since given effect in our Constitution, more benefits, more advantages, more power for security, than had been created altogether by the untold billions of human beings that had gone before.

PATENT SYSTEM IS NERVE CENTER

Is it any wonder that those who desire to enslave the people of our Nation to false doctrines have recognized our patent system as the very nerve center of our expanding national economy—the prime catalyst of our unprecedented industrial civilization?

By damaging that nerve center they know they may weaken even the most remote of all the interrelated forces by which we build and maintain our strength for defense.

Let us examine some of the attacks made with such frightening success within recent years upon that nerve center of our national economy.

Naturally, the purpose of all such attacks is to destroy individual incentive to create, produce, and fairly possess.

Webster's dictionary defines incentive as "that which incites, or has a tendency to incite, to determination or action." Among synonyms given are: Goad, stimulus, encouragement, and inducement.

Incentive stirs to performance by an inducement offered. Incentive differs from motive in that motive lies within the individual, rather than without. Incentive is something offered the individual from without, to stir him to action in his own interest.

Once the scope and significance of the march toward the destruction of such incentive in America is understood, no God-fearing man can doubt his duty to help stop, at whatever cost, the subtle, purposeful drive to make us a Nation incapable of our own defense.

There are many among us whose philosophy—unwittingly or not—would doom us to unending servitude under soul-crushing tyrants who live arrogantly apart from our Creator and all His works.

Such tyrants—and would-be tyrants—labor today on many fronts to turn useful inventions of man to his enslavement.

GOVERNMENT PRETENDS TO OWN PATENTS

First let us examine a monstrous and growing cartel that hovers over us, flouting our Constitution and attempting to control our industries according to the concepts of an ill-advised bureaucracy.

The pretense of governmental agencies that they may own and manipulate pools of patent rights has no support in law and no justification in any economy relying upon inducements to the individual for its propulsion.

In addressing a meeting of the Dayton Patent Law Association, Dayton, Ohio, on March 11, 1949, I quoted in part from a communication of October 9, 1947, addressed by National Patent Council to the Department of Commerce, Office of Technical Services, Washington, D. C., as follows:

"A patent grants only a negative right. That right is to exclude others, for the limited period of 17 years, from manufacture, sale, and/or use of the invention—at the will of the patent owner, and to any extent he may desire.

"When our Government, which is presumed to be the entire citizenry, acquires a patent, that patent by every constitutional intent automatically expires, because there is none left to exclude.

"To hold differently is to hold that our Government has become a competitive device imposed upon the citizen and deriving its powers arbitrarily from a source apart from any formalized expression of the will of its people.

"The Government, which has granted the patent, in presuming to own it, places itself in the untenable position of having vested in itself, without authority, a right which clearly, by constitutional intent, can be possessed only by the citizen."

A FRIGHTENING CARTEL BY GOVERNMENT

Governmental agencies have not ceased to pretend to own patents.

They consistently represent that royalty-free licenses are available to any citizen upon application—under any patent the Government presumes to own.

However, upon inquiry, addressed to the various governmental agencies pretending to own patents, as to the conditions under which they would issue a license to a citizen, each replied imposing conditions varying from one department to another, such as requirement for cross licenses, the acquisition by Government of know-how, the power of Government to revoke the license at will, and other conditions, all tending to destroy any possible urge on the part of the citizen to invest money and effort in making the invention available to the public.

Government decries cartels, decries combinations, decries monopolies.

And yet here we have governmental agencies, seemingly innocent of any understanding of the destructiveness and unconstitutionality of their machinations, laboring—for their own ill-conceived advantage—to create such pools of patents as will enable them to work their will upon American industry.

Any congressional committee that would at this date undertake to disclose to the American public the astounding maneuvers of such agencies, in control of such patent pools, would find itself perhaps confronted with frantic opposition from a mass of interlaced interests of the cloak-and-dagger variety.

Unrepeatable stories, from impeccable sources, of the ruthless divorcements and divestments that have been worked in the name of such governmental pools of patents, sound so improbable as to expose to expert ridicule, almost with certainty, any man, however sincere, who would repeat them.

Only reasoned and hopeless fear on the part of the corporations and individuals oppressed by men of Government and politics who control such unlawful patent pools could account for their silence under punishment.

THE POWER PLANNERS

So, here we have a huge cartel, cloaked in pretense of public service, offering to the citizen, with impressive futility and superficial generosity, free licenses to patents pre-

sumed to be owned by Government, merely as a smokescreen behind which our industrial system is being weakened in areas in which our security is under severest attack.

Can we afford to do nothing to check this frightening governmental cartel, which is using its presumed power to license as a means for compelling the commitment of more and more patent rights to its growing pools?

The lack of any constitutional right of Government to pretend to own and manipulate patents seemingly is fully understood by the offending governmental agencies.

None of them has ever brought any suit for infringement of any patent presumed to be owned by Government.

It is understood that such agencies, somewhat humorously at times, assure that no such suit will ever be brought.

Eminent lawyers have expressed doubt that we have ever had a United States Supreme Court that would fail—upon competent presentation of the issue—to order the abandonment of all pretense of Government to own United States patents.

Can we escape belief that governmental agencies pooling patents have launched upon a deliberate plan for enhancing their power to exploit industry and to serve their own political purposes, knowing full well that their activities are as unlawful and as unconscionable as those of any group of mercenaries that ever preyed upon the rights of others?

COMPULSORY LICENSING DESTROYS INCENTIVE

Another incentive-destroying proposal, advanced persistently for many years and long resisted successfully by National Patent Council and its friends, is for compulsory licensing of patents.

The principle of compulsory licensing is uneconomic and is clearly contrary to constitutional intent.

It dulls the spur to invention. It destroys incentive to produce and distribute new and better things—for better living.

Few men would be likely to risk their earnings to build a market for an invention that others might copy and sell in competition—without such others first having incurred any of the costs of developing and pioneering the new product in its market.

Reduce the prospects of the inventor to obtain financing for his invention and you have reduced, if not destroyed, his incentive to invent.

The Constitution empowers Congress to grant the inventor, in compensation for his inventive contribution, an exclusive right—the right to exclude others from making, using, or selling the invention.

Unless the inventor disposes of those rights, in whole or in part, by sale or license, he is presumed to enjoy them exclusively for the period of 17 years fixed by Congress as the life of his patent.

That is his reward for bringing, into the service of the citizens of the United States, an invention that did not before exist.

There is no basis in the Constitution for any compulsion upon the inventor to part with the property he has created.

So why should we destroy, in contempt of God's primal law and in contempt of the Constitution, all incentive—all inducement—of the citizen to create for free enterprise new tools with which to implement its growth?

Is it wise to say to the inventor, "No matter what you may create, it may by force be taken from you—leaving you powerless to determine the price, if any, to be paid you for it"?

A DANGEROUS GRAB FOR POWER

The ghost-written bills that have been presented to Congress over many years attempting to establish compulsory licensing as a fixed principle of our economy all have reflected the paralyzing philosophy of confused men who never cease, behind legislative scenes, to reach for personal power at the cost of destroying the citizen's incentive to create.

The Chicago Tribune, perhaps at least as proud of its enemies as of its friends, in discussing National Patent Council's opposition to compulsory licensing, with reference to the new Atomic Energy Act, stated editorially on November 21, 1954:

"The House had stood for exclusive patent rights. The insistence on compulsory patent sharing came from a small bloc in the Senate which filibustered until it got what it wanted. The objectors, eager for adjournment so that Congressmen could go home to campaign, were blackjacked into submission."

National Patent Council was founded in part to provide help in resisting such ill-advised legislation as proposed in the Kilgore science mobilization bill of 1943.

Aided by a few friends of the patent system, your speaker helped defeat that bill.

The council, formed 2 years later, fought to amend the patent provision of the original atomic-energy bill.

The House, by an overwhelming majority, adopted the amendment supported by the council.

The Senate, in joint conference committee, sent the bill back to the House in its original form, with no chance for a record vote as the bill was finally adopted. Events since, including Lilienthal's admissions published by Collier's, have proved the council's opposition to the bill to have been well founded.

THE BIKINI TESTS AND PANIC

The original Atomic Energy Act made virtually impossible any application of atomic energy to civilian needs, under incentives that had brought out of nowhere such phenomenal inventions for application of the power of steam, electricity, and petroleum.

Bureaucracy has presumed to suppress, under pretense of necessity for national security, all urge to convert atomic power to the building, for civilian industry, of added strength upon which we must rely for national security.

Pretense that atomic secrets could be hoarded by our governmental divisions and bureaus has proved fallacious.

Enemy nations bent upon destruction of our American way of life have seemed almost completely free to appropriate and apply to civilian, as well as military uses, all of our hard-earned discoveries in the basic science of atomic energy and in the mechanisms, systems, and methods invented and developed by us for the application of atomic energy to military uses.

Now Russia stands mockingly with a claim that she has been first to apply atomic energy in the production of power for civilian uses. In the meantime our inventors continue discouraged and our civilian industry remains hog-tied by ill-advised legislation vesting absolute power in a bureaucracy not clear of suspicion of deep infiltration by secret servants of that godless and lawless larceny which bears the name of communism.

While the Atomic Energy Act was pending in 1946 National Patent Council said to Congress and the Nation:

"The McMahon atomic energy bill (S. 1717) reflects the blind arrogance of bureaucracy gone mad. The bill would drive American inventive diligence underground. It would create a vast black market in dangerous atomic inventions. Subversive task forces have been endeavoring for years to get past Congress legislation that would destroy all incentive for American inventors and manufacturers to continue to advance American industry. In this atomic bill, those subversive forces would deal a disastrous blow to American security."

Commenting upon Senator Vandenberg's statement that the passage of the Atomic Energy Act, without amendment, was "necessary until Russia (1) agreed to international control of atomic energy and (2) agreed to internal inspections in Russia," Fantus Chase, writing in Invention News and Views for March 1948, said:

"Why should Stalin now so agree if to do so might inspire, in our Atomic Energy Act, a change which would remove the now-proven power of that act to suppress atomic invention in America? And why should Stalin wish, or work, for any change in the type of thinking, either in our foreign or domestic affairs, that has given, however innocently, to him and his hopelessly enmeshed German scientists, this priceless advantage in their race to rob us of our supremacy in the field of atomic energy?

"With such an obvious risk of losing a perhaps decisive edge, in what he seems to have chosen to make a world war for universal human enslavement, much dumber men than Stalin would be expected to do nothing but stand pat."

David Lilienthal, the first chairman of the Atomic Energy Commission, in his article, Free the Atom; in Collier's magazine of June 17, 1950, stated: "When this (atomic energy) law was enacted 4 years ago no one could see that there was any alternative to an airtight Government monopoly; certainly this was my own view at that time."

In a publicity release of September 20, 1948, National Patent Council stated: "Instead of hastening the day of effective international agreement to outlaw atomic energy in war, and the day of Russia's consent to internal inspection and control of atomic energy in that country, our Atomic Energy Act so sorely disables atomic development in this country that Moscow, in the light of the Kremlin's known objectives, would not be likely to agree to anything that might release our atomic energy development for propulsion by the traditional incentives of our patent system."

What—and who—prompted such desperate pressures upon Congress to disregard clear warnings from American industry and walk this Nation into the greatest of all communistic traps from which we may not—after 10 years—be able to extricate ourselves in time to regain the strength we have lost in the race for civilian application of atomic power?

More strength to Congressman COLE, of New York, and all those who support him in his valiant fight to turn our Nation back from the dangerous path our Congress chose in 1946, in disregard of warnings, voiced by stanch Americans in Congress, that NPC was right—and that the House was right when it, by overwhelming vote, adopted the NPC substitute for the sovietized patent provisions of the atomic energy bill.

PATENT SYSTEM FEEDS FREE ENTERPRISE

Not all who oppose the patent system, or advocate compulsory licensing, consciously would destroy America.

They simply do not understand how God's primal law, working through the patent system, functions to feed free enterprise new inventions—new tools by which it implements its growth.

It is hoped that all men of the patent law profession present here tonight will go all out to persuade their friends and clients to support vigorously efforts in the next session of Congress to repeal the first provision for compulsory licensing ever enacted—in all the 164 years of existence of our patent system.

Otherwise, the principle of compulsory licensing, which is the kiss of death for our patent system and for the free economy it feeds, may spread as a manifestation of tyranny which, in the language of the London Times of August 11, 1846, "Generations of wise and good men may hereafter perceive and lament and resist in vain."

WHY STARVE THE PATENT OFFICE?

As if pooling of patents by Government, aided by licensing compelled by law, did not carry enough promise for the eventual slowing down of our economy, we are confronted with constant efforts to reduce the amount of the appropriation for the operation of the Patent Office, to a degree that quite definitely tends to restrict its functions and thus discourage inventors.

The appropriation is already so limited as to have prevented adequate provision for much-needed reorganization of the Office, for the expeditious handling of patent applications in the Office and for the expeditious preliminary study of the various arts by patent lawyers desiring to determine, for a client, the patentability of an invention.

The persistent battle on the part of the Patent Office to reduce through competent procedure its backlog of pending applications receives scant encouragement as operating funds are limited without regard to the vital part the Patent Office must play in translating into industrial momentum the intent of the Constitution.

HAZLITT SUGGESTS WATCHDOGS

May I commend for your early reading an editorial entitled "Watchdogs for Congress" by Henry Hazlitt on page 97 of Newsweek for December 6, 1954?

Mr. Hazlitt presents forcefully the futility of subsidizing the "fairy godmother" hallucinations of some of our officials abroad—who are engaged naively in the work of "buying gratitude and dependable allies" through the reckless distribution of billions of dollars exacted from the American taxpayer.

Mr. Hazlitt points out that "There is no clear evidence, in spite of constant reiteration, that the postwar recovery of Europe has been any faster than it would have been without our aid."

Mr. Hazlitt says that if a "private year-round 'watchdog' committee were appointed by Congress to study the work and recommendations of say, every Federal agency that spent more than one hundred million a year, the effect would be to restrain the present alarming expansion of spending programs and to save the taxpayers billions of dollars a year."

EXALTATION BY DISSIPATION?

Why do men preach that we, as a nation, can best exalt ourselves by dissipating our substance in vast gratuities to governments of foreign nations—which gratuities many believe bring more harm than good to the people of those nations.

What an amazing spectacle is presented by a Congress that would quarrel with our Patent Office about a single million dollars of appropriation denied the Office, below its stated minimum needs, and then would continue an expanding program of tossing billions of our taxpayers' dollars across the big waters, perhaps to no purpose except to pamper and weaken nations on whose strength we may some day want to rely.

Don't blame Congress—blame the man in your own shoes.

Why permit yourself to become so preoccupied as to be inactive in the defense of our patent system? Why not help vigorously those who see clearly the danger to our national security through attacks upon our patent system.

This is no occasion for extended arguing of questions as to the wisdom of vast donations to foreign governments. The need for facing those questions will catch up with us—inevitably.

CONGRESS MUST UNDERSTAND

However, what chance has our incentive economy to survive when even the men we send to Congress have so little understanding as to starve the very system that feeds free enterprise?

What chance do we have under the kind of legislative philosophy that encourages throwing with one hand, by billions, the fruits of free enterprise much farther than George Washington threw that mythical silver dollar—while the other hand chokes the institution that is the prime catalyst of our entire industrial economy?

Can you think how even skillful planning could devise a more effective scheme for national suicide?

Will our legislators ever learn that in applying pressure to the goose that lays the golden eggs the neck should be avoided?

Possibly we should seek some miracle by which to transmit to governments of favored foreign countries an understanding of what feeds in America the free enterprise that in turn feeds them.

Such understanding might prompt those governments wisely to reverse slightly their own traditions.

To prevent collapse of the source of their benefactions, might they not wisely volunteer to remit to our Patent Office, out of the bounty it has generated for them, the comparative pittance that would enable that Office to enhance propulsive incentives in our economy?

Such acceleration would produce constantly greater wealth for our friends abroad to share with our citizens, already bewildered by stories of wastes committed, in the name of Government, within our own borders.

Since foreign rulers seem always to have great influence with our leaders, perhaps they could persuade those leaders to put an end to misguided efforts to throw the biggest possible monkey wrench into the machinery of our patent system—which feeds the American brand of free enterprise.

PART 2

WHAT IS FREE ENTERPRISE?

The term "free enterprise" too often is understood to mean enterprise free from all restrictions—free from all law except the jungle law of tooth and claw.

Any economy subjected to that concept of enterprise would leave no incentive, no inducement, to any man to create, to produce, or to accumulate.

In a land so cursed, few gardens would be planted—for want of police protection. Government would of necessity be one of force for loot.

A nation grows in strength only as its enterprisers have imposed upon them restraints that protect the individual—restraints that assure the citizen that what, by diligent effort, he may lawfully accumulate, will not be taken from him by force.

The power of our Nation's enterprise today has grown from its defenses of the citizen against varicus forms of incentive-destroying thievery.

THE POWER TO TAX IS THE POWER TO DESTROY

Abuse of the power to destroy by excessive taxation has, alone, persuaded many normally creative citizens to abandon productive effort and join the ranks of those who would take much and give nothing.

Let the carefree dispensers of the fruits of your labors and mine be warned that, while this Nation may survive their spending sprees, it can do so only if creative diligence, which feeds free enterprise its means for growth, is stimulated somewhat in proportion to the wanton waste of what it produces.

WHY DISCRIMINATE AGAINST INCOME FROM INVENTIONS?

National Patent Council is proud to have initiated the discussion that led to the enactment of the first legislation providing for more liberal treatment, from the standpoint of taxation, of patent income.

Much remains to be done in this direction.

The incentive toward invention and development decreases as confiscatory taxation of patent income increases.

In many instances, where a share in corporate ownership provides the income from patented inventions, double taxation decreases the inventor's incentive to create and develop new things useful to our people.

INCREASED PATENT OFFICE FEES WOULD DETER INVENTORS

Now, let's take a look at another prospectively punishing attack on inventive incentive and upon the patent system.

And in this connection I must, at the risk of offending some very good friends of National Patent Council, insist that many patent lawyers and some patent-law associations, have most surprisingly demonstrated a seeming lack of understanding of the true economic function of the patent system they so faithfully serve when they recommended an increase in the fees charged inventors for the privilege of offering their contributions to feed the fires of free enterprise in America.

Any such increase in fees could serve only to increase available funds for distribution to foreign governments, some of which might someday welcome the weakness in our economy that must follow further stifling of its vital catalyst, which is the patent system.

In the interests of generations of Americans yet unborn, I beseech all patent lawyers, as accredited midwives at the delivery of inventions in America, to renew allegiance to God's primal law, to the Constitution, to the patent system, and to the industrial economy that it feeds for growth.

And may you and all other citizens give active allegiance also to every other law and institution in America devoted to the promotion of individual incentive to create and produce for a modest share of the wealth and advantage thus made available to others.

COURTS CAN HELP FREE ENTERPRISE

Among all the ill-considered blows struck at the heart of our incentive enterprise system in recent years perhaps none wounded and deterred creative leadership more than misguided assaults upon the patent system at various levels of the Federal judiciary.

Out of the Supreme Court, for example, have come adverse majority and minority opinions, sometimes going so far as to hold that only revolutionary inventions providing a foundation for an entire new and important art were entitled to patent protection, ignoring the fact that discoveries in basic research have required implementation by myriads of inventions providing practical applications to human needs.

The flash-of-genius theory—holding that invention, to be worthy of patent protection, must have resulted from some supernatural visitation—would deny reward to that inventive diligence that almost invariably precedes the creation of any new and useful thing. That unrealistic theory has disturbed and discouraged many men capable of the persistence necessary for creative achievement.

When judicial assaults upon our patent system culminated in a Supreme Court Justice remarking that the only patents the Supreme Court had not invalidated were those upon which it had not been able to get its hands, piratical manufacturers—of whom we have always too many—were emboldened to copy, at their pleasure, any patented invention, or inventions in the process of patenting, that may have suited their thieving purpose.

Courts have made wanton infringement a much more attractive thing for well-financed copyists—a crushing thing for the smaller competitor.

So let history record that in our time alien philosophies designed for subversion of our incentive economy were well disguised and were most subtle.

Let it be written that subversive concepts have proved most salable to men farthest removed from practical experiences that provide the only sure guidance toward con-

structive application of those inexorable, primal forces that can be made to build for our security but which, when not enough restrained, induce predatory men to destroy faster than others can build.

Contemptuous castigation by the courts, to whom they had looked traditionally for even-handed, understanding protection, has discouraged many inventors—and those who, with reasonable basis for confidence, would finance their inventions. It has discouraged manufacturers who might otherwise have been willing to assume the risks of the usually costly job of refining an invention for the market and of producing and distributing it.

Fortunately, not all of our Federal judges have too far forgotten that "patents make jobs"—that incentive-inspired inventions have built America—and that the fires of free enterprise must be fed by our creative leaders or American industry, the decisive factor in two world wars, must slow down.

May our courts endeavor to revitalize and hold intact that great industrial catalyst—that feeder of American incentive enterprise—that builder of our national security—which is our patent system.

WRITERS CAN HELP

Besides sound and helpful writers like Henry Hazlitt, whom we have quoted above, we have, influencing legislative and judicial opinion in America, the type of opinion-molding author who writes brilliantly—but who gains his perspective by looking hastily through keyholes at stages often carefully set to influence him.

May I please remind you of what I consider to be a very significant reflection of a corresponding lack of understanding on the part of many of our industrial people—and certainly on the part of those who write and publicize for them—as to the economic significance of our patent system?

You no doubt have seen on television—with increasing frequency—stories of individual industries—usually a presentation, in chronological sequence, of events and periods marking milestones of growth of the particular corporation.

Often these so-called documentaries are pitched to glorify the management.

No doubt the management quite often is deserving of great credit which perhaps has not been fully accorded publicly.

However, I have not seen—and I doubt that you have seen—a single one of these great films that has made any mention whatever of the fact that without contributions of inventions inspired by our patent system the industry glorified by the film could not have had the growth it now may proudly boast.

Quite recently was seen such a television presentation intended to promote appreciation of outstanding contributions to the public, and to our economy generally, by a rather well-known manufacturer of photographic equipment.

What writers call an "interesting twist" in the story was the decision of the founder—many years ago—that the market for the company's products was saturated and that further progress would be at a minimum and uninteresting.

So the founder sold the business.

The story then proceeded to dramatize the stages by which the company moved new products into new uses—broadened its field times over—and grew into proportions never dreamed of by the founder.

Why should the American public be denied the most vital truth ever wrapped up in one of those stories of phenomenal industrial progress?

Should not the people of this country be told that, except for the incentives offered by the patent system to inventors to spend sacrificial hours, perhaps years, bringing forth a new invention of impressive value to the public, industrial growth would really end at about the point where the founder of that company thought it had ended?

No citizen who once understands how our patent system functions to provide incentive to create and produce for better living and greater security for all of us can ever be twisted to serve the purposes of communism.

One of the contributions of National Patent Council to be added, when adequate funds, and the added personnel that such funds will finance, are available, is the convincing of writers and producers who dramatize in pictures such industrial progress, that it does not detract from its stature to admit, in effect, that management couldn't have done it without the help of the inventor seeking a chance for personal profit offered by the patent system.

SUSTAINED INCENTIVES MAKE FOR GROWTH

The inventor may work independently in a basement, bedroom, garage, or other one-man shop.

Or he may be salaried by a corporation, and in addition may share in proportion to the value of his contributions to the corporation.

Much of my time these days is spent in directing the invention, development, production, and distribution of devices that lend competence to one of the most prevalent of major mechanical assemblies to be found in America.

I refer to the more than 50 million motor vehicles, with all their functional components, most of which components have originated and have been perfected and produced outside the great research and testing laboratories of large corporations.

The manufacturing business that I founded in 1918, and of which I remain the active administrative head, is operated on the principle of motivation by incentive.

Its salaried inventors and their estates are given in addition a liberal and permanent share of what their inventions produce, in royalties from licenses issued, or in assumed royalties on products embodying their inventions and made and sold by the company.

Incentives in some form are provided for everyone who works for the company.

Into such incentive arrangements goes, before Federal taxes, more cash than the company ever retains after taxes.

If any of your members want to see the extent to which the primal law may be permitted to build momentum, happiness, and good will into a modern manufacturing organization, he is privileged to see me at our factory in Gary on any mutually convenient date.

I shall appreciate the opportunity to show to any of you how we team together—how our sound growth is achieved.

Such a visit might be justified alone by your opportunity to see the headquarters of National Patent Council, to meet its staff, and to understand more about how it functions and what it has achieved for you and for the Nation.

PATENTS MAKE JOBS

One of the primary purposes of the founding of National Patent Council was to correct—in the public mind—the impression created so expertly by propagandists long having access to vast communicative facilities of the Government, that patents were instruments of monopoly and were bad for the Nation.

Through almost 10 years of efforts of National Patent Council, reflected primarily in its clipsheet, Invention News and Views, and in its research reports (all reaching, by request, editors whose publications in turn reach regularly an estimated readership of about 100 million people), the public now understands that "patents make jobs"—that inventions feed free enterprise—and that the patent system fires incentive to invent and to produce.

The public has been challenged more than once to identify a single product of American industry that does not have embodied in it patentable invention or that has not been made cheaper and better because of patented or patentable inventions employed in its manufacture.

From baker's bread to building brick, we predict that you won't find anything coming out of any American factory that is not so qualified.

WHAT CAN WE DO?

To sum up, let us all band together to help our Government out of the business of pretending to own patents.

That can be done only by definite legislation.

Be prepared for an almost overwhelming barrage of deceptive adverse propaganda when that is undertaken.

Next, let us get rid of all compulsory licensing—before the concept spreads to eat the heart out of inventive incentives upon which our economy has relied for growth.

And let us persuade Congress to give a fair trial to generous financing for the Patent Office so that it may hold its most valued employees and attract other men of high competence. Let us provide that office with money with which to modernize its equipment and facilities. Thus may it add even greater impetus to our industrial economy.

Let us abandon any thought of increasing Patent Office fees—at least until long after we have quit coddling vote-getting projects with lush appropriations and have quit donating multiple billions of dollars to purposes of foreign governments.

Let us add impetus to invention and development in America by giving the inventor and his investors—as to Federal taxes—treatment at least as liberal as that given other groups in the matter of depletion of resources and in the matter of capital gains.

Let us free atomic energy for competitive application under the American brand of free enterprise—with full incentive to invent, develop, and produce under the unhampered inducements of our traditionally productive patent system—supported understandingly by each of the three great divisions of our Government.

And let us encourage legislation to invalidate United States patents owned or controlled by any foreign government.

THE PUBLIC WILL HELP, BUT ONLY IF YOU LEAD

Thanks to persistent educational work by National Patent Council, over many years, the American public, we believe, is ready to support any well-publicized movement in any of the various directions above suggested.

What the American public will support, its representatives in Congress will support, if the issues are clearly and impressively presented.

National Patent Council has earned, and intends to retain, the confidence of editors, commentators, columnists, educators, and the public. Its sincerity and the soundness of its philosophy command growing respect at legislative and judicial levels.

With the help of enlightened Americans, may our people be persuaded to discourage devotion to larceny as a principle of personal, corporate, and governmental policy.

Let us all support unfailingly all men willing to consecrate themselves to the task of persuading our people to return to the constitutional principles of God-fearing primalism—from the orderly practice of which our facilities for better living—and for maintaining our security as a nation—must continue to come.

PAUL V. McNUTT

The SPEAKER. Under previous order of the House, the gentleman from Massachusetts [Mr. McCORMACK] is recognized for 5 minutes.

Mr. McCORMACK. Mr. Speaker, the late Paul Vories McNutt, former Governor of Indiana and first American Ambassador to the Philippines, will be known as one of the great public servants of our time. He has been conspicuous in the ranks of the Democratic Party.

The public career of Paul McNutt extended over critical years in our country's history—years that literally reshaped the political and economic life of the United States.

The son of an Indiana judge, as a child his goals were high. He became Governor of Indiana and then High Commissioner to the Philippines. He then became Federal Security Administrator, Chairman of the War Manpower Commission, and head of other important Government agencies. His final services were performed as the first Ambassador to the Republic of the Philippines.

He was born on July 19, 1891, in Franklin, Ind. He was graduated from Indiana University in 1913 and from Harvard Law School in 1916. He returned to Indiana to accept a professorship in the law school of the State university, although there was a brief interim period when he worked with his father in the family law firm.

He served his country in World War I and rose to a colonel's rank in the Army, spending his military time training troops in artillery. After the war he returned to the Indiana Law School and in 1925 became its dean.

It was when he became national commander of the American Legion in 1928 that the way was paved for his political strides forward. Subsequently he became Governor of Indiana. He completely reorganized the State government, consolidating the 169 departments into 8 and pushing through a broad program of social security, which was one of his favorite subjects.

Throughout his public career, Paul McNutt was noted for his keen understanding of public problems, the sincerity of his convictions and the fine sense of public service which prompted his official acts.

During World War II, his one goal was winning the war. He was dedicated to that task. He contributed greatly to our success.

I personally mourn the passing of a greatly beloved friend whose fidelity through long years has never wavered. Those who knew Paul McNutt best recognized in him the qualities of true Americanism. Mindful of the needs of the underprivileged, he was devoted always to the improvement of mankind.

In his passing Paul McNutt has left a record as high in achievement as it was faithful in performance. He never temporized nor bargained where the public interest was the issue. But, day by day, through long service in high office he brought to the Nation and to the world the contribution of learning and sound wisdom.

Paul McNutt will be remembered by his fellow countrymen as a great American. His accomplishments will be an inspiration to those who believe in democracy as the best instrument for advancing the cause of world peace.

To his loved ones, I extend my deep sympathy in their great loss and sorrow.

BILL PRESENTED TO THE PRESIDENT

Mr. BURLESON, from the Committee on House Administration, reported that that committee did on March 30, 1955, present to the President, for his approval, a bill of the House of the following title:

H. R. 4259. An act to provide a 1-year extension of the existing corporate normal-tax rate and of certain existing excise-tax rates, and to provide a $20 credit against the individual income tax for each personal exemption.

ENROLLED BILLS SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 4720. An act to provide incentives for members of the uniformed services by increasing certain pays and allowances;

H. R. 4941. An act to amend the Foreign Service Act of 1946, as amended, and for other purposes; and

H. R. 4951. An act directing a redetermination of the national marketing quota for burley tobacco for the 1955–56 marketing year, and for other purposes.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 1436. An act to preserve the tobacco acreage history of farms which voluntarily withdraw from the production of tobacco, and to provide that the benefits of future increases in tobacco acreage allotments shall first be extended to farms on which there have been decreases in such allotments; to the Committee on Agriculture.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend, was granted to:

Mr. MURRAY of Illinois on the subject The Easter Egg That Did Not Hatch.

Mr. HOFFMAN of Michigan (at the request of Mr. MARTIN) and to include extraneous matter.

Mr. PATTERSON in three instances.

Mr. WOLVERTON and to include extraneous matter.

Mr. FINO.

Mrs. FRANCES P. BOLTON and to include extraneous matter.

Mr. DORN of New York and to include extraneous matter.

Mr. HILLINGS and to include extraneous matter.

ADJOURNMENT

Mr. ALBERT. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 2 o'clock and 32 minutes p. m.), under its previous order, the House adjourned until Monday, April 4, 1955, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

617. A communication from the President of the United States, transmitting a proposed amendment to the budget for the fiscal year 1956 involving a decrease in the amount of $75,900,000 for the Atomic Energy Commission (H. Doc. No. 122); to the Committee on Appropriations and ordered to be printed.

618. A communication from the President of the United States, transmitting proposed supplemental appropriations for the fiscal year 1956, involving an increase of $466,462 for the legislative branch, in the form of amendments to the budget for said fiscal year (H. Doc. No. 123); to the Committee on Appropriations and ordered to be printed.

619. A letter from the Deputy Executive Director, Rubber Producing Facilities Disposal Commission, transmitting Report No. 11 prepared by Federal Facilities Corporation, the operating agency, with respect to its expenditures for repairs, replacements, additions, improvements, or maintenance of the Government-owned rubber producing facilities during the 8-month period for fiscal 1955 ending February 28, 1955, pursuant to section 15 of the Rubber Producing Facilities Disposal Act of 1953 (67 Stat. 408); to the Committee on Armed Services.

620. A letter from the Secretary of the Treasury, transmitting a report to the Congress on the liquidation of the Reconstruction Finance Corporation for the quarter ended December 31, 1954, pursuant to the provisions of the RFC Liquidation Act, as amended; to the Committee on Banking and Currency.

621. A letter from the Comptroller General of the United States, transmitting the Report of Progress on General Accounting Office Recommendations To Improve the Financial Management of the Post Office Department for the period April 25, 1953, through February 28, 1955, pursuant to the Post Office Department Financial Control Act of 1950 (30 U. S. C. 794); to the Committee on Post Office and Civil Service.

622. A letter from the Chairman, Railroad Retirement Board, transmitting the annual report of the Railroad Retirement Board for the fiscal year ended June 30, 1954, pursuant to section 10 (b) (4) of the Railroad Retirement Act, approved June 24, 1937, and of section 12 (1) of the Railroad Unemployment Insurance Act, approved June 25, 1938; to the Committee on Interstate and Foreign Commerce.

623. A letter from the Acting Secretary of the Army, transmitting a draft of proposed legislation entitled "A bill to provide for the relief of certain members of the Army and Air Force, and for other purposes"; to the Committee on the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk

for printing and reference to the proper calendar, as follows:

Mr. LANE: Committee on the Judiciary. H. R. 3092. A bill to confer jurisdiction upon the United States Court of Claims with respect to claims against the United States of certain employees of the Bureau of Prisons, Department of Justice; without amendment (Rept. No. 318). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. LANE: Committee on the Judiciary. House Resolution 193. Resolution providing that the bill, H. R. 2266, and all accompanying papers shall be referred to the United States Court of Claims; without amendment (Rept. No. 319). Referred to the Committee of the Whole House.

Mr. DONOHUE: Committee on the Judiciary. H. R. 874. A bill for the relief of Mrs. Anne P. Perceval; without amendment (Rept. No. 320). Referred to the Committee of the Whole House.

Mr. REED of Illinois: Committee on the Judiciary. H. R. 947. A bill for the relief of Carl E. Edwards; with amendment (Rept. No. 321). Referred to the Committee of the Whole House.

Mr. DONOHUE: Committee on the Judiciary. H. R. 1002. A bill for the relief of L. S. Goedeke; without amendment (Rept. No. 322). Referred to the Committee of the Whole House.

Mr. DONOHUE: Committee on the Judiciary. H. R. 1025. A bill for the relief of Osborne W. Rutherford; with amendment (Rept. No. 323). Referred to the Committee of the Whole House.

Mr. BOYLE: Committee on the Judiciary. H. R. 1202. A bill for the relief of Robert H. Merritt; without amendment (Rept. No. 324). Referred to the Committee of the Whole House.

Mr. DONOHUE: Committee on the Judiciary. H. R. 1535. A bill for the relief of Cabrillo Land Co., of San Diego, Calif.; without amendment (Rept. No. 325). Referred to the Committee of the Whole House.

Mr. BURDICK: Committee on the Judiciary. H. R. 1751. A bill for the relief of Priscilla Louise Davis; without amendment (Rept. No. 326). Referred to the Committee of the Whole House.

Mr. MILLER of New York: Committee on the Judiciary. H. R. 1974. A bill for the relief of Shirley W. Rothra; without amendment (Rept. No. 327). Referred to the Committee of the Whole House.

Mr. BOYLE: Committee on the Judiciary. H. R. 2052. A bill for the relief of the United States Fidelity and Guaranty Co.; without amendment (Rept. No. 328). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 2470. A bill for the relief of T. C. Elliott; without amendment (Rept. No. 329). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 2893. A bill to confer jurisdiction upon the United States Court of Claims to hear, determine, and render judgment upon the claim of Graphic Arts Corp. of Ohio, of Toledo, Ohio; with amendment (Rept. No. 330). Referred to the Committee on the Whole House.

Mr. FORRESTER: Committee on the Judiciary. H. R. 2924. A bill for the relief of David J. Dazé; without amendment (Rept. No. 331). Referred to the Committee of the Whole House.

Mr. REED of Illinois: Committee on the Judiciary. H. R. 3022. A bill for the relief of Frank Michael Whalen, Jr.; without amendment (Rept. No. 332). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 3036. A bill for the relief of George P. Provencal; without amendment (Rept. No. 333). Referred to the Committee of the Whole House.

Mr. FORRESTER: Committee on the Judiciary. H. R. 3152. A bill for the relief of Waymon H. Massey; with amendment (Rept. No. 334). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 3180. A bill for the relief of William Frederick Werner; without amendment (Rept. No. 335). Referred to the Committee of the Whole House.

Mr. BURDICK: Committee on the Judiciary. H. R. 3359. A bill for the relief of Raymond George Palmer; without amendment (Rept. No. 336). Referred to the Committee of the Whole House.

Mr. REED of Illinois: Committee on the Judiciary. H. R. 3958. A bill for the relief of Louis Elterman; without amendment (Rept. No. 337). Referred to the Committee of the Whole House.

Mr. BOYLE: Committee on the Judiciary. H. R. 3975. A bill for the relief of the Reverend Boniface Lucci, O. S. B.; without amendment (Rept. No. 338). Referred to the Committee of the Whole House.

Mr. BURDICK: Committee on the Judiciary. H. R. 4182. A bill for the relief of the Highway Construction Co., of Ohio, Inc.; without amendment (Rept. No. 339). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 4249. A bill for the relief of Orrin J. Bishop; with amendment (Rept. No. 340). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 4418. A bill conferring jurisdiction upon the Court of Claims to hear and determine the claim of Auf der Heide-Aragona, Inc., and certain of its subcontractors against the United States, and to enter judgment thereon; without amendment (Rept. No. 341). Referred to the Committee of the Whole House.

Mr. BURDICK: Committee on the Judiciary. H. R. 4454. A bill for the relief of Rosezella Marie Preston Curran; with amendment (Rept. No. 342). Referred to the Committee of the Whole House.

Mr. REED of Illinois: Committee on the Judiciary. H. R. 4506. A bill for the relief of J. A. Ross & Co.; without amendment (Rept. No. 343). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 4536. A bill for the relief of John J. Cowin; without amendment (Rept. No. 344). Referred to the Committee of the Whole House.

Mr. REED of Illinois: Committee on the Judiciary. H. R. 4637. A bill for the relief of Mr. William Henry Diment, Mrs. Mary Ellen Diment, and Mrs. Gladys Everingham; without amendment (Rept. No. 345). Referred to the Committee of the Whole House.

Mr. REED of Illinois: Committee on the Judiciary. H. R. 4714. A bill for the relief of Theodore J. Harris; without amendment (Rept. No. 346). Referred to the Committee of the Whole House.

Mr. REED of Illinois: Committee on the Judiciary. H. R. 4865. A bill for the relief of Stanley Rydzon and Alexander F. Anderson; without amendment (Rept. No. 347). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 5078. A bill for the relief of the estate of Victor Helfenbein; without amendment (Rept. No. 348). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 5196. A bill for the relief of the Overseas Navigation Corp.; without amendment (Rept. No. 349). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. H. R. 880. A bill for the relief of Paul Y. Loong; without amendment (Rept. No. 350). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. H. R. 935. A bill for the relief of Mrs. Marion Josephine Monnell; without amendment (Rept. No. 351). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. H. R. 943. A bill for the relief of Luzie Biondo (Luzie M. Schmidt); with amendment (Rept. No. 352). Referred to the Committee of the Whole House.

Miss THOMPSON of Michigan: Committee on the Judiciary. H. R. 995. A bill for the relief of Frieda Quiring and Tina Quiring; without amendment (Rept. No. 353). Referred to the Committee of the Whole House.

Mr. FEIGHAN: Committee on the Judiciary. H. R. 997. A bill for the relief of Irmgard Emilie Krepps; with amendment (Rept. No. 354). Referred to the Committee of the Whole House.

Mr. FEIGHAN: Committee on the Judiciary. H. R. 998. A bill for the relief of Meiko Shikibu; without amendment (Rept. No. 355). Referred to the Committee of the Whole House.

Mr. CHELF: Committee on the Judiciary. H. R. 1155. A bill for the relief of Solomon Wiesel; without amendment (Rept. No. 356). Referred to the Committee of the Whole House.

Mr. FEIGHAN: Committee on the Judiciary. H. R. 1047. A bill for the relief of Armenouhi Assadour Artinian; without amendment (Rept. No. 357). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. H. R. 1083. A bill for the relief of Robert Shen-yen Hou-ming Lieu; without amendment (Rept. No. 358). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. H. R. 1157. A bill for the relief of Milad S. Isaac; without amendment (Rept. No. 359). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. H. R. 1158. A bill for the relief of Emanuel Frangeskos; without amendment (Rept. No. 360). Referred to the Committee of the Whole House.

Mr. CHELF: Committee on the Judiciary. H. R. 1205. A bill for the relief of Cynthia Jacob; without amendment (Rept. No. 361). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. H. R. 1247. A bill for the relief of Carol Brandon (Valtrude Probst); without amendment (Rept. No. 362). Referred to the Committee of the Whole House.

Miss THOMPSON of Michigan: Committee on the Judiciary. H. R. 1252. A bill for the relief of Olivia Mary Orciuch; without amendment (Rept. No. 363). Referred to the Committee of the Whole House.

Miss THOMPSON of Michigan: Committee on the Judiciary. H. R. 1299. A bill for the relief of Miss Toshiko Hozaka and her child, Roger; without amendment (Rept. No. 364). Referred to the Committee of the Whole House.

Mr. FEIGHAN: Committee on the Judiciary. H. R. 1300. A bill for the relief of Luther Rose; without amendment (Rept. No. 365). Referred to the Committee of the Whole House.

Miss THOMPSON of Michigan: Committee on the Judiciary. H. R. 1357. A bill for the relief of Chin York Gay; without amendment (Rept. No. 366). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. H. R. 1467. A bill for the relief of Stijepo Bulch; without amendment (Rept. No. 367). Referred to the Committee of the Whole House.

Mr. HYDE: Committee on the Judiciary. H. R. 1468. A bill for the relief of Barbara V. Taylor; with amendment (Rept. No. 368). Referred to the Committee of the Whole House.

Mr. HYDE: Committee on the Judiciary. H. R. 1472. A bill for the relief of Victor Manuel Soares De Mendonca; without amendment (Rept. No. 369). Referred to the Committee of the Whole House.

Mr. HYDE: Committee on the Judiciary. H. R. 1487. A bill for the relief of Rosa Marie Phillips; without amendment (Rept. No. 370). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. H. R. 1655. A bill for the relief of the Wojcik family; without amendment (Rept. No. 371). Referred to the Committee of the Whole House.

Miss THOMPSON of Michigan: Committee on the Judiciary. H. R. 1684. A bill for the relief of Rev. Zdzislaw Aleksander Peszkowski; without amendment (Rept. No. 372). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. H. R. 1954. A bill for the relief of Ingrid Samson; without amendment (Rept. No. 373). Referred to the Committee of the Whole House.

Mr. CHELF: Committee on the Judiciary. H. R. 2933. A bill for the relief of Mrs. Berta Manserph; without amendment (Rept. No. 374). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ADDONIZIO:

H. R. 5392. A bill to amend section 203 of the National Housing Act to reduce the rate of interest which mortgages insured thereunder may bear, and for other purposes; to the Committee on Banking and Currency.

H. R. 5393. A bill to permit certain repatriated citizens of the United States to obtain certified proof or documentation of their repatriation; to the Committee on the Judiciary.

By Mr. ASHLEY:

H. R. 5394. A bill to amend title II of the Social Security Act to provide that a widow who loses her widow's benefit by remarriage may again become entitled to such benefit if her husband dies within 1 year after such remarriage; to the Committee on Ways and Means.

By Mr. BECKER:

H. R. 5395. A bill to provide that members of the Armed Forces shall be paid compensation at the rate of $2.50 per day for each day spent in hiding during World War II or the Korean conflict to evade capture by the enemy; to the Committee on Interstate and Foreign Commerce.

By Mr. BENTLEY:

H. R. 5396. A bill to authorize the Secretary of Agriculture to provide price support at more than 50 percent of parity for certain basic agricultural commodities in case producers disapprove marketing quotas; to the Committee on Agriculture.

H. R. 5397. A bill to amend the Agricultural Adjustment Act of 1938 to exempt certain wheat producers from liability under the act where all the wheat crop is fed or used for seed on the farm, and for other purposes; to the Committee on Agriculture.

By Mr. BONNER:

H. R. 5398. A bill to increase the efficiency of the Coast and Geodetic Survey, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. BOYLE:

H. R. 5399. A bill to extend to uniformed members of the Armed Forces the same protection against bodily attack as is now granted to personnel of the Coast Guard; to the Committee on the Judiciary.

By Mr. HILL:

H. R. 5400. A bill to amend and extend the Sugar Act of 1948, as amended, and for other purposes; to the Committee on Agriculture.

By Mr. ASPINALL:

H. R. 5401. A bill to amend and extend the Sugar Act of 1948, as amended, and for other purposes; to the Committee on Agriculture.

By Mr. BOGGS:

H. R. 5402. A bill to amend and extend the Sugar Act of 1948, as amended, and for other purposes; to the Committee on Agriculture.

By Mr. DAWSON of Utah:

H. R. 5403. A bill to amend and extend the Sugar Act of 1948, as amended, and for other purposes; to the Committee on Agriculture.

By Mr. DIXON:

H. R. 5404. A bill to amend and extend the Sugar Act of 1948, as amended, and for other purposes; to the Committee on Agriculture.

By Mr. HAGEN:

H. R. 5405. A bill to amend and extend the Sugar Act of 1948, as amended, and for other purposes; to the Committee on Agriculture.

By Mr. HOPE:

H. R. 5406. A bill to amend and extend the Sugar Act of 1948, as amended, and for other purposes; to the Committee on Agriculture.

By Mr. JOHNSON of California:

H. R. 5407. A bill to amend and extend the Sugar Act of 1948, as amended, and for other purposes; to the Committee on Agriculture.

By Mrs. KNUTSON:

H. R. 5408. A bill to amend and extend the Sugar Act of 1948, as amended, and for other purposes; to the Committee on Agriculture.

By Mr. KRUEGER:

H. R. 5409. A bill to amend and extend the Sugar Act of 1948, as amended, and for other purposes; to the Committee on Agriculture.

By Mr. MOSS:

H. R. 5410. A bill to amend and extend the Sugar Act of 1948, as amended, and for other purposes; to the Committee on Agriculture.

By Mrs. PFOST:

H. R. 5411. A bill to amend and extend the Sugar Act of 1948, as amended, and for other purposes; to the Committee on Agriculture.

By Mr. ROGERS of Colorado:

H. R. 5412. A bill to amend and extend the Sugar Act of 1948, as amended, and for other purposes; to the Committee on Agriculture.

By Mr. ROGERS of Florida:

H. R. 5413. A bill to amend and extend the Sugar Act of 1948, as amended, and for other purposes; to the Committee on Agriculture.

By Mr. WILLIS:

H. R. 5414. A bill to amend and extend the Sugar Act of 1948, as amended, and for other purposes; to the Committee on Agriculture.

By Mr. BROYHILL:

H. R. 5415. A bill to provide for the sale of all the real property which has been acquired by the Secretary of Commerce for the construction of the Burke Airport, Va.; to the Committee on Interstate and Foreign Commerce.

By Mr. CELLER:

H. R. 5416. A bill to amend section 48 of the Bankruptcy Act, approved July 1, 1898, and acts amendatory thereof and supplementary thereto; to the Committee on the Judiciary.

H. R. 5417. A bill to amend section 1721, title 18, United States Code, relating to the sale or pledge of postage stamps; to the Committee on the Judiciary.

By Mr. DIGGS:

H. R. 5418. A bill to prohibit the transmission through the mails of communications intended to incite hostility among individuals and classes and groups of individuals on account of differences in race, color, religion, or national origin; to the Committee on the Judiciary.

By Mr. EDMONDSON:

H. R. 5419. A bill relating to the imposition of a tax on the importation of lead and zinc; to the Committee on Ways and Means.

H. R. 5420. A bill to amend the Servicemen's Readjustment Act of 1944 to extend the authority of the Administrator of Veterans' Affairs to make direct loans, and to authorize the Administrator to make additional types of direct loans thereunder, and for other purposes; to the Committee on Veterans' Affairs.

H. R. 5421. A bill for the relief of the State of Oklahoma; to the Committee on the Judiciary.

By Mr. ELLIOTT:

H. R. 5422. A bill to establish a program of financial aid to students in higher education, and for other purposes; to the Committee on Education and Labor.

By Mr. HARRIS:

H. R. 5423. A bill to authorize use of receipts derived from donated national forest and other lands administered for forest research purposes in continued research activities; to the Committee on Agriculture.

By Mr. HOFFMAN of Michigan:

H. R. 5424. A bill to further define self-employed individuals for purposes of the Federal old-age and survivors' insurance system; to the Committee on Ways and Means.

H. R. 5425. A bill to provide that services performed by agricultural employees who are not employed by the same employer for more than 60 days in a calendar year shall not be considered to be "employment" for the purposes of coverage under the Federal old-age and survivors' insurance system; to the Committee on Ways and Means.

By Mr. HYDE:

H. R. 5426. A bill to amend the Railroad Retirement Act to permit an individual with 40 years' service to retire regardless of his age, and to increase certain annuities by providing a new alternative base for computing monthly compensation in the case of service before 1937; to the Committee on Interstate and Foreign Commerce.

By Mr. JOHNSON of California:

H. R. 5427. A bill to amend the District of Columbia Revenue Act of 1937 so as to provide for exemptions from inheritance tax, on a reciprocal basis, for transfers to charitable, educational, and religious organizations outside the District of Columbia; to the Committee on the District of Columbia.

By Mr. KEOGH:

H. R. 5428. A bill to amend the Internal Revenue Code of 1954 to provide that chapter 71 relative to transferees and fiduciaries shall apply with respect to any tax imposed by the Internal Revenue Code of 1939; to the Committee on Ways and Means.

By Mr. McCARTHY:

H. R. 5429. A bill to amend the Internal Revenue Code of 1954 to provide a 30-percent credit against the individual income tax for

amounts paid as tuition or fees to certain public and private institutions of higher education; to the Committee on Ways and Means.

By Mr. MACK of Illinois:

H. R. 5430. A bill to authorize the construction of Shelbyville Reservoir on the Kaskaskia River in Illinois; to the Committee on Public Works.

H. R. 5431. A bill to extend coverage under the Federal old-age and survivors insurance system to individuals engaged in the practice of dentistry; to the Committee on Ways and Means.

By Mr. MILLER of Nebraska:

H. R. 5432. A bill to amend and extend the Sugar Act of 1948, as amended, and for other purposes; to the Committee on Agriculture.

By Mr. MOSS:

H. R. 5433. A bill to authorize the Secretary of the Interior to construct, operate, and maintain the Folsom South unit, American River Division, Central Valley project, in California; to the Committee on Interior and Insular Affairs.

By Mr. O'HARA of Illinois:

H. R. 5434. A bill to amend and revise the laws relating to immigration, naturalization, nationality, and citizenship, and for other purposes; to the Committee on the Judiciary.

By Mr. OSTERTAG:

H. R. 5435. A bill to amend further the Federal Civil Defense Act of 1950, as amended, to authorize the Federal Civil Defense Administration to procure radiological instruments and detection devices, and for other purposes; to the Committee on Armed Services.

By Mr. PATTERSON:

H. R. 5436. A bill to repeal the Federal taxes on gasoline, lubricating oils, and diesel fuel; to the Committee on Ways and Means.

By Mr. PELLY:

H. R. 5437. A bill to provide for the granting of career-conditional and career appointments in the competitive civil service to certain qualified employees serving under indefinite appointments; to the Committee on Post Office and Civil Service.

By Mr. RADWAN:

H. R. 5438. A bill to provide for the burial near the Marine Corps War Memorial at the northern end of Arlington National Cemetery of the participants in the famous flag raising at Iwo Jima; to the Committee on Interior and Insular Affairs.

By Mrs. ROGERS of Massachusetts:

H. R. 5439. A bill to provide for the promotion and elimination of women officers of the Naval and Marine Corps Reserve on the same basis as male officers of the Naval and Marine Corps Reserve; to the Committee on Armed Services.

By Mrs. ST. GEORGE:

H. R. 5440. A bill to include the Secretary of Health, Education, and Welfare in the list of officers eligible to act as President; to the Committee on the Judiciary.

H. R. 5441. A bill to increase the maximum amount of certain loans which can be insured by the Federal Housing Commissioner under title I of the National Housing Act; to the Committee on Banking and Currency.

By Mr. SIKES:

H. R. 5442. A bill to promote effectual planning, development, maintenance, and coordination of wildlife, fish, and game conservation and rehabilitation in military reservations; to the Committee on Armed Services.

By Mr. THOMSON of Wyoming:

H. R. 5443. A bill to amend and extend the Sugar Act of 1948, as amended, and for other purposes; to the Committee on Agriculture.

By Mr. DAWSON of Illinois:

H. R. 5444. A bill to amend section 1 of the act entitled, "An act to authorize relief of accountable officers of the Government, and for other purposes", approved August 1, 1947 (61 Stat. 720); to the Committee on Government Operations.

By Mr. LANE:

H. Con. Res. 107. Concurrent resolution to authorize the Joint Committee on the Economic Report to investigate and report on the economic problems connected with the loss of employment in the textile industry; to the Committee on Rules.

By Mr. RIEHLMAN:

H. Con. Res. 108. Concurrent resolution expressing the sense of the Congress that, in accordance with the Reorganization Act of 1949, the President should create within the Department of Defense a civilian Department of Civil Defense and transfer all functions of the existing Federal Civil Defense Administration to such new Department; to the Committee on Government Operations.

By Mr. RICHARDS:

H. Con. Res. 109. Concurrent resolution authorizing the appointment of a congressional delegation to attend the North Atlantic Treaty Organization Parliamentary Conference; to the Committee on Foreign Affairs.

By Mr. RAINS:

H. Res. 203. Resolution authorizing the Committee on Banking and Currency to conduct studies and investigations, and make inquiries relating to housing; to the Committee on Rules.

H. Res. 204. Resolution to provide funds for the expenses of the studies, investigations, and inquiries authorized by House Resolution 203; to the Committee on House Administration.

By Mr. ROGERS of Florida:

H. Res. 205. Resolution to amend the Rules of the House to require the yeas and nays in the case of final action on appropriation bills; to the Committee on Rules.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

By Mrs. ST. GEORGE: Senate Resolution No. 120 of the State of New York, memorializing Congress relative to the barge canal system of New York State; to the Committee on Appropriations.

By the SPEAKER: Memorial of the Legislature of the State of Arizona, memorializing the President and the Congress of the United States to enact legislation and make an appropriation for the construction of Buttes Dam; to the Committee on Interior and Insular Affairs.

Also, memorial of the Legislature of the State of Arizona, memorializing the President and the Congress of the United States to enact legislation providing that the State of Arizona and the United States share equally any income inuring to the United States Government from federally owned lands in the State of Arizona; to the Committee on Ways and Means.

Also, memorial of the Legislature of the State of Illinois, memorializing the President and the Congress of the United States relative to requesting that favorable consideration be given the recommendations in the survey report of the Kaskaskia Valley project, as soon as such report is submitted to Congress by the Corps of Engineers, and that funds be appropriated for the construction of the Carlyle and Shelbyville Dams at such times as they can be economically used by the Corps of Engineers; to the Committee on Appropriations.

Also, memorial of the Legislature of the State of New York, memorializing the President and the Congress of the United States relative to the barge canal system of New York State; to the Committee on Appropriations.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ADDONIZIO:

H. R. 5445. A bill for the relief of Augustus W. Strazza; to the Committee on the Judiciary.

By Mr. ANFUSO:

H. R. 5446. A bill for the relief of Pavol P. Diacon-Zadeh; to the Committee on the Judiciary.

By Mr. BALDWIN:

H. R. 5447. A bill for the relief of David and Lynda Harden; to the Committee on the Judiciary.

By Mr. CARRIGG (by request):

H. R. 5448. A bill for the relief of Tadeusz Ostrowski; to the Committee on the Judiciary.

By Mr. CRETELLA:

H. R. 5449. A bill for the relief of Clelia Cusano Puglia; to the Committee on the Judiciary.

By Mr. DONOVAN:

H. R. 5450. A bill for the relief of Nijole Virginia Brazanas; to the Committee on the Judiciary.

H. R. 5451. A bill for the relief of Henry G. Mathusek; to the Committee on the Judiciary.

By Mr. FLYNT:

H. R. 5452. A bill for the relief of Ingeburg Edith Stallings (nee Nitzki); to the Committee on the Judiciary.

By Mr. FORRESTER:

H. R. 5453. A bill for the relief of the estate of Robert Bradford Bickerstaff; to the Committee on the Judiciary.

By Mr. GWINN:

H. R. 5454. A bill for the relief of Saida M. Elfassi; to the Committee on the Judiciary.

By Mr. KELLEY of Pennsylvania:

H. R. 5455. A bill for the relief of Gerlando (Gino) Mangione; to the Committee on the Judiciary.

By Mr. McDOWELL:

H. R. 5456. A bill for the relief of Emil Arens; to the Committee on the Judiciary.

By Mr. O'HARA of Illinois:

H. R. 5457. A bill for the relief of Edward Lawrence Lynch; to the Committee on the Judiciary.

By Mr. REUSS:

H. R. 5458. A bill for the relief of William R. and Alice M. Reardon; to the Committee on the Judiciary.

By Mr. SCUDDER:

H. R. 5459. A bill for the relief of Herbert Strauss; to the Committee on the Judiciary.

By Mr. WITHROW (by request):

H. R. 5460. A bill for the relief of George Hodge; to the Committee on the Judiciary.

By Mr. WRIGHT:

H. R. 5461. A bill to confer authority upon the Secretary of the Army to pay certain claims of Ottinger Bros.; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

182. By Mr. REED of Illinois: Petition of August J. Molnar, chairman of the department of Hungarian studies, Elmhurst College, Elmhurst, Ill., urging the Congress to request the President of the United States to proclaim a Colonel-Commandant Michael Kovats Week; to the Committee on the Judiciary.

183. By the SPEAKER: Petition of the grand knight, Baron DeKalb Council, No. 1073, Knights of Columbus, Sheepshead Bay, Brooklyn, N. Y., expressing their support of the principles of the proposed Bricker amendment, Senate Joint Resolution 1, to the Federal Constitution; to the Committee on the Judiciary.

EXTENSIONS OF REMARKS

Emergency Hurricane Warning System Needed for North Atlantic Seaboard

EXTENSION OF REMARKS
OF
HON. JAMES T. PATTERSON
OF CONNECTICUT
IN THE HOUSE OF REPRESENTATIVES
Thursday, March 31, 1955

Mr. PATTERSON. Mr. Speaker, I have introduced in Congress an independent appropriation bill, H. R. 5260, asking for $5 million, providing for an emergency hurricane warning system based upon a special study prepared by meteorologists specializing in hurricane phenomena. I have requested this special study.

Few people realize that the property damages of hurricanes Carol, Edna, and Hazel last fall amounted to $1 billion and killed over 150 persons in the devastation wrought along the North Atlantic seaboard.

Meteorological experts tell us that these last three big storms were not freakish sea storms straying inland off their regular paths. The scientists say that distinct changes in the worldwide upper wind patterns is creating a new cycle driving inland the great sea storms and may afflict heavy damages on the New England coast again this season and for years to come.

The United States Weather Bureau, operating under a drastically cut budget, is doing the best it can to detect the movement of hurricanes and issue warnings. In fact, the Weather Bureau has done a great job with limited mechanical equipment operated by overworked staff personnel. During the last big storm weather forecasters worked continuously 18 hours without relief. But there is a limit of human endurance. Budget cuts forced the closing of weather stations at Eastport, Maine; Bangor, Maine; Cape May, N. J.; Ocean City, Md. The Eastport station had been in operation since 1891. Also, forced reductions in the Bureau's working force resulted in only limited operation at offices at New Haven, Conn.; Bridgeport, Conn.; and eight other weather stations.

I recently appealed to President Eisenhower to act favorably on the recommendations of the Interagency Hurricane Research Conference for a more effective hurricane research and warning program. This was a long-range program.

The President advised me that he shared my concern for adequate safeguards against hurricane disasters, and said, "You may be assured that thorough consideration will be given to such additional research activities as may be proposed."

I am now proposing a short-range emergency hurricane warning program to be financed by a special appropriation of $5 million. I am appealing to 36 Senators, 18 governors, and 177 Congressmen to join me in the drive to secure necessary Federal funds to enable the Weather Bureau to set up a really effective hurricane warning system to save human life and property.

It is impossible to accurately determine in advance what the projected hurricane task program will accomplish in dollars and cents; but experts estimate that potential savings of 25 percent damages to property and 90 percent savings in human life will result if advance warnings from 7 to 21 hours can be widely disseminated via newspaper, radio, and TV news bulletins.

OBJECTIVES OF THE PROPOSED SPECIAL AND IMMEDIATE HURRICANE WARNING PROGRAM

First. To reduce unnecessary loss of life and property in all coastal States from future hurricanes.

Second. To reduce unnecessary interruptions, costly protective action, and time-consuming precautionary measures of thousands of business firms and millions of citizens in fringe areas of expected hurricane paths.

Third. To reduce unnecessary fear and apprehension in areas in or close by the expected paths of future hurricanes.

Fourth. To increase the value of hurricane forecasts to the people of 19 coastal States who need better and more precise information as to expected wind speeds, water levels, and times of hurricane occurrences.

Fifth. To enable the Weather Bureau (a) to provide an improved hurricane warning service immediately; (b) to give locations, speeds, directions, and intensities of future hurricanes with more accuracy than has been possible for past hurricanes; (c) to describe present and expected weather conditions in and surrounding future hurricanes more accurately than has been possible for past hurricanes; (d) to provide alerts and warnings of future hurricanes 6 to 12 hours further in advance than has been possible for past hurricanes; (e) to distribute essential hurricanes reports and warnings with greater speed, efficiency, and certainty than has been possible for past hurricanes; (f) to give complete and accurate forecasts of high-water levels for all occupied coastal areas subject to inundation.

HOW THE ABOVE OBJECTIVES CAN BE ACCOMPLISHED

(a) Secure appropriations to carry out a special and immediate hurricane warning program of the United States Weather Bureau starting June 1, 1955, and as long thereafter as may be necessary to avoid unnecessary loss of life and property from hurricanes.

(b) Secure the above appropriations in addition to the funds contained in the budget estimates for the Department of Commerce Weather Bureau submitted to Congress in January 1955 for fiscal year ending June 30, 1956.

(c) Secure appropriations for both of the above programs, and also for a hurricane research and development program for fiscal years 1956, 1957 and 1958.

WAYS IN WHICH REQUESTED FUNDS ARE TO BE EXPENDED BY THE WEATHER BUREAU

First. To provide staff sufficient to keep Weather Bureau offices open 24 hours a day in 10 coastal cities from Maine to Texas where existing weather bureau offices are now open only part time.

Second. To provide technically trained staff sufficient to reopen Weather Bureau offices in five coastal cities from Maine to Texas where formerly existing Weather Bureau offices have been closed.

Third. To operate special teletypewriter, facsimile, telephone, and radio networks for the prompt relay of meteorological information used in forecasting hurricanes and major storms, and used for instantaneous distribution of hurricane warnings and alerts to all areas and citizens concerned.

Fourth. To provide staff and observing equipment to operate 12 additional rawinsonde stations in the United States east of the 100th meridian and in other selected land areas adjoining the Gulf of Mexico, Caribbean Sea and western Atlantic Ocean; and to provide staff and supplies at existing rawinsonde stations to take required upper air observations at 6-hourly intervals instead of at 12-hourly intervals during the hurricane season.

Fifth. To provide additional weather observations during storm periods from merchant ships traversing the western Atlantic Ocean, Caribbean Sea, and Gulf of Mexico.

Sixth. To provide additional forecasters, additional meteorological chartmen, and additional communicators to provide around-the-clock hurricane forecasting watches at each of the following six hurricane forecast centers: Boston, New York, Washington, Miami, New Orleans, and San Juan.

Seventh. To establish an improved high water warning service to inform coastal areas of approaching high storm tides, damaging waves, and other coastal inundations from abnormal water levels and floods associated with hurricanes and heavy coastal rainstorms.

Eighth. To provide meterological staff and facilities for emergency hurricane warning centers and for mobile storm warning squads to supplement the local Weather Bureau staffs during the intense activity accompanying the approach and passage of hurricanes and major storms; and afterwards to survey and review (a) the quantity and quality of hurricane reports, alerts, and forecasts; (b) the times, places, and amounts of hurricane information distributed by all news media; (c) the protective action taken by all concerned, and (d) the types and amounts of hurricane damage incurred.

Ninth. To reestablish the ocean weather ship station formerly located halfway between New York and Bermuda and maintained there by the United States Coast Guard for 12 years prior to its removal in June 1954.

Tenth. To carry out a cooperative private and governmental public infor-

mation program involving important aspects of hurricane alerts, hurricane warnings, the changing characteristics of moving hurricanes, and the precautions, that should be taken by citizens in the forecast path of future hurricanes to save lives and property.

The Outlook for the Eisenhower Program

EXTENSION OF REMARKS
OF

HON. PAUL A. FINO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 31, 1955

Mr. FINO. Mr. Speaker, under leave to extend my remarks in the RECORD, I wish to insert a speech delivered by me on March 28, 1955, before the Young Republican Club of Hunter College in New York City.

The topic of my talk was the outlook for the Eisenhower program, and is as follows:

THE OUTLOOK FOR THE EISENHOWER PROGRAM

Mr. Chairman and young Republicans, I wish to thank the members of the Hunter College Young Republican Club for this cordial invitation to speak to you on "The Outlook for the Eisenhower Program."

The focus of the Eisenhower program is of course Eisenhower himself. In coming here to speak to you about the outlook of that program I am beset by certain imponderables. A Government program in our country, depends upon the mind and the will of the people. Those who in the past have had the audacity to predict the public will—even the professional prophets—have had occasion since then to adopt more humble and meeker attitudes. They will not easily forget the Literary Digest poll and the assured election of Alf Landon in 1936. They will even less easily forget what happened in 1948—a catastrophe for the prophecy industry.

Apart from election results, ours is not a country in which a program is laid down and followed. Ours is a country in which a program is debated—after it is laid down. Then it is modified. And then the modification is debated, with quite likely, a modification of the modification, and concomitant debates for each change. The Congress of the United States as well as the administration see to it that the people are informed, a process of public education which on the whole is inescapable under the compulsion of our system. The Congress awaits or acts in anticipation of reaction from the grass roots. There are deliberately intended political irritants in the democratic system to protect our country from the practices that apply in a monolithic state—like Soviet Russia.

The major of these irritants is something rather sweetly called the party in opposition. It seems to some to be the function of the party in opposition to needle, to criticize, to waylay, to ambush and to so puncture, molest and annoy the party in power, that the people will lose faith, elect the critics to power, and put the party in power in the position of being the party in opposition. In the Soviet Union they have an immediate, a summary, and a decisive answer for the faintest sign of a beginning of a party in opposition. Such a party ipsofacto becomes a party of traitors, of enemies of the people, of capitalists, imperialists, warmongers, and just plain and fancy scoundrels.

And, of course, they are shot and disappear from the Soviet scene, and from Soviet encyclopedias and history books.

So, as we can see, in a monolithic state a program is laid down and it is acted upon—or else. This does away with all the nonsense of debate, it cuts through red tape, and it does not bother and baffle the people with details. In fact, Pravda and Izvestia are Soviet newspapers which see no point in printing more information about the government and the news for 200 million people than can be encompassed in something like 6 pages and often only 4. And there is no advertising to distract your attention from the pravda in Pravda—pravda being the Russian word for truth. In fact, in the Soviet Union you can go directly from your bed to the salt mines knowing simply that you are helping to fulfill patriotically the newest 5-year plan to make up for the old 5-year plan that the traitors they shot the day before sabotaged.

But since political science in the United States has not yet evolved to the fine sensitivity that prevails in the Soviet Union, we must necessarily put up with what we've got. So that under our awkward and faltering system when we speak of the outlook for the Eisenhower program we are dealing with imponderables which may very well knock whole chunks of any program into a cocked hat. Yet I believe that this is not going to happen to the Eisenhower program. I believe that the Eisenhower program will sail through to successful fruition mostly intact. And I feel so sanguine about this optimistic outcome, that in presenting it I do not feel that I am putting myself out on a limb, or joining my fortunes to those wretched unfortunates who predicted the election of Alf Landon, the defeat of the Democrats in 1948, or the election of a Republican Congress in 1954.

The basic essence of my faith in the Eisenhower program is Eisenhower.

If you relate the Eisenhower character, the Eisenhower personality, the Eisenhower pattern of action to the Eisenhower state of the Union speech—which is in so many words his program—then you can see the ground for my optimism. It is my purpose to give you a speech of evaluation, not a speech intended to incite or encourage applause. I want to be as objective as may be, in the light of my freely acknowledged bias for the Republican Party point of view. My admiration for President Eisenhower I shall make no effort to conceal. But if I give the effect of making a political address per se, I shall have failed in my aim. Of course, when a Republican discusses the outlook for the Eisenhower program certain political overtones are to be taken for granted. But this is a student group and I want you to enter into this evaluation with me more on the basis of what we both know than on the basis of what I want, or would seek to persuade you to believe.

Now the more I grow in legislative experience the more amazing it becomes to me how much it is really the people who make the decisions. I cannot tell you how that is beyond facts which are commonplace to us all. You decide because you elect. You decide because you write. You decide because Congress reads—but avidly—what you write. The newspapers you subscribe to and the comments you make in them, the meetings you attend, the issues that arouse your pride, your fear, your anger, your approval, all these become straws in the wind that contribute to the direction of legislative decision.

They are the meat and the potatoes that invest congresstional action.

The Congress follows your thinking because for so many of us our official life depends upon doing what it is you want done. Out of this vast imponderable area of the public's mind on what direction the Government should take, the people, it seems to me, have found an extraordinary focus and an incredibly sympathetic reaction in President Eisenhower. They say the President is popular—but what does that mean? What it means is that the President's personality, his thinking or philosophy, his policies have been revealed to the American people in such a way that they find confidence in his leadership and comfort in his personality. They find it a bulwark of strength to the American destiny that this man is in the White House. It means that for the era in which we live this relationship between the President of the United States and the 164 million people of the United States is about the happiest political marriage in the last quarter of a century.

That's what it means.

Suppose we inquire into the reasons for the happiness the American people feel in President Eisenhower. I have spoken about the era in which we live and the tailored suitability with which President Eisenhower meets the needs of this era. For what we seek so much out of our very soul's wish is amity—amity—amity with ourselves and with the world. What we want is a period of reason and reasonableness. We wear the scars and feel the exhaustion of two world wars, a depression and Korea. We seek the peace of untroubled waters. We know the meaning of stress and strain but we want the tensions released. No easement of any of our problems is worth an iota unless our security is intact, our strength formidable, our position mightily fortified. We know the threat from the Kremlin in all its ugly proportions. The question is: can we have alertness without fear, security without nervous friction. The question is can we move forward in our national life to a progressive future without feeling that we are perpetually looking into the mouths of the Kremlin's cannon.

In Eisenhower the people have found the complete answer. He oozes amity at every pore. He avoids the bar room type of brawling that goes with a certain phase of politics. He has the common touch but he stands above the battle. Where other irritate, he reconciles. He is hard as nails and firm as Gibraltar with a proved soldier's knowledge on the complex problems of military strength. But he is sweepingly broad and paternally gentle in matters of the public welfare. Where he walks there is victory. The designs for success are woven into his career. His place, his superiors decided, when he had superiors, was in the foremost place of leadership. Leadership, not only of his own troops, but of the troops and the ships and the leaders of the allies. The judgment to give him leadership, determined by those set over him was afterwards overwhelmingly endorsed by the people. There was a remarkable unanimity of opinion—everywhere—that in a crisis get Eisenhower.

It is a pity there is not time to go into the record of the 83d Congress, Eisenhower's first Congress: Governmental reorganization, veterans' and servicemen's legislation, legislation for the national defense and internal security, termination of economic controls, reduction of excise taxes, revision of the Internal Revenue Code—an omnibus tax revision bill that by itself is a historic achievement. The reciprocal trade agreements extension, and the extension of the Mutual Security Act, the agricultural legislation to give a sound basis for improving the lot of the farmer, all these and more constitute the foundation upon which the current program in the 84th Congress is built. The Eisenhower program in the 84th Congress is an extension logically of the Eisenhower program that went before.

In terms of the earth on which we live and with which we must survive or perish the President wants new billions voted in foreign aid. He wants lower tariffs. He asks that the

United Nations be strengthened. The President wants the United States impregnable with 20th century emphasis on air power and the means to strike back with terrifying impact. In line with the possibilities under military developments he seeks to cut military manpower to 3 million by July 1 and to 2.85 million by 1956. But he wants to continue the power to draft for 2 years' service, building up a big military reserve and making professional military service attractive as a career. There is, of course, the continuation under the Eisenhower program of the stockpiling of strategic materials.

You have all heard about the Eisenhower $101 billion highway plan. We know that while socialistic experiments are being curtailed, the President approves impetus toward partnership between Government and private interests in developing resources. Progress is indicated in the Federal development of major projects and there is the impending help to localities to build schools.

The President wants to raise the minimum wage to 90 cents an hour. Determination is strong to keep the price supports for farmers flexible. The Eisenhower program calls for changes favorable to unions in the Taft-Hartley Act. New housing units for lower-income groups are planned by the tens of thousands. The President feels strongly about health reinsurance. The President's recommendation for raising the pay of the military—and substantially at that—is already on its way through the congressional process. The same is true of salary increases for Federal employees. And the pay of judges and Members of Congress is already law—a long and painfully delayed consummation of elementary economic justice. The President's program also seeks to bring Federal workers and the military under the old-age and survivors insurance program—social security.

If that program has not got the forward look then those who say so suffer from political bias and partisan blindness.

And it is not just a program like so many talking points in a sales pitch. Whole pieces of it are even now, as I speak, going through the congressional process—actively—on the path to the President's signature and to law. Some of it has already been made into law. Of course some of it will not go through entire. And, of course, there will be modifications here and there. The President's plan to have his authority extended to enable him to enter trade agreements passed the House, as I was preparing the material for this address, and is in a committee of the Senate. The same is true of the Universal Military Training and Service Act and the Dependents Assistance Act. The outlook is good for foreign aid especially since Harold E. Stassen, former director of the Foreign Operations Administration, returned with a favorable report after his tour of the Far East.

The amity and the peace I have been talking about are predicated on hard steel and not on some visionary fool's paradise. The President has said that the United States would maintain fighting forces in Europe so long as there is the threat of a Russian attack on the Continent. That is what I mean when I say the President's popularity is not the popularity built up on the basis of a smile and a benign expression, after the manner of an idol in the motion-picture industry. It is built on the faith of the people in a man of good will who knows the score and will not be deluded, cajoled, or softened up. They know he will avoid bloodshed and that he cannot be drawn into costly combat for indefinable ends in distant areas where results can be catastrophic if they go wrong and are of negligible consequence even if they go right. He knows the cost from firsthand knowledge to the other fellow and his kith and kin, as well as to himself and his own kith and kin, and he will reckon with the cost. But above all, the people know that a man with an unbroken record of valor and achievement in combat like Eisenhower does not flinch and the people know that better than they know anything else.

History tells us that people in the mass have—for the most part—an unerring instinctual genius in their choice of leadership. And in a democracy this genius is, to be sure, developed to the finest point of sensitivity and accuracy. In fact I believe that the word "popular" is not the precise term. The word, I insist, should be faith. The word should be confidence. The word should be respect. The people know that they have a strong hand on the helm and that the man in the White House will not fling his fists about in random gestures, or make severe or abusive speeches, after the manner of the propaganda floods from the Kremlin. They know he will not be provoked by an enemy that would like to see him spend—if not waste—his country's substance and its prestige in the wrong place, in the wrong way at the wrong time.

What he insists our country shall have is a powerful economy at home—the most powerful of all time in all the recorded annals of nations—and formidable and prodigious military strength in being. He wants the potential enemy to know and to see both and to beware of their meaning. Behind all this is the moral principle of the West. There are allies tied to us with hoops of steel and integrated friendships founded upon a common faith in God, and a common civilization. We know and the President knows and the enemy knows that this country will not commit the overt act which may precipitate the unbelievable holocaust of world war III. But Eisenhower is letting the enemy know in no unmistakable terms that the Kremlin had better not commit the overt act either. The same hard sense and bold planning the President has combined with understanding in his program for the domestic progress of the country, he has applied with perhaps even more intensity in confronting foreign policy and the half world of communism on the march. The United States has 6 Army divisions in Europe and 18 Air Force wings. The 6th United States Fleet is in the Mediterranean. There are equally mighty deterrent forces in the Pacific and I doubt whether the world has ever seen a more powerful fleet than the 7th which is now prowling the waters around Formosa. We hold the lead in the atomic race.

The peace the world enjoys today is not founded upon soft talk but upon hard muscle.

Of course the President's smile is warm and his expression is gracious. He has a word of praise for Marshal Zhukov, a good soldier's admiration for a good soldier, and this is returned in kind. Maybe good will come of it. But the President does not depend upon that for peace, except insofar as it may be an avenue to world amity. Now taking all these threads together, I think we can see the outlines of an Eisenhower program that makes for peace and I think the outlook for that program is sound, and that we can afford to be optimistic. But we cannot afford to be complacent, and we cannot afford to forget that we must remain forever on the ready.

There you have it.

I cannot pretend to know all the detours and corners that may have to be turned before the Eisenhower program becomes fact. But I hold it will be successful and that it will come to pass because it is a program that is not hitched to the moon. It is not a program that seeks the remaking of America. It is not a program that cuts corners with the Constitution of the United States. It is a program within foreseeable probability. It is not a program that has to be driven through with a sledge hammer to a rubber-stamp Congress. What do the President's critics complain about—the critics of his own party? They complain that he is moderate and they want him to be extreme. And what is the answer to their criticism? The answer is that the President of the United States has become a mighty force inside our country for unity. Just what is wrong with that? When the President put through for congressional action his $101 billion highway plan the complaints against it were not directed at the plan itself—more and better roads, for defense, for economy, for the safety of our people on the highways. The complaint against it was directed at the method of proposed financing, an all-important detail but still a detail. When I spoke of possible modifications in his program it is this kind of modification I have in mind. The basic idea will go through and become reality, like most of the rest of the program. That highway program is a monumental undertaking, an engineering feat comparable perhaps in our time, and in our context, to what the building of the pyramids must have meant to the ancient Egyptian civilization. But here is utility, here is national security, here is convenience, here are bigger and more avenues of communication for a more prosperous economy. I emphasize it because it lends itself to drama and easy explanation and because it is symptomatic of the Eisenhower philosophy.

The President seems to have effected to a considerable degree a cooperative reaction from a Congress the most powerful part of which is politically hostile. Of course there are rifts—here and there—and there would be if every Member of House and Senate were a Democrat and the President were a Democrat, too. And there would be if they were all Republicans. This is a democracy and not a monolithic state and rifts are what democracy is made of. But the President has drawn to himself the threads of divergence and the threads of amity and brought about a harmonious pattern as nearly as that can be done by the genius of man dealing with a world of human conflict.

It is for these reasons that I believe the outlook for the Eisenhower program is solid and that the country in sensing this has achieved a prosperity in the last year that outstrips everything in the past. And the whole world, sensing the vigor of the Eisenhower program for peace, feels likewise a sense of sureness and of security, that, while not total, is at least reassuring and stronger than it has been since the end of World War II. Ladies and gentlemen, we are in the midst of a period of leadership comparable only to the greatest in our history. The future—I thank God—looks to me like an Eisenhower future.

Stop Calling the Dodgers "Bums"

EXTENSION OF REMARKS
OF
HON. FRANCIS E. DORN
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Thursday, March 31, 1955

Mr. DORN of New York. Mr. Speaker, under leave to extend my remarks, I should like to call the attention of my colleagues to a most worthwhile campaign started recently by the Brooklyn Bulletin. I quote from the front page of the March 17, 1955, issue of the newspaper:

STOP CALLING THE DODGERS THE "BUMS"

Let's stop calling the Brooklyn Dodgers the "Bums."

Let's start a campaign to urge everyone else to cease and desist from using that uncomplimentary appellation for our favorite baseball team.

The Brooklyn Bulletin herewith begins a drive to rid the Dodgers of that onerous moniker.

The Dodgers are neither ruffians nor individuals without obvious means of support. (Although sometimes our pitchers feel that way about their teammates.)

The dictionary says "a bum is an inebriate, a mendicant, a tramp, and a loafer." Now, I ask you, is that a nice thing to say about the flock? Let's all take the pledge now before the season starts to lay off the word "bums." Besides, think of our children. How can we reconcile our desire to inspire gentlemanly traits with an uncouth burst tossed in the direction of our beloved boys in the Brooklyn uniforms. We repeat, don't call the Dodgers "bums." Save it for the visiting teams.

Mr. Speaker, I endorse these sentiments. The Brooklyn baseball team will win the National League pennant this year, and go on to win the world championship. It is important that the dignity of champions be recognized.

Report on a Minimum Wage Rate Survey

EXTENSION OF REMARKS

OF

HON. JAMES T. PATTERSON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 31, 1955

Mr. PATTERSON. Mr. Speaker, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD a copy of a document entitled "What Wage Floor Would Be Necessary To Protect Connecticut's Great Industrial Labor Force Against the Migration of Industries From the State?", which was prepared by Dr. Sar A. Levitan, an outstanding economist on the staff of the Legislative Reference Service, Library of Congress.

I requested the Legislative Reference Service to conduct this survey with a view of determining what national minimum wage floor should be established in order to protect Connecticut's industrial labor force from runaway industries migrating to labor market areas of surplus labor supply, indecent wages, and substandards of living.

The Legislative Reference Service, of course, makes no recommendations. Consequently it would be unfair to read into this study any support or opposition to any specific proposal for the modification of the Federal minimum wage law now pending before Congress. This study is based upon a comprehensive survey and an objective analysis of the facts. I commend Dr. Levitan for his excellent presentation of a vital economic problem.

I hope that this factual study will be of benefit not only to me but to other Members of the House:

WHAT WAGE FLOOR WOULD BE NECESSARY TO PROTECT CONNECTICUT'S GREAT INDUSTRIAL LABOR FORCE AGAINST THE MIGRATION OF INDUSTRIES FROM THE STATE?

(Prepared by Dr. Sar A. Levitan)

MINIMUM-WAGE LEGISLATION TO DATE

Minimum-wage legislation in the United States dates back to 1912, when the Commonwealth of Massachusetts passed the first State minimum-wage law. Since then more than half the States have enacted minimum-wage legislation. Twenty-three of the thirty States and Territories with minimum-wage legislation have limited their coverage to women and/or children. Twenty-two States, most of them in the South, have no minimum-wage laws.

Two of the seven States that have extended the protection of their minimum-wage laws to men as well as women have a statutory minimum-wage rate of 75 cents an hour. These two States are Connecticut and Massachusetts. Connecticut was the first State to set a statutory minimum equal to the current Federal rate. Beside these two cases, State coverage has been largely limited and the statutory minimum wages comparatively low.

The Federal Government entered the field of minimum-wage legislation with the enactment of the National Industrial Recovery Act codes. In 1938 it passed permanent minimum-wage legislation with a 25-cent minimum that became effective in October 1938. This minimum was increased to 30 cents a year later, and during the war a 40-cent minimum became effective. The floor on wages was further increased to 75 cents in the beginning of 1950.

THE CASE FOR MINIMUM-WAGE LEGISLATION

The justification for minimum-wage legislation is twofold:

1. It attempts to raise the standard of living of those who are at the bottom of the economic ladder and tries to provide these with a minimum standard of living.

2. Minimum-wage legislation recognizes that the existence of low wages tends to debase the living standards of workers enjoying higher wage levels and acts as a drag upon the economy. Substandard wages, in the words of the Fair Labor Act, constitute an unfair method of competition in commerce and interferes with the "orderly and fair marketing of goods and commerce."

The Fair Labor Standards Act declares it to be the policy of the United States to try to correct as rapidly as practicable the depressing effects that substandard wages exert upon the overall wage structure. This is to be accomplished, however, without substantially curtailing employment or the earning power of those individuals involved.

REGIONAL WAGE DIFFERENTIALS

Minimum wage legislation normally affects directly only a small percentage of wage earners—those at the bottom of the economic ladder. It apparently has not appreciably reduced wage differentials among the several sections in the country or among different occupations.

Detailed regional information on wage distribution is available for manufacturing. Data published recently by the Bureau of Labor Statistics reveal that in April 1954, there were in the United States some 1,282,000 production workers in manufacturing whose hourly earnings were less than $1 an hour, while more than double that number were earning less than $1.25 an hour. One out of every five production workers engaged in manufacturing in the northeast were earning less than $1.25; in the South a comparable percentage was 50 percent.

TABLE 1.—*Estimated cumulative distribution of production workers in manufacturing industries by straight-time average hourly earnings,[1] United States and regions,[2] April 1954*

[In thousands]

Average hourly earnings [1] (in cents)	United States	Northeast	South	Middle West	Far West
Under 75	23	3	18	2	(3)
75 and under 80	380	58	283	34	5
80 and under 85	575	111	398	59	6
85 and under 90	817	186	519	100	12
90 and under 95	1,069	280	634	138	16
95 and under 100	1,282	360	723	179	20
100 and under 105	1,656	491	882	250	33
105 and under 110	1,925	594	991	301	39
110 and under 115	2,243	724	1,103	368	48
115 and under 120	2,518	838	1,194	429	57
120 and under 125	2,823	964	1,283	504	72
125 and over	9,767	3,534	1,281	3,874	1,078
Number of workers	12,590	4,498	2,564	4,378	1,150
Average hourly earnings	$1.68	$1.67	$1.36	$1.80	$1.94

NOTE.—For footnotes see end of next table.

TABLE 2.—*Estimated cumulative percentage distribution of production workers in manufacturing industries by straight-time average hourly earnings,[1] United States and regions,[2] April 1954*

Average hourly earnings [1] (in cents)	United States	Northeast	South	Middle West	Far West
Under 75	0.2	0.1	0.7	(3)	(3)
75 and under 80	3.0	1.3	11.0	0.8	0.4
80 and under 85	4.6	2.5	15.5	1.3	.5
85 and under 90	6.5	4.1	20.2	2.3	1.1
90 and under 95	8.5	6.2	24.7	3.2	1.4
95 and under 100	10.2	8.0	28.2	4.1	1.8
100 and under 105	13.2	10.9	34.4	5.7	2.9
105 and under 110	15.3	13.2	38.6	6.9	3.4
110 and under 115	17.8	16.1	43.0	8.4	4.2
115 and under 120	20.0	18.6	46.6	9.8	4.9
120 and under 125	22.4	21.4	50.0	11.5	6.3
125 and over	77.4	78.6	50.0	88.5	93.7
Total	100.0	100.0	100.0	100.0	100.0
Number of workers	[4] 12,590,000	4,498,000	2,564,000	4,378,000	1,150,000
Average hourly earnings [1]	$1.68	$1.67	$1.36	$1.80	$1.94

[1] Excludes premium pay for overtime and for work on weekends, holidays, and late shifts.

[2] The regions used in this study include: Northeast: Connecticut, Maine, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, and Vermont; South: Alabama, Arkansas, Delaware, District of Columbia, Florida, Georgia, Kentucky, Louisiana, Maryland, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, Virginia, and West Virginia; Middle West: Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota, and Wisconsin; Far West: Arizona, California, Colorado, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington, and Wyoming.

[3] Less than 500 workers or 0.05 percent.

Source: U. S. Department of Labor, Bureau of Labor Statistics, Washington 25, D. C., February 1955.

Average hourly rates in manufacturing disclose similar wide differentials. Bureau of Labor Statistics data reveal that average hourly earnings for production workers in manufacturing was $1.85 in February 1955. The average hourly rates for States ranged, however, from a high of $2.22 per hour in Oregon to $1.20 in Mississippi. The comparable rate in Connecticut was $1.85, New York $1.88, and in Pennsylvania $1.86. The average hourly rates in the New England States ranged from $1.44 in Maine to $1.85 in Connecticut. Representative rates in the Southern States were $1.20 in Mississippi, $1.27 in North Carolina, $1.31 in Georgia, and $1.44 in Virginia.

The average hourly wage differential in manufacturing between the average rate for the United States, and most of the Southern States ranged between $0.40 and $0.60. The hourly rate in Connecticut whose average rate was the same as for the country at large, was more than 50 percent higher than in Mississippi.

The average rates may, however, be misleading. The industrial mix in the several regions differs widely and low average in the South is due mostly to the concentration of low-wage industries in that area. Studies by the Department of Labor comparing wage rates in similar occupations and industries disclose a much lesser differential. To illustrate, in 1952 wage rates for maintenance workers—7 selected skilled jobs—in Hartford, Conn., were higher than 5 out of 10 communities surveyed in the South, but lower or equal to the rates paid in the other 5 communities. Rates for unskilled warehouse workers, however, were lower in every southern city surveyed than in Hartford. The differential ranged between 10 and 35 percent.

IMPACT OF WIDE REGIONAL WAGE DIFFERENTIALS

The migration of industry to low-wage regions has created the anomalous situation of the existence of depressed areas in the midst of national prosperity and plenty. The low wage areas, in order to perpetuate their economic advantages, have also pursued a consistent policy of keeping out unions in order to retain their low labor cost advantages. A recent Wall Street study (February 17, 1955) surveying the growth of industry in the South, quoted a spokesman for the South Carolina Development Board:

"We don't encourage any company to come into the State if it's going to bring a union with it. Our people don't want unions. They are individualistic and don't want outsiders telling them what to do."

Joseph A. Fox of the Washington Star reached a similar conclusion in a series of articles (March 31 to April 4, 1955) on migration of industry to the South. He seems to agree with the conclusions of a leader in Gaston County, Alabama: "Unless there is a radical change in sentiment, the mills down here will not be unionized in 20 years."

The insidious influence of competition among regions and localities is clearly illustrated by a letter from a mayor in a small southern town to a New England manufacturer: "Then our wonderful labor, 98 percent native born, mostly high school graduates, with lower average hourly industrial wage rates, 6 to 49 cents below other Southern States, and from 50 cents to 95 cents below Northern States." It shows that competition for new industry is not limited between low and high wage areas, but that some communities resort to undercutting neighboring towns, which already are victims of low-wage rates and substandard living conditions.

NEED FOR HIGHER MINIMUM-WAGE LEGISLATION

The need for higher minimum wages is brought into sharper focus by the recent district court decision barring the Secretary of Labor from setting minimum wages on a nationwide basis, under the Walsh-Healy Act. This law requires contractors on Government jobs to pay minimum wages prevailing in the locality for the type of work involved. The Secretary of Labor determined that a single minimum wage would prevail for the cotton textile industry. Separate wage minima for each labor-market area would result in systematic discrimination against high-wage areas. Wide wage differentials in the same industry among the several regions would tend to concentrate all Government contracts in one area, and indirectly make the Government a party in encouraging substandard wages.

It should be stressed that increasing the minimum wage would not effectively limit the competitive forces within the economy. Labor costs account only for about a third of total manufacturing cost and the substandard rates form only a minute fraction of total costs in American industry. Substandard wages do not appear to be a proper factor in a dynamic, free, and competitive American enterprise system.

All people of good will welcome the economic opportunities that new industry is bringing to the people of the South. Defense needs make industrial dispersion desirable. National welfare would, however, require that industrial dispersion should bring with it the blessings of our high standards of living to all the sections of the country. Sound economic growth for the Nation as a whole cannot depend upon "runaway" industry from high-wage areas which reestablish the same business on a substandard wage level elsewhere.

The Congress in the Fair Labor Standards Act has established the policy of Federal responsibility to help eliminate substandard wages. The President in his last economic report endorsed this concept when he declared that minimum-wage laws can assist the comparatively small number of workers who are at the fringes of competitive labor markets. Our experience with minimum-wage legislation would seem to bear out the contention that this type of legislation can be an effective means of raising substandard wages. Six years ago when Congress was debating the increase in the minimum-wage law from 40 to 75 cents an hour, opponents of the increase claimed that this would mean an end to the economic and industrial growth in the newly developing areas. Obviously, these dire predictions did not materialize. The contrary was the fact. The areas that were most sharply affected by the minimum-wage increase enjoyed a greater growth in manufacturing employment than the rest of the country.

IMPACT OF 1950 MINIMUM WAGES

The Department of Labor conducted a number of studies on the economic effects of the 75-cent minimum-wage legislation. A summary of these studies was published in the March 1955 issue of the Monthly Labor Review. The studies disclose that any dire consequences that the opponents of minimum-wage legislation anticipated in 1949 did not materialize. The formal release of the Department of Labor (January 12, 1955) stated categorically the increase in the minimum wages to 75 cents an hour in January 1950 had only minor effects on employment.

The survey concentrated in studying the effects of the minimum wage increase on five low-wage industries: Southern sawmilling, fertilizer, men's dress shirts and nightwear, men's seamless hosiery, and wood furniture. In each of these industries substantial proportions of the employees were receiving less than 75 cents an hour in 1949. The immediate increases in average hourly earnings exceeded the statutory requirements, because some increases were given to employees whose hourly rates were above 75 cents in order to retain historical differentials, though the higher minimum did cause a market narrowing in occupational differentials. It is, however, significant that the minimum wage legislation affected some employees to whom the minimum wage did not apply. A considerable proportion of the fertilizer producers were engaged in intrastate commerce only, and were, therefore, exempt from the new minimum wage law. About half of the employees in the intrastate plants were receiving less than 75 cents an hour in 1949. By 1950 the proportion of those receiving less than 75 cents dropped to 29 percent. "This suggests," according to the Department of Labor study, "a significant, indirect effect of the minimum wage on the employees in plants when the minimum did not apply in an industry predominantly subject to the law." The wage increase had no effect upon employment, which remained stable. The study concludes that industry displayed a very high degree of adjustment to the increased minimum wage.

The Department of Labor asserts that the overall effect of our minimum wage legislation has been "to improve the position of the employees involved by increasing earnings in the affected industries, and that the relative improvement was substantially maintained." But in the absence of minimum wage pressure the relative earning position of the low-paid industries has tended to worsen. The experience during the last few years seems to further support this conclusion. Wages in the above-mentioned 5 low-paid industries has tended to cluster just above the 75 cents minimum. During the same period average wages in manufacturing have increased by about 30 percent.

It would be fair to conclude from these facts that in the absence of a new higher minimum wage the earnings of employees at the bottom of the economic ladder will tend to stagnate.

DETERMINATION OF A PROPER NEW MINIMUM WAGE

Granted that a new Federal minimum wage is desirable, there remains the question what a proper and equitable minimum wage would be at this time. The President recommended a 90-cent minimum as appropriate and consistent with overall economic considerations at this time. In arriving at this conclusion the President apparently considered only the increase in cost of living since the 75-cent minimum was enacted. It appears, however, that current economic conditions could support a higher minimum wage.

The brief review of the impact of the 75 cents minimum wage in 1950 indicated that even the lowest paying industries could absorb that minimum 5 years ago.

The determination of a new minimum wage to become effective probably in 1956, would have to consider not only the increases in cost of living, but the rise in productivity during the 6 years since the last minimum wage became effective. Furthermore, the economy in general is now in a much stronger position than it was 6 years ago.

An equitable minimum wage law, which would take into consideration increases in cost of living and rise in productivity (at an annual rate of 3 percent), would justify an immediate minimum hourly wage rate of about $1.05. Adoption of this minimum would require wage increases to about 10 percent of the manufacturing production workers in the United States. Adequate data for other groups are unavailable. The Department of Labor data indicate that 1,656,000 workers in manufacturing, or 13.2 percent, were actually receiving rates below a $1.05 in April 1954. But increases granted since then (average for the country about 5 cents) would reduce the ratio of those directly affected to about 1 out of 10.

But an hourly rate of $1.05 is still insufficient to provide a family, or even a single person, with an income necessary for a minimum decent standard of living. Such a

wage would also continue to exert a downward drag on the country's wage structure. Most union contracts call for a higher starting rate. The minimum wage should therefore not be allowed to stagnate at $1.05 an hour. Increased wages should stimulate management and labor to increased efficiency and production. The minimum wage might accordingly be increased to $1.15 effective 1 year after the $1.05 becomes effective. The Secretary of Labor should be allowed sufficient funds to study closely the impacts of the new wage minima and report the findings to Congress. If no serious difficulties are encountered, the minimum wage would go up to $1.25 by January 1958.

Ample support seems to exist which would justify the belief that American industry would be able to absorb the higher minima. Prof. Lloyd G. Reynolds, of Yale, averred that available data support the conclusion that economic adjustments necessitated by minimum-wage increases, can be made through increases in the efficiency of workers, management, and equipment:

"Indeed, it was mainly the effects of minimum-wage legislation which caused economists to realize the higher wages need not mean higher costs and prices, but might mean increased efficiency instead. Before the enactment of minimum-wage legislation there have usually been dire predictions of ruin by employers in low-wage industries, prophecies of closed plants, and mass unemployment. These predictions seem never to be realized; one comes along a few years later and finds these industries flourishing as well as before. Investigation usually reveals that the answer is a general overhaul of equipment and methods which enables employers to carry on profitably at the higher wage levels."

CURRENT COVERAGE

Some 24 million wage and salary workers out of a total of about 44 million (excluding Government employees, Government, executive and professional employees) are covered by the minimum wage provisions of the Fair Labor Standards Act. Almost two-thirds of those covered are in manufacturing. Transportation, communication, and utilities accounts for about 3.5 million persons. The balance are engaged in mining, wholesale trade, finance, construction and selected retail trade and services.

About 20 million wage and salary workers are not protected by the minimum wage provisions of FLSA. Almost a third of these are engaged in industries which are normally considered interstate commerce, but are exempted by specific provisions of the act (section 13). Farm workers, employees in retail trade and outside salesmen account for 5 out of 6 of those specifically exempted from coverage. Some 14 million wage and salary workers are not engaged in interstate commerce, as defined in the Fair Labor Standards Act, and are subsequently not covered by their Fair Labor Standards Act. Persons engaged in retail and wholesale trade account for almost half of this group. Domestics and construction workers each account for about an additional 2 million. Services and related industries for some 3 million. A detailed breakdown by industry group of the present coverage of the FLSA and those employees who are exempt from the provisions of the act are presented in table 3.

TABLE 3.—*Coverage and exemptions under the Fair Labor Standards Act, employment as of September 1953* [1]

[Thousands]

Industry classification	Total employment	Employees not covered (intrastate activities)	Employees covered		
			Total	Exempt from minimum wage and overtime provisions	Subject to minimum wage provisions
Total, all industries	43,954	13,609	30,345	6,369	23,976
Manufacturing, total	16,131	86	16,045	597	15,448
Food and tobacco products	1,777	50	1,727	197	1,530
Textile, apparel, and leather products	2,696	7	2,689	35	2,654
Lumber, furniture, and wood products	1,127	20	1,107	120	987
Paper, printing, publishing, and allied industries	1,242		1,242	72	1,170
Chemicals, rubber, and related products	1,171	1	1,170	42	1,128
Stone, clay, and glass products	703	7	496	7	489
Metal and related products	7,184		7,184	109	7,075
Miscellaneous manufacturing industries	431	1	430	15	415
Mining	768	19	749	2	747
Construction	2,565	1,867	698	84	614
Wholesale trade	2,539	262	2,277	584	1,693
Retail trade	6,928	5,558	1,370	1,140	230
Finance, insurance, and real estate	1,792	414	1,378	330	1,048
Transportation, communications, and utilities	3,956	286	3,670	229	3,441
Miscellaneous industries, n. e. c.	4,188	2,995	1,193	452	741
Agriculture, forestry, and fisheries	3,066	101	2,965	2,951	14
Domestic service	2,021	2,021			

[1] Proprietors, self-employed persons, and unpaid family labor totaling approximately 12 million persons, 6 million Government employees, and 4 million executive, administrative, and professional employees are excluded. Personnel of the Armed Forces are also excluded.

Source: U. S. Department of Labor.

DETERMINATION OF NEW COVERAGE

It is assumed that the present provision to pay wages below the required minimum to handicapped workers and learners will continue in effect.

In addition, the present act leaves some 20 million (nonexecutive, administrative, or professional) employees in private industry outside the scope of the present minimum-wage legislation. Almost a third of these are offered some protection by State laws, though in some cases the applicable minimum is below 50 cents an hour. Undoubtedly a considerable proportion of those now exempt from coverage are most in need for minimum-wage protection. For example, average hourly earnings of employees in general merchandise stores in September 1953 was $1.12, in laundries the average was 99 cents. Undoubtedly these groups will benefit indirectly from an increase in the Federal minimum-wage law, though the "trickle down" effects may not be sufficiently effective to raise the standard of living of those employed in the low-wage industries. It is, however, highly improbable that some of these groups could withstand the impact of a minimum wage of the magnitude discussed earlier. Sound policy would apparently require a lower minimum for some of these groups should Congress determine to broaden the coverage language to encompass all "industries affecting commerce."

Data on wage distribution in the industries currently exempt from Federal minimum wage legislation are inadequate. The determination of an equitable minimum wage for the currently exempt groups as well as the extent to which it is desirable to broaden coverage, require further study before any recommendation can be made in this area.

The Leading Question: What Should Be Done About Wiretap Evidence?

EXTENSION OF REMARKS

OF

HON. PATRICK J. HILLINGS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 31, 1955

Mr. HILLINGS. Mr. Speaker, I wish to place in the RECORD a transcript of the CBS radio program, The Leading Question, of March 28, 1955, on which appeared our colleagues the gentleman from New York [Mr. KEATING] and the gentleman from New York [Mr. KEOGH]. The program consisted of a most interesting discussion on the subject of wiretapping and its use as evidence in Federal courts.

The transcript follows:

Mr. COOKE. What should be done about wiretap evidence?

The development of electronic knowledge now means that almost any telephone can be easily listened in on without cutting your telephone wire or making clicks or other warning noises to you; and one wiretapper has already testified to a congressional committee that he has tapped over 60,000 different telephones.

Some 30 States have legalized the admission of evidence that you get from wiretapping; but under a 1934 Federal law, the Department of Justice has tapped phones but has not been able to use the material it got in a court of law.

Today the House Judiciary Committee is holding hearings on whether or not the Federal Government should authorize and legalize wiretap evidence.

There are three big questions, maybe two big ones, and a small one, involved here.

First, the most important overall question: Should wiretapping be legalized in any form; if so, who should O. K. it? The Attorney General, the courts, or whomever else?

And then, one other thing the Attorney General is especially interested in: If you O. K. wiretap evidence, should the bill be so passed that past evidence which he has and has not been able to use should be legalized along with future evidence?

Mr. KEATING, you have introduced the bill, you have a firm set of positions on all of these questions.

Mr. KEATING. Yes, Mr. Cooke, I have a bill in this Congress, and my bill, if you want just a word about it, does this:

First, as regard national security cases, sabotage, espionage, treason, and crimes of that kind, some six enumerated crimes, it provides that evidence obtained by wiretapping can be used in court.

As to evidence heretofore obtained, upon the written authority of the Attorney General, that can be used.

As to evidence hereafter obtained, it is necessary to go to a court and convince a court that a crime or crimes have been or are about to be committed in this category, and that these communications may contain information which would assist in the conduct of those investigations.

Mr. COOKE. What about, Mr. KEATING, a question like kidnaping, which is a Federal offense?

Mr. KEATING. Kidnaping is not covered in this bill. That's one of the controversial areas. It has been contended that the bill should be enlarged to include kidnapping and, for instance, another heinous crime that we all abhor, the selling of narcotics to minors.

Now, that's one type—that's one part of the bill.

The other part of it, equally important, I think, Mr. Cooke, is this: that it makes it a criminal offense to do any wiretapping which is not in accordance either (1) with the terms of this bill, that is, by the FBI under that bill, or (2) by the FBI in detecting other crimes, because they have a perfect right under the law now to wiretap; and third, anything done by the authorized agents of the various States or Territories in the 30 States that you have referred to who do legalize wiretapping.

Mr. COOKE. All right, Mr. KEOGH. How do you feel?

Mr. KEOGH. Now, Mr. Cooke, I am delighted to be here with my distinguished colleague, Mr. KEATING, who has made such a great study of this subject.

Mr. COOKE. Be careful, Mr. KEATING, that sounds like a windup.

Mr. KEATING. That's always dangerous with Mr. KEOGH.

Mr. KEOGH. Well, Mr. KEATING has in fact spent a great deal of time on this subject.

I would like, if I could, to divide our question, and take up first whether wiretapping should be permitted; and then follow that with—what should be done with evidence obtained thereby?

Now, Mr. KEATING, I think that this new bill of yours, H. R. 5096, is a successor to the one you had in the 83d, the last Congress, which passed the House but never became law.

You have indicated that you have sought to set up safeguards that would impose criminal penalties upon people not authorized to make the taps authorized under your bill.

Is that not a basic admission that the tapping of wires is inherently dangerous and should, if it is permitted, be confined to authorized agents?

Mr. KEATING. Well, I would agree that wiretapping is, as it's been described, a "dirty business." It is something which we do not like, and the thing that my criminal penalties are seeking to reach are the criminals and the snoopers and the blackmailers and that kind of people that use the telephone wires improperly.

Now, we have to balance that against our national security, and I know that the gentleman, Mr. KEOGH, is equally interested in our national security as am I.

Mr. COOKE. Does Mr. KEOGH agree with Justice Holmes that wiretapping is a dirty offense?

Mr. KEOGH. I do, indeed, and it is from that agreement that my basic opposition to permitting or authorizing anyone to tap wires springs.

Now, you must realize, Mr. KEATING, as I know you do, that the Federal rule of permitting the introduction of evidence obtained by illegal wiretapping sprang from the decision of the Supreme Court in the Olmstead case, which took place in 1927, and involved a violation of the then noble experiment which will go down into history as the Prohibition Act, and as I read the decision of the Court, the Court turned on the fact that no trespass of the property of the defendant had been committed in order to affect the tap. They did not directly pass on the legality or the illegality of wiretapping, as such, but dodged by indicating that since there was no basic violation of the fourth or the now much discussed fifth amendment, that the evidence so obtained could be used to support a conviction for violating the Prohibition Act.

Mr. KEATING. Well, now, in 1934, we passed the Communications Act, and ever since that time it has been generally accepted by every Attorney General, from the time of Justice Jackson down to the present time, under all administrations, it has been accepted that the FBI, upon the written authority of the Attorney General, could tap wires. He cannot use that evidence in court. In other words, the hitch that we are in now is that if over the telephone an FBI agent hears that somebody has stolen or peddled important bomb secrets, or that he is plotting the assassination of a high Government official, or he is about to blow up a strategic defense plant, and hears that over the telephone, he can listen to it, that's perfectly legal, but he cannot use that evidence in court.

If he heard it behind a door or heard it in the next room, he could use it, but just because he heard it over a telephone he cannot use it, and it seems to me that that gives the enemies of our country a distinct advantage with regard to our technological progress in this country, which they are not entitled to have.

Mr. KEOGH. But, Mr. KEATING, when you do, as you so ably point to these types of crimes that you would seek to prevent, I think that you are begging the basic question.

Mr. COOKE. Which is?

Mr. KEOGH. Which is: Should we encourage the violation of the basic guaranties of our Constitution for however high and noble a purpose it may be contended?

Mr. KEATING. No; that's——

Mr. KEOGH. That's our question here: Are not the rights of our people greater than apprehending a criminal?

Mr. KEATING. The only people who would suffer, under the bill that I have introduced, are the traitors or enemies of our country, nobody else.

Mr. KEOGH. That's——

Mr. KEATING. Because all other wiretapping, all this snooping and the—the listening in on one business concern against another, or one union against another, or a business concern against a union, or a uinon against a business concern, or somebody trying to blackmail somebody, all of that is made a Federal crime under this bill.

Mr. KEOGH. That is not true, actually it is not true, and if it were true, I'm sure that no one would oppose your bill.

Mr. KEATING. Well, that is provided right in the bill.

Mr. KEOGH. All the Attorney Generals—but the bill, you know that bills are not self-executing, they have to be administered by men.

Mr. COOKE. Could you make that a little clearer for me, Mr. KEOGH? What do you mean, it isn't true? You mean an Attorney General in courts would not follow out what the bill says, or the bill wouldn't protect us——

Mr. KEOGH. No, I do not contend that any Attorney General will encourage the violation of the basic rights of the people. What I am contending is that permitting wiretapping is permitting an invasion in the basic guaranteed rights of our people.

Mr. KEATING. It is permitted now.

Mr. KEOGH. Permitted? It's suffered; it's not permitted.

Mr. KEATING. Under the Communications Act, it is only made illegal to wiretap and divulge the information; simply to wiretap is not made illegal.

Mr. KEOGH. Well, what is the protection the person whose wires are being tapped has?

Mr. KEATING. The protection is this——

Mr. KEOGH. The protection is that under the Communications Act, no one—no one is authorized to disseminate the information obtained. There is an admission that there is something wrong with the practice.

Mr. KEATING. That is correct, that no one can disseminate it, and this bill only enlarges that in the very limited area——

Mr. KEOGH. That's right.

Mr. KEATING. Of treason, sabotage, and espionage.

Mr. KEOGH. That's right.

Mr. KEATING. And it seems to me in balancing the interest, we must do something to protect our country against that type of activity.

Mr. KEOGH. We must do everything we can to protect our country against saboteurs and traitors and espionage agents, but I contend, Mr. KEATING, that in order to afford that protection, it is not necessary for us to create what is the basis of a police state of our own.

Mr. COOKE. Well, are you saying, Mr. KEOGH, that wiretapping is a basis or intrinsically unconstitutional and contrary to the Bill of Rights?

Mr. KEOGH. It certainly is. It goes directly to the heart of the fourth and fifth amendments. We recognize, Mr. Cooke, the inviolability of the United States mails and we do not permit anyone to interfere with the sending of mails and we place heavy penalties on that.

Mr. KEATING. I would be very interested to know——

Mr. KEOGH. Would not the espionage agent who wants to transmit messages have the protection that the Constitution guarantees everyone?

Mr. KEATING. I'd be very much interested to know what provisions of the Constitution are violated by it because it's been held again and again that the right of privacy, which is an important right—I don't minimize it at all—is not a constitutional right. You've got a right now to place a dictaphone in anybody else's home. You've got a right to wear a radio transmitter under your necktie when you are talking to someone and have him say something which you can then use in court. You've got a right to do all of these things, which are, all of them, violations of the right of privacy, but it is not a constitutional right——

Mr. KEOGH. Oh——

Mr. COOKE. Wait a minute.

Mr. KEATING. All of which have again and again been approved in the courts.

Mr. KEOGH. And all of them——

Mr. COOKE. Let me get one thing clear, Mr. KEOGH.

You mean I can, if I choose, put a dictaphone in anybody's place I choose, and then use any information I get from that in a court of law?

Mr. KEATING. If you get a dictaphone in there, no matter how you get it there, the courts have held that you have a right to use the evidence that's obtained over that dictaphone.

Mr. KEOGH. That's the difficulty. That's why your bills are pending, you want to give legislative sanction to an iniquitous practice that has grown up.

Mr. KEATING. My bill has nothing to do with dictaphones. The dictaphone business hasn't anything to do with——

Mr. KEOGH. Then why talk about it?

Mr. KEATING. Because I am pointing out that the right of privacy has already been invaded in many instances, and legalized by the courts.

Mr. KEOGH. And you——

Mr. KEATING. And mine is limited. There are many objections made to my bill because it does not include kidnaping and some of these other heinous crimes, but mine is limited purposely to those crimes involving our national security. There is no one who can suffer under the provisions of this bill except a traitor or an enemy of our country.

And in addition to that, as a recognition of the necessity of clamping down and tightening up on this wiretapping, is this criminal provision that any wiretapping that isn't done in accordance with this bill shall be a Federal offense.

This bill tightens up on the whole wiretap situation, instead of loosening it up.

Mr. KEOGH. Which, Mr. KEATING, again I repeat, is an admission on your part that wiretapping is inherently dangerous.

Mr. KEATING. Wiretapping is not good, I agree with you.

Mr. KEOGH. Well, if it's not good, do not authorize it. That's my position.

Mr. KEATING. It is not authorized in this bill. That's one of the things that the opponents of this again and again say—wiretapping is today perfectly legal, it's being done every day by the FBI. This does not legalize anything which is not done, it simply legalizes the use in court of evidence that the Capitol is going to be blown up, when it's heard over a telephone, just the same as it would be legal if it were heard behind a closed door.

Mr. KEOGH. Mr. Keating, do not frighten people with statements that unless your bill to authorize wiretapping is passed the Capitol will be blown up.

Mr. COOKE. Especially when we are sitting in it, gentlemen, talking.

Mr. KEOGH. I have far more confidence in the security agencies of our Government.

But I want to point out to you, without discussing the merits of a pending judicial matter in New York, where a private organization cloaking itself with a pseudo-public character, has contended seriously in court that that quasi-pseudo-public character of the Anticrime Committee vests in it the authority and the power to engage in wiretapping and to seek refuge in not revealing the sources of information.

Mr. KEATING. I am very glad you brought up that New York case.

Mr. KEOGH. I knew you would be, Mr. KEATING; that's why I brought it up.

Mr. KEATING. Because under this bill, under this very bill, it would tighten up on such a situation as the New York situation. It would make it not only a violation of a State crime but a violation of a Federal crime, if it was done, not by the FBI and not to get a traitor or an enemy of our country.

Mr. KEOGH. I question that very much, Mr. KEATING, and I take refuge in my position by the—in the learned words of a great jurist in this country, Mr. Justice Brandeis, whom you referred to earlier, who in 1927, in the Olmstead case, said:

"The progress of science in furnishing the Government with means of espionage is not likely to stop with wiretapping. Ways may some day be developed by which the Government, without removing papers from secret drawers, can reproduce them in court; and by which it will be enabled to expose to a jury the most intimate occurrences of the home. Advances in the psychic and related sciences may bring means of exploring unexpressed beliefs, thoughts, and emotions."

Mr. KEATING. And right today, Mr. KEOGH, it is only the enemies of our country who can use these technological processes, and equally with them we should give that right——

Mr. KEOGH. It's only——

Mr. KEATING. To the proper officials of our Government.

Mr. KEOGH. Mr. Keating——

Mr. KEATING. Let me read you one sentence from Mr. Justice Jackson, who says:

"That unless the Court starts to temper its doctrine with logic and a little bit of commonsense, you are going to turn the Bill of Rights into a suicide pact."

Now, that applies just as much to our legislative arm of Government as it does to the judicial arm, in my judgment.

Mr. KEOGH. Mr. KEATING, you are not contending that the potential enemies of our country are the only ones who have access to developments in science?

Mr. KEATING. I am not, but——

Mr. KEOGH. You said that.

Mr. KEATING. But they are the only ones that are in any way covered by this bill which is before us, because it applies only in those cases of treason and sabotage.

Mr. KEOGH. That's what you think.

Mr. KEATING. Well, it says so, in so many words.

Mr. COOKE. As I hear this discussion, gentlemen, this narrows down to a difference of opinion here over whether or not in one particular category of possible crime, namely, crimes against our national security and subversion, in that area only; as I understand it, the question is whether or not evidence obtained via wiretapping should be submitted in court.

You'll agree, Mr. KEATING, in other areas it should not?

Mr. KEATING. I do, yes.

Mr. COOKE. But in this area it should. Therefore, Mr. KEOGH, it sounds as if Mr. KEATING was saying there was a difference of category here, the fact that it was a national security item raised the importance of changing——

Mr. KEOGH. Of course, Mr. Cooke, the only possible way for justifying our flying in the face of our basic guaranties is to wrap ourselves around such terms as "national security," and "protecting the Capitol from being blown up," and "apprehending espionage agents."

I want to say this, and I think it sums up my position as well as any brief statement could: That the reasons for not permitting wiretapping, and therefore not permitting the introduction of the evidence obtained therefrom, are basic and historical in this country. The reasons for permitting it, that are now being advanced, are, in my opinion, more hysterical, and the Founding Fathers of our country, in my judgment, provided us with a system that can protect the law-abiding and apprehend and punish the criminals, without violating the rights of any citizens.

Mr. KEATING. Our Founding Fathers weren't faced with technological progress that has been made, and which the enemies of our country are now able to use. This whole question has arisen since——

Mr. KEOGH. Then, Mr. KEATING, excuse me.

Mr. KEATING. Just a minute. Let me finish this.

This whole question has arisen since 1934, when the Communications Act was passed. There is nothing historical back of that. That is the only—up to that time you could use wiretap or any other evidence. There was no restriction on it. But here, in this limited class of cases, and this is the reason why it is limited to this, here we've got a lot of subversive zealots dedicated to a cause hostile to the very existence of our Government, who are expertly trained to operate within the confines of our country in secrecy and stealth. They are equipped with all these latest technological devices, and if we do not allow our Federal agents to cope with this problem, then we are putting them at a disadvantage in the use of this technological equipment and letting the enemies of our country have the sole use of it.

Mr. KEOGH. Well, now, Mr. KEATING, you will have to admit I have been pretty patient in letting you finish that last statement; but again you return to the statement that the enemies of our country, or the agents of potential enemies, are the ones who are using these developments and improvements in science.

I maintain that our security agents are just as capable, are just as alert, and are just as diligent; and I return again to the basic question before us, and that is, that I believe far greater harm to our system, and far greater danger to all the law-abiding people of this country, will flow from authorizing the tapping of wires and the intercepting of communications, than the benefits you'll gain thereby.

Mr. KEATING. Again, this bill does not authorize any interception which is not done every day right now, and done perfectly legally.

This bill only says that if you hear this evidence over a telephone, you are not going to give the traitor an immunity over the telephone, you are going to allow that evidence to be used in court. And that's all this bill does.

Mr. KEOGH. Mr. KEATING, I have to take exception with—to your statement that it is done perfectly legally. If it were done perfectly legally, you would not have to draft this pending bill.

Mr. KEATING. Oh, yes, you would.

Mr. KEOGH. You wouldn't have to give them the express right. You would not have to make it a crime for any unauthorized person to do it. You—you admit, I'm sure you will admit, because you are a reasonable man, that the difficulties with which your committee have been—has been faced in considering the proper type of bill is an indication of the difficulty that besets——

Mr. KEATING. That's right. There are many details about the bill upon which reasonable men may differ, but this bill does not authorize the wiretapping. This bill recognizes the legality of the wiretapping that is done now, and every other bill we have had before us recognizes that, because everyone that has introduced a bill has recognized that they are doing that all the time, but this authorizes the use of that in court, in the cases of treason and sabotage, and then says anything outside of that will be a Federal criminal offense, as well as an offense in any of these States.

Mr. KEOGH. But, Mr. KEATING, under the Federal rule now, evidence, however obtained, is admissible in Federal cases.

Mr. KEATING. Not—it's not admissible if it's obtained over a telephone.

Mr. COOKE. By wiretapping.

Mr. KEOGH. In Federal cases.

Mr. KEATING. No, it's not. Under the Communications Act, it has been held that not only—that you—if you divulge the information, you are then violating the Communications Act, and it's been held that divulging in court would be the same as divulging elsewhere.

Mr. COOKE. Well, gentlemen, thank you for divulging much material on this rather pertinent question of wiretapping.

The Easter Egg That Did Not Hatch

EXTENSION OF REMARKS

OF

HON. JAMES C. MURRAY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 31, 1955

Mr. MURRAY of Illinois. Mr. Speaker, I understand the House is adjourning today for the Easter recess. I hope that all of the Members of the House will have an enjoyable Easter.

In their enjoyment of the Easter holiday I would like to direct the attention of the Members of the House to a few Government employees who will be working to make their holiday more enjoyable. These are the postal workers. They will be trudging muddy streets and sunny streets, delivering Easter greetings to us from our many friends.

This Easter could have been a most joyous occasion for them if this Congress had acted upon their needed pay raise. The spirituality of Easter will, in all likelihood, be enjoyed by all of the postal workers, as well as all Americans, since the spiritual side of Easter discloses the hope of all humanity.

However, there will be no material enjoyment of Easter for the postal workers. Materially, all it will mean is more unpaid bills and fewer Easter eggs in their children's baskets.

I hope that the significance of Easter will instill in the conscience of the Congress a recognition of our obligation to our fellow Government employees—the postal workers—and that we quickly enact legislation providing them with an adequate pay raise.

The Rose as the National Flower of the United States

EXTENSION OF REMARKS
OF

HON. FRANCES P. BOLTON

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 31, 1955

Mrs. FRANCES P. BOLTON. Mr. Speaker, on January 10 I introduced House Joint Resolution 102, to designate the rose as the national flower of the United States. An identical measure was introduced simultaneously in the Senate by Senator MARGARET CHASE SMITH.

Since then there has been a great deal of public interest in this legislation, but at the same time many misconceptions have arisen. Several of my colleagues have expressed a personal interest in this bill and I understand that most Members of this House have received mail on the subject. To assist them in answering inquiries from their constituents, I am offering some further information about this resolution.

FOUR-TO-ONE SUPPORT

The mail I have been receiving on this legislation is about 4 to 1 in favor—with many of those in support representing large organizations and societies. I have been very free in permitting news correspondents to examine this mail, which has made the rose the subject of many fine news stories. These, in turn, have stimulated newspaper editorials in all parts of the United States.

However, some of these stories have emphasized the small proportion of mail which is opposed to the rose and thus gave the impression that this legislation is controversial. One article warned jokingly that a new war of the roses was about to break out in the Congress. Then, one of the most reputable newspapers in the country published an item that the House hopper began to receive bills proposing the national designation for everything from the Easter Lily to the stinkweed. This is completely false, since there have been no other bills on the subject.

OBJECTIONS TO ROSE

What are the objections to the rose as our national flower? The one most frequently raised is that it is not truly native to our soil.

It is difficult to find anything more native to America when you realize that fossils have been found in Oregon indicating that the rose was here as early as 6 million years ago.

Roses have contributed their special beauty to all of American history. An early visitor noted their presence in New Amsterdam and we have evidence that they were also grown in the gardens of old Virginia, New England, and South Carolina.

William Penn was a rose enthusiast and I am told that to this day his heirs annually accept a single red rose in payment for rent on certain Pennsylvania properties.

GEORGE WASHINGTON

George Washington may have been one of the earliest rose hybridizers in this country. His agricultural experiments are well known, and in Mount Vernon's gardens there are plants named Martha Washington and Mary Washington. While their origin is not definitely established, there is reason to believe that the General himself created them.

Rose hybridizing got an early start in America. A South Carolinian named John Champney created Champney's Pink Cluster around 1810, and the Reverend William Harrison, of New York's Trinity Church, originated Harrison's Yellow about 20 years later.

By the time of the Civil War, hybridizing techniques had improved and Robert Buist published a Manual of Roses listing more than 900 varieties. Another author who contributed to the literature on the rose was the famous Francis Parkman who wrote the Book of Roses about his hobby.

Today the people who grow roses in the United States are legion. It is estimated that there are more than 30 million rose gardeners in this country and the number is growing each year.

OTHER NATIONS' INSIGNIA

Another objection is that the rose is the national flower of England. However, some type of rose is also the national flower of Honduras, Iran, and Luxembourg. But all of these have been adopted so long ago that we would not recognize them as the cultivated rose we know today.

Nor do we have the exclusive rights on several other national insignia. The red, white, and blue colors are used in the flags of 17 countries: Burma, Chile, China, Costa Rica, Cuba, Czechoslovakia, Dominican Republic, Paraguay, Panama, France, Liberia, Iceland, Netherlands, New Zealand, Norway, Thailand, and United Kingdom.

And the eagle is used in the coats of arms of at least six countries, Mexico, Panama, Ecuador, Poland, Syria, and Spain.

You might be interested to know that other national insignia of the United States, which we take almost for granted today, were the centers of considerable controversy before they were adopted.

FRANKLIN WANTED A TURKEY

On July 4, 1776, Congress set out to acquire a great seal for the new Government. Benjamin Franklin, John Adams, and Thomas Jefferson were appointed as a committee to bring in a design for a seal. Each submitted a different design and one using the eagle, was finally adopted on June 20, 1782. But the venerable Franklin was very much opposed to the eagle. His choice was a turkey. Franklin wrote in 1784:

> I wish that the bald eagle had not been chosen as the representative of our country; he is a bird of bad moral character; he does not get his living honestly; you may have seen him perched on some dead tree, where, too lazy to fish for himself, he watches the labor of the fishing-hawk, and when that diligent bird has at length taken a fish, and is bearing it to his nest for the support of his mate and young ones, the bald eagle pursues him and takes it from him. With all this injustice he is never in good case; but, like those among men who live by sharping and robbing, he is generally poor, and often very lousy. Besides he is a rank coward; the little kingbird, not bigger than a sparrow attacks him boldly and drives him out of the district. He is therefore by no means a proper emblem for the brave and honest Cincinnati of America, who have driven all the kingbirds from our country; though exactly fit for that order of knights which the French call Chevaliers d'Industrie. I am, on this account, not displeased that the figure (as represented on the medals or badges of the Order of Cincinnatus) is not known as a bald eagle, but looks more like a turkey. For a truth, the turkey is in comparison a much more respectable bird, and withal a true original native of America. * * * He is, besides, (though a little vain and silly, it is true, but not the worse emblem for that), a bird of courage, and would not hesitate to attack a grenadier of the British guards, who should presume to invade his farmyard with a red coat on.

The Star-Spangled Banner was not accepted as our national anthem for more than 100 years after it was first proposed in Congress in 1830.

The song was the object of furious attacks. Its words were termed too belligerent and too bumptious. The music was branded as inappropriate and above all "utterly unsuitable" since some of it was said to lie beyond the range of the average voice.

ANACREON IN HEAVEN

Many people were distressed over the fact that Francis Scott Key's words had been put to the music of Anacreon in Heaven, the club song of an 18th century English convivial society.

Some Members of Congress said the song should never take precedence over My Country 'Tis of Thee, Yankee Doodle, and the Battle Hymn of the Republic. Others claimed the words were too uncomplimentary to our English brethren and thought Hail Columbia would be more appropriate.

As late as July 2, 1926, the singing of the Star-Spangled Banner caused a near

riot in New York City and police reserves had to be called out to quell the disturbance.

The Congress adopted it as our national anthem on March 3, 1931.

Finally, one of the objections is that we in the National Government should have more important things to do than to consider the subject of a national flower.

NEED FOR DIVERSION

None of us in this greatest legislative body on earth need apologize for the proportion of vital legislation we consider day in and day out. In these times of international turmoil we are so preoccupied with troubles and failures, crises and frustrations, that we should welcome an occasional diversion of this sort. The rose is a beautiful product of nature. We think of it in a bouquet that a boy lovingly presents to a girl, or on a table piece at some bright celebration. Or perhaps we associate the rose with contemplative hours in a garden where the worries of the day fade before the glow of its soft colors.

Yes, it has thorns. Yes, some varieties can be terribly difficult to keep alive. But that, too, is beauty—something to be cultivated and cherished.

I would like to see the rose—which symbolizes peace, loyalty, love, devotion, and courage—associated with the United States of America in the minds of people in all corners of the world.

This legislation is now before the Committee on House Administration. It would be helpful if Members of Congress and the public generally would let the committee know of their support.

A War Party?

EXTENSION OF REMARKS
OF
HON. CLARE E. HOFFMAN
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES
Thursday, March 31, 1955

Mr. HOFFMAN of Michigan. Mr. Speaker, other than a few wicked, would-be profiteers, whose god is the dollar, and, in number, a comparatively small group of sincere individuals who mistakenly think war is necessary to establish and maintain world peace, no one wants war.

There is no war party. Nevertheless, yesterday, in the Senate, a former candidate for the Democratic presidential nomination, referring to the President, said:

> There are forces in his (Eisenhower's) administration so powerful and apparently so eager for a war with China that they are becoming almost impossible to resist. That the United States should be plunged into a war over Matsu and Quemoy ought to be unthinkable. Yet there are those in high places in the present administration itself who are plotting and planning to bring such a war about, whatever the risks involved.
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> The conclusion is inescapable that the present war party is attempting to create a situation and an atmosphere in which the President would have no choice but to follow them.

Perhaps the gentleman is laying the groundwork for another campaign for the presidential nomination and, knowing that no one in his right mind wants war, wishes to create the impression that he is the one who can and will, if elected President, keep us out of war—hence, charges the Republican administration with being a war party.

His statement cannot be excused on the ground of ignorance. He is a former Member of the House. He has served in the Senate 6 years. He knows that it was Wilson, a Democrat, who won election in 1916 with the slogan "He kept us out of war," but that in April of 1917 we became involved in World War I.

He knows that the policies of Democratic President Franklin Delano Roosevelt plunged us into World War II.

He knows that Truman, another Democratic President, at the request of United Nations, sent our men into the Korean war.

The gentleman knows, or at least he should know, from his experience and his knowledge of what has happened in Washington, that it was the unsound foreign policies of Acheson, Roosevelt, and Truman which involved us in World War II and in the war in Korea.

He also knows that it is the adherence of Secretary of State Dulles and the State Department to some of the policies of Acheson and the previous Democratic administrations which has us in a situation where we must now—to use a common expression, the meaning of which is clear to most—"either fish or cut bait"; back out or fight.

On several occasions, those speaking for this Nation have asserted that neither Quemoy nor Matsu, nor Formosa itself, is vital to the defense of the United States of America. Then, on other occasions, we have been led to believe by those high in authority that, if Red China attempted to take any one of the three, we would go to war to defend them.

Let me repeat—the present dangerous situation was inherited by the present Republican administration. If we go half way around the world to fight another war, in my opinion, it will not be because that war is necessary for our national defense, but because policies conceived and carried out by previous Democratic administrations have forced us into a situation where we must either acknowledge our mistakes, or establish a new line of defense which is necessary to our national security, and which we can successfully hold.

That we should send our conscripted men more than half way around the world to fight in a war, to hold islands the possession of which is not vital to the defense of America, and in which our allies have said they will not join us, is something which I cannot understand, and to which I will not subscribe.

Inasmuch as the present situation is but the harvest of the thinking and the action into which the gentleman's party has involved us, it ill becomes him to throw mud at the present administration. It may be that his purpose is to distract attention from the follies of his own party, and to promote his own campaign for a presidential nomination and election.

Five Things That Should Be Known About the Yalta Controversy

EXTENSION OF REMARKS
OF
HON. CHARLES A. WOLVERTON
OF NEW JERSEY
IN THE HOUSE OF REPRESENTATIVES
Thursday, March 31, 1955

Mr. WOLVERTON. Mr. Speaker, some individuals would like to divert the attention of our people from the Yalta papers by attacking the way they were made public rather than discussing what happened at Yalta, why it happened, and who was responsible.

A careful analysis of the situation at Yalta has been made, and it appears that there are at least five salient points which are entitled to be emphasized, particularly at this time when a further conference is under consideration.

These salient points are as follows:

1. The decision to make the Yalta papers public was right.

The American people are entitled to know the facts concerning the conduct of the Nation's foreign affairs. This is particularly so in this case where the papers reveal the details of a conference as a result of which thousands of American boys died on the battlefield.

It is the policy of this administration to inform the people concerning the conduct of the people's business. We do not believe in making secret deals which sell out our allies and which are deliberately kept from the American people.

The position of those who oppose making the papers public is consistent. In one breath they say there is nothing new in these papers. In another breath they say they contained information so sensitive and secret that their release has been harmful to the national security and to the relations with our allies.

From the standpoint of the Nation and the free world, it was particularly wise to make the papers public at this time. Suggestions are being made to hold another conference with the Communist leaders. As we consider whether such a conference should be held, the records of previous conferences should be made public so that they can be studied not only by the diplomats but by the people of the free nations.

Only in this way can we be adequately prepared to meet the ruthless tactics of the Communists at the conference table. We will also be reminded again that in the past a Communist's word has meant nothing once the papers were executed. Only by studying the record of previous conferences can we avoid making the same mistakes in the future.

The sensitivities of diplomats, either ours or those of our allies, cannot be the decisive factor in determining whether to make public the record of a conference held 10 years ago. No diplomat's face is worth the life of one American boy.

2. What happened at Yalta and the price we have paid and are paying for the mistakes which were made?

Up to this time the most well-publicized result of the Yalta Conference has been the sellout of Poland and the Eastern European nations. Poland, the Balkan nations, and all

the rest have Communist governments today because of the deals made at Yalta.

What happened in Europe as a result of Yalta was bad enough but what happened in Asia was even worse as far as the interests of the United States are concerned. As a result of a secret deal made at Yalta, concessions were given to the Russians which paved the way for the Communists to take over China. The Korean war, the war in Indochina, and the crisis in Formosa resulted directly from the fact that China went Communist.

The Yalta deal contributed in two ways to the Communist victory in China. Turning over to the Russians rights to the jugular-vein Manchurian Railway and the warm-water ports, together with the recognition of Outer Mongolia as a satellite state, were concessions which materially assisted the Communists in their struggle with the Nationalists. In addition, the fact that this agreement was made without the Nationalist Chinese being consulted had a disastrous effect in destroying the face of Chiang Kai-shek and the Nationalists once the deal was made public.

3. Who was responsible?

Generally speaking, as the President has pointed out, we should look to the future rather than to the past except where studying the past may help us to avoid mistakes in the future.

However, Senator JOHNSON, Senator LEHMAN, and others have declared that the decisions made at Yalta were military rather than political, and they have even charged that General Eisenhower and General MacArthur were responsible for those decisions.

Alger Hiss took this same line when he testified before the Committee on Un-American Activities on August 3, 1948. He said that the decisions at Yalta with regard to the Far East were military rather than political decisions.

General Marshall, however, testifying in 1948 before the House Foreign Affairs Committee, said the Far East decisions at Yalta were political rather than military, and that he, as Chief of Staff, was unaware of them, although present at Yalta.

Both General MacArthur and President Eisenhower have denied that they were consulted with regard to the Yalta Conference. If any further proof is needed to establish that the Marshall, rather than the Hiss, view is the correct one we find it in Secretary Stettinius' book, Yalta and the Russians. He states categorically, on page 95, that Averell Harriman, then Ambassador to Russia, was the man who was solely responsible for conducting the negotiations with the Russians with regard to concessions which should be made in Asia. And in Winston Churchill's Memoirs, volume VI, Triumph and Tragedy, page 389, we find the Stettinius conclusion confirmed again.

This may be why Senator LEHMAN is protesting so strongly that the decisions on China were military rather than political. Governor Harriman was the man primarily responsible, and since they have raised the issue, it is important to put the responsibility where it belongs.

Finally, it is to be recalled that the Far East decisions were so secret that even our State Department didn't know about them until after President Roosevelt's death 3 months later (see Stettinius' book).

4. The role of Alger Hiss at Yalta.

It has been claimed that there is nothing in the Yalta papers to indicate that Alger Hiss advocated pro-Communist positions. It is interesting to note that at no time in his career did Hiss publicly take decidedly pro-Communist positions, despite the fact that we all know he was convicted of lying when he said he did not turn Government documents over to an espionage agent. It is also to be recalled that Whittaker Chambers testified that men like Hiss in the Soviet apparatus were strictly prohibited from publicly taking a pro-Communist line.

The important question concerning Hiss is not whether he took a pro-Communist position but what documents he had access to. On galley page 91 of the Yalta papers, it states: "All memoranda for the President on topics to be discussed at the meeting of the Big Three should be in the hands of Mr. Alger Hiss not later than Monday, January 15."

In other words, Hiss had access to the secret-briefing papers which were used by our side during the Conference. If he was an espionage agent at that time, this information was made available to the Communists. At a conference table a negotiator can have no greater advantage than to know what moves his opponents are going to make.

5. The lessons of Yalta.

The decisions at Yalta paved the way for the communizing of Poland, for the Communist conquest of China, and for all of the tragic results which have flown from those events. Those who represented the United States at the top level—Roosevelt, Stettinius, Harriman, Hopkins—were not deliberately pro-Communist but they exhibited a fatal lack of understanding of Communist tactics and strategy and, consequently, they were completely taken in by Stalin.

This Conference was typical of the kind conducted with the Russians during the Roosevelt-Acheson-Truman regime. In every conference we got a piece of paper—the Communists got a piece of territory.

Their mistakes were of the head rather than the heart. But regardless of why the mistakes were made, the Yalta Conference was catastrophic as far the United States and the free world were concerned.

That is why the records of our previous conferences with the Communists must be thoroughly examined and publicized so that we do not make the same mistakes in the future that we made in the past.

A Proposal to Repeal Federal Taxes on Gasoline, Lubricating Oils, and Diesel Fuel

EXTENSION OF REMARKS

OF

HON. JAMES T. PATTERSON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 31, 1955

Mr. PATTERSON. Mr. Speaker, today I introduced a bill in Congress to repeal Federal taxes on gasoline, lubricating oils, and diesel fuel.

If my proposed legislation is enacted it will save Connecticut's taxpayers over $10 million a year and return to the voters the right to determine when, where, and what amount of their tax dollars are to be spent for highway improvements. This is the American way.

Nor are these the only objectives I have in mind in submitting my proposal to Congress. I offer the following additional reasons:

First. During the past several years the Federal motor fuel taxes collected in Connecticut were more than double the Federal allotments for highway construction in Connecticut.

Second. Only a few days ago President Eisenhower's own United States Comptroller General, Joseph Campbell, told the Congress that the administration-sponsored $101 billion, 10-year interstate superhighway program raised "questions of legality," and indicated he might officially rule against the very heart of the program—the earmarking of Federal gasoline taxes to pay for highway construction.

Third. In the broad constitutional concept of States' rights, the construction, improvement, and maintenance of State highways is the primary responsibility of State governments.

Fourth. The construction of proposed defense highways is the responsibility of the Federal Government, and should be financed by special appropriations of Congress. The American Constitution provides that the common defense of the country is vested in the Federal Government.

I wish to point out that the 1953 allocation of Federal funds to build highways in Connecticut was only $4,897,000, compared to the $11,512,000 paid into the Federal Treasury from Connecticut under the 2-cents-per-gallon Federal levy on gasoline and the 6-cents-per-gallon Federal tax on lubricating oils. During the same year the 4-cents-per-gallon Connecticut State tax amounted to $23,759,000.

The United States Bureau of Public Roads estimates that approximately $12 million will be collected this year in Connecticut. New allocations—fiscal year 1956—of Federal funds for Connecticut highways will be $8,086,262—primary highways, $2,057,610; secondary highways, $1,031,625; urban roads, $3,350,400; interstate highways, $1,656,627.

While it is true that the Federal motor fuel taxes are not allocated directly to States for highway construction, but are revenues going into the general Treasury funds, the whole theory that Federal grants-in-aid for State highway construction is built on the premise that the Federal Government is making a comparable return for tax dollars collected. This is a distorted concept. Furthermore, the Federal Government has never adequately supported badly needed farm to market roads, but concentrated on expanding the bulk of Federal aid on building superhighways in sparsely settled areas of the West or poor sections of the South. This is another reason why the Federal levy ought to be abolished. But I am not in favor of abolishing the Bureau of Public Roads needed to plan and supervise defense highways and act in a research and advisory capacity to State highway departments.

If the 2 cent a gallon Federal gas tax is relinquished, the States can reimpose it to meet the specific needs of their own highway program. An intensified State and local highway program is badly needed in Connecticut.

In the event of air-atomic attack, the roads of Naugatuck Valley are appallingly inadequate to meet the needs of evacuating the entire population as now projected by the civil-defense planners.

In view of the fact that Naugatuck Valley has been designated a probable critical target area, civil-defense officials are planning a simulated attack exercise

beginning June 15 to test civil defense operational procedures.

If a rapid mass evacuation of only 50,000 people in the Naugatuck Valley was undertaken, a terrible traffic jam would result. But a "dry run" of this nature would certainly highlight the essential need of defense highways in the valley.

I will support the proposed Federal superhighway program if all Federal automotive and motor-fuel taxes collected in Connecticut are earmarked for highway use in the State. Comptroller General Campbell's questioning the legality of earmarking these funds to retire the highway bonds calls for a reevaluation of the whole program.

Joe Campbell has the statutory authority to spike the very heart of the program, therefore my bill will release the Federal Government from the burden of collecting a gas tax it probably cannot use for highway building and allow the States to reimpose the tax where it can be legally earmarked to build drastically needed public highways.

SENATE

FRIDAY, APRIL 1, 1955

(Legislative day of Thursday, March 10, 1955)

The Senate met at 10 o'clock a. m., on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

Our Father God, at this ancient altar of the unseen and eternal, we bow with thanksgiving that the faith of the Pilgrims who came to these shores is living still in this dear land for which they dared and died. In this agony of the world's black night make our spirits as candles of the Lord and make our America the beacon of freedom for the whole world.

In this age on ages telling, we hear Thy call to be partners with Thee in making a new heaven and a new earth. Forgetting the old, unhappy things that are behind, with all their cruelties and contentions, help us in this new day to count as colleagues all who will now add their might to the gathering armies of the free who challenge the tyrants who enslave and degrade humanity, whenever and wherever their evil system has its way. With deep repentance for our own sins, bring us at last to a united victory which shall make all men free. In the Redeemer's name we ask it. Amen.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the reading of the Journal of the proceedings of Wednesday, March 30, 1955, was dispensed with.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that the President had approved and signed the following acts:

On March 28, 1955:

S. 913. An act to eliminate the need for renewal of oaths of office upon change of status of employees of the Senate or House of Representatives.

On March 31, 1955:

S. 632. An act for the relief of Jan R. Cwiklinski; and

S. 691. An act to amend the Rubber Producing Facilities Disposal Act of 1953, so as to permit the disposal thereunder of Plancor No. 877 at Baytown, Tex., and certain tank cars.

MESSAGE FROM THE HOUSE RECEIVED DURING RECESS

Under the authority of the order of Wednesday, March 30, 1955,

The Secretary of the Senate received the following message from the House of Representatives:

The House had agreed to the amendments of the Senate to the bill (H. R. 4720) to provide incentives for members of the uniformed services by increasing certain pays and allowances.

That the House had agreed to the amendments of the Senate to the concurrent resolution (H. Con. Res. 85) authorizing the printing as a House document the pamphlet Our American Government, What Is It? How Does It Function?

That the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 4436. An act relating to the use of storage space in the Clark Hill Reservoir for the purpose of providing the city of McCormick, S. C., a regulated water supply; and

H. R. 5240. An act making appropriations for sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1956, and for other purposes.

ENROLLED BILLS SIGNED

That the Speaker had affixed his signature to the following enrolled bills, and they were signed by the President pro tempore:

H. R. 4720. An act to provide incentives for members of the uniformed services by increasing certain pays and allowances;

H. R. 4941. An act to amend the Foreign Service Act of 1946, as amended, and for other purposes; and

H. R. 4951. An act directing a redetermination of the national marketing quota for burley tobacco for the 1955–56 marketing year, and for other purposes.

HOUSE BILL REFERRED

The bill (H. R. 5240) making appropriations for sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1956, and for other purposes, was read twice by its title, and referred to the Committee on Appropriations.

EXECUTIVE REPORT OF A COMMITTEE SUBMITTED DURING RECESS

Under authority of the order of the Senate of March 30, 1955,

Mr. GEORGE, from the Committee on Foreign Relations, on March 31, 1955, reported favorably, without amendment, Executive L, 83d Congress, 2d session, the protocol on the termination of the occupation regime in the Federal Republic of Germany, and Executive M, 83d Congress, 2d session, the protocol to the North Atlantic Treaty on the accession of the Federal Republic of Germany, both signed at Paris on October 23, 1954, and submitted a report (Executive Report No. 6) thereon.

COMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. JOHNSON of Texas, and by unanimous consent, the Subcommittee on Constitutional Amendments of the Committee on the Judiciary and the Subcommittee on Health of the Committee on Labor and Public Welfare were authorized to meet during the session of the Senate today.

ORDER FOR TRANSACTION OF ROUTINE LEGISLATIVE BUSINESS AND EXECUTIVE BUSINESS

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that there may be the customary morning hour for the transaction of routine business, under the usual 2-minute limitation on speeches; and that at the conclusion of the morning hour the Senate go into executive session for the purpose of considering Executive Calendar Nos. 7 and 8, Executive L and Executive M, the protocols entered into during the 83d Congress, 2d session.

The PRESIDENT pro tempore. Without objection, it is so ordered.

COMMISSION ON ORGANIZATION OF THE EXECUTIVE BRANCH OF THE GOVERNMENT

The PRESIDENT pro tempore. At the request of the Vice President, the Chair announces his appointment of the Senator from New Hampshire [Mr. BRIDGES], as a member of the Commission on Organization of the Executive Branch of the Government, under authority of Public Law 108, 83d Congress, to fill the vacancy caused by the resignation of Hon. Homer Ferguson.

COMMISSION ON INTERGOVERNMENTAL RELATIONS

The PRESIDENT pro tempore. At the request of the Vice President, the Chair announces the appointment of the Senator from Nevada [Mr. BIBLE] and the Senator from Oregon [Mr. MORSE], as members of the Commission on Intergovernmental Relations, to fill existing vacancies thereon.

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following communications and letters, which were referred as indicated:

PROPOSED SUPPLEMENTAL APPROPRIATION, DEPARTMENT OF COMMERCE (S. DOC. NO. 29)

A communication from the President of the United States, transmitting proposed supplemental appropriations for the fiscal year 1955, in the amount of $1,370,000, for the Department of Commerce (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

PROPOSED SUPPLEMENTAL APPROPRIATIONS, DEPARTMENT OF AGRICULTURE (S. DOC. NO. 30)

A communication from the President of the United States, transmitting proposed supplemental appropriations, for the Department of Agriculture, in the amount of $1,870,000, for the fiscal year 1956, in the form of amendments to the budget for said fiscal year (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

REPORT ON LIQUIDATION OF RECONSTRUCTION FINANCE CORPORATION

A letter from the Secretary of the Treasury, transmitting, pursuant to law, a report on the liquidation of the Reconstruction Finance Corporation, for the quarter ended December 31, 1954 (with an accompanying report); to the Committee on Banking and Currency.

REPORT ON MAINTENANCE OF GOVERNMENT-OWNED RUBBER PRODUCING FACILITIES

A letter from the Deputy Executive Director, Rubber Producing Facilities Disposal Commission, Washington, D. C., transmitting, pursuant to law, a report prepared by the Federal Facilities Corporation, the operating agency, with respect to expenditures for maintenance of the Government-owned rubber producing facilities, for the 8-month period ended February 28, 1955 (with an accompanying report); to the Committee on Banking and Currency.

REPORT ON VOLUNTARY HOME MORTGAGE CREDIT PROGRAM

A letter from the Administrator, Housing and Home Finance Agency, and Chairman of the National Voluntary Mortgage Credit Extension Committee, transmitting, pursuant to law, the first annual report of the Voluntary Home Mortgage Credit Program, from the period of its inception on August 2, 1954, to March 31, 1955 (with an accompanying report); to the Committee on Banking and Currency.

REPEAL OF FEE-STAMP REQUIREMENT IN THE FOREIGN SERVICE

A letter from the Secretary of State, transmitting a draft of proposed legislation to repeal the fee-stamp requirement in the Foreign Service and amend section 1728 of the Revised Statutes, as amended (with an accompanying paper); to the Committee on Foreign Relations.

REPORT ON RECOMMENDATIONS TO IMPROVE FINANCIAL MANAGEMENT OF POST OFFICE DEPARTMENT

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a Report of Progress on General Accounting Office Recommendations To Improve the Financial Management of the Post Office Department, for the period April 25, 1953, through February 28, 1955 (with an accompanying report); to the Committee on Government Operations.

PROPOSED CONCESSION PERMIT, OLYMPIC NATIONAL PARK, WASH.

A letter from the Assistant Secretary of the Interior, transmitting, pursuant to law, a proposed concession permit within Olympic National Park, Wash. (with an accompanying paper); to the Committee on Interior and Insular Affairs.

INVOLUNTARY RETIREMENT OF CERTAIN OFFICERS OF COAST GUARD

A letter from the Secretary of the Treasury, transmitting a draft of proposed legislation to amend title 14, United States Code, entitled "Coast Guard," for the purpose of providing involuntary retirement of certain officers, and for other purposes (with accompanying papers); to the Committee on Interstate and Foreign Commerce.

RELIEF OF CERTAIN MEMBERS OF THE ARMY AND AIR FORCE

A letter from the Acting Secretary of the Army, transmitting a draft of proposed legislation to provide for the relief of certain members of the Army and Air Force, and for other purposes (with an accompanying paper); to the Committee on the Judiciary.

REPORT OF GIRL SCOUTS OF AMERICA

A letter from the president and national executive director, Girl Scouts of the United States of America, New York, N. Y., transmitting, pursuant to law, the annual report of the Girl Scouts, for the year ended September 30, 1954 (with an accompanying report); to the Committee on Labor and Public Welfare.

INCREASE IN NUMBER OF PROFESSIONAL AND SCIENTIFIC POSITIONS, DEPARTMENT OF DEFENSE

A letter from the Director, Legislative Programs, Department of Defense, transmitting a draft of proposed legislation to amend the act of August 1, 1947 (ch. 433, 61 Stat. 715), as amended, to increase the number of professional and scientific positions authorized for the Department of Defense (with an accompanying paper); to the Committee on Post Office and Civil Service.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the PRESIDENT pro tempore:

A joint resolution of the Legislature of the State of New York; to the Committee on Appropriations:

"Whereas the New York State Barge Canal system was completed and made available for navigation in 1918; and

"Whereas the said facility provided water depth of 12 feet on the sills in its lock chambers; and

"Whereas on August 30, 1935, the Congress of the United States authorized the expenditure of $27 million for the improvement of certain navigational facilities in that portion of the said canal system identified as the Great Lakes to Hudson River Waterway connecting Lake Ontario with the Hudson River; and

"Whereas on March 2, 1945, the Congress of the United States authorized the expenditure of $1,500,000 to lower the sills 1 foot in the lock chambers in the said waterway to provide a water depth of 13 feet instead of 12 feet; and

"Whereas the above combined authorizations aggregated a sum of $28,500,000 of which $22,776,496.19 was appropriated and expended as of June 1953, and no further appropriations or expenditures therefrom have since been made; and

"Whereas the River and Harbor Act of March 2, 1945, authorized the deepening of the locks subject to the condition that an agreement be entered into between the United States and the State of New York embodying certain limitations and provisions to safeguard the interests of general commerce and navigation, insure Federal control of the disposition of Federal funds, and provide for Federal supervision of the work performed and a supplemental agreement dated June 5, 1947, containing all provisions necessary for efficient prosecution of the improvement, was entered into by the Chief of Engineers and the department of public works, State of New York; and

"Whereas the sills of only 6 locks have been lowered and the sills on 26 locks are yet to be lowered to provide a controlling depth of 13 feet in lock chambers throughout the said waterway; and

"Whereas interested parties have submitted numerous petitions to the Congress of the United States requesting the appropriation of sufficient funds to complete this particular work, without avail; and

"Whereas the estimated cost to complete the said work is $1,500,000; and

"Whereas the lowering of the said lock sills will be of public benefit and economy by reason of the fact that modern cargo vessels now transporting shorter than capacity loads on the said waterway will carry additional tonnage in full loads to the extent of between 500,000 and 600,000 tons per canal season at the present cost of operation; and

"Whereas the total increased tonnage that would be carried by cargo units resultant from one additional foot of vessel draft is in the interest of national defense in that a considerable portion of commodities transported, particularly petroleum products, would serve war material and defense plants located within the State of New York and also those plants located at or adjacent to ports of call on the American and Canadian shores of the Great Lakes; and

"Whereas the said waterway, being an inland transportation route, would be of protective value in time of war to avoid the menace of submarine and other enemy operations affecting Atlantic coastwise traffic moving between the port of New York and the Great Lakes; and

"Whereas the completion of the improvement of said waterway would lessen unemployment and economic depression in various areas and industries in the State of New York: Now, therefore, be it

"Resolved (if the assembly concur), That the Congress of the United States be and is hereby respectfully memorialized to appropriate the funds required from Federal funds heretofore authorized, to lower the said lock sills in the Great Lakes to Hudson River Waterway to provide a controlling water depth of 13 feet in lock chambers, as authorized by the Congress; and be it further

"Resolved (if the assembly concur), That such Federal appropriation be made available at the earliest possible moment in order that the State of New York may proceed with and complete the work without further delay; and be it further

"Resolved (if the assembly concur), That copies of this resolution be forwarded to the President of the United States, the President of the Senate, and the Speaker of the House of Representatives of the United States, and to each United States Senator and Member of the House of Representatives elected from the State of New York."

A joint resolution of the Legislature of the State of California; to the Committee on Interior and Insular Affairs:

"Senate Joint Resolution 16

"Joint resolution relative to memorializing Congress, the Department of Defense, the Department of the Interior, and the Department of the Navy, not to withdraw land in Saline Valley in Inyo County from the public domain for use as an aerial gunnery range

"Whereas an aerial gunnery range for use by Marine Corps pilots at the Navy Air Base at Mojave, Calif., is planned to be established on 879,360 acres of land in and near the Saline Valley in Inyo County, Calif.; and

"Whereas within the proposed area there are currently being developed rich deposits

of many strategic minerals vital to our national defense, which will be lost to the Nation if this area becomes a gunnery range, such as uranium, asbestos, lead, zinc, tungsten, manganese, and talc, including steatite talc which is used in the manufacture of high-frequency insulators for electronic equipment and of which this area is a major source; and

"Whereas equally rich deposits of minerals vital to our defense which are not in the area of the proposed gunnery range will also be lost to the Nation because the only access roads to these areas traverse the proposed gunnery range; and

"Whereas the establishment of this gunnery range will make nugatory the recent expenditure of $150,000 for the United States Geological Survey made of a portion of the Saline Valley which found the area to be a potential storehouse of strategic and critical materials; and

"Whereas the acquisition of 879,360 acres for such a gunnery range will most seriously affect the county of Inyo which already has 96 percent of the area in the county not subject to county taxation by taking still more lands off the tax rolls, by closing highways on which Inyo County has expended considerable public money for the purpose of opening the Saline Valley to the mining industry, and by seriously increasing unemployment due to the closing of the mines in the Saline Valley area; and

"Whereas there seems to be no reason why the large unused Air Force gunnery range near Tonopah, Nev., could not be used by the Marine Corps instead of taking over such a vital area as the Saline Valley: Now, therefore, be it

"Resolved by the Senate and the Assembly of the State of California (jointly), That the Legislature of the State of California strongly disapproves of further withdrawals of lands from the public domain unless such action is absolutely necessary for valid Federal purposes; and be it further

"Resolved, That the Congress of the United States, the Department of Defense, the Department of the Interior, and the Department of the Navy be respectively memorialized not to give authorization for withdrawal of the proposed land in Saline Valley in Inyo County from the public domain for acquisition and use thereof for an aerial gunnery range; and be it further

"Resolved, That the secretary of the senate be directed to transmit copies of this resolution to the President and Vice President of the United States, the Speaker of the House of Representatives, each Senator and Representative from California in the Congress of the United States, the Secretary of Defense, the Secretary of the Interior, the Secretary of the Navy and the commander, Naval Air Base, 11th and 12th Naval Districts."

A joint resolution of the Legislature of the State of Nevada; to the Committee on Interior and Insular Affairs:

"Senate Joint Resolution 13

"Joint resolution memorializing the Congress of the United States and the congressional delegation from the State of Nevada to forbear any action leading to the termination of the Federal trusteeship over American Indian wards and properties held in trust for American Indians

"Whereas the American Indians have not, as an ethnic group, attained even minimum standards of self-sufficiency in the United States; and

"Whereas any congressional action leading to the termination of Federal trusteeships over American Indian wards, or of properties held in trust for American Indians, would result in a severe deprivation of the small number of rights and privileges now enjoyed by American Indians in the State of Nevada and would lead to an intolerable, added burden to local and State government in Nevada in attempting to provide the necessities of life to American Indians in Nevada; and

"Whereas it would be extremely beneficial to the American Indians in the State of Nevada and to other citizens of the State of Nevada that the Bureau of Indian Affairs continue its commendable work in providing aid to American Indians in the States of Nevada: Now, therefore, be it

"Resolved by the Senate and Assembly of the State of Nevada (jointly), That the Congress of the United States be, and it hereby is, memorialized to forbear any action leading to the termination of the Federal trusteeship over American Indian wards and over properties held in trust for American Indians in the State of Nevada; and be it further

"Resolved, That the congressional delegation from the State of Nevada be, and it hereby is, memoralized to take such positive action as it may deem proper and necessary for the carrying out of the intents and purposes of this resolution; and be it further

"Resolved, That the secretary of state of the State of Nevada be authorized and directed to transmit properly certified copies of this resolution to the Speaker of the House of Representatives, the President pro tempore of the Senate and to our United States Senators and the Congressman from the State of Nevada."

A joint resolution of the Legislature of the State of Nevada; to the Committee on the Judiciary:

"Assembly Joint Resolution 37

"Joint resolution memorializing the President and Congress of the United States to take appropriate action to facilitate national centennial celebrations in commemoration of the 1857 act of Congress allowing the creation of the Pacific Overland Mail route; urging local agencies and groups to cooperate therein; commending the American Association for State and Local History; and other matters properly relating thereto

"Whereas by act of Congress of the United States, dated March 3, 1857, the Postmaster General of the United States was, for the first time, authorized to contract for the conveyance overland from the Mississippi River to San Francisco, Calif., of all letter mails; and

"Whereas prior to the passage of this act, letter mail was carried to the Pacific coast by the long, slow, and arduous ocean route fraught with danger from storm and sea and totally dependent upon the vagaries of the wind and weather; and

"Whereas the opening of this Overland Mail Service route was the culminating event of a series of events of prime importance, not only to the development of the West and the State of Nevada, but also to the development of the entire United States, and it enabled the word to be spread of the richness of this region and hailed the outstanding discovery of the Comstock Lode in Nevada during the year 1859; and

"Whereas centennial celebrations of these events should be fittingly observed throughout the length and breadth of this Nation in order to memorialize this historical event and to show the developments from the 'four-horse coaches, or spring wagons suitable for the conveyance of passengers, as well as the safety and security of the mails,' as specified in the original 1857 act, to 1957; and

"Whereas the modern development of mail transportation and our systems of communication have greatly aided the binding together of the East and the West into one great Nation; and

"Whereas the American Association for State and Local History has undertaken the national sponsorship of centennials and has established regional committees to plan centennial celebrations: Now, therefore, be it

"Resolved by the Assembly and Senate of the State of Nevada (jointly), That the Legislature of the State of Nevada respectfully memorializes the President and Congress of the United States to take appropriate action to insure the cooperation of the Federal Government in the celebration of the centennials commemorating the opening of the Pacific Overland Mail; and be it further

"Resolved, That the Legislature of the State of Nevada respectfully urges that all State and local governmental units, public schools, civic, patriotic, and historical societies, and all agencies of communication in this State participate wholeheartedly in the observance of the celebration of the various centennials along the route of the Pacific Overland Mail by cooperation with the committees now organizing the Pacific Overland Mail Centennials in 1957-58 in commemoration of the accomplishment, efforts, and achievements of those sturdy pioneers who engineered the beginnings of the overland communication; and be it further

"Resolved, That the Legislature of the State of Nevada does hereby congratulate and pledge its support to the American Association for State and Local History for its action in undertaking on a national scale the sponsorship for the centennial observances of the opening of the Pacific Overland Mail; and be it further

"Resolved, That the secretary of state of the State of Nevada be, and hereby is, directed to transmit certified copies of this resolution to the Governor of this State, the President and Vice President of the United States, the Speaker of the House of Representatives and President pro tempore of the Senate, the Nevada Historical Society, and the board of directors of the Nevada State Museum, to the Senators and Representative of this State in the Congress of the United States and to the governing head of the American Association for State and Local History."

A concurrent resolution of the Legislature of the State of Oklahoma; ordered to lie on the table:

"Senate Concurrent Resolution 14

"Concurrent resolution memorializing the Congress of the United States to enact legislation to increase compensation of postal employees commensurate with existing costs of living

"Whereas employees of the United States Post Office Department have received but one wage increase since 1949, which increase failed to compensate them for the great increase in the cost of living that has occurred since 1949; and

"Whereas most other public and private employees have received wage increases which more nearly enable them to meet the increased living costs; and

"Whereas any increase in the cost of living particularly affects postal employees because of their relatively low wages;

"Whereas postal employees should receive an increase in wages not only because such an increase would be equitable but also because the efficiency of the postal system would be enhanced thereby: Now, therefore, be it

"Resolved by the Senate of the 25th Legislature of the State of Oklahoma (the House of Representatives concurring therein):

"SECTION 1. That the Congress of the United States is respectfully memorialized to enact legislation for an increase in the compensation of postal employees commensurate with existing costs of living.

"SEC. 2. That the secretary of the senate be directed to transmit copies of this resolution to the President and Vice President of the United States, to the Postmaster General, to the Speaker of the House of Representatives, and to each Senator and Representative from the State of Oklahoma in in the Congress of the United States.

"Adopted by the senate the 15th day of March 1955.

"CLEM MCSPADDEN,
"Acting President of the Senate.

"Adopted by the house of representatives the 23d day of March 1955.

"B. E. HARKEY,
"Speaker of the House of Representatives."

A concurrent resolution of the Legislature of the Territory of Hawaii; to the Committee on Finance:

"Senate Concurrent Resolution 28

"Concurrent resolution requesting the Congress of the United States to repeal the Federal taxes on the transportation of persons and property as each affects interisland transportation in Hawaii and transportation between Hawaii and the mainland United States

"Whereas air and sea transportation are necessary to the Territory of Hawaii because of its peculiar geographical composition and location; and

"Whereas the United States now levies a tax of 10 percent of the amount paid for the transportation of persons, and a similar tax of 3 percent on the amount paid for the transportation of property between the Territory and the continental United States and between the several islands of the Territory of Hawaii; and

"Whereas, due to the said unusual geographic composition and location of the Territory, virtually all shipments of food and other goods, as well as transportation of persons by air and sea, must be on commercial facilities and are therefore subject to the payment of these taxes, a condition not true on the mainland with regard to either intrastate or interstate transportation; and

"Whereas in addition thereto the tourist trade is the third ranking and most rapidly increasing industry of Hawaii and therefore constitutes an important element of the economy of the Territory; and

"Whereas these taxes relegate Hawaii to a very unfavorable position in its competition for tourist business with Europe, South America, the Caribbean area and other resort places inasmuch as transportation to and from these other resort places are not subject to these taxes; Now, therefore, be it

"Resolved by the Senate of the 28th Legislature of the Territory of Hawaii (the House of Representatives concurring), That the Congress of the United States be and is hereby respectfully requested to repeal the Federal tax on the transportation of persons and the tax on the transportation of property as each applies to air and sea transportation within the Territory of Hawaii and as each applies to air and sea transportation between the mainland United States and the Territory of Hawaii; be it further

"Resolved, That the President of the United States, the Civil Aeronautics Board, and the Civil Aeronautics Administration are requested to adopt and maintain such policies best designed to foster, encourage, and develop air and sea transportation to and within the Territory of Hawaii which will permit the people of these islands to enjoy the benefits of modern aircraft and ocean shipping and all related, recent, technological developments in the aircraft and shipping industries, all in the public interest of the people of this Territory; and be it further

"Resolved, That duly certified copies of this concurrent resolution be transmitted to the President of the United States, to the President of the Senate and to the Speaker of the House of Representatives of the Congress of the United States, to the Secretary of the Interior, the Attorney General of the United States, the Secretary of Defense, the Secretary of Commerce, the Postmaster General, the Federal Maritime Board, the Civil Aeronautics Board, the Civil Aeronautics Administration, and the Delegate to Congress from Hawaii, in Washington, D. C."

Two resolutions of the House of Representatives of the Territory of Alaska; to the Committee on Interior and Insular Affairs:

"House Memorial 16

"To the Honorable Dwight D. Eisenhower, President of the United States; the Honorable Douglas McKay, Secretary of the Interior; the Honorable James Murray, Chairman of Interior and Insular Affairs Committee of the United States Senate; the Honorable Clair Engle, chairman of the Interior and Insular Affairs Committee of the House of Representatives; the Honorable E. L. Bartlett, Delegate to Congress from Alaska; and to the United States Congress:

"Your memorialist, the House of Representatives of the Legislature of Alaska, in 22d session assembled, respectfully represents:

"Whereas the original intent of the Congress of the United States in the matter of the Eklutna project was to furnish low-cost power to the people of the rail-belt area of Alaska, to stabilize electric power of the area, and to strengthen the military defense of the area; and

"Whereas the present high cost of power being supplied by the Eklutna project in no way carries out the original intent of Congress in the matter of the Eklutna project.

"Now, therefore, your memorialist respectfully requests that the Congress of the United States take appropriate action to provide for the sale of the Eklutna project to the people of Alaska.

"And your memorialist will ever pray.

"Passed by the house March 19, 1955.

"WENDELL P. KAY,
"Speaker of the House.

"Attest:

"JOHN T. MCLAUGHLIN,
"Chief Clerk of the House."

"House Memorial 15

"To the Honorable Dwight D. Eisenhower, President of the United States of America; the United States Senate; the United States House of Representatives; the Secretary of the Interior; the Director, Bureau of the Budget; and the Honorable E. L. Bartlett, Delegate to Congress from Alaska:

"Your memorialist, the House of Representatives of the Territory of Alaska, in 22d regular session assembled, respectfully submits that:

"Whereas upon survey of unappropriated public land in the Territory of Alaska sections numbered 16 and 36 of each township and section 33 in the townships of Tanana Valley have been reserved to the Territory for the support of the public-school system by the act of Congress of March 4, 1915 (48 U. S. C. 353); and

"Whereas less than 1 percent of the Territory's entitlement to such sections has been reserved to the Territory by reason of lack of Federal surveys; and

"Whereas the Territory is authorized to lease said lands for periods not in excess of 10 years' duration at any one time; and

"Whereas some of the reserved school sections are close to or within the corporate boundaries of cities and industrialized areas and there is a growing demand for long-term leases from the Territory in order that the lessee will be justified in constructing substantial and permanent improvements and be assured of the opportunity of amortizing the cost of improvements during the term lease period; and

"Whereas it will be possible to make a higher use of the land under a long-term lease than one of only 10 years duration and such higher use will return increased rentals to the Territory; and

"Whereas for the past several sessions of Congress, bills have been introduced to authorize the Territory to enter into leases for school land for longer terms than 10 years, and in no case have such bills been favorably acted upon, and the Territory is seriously handicapped in further waiting for favorable action.

"Now, therefore, your memorialist, the House of Representatives of the Territory of Alaska, in the 22d session assembled, respectfully urges that the act of March 4, 1915 (48 U. S. C. 353) be amended as provided for in H. R. 1570, 83d Congress, 2d session, to give the Territory authority for leasing said lands as it may deem proper for a maximum of 55 years at any one time.

"And your memorialist will ever pray.

"Passed by the house March 18, 1955.

"WENDELL P. KAY,
"Speaker of the House.

"Attest:

"JOHN T. MCLAUGHLIN,
"Chief Clerk of the House."

By Mr. GOLDWATER:

A joint resolution of the Legislature of the State of Arizona; to the Committee on Interior and Insular Affairs:

"House Joint Memorial 8

"Joint memorial requesting the Congress of the United States to enact legislation and make an appropriation for the construction of Buttes Dam

"To the Congress of the United States:

"Your memorialist respectfully represents:

"In the year 1895 the first recommendation to commence the building of the Buttes Dam project was made by the United States Geological Survey. Since that date and continuing to the present, the need for passage of the Buttes Dam project looms as one of the most important and necessary developments for the benefit of the San Carlos project farmers in Pinal County, State of Arizona. Passage of the Buttes Dam project would be beneficial for the economy of the State of Arizona and the United States.

"Wherefore your memorialist, the Legislature of the State of Arizona, prays:

"1. That the Congress of the United States enact legislation authorizing construction of the Buttes Dam project in Pinal County, State of Arizona, and that the Congress of the United States make the necessary appropriation therefore."

(The PRESIDENT pro tempore laid before the Senate a joint resolution of the Legislature of the State of Arizona, identical with the foregoing, which was referred to the Committee on Interior and Insular Affairs.)

A resolution of the House of Representatives of the State of Arizona; to the Committee on Interior and Insular Affairs:

"House Memorial 6

"Memorial requesting the Congress of the United States to enact legislation providing that the State of Arizona and the United States share equally any income inuring to the United States Government from federally owned lands in the State of Arizona

"To the Congress of the United States:

"Your memorialist respectfully represents:

"That the United States Government owns approximately 75 percent of the land situated within the State of Arizona. Moreover, this land within Arizona, owned by the United States Government, is believed to contain oil, gases, hydrocarbon substances, uranium, thorium, and other minerals.

"Wherefore your memorialist, the House of Representatives of the State of Arizona, prays:

"That the Congress of the United States enact legislation providing that any income from oil, gases, hydrocarbon substances, uranium, thorium, and other minerals of any kind derived from land owned by the United States Government within the State of Arizona shall be divided equally between the United States Government and the State of Arizona."

(The PRESIDENT pro tempore laid before the Senate a resolution of the House of Representatives of the State of Arizona, identical with the foregoing, which was referred to the Committee on Interior and Insular Affairs.)

By Mr. KILGORE (for himself and Mr. NEELY):

A concurrent resolution of the Legislature of the State of West Virginia; to the Committee on Interior and Insular Affairs.

"House Concurrent Resolution 19

"Concurrent resolution memorializing the Congress of the United States to establish a national monument on Blennerhassett Island

"Whereas Blennerhassett Island in the Ohio River near Parkersburg, W. Va., is a place of historic interest in that it played an important part in the life and intrigues of Aaron Burr, former Vice President of the United States, and is a place of scenic beauty; and

"Whereas the island is now in private hands with little or nothing being done to preserve it as a permanent place of historic interest for future generations of Americans, but is in danger of losing its identity as a historic site: Now, therefore, be it

"*Resolved by the house of delegates (the senate concurring therein)*, That the Congress of the United States is hereby requested to give favorable consideration to the passage of legislation that would establish Blennerhassett Island as a national monument, and which would include the reconstruction of the Blennerhassett Mansion and build an adequate approach to the island by bridge or ferry; and be it further

"*Resolved*, That the secretary of state is hereby directed to forward attested copies of this concurrent resolution to the President and Secretary of the United States Senate, the Speaker and Clerk of the House of Representative, and to each Member of the West Virginia delegation in the Congress of the United States."

EXPANDED POSTAL FACILITIES FOR CITY OF MOORHEAD, MINN.—RESOLUTION OF MOORHEAD CHAMBER OF COMMERCE

Mr. HUMPHREY. Mr. President, I present for appropriate reference, and ask unanimous consent to have printed in the RECORD, a resolution adopted by the board of directors of the chamber of commerce of the city of Moorhead, Minn., relating to the expansion of postal facilities for that city.

There being no objection, the resolution was referred to the Committee on Post Office and Civil Service, and ordered to be printed in the RECORD, as follows:

Whereas Moorhead, Minn., is a city of approximately 20,000 people, the largest and most rapidly growing city in northwestern Minnesota, and the Ninth Congressional District; and

Whereas a study was made by the Post Office Department in 1938, and it was at that time determined that Moorhead was then definitely in need of additional postal facilities with a population of less than 9,000 people; and

Whereas the employees and personnel of the Moorhead Post Office Department are being continually subjected to an ever-increasing burden of work thrust upon them and this work being made more difficult through the lack of proper facilities and space; and

Whereas the city of Moorhead in order to continue to grow in either residential or commercial proportions must receive immediate relief and assistance through the expansion of the postal facilities: Now, therefore, be it

Resolved, That the Moorhead Chamber of Commerce petition the Post Office Department to resurvey the facilities and needs of the businesses and people of Moorhead and that a recommendation be made to the Congress of the United States requesting the appropriation of the funds necessary to correct this very serious condition and to enable the city and the people of Moorhead to continue to grow and prosper; and be it further

Resolved, That a copy of this resolution be forwarded to our Representatives in Congress and our Senators from the State of Minnesota and to any other individuals or offices of the Government to whom attention should be directed to this acute situation.

GORDON S. MANTERNACH,
President, Moorhead Chamber of Commerce, Moorhead, Minn.

FUNDS FOR BUREAU OF HOME ECONOMICS—LETTER AND RESOLUTION

Mr. WILEY. Mr. President, one of the very important jobs which has been performed by the Bureau of Home Economics of the United States Department of Agriculture has been in connection with food, nutrition, household equipment, clothing, and similar research.

I may say that for the expenditure of comparatively small sums this research has paid handsome dividends to millions of Americans throughout our land in enabling them to make better use of the family's budget dollar.

I was sorry to note, therefore, the prospective slashing of funds for research in clothing, textiles, housing, home equipment, family economics, and home management.

I, for one, certainly want to see adequate research in food and nutrition as such; but, at the same time, I do not want to see other essential research sacrificed.

I present a letter and enclosed resolution from Mrs. Grace B. Barrett, secretary of the Wisconsin Home Economics Association, protesting against the proposed fund slash in the areas which I have mentioned. I ask unanimous consent that these messages be printed in the RECORD, and be thereafter appropriately referred, so that remedial action may be taken in time.

There being no objection, the letter and resolution were referred to the Committee on Agriculture and Forestry, and ordered to be printed in the RECORD, as follows:

WISCONSIN HOME
ECONOMICS ASSOCIATION,
March 28, 1955.

Hon. ALEXANDER WILEY,
United States Senate,
Senate Office Building,
Washington, D. C.

MY DEAR SENATOR: Attached is a copy of the resolution which was passed by the Wisconsin Home Economics Association at their meeting held in Madison on March 26, 1955. Signatures are those of the council members, the governing body of the association, which has a membership of almost 600.

As you will notice we are very concerned about the directive that Dr. Byron T. Shaw issued February 25 in which he reduced, and in some cases eliminated, funds for research in areas of home economics other than food and nutrition. We feel that it is of utmost importance that we have good basic research in all areas of home economics, since we have a responsibility to the homemakers of our State in assisting them with their family living problems, and more than two-thirds of the personal consumer expenditures go for items other than food.

Here in Wisconsin we have no facilities for doing any equipment research. Families need unbiased information which will help them make wise use of their funds in order to get the greatest satisfaction from their dollars spent for family living. We, therefore, urge you to consult with Dr. Shaw, Secretary Benson, and Assistant Secretary Peterson regarding the reinstatement of the present program. We would also urge you to consider increasing funds for home economics research so that we not only will be strengthening foods and nutrition, but other areas, particularly those where no research is being conducted.

Very sincerely yours,
Mrs. GRACE B. BARRETT,
Secretary.

RESOLUTION ADOPTED BY THE WISCONSIN HOME ECONOMICS ASSOCIATION, MADISON, WIS., MARCH 26, 1955

SECTION I

On February 25, 1955, Dr. Byron T. Shaw, Administrator, Agricultural Research Services, issued an administrative order which changes drastically the emphasis on research in the home-economics field on the Federal level.

Practical application of this directive will result in allocation of 87 percent of available funds to the area of food and nutrition research. Only 13 percent will remain available for research in clothing and textiles, housing, household equipment, family economics, and home management.

By July 1, 1956, under the terms of this directive, research will be discontinued in household equipment; selection, design, construction, and maintenance of clothing and household textiles; clothing economics and farm family living studies.

Also discontinued are the popular and semipopular bulletins in all areas of home economics.

SECTION II

While increased emphasis on research on food and nutrition is a commendable goal, it must be recognized that this is now the strongest area in home-economics research, both on the Federal and State level. It would be most unfortunate if this area is further strengthened at the expense of the many other valuable activities which have contributed so much to the guidance of the American housewife and the improvement of family living in the United States.

Research in these areas, much of 't basic to our home-economics teaching at the high school, college, and adult levels, has been carried on since 1923. It would be most deplorable if research were discontinued by arbitrary action, especially since the family centered approach is being emphasized to such a great extent in our teaching.

SECTION III

The substantial portion of the family budget that is spent for clothing, fabrics, housing, and household equipment fully justifies the research in these areas. In fact, rapid development and changes in these areas demand more, not less research.

SECTION IV

In light of these facts, we respectfully urge the Administrator to rescind his order of February 25, 1955, and authorize continuation of the current program of home-economics research, pending an objective appraisal by qualified persons in close contact with the homemakers of the Nation, preferably a committee appointed by the American Home Economics Association.

SECTION V

We urge the Administrator of Agricultural Research Service, the Secretary of Agriculture, and the Members of Congress, to give consideration to proper and justifiable appropriations for research in home economics which will allow expansion of research in food and human nutrition, and at the same time permit further development of research, and the diffusion of fruits of such research, in all areas of family living which, in the rapidly changing patterns of American life, demand more information and assistance.

Respectfully submitted.

Wisconsin Home Economics Association: Grace H. Robertson, Grace B. Barrett, Ethelyn C. Robinson, Anita Gundlach, Margaret P. McCordic, Myrtle H. Webb, Janet C. Wiren, Christine Nickel, Lucille W. Cormican, Elfriede F. Brown, Ada B. Lothe, Sister M. Claudine, O. S. F., May S. Reynolds, Jane Comings, Gertrude Berg, Ellen F. Nelson, Lillian Jeter, Louise A. Young.

RESTORATION OF FUNDS FOR UNITED NATIONS TECHNICAL ASSISTANCE PROGRAM—LETTER

Mr. WILEY. Mr. President, I was pleased to receive from Rev. R. B. Gutmann, executive director of Neighborhood House in Milwaukee, an important message on the significance of restoring the appropriations requested by the administration for the United Nations technical assistance program. I heartily endorse the views which have been expressed by the Reverend Gutmann.

I ask unanimous consent that the letter be printed in the RECORD, and be thereafter appropriately referred to the Senate Appropriations Committee.

There being no objection, the letter was referred to the Committee on Appropriations and ordered to be printed in the RECORD, as follows:

NEIGHBORHOOD HOUSE,
Milwaukee, Wis., March 25, 1955.

The Honorable ALEXANDER WILEY,
Senate Office Building,
Washington, D. C.

DEAR SENATOR WILEY: It is my understanding that the Senate Appropriations Committee is considering at this time the American appropriation for the technical assistance program of the U. N. I am sure that you feel strongly the need for adequate support of technical assistance. We are all united in the resolve to prevent the spread of communism, both at home and abroad. We also know that those countries which are economically and socially backward are most susceptible to the Marxist germ.

While the technical assistance program of the U. N. is not our only means of helping these backward countries in their development and thus lay the groundwork for a peaceful and just world, we will certainly want to do all we can to make the program a success. This is our privilege as the leading country of the free world and our duty as a minimum contribution to peace.

I am greatly disturbed by the fact that the House of Representatives has cut the appropriation asked for by 50 percent. May I, as one of your constituents, urge upon you the restoration of the full appropriation asked for by the administration? The fight against communism surely transcends party lines and party considerations. Please use your influence and your vote in this cause.

Sincerely yours,

R. B. GUTMANN,
Executive Director.

PANAMA CANAL TOLLS—RESOLUTIONS

Mr. MAGNUSON. Mr. President, typical of the strong sentiment for a change in Government policy on the matter of Panama Canal tolls, are the attached resolutions passed recently by the Western Traffic Conference, Inc., the Traffic Managers Conference of Southern California, and the Board of Supervisors of Alameda County, Calif.

I present the resolutions, for appropriate reference, and ask unanimous consent that they be printed in the RECORD.

There being no objection, the resolutions were referred to the Committee on Interstate and Foreign Commerce, and ordered to be printed in the RECORD, as follows:

WESTERN TRAFFIC CONFERENCE, INC.,
San Gabriel, Calif., March 16, 1955.

Senator WARREN G. MAGNUSON,
Senate Office Building,
Washington, D. C.

HONORABLE SIR: The board of directors of the Western Traffic Conference, Inc. (an organization representing over 1,200 retail stores located on the Pacific coast), at their meeting held in San Francisco, Calif., on March 4 and 5, 1955, discussed the subject of Panama Canal Tolls, which affect the shippers as well as the shipping interests, resulting in the approval of the following resolution, and ask that you support same.

"Whereas it is the specific policy of Western Traffic Conference, Inc., to recognize and promote the necessity for continued development of maritime commerce to and from the Pacific coast; and

"Whereas tolls on commercial cargoes transiting the Panama Canal are a very important factor in the development of this commerce; and

"Whereas present tolls are carrying more than their fair share of the cost of operating the Panama Canal: Now, therefore, be it

"*Resolved*, That the Western Traffic Conference, Inc., does hereby go on record urging the administration and the Congress of the United States to recognize, through proper legislation, the national defense value of the Canal, the need for altering present financial and fiscal policies at the Canal and the fairness in limiting the annuity payment chargeable to tolls to its present level; be it further

"*Resolved*, That this resolution be communicated to the congressional delegation from California, Oregon, and Washington, to all members of the House Merchant Marine and Fisheries Committee urging immediate action for corrective legislation on this subject."

Respectfully yours,

FRED W. ASHTON,
Secretary-Treasurer.

RESOLUTION OF TRAFFIC MANAGERS' CONFERENCE OF SOUTHERN CALIFORNIA, LOS ANGELES, CALIF.

This conference has unanimously adopted the following resolution at their general meeting, February 24, 1955:

"Whereas the Traffic Managers' Conference of Southern California recognizes the vital contribution to our national economy and defense made by Intercoastal Water Carriers using the Panama Canal; and

"Whereas commercial cargoes transiting the Panama Canal are now carrying an unfair portion of the cost of operating the Panama Canal through the payment of tolls: Now, therefore, be it

"*Resolved*, That this conference supports corrective legislation designed to recognize the national defense value of the Panama Canal, so that commercial cargoes will not be required to pay more than their fair share of tolls for the commercial use of the Canal; further be it

"*Resolved*, That fiscal and financial policies of the Canal be corrected to prevent the placing of an inequitable tolls burden on commercial shipping and that increases in the annuity payments to the Republic of Panama be paid for by the United States Government and not by commercial tolls; be it further

"*Resolved*, That copies of this resolution be transmitted to each and every Member of the congressional delegation of California, the members of the House Merchant Marine and Fisheries Committee, the Senate Interstate and Foreign Commerce Committee and the President of the United States, urging them to take the necessary action to insure the passage of corrective legislation."

We respectfully recommend and urge that the Congress of the United States arrange to undertake a study, as a whole, or through a commission representing all interests to enact certain laws for adjustment of the amount of capital investment, for which tolls should earn interest and depreciation, along with the manner in which the United States Government would pay a reasonable share of the costs for operating and maintaining the Panama Canal.

F. Z. WAKEFIELD,
President.

Resolution 15289

Resolution memorializing the Congress of the United States to recognize the national defense value of the Panama Canal, and the necessity for altering present financial and fiscal policies in connection therewith

Whereas it is the specific policy of this board of supervisors to recognize and promote the necessity for continued development of maritime commerce on the Pacific coast; and

Whereas tolls on commercial cargoes transiting the Panama Canal are a very important factor in the development of this commerce; and

Whereas present tolls are carrying more than their fair share of the cost of operating the Panama Canal: Now, therefore, be it

Resolved, That the Board of Supervisors of the City and County of San Francisco does hereby go on record urging the administration and the Congress of the United States to recognize, through proper legislation, the national defense value of the canal, the need for altering present financial and fiscal policies at the canal and the fairness in limiting the annuity payment chargeable to tolls to its present level; and be it further

Resolved, That the clerk of the board of supervisors be, and he is hereby, directed to submit copies of this resolution to his honor, the mayor, for transmittal by him to the Federal legislative representative, for presentation to Senators KNOWLAND and KUCHEL and Representatives from the State of California with the request that they exert their every influence to effectuate the purposes of this resolution.

Whereas this Board of Supervisors of Alameda County, State of California, is vitally interested in the maintenance of a strong and adequate American merchant marine; and

Whereas intercoastal shipping is a vital part of such merchant marine: Now, therefore, be it

Resolved, That this board of supervisors supports corrective legislation designed to recognize the national defense value of the Panama Canal so that commercial cargoes will not be required to pay more than their

fair share of tolls for the commercial transiting of the canal; and be it further

Resolved, That fiscal and financial policies of the canal be corrected to prevent the placing of an inequitable tolls burden on commercial shipping and that increases in the annuity payments to the Republic of Panama be paid for by the United States Government and not by commercial tolls; and be it further

Resolved, That copies of this resolution be transmitted to Members of the Senate and House of Representatives from the State of California, members of the House Merchant Marine and Fisheries Committee, and the Senate Interstate and Foreign Commerce Committee, urging them to take the necessary action to insure the passage of corrective legislation.

THE ASIAN-AFRICAN CONFERENCE—RESOLUTION

Mr. LEHMAN. Mr. President, at the recent annual convention of the Americans for Democratic Action, a fine anti-Communist organization to which I have belonged for many years, a resolution was adopted bearing on the impending Asian-African conference shortly to begin, where decisions of grave world import will be made.

I ask unanimous consent that the resolution adopted at the ADA convention on this subject be printed in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

ASIAN-AFRICAN CONFERENCE

The Asian-African conference presents an opportunity to give encouragement to the uncommitted nations which have taken the initiative in convening the meeting, and to other democratic forces which will be represented there. In addition to the friendly greetings already dispatched by the SEATO powers, our Government should, before the meeting convenes, make clear its position on the vital issues to be considered there.

The United States should reiterate its firm opposition to the continuation of colonialism and imperialism; its intention to assist the new nations to make rapid economic and political progress; and its endorsement of their right to play their part in the solution of world problems. The United States should make clear that it not only opposes communism but also fights for progressive goals, that it is not wedded to the support of reactionary elements in Asia, Africa, or any other part of the world, and that it seeks no dominion for itself.

By so doing the United States will recognize the intensity of the feelings of the masses of people in Asia and Africa, to whom anti-colonialism and opposition to "Apartheid" and other forms of racial discrimination are vital principles, and to whom anti-communism and the democratic way of life are still slogans without significance in their struggle for freedom and justice. It should help them to understand that international communism is the most menacing new thrust of colonialism, and endangers the national aspirations of all free peoples. Thereby it can strengthen the democratic elements at the conference, and limit the power of the Communist representatives to distort its position and to influence the conference toward alinement with the Communist world.

TREATMENT OF ADVANCE NEWSPAPER-SUBSCRIPTION PAYMENTS AS PREPAID INCOME—EDITORIAL OF THE SOUTH DAKOTA PRESS ASSOCIATION

Mr. THYE. Mr. President, there is pending a proposed amendment to the Internal Revenue Code, which would repeal the 1954 provisions permitting newspapers to treat advance subscription payments as prepaid income.

Mr. Alan C. McIntosh, who is publisher of the Rock County Herald, at Luverne, Minn., and a former president of the National Editorial Association, has called my attention to the fact that such repeal, on a retroactive basis, would be a hardship to many weekly and small daily newspapers, the vast majority of which have utilized the provisions on the reasonable and justifiable basis that Congress intended.

A resolution adopted by the South Dakota Press Association at its annual meeting on March 26, sets forth the views of these publishers as to effect of the proposed change in the code. I ask unanimous consent that the resolution be printed at this point in the RECORD, as a part of my remarks.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

RESOLUTION OF SOUTH DAKOTA PRESS ASSOCIATION, MARCH 26, 1955

The revision of the Federal tax laws in 1954 contained a provision that authorized newspapers to treat subscription payments as prepaid income, as they properly are, and permitted them to set up reserves in proportion to this obligation. This was in accord with good business principles and sound accounting practices.

Now it is proposed that this provision be repealed and that the repeal be made retroactive to January 1, 1954.

The South Dakota Press Association strongly opposes the proposed repeal of this section and urges Congress to respect the sound sense of the 1954 provision in respect to newspaper subscription revenues. Furthermore, it considers the proposal that the section be repealed on a retroactive basis to be sharply in violation of good faith. Many newspapers have adjusted their books to conform to the 1954 provision and they would be subjected to a considerable hardship to be compelled to go back now and make changes in records that they had every reason to believe were past history.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. KEFAUVER, from the Committee on Armed Services:

S. 800. A bill to repeal the act of January 19, 1929 (ch. 86, 45 Stat. 1090), entitled "An act to limit the date of filing claims for retainer pay"; without amendment (Rept. No. 130).

By Mr. JOHNSTON of South Carolina, from the Committee on Post Office and Civil Service:

S. 35. A bill to permit the transportation in the mails of live scorpions; without amendment (Rept. No. 131).

By Mr. SALTONSTALL (for Mr. WELKER), from the Committee on Armed Services:

S. 1137. A bill to extend the authority for the enlistment of aliens in the Regular Army; without amendment (Rept. No. 132); and

S. 1139. A bill to extend the existing authority for the loan of a small aircraft carrier to the Government of France; without amendment (Rept. No. 133).

By Mrs. SMITH of Maine, from the Committee on Armed Services:

S. 1600. A bill to provide that leave accrued by members of the Armed Forces while held as prisoners of war in Korea shall not be counted in determining the maximum amount of leave which they may accumulate or have to their credit; with an amendment (Rept. No. 134).

By Mr. MAGNUSON, from the Committee on Interstate and Foreign Commerce:

S. Con. Res. 16. Concurrent resolution to establish a joint committee to study aspects of the common system of air navigation in the United States; with amendments (Rept. No. 135); and the concurrent resolution was referred to the Committee on Rules and Administration.

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on March 31, 1955, he presented to the President of the United States the enrolled bill (S. 465) for the relief of Ernest Ludwig Bamford and Mrs. Nadine Bamford.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. SMITH of New Jersey:

S. 1616. A bill for the relief of Sumiko Ariumi Bilson; to the Committee on the Judiciary.

S. 1617. A bill to authorize an additional Assistant Secretary in the Department of Health, Education, and Welfare; to the Committee on Labor and Public Welfare.

(See the remarks of Mr. SMITH of New Jersey when he introduced the last above-mentioned bill, which appear under a separate heading.)

By Mr. MANSFIELD:

S. 1618. A bill to permit weekly newspapers to suspend publication for not more than 2 issues in any 1 calendar year without loss of second-class mail privileges; to the Committee on Post Office and Civil Service.

(See the remarks of Mr. MANSFIELD when he introduced the above bill, which appear under a separate heading.)

By Mr. LEHMAN:

S. 1619. A bill for the relief of Giuseppe Ventura; to the Committee on the Judiciary.

By Mr. THYE (for himself and Mr. HUMPHREY):

S. 1620. A bill to provide for the control of noxious weeds on land under the control or jurisdiction of the Federal Government; to the Committee on Interior and Insular Affairs.

By Mr. KNOWLAND (for Mr. CASE of South Dakota):

S. 1621. A bill to authorize adjustment by the Secretary of Agriculture of certain obligations of settlers on projects developed or subject to the act of August 11, 1939, as amended, and for other purposes; to the Committee on Agriculture and Forestry.

S. 1622. A bill to authorize the Secretary of the Interior to make payment for certain improvements located on public lands in the Rapid Valley unit, South Dakota, of the Missouri River Basin project, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. SALTONSTALL (for Mr. KENNEDY):

S. 1623. A bill for the relief of Julio de Assis Martiniano; and

S. 1624. A bill for the relief of Manuel Bentes Robalo; to the Committee on the Judiciary.

By Mr. CARLSON (for himself and Mr. BENNETT):

S. 1625. A bill to discontinue the Postal Savings System, established by the act of June 25, 1910 (36 Stat. 814), as amended, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. BENDER:

S. 1626. A bill for the relief of Rachid Abdallah; and

S. 1627. A bill for the relief of Alexander Orlov and his wife, Maria Orlov; to the Committee on the Judiciary.

By Mr. RUSSELL (for himself, Mr. GEORGE, Mr. THURMOND, Mr. EASTLAND, Mr. STENNIS, Mr. JOHNSTON of South Carolina, Mr. LANGER, and Mr. MORSE):

S. 1628. A bill to provide relief to farmers and farm workers suffering crop losses or loss of employment because of damage to crops caused by drought, flood, hail, frost, freeze, wind, insect infestation, plant disease, or other natural causes; to the Committee on Agriculture and Forestry.

(See the remarks of Mr. RUSSELL when he introduced the above bill, which appear under a separate heading.)

By Mr. MALONE:

S. 1629. A bill for the relief of Peter B. Vardy and his wife, Lilian M. Vardy; to the Committee on the Judiciary.

By Mr. WILEY:

S. 1630. A bill to authorize the issuance of a special series of stamps in recognition of the founding of the first kindergarten in the United States; to the Committee on Post Office and Civil Service.

By Mr. DIRKSEN:

S. 1631. A bill for the relief of Pearson F. Marsh; to the Committee on Post Office and Civil Service.

By Mr. HUMPHREY:

S. 1632. A bill to authorize a $100 per capita payment to members of the Red Lake Band of Chippewa Indians from the proceeds of the sale of timber and lumber on the Red Lake Reservation; to the Committee on Interior and Insular Affairs.

By Mr. JACKSON:

S. 1633. A bill relating to a constitutional convention in Alaska; to the Committee on Interior and Insular Affairs.

By Mr. MILLIKIN (for himself and Mr. ALLOTT):

S. 1634. A bill to provide for the appointment of a district judge for the district of Colorado; to the Committee on the Judiciary.

By Mr. ELLENDER (for himself, Mr. BENNETT, Mr. GEORGE, Mr. HAYDEN, Mr. MURRAY, Mr. CHAVEZ, Mr. LANGER, Mr. MILLIKIN, Mr. EASTLAND, Mr. MAGNUSON, Mr. MORSE, Mr. YOUNG, Mr. HOLLAND, Mr. BRICKER, Mr. MALONE, Mr. THYE, Mr. WATKINS, Mr. STENNIS, Mr. LONG, Mr. MUNDT, Mr. HUMPHREY, Mr. KERR, Mr. SCHOEPPEL, Mr. DWORSHAK, Mr. CLEMENTS, Mr. CARLSON, Mr. CASE of South Dakota, Mr. WELKER, Mr. POTTER, Mr. KUCHEL, Mr. BARRETT, Mr. DANIEL, Mr. GOLDWATER, Mr. JACKSON, Mr. MANSFIELD, Mr. SYMINGTON, Mr. HRUSKA, Mr. O'MAHONEY, Mr. CURTIS, Mr. ALLOTT, Mr. MARTIN of Iowa, Mr. NEUBERGER, Mr. BENDER, Mr. JOHNSTON of South Carolina, Mr. THURMOND, Mr. MCCARTHY, Mr. SCOTT, Mr. NEELY, and Mr. LEHMAN):

S. 1635. A bill to amend and extend the Sugar Act of 1948, as amended, and for other purposes; to the Committee on Finance.

(See the remarks of Mr. ELLENDER when he introduced the above bill, which appear under a separate heading.)

By Mr. HUMPHREY:

S. 1636. A bill to require the use of humane methods in the slaughter of livestock and poultry in interstate or foreign commerce, and for other purposes; to the Committee on Agriculture and Forestry.

(See the remarks of Mr. HUMPHREY when he introduced the above bill, which appear under a separate heading.)

By Mr. LONG:

S. 1637. A bill to extend the time limit within which recommendations for and awards of certain military decorations may be made; to the Committee on Armed Services.

S. 1638. A bill to amend title II of the Social Security Act to provide for the payment of child's insurance benefits to certain individuals who are over the age of 18 but who are unable to engage in any regular employment by reason of permanent physical or mental disability; and

S. 1639. A bill to amend title II of the Social Security Act so as to provide for the payment of disability-insurance benefits; to the Committee on Finance.

By Mr. LONG (for himself and Mr. ELLENDER):

S. 1640. A bill to provide that one floating ocean station shall be maintained at all times in the Gulf of Mexico to provide storm warnings for States bordering on the Gulf of Mexico; to the Committee on Interstate and Foreign Commerce.

(See the remarks of Mr. LONG when he introduced the above bill, which appear under a separate heading.)

By Mr. SPARKMAN:

S. 1641. A bill to amend the Federal Credit Union Act; and

S. 1642. A bill to amend the United States Housing Act of 1937 to establish a program for the housing of elderly persons of low income; to the Committee on Banking and Currency.

S. 1643. A bill to provide benefits for members of the Reserve components of the armed services who suffer disability or death incident to active duty, active duty for training, or inactive-duty training, and for other purposes; to the Committee on Armed Services.

(See the remarks of Mr. SPARKMAN when he introduced the last two above-mentioned bills, which appear under separate headings.)

By Mr. SPARKMAN (for Mr. KILGORE, Mr. BENDER, Mr. BUTLER, Mr. DWORSHAK, Mr. FULBRIGHT, Mr. KUCHEL, Mr. NEUBERGER, Mr. HUMPHREY, Mr. JACKSON, Mr. LANGER, Mr. LEHMAN, Mr. MCCLELLAN, Mr. MCNAMARA, Mr. MAGNUSON, Mr. MORSE, Mr. SPARKMAN, and Mr. YOUNG):

S. 1644. A bill to prescribe policy and procedure in connection with construction contracts made by executive agencies, and for other purposes; to the Committee on the Judiciary.

(See the remarks of Mr. SPARKMAN when he introduced the above bill, which appear under a separate heading.)

By Mr. MAGNUSON:

S. 1645. A bill to permit certain holders of mortgage purchase contracts with the Federal National Mortgage Association to exercise their rights under such contracts for additional periods of not to exceed 90 days; to the Committee on Banking and Currency.

(See the remarks of Mr. MAGNUSON when he introduced the above bill, which appear under a separate heading.)

S. 1646. A bill to amend the Longshoremen's and Harbor Workers' Compensation Act so as to provide increased benefits in cases of disabling injuries and for other purposes; to the Committee on Labor and Public Welfare.

By Mr. MAGNUSON (by request):

S. 1647. A bill to increase the efficiency of the Coast and Geodetic Survey, and for other purposes;

S. 1648. A bill to amend section 309 of the Communications Act of 1934, in regard to protests of grants of instruments of authorization without hearing; and

S. 1649. A bill to amend the Civil Aeronautics Act of 1938, as amended, so as to authorize the imposition of civil penalties in certain cases; to the Committee on Interstate and Foreign Commerce.

(See the remarks of Mr. MAGNUSON when he introduced the above bills, which appear under separate headings.)

By Mr. JACKSON (for himself and Mr. KEFAUVER):

S. 1650. A bill to authorize the Territory of Alaska to obtain advances from the Federal Unemployment Act, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. BRICKER (by request):

S. 1651. A bill for the relief of Felisa Ho (nee Chang-Kuon); to the Committee on the Judiciary.

By Mr. KEFAUVER:

S. 1652. A bill to amend section 40 of the Bankruptcy Act, so as to increase salaries for part-time and full-time referees; to the Committee on the Judiciary.

(See the remarks of Mr. KEFAUVER when he introduced the above bill, which appear under a separate heading.)

By Mr. DANIEL (for himself and Mr. BUTLER):

S. J. Res. 64. Joint resolution authorizing the President of the United States of America to proclaim the period August 21 to 27, 1955, as American Law Student Week; to the Committee on the Judiciary.

THIRD ASSISTANT SECRETARY IN THE DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Mr. SMITH of New Jersey. Mr. President, the Secretary of the Department of Health, Education, and Welfare, in a letter to the President of the Senate under date of March 21, 1955, has advised the Congress of the need in the Department for a third assistant secretary. The Secretary has forwarded, as an enclosure to her letter, a draft bill which, if enacted into law, would authorize this additional assistant secretary. I am forwarding that bill to the desk and ask that it be appropriately referred.

Mr. President, I ask unanimous consent that the full text of the letter of March 21, 1955, addressed to the Vice President as President of the Senate, from Mrs. Oveta Culp Hobby, Secretary of the Department of Health, Education, and Welfare, together with the enclosed draft bill, be printed in the RECORD following my remarks. This letter clearly outlines the need for this new office.

Reorganization Plan No. 1 of 1953, which was submitted to Congress on March 12, 1953, created the Department of Health, Education, and Welfare. Section 2 of that plan created the position of Secretary to head up the new Department. That section also created the position of Under Secretary and two Assistant Secretaries. Section 3 created the position of special assistant to the Secretary for health and medical affairs. This bill which I am now introducing would permit the appointment of a third Assistant Secretary with responsibility for administration and management.

I introduce the bill and ask for its appropriate reference.

The PRESIDENT pro tempore. The bill will be received and appropriately referred, and, without objection, the bill and letter will be printed in the RECORD.

The bill (S. 1617) to authorize an additional Assistant Secretary in the Department of Health, Education, and

Welfare, introduced by Mr. SMITH of New Jersey, was received, read twice by its title, referred to the Committee on Labor and Public Welfare, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That there shall be in the Department of Health, Education, and Welfare, in addition to the Assistant Secretaries now provided for by law, one additional Assistant Secretary of Health, Education, and Welfare, who shall be appointed by the President by and with the advice and consent of the Senate. The provisions of section 2 of Reorganization Plan No. 1 of 1953 (67 Stat. 631) shall be applicable to such additional Assistant Secretary to the same extent as they are applicable to the Assistant Secretaries authorized by that section.

The letter presented by Mr. SMITH of New Jersey is as follows:

DEPARTMENT OF HEALTH,
EDUCATION, AND WELFARE,
Washington, D. C., March 21, 1955.

Hon. RICHARD M. NIXON,
The President of the Senate,
Washington, D. C.

DEAR MR. PRESIDENT: I am enclosing for your consideration a draft of a bill, "To authorize an additional Assistant Secretary in the Department of Health, Education, and Welfare."

The draft bill would permit the appointment of a third Assistant Secretary of Health, Education, and Welfare by the President, by and with the advice and consent of the Senate. There are now two such Assistant Secretaries provided for by law. One of the present Assistant Secretaries is responsible for program analysis; the other, for Federal-State relations. It is proposed that the additional Assistant Secretary would be responsible for administration.

There is an urgent need in this Department for an Assistant Secretary to provide the major staff arm for formulation and development of policies for the general management of the Department. At present, there are approximately 36,000 employees in this Department administering an extremely wide range of activities through six major constituents which differ considerably in their size, internal organization structure, operating methods, and other management characteristics.

Ours is the newest of the departments in the executive branch and is responsible for major programs involving human needs for a constantly growing national population. Many management problems arise as the departmental level which involve subjects considered at the Cabinet level and involve factors cutting across constituent organization lines. The Secretary must be able to rely on an official of the level of an Assistant Secretary for the development of rapid but careful analyses of actions to be taken which will give full consideration to both program and management factors.

It is planned that the proposed Assistant Secretary will exercise administrative responsibility and supervision of the Office of Internal Security and the newly established Special Assistant for Inspection, in addition to the general management area. This will help reduce the number of separate offices reporting to the Secretary. It will also help materially in effecting the very important coordination of the internal security and inspection activities in the Department with the general management and personnel activities at all levels. It should be understood, however, that this coordinating and administrative responsibility of the Assistant Secretary is not intended to preclude or impede such direct communication between the Secretary and the Director of Security, and between the Secretary and the Special Assistant for Inspection as any of these three may find necessary to the proper discharge of their responsibilities.

A study of administrative management activities of the Department, conducted by a private management consulting firm, has already identified, among other points, the great need to give more attention to:

1. More extensive management guides to the constituents;

2. The establishment of administrative standards which will reduce costs in the procurement and utilization of equipment, space, supplies, forms, records, and printing; and

3. The expansion of common services offered to the constituents whenever desirable in the interest of economy and convenience.

The establishment of the new Assistant Secretary as provided in the enclosed draft bill will also help to effectuate these recommendations.

The area of general administration and management policies, standards, and service, including internal security and inspection, is so important to the efficient and effective functioning of the Department that direct supervision and attention to this area of activities should be provided by a high official at the level of an Assistant Secretary.

I shall appreciate it if you would be good enough to refer the enclosed draft bill to the proper committee for action.

The Bureau of the Budget advises that it perceives no objection to the submission of this proposed legislation to the Congress for its consideration.

Sincerely yours,

OVETA CULP HOBBY,
Secretary.

SUSPENSION OF PUBLICATION OF WEEKLY NEWSPAPERS FOR TWO WEEKS WITHOUT LOSS OF SECOND-CLASS MAIL PRIVILEGES

Mr. MANSFIELD. Mr. President, I introduce, for appropriate reference, a bill to permit weekly newspapers to suspend publication for not more than two issues in any one calendar year without loss of second-class mail privileges.

The bill would allow weekly newspapers which have been accorded the second-class mail privilege to suspend publication for vacation purposes for not more than two issues in any one calendar year without the necessity of applying for reentry as second-class matter on account of a change in frequency of issue. Under existing postal regulations, a weekly newspaper must publish an edition each week, 52 weeks a year, or it will lose its second-class postal privileges.

The weekly newspaper is the backbone of the journalistic world. These small newspapers play an important role in thousands of communities throughout the Nation. In most cases the staff of a weekly is composed of 3 or 4 persons; in many cases less. It is not unusual to find an editor-publisher putting in his time as a printer, linotype operator, pressman, reporter, and bookkeeper, all within the routine of 1 week.

Daily newspapers can afford, as a general rule, to give their employees a vacation, without causing an excessive burden on the remaining staff members. These larger organizations have access to part-time help, and can make allowances for vacations. If one person were to take 2 weeks off from his duties on a weekly newspaper, it would be impossible in many cases to publish the newspaper. There are no harder workers in the journalistic field than those who operate and work on a weekly. They are entitled to a vacation each year. If the publisher could afford to hire a substitute for several weeks, he would not be able to find one. As all of us know, there is not an excess of printers, linotype operators, and reporters in communities of a few thousand persons.

This bill would allow the weekly newspapers to suspend publication for 2 weeks without losing their second-class postal rate, which is so important to them. The bill will give the little fellow in the newspaper business a break; it will not cost the Government a cent; and it will recognize a situation which needs adjusting, and needs it now.

The passage of this bill by Congress will, when the States affected change their laws covering legal notices, be of inestimable value to the weekly publishers, and will give them a chance to take a much-needed vacation each year, which they are barred from doing now. I sincerely hope the bill will receive consideration from the Post Office and Civil Service Committee.

The PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 1618) to permit weekly newspapers to suspend publication for not more than two issues in any one calendar year without loss of second-class mail privileges, introduced by Mr. MANSFIELD, was received, read twice by its title, and referred to the Committee on Post Office and Civil Service.

RELIEF TO FARMERS AND FARM WORKERS IN CERTAIN CASES

Mr. RUSSELL. Mr. President, on behalf of myself, my colleague, the senior Senator from Georgia [Mr. GEORGE], the junior Senator from South Carolina [Mr. THURMOND], the Senators from Mississippi [Mr. EASTLAND and Mr. STENNIS], the senior Senator from South Carolina [Mr. JOHNSTON], the Senator from North Dakota [Mr. LANGER], and the Senator from Oregon [Mr. MORSE], I introduce, for appropriate reference, a bill to provide relief to farmers and farm workers suffering crop losses or loss of employment because of damage to crops caused by drought, flood, hail, frost, freeze, wind, insect infestation, plant disease, or other natural causes. I ask unanimous consent that the bill be printed in the RECORD.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

The bill (S. 1628) to provide relief to farmers and farm workers suffering crop losses or loss of employment because of damage to crops caused by drought, flood, hail, frost, freeze, wind, insect infestation, plant disease, or other natural causes, introduced by Mr. RUSSELL (for himself and other Senators) was received, read twice by its title, referred to the Committee on Agriculture

and Forestry, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc.—

CONGRESSIONAL FINDINGS

SECTION 1. The Congress hereby finds (1) that crop losses due to drought, flood, hail, frost, freeze, wind, insect infestation, plant disease, or other natural causes result in severe hardship, suffering, and economic loss, not only in the case of operators of farms but in the case of their tenants and employees as well; (2) that, by reason of acreage limitations or other production controls, farmers suffering such losses are often prevented from planting other crops to replace those lost or damaged; (3) that as a result thereof agricultural workers and other persons dependent on such crops for a livelihood are forced to seek other employment thus causing dislocation of populations and other trends which tend to unbalance existing ratios between rural and urban populations; (4) that the economies of the areas affected are thereby disrupted and the economy of the entire Nation adversely affected.

STATEMENT OF PURPOSES

SEC. 2. It is purpose of this act to alleviate hardship, suffering, and economic losses resulting from disastrous loss or damage to agricultural crops due to natural causes, and to prevent serious dislocation of populations, and other adverse effects on the economies of the areas affected and the Nation, by making possible the planting of additional acreage of other crops which will in part replace those destroyed or damaged and thus provide a livelihood for farm operators and workers who would otherwise be forced to seek other means of support for themselves and their families.

INCREASE IN ACREAGE ALLOTMENTS

SEC. 3. (a) Whenever the Secretary of Agriculture determines—

(1) that in any area any agricultural crop which is important to the economy of such area has been destroyed or severely damaged by drought, flood, hail, frost, freeze, wind, insect infestation, plant disease, or other natural cause; and

(2) that, except for acreage limitations or other production controls, other crops could be planted to replace or supplement the crop destroyed or damaged,

the Secretary, upon application by the operator of any farm within such area, shall cause to be allotted to such farm additional acreage for the planting of any such crop in such amount as the Secretary determines to be necessary to carry out the purposes of this act.

(b) The Secretary of Agriculture is authorized and directed, whenever he determines that the normal production from the acreage allotment for the principal crop produced on any farm, together with the normal production of other crops grown on such farm, is insufficient to provide a livelihood for the operator of such farm and his family, to increase such acreage allotment to the extent necessary to enable such operator to produce sufficient agricultural commodities to provide such livelihood.

(c) The aggregate of the additional acreage allotted for any crop year under this section for the planting of any agricultural commodity shall not exceed (1) 500,000 acres, or (2) 3 percent of the national acreage allotment for such commodity for such year, whichever is smaller.

ADDITIONAL ACREAGE NOT TO BE CONSIDERED FOR PURPOSE OF FUTURE ALLOTMENTS

SEC. 4. The additional acreage authorized to be allotted to farms under this act for any year shall be in addition to the county, State, and national acreage allotments for such year. Such additional acreage shall not be taken into account in establishing future State, county, and farm acreage allotments.

DEFINITION OF AGRICULTURAL CROP

SEC. 5. As used in this act, the term "agricultural crop" means any crop of a product of the soil, including horticultural crops.

TERMINATION DATE

SEC. 6. This act shall cease to be in effect on June 1, 1958.

Mr. RUSSELL. Mr. President, the bill undertakes to afford some measure of relief to the farmers who are suffering one of the greatest catastrophes that has befallen them in the last century. I refer to the major disaster of the great freeze, which has brought to a large area of the Nation the coldest weather that has been known since the records of the Weather Bureau have been kept. That freeze occurred in the latter part of March, and was very disastrous to many crops.

In the case of the peach crop in my State, and of other States, it has been the greatest loss that has been incurred. It killed the entire peach crop. Experts, who are familiar with the facts and who have examined into the situation by traveling over the entire area affected, say that the State of Georgia, the greatest peach-producing State in the Union, will not produce enough peaches this year to make one peach pie.

Mr. President, the growing of peaches is a very expensive business. It requires a great deal of labor. It requires labor that is well paid to do the work that is necessary in spraying, trimming, cutting back, plowing, and the placing of fertilizer. It is not the kind of crop that can be replanted immediately.

The corn crop was almost entirely killed by the freeze. However, the corn crop can be replanted, and the farmers can still raise a corn crop this year. In the case of peaches and other horticultural crops, it is manifestly impossible to do that.

The bill does not undertake to give any grants to these people, even though they have been completely wiped out from an economic standpoint. It provides what I believe to be the best and cheapest relief than can possibly be afforded the farmers in those circumstances.

We know that in these areas other crops can still be planted which will enable farmers to maintain their labor and still enjoy at least some income which perhaps will enable them to tide over to another year.

The crops which can be grown in this area are principally peanuts, cotton, and, in some small instances, tobacco. All those crops happen to be under limitations of acreage. The acreage has already been distributed and allocated among the farmers. The bill grants to the Secretary of Agriculture the authority to make modest allotments of acreage for crops which are under control, where such action will serve to provide a livelihood for the operator of a farm and enable him to take care of his family and exist until another crop year.

Very rigid limitations are set on the acreage which can be distributed. No commodity may be increased to more than 500,000 acres, or 3 percent of any commodity, whichever shall be lower. In the case of such crops as peanuts, for example, with respect to which the present allotment is in the neighborhood of 1,100,000 acres, the total the Secretary of Agriculture can distribute under the bill is not more than 33,000 acres.

The bill would not add greatly to any surplus. In some cases it would merely make up for the losses which have been incurred in these crops because of floods or drought or other disaster.

I wish to point out that the acreage, which is allotted on a purely relief basis, is not to be computed in arriving at future allotments to any farm or to any State or to any county.

In order to reassure anyone who might fear permanent legislation of this kind, the bill has a cutoff date of June 1, 1958.

I have spoken principally of the peach producers of my own State and the producers of horticultural products in Georgia and other States who have been adversely affected. However, the bill is not limited to those crops. It relates to any farmer or producer whose crop is destroyed by natural causes.

I read the caption of the bill:

To provide relief to farmers and farmworkers suffering crop losses or loss of employment because of damage to crops caused by drought, flood, hail, frost, freeze, wind, insect infestation, plant diseases, or other natural causes.

The bill would afford relief to the producers of any crop in any part of the United States where this method might be available as a means of alleviating distress and privation suffered by those who are compelled to gamble with the elements and with nature as they produce the food we eat and the clothes we wear and enable all of us to exist on this earth.

Mr. LANGER. Mr. President, will the Senator from Georgia yield?

Mr. RUSSELL. I yield.

Mr. LANGER. Does the bill provide for incentive payments and crop insurance?

Mr. RUSSELL. It does not; it does not go that far. I have kept it as simple as I could, because time is of the very essence, as the Senator knows, and if we were thrown into lengthy hearings on those features, I fear relief would not be afforded to those who have seen their year's work wiped out overnight and who would be forced to contemplate this year as a year of distress. Unless relief is afforded they will be driven from their farms. For many years the great majority of our people lived on farms. Then the number was cut down to approximately 50 percent. When I came to the Congress it was about 29 percent. It is now only 15 percent. Unless we do something to permit those people to exist on the farms, they will be driven into the cities. They cannot stand idly by and see their children starve.

Mr. LANGER. I wish to compliment the Senator from Georgia, and I ask that I may be permitted to be a cosponsor of his bill.

Mr. RUSSELL. I shall be very glad to have the Senator as a cosponsor. I know the Senator's heart goes out to those in distress, wherever they may be.

Mr. THURMOND subsequently said: Mr. President, I ask unanimous consent

to have printed in the RECORD a statement prepared by me dealing with the bill, introduced by the Senator from Georgia [Mr. RUSSELL] and cosponsored by me, to provide relief to farmers and farm workers suffering crop losses or loss of employment because of damage to crops caused by natural disasters.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR THURMOND

Two weeks ago, South Carolina's peach growers in several sections of the State suffered the loss, not only of this year's crop of peaches, but also of the loss of trees up to several years of age as a result of devastating hail from windstorms. I immediately consulted officials of the Department of Agriculture and requested that surveys be made in order that the effected areas might be declared eligible for emergency loans. That was done.

But this past weekend, another natural disaster struck the entire State of South Carolina. A killing freeze destroyed the entire peach crop of the State and damaged vegetable crops to an extent yet to be determined. At my request, Department of Agriculture officials have declared producers over the entire State eligible for emergency assistance.

But this is not enough. In 1953 South Carolina produced and marketed fruits and vegetables totaling $29,715,000. In 1954 South Carolina's total production of fruits and vegetables amounted to $24,771,000.

I should like to point out that the State of South Carolina produces and ships to market more fresh peaches than any other State in the Union according to official Department of Agriculture records. South Carolina's peach crop alone, which was destroyed by the freeze, was estimated to be worth $10 million, more than one-third of the total value of fruit and vegetable crops grown commercially in the State. This means, Mr. President, that more than one-third—nearly one-half of the income of growers from fresh fruits and vegetables was destroyed last weekend. Damage to other crops probably will increase this loss.

It should also be pointed out that while a normal crop of peaches in my State is valued at approximately $10 million, during recent years past growers have lost their entire crops several times. Consequently, this has greatly reduced the average income from this crop. This reduced average means that many growers have had to secure substantial loans during the bad years and, therefore, some are now faced with disaster unless additional assistance is given above that now provided by law.

This means, too, that thousands of farm and orchard workers will be thrown out of employment unless it is possible to provide compensating acreage to those who have suffered these disasters.

I want to urge that quick action be taken and this bill be given prompt passage. Only by such action can we provide the relief essential for those who have lost their crops and their jobs.

EXTENSION OF SUGAR ACT OF 1948

Mr. ELLENDER. Mr. President, on behalf of myself and 47 of my colleagues, I introduce a bill to amend and extend the Sugar Act of 1948, as amended, and for other purposes.

I ask unanimous consent that following my remarks there may be printed in the RECORD an explanation of the bill.

I request that any other Senators who desire to join in cosponsoring the bill may do so up to 5 o'clock today.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the statement will be printed in the RECORD, and the bill will lie on the desk for additional cosponsors, as requested by the Senator from Louisiana.

The bill (S. 1635) to amend and extend the Sugar Act of 1948, as amended, and for other purposes, introduced by Mr. ELLENDER (for himself and other Senators), was received, read twice by its title, and referred to the Committee on Finance.

The statement presented by Mr. ELLENDER is as follows:

STATEMENT BY SENATOR ELLENDER

The proposed amendment to the Sugar Act of 1948, as amended, would accomplish the following:

1. Make the following immediate increases in basic domestic-sugar quotas:

Domestic beet, 85,000 tons (to total of 1,885,000 tons).

Mainland cane 80,000 tons (to total of 580,000 tons).

Puerto Rico, 20,000 tons (to total of 1,100,000 tons).

Virgin Islands, 3,000 tons (to total of 15,000 tons).

(Hawaii has not asked for an immediate increase in her basic quota of 1,052,000 tons.)

2. Apply a growth formula on all increases in annual consumption above 8,388,000 tons (the increase in basic domestic quotas plus 8,200,000 tons, the Department of Agriculture's initial consumption estimate for 1955).

The formula: Prorate among domestic producers, according to their basic quotas, 55 percent of the increase in annual consumption and 45 percent among foreign suppliers. (This is approximately the historic division of the market before the 1948 act.)

3. Provide that if any domestic area cannot meet its quota under the growth formula, other domestic areas will have first chance at making up the deficit. If they cannot, the unfilled amount would be allocated to Cuba.

4. Increase direct consumption quotas for Hawaii and Puerto Rico proportionately with their participation in the growth formula.

5. Extend the act to December 31, 1962.

Why the action is urgent now:

Present fixed quotas, accepted on a temporary basis under the 1948 act to help Cuba make her adjustment to reasonable postwar production levels a gradual process, are now causing a severe hardship on the domestic-sugar industry. Improved farming methods and applied research have increased per acre domestic yields to such an extent that production last year exceeded rigid ceilings in spite of reduced planting. Further drastic cuts in beet and cane acreages are impractical. Many veterans in new Government-sponsored irrigation projects can get no sugar-beet acreage allotments at all. Producers are burdened with large inventories.

In 1948, when the present rigid quotas became effective, our total annual sugar consumption amounted to 7,200,000 tons. The Department of Agriculture has announced an initial estimate of requirements for 1955 of 8,200,000 tons, with a forecast that our final requirements this year will amount to 8,500,000 tons. All the growth in the United States market will continue to go to foreign nations (96 percent of it to Cuba) unless the law is changed. The proposed amendment would not, however, reduce the present volume of sugar imports from any foreign country, including Cuba, but would assure their imports to continue growing as United States consumption grows.

WHY DOMESTIC SUGAR PRODUCERS NEED LARGER QUOTAS NOW

1. Domestic sugar industry now does not share in the growth of our country.

For 7 years, United States sugar-beet farmers and mainland sugarcane farmers have been denied any share in the growth of our country. The Sugar Act of 1948, under which United States sugar marketing quotas are still determined, put fixed ceilings on the amount of sugar American producers can market in their own country. Beet-sugar producers can market no more than 1,800,000 tons and mainland cane producers can market no more than 500,000 tons of sugar in 1 year.

In 1948, when these quotas become effective, our total annual sugar requirements amounted to 7,200,000 tons. The Department of Agriculture has announced an initial estimate of requirements for 1955 of 8,200,000 tons, with a forecast that our final requirements this year will amount to 8,500,000 tons. Despite this increase of at least a million tons in our annual sugar requirements, domestic beet-sugar producers and mainland cane-sugar producers still can market no more than their 1948 quotas.

Effective in 1953, 2 domestic cane areas—Puerto Rico and the Virgin Islands—had their quotas increased by 176,000 tons. Other than that, all the increase in the growth of the United States sugar market since 1947 has gone to foreign countries, and virtually all of it to 1 country—Cuba. (The United States last year imported from Cuba more than 2,700,000 tons, about one-third of our total needs.)

All the increase in the growing United States sugar market will continue to go to foreign countries unless the present law is changed.

2. Temporary concessions to help Cuba made by Congress in 1948 law.

From the beginning of American sugar quota legislation in 1934 until the 1948 act went into effect, the law provided for domestic sugar-producing areas to share in the growth of the United States sugar market. Domestic sugar producers temporarily relinquished this historic and just right in 1948 in order to help Cuba make a gradual adjustment downward from high wartime levels of production.

Congress also made other important temporary concessions to Cuba in the 1948 act so her adjustment to the inevitable postwar situation of reduced demand for her sugar could be gradual. Cuba was authorized to market 95 percent of the amount by which the Philippine industry, almost completely destroyed by the war, would fall short of its quota while it was rebuilding. Cuba was given the right to continue to share with domestic areas in making up deficits that might occur in any domestic areas. Cuba has marketed some 5,250,000 extra tons of sugar in the United States—almost 30 percent more than her basic quota—as the direct result of the special provisions of the Sugar Act of 1948.

Instead of using the opportunity thus afforded to adjust her production downward, Cuba increased her production. In 1952 she let production soar to 8,000,000 tons—1,500,000 tons more than she produced in 1947, and 2,000,000 tons more than anyone could see a market for anywhere in the world. This 2,000,000-ton surplus has plagued all sugar-producing countries in the world ever since.

3. Higher yields and rigid quotas create acute situation for domestic industry.

The present critical situation of the domestic beet and mainland cane areas has resulted from a combination of the increasing yields per acre, brought about by technological advances, and the temporary waiver for Cuba's benefit of the domestic areas' historic right to share in the growth of the American market.

Improved technology, more efficient farming methods, and the application of research findings have increased sugarcane tonnage per acre more than 16 percent, and sugar beet tonnage per acre 20 percent, since 1948.

Under the Sugar Act, domestic areas have always been subject to acreage restrictions and marketing controls, and during the last 2 years these restrictive measures have been sharply applied in a strenuous effort to keep production down to the rigid marketing quotas.

Last year, sugar beet acreage was 10 percent less than the year before the first Sugar Act went into effect, but production was 14 percent more—nearly 2 million tons. The fixed quota of 1,800,000 tons is forcing a further acreage cut of 10 to 15 percent this year by established growers in most of the 22 beet-producing States. Practically no other farmers will be permitted to plant any sugar beets at all. Many of the latter are war veterans on newly opened reclamation projects of the West, where sugar beets are vitally needed in the crop rotation.

In the mainland cane area, the situation is fully as acute. Despite acreage cuts of 8 and 10 percent, respectively, imposed in the last 2 years, sugar production in 1954 was 615,000 tons, or 115,000 tons more than the 500,000-ton fixed marketing quota for this area. This production was on fewer acres than produced 477,000 tons in 1948. Unless the law is changed, a further cut of 30 percent would be required to bring stocks in line with normal carryover. This, of course, is unthinkable and as a practical matter is impossible.

With production exceeding marketing quotas in spite of acreage cuts, the mainland cane and beet industries are saddled with large inventories, costly to carry. Final returns to farmers depend upon the cost of marketing sugar, and storage costs are marketing costs which directly reduce the net income of farmers, particularly in the beet area.

Acreage reductions are in effect on many of our export crops, which we produce in surplus, and it certainly seems contrary to the national interest to order drastic cuts in the acreage of a crop of which we import nearly half our annual needs.

4. Action now is imperative.

The action which the domestic sugar industry so urgently needs this year to relieve its critical situation can be obtained only by amending the Sugar Act now to increase 1955 marketing quotas for the domestic beet and mainland cane areas, and to restore to all domestic areas their historic and just right to share with foreign countries in the growth of the United States sugar market.

On the basis of the Department of Agriculture's estimate of our probable sugar needs for this year, the proposed bill will not reduce Cuba's present quota, and will permit Cuba and other foreign countries to continue to enjoy a fair share of future increases in the United States sugar market.

USE OF HUMANE METHODS IN SLAUGHTERING OF LIVESTOCK AND POULTRY

Mr. HUMPHREY. Mr. President, I introduce, for appropriate reference, a bill to require the use of humane methods in the slaughter of livestock and poultry in interstate or foreign commerce, and for other purposes. I ask unanimous consent that an explanatory statement of the bill, prepared by me, may be printed in the RECORD.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the statement will be printed in the RECORD.

The bill (S. 1636) to require the use of humane methods in the slaughter of livestock and poultry in interstate or foreign commerce, and for other purposes, introduced by Mr. HUMPHREY, was received, read twice by its title, and referred to the Committee on Agriculture and Forestry.

The statement presented by Mr. HUMPHREY is as follows:

STATEMENT BY SENATOR HUMPHREY

I have introduced today a bill to require the use of humane methods in the slaughter of livestock and poultry in interstate or foreign commerce.

European nations all immobilize and make insensible to pain all animals and poultry before slaughter. Most American nations still kill animals and poultry without benefit of unconsciousness, often while in great fear and pain. Our slaughter industry should at once start to reach European standards, and eventually lead the nations of the world in humane, noncruel slaughtering.

The slaughter industry of Britain, the Scandinavian countries, and in fact all nations of Europe have for some time immobilized and made insensible to pain all animals and poultry before bleeding and slaughter.

The methods used are the Captive Bolt Pistol, which drives a short bolt into the brain with the bolt stopped from going further by contact with a collar set in oil at the end of the pistol, or by the use of electricity, applied with electrodes to the upper part of the head, which suddenly stops the activity of all parts of the brain and nervous system and permanently immobilizes the whole body. Both methods put the animals to sleep until the knife is applied, and produces death before they awake.

Europe is far advanced over the United States in such humane methods of slaughter. The practices of our slaughterhouses of shackling animals and hanging them up by one leg before the knife is used to kill them, and with hogs sometimes being run through the scalding tank before they are entirely dead, represent unfortunate cruelty to which the slaughter industry often seems callously insensible.

Now is an opportune time to bring the slaughter industry in our country up to the European standards of humanity. We not only have the European methods to consider, but I am proud to say another humane method has been developed by Hormel Packing Co., of Austin, Minn. The Hormel Co. in my State uses carbon dioxide gas, making the hogs unconscious within seconds of exposure. The Hormel Co. has used this carbon dioxide method successfully in its own plant since they perfected it, the hogs never awakening through easy shackling, sticking, and scalding by the operators.

Some other firms in our country have also pioneered in this field. The European captive-bolt method has been voluntarily adopted by the Oscar Mayer Co., at Madison, Wis., and other plants are now beginning with this method.

Experiments are now being conducted at Iowa State Experimental Station and by the United States Department of Agriculture in Iowa and California toward making the Hormel method applicable to poultry and other animals.

We propose or require no specific method in this bill and provide ample time for the slaughterhouses to work out satisfactory methods. The enforcement provisions would not take effect for 5 years.

However, the American Humane Association feels that this bill and an educational campaign running parallel with it is a much-needed beginning of efforts to bring our slaughter industry to leadership in humane slaughtering of livestock and poultry.

The bill provides for a four-man committee, including a representative of the Department of Agriculture, of the slaughterers, of the organized trade-union movement engaged in packinghouse work, and of the American Humane Association to work out any problems connected with developing more humane practices.

I am hopeful it can be given early consideration and will be accepted by slaughterhouse operators of the country. Veteran meat-inspection officials of the Department of Agriculture have indicated they are in full accord with its objectives.

FLOATING WEATHER STATION IN GULF OF MEXICO

Mr. LONG. Mr. President, on behalf of myself and my colleague the senior Senator from Louisiana [Mr. ELLENDER], I introduce, for appropriate reference, a bill to provide that one floating ocean station shall be maintained at all times in the Gulf of Mexico to provide storm warnings for States bordering on the Gulf of Mexico. I ask unanimous consent that a statement, prepared by me, together with a letter from the Rotary Club of Golden Meadow, La., signed by James D. King, secretary, and a resolution adopted by the police jury of Jefferson Parish, La., be printed in the RECORD.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the statement, letter, and resolution will be printed in the RECORD.

The bill (S. 1640) to provide that one floating ocean station shall be maintained at all times in the Gulf of Mexico to provide storm warnings for States bordering on the Gulf of Mexico, introduced by Mr. LONG (for himself and Mr. ELLENDER), was received, read twice by its title, and referred to the Committee on Interstate and Foreign Commerce.

The statement, letter, and resolution, presented by Mr. LONG, are as follows:

STATEMENT BY SENATOR LONG

I am introducing today a bill in behalf of Senator ELLENDER and myself which would provide a floating ocean weather station in the Gulf of Mexico to furnish storm warnings to States bordering on that body of water.

A need for such an installation exists because past experience has demonstrated that the facilities now available for the prediction of hurricanes and severe storms are not adequate.

These factors merit consideration in connection with this proposed legislation:

Annually, the gulf coast is susceptible to hurricanes of severe intensity. While a number of these disturbances recurve northward and either strike the east coast of the United States or dissipate themselves at sea, the gulf coast is a likely target for each one. The calendar on major hurricanes occurring in the past 4 years shows this tabulation:

Year	Storms reaching hurricane velocity	Casualties	Property loss
1954	4	311	$1,000,000,000
1953	6	1	6,000,000
1952	6	3	2,750,000
1951	8	250	80,000,000

While the great portion of these casualties and property losses occurred in areas other than the Gulf Coast States, this list could be augmented by countless losses sustained by persons in the Gulf Coast States due to unnecessary evacuations.

The gulf coast is the only coast without a weather station offshore. It is accordingly a generally accepted concept that the coverage of tropical storms in the Gulf of

Mexico is inadequate and that this lack leads to property loss, inconvenience and anxiety, and could easily lead to serious loss of life in connection with each major disturbance.

Some of the gulf-coast industries vitally need the assistance of a weather station that will give ample, accurate, and timely information.

Fishing has long been one of the chief means of livelihood for people living in the gulf-coast area. Fishing fleets operating off the gulf coast now range far beyond the scope of radar stations and are subject to serious loss of life and property during the hurricane season because of the inadequacy of existing land-based facilities. The Louisiana Wildlife and Fisheries Commission for this reason urged the establishment of a floating weather station.

The advent of offshore oil operations makes adequate weather forecasting even more necessary than heretofore. The oil business is growing by leaps and bounds in the gulf area, and the men and expensive equipment they use need all the protection that modern invention can afford. The lack of completely accurate forecasts of the movements of possible gales causes untold confusion and is a constant source of possible mishap.

Finally the residents of gulf cities and towns need protection. The longest possible time must be given for the evacuation of people and the disposition of plant and equipment if we are to hold down casualties and losses. Also more accurate information can save many unnecessary, expensive, and inconvenient moves of the people and their property.

The weather ship proposed by this bill would afford a degree of protection that does not exist at this time, for the lives of the residents of the States bordering the Gulf of Mexico and for property evaluated at approximately $2 billion.

It is the intention of the sponsors of this bill, Mr. President, to urge its speedy enactment as a means of guarding against a repetition of the severe losses that attended the hurricane of 1947 which caused 34 fatalities in the States of Louisiana and Mississippi, destroyed 1,642 homes on the gulf coast, and damaged 25,000 homes in its path.

ROTARY CLUB OF GOLDEN MEADOW,
Golden Meadow, La.

Hon. RUSSELL LONG,
United States Senate,
Washington, D. C.

DEAR SIR: According to the latest newspaper reports, a bill will soon be introduced into the Congress relative to a weather station to be located deep in the Gulf of Mexico.

Accurate and speedy weather forecasting is imperative because of the nature of peoples' livelihoods along the gulf coast. Perhaps the two greatest industries in this general area are fishing and the oil business. Both can be adversely affected by insufficient forecasts. The advent of offshore oil operations makes it more necessary for adequate weather forecasting.

In view of the magnitude of good results that may be obtained by such a location of a weather station, we members of the Golden Meadow Rotary Club strongly urge that you support the passage of this measure.

Yours very truly,

JAMES D. KING,
Secretary.

RESOLUTION OF POLICE JURY OF JEFFERSON PARISH, LA.

Whereas tropical storms that generate within the Gulf of Mexico endanger the gulf coast; and

Whereas, there is no provision for an adequate means of forecasts or storm warnings; and

Whereas the Louisiana coast has suffered damage from such storms which were not adequately forecast by the United States Weather Service; and

Whereas residents of Grand Isle and other coastal areas have frequently evacuated their homes with considerable unnecessary expense, anxiety, and inconvenience because of insufficient coverage of tropical storms in the Gulf of Mexico by the United States Weather Service; and

Whereas such storm warnings without adequate coverage in the Gulf of Mexico has also involved, unnecessarily, considerable expense and loss of man-hours in coastal and offshore industrial activities: Therefore, be it

Resolved, That the Police Jury of the Parish of Jefferson does hereby call on our Representatives in the Congress to give wholehearted support to House bill 198 introduced in the House of Representatives by the Honorable T. A. THOMPSON, of Ville Platte, La., providing for a weather ship in the Gulf of Mexico; and be it further

Resolved, That a copy of this resolution be forwarded to the Honorable T. A. THOMPSON, Hon. HALE BOGGS, Hon. EDWIN WILLIS and Hon. F. EDWARD HÉBERT, Members of the United States Congress in Washington and United States Senators ALLEN ELLENDER and RUSSELL B. LONG, Senate Office Building, Washington, D. C.

HOUSING FOR CERTAIN ELDERLY PERSONS

Mr. SPARKMAN. Mr. President, I introduce, for appropriate reference, a bill to amend the United States Housing Act of 1937 to establish a program for the housing of elderly persons of low income. I ask unanimous consent that a statement, prepared by me relating to the bill, be printed in the RECORD.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the statement will be printed in the RECORD.

The bill (S. 1642) to amend the United States Housing Act of 1937 to establish a program for the housing of elderly persons of low income, introduced by Mr. SPARKMAN, was received, read twice by its title, and referred to the Committee on Banking and Currency.

The statement presented by Mr. SPARKMAN is as follows:

STATEMENT BY SENATOR SPARKMAN

HOUSING FOR THE AGING

Throughout the debate on housing a year ago, efforts multiplied to destroy the low-rent public housing program which must of necessity be the foundation of any slum clearance, or urban redevelopment and renewal program. Time is proving what many of us contended in 1954; that public housing was practically killed by the Housing Act of 1954.

Yet, when we rebuild our cities, our first concern must be: What happens to the people who are dispossessed? At least half of them have incomes so low that they require public assistance to obtain proper shelter. Our practice in the past has been to crowd such families into rat-infested slums. But now we would destroy them. We would also rehabilitate those structures that can be salvaged for future use. But we can't cram all families of low income into the rehabilitated homes. If we mean what we so piously resolve, we need a vast new housing supply for families of low and lower middle income. If the Housing Act of 1954 does nothing else, it will prove that single point, a point which public spirited advocates of Federal aid for low-rent housing have pointed out to committees of the Congress for many years.

Today, I am introducing a bill designed to solve one of our most totally neglected housing problems—that of decent housing for our senior citizens, the increasing number of aging couples and individuals.

This bill is very similar to the one introduced by Representative BARRETT O'HARA, of Illinois, a few weeks ago. I am advised that 12 other members of the House Committee on Banking and Currency associated themselves with him in support of the measure.

Briefly, the bill would authorize the Commissioner of the Public Housing Administration, with the approval of the President, to enter into contracts for annual contributions aggregating not more than $3 million per year, in addition to present authorizations under the Housing Act of 1937, as amended, in fiscal year 1956 and in each of the 4 succeeding fiscal years. The President may also authorize the commencement of construction of not to exceed 50,000 dwelling units in fiscal year 1956 and for each of the 4 succeeding fiscal years, for the purpose of supplying homes for elderly persons of low incomes.

I have made one basic change in the O'Hara bill. I would delete reference to "housing projects" and would confine the provisions of the bill to "housing" for the elderly. I feel strongly that we should not be in the position of recommending housing projects for elderly persons of low income in the sense of typical low-rent public housing projects that form total communities. We do not wish to create entire communities devoted solely to the occupancy of our senior citizens. The crying need today is for them to be supplied with homes within the total community, close to their loved ones, but as part of a normal community.

Aging couples and single persons in good or adequate health want desperately to belong to the whole community. If they live within a normal environment they are able to augment their incomes which they receive from modest pensions, social security payments, or from whatever source, by securing part-time employment within their capacities. We definitely do not want to create projects in the sense that they can be labeled "old people's homes." We do want to make provision for these most respected of our population, in homes of their own, as part of the communities they love. Their homes would be added to existing projects, included in new developments for families of all ages, a part of the normal community pattern.

Provisions that are presently available for the housing of elderly persons of low income are totally inadequate. Yet for many reasons the average life span is being constantly lengthened. Our systems of pensions and social security, and other aids to the aged make it possible, with a minimum of additional help, for more and more older people to maintain their independence.

While total facts concerning problems of the aged are not available, we are aware of countless elderly persons living out their lives as unhappy burdens to their children. Many attempt to carry on in oversized homes that rapidly fall into disrepair, or are long since dilapidated. A special study by the Bureau of the Census in 1950 showed that only 66.4 percent of the aged were living in housing which had private toilet, bath, and hot running water. By contrast 72 percent of those persons under 65 years of age live in houses having private toilet, bath, and hot running water.

Communities throughout the Nation are becoming increasingly aware of this problem, and urge that low-rent public housing be expanded to help meet the needs of the elderly. In the States of New York and Massachusetts special attention is being given to the needs of elderly persons in State-aided public-housing programs.

I raise this question now as an important part of the total housing problem with which we are faced. It is important to make sure that it is included in any overall recommendations that may be made to this Congress. It is sufficiently important to stand alone, and to receive the affirmative action of this Congress, if it is not included in a more comprehensive program.

For the record I must say that the objective we seek could be carried out also by amending the Housing Act of 1937 to permit local housing authorities to house single elderly persons, and by authorizing additional funds beyond the normal program recommendations of the Congress to be used for that designated purpose.

Whatever the final approach may be, proper housing for our senior citizens of low and middle income is a problem we can no longer ignore. I express deep appreciation to Mr. O'HARA and his colleagues in the other body, who have so forcefully brought this vital need to the attention of the Congress. It is a privilege to join with them by urging affirmative action at the proper time by the United States Senate.

BENEFITS FOR CERTAIN MEMBERS OF RESERVE COMPONENTS OF THE ARMED SERVICES

Mr. SPARKMAN. Mr. President, I introduce, for appropriate reference, a bill to provide benefits for members of the Reserve components of the armed services who suffer disability or death incident to active duty, active duty for training, or inactive-duty training, and for other purposes. I ask unanimous consent that an explanation of the bill may be printed in the RECORD.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the explanation will be printed in the RECORD.

The bill (S. 1643) to provide benefits for members of the Reserve components of the armed services who suffer disability or death incident to active duty, active duty for training, or inactive-duty training, and for other purposes, introduced by Mr. SPARKMAN, was received, read twice by its title, and referred to the Committee on Armed Services.

The explanation presented by Mr. SPARKMAN is as follows:

EXPLANATION OF EQUALIZATION OF BENEFITS BILL OF 1955

1. Preamble: (a) The proposed legislation cited as "The Equalization of Benefits Bill of 1955" has for its objective, as the title imports, the equalization of benefits received by members of the Armed Forces of the United States and particularly the elimination of adverse interpretations of the intent and policy of the Congress expressed in existing laws which it consolidates. Except where noted herein, it should not materially increase the administrative cost originally anticipated by the Congress when it enacted those laws.

(b) This bill is a composite of S. 1174, S. 1914, the Senate Committee Print of February 25, 1954, H. R. 546, H. R. 1223, H. R. 5778, all of the 83d Congress, and the draft (DOD 83-39) of a similar bill prepared by the Department of Defense. In this explanation, the principal source or sources, in whole or in part, of each section of the bill is given in parenthetical notes. Also, reference is made to the Sectional Analysis prepared by the Department of Defense to accompany its draft of DOD 83-39.

DEFINITION

2. Section 1: The provisions of this bill do not apply to any one of the uniformed services separately or exclusively. This section unifies them all under the generic name of "The Armed Forces of the United States," and it is intended that all members of the uniformed services, without distinction or discrimination, who belong to the components listed in the definition be given the benefit of those provisions which are applicable to their circumstances and qualifications. (Source: Armed Forces Reserve Act of 1952, sec. 101 (e) and sec. 202.)

CORRESPONDENCE COURSES

3. Section 2 relieves the Government of liability for any physical mishap which may befall a member of the Armed Forces of the United States while he or she is working on a correspondence course sponsored by any of the components of the Department of Defense. Ordinarily such work is done at home, that is to say—on private property not subject to Government jurisdiction or control. Obviously, no liability should be fastened on the Government in such cases. [Source: Senate committee print. See also Armed Forces Reserve Act of 1952, sec. 101 (d).]

INJURY, ETC.

4. (a) Section 3 and section 4. These two sections consolidate under the Armed Forces of the United States the existing laws on these same subjects which now apply separately to the several services.

(b) Section 3 deals with injury and disease, and section 4 with disability and death. A clear conception of the composition of these sections can be readily had by noting the following related grouping:

As to physical condition: Injury, disease, disability, death.

As to kind of duty: Active, active duty for training, and inactive-duty training.

As to duration: Indefinite or more than 30 days, 30 days or less, periodic (i. e., weekly drills at armories, etc.).

These two sections make appropriate groupings of these several categories and fix the benefits accordingly. The terminology defining the three kinds of duty is the same as that used in the Armed Forces Reserve Act of 1952, sec. 101.

(c) Travel which is directly connected with the three kinds of duty is more adequately covered in this bill than in existing laws.

(d) Section 3 (b). The 6 months limitation on pay and allowances now contained in the act of June 15, 1936, applies to this category of hospitalized Reserves. This section 3 (b) is somewhat broader than existing authority to hospitalize Reserves which, although permitting hospitalization for an unlimited period so long as improvement is possible, limits the payment of active duty pay and allowances to a period of 6 months after termination of the prescribed tour of active duty or training. Authority to hospitalize naval and Marine Corps Reserves under section 304 of the Naval Reserve Act of 1938, as amended (34 U. S. C. 855c) is considerably more limited.

(e) Section 3 (d) provides general authority which is similar to that contained at the present time in the act of July 15, 1939, as amended (10 U. S. C. 455e), with respect to the Army and Air Force, to furnish hospitalization and medical treatment to all members of the Armed Forces of the United States without reference to line-of-duty status.

(f) The practical effect of section 3 (f) is to permit hospitalization of reserves for diseases contracted, or the aggravation thereof, resulting from service subsequent to August 14, 1945, and prior to the enactment of this bill.

(g) Section 3 (a), (b), (c), (d), (e), and (f) consolidate 10 U. S. C. 455 (a), (b), (c), (e), (f); 10 U. S. C. 456–1; 32 U. S. C. 160 (b); 32 U. S. C. 164 (a), (b); 34 U. S. C. 855c 3d and 4th Provisos; 34 U. S. C. 855c–3; to which has been added the aggravation of a preexisting injury or disease, and travel time incident to the kind of duty in which engaged. (Source: S. 1914; Senate Committee Print; H. R. 1223; H. R. 5778; DOD 83-39.)

5. (a) Section 4 (a) reenacts and extends the benefits of Public Law 108, 81st Congress, to members of the Coast Guard Reserve and extends the periods of coverage provided by that act to include authorized travel to and from the prescribed types of duty, except inactive-duty training unless transportation to and from this type of training is by Government vehicle or aircraft, or by other authorized mode of transportation. This section 4 (a) also specifically authorizes such benefits for Reserves called or ordered to active duty for training in excess of 30 days. The reasons for reenacting the authority contained in Public Law 108 are to eliminate ambiguities which result from the later enactment of the Career Compensation Act of 1949, and to clarify and simplify the language of the act.

(b) Section 4 (a) consolidates 10 U. S. C. 456; 32 U. S. C. 160 (a); 34 U. S. C. 855c–1; to which has been added the aggravation of a preexisting injury or disease, and travel incident to the kind of duty in which engaged. Retirement for physical disability under section 4 (a) ties in with the provisions of title IV of the Career Compensation Act of 1949.

(c) Section 4 (b) makes the effective date of Public Law 108, 81st Congress, applicable to the section, and reenacts the limitations of Public Law 108 relating to back pay, allowances, etc.

(d) Section 4 (b) is substantially the same as and consolidates title 10, United States Code, section 456–1; title 32, United States Code, section 160 (b); and title 34, United States Code, section 855c–3.

(Source: S. 1914, Senate committee print, H. R. 1223, H. R. 5778, DOD 83-39.) (Note: This paragraph is reworded from DOD "Sectional Analysis.")

6. Section 5 strikes out misconduct of a deceased member of the Armed Forces of the United States as a penalty imposed by the several acts mentioned on the beneficiary of the death gratuity. This change is desirable for two reasons:

(i) Whether death of a member was actually due to misconduct is often a borderline question which cannot be answered with finality. It is estimated that the cost to the Government to investigate and attempt to make a determination exceeds the death gratuity. Hence, the Government will save money by disregarding this contingency and paying the death gratuity.

(ii) It is most inequitable to penalize the dependent beneficiaries of the death gratuity for a cause of death beyond their control.

(Source: Senate committee print.)

CAREER COMPENSATION ACT

7. (a) Subsection 6 (a) amends the Career Compensation Act of 1949 to include within the basic provisions of title II of that act members of the Reserve components called or ordered to active duty, full-time training duty, or other full-time duty in excess of 30 days during the time required to travel from home to first duty station and from last duty station to home.

(b) Subsection 6 (b), (c), (d) extend the disability benefit provisions of subsections (a), (b), and (c) of section 402 in title IV of that act to include Reserves called or ordered to active duty for training in excess of 30 days and to include within the periods of coverage authorized travel to and from active duty, full-time training duty, or other full-time duty.

(c) Subsection 7 (a) amends section 303 (a) of the Career Compensation Act of 1949 (37 U. S. C. 253 (a)) to authorize members of the Armed Forces of the United States per diem allowances when away from their homes on temporary active duty for special purposes. Again, a hardship exists with re-

spect to this relatively small group of Reserves who at the present time receive no per diem allowance when called to temporary active duty for short periods. An example of the type of inequitable situation which this provision is intended to rectify is the case of a Reserve member of the Reserve Forces Policy Board of the Department of Defense who is ordered to active duty in Washington where the board meets. Such a person is authorized no per diem allowance, whereas a member of the board who is a Regular is authorized such an allowance when ordered to Washington for the same temporary duty away from his permanent station.

(d) Subsection 7 (b) amends section 302 (b) of the Career Compensation Act of 1949 (37 U. S. C. 252 (b)) to permit payment of quarters allowance to members of the Armed Forces of the United States without dependents on active duty or training duty periods of not less than 14 days or more than 3 months. Because the training station of such a person is considered to be his permanent station, such persons are not now entitled to basic allowance for quarters. Thus, they are placed in a position of having to maintain two living establishments—the military one and the civilian one—during this relatively short period of time. It is the purpose of this provision to rectify this situation which exists with respect to this single group of Reserves.

(e) Subsection 6 (e) amends section 402 (i) of the Career Compensation Act of 1949 by adding the words "or discharged." This amendment will, in accordance with current policies, more nearly equalize the benefits for disabled enlisted personnel of the Reserve components. At present, the benefits accuring to enlisted personnel, discharged for physical disability and subsequently retired are restricted to disability compensation and hospitalization at veterans' hospitals with no Army hospital or medical service for themselves and none for their dependents. Officers retired for physical disability are entitled to such benefits at Army or Navy hospitals. It is believed that the Congress intends to require medical service for all retired personnel who have been disabled in line of duty alike. Unless this amendment is adopted, further discrimination will continue between discharged enlisted members of the Reserve components and officers and enlisted members of the Reserve components and officers and enlisted men of the Regular services separated for physical disability. This actually is only clarifying language but experience has indicated that it should be written into law to prevent misinterpretation. (Source: S. 1914; Senate committee print; H. R. 1223; H. R. 5778; DOD 83-39.) (NOTE.—Much of this paragraph is taken practically verbatim from DOD Section Analysis.)

PAY READJUSTMENT ACT

8. (a) Section 8 is paragraph 4, section 15 of the Pay Readjustment Act of 1942 (56 Stat. 359, 368) reworded to accord with the terminology of this bill and to state in unmistakable language the intent which the Congress expressed in 1942 and reiterated in 1949. It does not enlarge the scope of the 1942 or 1949 acts with respect to Reserve officers with World War I service. It does enlarge the scope of the 1942 act with respect to a few Regular Navy, Marine Corps, and possibly Coast Guard officers with World War I service who retired under the 1938 act (58 Stat. 944) between 1938 and 1942 with less than 30 years' service. A review of the hearings on S. 2025 before the House Committee on Military Affairs, April 15, 1942, shows conclusively that these few Regular officers were inadvertently left out by striking the words "heretofore or" from the provision as originally offered by Commander Hopwood, United States Navy. They are unquestionably entitled to be included and its enactment will correct a longstanding inequity.

(b) A full legal justification for the enactment of this section 8 is contained in appendix "A" attached hereto, pages A-1 to A-11. (Source: Pay Readjustment Act of 1942 and the Career Compensation Act of 1949.)

SERVICE SCHOOL TIME

9. (a) The purpose of section 9 is to remove the last known existing inequity in the retired pay of graduates of the United States Military Academy and the United States Naval Academy who, by date of appointment, are entitled to service school time but who are now denied it by administrative ruling and court decision.

(b) The history of this section and its legal justification are contained in Appendix "B" attached hereto, pages B-1 to B-8.

(c) Section 9 has no bearing whatever on the general restoration of credit for service school time which has been the subject of several bills in Congress during the last decade. The sole purpose of section 9 is to affirm a vested right of which the possessor has been illegally divested. (Source: S. 1174; H. R. 540.

SERVICEMEN'S INDEMNITY ACT

10. Section 10 amends section 2 of the Servicemen's Indemnity Act of 1951 (pt. 1, Public Law 23, 82d Cong.) to extend its benefits to Reserve members actually engaged in active duty and active-duty training. Safeguards are provided in the case of persons engaged in inactive-duty training in order to insure that payment will be made only when the death would not have occurred but for such training. Periods of travel to and from active duty and active training duty are also included within the coverage, as is travel to and from inactive-duty training when such travel is by Government or other authorized mode of transportation. The Servicemen's Indemnity Act now covers most Reserves on active duty or active training duty but members of the National Guard or the Air National Guard are covered when performing such duty for 14 days or more. It also covers Reserve flyers performing weekend flying training. Other Reserves performing short periods of training duty who are not flyers, such as members of the Naval and Coast Guard Reserve on weekend cruises, are not similarly covered in the event of their death while actually engaged in training activities. This condition under which one group of Reserves receives a benefit which the balance do not will be corrected by this amendment to the Servicemen's Indemnity Act.

(Source: Senate committee print; H. R. 1223; H. R. 5778; DOD 83-89). (NOTE.—Par. 10 of this Explanation is taken almost verbatim from the DOD "Sectional Analysis.")

MISSING PERSONS ACT

11. Section 11 amends section 2 of the Missing Persons Act (50 U. S. C. App. 1002) to the extent that its provisions will cover Reserve members performing full-time training duty, other full-time duty, or inactive-duty training. The conditions which prevails here is similar to that which prevails with respect to the Servicemen's Indemnity Act, and Reserves performing inactive-duty training, such as weekend training cruises, do not receive the benefits of the Missing Persons Act. This inequitable situation will be remedied by the enactment of section 11. (Source: Senate Committee Print; H. R. 1223; H. R. 5778; DOD 83-39.) (Note: Par. 11 of this explanation is taken almost verbatim from the DOD "Sectional Analysis.")

SOLDIERS' AND SAILORS' CIVIL RELIEF ACT

12. Section 12 amends section 106 of the Soldiers' and Sailors' Civil Relief Act (50 U. S. C. App. 516) to extend relief granted therein to all Reserves from the date of receipt of orders to active duty but not to exceed 60 days prior to the reporting date. Section 106 now extends to persons entering the Armed Forces of the United States under the Universal Military Training and Service Act and to members of the Enlisted Reserve Corps of the Army the benefits of articles I, II, and III thereof from the date of receipt of orders. Thus these persons receive a benefit to which other Reserves are not now entitled. The enactment of section 12 will correct the existing unbalanced situation. (Source: Senate Committee Print; H. R. 1223; H. R. 5778; DOD 83-39.) (Note: Par. 12 of this explanation is taken almost verbatim from the DOD "Sectional Analysis.")

REPEALS

13. Section 13 repeals the laws consolidated in the equalization of benefits bill of 1955.

(Source: Senate Committee Print; DOD 83-39.)

SAVING PROVISION

14. Section 14 is the usual provision saving existing legal rights. It consolidates title 10, United States Code, sections 456-2; title 32, United States Code, section 160c; and title 34, United States Code, section 855c-4.

(Source: Senate Committee Print; DOD 83-39.)

APPROPRIATION

15. Section 15 provides for payments of the benefits provided for by the equalization of benefits bill of 1955.

(Source: Senate committee print; H. R. 1223; H. R. 5778; DOD 83-39.)

CONCLUSION

16. In view of the critical international situation, which bids fair to continue well into the future, it is absolutely essential that the United States have a large well-trained Reserve and National Guard, and not depend on untrained draftees in an emergency. In order to have such an effective defense, its members, both active and retired, must know that they will not be at a personal disadvantage compared to the Regulars or subjected to discriminatory practices by the administrative agencies. The Congress has, from time to time, passed many laws with the expressed intent of putting Regulars and Reserves on a par, but the agencies executing these laws have not always carried out that intent. It is only through experience with adverse rulings that such deflections are exposed and remedial legislation can be drafted. The importance of this bill is attested by the fact that literally thousands of families throughout the country have one or more members either in the Reserve or National Guard, or eligible for membership. Its impact as law will have far-reaching effect.

POLICY AND PROCEDURE IN CONNECTION WITH CONSTRUCTION CONTRACTS MADE BY EXECUTIVE AGENCIES

Mr. SPARKMAN. Mr. President, on behalf of the Senator from West Virginia [Mr. KILGORE], I introduce, for appropriate reference, a bill to prescribe policy and procedure in connection with construction contracts made by executive agencies, and for other purposes. The bill is cosponsored by the Senator from Ohio [Mr. BENDER], the Senator from Maryland [Mr. BUTLER], the Senator from Idaho [Mr. DWORSHAK], the junior Senator from Arkansas [Mr. FULBRIGHT], the Senator from Minnesota [Mr. HUMPHREY], the senior Senator from Washington [Mr. JACKSON], the senior Senator from North Dakota [Mr. LANGER], the Senator from New York [Mr. LEHMAN], the senior Senator from

Arkansas [Mr. McCLELLAN], the Senator from Michigan [Mr. McNAMARA], the junior Senator from Washington [Mr. MAGNUSON], the senior Senator from Oregon [Mr. MORSE], the junior Senator from North Dakota [Mr. YOUNG], the junior Senator from Oregon [Mr. NEUBERGER], and myself. I ask unanimous consent that a statement prepared by the Senator from West Virginia [Mr. KILGORE] may be printed in the RECORD.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the statement will be printed in the RECORD.

The bill (S. 1644) to prescribe policy and procedure in connection with construction contracts made by executive agencies, and for other purposes, introduced by Mr. SPARKMAN (for Mr. KILGORE and other Senators), was received, read twice by its title, and referred to the Committee on the Judiciary.

The statement of the Senator from West Virginia [Mr. KILGORE] is as follows:

STATEMENT BY SENATOR KILGORE

The Federal Construction Contract bill which I introduced today is similar in principle to S. 848, which was pending in the last Congress. It is intended to accomplish the same purpose. In form, however, it is a drastic revision. It is greatly simplified, designed to eliminate controversy and to meet the wishes of the entire construction industry as well as the Federal agencies concerned.

The purpose of the bill is to improve the existing procedures and practices in connection with the letting of Federal construction contracts and put the Federal Government's operations in this regard on a more efficient basis.

Prudent private owners, in letting construction contracts, use one of several alternative methods to assure that there will be active competition for the mechanical subcontract work involved which accounts for nearly one-half of the total cost and to assure that the contract price to them reflects such competition and the final low subcontract costs. Many private companies do this by requiring the prime contractors to submit in their bids the names of the mechanical specialty subcontractors, if any, they intend to use. This is the procedure proscribed by the bill introduced.

Of course the bill relates only to Federal construction contracts. It simply provides that the prime contractor shall list subcontractors of his choice in his bid and the prime contractor is free to change these subcontractors at any time with the consent of the Government.

There are in the bill provisions permitting waiver of the procedure by the agency head in the event of an exigency which would warrant waiver and ample provisions to protect the Government from any involvement with the subcontractors. The bill does not affect vast development and reclamation projects with respect to which the agencies may wish to adopt a different procedure.

In addition to increasing competition for subcontractors, and giving the Government the benefit of the lower cost thereof, this system will tend to eliminate or curb the unfair trade practice of "bid-shopping" which plagues the entire construction industry, contractors and subcontractors alike.

The urgent necessity for this legislation is found in the present conditions in the contracting industry. Today the percentage of the cost of construction involved in mechanical work is very much higher and it is rapidly increasing. This work has become highly technical and complex and the prime contractors do not ordinarily perform this work and cannot ordinarily estimate it. Thus, they submit their bids to the Government based on subbids they receive. At present it is all too frequent that these subbids are not truly competitive. Too few bids are received and they are not the final low price. If the Government is to receive full value for its construction dollar it must let its contracts on a basis which will assure active competitive subbidding and the negotiation of final subcontractor prices prior to the award of contracts.

Among the prudent private owners that accomplish this result by the method proscribed for the Federal Government in this bill are such efficient concerns as General Electric, DuPont, Dow Chemical, Packard, United States Steel, Colgate-Palmolive-Peet, Public Service of New Jersey, and Celanese Corporation of America. The result has been a substantial savings in construction costs.

The savings on Federal construction could be as high as $300 million a year.

I feel very strongly that the Federal Government should adopt this modern business-like procedure to keep its tremendous annual construction costs to a minimum.

EXTENSION OF RIGHTS OF CERTAIN HOLDERS OF MORTGAGE PURCHASE CONTRACTS

Mr. MAGNUSON. Mr. President, I introduce, for appropriate reference, a bill to permit certain holders of mortgage purchase contracts with the Federal National Mortgage Association to exercise their rights under such contracts for additional periods of not to exceed 90 days. I ask unanimous consent that I may speak on it in excess of the 2 minutes allowed under the order which has been entered.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the Senator from Washington may proceed.

The bill (S. 1645) to permit certain holders of mortgage purchase contracts with the Federal National Mortgage Association to exercise their rights under such contracts for additional periods of not to exceed 90 days, introduced by Mr. MAGNUSON, was received, read twice by its title, and referred to the Committee on Banking and Currency.

Mr. MAGNUSON. Mr. President, I understand the Senator from Alabama [Mr. SPARKMAN] has introduced a similar bill.

Apparently realtors and home-construction companies in my State, as well as elsewhere, have purchased many certificates from "Fannie May" which have an expiration date of 1 year and are now expiring. I have received many communications with respect to the matter, and I am sure the committee also has received many communications. It is said that by reason of long delays in FHA, some delays being over 3 or 4 months, the companies holding the certificates will not be able to use them.

My bill proposes an extension of 90 days, because some of the certificates expire on the 1st of April, or shortly thereafter, in order that these people may take advantage of it. I understand that "Fannie May" has reluctantly granted this extra time. A survey now in progress on this point may develop some information.

Housing has had an extra spurt this year, and the companies engaged in this activity should certainly have an opportunity to use their certificates. I had hoped that the committee in charge of the matter would accept either the 90-day delay or a year's delay.

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. SPARKMAN. I call the attention of the Senator to the fact that on March 28 I introduced a bill, S. 1575, and at the same time made a short statement with reference to the need of the proposed legislation.

I fully agree with what the distinguished senior Senator from Washington has said. I wish to make one other suggestion to him, if I may.

In introducing the bill I provided for a 1-year duration, because I do not think any danger will accrue by allowing 1 year. It is really a period in which to redeem. This is what is called a one-for-one program.

In other words, when the original bill was passed, we said to the people interested in the building industry, "If you will buy mortgages now from Fannie May"—the Federal National Mortgage Association had the mortgages for sale—"then Fannie May will give you a commitment at a future time to buy back an identical amount from you."

It was an administrative matter as to how long the period for redemption would run, and the Administrator simply terminated the redemptions at the end of 1 year.

I think the period should be long enough to permit all who make purchases within 1 year to have an opportunity to redeem them. That is the reason why I introduced the bill providing for 1 year. I think it is a good measure.

I wrote a letter to the Administrator, the Honorable Albert Cole, calling his attention to the fact that he could correct the situation administratively, and that I hoped he would do so; but, if not, I certainly hoped the Senate would enact legislation, because I think not only would it be good, so far as the housing program is concerned, but would also be doing only what Congress promised to do, namely, to redeem its pledge.

Mr. MAGNUSON. I thank the Senator from Alabama.

INCREASED EFFICIENCY OF THE COAST AND GEODETIC SURVEY

Mr. MAGNUSON. Mr. President, I introduce, for appropriate reference, a bill to increase the efficiency of the Coast and Geodetic Survey, and for other purposes.

This proposed legislation has been requested by the Department of Commerce. I ask unanimous consent to have inserted in the RECORD a letter and a statement of purpose and need in support of the bill furnished to me by the Secretary of Commerce.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the letter and statement will be printed in the RECORD.

The bill (S. 1647) to increase the efficiency of the Coast and Geodetic Survey, and for other purposes, introduced

by Mr. MAGNUSON (by request), was received, read twice by its title, and referred to the Committee on Interstate and Foreign Commerce.

The letter and statement presented by Mr. MAGNUSON are as follows:

DEPARTMENT OF COMMERCE,
Washington.

The Honorable RICHARD M. NIXON,
President of the Senate,
United States Senate,
Washington, D. C.

MY DEAR MR. PRESIDENT: The Department recommends to the Congress for its consideration the attached draft of a proposed bill to increase the efficiency of the Coast and Geodetic Survey, and for other purposes.

There is also attached a statement of purpose and need in support thereof.

We have been advised by the Bureau of the Budget that there would be no objection to submission to the Congress of this proposed draft legislation.

Sincerely yours,

SINCLAIR WEEKS,
Secretary of Commerce.

STATEMENT OF PURPOSE AND NEED IN SUPPORT OF THE PROPOSED LEGISLATION TO INCREASE THE EFFICIENCY OF THE COAST AND GEODETIC SURVEY, AND FOR OTHER PURPOSES

The proposed legislation has two distinct purposes: First, to amend existing law to reflect current needs and practices, and second, to repeal several laws which are no longer valid or useful. The various proposals are set forth in detail in the following analysis by section:

ANALYSIS BY SECTION

Section 1 corrects a provision in present legislation (33 U. S. C. 862) by which commissioned officers and field employees are prohibited from making allotments from their pay while stationed in the District of Columbia. This prohibition causes inconvenience and occasions unnecessary clerical work in the case of officers and field personnel temporarily assigned to Washington, particularly as regards allotments for payment of National Service Life Insurance premiums.

Section 2 (a). The titles "Aid," "Junior Hydrographic and Geodetic Engineer," and "Hydrographic and Geodetic Engineer" are no longer used. Under section 2 of the act of June 3, 1948 (62 Stat. 297; 33 U. S. C. 853a) officers are commissioned in the Coast and Geodetic Survey in grades from ensign to captain and in relative rank with officers of the Navy. The requirement for proof of mental and physical fitness for appointment or promotion is retained. The proposed amendment contains no substantive change and conforms with present promotion policies.

Section 2(b) clears up an ambiguity occasioned by earlier legislation to the effect that officers transferred to the War or Navy Departments shall rank "with and after" officers of their equivalent grades in those services. The Judge Advocate General of the Army has found it necessary to construe this wording literally. As a result, an officer of the Coast and Geodetic Survey serving in the Armed Forces always remains at the bottom of his grade regardless of the date of his commission, and officers of the Army and Navy promoted to his grade subsequent to him immediately supersede him in precedence. The amendment will permit recognition of the qualifications and experience of an officer of the Coast and Geodetic Survey serving with the military forces, where assignments are predicated on seniority in grade and lineal list number. The War Department has suggested that remedial legislation be obtained. The titles of "hydrographic and geodetic engineer," "junior hydrographic and geodetic engineer," and "aid," used in the act of May 22, 1917, have been displaced by titles of rank relative with officers of the Navy in subsequent legislation. The pay stipulated in the act of May 22, 1917, has been changed by legislation affecting all commissioned services.

Section 3(a) authorizes the crediting to commissioned officers of service as deck officer and junior engineer for purposes of promotion. Present law authorizes the crediting of all such service for purposes of pay, allowances, retirement, and retirement pay, but only service in excess of 1 year as deck officer and junior engineer is creditable for promotion purposes. The practice of requiring a probationary period of 6 months as deck officer has been abandoned and newly-appointed officers are commissioned as ensigns immediately. Deck officer or junior engineer service is the equivalent of service as ensign in all respects. Officers in both grades receive the same assignments and perform the same type of duty.

Section 3(b): Under present law the assistant director is appointed without specification as to term of office. The proposed amendment would authorize a 4-year term of office and permit reappointment for further periods of 4 years each. This is in line with the law governing the appointment of the director of the bureau. Provision is also made for automatic termination of the assistant director's appointment at an earlier date in the event that a new director is appointed.

The second proviso of the section is further amended by deleting the clause "and the authorized number of ensigns shall be decreased accordingly." The maximum number of commissioned officers on the active list is fixed in the annual appropriation act. As presently written this section could be interpreted to force the discharge of an ensign when and if the director or assistant director reverted to a permanent grade, although this is not the intent of the law. Since the maximum number of active duty officers is fixed in other law, there appears to be no need for this restriction.

Section 4 (a) adds to the law a provision for promotion of ensigns after 2 years of service when vacancies exist in the next higher grade. This service has no provision for temporary promotions, as other commissioned services have, except in time of war when temporary promotions may be made to fill vacancies caused by transfer of officers to the military services. The competition for well-qualified graduate engineers is very keen. The necessity for some additional incentive to induce our ensigns to remain in the service is apparent. The law prohibits the promotion of ensigns until 3 years of creditable service have been completed. This prohibition is a severe deterrent to recruitment of junior officers.

Section 4 (b). The law contains no specific provision for original appointments as ensign in the Coast and Geodetic Survey. The proposed amendment inserts the words "appointment in and" before the word "promotions" at the beginning of the section. As amended, the law will conform with present practices.

Section 5 (1): This statute was enacted on June 17, 1844. At that time officers of the Navy were assigned to duty on hydrographic surveys and officers of the Army were employed on topographic surveys. Such assignments were made at the request of the Secretary of the Treasury. No Army officers have been assigned to such duty since 1861 and no Navy officer has been so assigned since 1898. While repeal of this act would cancel the authority of the Secretary of Commerce to request assignment of Army and Navy officers to survey duty, the act of July 10, 1832 (4 Stat. 571; 33 U. S. C. 884) gives the President the power to employ "all persons in the land and naval service of the United States" in the execution of the statutes relating to the Coast and Geodetic Survey.

Section 5 (2). This act is a corollary to section 4687 R. S. and provides for payment of subsistence to officers of the Army or Navy when assigned to duty with the Coast and Geodetic Survey. Other law (the Career Compensation Act of 1949) provides an adequate legal basis for payment of such allowances.

Section 5 (3). The annual report of the Coast and Geodetic Survey has not been printed in quarto form since 1912. The report to Congress submitted annually by the Secretary of Commerce contains a full statement of all expenditures made under the direction of the Director of the Coast and Geodetic Survey (33 U. S. C. 883) and a brief summary of the work done by the bureau during the year covered by the report. Reference is made to the Comptroller General's decision No. B109771 dated October 17, 1952.

Section 5 (4): With the granting of independence to the Philippine Islands all responsibility for surveys in the islands was assumed by the new republic. Coast and Geodetic Survey officers are no longer assigned to duty in the Philippines; therefore, the law is no longer of use.

Section 5 (5): Section 5 of the Act of August 6, 1947 (61 Stat. 788; 33 U. S. C. 883e) contains sufficient authority for the Director to enter into cooperative agreements of this nature with any State. The surveys required under the Act of March 9, 1909, have been completed.

ESTIMATE OF COSTS

Section 4 (a): Pay and allowances for commissioned officers would be increased $549.12 for each ensign promoted to lieutenant (j. g.) at the end of 2 years.

All other sections of the bill are for the purpose of improving administrative procedures only, and no additional costs are involved. Some small savings will be realized through elimination of complications in accounting work on allotments of pay.

AMENDMENT OF COMMUNICATIONS ACT, RELATING TO PROTESTS OF GRANTS OF INSTRUMENTS OF AUTHORIZATION

Mr. MAGNUSON. Mr. President, by request of the Federal Communications Commission I introduce, for appropriate reference, a bill to amend section 309 of the Communications Act of 1934, in regard to protests of grants of instruments of authorization without hearing.

I ask unanimous consent to have inserted in the RECORD at this point a letter from the Commission explaining the purpose of the proposed legislation.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the letter will be printed in the RECORD.

The bill (S. 1648) to amend section 309 of the Communications Act of 1934, in regard to protests of grants of instruments of authorization without hearing, introduced by Mr. MAGNUSON (by request), was received, read twice by its title, and referred to the Committee on Interstate and Foreign Commerce.

The letter presented by Mr. MAGNUSON is as follows:

FEDERAL COMMUNICATIONS COMMISSION,
Washington, D. C., March 21, 1955.

The VICE PRESIDENT,
United States Senate,
Washington, D. C.

DEAR MR. VICE PRESIDENT: The Commission wishes to recommend for the consideration of the Congress a proposed amendment to section 309 (c) of the Communications Act

of 1934, as amended. A proposed bill is attached as an appendix to this letter. The objective of the proposed legislation is to clarify the so-called protest rule contained in section 309 (c) which was incorporated into the Communications Act by the Communications Act Amendments, 1952, 66 Stat. 711, so as to obviate the use of the new procedure as a device for delaying radio station grants which are in the public interest while at the same time retaining the rule's primary objective of providing interested parties with a means by which they may bring to the Commission's attention bona fide questions concerning grants made without hearing. The Commission proposed a bill to amend section 309 (c) in the 83d Congress. It was introduced in that Congress as H. R. 7795, but no action on the bill was taken.

Section 309 (c) now provides that all authorizations granted without a hearing shall remain subject to protest by any "party in interest" for a 30-day period. The protest must show that the protestant is a party in interest and must specify with particularity the facts relied on to sustain the protest. Within 30 days from the date of filing of a protest, the Commission must determine whether the protest meets these requirements. If the Commission so finds, it is directed to set the application involved for hearing on the issues specified in the protest as well as such additional issues as the Commission may prescribe. The protestant has the burden of proof and the burden of proceeding with the evidence on issues set forth in his protest and not specifically adopted by the Commission. The Commission is directed to expedite protest hearing cases, and the effective date of the Commission's action protested is to be postponed until the Commission's decision after hearing, unless the particular authorization is necessary to the maintenance or conduct of an existing service.

The protest rule has resulted in substantial delays in the construction and operation of new television or radio stations authorized by the Commission without hearing. For any "party in interest" may file a protest and the term "party in interest" has been held by the courts to include existing stations in the same service as the grantee who might be adversely affected economically by the grant. In addition, relevant court decisions appear to indicate that stations in other services or other persons who might suffer economic injury as a result of competition afforded by the new stations would be parties in interest entitled to protest. Furthermore, if the protestant shows himself to be a party in interest and details his objections to the grant, one interpretation of the present statute is that the Commission is required to designate the application for hearing on the issues specified in the protest and cannot dispose of the protest, as on demurrer, on the pleadings. The Commission has taken the position that where it finds that the matters raised by the protest would not require the grant to be set aside, even if the factual allegations are assumed to be proven, the protest may be disposed of on the pleadings or, where substantial legal questions are involved, after oral argument on the legal issues, without designating the application for a full evidentiary hearing. However, it is recognized that the present language of section 309 (c) leaves in doubt the Commission's authority to dispose of a protest on the basis of the pleadings or after oral argument. It is believed that the statute would be amended so as to make clear that the Commission has authority to demur to the pleadings, in order to insure that it would not be necessary to hold evidentiary hearings which could serve no useful purpose and which would therefore be contrary to the public interest by delaying the initiation of a new or improved radio service. Such hearings, it should be indicated, not only delay the effectiveness of the particular authorization involved but also occupy the time and efforts of members of the Commission's limited staff who could otherwise be utilized in connection with other proceedings, including necessary hearings involving competitive television applications.

There is also some question under the present language of section 309 (c) as to whether the Commission must, in designating a protest for hearing, include the precise issues which the protestant has set forth regardless of the manner in which such issues have been drafted by the protestant. The Commission has held that where the protestant's issues are drawn too broadly or include matters not covered by the facts relied on, it has the authority to redraft the issues to reflect accurately the substantive matters raised in the protest. Here again, however, the Commission's authority is not entirely free from doubt, and a clarifying amendment to the statute is considered appropriate.

As indicated above, the final provision of section 309 (c) makes it mandatory for the Commission, once a protest has been granted, to postpone the effective date of the Commission's action to which protest is made until the effective date of the Commission's decision after the hearing on the protest. The only exception to this mandatory stay provision is when the authorization protested is necessary to the maintenance or conduct of an existing service, in which event the Commission may authorize the use of the facilities in question pending the Commission's decision after hearing. This has required staying the effectiveness of all authorizations for new facilities when protests have been granted, despite the fact that in some instances the public interest clearly required that the authorization remain in effect and the new series be inaugurated pending the outcome of the protest hearing. It is believed that an amendment is necessary which would give the Commission discretion to deny a stay in those cases where it can find on the record that the public interest clearly requires such action.

In order to obviate these difficulties the enclosed proposal would amend section 309 (c) to make clear that while any party in interest could protest a grant of a permit made without hearing, such protest would not automatically result in staying the effectiveness of the grant or require a hearing regardless of the merits of the claims advanced by the protestant. Instead, the proposed new language would provide that within 30 days of the filing of such a protest the Commission, upon consideration of the protest, and any reply thereto, would issue a decision as to the legal sufficiency of the protest as to standing and the particularity of the matters alleged as grounds for setting aside the grant. In the event the Commission finds in the affirmative as to these matters, it would be required to designate the application for hearing upon issues relating to all matters raised in the protest, except that the Commission could exclude such matters as to which it finds that, even if the facts alleged by the protestant were proven, they would not constitute grounds for setting aside the grant. The amendment further provides that if a protest is designated for hearing, the effective date of the grant shall be postponed, unless the authorization is necessary for the continuation of an existing service, or unless the Commission affirmatively finds, for specified reasons, that the public interest requires the grant to remain in effect. It is believed that the revised language would achieve the apparent objective of the protest rule in affording interested parties an opportunity to bring to the attention of the Commission questions about grants made without hearing and to obtain a determination thereon. At the same time, it would avoid the utilization of the protest rule as a device for delay on the part of competitors.

The Commission, therefore, recommends that section 309 (c) should be amended as set forth in the attached proposed bill. The submission of this proposal to the Congress has been approved by the Bureau of the Budget. If there is any further information concerning this matter which the Commission can furnish, please do not hesitate to let us know. There are also attached the separate views of Commissioner Doerfer concerning this matter.

GEORGE C. MCCONNAUGHEY,
Chairman.

SEPARATE VIEWS OF COMMISSIONER JOHN C. DOERFER

Commissioner Doerfer believes that section 309 (c) of the Communications Act should be repealed in its entirety. It is inconsistent with the philosophy of the act which seeks to provide for the public interest within the framework of competition.

"Plainly it is not the purpose of the act to protect a licensee against competition, but to protect the public. Congress intended to leave competition in the business of broadcasting where it found it, to permit a licensee who was not interfering electrically with other broadcasters to survive or succumb according to his ability to make his programs attractive to the public." (The *Sanders* case (309 U. S. 470 (1940)).)

Experience has shown that section 309 (c) demands an undue amount of Commission time, is used primarily for delay by competitors, and accomplishes no useful purpose. In effect, it creates two attorneys general to protect the public interest, the FCC, and private parties. Governmental agencies are established upon the theory that they are competent and conscientious to protect the public interest. There is no more need for two attorneys general in such matters than for two district attorneys in a criminal case.

If the Commission, through inadvertence, illegality, or impropriety, makes a grant, all that is necessary to protect the public interest is to call the Commission's attention to the facts and to submit evidence or indicate a source of probative evidence to protect the public interest. Misfeasance, if any, on the part of the Commission should be dealt with directly, not by the creation of an official kibitzer. The idea that the public should be denied a service pending selfish and self-serving maneuvers by competitors is wholly foreign to the American concept of administrative agencies. These were created primarily to expedite matters. Section 309 (c) is an obstruction to the prompt expedition of many matters before the Federal Communications Commission. To illustrate: Recently out of 1,400 minutes of deliberation by 7 members of the Commission 397 minutes were spent considering protest matters, or a total of 28 percent of full Commission time. This constitutes a demand for an undue proportion of time on matters which eventually prove to contribute little, if anything, to the protection of the public interest.

AMENDMENT OF CIVIL AERONAUTICS ACT OF 1938, RELATING TO IMPOSITION OF CIVIL PENALTIES IN CERTAIN CASES

Mr. MAGNUSON. Mr. President, by request, I introduce, for appropriate reference, a bill to amend the Civil Aeronautics Act of 1938, as amended, so as to authorize the imposition of civil penalties in certain cases.

This proposed legislation is introduced at the request of the Civil Aeronautics Board. I ask unanimous consent to have inserted in the RECORD a letter from Chairman Rixley transmitting a state-

ment of the purpose and need for the legislation.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the letter will be printed in the RECORD.

The bill (S. 1649) to amend the Civil Aeronautics Act of 1938, as amended, so as to authorize the imposition of civil penalties in certain cases, introduced by Mr. MAGNUSON (by request), was received, read twice by its title, and referred to the Committee on Interstate and Foreign Commerce.

The letter presented by Mr. MAGNUSON is as follows:

CIVIL AERONAUTICS BOARD,
Washington, March 21, 1955.

Hon. RICHARD M. NIXON,
President of Senate,
United States Senate,
Washington, D. C.

DEAR MR. PRESIDENT: The Civil Aeronautics Board recommends to the Congress for its consideration the attached draft of a proposed bill "To amend the Civil Aeronautics Act of 1938, as amended, so as to authorize the imposition of civil penalties in certain cases."

The Board has been advised by the Bureau of the Budget that there is no objection to the presentation of the draft bill to the Congress for its consideration.

Sincerely yours,

ROSS RIZLEY,
Chairman.

STATEMENT OF PURPOSE AND NEED FOR PROPOSED LEGISLATION TO AMEND THE CIVIL AERONAUTICS ACT OF 1938, AS AMENDED, SO AS TO AUTHORIZE THE IMPOSITION OF CIVIL PENALTIES IN CERTAIN CASES

The purpose of the proposed amendment is to provide a statutory tool for the more effective enforcement of the provisions of title IV of the Civil Aeronautics Act and of the Board's economic orders and regulations issued thereunder and under section 1002 (i) of the act. At the present time violations of these provisions are subject to criminal prosecution under section 902 (a) of the act. This sanction is an effective deterrent in serious cases involving knowing and willful violations. With respect to many cases of minor infractions, violations of a less serious nature, and actions falling short of knowing and willful misconduct, the conventional criminal proceedings are either too drastic, too cumbersome, or altogether inappropriate. It is in acting upon these less serious but more numerous violations that the Board believes it could avail itself of the remedy of civil penalties in a constructive manner toward improving the enforcement program. The following will serve to illustrate some of the results which could be expected:

1. The right to compromise civil penalties would afford a flexible remedy enabling the Board to adapt the severity of the sanction to the offense.

2. Light civil penalties could be used effectively to discourage violations which individually are so minor as not to justify the time and effort involved in a formal proceeding or court action, but which in their cumulative effect hamper the exercise of the Board's regulatory functions. In the majority of cases, the defendant can be expected to pay the civil penalty or agree to an acceptable compromise of it, and the device would effectively serve its purpose. In the relatively few instances in which a refusal to compromise can be expected, court action would, of course, still be necessary.

3. The availability of the remedy of civil penalties would enable the Board to attack violations speedily and avoid situations such as have existed in the past where offenders have been able to persist in violations during the time required to prosecute a formal proceeding or court action. Of course, the same limitation on their effectiveness noted under item No. 2, above, with respect to cases in which there is a refusal to compromise would also apply here.

4. The availability of the remedy of civil penalties would afford an adequate remedy as a substitute for criminal action except in serious cases where willful and knowing violations involving the necessary degree of criminal responsibility may be established. Moreover, the imposition of civil penalties would, in many cases, have a salutary effect comparable to that of criminal penalties without subjecting the offender to the serious stigma which follows imposition of criminal penalties.

The modifications proposed in existing sections 901 (a) and 902 (a) of the act have been drafted primarily for the purpose of making available this additional sanction. The changes to section 901 (a), in addition, incorporate amendments effected by Reorganization Plans III and IV of 1940, and Reorganization Plan V of 1950. In regard to section 902 (a), only such changes have been made to retain the status quo with respect to criminal penalties as are made necessary in view of the amendment of section 901 (a).

The proposed legislation further authorizes the Board to compromise any civil penalties so imposed for violations of title IV or the regulations issued thereunder.

There would seem to be no doubt that the existence of the power in the Board to seek civil penalties and to compromise in the economic field much as is now done by the Administrator of Civil Aeronautics in the safety field would be a substantial aid to the Board's economic enforcement activities.

ADJUSTMENT OF SALARIES OF REFEREES IN BANKRUPTCY

Mr. KEFAUVER. Mr. President, when the bill dealing with the increase in judges' salaries and the salaries of Members of Congress was before the Committee on the Judiciary, there was some suggestion that there should be included an adjustment of the salaries of referees in bankruptcy. It was my feeling then, however, in the first place, that only the subject matters which were in the Segal Commission report should be considered in connection with the bill; and, secondly, that the Judicial Conference which has peculiar jurisdiction over salaries and other matters relating to referees in bankruptcy, should have an opportunity to consider that subject before any legislation was introduced.

The Judicial Conference has met, and has made some recommendations to the adjustment of salaries of referees in bankruptcy, and a bill has been introduced by the Chairman of the Judiciary Committee of the House of Representatives, Representative EMANUEL CELLER, of New York. In order to bring this subject before the Judiciary Committee and the Senate, I am introducing a similar bill, and I ask that it be appropriately referred.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 1652) to amend section 40 of the Bankruptcy Act, so as to increase salaries for part-time and full-time referees, introduced by Mr. KEFAUVER, was received, read twice by its title, and referred to the Committee on the Judiciary.

PRINTING OF ADDITIONAL COPIES OF SENATE DOCUMENT NO. 13 ENTITLED "OUR CAPITOL"

Mr. CLEMENTS submitted the following concurrent resolution (S. Con. Res. 20), which was referred to the Committee on Rules and Administration:

Resolved by the Senate (the House of Representatives concurring), That there be printed 300,000 copies of Senate Document No. 13, 84th Congress entitled "Our Capitol," of which 100,000 copies shall be for the use of the Senate and 200,000 copies for the use of the House of Representatives.

TRANSFER OF UNITED NATIONS NARCOTICS DIVISION FROM NEW YORK CITY TO GENEVA, SWITZERLAND

Mr. PAYNE. Mr. President, a great many people who are concerned about the illicit traffic in narcotic drugs are very much disturbed by the proposal of the Secretary General of the United Nations that the Narcotics Division of the United Nations be transferred from New York City to Geneva, Switzerland. The United States is the world's chief victim of illegal international traffic in narcotic drugs. The pressure of world public opinion is one of the major weapons which the United Nations has in its attempts to stamp out narcotic traffic. So long as the U. N. Narcotics Division remains in New York it is in the spotlight, with full publicity on all its work. If the U. N. Narcotics Division is moved to Geneva, away from other major U. N. activities, its effectiveness will be greatly reduced. Because of the seriousness of this matter, it is believed that the United States Senate should go on public record in strong opposition to the proposed transfer.

On behalf of the Senator from Wisconsin [Mr. WILEY], the Senator from Montana [Mr. MANSFIELD], the Senator from Texas [Mr. DANIEL], the junior Senator from California [Mr. KUCHEL], and myself, I submit a resolution to express the opposition of the Senate to the proposed transfer of the United Nations Narcotics Division from New York City to Geneva, Switzerland, and request that the resolution be appropriately referred.

The resolution (S. Res. 87), submitted by Mr. PAYNE (for himself, Mr. WILEY, Mr. MANSFIELD, Mr. DANIEL, and Mr. KUCHEL) was received and referred to the Committee on Foreign Relations, as follows:

Whereas the Secretary General of the United Nations has indicated his intention to transfer the Narcotic Division of the United Nations from New York City to Geneva; and

Whereas many international narcotic treaties are being ably administered by the United Nations in New York City in a stupendous effort to halt the diabolical narcotic smuggling activities; and

Whereas it is of vital importance to retain the Narcotic Division at the New York City headquarters of the United Nations to maintain the full force of publicity and public opinion on this vile traffic: Now, therefore, be it

Resolved, That the United States Senate strongly oppose the transfer of the Narcotics Division of the United Nations from New

York City to Geneva, Switzerland. Copies of this resolution shall be forwarded to the Secretary of State for transmission to the Secretary General of the United Nations.

PRINTING OF REVIEW OF REPORT ON THE MISSOURI RIVER (S. DOC. NO. 31)

Mr. CHAVEZ. Mr. President, I present a letter from the Secretary of the Army, transmitting a report dated July 27, 1954, from the Chief of Engineers, Department of the Army, together with accompanying papers and illustrations, on a review of a report on the Missouri River, requested by a resolution of the Committee on Public Works. I ask unanimous consent that the report be printed as a Senate document, with illustrations, and referred to the Committee on Public Works.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from New Mexico? The Chair hears none, and it is so ordered.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. MARTIN of Pennsylvania:

Extract from letter written by the Honorable RICHARD M. SIMPSON, Representative from the 18th District of Pennsylvania.

By Mr. PAYNE:

Article on John F. Stevens and the Panama Canal.

By Mr. IVES:

A short summary of the accomplishments of the Civilian Conservation Corps.

NOTICE OF HEARINGS ON SO-CALLED BRICKER AMENDMENT

Mr. KEFAUVER. Mr. President, I understand that unanimous consent was given for the Subcommittee on Constitutional Amendments of the Committee on the Judiciary to sit this afternoon while the Senate is in session. I wish to give notice that immediately following the Easter recess the same committee will start hearings on the so-called Bricker amendment. The subcommittee hopes to complete the hearings in a reasonably short time thereafter.

Mr. BRICKER. I wish to thank the Senator from Tennessee for that statement. He assured me yesterday that that would be done.

THE NORTH ATLANTIC TREATY

Mr. SMITH of New Jersey. Mr. President, 6 years ago next Monday, April 4, in our Capital City of Washington, 12 nations signed the North Atlantic Treaty, thus initiating one of the most successful experiments in collective defense and international cooperation ever undertaken by man.

Since that day in 1949, Greece and Turkey have acceded to the North Atlantic Treaty. And today it is especially fitting that the Senate of the United States should be about to consider the entrance of the Federal Republic of West Germany into the NATO family.

This sixth anniversary also marks a great milestone in the development of peaceful and cooperative relations between those two historic rivals of Europe, Germany and France. Thus the causes for celebration are especially great this year.

The dangers from the Communist East remain great. But with the progress over the last 6 years in building a strong and peaceful Atlantic and European community, we can truthfully say that at no time since the end of World War II has there been such confidence in our ability to meet those dangers.

And so as we commemorate the birth of NATO, I think it is altogether fitting that we rededicate ourselves to the principles set forth on April 4, 6 years ago, principles for which we will, if necessary, fight.

The great hope for all free men is that as a result of working together in the cause of peace and liberty, we may not have to take up arms and resort to war again.

We remain today firm believers in those words written 6 years ago when 12 great nations reaffirmed "their faith in the purposes and principles of the United Nations and their desire to live in peace with all peoples and all governments," and when these same nations agreed "to safeguard the freedom, common heritage, and civilization of their peoples, founded on the principles of democracy, individual liberty, and the rule of law."

IMMIGRATION AND WORLD FOOD PROBLEMS

Mr. ROBERTSON. Mr. President, quite naturally many Christian people in this country are disturbed by the fact that we have unmanageable surpluses of food while some 800 million or more people in the world go to bed hungry every night.

The two solutions for this problem most frequently proposed are for us to let more people come to this country to share our resources, or to share our surplus food with them by giving it away or selling it abroad at reduced rates.

I ask unanimous consent to have printed in the body of the RECORD an article prepared for publication in a British periodical by two scholarly American writers, Dr. Fairfield Osborn, president of the Conservation Foundation, and Dr. Kingsley Davis, professor of sociology at the University of Columbia.

In this article, titled "United States Immigration and Food Exports in Relation to World Population Problems," the authors explain clearly why there is no prospect that the United States will absorb enough immigrants or export enough food to really solve the problems of overpopulation or lack of food in the underdeveloped countries of the world.

They point out that this country has accepted more immigrants than any other nation in the world. From 1820 to 1947 we took in a number close to the present population of France. In the peak period of our immigration, from 1902 to 1914, we received around a million a year. Now, however, the world's population is growing at the rate of 30 million a year, and if we took one-fifth of the total, or 6 million a year, for the next 10 years, it would result in an increase of around 50 percent in our population without beginning to solve the problem of overcrowded countries.

With respect to feeding the world, the article points out that huge as our wheat surplus seems to us, if the entire surplus of our 1953 crop were donated to just one country, India, it would be absorbed there in a single year. Other figures are given which make it obvious that while we can help from time to time in preventing acute starvation in various parts of the world and in assisting in such emergencies as existed at the end of World War II, our best efforts would make only a small contribution to relief of undernourishment throughout the world.

I commend this article to Members of the Senate at this time, particularly in view of the fact that two resolutions were introduced this week proposing an international food and raw materials reserve plan. I am not prepared at this time to pass upon the merits of such a plan, but the facts cited by Dr. Osborn and Dr. Davis make it obvious that there are limitations on the effectiveness of these proposals, and many complications might result from the effort to transfer our surplus food to those who have no present means of paying for it.

I am convinced that setting up a world food bank, to which, as to the present International Monetary Fund, the United States would be expected to become the major contributor, is less urgent than perfecting the program we already have started of technical assistance to backward nations. We must teach them to supply larger proportions of their own needs for food and other essentials of life, and we must help them acquire means of earning dollars with which to pay for the surpluses which we can furnish.

Then we can deal with them as partners in a free world, and not in the role of a benevolent Pharoah passing out in lean years the substance accumulated in our granary in fat years.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Virginia?

There being no objection, the article was ordered to be printed in the RECORD, as follows:

UNITED STATES IMMIGRATION AND FOOD EXPORTS IN RELATION TO WORLD POPULATION PROBLEMS

(By Fairfield Osborn, president of the Conservation Foundation; and Kingsley Davis, professor of sociology in the University of Columbia)

The blessings of wealth, economic strength, and general prosperity impose obligations upon a nation as they do upon an individual. Although critics of the United States would probably deny it, it seems fair to say that the American people as a whole not only are conscious of their good fortune, but realize that their extremely favorable position in the world places unique responsibilities upon them.

There is no question that the United States is widely looked upon as having an obligation to solve, or rather to help solve, many of the world's problems.

It is frequently thought, for instance, that the United States can and should contribute toward resolving the world's population problem in two ways: First, by accepting more immigrants, and secondly, by providing food to people living in great want in other parts of the world. These two ideas stem from an implied sense of justice in the light of certain assumed facts.

As to immigration, there is a common impression abroad that the United States is sparsely populated and in view of its tremendous resources should admit immigrants in large numbers from crowded lands. At the same time, it is also thought that the United States, because of its present surpluses of grain and other foodstuffs, should somehow make these surpluses available to the hungry peoples of the world.

Such judgments of moral obligations and of material conditions seem, at first glance, simple and straightforward. However, as soon as facts and assumed consequences are carefully considered many complications and obstacles become evident. It is therefore imperative to explore the two courses of action proposed for the United States, both of which involve basic policies and both of which, if adopted, would prove to a large degree irrevocable. For example, once immigration had occurred on a sizable scale, it would be most difficult to reverse the trend or to escape its unanticipated consequences. The same holds true of a foreign food-distribution policy if its practice should injure the productive resource base in some essential way. In considering these questions let us begin first with that of food export.

The pressing need of the world for more food is only too apparent. At least two-thirds of the world's people cannot obtain enough calories to maintain normal standards of health and efficiency and of this proportion extremely large numbers are perilously near actual starvation. There are various reasons for this widespread deficiency in food, but none of them is more significant than population growth itself. The capacity of people to multiply, even though they are inadequately nourished, is in many senses a regrettable fact, for such multiplication of human numbers directly results in perpetuating low levels of food supply. The greatest area of food deficiency, though far from being the only one, is Asia, containing over half the world's people. The United Nations Food and Agriculture Organization's report for 1953 is unquestionably justified in stating that: "With its immense population the Far East remains the center of the world's food problem." It should not be thought, however, that the problem is peculiar to the Far East alone, because it is shared to a considerable extent by peoples in the Near East, by peoples in Africa, and even by people in the Western Hemisphere.

In economically advanced countries, however, the picture is different because in them the trend has long been toward a more balanced and healthful diet. In fact, even since World War II, the gap in agricultural production between the more and the less productive regions of the earth has tended to increase. In view of this, the question is raised, why not transfer the surpluses of the one to meet the deficiencies of the other?

Let us first take a specific case and consider the question in terms of magnitude. The United States in 1952 produced 35.2 million metric tons of wheat. Most of this was used domestically, but from July 1 of that year to July 1 of the following, 8.7 million tons were exported and at the end of that period, namely, July 1, 1953, there were still 15.2 million metric tons on hand. A principal reason for such a surplus, however, was the price support program of the Government, which had pegged wheat at 90 percent of parity. There is small doubt that without this support the price of wheat would have sagged considerably and that farmers would have reduced the area devoted to wheat crops. Indeed, the production allotments for the following year called for a 20-percent reduction in wheat acreage, precisely because of the large surpluses.

It must be commented here that this over-encouragement of wheat production contains a distinct threat to the sustained productivity of croplands in our country. Because of guaranteed high prices large amounts of marginal lands, more suitable for light grazing, have been converted to grain production which can only result ultimately in deterioration of the land, and even in its permanent injury.

Assuming, nevertheless, that contemporary wheat surpluses could be maintained over a long period of years, even these, despite their size, would make but a small dent in world food deficiencies. One Asian country alone, namely India, could absorb the entire 1953 surplus in a year. Its estimated deficit in food grains in 1956, according to the draft outline of the 5-year plan, was computed to be 7 million tons. However, this estimated deficit assumes a continuing consumption at the 1950 level, one far below any desirable standard. If its level of consumption were brought up to a satisfactory standard of 16 ounces per day per adult, the deficit for 1956 has been estimated at 15.8 million tons. This example illustrates the fact that the United States, even if it actually were feasible to transport and finance the movement of such large quantities of grain, could barely supply India alone with enough to raise its level of food consumption.

It is improbable that the United States in the face of increasing demands from its own rapidly growing population will continue to have wheat surpluses as large as those of recent years. Even though it should, it would merely indicate potential exports sufficient to maintain approximately 165 million people at a level of wheat consumption equivalent to that in this country today. In face of the fact that the world population is presently increasing by more than 30 million people a year, American wheat exports at best would prove immaterial as far as filling the world's needs for this grain is concerned.

It so happens that wheat exports have declined considerably since 1949, not so much because of decline in production, but because arrangements could not be concluded for foreign sales at satisfactory prices. In short, the principal limitation on the use of American wheat abroad is the inability of the countries that need it most to pay for it.

This problem of prices and payments involves fundamentals in the entire problem. Obviously, if the undernourished countries of the world were able to pay for enough food to give themselves good diets they would long since have done so. A number of proposals have been made to resolve the question. One of them envisages the establishment of international reserves of buffer stocks, using surpluses during particular years for this purpose, on the assumption that they could be acquired at low prices and could be parceled out to needy countries in subsequent years when there is scarcity and when current prices are high. The costs of carrying large stocks are, however, very great and if the storage and transport charges were not to be met by the needy which ultimately get the reserves, who then would carry them? Another suggestion is that "countries with surplus food stocks" make these available to other countries at reduced prices. This idea seems plausible in view of the fact that certain countries now fix minimum prices of food stocks on domestic markets, frequently as a subsidy to the farmers. The "surplus" therefore does not necessarily mean food unwanted or not needed by the home population but simply the food that cannot be sold for consumption at the minimum price. In other words, this proposal in effect would contemplate the dumping of food on the international market. It is probable, however, that such "surpluses" would not continue for long because they are uneconomical. Only if governments definitely plan to have surpluses which they could later send to other countries at reduced prices would this idea seem to have significance. However, it must be recognized that such planned surpluses would be costly to the country producing them because its people would not get an adequate return on the capital, land, and manpower used. If, for instance, American wheat farmers were deliberately encouraged to produce more wheat than could be sold profitably on domestic and foreign markets, and if they were guaranteed a fair price on all wheat produced, the rest of the population would obviously have to pay for the wheat sold abroad at a less-than-profitable price.

These two proposals, and others similar to them, if carried out on scales sufficient really to relieve needy countries, would in one way or another involve charity. This raises the question as to what extent, if any, the more productive countries have a moral obligation to furnish food to the less productive countries. Of course we are not speaking here of the desirability and indeed obligation of meeting a local starvation emergency or of relieving a special crisis of human suffering, but are referring to a long continuing program. Assuming that such a program were carried out, it is highly doubtful whether it would result in good in the end. Where population is too dense and growing rapidly, the cause is obviously that reproduction is being engaged in by people without regard to their own and their children's future. This happens, of course, in virtually every country, well-to-do and needy alike. This irresponsibility can be absorbed in a well-to-do country for a time at least, but in a needy country it only results in increased suffering. If people in such countries are relieved from the consequences of their irresponsibility, there is little reason to anticipate they would change their social and family habits regarding childbearing. In effect, the consequences of steadily furnishing food at less than cost of production is more likely to increase the problem rather than resolve it.

All the while, the productive nations themselves have expanding needs. As far as the United States is concerned, it is a striking fact that in the 4 years ending midyear 1954, the population has increased by nearly 11 million, or a rate of growth of 1.7 percent per year, which is faster than the world rate. There is no reason to expect that population growth will level off in the United States in the near future and there is certainly no positive assurance that two decades from now our country will actually have food surpluses for export.

These considerations have been based on the general assumption that future food supplies will be derived principally from agriculture. If this should not prove to be the case, and if large quantities of food should become available from such sources as algae or plankton or yeast, or through other processes, industrially produced, then the present discussion would lose point, for aside from its command of capital, and of scientific and engineering skill, the United States might have no particular advantage in production. Algae and yeast, for example, might be produced at lower costs in wetter and hotter climates, just as rice is more producible in such areas. Also, food might prove so abundant under such circumstances that the entire world population could be well fed for at least another century; and some check more acceptable than undernutrition and malnutrition would intervene to stop population growth. But until such radical departures are utilized, wheat and rice will continue to be the main food staples of the world, and countries with abundant land

resources in relation to human numbers will continue to be the main exporters of food. The other countries will then have to increase their productivity and control their populations in order to have enough to feed their people adequately. If they do neither of these things, they cannot hope to achieve a reasonable level of nourishment through the constant aid of countries like the United States, however much these countries may be willing to aid in particular crises.

IMMIGRATION AND POPULATION PRESSURE

If the world's population problems cannot be adequately solved by transferring food from countries of plenty to countries of scarcity, to what degree might they be ameliorated by migration—in this instance, to the United States?

It is well known that in the past the United States has received more immigrants than any other country in the world. From 1820 to 1947 the official records show that nearly 39 million people migrated to this country—a figure, by the way, close to the entire present population of France. Some of these migrants, it is true, went back to their former countries, but fewer did so than from any other immigrant-receiving country.

The greatest period of immigration did not come when the United States was expanding its agriculture across the continent. It came after the frontier was closed, when the Nation was approaching industrial maturity—that is, in the years 1902–14. During this 13-year period the average number of officially registered immigrants was approximately a million each year.

After World War I the immigrant stream, though substantial, was nevertheless smaller. During the 11 years from 1920 through 1930 the yearly average was 412,000. After that, with the depression and World War II, the figure dropped to a small number each year. Since World War II there has been some recovery, but not to the level known prior to 1930.

Why did immigration to the United States decline? It did so because of stricter laws and adverse economic conditions. If the quota laws had not been passed in the early 1920's the immigrant current during that decade might well have matched that which prevailed from 1902–1914. The depression of the 1930's and World War II later reduced the annual influx to much less than the quota laws would have permitted. The quota laws were passed primarily because the sources of immigration had changed, bringing in types of immigrants which the American public was not prepared to welcome. Further, the feeling grew that the country was full enough and could grow by its own population increase. A contributory cause also sprang from the belief that in wartime some of the foreign-born had shown themselves to be disloyal. Subsequent events have done little to alter these attitudes, nor is it likely that they will.

Yet it should be remembered that the United States is still one of the world's greatest receivers of migrants, the number coming into the country during the 4 years ending midyear of 1953 averaging 222,700 annually. These are not small numbers, especially when it is realized that they do not include a great influx of Puerto Ricans, who are not counted as immigrants, or a considerable number of Mexicans who come in illegally. In recent years the United States has been accommodating far more immigrants than Canada, Australia, Brazil, or Argentina. It can hardly be said that this country has cut off immigration.

COULD INCREASED IMMIGRATION AFFECT WORLD POPULATION PROBLEMS?

At no time has immigration to the United States been sufficient to retard population growth or to alleviate living conditions in other parts of the world. It may have had some such effect on Europe, but only slightly even there. We need to recall that the world's population is growing at a rate of at least 30 million per year, a figure destined to increase steadily during the next few decades, barring a catastrophic war. For purpose of illustration let us assume that the United States took only one-fifth of this increase—say 6 million per year for the next 10 years. Such a number, along with their natural increase, would bring an increment of approximately 80 million in a 10-year period, or a 50-percent increase. Such a tidal wave of people would produce impossible conditions in housing, utilities, sanitation, transportation, and every other aspect of the economy. It would produce intolerable social and educational conditions, for immigrants coming at that rate, presumably from countries where illiteracy is common, could not be assimilated. The United States has had its problems in absorbing waves of immigration in the past; such a tidal wave as presumed here would result in chaos for both resident and newcomer alike. And yet the number admitted would be only one-fifth of the current increase in the world's population.

Any immigration of less than such a large figure each year would hardly affect the world situation. It would minimize but fail to solve the problems of even the countries that furnished most of the migrants. Emigration, like the procurement of food from abroad, is a costly affair. Since it is usually young adults who migrate, the cost of rearing them is borne by the country of emigration, although their productive work is done abroad. In addition, emigrants generally wish to take with them their savings, if they possess any, as well as their skills. Finally, the costs of transporting large numbers of people have to be borne, and since the emigration is presumably for the benefit of the country of origin, that country might well be expected to meet this cost.

The Dutch Government, which has sponsored an "education for migration" program, estimates that every emigrant costs it about $8,000, whereas for the immigration country the same migrant represents working power valued at many times that figure. It has also been remarked that skilled Britishers, many of whom have finished courses in Government training schools and are aircraft and television engineers, readily get good jobs when they emigrate to Commonwealth countries. One writer believes that such emigration means the loss to Britain of one of her most valuable possessions; the cost of their education and training is a heavy charge for the community without any return, since their skills are being exported.

If migration offers little by way of a solution of the world's demographic problems, why is it so often mentioned Why is it thought, for instance, that the United States should admit immigrants on a large scale, even though the solution cannot really be found by such a program?

The answer probably lies in the realm of psychology more than in the realm of objective fact. Migration is much talked about because it is safe to talk about. There are few cultural or religious taboos against it. The most evident way of solving population problems—the reduction of fertility—is not so generally discussed because there still exist presumed moral objections to it. It is as if the regulation of fertility cannot be considered as a means to an end—i. e., a means to bettering the lot of man—because the customs governing man's familial and reproductive behavior are held by many to be ends in themselves, to be preserved even at the cost of poverty and human suffering.

The essence of the situation is clear. Even if all of the surpluses of grain and other foodstuffs of the United States were exported against payment or even gratuitously to the needy countries, such exports would provide but an insignificant portion of what these countries require in bringing their diet standards up to a satisfactory level. In turn, even if the United States should receive the substantial number of migrants cited above, the population pressures presently existing in so many densely populated countries would not be resolved. As a consequence, the only solution to this world problem can be found in a contemporaneous stepup of food production, together with limitation of population growth, region by region and country by country. Consequently, much as the United States may wish to help, its best contribution presumably is the continuance of and even expansion of its technical-assistance programs, either directly or through the United Nations, to less-developed and needy country. The great hope lies in each country developing its own resources and facing its own population problem.

TENTH ANNIVERSARY OF THE OCCUPATION OF HUNGARY BY SOVIET INVADERS

Mr. IVES. Mr. President, next Monday, April 4, 1955, will mark the 10th anniversary of the occupation of Hungary by the Soviet invaders. I have prepared a statement pertinent to this significant occasion which I ask unanimous consent to have printed in the body of the RECORD following these remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR IVES ON THE OCCASION OF THE 10TH ANNIVERSARY OF THE OCCUPATION OF HUNGARY, APRIL 4, 1955

It is most appropriate for us to join our fellow Americans of Hungarian descent on this day in marking the 10th anniversary of the infamous occupation of Hungary by the Soviet invaders.

The free world will never permit the ruthless subjugation of these gallant people to go unpunished. The legacy of freedom bequeathed by the renowned Louis Kossuth and today carried forward by Cardinal Mindszenty gives renewed courage to those suffering under the domination of the Communist tyranny.

The bonds of friendship between the peoples of Hungary and the United States, fashioned over 100 years ago by Kossuth's visit to these shores, remain strong and enduring.

We stand together in the abiding battle against godless Communist imperialism. I join with all Americans in fervent prayer for the speedy liberation of the brave land of Hungary.

JOSEPH PULITZER

Mr. SYMINGTON. Mr. President, it was with deep regret and sorrow that I heard of the death of one of the great newspapermen of our time—Joseph Pulitzer.

Under his leadership the St. Louis Post-Dispatch became one of the world's great newspapers.

Those of us who believe in a free press know that the flag, now at half-mast on his building, mourns for one who always carried high in his mind and heart the priceless tradition he inherited from his father—that the people should always read the truth.

Those of us who cherished the friendship of Joe Pulitzer also knew that his life and his record of service can be summarized in one word—integrity.

The people of Missouri and the Nation have lost an outstanding citizen and I

have lost a friend who cannot be replaced.

To his family and his associates I extend deepest sympathy at this great loss.

Mr. President, I ask unanimous consent that there may be printed at this point in the RECORD an editorial published in the Washington Post and Times Herald, entitled "Joseph Pulitzer."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

JOSEPH PULITZER

Joseph Pulitzer, who died yesterday at the age of 70, created one of America's great newspapers. The St. Louis Post-Dispatch is one of the most brilliantly edited papers in the country and one of the most successful. It also is one of the most militant. The man primarily responsible for this journalistic achievement was Mr. Pulitzer, a quiet, modest person without show or bluster. At times he seemed out of place on a newspaper that is never quiet and usually is engaged in an impassioned crusade. His genius lay in his ability to pick extraordinary men and to allow them wide latitude in expressing their talents. He was never afraid of a fight or hesitant in printing the news. Near blindness never dulled his interest or his sense of responsibility.

It has been one of the ironies of American journalism that the Post-Dispatch flourished after the other Pulitzer paper, the New York World, died. The first Joseph Pulitzer lavished his attention and interest on the World. He sent Joseph, the second of his three sons, off to St. Louis to work on the Post-Dispatch, which he had purchased in 1878 for $2,500. Like his father, the young editor of the Post-Dispatch devoted the bulk of his attention to the news and editorial departments, and this attention paid rich dividends in the business office.

Likewise, it brought the paper a distinction which few American dailies have achieved. The newspaper itself won five Pulitzer prizes—prizes established by the senior Pulitzer and awarded under the auspices of Columbia University. In addition 4 members of the news staff, 1 editorial writer, and the cartoonist won Pulitzer prizes. But Joseph Pulitzer was never satisfied that the paper was as good as it ought to be, and he was constantly seeking ways to strengthen his staff and to expand the editorial and news coverage. He thus built a notable newspaper and made an impressive contribution to the strength of the American democracy.

Mr. SYMINGTON. Mr. President, I also ask unanimous consent that at this point in the RECORD there may be printed an editorial from the New York Times entitled "Joseph Pulitzer."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

JOSEPH PULITZER

The death of Joseph Pulitzer yesterday at the age of 70 naturally recalls not only his own achievements but those of his famous father. Two quotations from the elder Pulitzer perhaps tell something about the younger. One is a brief introduction which the father sent to an editor who was about to employ the son. It ran as follows: "This is my son Joseph. Will you try to knock some newspaper sense into his head?" Somebody did knock some newspaper sense into young Joseph's head, for, as editor and publisher for a period of 43 years, he showed an instinct for the newspaper profession and a growing mastery of it.

But Joseph Pulitzer the younger was more than a successful newspaperman. He was a man of conscience and responsibility. He lived up to the words of his father that may still be read in the Post-Dispatch Building in St. Louis: "It (the Post-Dispatch) will always fight for progress and reform, never tolerate injustice or corruption, always fight demagogs of all parties and never belong to any party, always oppose privileged classes and public plunderers, never lack sympathy with the poor, always remain devoted to the public welfare, never be satisfied with merely printing the news, always be drastically independent, never be afraid to attack wrong whether by predatory plutocracy or predatory poverty."

Mr. Pulitzer operated under difficulties in his later years. His eyesight was so defective that, like his father before him, he had to have the news read to him. But this handicap did not diminish his energy and effectiveness. He was a bold and outstanding influence in American journalism. That his paper was a financial success was possibly a tribute to the public's appreciation of good journalistic qualities. Many of us who remembered the old Morning and Evening World of New York found a nostalgic pleasure in turning to the Post-Dispatch. We were never disappointed. We will now hope that the qualities of Joseph Pulitzer the younger will live on even though he is absent.

Mr. NEUBERGER. Mr. President, I should like to comment briefly on the news we have received from St. Louis of the passing of Joseph Pulitzer, the distinguished publisher of the St. Louis Post-Dispatch. The St. Louis Post-Dispatch, under the editorship and guidance of Joseph Pulitzer, became a newspaper which was a voice of enlightenment and liberalism not only in Missouri and the Nation, but all over the world.

In my opinion, and I speak now more as a journalist than as a Senator, Joseph Pulitzer contributed to American journalism one of the most necessary requisites in a free press; namely, absolute courage, fearlessness, and integrity.

I think every single citizen of our country, whether he lives in Missouri or in any one of the other 47 States, owes a lasting debt to the distinguished editorship of Joseph Pulitzer, of the St. Louis Post-Dispatch.

Mr. President, in conclusion, I should like to read my telegraphic message of today to the journalist in charge of the editorial page of the St. Louis Post-Dispatch, Mr. Irving Dillard. The message is as follows:

APRIL 1, 1955.

IRVING DILLARD,
St. Louis Post-Dispatch,
St. Louis, Mo.:

Joseph Pulitzer was a publisher whose passing will be mourned in Oregon as well as in his own State of Missouri. His interests were never local or provincial. He was a citizen of the whole Nation in the truest sense. He realized that what happened to people and to resources in Oregon or anywhere in the Nation was also of concern to Missouri. The crusades and causes which he directed helped to make all of America a better place. My heartfelt sympathy to his family and to his editorial associates.

RICHARD L. NEUBERGER,
United States Senator.

DEATH OF COL. ROBERT R. McCORMICK

Mr. CAPEHART. Mr. President, the death of Col. Robert R. McCormick is an inestimable loss to the world. It is a severe personal shock to me.

Colonel McCormick's guiding genius as publisher and businessman perhaps has been unequalled in journalistic history.

His genius was reflected always in the vigorously aggressive editorial policies of the newspapers which he directed. He held firmly, despite what sometimes appeared to be almost insurmountable opposition, to the principles which he sincerely believed to be in the interest of his beloved America.

He was a fighting American. History will record the vast contributions which he made to the growth of America and the stanch advocacy of the principles of America throughout the world.

The world can ill afford to lose men such as Robert R. McCormick.

Mr. BENDER. Mr. President, by the death of Col. Robert R. McCormick the Nation has lost one of its most outspoken and fearless journalists. I am certain that his influence in public life has been exercised over the years in favor of conservative and basic American traditions. I join Chicago and the Nation in expressing my sincere regret at his passing.

THE ISLANDS OF MATSU AND QUEMOY

Mr. LEHMAN. Mr. President, as my colleagues know, I have many times, both on the floor of the Senate and elsewhere, publicly pointed out the dangerous situation into which we have permitted ourselves to be maneuvered in the Far East. The situation was brought about by many causes, notably, however, by two developments: (a) The unleashing of Chiang Kai-shek by President Eisenhower, which gave sanction to an attack by the Nationalist forces on the mainland, and (b) the Formosa resolution and the treaty into which we have recently entered with Chiang Kai-shek, whose interests are completely at variance with those of our own country.

There is no question of our moral, legal, and juridical right to defend Formosa; and we are committed to do so on both moral and strategic grounds. There is every reason to believe that many of our allies will support us in defending Formosa and the Pescadores, if they are attacked.

The situation, however, is vastly different with regard to the offshore islands of Quemoy and Matsu. If we permit ourselves to become involved in military operations on these islands or on the Chinese mainland, I believe we shall find ourselves completely isolated, and without any strong allies, either among the European nations or the Asiatic nations. In those circumstances, we shall be compelled to fight an extremely dangerous war quite alone.

The situation in which we find ourselves was very clearly discussed in an excellent editorial published in the New York Times on Thursday, March 31. I ask unanimous consent to have this very interesting editorial printed at this point in the body of the RECORD as a part of my remarks. The editorial merits the

most careful consideration of the President, the Congress, and the American people generally.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

THE OFFSHORE ISLANDS

In pursuit of his long-standing policy of seeking peace, President Eisenhower has initiated a new effort to win some kind of settlement, or at least a modus vivendi, with the Communist bloc—a settlement that would banish the specter of nuclear war. This effort, now being organized in cooperation with other Western Powers, takes as its starting point the impending ratification of the Paris pacts. These agreements fortify both Western defenses and Western unity in a manner acceptable to the whole free world and enable us to undertake new negotiations from a position of strength which alone holds any promise of success.

But free-world unity is jeopardized today by growing division and confusion regarding a subsidiary problem of our far-eastern policy, involving the question of whether we shall or shall not defend the Chinese offshore islands of Matsu and Quemoy. There is no longer any question that we shall defend, as we are pledged by treaty to defend, both Formosa and the Pescadores, and that we shall do so with all the means at our disposal. In this policy we have won increasing support from all free nations. But these free nations, including our European allies and neighboring Canada, draw a clear line of distinction between Formosa and the Pescadores, on the one hand, and the offshore islands on the other. They not only decline to support our equivocal stand on the latter, but definitely reject any idea of joining in their defense.

The United States, which pursues a policy of peace in the Formosa Strait, and for that reason presses for a cease fire in that area, has announced that it will not fight for the offshore islands "as such." But, as indicated again by President Eisenhower yesterday, it continues its "flexible" policy regarding their defense in order "to keep the enemy guessing." This is a hazardous game, which may easily tempt the Chinese Communists to test our intentions. This, in turn, raises the danger that once we become involved in the defense of these wholly secondary positions we may be plunged into a major war o fstill unforeseeable consequences. The only thing probable about a war over these particular islands is that we would have to fight it alone.

In these circumstances it is high time to review our policy regarding these islands and clarify our position beyond any doubt or misrepresentation. We believe that such a review and clarification should lead to the decision to abandon the offshore islands and to evacuate the Nationalist troops and the local populations. This would be strictly in line with our treaty obligations, which do not extend to the offshore islands. It would preserve Western unity and assure us the moral support of the free world. It would demonstrate our willingness to preserve peace by putting a hundred miles of blue water between Formosa and the mainland.

There have been from the start only two arguments for the defense of the offshore islands. One, and not a very convincing one, has been their military utility as observation points and positions blockading Communist invasion ports. This argument carried greater weight when the Chinese Nationalists on Formosa stood alone. It does not apply now, when Formosa is protected by the American fleet and when any direct Communist attempt to invade Formosa itself would be met by counter-attacks on the ports and staging areas of the mainland.

The other argument is that an evacuation of the offshore islands would smack of appeasement and thereby impair free Asia's confidence in us and wreck morale on Formosa. There may be some danger of this, but that danger can be met by further aid and additional guarantees to Formosa, and any new declaration concerning the offshore islands should be accompanied by steps toward this end.

Increased aid is already being given and could be further enhanced by stationing American token troops in Formosa to demonstrate our determination to fight for it, if need be. New guarantees could also be sought both through the United Nations and through consultation with our allies, who have indicated that once the offshore island question is settled they would consider joining with us in the defense of Formosa. Aid and guarantees of this kind would do more to bolster Formosan and Asian morale than is now possible under the constant menace of war. To President Eisenhower we look confidently for leadership in this cause.

RESTORATION OF ARMY POST OFFICE PRIVILEGES FOR AMERICAN MISSIONARIES IN SOUTH KOREA

Mr. NEUBERGER. Mr. President, religious missionaries are performing an important and humanitarian role in the rehabilitation and reconstruction of war-ravaged South Korea. I have received numerous communications from people in my State protesting withdrawal of the Army post-office privileges from American missionaries working with the people of South Korea.

The cutting off of these postal privileges means an inevitable ending of much of the aid and encouragement given to the missionaries by their American families and friends for the peoples of Korea. Postal rates by international mail are prohibitively high.

Mr. President, I desire to place in the RECORD my appeal to the President of the United States to use his high office to bring about restoration and continuance of Army postal services for American missionnaries in South Korea, along with typical letters I have received from people in Oregon.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

MARCH 30, 1955.

The PRESIDENT,
The White House,
Washington, D. C.

MY DEAR MR. PRESIDENT: I have received numerous communications from people in my State, protesting the withdrawal of Army post office privileges from American missionaries working with the people of South Korea.

Knowing your own sincere interest in the helpful role of these courageous religious leaders, I am appealing to you to use your high office to bring about restoration and continuance of these postal services.

Because the postage rates by international mail are so prohibitively high, termination of Army post office privileges for American missionaries in South Korea will mean an inevitable cutting-off of much of the communication between these self-sacrificing people and their families and friends in the United States.

I need not tell you, who is so familiar with the importance of religious missionaries to a distressed nation, of the valiant work being done by these American people among the destitute and war-ravaged citizens of South Korea.

I urge you, Mr. President, to do what you can to maintain Army post office service for our American missionaries in South Korea.

With every good wish, I am,
Respectfully yours,
RICHARD L. NEUBERGER,
United States Senator.

CORVALLIS, OREG., *March 21, 1955.*
Senator RICHARD NEUBERGER,
Washington, D. C.

DEAR SIR: Am writing in reference to the removal of APO privileges for missionaries. I feel that this is unjust and even a detriment to our country for who are doing more to hold back the tide of communism than they? As you know Christ and communism are diametrically opposed. Since our country was founded on true Christian principles we would be opposing ourselves if we permit this hardship to the missionaries.

Trusting that you will give this your careful attention, I am,
Yours truly,
MABEL WHITNEY.

PORTLAND, OREG., *March 24, 1955.*
Senator RICHARD NEUBERGER,
Senate Office Building,
Washington, D. C.

DEAR SENATOR NEUBERGER: We are constrained to write to you relative to the APO which we are informed is being taken away from our missionaries in South Korea.

If the privilege under APO is taken away, it will work a hardship not only on the missionaries but also on many of the South Korean people to whom the missionaries are ministering. Clothing, medicine, and other articles have been sent APO without charge, and given to destitute and needy persons in South Korea, including many hospitalized South Korean soldiers.

Without the privilege of APO this ministry will be practically ended, as the postage by international mail is prohibitive.

We appeal to you to use your influence to restore or continue this APO service to South Korea.

Sincerely yours,
A. T. LINK.
Mrs. A. T. LINK.

PORTLAND, OREG., *March 25, 1955.*
Senator RICHARD NEUBERGER,
Senate Office Building,
Washington, D. C.

DEAR SIR: The Army post office is being taken away from missionaries in South Korea. This is a tragedy, for now clothing and supplies so desperately needed will be cut off because of the expense of shipping. Our country spends money for good will between nations and has been very generous in helping people around the world. It is the only Christian attitude we can take. There are many charitable agencies but not nearly enough. Individuals and small groups of people who are limited financially, through APO have sent much to Korea, even to the Army veterans who are hospitalized in South Korea.

Postage by international mail is prohibitive. I appeal to you, and strongly urge you to do what you can immediately to restore APO service. Thank you.

Respectfully,
Mrs. HELEN MILES HALLETT.

The PRESIDENT pro tempore. Is there further morning business? If not, morning business is closed.

EXECUTIVE SESSION

The PRESIDENT pro tempore. Under the unanimous-consent agreement, the Senate will now proceed to the consideration of executive business.

The Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. BARKLEY in the chair) laid before the Senate messages from the President of the United States submitting sundry nominations, and withdrawing the nomination of Julius C. Holmes, of Kansas, to be Ambassador Extraordinary and Plenipotentiary to Iran, which nominating messages were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

The following favorable reports of nominations were submitted:

By Mr. FULBRIGHT, from the Committee on Banking and Currency:

Joseph S. Davis, of California, to be a member of the Council of Economic Advisers; and

Raymond J. Saulnier, of New York, to be a member of the Council of Economic Advisers.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the unanimous-consent agreement be modified to the extent that the Senate now proceed to the consideration of the noncontroversial nominations on the Executive Calendar, under the heading "New Reports."

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the clerk will proceed to state the nominations on the calendar, under the heading "New Reports."

UNITED NATIONS

The Chief Clerk read the nomination of John M. Allison, of Nebraska, to be Ambassador Extraordinary and Plenipotentiary to Japan, to serve concurrently and without additional compensation as the representative of the United States of America to the 11th session of the Economic Commission for Asia and the Far East, of the Economic and Social Council of the United Nations.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

DIPLOMATIC AND FOREIGN SERVICE

The Chief Clerk read the nomination of Joseph C. Satterthwaite, of Michigan, to be Ambassador Extraordinary and Plentipotentiary of the United States of America to Burma.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Joseph E. Jacobs, of South Carolina, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Poland.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

DEPARTMENT OF THE INTERIOR

The Chief Clerk read the nomination of J. Reuel Armstrong, of Wyoming, to be Solicitor for the Department of the Interior.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

THE ARMY

The Chief Clerk proceeded to read sundry nominations in the Army.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Army nominations be considered and confirmed en bloc.

The PRESIDING OFFICER. Without objection, it is so ordered; and the nominations in the Army are confirmed en bloc.

THE NAVY

The Chief Clerk read the nomination of George A. Parkinson to be a rear admiral.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

THE MARINE CORPS

The Chief Clerk proceeded to read sundry nominations in the Marine Corps.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Marine Corps nominations be considered and confirmed en bloc.

The PRESIDING OFFICER. Without objection, it is so ordered; and the Marine Corps nominations are confirmed en bloc.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of these nominations.

The PRESIDING OFFICER. Without objection, it is so ordered; and the President will be notified forthwith.

NOMINATIONS OF JOSEPH S. DAVIS AND RAYMOND J. SAULNIER

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent for the present consideration of the nomination of Mr. Joseph S. Davis, of California, to be a member of the Council of Economic Advisers, and the nomination of Mr. Raymond J. Saulnier, of New York, to be a member of the Council of Economic Advisers. These nominations have been reported favorably from the Committee on Banking and Currency by the Senator from Arkansas [Mr. FULBRIGHT]. Let me state that we would like to have these nominations considered and confirmed before the Senate takes its recess today.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas? The Chair hears none.

Without objection, the Senate will now consider, as in executive session, these two nominations.

Mr. JOHNSON of Texas. Mr. President, let me say that I have discussed this matter with the chairman of the Banking and Currency Committee and with various other members of the committee, as well as with the distinguished minority leader. He agrees with the making of this request.

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to these nominations?

Without objection, the nominations are confirmed.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the President be immediately notified of these confirmations.

The PRESIDING OFFICER. Without objection, the President will be notified forthwith.

PROTOCOL ON THE TERMINATION OF THE OCCUPATION REGIME IN THE FEDERAL REPUBLIC OF GERMANY, AND PROTOCOL TO THE NORTH ATLANTIC TREATY ON THE ACCESSION OF THE FEDERAL REPUBLIC OF GERMANY

The PRESIDING OFFICER. Under the unanimous-consent agreement, Executive L and Executive M, the German protocols, are now to be considered.

The Senate, as in Committee of the Whole, proceeded to consider the protocol, Executive L (83d Cong., 2d sess.), the Protocol on the Termination of the Occupation Regime in the Federal Republic of Germany, signed at Paris on October 23, 1954; and the protocol, Executive M (83d Cong., 2d sess.), the protocol to the North Atlantic Treaty on the accession of the Federal Republic of Germany, signed at Paris on October 23, 1954, which were read the second time, as follows:

EXECUTIVE L, 83d CONGRESS, SECOND SESSION—PROTOCOL ON THE TERMINATION OF THE OCCUPATION REGIME IN THE FEDERAL REPUBLIC OF GERMANY

The United States of America, the United Kingdom of Great Britain and Northern Ireland, the French Republic and the Federal Republic of Germany agree as follows:

Article 1

The Convention on Relations between the Three Powers and the Federal Republic of Germany, the Convention on the Rights and Obligations of Foreign Forces and their Members in the Federal Republic of Germany, the Finance Convention, the Convention on the Settlement of Matters arising out of the War and the Occupation, signed at Bonn on 26 May 1952, the Protocol signed at Bonn on 27 June 1952 to correct certain textual errors in the aforementioned Conventions, and the Agreement on the Tax Treatment of the Forces and their Members signed at Bonn on 26 May 1952, as amended by the Protocol signed at Bonn on 26 July 1952, shall be amended in accordance with the five Schedules to the present Protocol and as so amended shall enter into force (together with subsidiary documents agreed by the Signatory States relating to any of the aforementioned instruments) simultaneously with it.

Article 2

Pending the entry into force of the arrangements for the German Defense Contribution, the following provisions shall apply:

(1) The rights heretofore held or exercised by the United States of America, the United Kingdom of Great Britain and Northern Ireland and the French Republic relating to the fields of disarmament and demilitarisation shall be retained and exercised by them, and nothing in any of the instruments mentioned in Article 1 of the present Protocol shall authorize the enactment, amendment, repeal or deprivation of effect of legislation or, subject to the provisions of paragraph (2) of this Article, executive action in those fields by any other authority.

(2) On the entry into force of the present Protocol, the Military Security Board shall be abolished (without prejudice to the validity of any action or decisions taken by it)

and the controls in the fields of disarmament and demilitarisation shall thereafter be applied by a Joint Four-Power Commission to which each of the Signatory States shall appoint one representative and which shall take its decisions by majority vote of the four members.

(3) The Governments of the Signatory States will conclude an administrative agreement which shall provide, in conformity with the provisions of this Article, for the establishment of the Joint Four-Power Commission and its staff and for the organisation of the work.

Article 3

1. The present Protocol shall be ratified or approved by the Signatory States in accordance with their respective constitutional procedures. The Instruments of Ratification or Approval shall be deposited by the Signatory States with the Government of the Federal Republic of Germany.

2. The present Protocol and subsidiary documents relating to it agreed between the Signatory States shall enter into force upon the deposit by all the Signatory States of the Instruments of Ratification or Approval as provided in paragraph 1 of this Article.

3. The present Protocol shall be deposited in the Archives of the Government of the Federal Republic of Germany, which will furnish each Signatory State with certified copies thereof and notify each State of the date of entry into force of the present Protocol.

IN FAITH WHEREOF the undersigned Representatives duly authorized thereto have signed the present Protocol.

Done at Paris this 23rd day of October, 1954, in three texts, in the English, French and German languages, all being equally authentic.

For the United States of America:
/s/ JOHN FOSTER DULLES

For the United Kingdom of Great Britain and Nortern Ireland:
/s/ ANTHONY EDEN

For the French Republic:
/s/ P. MENDÈS-FRANCE

For the Federal Republic of Germany:
/s/ ADENAUER

SCHEDULE I

Amendments to the Convention on Relations Between the Three Powers and the Federal Republic of Germany

Introductory words: Substitute: "The United States of America, the United Kingdom of Great Britain and Northern Ireland, the French Republic and the Federal Republic of Germany have entered into the following Convention setting forth the basis for their new relationship:".

Preamble: Delete.

Article 1: Substitute:

"Article 1

1. On the entry into force of the present Convention the United States of America, the United Kingdom of Great Britain and Northern Ireland and the French Republic (hereinafter and in the related Conventions sometimes referred to as "the Three Powers") will terminate the Occupation regime in the Federal Republic, revoke the Occupation Statute and abolish the Allied High Commission and the Offices of the Land Commissioners in the Federal Republic.

2. The Federal Republic shall have accordingly the full authority of a sovereign State over its internal and external affairs."

Article 2: Substitute:

"Article 2

"In view of the international situation, which has so far prevented the reunification of Germany and the conclusion of a peace settlement, the Three Powers retain the rights and the responsibilities, heretofore exercised or held by them, relating to Berlin and to Germany as a whole, including the reunification of Germany and a peace settlement. The rights and responsibilities retained by the Three Powers relating to the stationing of armed forces in Germany and the protection of their security are dealt with in Articles 4 and 5 of the present Convention."

Article 4: Substitute:

"Article 4

"1. Pending the entry into force of the arrangements for the German Defence Contribution, the Three Powers retain the rights, heretofore exercised or held by them, relating to the stationing of armed forces in the Federal Republic. The mission of these forces will be the defense of the free world, of which Berlin and the Federal Republic form part. Subject to the provisions of paragraph 2 of Article 5 of the present Convention, the rights and obligations of these forces shal. be governed by the Convention on the Rights and Obligations of Foreign Forces and their Members in the Federal Republic of Germany (hereinafter referred to as "the Forces Convention") referred to in paragraph 1 of Article 8 of the present Convention.

2. The rights of the Three Powers, heretofore exercised or held by them, which relate to the stationing of armed forces in Germany and which are retained, are not affected by the provisions of this Article insofar as they are required for the exercise of the rights referred to in the first sentence of Article 2 of the present Convention. The Federal Republic agrees that, from the entry into force of the arrangements for the German Defence Contribution, forces of the same nationality and effective strength as at that time may be stationed in the Federal Republic. In view of the status of the Federal Republic as defined in Article 1, paragraph 2 of the present Convention and in view of the fact that the Three Powers do not desire to exercise their rights regarding the stationing of armed forces in the Federal Republic, insofar as it is concerned, except in full accord with the Federal Republic, a separate Convention deals with this matter."

Article 5: Substitute:

"Article 5

"1. Pending the entry into force of the arrangements for the German Defence Contribution, the following provisions shall be applicable to the forces stationed in the Federal Republic:

"(a) The Three Powers will consult with the Federal Republic, insofar as the military situation permits, with regard to all questions concerning the stationing of these forces. The Federal Republic will, according to the present Convention and the related Conventions, co-operate, within the framework of its Basic Law, to facilitate the mission of these forces;

"(b) The Three Powers will obtain the consent of the Federal Republic before bringing into the Federal territory, as part of their forces, contingents of the armed forces of any nation not now providing such contingents. Such contingents may nevertheless be brought into the Federal territory without the consent of the Federal Republic in the event of external attack or imminent threat of such attack, but, after the elimination of the danger, may only remain with its consent.

"2. The rights of the Three Powers, heretofore held or exercised by them, which relate to the protection of the security of armed forces stationed in the Federal Republic and which are temporarily retained, shall lapse when the appropriate German authorities have obtained similar powers under German legislation enabling them to take effective action to protect the security of those forces, including the ability to deal with a serious disturbance of public security and order. To the extent that such rights continue to be exercisable they shall be exercised only after consultation insofar as the military situation does not preclude such consultation, with the Federal Government and with its agreement that the circumstances require such exercise. In all other respects the protection of the security of those forces shall be governed by the Forces Convention or by the provisions of the Agreement which replaces it, and, except as otherwise provided in any applicable agreement, by German law."

Article 6, paragraph 2, second sentence: Delete.

Article 7, paragraph 1: For the words "The Three Powers and the Federal Republic" substitute the words "The Signatory States."

Article 7, paragraph 2: Substitute:

"2. Pending the peace settlement, the Signatory States will co-operate to achieve, by peaceful means, their common aim of a reunified Germany enjoying a liberal-democratic constitution, like that of the Federal Republic, and integrated within the European Community."

Article 7, paragraph 3: Delete.

Article 7, paragraph 4: Delete the word "other".

Article 8: Substitute:

"1 (a) The Signatory States have concluded the following related Conventions:

"Convention on the Rights and Obligations of Foreign Forces and their Members in the Federal Republic of Germany;

"Finance Convention;

"Convention on the Settlement of Matters Arising out of the War and the Occupation.

"(b) The Convention on the Rights and Obligations of Foreign Forces and their Members in the Federal Republic of Germany and the Agreement on the Tax Treatment of the Forces and their Members signed at Bonn on 26 May 1952, as amended by the Protocol signed at Bonn on 26 July 1952 shall remain in force until the entry into force of new arrangements setting forth the rights and obligations of the forces of the Three Powers and other States having forces in the territory of the Federal Republic. The new arrangements will be based on the Agreement Between the Parties to the North Atlantic Treaty Regarding the Status of Their Forces, signed at London on 19 June 1951, supplemented by such provisions as are necessary in view of the special conditions existing in regard to the forces stationed in the Federal Republic.

"(c) The Finance Convention shall remain in force until the entry into force of the new arrangements negotiated in pursuance of paragraph 4 of Article 4 of that Convention with other member Governments of the North Atlantic Treaty Organization who have forces stationed in the Federal territory.

"2. During the transitional period provided for in paragraph 4 of Article 6 of Chapter One of the Convention on the Settlement of Matters arising out of the War and the Occupation, the rights of the three Signatory States referred to in that paragraph shall be retained."

Article 9, paragraph 1: Substitute:

"1. There shall be established an Arbitration Tribunal which shall function in accordance with the provisions of the annexed Charter."

Article 9, paragraph 2: Substitute:

"2. The Arbitration Tribunal shall have exclusive jurisdiction over all disputes arising between the Three Powers and the Federal Republic under the provisions of the present Convention or the annexed Charter or any of the related Conventions which the parties are not able to settle by negotiation or by other means agreed between all the Signatory States, except as otherwise provided by paragraph 3 of this Article or in the annexed Charter or in the related Conventions."

Article 9, paragraph 3: For the words "or action taken thereunder, or involving the provisions of paragraphs 1 to 7 of Article 5" substitute the words "the first two sentences of paragraph 1 of Article 4, the first sentence

of paragraph 2 of Article 4 and the first two sentences of paragraph 2 of Article 5, or action taken thereunder,".

Article 10: Substitute:

"Article 10

"The Signatory States will review the terms of the present Convention and the related Conventions

"(a) upon request of any one of them, in the event of the reunification of Germany, or an international understanding being reached with the participation or consent of the States parties to the present Convention on steps towards bringing about the reunification of Germany, or the creation of a European Federation; or

"(b) in any situation which all of the Signatory States recognize has resulted from a change of a fundamental character in the conditions prevailing at the time of the entry into force of the present Convention.

"In either case they will, by mutual agreement, modify the present Convention and the related Conventions to the extent made necessary or advisable by the fundamental change in the situation."

Article 11, paragraphs 1 and 2, Delete.

Annex A: Delete.

Amendments to Annex B, Charter of the Arbitration Tribunal

Article 1, paragraph 2 (c): Substitute:

"(c) A President and two Vice-Presidents (hereinafter referred to also as "the neutral members") appointed by agreement between the Governments of the Three Powers and the Federal Government, none of whom shall be a national of any one of the Three Powers or a German national."

Article 1, paragraph 3, second sentence: Substitute:

"Within the same period the Governments of the Three Powers and the Federal Government shall agree upon the three neutral members, one of whom shall be nominated as President and the other two as Vice-Presidents."

Article 1, paragraph 3, third sentence: Substitute:

"If, after the expiry of such period, one or more of the neutral members shall not have been agreed upon, either the Governments of the Three Powers or the Federal Government may request the President of the International Court of Justice to nominate such neutral member or members."

Article 3: Delete.

Article 6: Add new paragraphs:

"3. The Registrar, upon receipt of the first petition filed pursuant to Article 14 of the present Charter, shall immediately notify the President, who shall thereupon call the first meeting of the Tribunal in plenary session at the seat of the Tribunal as soon as practicable, for the purpose of determining the Rules of Procedure and attending to other business. Thereafter the Tribunal shall meet as business requires.

"4. Paragraphs 3 and 4 of Article 2 of the present Charter shall not become effective until the first meeting in plenary session referred to in paragraph 3 of this Article."

Article 9, paragraph 1: After the word "negotiation" insert the words "or by other means agreed between all the Signatory States."

Article 9, paragraph 2 (a): Substitute for the words "Chapter Two" the words "Chapter One."

Article 9, paragraph 3: Delete the words "and to the provisions of sub-paragraph (a) of paragraph 5 of Article 11 of the present Charter."

Article 11: Substitute:

"Article 11

"1. The Signatory States undertake to comply with the decisions of the Tribunal and to take the action required of them by such decisions or necessary to remedy the situation.

"2. If a Signatory State required by a decision of the Tribunal to take action to give effect to that decision is unable, or fails, to take such action within the time specified by the Tribunal, or if no time is specified, within a reasonable time, then that State, or any other Signatory State a party to the dispute, may apply to the Tribunal for a further decision as to alternative action to be taken by the defaulting State."

SCHEDULE II

Amendments to the convention on the rights and obligations of foreign forces and their members in the Federal Republic of Germany

Contents: Delete references to Articles 49 and 50 and Annex C.

Introductory words: Substitute:

"The United States of America, the United Kingdom of Great Britain and Northern Ireland, the French Republic, and the Federal Republic of Germany agree as follows:"

Article 1, paragraph 3: Substitute:

"3. Other Sending State:

Any power, other than one of the Three Powers, which, by agreement with the Three Powers or any one of them, has Forces stationed in the Federal territory on the entry into force of the present Convention; and any other Power which may in future have Forces stationed in the Federal territory,

"(a) if before the entry into force of the arrangements for the German Defence Contribution, by agreement with the Three Powers, or any one of them, so far as such other Power does not, with the consent of the Three Powers, conclude a separate Convention with the Federal Republic concerning the status of its Forces, and

"(b) if after the entry into force of the arrangements for the German Defence Contribution, by agreement with the Federal Republic."

Article 17, paragraph 8: Substitute:

"8. A Standing Commission shall be established, to be composed of representatives of the appropriate authorities of the Three Powers and of representatives of the authorities of the Federal Republic. The duty of this Commission shall be to guarantee effective co-ordination between civil and military air activities."

Article 33, paragraph 1 (c): Delete.

Article 33, paragraph 3 (a): Substitute:

"The tax treatment of the Forces and their members shall be governed, to the extent that provision is not made in the present Convention, by the Agreement on the Tax Treatment of the Forces and their Members signed at Bonn on 26 May 1952, as amended by the Protocol signed at Bonn on 26 July 1952."

Article 33, paragraph 3 (b): Delete.

Article 36, paragraph 5 (d): Delete the word "Special."

Article 38, paragraph 1: Delete the words "this shall also apply to armed forces of the European Defence Community if the latter agrees to participate in this procedure."

Article 38, paragraph 7: Substitute:

"7. In implementing the first accommodation programme, if no comparable alternative accommodation is available in the same area, the Forces shall, for six months after the entry into force of the present Convention, be entitled to the first option on such publicly owned accommodation included in the property referred to in Article 13 of Chapter One of the Convention on the Settlement of Matters arising out of the War and the Occupation as becomes available. This shall not apply to accommodation in the Bonn Enclave."

Article 39, paragraph 2: Substitute:

"2. A Joint Supply Board shall be established, to be composed of representatives of the appropriate authorities of the Three Powers and of representatives of the Federal Republic. The Board shall be responsible for establishing by agreement periodical programmes for the procurement of the requirements of the Forces, and for resolving any difficulties which may arise in the course of the implementation of these programmes."

Article 42, paragraph 1: Substitute:

"1. The public services of the posts and telecommunications system of the Federal Republic shall be available to the Forces and their members. In this respect the Forces shall enjoy such preferential treatment as is necessary for the satisfactory fulfillment of their defence mission and is consistent with the reasonable reconciliation of the requirements resulting therefrom and the essential civilian and defence requirements of the Federal Republic. The conditions of service effective on the entry into force of the present Convention shall remain in force. These conditions of service shall be subject to review and modification at the request of any one of the Signatory States, where they are inconsistent with the present Convention. In the event of such a review the conditions of service to be determined shall be consistent with the needs of the Forces and the conditions of service of their members in the performance of the defence mission of the Forces."

Article 44, paragraph 2: Substitute:

"2. Germans who are working in the service of the Forces shall be subject to all obligations arising from the arrangements for the German Defence Contribution. They shall only be engaged on services of a non-combatant character including civilian guard duties."

Article 44, paragraph 10, first sentence: Substitute:

"The Mixed Commissions referred to in paragraphs 3 and 8 of this Article shall be composed equally of representatives of the appropriate authorities of the Three Powers and of representatives of the Federal Republic."

Article 47, paragraph 2: Delete.

Article 49: Delete.

Article 50: Delete.

Annex B, paragraph 3: Substitute:

"3. A Frequency Committee is hereby established, to be composed of representatives of the appropriate authorities of the Three Powers and of representatives of the Federal Republic. The Frequency Committee shall make its decisions by unanimous vote."

Annex C: Delete.

SCHEDULE III

Amendment to the Finance Convention

Introductory words: Substitute:

"The United States of America, the United Kingdom of Great Britain and Northern Ireland, the French Republic and the Federal Republic of Germany agree as follows:"

Article 1, paragraph 1: Insert "The Forces;" between "The Power concerned;" and "Authorities of the Forces;".

Article 1, paragraph 2 (b): Delete the subparagraph.

Article 1, paragraph 2 (c): Substitute:

"(c) Funds for the support of the Forces: Funds of the Federal Republic which are made available in accordance with paragraphs 1 to 3 of Article 4 of the present Convention to the Powers concerned to assist in meeting the costs of the Forces stationed in the Federal territory and their members."

Article 3: Delete.

Article 4: Substitute:

"Article 4

"1. (a) From the entry into force of the present Convention until the entry into force of the arrangements for the German Defence Contribution, the Federal Republic will provide a monthly average contribution of DM600 million as funds for the support of the Forces.

"(b) Out of the sum of DM600 million referred to in subparagraph (a) of this paragraph a sum of DM100 million a month will

be earmarked for particular defence measures agreed jointly between Three Powers and the Federal Republic, which latter sum will include expenditure for the NATO Infrastructure Programme. Payment of claims for Occupation damages can be included.

"(c) The provisions of subparagraphs (a) and (b) of this paragraph apply in any case only until 30 June 1955. If the arrangements for the German Defence Contribution enter into force after that date, negotiations shall take place between the Federal Republic and the Three Powers concerning the contribution of the Federal Republic to the support of the Forces for the period after 30 June 1955 and before the entry into force of the arrangements for the German Defence Contribution.

"2. During the first twelve months after the entry into force of the arrangements for the German Defence Contribution, the Federal Republic will make available as funds for the support of the Forces a total amount of DM3,200 million. These funds shall be made available as follows:—

"DM400 million a month for the first two months;

"DM300 million a month for the next four months;

"DM200 million a month for the last six months.

If the arrangements for the German Defence Contribution enter into force after 30 June 1955, these provisions shall not apply, and negotiations shall take place between the Federal Republic and the Three Powers concerning the contribution of the Federal Republic to the support of the Forces for a period not exceeding twelve months after the entry into force of the arrangements for the German Defence Contribution.

"3. The Three Powers recognise the right of the Federal Republic to propose that the provisions of paragraph 2 of this Article be re-examined should it consider that the burden imposed by the build-up of the agreed German forces justifies such re-examination. In this event, the Signatory States will examine all the relevant factors and if found necessary will agree to amend the above provisions on funds for the support of the Forces.

"4. In accordance with the spirit of Article 3 of the North Atlantic Treaty the Federal Republic agrees that at the end of the period laid down in paragraph 2 of this Article it will be prepared to negotiate with other member Governments of the North Atlantic Treaty Organization who have forces stationed in the Federal territory in respect of questions relating to the support (for example, goods and services) of those forces having regard to the requirements of the forces of the Federal Republic.

"5. Funds to be made available in accordance with paragraphs 1 to 3 of this Article for one period of time may be utilized in other periods in accordance with the provisions of paragraph 6 of this Article. The Three Powers will be responsible for allocating or re-allocating among the Powers concerned, after consultation with the Federal Government, the amount made available in accordance with this Article. The provisions of Article 5 of the present Convention shall apply to the expenditure of these funds except to the extent that such funds are expended in accordance with sub-paragraph (a) of paragraph 6 of this Article.

"6. The only expenditures chargeable to the funds for the support of the Forces made available in accordance with paragraphs 1 to 3 of this Article shall be:—

"(a) Amounts expended on payment authorizations issued after the entry into force of the present Convention to satisfy liabilities for accommodation, goods, materials or services procured or ordered before the entry into force of the present Convention by the authorities of the Powers concerned as a charge to occupation costs or mandatory expenditures, to the extent that such amounts are not covered by unexpended occupation costs and mandatory expenditure funds remaining available to the Three Powers for the purpose after the entry into force of the present Convention;

"(b) Amounts expended on payment authorizations issued before the end of the period covered by paragraph 2 of this Article under the Deutsche Mark budgets of the Powers concerned established in accordance with Article 5 of the present Convention. To the extent that the funds provided under paragraph 1 of this Article have not been fully expended to meet payment authorizations issued before the end of the period covered by that paragraph they will remain available to the Forces for a period of eighteen months for the liquidation of liabilities then outstanding which are chargeable to the funds for the support of the Forces. A corresponding procedure will apply to the funds made available in accordance with paragraph 2 of this Article; however, the latter funds will remain available to the Forces after the end of the relevant period for 12 months; and

"(c) Amounts expended for such other purposes as may be agreed between the Federal Republic and the Three Powers.

"7. The Three Powers undertake to make a consistent effort to ensure that the carry over will not increase and shall be substantially reduced as rapidly as possible. The authorities of the Three Powers and the Federal Republic will co-operate fully for this purpose and will assist each other by exchanging relevant information and in any other appropriate ways. The carry over within the meaning of this paragraph is that part of the funds made available by the Federal Republic for occupation costs and mandatory expenditures which has not been disbursed, together with that part of the funds made available in accordance with paragraph 1 of this Article which has similarly not been disbursed."

Article 5, paragraph 3: Delete the sentence "Expenditures under such budget * * * control over them."

Article 6, paragraph 1: Substitute:

"1. Subject to the provisions of Article 4 of the present Convention, the Federal Republic shall take all steps necessary to make available, as required, the funds for the support of the Forces."

Article 7, paragraph 1 (g) (iii): Substitute for the words "the defence contribution of the Federal Republic" the words "funds for the support of the Forces".

Article 8, paragraph 14: Substitute:

"14. Compensation awarded under a decision of an agency of the Forces shall, for the periods specified in paragraphs 1 and 2 of Article 4 of the present Convention, be chargeable to the funds for the support of the Forces of the Power concerned unless otherwise agreed between the Federal Republic and the Power concerned. An agreement between the Federal Republic and the United Kingdom of Great Britain and Northern Ireland in that regard and in relation to ancillary procedure is annexed to the present Convention as Annex A. A similar agreement between the Federal Republic and the United States of America is annexed to the present Convention as Annex B."

Article 8, paragraph 15: Substitute:

"15. Notwithstanding the other provisions of this Article, claims in respect of damage caused to accommodation or moveables which have been made available for use by the Authorities of the Power concerned before the entry into force of the present Convention, and released by them after the end of the period covered by paragraph 2 of Article 4 of the present Convention shall be determined by the German authorities and shall not be charged to the funds for the support of the Forces, or to the Power concerned."

Article 8, paragraph 18: Delete.

Article 12, paragraph 6: Delete the sentence "Timely * * * 30 June 1953."

Article 13, paragraph 2: Substitute for the words "30 June 1953" the words "the end of the period covered by paragraph 2 of Article 4 of the present Convention,".

Article 13, paragraph 3: Substitute:

"3. During the period covered by paragraph 1 of Article 4 of the present Convention, the costs of the installations and works referred to in Article 20 of the Forces Convention shall be chargeable to the funds for the support of the Forces. During the period covered by paragraph 2 of Article 4 of the present Convention, the costs of the above mentioned installations and works shall be chargeable to the funds for the support of the Forces to the extent that provision is made therefor in the budgets of the Powers concerned. If installations and works should be carried out for which no provision has been made in such budgets, their financing shall be determined by prior agreement between the Federal Republic and the Powers concerned."

Article 13, paragraph 4: Substitute for the words "30 June 1953" the words: "the end of the period covered by paragraph 2 of Article 4 of the present Convention."

Article 13, paragraph 4: Delete the words "mentioned in paragraph 3 of Article 4 of the present Convention."

Article 13, paragraph 5: Delete.

Article 14: Delete the sentence "Representatives . . . involved."

Article 16: Delete the phrase "especially if agreements . . . desirable."

Article 18, paragraph 1: Delete.

Article 18, paragraph 2: Delete the words "which are not members of the European Defence Community,".

Article 19, sub-paragraph (a): Substitute:

"(a) in matters which under paragraphs 1 to 4 of Article 4 of the present Convention are to be settled by negotiation."

Annex 'A', Section 9: Delete.

Annex 'B': Add new Annex 'B.'

Annex B to the Finance Convention

In the case of the Forces of the United States of America the provisions of Article 8 of the Finance Convention shall be implemented in accordance with the following provisions:

"Section 1

"The functions of the appropriate agency of the Forces set out in paragraph 9 of Article 8 of the Finance Convention shall in respect to these Forces be delegated to the Federal Republic.

"Section 2

"1. The appropriate German agency shall promptly inform the appropriate agency of the Forces of any claim lodged with it and shall append such particulars at the latter agency may require.

"2. After receipt of these particulars, the appropriate agency of the Forces shall forward as soon as possible to the appropriate German agency such relevant information and evidence obtainable from its own sources as is necessary for dealing with the claim insofar as the making available of such evidence is permissible under the regulations of the United States. The German agency shall assess and pay any compensation upon the claim only in the full light of this evidence.

"Section 3

"1. The appropriate agency of the Forces shall include in the information and evidence forwarded to the appropriate German agency under paragraph 2 of Section 2 of this Annex a statement as to whether or not acts or omissions of the Forces as defined in paragraph 2 of Article 8 of the Finance Convention are involved.

"2. The German agency shall not assess or pay any compensation unless the appropriate agency of the Forces has issued a statement that acts or omissions of the

Forces as defined in paragraph 2 of Article 8 of the Finance Convention are involved.

"3. If during investigations of a claim circumstances appear which would lead to an inference different from that contained in the statement, the appropriate agency of the Forces shall, on the request of the appropriate German agency, review its statement taking into account the representations made by the German agency.

"Section 4

"If a claimant brings an action in the ordinary German court against the Federal Republic pursuant to paragraph 10 of Article 8 of the Finance Convention, the German agency shall forward to the appropriate agency of the Forces a copy of the complaint. Should the German agency deem it necessary in the light of the complaint to obtain from the agency of the Forces supplementary documents or evidence from its own sources for use in connection with the defence of the action, the German agency shall so inform the agency of the Forces as soon as possible.

"Section 5

"Should the legally enforceable judgment of a Court in an action brought under paragraph 10 of Article 8 of the Finance Convention differ from the decision of the German agency taken under Section 1 of this Annex, the decision shall be modified so as to make it accord with the judgment; this shall apply whether or not the authorities of the Forces exercised their right to participate in the action against the Federal Republic under paragraph 12 of Article 8 of the Finance Convention.

"Section 6

"To enable that part of the compensation awarded by the German agencies or Courts which under Section 7 of this Annex is to be charged to the funds for the support of the Forces of the United States to be so charged, the German agency shall by the fifteenth day of each month furnish to the appropriate agency of the Forces a list showing the amounts of compensation paid during the previous month.

"Section 7

"It is agreed, as provided for in paragraph 14 of Article 8 of the Finance Convention, that 75 per cent of the compensation awarded by the appropriate German agencies or by the ordinary German courts shall be charged to the funds for the support of the Forces made available under the Finance Convention. The remaining 25 per cent of the compensation shall be borne by the Federal Republic.

"Section 8

"The provisions of this Annex shall not affect the provisions of paragraph 16 of Article 8 of the Finance Convention."

SCHEDULE IV

Amendments to the Convention on the Settlement of Matters Arising Out of the War and the Occupation

Introductory words: Substitute:

"The United States of America, the United Kingdom of Great Britain and Northern Ireland, the French Republic and the Federal Republic of Germany agree as follows:"

Chapter One—General Provisions

Article 8, sub-paragraph (d): For the words "paragraph 6 of Article 4, of Chapter Two of the present Convention", substitute the words "paragraph 1 of Article 12 of this Chapter."

Article 8, sub-paragraph (e): Delete.

Add new Articles:

"Article 9

"1. The Allied High Commission legislation concerning the reorganization of the German coal mining and iron and steel industries, to the extent that such legislation is in force on the date of the entry into force of the present convention, shall be maintained in force in so far and so long as deconcentration measures ordered before that date are still to be carried out or claimants are still to be protected.

"2. The Federal Government shall ensure that the measures decreed under the legislation referred to in paragraph 1 of this Article by regulations or orders of the Allied High Commission or of its subordinate bodies as well as the measures required to be taken in implementation of the plans approved by such orders shall be carried through to completion.

"3. The provisions of this Article shall be without prejudice to such expansion or affiliation of enterprises of the German coal mining and iron and steel industries as shall be permitted under the Treaty on the Establishment of the European Community for Coal and Steel.

"Article 10

"1. A mixed committee of experts composed of seven members shall be established according to the following procedure. Three of its members shall be appointed by the Federal Republic and one by each of the Three Powers immediately after the Federal Government has received the first application under paragraph 3 of this Article and has notified the Three Powers of that fact. The members so appointed shall elect a seventh member by majority vote within six months after this notification. If within that time the seventh member shall not have been elected or shall not have accepted election, the Board of Directors of the Bank of International Settlements shall be requested to appoint as a seventh member an expert who shall not be a national of any of the Signatory States.

"2. The function of the Mixed Committee shall be to consider applications for extensions of the final time for the disposition of securities required by regulations or orders of the Allied High Commission or its subordinate bodies or by reason of the terms of a plan approved by any such order.

"3. Applications must be filed with the Federal Government not later than one year before the expiration of the time fixed for the disposition of the securities. The applicant shall, until the decision of the Mixed Committee is rendered, be entitled to file any additional supporting papers.

"4. The Mixed Committee shall extend the time fixed for the disposition of the securities, provided that the applicant establishes that all of such securities could not, with the exercise of reasonable efforts, be disposed of on reasonable terms and on a basis which is compatible with the German public interest and that such disposition will not be possible within the remaining time without a disruptive effect on the German capital market.

"5. Any extension under paragraph 4 of this Article shall be granted for not more than one year but shall be subject to renewal upon a further application on the basis of the standards set forth in that paragraph. The Mixed Committee may attach appropriate conditions to any such extension or renewal.

"6. The decision of a majority of the members shall constitute the decision of the Mixed Committee. The Committee shall render its decision before the expiration of the time fixed for the disposition of the securities.

"7. The emoluments of the members of the Mixed Committee shall be paid by each of the Signatory States in respect of the member or members appointed by it. One-half of the emoluments of the seventh member shall be paid by the Federal Republic, and one-sixth by each of the Three Powers. The Mixed Committee may charge the remaining costs, in whole or in part, to the applicants.

"8. The Mixed Committee shall adopt its own rules for the conduct of its business.

"Article 11

"1. The Allied High Commission legislation concerning the termination of the deconcentration and liquidation of the I. G. Farbenindustrie A. G. i. L. to the extent that such legislation is in force on the entry into force of the present Convention shall be maintained in force until the liquidation of the I. G. Farbenindustrie A. G. i. L. in accordance with such legislation has been completely carried out. Those provisions of the legislation referred to in the first sentence of this paragraph which concern rights or obligations (Rechtsverhältnisse) continuing to exist after the completion of the liquidation of I. G. Farbenindustrie A. G. i. L. shall be maintained in force until such rights and obligations have been completely settled.

"2. The Federal Government shall ensure that the measures decreed under the legislation referred to in paragraph 1 of this Article by regulations or order of the Allied High Commission or of its subordinate bodies shall be carried through to completion.

"Article 12

"1. After the entry into force of the present Convention the Board of Review provided for under Article 13 (as amended) of Allied High Commission Law No. 27 shall consist of one member appointed by each of the Three Powers and three members appointed by the Federal Republic. As so constituted this Board of Review shall continue to be the sole appropriate body to review, on the petition of interested persons, any orders issued under sub-paragraph (c) of Article 5 of Law No. 27, or under paragraph 1 of Article 5 of Allied High Commission Law No. 35. The independence of the members of the Board of Review and their freedom of decision shall not be impaired by instructions or other actions of their Governments. Before rendering a decision the Board of Review shall grant the claimant a hearing.

"2. The emoluments of the members of the Board of Review shall be paid by each of the Signatory States in respect of the member or members appointed by it. One-half of the remaining expenses of the Board of Review shall be borne by the Federal Republic, and one-sixth by each of the Three Powers.

"Article 13

"In order to facilitate the smooth transition from the Occupation regime to normal diplomatic relationships, and to provide for the accommodation of the Embassies and Consulates of the United States of America, the United Kingdom of Great Britain and Northern Ireland and the French Republic, the Governments of the United States, the United Kingdom and the French Republic are hereby granted the right, subject to the payment of compensation in appropriate cases, to the continued use for a transitional period of the property used by them on the entry into force of the present Convention, provided such property is required for use by the Embassies and Consulates to be set up by them."

Chapter two—decartelization and deconcentration

Delete whole Chapter.

Chapter Three—Internal Restitution

Article 1, sub-paragraph (a) (i): For the words "Military Government Law No. 59, as amended or supplemented by Ordinances No. . . . 240 and 243" substitute the words "Military Government Law No. 59, as amended or supplemented by Ordinances No. . . . 240, 243, 252, and 255."

Article 1, sub-paragraph (a) (ii): For the words "Laws No. . . . 21 (as amended) and 30" substitute the words "Laws No. . . . 21 (as amended), 30 and 42".

Article 1, sub-paragraph (b) (i): Replace the word "and" between "High Commissioner" and "paragraph 3" by a comma; add after "No. 202" the words "and Ordinance No. 254 of the United Kingdom High Commissioner".

Article 3, paragraph 3: Delete.

Article 3, paragraph 5 (a) (b) (c): Delete.

Article 6, paragraph 1 (a): For the words "Board of Review" substitute the words "Supreme Restitution Court".

Annex, Article 5, paragraph 5 (c) (i): Delete.

Annex, Article 9, paragraph 1 (b): For the words "Board of Review established by Regulation No. 6 under British Military Government Law No. 59" substitute the words "Supreme Restitution Court for the British Zone established by Ordinance No. 255 of the United Kingdom High Commissioner".

Annex, Article 9, paragraph 2: For the words "Board of Review" substitute the words "Supreme Restitution Court for the British Zone".

Chapter Four—Compensation for Victims of Nazi Persecution

Paragraph 4: Delete.

Chapter Five—External Restitution

Article 2, paragraph 2:

Substitute for the words "8 May 1955" the words "8 May 1956".

Substitute for the words "8 May 1956" the words "8 May 1957".

Article 3, paragraph 1: Substitute for the words "8 May 1955" the words "8 May 1956".

Article 3, paragraph 2: Substitute for the words "8 May 1955" the words "8 May 1956".

Chapter Six—Reparation

Article 2, first sentence: Insert after the words "Law No. 63" the words "as amended by Decision No. 24 of the Allied High Commission".

Chapter Seven—Displaced Persons and Refugees

Article 1, sub-paragraphs (a) (b) (c): Delete.

Article 3: Delete.

Article 5: Delete.

Chapter Eight—Claims Against Germany

Delete whole Chapter with Annex.

Chapter Nine—Claims Against Foreign Nations or Nationals

Article 3, paragraph 3: Insert after the words "Law No. 47" the words "as amended by Allied High Commission Law No. 79".

Chapter Ten—Foreign Interests in Germany

Article 2, second sentence:

Substitute:

"This legislation shall be reviewed by the Federal Republic in agreement with the other Signatory States on the basis of the provisions of the Agreement on German External Debts, concluded in London on 27 February 1953, in so far as this legislation involves claims dealt with in that Agreement."

Article 6, paragraph 2: Substitute for the words "the proposed Final Equalisation of Burdens (Lastenausgleich) Law" the words "the Law on Equalisation of Burdens of 14 August 1952 (Bundesgesetzblatt Teil I Seite 446)".

Article 6, paragraph 2 (last phrase before subparagraph (a)): Delete the word "proposed".

Article 6, paragraph 2 (c) (last phrase): Delete the word "proposed".

Article 6, paragraph 7: Delete the word "Final" (English text only).

Article 7, sub-paragraph (a) (i): Delete.

Article 7, sub-paragraph (a) (ii): Delete the words "No. 55 (second Amendment of Legislation concerning Monetary Reform)".

Article 7, sub-paragraphs (a) (iii), (b) and (c) (i) and (ii): Delete.

Article 9, paragraph 1: Delete the words "and also in connection . . . Law No. 55".

Article 12, paragraph 1: Insert after sub-paragraph (f): "Appeals under the last sentence of Article 2 and paragraph 3 of Article 7 of Allied High Commission Law No. 8, pending on the entry into force of the present Convention before the Patent Appeal Board established by Regulation No. 1 under Law No. 8 (amended), are hereby transferred to the Arbitral Commission and shall be dealt with by it in the same manner as appeals under this Article."

Chapter Eleven—Facilities for the Embassies and Consulates of the Three Powers in the Federal Republic

Delete whole Chapter.

Chapter Twelve—Civil Aviation

Article 1: Substitute for the words "Articles 2 to 7" the words "Articles 2 to 6".

Article 7: Delete.

SCHEDULE V

Amendments to the agreement on the tax treatment of the forces and their members

Introductory words: Substitute:

"The United States of America, the United Kingdom of Great Britain and Northern Ireland, the French Republic and the Federal Republic of Germany agree as follows:"

Article 5: After the word "negotiations" insert the words "or by other means agreed between all the Signatory States."

Article 6, paragraph 1, 2, 3: Delete.

[Translation]

The textual conformity of the preceding photocopy with the original, deposited in the Archives of the Government of the Federal Republic of Germany, of the Protocol on the Termination of the Occupation Regime in the Federal Republic of Germany, signed in Paris on October 23, 1954, is hereby certified.

Bonn, November 2, 1954.

[SEAL] /s/ BERGER
Ministerial Director
Chief of the Legal Division of the Foreign Office

EXECUTIVE M, 83RD CONGRESS, SECOND SESSION—PROTOCOL TO THE NORTH ATLANTIC TREATY ON THE ACCESSION OF THE FEDERAL REPUBLIC OF GERMANY

The Parties to the North Atlantic Treaty signed at Washington on 4th April, 1949,

Being satisfied that the security of the North Atlantic area will be enhanced by the accession of the Federal Republic of Germany to that Treaty, and

Having noted that the Federal Republic of Germany has by a declaration dated 3rd October, 1954, accepted the obligations set forth in Article 2 of the Charter of the United Nations and has undertaken upon its accession to the North Atlantic Treaty to refrain from any action inconsistent with the strictly defensive character of that Treaty, and

Having further noted that all member governments have associated themselves with the declaration also made on 3rd October, 1954, by the Governments of the United States of America, the United Kingdom of Great Britain and Northern Ireland and the French Republic in connection with the aforesaid declaration of the Federal Republic of Germany,

Agree as follows:

ARTICLE I

Upon the entry into force of the present Protocol, the Government of the United States of America shall on behalf of all the Parties communicate to the Government of the Federal Republic of Germany an invitation to accede to the North Atlantic Treaty. Thereafter the Federal Republic of Germany shall become a Party to that Treaty on the date when it deposits its instruments of accession with the Government of the United States of America in accordance with Article 10 of that Treaty.

ARTICLE II

The present Protocol shall enter into force, when (a) each of the Parties to the North Atlantic Treaty has notified the Government of the United States of America its acceptance thereof, (b) all instruments of ratification of the Protocol Modifying and Completing the Brussels Treaty have been deposited with the Belgian Government, and (c) all instruments of ratification or approval of the Convention on the Presence of Foreign Forces in the Federal Republic of Germany have been deposited with the Government of the Federal Republic of Germany. The Government of the United States of America shall inform the other Parties to the North Atlantic Treaty of the date of the receipt of each notification of acceptance of the present Protocol and of the date of the entry into force of the present Protocol.

ARTICLE III

The present Protocol, of which the English and French texts are equally authentic, shall be deposited in the archives of the Government of the United States of America. Duly certified copies thereof shall be transmitted by that Government to the Governments of the other Parties to the North Atlantic Treaty.

IN WITNESS WHEREOF, the undersigned Representatives, duly authorised thereto by their respective Governments, have signed the present Protocol.

Signed at Paris the twenty-third day of October nineteen hundred and fifty-four.

For Belgium:
P. H. SPAAK
For Canada:
L B PEARSON
For Denmark:
H. C. HANSEN.
For France:
P MENDÈS-FRANCE
For Greece:
S STEPHANOPOULOS
For Iceland:
KRISTINN GUDMUNDSSON
For Italy:
G. MARTINO
For the Grand-Duchy of Luxemburg:
JOS BECH
For Netherlands:
J W BEYEN
For Norway:
HALVARD LANGE
For Portugal:
PAULO CUNHA
For Turkey:
F. KÖPRÜLÜ
For the United Kingdom of Great Britain and Northern-Ireland:
ANTHONY EDEN
For the United States of America:
JOHN FOSTER DULLES

I CERTIFY THAT the foregoing is a true copy of the Protocol to the North Atlantic Treaty on the Accession of the Federal Republic of Germany signed at Paris on October 23, 1954 in the English and French languages, the signed original of which is deposited in the archives of the Government of the United States of America.

IN TESTIMONY WHEREOF, I, JOHN FOSTER DULLES, Secretary of State of the United States of America, have hereunto caused the seal of the Department of State to be affixed and my name subscribed by the Authentication Officer of the said Department, at the city of Washington, in the District of Columbia, this second day of November 1954.

[SEAL] JOHN FOSTER DULLES
Secretary of State

By BARBARA HARTMAN
Authentication Officer
Department of State.

Mr. GEORGE. Mr. President, I ask unanimous consent that Executive L and Executive M (83d Cong., 2d sess.) be considered together.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. GEORGE. Mr. President, I believe it would also be proper for the Senate to vote upon both treaties at the same time, but with the vote on each treaty to be recorded separately. I make that request because the issues involved are substantially or practically the same, and the protocols are so merged that I think it quite proper to make the request. Therefore, I ask unanimous consent that one vote be taken upon both protocols, but that a separate vote be recorded upon each protocol.

The PRESIDING OFFICER. The Senator from Georgia has requested that one vote be taken on both protocols, but be recorded separately. Is there objection? The Chair hears none, and it is so ordered.

Mr. GEORGE. Mr. President, there are before the Senate two protocols relating to Germany which require advice and consent to ratification. Although they are part of a complicated network of agreements, they are in themselves very simple.

The first of these protocols terminates the occupation regime in the Federal Republic of Germany, and is signed by the Federal Republic and the three occupying powers—the United States, the United Kingdom, and France. On its own merits, termination of the occupation is highly desirable. It is now almost 10 years since the unconditional surrender of Nazi Germany. Rarely has a similar period seen such a transformation in any nation. From a land of chaos and destruction, with a discredited and defunct dictatorship, Germany has become a land of prosperity, with a well-established democratic government. The need for ending the occupation has long been recognized, but it was not possible to do so because of various difficulties with which the Senate is familiar. Those difficulties have now been removed through the medium of these agreements, of which this protocol is a part.

The second protocol before the Senate provides for the accession of the Federal Republic of Germany to the North Atlantic Treaty, and is signed by the United States and the other 13 members of NATO. This, also, is highly desirable on its own merits. Economically and geographically, Germany is in fact an integral part of the North Atlantic Community. From the military point of view, the difficulty—one might almost say the impossibility—of defending western Europe without Germany has long been obvious.

Two very great advantages will accrue to the NATO forces with the accession of Germany. The forces will be augmented by a significant German contribution, and they will be able to adopt a forward strategy by which the NATO defense line will be moved eastward a considerable distance.

UNITED STATES COMMITMENTS

So far as the commitments of the United States are concerned, neither of these protocols is substantially different from treaties which the Senate approved in 1952. Those 1952 treaties were—the convention on relations with the Federal Republic, which was approved by a vote of 77 to 5, and a protocal extending the protection of the North Atlantic Treaty to the area of the European Defense Community, approved by a vote of 72 to 5. Like the protocols now before us, these earlier treaties were a part of a much more complicated network of arrangements. This network collapsed last summer when the French Assembly voted against the European Defense Community.

The alternatives which have since been worked out have made necessary certain changes in detail, but not in substance, in the protocols which the United States is now called upon to ratify. I point this out to emphasize that the United States here, in effect, undertakes no commitments which the Senate has not already approved. Indeed, it can be strongly argued that these protocols will greatly strengthen Western Europe and thereby lighten the responsibility which the United States is already carrying.

So, taken simply by themselves, the two protocols now before us would be in the national interests of the United States. The protocols are closely related to and interwoven with the wider series of agreements of which I have spoken. Even though the United States is not a party to the other agreements which are involved, they are likewise clearly in our national interest. The details of these agreements are fully treated in the committee report, and I will not belabor the Senate with them now.

I point out, however, that in 1952, when the Convention on Relations with the Federal Republic was signed, there were also signed a number of subsidiary agreements covering such matters as taxes, finance, the stationing of troops in Germany, and the thousand and one questions which must be dealt with when an occupation regime is ended and sovereignty restored. These agreements were transmitted to the Senate for its information, but the Senate's advice and consent to ratification was not required. The agreements have since been amended in the light of changed circumstances, and they are available for the information of the Senate; but, again, no Senate action is required.

CONSEQUENCES OF THE AGREEMENTS

Mr. President, I should now like to say a few words about the results which can reasonably be expected from these overall agreements, taken as a whole. These results go far beyond the simple restoration of German sovereignty and the addition of German strength to NATO, as important as those two achievements are. As a result of these agreements, there will come into being a living, workable mechanism for the control of armaments, and at the same time there will come into being a greater and more enduring unity among seven of the most important countries of Western Europe—Belgium, France, Germany, Italy, Luxembourg, the Netherlands, and the United Kingdom.

This is a result which has long been a cardinal objective of American diplomacy. From the time the Economic Cooperation Act was passed in 1948, the Congress has consistently and repeatedly declared it to be the policy of the United States to encourage the integration of Europe. This is a great step forward in that direction. We thought such a step had been taken in 1952, and the Senate gave its vigorous approval, only to see the project come to naught when the French Assembly rejected the European Defense Community. Wise statesmanship prevailed, however, and these alternative arrangements to accomplish substantially the same objective have now been consummated.

Many leaders of many countries deserve credit for this happy event. Chancellor Adenauer, of Germany, Prime Minister Churchill, and Foreign Secretary Eden, of Great Britain, Premiers Mendès-France and Faure, of France, are prominent among them. And I think it appropriate that a special word of praise and tribute be reserved for the patient, persistent effort of our own American Secretary of State, John Foster Dulles, who never wavered in his determination that the objective could be achieved because it had to be achieved.

I would be remiss if I did not mention with praise the work of our colleague, the senior Senator from Wisconsin [Mr. WILEY]. Last summer, during the critical time when the EDC had been rejected and Europe was searching for an alternative, Senator WILEY was in Europe. As chairman of the Committee on Foreign Relations at the time, and at the request of the Secretary of State, he undertook a series of important conversations with the leading statesmen of Western Europe.

Little has been said about those conversations. But I know personally that at that critical juncture of world affairs, Senator WILEY was encouraging the Europeans to move ahead toward creating an integrated, defensible Western Europe. He was telling Europeans of the deep concern of this Nation at the failure of EDC and of the necessity for their going to work to recreate a new framework for a unified Europe. His efforts emphasize the bipartisan character of this undertaking.

NEED FOR PROMPT UNITED STATES ACTION

After our experience with EDC, when the United States acted on ratification first, to no avail, it was the combined judgment of the State Department and the legislative leaders that the wiser course in regard to the present agreements would be to let the countries of Europe take the lead. That has been done, and parliamentary action on the agreements is now complete in both Germany and France. Besides the United States, only Belgium, Denmark, Luxembourg, and the Netherlands have yet to act, and they are expected to do so within a short time. There is no longer any real doubt about the outcome, and it behooves the United States, having waited for others to take the lead, now to follow along promptly and enthusiastically.

In view of the Senate's many strong expressions of support in the past for the policy embodied in these agreements, it is unthinkable that we should refuse to ratify them or that we should unduly prolong the debate. Indeed, I cannot conceive of anything here to be debated. We have previously expressed

ourselves as being overwhelmingly of one mind on this subject, and I believe we are of one mind still.

In a sensé, what we do here today is anticlimactic. The real debate has taken place in Europe in the past several months; and the issue was finally decided in the Council of the French Republic early last Sunday morning.

So far as the Senate is concerned, our consideration of these two treaties partakes more of the nature of a ceremonial occasion than of the nature of a debate in which issues are resolved. It is an occasion for great rejoicing, not only in the United States but throughout the free world. It is an occasion when we happily mark the completion of a project which represents much toil and many sleepless, prayerful nights.

But as we commemorate a happy ending we also inaugurate a hopeful beginning. We not only do something which is good for its own sake; we also open the way to even better things in the future. I am convinced that we improve the chances for the unification of Germany. We improve the chances for a Big Four or Big Five meeting that will produce something more constructive and helpful than stalemate and propaganda. We put into operation a method of controlling armaments that may have possibilities of wider use.

Mr. President, there is one final point I should like to make. A number of our citizens have expressed genuine concern lest these agreements should open the way for a resurgence of German militarism. Historically, there is a basis for this concern, and we would be unwise indeed if we were to ignore it.

In my judgment, there are practicable, workable safeguards against such an eventuality. Those safeguards may be found in the limitations which West Germany has accepted with respect to its own rearmament and in the nature of the cooperative effort which will be put forth under the North Atlantic Treaty Organization. But even more important, Mr. President, is the control which stems from the determination of the German people to build a democracy that will truly reflect the popular will. In this spirit of the German people—which I pray will endure—lies the hope for a strong and reliable partner in the defense of the free world.

These treaties will not, of course, solve all our problems; but many of those which are not solved will be made easier of solution. I have rarely seen a treaty which held so many possibilities of good and so few of evil.

Mr. President, I urge the Senate to vote promptly and overwhelmingly in favor of the two protocols which are now before it.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. GEORGE. I am pleased to yield.

Mr. SALTONSTALL. I should like to commend and congratulate the Senator from Georgia [Mr. GEORGE], the able chairman of the Committee on Foreign Relations, the Senator from Wisconsin [Mr. WILEY], and every member of the Foreign Relations Committee for bringing these treaties to the floor of the Senate so promptly after their ratification by France.

I say that as one who wants the United Nations to succeed and who thoroughly believes in NATO as a means of affording a greater opportunity for our own security and the peace of the world. I therefore rise to congratulate the Senator from Georgia for bringing the treaties to the Senate so promptly.

Mr. GEORGE. I thank the Senator from Massachusetts.

Mr. BRICKER. Mr. President, will the Senator yield for a question?

Mr. GEORGE. I am pleased to yield.

Mr. BRICKER. I wish to join the distinguished Senator from Massachusetts in commending the chairman and the entire membership of the Committee on Foreign Relations for their work on these treaties. I heartily approve of all the provisions of the treaty, with one exception, and I wish to inquire about that one. That provision is contained in executive L, article 8, subparagraph 1 (b), which concerns any future arrangements that might be made between the United States and Germany with regard to the status of our forces in Germany after the conclusion of the treaty.

Of course, we can make no distinction, in my judgment, between Germany and other NATO countries. We have already approved the status-of-forces treaty. I have no desire at all to bring that matter up at this time. However, in a desire to have the Senate look at the provisions of a treaty which deals with the status of forces in Germany, I wrote to the State Department and asked for assurances, which I hoped I might receive by this time, that any such treaty would be submitted to the Senate for ratification.

I received from the State Department, a very equivocal letter signed by Mr. Thruston Morton, substantially to this effect: "If we think it is a treaty, we will send it to the Senate; if we think it is not, we won't."

That, of course, is typical of the attitude of some officials in the State Department, particularly Mr. Morton.

I wonder whether the committee considered that subject at all in its hearings or in the negotiations which led up to the presentation of this treaty to the Senate.

Mr. GEORGE. I may say to the distinguished Senator from Ohio that the committee did consider it. In its report, at page 9, the Senator will observe that the report deals briefly—not fully, but briefly—with this matter. The report states:

> Secretary of State Dulles was asked whether extension of the NATO Status of Forces Convention to Germany would be submitted to the Senate for its advice and consent. He replied:
>
> "I believe that if the Status of Forces Agreement is extended in its present form it would not have to come back to the Senate for further ratification. If there are modifications in it, then that might be required if they were material."
>
> It should be noted that insofar as the rights and responsibilities of the three powers to station Armed Forces in Western Germany are related to "Berlin and to Germany as a whole, including the reunification of Germany and a peace settlement" they are to continue. Moreover, the Federal Republic agrees to the stationing in the Federal Republic, from the time the German defense contribution arrangements come into effect, of forces of the same nationality and effective strength as at that time may be stationed in the Federal Republic.

I may say to the Senator from Ohio on my responsibility—and I believe it to be the viewpoint of the committee—that some changes undoubtedly will be made in the status of forces agreement on the ratification and the coming into the NATO group of Germany as a full partner, as this treaty provides. It is hardly conceivable that those changes will not be of substantial or material importance.

That being true, I can give to the Senator from Ohio my complete assurance—and, as I say, I believe it is also the attitude of the committee—that we will insist that such changes be submitted to the Senate for its consideration as a new treaty.

Mr. BRICKER. That is the only assurance I wanted to have. I could not get it from the State Department. I note from the excerpt the distinguished chairman read that the Secretary of State said if there were material changes they might be submitted to the Senate. Certainly we ought not to leave it wholly within the judgment of one man whether changes are material.

Mr. GEORGE. I agree fully with the Senator. I believe amendments to this particular treaty will be material, because there is a material change in the status of Germany itself. It becomes a full sovereign, internally and externally, with probably no important qualifications. The only provisions that might be considered as qualifying the sovereignty of Germany relate entirely to some relationships between Western Germany, East Germany, and the Soviet Union.

Mr. BRICKER. That is in reference to the problem of consolidation?

Mr. GEORGE. That is all. I think the status of forces agreement will be amended. I do not see how it is possible to obviate amendment. No doubt the changes will be substantial and material, and I certainly think they should be submitted to the Senate. I have every confidence that they will be submitted to the Senate for its consideration and approval.

Mr. BRICKER. I thank the Senator; and with that assurance I shall submit no reservation. I certainly concur in what the chairman of the committee has said, that if there is any change in the status of forces agreement it should be submitted to the Senate because of the great diversity of procedure and of substantive law and the application of the law by the German courts in contrast with the courts of our own country. So I shall not submit any reservation.

Mr. JOHNSON of Texas. Mr. President, I ask that the yeas and nays be ordered on the ratification of the treaties.

The yeas and nays were ordered.

Mr. LANGER. Mr. President, when 1 lone voice speaks against 14 in opposition to reporting these treaties from the Foreign Relations Committee to the Senate, I realize that the odds of being

able to sway the Senate are 100 to 1 against him. It is, however, with a strong sense of duty that I venture to bring my views to the attention of the Senate in the hope that when the Senate studies the many problems which are involved in the protocols we are to vote on Senators will find them so fraught with dangers as to jeopardize the future happiness and safety not only of the people of other countries but of our own people in the United States.

The action of this body today is of alarming importance. I cannot emphasize too strongly that we may be participants in an act which may lead to calamitous results, as were our predecessors in this body when they considered the Treaty of Versailles, which brought on World War II.

I ask, do we want the Eisenhower administration duplicating the tragic errors which occurred after World War I?

Mr. President, one has only to read what took place in the Senate after World War II when some of the distinguished Senators who are here today participated in the discussion and thought they were settling the problems of Europe for years and years to come, and that we were going to have peace for a long, long time; one has only to read that RECORD and note the congratulatory statements made when members of the Foreign Relations Committee spoke in behalf of the treaty then pending to realize that this is but a repetition of what took place at the end of that war. We all know the tragic results that ensued.

To get at the heart of what we are doing today, I feel it the duty of everyone of us to read again the Atlantic Charter. Here is what thrilled the world and definitely stated the policies for which we were fighting in World War II.

This is the charter which was sent all over the world. This is the charter which was spoken about to the German people, to the Austrian people, to the Japanese people, and to all those who were fighting the United States of America and her allies. What did that charter provide, Mr. President? I quote from it:

> Declaration of principles, known as the Atlantic Charter, by the President of the United States of America and the Prime Minister of the United Kingdom, August 14, 1941:
>
> "Joint declaration of the President of the United States of America and the Prime Minister, Mr. Churchill, representing His Majesty's Government in the United Kingdom, being met together, deem it right to make known certain common principles in the national policies of their respective countries on which they base their hopes for a better future for the world."

Indeed, Mr. President, one's mind goes back to the famous 14 points of Woodrow Wilson. Every Senator upon this floor knows what happened to those 14 points.

I read further from the Atlantic Charter:

> First, their countries seek no aggrandizement, territorial or other.

Mr. President, why did our President and Mr. Churchill put that first of all? Because they wanted to impress upon the people of the enemy countries the fact that in the time of peace they were going to have every single acre, every kilometer, of ground they had at that time.

> Second, they desire to see no territorial changes that do not accord with the freely expressed wishes of the peoples concerned.
>
> Third, they respect the right of all peoples to choose the form of government under which they will live; and they wish to see sovereign rights and self-government restored to those who have been forcibly deprived of them.
>
> Fourth, they will endeavor, with due respect for their existing obligations, to further the enjoyment by all states, great or small, victor or vanquished—

I call the attention of the Senate especially to the words "victor or vanquished"—

> of access, on equal terms, to the trade and to the raw materials of the world which are needed for their economic prosperity.
>
> Fifth, they desire to bring about the fullest collaboration between all nations in the economic field with the object of securing, for all, improved labor standards, economic advancement and social security.
>
> Sixth, after the final destruction of the Nazi tyranny, they hope to see established a peace which will afford to all nations the means of dwelling in safety within their own boundaries—

I repeat: "Within their own boundaries"—

> and which will afford assurance that all the men in all the lands may live out their lives in freedom from fear and want.
>
> Seventh, such a peace should enable all men to traverse the high seas and oceans without hindrance.
>
> Eighth, they believe that all of the nations of the world, for realistic as well as spiritual reasons must come to the abandonment of the use of force. Since no future peace can be maintained if land, sea, or air armaments continue to be employed by nations which threaten, or may threaten, aggression outside of their frontiers, they believe, pending the establishment of a wider and permanent system of general security, that the disarmament of such nations is essential. They will likewise aid and encourage all other practicable measures which will lighten for peace-loving peoples the crushing burden of armaments.

Mr. President, that is what the people of the world relied upon. They relied upon that statement by the President of the greatest Nation on earth, which was joined in by the Prime Minister of Great Britain.

I call attention again to what happened after World War I. Every Senator will remember the plebiscite in the Saar. It was planned to let the people of that area decide after World War I who was to rule the Saar. The Saar contains about 991,000 acres, and has a population of a little less than 1 million. A vote was taken on the question, "Should France rule the Saar, or should Germany rule it?"

On January 19, 1935, after 15 years of non-German rule, a plebiscite was held. I call the attention of the Senate to the fact that neither French nor German soldiers supervised the voting. An international army comprised of British, Italian, Swedish, and Dutch troops kept order.

Today we are passing again on the question of the Saar, a region which furnishes 12 million tons of coal a year; a region which has been a part of Germany for more than a thousand years, except during the time it was taken, for a short period, by Louis XIV and by Napoleon.

After 15 years, on January 13, 1935, when the people of the Saar voted, what was the result? For reincorporation into Germany the vote was 477,119. For incorporation into France it was 2,124.

Mr. President, I am one Senator who believes that when we take the oath of office, we pledge ourselves to legislate primarily for the United States of America. I am one Senator who believes in peace. I am one Senator who does not believe the United States should become involved in a war with any foreign country, if war can possibly be avoided.

I am one of the Senators who voted only a few weeks ago against the United States becoming involved with Chiang Kai-shek in a war.

I am certainly one who does not want to see another war in Europe, which, if it comes, will involve the United States of America under its treaties, because of the fact that the Saar, with an area of 991,000 acres, has been taken away from a vanquished country.

Oh, how well we remember Hitler talking about Danzig, little Danzig. Following Danzig came little Sudetenland, on the fringe of Germany.

Mr. President, at the time the Atlantic Charter was drawn up and was promulgated throughout the world, the Allies fighting Germany said, "We want no territory."

President Roosevelt, time and time again, announced that he was not fighting the German people, but was fighting Hitler. He announced that policy in the "quarantine" speech, and reiterated it frequently.

Leaflets by the millions were dropped by airplanes all over Germany and Austria, saying what fine people the Germans and Austrians were; how nice they would be treated in case they revolted against Hitler; that there would be self-determination among the peoples of the smaller countries, and that no territory would be taken from them.

I leave it to anyone who has read the Charter of the United Nations to decide for himself whether country after country was deceived by the so-called Big Three.

In the matter of the Paris agreement, which the Senate is asked to vote upon today, I call attention to the fact that for 1,000 years, except during the time when it was conquered temporarily by the French under Louis XIV and Napoleon I, the Saar was a part of the German empire; and that the overwhelming majority of the population of the Saar today is still German. Not only do the people of the Saar speak German, but their entire background and traditions are German.

Under the terms of the Atlantic Charter, it was specifically agreed that territorial aggrandizement in any form whatsoever was abhorrent to the signers.

All of us who have read the treaties with reference to West Germany's entrance into NATO, the Brussels Treaty Organization, the Saar statute, and the European Defense Community know that

all of these are supposedly for the purpose of "defense against Eastern aggression." Strangely enough, Mr. President, it was Dean Acheson, not John Foster Dulles, who first proposed the rearming of Germany.

I had the benefit not only of talking with persons who came from Germany and were visiting here, but I had the benefit of talking with scores of people who have relatives in Germany. I had the privilege of talking with the editor of the Steuben News, which is the official publication of perhaps the leading German-American organization in this country—an organization which is made up of Americans of German extraction. The organization was named after one of the great German heroes who came to this country and fought in the Revolution and whose life is commemorated every year at West Point.

It is interesting to note that, in opposing these treaties, J. H. Meyer, editor of the Steuben News, who is as loyal an American as has ever worn shoe leather, a short time ago wrote, with the backing of the executive committee, an open letter to President Dwight Eisenhower, which was published in the official paper of the society, and I desire to read a portion of it:

I wish to state the following—to me—plain facts and their—to me—logical consequences:

THE SAAR QUESTION

1. The Saar statute violates the letter (if it actually existed) and the spirit of the Atlantic Charter;

2. Its provisions are against that freedom of speech, for which you, as commander in chief of the Allied armies, fought. Human nature, the urge to be free, cannot be shackled by unilateral decision;

3. The so-called pro-German parties have no press of their own and no other facilities in these days of mass media to express their thoughts to the electorate in the 3 months' period prior to the referendum;

4. It is against the very spirit of our own Constitution that this Nation of ours should even give its tacit approval to such an act of barbarism, of which Soviet Russia might well be proud;

5. With decent human beings having been made the helpless pawns in a game of old-fashioned power politics, in which all the advantages are on the side of the Quai d'Orsay, the results of such a referendum and election are self-evident and we who profess to defend human rights, become guilty by association, at the very least;

6. There will be no formal peace treaty between Western Germany and her former enemies, at least not in our lifetime. Therefore, the Saar will become attached to France—but not only economically—immediately and permanently.

7. Shall one single man have the right to sell part of his national birthright to strangers for something that is to many observers more than ever delusive and illusory?

8. It is self-evident that such a man if he endeavored to exercise similar powers in this country, would be impeached;

9. The Bonn coalition, as recent states (laender) elections have proven, does no longer represent the will of a majority of the West German people. Even if the hard-headed and autocratic chancellor * * * (I quote American newspapermen who approve of him).

Mind you, Mr. President, I admire Chancellor Adenauer personally. In my opinion, today he is perhaps the best liked and the most popular man in all of Europe—far more popular, in my opinion, than is Winston Churchill.

I continue reading the letter:

Even if the hard-headed and autocratic Chancellor should beat the Diet into acquiescence, a vote in favor of ratification would be a pyrrhic victory and could not be binding on a free people.

Mr. President, I shall not take the time of the Senate to read further, but, I ask unanimous consent that the remainder of the letter written by Mr. Meyer to the President of the United States be printed in the RECORD as a part of my remarks.

There being no objection, the remainder of the letter was ordered to be printed, as follows:

PROTOCOLS AND DECLARATION ON SOVEREIGNTY

(1) As has been said before: France wants Germany to be strong enough to withstand any act of Russian aggression, but not strong enough to make French fear complexes even worse. The arms pact mirrors that attitude 100 percent. It seems designed for the containment of our new ally Germany, rather than the containment of the enemy Russia. This includes the commitment of English divisions on the Continent;

(2) The negative character of the pact is so evident that it will prove self-destructive;

(3) We cannot expect a disillusioned German youth, whose minds, only a few years ago, were fired with the ideas of an united Europe, to don uniforms once again, as an inferior people. The Soviets will make excellent use of these pact stipulations which stamp the German soldiers as auxiliary troops of a type that existed in the days of the declining Roman Empire;

(4) These protocols, undoubtedly, have strengthened the "neutralist" forces in all of Europe;

(5) If Russian aggression should become a fact, the Western World would have to blame itself for the self-evident results of such direct aggression because the pact prevented the most populous nation of Europe to go the limit in its efforts to withstand aggression and to give full play to its inventive genius in physics and chemistry, for the benefit of all of Western Europe;

(6) The talk of a "sovereign Germany" is idle and will not deceive anyone; and

(7) We have gone a long way to alienate the pro-Western elements in Germany. While Dr. Adenauer does not express the sovereign will of the German people, we have failed miserably to create a free, untrammeled press, reflecting such a sovereign will. We have contributed to the uniformity of the German press by feeding it a diet of predigested official communiques which reflect the stand of American officialdom and its satellite, the Bonn coalition.

DIVIDED EUROPE—DIVIDED GERMANY

(1) When Premier Mandès-France and the Chamber of Deputies killed EDC, France reasserted only her national sovereignty. The supranational army designed to hold back Asiatic despotism has been replaced by a loose alliance of the traditional pattern, with all its inherent weaknesses. The French Communists did their best to feed that fire of nationalism—for reasons of their own;

(2) United States policy, consequently, suffered one of its severest defeats which no camouflage can hide;

(3) France will continue her retirement into a straight and narrow nationalism as numerous recent reports from reliable sources indicate; to wit, the coal-steel pact has become the subject of a bitter struggle between the Premier and M. Jean Monnet. In addition, the French Republic desires to solve her agricultural problems alone (plus the necessary American dollars) instead of choosing cooperative action with her neighbors;

(4) All this is only in consonance with age-old European concepts, to which we are still blind. Where EDC succumbed yesterday, the U. N. and the entire artificial building of pacts all over the world may well follow tomorrow—unless we reappraise and put an enlightened national self-interest first and foremost;

(5) The not so sovereign German people, through the commitment by the Chancellor, have pledged themselves not to have recourse to force to achieve the reunification of Germany. The French, true to the dictum of national self-interest will do their utmost to prevent such reunification, notwithstanding all pious talk.

And, for the very same reason, any future Germany may well turn her back on Western Europe in order to realize a primary national objective: national unity. A deal with Soviet Russia is well possible, just as much as the Western nations have made such deals with Soviet Russia.

Neutralization would follow. Such neutralization could be achieved by peaceful means with the result that the energies of the German people would be lost to the entire western world. Let us keep in mind that the recent pacts practically invite the Germans to employ such means by telling them that their one and only hope for reunification lies in making a deal with Moscow.

(6) The British and the French never mentioned their postwar pacts with Russia—and Poland—during the recent negotiations in London and Paris.

These pacts are in full force and effect today and may well pave the way (Geneva was only a beginning) towards that goal of coexistence which is so dear to their hearts and so abhorrent to us.

Can we blame the Germans if they should desire to insure and reinsure themselves against all eventualities, in view of the sovereignty pacts which Dr. Adenauer wants them to swallow?

FACTS AND CONSEQUENCES

Some important facts and consequences have been illustrated, I trust, sufficiently.

There are some other deductions which, I feel, an enlightened American policy, finally restored to direction and perception, should make:

(1) As the Western World went to war for Danzig in 1939, another calamity might well engulf us on account of the Saar. The so-called Free City of Danzig was a monstrosity created by an American President. Germans as well as other Europeans have not forgotten that. While we all object to the violent methods employed by the Nazi, we cannot erase the self-evident truth that any other nation would have followed the same course in due time.

Do we want to contribute to such another Danzig? Treaties and compacts will not prevent it. There is no substitute for the national will—in our own country as anywhere else. We have tried for too long to achieve impossible objectives; it is time now to make the best of harsh reality.

(2) The French who—technically speaking—declared war on Germany in 1939, prodded by Great Britain and others, should make some sacrifices for a change. Why not propose to them that both the Saar and Lorraine, which supplement each other admirably, be put together under that kind of authority which is to rule the Saar?

That would be the only feasible solution and, I feel, acceptable to all Germans.

(3) Half sovereignty will not make Germany and Western Europe strong. The Germans must become equals among equals—if our not so reliable allies do not agree, then

let us make that agonizing reappraisal, of which we have spoken all too long.

(4) Our diplomats must not base our German policies on the opinions of one man, but endeavor to penetrate through the jungle of protocol and officiousness to the minds of the German people. It will be most instructive.

The Chancellor's political genius is open to serious doubt. And the constellation of the Diet may well change in a short time. It is the considered judgment of competent observers that Adenauer's doctrinairism, narrow sectarianism, and authoritativeness are growing. He has often boasted of his curt handling of subordinates. In the long run, it will be most harmful to these United States to make one willful man—who served a shattered reich well in early postwar days—in an entire nation the one and only link between two great peoples and to listen to him more than to any other man.

Moreover, his unilateral decision as far as the fate of 1 million human beings and compatriots in the Saar is concerned, is, to put it mildly, unique. It is reminiscent of certain acts ascribed to him in 1919, which have never been disproven. To repeat it once again: In our own Nation, impeachment would follow such act immediately, even under the conditions in which West Germany finds herself today.

(5) With thoughts of a western union on the decline and nationalism once again increasing, it might well behoove us to begin our agonizing reappraisal now.

As far as Germany is concerned—Adenauer or no Adenauer, Bruto or no Bruto—sooner or later she must be permitted to follow her historic role of forming the bridge between West and East, by way of neutralization or by having her own national forces as France wanted them, and France has them. Let us take a calculated risk in this world of harsh realities.

Let us get out of the fool's paradise, in which we have lived all too long.

Let us also forego empty victory celebrations such as the one recently forced upon a very apathetic American people who would have profited by some plain and unadulterated talk on the state of American affairs in Europe and elsewhere.

THE UNITED STATES SENATE'S ROLE

May I, in conclusion, express the confident hope that the United States Senate will have an opportunity to study these multifold pact problems which are so fraught with danger for our own future, with the utmost care; that public hearings will be held to give proponents and opponents an opportunity to express themselves; and that the established prerogatives of that body will be jealously guarded by everyone who has the continued welfare of America and our people at heart.

Respectfully yours,

J. H. MEYER.

NOVEMBER 9, 1954.

Mr. LANGER. Mr. President, as I said before, from the contacts I have had with persons who have been in Germany and with those with whom I have discussed the matter, and I might say also from listening to testimony as a member of the Committee on Foreign Relations, I am entirely satisfied I shall be doing my duty as a Senator today in voting against the treaties, and I shall therefore so vote.

I realize that favoring the treaties are such distinguished Senators as the senior Senator from Georgia [Mr. GEORGE], who has been a Senator for 30 years, and the senior Senator from Wisconsin [Mr. WILEY], who has been chairman of the Committee on Foreign Relations, and who has had personal conversations with the various heads of Europe, both titled and untitled. I can only say that I know they are acting in the way they believe to be for the best interests of the United States.

It has always been the policy of the Senator from North Dakota to contact the common people. It will be only a short time before the present Chancellor of Germany will no longer be Chancellor. He will move on. The heads of other countries will move on, and some of the elder statesmen will be removed from the scene, just as Von Hindenburg was removed and was succeeded by Chancellor Hitler.

The recent elections have shown that the fine Chancellor of Germany does not today have the support of the rank and file of the German people which he had at the time he was elevated to his high office. From the discussions I have had, I am satisfied the Saar question will rise to haunt all the signatories to the treaties, and, in my opinion, it will be the cause of another world war.

Mr. WILEY. Mr. President, I have listened with interest to the several speeches made this morning. As I listened to the remarks of my distinguished colleague the Senator from North Dakota [Mr. LANGER], the thought kept running through my mind, "What is the alternative to an attempt to build unity among the nations of the West?"

As stated by the distinguished Senator from Georgia [Mr. GEORGE], these are not Republican protocols or Democratic protocols; they are protocols to treaties which came into being after the French Assembly had really terminated EDC. The heart of the world was troubled by that event and the heart of the world will be troubled in the future unless mankind can learn to work together. Treaties are not miracle workers. Treaties are merely instrumentalities of the human mind. If the human beings who frame them will utilize them, peace can be achieved—not only peace in Europe but peace in the entire world.

Mr. President, the same criticisms which have been applied to the United Nations Charter and to various other treaties can also be applied to the Ten Commandments. But, in reality, they are not criticisms of the Ten Commandments or of the treaties; they are criticisms of the individuals who attempt to work within the purview of those instruments.

Mr. President, as we look about the world today and see on the horizon something that was not there 15 years ago, namely, a great menace called the Kremlin, we ask ourselves, "What is the answer to that menace? Is it for each nation to go its individual way or is it an attempt to obtain a unification of those who think somewhat alike," even though they do not always think alike on all matters.

Mr. President, the treaty, called the Paris agreements, to which the pending protocols would give our adhesion, recently was ratified by the French Chamber of Deputies and by the German Bundestag. Certainly the members of the French Chamber of Deputies and the members of the German Bundestag know what the people of France and the people of Germany want. If they are mistaken in that respect, then perhaps the people of those two countries will move forward to an appreciation of the great statesmanship which has been demonstrated by their leaders.

Once more, Mr. President, we are seeking to build a security system; that is all there is to it. Once more the heart of the West is reaching out for guidance and direction, through a human instrumentality called the Paris pacts.

The Atlantic Charter, to which reference has been made, and the United Nations, to which reference has also been made, are also simply instrumentalities by means of which the human race has sought to bring about cessation of war. The failure of the various races of the earth to make those instrumentalities work is the result of what has been called "the little foxes" in the human brain—hate, distrust, intolerance, and bigotry. But we are all still seeking and hungering for a method of bringing about peace.

Mr. President, I repeat that the protocols now before the Senate are not the products of a Republican foreign policy. Neither are they the fruits or products of a Democratic foreign policy. Instead, they are the consequence of an American foreign policy, for by this means we think there is another opportunity to put into operation the law of self-preservation. Certainly, Mr. President, a fundamental law of human nature, both in the case of an individual and in the case of a nation, is self-preservation. We believe that by means of unification under agreements such as these, we may find an avenue leading to the preservation of our liberties. Because these protocols are neither Democratic nor Republican, but, instead, are American, I am sure they have the unqualified support and approval of most of the Members of the Senate. In my opinion, they mean greater security for America, and improved prospects for world peace.

Mr. President, I should hesitate there because of the statement made by the distinguished senior Senator from North Dakota [Mr. LANGER], who prophesies that these protocols will mean war. But he did not say why they would. Mr. President, they cannot mean war. When France and Germany recognize that they can sit down and can iron out the Saar problem—as they practically have done—that means there is hope, hope at least that the pressure from the West and the menace of the Kremlin in the North will cause France and Germany to get together to preserve themselves.

Mr. President, I know something of the background of these protocols.

It has been my privilege to watch our foreign policies take shape through the years. As the predecessor of the distinguished senior Senator from Georgia [Mr. GEORGE] as chairman of the Foreign Relations Committee before the voters unfortunately decreed otherwise last November, I did what I could to shape our policies on Europe and elsewhere, not into Republican policies or Democratic policies but into American policies. I know that other members of the committee, regardless of party, have

striven to do the same. If the Republicans had remained a majority in Congress at this session, I am convinced that the protocols under consideration would have reached the Senate in the same form in which they come to us today.

I say that not only out of esteem for my colleagues on the committee and their nonpartisanship in these matters but also because these protocols have been a long time in the making. They have not been pulled suddenly out of a hat. If we are to understand their full meaning, we have to go back a bit into history. We have to go back to the days of our great departed colleague, the late Senator Vandenberg. We have got to see these protocols in the context of a Europe shattered and divided, a weak and broken Europe over which hung the towering threat of Communist totalitarianism.

We must remember the Marshall plan resolution and the Vandenberg resolution, measures which were passed by enormous majorities in the Senate, measures which helped to save Europe and restore a spark of hope that free nations could stand together against Communist oppression. And we have to trace that spark through the dark days of Communist opposition to European recovery in Italy, in France, and elsewhere, through the dark days of the Korean aggression, to the rebirth of Western Germany, and the bright hope of the promise of Western European unity.

All these great historic events and others lie behind the matter which is before the Senate today. We come to these protocols only after a long and difficult journey. It was a journey, nevertheless, which had to be made if western civilization, of which we are an unalienable part, was to survive.

The American people in all humbleness can thank God for giving them the strength and the patience to see the journey through to the end. En route, we gave freely of our substance, to save Europe from hunger, and to reconstruct the war-shattered lands. We put weapons into the hands of the Europeans, so that they might defend their freedoms. And we encouraged, we pleaded, and we urged them to put aside their ancient quarrels and get together for their own good as well as ours.

Had the American people not had the strength, had they not had the patience, this journey toward European unity, toward freedom, and toward peace, could not have been made. Future generations may well remember this generation of Americans for the wisdom they showed in looking to the present realities and the future needs of the country, rather than backwards, to an easier past, perhaps, but to a past which can no longer return.

Mr. President, when nations have been fighting one another for literally a thousand years, as in the case of Germany and France, it is not very easy for them to forget their quarrels and the suffering they caused. But, Mr. President, those two nations belong to the West. In my humble opinion, they share our ideals, politically and otherwise. The law of self-preservation is operating. They, too, are letting the dead bury the dead, forgetting the past, and recognizing that if they are to survive they must survive shoulder to shoulder.

These protocols bring us to the end of one road. They will return Western Germany to the place where she rightfully belongs. I cannot understand why anyone should hesitate to give sovereignty back to Germany. If these protocols are not approved, Germany will then be a repressed as well as a depressed people, without sovereignty. Then what about the possibilities of an explosion? What about the condition which would exist under those circumstances? Let us place ourselves in the shoes of Germans, and realize how we would feel in their place. We all know that they have been "feeling their oats" again. They have come into their own. They have made the greatest recovery in Europe. They are a vital, vigorous, dynamic people. We need them, and they need us. These protocols are the cement which will bind us together.

Now, Mr. President, at the core of this issue before the Senate today, is the subject of the military contributions which can be made by the German Federal Republic to Western European defense.

In the view of the highest military leaders of our own and allied governments, that contribution will prove extremely significant in securing the most effective military posture for the Atlantic nations against Communist aggression.

All peoples realize, of course, that there must never be a resurgence of the type of German militarism which proved so disastrous to the peoples of the world and to the people of Germany itself. We realize, however, that within the outstanding democratic framework which has been achieved in the Federal Republic, thanks to the leadership of Chancellor Konrad Adenauer, West German military strength will be a force for peace and freedom, and never for their opposite.

In this connection, I have read with deep interest comments made in a report filed with the Senate Committee on Appropriations by Brig. Gen. Julius Klein, special consultant to the committee's Subcommittee on Armed Services. The report is based upon extensive study which General Klein undertook in September and October 1954, in the course of which he discussed European problems with many of the leading figures in Western Europe. General Klein is, of course, well-known to my colleagues as a former combat soldier, newspaperman, veterans' spokesman, and civic leader, one who has devoted a great deal of time to problems of international relations, notably with respect to Germany.

I was sorry that I could not be present on the floor at the time my colleagues the Senator from New Hampshire [Mr. BRIDGES], the Senator from Minnesota [Mr. HUMPHREY], and the Senator from Tennessee [Mr. KEFAUVER], commented on the numerous significant observations made in his report.

I send to the desk an excerpt from the report, from pages 12 and 13 of the report, entitled "German Rearmament," and I ask unanimous consent that it be printed in the body of the RECORD at this point.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

GERMAN REARMAMENT

The rearming of Germany poses difficult problems. Unlike the East Germans, Dr. Adenauer's government cannot dip freely into the ranks of former Nazis to officer the new cadres without arousing the most serious apprehensions among Germany's Western neighbors. The German military leaders to whom I spoke want an army based on the American model. On this basis, they would adopt the American system of training and the American relationship between enlisted men and noncommissioned and commissioned officers. Even new uniforms would be adopted to complete the break between the new and old German Army traditions. One of the organization plans under consideration is for the establishment of a board of older retired officers, Government officials, and scientists who would pass on all officers accepted for service in the new army. Thus, anyone tainted with nazism would be unacceptable.

Prussian militarism must never return. The United States shares in the responsibility with the other nations in watching the future rearmament of Germany.

History must not repeat itself. In 1919, at the Versailles Conference, Germany was permitted to build the Reichswehr to fight bolshevism. This Reichswehr later was the cadre of Hitler's army.

The new German Army must never become a political factor and must only serve the state. The United States and the treaty powers must use all safeguards that never again will German military might become a threat to peace or be used as an instrument of aggression.

The German Army must become a part of the Western World for the defense of the democracies and must remain a part of the NATO system of mutual security against Communist and possible Fascist aggression in the future.

I continue to hold grave reservations about German rearmament in view of ultranationalist sentiment that still exists in Germany, particularly since those who hold these views are now to be found arguing for a German accommodation with Soviet Russia. The one mitigating factor I can see is that the terms under which German rearmament is to be accomplished provide for quantitative limitations on German forces and controls on the type of armaments Germany is to produce. If we are to achieve a needed German military contribution to the Western community without undermining and ultimately destroying the painstaking efforts Western statesmen, including Chancellor Adenauer, have made to develop a free, democratic climate in Germany, it is essential that the agreed-upon factors governing German rearmament be adhered to faithfully.

In discussing Germany's participation in the new European Defense Community with former Germany Regular Army Generals Speidel and Heussinger, I was impressed with their view that the old-style German Army must never come back. Speidel and Heussinger participated in the famous putsch of July 20, 1944, against Hitler, when most of their coconspirators were executed by Hitler's hangman. The end of the war and liberation by the Allies saved Speidel and Heussinger from the same fate. If there is to be a Germany Army controlled by a civilian head and responsible to the Parliament then no better men could have been chosen for this task than these two anti-Hitler rebels who openly expressed their shame over Hitler's terrible crimes against humanity—a stain that will remain forever on the Ger-

man Army which became a willing tool of Hitler with the noble exception of such leaders as Witzleben, Stauffenberg, Goerderler, Schlabrendorff, and hundreds of others who fought Hitler until the bitter end. To this group the present leaders of the new German Army belong.

A dilemma confronting the Adenauer government is that it took office amid Allied insistence that Germany must write finis to its militaristic past. Now, after having been chided for its military tradition, Germany is told that it is moral and necessary to take up arms once more. This has proved specially confusing to the younger people who came to maturity through World War II defeat and in the period of Allied strictures—and intense propaganda—against militarism.

Mr. WILEY. Mr. President, as I have previously said, the protocols bring us to the end of one road. They will return Western Germany to the place where she rightfully belongs, to a place of equality and partnership with other nations of the Western World. We cannot keep a people or a nation such as Germany down without having explosions. At the same time, they will strengthen the military defenses of the free nations, as illustrated earlier by the distinguished Senator from Georgia [Mr. GEORGE].

They will do something more. They will make possible the creation of a very important living organism in Europe. That organism is the Council for Western European Union. For some time there has been a Council of Europe. We are not a part of it; but some years ago it was my privilege, together with other Senators, to go to Strasbourg. There we listened to the statesmen of Europe expressing, through words which could be clearly understood, their imperative hunger for a real unity of the West. Their problem was how to get over the roadblocks and barriers created by the conflicts of the past. One might say that the very pressure of the Kremlin itself, and the mistakes the Kremlin has made, have been the greatest instrumentality in destroying those roadblocks and barriers. That is why it has been possible for other nations, through their parliaments, to agree to the Paris pacts. They make possible the creation of a very important living organism in Western Europe. It is an organism which promises to absorb the bickering nationalisms and the hates of the Continent into a new concept of a united Europe. Like any other organism, however, it must be nourished if it is to survive and grow strong.

This organism is composed of the various nationalities which for a thousand years have been fighting one another. The hope is that they may follow a pattern similar to that which we followed on this continent because of pressures which existed in our early days, and because of the leadership of the people of this country which existed in pre-Revolutionary days. It is hoped that the European nations will sense the imperative need of unity.

These protocols represent the open door. They are the open door because certain nations of Europe themselves have first agreed to them. They have set the pattern. We did not set the pattern, but we have agreed with them. After EDC died, Eden of England—virtually another Colonel House—went to the various chancelleries of European nations, talked things out quietly and obtained agreement on the basic fundamentals. Then followed the meeting which brought about these treaties. So we have waited and prayed. Now Germany and France have said, "We, too, feel that this is the way."

We are not doing anything except what we have done in the past. We have helped, and we shall continue to help. We say to the other nations, "We will continue to work with you as teammates, in an effort to build a better and safer world."

The people of Europe have long known what is needed. Ask a Norwegian on the streets of Oslo. Ask a German in Bonn, a Frenchman in Paris, or an Englishman in London, as I personally have done. Ask the common people, the shopkeepers and farmers, and others who labor with their hands. Many times they are even ahead of their leaders—as sometimes happens in this country—in sensing the need of the moment and of the future.

What is it that Europe needs most? The answer will always be the same. It needs peace. The nations must learn to live together. They must learn to work together. That is the kind of nourishment which this living organism of a united Europe needs if it is to flourish. It needs the kind of institutions and the kind of spirit which will make it possible for the people of Western Europe to live together and to work together in peace.

The problem is extremely difficult. Sometimes even in this country we witness explosions over minor political issues and personalities. In order to understand the European situation we must put ourselves in their shoes. Thank God, they are doing a tremendous job. Their leadership is on its toes.

Mr. President, I have reached the conclusion of my remarks. I cannot end them, however, without expressing my appreciation for the kind words which the Senator from Georgia spoke about my activity in Europe this year. It seemed as though something had happened which presented an opportunity. I happened to be in Vienna when the French Assembly stuck a dagger, as it were, into EDC. It was then that I received a summons from Adenauer, followed by one from Churchill, and another from Mendès-France.

In conclusion, I wish to express my deep appreciation for the tremendous service to mankind that has been rendered by the statesmen of Western Europe. Chancellor Adenauer, the grand man of Germany, has helped his people move from the isolation of a defeated nation to recovery and freedom in a strong Western Germany. Former Prime Minister Mendès-France and his successor Prime Minister Faure have helped France retain its position of greatness among the free nations. Sir Winston Churchill and Foreign Minister Anthony Eden instilled life into the idea of an integrated Europe at the time when the defeat of EDC cast Western Europe in shadow. Prime Minister Spaak contributed his great intellect and boundless energy to the accomplishment of these aims. Prime Minister Scelba, of Italy, has been firm and forthright in his leadership. I commend these men. They did a great job.

I shall never forget the hours I spent individually with those men. I found them to be dedicated men, even as our own Secretary of State is. I found them to be dedicated to peace. I found them to be humble men. I found them to be men who seek guidance and direction. It was above the city of Bonn, in a castle, in the heights overlooking the German forest, that I spent 3 hours with Chancellor Adenauer. It was at Chartwell that I spent 2 hours with Churchill. It was in the chancellery in Paris that I spent hours with Mendès-France.

Mr. President, something unusual happened during those days. England took a new look. Never before in the centuries during which she has played a potent part in the affairs of the world had she ever placed or agreed to place her own troops on the Continent. It was then that Mr. Eden went forth, as I said, like a Colonel House, and brought about what is now the Paris Agreements.

I wish to pay my compliments to all those men. I wish to pay my compliments to Winston Churchill, to Spaak, and to Scelba, and to Faure, the present Premier of France.

These men sensed the need of the hour. They are not looking backward. They are not turning the clock back. They know that the facts of life today are different than they were formerly. The world has been contracted by the ingenuity of man. The other day a plane crossed the American Continent in 3 hours and 45 minutes, and another plane crossed from Newfoundland to southern Ireland in 3 hours and 25 minutes. We have the A-bomb and the H-bomb and guided missiles. We have facing us the overwhelming power of the Kremlin.

The hour calls for statesmanship. Thank God the statesmen of Europe have responded, and the people of Europe are backing those statesmen. They are hungry for these undertakings, and they want them far more than a great many people of the privileged classes do.

I hope that once these protocols have been ratified, these great men will act with the breadth of vision and the spirit of charity which Europe so desperately needs.

I hope they will, in their wisdom, rise above the narrow national boundaries which for so long have set their peoples at each other's throats instead of in each other's hearts. These protocols point the way. I pray that they will help usher Western Europe and the free world into a new era of security and peace.

The PRESIDING OFFICER. The Chair would advise Senators that the Senate is in executive session. It is desirable that the treaties be ratified as soon as is possible. After action on the treaties, the Senate will resume legislative session, and the Chair will be glad to recognize Senators who wish to speak on other subjects.

Mr. SMITH of New Jersey. Mr. President, I wish to express my appreciation of the statement of the chairman of the

Committee on Foreign Relations [Mr. GEORGE], and of the former chairman of that committee [Mr. WILEY].

I feel the subject has been adequately covered, but I desire to add a few words on the subject so that the RECORD may be as complete as may be possible.

The occasion of this debate takes me back in personal remembrance to the days when we were discussing the ratification of the North Atlantic Treaty itself. I recall especially the beloved late Senator Vandenberg, who was so active in connection with that matter. I recall that our Secretary of State, Foster Dulles, was at that time a distinguished member of this body, and, of course, I recall particularly that the President of the United States, then General Eisenhower, was the person called upon to implement the treaty in a practical way abroad. The present occupant of the chair also had a hand in securing the ratification of that important treaty. So, Mr. President, I approach the subject from the standpoint of personal recollection.

Mr. President, in addressing the Senate on matters of foreign policy, I have frequently directed my attention to Asia. As a member of the Subcommittee on the Far East of the Committee on Foreign Relations, I have naturally had a deep interest in that region and a very great concern with developments there. But I should like to make clear and to emphasize that I regard events in Europe of no less importance to this country. Our problems are truly global.

Europe and Asia constitute two vast fronts in a single struggle which is being waged for men's minds, loyalties, and allegiances. In its quest for world dominion, Communist totalitarianism does not distinguish between these continents, except perhaps for tactical reasons. The free nations cannot afford to make a distinction, either.

A growth in the strength of the forces of freedom in Europe no less than in Asia increases the security of the United States. Similarly, we cannot hope to shut out aggression by putting up a wall in one part of the world while leaving gaps elsewhere through which the aggressor can pass.

That is the great merit of these protocols which the Senate has under consideration. They fill gaps—important, perhaps vital gaps—in the worldwide defense structure of the free nations. They bring a sovereign Germany into NATO and at the same time lay the groundwork for a unified defense of Western Europe.

They are a magnificent demonstration of what free peoples can do when they face frankly and openly the facts of survival in a world threatened in every part of the globe by Communist tyranny. I find it most inspiring to watch the people of Western Europe put aside their ancient animosities and rivalries. The protocols replace those animosities and rivalries with a new hope for mutual progress and growth. Henceforth, the Germans, the French, the Italians, the British, and the other Europeans need no longer work at cross-purposes with one another. Their destinies are linked for the common good. That is a matter for which many of us have stood for years—the bringing together of European nations for their common protection and advancement.

These protocols can produce a Europe far different from that of the years preceding World War II, far different from the Europe of 1945 and 1946 when practically all that stood between the free European nations and obliteration was the strength and determination of the United States that those nations should not fall to the Communists. From these protocols can emerge a new Europe, a strong Europe, and a vital Europe.

For us, the protocols add still another stone—a massive stone—to the ramparts which defend the free world and this country as a part of it. Stone by stone, under the able guidance of the Secretary of State we have been erecting a worldwide barrier against the corrosive and eroding influences of communism.

The country is indeed fortunate to have a man of the caliber of Secretary Dulles at the helm of our foreign policy in these critical times under the inspired leadership of our President. His has been an outlook which encompasses the world. He was the chief architect of the great interlocking design of defense pacts in the Western Pacific—the Japanese treaty, the Philippines treaty, the Anzus pact, the Chinese treaty, and the Southeast Asia treaty. He did a magnificent job in all of these undertakings, first in support of the previous Secretary of State and then as Secretary of State. I can testify personally to his great ability, particularly in connection with one of them. As the Senate knows, I had the honor to serve with Secretary Dulles and the distinguished Senator from Montana [Mr. MANSFIELD] on the American delegation to the Manila Conference last year. The Secretary's work there, with the Filipinos, the Thais, the Pakistanis, and with other free allies, the United Kingdom, France, Australia, and New Zealand, was an example of wise and understanding diplomacy of the highest order.

And now to his vast accomplishments in the Pacific must be added his great part in bringing to life the London-Paris accords. One need only to recall the despair and uncertainty that followed the collapse of EDC last year to realize what an extraordinary achievement these accords represent.

I believe the Senate and the American people owe our Secretary of State a great debt for his tireless efforts on behalf of the country. But beyond that we, the United States of America, can give a prompt and glorious welcome to the birth of a new unit on the Continent of Europe. This new unit is a stupendous achievement and may well ultimately become the United States of Europe.

A United States of Europe, together with our United States of America, could lead the way to a firm and lasting world peace.

Mr. President, I urge my colleagues in the Senate to act promptly and courageously in this vital matter.

Mr. FLANDERS. Mr. President, I have been deeply disturbed by the events which have finally resulted in the treaties before the Senate today. It is indeed a serious risk which we run in promoting the rearmament of a nation against whom we have fought the two most devastating wars in history. Our determination to rearm that nation finds its justification in the hope that it will serve to make less certain a third and annihilating world war with which all humanity is threatened. The hope is that fire may successfully be fought with fire, devastation with devastation.

It is indeed an unsettling responsibility to ask Germany to rearm. In questioning the wisdom of this undertaking we need have no doubt of the present German Government or of its high-minded leader, Chancellor Adenauer. But men and governments are mortal. They will not outlast a certain appetite for military power and domination which has lain beneath German history for two centuries, and which, we have reason to fear, is not dead, but only lying in wait.

We might conclude these fears were groundless, were they not shared by so many millions of the German people themselves. They have lived through untold suffering. They have had personal experience with calamities brought upon them by the militarism of their rulers. If they are troubled, we must be also.

It is because of a sound instinct in the French people that they likewise have feared the rearmament of Germany. They have had the experience of three invasions from the east. They do not want another. While we can understand this, it is most difficult to understand why that country refused to agree to the European Defense Community, which erected safeguards that the present treaty does not provide. We have to accept the fact of that decision, however much we are bewildered by it.

Mr. President, I feel very strongly that the only safety to be found in this situation lies in the eventual liquidation of German rearmament through general disarmament. For that reason, I am the more cheered by certain words and deeds in the RECORD of the past few weeks, These relate to the greatest subject that is before the Senate, Congress, this country, and the world. That subject is the discovery of means whereby we can move from our present state of tension and arms race and the imminent possibility of atomic warfare into a period of peace and freedom.

There is nothing in all the responsibilities laid upon Congress, the administration, or the country which exceeds this subject in importance. Yet the day-to-day business obscures our principal responsibility and our highest opportunity. We can pick up the calendar from our desks, and as our eyes run down the list, we can see before us all kinds of measures of varying degrees of importance. Only here and there, and then principally in questions relating to defense, do we see any measures which relate themselves directly or even indirectly to our greatest responsibility.

In saying that defense bears some relation to it, I am expressing the conviction which I express from time to time to peace-loving and peace-seeking groups throughout the country. That state-

ment is that the only road to disarmament lies through armament. Our armament must be considered in the light of our progress toward disarmament. It must be pursued boldly and unremittingly, with the knowledge that unilateral decreases, little trimmings here and there, or bolder cuts in our plans and appropriations, and even any laxity in development, any weariness with research in the field of arms—any or all of these—strengthen the offensive position of the Soviet Government and weaken our own possibilities of attaining universal controlled disarmament.

The American people know that we are a peace-loving nation. They know that no other nation, no other people, has territory or resources which we wish to take over. They know that we have no hostility toward any people whatsoever. Particularly do we have no hostility to the peoples behind the curtains, whether iron or bamboo. We are determined that the governments of those peoples shall not proceed further in their program for enslaving the world. Our opposition is to their governments. We can have, as Christians, nothing but the best will toward the peoples themselves. As St. Paul said:

> He hath made of one blood all nations of men for to dwell on all the face of the earth.

These men are our brothers. We suffer in a common net of evil. We and they are devoting our labor and our national resources to an arms race which cuts down their standard of living and ours, which cuts down the food, the clothing, the housing, and the education of our children to lower levels than they and we might otherwise reach.

We know this, but what does the world see and hear from us? It hears little except our progress with the atomic and hydrogen bombs. It hears little except our breathings of fire and smoke with regard to further expansion of Communist controlled territory. It sees little except fist shakings and warlike gestures and grimaces, of which the treaty before us is an example. We do not get through to the world our deep desire for peace and friendship.

Mr. President, we have just had a red-letter fortnight. It was a thrilling time. It was made so for the junior Senator from Vermont by two speeches on the Senate floor and one announcement from the White House.

One of these speeches was by the senior Senator from New Jersey [Mr. SMITH] on March 22, and bears on the moral encirclement which must be forged around the Communist world if freedom and peace are to prevail. He set forth the purposes and the nature of our assistance to underdeveloped nations with particular reference, I assume, to the danger spots of the world—Asia and, in the coming months and years, Africa. He clearly set forth that our assistance in these areas is not one which is offered as a reward for following our ideas and policies or withheld as punishment where those ideas and policies are not followed. The fundamental notion is to improve the well-being of the peoples who are being drawn, all too unknowingly, toward Communist slavery.

Also to be commended is his urging that this be done through joining in plans which these people have already organized, such as the Colombo plan. We cannot be drivers and help these people much. We cannot take full responsibility for directing them. We can offer our services in helping them with their problems rather than trying to carry out our own plans.

I feel that there needs to be, in all considerations of help in underdeveloped areas, a careful discrimination as to the kind of help we give. For many of them there is a deficiency of food. For these people great electrical power developments or industrial undertakings are not the immediate human need. Irrigation projects may in some cases be feasible. Otherwise the great capital expenditures are not the thing. Rather what is indicated is such help as can be given by operations similar to those performed by our own county agents in the agricultural regions of the United States. We will miss the point and cripple our ability to help if we focus our thinking on great capital expenditures.

The junior Senator from Missouri [Mr. SYMINGTON] came up with the kind of intelligent suggestion that will arise in the minds of many if they are seriously concerned with our great problem of peace and freedom. It is evident that he does other thinking than that connected with the necessary daily grist of legislation. The pending legislation is necessary. The devotion of a proper amount of our thought to it is in the line of duty, but, unless we can also make our contribution to this great problem as the Senator from Missouri [Mr. SYMINGTON] has done, we shall fall far short of the task which the people have placed in our hands when they elected us to this legislative body.

As you know, Mr. President, the Senator from Missouri [Mr. SYMINGTON], proposes to control warlike activities of both ourselves and other governments by the means of agreeing to percentages of output of basic materials which shall be devoted to peace and devoted to war. This will require international inspection of the production and distribution of first basic materials, of which steel is the principal one. It does not involve any standstill agreement as to arms. It does involve an agreement by each of the principal nations of the world as to how much of their resources and labor shall go into war and how much shall go to peace.

The third event which made that fortnight a red-letter one in the cause of peace and freedom was the President's appointment of Harold Stassen to have personal responsibility for working on this major, this ultimate, problem. I have commented that the face we turn toward the world is predominantly warlike. From time-to-time, too rarely perhaps, the President comes through with words which express our intense desire for peace. As an example, some little time ago our President made a proposal looking toward the development of the peacetime uses for atomic energy. He gave substance to the proposal by offering a considerable amount of fissionable material for this purpose. That was a proposal heard around the world, and its influence still remains. Progress toward the application of this material should be expedited and the reports of that progress broadcast.

Again the President has come through with a deed in addition to the word. Mr. Stassen will be the visible evidence of our determination to work for a state of peace and freedom. The task which is set before him is not an impossible one.

In this connection, new evidences of support for universally controlled disarmament, or practical approaches thereto, appeared in the March 27 issue of the New York Times. The head of the British delegation to the five-power disarmament conference in London is the Honorable Anthony Nutting. I quote portions of the press dispatch:

> The British Government is considering whether to propose a control and inspection corps of several thousand officials, recruited from all over the world, to make international disarmament effective.
>
> This corps would stay in being forever and it would have the right to go anywhere at any time to do its job.
>
> It would receive official disclosures of military strength from every country and would have the power to verify such disclosures. Corrective action in the case of violations of disarmament agreements would be up to the United Nations.
>
> * * * * *
>
> The international control organization would have to be agreed upon and fully established as a prerequisite.
>
> Disarmament then would be accomplished in three phases. First would come a "freeze," possibly for several months, during which all nations would halt arms production, the induction of more military manpower and any increase in arms budgets.

In connection with this news dispatch and this information as to plans under consideration, it should be noted that the plan of the Senator from Missouri [Mr. SYMINGTON] avoids the difficulties of the "freeze" with its economic repercussions.

This whole undertaking demands the best thought of all of us, and we must devote an appropriate amount of our energy and our planning to it. I shall at a later time address the Senate on the subject of whether or not there is any possibility of persuading the Soviet Government to agree to the control of arms, armament, and armies. At that time I shall give my reasons for feeling that the task is not a hopeless one, but one which will yield to well-considered words and action.

Mr. President, only if the project for controlled disarmament is really a hopeful one and is pressed forward as such—only in that event do the treaties before the Senate make sense. Only in the light of disarmament does the contemplated rearmament become anything but a reckless playing of little boys with dynamite.

I urge on the administration, the Congress, and the peoples, a devotion to the carrying out of the project for peace and freedom, the hope of the nations. Only with this hope do I vote for the treaties.

QUEMOY AND THE MATSUS

Mr. McCARTHY. Mr. President, the ghost of Neville Chamberlain arose day before yesterday on the floor of the United States Senate. I thought we had seen the last of the Chamberlain tradition when the Acheson-Marshall-Truman cabal was voted out of power. I thought we had seen the last of appeasement, retreat, and surrender. But the spirit of Neville Chamberlain—of Munich—is evidently very much alive. The Senator from Tennessee [Mr. KEFAUVER] has proved himself a most worthy heir of the Munich tradition.

Adolf Hitler said: "I must have Austria and the Sudetenland." Chamberlain answered: "If you insist, Herr Hitler, of course, you must have them—and woe be to those warmongers who point out that this is merely whetting the aggressor's appetite."

The Communist regime in China announces: "We must have Quemoy and the Matsus." The Senator from Tennessee replies that the Communists must be permitted to have those islands—and anyone who thinks otherwise is ipso facto engaged in a "war plot."

This was an irresponsible speech by the Senator from Tennessee, from beginning to end. But it proved a point. It proved very clearly what the majority leader, the Senator from Texas [Mr. JOHNSON], has been busy all week denying. He has been denying that the Democratic Party is the party of appeasement. He said the other day: "We want to be neither a war party nor an appeasement party." When the Senator from Tennessee urges that we give the Communists what they want, he rather effectively exposes the majority leader's statement as sheer rhetoric. And to my knowledge, not a single Democrat leader has repudiated the demand of the Senator from Tennessee that we surrender Quemoy and the Matsus.

This cheap talk about war plots is, of course, politically inspired. It is designed to divert attention from the fact that Democrat leaders are working feverishly behind the scenes in support of a Munich-type deal in the Far East. The proposed deal is that in exchange for our surrendering to the Communists Quemoy and the Matsus, the Communists will agree to a cease-fire in the Formosa Straits and will promise not to attack Formosa itself. Old Neville Chamberlain would be proud of his pupils.

Such deals were Chamberlain's stock in trade. Time after time he agreed to hand over a province or a nation in exchange for Hitler's promise that this represented his last territorial ambition. Is it the position of the Senator from Tennessee that the Communists can be counted on to keep their promises? When will the Democratic Party learn that it is not possible to deal with blackmailers? Peace cannot be bought by acceding to a tyrant's demands; only more demands result.

Yet, notwithstanding that charges of war plots and the like are the crude inventions of demagogs, I must admit that the strange attitude of the administration on this question lends a certain plausibility to the Democrats' war thesis. The charge that somebody is plotting war is obvious nonsense; but it is not so easy to deny that we are blundering into war.

I reminded the Senate the other day that one of the surest ways of discouraging an aggressor from starting a war is by making it crystal clear in advance what the consequences of aggression will be. I was not, heaven knows, the originator of this theory. It is merely commonsense. It was the President's own argument when he asked Congress for the Formosa resolution several weeks ago, and it was the argument most of us had in mind when we voted for the resolution.

But now when the chips are down and we know where the enemy plans to attack, the President refuses to say whether we will resist the attack. He refuses to give the enemy advance warning of the consequences of aggression.

The other day I pointed out that continued silence by the administration would simply encourage the success-happy Communists to stretch their luck. I asked the President to avoid that risk by declaring immediately what this country would do in the event of attack. On Wednesday, at his press conference, the President was asked to comment on our intentions. He blandly replied that he would not tell. Why would he not tell? No reason was given. No military or strategic disadvantage I can think of would result from making our intentions known. And none has been suggested by the administration or anybody else. I am completely bewildered by the administration's attitude. It is deadly dangerous and utterly inexplicable.

The President apparently told some Members of Congress that our reaction would depend on "the nature and strength" of a Communist attack. If this means that we will not enter the fight if the Nationalists show they can handle the Communists alone, no one will disagree. That goes without saying. But the important question—the question to which the Communists must be given the answer, while they are deciding whether to launch the attack—is: Will we furnish whatever air and naval force is needed to prevent the Communists from conquering Quemoy and the Matsus? Why will the President not answer that question?

It is being said in some official circles that the President is unwilling to speak out, for fear of offending the British. But if the President really intends to defend the coastal islands, he is going to offend the British anyway, sooner or later. What point is there in postponing this "disappointment" to our European allies? As a matter of fact, if we really want to avoid British displeasure, we should remember that the surest way of making the British mad at us is to get into a fight over the islands. If we continue to keep silent as to our intentions, we may have both British displeasure and a war.

I told the Senate, the other day, that by not disclosing its intentions, the administration was inviting a war in the Far East. I think there can be absolutely no question about this. Of course, we can not be sure that the Communists will not attack if they are told that in doing so, they will be taking on the United States of America. But if we make it crystal clear to the Communists that they will have to destroy the American Navy and Air Force before they can have the coastal islands, the chances are extremely good that the Communists will not dare attack. And if we fail to make this clear, the Communists will surely attack.

I ask again: Why does the President invite what may be an unnecessary war? We will not have war because of some sinister plot; and the demagogs well know this. But we may have war because of gross ineptitude in the handling of our foreign relations. In view of the way the administration is playing its hand, we may have no alternative but to choose between appeasement and war. The President can still avoid this awful dilemma, but not much time is left.

WHAT IS OUR ASIAN POLICY?

Mr. MORSE. Mr. President, my answer to the speech just delivered on the floor of the Senate by the junior Senator from Wisconsin [Mr. MCCARTHY] takes the form of a resolution which I shall now offer, read, and briefly discuss.

I think the Senator from Wisconsin has today performed a service for the Senate of the United States by stating on this floor the primary issue in American foreign policy on the basis of which the American people must make a decision as to the direction our foreign policy shall take in the years immediately ahead.

Although I do not endorse various of the adjectives the junior Senator from Wisconsin used in his speech, I think that in his speech to the Senate today he has raised the issue of whether the United States will deliberately, intentionally, and willfully proceed on a course of action in Asia which will involve us, as an aggressor nation, in a war on the mainland of China, with the result that we shall become the subject of condemnation by the other nations of Asia.

Mr. President, I believe that we shall have to fight out this issue in the public forums of the United States in the weeks immediately ahead.

In commenting upon the speech of the Senator from Wisconsin [Mr. MCCARTHY], I wish to make it clear that I do not approve of his criticisms of the Senator from Tennessee [Mr. KEFAUVER] or of the main thesis of the speech of the Senator from Tennessee. It is my view that the argument of the Senator from Tennessee [Mr. KEFAUVER], that we should not become involved in a civil war in China is absolutely sound. Also I wish to say that in my opinion the Senator from Tennessee [Mr. KEFAUVER], is not an appeaser as charged by the Senator from Wisconsin but is a great and patriotic American who believes that we should reject preventive war propaganda.

AMERICAN PEOPLE SHOULD DECIDE FOREIGN POLICY

Let me make clear my position that the foreign policy of the United States is not entirely within the province of the President of the United States, although we

have reached the point where there seems to be acceptance of the notion that American foreign policy must be what the President of the United States decides it shall be. The foreign policy must always be what the American people decide it shall be. If the Congress of the United States and the President of the United States will present the facts to the American people about the Asiatic situation, the foreign policy of the United States with respect to Asia will not be the foreign policy which the President of the United States seems to be following these days.

UNITED STATES INTENTIONS ABOUT QUEMOY AND MATSU SHOULD BE CLEAR

In my opinion, the President of the United States has no right to leave in suspension the question of America's position in regard to Quemoy and the Matsus. If I correctly interpret the remarks of the Senator from Wisconsin [Mr. McCARTHY], that is his position. The difference between us is that the Senator from Oregon takes exactly the opposite position from that of the Senator from Wisconsin [Mr. McCARTHY] as to what our policy in respect to Quemoy and the Matsus should be. I hope that honest, sincere, and patriotic men can always take opposite positions in the Senate as to what the foreign policy of our country should be.

UNITED STATES PRESTIGE HAS SUFFERED FROM DELAY

In my judgment, already great damage has been done by the President of the United States to the prestige of the United States in the field of foreign policy. I believe that the President of the United States has already delayed too long making clear to the world what our position is to be in regard to our Asiatic foreign policy. In my opinion, already the President has delayed too long in making clear to the world that we are going to insist on staying within the framework of international law. We are outside it today in respect to our Asiatic policy.

OUR ALLIES WILL NOT SUPPORT QUEMOY AND MATSU DEFENSE

What is happening around the world is that our allies are asking the question, "How can the proposed course of action of the United States in regard to Quemoy and the Matsus, in respect to which islands the United States does not have a single legal right under international law, be defended?"

UNITED STATES HAS NO RIGHTS IN QUEMOY AND MATSU

I have been waiting for the Secretary of State to answer a question which I put to him in the Foreign Relations Committee the other day. I asked the Secretary of State, "What principle of international law justifies the defense of Quemoy and the Matsus by the United States?" He did not name a principle of international law in justification of our position for the simple reason that he could not. In the light of the situation in Asia at the present time the defense of Quemoy and the Matsus cannot be reconciled with international law; on the contrary, in my opinion, if we defend them we would violate existing international law. We have no right to be defending these coastal islands with respect to which we have no territorial rights. That is the situation. The American people have the right to expect their President to stay within the framework of international law. He has made it perfectly clear that he does not understand the principles of international law, because if he did understand them he would not have asked the Congress of the United States for authorization to go outside the framework of international law.

What did he ask for? He asked for authority to strike the mainland of China before an act of war was committed against the United States. That is what the language of the resolution means. We cannot read its language in any other terms, in the light of existing international law. The President sent to us a resolution which was passed by the Congress, in which the President asked for power to take "such other measures as he judges to be required or appropriate in assuring the defense of Formosa and the Pescadores." A reading of the testimony before the committee which was submitted by the Secretary of State, by the Chairman of the Joint Chiefs of Staff, and by other top administration witnesses, discloses that there is no question about what they seek to do. They seek authority to exercise the discretionary right to determine when we shall strike the mainland of China before an act of war has been committed against the United States. When we follow that course of action we walk outside the framework of international law. That is where the United States stands today, in the judgment of the world.

That is why Canada, France, and Great Britain are making it perfectly clear to us that they will not support us in the defense of Quemoy and the Matsus. They have no intention of supporting the United States in an aggressive course of action with respect to Quemoy and the Matsus, over which territory we have not a scintilla of legal right.

Of course, I am perfectly aware of the fact that these days when one makes the fight for peace which I am making in these arguments in the Senate and elsewhere in the country, he is likely to be called an appeaser, a follower of Chamberlain, or even a follower of the Communist line.

Mr. President, the judgment of history against the United States will be a sad one if America continues much longer to follow the foreign policy of Dwight D. Eisenhower. The time has come for the American people, in the interest of the tens of thousands of American boys who are likely to die if we continue to act outside the framework of international law, to make clear to the President of the United States that they do not want to defend Quemoy and the Matsus, over which we have no international legal rights.

I think the issue is that simple. I am perfectly willing, in this historic debate across the country in the weeks and months ahead—God giving us weeks and months of peace—to take this issue to the American people, because I am satisfied that an overwhelming majority of them disapprove of the President's request for authorization to strike the mainland of China before an act of war has been committed against us.

Mr. LEHMAN. Mr. President, will the Senator yield?

Mr. MORSE. I will not yield until I shall have concluded. Then I shall be happy to yield.

I think it is very important that the American people make clear to the President of the United States at the earliest possible date the great groundswell of opposition to his proposal embodied in the resolution, that we should follow an aggressive course of action on the mainland of China or in defense of Quemoy and the Matsus, if he decides that such a course is necessary. It is about time for the American people to make some decisions about American foreign policy. They cannot decide intelligently and accurately unless we in the Congress see to it that they have the facts about American foreign policy in Asia.

THE PEOPLE ARE ENTITLED TO INFORMATION

The delightful social luncheon engagements at the White House with leaders of the Congress, in which we are given very little information, do not result in the American people getting the facts. I think the situation adds up to a policy of maintaining the status quo. The American people are not given the facts to which they are entitled. They are entitled to know from the President of the United States the answer to this question, "Why do you not tell us why you will or will not defend Quemoy and the Matsus?" The people of the United States are entitled to an answer to that question in the first instance, and our allies are entitled to it in the second instance.

WE HAVE DUTY AND RIGHT TO DEFEND FORMOSA

Before coming to the resolution which I intend to submit I wish to make it clear again that there is no one in the Senate or in the country more determined than I am to defend Formosa to the hilt, because we have the legal right and duty to defend Formosa. When we are defending Formosa we are within the framework of international law, not outside it, as we are with respect to Quemoy and the Matsus. When we defend Formosa we are defending the peace in the Pacific. When we defend Formosa we are doing what we are clearly obligated to do, in my judgment, under the Japanese Treaty, until the sovereignty of Formosa is determined by the juridical processes of the United Nations.

What the American people need to have told to them very clearly is that under the Japanese treaty Formosa's sovereignty was not determined. What the Japanese treaty did was release, so far as Japan is concerned, any claim Japan had over Formosa. However, the sovereignty of Formosa was never vested in Chiang Kai-shek.

That is why, while I was opposing the treaty, I tried to write into it a reservation which would make very clear that the treaty could not possibly be interpreted by anyone as strengthening Chiang's claim to any sovereign rights over Formosa. With regard to the

speech of the Senator from Wisconsin I wish to say that the American people are entitled to assurance from the President that American boys will not be called upon to die in China in defense of Chiang on Quemoy and the Matsus. The American people know that Chiang's civil war in China is not a matter in which we should become embroiled. Further, with regard to the social conferences with congressional leaders at the White House on yesterday and the day before yesterday it needs to be said that the vacuity of information that came out of those luncheon conferences was not reassuring to the American people. The public is now entitled to know from both the President and the congressional leaders what our policy is going to be in respect to Quemoy and the Matsus.

I am opposed to the President of the United States dragging us into the China civil war through any attempt to defend Quemoy and the Matsus. Therefore, I submit to the Senate and ask to have referred to the Committee on Foreign Relations, and that the committee hold early hearings on it, a concurrent resolution. I submit it on behalf of myself and on behalf of that great statesman from the State of New York, and my beloved friend, the junior Senator from New York [Mr. LEHMAN]. The resolution reads as follows:

Senate Concurrent Resolution 21

Whereas it is the historic policy of the United States to promote peace throughout the world by urging the settlement of international disputes through juridical processes; and

Whereas the United States has always decried the use of aggression or threats of aggression in foreign affairs; and

Whereas there now is danger of United States involvement in atomic war with the Chinese Communists in the defense of the Matsu and Quemoy Islands occupied by forces of the Republic of China; and

Whereas the United States under international law has no territorial rights or claims to the Matsu and Quemoy Islands; and

Whereas a military defense of said islands by the United States subjects the United States to the charge of acts of aggression and involvement in a Chinese civil war; and

Whereas the major allies of the United States have declared that they are unsympathetic to and would not support the defense of the Matsu and Quemoy Islands; and

Whereas it is the right and policy of the United States under international law to defend Formosa and the Pescadores against communistic attack until such time as its sovereign status is determined by peaceful processes: Therefore be it

Resolved by the Senate (the House of Representatives concurring), That it is the sense of the Congress that—

(a) the joint resolution entitled "Joint resolution authorizing the President to employ the Armed Forces of the United States for protecting the security of Formosa, the Pescadores, and related positions and territories of that area," approved January 29, 1955 (Public Law 4, 84th Cong.), shall not be construed to authorize the President to employ any of the Armed Forces of the United States in military operations concerning the Matsu and Quemoy Islands;

(b) the existing danger of war could be relieved by the cooperation of the Republic of China in the evacuation of such islands and the safe return of the forces of the Republic of China and the civilian inhabitants to Formosa;

(c) on the basis of such cooperation the President at the earliest practicable time should take appropriate action to lay before the United Nations the danger to the peace of the world presented by the threat of attack upon such islands, with the request that the United Nations undertake the supervision of such evacuation and the removal from those islands of the military forces of the Republic of China and the civilian inhabitants who may desire to seek refuge elsewhere; and

(d) the Armed Forces of the United States properly may be employed to render assistance which may be required to safeguard such evacuation and removal under such conditions as the United Nations may determine to be necessary to avoid, to the greatest practicable extent, involvement in hostilities with forces of the Chinese Communists.

The concurrent resolution (S. Con. Res. 21), submitted by Mr. MORSE (for himself and Mr. LEHMAN) was received and referred to the Committee on Foreign Relations.

RESOLUTION WOULD PLACE UNITED STATES WITHIN INTERNATIONAL LAW

Mr. MORSE. Mr. President, let me say that by adopting such a concurrent resolution we would stay within the framework of international law. Moreover, we would return to the historic foreign policy of the United States, a foreign policy which has always made clear to the world that we do not follow a course of aggression or a course of threatened aggression, and that we have never claimed to exercise jurisdiction over territories to which we have no international-law rights.

In the interest of the judgment that will rest on the heads of future generations of American citizens, we had better get back to—and the President of the United States has the duty to the American people to lead us back into—the framework of international law, out of which he led us when he sent to Congress in the first place the joint resolution that sought to give him extraordinary and, in my opinion, unconstitutional powers.

PUBLIC OPINION HAS SHIFTED SINCE JANUARY

In the days that have passed since the historic debate on that joint resolution, a very interesting shift has been taking place in American public opinion. Those of us who dared to stand on the floor of the Senate and speak in behalf of the thesis I am reiterating today, expected to be castigated, and we have been castigated. But, Mr. President, a great change is taking place in American public opinion, and we are beginning to observe a growing evidence of it in American journalism.

Mr. President, I refer to the New York Times, which is certainly not an anti-Eisenhower newspaper. It is a newspaper which I say respectfully has, in my opinion, been trying to rationalize and alibi the President's mistakes ever since it made the mistake of supporting President Eisenhower in 1952.

What do we read these days on the editorial pages of the New York Times with regard to the Quemoy and Matsu situation? I read from the editorial entitled "Burning Daylight in Asia," published in the New York Times of Sunday, March 27, 1955. The editorial quotes the statement of the able chairman of the Committee on Foreign Relations about time passing and about our burning daylight in Asia. In the course of the editorial the New York Times had this to say:

Mr. Reston gives this interpretation of the opinions of some other Senators who have not spoken out: "We are drifting into a war over Matsu and Quemoy. The administration is reconciling itself to the idea that this issue now rests not with Washington but with Peiping." So we have, as today's news describes it, a situation in which a certain kind of logic—the logic, perhaps, of death and widespread destruction—goes from the defense of Quemoy and Matsu to an all-out atomic attack on the industrial potential of Communist China. What this logic means in cost of human life and perhaps in a vast destruction of cities far outside China, the citizen may ponder.

It is clear that the resolution authorizing the President to take whatever steps are necessary to defend Formosa gave a choice only between rejecting the administration's foreign policy in the Far East, or accepting with it an ambiguous phrase that might justify an all-out defense of the Quemoy and Matsu Islands. Everyone in this country, certainly, including the President, would be happier if the Quemoy and Matsu Islands did not exist or if our national "prestige and honor" had not somehow seemed to be involved in their defense. If we had been able to persuade our Nationalist Chinese friends to pull out of them when they abandoned the Tachen islands, we would all be easier in our minds.

The tone of that editorial in the New York Times is quite different from that of the editorials the Times published when the joint resolution was before the Senate.

Elsewhere in the editorial the New York Times states:

There may, however, be one way out that has not been fully explored and exploited. From Japan to Canada and all around the circle of our allies and potential allies there is strong opposition to joining us in any hostilities brought on by attempts to hold the Quemoy and Matsu Islands. There is not the same opposition toward the defense of Formosa, which is a keystone in guarding the frontiers of all the free nations of southeast Asia—including the Philippines.

This newspaper believes that the time is ripe for a new Formosa Strait declaration. We believe that declaration should make it plain that we will put all we have into a defense of Formosa and the Pescadores islands, which are essential to such a defense. The Seventh Fleet is already a formidable obstacle to an attack on Formosa. It might be possible to throw at least a token force of American ground troops into the island to assist in repelling attack.

Mr. President, I ask unanimous consent that the entire editorial be printed in the RECORD at this point in my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the New York Times of March 27, 1955]

BURNING DAYLIGHT IN ASIA

Readers of this newspaper may well have been startled by a Washington dispatch from Anthony Leviero, published yesterday. Their minds will not be relieved by James Reston's article on the Far Eastern situation, on this page today. Mr. Reston quotes Senator WALTER F. GEORGE, of Georgia, chairman of the Foreign Relations Committee. Mr.

GEORGE was facing the problem of what to do if the Chinese Communists invaded the Quemoy and Matsu islands lying off their coast. He knew, as the Pentagon knows, and as the White House knows, that there is grave danger that the islands will be invaded some time during the months of April and May. Senator GEORGE said: "We are burning daylight. The darkness is coming on in the Far East."

Senator GEORGE, at 77, in the twilight of his own career and in his 33d year in the Senate, has the courage and is in a position to speak out.

Mr. Reston gives this interpretation of the opinions of some other Senators who have not spoken out: "We are drifting into a war over Matsu and Quemoy. The administration is reconciling itself to the idea that this issue now rests not with Washington but with Peiping." So we have, as today's news describes it, a situation in which a certain kind of logic—the logic, perhaps, of death and widespread destruction—goes from the defense of Quemoy and Matsu to an all-out atomic attack on the 'industrial potential" of Communist China. What this "logic" means in cost of human life and perhaps in a vast destruction of cities far outside China, the citizen may ponder.

It is clear that the resolution authorizing the President to take whatever steps are necessary to defend Formosa gave a choice only between rejecting the administration's foreign policy in the Far East, or accepting with it an ambiguous phrase that might justify an all-out defense of the Quemoy and Matsu Islands. Everyone in this country, certainly including the President, would be happier if the Quemoy and Matsu Islands did not exist or if our national "prestige and honor" had not somehow seemed to be involved in their defense. If we had been able to persuade our Nationalist Chinese friends to pull out of them when they abandoned the Tachen Islands, we would all be easier in our minds.

There is the further argument which we find reiterated in today's dispatches from Taipei on Formosa, that the morale of Chiang Kai-shek's troops would collapse if the islands were abandoned or lost. There is a curious paradox in the fact that while Senator GEORGE and many others in this country fear involvement over the islands, some persons on Formosa suspect that we are making a quiet deal with the mainland Chinese to abandon them.

Here is a dilemma that can easily be understood. Whether a greater wisdom on the part of the State Department and the administration would have avoided it we do not know. The fact is we face it.

There may, however, be one way out that has not been fully explored and exploited. From Japan to Canada and all around the circle of our allies and potential allies there is strong opposition to joining us in any hostilities brought on by attempts to hold the Quemoy and Matsu Islands. There is not the same opposition toward the defense of Formosa, which is the keystone in guarding the frontiers of all the free nations of Southeast Asia—including the Philippines.

This newspaper believes that the time is ripe for a new Formosa Strait declaration. We believe that declaration should make it plain that we will put all we have into a defense of Formosa and the Pescadores Islands, which are essential to such a defense. The Seventh Fleet is already a formidable obstacle to an attack on Formosa. It might be possible to throw at least a token force of American ground troops into the island to assist in repelling attack.

What this situation calls out for above everything else is precision. The enemy ought to know just what he can do and just what he cannot do without meeting resistance from us. If he learns that he can take the Quemoy and Matsu Islands without provoking a major war, that fact may be tragic. Nevertheless, there are small tragedies and vast tragedies. A vast tragedy would be stumbling into war against the intention and the wishes of the majority of our people and our allies. A still vaster tragedy would be a loss of freedom through repeated retreats.

It is time that the fire-eaters in Washington, whether in the Pentagon or elsewhere, went into silence. We need calmness and wisdom. This newspaper hopes and believes that President Eisenhower, hating war as we know he does, and realizing, as he said he did, that one cannot see where a war will take us, will exercise his leadership during this coming critical week to save this country and the world from irretrievable disaster.

OFFSHORE ISLANDS NOT NEEDED FOR FORMOSA DEFENSE

Mr. MORSE. Mr. President, one of the arguments made by those of us who opposed the joint resolution, and who are now, in the debate across the country, opposing the President's Asia policy, is that there is no real danger that the Communists can take Formosa. With more than a hundred miles of open blue water between Formosa and the mainland, with the military power we have in the western Pacific, there is no real danger that the Communists can take Formosa. I happen to have more confidence in our military might than apparently have the preventive-war advocates in this country who would like to get us into war with China. They seem to think that our military cannot hold Formosa unless we defend Quemoy and the Matsus and in fact strike military installations in China. It is the position of the experts that there is no real danger that the Communists can take Formosa, but there is a great danger that we can get into a terrible, bloody war over Quemoy and the Matsus, to which we have no legal right. There is no justification for our joining Chiang in a civil war on Quemoy and the Matsus in order to protect Formosa. The "face-saving" argument is an unsound one.

"SAVING LIVES" MORE IMPORTANT THAN "SAVING FACE"

Since when in American history has the United States of America been worrying about "saving face"? Since when have we adopted that oriental psychological trait? I say, Mr. President, we had better pay more attention to saving the lives of American boys than to saving face. We had better pay more attention to the risks of peace than to the risks of war. If we permit the ruthless police dictator of Communist China to suck us into a war on the mainland of China, we shall have to kill millions of Chinese. I think that if that is done, the judgment of history will be that we are the aggressor in the situation, and as the result of that course of action, we will lose China for hundreds of years to come. Now is the time, before it is too late and while there is still an opportunity, for the United States to rededicate itself to the international-law principles which have always characterized our foreign policy.

On this point, Mr. President, one of the reasons I am such a strong advocate of the Paris Accord Treaty before the Senate for ratification today is that it is an example of freemen standing together within the boundaries of international law to meet the threat of Russian communism in Europe. It is another example of freemen joining forces within the international legal rights of each of the nations involved as a protectorate of freemen against the Russian threat of communism.

Why did I support strongly as I did the SEATO treaties? Because those treaties took the form of the nations of Southeast Asia, again within their sovereign rights, joining forces against the threat of communism. Those treaties involve in no way the invasion of territorial sovereign rights of other nations. They in no way involve the United States making territorial claims over territory to which it has no legal right.

That is, in part, the issue which must be drawn in the debate over Quemoy and the Matsus that will, in my judgment, be waged in the next few weeks across this country. I am willing to say on the floor today, having just gone across the country, that I am deeply convinced that the great rank and file of the American people, even on the basis of the inadequate facts which have been made available to them by the administration, are not in favor of what they already know about President Eisenhower's foreign policy with respect to Asia.

Mr. President, there are other editorials which support the thesis I am advancing here today. I wish to invite attention to a second New York Times editorial of March 31, 1955, and I ask unanimous consent that it may be made a part of the RECORD at this point in my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

THE OFFSHORE ISLANDS

In pursuit of his long-standing policy of seeking peace President Eisenhower has initiated a new effort to win some kind of settlement, or at least a modus vivendi, with the Communist bloc—a settlement that would banish the specter of nuclear war. This effort, now being organized in cooperation with other western powers, takes as its starting point the impending ratification of the Paris pacts. These agreements fortify both western defenses and western unity in a manner acceptable to the whole free world and enable us to undertake new negotiations from a position of strength, which alone holds any promise of success.

But free-world unity is jeopardized today by growing division and confusion regarding a subsidiary problem of our far-eastern policy, involving the question of whether we shall or shall not defend the Chinese offshore islands of Matsu and Quemoy. There is no longer any question that we shall defend, as we are pledged by treaty to defend, both Formosa and the Pescadores, and that we shall do so with all the means at our disposal. In this policy we have won increasing support from all free nations. But these free nations, including our European allies and neighboring Canada, draw a clear line of distinction between Formosa and the Pescadores, on the one hand, and the offshore islands on the other. They not only decline to support our equivocal stand on the latter but definitely reject any idea of joining in their defense.

The United States, which pursues a policy of peace in the Formosa Strait, and for that reason presses for a cease-fire in that area, has announced that it will not fight for the offshore islands as such. But, as indicated again by President Eisenhower yesterday, it

continues its flexible policy regarding their defense in order to keep the enemy guessing. This is a hazardous game which may easily tempt the Chinese Communists to test our intentions. This, in turn, raises the danger that once we become involved in the defense of these wholly secondary positions we may be plunged into a major war of still unforeseeable consequences. The only thing probable about a war over these particular islands is that we would have to fight it alone.

In these circumstances it is high time to review our policy regarding these islands and clarify our position beyond any doubt or misrepresentation. We believe that such a review and clarification should lead to the decision to abandon the offshore islands and to evacuate the Nationalist troops and the local populations. This would be strictly in line with our treaty obligations, which do not extend to the offshore islands. It would preserve Western unity and assure us the moral support of the free world. It would demonstrate our willingness to preserve peace by putting a hundred miles of blue water between Formosa and the mainland.

There have been from the start only two arguments for the defense of the offshore islands. One, and not a very convincing one, has been their military utility as observation points and positions blockading Communist invasion ports. This argument carried greater weight when the Chinese Nationalists on Formosa stood alone. It does not apply now, when Formosa is protected by the American fleet and when any direct Communist attempt to invade Formosa itself would be met by counterattacks on the ports and staging areas of the mainland.

The other argument is that an evacuation of the offshore islands would smack of appeasement and thereby impair free Asia's confidence in us and wreck morale on Formosa. There may be some danger of this, but that danger can be met by further aid and additional guarantees to Formosa, and any new declaration concerning the offshore islands should be accompanied by steps toward this end.

Increased aid is already being given and could be further enhanced by stationing American token troops in Formosa to demonstrate our determination to fight for it, if need be. New guaranties could also be sought both through the United Nations and through consultation with our allies, who have indicated that once the offshore island question is settled they would consider joining with us in the defense of Formosa. Aid and guaranties of this kind would do more to bolster Formosan and Asian morale than is now possible under the constant menace of war. To President Eisenhower we look confidently for leadership in this cause.

Mr. MORSE. Mr. President, I wish to read two paragraphs from the editorial:

But free world unity is jeopardized today by growing division and confusion regarding a subsidiary problem of our Far Eastern policy, involving the question of whether we shall or shall not defend the Chinese offshore islands of Matsu and Quemoy. There is no longer any question that we shall defend, as we are pledged by treaty to defend, both Formosa and the Pescadores and that we shall do so with all the means at our disposal. In this policy we have won increasing support from all free nations. But these free nations, including our European allies and neighboring Canada, draw a clear line of distinction between Formosa and the Pescadores, on the one hand, and the offshore islands on the other. They not only decline to support our equivocal stand on the latter but definitely reject any idea of joining in their defense.

Elsewhere in this editorial the Times says:

In these circumstances it is high time to review our policy regarding these islands and clarify our position beyond any doubt or misrepresentation.

I digress from the editorial long enough to say that such is the purpose of my resolution. Its purpose is to give the Congress of the United States and the administration another opportunity to reexamine and clarify their positions regarding Asia. Such a reexamination is sorely needed, because American policy in Asia, if it is not clarified and if we move into a defense of Quemoy and the Matsus, will leave us, I fear, in a position where we will stand alone in Asia, because the action itself will convict us of aggression in Asia.

Elsewhere in this editorial the writer says:

This would be strictly in line with our treaty obligations, which do not extend to the offshore islands. It would preserve Western unity and assure us the moral support of the free world. It would demonstrate our willingness to preserve peace by putting a hundred miles of blue water between Formosa and the mainland.

Likewise, Mr. President, there is a rather interesting editorial in the Washington Post and Times Herald, a newspaper which seems to have blown hot and cold on this issue. Its most recent editorial contribution on this subject is headed "Atomic War Over Matsu?" I ask unanimous consent to have the entire editorial made a part of my remarks at this point in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

ATOMIC WAR OVER MATSU?

This Capital is in the midst of a war of nerves about the Matsu and Quemoy Islands. The deadline for a Chinese Communist attack on the Matsus may be approaching, some sources believe, and the assault may come by April 15 unless the Chinese are deterred by the certainty of American retaliation. If an attack should come, the same argument runs, the question would be whether the counterattack should consist of an effort to blot out Communist airfields with tactical atomic weapons or whether it should also aim at China's industrial potential. Thus is the deadly prospect of nuclear war raised over a couple of tiny and in themselves insignificant island groups on the doorstep of Communist China.

This possibility of involvement over the Quemoys and Matsus has caused increasing concern among our allies. The British have made known their intention not to join in a war over the coastal islands; and last week the Canadian Foreign Minister said much the same thing. These protests evidently are aimed at dissuading the administration from what other governments consider a rash course; our allies know that if a major war should develop from a clash over the Matsus the question of cause would become academic and they would inevitably be drawn in. The fact remains that despite a large measure of support for the American pledge to defend Formosa and the Pescadores, most of the free world simply does not believe that the Matsus and Quemoys are worth a war.

How, then, did we get into this paradoxical situation in which the administration is being urged to fight for some remote islands which under peaceful circumstances it probably would relinquish? It is instructive to recall that the Matsus and Quemoys were very lightly held by the Chinese Nationalists until 1953. Then, as part of the policy of unleashing Chiang Kai-shek, we abetted him in garrisoning the coastal islands until he now reportedly has between a fifth and a fourth of his entire army on them.

An opportunity to get off this hook existed last fall when the administration began its praiseworthy effort to revise its China policy in a more realistic direction. A withdrawal from the Quemoys and Matsus would have been a logical corollary of the evacuation of the Tachens and the releashing of Chiang in an attempt to bring about a cease-fire. But the coastal islands were left in an anomalous status, apparently in part for bargaining reasons, in part as a concession to Chiang and his spokesmen in Congress. It may be suspected that there now is an element of blackmail in Chiang's refusal to give them up, for a war over the coastal islands represents his one remaining hope of restoration on the mainland.

If it is easy to see how the predicament might have been avoided, it is not so easy to see a way out at this stage. Against the argument that we should abandon the Quemoys and Matsus and force Chiang to withdraw, there is the countervailing argument that this might undermine the defense of Southeast Asia and paralyze the will to resist Communist subversion. Furthermore, the argument goes, it would be extremely difficult to sustain the morale of Chiang's army if another withdrawal were to follow the evacuation of the Tachens. Such action might leave Chiang's ranks wide open to subversion.

Also, it is said, the amazing new developments in tactical atomic weapons make it possible to regard them virtually as weapons of precision. That is, small atomic weapons could be used against military targets without necessarily endangering "unrelated" centers. If an American counterattack were confined to the use of such weapons against military targets, Russia might not feel bound to enter the conflict.

While there undeniably is some truth to these contentions, there also are powerful arguments on the other side. Military men have acknowledged the usefulness of the Matsus and Quemoys in a defense of Formosa, but no responsible military leader has said that they are essential. That is the point that stands out: a war over the Quemoys and Matsus would be a war over islands that are not militarily essential. Moreover, no one can be sure that a war over these islands would not lead to general war. In such a situation Senator BRIDGES' crass comment that no "American white soldier" would be forced to fight in Asia would become even more ridiculous. There is no safe warrant for the easy assurance that air and naval action would suffice or for the blithe assumption that, as Elmer Davis puts it, only ground troops have mothers.

Finally, we must consider the responsibility for initiating atomic war. From a strictly military viewpoint it would be logical to use atomic weapons wherever they could be employed profitably—especialy if reliance on them as narrowed our capabilities in conventional weapons. In a large war, even a war concerned directly with the defense of Formosa, their use would be inevitable. But in a war over the Matsus and Quemoys—in which a large part of the world would be critical of the American position—to initiate the use of atomic weapons would be to cross a vast psychological bridge. Even if such weapons could be restricted to purely military targets, Asians have not forgotten that the only atomic bombs ever used in war were employed against an Asian nation; and Chinese propaganda would be sure to stress the point.

This newspaper is not so presumptuous as to think that there is an infallible prescription for protecting the American interest in

this dilemma. President Eisenhower has exhibited great statesmanship on the avoidance of nuclear war; and there is every reason to think that he will not be stampeded by zealots who would welcome a holy crusade against communism. Conscientious men in Government are aware of the risks. There is something to the point that at this stage the prestige of the free world might suffer a serious blow in an abandonment of the Quemoys and Matsus, and that the most disastrous course of all would be for this country to undertake to defend them and then back down.

But Congress and the public ought to understand just how close war may be, and to have no illusions about its nature or about the solitary situation of this country once it started. The hope lies in the sagacity of President Eisenhower in a decision that Congress has left in his hands, and in the earnest efforts of free world diplomacy to enlist the help of Moscow in averting a Chinese attack. Meanwhile, the administration would do well to put a muzzle on the tough talk that, far from dispelling any idea that we are a "paper tiger," may contribute to the notion that we are one.

Mr. MORSE. Mr. President, the editorial says, in part:

This is the deadly prospect of nuclear war raised over a couple of tiny and in themselves insignificant island groups on the doorstep of Communist China.

This possibility of involvement over the Quemoys and Matsus has caused increasing concern among our allies. The British have made known their intention not to join in a war over the coastal islands; and last week the Canadian Foreign Minister said much the same thing. These protests evidently are aimed at dissuading the administration from what other governments consider a rash course; our allies know that if a major war should develop from a clash over the Matsus, the question of cause would become academic and they would inevitably be drawn in. The fact remains that despite a large measure of support for the American pledge to defend Formosa and the Pescadores, most of the free world simply does not believe that the Matsus and Quemoys are worth a war.

EVACUATION OF QUEMOY AND MATSU ISLANDS

Mr. President, I wish to say that, in my judgment, the immediate course of action which should be followed is that we reveal to the world our determination to stay within our international legal rights which automatically will bring to an end even the suggestion that we shall defend a few square miles of rocky land off the coast of the mainland of China over which we have no international-law rights. My resolution provides that we shall proceed at once to use our good offices and juridical processes in connection with the evacuation of Quemoy and the Matsus if Chiang wishes to cooperate. But if he does not, then the answer must be: "You stay there alone. We will not endanger American boys in the defense of the Nationalist Chinese on Quemoy and the Matsus. We will give you coverage, if you want it, with the cooperation of the United Nations, to return to Formosa, because we have a legal right to defend Formosa."

Then I think we must make it very clear to the Communist segment of the world that we stand ready, in cooperation with our Allied friends, to discuss with their top leaders the present danger of war; and once again take the rules of reason to the issues of peace and war, and demonstrate that it is the United States and our allies who are seeking peace.

We shall not maintain among the allies the unity which is so essential in the struggle to maintain peace if we follow a course of action in Asia which our allies cannot support. If we look at the record in respect to Quemoy and the Matsus I think we must acknowledge we are wrong; because I think we are making threats of aggression in Asia today in respect to these islands and in respect to the possibility of the President authorizing a strike against military installations on the mainland of China before an act of aggression has been committed against the United States.

The time has come when the President of the United States has no moral right to remain ambiguous any longer with the American people about Quemoy and the Matsus. The American people are the ones who will do the dying and they have the right to say to the President, as I think they are calling out by the millions today, "Mr. President, what is your policy in regard to Quemoy and the Matsus? Are we or are we not going to defend them? What justification can you give for our dying in their defense if you should decide to defend them?"

MAJORITY AGAINST DEFENSE OF QUEMOY AND THE MATSUS

If the answer of the President is that his policy is to defend them, I think the overwhelming majority of the American people will make it very clear to him, in the exercise of the American democratic processes, that he is not their leader.

Mr. LEHMAN. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. LEHMAN. I merely wish to congratulate the senior Senator from Oregon upon a speech that I believe should be carefully pondered by the people of the Nation, and by all the Members of the Congress.

As my colleagues know, I have felt for a long time, as I said earlier in the day, that our military involvement in the defense of Quemoy and Matsu, or an attack by the United States on the mainland of China, would be unjustifiable both in law and in morals, and that it would subject the United States and the people of this Nation to losses and sacrifices which they should not be asked to make. It would represent an intervention in a civil war which has no direct course than to the defense of Formosa to which we are of course committed. I wish to say again that I am very proud and happy to join with the distinguished senior Senator from Oregon in presenting this resolution to Congress. I hope the Foreign Relations Committee will give it early consideration and report it favorably to the Senate. I am convinced that it is greatly in the interest of our people and of the peace of this country and of the world.

Mr. MORSE. I am proud and inspired to have the distinguished junior Senator from New York on my side. As a great American liberal, he always believes in a government by law, not only with respect to domestic law, but international law, as well.

Mr. LONG. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. LONG. I wish to say to the Senator from Oregon that it seems to me his logic is inescapable. It would be a great mistake for this Nation to permit itself to be placed in such a position that national pride and national honor would require us to go to war over the islands of Quemoy and Matsu.

Situations that develop in which the pride and honor of two nations are at stake make it impossible, at times, to avoid war.

Almost a hundred years ago, a situation of that sort developed over a little island named Fort Sumter. From the time the fighting started over that island, it was impossible to head off a great war.

I certainly hope that the United States will not become so committed to islands which are within almost a stone's throw of the Chinese mainland as to make it impossible for us to withdraw with honor and pride.

I say that the best way for us to save face over Quemoy and Matsu is not to get our face on Quemoy and Matsu.

Mr. MORSE. I agree with the distinguished Senator from Louisiana, and thank him for his comments.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. HUMPHREY. It was not my privilege to hear all of the Senator's comments, but I know his views about the offshore islands of Quemoy and Matsu.

This evening it will be my privilege to address the University of North Carolina Students' Forum, in Chapel Hill. I shall speak in the same vein as has the Senator from Oregon.

I think we must realize that the decision which may be made about Quemoy and Matsu may affect not only our relationships in the Far East, but may affect also the measure which is now before the Senate. We are about to vote on a treaty with West Germany. The purpose of the treaty is to include West Germany in the North Atlantic Treaty Organization and to restore West Germany's sovereignty—in other words, to strengthen our position and collective security in the West.

First, hostilities over Quemoy and Matsu will put an end to the four-power conference.

Second, it will put an end to any possibility of working out delicate relationships with West Germany, by diverting our attention from Europe to two islands off the Chinese mainland.

Third, I do not understand the necessity for the President to appoint a disarmament officer if the United States is to engage in hostilities over Quemoy and Matsu.

The senior Senator from Oregon has properly pointed out that it is anything but prudent judgment to extend the perimeter of American defense to within 6 miles of the Chinese mainland. I think the Senator is doing a great service for his country by his statement today. There is still time for the President to hear the views of others besides those whom he has heard.

There have been some voices which have been louder than the voices of those who marched around the walls of Jericho. I hope the President will realize, from the Biblical story about the walls of Jericho, that while the noise was loud around those walls, only a very few were involved in the party.

While the noise about going into Quemoy and Matsu is loud and determined, only a few Americans really feel that such action should be taken.

I hope the record is clear that our position in reference to the defense of Formosa is unmistakable. Let the world clearly understand that. The Senator from Oregon is right. When we cannot get the Canadians to support our policy, then our policy deserves some reexamination. When we cannot find allies anywhere in the world save Dr. Rhee and Chiang Kai-shek who will support us, then we are in trouble.

I think it is interesting to observe that the Secretary of State, returning from Bangkok, could not deliver to the Government or to the Senate assurances that even the Philippines would be with us.

On the issue of American participation in the defense of Quemoy and Matsu Islands the United States has two allies in the Far East: Syngman Rhee and Chiang Kai-shek. I submit that we had better reexamine our policies. This is not to say that those two allies are not wanted, because they are; but surely we should not sacrifice all others for those two, who are supported by reason of American power.

I assure the Senator from Oregon that his bringing this matter to the attention of the United Nations again, whether it be successful or not, is honorable. The only policy that I know which we should pursue, which men may see for all time—and I emphasize for all time—when we are in difficulty and in doubt, is a policy of doing that which is right—morally right, legally right, and in every way politically and diplomatically right.

If we accede to political expediency at home or abroad, we will be in trouble.

If the President of the United States will appease those who are trying to drive him further and further into a warlike position; if he will appease the political opponents at home, then he may very well be in a position in which he will be forced to appease political opponents abroad.

We do not want any appeasers; we want people who will stand on principle and be dedicated to using prudent judgment and wise decisions.

Mr. MORSE. I thank the Senator from Minnesota. I am glad to have him join with me in support of my position on this issue.

Mr. SYMINGTON. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. SYMINGTON. I have been much interested in the remarks made by the distinguished senior Senator from Oregon.

Based on his great experience as a member of the Committee on Armed Services, and his present knowledge of the world problems of the United States as a result of his membership on the Committee on Foreign Relations, does not the distinguished Senator agree it is extraordinary, despite the threats and rumors now being heard about possible war, that the administration nevertheless follows the urgings of the "budget firsters," and further heavily cuts our military defenses?

Mr. MORSE. I think the position of the administration in cutting defense appropriations is a great mistake, and may very well threaten the security of the United States.

Mr. SYMINGTON. I thank the Senator.

The PRESIDING OFFICER (Mr. THURMOND in the chair). The Senator from Nevada [Mr. MALONE] is recognized.

GERMANY AND THE NORTH ATLANTIC PACT COMPLETELY SURROUNDED BY PACTS, GUARANTEES INTEGRITY COLONIAL-SLAVERY SYSTEM EMPIRE-MINDED NATIONS OF EUROPE

Mr. MALONE. Mr. President, I voted against the North Atlantic Pact in 1949, and at that time, on June 12, 1949, in a debate led by the then senior Senator from Michigan, Mr. Vandenberg I said:

Mr. President, the North Atlantic Pact simply and without question guarantees the integrity of the colonial systems throughout Asia and Africa.

VITAL LINK TO LOWER WAGE STANDARD OF LIVING

I said further on that occasion that—

A decision to ratify the North Atlantic Pact Treaty by a two-thirds majority of the United States Senate will, in the judgment of the junior Senator from Nevada, be a vital link in the chain of events that, taken together, is bound to wreck the economic structure and the wage-living standards of this Nation—the sole objective being to immediately reduce this Nation to 1 of 58 or more units or States in a commonwealth of nations to be known as the Federation of the World.

It is, therefore, vital that the United States Senate take the necessary time to examine and to add up the administration's postwar proposals—and note the trend.

The Senate and the people of this Nation should be advised whether the five major postwar proposals are really the separate major emergency measures that they have been continually represented to be or whether they are all related, having one objective—that objective being immediately to tie the United States into such a commonwealth of nations—to be known as the Federation of the World, with its wealth and wage-living standards averaged with the Asiatic, European, African, Middle East, Near East, and South Seas countries.

DIVIDED AFRICA BETWEEN EUROPEAN NATIONS

Mr. President, we proceeded to divide Africa between four empire nations, and defended the colonial possessions in Asia of the European empire-minded nations—all of this subsequent to the adoption of the Atlantic pact.

SURROUNDED BY MUTUAL ASSISTANCE PACTS

Mr. President, on March 6, 1953, under the heading: "International Mutual and Economic Assistance Pacts," I said:

Mr. President, I call the attention of this distinguished body to the fact that we are completely surrounded by mutual assistance and economic pacts and treaties.

EUROPEAN PACTS WITH RUSSIA

I now call brief attention to the fact that in the debate of March 6, 1953, which I shall later ask unanimous consent to have printed in the RECORD as a part of my remarks, I cited England's pact with Russia, with a paragraph reading as follows:

The high contracting parties agree to render one another all possible economic assistance after the war.

That agreement was made in 1945, and is still in good standing, Mr. President.

At the same time I called attention to France's pact with Russia. These are independent mutual security pacts, Mr. President, and they are still in good standing. One paragraph in France's mutual security pact with Russia reads:

The high contracting parties agree to render each other every possible economic assistance after the war, with a view of facilitating and accelerating reconstruction of both countries, and in order to contribute to the cause of world prosperity.

RED CHINA'S PACT WITH RUSSIA

The Communist government of China also has a mutual security pact with Russia, one paragraph of which reads:

The high contracting parties agree to afford one another all possible economic assistance in the postwar period in order to facilitate and expedite the rehabilitation of both countries and to make their contribution to the prosperity of the world.

On April 4, 1949, or about that date, we approved a treaty called the North Atlantic Pact, and I now quote from the debate held on March 6, 1953. Article 2 of that pact reads:

The parties will contribute toward the further development of peaceful and friendly international relations. * * * They will seek to eliminate conflict in their international economic policies and will encourage economic collaboration between any or all of them * * * to promote conditions of stability and well-being, and to encourage economic collaboration. It should facilitate long-term economic recovery through replacing the sense of insecurity by one of confidence in the future.

I now read further from the address, under the heading "United States Completely Surrounded With Mutual Assistance Pact":

I call attention to the fact that beginning in 1942 with the English pact with Russia and the French pact with Russia, and continuing with Russia's pact with China and our pact with the European nations, we have been completely surrounded with pacts, all agreeing to help one another.

As a result we are financing both sides of our own war.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point the debate which took place on March 6, 1953, as marked.

There being no objection, the debate was ordered to be printed in the RECORD, as follows:

INTERNATIONAL MUTUAL AND ECONOMIC ASSISTANCE PACTS

Mr. MALONE and Mr. JOHNSTON of South Carolina addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Nevada.

UNITED STATES ENTIRELY SURROUNDED BY MUTUAL-ASSISTANCE PACTS; UNITED STATES FINANCES BOTH SIDES OF THE KOREAN WAR

Mr. MALONE. Mr. President, I call the attention of this distinguished body to the fact that we are completely surrounded by mutual assistance and economic pacts and treaties.

A few days ago the Russians said that of course they were furnishing Communist China with war materiel under their mutual-assistance pact. Both England and France have mutual-assistance pacts with Russia—and we have the Atlantic pact with 11 of the European nations which includes both England and France—each of the 4 treaties or pacts contains a pledge of mutual economic assistance and all are in full force and effect and are being observed to the letter.

In addition England recognized Communist China. This closes the gap so that we finance our own war in Korea—and our opposition in Korea, China, and in Russia.

In March 1949, the junior Senator from Nevada called to the attention of this body the fact that both England and France had separate mutual economic and assistance pacts with Russia reading startlingly like the Atlantic pact with us.

ENGLAND'S PACT WITH RUSSIA

In the pact between England and Russia, which was signed by Anthony Eden and V. Molotov, and which was placed in the CONGRESSIONAL RECORD in toto in March 1949, article 6 reads as follows:

"The high contracting parties agree to render one another all possible economic assistance after the war."

This pact has 10 more years to run—and no notice has been given or attempt made to cancel it.

FRANCE'S PACT WITH RUSSIA

In a similar agreement made between France and Russia, and signed by Molotov and Bidault, of France, article 6 reads as follows:

"The high contracting parties agree to render each other every possible economic assistance after the war, with a view of facilitating and accelerating reconstruction of both countries, and in order to contribute to the cause of world prosperity."

This pact also has several years to run and there is no indication that either party wants it canceled.

CHINA'S PACT WITH RUSSIA

A few days ago the press carried the announcement that the Russian representative here had stated that, of course, Russia was sending war material to Communist China under the mutual-assistance pact signed with China, which still has a considerable time to run, and there is no indication that either party wants it canceled.

Article 6 of the alliance between the Russians and the Republic of China says:

"The high contracting parties agree to afford one another all possible economic assistance in the postwar period in order to facilitate and expedite the rehabilitation of both countries and to make their contribution to the prosperity of the world."

UNITED STATES PACT WITH ATLANTIC PACT NATIONS, INCLUDING ENGLAND AND FRANCE

On April 4, 1949, or about that date, we approved a treaty called the North Atlantic Treaty. Article 2 says:

"ART. 2. The parties will contribute toward the further development of peaceful and friendly international relations. * * * They will seek to eliminate conflict in their international economic policies and will encourage economic collaboration between any or all of them * * * to promote conditions of stability and well-being, and to encourage economic collaboration. It should facilitate long-term economic recovery through replacing the sense of insecurity by one of confidence in the future."

UNITED STATES COMPLETELY SURROUNDED WITH MUTUAL ASSISTANCE PACTS

I call attention to the fact that beginning in 1942 with the English pact with Russia and the French pact with Russia, and continuing with Russia's pact with China and our pact with the European nations, we have been completely surrounded with pacts, all agreeing to help one another.

As a result we are financing both sides of our own war.

FURNISHING RUSSIA THE SINEWS OF WAR

Many times since March 1948 the junior Senator from Nevada stood on the floor of the Senate and explained this seeming paradox. At that time he placed in the RECORD 86 trade treaties between Russia and the Iron Curtain countries on the one hand, and 17 Marshall plan countries, several of them made by England and France with Russia, calling for the shipment of everything needed by the Russians to enable them to fight world war III with us.

Later—in 1950—he placed 96 such trade treaties in the RECORD.

The point is that we are completely surrounded by pacts. We agreed to help the European nations. We have built factories there so that they could increase their production from about 96 percent in 1948, when we passed the first Marshall plan, to about 160 percent at this time.

The four mutual-assistance pacts complete the circle—we are at war with ourselves—the cold war, that is. The junior Senator from Nevada called attention at that time to the lack of markets for the goods to be produced by the Marshall plan countries except in Russia and the Iron Curtain countries.

Under the mutual-assistance pacts, the European countries sell goods to Russia and Russia sells the necessary goods to Communist China.

Therefore the taxpayers of America are furnishing about 75 percent of the material used to kill their own boys in Korea.

THE "NEW" PLAN

There are two notable visitors in our midst today, Mr. Butler and Mr. Eden.

Mr. Butler is the author of the slogan "Trade, not aid." There is no secret about the fact that that slogan emanated from the same agency which coined the phrase "reciprocal trade."

Of course, the 1934 Trade Agreements Act is not reciprocal, and was never intended to be. But the slogan "reciprocal trade" sold free trade to the American people under a misleading dateline.

THE GREATER OUR DEBT, THE GREATER OUR WEALTH

Their Lord Keynes first sold an ailing president on the theory that the greater our debt, the greater our wealth—we now owe approximately $270 billion.

THE MORE WE DIVIDE OUR MARKETS, THE GREATER OUR WEALTH

They are now selling us the proposition that the more we divide our markets with the nations of the world the greater our income will be. All we have to do is to complete the job of wiping out all protection to our workingmen and investors. We have already transferred the constitutional responsibility of the Congress of the United States to regulate foreign trade through the imposition of duties, imposts, and excises to the executive department through the enactment of the 1934 Trade Agreements Act—Reciprocal Trade Act.

The executive department has for 20 long years regulated our foreign trade with only one idea in view. What is that view, Mr. President? It is to divide the markets of this Nation with the nations of the world, so that we will all live alike, average our standard of living with the sweatshop labor of foreign nations.

ANOTHER $7 BILLION

In the meantime, of course, we are to make up the trade-balance deficits with seven billion or nine billion or ten billion dollars annually, whatever it requires.

Mr. Dulles and Mr. Stassen have just completed a trip to Europe to get information with which to support another $7 billion appropriation.

MR. ANTHONY EDEN (BRITAIN)

Mr. Eden arrived in this country on March 4 and in a New York interview with a New York Times reporter said, among many other things, "We are asking nothing from you."

Mr. President, in that same interview, Mr. R. A. Butler, the Chancellor of the Exchequer, and the father of the slogan "Trade, not aid"—slogan which further confused our people—voiced the expectation of selling this idea to the American people.

I read from an article published in today's New York Times. The headlines read: "Eden Reveals Aim on Convertibility of the Pound Sterling," meaning that the United States must put up five to ten billion dollars more to maintain the fictitious pound value. "He links progressive freeing of pound to United States guaranty of dollars as protection."

He asks for nothing. Therefore, he asks for everything including our life's blood—our very sources of our income.

FICTITIOUS VALUES SUPPORTED BY DOLLARS

This is the "nothing" he asks for:

"The United Kingdom, as banker for the Commonwealth, to undertake a staged and progressive advance to convertibility of sterling into dollars but on a stout leash limiting payments to current trade accounts, as distinguished from accumulated storing debt and to designated dollar commodities."

We will find within a very short time the suggestion being made that $5 billion or $10 billion be granted to them through a new bank or through the World Bank in order to support the fictitious price of the pound, as well as other European currencies.

I read further from the interview as reported in the New York Times.

These are his aims:

"The United States Government, or an international agency like the International Monetary Fund, to create a guarantee fund of dollars to underwrite the success of the effort and protect Britain's meager gold-and-dollar reserves."

Mr. President, we have been losing our gold reserves at the rate of about two billion dollars a year. They buy our gold with the money we give them. So here it comes. We are to stabilize the pound at its fictitious value. I quote further:

"The exchange rate of the pound sterling in terms of dollars to be unpegged from the current official par value of $2.80 and permitted to fluctuate within a predetermined range below that figure with the objective of enhancing the competitive status of Commonwealth exports in world markets."

MANIPULATION OF MONEY VALUES FOR TRADE ADVANTAGE

Mr. President, there is a trick involved in the manipulation of the currency of a nation. It simply means that when a nation wants to export more it merely lowers the price of its money, and when it wishes to import more it merely raises the price of its currency.

We do not manipulate the value of the dollar, we are the victim.

At one time the sterling bloc had as many as 28 different values for its pound. The price of the pound is fixed in each area with respect to whether or not imports are desired.

When a nation within the sterling bloc wants to encourage imports from another country it raises the price of exchange in that nation's money, and when they want to

discourage imports from that country it gives less in terms of value of that currency.

CHILE—EIGHT DIFFERENT VALUES FOR ITS MONEY

I recently discussed the question of the import duty on copper on the Senate floor. At that time I put into the RECORD eight different values of the Chile peso. The peso is used in exactly the same way; to regulate trade. Its value is manipulated with reference to the value of the money of the country from which the imports are to come or are to be prevented from coming.

NO COUNTRY KEEPS TRADE AGREEMENTS WITH US

There is not one foreign country—and I say this without fear of contradiction—which has kept the spirit of its trade treaties with the United States.

THE EUROPEAN COUNTRIES WILL NOT TRADE WITH EACH OTHER

Italy cannot even sell an orange in one of the other European countries, and the countries cannot sell their products in Italy. That is just an illustration. They all act alike in preventing trade between themselves. The bars are up between all the countries in Europe; yet the whole area of Europe is less than about half the area of the United States but containing practically twice the population.

WE SUPPORT IT ALL

The trick is that we are supporting all of this subterfuge, and now we are getting ready to step into it again and divide what markets we have left with them. I read further:

"The United States to remove or modify existing impediments to international trade of the free world through lower tariff rates, simpler and more expeditious customs procedures, more equal opportunity for British and other foreign shipping to compete for American freights."

Mr. President, let us watch this attempt at customs simplification. I have not read the recently proposed legislation on customs simplification, but when the subject was seriously proposed 2 years ago I did read the proposed legislation very carefully. This was the fishhook in it: They would change to the use of the foreign valuation of the article for fixing the existing tariff or import fees or duties, as the Constitution of the United States calls such regulation, instead of the American value, which would cut in two or reduce to one-third or one-fifth of the amount of the import fee that exists at the present time when fixed on the American dollar value. That is the fishhook.

Mr. President, there are many ways of lowering the tariffs. That is only one way. One other is through trade agreements, which are never kept by anyone but this country. Another way is through inflation. It is a well-known fact that the dollar is worth about 33 to 35 percent of what it was worth in 1934; therefore, the effective duty or tariff protection is lowered accordingly.

I quote further:

"The United States, by long-term agreements or otherwise, to lead the way toward more stable prices of raw materials, particularly in the sterling area, and thereby reduce or eliminate wide fluctuations in the British balance of payments with the Western Hemisphere."

That means the same thing that was suggested by Mr. Churchill when he arrived in this country a short time ago, namely, that we enter into a cartel agreement and guarantee that certain materials coming from sterling-bloc countries would always have a profitable price to the sterling countries.

We are asked to enter into the very thing that we avoid in this country through the Sherman Antitrust Act.

I read further:

"The items on the Commonwealth prospectus are there because, in the view in the recent Commonwealth conference, they require some solution before there can be any bridging of the 'dollar gap' through 'trade—not aid'."

Yet, Mr. President, Mr. Eden says he asks for nothing.

Mr. President, I invite attention to the great propaganda splurge made immediately following the election. They started immediately after the election to sell the "trade, not aid" slogan to this administration. Some of the suggestions would do credit to a highwayman.

Mr. President, I have before me an article published in the New York Times of November 30, 1952. The headline reads:

WHAT THE COMMONWEALTH WANTS FROM UNITED STATES

I quote:

"For one thing, the United States tariff on dutiable imports has been cut some 60 percent between 1937 and 1951 without any noticeable effect on imports. For another, customs regulations designed to encourage stoppage rather than entry of foreign goods have been vastly more effective than tariff rates in holding down imports."

Mr. President, that is where they intend to switch from the American value to the European value, thereby cutting the tariff down by one-third to one-tenth.

I quote further:

"If only for psychological reasons, however, career economists"—

Mr. President, note that it refers to career economists—

"here assume that the customs simplification law will be passed at the next session of Congress and that the Reciprocal Trade Agreements Act will be extended beyond the June 30 terminal date."

Mr. President, in the same interview, as reported in the New York Times of March 6, 1953, Mr. BUTLER is quoted as follows:

"Although it was known in this country as the point 4 program, Mr. BUTLER described as 'point 1,' among the things he would have this country undertake, 'a greater volume of overseas United States investment, private and public, in developing the good things of the earth, especially in underdeveloped countries.'"

Mr. President, I call attention to the fact that when any investor invests money in almost any foreign country, including England, he cannot get his capital investment out of the country; he cannot sell his property and return the capital to the United States from that country.

Therefore, United States investors are not investing in those countries. Of course, Mr. President, if any foreign nation will safeguard the integrity of such investments, there will be no difficulty in getting investors to invest in that country, and there will be no shortage of investments there, if it simply will guarantee not to confiscate the investments, as has become the custom.

I read further from the article in the New York Times, quoting Mr. BUTLER:

"We want the chance of trading commercially with the dollar with the minimum barriers of tariffs, discrimination in shipping policy, 'Buy American' legislation and the like."

In other words, Mr. President, at one time we were smart enough to give our Government officials, when making purchases of materials, 25-percent leeway in connection with the purchase of materials produced in the United States, knowing that in most foreign countries the wages paid are probably one-tenth of those paid in the United States, and certainly never more than one-half, with the exception of Canada. Therefore, there is no chance of competition between goods produced in the United States and goods produced in those foreign countries, unless there is some way or means by which to favor the goods produced in the United States. However, foreign countries now wish to have that United States legislation repealed.

I read further from the New York Times article quoting Mr. Butler:

"I welcome the trends in this direction in recent reports of the Committee for Economic Development and the Advisory Board for the Mutual Security Agency."

Mr. President, if there is anyone who does not know what the Committee for Economic Development is, let me advise him that it was organized about 1938 by Mr. Paul Hoffman, the man who spent the money under the Marshall plan and ECA, and who, in his articles in various magazines, which I have read from time to time here on the floor of the Senate, advocated that we break down all protection to the American workingmen and investors and permit all foreign materials to be imported into the United States, as in the case of butter imported from Denmark and other countries. We did break down the protection to the dairy farmers and now the Government is purchasing the butter that is produced in the United States and storing it in warehouses or caves in the United States—as was done in the case of eggs at one time. I do not know just where all of the butter is stored, but millions and millions of dollars' worth of it has been put in storage, and much of it has become rancid.

Finally, the stored butter is either thrown away or given away, while the American people eat the butter that is imported from abroad or the oleomargarine.

The result is that the United States is stabilizing the world price of butter. That action is similar to the action our Government took in the case of potatoes—until finally the Government had so many potatoes that it gave away tremendous quantities of them and also destroyed and burned quantities of them, and finally there was a shortage of potatoes in our country. Of course, Mr. President, it takes experience to be able to run out of potatoes.

MR. STASSEN, MUTUAL SECURITY DIRECTOR

At this point I wish to call attention to a statement made by Mr. Stassen. Even Mr. Stassen has stated now that our European friends are trading with the enemy. I quote now from an article appearing in the Chicago Tribune of March 2, 1953:

"Harold Stassen, foreign-aid administrator, said today too much British rubber and other strategic materials supplied by nations supposedly friendly to the United States are going to Russia."

Mr. Stassen proceeded to make recommendations to stop those shipments.

Of course, Mr. President, all that is necessary to stop those shipments is to require of those countries, as the price of our cooperation with them, that they stop trading with the enemy; that is all that is needed.

The Wherry-Malone-Kem resolution stopped that trading with the enemy; but thereafter this body decided to supplant that measure with the Battle act, which permitted the President of the United States to decide how much trading with the enemy would be permitted. The result has been that those countries have continued to engage in that trading, without restraint.

TWO APPROACHES TO DESTROY THE UNITED STATES

Mr. President, there are two approaches to destroy the United States, the political approach and the economic approach.

COMMUNIST APPROACH

The political approach is called communism. As a matter of fact, socialism may be just as bad; it is simply communism in the infant stages. However, we seem to have caught up with communism. The Senator from Wisconsin [Mr. MCCARTHY] and the

Senator from Indiana [Mr. JENNER] are handling that phase of the matter. I believe that the matter is in good hands. We will eliminate the third gender in the State Department and many of the individuals who have been working with the enemy, instead of for the United States.

ECONOMIC APPROACH

However, there is another approach to which I wish to call the attention of the Senate. It is the economic approach.

We can destroy our country economically, just as well as we can destroy it by any particular "ism" on earth. The political approach in an attempt to destroy the United States is by our potential enemy, Russia; but the economic approach is by our supposed allies, or at least our potential allies. Some of them—the sterling bloc—are represented in the United States today. Supposedly they are, or will be, our allies; but in the meantime they would destroy us by means of a division of our markets—the source of our income.

We are supposed to remove the duties, imposts, and excises—to a point where all the low-wage, sweat-shop countries will be able to export to our shores the products of their sweat-shop labor.

That is proposed to be done by removing all duties, imposts, or excises, which represent the difference between the costs of production in those low-wage, sweat-shop countries and the costs of production in the United States with our higher wage standard of living.

The materials produced in those foreign countries are very often produced by means of materials and machinery we have previously given to them. Yet now they propose that we remove all duties, imposts, and excises, so as to make it possible for them to maintain their sweat-shop, low-wage conditions, and for their manufacturers to keep or pocket the difference between their production costs and what the traffic will bear here. Mr. President, anyone who stops to think can readily understand that such procedure would encourage those countries to continue to hold down the wages paid to their working people.

ENCOURAGE HIGHER FOREIGN STANDARD OF LIVING

However, Mr. President, we should follow the Constitution of the United States. The Constitution charges Congress with the responsibilities for regulating foreign trade. If the duties and imposts were fixed on the basis of fair and reasonable competition, so as to give the foreign countries an equal opportunity to enter our markets, but without giving them any advantage in that respect, and if provision were made for flexibility, so that as the wages paid in those countries went up, the duties here would go down, then those countries soon would see that they would receive no advantage by paying low wages, and thus they would be encouraged to raise their standard of living, so as to move toward a high standard of living.

Mr. President, a tremendous propaganda machine has been working on the American people, since the date of the last election.

So we may know what their real objective is, let me refer to an article in Look magazine on November 18, by Arnold J. Toynbee, who is described as following "the tradition of great historians." In that connection, I now read from a description which appeared in the magazine Look on November 18, 1952:

"Arnold Toynbee * * *, the world's foremost living philosopher-historian."

Mr. President, in that issue of Look magazine, Mr. Toynbee's article is entitled "The Next Step in History." It is a 3-page article, but we have to read only 1 paragraph—which I shall read into the CONGRESSIONAL RECORD—in order to know exactly what Mr. Toynbee thinks the next step in history will be. I read now from his article:

"THE NEXT STEP IN HISTORY

"(By Arnold J. Toynbee)

"The steps that are needed are not emergency measures but permanent arrangements for putting and keeping our house in order."

After including in the article a great deal of material to the effect that we are moving toward a one-world government, Mr. Toynbee says:

"This, though, would be unlikely to be the end of the process of western constitutional development. for a western electorate would soon begin to ask itself why it should not elect this common western legislature as well as the local national legislatures. If democracy means the control of governments by legislative bodies that are elected and reelected by the people, then democracy would call for the direct election of a common legislative body charged with the supreme responsibility of controlling the western community's common executive services."

There is where we are headed, Mr. President, according to the great historian, Mr. Toynbee; and it is no secret that the entire European setup, led by the sterling bloc, is headed toward that particular objective to bring us into the family of European nations. They would have one legislature for the Atlantic Pact nations, added to from time to time as they see fit to take in new member nations.

Then the Congress of the United States would become a State legislature, and our present State legislatures and State governors would become county commissioners, I suppose. That is about the way such a plan would work. We would be outvoted all of the time.

Mr. President, all this material goes to show us exactly what is the objective of the visit to our country of Mr. Eden and Mr. Butler, who now are in the United States to arrange the next logical step to level our economy with the European nations.

We are to abolish all duties and all other regulations of foreign trade, as the Constitution directed the Congress of the United States to do. The Congress has transferred such control to the Chief Executive, and he now has full control of the regulation. of foreign trade; Congress no longer has such control.

So we pay subsidies to American producers, and allow foreign products to enter the United States free of any tariff or duty.

How we can continue to pay subsidies and still reduce taxes is something that no one has yet figured out. I notice that everyone now says we must find out how much money each of the departments want before we can reduce taxes. If one ever gets into a serious conversation with the head of a department, he will be crying with him before the conference is over. It will be found impossible to reduce the appropriation. Not only that, it will probably be found necessary to raise it, and there will therefore be no reduction of taxes.

I like what Mr. REED says: "Let us reduce taxes to what we think the people of the United States can pay, and read the menu backward—then go home, and let them scream." That is the only way we can reduce taxes.

Now, Mr. President, I want to call attention for a moment to an article written by a columnist whom I have quoted several times on this floor. The article is entitled "Forgotten Treaties With Russia," and it is written by Constantine Brown. It was published in the Washington Evening Star on February 16, 1953. People would find it profitable to read. Exactly as the junior Senator from Nevada has already quoted, there is but one objective, and that is to reduce this country's living standard, and when we finally run out of money with which to pay the subsidies, with all of the material coming in from foreign nations, we will then begin to understand what foreign trade on a free basis with the lower living standard of wages of other nations means.

I should like to call attention to Britain's relationship to Japan. I have before me the U. S. News & World Report of December 5, 1952, from which I read:

"John Foster Dulles, as Secretary of State, is to find himself in the middle of a trade war between America's principal allies in the Far East and in Europe. Japan and Britain are at each other's throats in a bitter battle for world markets."

Mr. President, the junior Senator from Nevada, as Senators may remember, stood here on the Senate floor to suggest that the treaty written by Mr. Dulles and approved by the Senate had then and there lost Japan; it was only a matter of time until they would make a decision.

Anyone who knows, anyone who will study the natural sources of the raw materials available to them and their natural markets, will know that when we lost China to the Communists—and we did it deliberately—we then and there laid the groundwork to lose Japan. Reading from the U. S. News & World Report of December 5, 1952, I continue:

"Britain, hard up and alarmed by Japan's recovery, is working desperately to check the flood of Japanese goods into normally British markets. Japan, struggling to rebuild her trade and obliged to restrict dealings with Communist China, is determined to regain markets in southeast Asia and to get more markets in Africa, the Middle East, and Latin America.

"In this head-on clash, old antagonisms between these two allies of the United States are coming to the surface. British Commonwealth countries are raising barriers against Japanese goods. British traders are making charges of cutthroat competition."

Their skilled labor is even lower paid than it is in Britain. It was from 7 to 12 cents an hour when I was there in 1948.

I continue:

"The British Government is trying to keep Japan from getting most-favored-nation treatment. The Japanese are accusing the British of dirty dealing. Anti-British feeling is rising, fanned by a quarrel over whether Japanese authorities shall have power to punish British and Commonwealth troops for offenses committed in Japan.

* * * * * *

"Japanese competition already is squeezing the British. The sterling area which Britain looks upon as her market, bought $244 million worth of Japanese goods in 1950 and more than twice as much in 1951."

Mr. President, I read further in the article, the following:

"British countermeasures to meet this competition are becoming more drastic and are a matter of growing concern in Japan. British and Commonwealth countries recently have raised new import barriers aimed at Japanese products. The importing of Japanese textiles by Singapore, Hong Kong, west Africa and several other areas has been cut sharply or suspended.

"Britain is trying to limit Japan's trade in other areas, also. This is being done by delaying Japan admittance to the General Agreement on Tariffs and Trade (GATT). Japan outside GATT, is denied the benefits of lower tariffs in effect among the 34 member countries."

Mr. President, there is little point in reading further. It is simply a matter of leaving Japan on our payroll. We are sending money there, spending it for national defense purposes, and when we quit Japan is going to China.

Certainly we cannot continue to allow their imports to come in here free of any duty. Four crockery plants have closed down in Ohio, within the last few weeks. That is only a start.

When we get around to considering the American people, the workers and investors, as a part of our responsibility, then Japan has this choice; Where is she going to go? Can she trade with the Far East, right at her doorstep? No, she cannot, as long as the colonial system exist, and we support it.

She must trade within her natural area, and in order to do that she will have to make a deal—and she will make it with China when the time comes.

MR. FORD—EUROPEAN PLANTS

Now, Mr. President, we have had lately a statement by a great industrialist, Mr. Ford. Mr. Ford says that we should drop all our tariffs and all our duties and have free trade throughout the world, that it would be wonderful.

Mr. Ford has a plant in England where he can produce his Ford automobiles cheaper than he can produce them in the United States under paying standard-of-living wages.

I cannot say that I blame him, except that I think he is shortsighted. In other words, when he builds up competition, as he will, if he gets away with this statement of his—which, of course, I hope he does not—and if the people of the United States wake up in time, he certainly will not get away with it.

But if he did, and he thereby threw these people in the United States out of work in the various areas, from the mining areas to the crockery areas, in the watch manufacturing areas and the textile States, and almost every place else—and as a matter of fact, that is exactly what it would result in—then what happens?

As it is now almost every man in the United States who has a job is a potential buyer of a Ford, or an automobile of some kind. With the kind of wages they have over there, from 40 cents a day up to $2 or $3 a day, not 1 in 100 is a potential buyer of an automobile.

I believe that by ruining the home markets he will ruin himself if he could bring about the change. He possibly thinks he can work the slave labor against the high standard-of-living labor in this country, and profit by it. God help him if he did get away with it; that is all I can say.

The business machines, General Electric and in general big business, will be for this free trade I predict. What is big business? I would describe it for the purpose of this statement as business of such size and such a nature that it can put its plants in the area of low wages, behind the sweatshop labor curtains and import the goods at a lower price than they can produce them here paying our standard-of-living wage.

The little businesses are the ones that cannot do that. They must stay home and take the consequences. I think they will rise up to stop this silly business.

NEVADA, CALIFORNIA, AND FREE TRADE

I have received a telegram which indicates that the Legislature of the State of Nevada is passing a resolution memorializing Congress to stop this business of free trade which affects mining, the cattle business, the wool business, the textile business, the crockery business, and practically all small business in this country.

If Congress is going to ignore the production areas that make this country great, and which pays the taxes—I guess they think it time for them to take a hand. I will have the resolutions at the next session of the Senate.

Also, I am advised through Senator Harold J. Powers, president of the Nevada Senate, that they have passed a resolution along the same line in the California Legislature, and I hope to have that resolution by the time we return for the next session of the Senate.

Now, Mr. President, I think—and this is merely the junior Senator from Nevada speaking—we should have a domestic policy that would safeguard the integrity of our economic system, that would place a floor under the wages and investments in this country, that would preserve our market to the extent of giving foreign nations an equal break in our markets but no advantage.

Let the 1934 Trade Agreements Act expire. The people of the Nation are waking up; they pay the bills to pay for the appropriations which this Congress so blithely makes.

Let the 1934 Trade Agreements Act expire, and it automatically goes back to the Tariff Commission, which is an agency of the Congress whose responsibility it is to fix duties, excises, and imposts, and to regulate foreign trade.

Let the Tariff Commission fix such duties on the basis of fair and reasonable competition.

That is simply commonsense in keeping ourselves in business in this country.

A report recently made by a former Chairman of the Budget, Daniel W. Bell, now Acting Chairman of the Public Advisory Board for Mutual Security, contained 10 recommendations. I ask precedent. There being no objection, the outline will appear in the RECORD at this point.

"[From the New York Journal of Commerce of March 5, 1953]

"RECOMMENDATIONS

"The recommendations made in the Bell report are:

"1. Basing trade policy on national rather than group interest and adopting measures to help industries affected by the change in policy readjustment by extending unemployment insurance, retraining workers, diversifying production, and converting to other lines.

"2. The adoption of a new simplified tariff act providing for a general reduction in duties and the elimination of present uncertainties by consolidating tariff rates into seven basic schedules. The redrafting of the Tariff Act would be done by the President according to standards set up by Congress.

"3. Extension of the Reciprocal Trade Agreements Act without time limit.

"Customs simplification

"4. Customs simplification by the prompt passage of a bill similar to the one passed by the House in 1951, plus the creation of a Commission to propose further measures along these lines.

"5. Reduction of tariffs and elimination of quotas on agricultural products to allow freer import at world prices of goods not produced in this country, with a repeal of section 104 of the Defense Production Act.

"6. Elimination or reduction of tariffs on metals and minerals of which imports are a major part of United States supplies; in cases where domestic production must be increased for defense purposes, it should be encouraged through special purchases and contracts.

"7. Elimination of import excise taxes on petroleum products. If imports should reach a level where they impede domestic exploration and development, other measures to assure a domestic industry adequate to defense needs may be taken.

"8. Elimination of the requirement that 50 percent of the cargo on aid and loan shipments is reserved to domestic carriers, except in the case of countries that discriminate against American vessels.

"Buy-American study

"9. Reconsideration of buy-American legislation.

"10. The establishment, with United States participation, of an international organization to promote the objectives of the General Agreement on Tariffs and Trade (GATT).

"In its recommendations for a new tariff act, the report suggests that the 7 basic schedules consist of a free list, 4 groupings of commodities bearing duties of 10, 20, 30, and 40 percent ad valorem; a specific list for basic agricultural and mineral raw materials, and an extraordinary list of commodities whose importation should be limited for security reasons."

The first recommendation is enough. It appears we are supposed to take the miners, the people in the sheep business, and the sheepherders and teach them how to make hats, unless the hat business is also destroyed by competition from abroad.

If we placed a tent over the city of Washington, we would have nothing but an international lobby, and Mr. Bell has apparently fallen heir to the common affliction.

I hope that before the 1934 Trade Agreements Act—the so-called Reciprocal Trade Act—comes up for extension that there will be a sufficient number of Senators who will stand on the floor until it dies.

Mr. President, I received a letter from a man in Tonopah, Nev., not long ago. I had asked him if there was anything I could do for him in answer to his first letter. He said a little testily, "Don't do anything more for me. Just do not do anything more to me. That is all I would ask."

COLONIAL SYSTEMS GUARANTEED

Mr. MALONE. Mr. President, in the CONGRESSIONAL RECORD, volume 95, part 7, page 9254, which includes the paragraph I have just read, a statement was made to the effect that by adopting the Atlantic Pact, we are guaranteeing the integrity of colonial systems throughout Europe and Africa.

I ask unanimous consent, Mr. President, to have printed in the RECORD at this point my remarks in the debate which took place on July 12, 1949, as marked.

There being no objection, the debate was ordered to be printed in the RECORD, as follows:

THE NORTH ATLANTIC TREATY

(CONGRESSIONAL RECORD, vol. 95, pt. 7, p. 9254)

The Senate, as in Committee of the Whole, resumed the consideration of the treaty, Executive L (81st Cong., 1st sess.), signed at Washington on April 4, 1949.

THE NORTH ATLANTIC PACT VERSUS THE REAL OBJECTIVES

Mr. MALONE. Mr. President, the North Atlantic Pact simply, and without question, guarantees the integrity of the colonial systems throughout Asia and Africa.

I thoroughly agree with the statement of the Senator from Ohio [Mr. Taft] yesterday, when he said:

"It is said that arms given to European countries cannot be used by them in dealing with their colonial possessions outside the scope of the pact, but surely anyone can see that all the armed forces possessed by any country are in one pool and that the bigger that pool is the more easily they can find arms to undertake action which may be considered aggression in their colonies."

VITAL LINK TO LOWER WAGE STANDARD OF LIVING

A decision to ratify the North Atlantic Pact Treaty by a two-thirds majority of the United States Senate will, in the judgment of the junior Senator from Nevada, be a vital link in the chain of events that, taken together, is bound to wreck the economic structure and the wage-living standards of this Nation—the sole objective being to immediately reduce this Nation to 1 or 58 or more units or States in a commonwealth of nations to be known as the Federation of the World.

It is, therefore, vital that the United States Senate take the necessary time to examine and to add up the administration's postwar proposals—and note the trend.

The Senate and the people of this Nation should be advised whether the five major postwar proposals are really the separate major emergency measures that they have been continually represented to be or whether they are all related, having one objective—that objective being immediately to tie the United States into such a commonwealth of nations—to be known as the Federation of the World, with its wealth and wage-living standards averaged with the Asiatic, European, African, Middle East, Near East, and South Seas countries.

A WORLD COMMUNITY GOVERNED BY ORGANIC LAW

I believe fundamentally in the final emergence of a single world community, whose purpose would be governed by organic law.

At present, however, such an ideal is utterly impossible of achievement, and any attempt to bring it about at this time would destroy whatever opportunities we possess to live through the trying times of the necessarily severe readjustment period without a real threat of destroying all hopes for the very thing we wish to bring about—a peaceful and prosperous world.

What we should play for is time. A war now would be highly destructive and perhaps catastrophic, even—as seems likely—if we should win it.

As time goes on the aggressive Communist tide will tend to recede, just as the onrushing Moslem tide receded during the Middle Ages.

The people under Soviet control will tend more and more toward an effort to regain their liberties and to evolve a system by which they can live in common dignity and material security which, of course, is the core of our own vision.

As time goes on the present tense situation will tend to relax and it will certainly calm down in the distant future if we are able to hold fast and reorganize the non-Soviet world so that it can function in today's terms while reducing the present attractive opportunities for Soviet expansion.

AN OUTMODED FEUDAL WORLD

We know that the feudal world of Europe, Asia, and Africa—made up of petty kings, strong-arm despots, and colonial landlords—can no longer survive the conditions imposed by a scientific world.

We know that the colonial landlords of England, France, the Netherlands, and Belgium can no longer keep their serfs deindustrialized in an industrial world and producing only raw materials to be shipped to the master nation in return for which they are forced to buy the necessary manufactured and processed articles to cover their backs and to secure the necessary tools and implements to eke out a bare existence.

We know that some of these landlord nations have lived off the colonial areas of the Near East and the South Seas for more than 300 years.

We know all these things. Yet by our every action, through our national and international hybrid policies and programs, we seek to perpetuate these very European, Asiatic, and African feudal and nationalistic states, many of them living off the colonial countries and areas producing wool, meats, cotton, minerals, and many other products, including manufactured goods, with what amounts to slave or indentured labor in Africa, Asia, and the South Seas, which is intended to compete on even terms—through our "free trade" policies—with our own workingmen.

This type of slave labor pool is only a step away from the Russian methods in their forced-labor mining, manufacturing, and agricultural areas.

The North Atlantic Pact is simply another step down the road of guaranteeing the status quo in international affairs and holding in subjection the colonial peoples of these areas.

THE PEOPLE OF THE COLONIAL COUNTRIES ARE ON THE MOVE

It is not a question of taking the easy way of simply guaranteeing the status quo, because the peoples of the world are on the move. They will no longer submit to virtual slavery and a submerged role in economic affairs.

It is the opinion of the junior Senator from Nevada, after visiting most of the nations of the world following World War II, that with all the resources of this Nation we cannot prevent a world economic readjustment on a basis of the new industrial and scientific methods.

To do anything but recognize economic progress will mean that we ourselves will be subject to the pitfalls and influences of socialism or something worse in trying to extricate ourselves from the economic debacle to which our present policy will inevitably lead us.

PRESENTLY KNOWN FIVE-PART ADMINISTRATION PROGRAM

The long-range five-part program has been presented to the Congress and to the Senate by the President of the United States to correct the European problems, each as an emergency in its own right; however, taken together they include and interlock the national and international economy. The five-part program includes:

First. The North Atlantic Pact, which was not the first proposal made, but which is before us today. It would have the effect:

A. To guarantee the integrity of the colonial system of all Asia, Africa, and Europe, thus extending the political and economic control of France's Indochina, New Caledonia, French West Africa, and Morocco; England's Singapore and Malayan States, East Africa and the Sudan country, South Africa, Northern Ireland, and many other areas; the Netherlands, Indonesia, and Belgian Congo in Africa.

B. Adding to the power and obligations of the Congress to later pass laws to discharge such obligations of the treaty, under the provisions of article 1, section 8, of the Constitution which automatically become the law of the land upon the approval of such treaty by a two-thirds vote of the United States Senate—and which takes no account of the absence of action of the House in concurring in such future obligations, including the implied immediate and automatic declaration of war or other suitable action.

I quote the following from the Supreme Court:

"The Supreme Court, in the case of *Geofroy* v. *Riggs* (133 U. S. 266), says:

" 'The treaty power, as expressed in the Constitution, is in terms unlimited except by those restraints which are found in that instrument against the action of the Government or its departments, and those arising from the nature of the Government itself and of that of the States. It would not be contended that it extends so far as to authorize what the Constitution forbids or a change in the character of the Government or in that of one of the States, or a cession of any portion of the territory of the latter, without its consent. * * * But with these exceptions, * * * there is no limit to the questions which can be adjusted touching any matter which is properly the subject of negotiation with a foreign country'."

C. It abrogates the 173-year-old right of the United States Congress to alone decide when our utimate security and safety is threatened, and provides that when the safety of any one of the signatories to the pact is threatened, we are automatically to consider our own safety in danger, regardless of the circumstances or of any independent judgment of our own.

Second. Appropriations to make up the trade balance deficits of the European nations each year in cash, currently labeled the ECA, under which our chief export is cash.

Third. The 3-year extension of the 1934 Trade Agreements Act under which the State Department has adopted a selective free-trade policy of lowering the tariffs and import fees below the differential between the cost of production in this country and that of our foreign competitors, on each particular product, on the theory that the more they divide our markets with the nations of the world, the less their annual trade-balance deficits will be.

Fourth. Approval by the Congress of the International Trade Organization, under which 58 nations with 58 votes, each nation with 1 vote, we would have the same vote as Siam, would meet at least once each year, and would distribute among themselves the remaining production and markets of the world, eventually on a basis of population—we assign to this organization all of our right to fix tariffs or import fees.

Fifth. The bold new program heretofore outlined, included under recommendation No. 10 of the midyear economic report of the President, just transmitted to Congress, the proposal to enact legislation to provide technical assistance to underdeveloped areas abroad and to encourage investment in such areas.

The bold new program would, according to its proponents, guarantee investments of businessmen, processors, and manufacturers, so as to encourage them to go into the foreign areas throughout the world and produce the necessary products to serve such areas, thus serving any markets that were supposed to be made available to the workingmen and industries of the United States through the Marshall plan; and in addition through the reduction of our own tariffs and import fees, to ship the products of the low-cost Asiatic and European labor into the United States, thus displacing the American workingman, simply by transferring American jobs to foreign soil.

THE ALLIANCE PACT AND IRELAND'S SEAN MAC BRIDE

The operation of the North Atlantic Pact in relation to protecting the integrity of the colonial areas throughout Asia, Africa, and all of Europe, was correctly expressed by Sean MacBride, Prime Minister of Ireland, when he said that they would like to cooperate, but as a nation they could not. They are denied the first condition of action as a nation, namely, the possession and control of the soil of their national territory, of which six counties are kept by Britain and are claimed as part of the United Kingdom—the territorial integrity of which is, in effect, guaranteed by the Atlantic Treaty.

Mr. MacBride further said, in answer to a question, that article 4 of the draft of the Atlantic Treaty, which is a consultative article, refers to the territorial integrity, political independence or security of the parties to the treaty.

In that connection, Mr. President, I ask unanimous consent to have printed at this point in the RECORD an article under date of April 13, entitled "Capitol Stuff" by a well-known columnist, regarding Ireland's position in relation to the proposed North Atlantic Pact.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

"CAPITOL STUFF

"(By John O'Donnell)

"Just to pursue that ancient 'this is where I came in' line, we wish to direct the attention of readers with Irish blood to the present visit in Washington of Sean MacBride, Eire's Minister of Foreign Affairs.

"The extremely hush-hush talks of Ireland's MacBride and United States Secretary of State Dean Acheson mean just one more unreeling of that ancient theme: that the last tie which binds this piece of ground in the Atlantic to the monarchy of Britain must be slashed. These are the facts:

"Ireland's Secretary of State MacBride has told United States Secretary of State Acheson that his government holds office because the voters elected its members on the platform pledge that the artificial partition of Ireland would be abolished. That Ireland will not enter into any Atlantic military alliance which prohibits the majority of any nation from changing frontiers to meet the wishes of the overwhelming majority of the inhabitants.

"And at the same time, the Washington diplomatic representatives of His Britannic Majesty have insisted to our State Department that the United States must no meddle in his delicate problem. And when the heads of our Armed Forces have mildly reminded the Londoners that we would like to have the use of the airfields of Eire as a part of our chore in saving all of Western Europe from the Kremlin, they have been met with the brusque British comeuppance:

"'Well, we won World War I while the Irish were staging a revolution. We won World War II without Irish bases which we wanted. And if world war III comes along, we'll win that without the Irish—provided you come across as Franklin Roosevelt did 10 years ago, and from then on.'"

"All of this brings up the present battle over the Atlantic Treaty and the proposition of whether to give, under some new lend-lease setup, billions of American military equipment, planes, guns, and brains. This is just an echo of what happened upon Capitol Hill after World War I, when Woodrow Wilson's League of Nations got what it deserved—an ignominious exit via the international garbage can.

"Trick clause in fuzzy-brained League

"In 1919, when the great battle over the League was being staged, the voters of Irish descent played an important part. The same holds true today.

"The trick clause in the fuzzy-brained League of Nations was article 10, slickly written into the pact by Britain for the sole purpose of knocking off all efforts of the Irish to win their independence.

"Well we've got the same setup in the present Atlantic Pact. If the Irish were stupid enough to sign it they would pledge that for the next 20 years (according to article 13) they must respect the territorial integrity and political independence of the cosigners (read article 4).

"In other words, the present Government of Eire, elected on a platform sworn to end the present partition of their nation, would perforce agree to brush aside its most important issue for at least 20 years. Back in 1919 and 1920, during the days of the troubles which flamed into the honest Anglo-Irish war, a tough, hard-fighting, and accurate shooting Irish settled that problem when the identical proposal was slipped into the League of Nations by Woodrow Wilson on the needling of Lloyd George.

"Into the present conversations moves notorious article 10 of the League of Nations, which the Senate of 1919 courageously tossed back in Woodrow Wilson's teeth. Had the Wilson League of Nations gone through, these United States would have been called upon to send troops to Ireland to preserve the status quo of that time. In other words, we would have been pledged to use Americans to shoot down Irishmen who wanted freedom from the London rule.

"Same Senate, same diplomacy, same attitude

"Thanks in great measure to two great Senators from Massachusetts—Henry Cabot Lodge and David Ignatius Walsh—article 10 of the League and the League itself were properly killed.

"And now, 30 years after, the same thing pops up again. Same Senate, same slick British diplomacy, same angry 'to-hell-with-it' attitude of the Irish.

"What the British slipped into article 10 of the old league of nations they've put into article 4 of the North Atlantic Treaty. Why they haven't the simple honesty to call it by its right name—a military alliance against communism—we don't know.

"This article 4 proclaims that 'the parties' (this means United States fighting men carrying the battle load) will take suitable action whenever, 'in the opinion of any of them' (that is Great Britain), the territorial integrity, political independence, or security of any of the parties is threatened. Well, if the voting majority of North Ireland votes to toss the British crown the hell out of there and join up with Eire to create one simple state, that article, by any reading of words, means that the territorial integrity of the King of Great Britain and Northern Ireland is most seriously threatened.

"And so we are going to send United States troops over there to protect the absentee landlords of London? This is going to be good. But we heard most of it back in 1919 and 1920. The Irish won then and we think they're going to win again."

AN AMERICAN POLICY

Mr. MALONE. Mr. President, the problem is not so difficult and complicated as the administration's propaganda machine would have us believe. It can be approached through a workable American policy which will protect our economy both on the domestic and foreign front while we are working toward a single world community, whose purposes would be controlled by organic law.

As I see it, this American policy must include:

1. An immediate withdrawal from our present commitment to the British Empire objectives and a firm demand for the consolidation into a federation of states—a United States of Europe—of what is left of Western Europe, the 16 ECA countries, formed into a structurally sound, free economy, unburdened by individual monetary conspiracies, Marxist regulations, bilateral agreements, restricting licensing arrangements, or other barriers to manufacture and trade among themselves. It would in fact be a United States of Europe.

Such a Europe containing 16 or more nations could be as intimately linked with us as is Canada at the present time. This step is absolutely necessary for the survival of the nations of Europe and for any help rendered by us to be effective.

Second. A flexible import fee system, substituted for the 1934 Trade Agreements Act, to maintain our wage-living standard while we are helping other nations of the world to raise their own.

Such a system is the only logical substitute for the administration's three-part free-trade program, which gives American workingmen the lip service of promised labor legislation, and then plunges them into direct competition with the low-wage, low-living standard, slave labor of Europe and Asia.

The flexible import fee bill which the junior Senator from Nevada has already introduced will be offered as a substitute for the 1934 Trade Agreements Act when that measure comes before the Senate for the 3-year extension. Under the flexible import fee, the peril point automatically becomes the tariff or import fee and such import fee would be lowered in accordance with the rise of the living standard in a competitive country, and when they were living about like we are then free trade would be the almost automatic result.

Third. The rebuilding of our national defense organization to the point that it can protect us against any overt gesture from any nation or nations which may seek to extend their system of government to the Western Hemisphere, or into any territory whose integrity we consider important to our ultimate peace and safety. Such a defense organization should be spearheaded by an air corps prepared to keep any possible enemy grounded in any emergency.

Fourth. An extension of the Monroe Doctrine, or open-door policy, to embrace all nations in Europe and Asia, whose cooperation and integrity we consider necessary to our own peace and safety. This pronouncement would be a continual and effective warning to all empire-minded nations which might seek to extend their governmental systems into such areas, just as the Monroe Doctrine has served as a warning to such nations for 125 years that we would consider any effort to extend their system to the Western Hemisphere as dangerous to our peace and safety.

Fifth. Feed emergency hungry peoples of other countries to the extent of our ability without embarrassing them or ourselves by calling it a loan, and without endangering the welfare of our own people. We cannot feed all the hungry people in the world—since in some areas there has been hunger for 2,000 years—and our economy could not stand the strain.

Sixth. Lend money to private industry within such needy foreign countries on a business basis to the extent of our ability without injuring our economy. This measure could be handled through the World Bank in much the same way that RFC loans are made to industries that need emergency rehabilitation in our own country. The result would be gradually to build up their standard of living through increased efficiency in production. Such loans would be secured in the same manner as our own people are required to secure RFC loans.

RESOLUTIONS—PRELUDE TO ATLANTIC PACT 1948 DEBATE

Mr. MALONE. Mr. President, on June 11, 1948, there occurred in the Senate a debate during which the then senior Senator from Michigan presented the resolutions leading up to the North Atlantic Pact. I ask unanimous consent to have printed in the RECORD at this point the debate which took place on that date, as marked.

There being no objection, the debate was ordered to be printed in the RECORD, as follows:

THE INTERNATIONAL MILITARY ALLIANCE RESOLUTION—INTRODUCED BY MR. VANDENBERG

Mr. MALONE. The real question confronting the Senate is not whether or not the proposed resolutions violate the United Nations Charter, but the real question is—do the resolutions violate the established principles of the United States Senate and its constitutional relationship with the executive branch of the Government.

Is it the Senator's idea in presenting the resolution that he wishes to encourage the President and the State Department to go further in making such treaties as he indicates are necessary, than they normally would go, under the normal independent operations of our Government departments?

Mr. VANDENBERG. I think the purpose is to encourage the use of regional arrangements for whatever advantage can be found in them, not only for the sake of international peace and security, but also for the sake of our own national security, wherever it can be developed through this instrumentality.

Mr. MALONE. Is it the Senator's idea that individual Senators shall commit themselves to this type of treaty without any understanding whatever of the details which may be included in such a treaty?

Mr. VANDENBERG. Not the slightest. On the contrary, the statement is categorically made, not only in the text of the resolution, but in the committee report, and in every word that I have uttered during the past several hours, that there is no commitment which is not completely subordinate—if there be any sort of commitment at all—to the utterly independent judgment of the Senate when the constitutional process is subsequently invoked.

Mr. LODGE. Mr. President, will the Senator yield?

Mr. MALONE. I should like to ask one further question. I have listened very carefully to the able Senator from Michigan for the past 2 hours. While I have heard him assure Senators that the resolution was not a violation of the United Nations Charter, at the same time I have heard very little discussion as to whether or not it is a violation of the principles laid down in the Constitution of the United States, under which the the Senate is charged with checking independently any action, through treaties, of the President of the United States and the State Department. We are not supposed—at least, until now, we have not been supposed—to be a party to a treaty until all the evidence is known to Members of the Senate, and after committee approval, full discussion and a two-thirds affirmative vote is had.

Mr. LODGE. Mr. President, will the Senator from Michigan permit me to respond to that point?

Mr. VANDENBERG. I am afraid that I do not follow the argument of the Senator from Nevada.

Mr. PEPPER. Mr. President, a point of order.

The PRESIDING OFFICER. The Senator will state it.

Mr. PEPPER. We dislike to leave our desks. We are very much interested in what our colleagues are saying. Until the acoustics of this Chamber are improved, I ask Senators to speak a little louder.

Mr. LODGE. Mr. President, will the Senator from Michigan yield to me to respond to the Senator from Nevada?

Mr. VANDENBERG. I yield.

Mr. LODGE. It so happens that I was one of the Senators in the committee who brought out the very point to which the Senator from Nevada refers. The committee inserted language in the resolution to meet that very point. In line 6, on page 1, the language "by constitutional process" was inserted; and on page 2, lines 5 and 6, the words "by constitutional process" were inserted. That language is inserted because it is the surest, most effective, and most nearly indisputable manner of making it absolutely certain, beyond any possibility of doubt, that any kind of arrangement to which the Senator from Nevada refers will come back to the Senate for ratification. I can completely set the Senator's mind at rest on that point.

Mr. MALONE. Mr. President, if the Senator from Michigan will yield while I discuss the question further with the Senator from Masachusetts, I ask the Senator from Massachusetts what, then, is the purpose of the resolution?

Mr. LODGE. I think the purpose of the resolution is to show that we are in sympathy with the broad trend of strengthening the freedom-loving countries; but it does not commit us to anything definite. They must make the showing. If they make a good showing, and if it is advantageous to our national security to help them, we shall help them. If the showing is not good enough, we shall not help them. It is the most perfect arrangement, from the standpoint of American interest, that could possibly be imagined.

Mr. MALONE. Of course, I defer to the wishes of the Senator from Massachusetts to participate in the debate, but are we not already on record through the United Nations and other actions of the United States Senate making our position clear?

Mr. LODGE. I wanted to participate at this point, because this happens to be something in which I was very much interested when the subject was before the committee.

Mr. MALONE. I yield to that impulse.

Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. MALONE. Do I correctly understand that at the close of this debate we are to vote on this very important policy-making resolution?

The PRESIDING OFFICER. The Senator is correct.

Mr. MALONE. Mr. President, I had intended to make a statement on this subject. I consider it very important, for the reason that I believe there has been a tendency on the part of the Senate over a period of years slowly to relinquish its independent attitude, not only with respect to treaties, but with respect to appropriations for foreign nations and various other subjects concerning which we were supposed, at the time of the original writing of the Constitution, if I correctly understand it, to be independent.

Mr. VANDENBERG. Mr. President, I am very glad to yield the floor so that the Senator from Nevada may make his statement.

Mr. MALONE. I thank the Senator.

Mr. President, in my humble opinion, the resolution before this body places the Senate on record as advising the President to pursue, among other things, to quote the language of the resolution:

"Progressive development of regional and other collective arrangements for individual and collective self-defense in accordance with the purposes, principles, and provisions of the Charter.

"Association of the United States by constitutional process with such regional and other collective arrangements as are based on continuous and effective self-help and mutual aid, and as affect its national security.

"Contributing to the maintenance of peace by making clear its determination to exercise the right of individual or collective self-defense under article 51 should any armed attack occur affecting its national security."

These recommendations are paragraphs (2), (3), and (4) in the resolution presented by the distinguished Senator from Michigan.

Their purpose is to place the Senate on record as advising the President to negotiate regional security agreements under the United Nations Charter. Each regional security agreement, when negotiated by the President, must be ratified subsequently by the Senate. But by advising the President to go ahead the Senate in effect guarantees that a future Senate will ratify such treaties.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. MALONE. I yield.

Mr. VANDENBERG. I know that the Senator would want me to give at least my interpretation of the record, and make it perfectly clear.

Mr. MALONE. Certainly.

Mr. VANDENBERG. I certainly should not want the statement of the Senator from Nevada to stand as the interpretation of what is to occur.

Mr. MALONE. I shall be very happy to have the Senator explain his position.

Mr. VANDENBERG. Repeatedly I have insisted that we must be perfectly sure that when we exercise the advise function in respect to the advice to the President on this subject, we are not yielding any of our subsequent consent prerogative. So far as the Senator from Michigan is concerned, he completely disagrees with any assertion that the exercise of the advice functions is a surrender of the consent function. I know that that is precisely the position which the able Senator from Nevada wishes to maintain. I agree with him 100 percent as to what is the correct interpretation of the situation which we confront when we give advice. I would not want him to withdraw from his own conclusion by asserting that we had surrendered any such right.

Mr. MALONE. I am very glad to have the opinion of the Senator from Michigan. I have listened very carefully to the Senator from Michigan, and all his proposed policies for the past several months, and I understand his position perfectly well.

I am not contending that such a treaty made subsequent to the passage of the resolutions would not have to be ratified by this body, but I also believe that there is through these resolutions an implied approval of any such treaty which may be made, and that this action could well be the first step in relinquishing the policy which has long been established through the Constitution of the United States. This is the first step, just as we took the first step in violation of the Constitution by appropriating money for foreign nations for any purpose over a long period of years, through small appropriations in the beginning. Finally we reached the point where the appropriations for foreign nations closely approached, and even surpassed, what ordinarily would constitute an entire year's appropriations for the expenses of this Government. It required some time to establish this precedent, but it was finally established, and is not now questioned.

In my humble opinion this is the first step toward breaking down the independence of the Senate by the executive department, and the constitutional provision that the Senate review any such treaty before final approval.

Mr. HAWKES. Mr. President, will the Senator yield?

Mr. MALONE. I am happy to yield.

Mr. HAWKES. I think I understand perfectly what the Senator from Nevada has in mind. He is not saying that after we give our advice, we must give our consent; but he is saying that if we advise about a matter, then if that matter is carried out substantially in accordance with our advice, we shall have practically bound ourselves morally to give our consent. I understand that is what the Senator has in mind.

Mr. MALONE. The distinguished Senator from New Jersey has expressed perfectly my feelings in the matter.

Mr. HAWKES. I should like to say, if the Senator will further yield, that one thing which has been difficult for me to understand is that repeatedly on the floor of the Senate Senators have argued that we cannot do what we would like to do in a certain matter because we have done something 1 or 2 years before, which binds us in our action now. I think the Senator from Nevada wishes to be sure that when we give our advice, we shall be willing to go through with the matter and give our consent later on, rather than run the risk of being accused by any nation of a breach of good faith if we do not later give our consent.

Mr. MALONE. I think that is entirely true. It would be like the situation which has developed in various committees—for instance, in the committee considering flood-control matters. Witnesses appearing before the committee often say, "The authorization of this project does not appropriate the money." But once the project is authorized, the witnesses then say to the Appropriations Committee, "You are morally bound to make this appropriation, because the Congress of the United States has authorized this project." In other words, although technically the committee could refuse to make the appropriation, morally it is bound and cannot refuse.

Mr. HAWKES. I may say to the distinguished Senator that I am one who believes that the Congres should be very careful in the authorizations it makes. In my business life, my constant practice has been that

after I have authorized something, I follow through with it and pay the bill and carry on in accordance with the authorization.

One of the criticisms I have of this great body—and I have made this criticism both on the floor of the Senate and elsewhere publicly—is that often when we authorize an expenditure we are told at the time of the authorization that it does not necessarily follow that we shall appropriate the necessary funds, following the authorization; whereas, in the last analysis, I find that every time a question of making an appropriation arises, the argument is advanced that inasmuch as the authorization has been made, we must make the appropriation.

Mr. MALONE. I think the Senator's analogy is perfect. In other words, if the Senate in effect directs the President and State Department to make such treaties, indicating the nature of such agreements, they will have a perfect right to say to the Senate later, "You directed us to do this, and now we expect you to ratify this treaty." Then tons of propaganda will go out over the country; and the first thing we know, our votes will be in the pocket, or else our votes will be minority votes and we have lost our opportunity.

Mr. BALDWIN. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. THYE in the chair). Does the Senator from Nevada yield to the Senator from Connecticut?

Mr. MALONE. I yield.

Mr. BALDWIN. Does not the point the Senator from Nevada has raised go to the very basis of this entire matter? I understand that the Senator has raised the point that if we take the initial step now proposed, we shall ultimately be bound to take others. Is that the point?

Mr. MALONE. Yes. We shall be taking this step without having any idea whatever of what is in the mind of the President or the State Department as to the kind of treaty that will be presented to us later, but in effect we are directing them to make it without such knowledge.

Mr. BALDWIN. Then the only alternative the Senator has to offer is that we do nothing. Is that correct?

Mr. MALONE. We have already indicated our position through ratifying the United Nations Charter in the regular way. The alternative I would offer is that we follow the Constitution of the United States and not commit ourselves in advance. I am not a part of the State Department, and I do not believe the Distinguished Senator from Connecticut is a part of it. Certainly we are not the President of the United States. The Constitution of the United States provides that the President shall make the treaties and shall send them to this body for ratification. At that time when the Senate considers the proposed treaties, prior to ratifying them, all the evidence is supposed to be available to the Senate. It is not available now.

Mr. BALDWIN. Where does the Senator find in the resolution anything which says that any treaty made under this resolution by the State Department or the President is not to be ratified by the Senate?

Mr. MALONE. The entire requirement that we must later ratify it in the regular manner is lost in a maze of verbiage indicating that we are urging such treaties—and therefore the final ratification will be a mere matter of form.

Mr. BALDWIN. Then obviously the Constitution will prevail, and the arrangements now being considered by us would be subject to the constitutional requirements.

Mr. MALONE. I think the Senator is entirely correct. The Senator from Connecticut has been a Member of the Senate for about the same time that I have; he and I are both yearlings. Of course, I defer to the long experience of the distinguished Senator from Michigan, and I listen with very great attention to everything he has to say. But still I say to the distinguished Senator from Connecticut that there is nothing in the Constitution which even implies or in any way would lead me to believe that we are a part of the State Department or the executive branch of the Government, and that we must, in advance, give them permission to make or, in fact, direct them to make, any kind of treaty whatever.

Mr. BALDWIN. Let me call the attention of the Senator to paragraph (2) of the resolution:

"(2) Progressive development of regional and other collective arrangements for individual and collective self-defense in accordance with the purposes, principles, and provisions of the charter.

That means that we favor taking the step of developing regional arrangements, as I understand.

Then the resolution further says:

"(3) Association of the United States, by constitutional process"—

I take it that means exactly what my good friend the Senator from Nevada is talking about—

"with such regional and other collective arrangements as are based on continuous and effective self-help and mutual aid, and as affect its national security."

In other words, we shall enter into these regional arrangements if we find it advisable and wise to do so as a protection of our own national security and our own national interest.

It seems to me that in all the history of treaty making, that is the process we have always followed. Whether we undertake it individually as a Nation or whether we undertake it as a group of nations, does not seem to me to make very much difference. It takes two to make a contract; but there have been treaties between 2 nations and there have been treaties between 22 nations.

It seems to me this proposal envisages no more than we already have done, except it indicates our willingness to go forward along the path of settling our difficulties by the process of agreement in treaties; and then we go further in the resolution and say that if the United States becomes a party to such an arrangement, it must be on the basis of observance of our constitutional processes.

I submit to the Senator that is the time-honored way by which we have always proceeded in such matters.

Mr. MALONE. May I interpose?

The PRESIDING OFFICER. The Senator from Nevada has the floor.

Mr. MALONE. I say to my distinguished colleague that the present proposal is somewhat similar to the procedure used in connection with trade treaties at this time. There was a time when all treaties had to be ratified by the Senate. Then it was proposed to the Congress by the executive branch of the Government that a different procedure be followed; and, finally, after first one step and then another, this body relinquished all authority in respect to ratifying trade treaties. They are now made entirely independent of the Senate—and go into effect even against the wishes of this body.

I submit to the Senator from Connecticut that if we take the initiative in this matter and urge the President or the State Department to do certain of these things, then we shall be morally bound to follow whatever they do. However, we will be taking this action without any indication of what those treaties will provide.

If the distinguished Senator from Connecticut will bear with me until I proceed a little further with my remarks, perhaps some of his questions will be answered.

PACTS HAVE COST NATION TRADITIONAL INDEPENDENCE

Mr. MALONE. Mr. President, during that debate I contended:

That in my humble opinion, the resolution before this body places the Senate on Record as advising the President to pursue, and among other things, to make an Atlantic Pact; to quote the language of the resolution:

"Progressive development of regional and other collective arrangements for individual and collective self-defense in accordance with the purposes, principles, and provisions of the charter.

"Association of the United States by constitutional process with such regional and other collective arrangements as are based on continuous and effective self-help and mutual aid, and as affect its national security.

"Contributing to the maintenance of peace by making clear its determination to exercise the right of individual or collective self-defense under article 51 should any armed attack occur affecting its national security."

Mr. President, because of the pacts under consideration, affecting the United States of America, we have lost the position we held for 175 years, of insisting on the right to decide when our national security was in jeopardy. Practically every one of the pacts completely binds us to go to war when nations such as England and France which have individual security pacts with Russia are in war. Because of our pacts with England and France and other European nations, and which we now have also with many of the Asiatic nations, we are committed to go to war when any one of those other nations is at war.

PACTS PREVENT UNITED STATES FROM BEING JUDGE OF OWN SECURITY

We are no longer the sole judge of when our security is threatened.

Mr. President, I also call attention to the fact that we have no control over decisions by these nations as to when and where and over what they shall get into war. That situation arises from our guarantee of the integrity of the colonial slavery system throughout the world, because the way they get into war is through the defense of that system.

They are trade wars, wars to defend their colonial slavery possessions. France and Indochina afford one instance. Neither the United States nor France had any friends in Indochina, simply because the people of Indochina knew that if our principles prevailed, they would continue in colonial slavery under France. They did not know very much about communism, but they knew plenty about colonial slavery, and they were having no more of it.

POLICY OF DIVIDING NATIONS AND PEOPLES FOLLOWED EVER SINCE WORLD WAR II

Since World War II, we have followed a policy of dividing nations. Germany is today divided into four parts, controlled, respectively, by Russia, the United States, England, and France. India is divided into two parts—India and Pakistan. Indochina is divided into two parts. Korea is divided into two parts. Every sign indicates that China will have two parts very soon—with tacit recognition of Red China, and leaving Chiang Kai-shek in the United Nations.

Mr. President, again I remind the Senate that the United States is continually signing pacts with other nations; and the nations with whom we have signed the pacts have, in turn, signed pacts with our potential enemies; and those pacts are still in good standing. Furthermore, through these pacts we

have guaranteed the integrity of the colonial slavery system throughout the world, and have guaranteed that we shall go to war if any of the nations with whom we have signed pacts goes to war; but in that connection we have no control over where or when or over what these nations shall get into war. For these reasons, Mr. President, I shall vote against ratification of the pacts now before us.

Mr. LEHMAN. Mr. President, I expect to vote for ratification of the pending treaties, but I shall vote for them with some misgivings. I shall vote for ratification of the treaties because I believe that that is an essential step on the road to the building of a strong, free Western World and to the redress of the balance of power in Europe.

I believe that the increase in the strength and defense capacity of Western Europe—and the establishment of the maximum amount of unity that is possible among the nations of Western Europe—should be the cornerstone of American foreign policy, just as I believe that the unity and strength of the Atlantic community of nations is and should be the cornerstone of American defense policy.

The accords submitted today to the Senate are a necessary implementation of this policy. The pending agreements restore to Western Germany—to the Germany that the free world recognizes—the last measures of severeignty. Under the terms of this agreement, Germany is given her full seat at the council table of the western European nations. Under the terms of these agreements, the Federal Republic of Germany is given not only full sovereignty but full membership in the North Atlantic Treaty Organization. Germany is welcomed back into the bosom of the European family, a free and equal member, with full and equal responsibilities for the defense of Western Europe and the free world.

To this course, I see no feasible or practical alternative. Yet it is not without grave doubts and reservations that I come to this conclusion. I have the greatest respect and the highest regard for Chancellor Adenauer and President Heuss, who are true devotees of democracy and the democratic way.

The present Government of Germany is a democratic government. But I do not know how deep the democratic current runs in Germany. I am not convinced that Germany has yet developed a sufficient tradition of democratic faith and practice to permit her to withstand the siren call of totalitarianism in the years ahead.

I regard with considerable apprehension the prospect of the rearmament of Germany. At the present time there is, among many of the people of Germany, a strong resistance to rearmament. Generally speaking, rearmament is not a popular cause in Germany today.

I believe one of the reasons for this is that the democratic elements in Germany themselves fear the effects of a remilitarization of that country. I am sure that many of the German people feel an even greater apprehension than I do over the effect which the sight and possession of a German Army will have on the German people.

If totalitarian, militaristic-minded elements again regain a dominant voice in German political life, and if the voice of the soldier and the officer corps should again command the respect it has enjoyed in Germany for so many generations and centuries, we—all of us, including the German people—will have reason to regret it. Then one of the principal fruits of the dearly bought victory we won 10 years ago will have been lost.

But I recognize, Mr. President, that today's threat to world peace must be met today. I recognize that Germany must be brought into the family of free nations, and must be kept securely there. I recognize that Western Germany must be permitted to fill the power vacuum which exists in central Europe. I recognize, finally, that Germany must make its contribution to the defense of Western Europe.

I pray, however, that our policymakers and the leaders of our Government will do whatever is possible to lend aid and comfort to the democratic elements in Germany and to maintain whatever safeguards are possible against the rebirth of the militaristic spirit in Germany.

The fears or France must be given due weight. They are not without substance. The apprehension of the French people is shared by a great many people in this country, as it is shared by millions of people throughout Europe.

We must not and we dare not give to the peoples of Europe—the French, the Dutch, the Norwegians, the Danes, the Beligians; yes, and the Czechs, the Poles, the Hungarians, and the Austrians—to all peoples who in the past have suffered at the hands of Germany—substantial grounds for believing that we are bent on encouraging the restoration, not of a free German nation, but of a militaristic German nation, a power-seeking German nation.

We shall never be forgiven—history will never forgive us—if we are judged primarily responsible for making the same mistake—for leading to the same course of events—which occurred after World War I.

There is already too great a parallel. In many respects it sounds as if the same record were being played over and over again. I fear these similarities; yet I know there is a difference.

It is on the basis of this difference and on the basis of my hope that we have learned from our mistakes of the past, that I shall cast my vote in favor of ratification of the pending agreements.

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

OUR PRAYERS COULD CHANGE THE WORLD

Mr. O'MAHONEY. Mr. President, I think it appropriate at this time to read into the RECORD a letter which I received this week from an old lady in Wyoming whom I have known for years. She is more than 90 years of age. The letter is simple. It is direct. It is impressive. It will have wide appeal and it is a fitting conclusion to the present debate.

Writing from her home at 124 Wyoming Avenue, Sheridan, Wyo., under date of March 21, 1955, she says:

Hon. JOSEPH C. O'MAHONEY,
Washington, D. C.

DEAR SENATOR: At the present I am more exercised over world peace than any other one thing. If we could only achieve that, "All other things could be added." I am a strong believer in prayer. There must be some 500 or more in our Congress today. If every voice could be offered up in honest prayer, no one knows what might be the results.

Lay aside all prejudices, all political and religious differences. We all worship the same God. "And all things whatsoever ye shall ask in prayer, believing, ye shall receive." Matthew 21:22. This is just as true today as when it was uttered.

I wish you would read this article, "Our Prayers Could Change the World," to the Senate and have it published in the CONGRESSIONAL RECORD.

You know I am an old lady past 90, and what I do I must do quickly. God bless you.

Sincerely,

Mrs. MARY J. ASH.

P. S.—Please don't feel me presumptuous in writing like this. I do it in all sincerity.

M. A.

Enclosed with the letter was an article entitled "Our Prayers Could Change the World," written by Stanley High, one of the editors of the Reader's Digest. By a curious coincidence Stanley High was born in Douglas, Wyo., where his father was minister of one of the churches. I am sure he will appreciate the letter of Mrs. Ash.

At the top of the article my dear friend from Sheridan writes:

I wish every Congressman would read this and act accordingly.

I ask unanimous consent that the article by Stanley High be printed in the RECORD at this point as a part of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

OUR PRAYERS COULD CHANGE THE WORLD

(By Stanley High)

How can the average American, the average citizen of any free nation, help win the struggle to save freedom and achieve a just and lasting peace?

The answer to this universal question now comes from the weighty testimony of many distinguished men. It is this: A lasting peace can be achieved only through the rediscovery of the free world's spiritual resources, the reviving among free peoples of a dynamic religious faith.

"Peace cannot be left to the diplomat and the soldier," says President Eisenhower. "It desperately needs the transforming power that comes from men and women, the world over, responding to their highest allegiances and to their best motives. The cause of peace needs God."

"The West has erred," says the historian Arnold J. Toynbee, "because it has chosen to fight communism with communism's own materialist weapons. As long as the battle is fought on these terms, the Communists will keep on winning. Western democracy must base its appeal on more than freedom, more than prosperity; it must base its appeal on religion. Only in this way can democracy turn the tables on the Communist assailants. The grace of God might bring about this miracle."

Charles Malik, Lebanese Ambassador to the United States and an Arab spokesman in the United Nations, says, "Nothing is more ridiculous than those who say 'fight communism' and then concentrate on the economic and social alone. The real challenge is intellectual and spiritual. What is needed is a positive message, something humble, outreaching, touching the hearts of men, touching their need for understanding, providing hope. How can such a message be given reality save by multitudes of ordinary men and women stirred and exalted by religious faith?"

Is there a way whereby religion's power to shape events can be made effective? President Eisenhower believes there is. He set it forth before the assembly of the World Council of Churches:

"How can we help strike this spark of dedication in receptive hearts around the earth? By personal prayer by hundreds upon hundreds of millions. The goal should be nothing short of inviting every single person in every single country who believes in a Supreme Being to join in this mighty, intense act of faith. If this mass dedication launched an unending campaign for peace, supported by prayer, I am certain wondrous results would ensue."

This conviction of the President is backed up by the judgment of other Americans who, in times of great crisis, acknowledged their faith in prayer. When, in 1787, the threat of failure loomed over the Constitutional Convention, Benjamin Franklin called for daily prayers:

"I have lived, sir, a long time; and the longer I live the more convincing proofs I see that God governs in the affairs of men. We have been assured, sir, in the Sacred Writings, that 'except the Lord build the house, they labor in vain that build it.' I firmly believe this; and I also believe that, without His concurring aid, we shall succeed in this political building no better than the builders of Babel."

With the fate of the Union at stake in his decisions, Abraham Lincoln said: "I talk to God. My mind seems relieved when I do and a way is suggested. I should be a self-conceited blockhead if I should hope to get along without the wisdom that comes from God and not from man."

If each of us set aside some time every day to pray fervently for a just and lasting peace, is it likely that wondrous results would ensue?

For the answer to this question do not look to those who are skeptical of prayer and ignorant of praying. The opinions on prayer of such men, says Dr. George A. Buttrick, are like those of tone-deaf men judging music. Here, as in any field of knowledge, we should turn to experts—men who speak of prayer from their own observation and experience.

"If prayers were not answered," says Dr. Buttrick in his book Prayer, "praying would long since have vanished in man's despair and pain."

"If praying did not produce results," said the late Rufus Jones, renowned Quaker philosopher, "it would soon be weeded out of the human race. It would shrivel like the functionless organ."

In these times it is not prayer which has failed, but we who have failed to pray. Dr. Alexis Carrel believed that "prayer is our greatest source of power. But," he added, "it is miserably undeveloped."

God does not "force His assistance on us," says Father James Keller, founder of The Christophers. "He leaves us free to take it or leave it. The key to the door is given in Jesus' words: 'Ask,' 'Seek,' 'Knock.'

"It is as clear, as simple as the story of the small boy struggling mightily to lift a heavy stone. He couldn't budget it. Happening to pass by his father asked, 'Are you using all your strength?' 'Yes, I am,' said the boy impatiently. 'I don't think you are,' said the father. 'You haven't asked me to help.'

"The road to a just and lasting peace has some mighty big stones in it."

"Some years ago," says Dr. Norman Vincent Peale, "the scientist Steinmetz prophesied the time would come when we would take prayer into our laboratories and release tremendous power. Countless men and women today, in the laboratories of their own lives, are proving what prayer can do. A hard core of thoroughly dedicated prayer-scientists, focusing spiritual power on men and events, could loose a redeeming, creating force in the world which no evil host, not even the Communists could stand against. I believe there are tens of thousands of people around the world ready to join in the fellowship and adventure of such an experiment."

"We will never rid the world of war," says Evangelist Billy Graham, "until we ourselves are rid of iniquity. What does God say? 'From whence come wars and fightings among you * * * come they not from your lusts?' What has God promised? 'When a man's ways please the Lord, he maketh even his enemies to be at peace with him.'"

Is there any doubt, ask Dr. Rheinhold Niebuhr, that "our dedication would influence the policies of nations? The task of overcoming pride and arrogance, which assail every nation and are an obstacle to peace, is a religious one. Greater humility and patience in our dealings with other nations must begin with a deeper humility and patience in us, as individuals. Granted we deal with an unscrupulous foe. Yet, how better than by the spirit born of our prayers can be convince him of the honesty of our purposes, the sincerity of our desire for peace?"

From our dedication through prayer we could expect a unity for peace among the world's peoples made vastly stronger because its source was spiritual, not merely military and material. Father Keller quotes the conclusion of Napoleon as he looked back from St. Helena on the ruins of his conquests: "There are two world powers, the sword and the spirit. The spirit has always vanquished the sword."

"Faith has indeed moved mountains," says President Eisenhower. "Ours is a time when great things must again be dared in faith."

Millions profess that belief. Will we accept the challenge?

PROTOCOL ON THE TERMINATION OF THE OCCUPATION REGIME IN THE FEDERAL REPUBLIC OF GERMANY, AND PROTOCOL TO THE NORTH ATLANTIC TREATY ON THE ACCESSION OF THE FEDERAL REPUBLIC OF GERMANY

The PRESIDING OFFICER. If there be no objection, the protocols will be considered as having passed through their various parliamentary stages up to the point of consideration of the resolutions of ratification. The clerk will now read the resolutions of ratification.

The legislative clerk read the resolutions of ratification, as follows:

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of Executive L, 83d Congress, 2d session, a protocol on the termination of the occupation regime in the Federal Republic of Germany, signed at Paris on October 23, 1954.

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of Executive M, 83d Congress, 2d session, a protocol to the North Atlantic Treaty on the accession of the Federal Republic of Germany, signed at Paris on October 23, 1954.

The PRESIDING OFFICER. The question now is, Will the Senate advise and consent to the resolutions of ratification? On this question the yeas and nays have been ordered. Under the unanimous-consent agreement, 1 vote will be taken on the resolutions of ratification of the 2 protocols, but the vote will be recorded on each separately.

EXECUTIVE L (83D CONG., 2D SESS.)—THE PROTOCOL ON THE TERMINATION OF THE OCCUPATION REGIME IN THE FEDERAL REPUBLIC OF GERMANY, SIGNED AT PARIS ON OCTOBER 23, 1954

The PRESIDING OFFICER. The clerk will call the roll first on Executive L.

The legislative clerk called the roll.

Mr. CLEMENTS. I announce that the Senator from New Mexico [Mr. CHAVEZ], the Senator from North Carolina [Mr. ERVIN], the Senator from Oklahoma [Mr. KERR] are absent on official business.

The Senator from Virginia [Mr. BYRD] is absent because of illness in his family.

The Senator from Missouri [Mr. HENNINGS] is absent because of illness.

The Senator from Massachusetts [Mr. KENNEDY] is absent by leave of the Senate because of illness.

I further announce that on this vote the Senator from Virginia [Mr. BYRD], the Senator from New Mexico [Mr. CHAVEZ], the Senator from North Carolina [Mr. ERVIN], the Senator from Missouri [Mr. HENNINGS], the Senator from Massachusetts [Mr. KENNEDY], and the Senator from Oklahoma [Mr. KERR], if present and voting, would vote "yea."

Mr. SALTONSTALL. I announce that the Senator from Vermont [Mr. AIKEN], the Senator from Connecticut [Mr. BUSH], the Senators from Utah [Mr. BENNETT and Mr. WATKINS], the Senator from Indiana [Mr. CAPEHART], the Senators from South Dakota [Mr. CASE and Mr. MUNDT], and the Senator from Idaho [Mr. WELKER] are absent on official business.

The Senator from New Hampshire [Mr. BRIDGES], the Senator from Maryland [Mr. BUTLER], and the Senator from Indiana [Mr JENNER] are necessarily absent.

The Senator from Kansas [Mr. SCHOEPPEL] is detained on official business.

I also announce that, if present and voting, the Senator from Vermont [Mr. AIKEN], the Senator from Connecticut [Mr. BUSH], the Senators from Utah [Mr. BENNETT and Mr. WATKINS], the Senator from New Hampshire [Mr. BRIDGES], the Senator from Maryland [Mr. BUTLER], the Senator from Indiana [Mr. CAPEHART], the Senators from South Dakota [Mr. CASE and Mr. MUNDT], the Senator from Kansas [Mr. SCHOEPPEL], and the Senator from Idaho [Mr. WELKER] would each vote "yea."

The yeas and nays resulted—yeas 76, nays 2, as follows:

YEAS—76

Allott	Green	Morse
Anderson	Hayden	Murray
Barkley	Hickenlooper	Neely
Barrett	Hill	Neuberger
Beall	Holland	O'Mahoney
Bender	Hruska	Pastore
Bible	Humphrey	Payne
Bricker	Ives	Potter
Carlson	Jackson	Purtell
Case, N. J.	Johnson, Tex.	Robertson
Clements	Johnston, S. C.	Russell
Cotton	Kefauver	Saltonstall
Curtis	Kilgore	Scott
Daniel	Knowland	Smathers
Dirksen	Kuchel	Smith, Maine
Douglas	Lehman	Smith, N. J.
Duff	Long	Sparkman
Dworshak	Magnuson	Stennis
Eastland	Mansfield	Symington
Ellender	Martin, Iowa	Thurmond
Flanders	Martin, Pa.	Thye
Frear	McCarthy	Wiley
Fulbright	McClellan	Williams
George	McNamara	Young
Goldwater	Millikin	
Gore	Monroney	

NAYS—2

Langer	Malone

NOT VOTING—18

Aiken	Capehart	Kennedy
Bennett	Case, S. Dak.	Kerr
Bridges	Chavez	Mundt
Bush	Ervin	Schoeppel
Butler	Hennings	Watkins
Byrd	Jenner	Welker

The PRESIDING OFFICER. On this vote the yeas are 76 and the nays are 2. Two-thirds of the Senators present having voted in the affirmative, the resolution of ratification on Executive L is agreed to.

EXECUTIVE M (83D CONG., 2D SESS.), THE PROTOCOL TO THE NORTH ATLANTIC TREATY ON THE ACCESSION OF THE FEDERAL REPUBLIC OF GERMANY, SIGNED AT PARIS ON OCTOBER 23, 1954

The PRESIDING OFFICER. The roll will now be called on the resolution of ratification on Executive M.

The legislative clerk called the roll.

Mr. CLEMENTS. I announce that the Senator from New Mexico [Mr. CHAVEZ], the Senator from North Carolina [Mr. ERVIN], and the Senator from Oklahoma [Mr. KERR] are absent on official business.

The Senator from Virginia [Mr. BYRD] is absent because of illness in his family.

The Senator from Missouri [Mr. HENNINGS] is absent because of illness.

The Senator from Massachusetts [Mr. KENNEDY] is absent by leave of the Senate because of illness.

I further announce that on this vote the Senator from Virginia [Mr. BYRD], the Senator from New Mexico [Mr. CHAVEZ], the Senator from North Carolina [Mr. ERVIN], the Senator from Missouri [Mr. HENNINGS], the Senator from Massachusetts [Mr. KENNEDY], and the Senator from Oklahoma [Mr. KERR], if present and voting, would vote "yea."

Mr. SALTONSTALL. I announce that the Senator from Vermont [Mr. AIKEN], the Senator from Connecticut [Mr. BUSH], the Senators from Utah [Mr. BENNETT and Mr. WATKINS], the Senator from Indiana [Mr. CAPEHART], the Senators from South Dakota [Mr. CASE and Mr. MUNDT], and the Senator from Idaho [Mr. WELKER] are absent on official business.

The Senator from New Hampshire [Mr. BRIDGES], the Senator from Maryland [Mr. BUTLER], and the Senator from Indiana [Mr. JENNER] are necessarily absent.

The Senator from Kansas [Mr. SCHOEPPEL] is detained on official business.

I also announce that if present and voting the Senator from Vermont [Mr. AIKEN], the Senator from Connecticut [Mr. BUSH], the Senators from Utah [Mr. BENNETT and Mr. WATKINS], the Senator from New Hampshire [Mr. BRIDGES], the Senator from Maryland [Mr. BUTLER], the Senator from Indiana [Mr. CAPEHART], the Senators from South Dakota [Mr. CASE and Mr. MUNDT], the Senator from Kansas [Mr. SCHOEPPEL], and the Senator from Idaho [Mr. WELKER] would each vote "yea."

The yeas and nays resulted—yeas 76, nays 2, as follows:

YEAS—76

Allott	Green	Morse
Anderson	Hayden	Murray
Barkley	Hickenlooper	Neely
Barrett	Hill	Neuberger
Beall	Holland	O'Mahoney
Bender	Hruska	Pastore
Bible	Humphrey	Payne
Bricker	Ives	Potter
Carlson	Jackson	Purtell
Case, N. J.	Johnson, Tex.	Robertson
Clements	Johnston, S. C.	Russell
Cotton	Kefauver	Saltonstall
Curtis	Kilgore	Scott
Daniel	Knowland	Smathers
Dirksen	Kuchel	Smith, Maine
Douglas	Lehman	Smith, N. J.
Duff	Long	Sparkman
Dworshak	Magnuson	Stennis
Eastland	Mansfield	Symington
Ellender	Martin, Iowa	Thurmond
Flanders	Martin, Pa.	Thye
Frear	McCarthy	Wiley
Fulbright	McClellan	Williams
George	McNamara	Young
Goldwater	Millikin	
Gore	Monroney	

NAYS—2

Langer	Malone

NOT VOTING—18

Aiken	Capehart	Kennedy
Bennett	Case, S. Dak.	Kerr
Bridges	Chavez	Mundt
Bush	Ervin	Schoeppel
Butler	Hennings	Watkins
Byrd	Jenner	Welker

The PRESIDING OFFICER. On this vote the yeas are 76 and the nays are 2. Two-thirds of the Senators present having voted in the affirmative, the resolution of ratification on Executive M is agreed to.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the President be advised of the Senate's advice and consent with reference to the ratification of the protocols.

The PRESIDING OFFICER. Without objection, the President will be notified.

Mr. HUMPHREY subsequently said. Mr. President, prior to the vote on the two protocols today I wanted to correct an editorial comment in this morning's Washington Post and Times Herald. However, in order to expedite the vote, I acceded to the request of the majority leader that I not speak at that time. I ask unanimous consent to have the editorial printed at this point in the RECORD as a part of my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

SENATE AND THE TREATIES

Today or tomorrow the Senate will approve the Paris treaties to restore sovereignty to West Germany and make that country a part of the Western defense system. The last doubt about the Senate's attitude was removed yesterday when its Foreign Relations Committee voted 14 to 1 in favor of ratifying the treaties, with only Senator LANGER in opposition. This almost unanimous approval reflects the eagerness of the American people to keep the North Atlantic Alliance and the European continental defense system strong enough to discourage Communist aggression. We hope that the Senate will reemphasize American unity on this point by an equally overwhelming vote for the treaties.

The delay in ratification reflects no lukewarm attitude on the part of this country. The Senate had been waiting only for France and Germany to act on the treaties. In a matter so vitally affecting the future of France and Germany, it would not have been psychologically appropriate for this country to have taken the lead. Now that the great hurdles have been cleared in Paris and Bonn, however, an emphatic American endorsement will be a useful contribution to the cause of peace.

It is undoubtedly true, as Senator HUMPHREY has pointed out, that rearming of West Germany is a calculated risk. But the risk is wholly different from that which the Allies took after the First World War and which led to the rise of Hitler. Nor is the chief difference the lesson that the German people have learned a second time about the dangers of militarism. Rather, it lies in the integration of the German Army that will now come into being with the larger defense system of the Western World. West Germany will now be a part of NATO. Possibly more important, it will be a part of the Western European Union, which will control the type and volume of its armaments. A reunited Germany would not be able to go on the warpath again without defying all Western Europe as well as the United States.

Whatever risk there may be that Germany will break out of this defense system and once more menace her neighbors, it is minor compared with the present danger of aggression from behind the Iron Curtain. Any cool appraisal of present conditions must emphasize the necessity of bringing West Germany into the alliance that is keeping the peace in Europe. The people of France and Germany have made heroic adjustments in their thinking to permit the strengthening of this defense system. The United States has from the beginning given its pledge of support. Now that the final steps in the ratifying process are being taken let them be as impressive as possible.

Mr. HUMPHREY. Mr. President, I should like to read one sentence from the editorial, as follows:

It is undoubtedly true, as Senator HUMPHREY has pointed out, that the rearming of West Germany is a "calculated risk."

I have the greatest respect for the editorial writers of the Washington Post and Times Herald, but I suggest that their quoting out of context what I said is doing a disservice to them and to the junior Senator from Minnesota. What I pointed out in the Committee on Foreign Relations was that whenever a treaty is entered into with a foreign country, particularly in the light of the history of Germany, a calculated risk is involved, but that in this case it is one that is well taken, in view of the tense

international situation, and because of the importance of having Western Germany integrated into the western defense system.

The junior Senator from Minnesota pointed out that one of the real hopes of continuing democracy in Germany was to have Western Germany, the Federal Republic of Germany, made a part of the family of free nations and to bring her into the confines of the North Atlantic Treaty Organization, and in that way give support and stature and assistance to the political parties of Germany, who are striving for the democratic way of life in Germany, and endeavoring to give Germany a representative government.

It was with that realization that I voted for the ratification of the protocols today. It is a great victory for the free world to have free Germany given back her sovereignty and to have her participate as a free partner in the family of nations, which will be an even greater bulwark of strength because of Germany's active participation.

INTERNATIONAL TELECOMMUNICATIONS CONVENTION, WITH ANNEXES, AND FINAL PROTOCOL TO THE CONVENTION

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of Executive R, the International Telecommunication Convention, 83d Congress, 1st session.

I should like to say that if the motion is agreed to, we expect the consideration of the convention will take only a short time; but there will be another yea-and-nay vote, so I ask Senators to remain in the Chamber.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas.

The motion was agreed to; and the Senate, as in Committee of the Whole, proceeded to consider the convention (Executive R, 83d Cong., 1st sess.), the International Telecommunication Convention, with annexes, and the final protocol to the convention, with understandings which were signed at Buenos Aires on December 22, 1952, by the delegates of the United States of America and the delegates of other countries represented at the International Telecommunications Conference, Buenos Aires, 1952, which was read the second time, as follows:

INTERNATIONAL TELECOMMUNICATION CONVENTION

(Preamble)

While fully recognizing the sovereign right of each country to regulate its telecommunication, the plenipotentiaries of the Contracting Governments, with the object of facilitating relations between the peoples by means of efficient telecommunication services, have agreed to conclude the following Convention:

CHAPTER 1—COMPOSITION, FUNCTIONS AND STRUCTURE OF THE UNION

Article 1—Composition of the union

1. The International Telecommunication Union shall comprise Members and Associate Members.

2. A Member of the Union shall be:

(a) any country or group of territories listed in Annex 1 upon signature and ratification of, or accession to, this Convention, by it or on its behalf;

(b) any country not listed in Annex 1 which becomes a Member of the United Nations and which accedes to this Convention in accordance with Article 16;

(c) any sovereign country not listed in Annex 1 and not a Member of the United Nations which applies for membership in the Union and which, after having secured approval of such application by two-thirds of the Members of the Union, accedes to this Convention in accordance with Article 16.

3. (1) All Members shall be entitled to participate in conferences of the Union and shall be eligible for election to any of its organs.

(2) Each Member shall have one vote at any conference of the Union and at any meeting of a permanent organ of the Union of which it is a Member.

4. An Associate Member of the Union shall be:

(a) any country, territory or group of territories listed in Annex 2 upon signature and ratification of, or accession to, this Convention, by it or on its behalf;

(b) any country which has not become a Member of the Union in accordance with paragraph 2 of this Article, by acceding to this Convention in accordance with Article 16, after its application for Associate Membership has received approval by a majority of the Members of the Union;

(c) any territory or group of territories, not fully responsible for the conduct of its international relations, on behalf of which a Member of the Union has signed and ratified or acceded to this Convention in accordance with Article 16 or 17, provided that its application for Associate Membership is sponsored by such Member, after the application has received approval by a majority of the Members of the Union;

(d) any trust territory on behalf of which the United Nations has acceded to this Convention in accordance with Article 18, and the application of which for Associate Membership has been sponsored by the United Nations.

5. If any territory or group of territories, forming part of a group of territories constituting a Member of the Union, becomes or has become an Associate Member of the Union in accordance with subparagraphs (a) and (c) of paragraph 4 above, its rights and obligations under this Convention shall be those of an Associate Member only.

6. Associate Members shall have the same rights and obligations as Members of the Union, except that they shall not have the right to vote in any conference or other organ of the Union. They shall not be eligible for election to any organ of the Union of which the Members are elected by a plenipotentiary or administrative conference.

7. For purposes of paragraphs 2 (c), 4 (b) and 4 (c) above, if an application for Membership or Associate Membership is made, by diplomatic channels and through the intermediary of the country of the seat of the Union, during the interval between two plenipotentiary conferences, the Secretary-General shall consult the Members of the Union; a Member shall be deemed to have abstained if it has not replied within four months after its opinion has been requested.

Article 2—Seat of the Union

The seat of the Union and of its permanent organs shall be at Geneva.

Article 3—Purposes of the Union

1. The purposes of the Union are:

(a) to maintain and extend international cooperation for the improvement and rational use of telecommunication of all kinds;

(b) to promote the development of technical facilities and their most efficient operation with a view to improving the efficiency of telecommunication services, increasing ther usefulness and making them, so far as possible, generally available to the public;

(c) to harmonize the actions of nations in the attainment of those common ends.

2. To this end, the Union shall in particular:

(a) effect allocation of the radio frequency spectrum and registration of radio frequency assignments in order to avoid harmful interference between radio stations of different countries;

(b) foster collaboration among its Members and Associate Members with a view to the establishment of rates at levels as low as possible consistent with an efficient service and taking into account the necessity for maintaining independent financial administration of telecommunication on a sound basis;

(c) promote the adoption of measures for ensuring the safety of life through the cooperation of telecommunication service;

(d) undertake studies, formulate recommendations, and collect and publish information on telecommunication matters for the benefit of all Members and Associate Members.

Article 4—Structure of the Union

The organization of the Union shall be as follows:

1. the Plenipotentiary Conference which is the supreme organ of the Union;

2. Administrative Conferences;

3. the permanent organs of the Union which are:

(a) the Administrative Council,

(b) the General Secretariat,

(c) the International Frequency Registration Board (I. F. R. B.)

(d) the International Telegraph Consultative Committee (C. C. I. T.)

(e) the International Telephone Consultative Committee (C. C. I. F.)

(f) the International Radio Consultative Committee (C. C. I. R)

Article 5—Administrative Council

A. Organization and working arrangements:

1. (1) The Administrative Council shall be composed of eighteen Members of the Union elected by the plenipotentiary conference with due regard to the need for equitable representation of all parts of the world. The Members of the Union elected to the Council shall hold office until the date on which a new Council is elected by the plenipotentiary conference. They are eligible for re-election.

(2) If between two plenipotentiary conferences a seat becomes vacant on the Administrative Council, it shall pass by right to the Member of the Union, from the same region as the Member whose seat is vacated, who had obtained at the previous election the largest number of votes among those not elected.

2. Each of the Members of the Administrative Council shall appoint to serve on the Council a person qualified in the field of telecommunication services.

3. Each Member of the Council shall have one vote.

4. The Administrative Council shall adopt its own Rules of Procedure.

5. The Administrative Council shall elect its own Chairman and Vice-Chairman at the beginning of each annual session. They shall serve until the opening of the next annual session and shall be eligible for re-election. The Vice-Chairman shall serve as Chairman in the absence of the latter.

6. (1) The Council shall hold an annual session at the seat of the Union.

(2) During this session it may decide to hold, exceptionally, an additional session.

(3) Between ordinary sessions, it may be convened, as a general rule at the seat of the Union, by its Chairman at the request of the majority of its Members.

7. The Secretary-General and the two Assistant Secretaries-General, the Chairman of the International Frequency Registration Board, the Directors of the International

Consultative Committee and the Vice-Director of the International Radio Consultative Committee shall participate as of right in the deliberations of the Administrative Council, but without taking part in the voting. Nevertheless, the Council may exceptionally hold meetings confined to its own Members.

8. The Secretary-General of the Union shall act as Secretary of the Administrative Council.

9. (1) In the interval between plenipotentiary conferences, the Administrative Council shall act on behalf of the plenipotentiary conference within the limits of the powers delegated to it by the latter.

(2) The Council shall act only in formal session.

10. Only the travelling and subsistence expenses incurred by the representative of each Member of the Administrative Council in this capacity shall be borne by the Union.

B. Duties:

11. (1) The Administrative Council shall be responsible for taking all steps to facilitate the implementation by the Members and Associate Members of the provisions of the Convention, of the Regulations, of the decisions of the plenipotentiary conference, and, where appropriate, of the decisions of other conferences and meetings of the Union.

(2) It shall ensure efficient coordination of the work of the Union.

12. In particular the Administrative Council shall:

(a) perform any duties assigned to it by the plenipotentiary conference;

(b) in the interval between plenipotentiary conferences, be responsible for effecting the coordination with all international organizations referred to in Articles 26 and 27 of this Convention;

and, to this end,

(1) conclude, on behalf of the Union, provisional agreements with the international organizations referred to in Article 27 of the Convention, and with the United Nations in application of the Agreement contained in Annex 6 to the Convention; these provisional agreements shall be submitted to the next plenipotentiary conference in accordance with Article 9, paragraph 1 (g) of this Convention;

(2) appoint, on behalf of the Union, one or more representatives to participate in the conferences of such organizations, and, when necessary, in coordinating committees established in conjunction with those organizations;

(c) appoint the Secretary-General and the two Assistant-Secretaries General of the Union;

(d) decide on the numbers and grading of the staff of the General Secretariat and of the specialized secretariats of the permanent organs of the Union, taking into account the general directives given by the plenipotentiary conference;

(e) draw up such regulations as it may consider necessary for the administrative and financial activities of the Union;

(f) Supervise the administrative functions of the Union;

(g) review and approve the annual budget of the Union;

(h) arrange for the annual audit of the accounts of the Union prepared by the Secretary-General and approve them for submission to the next plenipotentiary conference;

(i) fix the salaries of the members of the International Frequency Registration Board and all of the officials of the Union, taking into account the basic salary scales determined in accordance with the terms of Article 9, paragraph 1 (c) by the plenipotentiary conference;

(j) determine if necessary the amount of any temporary additional allowances, taking into consideration the fluctuations in the cost of living in the country where the headquarters of the Union are situated and following in this matter, as far as possible, the practice of the Government of that country and the international organizations established there;

(k) arrange for the convening of plenipotentiary and administrative conferences of the Union in accordance with Articles 9 and 10 of this Convention;

(l) offer to the plenipotentiary conference of the Union any suggestions deemed useful;

(m) co-ordinate the activities of the permanent organs of the Union, take such action as it deems appropriate on requests or recommendations made to it by such organs, and fill vacancies ad interim in respect of the Directors of the International Consultative Committees and Vice-Director of the International Radio Consultative Committee;

(n) perform the other functions prescribed for it in this Convention and, within the framework of the Convention and the Regulations, any functions deemed necessary for the proper administration of the Union;

(o) submit a report on its activities and those of the Union for consideration by the plenipotentiary conference.

Article 6—International Frequency Registration Board

1. The essential duties of the International Frequency Registration Board shall be:

(a) to effect an orderly recording of frequency assignments made by the different countries so as to establish, in accordance with the procedure provided for in the Radio Regulations and in accordance with any decisions which may be taken by competent conferences of the Union, the date, purpose and technical characteristics of each of these assignments, with a view to ensuring formal international recognition thereof;

(b) to furnish advice to Members and Associate Members with a view to the operation of the maximum practicable number of radio channels in those portions of the spectrum where harmful interference may occur.

(c) to perform any additional duties, concerned with the assignment and utilization of frequencies, prescribed by a competent conference of the Union, or by the Administrative Council with the consent of the majority of the Members of the Union in preparation for or in pursuance of the decisions of such a conference;

(d) to maintain such essential records as may be related to the performance of its duties.

2. (1) The International Frequency Registration Board shall be a body composed of independent members, all nationals of different countries, Members of the Union.

(2) The members of the Board shall be thoroughly qualified by technical training in the field of radio and shall possess practical experience in the assignment and utilization of frequencies.

(3) Moreover, for the more effective understanding of the problems coming before the Board under paragraph 1 b) above, each member shall be familiar with geographic, economic and demographic conditions within a particular area of the world.

3. (1) At each of its meetings, the ordinary administrative radio conference shall elect the countries, Members of the Union, each of which is to nominate one of its nationals, qualified as provided above, to serve as an independent member of the Board.

(2) The method of this election shall be established by the Conference itself, in such a way as to ensure an equitable distribution of the Members among the various parts of the world.

(3) The countries so elected are eligible for re-election.

(4) The members of the Board shall take up their duties on the date determined by the ordinary administrative radio conference which elected the countries entrusted with the task of nominating them. They shall normally remain in office until the date determined by the following conference for their successors to take up their duties.

(5) If in the period between two ordinary administrative radio conferences, a member of the Board resigns or otherwise abandons his duties without good cause for a period exceeding three months, the Member of the Union which nominated him shall be asked by the Chairman of the Board to nominate a successor as soon as possible. If the Member of the Union concerned does not provide a replacement within a period of three months from the date of this request, it shall lose its right to nominate a person to serve on the Board. The Chairman of the Board shall then request the Member of the Union which had obtained, at the previous election, the largest number of votes among those not elected in the area concerned, to nominate a person to serve on the Board for the unexpired portion of the term.

4. The working arrangements of the Board are defined in the Radio Regulations.

5. (1) The members of the Board shall serve, not as representatives of their respective countries, or of a region, but as custodians of an international public trust.

(2) No member of the Board shall request or receive instructions relating to the exercise of his duties from any Government or a member thereof, or from any public or private organization or person. Furthermore, each Member and Associate Member must respect the international character of the Board and of the duties of its members and shall refrain from any attempt to influence any of them in the exercise of their duties.

(3) No member of the Board or of its staff shall participate in any manner or have any financial interest whatsoever in any branch of telecommunication, apart from the work of the Board. However, the term "financial interest" is not to be construed as applying to the continuation of retirement benefits accruing in respect of previous employment or service.

6. Any person serving on the Board shall be presumed automatically to have resigned his duties from the moment when the country of which he is a national ceases to be a Member of the Union.

Article 7—International consultative committees

1. (1) The duties of the International Telegraph Consultative Committee (C. C. I. T.) shall be to study technical, operating, and tariff questions relating to telegraphy and facsimile and to issue recommendations on them.

(2) The duties of the International Telephone Consultative Committee (C. C. I. F.) shall be to study technical, operating and tariff questions relating to telephony and to issue recommendations on them.

(3) The duties of the International Radio Consultative Committee (C. C. I. R.) shall be to study technical radio questions and operating questions, the solution of which depends principally on considerations of a technical radio character and to issue recommendations on them.

2. The questions studied by each International Consultative Committee, on which it shall issue recommendations, are those submitted to it by the plenipotentiary conference, by an administrative conference, by the Administrative Council, by another Consultative Committee or by the International Frequency Registration Board. A Consultative Committee shall likewise issue its recommendations on questions, the study of which has been decided upon by its Plenary Assembly or requested by at least twelve Members or Associate Members in the interval between two meetings of the Plenary Assembly concerned.

3. The International Consultative Committee shall have as Members:

(a) of right, the administrations of all Members and Associate Members of the Union;

(b) any recognized private operating agency which, with the approval of the Member or Associate Member which has recognized it, expresses a desire to participate in the work of these Committees.

4. Each Consultative Committee shall work through the medium of:

(a) the Plenary Assembly, meeting normally every three years;

(b) study groups, which shall be set up by the Plenary Assembly to deal with questions to be studied;

(c) a Director, who shall be appointed by the Plenary Assembly for an indefinite period, but with the reciprocal right of terminating the appointment; the Director of the Radio Consultative Committee shall be assisted by a Vice-Director specializing in broadcasting, appointed under the same conditions;

(d) a specialized secretariat, which assists the Director;

(e) laboratories or technical installations set up by the Union.

5. The Directors of the Consultative Committee and the Vice-Director of the International Radio Consultative Committee shall all be nationals of different countries.

6. (1) Consultative Committees shall observe the applicable Rules of Procedure of Conferences contained in the General Regulations annexed to this Convention.

(2) The Plenary Assembly of a Consultative Committee may adopt such additional Rules of Procedure provisions as may facilitate the work of the Committee if they do not conflict with the Rules of Procedure of Conferences.

7. The working arrangements of the Consultative Committees are defined in Part II of the General Regulations annexed to this Convention.

Article 8—General Secretariat

1. (1) The General Secretariat shall be directed by a Secretary-General, assisted by two Assistant Secretaries-General, who shall all be nationals of different countries, Members of the Union.

(2) The Secretary-General shall be responsible to the Administrative Council for all duties entrusted to the General Secretariat, and for all the administrative and financial services of the Union. The Assistant Secretaries-General shall be responsible to the Secretary-General.

2. The Secretary-General shall:

(a) organize the work of the General Secretariat and appoint the staff of that Secretariat in accordance with the directives of the plenipotentiary Conference and the rules established by the Administrative Council;

(b) undertake administrative arrangements for the specialized secretariats of the permanent organs of the Union and appoint the staff of those secretariats in agreement with the head of each permanent organ; the appointments shall be made on the basis of the latter's choice, but the final decision for appointment or dismissal shall rest with the Secretary-General;

(c) ensure that in the specialized secretariats all the financial and administrative regulations approved by the Administrative Council are applied;

(d) supervise, for administrative purposes only, the staff of those specialized secretariats who shall work directly under the orders of the heads of the permanent organs of the Union;

(e) undertake secretarial work preparatory to, and following conferences of the Union;

(f) provide, where appropriate in cooperation with the inviting government, the secretariat of every conference of the Union, and, when so requested or provided in the Regulations annexed to the Convention, the secretariat of meetings of the permanent organs of the Union or meetings placed under its auspices; he may also, when so requested, provide the secretariat of other telecommunication meetings on a contractual basis;

(g) keep up to date the official lists, compiled from data supplied for this purpose by the permanent organs of the Union or by Administrations, with the exception of the master registers and such other essential records as may be related to the duties of the International Frequency Registration Board;

(h) publish the recommendations and principal reports of the permanent organs of the Union;

(i) publish international and regional telecommunication agreements communicated to him by the parties thereto, and keep up to date records of these agreements;

(j) publish such data concerning the assignment and utilization of frequencies as are prepared by the International Frequency Registration Board in the discharge of its duties;

(k) prepare, publish and keep up to date with the assistance, where appropriate, of the other permanent organs of the Union:

(1) a record of the composition and structure of the Union;

(2) the general statistics and the official service documents of the Union as prescribed by the Regulations annexed to the Convention;

(3) such other documents as conferences or the Administrative Council may direct;

(l) distribute the published documents;

(m) collect and publish, in suitable form, data both national and international regarding telecommunication throughout the world;

(n) collect and publish such information as would be of assistance to Members and Associate Members regarding the development of technical methods with a view to achieving the most efficient operation of telecommunication services and especially the best possible use of radio frequencies so as to diminish interference;

(o) publish periodically, with the help of information put at his disposal or which he may collect, including that which he may obtain from other international organizations, a journal of general information and documentation concerning telecommunication;

(p) prepare and submit to the Administrative Council annual budget estimates which, after approval by the Council, shall be transmitted for information to all Members and Associate Members;

(q) prepare a financial operating report and accounts to be submitted annually to the Administrative Council and recapitulative accounts immediately preceding each plenipotentiary conference; these accounts, after audit and approval by the Administrative Council, shall be circulated to the Members and Associate Members and be submitted to the next plenipotentiary conference for examination and final approval;

(r) prepare an annual report on the activities of the Union which, after approval by the Administrative Council, shall be transmitted to all Members and Associate Members;

(s) perform all other secretarial functions of the Union.

3. The Secretary-General or one of the two Assistant Secretaries-General may participate, in a consultative capacity, in Plenary Assemblies of International Consultative Committees and in all conferences of the Union; the Secretary-General or his representative may participate in a consultative capacity in all other meetings of the Union.

4. The paramount consideration in the recruitment of the staff and in the determination of the conditions of service shall be the necessity of securing for the Union the highest standards of efficiency, competence, and integrity. Due regard must be paid to the importance of recruiting the staff on as wide a geographical basis as possible.

5. (1) In the performance of their duties, the Secretary-General, the Assistant Secretaries-General and the staff must not seek or receive instructions from any government or from any other authority external to the Union. They must refrain from any action which might reflect on their position as international officials.

(2) Each Member and Associate Member shall undertake to respect the exclusively international character of the responsibilities of the Secretary-General, the Assistant Secretaries-General and the staff, and not to seek to influence them in the discharge of their responsibilities.

Article 9—Plenipotentiary conference

1. The plenipotentiary conference shall:

(a) consider the report by the Administrative Council on its activities and those of the Union since the last plenipotentiary conference;

(b) establish the basis for the budget of the Union and determine a fiscal limit for the ordinary expenditure of the Union until the next plenipotentiary conference;

(c) establish the basic salary scales of all of the Union staff and of the members of the International Frequency Registration Board;

(d) finally approve the accounts of the Union;

(e) elect the Members of the Union which are to serve on the Administrative Council;

(f) revise the Convention if it considers this necessary;

(g) conclude or revise, if necessary, agreements between the Union and other international organizations, examine any provisional agreements with such organizations concluded, on behalf of the Union, by the Administrative Council, and take such measures in connection therewith as it deems appropriate;

(h) deal with such other telecommunication questions as may be necessary.

2. The plenipotentiary conference shall normally meet once every five years at a date and place fixed by the preceding plenipotentiary conference.

3. (1) The date or place of the next plenipotentiary conference may be changed:

(a) when at least twenty Members of the Union have proposed a change to the Secretary-General;

(b) on the proposal of the Administrative Council.

(2) In either case a new date or place or both shall be fixed with the concurrence of a majority of the Members of the Union.

Article 10—Administrative conferences

1. Administrative conferences of the Union shall comprise:

(a) ordinary administrative conferences;

(b) extraordinary administrative conferences;

(c) special conferences, which include regional and service conferences.

2. (1) Ordinary administrative conferences shall:

(a) revise the Regulations provided for in Article 12 paragraph 2 of this Convention with which they are respectively concerned;

(b) deal with all other matters deemed necessary within the terms of the Convention and the General Regulations and any directives given by the plenipotentiary conference.

(2) In addition, the ordinary administrative radio conference shall:

(a) elect the members of the International Frequency Registration Board;

(b) review the activities of the Board.

3. Ordinary administrative conferences shall normally meet every five years, preferably at the same time and place as the plenipotentiary conference.

4. (1) The date or place of an ordinary administrative conference may be changed:

(a) when at least twenty Members of the Union have proposed a change to the Secretary-General.

(b) on the proposal of the Administrative Council.

(2) In either case a new date or place or both shall be fixed with the concurrence of a majority of the Members of the Union.

5. (1) An extraordinary administrative conference may be convened:

(a) by a decision of the plentipotentiary conference which shall determine its agenda and the date and place of its meeting; or

(b) when at least twenty Members of the Union have made known to the Secretary-General their desire that such a conference shall be held to consider an agenda proposed by them; or

(c) on the proposal of the Administrative Council.

(2) In the cases specified b) and c) of sub-paragraph (1) above, the date and place of the conference, as well as its agenda, shall be determined with the concurrence of a majority of the Members of the Union.

6. (1) A special conference may be convened:

(a) by a decision of the plenipotentiary conference or an ordinary or extraordinary administrative conference which shall determine its agenda and the date and place at which it shall meet;

(b) when at least twenty Members of the Union in the case of a world conference, or one quarter of the Members of the region concerned in the case of a regional conference, have made known to the Secretary-General their desire that such a conference should be held to consider an agenda proposed by them;

(c) on a proposal by the Administrative Council.

(2) In the cases specified in sub-paragraps (1) b) and (1) c) above, the date and place of the conference as well as its agenda shall be determined with the concurrence of a majority of the Members of the Union for world conferences, or of a majority of the Members in the region concerned for regional conferences.

7. (1) Extraordinary administrative conferences shall be convened to consider certain specific telecommunication matters of an urgent nature. Only items included in their agenda may be discussed by such conferences.

(2) Extraordinary administrative conferences may revise certain provisions of any set of Regulations with which they are concerned, provided that the revision of such provisions is included in the agenda approved by a majority of the Members of the Union in accordance with paragraph 5 (2) above.

8. Special conferences shall only be convened to consider the matters included in their agenda. Their decisions must in all circumstances be in conformity with the terms of the Convention and Administrative Regulations.

9. Proposals for changing the date or place of extraordinary administrative conferences and of special conferences must, to be adopted, have the approval of a majority of the Members of the Union, or of a majority of the Members in the region concerned in the case of regional conferences.

Article 11—Rules of procedure of conferences

For the organization of their work and the conduct of their discussions, administrative conferences shall apply the Rules of Procedure of Conferences contained in the General Regulations annexed to the Convention. However, before starting its deliberations, each conference may adopt such additional provisions as are indispensable.

Article 12—Regulations

1. Subject to the provisions of Article 11, the General Regulations contained in Annex 5 to this Convention shall have the same force and duration as the Convention.

2. (1) The provisions of the Convention are completed by the following sets of Administrative Regulations which shall be binding on all Members and Associate Members:

Telegraph Regulations,
Telephone Regulations,
Radio Regulations,
Additional Radio Regulations.

(2) Members and Associate Members shall inform the Secretary-General of their approval of any revision of these Regulations by administrative conferences. The Secretary-General shall inform Members and Associate Members promptly regarding receipt of such notification of approval.

3. In case of inconsistency between a provision of the Convention and a provision of the Regulations, the Convention shall prevail.

Article 13—Finances of the Union

1. The expenses of the Union shall be classified as ordinary expenses and extraordinary expenses.

2. The ordinary expenses of the Union shall be kept within the limits prescribed by the Plenipotentiary Conference. They shall include, in particular, the expenses pertaining to the meetings of the Administrative Council, the salaries of the staff and other expenses of the General Secretariat, of the International Frequency Registration Board, of the International Consultative Committees, and of the laboratories and technical installations created by the Union. These ordinary expenses shall be borne by all Members and Associated Members.

3. (1) The extraordinary expenses shall include all expenses pertaining to plenipotentiary conferences, administrative conferences and meetings of the International Consultative Committees. They shall be borne by the Members and Associate Members which have agreed to participate in these conferences and meetings or which have actually participated.

(2) Recognized private operating agencies shall contribute to the expenses of the administrative conferences in which they participate or in which they have asked to participate.

(3) International organizations shall contribute to the expenses of plenipotentiary and administrative conferences to which they are admitted.

(4) Recognized private operating agencies shall contribute to the expenses of meetings of the Consultative Committees of which they are members. Similarly, international organizations and scientific or industrial organizations shall contribute to the expenses of meetings of the Consultative Committees to which they are admitted to participate.

(5) Nevertheless the Administrative Council may exempt international organizations from any participation in extraordinary expenses, on condition of reciprocity.

(6) Expenses incurred by laboratories and technical installations of the Union, in measurements, testing, or special research for individual Members or Associate Members, groups of Members or Associate Members, or regional organizations or others, shall be borne by those Members or Associate Members, groups, organizations or others.

4. The scale of contributions to the expenses of the Union shall be as follows:

30-units	class	8-units	class
25-units	"	5-units	"
20-units	"	4-units	"
18-units	"	3-units	"
15-units	"	2-units	"
13-units	"	1-unit	"
10-units	"	½-unit	"

5. Members and Associate Members, recognized private operating agencies, international organizations and scientific or industrial organizations shall be free to choose the class in which they will share in defraying the expenses of the Union.

6. (1) Each Member and Associate Member shall inform the Secretary-General, before the Convention enters into force, of the class it has chosen.

(2) This decision shall be notified to Members and Associate Members by the Secretary-General.

(3) Members and Associate Members may at any time choose a class higher than the one already adopted by them.

(4) Any application submitted after the date of entry into force of the Convention and entailing a reduction in the number of contributory units of a Member or Associate Member shall be referred to the following plenipotentiary conference and shall take effect from a date to be determined by that conference.

7. The sale price of documents sold to administrations, recognized private operating agencies or individuals shall be fixed by the Secretary-General, in collaboration with the Administrative Council, bearing in mind the fact that the cost of publication must be covered by the sale of the documents.

8. Members and Associate Members shall pay in advance their annual contributory shares calculated on the basis of the estimated expenditure of the Union for the following financial year.

9. The amounts due shall bear interest from the beginning of each financial year of the Union with regard to ordinary expenses and from thirty days after the date on which accounts for extraordinary expenses are sent to Members and Associate Members. This interest shall be at the rate of 3% (three per cent.) per annum during the first six months and at the rate of 6% (six per cent.) per annum from the beginning of the seventh month.

Article 14—Languages

1. (1) The official languages of the Union shall be Chinese, English, French, Russian and Spanish.

(2) The working languages of the Union shall be English, French and Spanish.

(3) In case of dispute, the French text shall be authentic.

2. (1) The final documents of the plenipotentiary and administrative conferences, as well as their final acts, protocols and resolutions shall be drawn up in the official languages of the Union in versions equivalent in form and content.

(2) All other documents of these conferences shall be issued in the working languages of the Union.

3. (1) The official service documents of the Union as prescribed by the Administrative Regulations shall be published in the five official languages.

(2) All other documents for general distribution prepared by the Secretary-General in the course of his duties shall be drawn up in the three working languages.

4. Any of the documents referred to in paragraphs 2 and 3 above may be published in languages other than those there specified, provided that the Members or Associate Members requesting such publication undertake to defray the whole of the cost of translation and publication involved.

5. At conferences of the Union and whenever it is necessary at meetings of its permanent organs, the debates shall be conducted with the aid of an efficient system of reciprocal interpretation between the three working languages.

6. (1) At conferences of the Union and at meetings of its permanent organs, languages other than the three working languages may be used:

(a) if an application is made to the Secretary-General or to the Head of the Permanent organ concerned to provide for the use of an additional language or languages, oral or written, provided that the additional cost so incurred shall be borne by those

Members or Associate Members which have made or supported the application;

(b) if any delegation itself makes arrangements at its own expense for oral translation from its own language into any one of the three working languages.

(2) In the case provided for in paragraph 6 (1) a) above, the Secretary-General or the Head of the permanent organ concerned shall comply to the extent practicable with the application, having first obtained from the Members or Associate Members concerned an undertaking that the cost incurred will be duly repaid by them to the Union;

(3) In the case provided for in paragraph 6 (1) b) above, the delegation concerned may, furthermore, if it wishes, arrange at its own expense for oral interpretation into its own language from one of the three working languages.

CHAPTER II—APPLICATION OF THE CONVENTION AND REGULATIONS

Article 15—Ratification of the Convention

1. This Convention shall be ratified by each of the signatory Governments. The instruments of ratification shall be deposited, in as short a time as possible, with the Secretary-General by diplomatic channel through the intermediary of the Government of the country of the seat of the Union. The Secretary-General shall notify the Members and Associate Members of each deposit of ratification.

2. (1) During a period of two years from the date of entry into force of this Convention, a signatory Government, even though it may not have deposited an instrument of ratification in accordance with the provisions of paragraph 1 of this Article, shall enjoy the rights conferred on Members of the Union in paragraph 3 of Article 1 of this Convention.

(2) After the end of a period of two years from the date of entry into force of this Convention, a signatory Government which has not deposited an instrument of ratification in accordance with the provisions of paragraph 1 above, shall not be entitled to vote at any conference of the Union or at any meeting of any of its permanent organs until it has so deposited such an instrument.

3. After the entry into force of this Convention in accordance with Article 50, each instrument of ratification shall become effective on the date of its deposit with the General Secretariat.

4. If one or more of the signatory Governments do not ratify the Convention, it shall not thereby be less valid for the Governments which have ratified it.

Article 16—Accession to the Convention

1. The Government of a country, not a signatory of this Convention, may accede thereto at any time subject to the provisions of Article 1.

2. The instrument of accession shall be deposited with the Secretary-General by diplomatic channel through the intermediary of the Government of the country of the seat of the Union. Unless otherwise specified therein, it shall become effective upon the date of its deposit. The Secretary-General shall notify the Members and Associate Members of each accession when it is received and shall forward to each of them a certified copy of the act of accession.

Article 17—Application of the Convention to countries or territories for whose foreign relations Members of the Union are responsible

1. Members of the Union may declare at any time that their acceptance of this Convention applies to all or a group or a single one of the countries or territories for whose foreign relations they are responsible.

2. A declaration made in accordance with paragraph 1 of this Article shall be communicated to the Secretary-General of the Union. The Secretary-General shall notify the Members and Associate Members of each such declaration.

3. The provisions of paragraphs 1 and 2 of this Article shall not be deemed to be obligatory in respect of any country, territory, or group of territories listed in Annex 1 of this Convention.

Article 18—Application of the Convention to trust territories of the United Nations

The United Nations shall have the right to accede to this Convention on behalf of any territory or group of territories placed under its administration in accordance with a trusteeship agreement as provided for in Article 75 of the Charter of the United Nations.

Article 19—Execution of the Convention and Regulations

1. The Members and Associate Members are bound to abide by the provisions of this Convention and the Regulations annexed thereto in all telecommunication offices and stations established or operated by them which engage in international services or which are capable of causing harmful interference to radio services of other countries, except in regard to services exempted from these obligations in accordance with the provisions of Article 48 of this Convention.

2. They are also bound, in addition, to take the necessary steps to impose the observance of the provisions of this Convention and of the Regulations annexed thereto upon recognized private operating agencies and upon other agencies authorized to establish and operate telecommunication which engage in international services or which operate stations capable of causing harmful interference to the radio services of other countries.

Article 20—Denunciation of the Convention

1. Each Member and Associate Member which has ratified, or acceded to, this Convention shall have the right to denounce it by a notification addressed to the Secretary-General of the Union by diplomatic channel through the intermediary of the Government of the country of the seat of the Union. The Secretary-General shall advise the other Members and Associate Members thereof.

2. This denunciation shall take effect at the expiration of a period of one year from the day of the receipt of notification of it by the Secretary-General.

Article 21—Denunciation of the Convention on behalf of countries or territories for whose foreign relations Members of the Union are responsible

1. The application of this Convention to a country, territory or group of territories in accordance with Article 17 may be terminated at any time, and such country, territory or group of territories, if it is an Associate Member, ceases upon termination to be such.

2. The declarations of denunciation contemplated in the above paragraph shall be notified in conformity with the conditions set out in paragraph 1 of Article 20; they shall take effect in accordance with the provisions of paragraph 2 of that article.

Article 22—Abrogation of the earlier Convention

This Convention shall abrogate and replace, in relations between the Contracting Governments, the International Telecommunication Convention of Atlantic City (1947).

Article 23—Validity of Administrative Regulations in force

The Administrative Regulations referred to in Article 12, paragraph 2, shall be regarded as annexed to this Convention and shall remain valid until the time of entry into force of new Regulations drawn up by the competent ordinary, and where the case arises, extraordinary administrative conferences.

Article 24—Relations with non-contracting States

Each Member and Associate Member reserves to itself and to the recognized private operating agencies the right to fix the conditions under which it admits telecommunications exchange with a State which is not a party to this Convention.

If a telecommunication originating in the territory of such a non-contracting State is accepted by a Member or Associate Member, it must be transmitted and, in so far as it follows the telecommunication channels of a Member or Associate Member, the obligatory provisions of the Convention and Regulations and the usual charges shall apply to it.

Article 25—Settlement of differences

1. Members and Associate Members may settle their differences on questions relating to the application of this Convention or of the Regulations contemplated in Article 12, through diplomatic channels, or according to procedures established by bilateral or multilateral treaties concluded between them for the settlement of international disputes, or by any other method mutually agreed upon.

2. If none of these methods of settlement is adopted, any Member or Associate Member party to a dispute may submit the dispute to arbitration in accordance with the procedure defined in Annex 4.

CHAPTER III—RELATIONS WITH THE UNITED NATIONS AND WITH INTERNATIONAL ORGANIZATIONS

Article 26—Relations with the United Nations

1. The relationship between the United Nations and the International Telecommunication Union is defined in the agreement, the text of which appears in Annex 6 of this Convention.

2. In accordance with the provisions of Article XVI of the above-mentioned agreement, the telecommunication operating services of the United Nations shall be entitled to the rights and bound by the obligations of this Convention and of the Regulations annexed thereto. Accordingly, they shall be entitled to attend all conferences of the Union, including meetings of the International Consultative Committees, in a consultative capacity. They shall not be eligible for election to any organ of the Union, the Members of which are elected by a plenipotentiary or administrative conference.

Article 27—Relations with international organizations

In furtherance of complete international coordination on matters affecting telecommunication, the Union will cooperate with international organizations having related interests and activities.

CHAPTER IV—GENERAL PROVISIONS RELATING TO TELECOMMUNICATION

Article 28—The right of the public to use the international telecommunication service

Members and Associate Members recognize the right of the public to correspond by means of the international service of public correspondence. The service, the charges, and the safeguards shall be the same for all private users in each category of correspondence without any priority or preference.

Article 29—Stoppage of telecommunications

1. Members and Associate Members reserve the right to stop the transmission of any private telegram which may appear dangerous to the security of the state or contrary to their laws, to public order or to decency, provided that they immediately notify the

office of origin of the stoppage of any such telegram or any part thereof, except when such notification may appear dangerous to the security of the state.

2. Members and Associate Members also reserve the right to cut off any private telephone or telegraph communication which may appear dangerous to the security of the state or contrary to their laws, to public order or to decency.

Article 30—Suspension of services

Each Member or Associate Member reserves the right to suspend the international telecommunication service for an indefinite time, either generally or only for certain relations and/or for certain kinds of correspondence, outgoing, incoming, or in transit, provided that it immediately notifies such action to each of the other Members and Associate Members through the medium of the General Secretariat.

Article 31—Responsibility

Members and Associate Members accept no responsibility towards users of the international telecommunication services, particularly as regards claims for damages.

Article 32—Secrecy of telecommunication

1. Members and Associate Members agree to take all possible measures, compatible with the system of telecommunication used, with a view to ensuring the secrecy of international correspondence.

2. Nevertheless, they reserve the right to communicate such correspondence to the competent authorities in order to ensure the application of their internal laws or the execution of international conventions to which they are parties.

Article 33—Establishment, operation, and protection of telecommunication installations and channels

1. Members and Associate Members shall take such steps as may be necessary to ensure the establishment, under the best technical conditions, of the channels and installations necessary to carry on the rapid and uninterrupted exchange of international telecommunications.

2. So far as possible, these channels and installations must be operated by the best methods and procedures developed as a result of practical operating experience, maintained in proper operating condition and keep abreast of scientific and technical progress.

3. Members and Associate Members shall safeguard these channels and installations within their jurisdiction.

4. Unless other conditions are laid down by special arrangements, each Member and Associate Member shall take such steps as may be necessary to ensure maintenance of those sections of international telecommunication circuits within its control.

Article 34—Notification of infringements

In order to facilitate the application of the provisions of Article 19, Members and Associate Members undertake to inform each other of infringements of the provisions of this Convention and of the Regulations annexed thereto.

Article 35—Charges and free services

The provisions regarding charges for telecommunication and the various cases in which free services are accorded are set forth in the Regulations annexed to this Convention.

Article 36—Priority of telecommunications concerning safety of life

The international telegraph and telephone services must accord absolute priority to telecommunications concerning safety of life at sea, on land, or in the air, and to epidemiological telecommunications of exceptional urgency of the World Health Organization.

Article 37—Priority of Government telegrams and telephone calls

Subject to the provisions of Articles 36 and 46, Government telegrams shall enjoy priority over other telegrams when priority is requested for them by the sender. Government telephone calls may also be accorded priority, upon specific request and to the extent practicable, over other telephone calls.

Article 38—Secret language

1. Government telegrams and service telegrams may be expressed in secret language in all relations.

2. Private telegrams in secret language may be admitted between all countries with the exception of those which have previously notified, through the medium of the General Secretariat, that they do not admit this language for those categories of correspondence.

3. Members and Associate Members which do not admit private telegrams in secret language originating in or destined for their own territory must let them pass in transit, except in the case of suspension of service provided for in Article 30.

Article 39—Rendering and settlements of accounts

1. Administrations of Members and Associate Members and recognized private operating agencies which operate international telecommunication services, shall come to an agreement with regard to the amount of their credits and debits.

2. The statements of accounts in respect to debits and credits referred to in the preceding paragraph shall be drawn up in accordance with the provisions of the Regulations annexed to this Convention, unless special arrangements have been concluded between the parties concerned.

3. The settlement of international accounts shall be regarded as current transactions and shall be effected in accordance with the current international obligations of the countries concerned, in those cases where their governments have concluded arrangements on this subject. Where no such arrangements have been concluded, and in the absence of special arrangements made under Article 41 of this Convention, these settlements shall be effected in accordance with the Regulations.

Article 40—Monetary unit

The monetary unit used in the composition of the tariffs of the international telecommunication services and in the establishment of the international accounts shall be the gold franc of 100 centimes, of a weight of 10/31 of a gramme and of a fitness of 0.900.

Article 41—Special arrangements

Members and Associate Members reserve for themselves, for the private operating agencies recognized by them and for other agencies duly authorized to do so, the right to make special arrangements on telecommunication matters which do not concern Members and Associate Members in general. Such arrangements, however, shall not be in conflict with the terms of this Convention or of the Regulations annexed thereto, so far as concerns the harmful interference which their operation might be likely to cause to the radio services of other countries.

Article 42—Regional conferences, agreements and organizations

Members and Associate Members reserve the right to convene regional conferences, to conclude regional agreements and to form regional organizations, for the purpose of settling telecommunication questions which are susceptible of being treated on a regional basis. However, such agreements must not be in conflict with the Convention.

CHAPTER V—SPECIAL PROVISIONS FOR RADIO

Article 43—Rational use of frequencies and spectrum space

Members and Associate Members recognize that it is desirable to limit the number of frequencies and the spectrum space used to the minimum essential to provide in a satisfactory manner the necessary services.

Article 44—Intercommunication

1. Stations performing radiocommunication in the mobile service shall be bound, within the limits of their normal employment, to exchange radiocommunications reciprocally without distinction as to the radio system adopted by them.

2. Nevertheless, in order not to impede scientific progress, the provisions of the preceding paragraph shall not prevent the use of a radio system incapable of communicating with other systems, provided that such incapacity is due to the specific nature of such system and is not the result of devices adopted solely with the object of preventing intercommunication.

Notwithstanding the provisions of paragraph 1, a station may be assigned to a restricted international service of telecommunication, determined by the purpose of such telecommunication, or by other circumstances independent of the system used.

Article 45—Harmful interference

1. All stations, whatever their purpose, must be established and operated in such manner as not to result in harmful interference to the radio services or communications of other Members or Associate Members or of recognized private operating agencies, or of other duly authorized operating agencies which carry on radio service, and which operate in accordance with the provisions of the Radio Regulations.

2. Each Member or Associate Member undertakes to require the private operating agencies which it recognizes and the other operating agencies duly authorized for this purpose, to observe the provisions of the preceding paragraph.

3. Further, the Members and Associate Members recognize the desirability of taking all practicable steps to prevent the operation of electrical apparatus and installations of all kinds from causing harmful interference to the radio services or communications mentioned in paragraph 1 of this article.

Article 46—Distress calls and messages

Radio stations shall be obliged to accept, with absolute priority, distress calls and messages regardless of their origin, to reply in the same manner to such messages, and immediately to take such action in regard thereto as may be required.

Article 47—False or deceptive distress or safety signals, irregular use of call signs

Members and Associate Members agree to take the steps required to prevent the transmission or circulation of false or deceptive distress or safety signals and the use, by a station, of call signs which have not been regularly assigned to it.

Article 48—Installations for national defence services

1. Members and Associate Members retain their entire freedom with regard to military radio installations of their army, naval, and air force.

2. Nevertheless, these installations must, so far as possible, observe regulatory provisions relative to giving assistance in case of distress and to the measures to be taken to prevent harmful interference, and the provisions of the Regulations concerning the types of emission and the frequencies to be used, according to the nature of the services performed by such installations.

3. Moreover, when these installations take part in the service of public correspondence or other services governed by the Regulations

annexed to this Convention, they must, in general, comply with the regulatory provisions for the conduct of such services.

CHAPTER VI—DEFINITIONS

Article 49—Definitions

In this Convention, unless the context otherwise requires,

(a) the terms which are defined in Annex 3 of this Convention shall have the meanings therein assigned to them;

(b) other terms which are defined in the Regulations referred to in Article 12 shall have the meanings therein assigned to them.

CHAPTER VII—FINAL PROVISIONS

Article 50—Effective date of the Convention

The present Convention shall enter into force on January First, 1954 between countries, territories or groups of territories, in respect of which instruments of ratification or accession have been deposited before that date.

In witness whereof, the respective plenipotentiaries have signed the Convention in each of the Chinese, English, French, Russian and Spanish languages, in a single copy, in which in case of dispute, the French text shall be authentic, and which shall remain deposited in the archives of the Government of the Argentine Republic and one copy of which shall be forwarded to each signatory Government.

Done at Buenos Aires, 22 December, 1952.

[There follow the signatures for the following countries, territories, and groups of territories: Afghanistan, People's Republic of Albania, Kingdom of Saudi Arabia, Argentine Republic, Commonwealth of Australia, Austria, Belgium, Bielorussian Soviet Socialist Republic, Bolivia, Brazil, People's Republic Bulgaria, Kingdom of Cambodia, Canada, Ceylon, Chile, China, Vatican City State, Republic of Colombia, Belgian Congo and Territory of Ruanda-Urundi, Republic of Korea, Costa Rica, Cuba, Denmark, Dominican Republic, Egypt, Spain, United States of America, Ethiopia, Finland, France, Greece, Guatemala, Hungarian People's Republic, India, Republic of Indonesia, Iran, Iraq, Ireland, Iceland, State of Israel, Italy, Japan, Hashemite Kingdom of Jordan, Kingdom of Laos, Lebanon, Luxembourg, Mexico, Monaco, Nicaragua, Norway, New Zealand, Pakistan, Paraguay, Netherlands, Surinam, Netherlands Antilles, New Guinea, Peru, Republic of the Philippines, People's Republic of Poland, Portugal, French Protectorates of Morocco and Tunisia, Federal German Republic, Federal People's Republic of Yugoslavia, Urkainian Soviet Socialist Republic, United Kingdom of Great Britain and Northern Ireland, Sweden, Swiss Confederation, Syrian Republic, Overseas Territories of the French Republic and Territories administered as such, Portuguese Oversea Territories, Thailand, Turkey, Union of South Africa and Territory of South-West Africa, Union of Soviet Socialist Republics, Oriental Republic of Uruguay, United States of Venezuela, State of Viet-Nam, Spanish Zone of Morocco and the totality of Spanish Possessions.]

ANNEX 1

(See Article 1, paragraph 2 a))

Afghanistan, Albania (People's Republic of), Saudi Arabia (Kingdom of), Argentine Republic, Australia (Commonwealth of), Austria, Belgium, The Bielorussian Soviet Socialist Republic, Burma, Bolivia, Brazil, Bulgaria (People's Republic of), Cambodia (Kingdom of), Canada, Ceylon, Chile, China, Vatican City State, Colombia (Republic of), Colonies, Protectorates, Overseas Territories and Territories under Mandate or Trusteeship of the United Kingdom of Great Britain and Northern Ireland, Belgian Congo and Territory of Ruanda-Urundi, Korea (Republic of), Costa Rica, Cuba, Denmark, Dominican Republic, Egypt, El Salvador (Republic of), Ecuador, Spain, United States of America, Ethiopia, Finland, France, Greece, Guatemala, Haiti (Republic of), Honduras (Republic of), Hungarian People's Republic, India (Republic of), Indonesia (Republic of), Iran, Iraq, Ireland, Iceland, Israel (State of), Italy, Japan, Jordan (Hashemite Kingdom of), Laos (Kingdom of), Lebanon, Liberia, Libya (United Kingdom of), Luxembourg, Mexico, Monaco, Nicaragua, Norway, New Zealand, Pakistan, Panama, Paraguay, Netherlands, Surinam, Netherlands Antilles, New Guinea, Peru, Philippines (Republic of the), Poland (People's Republic of), Portugal, French Protectorates of Morocco and Tunisia, Federal German Republic, Federal People's Republic of Yugoslavia, Ukrainian Soviet Socialist Republic, Southern Rhodesia, Roumanian People's Republic, United Kingdom of Great Britain and Northern Ireland, Sweden, Switzerland (Confederation), Syrian Republic, Czechoslovakia, Territories of the United States of America, Overseas Territories of the French Republic and Territories administered as such, Portuguese Oversea Territories, Thailand, Turkey, Union of South Africa and Territory of South-West Africa, Union of Soviet Socialist Republics, Uruguay (Oriental Republic of), Venezuela (United States of), Viet-Nam (State of), Yemen, Spanish Zone of Morocco and the totality of Spanish Possessions.

ANNEX 2

(See Article 1, paragraph 4 a))

British West Africa, British East Africa.

ANNEX 3

(See Article 49)

DEFINITION OF TERMS USED IN THE INTERNATIONAL TELECOMMUNICATION CONVENTION AND ITS ANNEXES

Administration: Any governmental department or service responsible for implementing the obligations undertaken in the International Telecommunication Convention and the Regulations annexed thereto.

Private operating agency: Any individual or company or corporation, other than a governmental establishment or agency, which operates a telecommunication installation intended for an international telecommunication service or which is capable of causing harmful interference with such a service.

Recognized private operating agency: Any private operating agency, as defined above, which operates a service of public correspondence or of broadcasting and upon which the obligations provided for in Article 19 are imposed by the Member or Associate Member in whose territory the head office of the agency is situated.

Delegate: A person sent by the government of a Member or Associate Member of the Union to a Plenipotentiary Conference, or a person representing a government or an administration of a Member or Associate Member of the Union at an Administrative Conference, or at a meeting of an International Consultative Committee.

Representative: A person sent by a recognized private operating agency to an Administrative Conference, or to a meeting of an International Consultative Committee.

Expert: A person sent by a national scientific or industrial organization authorized by the government or the administration of its country to attend meetings of study groups of an International Consultative Committee.

Observer: A person sent by:

the United Nations in accordance with Article 26 of the Convention;

the Government of a country not a party to the Convention;

one of the international organizations invited or admitted in accordance with the provisions of the General Regulations to participate in the work of a Conference;

the Government of a Member or Associate Member of the Union participating in a non-voting capacity in a special conference of a regional character held under the terms of Article 10 of the Convention.

Delegation: The totality of the delegates and, should the case arise, any representative, attachés or interpreters sent by the same country.

Each Member and Associate Member shall be free to make up its delegation as it wishes. In particular it may include in its delegation in the capacity of delegates or advisers, persons belonging to private operating agencies which it recognizes or persons belonging to other private enterprises interested in the field of telecommunication.

International Service: A telecommunication service between any combination of offices or fixed, land or mobile stations which are in different countries or are subject to different countries.

Mobile Service: A service of radiocommunication between mobile and land stations, or between mobile stations.

Broadcasting Service: A radiocommunication service of transmissions to be received directly by the general public. This service may include transmissions of sounds, or transmissions by television, facsimile or other means.

Telecommunication: Any transmission, emission or reception of signs, signals, writing, images and sounds or intelligence of any nature by wire, radio, visual or other electromagnetic systems.

Telegraphy: A system of telecommunication for the transmission of written matter by the use of a signal code.

Telephony: A system of telecommunication set up for the transmission of speech or, in some cases, other sounds.

Telegram: Written matter intended to be transmitted by telegraphy. This term also includes radiotelegram unless otherwise specified.

Government Telegrams and Government Telephone Calls: These are telegrams or telephone calls originating with any of the authorities specified below:

the Head of a State;

the Head of a Government and members of a Government;

the Head of a colony, protectorate, overseas territory or territory under suzerainty, authority, trusteeship or mandate of a Member or Associate Member or of the United Nations;

Commanders-in-Chief of military forces, land, sea or air;

diplomatic or consular agents;

the Secretary-General of the United Nations, the Heads of the principal organs and the Heads of the subsidiary organs of the United Nations;

the International Court of Justice at The Hague.

Replies to Government telegrams as defined herein shall also be regarded as Government telegrams.

Service Telegrams: See the Telegraph Regulations currently in force.

Private Telegrams: Telegrams other than service or Government telegrams.

Service Telephone Calls: See the Telephone Regulations currently in force.

Public Correspondence: Any telecommunication which the offices and stations, must, by reason of their being at the disposal of the public, accept for transmission.

Radiocommunication: Any telecommunication by means of Hertzian waves.

Hertzian waves: Electromagnetic waves of frequencies between 10 kc/s and 3,000,000 Mc/s.

Radio: A general term applied to the use of Hertzian waves.

Harmful Interference: Any radiation or any induction which endangers the functioning of a radionavigation service or of a

safety service,[1] or obstructs or repeatedly interrupts a radio service operating in accordance with the Radio Regulations.

ANNEX 4

(See Article 25)

ARBITRATION

1. The party which appeals to arbitration shall initiate the arbitration procedure by transmitting to the other party to the dispute a notice of the submission of the dispute to arbitration.

2. The parties shall decide by agreement whether the arbitration is to be entrusted to individuals, administrations or governments. If within one month after notice of submission of the dispute to arbitration, the parties have been unable to agree upon this point, the arbitration shall be entrusted to governments.

3. If arbitration is to be entrusted to individuals, the arbitrators must neither be nationals of the parties involved in the dispute, nor have their domicile in the countries parties to the dispute, nor be employed in their service.

4. If arbitration is to be entrusted to governments, or to administrations thereof, these must be chosen from among the Members or Associate Members which are not parties to the dispute, but which are parties to the agreement, the application of which caused the dispute.

5. Within three months from the date of receipt of the notification of the submission of the dispute to arbitration, each of the two parties to the dispute shall appoint an arbitrator.

6. If more than two parties are involved in the dispute, an arbitrator shall be appointed in accordance with the procedure set forth in paragraphs 4 and 5 above, by each of the two groups of parties having a common position in the dispute.

7. The two arbitrators thus appointed shall choose a third arbitrator who, if the first two arbitrators are individuals and not governments or administrations, must fulfill the conditions indicated in paragraph 3 above, and in addition must not be of the same nationality as either of the other two arbitrators. Failing an agreement between the two arbitrators as to the choice of a third arbitrator, each of these two arbitrators shall nominate a third arbitrator who is in no way concerned in the dispute. The Secretary-General of the Union shall then draw lots in order to select the third arbitrator.

8. The parties to the dispute may agree to have their dispute settled by a single arbitrator appointed by agreement; or alternatively each party may nominate an arbitrator, and request the Secretary-General of the Union to draw lots to decide which of the persons so nominated is to act as the single arbitrator.

9. The arbitrator or arbitrators shall be free to decide upon the procedure to be followed.

10. The decision of the single arbitrator shall be final and binding upon the parties to the dispute. If the arbitration is entrusted to more than one arbitrator, the decision made by the majority vote of the arbitrators shall be final and binding upon the parties.

11. Each party shall bear the expense it shall have incurred in the investigation and presentation of the arbitration. The costs of arbitration other than those incurred by the parties themselves shall be divided equally between the parties to the dispute.

12. The Union shall furnish all information relating to the dispute which the arbitrator or arbitrators may need.

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[1] Any radio service, the operation of which is directly related, whether permanently or temporarily, to the safety of human life and the safeguarding of property, shall be considered as a safety service.

ANNEX 5

GENERAL REGULATIONS ANNEXED TO THE INTERNATIONAL TELECOMMUNICATION CONVENTION

Part I—General provisions regarding Conference

Chapter 1—Invitation and Admission to Plenipotentiary Conference

1. The inviting government, in agreement with the Administrative Council, shall fix the definitive date and the exact place of the Conference.

2. (1) One year before this date, the inviting government shall send an invitation to the government of each country Member of the Union and to each Associate Member of the Union.

(2) These invitations may be sent directly or through the Secretary-General or through another government.

3. The Secretary-General shall send an invitation to the United Nations in accordance with Article 26 of the Convention.

4. The inviting government, in agreement with or on a proposal by the Administrative Council, may invite such specialized agencies in relationship with the United Nations as grant to the Union reciprocal representation at their conferences, to send observers to take part in the conference in an advisory capacity.

5. The inviting government, in agreement with or on a proposal by the Administrative Council, may invite non-contracting governments to send observers to take part in the conference in an advisory capacity.

6. The replies of the Members and Associate Members must reach the inviting government not later than one month before the date of opening of the conference, and should include whenever possible full information on the composition of the delegation.

7. Any permanent organ of the Union shall be entitled to be represented at the conference in an advisory capacity when the conference is discussing matters coming within its competence. In case of need, the conference may invite an organ which has not considered it necessary to be represented.

8. The following shall be admitted to plenipotentiary conferences:

(a) delegations as defined in Annex 3 to the Convention;

(b) observers of the United Nations;

(c) observers of the specialized agencies in conformity with paragraph 4 above;

(d) according to circumstances, observers referred to in paragraph 5 above.

Chapter 2—Invitation and Admission to Administrative Conferences

1. (1) The provisions of paragraphs 1 and 6 of Chapter 1 above shall be applicable to administrative conferences.

(2) However, as regards extraordinary administrative conferences, the time-limit for the despatch of invitations may be reduced to six months.

(3) Members and Associate Members of the Union may inform the private operating agencies recognized by them of the invitation they have received.

2. (1) The inviting government, in agreement with or on a proposal by the Administrative Council, may notify the international organizations which are interested in sending observers to participate in the work of the conference in an advisory capacity.

(2) The interested international organizations shall make applications for admission to the inviting government within a period of two months from the date of the notification.

(3) The inviting government shall assemble the requests and the conference itself shall decide whether the organizations concerned are to be admitted or not.

3. (1) The following shall be admitted to administrative conferences:

(a) delegations as defined in Annex 3 to the Convention;

(b) observers of the United Nations;

(c) observers of the specialized agencies in conformity with Chapter 1 paragraph 4;

(d) observers from international organizations admitted in accordance with paragraph 2;

(e) accordance to circumstances, observers from non-contracting governments;

(f) representatives of recognized private operating agencies, duly authorized by the Member-country to which they belong;

(g) permanent organs of the Union, subject to the conditions set forth in Chapter 1 paragraph 7.

(2) Moreover, observers from Members and Associate Members which do not belong to the region concerned shall be admitted to special conferences of a regional character.

Chapter 3—Time-Limits for Presentation of Proposals to Conferences and Conditions of Submission

1. Immediately after the inviting government has despatched invitations, the Secretary-General shall ask Members and Associate Members to send him, within four months, their proposals for the work of the conference.

2. All proposals submitted, the adoption of which will involve revision of the text of the Convention or Regulations, must carry references identifying by chapter, article or paragraph number those parts of the text which will require such revision.

3. The Secretary-General shall assemble and coordinate the proposals received, and shall communicate them, at least three months before the opening of the conference, to all Members and Associate Members.

Chapter 4—Special Provisions for Conferences Meeting at the Seat of the Union

1. When a conference is to be held without an inviting government, the Secretary-General shall take the necessary steps to convene it at the seat of the Union, after agreement with the Government of the Swiss Confederation.

2. In such cases, the Secretary-General shall himself perform the tasks of organization normally incumbent upon the inviting government.

Chapter 5—Credentials for Conferences

1. (1) Delegations sent by Members of the Union to take part in a conference must be duly accredited to exercise their right to vote and must be furnished with the necessary powers for the signing of the Final Acts.

(2) Delegations sent by Associate Members of the Union to take part in the conference must be duly accredited to participate therein in accordance with Article I, paragraph 6 of the Convention.

2. For plenipotentiary conferences:

(1) (a) delegations shall be accredited by instruments signed by the Head of State or by the Head of the Government or by the Minister for Foreign Affairs.

(b) However, they may be provisionally accredited by the Head of the diplomatic mission accredited to the government of the country in which the conference is held.

(2) In order to sign the Final Acts of the conference, delegations must be furnished with full powers signed by the authorities mentioned in sub-paragraph (1) (a) above.

3. For administrative conferences:

(1) the provisions of paragraph 2 above are applicable.

(2) In addition, a delegation may be accredited and furnished with full powers signed by the Minister responsible for the matters dealt with at the conference.

4. A special committee shall be entrusted with the verification of the credentials of each delegation; this committee shall reach its conclusions within the period specified by the Plenary Assembly.

5. (1) The delegation of a Member of the Union shall exercise its right to vote from the moment when it begins to take part in the work of the conference.

(2) However, a delegation shall no longer have the right to vote from the time that the Plenary Assembly decides that its credentials are not in order until this state of affairs has been rectified.

6. As a general rule, Member countries should endeavour to send their own delegations to the conferences of the Union. Nevertheless, if, for exceptional reasons, a Member is unable to send its own delegation it may accredit the delegation of another Member of the Union and give this delegation powers to act and sign on its behalf.

7. A duly accredited delegation may give a mandate to another duly accredited delegation to exercise its vote at one or more sessions at which it is unable to be present. In this case it must notify the Chairman of the conference.

8. A delegation may not exercise more than one proxy vote in any of the cases referred to in paragraphs 6 and 7 above.

Chapter 6—Procedure for Calling Extraordinary Administrative Conferences at the Request of Members of the Union or on a Proposal of the Administrative Council

1. Any Member of the Union wishing to have an extraordinary administrative conference convened shall so inform the Secretary-General, indicating the proposed agenda, place and date of the conference.

2. On receipt of twenty similar requests, the Secretary-General shall inform all Members and Associate Members thereof by telegram, asking the Members to indicate, within six weeks, whether or not they agree to the proposal.

3. If a majority of the Members agree to the proposal as a whole, that is to say, if they accept the agenda, date and place of the proposed meeting, the Secretary-General shall so inform the Members and Associate Members of the Union by circular telegram.

4. (1) If the proposal accepted is for a conference elsewhere than at the seat of the Union, the Secretary-General shall ask the government of the country concerned whether it agrees to act as inviting government.

(2) If the answer is in the affirmative, the Secretary-General, with the assent of the government concerned, shall take the necessary steps to convene the conference.

(3) If the answer is in the negative, the Secretary-General shall request the Members desiring the conference to make alternative suggestions for the place of the conference.

5. Where the proposal accepted is for a conference at the seat of the Union, the provisions of Chapter 4 shall apply.

6. (1) If the proposal as a whole (agenda, time, and place) is not accepted by a majority of the Members, the Secretary-General shall inform the Members and Associate Members of the Union of the replies received, requesting the Members to give a final reply on the point or points under dispute.

(2) Such points shall be regarded as adopted when they have been approved by a majority of the Members.

7. The procedure indicated above shall be applicable when the proposal to convene an extraordinary administrative conference is initiated by the Administrative Council.

Chapter 7—Procedure for Convening Special Administrative Conferences at the Request of Members of the Union or on a Proposal by the Administrative Council

1. The provisions of Chapter 6 shall be applicable in their entirety to special conferences of a world-wide character.

2. In the case of a special conference of a regional character, the procedure described in Chapter 6 shall be applicable only to the Members of the region concerned. If the conference is to be convened on the initiative of the Members of the region, it will suffice for the Secretary-General to receive concordant requests from a quarter of the total number of Members in that Region.

Chapter 8—Provisions Common to All Conferences—Change in the Time or Place of a Conference

1. The provisions of Chapters 6 and 7 above shall apply, by analogy, when a change in the time or place of a conference is requested by Members of the Union or is proposed by the Administrative Council. However, such changes shall only be made if a majority of the Members concerned have pronounced in favour.

2. Where the issue arises, the Secretary-General shall indicate, in the communication referred to in Chapter 6, paragraph 2 the probable financial consequences of a change in the time or place, as, for example, when there has been an outlay of expenditure in preparing for the Conference at the place initially chosen.

Chapter 9—Rules of Procedure of Conferences

Rule 1—Inauguration of the Conference

The conference shall be opened by a person appointed by the inviting government. When there is no inviting government, it shall be opened by the Chairman of the Administrative Council or in his absence by the Secretary-General.

Rule 2—Order of seating

At meetings of the Plenary Assembly, delegations shall be seated in the alphabetical order of the French names of the countries represented.

Rule 3—Election of the Chairman and Vice-Chairman; Constitution of the Secretariat

At the first meeting of the Plenary Assembly:

(a) The Chairman and Vice-Chairmen of the conference shall be elected;

(b) the Conference Secretariat, made up of staff of the General Secretariat of the Union, and, in case of need, of staff provided by the administration of the inviting government, shall be constituted.

Rule 4—Powers of the Chairman of the Conference

1. The Chairman, in addition to performing any other duties incumbent on him under these Rules of Procedure, shall open and close the meetings of the Plenary Assembly, direct its deliberations, ensure that the Rules of Procedure are applied, give the floor to speakers, put questions to the vote, and announce the decisions adopted.

2. He shall have the general direction of all the work of the conference, and shall ensure that order is maintained at meetings of the Plenary Assembly. He shall give his ruling on motions of order and points of order, and in particular, he shall be empowered to propose that discussion on a question be postponed or closed, or that a meeting be suspended or adjourned. He may also decide to postpone the convening of a Plenary Assembly or meeting thereof should he consider it necessary.

3. It shall be the duty of the Chairman to protect the right of each delegation to express its opinion freely and fully on the point at issue.

4. He shall ensure that discussion is limited to the point at issue, and he may interrupt any speaker who departs therefrom and request him to confine his remarks to the subject under discussion.

Rule 5—Appointment of committees

The Plenary Assembly may appoint committees to consider matters referred to the conference. These committees may in turn appoint sub-committees. Committees and sub-committees may, if necessary, form working groups.

Rule 6—Composition of committees

1. Plenipotentiary Conference: Committees shall be composed of the delegates of Members and Associate Members and the observers referred to in Chapter 1 paragraph 8 of the General Regulations, who have so requested or who have been designated by the Plenary Assembly.

2. Administrative Conferences: Committees shall be composed of the delegates of Members and Associate Members, and the observers and representatives referred to in Chapter 2 paragraph 3 of the General Regulations, who have so requested or who have been designated by the Plenary Assembly.

Rule 7—Chairmen, Vice-Chairmen, and reporters of committees

1. The Chairmen of the conference shall submit for the approval of the Plenary Assembly the choice of the Chairmen, and of the Vice-Chairmen or Vice-Chairmen of each committee.

2. The Chairman of each committee shall propose to his committee the nomination of the reporters and the choice of the chairmen, vice-chairmen, and reporters of the sub-committees which may be set up.

Rule 8—Summons to meetings

Meetings of the Plenary Assembly, committees, sub-committees and working groups shall be announced in good time in the meeting place of the conference.

Rule 9—Proposals presented before the opening of the Conference

Proposals presented before the opening of the conference shall be allocated by the Plenary Assembly to the appropriate committees appointed in accordance with Rule 5 of these Rules of Procedure. Nevertheless the Plenary Assembly itself shall be entitled to deal directly with any proposal.

Rule 10—Proposals or amendments presented during the Conference

1. Proposals or amendments presented after the opening of the conference must be delivered to the Chairman of the conference, or to the Chairman of the appropriate committee, as the case may be. They may also be handed to the secretariat of the conference for publication and distribution as conference documents.

2. No proposal or amendment may be presented unless signed or approved by the head of the delegation concerned or by his deputy.

3. Every proposal or amendment shall give, in precise and exact terms, the text to be considered.

4. (1) The Chairman of the conference or the Chairman of the appropriate committee shall decide in each case whether a proposal or amendment shall be presented to delegations in writing or orally.

(2) In general, the texts of all major proposals to be put to the vote at a meeting of the Plenary Assembly shall be distributed, in good time, in the working languages of the Conference, in order that they may be studied before discussion.

(3) In addition, the Chairman of the conference on receiving proposals or amendments referred to in paragraph 1 of this Rule, shall refer them to the appropriate committee or to the Plenary Assembly as the case may be.

5. Any authorized person may read, or may ask to have read, at a meeting of the Plenary Assembly, any proposal or amendment submitted by him during the conference, and he shall be allowed to explain his reasons therefor.

Rule 11—Conditions required for discussion of, and vote on, any proposal or amendment

1. No proposal or amendment submitted prior to the opening of the conference or by a delegation during the Conference may be discussed unless it is supported by at least one other delegation when it comes to be considered.

2. Each proposal or amendment duly supported shall be submitted to a vote after discussion.

Rule 12—Proposals or amendments passed over or postponed

When a proposal or an amendment has been passed over or when its examination has been postponed, the delegation sponsoring it shall be responsible for seeing that it is considered later.

Rule 13—Rules for debates of the Plenary Assembly

1. Quorum: For a valid vote to be taken at a meeting of the Plenary Assembly, more than half of the delegations accredited to the Conference and having the right to vote must be present or represented at the meeting.

2. Order of debates:

(1) Persons desiring to speak must first obtain the consent of the Chairman. As a general rule, they shall begin by announcing in what capacity they speak.

(2) Any person speaking must express himself slowly and distinctly, separating his words and pausing as necessary in order that everybody may understand his meaning.

3. Motions of order and points of order:

(1) During debate, any delegation may, when it thinks fit, submit a motion of order or raise a point of order, which shall at once be settled by the Chairman in accordance with these Rules of Procedure. Any delegation may appeal against the Chairman's ruling, which shall however stand unless a majority of the delegations present and voting are against it.

(2) A delegation submitting a motion of order shall not, during its speech, discuss the substance of the matter in question.

4. Priority of motions of order and points of order: The motions and points of order mentioned in paragraph 3 of this Rule shall be dealt with in the following order:

(a) any point of order regarding the application of those Rules of Procedure;

(b) suspension of a meeting;

(c) adjournment of a meeting;

(d) postponement of debate on the matter under discussion;

(e) closure of debate on the matter under discussion;

(f) any other motions of order or points of order that may be submitted, in which case it shall be for the Chairman to decide the relative order in which they shall be considered.

5. Motion for suspension or adjournment of a meeting: During the discussion of a question, a delegation may move that the meeting be suspended or adjourned, giving reasons for its proposal. If the proposal is seconded, the floor shall be given to two speakers to oppose the suspension of adjournment and solely for that purpose, after which the motion shall be put to the vote.

6. Motion for postponement of debate: During discussion of any question, a delegaton may propose that the debate be postponed for a stated period. Once such a proposal has been made, any discussion thereon shall be limited to no more than three speakers, not counting the person submitting the proposal: one for the motion, and two against.

7. Motion for closure of debate: A delegation may at any time propose that discussion on the point at issue be closed when the list of speakers whose names have so far been recorded has been exhausted. In such cases, before a vote is taken on the proposal, the floor may be given to not more than two speakers opposing the motion.

8. Limitation of speeches:

(1) The Plenary Assembly may, if necessary, decide how many speeches any one delegation may make on any particular point, and how long they may last.

(2) However, as regards questions of procedure, the Chairman shall limit the time allowed for a speech to a maximum of five minutes.

(3) When a speaker has exceeded the time allowed, the Chairman shall notify the Assembly and request the speaker to conclude his remarks briefly.

9. Closing the list of speakers:

(1) During the debate, the Chairman may rule that the list of speakers wishing to take the floor be read. He shall add the names of other delegations who indicate that they wish to speak and he may then, with the assent of the Assembly, rule that the list be closed. Nevertheless, as an exceptional measure, the Chairman may rule, if he thinks fit, that a reply may be made to any previous statement, even after the list of speakers has been closed.

(2) The list of speakers having been exhausted, the Chairman shall declare discussion on the matter closed.

10. Question of competence: Any questions of competence that may arise shall be settled before a vote is taken on the substance of the matter under discussion.

11. Withdrawal and re-submission of a motion: The author of a motion may withdraw it before it is put to a vote. Any motion, whether it be amended or not, which has been withdrawn from debate may be re-submitted or taken up by the author of the amendment or by another delegation.

Rule 14—Right to vote

1. At all meetings of the conference, the delegation of a Member of the Union duly accredited by that Member to take part in the work of the conference shall be entitled to one vote in accordance with Article 1 of the Convention.

2. The delegation of a Member of the Union shall exercise the right to vote under the conditions described in Chapter 5 of the General Regulations.

Rule 15—Voting

1. Definition of a majority:

(1) A majority shall consist of one more than half the delegations present and voting.

(2) In computing a majority, delegations abstaining shall not be taken into account.

(3) In case of a tie, a proposal or amendment shall be considered rejected.

(4) For the purpose of these Rules of Procedure, a "delegation present and voting" shall be a delegation voting for or against a proposal.

(5) The delegations present which do not participate in a particular vote or which expressly declare their unwillingness to participate therein shall not be considered absent for the purposes of determining the quorum, nor as abstaining for the purposes of paragraph 3 of this Rule.

2. Special majority: In cases where Members of the Union are to be admitted, the majority described in Article 1 of the Convention shall apply.

3. Abstentions of more than fifty per cent: When the number of abstentions exceeds half the number of votes cast (for, against, abstentions), consideration of the matter under discussion shall be postponed to a later meeting, at which time abstentions shall not be taken into account.

4. Voting procedure:

(1) The following voting procedures shall be adopted except in the case provided for in paragraph 5 of this Rule:

(a) by a show of hands, as a general rule;

(b) by roll call, if the above-mentioned procedure shows no clear majority or if so requested by a delegation.

(2) Votes by roll call shall be taken in the alphabetical order of the French names of the Members represented.

5. Secret ballot: Voting shall be by secret ballot when at least five of the delegations present and entitled to vote so request. In such cases, the Secretariat shall at once take steps to ensure the secrecy of the vote.

6. Prohibition of interruptions during votes: No delegation may interrupt once a vote has been begun, unless to raise a point of order in connection with the way in which the vote is being taken.

7. Reasons for votes: The Chairman shall authorize any delegations which so request to give the reasons for their vote, after the vote has been taken.

8. Voting on parts of a proposal:

(1) When the author of a proposal so requests, or when the Assembly thinks it fit, that proposal shall be subdivided and its various sections put to the vote separately. The parts of the proposal which have been adopted shall then be put to the vote as a whole.

(2) If all the sections of a proposal are rejected the proposal shall be regarded as rejected as a whole.

9. Order of voting on concurrent proposals:

(1) When there are two or more proposals on any one matter, they shall be put to the vote in the order in which they were presented, unless the Assembly decides to the contrary.

(2) After each vote, the Assembly shall decide whether or not the following proposal shall be voted on.

10. Amendments:

(1) Any proposal for modification consisting only of a deletion from, an addition to, or a change in a part of the original proposal shall be considered an amendment.

(2) Any amendment to a proposal accepted by the delegation submitting the proposal shall at once be embodied in the original proposal.

(3) No proposal for modification shall be regarded as an amendment if the Assembly considers it to be incompatible with the original proposal.

11. Voting on amendments:

(1) When an amendment is submitted to a proposal, a vote shall first be taken on the amendment.

(2) When two or more amendments are submitted to a proposal, the amendment furthest from the original text shall be put to the vote first; of the remainder, that furthest from the proposal shall then be put to the vote and the same procedure shall be followed until all the amendments submitted have been considered.

(3) If one or more amendments are adopted, the proposal thus amended shall then be put to the vote.

(4) If no amendment is adopted, the original proposal shall be put to the vote.

Rule 16—Committees and subcommittees; rules for debates and voting procedures

1. The chairmen of all committees and subcommittees shall have powers similar to those conferred by Rule 4 on the Chairman of the Conference.

2. The provisions set forth in Rule 13 for the conduct of debates in the Plenary Assembly shall also apply to the discussions of committees and subcommittees, except in the matter of the quorum.

3. The provisions set forth in Rule 15 shall also apply to votes taken in committees and subcommittees, except as regards paragraph 2.

Rule 17—Reservations

1. As a general rule, any delegation whose views are not shared by the remaining delegations shall endeavour, as far as possible, to conform to the opinion of the majority.

2. However, if any decision appears to a delegation to be of such a nature as to prevent its Government from ratifying the Convention or from approving the revision of the Regulations, the delegation may make reservations, final or provisional, regarding this decision.

Rule 18—Minutes of Plenary Assemblies

1. The minutes of Plenary Assemblies shall be drawn up by the secretariat of the conference, which shall endeavour to ensure their distribution to delegations as early as possible before the date on which they are to be considered.

2. After the minutes have been distributed, delegations may submit in writing to the secretariat of the conference the corrections they consider to be justified; this shall be done in the shortest possible time. This shall not prevent them from presenting amendments orally during the meeting at which the minutes are approved.

3. (1) As a general rule, the minutes shall contain proposals and conclusions, together with the principal arguments for them, presented in terms as concise as possible.

(2) However, any delegation shall have the right to require the insertion in the minutes, either summarized or in full, of any statement it has made during the debates. In this case, the delegation should, as a general rule, announce this at the beginning of its statement in order to facilitate the work of the reporters and must itself hand in the text to the secretariat of the conference within two hours after the end of the meeting.

4. The right accorded in paragraph 3 (2) regarding the insertion of statements in the minutes shall in all cases be used with discretion.

Rule 19—Summary records and reports of committees and subcommittees

1. (1) The debates of committees and subcommittees shall be summarized, meeting by meeting, in summary records, in which shall be brought out the essential points of the discussion, and the various opinions of which note ought to be taken, together with any proposals or conclusions resulting from the debate as a whole.

(2) Nevertheless, any delegation shall be entitled to invoke Rule 18, paragraph 3 (2).

(3) The right referred to above shall in all circumstances be used with discretion.

2. Committees and subcommittees may prepare any interim reports they deem necessary and, if circumstances warrant, they may submit, at the end of their work, a final report recapitulating in concise terms the proposals and conclusions resulting from the studies entrusted to them.

Rule 20—Approval of minutes, summary records, and reports

1. (1) As a general rule, at the beginning of each meeting of the Plenary Assembly, committee, or subcommittee, the Chairman shall inquire whether there are any comments on the minutes of the previous meeting, or, in the case of committees or subcommittees, on the summary record of the previous meeting. These documents shall be considered approved if no amendments have been handed in to the Secretariat and no objection is made orally. Otherwise, the appropriate amendments shall be made in the minutes or summary record as the case may be.

(2) Any interim or final report must be approved by the committee or subcommittee concerned.

2. (1) The minutes of the last Plenary Assembly shall be examined and approved by the Chairman of the Assembly.

(2) The summary record of the last meeting of each committee or subcommittee shall be examined and approved by the Chairman of the committee or subcommittee.

Rule 21—Editorial committee

1. The texts of the Convention, the Regulations and other Final Acts of the Conference, which shall be worded as far as practicable in their definitive form by the various committees, taking account of the views expressed, shall be submitted to an editorial committee charged with perfecting their form without altering the sense and with combining them with those parts of former texts which have not been altered.

2. The texts shall be submitted by the editorial committee to the Plenary Assembly of the conference, which shall approve them, or refer them back to the appropriate committee for further examination.

Rule 22—Numbering

1. The numbers of the chapters, articles and paragraphs of the texts subjected to revision shall be preserved until the first reading in Plenary Assembly. The passages added shall bear provisionally the numbers bis, ter, etc. and the numbers of deleted passages shall not be used.

2. The definitive numbering of the chapters, articles and paragraphs shall be entrusted to the editorial committee after their adoption at the first reading.

Rule 23—Final approval

The texts of the Convention, the Regulations and other Final Acts shall be considered final when they have been approved at the second reading in Plenary Assembly.

Rule 24—Signature

1. The final texts approved by the conference shall be submitted for signature, in the alphabetical order of the French names of their countries, to the delegates provided with the full powers defined in Chapter 5 of the General Regulations.

Rule 25—Press notices

Official releases to the press about the work of the Conference shall be issued only as authorized by the Chairman or a Vice-Chairman of the conference.

Rule 26—Franking privileges

During the conference, members of delegations, members of the Administrative Council, senior officials of the permanent organs of the Union, and the staff of the Secretariat of the Union seconded to the Conference shall be entitled to postal, telegraph and telephone franking privileges to the extent arranged by the government of the country in which the conference is held in agreement with the other governments and recognized private operating agencies concerned.

Part II—International Consulative Committees

Chapter 10—General Provisions

1. The provisions of Part II of the General Regulations supplement Article 7 of the Convention defining the duties and structure of the International Consultative Committees.

2. The Consultative Committees shall also observe the applicable Rules of Procedure of Conferences contained in Part I of the General Regulations.

Chapter 11—Conditions for Participation

1. (1) The International Consultative Committees shall have as Members:

(a) of right, the administrations of all Members and Associate Members of the Union,

(b) any recognized private operating agency which, with the approval of the Member or Associate Member which has recognized it, subject to the procedure prescribed below, expresses a desire to participate in the work of the Committees.

(2) The first request from a recognized private operating agency to take part in the work of a Consultative Committee shall be addressed to the Secretary-General who shall inform all the Members and Associate Members and the Director of the Consultative Committee concerned. A request from a recognized private operating agency must be approved by the Member or Associate Member recognizing it.

2. (1) International organizations which coordinate their work with the International Telecommunication Union and which have related activities may be admitted to participate in the work of the Consultative Committees in an advisory capacity.

(2) The first request from an international organization to take part in the work of a Consultative Committee shall be addressed to the Secretary-General who shall inform by telegram all the Members and Associate Members and invite Members to say whether the request should be granted; the request shall be granted if the majority of the replies of the Members received within a period of one month are favourable. The Secretary-General shall inform all the Members and Associate Members and the Director of the Consultative Committee concearned of the result of the consultation.

(3) The conditions under which any administration, recognized private operating agency or international organization may withdraw from participation in the work of a Consultative Committee are laid down in Chapter 20, paragraph 5 of these Regulations.

3. (1) Scientific or industrial organizations, which are engaged in the study of telecommunication problems or in the design or manufacture of equipment intended for telecommunication services, may be admitted to participate in an advisory capacity in meetings of the study groups of the Consultative Committees, provided that their participation has received the approval of the administrations of the countries concerned.

(2) The first request from a scientific or industrial organization for admission to meetings of study groups of a Consultative Committee shall be addressed to the Director of the Consultative Committee; such a request must be approved by the administration of the country concerned.

Chapter 12—Duties of the Plenary Assembly

The Plenary Assembly shall:

(a) consider the reports of study groups and aprove, modify or reject the draft recommendations contained in these reports;

(b) decide new questions to be studied in conformity with the provisions of Article 7 paragraph 2 of the Convention; and if need be, establish a study programme;

(c) so far as necessary, maintain existing study groups and set up new study groups;

(d) allocate to study groups the questions to be studied;

(e) consider and approve the report of the Director on the activities of the Committee since the last meeting of the Plenary Assembly;

(f) approve a report on the financial needs of the Committee until the next Plenary Assembly, for submission by the Director to the Administrative Council;

(g) consider any other matters deemed necessary within the provisions of Article 7 of the Convention and Part II of the General Regulations.

Chapter 13—Meetings of the Plenary Assembly

1. The Plenary Assembly shall normally meet every three years.

2. The date of the meeting of the Plenary Assembly may be changed with the approval of the majority of the Members of the Union which participated in the previous meeting of the Plenary Assembly, or which, not having so participated, have informed the Secretary-General of their wish to take an active part in the work of the Consultative Committee concerned.

3. (1) So far as possible meetings of the Plenary Assembly shall be held at the seat of the Union.

(2) However, each meeting of the Plenary Assembly may fix another place for the following meeting. This place may subsequently be changed by application of the procedure described in paragraph 2 above.

4. At each of these meetings, the Plenary Assembly shall be presided over by the Head of the delegation of the country in which the meeting is held or, in the case of a meeting held at the seat of the Union by a person elected by the Plenary Assembly itself; the Chairman shall be assisted by Vice-Chairman elected by the Plenary Assembly.

5. The secretariat of the Plenary Assembly of a Consultative Committee shall be composed of the specialized secretariat of that Committee, with the help, if necessary, of the personnel of the administration of the invit-

ing Government and of the General Secretariat.

Chapter 14—Languages and Method of Voting in Plenary Assemblies

1. The languages used in the Plenary Meetings and in the official documents of the Consultative Committees shall be as provided in Article 14 of the Convention.

2. The countries which are authorized to vote at sessions of Plenary Assemblies of the Consultative Committees are those to which reference is made in Article 1, paragraph 3 (2) and Article 15, paragraph 2 of the Convention. However, when a country is not represented by an administration, the representatives of the recognized private operating agencies of that country shall, as a whole, and regardless of their number, be entitled to a single vote.

Chapter 15—Composition of Study Groups

1. The Plenary Assembly shall set up the necessary study groups to deal with questions to be studied. The administrations, recognized private operating agencies and international organizations admitted in accordance with paragraph 2 of Chapter 11 which wish to take part in the work of the study groups shall give in their names either at the meeting of the Plenary Assembly or, at a later date, to the Director of the Consultative Committee concerned.

2. In addition, and subject to the provisions of paragraph 3 of Chapter 11 of these Regulations, experts of scientific or industrial organizations may be admitted to take part in an advisory capacity in any meeting of any study group.

3. The Plenary Assembly shall appoint the Chairman and Vice-Chairman of each study group. If, in the interval between two meetings of the Plenary Assembly, a Group Chairman is unable to carry out his duties, the Vice-Chairman shall take his place, and the study group concerned shall elect, from among its members, a new Vice-Chairman.

Chapter 16—Treatment of Business of Study Groups

1. Study groups shall normally conduct their work by correspondence.

2. (1) However, the Plenary Assembly may give directives concerning the convening of any meetings of the study groups that may appear necessary to deal with large groups of questions.

(2) Moreover, if, after a Plenary Assembly, a Group Chairman considers it necessary for his study group to hold a meeting not provided for by the Plenary Assembly to discuss orally questions which could not be solved by correspondence, he may, with the approval of his administration and after consultation with the Director concerned and the members of his study group, suggest a meeting at a convenient place bearing in mind the need to keep expenses to a minimum.

3. However, in order to avoid unnecessary journeys and prolonged absences, the Director of a Consultative Committee, in agreement with the Group Chairman of the various study groups concerned, shall draw up the general plan of meetings of groups of study groups which are to meet in the same place during the same period.

4. The Director shall send the final reports of the study groups to the participating administrations, to the recognized private operating agencies of the Consultative Committee and, as occasion may demand, to such international organizations as have participated. These shall be sent as soon as possible and, in any event, in time for them to be received at least one month before the date of the next meeting of the Plenary Assembly. Questions which have not formed the subject of a report furnished in this way shall not appear on the agenda for the meeting of the Plenary Assembly.

Chapter 17—Duties of the Director. Specialized Secretariat

1. (1) The Director of a Consultative Committee shall coordinate the work of the Consultative Committee, including its Plenary Assembly and study groups, and shall be responsible for the organization of the work of the Consultative Committee.

(2) He shall be responsible for the documents of the Committee.

(3) The Director shall be assisted by a secretariat composed of a specialized staff to work under his direction and to aid him in the organization of the work of the Committee.

(4) The Director of the International Radio Consultative Committee shall also be assisted by a Vice-Director in accordance with Article 7 of the Convention.

2. The Director shall choose the technical and administrative members of the secretariat within the framework of the budget as approved by the Plenipotentiary Conference or the Administrative Council. The appointment of the technical and administrative personnel is made by the Secretary-General in agreement with the Director.

3. The Director shall participate as of right, but in an advisory capacity, in meetings of the Plenary Assembly and of the study groups. He shall make all necessary preparations for meetings of the Plenary Assembly and of the study groups.

4. The Vice-Director of the International Radio Consultative Committee shall participate as of right in an advisory capacity in meetings of the Plenary Assembly and of the study groups when questions in which he is concerned are on the agenda.

5. The Director shall submit to the Plenary Assembly a report on the activities of the Consultative Committee since the last meeting of the Plenary Assembly. After approval, this report shall be sent to the Secretary-General for submission to the Administrative Council.

6. The Director shall submit for the approval of the Plenary Assembly a report on the financial needs of the Consultative Committee up to the next meeting of the Plenary Assembly; this report, after approval by the Plenary Assembly, shall be sent to the Secretary-General for appropriate action.

Chapter 18—Preparation of Proposals for Administrative Conferences

One year before the appropriate administrative conference, representatives of the interested study groups of each Consultative Committee shall correspond with or meet with representatives of the General Secretariat in order to extract from the recommendations issued by it since the proceeding administrative conference proposals for modification of the relative set of Regulations.

Chapter 19—Relations of Consultative Committes Between Themselves and With Other International Organizations

1. (1) Plenary Assemblies of Consultative Committees may set up joint study groups to study and make recommendations on questions of common interest.

(2) The Directors of Consultative Committees may, in collaboration with the Group Chairmen, organize joint meetings of study groups of different Consultative Committees, to study and prepare draft recommendations on questions of common interest. Such draft recommendations shall be submitted to the next meeting of the Plenary Assembly of each Consultative Committee concerned.

2. The Plenary Assembly or the Director of a Consultative Committee may invite a representative of the Committee to attend, in an advisory capacity, meetings of other Consultative Committees or of other international organizations to which that Consultative Committee has been invited.

3. The Secretary General of the Union, or one of the two Assistant Secretaries-General, the representatives of the International Frequency Registration Board and the Directors of the other Consultative Committees of the Union or their representatives may attend meetings of the Consultative Committees in an advisory capacity.

Chapter 20—Finances of Consultative Committees

1. The salaries of the Directors of the Consultative Committees, including the salary of the Vice-Director of the International Radio Consultative Committee, and the ordinary expenses of the specialized secretariats shall be included in the ordinary expenses of the Union in accordance with the provisions of Article 13 of the Convention.

2. The totality of the extraordinary expenses of each Consultative Committee, which shall include the extraordinary expenses of the Directors, the Vice-Director of the International Radio Consultative Committee and of the whole of the secretariat employed at any meetings of the study groups or of the Plenary Assembly, and the cost of all working documents of the study groups and the Plenary Assembly, shall be borne in the manner prescribed in Article 13, paragraphs 3 and 6, of the Convention by:

(a) the administrations which have advised the Secretary-General that they wish to take an active part in the work of the Consultative Committee even if they have not attended the meeting of the Plenary Assembly;

(b) the administrations which, while not having advised the Secretary-General that they wished to take part in the work of the Consultative Committee, have nevertheless attended the meeting of the Plenary Assembly or a meeting of a study group;

(c) the recognized private operating agencies which have, in accordance with Chapter 11 paragraph 1 (2), made a request to take part in the work of the Consultative Committee even if they have not attended the meeting of the Plenary Assembly;

(d) those international organizations which have, in accordance with Chapter 11 paragraph 2 (2), been admitted to take part in the work of the Consultative Committee and which have not been excused payment in accordance with Article 13 paragraph 3 (2) of the Convention;

(e) the scientific and industrial organizations which have, in accordance with Chapter 11 paragraph 3, attended meetings of study groups of the Consultative Committee.

3. The recognized private operating agencies, international organizations and scientific or industrial organizations, referred to in subparagraphs c), d) and e) of paragraph 2 above shall declare the class, from among those mentioned in paragraph 4 of Article 13 of the Convention, according to which they will contribute to the extraordinary expenses of the Consultative Committee.

4. The expenses of study groups shall be included in the extraordinary expenses of the next meeting of the Plenary Assembly. However, where meetings of study groups take place more than one year before the date of the next meeting of the Plenary Assembly, the Secretary-General shall render to the administrations, agencies and organizations concerned, interim accounts in respect of the extraordinary- expenditure incurred.

5. The administrations, recognized private operating agencies, international organizations and scientific or industrial organizations referred to in paragraph 2 above shall be under an obligation to contribute to the extraordinary expenses as from the date of the close of the preceding meeting of the Plenary Assembly. This obligation shall remain in force until terminated. A notice of termination shall take effect as from the

close of the meeting of the Plenary Assembly following the date of reception of such notice, but shall not affect the right to receive all documents pertaining to that meeting of the Plenary Assembly.

6. Each administration, recognized private operating agency, international organization and scientific or industrial organization shall defray the personal expenses of its own participants.

7. However, the personal expenses of the representative of a Consultative Committee incurred as a result of his participation in a meeting in the circumstances envisaged in paragraph 2 of Chapter 19 shall be borne by the Committee which he represents.

ANNEX 6

(See Article 26)

AGREEMENT BETWEEN THE UNITED NATIONS AND THE INTERNATIONAL TELECOMMUNICATION UNION

(Preamble)

In consideration of the provisions of Article 57 of the Charter of the United Nations and of Article 26 of the Convention of the International Telecommunication Union of Atlantic City 1947, the United Nations and the International Telecommunication Union agree as follows:

Article I

The United Nations recognizes the International Telecommunication Union (hereinafter called "the Union") as the specialized agency responsible for taking such action as may be appropriate under its basic instrument for the accomplishment of the purposes set forth therein.

Article II—Reciprocal representation

1. The United Nations shall be invited to send representatives to participate, without vote, in the deliberations of all the Plenipotentiary and Administrative Conferences of the Union. It shall also, after appropriate consultation, be invited to send representatives to attend international consultative committees or any other meetings convened by the Union with the right to participate without vote in the discussion of items of interest to the United Nations.

2. The Union shall be invited to send representatives to attend meetings of the General Assembly of the United Nations for the purposes of consultation on telecommunication matters.

3. The Union shall be invited to send representatives to be present at the meetings of the Economic and Social Council of the United Nations and of the Trusteeship Council and of their commissions or committees, and to participate, without vote, in the deliberations thereof with respect to items on the agenda in which the Union may be concerned.

4. The Union shall be invited to send representatives to attend meetings of the main committees of the General Assembly when matters within the competence of the Union are under discussion and to participate, without vote, in such discussions.

5. Written statements presented by the Union shall be distributed by the Secretariat of the United Nations to the members of the General Assembly, the Economic and Social Council and its commissions, and the Trusteeship Council as appropriate. Similarly, written statements presented by the United Nations shall be distributed by the Union to its members.

Article III—Proposal of agenda items

After such preliminary consultation as may be necessary, the Union shall include on the agenda of Plenipotentiary or Administrative Conferences or meetings of other organs of the Union, items proposed to it by the United Nations. Similarly, the Economic and Social Council and its commissions and the Trusteeship Council shall include on their agenda items proposed by the Conferences or other organs of the Union.

Article IV—Recommendations of the United Nations

1. The Union, having regard to the obligation of the United Nations to promote the objectives set forth in Article 55 of the Charter and the function and power of the Economic and Social Council under Article 62 of the Charter to make or initiate studies and reports with respect to international economic, social, cultural, educational, health and related matters and to make recommendations concerning these matters to the specialized agencies concerned and having regard also to the responsibility of the United Nations, under Articles 58 and 63 of the Charter; to make recommendations for the co-ordination of the policies and activities of such specialized agencies, agrees to arrange for the submission, as soon as possible, to its appropriate organ for such action as may seem proper of all formal recommendations which the United Nations may make to it.

2. The Union agrees to enter into consultation with the United Nations upon request with respect to such recommendations, and in due course to report to the United Nations on the action taken by the Union or by its members to give effect to such recommendations or on the other results of their consideration.

3. The Union will co-operate in whatever further measures may be necessary to make co-ordination of the activities of specialized agencies and those of the United Nations fully effective. In particular, it agrees to co-operate with any body or bodies which the Economic and Social Council may establish for the purpose of facilitating such coordination and to furnish such information as may be required for the carrying out of this purpose.

Article V—Exchange of information and documents

1. Subject to such arrangements as may be necessary for the safeguarding of confidential material, the fullest and promptest exchange of appropriate information and documents shall be made between the United Nations and the Union to meet the requirements of each.

2. Without prejudice to the generality of the provisions of the preceding paragraph:

(a) the Union shall submit to the United Nations an annual report on its activities;

(b) the Union shall comply to the fullest extent practicable with any request which the United Nations may make for the furnishing of special reports, studies or information;

(c) the Secretary-General of the United Nations shall, upon request, consult with the appropriate authority of the Union with a view to providing to the Union such information as may be of special interest to it.

Article VI—Assistance to the United Nations

The Union agrees to co-operate with and to render all possible assistance to the United Nations, its principal and subsidiary organs, in accordance with the United Nations Charter and the International Telecommunication Convention, taking fully into account the particular position of the individual members of the Union who are not members of the United Nations.

Article VII—Relations with the International Court of Justice

1. The Union agrees to furnish any information which may be requested by the International Court of Justice in pursuance of Article 34 of the Statute of the Court.

2. The General Assembly authorizes the Union to request advisory opinions of the International Court of Justice on legal questions arising within the scope of its competence other than questions concerning the mutual relationships of the Union and the United Nations or other specialized agencies.

3. Such request may be addressed to the Court by the Plenipotentiary Conference or the Administrative Council acting in pursuance of an authorization by the Plenipotentiary Conference.

4. When requesting the International Court of Justice to give an advisory opinion the Union shall inform the Economic and Social Council of the request.

Article VIII—Personnel arrangements

1. The United Nations and the Union agree to develop as far as practicable common personnel standards, methods and arrangements designed to avoid serious discrepancies in terms and conditions of employment, to avoid competition in recruitment of personnel, and to facilitate any mutually desirable interchange of personnel in order to obtain the maximum benefit from their services.

2. The United Nations and the Union agree to co-operate to the fullest extent possible in achieving these ends.

Article IX—Statistical services

1. The United Nations and the Union agree to strive for maximum co-operation the elimination of all undesirable duplication between them, and the most efficient use of their technical personnel in their respective collection, analysis, publication, standardization, improvement, and dissemination of statistical information. They agree to combine their efforts to secure the greatest possible usefulness and utilization of statistical information and to minimize the burdens placed upon national governments and other organizations from which such information may be collected.

2. The Union recognizes the United Nations as the central agency for the collection, analysis, publication, standardization, improvement and dissemination of statistics serving the general purposes of international organizations.

3. The United Nations recognizes the Union as the central agency responsible for the collection, analysis, publication, standardization, improvement and dissemination of statistics within its special sphere without prejudice to the rights of the United Nations to concern itself with such statistics so far as they may be essential for its own purposes or for the improvement of statistics throughout the world. All decisions as to the form in which its service documents are compiled rest with the Union.

4. In order to build up a central collection of statistical information for general use, it is agreed that data supplied to the Union for incorporation in its basic statistical series or special reports should so far as practicable be made available to the United Nations upon request.

5. It is agreed that data supplied to the United Nations for incorporation in its basic statistical series or special reports should so far as practicable and appropriate be made available to the Union upon request.

Article X—Administrative and technical services

1. The United Nations and the Union recognize the desirability in the interests of the most efficient use of personnel and resources, of avoiding, whenever possible, the establishment of competitive or overlapping services and when necessary to consult thereon to achieve these ends.

2. Arrangements shall be made between the United Nations and the Union in regard to the registration and deposit of official documents.

Article XI—Budgetary and financial arrangements

1. The budget or the proposed budget of the Union shall be transmitted to the United Nations at the same time as such budget is transmitted to the Members of the Union and the General Assembly may make recommendations thereon to the Union.

2. The Union shall be entitled to send representatives to participate without vote, in the deliberations of the General Assembly or any committee thereof at all times when the budget of the Union is under consideration.

Article XII—Financing of special services

1. In the event of the Union being faced with the necessity of incurring substantial extra expense as a result of any request which the United Nations may make for special reports, studies or assistance in accordance with Article VI or with any other provisions of this agreement, consultation shall take place with a view to determining the most equitable manner in which such expense shall be borne.

2. Consultation between the United Nations and the Union shall similarly take place with a view to making such arrangements as may be found equitable for covering the costs of central administrative, technical or fiscal services or facilities or other special assistance requested by the Union and provided by the United Nations.

Article XIII—United Nations laissez-passer

Officials of the Union shall have the right to use the laissez-passer of the United Nations in accordance with special arrangements to be negotiated between the Secretary-General of the United Nations and the competent authorities of the Union.

Article XIV—Inter-agency agreements

1. The Union agrees to inform the Economic and Social Council of the nature and scope of any formal agreement contemplated between the Union and any other specialized agency or other intergovernmental organization or international non-governmental organization, and further will inform the Economic and Social Council of the details of any such agreement, when concluded.

2. The United Nations agrees to inform the Union of the nature and scope of any formal agreement contemplated by any other specialized agencies on matters which might be of concern to the Union and further will inform the Union of the details of any such agreement, when concluded.

Article XV—Liaison

1. The United Nations and the Union agree to the foregoing provisions in the belief that they will contribute to the maintenance of effective liaison between the two organizations. They affirm their intention of taking whatever measures may be necessary to this end.

2. The liaison arrangements provided for in this agreement shall apply, as far as appropriate, to the relations between the Union and the United Nations, including its branch and regional offices.

Article XVI—United Nations telecommunication services

1. The Union recognizes that it is important that the United Nations shall benefit by the same rights as the Members of the Union for operating telecommunications services.

2. The United Nations undertakes to operate the telecommunication services under its control in accordance with the terms of the International Telecommunication Convention and the regulations annexed thereto.

3. The precise arrangements for implementing this article shall be dealt with separately.

Article XVII—Implementation of agreement

The Secretary-General of the United Nations and the appropriate authority of the Union may enter into such supplementary arrangements for the implementation of this agreement as may be found desirable.

Article XVIII—Revision

On six months' notice given on either part, this agreement shall be subject to revision by agreement between the United Nations and the Union.

Article XIX—Entry into force

1. This agreement will come into force provisionally after approval by the General Assembly of the United Nations and the Plenipotentiary Telecommunication Conference at Atlantic City in 1947.

2. Subject to the aforementioned approval, the agreement will formally enter into force at the same time as the International Telecommunication Convention concluded at Atlantic City in 1947 or at some earlier date as may be arranged for by a decision of the Union.

FINAL PROTOCOL TO THE INTERNATIONAL TELECOMMUNICATION CONVENTION, BUENOS AIRES, 1952

At the time of signing the International Telecommunication Convention of Buenos Aires, the undersigned plenipotentiaries take note of the following statements:

I

For the People's Republic of Albania:

1. In signing the International Telecommunications Convention, Buenos Aires, the Delegation of the People's Republic of Albania hereby declares:

(a) The Kuomintang representatives are not in reality representatives of China and hence the decision taken by the Plenipotentiary Conference to allow them to sign the Convention is illegal. Only representatives appointed by the Government of the People's Republic of China are entitled to sign the Convention on behalf of China.

(b) Signature of the International Telecommunication Convention, on behalf of Germany, by the representatives of the Bonn authorities, is illegal, since the Bonn authorities do not represent the whole of Germany. The Government of the German Democratic Republic legally acceded to the International Telecommunication Convention of 1947, and hence the German Democratic Republic is a party to the 1947 Convention, and a full Member of the International Telecommunication Union.

(c) The decision taken by the Plenipotentiary Conference to accord the right to sign the International Telecommunication Convention to the representatives of Bao-Dai Viet-Nam and South Korea is illegal, since those representatives do not in fact represent Viet-Nam and Korea.

2. The new International Frequency List mentioned in Article 47 of the Radio Regulations of Atlantic City has not yet been prepared and approved. Hence the decisions taken by the Extraordinary Administrative Radio Conference run counter to the Radio Regulations and are, accordingly illegal.

In view of the above, the Delegation of the People's Republic of Albania hereby declares that Resolution No. 30, adopted by the Buenos Aires Plenipotentiary Conference, to the effect that those illegal E. A. R. C. decisions should be considered as replacing the provisions of the Regulations, runs counter to the International Telecommunication Convention in force and constitutes a breach in the procedure for revision of the Regulations. It is, thus, unacceptable for the People's Republic of Albania.

For the above reasons, the People's Republic of Albania reserves the right, in matters concerning the registration and utilization of radio frequencies to act in accordance with Article 47 of the Radio Regulations in force.

It also reserves the right to abide, or not to abide, by the provisions of Article 6 of the Convention.

II

For Saudi Arabia:

1. The Delegation of Saudi Arabia, formally declares its disagreement with Article 5 paragraph 12 (b) 1, and signature of this Convention on behalf of Saudi Arabia is subject to the reservation that Saudi Arabia will not be bound by such agreements it considers against its interest, which may be provisionally concluded on behalf of the Union by the Administrative Council.

2. The Delegation of Saudi Arabia, by signature of this Convention on behalf of Saudi Arabia, reserves for its Government the right to accept or not to accept any obligation in respect of the Telegraph Regulations or the Additional Radio Regulations referred to in Article 12 of this Convention.

III

For Australia:

The Delegation of Australia declares that signature by Australia of this Convention is subject to the reservation that Australia does not agree to be bound by the Telephone Regulations referred to in Article 12 of the Buenos Aires Convention.

IV

For the Bielorussian Soviet Socialist Republic:

Taking into account the fact that under Article 47 of the Radio Regulations, supplementing the Telecommunication Convention, the entry into force of the most substantial part of those Regulations is made dependent on the decisions to be taken by the future Special Administrative Conference, mentioned in that Article; and bearing in mind that in adoption of the decisions taken in 1951 by the Extraordinary Administrative Radio Conference (E. A. R. C.), the provisions of Article 47 of the Radio Regulations were infringed and that hence the said E. A. R. C. decisions are illegal; and also considering that the Plenipotentiary Conference (1952), in adopting a resolution according to which those illegal E. A. R. C. decisions are to be considered as replacing the provisions of the Radio Regulations, thereby infringed the provisions of Article 13 of the Telecommunication Convention, relative to the binding character of the Regulations; the Bielorussian Soviet Socialist Republic in these circumstances leaves open the question of accepting the provisions of the Telecommunication Convention relative to the International Frequency Registration Board, as also the question of accepting the Radio Regulations.

V

For the People's Republic of Bulgaria:

On signing the Buenos Aires Telecommunication Convention, the Delegation of the People's Republic of Bulgaria states:

1. The decision of the Plenipotentiary Conference giving the representatives of the Kuomintang the right to sign the Telecommunication Convention is illegal since in reality they do not represent China. Only the representatives nominated by the Central People's Government of the Chinese People's Republic are entitled to sign the Convention.

The Bonn authorities do not represent the whole of Germany and therefore the signature of the Telecommunication Convention by its representatives is illegal. The Government of the German Democratic Republic has acceded to the Atlantic City Convention in accordance with the procedure established in Additional Protocol II to that Convention. In these circumstances, the German Democratic Republic is a participant in the Atlantic City Convention and has full Membership of the International Telecommunication Union.

The decision of the Plenipotentiary Conference to the effect that the representatives of Bao-Dai Viet-Nam and South Korea are entitled to sign the Telecommunication Convention is illegal since the said representatives do not in reality represent Viet-Nam and Korea.

2. The new International Frequency List referred to in Article 47 of the Radio Regulations (Atlantic City) has not yet been

prepared and approved. In the circumstances, the decisions of the Extraordinary Administrative Radio Conference are illegal, since they are contrary to the Radio Regulations.

In view of the foregoing, the Delegation of the People's Republic of Bulgaria states that Resolution No. 30 of the Plenipotentiary Conference, Buenos Aires, according to which the illegal decisions of the Extraordinary Administrative Radio Conference are considered to replace the provisions of the Radio Regulations, is contrary to the provisions of the Convention in force, violates the normal procedure for revising the regulations and consequently is unacceptable to the People's Republic of Bulgaria.

This being the case, the People's Republic of Bulgaria declares that the question of adopting the Radio Regulations remains open.

The People's Republic of Bulgaria also reserves the right to accept or reject the provisions of Article 6 of the Convention.

VI

For Canada: The signature of Canada to this Convention is subject to the reservation that Canada does not accept of Article 12 paragraph 2 (1) of the Buenos Aires Telecommunication Convention. Canada agrees to be bound by the Radio Regulations and Telegraph Regulations annexed to this Convention but does not at present agree to be bound by the Additional Radio Regulations or the Telephone Regulations.

VII

For China: The Delegation of the Republic of China to the Plenipotentiary Conference of the International Telecommunication Union at Buenos Aires is the only legitimate representation of China therein and is recognized as such by the Conference. Any Declarations or Reservations made in connection with or attached to the present Convention by the several Members of the Union, incompatible to the position of the Republic of China as set forth above, are illegal and therefore null and void. To those Members of the Union, the Republic of China does not, by signature of this Convention, accept any obligation arising out of the Buenos Aires Convention as well as all the Protocols in relation thereto.

VIII

For the Republic of Colombia: The Republic of Colombia hereby formally declares that its signature of this Convention in no way implies acceptance of any obligation as regards the Telegraph and Telephone Regulations mentioned in Article 12 of the Buenos Aires Convention.

IX

For the Republic of Cuba: In view of the provisions of Article 12 of the Buenos Aires Convention and considering its stipulations therein, the Republic of Cuba hereby makes a formal reservation as regards its acceptance of the Telegraph and Telephone Regulations.

X

For the United States of America: Signature of this Convention for and in the name of the United States of America constitutes, in accordance with its constitutional processes, signature also on behalf of all territories of the United States of America.

The United States of America formally declares that the United States of America does not, by signature of this Convention on its behalf, accept any obligation in respect of the Telephone Regulations or the Additional Radio Regulations referred to in Article 12 of the Buenos Aires Convention.

XI

For Greece: The Hellenic Delegation formally declares that in signing this Convention it maintains the reservations made by Greece when the Administrative Regulations mentioned in Article 12 of the Buenos Aires Convention were signed.

XII

For Guatemala: The fact of signing this Convention in the name of the Republic of Guatemala does not impose any obligation on my Government to ratify it as a whole, in its final form and in its application, it being understood that the National Congress of my country can make such reservations as it may judge necessary at the time of ratification.

* * * * *

I declare in the name of my Government that it will not accept any financial repercussions that may result from the reservations made by countries participating in this Conference.

XIII

For the Hungarian People's Republic: When signing the International Telecommunication Convention, the Delegation of the Hungarian Peoples' Republic states the following:

Considering that the Buenos Aires Plenipotentiary Conference has adopted a Resolution in accordance with which the illegal decisions of the E. A. R. C. replace the provisions of the Convention relating to the revision of the Regulations,

the Hungarian People's Republic, being in disagreement with Resolution No. 30 adopted by the Plenipotentiary Conference, reserves the right to regard the adoption of the Radio Regulations and the position of the I. F. R. B. as open questions.

* * * * *

The Delegation of the Hungarian People's Republic, on signing the International Telecommunication Convention, makes the following statement:

1. The decision taken by the Buenos Aires Plenipotentiary Conference to grant the right of signing the Convention to the representatives of the Kuomintang is illegal, since the only legitimate representatives are those nominated by the Central People's Government of the Chinese People's Republic and they alone are entitled to sign on behalf of China.

2. The so-called representatives of Bao-Dai Viet-Nam and South Korea do not in reality represent Viet-Nam and Korea and, by this fact, their participation in the work of the Conference and the decision to authorize them to sign the International Telecommunication Convention are illegal.

3. The Government of the German Democratic Republic, having acceded to the Atlantic City International Telecommunication Convention in accordance with the established procedure, is indisputably a Member of the Union as of right.

The Bonn authorities do not represent the whole of Germany and consequently the signing of the Buenos Aires International Telecommunication Convention by the representatives of these authorities is illegal.

XIV

For the Republic of Indonesia: In signing the present Convention on behalf of the Government of the Republic of Indonesia, the Indonesian Delegation to the Buenos Aires Plenipotentiary Conference reserves its rights with respect to the mentioning in documents of the Union and in Annex 1 of this Convention of the name "New Guinea" after and under the heading of "The Netherlands", in view of the fact that (Western) New Guinea is still a disputed territory.

XV

For Iraq: The Delegation of Iraq makes the following reservations:

1. Reserves the right of its Government to accept or not to accept the Telephone Regulations, the Telegraph Regulations and the Additional Radio Regulations, referred to in Article 12 of the Buenos Aires Convention.

2. Reserves the right to its Government either to accept its association with or to reject its implication in any provisional agreement concluded by the Administrative Council in accordance with provisions of Article 5, paragraph 12 (b) 1, and Article 9, paragraph 1 (g).

XVI

For the State of Israel: The Delegation of the State of Israel cannot accept the reservation made by the Delegations of Afghanistan, Saudi Arabia, Egypt, Iraq, Jordan, Lebanon, Pakistan, Syria and Yemen concerning Israel and reserves the right of its Government to take any appropriate measure it may deem necessary to safeguard the interests of the State of Israel in the application of this Convention and the Regulations annexed thereto, as far as the above Member countries are concerned.

XVII

For Italy and Austria: Italy and Austria reserve the right to take all steps which they consider necessary to safeguard their interests if the Members or Associate Members do not contribute to the expenses of the Union on the basis of the provisions of the International Telecommunication Convention of Buenos Aires (1952) and if the reservations of other countries could compromise their telecommunication services.

XVIII

For Jordan (Hashemite Kingdom of): The Delegation of Jordan makes the following reservations:

1. Reserves the right of its Government to accept or not to accept the Telephone Regulations, the Telegraph Regulations and the Additional Radio Regulations, referred to in Article 12 of the Buenos Aires Convention.

2. Reserves the right of its Government either to accept its association with or to reject its implication in any provisional agreement concluded by the Administrative Council in accordance with provisions of Article 5, paragraph 12 (b) 1, and Article 9, 1 (f).

XIX

For Mexico: The Mexican Delegation, in signing the International Telecommunication Convention of Buenos Aires, hereby declares:

1. That such signature implies no obligations for its Government with respect to the Telegraph Regulations, Telephone Regulations, or Additional Radio Regulations mentioned in Article 12, Section 2, paragraph (1) and (2) of the said Convention.

2. That it accepts no reservations from any country which, directly or indirectly, might lead to an increase in Mexico's contribution above that laid down in the said Convention.

XX

For Pakistan: The Delegation of Pakistan formally declares that Pakistan does not, by signature of this Convention on its behalf, accept any obligation in respect of the Telephone Regulations referred to in Article 12 of the Buenos Aires Convention.

Furthermore, it reserves the right of its Government to accept or not to accept the provisions of the Convention relating to the I. F. R. B.

XXI

For the Republic of the Philippines: The Republic of the Philippines formally declares upon signing the present Convention that it cannot currently accept any obligations with reference to the Telephone and Telegraph Regulations mentioned in paragraph 2 of Article 12 of that Convention.

XXII

For the People's Republic of Poland: In signing the International Telecommunication Convention of Buenos Aires, the Dele-

gation of the People's Republic of Poland is authorized to make the following statement:

1. The Delegation of the People's Republic of Poland considers that participation of Kuomintang representatives in the Buenos Aires Plenipotentiary Conference, and the grant to them of the right to sign the International Telecommunication Convention, is illegal, since the only legitimate representatives of China are those appointed by the Central People's Government of the People's Republic of China.

Participation in the Conference by representatives of Bao-Dai Viet-Nam and of South Korea is likewise illegal, as is the fact that they have been allowed to sign the Convention, since they do not in fact represent Viet-Nam and Korea.

2. The Delegation of the People's Republic of Poland also considers that participation in the Conference by, and the grant of the right to sign the Convention to, the representatives of the Bonn authorities, which do not represent the whole of Germany and hence are not entitled to act on its behalf, is illegal.

The right to sign the Buenos Aires Convention should also be accorded to the representatives of the German Democratic Republic, which is a party to the Atlantic City Convention and a Member of the I. T. U.

3. At the time of signing the International Telecommunication Convention in Buenos Aires, the question of acceptance of the Radio Regulations remains open for the People's Republic of Poland.

4. The Delegation of the People's Republic of Poland cannot agree with the contents of Article 6 of the Buenos Aires Convention, and with the assignment of new duties to the I. F. R. B.

Until such a time as this matter is finally considered and settled at the Ordinary Radio Conference, the People's Republic of Poland leaves open the question of accepting Article 6 of the International Telecommunication Convention of Buenos Aires.

5. The People's Republic of Poland will not consider itself bound by the provisions of Article 5, paragraph 12, subparagraph b) 1, if, on the basis of this Article, the Administrative Council concludes any agreements running counter to the interests of the People's Republic of Poland.

6. In signing this International Telecommunication Convention, the Delegation of the People's Republic of Poland reserves for its Government the right to make any future additional reservations which may appear necessary with regard to the Convention and all its annexes, before final ratification thereof by the People's Republic of Poland.

XXIII

For the Federal German Republic: In regard to the reservations of some delegations concerning Germany, the Delegation of the Federal German Republic formally declares that the Government of the Federal German Republic is the only legally constituted Government able to speak in the name of Germany and to represent the German people in international affairs.

XXIV

For the Ukrainian Soviet Socialist Republic: Taking into account the fact that under Article 47 of the Radio Regulations, supplementing the Telecommunication Convention, the entry into force of the most substantial part of those Regulations is made dependent on the decisions to be taken by the future Special Administrative Conference, mentioned in that Article; and bearing in mind that in adoption of the decisions taken in 1951 by the Extraordinary Administrative Radio Conference (E. A. R. C.), the provisions of Article 47 of the Radio Regulations were infringed and that hence the said E. A. R. C. decisions are illegal; and also considering that the Plenipotentiary Conference (1952), in adopting a resolution according to which those illegal E. A. R. C. decisions are to be considered as replacing the provisions of the Radio Regulations, thereby infringed the provisions of Article 13 of the Telecommunication Convention, relative to the binding character of the Regulations; the Ukrainian Soviet Socialist Republic in these circumstances leaves open the question of accepting the provisions of the Telecommunication Convention relative to the International Frequency Registration Board, as also the question of accepting the Radio Regulations.

XXV

For the Roumanian People's Republic: On signing the present Convention on behalf of the Roumanian People's Republic, the Delegation of the Roumanian People's Republic states the following:

1. (1) The Buenos Aires Plenipotentiary Conference has illegally decided to give the right to sign the Telecommunication Convention to the so-called Delegation of China, sent by the Kuomintang.

The only legitimate representatives of China entitled to sign the Telecommunication Convention are the representatives designated by the Central People's Government of the Chinese People's Republic.

(2) The Government of the German Democratic Republic has legally acceded to the Atlantic City Telecommunication Convention, 1947, and is thus a party to the 1947 Telecommunication Convention and enjoys a full Membership of the Union.

The Bonn authorities do not represent Germany as a whole and consequently the decision of the Conference which has given the right of signing the Convention to its representatives is illegal.

(3) The right to sign the Buenos Aires Telecommunication Convention attributed to the representatives of Bao-Dai Viet-Nam and South Korea is illegal since they were sent by puppet governments which do not in reality represent Viet-Nam and Korea.

2. The Plentipotentiary Conference, Buenos Aires, 1952, having violated the procedure established by the Convention in force for the revision of the Regulations, has adopted a resolution in accordance with which the illegal decisions of the Extraordinary Administrative Radio Conference, 1951—reached in violation of Article 47 of the Radio Regulations annexed to the Convention—replace the provisions of these Regulations.

The Delegation of the Roumanian People's Republic, in these circumstances, reserves the right of its Government to accept or not to accept the Radio Regulations, Article 6 of the Convention and other provisions concerning the I. F. R. B.

It also reserves the right not to take into consideration Resolution No. 30 of the Buenos Aires Plentipotentiary Conference.

XXVI

For the United Kingdom of Great Britain and Northrn Ireland: We declare that our signatures in respect of the United Kingdom of Great Britain and Northern Ireland cover the Channel Islands and the Isle of Man, and also cover British East Africa.

XXVII

For Czechoslovakia: On signing the International Telecommunication Convention, the Delegation of Czechoslovakia makes the following formal statement:

1. The presence of the representatives of the Kuomintang at the Buenos Aires Plenipotentiary Conference of the International Telecommunication Union and the signing of the International Telecommunication Convention by the representatives of the Kuomintang on behalf of China are not legal since the only legitimate representatives of China are the representatives designated by the Central People's Government of the Chinese People's Republic.

Czechoslovakia also disputes the right of the representatives of South Korea and Bao-Dai Viet-Nam to sign the present International Telecommunication Convention on behalf of the countries of Korea and Viet-Nam respectively since they do not actually represent those countries.

Czechoslovakia does not accept the signing of the International Telecommunication Convention by the representatives of the Bonn authorities on behalf of the whole of Germany and states that the German Democratic Republic which duly acceded to the International Telecommunication Convention, Atlantic City, 1947, must be regarded as a Member of the International Telecommunication Union as of right.

2. Czechosovakia does not accept the decisions of the Plenipotentiary Conference of the International Telecommunication Union, Buenos Aires, relative to the Agreement of the Extraordinary Administrative Radio Conference, Geneva, 1951, since these decisions are aimed at legalizing the said Agreement which is in contradiction with Article 47 of the Atlantic City Radio Regulations, 1947, and reserves the right to adhere strictly to Article 47 of those Regulations.

3. Czechoslovakia is not in agreement with the decisions of the Plenipotentiary Conference of the International Telecommunication Union, Buenos Aires, relative to the International Frequency Registration Board and reserves the right to accept or not to accept Article 6 of the International Telecommunication Convention in whole or in part.

XXVIII

For Turkey:

1. In view of the provisions of Article 12 of the New Buenos Aires Convention, I formally declare in the name of my Delegation that the reservations made previously in the name of the Turkish Government with reference to the regulations mentioned in that Article continue to be valid.

2. Upon signing the Final Acts of the Buenos Aires Convention, I formally declare in the name of the Government of the Republic of Turkey, that my Government cannot accept any financial implications resulting from any reservations or counter-reservations that might be made by any Delegation participating in the present Conference.

For the Union of South Africa and the Territory of South-West Africa: The Delegation of the Union of South Africa and the Territory of South-West Africa, declares that the signature of the Union of South Africa and the Territory of South-West Africa to this Convention is subject to the reservation that the Union of South Africa and the Territory of South-West Africa does not agree to be bound by the Telephone Regulations referred to in Article 13 of the Buenos Aires Convention.

XXX

For the Union of Soviet Socialist Republics: Taking into account the fact that under Article 47 of the Radio Regulations, supplementing the Telecommunication Convention, the entry into force of the most substantial part of those Regulations is made dependent on the decisions to be taken by the future Special Administrative Conference, mentioned in that Article; and bearing in mind that in adoption of the decisions taken in 1951 by the Extraordinary Administrative Radio Conference (E. A. R. C.), the provisions of Article 47 of the Radio Regulations were infringed, and that hence the said E. A. R. C. decisions are illegal; and also considering that the Plenipotentiary Conference (1952), in adopting a resolution according to which those illegal E. A. R. C. decisions are to be considered as replacing the provisions of the Radio Regulations, thereby infringed the provisions of Article 13 of the Telecommunication Convention, relative to the binding character of the Regulations; the Union of Soviet Socialist

Republics in these circumstances leaves open the question of accepting the provisions of the Telecommunication Convention relative to the International Frequency Registration Board, as also the question of accepting the Radio Regulations.

XXXI

For Viet-Nam: In signing the present Convention on behalf of the State of Viet-Nam, the Delegation of Viet-Nam reserves the right of its Government to accept or not to accept:

any obligation deriving from the Telephone Regulations mentioned in Article 12, particularly should those Regulations be extended to the extra-European system;

any provisional agreement concluded by the Administrative Council with international organizations which my Government considers contrary to its interests.

Furthermore, it formally considers as unfounded from the juridical point of view and as in flagrant contradiction with the Convention, the declarations made by the Delegations of:

Bulgaria (People's Republic of)
Hungarian People's Republic
Roumanian People's Republic
Albania (People's Republic of)
Poland (People's Republic of)
The Bielorussian Soviet Socialist Republic
Ukrainian Soviet Socialist Republic
Czechoslovakia
Union of Soviet Socialist Republics

contesting the right of the representative of the Government of Viet-Nam, present in this Assembly, to sign with perfect legality, the International Telecommunication Convention, in conformity with the decision taken by the Plenipotentiary Conference of Buenos Aires.

XXXII

Belgium, Cambodia (Kingdom of), China, Colombia (Republic of), Belgian Congo and Territory of Ruanda-Urundi, Costa Rica, Cuba, Egypt, France, Greece, India (Republic of), Iran, Iraq, Israel (State of), Japan, Jordan (Hashemite Kingdom of), Lebanon, Monaco, Portugal, French Protectorates of Morocco and Tunisia, Federal German Republic, Federal People's Republic of Yugoslavia, Sweden, Switzerland (Confederation), Syrian Republic, Overseas Territories of the French Republic and Territories administered as such, Portuguese Oversea Territories, Viet-Nam (State of): The undersigned Delegations declare, in the name of their respective governments, that they accept no consequences for reserves resulting in an increase of their contributory share in the expense of the Union.

Belgium, Cambodia (Kingdom of), China, Colombia (Republic of), Belgian Congo and Territory of Ruanda-Urundi, Costa Rica, Cuba, Egypt, France, Greece, India (Republic of), Iran, Iraq, Israel (State of), Japan, Jordan (Hashemite Kingdom of), Lebanon, Monaco, Portugal, French Protectorates of Morocco and Tunisia, Federal German Republic, Federal People's Republic of Yugoslavia, Sweden, Switzerland (Confederation), Syrian Republic, Overseas Territories of the French Republic and Territories administered as such, Portuguese Oversea Territories, Viet-Nam (State of).

XXXIII

For Afghanistan, Saudi Arabia, Egypt, Iraq, Jordan, Lebanon, Pakistan, Syria, Yemen: The above mentioned Delegations declare that the signature and possible subsequent ratification by their respective Governments to the Buenos Aires Convention, are not valid with respect to the Member appearing in Annex I to this Convention under the name of Israel, and in no way imply its recognition.

XXXIV

For Egypt and Syria: The Delegations of Egypt and Syria declare on behalf of their Governments their disagreement with Article 5, paragraph 12, sub-paragraph b) 1 and with Article 9, paragraph 1, sub-paragraph g), which authorise the Administrative Council to conclude agreements with international organizations on behalf of the Union. Any such agreements which they will consider against their interest shall not be binding on them.

XXXV

For the Union of Soviet Socialist Republics, the Ukrainian Soviet Socialist Republic and the Bielorussian Soviet Socialist Republic: In signing the Telecommunication Convention, the Delegations of the Union of Soviet Socialist Republics, the Ukrainian Soviet Socialist Republic, and the Bielorussian Soviet Socialist Republic hereby declare:

1. The decision taken by the Plenipotentiary Conference to grant the Kuomintang representatives the right to sign the Telecommunication Convention is illegal, since the only legal representatives of China are the representatives appointed by the Central People's Government of the People's Republic of China, and they alone are entitled to sign the Telecommunication Convention on behalf of China;

2. The representatives of Bao-Dai Viet-Nam and South Korea do not in reality represent Viet-Nam and Korea; hence their participation in the work of the Plenipotentiary Conference, and the grant to them of the right to sign the Telecommunication Convention on behalf of Viet-Nam and Korea, is illegal;

3. The Government of the German Democratic Republic has acceded to the Telecommunication Convention (Atlantic City, 1947) in accordance with the procedure laid down in Additional Protocol to that Convention, and hence the German Democratic Republic is a party to the Telecommunication Convention of 1947 and a full Member of the I. T. U. The Bonn authorities do not, and cannot, represent the whole of Germany, with the result that signature by their representatives of the Telecommunication Convention adopted by the Plenipotentiary Conference of Buenos Aires, is illegal.

XXXVI

For Australia (Commonwealth of), Canada, China, United States of America, India (Republic of), Iraq, Jordan (Hashemite Kingdom of), Mexico, New Zealand, Netherlands, United Kingdom of Great Britain and Northern Ireland: In view of the fact that certain countries have reserved the right to accept or not to accept the provisions of Article 6 of the Convention, the following countries reserve the right to take such measures as may be necessary, where appropriate in conjunction with other Members of the Union, to ensure the proper functioning of the International Frequency Registration Board, should the reserving countries in the future not accept the provisions of Article 6 of the Convention: Australia (Commonwealth of), Canada, China, United States of America, India (Republic of), Iraq, Jordan (Hashemite Kingdom of), Mexico, New Zealand, Netherlands, Surinam, Netherlands Antilles, New Guinea, United Kingdom of Great Britain and Northern Ireland.

In witness whereof, the respective plenipotentiaries have signed this Final Protocol in each of the Chinese, English, French, Russian and Spanish languages, in a single copy, which shall remain deposited in the archives of the Government of the Argentine Republic and one copy of which shall be forwarded to each signatory government.

Done at Buenos Aires, 22 December 1952.

[Here follow the signatures for the following countries, territories, and groups of territories: Afghanistan, People's Republic of Albania, Kingdom of Saudi Arabia, Argentine Republic, Commonwealth of Australia, Austria, Belgium, Bielorussian Soviet Socialist Republic, Bolivia, Brazil, People's Republic Bulgaria, Kingdom of Cambodia, Canada, Ceylon, Chile, China, Vatican City State, Republic of Colombia, Belgian Congo and Territory of Ruanda-Urundi, Republic of Korea, Costa Rica, Cuba, Denmark, Dominican Republic, Egypt, Spain, United States of America, Ethiopia, Finland, France, Greece, Guatemala, Hungarian People's Republic, India, Republic of Indonesia, Iran, Iraq, Ireland, Iceland, State of Israel, Italy, Japan, Hashemite Kingdom of Jordan, Kingdom of Laos, Lebanon, Luxembourg, Mexico, Monaco, Nicaragua, Norway, New Zealand, Pakistan, Paraguay, Netherlands, Surinam, Netherlands Antilles, New Guinea, Peru, Republic of the Philippines, People's Republic of Poland, Portugal, French Protectorates of Morocco and Tunisia, Federal German Republic, Federal People's Republic of Yugoslavia, Ukrainian Soviet Socialist Republic, United Kingdom of Great Britain and Northern Ireland, Sweden, Swiss Confederation, Syrian Republic, Overseas Territories of the French Republic and Territories administered as such, Portuguese Oversea Territories, Thailand, Turkey, Union of South Africa and Territory of South-West Africa, Union of Soviet Socialist Republics, Oriental Republic of Uruguay, United States of Venezuela, State of Viet-Nam, Spanish Zone of Morocco and the totality of Spanish Possessions.]

Mr. KNOWLAND. Mr. President, I ask that the yeas and nays be ordered on the convention.

The yeas and nays are ordered.

Mr. GEORGE. Mr. President, I have a brief statement to place in the RECORD for a background history. The facts are, substantially, these: At Atlantic City, under the leadership of a distinguished former member of the Foreign Relations Committee, the Honorable Wallace White, there was negotiated the original International Telecommunications Convention. That was 5 years ago.

In 1952 a conference was held in Buenos Aires, which led to the conclusion of a new Telecommunications Convention known as the Buenos Aires convention. It is that instrument which is now before the Senate. It differs in no important respect from the Atlantic City convention under which we have been operating since 1948 and which has given rise to no complaints.

The changes in the Atlantic City convention are set forth in the report of the Committee on Foreign Relations. I ask unanimous consent to have the statement to which I have referred be printed in the RECORD purely and wholly for background purposes.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR GEORGE IN SUPPORT OF THE INTERNATIONAL TELECOMMUNICATIONS CONVENTION (EXECUTIVE R, 83D CONG.)

On March 1, 1955, the Committee on Foreign Relations, without objection, reported the International Telecommunications Convention to the Senate and recommended that it give its advice and consent to ratification. The action of the committee was taken after an open hearing during which representatives of the executive branch testified in support of the convention. The committee has received no indication whatsoever of opposition to the Telecommunications Convention, which has been before the Senate since July 1953.

With the rapid development of international telegraphic and radio communications in recent years, it has become necessary to

establish regulations to simplify international telecommunications. At Madrid in 1932, and at Cairo in 1938, regulations were adopted relating to the international allocation of radio frequencies. After the war a conference was held at Atlantic City which led to the adoption of the Atlantic City International Telecommunications Convention. The United States, with the advice and consent of the Senate, ratified the Atlantic City Convention in 1948. By that action, we became a member of the International Telecommunications Union (ITU). That Union has responsibility for preparing regulations in the field of radio, telegraph, and telephone in order to facilitate international telecommunications with these facilities.

By way of illustration, regulations with respect to telegraphic communications cover such matters as the method of counting words, the hours of operation, the collection of charges for international messages, the transmission of signals, the handling of special messages, and so forth. In the field of radio, provision is made for the registration of radio frequencies used by facilities in member countries, the receipt of distress calls, and similar matters.

The late Senator White who reported to the Senate in 1948 on the Atlantic City Convention observed that it was no reflection upon the Senate to suggest that the technical details embodied in these regulations were not within the knowledge of the membership. Under those circumstances, the Senate must accept the advice of the technical representatives of this Government and of private agencies with respect to the acceptability of the regulations to American interests.

The convention signed in Atlantic City provided for its reconsideration after 5 years. Thus in 1952, a conference was held in Buenos Aires which led to the conclusion of a new telecommunications convention known as the Buenos Aires Convention. It is that instrument which is before us. It differs in no important respects from the Atlantic City Convention under which we have been operating since 1948 and which has given rise to no complaints. The changes in the Atlantic City Convention made by the Buenos Aires Convention are detailed in the report of the Committee on Foreign Relations.

The President in submitting this convention to the Senate recommended that in giving advice and consent to ratification we should do so with two understandings. These understandings are described in the report of the committee.

The first understanding is to make clear that the United States is signing the convention on behalf of all territories of the United States. It was felt this action was necessary so that there would be no doubt but that the United States would retain two votes in the I. T. U., one on behalf of the continental United States and one on behalf of the territories.

The second understanding is for the purpose of indicating that the telephone regulations and certain additional radio regulations are not accepted as applicable to the United States. It was stated by representatives of the executive branch that the telephone regulations, as annexed to the convention, were of principal interest to the European area and not particularly applicable to the United States. If it should seem wise in the future to have these regulations extended to the United States, the committee has been assured that they will be submitted to the Senate for appropriate action.

The committee concluded after hearing testimony in connection with the Buenos Aires Convention that it would be in the interests of the United States to continue its membership in the Telecommunications Union which costs the United States about $130,000 per year.

I hope the Senate will give its advice and consent to the convention.

Mr. GEORGE. Mr. President, the Foreign Relations Committee found no objection to this convention. It has been unanimously reported, and I think the Senate need not hesitate to approve it. It takes the name of the Buenos Aires Convention because a conference was held there, and our friends in that area of the world wish to be identified with the convention.

The PRESIDING OFFICER. The convention is before the Senate, as in Committee of the Whole, and is open to amendment.

If there be no amendment to be proposed, without objection, the pending convention will be considered as having passed through its various parliamentary stages, up to the point of the consideration of the resolution of ratification with the understandings.

The clerk will read the resolution of ratification, with the understandings.

The Chief Clerk read as follows:

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of Executive R, 83d Congress, 1st session, the International Telecommunication Convention, with annexes, and the final protocol to the Convention, which were signed at Buenos Aires on December 22, 1952, by the delegates of the United States of America and delegates of other countries represented at the International Telecommnications Conference, Buenos Aires, 1952, with the following understandings:

Ratification of this Convention for and in the name of the United States of America constitutes, in accordance with its constitutional processes, ratification also on behalf of all Territories of the United States of America;

The United States of America does not, by ratification of this Convention on its behalf, accept any obligation in respect of the Telephone Regulations or the Additional Radio Regulations referred to in article 12 of the Buenos Aires Convention.

The PRESIDING OFFICER. The question is on agreeing to the understandings.

The understandings were agreed to.

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to the resolution of ratification, with the understandings?

On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The Chief Clerk called the roll.

Mr. CLEMENTS. I announce that the Senator from New Mexico [Mr. CHAVEZ], the Senator from Mississippi [Mr. EASTLAND], the Senator from North Carolina [Mr. ERVIN], the Senator from Arizona [Mr. HAYDEN], and the Senator from Oklahoma [Mr. KERR] are absent on official business.

The Senator from Virginia [Mr. BYRD] is absent because of illness in his family.

The Senator from Missouri [Mr. HENNINGS] is absent because of illness.

The Senator from Massachusetts [Mr. KENNEDY] is absent by leave of the Senate because of illness.

I further announce that on this vote the Senator from Virginia [Mr. BYRD], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Mississippi [Mr. EASTLAND], the Senator from North Carolina [Mr. ERVIN], the Senator from Arizona [Mr. HAYDEN], the Senator from Missouri [Mr. HENNINGS], the Senator from Massachusetts [Mr. KENNEDY], and the Senator from Oklahoma [Mr. KERR], if present and voting, would vote "yea."

Mr. SALTONSTALL. I announce that the Senator from Vermont [Mr. AIKEN], the Senator from Connecticut [Mr. BUSH], the Senators from Utah [Mr. BENNETT and Mr. WATKINS], the Senator from Indiana [Mr. CAPEHART], the Senators from South Dakota [Mr. CASE and Mr. MUNDT], and the Senator from Idaho [Mr. WELKER] are absent on official business.

The Senator from New Hampshire [Mr. BRIDGES], the Senator from Maryland [Mr. BUTLER], and the Senator from Indiana [Mr. JENNER], are necessarily absent.

The Senator from Ohio [Mr. BENDER] and the Senator from Kansas [Mr. CARLSON], are detained on official business and, if present and voting, would each vote "yea."

I also announce that if present and voting, the Senator from Vermont [Mr. AIKEN], the Senator from Connecticut [Mr. BUSH], the Senators from Utah [Mr. BENNETT and Mr. WATKINS], the Senator from New Hampshire [Mr. BRIDGES], the Senator from Maryland [Mr. BUTLER], the Senator from Indiana [Mr. CAPEHART], the Senators from South Dakota [Mr. CASE and Mr. MUNDT], and the Senator from Idaho [Mr. WELKER], would each vote "yea."

The yeas and nays resulted—yeas 74, nay 1, as follows:

YEAS—74

Allott	Hill	Murray
Anderson	Holland	Neely
Barkley	Hruska	Neuberger
Barrett	Humphrey	O'Mahoney
Beall	Ives	Pastore
Bible	Jackson	Payne
Bricker	Johnson, Tex.	Potter
Case, N. J.	Johnston, S. C.	Purtell
Clements	Kefauver	Robertson
Cotton	Kilgore	Russell
Curtis	Knowland	Saltonstall
Daniel	Kuchel	Schoeppel
Dirksen	Langer	Scott
Douglas	Lehman	Smathers
Duff	Long	Smith, Maine
Dworshak	Magnuson	Smith, N. J.
Ellender	Mansfield	Sparkman
Flanders	Martin, Iowa	Stennis
Frear	Martin, Pa.	Symington
Fulbright	McCarthy	Thurmond
George	McClellan	Thye
Goldwater	McNamara	Wiley
Gore	Millikin	Williams
Green	Monroney	Young
Hickenlooper	Morse	

NAY—1

Malone

NOT VOTING—21

Aiken	Capehart	Hennings
Bender	Carlson	Jenner
Bennett	Case, S. Dak.	Kennedy
Bridges	Chavez	Kerr
Bush	Eastland	Mundt
Butler	Ervin	Watkins
Byrd	Hayden	Welker

The PRESIDING OFFICER. Two-thirds of the Senators present having voted in the affirmative, the resolution of ratification, with the understandings, is ageed to.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the

President be informed that the Senate has advised and consented to the ratification of the convention and protocol.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. JOHNSON of Texas. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

SALE OF WATER FROM CLARK HILL RESERVOIR

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 129, S. 1217.

The PRESIDING OFFICER (Mr. CLEMENTS in the chair). The bill will be stated by title for the information of the Senate.

The CHIEF CLERK. A bill (S. 1217) to authorize the Secretary of the Army to contract with the city of McCormick, S. C., for the sale of water from Clark Hill Reservoir.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request of the Senator from Texas?

There being no objection, the Senate proceeded to consider the bill (S. 1217) to authorize the Secretary of the Army to contract with the city of McCormick, S. C., for the sale of water from Clark Hill Reservoir which had been reported from the Committee on Public Works with an amendment, on page 1, after the enacting clause, to strike out:

That the Secretary of the Army is hereby authorized to contract with the city of McCormick, S. C., upon such terms and for such period not to exceed 50 years as he may deem reasonable, for the sale of not to exceed 600 acre-feet of water annually from the Clark Hill Reservoir, and is further authorized to grant to the city of McCormick at no cost an easement over Government lands at Clark Hill for the sole purpose of constructing necessary pipelines and a pumping station to obtain such water.

And insert, in lieu thereof, the following:

That the Secretary of the Army is hereby authorized to contract with the city of McCormick, S. C., for the use of storage space in Clark Hill Reservoir for the purpose of providing said city a regulated water supply in an amount of not to exceed 600 acre-feet annually: *Provided*, That such contract shall provide for repayment of allocable costs in not to exceed 50 years from the date of beginning the use of water, and payments of construction costs shall include interest on unamortized balance at a rate equal to the average rate paid by the United States on long-term loans. He is further authorized to grant to the city of McCormick at no cost an easement over Government lands at Clark Hill for the sole purpose of constructing necessary pipelines and a pumping station to obtain such water.

So as to make the bill read:

Be it enacted, etc., That the Secretary of the Army is hereby authorized to contract with the city of McCormick, S. C., for the use of storage space in Clark Hill Reservoir for the purpose of providing said city a regulated water supply in an amount of not to exceed 600 acre-feet annually: *Provided*, That such contract shall provide for repayment of allocable costs in not to exceed 50 years from the date of beginning the use of water, and payments of construction costs shall include interest on unamortized balance at a rate equal to the average rate paid by the United States on long-term loans. He is further authorized to grant to the city of McCormick at no cost an easement over Government lands at Clark Hill for the sole purpose of constructing necessary pipelines and a pumping station to obtain such water.

SEC. 2. The project for Clark Hill Reservoir authorized by the Flood Control Act of December 22, 1944, is hereby modified in accordance with this act.

SEC. 3. All moneys received under any contract authorized by this act shall be deposited in the Treasury of the United States as miscellaneous receipts.

SEC. 4. Nothing in this act shall affect water rights under State law.

Mr. THURMOND. Mr. President, I ask unanimous consent that House bill 4436 may be substituted for Senate bill 1217 and be now considered.

The PRESIDING OFFICER. The clerk will state the House bill by title.

The CHIEF CLERK. A bill (H. R. 4436) relating to the use of storage space in the Clark Hill Reservoir for the purpose of providing the city of McCormick, S. C., a regulated water supply.

The PRESIDING OFFICER. Is there objection to the request of the Senator from South Carolina?

There being no objection, the Senate proceeded to consider the bill (H. R. 4436) relating to the use of storage space in the Clark Hill Reservoir for the purpose of providing the city of McCormick, S. C., a regulated water supply.

Mr. KNOWLAND. Mr. President, will the Senator from Texas yield for an inquiry?

Mr. JOHNSON of Texas. I yield.

Mr. KNOWLAND. Is my understanding correct that the House bill is identical in every particular with the bill reported by the Senate committee?

Mr. THURMOND. It is not identical, but it is very similar.

Mr. KNOWLAND. When the matter was discussed with me by the distinguished majority leader, I conferred with the ranking Republican member of the Senate Committee on Public Works. I wish to be certain that there is no difference in substance between the House bill and the Senate bill, because the bill I discussed with Members on this side of the aisle was the Senate bill.

Mr. JOHNSON of Texas. I may say to the Senator from South Carolina that my understanding with the minority leader was based on the Senate bill. If there is any substantial difference between the Senate bill and the House bill, I hope the Senator from South Carolina will point it out.

Mr. THURMOND. The only changes in the Senate bill are in section 1. I will read them for the information of the Senator from California:

That the Secretary of the Army is hereby authorized to contract with the city of McCormick, S. C., for the use of storage space in Clark Hill Reservoir for the purpose of providing said city a regulated water supply in an amount of not to exceed 600 acre-feet annually: *Provided*, That such contract shall provide for repayment of allocable costs in not to exceed 50 years from the date of beginning the use of water, and payments of construction costs shall include interest on unamortized balance at a rate equal to the average rate paid by the United States on long-term loans. He is further authorized to grant to the city of McCormick at no cost an easement over Government lands at Clark Hill for the sole purpose of constructing necessary pipelines and a pumping station to obtain such water.

The bill will cost the Government no money. At the same time, a critical shortage of water in the area concerned, caused by a recent drought in the Southeast, will be alleviated. It is imperative that the measure be acted upon swiftly in order that the additional water may be supplied to the city, and in order to prevent a shutdown by a large cotton mill, upon which the entire community is dependent.

It is for that reason that I have asked unanimous consent that the House bill, which was passed by the House on Wednesday, be substituted for Senate bill 1217. The bills are very similar, and the House bill will serve the same purpose. By substituting H. R. 4436, further delay in securing final action on this measure can be obviated.

Mr. KNOWLAND. It is a little difficult to understand what is involved by the amendment just read. The only assurance I wish to have from the Senator from South Carolina is that the language of the House bill has the approval of the various Government agencies which may have been consulted about the Senate bill, even though there be no change in substance from the Senate bill.

Mr. THURMOND. The Corps of Engineers, with whom the city of McCormick, S. C., has contracted, has approved the bill identically as passed by the House, as has the Secretary of the Army.

The Bureau of the Budget recommended some little change in wording, that is the only difference between the two bills. There is no difference of any importance; merely a slight change in wording which was suggested by the Budget Bureau.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the third reading and passage of the bill.

The bill (H. R. 4436) was ordered to a third reading, read the third time, and passed.

The PRESIDING OFFICER. Without objection, Senate bill 1217 is indefinitely postponed.

COLUMBIA BROADCASTING SYSTEM, MR. ERIC SEVAREID, AND FORMOSA

Mr. NEELY. Mr. President, the purpose of this intrusion upon the time and patience of the Senate is to confess judgment on my long overdue debt of unlimited gratitude to the Columbia Broadcasting System for its nightly contribution of the matchless analysis and interpretation of the news by the eminent Mr. Eric Sevareid. In my opinion, he is one of the three most sagacious,

logical, eloquent, and felicitous of American radio commentators. In his daily broadcasts he habitually demonstrates complete conformity with Mark Twain's monitory observation that the difference between the "almost right" word and the "right" word is the difference between the lightning bug and the lightning. In corroboration of the foregoing appraisal of Mr. Sevareid, his typical broadcast of the 3d of March is presented to the Senate. It is as follows:

Good evening. There is an old story about Lord Wellington inspecting his new recruits on the battlefield. He said to an associate, "I don't know if they frighten the enemy, but gad sir, they frighten me."

At the moment we are witnessing a somewhat analagous picture in our China policy. It is now a month since the President's declaration on the Formosa Straits; the attempts to clarify it, so-called, have gone on every day until it is now probably fair to say that whether or not these clarifications confuse the Chinese enemy, they are most surely confusing the American people.

Item one: Some days ago Secretary Dulles said we would not move in to defend the offshore islands, as such, but implied we would reserve the right to do so if an attack on them was part of a campaign for Formosa itself. This left our intentions about those islands unclear, but privately here in Washington it was said repeatedly that unless the Reds previously guaranteed a cease-fire in the straits, an attack on the offshores could not be construed, in military terms, as anything but a first step to Formosa; therefore, we would have to help defend them. Corollary to this was the understanding, made quite clear behind the scenes, that if the Reds did guarantee a cease-fire in the region, we would have no choice but to get the Nationalists out of those islands to avoid perpetual threat of a broken armistice. Realistically then, the offshores would be part of the price for a cease-fire.

But item two comes today from Formosa: Dispatches saying Mr. Dulles has assured Chiang that the offshores will not be pawns in a cease-fire negotiation. Dulles' associates there, however, simultaneously tell the reporters that we would consider abandoning the offshores if that could guarantee peace in Asia; so, they are pawns again, only in a much larger deal, involving all of Asia; but then the thing really gets complicated; they would be surrendered, in return for peace, only if the Nationalists themselves agreed. That is something new.

Item three developed yesterday at the President's news conference, when he was asked if we would give any help to a Nationalist attempt to invade mainland China. He said the United States is not going to be a party to an aggressive war.

Well, that statement resulted in more confusion, including contradictory interpretations by Members of Congress. Some took it to mean that a Chiang attempt to fight into the mainland would be regarded as aggression by us. If that is so, it seemed to mean we regard the Communist regime as the rightful government of China proper. Senator HUMPHREY, for one, assumed this is correct and that America has now adopted the official view that two legal Chinas exist. That could lead to all kinds of things, including recognition of Red China's right to be in the U. N. But others thought the President did not mean this, at all, that he simply meant we reserve the right, after the fact, to decide what is aggression and what is not.

Suppose, after all, that Red China started general war, in Korea, in Vietnam, against Formosa; to use the Nationalist troops to counter this would not necessarily be aggression.

The list of confusing "clarifications" could be extended. The realities remain: We will defend the offshores this side of a cease fire; the other side of one, we will try to get the Nationalists out of them. And we will not permit or aid Chiang to try to invade the mainland. Yesterday the President said he thought the whole thing had been discussed so thoroughly there could be no misunderstanding. The trouble is that officials have made everything clear in private, but not in public.

In public they have tried to keep the enemy guessing. A good case can be made for that; but the price of it must always be, and is today, that you keep your own people guessing, too.

This is Eric Sevareid in Washington.

Mr. Sevareid, bless you and the Columbia Broadcasting System! may you
both live a thousand years,
To sort of keep things lively in this vale
of human tears;
And may I live a thousand, too—no, a
thousand less a day,
For I shouldn't like to be on earth to hear
that either of you had passed
away.

VISIT TO THE SENATE BY MEMBERS OF THE CANADIAN PARLIAMENT

Mr. LANGER. Mr. President, the Senate of the United States is deeply honored today to have present on the floor of the Senate six members of the Canadian Parliament. Their names are: H. A. Bryson, Tisdale, Saskatchewan; Scotty Brice, Selkirk, Manitoba; Ed McCullock, Moose Mountain, Saskatchewan; Hazen Argue, Assiniboia, Saskatchewan; Claude Ellis, Regina, Saskatchewan; G. K. Caseldon, Yorkton, Saskatchewan.

These gentlemen have been members of the Canadian Parliament for a long time. I am going to ask that they stand in order that Senators may see and greet them. I hope the Members of the Senate will shake hands with these distinguished representatives of our neighbors to the North. They are from provinces located directly north of Minnesota and North Dakota. I know the gentlemen will be delighted to shake hands with Members of the Senate.

The PRESIDING OFFICER. The Chair is glad to welcome our distinguished guests from Canada and, of course, Senators may greet them on the floor.

THE RECIPROCAL TRADE AGREEMENTS ACT

Mr. THURMOND. Mr. President, on March 23, 1955, 16 Senators joined with me in presenting to the Finance Committee suggestions for 3 proposed amendments to H. R. 1, the reciprocal trade agreements bill, and I had previously appeared before the committee, on March 17, to present our reasons for seeking such changes in H. R. 1.

My colleagues in advocating these amendments to the committee, which we requested the committee to adopt as its own, were Senators ERVIN, SPARKMAN, HILL, PURTELL, AIKEN, PASTORE, STENNIS, SCOTT, GREEN, BRIDGES, COTTON, PAYNE, JOHNSTON of South Carolina, DANIEL, SMITH of Maine, and FLANDERS.

I now ask unanimous consent that I may have printed in the body of the RECORD a statement containing some information relating to this joint proposal made on behalf of my colleagues and myself.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR THURMOND

THE AMENDMENTS

1. On page 4, line 13; page 6, line 20; page 6, line 22; page 7, line 10; and page 10, line 9: Strike out the word "July" and insert in lieu thereof the word "January."

2. On page 4, line 14: Strike out line 14 through line 25 on page 4 and line 1 through line 2 on page 5 and renumber clause "(iii)" on page 5, line 3 as "(ii)."

3. On page 5, line 24: Strike out the subparagraph lettered "(E)" in its entirety.

Basically, all three amendments are aimed at the same objective: To make the bill what its proponents advertise it to be—a 3-year extension of the President's authority to enter into trade agreements, with new power to cut existing tariff rates by up to 5 percent during each of the next 3 years. Actually, as passed by the House, H. R. 1 makes it possible to cut existing tariff rates on cotton textiles by as much as 57½ percent.

AMENDMENT NO. 1

The House bill sets July 1, 1955, as the base date for figuring tariff reductions under its 15-percent duty cutting authority. But between now and that date, rates subject to change in the current tariff negotiations at Geneva may be cut by amounts ranging up to 50 percent. Some 90 percent of the cotton textile industry's production is subject to possible tariff reductions at Geneva of 50 percent. No one knows what cotton textile tariff rates will be on next July 1. Other major industries are not involved in the Geneva negotiations to a comparable extent and so know what their tariffs will be on July 1 and hence can calculate the effect of H. R. 1 on them. Amendment No. 1 is designed to correct this inequity by changing the base date from July 1, 1955 to January 1, 1955.

AMENDMENT NO. 2

The provision in H. R. 1 authorizing the President, through trade agreements, to cut by as much as 50 percent the tariff rates of January 1, 1945, on these items being imported not at all or in negligible quantities is vast in its scope, although little publicity has been given this section of the bill. Under such provision, for example, practically all textile tariff rates might well fall.

Who is to determine what is a negligible quantity? And even if this provision is strictly interpreted by the administrators of H. R. 1, is it not quite possible, nevertheless, that a cut of 50 percent in such rates will lead to a tenfold expansion in imports of the items involved?

Amendment No. 2 is designed to correct this inequity by eliminating this provision from the bill.

AMENDMENT NO. 3

The general rule in H. R. 1 grants authority to reduce existing duties by 15 percent (5 percent per year) but an exception is made in sub-paragraph (E) of section 3 (a). It authorizes the President on and after June 12, 1955, to reduce duties by 50 percent of those existing on January 1, 1945, on those articles which are on the list of items being negotiated with Japan at Geneva.

The principal industry now being negotiated at Geneva is the textile industry and, by and large, the whole 50 percent reduction is available. It is unfair to segregate an industry which is unfortunate enough to be currently on the bargaining table and authorize a much greater cut in its duties than

is allowed for the rest of the American industry.

The exception goes even further, however, than merely discriminating in the amount of reductions. Subparagraph (E) contains a different test to guide the President. It grants authority to reduce rates by 50 percent "if the President determines that such decrease is necessary in order to provide expanding export markets for products of Japan (including such markets in third countries)."

It is apparent that the test of subparagraph (E) is designed exclusively to aid Japan without reference to the welfare of our domestic industry and hence is contrary to the general principles of this legislation. As a matter of statutory construction, the specific controls the general. It is patently obvious that decreases in our duties would provide expanding export markets for the products of Japan. It can also be argued that this special test in subparagraph (E) nullifies both the "escape" and "peril-point" provisions of the current act and leaves the textile industry exposed to great damage and unemployment.

Amendment No. 3 is designed to correct this inequity by striking the provision from the bill.

ADMISSION CHARGE TO HOME WHERE LINCOLN DIED—THE LINCOLN MUSEUM

Mr. YOUNG. Mr. President, 90 years ago on the 14th of this month, millions were gladdened by the thought that the tragedy of an unfortunate controversy was at an end. The day was one of brilliant sunshine, and the whole Nation was thankful; but in the midst of this great thanksgiving, suddenly came the awful news that the President of our Republic, Abraham Lincoln, loved and honored as few men ever were, had been foully murdered. There was a change from great joy to deep sorrow.

We recall the forgiveness of Lincoln; we remember that he always sent forth the flag with every one of its stars intact in the field. He had saved the Union; he asked that we "bind up the Nation's wounds," and that "this Government of the people, by the people, and for the people must not perish from the earth."

It was the great Kentuckian, Henry Watterson, who said:

> But let no Southern man point finger at me because I canonize Abraham Lincoln, for he was the one friend we had at court when friends were most in need; he was the one man in power who wanted to preserve us intact, to save us from the wolves of passion and plunder that stood at our door.

Ninety years ago, a few yards from this Senate Chamber, the body of the martyred Lincoln lay underneath the dome of the Capitol. Again to quote Henry Watterson:

> I see him lying dead there in the Capitol of the Nation, to which he had rendered "the last full measure of his devotion," the flag of his country around him, the world in mourning; and asking myself how could any man have hated that man, I ask you, how can any man refuse his homage to his memory?

Mr. President, Henry Watterson asked how any man could refuse homage to Abraham Lincoln's memory. I regret, Mr. President, that there is one man who, in official capacity, can refuse this homage; I refer to the ticket taker who demands 10 cents from those who wish to bow their heads in silent prayer in the room where Lincoln died.

Mr. President, is 10 cents so important to us that we must make a dime museum of that historic spot? Mr. President, I have sat on the floor of the Senate when, without a moment's hesitation, we have appropriated for various purposes millions and millions of dollars. May I remind the Members of the Senate that for each million it would take the contributions of 10 million children, at 10 cents each, to make that amount.

When the body of the martyred Lincoln lay underneath the dome of the Capitol, thousands upon thousands of grieving Americans passed by his bier. Suppose a ticket seller had then been at the door of the Capitol, collecting 10 cents from each of the grieving persons who entered. How humiliated all Americans would have been. Such a situation is little different, Mr. President, from the one we have today, when a ticket seller stands at the home where Lincoln died, to collect 10 cents from each of the conscientious, inspired Americans who visit that historic place. One of the saddest sights I have ever seen was the bewildered face of a little boy, motivated by the highest of ideals, who—because he did not have 10 cents—was turned away from the door of the home where Lincoln died.

Nearly a year ago, I introduced a joint resolution, which was passed and was signed by the President, calling on the Department of the Interior to estimate what it would cost to restore the stage and boxes and scenery of Ford's Theater as it was 90 years ago when the tragedy occurred. The disappointment of visitors in seeing only a warehouse museum is acute; and certainly their impression of that tragic scene would be formalized if they could see a reconstruction of the stage and the box where Lincoln sat, his chair, the torn flag which caught the boot of the assassin, and the door through which the murderer peered on the fatal night. That, Mr. President, was a mandate of Congress; yet it has been treated with contempt by the Department of the Interior. The Department has not even replied. I think it would be appropriate on the 90th anniversary of the death of Lincoln, to rebuke the officials of the Department of the Interior for ignoring that mandate of the Congress of the United States.

Mr. President, let this be a day of dedication to a great memory. Let us respect the dignity of patriotic Americans. Let us open the doors of these shrines.

ALLEGATIONS OF CORRUPT CONDITIONS IN THE MANAGEMENT OF CERTAIN GOVERNMENT ENTERPRISES IN ALASKA

Mr. WILLIAMS. Mr. President, late in 1953, and throughout the early part of 1954, congressional committees were raising serious questions regarding possible corrupt conditions existing at the management level of certain Government enterprises in the Territory of Alaska.

In this connection, I received a specific allegation to the effect that Mr. John P. Johnson, as General Manager of the Alaskan Railroad, had been involved in some of these irregularities. The report was that Mr. Johnson in his official capacity had used his position to divert business to companies in which he had a specific interest or control.

In this connection, on April 2, 1954, I submitted to the Honorable Philip Young, Chairman of the Civil Service Commission, the substance of this allegation, and asked that the charges be investigated, and that I be advised as to their conclusions. At this point I ask unanimous consent to have incorporated in the RECORD my letter of April 2, 1954, addressed to Mr. Young, and his replies thereto of April 20 and May 14, 1954.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

UNITED STATES SENATE,
Washington, D. C., April 2, 1954.

Hon. PHILIP YOUNG,
Chairman, Civil Service Commission,
Washington, D. C.

DEAR MR. YOUNG: The following is an excerpt from a letter which I have just received and I would appreciate your investigating the charge and advising me as to your findings:

"J. P. Johnson, who was the general manager of the Alaska Railroad (under Interior) from January 1946 to June 1953 was fired after the Republican victory on the basis of all types of corruption and mismanagement of the railroad. Throughout his term of office he was investigated numerous times by the FBI and at one time came close to grand jury indictment. All the occasions mentioned were whitewashed by the Democrats in the Interior Department from Oscar Chapman down to James Davis who was head of Territories and Island possessions. When the Republicans came into power Johnson was ousted after considerable effort by party leaders up here.

"In dismissing him after his repudiation, discredit, and disgrace, the holdovers in Government arranged a neat little plan to perpetuate Johnson on the public payroll as a pensioner when he reaches the age of eligibility. He was actually fired from office on June 1, 1953 but carried on the payroll until August 1, 1953 under the false premise of going to Washington on Government business. In reality he went to Washington to make connections for another job obtained through contacts in the International Bank for Reconstruction and Development formerly headed by a crony, General Wheeler. According to local reports Johnson was then to be placed on 'terminal leave,' which he certainly never earned, until October 1953, to 'round out' a certain period of time that would make him eligible for a proportionate pension at the attained age. This is sheer manipulation and dishonesty to favor a man who is now a fugitive from justice.

"On September 26, 1953, Johnson was indicted by a secret grand jury on nine counts and is now in Bogotá, Colombia, on a fat job secured through a quasi-Government agency, that lends taxpayers' money, in part, to participating countries. A current session of the grand jury is endeavoring to change indictments to make them extraditable so he can be brought to trial. In the meantime it is believed here on the railroad that the machinery has been set in motion to assure

this miscreant a partial pension after he has been discredited by the Government which he expects to contribute to his support by pension at some later date."

Yours sincerely,

JOHN J. WILLIAMS.

UNITED STATES
CIVIL SERVICE COMMISSION,
Washington, D. C., April 20, 1954.

Hon. JOHN J. WILLIAMS,
United States Senate:

I have carefully read your letter of April 2 in regard to the case of John P. Johnson, formerly general manager of the Alaska Railroad.

The retirement record shows Mr. Johnson was first appointed Assistant General Manager of the Alaska Railroad on November 21, 1945, and was promoted to General Manager on January 1, 1946, resigning October 27, 1953. At the time of his separation he had completed 7 years, 8 months, and 17 days of service. Under the terms of the Retirement Act he had title to annuity upon his attainment of age 62 after 5 years of service. However, all service beyond the minimum of 5 years will increase his annuity rate.

On the basis of the present record he will be entitled to a life annuity of $3,012 a year commencing January 1, 1964. He was born on January 1, 1902. This computation of his annuity includes in addition to his service with the Alaska Railroad, 4 years and 1 month unverified military service.

The facts surrounding Mr. Johnson's separation have not been submitted to the Commission by the Alaska Railroad. However, based upon the retirement record, it appears that title to annuity was not the primary consideration in continuing him in service on leave without pay from August 7 to October 27, 1953.

Sincerely yours,

PHILIP YOUNG
Chairman.

UNITED STATES
CIVIL SERVICE COMMISSION,
Washington, D. C., May 14, 1954.

Hon. JOHN J. WILLIAMS,
United States Senate.

DEAR SENATOR WILLIAMS: As I indicated in my letter of April 20, our record of Mr. John P. Johnson's Federal service is confined to the individual retirement record for him certified to us by the Alaska Railroad. In response to your letter of May 6, the details of Mr. Johnson's service history as shown by this retirement record are recited below:

Nature of action	Position and grade	Basic pay, per annum	Effective date	Department and official station
Executive appointment	Assistant general manager	$7,500	Nov. 21, 1945	Alaska R. R., Anchorage.
Promotion	General manager	14,400	Jan. 1, 1946	Do.
Do	do	18,000	Nov. 1, 1949	Do.
Leave without pay			Aug. 7, 1953	Do.
Resignation			Oct. 27, 1953	Do.

U. S. Army Oct. 10, 1941, to Nov. 30, 1945 (not verified).

The information you request on any lump-sum accumulated annual leave payment Mr. Johnson may have received is not of record in this Commission. Such matters are handled by the particular employing agency and the records are maintained accordingly. The facts you desire in this regard may be obtained from Mr. Paul Shelmerdine, Director of Personnel, the Alaska Railroad, Anchorage, Alaska.

No verification is being made of Mr. Johnson's claimed military service at this time. As a general rule in this type of case, we do not put ourselves and other agencies to the expense involved in securing the official record of such alleged service and in determining its retirement creditability, until the potential annuitant files formal claim for his annuity at age 62. If verification shows Mr. Johnson's military service to have been active, honorable service, not forming the basis for certain types of military retired pay, it will count toward retirement. In such case his annuity at 62, based on present service will be as previously stated—approximately $3,012 per year. Should it develop that the military time is not creditable toward retirement, Mr. Johnson's annuity at 62 would be based on his civilian service only. On present service his annuity in such case would be about $1,968 per year commencing January 1, 1964.

Sincerely yours,

PHILIP YOUNG,
Chairman.

Mr. WILLIAMS. Mr. President, while Mr. Young submitted information regarding Mr. Johnson's employment record and retirement credits, he suggested that information regarding Mr. Johnson's official conduct be obtained from Mr. Paul Shelmerdine, director of personnel, the Alaska Railroad, Anchorage, Alaska.

Accordingly, on May 17, 1954, I directed an inquiry to Mr. Shelmerdine; and on July 30, 1954, I received a reply to certain of the questions raised in my inquiry, along with the suggestion that further information should be requested from the Department of the Interior, Washington, D. C.

At this point, I ask unanimous consent to have incorporated in the RECORD my letter of May 17, 1954, addressed to Mr. Paul Shelmerdine, director of personnel, the Alaska Railroad; and his reply thereto of July 30, 1954.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

UNITED STATES SENATE,
Washington, D. C., May 17, 1954.

Mr. PAUL SHELMERDINE,
Director of Personnel,
The Alaska Railroad,
Anchorage, Alaska.

DEAR MR. SHELMERDINE: Mr. John P. Johnson resigned as general manager of the Alaska Railroad on October 27, 1953. Will you please advise me:

1. Did Mr. Johnson upon his separation or just prior thereto receive a lump-sum payment for accumulated annual leave?

(a) If so, please give the date and amount.

2. Was Mr. Johnson's separation voluntary?

3. Was there any investigation conducted as to his official activities?

(a) If so, please furnish a report of the allegations and the conclusions of such investigation.

Yours sincerely,

JOHN J. WILLIAMS.

UNITED STATES
DEPARTMENT OF THE INTERIOR,
THE ALASKA RAILROAD,
Anchorage, Alaska, July 30, 1954.

Hon. JOHN J. WILLIAMS,
United States Senate,
Washington, D. C.

DEAR SENATOR WILLIAMS: Will you please refer to your letter of May 17, 1954 concerning Col. John P. Johnson, formerly General Manager of the Alaska Railroad.

We regret that so much time has elapsed before replying to your communication; however, the press of our intensely busy summer season, along with Secretary McKay's official inspection tour of the Territory, has precluded our replying sooner.

With respect to your specific inquiries concerning Colonel Johnson, please be advised that on June 4, 1953, Colonel Johnson tendered his resignation to become effective October 21, 1953. Colonel Johnson had accumulated a total of 27 days annual leave, and on July 1, 1953, he started on this annual leave, which carried him through until August 6, 1953, for which period he was paid a total of $1,868.40 annual leave. Starting August 7, 1953 and continuing through to October 21, 1953, Colonel Johnson was on leave without pay from the Alaska Railroad.

With respect to your inquiries concerning whether or not Colonel Johnson's separation was voluntary and whether or not there was any investigation conducted as to his official activities, wish to advise that we do not have this information available at Anchorage, and would suggest that inquiry be made of the Department of Interior in Washington, D. C.

Sincerely yours,

F. E. KALBAUGH,
General Manager.

Mr. WILLIAMS. Mr. President, Mr. Shelmerdine in his reply suggested that I contact the Washington office of the Department of the Interior for this information; however, I had already, under date of May 6, 1954, directed an inquiry to the Honorable Douglas McKay, Secretary of the Interior; and on June 22, 1954, I received a reply signed by Mr. William C. Strand, Director of the Office of Territories in the Interior Department.

Mr. Strand suggested that the information I requested should be obtained from the Department of Justice. I am not incorporating into the RECORD my correspondence with the Interior Department, since the information furnished duplicates that which had already been received from the Civil Service Commission.

Accordingly, on July 12, 1954, I directed an inquiry to the Honorable Herbert Brownell, Jr., the Attorney General, and outlined to him these allegations as to irregular activities on the part of Mr. John P. Johnson. The Attorney General's attention was called to the report that as far back as January 17, 1949, Mr. Johnson had been under intensive investigation on serious charges, and that both the then Secretary of the Interior, Mr. Krug, and Attorney General Clark had been advised, but that apparently no action had been taken. In fact, Mr. Johnson had received a $3,600 increase in salary a few months after this investigation was dropped.

In the same letter I mentioned the fact that Mr. Elroy Hinman, an assistant to Mr. Johnson, had already been indicted on charges of bribery and fraud, and that the rumor was that a similar sealed indictment had been returned against Mr. Johnson, who by this time was out of the country.

On July 28, 1954, I received from the Department of Justice a reply signed by Mr. Warren Olney, III, Assistant Attorney General, confirming the fact that

Mr. Hinman, the assistant to Mr. Johnson, had been indicted by the Federal Grand Jury in Anchorage, Alaska. He also confirmed that since 1949, three separate FBI investigations had been conducted regarding Mr. Johnson's activities, but that while nothing had been done with the FBI report, they had no proof of improper interference.

In answer to the question regarding the sealed indictment pending against Mr. Johnson, or what other action had been taken, Mr. Olney replied:

The Criminal Division is not aware whether Interior Department took administrative action upon receipt of copies of the FBI reports concerning these 1949 allegations. Upon completion of the 1949 FBI investigation, the Criminal Division evaluated the evidence presented by the FBI and concurred with Mr. Cooper in his decision that prosecution was not warranted and the Alaska Katmalite stock matter was accordingly considered closed. The Criminal Division file also reflects that the FBI in July 1953 commenced a wide scale investigation of additional charges different from the 1949 allegations mentioned above. That investigation has not been concluded.

We are informed Johnson is in Bogotá, Colombia, which presents apparent difficulties. The problem is, however, receiving active consideration by the United States attorney at Anchorage, Alaska, and in this office.

This week, under date of March 29, I received from Mr. Olney a supplementary report in which he now confirms that a sealed indictment had been pending against Mr. John P. Johnson since September 15, 1953.

Mr. Olney explains that the reason this indictment was kept secret was that the defendant, Mr. Johnson, had left the country, and was understood to be in Bogotá, Colombia, South America; and the Department had withheld publication of the indictment in the hope that he would return to the United States. However, since the trial of Mr. Hinman, former assistant to Mr. Johnson, is scheduled in the near future, the information regarding the indictment has been released.

Mr. Johnson's indictment involves several charges that he had improperly used the prestige of his office to award contracts to companies with which he was a substantial beneficiary.

Specifically these indictments were as follows:

The indictment returned September 15, 1953, charges John P. Johnson with violating section 434 of title 18, United States Code. Section 434 makes it a felony for an officer or agent of the United States, in the scope of his employment, to transact business on behalf of the United States with any firm of which he is an officer or agent, or in the profits or contracts of which he has a pecuniary interest. The indictment alleges that in 1950 and 1951, at Anchorage, Alaska, John P. Johnson, General Manager of the Alaska Railroad, was a stockholder in the Houston Coal Mining Co., then being operated by the Duck Flat Co. under a contract by which Houston received royalty payments on all coal mined by Duck Flat. Counts 1 and 2 charge that on or about November 15, 1950, and July 6, 1951, Johnson, acting as General Manager of the Alaska Railroad, negotiated for and approved contracts between the Alaska Railroad and the Duck Flat Co. for the purchase of quantities of coal and that as a stockholder in the Houston Coal Mining Co., Johnson had a pecuniary interest in the contracts awarded to Duck Flat. The remaining 7 counts allege that on several dates between April 6 and July 24, 1951, the defendant, under the circumstances and in the capacity above-stated, negotiated for and approved the leasing or furnishing to the Duck Flat Co. of various items to be used in the operation of the coal mine, including a bulldozer, four Reo trucks, a Turnapull unit, a single roll primary crusher, a cookstove, and a flatcar for use as a freight depot at the mine, and other miscellaneous items of mining equipment.

At this point I ask unanimous consent to have incorporated in the RECORD my letter of July 12, 1954, addressed to the Attorney General, Mr. Brownell, along with the 2 letters referred to above, signed by Mr. Warren Olney III, under dates of July 28, 1954, and March 29, 1955.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

UNITED STATES SENATE,
Washington, D. C., July 12, 1954.

Hon. HERBERT BROWNELL, Jr.,
The Attorney General,
Washington, D. C.

MY DEAR ATTORNEY GENERAL: Under date of May 6, 1954, I placed an inquiry with the Honorable Douglas McKay, Secretary of the Interior, regarding certain allegations as to irregular activities on the part of Mr. John P. Johnson, former General Manager of the Alaskan Railroad. On June 22, 1954, I received a reply, signed by Mr. William C. Strand, Director, Office of Territories, Department of the Interior, in which he confirmed that an investigation had been started by their Department on the allegations to which I referred but that they had withdrawn at the Justice Department's request, at which time the FBI took over the investigation. Mr. Strand therefore suggested that I contact you for the information which I am seeking.

The story as I received it is that in 1948 or early in 1949 the FBI began an investigation of certain allegations regarding the activities of John P. Johnson which had been called to the attention of the Department of Justice. On January 17, 1949, allegedly, Mr. Julius A. Krug, then Secretary of the Interior, directed a confidential letter to the then Attorney General Tom C. Clark, the substance of which was to insist upon his stopping the investigation and allowing the Department of the Interior to conduct it. Apparently this was agreed to, and the investigation was stopped in Justice; I find no record of its having been picked up by Interior at that time.

Apparently these charges were ignored until April 15, 1953, at which time the Department of the Interior began their investigation; however, this investigation was suspended on May 11, 1953, on the basis that the Interior investigators had received notice that the FBI was also investigating the same charges.

A part of the charges were that Mr. Johnson while serving as the manager of the railroad had a financial interest in a coal-mining corporation which was mining an inferior grade of coal, but as the manager of the railroad he lowered the standards of procurement and diverted the railroad's business to this corporation. Another charge was that Mr. Johnson allowed this coal-mining corporation with which he was connected to store their coal in the freight cars owned by the railroad without any demurrage charges being made. Allegedly Mr. Johnson had financial interests in several other companies doing business with the railroad, including the Northern Stevedore Corp. He was also alleged to have padded the payrolls of the Alaskan Railroad. There was a question that Mr. Johnson might have been connected with a housing project along with Mr. Kenneth Kadow; however, that allegation was rather vague in my records.

Mr. Johnson resigned from the Department of the Interior effective October 21, 1953. It is my understanding that the assistant to Mr. Johnson, Mr. Elroy Hinman, has been indicted on charges of bribery and fraud and that a similar indictment, but sealed, was returned against Mr. Johnson but that nothing further has as yet been done. Mr. Johnson is now out of the country.

Will you please advise me:

1. Whether or not an investigation was made by your department?

a. If so, the conclusions reached.

2. Did Mr. Krug in 1949 arrange with Attorney General Clark to stop the investigation on substantially these same charges?

3. What further action is contemplated by the Department of Justice at this time?

Yours sincerely,

JOHN J. WILLIAMS.

DEPARTMENT OF JUSTICE,
Washington, D. C., July 28, 1954.

Hon. JOHN J. WILLIAMS,
United States Senate,
Washington, D. C.

MY DEAR SENATOR: This refers to your letter of June 11, 1954, requesting information concerning an indictment returned against Elroy F. Hinman, formerly auditor and assistant to the general manager of the Alaska Railroad, and to your letter of July 12, 1954, concerning John P. Johnson, formerly general manager of the Alaska Railroad.

I shall reply first to your inquiries concerning Mr. Hinman. United States Attorney William T. Plummer, Anchorage, Alaska, informs us that an indictment alleging four counts of violation of 18 U. S. C. 434 against Hinman was returned by the grand jury on March 31, 1954.

That indictment charges that Mr. Hinman, while a Government officer, transacted Government business with private business firms known as Houston Coal Mining Co. and Duck Flat Co., in which concerns Mr. Hinman allegedly had a direct or indirect pecuniary interest by reason of ownership of approximately $500 worth of stock. A trial date has not yet been set for tactical reasons suggested by the United States attorney and concurred in by this office.

With respect to your inquiries concerning Mr. Johnson, we wish to advise that three separate FBI investigations of Johnson were conducted in 1949, 1952, and 1953–54. Enclosed is a copy of the Krug letter of January 17, 1949, adverted to in the second paragraph of your letter of July 12, 1954, to this Department, which we obtained from Interior Department. A careful examination of the criminal division file in this matter discloses no apparent hindrance to or interference with the Federal Bureau of Investigation in its 1949 investigation into the alleged receipt by Johnson of Alaska Katmalite stock. Further, that upon the completion of such FBI investigation the then United States Attorney J. Earl Cooper declined to prosecute for bribery because the investigation failed to disclose evidence that Johnson's judgment was influenced within the proof requirements of 18 U. S. C. 202.

The Criminal Division is not aware whether Interior Department took administrative action upon receipt of copies of the FBI reports concerning these 1949 allegations. Upon completion of the 1949 FBI investigation, the Criminal Division evaluated the evidence presented by the FBI and concurred with Mr. Cooper in his decision that prosecution was not warranted and the Alaska Katmalite stock matter was accord-

ingly considered closed. The Criminal Division file also reflects that the FBI in July 1953 commenced a wide-scale investigation of additional charges different from the 1949 allegations mentioned above. That investigation has not been concluded.

We are informed Johnson is in Bogotá, Colombia, which presents apparent difficulties. The problem is, however, receiving active consideration by the United States attorney at Anchorage, Alaska, and in this office. I trust that the foregoing answers your questions as fully as I may in a pending matter.

Sincerely,

WARREN OLNEY III,
Assistant Attorney General.

DEPARTMENT OF JUSTICE,
Washington, D. C., March 29, 1955.

Hon. JOHN J. WILLIAMS,
United States Senate,
Washington, D. C.

DEAR SENATOR: Reference is made to your letter of July 12, 1954, and our partial reply of July 28, 1954, relative to alleged irregularities on the part of John P. Johnson, former general manager, Alaska Railroad, Anchorage, Alaska.

This office on March 22, 1955, received a telegram from United States Attorney William T. Plummer, Anchorage, Alaska, stating that there had just been unsealed an indictment against John P. Johnson which was returned by a Federal grand jury in Anchorage on September 15, 1953, and impounded by order of the United States district judge. The order of secrecy imposed upon the indictment by the court made it impossible for this office to make a full reply to your inquiry of July 12, 1954, but since the indictment has now been unsealed we take this first possible occasion to respond more fully to your letter.

The indictment returned September 15, 1953, charges John P. Johnson with violating section 434 of Title 18, United States Code. Section 434 makes it a felony for an officer or agent of the United States, in the scope of his employment, to transact business on behalf of the United States with any firm of which he is an officer or agent, or in the profits or contracts of which he has a pecuniary interest. The indictment alleges that in 1950 and 1951, at Anchorage, Alaska, John P. Johnson, general manager of the Alaska Railroad, was a stockholder in the Houston Coal Mining Co., then being operated by the Duck Flat Co. under a contract by which Houston received royalty payments on all coal mined by Duck Flat. Counts 1 and 2 charge that on or about November 15, 1950, and July 6, 1951, Johnson, acting as general manager of the Alaska Rrailroad, negotiated for and approved contracts between the Alaska Railroad and the Duck Flat Co. for the purchase of quantites of coal and that as a stockholder in the Houston Coal Mining Co. Johnson had a pecuniary interest in the contracts awarded to Duck Flat. The remaining 7 counts allege that on several dates between April 6 and July 24, 1951, the defendant, under the circumstances and in the capacity above stated, negotiated for and approved the leasing or furnishing to the Duck Flat Co. of various items to be used in the operation of the coal mine, including a bulldozer, 4 Reo trucks, a Turnapull unit, a single roll primary crusher, a cook stove, and a flatcar for use as a freight depot at the mine, and other miscellaneous items of mining equipment.

This indictment was requested to be impounded because the defendant was then understood to be in Bogotá, Colombia, South America, and it was thought advisable not to publicize it until his return to the United States. The defendant, however, has not returned to this country, and apparently has no present intention of returning. The offenses alleged are not ones for which the defendant can be extradited. It has therefore been decided to unseal the indictment and to take such steps as are properly available to effect the defendant's return to answer the charges. These steps are now being taken. It is desired that the Johnson case be tried together with a companion case against Elroy F. Hinman, former assistant to the general manager of the Alaska Railroad, which has been set for trial in Anchorage, Alaska, on May 23, 1955.

We regret the necessity for the delay in submitting the foregoing information to you and trust that it answers your inquiry.

Sincerely,

WARREN OLNEY III,
Assistant Attorney General.

Mr. WILLIAMS. Mr. President, I commend Mr. Olney, the Assistant Attorney General, for the efficient manner in which he has handled this case. From this correspondence, it is evident that the present Department of Justice began investigating this case soon after taking office, and it is apparent that they have continued to follow through in an aggressive manner.

Under normal circumstnaces, with an indictment's having been returned by a Federal grand jury against Mr. Johnson, I would not be commenting on this case in the Senate; however, the present situation is that Mr. Johnson has apparently "skipped the country" and remained out of the United States for the past 18 months in an effort to avoid prosecution.

I fully respect the presumed innocence of anyone until after he has actually been convicted in the courts; however, in Mr. Johnson's case the presumption of guilt will stand until he returns to the United States and stands trial in answer to these charges involving his conduct as a public official. Any man who has held such a highly responsible position with the United States Government should recognize this responsibility. However, since Mr. Johnson has not, I thought the matter should be called to the attention of the Senate, with the suggestion that the appropriate congressional committee having jurisdiction over our Alaskan affairs give it their attention. With both of the former top officials of the government-owned Alaska Railroad now under indictment, question might well arise as to what loss the Government sustained as a result of their corrupt acts and mismanagement.

There is another phase to this report upon which I wish to comment; that is the eligibility of Mr. Johnson to draw retirement from a Government fund upon reaching the age of 62, notwithstanding the fact that he may never return to the United States for trial.

Last year I was a cosponsor of legislation which repealed retirement benefits for any Government employee convicted of treason, bribery, and certain other crimes while in public office. However, under the present law, should Mr. Johnson refuse to return to the United States and stand trial, he will be eligible for full retirement benefits. Therefore, to correct this loophole, I intend to introduce proposed legislation repealing the retirement benefits of any ex-Government employee who, having been indicted in our Federal courts, refuses to return to the United States and answer the charges.

As one possible explanation as to why nothing developed from the 1949 investigation, I am incorporating in the RECORD a letter dated January 17, 1949, signed by the Secretary of the Interior, Mr. J. A. Krug, and addressed to the Attorney General, Mr. Tom C. Clark. This letter indicates that the investigation then started was developing into a jurisdictional dispute between the Departments.

The record does show that nothing developed from this investigation, except that a few months later Mr. Johnson received a $3,600 increase in salary.

I ask unanimous consent to have incorporated in the RECORD a copy of the letter to which I have just referred.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

UNITED STATES
DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D. C., January 17, 1949.

Hon. TOM C. CLARK,
The Attorney General.

MY DEAR MR. ATTORNEY GENERAL: I have been advised that the Federal Bureau of Investigation has been requested by the United States district attorney at Anchorage, Alaska, to initiate an investigation of certain allegations of irregular official conduct on the part of Col. John P. Johnson, general manager of the Alaska Railroad.

This investigation has been initiated without any previous notice to or any discussion of the allegations with any officer of this Department. I, therefore, request that you will kindly arrange to have the full report of this investigation made available to me at the earliest possible moment in order that I may take any administrative action which the circumstances may require. To that end I should also appreciate very much a report from the district attorney as to the grounds on which he initiated the investigation.

Since Colonel Johnson is administering the entire railroad rehabilitation program which will involve expenditure of at least $60 million Federal funds, you can appreciate the importance of prompt clarification of any question in regard to his official conduct.

Sincerely yours,

J. A. KRUG,
Secretary of the Interior.

DEDICATION OF LEE MANSION IN ARLINGTON NATIONAL CEMETERY AS A PERMANENT MEMORIAL TO ROBERT E. LEE

Mr. JOHNSTON of Texas. Mr. President, I ask unanimous consent that the Committee on Rules and Administration be discharged from the further consideration of Senate Joint Resolution 62, dedicating the Lee Mansion in Arlington National Cemetery as a permanent memorial to Robert E. Lee, and that the joint resolution be immediately considered. The joint resolution was introduced by the distinguished senior Senator from Tennessee [Mr. KEFAUVER] on March 30, 1955. I have discussed this subject with the minority leader, and it is our desire that the joint resolution be considered and acted upon at this time.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas?

There being no objection, the Senate proceeded to consider the joint resolution (S. J. Res. 62), which was read, as follows:

Resolved, That the Congress of the United States, at this anniversary time, does hereby pay honor and tribute to the everlasting memory of Robert E. Lee, whose name will ever be bright in our history as a great military leader, a great educator, a great American, and a truly great man through the simple heritage of his personal traits of high character, his grandeur of soul, his unfailing strength of heart; and be it further

Resolved, That the Congress of the United States does hereby express its humble gratitude to a kind Providence for blessing our Nation with leaders of true greatness who, like Robert E. Lee, have been able to see beyond their times, and by whose vision, guidance, and wisdom this Nation has gone forward to a place of world leadership as the unfaltering and powerful champion of peace, liberty, and justice; and be it further

Resolved, That the Lee Mansion in the Arlington National Cemetery, Virginia, is hereby dedicated as a permanent memorial to Robert E. Lee, and the Secretary of the Interior is authorized and directed to erect on the aforesaid premises a suitable memorial plaque.

The PRESIDING OFFICER. The joint resolution is open to amendment.

Mr. KEFAUVER. Mr. President, the pending joint resolution is a companion measure to one introduced by Representative BROYHILL, who represents the Virginia district in which the Arlington Memorial Cemetery and the Lee Mansion are located.

April 5 is the 90th anniversary of the cessation of hostilities in the War Between the States, at Appomattox Court House. The War Department was directed to restore the Lee Mansion, but it never has been officially dedicated as a memorial to Robert E. Lee. That is what the joint resolution would do.

The PRESIDING OFFICER. The joint resolution is before the Senate and open to amendment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the joint resolution.

The joint resolution (S. J. Res. 62) was ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was agreed to.

RELEASE OF YALTA PAPERS

Mr. HUMPHREY. Mr. President, under date of March 23, 1955, I addressed a letter to the Secretary of State, Hon. John Foster Dulles, relating to the manner in which the Yalta papers were released. I asked the Secretary of State a number of questions, particularly questions relating to whether or not the release of these papers violated the security or administrative regulations of the Department. I ask unanimous consent that a copy of that letter be printed in the RECORD at this point as a part of my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

MARCH 23, 1955.

The Honorable JOHN FOSTER DULLES,
Secretary of State, Department of State, Washington, D. C.

DEAR MR. SECRETARY: You are undoubtedly aware of the concern that I and other Members of the Congress have expressed with regard to the fact that one newspaper, the New York Times, was given access to the Yalta Papers for publication before they were actually released by the State Department. I write to request you to undertake an investigation of that apparently unauthorized "leak."

This is a matter of serious concern to the Congress and to the Government. On Monday of last week, the official custodian of the Yalta Papers declared that the publication of the papers would adversely affect our Nation's security. It is my understanding that when you discussed the question of publication with the distinguished minority leadership of the Senate following the Monday announcement, you expressed astonishment at the fact that the New York Times had received a copy of the Yalta Papers and were planning to publish them. It is also my understanding that the papers were classified. It thus appears on its face that someone in the State Department was responsible for turning over without authorization classified Government documents to an unauthorized person, namely, the representative of the New York Times. This is indeed serious and throws into question the entire security system of the State Department.

I would be interested in ascertaining from you what your plans are with regard to investigating this most serious security leak. I am interested in knowing whether you have discovered who is responsible for violating the security regulations and what steps you are taking in connection with that violation. I refer specifically to section 7 of Executive Order 10501, and to section 195 of the Department of State Regulations issued January 1955.

I look forward to hearing from you.

Sincerely,

HUBERT H. HUMPHREY.

Mr. HUMPHREY. Under date of March 28, 1955, I received from the Assistant Secretary of State, Hon. Thruston B. Morton, a reply to my letter of March 23. His reply did not deal with the specific items or questions which were presented in my letter of March 23. I think my colleagues would be interested to note that the State Department, in its reply, dwells at length upon the approval of the so-called Paris accords, the treaties with Germany. It states—believe it or not—that one of the reasons why the Yalta papers were released was so that the release would be timed appropriately with the approval of the treaties of Paris.

I ask unanimous consent that the letter from the Assistant Secretary of State be printed in the RECORD at this point as a part of my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

ASSISTANT SECRETARY OF STATE,
Washington, March 28, 1955.

DEAR SENATOR HUMPHREY: The Secretary has asked me to reply to your letter of March 23 dealing with the release for publication of the papers relating to the Malta-Yalta Conferences.

You refer to a so-called "leak" as involving a question of security under Executive Order 10501. You are misinformed as regards this. Prior to, and at the time of, the incident you refer to, the papers did not have any security classification under the Executive order and there was no violation of that order. Not only so, but publication had no consequences because of overtaking events. The Secretary of State had independently decided upon early general release of the documents. Actual publication occurred simultaneously in the press generally on March 17 after publication had been duly authorized on March 16.

The Yalta papers have been in course of preparation for nearly 2 years as part of a 4-year publication program requested by the Senate Appropriations Committee. The Congress has appropriated funds for this publication program.

The papers had been substantially completed by early December 1954. However, the views of the Government of the United Kingdom had not yet been received and also the timing of the publication had to be judged in the light of the current international situation.

By the middle of March, the Department had come to the conclusion that publication would not have an unfavorable impact upon the pending ratification of the Paris Accord by the German Bundesrat and the French Council. It showed, to Germans, the awful abyss from which they had been rescued by enlightened postwar policies. It dramatized, to the French, the danger of the "empty chair"; for France was not represented at Yalta. However, certain matters had not yet been cleared with the Government of the United Kingdom, so on March 14, 1955, I advised the chairmen of various congressional committees that "it is deemed inadvisable at this time to issue these papers in volume for public distribution."

However, almost immediately thereafter, the United Kingdom agreed to publication. As the Prime Minister said to the Commons on March 17, although the British Government had certain reservations, "when the United States Government asked if we would nevertheless agree to publication, Her Majesty's Government gave their consent." This consent was foreshadowed to the Secretary of State on March 15 and officially confirmed on March 16.

In view of the foregoing the Secretary had made up his mind on March 15 to authorize publication and he officially confirmed this on March 16.

On March 18 the German Bundesrat voted ratification of the Paris accords by a vote of 29 to 9. This was a larger favorable vote than had been anticipated. Chancellor Adenauer himself connected the vote with Yalta. He said "the vote of the Bundesrat signifies the burial of the Yalta agreements."

The French Council of State on March 27 approved of the treaties by an overwhelming vote. The treaty admitting Germany to NATO was adopted by a vote of 200 to 114, and the vote admitting Germany to the Brussels Treaty Organization by 184 to 110. This was a much larger vote than had been generally anticipated when the Secretary made his decision to publish the Yalta papers. A factor in the French vote was determination to preserve for France a position such that she would not again be excluded from conferences that concerned France, as had been the case at Yalta.

Another factor which influenced the timing of the publication was that it was certain that German and French ratifications of the Paris accords would lead to more intensive consideration of another conference with the Russians. It was obvious that the full story of Yalta illuminates graphically the dangers, as well as the possible values, of such talks;

the need of adequate prior preparations, and the importance of a clear definition of principles which will not be sacrificed to secure agreement.

These are the considerations which led the Department to make the publication.

Sincerely yours,

THRUSTON B. MORTON.

Mr. HUMPHREY. Under date of March 30, 1955, I replied to the Assistant Secretary of State and stated, in part:

I must say quite frankly that I regretfully regard your reply as inadequate in that some questions raised in my letter remain unanswered.

I ask unanimous consent that the full text of my letter of March 30 be printed in the RECORD at this point as a part of my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

MARCH 30, 1955.

Mr. THRUSTON B. MORTON,
Assistant Secretary of State,
State Department,
Washington, D. C.

DEAR MR. MORTON: Thank you for your letter of March 28 responding to my inquiry about the release of the Yalta papers. I must say quite frankly that I regretfully regard your reply as inadequate in that some questions raised in my letter remain unanswered.

I was interested in your assurances that the information in question was not classified. You seemingly base your reply on a contention that the documents were not classified under the President's Executive Order 10501. My letter, however, was not limited to that order and it also referred specifically to section 195 of the State Department security regulations of January 1955. That section, you will recall, refers to "administratively controlled information." The question still remains whether the material in question was "administratively controlled information" as that term is used in section 195; and if so whether or not the leak of this material to the New York Times constituted a violation of security regulations.

I call your attention to paragraph 1, on page 2, of your letter wherein you state, concerning the British Government's position on the release of the Yalta papers, the following: "This consent was foreshadowed to the Secretary of State on March 15 and officially confirmed on March 16." It is my understanding that the Yalta papers were in the hands of the New York Times on the date of March 15, before the British Government officially confirmed its agreement to the release and before the State Department had announced that any such release was to be made.

The question still remains, Who is responsible for this untimely release to the New York Times?

There appears to me to be a discrepancy between your comments concerning the manner in which the British Government concurred in the release of these documents and the explanation that was given by Prime Minister Churchill to the House of Commons approximately a week after the release. I recall, according to the press reports in this country, that Mr. Churchill stated to the House of Commons in effect that he had been informed by the United States that publication would take place because the Secretary of State was no longer able to withstand the pressure for the release of these documents. May I suggest that you carefully check the statement of the Prime Minister. I believe I have accurately reported the word and meaning of his remarks.

My question is, Pressure from whom? What was the source of this pressure?

Your reply likewise does not satisfactorily answer my question as to whether the State Department is undertaking an investigation of the alleged unauthorized leak of the Yalta papers. The advance release to the New York Times was either authorized or unauthorized. If it was authorized, I am interested in ascertaining who authorized it. If it was unauthorized, the question still remains who did it, and what—if anything—is being done about it.

Your letter attempts to justify the subsequent public disclosure of the Yalta papers and to refute the contention of unfavorable reaction internationally caused by the disclosure. I assume that the State Department considers such a justification as necessary in view of its March 14 statement to the effect that the release of the papers was undesirable "for reasons which involve our national security and our relations with other powers."

I would be less than candid with you if I did not comment on the State Department's attempt to justify the apparently unauthorized disclosure by saying it "had no consequences because of overtaking events." I reject such a contention. Is the course of future "overtaking events" a new criteria for judging unauthorized acts in the State Department?

I look forward to hearing from you. Thank you for your prompt and courteous reply to my earlier communication.

Sincerely yours,

HUBERT H. HUMPHREY.

Mr. HUMPHREY. The Senate is now aware, of course, that the Secretary of State will appear before the Senate Committee on Foreign Relations to participate in an inquiry relating to these documents, and the incredible manner in which they were released. My only point in rising today is to say to the State Department that when I receive a letter from them in reply to a specific question or series of questions, I would appreciate it if the reply represented at least an endeavor to come near the questions. I did not need advice and counsel upon the reaction of the French Council of State in approving the treaties with West Germany. I did not need to be informed that the release of these documents was important in terms of the imminent or future Big Four Power Conference, because none of those subjects had been discussed at the time those documents were released.

I personally feel that the letter which I received from the Department of State was not only inadequate, but was a bit of effrontery to a Senator and to the United States Senate, which seeks honest answers to some honest questions.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield to the Senator from Illinois.

Mr. DOUGLAS. Is it true that the Secretary of State sent some 25 copies of the Yalta papers to strategic Members of the Senate, and that the chairman of the Senate Foreign Relations Committee, the distinguished Senator from Georgia [Mr. GEORGE] refused to accept them on the ground that they would unavoidably cause leaks?

Mr. HUMPHREY. It is my understanding that the Senator from Georgia refused to accept them. Other Senators likewise refused to accept them.

Mr. DOUGLAS. Would it be ungenerous to say that it is quite possible that those documents were sent to Capitol Hill with the intention that there should be leaks?

Mr. HUMPHREY. I do not wish to impugn the motives of anyone. However, I should like to make one correction. There were not 25 copies sent to the Senate. There were 24. One was sent to the New York Times, making a total of 25.

Mr. DOUGLAS. Was the copy for the New York Times released at the same time copies were sent to Senators?

Mr. HUMPHREY. I will say to my distinguished friend from Illinois that that is one of the questions I should like to have answered. That is one of the questions which the junior Senator from Minnesota asked the Department of State.

The relationships between the executive branch of the Government and the legislative branch will be much improved if there is a forthright, honest effort made to answer inquiries which are propounded in a gentlemanly and considerate spirit.

There was no intention on the part of the junior Senator from Minnesota to embarrass anyone, or to conduct a major investigation, with television, radio, and reporters. All I wanted was some simple answers. I must say to the State Department that since its attitude did not comport with that pattern, it may very well be subjected to a rather extensive inquiry, because we intend to get the facts.

Mr. President, I now wish to discuss another subject.

The PRESIDING OFFICER. The Senator from Minnesota has the floor.

PROPOSED AMENDMENT TO SUGAR ACT OF 1948

Mr. HUMPHREY. Mr. President, earlier in the day the distinguished chairman of the Committee on Agriculture and Forestry [Mr. ELLENDER] introduced a bill to amend the Sugar Act of 1948. The State of Minnesota is deeply interested in this subject.

Mr. President, I have been happy to associate myself with the distinguished chairman of our Committee on Agriculture and Forestry and many of our colleagues in sponsoring a bill to amend and extend the Sugar Act of 1948, providing for a greater share of the domestic sugar market for domestic producers.

In Minnesota substantial increases in acreage are needed for the Red River Valley and two smaller areas. Sugar beets provide one of our most neded and dependable rotation crops.

I am proud to be able to say that when Minnesota's interests are at stake, business, labor, and agriculture work hand in hand.

Both the Minnesota State Federation of Labor and the St. Paul Chamber of Commerce are supporting the appeal of

our sugar-beet producers for expanded allocations.

I ask consent for a resolution from the St. Paul Chamber of Commerce, accompanied by a letter from Fred E. Sperling, general secretary, a letter from William D. Gunn, president of the Minnesota Federation of Labor, and a resolution from the Commercial Club of Frost, Minn., to appear at this point in the RECORD in support of this bill.

There being no objection, the resolutions and letters were ordered to be printed in the RECORD, as follows:

ST. PAUL CHAMBER OF COMMERCE,
St. Paul, Minn., February 22, 1955.

Hon. HUBERT H. HUMPHREY,
Senator From Minnesota,
Senate Office Building,
Washington, D. C.

DEAR SENATOR HUMPHREY: As you know, sugar beets are a very valuable part of Minnesota's agricultural production; and the Sugar Act of 1948, as amended, has been given serious consideration by our agricultural committee who prepared the attached resolution concerning it.

The resolution was approved by our executive committee; and we send it to you for your information and use when the act comes before the present Congress.

No doubt you have given this matter some consideration and we would be glad to know your position on it after you have read the resolution attached.

Sincerely yours,

FRED SPERLING,
General Secretary.

SUGAR ACT AMENDMENT AND REENACTMENT

Whereas the Sugar Act of 1948, as amended, now in force, expires December 31, 1956, and its protective provisions apply, therefore, to sugar refined from beets grown in 1955 and sold in 1956, but no subsequent crop; and

Whereas sugar refined from beets planted in the fall of 1955 and in 1956 for marketing in 1957, consequently, would have no protection from the unbridled competition of world-glutted sugar markets; and

Whereas reenactment of the present law with revision of its protective quota provisions, as well as those designed to produce a parity price for sugar produced in the United States, is therefore imperative in the 84th Congress; and

Whereas during a period of either world-wide armed conflict or political upheaval, in sugar-exporting nations, this country would face a perilous situation in meeting its sugar requirements, with barely 27 percent supplied from within the continental boundaries of this country; and

Whereas the St. Paul Chamber of Commerce has heretofore recognized the essentiality of the sugar-beet crop in rotation programs in the Red River Valley and believes the American farmers have the right to supply the sugar requirements of this country to the extent of their ability; and

Whereas present severe quota limitations in the present act restrict beet acreage on established Minnesota farms and make it impossible to secure additional acreage needed for existing plants to process: Now, therefore, be it

Resolved, That the St. Paul Chamber of Commerce hereby urges the 84th Congress to enact legislation which will—

A. Reenact the major provisions of the 1948 Sugar Act as amended on a permanent basis;

B. Provide yearly sales quotas for sugar derived from beets or cane grown in continental United States on an escalator basis, increasing yearly as consumptive requirements increase;

C. Provide for the relief of the immediate problems of disposing of above-quota sugar produced in 1953 and 1954 in continental beet and cane areas by granting them sugar sales quotas in 1957 based on the percentage of the American market which they enjoyed at the time of passage of the 1948 act; be it further

Resolved, That chambers of commerce in States concerned with sugar-beet production be urged to give their full support to the proposed reenactment and amendatory legislation.

Submitted by the agricultural committee January 19, 1955.

Approved by the executive committee February 1, 1955.

FRED E. SPERLING,
General Secretary.

MINNESOTA STATE FEDERATION OF LABOR,
St. Paul, Minn., March 10, 1955.

Hon. HUBERT H. HUMPHREY,
United States, Senate,
Washington, D. C.

DEAR SENATOR HUMPHREY: We are informed by the International Council of Sugar Workers and Allied Industries Unions that the existing provision of the United States sugar law, discriminates against producers of domestic sugar and their employees because it has deprived them of the proper share of the domestic sugar market.

We were instructed to call this matter to your attention at a recent meeting of the executive council of the Minnesota State Federation. We hope you will do what you can to correct this situation.

Very truly yours,

WILLIAM D. GUNN.

DRAFT OF RESOLUTION FOR USE OF CHAMBER OF COMMERCE AND OTHER ORGANIZATIONS

Whereas the sugar industry is a vital and necessary part of the agricultural and industrial life of Minnesota; and

Whereas quota provisions incorporated in the Sugar Act of 1948 as temporarily expedient still are in force, denying the historic right of this industry to grow with our Nation; and

Whereas the domestic sugar industry has, through important technological progress, increased its own productivity per acre by some 20 percent since establishment of fixed marketing quotas in the Sugar Act of 1948; and

Whereas the combination of rigid marketing restrictions and increased productivity per acre is forcing injurious acreage reductions and other sharp constrictions of the domestic sugar industry; and

Whereas these pressures not only are acting to the severe and unwarranted detriment of the domestic sugar industry, but also are having a depressing effect upon the economic life of Minnesota: Now, therefore, be it

Resolved, That the Congress of the United States be and hereby is petitioned to provide for immediate quota increases for the domestic industry and restoration to the domestic industry of its historic right to share in all future increases in United States sugar requirements; and be it further

Resolved, That the Secretary of the Commercial Club is hereby instructed to forward copies of this resolution to the Senators and Representatives elected to the Congress by the people of Minnesota, and to the Secretary of Agriculture, Secretary of State, and the Secretary of the Interior.

Passed by the Commercial Club of Frost, Minn., on March 28, 1955.

SELMER MATHESON, *President.*
LESTER STOLL, *Secretary.*

Mr. HUMPHREY. I also ask consent to have appear in the RECORD at this point a press statement I have issued containing some of my views in connection with this bill.

There being no objection, the press release was ordered to be printed in the RECORD, as follows:

SENATOR HUMPHREY SEEKS EXPANDED QUOTAS FOR DOMESTIC SUGAR PRODUCERS

Senator HUBERT H. HUMPHREY, Democrat, Minnesota, member of the Senate Committee on Agriculture, today joined Senator ELLENDER, chairman of the Agriculture Committee and 46 other Senators in sponsorship of a bill to extend the Sugar Act of 1948 and amend it to provide expanded quotas for domestic producers of sugar beets and sugarcane.

Aim of the bill is to give domestic producers a larger share of the market brought about by expanded sugar consumption in the United States, instead of allowing almost all the increase to go to Cuba, as under existing law.

At present, out of any increase beyond the base estimated consumption, 96 percent goes to Cuba and only 4 percent to domestic producers. Under the amendment proposed, 55 percent of any increase in consumption would be passed along in form of expanded allotments for domestic producers with the remainder going to Cuba.

"Sugar consumption in the United States during 1954 totaled 8,250,000 tons. The domestic sugar beet quota was only 1,800,000 tons, and the domestic cane sugar quota was only 500,000 tons," Senator HUMPHREY explained. "In 1955, it is expected that consumption will increase to at least 8,500,000 tons. But under the existing law, domestic beet and cane sugar producers would be held to their 1954 quota figures. If they produce more than their quotas, they cannot sell the excess. As the use of sugar in the United States increases, the percentage share reserved for domestic sugar producers shrinks. And that is in spite of the fact that sugar is the only important food which the United States produces in quantities far less than it uses.

"The beet sugar quota was fixed at 1,800,000 tons a year in 1948. Consumption in the United States that year amounted to 6,332,000 tons. Even though consumption increased to 8,250,000 tons in 1954 and is expected to rise to 8,500,000 tons in 1955, the beet sugar quota is frozen at 1,800,000 tons.

"A fixed annual quota of 1,800,000 tons for beet sugar may have been all right in 1948. But it is grossly unfair now. That figure should be the minimum now. As American sugar consumption rises, both beet sugar and domestic cane sugar producers should be given a reasonable share of the increased market," Senator HUMPHREY said.

Senator HUMPHREY revealed that the Minnesota State Federation of Labor and the St. Paul Chamber of Commerce were both supporting requests of Red River Valley beet growers for the amendment, "showing how business, labor, and farmers work together for the best interests of Minnesota."

ORDER FOR ADJOURNMENT TO MONDAY AND FOR ADJOURNMENT ON THAT DAY

Mr. JOHNSON of Texas. Mr. President, I send an order to the desk and ask that it be read.

The PRESIDING OFFICER (Mr. CLEMENTS in the chair). The Secretary will read the order.

The legislative clerk read as follows:

Ordered, That at the conclusion of its business today the Senate adjourn until 12 o'clock noon on Monday, April 4, 1955, and that immediately after the convening of the Senate on said day the Presiding Officer shall,

without the transaction of any business or debate, declare the Senate adjourned, pursuant to House Concurrent Resolution 103, until Wednesday, April 13, 1955, at 12 o'clock noon.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order be considered and agreed to.

The PRESIDING OFFICER. Is there objection?

There being no objection, the order was considered and agreed to.

AUTHORIZATION TO RECEIVE MESSAGES FROM THE HOUSE AND TO SIGN ENROLLED BILLS AND JOINT RESOLUTIONS DURING THE EASTER ADJOURNMENT PERIOD

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that during the adjournment period from today, and the period authorized by House Concurrent Resolution 103, the Secretary be authorized to receive messages from the House and the Vice President or the President pro tempore be authorized to sign duly enrolled bills and joint resolutions passed by the two Houses.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

AUTHORIZATION FOR APPROPRIATIONS COMMITTEE TO FILE REPORTS DURING RECESS OF THE SENATE

On request of Mr. JOHNSON of Texas, and by unanimous consent, the Committee on Appropriations was authorized to file reports during the recess of the Senate.

A VICTORY FOR TEXAS SCHOOLS

Mr. JOHNSON of Texas. Mr. President, it has just come to my attention that the Supreme Court of Texas has decided a lawsuit filed by my colleague, Senator PRICE DANIEL, while he was attorney general of Texas, which will result in the recovery of 67 producing oil wells and 4,000 acres of minerals for the public school fund of our State.

I take this occasion to congratulate my colleague and his present administrative assistant, Jake Jacobsen, who also served as his assistant in the filing of this important lawsuit in 1951.

As attorney general, PRICE DANIEL instituted some of the most important lawsuits in the history of our State. The case to which I now refer, State against the Texas Co., was among those which other lawyers thought could not be won. However, my colleague and his assistant, Jake Jacobson, and his former assistant, Charles D. Mathews of Austin, decided otherwise. On February 22, 1951, they filed suit against the Texas Co. alleging that 4,000 acres of minerals and 67 producing oil wells in Duval County held and operated by the company, actually belonged to the State's public school fund. It was the last lawsuit prepared for trial by PRICE DANIEL, but was continued on motion of the defendant until after he took his seat in the Senate. His assistant, Mr. Mathews, remained in the case and participated in the trial and appeals under Attorney General Sheppard.

I commend the manner in which this case has been handled, and especially congratulate my colleague on the foresight which led him to bring the action while serving as attorney general of Texas. It has resulted in a victory which will mean millions of dollars to our public schools.

THE DANGERS OF PROPOSED FURTHER REDUCTIONS IN MILITARY STRENGTH

Mr. SYMINGTON. Mr. President, the policy of this administration to cut ever deeper into our already heavily reduced military forces, while at the same time a line may be being drawn as to where the Communists shall and shall not go—is leading us to the brink of nuclear war.

Today the United States is confronted by the steadily increasing strength of an enemy whose avowed intentions to seek a Communist world order, directed from Moscow, remain unchanged.

Because of the consistent hostility demonstrated by the Communist bloc, we must make a concentrated defense effort, over an indefinite period of tension—and therefore must devote a large part of our wealth and energy to defense buildup, along with other programs designed to stabilize the world situation—and along with our effort to achieve foolproof world disarmament.

In recent years we have heard much about how the free world plans to defend itself against possible attack from the Communist bloc; and especially with respect to the military power and plans of the United States.

Our military policy is now geared to the nuclear-jet age. We know this demands radical changes in previous concepts of national defense.

The military program now before the Congress carries out the philosophy outlined some 15 months ago, January, 1954, by Secretary of State Dulles, and reaffirmed only last January by the President.

The implications of this military program are clear. Definite priority is given to the delivery of nuclear weapons by air.

But such a policy can only be practical, and therefore logical, if all the services—Army, Navy, and Marines, as well as Air Force—are at the same time modernized in recognition of the nuclear age which now surrounds us.

Conventional forces are for World War II. Today a B–36 is just as obsolescent as a B–29 was yesterday; and an airborne army, with bazookas throwing nuclear weapons, is a far cry from the Army we sent to fight in World War II, or even in Korea.

In the past all wars have been won with knives, whether put on the end of rifle as bayonets or carried in the hand. Men moving to land where they are not wanted, supported with that weapon along with more modern weapons, have always been a prerequisite of victory; and I believe they always will be.

Even the most confirmed optimist would agree that the relative position of the United States in the world today, along with that of the other free nations, has deteriorated.

Today we have fewer effective allies, and another rapidly growing member of the Communist conspiracy striving to equal the strength of Russia.

Two questions are now uppermost in the minds of the American people.

The first is, are we going to participate in a war in the Far East? And the second—if we do, are nuclear weapons going to be used?

If we continue to reduce our Army and Marine Corps, and then are attacked, what chance have we to defend ourselves, unless we start an atomic-hydrogen war?

The President has pledged the Congress that he alone will make the decision whether or not to use nuclear weapons in the defense of Formosa.

As things are going, that decision can only be to use such weapons, unless we agree to further retreat.

If General Ridgway opposed our participating in the defense of Indochina because of the weakness of the American Army, how would he now feel about our now taking on Communist China, in a supposedly limited war, a very few miles from the China mainland.

Let us remember that only last year we cut Army appropriations over $5 billion.

This year, despite the obvious increased world tension, we are now asked to approve an even further heavy reduction in our combat divisions.

This latest request comes on the heels of the President asking the Congress for authority to go to war against the largest army in the world.

Aside from what these military reductions do to the morale of our already shaky and, in some cases wavering, allies, what right have we, with our ever-growing worldwide commitments, to plan an Army for next year which will be tens of thousands of combat troops smaller than the army of the little state of South Korea?

These planned further heavy reductions in our military strength have been urged on the President by the "budget-firsters" purely for financial reasons; also approval of the reductions by the Congress is being requested with the premise of complete reliance on the ground forces of such allies as Yugoslavia, every single member of whose army is under Communist domination.

And how about our commitments to our allies to supply them with a large number of combat divisions in case of war?

Our course, America must develop the potential of the atom in its development of modern weapons.

But in reducing steadily our ability to fight on the ground, while placing steadily increasing reliance on nuclear weapons delivered by air, we may well be committing ourselves to a path from

which there can be no turning back—world devastation, resulting from the use of the hydrogen bomb.

None but the blind would deny that the Communists are rapidly approaching atomic equality with the free world.

Some believe they are already at least equal to us in segments of that field.

When an atomic standoff comes, if the Communist armies start to move, say in the Middle East, or in Asia, what do we do?

Do we start a nuclear war? If we do not, what can we do?

Air power, according to Gen. Billy Mitchell, is everything that flies. Troops can be flown, and so can tanks and trucks. But if war should be forced upon us, this country, despite all its continuous boasting about its superior airpower, cannot as of today lift and properly support a single Army division. And this despite the fact that we have formally pledged our allies to support them on the ground as well as in the air.

Is anyone so gullible as to believe that, if any real effort is made to defend Formosa, American troops will not be needed for that defense?

How do we prove to the world that we are serious in our announced intention to defend Formosa? The answer—by announcing further heavy reductions in our combat divisions.

Everyone noted with interest the recent comments of Winston Churchill about the realities of the hydrogen age. But did we all catch his warning that modern nations could not place too great a reliance on nuclear weapons, when he called for other "forces in readiness" to deal with limited Communist aggressions?

What he implied was that, if we are to avert total war, we must be prepared to fight limited war. Limited objectives are nevertheless more desirable than unlimited destruction and disaster.

We Americans, in our abhorrence of any war, are inclined to search for cure-alls. That is why we are so inclined to accept the new nuclear weapons as a panacea for all our national security ills. That position was logical during the past decade, when we had a monopoly on such weapons, but that monopoly is now over.

Unless we reverse this trend of relying predominantly on nuclear weapons, we will create a military force capable of defending the free world in no other type war but nuclear war. Then the decision will be either mutual atomic devastation, or surrender to the Communist armies, at least in certain parts of the world.

There is a growing tendency to equate atomic stalemate with world peace. I believe this wrong, because once that is an accepted condition, the Soviet-Communists can increase their short-of-war expansions through the use of their great armies, armies now being improved by all the nations in the Communist conspiracy.

This bloc, possibly aware of our unwillingness during an atomic stalemate to employ nuclear weapons because of the terrible consequences, could march their modern armies with relative impunity, unmatched by any comparable strength on the part of the United States and its allies.

American and the free world possess ample resources to develop adequate and versatile defenses. Let us not be confused by those who would say otherwise.

We can, and must, be prepared with flexible military power to cope with Communist hostility. Atomic stockpiles must be maintained until proper safeguards against nuclear aggression are provided. But we must also meet the compelling requirements for other strong military capabilities, adequately mobile, to face a fluid world condition, and a rampant Communist imperialism.

For some days recently I could not read, and therefore listened consistently to the radio. In all countries but ours, the chief problem broadcast was the position of personalities, and the stability of various governments.

Names come to mind—Malenkov, Mendès-France, Adenauer, and the Treaty, Bevan, Dinh, Zim, and other little people trying to rule the relatively little states of the Far East.

The radio waves highlighted a totally different problem characteristic of this country, pounded into one's ear hour after hour and day after day, namely, how much one could get for his old car, or television set, if he turned it in for a more expensive one.

Last year the gross national product of the United States was $357 billion.

The world has never before seen anything like this kind of prosperity, correlated with by far the highest standard of living ever known to mankind—after taxes.

Nevertheless, with our possible enemy maintaining, and steadily improving hundreds upon hundreds of combat divisions, this administration is now asking Congress to further reduce our own combat divisions to a mere 15.

Today one question overshadows the world. Will America risk war by defending Quemoy and Matsu?

Will we? I do not know. Neither do other Senators. But this I do know. If we decide to defend these islands, American ground troops will be part of the action before it is over.

To coat the pill of these increased plans for disarmament, we are propagandized about vast superiority in the quality and quantity of our military equipment, as against that of the Communists.

But this wishful thinking was not borne out by the Stalin IV Tank of World War II, or the MIG–15 fighter plane of Korea, or the terrifying stories that have started to come out of Russia about their sucess with the so-called ultimate weapon—the intercontinental ballistic missile.

If we will be honest with ourselves, we know there can be no justification of these further heavy reductions in our military strength.

We know that when the Communists reach atomic equality, which, for reasons I plan to discuss at a later date—and they may have reached it at least in part already—we will bitterly regret any such reduction in our other forces, because if we are to keep faith with our allies, that means we can only be massive-retaliation originators of a hydrogen war.

This country, which once adopted as a national policy "speak softly but carry a big stick," while now increasing our threats against the possible enemy, steadily whittles at our military strength.

As we continue to increase our commitments, all over the world, and warn the Communists against further aggression, what right have we further heavily to reduce our military forces in order to save money?

I repeat—who wants to be the richest man—or nation—in the graveyard? We have enough wealth to take no such risk at the behest of those who put money first. Our own country, along with other free peoples, should come first.

JOINT COMMITTEE TO STUDY ASPECTS OF THE COMMON SYSTEM OF AIR NAVIGATION

Mr. MAGNUSON. Mr. President, with the indulgence of the Senate—and I hope I shall not take more than 5 minutes—I wish to call attention to a matter of vital importance in this day of hope that we may have some economy in Government. I do this at the request of the Committee on Interstate and Foreign Commerce, which has unanimously submitted the report on Senate Concurrent Resolution 16.

In reporting the resolution, I ask unanimous consent that, following my statement, the concurrent resolution be immediately referred to the Committee on Rules and Administration.

The PRESIDING OFFICER (Mr. NEUBERGER in the chair). Without objection, it is so ordered.

BACKGROUND OF THE RESOLUTION

Mr. MAGNUSON. Mr. President, this matter was first brought to public light by the chairman of your committee when he interrogated the nominee for the position of Under Secretary of Commerce for Transportation on February 23, 1955. Since that time several committees of both the House and Senate have interested themselves in the matter. The jurisdictional questions arising out of a reasonable solution to this problem are matters of concern to a number of Senate and House committees including the Senate and House Appropriations Committees, Senate Foreign Relations Committee, House Foreign Affairs Committee, Armed Services Committees of both the House and Senate, and others.

Your committee has held hearings on this controversy and has taken testimony from both civilian and military witnesses. Because of the classified nature of the material the hearings were held in executive sessions.

Other committees of the Congress have undertaken investigations of this matter. Undoubtedly classified material has been presented to and considered by them. Experience has shown that a multiplicity of investigations often leads to the unwitting disclosure of classified information, to the detriment of the national security. It would appear that

the possibility of leaks will be minimized by having a single committee on which the various committees having an interest in the subject are represented rather than to permit separate committee action.

Our present common system of air navigation was adopted and installed following recommendations made by the Congressional Aviation Policy Board of the 80th Congress and Special Committee No. 31 of the Radio Technical Commission for Aeronautics. The latter group was made up of top technical and operational representatives from industry and Government including the military services, Commerce, Treasury, State, FCC, and the like.

Known as VOR/DME, the system is composed of visual omni range (VOR) which provides heading, and the distance measuring equipment (DME) which provides distance. This system has been installed throughout the United States. 436 visual omni ranges and 241 distance measuring ground stations have been budgeted for installation. Testimony before the committee showed that approximately $116 million has been expended on ground and air installations by the Government and private sources. This amount is made up of about $30.7 million in private investments, the balance of $85.3 million being governmental expenditures.

As I recall the testimony, it will also require millions more to finish the whole job and to cover the entire United States.

Prior and subsequent to the adoption of VOR/DME as the common system for both military and civil air navigation functions the Navy commenced development of another system now known as TACAN—tactical air navigation. This development was intended for important tactical uses and was carried on in a military security classification to preclude compromise.

So far as is now known the two systems, for basic technical reasons, are incompatible. However, it appears that from the evidence before your committee that a full effort to solve the technical differences between the two systems has not been made.

According to the military, TACAN has certain characteristics which make it more valuable for tactical purposes. It is more accurate than VOR under certain circumstances and can be used aboard aircraft carriers, whereas it is claimed VOR is not now suitable for this latter use. The accuracy and value of DME is not questioned.

Commitments made by the military, despite the fact that the right hand did not know what the left hand was doing, for the acquisition and development of TACAN to bring it to its present state total approximately $320 million.

Of course, if the one is scrapped, it is lost in that case; if the other is scrapped, $116 million is lost in the other case, under two incompatible systems.

Representatives of the military have stated to the committee that TACAN has not been fully proven as acceptable or adequate for common system use and it is possible that further experiments may later prove that it is unacceptable. Considering all factors the evidence is TACAN probably cannot be fully operational in the Federal Airway System before 1965.

Yet they have spent $320 million, and have a contractual commitment for almost $180 million.

The cost of TACAN as the common air navigation system is estimated at about three-fourths of a billion dollars with the likelihood the ultimate cost may be greater.

In the meantime we have been going ahead with the system which has proved to be satisfactory and which everybody who testified said was satisfactory.

The relative merit of the two systems was presented to the Air Navigation Development Board, which includes representatives of Commerce and Defense Departments as equal partners. The Board formed an advisory committee consisting of Government and industry representatives known as the VORTAC committee. This advisory group hired a team of consultants skilled in the electronic and engineering sciences as applied to air navigation. Following the report of the consultants, a bare majority of the VORTAC committee recommended to the Air Navigation Development Board that the Government proceed to develop TACAN in lieu of VOR/DME as the common system. The minority of the VORTAC committee filed vigorous dissents. The ANDB, after considering alternate proposals, decided on the following course of actions:

First. Finish the development of TACAN to make it suitable for common system use at the earliest practicable date.

Second. Continue VOR as a common system navigation aid at least until 1965.

Third. Limit the use of civil DME facilities to experimental purposes, with the understanding that DME service is not—which is the directional-finding system—guaranteed beyond June 30, 1955. This is to assure that DME frequencies would not stand in the way of TACAN if it later is standardized.

Fourth. Permit military agencies to implement TACAN facilities to meet their minimum interim requirements, for the present, on a basis which will be noninterfering with channels assigned to the civil DME and the common system radar beacon.

Fifth. As a "backup" for the TACAN program, in case it should later prove unacceptable or inadequate for any reason, finish the design of the alternate proposal. This would consist of the present civil DME to provide distance plus a new CW omnirange device to be developed for a more suitable frequency band, as recommended by the consultants. The DME ground equipment will be held in readiness for this eventuality.

Since the decision of the ANDB, the Air Coordinating Committee has entered the picture. Composed of representatives from the Departments of State, Army, Navy, Air Force, Treasury, Post Office, Bureau of the Budget, and the Office of Defense Mobilization, this latter Committee has appointed a group of experts to further review the matter and make a report on the controversy on or before April 15 of this year.

This problem is not confined to the domestic scene. It is international in scope. Following the original decision to establish VOR/DME, our State Department sold foreign countries on the common system. The military have influenced the NATO countries in favor of TACAN. The State Department advised in a letter to the Air Coordinating Committee that any move to standardize on the military TACAN as the short range component of the common system will have "serious international implications."

In the light of the confusion existing in our policy for the common system concept of air navigation it is reasonable to assume that our foreign friends may be forced to develop a system of their own.

Based upon the testimony taken at the hearings and information received from all interested parties your Committee is convinced that the establishment of a joint committee to thoroughly explore this whole problem is the most desirable way of resolving this controversy.

COMMITTEE AMENDMENTS

Your committee has amended the resolution to increase the representation on the joint committee and to provide that it shall submit prompt reports to Congress.

Because of the international aspects of the controversy your Committee is of the opinion that the congressional committees dealing with our foreign policy should be represented on the joint committee. Section one of the resolution has been amended to provide for the addition of representatives from the House Foreign Affairs and the Senate Foreign Relations Committees. In taking this action your Committee believes every safeguard must be taken to prevent placing this country in an unfavorable light abroad. And unless changes in the common system of air navigation are militarily or technologically vital for the safety and welfare of our country and the people it would appear to be wiser to perfect rather than scrap the existing program. Constant vacillations in policy in our dealings with allies can, as the State Department points out, lead to "serious international implications." The dangerous state of today's world requires the highest degree of cooperation between all departments of Government.

The legislative and appropriations committees must have the information which the joint committee is able to develop promptly if they are to properly discharge their duties. Accordingly, your Committee has amended the resolution to provide that the joint committee shall submit an interim report not later than June 30, 1955, and its final report not later than December 31, 1955.

The other amendments are administrative in nature.

The resolution as amended will bring together in one common forum all the Congressional interests necessary to review and reaffirm a sound national policy of air navigation designed to afford the

highest degree of safety for life and property—civil and military. Its adoption by the Congress will avoid a multiplicity of hearings and should result in substantial savings in man-hours and honey. Air space is not unlimited. This is particularly true along the airways and near the airports. Users of the space are increasing. With the new planes flying beyond the speed of sound, with improved models on the drawing board and in the experimental stage, the problems of air navigation, air control and landing are becoming increasingly serious. The hazards to life and property are increasing. It is time the Congress should take a long hard look at the potentially dangerous situation with a view to rechanting the national policy. Your Committee unanimously recommends the adoption of the resolution as amended.

Mr. President, there are certain committee amendments which I should like to send to the desk.

I wish to close my remarks by repeating that because the right hand did not know what the left hand was doing, in one case the DME system was classified. It has now proved to be within 2 percent of being accurate. They do not even know for sure about TACAN, but it is claimed that it might be within 1 percent of being entirely accurate. It is not known for sure just how efficient it is, and it will not be known for 10 years. This country went ahead and spent $116 million on VOR/DME and convinced every other free country in the world that it should adopt the common system for its civilian and military aircraft. The Military Establishment went ahead and committed almost $320 million for another system which is not fully developed.

I say to my friend, the Senator from Illinois, we are dealing with over a half billion dollars. That is not a small amount in a budget for a vital project. We may have to "knock some heads together" or do something about it, so we can have a common system, which has cost a fabulous amount of money, and which has proved to be accurate.

Mr. President, I submit the report with the committee amendments. I may say it received the unanimous support of the full Committee on Interstate and Foreign Commerce. I suggest that the concurrent resolution be referred immediately to the Committee on Rules for appropriate action.

The PRESIDING OFFICER (Mr. MCNAMARA in the chair). The report will be received, and the concurrent resolution (S. Con. Res. 16) will be referred to the Committee on Rules and Administration.

PERSONAL STATEMENT BY MR. KEFAUVER

Mr. KEFAUVER. Mr. President, this afternoon the junior Senator from Wisconsin [Mr. MCCARTHY] delivered a speech on the floor of the Senate in which he attacked me, and also made some derogatory statements about the President of the United States. I did not have the opportunity of hearing the Senator's speech, but I have secured a copy of it and have read it with much interest.

I am glad the junior Senator from Wisconsin has made the speech. It is his privilege, if he wishes, to compare me to Neville Chamberlain. That, Mr. President, is the type of statement too often indulged in by some persons during these days. Instead of answering arguments on their merits, they call names, attach labels to certain persons, and try to make odious comparisons. So I am not surprised. But I should say to the junior Senator from Wisconsin I have never owned an umbrella. I am sure the American people will appreciate whatever comparison the junior Senator wants to make, and I am sure the American people will appreciate that there are few persons in public life whom the junior Senator from Wisconsin has not tried to bully or insult at one time or another.

I am also glad the junior Senator from Wisconsin made the speech because it is a confirmation of the charge I made in my original speech. In the same speech in which he denounced me, he denounced the President of the United States for not carrying forward with the junior Senator from Wisconsin, or for not having the Nation carry forward, a course of conduct which would be likely to cause us to become embroiled in a war in the Far East, which might spread and become a world war.

What I have been interested in is to see to it that our moral and legal positions are sound. The American people will fight for their freedom. They will fight courageously for a cause that is of importance to the freedom of the world and the safety of the United States. But if we must go to war, let us be certain we shall do so in a cause as to which our position will be legally and morally right.

As for the islands of Matsu and Quemoy, Mr. President, I wonder how long we would sit idly by if the Chinese Communists were to hold Staten Island, which is about as far from New York City as Quemoy is from the coast of China, or if the Chinese Communists were to hold Catalina Island, which is only a few miles off the coast of California.

Mr. President, I am in favor of our defending Formosa and the Pescadores with all our strength, until there can be a settlement there; and I hope we will use all our influence to bring about a solution of that problem.

But as for Quemoy and the Matsu, the defense of which would be very likely to get us into a war, I am afraid we would then be in a war without allies and without world opinion on our side. My effort all along has been with that thought in mind. I hope the speech delivered today by the junior Senator from Wisconsin and other statements of that sort—statements urging that we underwrite the attempted reinvasion by Chiang Kai-shek of the Chinese mainland—will not cause the President of the United States to bypass his better judgment and to carry our Nation into war over these islands, the names of which very few of the American people knew until a few months ago.

Mr. President, if any words of mine can put any stumbling blocks in the way of the present course of some persons toward a war in the Pacific—a war which would not be right, and a war in which we would not be justified in participating—it matters little to me what the junior Senator from Wisconsin or someone else may say.

THE NEED FOR TECHNICAL ASSISTANCE AND ECONOMIC DEVELOPMENT

Mr. DOUGLAS. Mr. President, today I wish to speak on what is known as point 4 technical and economic development. During the course of my remarks, I shall ask the Chair to permit me to include in the RECORD considerable portions of my prepared remarks, so as to place less of a strain upon the good nature of my friends who have entered the Chamber to listen to me.

THE NEED AND THE OPPORTUNITY

Mr. President, in less than 3 weeks an unprecedented meeting will convene at Bandung, Indonesia. It is the Afro-Asian conference, called by the Colombo powers—India, Pakistan, Burma, Indonesia, and Ceylon. Together with the 25 other self-governing invited nations, they will represent more than half the world's population and, furthermore, most of the noncommitted, neutralist nations. These are countries of the black, brown, and yellow peoples of the world, which stretch from Africa and through the Suez Canal to the China Sea. They are peoples who are properly smarting under the humiliations which were heaped upon them during the last century by the white soldiers, administrators, and businessmen of Europe, who dominated them for so long. At Bandung they will discuss means of promoting "economic, social, and cultural" cooperation, and "problems affecting national sovereignty and of racialism and of colonialism."

Against the background of the Formosa crisis, and with Red China participating actively in this conference, and undoubtedly hoping to take the lead, this meeting may be used for a gigantic propaganda onslaught against the West, and a buildup for communism. All of the attending nations hold bitter memories of colonialism; and although our country steered its course clear of that imperialist past, the Communists know how to channel the pent-up resentments of these nations against the chief Western power. We know the line. They will try to make Uncle Sam become Mr. Money Bags, racist, imperialist, and obsessed with his hydrogen bombs. On the other hand, we also know the Communist picture of himself, phony as the wolf in sheep's clothing, but strangely effective to people who have only known the old colonialism, and to whom the new imperialism of Russia and of Communist China as yet is unexperienced.

The Communists present themselves as the big brothers of the toiling masses. Let me point out that I am very careful here to say that the Communists present themselves as the big brothers of the toiling masses, lest this sentence and the ones which follow it be taken out of context. I am not saying that they are, I am merely saying that they say they are. They say they are the peace lovers. Lately they have also claimed to be the only hope of industrialization for the underdeveloped nations. They boast that they alone are not afraid of technological progress for Asia and Africa. They declare that they want a high standard of living for all mankind, not just for the greedy white imperialists. To bolster this argument, Russia has now ended its boycott of the United Nations Technical Assistance Program, and has offered its own program of aid, which six countries have accepted. They will not only receive Russian equipment and technicians, but they will also send some of their people to Russia for training.

There are other much publicized Communist moves, such as the new trade and barter agreements. Red China has signed a 5-year agreement with Ceylon, which will swap rice to Ceylon in return for vitally needed rubber. It has another agreement with Burma for her surplus rice—perhaps headed back for the Ceylon trade—but which is to be paid for by highly advertised Chinese technical aid to Burma. Furthermore, Russia has won some gratitude for several gifts, including the paving of the streets in Afghanistan's capital; and we should remember that this country lies along the traditional invasion route to India. Most impressive, in India itself, Moscow outbid the West and won the contract to construct a steel mill which will produce 1 million tons of steel a year.

It is astounding that even in the technological field the Communists seem to be seizing the advantage. Our own headstart is so great here that this development could only spring from a confusion in our policy. Our Nation, which is known for supersalesmanship, has miserably failed in presenting itself to other nations. Many of our best deeds are not generally known. Many of our less attractive characteristics are widely publicized by our enemies.

Furthermore, an administration with the greatest flair in history for public relations on the domestic scene, has stuttered, contradicated itself, and has often been silent in making America's case before the world. As a distinguished foreigner recently remarked, the United States does its best deeds "by stealth." In part, this may be because the Government fears political reaction at home. Apparently it does not sufficiently trust the good heart and good sense of the American people. And so it tries to conceal our policy even from ourselves. It apparently dares not think it through in long-run terms. So our Government improvises, constantly changes the organization, and the experienced personnel, and tries furtively to start again in a new way. As a result, we, as a nation, are made to twist and confuse the issues and to fumble our great advantage.

Today I am speaking up for point 4, the technical assistance and economic development programs—programs to help others help themselves. First, as an economy man who, I fear, has offended many colleagues on both sides of the aisle by trying to prune expenses for even favorite local projects, I am supporting a program which has mistakenly been called a giveaway. But as Henry Ford II recently put it, these are not giveaways. Rather, they are the most effective and economical approach to building a strong and prosperous free world.

Second, as one who has offended some of his coreligionists, because I support a strong military force and believe we should resist Communist aggression with the weapons of the flesh and the full force of our arms. As I think I have proved by my votes and by my actions, I nevertheless say that technical assistance may in the long run prove to be our best asset. Military strength is sometimes the only way to stop an aggression; and when needed it should be used. But at best it is a negative and holding operation. It will not of itself build the vigor or friendship of hungry, impoverished people. In the long run only a change in their living standards will make them strong allies. In the short run, only the hope that we will help them change these standards will make them good allies.

Let me put it better in the words of Henry Bennett, formerly of Oklahoma A. and M., who was the first administrator of the point 4 program and who literally gave his life for it during a plane crash while he was on service in the Middle East. Henry Bennett said, "Military rearmament is an unhappy necessity. Economic development is not only a necessity, but a great and inspiring opportunity to sow seeds of democracy among people who no longer accept poverty, disease, and ignorance as inevitable facts of life. It is an opportunity to create new wealth for the benefit of all free peoples. Finally, it is an opportunity to win friends and allies for our cause."

What we have done already, and with small amounts compared to the billions spent on defense, for which I have voted, has created some minor miracles around the world. If our civilization endures—and that is not at all certain—history may ultimately record this program not as a starry-eyed charity, but as the enlightened policy which saved our necks. It can also prove to be economically shrewd, for, to quote Mr. Ford again, as these underprivileged regions raise their per capita incomes, they will become good paying customers. This has always been true, and there is almost a direct ratio between the per capita income of the nations outside the Iron Curtain countries, and their amount of trade with us. Impoverished people cannot buy from us. The more productive other peoples are the more they can purchase of our goods, because the more they have with which to purchase. It is true internally that high productivity in one region helps others and that low productivity harms others. This is true internationally as well, in times of peace. Even in terms of dollars, therefore, this may prove enlightened self-interest, but that is not the main point I am making at this moment.

Our technical assistance program is therefore the supreme example of American practical good will. Perhaps it is the supreme example in all history of the practical and resourceful good will of one nation toward others. And it is providential in its timeliness. Up to the present era, one half of the world's population have always suffered from grinding poverty, hunger, and disease—the scourges that suffocate hope. And these, as Mr. Bennett has said, seemed inevitable. Even today, the majority of humanity lives on half the calories we Americans consume—1,600 to our 3,200—and theirs is a diet short of proteins and protective foods. But in the last decades modern technology has opened vistas of new abundance and emancipation from the old back-breaking toil of hunger and suffering. To attain this goal, man will have to learn self-discipline and wisdom, but if he fails, he will use his new powers for mass destruction.

We who want peace have been so concerned with the awful threat of the bomb which we have developed that we have unfortunately allowed the Communists, who are not concerned with human values, to seize the initiative. What we need is to tell our true record and to give assurance of a steady continuation of our constructive program. We must cease apologizing for our best acts. We have something with which to kindle the minds and hearts of men in every country. Let us tell our story boldly, and vote continuance of this program both under our auspices and that of the United Nations before the Afro-Asian meeting this month, or at least before it concludes. Let us make our program an open door, not a wall—a highway, not a dead end.

THE MARSHALL PLAN

In his momentous speech at Harvard on June 5, 1947, Gen. George Marshall, one of the greatest of Americans, proposed the European Recovery Program—now known as the Marshall plan.

This program was one of the great acts of statesmanship in modern times. It has been called a landmark in human history. The term "Marshall aid" is one aspect of American foreign policy which claims universal praise and respect.

Its twin purposes, in the words of the act, were to advance European recovery and "to achieve economic cooperation in Europe, which is essential for lasting peace and prosperity."

It gave hope where there was despair.

It provided food where there was hunger.

It brought unity and strength where there was chaos.

It is an eternal symbol that compassion is good foreign policy and that decency is contagious.

The results of that act were felt in many fields. The destruction has in the main been made good. In the economic field European production has by now

increased by about 50 percent over prewar—1939—levels. The Marshall plan was a catalytic agent which has helped to pull Europe forward. The full effects are only now being felt.

In the political field non-Communist governments were revived and sustained.

In the field of foreign affairs it made for strong, independent, and self-respecting allies while in Sovietized Eastern Europe former free countries became satellities and free men were transformed into automatons. Where we built up our allies, Russia sucked hers dry.

By this great act, America strengthened the weak, succored the poor, shared the burdens of war, helped resist aggression, organized our defenses, and lifted others from despair to independence.

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. DOUGLAS. I am glad to yield to the Senator from Alabama.

Mr. SPARKMAN. Of course the Senator remembers that when the Marshall plan was originally proposed, it was made available to all the countries of Europe who were willing to join in a cooperative movement. Is that correct?

Mr. DOUGLAS. The Senator from Alabama emphasizes a very important point. It was originally intended to be made available for East Europe as well as for West Europe. The Soviet Union, however, refused to accept the plan, and it also refused to permit Poland and Czechoslovakia to accept the plan.

Mr. SPARKMAN. That was after those countries had indicated their acceptance of it. Is that correct?

Mr. DOUGLAS. That is correct. The foreign ministers of those countries were called to Moscow and were told that they were not to be permitted to accept the plan.

Mr. SPARKMAN. Does not the Senator believe that it ought to be constantly brought to the attention of the world that we started out not with the idea of building up a wall between the two sections of the world, but to work out a cooperative program?

Mr. DOUGLAS. The Senator is quite correct. The Iron Curtain is the creation of the Communists, not of this country.

Not only did Europe avoid collapse but, also, she took real strides toward union. The Paris Pacts, ratified by the Senate today, which usher Germany back into the family of free and independent nations, testify to that fact. The creative forces of NATO, the achievements of the Atlantic Community, the pool for coal and steel, the European Payments Union, and the progress toward the solution of the Saar problem are the offspring of General Marshall's vision, President Truman's courage, and the wisdom of Congress.

But Marshall aid was not alone in saving vast areas of Europe from the scourge of totalitarianism. There was also the Truman Doctrine, which repulsed the Communists from the right flank of the free world. Not only did Greece and Turkey survive—and they were badly threatened in 1947—but they survived to fight again to save others from the fate they escaped. The gallant band of Turks—and no better fighting men exist on the globe—who fought up and down the peninsula of Korea earned the accolade of their comrades and the salute of the free world. I shudder to think what would have happened had we followed the advice of those who poured scorn on Marshall aid and the Truman Doctrine as "money down the rathole." For if we had, then that gallant band of Turks and, in the words of Winston Churchill, that "other famous ancient race, whose stormy and endless struggle for life stretches back to the fountain springs of human thought," might now have lost their manhood to the Soviet repression.

Not only did our vision, humanity, courage, and compassion save Europe and protect the Mediterranean, but where we have had the foresight to apply our ideals it has brought results at the new center of gravity in the east-west conflict: that is, in the Near East, the Middle East, and Asia.

The American wheat loan, for which the Senator from Minnesota [Mr. HUMPHREY] is in large part responsible and which was put through over the opposition of the State Department, I may say, staved off starvation in the famine areas of India. It even carried over into another year when the reserves built up prevented hoarding.

In the last fortnight we have witnessed the elections in Anghra, where the Communists were routed from their stronghold on Asia's subcontinent. Whatever may be the Indian reaction to the United States, we helped shatter that Communist bridgehead of stealth and subversion.

These stand as landmarks. They prove that, in the cold war, compassion is as important as conscription and arms. Money for these purposes has most emphatically not been sent "down the drain."

I say now that a program to share our scientific knowledge and our technical abilities so that the masses of people shall not remain hungry, diseased, and separated from their neighbors by walls of ignorance, is as important in the fight for human freedom as our military program, and should receive recognition from Congress in proportion to its necessity.

Our arms are needed to hold back the forces of darkness—and in that connection I congratulate the Senator from Missouri [Mr. SYMINGTON] for the able speech he made today in which he pointed out that it is ridiculous to assume added military responsibilities while at the same time we diminish our Armed Forces—but technical assistance is of overriding importance if we wish to foster, in the words of President Truman, "The rights of the common man, the dignity of human beings, and the conception of the state as the servant and not the master of its people" in Asia as elsewhere. For the scene of tension has now shifted to Asia and to the East, and what happens there may well determine the future of the world. A mighty struggle is on for the neutral and uncommitted third of the world which is a world of color, low productivity, and poor health. In that struggle America and the other nations of the free world are bearing the burdens of the sins which a century of white rulers committed against the peoples of those countries.

Since these peoples, unlike those of Europe, are in a preindustrial stage, it is necessary for us to begin with them where they are, or roughly, where we were in 1700 or 1750. The first steps are therefore to help agriculture and the handicrafts, and to improve public health. Then we can go on from there.

THE ACHIEVEMENTS OF POINT IV AND OF TECHNICAL ASSISTANCE

The beginnings of point 4 go back to the work of our American missionaries and to our great foundations. Our medical missionaries treated the sick and trained native nurses and doctors to carry on their work. The Rockefeller Foundation started worldwide work in the field of public health and community sanitation and sent its experts and its doctors around the world. It founded and endowed the great Peking Medical College. Missionaries in India, Greece, and elsewhere started farm schools to help train native peoples how to gain a better living from the soil.

In the missionary colleges in both the Near and Far East ambitious boys and girls were trained to be doctors, dentists, engineers, mechanics, business executives, and housewives. American know-how was thus brought on a generous scale to the world by the devoted services and gifts of humble Americans. They proved that such active and practical good will at once forged bonds of friendship and raised the material and cultural condition of the people whom they served.

Incidentally, as a byproduct, it made our own lives deeper and better by bringing us into contact with these different peoples and these different nations. All honor and credit to these noble pioneers, who tend too frequently to be forgotten.

During the war, this work was carried on in Latin America at the initiative of President Roosevelt and under governmental auspices directed by Nelson Rockefeller. But the big impetus was given by Harry Truman, who in his inaugural address in January 1949 advanced his celebrated point 4, namely, that we should furnish American know-how and technical knowledge to help raise the productivity and the standard of living of the underdeveloped countries of the world. This program was slow to get under way, possibly because it seemed strange and unconventional to the gentlemen of the State Department. But appropriations were finally made and the work got under way in 1950.

It gathered momentum in 1951 and 1952 and while significantly enough it was dampened down during the next 2 years, it was still true that at the end of 1953, the United States was working directly on the technical assistance program with 59 countries, upon their request. Of these, 39 were independent nations, 19 were dependent overseas ter-

ritories in Africa and the Caribbean areas, and one was a United Nations trusteeship. These 59 countries, representing 900 million people, have asked the United States to share with them our technical knowledge and skills.

Despite the fact that the administrative direction of the work has been continuously changed from pillar to post, and that there was a wholesale dismissal of the trained and competent personnel in 1953 and 1954, a surprisingly creditable piece of work has been done. Despite all the loose talk that we have poured out countless treasure in thus helping others, the actual cost to the American taxpayer of such technical cooperation has been relatively small. Based on allotments for the fiscal year ending June 30, 1954, the cost per person is less than a penny and a half a week.

For fiscal years 1952 and 1953 allotments were $127 and $145 million respectively. Allotments for 1954 were $104 million. For the 12 months ending June 30, 1955, Congress provided $116.5 million. For the coming year we do not yet know what the administration will actually recommend. That seems to be a deep secret. Compared with our essential military budget, however, these sums are not much more than a few drops in the bucket.

It is not often realized by most people that in some cases the contributions of the host countries to their technical cooperation programs average more than twice ours. In some cases, their contributions exceed ours by many times—27 times in the health program in Brazil, for instance. Peru in 1953, as another example, gave $12 for each dollar spent by the United States. In most countries the host contributions of land, buildings, equipment, and personnel, are not readily measureable in dollars.

As of September 1, 1954, FOA had some 1,750 technicians at work on a host of different projects in the 59 countries.

In addition, 40 different American universities were carrying out 52 distinct contracts in 26 countries around the globe to the immediate advantage of universities and the university communities themselves. These contracts have the advantage of bringing the facilities of the whole staff into the exchange program. Faculty members who go abroad can rely on the home institution for help.

This is a segment of the technical assistance program which is much more than merely a dry statistic. It is a unique development of tremendous significance to us as well as to the peoples and countries it directly serves. It is an excellent example of a two-way street. Each university group engaged in these projects is not only bringing to the recipient country its know-how and skills, but is expanding its own frontier of knowledge and experience. They are establishing experimental laboratories on the ground—whether it is in the social or technical services. It is an invaluable training ground for those who will teach our own young people the facts about conditions and cultures in other lands. This program is in its infancy—but the potentials are enormous.

Other voluntary agencies working on the program are the Near East Foundation under contract for a project of Iran community development; the Friends of India; Inter-Voluntary Service, which has a training school for village workers in Iraq, and the Farm Bureau with a training program for 600 young farmers.

Mr. SPARKMAN. Mr. President, will the Senator from Illinois yield?

Mr. DOUGLAS. I yield.

Mr. SPARKMAN. I wish to commend the Senator from Illinois most heartily for making this speech, and inviting attention to a positive program which is accomplishing much and costing little.

Mr. DOUGLAS. That is true; and yet it is kept in the background, apologized for, and slurred in public statements.

Mr. SPARKMAN. The Senator is correct.

I am sorry that I must leave in order to keep an appointment. I wish I could remain and hear the Senator's entire speech.

Mr. DOUGLAS. I appreciate the Senator's comments on and attention to this vital subject.

Mr. SPARKMAN. I wish to state to the Senator that I believe the program he has pointed out is instrumental in creating friends throughout the world and in building strong alliances—stronger than we sometimes realize—and it is perhaps the most important program we are carrying out.

I had the high privilege, as the Senator from Illinois knows, of serving during one session of the General Assembly of the United Nations, and it was my good fortune to be a member of the economic committee which worked on just such programs as this in the United Nations. As a result of my association I became thoroughly convinced that a majority of people are in the class which we sometimes describe as underdeveloped. Important as the building of armaments and the building of military strength may be to us, to a vast majority of the peoples of the world the greatest instrumentality for peace, as they see it, is holding out a helping hand as we have been doing under this program, with an expenditure of such relatively small sums.

I wish to compliment the Senator for bringing it to the attention of the Senate and the country.

Mr. DOUGLAS. I thank the Senator from Alabama. He has always been stalwart in the support of all good causes, including this one, and he has done valiant service in connection with this program.

Mr. President, the Ford Foundation is doing magnificent work in India, and in Burma, the Government with sturdy independence is refusing to accept our aid but out of its own scanty resources is hiring our technicians.

FOA has also brought many participants from the cooperating countries to the United States for study and observation. The number of participants was up from about 4,000 in the fiscal year of 1953 to over 5,200 in the 1954 fiscal year.

Let us now turn to the real achievements of the work.

HEALTH

In the field of health, the technical assistance program has shown spectacular results. Nowhere else can such a small investment reap such incalculable returns. Not only have lives been saved, and we should realize that the life expectancy of at least 50 percent of the peoples on this globe is only about half of that of us in the United States, numbering a little over 30 years, but equally important, men and women, wracked with disease, have been transformed into healthy, productive people.

Mr. LONG. Mr. President, will the Senator from Illinois yield?

Mr. DOUGLAS. I yield.

Mr. LONG. I should like to compliment the Senator from Illinois on his very fine speech, in which he has called attention to our efforts to acquaint the peoples of the world with proper health methods and to provide them; but, unless we help those people to find ways to become more productive in producing food, we shall need to do more than to prevent disease.

Mr. DOUGLAS. Disease, however, not only kills people, but it causes those who survive to be less productive. We not only improve their health, but when we lower the death rate, we also enable those who survive to enjoy life more fully and to become more productive. We also endeavor to find new methods which will increase the food supply as rapidly as it is needed by the population.

Mr. LONG. But there will be other problems. As the population increases, it will be necessary to find ways to obtain greater production from the soil.

Mr. DOUGLAS. That is true. I thank the Senator from Louisiana for his contribution to the discussion.

An example of the miracle of modern science is the quarter's worth of penicillin, which in one shot completely cures a child of yaws, a child who otherwise is doomed to a life of torment, hideous disfigurement, and economic dependence. No wonder that such a cure produces more friendship than any other act.

Our new drugs and insecticides can rid this earth of many of its age-old scourges. And this offers endless hope, for in the tropics bad health has often played the determining role in the unholy trinity of disease, poverty, and ignorance, which enslave the population. Restore a man to physical health, and he becomes productive and capable of progress. Furthermore, there are many byproducts to the elimination of disease. When a region is cleared of malaria, not only is manpower increased, but also the arable acres of once malaria-ridden land.

The first nationwide fight on malaria was made in Greece. Here malaria had always been a problem, but it had grown acute with the floods and ruin which had followed the battles of World War II, the foreign occupation, and then the

guerrilla fighting. More than half the population was afflicted and Greece was consuming one-fifth of the world's quinine. Then DDT, the cheap and versatile hero of many disease control programs, was set to work. When its job was done, malaria for the first time in recorded history was reduced to a minor health problem. The increased manpower had grown to the equivalent of 150,000; there were vast new fields to cultivate, and the wealth of the malarial area had doubled. In addition, other fly-borne diseases, such as typhoid and dysentery, had dropped along with malaria, while the poultry and dairy production had soared.

This initial Greek experience has since that time been repeated around the world, in the Near East, Afghanistan, India, Burma, and the Amazon Valley in Brazil. Everywhere lives have been saved, sickness reduced, and productivity increased.

If DDT has been the cheap weapon against malaria, penicillin has proved the wonder drug against several widespread diseases, one of the worst of which is the tropical yaws. As I have said, one shot of penicillin often heals the awful sores and completely cures the victim. By the close of 1954, 6 million people had been treated by the World Health Organization. In Haiti until 1950, yaws was the worst health problem, affecting one-third of the rural population, and in some areas 70 percent of all people.

I spent a winter in Haiti nearly 30 years ago, and one of the most frightful experiences I had was in finding hundreds of patients who were suffering from yaws.

After 4 years the disease is all but eradicated, for in the rural areas it is not above 0.5 percent. In Indonesia it has also been a major problem, incapacitating whole areas, and impeding the national economy. By the end of 1955, 14 million people will have been examined and 2 million treated. But the program aims to cover the other 60 million people as rapidly as possible.

Since penicillin is the cure for syphilis as well as yaws, the projects often have a double success. But even in countries not afflicted with yaws, mass campaigns against syphilis have been undertaken in some dozen countries.

Modern science furnishes the means for a mass attack on other plagues, like the contagious and dread eye disease, trachoma, which the United States has been combating with mobile health units in both Iran and Indochina, or again, hookworm and other parasitic diseases.

Again, a new chemical developed by the Monsanto Co. is the long-sought answer to the intestinal plague, bilharzias, carried by worms from snails. The new chemical, dropped in an infected stream, purges the water for 8 miles. Around Cairo, Egypt, where the affliction has been acute, a project is systematically clearing up one section after another. Similar programs are under way in the Philippines and in Syria.

Campaigns are also under way to stamp out typhoid in Uruguay, black death in Iran and India, through wild rodent control, and the fatal sleeping sickness of Africa, for which the British have developed an immunization.

In the long run at least as important as these campaigns against specific plagues, and I have given only a sampling, is the educational program in hygiene and public sanitation. This work varies with the area, but it must always rely on training. Some 1,400 health technicians in Latin America have received some training in the United States. In addition, the United States has helped operate some 137 health centers as demonstration projects, 89 hospitals, 12 laboratories, and 3 clinics, while 6 training schools have been built. This Latin American joint health work has probably reached over 23 million people. At the grassroots the projects have built 38,400 privies, 80 sewage systems, and 228 safe water supplies.

In the Near East, the United States has helped set up countrywide health advisory systems in 11 countries; 7 nursing training programs; and 6 public-health training centers. Some 90 trainees were in the United States in 1954. From the Far East at that time there were 97 trainees in the United States. There were both water supply projects and hospital assistance programs in five countries.

Since germs are no respectors of national boundaries, and the once-remote places on this planet are now only a few hours' distance, it makes good sense for everyone's sake to reduce the number of filthy and pestilential holes as soon as possible. On a senatorial study tour, even we might pick up bubonic plague, the black death, or trachoma. Or even if we stay at home there is no surety that a victim of some dread disease may not be flown here in our midst at any time.

DIET AND NUTRITION

But helping others in health is not always linked with sanitation; sometimes it is connected with modern ideas of diet. In the Philippines, our program cut the death rate from beriberi in the Bataan region by 50 percent, simply by the introduction of enriched rice. Again, powdered milk, in countries lacking cattle and refrigeration, has been the great blessing offered to children. Among its many magnificent services, UNICEF's supplemental feeding stands close to the top. Incidentally, this has helped our disposal of dairy foods, for UNICEF bought in 1954 close to 110 million pounds of dried skim milk. In addition, under the disposal plan for surplus commodities, the United States Government gave UNICEF another 26.5 million pounds of skim milk for emergency feeding in Korea.

I think this type of work is capable of great enlargement. It would help, if carried out, in providing energy, and would assist in meeting the problem of disposing of our so-called dairy surpluses.

Some people worry about saving life in the underdeveloped lands, where there is already a shortage of food. It is said that it merely increases the population and hence merely causes men to die from starvation rather than from disease. As a humane people I do not believe, however, that we can really support the ravages of unnecessary plagues as a population control. But I wish to stress the fact, as I mentioned in my discussion with the junior Senator from Louisiana [Mr. LONG], that these filth diseases not only kill people but leave many more incapacitated. Restored health brings greater productivity and progress. And alongside our health program is our farm program, which is helping to solve the food problem.

LIFTING FOOD PRODUCTION

The poet, Edwin Markham, made the Man With the Hoe the symbol of earthly toil. But in some lands men have never yet had a hoe, or a plow, or even a scythe. They labor at their rough, tough clods of earth with primitive tools such as their forefathers used hundreds and even thousands of years ago. To them we offer a wonderful show-how program of modern know-how. For instance, the replacement of a sickle by a scythe will multiply a man's productivity and cut through the centuries of trial and error attempts at progress. This we have found true in Afghanistan, where 90 percent of the population is agrarian, and mostly nomadic, and where men use the same tools which they did in the days of Cyrus and Darius. All benefit from sharper axes, better spades, shovels and saws, steel-pointed plows, and so forth. On the other hand, improved tools in some nations mean the latest which our farm implement factories can turn out. At this point, even in dollars our program pays off. In 1954, as an example, Peru bought $5.6 million worth of United States farm machinery, and she now possesses some 4,800 tractors. Indonesia, in the Eastern Hemisphere, brags of 180 tractors.

Insecticides are of course important for the control of plant, as well as of human, diseases. We know that since Biblical days the locust plagues have devoured crops, but at last there is a check to their ruin, and our planes have sprayed the locusts in the Near East and in Ethiopia. The sprays also protect against lice, ticks, flies, and the deadly torsalo grub in the tropics, which ruin milk and hides. In the Philippines 20,000 hemp farms have received treatment to control the destructive mosaic disease. In Iran, pistachio trees, unproductive for 18 years, were sprayed and produced a $3-million crop; in Libya after sprayings there were increased yields of 50 percent, while in Peru three selected farms showed a 400-percent increase. A control of leaf-cutting ants which previously destroyed 95 percent of the gardens, has been developed. A grasshopper menace in Honduras was stopped, and in Haiti vegetable spraying increased the yield by 40 percent. Potato yields in Indonesia were boosted 80 percent, while in Formosa, rice crops treated with insecticides showed a 30-percent increase.

Improved seeds are also showing the way to larger yields, especially in wheat, corn, rice, vegetables, and grasses. Iran reports 170,000 acres sown in improved wheat and barley with increased yields of 50 to 100 percent. New crops have been profitably introduced in lands which never cultivated them, and American hybrid corn is one of the best examples. Another example is the oil palm, now a main crop in Nicaragua with 2,000 acres planted. Pyrethrum, the base for many insecticides, but not previously available in the Western Hemisphere, is now cultivated in Ecuador. And throughout the Middle East, Far East, and Africa, and Latin America, forestry has been stressed for the sake of soil conservation, flood control, and fuel as well as for timber.

Perhaps most important in the farm program is the problem of water, both in connection with irrigation and drainage. In Jordan a single water-spreading project produced about 100 acres of grass in the desert, and water-spreading techniques have since been applied to 2,700 acres. In Egypt our program has helped to dike about 3,000 acres for water spreading. In the Philippines there are five major gravitation irrigation projects under construction to serve more than 200,000 acres. Thailand has placed about 190,000 more acres under irrigation with a series of earth tanks to hold water from the monsoon for the ensuing dry months. And particularly ambitious is the India program of tube wells, which increase irrigated acreage by about 300 acres per well. Two thousand six hundred and fifty wells have been or are in the process of being drilled.

The new fisheries are another new source of food, and especially important because proteins in these nations are short. The Indonesian art of breeding carp in rice paddies is being introduced in other countries, while India has increased its resources by more effective techniques. North of Bombay the United States has given help which developed a better net, with corks and winches, and then with the aid of diesel engines, the catch has been multiplied. A freezing plant has been established and a shark oil refinery which processes some thousand fish a day.

Storage facilities, proof against rodents and insects, have also been a boon in preserving harvests.

Samplings of the success of these various new techniques show these facts: Peru's productive land has increased 15 percent in the last 10 years, and the average yield per hectare has gone up almost 40 percent. Use of hybrid corn on 15,000 acres showed an increased yield of 300 percent; potato production increased by 96 percent.

In Panama rice production is up from the prewar deficit figure of about 23,000 metric tons to more than 95,000 metric tons in 1953, enough for its own demand. Costa Rica also produces enough rice, as well as corn and beans. About 10,000 family gardens have been planted and milk supplies are up 25 percent. In Haiti on demonstration plots, rice yields were increased from 280 to 1,600 pounds per acre.

In the last four years, in India, food production increased by 6 million tons a year. Liberia for the first time in history is becoming self-sufficent in its staple food, rice; while in Thailand, the rice crop was estimated as 75 percent above prewar harvests. The Philippines also for the first time in history produced enough for its people, about 50 percent above prewar levels. Corn yields in Indonesia have gone up in some parts as much as 80 percent, while in the desert of Persepolis a man from the University of Utah, with deep wells and a diesel engine, cultivated such fine crops on his demonstration farm that he paid for half the cost of operation in the first year.

Among the farm gains must also be counted the improvements in livestock and poultry. More than 2 million baby chicks have been exported from the United States and many thousand other animals. The breeding of better cattle from high-grade bulls as well as by the artificial insemination of 87,000 head has upgraded the quality of the livestock.

In all, the farm program has helped some 40 million farmers in Latin America, the Near East, Africa, South Asia, and the Far East. Some 33,000 farm technicians have received training; farm extension has been set up in 15 countries, and 4,000 youth clubs with a membership of 88,000 have been organized in 21 countries. More than 50 vocational schools in agriculture have been opened in 18 countries and agricultural colleges in 7, while about a thousand agricultural officials and farm leaders have been brought to the United States for training.

HANDICRAFTS AND COMMUNITY DEVELOPMENT

In many cases the handicrafts are developed in order to keep pace with the improvements in agriculture. In Lebanon the cottage industries have been aided by teaching the women how to design and turn out embroideries and rugs which are more attractive to outside markets. Simple village handicrafts are fostered in the community development program of India.

INDUSTRIAL DEVELOPMENT

But we cannot stop merely with agriculture, handicrafts, and health. Take Turkey, for example. Here is one of our best allies with nearly 20 strong divisions of fighting men. But Turkey is straining her resources to maintain this army with one-half of its scanty budget pledged to these purposes. And if her income does not increase, she will probably be forced to cut back on her arms to our detriment and that of the free world. How then can her income be increased? Primarily only if she develops factories which will turn out tools and machines. But this requires mines for coal and iron, power dams, and transportation. Much the same problem comes up in other countries such as India and Indonesia. After a time the scythes, spades, plows, and saws which we may furnish will wear out. If they are to be replaced, some development in coal, iron, power, and transportation will be needed.

Nor need we be afraid of raising up commercial rivals. If we want strong allies, we cannot keep them weak. Prosperity for others inevitably creates a greater demand for our products and, therefore, makes us prosper more fully.

To avoid the chaos which might otherwise occur, industrial developments must ultimately be built side by side with improvements in farming and transportation. Otherwise, in these areas of great population, improvements in one segment like agriculture, may ultimately throw men off the land with no place to seek work and a livelihood. Grave problems will result from improvements in a given area unless there are also programs for developing industry and training men in industrial skills at the same time that farming methods are improved.

The technical assistance program has attacked this problem in many ways. We have furnished funds for industrial surveys, and have helped set up industrial banks to provide investment and capital; there are many programs for management training; the techniques of labor-management relations are being taught; we have educated people to help build up responsible trade union organizations; there are programs for vocational education and training, small handicraft industries have been encouraged; and the private investment potential of many areas has been studied under technical assistance.

Some specific examples of these programs will make clear the great job that is being done in a variety of countries and by many private and public American groups under contract with the technical assistance program.

In the area of industrial surveys there are various examples. On Formosa, the J. G. White Co. is advising the Formosan Government on the industrial potential of that island. There, groups of specialists are helping to design plants and factories. They are teaching engineering techniques, surveying markets, and developing management-training programs to serve the industrial potential of the island.

The technical assistance program is cooperating with the Philippine Government in creating an industrial development center of its own. It is being staffed, in part in the early stages, by United States technicians; but the result will be an indigenous industrial development center for the Philippines.

These preliminary plans are vital if Asian governments are to attract industry, and the technical assistance program in this one area is an example of how we are helping other peoples to help themselves.

Capital and credit are vital needs. In many areas interest rates are so high as to be prohibitive. The main function of technical assistance in this field has been to set up industrial banks to provide both investment capital and working capital. In some cases counterpart funds are the original sources of the capital. This is true of Greece. One of

the finest examples is an industrial bank in India which, thanks in part to technical assistance, has now attracted capital to the bank from Indian private sources, from the Indian Government, from the British Government, and from American private sources.

The technical assistance program has also helped countries to create conditions which would attract both private domestic and foreign capital. One of the best examples is the accomplishments of the team which went to Turkey under the leadership of Clarence Randall. New laws were passed which provided a genuine basis for capital formation from both domestic and foreign sources. Conditions were created by law for stable tax rates, nondiscrimination against foreign capital, and the right to repatriate a portion of earnings—conditions vital to investment.

The absence of a managerial group is one of the great needs which technical assistance has sought to meet. Often there is no great middle class to provide managerial skills for new industry. Purdue University, for example, has a contract with the Formosan Government to train young people in industrial techniques. A productivity center was established in Japan with technical aid. In Iran, help has been given to small industrial plants to make their industries efficient and to meet their own internal needs. The American Bechtel Company, in building a power station in Korea has, as a part of its contract, agreed to train Koreans to manage this new plant. These are all positive measures to improve the skills and techniques of other people so that they may run their businesses by themselves.

In the field of labor-management relations one of the striking examples is the contract between the University of the Philippines and the University of Connecticut, under which labor-management courses patterned after those given in American universities are being established.

Vocational education, so vital to a country entering upon an industrial revolution is another phase of the overall technical assistance program. Such skills as operating construction equipment, draftsmanship, and repairing and servicing automobiles are being developed by technical aid.

Tuskeegee Institute is now training vocational education teachers in three universities in Indonesia. Stanford University has a contract for training students in engineering and business administration in the Philippines. Bradley University, of Illinois, has set up centers for vocational education and for training teachers in Iraq. North Carolina State University, in collaboration with the National Engineering School of Peru, is training textile engineers for that country, and the W. R. Grace Co. has agreed to provide jobs for every textile engineer trained by the school. The University of Michigan has a vocational school in Mexico City for training people in auto maintenance—skills important to the Mexican people and to us, too, if we hope to sell our automobiles abroad. The University of Wisconsin has a contract affiliation with four engineering colleges in India and the University of Minnesota is cooperating with the Univeristy of Seoul in Korea in an engineering program.

These examples are merely a few of the ways by which industrial development is being encouraged by the technical assistance program. In this way industry may develop side by side with improvements in agriculture and transportation, the stresses and strains of countries industrializing may be softened, and human values and the dignity of human beings may not be subordinated to industrial development.

SUMMARY

I know the objections which are inevitably advanced against any such program. It will be said that our heroic efforts to save Europe and our aid to Asia and the East have won us not the world's friendship but the world's hate.

Mr. LONG. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. LONG. While I agree with much of the statement of the Senator from Illinois, will not the Senator agree with me that so far as concerns the use of American capital to develop heavy industries in foreign countries, there are many such countries whose people are industrious and capable, and the United States could be repaid the funds used in developing foreign industry. It would certainly be worth while to do that.

Mr. DOUGLAS. I think as we move into the development of capital goods, such goods should be supplied on a loan basis as much as possible.

Mr. LONG. Certainly a people who are as industrious as the Turks will make a success of the equipment we provide them for productive purposes; and at the rate at which they produce, they could very well repay us for much of the investment which is required in developing industries for them.

Mr. DOUGLAS. I think the Senator from Louisiana is correct when we consider the fields of steel mills, power dams, railway lines, machine shops, coal mines, and so on. It might not be true of roads, but I think it is of the others I have mentioned.

Mr. LONG. The people of some countries are so impoverished it would be a shame to expect them to repay us for helping them get started; but as people get on their feet and become more productive, it makes sense that they should agree to repay us, just as has been done by our friends in South America. They have made much progress as a result of obtaining capital, on reasonable terms, from the Import-Export Bank.

Mr. DOUGLAS. I am certainly not opposed to that, and that should be done wherever it is possible.

I, too, at times, have shared a feeling of resentful frustration because of our not being appreciated. It is unfortunately true that men have a perverse tendency to dislike being placed under an obligation and tend to dislike those who do them favors. It reminds me of a remark which Mr. Dwight Morrow made when a certain man had been speaking in very uncomplimentary terms about him. Mr. Morrow puzzled over it for a minute, and then he said, "I cannot understand why X is saying bad things about me. I have never done him a favor." Such an attitude is unfortunately true, and it is a part of the dark side of mankind.

But this is as characteristic of ourselves as it is of others, and we should not be greatly surprised if we see this same unlovely characteristic cropping out in those we seek to help. The powerful and the rich are seldom loved, particularly by those who have hitherto either been dominant or have believed themselves to be culturally superior.

But if there is one thing that the founder of our religion taught, it was that we should primarily seek the good of others rather than their gratitude. He taught us by example and by precept that we should try to help others and not to make the pursuit of popularity our primary goal. This is at times hard to appreciate, and the growth of the public relations industry and of the current religion of success has made it even more difficult.

But it is true. And we only make matters worse if we continually thrust emotional thermometers into the mouths of others to determine the degrees of gratitude which they feel, conduct elaborate Gallup polls to see how others like us, or put up billboards to tell others how good we are. This is about the best way for us to lose friends and to estrange people. For it convinces men that we are basically interested only in ourselves and not in them.

Instead of judging our programs by the gratitude they create, should we not rather test them by the improvement in living standards and the build up in hope, self-reliance, and independence which they foster? If we can assist in the demonstrations that the way of freedom and mutual aid is the path to greater personal fulfillment and national strength, this will best serve the real interests of these peoples—and build up their resistance to tyranny. The entire free world will be stronger.

Though it is hard to follow—very hard to follow—straight forward and hardheaded concern for others is still a primary duty. Nor should we forget the wrongs—political, economic, and spiritual—which the white race has inflicted upon those of darker skins, nor of our own errors which have helped to contribute to the resentment against us. Let us be chary of judging others harshly, lest we ourselves be similarly judged.

Experience should instead teach us that friendship seldom springs full blown at first sight. If it does, it is likely soon to wither. Friendship is, instead, built up slowly from an accumulation of incidents, acts, and words. In the long run, the man or woman who is generous and helpful will forge deep and abiding friendships which will be far more enduring than anything which may be obtained by the cheap tricks of public-relations men. Therefore, while prudence

should not be our dominating motive, it is nevertheless true that such a policy of active and intelligent good will is the best means of binding the non-Communist and anti-Communist peoples together in that strongest of all ties, namely mutual respect and friendship. In this sense, therefore, it is our best protection against communism, which has been well defined by an eminent divine as "the unremedied evils of the world marshaled by hate to achieve the world's destruction."

Another question which inevitably comes up in our mind is: How long must such a program continue? It is now 8 years since President Truman heroically launched the Marshall plan, and before that there had been lend-lease, UNRRA, and the liberal post-war loans. It is but natural, therefore, that we should feel tired and want relief. "Must this go on forever?" we ask. Even mighty Atlas, according to Greek mythology, wanted to shift and even to lay down his burden of supporting the heavens. So we, too, grow weary of helping to support the earth.

This is inevitable and not to be wondered at. But we should realize that in relation to our resources, we need assume only a modest burden. We can never expect that the need for unselfishness will pass, and certainly as long as the cold war continues, there are sound reasons of prudence why we should keep on. For this business is not a one-shot affair. It is not done once and for all. It can only be carried on successfully if it has the same degree of permanence as the need it is designed to meet, although as good stewards of our own substance we should be thrifty.

And this brings me to a third objection, namely, that our overseas personnel live on such a lavish scale that they waste our substance and estrange the hard-pressed peoples of the countries concerned by their aloofness and their luxury. I am regretfully compelled to admit that this seems to be the case with many of our military and diplomatic representatives, although there have been some notable exceptions like Chester Bowles in India and Eugenie Anderson in Denmark, who lived simply, and who, in trying to be open-hearted friends, won immense popularity for themselves, and respect and affection for ourselves. This seems to be a lesson which the professional diplomat, soldier, and bureaucrat finds it hard to learn. They should remember that the Persian satraps and the Roman and British proconsuls did not help their countries' standing.

But this fault seems to be far less true of the workers under point 4, or what is now termed technical assistance. From all that I can learn, they live in comparative simplicity and work amidst the squalors and dangers of poverty and disease. They are the front-line soldiers and the combat engineers of this battle for whom I have always had greater affection than for those who sit safe and comfortable in the seats of the mighty at general headquarters.

The truth of the matter is that we should not be afraid of the deep desires for a world of kindness and of friendship which lie within ourselves and within others. We at times are afraid of following the friendly instincts of our hearts lest we be ridiculed for our softheartedness or be betrayed by the ingratitude of those whom we would try to help. No one wants to seem to be a simpleton and to be an "easy touch." But there is something worse. It is that we may grow hardhearted and materialistic if we close the door upon these generous impulses, and come only to concern ourselves with wealth, power, publicity, and secular advantage. When this happens we become somewhat unlovely and either lose friends or fail to win them. At our funeral there may be flowers, but there will be no tears and few sincere mourners. So it is with men, and so it is with nations.

Nor should we be fearful of the political consequences of trying to be generous. Some have tried it, however imperfectly they may have done so, and have found that, despite bitter opposition and what seemed to be insurmountable odds, the heavens did not fall in on them. In fact, quite the contrary.

What we should realize and respect is the deep hunger of the human heart for a world of peace and friendship. To tens of millions of men and women, technical assistance and the United Nations, with all their faults, are tangible means of helping, in some small measure, to make this earth truly the Kingdom of our Lord.

As we deliberate here, while the hard-faced men and the cynical elements of the press, politics, and industry seek to embitter our minds and frighten our spirits, let us remember those tens of millions of other Americans who do not have much money or worldly influence, but who are nevertheless committed to this task. Let us think of the churchwomen who, from their egg money and their cake baking, have kept foreign missions going through the generations, and who see in all this the continuance of the same spirit. Let us think of the farmers, now about to launch upon another season, who hope that the abundance of the soil may not only bring prosperity to them and to their families, but that it may also help to relieve hunger and bring abundance to God's children wherever they may be found. Let us think of the factory workers at the lathe, who want the tools and machines which they help to fashion to be used for man's development, rather than for his destruction. Let us think of the white-collar workers, who want to be dealing, not with impersonal figures and cases, but somehow to help the grand design. Yes, let us think of those who have largely conquered the greatest of spiritual impediments, wealth and power, and who humbly seek the good of mankind.

As the Bandung Conference approaches, it is therefore urgent that we make up our minds. If we in Congress, if the policymakers of the Government, and those who administer the affairs of the Nation, will consider these issues and these peoples, there can be little doubt what our own decisions and actions will be: A renewed and expanded technical assistance program by our Government, and full-scale participation in the aid programs of the United Nations and the Organization of American States.

Mr. President, it is well for us to remember the advice which Kipling gave to Britain nearly 60 years ago, at the diamond celebration of the accession of Queen Victoria to the throne, and when Great Britain occupied about the same relative position in the world that we do today:

> For heathen heart, that puts its trust
> In reeking tube and iron shard.
> All valiant dust, that builds on dust,
> And guarding calls not Thee to guard,
> For frantic boast and foolish word,
> Thy mercy on Thy people, Lord.

REPORT BY THE COMPTROLLER GENERAL ON ATOMIC ENERGY COMMISSION CONTRACTS FOR ELECTRIC POWER—PART I

Mr. ANDERSON. Mr. President, today there has been made available to members of the Joint Committee on Atomic Energy a report by the Comptroller General on the Atomic Energy Commission Contracts for Electric Power—Part I. Part I deals with Ebasco Services, Inc., and their performance at the Joppa, Ill., steam-electric plant.

Mr. President, there is a little background to the submission of the report, which it might be well to review.

Last November, during the hearings held in the 83d Congress, by the joint committee on the subject of the utility contract between the Atomic Energy Commission and the Mississippi Valley Generating Co., there was testimony by Mr. Thomas Murray, a member of the Commission. The testimony is on page 281 of the hearings. In his testimony Mr. Murray commented on the fact that he had heard that Ebasco Services were to assume the same role with the Mississippi Valley Generating Co. that this company had played with Electric Energy, Inc.; and then Mr. Murray said:

> The more I reflected on this, the more disturbing its implications became. In effect, I found myself being asked to approve Ebasco for the engineering and construction phases of the work under this contract.

Then skipping a few lines, we find that he said:

> And so I asked the general manager's office for all records concerning the replacement of Ebasco by the Bechtel Corp. I was startled when I was told that there were no records.

With that as a starting place, it became my privilege, upon becoming chairman of the joint committee, on February 3, to address to the Honorable Joseph Campbell, Comptroller General of the United States, a letter in which I said I had been advised that the General Accounting Office had recently begun an audit of the utility contracts between the Atomic Energy Commission and the Ohio Valley Electric Corp. and Electric Energy, Inc. I asked if I might receive a copy of the report.

Under date of February 9, Mr. Campbell replied that they were at work on the report; that it would take some time to complete it; and that as each part of it was released, a copy would be furnished to the joint committee.

That is the copy which now has been furnished to the joint committee, and which the joint committee will print as a committee document, and parts of which will possibly be inserted today in the CONGRESSIONAL RECORD.

In the report there is an explanation of how the Comptroller General became interested in this subject. I shall quote from page 1 of Mr. Campbell's report. I think I should say, parenthetically, that many comments were made about Mr. Campbell, at the time of confirmation of his nomination. But I must say that his report is a very interesting and enlightened one, and promises very fine things for Mr. Campbell's administration of his high office.

I quote now from page 1 of his report:

> We feel a review of Ebasco's performance is important because (1) the large increase in estimated construction cost of the Joppa plant resulted in a significant increase in the estimated annual cost of electric power to the Government, and (2) we understand that the Mississippi Valley Generating Co., known as the Dixon-Yates group, who recently contracted with AEC to furnish a large amount of electric power to the Government, is considering using Ebasco for design, engineering, and construction management of its powerplant at West Memphis, Ark.

Back of all this there was, of course, a great deal of comment, most of which probably we should not review again. But the joint committee issued its report, and the then minority members, as the committee was then constituted—the Democratic members of the group—commented rather strongly on the Dixon-Yates contract, and pointed out the difficulties Ebasco had been under in the work it had done on previous contracts. They also pointed out that, as the contract had come before the joint committee, it was the testimony of the Atomic Energy Commission that Ebasco was to construct the Dixon-Yates plant.

We made comments on that, as will appear on page 17 and elsewhere throughout the report. Then, in the section contributed by Mr. HOLIFIELD and Mr. PRICE, there were at page 59 several citations to the effect that members of the joint committee had been very much disappointed in the selection of this company to construct the Dixon-Yates plant.

At that time there was some rather extensive questioning. I began some of it. I asked what they were doing in allowing Ebasco to construct the plant. At that time it was pointed out—at least, I tried to point out, and it appears on page 167 of the hearings—that General Nichols had permitted a decision upon the construction of the plant to be reached. I asked him this question:

> Are you familiar with any plan to select anyone to build this plant? Do you know whether Mississippi Valley Generating Co. has decided upon anyone to build the plant for them?

I now read General Nichols' reply, as it appears on page 167:

> They have indicated to us they plan to use Ebasco; and the Ebasco company—Ebasco Services, Inc.—is presently working with them, for example, on such things as working out the site and planning on that. Ebasco was already on the job, at the company's expense.

I was interested in the hearings on this subject, in which we were talking about the "Ebasco fiasco." This was the earlier hearing, in May or June. I said, "Are you familiar with that?" General Nichols testified that that was before his time.

I said:

> Surely, when becoming general manager, and knowing we lost $40 million by the Ebasco fiasco, you certainly would not want to step back into it without examining it, would you?

Then he made a very interesting reply. He said:

> No, sir. In other words, when they first brought up the point at Ebasco I sort of lifted my eyelids, as you apparently do, Senator, and I went into it in some detail. I went into it in considerable detail, and I will tell you why we have finally agreed, and why we are not objecting to the idea of Ebasco.

A little later I said:

> Just one $40 million flop ought to be enough for one government at one time.

Later he commented that this firm was chosen to do the work, and that they were perfectly qualified, and were the best people that could have been selected.

I go back into that history only to comment that the Comptroller General of the United States has issued what I regard as an extremely fine report. From page 3 through page 6 he cites the summary of his findings. I ask unanimous consent that the summary and conclusions of the Comptroller General of the United States be printed in the RECORD at this point.

There being no objection, the summary and conclusions were ordered to be printed in the RECORD, as follows:

SUMMARY

Our major comments are summarized below. Where appropriate, a page reference is given for a more complete discussion of a subject.

1. Ebasco is a wholly owned subsidiary of Electric Bond & Share. Middle South Utilities, a public-utility holding company whose subsidiaries are serviced by Ebasco, was at one time a subsidiary of Electric Bond & Share, but at the present time is an independent regional holding-company system.

2. Based on a proposal submitted by EEI, in which Ebasco estimated that a four-unit powerplant capable of supplying a firm load of 427,500 kilowatts would cost $70 million, AEC decided to obtain 50 percent of its power requirements for Paducah from EEI.

3. One month later AEC increased the EEI firm load to 500,000 kilowatts, and Ebasco increased its cost estimate to $87 million, which estimate was used in the definitive contract. AEC executed what amounted to an open-end cost-type contract with EEI on May 4, 1951, for 500,000 kilowatts of power. On October 14, 1952, AEC executed a similar type contract with EEI for 235,000 kilowatts of additional power, which agreement required EEI to add a fifth and sixth unit to its plant.

4. Ebasco progressively increased its construction-cost estimate for the first four units until April 1953, when it reported a cost estimate of $130 million to EEI. EEI immediately took over direct control of construction and shortly thereafter terminated Ebasco's construction services entirely.

5. Ebasco, EEI, EEI's consultants, and AEC have all issued reports which discuss Ebasco's increases in its construction-cost estimates.

6. Based on our review, we are of the opinion that the basic reasons for the increases in Ebasco's estimates are:

(a) The original estimate was based on inadequate information.

(b) The labor problems encountered were greater than anticipated.

(c) The management activities at the site were not adequately performed.

7. The indicated cost of the Joppa administration building is $82 per square foot. We have been informed that a reasonable cost for an administration building is $20 to $24 per square foot.

8. The total increase in the estimated cost of the Joppa power plant is $51 million. Because of the nature of the open and cost-type contract, AEC will bear the major portion of this additional cost. The increase in AEC's annual power costs estimated to result directly from the construction cost increase is $2.5 million, or $62.5 million over the 25-year life of the contract.

9. It is EEI's opinion that, as a result of Ebasco's defective cost estimates, EEI incurred excess financing costs of approximately $5 million because it was forced to borrow additional funds at a rate of interest which was the highest paid by any utility in a decade.

10. There was a 50-generator-months' delay in the commercial operation of the first 4 units of the Joppa plant, which delay forced AEC to incur extra power costs during the construction period in an amount estimated to exceed $8 million. The AEC-EEI contract does not penalize EEI for failure to get the units in commercial operation on the dates stated in the contract.

11. There were delays in Ebasco's submission of cost information. Apparently one reason for this was the split in responsibility between the Ebasco Joppa staff and the Ebasco New York staff.

12. EEI's independent public accountants have questioned the propriety of almost $500,000 of Ebasco's billings to EEI for services rendered. Such billings to EEI totaled approximately $5 million.

13. At the present time the amounts of Ebasco's fee as well as Ebasco's billings for services are in dispute. EEI has proposed a compromise settlement to AEC, providing, so AEC informs us, essentially that Ebasco not be allowed a profit on its construction work but would be allowed a profit on its engineering work. AEC has advised EEI that the minimum negotiated settlement that it can accept, without court action, is one under which Ebasco would receive no profit for its services on the Joppa project.

14. The current status of Ebasco on AEC power projects is (1) Ebasco is essentially completed at EEI, (2) Ebasco is the independent engineer at OVEC, and (3) Ebasco is being considered for design engineering and construction management by MVGC (the Dixon-Yates Group).

CONCLUSIONS

Based on the findings set forth in this report, it is our opinion that the best interests of the Government would be served if AEC decided to take the following actions with respect to Ebasco's participation in Government work:

1. Develop completely, for the record, all of the aspects of the disagreement between

EEI and Ebasco pertaining to the amounts of Ebasco's fee and Ebasco's billings for service, and accomplish a timely settlement in the best interest of the Government (we believe it is important to point out that, based on discussions with AEC officials, we believe that AEC's planned actions are in accordance with this conclusion).

2. Defer consideration on Ebasco's participation in any work on the MVGC plant if MVGC recommends Ebasco prior to a satisfactory settlement of the EEI disagreement with Ebasco.

3. Withhold approval of Ebasco's participation, if recommended by MVGC, even after a satisfactory settlement unless MVGC will give AEC contractual assurance that any increase in the actual cost of construction of the facilities over the contract estimate of $104,115,000 will not be included in the cost of power taken by the Government.

Mr. ANDERSON. In the summary and conclusions the General Accounting Office reached a decision which I think is a commendable one, and one with which I find myself in strong agreement. I read from the summary:

Based on the findings set forth in this report, it is our opinion that the best interests of the Government would be served if AEC decided to take the following actions with respect to Ebasco's participation in Government work.

This is the Comptroller General of the United States speaking:

1. Develop completely, for the record, all of the aspects of the disagreement between EEI and Ebasco pertaining to the amounts of Ebasco's fee and Ebasco's billings for service, and accomplish a timely settlement in the best interest of the Government (we believe it is important to point out that, based on discussions with AEC officials, we believe that AEC's planned actions are in accordance with this conclusion).

I hope the Atomic Energy Commission will insist that this settlement be reached, that the size of Ebasco's fee be fixed, and that its billings for service be settled in some fashion.

The second recommendation or conclusion of the Comptroller General is as follows:

2. Defer consideration on Ebasco's participation in any work on the MVGC plant if MVGC recommends Ebasco prior to a satisfactory settlement of the EEI disagreement with Ebasco.

I find myself very strongly in agreement with that recommendation. It was one of the points which caused the long discussion and debate over the Dixon-Yates contract. Many persons have sought to make it appear that the only interest some of us had in the Dixon-Yates contract was a battle between the private power companies and public power companies. That might have been an element to some degree in the minds of some, but others of us thought it was a bad contract in itself; and that, without regard to the principles involved in the question of public or private power, it should have been rejected.

The Comptroller General says further as a third recommendation and conclusion:

3. Withhold approval of Ebasco's participation, if recommended by MVGC, even after a satisfactory settlement unless MVGC will give AEC contractual assurance that any increase in the actual cost of construction of the facilities over the contract estimate of $104,115,000 will not be included in the cost of power taken by the Government.

In other words, the Comptroller General seems to be saying to the Atomic Energy Commission, "If you do allow Dixon-Yates to use Ebasco, certainly you had better get a guaranty from them."

If I may do so, I should like briefly to outline some of the items in this report. I do not intend to go into it at any great length, because we are planning to reproduce it.

On page 10 of the report there is an interesting paragraph which shows the connection between Ebasco and the Middle South Utilities, which is in Dixon-Yates. It is pointed out that—

Ebasco Services, Inc., is a wholly owned subsidiary of the Electric Bond & Share Co. At least 3 men—Curtis E. Calder, George G. Walker, and T. C. Westcott—are directors in both of these organizations. Middle South Utilities, Inc., was initially a registered holding company subsidiary of the Electric Bond & Share Co.; however, since December 1949, when Electric Bond & Share distributed and sold its holdings in the company, Middle South Utilities has become an independent regional holding company system. All three companies have their principal offices at 2 Rector Street, New York City.

So, in reality, Middle South Utilities was almost dealing with itself on this contract.

On page 13 there is comment about the order of the Security and Exchange Commission to distribute Middle South Utilities to its security holders. We find these words:

Mr. Edgar H. Dixon is president of Middle South. He and all of the other executive officers of Middle South have been officers or associated with the various companies which formally made up the electric power and light interest.

On page 14 there is the statement that—

The Commission, in a meeting on November 8, 1950, considered the various proposals and by a majority vote decided to assign to TVA the power supply responsibility in accordance with its proposal and to support TVA's request for funds before the Bureau of the Budget. The dissenting voter, however, Commissioner Thomas E. Murray, contacted several private utility companies regarding the submission of an independent proposal.

I think that is rather important, because Commissioner Murray is now the only hold-over member of the old Commission. It was Mr. Murray who proposed, not that they accept a bid from TVA, but that they find private utilities to make the contracts which would lead to supplying power for the Portsmouth and Paducah plants. The constantly-repeated statement that those of us who have opposed the Dixon-Yates contract—and they included Mr. Murray—were opposed to private utilities, is certainly given pretty bad treatment in this report.

Mr. GORE. Mr. President, will the Senator from New Mexico yield?

Mr. ANDERSON. I am happy to yield to the Senator from Tennessee.

Mr. GORE. In connection with the statement the Senator has read from page 14, and the statement which he himself has made with respect thereto, I invite his attention to page 7. It will be found that on December 6, 1950, hearings were held on the AEC and TVA supplemental appropriations. It so happened that at that time I was acting chairman of the Subcommittee of the House Appropriations Committee considering this item. It was I who held that hearing.

The AEC asked for the appropriation, on behalf of the TVA. The committee felt disposed to grant the request, or recommend to the Congress the appropriation of the amount requested. Why? Because, as the Senator will recall, if he will note the date, on December 7, 1950, we were in quite a military emergency. The urge to expand the atomic-energy program was presented to our committee as a matter of national concern and of extreme urgency.

Then on page 7, the same page, there appears the statement that on December 14 an additional hearing was held on AEC and TVA supplemental appropriations.

It was at that time that the Atomic Energy Commission came back before the committee and said that Commissioner Murray had made the contacts and had had the conversations with private utilities, and that the private utilities had formed the concern of EEI, Inc., and that they proposed to furnish one-half the power at rates comparable to those offered by TVA.

Those who would charge that all of us who opposed the Dixon-Yates contract were public-power advocates might recall that history.

The committee of which I was acting chairman unanimously reported the appropriation bill, in which it was provided that one-half of the power should be supplied by TVA and one-half of it by EEI, on the assurance that the cost of the power to the taxpayers would be comparable. We felt that we should, in this emergency then existing, follow the recommendations of the President, of the Atomic Energy Commission, and of the Bureau of the Budget.

However, the history which the Senator from New Mexico has cited, and which is detailed in this report, does not bear out the prediction as to the cost of power. The Ebasco fiasco resulted. It resulted in greatly increased costs. Perhaps the Senator from New Mexico has already referred to the citation with reference to the additional cost which this contract entailed. It cost the taxpayers approximately $62½ million more than the original estimates.

Mr. ANDERSON. I thank the distinguished Senator from Tennessee. I was coming to that point. I am very happy that he has given his own testimony with respect to what took place.

All I want to do is to make sure that we establish for the record that the transaction that brought EEI, Inc., into existence was made by the very people who are now being charged with

opposing the Dixon-Yates contract because they do not like private power.

Mr. GORE. Mr. President, will the Senator further yield?

Mr. ANDERSON. I yield further.

Mr. GORE. The one member of the Atomic Energy Commission who was responsible for this recommendation and for this alteration of policy has since expressed his regret and his keen disappointment, and now stands as a stalwart opponent of the Dixon-Yates contract. This report once again shows the Dixon-Yates combine as grabbers of the taxpayers' money.

Mr. ANDERSON. I agree fully with what the Senator from Tennessee has stated. It might serve a useful purpose to refer to items 8, 9, and 10 of the summary. They appear at pages 4 and 5 of this publication.

Paragraph 8 shows the total increase in the estimated cost of the Joppa powerplant to be $51 million. Then, when various other items are added it makes the record total of $62,500,000.

Mr. GORE. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. GORE. Furthermore, because of the delay in meeting construction schedules, the Atomic Energy Commission was forced to ask TVA to buy for the Commission emergency power to meet the requirements, and that cost the Atomic Energy Commission an additional $8 million.

Mr. ANDERSON. That is correct. That is referred to in paragraph 10.

Mr. President, on page 15 there is a reference to the AEC minutes of a meeting with private utilities. Those minutes contain the following excerpt:

> Selection of the design and construction contractors has not been made. Dixon indicated that Middle South would back Ebasco for the job. The other companies did not indicate concurrence or nonconcurrence.

Mr. GORE. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. GORE. Does not Mr. Dixon occupy the same office with Ebasco? Are not both companies receiving mail at the same address?

Mr. ANDERSON. Oh, yes; indeed they are.

Mr. GORE. Is it any wonder that he was backing them?

Mr. ANDERSON. No; it is not any wonder at all. I point out that Mr. Dixon's primary complaint involved AEC's increasing the construction cost estimate. This is what he put in his telegram:

> First, we definitely do not agree with the staff's restatement of our $125 million proposal at the TVA figure of $139 million. The cost of a powerplant depends not alone upon capacity, but also in a large measure upon design, structure, and similar items. Our estimate of $125 million was made by Ebasco, whose experience in this field cannot be surpassed. We see no reason to recede from this estimate.

I say to the Senator from Tennessee that if we had before us the minutes of the Atomic Energy Commission all the way through and understood this transaction, we might have reached a different decision.

I am not going to take too much additional time of the Senate, but I believe it is important to refer to page 20 of the Comptroller General's report. The report shows that Ebasco's preliminary figures given to AEC listed a construction cost estimate of $65,300,000. Then the Ebasco construction cost estimate was raised on December 7, 1950, to $70 million. One month later the cost estimate was increased to $87 million, which is the estimate used in the definitive contract.

In the next paragraph the report shows that Ebasco progressively increased its construction cost estimate for the first four units until it reached $128,500,000 on May 12, 1953. Shortly thereafter EEI terminated Ebasco construction services.

I should think they would. The original estimate was $65,300,000. Then the next estimate was $70 million. Then the next estimate was $87 million. Then they got up to $128,500,000. That represented a 47.7-percent increase over the $87 million contract estimate, and an 83.6-percent increase over the $70 million estimate.

I believe that is certain proof that Mr. Dixon was right when he said:

> The experience of Ebasco in that field cannot be surpassed.

Never has a company thrown away money as that company threw it away.

I think it is very significant that the cost got out of sight. One reason some of us feel some concern about the Dixon-Yates contract is that everything spent in excess of $104 million becomes a liability against the Nation—not the total amount, and perhaps only one-half of it, but just the same it can be very expensive for the Government.

I finally turn to page 39 of the report. The Ebasco people wanted to erect a small office building, in which to do their work, and they estimated that the office building would cost $159,000. Before they got through with it they succeeded in spending $392,132. Rather, they reached a total as the final cost of $82 per square foot.

I agree with Mr. Dixon, here is a company whose experience cannot be surpassed.

Mr. GORE. Mr. President, will the Senator from New Mexico yield further?

Mr. ANDERSON. I yield.

Mr. GORE. On page 38 there appears a description of that building. It was a rather small building, only 116 feet long, 41 feet wide, and 1 story high. It was not built of marble or alabaster or stainless steel; it was plain concrete block with brick veneer. But that little building cost the taxpayers more than $392,000.

Mr. ANDERSON. But the Senator from Tennessee does not realize the magnificence of the doors. At the bottom of page 39 it is stated that a study was made of the cost of the doors installed in the building—I understand it was a temporary building—and the Comptroller General says the cost of the hollow metal doors was $3.314, or $114 for each door. The installation cost was $8,034, or $277 for each door.

If one wishes to get in or out of the utility business it is an expensive undertaking when dealing either with Dixon-Yates or Ebasco Services, Inc. The total installed cost was almost $400 a door, the report from the Comptroller General shows.

Mr. President, this document is of great interest. The joint committee will print it as a committee report and make it available. The remaining documents which are to come from the Office of the Comptroller General will be, I am sure, equally valuable as we look at this subject.

I merely wish to point out that this entire document shows how hard the Democratic side of the aisle tried to keep the Government out of the contracts. I think one of the results of the fight was that we were finally able to get rid of Ebasco, or, perhaps, I should say, we hope we may get rid of it.

Dixon-Yates have assured the Atomic Energy Commission that they will not use Ebasco for construction work, but only to plan the construction work. By the time Dixon-Yates get through in West Memphis, if they ever get to work—I hope they will not—they will put a per capita cost on doors the like of which neither Arkansas nor Tennessee has ever seen, judging from the knowledge we now have of the doors to which reference has been made.

Mr. GORE. Mr. President, will the Senator from New Mexico yield further?

Mr. ANDERSON. I yield.

Mr. GORE. It is one more reason why the Dixon-Yates contract should be canceled. I know President Eisenhower has much reading to do, and in order to make it easier for him to obtain the salient points of the report, since the Senator from New Mexico will have the report copied and I shall be able to obtain additional copies, I am going to mark the salient points and send them by special delivery to President Eisenhower tonight.

Mr. ANDERSON. The report has clear type, excellent printing, and the contents are interesting.

Mr. GORE. It is very readable.

Mr. ANDERSON. Yes.

Mr. President, one of the regrettable things is that even though, time after time, we have pointed to the bad planning behind the whole matter, we received no response whatever from the people who pushed it. Even when those who constructed the OVEC plant came to the Atomic Energy Commission and said, "We have discovered that we have 165,000 kilowatts of power additional to what we had planned, and we can turn it all over to the Atomic Energy Commission," I have not heard a reply or an indication that the Commission intends to cancel the Dixon-Yates contract, although the availability of this power was brought to their attention during the time when they could have called for a cancellation of the contract.

Mr. President, I pay tribute to the Comptroller General of the United States, Mr. Campbell, and say to him that if this is a forerunner of future work that will be handled by his department, we shall look forward to succeeding documents with great interest.

STATEMENTS BY SENATOR BENDER

Mr. BENDER. Mr. President, I ask unanimous consent that there be printed

in the RECORD several statements prepared by me under the headlines, respectively, "Bender Says Washington Merry-go-Round Still Dizzies Businessmen," "Bipartisan Foreign Policy," "Speaking of Taxes," "What Russia Got From German Industry," "Question of the Week," "Agonizing Reappraisal on Chinese Islands," and "Meeting of the Big Four."

There being no objection, the statements were ordered to be printed in the RECORD, as follows:

BENDER SAYS WASHINGTON MERRY-GO-ROUND STILL DIZZIES BUSINESSMEN

My attention has been called to the effort of a Cleveland business establishment to obtain United States Government work. This company has been employed by prime contractors for the United States for many years. It has established an excellent record of performance. It has trained personnel available and it faces imminent closing because of failure to obtain additional work.

In response to suggestions made by Government agencies, representatives of this company visited Washington for a period of 1 week. They visited 20 separate offices within the city of Washington and 2 others in Philadelphia. They were shifted from the Pentagon Building to the Navy Department, to the Bureau of Yards and Docks, to the Corps of Engineers, to the Army Small Business Office, to the Department of Commerce, to the Bureau of Ordnance, to the Small Business Administration, to the Signal Corps Supply in Philadelphia, and finally to the Philadelphia District Public Works Office.

The net result of this entire operation was frustration and no contract. It has not been a complete waste of time, however, because the company has now been referred to the Tank Automotive Center in Detroit, to laboratories in Trenton, to the Naval Center in Johnsville, Pa., and back to the Navy Department in Cleveland.

The net impression gained by all of this effort was the confirmed belief that the Government agencies are far more interested in entering contracts with prime contractors, leaving the small-business man with the task of pursuading the bigger operators to farm out lesser work to them.

In view of the announced purpose of our Government to stimulate small business, this runaround is discouraging. The experiences of this company, I have been told, could be multiplied by a thousand.

Certainly by this time we should have established some way of coordinating all these efforts. If there is no work obtainable for such companies they should be told without the necessity of spending time, effort, and many fruitless days in and around Washington.

BIPARTISAN FOREIGN POLICY

In the last few weeks there has been more conversation in Washington on war than we have had since Korea. Most of it has been sheer speculation. The rest of it has been armchair strategy. None of it has contributed to the question of world peace.

For years we have talked about a bipartisan approach to foreign affairs. The late Senator Arthur Vandenberg, of Michigan, and our former Secretary of State Cordell Hull were the architects of this bipartisan foreign-policy program. The gentlemen on the majority side of the aisle have seemingly forgotten this worthwhile objective. Even though this goal has not been achieved in practice, we should still be trying to stop politics at the water's edge.

There are some people in the Senate who are trying to make the Republican Party sound like a war party. Nothing could be farther from the truth. Every effort of our President is directed toward preventing war. Every diplomatic effort of the past 2 years has been based upon the determination to stop wars from developing. For the first time in a generation there has been no large-scale fighting for a year.

Let us remember in all this wild talk that on the question of ratification of the Mutual Defense Treaty with the Republic of China the vote in this Chamber was 64 yeas and only 6 nays. This was not a partisan question. Our commitments to the Chinese Republic and our determination to defend it were agreed upon by both political parties. Neither party can avoid or evade its responsibility for the consequence of this action.

Let me remind you, too, that we have committed ourselves to other major steps in the Far East.

By a vote of 82 to 1 we adopted a resolution ratifying the Southeast Asia Collective Defense Treaty. We are all in this together. Let us face the challenge of Formosa with the unity and determined purpose which alone can assure our country of success in its drive to deter aggression everywhere in the world.

SPEAKING OF TAXES

With the new April 15 deadline moving unhappily into focus, America's taxpayers (and we are all taxpayers) have some cause for reflection. Sad as it may seem, the net result of our inflationary years from 1939 onward has been felt in every home.

A married man with two children who earned $2,000 before taxes in 1939 must earn $4,182 today to be in the same shape he was in at that time. The chap who took in $3,000 under the same circumstances in 1939 must produce $6,577 now to match his former condition.

Just as bad, if not worse, is the price index. Folks living in large metropolitan areas have seen their index jump from 99.4 in 1939 to 191.1 in December of 1954. Our dollar today will buy somewhere in the neighborhood of half what it did 16 years ago.

When you add up the total of Federal, State, and local taxes, the $3,500 wage earner pays out about $1,040. Our $4,500 income is hit with $1,425 in taxes. The $7,500 income is subject to $2,630 in taxes. And the folks whose incomes reach $15,000 pay out more than $6,150 yearly in taxes. Maybe it's time we did something to stop this climb.

WHAT RUSSIA GOT FROM GERMAN INDUSTRY

There has been a good deal of speculation about the gains derived by Russia from the surrender of Germany. Many German scientists have been taken to the Soviet Union by one means or another. Their ultimate contribution to the Communist world is not foreseeable, but it is certain to be important.

More tangible loot taken from Germany was the world's biggest forging press taken piece by piece from the I. G. Farben Co. and moved into the interior of Russia. This press was directly responsible for the strength of the Russian MIG's which flew hard and fast against our jet fighters over Korea. The Russians seized plans for still larger German forging presses at the same time.

These gigantic machines cut the cost of planes substantially and increase their structural strength through one-piece construction. We are finally catching up with this new industrial development in our own country. It seems incredible that Uncle Sam can ever be behind Russia in a technical skill. We won't be for long.

QUESTION OF THE WEEK

Which Democrat will you have, the gentleman who worries about the White House squirrels, the one who speculates about the health of the President's wife, or the chap who objects to Mr. Eisenhower's churchgoing?

AGONIZING REAPPRAISAL ON CHINESE ISLANDS

There are almost as many appraisals of the importance of the Matsu and the Quemoy Islands as there are appraisers. This is true both inside and outside of the administration. Military experts have honest differences of opinion as to the possibility of defending these islands with or without land troops. Some people doubt their strategic value to the defense of Formosa. Others stress the vital importance of stopping the Communists from winning another propaganda triumph against the West.

In this difficult situation, President Eisenhower has assumed responsibility for the ultimate decision. It is an awesome burden. On the outcome may depend the future of mankind, for if a third world war stems from the decision taken, no one can foresee clearly the outcome. If you are thinking of the presidency as the greatest honor which any man can attain in our country, think of this decision impending, and pray for the President as you regard this agonizing choice.

MEETING OF THE BIG FOUR

Some folks have the idea based on the old song, The More We Get Together, the Happier We'll Be. It just isn't always so. The Big Three got together at Yalta and the net results were something less than happy.

Now there is talk of a "big four" meeting to ease world tensions. Churchill has always been for these international assemblages. The French like to talk about conferences "at the summit." Russia invariably manages to wait out the others in the hope that she will be "invited," and therefore occupy a choice spot along the bargaining counter. Uncle Sam usually attends for the purpose of giving something away and getting nothing in return.

President Eisenhower's attitude of caution and restraint in rushing into print on the subject is a refreshing change in American diplomacy. We have insisted that until Russia and her pals show some signs of abiding by the rules, we are not going to send our team into action. It is about time somebody reminded the Reds that there are rules.

ALLEGED THREATS TO OUR NATIONAL SECURITY, PRESTIGE, AND ECONOMY

Mr. SCOTT. Mr. President, when the people of North Carolina elected me to the United States Senate they did so with the expectation that, for me, at least, there would be no "privileged sanctuary" beyond the Potomac River. They elected me in the full expectation that I would not hesitate to call attention to acts of omission and commissions that I might find in Washington, and at any level they might be found.

Since coming to Washington, I find that many people, especially my colleagues on the other side of the aisle, consider the White House to be a "privileged sanctuary," immune from any criticism. If such a thing as a "privileged sanctuary" from legitimate, constructive criticism should ever come to pass in this country, then we would cease to be a true democracy.

With that in mind, I feel compelled, as a citizen of the United States, as well as in my capacity as a United States Senator, to call attention to a long series of acts and statements, which, taken together, constitute a real and dangerous threat to our national security, to our prestige and standing in

international circles, and to our domestic economy.

I do not approach the task with joy. There is nothing pleasant about reviewing the damage to effective government produced by an administration without firm and steady leadership. No. It is with great regret and even with sorrow that I present to my colleagues some of the matters which are troubling me, as they must be troubling other Senators. There already have been expressions of deep concern coming from all sides over the drift and confusion which characterize this administration—a drift that has now carried us dangerously close to the brink of war. I cannot wait longer—none of us should wait longer—to state what we believe to be the causes—or at least some of the causes—of that lack of control over our national destiny.

We all remember the chanted slogan "I like Ike" that swept the country back in 1952.

Our great military hero, back home from the wars, had laid aside his uniform to lead a crusade in the fields of civilian affairs, an area in which he had no experience, and of which, time has now proved, he has little, if any, understanding.

In the past 2 years he has proved that statesmanship is no accident, that the art of government is an exact science, and that the shoemaker should stick to his last.

Judging by the mail received in my office, the fears that have been aroused in the hearts and minds of the people all over the United States during the past 2 years have no partisan political implications. They come from people in all walks of life and from both Republicans and Democrats.

Even some of my colleagues on the other side of the aisle have expressed grave concern over the course the ship of state is traveling.

Let me make this clear: My intention is to analyze and explain, if I can, the drifting, erratic course the American ship of state is following.

No honest and fair examination of this dangerous drift can be made without reference to the part played by the responsible head of the administration—the President himself. But, of course, it is incumbent on all who speak to confine their observations to actual deeds of this administration, as I shall do, and to question no one's motives.

No one, I think, can question that the American ship of state is meeting heavy weather, and is floundering around. It is pulling first in one direction and then in another in response to the contradictory and confusing commands of a disorganized and undisciplined crew. Some members of the crew seemingly are unaware of the things for which the President has said he stands, and others are quite obviously hostile to many of his avowed objectives.

What is most disturbing is that the captain of the ship—President Eisenhower shows little concern over, and takes no action to correct, the frequent ignoring of his wishes by members of his administration and by his party lieutenants.

One of the clearest examples of the President's apparent lack of control over his administration and his party leaders may be found in the release of the Yalta papers by the Department of State.

The Constitution lays upon the shoulders of the President the responsibility for the conduct of our foreign relations. Nothing in recent weeks has affected our relations with other governments more adversely than the sudden release of these papers over the explicit and known objections of our principal ally, Great Britain.

This makes all the more puzzling the statement by White House Press Secretary Hagerty that President Eisenhower was not consulted about making the Yalta papers public. The decision to do so, Mr. Hagerty says came—and I quote the newspaper accounts of what he said—"from entirely within the State Department."

To me, it is inconceivable how any Chief Executive, be he in business, the military, or the Government, can tolerate the taking of such an important action as the release of the Yalta papers without his knowledge or consent.

Mr. GORE. Mr. President, will the Senator yield?

Mr. SCOTT. Not at this time.

Lack of control over his administration is made evident by the mere fact that Mr. Dulles would dare to take such an action without first consulting the President.

Later, at a news conference, President Eisenhower said he had not even read the Yalta papers, and added that he would be opposed to using them for political purposes in the 1956 campaign. Authorizing a direct quotation of his statement, Mr. Eisenhower said:

> There is nothing * * * as I can see * * * to be gained by going back 10 years and showing that, in the light of after events, someone may have been wrong or someone may have been right.

This, Mr. President, was the position taken by Mr. Eisenhower on March 23, 1955. His position was immediately challenged by at least two of the top-level leaders of Mr. Eisenhower's own party. They warned him and the country that they had the firm intention of using the Yalta papers for partisan political purposes on any and all occasions and particularly in the 1956 election campaign. In fact, the Senate Republican Policy Committee staff has just handed to Republican Senators a 51-page document on how to use the Yalta papers to indict previous Democratic administrations. The President has yet to take any action to persuade these men that they should respect his views. Instead, they ignore the President, the leader of their party, with complete impunity.

There is another aspect of the Yalta papers' release which, in the opinion of many persons who have communicated with me, should be further explored.

I refer to the following sequence of events: Secretary Dulles announced that there would be no release; that to release them would be against security requirements.

Then, in less than 48 hours, a State Department official, still unidentified, leaked a complete copy of a single newspaper, thereby opening the flood gates for a wave of criticism and ill will throughout the free world.

A tight-lipped Secretary of State, tight-lipped at least in this matter, has declined to reveal the identity of the man who obviously violated the security code by leaking the Yalta papers.

At this point, Mr. President, let me read from a letter I received from a constituent. This man asks:

> How can the Eisenhower administration dare look the American people in the eye and talk about national security and security risks when a protective cloak has been thrown around the person who leaked the Yalta papers right after Mr. Dulles said it would violate the public interest and international security to publish them?

I have never claimed to be a mind-reader, Mr. President, so I can only wonder as to what reason President Eisenhower and his Secretary of State had for permitting publication of the Yalta papers. Certainly they could have prevented publication, even after the leak was made, if they had so desired and tried hard enough.

Whether or not the purpose of the Yalta release was to take the public eye off the mounting tensions in Asia, particularly in the Formosa area, it certainly had that effect, temporarily, at least.

Of course, it is a matter of common knowledge that our allies of the Western Hemisphere, confused, fearful, and even angry over conflicting reports about our intentions toward the possible exchanging of atomic bombs in a desperate defense of Quemoy and the Matsu Islands, were warning us about that time that if we did so, we would have to go it alone.

Now, the rash of confused statements and acts which are alarming so many of our allies and our own people finds expression in nearly all of the departments of the executive branch of the Government.

It was only a short time ago that Mr. Benson, Mr. Eisenhower's flexible Secretary of Agriculture, fired a long-time employee of the Department of Agriculture, Wolf Ladejinsky. Ladejinsky, Secretary Benson charged, was a bad security risk. Almost immediately, Mr. Harold Stassen, head of the Foreign Operations Administration and another political appointee of President Eisenhower, gave Ladejinsky employment in his agency.

The press corps obviously found this rather puzzling, and at the next Presidential news conference was primed to ask a few questions. Just what kind of security program did the country have when a man fired as a bad security risk by a Cabinet officer was immediately given employment in a critical area by another officer appointed by the President? That was a natural question.

Mr. Eisenhower professed to see nothing inconsistent in the two contradictory acts.

But, remember this—

He said, according to the New York Times, in its January 12 issue:

Stassen has to stand responsible—

For hiring Ladejinsky—

and if something should turn up to show that his judgment was wrong, then he—

Stassen—

would be held responsible.

Can any Senator here conceive of a General in command of an army saying, "If this attack fails, it is Colonel Blank's fault"? Of course not. The responsibility lies with the man in command. I would have thought General Eisenhower learned this at West Point, early in his career. Even as a private in World War I, I managed to learn how the chain of command works—sometimes to my sorrow.

This is especially true of the Government of the United States, since the Constitution specifically provides:

The executive power shall be vested in a President of the United States of America.

The responsibility of the President for the activities of the executive branch was recently ably enunciated in the following words:

The ultimate responsibility for the conduct of all parts of the executive branch of the Government rests with the President of the United States.

Do Senators know who said that? None other than Dwight D. Eisenhower.

Yet he seeks to lay the blame for any unfortunate outcome of the Ladejinsky case on one of his subordinates.

I fully agree that from a moral as well as from a constitutional standpoint full responsibility for the acts of his appointees and subordinates rests upon the shoulders of the President.

Let me call your attention to another instance of floundering around. Sometimes I call it messing around. A few weeks ago, Secretary of Labor Mitchell announced that some action ought to be taken to repeal the so-called right to work laws in 17 of our States. He said such action was necessary to keep square with the labor organizations of this country.

The words had hardly rolled from the tongue of Mr. Mitchell before President Eisenhower, the man who appointed Secretary Mitchell, said that the Labor Secretary did not necessarily express his views in the premises.

If Secretary of Labor Mitchell does not represent the views of the President in labor matters, just who does represent them? For whom, and for what government, is Secretary Mitchell working?

As I said earlier, it is with sadness, coupled with alarm for the safety of these United States, that I view and review the chaos that has been wrought, at home and abroad, by a governmental pattern that leaves any and every top level subordinate free to dash off at any tangent he fancies contradicting the President and canceling out acts and statements of fellow Cabinet officers and highly placed military figures.

Such a pattern cannot help but result in piling confusion upon confusion, and makes for a government completely lacking in sense of responsibility.

Take, for instance, the confusion that surrounds the administration's security-risk program, and how that program has been handled.

On November 23, 1953, President Eisenhower said:

If we are going to continue to be proud that we are Americans, there must be no weakening of the codes by which we have lived, the right to meet your accuser face to face.

Mr. President, those were brave words, and plainly and clearly spoken; but right on their heels came Mr. Brownell, the President's Attorney General, with an entirely different viewpoint. Mr. Brownell let Congress know in no uncertain terms that, in his opinion, the Justice Department just could not handle the security-risk problem if the accused had the right to be faced by his accuser.

And, in a brief filed March 8, 1955, Assistant Attorney General William F. Tompkins had this to say on the subject:

It is becoming increasingly clear that the current attack against Government witnesses and informants of the FBI has its roots in a Communist effort. It has * * * as its objective * * * the hamstringing of the FBI's informant system. And there is no more effective way of attempting to do this than through the demand for confronting of witnesses in these noncriminal (security hearing) matters.

How else can one interpret that statement except as a condemnation of President Eisenhower's demand—for that is what it was—that one's right to meet your accuser face to face be respected? We are no longer surprised, although we still are shocked, when extremist elements of the Republican Party indulge in inferred charges that Mr. Eisenhower is soft on communism.

These are but some of the symptoms of the confusion, both planned and unplanned, which saturate this administration, and the confusion has its main source in Presidential swaying in the wind and drifting with the current.

There was the immense confusion over the administration's position which last year rendered this country diplomatically impotent while Indochina was being carved up—moving half of that country and many millions of people behind the Iron Curtain of tyranny. In that situation there were differences among the Joint Chiefs of Staff, and differences between the Joint Chiefs and the Commander in Chief, according to reliable press reports. There were differences within the administration and within the Republican Party. The country and the world could not tell whether President Eisenhower, or the Senator from California, Mr. Knowland, or Vice President Nixon, or Secretary Dulles was speaking for American foreign policy. And the things some of them said in the beginning differed radically from the course they later took.

At the outset, the administration gave strong indications that it had determined on a course of armed intervention to prevent the fall of northern Indochina. But, at the showdown, it shifted to a mild acceptance of the Geneva settlement as the best of a bad bargain.

Confusion now hangs over the administration's course on the Chinese offshore islands of Matsu and Quemoy.

Of course, it is better that the President not reveal his precise intent about the islands at this time; but let us pray to God that he has made up his own mind about what he plans to do. Let us hope that his position is firm and that he will not be pressured or tricked into conflict by warminded leaders of the Republican Party.

Confusion is bad enough in itself, but what distresses me most is that planned confusion seems to be an outstanding feature, a fixed strategy, of the Eisenhower administration. Great pains have been taken to paint the President as a political amateur, and therefore dependent on the more politically experienced men around him for advice. But I say President Eisenhower is a master architect of confusion, not the tool of confusion.

When a baseball game is going badly, the manager does not replace the batboy. He replaces the pitcher. That is, he looks to the man most likely responsible for the bad turn the game is taking. In the case of our Government, there is no question as to where the ultimate responsibility lies. It lies with the President of the United States. It is time we stopped criticizing the batboys and began to see just what kind of a job the pitcher is doing. It is time we began placing the responsibility for events where the responsibility really lies—on the President of the United States.

There is a most unique situation confronting us. As a rule, whether it be in business, in Government, or in the Military Establishment, the subordinates always pass the buck to the higher ups. The underlings always want the boss to make the tough decisions. In the case of the present administration, the exact opposite is true. The boss—the President himself—is passing the buck down the line of command. He, and he alone, can correct this unfortunate situation.

Today, as I look back over the past 2 years, the famous expression "A. W. O. L." comes very clearly to mind, for this is truly an administration without leadership. We can never have real leadership so long as the President tries to handle the tough decisions by putting them off, by passing the buck to others, or by his ducking responsibility for the acts of his subordinates.

General Eisenhower owes it to the American people, and to himself, to be the President of the United States in fact as well as in name.

APPOINTMENT OF SENATOR BRIDGES TO COMMISSION ON ORGANIZATION OF THE EXECUTIVE BRANCH OF THE GOVERNMENT

The PRESIDING OFFICER (Mr. MARTIN of Iowa in the chair). At the request of the Vice President, the Chair announces the appointment of the Senator from New Hampshire [Mr. BRIDGES] as a member of the Commission on Organization of the Executive Branch of the Government, under authority of Public Law 108, 83d Congress, to fill the vacancy caused by the resignation of Hon. Homer Ferguson.

INTER-AMERICAN HIGHWAY

The PRESIDING OFFICER. The Chair lays before the Senate a letter from the President to the Vice President, which the clerk will read.

The legislative clerk read as follows:

THE WHITE HOUSE,
Washington, March 31, 1955.

The Honorable RICHARD M. NIXON,
The Vice President of the United States, Washington, D. C.

DEAR MR. VICE PRESIDENT: For some time I have had under consideration the desirability of accelerating the completion of the Inter-American Highway which extends from the United States to the Canal Zone via the Central American countries.

The early completion of the Inter-American Highway in close cooperation with the affected countries is a clearly established objective of United States policy.

Although this project has been under construction sporadically since 1934 and the Congress has appropriated funds in the amount of $53,723,000 to date for its completion, the incompleted state of the project prevents realization of maximum benefits.

Recently I have sought the advice of interested agencies of the Government, and I am convinced that for economic and political reasons now is the appropriate time to speed completion of the Inter-American Highway. I believe this would be the most significant single action which the United States can take in Central America and Panama to bring about the most mutually advantageous results.

Among the considerations which make me feel that an accelerated construction program on the highway is essential are these:

1. A completed highway will provide a very important contribution to the economic development of the countries through which it passes.

2. There will be an opportunity for increased trade and improved political relations among these countries and the United States.

3. The resultant increase in tourist traffic would not only improve cultural relations but also serve as a very important element in the development of their economies through earnings of foreign exchange.

4. The existence of such an all-weather highway would be of substantial security importance, both in providing overland contact and communication as far southward as the Panama Canal, and in bringing an important physical link between these countries in our common defense of the Western Hemisphere against aggression from without and subversion from within.

The stabilizing effect of these factors will tend to bar any possible return of communism which was so recently and successfully defeated in this area.

It is estimated that the amount needed to complete the Inter-American Highway in a 3-year period is $112,470,000, of which $74,980,000 would be the share of the United States, leaving $37,490,000 as the combined share of the several cooperating countries on the usual 2:1 matching basis.

In the Federal-Aid Highway Acts of 1952 and 1954 Congress authorized the expenditure of $56 million for this project. Funds actually appropriated against these authorizations have totaled $6,750,000, leaving a balance of $49,250,000 yet to be appropriated. Of this amount $5,750,000 is currently included in budget estimates now pending before the Congress. In order to accelerate the highway work sufficiently to permit its completion within the next 3 years, an additional authorization of $25,730,000 will be needed.

It will also be necesary to increase our 1956 appropriation request from $5,750,000, to $74,980,000.

In the near future I shall transmit to the Congress the necessary budget request to carry out this program, and I trust that the Congress will give this proposal for accelerated completion of the Inter-American Highway its most favorable consideration.

Sincerely,

DWIGHT D. EISENHOWER.

The PRESIDING OFFICER. The letter will be referred to the Committee on Public Works.

THE PAN-AMERICAN HIGHWAY

Mr. MALONE. Mr. President, I should like to comment on the statement, made a moment ago by the distinguished junior Senator from North Carolina [Mr. SCOTT], relative to the Pan-American Highway. If the distinguished Senator from North Carolina will refer to Senate Report 1627, on the accessibility of critical materials to this Nation in time of war, and for purposes of an expanding economy and for our security, he will find a complete outline of that highway.

It should certainly be completed as a part of inter-American—21 nations—cooperation. I congratulate the distinguished Senator from North Carolina on the statement he has made.

Mr. CHAVEZ. Mr. President, if the Senator from Nevada will yield to me, let me comment on the fact that, as of this date, the President of the United States has sent to the Senate, addressed to the Vice President of the United States, the President of the Senate, a message in which the President of the United States takes cognizance of the fact that something should be done about the Pan-American highway. The Senator from Nevada knows better than does almost anyone else the necessity for completing that highway. So I am very happy to know that today the President of the United States has sent to us that message, and that it will appear in today's issue of the CONGRESSIONAL RECORD.

Mr. MALONE. Mr. President, let me say here that the distinguished Senator from New Mexico will remember very well the trip we took through the Central American countries, beginning with Panama, north including Mexico, and examining all of the Pan-American Highway then constructed in that area. In the course of that trip we became intimately acquainted with the difficulties of completing the job. At that time the distinguished Senator from New Mexico was chairman of the Public Works Committee, and I was chairman of the Subcommittee on Flood Control, Power, and Rivers and Harbors. We visited each one of the Central American countries, and also visited Mexico; and we made a report on the advantages of early completion of the highway.

Mr. CHAVEZ. That is correct.

The President's message which came to the Senate this afternoon, and which was addressed to the Vice President of the United States, the President of the Senate, was to the effect that what he, the President of the United States, had in mind was to have that work carried out, so that within the next 3 years it would be possible to drive an automobile from Washington, D. C., to Panama City. I hope that project can be carried out.

Mr. MALONE. Mr. President, I wish to say to the Senator from New Mexico that I hope that in a reasonable period of time it will be possible to drive automobiles from here or from New Mexico or Nevada to Chile and, by way of the Pan American Highway, and also through "feeder" roads to Buenos Aires and to Rio de Janeiro.

Mr. CHAVEZ. That is correct.

Mr. MALONE. And then, by means of additional air fields which could be advantageously located by our Air Force at places where it is almost impossible to construct highways, there could be closer cooperation between the nations of South America and the nations of North America. The 21 nations of the Western Hemisphere, which we said in Senate Report 1627—1954—could be defended and could be made self-sufficient in the protection of the critical materials without which we could not fight a war or live in peace.

Mr. CHAVEZ. Yes, Highways are one of the best means of bringing about closer cooperation.

Let us bear in mind that I did not vote for the President, but I think he has a good program. When he sends to the Senate a message calling for completion of a highway from the United States southern border to Panama City, I am for it.

Mr. MALONE. Then, Mr. President, if the Senator from New Mexico will bear with me, let me say that if the highway could be completed through to Chile, then, by means of the construction of branches or so-called feeder highway, it could later be extended to all the countries of South America. But the United States would not need to furnish all the money for building those highways. Those countries have tremendous amounts of labor and materials to contribute.

Mr. CHAVEZ. That is correct.

Mr. MALONE. We have trained engineers, who are capable of providing the direction. In that way we could materially hasten the construction of the highway.

Mr. CHAVEZ. Mr. President, first things must come first. For instance, in constructing a road from Washington, D. C., to Philadelphia, one must first reach Baltimore, Md.

Similarly, in constructing a highway to Chile, one must first reach Panama City.

The message of the President, which has come to us this afternoon, is based on the idea that within the next 3 years the Pan American Highway can be com-

pleted, so that any American citizen and his family will be able to get into his jalopy in Washington, D. C., and become acquainted with the countries to the south of us by driving on a paved road all the way to Panama City.

As I said a moment ago, in driving from Washington, D. C., to Philadelphia, one must first reach Baltimore, Md. So it is that when a motorist who uses the new highway reaches Panama City, he will be able to plan on driving to the countries of South America.

Certainly the Senator from Nevada is correct. Certainly there is no question about the desire of Latin America to have good highways. Let me say that when I speak of Latin America I have in mind more than completion of the highway to Panama City. At this moment there are thousands of miles of international highways in South America. Today one can travel from Bogotá, Colombia, or from Santiago, Chile, on the west coast, across the Andes, at an elevation of almost 13,000 feet, to Buenos Aires or Rio de Janeiro. Furthermore, Mr. President, let me point out that the automobiles which are driven on those roads are made in Dayton, Ohio, Cleveland, Ohio, or Detroit, Mich. So it is to our own interest to cooperate and to help.

I know the Senator from Nevada will help in that effort.

COL. ROBERT R. McCORMICK, CHICAGO, ILL.

Mr. MALONE. Mr. President, today the Nation has lost a real leader.

Colonel McCormick was first of all an American, intensely loyal to his principles and ideals.

He was a fighter of the old school—there was no middle ground. In his book you were for this country or against it, and his Chicago Tribune and allied news outlets reflected it.

His integrity was unquestioned and his character established through generations.

Today America lost one of its own.

CONSTITUTIONAL REGULATION—THE DOMESTIC ECONOMY VERSUS FOREIGN RELATIONS—THE 1934 TRADE AGREEMENTS ACT RESPONSIBILITY OF CONGRESS TO THE PRESIDENT

Mr. MALONE. Mr. President, on the subject of foreign trade, the Congress is so far away from the dog that bit it through the passage of the 1934 Trade Agreements Act that it does not recognize its own constitutional responsibility.

CONGRESS TRAINED IN SHIFTING RESPONSIBILITY

After 21 years, the habit of shifting Congressional constitutional responsibility to the President whenever he so demands has become almost automatic.

A DOMINATED CONGRESS—1934

In 1934 a browbeaten Congress tied the regulation of the domestic economy to the foreign policy negotiations for the first time since the Constitution pointedly separated them in 1789.

SIT STILL AND REGAIN CONSTITUTIONAL RESPONSIBILITY

It seems almost impossible for Members of Congress to realize that if they would only sit still and not pass any extension of the 1934 Trade Agreement Act, the American working man and investors would be back in business.

1934 TRADE AGREEMENTS ACT SET INDUSTRY AGAINST INDUSTRY

The Congress through passage of the ill-fated Trade Agreements Act, set industry against industry, and working men's groups against other working men's groups, in a mad scramble to survive and save themselves from extinction through special dispensations or amendments excepting their own domestic product, while other products, industries and workers were to be sacrificed on the altar of a one-economic-world foreign policy.

DICTATOR CONTROLLED DOMESTIC ECONOMY AND FOREIGN POLICY

By 1776 George Washington, Thomas Jefferson, Benjamin Franklin, and others had been pushed around so long by kings and dictators, who by executive order could regulate both the domestic economy and the foreign policy, that they determined, through the constitution of new Republic, that it should never again happen to Americans.

Article I, Section 8 of that immortal document says, in simple and direct language, that—

The Congress shall have power to lay and collect taxes, duties, imposts, and excises—

Which we know as tariffs and import fees—

to regulate commerce with foreign nations, and among the several States.

Article II, section 2, provides, in the same straightforward language, that the President—

shall have power to make treaties—

And he—

shall appoint ambassadors, other public ministers and consuls.

Treaties are made subject to ratification by vote of two-thirds of the Senators present and voting.

TIED DOMESTIC ECONOMY TO FOREIGN POLICY

Under the 1934 Trade Agreements Act, the constitutional responsibility of Congress to regulate the domestic economy through the laying of duties or tariffs and of regulating foreign commerce—trade—was transferred bodily to the executive branch of the Government. Under that act, as amended, the President could lower the duties a total of 75 percent on any product, without regard to the difference in cost of production due to our wage-living standards and other costs here, as compared to low-wage foreign costs.

He is now asking for an additional 3 years' authority to lower the duties 15 percent more.

CONSTITUTION AMENDED BY SIMPLE ACT OF CONGRESS

The Constitution was thus amended through the simple act of Congress, and the President, thenceforth, was in a position to trade the domestic economy for foreign policy, which he has proceeded to do, thereby undertaking to remake the industrial map of this Nation, as the Chief Executive has done since 1934.

SIT STILL—REGAIN CONSTITUTIONAL RESPONSIBILITY

If the Congress were simply to sit still and pass nothing, at midnight on June 12 it would automatically regain its constitutional responsibility to regulate the domestic economy and to regulate foreign commerce through the adjustment of duties or tariffs on the basis of fair and reasonable competition.

AFTER JUNE 12 STATE DEPARTMENT NO FURTHER COMMITMENTS

On and after that date the State Department could make no further commitments to lower duties. That date would also mark the end of all trick organizations, such as the Geneva General Agreement on Tariffs and Trade—GATT; the International Trade Organization—ITO; the International Materials Conference—IMC; and the International Trade Organization, recently created by a United Nations Assembly resolution—all designed to divide the markets of this Nation with the other nations of the world in the name of a foreign policy for peace.

REGULATING DOMESTIC ECONOMY REVERTS TO CONGRESS

At midnight on June 12, 1955, in the absence of congressional action extending the act, regulation of duties or tariffs on all products with respect to which there is no trade agreement would revert to the Tariff Commission under the 1930 Tariff Act, in which the Congress laid down the principle of continuous adjustment of flexible duties or tariffs on the basis of fair and reasonable competition.

The difference in the cost of production here and abroad is the principle laid down—considering the effective wage standards of living, taxes, and the general cost of doing business, giving the American workingman and investors equal access to their own American market.

THE PRESIDENT CANCELS TRADE AGREEMENTS

In that event the trade agreements already made would remain in force until the President served notice for cancellation on the nation with which such trade agreements had been made. Then, in the specified time, generally 6 months, the adjustment of the duty on the particular product in that trade agreement would revert to the Tariff Commission.

FAIR AND REASONABLE COMPETITION

The American workingmen and investors would then be back in business, under the principle laid down by the Congress of the United States, of fair and reasonable competition.

DESTROYS SMALL INVESTOR AND WORKINGMEN

Manipulation of the duties or tariffs in the interest of foreign policy, as the 1934 Trade Agreements Act authorized the President to do, has the dangerous implication of destroying the American workingmen and small investors and making us dependent on foreign nations, across the major oceans, for the critical materials without which we cannot fight a war or live in peace.

TAKE PROFIT OUT OF LOW FOREIGN WAGES

The adjustment of the flexible duty or tariff under the Tariff Commission is

designed to equalize the domestic and foreign costs and to take the profit out of low-cost foreign labor, much of which is being exploited by American companies at the present time.

EVEN BREAK IN OWN MARKET

Such a duty would not prevent imports, but it would give the American workingmen and investors an even break in their own market, which is all any producer or workingman ever asked.

No American producer or workingman is for a high or a low duty or tariff—they only ask for the duty to be adjusted on a basis of fair and reasonable competition—then as the chief competitive foreign nation raised its living standard the duty would be correspondingly reduced—and when their wage standard of living approached our own—free trade would be the almost immediate and automatic result.

DEAN ACHESON-WILLARD THORP

Mr. President, on July 12, 1949, in debate on the floor of the Senate I stated that our Secretary of State, at that time Dean Acheson, had said:

It is hardly possible any longer to draw a sharp dividing line between the economic affairs and political affairs. Each complements and supplements the other. They must be combined in a single unified and rounded policy.

Mr. President, that statement contravenes the Constitution of the United States, which pointedly separates the regulation of the domestic economy from foreign policy negotiations.

I quote further from my statement on the floor of the Senate on July 12, 1949:

Willard L. Thorp, Assistant Secretary of State, was for the first time very definite in testifying before the Senate Finance Committee on the 24th of January of this year in support of the 3-year extension of the 1934 Trade Agreements Act when he said—and, Mr. President, this is an important pronouncement by the Assistant Secretary of State:

"1. The European recovery program (Marshall plan or ECA) extends immediate assistance on a short-term basis to put the European countries back on their feet.

"2. The trade-agreements program is an integral part of our overall program for world economic recovery.

"3. The International Trade Organization, upon which Congress will soon be asked to take favorable action, provides a long-term mechanism * * * each part of this program is important. Each contributes to an effective and consistent whole."

So says the Assistant Secretary of State.

ORGANIZATION FOR TRADE COOPERATION

What have Secretary Dulles and the State Department substituted for part 3, the ITO, which Willard L. Thorp testified was a part of the whole, including free trade, which was part 2?

They have substituted an organization called the Organization for Trade Cooperation. The Organization for Trade Cooperation is supposed to be submitted to Congress; that is, the organizational features of it are to be submitted so they say. The organizational features are written out, and the Committee on Finance of the Senate is considering them. What are they? They represent a reorganization of the Geneva General Agreement on Tariffs and Trade. That is what they are.

If Congress approves the Organization for Trade Cooperation, it will at the same time approve the organizational features of the General Agreement on Tariffs and Trade, also known as GATT.

It is not intended that they submit to Congress the multilateral agreements which have been made under the General Agreement on Tariffs and Trade, or that they will later make under the Organization for Trade Cooperation, providing Congress approves it.

It is my humble opinion that if the Senate follows the House in its approval of H. R. 1—extension of the 1934 Trade Agreements Act—that the Organization for Trade Cooperation will never be submitted to Congress, or if it is submitted it will not be pressed—because the Secretary of State has testified that the 1934 Trade Agreements Act gives the President full authority to join GATT.

The Secretary of State has testified that the 1934 Trade Agreements Act gives the President all the authority he needs to cooperate with the Geneva General Agreement on Tariffs and Trade.

PROCEDURE AS A MEMBER OF GATT

Mr. President, he designates a representative or representatives to attend the meeting of GATT in Geneva. Whenever the General Agreement on Tariffs and Trade meets, that representative represents the President in the negotiations. When conclusions in multilateral trade treaties have been arrived at, such conclusions may then be submitted to the President and the President authorizes the representative to sign for him.

CONGRESS COMPLETELY IN THE DARK

That is done 3,000 miles from Washington, D. C. Then the United States is bound to the multilateral treaties. If Senators knew—and I hope they realize what they are doing before they vote on this important measure—that this same organization has passed on the adjustment of duties on 58,000 products, none of which has ever been or ever will be submitted to Congress, and none of which any Member of Congress knows anything about until it was a settled matter, they might feel differently about it.

AN ECONOMIC YALTA

Any extension of the 1934 Trade Agreements Act by this Congress would be an economic Yalta.

It will be infinitely worse than the alleged political sellout by Mr. Roosevelt at Yalta, since it is only alleged that Mr. Roosevelt sold out the foreign nations. By this act, Congress will be selling out the workingmen and small investors of our own country.

LEGITIMATE FOREIGN TRADE

The legitimate foreign trade, namely, the products shipped abroad from our shores, and the imports from foreign nations for which the shipper is duly paid, has amounted to about 4½ to 5½ percent over the last half century. If the taxpayers' cash sent to foreign nations, together with the national-defense equipment delivered to them now called foreign trade and paid for by American taxpayers, be deducted, the legitimate foreign trade is, at this time, just about that same percentage.

A SAD COMMENTARY

Mr. President, it is a sad commentary indeed when, through a policy of trading American markets for foreign-policy concessions, the American investors and workingmen must beg with hat in hand for an even break to compete in their own markets.

HIGHEST KNOWN WAGE-LIVING STANDARD

The duty or tariff was utilized for a century of time under the Constitution to equalize the domestic and foreign cheap labor costs in order to promote the development of the whole country alike on the highest known wage-living standard of the world.

THE FLOOR UNDER WAGES

The flexible duty or tariff adjusted on the basis of fair and reasonable competition served as the floor under wages, giving the American workingmen and investors equal access to the American markets. The difference in the effective wages and the general costs of doing business here and abroad was represented by the duty.

THE RUSSIAN WAY

Mr. President, the State Department proposes that workmen whose jobs are moved to foreign lands through low-wage labor competition should be moved to other areas and that investors be compensated for their loss at taxpayers' expense.

That is the Russian way.

WRITERS OF THE CONSTITUTION DID NOT TRUST ANYONE

There was a definite basis, in addition to the separation of powers, for lodging the regulation of the domestic economy in the legislative branch. Every precinct in the Nation is represented on the Senate and House floor, and they would accept no principle that would favor the development of one area of the country over another for any reason.

The writers of the Constitution did not trust any man or group of men, including themselves. They not only wrote the Constitution defining the powers of the three branches of government, but they wrote a Bill of Rights specifically spelling out what it meant in important particulars.

Nowhere do we find in the Constitution or Bill of Rights a way to amend the Constitution of the United States without submitting it to the people. It belongs to them.

EVEN IF CONSTITUTIONAL IT WOULD BE UNWISE

Mr. President, even if it were constitutional, which many believe it is not, to transfer to the President the regulation of domestic economy and the regulation of foreign commerce, it would be unwise.

SUIT NOW PENDING IN UNITED STATES DISTRICT COURT

There is a suit now pending against the Secretary of the Treasury by Morgantown Glass Co., in the United States United States district court, alleging that it is unconstitutional. Also that participation in the General Agreements on Tariffs and Trade is unconstitutional. I hope the Senate will refuse to extend the 1934 Trade Agreements Act and that the legislative branch of our three-branch Government will resume its con-

stitutional responsibility to the people of the United States of America.

DISTRESSED AREAS—EFFECTS OF THE 1934 TRADE AGREEMENTS ACT

Mr. President, the Department of Labor, in a report made public today lists 156 distressed areas in the United States.

This is 12 more distressed areas than there were 2 months ago, 76 more distressed areas than there were a year ago at this time, and 119 more distressed areas than there were 2 years ago.

The Joint Committee on the Economic Report on March 14 of this year issued Senate Report No. 60 of the 1st session, 84th Congress.

In that report it printed a table under the heading: "Reasons for Substantial Labor Surplus in 44 Major and 100 Smaller Labor Market Areas, Classified as Group IV in January 1955."

Group IV areas are areas with a substantial labor surplus, as the Labor Department puts it, or areas with a very substantial labor surplus. "Labor surplus" in both cases is bureaucratic language for unemployment.

The common term for these areas of substantial or very substantial unemployment is "distressed areas."

INJURED INDUSTRIES

I ask unanimous consent that this table listing the distressed areas as of January 1955, and listing the "principal industrial or other source of economic distress" be printed in the RECORD at this point in my remarks:

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Reasons for substantial labor surplus in 44 major and 100 smaller labor market areas, classified as group IV in January 1955 [1]

[Group IV-A, unemployment from 6.0 to 11.9 percent; group IV-B, unemployment of 12 percent or more]

Name of group IV area [2]	Subclassification [3]	Principal industrial or other source of economic distress
Alabama:		
Alexander City	A	Textiles; lumber.
Anniston	A	Machinery (electrical); ordnance; lumber.
Decatur	A	Textiles; industrialization lack.
Florence and Sheffield	A	Aluminum; leather.
Gadsden	A	Primary metals; textiles.
Jasper	B	Mining (bituminous coal).
Talladega	A	Textiles; ordnance; Government.
Arkansas: Fort Smith	A	Drought (agriculture, food); mining.
Connecticut: Bristol	A	Machinery (bearings); watches and clocks (fuses).
Georgia:		
Cedartown and Rockmart	A	Textiles (cotton and synthetic tire cord).
Cordele	A	Ordnance (shells); trade and service (oil mills).
Illinois:		
Harrisburg	B	Mining (coal, fluorspar).
Herrin, Murphysboro, and West Frankfort.	B	Mining (bituminous coal); radios.
Litchfield	B	Mining (bituminous coal); primary and fabricated metals.
Mount Vernon	B	Railroad cars.
Indiana:		
Connersville	A	Machinery (household: refrigerators and sinks); auto parts.
*Evansville	A	Aircraft; refrigerators.
*Fort Wayne	A	Electrical machinery; automobiles; aircraft.
Michigan City and La Porte	B	Ordnance; aircraft wings; railroad cars, machinery (farm).
Muncie	A	Auto parts; ordnance; fabricated metals.
*Terre Haute	B	Mining (Coal); Government.
*South Bend	A	Automobiles; farm machinery.
Vincennes	B	Mining (bituminous coal); industrialization lack.
Iowa:		
Burlington	A	Ordnance (ammunition); machinery (electrical).
Ottumwa	A	Machinery (farm).
Kansas: Pittsburg	B	Mining (coal, lead, zinc); ordnance (out of area).
Kentucky:		
*Ashland and Huntington, Ky. and W. Va.	A	Electrical machinery; railroad equipment.
Corbin	B	Mining (bituminous coal); railroad shops; lumber.
Frankfort	A	Industrialization lack (Government, seasonal distillery center).
Hazard	B	Mining (bituminous coal).
Henderson	B	Government; autos and refrigerators (out of area).
Madisonville	B	Mining (bituminous coal); instrument.
Middlesboro and Harlan	B	Mining (bituminous coal).
Morehead and Grayson	B	Industrialization lack.
Owensboro	A	Radio and television; furniture.
Paintsville and Prestonsburg	B	Mining (bituminous coal).
Pikeville and Williamson	B	Do.
Maine: Biddeford	A	Machinery (textile); textiles.
Maryland: Cumberland	B	Textiles (rayon); railroads; mining (bituminous coal).
Massachusetts:		
*Fall River	A	Textiles; rubber.
Fitchburg	A	Machinery (nonelectrical); fabricated metals.
*Lawrence	B	Textiles (wool).
*Lowell	A	Textiles.
Milford	A	Machinery (textile); textiles.
*New Bedford	A	Textiles; electrical machinery.
North Adams	A	Machinery (electronics).
Southbridge and Webster	B	Textiles (woolen); opthalmic goods.
Michigan:		
Adrian	A	Foundries (nonferrous); machinery (household), fabricated metals.
Battle Creek	A	Aircraft; auto equipment; nonelectrical machinery.
Bay City	A	Autos, auto parts; machinery (construction, mining).
Benton Harbor	A	Primary metals; other durables (out o area).
Ionia, Belding, and Greenville	A	Refrigerators; auto parts.
Iron Mountain	B	Auto bodies; mining (iron); lumber.
Jackson	A	Auto parts; radio and television
Monroe	A	Auto parts; paper.
*Muskegon	A	Refrigerators; auto equipment; steel foundries.
Owosso	A	Machinery (auto-connected electrical)
Port Huron	A	Auto parts; primary metals.
Minnesota: *Duluth and Superior, Minn. and Wis.	A	Ore transportation; industrialization lack
Missouri:		
Joplin	A	Mining (lead, zinc); industrialization lack (trade center).
St. Joseph	A	Machinery (electrical); industrialization lack; out of area.
*St. Louis	A	Ordnance; primary metals; electrical machinery; leather.
Springfield	A	Industrialization lack (trade center); out of area.
New Jersey:		
*Atlantic City	A	Industrialization lack (seasonal resort center).
*Paterson	A	Textiles; aircraft; instruments; electrical machinery.
New Mexico: *Albuquerque	A	Industrialization lack (construction center).
New York:		
*Albany, Schenectady, and Troy.	A	Ordnance; railroad equipment; electrical machinery.
Amsterdam	B	Wool carpets, rugs; apparel; gloves.
Auburn	B	Ordnance (shells); machinery (farm); other durables.
*Buffalo	A	Steel; electrical, nonelectrical machinery; aircraft.
Gloversville	B	Leather (gloves, tanning); out of area.
Hudson	A	Textiles.
Oswego and Fulton	A	Fabricated metals; out of area.
*Utica and Rome	A	Textiles; nonelectrical machinery.
North Carolina:		
*Asheville	A	Industrialization lack (seasonal resort center).
*Durham	A	Industrialization lack (seasonal tobacco center).
Kinston	A	Do.
Waynesville	A	Industrialization lack (seasonal resort center).
*Winston-Salem	A	Industrialization lack (seasonal tobacco center).
Ohio:		
Cambridge	B	Glass, pottery; communications equipment.
*Canton	A	Steel; foundries; nonelectrical machinery.
Findley, Tiffin, and Fostoria.	A	Machinery (electrical, nonelectrical); apparel; rubber; glass.
Mansfield	A	Machinery (household); primary metals; rubber.
Newark	A	Mining; auto parts; glass (mineral wool).
Sandusky and Fremont	A	Machinery (electrical, nonelectrical); primary metals.
Springfield	A	Trucks; aircraft parts; machinery (nonelectrical).
*Steubenville and Wheeling, Ohio, and W. Va.	A	Steel; mining (bituminous coal).
*Toledo	A	Automobile parts, equipment; primary and fabricated metals.

[1] Major areas are indicated by asterisk.

[2] List covers only period since July 1951 when present area classification system was introduced. Many of these areas were classified in somewhat similar groups under the previous system. Classifications are based on narrative-statistical labor-market reports submitted to the Bureau of Employment Security by affiliated State employment-security agencies. The reports are prepared locally, drawing upon labor-market data available in local public employment offices, including information on current employment and unemployment levels and employer hiring plans.

The extent of unemployment in an area is one of the major factors in determining the area classification. Other criteria include employment outlook as reflected by local employer estimates of manpower requirements, the relationship between labor supply and labor demand, and the seasonal pattern of employment and unemployment fluctuations.

[3] It will generally be true that areas of *substantial labor surplus* (IV-A) will have unemployment ranging from 6.0 to 11.9 percent of covered employment, while areas of *very substantial labor surplus* (IV-B) will have unemployment of 12 percent or more of covered employment.

Source: Bureau of Employment Security, U. S. Department of Labor.

Reasons for substantial labor surplus in 44 major and 100 smaller labor market areas, classified as group IV in January 1955 [1]—Continued

Group IV–A, unemployment from 6.0 to 11.9 percent; group IV–B, unemployment of 12 percent or more]

Name of group IV area [2]	Subclassification [3]	Principal industrial or other source of economic distress
Oklahoma:		
McAlester	A	Ordnance; construction.
Muskogee	A	Drought (agriculture, food).
Oregon: *Portland	A	Lumber; ship repair; transportation services.
Pennsylvania:		
*Altoona	B	Railroad locomotives, cars (production and maintenance).
Berwick and Bloomsburg	A	Railroad equipment; textiles.
Butler	B	Railroad equipment.
Clearfield and Du Bois	B	Mining (bituminous coal); durable goods.
*Erie	A	Refrigerators; railroad equipment; foundries.
Indiana	B	Mining (bituminous coal).
*Johnstown	B	Mining (bituminous coal); steel.
Kittanning and Ford City	B	Mining (bituminous coal); stone, clay, and glass.
Loch Haven	B	Railroads; machinery (electrical).
New Castle	A	Steel; other durable goods.
Oil City, Franklin, and Titusville	A	Machinery (construction, mining, pump); steel.
*Philadelphia	A	Transportation equipment other durable goods.
*Pittsburgh	A	Steel.
Pottsville	B	Mining (anthracite coal).
*Reading	A	Steel; textiles; apparel.
*Scranton	B	Mining (anthracite coal).
Sunbury, Shamokin, and Mount Carmel	B	Mining (anthracite coal); radio-television; textiles.
Uniontown and Connellsville	B	Mining (bituminous coal).
*Wilkes-Barre	B	Mining (anthracite coal).
Williamsport	A	Aircraft.
Puerto Rico:		
*Mayaguez	B	Apparel; industrialization lack.
*Ponce	B	Do.
*San Juan	A	Do.
Rhode Island: *Providence	A	Textiles; nonelectrical machinery.
South Carolina: Walterboro	A	Lumber; apparel; out of area.
Tennessee:		
Bristol, Johnson City, and Kingsport	A	Chemicals (explosives); textiles; furniture.
*Chattanooga	A	Chemicals; primary and fabricated metals; textiles.
*Knoxville	A	Textiles; apparel; aluminum.
Pennsylvania—Continued		
La Follette, Jellico, and Tazewell	B	Mining (bituminous coal); industrialization lack.
Newport	B	Industrialization lack (agricultural center).
Territory of Hawaii: *Honolulu	A	Government; industrialization lack (pineapple, sugar, and tourist center).
Texas: Texarkana	A	Ordnance (Government, private).
Vermont:		
Burlington	B	Textiles (woolen); aircraft parts.
Springfield	A	Machine tools; textiles (woolen).
Virginia:		
Big Stone Gap and Appalachia	B	Mining (bituminous coal).
Covington and Clifton Forge	B	Railroads; paper.
Radford and Pulaski	A	Chemicals (explosives, synthetic fibers).
Richlands and Bluefield	B	Mining (bituminous coal).
Washington: *Tacoma	A	Government; industrialization lack (seasonal lumber center).
West Virginia:		
Beckley	B	Mining (bituminous coal).
Bluefield	B	Do.
*Charleston	B	Mining (bituminous coal); chemicals.
Clarksburg	A	Mining (bituminous coal); radio and television; fabricated metals.
Fairmont	B	Mining (bituminous coal).
*Huntington and Ashland, W. Va., and Ky.	A	Electrical machinery; railroad equipment.
Logan	B	Mining (bituminous coal).
Morgantown	B	Do.
Parkersburg	A	Chemicals (industrial organic).
Point Pleasant	B	Shipbuilding; industrialization lack.
Ronceverte and White Sulphur Springs	B	Mining (bituminous coal).
Welch	B	Do.
*Wheeling and Steubenville, W. Va. and Ohio	A	Steel; mining (bituminous coal).
Wisconsin:		
Beaver Dam	A	Machinery (electrical, farm); shoes.
La Crosse	A	Machinery (farm); rubber footwear; auto parts.
*Racine	A	Farm machinery; foundries.
*Superior and Duluth, Wis. and Minn.	A	Ore transportation; industrialization lack.

DISTRESS HITS 33 COAL-MINING CENTERS

Mr. MALONE. Mr. President, a study of this table will be informative and revealing. It will be noted that the No. 1 distressed industry in 33 of these distressed areas is coal mining. Coal mining is suffering because of the tremendous imports of foreign waste oils from other areas of the world which are being dumped on our eastern shores.

Lead and zinc is the important industry in one distressed area, and the second major industry in another. Fluorspar is the second major industry in still another. The lead and zinc industry and the fluorspar industry are being destroyed by import dumping.

TWENTY-FIVE TEXTILE CENTERS HURT BY IMPORTS

Textile manufacture is the No. 1 industry in 20 distressed areas, and is the second dominant industry in 5 others. All of us know what is happening to the textile industry throughout the United States because of growing import competition from cheap-labor countries.

Electrical machinery is the top industry in 7 distressed areas, the second outstanding industry in 5 other areas, and a major industry in still another area.

Chemical manufacture is the principal distressed industry in four distressed areas.

Imports of electrical machinery and chemicals are causing a sacrifice of American investments and American jobs.

IMPORTS DAMAGING MANY OTHER AMERICAN INDUSTRIES AND AREAS

Mr. President, this is an interesting list. Read through it and you will find lumber, glass and pottery, leather, primary metals, watches and clocks, machine tools, all suffering from strong import competition, and the cities and areas in which these industries are located suffering distress and unemployment along with their principal industries.

Now we come to areas which have been added to the "distressed area" list since January.

Mr. President, I ask unanimous consent to have printed, in the RECORD a listing of these areas as prepared by the Department of Labor, and also its analysis of the conditions causing this distress and unemployment. It is taken from a release today, Friday, April 1, by the Bureau of Employment Security of the Department of Labor.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

DISTRESSED AREAS

CHANGED FROM GROUP III TO GROUP IV–A

Portland, Maine: Closing of two metalworking plants, layoffs in ordnance, furniture and fixtures, construction, trade largely responsible for recent nonfarm employment drop. Unemployment up two-thirds since end of 1954.

San Diego, Calif.: Unemployment rises sharply during winter as construction, trade, food processing layoffs add to long-term downtrend in aircraft, tuna fishing. Further cutbacks scheduled in aircraft and foods. Inmigrant jobseekers also likely to prevent reduction in labor surplus from current substantial levels, despite expected spring pickup in construction and other nonmanufacturing activities.

SMALLER GROUP IV AREAS CLASSIFIED GROUP IV–A IN FEBRUARY

Illinois

Galesburg: Increased labor surplus traceable to declines in important nonelectrical machinery, fabricated metals, transportation, construction. Unemployment up 10 percent over the year.

Mount Carmel-Olney: Recent declines in food processing, electrical machinery, petroleum refining, and construction contribute to substantial labor surplus. Small anticipated seasonal increases in food processing and apparel not likely to reduce unemployment significantly.

New Jersey

Long Branch: Sharp job drop since year ago boosts labor surplus to substantial levels. Cutback in construction as local work on major State highway is completed, loss in Government, reductions in apparel, textiles primary factors in employment decline.

North Carolina

Fayetteville: Retrenchment in construction (partly due to project completions at Fort Bragg), and Government lead recent employment downtrend. Unemployment up 15 percent over past year as industrial expansion fails to keep pace with labor force growth.

Rocky Mount: Increasing surplus of tobacco workers primarily responsible for substantial unemployment conditions. Tobacco processing season shortened considerably in recent years; only limited job opportunities available during 9-month off-season. Increasing mechanization of agriculture adds to unemployed group.

Ohio

Marietta: Employment down significantly over past year, as work on several large construction projects is completed; chemicals, furniture cut back sharply. Unemployment up two-fifths since year ago.

Connecticut

Danielson: Shutdown of four textile mills, sharp over-the-year decline in lumber and

furniture, other manufacturing losses result in substantial labor surplus. Unemployment up approximately 30 percent in past year.

Torrington: Continuing employment downtrend, under way since fall of 1953, raises labor surplus to substantial levels. Factory cutbacks, heaviest in important nonelectrical machinery, largely responsible for unemployment increase; recent declines in most nonmanufacturing industries also contribute.

Iowa

Sioux City: Heavy loss in dominant meatpacking, caused by closing of major establishment, raises joblessness to substantial proportions. Electrical, nonelectrical machinery also reduce payrolls due to slackening orders. Scheduled spring pickup in construction, farming not likely to reduce surplus significantly.

Mississippi

Greenville: Two-year downtrend in agriculture and allied nonfarm industries results in substantial labor surplus. Unemployment now one-third above year ago. Further reduction in cotton acreage points to possible additional rise in joblessness over the next few months.

New Jersey

Bridgeton: Sizable recent increase in joblessness paced by layoffs in apparel, food processing. Unemployment now one-fourth above year-ago levels. Little change likely this spring as pickups in glass, food, chemicals may be all but offset by seasonal retrenchment in oyster packing.

North Carolina

Shelby-Kings Mountain: Long-term decline in dominant textiles—partly due to plant modernization—major factor in development of substantial labor surplus. Underemployment in industry also significant. Three consecutive years of drought have cut cotton farmers' income.

Ohio

Athens-Logan-Nelsonville: Payroll declines in lumber, stone, clay, glass, most nonmanufacturing industries responsible for return of area to substantial surplus category after 2-year absence. Return of workers laid off by out-of-area plants also boosts unemployment. Long-term coal downtrend, low level of manufacturing activities add to area's economic problem.

New Philadelphia-Dover: Over-the-year reductions in important coal mines, clay refractories, other smaller factory losses reduce employment totals, raise unemployment to substantial proportions. Effect of recent tornado, destruction of local plant by fire, plus labor-management disputes in clay products, further cloud outlook.

Zanesville: Losses in nonelectrical machinery, mining since year ago contribute to area's substantial unemployment totals. Seasonal employment pickup scheduled to late spring not likely to cut jobless figures significantly.

Pennsylvania

Lewistown: Employment cutbacks in several manufacturing lines, railroads starting in the last half of 1953 resulted in the development of a substantial labor surplus. Factory losses heaviest in primary metals, refractory brick, furniture. Unemployment up 10 percent in past year.

Meadville: Two-year employment downtrend, aggravated by recent losses in railroads, trade, construction, pushes area into substantial surplus category. Joblessness more than one-fourth above year-ago level.

NINETEEN NEW AREAS ADDED TO DISTRESS LIST IN 2 MONTHS; 7 AREAS TAKEN OFF

Mr. MALONE. Mr. President, 19 new distressed areas were added in the past 2 months and 7 areas that were in distress 2 months ago now have recovered sufficiently to be removed from the distressed list. None of those removed, however, are dominated by industries suffering from imports, such as textiles, foreign fuel oils, watches or clocks, glassware, pottery, leather products, or minerals.

CONGRESS CREATES ITS OWN PROBLEMS

During the past 21 years, a policy appears to have been established by Congress, under which, whenever any difficulty arises, an arbitrary attempt is made to correct it at once, without a study being made of the basic cause of the distress.

In the Defense Act, Congress established the principle that the Government may accept a higher bid for a Government contract from a distressed area than a bid from a going concern in an area where there is little or no unemployment.

Not once, but many times, industries which are in good condition and operating satisfactorily under Government contracts have looked forward to receiving other such contracts, in order to maintain normal employment.

But somewhere there is a distressed area.

POLICY CREATES NEW DISTRESSED AREAS

The area which is manufacturing a part of the products necessary to the national defense in an area of normal employment may have submitted a low bid. Nevertheless that concern does not receive the contract; a company in a distressed area in some other part of the United States gets it. The going-concern, normal-employment area then becomes a distressed area.

That certainly shows how much thought is given to such matters by Congress. The Government thereby causes new distressed areas, while by manipulation it destroys already successful areas.

The 7 cities removed from the distressed area list are Canton, Ohio; Honolulu, Hawaii; Racine, Wis.; and 4 areas in Michigan, namely, the Ionia-Belding-Greenville area, which produces auto parts and home-appliance machinery; Adrian, which is a refrigerator-manufacturing center; Jackson, where the auto industry holds the key; and Owosso.

The existence of 156 distressed areas in the United States is a living argument against extension of the Trade Agreements Act. The 1934 Trade Agreements Act is an act to export jobs and import unemployment. It is doing that now.

THE PRESIDENT MAY TRADE ANY PART OF THE DOMESTIC ECONOMY FOR A FANCIED ADVANTAGE IN FOREIGN POLICIES

Mr. President, by the Trade Agreements Act passed by Congress in 1934, in which the Constitution of the United States was, in effect, amended, without the proposal being submitted to the people, the workings of the legislative and executive branches were tied together for the first time in 175 years. The regulation of the domestic economy and the negotiations for foreign policy were merged so that now the President of the United States can trade off any part of the domestic economy for a fancied improvement in the foreign policy.

VIOLATION OF THE CONSTITUTION

The Constitution of the United States pointedly separates the regulation of the domestic economy from foreign policy negotiations because the wise and experienced men who framed the Constitution of the United States had scars all over them, scars which they had sustained in fighting a dictator who could control at will, by Executive order, both the domestic economy and the foreign policy of a nation.

The Founding Fathers pointedly separated the two functions, but a subservient Congress, in 1934, tied them together again. Now we have the unbelievable picture of a Republican administration, which always throughout its previous history has protected the workingman and investor by the imposition of duties on each product which roughly make up the differential between the effective wages, taxes, and the cost of doing business in this country and in the chief competitive country, favoring the policy of free trade—one economic world—through the 1934 Trade Agreements Act.

Mr. President, let us get back to adjusting the duties on each product on the basis of fair and reasonable competition, giving equal access to American workingmen and investors to our own American markets through regulation by the Tariff Commission, an agent of Congress, under the 1930 Tariff Act.

AMERICAN FOREIGN POLICY IN ASIA

Mr. KNOWLAND. Mr. President, I do not intend to detain the Senate long this evening. I notified the distinguished senior Senator from Oregon [Mr. MORSE] that I intended to discuss the resolution which he submitted today.

On January 28, 1955, the Senate, by a vote of 85 to 3, passed House Joint Resolution 159, authorizing the President of the United States to use the Armed Forces for securing and protecting Formosa, the Pescadores, and related territories.

I ask unanimous consent to have printed at this point in the RECORD the full text of House Joint Resolution 159, Public Law 4, 84th Congress.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

Joint resolution authorizing the President to employ the Armed Forces of the United States for protecting the security of Formosa, the Pescadores, and related positions and territories of that area

Whereas the primary purpose of the United States, in its relations with all other nations, is to develop and sustain a just and enduring peace for all; and

Whereas certain territories in the West Pacific under the jurisdiction of the Republic of China are now under armed attack, and threats and declarations have been and are being made by the Chinese Communists that such armed attack is in aid of and in preparations for armed attack on Formosa and the Pescadores,

Whereas such armed attack if continued would gravely endanger the peace and security of the West Pacific area and particularly of Formosa and the Pescadores; and

Whereas the secure possession by friendly governments of the Western Pacific Island chain, of which Formosa is a part, is essential to the vital interests of the United States and all friendly nations in or bordering upon the Pacific Ocean; and

Whereas the President of the United States on January 6, 1955, submitted to the Senate for its advice and consent to ratification

a Mutual Defense Treaty between the United States of America and the Republic of China, which recognizes that an armed attack in the West Pacific area directed against territories, therein described, in the region of Formosa and the Pescadores, would be dangerous to the peace and safety of the parties to the treaty: Therefore be it

Resolved, etc., That the President of the United States be and he hereby is authorized to employ the Armed Forces of the United States as he deems necessary for the specific purpose of securing and protecting Formosa and the Pescadores against armed attack, this authority to include the securing and protection of such related positions and territories of that area now in friendly hands and the taking of such other measures as he judges to be required or appropriate in assuring the defense of Formosa and the Pescadores.

This resolution shall expire when the President shall determine that the peace and security of the area is reasonably assured by international conditions created by action of the United Nations or otherwise, and shall so report to the Congress.

Mr. KNOWLAND. Mr. President, a little more than 2 months after the passage of House Joint Resolution 159, the senior Senator from Oregon has submitted a resolution which would reverse the action previously taken by the Senate. I believe that the resolution, if seriously considered by the Senate, would not only result in the islands of Matsu and Quemoy being ultimately turned over to the Chinese Communists, but such action would be very detrimental to the morale throughout the entire Far East. Probably within a year or two, the result would be that most of Asia would have passed behind the Communist Iron Curtain.

The argument has been made that this is not the place to draw the line. It will never be easy to draw a line.

Another argument is that the islands of Quemoy and Matsu are within 5 miles of the China coast. So far as Quemoy is concerned, that is true. So far as Matsu is concerned, that island is approximately 20 miles from the China coast. But if the argument of closeness to the enemy has any validity, then why should we draw a line as between the Soviet world in Europe and the free world? We are up against Soviet forces just across a river line.

Prior to World War II, there were those who asked: What difference will it make if Czechoslovakia and the Sudetenland are taken over by Adolph Hitler? They are small, remote countries. Is it worth risking anything to maintain the independence of those distant people?

I think the Senate and the American people have not forgotten how four great powers—Great Britain, France, Italy and Germany—met together, through their representatives, at Munich. There Adolf Hitler pledged that if Germany were only granted the Sudetenland, albeit Czechoslovakia was not represented at the conference, he would make no further territorial demands in Europe. Unfortunately, Mr. President, we know what the result was. Within a year of that time he had moved in and taken over all of Czechoslovakia.

We next heard the question asked whether any steps should be taken in the defense of Danzig, which was a distant city, situated, in an unfortunate circumstance, between Nazi Germany and Poland, and whether it was worth risking the free nations of the world in order to try to defend it. But the issue was not Danzig at that time; it was a solemn agreement which Great Britain and France had entered into with Poland. Having seen that the giving up of Sudetenland would not accomplish the purpose of peace, because it only encouraged further aggressions, when the next step of aggression came in Poland, both Great Britain and France lived up to their commitments.

Mr. President, the introduction of the resolution today, if taken seriously by the people of Asia, and I think by the people of Europe, will give great aid and comfort to the Chinese Communists. I have no doubt that over the Peiping and the Moscow radios, and in the newspapers Izvestia and Pravda, it will be said that the Government of the United States, which just 2 months ago, by an almost unanimous vote of its Congress, passed the joint resolution which I have had printed in the RECORD, has now, in the face of Communist threats, revised its position and is prepared to retreat. I believe that would be disastrous to the peace of the world. Those who really want to preserve the peace of the world should think very carefully before giving the impression to the Communist world that there are deep divisions within our Government and within our country.

Mr. President, the fact of the matter is that up to the time of the passage of the Formosa resolution, in the speeches of Mao Tse-tung and Chou En-lai, and in the Communist press of the Soviet Union, and, indeed, in the Communist press of the United States and the free world, wherever such newspapers are published, there were many bellicose statements that the Chinese Communists were about to capture the islands on their way to Formosa.

It so happened that after the show of unity on the part of the Government and the people of the United States that type of talk pretty largely died down, and the indications were that the men in Peiping finally realized that they were at the end of the road so far as the commission of further acts of aggression was concerned, and that there would be resistance on the part of the free people of the world if the Communists attempted to take more people behind the Iron Curtain.

That has been true up until today, April 1, 1955. But, Mr. President, if the Chinese Communists believed that such a resolution as was introduced today would be seriously considered by the Senate of the United States, and that our Government would reverse its position from the one it took on the 28th day of January of this year, I say most respectfully that might lead them to further adventures. A great danger to the peace of the world today is that the Communists may misinterpret the mere introduction of a resolution which would reverse our policy and which, on its face, would tie the hands of the Commander in Chief. If they believed that the resolution represented a considered opinion by any considerable number of the Members of the Congress of the United States, the Communists might feel that the American people were so divided and so disorganized that what they would not do yesterday they might be prepared to do today.

Mr. President, I have no quarrel with the senior Senator from Oregon. He is at least being consistent. He was one of three Members of the Senate who voted against the Formosa resolution. Those who voted against it were the Senator from Oregon [Mr. MORSE], the Senator from New York [Mr. LEHMAN], who has joined him in the resolution offered today, and the Senator from North Dakota [Mr. LANGER]. At least, they had made their position clear then, and if today that is still their position, they are consistent.

After hearing the arguments in the House and in the Senate of the United States, and presumably facing up to all the potentialities which might be involved, the representatives of the 48 States of the American Union voted by the overwhelming majority of 85 to 3 to pass the Formosa joint resolution. I think that action gave great encouragement to the people of Asia, gave new courage to the neutrals of Asia, and caused the potential aggressors in Asia to stop, look, and listen.

In view of the very critical situation which perhaps in the next 90 days or more may confront the world, if the Communists now gain the impression that we are divided, that we are paralyzed, that our leadership is open to question—that whereas Congress took one stand 2 months ago, it has now reversed its stand—I am confident that would not be contributing to the cause of peace, but, to the contrary, might invite the very thing those favoring the resolution say they wish to avoid.

Mr. President, the situation is very strange. There seems to be a rising tide of appeasement in India, in Europe, and in some quarters in the United States of America.

Mr. Nehru, in his address before the Parliament of India yesterday, pointed out that he believed the Chinese Communists should have possession of Quemoy and Matsu, and indicated very strongly his belief that they should also gain control of Formosa and the Pescadores. He went beyond that, Mr. President. He even went to the point of saying:

> Even though the whole world was fighting, we should not go to war.

Mr. President, I am interested in that statement because from time to time in the past 30, 60, or 90 days, there have been persons who have suggested that one solution to the problem would be to take the Republic of China off the Security Council and out of the United Nations and give its seat on the Security Council to India and its seat in the General Assembly of the United Nations to Communist China.

Mr. President, I doubt very much whether India is qualified to sit on the Security Council, if one keeps in mind the Charter of the United Nations. I wish to read a number of paragraphs from the charter. I raise that question since apparently it is going to be a subject of discussion during the weeks or

months ahead and it is important that we have the facts before us. Article 1 of the United Nations charter, which I hold in my hand, reads:

The purposes of the United Nations are:

1. To maintain international peace and security, and to that end: to take effective collective measures for the prevention and removal of threats to the peace, and for the suppression of acts of aggression or other breaches of the peace.

I wish to call attention to a number of other sections of the charter, dealing with the functions and powers of the Security Council.

In article 24 we find:

1. In order to insure prompt and effective action by the United Nations, its members confer on the Security Council primary responsibility for the maintenance of international peace and security, and agree that in carrying out its duties under this responsibility the Security Council acts on their behalf.

Article 25 states:

The members of the United Nations agree to accept and carry out the decisions of the Security Council in accordance with the present charter.

Article 41 states:

The Security Council may decide what measures not involving the use of armed force are to be employed to give effect to its decisions, and it may call upon the members of the United Nations to apply such measures. These may include complete or partial interruption of economic relations and of rail, sea, air, postal, telegraphic, radio, and other means of communication, and the severance of diplomatic relations.

Article 42 states:

Should the Security Council consider that measures provided for in article 41 would be inadequate or have proved to be inadequate, it may take such action by air, sea, or land forces as may be necessary to maintain or restore international peace and security. Such action may include demonstrations blockade, and other operations by air, sea, or land forces of members of the United Nations.

Article 43 states:

1. All members of the United Nations, in order to contribute to the maintenance of international peace and security, undertake to make available to the Security Council, on its call and in accordance with a special agreement or agreements, armed forces, assistance, and facilities, including rights of passage, necessary for the purpose of maintaining international peace and security.

Article 44 states:

When the Security Council has decided to use force it shall, before calling upon a member not represented on it to provide armed forces in fulfillment of the obligations assumed under article 43, invite that member, if the member so desires, to participate in the decisions of the Security Council concerning the employment of contingents of that member's armed forces.

Mr. President, it is quite clear that even in the charter of this organization, which is devoted to the peace of the world, there is recognition of the fact that aggressors might be loose in the world, and that the only way they could be stopped would be by the use of economic and, if necessary, military sanctions.

It is true that the record of India in the Korean operation was not a good one. India did not supply a single soldier, sailor, or airman to resist the aggression in Korea. India supplied a single ambulance unit.

Mr. President, communism could not have been stopped in Korea by means of the use of a single ambulance unit. I hope the day will never come when the borders of India will be threatened by Communist China or the Soviet Union. But if that should happen, it would seem to me that the precedent India has established gives India no great claim upon the United Nations or upon the free nations of the world to come to her defense; and I think India and her people would be sorely disappointed if, in response to a plea for assistance against potential Communist aggression against India, each of the free nations of the world agreed to contribute a single ambulance unit of peace. That certainly would not preserve the freedom of the people of India.

Mr. President, in the concurrent resolution which was submitted today by the senior Senator from Oregon [Mr. MORSE], he suggested, among other things, that the President of the United States should take appropriate action to lay before the United Nations the danger to the peace of the world presented by the threat of attack "upon such islands"—meaning Quemoy and Matsu—with the request that the United Nations undertake supervision of their evacuation.

I think it is fair to ask this question: Suppose the Government of the Republic of China is not prepared to evacuate further territory in the face of Communist aggression? Does the Senator from Oregon propose that the United Nations shall, by force, cause the evacuation? Would that then put the United Nations forces in opposition—perhaps in armed opposition—to our friends, the Republic of China, who now occupy, and have occupied throughout recent history, the area of Quemoy and the Matsus?

Mr. President, no easy solutions are before us. Of course, the President of the United States has very heavy responsibilities. But I believe that the adoption of the concurrent resolution submitted today by the Senator from Oregon would in fact tie the hands of our Commander in Chief, and might inadvertently, but actually, encourage aggression in the Far East, and bring about the breach of the peace which the Senator from Oregon hopes, I assume, to prevent by means of his concurrent resolution.

THE POSITION OF THE UNITED STATES WITH REGARD TO THE REPORT OF THE UNITED NATIONS AD HOC COMMITTEE ON RESTRICTIVE BUSINESS PRACTICES

Mr. MARTIN of Iowa. Mr. President, on February 11 of this year, I had the honor to address the Executives Club of Chicago on certain aspects of the United States foreign economic policy and the role of the United Nations in this area. My remarks may be found in the CONGRESSIONAL RECORD for February 18, at pages 1819–1828.

On that occasion, I took the opportunity to review the history of chapters V and VI of the Habana Charter, which never was accepted by the United States Congress. Chapter VI provided for intergovernmental commodity agreements designed to stabilize the prices and trade in various commodities. Chapter V dealt with so-called "restrictive business practices." Unfortunately, the entire charter is a product, originally, of our own State Department; and the specific proposal to review restrictive business practices was sponsored in the United Nations by our Government, under a former administration. Although the United States had not ratified the Habana Charter, various organizations established within the framework of the United Nations had attempted to advance these concepts since 1947. Last year, the United States took a firm stand in opposing the establishment of a Commission on International Commodity Trade to permanently implement the philosophy of chapter VI of this charter.

When the Economic and Social Council voted to proceed with the organization of this Commission in spite of our objections, we declined to participate. During the course of my remarks, I referred in these words to our position in refusing to serve as a member of this Commission:

I wish to commend the Secretary of State and his associates for this action. I regard it as the first step in reversing some of the unfortunate economic trends within the United Nations which were originally promoted by our own Government.

Our present able delegation to the Economic and Social Council, headed by the Honorable Preston Hotchkiss, has had to devote a great deal of its efforts to combat proposals which originated in our own State Department many years ago. This is unfortunate, as the Iron Curtain countries are presented with an opportunity to sow dissension among the free nations when it becomes necessary for us to cast votes in opposition to proposals sponsored by friendly countries in the United Nations. Yet, if we are to remain true to our own economic philosophy, we can take no other course. Our sins of the past have now returned to haunt us.

In the speech which I delivered before the Executives Club of Chicago in February I pointed out that the vitally important job of extricating us from these two Commissions was only half done. We had removed ourselves from the Commission on International Commodity Trade but the problem presented by the report and recommendations of the Ad Hoc Committee on Restrictive Business Practices still persisted. My concluding paragraph summarized the situation in these words:

I am confident that the steps which have already been taken by the Eisenhower administration to repudiate chapter VI of the Habana Charter through our nonparticipation in the Trade Stabilization Commission will be repeated at the forthcoming session of the Economic and Social Council when, I sincerely hope, we will withdraw from any further participation in this group designed to implement chapter V of the rejected Habana Charter.

It now gives me great pleasure to be able to report that Secretary Dulles has instructed the United States representative to the United Nations Economic and Social Council, Mr. Preston Hotchkiss, to clarify the United States position with regard to the report of the United Nations Ad Hoc Committee on Restrictive Business Practices.

This statement is a clear cut definition of our position, and I am including

it in my remarks for the benefit of my colleagues. It is gratifying that we are making such excellent progress in clarifying the position of our Government in the deliberations of the United Nations.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks a statement from the State Department entitled "United States Comments to U. N. on Report of Ad Hoc Committee on Restrictive Business Practices."

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

UNITED STATES COMMENTS TO U. N. ON REPORT OF AD HOC COMMITTEE ON RESTRICTIVE BUSINESS PRACTICES

Following is the text of a note transmitted by the representative of the United States of America to the United Nations to the Secretary General of the United Nations:

"The Government of the United States is appreciative of the study which has been given by the United Nations to the problem of restrictive business practices and the efforts which have been made to develop proposals for international cooperation. The United States has been, and continues to be, strongly mindful of the vital importance of this problem in terms of the objectives of expanding production and trade, promoting economic development, and increasing standards of living.

"The United States Government has given careful and extensive consideration to the proposals of the Ad Hoc Committee on Restrictive Business Practices. In doing so, it has evaluated the committee's proposals in the light of whether they would be effective in eliminating restrictive business practices which interfere with international trade. It has noted the substantial differences which presently exist in national policies and practices in this field and it has been drawn to the conclusion that these differences are of such magnitude that the proposed international agreement would be neither satisfactory nor effective in accomplishing this purpose.

"In order to recommend action against cartel practices, the proposed international body would be required not only to find that such practices exist, but that they have harmful effects on production or trade in the light of very general criteria. This latter determination would be extremely difficult for a body of governmental representatives to make in the light of the substantial divergences in approach previously referred to, and, in the opinion of the United States Government, would likely result in the condoning of restrictive practices or in no agreement by the international body on the disposition of complaints brought before it. In addition, since action under the proposed agreement would be primarily a matter of enforcement procedures under national laws, the present stage of development of national legislation offers little hope that recommendations of the international body could be effectively carried out. While encouraged by the progress which has been made in recent years in this field, the United States does not feel that the point has been reached at which a broad international arrangement of the type proposed by the committee could be successfully implemented.

"The elimination of harmful restraints on international trade and the furthering of the development of free competitive enterprise continue to be basic objectives of this country's economic policy. In the present circumstances, however, the endeavor to effectuate a plan of international cooperation along the lines envisaged by the current proposals might well prejudice rather than promote the attainment of these objectives.

"It is, therefore, the opinion of the United States Government that present emphasis should be given not to international organizational machinery but rather to the more fundamental need of further developing effective national programs to deal with restrictive business practices, and of achieving a greater degree of comparability in the policies and practices of all nations in their approach to the subject.

"The reports submitted by the Ad Hoc Committee and the Secretariat are, in the view of the United States, valuable for analysis of the problem of restrictive business practices. The subject merits full and continuing examination by all nations with a view to meeting the fundamental need cited above."

PROPOSALS TO MODIFY OR REPEAL RAPID DEPRECIATION AND DIVIDEND CREDIT PROVISIONS OF 1954 REVENUE ACT

Mr. MARTIN of Iowa. Mr. President, the Congress has just completed the Tax Rate Extension Act of 1955. While this bill was before the Senate for consideration certain issues were raised during the course of debate that disturbed me greatly. I refer particularly to the proposal to modify or repeal those provisions of the 1954 act which provided for rapid depreciation of business assets and also those provisions for dividend credit.

Due to the requirement of germaneness these proposals were not properly before the Senate during consideration of the Tax Rate Extension Act of 1955. Inasmuch as these proposals may come before us during the debate on H. R. 4725 which has passed the House of Representatives or possibly at some later date in this session I think it timely that I present my views on these points based upon my observations while serving as a member of the Committee on Ways and Means of the House of Representatives at the time of the enactment of the 1954 revision of the internal-revenue laws.

While I am not a member of the Finance Committee I had the privilege of serving as a member of the Ways and Means Committee in the other body for 8 years. When the 1954 revision of the internal-revenue law was on the floor of the House of Representatives I made an intensive study of the charge that the dividend-credit provisions would rob the United States Treasury of much needed revenue. The result of that investigation showed beyond doubt that the dividend credit would increase the revenue, rather than reduce it. At that time I included certain tables in the RECORD to support that conclusion.

I have completed the task of bringing these tables up to date and I now wish to present the revised tables and discuss this entire matter so that my colleagues will have this information available whenever these issues may be considered further.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks a statement which I have prepared, together with the revised tables to which I have referred.

There being no objection, the statement and tables were ordered to be printed in the RECORD, as follows:

The present administration has dedicated itself to an expanding, dynamic economy with rising standards of living for all our people. The transition from the war economy of 1953 with steadily rising prices to the peacetime economy of today with high levels of employment and stable prices is an amazing accomplishment. Nothing like it has ever taken place in our history.

Last fall our friends on the other side of the aisle were preaching doom and gloom and haranguing the people of an impending economic disaster. That disaster has not taken place. Under President Eisenhower disposable income after taxes is at the highest level ever attained; more new houses are being built than ever before; the steel and automotive industries are operating at very high levels; and the confidence of the business community in the policies of this administration is responsible for the current level of prices on the stock market.

Could it be possible that the success of this administration in making jobs and expanding our economy precludes the possibilities of a Democratic victory next year? Does the Democratic National Committee hope by investigating the stock market and penalizing business with its amendments to the tax bill to destroy the confidence which this administration has established and thus produce enough unemployment so they can say in 1956 that the Republicans have produced a boom and bust—that 1929 has returned? Are they willing to do this so that they may enjoy another 20 years of political power?

I am particularly disturbed at the suggestion that this administration, in adopting the 1954 tax bill, was bestowing benefits upon the wealthy at the expense of the average American. On the contrary, the 1954 tax bill was designed to provide incentives to make jobs for our expanding population. When labor unions demand guaranteed annual wages and old-age pensions they must expect that the corporations who grant these demands will be in business and in a position to fulfill these guaranties. It is part of our job to frame tax legislation so that with sound management American business enterprise can weather any storm. It is ridiculous to talk of incentives for corporate expansion and stability as special favors to wealthy individuals. Certainly the economic health of this country depends upon maintaining sound corporate structures. The wage earners employed by our corporations have as much stake in their solvency and stability as anyone else.

The minority report of the Finance Committee proposed a modification of the rapid depreciation provisions of the 1954 tax bill. They estimated the revenue loss from this provision by using data from page B–13 of the report of the then minority members of the Ways and Means Committee on H. R. 8300, 83d Congress. This study is based on the assumption that capital replacement and additions continue at the present levels. Our purpose in providing rapid depreciation was to see to it that additions and replacements would take place at a more rapid level.

The majority report of the Ways and Means Committee, which I had the privilege of signing a year ago, said:

"More liberal depreciation allowances are anticipated to have far-reaching economic effects. The incentives resulting from the changes are well timed to help maintain the present high level of investment in plant and equipment. The acceleration in the speed of the tax-free recovery of costs is of critical importance in the decision of management to incur risk. The faster tax writeoff would increase available working capital and materially aid growing businesses in the financing of their expansion. For all segments of the American economy, liberalized depreciation policies should assist modernization and expansion of industrial capacity, with resulting economic growth, increased production, and a higher standard of living.

"Small business and farmers particularly have a vital stake in a more liberal and

constructive depreciation policy. They are especially dependent on their current earnings or short-term loans to obtain funds for expansion. The faster recovery of capital investment provided by this bill will permit them to secure short-term loans which would otherwise not be available.

"Various forms of faster writeoff of fixed assets have been almost universally adopted in recent years by countries with modern income-tax systems. Among such countries are Great Britain, Canada, and Sweden. The results of the liberalized depreciation policies have generally been favorable in stimulating plant modernization and expansion. While comparisons are difficult, the proposals contained in your committee's bill do not go as far in the direction of accelerated depreciation as the treatment in some other countries nor as far as some of the proposals which have been brought to your committee's attention. Mindful of the need for constructive action within the limits of sound budgetary policy, your committee has adopted provisions which will give the economy added stimulus and resilience without departing from realistic standards of depreciation accounting" (p. 25).

"The changes made by your committee's bill merely affect the timing and not the ultimate amount of depreciation deductions with respect to a property. No accurate estimate can be made of the cost of this provision even in the early years of its application because of uncertainty concerning the extent to which the new declining-balance formula will be adopted and because of the difficulty in allowing for the effects of the increased investment resulting from the provision upon tax revenues.

"If there were no stimulus to investment and all eligible taxpayers adopted the new formula, the loss in the fiscal year 1955 would be about $375 million. In the second and immediately subsequent years there would be greater losses if the effect on investment were ignored but it is highly likely that by that time the stimulus which the new formula brings will have produced a volume of additional investment and taxable income which will result in there being no net revenue loss under this provision" (p. 26).

The provisions for rapid depreciation do not afford tax relief to anybody. They merely make it possible for investors to recover their capital more rapidly. When the capital has once been recovered there are then no depreciation allowances to offset against current income. A change in the provision we adopted last year can only retard the rate of our industrial progress and ultimately cause unemployment and a declining revenue for the Treasury. The modification of these provisions cannot increase Federal revenues by 1 red cent.

Now let me discuss the question of the dividend credit. It has been alleged that the dividend credit favors a limited group of wealthy taxpayers. The so-called rich have never needed this provision of the 1954 tax law. They have been able to invest in tax-exempt bonds whose average yield, early in March, was about 2⅓ percent. Those who are fortunate enough to have great wealth, which in many cases has been inherited, are not concerned with what we do on the floor of the Senate in the consideration of any income-tax bill. They were not concerned when we raised taxes to pay the costs of World War II or for the fighting in Korea. They have invested their money in tax-exempt bonds; they have no worries about income taxes on April 15; and the rest of us must assume their share of the burden of government.

The Eighty-third Congress, in incorporating the dividend credit, was interested in inducing those who are now paying no taxes to share the cost of Government with the rest of us. Furthermore, it is essential if we are to preserve a competitive free enterprise economy, that new businesses can be started and that venture capital may be available to those individuals who can provide the new ideas and methods which will keep our economy dynamic.

For many years new offerings of common stocks have been few and far between. Capital has been raised through bank loans and the sale of bonds. While it is too early to appraise the effect of the 1954 tax law, it is significant that General Motors Corp. has recently sold new common stock with a value of more than $320 million. I think we have begun to correct the imbalance in corporate structures and to encourage equity financing.

If the dividend credit will induce individuals to invest more of their funds in common stocks, the Government will receive the major share of such investment. The Treasury has everything to gain and very little to lose by fostering equity investment. Let us remember that every dollar which a corporation pays in interest for borrowed money, rather than as a profit to its equity owners, produces no corporate income tax revenue.

For an individual to receive $10,000 in dividends, the corporation must first earn $20,833. Of this amount, the corporation income tax accounts for $10,833. A single individual with a $10,000 taxable income derived entirely from dividends and making no provision for deductions or exemptions now pays a personal income tax of $2,610 before the dividend credit and $2,240 after taking this credit. The Federal Government, in other words, will collect $13,073 in taxes from the investment which made the payment of these dividends possible. The individual retains $7,760 of the $20,833 which the corporation earned.

It was the opinion of the Ways and Means Committee, last year, that allowing an individual to retain an additional $400 on an investment which makes it possible for him to assume the risk of earning $20,833 in a new venture which yields tax revenues of $13,073 is good business for our Government.

I am convinced that the Treasury has lost billions of dollars in potential tax collections from the unwillingness of investors to assume risk when the scales are so heavily weighted against them. Those who oppose the dividend credit say that we have aided only a limited number of people who happen to own common stocks. Wide stock ownership is one way to destroy the artificial barriers between Wall Street and Main Street and to dissipate the class hatreds upon which demagogs thrive.

I am concerned that the advisability of the program of the New York Stock Exchange to secure broader participation in American enterprise by small stockholders has been questioned in the hearings before the Senate Banking and Currency Committee.

We should encourage investment for income rather than for a turn on the market through a capital gain. I don't think the New York Stock Exchange or anyone else will be able to really stimulate such stock purchases unless we make the retained income from an investment in American enterprise attractive. If free enterprise is to be our way of life, a far greater number of our citizens should have a stake in American industry.

No one has to buy common stocks. The Government with a 52-percent corporate income tax and personal income taxes at present rates is the senior partner in every business enterprise. We certainly should do everything possible to induce more equity investment in order to increase the Treasury's revenue.

Now let me show the arithmetic for a single individual who receives his entire income of $100,000 from dividends, with no provision for any deductions or exemptions. In order that the investor may receive $100,000 in dividends, the corporation must first earn $208,333. The corporate income tax will account for $108,333. Assuming that the remainder of the earnings are paid as a dividend, this will give the investor $100,000. Under existing law he will pay $67,320 as a personal income tax without regard to dividend credit. The dividend credit gives him an additional $4,000. It seems like a good investment for the Government to secure a total tax take of $171,653 by letting the investor keep this $4,000.

My table 1 shows the corporate earnings before taxes required to pay dividends of varying amounts, the personal tax in each tax bracket under the present law, and the total tax take by the Government from the combined corporate and personal income taxes and the investor's retention from an investment in each bracket.

Corporations can obtain funds for expansion from the sale of common stock if we continue to foster such investment through the prvisions of the 1954 tax law or they can be derived through bond issues which yield the Government no corporate tax revenues. Bonded debt is undesirable for other reasons.

Henry C. Simons is quoted in Production, Jobs, and Taxes, a C. E. D. publication, as follows:

"Heavy fixed (or floating) debt is obviously undesirable for the single enterprise in an unstable economy or industry. Any temporary adversity is likely to produce insolvency, with grave losses, not only for the stockholders but also for senior securities and the enterprise as a whole, through the great costs of reorganization and the inevitable disturbances of operations and business relations which insolvency involves. Moreover, even if technical insolvency and reorganization are avoided, the enterprise and the whole economy may gravely be damaged by the practices necessary in avoiding it. Thus, physical properties may be abused merely to prolong technical, legal solvency, to avoid definitive squeezing out of shareholders, management, or control in bankruptcy or reorganization, and thus to gamble (with nothing to lose) on remotely favorable contingencies. The physical plant may thus be bled white to meet current obligations, especially interest payment and bond maturities, in the pursuit of mere liquidity.

"These things are doubtless widely understood. What is less clearly apprehended is the aggravated instability of the whole economy, and the obstacle to deliberate monetary stabilization, which corporate debt structures produce in their aggregate. It should be obvious what desperate and frantic struggles for corporate liquidity mean in total where the economy has slipped into general recession which, debt structures apart, might prove innocuous and short-lived. They may well mean the difference between a mild recession and a precipitous, catastrophic deflation."

Mr. Simon's remarks made some years ago are just as true today. It is up to us to encourage equity financing.

My second table shows the percent of corporate earnings before taxes and of dividends paid which may be retained by an individual investor whose entire income is derived from dividends under present law.

This table shows that the investor receiving $10,000 in dividends under present law retains 37.2 percent of the corporate earnings before taxes and 77.6 percent of the dividends paid him. I say that the relief afforded in 1954 was necessary as the Government was losing billions of dollars in tax revenue as individuals are always perfectly free to exercise their proper and legal alternatives and place their money in tax-exempt securities. This is not tax evasion.

My third table compares the rate of return necessary on an investment in private industry before taxes, and my fourth table the dividend rate required to provide the same net return to the investor as he might obtain from a tax-exempt bond in each income-tax bracket. For example, to obtain the 2.33 percent net yield after taxes, which is the present yield on tax-exempt bonds, a $10,000 dividend must represent an earnings return before taxes of 6.3 percent and a dividend yield of 3 percent.

States Government that present emphasis people. The transition from the war econ- have a vital stake in a more liberal and

I again wish to emphasize that the so-called rich are not worrying about this bill. For many years, as these tables show, they have had an alternative to paying confiscatory taxes without assuming any of the risks of investment in private enterprise.

We did not provide tax relief for the rich in 1954. The 83d Congress supported President Eisenhower's program to increase equity investment and thereby increase Federal revenues through the operation of the combined corporate and personal income tax. We endeavored to insure the flow of capital and maintain a proper balance in corporate financial structures between equity investments and debt so that our economic structure would be more stable and less subject to failure should a recession take place. We encouraged new small business which must appeal to investors with substantial means by offering them some hope of securing a yield after taxes commensurate with the risk in investing in a new business. We provided employment in the construction and capital goods industries by encouraging investment in new facilities and modernization. These facilities make it possible for our economy to be more productive and thereby increase the wages of our workers. Many present labor-management contracts include provisions for annual productivity wage increases. These increases can only be paid if the productivity of the economy continues to advance. This requires a flow of new capital investment which was fostered by the 1954 tax bill.

The Ways and Means Committee which drafted this bill originally in the 83d Congress was working toward increasing the revenues of the Treasury so that a general tax reduction through a revision of rates could ultimately be effected. This is still my objective. It is a sound approach to meeting the Government's needs for revenue.

TABLE NO. 1.—*Comparison of Government and individual returns from an equity investment under present law*

Taxable income derived entirely from common-stock dividends; no allowance for deductions or personal exemptions [1]	Corporate earnings before taxes necessary to pay dividend with no retained earnings	Corporate income tax [2]	Personal income tax without regard to dividend credit	4 percent dividend credit [3]	Total personal tax	Total Federal tax	Amount of earnings retained by individual
$2,000	$4,167	$2,167	$400	$80	$320	$2,487	$1,680
$4,000	8,333	4,333	840	160	680	5,013	3,320
$6,000	12,500	6,500	1,360	240	1,120	7,620	4,880
$8,000	16,667	8,667	1,960	320	1,640	10,307	6,360
$10,000	20,833	10,833	2,640	400	2,240	13,073	7,760
$12,000	25,000	13,000	3,400	480	2,920	15,920	9,080
$14,000	29,167	15,167	4,260	560	3,700	18,867	10,300
$16,000	33,333	17,333	5,200	640	4,560	21,893	11,440
$18,000	37,500	19,500	6,200	720	5,480	24,980	12,520
$20,000	41,667	21,667	7,260	800	6,460	28,127	13,540
$22,000	45,833	23,833	8,380	880	7,500	31,333	14,500
$26,000	54,167	28,167	10,740	1,040	9,700	37,867	16,300
$32,000	66,667	34,667	14,460	1,280	13,180	47,847	18,820
$38,000	79,167	41,167	18,360	1,520	16,840	58,007	21,160
$44,000	91,667	47,667	22,500	1,760	20,740	68,407	23,260
$50,000	104,166	54,166	26,820	2,000	24,820	78,986	25,180
$60,000	125,000	65,000	34,320	2,400	31,920	96,920	28,080
$70,000	145,833	75,833	42,120	2,800	39,320	115,153	30,680
$80,000	166,666	86,666	50,220	3,200	47,020	133,686	32,980
$90,000	187,500	97,500	58,620	3,600	55,020	152,520	34,980
$100,000	208,333	108,333	67,320	4,000	63,320	171,653	36,680
$150,000	312,500	162,500	111,820	6,000	105,820	268,320	44,180
$200,000	416,666	216,666	156,820	8,000	148,820	365,486	51,180

[1] It is assumed that such deductions and exemptions equal the amount of income other than dividends.
[2] Corporate marginal rate of 52 percent in these computations.
[3] In the interest of simplicity the $50 exclusion is ignored.

TABLE 2.—*Percent of earnings and dividends retained by individual under present law*

Taxable income derived entirely from common-stock dividends; no allowance for deductions or personal exemptions [1]	Corporate earnings before taxes necessary to pay dividend with no retained earnings	Amount of earnings retained by individual	Percent of total earnings of corporation retained by individual	Percent of dividends retained by individual
$2,000	$4,167	$1,680	40.3	84.0
$4,000	8,333	3,320	39.8	83.0
$6,000	12,500	4,880	39.0	81.3
$8,000	16,667	6,360	38.2	79.5
$10,000	20,833	7,760	37.2	77.6
$12,000	25,000	9,080	36.3	75.7
$14,000	29,167	10,300	35.3	73.6
$16,000	33,333	11,440	34.3	71.5
$18,000	37,500	12,520	33.4	69.6
$20,000	41,667	13,540	32.5	67.7
$22,000	45,833	14,500	31.6	65.9
$26,000	54,167	16,300	30.1	62.7
$32,000	66,667	18,820	28.2	58.8
$38,000	79,167	21,160	26.7	55.7
$44,000	91,667	23,260	25.4	52.9
$50,000	104,166	25,180	24.2	50.4
$60,000	125,000	28,080	22.5	46.8
$70,000	145,833	30,680	21.0	43.8
$80,000	166,666	32,980	19.8	41.2
$90,000	187,500	34,980	18.7	38.9
$100,000	208,333	36,680	17.6	36.7
$150,000	312,500	44,180	14.1	29.5
$200,000	416,666	51,180	12.3	25.6

[1] It is assumed that such deductions and exemptions equal the amount of income other than dividends.

TABLE 3.—*Percent earnings on investment before taxes to yield 2.33 percent to individual*

Taxable income derived entirely from common-stock dividends. No allowance for deductions or personal exemptions: [1]	*Under present law*
$2,000	5.8
$4,000	5.8
$6,000	6.0
$8,000	6.1
$10,000	6.3
$12,000	6.4
$14,000	6.6
$16,000	6.8
$18,000	7.0
$20,000	7.2
$22,000	7.4
$26,000	7.7
$32,000	8.3
$38,000	8.7
$44,000	9.2
$50,000	9.6
$60,000	10.4
$70,000	11.1
$80,000	11.8
$90,000	12.5
$100,000	13.2
$150,000	16.5
$200,000	19.0

[1] It is assumed that such deductions and exemptions equal the amount of income other than dividends.

TABLE 4.—*Yield required on dividends paid to give 2.33 percent to individual*

Taxable income derived entirely from common stock dividends. No allowance for deductions or personal exemptions: [1]	*Under present law*
$2,000	2.8
$4,000	2.8
$6,000	2.9
$8,000	2.9
$10,000	3.0
$12,000	3.1
$14,000	3.2
$16,000	3.3
$18,000	3.4
$20,000	3.4
$22,000	3.5
$26,000	3.7
$32,000	4.0
$38,000	4.2
$44,000	4.4
$50,000	4.6
$60,000	5.0
$70,000	5.3
$80,000	5.7
$90,000	6.0
$100,000	6.4
$150,000	7.9
$200,000	9.1

[1] It is assumed that such deductions and exemptions equal the amount of income other than dividends.

EFFECT OF TELEVSION PROGRAMS ON CHILDREN—NOTICE OF HEARING

Mr. KEFAUVER. Mr. President, there has been much discussion in the past on the effect of television programs on children. The Subcommittee on Juvenile Delinquency of the Committee on the Judiciary held hearings last year and engaged in certain staff studies of the effect on the juvenile mind, of the portrayal of crime and violence on some television programs.

Further studies will be conducted this year. I mention this as a preface to observing that I have read the script of a program called "The Search," which will be on CBS Television on April 3, at 4:30 o'clock p. m. This is a fine type of program, a type of program which I think is quite beneficial, and I hope all Senators who can will see it.

The subcommittee is to hold hearings on this subject. I wish to give notice of such hearings next Wednesday and Thursday, at which time we hope to have the opportunity of giving everyone interested an opportunity to be heard. There is a great deal of interest in the subject matter.

ADJOURNMENT TO MONDAY

The PRESIDING OFFICER. In accordance with the order previously entered, the Senate will now stand in adjournment until Monday, April 4, 1955, at 12 o'clock meridian.

Thereupon (at 6 o'clock and 27 minutes p. m.), the Senate adjourned until Monday, April 4, 1955, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate April 1, (legislative day of March 10), 1955:

ATOMIC ENERGY COMMISSION

Allen Whitfield, of Iowa, to be a member of the Atomic Energy Commission for a term of 5 years, expiring June 30, 1960.

UNITED STATES MARSHAL

John T. Williams, of Tennessee, to be United States marshal for the western district of Tennessee for a term of 4 years, vice William Ernest Smith, resigned.

POSTMASTERS

The following-named persons to be postmasters.

ALABAMA

Warren G. Findley, Calera, Ala., in place of L. R. Nail, removed.
William R. Pope, Danville, Ala., in place of H. L. Heflin, deceased.
James E. Lambert, Darlington, Ala., in place of J. E. Lambert, resigned.
Robert G. Mason, Fairhope, Ala., in place of C. C. Baldwin, retired.
James L. Stephens, Horton, Ala., in place of J. D. Jackson, removed.
Cyrus Kitchens, Oneonta, Ala., in place of W. W. Wilson, transferred.
Eugene Williamson, Orrville, Ala., in place of H. E. Marshall, retired.
Tommy H. Bellomy, Scottsboro, Ala., in place of J. E. Reid, resigned.
Hunter L. Stokes, Sulligent, Ala., in place of M. B. Bankhead, retired.
William C. Gantt, Titus, Ala., in place of H. J. Ward, deceased.
Austin E. Gray, Trafford, Ala., in place of R. C. Johnson, retired.

ARIZONA

Leonard O. Vittitow, Eloy, Ariz., in place of R. H. Marsch, removed.

ARKANSAS

Alma K. May, Booneville, Ark., in place of B. B. Bevens, retired.
Otis W. Tyler, Greenbrier, Ark., in place of H. E. Mayhew, retired.

CALIFORNIA

Wyvonne R. Bibb, Alpaugh, Calif., in place of M. J. Broman, retired.
Alma A. Hyland, Altaville, Calif., in place of A. B. Clifton, deceased.
James I. Bailiff, Arcadia, Calif., in place of W. R. Stewart, retired.
Georgamy K. Campbell, Brockway, Calif., in place of H. G. Walters, resigned.
John H. Shepard, Carpinteria, Calif., in place of M. O. Bauhaus, resigned.
Sue M. Ghezzi, Cayucos, Calif., in place of L. F. Ghezzi, deceased.
Mary T. Fye, Crestline, Calif., in place of F. K. Smith, resigned.
Edith V. Stordalen, Daggett, Calif., in place of F. R. Moore, deceased.
Albert B. McVeigh, Eldridge, Calif., in place of R. A. Smith, retired.
Guido Berti, Greenfield, Calif., in place of R. W. Dunham, retired.
Vernon D. Darby, Middletown, Calif., in place of R. R. Dingle, transferred.
Helen E. Glaab, Montalvo, Calif., in place of E. A. Glaab, deceased.
Lyle R. Burkhart, Montrose, Calif., in place of C. B. Daly, retired.
Hazel M. Ginn, Moss Landing, Calif., in place of A. B. Anderson, resigned.
Clyde A. Coggins, Nipton, Calif., in place of F. R. Coggins, declined.
Bruce L. Hunt, Paradise, Calif., in place of M. C. Hatch, retired.
William J. Rissel, Pebble Beach, Calif., in place of J. H. Ashley, transferred.
Lawrence W. Elledge, Trona, Calif., in place of J. P. MacPherson, resigned.
Maxine M. Spradling, Vernalis, Calif., in place of A. E. Schaeffer, retired.

CONNECTICUT

Robert A. Chadsey, Middlefield, Conn., in place of E. M. Jenkins, retired.

FLORIDA

James N. Peacock, Ocoee, Fla., in place of R. E. McDaniel, resigned.
Willis S. Morey, Princeton, Fla., in place of C. L. Lott, resigned.

IDAHO

Beatrice M. Fenstermacher, Headquarters, Idaho, in place of G. E. Johnson, resigned.
Winfrey K. Kimble, Irwin, Idaho, in place of N. M. Wade, resigned.
Vera Miskin, Palisades, Idaho. Office established November 17, 1952.
David P. Woodard, Sandpoint, Idaho, in place of D. P. Moody, retired.

ILLINOIS

Chester B. Stanton, Dawson, Ill., in place of T. H. Peddie, deceased.
Herbert S. Biller, Illiopolis, Ill., in place of Clyde Hardbarger, retired.
Florence J. Howell, Sparland, Ill., in place of L. L. Eubanks, retired.
Jerome P. Arkels, Tonica, Ill., in place of D. E. Boddie, retired.
Emery H. Doden, Toulon, Ill., in place of O. M. Colwell, retired.

INDIANA

Walter A. Smith, Indianapolis, Ind., in place of G. J. Ress, retired.
Edwin T. Livengood, Union City, Ind., in place of R. W. Rosenbush, deceased.

IOWA

Hilbert O. Herron, Blairstown, Iowa, in place of R. O. Mayhew, deceased.
Agnes K. Nielsen, Kimballton, Iowa, in place of C. A. Hald, deceased.
Paul R. Bender, Monticello, Iowa, in place of M. F. Hogan, retired.
Dick Steenhoek, Newton, Iowa, in place of C. C. McCarl, resigned.
Charles I. White, Oakland, Iowa, in place of J. L. O'Neill, retired.
Evelyn A. Tish, Searsboro, Iowa, in place of T. P. Sheehy, removed.

KANSAS

Gertrude M. Retter, Denton, Kans., in place of Ellen McEnulty, deceased.
Harold H. Bennett, Haviland, Kans., in place of M. C. Meisel, resigned.
Max R. Donahey, Logan, Kans., in place of J. R. Dailey, resigned.

KENTUCKY

Mae A. Edwards, Prospect, Ky., in place of T. M. Murray, removed.

LOUISIANA

Floyd E. Bennett, Livingston, La., in place of M. G. McCullough, retired.
David J. Bondy, New Roads, La., in place of N. C. Wilson, retired.

MAINE

Willis J. Gates, Millinocket, Maine, in place of G. J. Jones, retired.
Elmer C. Davis, Northeast Harbor, Maine, in place of W. S. Holmes, retired.
Everett W. Harrington, Winthrop, Maine, in place of H. C. Miller, retired.

MARYLAND

Leon W. Tyler, Fishing Creek, Md., in place of Gorman Robinson, removed.
Virginia F. Mishou, Lusby, Md., in place of H. J. Pardoe, retired.
Francis Marion Rawlings, Rising Sun, Md., in place of T. R. Biles, deceased.

MASSACHUSETTS

Joseph A. Cunis, Ashland, Mass., in place of A. L. Cavanaugh, retired.
Alfred G. Davis, Lincoln, Mass., in place of E. A. Rollins, retired.
Barbara J. Coombs, South Harwich, Mass., in place of Ann Donahue, resigned.

MICHIGAN

Maurice K. Dean, Barryton, Mich., in place of B. J. Moorman, resigned.
Letha A. Leng, Frederic, Mich., in place of E. C. Dunckley, deceased.
Bert O. Hobolth, Keego Harbor, Mich., in place of P. P. Quinlan, retired.
Leslie F. Augsbach, Spring Lake, Mich., in place of W. A. Hammond, deceased.

MINNESOTA

Clifford W. Mattson, Gully, Minn., in place of E. C. Ellerton, retired.

MISSOURI

John H. Scott, Bunceton, Mo., in place of R. K. Elliott, resigned.
Norman F. Kline, Ellisville, Mo., in place of A. L. Schatz, retired.

NEBRASKA

Louis Kerst, Crete, Neor., in place of E. B. Hardeman, retired.

NEVADA

Alice M. Gabler, Zephyr Cove, Nev., in place of G. B. Wylie, resigned.

NEW HAMPSHIRE

Carrie S. McDonald, Harrisville, N. H., in place of R. L. Alexander, retired.
Reginald W. Stevens, Wolfeboro Falls, N. H., in place of J. F. Magee, resigned.

NEW JERSEY

Vernon A. Statesir, Freehold, N. J., in place of J. B. Johnson, retired.

NEW YORK

Patrick L. Agnano, Ardsley, N. Y., in place of M. T. Goehren, retired.
Helen C. Coleman, Bridgeport, N. Y., in place of M. A. Fox, removed.
Lester E. Hendrix, Cazenovia, N. Y., in place of D. F. Flanagan, retired.
James H. Graham, Levittown, N. Y. Office established July 1, 1952.
Henrietta B. Heitmann, South Kortright, N. Y., in place of C. L. Proskine, retired.

NORTH CAROLINA

Guy E. Snyder, Bakersville, N. C., in place of J. F. Greene, resigned.
James M. Armstrong, Belmont, N. C., in place of E. W. Bullard, resigned.
Jesse T. Smathers, Canton, N. C., in place of W. C. Hill, retired.
James K. Ballance, Fairfield, N. C., in place of G. R. Cutrell, resigned.
Ray B. Wyche, Hallsboro, N. C., in place of M. C. Thompson, deceased.
Jesse Bennie Joyce, Madison, N. C., in place of F. P. Thomas, retired.
Brownlow Martin, Rutherfordton, N. C., in place of C. L. Biggerstaff, retired.
Howell W. Ratcliff, Weaverville, N. C., in place of Kate Reagan, retired.
Marion O. Elliott, Wilkesboro, N. C., in place of M. F. Bumgarner, retired.

OHIO

Howard L. Bricker, Galena, Ohio, in place of W. E. Reed, resigned.
Joseph M. Alcorn, North Lima, Ohio, in place of J. O. Entrikin, retired.

OKLAHOMA

Warren C. DeMoss, El Reno, Okla., in place of J. W. Moorman, retired.

OREGON

John P. Ivers, Oceanlake, Oreg., in place of R. J. Collins, removed.
Jack R. Bailey, Scio, Oreg., in place of Early Phillips, retired.

PENNSYLVANIA

Arthur C. Tidd, Avonmore, Pa., in place of W. G. Rumbaugh, resigned.
Louis Hertzog, Delmont, Pa., in place of A. L. Leonard, removed.
Thomas R. Lostrick, Ernest, Pa., in place of L. S. Helmick, deceased.
Victor Wolinski, Everson, Pa., in place of D. J. O'Brien, retired.
Roy D. Cunningham, Farmington, Pa., in place of W. R. Coleman, resigned.
Eugene E. Thompson, Foxburg, Pa., in place of C. B. Dunmire, retired.
Henry Vance Raab, Horsham, Pa., in place of W. S. Knipe, resigned.
Charles F. Yost, New Holland, Pa., in place of W. G. Stauffer, retired.
Reese Williams, Reynoldsville, Pa., in place of J. A. Yuengert, deceased.
Ludwig A. Drobnick, St. Michael, Pa., in place of Jean Burke, retired.
Nelly M. Nilsson, Skippack, Pa., in place of C. D. Farlin, deceased.
Frank A. Bialas, Wilmore, Pa., in place of N. P. McGuire, removed.

SOUTH DAKOTA

Donald L. Floyd, Kennebec, S. Dak., in place of G. L. McKeever, retired.

Winfield T. Wilt, Mitchell, S. Dak., in place of T. E. Callan, removed.

John H. Hallberg, Stockholm, S. Dak., in place of D. L. Berg, deceased.

TENNESSEE

Albert M. Houston, Woodbury, Tenn., in place of C. B. Stone, deceased.

TEXAS

Rabon O. Dews, Arlington, Tex., in place of J. B. Lawson, retired.

Tilman C. Richards, Banquete, Tex., in place of L. F. Cowart, retired.

Berniece C. Weatherford, Camden, Tex., in place of R. B. Martin, retired.

Floyd L. Tondre, Castroville, Tex., in place of O. M. Naegelin, retired.

Charles T. Boyce, El Paso, Tex., in place of M. L. Burleson, retired.

Andrew W Valentine, Presidio, Tex., in place of Mills Awbrey, retired.

Felix R. Garza, Roma, Tex., in place of W. A. Ramirez, deceased.

UTAH

Laurie D. Holley, Bryce Canyon, Utah, in place of R. W. Pothier, resigned.

VIRGINIA

James W. Bell, Nassawadox, Va., in place of W. T. Roberts, retired.

WEST VIRGINIA

Elmer K. Beitz, Buffalo, W. Va., in place of L. R. Frazier, retired.

Kathleen M. Fry, East Lynn, W. Va., in place of E. M. Tabor, retired.

Walter L. Boggess, Gassaway, W. Va., in place of C. L. Perkins, retired.

Mary P. Evans, Minden, W. Va., in place of J. L. Dorsett, retired.

WISCONSIN

Robert H. Prideaux, Dodgeville, Wis., in place of A. G. Hoskins, retired.

WYOMING

Fred G. Dudley, Laramie, Wyo., in place of P. J. O'Dea, resigned.

CONFIRMATIONS

Executive nominations confirmed by the Senate April 1 (legislative day of March 10), 1955:

UNITED NATIONS

John M. Allison, of Nebraska, Ambassador Extraordinary and Plenipotentiary to Japan, to serve concurrently and without additional compensation as the representative of the United States of America to the 11th session of the Economic Commission for Asia and the Far East of the Economic and Social Council of the United Nations.

DIPLOMATIC AND FOREIGN SERVICE

Joseph C. Satterthwaite, of Michigan, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Burma.

Joseph E. Jacobs, of South Carolina, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Poland.

COUNCIL OF ECONOMIC ADVISERS

MEMBERS OF THE COUNCIL OF ECONOMIC ADVISERS

Joseph S. Davis, of California.

Raymond J. Saulnier, of New York.

DEPARTMENT OF THE INTERIOR

J. Reuel Armstrong, of Wyoming, to be Solicitor for the Department of the Interior.

IN THE ARMY

The following-named officers for temporary appointment in the Army of the United States to the grades indicated under the provisions of the subsection 515 (c) of the Officer Personnel Act of 1947:

To be major generals

Brig. Gen. John Hamilton Hinds, O12106.
Brig. Gen. Robert Alwin Schow, O12180.
Brig. Gen. George Bateman Peploe, O16246.
Brig. Gen. Victor Allen Conrad, O15546.
Brig. Gen. Rinaldo Van Brunt, O16225.
Brig. Gen. Herbert Butler Powell, O16684.
Brig. Gen. Frank Otto Bowman, O12090.
Brig. Gen. Louis Watkins Prentiss, O14672.
Brig Gen. Kenner Fisher Hertford, O15120.

To be brigadier generals

Col. Dale Bowlby Ridgely, O17797.
Col. Miles Merrill Dawson, O16079.
Col. Claude Franklin Burbach, O16184.
Col. Marcel Gustave Crombez, O16198.
Col. Harry Wells Crandall, O16238.
Col. William Livingston Bayer, O16372.
Col. William Edward House, O16406.
Col. Rothwell Hutton Brown, O16604.
Col. Walter Byron Larew, O16647.
Col. Charles Albert Sheldon, O16662.
Col. James Harold Banville, O28921.
Col. William Perry Pence, O16779.
Col. Raymond Wiley Curtis, O16784.
Col. Charles Richard Hutchison, O16796.
Col. William Jordan Verbeck, O16852.
Col. Theodore Scott Riggs, O17076.
Col. Thomas Fraley Van Natta, O17086.
Col. Mercer Christie Walter, O17151.
Col. Paul Amos Gavan, O17169.
Col. Samuel Leslie Myers, O17180.
Col. Wilhelm Paul Johnson, O17229.
Col. Evan McLaren Houseman, O17307.
Col. Robert Henry Wienecke, O41569.
Col. Aaron William Beeman, O29063.
Col. James Dreyfus, O29117.
Col. Joseph Horridge, O17555.
Col. Joseph Milton Colby, O17562.
Col. Edmund Chauncey Rockefeller Lasher, O17624.
Col. Joseph Reisner Ranck, O17647.
Col. William Kerr Ghormley, O17674.
Col. Bruce Easley, Jr., O17735.
Col. Stanley Walker Jones, O17747.
Col. Herbert Allen Hall, O41631.
Col. Francis Frederick Uhrhane, O18071.
Col. William Henry Harris, O18155.
Col. Herbert Lucian Scofield, O29462.
Col. William Edwin Barksdale, O29478.
Col. Albert Frederick Cassevant, O18456.
Col. Rush Blodget Lincoln, Jr., O18656.
Col. Horace Freeman Bigelow, O18775.
Col. Bogardus Snowden Cairns, O18798.
Col. John William Bowen, O18904.
Col. Richard Joseph Werner, O29107.
Col. Norman Hayden Vissering, O41603.
Col. Edgar Thomas Conley, Jr., O17665.
Col. William Richard Frederick, Jr., O29388.
Col. Briard Poland Johnson, O29393.
Col. Andrew Thomas McAnsh, O38667.
Col. Philip Campbell Wehle, O18067.
Col. Isaac Sewell Morris, O18806.

To be major generals

Brig. Gen. Frank Needham Roberts, O12734.
Brig. Gen. Andrew Thomas McNamara, O17324.

To be brigadier generals

Col. Keith Richard Barney, O16377.
Col. Benjamin Branche Talley, O16668.
Col. Charles H. McNutt, O16751.
Col. Charles Granville Dodge, O18072.
Col. Alva Revista Fitch, O18113.
Col. Christian Hudgins Clarke, Jr., O18213.
Col. James Knox Wilson, Jr., O18218.
Col. William Frew Train, O18415.
Col. Robert Quinney Brown, O18520.

IN THE NAVY

The following-named officer of the Reserve of the United States Navy for temporary promotion to the grade indicated in the line, subject to the prescribed qualifications:

To be rear admiral

George A. Parkinson

IN THE MARINE CORPS

The following-named officers of the Marine Corps for temporary appointment to the grade indicated:

To be major generals

Reginald H. Ridgely, Jr.
Joseph C. Burger
Verne J. McCaul
Homer L. Litzenberg
Edward W. Snedeker
Robert E. Hogaboom
Thomas A. Wornham

To be brigadier generals

Russel N. Jordahl
Arthur F. Binney
Jack P. Juhan
Thomas G. Ennis
John C. Munn
Frank C. Croft
Frank H. Wirsig
Edward C. Dyer
Robert B. Luckey

To be brigadier generals, subject to qualification therefor as provided by law

Harold D. Hansen
Carson A. Roberts
Randall M. Victory
James P. Berkeley

WITHDRAWAL

Executive nomination withdrawn from the Senate April 1 (legislative day of March 10), 1955:

DIPLOMATIC AND FOREIGN SERVICE

Julius C. Holmes, of Kansas, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Iran.

EXTENSIONS OF REMARKS

John F. Stevens and the Panama Canal

EXTENSION OF REMARKS
OF
HON. FREDERICK G. PAYNE
OF MAINE
IN THE SENATE OF THE UNITED STATES
Friday, April 1, 1955

Mr. PAYNE. Mr. President, the history of the construction of the Panama Canal was marked by a series of grave crises. Fortunately for the future welfare of our Nation, able leaders were available to cope with the acute problems which arose. Those leaders included men such as President Theodore Roosevelt, Secretary of War William Howard Taft, Gen. William C. Gorgas, and John F. Stevens.

Of all these men, John Stevens has received the least recognition for his role in the construction of the Panama Canal. He served as Chief Engineer of the Isthmian Canal Commission from 1905 to 1907, and was Chairman of the Commission, as well as Chief Engineer, in 1907. It was largely on his recommendation that Congress decided in 1906 to authorize construction of a lock instead of a sea-level canal. Of particular significance in this early stage was his determined support of General Gorgas, whose plan for exterminating mosquitoes as a first step to combating yellow fever was considered impractical by many people. Stevens drafted complete plans for most of the canal, assembled and organized the working force, rebuilt most of the Panama Railroad, and prepared specifications for and began the digging of Culebra Cut, which presented the greatest single obstacle. He resigned in 1907, when the canal project was placed under the War Department, and was succeeded by George W. Goethals.

John Stevens was born at West Gardiner, Maine, on April 25, 1853, and died at Southern Pines, N. C., on June 2, 1943. The State of Maine is indeed proud of this illustrious son who became one of the world's greatest engineers. In addition to being the basic architect of the Panama Canal, his notable achievements in the field of engineering included discovery of the Grand Marais Pass in Montana, construction of the Great Northern Railroad, and rehabilitation of Russian and Siberian railroads following World War I.

Recently, his son, John F. Stevens, Jr., brought to my attention an unpublished account of some of the events connected with the construction of the Panama Canal which Mr. Stevens wrote after the death of the other principals. This brief account throws new light on the history of the construction of the Panama Canal, and I ask unanimous consent that it be printed in the CONGRESSIONAL RECORD. As an aid in identifying the individuals mentioned in the article their names have been inserted in brackets.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

A MOMENTOUS HOUR AT PANAMA

(By John F. Stevens, former Chairman (1907) and Chief Engineer (1905–7), Isthmian Canal Commission)

There has been published from time to time such a mass of information about the Panama Canal, a project which aroused much controversy a quarter of a century ago, that any reference to it after the lapse of years may seem to be quite superfluous; but as is often the case in human affairs, history does not always record events which have had a profound influence for good or evil upon the solution of the problems involved. The history of the planning and construction of the Panama Canal is no exception to such general rule.

The condition of affairs on the isthmus during a part of the year 1905 can truly be described as desperate; by many well-wishers even it was regarded as hopeless. When the speaker arrived there in July of that year, he found not even the skeleton of a general organization. Supreme authority was vested in no one. The sanitary department was the only one having the semblance of a proper organization, and it was doing a limited amount of work under what would probably have proven a fatal handicap had it continued. The usual tropical diseases were prevalent, and that scourge of the white race, yellow fever, was taking its deadly toll daily. While the situation was in some degree psychologic, the danger was great, enough so that unless the disease was promptly checked and thereafter held under control, the success of the great enterprise would be jeopardized.

The tragic story of the French attempt to build a canal there was in many mouths, and predictions were freely made that the history of the Americans on the isthmus would be a repetition of the De Lesseps failure. Under the then existing conditions it would not have been possible to have held the small force of clerical and skilled white labor which had been collected, much less to have induced thousands of other whites to have entered the service. Especially so in view of the pessimistic attitude which some of the American press had taken, and the exaggerated accounts which they were publishing as to living and health conditions on the isthmus, some influential members openly advocating that the whole undertaking should be abandoned as affording no hope of a successful outcome.

At that time few of the general public knew anything of the so-called mosquito theory of the transmission of yellow fever, and they mostly regarded it as purely theoretical. Not so with the medical scientists who had successfully demonstrated it in Cuba, and of those scientists was Col. William C. Gorgas of the Medical Corps of the Army, who was the head of the sanitary department on the isthmus. He was working intelligently with a small but efficient staff, but with an utter lack of cooperation on the part of his immediate superiors. He was one of the first officials that I met there, and from him I gained my real insight into the famous theory.

Of Colonel (later General) Gorgas, his work and supreme service to mankind, it is unnecessary to speak here. His memory is so deeply cherished, and his fame is so secure that no words of mine can add to either. Best of all, he was a kindly, sincere man, the highest type of gentleman, and I am proud to have known him, not only officially, but also as a warm friend.

The then Chairman of the Isthmian Canal Commission, Theodore P. Shonts, accompanied me on my first visit to the isthmus, he remaining there but 5 days, as the situation did not appeal to him. At that time Colonel Gorgas was reporting to the Governor of the Canal Zone, Charles E. Magoon. Neither the Governor nor the Chairman had the least faith in the efficacy of the mosquito theory, at least they so emphatically advised me at once, and their actions confirmed their words.

Quoting from a brochure of General Gorgas' life and activities, written by the president of the American College of Surgeons:

"Finally, in June 1905, the Governor [Magoon] and chief engineer [John F. Wallace, my predecessor], members of the executive committee of the Commission, united in a recommendation to the Secretary of War, William H. Taft, that the chief sanitary officer, Colonel Gorgas, and those who believed with him in the mosquito theory should be relieved, and men with more practical views be appointed in their stead. They stated that the sanitary authorities had visionary ideas with regard to the course of yellow fever, and no practical methods even of carrying them into effect."

The President, Theodore Roosevelt, declared his faith in the theory and directed that every possible support and assistance be extended to the sanitary officials. Personally, I have no knowledge except from hearsay of the accuracy of these statements, although I believe them to be true. What I do know is that such directions were not carried out either in letter or spirit.

Quoting again from the same authority:

"About this time Mr. John F. Stevens was appointed chief engineer of the Commission, and he recommended that the sanitary department should be made an independent bureau and report directly to himself. This enabled Colonel Gorgas to make known his needs directly to the highest authority, and there he was accorded loyal support. This, remarks Gorgas, was the high-water mark of sanitary efficiency on the isthmus, and more sanitation was done at this time than during any other period of the construction of the canal."

Incidentally, I may here remark that on my recommendations some time afterward the President [Roosevelt] appointed Gorgas as a member of the Isthmian Canal Commission.

However, these results were not achieved without a sharp controversy during which the chief engineer [Stevens] clashed sharply with the Chairman [Shonts] and the Governor [Magoon]. I had been very deeply impressed by my conferences with Colonel Gorgas as to the probable truth of the mosquito theory, as well as by his personality. I also felt well assured that no canal could be built at Panama until the specter of yellow fever had been laid. There was no other promise of relief in sight than that of Gorgas and the mosquito theory, and there seemed to be but one course to follow.

On the occasion of a trip over the Panama Railroad, accompanied by the Chairman [Shonts] and the Governor [Magoon], the sanitary work which was in progress, visible from the train, such as drainage of pools of water, applying oil where drainage was not practicable, fumigation of houses, etc., was pointed out to me in great detail by these officials, accompanied by constant ridicule, not only of Colonel Gorgas but also of the mosquito theory, some of these comments reflecting very severely upon the quality of the colonel's mental equipment.

My attention was repeatedly called to the great waste of money and the utter futility of the whole procedure. It became very apparent that a serious situation existed, and I was in a quandary as to how it could be met, as I well knew that it must be, or a total collapse was inevitable. The climax came quickly.

The day before the Chairman [Shonts] sailed for the States he advised me that he and the Governor [Magoon] had decided that Colonel Gorgas must be gotten rid of (in his precise language, that he would fire him) and the mosquito theory, also. Some quick thinking and an important decision was needed on my part, which decision I proclaimed in rather heated language, not to be repeated here. At the close of the harangue I said that if there seemed to be the least likelihood of approval of his action being given by the President [Roosevelt] (which I did not believe possible) I should take the matter in person to Washington; and that if Colonel Gorgas were removed I should not come back to the isthmus.

I asked him what he thought the reaction would be from the doubtful ones, and from the already unfriendly press, if it became known that the Commission had urged the abandonment of the mosquito theory and the disruption of the sanitary department, and stated that, furthermore, if after a hasty visit to the isthmus the new chief engineer [Stevens] had, by his action, indicated his belief that the construction of the canal was impossible, it would mean chaos, whatever attitude the President [Roosevelt] might take. If it did not kill the project, it would certainly delay it, and the end no man could foresee. He left for the States without further comment on the matter. If he urged his views in Washington (which I do not believe he did) I was never advised, and so the matter ended there, as it should.

I was seeking a way to stabilize the situation, for it was no time to be rocking the boat. Opportunity must be given for the sanitary department to prove its faith by its works, which I believed it could do.

It was not a question of Colonel Gorgas' business ability, but one of making the isthmus a safe place for white people to live and work, and that quickly, regardless of whatever cost in mere money might be involved. Beyond doubt, those officials were sincere in their opinions, but in my judgment they were wrong.

It was after this occurrence that Colonel Gorgas began to report to me, and from that time forward harmony prevailed. The sanitary department was furnished with everything it asked for as fast as it could be provided, and every other activity was made subordinate to its needs. Sanitary success soon became so apparent, coincident with the creation of a general organization, that carping criticism was practically stilled, for the first time since the American occupation of the isthmus. Science had scored a wonderful triumph over a deadly foe to the human race.

Sanitation was fundamental, and the success which the sanitary department achieved

under Colonel Gorgas made the Panama Canal possible. When the results of its work became manfest, and when the lock type had been adopted, then the successful construction of the canal was as well assured, early in 1906, as it was on that historic day in August 1914, when the steamship *Ancon* passed through it from ocean to ocean.

At this distance of time and space the episodes related may seem trivial. Only one who was on the ground, charged with tremendous responsibilities, can comprehend the magnitude of the issues at stake. A rejection of the mosquito theory at that juncture would probably have meant the indefinite postponement of the canal project.

I have said that I did not then deem it possible that President Roosevelt would uphold the elimination of Colonel Gorgas, but an occurrence which took place some years later gave me food for thought. Some time after Mr. Taft had become President, Colonel Roosevelt sent me an invitation to call upon him, which I did at the office of the Outlook magazine in New York. After some preliminary talk, he told me that friction among officials on the canal had reached such a point that changes would have to be made, and that he thought Colonel Gorgas would have to go. He said that he was well aware that I knew more of Gorgas and his work than any man, and asked if in my opinion he should be kept.

It is needless to repeat what I told him. It was emphatic and to the point, and I closed by saying that if Gorgas were removed, it would be a stupid blunder. Colonel Roosevelt pounded the desk in his usual vehement manner and exclaimed, "That settles it; Gorgas stays." Which he did, through what influences one can only conjecture.

I have thought since that time that possibly it was just as well that the issue was not raised to a finality in July 1905. I had reason to know that the President [Roosevelt] then had great confidence in the Chairman [Shonts], but the status of the chief engineer [Stevens] in that respect had yet to be demonstrated. I did not have faith enough in the result to wish the matter put to a test.

In the year 1914, when Gorgas was Surgeon General, I received a letter from him reading in part as follows:

"I have a very clear and grateful recollection of the support and friendship you always gave me on the isthmus. I knew very well that you were the only one of the chief officials who believed in the sanitary work we were doing, and who was not taking active measures to oppose us. The fact is that you are the only one of the higher officials on the isthmus who always supported the sanitary department, and I mean this to apply to the whole 10 years, both before and after your time, so you can understand that our relations, yours and mine, stand out in my memory of the very trying 10 years I spent on the isthmus, as a green and pleasant oasis."

Only fragmentary accounts of these episodes have ever been related, and as now that every one of those officials who were directly concerned with them, President [Roosevelt], Secretary of War [Taft], Governor [Magoon], Chairman [Shonts], General Gorgas—everyone excepting myself—has passed beyond the sphere of human activities, it seems fitting that while firsthand knowledge of the matters then at issue is yet available, it should become a part of the history of the construction of the canal, for it is not believed that the full significance of these events has ever been appreciated.

Accomplishments of the Civilian Conservation Corps

EXTENSION OF REMARKS
OF
HON. IRVING M. IVES
OF NEW YORK
IN THE SENATE OF THE UNITED STATES
Friday, April 1, 1955

Mr. IVES. Mr. President, yesterday, March 31, marked the 22d anniversary of the Civilian Conservation Corps. I ask unanimous consent to have printed in the CONGRESSIONAL RECORD a short summary of the accomplishments of this important organization.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

SOME ACCOMPLISHMENTS OF THE CIVILIAN CONSERVATION CORPS

March 31 marks the 22d anniversary of a memorable adventure in service to American youth through the conservation of natural resources. On that day, in 1933, President Franklin D. Roosevelt signed the act that that gave new meaning to the letters CCC. For 9 years thereafter, the Civilian Conservation Corps offered needy, unemployed young men opportunities to earn, learn, and serve.

Camps were set up in every State and Territory, and in the insular possessions. From these as bases, the boys built truck roads and telephone lines, erected towers, and helped promote a nationwide program of forest-fire prevention and suppression.

They planted nearly 3 million acres to trees, fought fires, and removed diseased and deformed trees from other millions of acres of forest. Where they worked green stands of forests now grow and protect the hills and mountains as they yield valuable crops of wood and give places for recreation.

They built check dams, diversion ditches, terraces, and did other jobs to fix the moving soil and restore fertility on millions of acres from coast to coast.

Western stockmen are indebted to them for better grasslands, sportsmen for wildlife cover and fish ponds, and everybody for parks and places to picnic or make overnight camps.

When the Civilian Conservation Corps was ended on June 30, 1942, its accomplishments were estimated as worth some $2 billion. Greater than this, however, were the benefits received by some 3 million young men, with their parents or dependents. To them was given health, hope, a sense of security, and an understanding of man's dependence upon the earth. The record of this organization is a dramatic example of the influence a nation can have on the lives of its citizens.

Cost of the United States Army

EXTENSION OF REMARKS
OF
HON. EDWARD MARTIN
OF PENNSYLVANIA
IN THE SENATE OF THE UNITED STATES
Friday, April 1, 1955

Mr. MARTIN of Pennsylvania. Mr. President, recently the distinguished Representative from the 18th District of Pennsylvania, the Honorable RICHARD M. SIMPSON, in his weekly letter to his constituents, gave some interesting figures on the cost of the United States Army. I ask unanimous consent that an excerpt from his letter be printed in the CONGRESSIONAL RECORD.

There being no objection, the extract was ordered to be printed in the RECORD, as follows:

Some facts and figures were developed during hearings by the Military Appropriations Committee which I am sure will be of interest to all my readers. We hear about the billions spent for national defense, but that is a vague figure which may not be thoroughly understood. However, some of the facts and figures are understandable, fascinating, and almost fantastic.

For instance, for aviation fuel, the Air Force uses over 400,000 tank cars a year. For auxiliary fuel tanks alone, 6,000 freight carloads of these tanks, which would form a train over 50 miles long, are utilized.

Our military men are the best fed in the world. The Air Force alone used enough eggs in 1 year to supply the needs of a city of 10,000 for 100 years. Our chicken farmers would probably put it this way: The Air Force alone would use the products of 2 million laying hens per year. Our beef cattlemen will be interested to know that the Army consumes beef from about 700,000 animals each year. Our potato farmers will be amazed at the fact that the Navy consumes 150 million pounds of potatoes a year, and our dairymen to learn that the Navy alone consumes 18,500,000 pounds of butter.

For bread, pastries, etc., the Army, Navy, and Air Force consume the wheat yield of 500,000 acres.

Our servicemen are also the cleanest in the world, so we are told. In 1 month, for instance, our sailors alone used 22 carloads of paper toweling just to dry their hands.